



MORNING November 24, 2020 Livestock Report
 by Chris Lehner | 312.242.7942 | chris.lehner@admis.com

USDA COLD STORAGE REPORT ON LAST PAGE

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 23, 2020	120,000
WEEK AGO	119,000
YEAR AGO	120,000

=====

	CHOICE	SELECT
BOXED BEEF FINAL	241.60	217.48
CHANGE FROM PRIOR DAY	3.25	2.50
CHOICE/SELECT SPREAD:		24.12
TOTAL LOAD COUNT		122
5 DAY SIMPLE AVERAGE:	234.51	213.76

PREVIOUS WEEK 11/20/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	238.35	214.98

=====

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 23, 2020

Primal Rib	490.41	379.17
Primal Chuck	201.03	189.92
Primal Round	197.75	196.75
Primal Loin	291.59	254.63
Primal Brisket	153.85	153.18
Primal Short Plate	123.80	123.80
Primal Flank	107.77	106.88



FINAL NOVEMBER 20, 2020

Primal Rib	477.30	360.72
Primal Chuck	197.65	186.79
Primal Round	194.30	192.23
Primal Loin	291.71	262.41
Primal Brisket	153.50	151.27
Primal Short Plate	124.19	124.19
Primal Flank	107.15	105.41

=====

LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/20	50	18	12	25	105	238.35	214.98
11/19	91	30	11	21	152	237.70	213.89
11/18	80	24	13	26	142	235.84	213.62
11/17	80	16	14	32	142	233.72	213.96
11/16	66	16	9	37	128	226.95	212.35

=====

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	71.21 loads	2,848,384 pounds
Select Cuts	25.19 loads	1,007,498 pounds
Trimming	9.90 loads	396,134 pounds
Ground Beef	15.56 loads	622,459 pounds

=====

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)

=====

USDA POSTED CATTLE PRICES ON 11/23/2020

IA/MN – No Reportable Trade 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 No Reportable Trade
CO – Information not available due to confidentiality

***National Daily Direct Cattle November 23, 2020
(5 day accumulated weighted avg)



Daily Futures Market Commentary

	Weight	Price	Head
Live Steer:	1487	\$109.57	46,901
Live Heifer:	1320	\$109.68	18,661
Dressed Steer:	972	\$171.76	13,764
Dressed Heifer:	874	\$171.88	5,364

=====

When packers are making about \$450/head, they have one thing on their mind, fill chains with cattle. With big moves on boxed beef over the last week buying cattle could be aggressive this week especially for Choice cattle that meet needs to fill previously contracted beef. But with packers able to pull up cattle for December next week they may try to temper the amount they pay. Of course if speculators dump sometime this week as they did last Thursday, packers as they did last week will use it to their advantage. But overall, over the next couple of weeks, cattle should rally both cash and futures.

=====

Spreaders won Monday. Cattle/hog spreads opened favoring hogs but reversed by the close. For the first hour, hogs gained on cattle, volume for instance on February cattle and hogs was about the same. But when cattle volume picked up on demand for cattle and bullish COF report, spreads reversed.

Cattle packers for an easy explanation are rolling in the dough. It's surprising the feedlots selling on the showlist aren't saying anything when packer margins are plus \$400/head. With rising grain prices, feedlot margins barely break even.

When there are too many cattle that are too heavy and packers and wholesalers can't meet orders for beef that was contracted several months ago, they are squeezed and the retail buyers like small local grocery stores that buy on daily markets are squeezed. Whether a store or buyer is a small butcher shop or mega retailer if they have to meet contracts, they have to pay the prices offered to those that have the beef. It's why many small grocery stores have had to close up over the years. A big box store or large grocery chain with 100's of stores across the US and globally build a super store in between towns or several towns or in a large city down the block from local retailers. They draw consumers with lower prices and much more variety. They eventually chase out these small stores. It isn't unlike what has happened over the past 30 or so years in the packing industry. The major packers paid more, and cooperatives and independent livestock buyers were chased out. Now, the major cattle packers own the market.

It's surprising cattle producers aren't saying anything now when packer margins are \$400/head and with rising grain prices, feedlot margins barely break even.



The meat industry is an oligopoly, and they control the industry but at times they are in competition with each other. A packer or seller doesn't want to lose future business because they may have trouble filling previously made contracts. They will pay the going costs to fill out and finish orders and leave the hand to mouth buyer to fight over what is available.

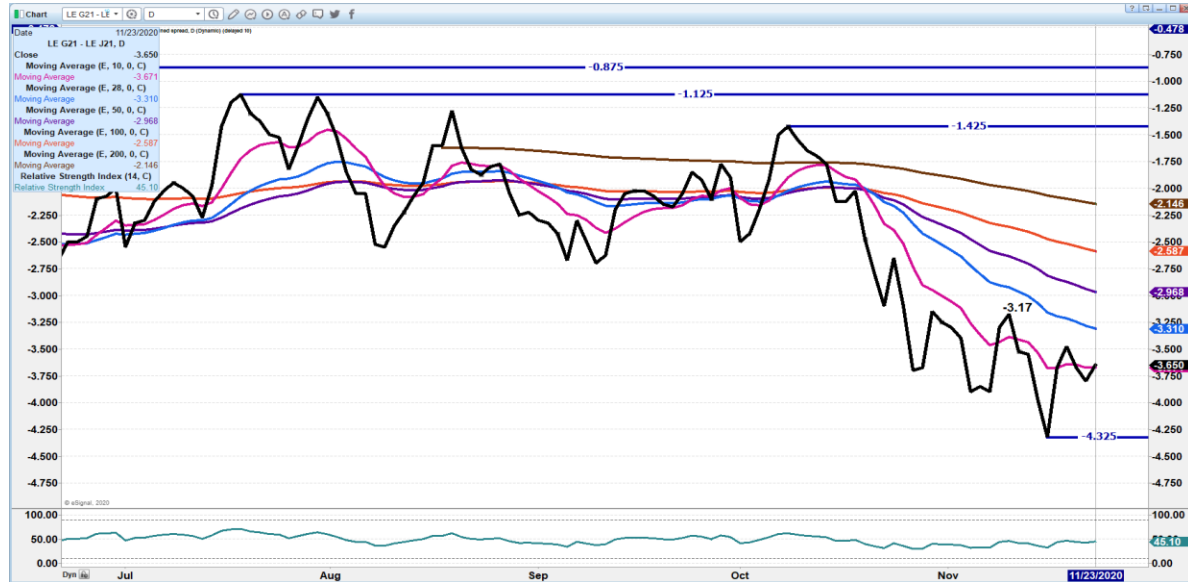
=====

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.

=====

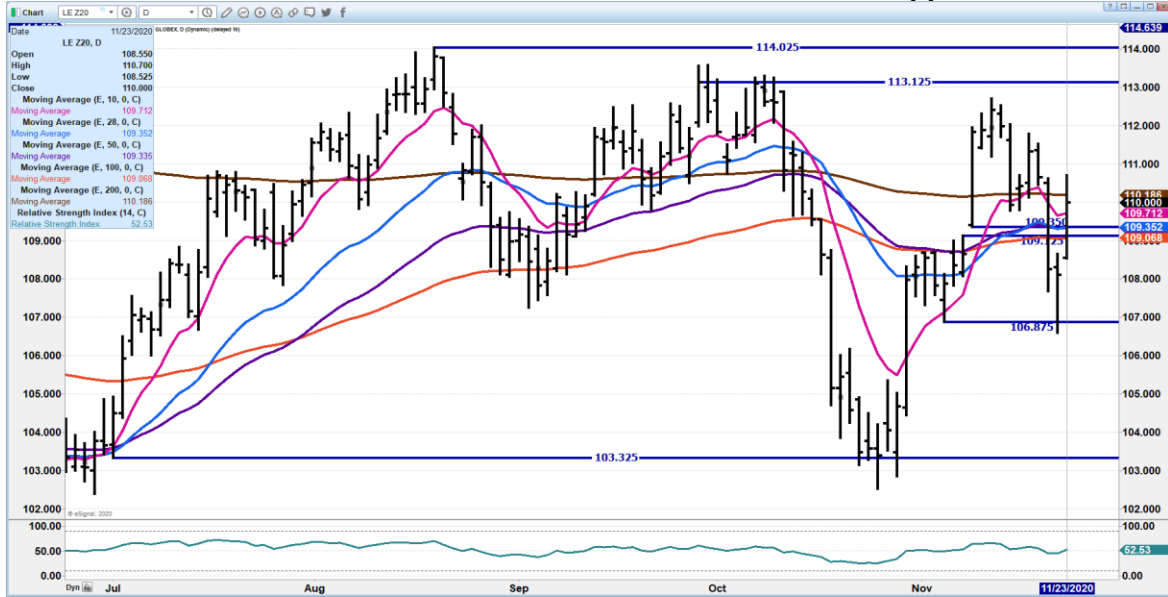
As of November 17, 2020, dressed steer and heifer weights were 896.7 compared to previous week at 891.2 up 5.5 pounds from week ago and 22 pounds over a year ago compared to a week ago up 24 pounds. Grading percent was 81.6%, down compared to previous week at 81.6%.

FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - SPREAD WILL HELP SHOW NEXT MOVE FOR 2021 CATTLE. NARROWING WOULD BE FRIENDLY

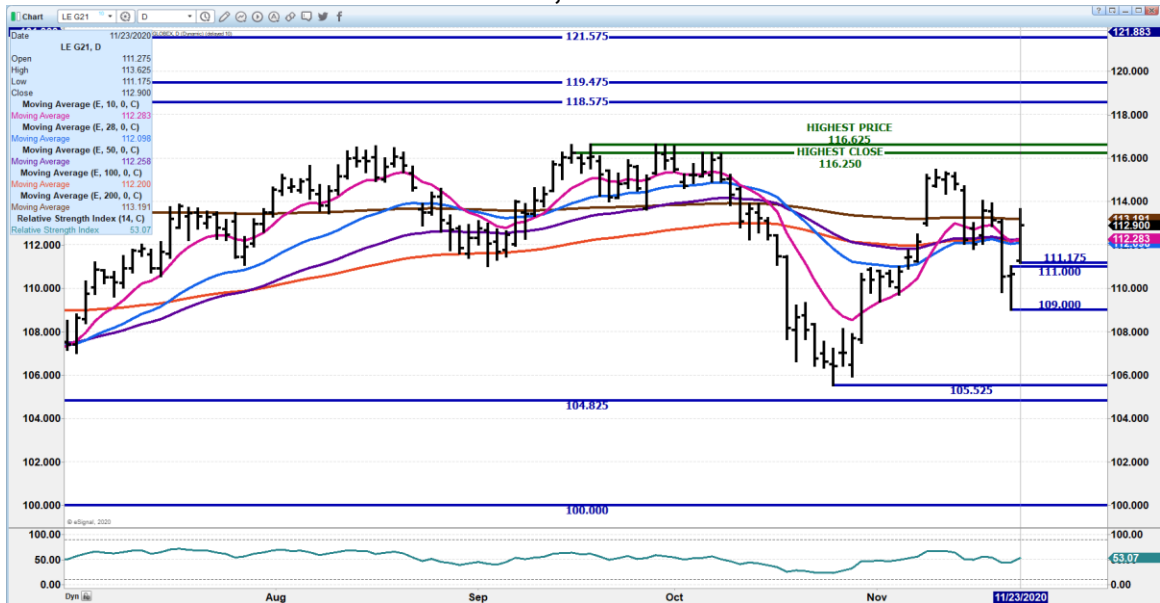




DECEMBER 2020 LIVE CATTLE - 110.20 to 111.32 resistance Support at 109.05 to 106.87



FEBRUARY 2021 LIVE CATTLE – Gapped Monday. Support at Monday close at 111.17 To 109.00 Resistance at 113.57 Volume 26,387

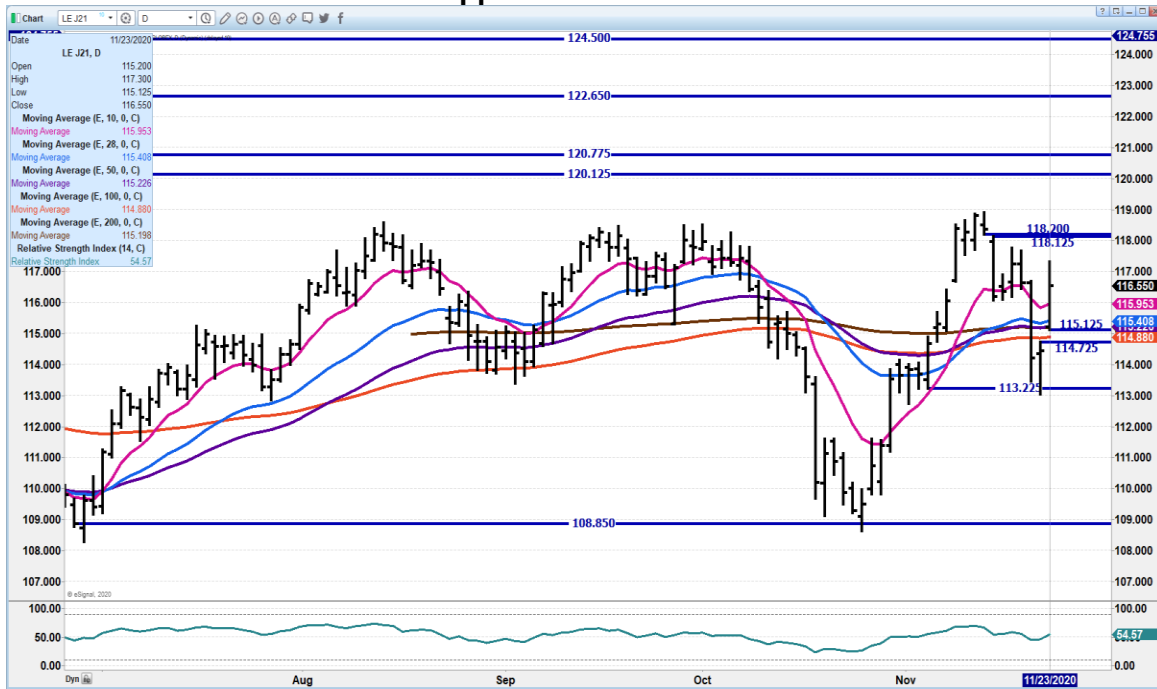


ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



APRIL 2021 LIVE CATTLE – Support at 114.87 Resistance at 118.20



Feeder Cattle

THE CME FEEDER INDEX ON 11/20/2020 WAS 136.94 UP 19 CENTS FROM PREVIOUS DAY –

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 23, 2020 AT \$137.82

=====

NATIONAL FEEDER & STOCKER SUMMARY - WEEK ENDING 11/20/2020

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	321,900	45,400	9,800	377,100
LAST WEEK:	305,300	75,100	10,400	390,800
YEAR AGO:	323,900	40,700	21,000	385,600



COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD UNEVEN, DEPENDING ON THE DAY OF THE WEEK THE AUCTION OCCURRED. EARLY WEEK SALES OF CALVES AND YEARLING WERE STEADY TO 3.00 HIGHER, WHILE THOSE LATER IN THE WEEK WERE STEADY TO 4.00 LOWER. LOCAL AUCTIONS SEE A WIDE VARIATION OF TYPE AND KIND COMING TO TOWN THIS TIME OF YEAR AND RUNS THE GAMUT FROM THINNER, HARDER YEARLING TYPE TO FLESHY, BAWLING CALVES ON THEIR FIRST TRIP OFF THE COW-CALF PRODUCERS FARM OR RANCH. MANY RANCHERS HAVE NOW HAD TIME TO HAVE CALVES ON A VACCINATION AND WEANING PROTOCOL FOR 45-60 DAYS; THE IDEAL TIME THAT BACKGROUNDERS WANT THEM TO BE ABLE TO TURN OUT AND NOT HAVE ANY HEALTH PROBLEMS. DEMAND FOR THE WEEK WAS MODERATE TO GOOD.

JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – IF CONTINUES TO NARROW IT IS BULLISH

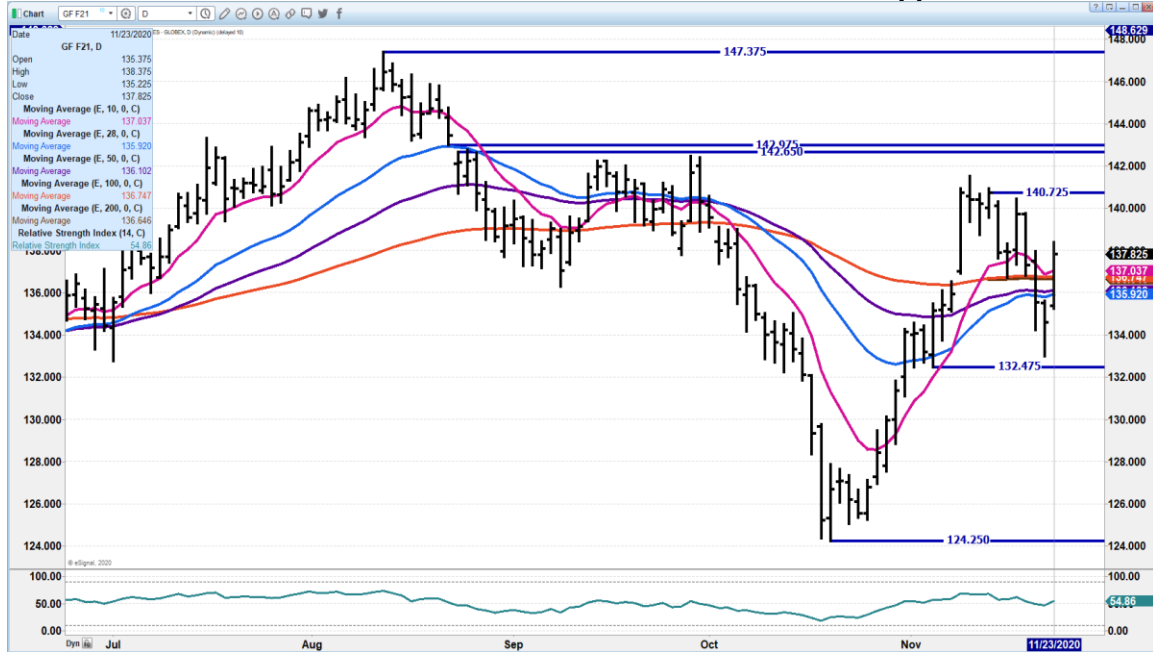




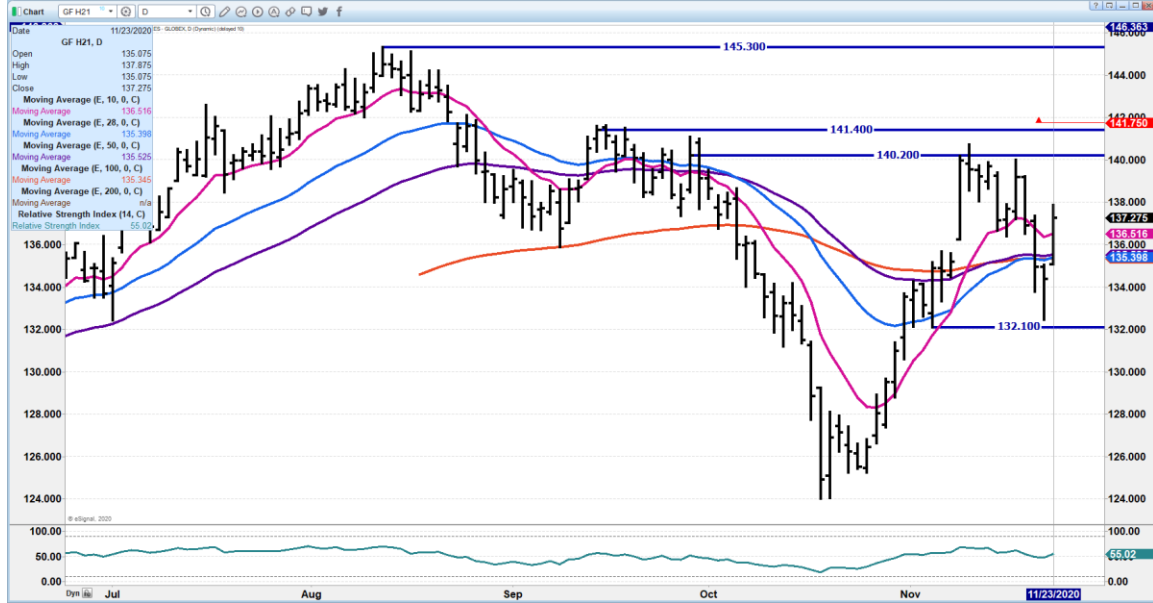
ADM Investor Services, Inc.



JAN 2021 FEEDER CATTLE – Resistance at 140.75 to 142.65 Support at 137.00 to 136.00



MAR 2021 FEEDER CATTLE – Resistance at 140.00 to 141.75 Support at 136.50 to 135.37



ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 23, 2020	497,000
WEEK AGO	477,000
YEAR AGO	493,000

CME CASH HOG INDEX 11/19/2020 AT 68.14 DOWN .65 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 11/20/2020 AT 78.90 DOWN .38 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 11/20/2020 WAS 126.49 COMPARED TO 11/13/2020 WAS 141.67.

=====

Big kill Monday. Close to being back to days reaching 500,000 head/day before COVID 19 slowed and temporarily closed packing houses last spring. With average weights at 215.97 pounds for last Friday's and Saturday's slaughter, it doesn't appear packers are digging deep for hogs to kill. Actually, it looks the opposite, there are plenty of hogs.

Over the past month, the pork carcass cutout is down \$15.48, loins are down \$12.49, hams down \$14.19 and bellies down \$59.42. The trend for pork is not up. Going into 2021, global competition is going to increase at a time when fewer hogs will be killed in the US.

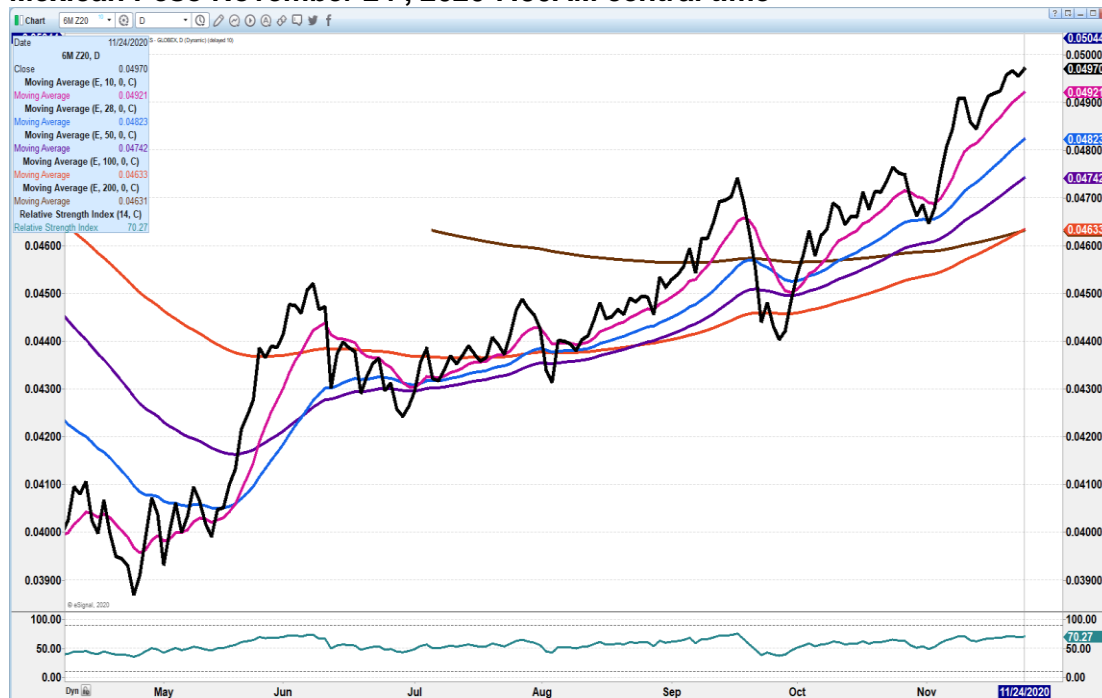
Fortunately, the Mexico Peso is strong. Mexico has been a stable buyer but for first nine months of 2020 are down 7% compared to 2019 and going into December, sales to Mexico could drop. Mexico as well as other Central and South American countries and several in Europe celebrate Christmas for several days to weeks. Mexico is also buying more pork in 2020 from South America with its associated membership in Mercosur.



ADM Investor Services, Inc.



Mexican Peso November 24, 2020 7:30AM central time



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 23, 2020

LOADS OF PORK CUTS: 407.17

LOADS TRIM/PROCESSED PORK: 36.18

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/23/2020	443.35	77.77	71.32	80.21	73.95	133.37	70.24	97.90
CHANGE :		-0.40	-1.01	5.27	0.73	-1.15	-5.62	4.55
Five Day Average --		78.29	71.95	79.84	73.26	133.03	75.21	93.33

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

ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



FINAL OCTOBER 23, 2020

Date	Loas	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/23/2020	345.34	93.25	83.81	81.37	61.27	143.36	84.43	157.32

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR NOVEMBER 20 AND 21, 2020**

Average live weight - 288.91
Average carcass - 215.97

**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 20, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$50.00 - \$59.75
Weighted Average: \$58.73
Change from Prior Day: 0.33 higher
HOGS SOLD: 4,961

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: 173,630
Weighted Average: \$66.35
Previous Day: \$66.85
HOGS SOLD: 168,208

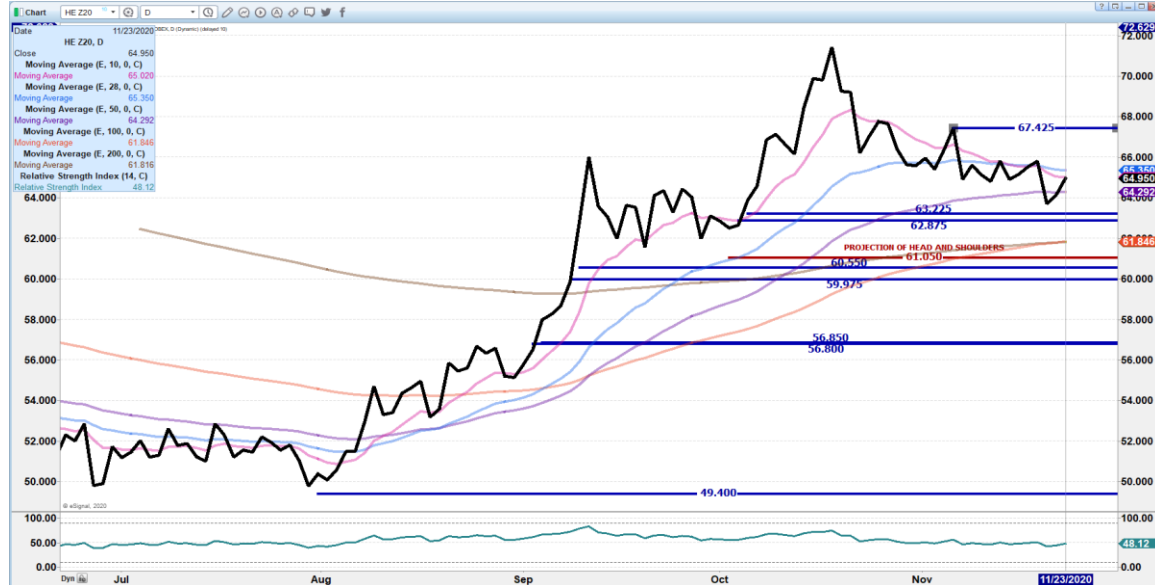
https://www.ams.usda.gov/mnreports/lm_hq203.txt

FEB 2021/DEC 2020 LEAN HOG SPREAD – LOOK FOR FEB TO GAIN ON DECEMBER

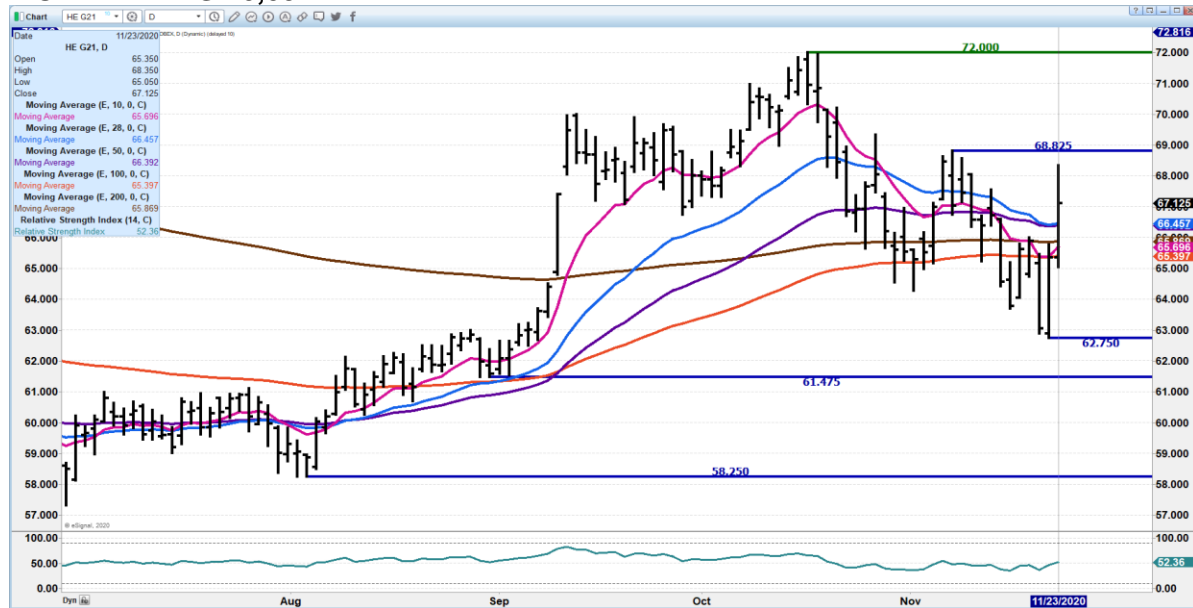




DECEMBER 2020 LEAN HOGS – DOWN TREND INTACT SUPPORT AT 61.87 RESISTANCE AT 67.37



FEBRUARY 2021 LEAN HOGS – SUPPORT AT 65.37 RESISTANCE AT 68.37 VOLUME MONDAY WAS 20,097

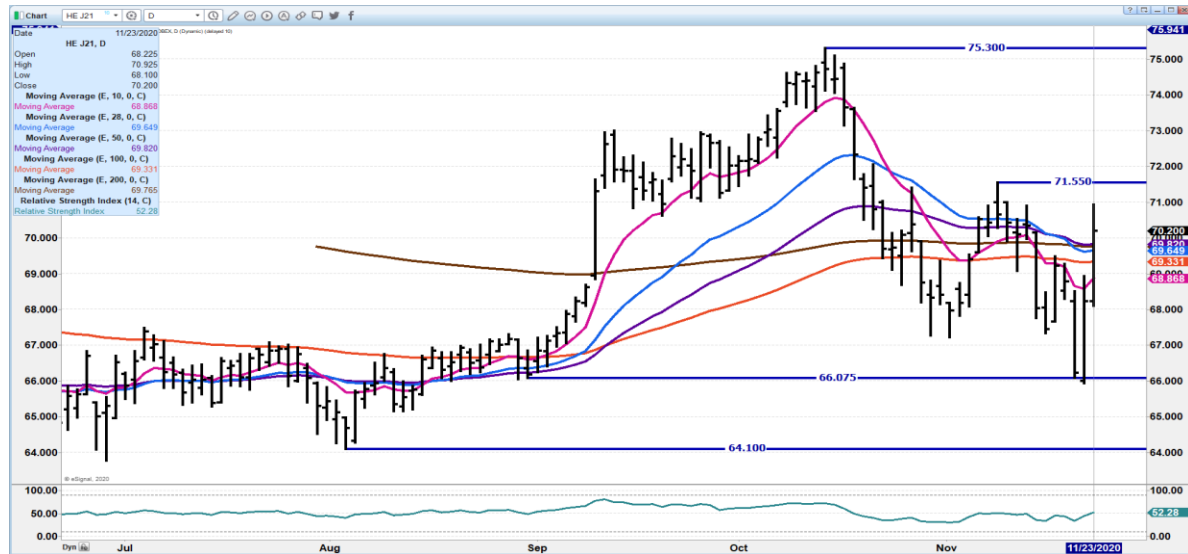


ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

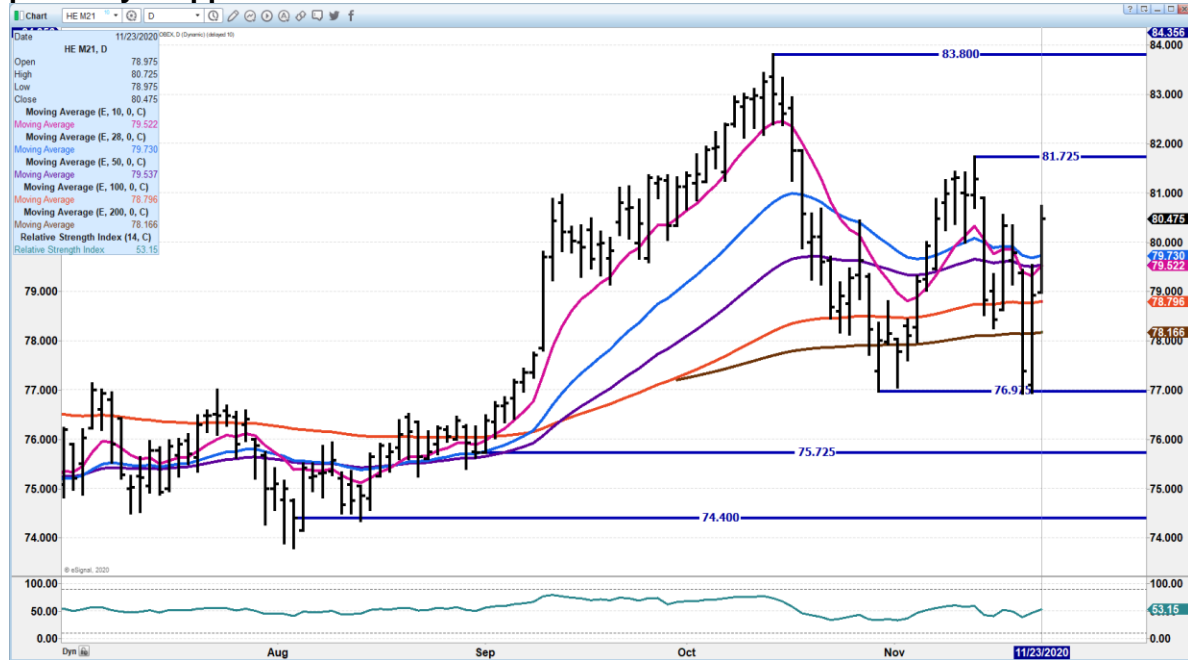
The information and comments contained herein is provided by ADM Investor Services, Inc. (“ADMIS”) and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



APRIL 2021 LEAN HOGS – RESISTANCE AT 71.55 SUPPORT AT 68.87



JUNE 2021 LEAN HOGS – Rally to resistance at 81.37 to high at 81.72 is a hedging opportunity. Support at 78.17



ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. (“ADMIS”) and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



Cold Storage November 23, 2020

OCTOBER HIGHLIGHTS

- Total red meat supplies in freezers were up 1 percent from the previous month but down 12 percent from last year.
- Total pounds of beef in freezers were up 8 percent from the previous month and up 7 percent from last year.
- Frozen pork supplies were down 4 percent from the previous month and down 27 percent from last year.
- Stocks of pork bellies were down 21 percent from last month and down 57 percent from last year.

=====

During October boxed beef sales dropped and prices fell so it is no surprise more beef was in storage, but that was in October. But with boxed beef pricing increasing in November, what happened in October is old news. Very doubtful traders will look at past news with much importance.

Cheap pork prices in the US and good exports have moved pork. Cheap US Dollar encouraged exports of both hams and bellies. With surge in belly prices in October demand moved bellies.

Cold Storage report is old news. The boxed beef market is doing about the opposite now as it did in October. Pork sales are good now but bigger supplies of hogs in the US and globally will move markets going forward rather than Cold Storage report with data of October. I don't see this Cold Storage report affecting Live Cattle or Lean Hog prices Tuesday. Friday's Cattle on Feed Report was friendly. Monday's boxed beef market was bullish. Hog slaughter is above a year ago and pork prices have been steadily falling during November. Current news and outlook will move futures Tuesday. Maybe the positive news for pork is in October and November chicken and turkey stocks are decreasing.

CHARTS FROM ESIGNAL INTERACTIVE, INC.