



## MORNING November 4, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 3, 2020	121,000
WEEK AGO	117,000
YEAR AGO	120,000
WEEK TO DATE (EST)	240,000
SAME PERIOD LAST WEEK (EST)	232,000
SAME PERIOD LAST YEAR (ACT)	236,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	209.44	195.45
CHANGE FROM PRIOR DAY	0.79	2.83
CHOICE/SELECT SPREAD:		13.99
TOTAL LOAD COUNT		151
5 DAY SIMPLE AVERAGE:	207.31	190.67

<b>PREVIOUS WEEK 10/30/2020</b>	<b>CHOICE</b>	<b>SELECT</b>
<b>BOXED BEEF FINAL PRICE</b>	<b>208.10</b>	<b>191.24</b>

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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 3, 2020

Primal Rib	386.90	329.91
Primal Chuck	169.42	165.16
Primal Round	171.52	171.57
Primal Loin	268.18	239.42
Primal Brisket	150.79	147.04
Primal Short Plate	127.50	127.50
Primal Flank	99.74	101.32



**FINAL NOVEMBER 2, 2020**

Primal Rib	382.52	319.32
Primal Chuck	169.77	164.50
Primal Round	170.03	169.24
Primal Loin	270.17	238.72
Primal Brisket	151.29	143.88
Primal Short Plate	120.21	120.21
Primal Flank	100.00	98.71

**LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS**

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/02	87	17	23	18	145	208.65	192.62
10/30	55	26	8	18	106	208.10	191.24
10/29	93	18	25	20	156	207.32	191.23
10/28	99	25	21	27	173	205.79	189.58
10/27	105	26	17	28	175	206.70	188.67

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**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	82.16 loads	3,286,404 pounds
Select Cuts	38.03 loads	1,521,082 pounds
Trimming	16.97 loads	678,886 pounds
Ground Beef	13.97 loads	558,822 pounds

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**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)

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**USDA POSTED CATTLE PRICES ON 11/02/2020**  
IA/MN – CASH No Reportable Trade. - DRESSED 158.00 weighing 1,008 on 35 head  
NE - CASH – No Reportable Trade. DRESSED No Reportable Trade.  
KS – CASH No Reportable Trade. DRESSED No Reportable Trade.  
TX/OK/NM – No Reportable Trade.  
CO – Information not available due to confidentiality



**\*\*\*National Daily Direct Cattle November 02, 2020  
(5 day accumulated weighted avg)**

	<b>Weight</b>	<b>Price</b>	<b>Head</b>
<b>Live Steer:</b>	<b>1504</b>	<b>\$104.39</b>	<b>23,012</b>
<b>Live Heifer:</b>	<b>1364</b>	<b>\$104.60</b>	<b>10,868</b>
<b>Dressed Steer:</b>	<b>1000</b>	<b>\$161.45</b>	<b>5,866</b>
<b>Dressed Heifer:</b>	<b>857</b>	<b>\$163.05</b>	<b>1,144</b>

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Cash cattle prices are going to depend on how hard packers are going keep playing hardball. Beef movement is good, and the cutout has been slowly improving. However, the cattle in the North and Midwest remain too heavy. Will they pay up for cattle that meet contracted orders and discount big cattle or do they keep pulling up their own cattle and contracted cattle and let showlist cattle do their own sorting and move big cattle with current discounts.

Slaughter on Tuesday at 121,000 is above a year ago, a daily slaughter back to early 2020 before COVID 19 became the headache of the cattle industry. Are packers pushing kill lines to show they don't need showlist cattle this week or are they pulling cattle ahead, lighter Choice, to fill their previously contracted beef orders. An indicator that packers are pulling ahead lighter cattle will be if they are deeper discounting the Yield Grade 4's and 5's. Another indicator they need cattle will be if they pay prices the feedlots are asking. There are feedlots asking \$110 this week. If packers pay anything from \$108 or above, they need cattle to fill orders and watch the discounts on heavy cattle widen out.

Beef buyers want the size and grade of beef they contracted. They don't want beef from cattle weighing 1600 to 1900 pounds when they contracted for beef from cattle weighing 1350 to 1400 pounds even if it is offered at a discount. Any sized beef cut can go into grindings and ground beef but a when a retailer sells roasts and cuts such as steaks, unless beef is deeply discounted, buyers won't buy it.

Packers have been aggressively forward contracting at plus \$1.00 for cattle December through April and plus \$4.00 over the board May through the summer.

The primal cuts moving up in price are Choice and Select rib sections and loin sections. There is probably more than enough ground beef and trimmings. However retailers are now seeing some "hoarding" as consumers fill freezers, and with increased cow slaughter in 2020, there should be a pickup in demand for lower priced primals after working through the big heavy cattle.



**Watch exports for Japan and South Korea. Both are known to take beef that is heavier and has more fat cover.**

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**The Fed Cattle Exchange has 634 head listed for Wednesday morning Internet sales, about a third of last week's sale.**  
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**Countries across the globe have started to lockdown and more countries in the northern hemisphere will follow going into colder months. Restaurants have never recovered and restaurants that increased outdoor dining in the summer and fall won't be offering outdoor dining in the cold winter months. Sitting at on a sidewalk in New York City or Chicago when it is cold and either raining or snowing doesn't entice people to go out to eat.**

**Grocery stores will have beef specials for winter holidays and will show rib roasts.**

**Into 2021, cattle numbers should see a slowdown in the US. Less cows were bred during the spring and there was cow liquidation with the extreme heat and drought in the Southwest to West.**

**But into 2021, beef will be competing with more pork and poultry. China has 2.5 times more poultry it built up to make up for less pork. Also, China is back to 90% the hog herd pre African Swine Fever with plans of having up to 50% more by mid-2021 and plans to keep increasing. It is good for grain US producers but it means US livestock producers have to hedge feed if they have not already done so.**

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**As of October 27th, dressed steer and heifer weights were 900.3 compared to previous week at 901.0 down .7 pound from week ago and 28 pounds over a year ago. Grading percent was 81.0%, down compared to previous week at 81.7%.**

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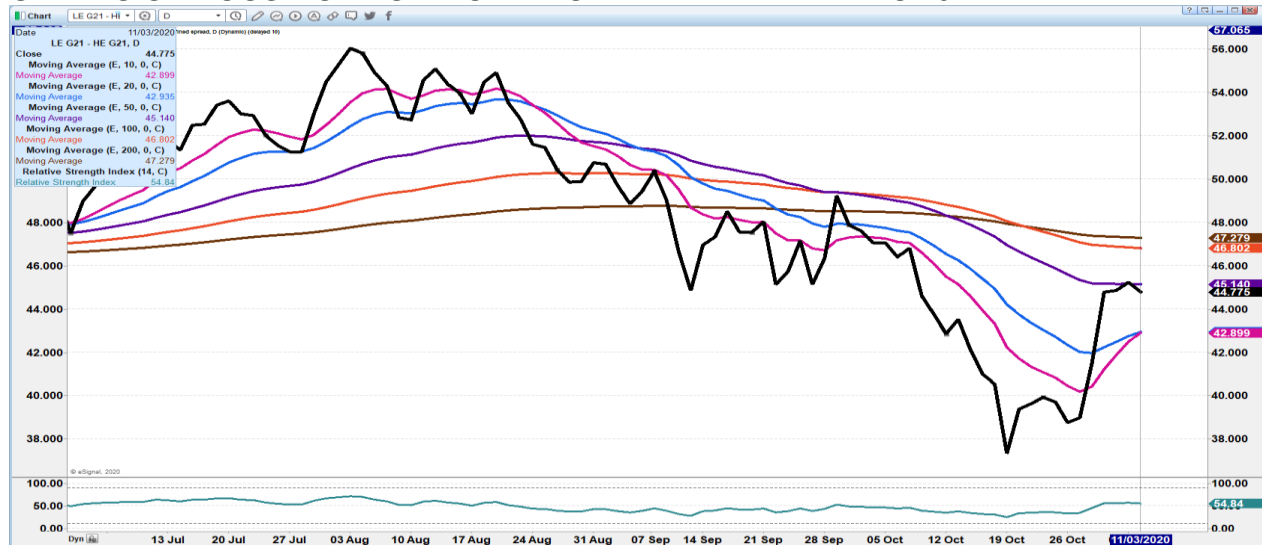
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**CHARTS ARE ON MORNING REPORTS**

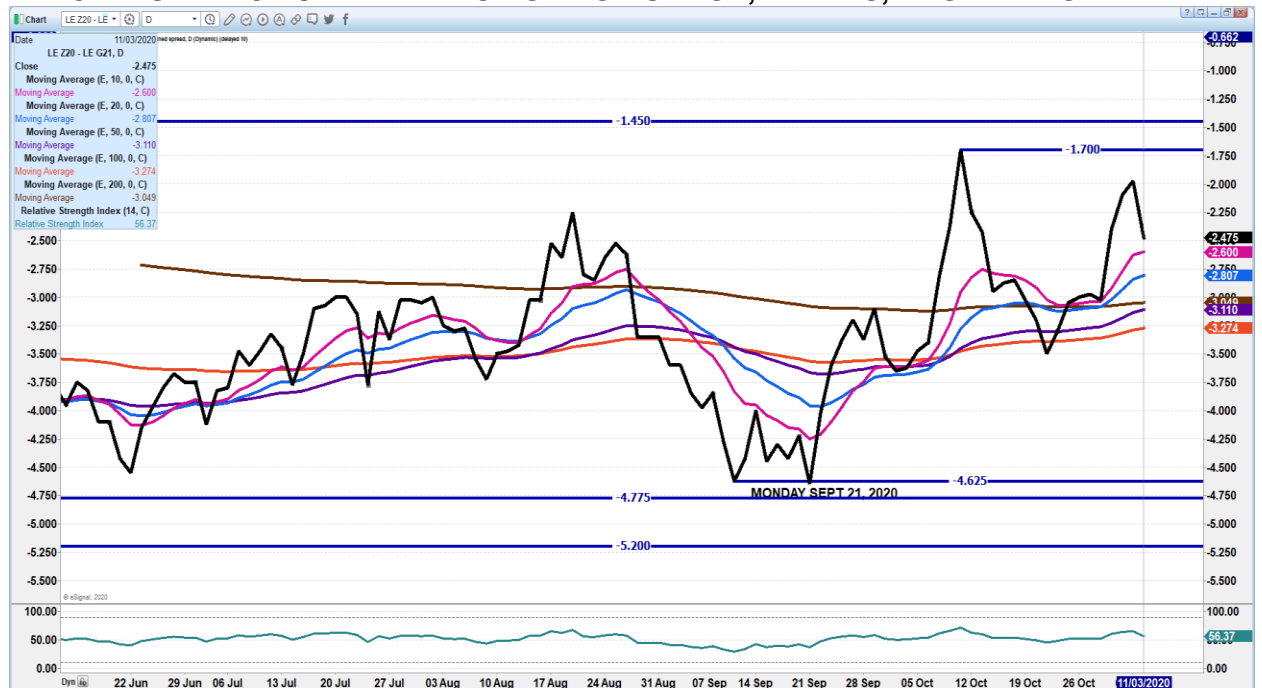




## FEBRUARY 2021 LIVE CATTLE/FEBRUARY 2021 LEAN HOG SPREAD – CATTLE GAINING ON HOGS MOVING INTO END OF THE YEAR AND INTO 2021



## DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD WIDENING INDICATES DIRECTION. IF NARROWS IT IS BULLISH, WIDENS, IT IS BEARISH



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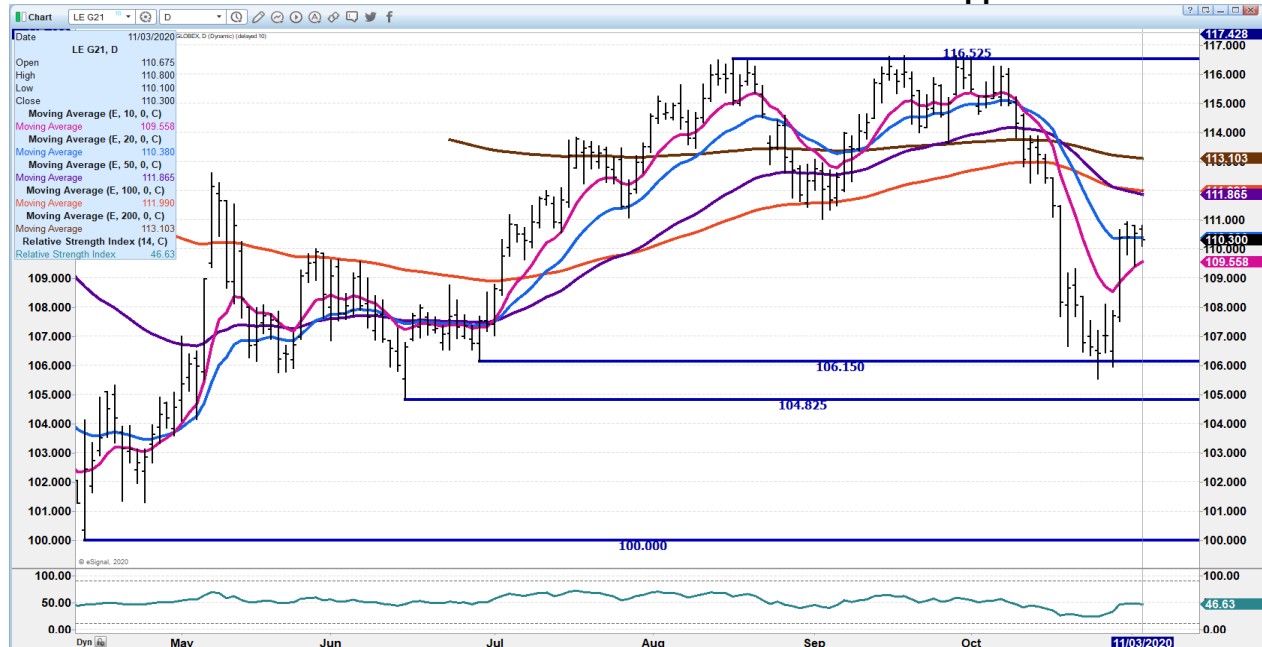
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**DECEMBER 2020 LIVE CATTLE - Support is 20 day moving average at 107.57 to 105.95. 105.97 is where October closed and could be a quick target. Resistance at 108.77 to 109.95 Volume at 20,411**

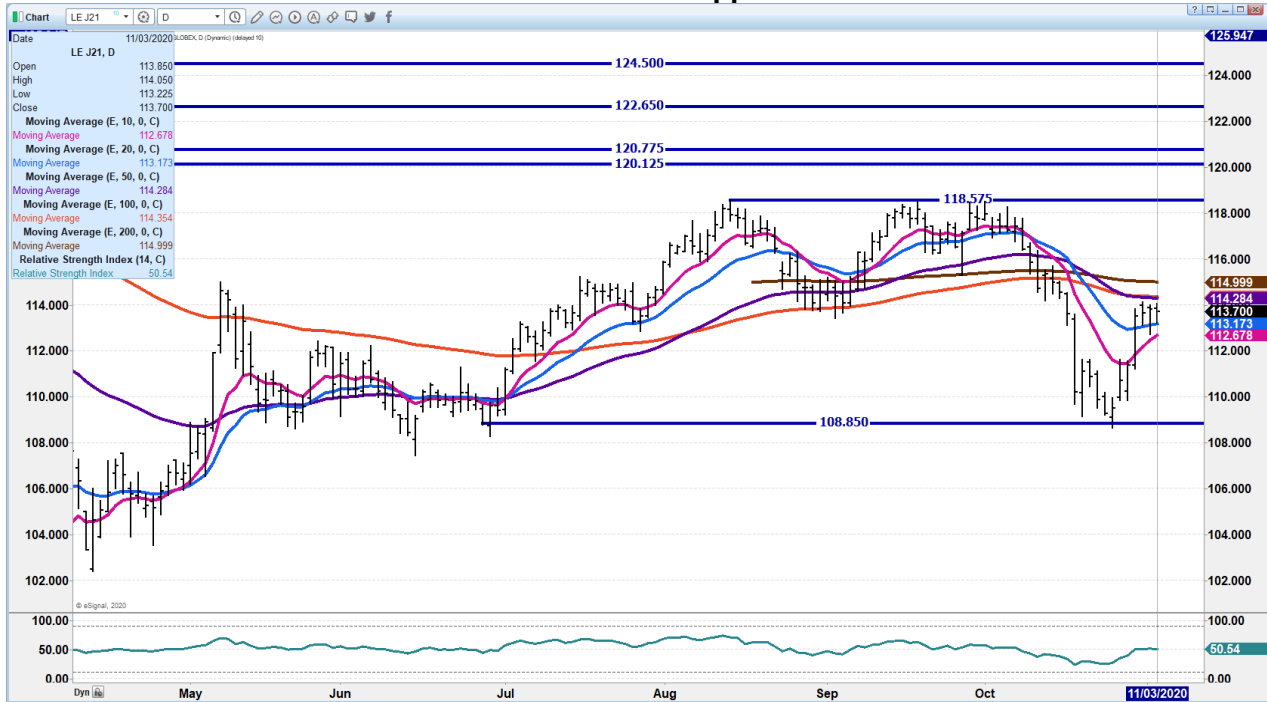


**FEBRUARY 2021 LIVE CATTLE – Resistance is 112.00 to 113.12 Support at 109.55**





**APRIL 2021 LIVE CATTLE – Resistance 114.37 Support at 113.15 to 112.65**



**Feeder Cattle**

**THE CME FEEDER INDEX ON 11/02/2020 WAS 138.03 UP 1.55 FROM PREVIOUS DAY – NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 3, 2020 AT \$136.12**

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**NATIONAL FEEDER & STOCKER SUMMARY - WEEK ENDING 10/30/2020**

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
<b>THIS WEEK:</b>	<b>187,500</b>	<b>11,100</b>	<b>2,100</b>	<b>200,700</b>
<b>LAST WEEK:</b>	<b>248,500</b>	<b>27,100</b>	<b>36,600</b>	<b>312,200</b>
<b>YEAR AGO:</b>	<b>274,600</b>	<b>49,000</b>	<b>2,000</b>	<b>325,600</b>

**COMPARED TO LAST WEEK, STEERS AND HEIFER CALVES SOLD UNEVEN; 3.00 LOWER TO 2.00 HIGHER. LIMITED AMOUNTS OF YEARLINGS SOLD STEADY TO 3.00 HIGHER. RECEIPTS WERE LIGHT IN THE CALF AND YEARLING PRODUCING AREA OF THE SOUTHERN PLAINS THIS WEEK AS A WINTER STORM ROLLED THROUGH MAKING**

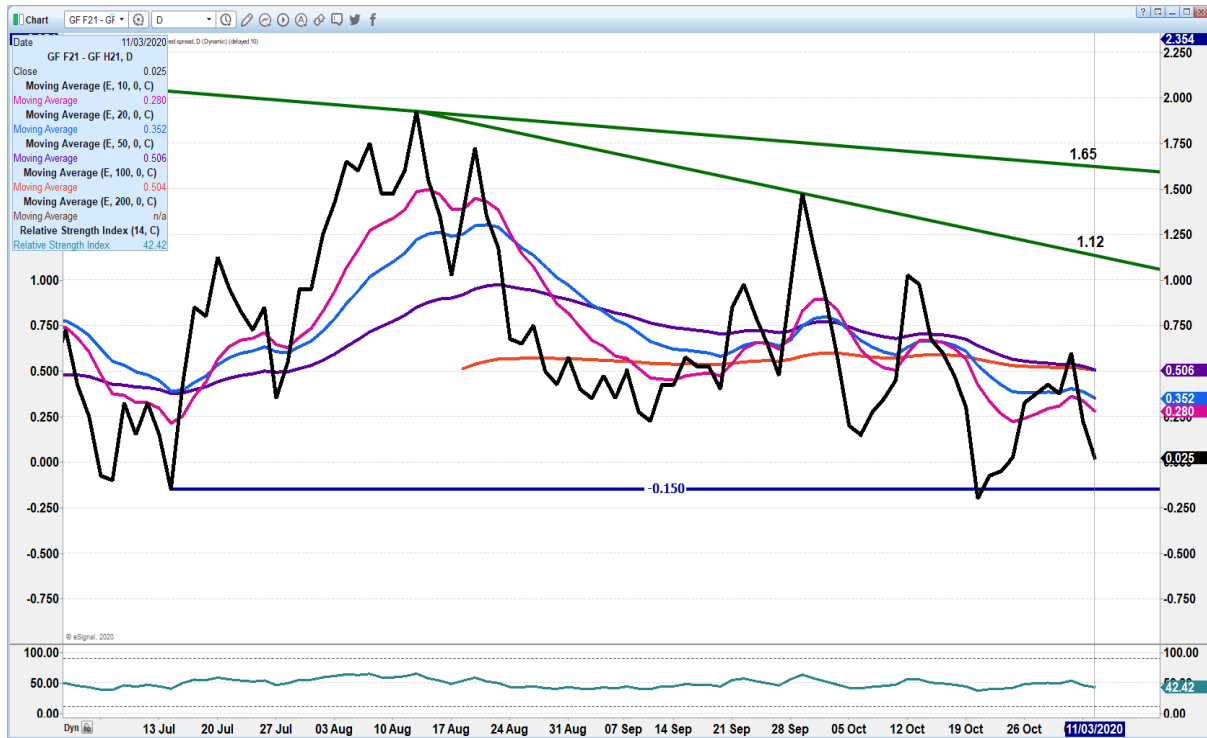


**TRANSPORTATION OF LIVESTOCK TREACHEROUS. THE SOUTHERN PLAINS HAD AREAS OF FLOODING, FREEZING RAIN AND SNOW; SOMETIMES ALL OF THEM IN A SHORT AMOUNT OF TIME. OKLAHOMA CITY NATIONAL STOCKYARDS SOLD ONLY 3100 HEAD WHILE JOPLIN REGIONAL STOCKYARD SOLD 2700 HEAD AND WINTER LIVESTOCK IN PRATT, KS CANCELLED THEIR REGULAR THURSDAY SALE. THESE AUCTIONS AND OTHERS WERE THE CAUSE FOR THE TOTAL AUCTION RECEIPTS THIS WEEK TO BE AROUND 88K SHORT OF A YEAR AGO. DIRECT TRADING WAS VERY LIMITED THIS WEEK AS THE TOTAL DIRECT RECEIPTS ARE THE LIGHTEST NON HOLIDAY WEEK SINCE MARCH 20 THIS YEAR.**

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ\\_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

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**CHARTS ARE ON MORNING REPORTS**

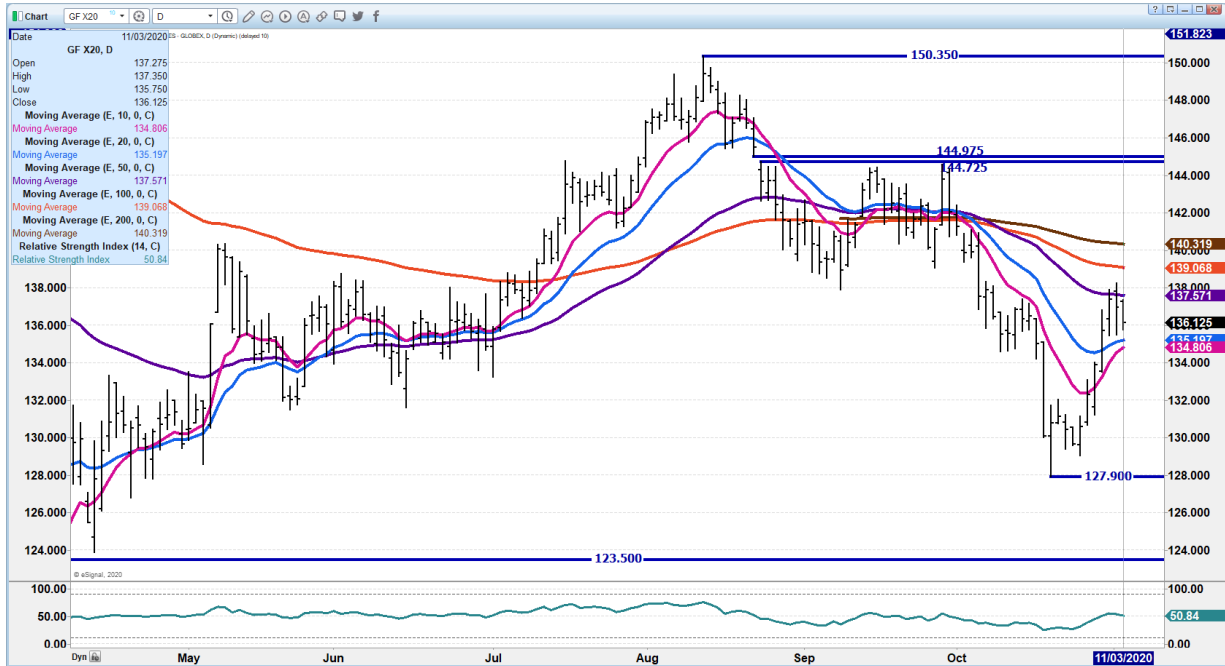
**JAN 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS NARROW.. IT IS BULLISH**



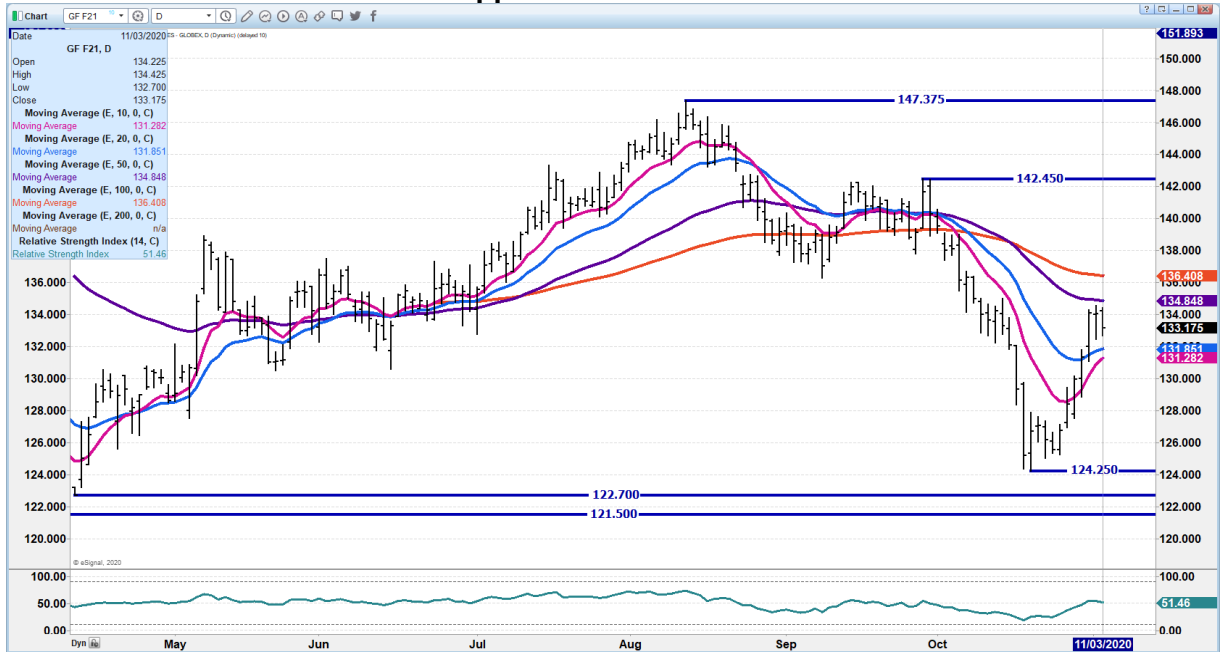




**NOV 2020 FEEDER CATTLE - RESISTANCE AT 137.55 TO 140.35 SUPPORT AT 134.80**



**JAN 2021 FEEDER CATTLE – Support at 131.85 to 131.25 Resistance at 134.85 to 136.42**



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## **LEAN HOGS**

### **USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>NOVEMBER 3, 2020</b>	<b>493,000</b>
<b>WEEK AGO</b>	<b>492,000</b>
<b>YEAR AGO</b>	<b>490,000</b>
<b>WEEK TO DATE (EST)</b>	<b>996,000</b>
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>979,000</b>
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>982,000</b>

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**CME CASH HOG INDEX 10/30/2020 AT 73.48 DOWN 1.01 FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 11/02/2020 AT 85.84 DOWN 1.37 FROM PREVIOUS DAY.**

**CME CASH FRESH BACON INDEX ON 10/30/2020 WAS 188.44 COMPARED TO 10/23/2020 WAS 222.45**

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**Pork carcass cutout started out Tuesday on fairly strong movement with all primal cuts higher but afternoon sales reversed on strong sales and carcass closed down \$1.15 with hams leading the down move. Loins were up \$3.50 but loins at \$75 to \$85 are cheap and retailers buying loins at recent low prices are able to markup prices and sell pork loins to compete with high priced, whole chickens, chicken breasts and ground beef. Compared to beef roasts, pork loins could be used to keep other meat prices down. Look for retail prices of whole boneless loins priced at retail around \$1.00 to \$2.00 per pound on sale going into the end of the year.**

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**Meat producers ask Ukraine to limit corn exports in 2020/21**

**[https://www.agriculture.com/markets/newswire/meat-producers-ask-ukraine-to-limit-corn-exports-in-202021#:~:text=KYIV%2C%20Nov%203%20\(Reuters\),could%20push%20up%20meat%20p%20rices](https://www.agriculture.com/markets/newswire/meat-producers-ask-ukraine-to-limit-corn-exports-in-202021#:~:text=KYIV%2C%20Nov%203%20(Reuters),could%20push%20up%20meat%20p%20rices)**

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The average pork price in China is at the lowest level since mid-June at CNY42.37/kg (\$6.37/kg), according to data from China's Ministry of Commerce. The hog herd is around 90% of the inventory before African Swine Fever.

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**Pork Cutout Futures and Options Fact Card**

<https://www.cmegroup.com/education/articles-and-reports/pork-cutout-futures-and-options-fact-card.html>

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**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 3, 2020**

LOADS OF PORK CUTS: 379.73

LOADS TRIM/PROCESSED PORK: 38.14

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/03/2020	417.87	82.99	76.97	80.59	59.72	133.47	80.72	115.15
CHANGE :		-1.15	3.50	2.35	0.48	-1.62	-9.85	0.50
Five Day Average --		84.60	75.93	77.25	59.91	132.94	87.29	118.59

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/30/2020	312.76	83.80	74.02	75.95	58.37	127.99	83.85	124.70

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
 SLAUGHTER DATA FOR NOVEMBER 2, 2020**

Average live weight - 284.18

Average carcass - 212.24

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 03, 2020**  
**NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**  
 Carcass Base Price: \$55.00 - \$62.00  
 Weighted Average: \$60.13  
 Change from Prior Day: 0.17 higher



**HOGS SOLD: 5,093**

**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**

**PRICE RANGE: \$60.50 - \$80.06**

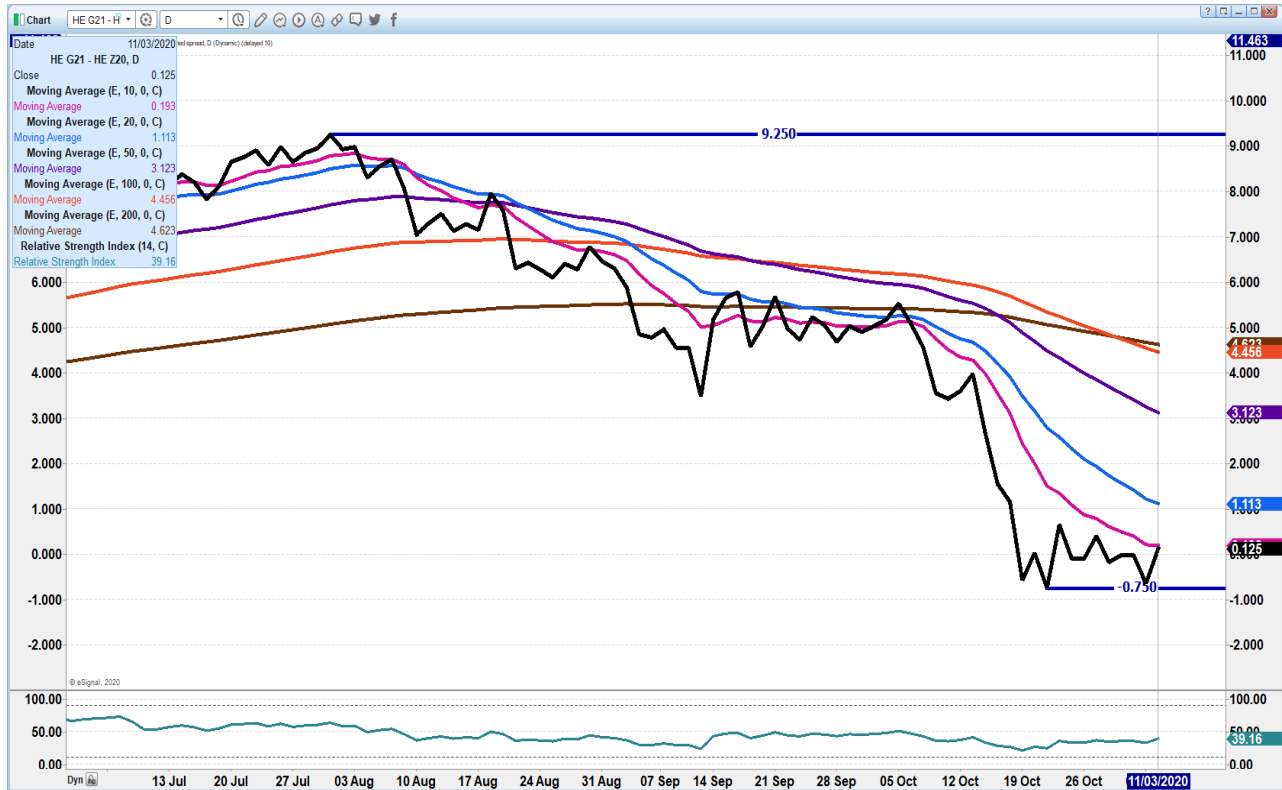
**Weighted Average: \$70.56**

**Previous Day: \$71.32**

**HOGS SOLD: 150,130**

[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

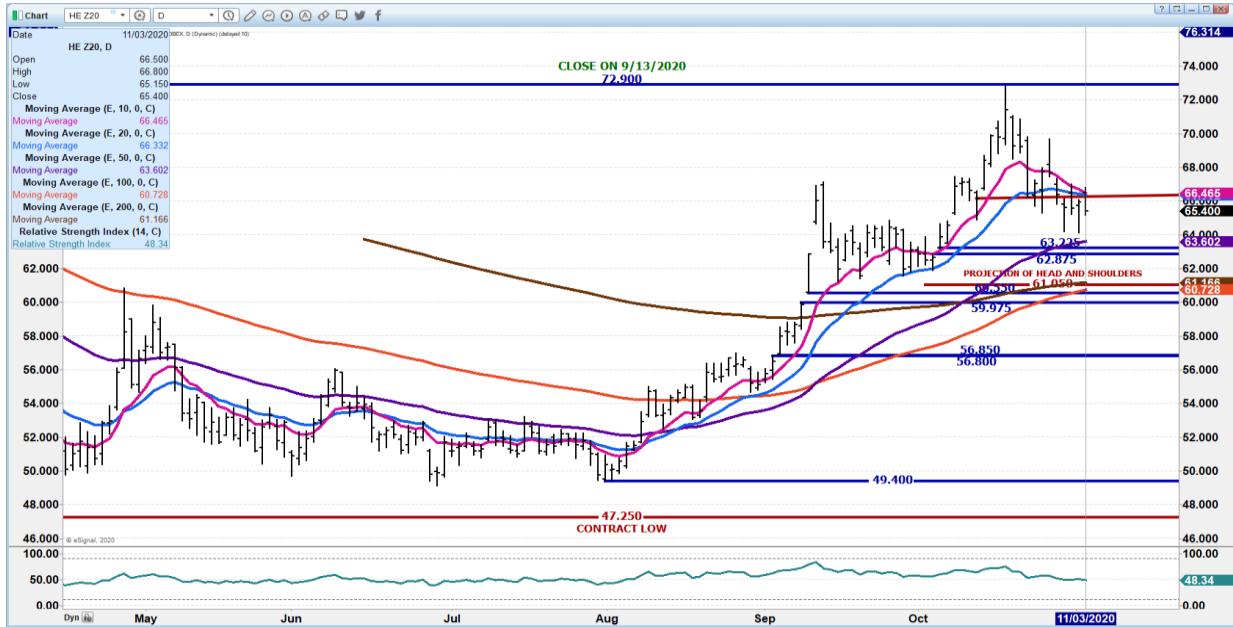
**FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD - LOOK FOR FEB TO GAIN ON DECEMBER**



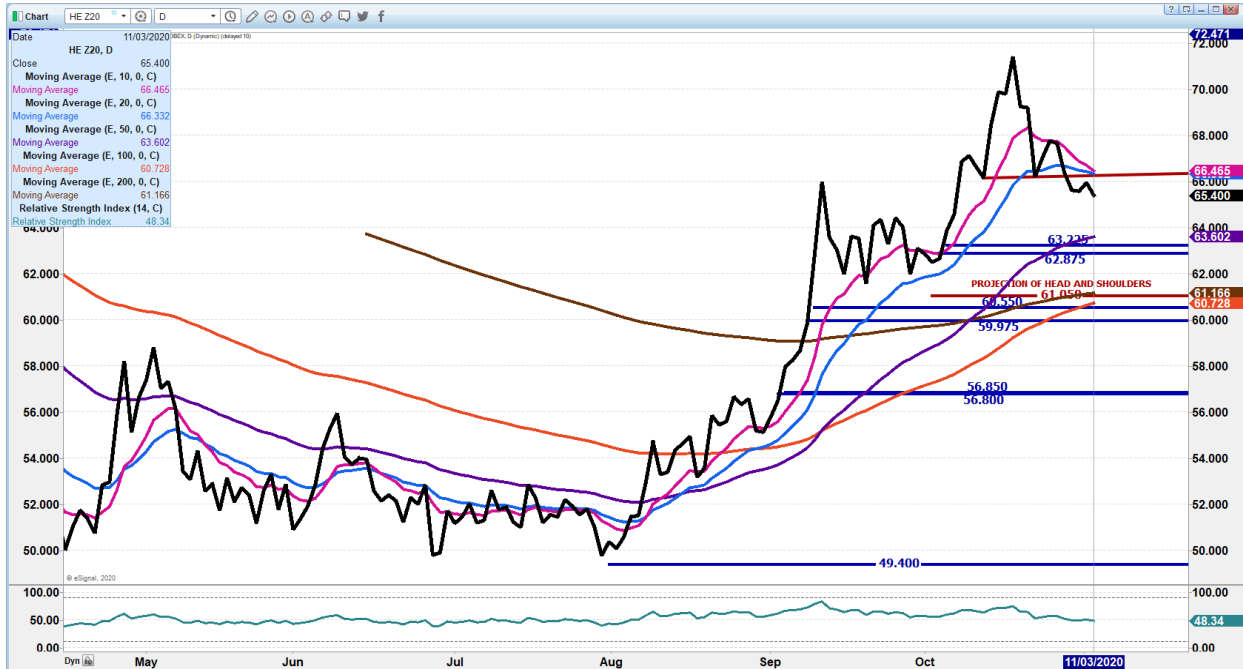




**DECEMBER 2020 LEAN HOGS – RESISTANCE AT 66.45 SUPPORT AT 63.60 TO 61.05**



**DECEMBER 2020 LEAN HOGS – HEAD AND SHOULDERS.**



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**FEBRUARY 2021 LEAN HOGS – 10 DAY CROSSING OVER 20 DAY RESISTANCE AT 66.50 TO 67.45 SELL AT 66.37 WITH SCO ABOVE 67.87 SUPPORT AT 65.15 TO 64.87 DOWN TO 62.35**



**APRIL 2021 LEAN HOGS – 10 DAY HAS CROSSED OVER ALL MOVING AVERAGES. NEXT SUPPORT AT 66.07 RESISTANCE AT 69.37**



**CHARTS FROM ESIGNAL INTERACTIVE, INC .**

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