



TUESDAY DECEMBER 22, 2020 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 21, 2020	119,000
WEEK AGO	120,000
YEAR AGO	117,000

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	CHOICE	SELECT
BOXED BEEF FINAL	210.92	197.26
CHANGE FROM PRIOR DAY	2.29	2.99
CHOICE/SELECT SPREAD:		13.46
TOTAL LOAD COUNT		110
5 DAY SIMPLE AVERAGE:	208.77	192.91

PREVIOUS WEEK 12/18/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	208.63	194.27

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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 DECEMBER 21, 2020

Primal Rib	378.61	311.46
Primal Chuck	175.23	174.19
Primal Round	182.88	180.84
Primal Loin	264.40	240.56
Primal Brisket	156.46	155.25
Primal Short Plate	111.53	111.53
Primal Flank	94.58	90.94

PREVIOUS WEEK'S CLOSE

FINAL DECEMBER 18, 2020		
Primal Rib	390.68	310.47



Primal Chuck	171.26	169.23
Primal Round	178.31	176.28
Primal Loin	258.11	238.61
Primal Brisket	153.36	153.85
Primal Short Plate	113.45	113.45
Primal Flank	90.94	89.68

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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 6 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
12/18	76	18	13	7	115	208.63	194.27
12/17	64	18	7	14	103	209.51	193.70
12/16	84	26	3	31	143	207.22	192.09
12/15	97	37	10	30	174	208.82	192.20
12/14	127	21	15	14	177	209.69	192.30
12/11	65	26	21	19	131	213.88	195.71

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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	70.96 loads	2,838,412 pounds
Select Cuts	16.40 loads	656,124 pounds
Trimming	13.62 loads	544,814 pounds
Ground Beef	8.57 loads	342,742 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)

DECEMBER 2020 USDA LIVESTOCK REPORTS

USDA COLD STORAGE – TUESDAY DECEMBER 22, 2020 2:00PM CENTRAL TIME

USDA QUARTERLY HOGS AND PIGS– WEDNESDAY DECEMBER 23, 2020 2:00PM CENTRAL TIME

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DELIVERY NOTICE SERVED – DECEMBER 2020 - LIVE CATTLE
SETTLEMENT: DECEMBER 21, 2020 - \$110.60



**OLDEST LONG: 11/13/20 SETTLEMENT AT \$109.92
0 DELIVERIES**

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USDA POSTED CATTLE PRICES ON 12/21/2020

**IA/MN – CASH – No Reportable Trade. Dressed.- No Reportable Trade.
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 12/21/2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1472	\$106.22	24,692
Live Heifer:	1358	\$106.37	9,634
Dressed Steer:	994	\$165.39	9,581
Dressed Heifer:	872	\$165.36	3,452

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Boxed beef appears to have found support for primal Rounds, Chucks and Loins. But Rib sections continue slide. Normally, December isn't the time of year these cuts move up unless they are being purchased for further processing to go into ground beef and processed beef products. They are cheap and when ground round is on sale for \$4.99 to \$5.99 per pound, it is likely day to day retailers are buying for further processing. When just 110 loads are moved in the day it isn't much of a true representation of the price of beef when majority of beef and pork is sold on a form of contracting months ahead of the daily and current beef prices

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The Brazilian Association of Meat Exporting Industries estimates beef exports for 2020 will be 8.8% more than a year ago. From January 2020 – November 2020 exports were 1,800,000 metric tonnes, up 9% compared to 2019. For 2021 exports will remain strong but not as active as 2020. The outlook for Brazil's beef exports is for a 6% increase over 2020.

U.S. beef exports January 2020 through October 2020 were 791,674 metric tonnes down 5% compared to 2019. U.S. beef exports including variety meats January – October 2020 are 1,019,527 metric tonnes, down 7% compared to 2019.

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One of the most obvious concerns US cattle and hog producers can see is how grain and oil seeds are being sold. Global demand for feed means increasing global cattle and hog numbers. Cattle and Feed report showed placements down in the US but it comes at a time when world livestock numbers are increasing and demand for US beef exports is down.

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Steer and heifer weights are dropping but due to packers pulling forward cattle in the South and Southwest. Cattle in the North and Midwest still have many cattle being sold above 1500 pounds live and over 1000 pounds dressed while cattle in Texas, Oklahoma, and New Mexico have cattle pulled early from January contracts below 1300 pounds.

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Monitor the 5 day moving average. It is a good indicator for reversals. When the current Choice beef moves over or under the 5 day average, it often is when beef market will change direction. Don't react the first day it happens, give it at least two days.

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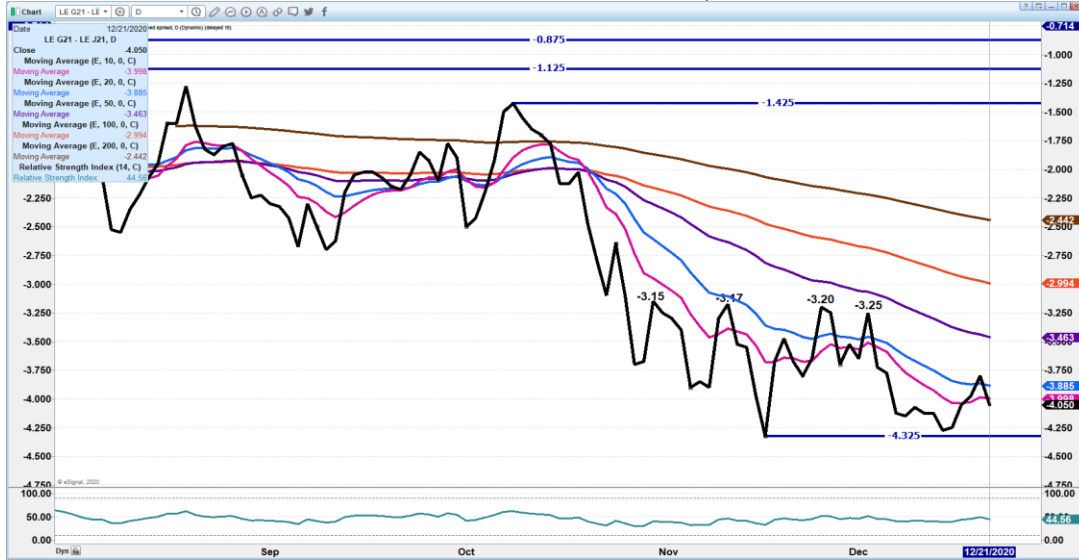
As of December 15, 2020, dressed steer and heifer weights were 891 compared to previous week at 894 down 3 pounds from week ago and the same as last week, 5 pounds over a year ago.

Weights are dropping because packers pulling contracted cattle and their own cattle forward in South and Southwest. Thursday cattle sold in Iowa/Minnesota averaging over 1500 pounds. Cattle in Texas were moving at 1244 pounds.

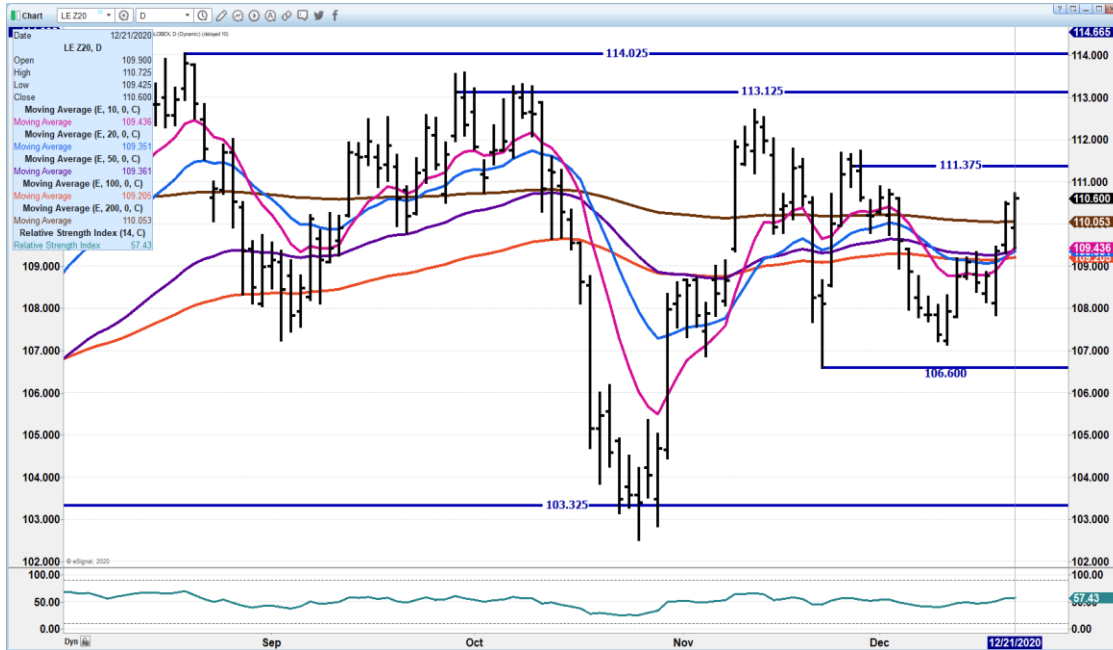
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FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - SPREAD IS WIDENING. MONITOR FOR CONINUED WIDENING, BEARISH .

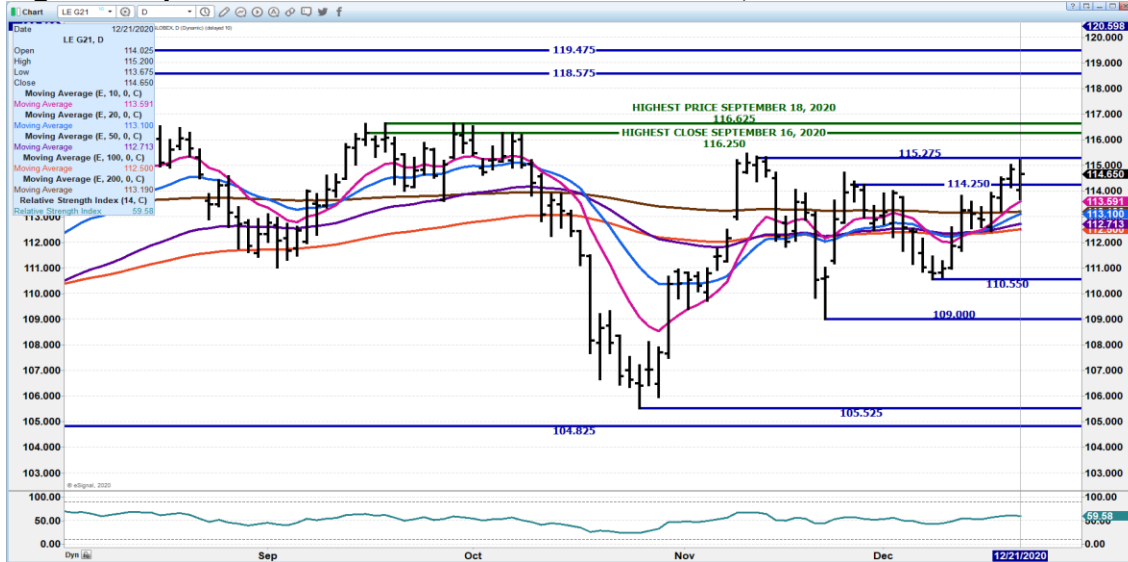


DECEMBER 2020 LIVE CATTLE - OPEN INTEREST 2987 REISTANCE AT 111.37 SUPPORT AT 109.37

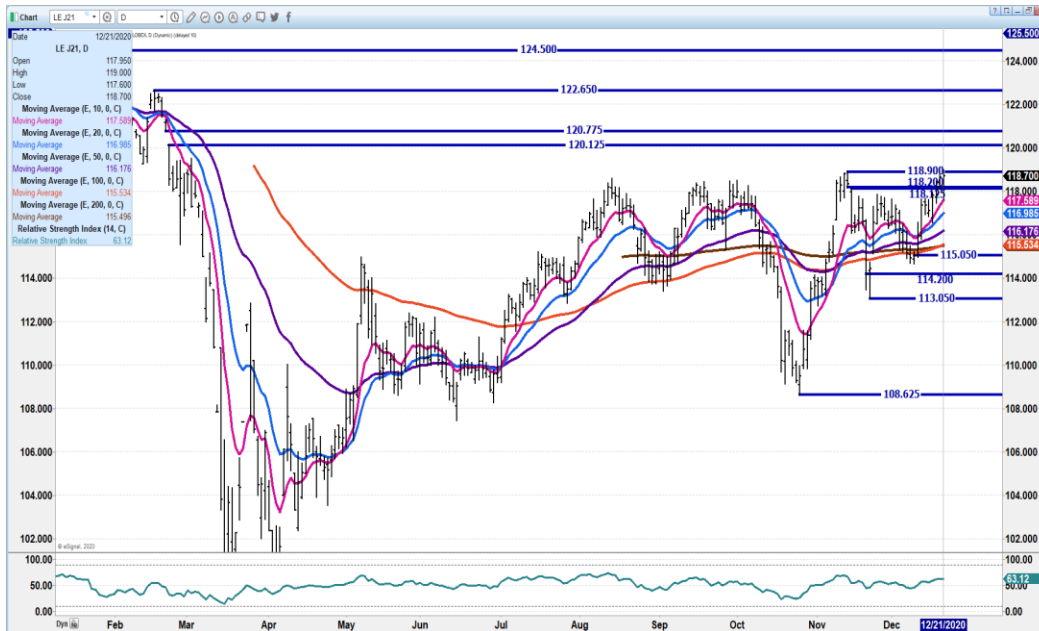




FEBRUARY 2021 LIVE CATTLE – Moved to resistance at the 115.27 level, next resistance highs in September at 116.25 to 116.62 Volume at 17,308



APRIL 2021 LIVE CATTLE - VOLUME AT 9710 MOVED TO NOVEMBER HIGH CLOSE AT 118.90 NEXT REISTANCE AT 120.12 TO 120.77



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Feeder Cattle

THE CME FEEDER INDEX ON 12/18/2020 WAS 139.56 UP 1.08 FROM PREVIOUS DAY

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 21, 2020 AT \$140.62

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 12/18/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	237,200	42,000	26,700	305,900
LAST WEEK:	354,700	27,000	8,500	390,200
YEAR AGO:	223,000	45,500	14,000	282,500

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD STEADY TO 3.00 HIGHER. RECEIPTS THIS WEEK ARE TYPICAL FOR THE LAST FULL MARKETING WEEK OF A YEAR WHEN SOME PRODUCERS WANT TO SELL BEFORE WINTER WEATHER REALLY GETS HERE. SOME WILL ALSO DEFER PAYMENT AT THEIR LOCAL AUCTION MARKETS TO THE NEXT YEAR. OVER THE NEXT TWO WEEKS, LIVESTOCK AUCTION VOLUMES WILL BE VERY LIMITED WITH SEVERAL ACKNOWLEDGING THE HOLIDAYS IN FRONT OF THEM AND LETTING EMPLOYEES REST UP FOR THE RECEIPTS THAT WILL BE SUBSTANTIAL THE FIRST FULL WEEK OF 2021.

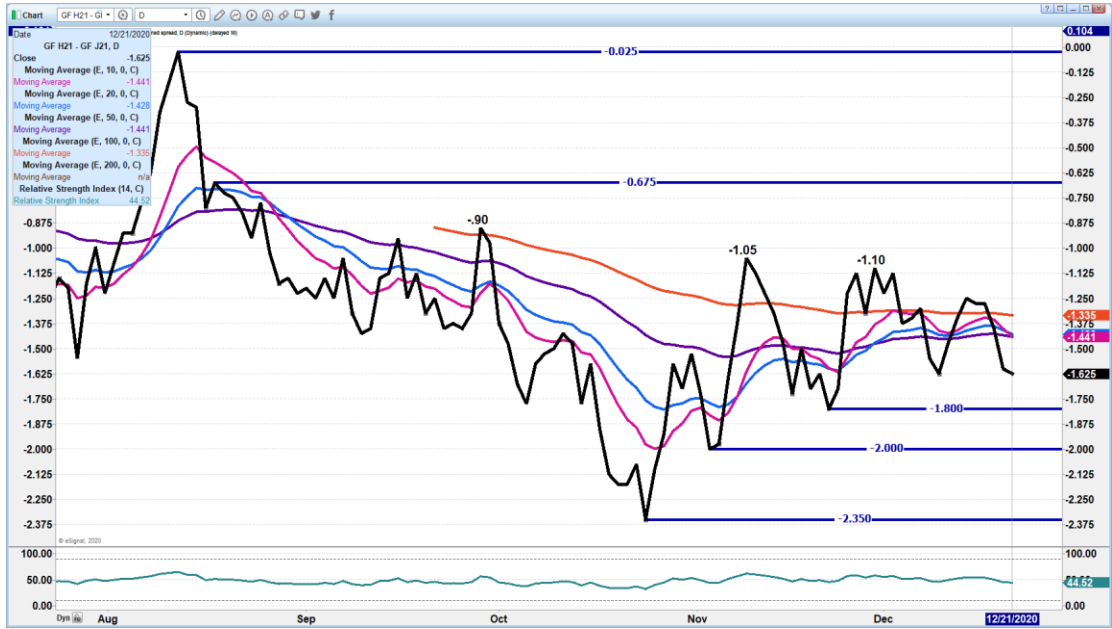
*****BEGINNING JANUARY 4, 2021, THE U.S. DEPARTMENT OF AGRICULTURE'S (USDA) AGRICULTURAL MARKETING SERVICE (AMS), THROUGH ITS LIVESTOCK, POULTRY AND GRAIN MARKET NEWS DIVISION (LPGMN), WILL CHANGE THE PUBLICATION DATE OF THIS REPORT FROM FRIDAY TO MONDAY. THIS WILL PROVIDE A TRUE WEEKLY AVERAGE PRICE (SUNDAY THROUGH SATURDAY). CURRENTLY, LPGMN UTILIZES CATTLE AUCTION SALES DATA FROM FRIDAY THROUGH THURSDAY TO COMPILE THIS REPORT. LPGMN WILL TRANSITION THE PUBLICATION DATE FROM FRIDAY TO MONDAY. BY CHANGING THE PUBLICATION TO MONDAY, LPGMN WILL CAPTURE ADDITIONAL SALES THAT OCCUR AT AUCTIONS ON FRIDAY AFTERNOONS AND SATURDAYS, UTILIZING SALES DATA FROM SUNDAY TO SATURDAY, TO CAPTURE A TRUE WEEKLY AVERAGE PRICE FOR FEEDER CATTLE.**

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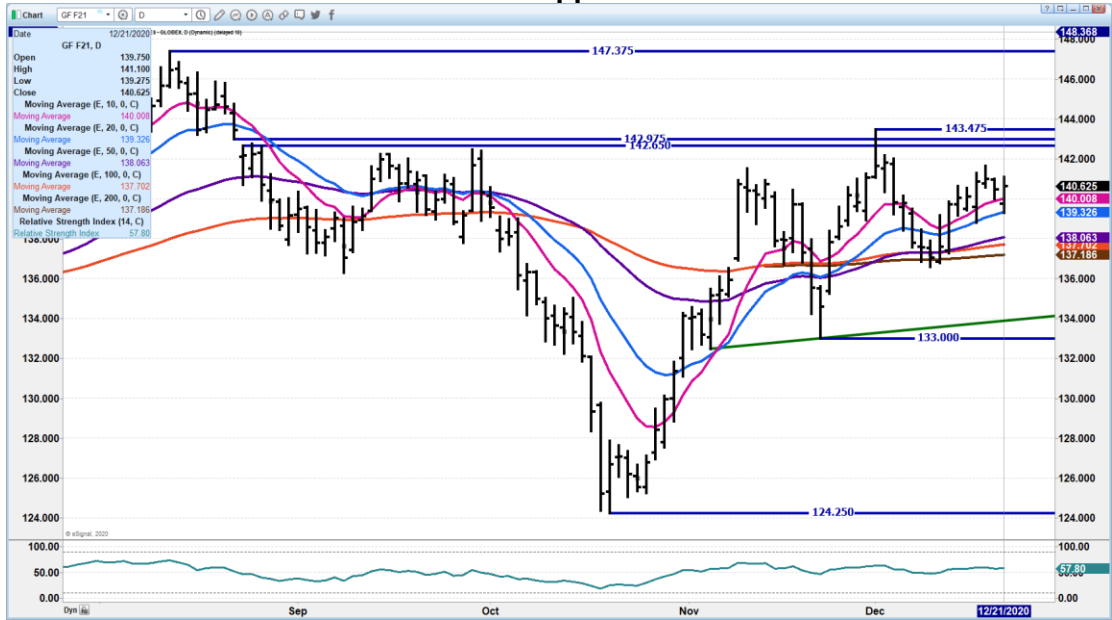
MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD – SPREAD STILL NARROW BUT WIDENING AND LIKELY WILL WIDEN.



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JANUARY 2021 FEEDER CATTLE – support at 139.37 Resistance at 142.65 to 143.47



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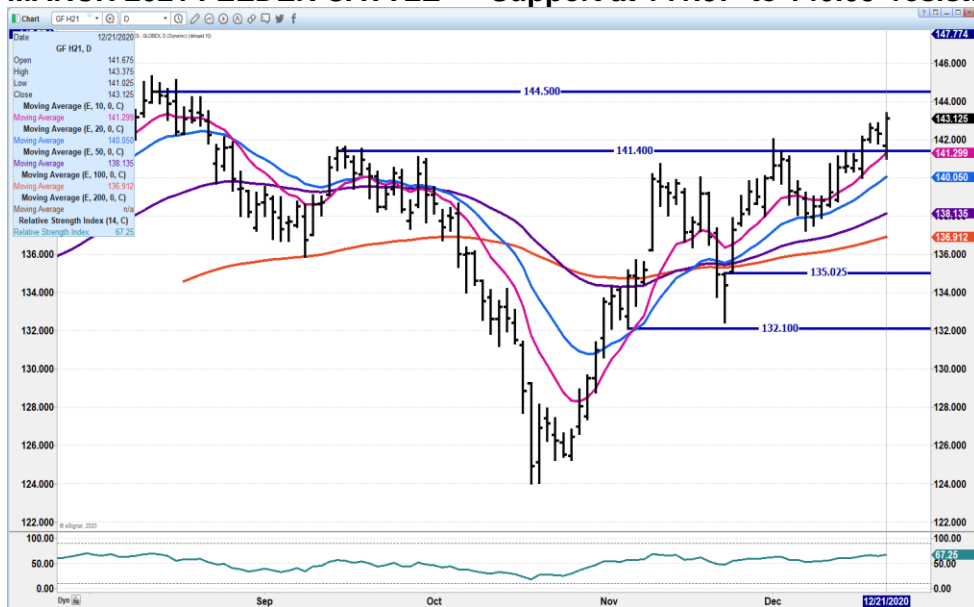
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MARCH 2021 FEEDER CATTLE – Support at 141.37 to 140.05 resistance at 144.50



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 21, 2020	487,000
WEEK AGO	489,000
YEAR AGO	496,000

***REVISED FRIDAY HOG SLAUGHTER..476,000 PREVIOUS ESTIMATE 481,000**

*****NEW SATURDAY WEEK TO DATE..2,787,000*****

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CME CASH HOG INDEX 12/17/2020 AT 63.72 DOWN 67 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 12/18/2020 AT 74.06 DOWN 1.83 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 12/18/2020 WAS 117.35 COMPARED TO 12/11/2020 WAS 121.99

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Early Monday bellies were up \$36.16 from Friday. But with total loads of pork and trimmings combines at 221 loads, there certainly weren't any big buyers in the trade.

Loins are gaining over hams. Both are extremely cheap, and consumers are buying pork.

China maybe buying carcasses ahead of New Year's. Like grain they buy for storage, we have seen pork in storage sold and replaced with new pork near this time of the year. Also, with strict laws, China's economy is doing well. Jan 2020 – Nov 2020 its annual job creation target reached 122%.

CHINA'S STUNNING EXPORT COMEBACK HAS FACTORIES SCRAMBLING FOR WORKERS

<https://www.reuters.com/article/us-china-economy-manufacturing/chinas-stunning-export-comeback-has-factories-scrambling-for-workers-idUSKBN28V0AL>

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Pork finish up 87 cents yesterday with bellies leading the way. Loins were up 1.58 but hams were down 4.12. Butts dropped 3.71 and ribs up 3.30. The five day average lost nearly \$1.00. Packers have more than enough hogs to kill, bringing in 241,936 formula contracted hogs on Monday

There are plenty of hogs in the US and globally. Going forward it is important to watch hog slaughter numbers and weights to see if hogs are being backed up due to COVID 19.

After China finishes their New Year's buying of pork, look for stricter inspections on US ships and plane deliveries

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Watching individual pork primal cuts day to day will give false/ positive indicators. Trade the 5 day average and compare to previous week's change. If you give too much credence to individual cuts from one day to the next, it is like being on a teeter totter.

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Pork is moving and for the year export sales are up due to China buying. But most of China's buying was in the first quarter of the year. For the 1st t quarter of 2020 China increased pork sales by 575% compared to 1st quarter of 2019. By the end of the 2nd quarter Chinese exports for 6 months were 377% and 3rd quarter or 9 months at 188% with October at 162%. China is definitely up on the year but throughout the year they have been steadily importing less and less.



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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

DECEMBER 21, 2020

LOADS OF PORK CUTS: 345.13

LOADS TRIM/PROCESSED PORK: 32.94

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/21/2020	378.07	72.34	71.02	68.50	57.52	138.36	61.68	96.36
Change		0.87	1.58	-3.71	-0.43	3.30	-4.12	10.50
Five Day Average --		73.21	70.45	71.20	58.87	135.21	69.61	89.08

NOON

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/21/2020	220.84	77.98	71.97	69.50	58.94	139.60	65.33	122.02
Change		6.51	2.53	-2.71	0.99	4.54	-0.47	36.16
Five Day Average --		74.33	70.64	71.40	59.16	135.46	70.34	94.21

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/18/2020	343.89	71.47	69.44	72.21	57.95	135.06	65.80	85.86
Five Day Average --		74.14	70.08	71.30	59.76	133.66	75.02	87.17

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

SLAUGHTER DATA FOR DECEMBER 18 AND 19, 2020

Average live weight - 286.77

Average carcass - 214.71

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 21, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$45.00 - \$53.00

Weighted Average: \$50.58,

Change from Prior Day: 0.26 lower

HOGS SOLD 6,750



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SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$51.02 - \$70.42

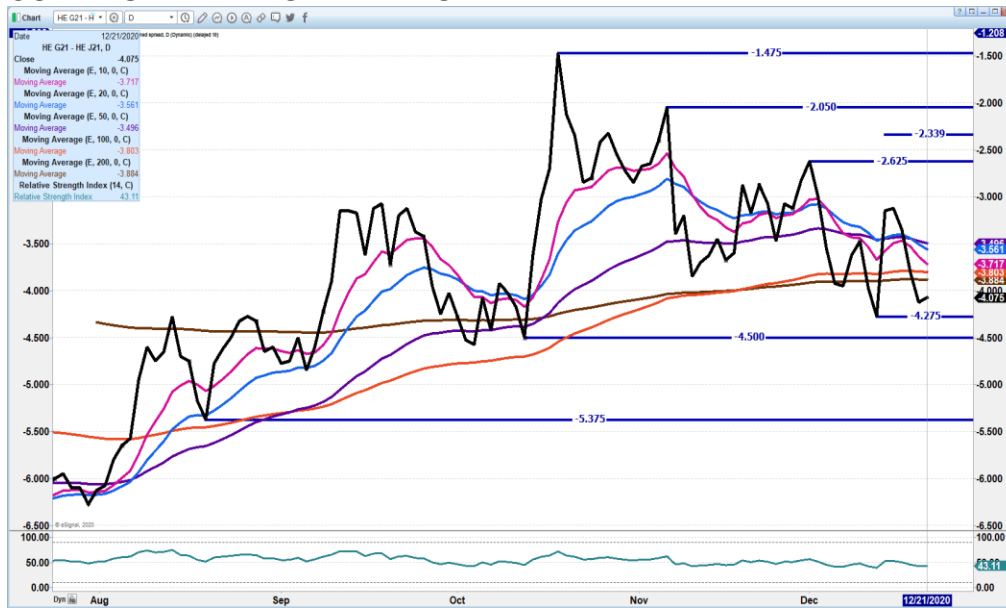
Weighted Average: \$61.10

Previous Day: \$61.33

HOGS SOLD: 241,936

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

FEBRUARY/APRIL 2021 LEAN HOG SPREAD – SPREAD IS WIDE LOOK FOR CONTINUED BEAR SPREADING



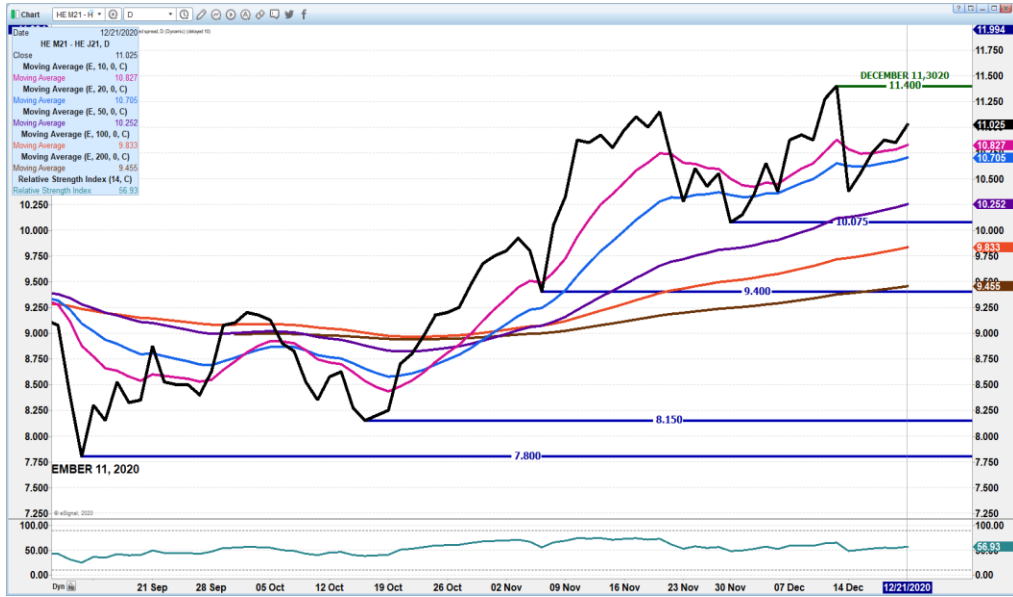
JUNE/APRIL LEAN HOG SPREAD – LOW VOLUME ON APRIL AND JUNE. SPREAD IS AT NORMAL LEVEL FOR THIS TIME BUT WITH INCREASING FARROWINGS IN CHINA, SPREAD WILL NARROW.

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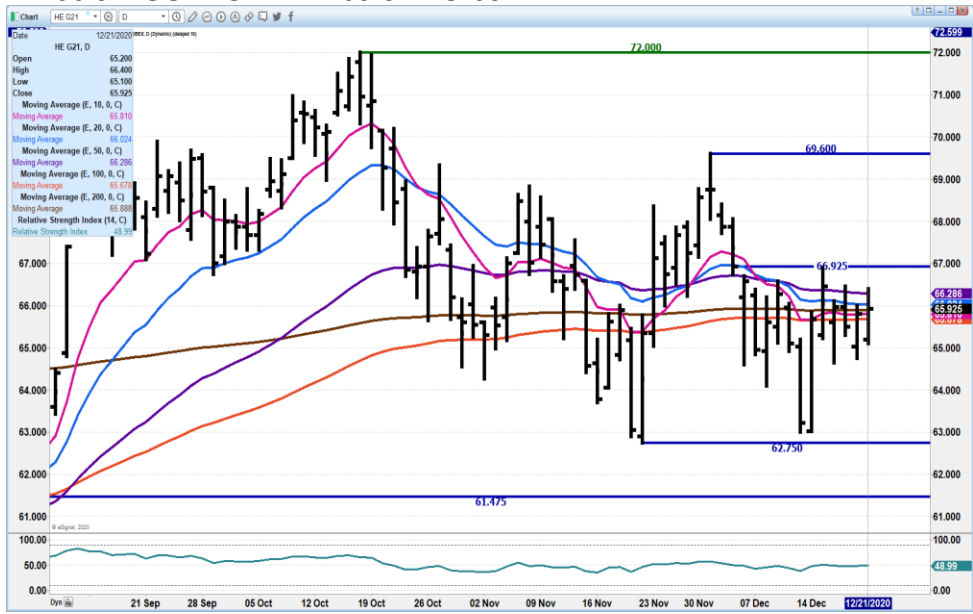
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FEBRUARY 2021 LEAN HOGS – MOVED TO RESISTANCE AT 66.40 NEXT RESISTANCE AT 66.92 SUPPORT AT 65.37 TO 63.22



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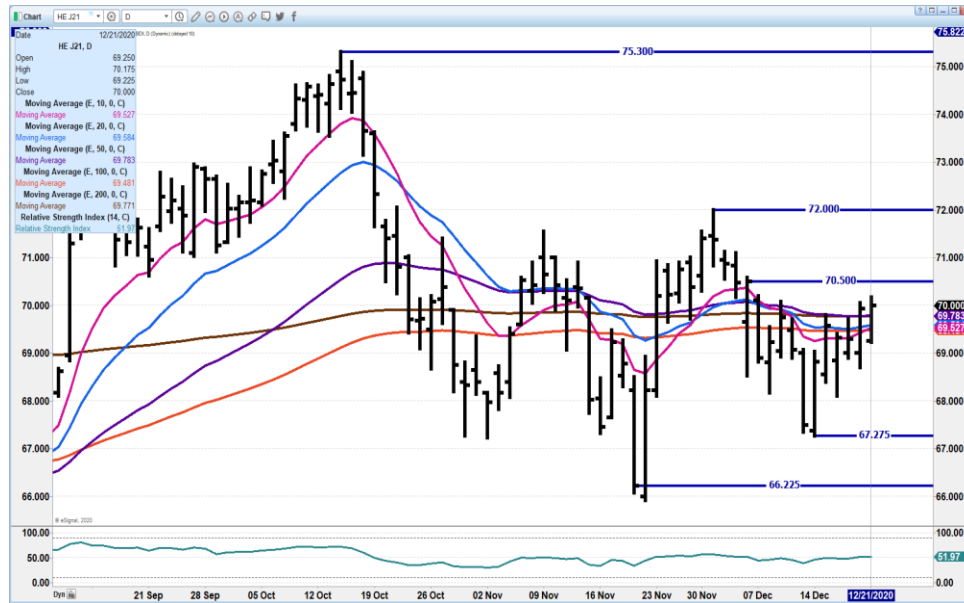
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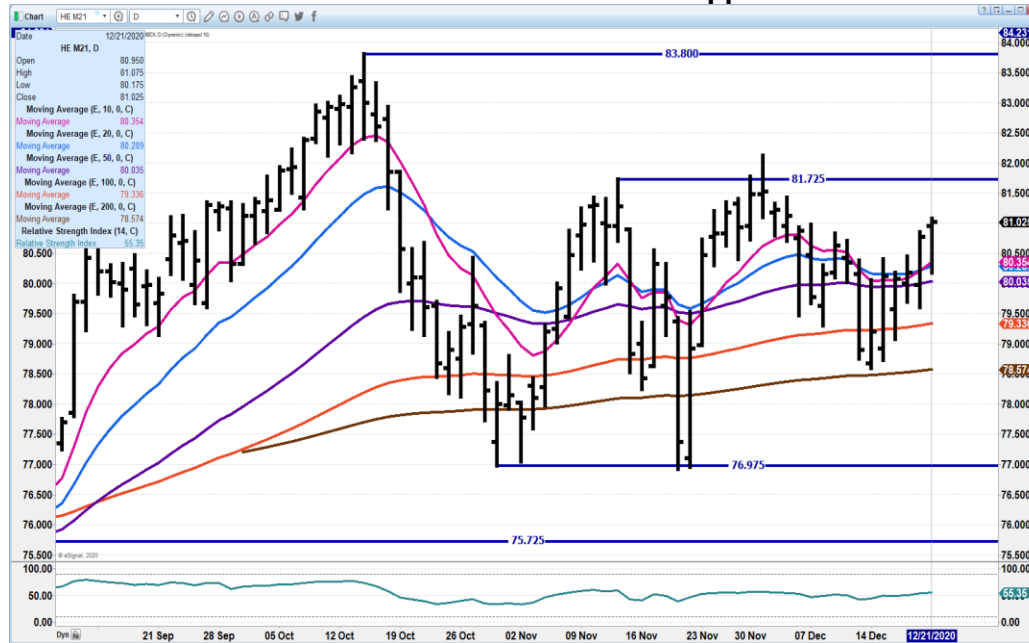
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APRIL 2021 LEAN HOGS – REISTANCE AT 70.50 SUPPORT AT 68.10 TO 67.27



JUNE 2021 LEAN HOGS – resistance at 81.72 Support at 80.02 to 79.27



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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