



## MORNING November 6, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 5, 2020	120,000
WEEK AGO	110,000
YEAR AGO	120,000
WEEK TO DATE (EST)	479,000
SAME PERIOD LAST WEEK (EST)	460,000
SAME PERIOD LAST YEAR (ACT)	476,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	212.55	198.97
CHANGE FROM PRIOR DAY	2.36	1.92
CHOICE/SELECT SPREAD:		13.59
TOTAL LOAD COUNT		149
5 DAY SIMPLE AVERAGE:	208.74	193.52

<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 5, 2020

Primal Rib	<b>398.83</b>	<b>340.64</b>
Primal Chuck	171.45	171.67
Primal Round	175.60	174.60
Primal Loin	270.66	239.60
Primal Brisket	150.35	148.32
Primal Short Plate	123.19	123.19
Primal Flank	100.64	98.05



**FINAL NOVEMBER 4, 2020**

Primal Rib	391.21	336.65
Primal Chuck	170.22	168.43
Primal Round	173.48	172.45
Primal Loin	267.90	239.98
Primal Brisket	150.96	147.95
Primal Short Plate	122.14	122.14
Primal Flank	100.22	97.77

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

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/04	111	17	18	20	166	210.19	197.05
11/03	82	38	17	14	151	209.44	195.45
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

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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	96.26 loads	3,850,472 pounds
Select Cuts	31.84 loads	1,273,748 pounds
Trimming	6.28 loads	251,277 pounds
Ground Beef	15.10 loads	603,914 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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**BEEF AND PORK EXPORTS ON BOTTOM OF REPORT FOR WEEK ENDING OCTOBER 29, 2020**

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**USDA POSTED CATTLE PRICES ON 11/05/2020**

IA/MN – CASH 102.50 - 107.00 - DRESSED 165.00 - 167.00  
 NE - CASH – 104.00 - 107.00 DRESSED 163.00 - 167.00  
 KS – CASH 107.00 Mostly 107.00 DRESSED No Reportable Trade.  
 TX/OK/NM – 107.00  
 CO – Information not available due to confidentiality

**\*\*\*National Daily Direct Cattle November 05, 2020  
 (5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1489	\$105.46	40,449
Live Heifer:	1348	\$105.89	24,208
Dressed Steer:	991	\$162.44	6,768
Dressed Heifer:	859	\$163.58	1,332

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Cash cattle higher Thursday and the reason, packers discounting heavy cattle. Next week and into December, if weights don't break, packers will impose deeper discounts on heavy cattle. Packers don't seem to be having trouble finding cattle to kill. This week slaughter could be 660,000 or more. With packer profit margins over \$250/head it is easy to see why they want to kill cattle.

Export net sales of 20,400 metric tonnes were moderately good, but they need to be over 25,000 metric tonnes to strengthen prices. As expected Japan and South Korea were largest buyers. Normally both countries want heavy beef cuts with high marbling. If they continue to buy as they are now., they will help to eventually clean up the biggest problem, too many and overfed cattle.

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Packers continue to forward contract at plus \$1.00 for cattle December through April and plus \$4.00 over the board May through the summer.

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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



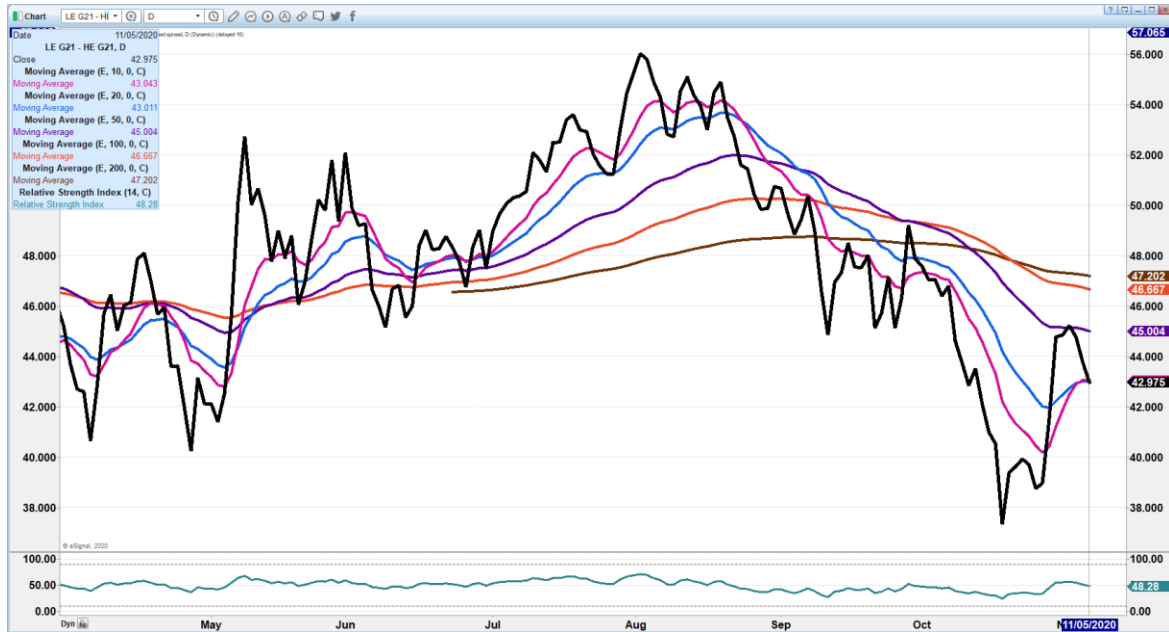
plans to keep increasing. It is good for US grain producers but it means US livestock producers have to hedge feed if they have not already done so.

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**As of November 3, 2020,** dressed steer and heifer weights were 900.9 compared to previous week at 900.3 up .6 pound from week ago and 24 pounds over a year ago. Grading percent was 81.5%, down compared to previous week at 81.0%.

**CHARTS ARE ON MORNING REPORTS**

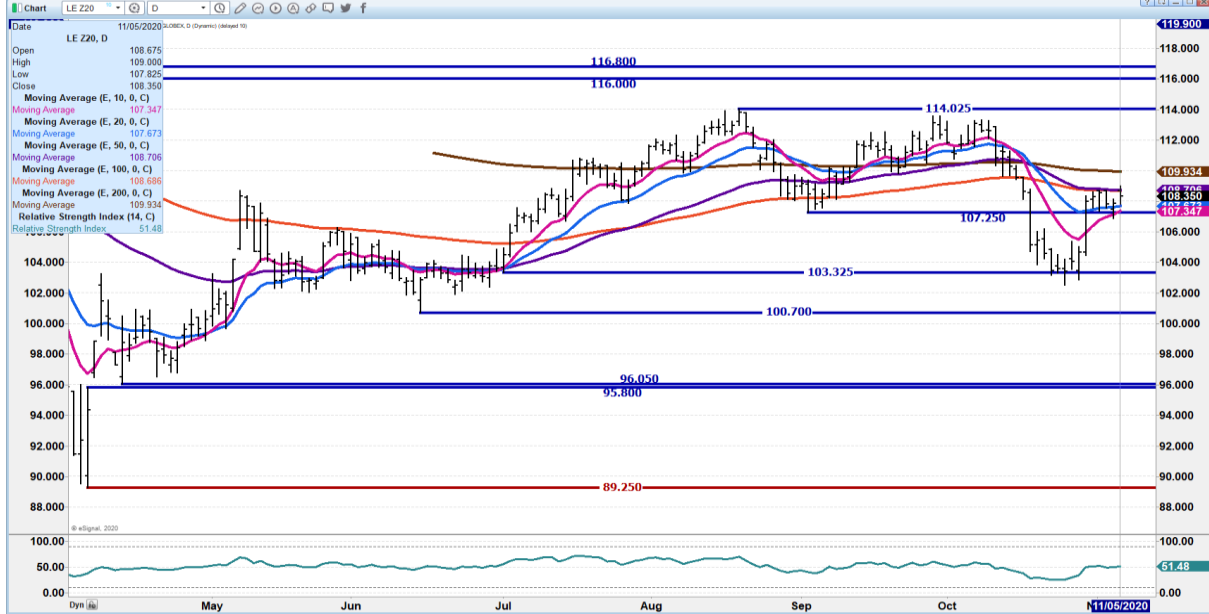
**FEBRUARY 2021 LIVE CATTLE/FEBRUARY 2021 LEAN HOG SPREAD - FELL TO SUPPORT.. GOOD OPPORTUNITY TO PPUT ON TRADE RISKING 1.50 FROM ENTRY SCO**



**DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD IS IN NORMAL RANGE. IF WIDENS LOOK FOR OPPORTUNITIES TO USE FEB TO HEDGE**



**DECEMBER 2020 LIVE CATTLE - Moved to resistance at 50 and 100 day convergence at 108.75 Next resistance at 109.35 Support at 107.65 to 107.35. Volume 26,050**



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## Feeder Cattle

**THE CME FEEDER INDEX ON 11/04/2020 WAS 137.91 UP .66 FROM PREVIOUS DAY – NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 5, 2020 AT \$137.57**

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**BRAZIL HAS STARTED TO IMPORT SOYBEANS AND SOON CORN WILL BE SHIPPED. WHY? THEY HAVE A LOT OF CATTLE ON FEED PLUS HOGS, POULTRY AND DAIRY. WHY DON'T THEY USE THEIR OWN FEED? THEY SOLD TOO MUCH TO CHINA AND THE REASON CHINA NEEDS SO MUCH GRAIN? HOG NUMBERS ARE NOW CLOSE TO LEVELS OF PRE AFRICAN SWINE FEVER WITH PLANS TO INCREASE PRODUCTION 50% MORE BY MID-JULY 2021 INTO 2025 TO BECOME 95 PERCENT SELF SUFFICIENT IN ALL MEATS AND FISH.**

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**CHARTS ARE ON MORNING REPORTS**

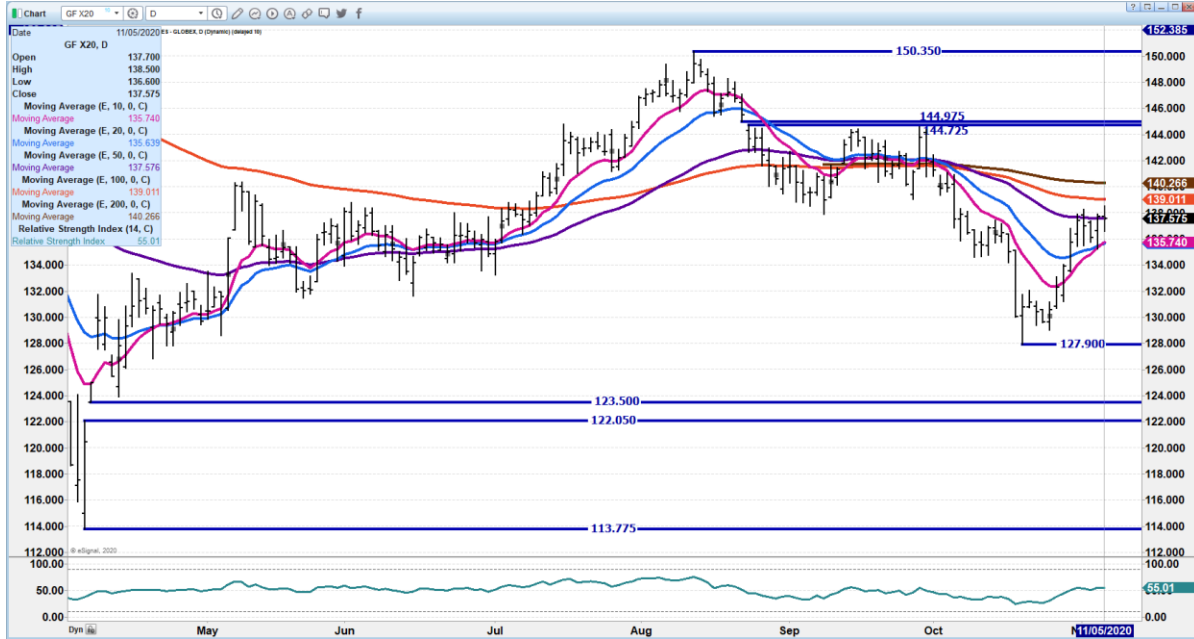
**JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS NARROW.. IT IS FRIENDLY TO FEEDERS**



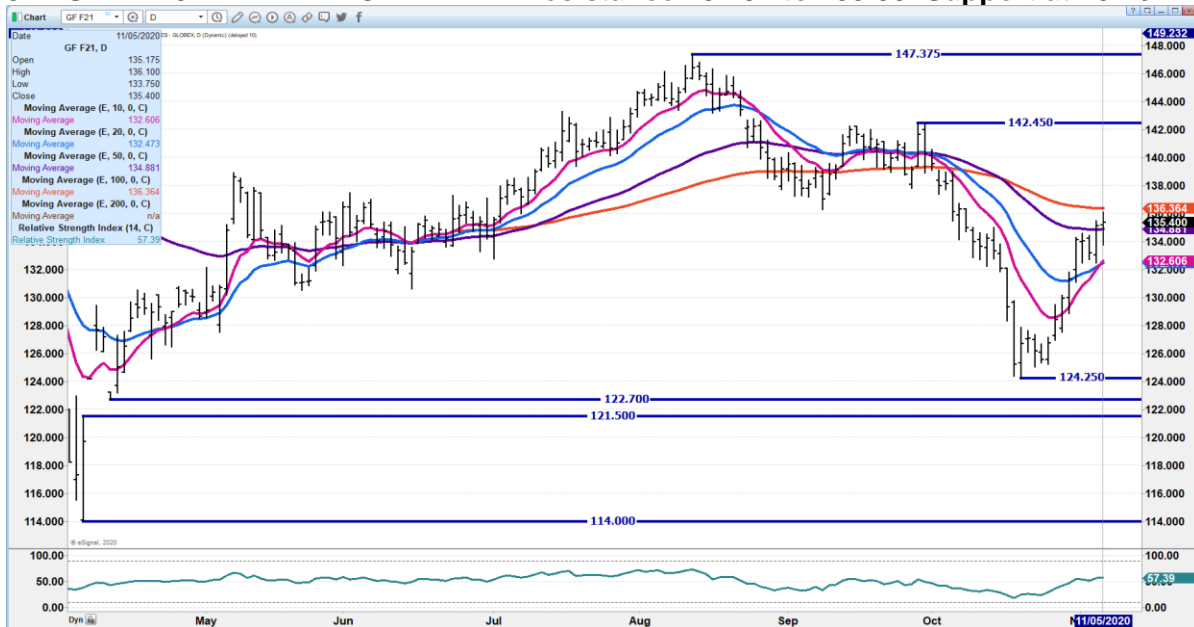
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**NOV 2020 FEEDER CATTLE - RESISTANCE AT 139.10 TO 140.27 SUPPORT AT 135.75,**



**JANUARY 2021 FEEDER CATTLE – Resistance 137.37 to 139.55 Support at 132.67**



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## **LEAN HOGS**

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

<b>NOVEMBER 5, 2020</b>	<b>490,000</b>
<b>WEEK AGO</b>	<b>483,000</b>
<b>YEAR AGO</b>	<b>495,000</b>
<b>WEEK TO DATE (EST)</b>	<b>1,965,000</b>
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>1,947,000</b>
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>1,970,000</b>

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**CME CASH HOG INDEX 11/03/2020 AT 72.05 DOWN .83 FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 11/04/2020 AT 83.99 DOWN .45 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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**Moving into December and 2021 look for fewer hogs. Unless packers have a lot of their own hidden and can bring them to kill, the problems of last spring and fewer sows bred will start to be more noticeable. However, global numbers are increasing and that is negative to US hogs.**

**Strong pork exports with 42,200 metric tonnes. Mexico was largest taker which wasn't unexpected with strength in the hams and bellies along with Mexico Peso gaining on the US Dollar. As long as Peso is strong, Mexico should remain a good buyer.**



**DECEMBER 2020 MEXICAN PESO AT 7:15AM NOVEMBER 6, 2020**



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**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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**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 5, 2020**

**LOADS OF PORK CUTS: 119.44**

**LOADS TRIM/PROCESSED PORK: 29.09**

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/05/2020	266.32	86.38	75.82	78.34	61.57	126.97	98.36	112.92
CHANGE :		3.97	3.40	0.17	1.23	-5.31	10.30	4.28
Five Day Average --		83.94	74.54	78.26	59.85	131.16	88.31	115.21

**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 4, 2020**

**Average live weight - 285.77**

**Average carcass - 213.51**

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 05, 2020**

**NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

**Carcass Base Price: \$56.00 - \$64.00**

**Weighted Average: \$61.28**

**Change from Prior Day: 0.29 lower**

**HOGS SOLD: 5,617**

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

**PRICE RANGE: \$59.51 - \$78.30**

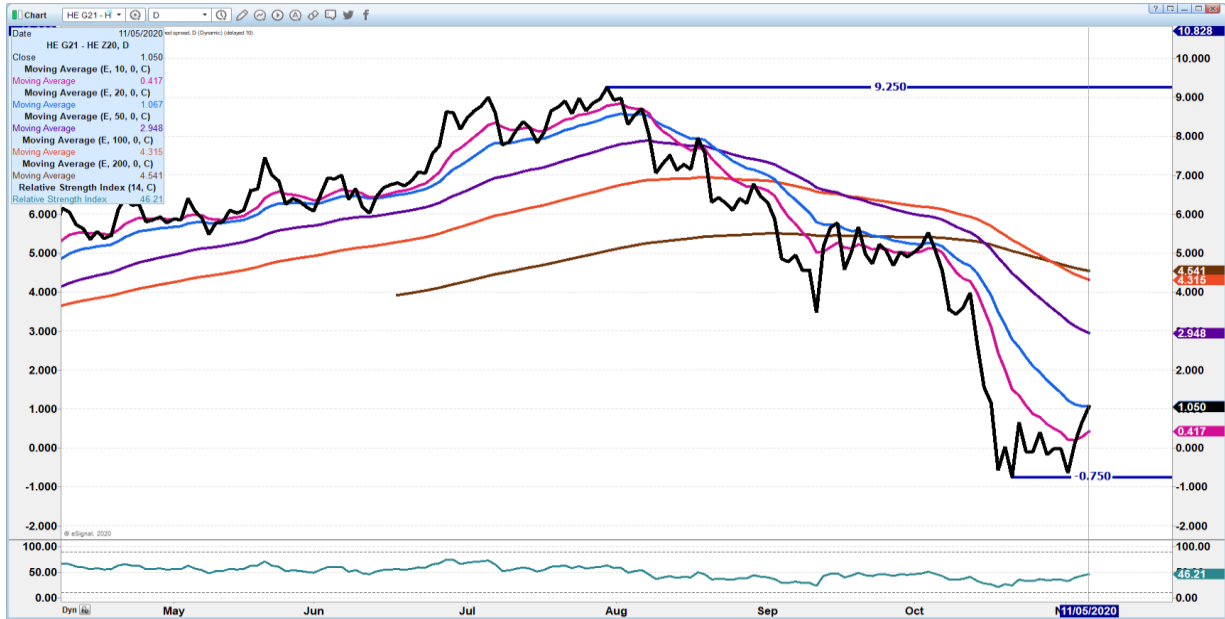
**Weighted Average: \$69.51**

**Previous Day: \$69.75**

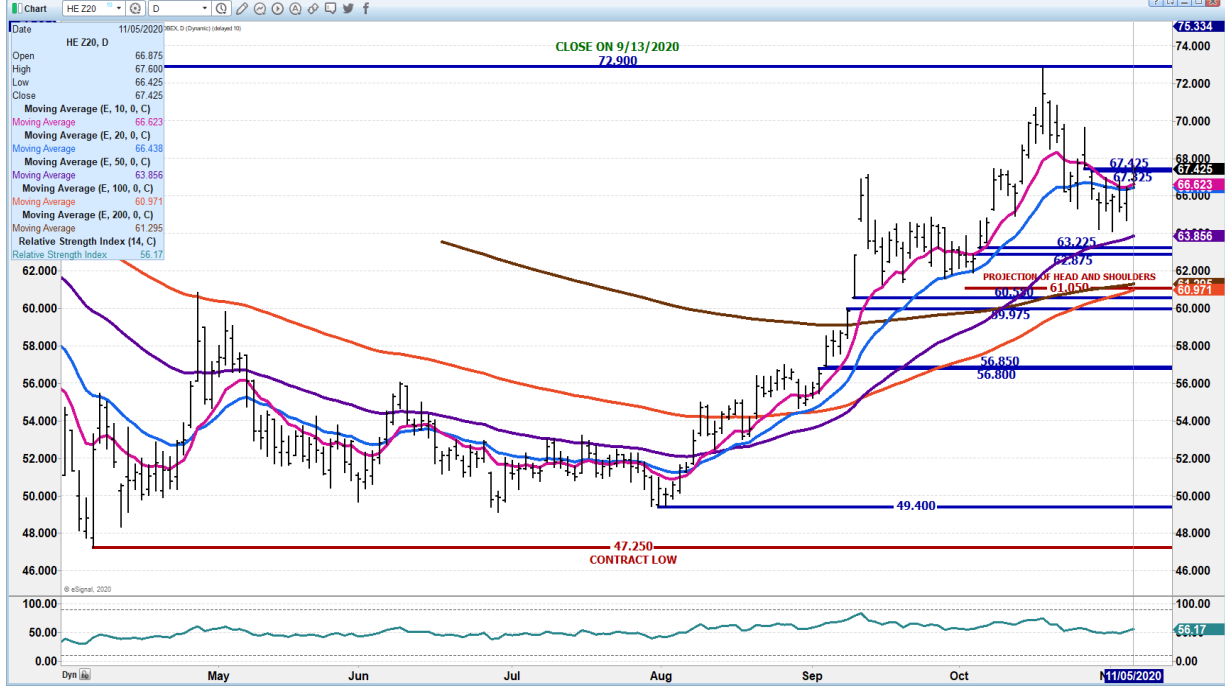
**HOGS SOLD: 158,852**

[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 CONTINUED WIDENING**



**DECEMBER 2020 LEAN HOGS – FILLED SMALL GAP AT 67.32 TO 67.42 ON THURSDAY  
SUPPORT AT 66.50 RESISTANCE AT 69.20 VOLUME 18,714**

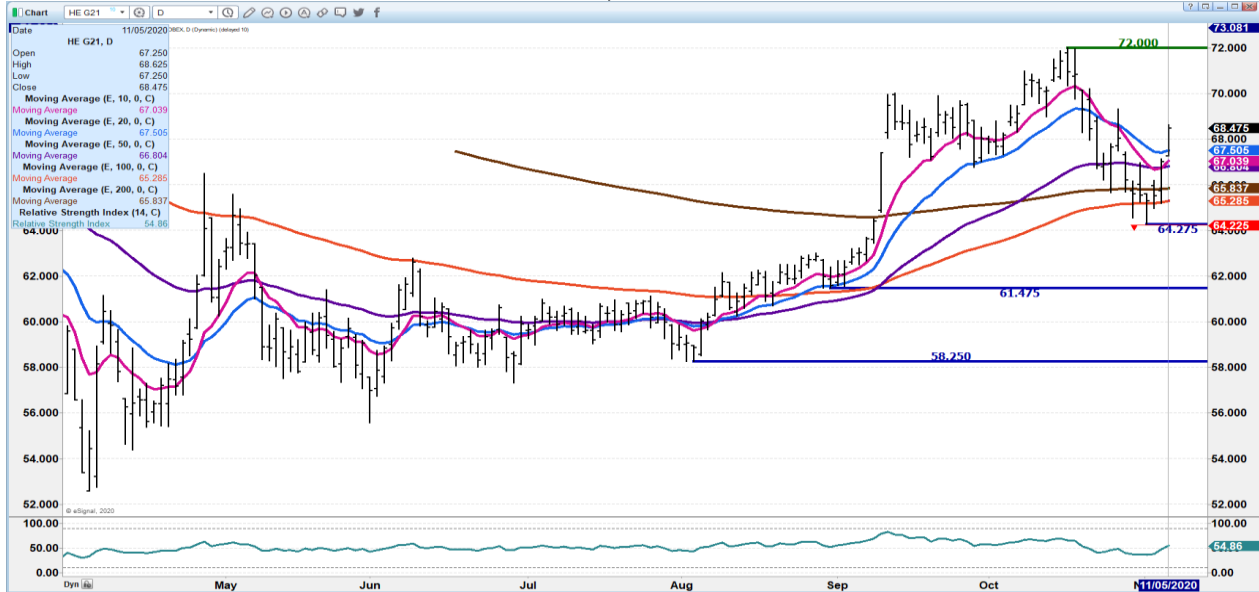


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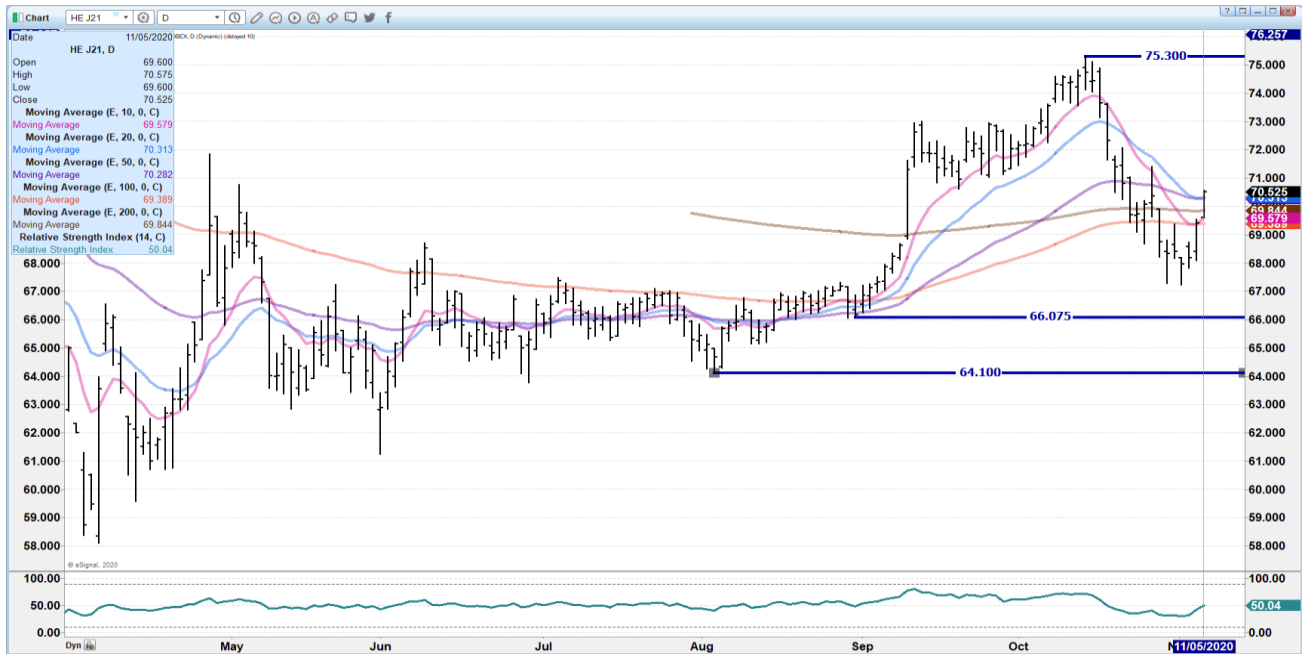
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**FEBRUARY 2021 LEAN HOGS – STRONG CLOSE NEXT RESISTANCE AT 69.32  
SUPPORT AT 67.02 T 65.87 VOLUME AT 10,34**



**APRIL 2021 LEAN HOGS – ABOVE ALL MOVING AVERAGES NEXT REISTANCE AT  
71.70 SUPPORT AT 69.67**



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**Beef:** Net sales of 20,400 MT reported for 2020 were up 8 percent from the previous week and 9 percent from the prior 4-week average. Increases primarily for Japan (4,700 MT, including decreases of 400 MT), South Korea (4,600 MT, including decreases of 700 MT), China (3,600 MT, including decreases of 100 MT), Mexico (2,500 MT), and Taiwan (1,900 MT, including decreases of 100 MT), were offset by reductions for Colombia (100 MT). For 2021, net sales of 4,500 MT were primarily for South Korea (4,000 MT), Japan (200 MT), and Hong Kong (200 MT). Exports of 21,400 MT--a marketing-year high--were up 26 percent from the previous week and from the prior 4-week average. The destinations were primarily to South Korea (5,600 MT), Japan (5,000 MT), China (2,700 MT), Mexico (2,300 MT), and Hong Kong (1,800 MT).

**Pork:** Net sales of 42,200 MT reported for 2020 were up 46 percent from the previous week and 18 percent from the prior 4-week average. Increases were primarily for Mexico (14,700 MT, including decreases of 700 MT), China (10,300 MT, including decreases of 1,400 MT), South Korea (5,100 MT, including decreases of 100 MT), Japan (3,300 MT, including decreases of 100 MT), and Colombia (2,400 MT). For 2021, net sales of 800 MT were primarily for Chile (400 MT), Australia (200 MT), and Japan (100 MT). Exports of 37,700 MT were up 1 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to China (14,600 MT), Mexico (10,000 MT), Japan (4,500 MT), Canada (2,100 MT), and South Korea (1,600 MT).

**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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