

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING MAY 18, 2021 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

MAY 17, 2021	115,000
WEEK AGO	112,000
YEAR AGO	98,000

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	CHOICE	SELECT
BOXED BEEF FINAL	319.62	296.89
CHANGE FROM PRIOR DAY:	2.68	3.70
CHOICE/SELECT SPREAD:	22.73	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	85	
5 DAY SIMPLE AVERAGE:	314.06	295.27

FINAL MAY 17, 2021

PRIMAL RIB	525.21	433.71
PRIMAL CHUCK	239.04	233.46
PRIMAL ROUND	231.84	230.92
PRIMAL LOIN	479.64	433.78
PRIMAL BRISKET	296.78	285.17
PRIMAL SHORT PLATE	214.37	214.37
PRIMAL FLANK	158.77	155.10

FINAL MAY 14, 2021

PRIMAL RIB	529.24	436.57
PRIMAL CHUCK	233.13	226.20
PRIMAL ROUND	227.61	228.86
PRIMAL LOIN	477.48	430.29
PRIMAL BRISKET	298.11	270.72

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PRIMAL SHORT PLATE	214.47	214.47
PRIMAL FLANK	156.83	156.01

CME BOXED BEEF INDEX FOR 05/14/2021 WAS AT 312.07UP 1.34 FROM PREVIOUS DAY

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
05/14	63	14	22	9	107	316.94	293.19
05/13	66	12	8	19	106	316.78	295.91
05/12	59	12	16	11	98	315.08	297.16
05/11	73	11	7	13	106	312.37	296.34
05/10	35	14	13	9	71	309.11	293.76
05/07	36	10	9	9	64	305.88	290.27

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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	38.03 loads	1,521,146 pounds
Select Cuts	13.24 loads	529,621 pounds
Trimming	20.29 loads	811,674 pounds
Ground Beef	13.42 loads	536,768 pounds

MAY 2021 LIVESTOCK REPORTS

CATTLE ON FEED REPORT - FRIDAY MAY 21, 2021 2:00PM CENTRAL TIME

COLD STORAGE REPORT - MONDAY MAY 24,2021 2:00PM CENTRAL TIME

Packer ownership of their own cattle or contracted cattle is the market and they fill in slaughter with showlist cattle. They not only fill in the slaughter, they pick and chose what cattle they will take. The Southwest feedlots that sell on the showlist are trying to use the Fed Cattle Exchange and coops just so they have some group numbers that may attract packer bids. In the Midwest, getting a bid to find a spot in the kill is getting difficult. One feedlot owner told me that he called a buyer and thought he would get a bid, but kept getting voice mail for three weeks.

With most beef and pork sold with some form of long term contract, packers now adjust kill to needs and don't have overruns of beef.

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Boxed beef is starting out the week higher which is positive but when there are only 36 loads sold on the daily market, it simply means buyers have to take the higher prices or leave it. 36 loads is not a market moving trade. It is positive that mid-cuts, rounds and chucks, have been the best gaining products and rib sections and loins continue to move up.

Packers in the US are starting to complain about labor shortages. Finding workers in the packing industry was a major problem before COVID 19. Now that other industries are going back to work, workers can find other jobs than less desirable and working conditions within the packing industry.

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As of MAY 1, 2021 dressed steer and heifer weights were 863.5 compared to previous week at 860.1, up 3.4 pounds for the week. Grading percent was 83.1 UP .6% compared to previous week at 82.5%.

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USDA POSTED NEGOTIATED CATTLE PRICES ON 05/17/2021

IA/MN – CASH – 119.00 – 120.00 ON 296 HEAD
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
DRESSED NO SALES

CO – No Reportable Trade
DRESSED No Reportable Trade

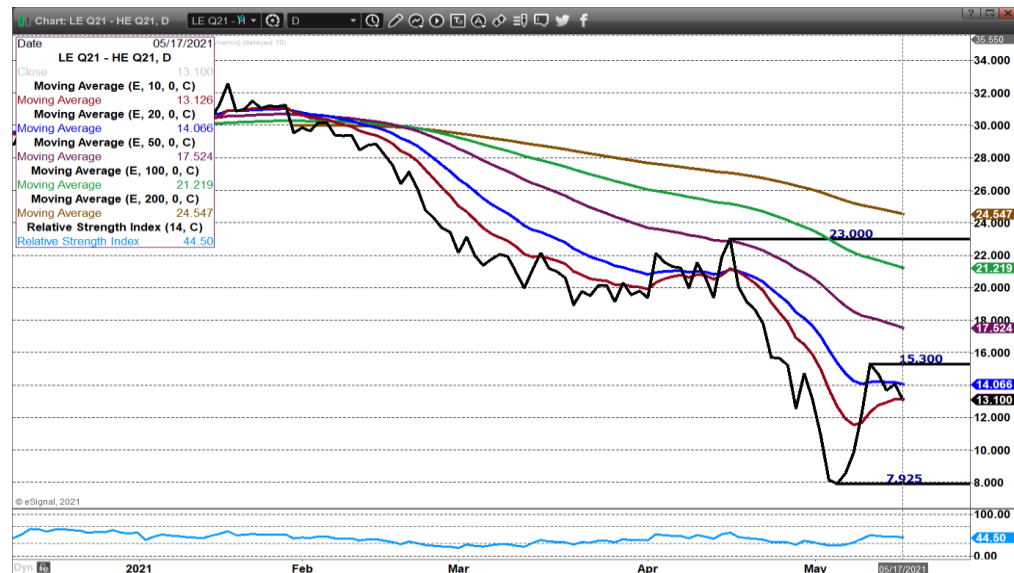
***National Daily Direct Cattle 05/17/2021 5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1450	\$119.72	25,211
Live Heifer:	1315	\$119.82	14,436
Dressed Steer:	929	\$190.32	13,639
Dressed Heifer:	840	\$190.90	2,253

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AUGUST LIVE CATTLE/AUGUST LEAN HOGS – CATTLE NEED TO HOLD SUPPORT AT 10 DAY AVERAGE OR SPREAD WILL AGAIN FAVOR HOGS.



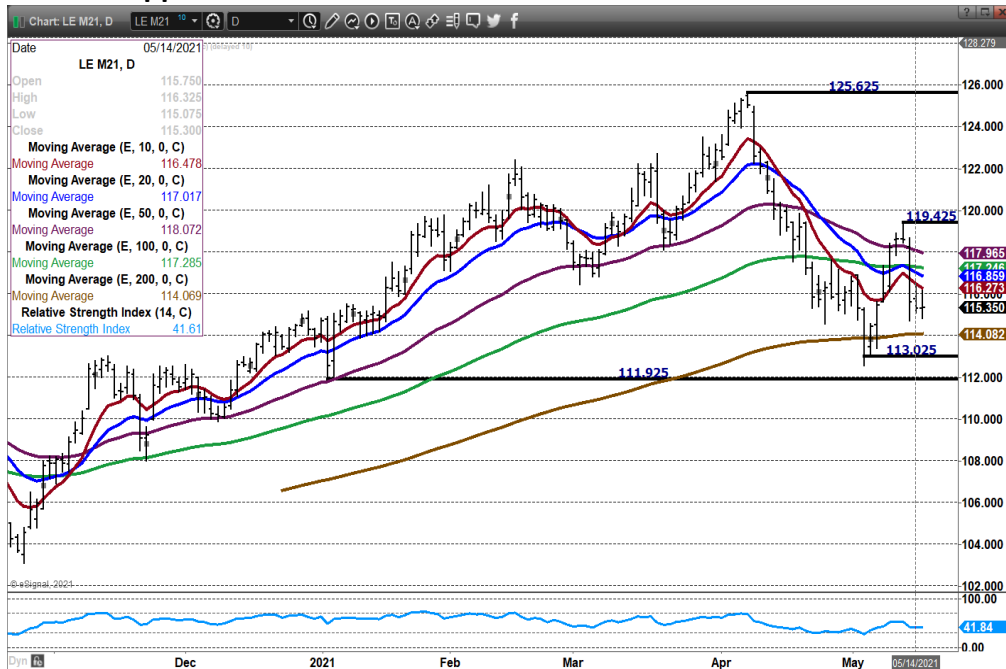
AUGUST/OCTOBER 2021 LIVE CATTLE SPREAD – SPREAD WIDENING CONTINUES BEAR SPREAD.



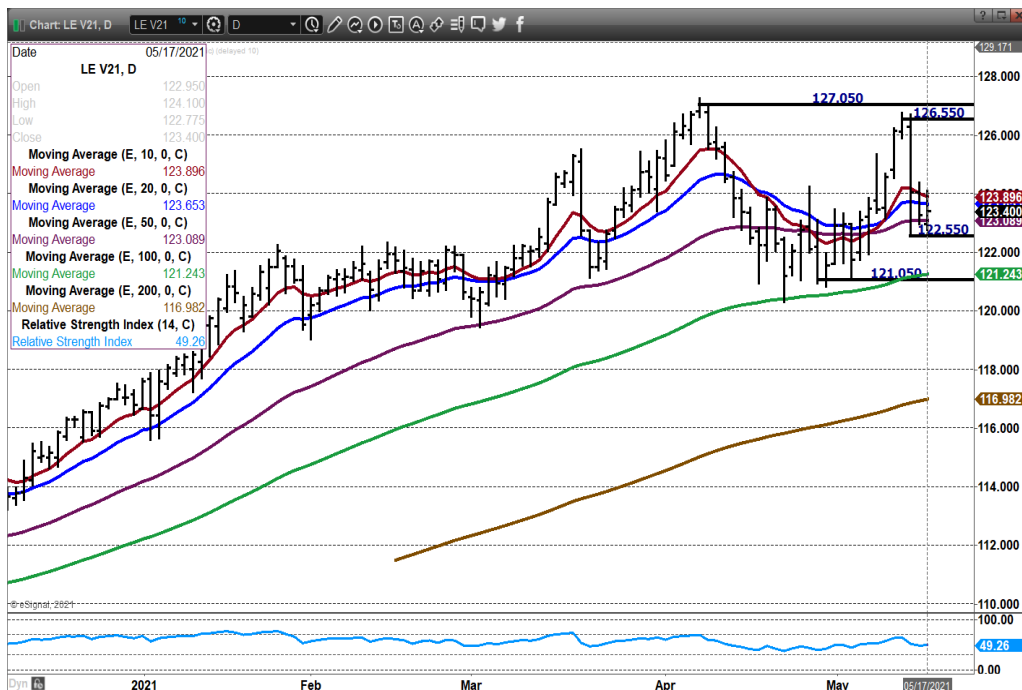
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JUNE 2021 CATTLE – 10 DAY MOVING AVERAGE IS RESISTANCE AT 116.27 Next resistance at 117.25 Support at 114.05 to 113.02



OCTOBER 2021 LIVE CATTLE – AUGUST LIVE CATTLE – Resistance is the convergence of 10, 20, and 50 moving averages at 123.95 Support at 122.55 to 121.20 RSI at 49 is neutral



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Feeder Cattle

THE CME FEEDER INDEX ON 05/14/2021 WAS 133.90 UP 2.17 FROM PREVIOUS DAY

MAY 2021 FEEDER CATTLE FUTURES SETTLED ON MAY 14, 2021 AT \$137.50

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 05/15/2021

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	146,300	45,000	3,500	194,800
LAST WEEK:	144,700	58,200	50,600	253,500
YEAR AGO:	171,000	75,200	34,600	280,800

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD MOSTLY STEADY TO 5.00 HIGHER, WITH SALES FROM MID-WEEK ON TRADING MOSTLY 2.00-6.00 HIGHER WITH FEW SALES OF MOSTLY LIGHT CALVES UNDER 550 LBS SELLING 8.00-10.00 HIGHER.

CATTLE SLAUGHTER IS DOWN AND GOING FORWARD CONTRACT FEEDERS AND PACKERS THAT OWN THEIR OWN INVENTORY NEED TO KEEP LOTS FILLED TO SUPPLY BEEF FOR CONTRACT ORDERS.

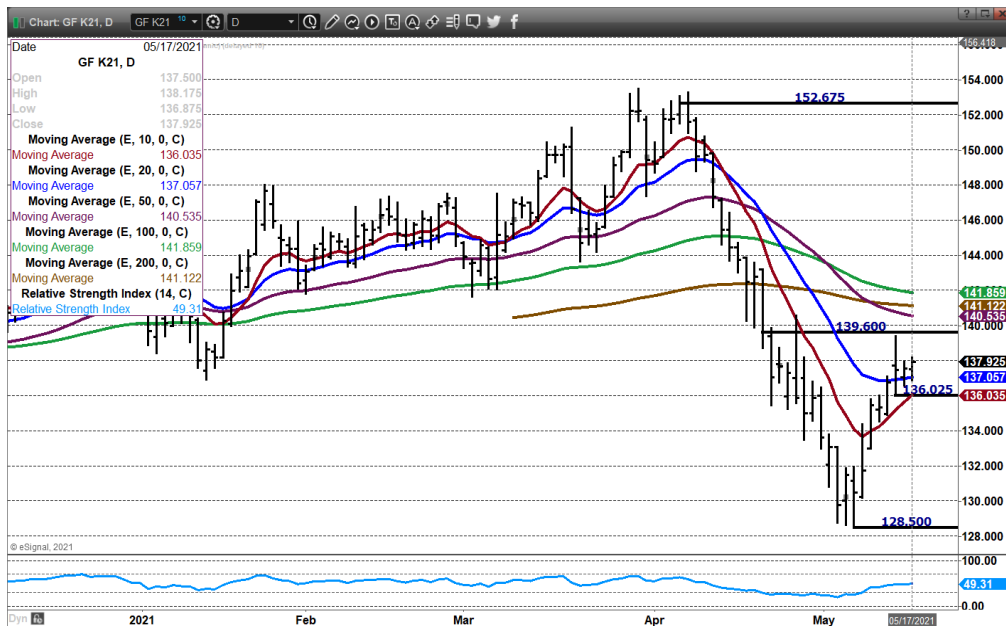
AUGUST/NOVEMBER 2021 - AUGUST GAINING IS FRIENDLY LOOK FOR BULL SPREADING GOING INTO FALL AND WINTER,



MAY 2021 FEEDER CATTLE - SUPPORT AT 136.05 RESISTANCE AT 140.35

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AUGUST 2021 FEEDER CATTLE - ABOVE ALL MOVING AVERAGES SUPPORT AT 151.35 BUT IF DROP TO 150.00 BUY RESISTANCE AT 154.37



LEAN HOGS

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USDA ESTIMATED FEDERAL HOG SLAUGHTER
MAY 17, 2021 478,000
WEEK AGO 483,000
YEAR AGO 395,000

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CME CASH LEAN HOG INDEX 05/13/2020 AT 110.93 DOWN 1 CENT FROM PREVIOUS DAY

CME CASH PORK CUTOFF INDEX 05/14/2021 AT 114.45 UP .47 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 5/14/2021 WAS 210.67 COMPARED TO 5/07/2021 WAS 205.09

CME PORK INDEX TO CME LEAN HOG INDEX 3.52

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Pork cutout shot up \$10.08 on a piddling amount of 137 loads with bellies up \$53.04 early Monday. What nonsense!!! A buyer either had to finish out a load or was forced to take a price to insure they had a few pounds of bellies. A move like bellies up \$53.04 just shows how little the day to day carcass prices means. By the afternoon sales it is highly doubtful the carcass will be \$10.08 higher. A move such as Monday doesn't establish any direction for hogs.

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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

MAY 17, 2021

LOADS OF PORK CUTS: 281.89

LOADS TRIM/PROCESSED PORK: 21.64

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/17/2021	303.53	116.57	113.14	142.23	76.46	282.64	81.51	166.72
Change		0.87	0.15	3.01	-2.13	7.56	0.09	1.68
Five Day Average --		115.15	109.32	134.96	79.17	270.18	84.59	166.34

NOON

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Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/14/2021	137.89	125.78	113.03	138.37	78.81	283.22	85.76	218.08
Change		10.08	0.04	-0.85	0.22	8.14	4.34	53.04
Five Day Average --		117.00	109.29	134.18	79.64	270.29	85.44	176.61

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/14/2021	340.34	115.70	112.99	139.22	78.59	275.08	81.42	165.04
Change		0.49	7.60	5.05	-5.52	8.01	-4.17	-9.60
Five Day Average --		114.47	107.70	131.80	78.85	265.34	85.99	165.80

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for Friday, May 14, 2021 and Saturday, May 15, 2021

Average live weight 283.19

Average carcass - 212.16

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 FRIDAY MAY 14, 2021

National Negotiated Carcass Price

Lowest price: 103.00

Highest price: 119.00

Weighted Average Price: 110.10

Head Count: 7,045

On a National basis, compared to the previous day's weighted average 2.15 lower

Other Market Formula (Carcass)

Lowest base price: 68.30

Highest base price: 114.97

Weighted Average Price: 99.36

Head Count: 27,010

Swine/Pork Market Formula (Carcass)

Lowest base price: 81.81

Highest Base Price: 124.78

Weighted Average Price: 109.50

Head Count: 147,485

Other Purchase Arrangement (Carcass)

Lowest base price: 70.75

Highest base price: 130.43

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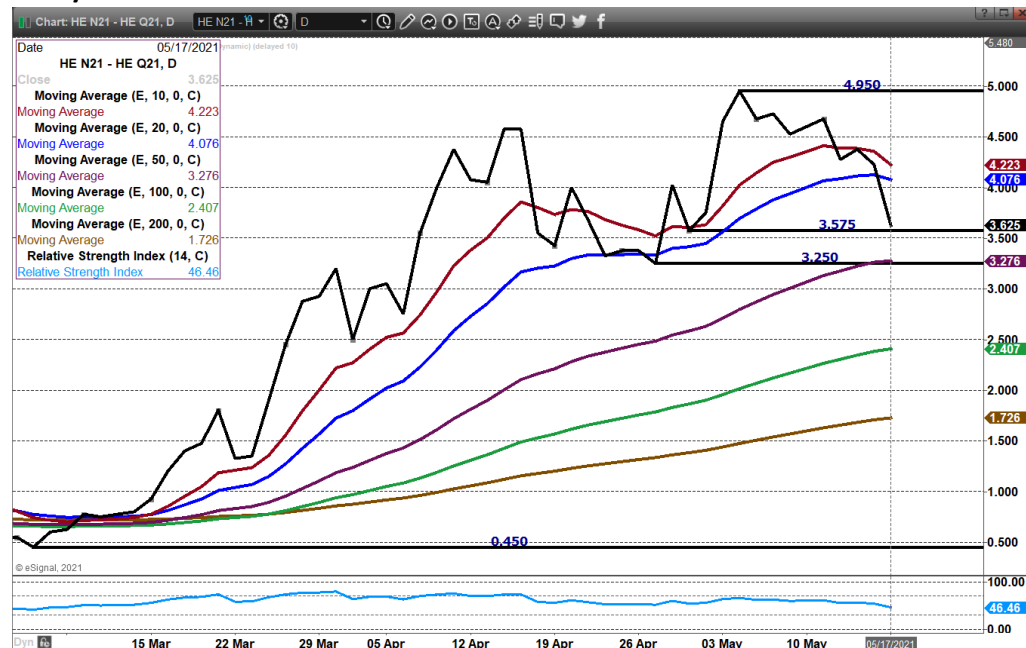
Weighted Average Price: **103.01**
Head Count: 65,565

https://www.ams.usda.gov/mnreports/ams_2511.pdf

Past Highs on Lean Hogs

Contract Month & Year	Contract High	Date
April 2014	\$128.77	April 2, 2014
June 2014	\$133.42	March 18, 2014
July 2014	\$133.90	July 15, 2014
August 2014	\$133.37	July 1, 2014
October 2014	\$118.35	July 7, 2014
December 2014	\$105.50	July 9, 2014
February 2015	\$100.00	June 22, 2014

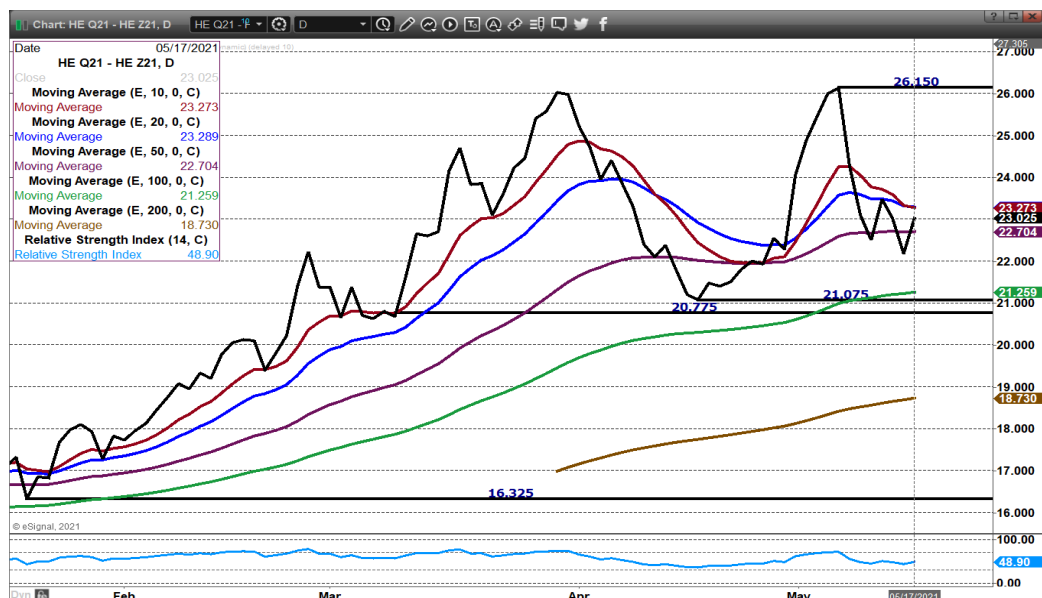
JULY/AUGUST LEAN HOG SPREAD – MARKET REMAINS BULL SPREAD.



AUGUST/DECEMBER 2021 LEAN HOG SPREAD – AT SOME POINT THIS SPREAD IS GOING TO CORRECT. A CLOSE UNDER 20.50 WOULD CONFIRM BUT THERE IS ENOUGH TIME FOR SPECS TO KEEP IT WIDE

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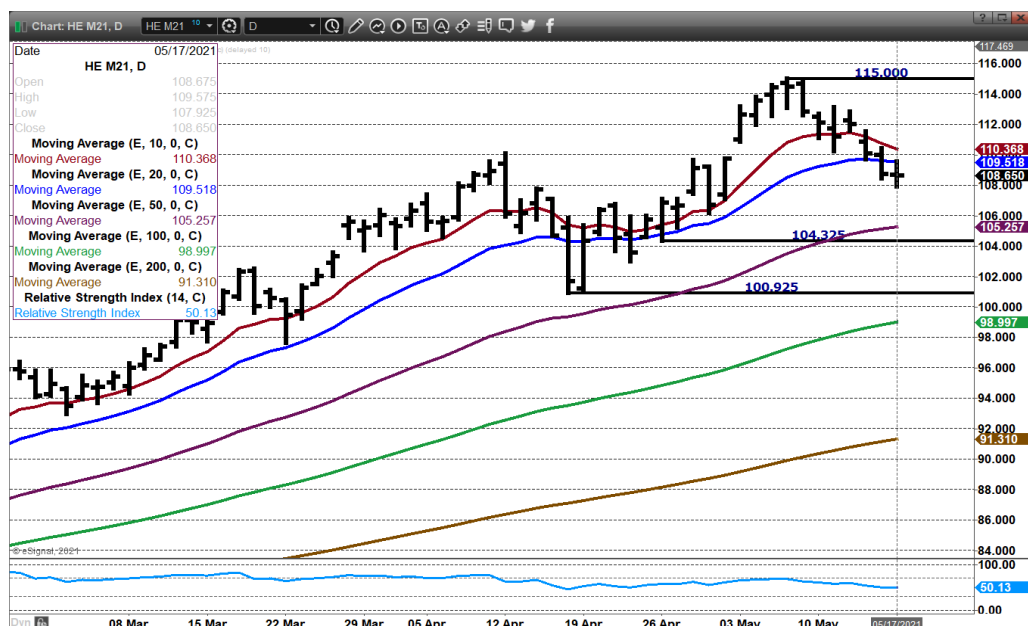
JUNE 2021 LEAN HOGS - RESISTANCE 109.55 TO 110.35 SYPPORT AT 105.27



JULY LEAN HOGS – RESISTANCE AT 108.70 TO 110.40 SUPPORT AT 105.27 RSI AT 50 IS NEUTRAL

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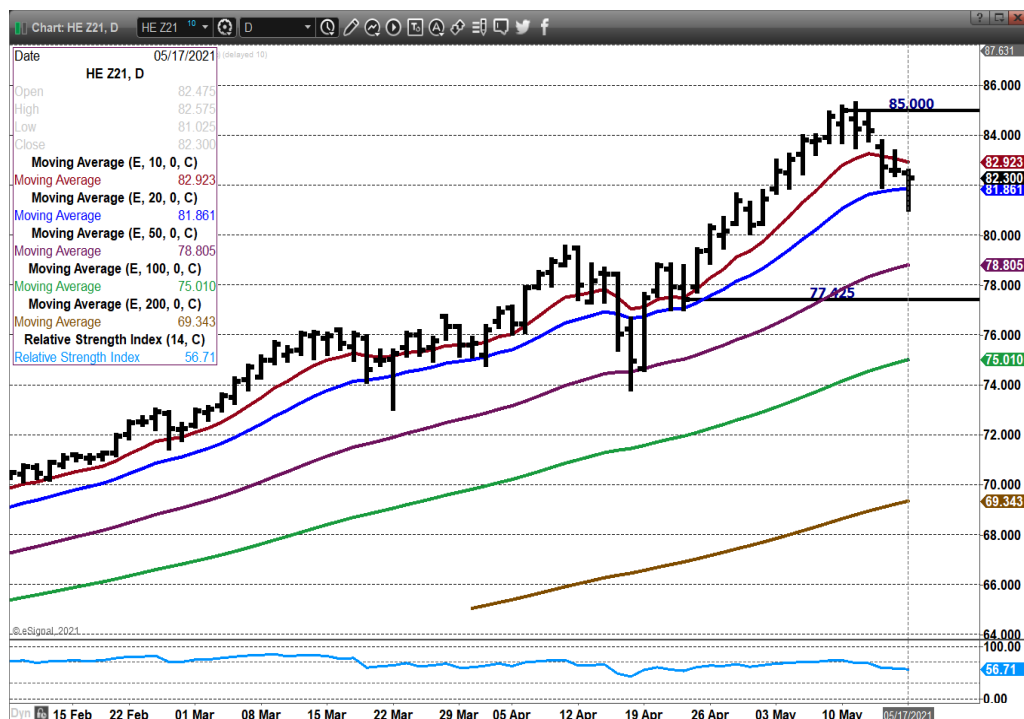
AUGUST 2021 LEAN HOGS - A CLOSE OVER 109.20 IS NEEDED TO MOVE HIGHER.. SUPPORT AT 101.60



DECEMBER 2021 LEAN HOGS - RESISTANCE 83.00 TO 85.00 SUPPORT AT 81.80

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