The Cattle Range

www.cattlerange.com

Weekly Market Summary

For the week ending January 3, 2020

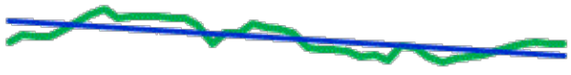
TCR's Cattle/Beef Indexes...

10-Day Index: +2.06% compared to -0.54% last Friday
60-Day Index: +0.05% compared to +1.53% last Friday

10 Day Index Trendline

Compared to Previous Day: +0.30%
Compared to 10 Days Ago: +2.06%
Compared to 60 Days Ago: +0.05%

60 Day Index Trendline



Indexes track the daily market values for the past 10 & 60 days. Each value is the weighted total of the Gain/(Loss) for 15 major market factors compared to the previous trading day.

Slaughter Cattle: In the South, trade at 124.00, 2.00 higher than last week. In the North, trade at 199.00 on a dressed basis, 4.00 higher than last week. In the 3 front months, Live Cattle futures closed from 1.43 to 2.10 lower for the week.

Feeder Cattle: Limited direct sales and auction data available with light trade steady to weak. In the 3 front months, Feeder Cattle futures closed from 1.78 to 2.13 lower for the week.

Stocker Calves: Limited direct sales and auction data available with light trade mostly steady with a firm undertone.

CME Feeder Cattle Index: 144.87, 0.26 higher for the week.

Boxed Beef Cutouts: Choice cutout 0.47 lower at 208.49 and the Select cutout 0.82 higher at 205.39. The Choice/Select spread is 3.10, 1.29 lower than last week.

Cutter Cow Cutout: 0.21 higher at 185.07.

Slaughter Cows: Slaughter cows traded mixed and closed the week mostly steady.

Total Red Meat Production under Federal inspection for the week for the week ending Saturday, January 04, 2020 was estimated at 946.4 million lbs. according to the U.S. Department of Agriculture's Marketing Service. This was 14.5 percent higher than a week ago and 1.9 percent higher than a year ago. Cumulative meat production for the year to date was 26.5 percent lower compared to the previous year.

Grain: For the week, Kansas City corn 0.02 lower @ 3.94 with the futures 0.02 lower @ 3.8650. Cash wheat 0.02 lower @ 5.47 and the futures 0.02 lower @ 5.5450.

Click Here **to receive the WMS** on Saturday mornings or to have it sent to friends & associates.

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***Links to the articles below** are included because we found them to be of interest but their content does not necessarily reflect the views of The Cattle Range.*

Click your "Back Button" to return to the WMS.

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Weekly Market Overview: www.cattlerange.com

	This Week	Last Week	1 Month Ago	1 Year Ago	5 Yr. Avg.
CME Feeder Index	144.87	144.61	144.49	145.60	156.49

Live Cattle Futures	This Week	Last Week	1 Month Ago	1 Year Ago	5 Yr. Avg.
February	124.72	126.70	124.97	124.00	122.74
April	125.67	127.77	125.35	115.55	121.50
June	117.67	119.10	119.97	116.45	120.71

Feeder Futures	This Week	Last Week	1 Month Ago	1 Year Ago	5 Yr. Avg.
January	143.35	145.45	141.55	144.90	155.39
March	142.67	144.80	141.67	142.82	154.51
April	145.52	147.30	143.77	143.65	154.09

Slaughter Cattle	This Week	Last Week	1 Month Ago	1 Year Ago	5 Yr. Avg.
S. Central	122.00	122.00	119.00	123.00	124.75
N. Central - Dressed	195.00	195.00	188.00	195.00	198.41

Feedyard Closeout	This Week	Last Week	1 Month Ago	1 Year Ago	5 Yr. Avg.
Current	113.33	101.65	66.07	18.40	(58.24)
Future (Projected)	(18.23)	(12.08)	(29.12)	(40.53)	(46.89)

Boxed Beef Cutout	This Week	Last Week	1 Month Ago	1 Year Ago	5 Yr. Avg.
Choice	208.49	208.96	224.56	214.51	217.64
Select	205.39	204.57	207.30	207.66	206.20
Spread	3.10	4.39	17.26	6.85	11.45

Cutter Cow Cut-Out	185.07	184.86	180.84	156.49	179.64

Crude Oil Futures	63.05	61.72	59.20	47.96	53.01

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National Feeder & Stocker Cattle Weekly Summary:

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This week:	37,900	15,400	0	53,300
This week:	5,300	16,400	0	21,700
Year Ago:	79,300	23,200	7,400	109,900

Steers and heifers were not well tested nationwide these last two weeks as most auctions were closed due to the major holidays occurring mid-week. Those that did have sales this week were quoting much stronger prices as order buyers and farmer feeders alike were back in the seats ready to fill orders. Most observers described the buyers' moods as being "hungry" and they are ready to procure cattle as the holidays seemed to drag out this year. Yearlings and calves alike were in demand on this holiday shortened week. As packers moved through the holidays, they were content to string out their purchases from the beginning to middle of December to fill the harvest slots through this week. As today got here and packers had not bought any early week, they did not try to drive the market down. Instead, they came
right out and paid an additional 2.00 this week in the Southern Plains; 124.00. Northern Plains marketers were content to let the dust settle. With all the mud in their yards, the much-anticipated cost of gains are gradually rising as the snow melts. Feeders in the Dakotas just can't catch a break with all the moisture they have received in 2019 and are hoping the new year will be a prosperous one.

On Monday at Callaway Livestock Center in Kingdom City, MO, a load of 691 lb fancy yearling heifers sold at 156.75, while a load of 719 lb yearling heifers also sold at 153.85. On Wednesday at the St Joseph (MO) Stockyards a load of 727 lb steers sold at 159.85, while three loads of 734 lb steers sold at 157.75. On Thursday at Joplin (MO) Regional Stockyards Wean-Vac special, a load of 708 lb steers sold at 160.00. Also, on Thursday at Clarinda (IA) Livestock Auction, a load of backgrounded yearling steers weighing 885 lb sold at 148.10. Immediately after that, another load of 877 lb steers sold at 147.35. The CME Cattle Complex was lower on the week, with front 4 months of Feeder and Live Cattle being 1.10 to 2.20 lower. On the week, Choice cutout closed 0.47 lower at 208.49, while Select was 0.82 higher at 205.39; as the Choice-Select spread has narrowed to 3.10. The day after Thanksgiving, the Choice-Select spread was at 21.78. Cattle Slaughter under federal inspection estimated at 546K for the week, 78K more than last week(holiday) and 11K more than a year ago. Auction volume this week included 62 percent weighing over 600 lbs and 39 percent heifers.

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Feeder Steers:

Insufficient direct sales and auction data available to establish market prices and trend.

Stocker Steers:

Insufficient direct sales and auction data available to establish market prices and trend.

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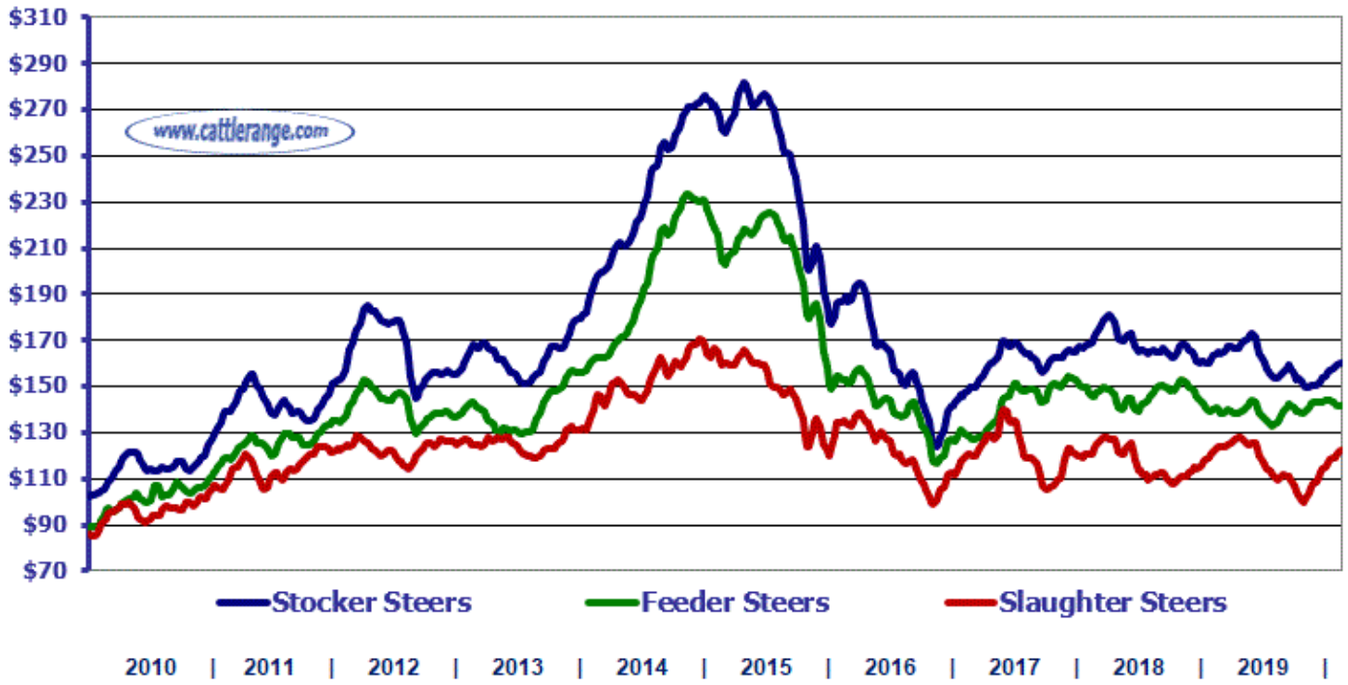
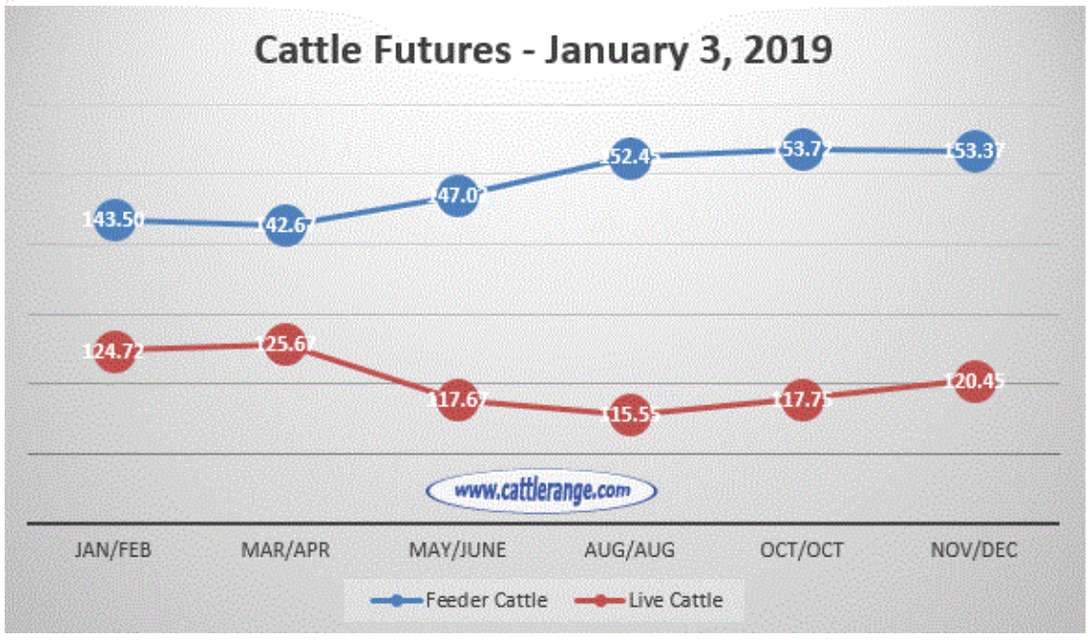
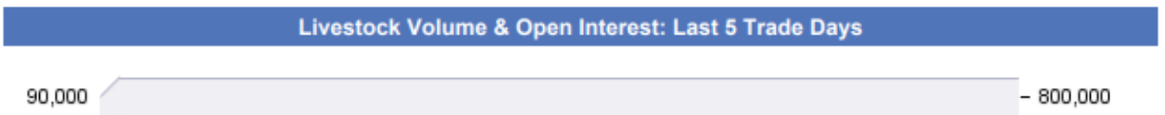
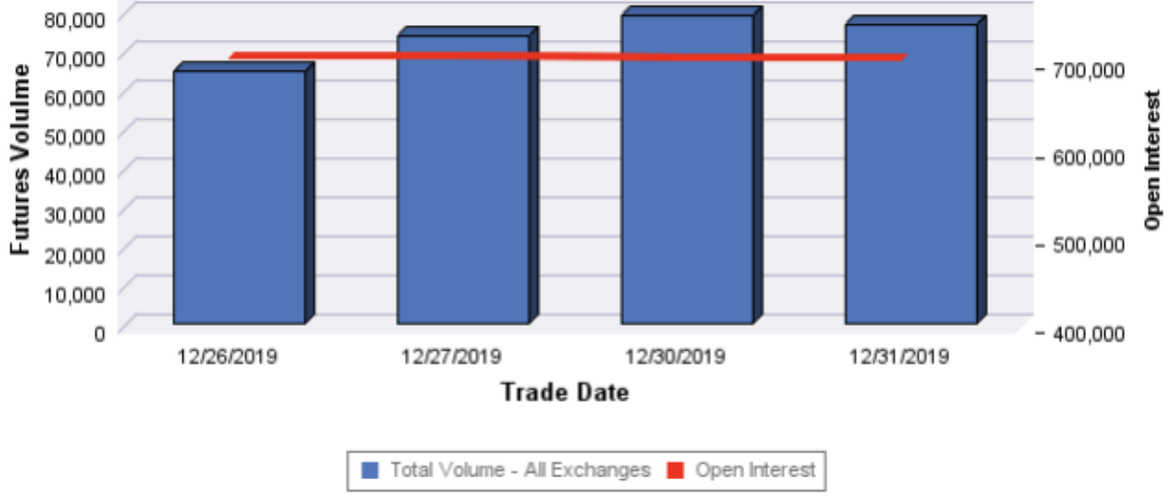
10 Year Moving Average... Stocker, Feeder & Slaughter Steers









Trade Date	Futures Volume
12/26/2019	64,324
12/27/2019	73,586
12/30/2019	78,810
12/31/2019	76,570

Trade Date	Futures Open Interest
12/26/2019	714,318
12/27/2019	713,459
12/30/2019	711,000
12/31/2019	711,038

Cattle Futures: **Charts of Commitment of Traders**

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Mexican Feeder Cattle Weekly Import Summary

No reported sales. Trade will resume in mid January.

--- Slide 10 cents on steers and heifers basis 300 lbs.---

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Selected Auction Reports... Click Link to view entire report

Monday Auctions:

Callaway Livestock Center - Kingdom City MO

	This Week	Last Reported
Total Receipts:	1,800	4,192

Not enough comparable offerings for a market comparison. Several consignments cancelled due to heavy snow accumulation and drifting snow in areas North and West of Kearney. However, there was several order buyers and some farmer feeder buyers on the seats trying to procure cattle on the last day of the year. Most lots were in medium flesh with some fleshy lots in the run. Some cattle displayed tag after this weeks rain and snow storm. Expecting 5000 head next Wednesday January 8th starting at 9:00 AM. Supply included: 96% Feeder Cattle (56% Steers, 44% Heifers); 4% Slaughter Cattle. Feeder cattle supply over 600 lbs was 80%.

Tuesday Auctions:

Huss Platte Valley Auction - Kearney NE

	This Week	Last Reported
Total Receipts:	1,800	4,192

Not enough comparable offerings for a market comparison. Several consignments cancelled due to heavy snow accumulation and drifting snow in areas North and West of Kearney. However, there was several order buyers and some farmer feeder buyers on the seats trying to procure cattle on the last day of the year. Most lots were in medium flesh with some fleshy lots in the run. Some cattle displayed tag after this weeks rain and snow storm. Expecting 5000 head next Wednesday January 8th starting at 9:00 AM. Supply included: 96% Feeder Cattle (56% Steers, 44% Heifers); 4% Slaughter Cattle. Feeder cattle supply over 600 lbs was 80%.

Thursday Auctions:

Mitchell Livestock Auction – Mitchell SD

	This Week	Last Reported
Total Receipts:	4,703	5,374

Compared to two weeks ago: Feeder steers under 700 lbs 2.00 to 4.00 higher, over 700 lbs steady to 3.00 lower. Feeder heifers under 600 lbs 2.00 to 4.00 higher, over 600 lbs steady to 2.00 lower. Moderate to good demand for this large offering of feeder steers and heifers. Next week expecting 6,500 feeder cattle. Supply included: 100% Feeder Cattle (63% Steers, 37% Heifers). Feeder cattle supply over 600 lbs was 81%

Farmers & Ranchers Livestock - Salina KS

	This Week	Last Reported
Total Receipts:	3,448	2,291

First Thursday sale of 2020 after the Holiday break. Steers showing an increase with instances of 1.00 - 2.00 higher; Heifers higher undertone noted from the December 19, 2019 sale. Trade active and demand good. Supply included: 100% Feeder Cattle (64% Steers, 36% Heifers). Feeder cattle supply over 600 lbs was 77%.

Douglas County Livestock Auction - Ava MO

	This Week	Last Reported
Total Receipts:	1,936	1,287

Compared to last sale three weeks ago, Feeder steers 2.00 to 10.00 higher, Feeder heifer's stead to 6.00 higher. Demand good. Supply heavy. Slaughter cows steady to 3.00 higher. Supply included: 92% Feeder Cattle (52% Steers, 2% Dairy Steers, 40% Heifers, 6% Bulls); 8% Slaughter Cattle (88% Cows, 13% Bulls); 1% Replacement Cattle (100% Bred Cows). Feeder cattle supply over 600 lbs was 45%.

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Direct Sales of Feeder & Stocker Cattle... Click Link to view entire report

WY, Western NE & Western Dakotas Direct Feeder Cattle Wtd Avg (Fri)

Receipts: None Week Ago: 174 Year Ago: 230

Country trading was at a standstill on the split week of ending a decade and starting a new one. Many feed yards received rain and snow and were busy taking care of cattle needs in there feedlots and know there will be more cattle to procure the first full week of January. Most feedlot pens are in mediocre shape this New Year and some managers are having flashbacks from the winter and spring of 2019. On a positive note, Nebraska feedlots have start to trade show list for more money than last week. Early cash sales 4.00 higher at 199.00 with some bids at 200.00 on the table. Time will tell if the magical 200.00 dressed will clean up the show list for the week. Direct prices are current FOB with a 2-3 percent shrink or equivalent, with a 10-12 cent slide on calves and 8 cent slide on feeders from base weight. Delivered prices include freight, commissions and other expenses.

AZ-CA-NV Weekly Feeder Cattle Review (Fri)

Confirmed 2,400 Last Week: 700 Year Ago: 1,740

Compared to last week, holstein steer calves have no comparison. Trade slow, demand light. Cattle weighing over 600 lbs totaled 0 percent. Heifers totaled 0 percent. Unless otherwise stated, prices fob shipping point with 2-3 percent shrink or equivalent with 5-10 cent slide on calves, 3-6 cent slide on yearlings from base weight. Delivered prices include freight, commissions and other expenses.

IA-South MN Direct Feeder Cattle Weekly (Mon)
Receipts: 60 Last week: 0 Last Year: 0
Compared to the last week: No trades last week for a trend. Demand moderate. Prices based on net weights FOB after a 3 percent shrink or equivalent and 5-10 cent slide on calves and 4-6 cent slide on yearlings from base weights. Supply included 100 Percent over 600 lbs; 0 percent heifers. Delivered prices include freight, commissions and other expenses. Current sales are up to 14 days delivery.

Colorado Direct Feeder Cattle Report (Fri)
Receipts: 983 Last Week: 740 Last Year 1,720
Compared to last week: Current FOB steers and heifers had few comparable trades. Demand moderate to good for feeder cattle. Supply consisted of 100 percent over 600 lbs; 70 Percent heifers. Unless otherwise stated prices are FOB with a 2-3 Percent shrink or equivalent and with a 8-12 cent slide on calves and 4-8 cent slide on yearlings from
base weight.

Kansas Direct Feeder Cattle Summary (Fri)
Receipts: 2,665 Last Week: 1,160 Last Year: 1,970
Compared with last week: Light test last week but a higher undertone was noted. Demand good. Feeder supply includes 100 percent over 600 lbs and 23 percent heifers. Unless otherwise stated prices are FOB weighting points with 2-3 percent Shrink or equivalent and a 5-10 cent slide on calves and a 4-8 cent slide on yearlings from base weights.

Montana Direct Feeder Cattle Wtd Avg (Fri)
Receipts: 0 Last Week 0 Last Year: 0
Compared to last week: Feeder steers and heifers not tested. Supply includes 0 percent over 600 lbs and 0 percent heifers. Unless otherwise stated prices are FOB weigh point with a 2-3 percent shrink or equivalent and with a 8-12 Cent slide on calves and 4-8 cent slide on yearlings from base weights. Current sales up to 14 days for delivery.

New Mexico Feeder Cattle Report (Mon)
Receipts: 700 Last Week: 200 Year Ago: 150
Compared to last week: Not enough comparable sales on feeder steers or heifers for an adequate market trend. Trade activity and demand were moderate. Supply consisted of 96 percent steers and 4 percent heifers. Near 33 percent of the offerings weighed over 600 lbs. Note: Feeder cattle prices based on net weights FOB after a 3 percent pencil shrink or equivalent.

Oklahoma Direct Feeder Cattle (Fri)
Receipts: 2,109 Last Week 904 Last Year 3,190
Compared to last week: Feeder steers lightly tested with a lower undertone noted. Demand moderate. Supply consisted of 100 percent over 600 lbs and 15 percent heifers. Unless otherwise stated prices are FOB weigh point with a 2-3 percent shrink or equivalent and with a 8-12 cent slide on calves and 4-8 cent slide on yearlings from base weights. Current sales up to 14 days for delivery.

Texas Direct Feeder Cattle (Fri)
Receipts: 6,400 Last Week: 13,200 Year Ago: 12,800
Compared to last week: Current FOB sales of steers and heifers sold fully steady. Trade activity and demand were light to moderate as we round out the last of the year and holiday season. Supply consisted of 50 percent steers and 50 percent heifers. Approximately 91 percent of the offerings weighed over 600 lbs. Prices based on net weights FOB after a percent shrink or equivalent and 9-15 cent slide on calves and 5-12 cent slide on yearlings from base weights. Delivered prices include freight, commissions and other expenses. Current sales are up to 14 days delivery.

- **Extensive U.S. & Canadian Auction Results are available on The Cattle Range**

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Representative Sales of Cows & Pairs (Medium & Large)

Reported by USDA Market News for the **week ending January 3rd:**

No sales reported.

Canadian Cattle Prices:

Prices have been converted to U.S. $/CWT. Grades changed to approximate U.S. equivalents
Exchange Rate: Canadian dollar equivalent to $0.7611 U.S. dollars

No sales reported.

Alberta Beef Producers:

Alberta direct cattle sales Thursday saw light trade develop with dressed sales reported at 275.00 delivered. Sales are steady to a couple dollars higher than last week. Packers are not long bought most of the cattle that traded this week would be lifted in two weeks. The way things are looking this could be the highest weighted average fed price in over one year.

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"Shootin' the Bull" Weekly Analysis:

In my opinion, the cattle market is wrestling with the seemingly equalization of supply and demand. Before I get into this, I continue my education consistently. I read books and attempt to learn from others all the time. For Christmas, I received the book "Principles", by Ray Dalio, the founder of Bridgewater Associates. A statement in the first few pages struck me so much, I want to share this before going forward. "Time is like a river that carries us forward into encounters with reality that require us to make decisions. We can't stop our movement down this river and we can't avoid those encounters. We can only approach them in the best possible way." Because risk of price fluctuation is inherent in commodity production, approach it in the best possible way. Knowing how to use futures and options is believed as approaching an encounter of commodity production the best possible way.

Market action has been soft over the holidays. Even with the cash market firming, the best we've seen is a narrowing of the basis. The later part of the week's trading appeared dictated by several factors. Manufacturing was noted as down for a 5th month in a row. The bombing in Iran sent the equities market lower and bonds higher. Of the most impact to the consumer will be the sharp increase in fuel prices. Where I had previously thought energy prices would move lower, the past two weeks I had changed my opinion and made note of it in my writings. With Friday's push higher, it appears energy is starting to look like a bull market. This alone would be anticipated to impact disposable income. If this issue is exacerbated further with a sharp decline in equities, consumers may begin to review their discretionary spending habits. It is a change in consumer discretionary spending habits that I believe would be a cause for cattle prices to move lower. Since there appears to be just about the same amount of inventory to market in 2020 as was in 2019, demand remains the focus. The premiums offered in the futures market is slowly slipping away. The halt in price advance, coupled with the advance in the cash price has narrowed basis significantly.

There remains opportunity to market February through April inventory at a higher price than in the cash market this week at $124.00. The June and August contract months are starting to slip. When attempting to market inventory in June, with options, you can still build a marketing hedge that produces a potential for cash to trade up to $122.00 this summer without detriment of the hedge position. With April having topped at $128.55, I wondered how many times the June contract had exceeded the April high. Of the past 16 years, the June contract has traded higher than the April contract 3 of the last 16 years. The 3 years were '06, '08, & '14. Two years were even with April. Those were '04 and '12. This should give you some idea of what to anticipate this year. With nearly the same number of animals to deal with, I think it unlikely that this year's June contract will exceed or equal the highs made in April. Market conditions are good, with good demand and seemingly not too burdensome of supply. Price is near contract highs for most contract months. So, how much better do you want things to get before you act? Do you like to market when prices are elevated or depressed?

The spread between starting feeder and finishing fat has been widening. A widening of the spread narrows profit margins for feed yards. With feedyards not perceived as believing there will be a run-a-way demand for beef this year, I anticipate them to be overly cautious when pricing new inventory. The futures in feeders continues to provide producers with a significantly better marketing environment than what has been afforded them over the past several years. While the basis to spring months is not all that great, it is significantly better when compared to years past. The summer months, now garnering some attention with their hefty premiums, produces abilities to secure a price dollars over the index at this time. While I fully understand this amount of time opens Pandora's Box of what could happen, a portion of the box could be just as bad as good. I remain focused on the consumer and their ability to pay. How the consumer discretionary spending habits change or solidify, is what is anticipated to drive beef, and therefore cattle prices, higher or lower for the year. As stated above, do you like to market when prices are elevated or depressed?

Pork saw one of the lowest export movements this week in the year of 2019. As the fundamentals remain very bullish on pork, the fact of the matter is, until the US lean hog index begins to rise in price, the futures will move down to the index level. This is a difficult pill to swallow when there appears such disparity between who has pork and who does not. The January 10th WASDE report is anticipated to contain revisions of this year's crop. We were told last week in a Bloomberg article to conform to the USDA numbers. I'm not sure if that was a threat or a favor. Then, the USDA decides that all of the unharvested corn, standing in the fields, will be counted as "on farm storage". It would be interesting to know what the loan rate is on that "on farm stored" corn is? The bombing Thursday night caused equity markets to set back severely with a small flight to quality in the bond market. I do not anticipate this situation to blow over lightly. To what extent it escalates, or not, will be anticipated as the driving force behind the next equity market move. Oh, and just to make this point one more time, do you like to market when prices are elevated or depressed? When viewing equities, the trade date of 1/3/2020 is the highest in history.

Christopher B. Swift is a commodity broker and consultant with Swift Trading Company in Nashville, TN. Mr. Swift authors the daily commentaries "mid day cattle comment" and "Shootin' the Bull" commentary found on his website @ **www.shootinthebull.com**

An investment in futures contracts is speculative, involves a high degree of risk and is suitable only for persons who can assume the risk of loss in excess of their margin deposits. You should carefully consider whether futures trading is appropriate for you in light of your investment experience, trading objectives, financial resources and other relevant circumstances. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

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Slaughter Cattle:

Slaughter Cattle: As of 3:00 PM Friday, trade was moderate on moderate to good demand in all feeding regions. Compared to last week in Kansas live purchases traded 2.00 higher at 124.00. In Nebraska compared to last week, live purchases traded 2.00 higher at 124.00 with dressed purchases mostly 4.00

higher from 198.00-200.00, bulk at 199.00. In the Western Cornbelt compared to Thursday, a few live purchases traded mostly steady at 125.00. Dressed purchases compared to last week, traded 3.00-4.00 higher from 198.00-199.00.

The FCE On-Line Auction: No sale this week.

5 Area Week Weighted Average Direct Slaughter Steers

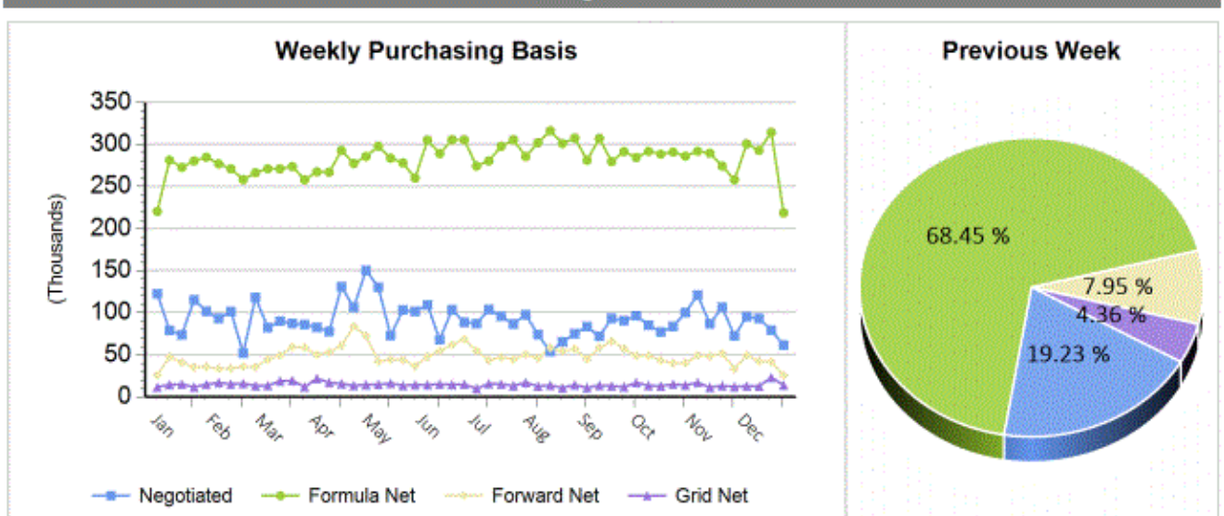
For the week ending December 29th:

Confirmed: 48,782 Week Ago: 59,066 Year Ago: 67,725

Negotiated Cash Sales

	Head count	Weight Range	Price Range	Avg Weight	Wtd Avg Price
STEERS: LIVE FOB					
Over 80% Choice	10,398	1,300-1,650	121.00-125.00	1,517	122.41
65 - 80% Choice	2,278	1,425-1,625	120.00-122.00	1,486	121.83
35 - 65% Choice	997	1,280-1,510	122.00-122.00	1,398	122.00
0 - 35% Choice		-	-		
Total all grades	13,673	1,280-1,650	120.00-125.00	1,504	122.28
STEERS: LIVE DELIVERED					
Over 80% Choice	1,033	1,450-1,535	118.00-125.00	1,507	123.93
65 - 80% Choice		-	-		
35 - 65% Choice		-	-		
0 - 35% Choice		-	-		
Total all grades	1,033	1,450-1,535	118.00-125.00	1,507	123.93
STEERS: DRESSED DELIVERED					
Over 80% Choice	10,315	796-1,032	192.00-196.00	957	195.20
65 - 80% Choice	2,048	813-977	195.00-196.00	899	195.31
35 - 65% Choice		-	-		
0 - 35% Choice	40	913-913	196.00-196.00	913	196.00
Total all grades	12,403	796-1,032	192.00-196.00	947	195.22
STEERS: DRESSED FOB					
Over 80% Choice	918	968-984	194.00-195.00	982	194.63
65 - 80% Choice		-	-		
35 - 65% Choice		-	-		
0 - 35% Choice		-	-		
Total all grades	918	968-984	194.00-195.00	982	194.63

Purchasing Basis Volume



Livestock Slaughter under Federal Inspection:

	CATTLE	CALVES	HOGS	SHEEP

Friday 01/03/2020	(est	122,000	2,000	493,000	7,000
Week ago (est)		122,000	2,000	483,000	7,000
Year ago (act)		119,000	3,000	478,000	7,000
Week to date (est)		462,000	7,000	1,879,000	30,000
Same Period Last Week (est)		385,000	7,000	1,618,000	26,000
Same Period Last Year (act)		436,000	11,000	1,826,000	32,000
Saturday 01/04/2020	(est	84,000	0	414,000	1,000
Week ago (est)		83,000	0	411,000	1,000
Year ago (act)		99,000	0	425,000	0
Week to date (est)		546,000	7,000	2,293,000	31,000
Same Period Last Week (est)		468,000	7,000	2,029,000	27,000
Same Period Last Year* (act)		535,000	11,000	2,251,000	32,000
2020 Year to Date		328,000	4,000	1,401,000	16,000
2019 *Year to Date		458,000	9,000	1,857,000	25,000
Percent change		-28.4%	-56.6%	-24.5%	-36.5%

2020 *Totals subject to revision
2019 *Totals adjusted to reflect NASS revisions
Yearly totals may not add due to rounding

Previous day estimated	Steer and Heifer	Cow and Bull
Thursday	96,000	26,000

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This week's Feedyard Closeouts...

Current & Future (Projected) Feedyard Closeouts: Profit/(Loss)

Closeout projections are for cattle placed on feed by a cattle owner at a commercial feedyard and not for cattle owned by a feedyard and fed at cost or a farmer/feeder utilizing his own feed. Cattle cost, cost of gain, and selling price will vary on a regional basis.

Typical closeout for un-hedged steers sold this week:

- Placed On Feed 165 days ago = July 22nd
- Projected P/(L) based on the futures when placed on feed: **($63.84)**

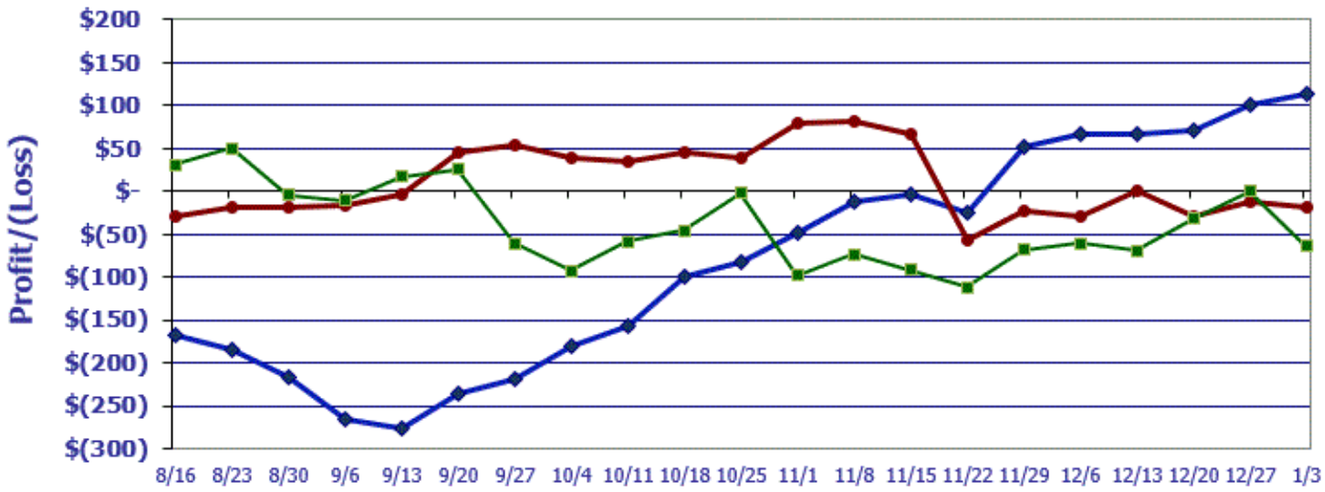
Cost of 750 lb. steer delivered @ $138.65 per cwt:	$1,039.88
Feed Cost for 600 lbs. @ $0.81 per lb.	$486.00
Interest on cattle cost for 165 days:	$28.20
Interest on feed cost:	$6.59
Total Cost & Expense:	**$1,560.67**
Sale proceeds: 1,350 lb. steer @ **$124.00** per cwt:	**$1,674.00**
This week's Profit/(Loss) per head:	**$113.33**
Profit/(Loss) per head for previous week:	$101.65
Change from previous week:	+$11.68
Sale price necessary to breakeven:	**$115.61**

Projected closeout for steers placed on feed this week:

- Projected Sale Date @ 165 days on feed = June 16th
- Sale Proceeds based on the June Live Cattle Futures Contract

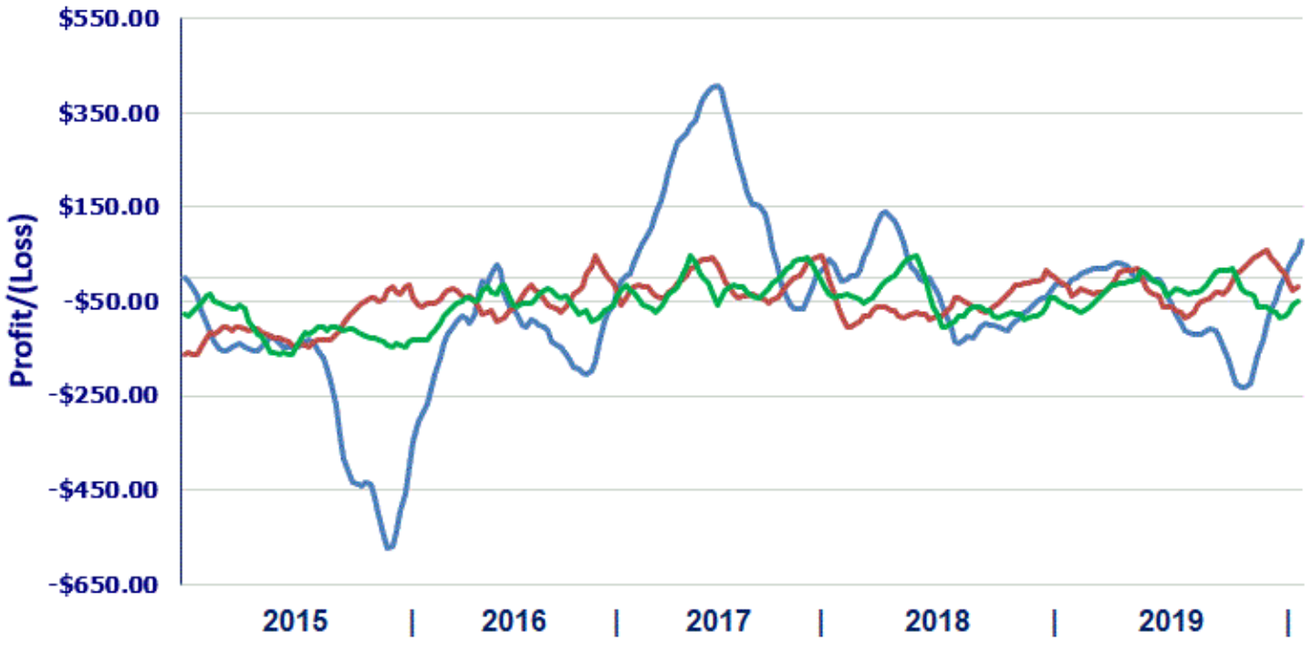
Cost of 750 lb. steer delivered @ $143.25 per cwt:	$1,074.38
Feed Cost for 600 lbs. @ $0.83 per lb.	$498.00
Interest on cattle cost for 165 days:	$27.93
Interest on feed cost:	$6.47
Total Cost & Expense:	**$1,606.77**
Sale proceeds: 1,350 lb. steer @ **$117.67** per cwt:	**$1,588.55**
This week's Profit/(Loss) per head:	**($18.23)**
Profit/(Loss) per head for previous week:	($12.08)
Change from previous week:	-$6.15
Sale price necessary to breakeven:	**$119.02**

Feedyard Close-Outs for the weeks ending...



Typical closeout for hedged steers sold this week:	**($63.84)**
Typical closeout for un-hedged steers sold this week:	**$113.33**
Projected closeout for steers placed on feed this week:	**($18.23)**

Feedyard Close-Outs - 5 Year Moving Averages



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USDA National Retail Beef Report:

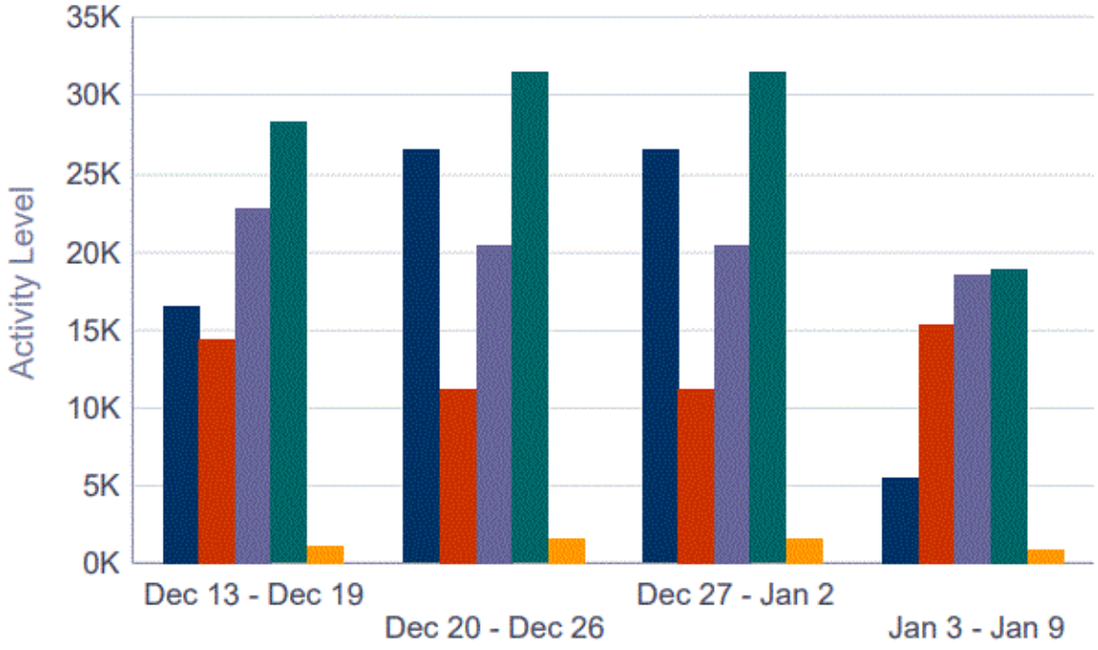
National Summary of Advertised Prices for Beef at Major Retail Supermarket Outlets

This week in Beef Retail, the Feature Rate showed 11.1 percent gains, the Special Rate was 20.7 percent higher, and the Activity Index was 15.1 percent lower. With the holidays in the past, retailers are featuring more affordable cuts such as hamburger patties and chuck roasts. Cuts from the Chuck and Ground beef item saw the most ad space this week, with cuts from the Rib, Round, Loin, and Brisket seeing less ad space. Cattle slaughter under federal inspection saw a 16.7 percent increase when compared to last week.

	THIS WEEK		LAST WEEK		LAST YEAR	
Outlets	29,200		29,200		29,200	
Feature Rate (1/)	83.0%		71.9%		66.3%	
Special Rate (2/)	37.6%		16.9%		23.6%	
Activity Index (3/)	95,240		112,290		93,270	
	Stores	Wtd Avg	Stores	Wtd Avg	Stores	Wtd Avg
Bone-In Ribeye Roast	410	5.77	16,010	7.27		
Bone-In Ribeye Steak	2,350	8.35	5,170	8.03	3,050	8.39
Bnls Ribeye Roast	90	8.81	3,530	9.33	50	8.01
Bnls Ribeye Steak	2,590	12.04	1,760	8.61	1,330	9.36
T-Bone Steak	4,060	6.62	3,120	7.10	3,210	7.95
Porterhouse Steak	990	7.48	1,870	8.33	710	7.12
Tenderloin	900	10.47	8,970	11.89	550	12.32
Filet Mignon	510	11.92	3,170	13.86	560	14.50
Loin, Bnls			2,460	6.85	480	6.68
Bone-In Strip Steak	2,230	6.32	1,250	6.79	3,700	7.50
Bnls New York Strip Steak	4,360	7.06	6,830	7.18	6,160	8.73
Beef Backribs	10	3.49	40	2.79	30	3.17
Sirloin Roast	130	4.99			370	4.12
Sirloin Steak	590	6.35	240	7.99	490	5.32
Bnls Sirloin Roast	210	4.59	800	5.17	10	3.99
Bnls Sirloin Steak	1,810	4.96	520	5.73	360	6.76
Sirloin Tip Roast	1,340	4.27	3,300	4.31	930	3.72
Sirloin Tip Steak	680	4.20	710	5.17	610	4.05
Bnls Top Sirloin Roast	220	4.71	420	5.43	110	3.54
Bnls Top Sirloin Steak	3,830	5.63	1,350	6.11	4,670	5.78
Top Round Roast	1,290	4.12	1,800	4.51	2,360	3.56
Top Round Steak	1,450	4.90	410	4.24	1,510	4.69
Bottom Round Roast	4,550	4.33	3,760	4.28	3,190	3.85
Bottom Round Steak	1,000	4.38	980	4.57	850	4.64
Eye Of Round Roast	2,110	3.94	5,520	4.39	2,110	4.33
Eye Of Round Steak	220	4.57	220	4.43	290	4.42
Rump Roast	1,760	4.39	1,890	4.04	1,620	3.58
Rump Steak	10	5.99				
Chuck/Shldr/Arm Roast	8,750	4.56	7,650	4.75	10,450	3.79
Chuck/Shldr/Arm Steak	3,520	4.89	1,700	4.34	5,380	4.03
London Broil	1,880	4.05	1,630	4.26	2,770	3.40
Brisket	490	3.87	930	5.57	90	3.48
Brisket, Flat			600	6.91	60	6.99
Corned Beef Brisket	250	5.52			120	5.99
Corned Beef Flat	160	6.03			120	6.99
Beef Short Ribs	1,760	5.23	1,290	5.57	1,080	4.99
Flat Iron Steak	1,200	6.02	290	6.89	1,330	7.03
Flank Steak	550	8.15	360	8.48	1,920	8.44
Minute/Cube Steaks	5,350	5.29	2,940	5.40	3,990	4.82
Stew Meat	7,050	5.17	2,280	4.98	7,110	4.81
Ground Round	1,330	4.38	310	3.88	1,580	3.93
Ground Chuck	1,780	3.56	2,770	3.51	1,020	3.64
Ground Sirloin	1,510	4.75	810	5.11	500	4.20
Ground Beef 90% Or More	7,860	4.86	2,740	4.70	6,690	4.82
Ground Beef 80-89%	5,890	4.17	8,130	3.68	6,020	3.63
Ground Beef 70-79%	1,710	2.86	600	2.82	1,300	2.34
Beef Patties	3,770	4.58	610	4.95	1,600	5.03
Tri-Tip	320	4.26	350	4.95	800	4.51
Skirt Steak	410	8.37	200	7.06	30	5.40

Acitivity Index: 2 Week Comparison

RIB_ACTIVITY CHUCK_ACTIVITY ROUND_ACTIVITY
LOIN_ACTIVITY BRISKET_ACTIVITY



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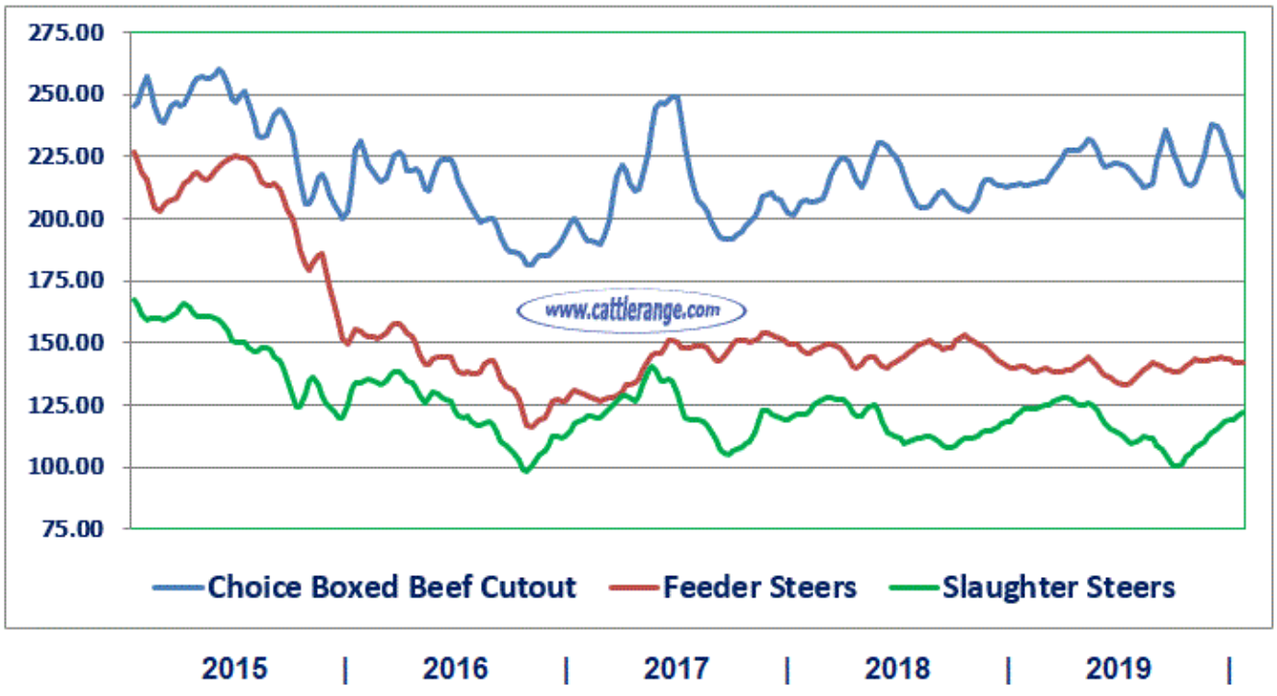
5 Year Averages: Choice Boxed Beef Cutout, Slaughter, & Feeder Steers:



On Friday, boxed beef cutout values steady on Choice and higher on Select on moderate to fairly good demand and heavy offerings. Select and Choice rib, round, and loin cuts steady to firm. Choice chuck cuts steady while Select higher. Beef trimmings sharply higher on good demand and moderate offerings.

The average value of hide and offal for the four days ending Fri, Jan 03, 2020 was estimated at 8.82 per cwt., down 0.10 from last week and down 0.06 from last year.

National Comprehensive Boxed Beef Cutout - All Fed Steer/Heifer Sales

For Week Ending: 12/27/2019

	Compre-hensive	Prime	*Branded	Choice	Select	Ungraded
Weekly Cutout Value	212.92	234.00	216.60	211.16	204.34	189.19
Primal Rib	356.50	444.98	360.71	347.93	336.03	265.55
Primal Chuck	172.23	172.43	174.02	172.43	171.30	168.68
Primal Round	179.52	178.63	180.73	178.57	178.88	176.07
Primal Loin	269.90	322.98	280.41	267.89	243.08	217.10
Primal Brisket	195.52	193.14	196.68	192.18	195.45	191.61

Primal Short Plate	148.21	148.21	148.21	148.21	148.21	148.21
Primal Flank	107.95	106.76	110.95	106.73	104.16	104.35

TOTAL LOADS OF PRODUCT REPORTED 4,961

Quality breakdown:

Prime	182
Branded*	1,004
Choice	1,428
Select	638
Ungraded**	1,709
TOTAL	4,961

Sales type breakdown:

Negotiated 0-21	1,297
Negotiated 22/up	565
Formula	2,950
Forward Contract	149
TOTAL	4,961

Destination breakdown:

Domestic	4,388
NAFTA Exports	101
Overseas Exports	472
TOTAL	4,961

Delivery period breakdown:

0-21 Days	4,231
22-60 Days	531
61-90 Days	101
91 Days and Up	99
TOTAL	4,961

Weekly Sales & Exports:

Beef: Net sales of 3,700 MT reported for 2019 were down 42 percent from the previous week and 45 percent from the prior 4-week average. Exports of 12,600 MT were down 21 percent from the previous week and 23 percent from the prior 4-week average.

Pork: Net sales of 3,300 MT reported for 2019--a marketing-year low--were down 80 percent from the previous week and 87 percent from the prior 4-week average. Exports of 30,600 MT were down 24 percent from the previous week and 19 percent from the prior 4-week average.

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Photo of the Week:

Red Angus & Red Angus Cross Cows... Southwest MO

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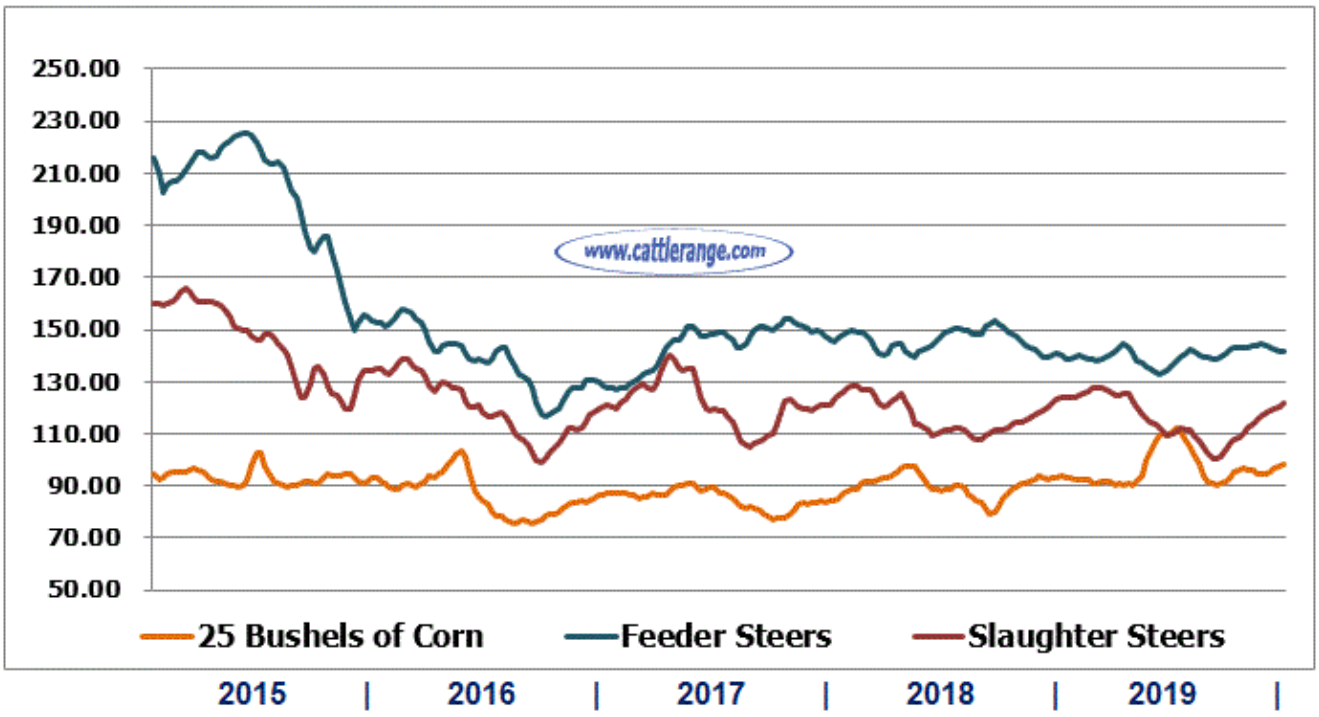
Cattle/Corn Correlation:



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Slaughter Cows & Bulls:

Region	Confirmed	Week Ago	Year Ago	Week to Date	Week Ago	Year Ago
NATIONAL	10,915	8,050	7,850	46,725	38,103	37,374
NORTHWEST	3,478	2,611	2,052	12,716	10,317	8,069
SOUTHWEST	4,100	3,468	2,890	18,542	16,568	16,953
EASTERN	3,337	1,971	2,908	15,467	11,218	12,352

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Est. Weekly Meat Production Under Federal Inspection:

Total red meat production under Federal inspection for the week ending Saturday, January 04, 2020 was estimated at 946.4 million lbs. according to the U.S.Department of Agriculture's Marketing Service. This was 14.5 percent higher than a week ago and 1.9 percent higher than a year ago. Cumulative meat production for the year to date was 26.5 percent lower compared to the previous year.

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5 Year Bullish/Bearish Consensus Charts:

The theory behind the "Bullish/Bearish Consensus" indicator is when the public reaches a consensus,

they are usually wrong:

- They get too bullish after prices have risen and too bearish after they have already fallen.

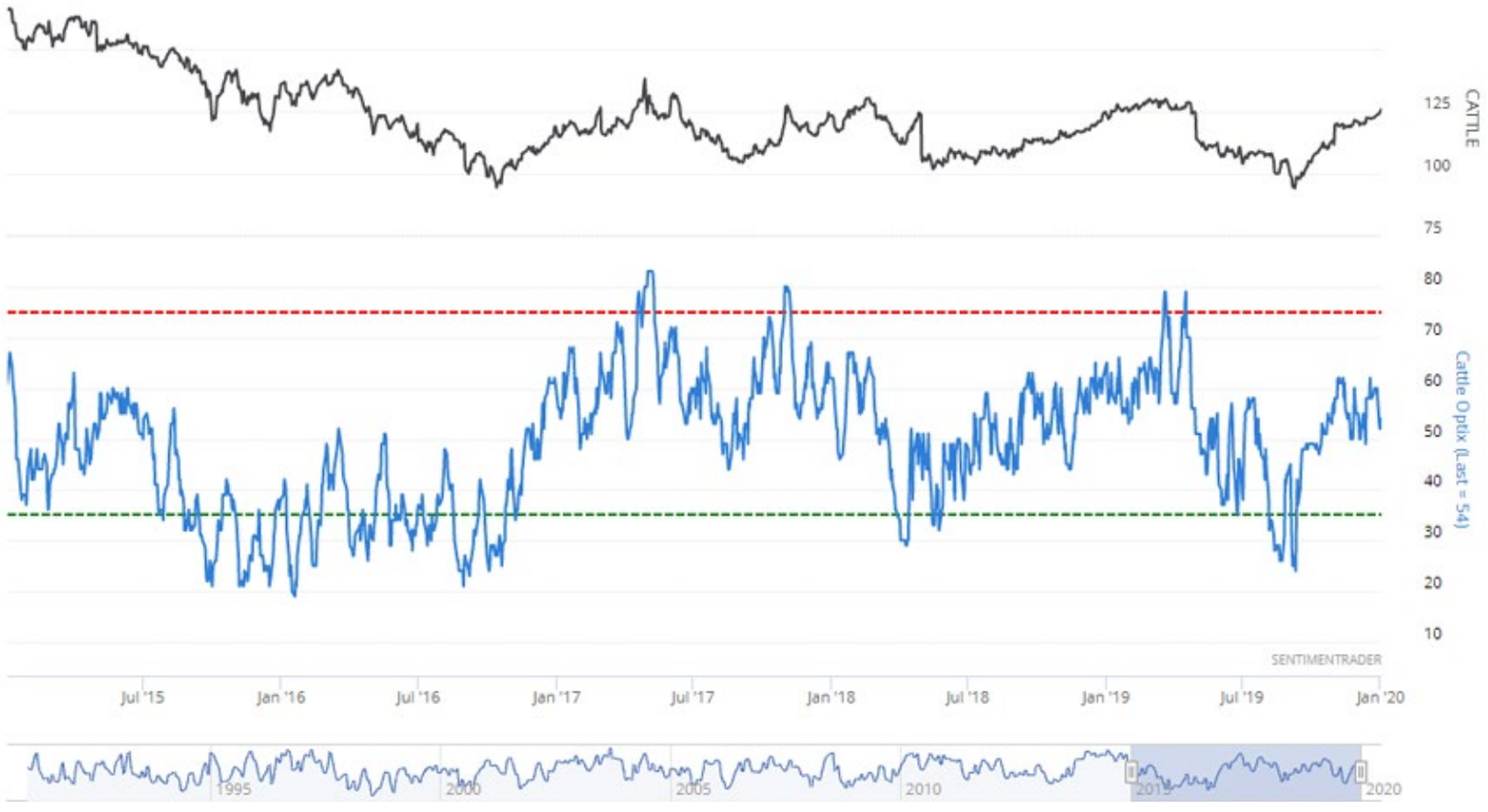
Because of this tendency, there are often extremes in opinion right before major changes in trend:

- When the public reaches a bullish extreme, i.e., a great majority thinks prices will keep rising, then prices often decline instead.
- And when they become too bearish, then prices tend to rise.

So when Public Opinion moves above the **red dotted line**in the chart, it means that compared to other readings over the past year, you're seeing **excessive optimism**. You also want to look at the absolute level of Opinion, too - if it's at 90%, then there's no question we're seeing an historic level of bullish opinion. Watch for readings above 80% (or especially 90%) to spot those dangerous times when the public is overly enthusiastic about a commodity.

Conversely, when Public Opinion moves below the **green dotted line**, then the public is **excessively pessimistic** about the commodity's prospects for further gains compared to their opinion over the past year. Looking for absolute readings under 20% (or especially 10%) often indicates an upturn in the market.

Cattle Bullish/Bearish Consensus:



Corn Bullish/Bearish Consensus:

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U.S. Dollar - 6 Month Chart:

Over the past 5 years, an average of around 12% of U.S. beef production has been exported, making exports an extremely important factor affecting beef and cattle prices. A strong dollar depresses export demand.

- U.S. Dollar Index

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Stock Markets & Economic News:

T. Rowe Price

STOCKS MIXED AS RISING MIDDLE EAST TENSIONS ERASE EARLIER GAINS

Stocks ended the holiday-shortened week mixed after global markets pulled back Friday following the U.S. attack on Iranian military leaders in Iraq the previous evening. The technology-heavy Nasdaq Composite Index fared best, while the smaller-cap indexes, which are typically more volatile, underperformed. Tech shares also outperformed within the S&P 500 Index, helped by a surge in Apple shares to record highs. The small materials sector lagged, as did the larger health care sector, and value stocks trailed growth shares by a wide margin. The market was shuttered Wednesday for the New Year's Day holiday.

U.S. AIRSTRIKE SENDS STOCKS LOWER; GOLD, OIL, AND BOND PRICES RISE

Stocks started the week on a strong note, helped by positive news on the trade front. On Tuesday, President Donald Trump tweeted that he would be signing the initial trade agreement negotiated in December at the White House on January 15 and that he would later head to China to begin work on a

“phase two” deal. News on Thursday of new monetary stimulus by China also boosted sentiment, according to T. Rowe Price traders (see below).

The U.S. airstrike on Iranian military leader Qassim Suleimani appeared to supplant investors’ focus on trade, at least temporarily. Predictably, interpretations of the implications of the escalation in tensions with Iran varied widely, but a jump in oil and gold prices appeared to be the most immediate result. Longer-term Treasury yields also plunged as investors sought out safe havens, threatening banks’ lending margins and driving a sharp decline in financials shares. (Bond prices and yields move in opposite directions.) A bright spot for markets Friday came from Tesla, which reported an increase in the sales of its electric vehicles in the fourth quarter that topped analyst expectations.

Worries over escalating tensions in the Middle East may have been exacerbated by some downbeat U.S. economic data released Friday. The Institute for Supply Management reported that its gauge of U.S. manufacturing activity declined unexpectedly in December and hit a new 10-year low. The gauge indicated the fifth consecutive month of contraction in the sector, and the details of the report were also disappointing, with declines in indexes of both employment and new orders.

U.S. Stocks:

Index	Friday's Close	Week's Change	% Change YTD
DJIA	28,634.88	-10.38	0.34%
S&P 500	3,234.85	-5.17	0.13%
Nasdaq Composite	9,020.77	14.15	0.54%
S&P MidCap 400	2,055.40	-7.44	-0.37%
Russell 2000	1,660.79	-8.00	-0.46%

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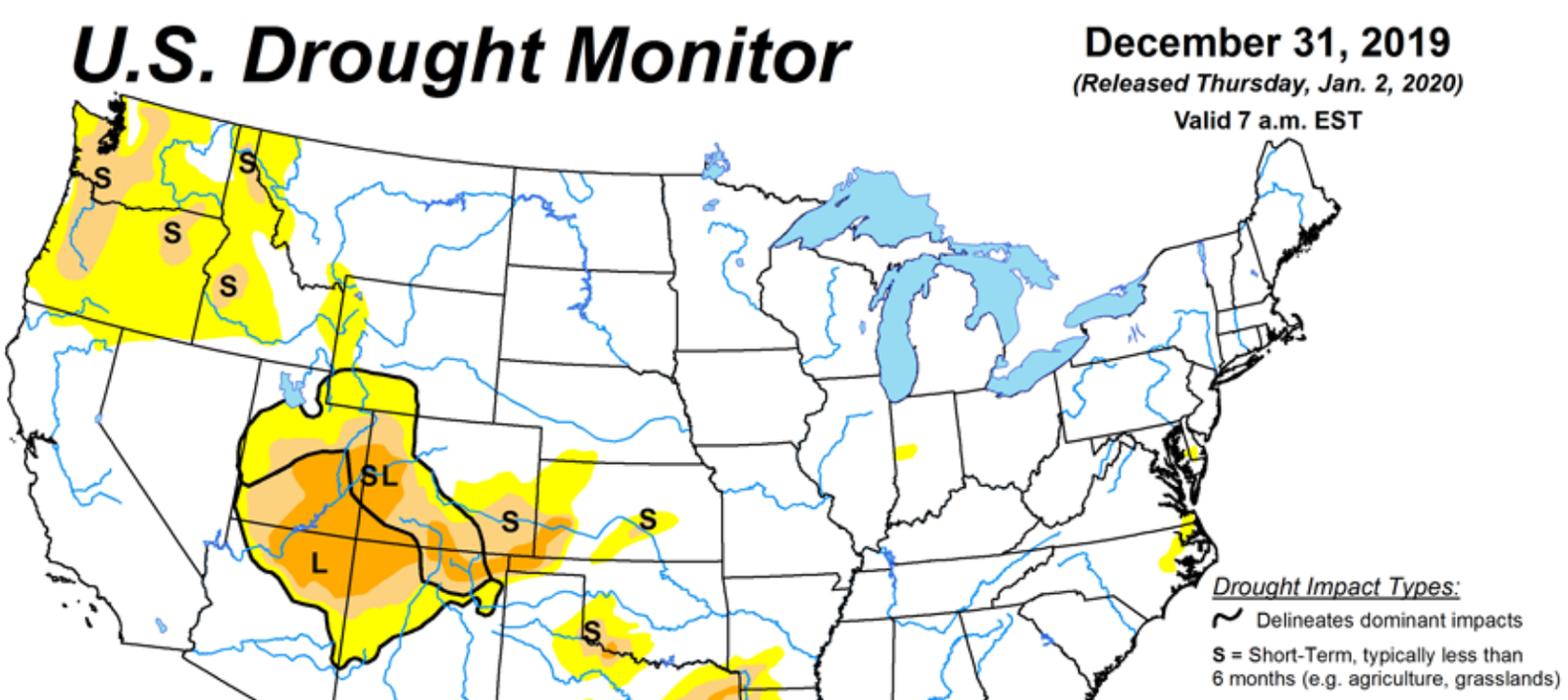
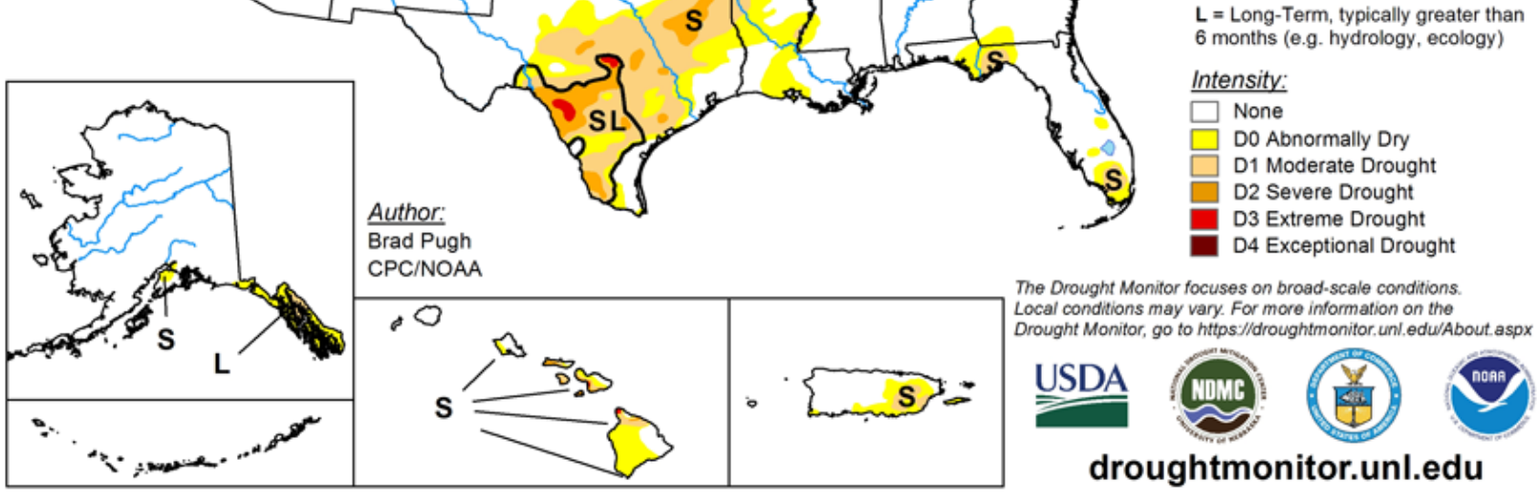
"Click Here" to view a Slide Show of Drought Monitor maps for the last 12 weeks



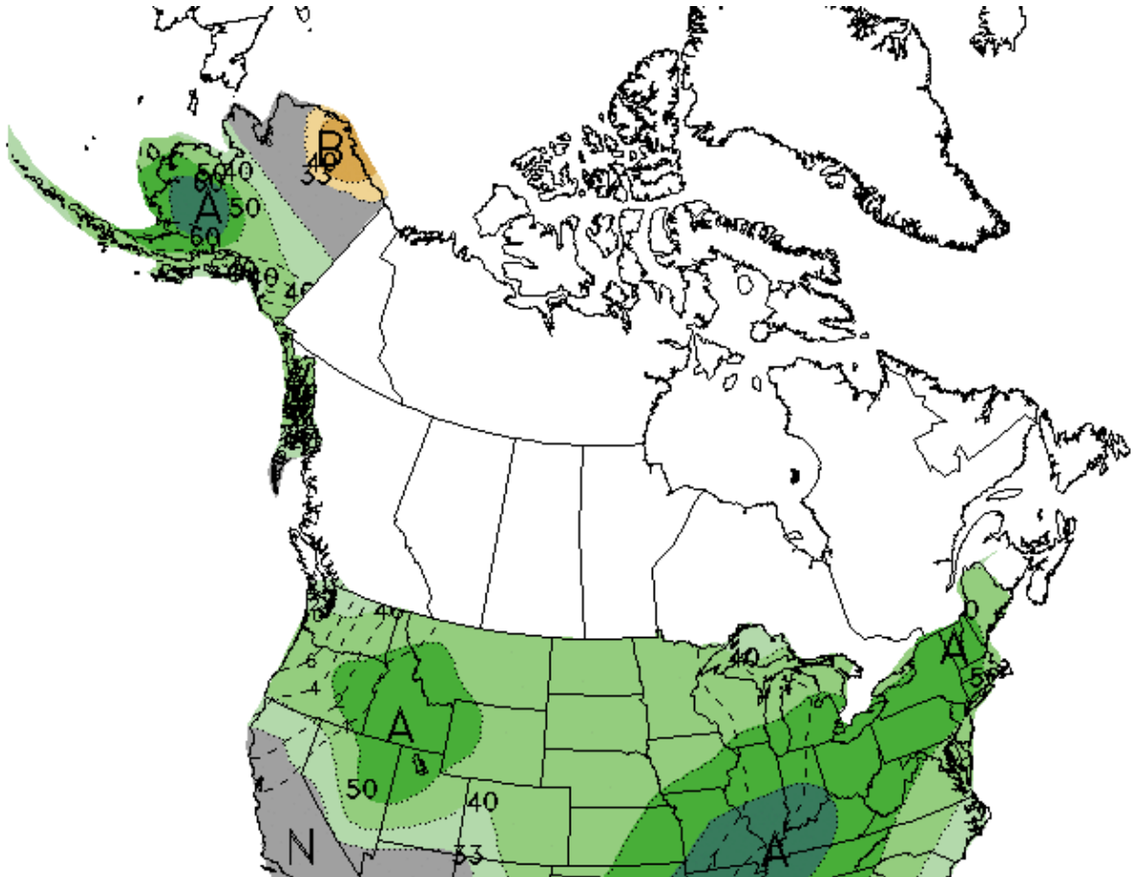


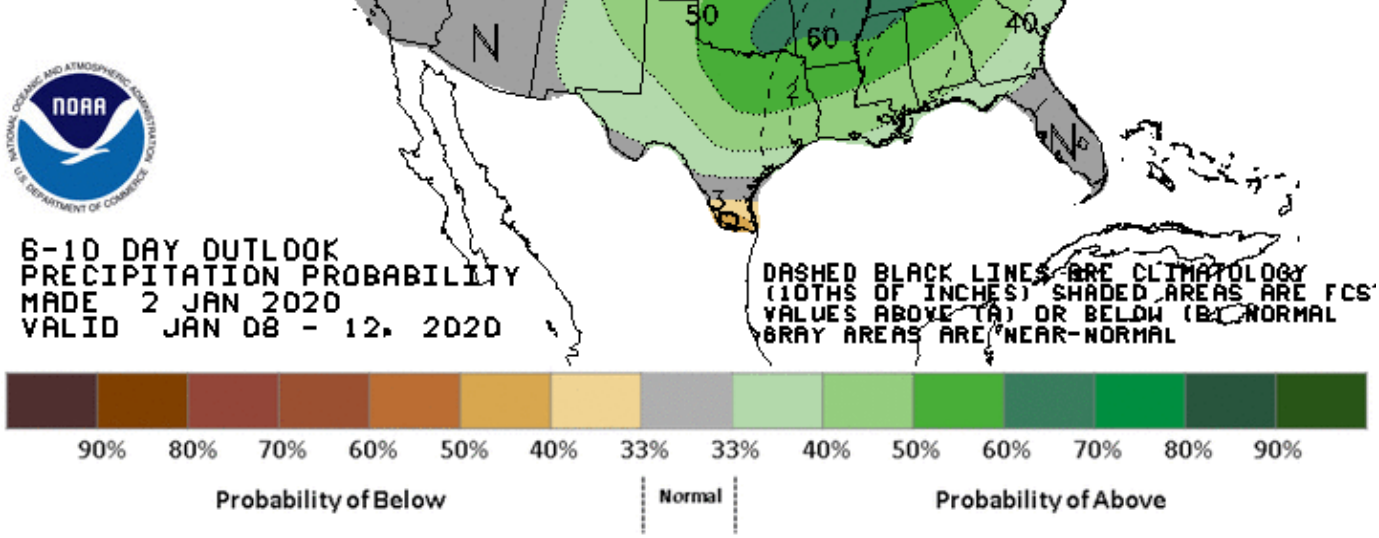
Looking ahead...

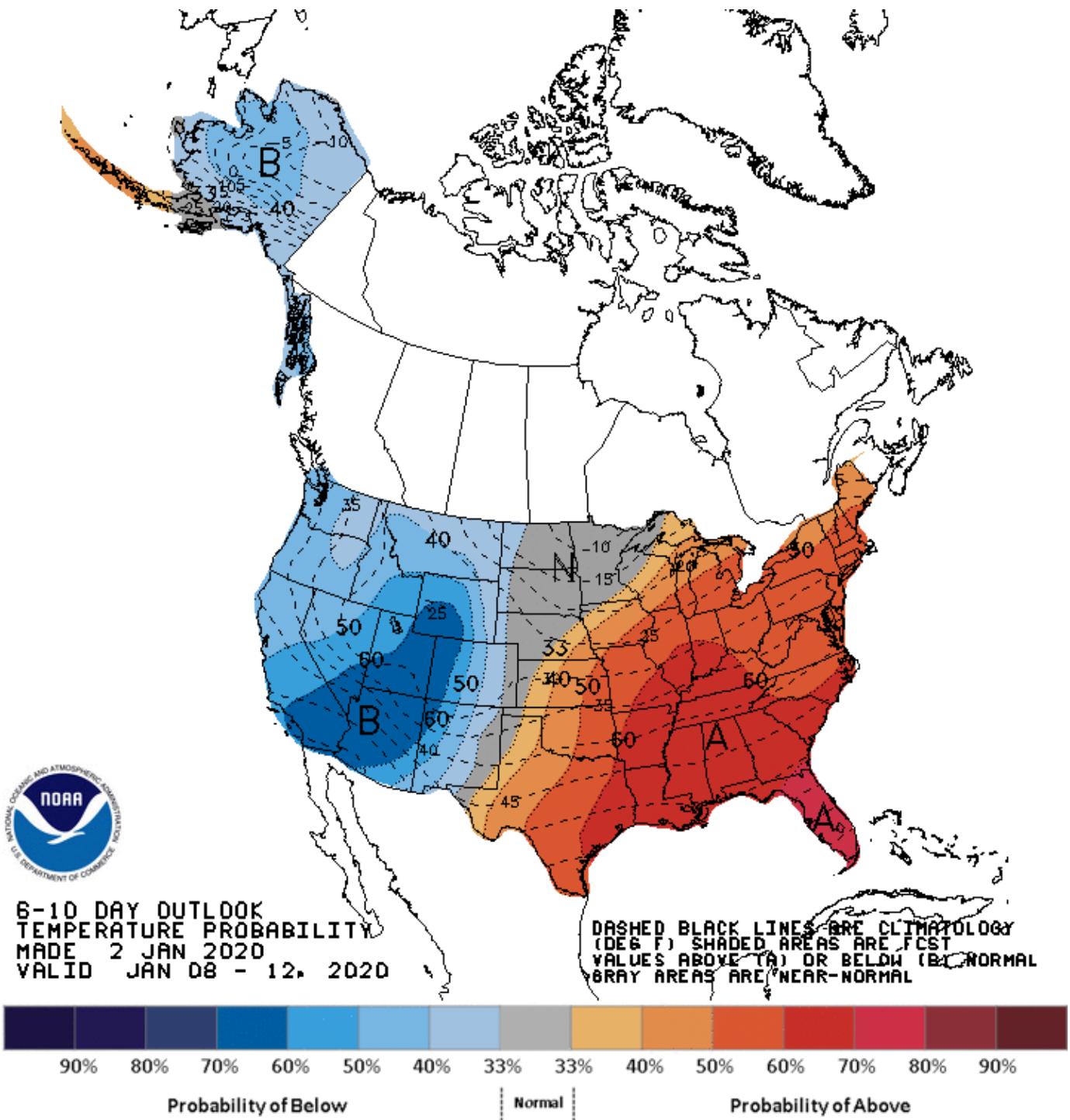
During the next 5 days (January 2 to 6), another surface low is forecast to develop across the southern Great Plain on January 2. This surface low and trailing cold are likely to bring heavy rainfall (1 to 3 inches) to the lower Mississippi Valley and Tennessee Valley with more modest amounts (1 inch or less) along the East Coast. A low pressure system with onshore flow is expected to bring rain and high-elevation snow to the Pacific Northwest, beginning of January 4. Although rainfall of around an inch is forecast along the Texas Gulf Coast during the next week, dry weather is likely across the remainder of Texas. Mild temperatures are forecast to prevail across the continental U.S. during the first week of January 2020, while bitterly cold temperatures persist throughout Alaska.

The CPC 6-10 day extended range outlook (January 6 to 10, 2020) indicates a slight tilt in the odds for above normal precipitation across much of the central and northeastern U.S. Below normal precipitation is favored for the Southeast along with California and the Southwest. The highest confidence in the temperature outlook exists across Alaska where below normal temperatures are likely to persist into the second week of January. Below normal temperatures are favored for the Great Basin and Rockies, while a warming trend is anticipated across the south-central and eastern U.S.

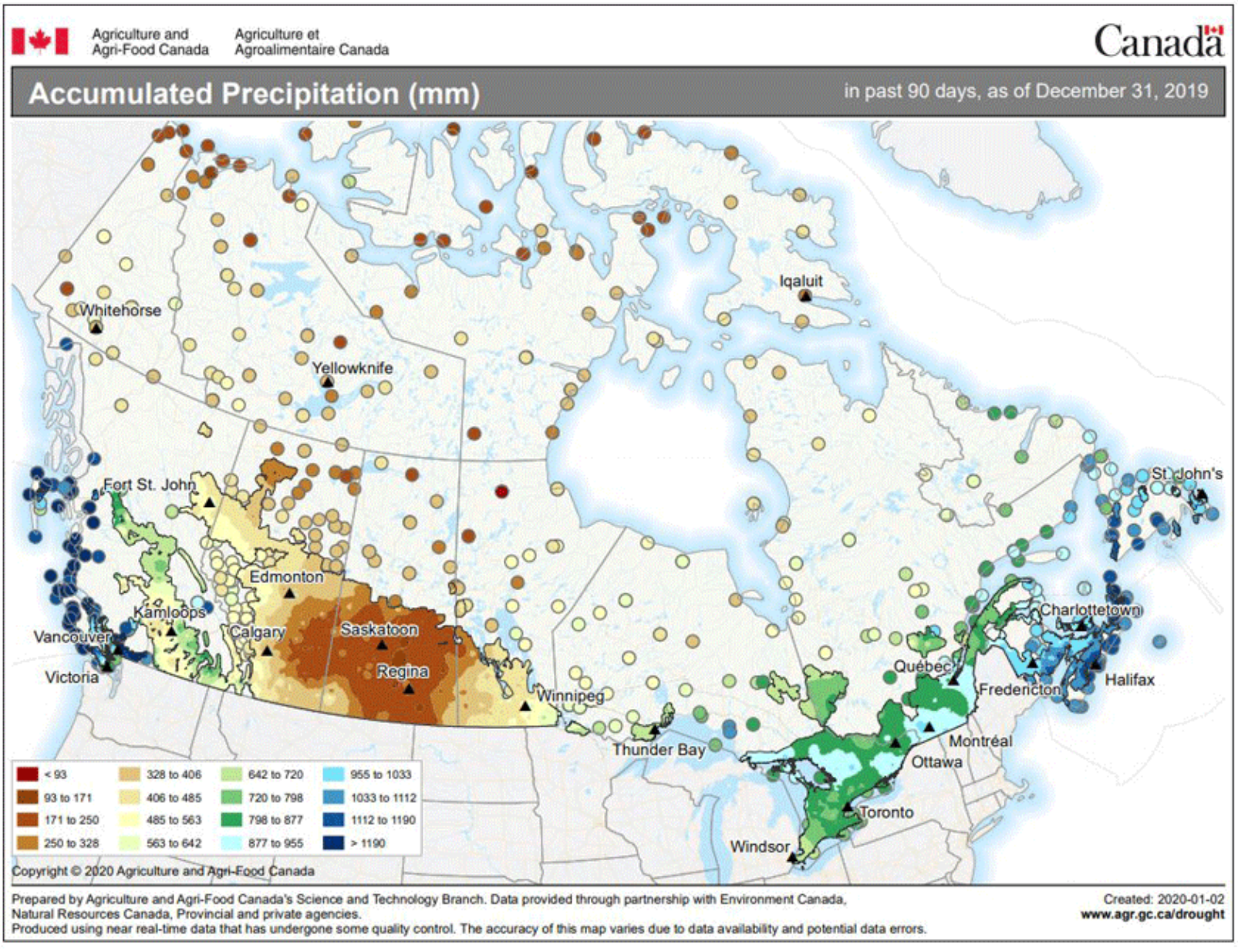
Precipitation & Temperature Outlooks:







90-Day Accumulated Precipitation



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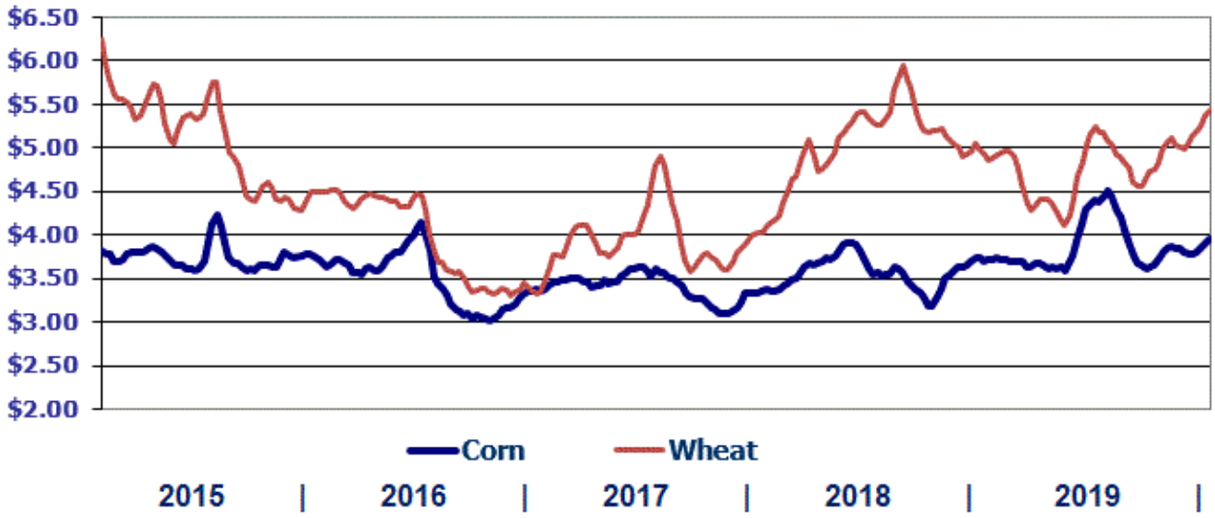
Weekly National Grain Market Review:

Compared to last week, cash bids for wheat was mostly higher, while corn, sorghum and soybeans were higher. For the week ending December 26, 2019, an increase of 20.9 million bushels of corn export sales for 2019-20 were reported while an increase of 12.1 million bushels of soybean exports sales for 2019-20 were tabulated. Wheat export sales showed an increase of 11.5 million bushels for 2019-20 were reported.

Grain Markets: www.cattlerange.com

Grain Prices	This Week	Last Week	1 Month Ago	1 Year Ago	5 Yr. Avg.
Kansas City Corn	3.94	3.96	3.80	3.79	3.61
Kansas City Wheat	5.47	5.49	5.17	4.90	4.56
Grain Futures	**This Week**	**Last Week**	**1 Month Ago**	**1 Year Ago**	**5 Yr. Avg.**
March Corn	3.8650	3.9000	3.6650	3.8300	3.7074
March Wheat	5.5450	5.5625	5.3250	5.1700	4.7753

5 Year Moving Average - Corn & Wheat



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Weekly Feedstuffs Market Review:

The USDA reports fed ingredient prices for the week ending December 30, 2019 were mixed. **Price trends are compared to Tuesday, December 17, 2019.

- Soybean Meal was mixed, 4.10 lower to 14.50 higher. Cottonseed Meal was mixed, 10.00 lower to 10.00 higher. Canola Meal was not available. Linseed Meal was not available. Sunflower Meal was not available.
- Whole Cottonseed was 10.00 to 15.00 higher.
- Crude Soybean Oil was 113 to 188 points higher. Crude Corn Oil was steady.
- Ruminant Meat and Bone Meal was steady to 20.00 higher. Ruminant Blood Meal was steady to 50.00 higher. Feather Meal was mixed, 25.00 lower to 50.00 higher.
- Yellow Corn Hominy was mixed, 3.00 lower to 8.00 higher. Corn Gluten Feed was steady to 5.00 higher. Corn Gluten Meal was mixed, 10.00 lower to 5.00 higher.
- Distillers Dried Grain were mixed, 5.00 lower to 10.00 higher.
- Wheat Millfeeds were steady to 25.00 lower. Wheat Millrun were steady to 5.00 higher.

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USDA Weekly Hay Reports: "Click" on links for detailed report

- Alabama
- California
- Colorado
- Idaho
- Iowa
- Kansas
- Missouri
- Montana
- Oklahoma
- Oregon
- Pennsylvania
- South Dakota
- Texas
- Utah
- Virginia
- WA/OR Columbia Basin

- Nebraska
- New Mexico
- Wyoming

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