



MONDAY MORNING FEBRUARY 1, 2021 LIVESTOCK REPORT

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CATTLE

FRIDAY AFTERNOON JANUARY 29, 2021

USDA FEDERAL CATTLE SLAUGHTER

JANUARY 29 , 2021	120,000	
WEEK AGO	119,000	
YEAR AGO	119,000	
SATURDAY 01/30/2021	62,000	- A WEEK AGO 69,000, YEAR AGO 32,000
WEEK TO DATE (EST)	653,000	
SAME PERIOD LAST WEEK (EST)	657,000	
SAME PERIOD LAST YEAR (ACT)	638,000	
2021 YEAR TO DATE	2,682,000	
2020 YEAR TO DATE	2,249,000	
Percent change previous year	-7.1%	

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	CHOICE	SELECT
BOXED BEEF FINAL	233.95	222.70
CHANGE FROM PRIOR DAY	1.96	1.82
CHOICE/SELECT SPREAD:		11.25
TOTAL LOAD COUNT		75
5 DAY SIMPLE AVERAGE:	228.05	217.35
CLOSE ON JANUARY 22, 2021	222.82	213.34

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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 29, 2021

Primal Rib	370.95	332.97
Primal Chuck	201.63	200.58
Primal Round	192.73	196.78
Primal Loin	315.77	280.48
Primal Brisket	171.83	169.73



Primal Short Plate	137.32	137.32
Primal Flank	105.54	108.26

**PREVIOUS WEEK CLOSE
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

LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
01/28	80	13	5	12	110	231.99	220.88
01/27	72	12	16	21	121	229.66	218.99
01/26	76	21	13	21	131	229.06	217.33
01/25	54	18	8	12	91	226.73	216.21
01/22	82	22	22	17	143	222.82	213.34

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	47.44 loads	1,897,413 pounds
Select Cuts	7.02 loads	280,722 pounds
Trimming	13.85 loads	554,048 pounds
Ground Beef	6.26 loads	250,221 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 POSTED CATTLE PRICES ON 01/29/2021
IA/MN – CASH – 110.00 - 113.00 DRESSED 176.00 - 181.00
NE - CASH – 110.00 - 113.00 DRESSED 176.00 - 178.00



KS – CASH 112.00 - 113.00 DRESSED No Reportable Trade
TX/OK/NM – 113.00. MIXED LOADS AND MIXED CHOICE/SELECT
CO – 113.00

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***National Daily Direct Cattle 01/29/2021
5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1481	\$111.19	8,591
Live Heifer:	1323	\$111.41	2,875
Dressed Steer:	966	\$175.91	3,701
Dressed Heifer:	870	\$176.27	2,018

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Biannual Cattle Inventory Report January 29, 2021

January 1 Cattle Inventory Down Slightly

All cattle and calves in the United States as of January 1, 2021 totaled 93.6 million head, slightly below the 93.8 million head on January 1, 2020.

All cows and heifers that have calved, at 40.6 million head, were slightly below the 40.7 million head on January 1, 2020. Beef cows, at 31.2 million head, were down 1 percent from a year ago. Milk cows, at 9.44 million head, were up 1 percent from the previous year.

All heifers 500 pounds and over as of January 1, 2021 totaled 20.0 million head, slightly below the 20.0 million head on January 1, 2020. Beef replacement heifers, at 5.81 million head, were up slightly from a year ago. Milk replacement heifers, at 4.60 million head, were down 2 percent from the previous year. Other heifers, at 9.58 million head, were 1 percent above a year earlier.

Steers weighing 500 pounds and over as of January 1, 2021 totaled 16.6 million head, up slightly from January 1, 2020.

Bulls weighing 500 pounds and over as of January 1, 2021 totaled 2.21 million head, down 1 percent from January 1, 2020.



Calves under 500 pounds as of January 1, 2021 totaled 14.2 million head, down 1 percent from January 1, 2020.

Cattle and calves on feed for the slaughter market in the United States for all feedlots totaled 14.7 million head on January 1, 2021. The inventory is up slightly from the January 1, 2020 total of 14.7 million head. Cattle on feed in feedlots with capacity of 1,000 or more head accounted for 81.4 percent of the total cattle on feed on January 1, 2021, down slightly from the previous year. The combined total of calves under 500 pounds and other heifers and steers over 500 pounds (outside of feedlots) at 25.7 million head, was slightly below January 1, 2020.

Calf Crop Down 1 Percent

The 2020 calf crop in the United States was estimated at 35.1 million head, down 1 percent from the previous year's calf crop. Calves born during the first half of 2020 were estimated at 25.8 million head, down 1 percent from the first half of 2019. Calves born during the second half of 2020 were estimated at 9.39 million head, 27 percent of the total 2020 calf crop.

<https://usda.library.cornell.edu/concern/publications/h702q636h>

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Friday packers pushed all regions up to \$113.00 to buy cattle to finish out last week and procure cattle ahead of storm in upper Midwest. . In the Midwest packers are still discounting big cattle and in the Southwest packers are buying cattle regardless of being heifers or steers or Choice and Select at the same price.

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The sales department at packers and wholesalers are probably wondering why they came to work Friday. Total load movement was only 75 loads.

At this time, packers are not trying to forward contract cattle. Tie it to how they are just buying enough feeder cattle and nothing extra for feedlots, and it appears they have enough cattle scheduled that match their previously contracted beef orders.

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February Cattle and Hogs are both premium to the cash markets with expiration on hogs in 3 weeks and cattle delivery a week away, anything can happen.



Cargill plants scheduled shut downs

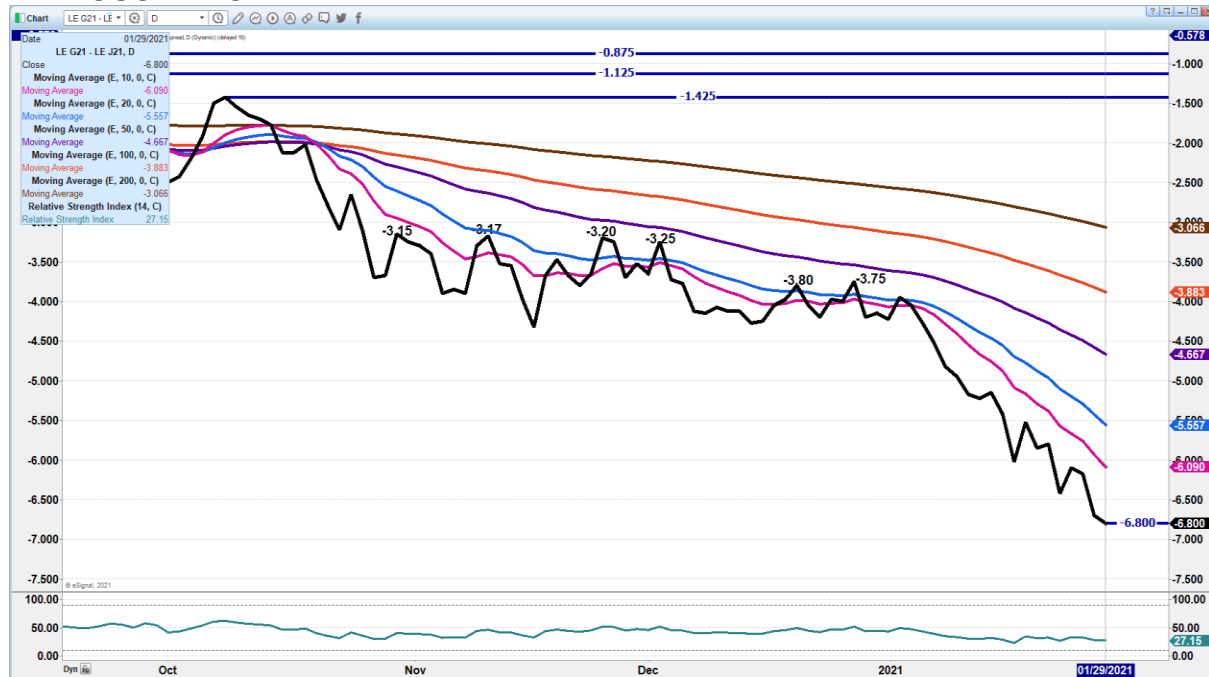
Cargill is shutting down a plant in Dodge City, KS week of February 8th and then another plant in Schuyler, NE dated for March 18. These are planned shut downs and they probably won't disrupt production since they are planned, and they will have plenty of time to move cattle to other plants. As you recall within a matter of days in August when Tyson had a fire, within a day cattle were shuffled to other plants. These are scheduled. However, traders may get all up and bothered by it and it could have negative effect to cattle prices and see beef move up.

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As of January 26, 2021, dressed steer and heifer weights were 897.9 compared to previous week at 889.0, down 1.1 pounds from week ago. However, it is 19 pounds over a year ago. Grading percent was 83.8% off .1 percent compared to previous week at 83.9%. Grading percent at 83.8% is an indication there are still too many cattle that are overweight.

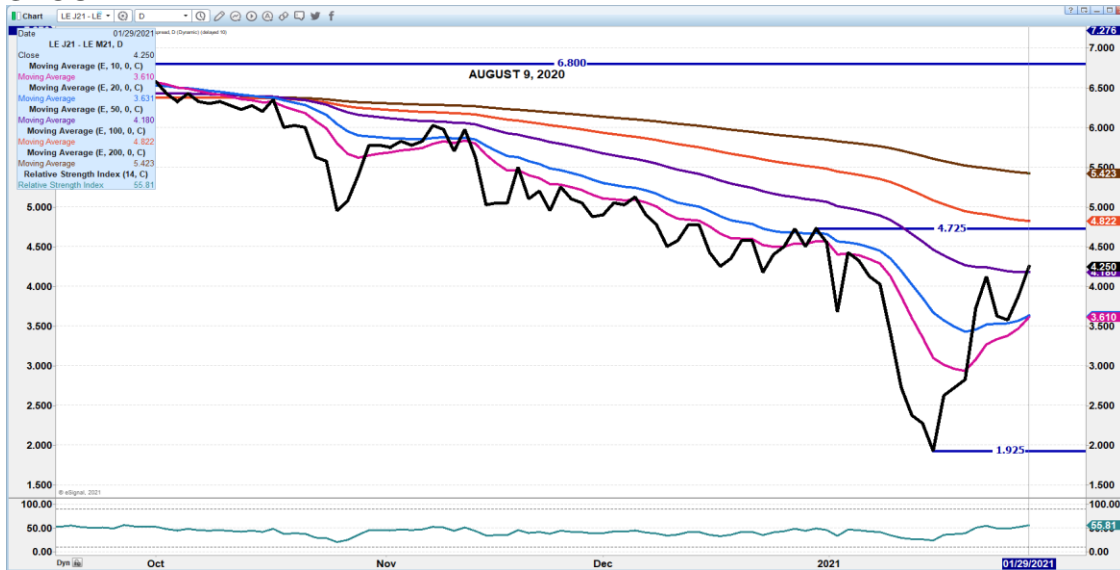
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FEBRUARY/APRIL LIVE CATTLE SPREAD - SPREAD CONTINUES TO WIDEN DEPENDS ON WHAT SPECS DO TO APRIL AT THIS TIME IT CAN CONTINUE TO WIDEN ALTHOUGH IT IS WIDE

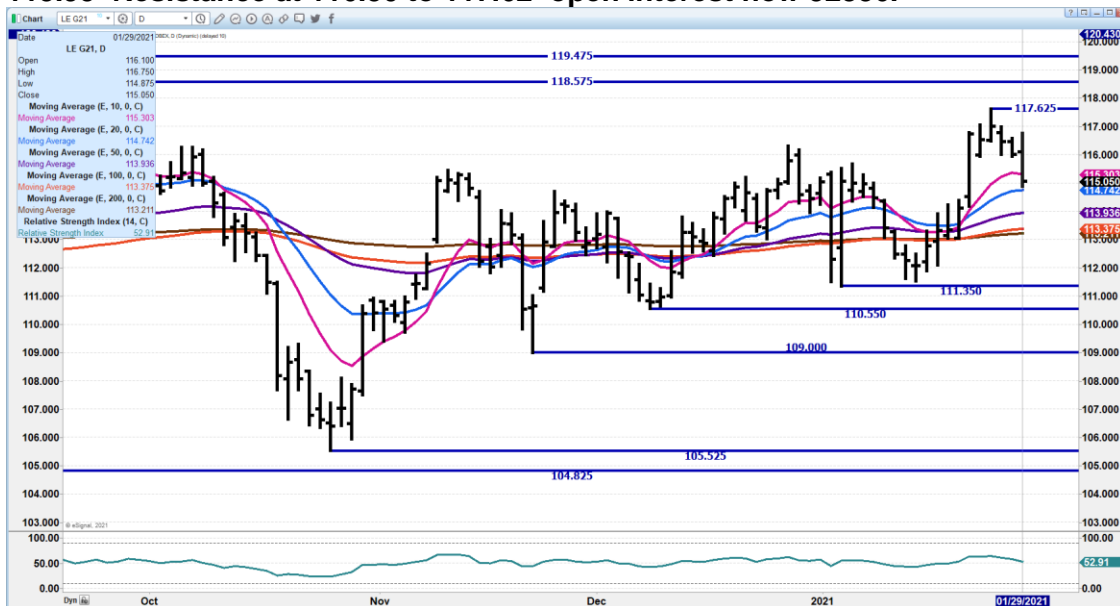




APRIL/JUNE 2021 LIVE CATTLE SPREAD – OPPOSITE OF FEB/APRIL AT SOME POINT SHOULD WIDEN

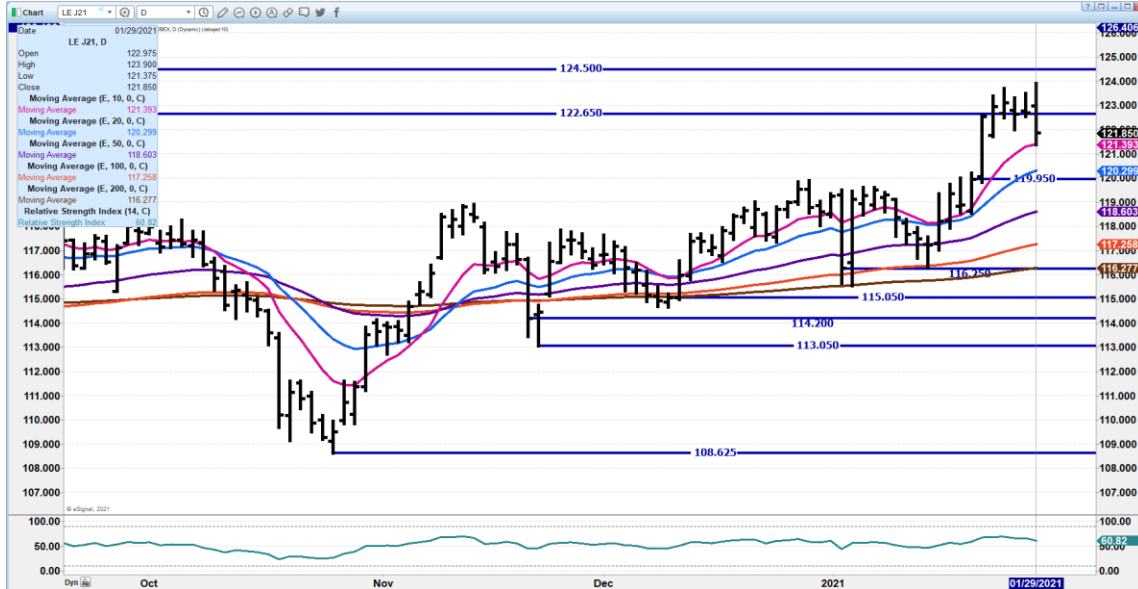


FEBRUARY 2021 LIVE CATTLE – Support on 20 day moving average Next support at 113.95 Resistance at 116.50 to 117.62 open interest now 32836.

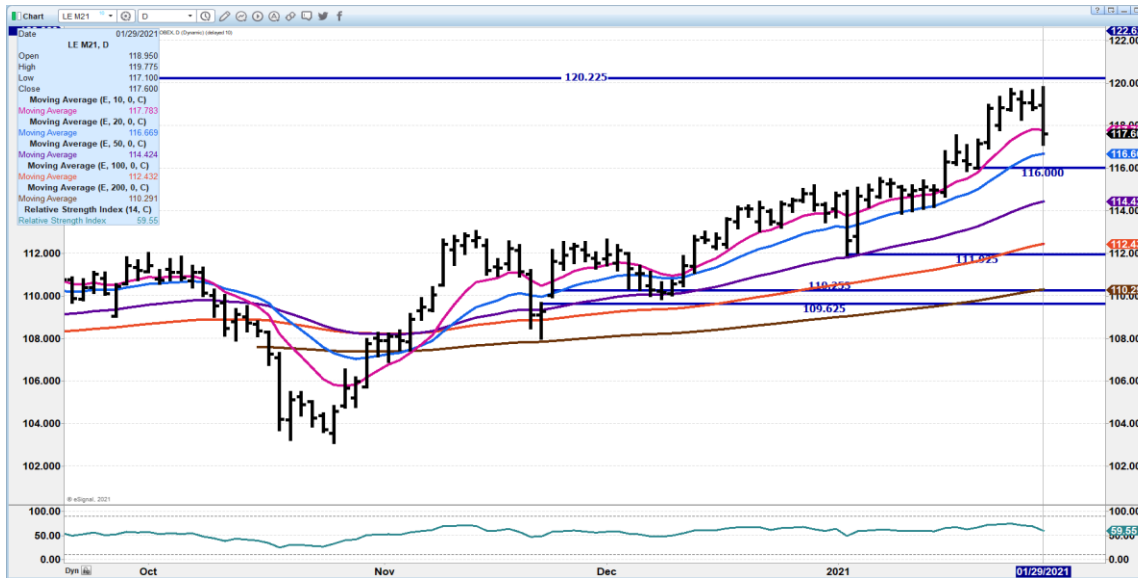




APRIL 2021 LIVE CATTLE - Volume at 33353 Support at 121.40 Next support at 119.95 Resistance at 123.15 to 124.50



JUNE 2021 LIVE CATTLE - SUPPORT AT 116.65 TO 116.00 RESISTANCE AT 119.10 TO 120.22



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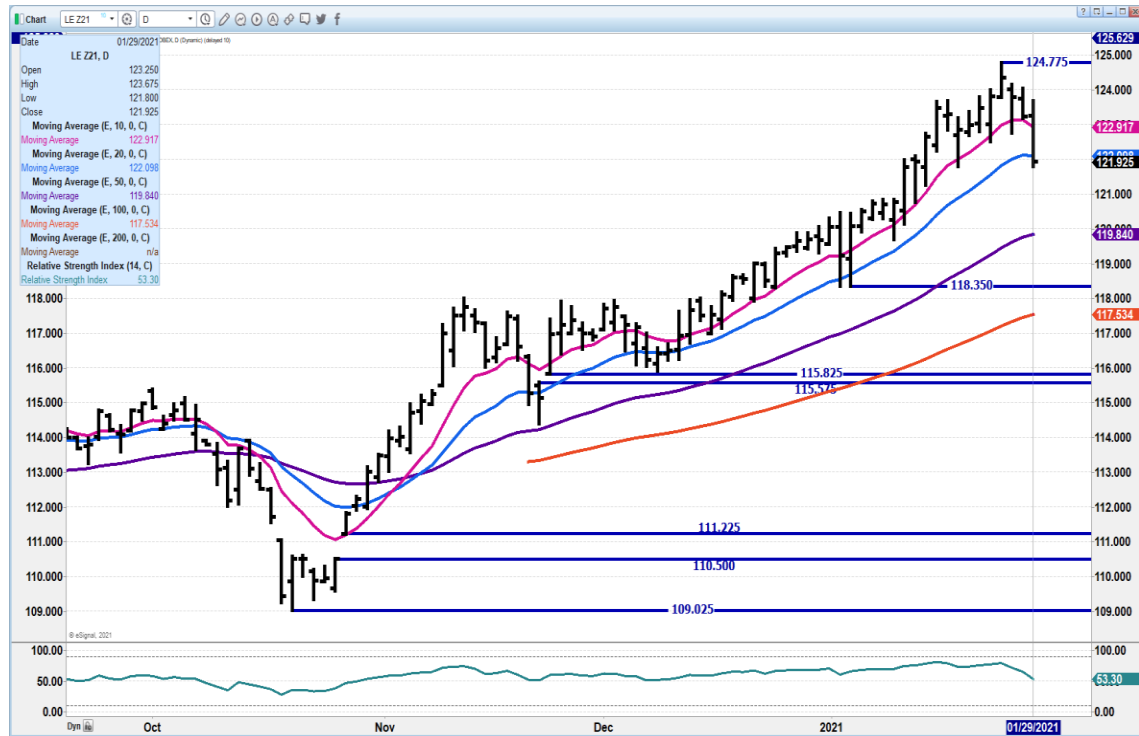
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DECEMBER 2021 LIVE CATTLE - SUPPORT AT 120.60 RESISTANCE AT 124.75



Feeder Cattle

THE CME FEEDER INDEX ON 01/28/2020 WAS 136.02 UP 68 CENTS FROM PREVIOUS DAY

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

JANUARY 2021 FEEDER CATTLE FUTURES SETTLED ON JANUARY 28, 2021 AT \$135.70

MARCH 2021 FEEDER CATTLE FUTURES SETTLED ON JANUARY 29, 2021 AT \$140.75

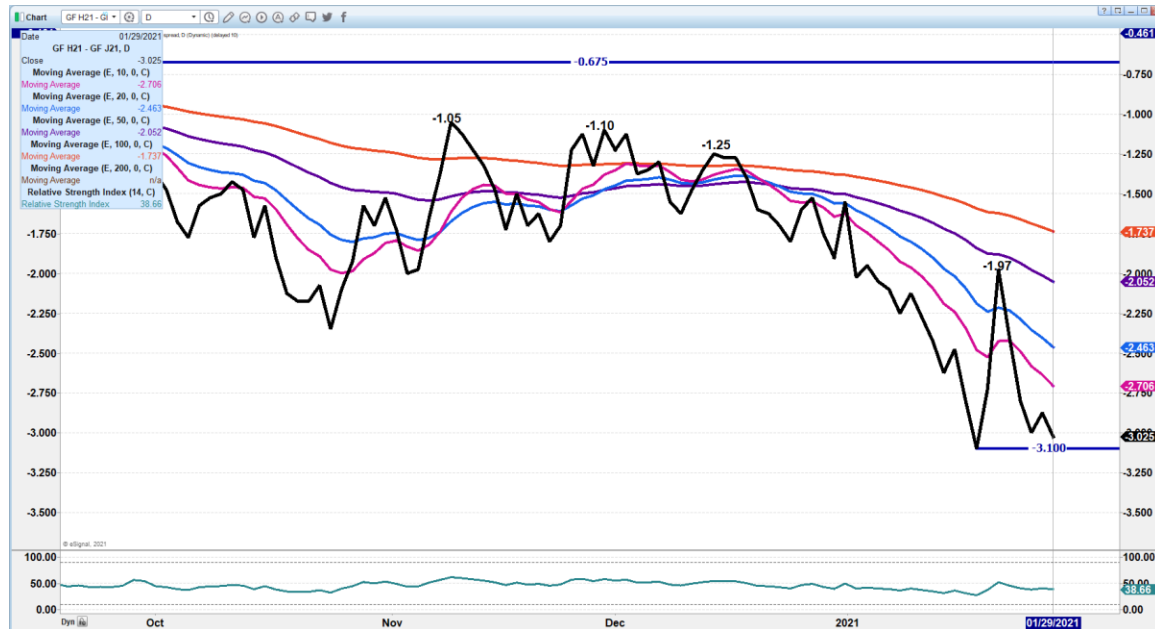
PACKER AND CONTRACT FEEDLOTS HAVE ADEQUATE SUPPLIES AND THERE IS LESS DEMAND IN THE MIDWEST FROM THE GRAIN/CATTLE PRODUCERS.

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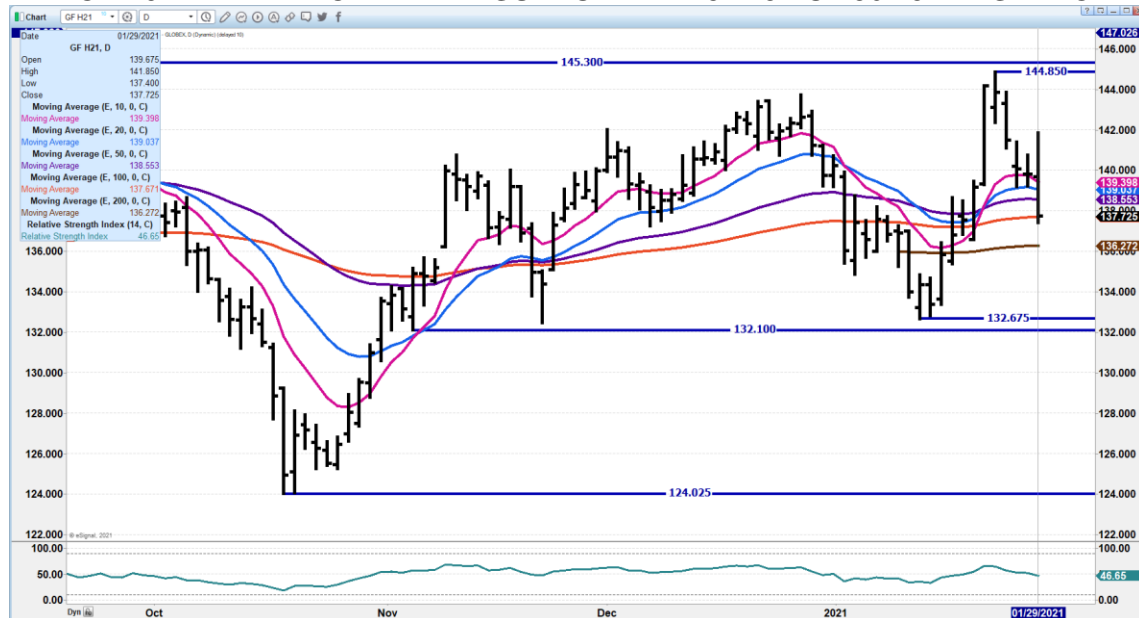
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MARCH/APRIL 2021 FEEDER CATTLE SPREAD – SPREAD WIDENING



MARCH 2021 FEEDER CATTLE – SUPPORT AT 137.75 TO 136.25 REISTANCE AT 141.45

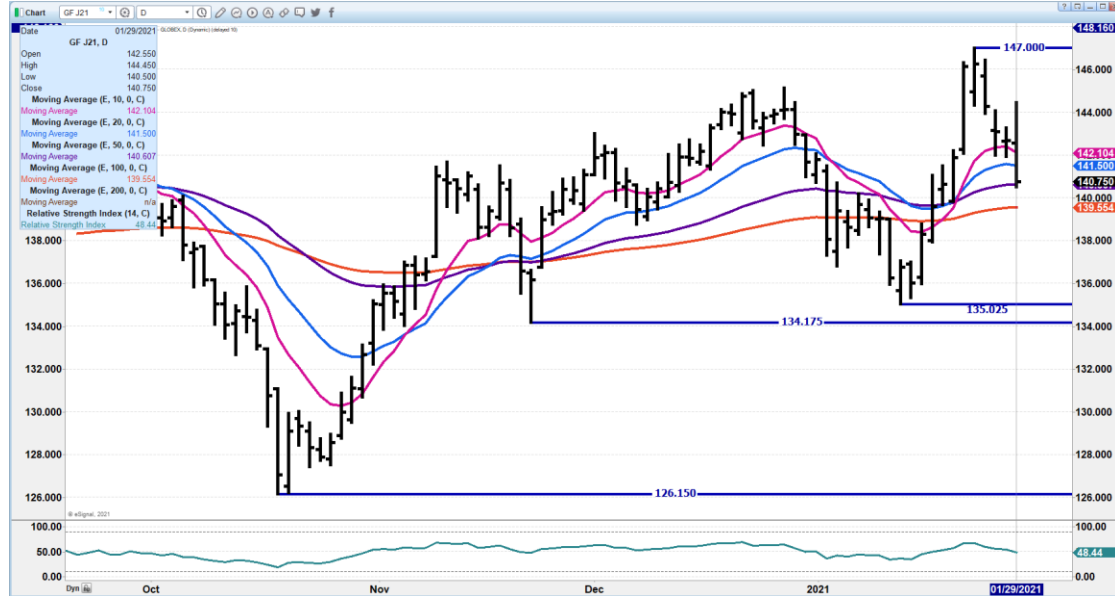


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APRIL 2021 FEEDER CATTLE - support at 139.55 to 135.02 resistance at 141.50 to 142.15



NOVEMBER 2021 FEEDER CATTLE - Sell but keep eye on spreads



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 29, 2021	487,000	
WEEK AGO	490,000	
YEAR AGO	483,000	
SATURDAY 01/30/2021	249,000-	A WEEK AGO 327,000 - YEAR AGO 235,000
WEEK TO DATE (EST)	2,658,000	
SAME PERIOD LAST WEEK (EST)	2,738,000	
SAME PERIOD LAST YEAR (ACT)	2,696,000	
2020 YEAR TO DATE	11,196,000	
2019 *YEAR TO DATE	11,993,000	
PERCENT CHANGE PREVIOUS YEAR	-6.6%	

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CME CASH HOG INDEX 01/27/2020 AT 67.29 UP 34 CENTS FROM PREVIOUS DAY
CME CASH HOG INDEX 01/20/2020 AT 65.40 DOWN 27 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 01/28/2021 AT 82.08 UP 43 CENTS FROM PREVIOUS DAY
CME CASH PORK CUTOUT INDEX 01/21/2021 AT 78.97 DOWN 6 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 01/22/2021 WAS 157.29 COMPARED TO 01/15/2021 WAS 164.94

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Next week begins the Chinese New Year, the biggest holiday of the year. It is time for travel, visiting family and friends and a lot of the time is spent eating. As usually this year China moved pork from storage and over the past 4 weeks has re-owned with purchases from the US, and the EU hog producing countries. Going forward, time will tell if they continue to buy US pork exports or will China have enough of their on fresh pork along with pork from Brazil and the EU when new trade agreements were made during the tariff conflict with the US.

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If futures volume doesn't pick up in lean hogs, it is going to match feeder cattle volume. When the lead month, April, doesn't trade even 15,000 contracts and the following month



around 5000 contracts, when putting together hedge strategies, you need to trade over the long term and seriously consider using spreads like the formula or algorithms do.

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 Feb lean hogs are trading \$2.51 over the CME Lean hog Index.

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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 29, 2021

LOADS OF PORK CUTS: 216.38

LOADS TRIM/PROCESSED PORK: 28.90

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
01/29/2021	245.28	85.36	79.74	78.25	52.58	150.51	79.16	127.30
Change		1.87	-1.79	1.75	-1.32	0.73	7.02	1.89
Five Day Average --		82.60	79.30	74.63	52.98	152.81	71.59	125.88

FINAL PREVIOUS WEEK CLOSE

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

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for January 27, 2021

Average live weight - 287.71

Average carcass - 216.17

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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 JANUARY 27, 2021

National Negotiated Carcass Price

Lowest price: 51.00

Highest price: 60.00

Weighted Average Price: 56.78



Head Count: 6,015

Other Market Formula (Carcass)

Lowest base price: 50.97
Highest base price: 86.87
Weighted Average Price: 66.16
Head Count: 36,331

Swine/Pork Market Formula (Carcass)

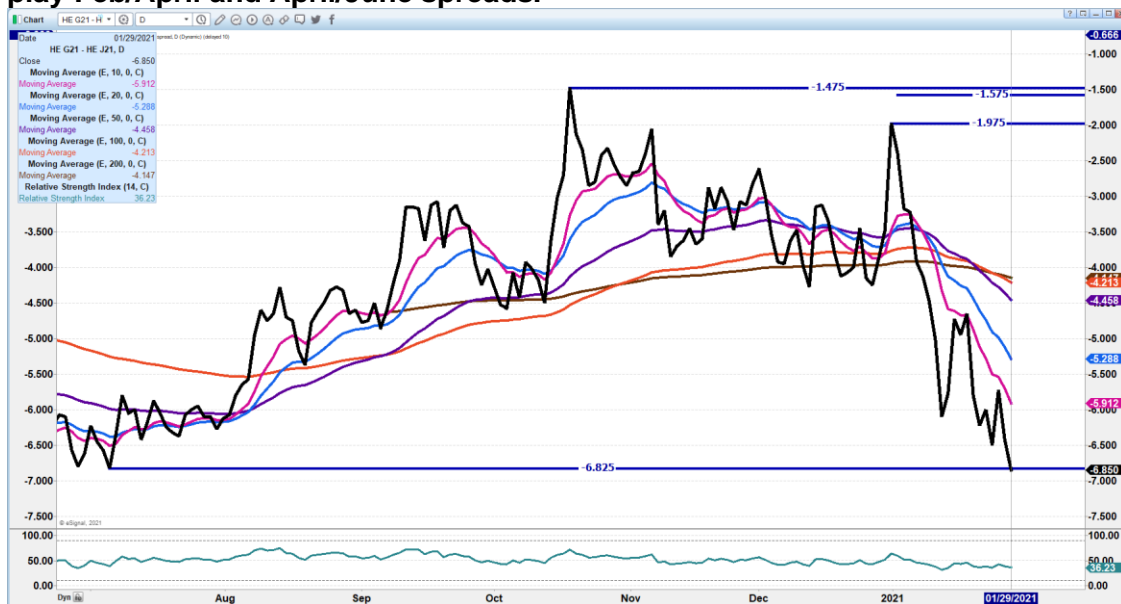
Lowest base price: 55.11
Highest base price: 79.06
Weighted Average Price: 67.16
Head Count: 162,051

Other Purchase Arrangement (Carcass)

Lowest base price: 58.63
Highest base price: 96.72
Weighted Average Price: 69.88
Head Count: 60,237

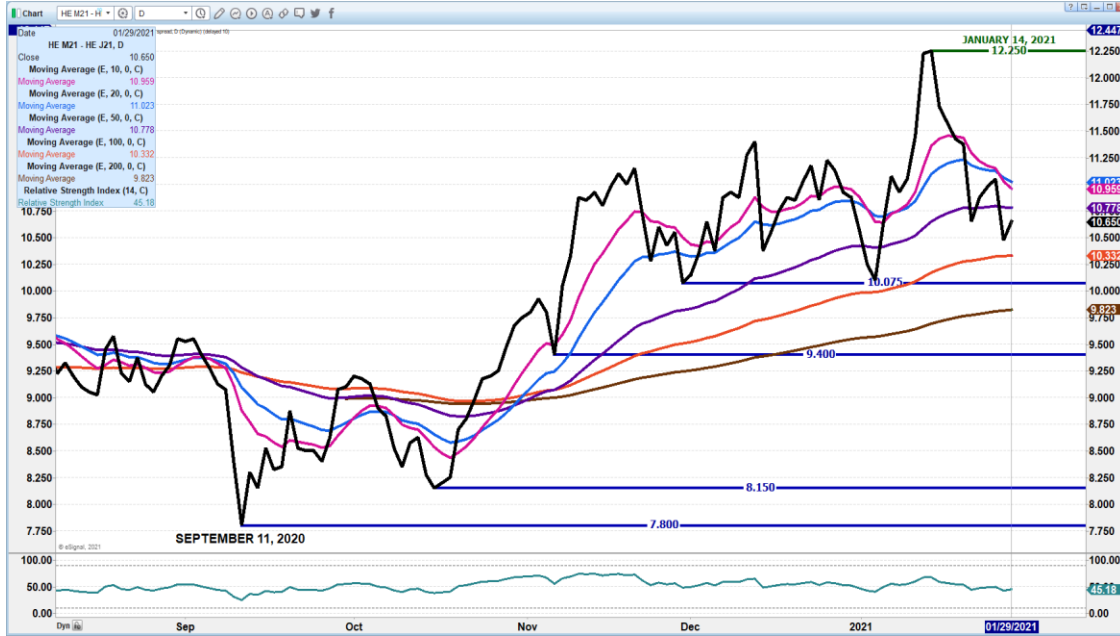
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FEBRUARY/APRIL 2021 LEAN HOG SPREAD - spread is wide. Depends on how specs play Feb/April and April/June spreads.





JUNE/APRIL LEAN HOG SPREAD – NORMAL AT THIS TIME. SHOULD NARROW BECAUSE OF HERD BUILD UP IN CHINA



FEBRUARY 2021 LEAN HOGS – SUPPORT AT 69.37 TO 68.87 RESISTANCE AT 71.40

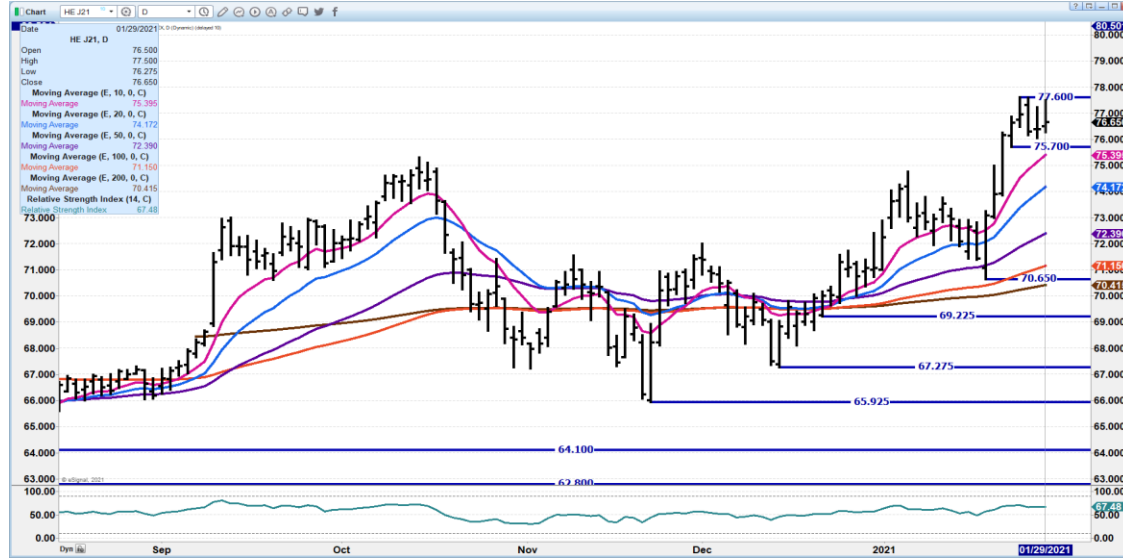


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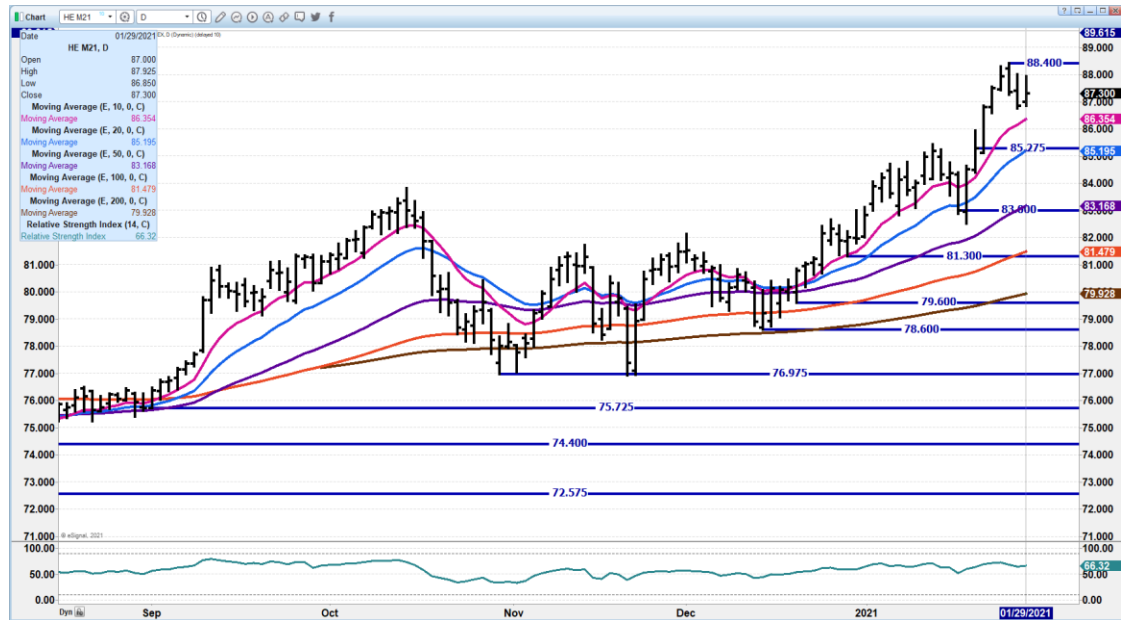
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APRIL 2021 LEAN HOGS – VOLUME AT 16924 RESISTANCE AT 77.60 SUPPORT AT 75.70 TO 75.37



JUNE 2021 LEAN HOGS – RESISTANCE AT 88.40 SUPPORT AT 86.35 THERE HAS BEEN HEDGING BUT SPREADERS CONTROL JUNE



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