

Daily Futures Market Commentary Livestock Outlook

MONDAY MORNING MAY 10, 2021 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

MAY 7, 2021	111,000
WEEK AGO	115,000
YEAR AGO	89,000
SATURDAY 05/8/2020	57,000 - A WEEK AGO 57,000, YEAR AGO 45,000
WEEK TO DATE (EST)	638,000
SAME PERIOD LAST WEEK (EST)	649,000
SAME PERIOD LAST YEAR (ACT)	476,000
2021 YEAR TO DATE	11,592,000
2020 *YEAR TO DATE	11,059,000

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	CHOICE	SELECT
BOXED BEEF FINAL	305.88	290.27
CHANGE FROM PRIOR DAY:	(0.49)	0.91
CHOICE/SELECT SPREAD:		15.61
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		64
5 DAY SIMPLE AVERAGE:	301.63	285.26

CME BOXED BEEF INDEX FOR 05/05/2021 WAS AT 295.89 UP 2.76 FROM PREVIOUS DAY

FINAL MAY 7, 2021

PRIMAL RIB	522.32	439.71
PRIMAL CHUCK	224.19	220.38
PRIMAL ROUND	211.99	215.98
PRIMAL LOIN	461.60	434.40
PRIMAL BRISKET	292.97	290.23

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PRIMAL SHORT PLATE	208.04	208.04
PRIMAL FLANK	155.23	154.24

FINAL APRIL 30, 2021

PRIMAL RIB	511.42	446.03
PRIMAL CHUCK	217.14	216.35
PRIMAL ROUND	206.88	204.55
PRIMAL LOIN	443.49	420.75
PRIMAL BRISKET	286.39	278.87
PRIMAL SHORT PLATE	201.56	201.56
PRIMAL FLANK	147.20	146.18

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
06/06	65	17	4	14	100	306.37	289.36
05/05	73	21	8	19	121	304.78	286.18
05/04	67	27	13	22	130	301.22	283.91
05/03	43	9	16	9	77	299.30	283.79
04/30	46	11	11	9	78	296.50	283.05
04/29	93	12	7	13	125	293.76	279.79

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	36.44 loads	1,457,729 pounds
Select Cuts	9.82 loads	392,915 pounds
Trimming	8.62 loads	344,833 pounds
Ground Beef	8.64 loads	345,402 pounds

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Showlist feedlots concerned cattle were turning lower into June, threw in the towel this week. Futures were negative at the start of the week and feedlots just didn't want to gamble and keep cattle until next week. Bid prices came with buyers saying take it or leave it, and feedlots took it.

It is doubtful packers can buy cattle cheaper next week unless packers are needing to limit the supply of beef and buy fewer cattle, but with supposed profits, they wouldn't be slowing chain speed, they would be speeding it up if cattle were available. Cattle are current. Last week and the week before packers were pulling up their own cattle and contract cattle about two weeks ahead of time.

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Cattle bear spreads began to reverse through the week. Hog bull spreads reversed Friday. Can't tell if reversals were end of the week trading, profit taking, or are futures reversing and going into June in a different direction with cattle turning higher. Spreaders have been making profits and statistical volume began to slow, so it could be specs taking profits. But packers are going to need cattle and cash and futures should turn higher

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As of APRIL 27, 2021 dressed steer and heifer weights were 869.1 compared to previous week at 866.1, up 3 pounds for the week . Grading percent was 83.1 down .2% compared to previous week at 83.3%.

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USDA POSTED NEGOTIATED CATTLE PRICES ON 05/07/2021

IA/MN – CASH – No Reportable Trade
DRESSED No Reportable Trade

NE – CASH No Reportable Trade
DRESSED - No Reportable Trade

KS – CASH 119.00 ON 734 HEAD
DRESSED 188.00 ON 38 HEAD

TX/OK/NM – No Reportable Trade
DRESSED NO SALES

CO – No Reportable Trade

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***National Daily Direct Cattle 05/7/2021

5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1454	\$118.54	28,523
Live Heifer:	1310	\$118.30	14,790
Dressed Steer:	924	\$188.61	17,075
Dressed Heifer:	835	\$188.50	4,212

***National Daily Direct Cattle 04/30/2021

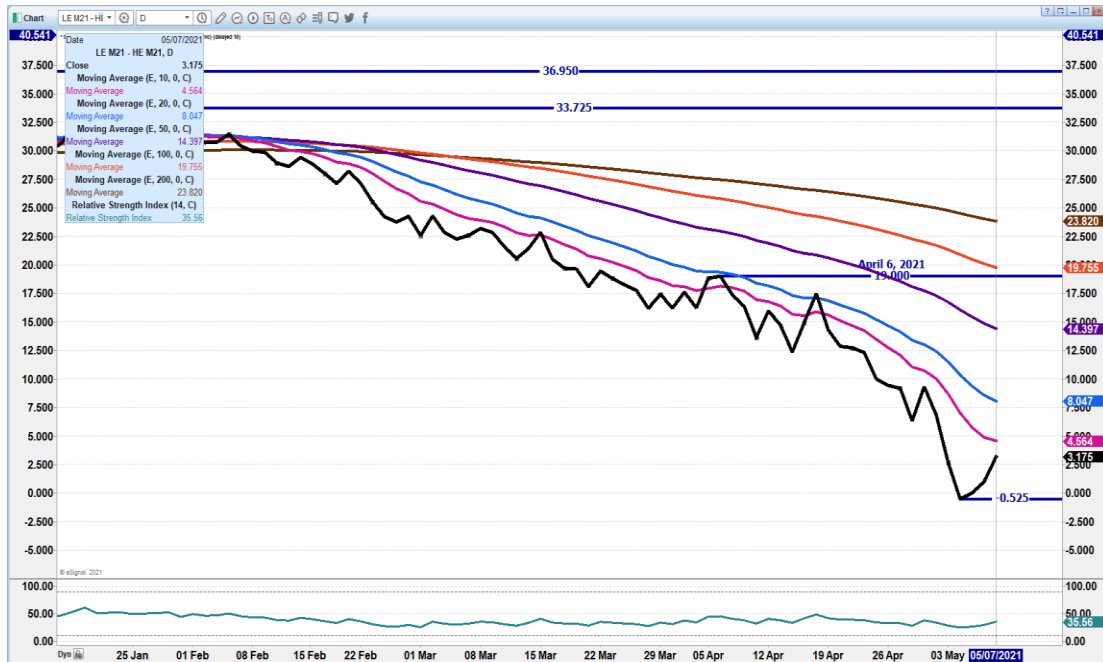
5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1435	\$119.64	23,121
Live Heifer:	1295	\$119.52	10,134
Dressed Steer:	953	\$190.59	16,491
Dressed Heifer:	845	\$191.73	4,677

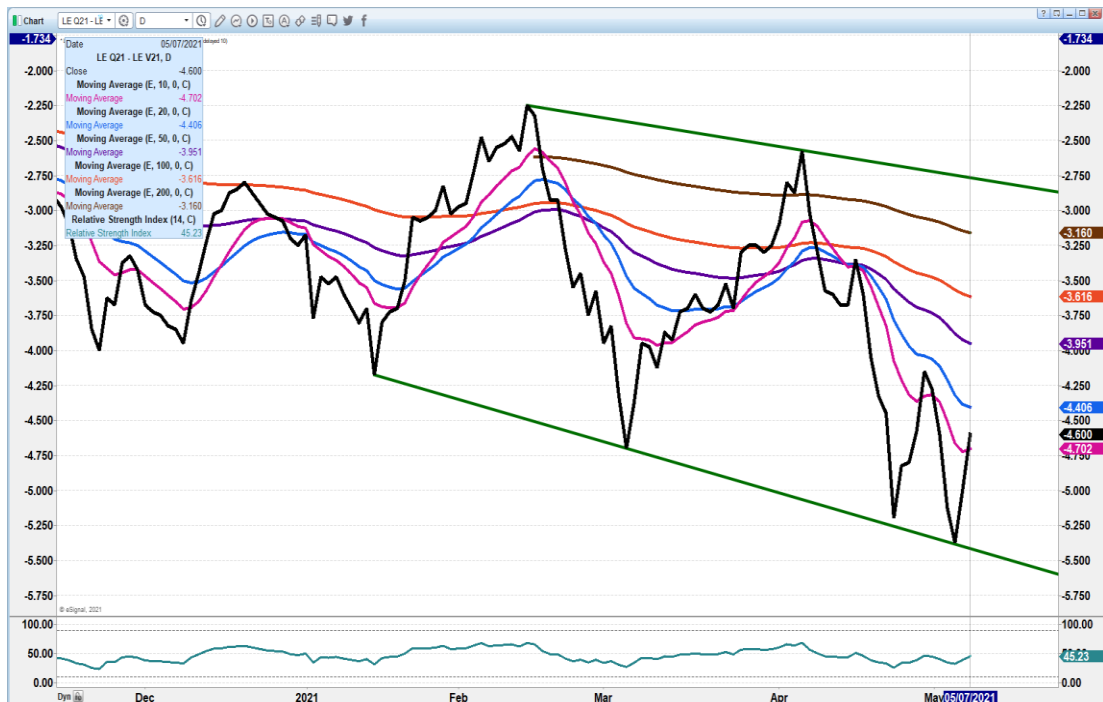
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JUNE CATTLE/JUNE HOG SPREAD – TOO EARLY TO TELL IF SPREAD IS REVERSING. DIDN'T EVEN REACH 10 DAY MOVING AVERAGE.



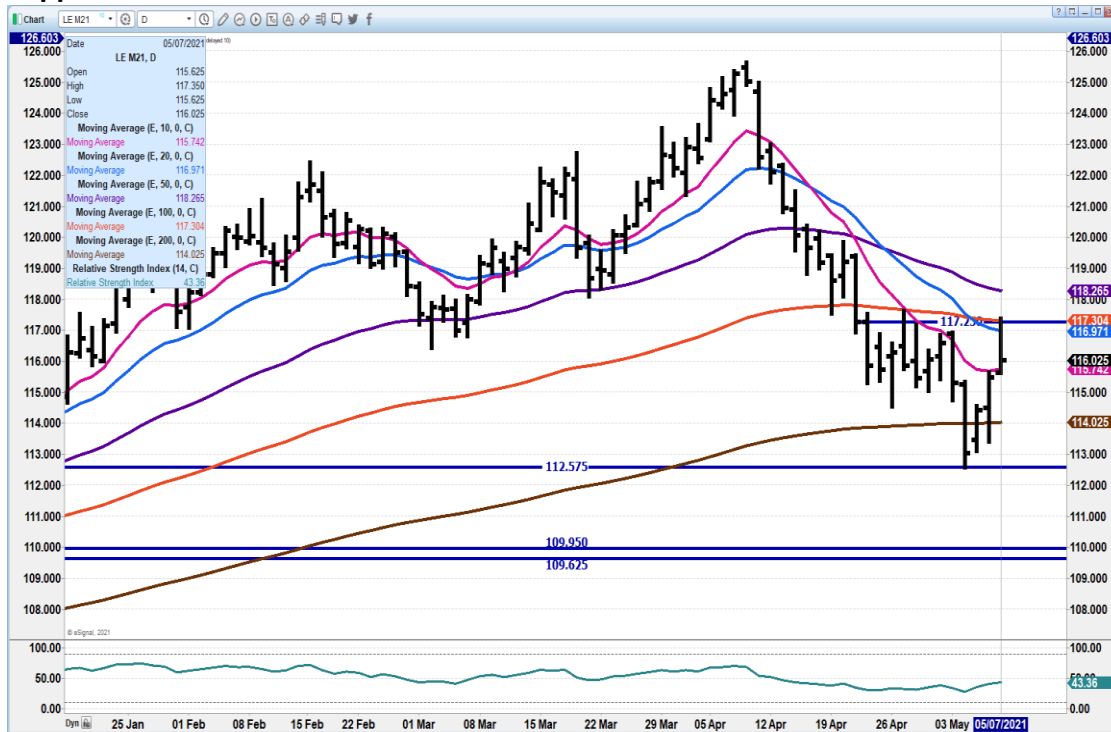
AUGUST/OCTOBER 2021 LIVE CATTLE SPREAD - SPREAD IS WIDER THAN NORMAL. COULD SEE SPREAD MOVE TO HAVE AUGUST MINUS \$3.00 UNDER OCTOBER. IF REVERSES TO DOWNSIDE IT IS BEARISH



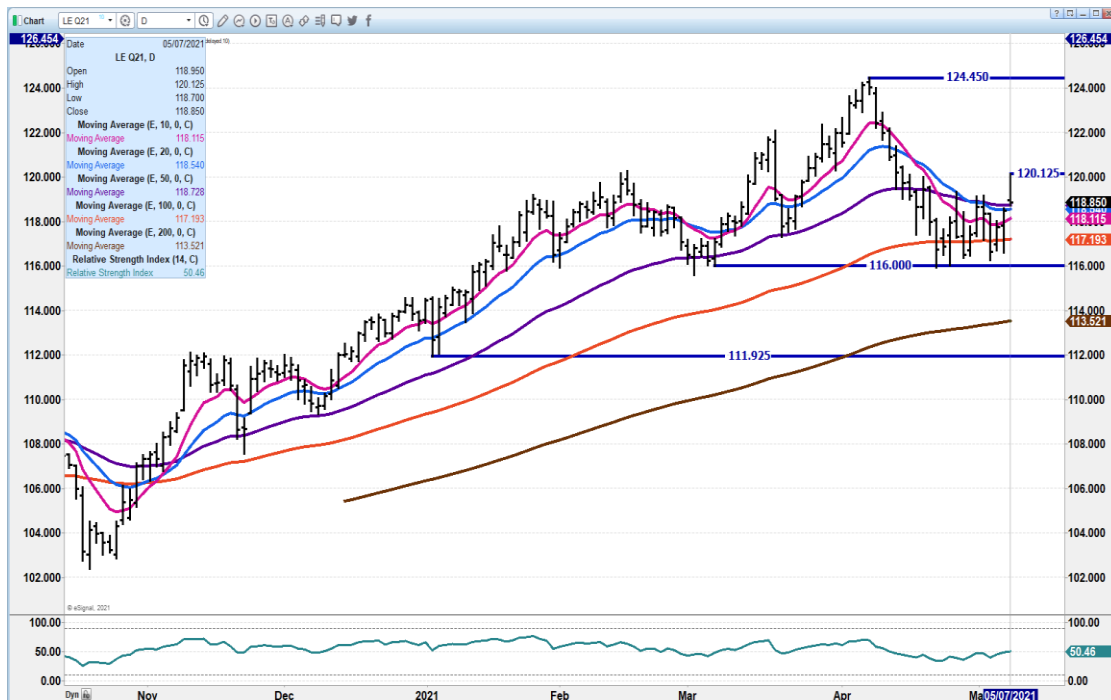
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JUNE 2021 CATTLE – Moved to 20 day moving average, resistance at 116.97 and fell off. Support at 115.74 to 114.02. June for the week down 52 cents. RSI at 43



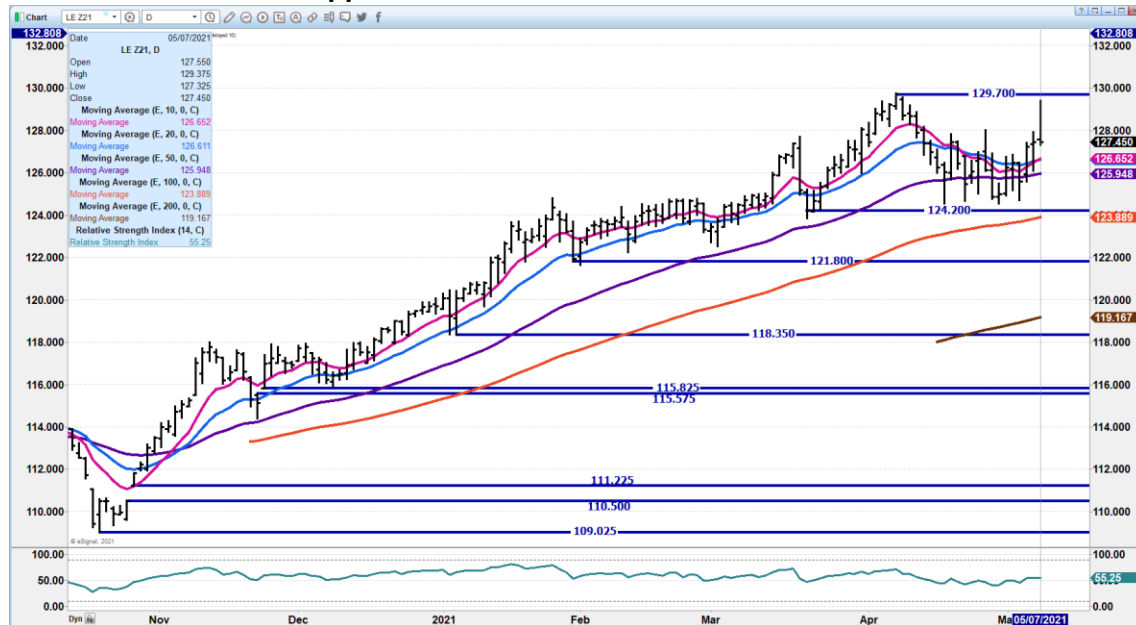
AUGUST LIVE CATTLE - RSI AT 50.5 IS NEUTRL.. STRONG CLOSE ABOVE ALL MOVING AVERAGES. 120.90 RESISTANCE SUPPORT AT 118.55 TO 117.15



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**DECEMBER 2021 LIVE CATTLE – RALLY FELL APART Friday.. For the week dec up 1.20
Resistance at 129.70 Support at 126.55**



Feeder Cattle

THE CME FEEDER INDEX ON 05/06/2021 WAS 130.83 DOWN 73 FROM PREVIOUS DAY –

MAY 2021 FEEDER CATTLE FUTURES SETTLED ON MAY 7, 2021 AT \$131.72

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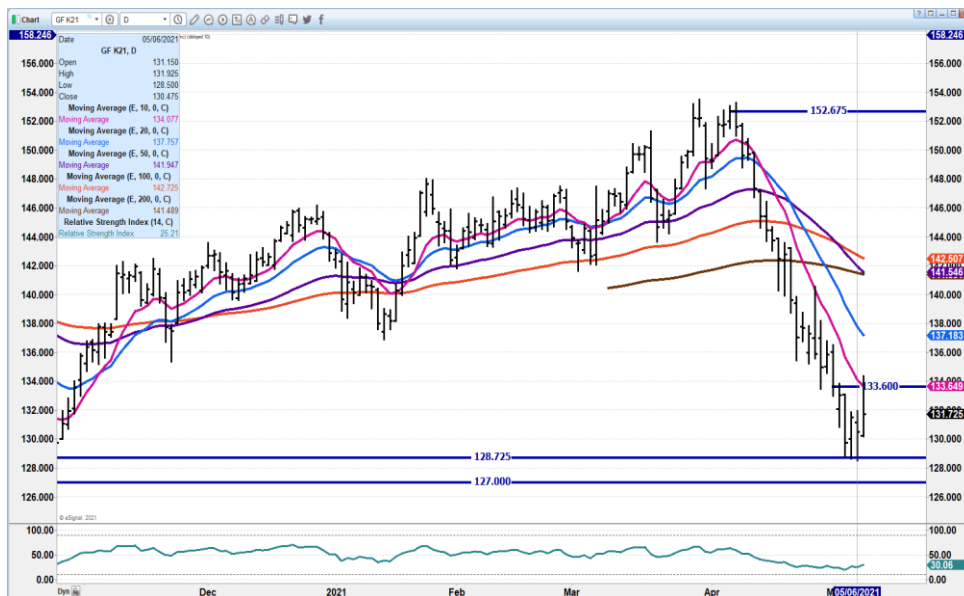
CONTRACT FEEDLOTS AND PACKER FEEDLOTS WILL NEED FEEDERS TO SUPPLY CONTRACTS FOR BEEF. THERE WILL BE FEWER FEEDERS MOVING INTO SUMMER, FALL AND WINTER.

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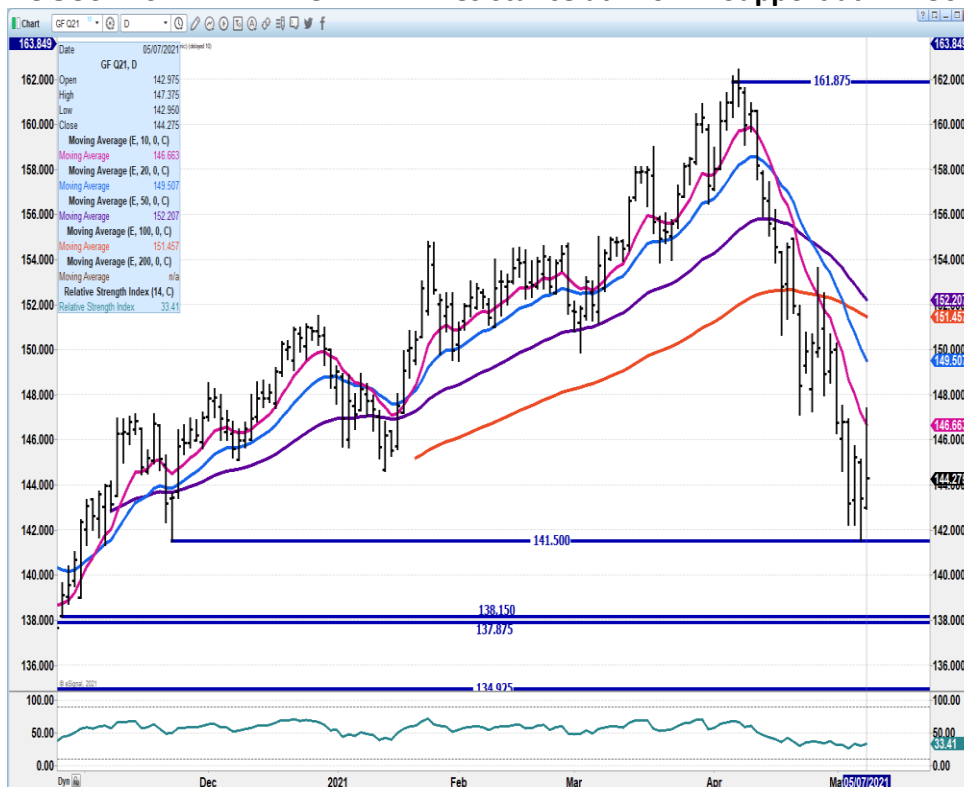
MAY 2021 FEEDER CATTLE - MOVED TO 10 DAY MOVING AVERAGE. NEXT RESISTANCE AT 137.20 SUPPORT AT 128.72

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AUGUST 2021 FEEDER CATTLE - resistance at 146.47 Support at 141.50



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

MAY 7, 2021	462,000
WEEK AGO	470,000
YEAR AGO	340,000
SATURDAY 05/8/2021	15,000 - A WEEK AGO 57,000 - YEAR AGO 45,000
WEEK TO DATE (EST)	2,408,000
SAME PERIOD LAST WEEK (EST)	2,454,000
SAME PERIOD LAST YEAR (ACT)	1,804,000
2021 YEAR TO DATE	46,467,000
2020 *YEAR TO DATE	45,862,000

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CME CASH LEAN HOG INDEX 05/5/2020 AT 108.55 UP .66 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 05/6/2021 AT 111.65 UP 1.01 FROM PREVIOUS DAY CME CASH FRESH BACON INDEX ON 4/30/2021 WAS 216.16 COMPARED TO 4/23/2021 WAS 247.05

CME PORK INDEX TO CME LEAN HOG INDEX 3.10

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Weights should be going up this time of year. Weather is ideal for hogs. Buildings are hot or cold. It sure looks like packers are trying to keep lines moving and taking hogs as soon as ready. The Five day carcass average gained \$3.24 over the week with loins moving up \$4.29 but hams were down \$2.74. Ribs, butts, bellies and picnics were all higher. Slaughter was down compared to previous week by 46,000 hogs. It is certainly appearing that packers are trying to keep lines moving because weights are not going up. If daily buyers need pork for Memorial Day, this week they need to get in orders. Pork compared to beef and chicken is cheap especially loins and hams.

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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 7, 2021

LOADS OF PORK CUTS: 337.53

LOADS TRIM/PROCESSED PORK: 29.23

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FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/7/2021	366.76	113.79	105.64	127.12	73.27	255.85	91.31	165.22
Change		-0.07	1.66	5.82	2.49	4.33	-5.21	-1.74
Five Day Average --		112.48	102.27	119.19	75.05	250.00	94.76	162.26

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
04/30/2021	290.92	110.46	100.12	114.80	74.12	242.38	99.90	154.68
Change		2.91	1.87	10.52	1.57	6.12	1.73	3.64
Five Day Average --		109.24	97.98	111.46	74.47	238.33	97.50	157.47

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for May 6, 2021

Average live weight 282.97

Average carcass - 212.64

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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 FRIDAY MAY 7, 2021**

National Negotiated Carcass Price

Lowest price: 108.00

Highest price: 125.50

Weighted Average Price: 113.70

Head Count: 6,056

On a National basis, compared to the previous day's weighted average 2.72 lower

Other Market Formula (Carcass)

Lowest base price: 66.25

Highest base price: 117.28

Weighted Average Price: 102.52

Head Count: 25,837

Swine/Pork Market Formula (Carcass)

Lowest base price: 81.81

Highest Base Price: 126.66

Weighted Average Price: 108.28

Head Count: 149,986

Other Purchase Arrangement (Carcass)

Lowest base price: 64.94

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Highest base price: 115.78

Weighted Average Price: 104.48

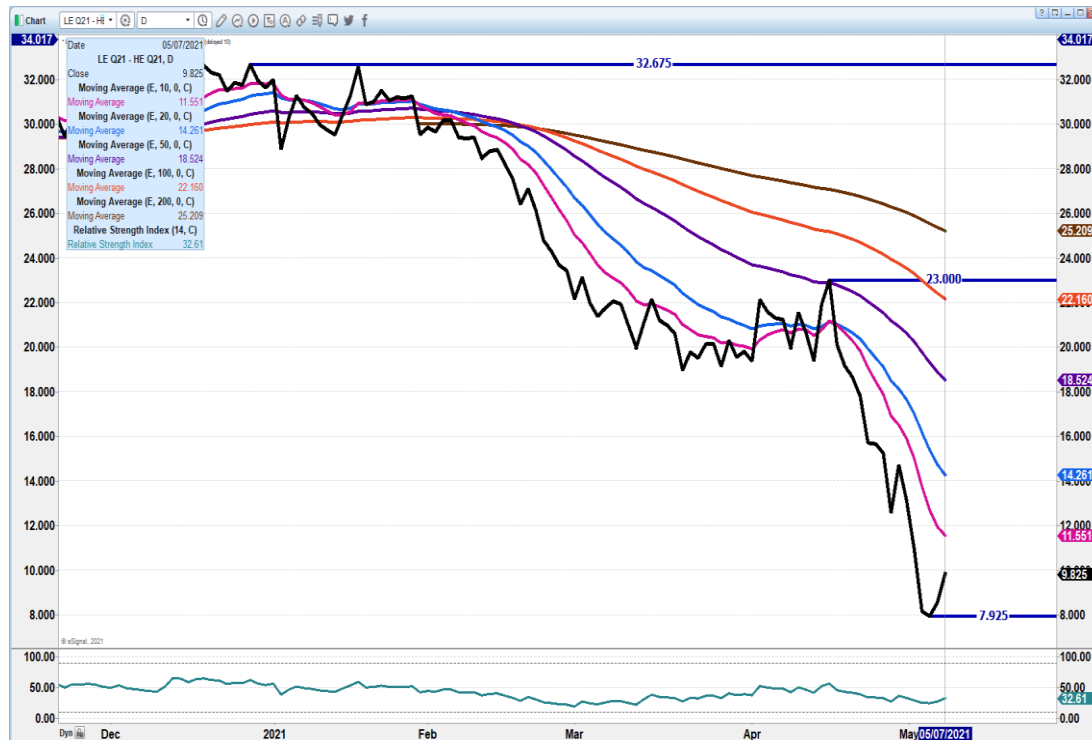
Head Count: 62,125

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

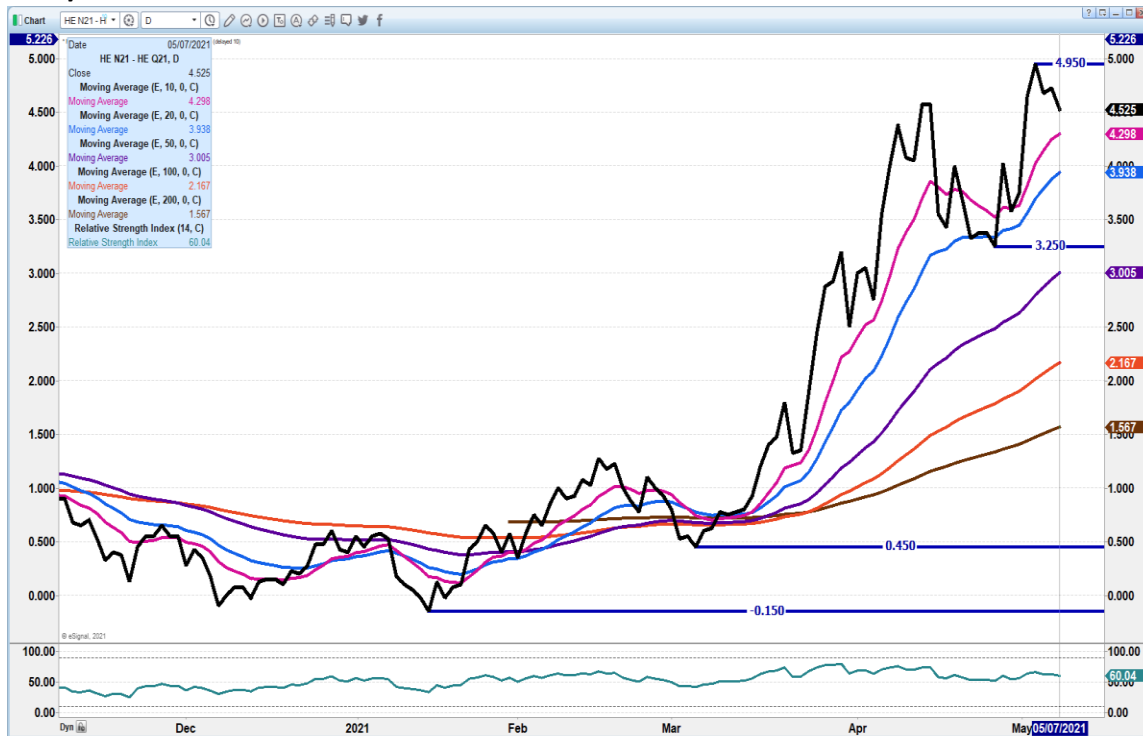
AUGUST LIVE CATTLE/AUGUST LEAN HOGS – TOO EARLY TO TELL IF SPREAD IS REVERSING, NEEDS TO CLOSE AT LEAST ABOVE 11.60



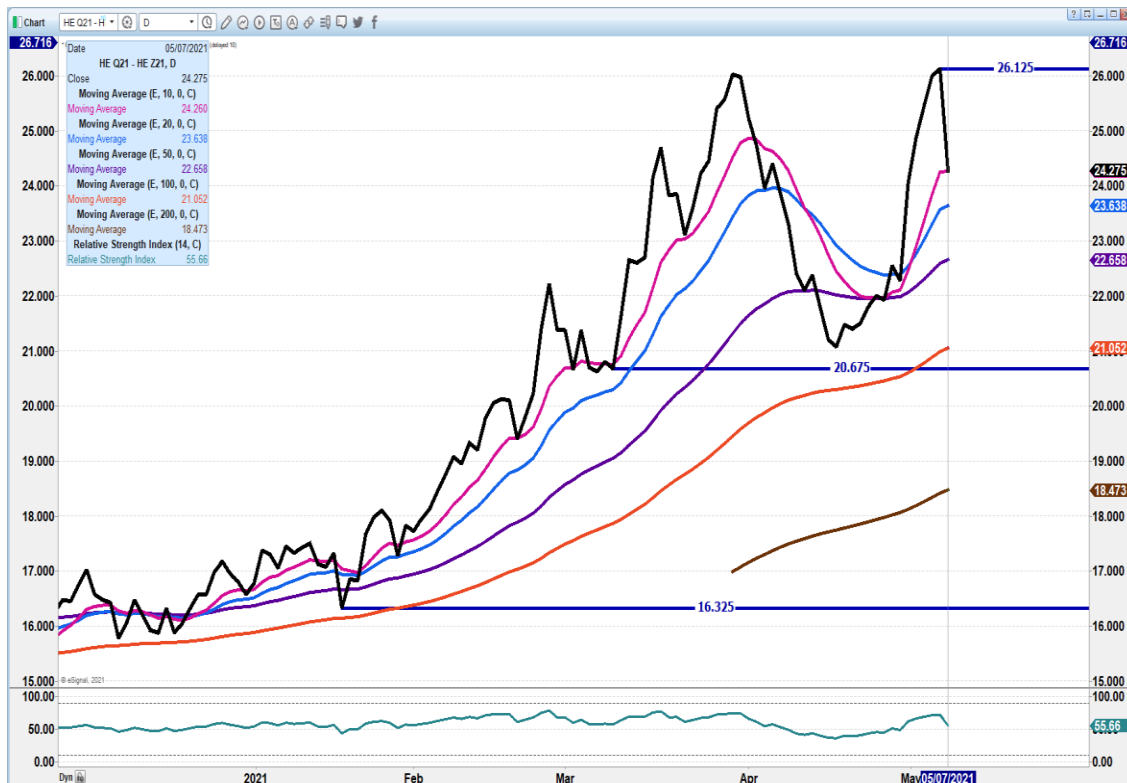
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JULY/AUGUST LEAN HOG SPREAD – PULLED OFF HIGH SPREAD IS WIDE.



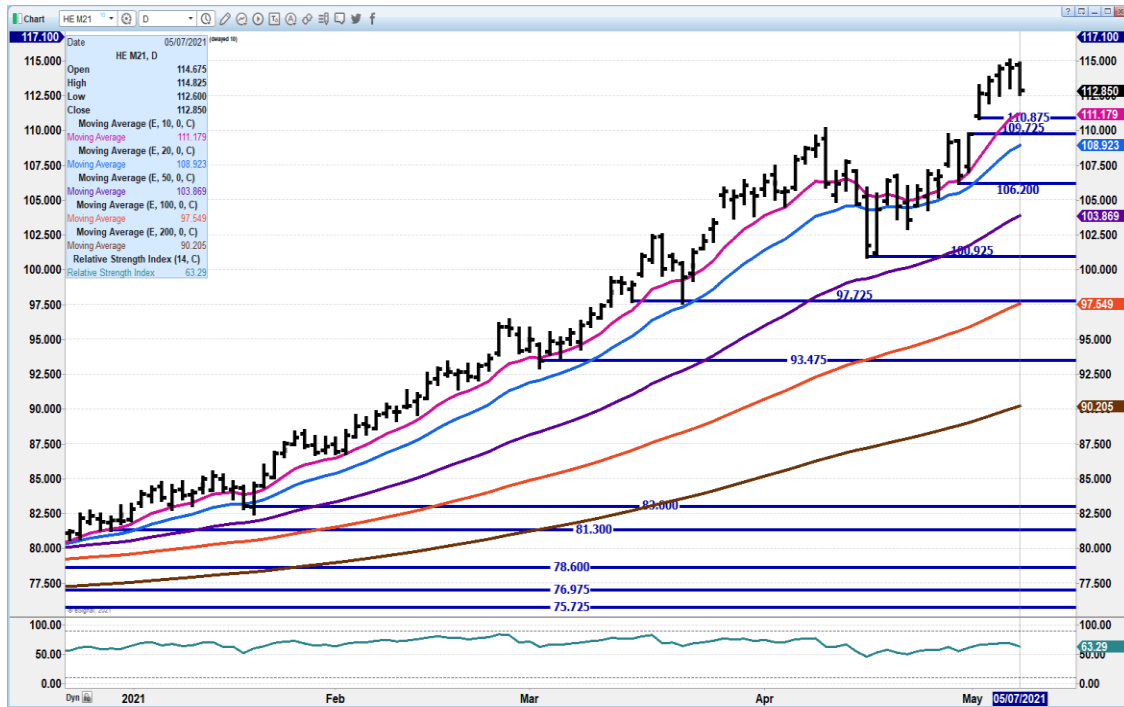
AUGUST/DECEMBER 2021 LEAN HOG SPREAD – FELL TO 10 DAY AVERAGE. IS STILL RIDICULOUSLY WIDE



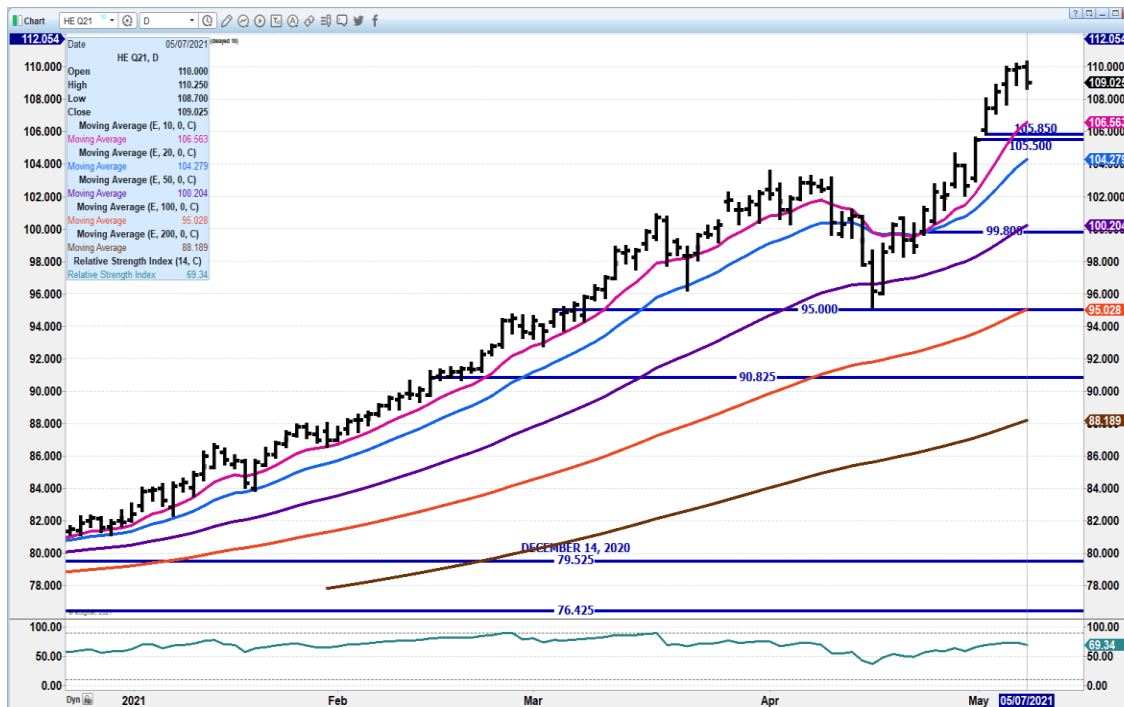
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JUNE 2021 LEAN HOGS - GAP COULD BE FILLED DOWN TO 110.87/109.72 TO 20 DAY AVERAGE AT 108.95 RESISTANCE AT 115.00



AUGUST 2021 LEAN HOGS – RESISTANCE AT 110.55 SUPPORT AT 106.55 TO 104.35



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DECEMBER 2021 LEAN HOGS - RESISTANCE AT 86.37 TO 105.00 SUPPORT AT 82.30



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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