

## Daily Futures Market Commentary Livestock Outlook

### TUESDAY MORNING JULY 06, 2021 LIVESTOCK REPORT

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#### CATTLE

JULY 02, 2021	113,000
WEEK AGO	116,000
YEAR AGO	107,000
SATURDAY 06/26/2020	33,000- A WEEK AGO 70,000, YEAR AGO 1,000
WEEK TO DATE (EST)	623,000
SAME PERIOD LAST WEEK (EST)	661,000
SAME PERIOD LAST YEAR (ACT)	581,000
2021 YEAR TO DATE	16,706,000
2020 YEAR TO DATE	15,841,000

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	CHOICE	SELECT
BOXED BEEF FINAL	285.44	264.41
CHANGE FROM PRIOR DAY:	(2.21)	(2.52)
CHOICE/SELECT SPREAD:	21.03	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	103	
5 DAY SIMPLE AVERAGE:	294.66	271.35

**BOXED BEEF FRIDAY JUNE 25, 2021**                      **304.56**                      **276.18**

**CME BOXED BEEF INDEX FOR 07/01/2021 WAS AT 288.92 DOWN 3.51 FROM PREVIOUS DAY**

**FINAL JULY 02, 2021**

**PRIMAL RIB**    **384.84**                      **324.32**

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PRIMAL CHUCK	236.64	229.73
PRIMAL ROUND	239.41	241.28
PRIMAL LOIN	391.99	333.55
PRIMAL BRISKET	241.26	241.94
PRIMAL SHORT PLATE	243.91	243.91
PRIMAL FLANK	162.60	159.20

#### FINAL JUNE 25, 2021 PREVIOUS WEEK CLOSING PRICES

PRIMAL RIB	449.83	335.82
PRIMAL CHUCK	244.75	245.59
PRIMAL ROUND	246.72	249.86
PRIMAL LOIN	418.55	350.49
PRIMAL BRISKET	269.50	241.91
PRIMAL SHORT PLATE	247.59	247.59
PRIMAL FLANK	173.54	158.80

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#### LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
07/01	93	28	5	12	137	287.65	266.93
06/30	87	23	9	12	131	291.29	269.27
06/29	100	31	10	16	157	292.34	270.40
06/28	85	18	8	8	119	297.43	273.96
06/25	62	18	9	5	93	304.56	276.18 FRIDAY

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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. CURRET VOLUME - (one load equals 40,000 pounds)

Choice Cuts	56.58 loads	2,263,154 pounds
Select Cuts	16.35 loads	653,941 pounds
Trimming	8.07 loads	322,800 pounds
Ground Beef	21.95 loads	878,182 pounds

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## **JULY 2021 LIVESTOCK REPORTS**

**THURSDAY JULY 22, 2021 COLD STORAGE REPORT 2:00PM CENTRAL TIME**

**FRIDAY JULY 23, 2021 CATTLE ON FEED REPORT 2:00PM CENTRAL TIME**

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4<sup>th</sup> of July this year made a long weekend, and it was the busiest travel weekend more than 2019, pre-Covid. In other words, a lot of meat was bought. Of course, the majority of retailers prepared and purchased meat long before the holiday. What will consumers buy over the next couple of months is what will affect prices the remainder of August and how will retailers prepare for Labor Day, Monday, September 26<sup>th</sup>.

With cattle bear spread, technical traders are indicating lower cattle markets.

Until we get into the time of fewer cattle, maybe by late August/September it is likely cattle are going to trade in a sideways, up and down with majority of specs spreading especially in July, a non-spot month. Traders have begun to narrow spreads in 2022. By October, tighter inventory should show why these months are at a premium, but unless exports double and start to have a weekly average near to 25,000 metric tons for the Choice beef, it is going to be hard to rally.

Packers aren't actively trying to forward contract cattle. No premiums for forward contracts at this time are being offered. The futures are offering premiums as specs bear spreads and feedlots should be taking advantage of the spreads.

For the week average price down \$1.25 from previous week. There were cattle selling for \$126.50 with added packer premiums attached but cattle bring highs were few and had to meet all the packers needs to be paid the highest prices. Packers are deeply discounting Select cattle.

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As of June 29, 2021 dressed steer and heifer weights were 856.2 compared to previous week at 855.2, up 1.0 pound for the week. Grading percent was **80.6% down .1%** compared to previous week at 80.7%.

*Drop in grade shows cattle are current and are being bought for slaughter as soon as packer can or wants to take them.*

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**USDA POSTED SUMMARY CATTLE PRICES ON 07/02/2021**

**IA/MN – CASH – 123.00 – 125.50**

**DRESSED - 197.00 - 203.00**

**NE – CASH 125.00 - 126.00 on 1419 head**

**DRESSED – 200.00 on 82 head**

**KS – CASH - No Reportable Trade Friday**

**DRESSED – No Reportable Trade**

**TX/OK/NM – No Reportable Trade Friday**

**DRESSED No Reportable Trade**

**CO – \*\*Not reported due to confidentiality\*\***

**DRESSED \*\*Not reported due to confidentiality\*\***

**\*\*\*National Daily Direct Cattle 07/01/21**

**5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1451	\$123.93	31,800
Live Heifer:	1296	\$123.56	15,372
Dressed Steer:	926	\$198.21	14,242
Dressed Heifer:	832	\$197.89	3,260

**PREVIOUS WEEK**

**\*\*\*National Daily Direct Cattle 06/25/21**

**5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1456	\$125.26	19,693
Live Heifer:	1332	\$124.18	5,130
Dressed Steer:	923	\$198.17	9,937
Dressed Heifer:	842	\$197.62	2,048

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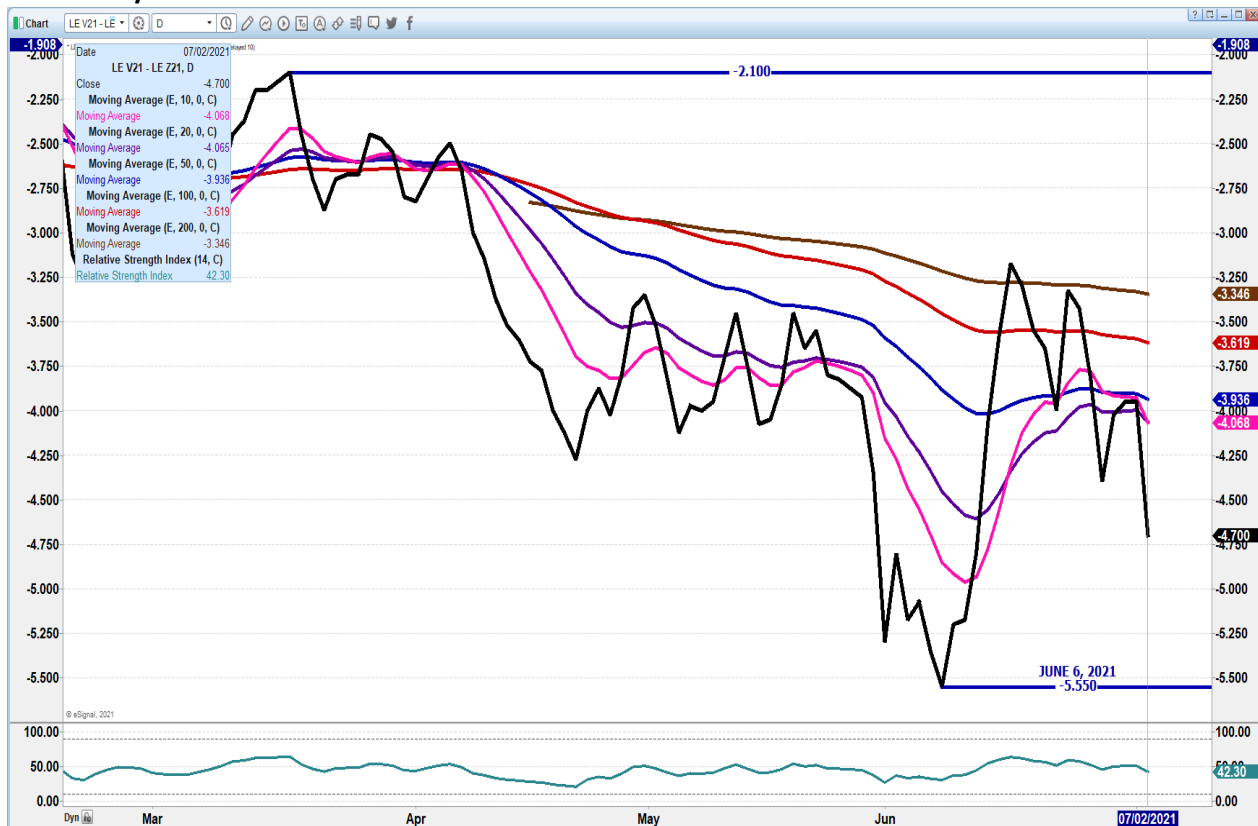
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## AUGUST/OCTOBER 2021 LIVE CATTLE SPREAD -



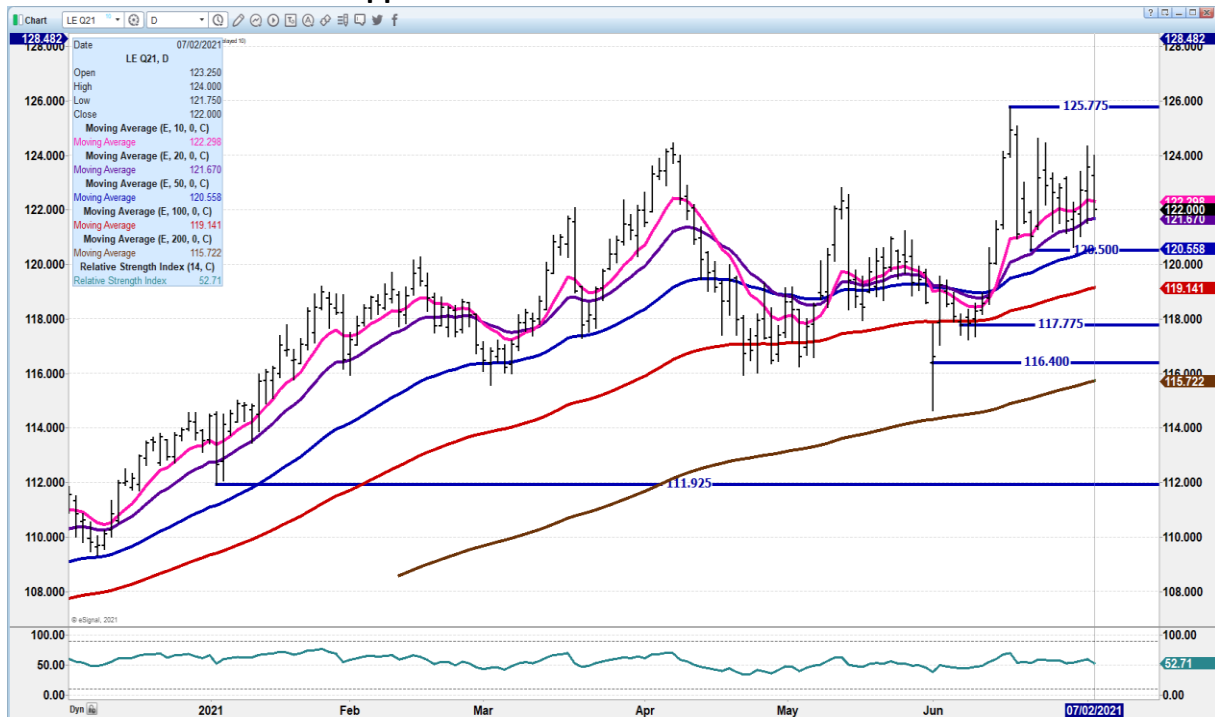
## OCTOBER/DECEMBER 2021 SPREAD -



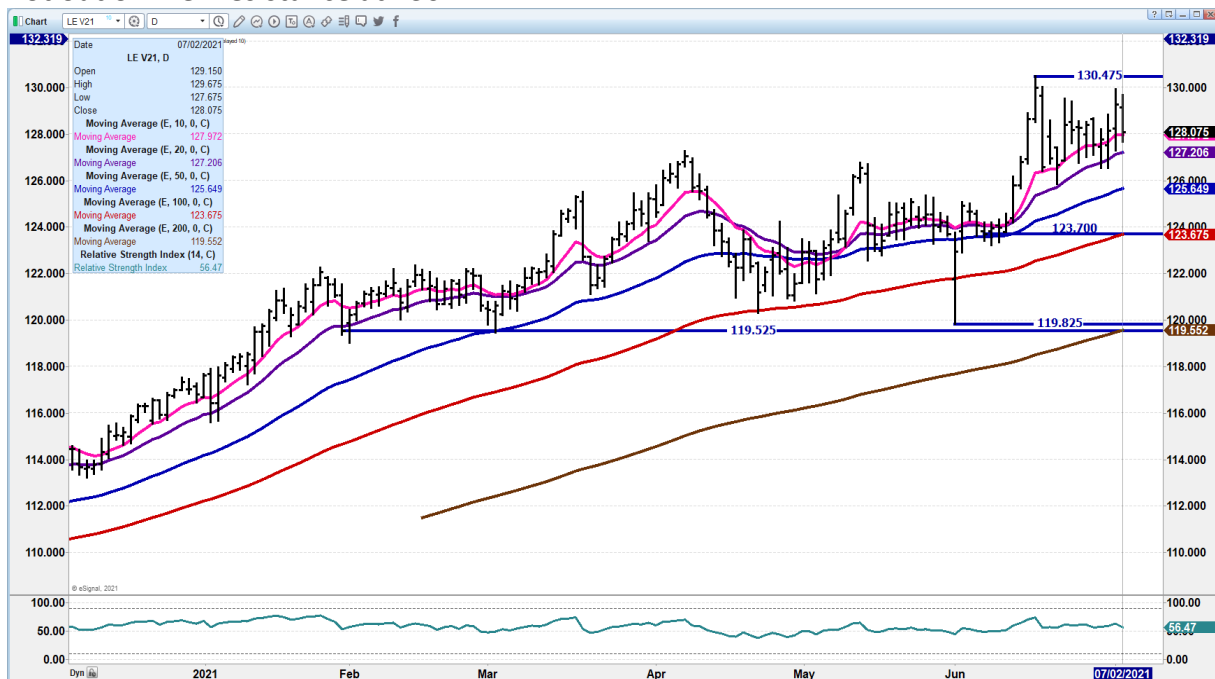
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## AUGUST LIVE CATTLE - Support at 120.50 to 119.15 Resistance at 124.00 to 125.77



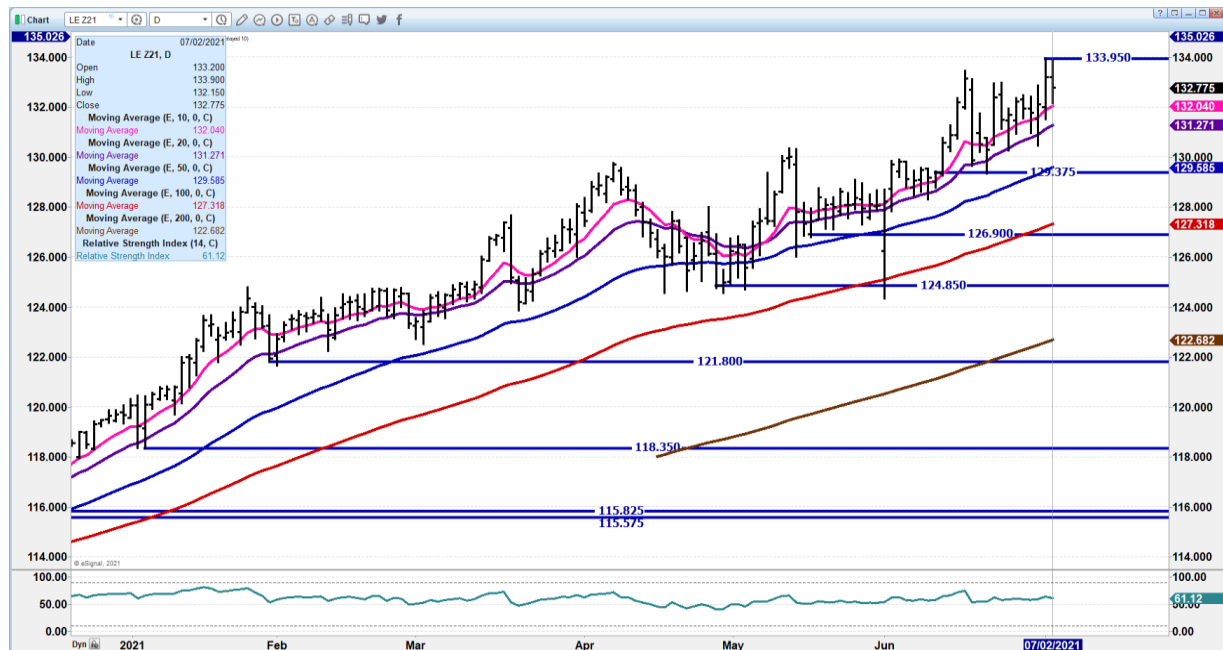
## OCTOBER 2021 LIVE CATTLE - Needs to hold above 127.15 Next support at 125.60 but 123.50 not out of line Resistance at 130.47



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**DECEMBER 2021 LIVE CATTLE – Needs to hold 132.30 Next support at 131.25 to 129.55  
Resistance at 133.95**



## **Feeder Cattle**

**THE CME FEEDER INDEX ON 07/01/2021 WAS 145.96 DOWN 35 FROM PREVIOUS DAY -**

**AUGUST 2021 FEEDER CATTLE FUTURES SETTLED ON JULY 02, 2021 \$157.05**

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**FEEDER CATTLE ARE A FOLLOWER. CORN RALLIES AND FEEDERS FALL. CORN DROPS AND FEEDERS MOVE UP. BUT AS TIME CLOSES IN ON AUGUST, AND WITH PREMIUM FUTURES HAVE TO CURRENT CME INDEX, EVENTUALLY, EITHER CASH HAS TO RALLY OR FUTURES WILL COME DOWN.**

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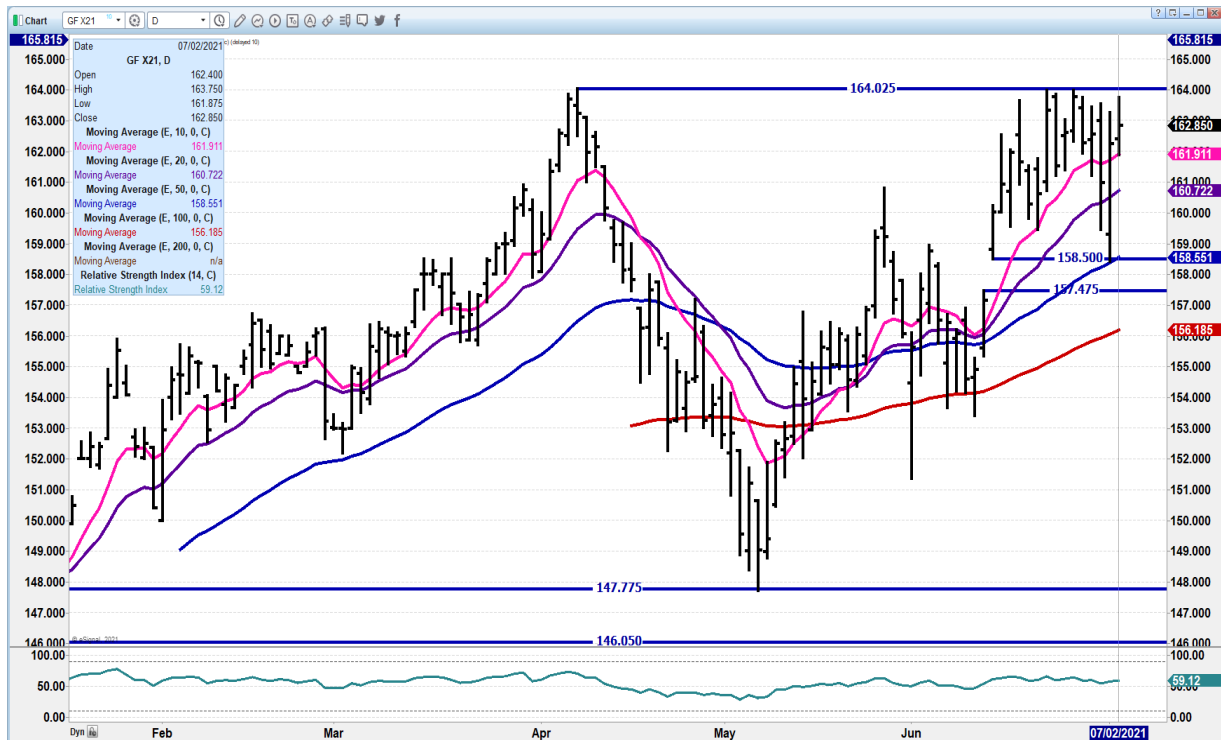
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## AUGUST 2021 FEEDER CATTLE – Support at 156.30 to 153.87 Resistance at 158.37 to 160.15



## NOVEMBER 2021 FEEDER CATTLE - Large premium to current cash. Support at 161.87 to 160.70



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## **LEAN HOGS**

### **USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>JULY 02, 2021</b>	<b>430,000</b>
<b>WEEK AGO</b>	<b>442,000</b>
<b>YEAR AGO</b>	<b>178,000</b>
<b>SATURDAY 06/26/2021</b>	<b>15,000, A WEEK AGO 25,000 - YEAR AGO 0</b>
<b>WEEK TO DATE (EST)</b>	<b>2,282,000</b>
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>2,359,000</b>
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>2,039,000</b>
<b>2021 YEAR TO DATE</b>	<b>65,098,000</b>
<b>2020 *YEAR TO DATE</b>	<b>64,324,000</b>

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**CME CASH LEAN HOG INDEX 06/30/2020 AT 111.77 DOWN 41 FROM PREVIOUS DAY**

**CME CASH PORK CUTOUT INDEX 07/01/2021 AT 113.51 UP 19 FROM PREVIOUS DAY**

**CME CASH FRESH BACON INDEX ON 6/25/2021 WAS 206.84 COMPARED TO 6/18/2021 WAS 233.78**

**CME PORK INDEX TO CME LEAN HOG INDEX plus 1.74**  
**Pork Index to the Lean Hog Index - Pork gaining on hogs is positive for packers**

**CME LEAN HOG INDEX TO JULY 2021 LEAN HOGS plus 3.12**

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**For the week, pork carcass gained about \$3.00 over previous week. Going forward, Peso still strong should keep exports decent.**

**July moving up to meet cash and cash dropping to meet futures. Spreaders continue to narrow summer to October or December contracts. July is the only realist contract as spreaders dominate August Lean Hogs on out.**

**Hog numbers are dropping as are weights and that does give a positive aspect to the market. Part of the trouble is not the numbers in the US but globally. With expansion in China, Viet Nam, and Cambodia directly expanding because of China and other countries hog industries backed by China, like Brazil, Russia and Ukraine, the lower numbers in the US aren't doing much at this point.**

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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

July 02, 2021

LOADS OF PORK CUTS: 225.27

TRIM/PROCESSED PORK: 27.67

### FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/02/2021	252.94	115.19	110.12	158.91	75.66	156.35	87.65	179.63
CHANGE		-0.44	3.22	-1.35	-1.39	0.95	-12.51	12.77
FIVE DAY AVERAGE --		114.80	107.22	165.42	75.12	167.98	91.75	168.25

### FINAL - PREVIOUS FRIDAY PRICE

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/25/2021	254.53	110.04	108.40	173.70	74.54	175.59	76.20	155.13
CHANGE		-2.95	-0.11	3.36	4.76	-18.43	-7.57	-6.74
FIVE DAY AVERAGE --		111.89	109.95	180.85	73.42	200.38	78.37	149.96

## NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

[https://www.ams.usda.gov/mnreports/AMS\\_2511.PDF](https://www.ams.usda.gov/mnreports/AMS_2511.PDF)

Slaughter Data for JULY 01, 2021

Due to Packer submission problems, the release of this report will be delayed.

Average live weight: 277.95

Average carcass : 208.71

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

## DAILY DIRECT AFTERNOON HOG REPORT JULY 02, 2021

National Negotiated Carcass Price

Lowest price: 104.00

Highest price: 112.00

Weighted Average Price: 108.21

Head Count: 4,585

On a National basis, compared to the previous day, 1.18 lower

### Other Market Formula (Carcass)

Lowest Base Price 74.05

Highest base price: 110.78

Weighted Average Price: 98.78

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Head Count: 18,517

#### Swine/Pork Market Formula (Carcass)

Lowest base price: 83.93

Highest Base Price: 122.654

Weighted Average Price: **107.98**

Head Count: 111,469

#### Other Purchase Arrangement (Carcass)

Lowest base price: 63.95

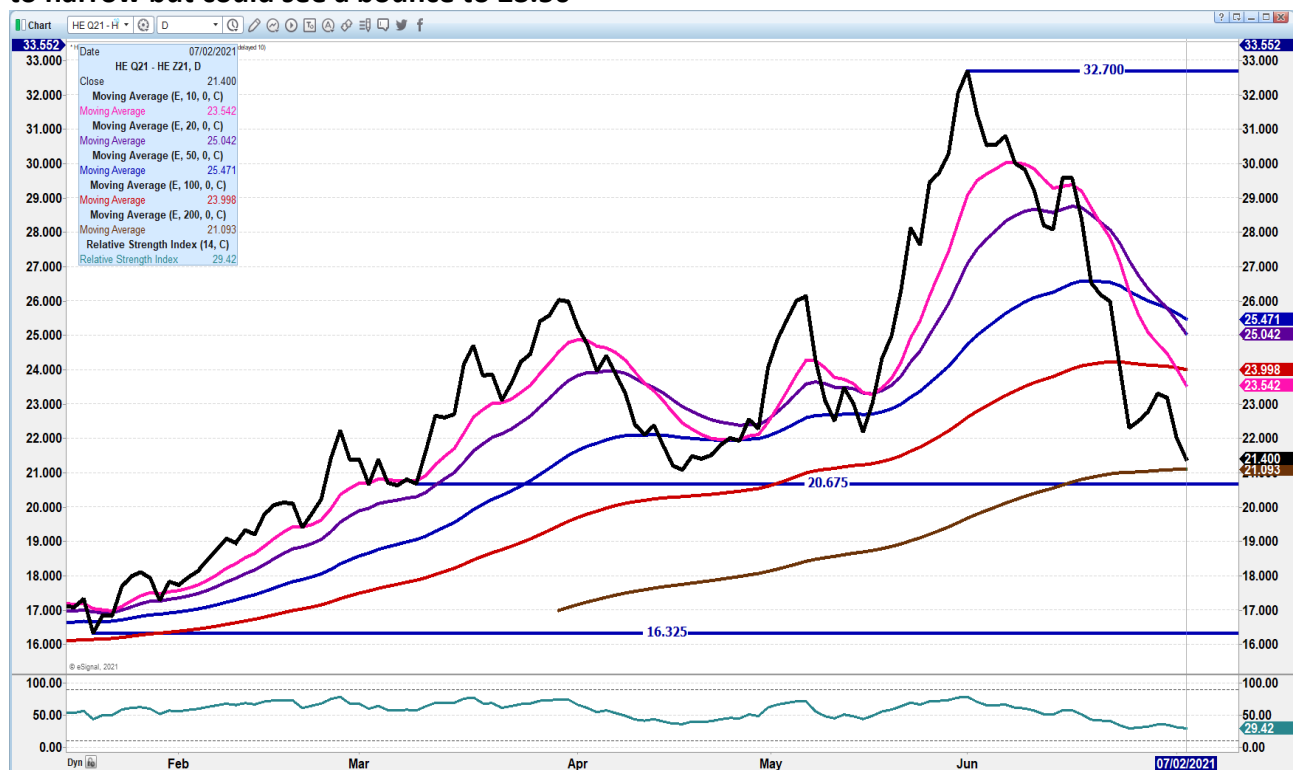
Highest base price: 120.41

Weighted Average Price: **106.49**

HEAD COUNT: 42,065

[https://www.ams.usda.gov/mnreports/ams\\_2511.pdf](https://www.ams.usda.gov/mnreports/ams_2511.pdf)

**AUGUST/DECEMBER 2021 LEAN HOG SPREAD – Spread is wide Overtime should continue to narrow but could see a bounce to 23.50**



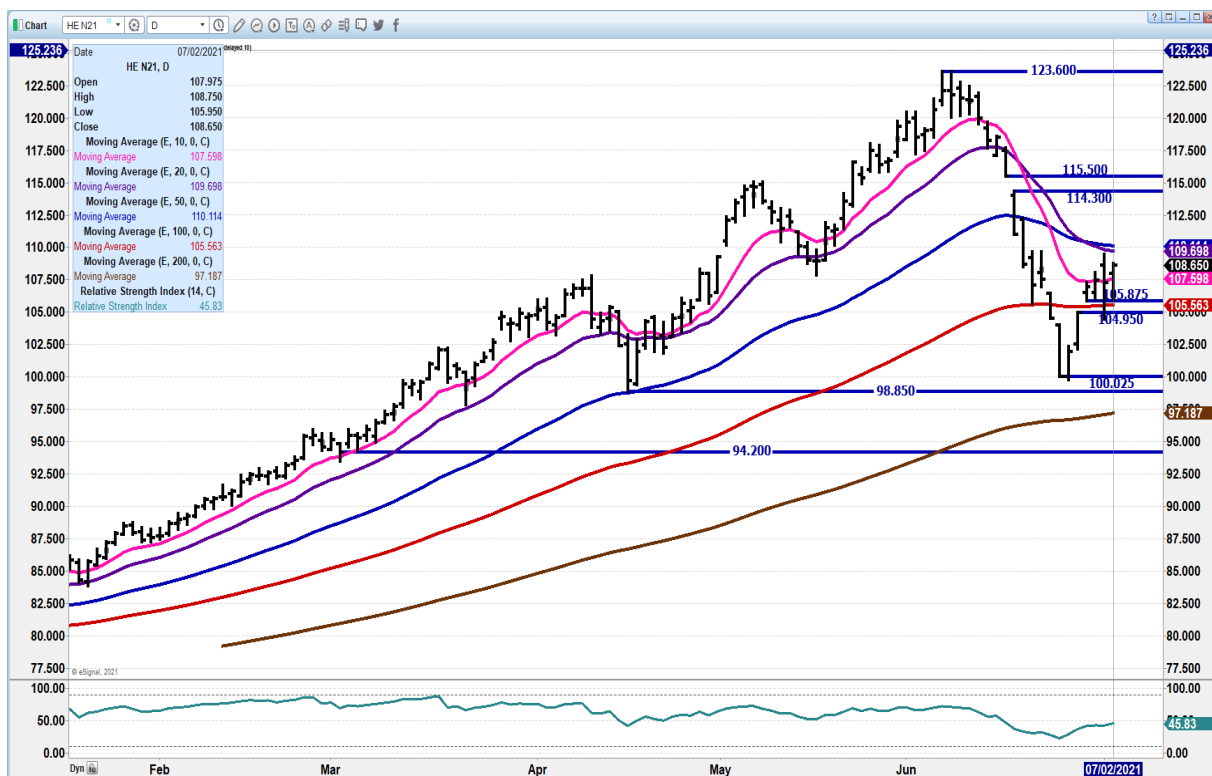
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## OCTOBER 2021/DECEMBER 2021 LEAN HOG SPREAD - Bear spread widening.



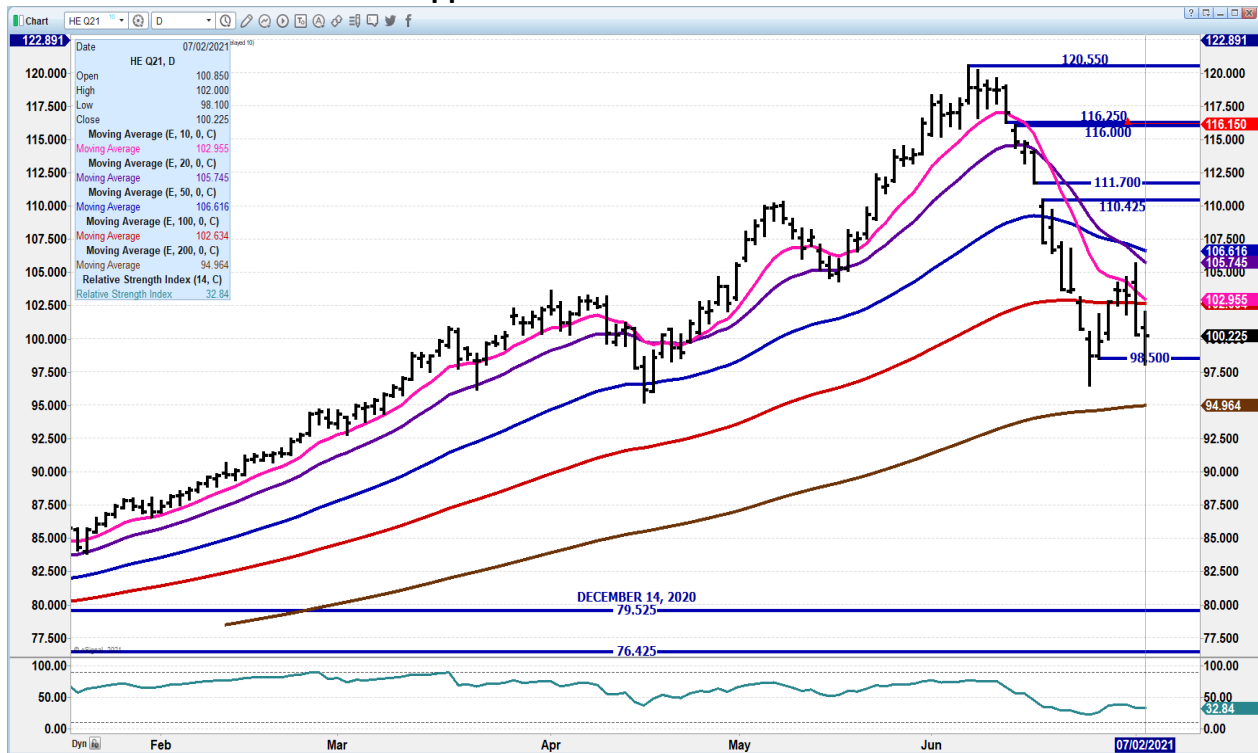
## JULY 2021 LEAN HOGS - Resistance at 106.87 Support at 105.50



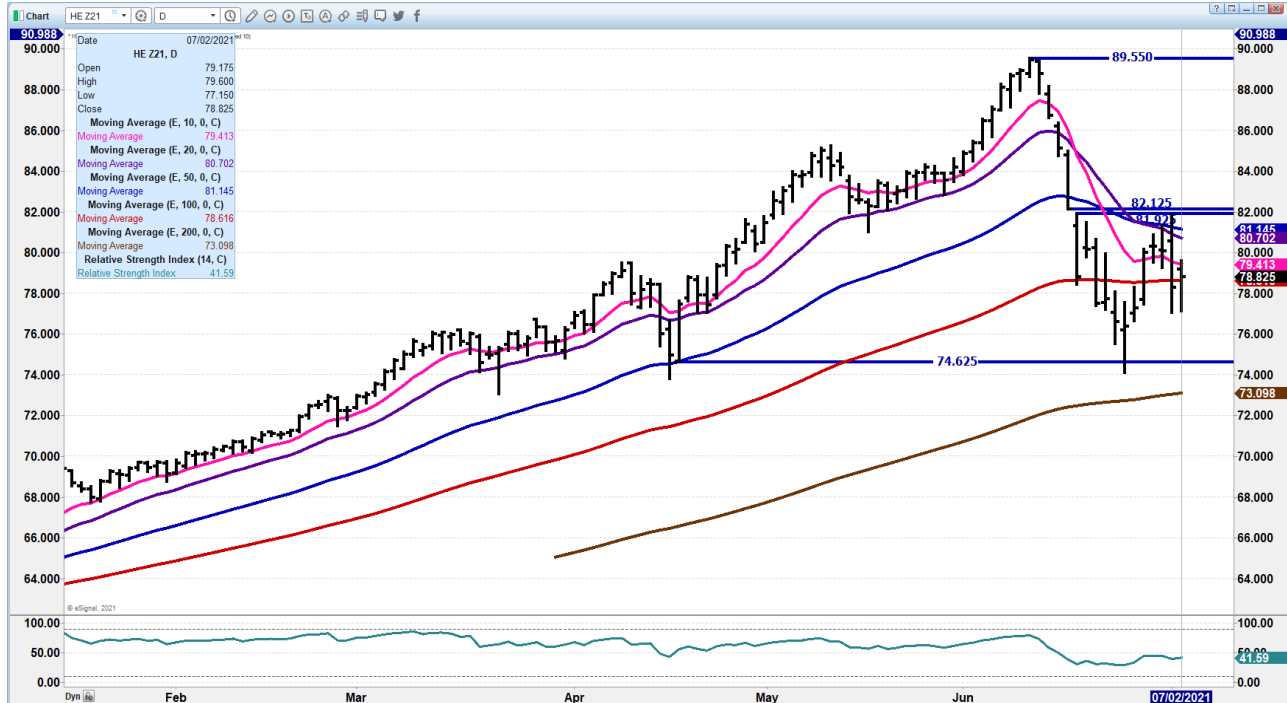
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## AUGUST 2021 LEAN HOGS – Support 98.50 to 94.95



## DECEMBER 2021 LEAN HOGS – MOVED TO 10 DAY AVERAGE T 79.15, NEXT RESISTANCE AT 81.15 Support at 78.55 to 76.30



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