



MORNING November 5, 2020 Livestock Report

by Chris Lehner | 312.242.7942 | chris.lehner@admis.com

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 4, 2020	119,000
WEEK AGO	118,000
YEAR AGO	120,000
WEEK TO DATE (EST)	359,000
SAME PERIOD LAST WEEK (EST)	350,000
SAME PERIOD LAST YEAR (ACT)	356,000

=====

	CHOICE	SELECT
BOXED BEEF FINAL	210.19	197.05
CHANGE FROM PRIOR DAY	0.75	1.60
CHOICE/SELECT SPREAD:		13.14
TOTAL LOAD COUNT		166
5 DAY SIMPLE AVERAGE:	207.86	192.02

PREVIOUS WEEK 10/30/2020	CHOICE	SELECT
BOXED BEEF FINAL PRICE	208.10	191.24

=====

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 4, 2020

Primal Rib	391.21	336.65
Primal Chuck	170.22	168.43
Primal Round	173.48	172.45
Primal Loin	267.90	239.98
Primal Brisket	150.96	147.95
Primal Short Plate	122.14	122.14
Primal Flank	100.22	97.77



FINAL NOVEMBER 3, 2020

Primal Rib	386.90	329.91
Primal Chuck	169.42	165.16
Primal Round	171.52	171.57
Primal Loin	268.18	239.42
Primal Brisket	150.79	147.04
Primal Short Plate	127.50	127.50
Primal Flank	99.74	101.32

LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/03	82	38	17	14	151	209.44	195.45
11/02	87	17	23	18	145	208.65	192.62
10/30	55	26	8	18	106	208.10	191.24
10/29	93	18	25	20	156	207.32	191.23
10/28	99	25	21	27	173	205.79	189.58

=====

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	110.97 loads	4,438,839 pounds
Select Cuts	16.53 loads	661,245 pounds
Trimming	18.27 loads	730,867 pounds
Ground Beef	20.27 loads	810,723 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)

=====

BEEF AND PORK EXPORTS ON BOTTOM OF REPORT FOR WEEK ENDING OCTOBER 29, 2020

=====

USDA POSTED CATTLE PRICES ON 11/02/2020
IA/MN – CASH 104.00 Average Weight 1575 - DRESSED 164.00 weighing 987.7
NE - CASH – 105.00 DRESSED 160.00 - 164.00 Average Weight 1,043.6
KS – CASH 106.00 - 107.00 Mostly 107.00 DRESSED No Reportable Trade.
TX/OK/NM – 107.00 Average Weight 1,276.2
CO – Information not available due to confidentiality



*****National Daily Direct Cattle November 02, 2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1500	\$104.50	22,343
Live Heifer:	1364	\$104.61	10,791
Dressed Steer:	1000	\$161.46	5,977
Dressed Heifer:	855	\$163.09	1,184

=====

Brazil is buying US grains because they oversold their 2020 crops and now need feed for increasing cattle going into feedlots and increasing numbers of hogs, chickens and dairy. Traders are bear spreading cattle. As prices spread into 2021, and packers are offering positive forward contracts, hedging opportunities are available if spreads are used. November is not a spot month. Specs use non spec months and work spreads. There is global expansion in livestock. Use rallies and cover futures with options.

=====

Grocery stores must have great margins on selling beef and over the next few months they can keep the profits or use the meat department as a way to encourage shoppers into the store. Laws don't require grocery stores to sell beef by grade. If a store labels a cut Choice, it has to be Choice but if it labels a cut by a store name like Joe's High-Top Farms Beef, it could be prime to cutter grade. If a store sells 95 percent lean to 5 percent fat ground beef and labels it Angus, it can be any cut from any Angus animal, a prime steer to a 5 year old Angus cow or bull. The same goes for labeling a product ground sirloin. As long as it is ground sirloin, it doesn't have to have the grade, sex or age of the animal.

For the upcoming holiday's restaurant and large parties will be fewer than a year ago but retailers are going to have specials on beef. As I have reported in the past, they can markup or keep at the same price Choice and Prime beef and sell Select beef using store made name labels such as Joe's High-Top Beef at at marke up or lower because of the spread on Choice and Select. Fortunately because of the way stores can sell beef, a store's private name labeling helps to sell beef and other products at the retail level. Retail specials move product, and this time of the year stores use promotions as a marketing tool. November and December are months often used to help customers move from one store to another. This year with customers hoarding cheap cuts, beef will be used to attract customers. Beef prices should help move beef over November and December.

=====

Packers have been aggressively forward contracting at plus \$1.00 for cattle December through April and plus \$4.00 over the board May through the summer.



Watch exports for Japan and South Korea. Both are known to take beef that is heavier and has more fat cover.

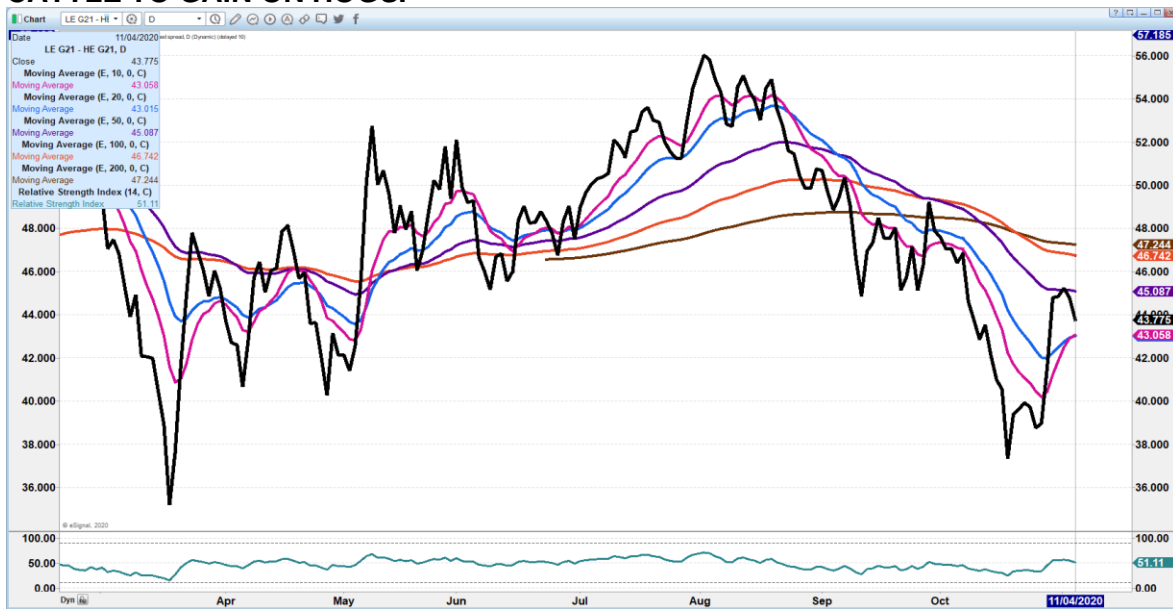
=====
 Into 2021, cattle numbers should see a slowdown in the US. Less cows were bred during the spring and there was cow liquidation with the extreme heat and drought in the Southwest to West.

But into 2021, beef will be competing with more pork and poultry. China has 2.5 times more poultry it built up to make up for less pork. Also, China is back to 90% the hog herd pre African Swine Fever with plans of having up to 50% more by mid-2021 and plans to keep increasing. It is good for grain US producers but it means US livestock producers have to hedge feed if they have not already done so.

=====
As of November 3, 2020, dressed steer and heifer weights were 900.9 compared to previous week at 900.3 up .6 pound from week ago and 24 pounds over a year ago. Grading percent was 81.5%, down compared to previous week at 81.0%.

CHARTS ARE ON MORNING REPORTS

FEBRUARY 2021 LIVE CATTLE/FEBRUARY 2021 LEAN HOG SPREAD – LOOK FOR CATTLE TO GAIN ON HOGS.

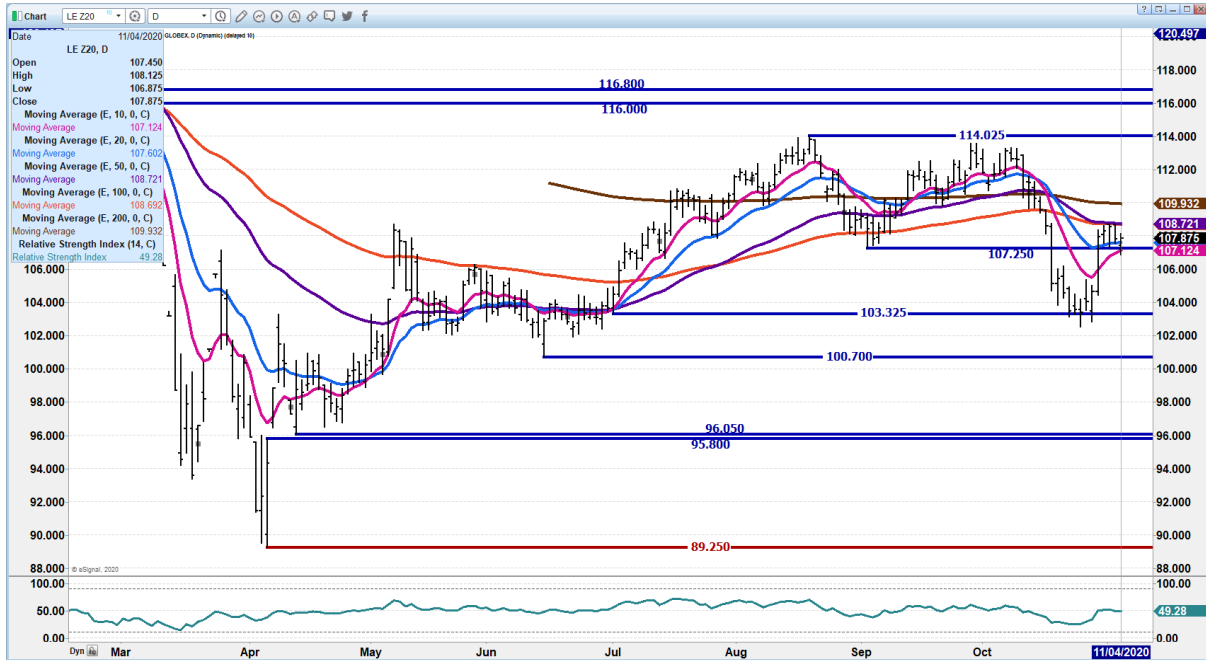




DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - SPREAD IS WIDENING AND SHOULD CONTINUE TO WIDEN INTO DECEMBER



**DECEMBER 2020 LIVE CATTLE - Support is 107.10 Resistance is 108.75 to 109.95
Volume 20125 RSI at 49 is neutral**

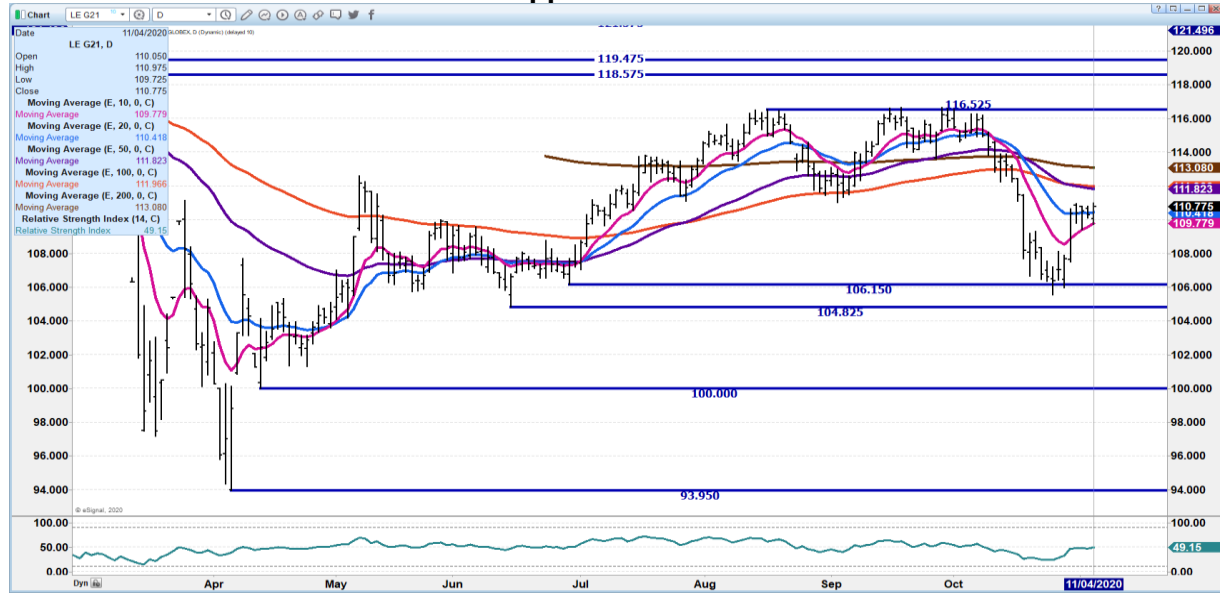


ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

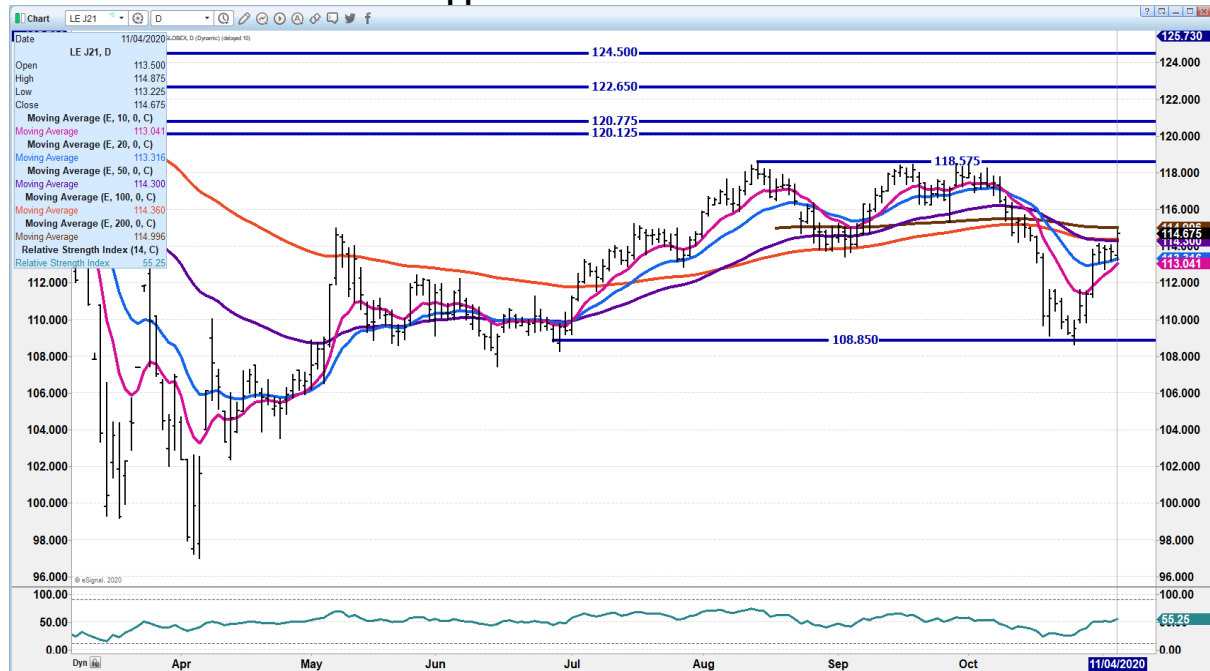
The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial 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.



FEBRUARY 2021 LIVE CATTLE – Support at 109.75 Resistance at 111.90



APRIL 2021 LIVE CATTLE – Support at 113.30 to 113.02 Resistance at 115.00 – 115.67



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.



Feeder Cattle

THE CME FEEDER INDEX ON 11/03/2020 WAS 138.57 UP .54 FROM PREVIOUS DAY – NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 4, 2020 AT \$137.70

=====

BRAZIL HAS STARTED TO IMPORT SOYBEANS AND SOON CORN WILL BE SHIPPED. WHY? THEY HAVE A LOT OF CATTLE ON FEED PLUS HOGS, POULTRY AND DAIRY. WHY DON'T THEY USE THEIR OWN FEED? THEY SOLD TOO MUCH TO CHINA AND THE REASON CHINA NEEDS SO MUCH GRAIN? HOG NUMBERS ARE NOW CLOSE TO LEVELS OF PRE AFRICAN SWINE FEVER WITH PLANS TO INCREASE PRODUCTION 50% MORE BY MID-JULY 2021 INTO 2025 TO BECOME 95 PERCENT SELF SUFFICIENT IN ALL MEATS AND FISH.

=====

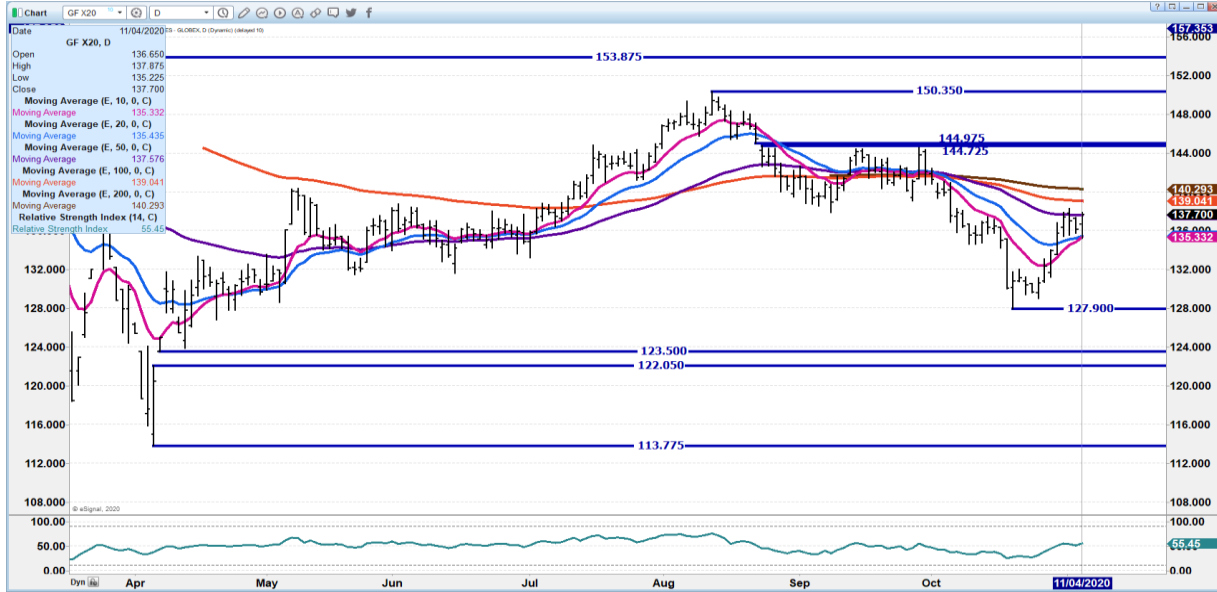
CHARTS ARE ON MORNING REPORTS

JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD IS TIGHT. IT IS BULLISH

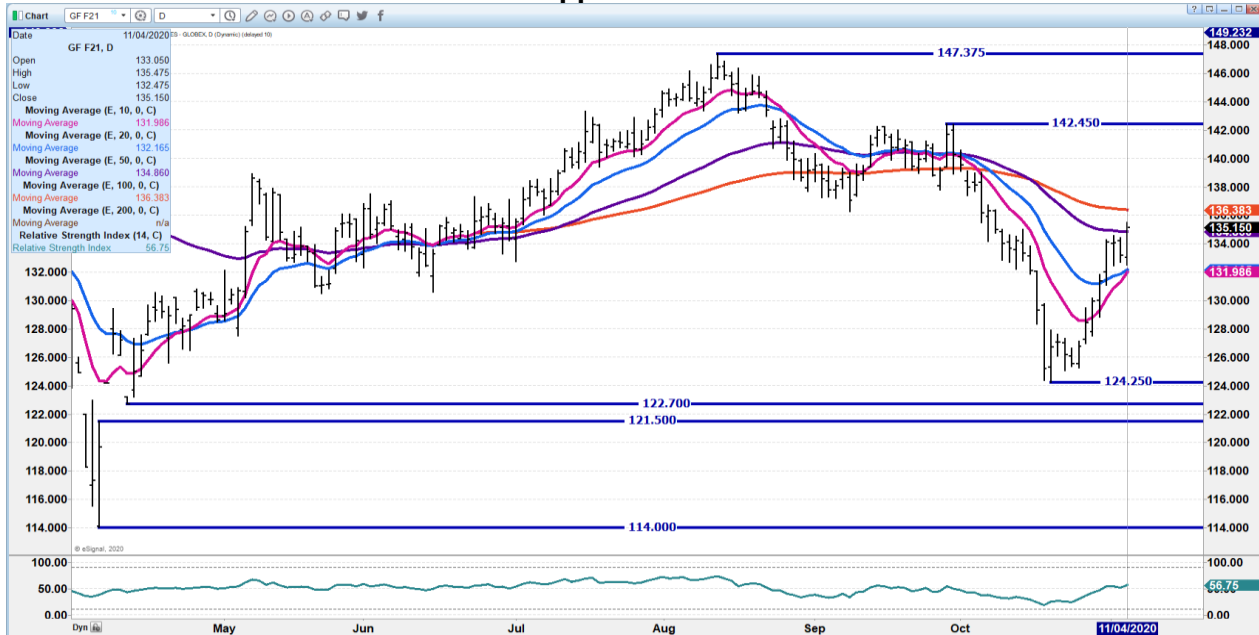




NOVEMBER 2020 FEEDER CATTLE - SUPPORT WHERE 10 AND 20 DAY AVERAGE CONVERGE AT 135.32 RESISTANCE AT 139.05 TO 140.30



JANUARY 2021 FEEDER CATTLE – Support at 132.00 Resistance at 136.40 to 139.12



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 4, 2020	489,000
WEEK AGO	485,000
YEAR AGO	493,000
WEEK TO DATE (EST)	1,475,000
SAME PERIOD LAST WEEK (EST)	1,464,000
SAME PERIOD LAST YEAR (ACT)	1,475,000

=====

CME CASH HOG INDEX 11/02/2020 AT 72.88 DOWN .60 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 11/03/2020 AT 84.44 DOWN 1.40 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 10/30/2020 WAS 188.44 COMPARED TO 10/23/2020 WAS 222.45

=====

Hams up 11.83 early Wednesday and loins down 3.27 with bellies off 6.66 and butts down 3.36 is not positive for the cutout or lean hogs it is showing Mexico is likely the buyer of hams but other primal cuts and exporting carcasses are declining especially to China.

Hams are 25% of the cutout and loins are 25% of the cutout. Hams have been the support of the cutout and loins are the anchor.

=====

Loins at \$75 to \$85 are cheap and retailers buying loins at recent low prices are able to markup prices and sell pork loins to compete with high priced, whole chickens, chicken breasts and ground beef. Compared to beef roasts, pork loins could be used to keep other meat prices down. Look for retail prices of whole boneless loins priced at retail around \$1.00 to \$2.00 per pound on sale going into the end of the year.

=====

Meat producers ask Ukraine to limit corn exports in 2020/21

[https://www.agriculture.com/markets/newswire/meat-producers-ask-ukraine-to-limit-corn-exports-in-202021#:~:text=KYIV%2C%20Nov%203%20\(Reuters\),could%20push%20up%20meat%20prices](https://www.agriculture.com/markets/newswire/meat-producers-ask-ukraine-to-limit-corn-exports-in-202021#:~:text=KYIV%2C%20Nov%203%20(Reuters),could%20push%20up%20meat%20prices)



The average pork price in China is at the lowest level since mid-June at CNY42.37/kg (\$6.37/kg), according to data from China's Ministry of Commerce. The hog herd is around 90% of the inventory before African Swine Fever.

=====

Pork Cutout Futures and Options Fact Card

<https://www.cmegroup.com/education/articles-and-reports/pork-cutout-futures-and-options-fact-card.html>

=====

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 4, 2020
LOADS OF PORK CUTS: 321.58
LOADS TRIM/PROCESSED PORK: 54.16

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/04/2020	375.74	82.41	72.42	78.17	60.34	132.28	88.06	108.64
CHANGE :		-0.58	-4.55	-2.42	0.62	-1.19	7.34	-6.51
Five Day Average --		84.18	74.96	77.89	59.84	132.24	88.20	116.00

FINAL PREVIOUS WEEK'S CLOSE

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/30/2020	312.76	83.80	74.02	75.95	58.37	127.99	83.85	124.70

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR NOVEMBER 3, 2020

Average live weight - 285.43
 Average carcass - 213.25

=====

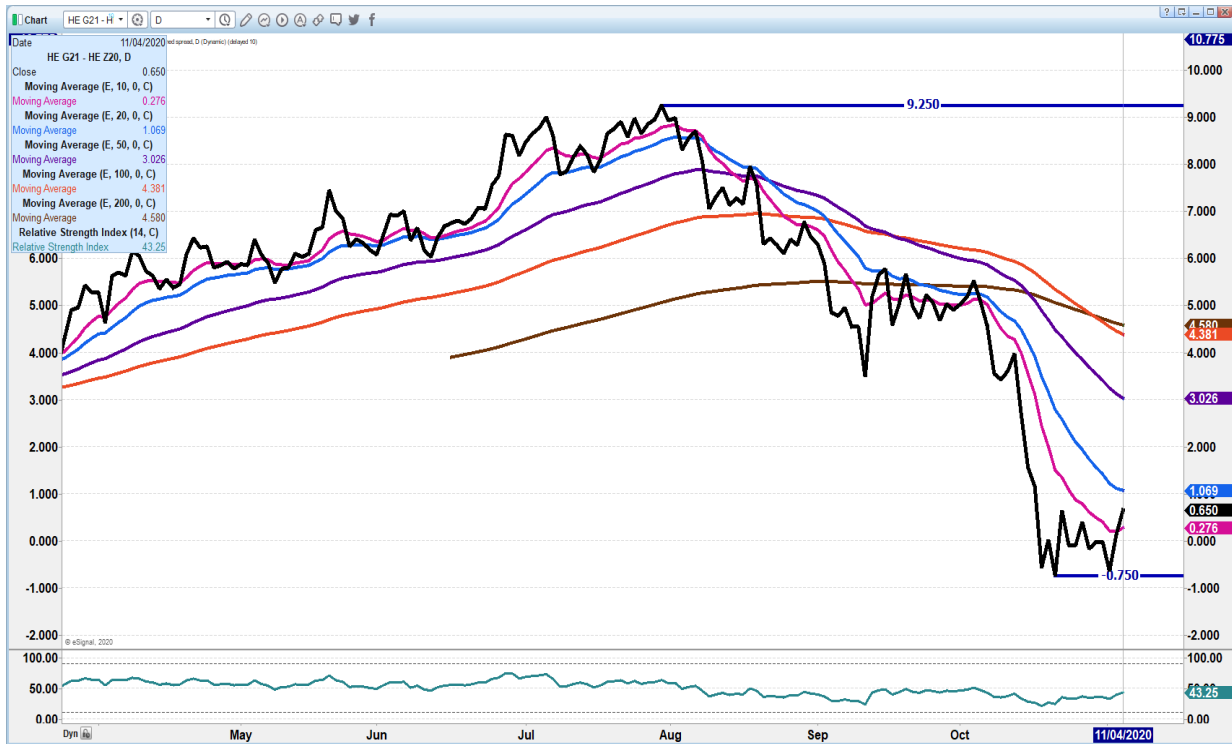
DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 04, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES
Carcass Base Price: \$56.00 - \$65.50
Weighted Average: \$61.28
Change from Prior Day: 1.49 higher
HOGS SOLD: 10,095



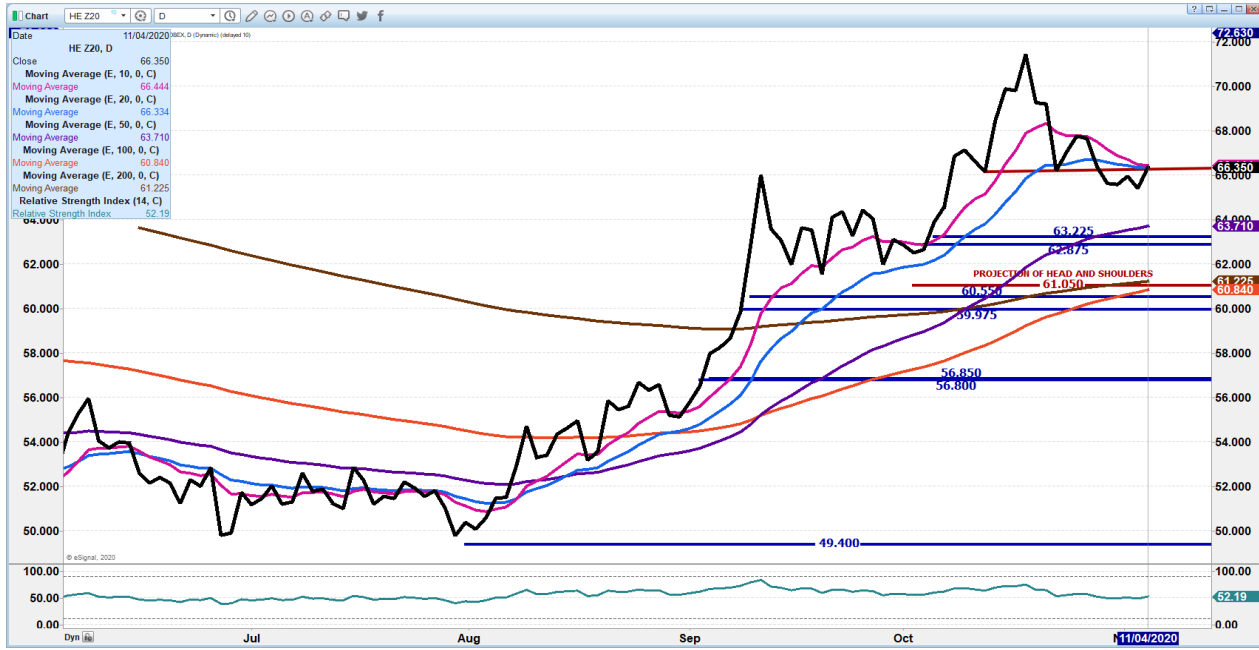
SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$59.96 - \$78.85,
Weighted Average: \$69.75
Previous Day: \$70.56
HOGS SOLD: 162,981

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

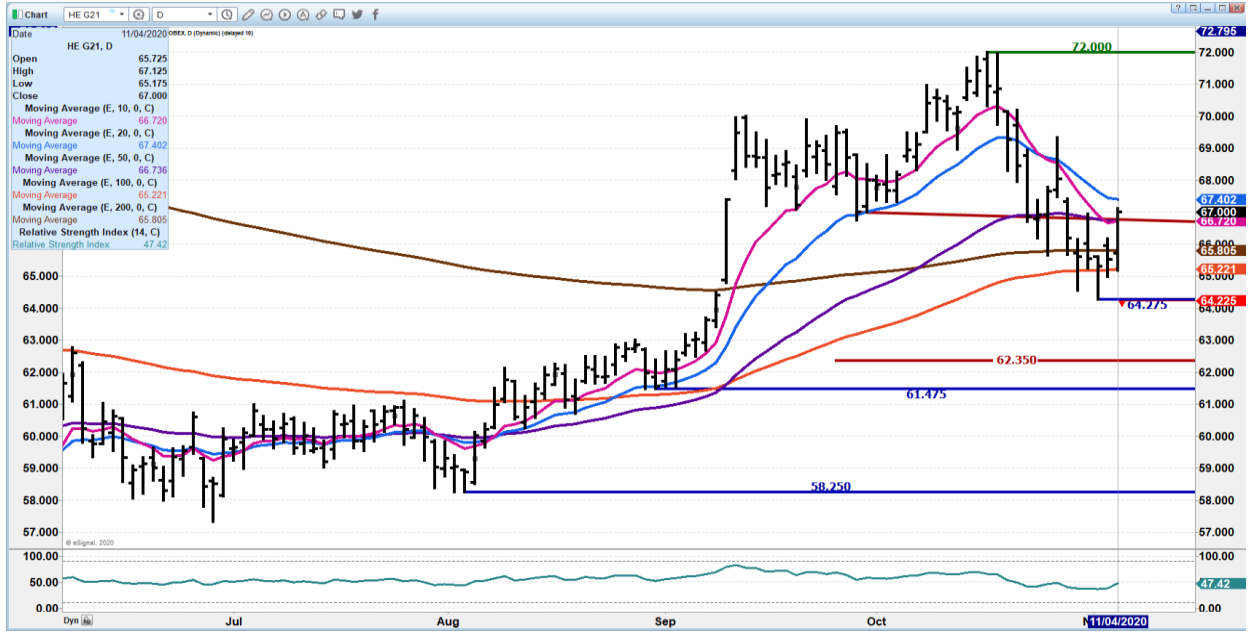
FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD - LOOK FOR SPREAD FOR DEC TO LOSE TO FEB



**DECEMBER 2020 LEAN HOGS – MOVED TO REISTANCE AT 10 AND 20 DAY
 RESISTANCE AT 66.50 SUPPORT AT 63.70 TO 61.05**



FEBRUARY 2021 LEAN HOGS – HEAD AND SHOULDER NECLINE VIOLATED. SUPPORT AT 65.22

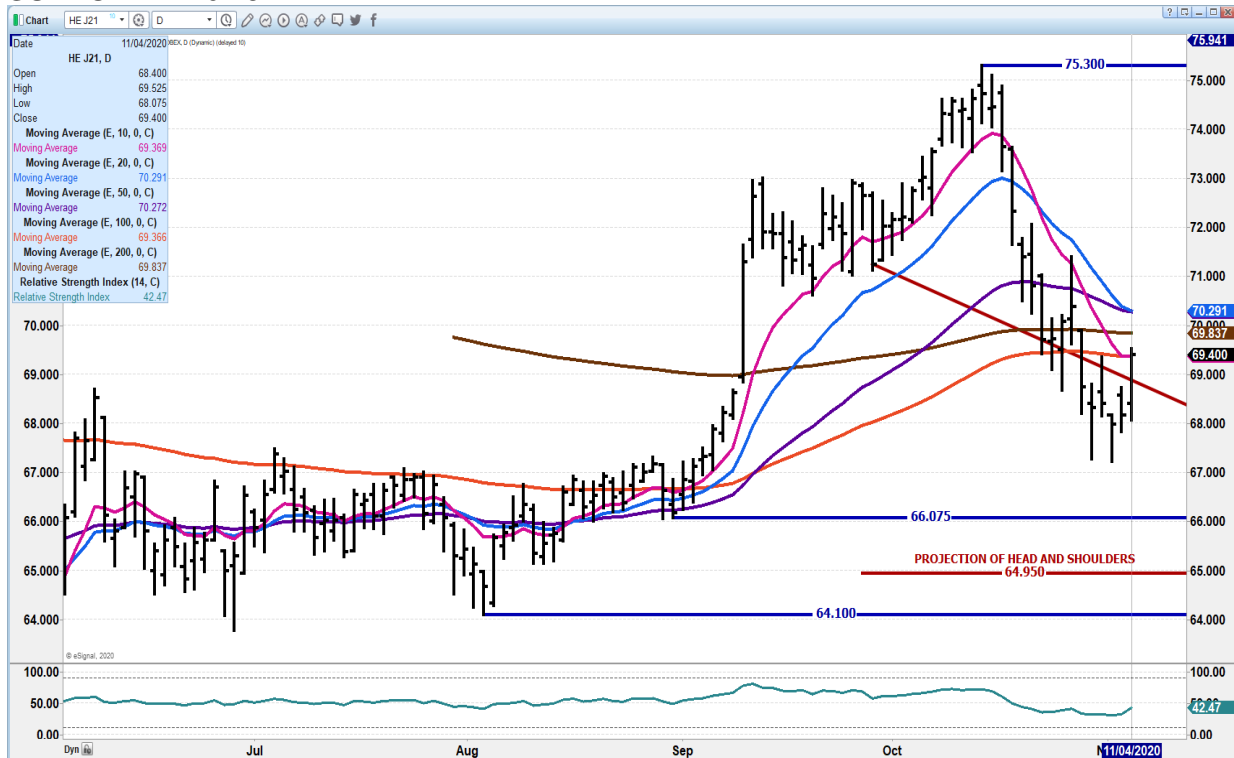


ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

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 – VIOLATED HEAD AND SHOULDERS RESISTANCE AT 70.30
SUPPORT AT 67.97**



Beef: Net sales of 20,400 MT reported for 2020 were up 8 percent from the previous week and 9 percent from the prior 4-week average. Increases primarily for Japan (4,700 MT, including decreases of 400 MT), South Korea (4,600 MT, including decreases of 700 MT), China (3,600 MT, including decreases of 100 MT), Mexico (2,500 MT), and Taiwan (1,900 MT, including decreases of 100 MT), were offset by reductions for Colombia (100 MT). For 2021, net sales of 4,500 MT were primarily for South Korea (4,000 MT), Japan (200 MT), and Hong Kong (200 MT). Exports of 21,400 MT--a marketing-year high--were up 26 percent from the previous week and from the prior 4-week average. The destinations were primarily to South Korea (5,600 MT), Japan (5,000 MT), China (2,700 MT), Mexico (2,300 MT), and Hong Kong (1,800 MT).

Pork: Net sales of 42,200 MT reported for 2020 were up 46 percent from the previous week and 18 percent from the prior 4-week average. Increases were primarily for Mexico (14,700 MT, including decreases of 700 MT), China (10,300 MT, including decreases of



ADM Investor
Services, Inc.



1,400 MT), South Korea (5,100 MT, including decreases of 100 MT), Japan (3,300 MT, including decreases of 100 MT), and Colombia (2,400 MT). For 2021, net sales of 800 MT were primarily for Chile (400 MT), Australia (200 MT), and Japan (100 MT). Exports of 37,700 MT were up 1 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to China (14,600 MT), Mexico (10,000 MT), Japan (4,500 MT), Canada (2,100 MT), and South Korea (1,600 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

Chris.Lehner@admis.com

312 242 7942

913.787.6804

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.