



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING FEBRUARY 17, 2021 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

FEBRUARY 16, 2021	95,000
WEEK AGO	115,000
YEAR AGO	125,000
WEEK TO DATE (EST)	174,000
SAME PERIOD LAST WEEK (EST)	229,000
SAME PERIOD LAST YEAR (ACT)	231,000

****Revised Monday Cattle Slaughter..79,000** PREVIOUS 92,000**

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	CHOICE	SELECT
BOXED BEEF FINAL	234.77	222.03
CHANGE FROM PRIOR DAY	2.33	0.62
CHOICE/SELECT SPREAD:	12.74	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	78	
5 DAY SIMPLE AVERAGE:	233.02	220.86

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FINAL FEBRUARY 16, 2021

Primal Rib	393.03	349.46
Primal Chuck	196.66	191.41
Primal Round	188.67	189.25
Primal Loin	319.86	292.56
Primal Brisket	169.34	157.55
Primal Short Plate	136.29	136.29
Primal Flank	105.68	107.04

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FINAL FEBRUARY 15, 2021

Primal Rib	390.79	348.87
Primal Chuck	195.04	192.21
Primal Round	187.26	187.85
Primal Loin	315.57	291.84
Primal Brisket	167.99	156.30
Primal Short Plate	133.71	133.71
Primal Flank	102.25	104.55

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
02/15	49	14	12	18	93	232.44	221.41
02/12	61	10	20	34	125	232.37	220.93
02/11	64	14	6	20	104	232.96	220.29
02/10	63	11	42	20	136	233.02	220.96
02/09	59	17	10	36	121	234.29	220.73

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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	45.90 loads	1,835,948 pounds
Select Cuts	7.62 loads	304,616 pounds
Trimming	7.54 loads	301,668 pounds
Ground Beef	16.83 loads	673,007 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)

FEBRUARY 2021 USDA REPORTS

CATTLE ON FEED REPORT - FEBRUARY 19, 2021 2:00PM CENTRAL US TIME
COLD STORAGE REPORT – FEBRUARY 23, 2021 2:00PM CENTRAL US TIME

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DELIVERY NOTICE SERVED – FEBRUARY 2021 - LIVE CATTLE

SETTLEMENT: FEBRUARY 15, 2021 - \$116.15

OLDEST LONG: 02/08/21 SETTLEMENT AT \$116.57

90 DELIVERIES

FIRM #	FIRM NAME	DEL	REC
800	MAREX SPEC	35	4
213	D T TRADING	55	
685	R.J.O'BRIEN ASSOC		86

ftp://ftp.cmegroup.com/delivery_reports/live_cattle_delivery/

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USDA POSTED CATTLE PRICES ON 02/16/2021

IA/MN – CASH –No Reportable Trade

NE – CASH No Reportable Trade

KS – CASH No Reportable Trade

TX/OK/NM - No Reportable Trade

CO – *Confidential*

*****National Daily Direct Cattle 02/16/2021**

5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1067	\$113.82	24,110
Live Heifer:	1335	\$113.68	11,743
Dressed Steer:	969	\$180.11	16,585
Dressed Heifer:	875	\$180.05	5,748

1067 – Likely a typing error Probably 1467

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The Fed Cattle Exchange has 1444 head for Internet sale on Wednesday. Since they are bought at the feedlot, and moved from 1-9 days to 1- 17 days, weather shouldn't make a difference on how they are bought. Demand, good or bad, will reflect buyer's needs.

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Subzero temperatures make it unbelievably horrible to work outside and to ship animals loaded on a truck. Cold weather has been limiting livestock movement, the number of employees able to get into work and deplorable conditions for livestock outside. Slaughter Monday was 92,000 head and Tuesday it is estimated at 95,000 head. February futures rallied early on the idea packers may pay up especially with higher boxed beef but there is no sense on paying higher. A higher price won't get anymore cattle to move.

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Morning Choice boxed beef sales were \$2.30 better but movement was only 33 total loads. Consumers will eat what they have at home before venturing out in subzero weather and drifting snow.

Temperatures will moderate by mid-week in many areas and snow in South and Southwest will melt. Cattle are backed up but if people aren't at packing plants, packer can't do much about it now.

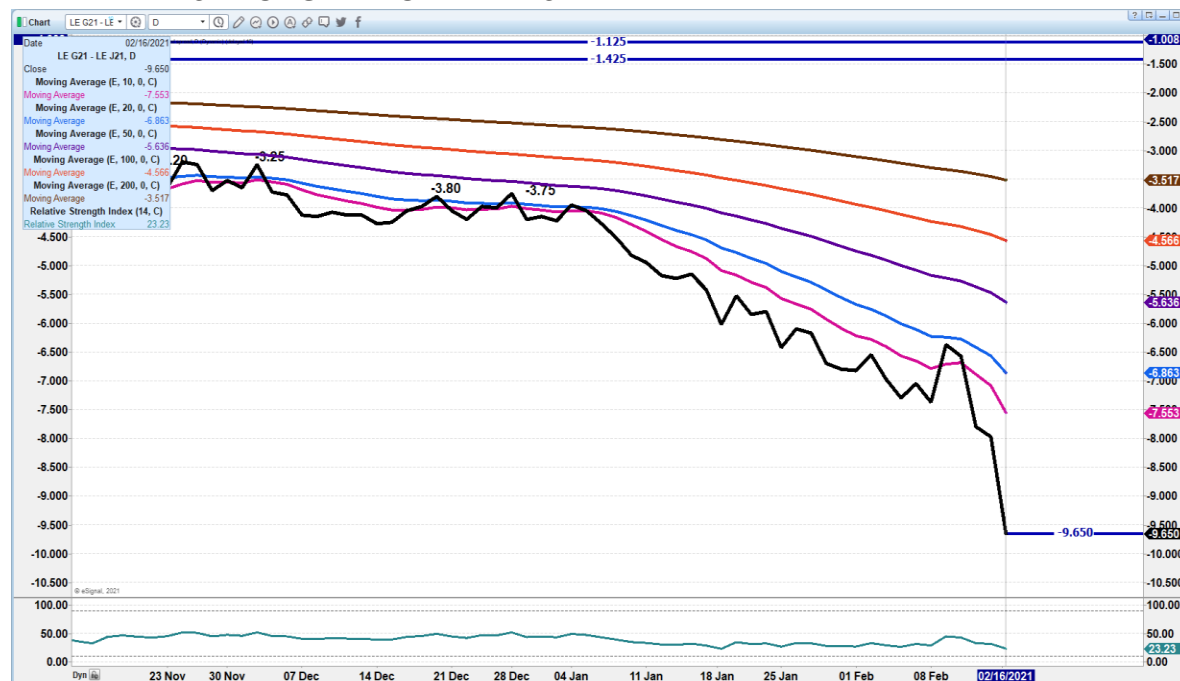
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As of February 9, 2021 dressed steer and heifer weights were 892.8 compared to previous week at 896.5, down 3.7 pounds from week ago. However, it is 14 pounds over a year ago. Grading percent was 84.2% up .5% compared to previous week at 83.7%.

At 84.2% Choice there are a lot of Choice cattle and buyers don't need to fight over Choice. They are buying Select without big docks because they can fabricate Select and add in cheap fat when needed.

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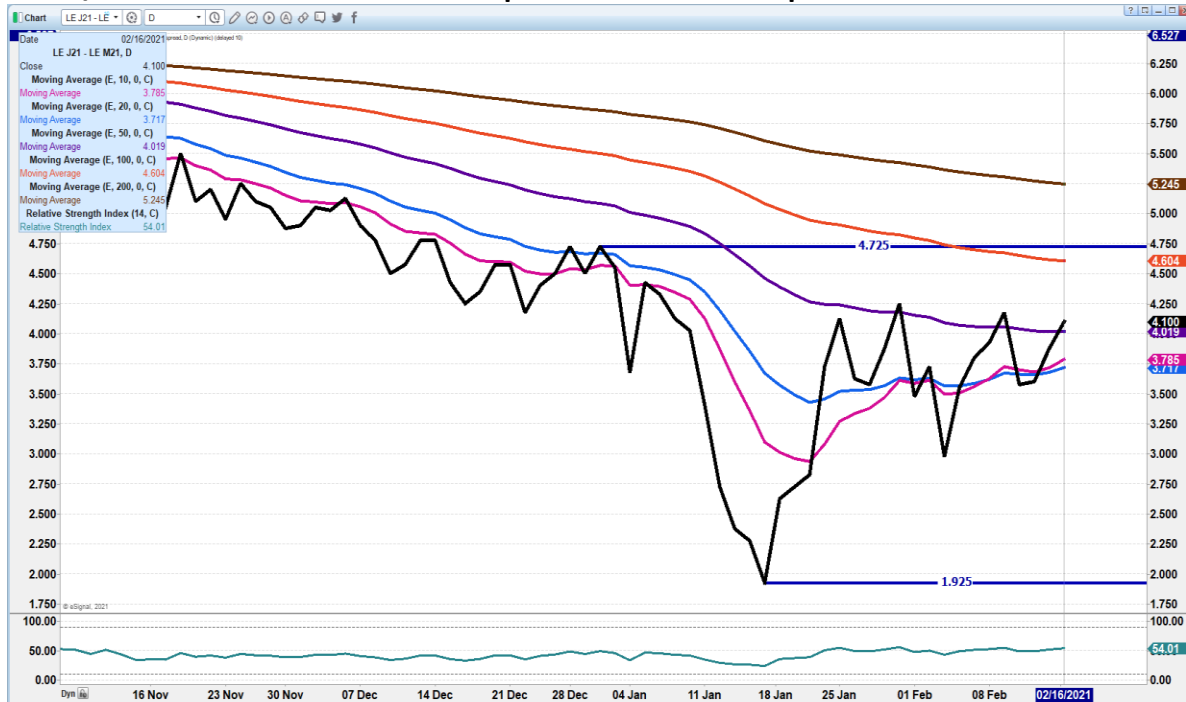
FEBRUARY/APRIL LIVE CATTLE SPREAD – WIDE SPREAD AND BECOMING SLIGHTLY OVERSOLD. COULD SEE TRADE PROFIT TAKING TO 10 DAY MOVING AVERAGE BUT REMAINING WIDE. APRIL IS A LONG WAY OFF AT THIS TIME



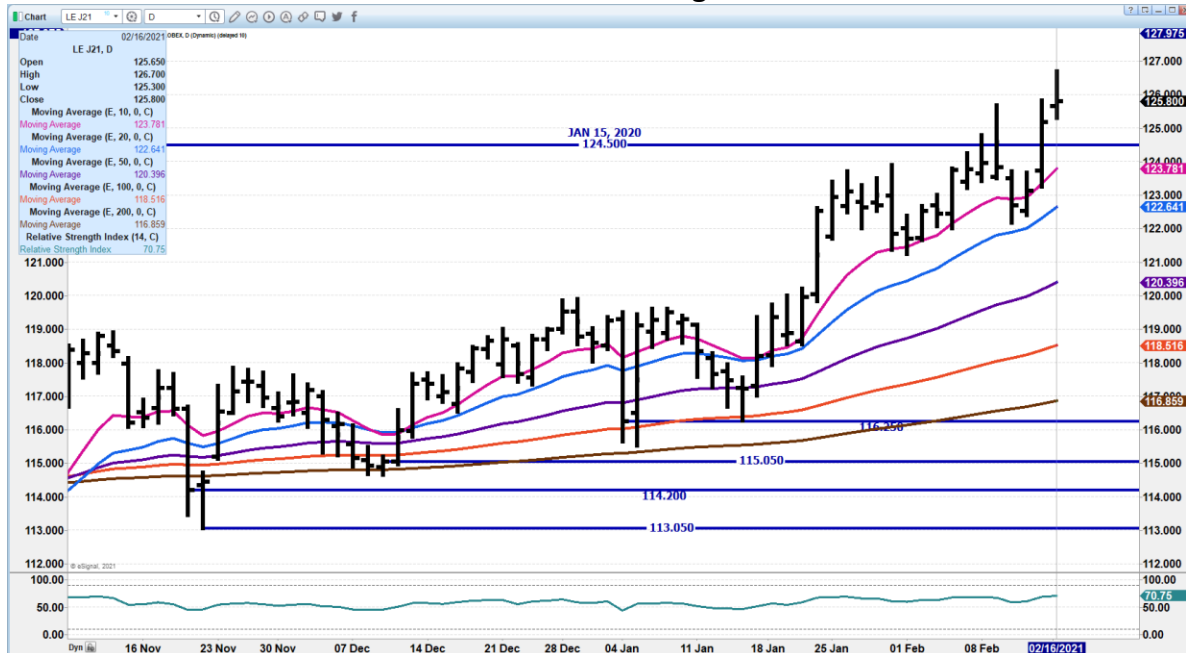
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APRIL/JUNE LIVE CATTLE SPREAD – April over June is bull spread.



APRIL 2021 LIVE CATTLE - New contract high Volume 25,466 Support at 123.70 to 122.65 Resistance at 126.70 RSI at 70.75 far from overbought



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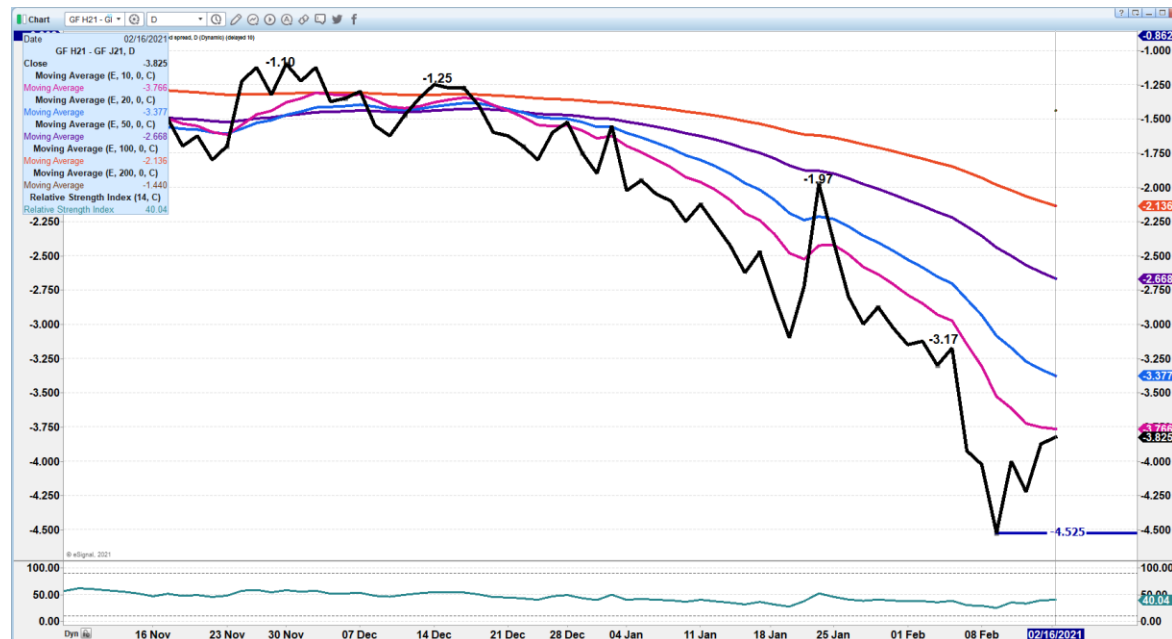
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YEARLINGS THAT ALWAYS SHOW UP AT AUCTIONS THIS TIME OF YEAR. RANCHERS IN THE NORTHERN PLAINS ARE MORE PREPARED FOR THE TYPE OF WINTER SEEN THIS WEEK AND INTO THE MIDDLE OF NEXT WEEK. RANCHERS IN TEXAS AND SOUTHERN KANSAS ARE NOT USED TO THE REGULAR TEMPERATURES TO BE BELOW ZERO. MOST OF THE COWBOYS IN THE FEEDYARDS WILL EARN THEIR KEEP BY MAKING SURE THAT THE STOCK GET WATERED AND FED EVERY DAY. AS OF FRIDAY FEBRUARY 12, MANY AUCTIONS IN OKLAHOMA AND MISSOURI CANCELLED THEIR LATE WEEK AUCTIONS AS WELL AS EARLY WEEK AUCTIONS ALREADY ANNOUNCED CLOSURES INTO THE MIDDLE OF NEXT WEEK. SOME NORTHERN PLAINS AUCTIONS EVEN CANCELLED SALES AS THE POLAR VORTEX MOVED FURTHER SOUTH THAN WEATHER WATCHERS HAVE SEEN IN QUITE SOME TIME. CATTLE PERFORMANCE IS A KEY FOCUS NOW AS COSTS OF GAIN HAVE QUICKLY INCREASED AND CATTLE FEEDERS ARE VERY CRITICAL OF CATTLE IN TOO HEAVY OF FLESH CONDITION. LIGHT FLESHED CATTLE SELL EASILY AND TOP THE MARKET. THE OVERFED TYPES THAT CARRY TOO MUCH FLESH TO BE EFFICIENT GAINERS IN THE YARDS SELL TO A NARROW OUTLET AT LOWER MARKET VALUES. REPLACEMENT HEIFER QUOTES ARE ON MOST STATES MARKET REPORTS THE PAST FEW WEEKS, AS SOME BACKGROUNDERS HAVE REPUTATION HEIFER DEVELOPMENT PROGRAMS THAT ARE IN GREAT DEMAND.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

Reports about death loss are scattered and seem to be fairly light. Weather forecasts gave ample opportunity to protect calves. Frozen ears and tails will be a problem in some instances.

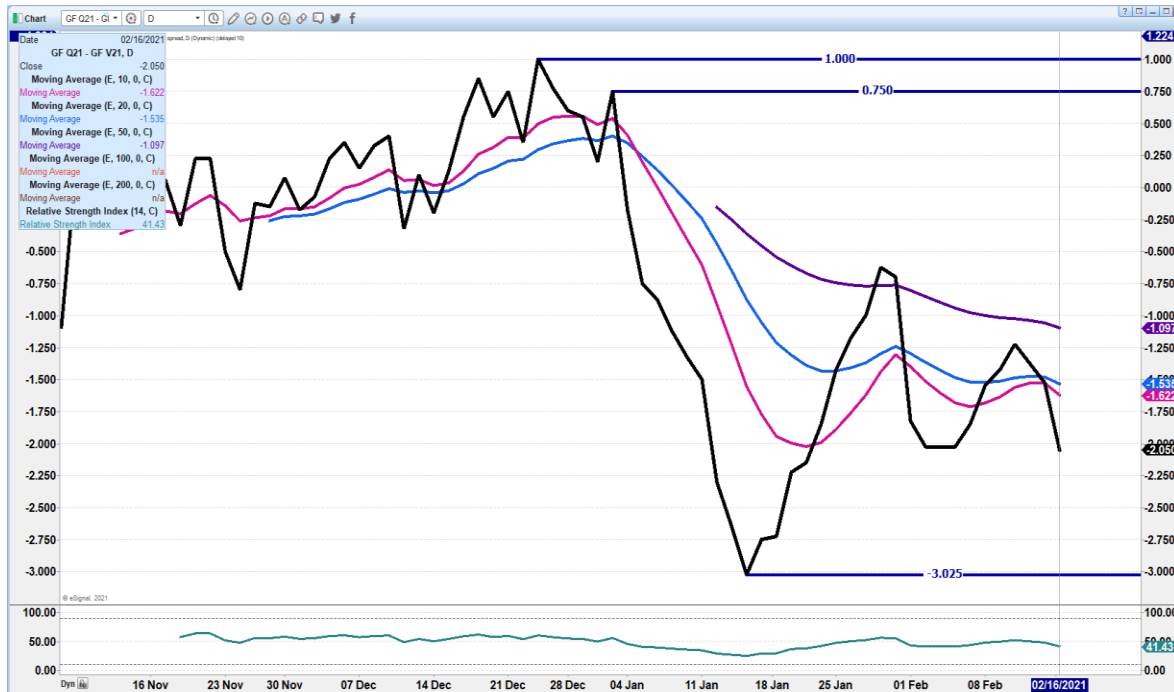
MARCH/APRIL 2021 FEEDER CATTLE SPREAD - SPREAD FAIRLY NORMAL SHOULD SEE INCREASE DEMAND IN MARCH AS FEEDERS COME OFF PASTURES TO SALES. WARMING WEATHER NEXT WEEK. SO FAR DEATH LOSSES LIMITED



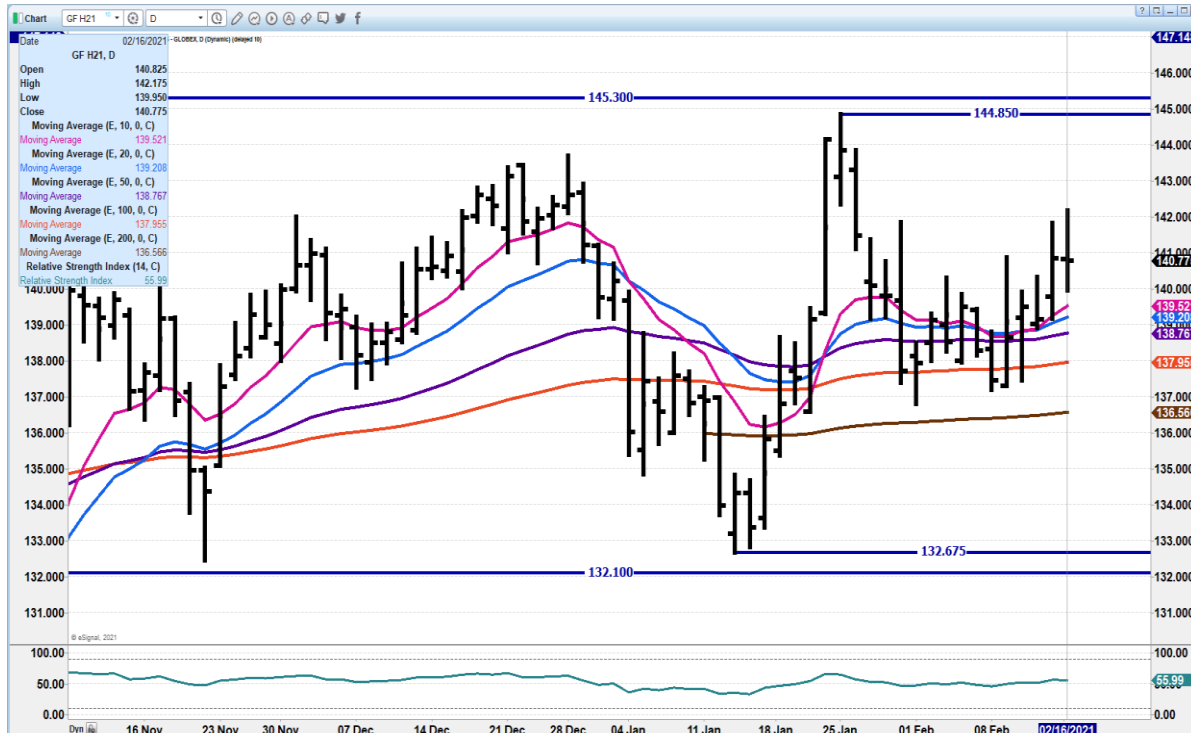
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AUGUST/SEPTEMBER FEEDER CATTLE SPREAD – DEMAND SHOULD INCREASE IN THE FALL AND SEPTEMBER – NOVEMBER SHOULD INCREASE WITH FEWER FEEDERS



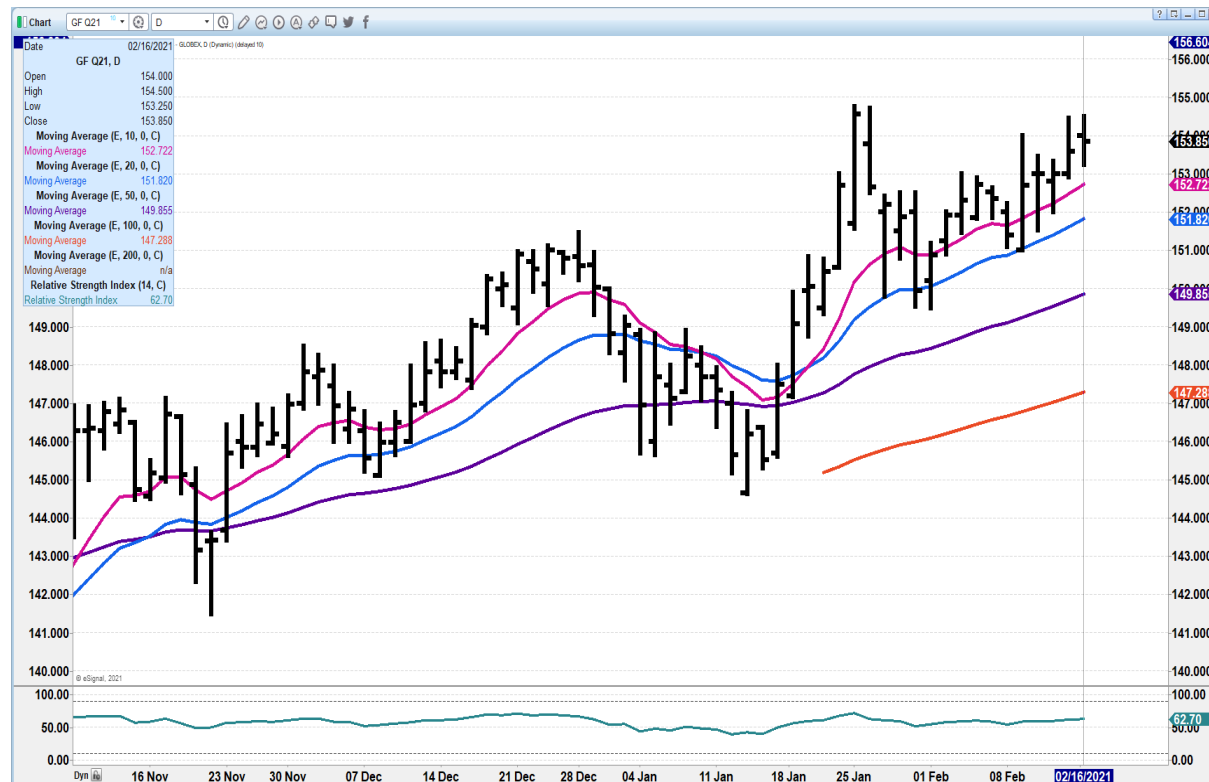
MARCH 2021 FEEDER CATTLE – SUPPORT AT 139.50 TO 137.95 RESISTANCE AT 141.50



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AUGUST 2021 FEEDER CATTLE – RESISTANCE AT 154.75 SUPPORT AT 152.70 O 151.85



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER	
FEBRUARY 16, 2021	425,000
WEEK AGO	488,000
YEAR AGO	478,000
WEEK TO DATE (EST)	982,000
SAME PERIOD LAST WEEK (EST)	972,000
SAME PERIOD LAST YEAR (ACT)	981,000

CME CASH HOG INDEX 02/12/2020 AT 74.54 UP 1.39 FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 02/15/2021 AT 87.97 UP 1.14 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 02/05/2021 WAS 164.55 COMPARED TO 01/29/2021 WAS 163.35 – CME HAS NOT UPDATED FEB 16, 2021

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Pork carcass off \$1.55 with Picnics, hams and bellies all lower. Loins up 46 cents. However, the 5 day average was up 87 cents. US Dollar is cheap and exports should be consistent. China could come in any time to buy prk to replenish coolers after New Year Holiday but don't look for big buys like last year. With cheap US Dollar, look for good Mexican buy.

Weather has stopped movement to packers, but it also has stopped consumers shopping. Pork market was moving higher before bad weather. . Spreads are wide but could remain wide especially without a spot contract month with February off the board last week. .

Spread trading super obvious on Tuesday. Traders buying front months and selling out everything from April to June, June to months ahead, and so on...

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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

FEBRUARY 16, 2021

LOADS OF PORK CUTS: 291.28

LOADS TRIM/PROCESSED PORK: 27.54

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
02/16/2021	318.82	89.71	79.52	77.27	56.05	145.75	77.73	156.67
Change		-1.55	0.46	1.43	-4.29	-0.51	-2.80	-2.63
Five Day Average --		89.02	79.05	75.36	58.63	146.77	78.38	152.33

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
02/15/2021	262.57	91.26	79.06	75.84	60.34	146.26	80.53	159.30
Change		2.88	1.74	-1.65	2.60	0.61	3.10	6.82
Five Day Average --		88.15	78.95	74.80	58.46	147.56	77.36	149.17

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for February 15, 2021

Average live weight 284.37

Average carcass - 213.65

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A User's Guide to USDA's LMR Hog Price Reports

<https://www.ams.usda.gov/sites/default/files/media/LMRswineReportingHandout.pdf>

DAILY DIRECT AFTERNOON HOG REPORT FEBRUARY 15, 2021

National Negotiated Carcass Price

Lowest price: 61.00

Highest price: 71.00

Weighted Average Price: 69.56

Head Count: 4,955

On a National basis, compared to the previous day's weighted average (LM_HG203), 2.47 higher

Other Market Formula (Carcass)

Lowest base price: 50.02

Highest base price: 89.15

Weighted Average Price: 73.63

Head Count: 19,373

Swine/Pork Market Formula (Carcass)

Lowest base price: 64.56

Highest base price: 86.83

Weighted Average Price: 75.48

Head Count: 141,855

Other Purchase Arrangement (Carcass)

Lowest base price: 67.36

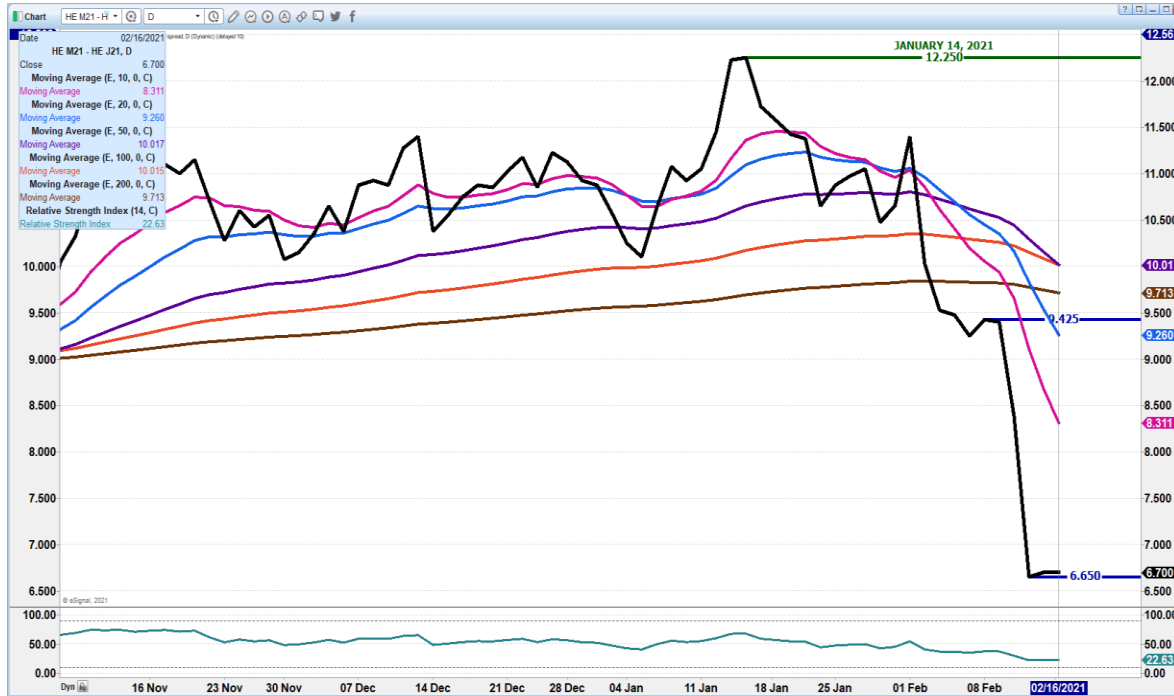
Highest base price: 126.57

Weighted Average Price: 76.63

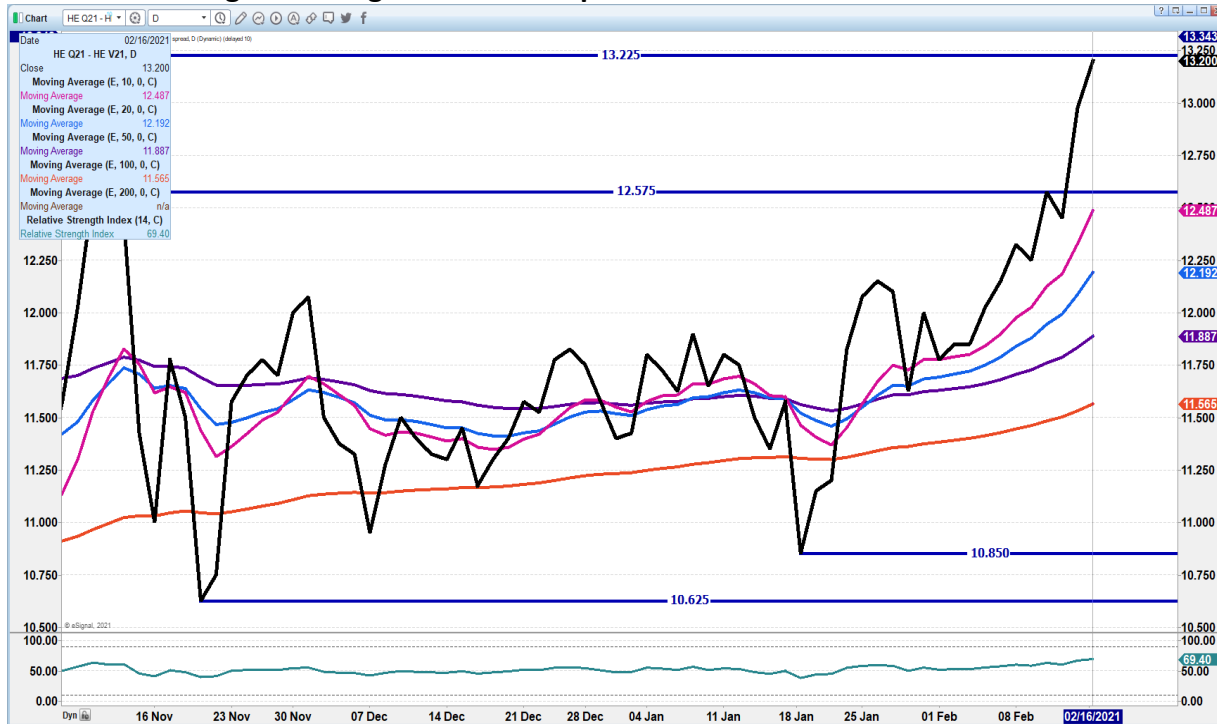
Head Count: 54,143

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JUNE/APRIL LEAN HOG SPREAD – Spreaders moving market. Spread has contra-seasonally narrow. Look for more narrowing Place trade at -8.20 if a bounce.



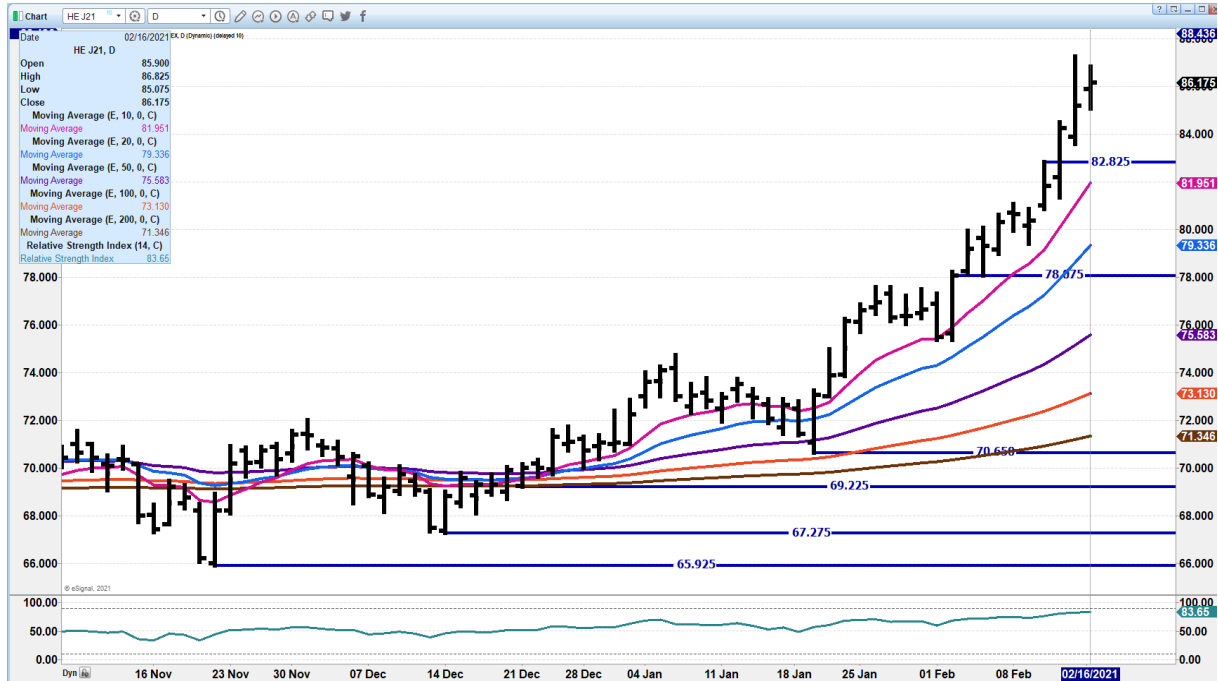
AUGUST/OCTOBER 2021 LEAN HOG SPREAD – Spread is wide. Should soon have correction with summer hogs reversing current wide spread.



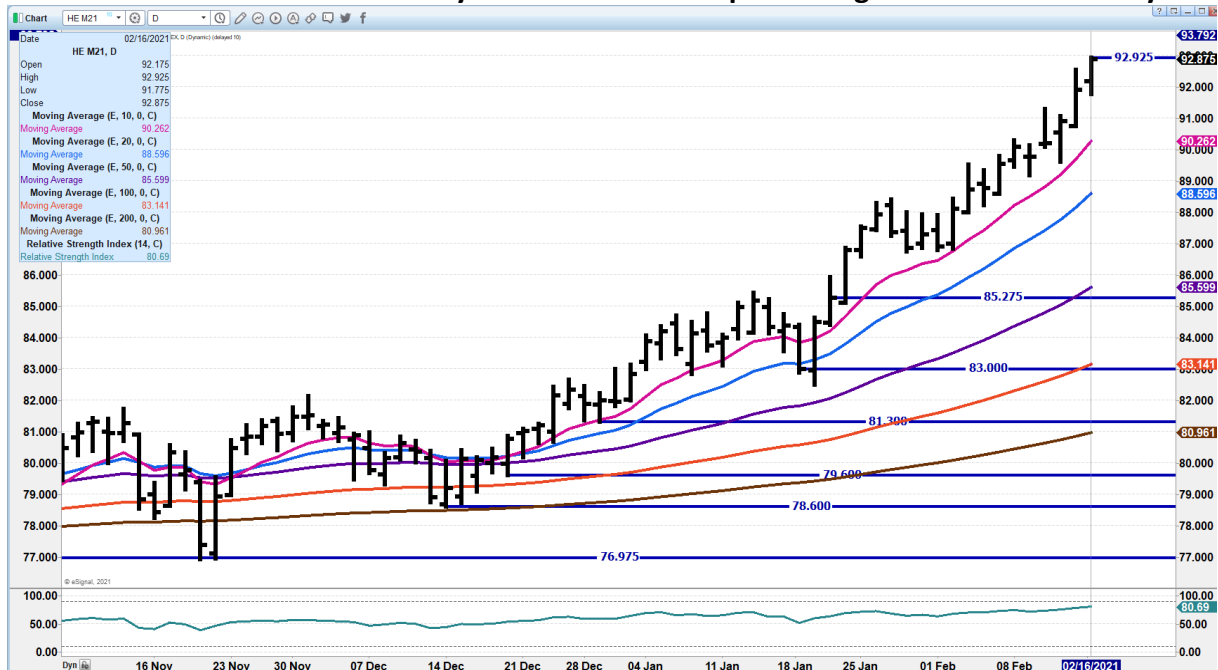
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APRIL 2021 LEAN HOGS – Contract high close Next resistance at 87.25 Support at 81.90 to 79.35 RSI at 84. Could have a correction but correction could come the way of spreads.



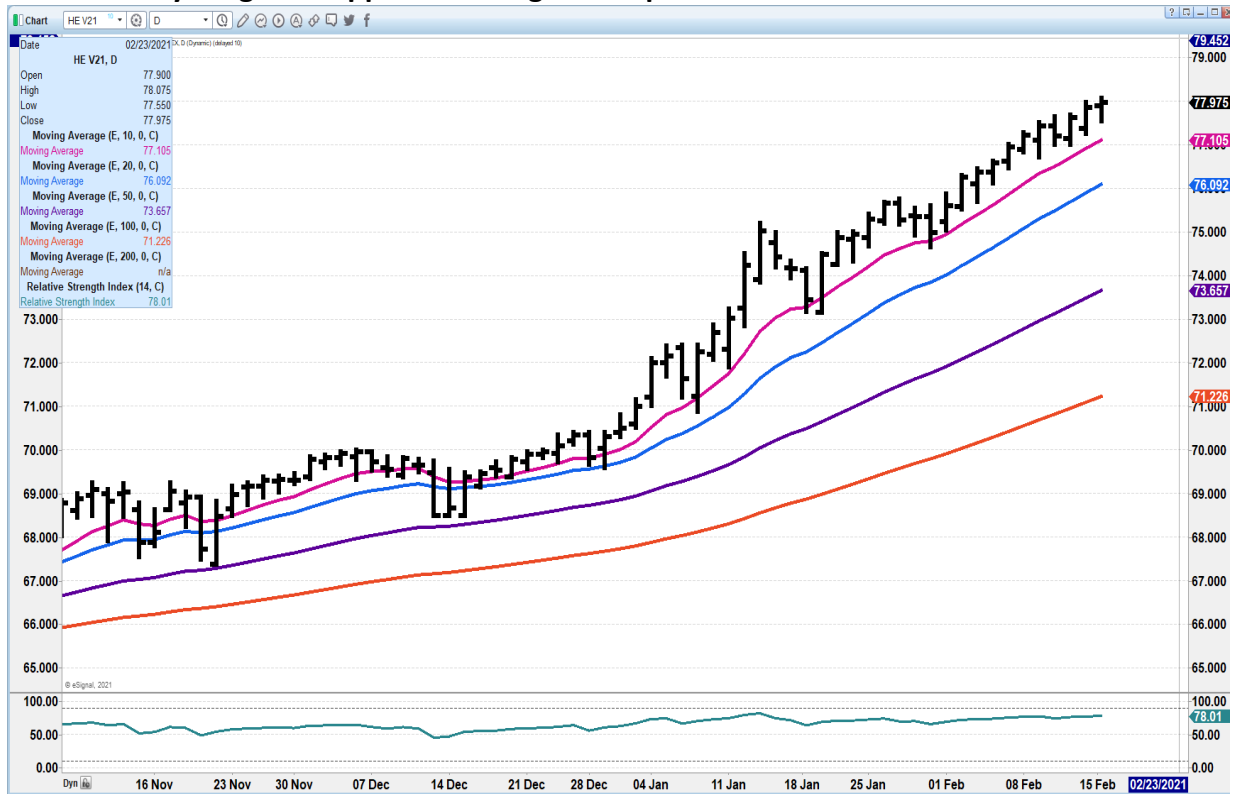
JUNE 2021 LEAN HOGS – New contract high Volume is light as market moves up so be cautious. Support at 90.25 to 89.50 Resistance at 93.37 RSI at 81 getting into overbought but not too bad A correction likely before it breaks. April through 2021 are technically far off



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OCTOBER 2021 LEAN HOGS – RSI at 78. Buyers happier than sellers. But low volume 2280 contracts anything can happen including more upside.



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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