



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING JANUARY 5, 2023 LIVESTOCK REPORT

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CATTLE

JANUARY 04, 2023	125,000
WEEK AGO	128,000
YEAR AGO	114,000
WEEK TO DATE	258,000
SAME PERIOD LAST WEEK	262,000
SAME PERIOD LAST YEAR (ACT)	337,000

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	282.89	256.40
CHANGE FROM PRIOR DAY:	(4.05)	1.77
CHOICE/SELECT SPREAD:	26.49	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	138	
5 DAY SIMPLE AVERAGE:	281.47	249.84

CME BOXED BEEF INDEX ON 01/03/2023 WAS 273.80 UP 2.12 FROM PREVIOUS DAY

2:00 PM JANUARY 04, 2023

PRIMAL RIB	518.20	371.88
PRIMAL CHUCK	228.42	226.88
PRIMAL ROUND	224.43	224.54
PRIMAL LOIN	369.97	326.19
PRIMAL BRISKET	207.73	205.40
PRIMAL SHORT PLATE	169.93	169.93
PRIMAL FLANK	151.22	152.54

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2:00 PM JANUARY 03, 2023

PRIMAL RIB	537.17	368.34
PRIMAL CHUCK	233.55	226.81
PRIMAL ROUND	224.84	223.14
PRIMAL LOIN	371.77	322.29
PRIMAL BRISKET	205.16	201.15
PRIMAL SHORT PLATE	171.66	171.66
PRIMAL FLANK	148.17	149.08

LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
01/03	60	18	10	29	117	287.04	254.66
12/30	47	7	3	10	66	281.98	250.93
12/29	64	16	8	14	101	278.86	250.70
12/28	53	22	9	17	102	279.41	247.28
12/27	42	21	4	11	78	280.04	245.64

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

Choice Cuts	87.34 loads	3,493,504 pounds
Select Cuts	22.26 loads	890,555 pounds
Trimmings	11.51 loads	460,249 pounds
Ground Beef	16.43 loads	657,312 pounds

Choice boxed beef fell Wednesday with steep drop in Choice rib primals and at the same time Select beef was higher, narrowing the spread between Choice and Select. Through the remainder of January expect this type of beef trade. Going forward look for middle meats and lower priced cuts having more demand. Consumer demand is shifting to lesser priced beef now that the holiday season is over with concerns of high utility bills and credit cards to pay off.

Packers will buy cash cattle this week for the first full week of the new year for the week beginning January 9th With last's week light slaughter followed by the current week with one day less slaughter, unless there is a secret need for beef, packers are not going to be aggressively buying cattle. There should also be an increase in cattle weights with cattle held over from 2022 into 2023.

EXPORTS

Last week net export sales weren't anything to get the cattle market excited. Actually, they were poor. Net sales for 2022 were 2,300 MT and for 2023 net export sales were 7,200 MT. For 2023 Japan was the largest buyer taking 3,300 MT followed by China at 1,600 MT. Buyers around the globe keep reducing previous exports from the U.S.

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National Weekly Fed Cattle Comprehensive Report January 4, 2023

Weights were lower last week likely due to extremely cold weather and blizzard conditions. However, it didn't hurt the grade now at 83.6%.

As of January 4, 2023 dressed steer and heifer carcasses last week averaged 887.2 pounds down 5.1 pounds compared to previous week at 892.3 pounds . The grading percent was 83.6 % compared to previous week at 83,0%.

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

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***NATIONAL DAILY DIRECT CATTLE 01/04/23

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1477	\$157.83	27,103
LIVE HEIFER:	1333	\$157.69	13,788:
DRESSED STEER:	959	\$251.95	11,463
DRESSED HEIFER:	855	\$251.71	4,518

USDA POSTED SUMMARY CATTLE PRICES ON 01/04/2023

**STEER PRICES

IA/MN – CASH – 158.00 - 159.50 AVERAGE PRICE ON 1427 HEAD \$158.04

159.00 ON 486 HEIFERS

DRESSED - 248.00 - 252.00 ON TOTAL 76 HEAD OF STEERS

NE – CASH – NO REPORTABLE TRADE

DRESSED - 250.00 - 252.00 ON 261 HEAD STEERS AND HEIFERS

KS – AS OF 1/4/23 TOTAL CASH AND DRESSED 86 HEAD

CASH – 155.00

DRESSED - 249.00

TX/OK/NM CASH – NO REPORTABLE TRADE

DRESSED – NO REPORTABLE TRADE.

CO – **NOT REPORTED DUE TO CONFIDENTIALITY**

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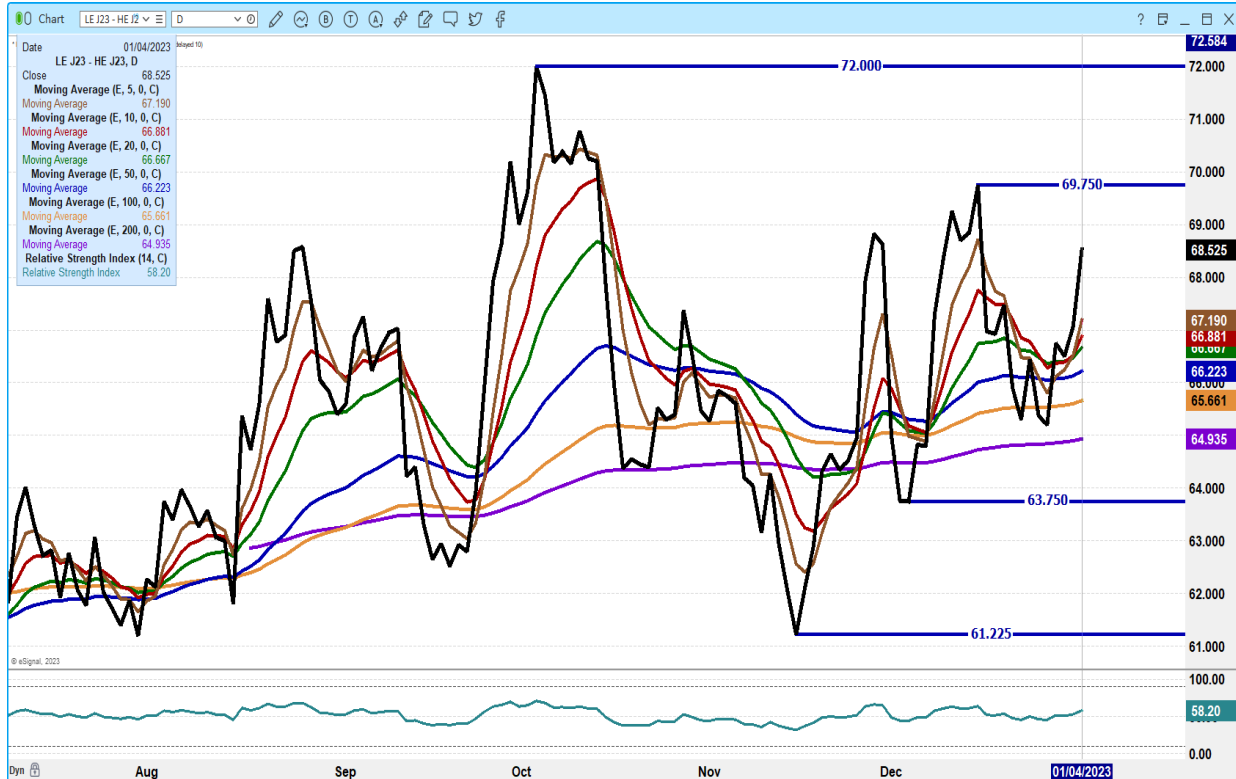
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**NATIONAL WEEKLY DIRECT BEEF TYPE PRICE DISTRIBUTION
USDA WEIGHTED AVERAGE PRICE**

[HTTPS://MYMARKETNEWS.AMS.USDA.GOV/VIEWREPORT/3492](https://mymarketnews.ams.usda.gov/viewreport/3492)

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APRIL 2023 LIVE CATTLE/APRIL 2023 LEAN HOGS – CATTLE SHOULD CONTINUE TO GAIN ON HOGS



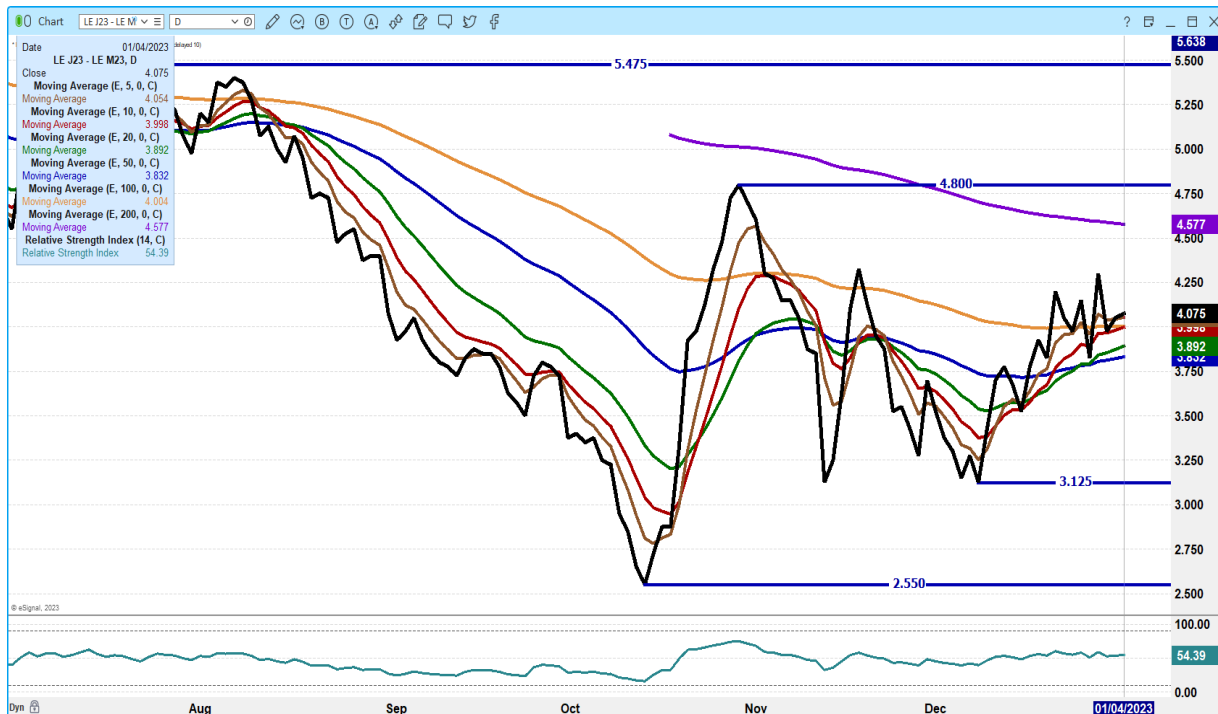
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FEBRUARY/APRIL LIVE CATTLE SPREAD - BEAR SPREAD TRADE NOT CONCERNED WITH LOW SLAUGHTER EARLY IN 2023 BUT SEE SLAUGHTER DECLINING THROUGH THE YEAR BY APRIL



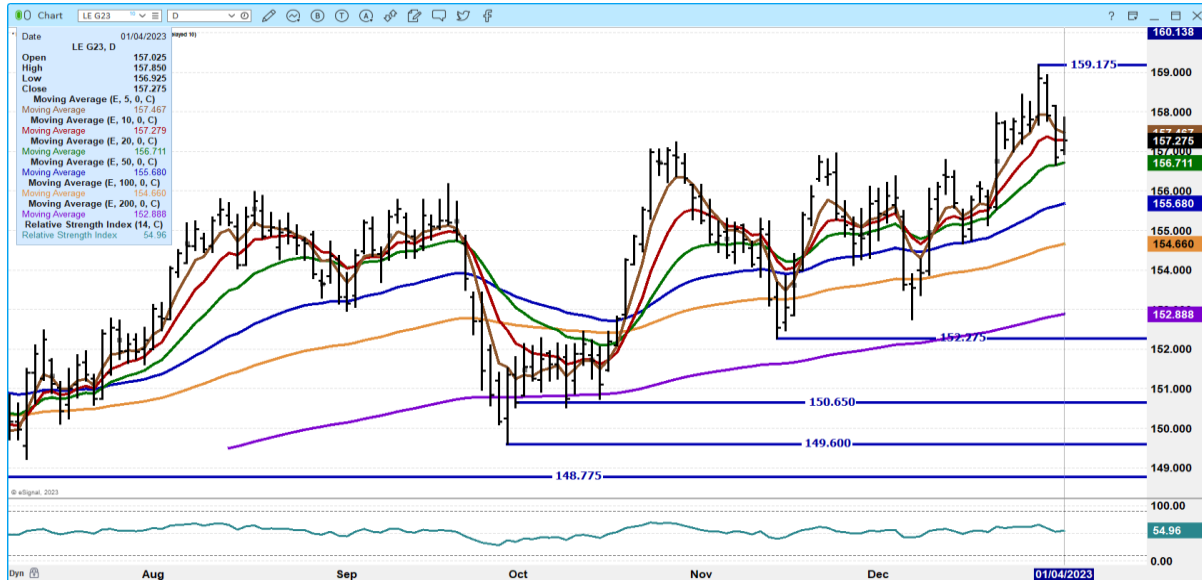
APRIL 2023/JUNE 2023 LIVE CATTLE SPREAD – APRIL COULD CONTINUE TO GAI AS TRADERS CONTINUE TO BULL SPREAD



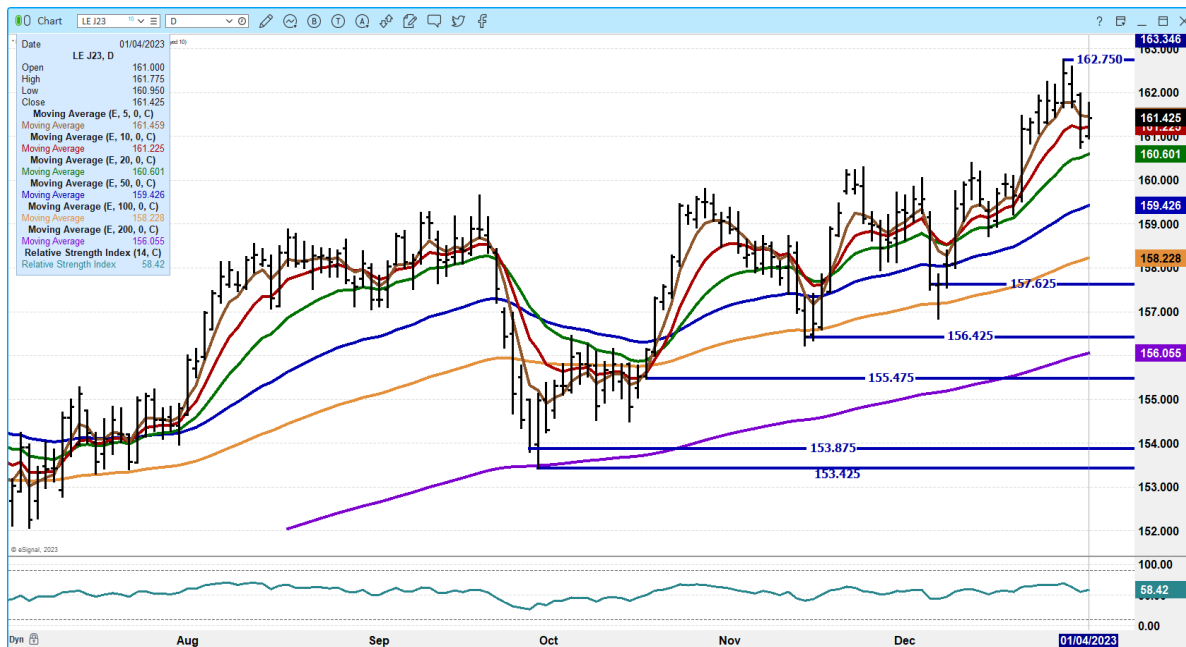
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FEBRUARY 2022 LIVE CATTLE – SUPPORT AT 156.70 TO 155.65 RESISTANCE AT 157.50 TO 158/15 VOLUME AT 24,292



APRIL 2023 LIVE CATTLE –



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JUNE 2023 LIVE CATTLE = SUPPORT AT 156.70 RESISTANCE AT 157.25



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FEEDER CATTLE

CME FEEDER INDEX ON 01/03/2022 WAS 180.73 DOWN 29 CENTS FROM PREVIOUS DAY –

JANUARY 2022 FEEDER CATTLE CLOSED ON JANUARY 04, 2023 AT \$185.22

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FEEDER CATTLE REGAINED LOSS OF TUESDAY WITH STEEP DROP IN PRICES OF CORN AND WHEAT ALONG WITH GAINS ON LIVE CATTLE. FROM MARCH 2023 ON OUT TRADERS WERE BULL SPREADING.

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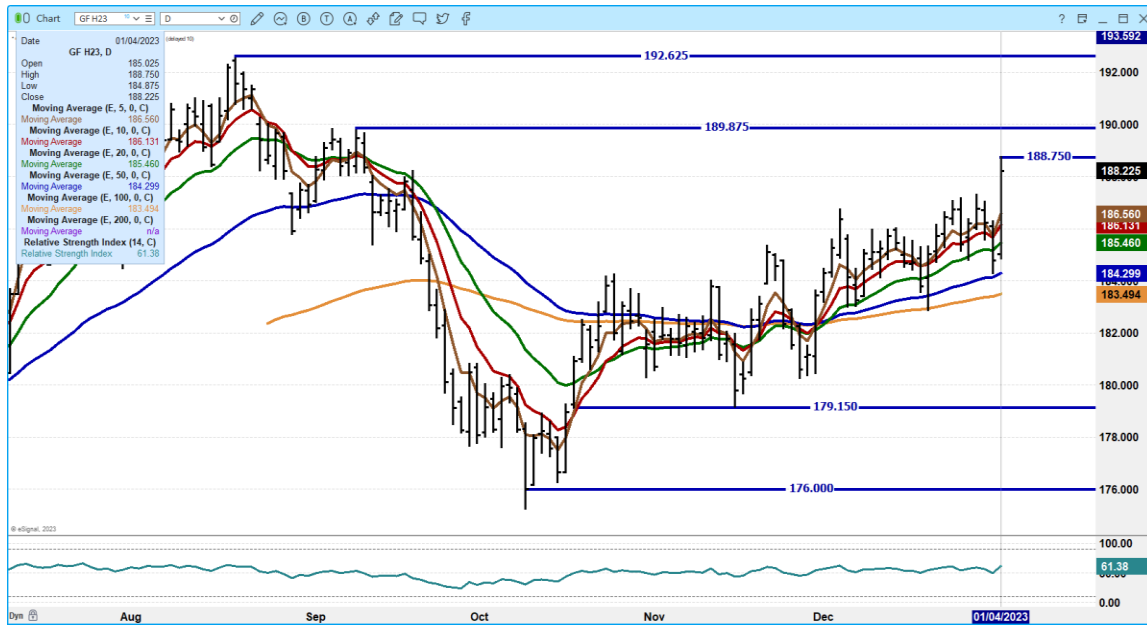
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MARCH 2023 FEEDER CATTLE/MAY 2023 FEEDER CATTLE SPREAD – SPREAD SHOULD BEGIN TO NARROW.



MARCH 2022 FEEDER CATTLE –



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 04, 2023	475,000
WEEK AGO	484,000
YEAR AGO	462,000
WEEK TO DATE	933,000
SAME PERIOD LAST WEEK	985,000
SAME PERIOD LAST YEAR (ACT)	1,380,000

****REVISED TUESDAY HOG SLAUGHTER.. 433,000 **PREVIOUS ESTIMATE 483,000**

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CME LEAN HOG INDEX ON 01/02/2023 WAS 79.45 DOWN 74 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/03/2022 AT 88.13 DOWN 1.12 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON DECEMBER 30, 2011 WAS 134.95 COMPARED TO DECEMBER 23, 2022 AT 121.55

THE CME LEAN HOG INDEX IS MINUS 8.68 TO THE CME PORK INDEX.

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Wet icy snow across parts of the upper Midwest slowed some movement of hogs, but packers aren't trying hard to get hogs into plants.

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The February/April spread continues to widen. It is a bear spread.

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The Hogs and Pigs report isn't helping cash or futures. Producers from the private seller to the packer raising their own hogs need to keep growing barns full and the reason why farrowing intentions remain high. It is too costly to have empty spaces.

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Export will be released early Friday morning and will be closely watched by traders. If the Mexican Peso remains strong to the U.S. Dollar, exports should remain strong to Mexico and the U.S. definitely needs to keep Mexico buying pork. The Japanese economy and Japan's good relationship with the U.S. could help boost Japanese exports. For 2022 Japan has bought less US pork compared to 2021 but Japan is the second largest pork buyer and if the Yen gains on the US Dollar, it should increase exports.

Canada buying pork is down in 2022 and likely will remain down in 2023. In 2022 Canada and Brazil made new trade agreements and part of the agreements has Canada buying more pork and beef from Brazil.

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COVID in China and cooling of trade with China and U.S. over past few years likely won't increase Chinese pork exports from the U.S. Plus China has trade agreements with other countries that it doesn't need U.S. pork as it once did and China will continue to increase their own inventory. .

Last week net export sale were good. For 2023 both Mexico and China were good buyers. China likely buying for Chinese New Year's beginning January 24th.

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

Updated yields and cutout/primal value calculations effective 01/09/2023.

LOADS PORK CUTS : 351.58

LOADS TRIM/PROCESS PORK : 59.88

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/04/2023	411.46	85.83	84.48	112.61	78.20	120.15	80.77	93.77
CHANGE:		-0.17	-1.47	0.69	-0.36	2.81	-1.00	0.75
FIVE DAY AVERAGE --		87.26	84.47	111.77	80.24	119.53	83.93	95.44

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/04/2022	220.55	91.06	84.20	111.99	76.70	121.13	83.56	122.86
CHANGE:		5.06	-1.75	0.07	-1.86	3.79	1.79	29.84
FIVE DAY AVERAGE --		88.30	84.41	111.64	79.94	119.73	84.48	101.26

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/03/2023	370.49	86.00	85.95	111.92	78.56	117.34	81.77	93.02
CHANGE:		-1.90	1.21	1.71	-0.63	-3.50	-3.18	-3.61
FIVE DAY AVERAGE --		88.27	83.69	111.52	82.41	119.33	85.73	98.14

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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 JANUARY 3, 2023

****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 287.27

AVERAGE CARCASS WEIGHT 214.48

HEAD COUNT 209,069

PACKER SOLD:

AVERAGE LIVE WEIGHT 296.11

AVERAGE CARCASS WEIGHT 221.56

HEAD COUNT 24,460

PACKER OWNED:

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AVERAGE LIVE WEIGHT 292.81
AVERAGE CARCASS WEIGHT 221.47
HEAD COUNT 164,491
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****DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**

JANUARY 04, 2023

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

National Negotiated Carcass Price

Lowest price: 72.00

Highest price: 77.00

Weighted Average 73.47

Change from Previous Day -1.22 lower

Head Count: 11,897

Other Market Formula (Carcass)

Lowest Base Price: 68.88

Highest Base Price: 105.70

Weighted Average Price: 81.75

Head Count: 21,302

Swine/Pork Market Formula (Carcass)

Lowest base price: 66.99

Highest Base Price: 84.94

59Weighted Average Price 76.84

Head Count 128,106

Other Purchase Arrangement (Carcass)

Lowest base price: 74.42

Highest base price: 111.29

Weighted Average Price: 84.58

HEAD COUNT: 52,662

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FEBRUARY 2023/APRIL 2023 LEAN HOG SPREAD – A YEAR AGO, HEG2/HEM2 ON JAN 4, 2022 SPREAD WAS MINUS 6.85 AND ON FEB 9, 2022 DROPPED TO MINUS 14.55 GOING OFF THE BOARD ON FEB 16, 2022 AT MINUS 13.56



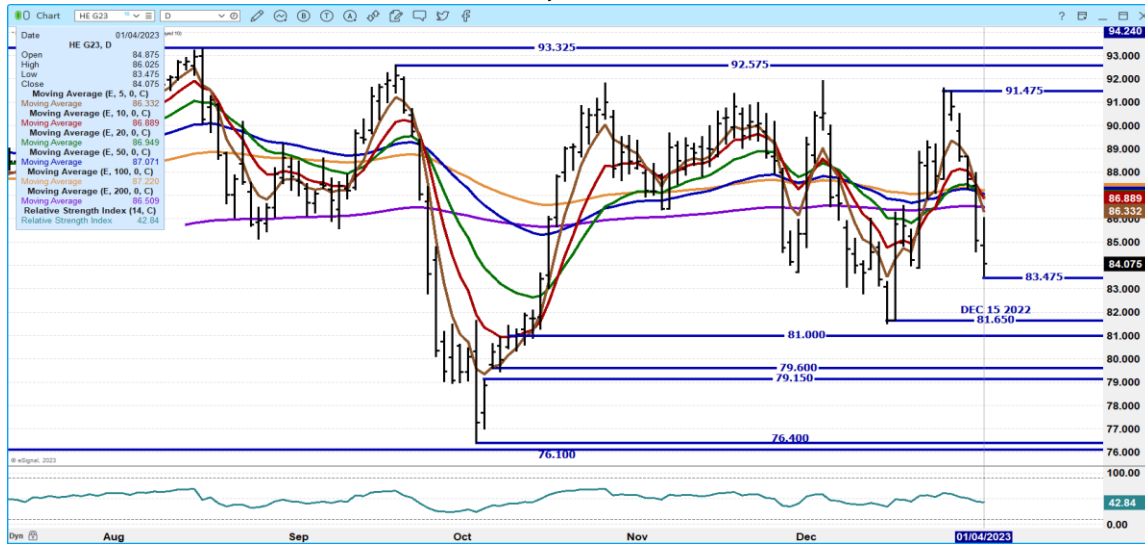
APRIL 2023/JUNE 2023 LEAN HOG 2023 SPREAD – JAN 4, 2022 AT MINUS 11.27 DROPPING TO MINUS 19.30 ON MARCH 24, 2022 AND GOING OFF THE BOARD ON APRIL 14, 2022 AT MINUS 18.60



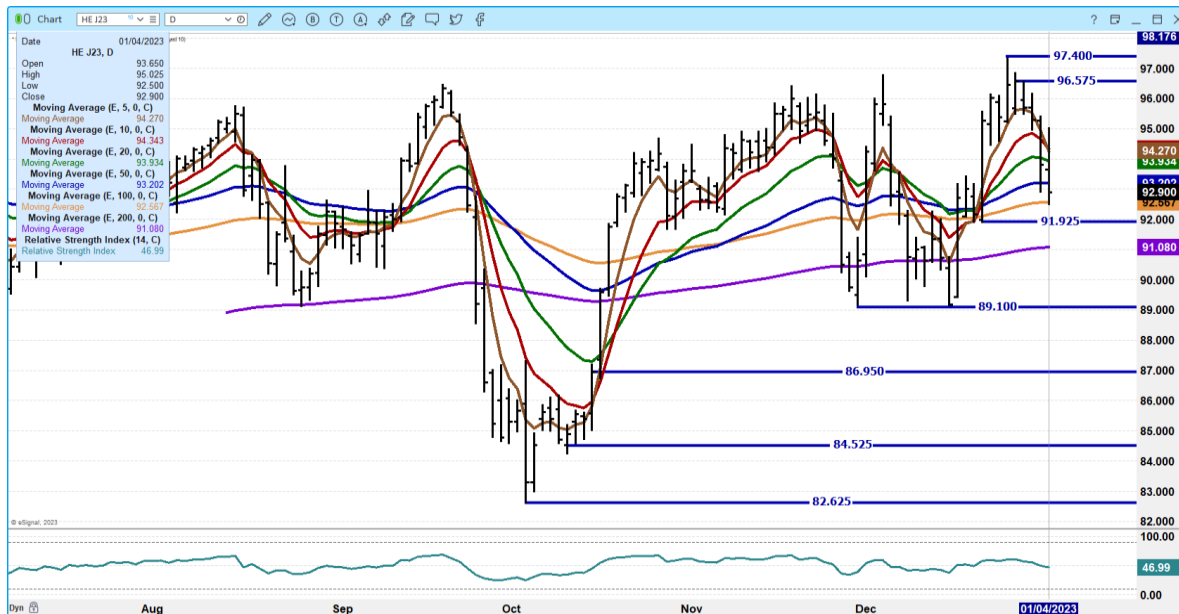
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FEBRUARY 2023 LEAN HOGS VOLUME AT 25,940 SUPPORT AT 81.65 RESISTANCE AT 86.30 TO 87.25



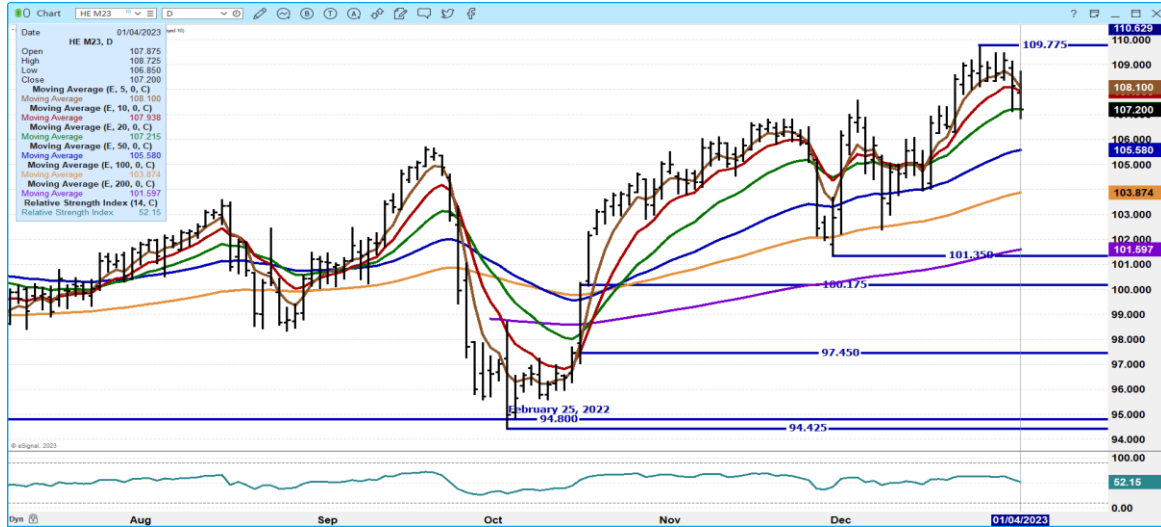
APRIL 2023 LEAN HOGS – FELL TO 100 DAY AVERAGE NEXT SUPPORT AT 91.05 TO 89.10 RESISTANCE AT 93.95 TO 94.27 VOLUME AT 12313



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JUNE 2023 LEAN HOGS = VOLUME 6374 SUPPORT AT 107.20 TO 105.55 RESISTANCE AT 108.10



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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