



## WEDNESDAY MORNING DECEMBER 16, 2020 LIVESTOCK REPORT

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### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 15, 2020	120,000
WEEK AGO	115,000
YEAR AGO	123,000
WEEK TO DATE (EST)	240,000
SAME PERIOD LAST WEEK (EST)	234,000
SAME PERIOD LAST YEAR (ACT)	243,000

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	<b>CHOICE</b>	<b>SELECT</b>
BOXED BEEF FINAL	208.82	192.20
CHANGE FROM PRIOR DAY	(0.87)	(0.10)
CHOICE/SELECT SPREAD:		16.62
TOTAL LOAD COUNT		174
5 DAY SIMPLE AVERAGE:	216.29	198.71

<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 15, 2020

Primal Rib	439.79	342.82
Primal Chuck	163.42	161.56
Primal Round	169.34	168.26
Primal Loin	257.54	233.82
Primal Brisket	140.45	145.42
Primal Short Plate	107.20	107.20
Primal Flank	94.34	95.08



**FINAL DECEMBER 14, 2020**

Primal Rib	447.69	345.34
Primal Chuck	163.65	162.18
Primal Round	167.92	168.08
Primal Loin	258.43	232.37
Primal Brisket	139.12	144.91
Primal Short Plate	109.04	109.04
Primal Flank	93.53	91.54

**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	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
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
12/09	132	40	17	18	207	218.26	201.65
12/08	122	39	39	29	228	225.02	205.42

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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	97.14 loads	3,885,400 pounds
Select Cuts	36.99 loads	1,479,612 pounds
Trimming	9.97 loads	398,986 pounds
Ground Beef	29.56 loads	1,182,475 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**

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**DELIVERY NOTICE SERVED – DECEMBER 2020 - LIVE CATTLE**  
**SETTLEMENT: DECEMBER 15, 2020 - \$108.60**  
**OLDEST LONG: 03/12/20 SETTLEMENT AT \$103.20**  
**0 DELIVERIES**

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**USDA POSTED CATTLE PRICES ON 12/15/2020**  
**IA/MN – CASH – 4103 on 200 heifers weighing 1350 Dressed.- 165.00 AVERAGE WEIGHT 1072.5**  
**NE - CASH – 105.00 at 1575 Dressed.- No Reportable Trade**  
**KS – CASH No Reportable Trade. Dressed - No Reportable Trade.**  
**TX/OK/NM – No Reportable Trade**  
**CO – Information not available due to confidentiality**

**\*\*\*National Daily Direct Cattle 12/14/2020**  
**(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1492	\$106.63	18,077
Live Heifer:	1295	\$106.92	9,682
Dressed Steer:	974	\$167.90	9,870
Dressed Heifer:	866	\$168.38	3,765

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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

Analyst	On-Feed Dec 1	Placements in Nov	Marketed in Nov
Allegiant Commodity Group	99.4	87.4	98.0
Allendale Inc.	100.6	95.2	98.2
HedgersEdge	99.1	85.5	98.3
Linn Group	100.0	94.6	102.3
Livestock Mktg Info Ctr	100.4	93.1	97.7
NFC Markets	99.7	89.6	98.2
Texas A&M Extension	100.8	95.0	97.6
U.S. Commodities	99.6	89.0	98.0

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**Trade volume in Live Cattle futures has become almost too light. Often this when algorithmic formula traders can come into markets and dominate direction of trading without regards to current fundamentals. Watch spreads in 2021 months.**  
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With two weeks before 2021, the overweight problem may go into 2021. It of course depends on if feedlots are going to throw in the towel and dump the overweight cattle or will they hold for a couple of more weeks hoping cattle will rally. Unfortunately, it likely will be the ladder especially if packers pay up for right weight cattle. Nothing encourages a stubborn feedlot manager more than higher prices. If they keep cattle, sellers better keep a close eye on weight discounts. Futures and cash could rally and discounts could widen more. Last week packers in the South and Southwest bought mixed loads of heifers and steers and choice and select for the same price and paid more than cattle in the North and Midwest. For overweight cattle, Yield Grade 4's and 5's, the feedlots will likely see wider and deeper discounts this week. As restaurant have more restrictions or close, heavy cuts are going to be a problem.



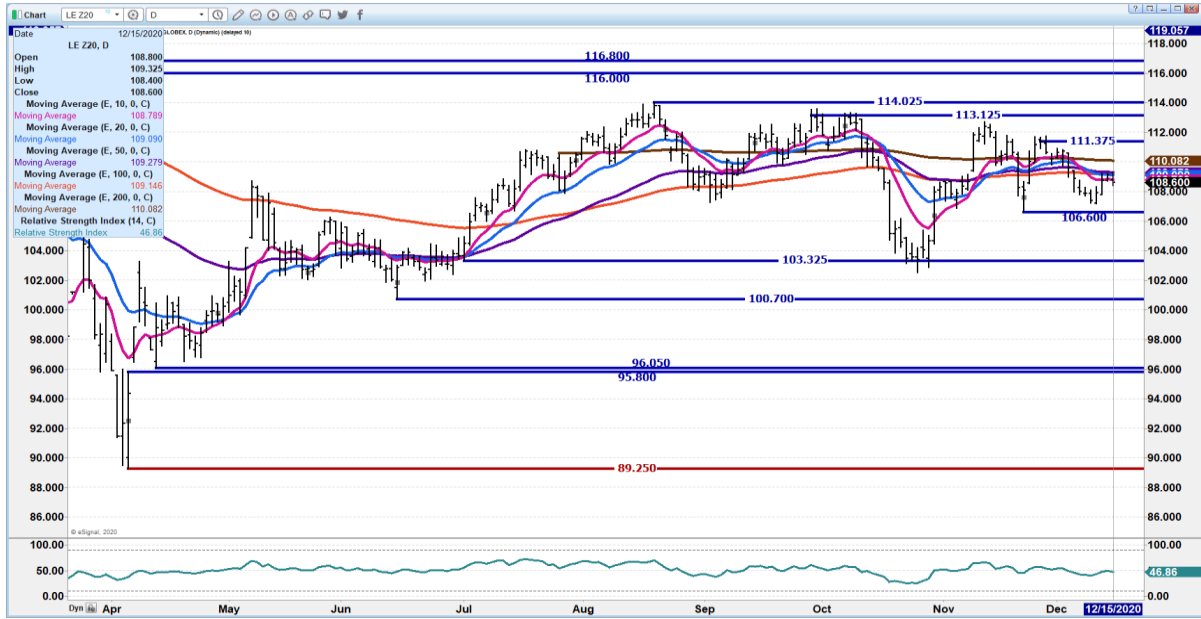
**As of December 8, 2020, dressed steer and heifer weights were 894.2 compared to previous week at 896.5 down 2.3 pounds from week ago and the same as last week, 21 pounds over a year ago. Grading percent was 81.9%, down compared to previous week at 81.9 %.**

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**FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD - WIDENING IS NEGATIVE.**

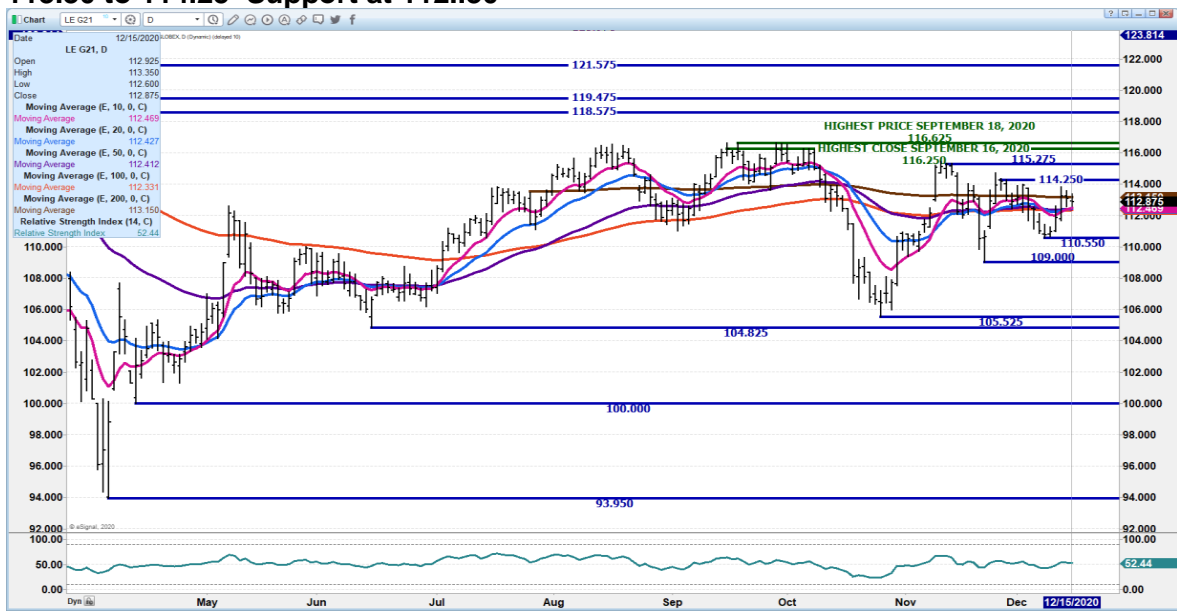


**DECEMBER 2020 LIVE CATTLE - MOVED TO 200 DAY AVERAGE AND DROPPED BELOW ALL AVERAGES. RESISTANCE AT 109.37 SUPPORT AT 107.37 TO 106.60**



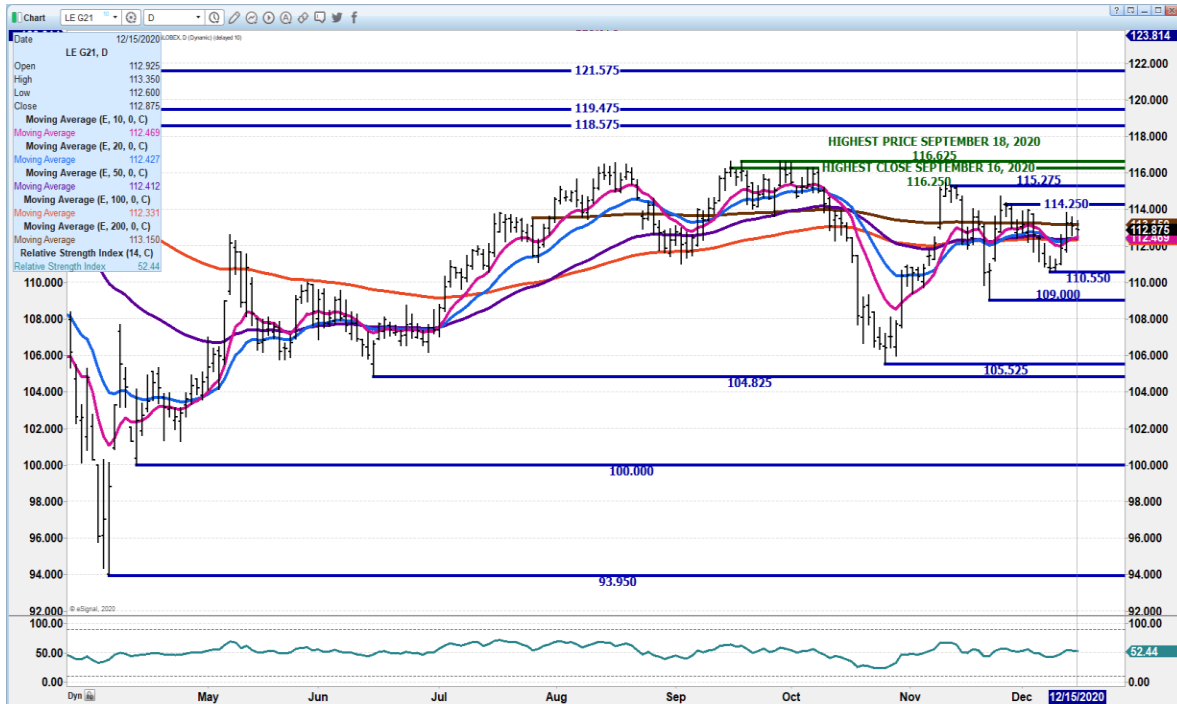


**FEBRUARY 2021 LIVE CATTLE – Volume very light at 12,503 contracts Resistance at 113.30 to 114.25 Support at 112..30**





**APRIL 2021 LIVE CATTLE = RESISTANCE AT 118.20 SUPPORT AT 116.50 TO 115.30  
VOLUME 8024**



**Feeder Cattle**

**THE CME FEEDER INDEX ON 12/11/2020 WAS 136.69 UP 12 CENTS FROM PREVIOUS DAY -**

**JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 15, 2020 AT \$140.10**

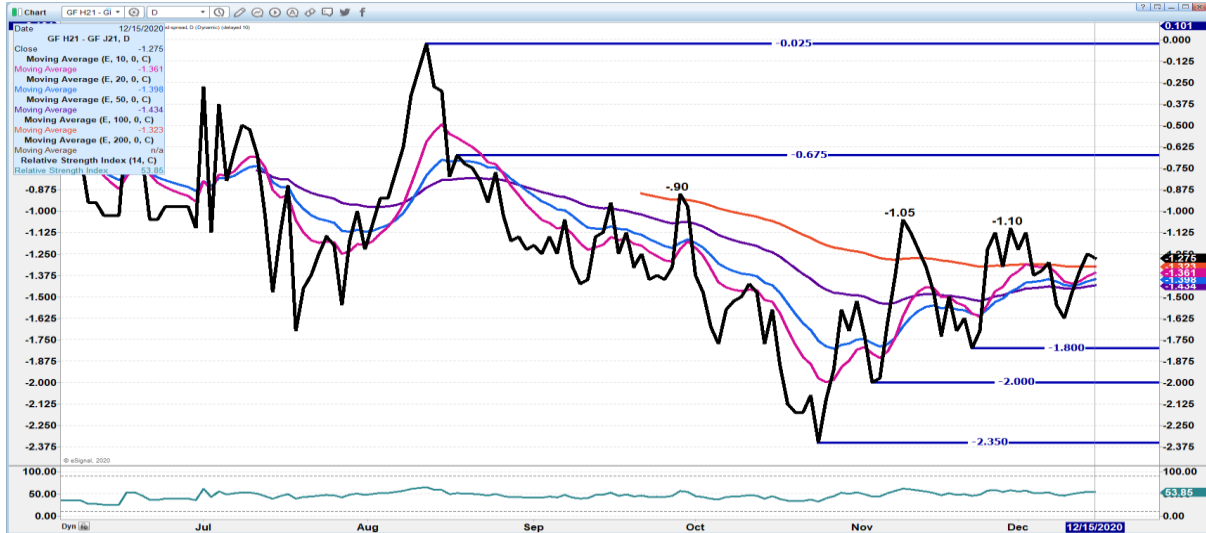
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**FEEDER FUTURES IS LIGHT. SPREADERS CONTROL FUTURES ESPECIALLY NOW WHEN JANUARY IS NOT IN THE SPOT TIME PERIOD.**

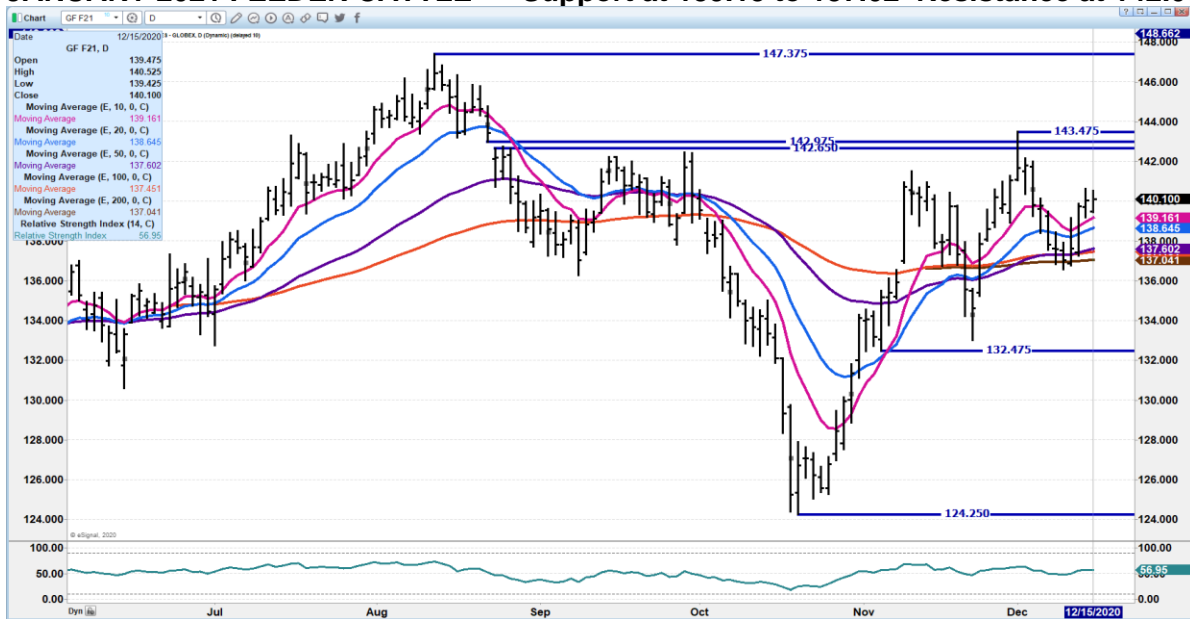
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**MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD – BULL SPREAD. BUT NOT SEEING ACTIVE END OF THE YEAR BUYING**



**JANUARY 2021 FEEDER CATTLE – Support at 139.15 to 137.02 Resistance at 142.00**



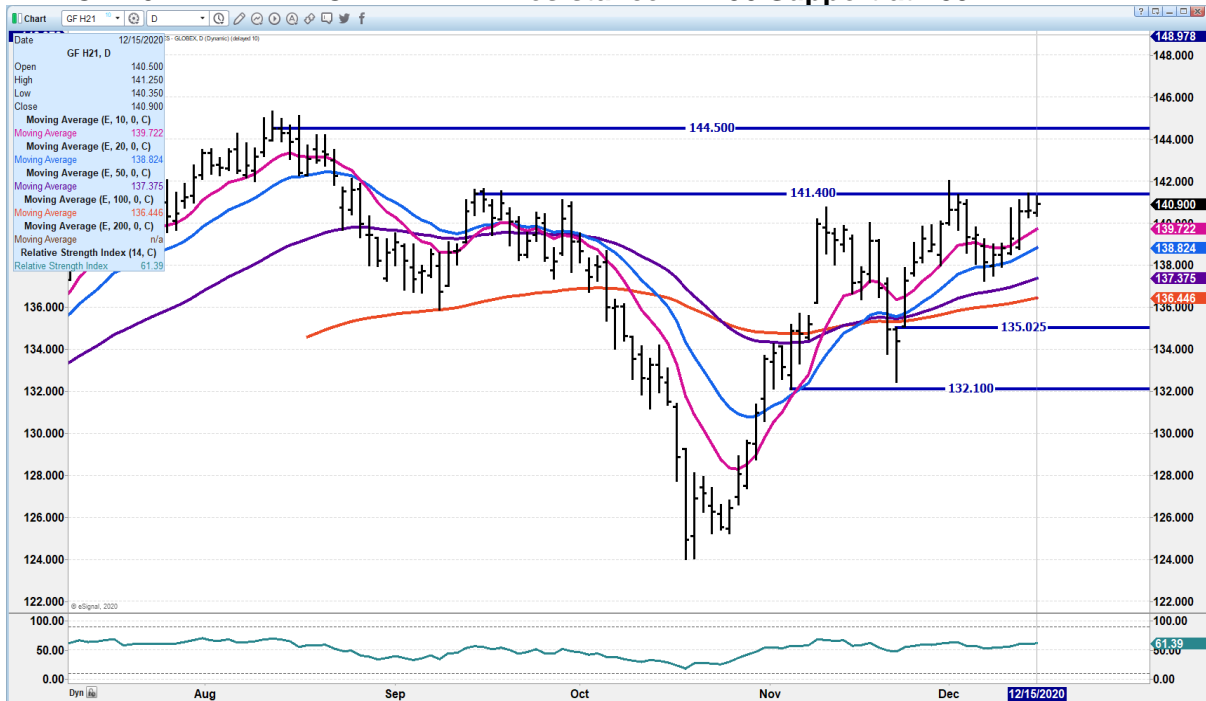
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**MARCH 2021 FEEDER CATTLE - Resistance 141.50 Support at 139.72**



**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>DECEMBER 15, 2020</b>	<b>497,000</b>
<b>WEEK AGO</b>	<b>497,000</b>
<b>YEAR AGO</b>	<b>496,000</b>
<b>WEEK TO DATE (EST)</b>	<b>986,000</b>
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>983,000</b>
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>991,000</b>

**\*\*REVISED MONDAY HOG SLAUGHTER..489,000\*\* PREVIOUS ESTIMATE 490,000**

**=====**  
**CME CASH HOG INDEX 12/11/2020 AT 64.96 DOWN 35 CENTS FROM PREVIOUS DAY**



**CME CASH PORK CUTOUT INDEX 12/14/2020 AT 78.26 DOWN 16 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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**Pork carcass dropped 2.89 Tuesday with hams down 14.81. Hams need to be watched. Mexico has been taking US hams and supporting pork prices. Hams are close to \$13 lower than 5 day average.**

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**February moved up to fill gap from \$66.47 to \$66.72 and settled at \$66.45. Volume was light with Globex volume 13,334. April volume only 5,889. It is too light and could be a trap. Often algorithmic formulas use light volume and market could move quickly to upside or downside.**

**December 2020 Lean Hogs settled on the board at \$64.90.**

**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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**Exports have done well in 2020 but have been dropping off each quarter of 2020. US total pork exports are up 22 percent for the year through end of October 2020 with pork combined with variety meats up 15%.**

***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 15, 2020**

**LOADS OF PORK CUTS: 374.89**

**LOADS TRIM/PROCESSED PORK: 49.27**

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/15/2020	424.16	74.14	70.10	70.71	59.70	135.30	73.92	88.65
Change		-2.89	0.95	1.71	-2.24	4.71	-14.81	1.82
Five Day Average --		77.38	70.05	68.88	61.14	132.22	86.89	89.61

**FINAL**

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
12/14/2020	301.54	77.03	69.15	69.00	61.94	130.59	88.73	86.83
Change		-2.68	-3.33	-0.23	1.17	-0.94	-3.80	-5.53
Five Day Average --		78.18	69.99	68.91	61.46	132.04	90.13	89.76

**FINAL PREVIOUS WEEK'S CLOSE**

Date	Loads	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 14, 2020**

**Average live weight - 286.34**

**Average carcass - 214.32**

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**DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM DECEMBER 15, 2020**

**NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES**

**Carcass Base Price: \$47.00 - \$54.00**

**Weighted Average: \$53.01**

**Change from Prior Day: 0.64 lower**

**HOGS SOLD 7,049**

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

**PRICE RANGE: \$52.49 - \$75.28**

**Weighted Average: \$63.84**

**Previous Day: \$64.27**

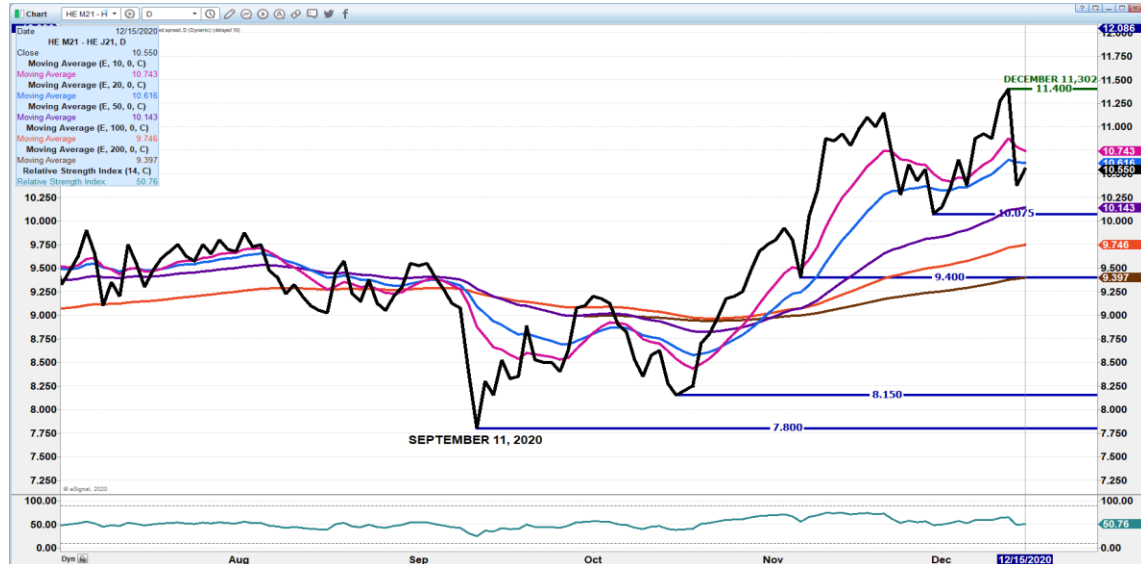
**HOGS SOLD: 157,629**



Daily Futures Market Commentary

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

**JUNE/APRIL LEAN HOG SPREAD – WIDE SPREAD. SOME HEDGING ON JUNE AT 80.00**



**FEBRUARY/APRIL 2021 LEAN HOG SPREAD – SPREAD NORMAL NOW. WATCH FOR WIDENING BEAR SPREADING**



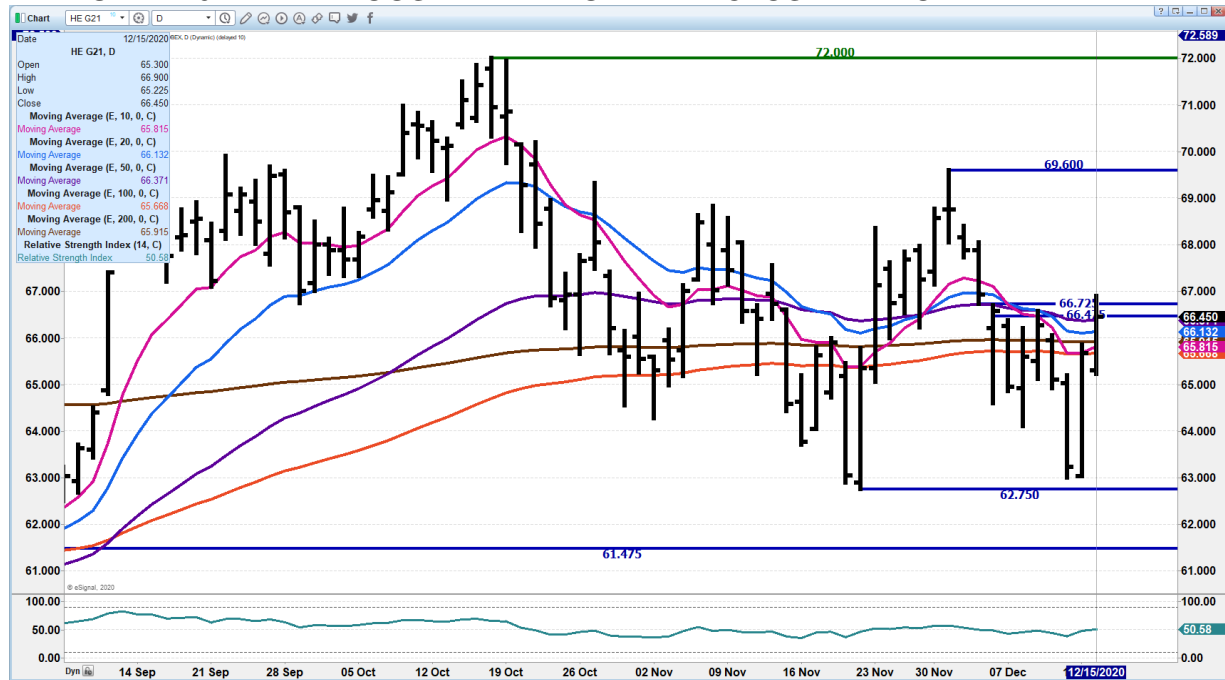
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## FEBRUARY 2021 LEAN HOGS – FILLED GAP AND CLOSED BELOW IT



**CHARTS FROM ESIGNAL INTERACTIVE, INC.**