

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING MAY 11, 2021 LIVESTOCK REPORT

by Chris Lehner, Senior Livestock Analyst | 312.242.7942 | chris.lehner@admis.com

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

MAY 10, 2021	119,000
WEEK AGO	114,000
YEAR AGO	89,000

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	CHOICE	SELECT
BOXED BEEF FINAL	309.11	293.76
CHANGE FROM PRIOR DAY:	3.23	3.49
CHOICE/SELECT SPREAD:		15.35
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		71
5 DAY SIMPLE AVERAGE:	303.51	286.70

CME BOXED BEEF INDEX FOR 05/07/2021 WAS AT 299.66 UP 1.236 FROM PREVIOUS DAY

FINAL MAY 10, 2021

PRIMAL RIB	522.63	447.02
PRIMAL CHUCK	228.07	221.46
PRIMAL ROUND	215.36	220.80
PRIMAL LOIN	467.39	437.89
PRIMAL BRISKET	292.05	297.09
PRIMAL SHORT PLATE	209.89	209.89
PRIMAL FLANK	154.68	155.84

FINAL MAY 7, 2021

PRIMAL RIB	522.32	439.71
PRIMAL CHUCK	224.19	220.38

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PRIMAL ROUND	211.99	215.98
PRIMAL LOIN	461.60	434.40
PRIMAL BRISKET	292.97	290.23
PRIMAL SHORT PLATE	208.04	208.04
PRIMAL FLANK	155.23	154.24

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
05/07	36	10	9	9	64	305.88	290.27
05/06	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

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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	35.02 loads	1,400,964 pounds
Select Cuts	13.83 loads	553,121 pounds
Trimming	13.30 loads	531,934 pounds
Ground Beef	9.15 loads	366,188 pounds

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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

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If packers were making anywhere near \$900/head, they would be killing cattle and hanging them on a clothes line and making blocks of ice to chill them out. Monday only 77 loads of boxed beef were moved. A small amount to calculate profits. Total of all beef loads last week were 422 loads. At \$900/head packers would be fighting over steers and heifers and they aren't fighting to buy when prices were lower last week.

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Primal rib and loin section have been moving higher for the entire rally this year but as of late it has been the middle and lower end cuts that have been pushing boxed beef prices more than the high end cuts.

There may be a couple reasons for it. The fast food industry is doing big business and has been since the pandemic began. Also, with the drop in imports from Australia and fewer

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cattle killed in Brazil, one of the fastest growing beef exporters to the US, the US demand for lower priced meats has had to find supplies and supplies are found internally.

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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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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 05/10/2021

IA/MN – CASH – 120.00 on 278 head

DRESSED 189.00 on 38 head

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

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***National Daily Direct Cattle 05/10/2021

5 day accumulated weighted avg)

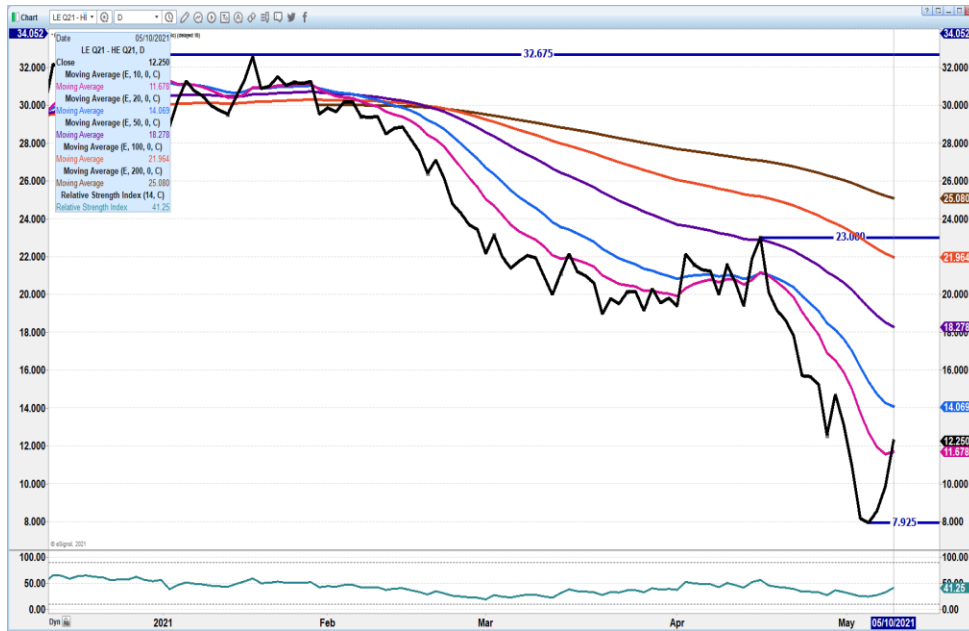
	Weight	Price	Head
Live Steer:	1449	\$118.50	27,605
Live Heifer:	1311	\$118.23	14,362
Dressed Steer:	927	\$188.56	17,251
Dressed Heifer:	834	\$188.54	4,520

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AUGUST LIVE CATTLE/AUGUST LEAN HOGS – HAS CORRECTED OF LOWS BUT TO EARLY TO TELL IF THIS IS A CORRECTION OR WILL AUGUST HOGS GAIN ON CATTLE.



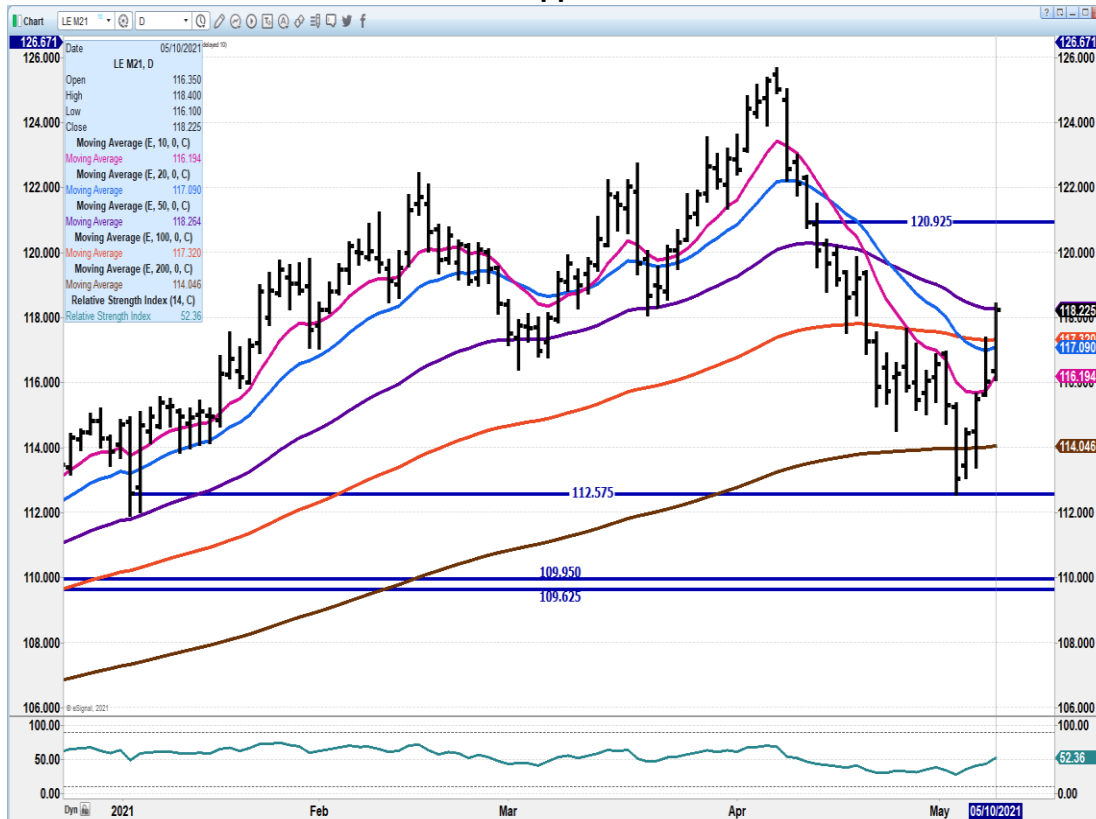
AUGUST/OCTOBER 2021 LIVE CATTLE SPREAD - SPREAD REMAINS WIDE. COULD EASILY MOVE TO HAVE AUGUST 3>00 UNDER OCTOBER



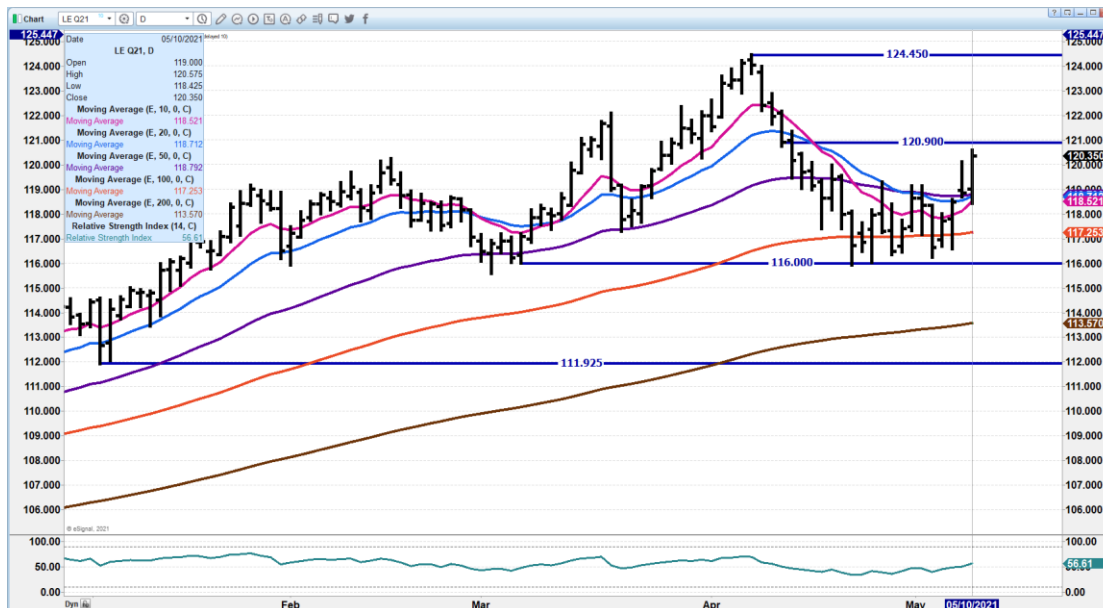
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JUNE 2021 CATTLE – 10 day average has now become support. Moved to 50 day and found resistance. Next resistance at 120.92 Support at 115.15 RSI at 52



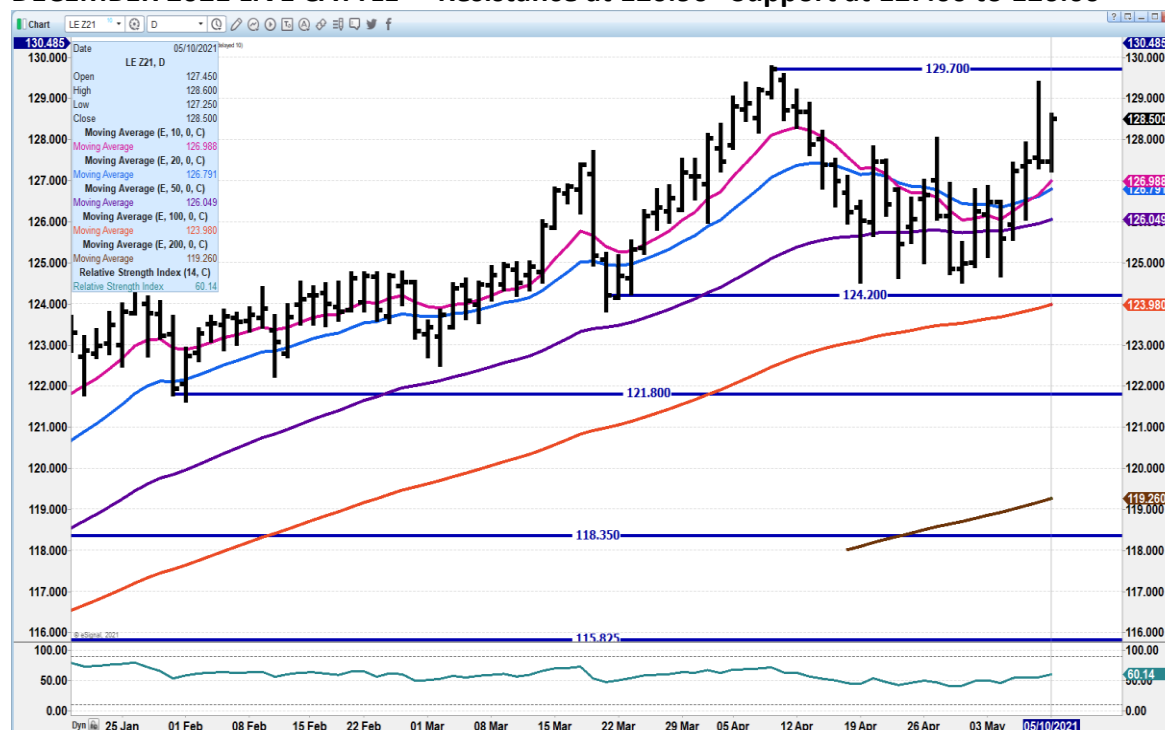
AUGUST LIVE CATTLE - RSI at 56 . Closed above all moving averages. Support at 118.50 Resistance at 120.90.



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DECEMBER 2021 LIVE CATTLE – Resistance at 120.90 Support at 127.00 to 126.00



Feeder Cattle

THE CME FEEDER INDEX ON 05/07/2021 WAS 130.15 DOWN 68 FROM PREVIOUS DAY – MAY 2021 FEEDER CATTLE FUTURES SETTLED ON MAY 10, 2021 AT \$135.45

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 05/08/2021

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	144,700	58,200	50,600	253,500
LAST WEEK:	152,900	28,900	1,100	181,900
YEAR AGO:	182,100	83,700	29,300	295,100

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD 1.00 TO 4.00 LOWER, WITH THE EXCEPTION OF STEERS IN THE NORTH CENTRAL REGION SUITABLE FOR GRASS BEING 1.00 TO 3.00 HIGHER. DEMAND WAS GOOD FOR GRASS CATTLE, MODERATE TO INSTANCES GOOD FOR FEEDLOT PLACEMENTS. AGAIN THIS WEEK, THE RISE IN FEEDSTUFF PRICES IS ON THE MIND OF EVERY RANCHER FROM THE SOUTHERN PLAINS TO HIGH PLAINS TO THE SOUTHEAST. THE CURRENT DROUGHT MAP LOOKS MUCH DIFFERENT THAN THAT OF A YEAR AGO. LAST YEAR, THE MAP SHOWED NO AREA IN THE COUNTRY BEING IN THE EXCEPTIONAL DROUGHT DESIGNATION(D4); WHEREAS THIS YEAR, 9.4 PERCENT

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OF THE COUNTRY IS IN THAT CATEGORY. THE EXTREME DROUGHT (D3) CATEGORY CURRENTLY IS AT 22.6 PERCENT WHILE LAST YEAR WAS LESS THAN 1 PERCENT. THE LARGE GRAIN PRODUCING STATE OF IOWA IS CURRENTLY SHOWING OVER 78 PERCENT IN SOME TYPE OF DROUGHT DESIGNATION. WITH THE RUNUP IN GRAIN PRICES DUE TO CONCERNS OVER GRAIN ENDING STOCK, SUBSTANTIAL RAINFALL HAS BEEN SPOTTY THIS SPRING AND THE CALENDAR HASN'T TURNED TO SUMMER YET.

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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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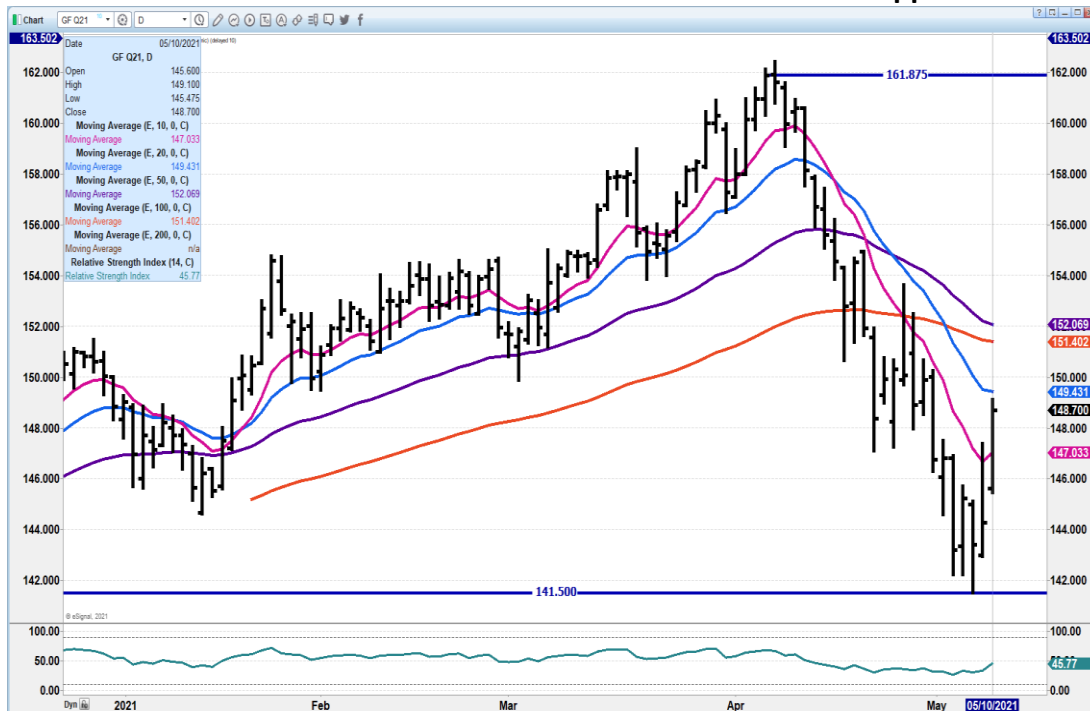
MAY 2021 FEEDER CATTLE - RESISTANCE AT 137.00 SUPPORT AT 128.72



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AUGUST 2021 FEEDER CATTLE - Resistance at 149.50 to 151.50 Support at 141.50



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

MAY 10, 2021	483,000
WEEK AGO	478,000
YEAR AGO	365,000

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CME CASH LEAN HOG INDEX 05/6/2020 AT 109.22 UP .67 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 05/7/2021 AT 112.37 UP 72 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 5/07/2021 WAS 205.09 COMPARED TO 4/30/2021 WAS 216.16

CME PORK INDEX TO CME LEAN HOG INDEX 3.17

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Prices to calculate margins are from hogs sold on negotiated prices and pork posted on daily carcass. Both are a very small amount of actual pork or hog sales.

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Of course demand for pork depends on how much has been contracted for internal use and for exports but it also depends on the number of hogs available. Hog numbers are not large.

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Slaughter is not up to 500,000 per day. Spreads are bull spread. Economies around the world are improving. US might be selling to China as it did in 2020 but the US is pushing pork to several other countries.

Weights are low for this time of the year and slaughter numbers are dropping. Packers need hogs. Monday only 259 loads of pork moved. Think of it, for all the hogs killed, less than 300 trucks with 40,000/lbs moved. Of course many more loads of pork were priced, sold and distributed. Packers are using pork to fill contracts first and then selling what is available on open market. Pork has been moving higher.

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 10, 2021

LOADS OF PORK CUTS: 238.36

LOADS TRIM/PROCESSED PORK: 21.59

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/10/2021	259.95	113.16	105.05	126.47	74.85	258.44	88.51	164.01
Change		-0.63	-0.59	-0.65	1.58	2.59	-2.80	-1.21
Five Day Average --		112.78	103.18	121.69	73.98	252.68	92.78	163.91

NOON

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
05/10/2021	98.59	115.77	101.76	126.38	83.70	256.89	96.18	170.07
Change		1.98	-3.88	-0.74	10.43	1.04	4.87	4.85
Five Day Average --		113.30	102.52	121.67	75.75	252.37	94.31	165.12

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

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for May 7 AND 8, 2021

Average live weight 283.64

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Average carcass - 212.72

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 10, 2021

National Negotiated Carcass Price

Lowest price: 105.77

Highest price: 125.00

Weighted Average Price: 112.22

Head Count: 5,315

On a National basis, compared to the previous day's weighted average 1.48 lower

Other Market Formula (Carcass)

Lowest base price: 66.54

Highest base price: 116.96

Weighted Average Price: 101.74

Head Count: 34,275

Swine/Pork Market Formula (Carcass)

Lowest base price: 81.81

Highest Base Price: 125.42

Weighted Average Price: 108.81

Head Count: 145,333

Other Purchase Arrangement (Carcass)

Lowest base price: 63.60

Highest base price: 115.00

Weighted Average Price: 101.80

Head Count: 95,718

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

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Past Highs on Lean Hogs

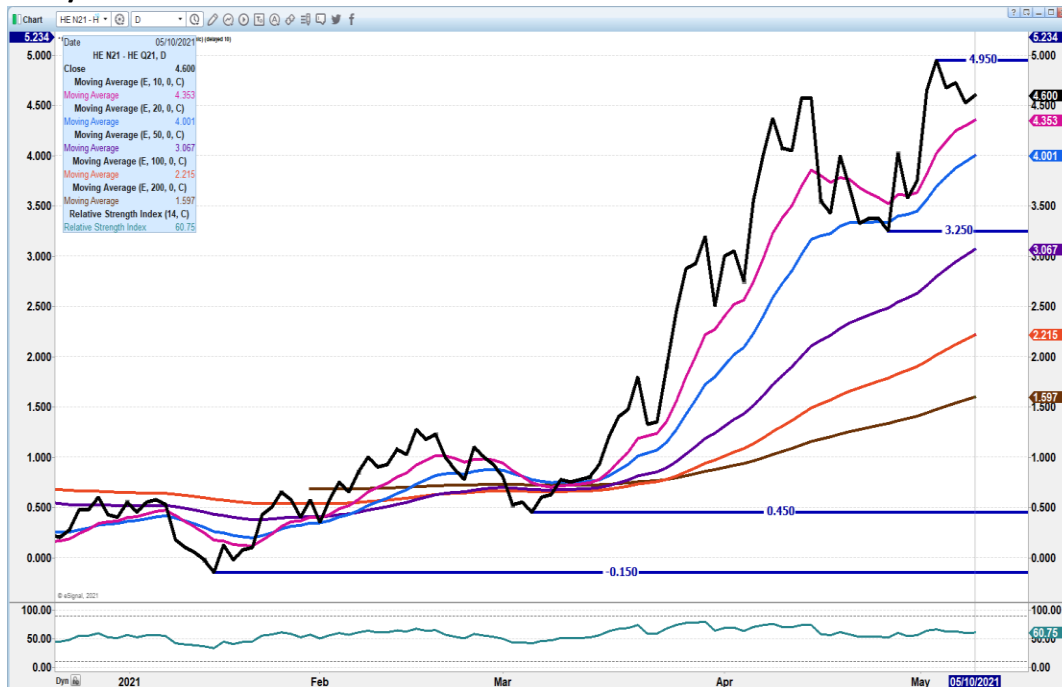
Contract Month & Year	Contract High	Date
April 2014	\$128.77	April 2, 2014
June 2014	\$133.42	March 18, 2014
July 2014	\$133.90	July 15, 2014
August 2014	\$133.37	July 1, 2014
October 2014	\$118.35	July 7, 2014
December 2014	\$105.50	July 9, 2014
February 2015	\$100.00	June 22, 2014

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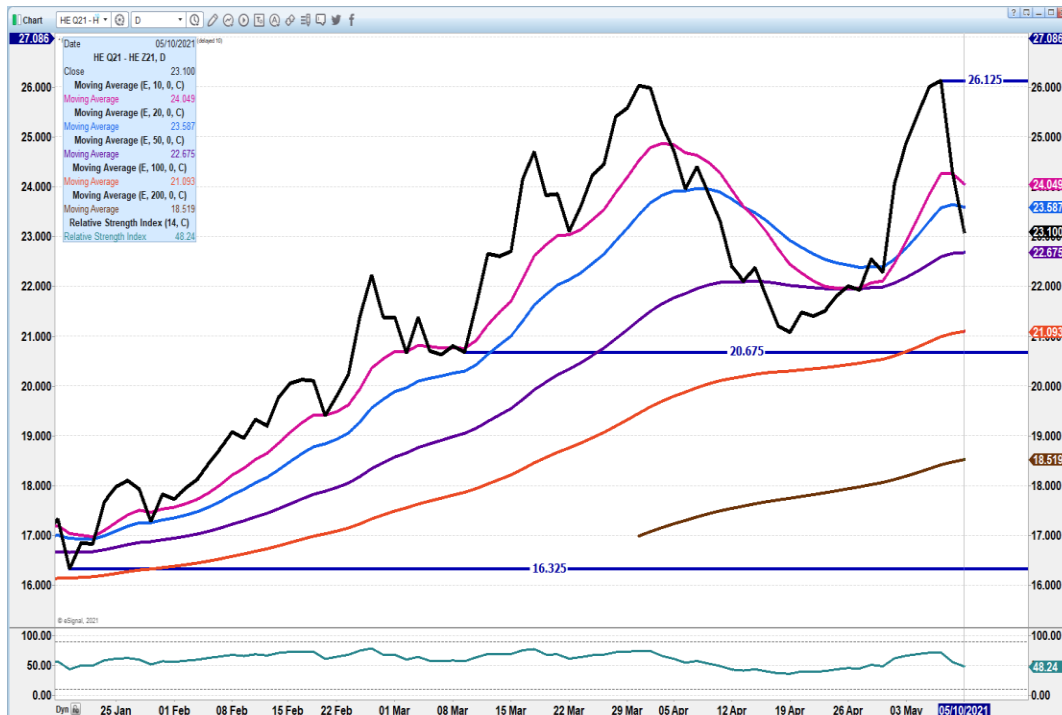
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JULY/AUGUST LEAN HOG SPREAD – REMMAINS BULL SPREAD



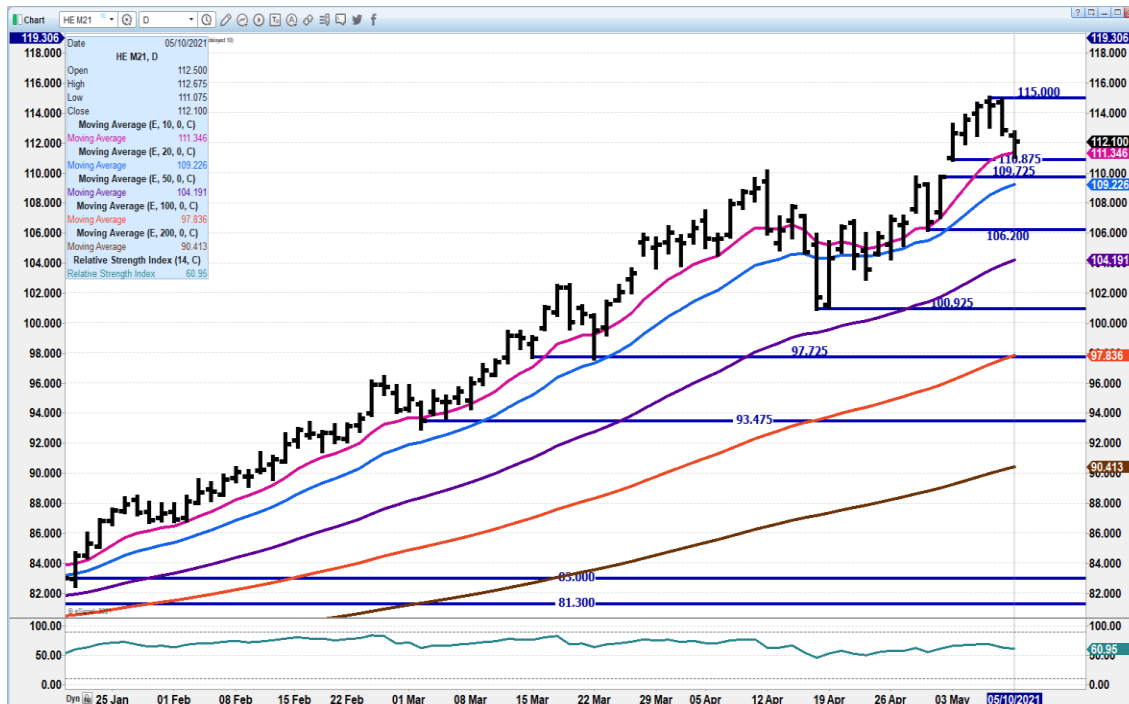
AUGUST/DECEMBER 2021 LEAN HOG SPREAD – GPREAD HAS CORRECTED AS IT SHOULD BECAUSE IT IS STILL RIDICULOUSLY WIDE



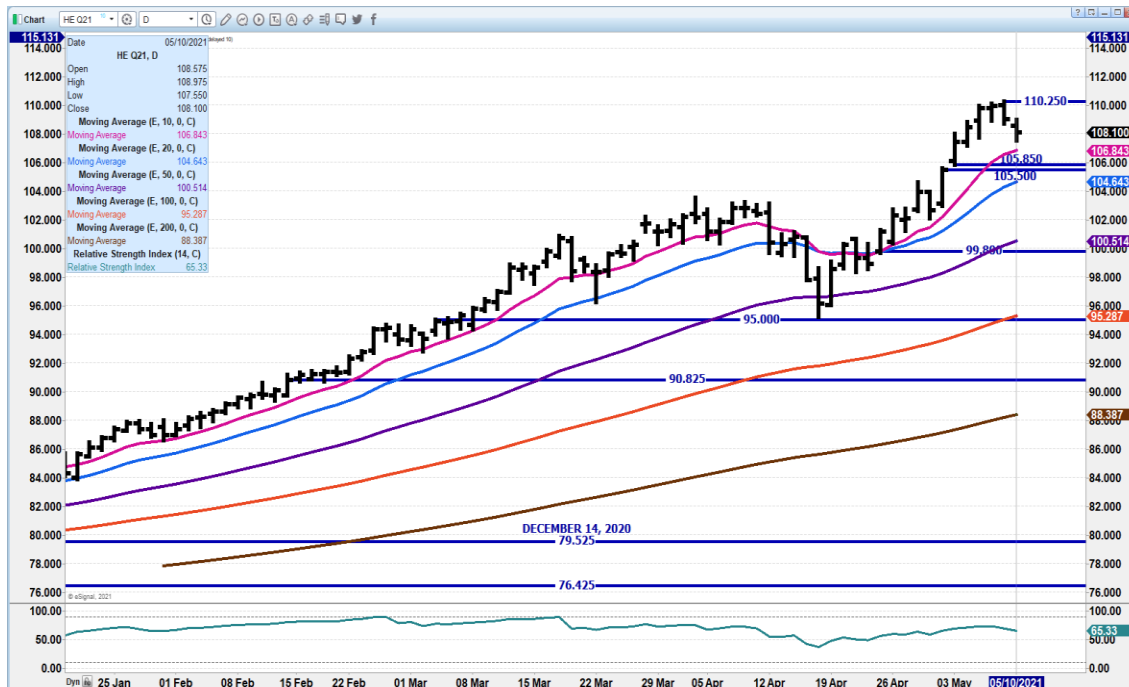
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JUNE 2021 LEAN HOGS - DROPPED TO 10 DAY AVERAGE NEXT SUPPORT AT 109.22 RSI NOW 61 FAR FROM OVERBOUGHT



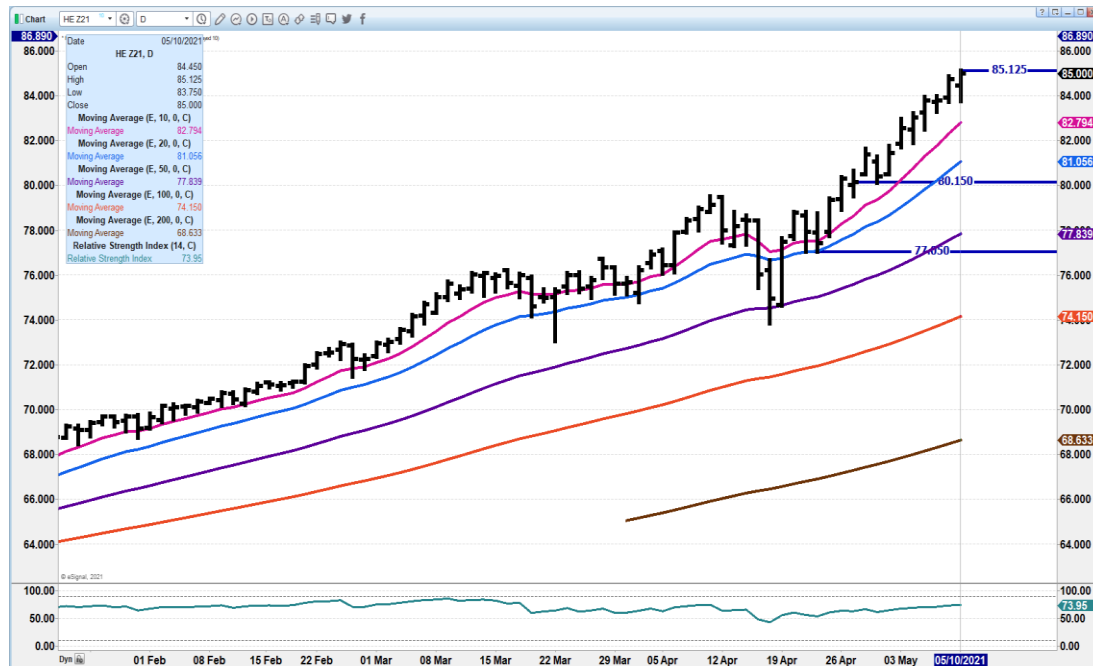
AUGUST 2021 LEAN HOGS – SEEING SPREADERS ROLLING FROM JUNE TO JULY AND AUGUST. SUPPORT AT 104.80



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**DECEMBER 2021 LEAN HOGS - NEW CONTRACT HIGH . RESISTANCE 90.00 AS SPREADERS
CORRECT VERY WIDE SPREADS.. SUPPORT AT 82.80**



CHARTS FROM ESIGNAL INTERACTIVE, INC.

Christopher Lehner chris.lehner@admis.com 312 242 7942 913.787.6804

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