



MONDAY MORNING JANUARY 11, 2021 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JANUARY 08 , 2021	117,000	
WEEK AGO	0	
YEAR AGO	120,000	
SATURDAY 01/09/2021	68,000	- A WEEK AGO 67,000, YEAR AGO 31,000
WEEK TO DATE (EST)	651,000	
SAME PERIOD LAST WEEK (EST)	515,000	
SAME PERIOD LAST YEAR (ACT)	643,000	
2021 YEAR TO DATE	718,000	
2020 YEAR TO DATE	972,000	

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	CHOICE	SELECT
BOXED BEEF FINAL	206.80	196.69
CHANGE FROM PRIOR DAY	0.99	0.10
CHOICE/SELECT SPREAD:		10.11
TOTAL LOAD COUNT		138
5 DAY SIMPLE AVERAGE:	207.36	196.26

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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 JANUARY 8, 2021

Primal Rib	329.98	285.90
Primal Chuck	184.14	179.34
Primal Round	182.38	182.42
Primal Loin	257.82	242.16
Primal Brisket	156.13	150.47
Primal Short Plate	115.30	115.30
Primal Flank	95.66	93.93



FINAL DECEMBER 31, 2020

Primal Rib	365.66	291.78
Primal Chuck	178.32	175.95
Primal Round	183.23	182.90
Primal Loin	262.92	239.30
Primal Brisket	151.57	151.94
Primal Short Plate	112.28	112.28
Primal Flank	94.89	91.89

LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
01/07	112	21	14	28	176	205.81	196.59
01/06	125	47	13	19	204	205.27	196.08
01/05	135	25	13	31	204	205.90	196.49
01/04	60	20	8	14	102	209.87	196.53
12/31	87	34	11	12	144	209.35	194.97

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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	92.56 loads	3,702,446 pounds
Select Cuts	25.12 loads	1,004,979 pounds
Trimming	6.23 loads	249,339 pounds
Ground Beef	13.72 loads	548,718 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)

USDA POSTED CATTLE PRICES ON 01/08/2021

IA/MN – CASH – 109.00 - 110.00 Dressed.- 174.00 - 176.00
NE - CASH – 110.00 - 112.00 Dressed. 174.00 - 176.00
KS – CASH 111.00 - 112.00 DRESSED 175.00
TX/OK/NM – No Reportable Trade.
CO – No Reportable Trade.

*****National Daily Direct Cattle 01/08/2021**



5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1475	\$111.55	35,064
Live Heifer:	1309	\$111.67	19,349
Dressed Steer:	964	\$175.95	17,484
Dressed Heifer:	849	\$176.17	5,701

*****National Daily Direct Cattle 12/31/2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1493	\$109.67	43,730
Live Heifer:	1326	\$109.87	21,919
Dressed Steer:	971	\$172.74	22,357
Dressed Heifer:	867	\$172.82	4,775

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IA LIVE WEIGHTS 1,375 - 1,585
NE LIVE WEIGHTS 1,525 - 1,625
KS DRESSED WEIGHTS 982 – 998

Weights remain too heavy and packers don't want heavy cattle. Heavy cattle are keeping a lid on prices.

Futures are trading the fewer placements and bear spreading. It is an opportunity to use the market for hedgers. Vaccinations are nowhere near where they thought they would be. The US is breaking records on the number of people with COVID 19 and with news fewer people are working, it is going to take a while before people go out or for many that can afford to buy high end cuts. And as shown below, export competition is going to tough in 2021.

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Beef Exports Slipping Away from the U.S.

Fairly often I am asked from US cattle feeders why Brazil exports more beef than the U.S. It is easy. First of all, they have more cattle. They also have been aggressively selling beef during the US trade tariffs. Brazil also raises grain fed cattle from Choice to Select just like the US along with grades of beef that countries prefer. There are many areas of the world that simply don't want marbled beef. It would be a good idea for US cattle producers to do a little



research on recipes around the world. It would help them realize dietary customs and needs vary from country to country from region to region. Actually, the US is a net importer of beef from several countries. The US needs to import beef for all the fast food restaurants and chain restaurant that can't afford U.S. beef or can buy it cheaper from other countries. There is beef in grocery stores from cities to small towns in the US that isn't from the US. For 2020 the US imported from Brazil 59,544 metric tons of beef. For 2021 the US is expected to import, buy from other countries, 1,422,000 metric tons and exports are expected to be 1,397,000 metrics and that is with an export increase over 2020 of 6.32 percent. So, it is easy to see why other countries buy beef that isn't from the US. Beef can be sourced all across the globe.

For 2020 Brazilian beef exports were 2,016,220 metric tons up 8 percent compared to 2019. 2019 exports were 1,875,023 metric tons. Combined China and Hong Kong imported 1,182,672, 6.6 percent of the total Brazilian exports, Egypt took 127,953 mt, Chile 90,403 mt and the fourth largest importer was the U.S. taking 59,544 metric tons, a 53.8 percent increase over 2019. For 2021, the Brazilian Minister of Economy expects beef exports to increase over 2020 by 5 percent with increases to the European Union and several Arab countries.

<https://portal.dataagro.com/en/livestock/5/302806/total-beef-shipments-rise-8-in-2020>

At the end of November 2020, the US Meat Export Federation has U.S. world total beef exports, beef including variety meats, for the United States at 1,134,864 metric tons, down 6 percent compared to the same time in 2019. China combined with Hong Kong imported 110,761 metric tons. Japan was second largest buyer importing 280,954 mt, followed by South Korea importing 228,051 mt, down 3 percent. For 2020 Egypt imported 44,817 mt down 25 percent compared to 2019, Chile took 7,822 mt down 28 percent, United Arab Emirates imported 3,607 mt down 30 percent compared to importing 40,860 mt for the year with Brazil.

<https://www.usmef.org/>

Brazil in 2020 exported to China compared to the U.S. close to 90 percent more beef and close to 40 percent more total beef in 2020. (U.S. total beef exports final results will be compiled the second week of February)

For 2021 the USDA outlook for all beef exports including veal with the U.S. at 1,397,000 and Brazil at 2,670,000

<https://www.indexmundi.com/agriculture/?commodity=beef-and-veal-meat&graph=exports>



Brazil Beef and Veal Meat Exports by Year per 1000 Metric Tons

2011	1305	-14.03 %
2012	1483	13.64 %
2013	1798	21.24 %
2014	1850	2.89 %
2015	1659	-10.32 %
2016	1652	-0.42 %
2017	1803	9.14 %
2018	2021	12.09 %
2019	2314	14.50 %
2020	2550	10.20 %
2021	2670	4.71%

United States Beef and Veal Meat Exports by Year per 1000 Metric Tons

2011	1263	21.09 %
2012	1112	-11.96 %
2013	1174	5.58 %
2014	1167	-0.60 %
2015	1028	-11.91 %
2016	1160	12.84 %
2017	1297	11.81 %
2018	1433	10.49 %
2019	1373	-4.19 %
2020	1314	-4.30 %
2021	1397	6.32 %

<https://www.indexmundi.com/agriculture/>

The website if you have never used it is good to bookmark. Home page for agriculture

<https://www.indexmundi.com/agriculture/>

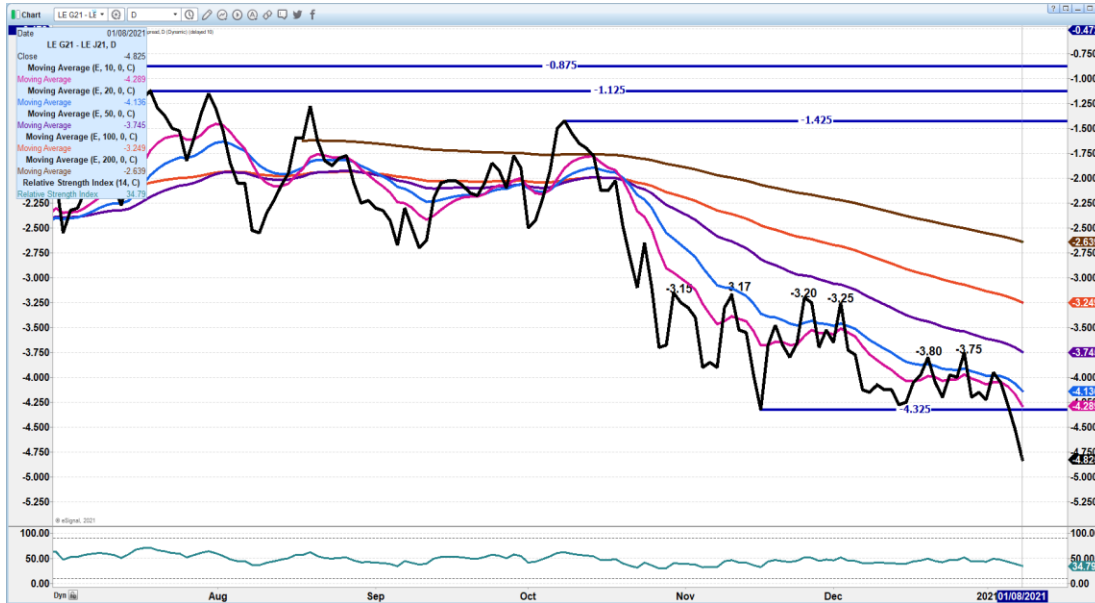
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As of January 5, 2021, dressed steer and heifer weights were 890.1 compared to previous week at 886.3 up 3.8 pounds from week ago and the same as last week, 8 pounds over a year ago. Grading percent was 82.3%, down compared to previous week at 82.8 %.

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FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD



APRIL/JUNE 2021 LIVE CATTLE SPREAD - IN NOVEMBER THE SPREAD HAD APRIL OVER JUNE BY 5.97 NOW WIDENING.

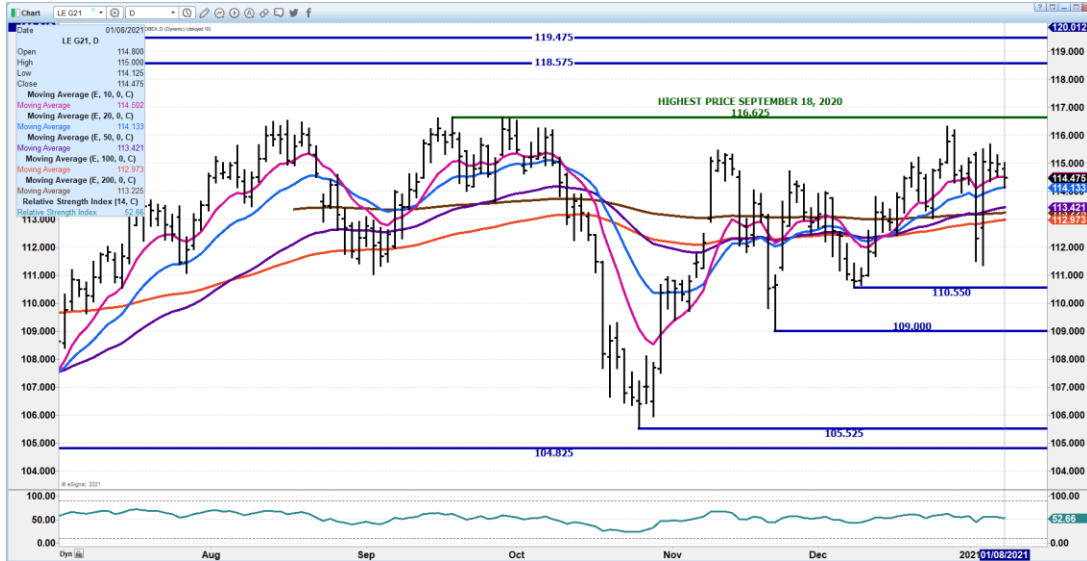


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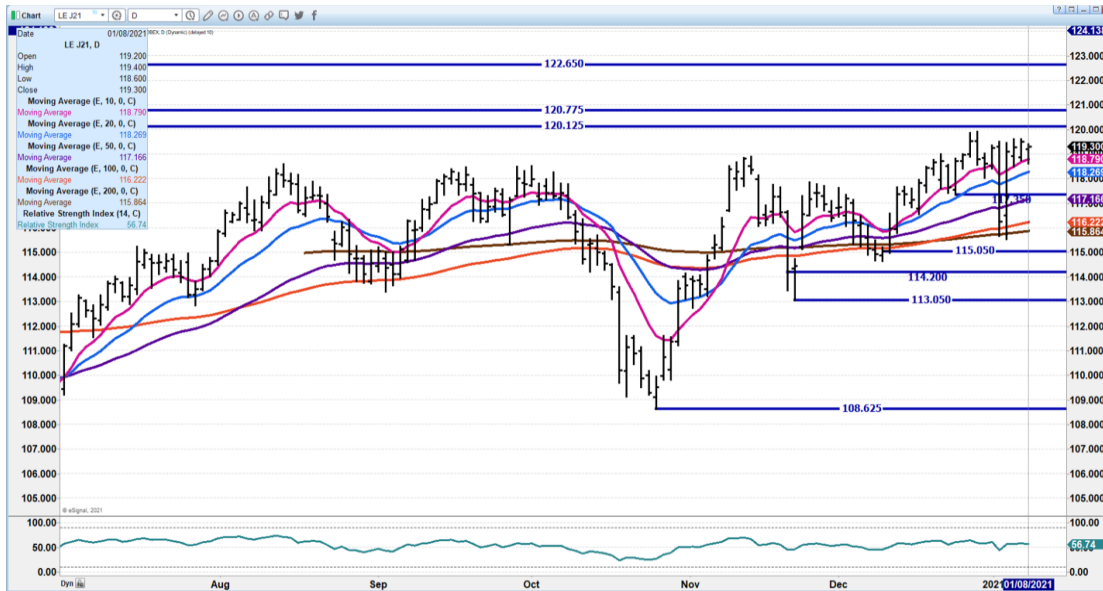
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FEBRUARY 2021 LIVE CATTLE – Support at 67.95 to 66.02 Resistance at 70.50 to 70.67 volume decent at 26989

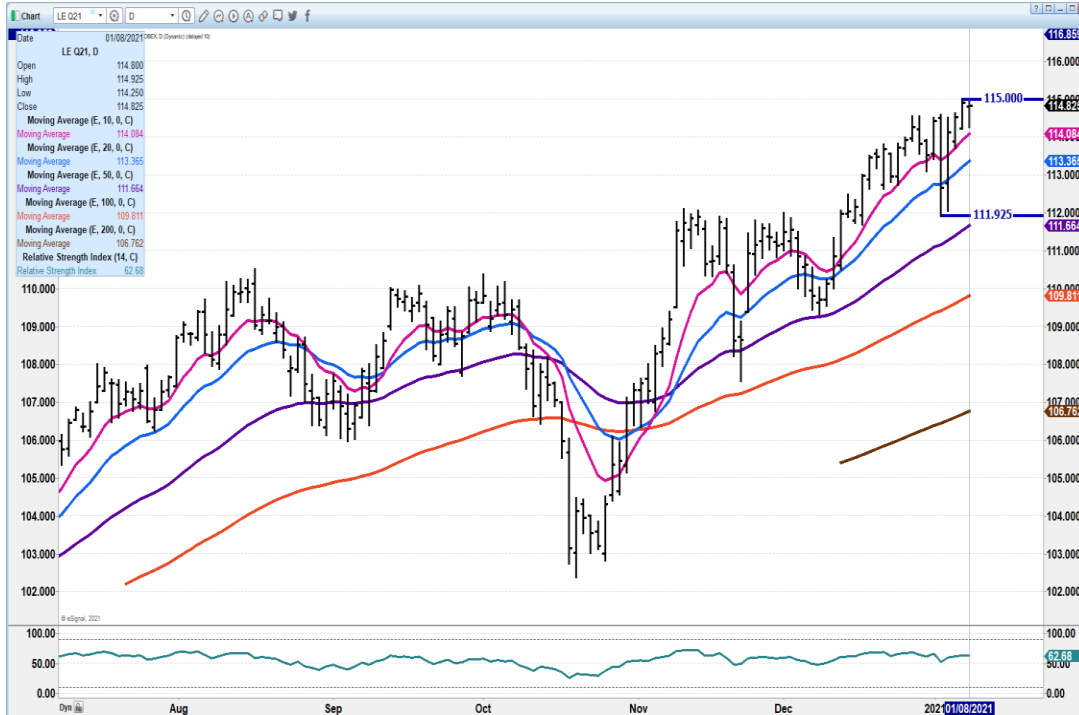


APRIL 2021 LIVE CATTLE - VOLUME 25798 SUPPORT AT 118.80 TO 118.25 RESISTANCE AT 7120.12





AUGUST 2021 LIVE CATTLE – CONTRACT HIGHS MADE ON LIGHT VOLUME 6820 CONTRACTS ON FRIDAY SPREADS MOVING SUMMER MONTHS



Feeder Cattle

THE CME FEEDER INDEX ON 01/07/2020 WAS 135.63 UP 28 FROM PREVIOUS DAY - THE CME FEEDER INDEX ON 01/01/2020 WAS 136.55

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON JANUARY 8, 2021 AT \$135.82

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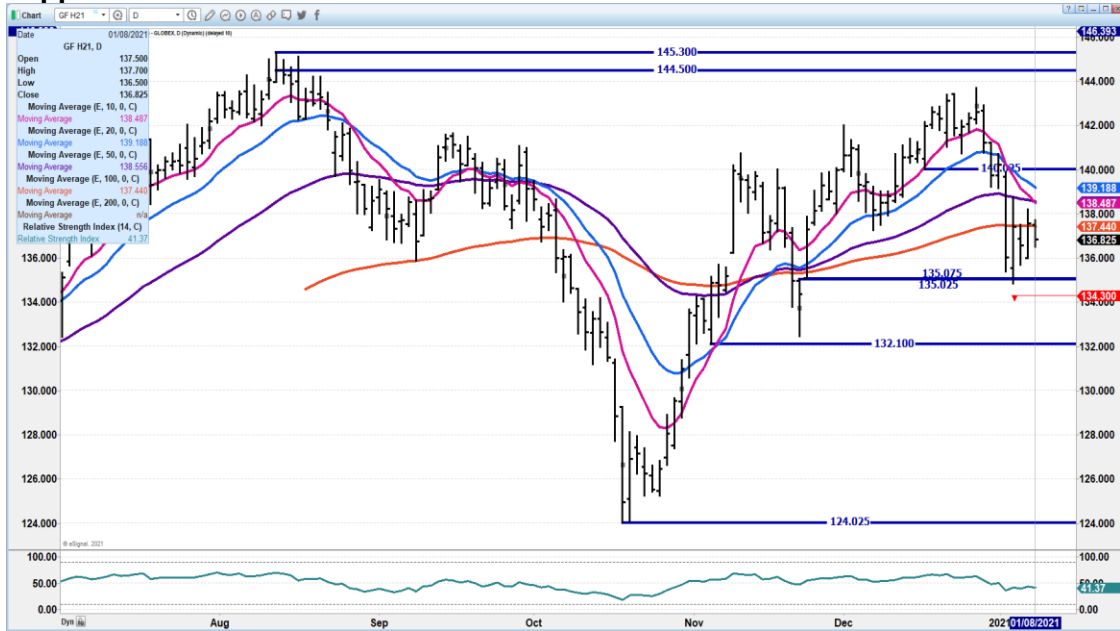
IT IS BECOMING MORE EVIDENT THAT FEEDLOTS ESPECIALLY LONG TERM CONTRACT AND GRID LOTS AND PACKER OWNED LOTS ARE NOT FILLING LOTS WITH MORE CATTLE THAN THEY NEED FOR ORDERS NOW AND INTO THE FUTURE. MIDWEST FEEDLTS ARE GOING TOSELL GRAIN RATHER THAN PUT CATTLE INTO THE LOTS. SPREADS HAVE BEEN MOVING WIDER, BEAR SPREADING.



MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD -

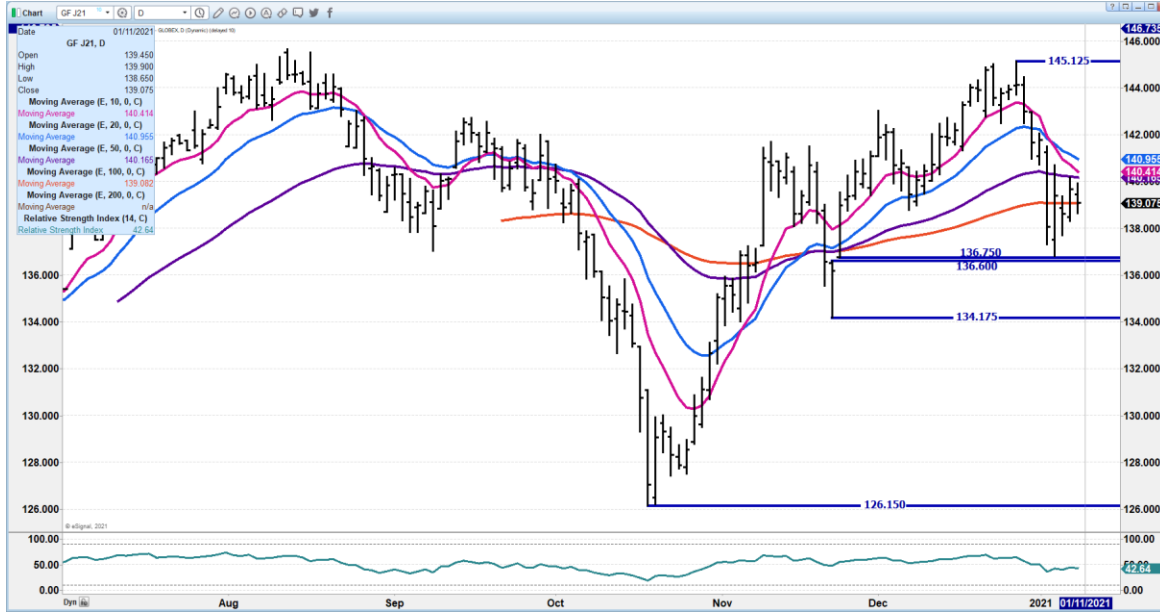


MARCH 2021 FEEDER CATTLE – resistance at 137.45 to 138.50 with sco above 140.37 support at 135.02





APRIL 2021 FEEDER CATTLE – resistance at 140.37 to 140.87 support at 136.75 to 136.60



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 08, 2021	487,000	
WEEK AGO	0	
YEAR AGO	489,000	
SATURDAY 01/09/2021	391,000-	A WEEK AGO 330,000 - YEAR AGO 216,000
WEEK TO DATE (EST)	2,849,000	
SAME PERIOD LAST WEEK (EST)	2,168,000	
SAME PERIOD LAST YEAR (ACT)	2,695,000	
2020 YEAR TO DATE	3,179,000	
2019 *YEAR TO DATE	4,093,000	

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CME CASH HOG INDEX 01/06/2020 AT 62.96 UP 54 CENTS FROM PREVIOUS DAY
CME CASH HOG INDEX 12/31/2020 AT 60.62 UP 65 CENTS



CME CASH PORK CUTOUT INDEX 01/07/2021 AT 78.26 UP 1.34 CENTS FROM PREVIOUS DAY
CME CASH PORK CUTOUT INDEX 12/31/2020 AT 72.91

CME CASH FRESH BACON INDEX ON 01/01/2021 WAS 123.79 COMPARED TO 12/25/2020 WAS 117.08

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Pork cutout improved from a week ago with the 5 day average up \$5.81. Loins were higher gaining \$1.72, hams gained \$7.49, bellies up \$27.09, ribs up \$4.18, and butts were down \$1.87 and picnics lost \$5.81. Hams and bellies higher could be Mexico back buying after the Christmas break. It certainly is need if they are. Need to watch US Dollar and Peso spread.

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Brazilian pork exports in 2020 were up 36.1 percent compared to 2019. December pork exports compared to a year earlier were up 5.6 percent.

<https://portal.datagro.com/en/livestock/5/301841/pork-meat-exports-grow-361-in-volume-in-2020>

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Summer and hogs into 2022 making new highs. When global inventory is expanding, hedgers should consider hedging

Live Hog and carcass weights have been going up. As of January 6th, the weighted average of live hogs weighed 290.34 pounds and the average carcass was 218.30. Negotiated priced hogs averaged 269.97 pounds live and dressed at 205.32. Market formula hogs were the heaviest group and largest number of hogs sold weighed at 292.66 live and dressed at 220.43 pounds. Increasing weights are normally not positive for prices to move higher. Going forward need to keep monitoring what average weights do

Reports on every livestock website talk about rising grain costs and how high priced grain hurts producers profit margins. Everyone can see how grain has rallied. But what most reports neglect and what US hog, poultry and cattle producers better realize, the reason grains are moving higher has to do with feed demand.



When China was hit with African Swine Fever, it was easy enough to see they needed pork and a lot of pork. When the US and China were having a trade war, it was easy enough to see China found pork and made agreements especially with the EU nations and with the Brazilian hog industry. Then before the January 15, 2020 Phase One was signed China through COFCO Meats was buying record tonnage of US pork by October/November and December 2019 and several times they purchased Brazil in 2021 is expected to increase hog inventory by 4.5 percent and cattle by 2 percent. Ukraine hog producers have been complaining they are exporting too much corn and feed prices are too high. In 2021 the EU is expected to see an increase of over 2.0 percent more hogs. Soybean and feed grains aren't going higher just on speculative trading, Feed users around the globe have booked in grains when US and South American farmers were selling, and buyers are going to hold purchases until grain is delivered. US cattle and hog producers need to use elementary school arithmetic. Grain and oil seed prices have rallied because of increasing hog, poultry, cattle and aquaculture inventories.

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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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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
JANUARY 08, 2021**

LOADS OF PORK CUTS: 293.32

LOADS TRIM/PROCESSED PORK: 44.83

Final Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
01/08/2021	338.15	81.00	71.95	68.94	53.26	148.08	72.23	131.78
Change		1.18	-2.35	-0.95	2.21	0.95	5.53	-0.03
Five Day Average --		78.77	73.33	71.37	47.38	147.01	67.62	126.63

FINAL Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
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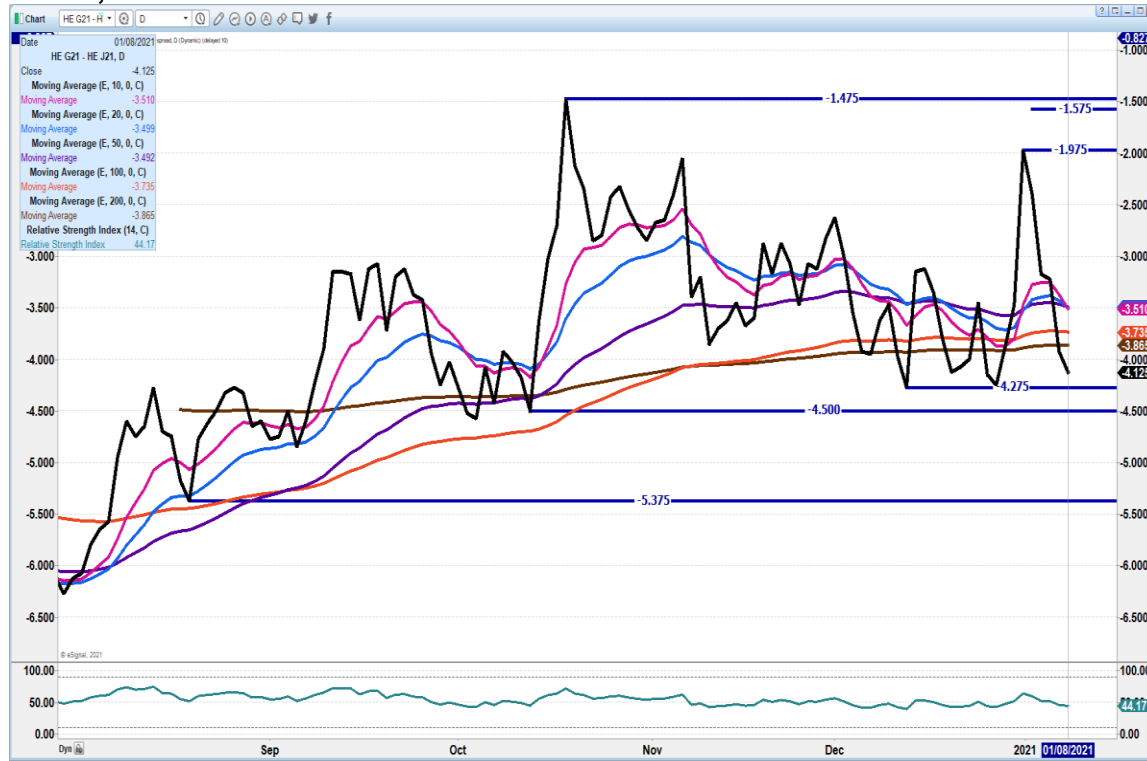


12/31/2020	337.63	78.58	73.43	74.85	51.08	143.98	72.83	111.88
Change		5.93	1.09	2.05	2.25	1.07	12.72	12.80
Five Day Average --		72.96	71.61	73.24	53.19	142.83	60.13	99.54

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
Slaughter Data for January 06, 2021
 Average live weight - 291.99
 Average carcass - 218.30

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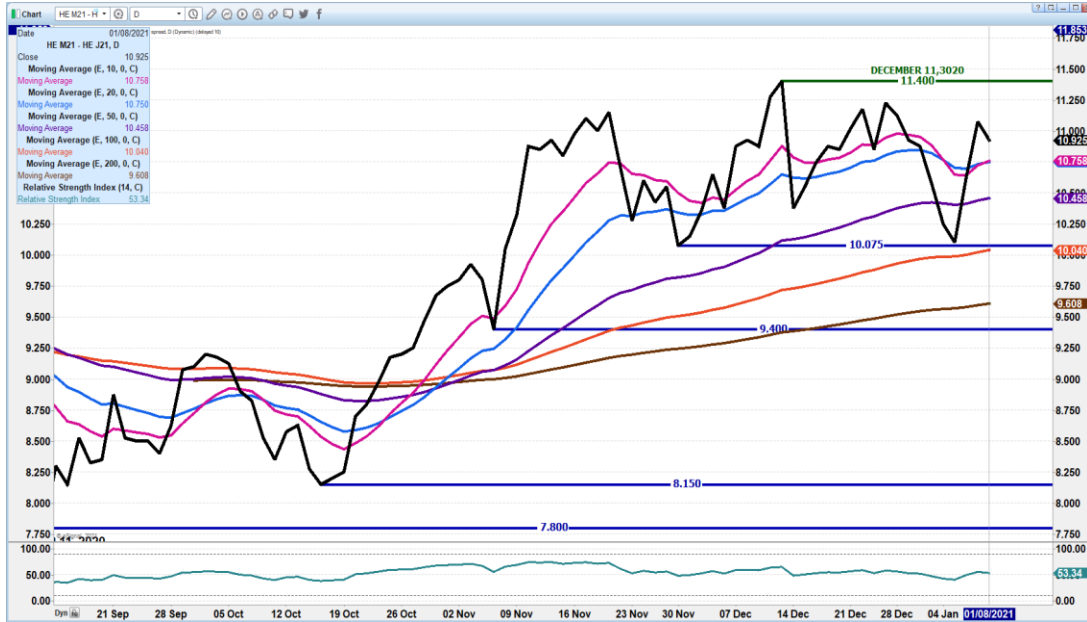
FEBRUARY/APRIL 2021 LEAN HOG SPREAD – AFTER BIG FUND ALLOCATION LAST WEEK, SPREADS CORRECTED INTO THEIR BEAR SPREADS



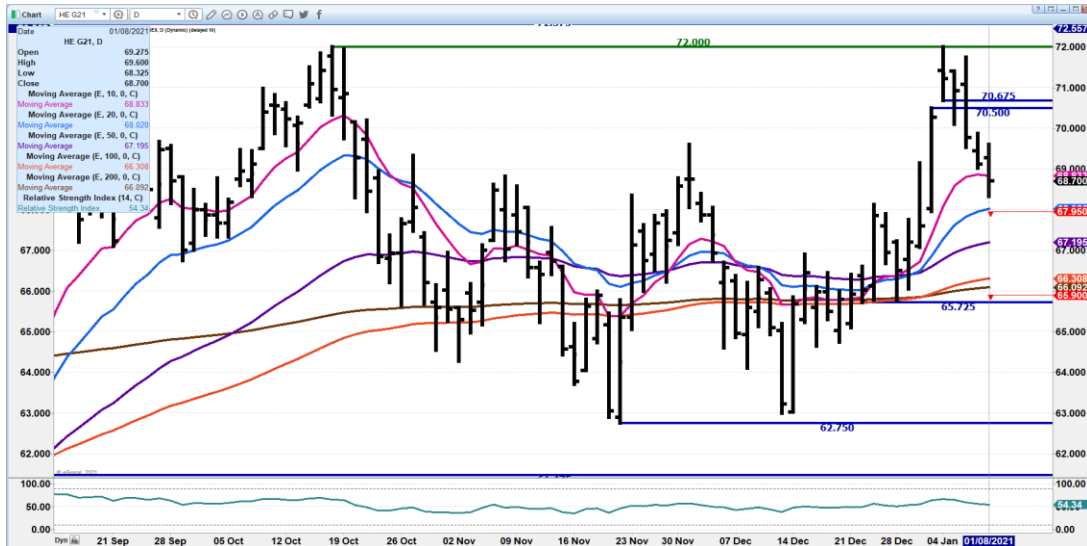
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JUNE/APRIL LEAN HOG SPREAD – SPECS COULD WIDEN SOME MORE IN JANUARY BUT LOOK FOR IT TO NARROW BECAUSE OF LARGE GLOBAL HOG SUPPLIES LATE SPRING INTO SUMMER.



FEB 2021 LEAN HOGS – SUPPORT AT 67.95 TO 66.02 RESISTANCE AT 70.50 TO 70.67

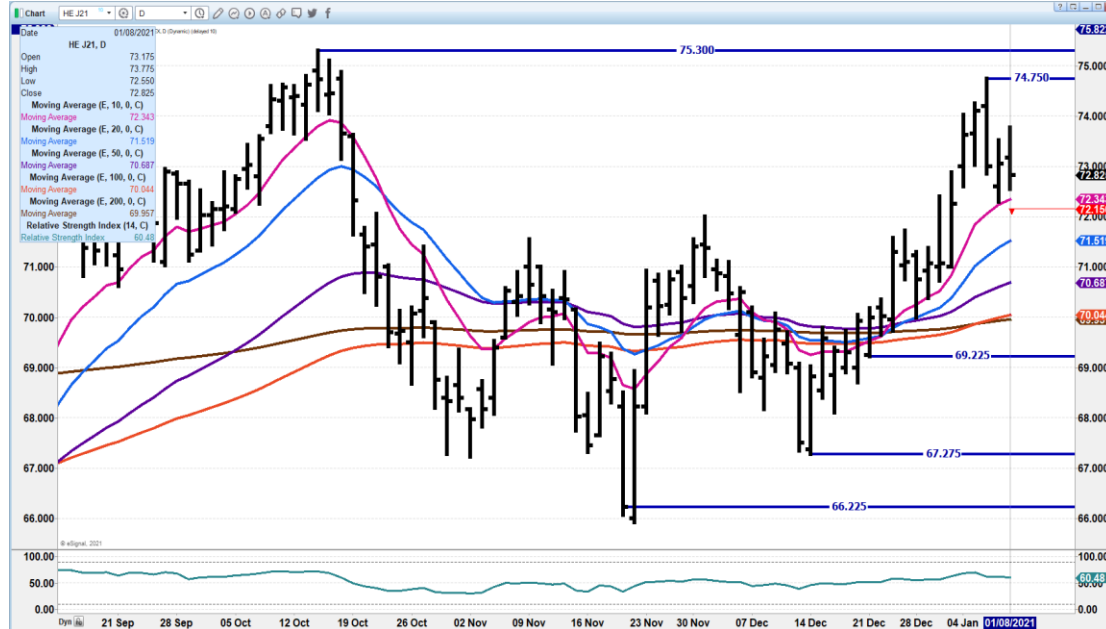


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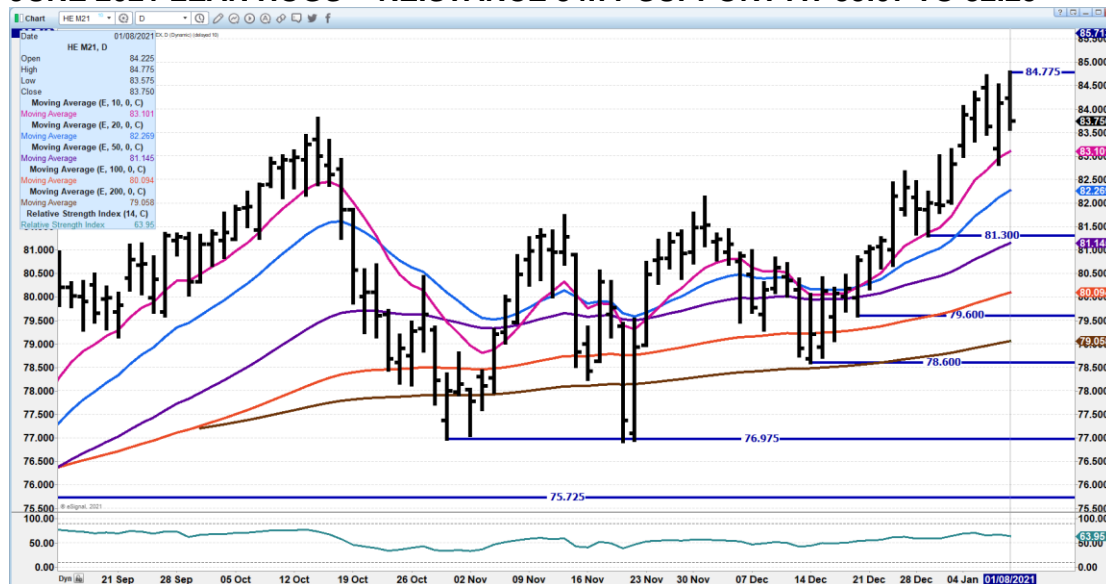
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APRIL 2021 LEAN HOGS – SUPPORT AT 72.30 TO 71.50 RESISTANCE AT 74.75



JUNE 2021 LEAN HOGS - REISNANCE 84.77 SUPPORT AT 83.07 TO 82.25



CHARTS FROM ESIGNAL INTERACTIVE, INC.