



MORNING November 19, 2020 Livestock Report

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 18, 2020	119,000
WEEK AGO	115,000
YEAR AGO	119,000
WEEK TO DATE (EST)	359,000
SAME PERIOD LAST WEEK (EST)	352,000
SAME PERIOD LAST YEAR (ACT)	358,000

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	CHOICE	SELECT
BOXED BEEF FINAL	235.84	213.62
CHANGE FROM PRIOR DAY	2.12	(0.34)
CHOICE/SELECT SPREAD:		22.22
TOTAL LOAD COUNT		142
5 DAY SIMPLE AVERAGE:	227.20	210.49

PREVIOUS WEEK 11/13/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	225.98	209.46

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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 NOVEMBER 18, 2020

Primal Rib	472.77	357.66
Primal Chuck	194.01	186.70
Primal Round	192.12	191.16
Primal Loin	288.53	257.54
Primal Brisket	153.07	152.99
Primal Short Plate	128.01	128.01
Primal Flank	107.25	103.30

FINAL NOVEMBER 16, 2020

Primal Rib	428.32	359.94
Primal Chuck	190.07	186.35



Primal Round	189.52	189.98
Primal Loin	279.98	252.98
Primal Brisket	152.52	152.63
Primal Short Plate	125.66	125.66
Primal Flank	105.25	103.31

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LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/17	80	16	14	32	142	233.72	213.96
11/16	66	16	9	37	128	226.95	212.35
11/13	123	11	27	9	171	225.98	209.46
11/12	51	13	12	13	90	226.50	208.24
11/11	90	29	5	23	147	222.84	208.46

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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	79.50 loads	3,179,882 pounds
Select Cuts	23.54 loads	941,428 pounds
Trimming	13.07 loads	522,723 pounds
Ground Beef	26.10 loads	1,044,036 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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WEEKLY EXPORT HIGHLIGHTS FOR WEEK ENDING NOVEMBER 12, 2020 AT BOTTOM OF REPORT

Big beef exports with 46,400 metric tonnes.

OK pork sales of 28900 metric tonnes

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NOVEMBER USDA LIVESTOCK REPORTS
CATTLE ON FEED REPORT NOVEMBER 20, 2020 AT 2:00PM CENTRAL TIME
COLD STORAGE REPORT NOVEMBER 23, 2020 2:00PM CENTRAL TIME



USDA POSTED CATTLE PRICES ON 11/18/2020

IA/MN – CASH 106.00 - 110.00 on 1,566 weighing 1,624.8 Dressed.- 168.00 - 172.00
 NE - CASH – 110.00 Average weight 1,505.8 – Dressed 172.00
 KS – CASH 109.00 - 111.00 Average weight 1,482.9 DRESSED 172.00
 TX/OK/NM – 110.00 - 110.25 on 2,987 head mixed Choice and Select
 CO – Information not available due to confidentiality

*****National Daily Direct Cattle November 18, 2020
 (5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1485	\$109.54	58,986
Live Heifer:	1313	\$109.55	20,231
Dressed Steer:	977	\$171.66	16,631
Dressed Heifer:	874	\$171.55	5,037

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U.S. Department of Agriculture's monthly Cattle on Feed report estimates Fri at 2pm CST
 U.S. October cattle placements seen down 8.9% from last year

	Range	Average	Mln head
On feed November 1	100.9-102.6	101.8	12.029
Placements in October	87.3-95.5	91.1	2.243
Marketings in October	98.5-102.4	100.2	1.879

Reuters News

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Iowa and Nebraska still fighting with heavy weights. Packers are maying more for cattle in Texas, New Mexico and Oklahoma for loads grading from 35% to 80% Choice to Select than they pay for Choice heavy cattle.

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The Fed Cattle Exchange Wednesday had 930 head at the Internet auction with all cattle from Texas. Three lots, a total of 543 head, sold for \$110.25.

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Choice primal rib sections were the driver on boxed beef on early sales. Compared to Tuesday, Choice rib sections were up \$44.45 after Tuesday's \$34.67 higher. This move is more than hand to mouth retail grocery stores short supplies and competing with large boxed stores and chain groceries.. As previously reported, it is likely sellers, packers and wholesalers need to find rib sections to fill orders they contracted and because consumers are hoarding. If orders were to deliver sections at a certain weight, lighter than cattle being killed in the Midwest at this time, they have to pay what initial seller



wants today. Heavy cattle in the Midwest are still a problem. It is the reason there isn't a spread between cattle in the South and Southwest and Northern and Midwestern Cattle.

Consumers are hoarding everything from toilet paper, cleaning supplies. Potatoes, rice, pasta to beef. But unlike last spring, retailers are limiting how much a consumer can buy at one time. I talked to a retail store manger on Wednesday. He told me some people are getting creative. They buy what is allowed, load up the car and come back with a different debit card or credit card. However, if customer uses the store coupon and tracking card, it notifies the cashier.

COVID 19 is exploding across the US and several Agricultural states are hot spots. As it happened last spring, hoarding was positive for beef and as long as packers can keep pushing cattle through the plant and cuts like rib sections remain strong, it will be positive for cattle and hogs. The large packers in the US are saying they are prepared at this time. The packing industry is also said to be one of the first groups to get vaccination because it made workers come to work under the Defense Protection act.

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Surveys recently before the presidential election showed 80 plus percent of Americans feel they are financially better or the same as they were over the past 4 years. Around 15% felt they were financially worse. Most people in the US continued working in 2020 when many were laid off. M1 and M2 supply in the US and other countries have significant increases. Sadly, there are people who are worse off. Unlike the crash of 2010 when the US became the hamburger nation, in 2020 the US is the Steak and Hamburger nation. Buying Choice cuts of beef is for those that have and those buying 70/30 ground beef that can be blended and mixed from Choice overweight steers to skinny cows is beef for the have nots. The US is made up of people buying bigger houses in 2020 and people getting evicted but when M1 and M2 money supply grows, it shows more people can buy expensive cuts of beef. Going out to a restaurant or eating at home, people still eat.

Cattle prices dropped last spring and beef prices soared. People bought beef in such quantities there was a short term shortage. Packers were down, but the beef buying sprees took place even before packers slowed. Small town country cattle and hog packers and lockers are killing more livestock than they have since beef prices skyrocketed in the early 1970's when President Nixon was in office.

Of course, the big question has to be, how long will it last?

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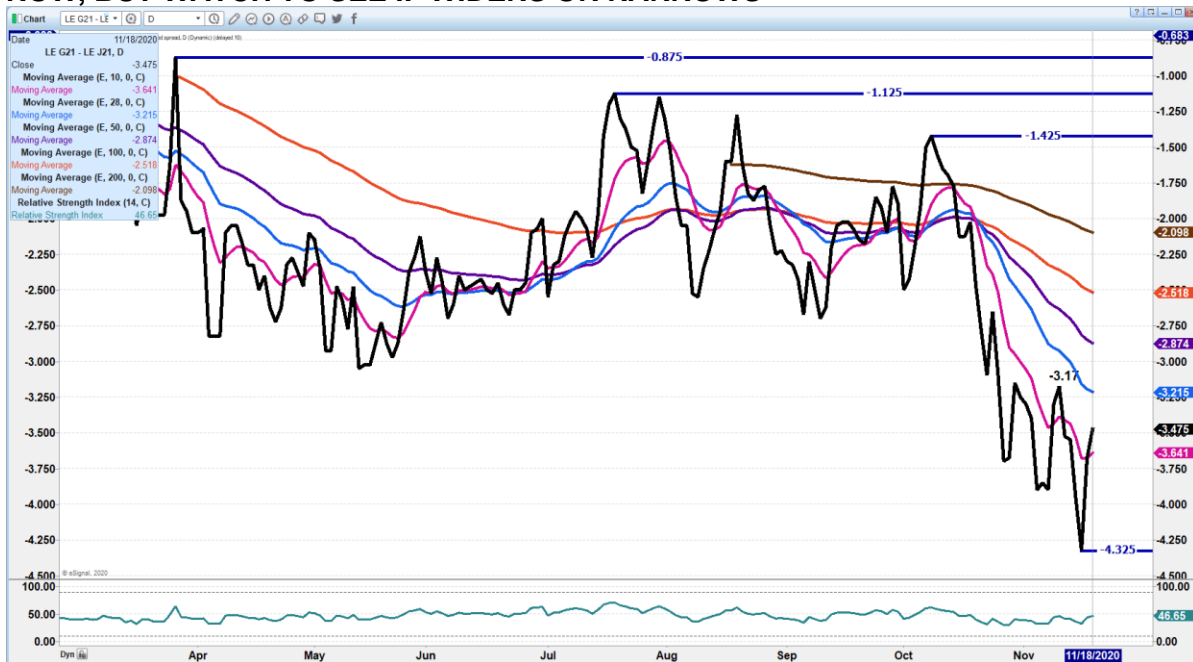
Countries such as China are inspecting shipments for the virus. Over the weekend the virus was found on more shipments from Brazil and Argentina. This meat is rejected by China but it is not being destroyed. Other countries will buy it and as it happened in Germany when China and a few other countries banned pork because of African Swine Fever in wild hogs, it didn't take but two weeks for Germany to export the pork to other countries. Several countries including the US are importing beef from Brazil, and when China rejects beef or pork, US importers could be a country to take some of it.

Many countries over the past few weeks have closed borders and shut down cities. As it happened last spring, it is possible they might delay shipments.

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As of November 17, 2020, dressed steer and heifer weights were 896.7 compared to previous week at 891.2 up 5.5 pounds from week ago and 22 pounds over a year ago compared to a week ago up 24 pounds. Grading percent was 81.6%, down compared to previous week at 81.6%.

FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - SPREAD NORMAL NOW, BUT WATCH TO SEE IF WIDENS OR NARROWS

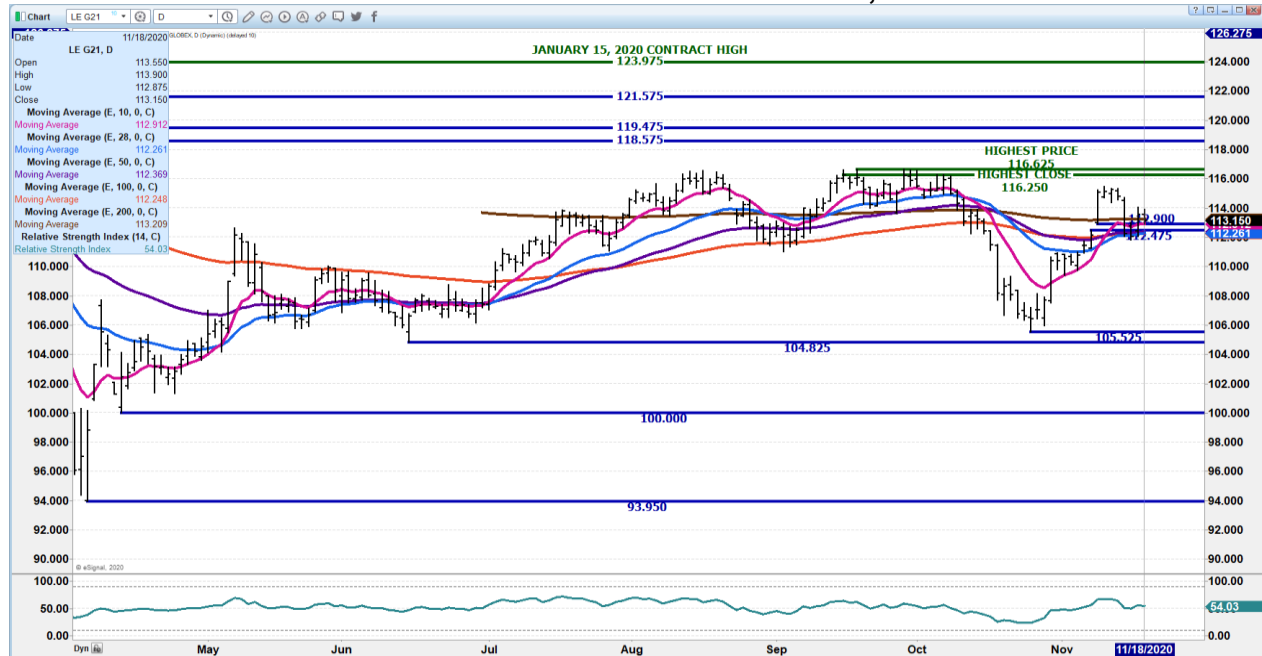




DEC 2020 LIVE CATTLE - Support 110.25 to 109.10 Resistance at 112.50 to 113.20



FEBRUARY 2021 LIVE CATTLE – Settled on 10 day moving average. Next support at 112.10 Resistance at 115.27 to 116.25 Moderate volume at 18,529

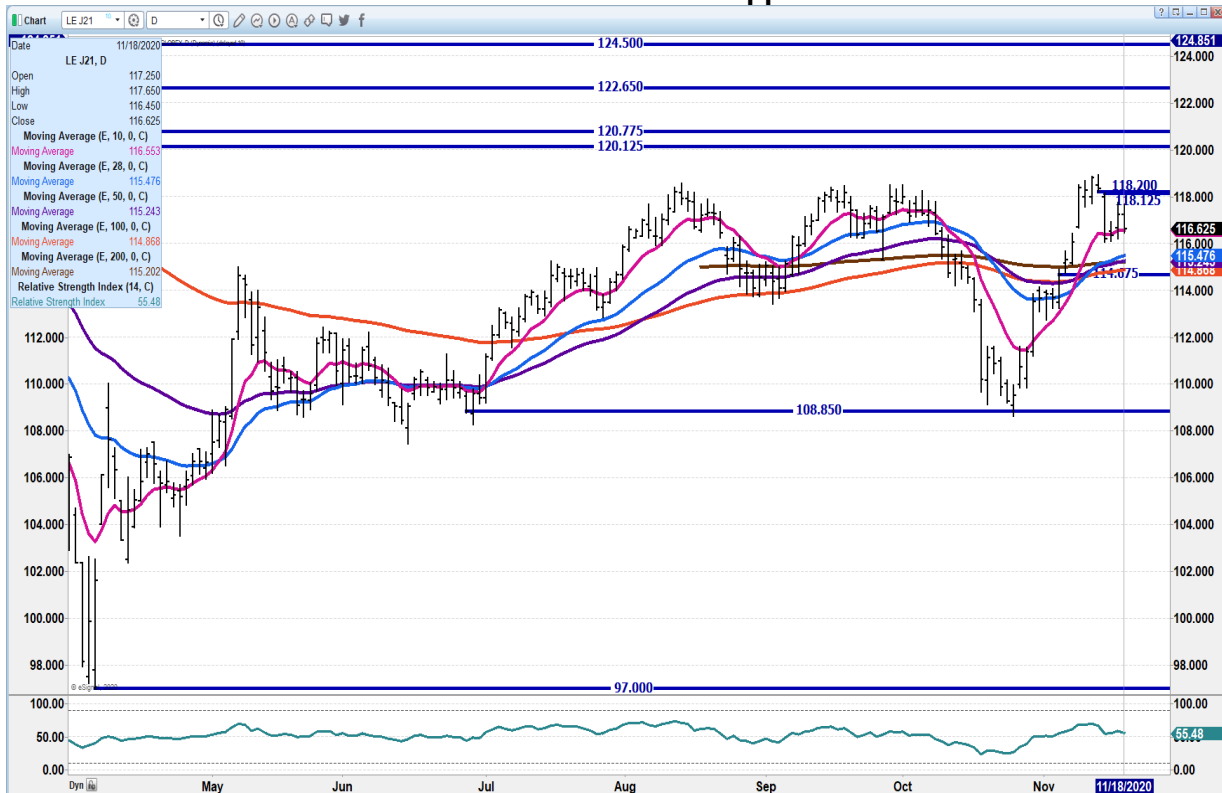


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APRIL 2021 LIVE CATTLE – Resistance at 118.20 Support at 116.25



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Feeder Cattle

THE CME FEEDER INDEX ON 11/17/2020 WAS 137.38 DOWN 17 CENTS FROM PREVIOUS DAY –

NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 18, 2020 AT \$137.02

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OKLAHOMA NATIONAL STOCKYARDS FEEDER CATTLE - OKLAHOMA CITY, OK NOV 17, 2020



Daily Futures Market Commentary

THIS WEEK 11/9/2020 LAST YEAR

TOTAL RECEIPTS: 13,829 11,125 13,355
COMPARED TO LAST WEEK: FEEDER STEERS 1.00 TO MOSTLY 4.00 LOWER. FEEDER HEIFERS STEADY TO 3.00 LOWER. BULK OF SUPPLY CALVES. STEER CALVES 4.00-8.00 HIGHER. HEIFER CALVES STEADY TO 2.00 HIGHER. LIGHT WEIGHT (UNDER 500 LBS) STEER AND HEIFER CALVES SELLING 10.00-15.00 HIGHER. DEMAND VERY GOOD FOR STEER CALVES; MODERATE FOR HEIFERS.

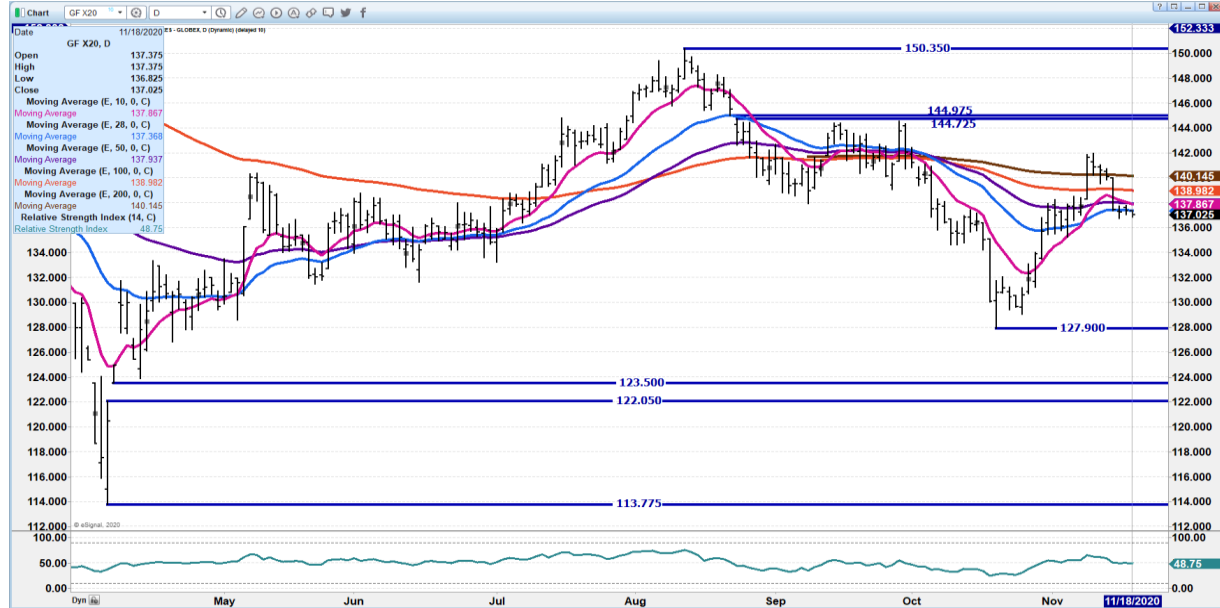
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JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS TIGHT IT IS FRIENDLY

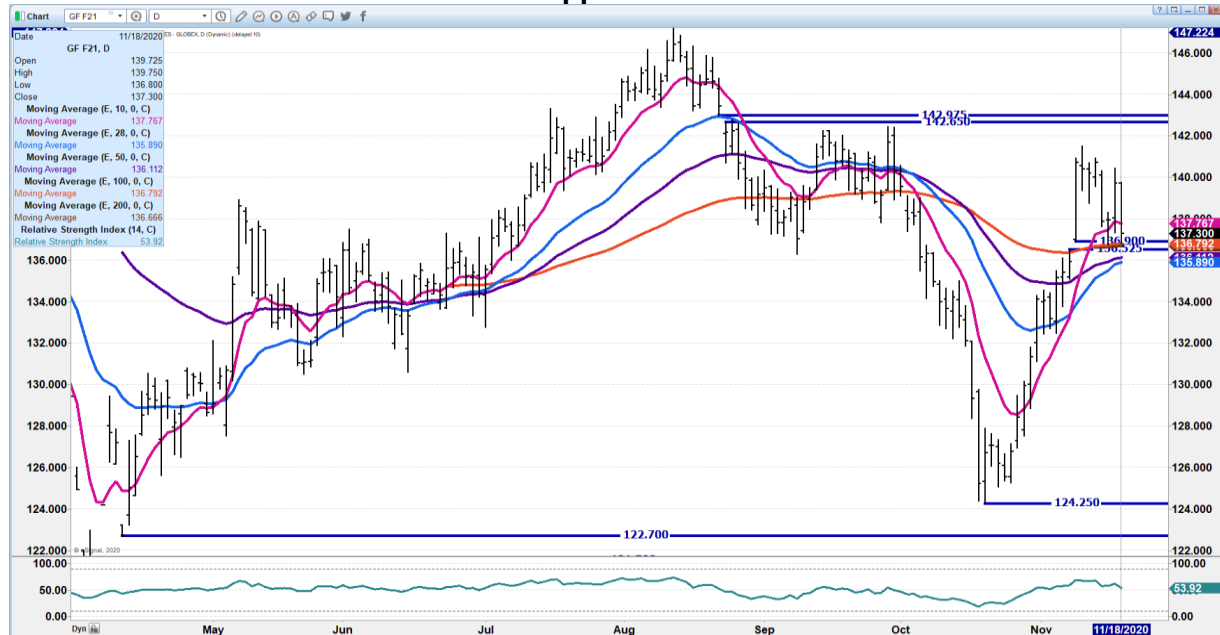




NOVEMBER 2020 FEEDER CATTLE = BELOW ALL MOVING AVERAGES NEEDS TO HOLD ABOVE 136.22 RESISTANCE AT 140.15



JANUARY 2021 FEEDER CATTLE – Support 135.90 Resistance at 140.92



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 18, 2020	494,000
WEEK AGO	454,000
YEAR AGO	493,000
WEEK TO DATE (EST)	1,464,000
SAME PERIOD LAST WEEK (EST)	1,440,000
SAME PERIOD LAST YEAR (ACT)	1,484,000

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CME CASH HOG INDEX 11/16/2020 AT 69.73 DOWN .35 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 11/17/2020 AT 81.05 DOWN 1.06 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 11/13/2020 WAS 141.67 COMPARED TO 11/06/2020 WAS 158.37.

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Hams dropped below loins Wednesday losing 8.87. Loins were also lower down 1.25. If it were for bellies up 7.90 and picnics up 3.08, the cutout would be a mess. But when 50 percent of the cutout are hams and loins, it already is a mess.

Cash formula hogs Wednesday down around \$1.50.

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Strong exports to Mexico have kept hams, and bellies higher but it is likely Mexico going into the end of November and for December will back off. Christmas in Mexico and for many countries in Central and South America is celebrated for two or more weeks, not just on the eve of December 24th and day of December 25th like the US. Business often slow to close during the time. At the same time, US ham smokers now need to be finishing up and moving hams for the holiday demand.

It is also possible packers are seeing a slow down for contract pork buying moving into the end of 2021 and into 2021 with expected increases in COVID. Yes, vaccinations are right around the corner, but early vaccinations need to be distributed and the first to be vaccinated will be health workers, and essential businesses which range from police, fire and companies such as those in meat packing industry and companies making equipment and clothing for medical care. It takes two shots weeks apart and at least a



month before antibodies are made for the vaccination to work. On top of it if like the flu vaccine only 49 percent of people in the US may take it. COVID is not going away tomorrow.

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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

NOVEMBER 18, 2020

LOADS OF PORK CUTS: 327.95

LOADS TRIM/PROCESSED PORK: 66.17

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/18/2020	394.12	77.68	71.61	81.14	74.19	130.36	70.52	96.33
CHANGE :		-0.92	-1.25	-0.49	3.08	-2.36	-8.87	7.90
Five Day Average --		80.13	73.09	81.39	73.10	132.44	79.14	96.00

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/13/2020	354.83	80.14	72.94	79.81	74.18	130.79	79.78	95.19

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

SLAUGHTER DATA FOR NOVEMBER 17, 2020

Average live weight - 286.41

Average carcass - 214.30

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 17, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$51.00 - \$59.75

Weighted Average: \$58.65

Change from Prior Day: 0.20 lower

HOGS SOLD: 5,778

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$57.92 - \$75.44

Weighted Average: \$67.28

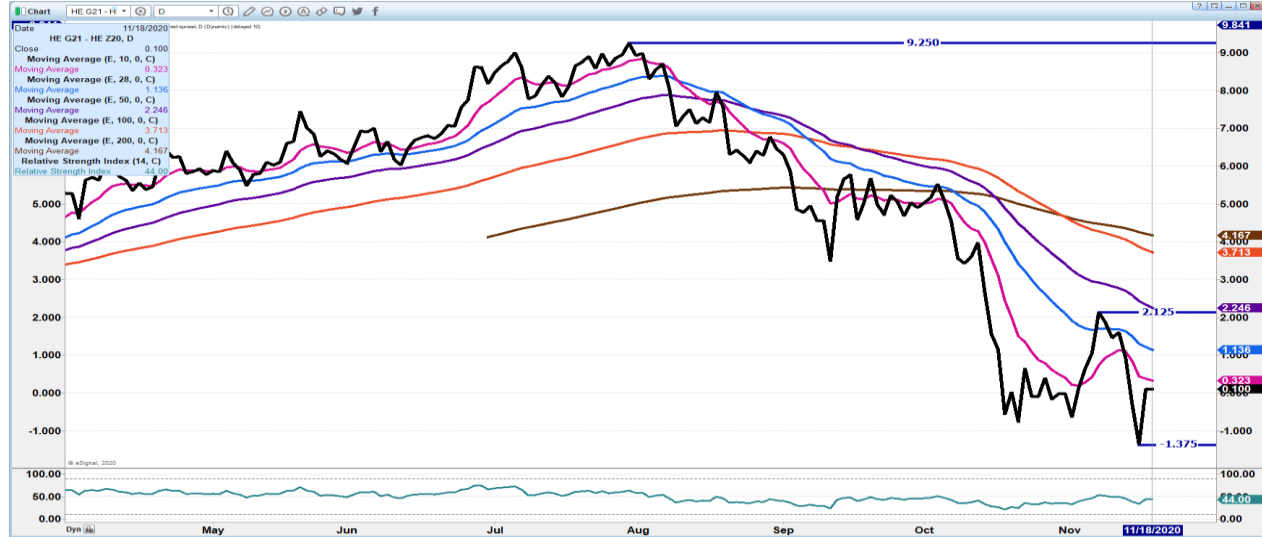
Previous Day: \$68.42

HOGS SOLD: 142,472



https://www.ams.usda.gov/mnreports/lm_hq203.txt

FEB 2021/DECEMBER 2020 LEAN HOG SPREAD – SHOULD SEE FEB GAIN ON DEC



DECEMBER 2020 LEAN HOGS – TRADING SIDWAYS SUPPORT 64.27 TO 61.50 RESISTANCE AT 67.60

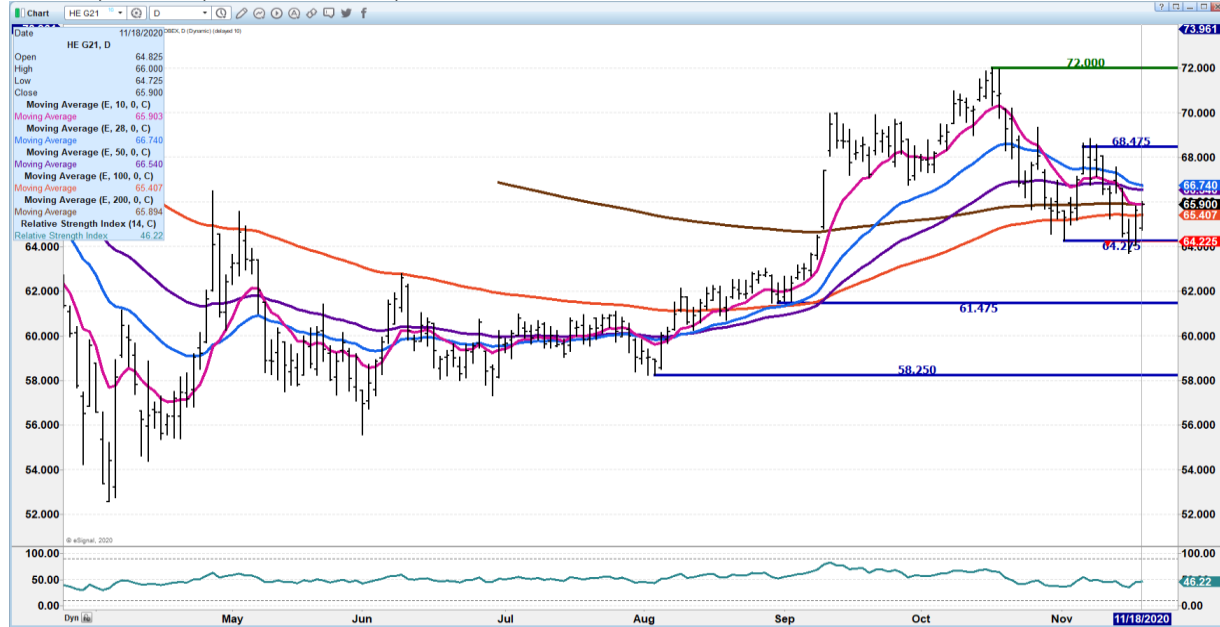


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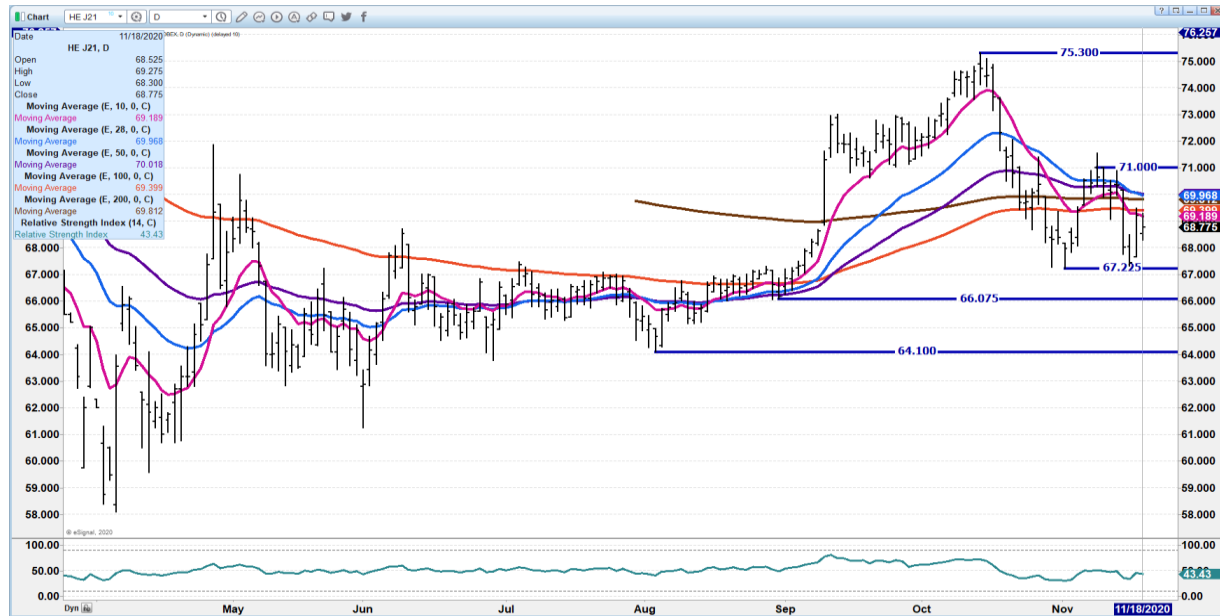
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FEBRUARY 2021 LEAN HOGS – 64.25 SUPPORT RESISTANCE AT 66.70 VOLUME LIGHT, LIGHT, LIGHT AT 11,784

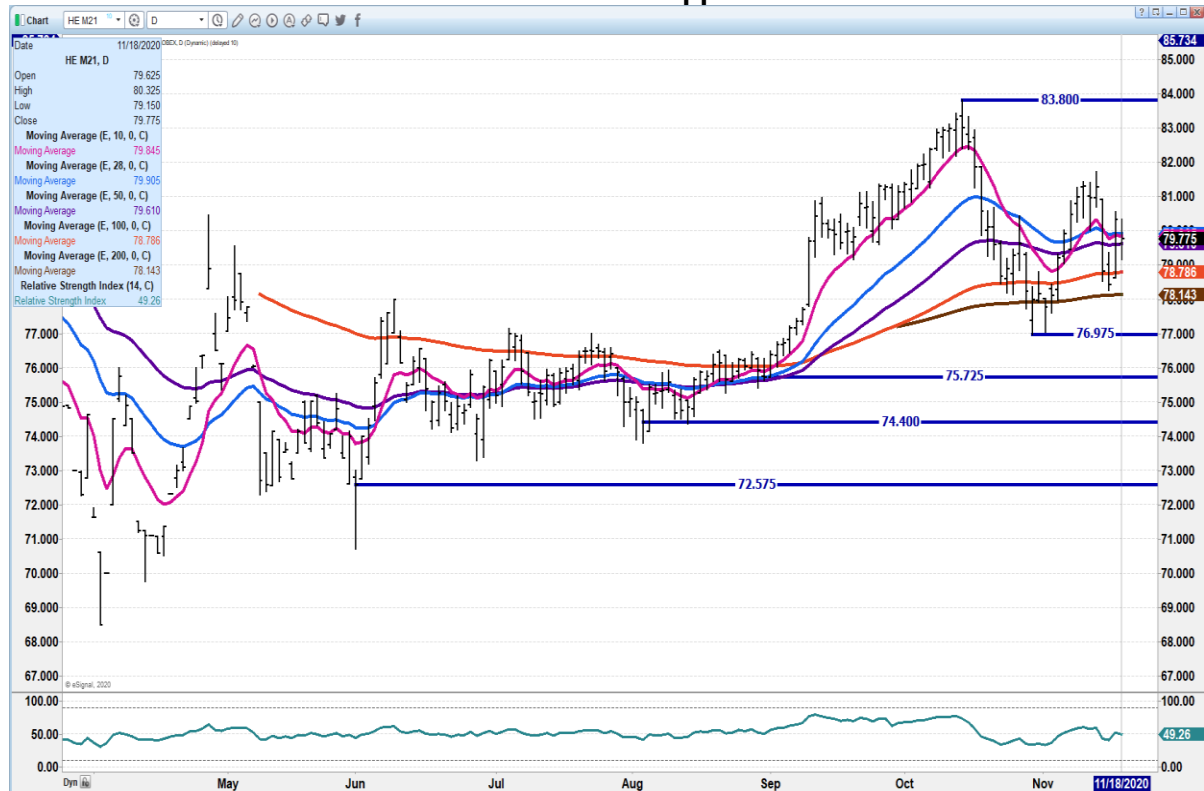


APRIL 2021 LEAN HOGS – RESISTANCE AT 69.37 SUPPORT AT 67.22





JUNE 2021 LEAN HOGS – 81.27 Resistance. Support at 78.10



CHARTS FROM ESIGNAL INTERACTIVE, INC .

WEEKLY EXPORT HIGHLIGHTS FOR WEEK ENDING NOVEMBER 12, 2020

Beef: Net sales of 46,400 MT reported for 2020--a marketing-year--were up noticeably from the previous week and from the prior 4-week average. Increases were primarily for South Korea (17,300 MT, including decreases of 800 MT), Mexico (10,600 MT, including decreases of 200 MT), Japan (7,000 MT, including decreases of 700 MT), Hong Kong (3,200 MT, including decreases of 200 MT), and Taiwan (2,500 MT, including decreases of 100 MT). For 2021, net sales of 14,100 MT were primarily for South Korea (8,500 MT), Japan (2,900 MT), and Hong Kong (900 MT). Exports of 22,300 MT--a marketing-year high--were up 58 percent from the previous week and 27 percent from the prior 4-week



average. The destinations were primarily to South Korea (6,200 MT), Japan (5,900 MT), Mexico (2,600 MT), China (2,200 MT), and Hong Kong (1,700 MT).

Pork: Net sales of 28,900 MT reported for 2020 were down 32 percent from the previous week and 18 percent from the prior 4-week average. Increases primarily for Mexico (8,700 MT, including decreases of 600 MT), Canada (5,100 MT, including decreases of 400 MT), South Korea (5,000 MT, including decreases of 800 MT), Japan (3,900 MT, including decreases of 700 MT), and China (2,100 MT, including decreases of 1,400 MT), were offset by reductions primarily for Vietnam (100 MT). For 2021, net sales of 2,300 MT were primarily for China (900 MT), South Korea (700 MT), and the Philippines (200 MT). Exports of 38,800 MT were up 2 percent from the previous week and 4 percent from the prior 4-week average. The destinations were primarily to China (13,100 MT), Mexico (12,000 MT), Japan (4,900 MT), South Korea (2,200 MT), and Canada (1,800 MT).

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