



## MONDAY MORNING JANUARY 4, 2021 LIVESTOCK REPORT

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

|                             |         |
|-----------------------------|---------|
| DECEMBER 31, 2020           | 99,000  |
| WEEK AGO                    | 67,000  |
| YEAR AGO                    | 124,000 |
| WEEK TO DATE (EST)          | 451,000 |
| SAME PERIOD LAST WEEK (EST) | 418,000 |
| SAME PERIOD LAST YEAR (ACT) | 344,000 |

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|                       | CHOICE | SELECT |
|-----------------------|--------|--------|
| BOXED BEEF FINAL      | 209.95 | 195.65 |
| CHANGE FROM PRIOR DAY | (0.58) | (4.21) |
| CHOICE/SELECT SPREAD: |        | 14.30  |
| TOTAL LOAD COUNT      |        | 144    |
| 5 DAY SIMPLE AVERAGE: | 209.37 | 197.90 |

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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 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  |

#### FINAL DECEMBER 30, 2020

|                    |        |        |
|--------------------|--------|--------|
| Primal Rib         | 362.17 | 316.74 |
| Primal Chuck       | 180.16 | 177.63 |
| Primal Round       | 186.87 | 185.53 |
| Primal Loin        | 259.89 | 240.46 |
| Primal Brisket     | 155.57 | 148.99 |
| Primal Short Plate | 112.95 | 112.95 |



**Primal Flank 95.31 95.82**

**END OF THE YEAR 2019**

|                                  |               |               |
|----------------------------------|---------------|---------------|
|                                  | <b>CHOICE</b> | <b>SELECT</b> |
| <b>BOXED BEEF FINAL 12/31/19</b> | <b>209.42</b> | <b>202.12</b> |
| <b>CHANGE FROM PRIOR DAY</b>     | <b>(0.24)</b> | <b>(3.29)</b> |
| <b>CHOICE/SELECT SPREAD:</b>     |               | <b>7.30</b>   |
| <b>TOTAL LOAD COUNT</b>          |               | <b>228</b>    |
| <b>5 DAY SIMPLE AVERAGE:</b>     | <b>209.87</b> | <b>203.30</b> |

|                                |               |               |
|--------------------------------|---------------|---------------|
| <b>FINAL DECEMBER 31, 2019</b> | <b>CHOICE</b> | <b>SELECT</b> |
| Primal Rib                     | 336.99        | 320.94        |
| Primal Chuck                   | 173.02        | 169.40        |
| Primal Round                   | 179.00        | 179.72        |
| Primal Loin                    | 265.75        | 245.57        |
| Primal Brisket                 | 185.11        | 181.50        |
| Primal Short Plate             | 147.29        | 147.29        |
| Primal Flank                   | 109.78        | 107.19        |

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

| Date  | Choice | Select | Trim | Grinds | Total | CHOICE  | SELECT  |
|-------|--------|--------|------|--------|-------|---------|---------|
|       |        |        |      |        |       | 600-900 | 600-900 |
| 12/30 | 81     | 21     | 16   | 23     | 141   | 210.53  | 199.86  |
| 12/29 | 92     | 18     | 11   | 22     | 144   | 210.30  | 195.48  |
| 12/28 | 86     | 36     | 23   | 16     | 160   | 207.82  | 196.65  |
| 12/23 | 68     | 23     | 10   | 18     | 119   | 207.54  | 197.93  |
| 12/22 | 79     | 23     | 10   | 33     | 145   | 210.67  | 199.59  |

**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)**

|                    |                    |                         |
|--------------------|--------------------|-------------------------|
| <b>Choice Cuts</b> | <b>87.12 loads</b> | <b>3,484,863 pounds</b> |
| <b>Select Cuts</b> | <b>34.02 loads</b> | <b>1,360,607 pounds</b> |
| <b>Trimming</b>    | <b>10.87 loads</b> | <b>434,750 pounds</b>   |
| <b>Ground Beef</b> | <b>11.64 loads</b> | <b>465,465 pounds</b>   |



**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 – DECEMBER 2020 - LIVE CATTLE  
 SETTLEMENT: DECEMBER 31, 2020 - \$112.95  
 OLDEST LONG: NOT APPLICABLE  
 0 DELIVERIES**

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**USDA POSTED CATTLE PRICES ON 12/31/2020  
 IA/MN – CASH –110.00 - 112.00 WEIGHT 1,500 - 1,675 Dressed.- 176.00  
 NE - CASH – 110.00 - 112.00 Dressed. 175.00 - 176.00  
 KS – CASH 112.00 – WEIGHT 1,282 - 1,600  
 TX/OK/NM – 112.00 WEIGHT 1,200 - 1,475 POUNDS  
 CO – 112.00 ON 651 HEAD WEIGHTS 1,425 - 1,575**

**\*\*\*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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**Packers ended up paying more for cattle by Thursday. \$112 was paid across the country  
 Once again cattle in the from Kansas to the Southwestern states were paid \$112  
 regardless on the sort of Choice or Select. Cattle remain heavy with cattle in the  
 Midwest up to 1675 pounds. Feedlots are keeping cattle on feed rather than replacing  
 with feeders.**

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**Good to see Japan such a strong buyer of beef. Japan has been known to be one of the  
 best buyers of heavy over fed cattle. With a strong Yen to the US Dollar there is an  
 incentive for Japan to buy US beef.**

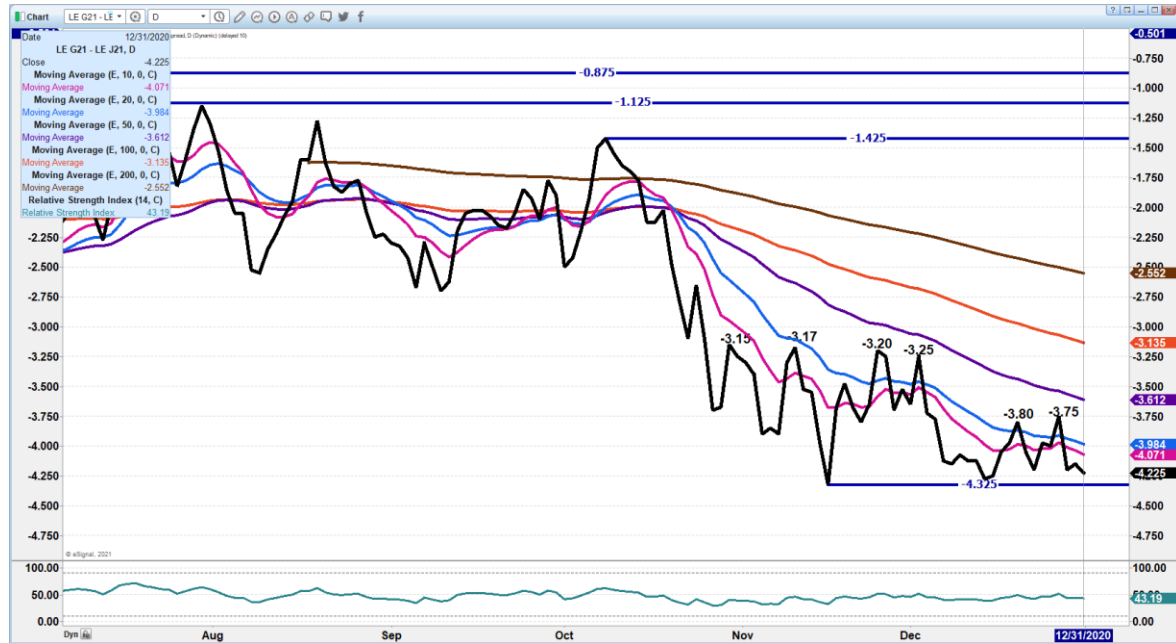
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Choice boxed beef prices are going to end 2020 much like they settled in 2019. A year ago on December 31, 2019 Choice Boxed beef settled the year at \$209.42. December 31, 2020 was \$209.95

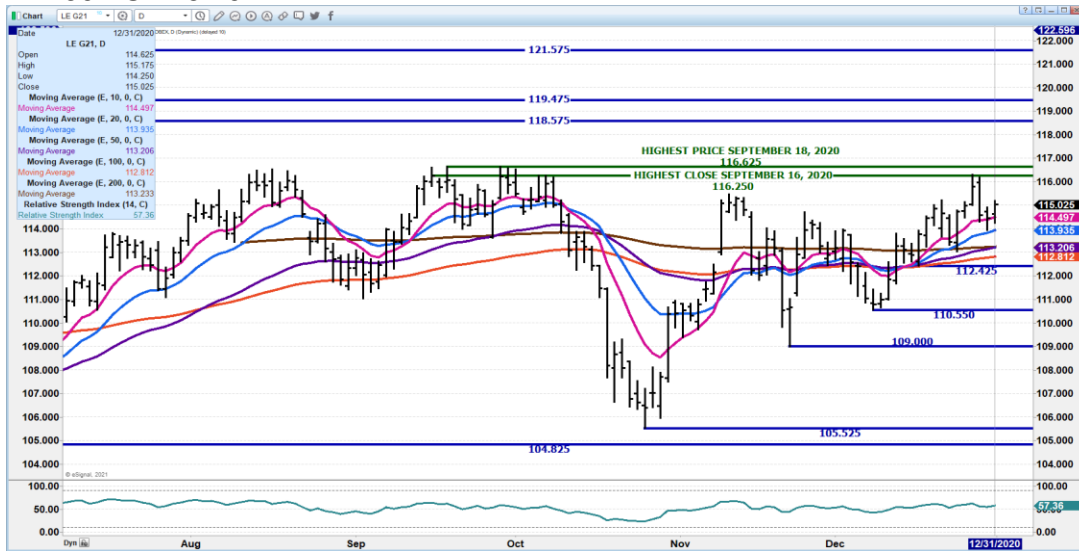
There is a difference in cattle futures between the end of 2019 and the present. December 2019 Live Cattle settled at \$124.70 and as of the close on December 31, 2020, December 2020 Live Cattle settled at \$112.95

**FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD – SPREAD WIDENING.**





**FEBRUARY 2021 LIVE CATTLE – VOLUME 15,315 RESISTANCE 116.62 SUPPORT AT 114.50 TO 113.20**



**APRIL 2021 LIVE CATTLE - 120.12 TO 120.77 SUPPORT AT 117.35**





## Feeder Cattle

**THE CME FEEDER INDEX ON 12/30/2020 WAS 138.77 UP 6 CENTS FROM PREVIOUS DAY -**

**JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 31, 2020 AT \$138.95**

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**PACKERS ARE NOT PUSHING FOR FORWARD CONTRACTS AND IT IS ONE REASON FEEDER CATTLE AREN'T MOVING UP. MIDWEST PRODUCERS HAVE BEEN KEEPING CATTLE LONGER INSTEAD OF REPLACING THEM OPTING TO SELL CORN IN 2021 INSTEAD FEEDING CATTLE.**

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**MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD - NARROW BUT LOOK FOR WIDENING**

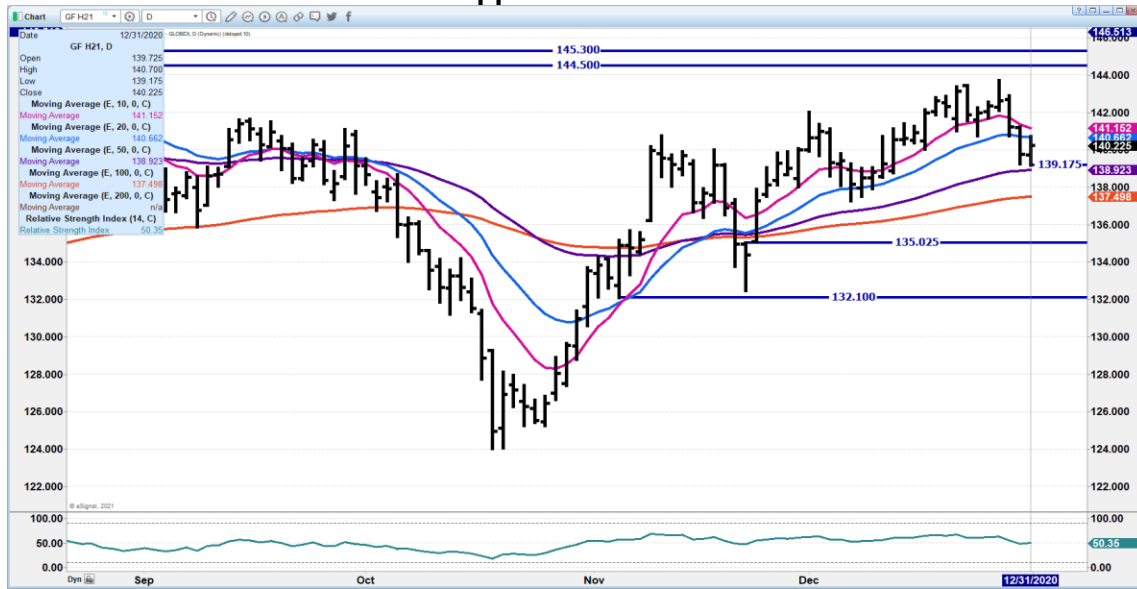




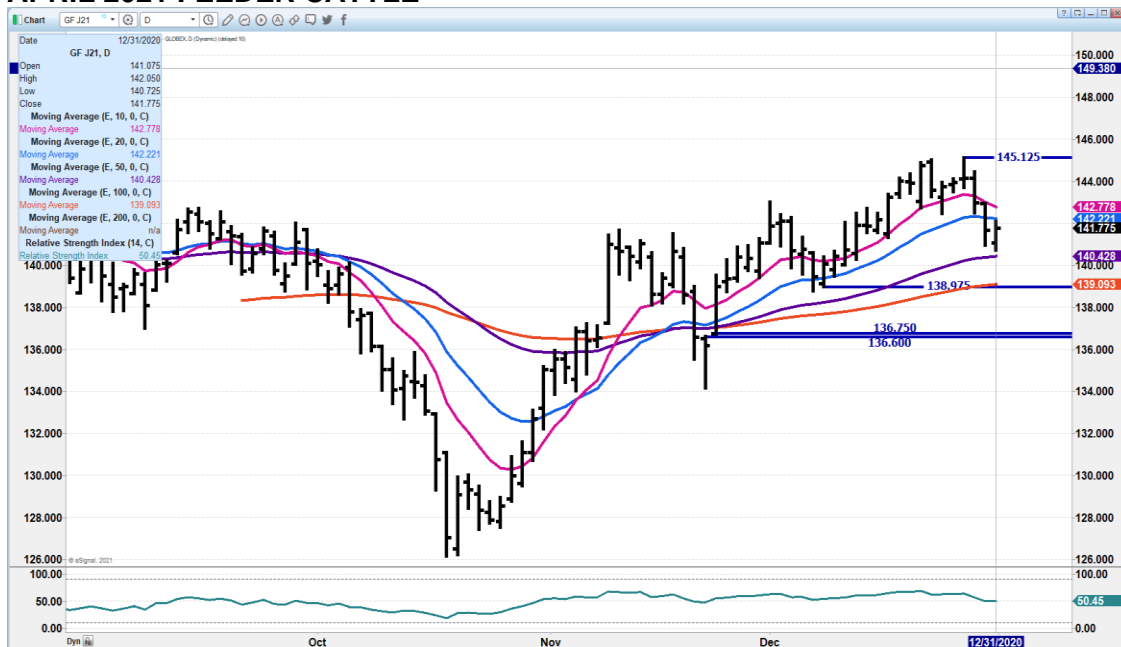
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### MAR 2021 FEEDER CATTLE – Support at 139.60 to 137.50 resistance at 141.20 to 143.97



### APRIL 2021 FEEDER CATTLE –



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## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER

|                             |         |           |
|-----------------------------|---------|-----------|
| DECEMBER 31, 2020           | 425,000 |           |
| WEEK AGO                    | 284,000 |           |
| YEAR AGO                    | 491,000 |           |
| WEEK TO DATE (EST)          |         | 1,838,000 |
| SAME PERIOD LAST WEEK (EST) |         | 1,675,000 |
| SAME PERIOD LAST YEAR (ACT) |         | 1,384,000 |

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**CME CASH HOG INDEX 12/29/2020 AT 59.86 DOWN 7 CENTS FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 12/30/2020 AT 71.04 UP 3 CENTS FROM PREVIOUS DAY**

**CME CASH FRESH BACON INDEX ON 12/25/2020 WAS 117.08 COMPARED TO 12/18/2020 WAS 117.35**

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**Typical trading in a non-pot month.**

**Spec traders gave hog producers a delayed Christmas present over the past few days. The gift was when February 2021 Lean Hogs traded at \$70.00 plus with current cash formula hogs averaging below \$60 and the CME Lean Hog Index at \$59.86. Yes, it is possible 2021 hog prices will be higher than current cash hogs, but it is also possible cash prices could be lower. However, a futures to cash spread of \$10 when trading is in a non-spot month, is simply a hedging opportunity that shouldn't be passed up.**

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**Pork prices closed out the year with higher afternoon prices with hams and bellies up nearly \$13. All primal cuts were higher . Hams are now below the price of loans.**

**With strong international export competition, the [pork market is going to depend on what the US can export in 2021. China quickly building herd along with increases from EU nations and Brazil.**

**So far high feed costs have not brought down weights. Lighter weights would be beneficial.**

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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.

**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 31, 2020**

LOADS OF PORK CUTS: 296.01

LOADS TRIM/PROCESSED PORK: 41.63

**FINAL**

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly  |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 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  |

**FINAL**

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly  |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 12/30/2020          | 343.24 | 72.65   | 72.34 | 72.80 | 48.83 | 142.91 | 60.11 | 99.08  |
| Change              |        | 0.29    | 2.98  | 0.85  | -5.57 | -0.48  | 4.38  | - 7.06 |
| Five Day Average -- |        | 70.87   | 70.87 | 72.31 | 53.79 | 142.02 | 56.33 | 94.25  |

**DECEMBER 31, 2019 USDA MARKET NEWS**

**NATIONAL DAILY PORK REPORT FOB PLANT -**

| Date                | Loads  | Carcass | Loin  | Butt  | Pic   | Rib    | Ham   | Belly |
|---------------------|--------|---------|-------|-------|-------|--------|-------|-------|
| 12/31/2019          | 393.83 | 73.02   | 69.15 | 93.46 | 71.18 | 136.84 | 66.21 | 77.85 |
| Five Day Average -- |        | 75.08   | 70.54 | 93.70 | 74.28 | 136.41 | 65.60 | 86.23 |

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE**

**Slaughter Data for December 30, 2020**

Average live weight - 289.57

Average carcass - 216.99



**DECEMBER 31, 2019 USDA MARKET NEWS**

**Average live weight - 286.83**

**Average carcass - 215.37**

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 31, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

**Carcass Base Price: 50.29 - 51.93**

**Weighted Average: 50.85**

**Change from Prior Day:**

**HOGS SOLD 10,583**

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

**PRICE RANGE: 69.02 - \$70.42**

**Weighted Average: \$59.99**

**Previous Day: \$59.51**

**HOGS SOLD: 125,550**

**USDA DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 30, 2019  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

**Carcass Base Price: \$45.00 - \$52.00**

**Weighted Average: \$50.45**

**Change from Prior Day: 0.80 higher**

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

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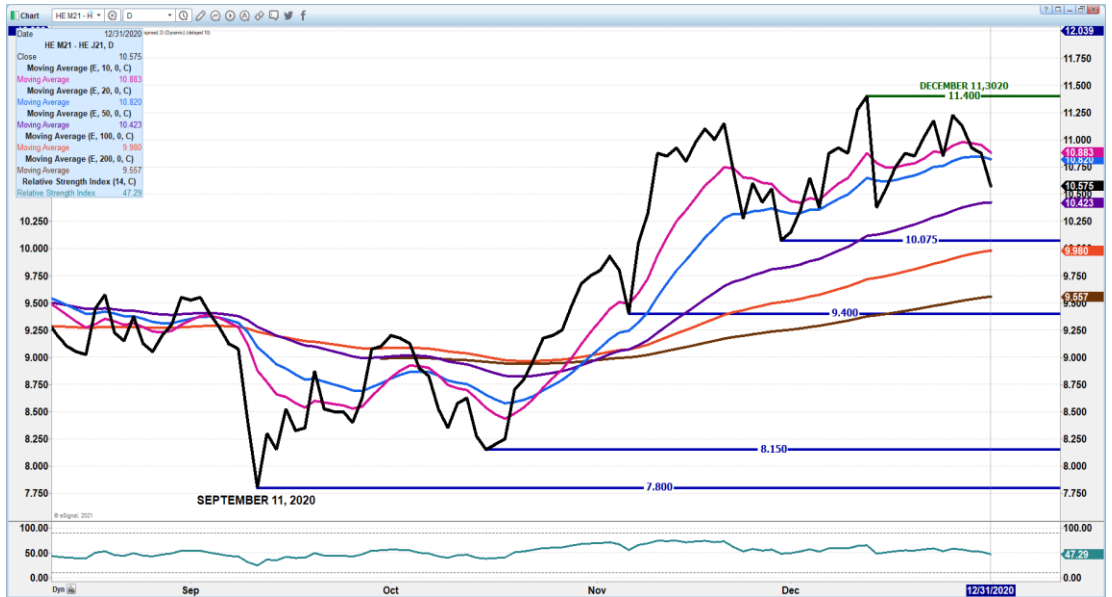
**FEBRUARY/APRIL 2021 LEAN HOG SPREAD – BIG REVERSAL CAUGHT SHORTS BY  
SURPRISE LOOK FOR REVERSAL**



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### JUNE/APRIL LEAN HOG SPREAD – RESERVE ON THURSDAY SUPPORT AT 10.37 RESISTANCE AT 11.40



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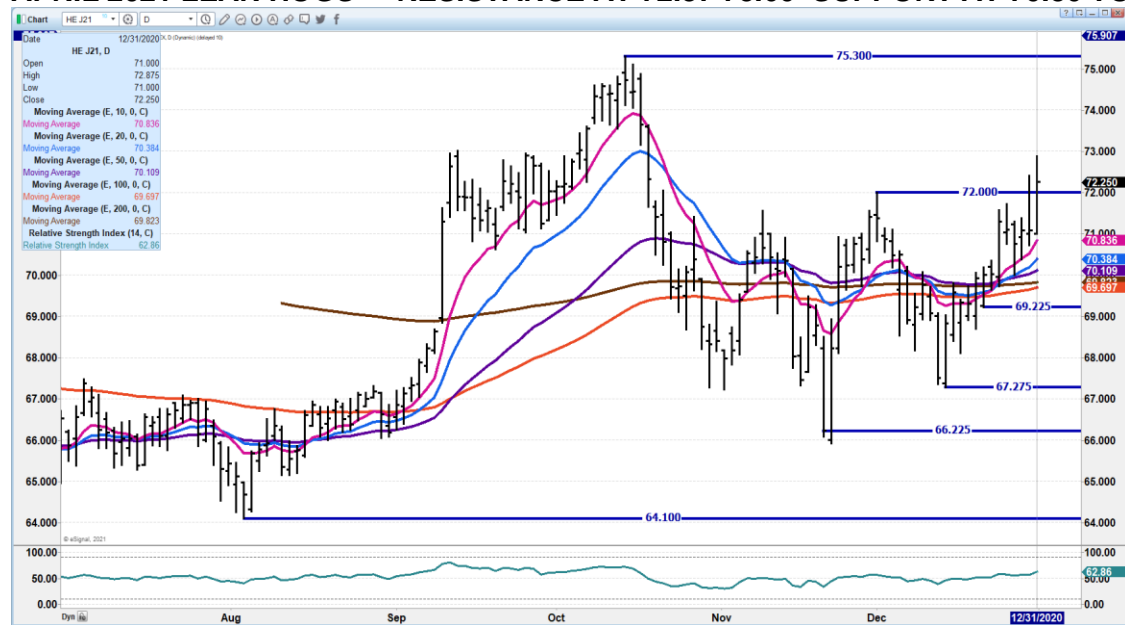
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**FEB 2021 LEAN HOGS – RESISTANCE AT 71.42 TO 72.00 SUPPORT AT 67.37 TO 65.87**



**APRIL 2021 LEAN HOGS – RESISTANCE AT 72.87 73.60 SUPPORT AT 70.80 TO 69.70**



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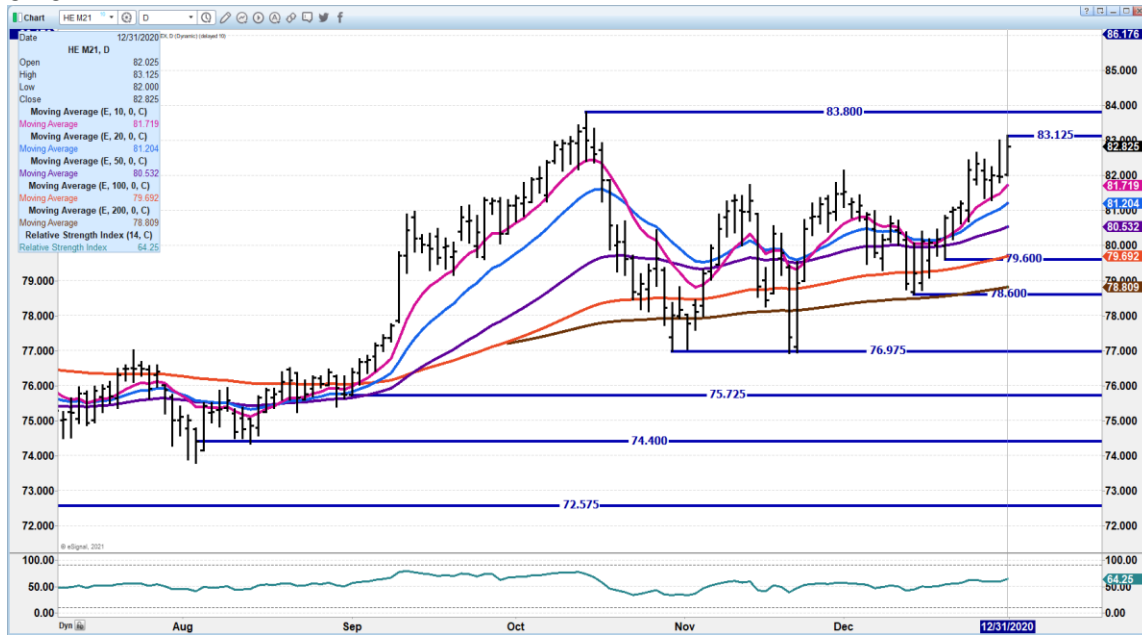
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### JUNE 2021 LEAN HOGS – RESISTANCE AT 83.812 TO 83.80 SUPPORT AT 81.70 TO 81.37



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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