



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING AUGUST 3, 2022 LIVESTOCK REPORT

Chris Lehner, Senior Livestock Analyst | 312.242.7942 | chris.lehner@admis.com

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

AUGUST 2, 2022	124,000
WEEK AGO	125,000
YEAR AGO	123,000
WEEK TO DATE (EST)	248,000
SAME PERIOD LAST WEEK (EST)	249,000
SAME PERIOD LAST YEAR (ACT)	240,000

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	268.46	241.55
CHANGE FROM PRIOR DAY:	(2.14)	(1.35)
CHOICE/SELECT SPREAD:		26.91
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		157
5 DAY SIMPLE AVERAGE:	268.94	242.33

CME BOXED BEEF INDEX ON 08/01/2021 WAS 261.69 DOWN 37 CENTS FROM PREVIOUS DAY

2:00 PM AUGUST 2, 2022

PRIMAL RIB	403.72	324.50
PRIMAL CHUCK	217.58	212.77
PRIMAL ROUND	214.03	211.00
PRIMAL LOIN	381.88	311.92
PRIMAL BRISKET	221.75	208.28
PRIMAL SHORT PLATE	178.96	178.96
PRIMAL FLANK	159.70	152.49

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2:00 PM AUGUST 1, 2022

PRIMAL RIB	408.65	323.34
PRIMAL CHUCK	221.05	216.67
PRIMAL ROUND	216.07	210.93
PRIMAL LOIN	380.21	312.41
PRIMAL BRISKET	222.94	203.73
PRIMAL SHORT PLATE	184.43	184.43
PRIMAL FLANK	159.55	154.93

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
08/01	49	30	7	13	99	270.60	242.90
07/29	42	13	8	11	74	269.24	242.25
07/28	64	15	11	9	99	267.77	240.81
07/27	88	29	9	19	146	267.99	241.81
07/26	66	28	9	12	115	269.11	243.88

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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	79.32 loads	3,172,969 pounds
Select Cuts	27.15 loads	1,085,825 pounds
Trimming	10.98 loads	439,101 pounds
Ground Beef	39.18 loads	1,567,014 pounds

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Labor Day is September 5, 2022, a little over a month away. Labor Day is considered the last of the big outdoor grilling times when families and friends get together and it is the end of summer vacation season. For 2022 look for retailers, grocery stores, to have specials on steaks.

Currently, the difference on prices between Choice rib and loin primal cuts compared to Select rib and loin primal is wide, about 72.00/cwt on Choice and Select primal loins. At the same time, feedlots have too many Select cattle available.

Store meat buyers will buy Select and low Choice rib and loin primal sections to cut for steaks at a discounted price to high Choice and Prime. They will advertise steaks with a name that shoppers feel the cuts are the same or better than high Choice beef. The stores will markup the price on the Select and low Choice beef at higher percentage markup than high Choice,

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and the steak prices will be noticeably cheaper. The consumer believes they are getting a deal for the holiday at a time when high beef prices are a concern .

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Net export sales last week were 25,300 MT. South Korea strongest buyer taking 7,900 MT, Japan took 7000 MT and China took 3,100 MT with Taiwan taking 2,500 MT. If weekly exports stay near this level, exports will be exceptionally strong.

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Higher prices for feeder cattle and the availability of feeder cattle may play right into what the packer wants, heavier cattle. Interest rates increasing along with fewer feeder cattle are going to add to costs of feedlots. It is likely feedlots will keep feeders on feed longer versus moving as soon as they are ready, especially in the Midwest.

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As of AUGUST 2, 2022 dressed steer and heifer carcasses last week averaged 867.1 pounds up 2.5 pounds compared to previous week at 864.6 pounds . The grading percent was 80.1% compared to previous week at 81.0%.

https://www.ams.usda.gov/mnreports/ams_2700.pdf

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*****NATIONAL DAILY DIRECT CATTLE 08/02/22
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
*LIVE STEER:	1440	\$140.21	25,515
LIVE HEIFER:	1326	\$138.15	12,772
DRESSED STEER:	927	\$225.41	15,904
DRESSED HEIFER:	840	\$225.08	3,686

USDA POSTED SUMMARY CATTLE PRICES ON 08/02/2022

IA/MN – CASH - 143.00 FO9R STEERS WEIGHING 1425 POUNDS
DRESSED - NO REPORTABLE TRADE.

NE – CASH - NO REPORTABLE TRADE.
DRESSED – NO REPORTABLE TRADE.

KS – CASH - NO REPORTABLE TRADE.
DRESSED – NO REPORTABLE TRADE.

TX/OK/NM NO REPORTABLE TRADE.
DRESSED – NO REPORTABLE TRADE.

CO – ****NOT REPORTED DUE TO CONFIDENTIALITY****

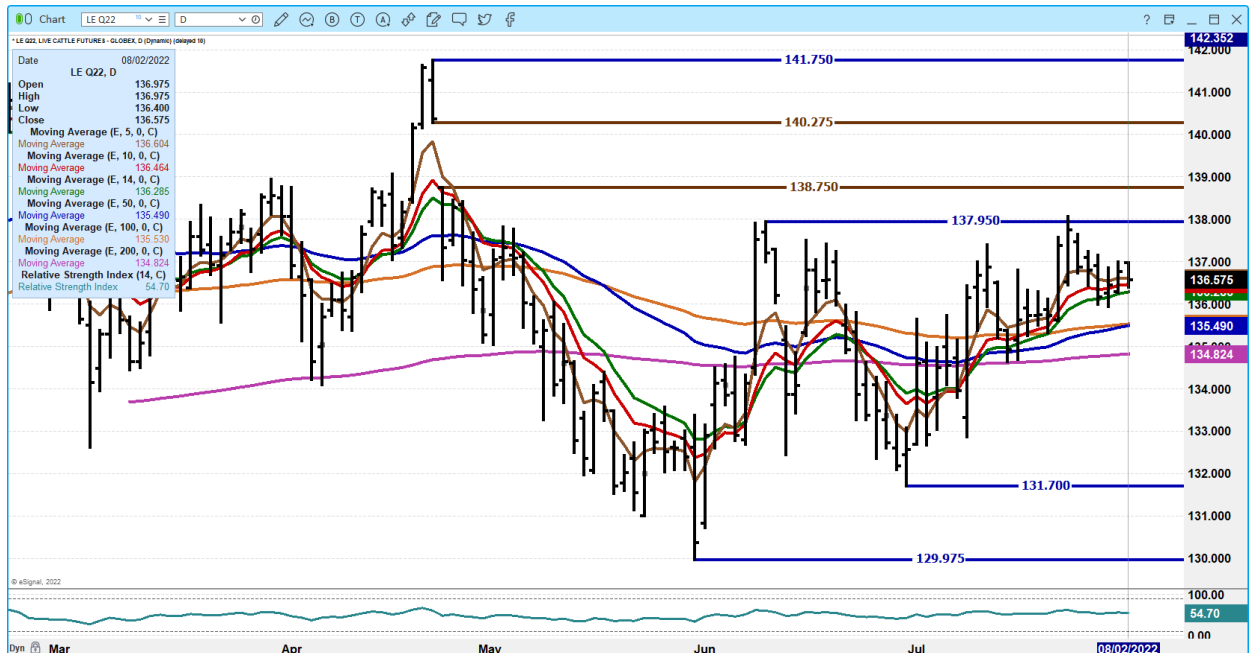
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FEBRUARY/APRIL 2023 LIVE CATTLE SPREAD – FEB LOSING TO APRIL SO FAR KEEPING BEAR SPREAD.



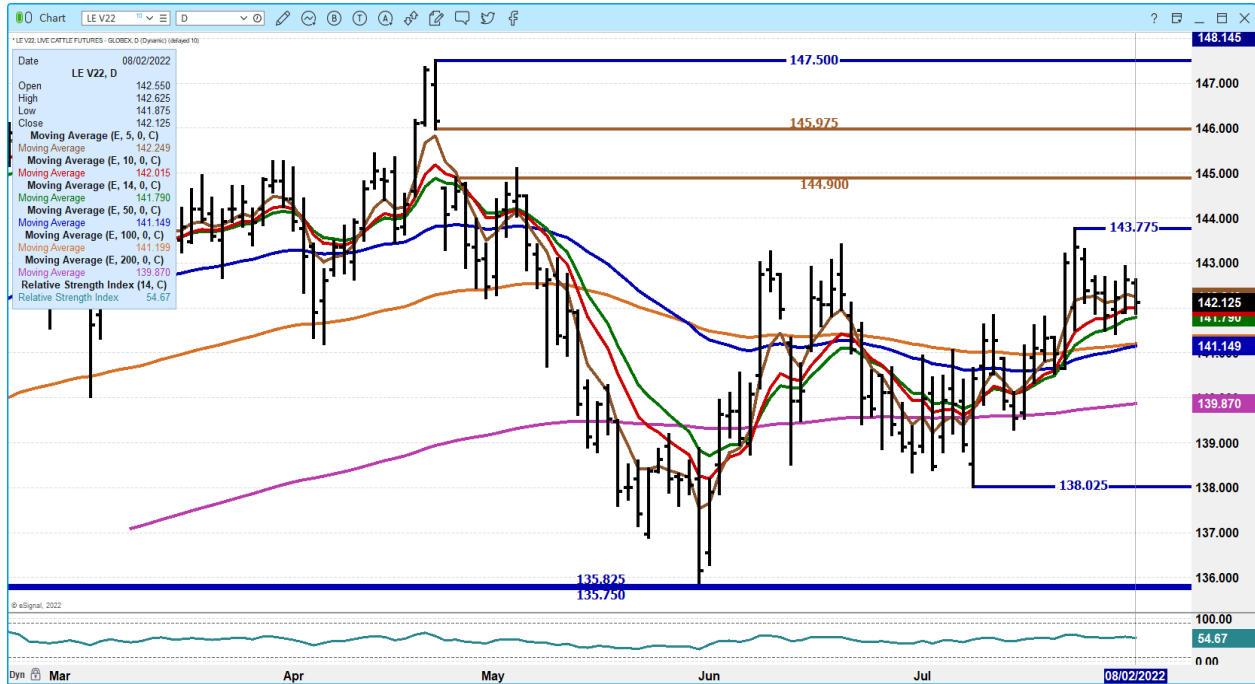
AUGUST 2022 LIVE CATTLE – VOLUME AT 5785 OPEN INTEREST AT 22,410 SUPPORT AT 136.25 RESISTANCE AT 137.85 UP TO NEW HIGH IF TRADERS USE MIDWEST CATTLE PRICES VERSUS SOUTHWEST PRICES



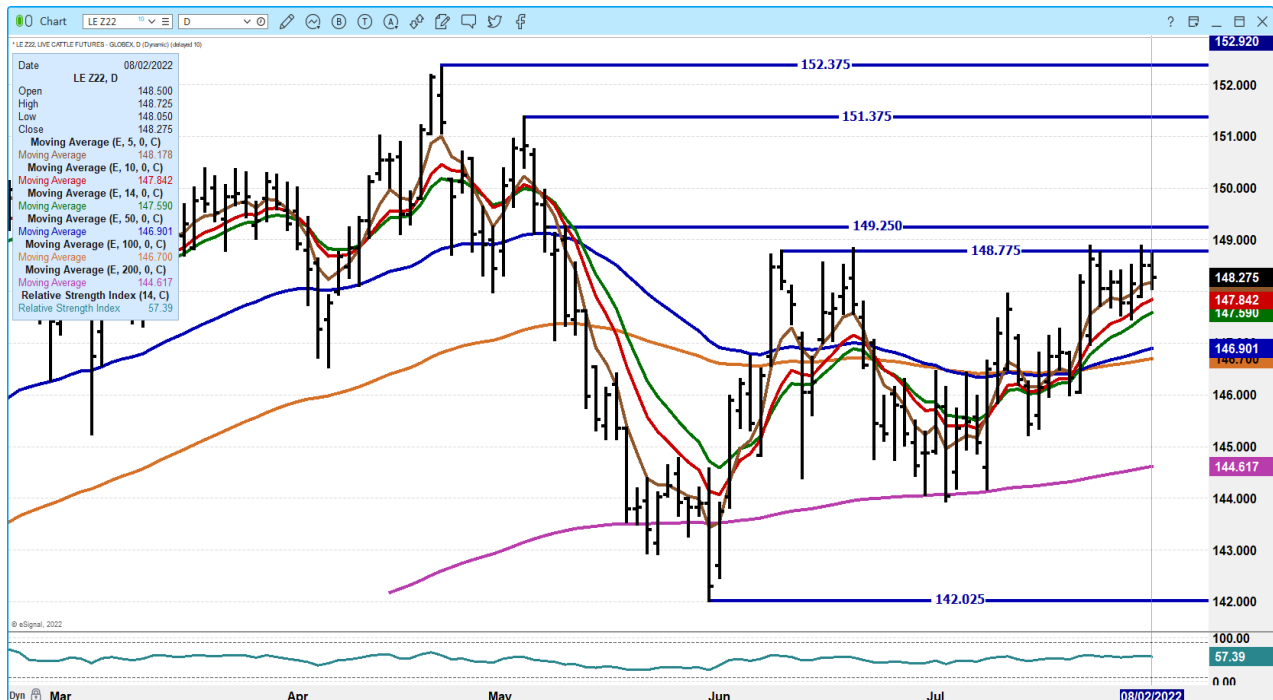
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**OCTOBER 2022 LIVE CATTLE - SUPPORT AT 141.80 TO 141.10 RESISTANCE AT 143.77
VOLUME AT 16,123**



**DECEMBER 2022 LIVE CATTLE – VOLUME AT 8723 SUPPORT AT 147.80 TO 146.70
RESISTANCE AT 149.25 AND 148.77**



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Feeder Cattle

CME FEEDER INDEX ON 08/01/2022 WAS 174.40 DOWN .34 FROM PREVIOUS DAY -

AUGUST 2022 FEEDER CATTLE SETTLED ON 8/02/2022 AT \$178.12

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FEEDER CATTLE SOLD OFF EVEN WITH CORN AND WHEAT LOWER. THERE ARE FEWER FEEDER CATTLE AVAILABLE BUT THERE ARE ALSO GOING TO BE FEWER BUYERS. THE MIDWEST PRODUCERS THAT RAISE CORN AND FEED CATTLE AREN'T GOING TO REPLACE CATTLE WITH FEEDERS. THEY ARE GOING TO BECOME STRAIGHT GRAIN PRODUCERS. AT THE SAME TIME FEEDERS HAVE BEEN MOVED OUT OF THE SOUTHWEST AND WILL EVENTUALLY COME BACK TO SOUTHWEST FEEDLOTS.

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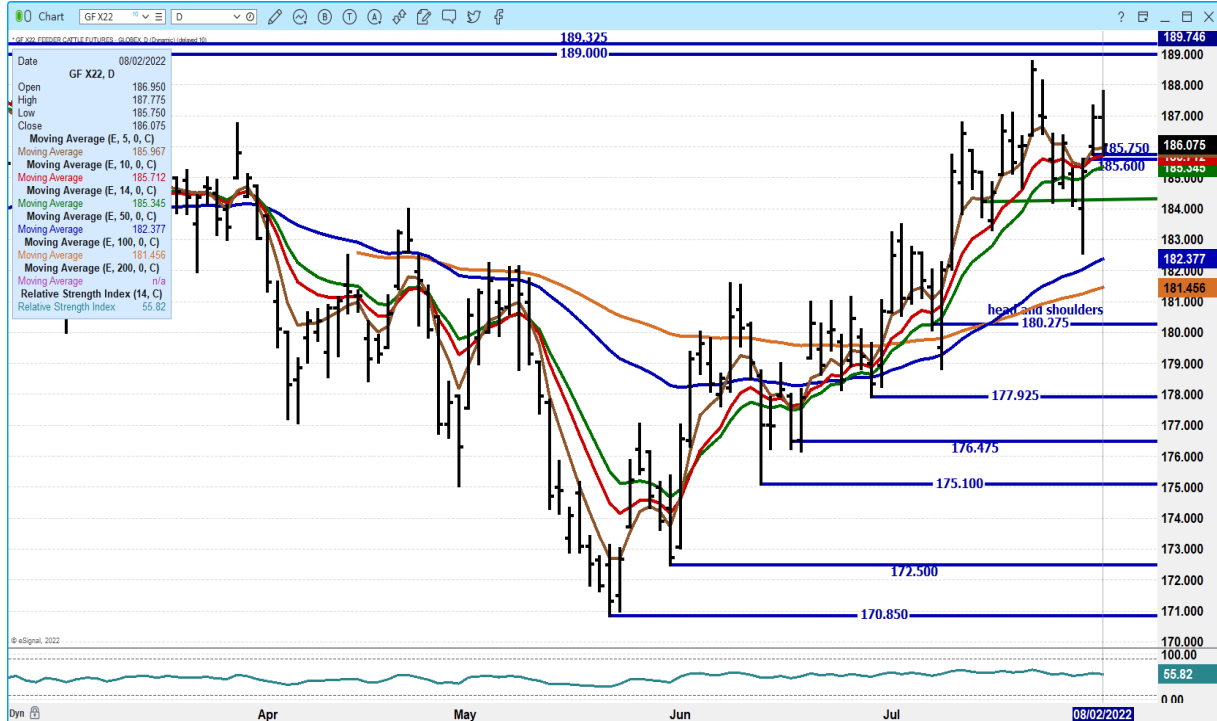
AUGUST 2022 FEEDER CATTLE – RESISTANCE AT 182.50 SUPPORT AT 175.00



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NOVEMBER 2022 FEEDER CATTLE – may be forming a head and shoulders sell on a close below 184.25



JAN 2023 FEEDERS MAY BE FORMING A Head and Shoulders



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 2, 2022	472,000
WEEK AGO	467,000
YEAR AGO	469,000
WEEK TO DATE (EST)	880,000
SAME PERIOD LAST WEEK (EST)	917,000
SAME PERIOD LAST YEAR (ACT)	883,000

YEAR TO DATE SLAUGHTER DOWN 2,747,000 HEAD 7/30/22
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CME CASH LEAN HOG INDEX 07/29/2022 AT 121.87 UP 45 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 08/01/2022 AT 127.45 DOWN 3 CENTS FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON JULY 29, 2022 WAS 259.52 COMPARED TO JULY 22, 2022 AT 236.40

THE CME LEAN HOG INDEX IS MINUS 5.58 TO THE CME PORK INDEX -
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The Lean Hog index is beginning to narrow the spread between it and the CME Pork Index. This is negative for packers. Need to monitor the spread to see if it continues to narrow. .
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Pork carcass was higher Tuesday. It is higher because the pork available to sell on the daily market is in limited supply. If a buyer needs pork, they are paying whatever the seller asks. It is really that simple. However, over the past few months when loins near \$109.00 to \$111.00, buyers have backed off. Tuesday morning loins sold for \$106.66 with the day average price at 105.60. Bellies were up 26.57 on Tuesday the main reason the cutout was higher Hams are close to \$11.00 higher than loins which has been supportive for the carcass
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Last week, pork exports were decent at 21,600 MT especially with fewer hogs killed in the US. Mexico biggest buyer buying 13,100 MT Japan 7000 MT China took 3,100 MT
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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

AUGUST 02, 2022

LOADS OF PORK CUTS: 263.51

TRIM/PROCESSED PORK: 19.87

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2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/02/2022	283.38	131.02	106.66	142.14	88.37	161.63	117.35	241.69
CHANGE:		3.32	1.11	-2.42	0.95	-4.65	-2.79	26.57
FIVE DAY AVERAGE --		128.33	105.60	150.59	88.86	164.70	117.82	219.01

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/02/2022	165.23	130.22	106.83	146.18	89.23	164.23	123.18	222.39
CHANGE:		2.52	1.28	1.62	1.81	-2.05	3.04	7.27
FIVE DAY AVERAGE --		128.17	105.63	151.40	89.03	165.22	118.99	215.15

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/01/2022	306.76	127.70	105.55	144.56	87.42	166.28	120.14	215.12
CHANGE:		0.36	1.10	-4.86	-2.99	0.27	1.78	2.43
FIVE DAY AVERAGE --		127.48	104.80	152.70	88.96	166.52	118.09	212.61

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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 AUGUST 1, 2022

NEGOTIATED

**** PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 275.72

AVERAGE CARCASS WEIGHT 207.35

HEAD COUNT 192,454

PACKER SOLD:

AVERAGE LIVE WEIGHT 281.68

AVERAGE CARCASS WEIGHT 213.45

HEAD COUNT 25,843

PACKER OWNED:

AVERAGE LIVE WEIGHT 281.85

AVERAGE CARCASS WEIGHT 214.33

HEAD COUNT 154,920

**** DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**

AUGUST 02, 2022

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

National Negotiated Carcass Price

Lowest price: 110.00

Highest price: 131.00

Weighted Average 121.33

Change from Previous Day 5.19 HIGHER

Head Count: 9,180

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Other Market Formula (Carcass)

Lowest Base Price 83.36
Highest base price: 123.61
Weighted Average Price: 104.49
Head Count: 28,295

Pork Market Formula (Carcass)

Lowest base price: 99.33
Highest Base Price: 130.07
59Weighted Average Price 117.89
Head Count 130,265

Other Purchase Arrangement (Carcass)

Lowest base price: 91.35
Highest base price: 136.37
Weighted Average Price: 115.87
HEAD COUNT: 57,783

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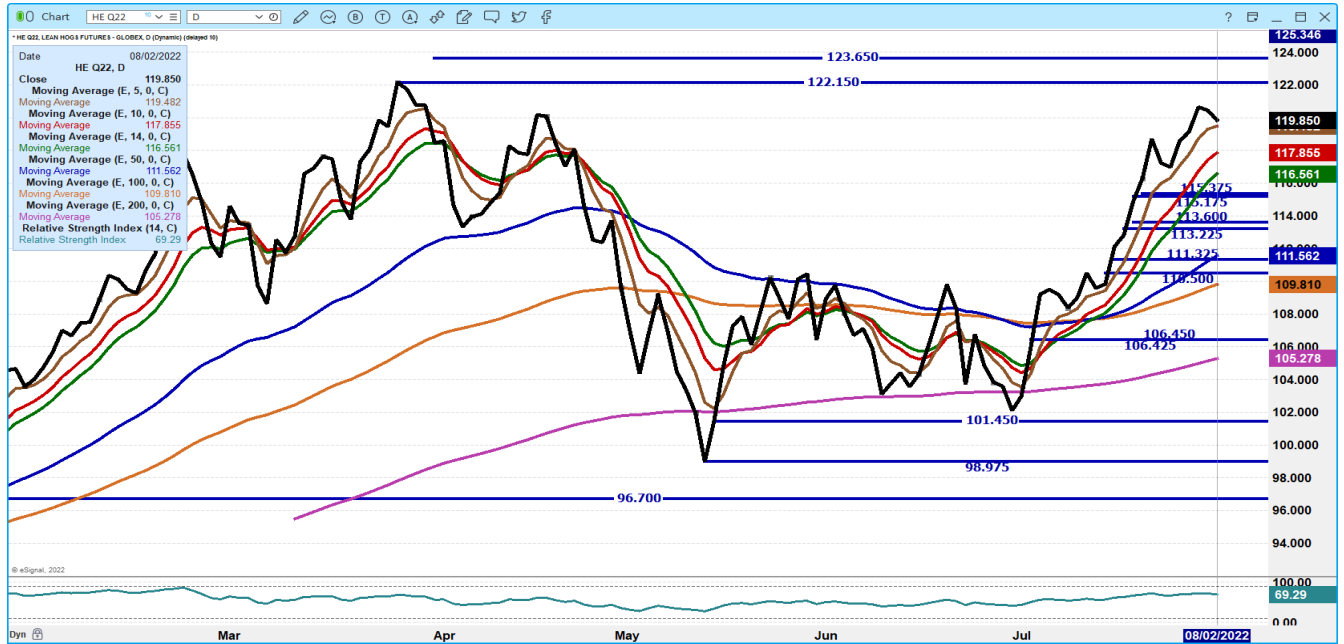
FEBRUARY/APRIL 2023 LEAN HOG SPREAD - FEB SHOULD CONTINUE TO GAIN ON APRIL BUT THERE IS A LOT OF TIME ON THIS SPREAD



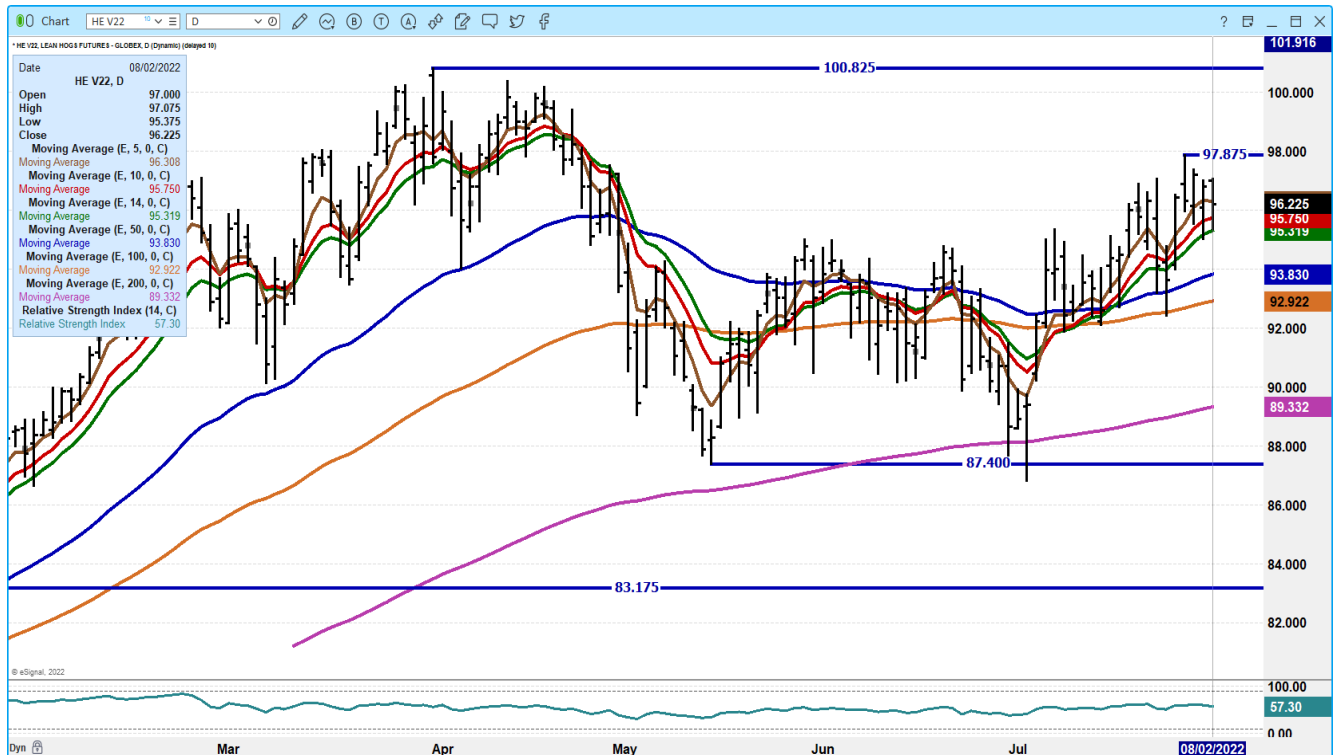
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AUGUST 2022 LEAN HOGS – VOLUME AT 5,609 OPEN INTEREST AT 18,203 RESISTANCE AT 122.15 TO CONTRACT HIGH AT 123.65 SUPPORT AT 117.85 TO 118.50



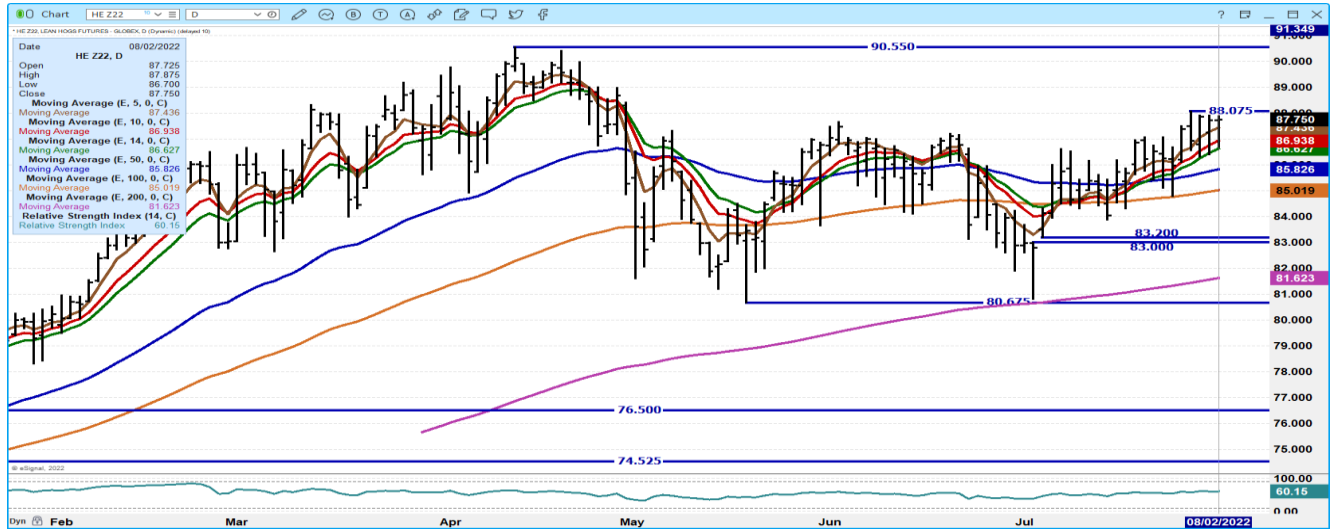
OCTOBER 2022 LEAN HOGS – VOLUME AT 14,051 RESISTANCE AT 97.87 TO 100.82 SUPPORT AT 96.30 TO 92.90



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DECEMBER 2022 LEAN HOGS – VOLUME AT 7766. SUPPORT AT 86.60 TO 85.80 RESISTANCE AT 88.07 TO 90.55



FEBRUARY 2023 LEAN HOGS. RESISTANCE AT 92.87 SUPPORT AT 90.02 TO 88.27 VOLUME AT 3391



CHARTS FROM ESIGNAL INTERACTIVE, INC.

Christopher Lehner chris.lehner@admis.com
 312 242 7942 913.787.6804

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