



MONDAY MORNING JANUARY 25, 2021 LIVESTOCK REPORT

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CATTLE

Cattle on Feed Report January 22, 2021

	Average	ACTUAL
On-feed Jan 1	99.3	100+
Placed in Dec	97.0	101
Marketed in Dec	100.7	101

Cattle and calves on feed for the slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.0 million head on January 1, 2021. The inventory was slightly above January 1, 2020. The inventory included 7.40 million steers and steer calves, up slightly from the previous year. This group accounted for 62 percent of the total inventory. Heifers and heifer calves accounted for 4.57 million head, down slightly from 2020

Placements in feedlots during December totaled 1.84 million head, 1 percent above 2020. Placements were the second highest for January since the series began in 1996. Net placements were 1.78 million head. During December, placements of cattle and calves weighing less than 600 pounds were 460,000 head, 600-699 pounds were 435,000 head, 700-799 pounds were 425,000 head, 800-899 pounds were 317,000 head, 900-999 pounds were 110,000 head, and 1,000 pounds and greater were 95,000 head.

Marketings of fed cattle during December totaled 1.85 million head, 1 percent above 2020. Marketings were the second highest for January since the series began in 1996.

Other disappearance totaled 60,000 head during December, 10 percent below 2020.

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After Live Cattle futures traded Friday, look for spreaders to lift front leg of long side of spread, April, and Monday it will be limit down. Traders will keep short legs from June Live Cattle on out. It sure looks like Friday's trade was a set up for



Monday. February and April limit down Monday and June on out lower, \$2.00 or more lower.

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JANUARY 22 , 2021	119,000	
WEEK AGO	115,000	
YEAR AGO	121,000	
SATURDAY 01/09/2021	69,000	- A WEEK AGO 67,000, YEAR AGO 33,000
WEEK TO DATE (EST)	657,000	
SAME PERIOD LAST WEEK (EST)	651,000	
SAME PERIOD LAST YEAR (ACT)	644,000	
2021 YEAR TO DATE	2,028,000	
2020 YEAR TO DATE	2,249,000	

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	CHOICE	SELECT
BOXED BEEF FINAL	222.82	213.34
CHANGE FROM PRIOR DAY	1.62	3.06
CHOICE/SELECT SPREAD:		9.48
TOTAL LOAD COUNT		143
5 DAY SIMPLE AVERAGE:	217.11	206.59
PREVIOUS WEEK CLOSE	210.82	199.41

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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 JANUARY 22, 2021

Primal Rib	352.83	325.77
Primal Chuck	196.67	199.34
Primal Round	188.71	189.89
Primal Loin	288.60	254.59
Primal Brisket	167.70	165.34
Primal Short Plate	127.86	127.86
Primal Flank	104.08	101.05



**PREVIOUS WEEK CLOSE
FINAL JANUARY 15, 2021**

Primal Rib	342.98	315.28
Primal Chuck	191.41	189.54
Primal Round	184.31	184.16
Primal Loin	273.53	248.37
Primal Brisket	159.41	158.04
Primal Short Plate	122.77	122.77
Primal Flank	99.78	98.71

LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
01/21	81	17	7	23	127	221.20	210.28
01/20	83	17	20	15	136	218.91	207.28
01/19	103	21	8	16	148	217.49	206.44
01/18	67	17	9	16	109	215.04	205.84
01/15	88	16	16	21	140	212.92	203.08
01/14	82	20	7	27	137	213.37	201.07
01/13	79	18	19	27	143	211.00	199.06

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	82.29 loads	3,291,557 pounds
Select Cuts	21.57 loads	862,609 pounds
Trimming	22.21 loads	888,363 pounds
Ground Beef	16.91 loads	676,493 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)

USDA LIVESTOCK REPORTS FOR JANUARY 2021

COLD STORAGE REPORT - MONDAY JANUARY 25, 2021 - 2:00PM CENTRAL TIME
SEMI ANNUAL CATTLE REPORT – FRIDAY, JANUARY 29, 2021 – 2:00PM CENTRAL TIME



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USDA POSTED CATTLE PRICES ON 01/22/2021
IA/MN – CASH – 107.00 - 109.00 DRESSED 166.00 - 173.00
NE - CASH – 110.00 DRESSED 173.00
KS – CASH 110.00 DRESSED
TX/OK/NM – NO SALES FRIDAY
CO – NO SALES FRIDAY

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*****National Daily Direct Cattle 01/22/2021**
5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1485	\$109.18	28,871
Live Heifer:	1334	\$109.72	19,053
Dressed Steer:	968	\$172.59	16,609
Dressed Heifer:	885	\$172.47	5,430

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If a brand new first day broker began working Friday, and he or she looked at their quote screen at Live Cattle, Feeder Cattle or Lean hogs, probably the first question they would ask would be something like, “What is causing all the spreading?” It really is that simply. Throughout the day on Friday traders were buying the April Live Cattle, Feeder Cattle and Lean Hogs and selling anything after it. The algorithms were active the past week. Throughout the day if you added the trade volume in months after April, it was close to the same as April volume. This past week, chalk one up for the specs.

Beef is higher but it is on such light volume it isn't moving markets except for the hand to mouth retailers and their 125 to 150 loads a day they buy. With two weeks until delivery, cattle could even go down and beef higher. Most beef is sold months in advance and it is why sellers now market with long term grids and formula pricing.

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Cash cattle sales were over in the Southwest by Thursday. Late sales in the Midwest through Friday. Still too many large cattle. Packers discounting heavy cattle and should clean up by mid-Feb.

Choice Select beef spread is not widening out. Packers pay more for some Select primals and narrowing of Choice and Select primal rib sections is not positive.

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On the positive side, packers are making money and profits push kill lines to full speed. There is a packer in Kansas that will be down the week of February 8, 2021. The current



cattle prices encourage big kills when compared to April prices with the February/April spread with February \$5.85 under April.

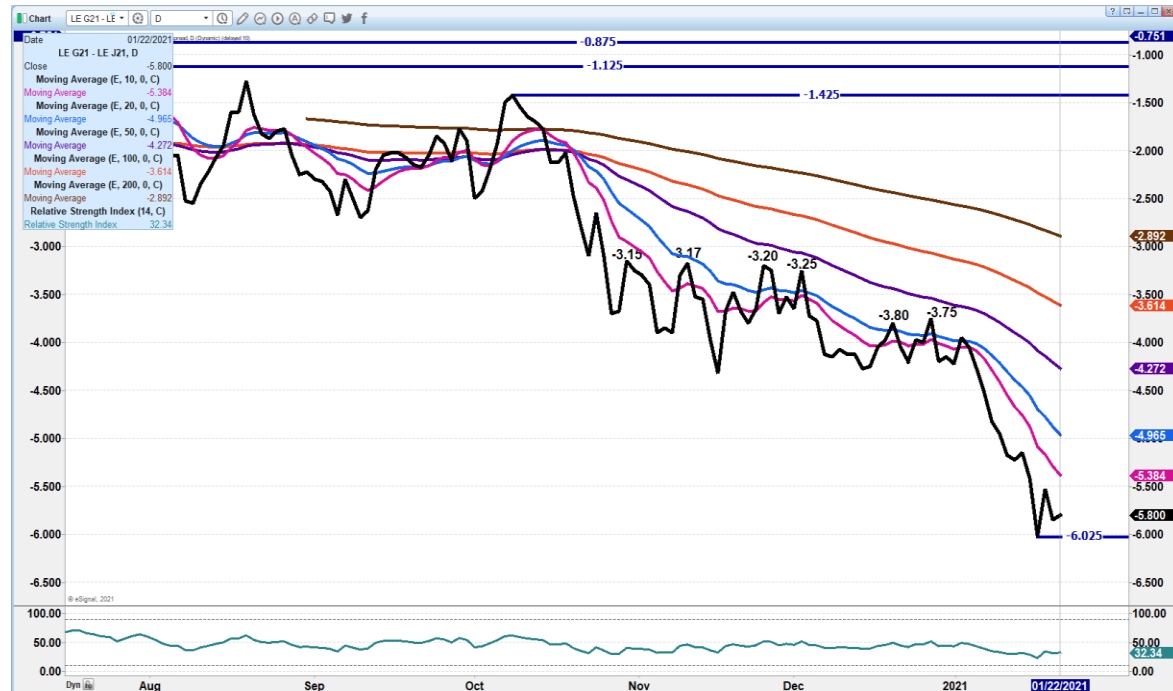
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As of January 19, 2021, dressed steer and heifer weights were 899.00 compared to previous week at 893.4 up 5.6 pounds from week ago 11 pounds over a year ago. Grading percent was 83.9% up compared to previous week at 82.9%. Grading percent at 84% is an indication there are still too many cattle that are overweight, and the 11 pounds extra cattle weigh this year compared to a year ago verifies it.

The milder than normal winter aren't setting cattle back, but weights are heavier than average because Midwest feedlots are keeping cattle too long. They aren't replacing them so they keep them longer and are hoping cattle will move higher. So far hoping for higher markets aren't working as packers add more discounts to the heavier overfed cattle.

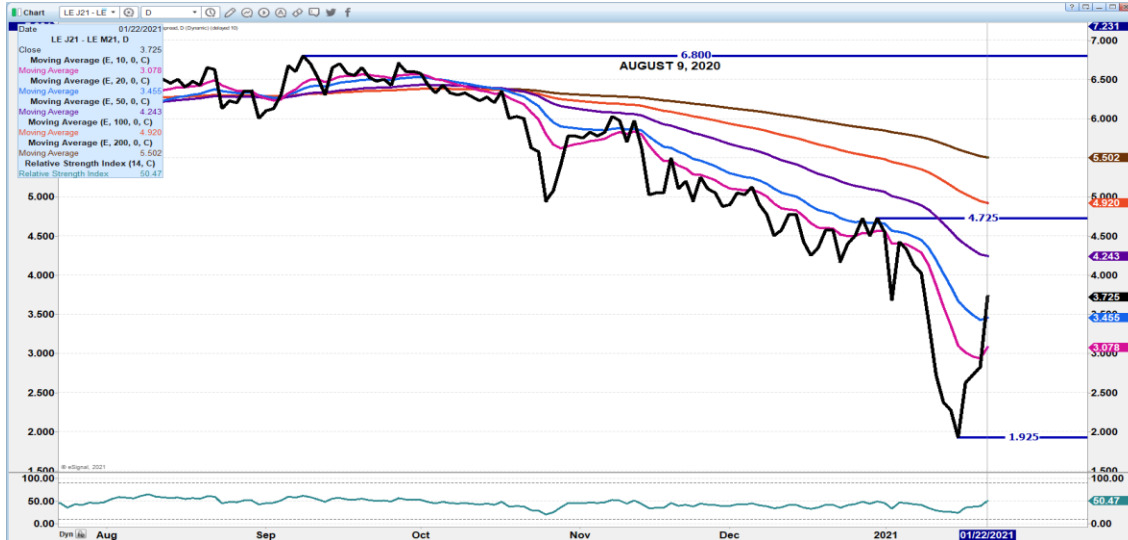
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FEBRUARY 2021 LIVE CATTLE/APRIL 2021 LIVE CATTLE SPREAD – SPREAD IS WIDE. COULD NARROW WITH APRIL LARGE PREMIUM TO FEB

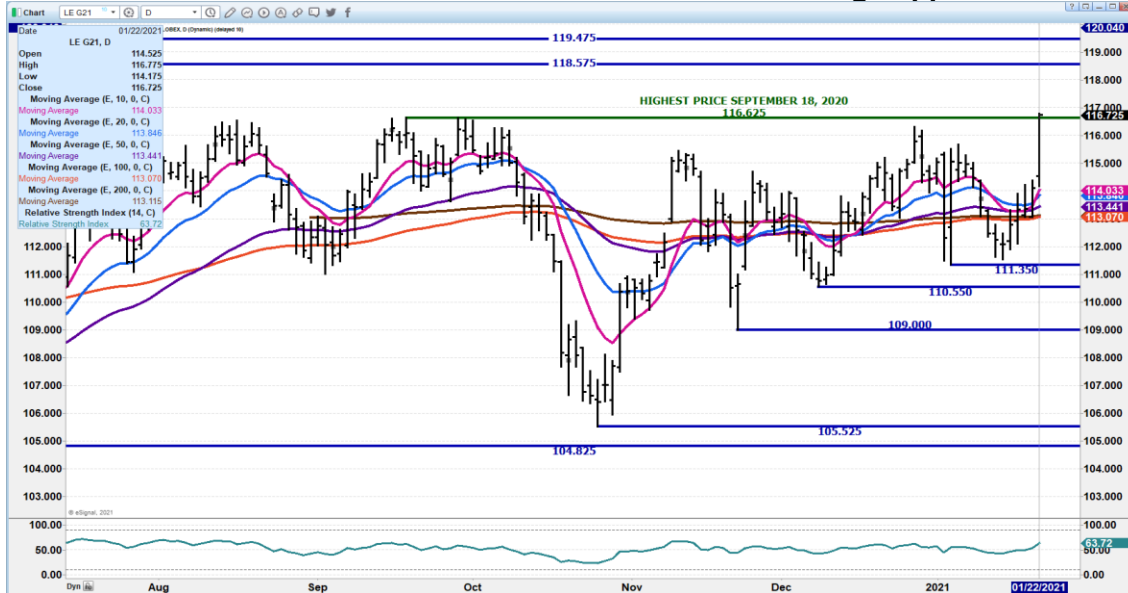




**APRIL/JUNE 2021 LIVE CATTLE SPREAD – SPREAD NARROWED BEFORE REPORT
LOOK FOR IT TO WIDEN AS APRIL LOSSES TO JUNE**

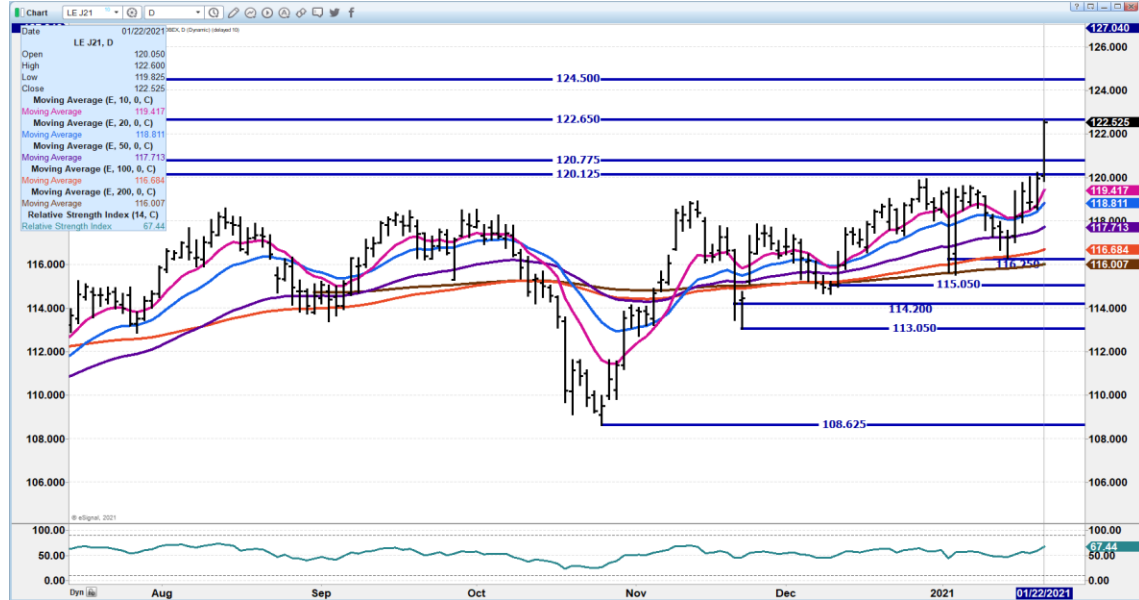


FEBRUARY 2021 LIVE CATTLE – resistance at 116.62 Strong support at 114.00 to 113.00





APR 2021 LIVE CATTLE - volume at 37,893 Resistance 122.65 support at 119.37 to 117.67



JUNE 2021 LIVE CATTLE – DECENT VOLUME 19,987 RESISTANCE AT 118.95 SUPPORT AT 116.37



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Feeder Cattle

THE CME FEEDER INDEX ON 01/21/2020 WAS 133.99 UP 80 CENTS FROM PREVIOUS DAY –

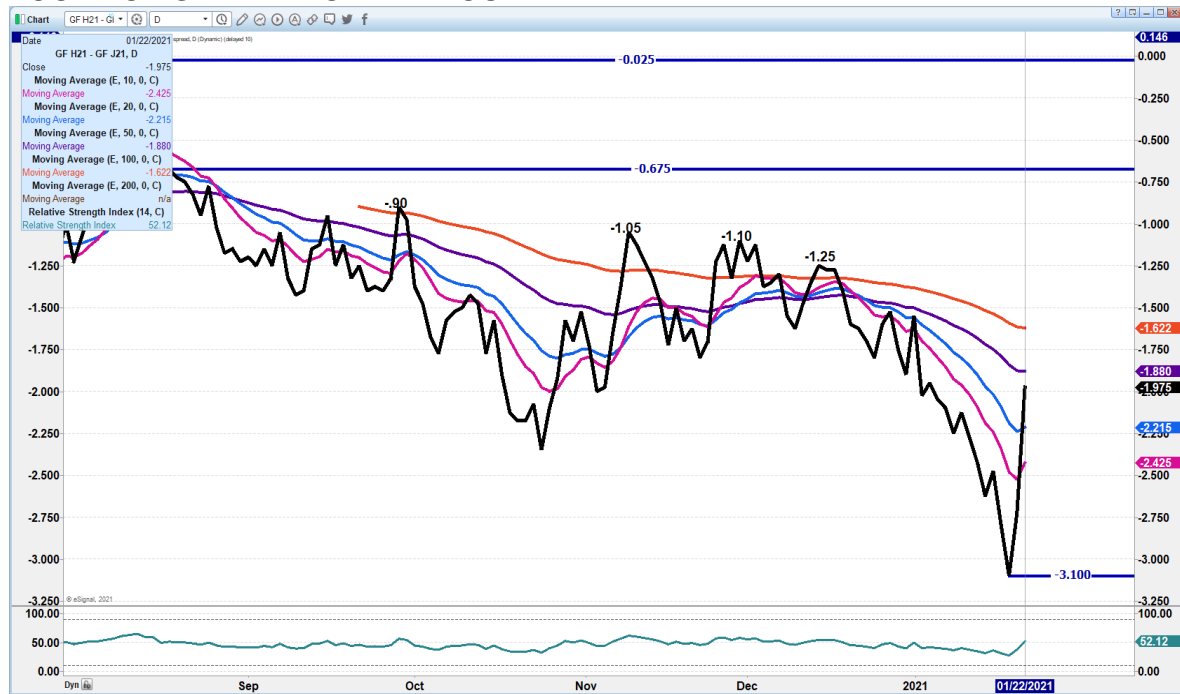
THE CME FEEDER INDEX ON 01/14/2020 WAS 134.45 DOWN 1.04 FROM PREVIOUS DAY

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON JANUARY 22, 2021 AT \$137.25

FEEDER CATTLE, LIKE LIVE CATTLE AND LEAN HOGS ON FRIDAY WERE A FUNCTION OF SPREAD TRADERS. THEY BOUGHT MARCH FEEDERS AND SOLD OUT INTO 2022.

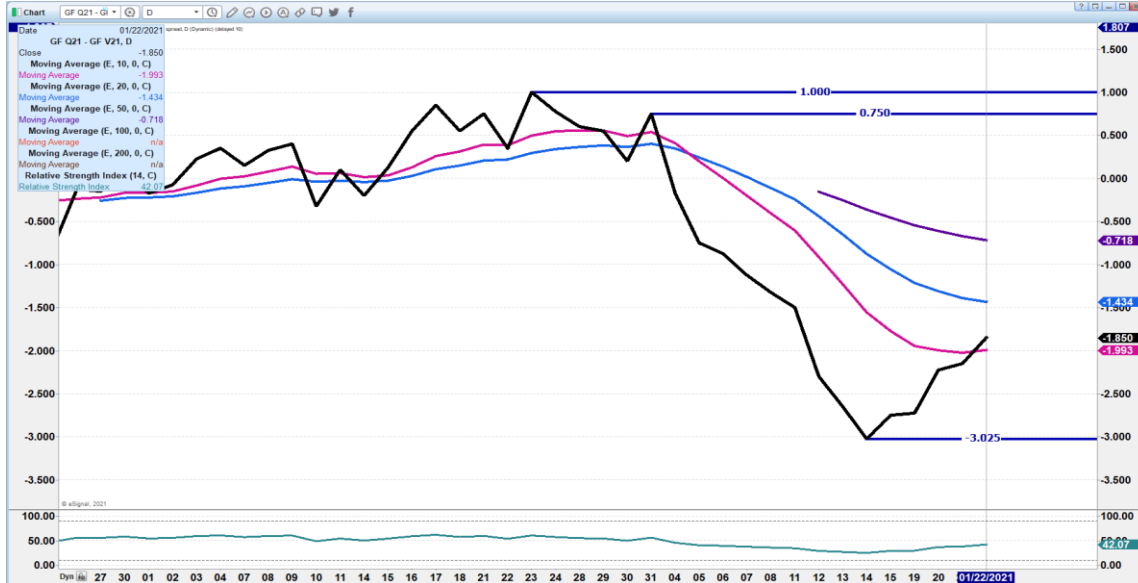
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MARCH 2021/APRIL 2021 FEEDER CATTLE SPREAD - SPREAD NARROWED AND NOW LOOK FOR SPREAD TO WIDEN OUT

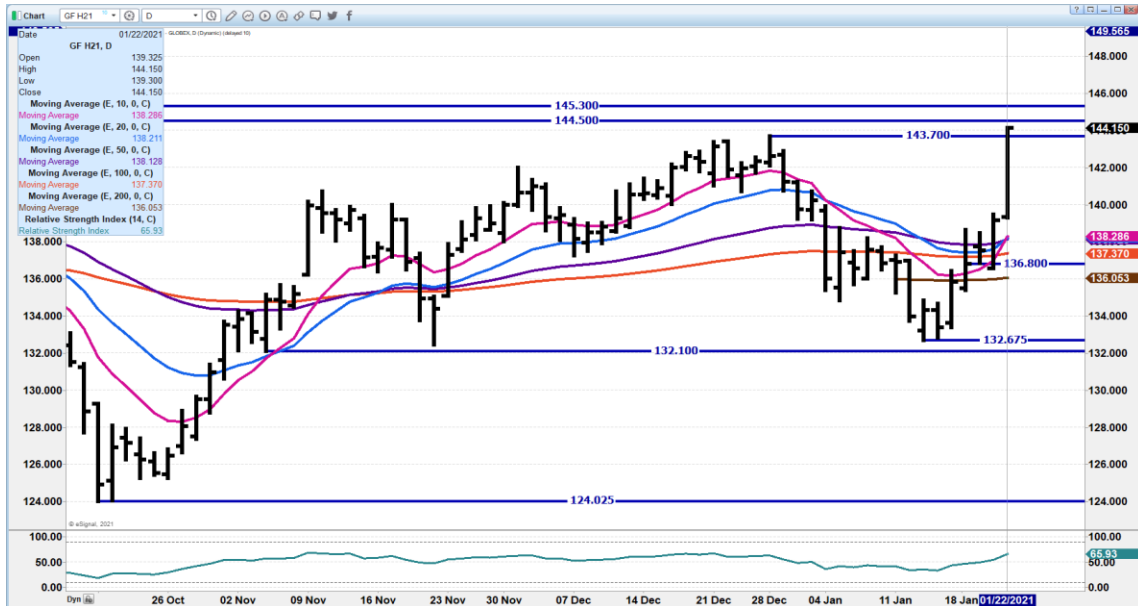




AUG/OCT FEEDER CATTLE SPREAD – SPREAD NARROW. LOOK FOR IT TO WIDEN.



MARCH 2021 FEEDER CATTLE – VOLUME 9026 RESISTANCE AT 144.50 TO 145.30 SUPPORT AT 138.25 TO 136.80

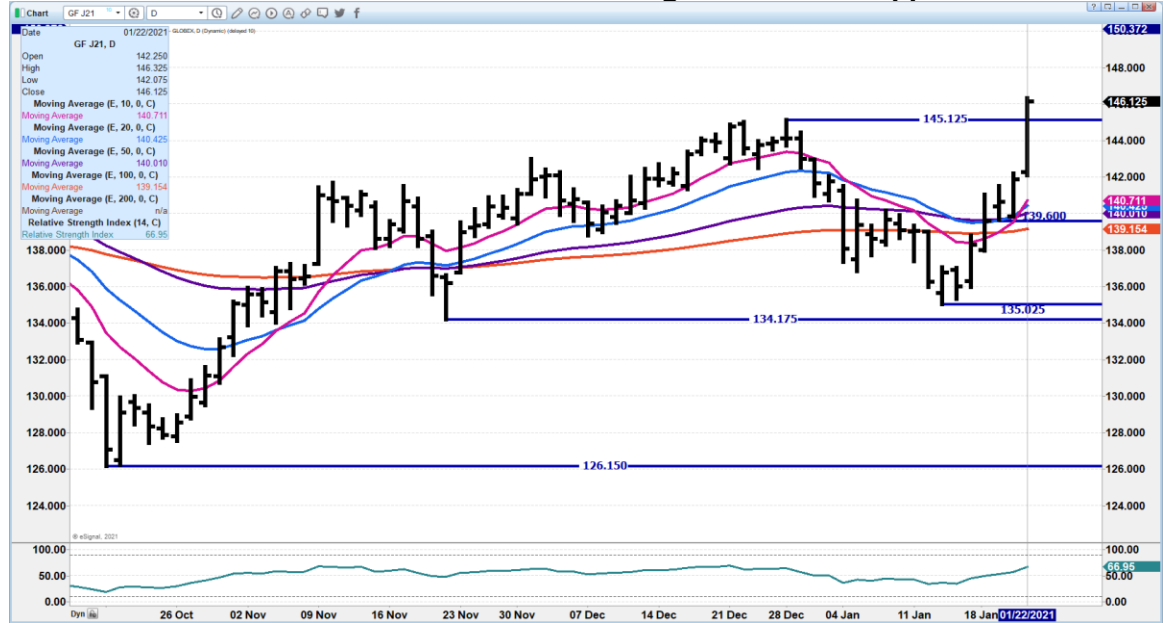


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APR 2021 FEEDER CATTLE – resistance Fri high at 146.32 Support at 140.67 to 139.15



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 22, 2021	498,000	
WEEK AGO	484,000	
YEAR AGO	491,000	
SATURDAY 01/09/2021	391,000-	A WEEK AGO 330,000 - YEAR AGO 216,000
WEEK TO DATE (EST)	2,849,000	
SAME PERIOD LAST WEEK (EST)	2,168,000	
SAME PERIOD LAST YEAR (ACT)	2,695,000	
2020 YEAR TO DATE	3,179,000	
2019 *YEAR TO DATE	4,093,000	

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CME CASH HOG INDEX 01/20/2020 AT 65.40 DOWN 27 CENTS FROM PREVIOUS DAY
CME CASH HOG INDEX 01/14/2020 AT 65.87 UP 39 CENTS FROM PREVIOUS DAY



CME CASH PORK CUTOUT INDEX 01/21/2021 AT 78.97 DOWN 6 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 01/14/2021 AT 80.39 UP 14 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 01/15/2021 WAS 164.94 COMPARED TO 01/08/2021 WAS 153.92

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Chinese New Year is the first week of February. Compared to a year ago their buying has been erratic and less compared to strong steady buying a year ago. Unless something changes in the building of their hog herd, don't expect to see the big purchases of 2020.

Like Cattle and Feeder Cattle, Lean Hogs trading Friday was simply spreaders. They bought April and sold June Lean Hogs on out.

African Swine Fever in China last week due to counterfeit vaccinations for ASF.. They have isolated herd where hogs found. .

Mexico large buyer last week. Looks like they are back after break during holidays. China purchases mostly variety meats, heads, feet and offal. It helps move pork not used in the US but isn't much of a market mover.

Pork movement is getting worrisome low. Either there is a lot of pork sold months ahead in the pork contract market or there may be big exports. It could be pork isn't moving and pork sales are small as packer sell hand to mouth retailers whatever they can squeeze out. Need to monitor pork movement over next week or 2.

The 5 day pork carcass average hasn't been doing much. Hams are volatile on daily markets but have dropped far off highs of the last quarter of 2020.

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Feed markets are the best indicators what is taking place. Grain prices have rallied because of demand for feed. There is no other way to look at it. China is no longer rebuilding their hog supplies; they are in a rapid building phase now above where they were before African Swine Fever.

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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

JANUARY 22, 2021

LOADS OF PORK CUTS: 399.74

LOADS TRIM/PROCESSED PORK: 28.42

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
01/22/2021	428.15	82.83	78.60	72.43	47.59	149.32	71.02	132.55
Change		2.57	2.63	0.04	2.18	0.55	0.18	6.11
Five Day Average --		79.61	76.36	71.17	46.19	148.84	70.51	121.92

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
01/20/2021	359.84	79.02	78.41	68.08	51.03	147.92	70.98	113.21
Change		1.60	3.42	-5.70	6.96	-2.28	5.39	-4.82
Five Day Average --		79.12	74.81	69.17	47.34	148.61	72.49	119.54

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for January 21, 2021

Average live weight - 289.96

Average carcass - 217.49

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DAILY DIRECT AFTERNOON HOG REPORT JANUARY 22, 2021

National Negotiated Carcass Price

Lowest price: 50.00

Highest price: 57.00

Weighted Average Price: 55.46

Head Count: 4,960

Other Market Formula (Carcass)

Lowest base price: 50.18

Highest base price: 86.75

Weighted Average Price: 70.94

Head Count: 60,663

Swine/Pork Market Formula (Carcass)

Lowest base price: 53.50

Highest base price: 75.83

Weighted Average Price: 64.63

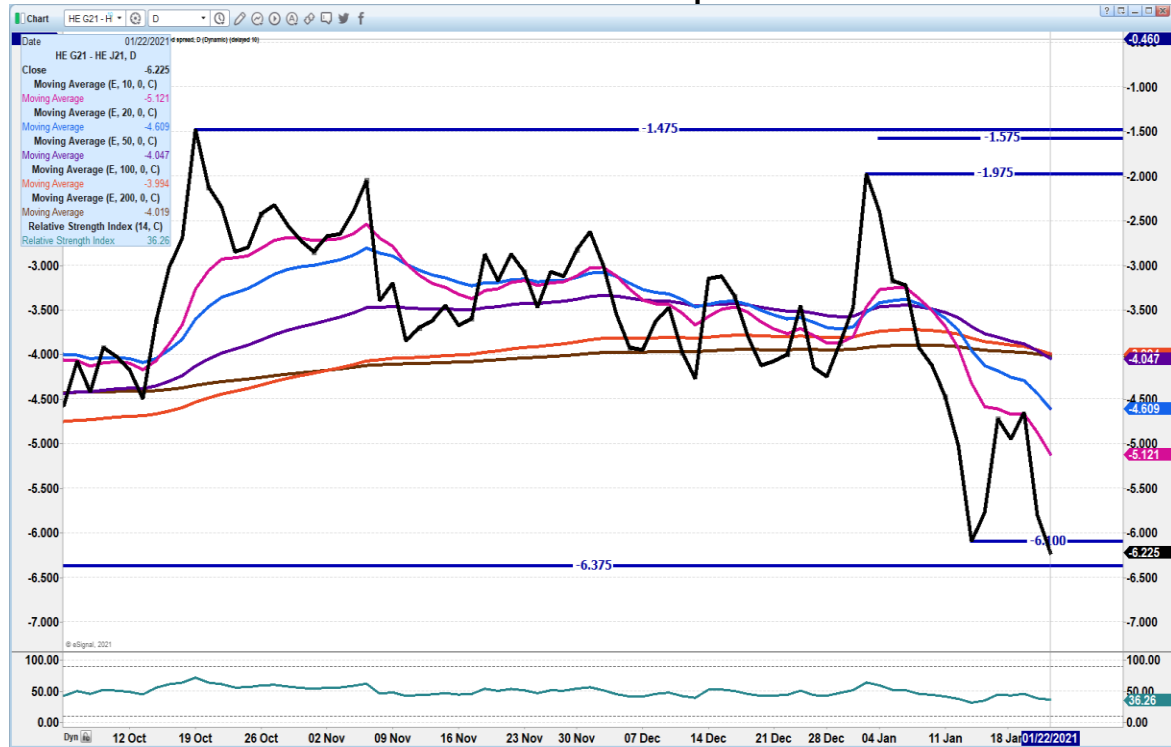
Head Count: 191,226



Other Purchase Arrangement (Carcass)
Lowest base price: 58.70
Highest base price: 95.81
Weighted Average Price: 68.17
Head Count: 59,346

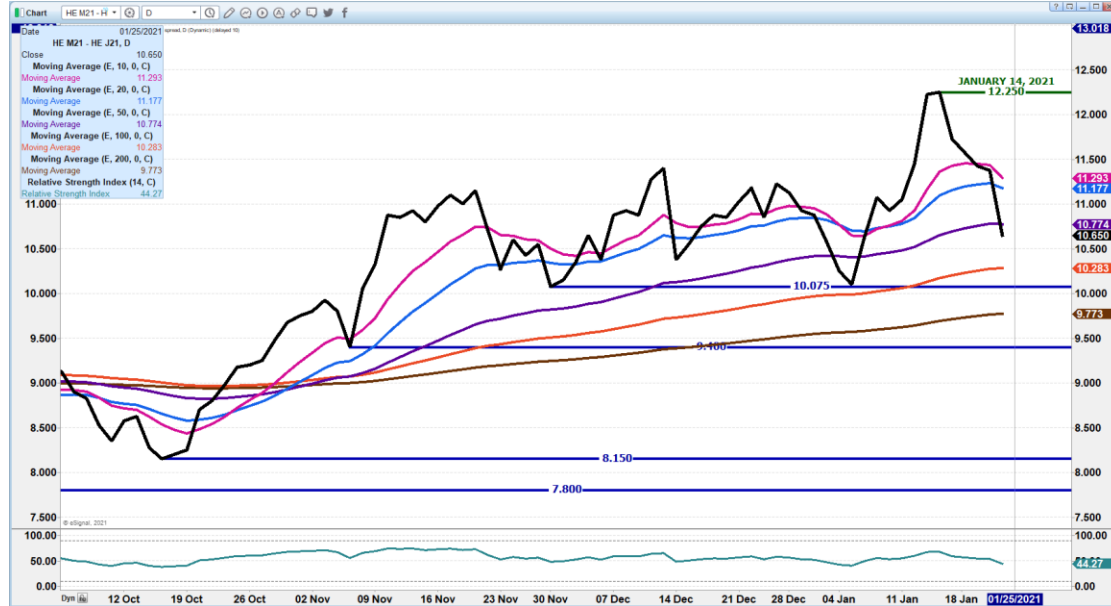
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FEBRUARY/APRIL 2021 LEAN HOG SPREAD - spread is wide and could widen more

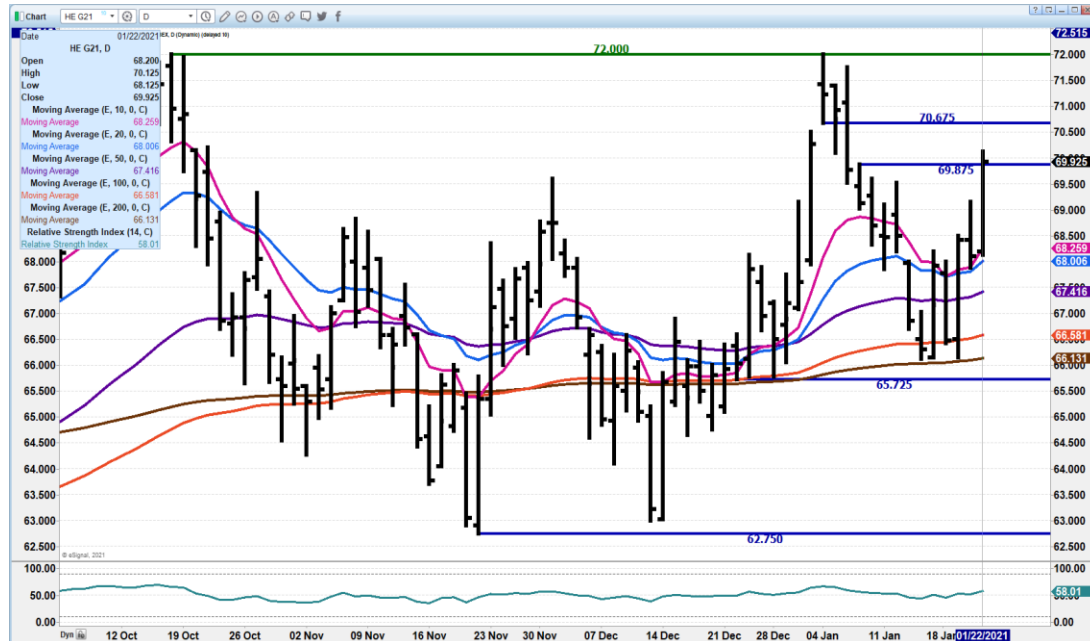




JUNE/APRIL LEAN HOG SPREAD – VOLUME FAIRLY NORMAL NARROWING WILL HAPPEN AS CHINA HAS MORE SUMMER HOGS



FEBRUARY 2021 LEAN HOGS – RESISTANCE AT 70.67 SUPPORT AT 68.27 TO 67.37

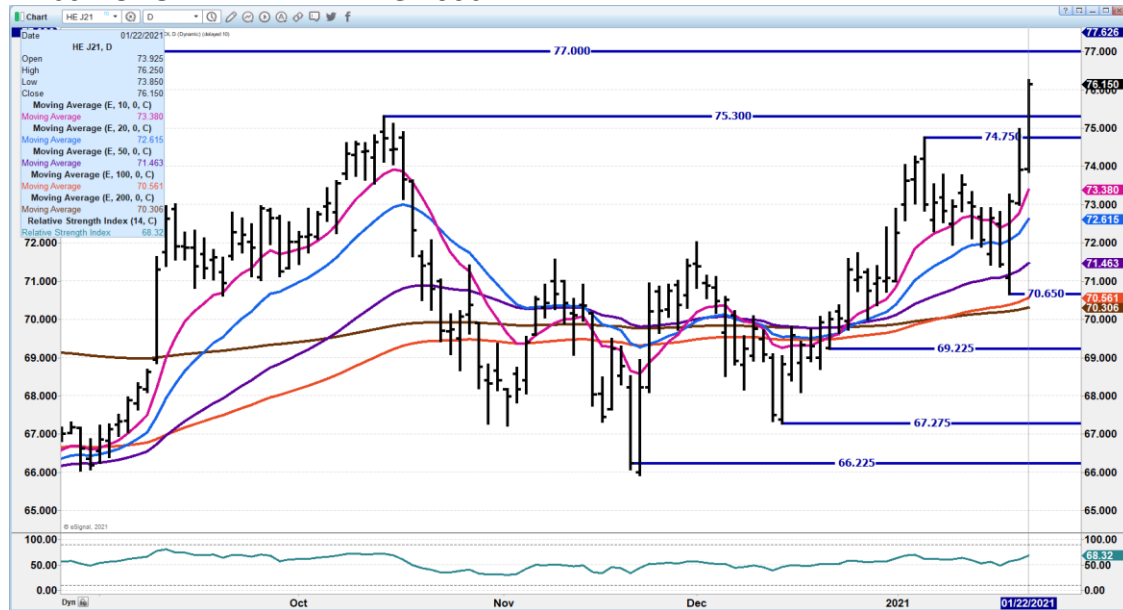


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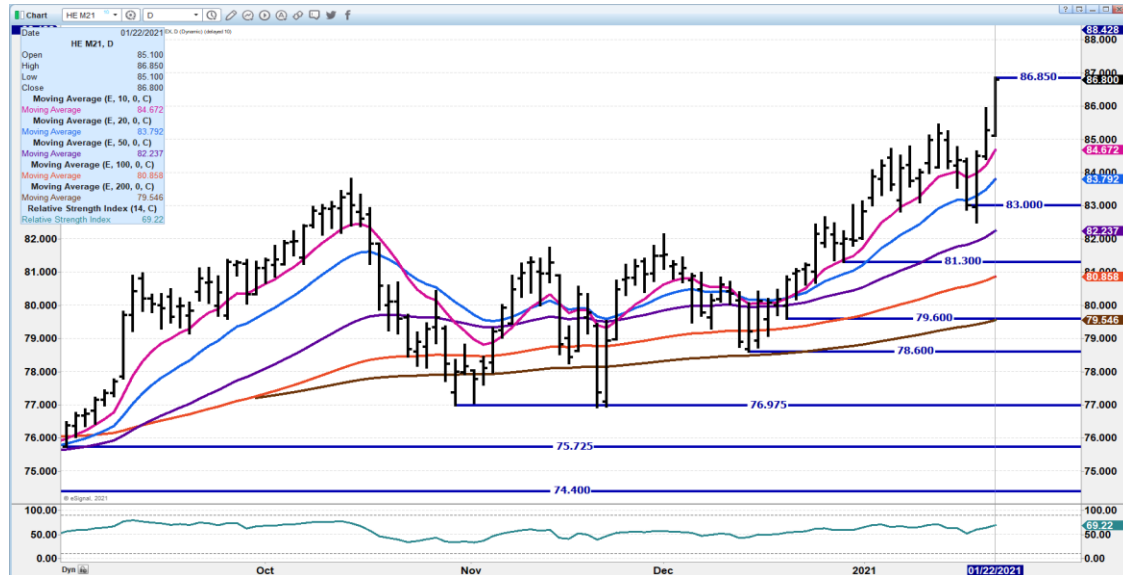
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APRIL 2021 LEAN HOGS – RESISTANCE 77.00, CONTRACT HIGH SUPPORT AT 73.37 TO 72.60 VOLUME FRIDAY WAS 19562



JUNE 2021 LEAN HOGS – RESISTANCE 86.85 SUPPORT AT 84.76 TO 83.77



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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