



MORNING November 18, 2020 Livestock Report

by Chris Lehner | 312.242.7942 | chris.lehner@admis.com

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 17, 2020	121,000
WEEK AGO	120,000
YEAR AGO	120,000
WEEK TO DATE (EST)	240,000
SAME PERIOD LAST WEEK (EST)	237,000
SAME PERIOD LAST YEAR (ACT)	239,000

=====

	CHOICE	SELECT
BOXED BEEF FINAL	233.72	213.96
CHANGE FROM PRIOR DAY	6.77	1.61
CHOICE/SELECT SPREAD:		19.76
TOTAL LOAD COUNT		142
5 DAY SIMPLE AVERAGE:	224.90	209.41

PREVIOUS WEEK 11/13/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	225.98	209.46

=====

Based on negotiated prices and volume of boxed beef cuts delivered within 0-21 days and on average industry cutting yields. Values reflect U.S. dollars per 100 pounds

FINAL NOVEMBER 17, 2020

Primal Rib	463.66	357.79
Primal Chuck	191.57	187.59
Primal Round	190.91	191.46
Primal Loin	287.61	256.77
Primal Brisket	152.50	152.84
Primal Short Plate	130.21	130.21
Primal Flank	106.65	103.76



FINAL NOVEMBER 16, 2020

Primal Rib	428.32	359.94
Primal Chuck	190.07	186.35
Primal Round	189.52	189.98
Primal Loin	279.98	252.98
Primal Brisket	152.52	152.63
Primal Short Plate	125.66	125.66
Primal Flank	105.25	103.31

=====

LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/16	66	16	9	37	128	226.95	212.35
11/13	123	11	27	9	171	225.98	209.46
11/12	51	13	12	13	90	226.50	208.24
11/11	90	29	5	23	147	222.84	208.46
11/10	96	20	13	8	136	222.25	208.55

=====

NATIONAL BOXED BEEF CUTS - NEGOTIATED SALES FOB Plant basis negotiated sales for delivery within 0-21-day period. Prior days sales after 1:30pm are included.
CURRENT VOLUME - (one load equals 40,000 pounds)

Choice Cuts	80.38 loads	3,215,251 pounds
Select Cuts	15.74 loads	629,507 pounds
Trimming	13.83 loads	553,368 pounds
Ground Beef	32.34 loads	1,293,710 pounds

=====

USDA BY-PRODUCT DROP VALUE (STEER) FOB CENTRAL U.S.
[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/NW_LS441.TXT](https://www.ams.usda.gov/mnreports/nw_ls441.txt)

NOVEMBER USDA LIVESTOCK REPORTS

CATTLE ON FEED REPORT NOVEMBER 20, 2020 AT 2:00PM CENTRAL TIME
COLD STORAGE REPORT NOVEMBER 23, 2020 2:00PM CENTRAL TIME

=====

USDA POSTED CATTLE PRICES ON 11/17/2020

IA/MN – CASH 109.00 on 995 weighing 1550 - 170.00 ON 38 HEIFERS
NE - CASH – No Reportable Trade..- No Reportable Trade.
KS – CASH 110.00 on 738 head DRESSED No Reportable Trade.
TX/OK/NM – 110.00 on 2,644 head mixed Choice and Select
CO – Information not available due to confidentiality



*****National Daily Direct Cattle November 17, 2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1492	\$109.53	54,742
Live Heifer:	1316	\$109.54	19,836
Dressed Steer:	976	\$171.65	16,671
Dressed Heifer:	874	\$171.55	5,037

=====

WHAT'S FOR HOLIDAY DINNERS? BEEF Rib Roasts and Hamburger

Demand for Choice beef to fill orders for upcoming holidays pushed Choice boxed beef higher Tuesday. For over the past month, the most expensive cut, Choice rib sections have been the driver behind the move higher in beef and cattle prices. Now, the hand to mouth retail groceries need to buy beef to compete with retailers that contracted beef months ago and at significantly lower prices. Choice primal rib sections on Tuesday's morning sales were up \$34.67 from Monday. Grocery stores are showing out rib roasts and steaks for the holidays.

Yes, there will fewer office and company holiday parties in 2020 but regardless of people going out or staying at home, people still eat. The home chefs will apron up and cook gourmet meals for small family gatherings and buying groceries for small groups is less expensive so they can buy Choice rib roasts or big T-bone steaks instead of turkey and ham casseroles.. Stores at Thanksgiving are advertising beef rib roasts and steaks to compete with turkey.

Surveys recently before the presidential election showed 80 plus percent of Americans feel they are financially better or the same as they were over the past 4 years. Around 15% felt they were financially worse. Most people in the US continued working in 2020 when many were laid off. M1 and M2 supply in the US and other countries have significant increases. Sadly, there are people who are worse off. Unlike the crash of 2010 when the US became the hamburger nation, in 2020 the US is the Steak and Hamburger nation. Buying Choice cuts of beef is for those that have and those buying 70/30 ground beef that can be blended and mixed from Choice overweight steers to skinny cows is beef for the have nots. The US is made up of people buying bigger houses in 2020 and people getting evicted but when M1 and M2 money supply grows, it shows more people can buy expensive cuts of beef. Going out to a restaurant or eating at home, people still eat.

Cattle prices dropped last spring and beef prices soared. People bought beef in such quantities there was a short term shortage. Packers were down, but the beef buying



sprees took place even before packers slowed. Small town country cattle and hog packers and lockers are killing more livestock than they have since beef prices skyrocketed in the early 1970's when President Nixon was in office.

Of course, the big question has to be, how long will it last?

=====

COVID 19 is surging in the agricultural states in the US and for the livestock complex what might happen if packers slowdown or even have to stop to do some super cleaning has to be kept at the forefront for every trader, hedgers and speculators. Many rural hospitals are full, and the virus is not expected to peak any time soon. Packers claim they have available workers and are staffing facilities with health services and nurses. But as it happened last spring, there was also a transportation breakdown and the lack of truckers. For now, packing and processing facilities are keeping shackles filled on the kill floor and tables filled on processors. The big question has to be, can it last? Another unknow, how long will beef demand remain strong?

Be prepared for any possible situation that might happen to the upside or downside because of COVID 19.

=====

Countries such as China are inspecting shipments for the virus. Over the weekend the virus was found on more shipments from Brazil and Argentina. This meat is rejected by China but it is not being destroyed. Other countries will buy it and as it happened in Germany when China and a few other countries banned pork because of African Swine Fever in wild hogs, it didn't take but two weeks for Germany to export the pork to other countries. Several countries including the US are importing beef from Brazil, and when China rejects beef or pork, US importers could be a country to take some of it.

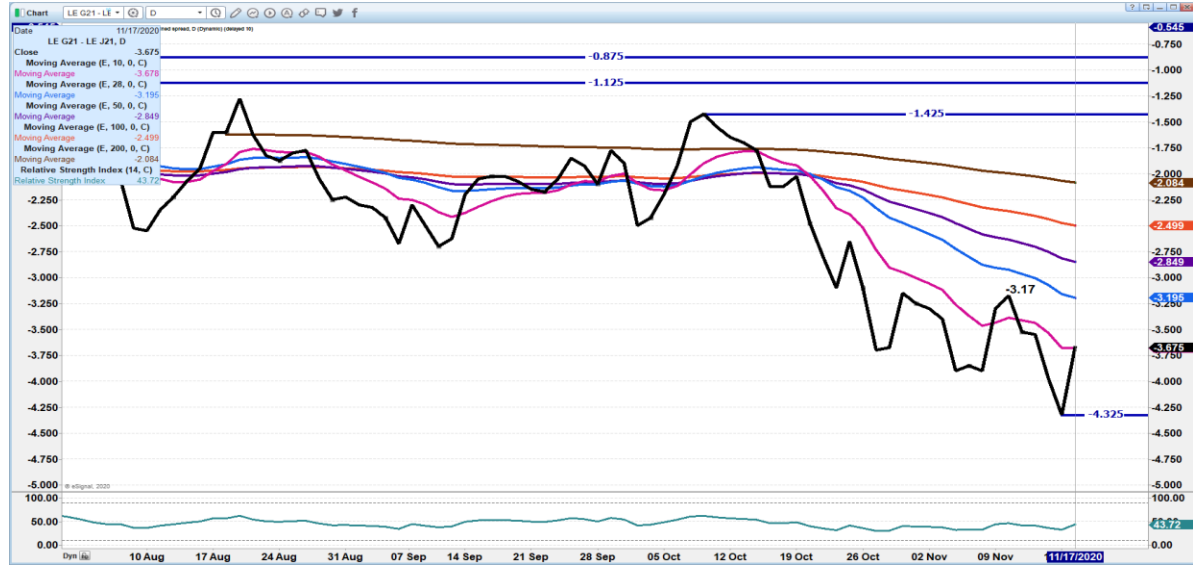
Many countries over the past few weeks have closed borders and shut down cities. As it happened last spring, it is possible they might delay shipments.

=====

As of November 10, 2020, dressed steer and heifer weights were 891.2 compared to previous week at 900.9 down 9.7 pounds from week ago and 18 pounds over a year ago compared to a week ago up 24 pounds. Grading percent was 81.6%, down compared to previous week at 81.5%.



FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - SPREAD IS NORMAL AT THIS TIME BUT NEED TO WATCH FEB IF IT GAINS ON DEC WITH TRADERS BEAR SPREADING.

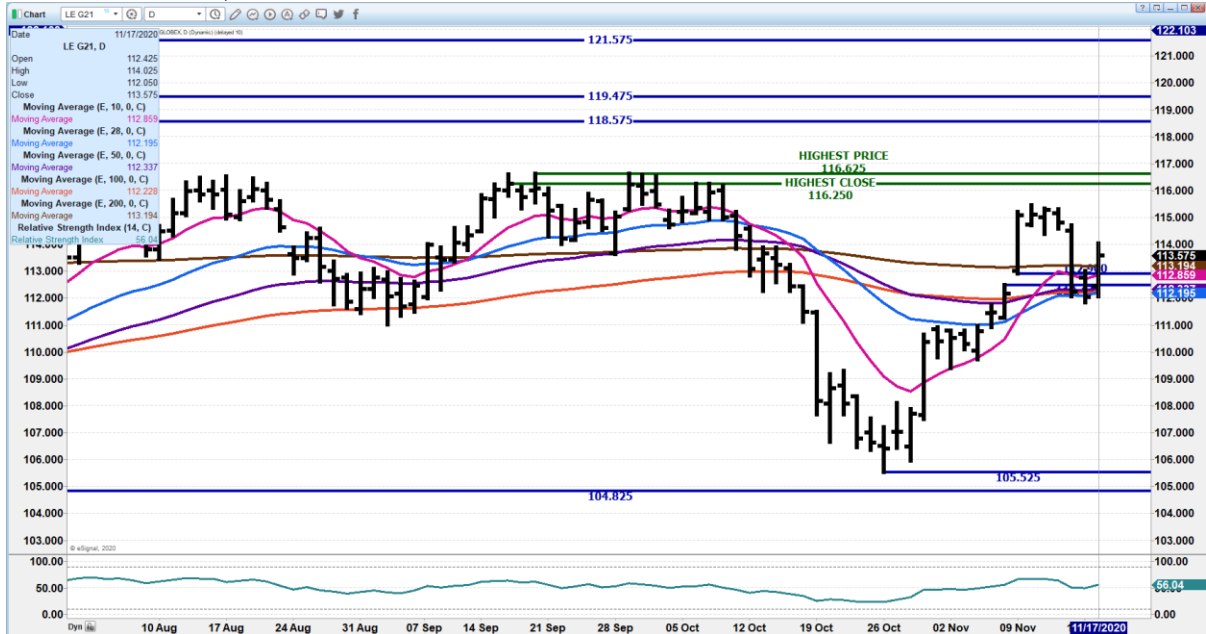


DECEMBER 2020 LIVE CATTLE - Remaining above all moving averages. Waiting to see if cash goes to \$112 this week

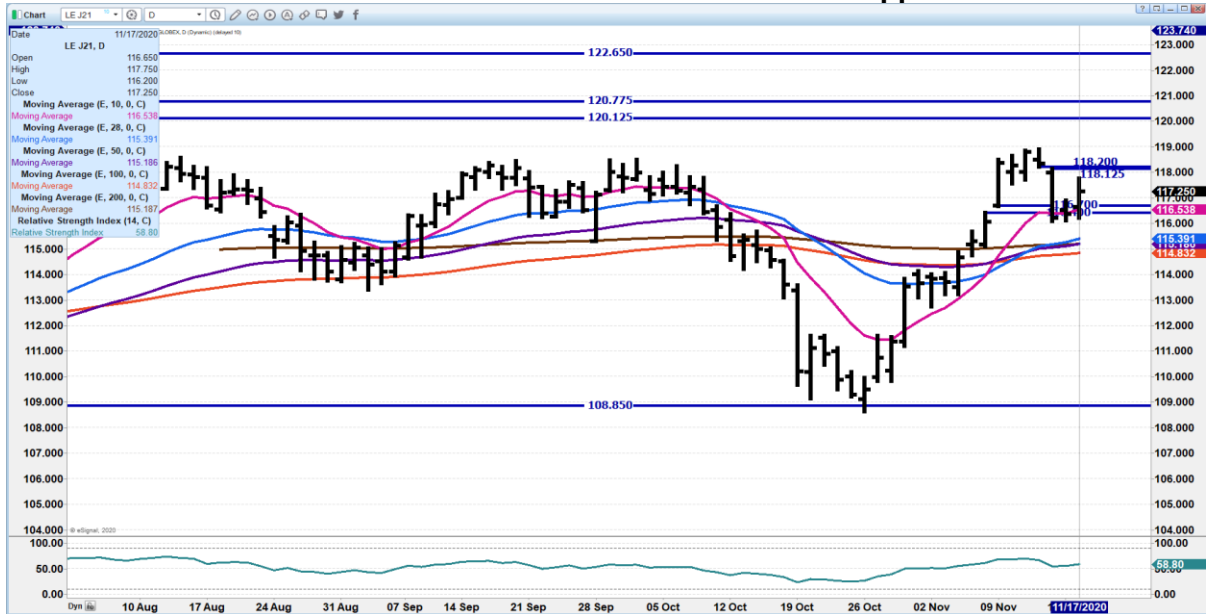




FEBRUARY 2021 LIVE CATTLE – Resistance at 115.37 to 116.65 Support 112.87 Volume moderate on 24, 431



APRIL 2021 LIVE CATTLE – Resistance at 118.87 to 120.17 Support at 115.37



ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. (“ADMIS”) and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



Feeder Cattle

THE CME FEEDER INDEX ON 11/16/2020 WAS 137.55 DOWN 13 CENTS FROM PREVIOUS DAY

NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 17, 2020 AT \$137.37

OKLAHOMA NATIONAL STOCKYARDS FEEDER CATTLE - OKLAHOMA CITY, OK NOV 17, 2020

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/SJ_LS850.TXT)

THIS WEEK 11/9/2020 LAST YEAR

TOTAL RECEIPTS: 13,829 11,125 13,355

COMPARED TO LAST WEEK: FEEDER STEERS 1.00 TO MOSTLY 4.00 LOWER. FEEDER HEIFERS STEADY TO 3.00 LOWER. BULK OF SUPPLY CALVES. STEER CALVES 4.00-8.00 HIGHER. HEIFER CALVES STEADY TO 2.00 HIGHER. LIGHT WEIGHT (UNDER 500 LBS) STEER AND HEIFER CALVES SELLING 10.00-15.00 HIGHER. DEMAND VERY GOOD FOR STEER CALVES; MODERATE FOR HEIFERS.

JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – BULL SPREADING IS FRIENDLY



ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 17, 2020	493,000
WEEK AGO	493,000
YEAR AGO	498,000
WEEK TO DATE (EST)	970,000
SAME PERIOD LAST WEEK (EST)	986,000
SAME PERIOD LAST YEAR (ACT)	991,000

****REVISED MONDAY HOG SLAUGHTER..477,000 PREVIOUS ESTIMATE 491,000**

=====

CME CASH HOG INDEX 11/13/2020 AT 70.08 DOWN .76 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 11/16/2020 AT 82.11 DOWN .89 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 11/13/2020 WAS 141.67 COMPARED TO 11/06/2020 WAS 158.37.

=====

2021 is the Year of the OX in China, but in reality it will be the year of the butcher hog when China is in its largest expansions in hog production. By mid-2021 plans for expansion are to have 50% more hogs on feed than pre-African Swine Fever. With investments in China from building multi story hog facilities, to expansion in regions built specifically for hog production similar to the dairy cities in northern China and Mongolia, to expansion in Viet Nam, Brazil and Ukraine, it is likely the goal will be met.

=====

Pork carcass lost 2.55 on Tuesday with all primal cuts lower except loins up 6 cents. Bellies have been a big loser this week first breaking \$100 and Tuesday falling to \$88.43. Hams that have been much stronger than loins settled Tuesday at 79.39 with loins 72.86 coming closer to even the spread.

Strong exports to Mexico have kept hams, and bellies higher but it is likely Mexico going into the end of November and for December will back off. Christmas in Mexico and for many countries in Central and South America is celebrated for two or more weeks, not just on the eve of December 24th and day of December 25th like the US. Business often



slow to close during the time. At the same time, US ham smokers now need to be finishing up and moving hams for the holiday demand.

It is also possible packers are seeing a slow down for contract pork buying moving into the end of 2020 and into 2021 with expected increases in COVID. Yes, vaccinations are right around the corner, but early vaccinations need to be distributed and the first to be vaccinated will be health workers, and essential businesses which range from police, fire and companies such as those in meat packing industry and companies making equipment and clothing for medical care. It takes two shots weeks apart and at least a month before antibodies are made for the vaccination to work. On top of it if like the flu vaccine only 49 percent of people in the US may take it. COVID is not going away tomorrow.

=====

USDA MARKET NEWS

Based on negotiated prices and volume of pork cuts delivered within 14 days and on average industry cutting yields.

Calculations for 215 lb Pork Carcass. 55-56% lean, 0.55"-0.70" BF Last Rib

**NATIONAL DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES
NOVEMBER 17, 2020**

LOADS OF PORK CUTS: 389.00

LOADS TRIM/PROCESSED PORK: 48.06

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/17/2020	437.06	78.60	72.86	81.63	71.11	132.72	79.39	88.43
CHANGE :		-2.55	0.06	-0.98	-4.54	-1.51	-2.37	-7.92
Five Day Average --		81.22	72.99	81.18	71.50	133.03	83.15	97.63

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/13/2020	354.83	80.14	72.94	79.81	74.18	130.79	79.78	95.19

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR NOVEMBER 13 AND 14, 2020**

Average live weight - 285.41

Average carcass - 213.33

=====

**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 16, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

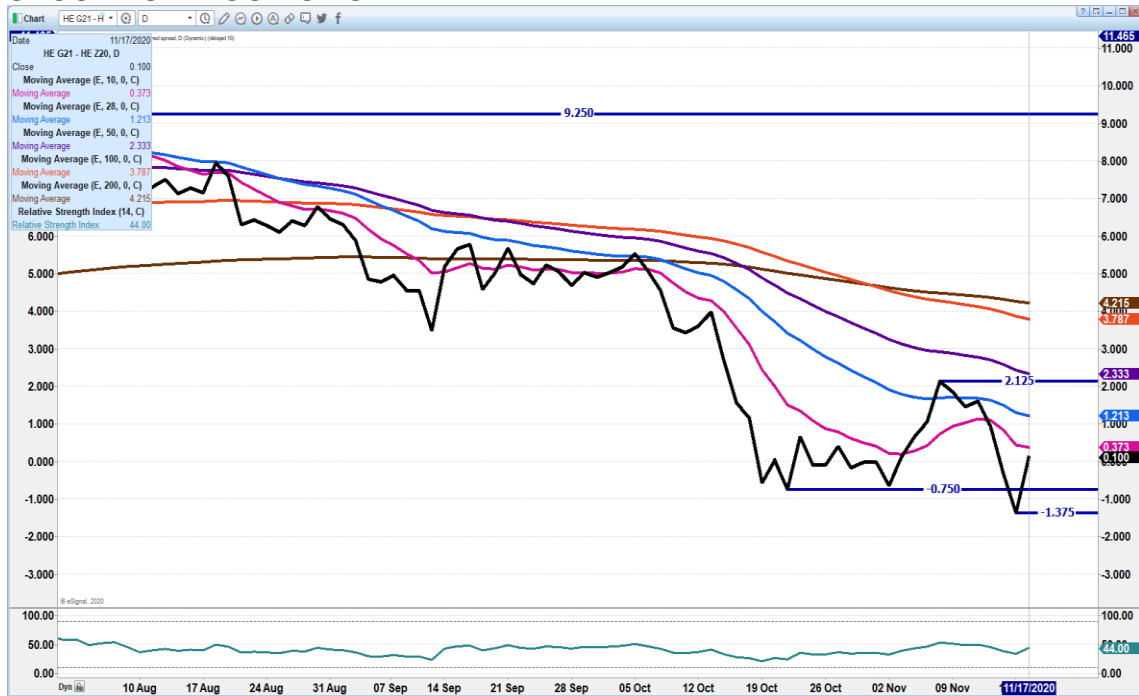


Carcass Base Price: \$53.00 - \$59.66,
Weighted Average: \$59.27
Change from Prior Day: 0.45 lower
HOGS SOLD: 4,612

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$58.49 - \$77.19
Weighted Average: \$68.42
Previous Day: \$68.90
HOGS SOLD: 230,619

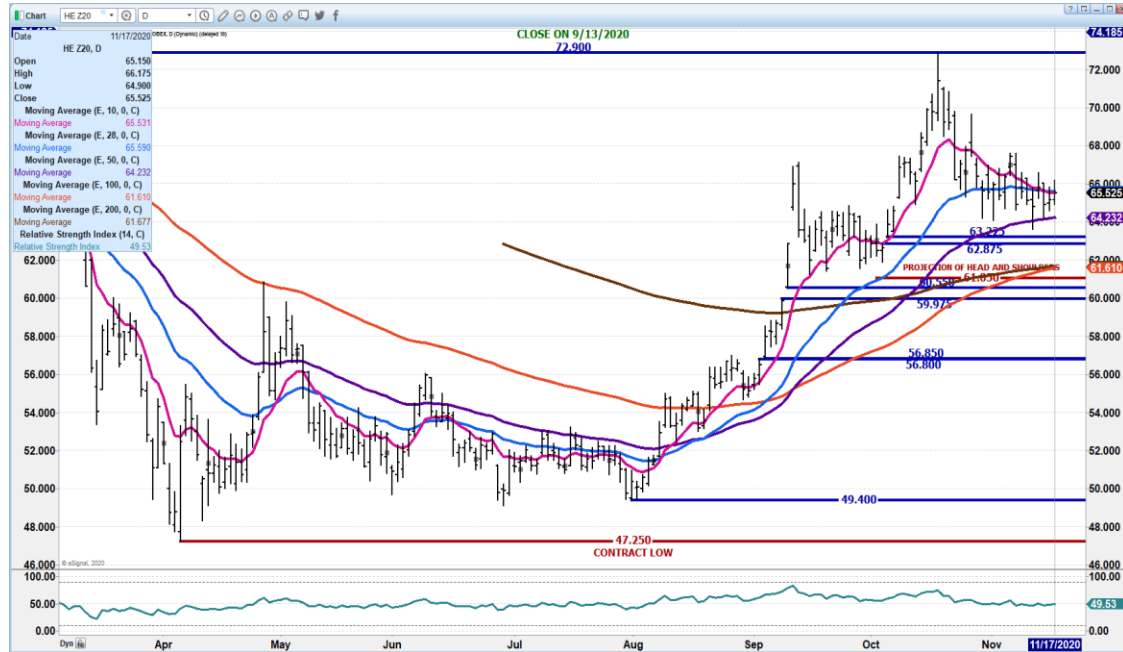
https://www.ams.usda.gov/mnreports/lm_hq203.txt

FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD - FEB GAINED ON DEC. SHOULD GAIN GOING FORWARD





DECEMBER 2020 LEAN HOGS – SUPPORT 64.25 TO 61.50 RESISTANCE AT 67.67



FEBRUARY 2021 LEAN HOGS – RESISTANCE 65.97 TO 66.77 SUPPORT AT 64.25

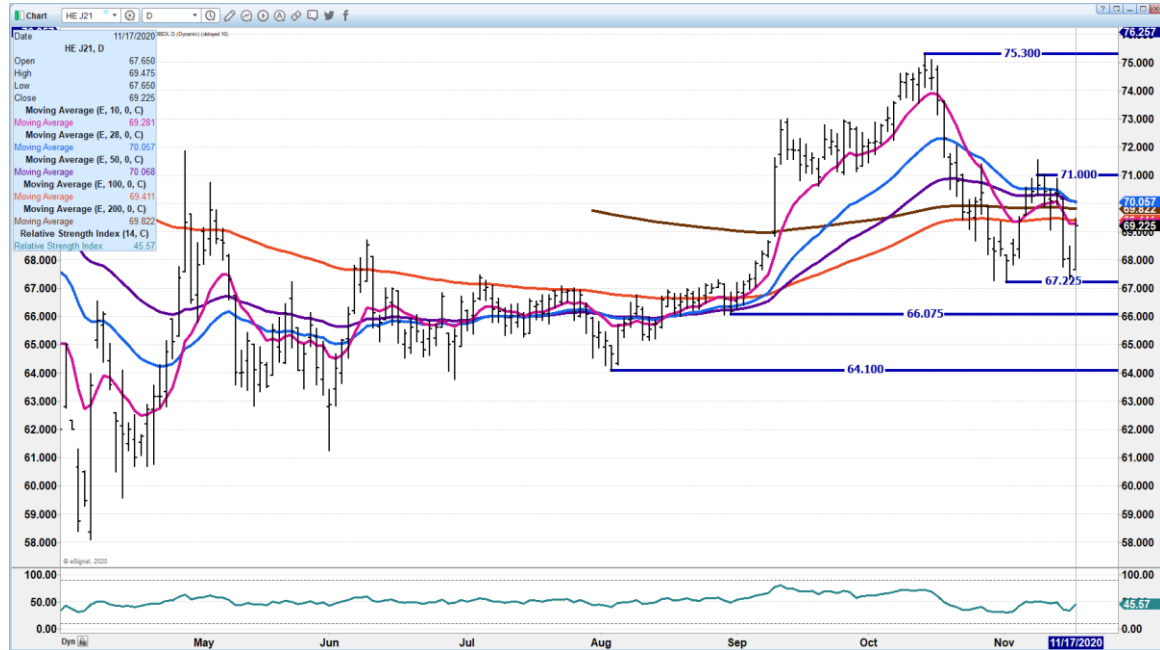


ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

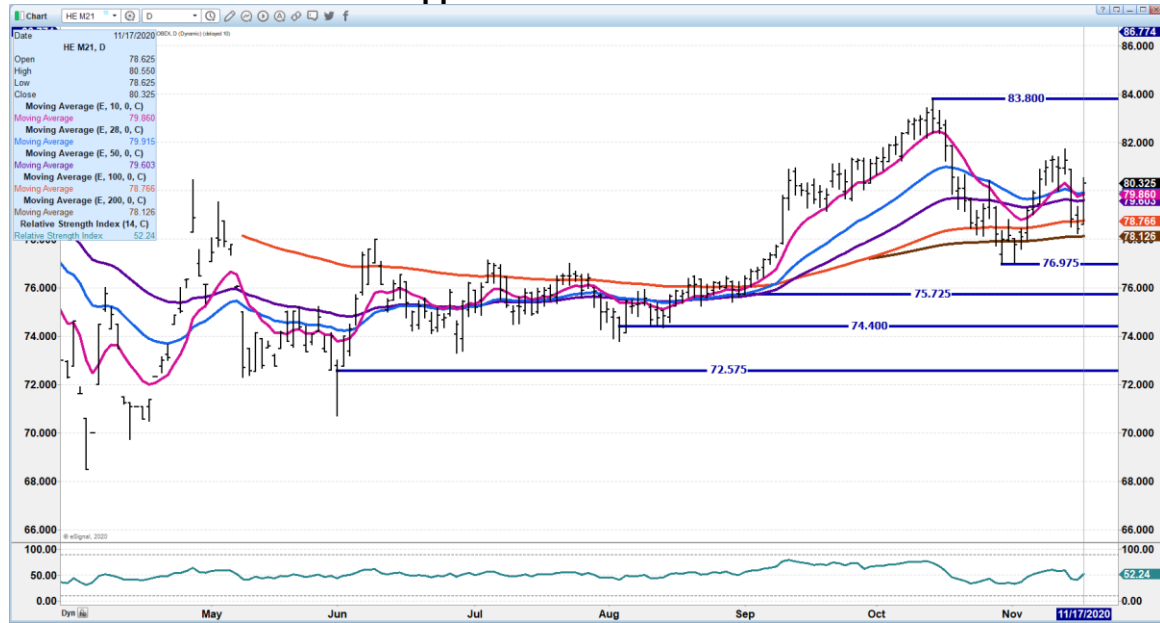
The information and comments contained herein is provided by ADM Investor Services, Inc. (“ADMIS”) and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



APRIL 2021 LEAN HOGS – RESISTANCE AT 69.37 TO 71.00 SUPPORT AT 67.22



JUNE 2021 LEAN HOGS – Support at 78.00 Resistance at 81.27



CHARTS FROM ESIGNAL INTERACTIVE, INC.