

Daily Futures Market Commentary Livestock Outlook

FRIDAY MORNING APRIL 23, 2021 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

APRIL 22, 2021	118,000
WEEK AGO	114,000
YEAR AGO	82,000
WEEK TO DATE (EST)	478,000
SAME PERIOD LAST WEEK (EST)	457,000
SAME PERIOD LAST YEAR (ACT)	340,000

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	CHOICE	SELECT
BOXED BEEF FINAL	282.31	273.69
PRIOR DAY	1.85	1.81
CHOICE/SELECT SPREAD:	8.62	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	93	
5 DAY SIMPLE AVERAGE:	277.51	269.80

BOXED BEEF FINAL FRIDAY 04/16/2021 **276.05** **269.10**

CME BOXED BEEF INDEX FOR 04/21/2021 WAS AT \$276.38 UP 1.76 FROM PREVIOUS DAY

APRIL 22, 2021 COLD STORAGE REPORT AT BOTTOM OF REPORT

FINAL APRIL 22, 2021

PRIMAL RIB	488.93	438.48
PRIMAL CHUCK	210.43	209.95
PRIMAL ROUND	195.19	196.47

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PRIMAL LOIN	418.52	405.90
PRIMAL BRISKET	262.44	256.49
PRIMAL SHORT PLATE	196.45	196.45
PRIMAL FLANK	142.03	141.06

FINAL APRIL 21, 2021

PRIMAL RIB	489.07	436.61
PRIMAL CHUCK	209.95	207.81
PRIMAL ROUND	195.05	196.48
PRIMAL LOIN	411.01	400.41
PRIMAL BRISKET	260.34	259.01
PRIMAL SHORT PLATE	196.01	196.01
PRIMAL FLANK	143.10	144.20

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
04/21	74	11	10	19	114	280.46	271.88
04/20	51	11	11	18	91	278.26	270.47
04/19	44	18	10	20	91	276.17	269.13
04/16	55	10	11	13	88	276.05	269.10
04/15	65	9	7	22	103	276.62	268.43
04/14	57	15	22	15	108	272.91	267.31

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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	54.03 loads	2,161,285 pounds
Select Cuts	18.97 loads	758,740 pounds
Trimming	6.25 loads	250,008 pounds
Ground Beef	13.40 loads	535,841 pounds

DELIVERY NOTICE SERVED – APRIL 2021 - LIVE CATTLE

SETTLEMENT: APRIL 20, 2021 - \$118.322

OLDEST LONG: 04/01/21 SETTLEMENT AT \$120.02

0 DELIVERIES

FIRM # FIRM NAME DEL REC

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APRIL 2021 USDA LIVESTOCK REPORTS

USDA COLD STORAGE REPORT APRIL 22, 2021 2:00PM CENTRAL TIME

CATTLE ON FEED REPORT APRIL 23, 2021 2:00PM CENTRAL TIME

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Remember big placements and more on feed this year are comparing last year when packers were shutting down and feedlots were busier moving cattle out of feedlots on pastures because of COVID 19. This Cattle On Feed Report comparing 2021 to 2020 is not going to be a very good comparison

April 23, 2021 CATTLE ON FEED ESTIMATES

	RANGE	AVERAGE
On feed April 1	105.0-107.5	106.1
Placements in March	128.0-143.4	133.7
Marketings in March	100.5-101.6	101.1

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Live Cattle, Feeder Cattle and Lean Hog futures were lower Thursday as grain prices surged. Packers using downturn on futures to take \$1.00 to \$2.00 off cash prices they paid on Wednesday. Packer profits moving higher. It just goes to show that there is no obligation for a packer to share profits.

With drop on futures this week, it is likely on Friday before COF report to see some sort of a rebound in futures. Beef demand remains strong. I don't see cash markets next week up. Next week packers will be buying for first week of May and they can pull up contracted cattle if they want

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As of APRIL 20, 2021 dressed steer and heifer weights were 866.1 compared to previous week at 866.4. Grading percent was 83.3 down 1.1% compared to previous week at 84.4%. Lighter weights move down dressing percent. However cattle grading 83.3% shows the US is a country predominantly of high Choice cattle

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USDA POSTED NEGOTIATED CATTLE PRICES ON 04/21/2021

**IA/MN – CASH – 120.00 - 123.00 DOWN \$1.00 FROM WEDNESDAY
DRESSED 190.00 - 195.00**

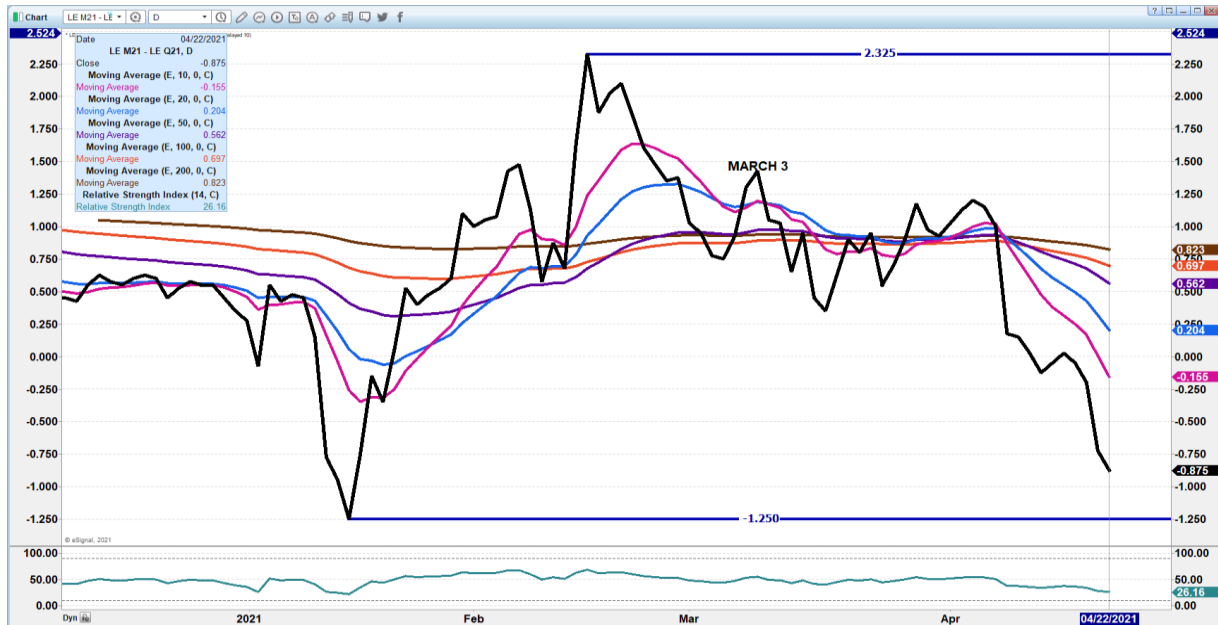
**NE – CASH 120.00 DOWN \$2.00 FROM WEDNESDAY
DRESSED - 192.00**

KS – CASH 118.00 ONLY 814 HEAD SOLD THURSDAY

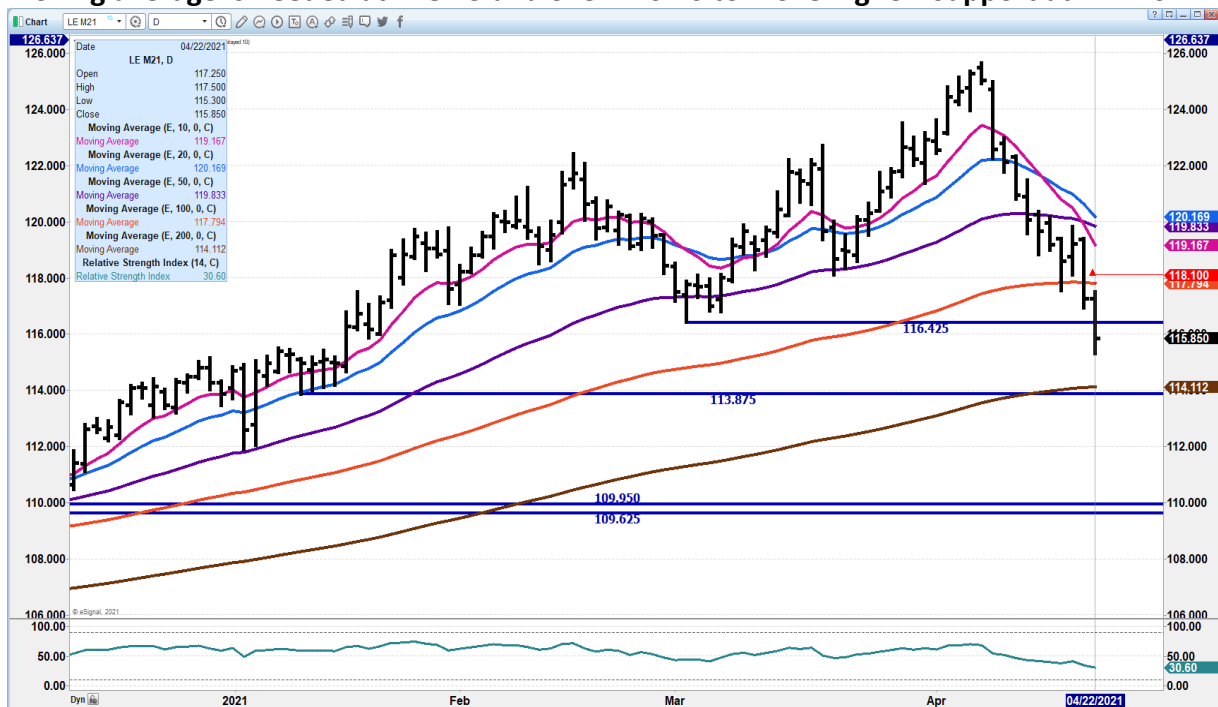
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JUNE /AUGUST LIVE CATTLE SPREAD - AUGUST GAINING ON JUNE REVENING BULL SPREAD. IT IS NARROW AT THIS TIME BUT IS MOVING INTO BEAR SPREAD.



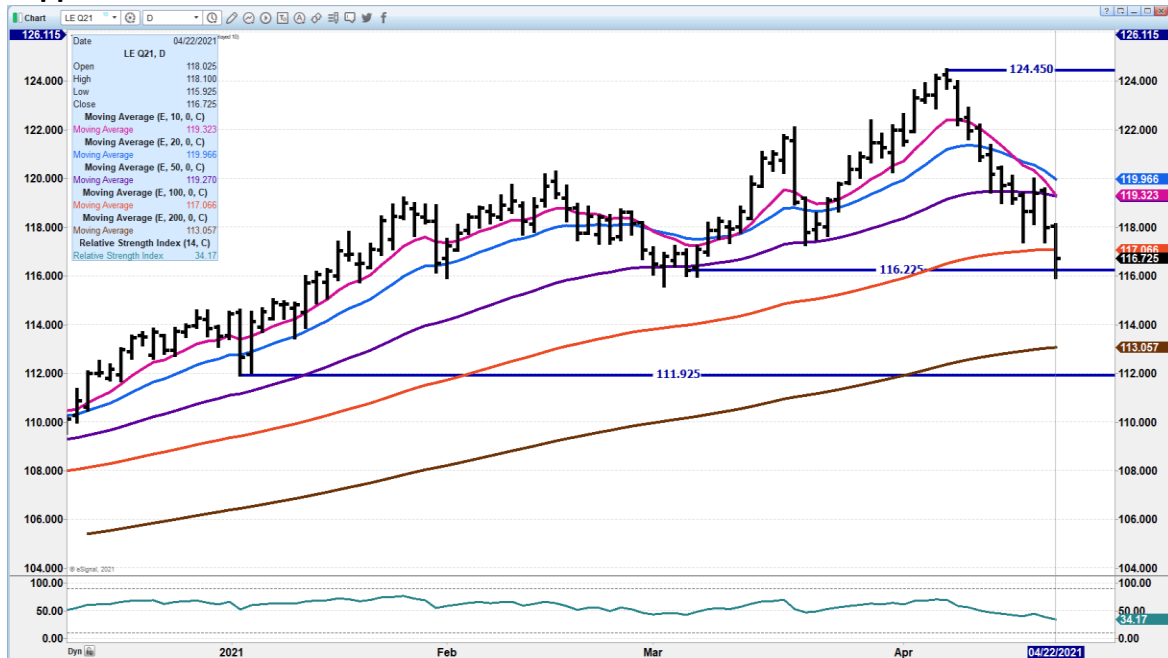
JUNE 2021 CATTLE – Moving averages are becoming bearish. A close over resistance, 100 day moving average is needed at 118.15 and over 120.20 to move higher. Support at 114.10



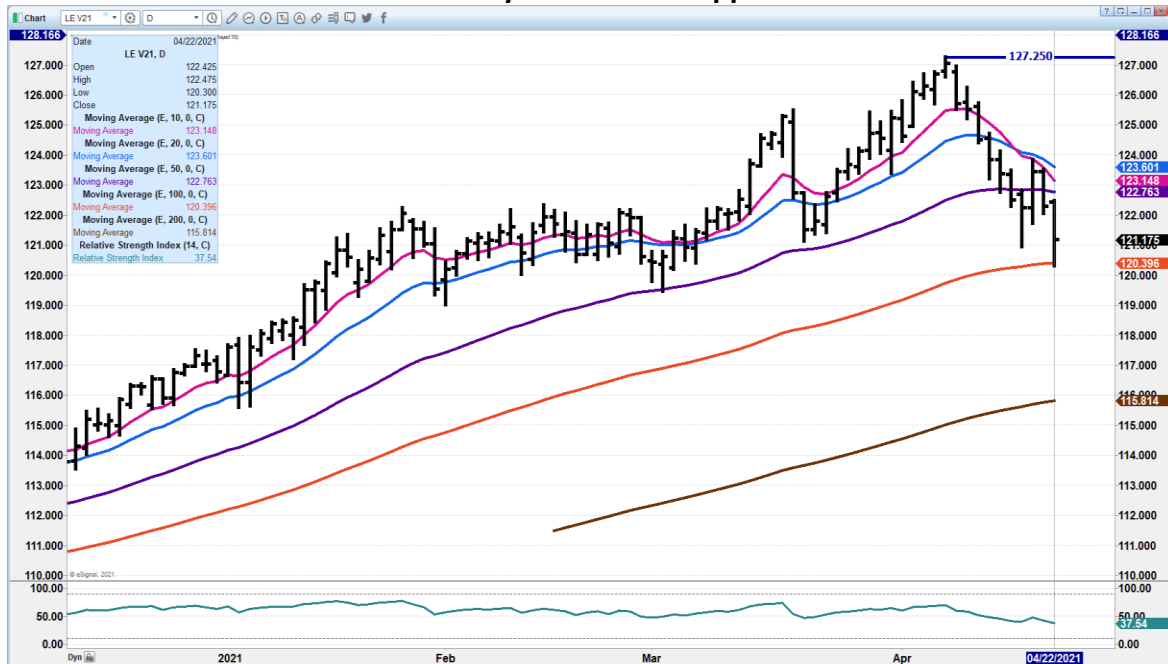
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AUGUST 2021 LIVE CATTLE - Need to see close above 119.37 to change downside direction Support at 113.05



OCTOBER 2021 LIVE CATTLE – 100 day at 120.37 is support Resistance at 123.20



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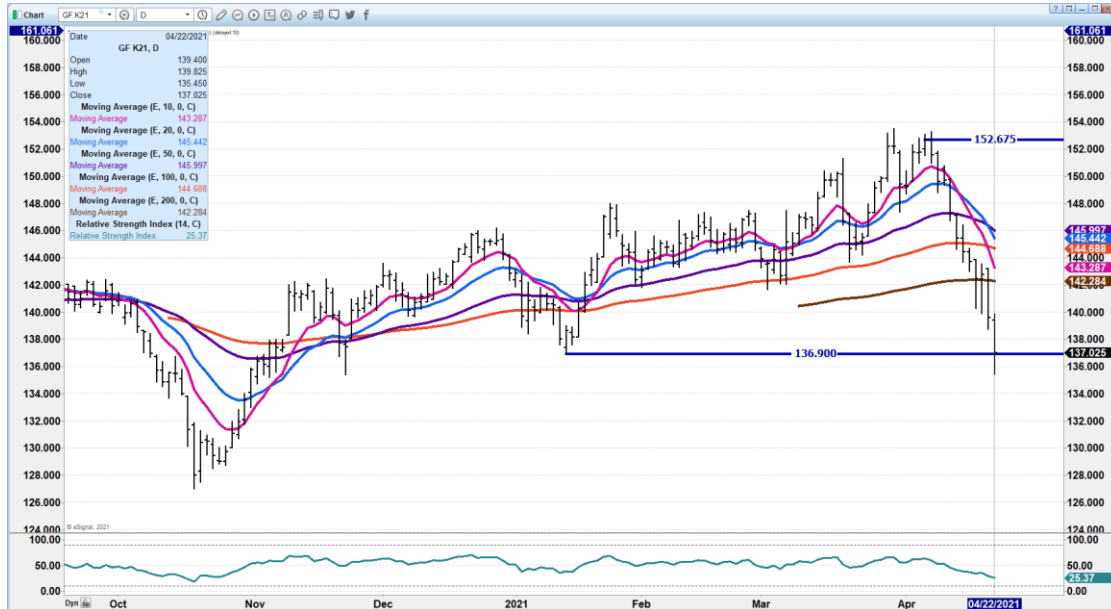
Feeder Cattle

THE CME FEEDER INDEX ON 04/21/2021 WAS 137.53 DOWN .80 FROM PREVIOUS DAY –

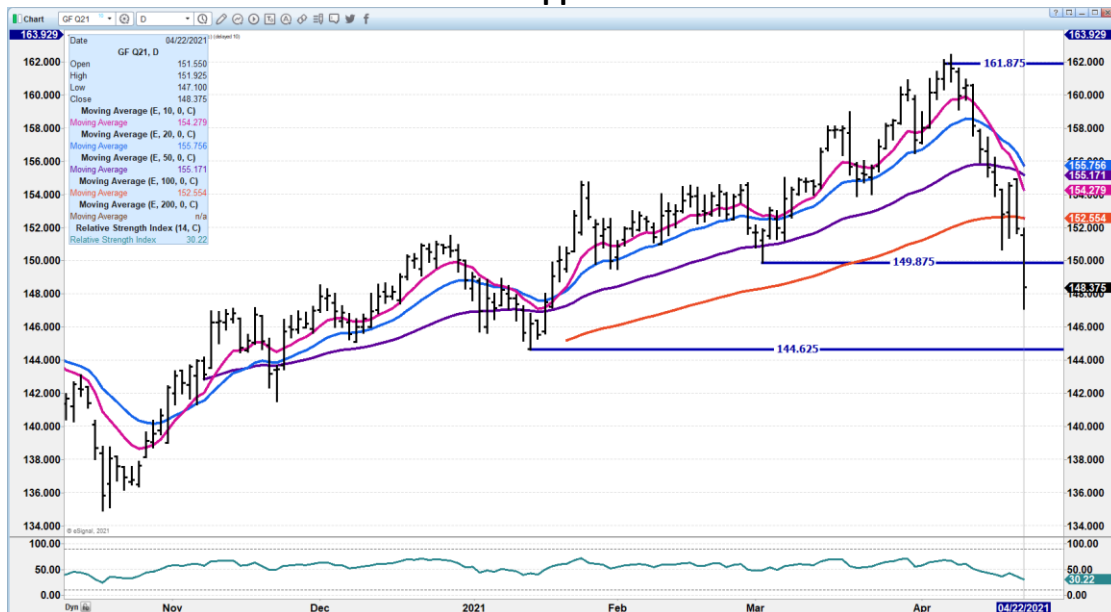
APRIL 2021 FEEDER CATTLE FUTURES SETTLED ON APRIL 22, 2021 AT \$132.25

CORN AND WHEAT UP, FEEDERS DOWN. FEEDER FUTURES LOWER THAN THE INDEX.

MAY 2021 FEEDER CATTLE - Fell to low at Jan 13 low and found support. Resistance at 142.30



AUGUST 2021 FEEDER CATTLE - Next support at 144.62 Resistance at 152.55



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

APRIL 22, 2021	481,000
WEEK AGO	474,000
YEAR AGO	362,000
WEEK TO DATE (EST)	1,936,000
SAME PERIOD LAST WEEK (EST)	1,926,000
SAME PERIOD LAST YEAR (ACT)	1,446,000

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CME CASH LEAN HOG INDEX 04/20/2020 AT 105.12 UP .70 FROM PREVIOUS DAY

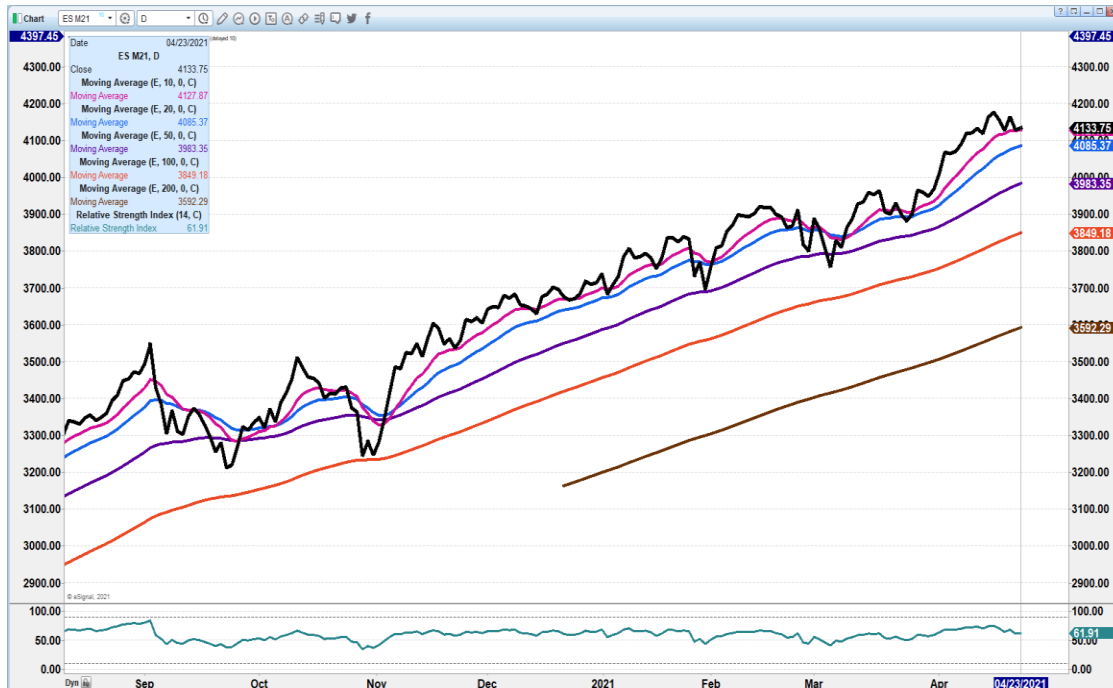
CME CASH PORK CUTOUT INDEX 04/21/2021 AT 113.72 UP 71 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 4/16/2021 WAS 246.25 COMPARED TO 4/09/2021 WAS 250.36

CME LEAN HOG INDEX TO CME PORK CUT OUT (-8.60)

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Mexican Peso – A strong Peso is friendly to US pork. The Peso is strong, and the Dollar is weak.



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Hogs remain bull spread. Moving averages have not turned negative. Loins and hams below \$1.00/pound. Most negative news is huge increase in Chinese herd. Frozen pork shipments by sea having trouble moving with troubles in ports. Going into May with April off the board, specs will be big time controlling market.

For months, the daily load movement shows pork sales have been light, and prices have been moving higher. Packers fill contracts and sell on daily market whatever the top buyer of the day will pay. Pork is moving higher, and it is going to be hard to break futures with a good pork market.

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US traders focus far too much on Chinese demand for pork because of the big demand in 2020. China isn't leaving the US pork market and there will likely be times when they have large purchases, but China also has big agreements with Brazil, the EU and countries where investors are putting money. For some reason US traders haven't wanted to believe that China's growth in hogs is exponential and have wanted to believe ASF is going to keep numbers down. When the Chinese government mandated increasing production and invested in the increase, it wasn't a suggestion.

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US traders should be monitoring Mexico because if Mexico lowers US purchases, then US hogs will be in trouble. China's buying of global grains should be enough reason to realize their hog herd is in a super expansion phase and it is far from over.

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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

APRIL 22, 2021

LOADS OF PORK CUTS: 306.32

LOADS TRIM/PROCESSED PORK: 40.37

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
04/22/2021	346.68	114.70	97.06	111.19	76.18	234.22	96.60	190.15
Change		1.06	2.96	-2.10	0.79	0.11	2.70	-3.62
Five Day Average --		113.91	96.30	111.67	74.87	227.99	93.19	195.07

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NOON

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
04/22/2021	207.51	114.20	96.43	106.55	76.36	230.34	97.97	192.06
Change		0.56	2.33	-6.74	0.97	-3.77	4.07	-1.71
Five Day Average --		113.81	96.18	110.74	74.91	227.21	93.47	195.46

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
04/21/2021	288.77	113.64	94.10	113.29	75.39	234.11	93.90	193.77
Change		-1.39	-3.25	-0.80	-0.25	6.58	1.07	-3.86
Five Day Average --		113.64	96.84	110.01	74.64	225.20	92.8	195.82

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

Slaughter Data for April 21, 2021

Average live weight 284.18

Average carcass - 213.18

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 FRIDAY APRIL 21, 2021**

National Negotiated Carcass Price

Lowest price: 102.00

Highest price: 114.00

Weighted Average Price: 107.30

Head Count: 6,010

On a National basis, compared to the previous day's weighted average, 0.42 higher

Other Market Formula (Carcass)

Lowest base price: 67.07

Highest base price: 109.14

Weighted Average Price: 95.18

Head Count: 25,280

Swine/Pork Market Formula (Carcass)

Lowest base price: 77.66

Highest base price: 113.92

Weighted Average Price: 105.13

Head Count: 148,382

Other Purchase Arrangement (Carcass)

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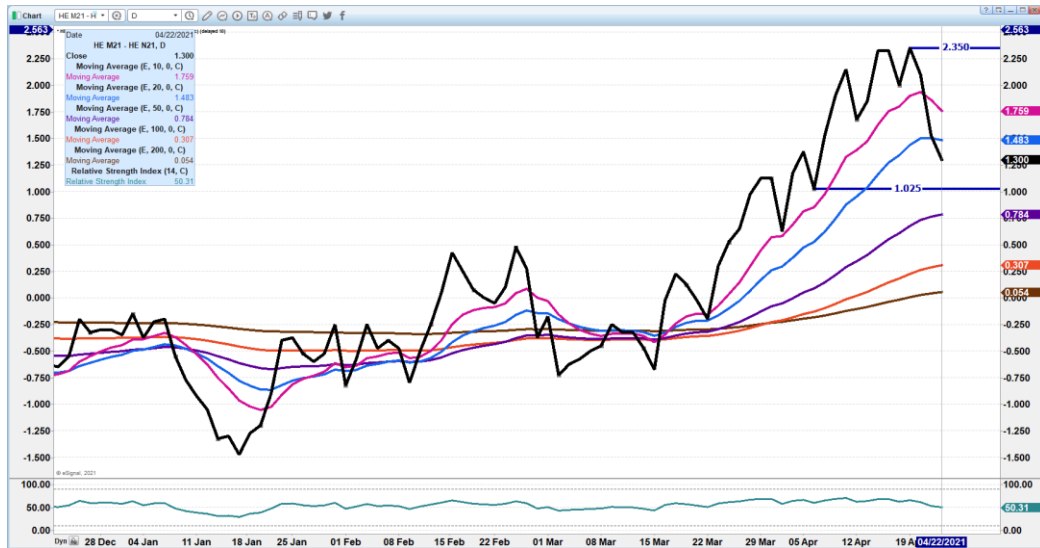
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Lowest base price: 75.76
Highest base price: 109.57
Weighted Average Price: 102.35
Head Count: 51,715

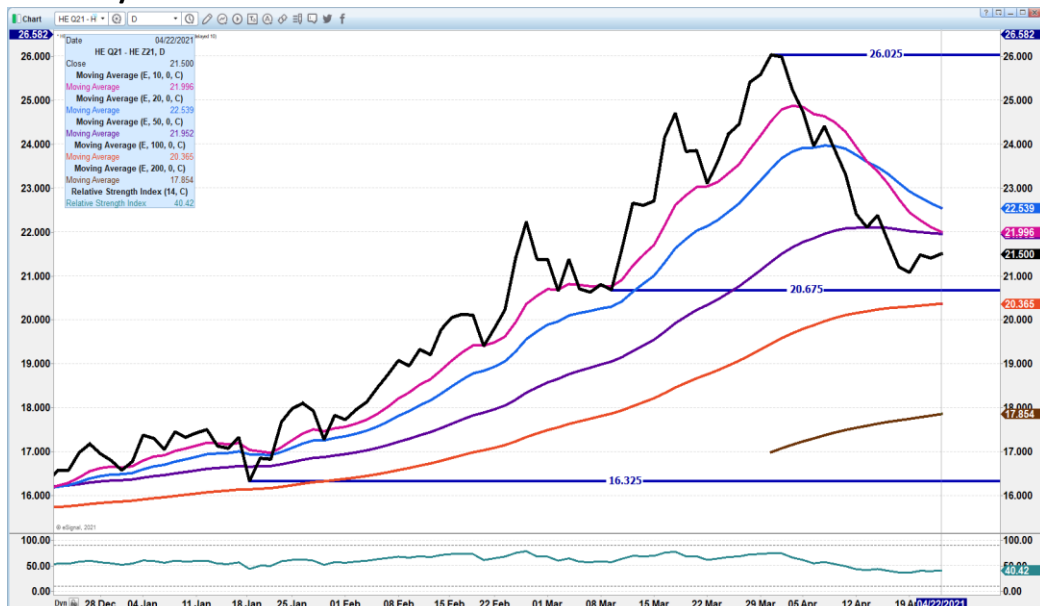
https://www.ams.usda.gov/mnreports/ams_2511.pdf

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JUNE/JULY LEAN HOG SPREAD – SPREAD HAS REVERSED OFF HIGH BUT REMAINS BULL SPREAD.



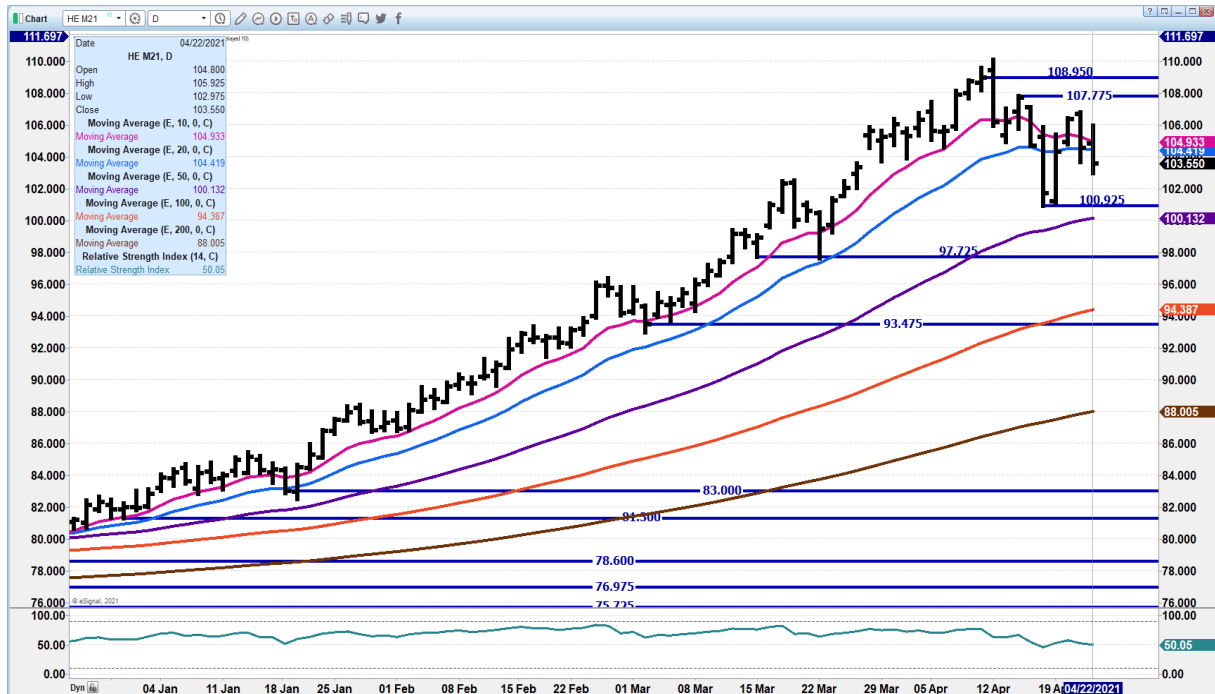
AUGUST/DECEMBER 2021 LEAN HOG SPREAD – VERY WIDE EVEN WITH REVERSAL.



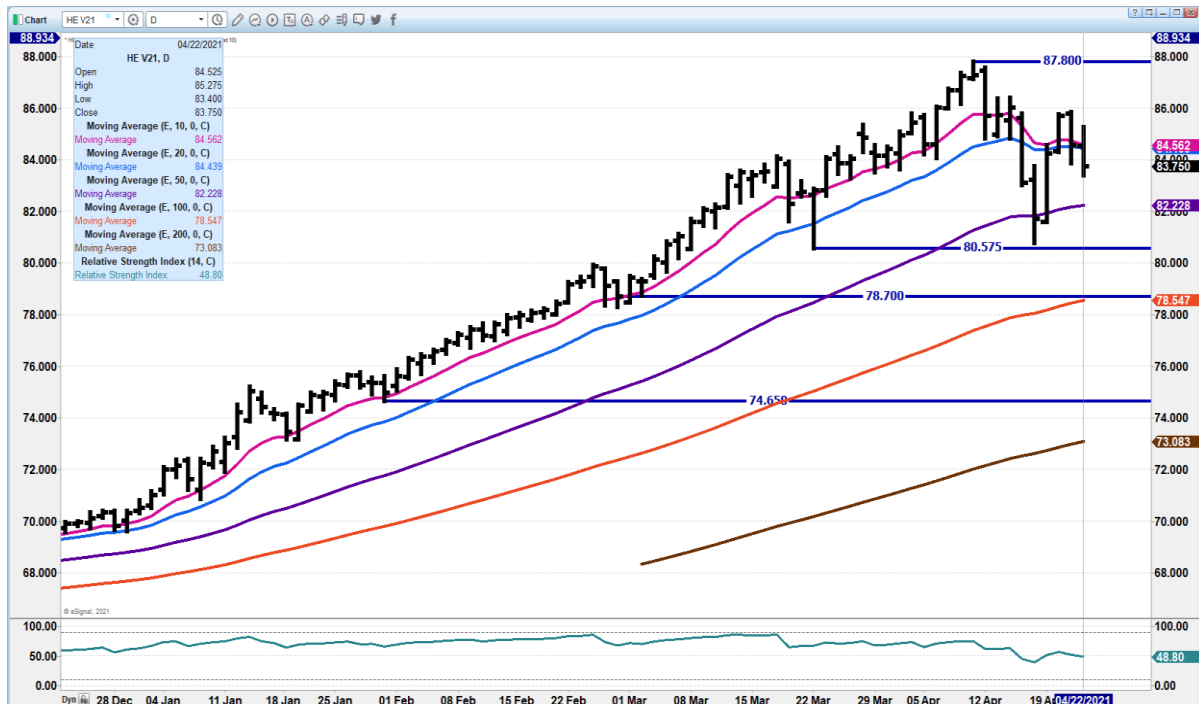
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JUNE 2021 LEAN HOGS - MOVING AVERAGES ARE STILL FRIENDLY SUPPORT AT 100.15 RESISTANCE AT 104.95



OCTOBER 2021 LEAN HOGS - SUPPORT AT 82.25 RESISTANCE AT 84.60



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COLD STORAGE APRIL 22, 2021
March 2021 Highlights

Total red meat supplies in freezers were down 6 percent from the previous month and down 17 percent from last year. Total pounds of beef in freezers were down 6 percent from the previous month and down 4 percent from last year. Frozen pork supplies were down 7 percent from the previous month and down 27 percent from last year. Stocks of pork bellies were down 6 percent from last month and down 55 percent from last year.

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For both beef and pork with stocks down it should bring both Live Cattle and Lean Hogs off recent lows. Shouldn't be a surprise with the way both pork and beef have been selling. It is good news. With recent drop in Cattle futures it is easy to see Live Cattle near opening Friday up \$1.00 to \$1.50.

Same for pork, pork has been selling and stocks are down. Friday hogs \$1.00 higher.

As I point out every month, the Cold Storage Report is close to a month old information and it should shock any traders.

Chris Lehner

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PORK: NET SALES REDUCTIONS OF 22,100 MT REPORTED FOR 2021--A MARKETING-YEAR LOW--WERE DOWN NOTICEABLY FROM THE PREVIOUS WEEK AND FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR CHINA (13,100 MT, INCLUDING DECREASES OF 1,700 MT), JAPAN (2,700 MT, INCLUDING DECREASES OF 100 MT), SOUTH KOREA (1,500 MT, INCLUDING DECREASES OF 200 MT), AUSTRALIA (1,500 MT, INCLUDING DECREASES OF 700 MT), AND CANADA (1,100 MT, INCLUDING DECREASES OF 800 MT), WERE OFFSET BY REDUCTIONS FOR MEXICO (45,100 MT -- INCLUDING 54,476 MT CANCELED). EXPORTS OF 43,900 MT--A MARKETING-YEAR HIGH--WERE UP 14 PERCENT FROM THE PREVIOUS WEEK AND 13 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (13,800 MT), CHINA (13,400 MT), JAPAN (3,900 MT), SOUTH KOREA (2,900 MT), AND THE PHILIPPINES (2,000 MT).

DATA CANCELCATION: DUE TO AN ERROR IN EXPORTER(S) REPORTING, EXPORTS OF 54,476 MT OF PORK WERE NOT REPORTED PROPERLY IN MARKETING YEAR 2020. TO CORRECT MARKETING YEAR 2021 FIGURES A CANCELCATION OF 54,476 MT HAS BEEN REPORTED THIS WEEK TO REMOVE THE PORTION THAT SHOULD HAVE BEEN REPORTED IN 2020.

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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