



## Morning August 14, 2020 Livestock Report

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### CATTLE

#### USDA FEDERAL SLAUGHTER

AUGUST 13, 2020	118,000
WEEK AGO	118,000
YEAR AGO	117,000
WEEK TO DATE (EST)	465,000
SAME PERIOD LAST WEEK (EST)	464,000
SAME PERIOD LAST YEAR (ACT)	464,000

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	CHOICE	SELECT
BOXED BEEF FINAL	210.95	197.41
CHANGE FROM PRIOR DAY	1.86	1.42
CHOICE/SELECT SPREAD:		13.54
TOTAL LOAD COUNT		139
5 DAY SIMPLE AVERAGE:	206.90	193.94

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FINAL AUGUST 13, 2020	CHOICE	SELECT
Primal Rib	351.57	307.53
Primal Chuck	165.54	162.11
Primal Round	170.93	171.20
Primal Loin	292.93	260.68
Primal Brisket	151.67	141.36
Primal Short Plate	139.53	139.53
Primal Flank	118.45	115.97

FINAL AUGUST 12, 2020	CHOICE	SELECT
Primal Rib	351.62	307.85
Primal Chuck	164.98	161.26
Primal Round	171.07	171.21
Primal Loin	293.67	261.13
Primal Brisket	151.81	141.52
Primal Short Plate	139.45	139.45
Primal Flank	118.34	116.72

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## LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
08/12	116	34	15	17	182	209.09	195.99
08/11	84	23	19	29	156	208.08	195.02
08/10	64	20	9	15	108	207.20	193.93
08/07	64	15	16	21	116	205.47	192.75
08/06	90	15	18	20	143	204.66	192.01

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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	72.86 loads	2,914,267 pounds
Select Cuts	26.71 loads	1,068,212 pounds
Trimmings	14.56 loads	582,378 pounds
Ground Beef	24.50 loads	980,122 pounds

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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)

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**BEEF AND PORK EXPORT HIGHLIGHTS AT BOTTOM OF REPORT**

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DELIVERY NOTICE SERVED – AUGUST 2020 - LIVE CATTLE

SETTLEMENT: AUGUST 13, 2020 - \$107.05

OLDEST LONG: 04/24/20 SETTLEMENT \$88.90

18 – DELIVERIES 6- RETENDERS 6- RECLAIMS

FIRM #	FIRM NAME	DEL	REC
800	MAREX SPEC	6	6
685	R.J.O'BRIEN ASSOC	18	18

LOCATION: CLOVIS

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Both cash cattle and beef markets have been improving. At least for now, cattle and beef markets impressive. Futures are back to levels when cattle broke late February.

Inventories in the Midwest are less compared to the Southwest. Spread between Midwest and Southwest cattle narrowing is positive as packers feedlots from Kansas and Central Plains moving cattle to Midwest plants.

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Steer and heifer weights have been steadily dropping over the past month. Average steer and carcass weights for weekending August 11<sup>th</sup> were down 5 pounds from previous week. They are 25 pounds over same time a year ago. They are 10 pounds less than a month ago compared to same period now.

When packers have big profits they want to kill cattle and with improvement in beef cutout, they will pay up for cattle when inventories show smaller feedlot supplies. Packers have a distinct advantage. They know demand for beef past mandatory reporting times.

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Spreads are narrowing with front month gaining on preceding months. This is friendly. If they continue to narrow and at some time invert, it is bullish. At this time spreads in normal range.

Packers are working through their contract and their own cattle. With packer profits and a boxed beef market that has been putting on money day after day, it is positive for prices. The question: Are retailers buying for the September Labor Day, the last big summer grill out time or have packers been forwarded contracting throughout the spring and summer and daily beef needs at short supply? Beef was cheap, for the buyer it was advantageous to contract.

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USDA POSTED CATTLE PRICES ON 8/13/2020  
IA/MN –CASH SALES 105.00 - 107.00 DRESSED 165.00 - 167.00  
NE - CASH – 105.00 DRESSED 169  
KS – CASH – 104.00 - 105.00 DRESSED: NONE  
TX/OK/NM – 104.00  
COLORADO – 104.00

National Daily Direct Cattle AUGUST 13, 2020  
(5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1445	\$103.70	39,766
Live Heifer:	1306	\$103.52	22,628
Dressed Steer:	938	\$165.45	21,125
Dressed Heifer:	844	\$166.31	6,396

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As of August 11<sup>th</sup> Dressed weights were 876.6 compared to previous week at 878.1. Compared to a year ago weights are 25 pounds over a year ago and down 6 from a week ago. Grading percent was 83.5% compared to previous week at 83.0%.

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**CHARTS ARE UPDATED ON MORNING REPORTS –**

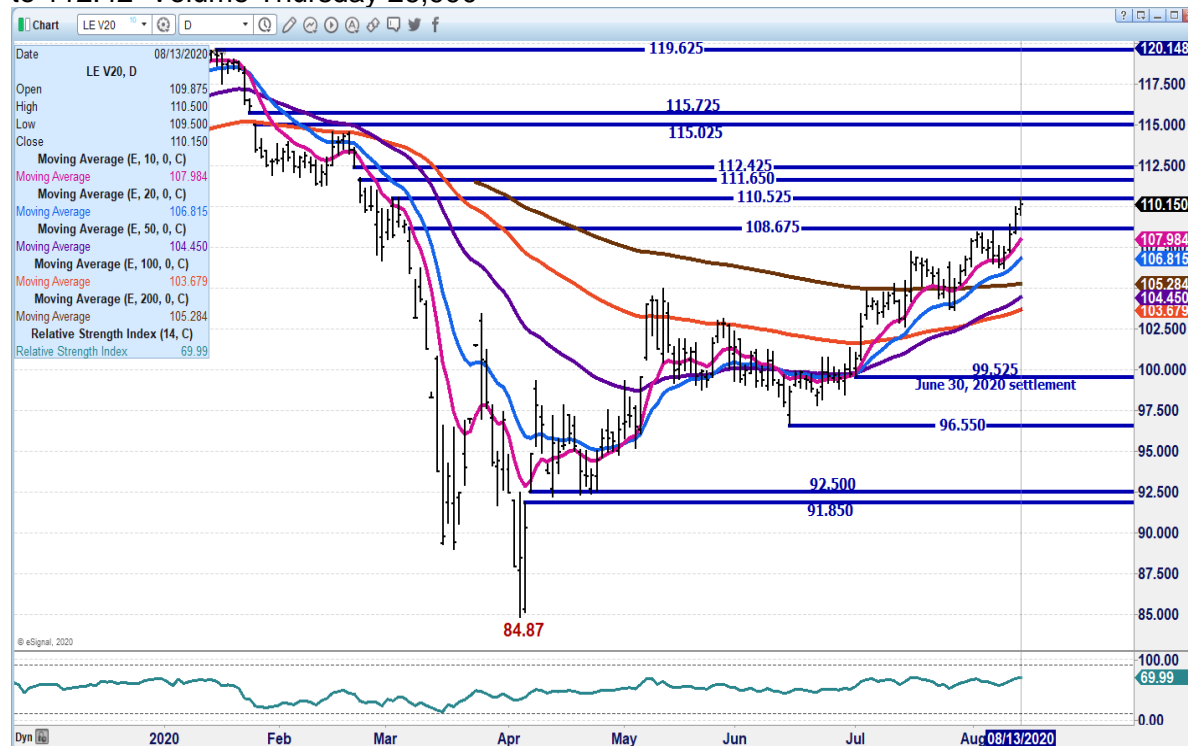
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OCTOBER 2020 LIVE CATTLE – RSI at 70 is not overbought but if trade continues to narrow spreads, could see pull back at some time to support at 107.97 to 106.80 Resistance at 111.65 to 112.42 Volume Thursday 26,990



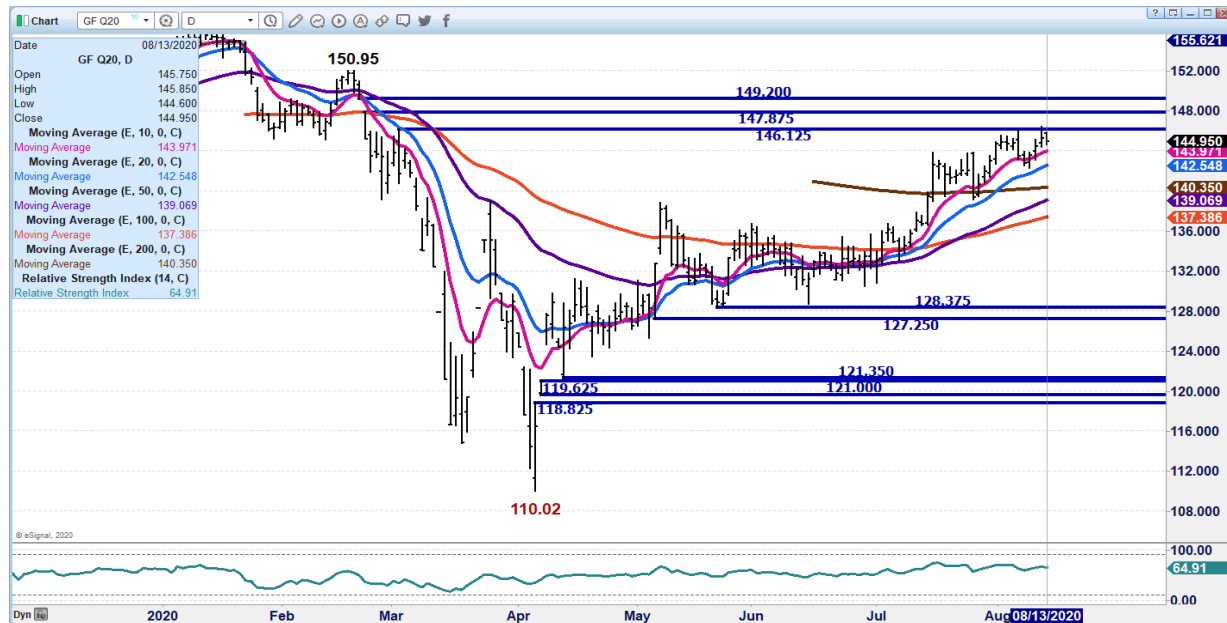
## Feeder Cattle

THE CME FEEDER INDEX ON 08/11/2020 IS 142.62 UP 20 CENTS FROM PREVIOUS DAY – AS OF 8/14/ 2020 CME HAS NOT UPDATED FOR THE 8/12

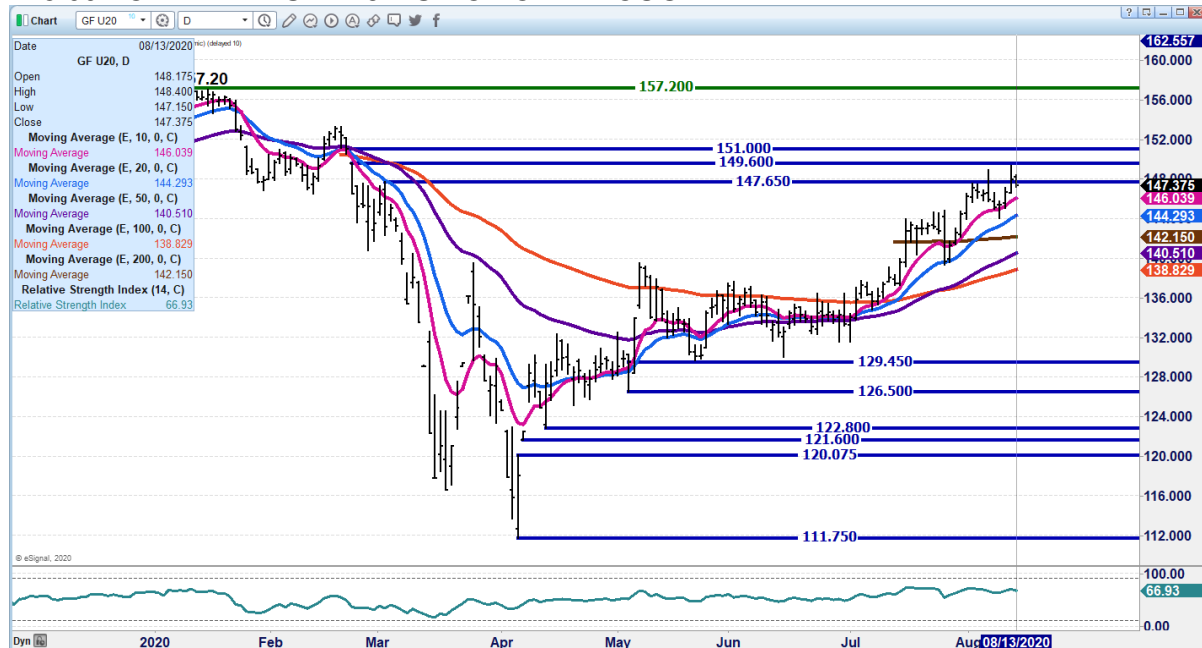
AUGUST 2020 FEEDER CATTLE SETTLED AT 145.95 ON AUGUST 13, 2020.

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AUGUST 2020 FEEDER CATTLE – BACK TO LEVELS AT MARCH 3<sup>RD</sup>. RESISTANCE 146.12 TO GAP AT 147.87 TO 149.20



SEPTEMBER 2020 FEEDER - HAS MOVED TO BOTTOM SIDE OF GAP FROM 149.60 TO 151.00 A CLOSE ABOVE 153.07 COULD MOVE UP TO CONTRACT HIGH. SUPPORT IS 145.00 TO 144.27 RSI AT 67 IS NOT OVERBOUGHT



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## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 13, 2020	478,000
WEEK AGO	476,000
YEAR AGO	482,000
WEEK TO DATE (EST)	1,874,000
SAME PERIOD LAST WEEK (EST)	1,830,000
SAME PERIOD LAST YEAR (ACT)	1,897,000

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CME CASH HOG INDEX 08/11/2020 AT 53.82 UP 3 CENTS FROM PREVIOUS DAY.

CME CASH PORK CUTOUT INDEX 08/12/2020 AT 71.08 UP 1.05 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 8/7/2020 WAS 134.40 COMPARED TO 7/31/2020 WAS 128.62

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Disappointing exports except for consistent buying from Mexico. Look for less buying from China going forward. China is buying more from Brazil and Europe and likely will continue to use those suppliers versus US in any large purchases.

With Cheap dollar Mexico should remain strong buyer.

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Thursday both loins and hams higher putting cutout up \$2.00. CME Pork Index higher for the week. For hog producers, higher pork doesn't mean higher prices. Hog supplies are plentiful for now. Packers don't seem willing to share profits.

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Basing hog prices on pork movement on daily prices has become a lesson in futility. It is better to base pork price movement on what changes take place from one week to the next.

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### AUGUST 13, 2020 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

LOADS OF PORK CUTS: 261.09

LOADS TRIM/PROCESSED PORK : 46.19



FINAL 8/13/2020

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/013/2020	307.29	73.25	71.47	76.01	44.09	120.72	68.37	103.92
CHANGE :		2.00	2.69	4.76	1.07	-2.54	4.75	-1.44
Five Day Average --		71.11	71.32	74.14	47.46	121.51	56.61	107.28

MORNING	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
08/13/2020	184.29	76.45	73.92	76.03	45.23	120.23	75.25	108.62
CHANGE :		4.01	4.46	2.94	0.01	-1.72	10.47	1.32
Five Day Average --		72.26	71.91	74.61	48.07	121.01	59.04	109.14

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE  
Slaughter Data for AUGUST 12, 2020

Average carcass weight - 277.21  
Average live weight - 208.42  
[https://www.ams.usda.gov/mnreports/ams\\_2511.pdf](https://www.ams.usda.gov/mnreports/ams_2511.pdf)

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM AUGUST 13, 2020  
NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES  
Carcass Base Price: \$37.47 - \$39.00  
Weighted Average: \$37.51  
Change from Prior Day: 0.17 lower  
HOGS SOLD: 8,576

SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)  
PRICE RANGE: \$36.60 - \$68.01  
Weighted Average \$52.64 PREVIOUS DAY \$52.07  
HOGS SOLD: 148,975

[https://www.ams.usda.gov/mnreports/lm\\_hq203.txt](https://www.ams.usda.gov/mnreports/lm_hq203.txt)

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AUGUST 2020 LEAN HOGS – Closed above 50 day. Resistance at 57.65 Support 52.20





## Daily Futures Market Commentary



**OCTOBER 2020 LEAN HOGS - Resistance is 53.97 to 54.97 Support at 51.12 to 50.37**



*CHARTS FROM ESIGNAL INTERACTIVE, INC.*

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## BEEF AND PORK EXPORT HIGHLIGHTS WEEK ENDING AUGUST 6, 2020

**Beef:** Net sales of 11,600 MT reported for 2020 were down 13 percent from the previous week and 46 percent from the prior 4-week average. Increases primarily for Japan (2,900 MT, including decreases of 500 MT), China (1,900 MT), Canada (1,400 MT, including decreases of 100 MT), Hong Kong (1,300 MT, including decreases of 100 MT), and South Korea (1,200 MT, including decreases of 600 MT). Exports of 16,800 MT were down 4 percent from the previous week, but up 1 percent from the prior 4-week average. The destinations were primarily to South Korea (5,500 MT), Japan (4,800 MT), Taiwan (1,500 MT), Mexico (1,100 MT), and Hong Kong (1,000 MT).

**Pork:** Net sales of 10,500 MT reported for 2020 were down 66 percent from the previous week and 70 percent from the prior 4-week average. Increases primarily for Mexico (8,800 MT, including decreases of 200 MT), Japan (2,700 MT, including decreases of 900 MT), Canada (1,600 MT, including decreases of 400 MT), Australia (1,100 MT), and Chile (1,000 MT), were offset by reductions primarily for China (8,800 MT). For 2021, total net sales of 100 MT were for Australia. Exports of 34,900 MT were up 2 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to Mexico (11,000 MT), China (9,900 MT), Japan (4,000 MT), Canada (2,300 MT), and South Korea (1,300 MT).

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