



THURSDAY MORNING DECEMBER 31, 2020 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 30, 2020	117,000
WEEK AGO	113,000
YEAR AGO	0
WEEK TO DATE (EST)	352,000
SAME PERIOD LAST WEEK (EST)	351,000
SAME PERIOD LAST YEAR (ACT)	220,000

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	CHOICE	SELECT
BOXED BEEF FINAL	210.53	199.86
CHANGE FROM PRIOR DAY	0.23	4.38
CHOICE/SELECT SPREAD:		10.67
TOTAL LOAD COUNT		141
5 DAY SIMPLE AVERAGE:	209.45	197.38

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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 30, 2020

Primal Rib	362.17	316.74
Primal Chuck	180.16	177.63
Primal Round	186.87	185.53
Primal Loin	259.89	240.46
Primal Brisket	155.57	148.99
Primal Short Plate	112.95	112.95
Primal Flank	95.31	95.82

FINAL DECEMBER 29, 2020

Primal Rib	368.09	288.29
Primal Chuck	178.48	176.09
Primal Round	186.22	185.05
Primal Loin	259.77	239.96
Primal Brisket	158.62	147.11
Primal Short Plate	107.22	107.22



Primal Flank 96.03 96.87

END OF THE YEAR 2019

	CHOICE	SELECT
BOXED BEEF FINAL 12/31/19	209.42	202.12
CHANGE FROM PRIOR DAY	(0.24)	(3.29)
CHOICE/SELECT SPREAD:		7.30
TOTAL LOAD COUNT		228
5 DAY SIMPLE AVERAGE:	209.87	203.30

	CHOICE	SELECT
FINAL DECEMBER 31, 2019		
Primal Rib	336.99	320.94
Primal Chuck	173.02	169.40
Primal Round	179.00	179.72
Primal Loin	265.75	245.57
Primal Brisket	185.11	181.50
Primal Short Plate	147.29	147.29
Primal Flank	109.78	107.19

LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE	SELECT
						600-900	600-900
12/29	92	18	11	22	144	210.30	195.48
12/28	86	36	23	16	160	207.82	196.65
12/23	68	23	10	18	119	207.54	197.93
12/22	79	23	10	33	145	210.67	199.59
12/21	71	16	14	9	110	210.92	197.26

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	80.64 loads	3,225,737 pounds
Select Cuts	21.20 loads	847,867 pounds
Trimming	15.70 loads	628,159 pounds
Ground Beef	23.27 loads	930,765 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)

DELIVERY NOTICE SERVED – DECEMBER 2020 - LIVE CATTLE
SETTLEMENT: DECEMBER 30, 2020 - \$112.12
OLDEST LONG: 12/04/20 SETTLEMENT AT \$108.87
0 DELIVERIES

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BEEF AND PORK EXPORTS AT BOTTOM OF REPORT

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Thursday, December 31st is Last Trading Day for December 2020 Live Cattle – ADMIS Deliveries Dept.

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USDA POSTED CATTLE PRICES ON 12/30/2020
IA/MN – CASH –110.00 - 112.00 Dressed.- 175.00 - 176.00
NE - CASH – 109.00 - 110.00 Dressed. 176.00
KS – CASH 111.00 – THERE ARE SEVERAL FEEDLOTS HOLDING FOR \$112
TX/OK/NM – 111.00 SEVERAL FEEDLOTS HOLDING FOR \$112
CO – 111.00 – ON 104 HEAD

*****National Daily Direct Cattle 12/30/2020**
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1491	\$109.13	33,005
Live Heifer:	1310	\$109.56	15,636
Dressed Steer:	968	\$171.84	16,869
Dressed Heifer:	869	\$172.40	4,146

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Cash cattle higher this week Midwest cattle up to \$112 Feedlots in the Southwest sold a few cattle at \$111 and several are holding for \$112. Beef sales for the Christmas holiday were strong and retailers look for strong sales for New Years. All primal cuts selling from roasts to ground beef.

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With the low volume futures trading Wednesday, it appears many traders decided to take a 5 day end of the year break. Packers do need cash cattle to start out the first week on January in the South and Southwest.

It could be an interesting two months of 2021. Right now, the Midwest has extra heavy cattle and in the Southwest, packers have been pulling up cattle over the past couple of weeks from January contracts and their own pens. But once heavy cattle are killed in the Midwest, there could be a drop off of cattle. If reports are accurate and grain/cattle producers aren't replacing cattle but are going to sell corn, Midwest lots will move from overweight cattle to fewer cattle. If contract feedlots and packer owned feedlots have been buying fewer feeders to just fill out meat contracts, and placements show fewer placements should show up by end of February and into April, the 2021 slaughter is going into a decline. The big question will be, are fewer cattle still going to be too many? If US consumption doesn't increase especially high priced primals and exports don't increase, a decline in cattle numbers may still be too many.

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The Fed Cattle Exchange had 1015 cattle on January 30th sale. Only 194 sold, 1 group of heifers from Texas weighing 1220 pounds for \$111.00.

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Choice boxed beef prices are going to end 2020 much like they settled in 2019. A year ago on December 31, 2019 Choice Boxed beef settled the year at \$209.42. Current price is \$210.05.

There was a difference in cattle futures between the end of 2019 and the present. December 2019 Live Cattle settled at \$124.70 and as of the close on December 29, 2020, December 2020 Live Cattle closed the day at \$112.05

Cash cattle prices the last week of 2019 were \$125.00 live weight and dressed at \$195.00

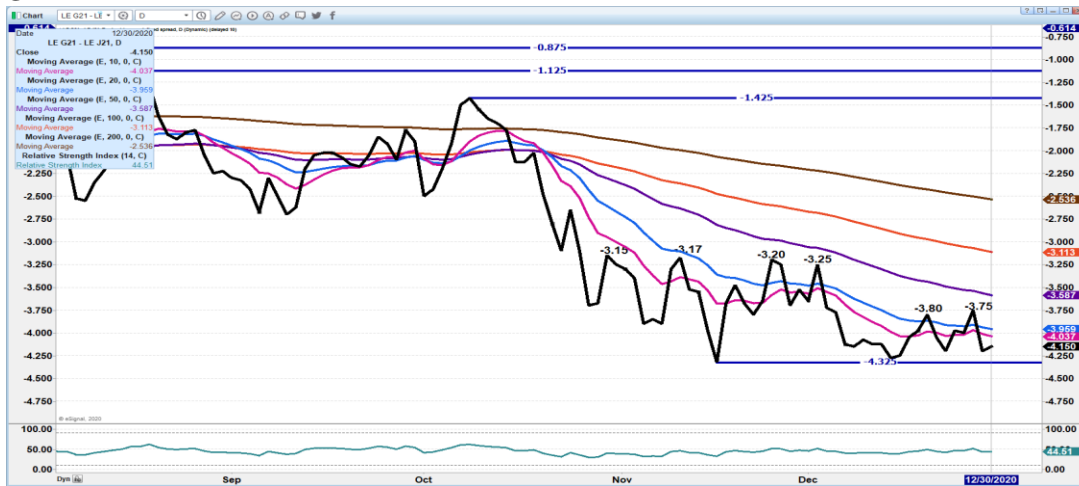
On December 31st February 2020 Live Cattle settled at \$125.92. April 2020 Live Cattle settled at \$127.17. June 2020 Live Cattle Settled at \$118.90

Spreads were also different. On December 31, 2019, the February 2020/April 2020 Live Cattle Spread had February minus \$1.25 under April and the February 2021/April 2021 closed out today at

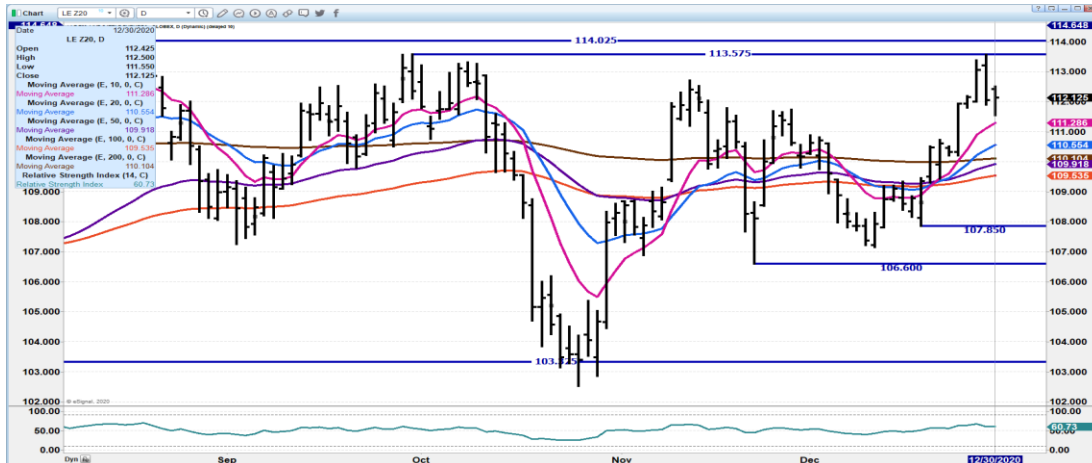
Reports started talking about the Coronavirus starting up in China but with narrow spreads, cattle futures were looking for higher prices in 2020.



On December 31, 2019 I reported that Brazil was taking over global beef exports especially to China and titled the report , ***U.S BEEF EXPORTS NEED TO BECOME A SLICE OF THE BEEF PIE GOING TO CHINA.*** The writing was on the wall at the end of 2019 and 2020 proved it true with Brazil exporting more beef just to China than the U.S. exports to all global buyers. For 2021, expect to see increasing global Brazilian beef exports as U.S. beef exports decline.
FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD – NEED TO WATCH SPREAD.

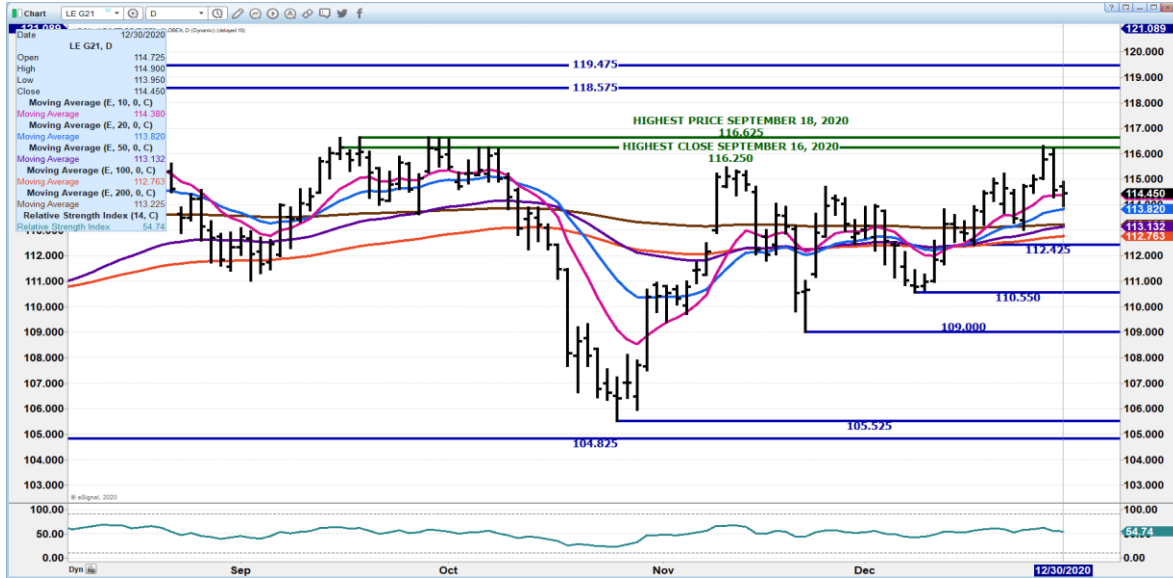


DECEMBER 2020 LIVE CATTLE - OPEN INTEREST 55 CONTRACTS

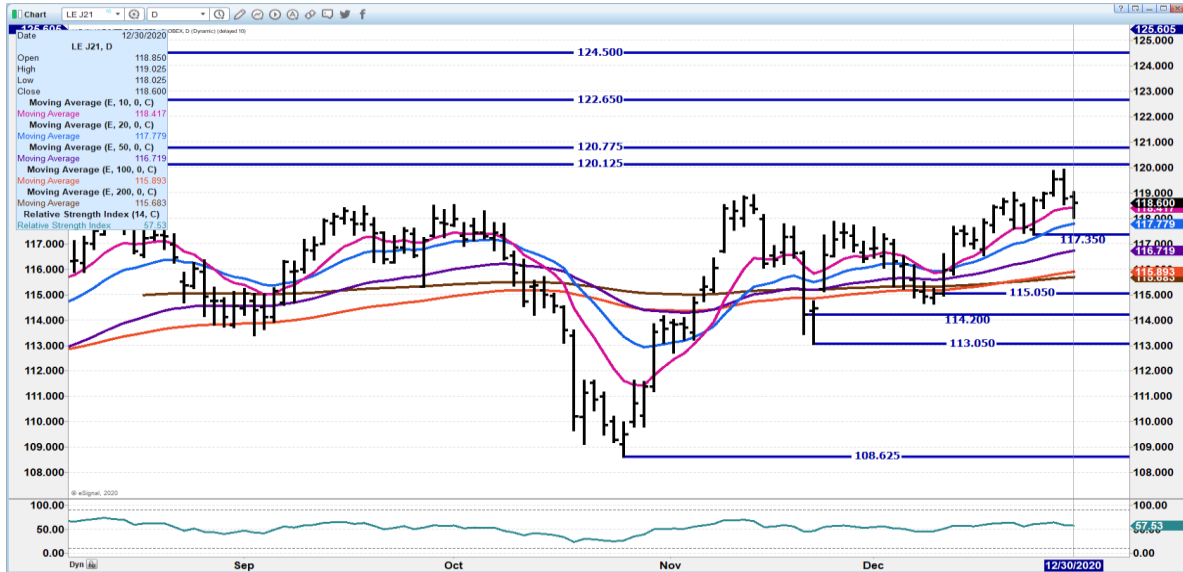




**FEBRUARY 2021 LIVE CATTLE – VOLUME WAS LIGHT WEDNESDAY 14439
CONTRACTS SUPPORT AT 114.37 TO 113.10 TO 112.42 RESISTANCE AT 116.25**



APRIL 2021 LIVE CATTLE - SUPPORT 117.77 TO 116.67 RESISTANCE AT 120.12 TO 120.77





Feeder Cattle

THE CME FEEDER INDEX ON 12/29/2020 WAS 138.71 UP 31 CENTS FROM PREVIOUS DAY

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 30, 2020 AT \$138.52

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PACKERS ARE NOT PUSHING FOR FORWARD CONTRACTS AND IT IS ONE REASON FEEDER CATTLE AREN'T MOVING UP. MIDWEST PRODUCERS HAVE BEEN KEEPING CATTLE LONGER INSTEAD OF REPLACING THEM OPTING TO SELL CORN IN 2021 INSTEAD F FEEDING CATTLE.

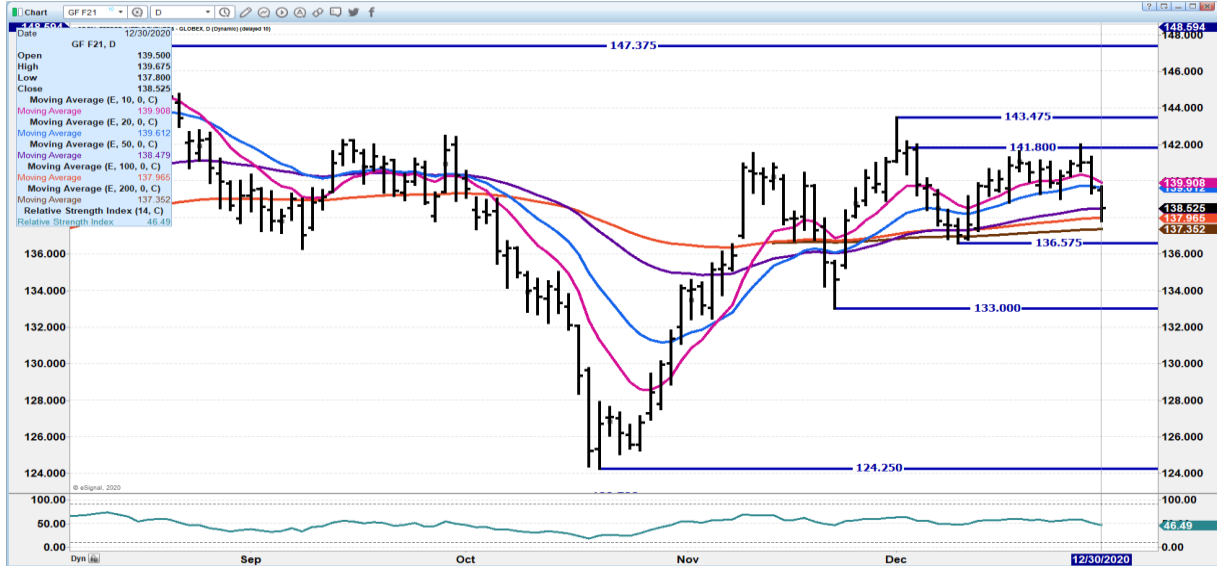
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MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD - SPREAD WIDENING IF CONTINUES IT IS BEARISH

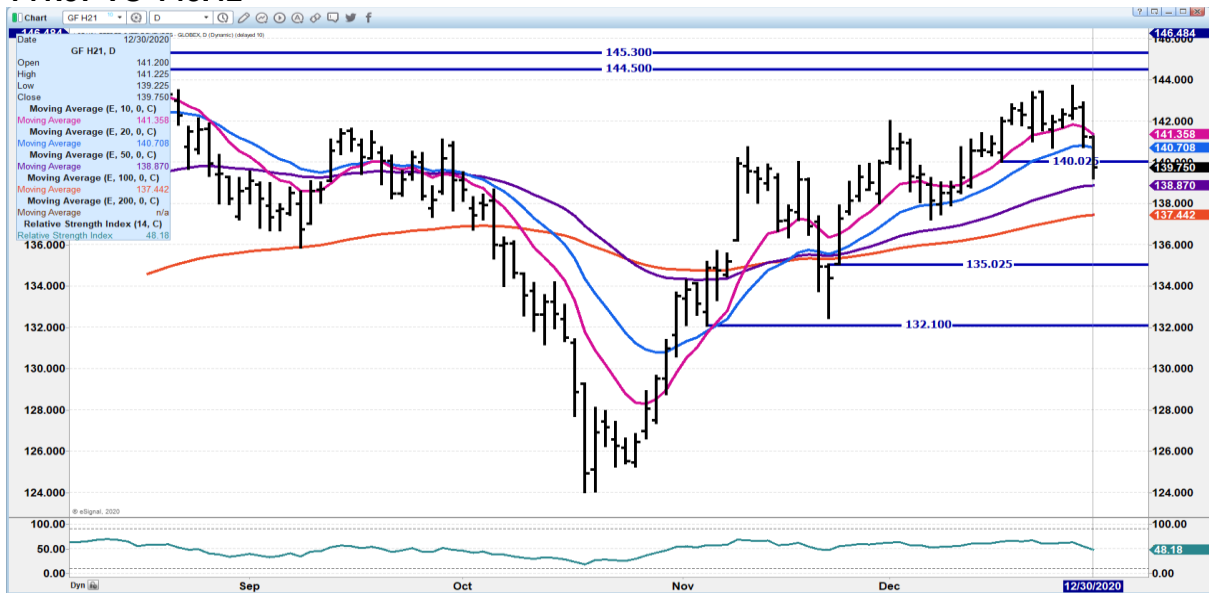




JANUARY 2021 FEEDER CATTLE – SUPPORT AT 137.35 TO 136.57 RESISTANCE AT 141.80 TO 143.47



MARCH 2021 FEEDER CATTLE – SUPPORT AT 138.87 TO 137.37 RESISTANCE AT 141.37 TO 143.42





LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 30, 2020	472,000	
WEEK AGO	431000	
YEAR AGO	0	
WEEK TO DATE (EST)		1,413,000
SAME PERIOD LAST WEEK (EST)		1,391000
SAME PERIOD LAST YEAR (ACT)		893,000

****REVISED TUESDAY HOG SLAUGHTER..451,000*** PREVIOUS ESTIMATE 465,000**

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CME CASH HOG INDEX 12/28/2020 AT 59.93 DOWN 67 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 12/29/2020 AT 71.01 UP 17 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 12/25/2020 WAS 117.08 COMPARED TO 12/18/2020 WAS 117.35

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Not much change in the cutout Wednesday from Tuesday. Loins on Wednesday were higher but more like a bounce up after Tuesday falling \$4.78 to regain \$2.98 Wednesday. Hams were higher but December saw hams drop and now are \$12 under loins. Bellies broke below \$100 on Wednesday and it has been hams and bellies throughout the fall and into the beginning of December, they were the reason pork was not falling. Pork is cheap and it is moving. Exports in 2020 were excellent but don't expect 2021 export to be anywhere near as good with global buildup of hog numbers.

On November 30th, the morning price of hams was \$95.22. Hams settled on November 30th at \$82.37, The 5 day ham average at the time was \$79.36. On December 30th, the 5 day average for hams is \$56.33.

Loins on November 30th were \$72.34 with a 5 day average at \$70.87. The current 5 day average is \$70.87.



With Mexico the largest buyer of hams, after the 1st of the year, and after the Christmas break plus the cheap US Dollar, they could be back as strong and consistent as they were during 2020. For hog prices, producers better hope it happens

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The lean hog index and pork cutout index have both been moving lower. Weights so far aren't a problem as contracted and packer hogs keep steadily moving hogs to kill. Pork is moving but retailers and consumers are price conscience and buy pork when it is cheap. The situation lowering hog prices has to be global hog inventories. Since August 2018 when China announced African Swine Fever sweeping through their hogs, world hog producers decided China's problem would last for years and increased production. At the same time China was expanding corporate mega hog production. You can come close to saying, African Swine Fever was what China needed. For a little over a year and a half pork prices were high in China, but the outcome ended up being in the big long term picture an oversupply of pork plus more cattle, sheep, farmed fish and poultry.

If the US doesn't increase exports, and it doesn't appear pork exports will increase in 2021, the current level of hog prices will be far off highs in 2021.

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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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 30, 2020

LOADS OF PORK CUTS: 288.86

LOADS TRIM/PROCESSED PORK: 54.38

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/30/2020	343.24	72.65	72.34	72.80	48.83	142.91	60.11	99.08
Change		0.29	2.98	0.85	-5.57	-0.48	4.38	-7.06
Five Day Average --		70.87	70.87	72.31	53.79	142.02	56.33	94.25

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
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12/29/2020	355.17	72.36	69.36	71.95	54.40	143.39	55.73	106.14
Change		0.51	-4.78	-2.11	-1.61	0.25	-0.47	12.74
Five Day Average --		70.81	70.60	71.45	55.52	141.11	56.64	93.71

DECEMBER 31, 2019 USDA MARKET NEWS
NATIONAL DAILY PORK REPORT FOB PLANT -

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/31/2019	393.83	73.02	69.15	93.46	71.18	136.84	66.21	77.85
Five Day Average --		75.08	70.54	93.70	74.28	136.41	65.60	86.23

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for December 29, 2020

Average live weight - 287.61

Average carcass - 215.88

DECEMBER 31, 2019 USDA MARKET NEWS

Average live weight - 286.83

Average carcass - 215.37

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DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 29, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$44.00 - \$51.00

Weighted Average: \$49.01

Change from Prior Day: 1.03 lower

HOGS SOLD 11,134

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$48.93 - \$70.42

Weighted Average: **\$59.99**

Previous Day: \$59.51

HOGS SOLD: 132,150

USDA DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 30, 2019

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$45.00 - \$52.00

Weighted Average: **\$50.45**

Change from Prior Day: 0.80 higher



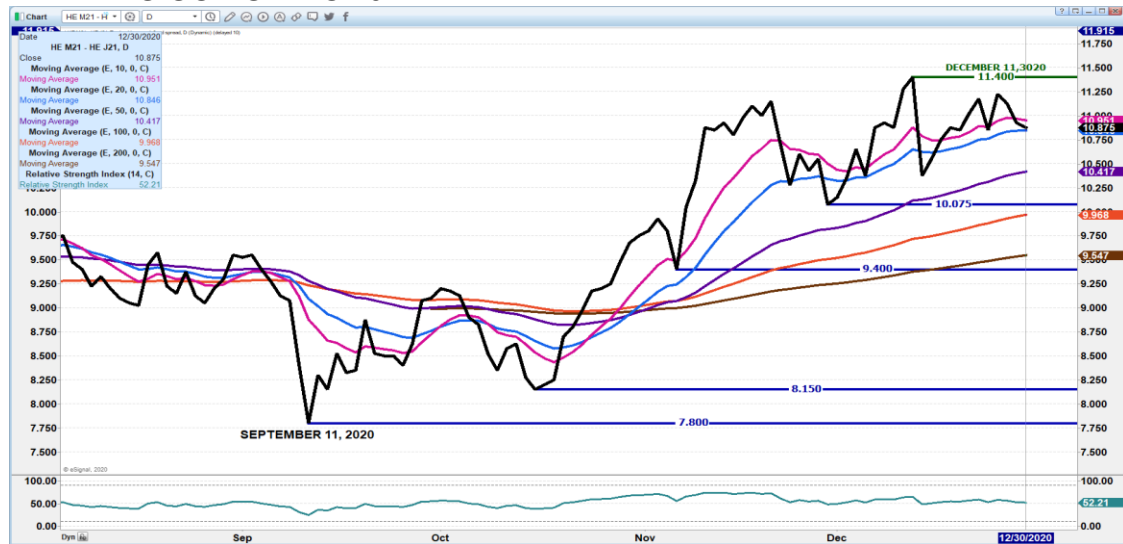
Daily Futures Market Commentary

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

FEBRUARY/APRIL 2021 LEAN HOG SPREAD – SPREAD NORMAL NOW. NARROWS, IT IS FRIENDLY - WIDENING IS BEARISH



JUNE/APRIL LEAN HOG SPREAD – END OF THE YEAR PROFIT TAKING LOOK FOR WIDENING GOING INTO 2021

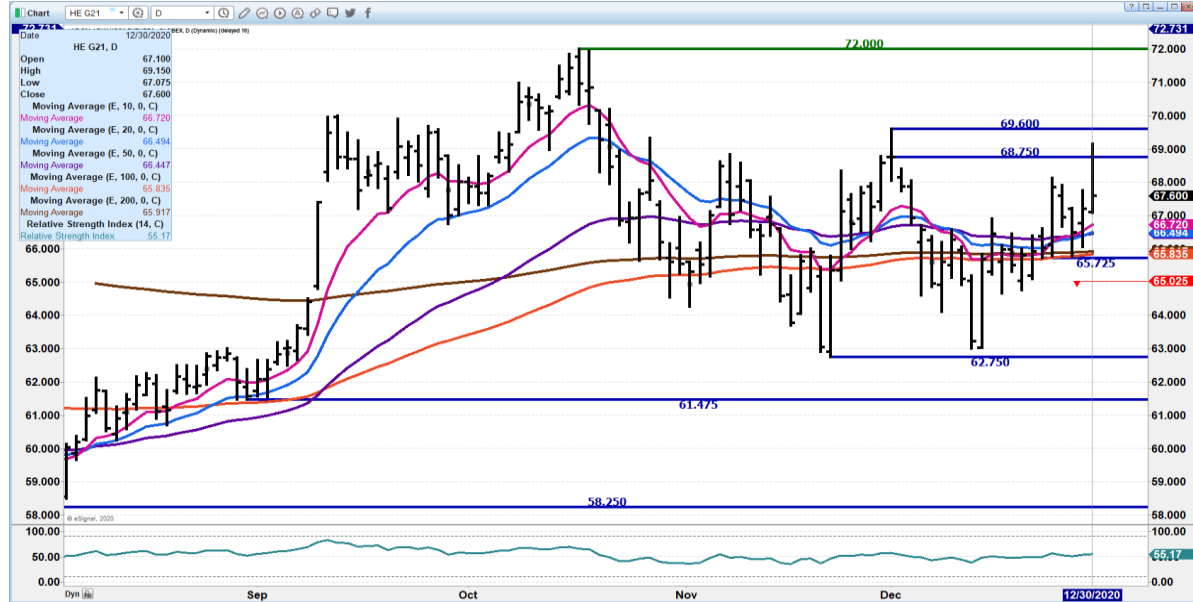


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FEBRUARY 2021 LEAN HOGS – RALLIED BUT GAVE IT UP 69.60 RESISTANCE SUPPORT AT 66.72



APRIL 2021 LEAN HOGS – 72.00 REISTANCE SUPPORT AT 69.65

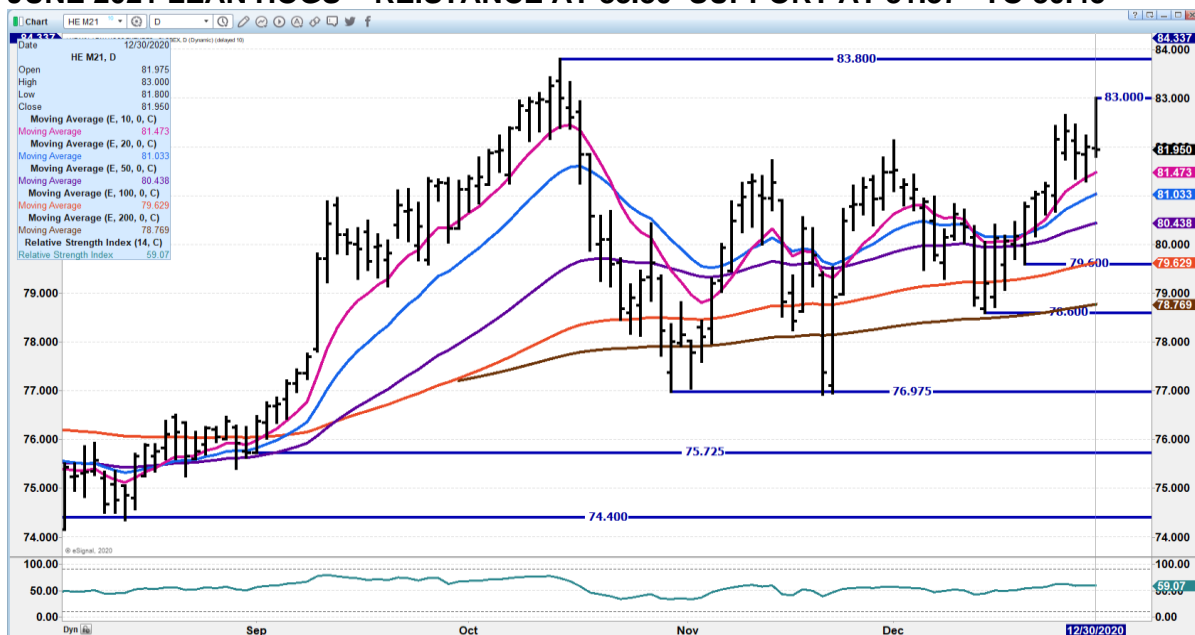




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JUNE 2021 LEAN HOGS – REISTANCE AT 83.80 SUPPORT AT 81.37 TO 80.45



BEEF: NET SALES OF 14,900 MT REPORTED FOR 2020 WERE UP NOTICEABLY FROM THE PREVIOUS WEEK AND UP 82 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR JAPAN (3,900 MT, INCLUDING DECREASES OF 1,100 MT), CHINA (3,100 MT, INCLUDING DECREASES OF 300 MT), SOUTH KOREA (2,900 MT, INCLUDING DECREASES OF 200 MT), MEXICO (1,500 MT, INCLUDING DECREASES OF 200 MT), AND CANADA (900 MT, INCLUDING DECREASES OF 100 MT). FOR 2021, NET SALES OF 14,400 MT WERE PRIMARILY FOR SOUTH KOREA (9,800 MT), TAIWAN (2,300 MT), JAPAN (700 MT), THE PHILIPPINES (400 MT), AND CANADA (300 MT). EXPORTS OF 27,600 MT--A MARKET-YEAR HIGH--WERE UP NOTICEABLY FROM THE PREVIOUS WEEK AND UP 63 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO JAPAN (6,900 MT), SOUTH KOREA (6,200 MT), CHINA (4,400 MT), MEXICO (4,300 MT), AND TAIWAN (1,900 MT).

PORK: NET SALES OF 7,700 MT REPORTED FOR 2020 WERE DOWN 53 PERCENT FROM THE PREVIOUS WEEK AND 73 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR MEXICO (10,300 MT, INCLUDING DECREASES OF 900 MT), EL SALVADOR (1,700 MT), CHINA (1,600 MT, INCLUDING DECREASES OF 4,000 MT),

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JAPAN (900 MT, INCLUDING DECREASES OF 3,000 MT), AND CANADA (500 MT, INCLUDING DECREASES OF 400 MT), WERE OFFSET BY REDUCTIONS PRIMARILY FOR SOUTH KOREA (4,200 MT), CHILE (1,800 MT), AND COLOMBIA (700 MT). **FOR 2021, NET SALES OF 46,300 MT WERE PRIMARILY FOR CHINA (22,700 MT), SOUTH KOREA (5,800 MT), JAPAN (4,000 MT), MEXICO (3,800 MT), AND COLOMBIA (2,100 MT).** EXPORTS OF 39,400 MT WERE DOWN 3 PERCENT FROM THE PREVIOUS WEEK AND 1 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (13,400 MT), CHINA (13,300 MT), JAPAN (4,100 MT), SOUTH KOREA (2,300 MT), AND CANADA (1,500 MT)

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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