



MORNING December 2, 2020 Livestock Report

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 01, 2020	122,000
WEEK AGO	122,000
YEAR AGO	122,000
WEEK TO DATE (EST)	241,000
SAME PERIOD LAST WEEK (EST)	242,000
SAME PERIOD LAST YEAR (ACT)	241,000

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	CHOICE	SELECT
BOXED BEEF FINAL	243.40	223.08
CHANGE FROM PRIOR DAY	(0.28)	0.65
CHOICE/SELECT SPREAD:		20.32
TOTAL LOAD COUNT		130
5 DAY SIMPLE AVERAGE:	243.50	220.24

NOVEMBER 27,2020	CHOICE	SELECT
BOXED BEEF FINAL	242.85	220.68

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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 DECEMBER 01, 2020

Primal Rib	512.07	401.73
Primal Chuck	198.70	196.37
Primal Round	192.64	194.46
Primal Loin	292.55	256.95
Primal Brisket	156.69	157.02
Primal Short Plate	135.66	135.66
Primal Flank	107.02	110.04



LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
11/30	53	12	12	7	84	243.68	222.43
11/27	30	7	8	7	51	242.85	220.68
11/25	76	19	8	14	116	245.06	220.90
11/24	97	21	12	32	161	244.30	219.71
11/23	71	25	10	16	122	241.60	217.48

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	78.38 loads	3,135,160 pounds
Select Cuts	13.47 loads	538,919 pounds
Trimblings	11.28 loads	451,379 pounds
Ground Beef	26.98 loads	1,079,331 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)

DECEMBER 2020 USDA LIVESTOCK REPORTS

USDA CATTLE ON FEED – FRIDAY DECEMBER 18, 2020 2:00PM CENTRAL TIME
USDA COLD STORAGE – TUESDAY DECEMBER 22, 2020 2:00PM CENTRAL TIME
USDA QUARTERLY HOGS AND PIGS– WEDNESDAY DECEMBER 23, 2020 2:00PM CENTRAL TIME

USDA POSTED CATTLE PRICES ON 12/01/2020

IA/MN – CASH - 107.00 110.00 415 HEAD AVERAGE 1,645 Dressed.- 172.00 – 328 HEAD DRESSED 1003.6 POUNDS
NE - CASH – 110.00 AVERAGE WEIGHT 1489.6 – No Reportable Trade
KS – CASH No Reportable Trade
TX/OK/NM – No Reportable Trade
CO – Information not available due to confidentiality



*****National Daily Direct Cattle 12/01/2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1484	\$110.24	32,932
Live Heifer:	1325	\$110.48	21,080
Dressed Steer:	967	\$173.43	10,549
Dressed Heifer:	878	\$173.57	6,319

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Live Cattle and Feeders moved up Tuesday.. With Boxed beef coming off last Friday's lows and turning higher Monday, sellers couldn't justify pushing futures lower. Demand for feeders is showing why feeder Cattle have been bull spread. *Demand for beef is moving high priced cuts and products from trimmings to ground beef.*

At plus \$500/head packer profits, it is a sufficient reason why cash and futures should trade higher. Going forward it is necessary to watch the driving force behind the boxed beef market, Choice primal rib sections. Retailers are advertising rib roasts for December holidays. It is probable the demand for rib sections will slow by mid December or possibly could last until the end of the year.

The US is competing or better said trying to compete with Brazil and Argentina and now recently with the new world trade agreements with Australia and New Zealand. Last week's exports were pitiful and need to reverse if they can after losing market share with trade wars and expansion of cattle feeding in Mexico.

There was some decent trading on December 2020 puts Monday likely selling puts \$110 puts and buying puts below \$110. Future spreading was fairly in active.

This week, traders will be waiting for Thursday's export report to see how exports did last week. With last week's net sales reductions in 2020 of 15,500 metric tonnes and reductions in 2021 of 1,500 metric tonnes, it doesn't bide well

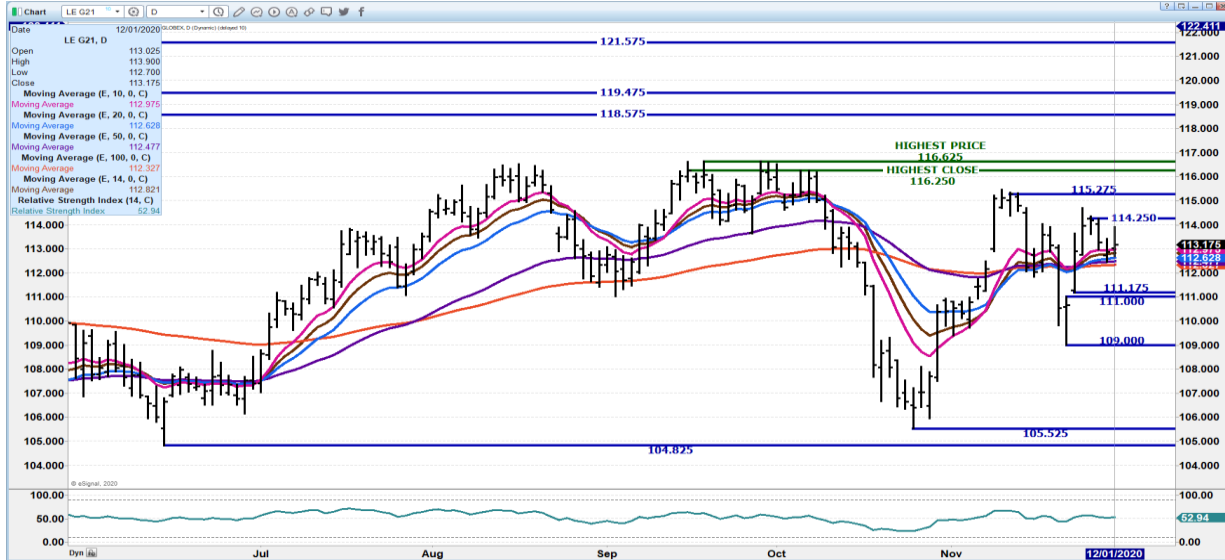
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As of November 24, 2020, dressed steer and heifer weights were 898.5 compared to previous week at 896.7 up 1.8 pounds from week ago and 22 pounds over a year ago compared to a week ago up 24 pounds. Grading percent was 82.2%, down compared to previous week at 81.6%. **CATTLE WEIGHTS AREN'T GOING DOWN.**

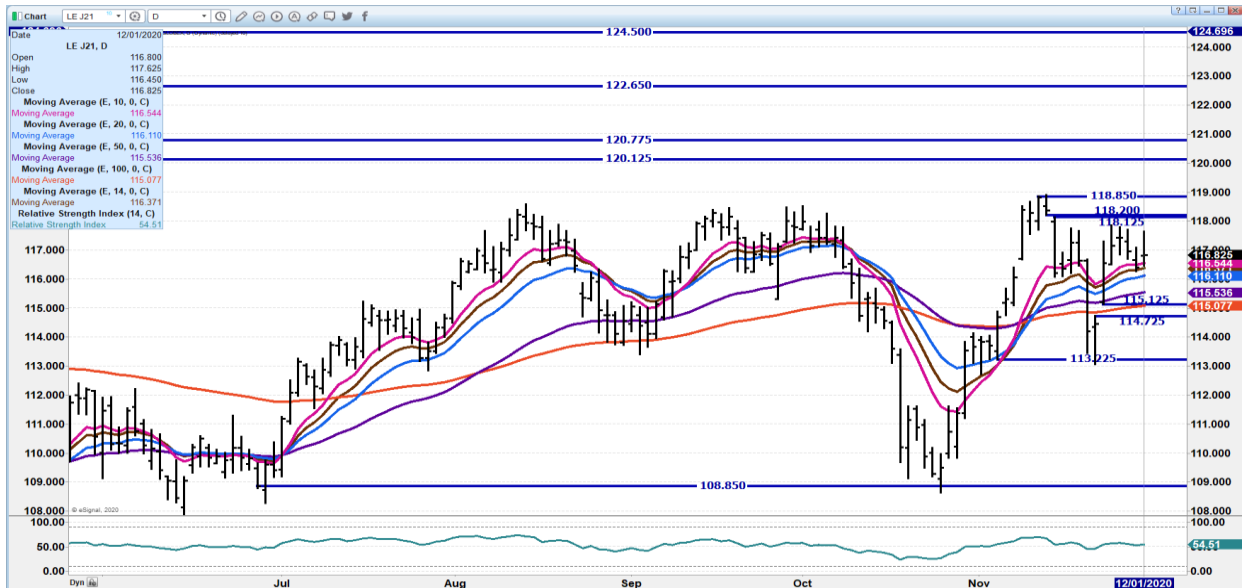
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FEBRUARY 2021 LIVE CATTLE – Moderate volume Tuesday at 22253 contracts. Support at 112.80 to 112.37 Resistance at 114.25 to 115.27



APRIL 2021 LIVE CATTLE - Resistance gap up to 118.20 up to 118.87 Support at 116.50 to 115.07





Feeder Cattle

THE CME FEEDER INDEX ON 11/30/2020 WAS 140.30 UP \$1.41 FROM PREVIOUS DAY -

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 01, 2020 AT \$141.65

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**OKLAHOMA NATIONAL STOCKYARDS FEEDER CATTLE - OKLAHOMA CITY, OK
11/30/2020**

	THIS WEEK	LAST REPORTED 11/23/2020	LAST YEAR
TOTAL RECEIPTS:	10,159	10,094	7,998

COMPARED TO LAST WEEK: FEEDER CATTLE SOLD STEADY. STEER AND HEIFER CALVES 3.00-6.00 HIGHER. DEMAND MODERATE TO GOOD. QUALITY MOSTLY AVERAGE, FEW ATTRACTIVE.

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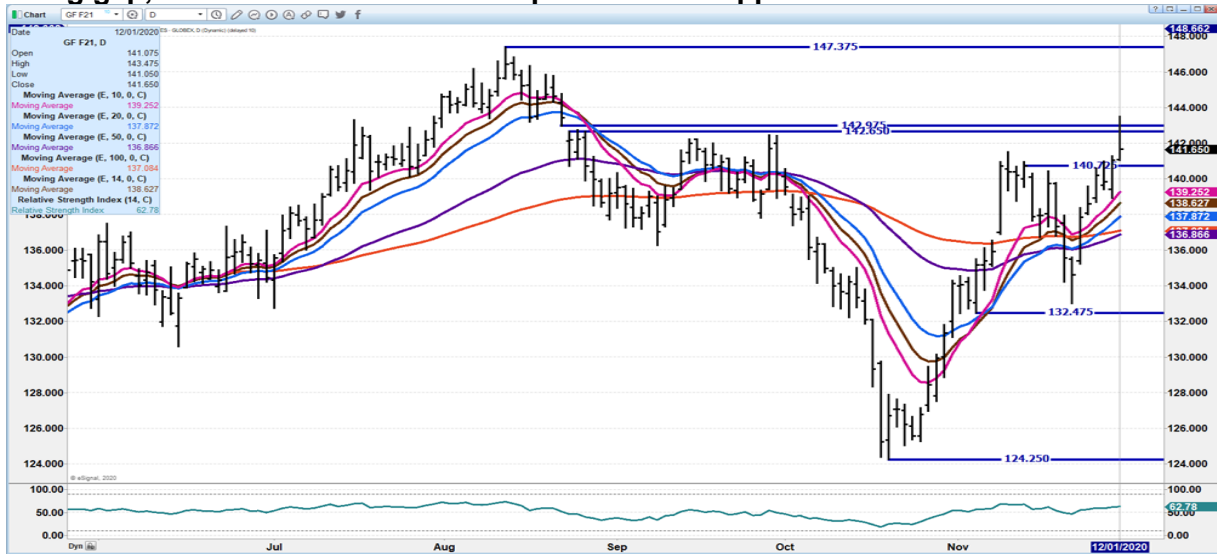
FEEDLOTS PRODUCING GRAIN AND FEEDING CATTLE ARE HESITANT TO REPLACE FEEDER CATTLE BUT FEEDLOTS THAT HAVE YEARLY AND MULTIPLE YEAR CONTRACTS DON'T HAVE A CHOICE. WHEN CATTLE GO TO SLAUGHTER, FEEDLOTS HAVE TO REFILL PENS AND WITH MAJORITY OF CATTLE KILLED IN THE US THAT ARE SOLD WITH FORMULA AND GRID CONTRACTS, THEY NEED FEEDER CATTLE WHEN FED CATTLE ARE MOVED TO KILL. IT IS ALSO MORE THAN LIKELY THESE FEEDLOTS HAVE GRAIN HEDGED.

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JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SPREAD DURING THE DAY MOVED TO TRENDLINE RESISTANCE AND PROFIT TAKING. SPREAD IS NARROW AND BULLISH

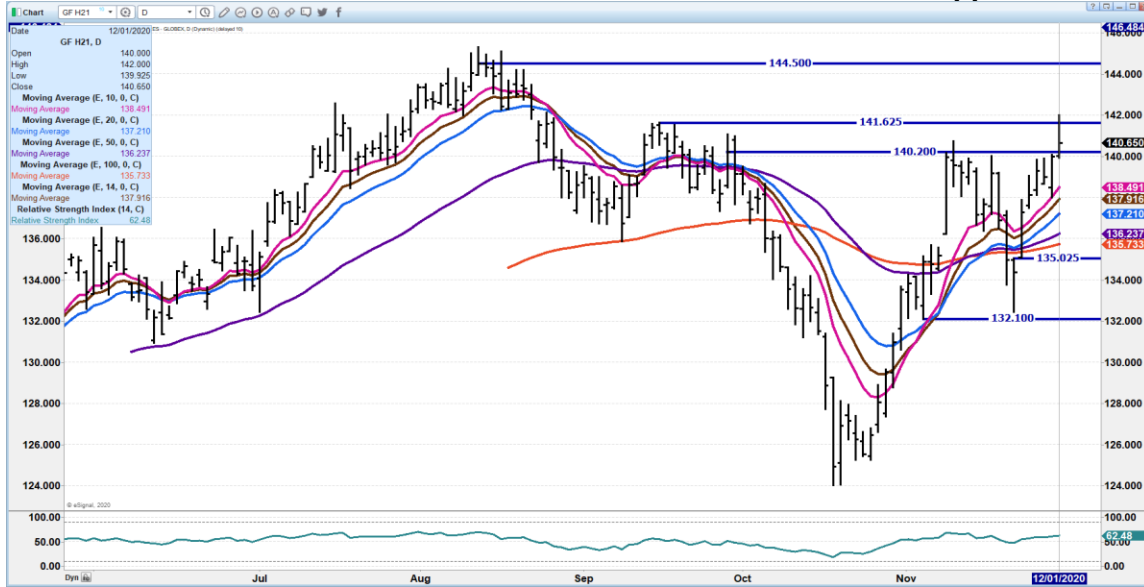


JANUARY 2021 FEEDER CATTLE – Moved to August high and had profit taking after filling gap, now resistance at 142.97 up to 146.42 Support at 139.37





MARCH 2021 FEEDER CATTLE – Resistance is 141.87 to 144.50 Support at 138.50



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 01, 2020	493,000	
WEEK AGO	497,000	
YEAR AGO	496,000	
WEEK TO DATE (EST)	990,000	
SAME PERIOD LAST WEEK (EST)	994,000	
SAME PERIOD LAST YEAR (ACT)	992,000	

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CME CASH HOG INDEX 11/25/2020 AT 67.15 DOWN .23 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 11/27/2020 AT 78.19 UP 1 CENT FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 11/27/2020 WAS 123.40 COMPARED TO 11/20/2020 WAS 126.49

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On good movement the pork carcass cutout was down \$3.01 . Load moved was 438 loads. Loins, Hams, Bellies. ribs and butts were all lower with Hams down \$8.54. Bellies are about \$40 lower than the early Monday sales. Hams, loins, butts and bellies make up 81% of the cutout so a loss on the carcass is significant. Picnics are 11% of cutout. Feet, jowl and trimmings make up the difference.

2020 year to date hog slaughter is close to 1% above 2019. Packers seem to have worked out problems when employees are sick with extra employees trained to work several stations in the plant. Packers have increased the nursing staff in plants and processing facilities. Clinics are on site to work with employees when ill. More robotics are used. Some packers are testing for COVID 19 and some are temperature testing when employees come to work and spot testing throughout the day. Break time and when employees take time to eat have scheduled to allow more social distancing.

Packers and unions are pushing for employees to be near the top of the list when vaccinations become readily available because employees were not only considered “essential” workers but are working under the Defense Protection Act.

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Packers are shoving hogs through the line and before long could be back to 500,000 head per day. The CME Hog and Pork Index have been losing day after day. Into 2021 as global hog numbers increase, US hogs are vulnerable if exports drop. If China increases hog herd levels predicted in 2021, the price of feed is also going to be a cost hog producers will need to absorb along with lower prices. 2021 will see more producers move from selling on cash markets to selling formula packer contracts, or leasing facilities to outright selling fewer hogs.

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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

DECEMBER 01, 2020 LOADS OF PORK CUTS: 380.07

LOADS TRIM/PROCESSED PORK: 57.97

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/01/2020	438.04	77.08	72.15	73.89	66.16	132.75	73.83	97.28
CHANGE :		-3.01	-1.60	-3.00	1.57	-0.24	-8.54	-1.96
Five Day Average --		78.61	73.07	76.99	68.63	134.11	78.02	94.82



FINAL PREVIOUS WEEK'S CLOSE

Date	Loas	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/27/2020	214.07	79.96	73.48	79.26	74.21	135.21	82.43	90.69

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**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
SLAUGHTER DATA FOR NOVEMBER 30, 2020**

Average live weight - 288.42
Average carcass - 215.93

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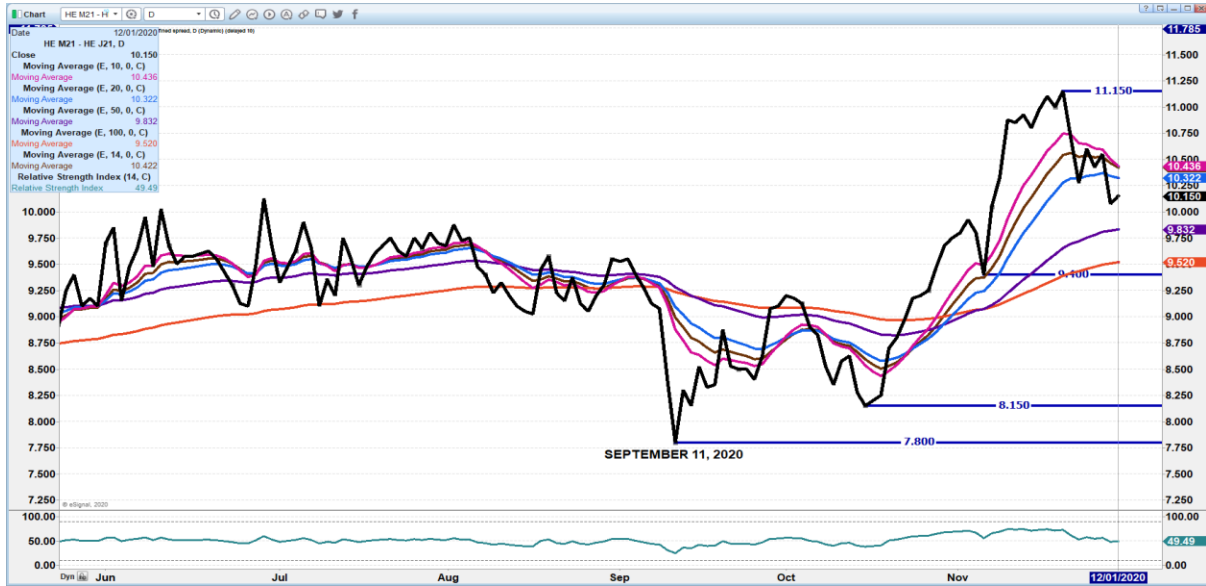
**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM November 30, 2020
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$48.00 - \$58.50
Weighted Average: \$56.67
Change from Prior Day: unchanged
HOGS SOLD: 13,139

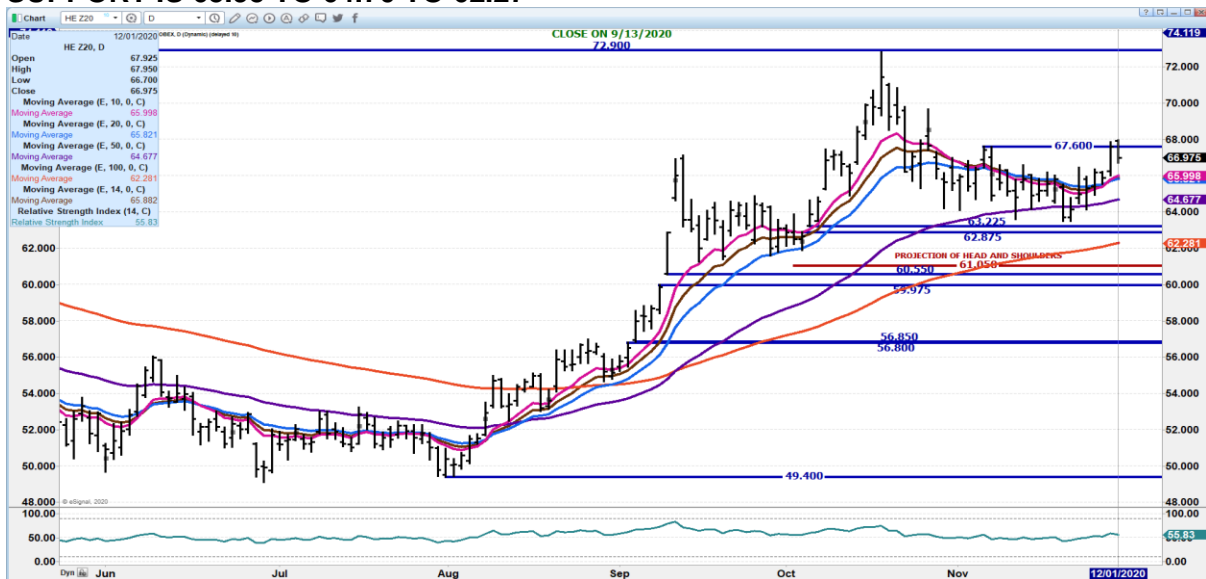
**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)
PRICE RANGE: \$56.39 - \$76.08
Weighted Average: \$65.48
Previous Day: \$66.21
HOGS SOLD: 137,980**

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

JUNE/APRIL LEAN HOG SPREAD – SPREAD AROUND \$10.00 IS NORMAL BUT WITH INCREASING GLOBAL HOGS ESPECIALLY IN CHINA BY SUMMER, LACK OF WINTER FARROWINGS IS GOING AWAY. SPREAD IS SIGNIFICANT THIS YEAR.



DECEMBER 2020 LEAN HOGS – GAPPED OPEN AND REVERSED. RESISTANCE IS 67.95 SUPPORT IS 65.95 TO 64.70 TO 62.27

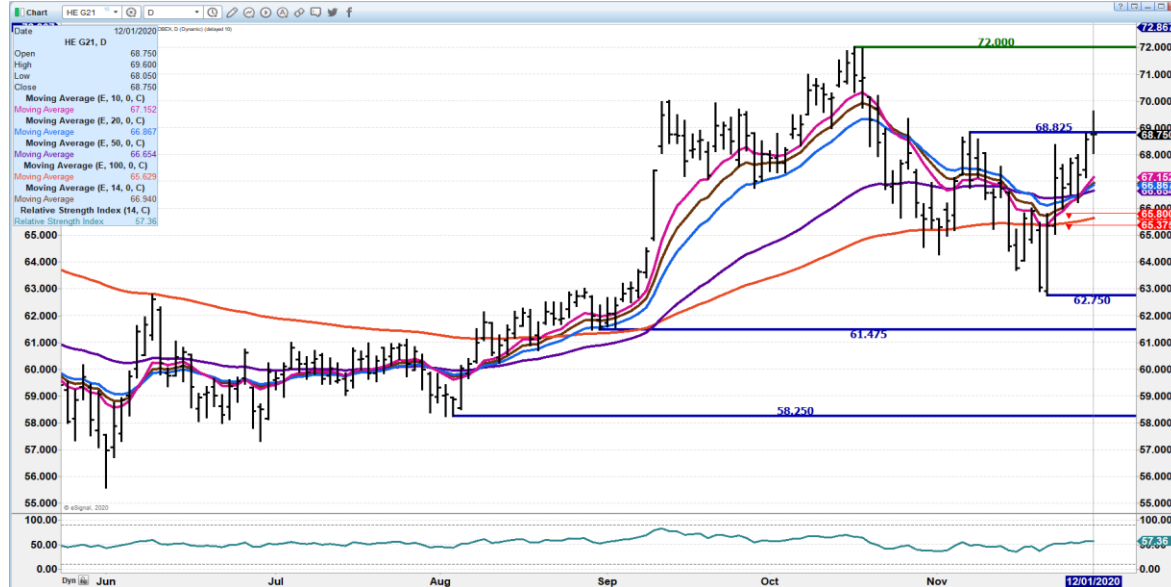


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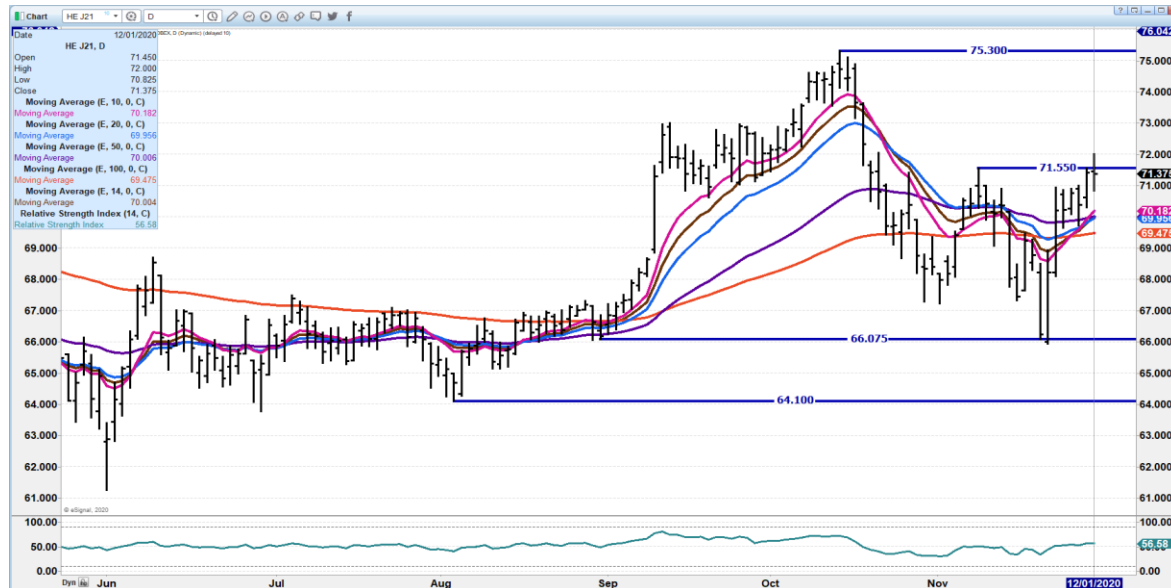
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FEBRUARY 2021 LEAN HOGS – VOLUME 16,346 RESISTANCE IS 69.60 SUPPORT AT 67.10 TO 65.37



APRIL 2021 LEAN HOGS – RESISTANCE IS 72.37 SUPPORT AT 70.15 TO 69.47

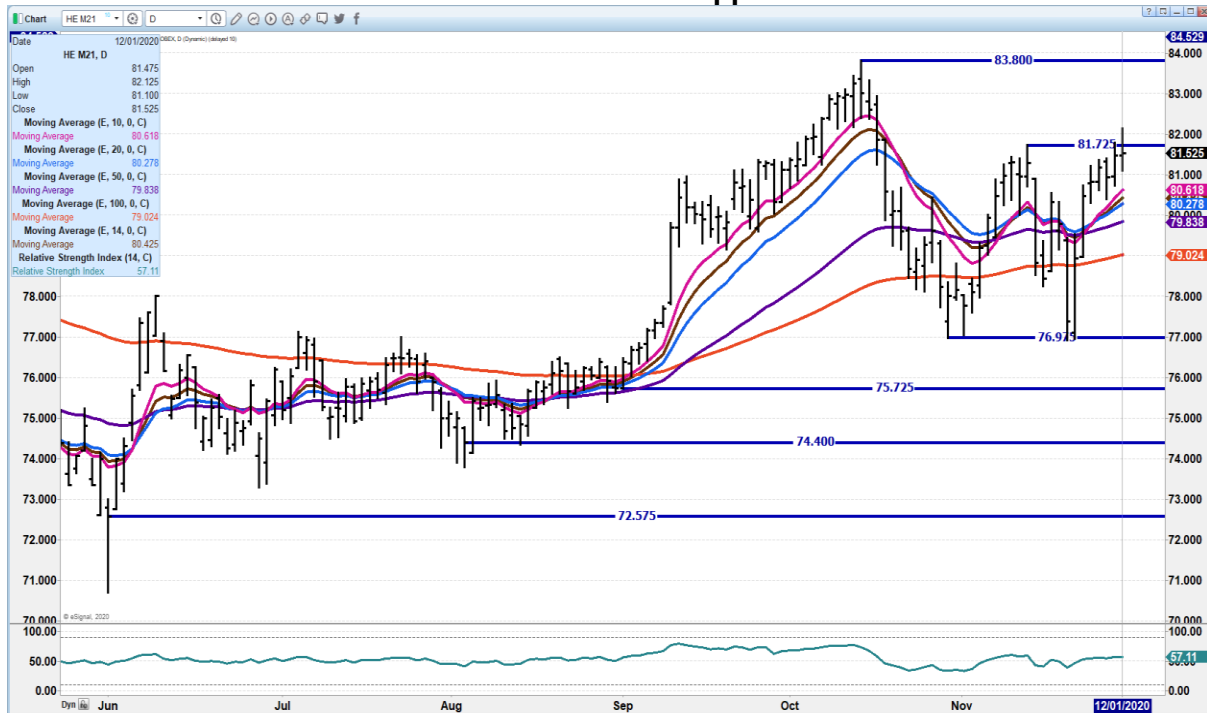




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JUNE 2021 LEAN HOGS – Resistance is 81.85 Support at 80.37 to 79.00



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