

CHS Hedging Livestock Comments



Livestock Comments

Thursday, July 11, 2019

Live Cattle

The live cattle futures have been trending higher and look like they've formed a bottom. The cash market also appears to have turned higher, at least for the near term. With the short week last week the packer had to pay up and so far he's been paying up this week as well. Cash trade has been seen in the North between \$114 and \$115. Packer margins have been slipping lower, with the margin at \$144.05, down from \$207.95 last Wednesday.

Today's slaughter was 118,000 head, down from 120,000 last year. Export sales were 21.5 tmt which was above the four-week average of 17.05 tmt. The weeks largest buyer was Korea, followed by Ethiopia and Japan. Year to date, the largest buyer has been Korea.

AM Boxed Beef							PM Boxed Beef						
Date	Load Count	Choice	Change	Selects	Change	Spread	Date	Load Count	Choice	Change	Selects	Change	Spread
11-Jul	67.00	\$ 214.18	\$ (0.24)	\$190.86	\$ (0.03)	\$ 23.32	128	148.00	\$ 213.77	\$ (0.65)	\$ 190.79	\$ (0.10)	\$ 22.98
10-Jul	112.00	\$ 213.93	\$ (0.80)	\$190.91	\$ (1.18)	\$ 23.02	10-Jul	182.00	\$ 214.42	\$ (0.31)	\$ 190.89	\$ (1.20)	\$ 23.53
9-Jul	67.00	\$ 214.65	\$ (2.81)	\$192.51	\$ (1.90)	\$ 22.14	9-Jul	134.00	\$ 214.73	\$ (2.73)	\$ 192.09	\$ (2.32)	\$ 22.64
8-Jul	57.00	\$ 217.44	\$ (0.23)	\$195.20	\$ 0.40	\$ 22.24	8-Jul	126.00	\$ 217.46	\$ (0.21)	\$ 194.41	\$ (0.39)	\$ 23.05
5-Jul	78.00	\$ 218.16	\$ (1.09)	\$195.15	\$ (0.21)	\$ 23.01	5-Jul	109.00	\$ 217.67	\$ (1.58)	\$ 194.80	\$ (0.56)	\$ 22.87

August live cattle futures chart



First notice day for August live cattle futures is Friday, August 2nd. Last trading day for August live cattle options is Friday, August 2nd. Last trading day for August live cattle futures is August 30th.

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Feeder Cattle

Feeder cattle continue to feel the volatility in the grain markets but have been trending higher. Today's trade seemed to disregard the high close in corn, with feeders also closing higher. Feeders will likely remain choppy, as the grains are in a weather market now with the July WASDE out of the way.

The feeder cattle index was at 139.32 as of July 10th.

August feeder cattle futures chart



Last trading day for August feeder cattle futures and options is on August 29th.

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Lean Hogs

Hogs have had a choppy trade pattern, as they struggle with the large slaughter numbers and large hog inventory as we head into the dog days of summer. The carcass cutout values have been trading lower and are now hovering just above \$70.00 per cwt. Packer margins have remained slim, with today's reported at a negative \$1.05.

Today's slaughter was 479,000, which was up from last year's 456,000 head. Export sales were 11.3 tmt, below the four-week average of 24 tmt. The weeks largest buyer was Japan, followed by Mexico and Korea. Year to date, the largest buyer has been China.

The lean hog index was 70.77 as of July 9th and the fresh bacon index was 132.68 for the week ending July 5th.

Date	Load Count	Pork Cuts Loads	Trim/Process Pork	PM Values															
				Carcass Cutout	Change	Loin	Change	Butt	Change	Pic	Change	Rib	Change	Ham	Change	Belly	Change		
11-Jul	269.41	249.36	20.05	\$ 72.17	\$ 0.57	\$ 74.42	\$ (0.01)	\$ 89.40	\$ (0.01)	\$ 50.42	\$ (3.54)	\$ 101.25	\$ (1.59)	\$ 60.92	\$ (0.51)	\$ 102.36	\$ 7.17		
10-Jul	287.81	262.3	25.51	\$ 71.60	\$ (2.17)	\$ 74.43	\$ (1.36)	\$ 90.39	\$ (1.32)	\$ 53.96	\$ 0.10	\$ 102.84	\$ 0.12	\$ 61.43	\$ (0.37)	\$ 95.19	\$ (9.32)		
9-Jul	419.81	385.34	34.47	\$ 72.30	\$ 1.26	\$ 74.62	\$ 1.44	\$ 90.49	\$ (0.59)	\$ 49.89	\$ (2.84)	\$ 101.79	\$ 2.46	\$ 60.43	\$ 1.92	\$ 104.18	\$ 3.28		
8-Jul	266.59	239.9	26.69	\$ 71.88	\$ (1.29)	\$ 73.64	\$ (2.59)	\$ 92.19	\$ 3.51	\$ 54.93	\$ (5.42)	\$ 100.10	\$ (7.32)	\$ 58.92	\$ (0.31)	\$ 101.53	\$ 3.25		
5-Jul	218.22	191.01	27.2	\$ 73.17	\$ 1.69	\$ 76.23	\$ 3.17	\$ 88.68	\$ (2.49)	\$ 60.35	\$ 8.15	\$ 107.42	\$ 3.08	\$ 59.23	\$ 0.62	\$ 98.28	\$ (0.79)		

August lean hogs futures chart



Last trading day for July lean hogs futures and options is July 15^h.

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