



MORNING November 2, 2020 Livestock Report

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

OCTOBER 30, 2020	114,000
WEEK AGO	103,000
YEAR AGO	118,000
SATURDAY 10/31/2020	64,000 - A WEEK AGO 60,000, YEAR AGO 75,000
WEEK TO DATE (EST)	638,000
SAME PERIOD LAST WEEK (EST)	643,000
SAME PERIOD LAST YEAR (ACT)	659,000
2020 YEAR TO DATE	26,752,000
*YEAR TO DATE	27,806,000
Percent change year to date	-3.8%
Previous week	-3.6%

****Revised Thursday Cattle Slaughter..110,000*** Previous Estimate 114,000**

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	CHOICE	SELECT
BOXED BEEF FINAL	208.10	191.24
CHANGE FROM PRIOR DAY	0.78	0.01
CHOICE/SELECT SPREAD:		16.86
TOTAL LOAD COUNT		106
5 DAY SIMPLE AVERAGE:	207.03	189.87

PREVIOUS WEEK 10/23/2020	CHOICE	SELECT
BOXED BEEF FINAL	207.49	191.40

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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 OCTOBER 30, 2020

Primal Rib	387.82	317.28
Primal Chuck	170.33	164.11
Primal Round	169.49	167.34
Primal Loin	265.08	236.32
Primal Brisket	152.76	143.97
Primal Short Plate	119.72	119.72
Primal Flank	95.02	96.74

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PREVIOUS WEEK FINAL OCTOBER 23, 2020

Primal Rib	382.06	333.75
Primal Chuck	169.41	159.75
Primal Round	168.00	165.32
Primal Loin	268.92	236.06
Primal Brisket	145.93	144.22
Primal Short Plate	121.35	121.35
Primal Flank	97.01	95.24

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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
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
10/26	61	44	19	11	135	207.83	188.49
10/23	84	11	35	18	148	207.49	191.40

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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	55.02 loads	2,200,732 pounds
Select Cuts	25.50 loads	1,019,955 pounds
Trimming	7.78 loads	311,033 pounds
Ground Beef	17.66 loads	706,217 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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DELIVERY NOTICE SERVED – OCTOBER 2020 - LIVE CATTLE
SETTLEMENT: OCTOBER 30, 2020 - \$105.97
OLDEST LONG: NOT APPLICABLE
0 DELIVERIES
For the month there were 9 deliveries.
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USDA POSTED CATTLE PRICES ON 10/30/2020

IA/MN – CASH 102.75 - 103.00 - DRESSED 162.00

NE - CASH – 101.00 - 106.00 AVERAGE 1,516 POUNDS. DRESSED 166.00 POUNDS

KS – CASH 100.00 - 106.00 AVERAGE 1,486.1 - 1,525.0 FOR STEERS DRESSED No Reportable Trade.

TX/OK/NM – No Reportable Trade.

CO – Information not available due to confidentiality

*****National Daily Direct Cattle October 30, 2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1487	\$104.45	13,001
Live Heifer:	1356	\$103.94	5,824
Dressed Steer:	999	\$160.93	4,988
Dressed Heifer:	846	\$162.59	582

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October Live Cattle quietly closed out Friday at \$105.97. Bull spreading was the major part of trading for December into the spring of 2021 on moderate volume.

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Japan may be an important exporter to watch. Past years showed that Japan was the best buyer of overfed big cuts. Need to see if they will increase importing big and even fat covered cuts. However, the US isn't the only country with big Choice and Prime cuts. Great Britain and Australia along with Brazil and Argentina are big competition.

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With large loads of trimmings and ground beef being moved and increasing COVID 19 cases in the US and globally, it is an indicator consumers are hoarding as they did in March. As you may recall beef prices went up but it didn't help the cattle market.

China checks every load of commodities for COVID 19. During the South American winter, Brazil had several plants that couldn't export, beef, pork and chicken when COVID 19 was found on shipments. Two chicken processors in the US were stopped from selling chicken. As the US enters into winter and Brazil moves into summer, restrictions could be lifted on South American plants and because of China's policies, US and European meat could show possible contamination. It is something to keep in mind. When hedging or speculating use options to cover futures. Limit risk exposure.



Countries across the globe have started to lockdown and more countries northern hemisphere countries 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.

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Heavy weight overfed cattle are one of the biggest problems now. Lighter cattle are in the South and Southwest feedlots. Midwest cattle are priced under South and Southwestern cattle.

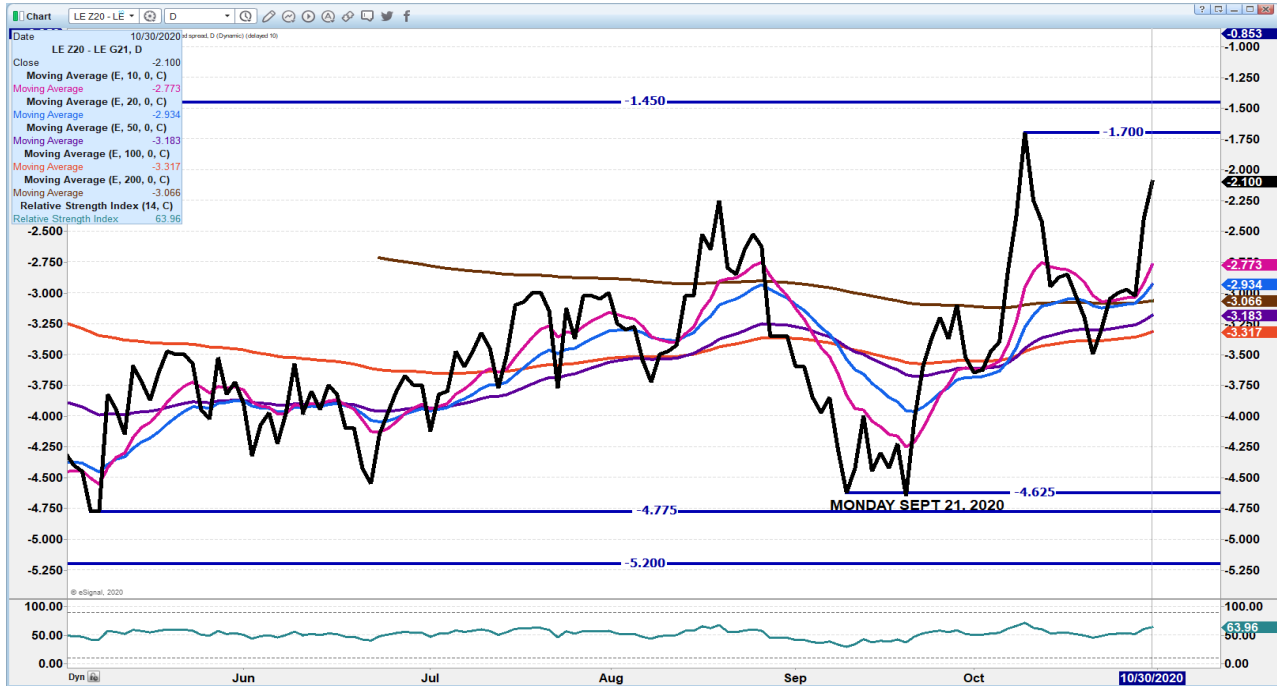
Feedlots are not risking being able to forward contract cattle at positive margins this year for deliveries December 2020 into 2021. Packer forward contracts are now \$1.00 over the CME Live Cattle futures December 2020 through April 2021 and May and June contracts are \$4.00 over June 2021.

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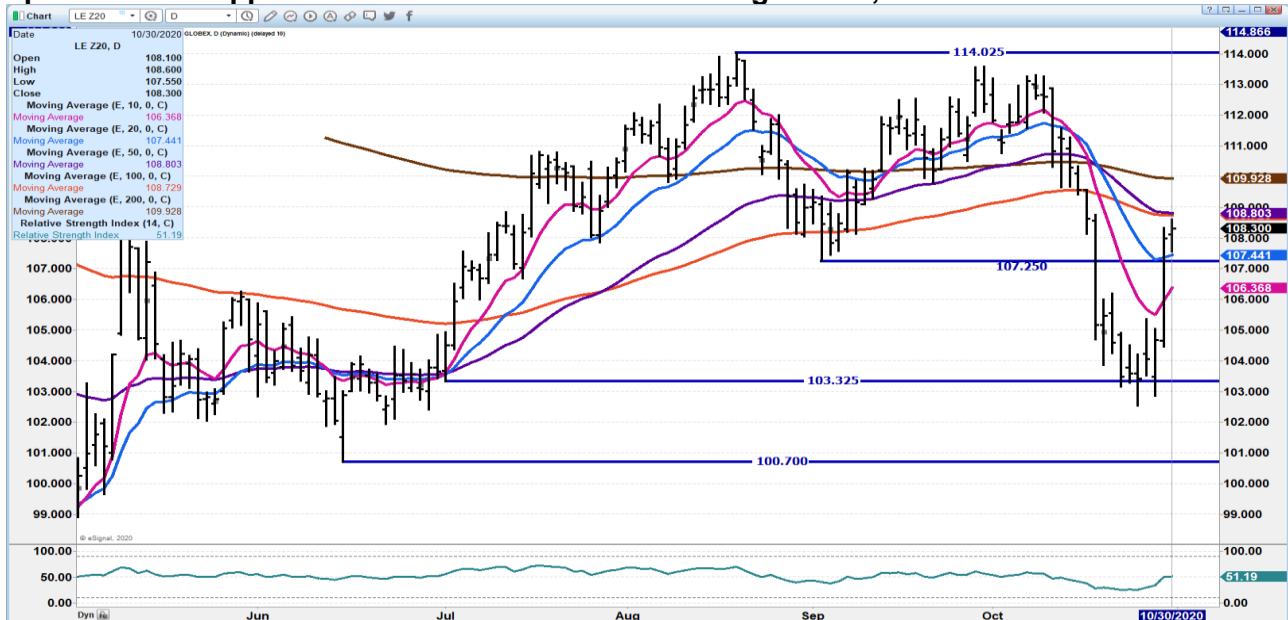
As of October 27th, dressed steer and heifer weights were 900.3 compared to previous week at 901.0 down .7 pound from week ago and 28 pounds over a year ago. Grading percent was 81.0%, down compared to previous week at 81.7%.

OCTOBER 2020 LIVE CATTLE – CLOSED OUT AT \$105.975

DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD NARROW IS CONSIDERED FRIENDLY



DECEMBER 2020 LIVE CATTLE - resistance at 50 and 100 day moving average at 108.82 up to 109.95 Support at 107.45 to 106.37 Volume at light at 18,180

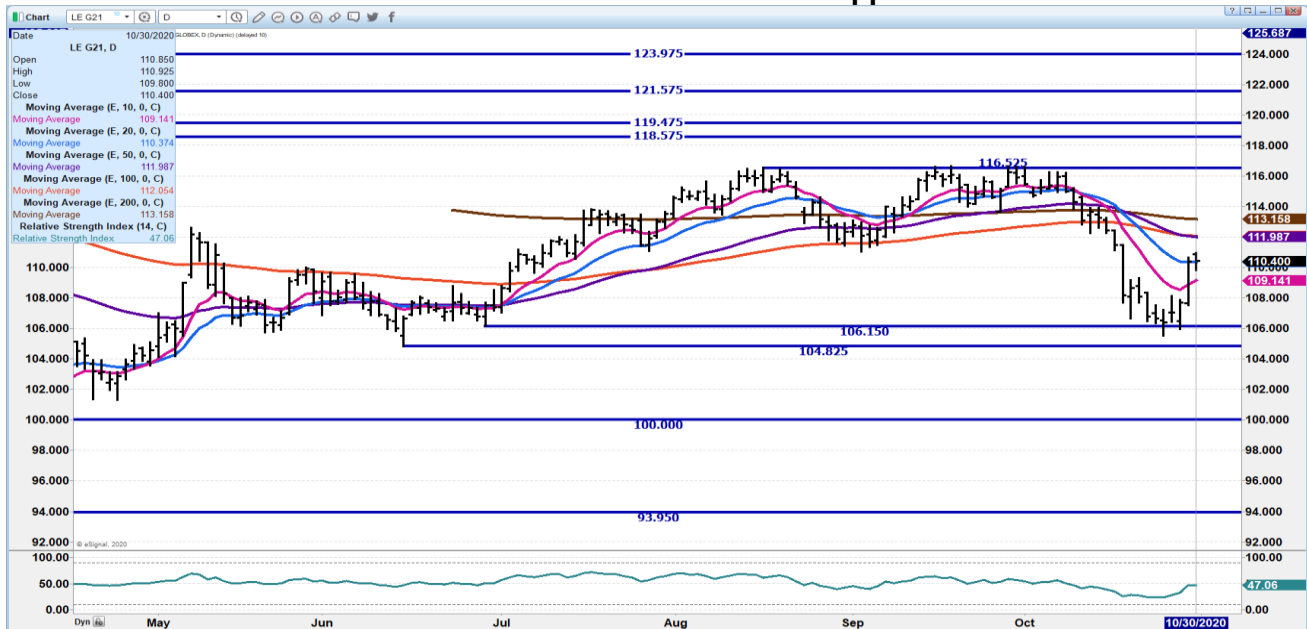


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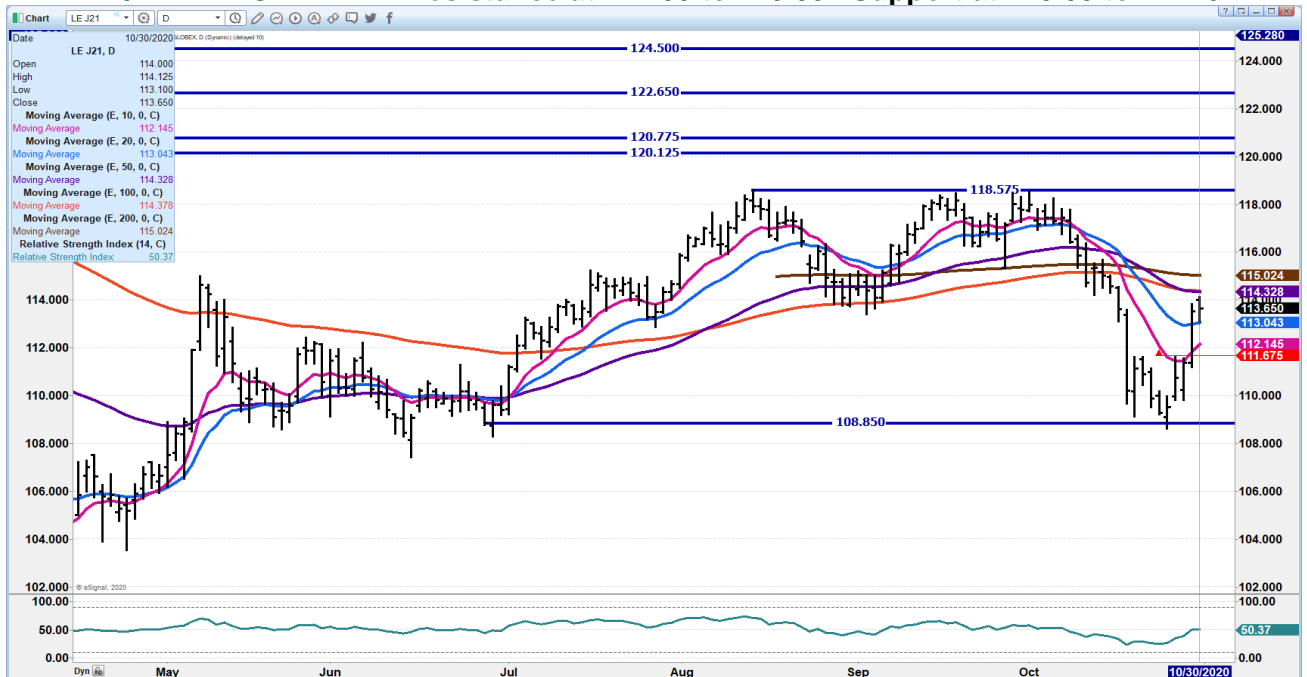
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FEB 2021 LIVE CATTLE – Resistance at 110.45 to 112.05 Support at 109.12 to 106.15



APRIL 2021 LIVE CATTLE – Resistance at 114.35 to 115.05 Support at 113.05 to 111..67



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Feeder Cattle

**THE CME FEEDER INDEX ON 10/29/2020 WAS 136.76 UP 2.42 FROM PREVIOUS DAY
OCTOBER 2020 FEEDER CATTLE FUTURES SETTLED ON OCTOBER 29, 2020 AT
\$136.45**

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

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

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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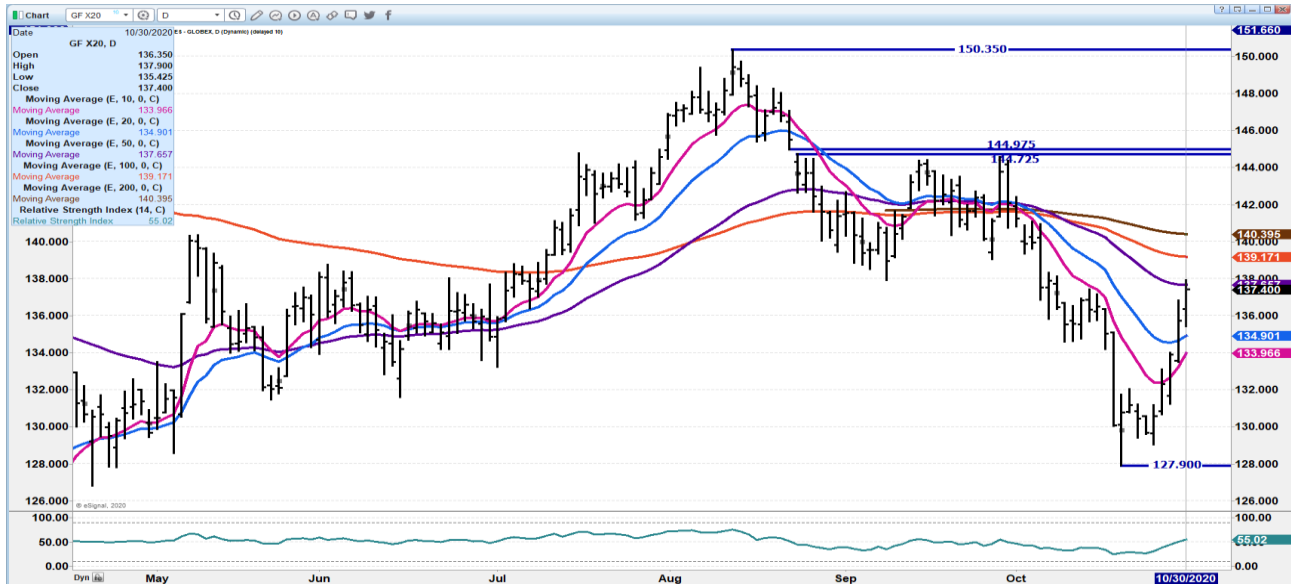
**JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS NARROW
KEEPS NARROW IS FRIENDLY**



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NOVEMBER 2020 FEEDER CATTLE - MOVED TO 100 DAY MOVING AVERAGE. NEXT REIANCE AT 139.17 TO 140 .37 SUPPORT AT 134.97 TO 133. 95



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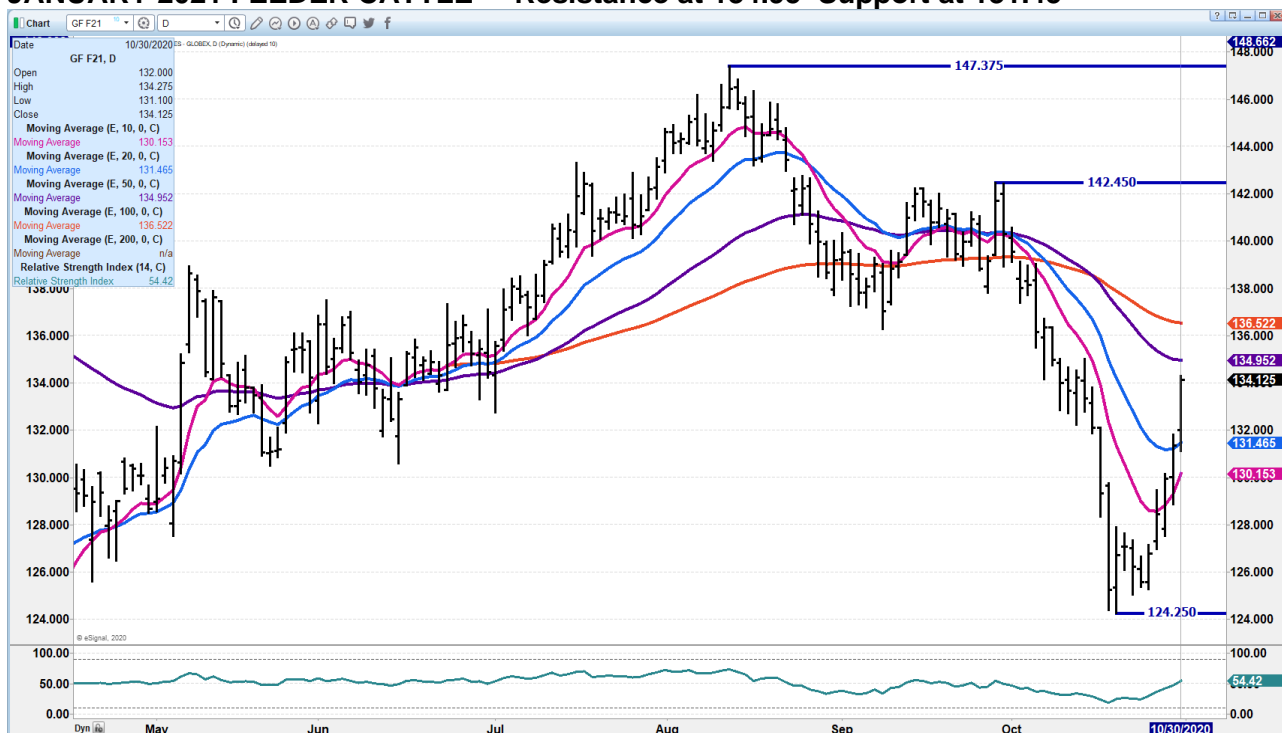
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JANUARY 2021 FEEDER CATTLE – Resistance at 134.95 Support at 131.45



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 30, 2020	485,000	
WEEK AGO	486,000	
YEAR AGO	489,000	
SATURDAY 10/31/2020	251,000-	A WEEK AGO 237,000 - YEAR AGO 239,000
WEEK TO DATE (EST)	2,683,000	
SAME PERIOD LAST WEEK (EST)	2,672,000	
SAME PERIOD LAST YEAR (ACT)	2,678,000	
2020 YEAR TO DATE	108,324,000	
2019 *YEAR TO DATE	107,320,000	

PERCENT CHANGE YEAR TO DATE .9% COMPARED TO PREVIOUS WEEK AT 1.0%

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*****REVISED THURSDAY HOG SLAUGHTER..483,000 *** PREVIOUS ESTIMATE 492,000**

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**CME CASH HOG INDEX 10/28/2020 AT 75.49 DOWN 78 CENTS FROM PREVIOUS DAY
CME CASH HOG INDEX 10/21/2020 AT 78.60**

CME CASH PORK CUTOUT INDEX 10/29/2020 AT 88.95 DOWN 1.95 FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 10/22/2020 AT 98.20

**CME CASH FRESH BACON INDEX ON 10/23/2020 WAS 222.45 COMPARED TO
10/16/2020 WAS 214.50**

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Hogs are in the time of the month when cash hogs and pork prices may or may not reflect on what happens in the futures market.

The pork cutout was at higher levels in October because of the strength for most of month due to the bellies and hams. However, with ham and belly prices falling, the cutout could be in a lot of trouble because loins are a dragging anchor on the cutout. For the week, the CME Pork Index was down \$9.45, and the CME Lean Hog Index was down \$3.11.

Weights remain up which shows packers aren't having a hard time procuring enough hogs for the kill.

China is rapidly increasing hog numbers and currently they have big supplies of stored pork and chicken. At the same time Brazil is increasing hogs by close to 5% and Europe by 2 plus percent.

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Record Planeloads of Live Hogs Flown Into China to Boost Herds

<https://www.bloomberg.com/news/articles/2020-10-29/record-planeloads-of-live-hogs-flown-into-china-to-boost-herds>

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

OCTOBER 30, 2020

LOADS OF PORK CUTS: 278.52

LOADS TRIM/PROCESSED PORK: 34.23

FINAL

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
CHANGE :		-3.77	-3.88	-0.55	-3.14	-4.39	-13.9	7.84
Five Day Average --		87.32	77.20	78.45	60.82	137.15	87.37	130.24

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/23/2020	345.34	93.25	83.81	81.37	61.27	143.36	84.43	157.32

CHANGE FOR WEEK

Carcass	Loin	Butt	Pic	Rib	Ham	Belly
-9.45	-9.79	-5.42	-2.90	-15.37	-58	-32.62

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

SLAUGHTER DATA FOR OCTOBER 29, 2020

Average live weight - 286.89

Average carcass weight - 213.75

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October 29, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$56.00 - \$63.00

Weighted Average: \$61.35

Change from Prior Day: 0.31 lower

HOGS SOLD: 6,857

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$60.28 - \$83.14

Weighted Average: \$71.98

Previous Day: \$74.11

HOGS SOLD: 178,914

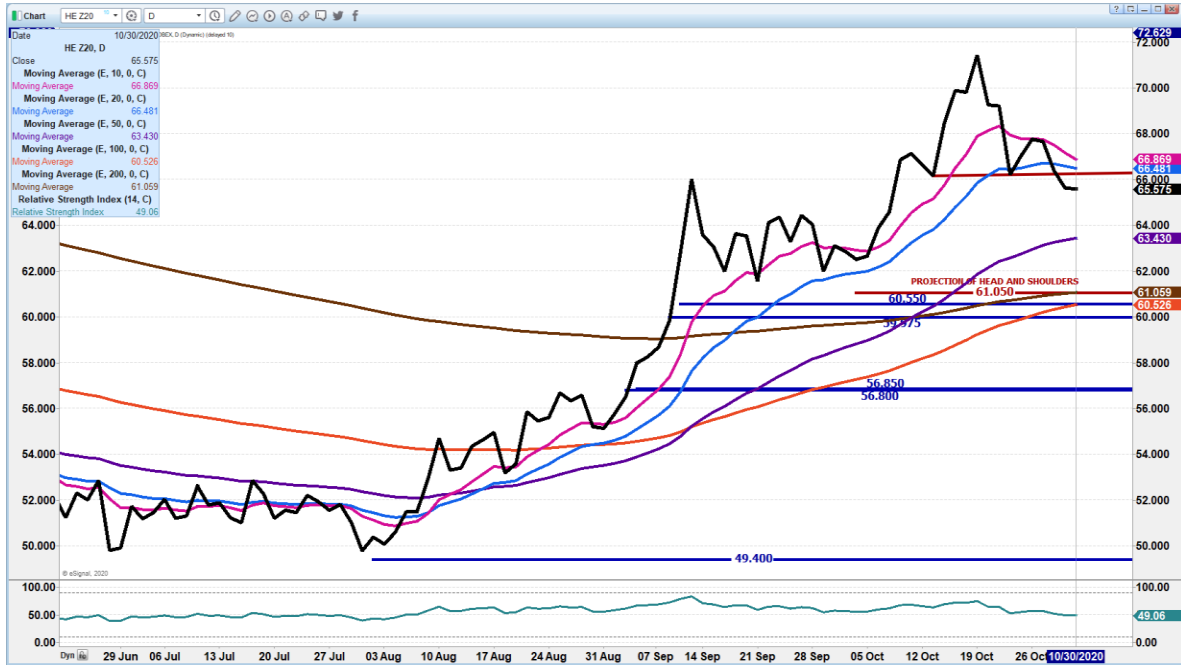


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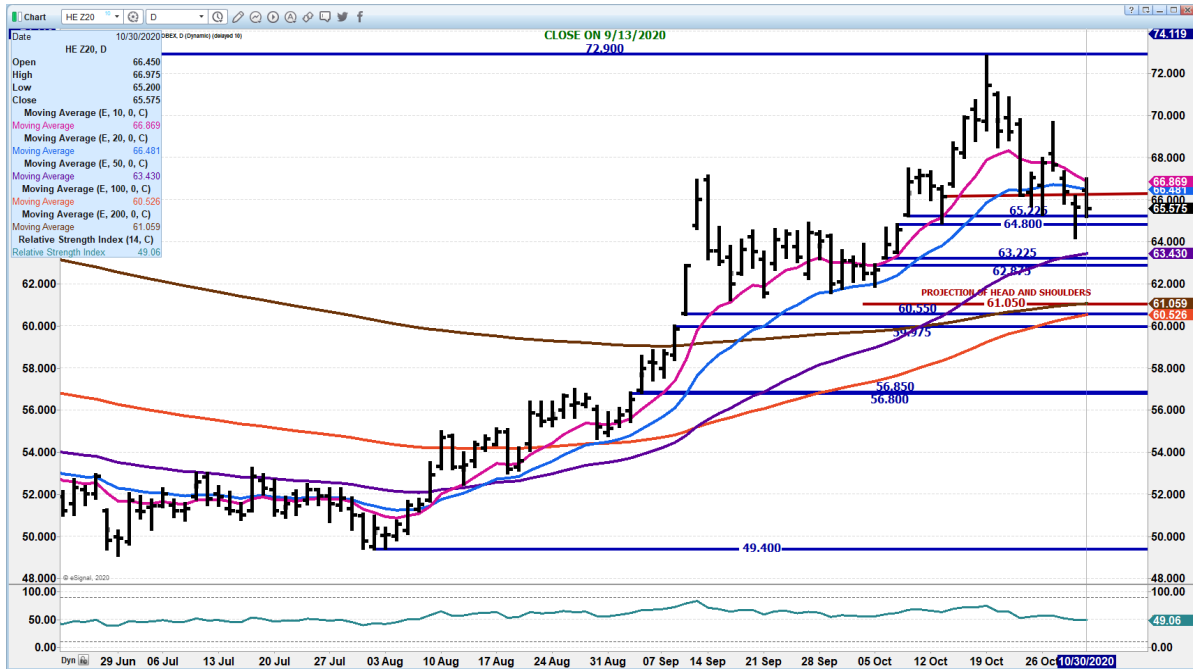
FEB 2021/DECEMBER 2020 LEAN HOG SPREAD - LOOK FOR DEC TO OSE TO FEB



DECEMBER 2020 LEAN HOGS – HEAD AND SHOULDER POSSIBLE. WITH SCO ABOVE 69.65 SUPPORT AT 63.45



DECEMBER 2020 LEAN HOGS – ABOVE CHART EXPLANATION

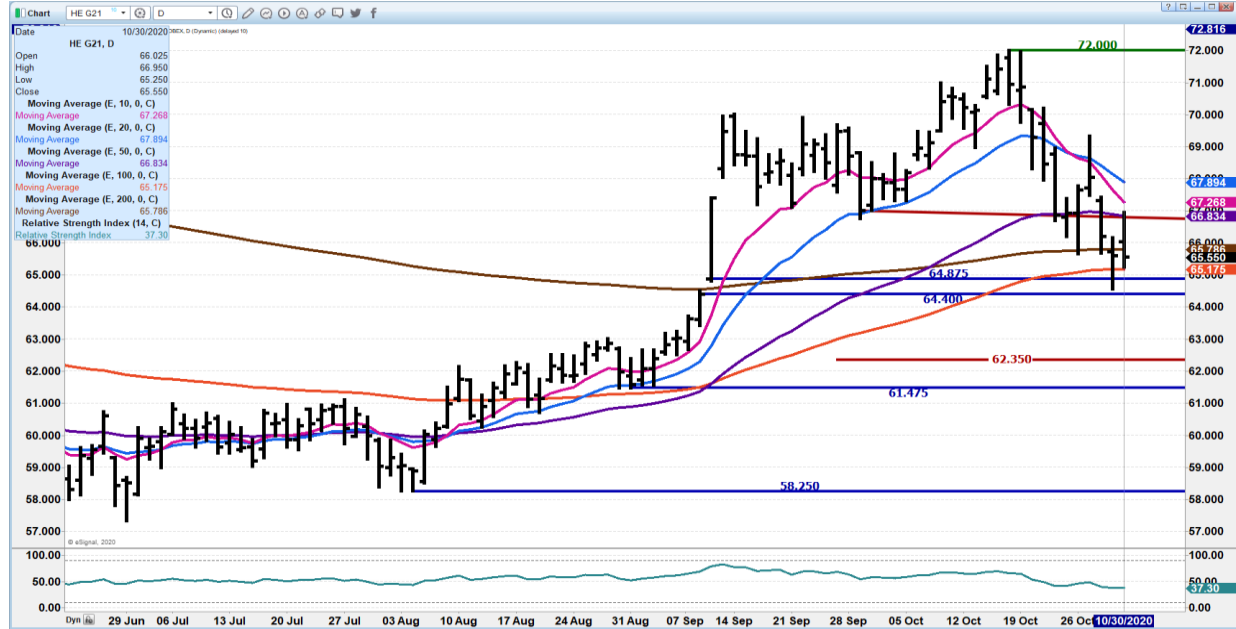


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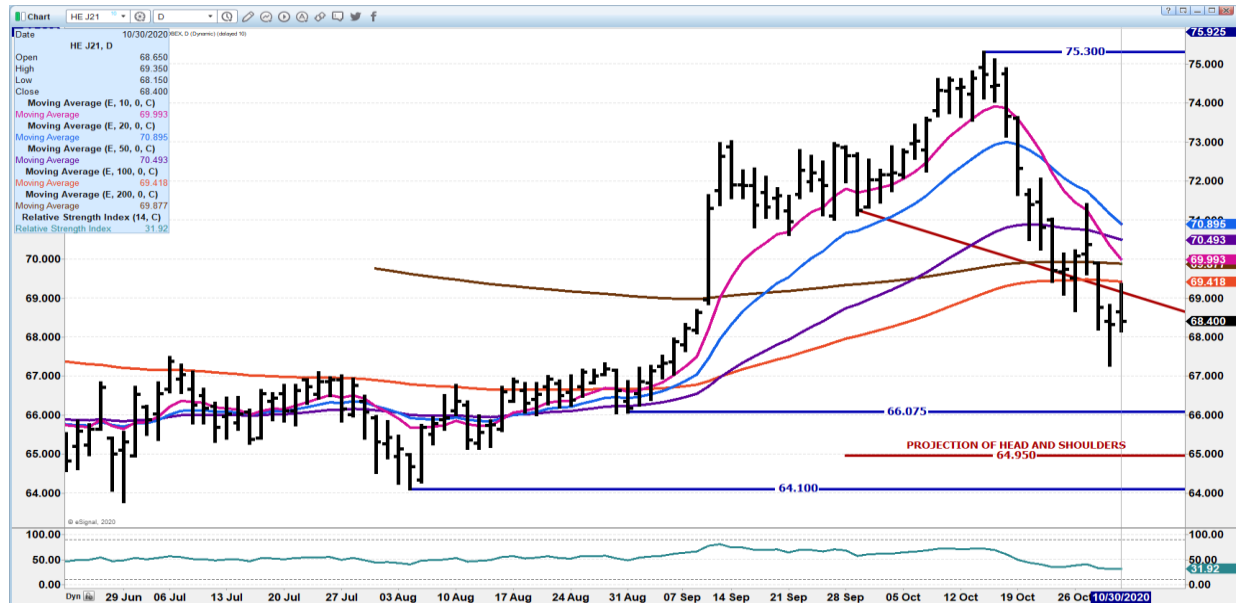
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FEBRUARY 2021 LEAN HOGS – RESISANCE 66.87 TO 67.87 SELL AT 67.27 WITH SCO ABOVE 68.87 SUPPORT AT 65.17 TO PROJECTION AT 62.35



APR 2021 LEAN HOGS – SUPPORT AT 66.07 TO 64.95 RESISTANCE AT 69.50 TO 70.00



CHARTS FROM ESIGNAL INTERACTIVE, INC .

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