



## MORNING November 11, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 10, 2020	120,000
WEEK AGO	121,000
YEAR AGO	120,000
WEEK TO DATE (EST)	237,000
SAME PERIOD LAST WEEK (EST)	240,000
SAME PERIOD LAST YEAR (ACT)	232,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	222.25	208.55
CHANGE FROM PRIOR DAY	4.86	6.18
CHOICE/SELECT SPREAD:		13.70
TOTAL LOAD COUNT		136
5 DAY SIMPLE AVERAGE:	212.78	198.46

<b>PREVIOUS WEEK 11/06/2020</b>	<b>CHOICE</b>	<b>SELECT</b>
<b>BOXED BEEF FINAL PRICE</b>	<b>214.32</b>	<b>198.49</b>

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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 10, 2020

Primal Rib	412.29	338.86
Primal Chuck	185.63	184.90
Primal Round	184.30	183.95
Primal Loin	276.54	252.78
Primal Brisket	153.15	153.46
Primal Short Plate	130.76	130.76
Primal Flank	103.63	103.67



**FINAL NOVEMBER 9, 2020**

Primal Rib	401.77	334.57
Primal Chuck	180.84	177.28
Primal Round	180.05	178.57
Primal Loin	273.11	245.03
Primal Brisket	152.31	152.88
Primal Short Plate	124.51	124.51
Primal Flank	101.38	100.32

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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
11/09	64	20	18	21	122	217.39	202.37
11/06	60	21	23	11	115	214.32	198.49
11/05	96	32	6	15	149	212.55	198.97
11/04	111	17	18	20	166	210.19	197.05
11/03	82	38	17	14	151	209.44	195.45

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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	95.75 loads	3,830,101 pounds
Select Cuts	20.03 loads	801,011 pounds
Trimming	12.74 loads	509,590 pounds
Ground Beef	7.89 loads	315,469 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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**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**

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**USDA POSTED CATTLE PRICES ON 11/10/2020**

**IA/MN – CASH No Reportable Trade. - DRESSED No Reportable Trade.**  
**NE - CASH – No Reportable Trade.- No Reportable Trade.**  
**KS – CASH No Reportable Trade. DRESSED No Reportable Trade.**  
**TX/OK/NM – REPORTED LATE \$110**  
**CO – Information not available due to confidentiality**



**\*\*\*National Daily Direct Cattle November 10, 2020  
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1502	\$106.26	49,513
Live Heifer:	1351	\$106.45	27,600
Dressed Steer:	977	\$165.46	14,961
Dressed Heifer:	865	\$166.23	5,510

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With boxed beef improving, and packers gaining at least \$50 on profit margin, feedlots are asking up to \$112. It is more likely \$110 will move cattle unless packers pay up on cattle needed to fill previously contracted beef. Average steer weight across the US at 1502 pounds still shows there are still a good many heavy overfed cattle. Deeper discounts likely on heavy cattle and could see premiums paid in cash market for cattle packers need.

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Rib roast for the holidays and ground beef for the freezer are pushing boxed beef higher. Retailers are stocking up on rib roast for the December holidays and consumers are filling freezers with ground beef.

Packers are making money on Choice beef and Select beef. On sales of Choice primal rib sections were up \$10.52 from Monday. Choice chucks and round sections also are gaining but not as fast as Select chucks and rounds. Processors grinding chucks and rounds as well as other Select cuts pay up for the Select, gain lean over fat and then blend in cheap fat trimmed off other cuts. Why pay up for a cut like Choice chucks when you can buy more lean on Select and pay next to nothing for fat to blend. If the consumer is buying 85/15 ground beef or 90/10 ground beef, how many ask the butcher if cuts are Choice or Select or for that matter if it isn't labeled a specific cut like ground chuck or ground round, will most consumers ask? No, they look at price differences between lean to fat and the price for the majority of consumers.

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Fed Cattle Exchange has 1119 cattle listed at sale Wednesday. Lighter cattle from Texas have best chance to sell

Packers are discounting heavier cattle this week and to clean up overfed cattle, it has to happen. Feedlots need to see prices going up on cattle packers need and a discount on overweight cattle or they will keep feeding hoping as prices increase so will heavy cattle. Discounting the heavy cattle will clean them up. With steer weights for all US steers averaging 1502 pounds, there are still too many moving over 1650 or more.



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There may not be the big venue and office parties in 2020 as there have been over the past decade, but retailers will have specials on cuts like standing rib roasts expecting consumers to have small gatherings. 80 percent to 85 percent of consumers didn't stop working or if laid off last spring, it wasn't for long. The M1 and M2 money supplies have increased in the US as well as many countries. In other words, consumers have money to spend.

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As friendly as beef and cattle are at this time, don't forget what happened when cattle topped on January 15, 2020. If long, protect the downside. Countries around the world are locking down cities. The Midwest has many states where COVID 19 is increasing. Packers are better prepared than they were a year ago, but a surge in a town, city or a state could shut a plant down. Countries such as China are inspecting shipments for the virus and don't be surprised if it might be found in load of meats or grain shipped from the US.

Be prepared for any possible situation that COVID 19 may or may not do.

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Packers continue to forward contract at plus \$1.00 for cattle December through April and plus \$4.00 over the board May through the summer. Packers paying over means they have orders they need they know they will have to fill. It can also be a sign, they know there will be fewer cattle available.

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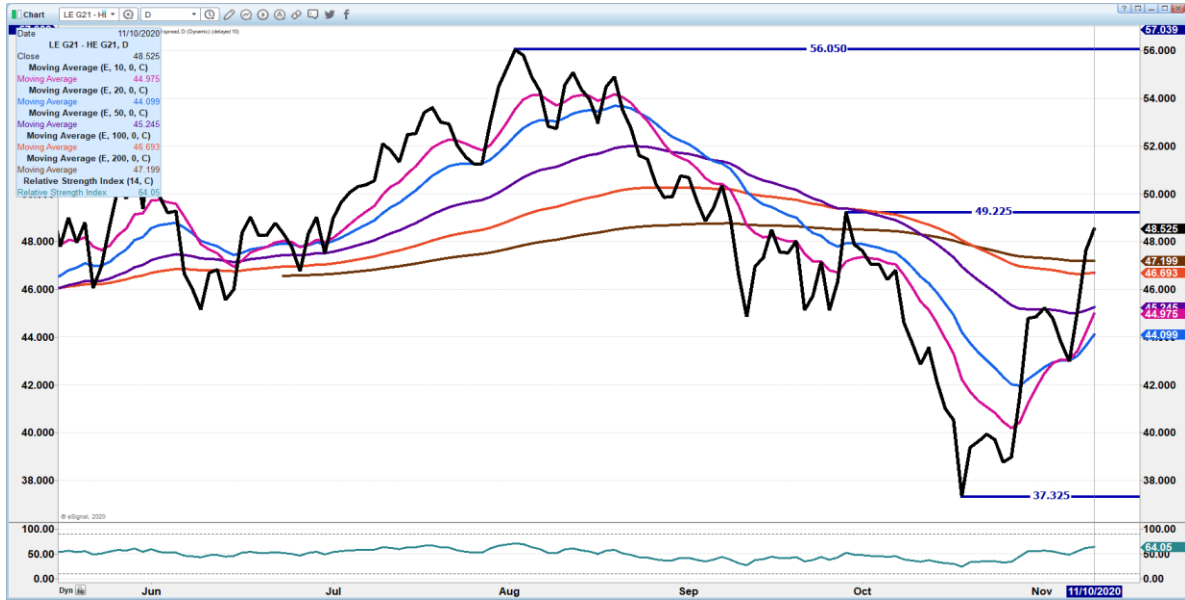
As of November 3, 2020, dressed steer and heifer weights were 900.9 compared to previous week at 900.3 up .6 pound from week ago and 24 pounds over a year ago. Grading percent was 81.5%, down compared to previous week at 81.0%.

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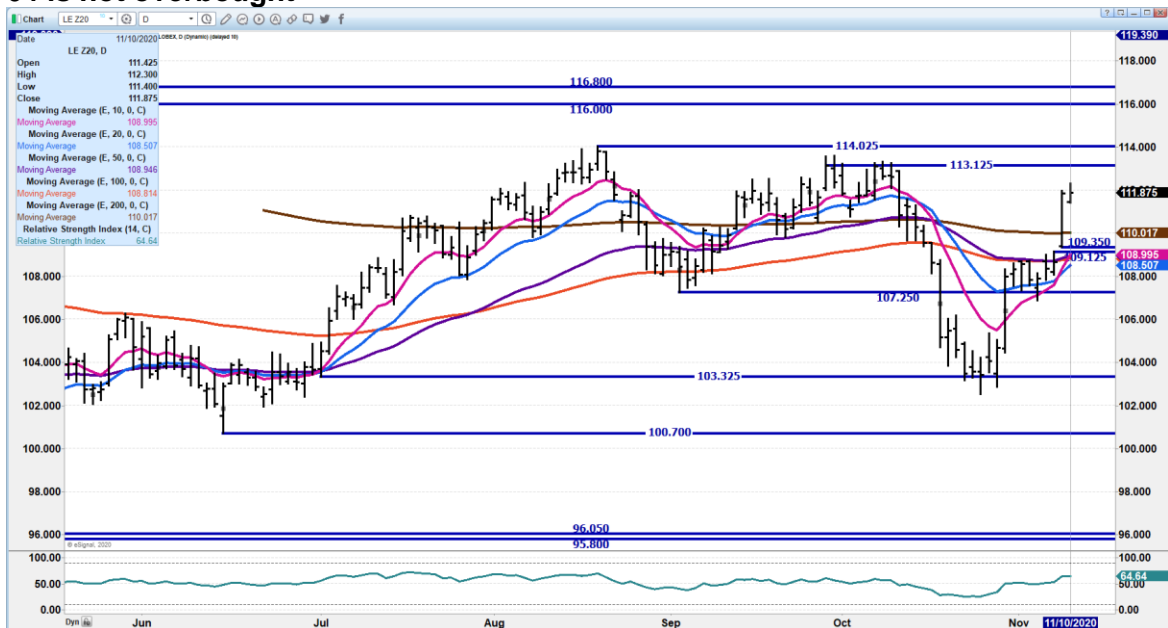
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## CHARTS ARE ON MORNING REPORTS

**FEBRUARY 2021 LIVE CATTLE/FEBRUARY 2021 LEAN HOG SPREAD - CATTLE SHOULD KEEP GAINING ON HOGS. BUY ON BREAKS TO 47.00 RISK SCO OF 3.00**



**DECEMBER 2020 LIVE CATTLE - Rolling is taking place now as December loses open interest to February. Resistance at 113.12 to 114.02. Support at 110.02 to 108.95. RSI at 64 is not overbought**

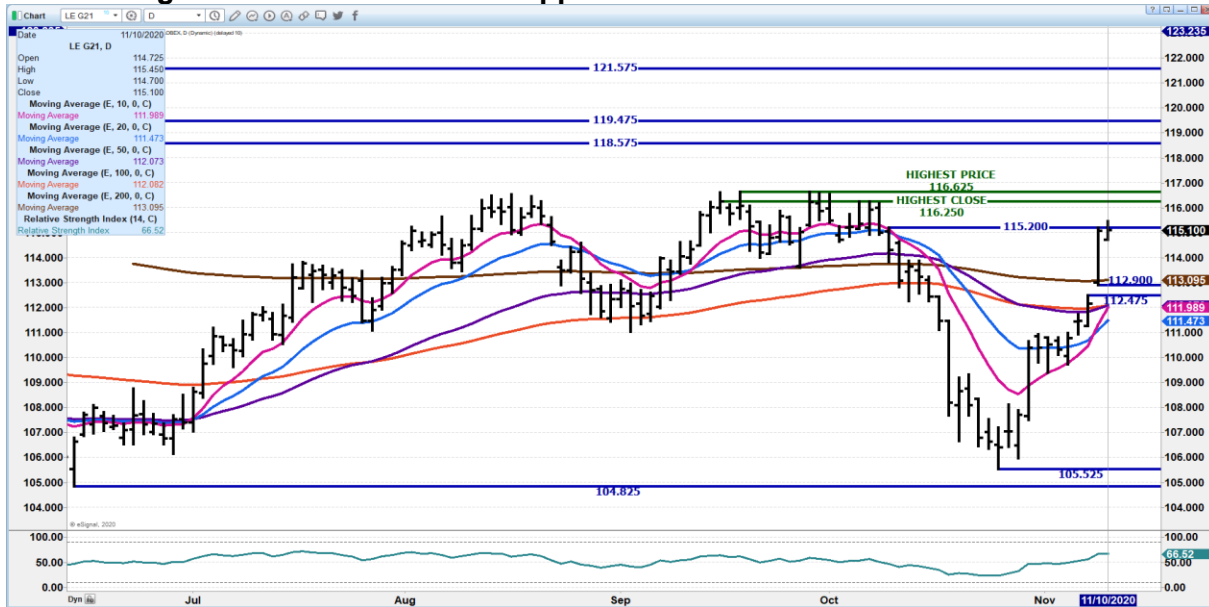


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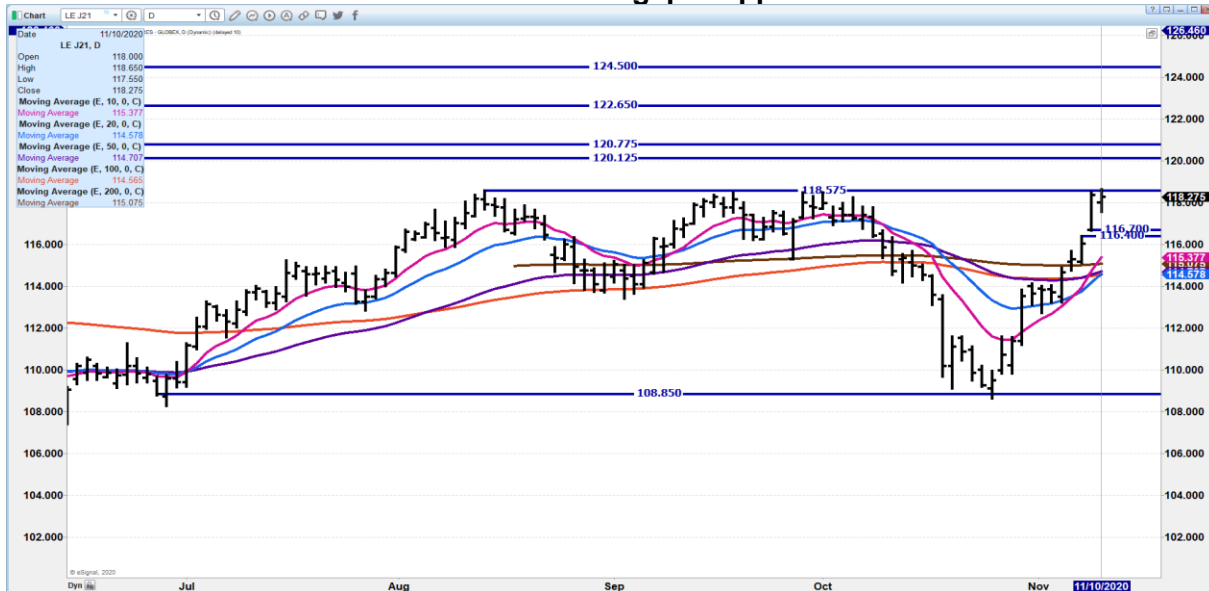
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**FEBRUARY 2021 LIVE CATTLE – Volume at 31,877 Contract high close at 116.25 to contract high at 116.62 resistance.. Support at 112.90 to 112.05**



**APRIL 2021 LIVE CATTLE – Since August 13<sup>th</sup>, trade knocks at 116.57 level and can't bust it. Resistance above it 120.12 to 120.77 gap Support at 116.37 to 115.37**



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## Feeder Cattle

**THE CME FEEDER INDEX ON 11/09/2020 WAS 135.85 UP .27 FROM PREVIOUS DAY –**

**NOVEMBER 2020 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 9, 2020 AT \$140.85**

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**OKLAHOMA NATIONAL STOCKYARDS FEEDER CATTLE - OKLAHOMA CITY, OK  
MONDAY NOV 9, 2020**

	THIS WEEK	LAST REPORTED 11/2/2020	LAST YEAR
<b>TOTAL RECEIPTS:</b>	<b>11,300</b>	<b>2,661</b>	<b>8,206</b>

**COMPARED TO LAST WEEK'S LIGHT TEST: FEEDER STEERS 5.00-8.00 HIGHER, FEEDER HEIFERS STEADY TO 5.00 HIGHER THAN LAST WEEK'S LIMITED OFFERINGS. STEER AND HEIFER CALVES 4.00-10.00 HIGHER. DEMAND GOOD FOR FEEDER CATTLE, ESPECIALLY HEAVIER WEIGHTS.**

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**CHARTS ARE ON MORNING REPORTS**

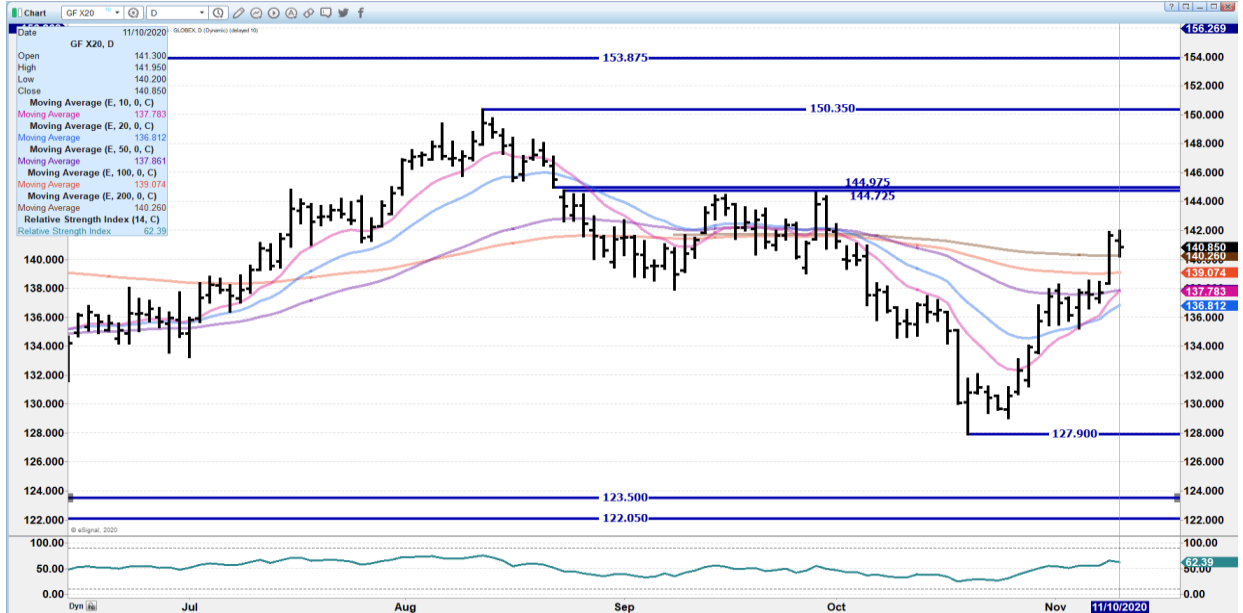
**JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – CHART USED TO SHOW BULL SPREADING POSITIVE TO FEEDERS**



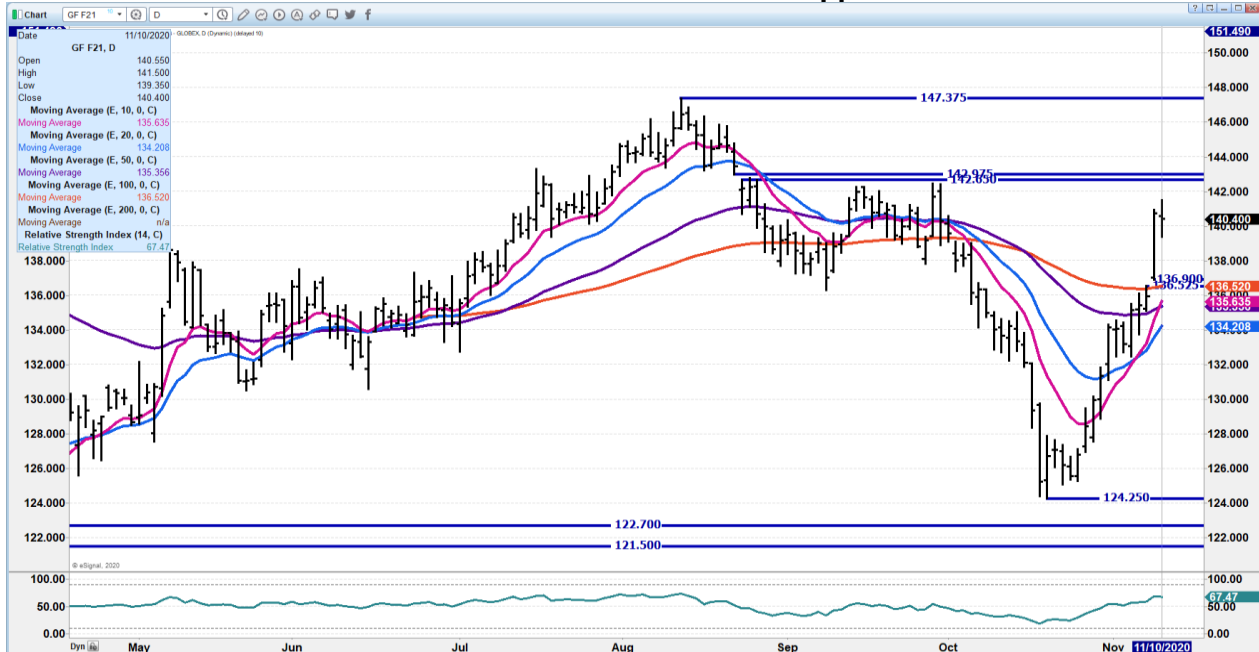
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**NOVEMBER 2020 FEEDER CATTLE - SUPPORT AT 140.25 TO 137.80 RESISTANCE AT 142.37 TO 144.87 RSI AT 62 IS NOT OVERBOUGHT**



**JANUARY 2021 FEEDER CATTLE – Resistance 142.97 Support at 136.25**



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**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>NOVEMBER 10, 2020</b>	<b>493,000</b>	
<b>WEEK AGO</b>	<b>493,000</b>	
<b>YEAR AGO</b>	<b>493,000</b>	
<b>WEEK TO DATE (EST)</b>		<b>986,000</b>
<b>SAME PERIOD LAST WEEK (EST)</b>		<b>986,000</b>
<b>SAME PERIOD LAST YEAR (ACT)</b>		<b>937,000</b>

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**CME CASH HOG INDEX 11/06/2020 AT 71.13 UP .01 FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 11/09/2020 AT 84.13 UP .31 FROM PREVIOUS DAY**

**CME CASH FRESH BACON INDEX ON 11/06/2020 WAS 158.37 COMPARED TO 10/30/2020 WAS 188.44**

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**STERLING PORK PROFIT TRACKER WEEK ENDING - NOVEMBER 6, 2020  
 PACKER MARGINS: \$37.12 LAST WEEK: \$42.16 MONTH AGO: \$51.24  
 FARROW TO FINISH MARGINS \$12.24 LAST WEEK, \$16.82 MONTH AGO \$23.72**

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**On good movement Tuesday, the pork cutout was down 2.71. Hams were off 11.20, Loins were down 1.88, bellies up 6.11. EARLY BUT SETTLED DOWN 98 CENTS. Butts and Picnics only primals higher. Hams settled about 6.50 below 5 day average. Hams need to be watched for direction off cutout unless for some reason loins can move up which isn't likely unless China comes back in buying carcasses.**

**Mexican Peso strong. Strength in Peso is positive to hams, and bellies. Mexico has been a big buyer this year. They could be at point where storage is full.**

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**It was about year ago China began to buy big in November and December , but it appears this year may be different. Several reports say they have 30% more pork than they did a year ago. They do have more in storage but look for a pick up in sales over next two months. Last year the Chinese New Year Festival began on January 24 and ended on**



January 30<sup>th</sup>. In 2021 the Winter Festival is about two weeks later and begins on February 11<sup>th</sup> and ends on February 17<sup>th</sup> so if needed they have two more weeks in 2021. Compared to a year ago, China is starting out with more pork in storage and a larger hog herd. A year ago, COVID 19 locked down most of China limiting travel and big celebrations but there were still celebrations. China now has strict policies in place and hasn't seen a winter breakout this year. Unlike a year ago China is checking loads of any commodity and exporters need to be aware if found, China will stop exports from plants where it has been found.

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Moving into December and 2021 look for fewer hogs. Unless packers have a lot of their own hidden and can bring them to kill, the problems of last spring and fewer sows bred will start to be more noticeable. However, global numbers are increasing and that is negative to US hogs.

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**Pork Cutout Futures and Options Fact Card**

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

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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 10, 2020**

**LOADS OF PORK CUTS: 368.83**

**LOADS TRIM/PROCESSED PORK: 44.86**

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/10/2020	413.69	82.98	74.66	82.17	68.71	131.23	84.21	106.53
CHANGE :		-2.71	-1.88	2.05	1.67	-0.23	-11.20	-0.98
Five Day Average --		84.30	75.11	79.89	64.18	130.17	90.81	109.25

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/06/2020	307.57	84.06	76.11	80.66	63.22	128.89	88.03	110.65



**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR NOVEMBER 9, 2020**

Average live weight - 284.98  
Average carcass - 213.05

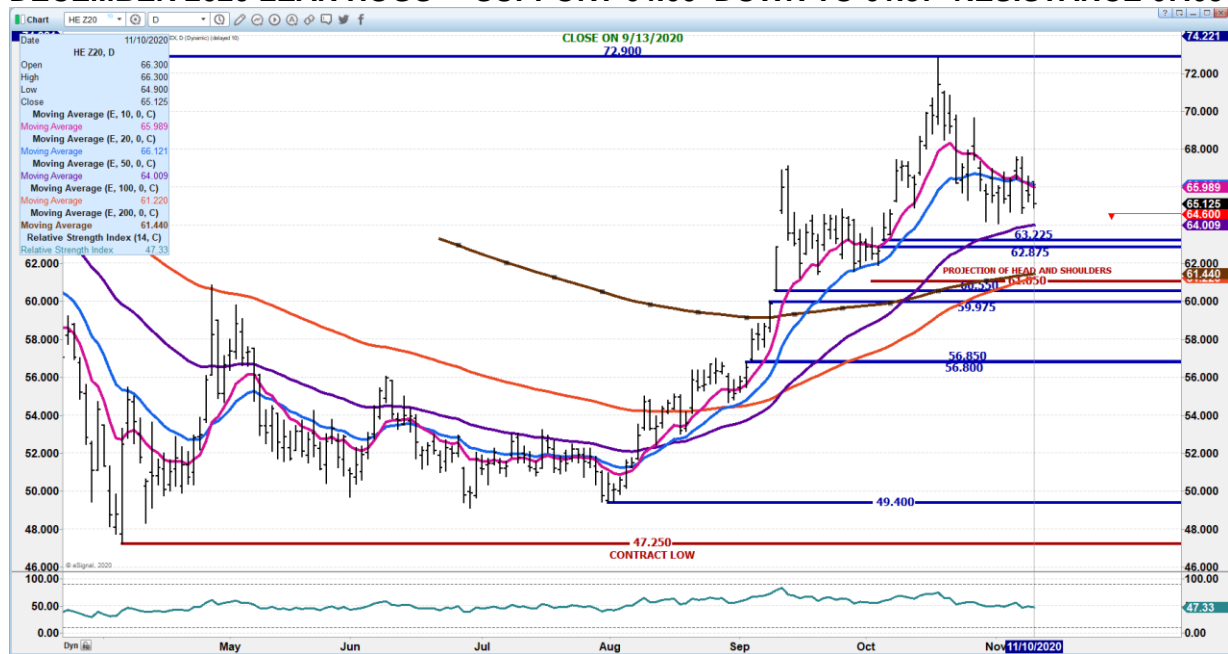
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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 09, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**  
Carcass Base Price: \$55.00 - \$61.00  
Weighted Average: \$60.34  
Change from Prior Day: 0.59 lower  
HOGS SOLD: 8,180

**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
PRICE RANGE: \$59.55 - \$81.41  
Weighted Average: \$70.42  
Previous Day: \$69.93  
HOGS SOLD: 151,441**

[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

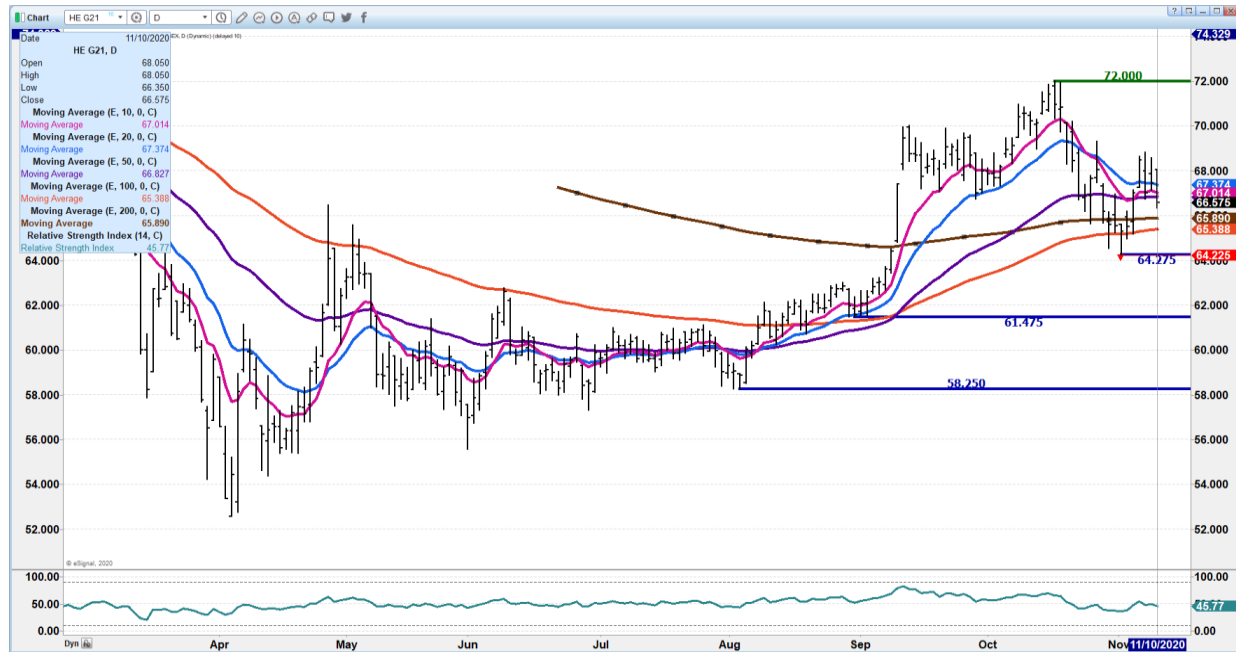
**DECEMBER 2020 LEAN HOGS – SUPPORT 64.60 DOWN TO 61.37 RESISTANCE 67.65**



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**FEBRUARY 2021 LEAN HOGS – SUPPORT 65.97 TO 65.37 RESISTANCE AT 68.47**



**APRIL 2021 LEAN HOGS – SUPPORT AT 69.45 RESISTANCE AT 72.32**

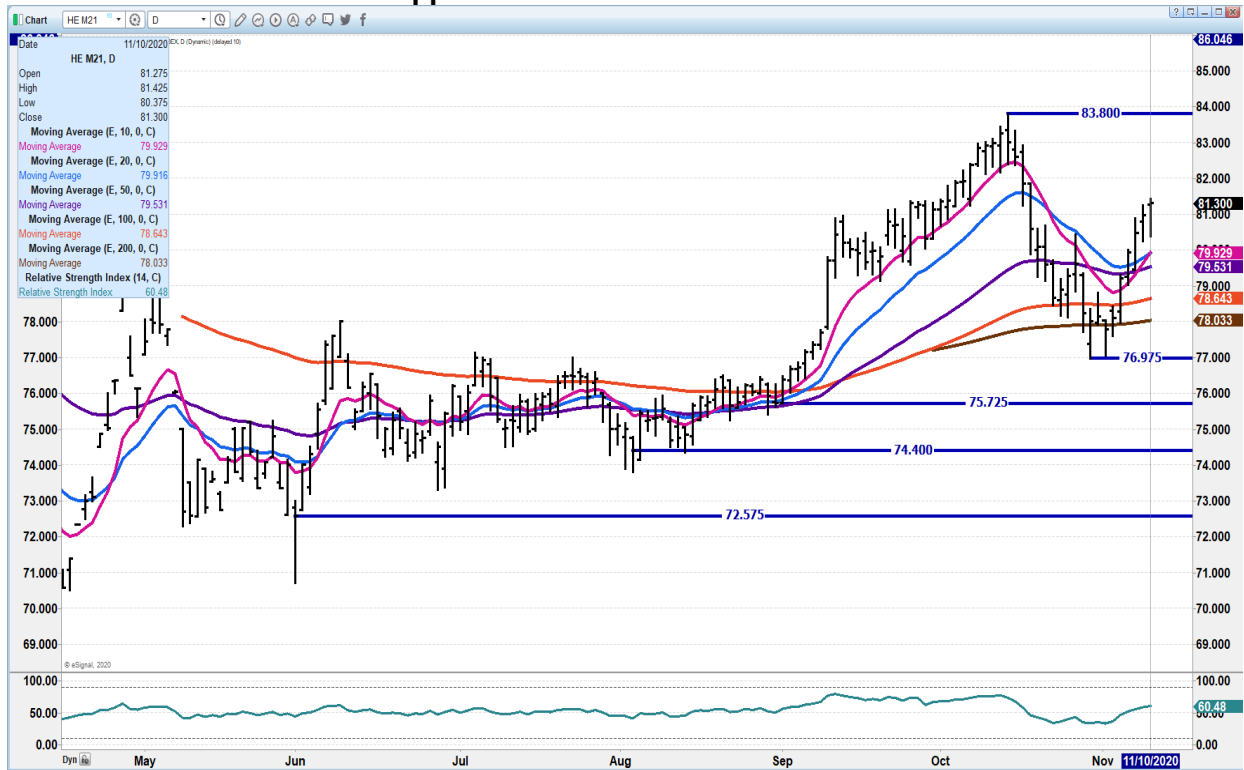


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**JUNE 2021 LEAN HOGS – Support at 79.87 to 78.65 Resistance at 81.87**



**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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