



ADM Investor  
Services, Inc.

## Daily Futures Market Commentary Livestock Outlook

### THURSDAY MORNING JULY 14, 2022 LIVESTOCK REPORT

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#### CATTLE

##### USDA FEDERAL CATTLE SLAUGHTER

JULY 13, 2022	126,000
WEEK AGO	126,000
YEAR AGO	119,000
WEEK TO DATE (EST)	377,000
SAME PERIOD LAST WEEK (EST)	254,000
SAME PERIOD LAST YEAR (ACT )	357,000

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	268.05	241.26
CHANGE FROM PRIOR DAY:	(0.46)	(0.91)
CHOICE/SELECT SPREAD:		26.79
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		119
5 DAY SIMPLE AVERAGE:	268.13	242.51

CME BOXED BEEF INDEX ON 07/12/2021 WAS 259.64 DOWN .51 FROM PREVIOUS DAY

##### 2:00 PM JULY 13, 2022

PRIMAL RIB	385.42	316.51
PRIMAL CHUCK	221.08	216.85
PRIMAL ROUND	214.50	213.17
PRIMAL LOIN	379.31	306.76
PRIMAL BRISKET	233.35	195.76
PRIMAL SHORT PLATE	186.05	186.05
PRIMAL FLANK	159.67	156.84

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2:00 PM JULY 12, 2022

PRIMAL RIB	385.77	316.96
PRIMAL CHUCK	224.49	219.57
PRIMAL ROUND	212.60	211.56
PRIMAL LOIN	379.51	309.95
PRIMAL BRISKET	233.31	195.06
PRIMAL SHORT PLATE	183.08	183.08
PRIMAL FLANK	159.93	156.16

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**LOAD COUNT AND CUTOUT VALUE SUMMARY**

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
07/12	79	54	11	34	178	268.51	242.17
07/11	62	20	16	15	113	268.14	243.00
07/08	45	23	11	11	91	267.89	241.85
07/07	71	30	8	17	125	268.07	242.58
07/06	66	33	8	15	121	268.05	242.93

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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	66.74 loads	2,669,747 pounds
Select Cuts	27.75 loads	1,110,095 pounds
Trimming	8.70 loads	347,941 pounds
Ground Beef	15.78 loads	631,322 pounds

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**JULY 2022 LIVESTOCK REPORTS**

FRIDAY, JULY 22, 2022 USDA CATTLE ON FEED REPORT 2:00PM CST  
FRIDAY, JULY 22, 2022 USDA COLD STORAGE REPORT 2:00PM CST

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Extreme heat is causing Texas, New Mexico and parts of Oklahoma to move cattle when they can find any buyer. Ranches in some areas have been without water on their ranches for one to two months and now can't truck water.

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Very dismal beef exports. Beef export net sales at 9,200 MT are dropping week after week. Last week net sales were 11,000 MT. The week before at 17,000 MT. This week Japan was the largest taker with 3,800 MT, Mexico followed with 2,900 MT and China took just 500 MT. South Korea cancelled loads. Beef exports are competing with Brazil and maybe more importantly the lack of Choice beef the U.S. has to sell.

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Export buyers can buy cheaper low grading beef from several countries. They want high grading U.S. beef.

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Boxed beef has been steady since the July 4<sup>th</sup> break. Normally, beef prices and demand drops into the end of July. So far, it hasn't happened. In fact after the break, primal Choice rib sections and primal Choice loins have moved higher. For months analysts and reporters have focused on negative economic fundamentals but with the larger portion of Select cattle and beef available, consumers can buy lower priced beef and for consumers that may complain about high priced Choice beef, they complain but are buying it. For the consumer, the large movement of ground beef, beef trimmings for processing and Select beef offers more options. For the feedlots, it certainly helping those with Choice cattle and compared to a year ago, Select cattle prices are higher than a year ago. Year to date federal slaughter is up 1% compared to the same time in 2021 and comparing prices, a year ago the 5 day accumulated weighted average price for cash steers was \$122.73 and dressed at \$198.45 to the present at \$144.59 and dressed at \$232.07.

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Wednesday was the 3<sup>rd</sup> day Live Cattle futures were higher. Volume was moderately active. However, Live Cattle futures still remain in the trading range back to June 8<sup>th</sup>.

Cash markets this week steady to weaker. So far high premiums in the Midwest aren't being paid. The large spread between the Southwest still exists but without the extreme premium prices in the Midwest

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Steer and heifer carcass weights have improved for the past 2 weeks and grading percent has improved. Packers paying large premiums in the Midwest have encourage feedlots to keep cattle on feed longer.

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Monitor the US Dollar Index. The rally in the US Dollar is negative for beef exports. However, if weights and grade keep improving and US sellers can offer more Choice and Prime beef for the export market, it should help exports

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As of JULY 12, 2022 dressed steer and heifer carcasses last week averaged 865.2 pounds up 8.2 pounds compared to previous week at 857.0pounds . The grading percent was 82.1% compared to previous week at 81.1%.

[https://www.ams.usda.gov/mnreports/ams\\_2700.pdf](https://www.ams.usda.gov/mnreports/ams_2700.pdf)

\*\*\*NATIONAL DAILY DIRECT CATTLE 07/13/22

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1429	\$144.47	35,826
LIVE HEIFER:	1295	\$142.04	13,710
DRESSED STEER:	887	\$234.98	9,061
DRESSED HEIFER:	820	\$231.88	2,538

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USDA POSTED SUMMARY CATTLE PRICES ON 07/13/2022

IA/MN – CASH – 144.00 - 145.00 STEERS AVERAGING 1,506.7 POUNDS  
DRESSED - 228.00 - 230.00

NE – CASH - 144.00 - 147.00 STEERS WEIGHING 1,350 POUNDS - 1,570 POUNDS  
DRESSED – 224.00 - 232.00 DISCOUNTS ON LOADS WITH 35% TO 65% CHOICE TO SELECT

KS – CASH - 137.00 - 140.00 AVERAGE PRICE 137.06  
DRESSED – NO REPORTABLE TRADE.

TX/OK/NM 136.00 - 137.00 AVERAGE PRICE 136.58  
DRESSED– NO REPORTABLE TRADE.

CO – \*\*CONFIDENTIAL\*\*

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FEBRUARY/APRIL 2023 LIVE CATTLE SPREAD –  
AUGUST 2022 LIVE CATTLE –  
OCTOBER 2022 LIVE CATTLE -  
DECEMBER 2022 LIVE CATTLE –  
FEBRUARY 2023 LIVE CATTLE –

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Feeder Cattle

CME FEEDER INDEX ON 07/12/2022 WAS 172.30 UP 96 CENTS FROM PREVIOUS DAY -

AUGUST 2022 FEEDER CATTLE SETTLED ON JULY 13, 2022 AT \$180.80

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 07/09/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	48,300	67,200	53,200	168,700
LAST WEEK:	144,000	57,400	8,500	209,900
YEAR AGO:	88,200	71,800	206,700	366,700

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD MOSTLY 3.00 TO 7.00 HIGHER, WITH SOME SALES 5.00-10.00 HIGHER COMPARED TO TWO WEEKS AGO ON THIS PAST WEEK'S HOLIDAY SHORTENED WEEK.

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**FEEDER CATTLE FUTURES ON WEDNESDAY MOVED TO PRICE LEVELS BACK TO WHEN RUSSIA  
INVADED UKRAINE.**

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**AUGUST 2022 FEEDER CATTLE –  
NOVEMBER 2022 FEEDER CATTLE –**

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**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>JULY 13, 2022</b>	<b>454,000</b>
<b>WEEK AGO</b>	<b>476,000</b>
<b>YEAR AGO</b>	<b>465,000</b>
<b>WEEK TO DATE (EST)</b>	<b>1,344,000</b>
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>931,000</b>
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>1,387,000</b>

**\*\*REVISED TUESDAY HOG SLAUGHTER.. 451,000 PREVIOUS ESTIMATE 460,000**

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**CME CASH LEAN HOG INDEX 07/11/2022 AT 112.57 UP 80 CENTS FROM PREVIOUS DAY**

**CME PORK CUTOUT INDEX 07/12/2022 AT 114.20 UP 56 CENTS FROM PREVIOUS DAY –**

**CME CASH FRESH BACON INDEX ON JULY 8, 2022 WAS 195.12 COMPARED TO JULY 1, 2022 AT 198.98**

**THE CME LEAN HOG INDEX IS MINUS 1.63 TO THE CME PORK INDEX -**

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**HOG PRODUCERS THAT SELL ON THE DIRECT MARKET BENEFIT FROM THE LOW SLAUGHTER  
NUMBERS. THE LOW SLAUGHTER IS SUPPORTIVE FOR LEAN HOG FUTURES. BUT HOW LONG WILL  
PACKERS CONTINUE TO WORK IN THE RED?**

**PORK PRICES HAVE BEEN IMPROVING DUE TO THE LACK OF HOGS BEING KILLED. THERE IS LESS PORK  
OFFERED FOR SALE. BUYERS THAT USE THE DAILY PORK MARKET NEED TO PAY WHAT THE SELLER  
WANTS OR PASS ON IT.**

**THE HOG SLAUGHTER CONTINUES TO DROP. ON HOGS PURCHASED ON THE DAILY BUY AND PORK  
SOLD ON THE DAILY MARKET, PACKERS HAVE NEGATIVE MARGINS.**

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TRADERS ARE BULL SPREADING AND SPREADS NEED TO BE MONITORED FOR ANY CHANGES THAT COULD INDICATE WHAT PACKERS MAY DO.

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3 CITIES IN CHINA UNDER LOCKDOWN OR PARTIAL LOCKDOWN.

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PORK NET EXPORT SALES DROPPED LAST WEEK DOWN TO 18,300 MT COMPARED TO THE PREVIOUS WEEK AT 31,200 MT AND THE WEEK BEFORE IT 32,300 MT MEXICO WAS THE LARGEST BUYER WITH 10,100 MT FOLLOWED BY JAPAN TAKING 3,400 MT CHINA TOOK 1,600 MT.

LIKELY JAPAN IS BUYING LESS WITH WEAK YEN TO THE US DOLLAR AND INCREASING PURCHASES FROM BRAZIL.

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CANADA IS ALLOWING MORE PORK FROM BRAZIL . CANADA STARTED TAKING PORK FROM BRAZIL IN MARCH.

**BRAZIL'S BRF GETS NOD TO EXPORT PORK INTO CANADA - REUTERS NEWS**

[HTTPS://WWW.REUTERS.COM/ARTICLE/BRF-PORK-CANADA-IDCAKBN20O1OG](https://www.reuters.com/article/brf-pork-canada-idcaakbn20o1og)

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**DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES**

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  
JULY 13, 2022

LOADS OF PORK CUTS: 218.81

TRIM/PROCESSED PORK: 13.64

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/13/2022	232.45	118.28	105.46	158.63	84.84	174.60	105.88	170.99
CHANGE:		0.81	2.64	-3.08	2.15	-0.42	0.76	0.67
FIVE DAY AVERAGE --		115.54	103.25	158.90	82.22	175.59	101.81	164.87

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/13/2022	135.77	118.79	107.82	156.79	84.07	173.28	107.87	171.13
CHANGE:		1.32	5.00	-4.92	1.38	-1.74	2.75	0.81
FIVE DAY AVERAGE --		115.64	103.73	158.53	82.07	175.33	102.21	164.90

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/12/2022	290.43	117.47	102.82	161.71	82.69	175.02	105.12	170.32
CHANGE:		2.40	-1.33	-0.53	0.97	-0.35	6.46	5.80
FIVE DAY AVERAGE --		114.18	102.41	158.70	80.89	176.97	100.59	160.17

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**\*\*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 12, 2022

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**\*\*PRODUCER SOLD:**

**AVERAGE LIVE WEIGHT 276.68**  
**AVERAGE CARCASS WEIGHT 207.77**  
**HEAD COUNT - 226,740**

**\*\*PRODUCER SOLD**

**AVERAGE LIVE WEIGHT 289.04**  
**AVERAGE CARCASS WEIGHT 215.09**  
**HEAD COUNT - 31,810**

**\*\*PACKER OWNED:**

**AVERAGE LIVE WEIGHT 285.57**  
**AVERAGE CARCASS WEIGHT 216.57**  
**HEAD COUNT - 157,800**

**DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**  
**JULY 13, 2022**

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

**National Negotiated Carcass Price**

**Lowest price: 106.00**  
**Highest price: 125.00**  
**Weighted Average 122.39**  
**Change from Previous Day -0.02 lower**  
**Head Count: 21,426**

**Other Market Formula (Carcass)**

**Lowest Base Price: 80.39**  
**Highest base price: 123.72**  
**Weighted Average Price: 102.55**  
**Head Count: 34,289**

**Pork Market Formula (Carcass)**

**Lowest base price: 93.98**  
**Highest Base Price: 128.91**  
**Weighted Average Price 111.49**  
**Head Count 143,842**

**Other Purchase Arrangement (Carcass)**

**Lowest base price: 85.94**  
**Highest base price: 121.87**  
**Weighted Average Price: 107.33**  
**HEAD COUNT: 63,904**

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OCTOBER/DECEMBER 2022 LEAN HOG SPREAD -

FEBRUARY/APRIL 2023 LEAN HOG SPREAD -

AUGUST 2022 LEAN HOGS –

OCTOBER 2022 LEAN HOGS –

DECEMBER 2022 LEAN HOGS –

FEBRUARY 2023 LEAN HOGS -

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**Beef:** Net sales of 9,200 MT for 2022--a marketing-year low--were down 17 percent from the previous week and 35 percent from the prior 4-week average. Increases primarily for Japan (3,800 MT, including decreases of 500 MT), Mexico (2,900 MT), Canada (900 MT), China (500 MT, including decreases of 900 MT), and Taiwan (400 MT, including decreases of 100 MT), were offset by reductions for South Korea (700 MT). Exports of 17,100 MT were down 16 percent from the previous week and 13 percent from the prior 4-week average. The destinations were primarily to Japan (6,300 MT), South Korea (4,500 MT), China (2,300 MT), Mexico (1,000 MT), and Canada (700 MT).

**Pork:** Net sales of 18,300 MT for 2022 were down 42 percent from the previous week and 37 percent from the prior 4-week average. Increases were primarily for Mexico (10,100 MT, including decreases of 400 MT), Japan (3,400 MT, including decreases of 800 MT), China (1,600 MT, including decreases of 200 MT), South Korea (1,200 MT, including decreases of 300 MT), and Colombia (800 MT). Exports of 23,100 MT were down 28 percent from the previous week and 21 percent from the prior 4-week average. The destinations were primarily to Mexico (10,800 MT), China (3,600 MT), Japan (2,900 MT), South Korea (2,100 MT), and Colombia (1,000 MT).

**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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