



## FRIDAY MORNING DECEMBER 18, 2020 LIVESTOCK REPORT

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 17, 2020	116,000
WEEK AGO	120,000
YEAR AGO	122,000
WEEK TO DATE (EST)	473,000
SAME PERIOD LAST WEEK (EST)	474,000
SAME PERIOD LAST YEAR (ACT)	489,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	209.51	193.70
CHANGE FROM PRIOR DAY	2.29	1.61
CHOICE/SELECT SPREAD:		15.81
TOTAL LOAD COUNT		103
5 DAY SIMPLE AVERAGE:	210.84	194.15

<b>PREVIOUS WEEK 12/11/2020</b>	<b>CHOICE</b>	<b>SELECT</b>
<b>BOXED BEEF FINAL PRICE</b>	<b>213.88</b>	<b>195.71</b>

#### RECENT CHOICE HIGH - NOVEMBER 25, 2020

	<b>245.06</b>	<b>220.90</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 DECEMBER 17, 2020

Primal Rib	423.23	330.60
Primal Chuck	166.16	163.88
Primal Round	174.58	173.08
Primal Loin	257.11	237.69
Primal Brisket	151.22	150.15
Primal Short Plate	110.93	110.93
Primal Flank	91.27	89.39



**FINAL DECEMBER 16, 2020**

Primal Rib	420.59	333.72
Primal Chuck	163.39	163.21
Primal Round	171.80	169.42
Primal Loin	255.95	234.10
Primal Brisket	147.17	149.18
Primal Short Plate	108.29	108.29
Primal Flank	93.76	90.94

**PREVIOUS WEEK'S CLOSE**

**FINAL DECEMBER 11, 2020**

Primal Rib	467.69	355.16
Primal Chuck	166.03	166.33
Primal Round	169.17	167.95
Primal Loin	259.97	233.61
Primal Brisket	145.89	152.80
Primal Short Plate	113.97	113.97
Primal Flank	90.72	93.91

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**LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS**

Date						CHOICE	SELECT
	Choice	Select	Trim	Grinds	Total	600-900	600-900
12/16	84	26	3	31	143	207.22	192.09
12/15	97	37	10	30	174	208.82	192.20
12/14	127	21	15	14	177	209.69	192.30
12/11	65	26	21	19	131	213.88	195.71
12/10	98	27	27	33	185	214.59	198.47

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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	63.83 loads	2,553,003 pounds
Select Cuts	18.19 loads	727,633 pounds
Trimming	7.31 loads	292,426 pounds





Live Steer:	1526	\$105.01	13,110
Live Heifer:	1386	\$105.29	5,924
Dressed Steer:	993	\$165.57	9,663
Dressed Heifer:	871	\$166.07	3,951

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**Estimates for December USDA Cattle-On-Feed Report**

**2:00PM CENTRAL US TIME FRIDAY DECEMBER 18, 2020**

	Average of estimates	Range of estimates
On-feed Dec 1	100.0	99.1- 100.8
Placed in Nov	91.5	85.5- 95.2
Marketed in Nov	98.1	97.6- 102.3

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**Kills for both cattle and hogs are slipping lower. From North Dakota to Texas these states have some of the biggest outbreaks of COVID 19. Canada that has had nowhere near the outbreak of the US had a cattle packer close. US packers have brought plants back to where they were before they shut down or slowed chains last spring, but with the surge in COVID 19, as I have been told when as many people are getting sick as they are now, workers can't come to work. The firing of 7 managers in Iowa isn't helping the situation. Betting on how many workers will become ill and die, federal, state and local governments are looking at packing industry.**

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**Cargill to close Canadian beef plant after coronavirus outbreak**

<https://uk.reuters.com/article/us-health-coronavirus-carg-idUKKBN28R37X>

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**Over the past two weeks it is unusual to see boxed beef prices higher. However, don't too excited. Thursday movement was a paltry 103 loads. At some point beef should catch and at very least move sideways. Since beef topped on 11/25/2020 Choice beef has dumped close to \$38.00. As noted when market was beginning to reverse and possibly now, watch 5 day moving average. It is a good indicator for reversals when current Choice beef moves over or under 5 day average. To move higher, current beef should be over 5 day. I usually give it at least two days. US Dollar is cheap, hopefully will attract**



some buying. So far, beef exports are dismal. Need at least consistent week exports over 25,000 metric tonnes.

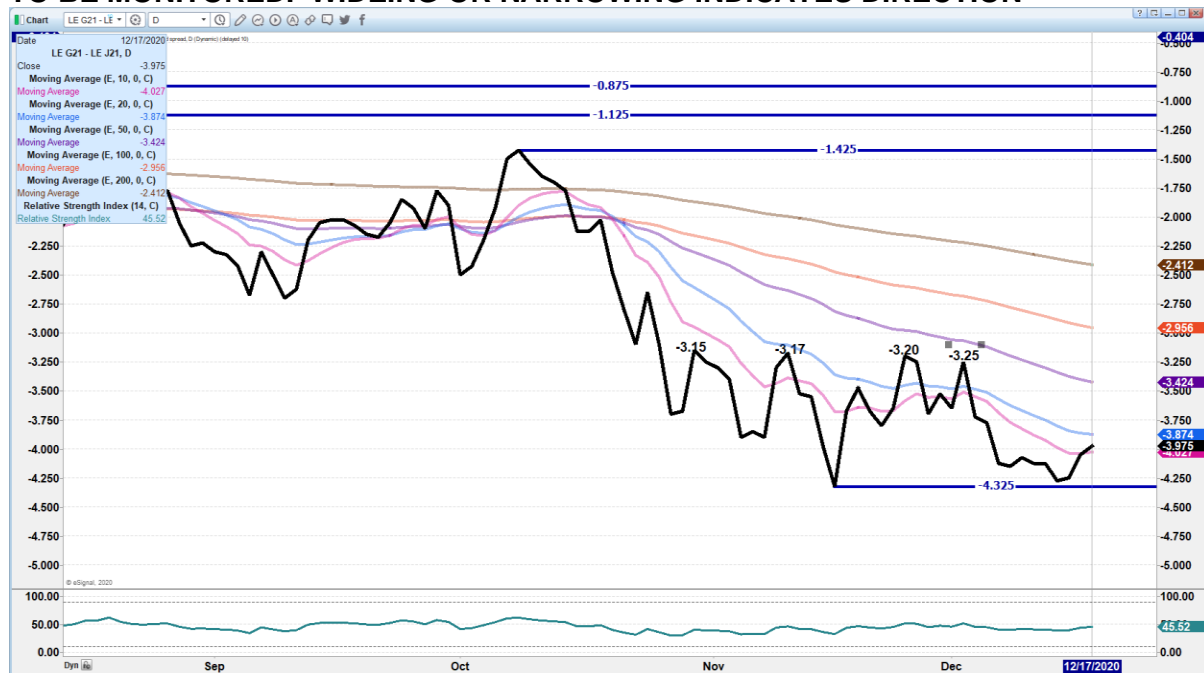
Live Cattle futures are being spread. For 75% of Wednesday's trade, February cattle and hog volume were almost identical. Volume is light. Traders in 2021 Feb and April don't understand how Feb and April can rally when boxed beef has been falling. For spreaders trade differentials and not price. A formula driven trade has no idea about fundamentals. 2021 live cattle are in a market time when trade volume is light, spreaders dominate market and as far as fundamentals, traders believe the Cattle On Feed Report should be bullish for cattle.

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*As of December 8, 2020, dressed steer and heifer weights were 894.2 compared to previous week at 896.5 down 2.3 pounds from week ago and the same as last week, 21 pounds over a year ago. Grading percent was 81.9%, down compared to previous week at 81.9 %.*

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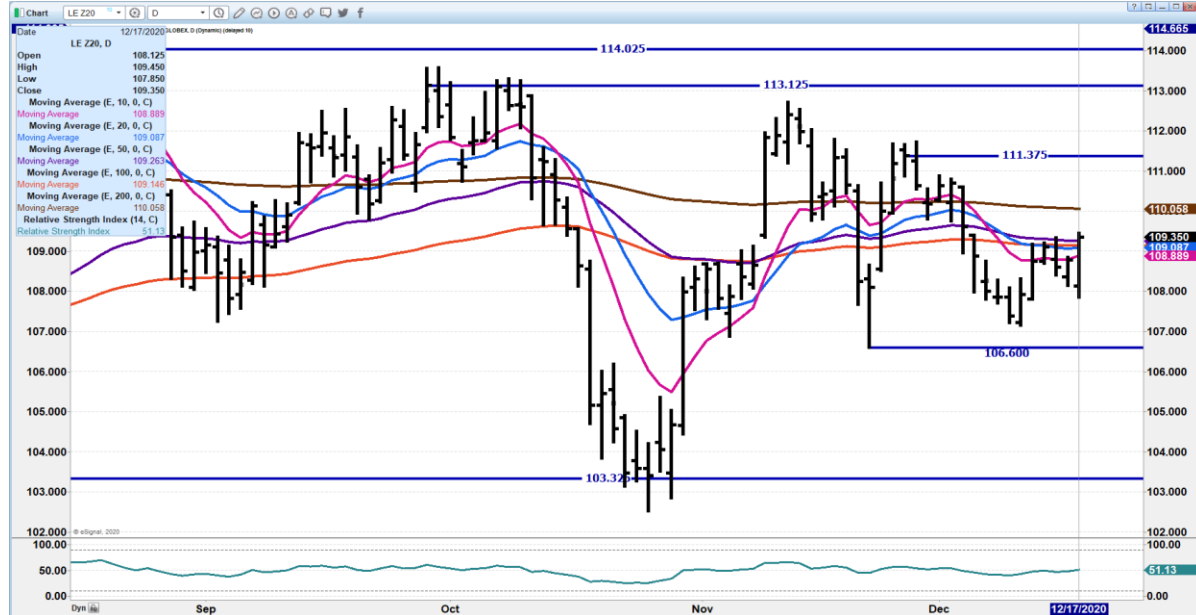
**FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - SPREAD NEEDS TO BE MONITORED. WIDENING OR NARROWING INDICATES DIRECTION**



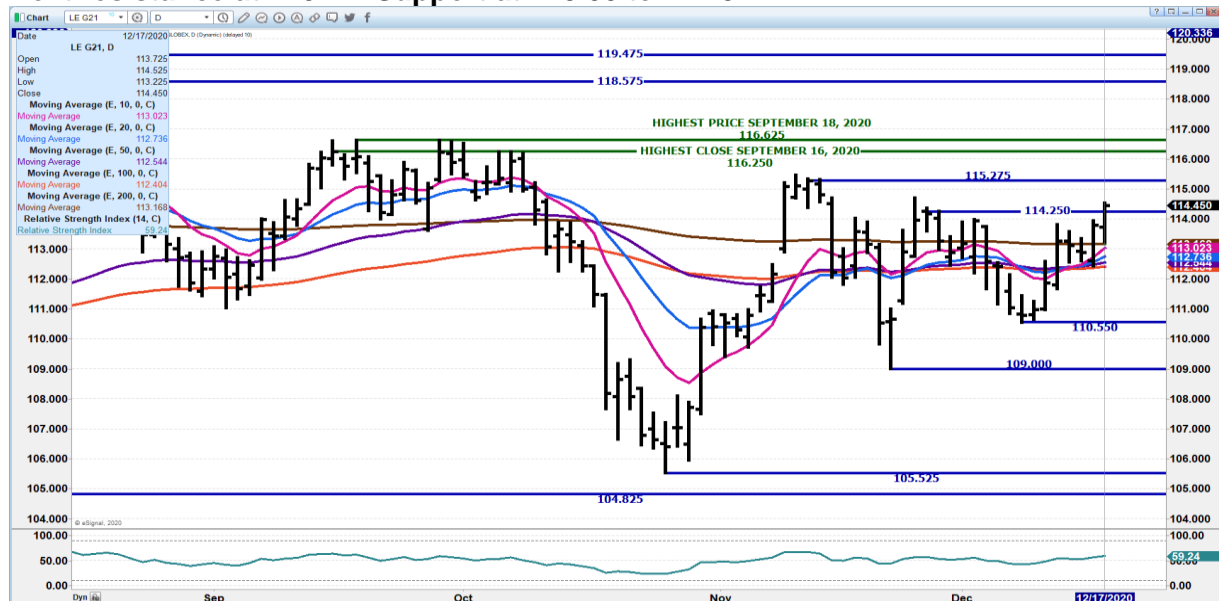




**DECEMBER 2020 LIVE CATTLE - RESISTANCE AT 110.07 SUPPORT AT 107.30**



**FEBRUARY 2021 LIVE CATTLE – Volume 19,796 Closed above resistance at 144.25  
Next resistance at 115.27 Support at 113.00 to 112.37**

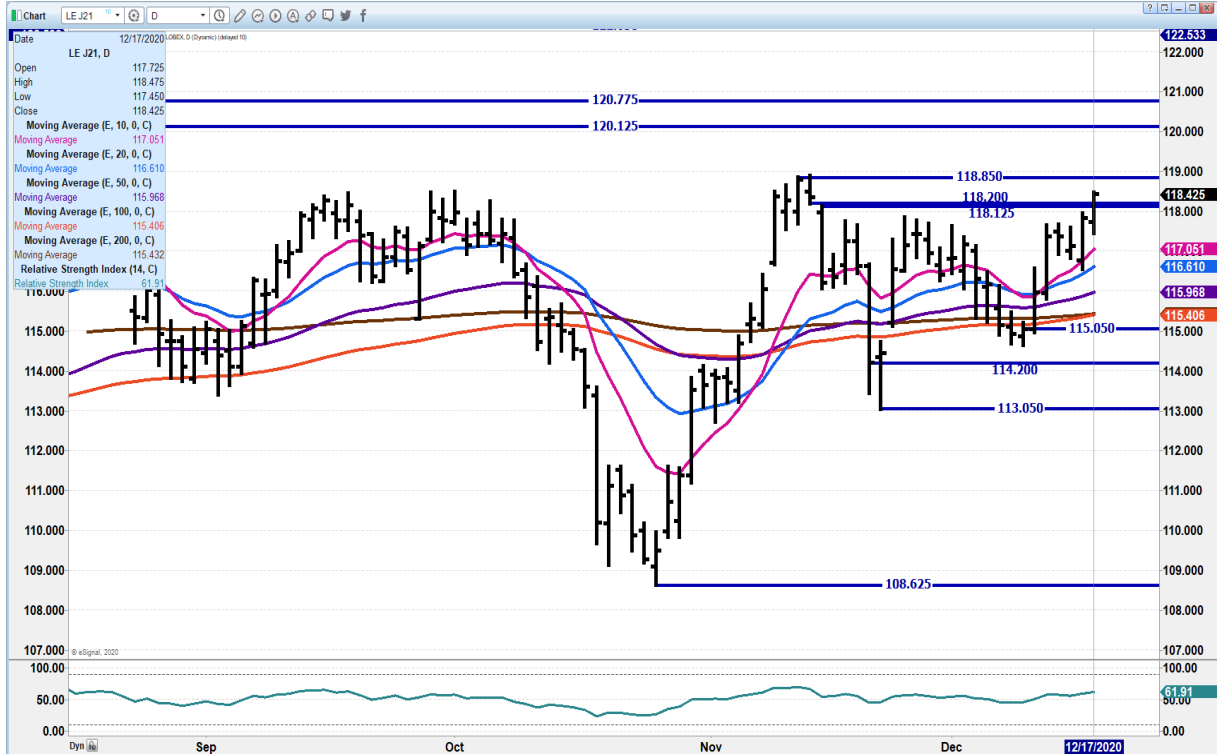


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**APRIL 2021 LIVE CATTLE = RESISTANCE AT 118.85 SUPPORT AT 117.05 TO 115.37**



**Feeder Cattle**

**THE CME FEEDER INDEX ON 12/16/2020 WAS 137.19 UP 55 CENTS FROM PREVIOUS DAY**

**JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 17, 2020 AT \$140.97**

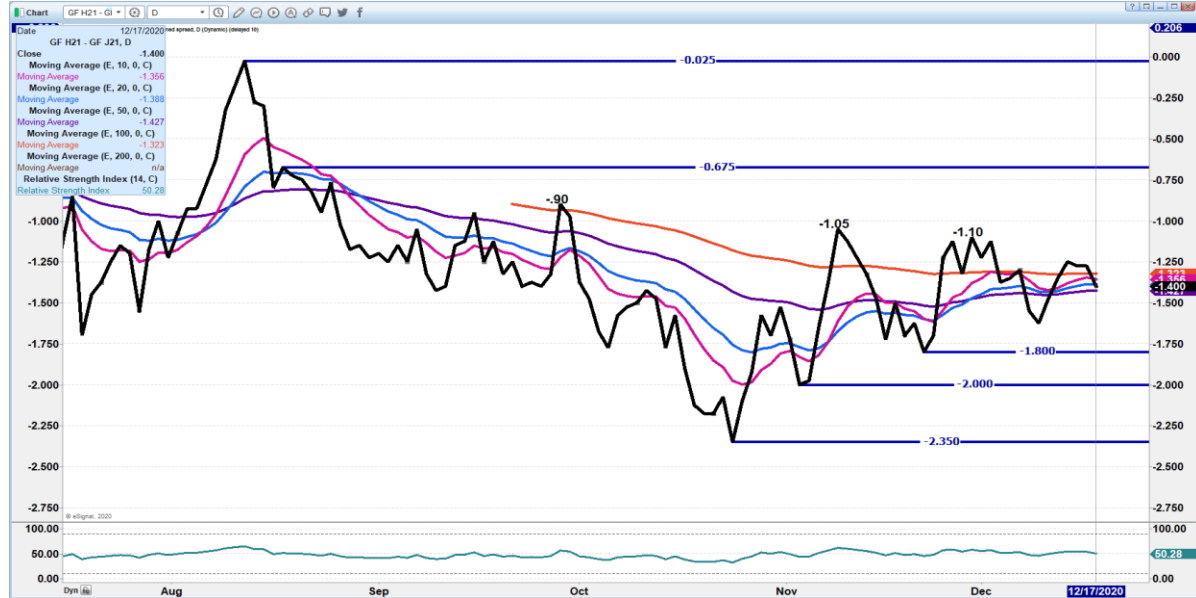
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**FEEDER FUTURE VOLUME IS LIGHT. SPREADERS CONTROL FUTURES ESPECIALLY NOW WHEN JANUARY IS NOT IN THE SPOT TIME PERIOD.**

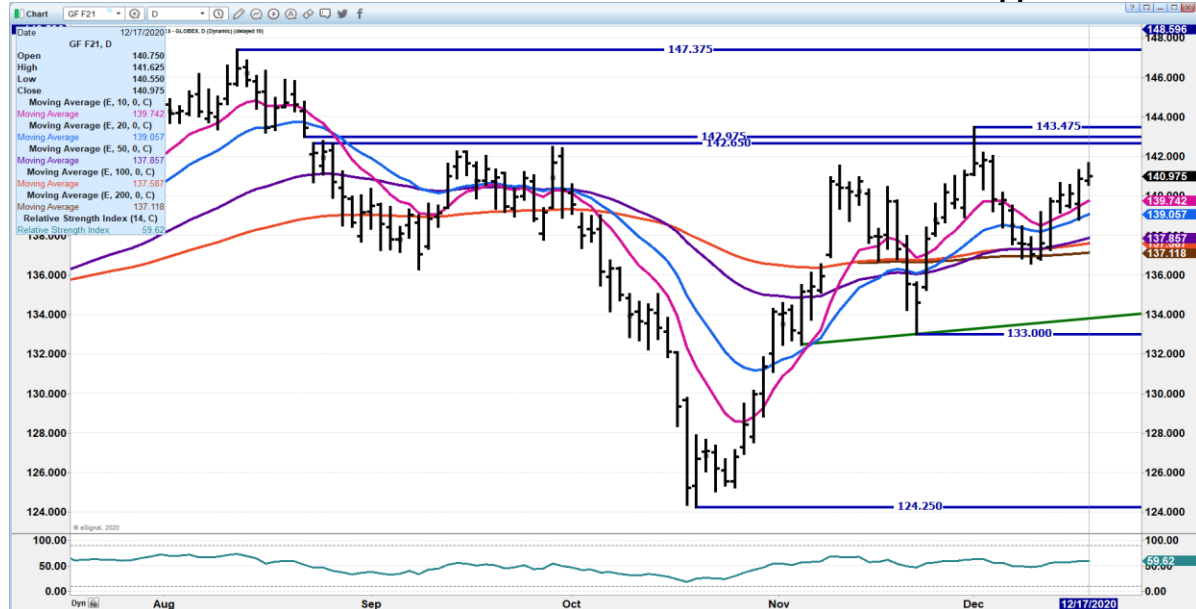
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**MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD – SPREAD FAIRLY TIGHT.**



**JANUARY 2021 FEEDER CATTLE – Resistance at 142.97 to 143.47 Support at 138.75**



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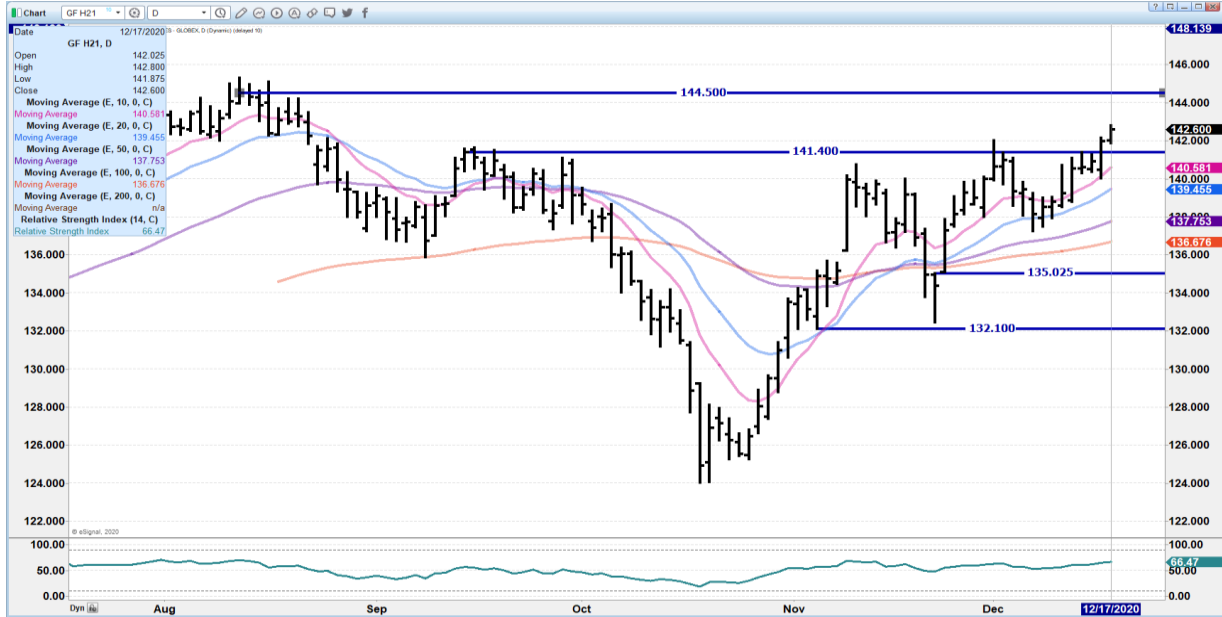




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**MARCH 2021 FEEDER CATTLE – Strong close Next resistance at 144.50 Support at 140.50 to 136.67**



**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>DECEMBER 17, 2020</b>	<b>475,000</b>	
<b>WEEK AGO</b>	<b>495,000</b>	
<b>YEAR AGO</b>	<b>496,000</b>	
<b>WEEK TO DATE (EST)</b>	<b>1,939,000</b>	
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>1,972,000</b>	
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>1,983,000</b>	

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**CME CASH HOG INDEX 12/15/2020 AT 65.05 DOWN 1CENTS FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 12/16/2020 AT 76.81 DOWN 46 CENTS FROM PREVIOUS DAY**

**CME CASH FRESH BACON INDEX ON 12/11/2020 WAS 121.99 COMPARED TO 12/04/2020 WAS 126.66**

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Hams are below 5 day moving average and broke \$80. Loins and hams are nearing the same price. Both are bargain basement cheap.

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Watching individual pork primal cuts day to day will give false/ positive indicators. Trade the 5 day average and compare to previous week's change. If you give too much credence to individual cuts from one day to the next, it is like being on a teeter totter.

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It is time when February is lead month but not spot month and anything can happen. During this time, specs often move markets with disregard to cash markets. February goes off the board around 60 days from now and it allows specs to do just about anything they want.

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*Pork is moving and for the year export sales are up due to China buying. But most of China's buying was in the first quarter of the year. For the 1<sup>st</sup> t quarter of 2020 China increased pork sales by 575% compared to 1<sup>st</sup> quarter of 2019. By the end of the 2<sup>nd</sup> quarter Chinese exports for 6 months were 377% and 3<sup>rd</sup> quarter or 9 months at 188% with October at 162%. China is definitely up on the year but throughout the year they have been steadily importing less and less.*

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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 17, 2020**

**LOADS OF PORK CUTS: 292.85**

**LOADS TRIM/PROCESSED PORK: 31.35**

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/17/2020	324.20	73.22	73.45	72.69	60.88	134.38	65.80	88.32
Change		-1.64	5.21	0.80	2.57	1.43	-15.03	2.13
Five Day Average --		75.79	70.68	70.70	60.32	132.95	80.36	88.47

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
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12/16/2020	284.76	74.86	68.24	71.89	58.31	132.95	80.83	86.19
Change		0.72	-1.86	1.18	-1.39	-2.35	6.91	-2.46
Five Day Average --		76.83	69.89	69.76	60.90	132.19	85.58	88.33

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loas	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/11/2020	407.09	79.71	72.48	69.23	60.77	131.53	92.53	92.36

**NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
SLAUGHTER DATA FOR DECEMBER 16, 2020**

Average live weight - 286.77  
Average carcass - 214.71

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 17, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$46.00 - \$54.00  
Weighted Average: **\$52.07**  
Change from Prior Day: 0.94 lower  
HOGS SOLD 6,985

**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**

PRICE RANGE: \$52.46 - \$71.11  
Weighted Average: \$62.61  
Previous Day: **\$63.53**  
HOGS SOLD: 171,582

**PREVIOUS WEEK**

**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 11, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

Carcass Base Price: \$48.00 - \$56.00  
Weighted Average: **\$53.44**  
Change from Prior Day: 0.77 lower  
HOGS SOLD: 7,860

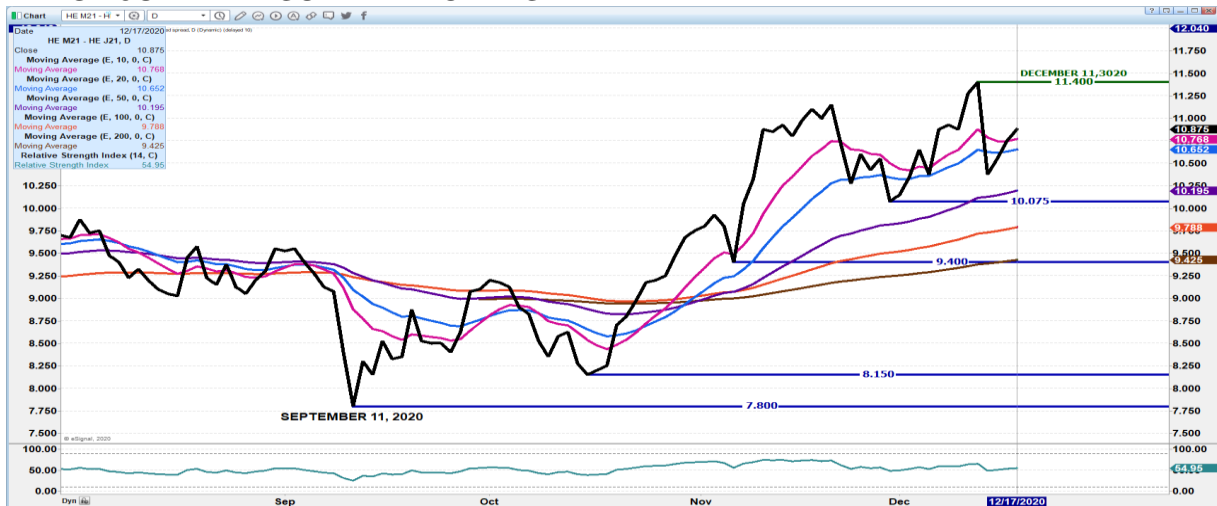
**SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)**

PRICE RANGE: \$52.79 - \$74.00  
Weighted Average: **\$63.44**  
Previous Day: \$64.48  
HOGS SOLD: 192,253



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

**JUNE/APRIL LEAN HOG SPREAD – SPREADERS FAVORING JUNE. USE AS TIMING TO HEDGE JUNE AND SUMMER MONTHS**



**FEBRUARY/APRIL 2021 LEAN HOG SPREAD – SPREAD WIDENING CONINUES TO WIDEN IS BEARISH**



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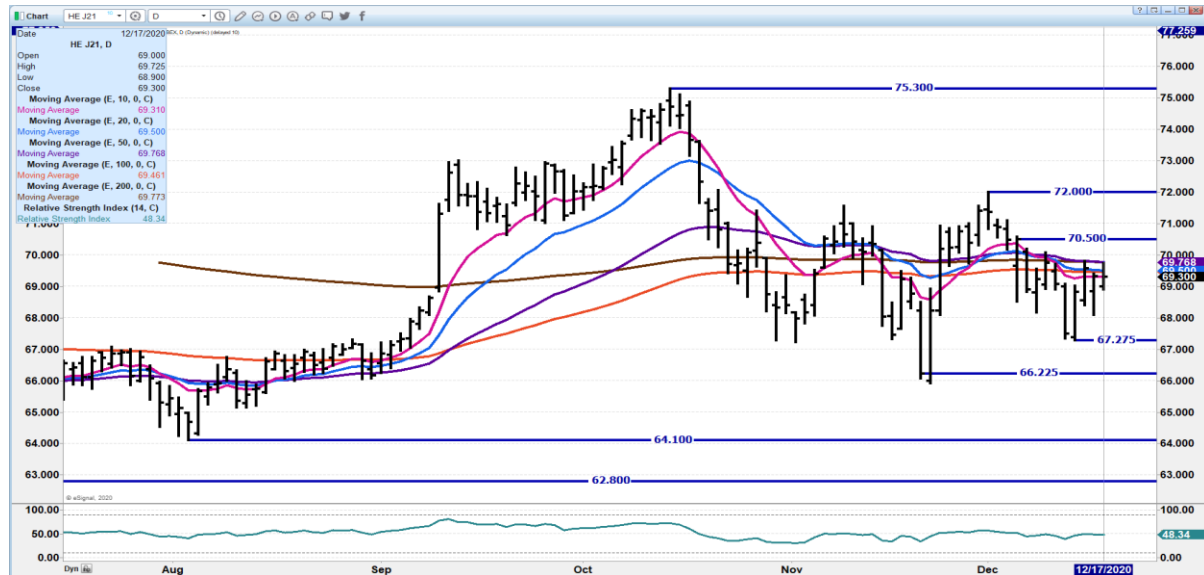




**FEBRUARY 2021 LEAN HOGS – CLOSED BELOW ALL MOVING AVERAGES. NEXT SUPPORT AT 63.02 TO 62.75 RESISTANCE AT 66.92 VERY LIGHT VOLUME AT 10,153 CONTRACTS**



**APRIL 2021 LEAN HOGS – NEXT SUPPORT AT 62.27 RESISTANCE AT 66.22**



**CHARTS FROM ESIGNAL INTERACTIVE, INC.**