

## Daily Futures Market Commentary Livestock Outlook

### MONDAY MORNING MARCH 15, 2021 LIVESTOCK REPORT

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#### CATTLE

##### USDA FEDERAL CATTLE SLAUGHTER

MARCH 12, 2021	113,000
WEEK AGO	109,000
YEAR AGO	104,000
SATURDAY 03/13/2020	53,000 - A WEEK AGO 71,000, YEAR AGO 45,000
WEEK TO DATE (EST)	647,000
SAME PERIOD LAST WEEK (EST)	665,000
SAME PERIOD LAST YEAR (ACT)	641,000
2019 YEAR TO DATE	6,474,000
2018 *YEAR TO DATE	6,683,000
PERCENT CHANGE YEAR TO DATE	- 3.1% A WEEK AGO -3.5%

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	CHOICE	SELECT
BOXED BEEF FINAL	225.87	220.27
PRIOR DAY	(0.80)	0.20
CHOICE/SELECT SPREAD:	5.60	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	134	
5 DAY SIMPLE AVERAGE:	229.08	221.54

#### PREVIOUS WEEKS CLOSE MARCH 5, 2021

BOXED BEEF FINAL	231.33	220.85
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**CME BOXED BEEF INDEX FOR 03/11/2021 WAS AT 227.39 DOWN 1.1 FROM PREVIOUS DAY**

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**FINAL MARCH 12, 2021**

PRIMAL RIB	374.63	346.31
PRIMAL CHUCK	187.18	189.24
PRIMAL ROUND	184.14	184.88
PRIMAL LOIN	305.80	291.16
PRIMAL BRISKET	164.93	165.38
PRIMAL SHORT PLATE	139.31	139.31
PRIMAL FLANK	105.89	104.30

**FINAL MARCH 11, 2021**

PRIMAL RIB	371.11	344.31
PRIMAL CHUCK	187.57	188.38
PRIMAL ROUND	183.36	188.29
PRIMAL LOIN	311.25	288.43
PRIMAL BRISKET	166.39	167.31
PRIMAL SHORT PLATE	139.40	139.40
PRIMAL FLANK	106.60	104.21

**PREVIOUS WEEK FINAL PRICE****FINAL MARCH 5, 2021**

Primal Rib	383.12	343.06
Primal Chuck	194.17	192.20
Primal Round	188.24	188.22
Primal Loin	311.30	287.98
Primal Brisket	170.20	164.39
Primal Short Plate	139.68	139.68
Primal Flank	107.38	105.26

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**LOAD COUNT AND CUTOUT VALUE SUMMARY**

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
03/11	83	14	24	13	133	226.67	220.07
03/10	81	24	11	17	132	227.29	219.82
03/09	107	16	14	22	158	229.03	223.80
03/08	37	12	13	8	70	231.08	223.13
03/05	67	18	16	11	112	231.33	220.85

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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.

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**CURRENT VOLUME - (one load equals 40,000 pounds)**

Choice Cuts	67.45 loads	2,697,872 pounds
Select Cuts	18.10 loads	723,967 pounds
Trimming	34.36 loads	1,374,412 pounds
Ground Beef	14.24 loads	569,757 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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**MARCH 2021 USDA LIVESTOCK REPORTS**

**CATTLE ON FEED REPORT - MARCH 19, 2021 2:00PM CENTRAL TIME**

**COLD STORAGE REPORT – MARCH 22, 2021 2:00PM CENTRAL TIME**

**HOGS AND PIGS REPORT – MARCH 25, 2021 2:00PM CENTRAL TIME**

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There are 3 weeks until April Live Cattle go into delivery. Between now and then we will have the first day of spring, Easter Sunday along with stimulus checks posting. As Brazil goes into winter, it is possible COVID 19 will increase as it does during colder weather along with Brazil barely starting to vaccinate. COVID 19 has slowed beef exports from Brazil with China halting lants where exports showed the virus.. US should see fewer cattle going into summer, fall and winter. Packers are making big profits in the US.

On March 18<sup>th</sup> Cargill will shut down in Schuyler, Nebraska for maintenance for up to one week. Similar to when they shut down the first week of February in Dodge City, Kansas, the cattle normally killed in Schuyler, Nebraska will be moved to other facilities.

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If you want cattle to move higher, it is good a positive indicator to see Choice primal rib sections move off their lows. Last fall when cattle rallied into December holidays, it was rib sections that moved the market. Wednesday, Choice rib sections sold for \$363.80 and Friday morning at \$376.75 and by the afternoon at 374.63. Retailers are buying beef for steaks and hamburgers. With \$1400 stimulus checks starting to post to accounts, beef, a feel good food, should benefit. \$1400 is a nice amount of money but for people unemployed or who are getting back to work, credit collectors will have their hands out. It won't go far. But it should stimulate beef the high end priced cuts off lows especially if exports remain at or near current levels.

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Next week we will see if feedlots did clean up the heavy cattle. It certainly will be good if they did.

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If feedlots did dump most of the heavy cattle this week and there were a lot that were sold, it will benefit the market. Weights for months have been 10 to 15 pounds heavier than last year and if you took out the cattle that are current and have been current in the Southwest, Midwest cattle that are way to big really have weighed on cattle prices. Need to see top end cattle in Iowa at 1450, not 1650.

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Cattle sold this week in the Midwest were too big or better said had a big heavy side to sales. Southwest cattle are current with average weights from 1,295 - 1,350 pounds. Nebraska moved a lot of cattle and looks like they were cleaning pens. Either feedlots are finally throwing in the towel after 5 weeks of steady prices without looking like packers will pay more and in some areas packers who have picked and chosen when they would take them, look like this week they decided to kill them. Consumers don't want big roasts and steaks that take up the entire plate and with drop in rib sections and loins it shows. Big primals are good for restaurants but not the home chef that doesn't want to trim and cut meat after buying it at the butcher shop.

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As of MARCH 9, 2021 dressed steer and heifer weights were 868.7 compared to previous week at 873.6, down 4.9 pounds from week ago. Compared to a year ago weights are the same. Grading percent was 83.5 % down 2% compared to previous week at 85.5%. Grading percent remains seasonally high but is coming down as heavy weights are finally getting killed.

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#### USDA POSTED NEGOTIATED CATTLE PRICES ON 03/12/2021

IA/MN – CASH – 12.00 - 114.00 with 80 heifers and 40 mixed at 115.00  
DRESSED 178.00

NE – CASH 115.00  
DRESSED - 180.00

KS – CASH 114.00  
DRESSED No Reportable Trade

TX/OK/NM – 114.00  
DRESSED No Reportable Trade

CO – 114.00

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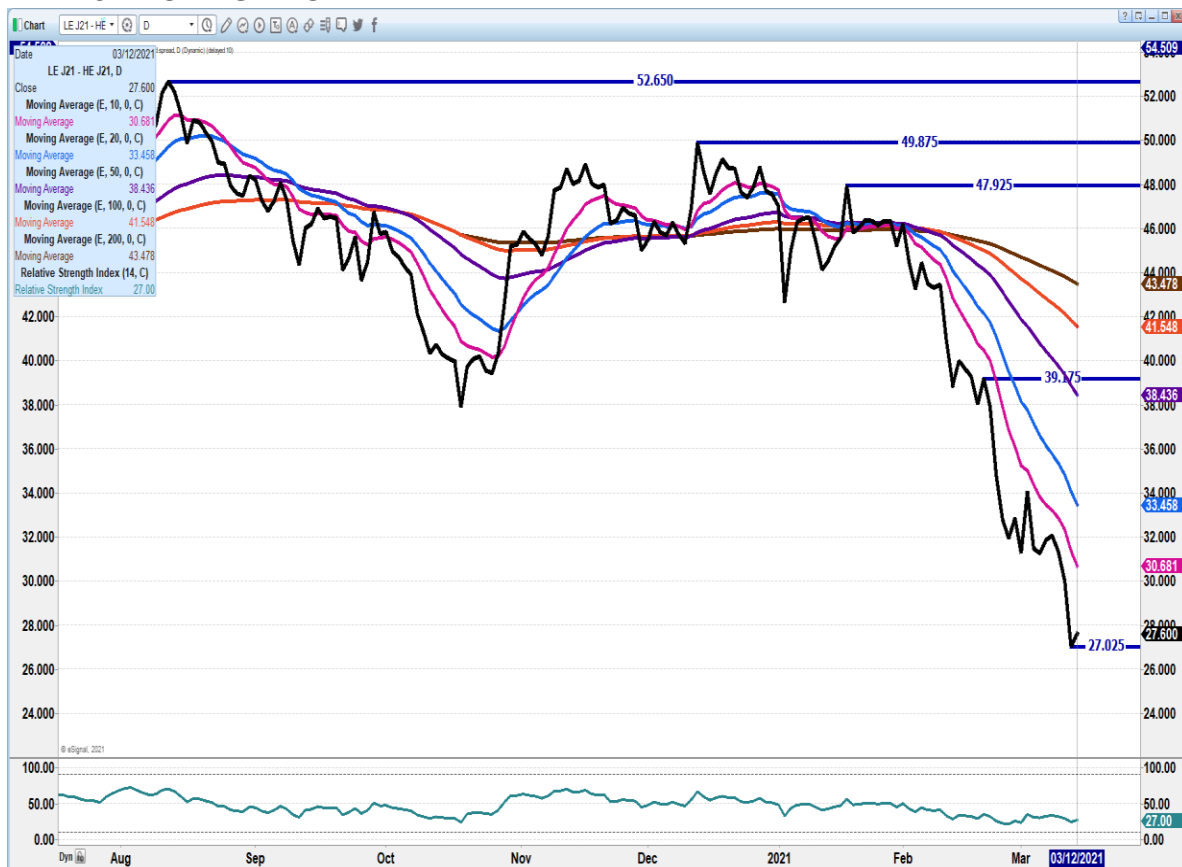
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\*\*\*National Daily Direct Cattle 03/12/2021

5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1500	\$113.46	35,379
Live Heifer:	1372	\$113.31	20,141
Dressed Steer:	957	\$179.48	14,041
Dressed Heifer:	869	\$179.64	6,019

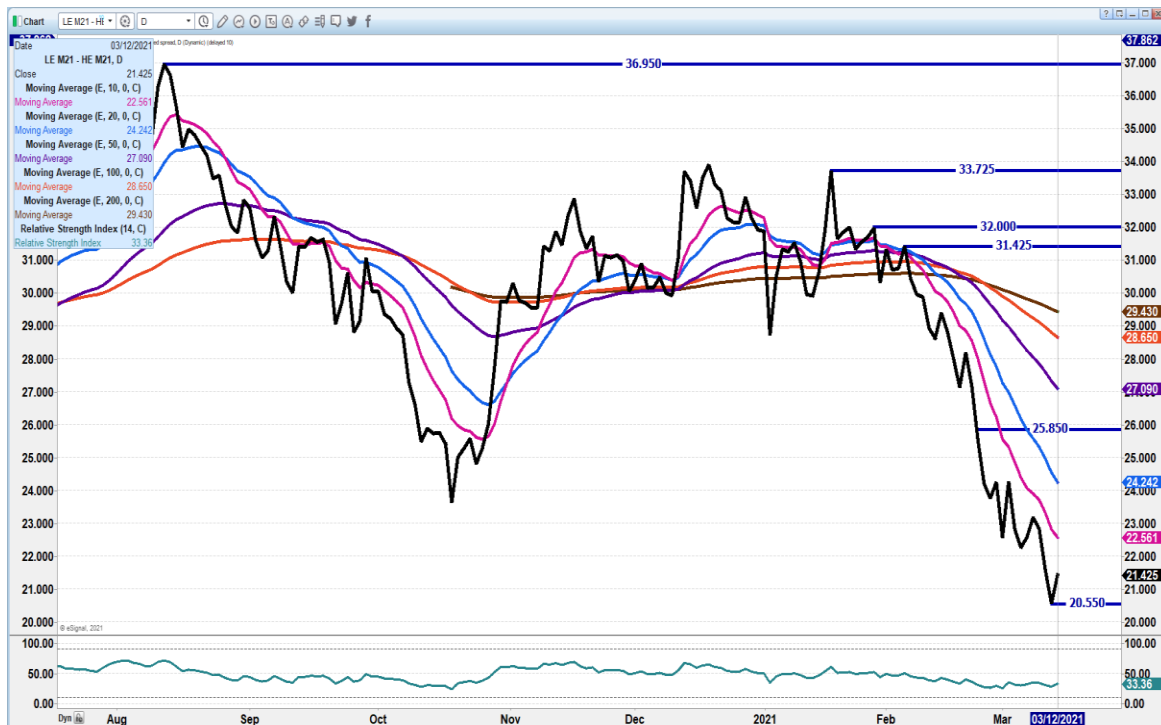
APRIL LIVE CATTLE/APRIL LEAN HOGS - HOGS GAINING ON CATTLE HAVE DRAMATICALLY NARROWED SPREAD. MAY HAVE MORE NARROWING IN MARCH, BUT SPREAD SHOULD REVERSE MOVING INTO APRIL.



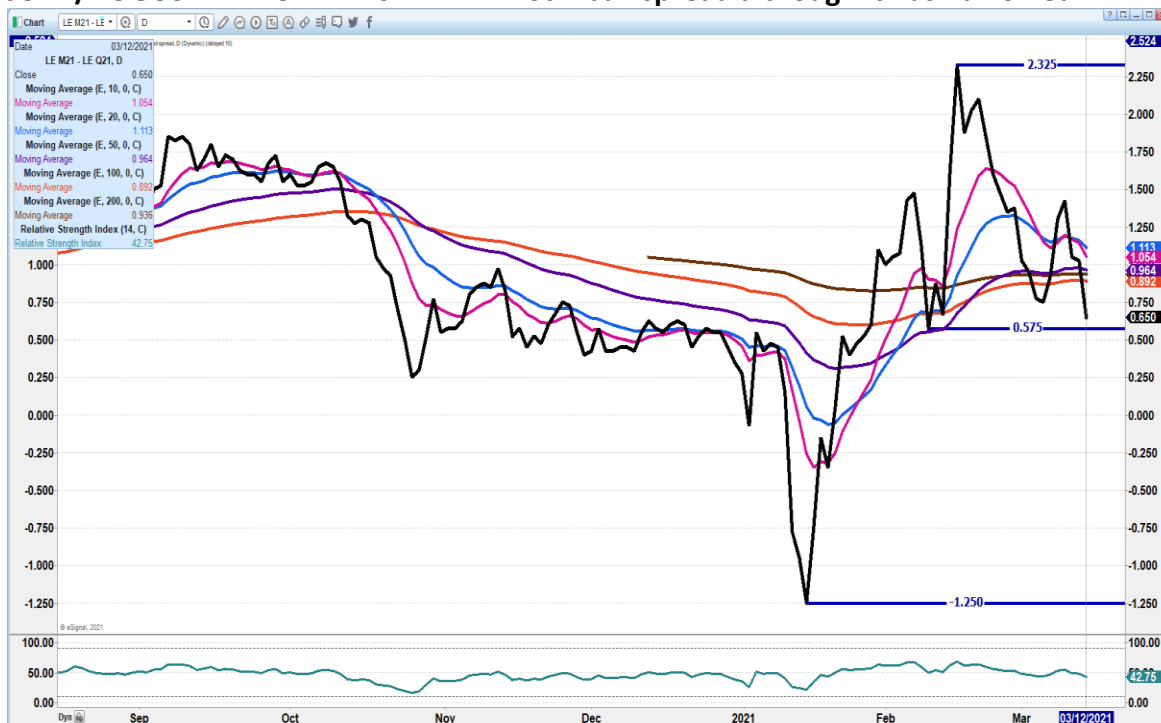
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**JUNE CATTLE/JUNE HOG SPREAD. – Not that it can't narrow more, but look for spread to reverse.**



**JUNE/AUGUST LIVE CATTLE SPREAD – Still bull spread although it has narrowed.**

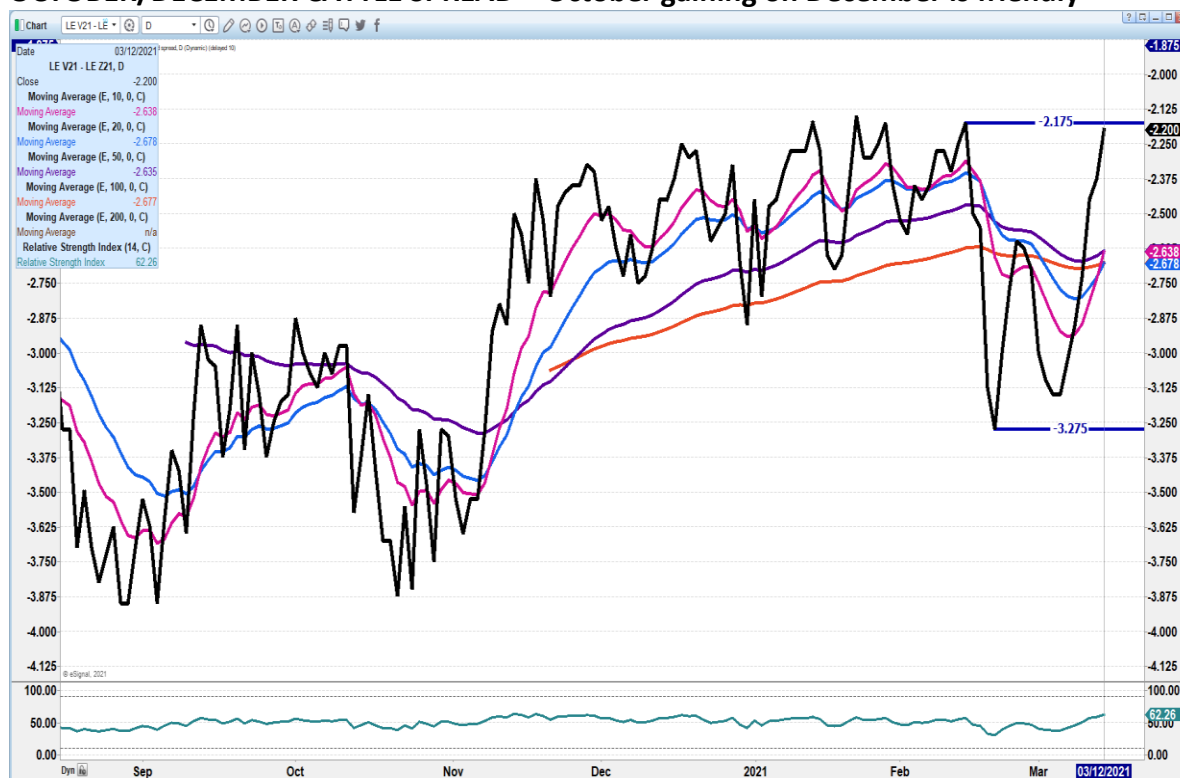


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## OCTOBER/DECEMBER CATTLE SPREAD – October gaining on December is friendly



## Feeder Cattle

THE CME FEEDER INDEX ON 03/11/2021 WAS 133.13 DOWN 72 CENTS FROM PREVIOUS DAY

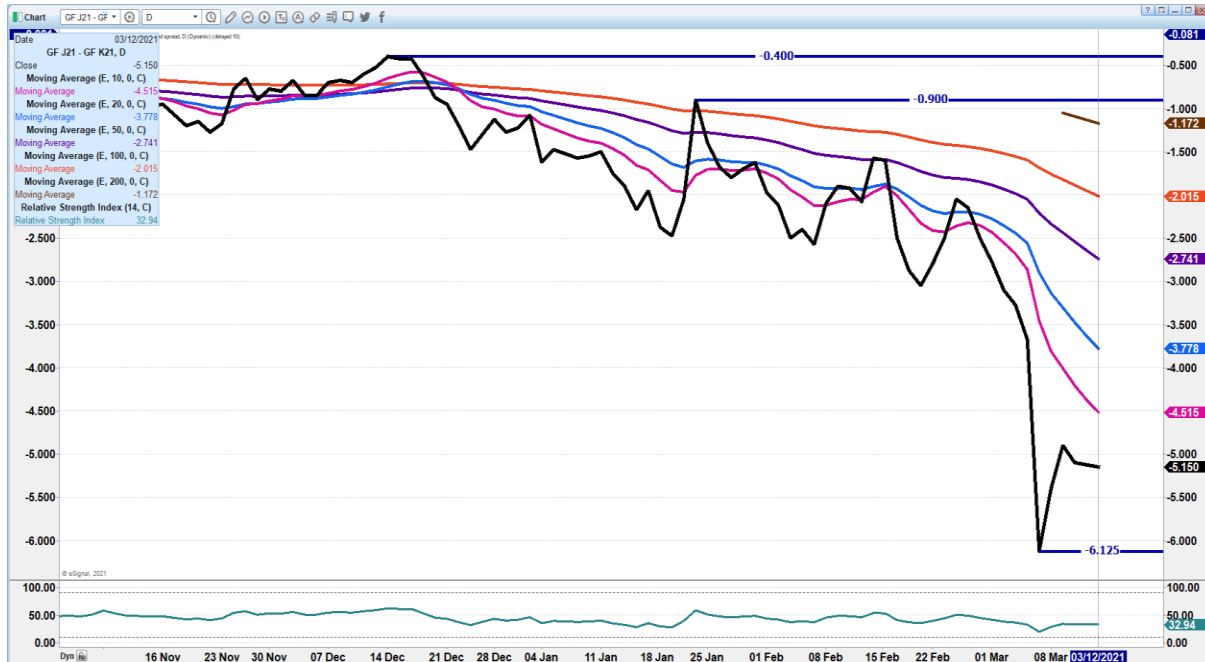
MARCH 2021 FEEDER CATTLE FUTURES SETTLED ON MARCH 12, 2021 AT \$136.35

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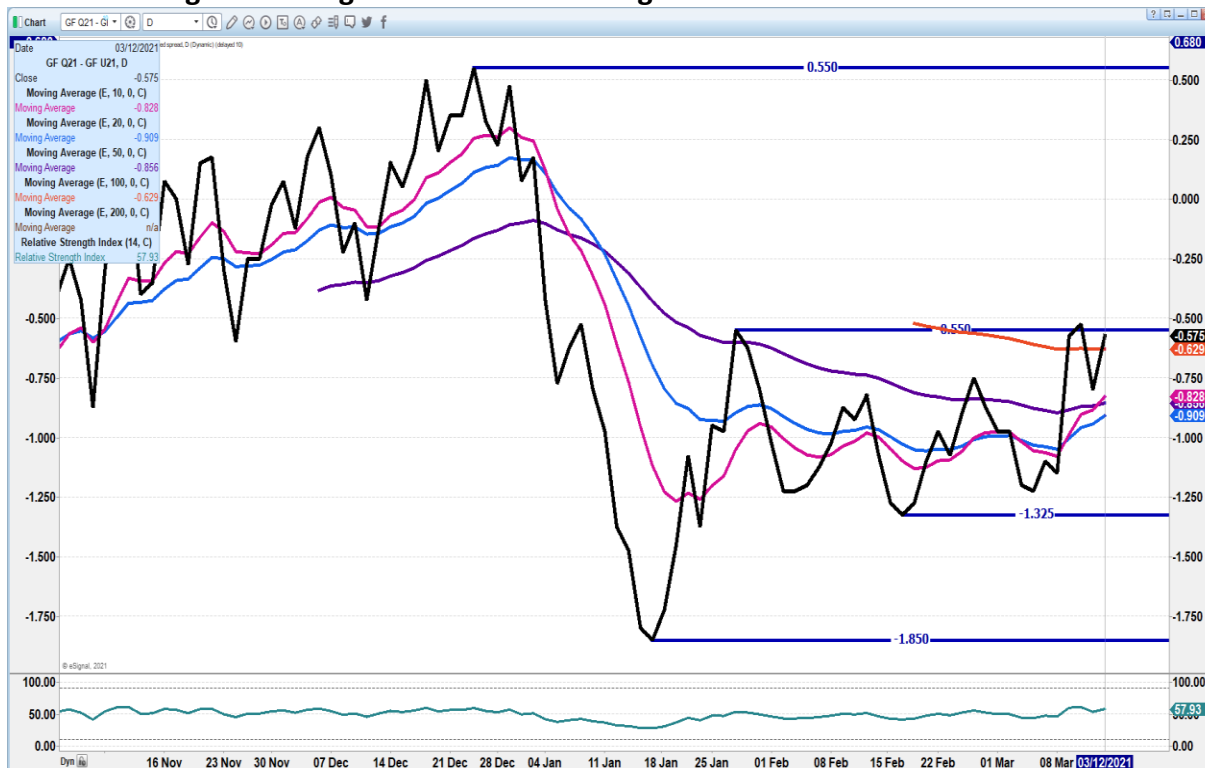
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## APRIL/MAY FEEDER CATTLE SPREAD – Spread is bearish with bear spreading.



## AUGUST/SEPTEMBER FEEDER CATTLE SPREAD – Look for spreads from August to December to even as large feedlots grid and formula selling



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## **LEAN HOGS**

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

MARCH 12, 2021	489,000
WEEK AGO	483,000
YEAR AGO	491,000
SATURDAY 03/13/2021	133,000- A WEEK AGO 98,000 - YEAR AGO 180,000
WEEK TO DATE (EST)	2,583,000
SAME PERIOD LAST WEEK (EST)	2,563,000
SAME PERIOD LAST YEAR (ACT)	2,639,000
2020 YEAR TO DATE	26,702,000
2019 *YEAR TO DATE	27,746,000
PERCENT CHANGE PREVIOUS YEAR	-3.8%
PREVIOUS WEEK	-4.0%

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**CME CASH HOG INDEX 03/10/2020 AT 87.65 UP 89 CENTS FROM PREVIOUS DAY**

**CME CASH HOG INDEX 03/03/2020 AT 84.06**

**CME CASH PORK CUTOUT INDEX 03/11/2021 AT 96.97 UP 1.27 FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 03/04/2021 AT 93.28**

**CME CASH FRESH BACON INDEX ON 03/06/2021 WAS 204.40 COMPARED TO 02/26/2021 WAS 203.58**

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The 5 day carcass average is up \$4.03 compared to last week. Movement has been light to moderate which suggest packers are killing enough hogs to fulfill previously contracted pork and keep kill tight enough to make day to day buyers pay up. Weights are staying about the same and haven't been dropping suggesting, packers could slaughter more if they wanted, but pork is a sellers' market and as long as buyers keep paying up, there is no reason packers need to push more hogs through the kill line. IF carcass weights don't break indicating packers are more than current, and pork buyers don't stop buying, there can be more upside. The majority of pork sold is previously contracted and it sure looks like packers kill a few hogs for the daily market. At some point pork buyers will balk and then prices might fall. Kill year to date is down 3.8 percent, weights aren't breaking, and packers are making solid profit margins. Packers now control the entire game

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According to the last US Meat Export Federation data traders actually should be disappointed in what China is buying. Fresh meats China was down 32% for 2021 and Hong Kong was down 53%. They are buying pork, but it is variety meats, and it is good they are taking variety

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meats, offal, heads and feet because it does tack on \$4.00 to \$5.00/cwt. For variety meats China is up 39% but Hong Kong is down 87%. It sure would be a lot better if China, like 2020, was buying carcasses instead of variety meats.

Pork exports, no matter who buys, when movement is above 30,000 metric tonnes are good. Who cares who buys it as long as it is moving. But I would hate to see Mexico and Japan drop out.

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February shipments from Brazil to China were up over 30% from 2020. In 2020 China bought a record amount of pork. This year even more

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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

MARCH 12, 2021

LOADS OF PORK CUTS: 219.12

LOADS TRIM/PROCESSED PORK: 27.09

#### FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
03/12/2021	246.21	98.30	87.19	100.07	61.84	161.67	79.43	170.80
Change		-1.39	-0.95	0.66	-5.39	3.23	-3.23	-0.98
Five Day Average --		97.49	85.66	96.73	4.87	156.85	80.47	168.77

#### FINAL PREVIOUS WEEK

#### FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
03/05/2021	290.80	95.14	83.14	89.65	62.32	150.97	79.56	168.24
Change		1.62	0.48	1.22	-3.14	2.09	-1.62	11.21
Five Day Average --		93.46	81.74	87.77	62.45	150.79	80.89	160.19

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[https://www.ams.usda.gov/mnreports/ams\\_2511.pdf](https://www.ams.usda.gov/mnreports/ams_2511.pdf)

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

Slaughter Data for March 11, 2021

Average live weight 285.09

Average carcass - 214.03

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**A User's Guide to USDA's LMR Hog Price Reports**

<https://www.ams.usda.gov/sites/default/files/media/LMRSwineReportingHandout.pdf>

**DAILY DIRECT AFTERNOON HOG REPORT MARCH 10, 2021**

**National Negotiated Carcass Price**

**Lowest price: 79.00**

**Highest price: 88.50**

**Weighted Average Price: 84.40**

**Head Count: 8,213**

**On a National basis, compared to the previous day's weighted average, 1.65 lower**

**Other Market Formula (Carcass)**

**Lowest base price: 59.03**

**Highest base price: 97.50**

**Weighted Average Price: 83.74**

**Head Count: 35,489**

**Swine/Pork Market Formula (Carcass)**

**Lowest base price: 73.27**

**Highest base price: 95.26**

**Weighted Average Price: 88.08**

**Head Count: 156,095**

**Other Purchase Arrangement (Carcass)**

**Lowest base price: 67.36**

**Highest base price: 97.79**

**Weighted Average Price: 88.16**

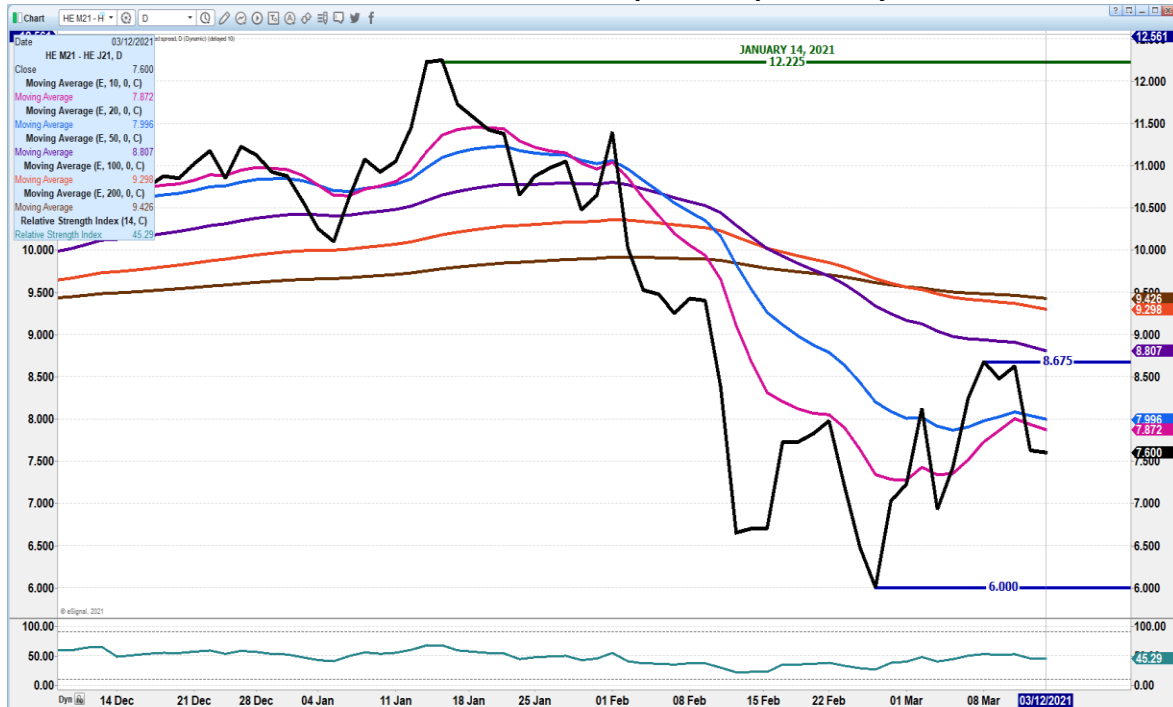
**Head Count: 53,362**

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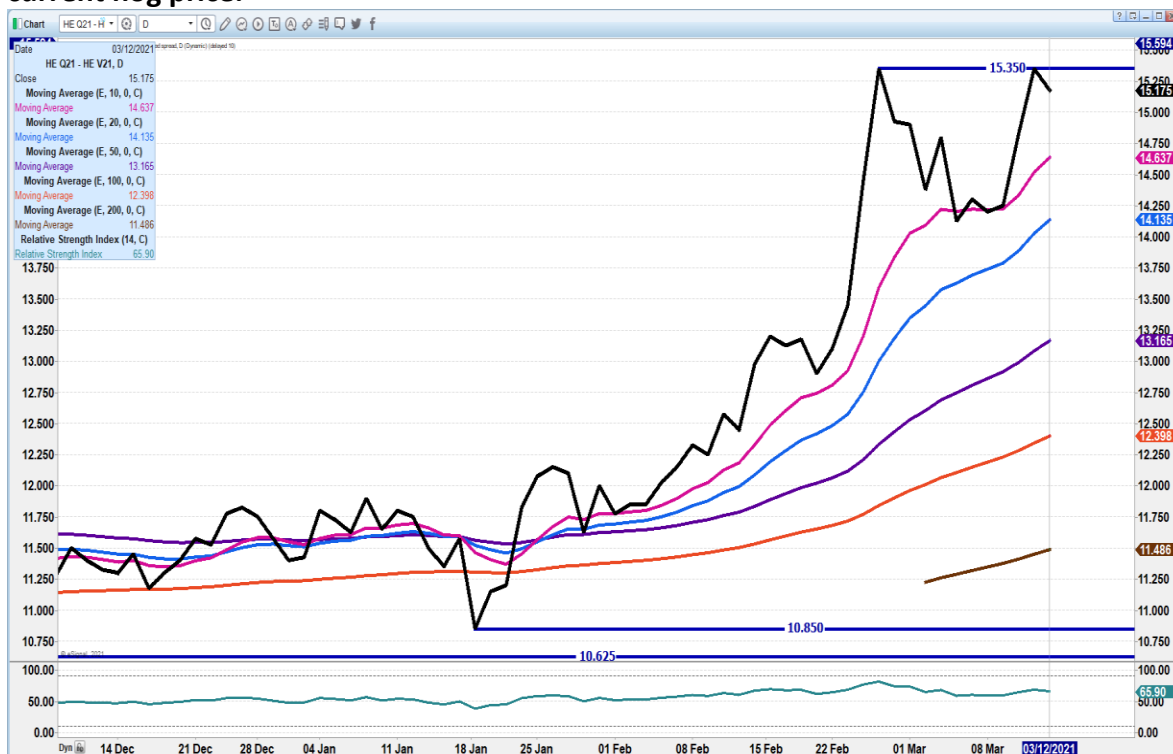
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## JUNE/APRIL LEAN HOG SPREAD – Narrow compared to previous years.



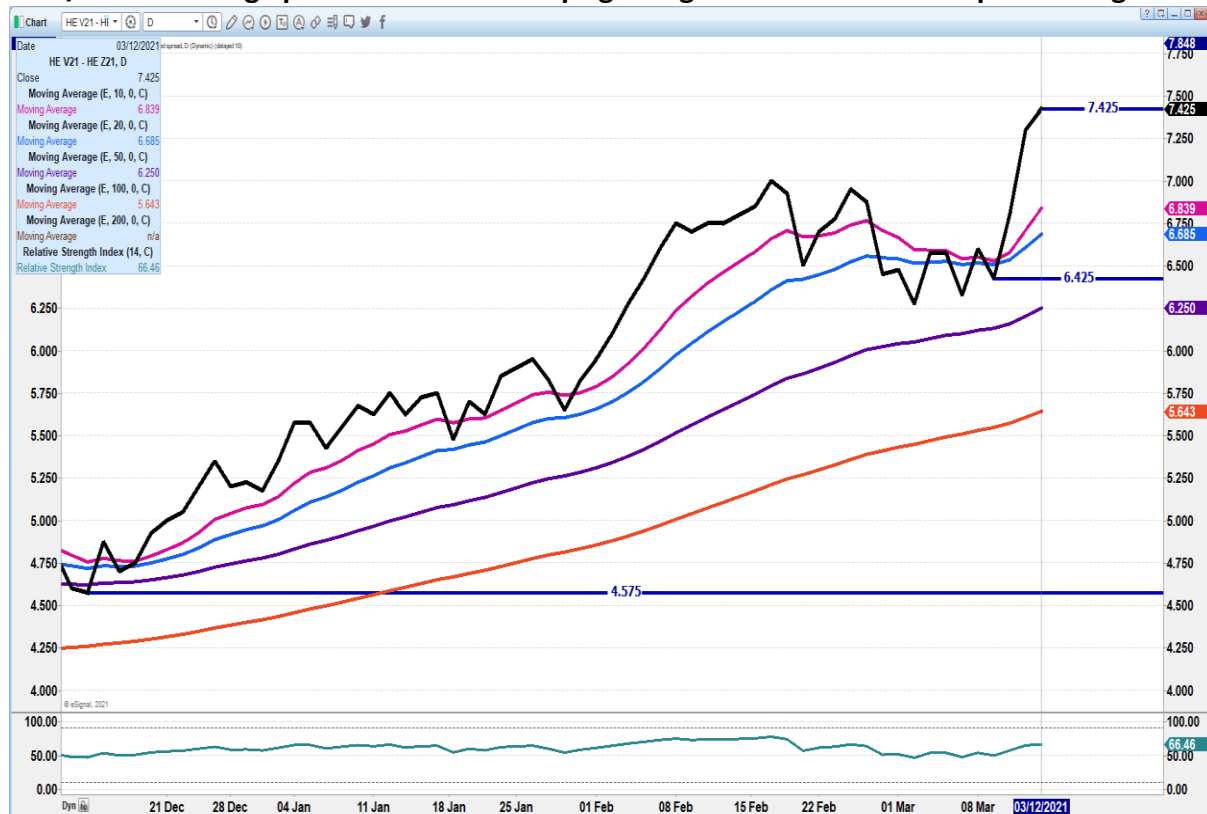
## AUGUST/OCTOBER 2021 LEAN HOG SPREAD – Spread could move to \$20. December under current hog price.



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## Octr/Dec Lean Hog Spread - October keeps gaining on December. Pure spec trading.



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### CHARTS FROM ESIGNAL INTERACTIVE, INC.

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