



ADM Investor  
Services, Inc.



## Daily Futures Market Commentary Livestock Outlook

### FRIDAY MORNING FEBRUARY 03, 2023 LIVESTOCK REPORT

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#### CATTLE

FEBRUARY 02, 2023	125,000
WEEK AGO	126,000
YEAR AGO	114,000
WEEK TO DATE	500,000
SAME PERIOD LAST WEEK	504,000
SAME PERIOD LAST YEAR (ACT)	476,000

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BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	265.10	253.66
CHANGE FROM PRIOR DAY:	0.03	0.88
CHOICE/SELECT SPREAD:		11.44
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		150
5 DAY SIMPLE AVERAGE:	267.16	251.85

CME BOXED BEEF INDEX ON 02/01/2023 WAS 264.57 DOWN 13 CENTS FROM PREVIOUS DAY.

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**2:00 PM FEBRUARY 02, 2023**

PRIMAL RIB	433.77	377.56
PRIMAL CHUCK	214.34	210.44
PRIMAL ROUND	208.56	210.62
PRIMAL LOIN	369.71	348.72
PRIMAL BRISKET	190.44	192.97
PRIMAL SHORT PLATE	179.41	179.41
PRIMAL FLANK	144.53	144.63

**2:00 PM FEBRUARY 01, 2023**

PRIMAL RIB	433.02	378.91
PRIMAL CHUCK	212.55	209.25
PRIMAL ROUND	208.08	208.85
PRIMAL LOIN	373.34	347.21
PRIMAL BRISKET	188.99	193.54
PRIMAL SHORT PLATE	179.90	179.90
PRIMAL FLANK	143.46	143.95

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**LOAD COUNT AND CUTOFF VALUE SUMMARY**

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
02/01	74	12	20	15	121	265.07	252.78
01/31	83	11	15	10	118	266.09	252.92
01/30	40	13	9	9	71	268.10	251.52
01/27	75	15	8	13	111 FRIDAY	267.76	250.54 FRIDAY
01/26	77	17	10	15	120	268.75	251.48

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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

Choice Cuts	107.43 loads	4,297,112 pounds
Select Cuts	18.64 loads	745,575 pounds
Trimming	7.21 loads	288,283 pounds
Ground Beef	16.38 loads	655,185 pounds

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Live Cattle futures were higher Thursday with traders bull spreading from April on out. Trade volume was moderate. Choice boxed beef was up 11 cents on morning sales and 3 cents higher by the afternoon. The Choice/Select spread has narrowed to 11.54. Exports over the past 2 weeks have been good and likely helped Live Cattle futures to rally. The Cattle Inventory report was bullish as was the last Cattle on Feed report.

If you watch waves, Cattle futures are in a 4<sup>th</sup> wave.

Unemployment remains low and Wednesday the Federal Reserve only tacked on .25% suggesting inflation is less concerning. With as many people working, beef that is off the highs should see good demand.

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Secretary of State Blinken going to China. It will be interesting to see how it affects commodity markets.

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Beef: Net sales of 25,200 MT for 2023 Keeping this level throughout the year for weekly average is what is needed

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National Weekly Fed Cattle Comprehensive Report January 31, 2023

As of January 24, 2023 dressed steer and heifer carcasses averaged 883.7 pounds up 2.8 pounds the previous week. The grading percent was 84.9% compared to previous week at 84.5%.

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

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\*\*\*NATIONAL DAILY DIRECT CATTLE 02/02/23

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1521	\$157.74	24,923
LIVE HEIFER:	1349	\$155.69	10,341
DRESSED STEER:	946	\$247.73	15,707
DRESSED HEIFER:	830	\$247.31	3,026

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USDA POSTED SUMMARY CATTLE PRICES ON 02/02/2023

\*\*STEER PRICES

IA/MN – CASH – 154.00 ON LIGHT BUY .  
DRESSED - 248.00

NE – CASH - NO REPORTABLE TRADE.  
DRESSED - 248.00

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

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

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

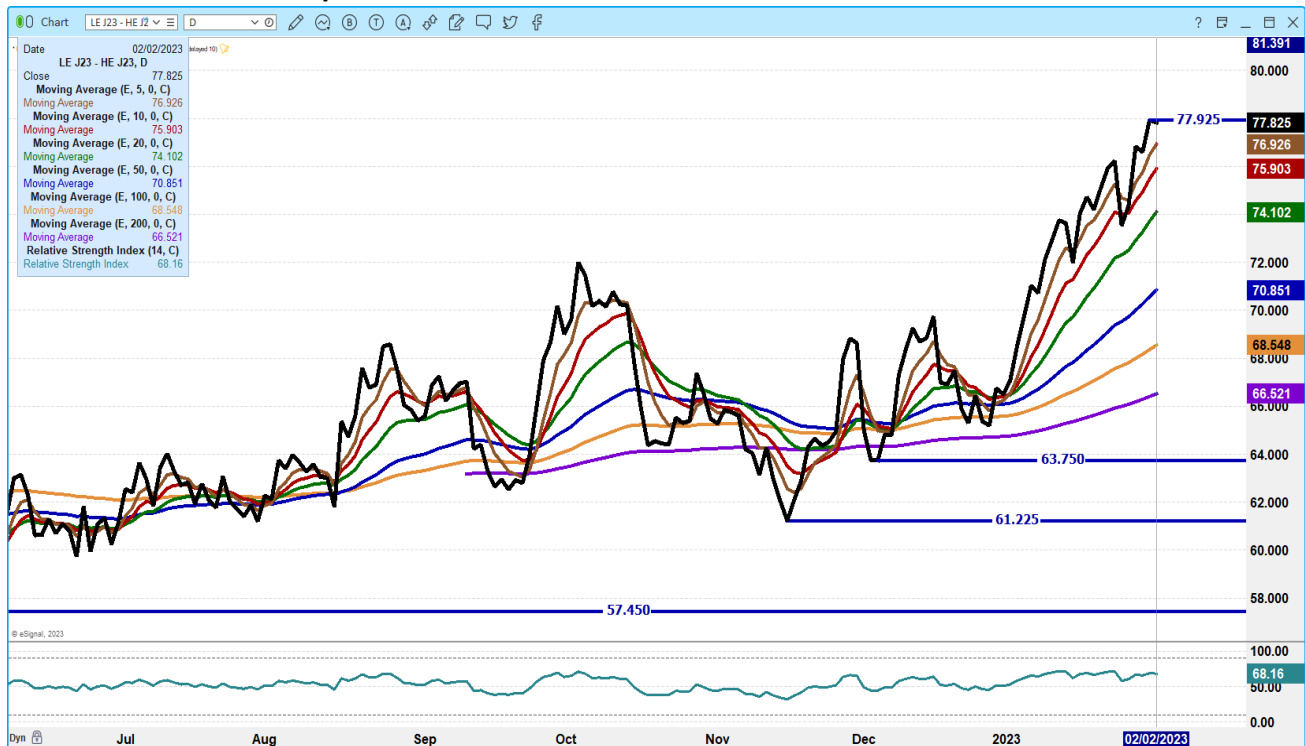
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**NATIONAL WEEKLY DIRECT BEEF TYPE PRICE DISTRIBUTION  
USDA WEIGHTED AVERAGE PRICE**

[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 GAIN ON HOGS**



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## APRIL 2023/JUNE 2023 LIVE CATTLE SPREAD – BULL SPREAD AND SHOULD CONTINUE TO BE BULL SPREAD



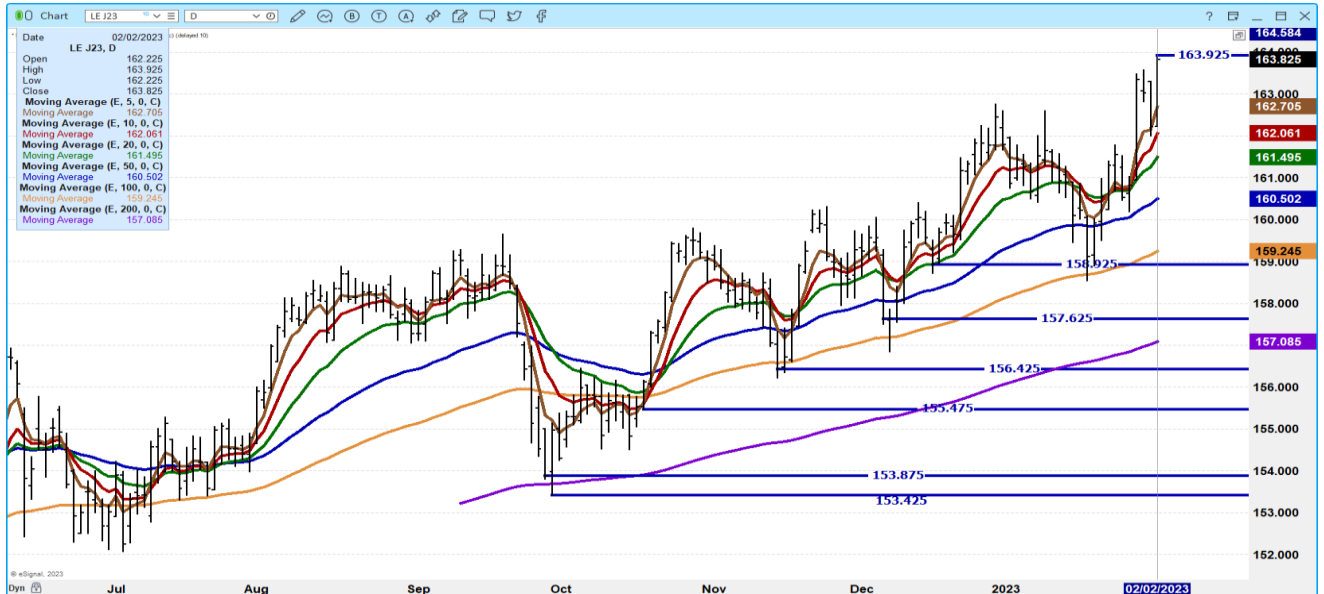
## FEBRUARY 2022 LIVE CATTLE – VOLUME AT 10,420 OPEN INTEREST AT 26, 845



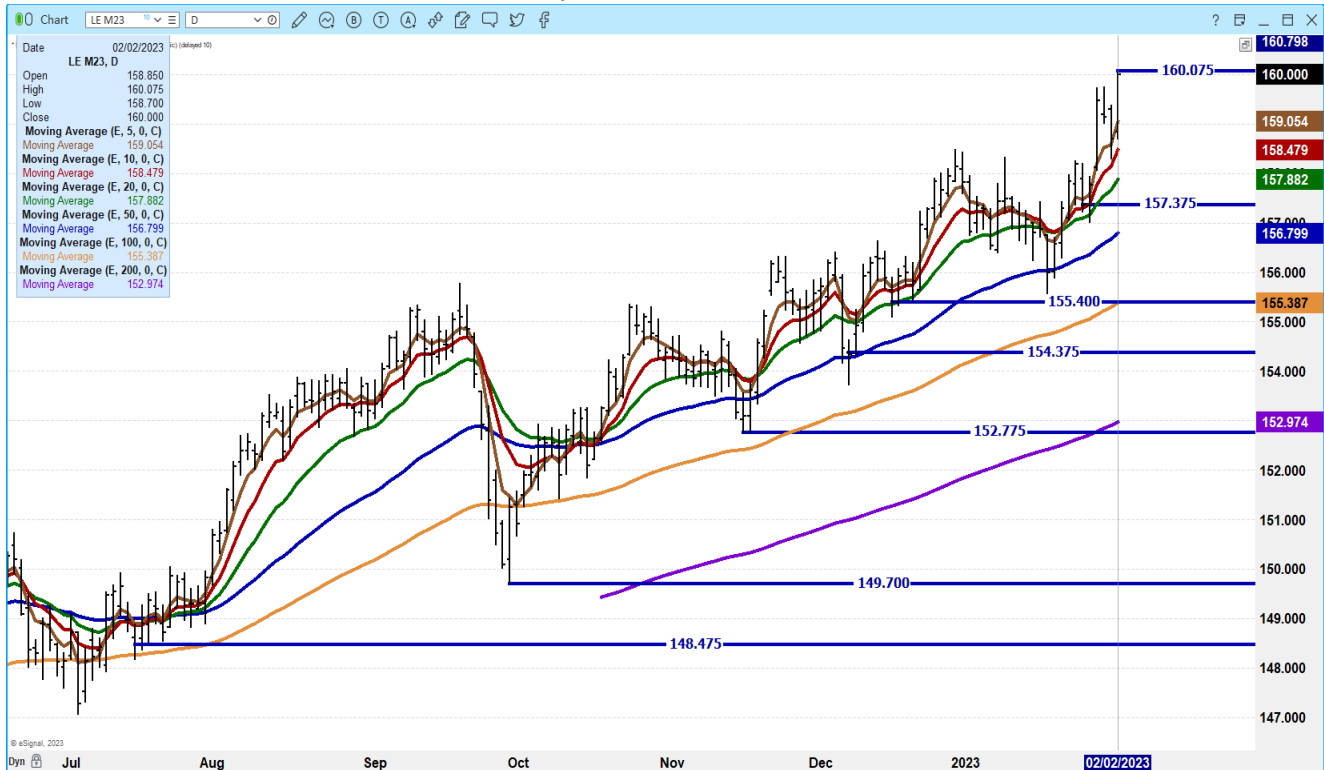
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**APRIL 2023 LIVE CATTLE – VOLUME AT 26,589 SUPPORT AT 162.05 TO 161.50 RESISTANCE AT 163.97**



**JUNE 2023 LIVE CATTLE - VOLUME AT 12,738 RESITANCE AT 160.07 SUPPORT AT 158.47**



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## FEEDER CATTLE

CME FEEDER INDEX ON 02/01/2022 WAS 180.90 UP 53 CENTS FROM PREVIOUS DAY –

MARCH 2023 FEEDER CATTLE FUTURES SETTLED ON 02/02/2023 AT \$185.92

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### NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 01/28/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	202,400	42,200	9,200	253,800
Last Week:	267,000	25,700	147,200	439,900
Year Ago:	251,300	16,700	31,000	299,000

Compared to last week, steers and heifers sold steady to 3.00 higher. Demand was moderate to good on a much lighter auction receipts than two weeks ago, nearly half as many. The weather was quieter this week and helped to add support to the feeder market as some auctions had special offerings...

### FULL REPORT

[https://www.ams.usda.gov/mnreports/sj\\_ls850.txt](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

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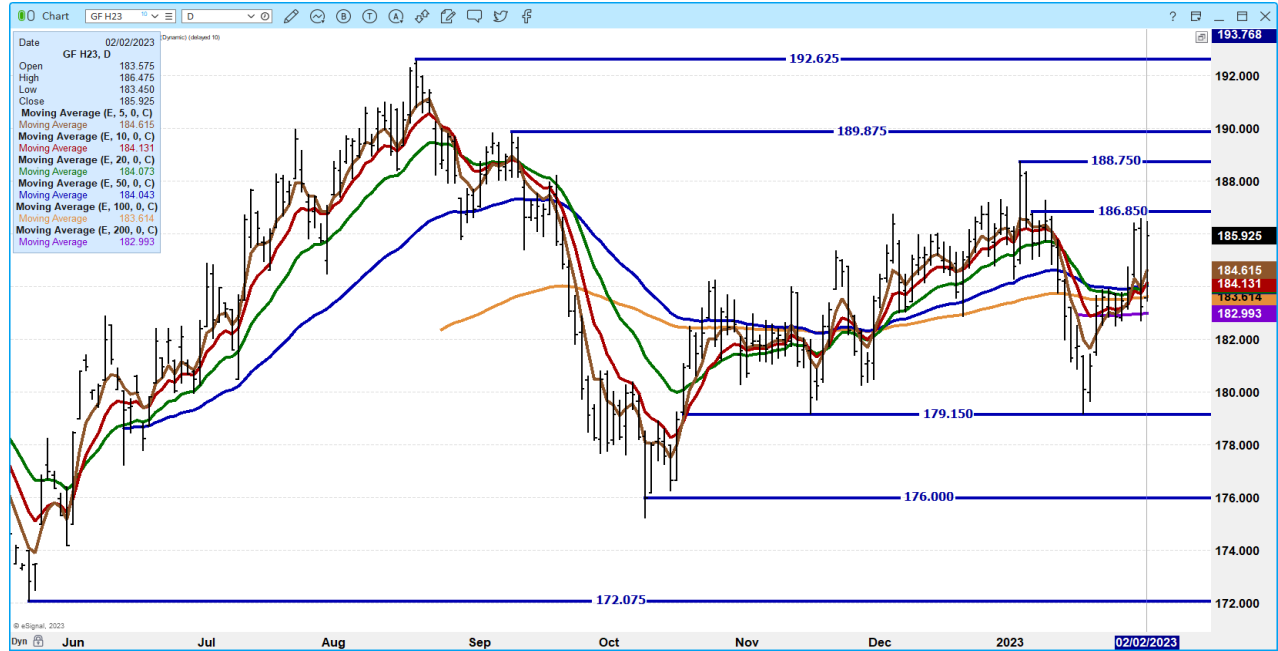
### MARCH 2023 FEEDER CATTLE/MAY 2023 FEEDER CATTLE SPREAD – SPREAD IS WIDE NORMAL SPREAD AROUND \$6.00



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**MARCH 2022 FEEDER CATTLE – RESISTANCE AT 186.50 TO 188.75 SUPPORT AT 182.95**



**MAY 2023 FEEDER CATTLE – RESISTANCE AT 194.97 SUPPORT AT 192,35**



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## HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER

FEBRUARY 02, 2023	490,000
WEEK AGO	491,000
YEAR AGO	411,000
WEEK TO DATE	1,938,000
SAME PERIOD LAST WEEK	1,954,000
SAME PERIOD LAST YEAR (ACT)	1,792,000

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CME LEAN HOG INDEX ON 01/30/2023 WAS \$72.50 DOWN 7 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/31/2022 AT \$ 79.81 DOWN 6 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS 7.31 TO THE CME PORK INDEX.

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Lean hogs traded higher Thursday on strong exports and better daily pork sales. Trade volume was light. But to get higher pork prices packers are killing fewer hogs. Slaughter this week compared to last week is down 16,000 hogs and 146,000 better than last year at this time.

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China's Hog Numbers Rise, But Demand Still Suffers from COVID-19

<https://www.porkbusiness.com/news/industry/chinas-hog-numbers-rise-demand-still-suffers-covid-19>

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**Pork: Net sales of 30,900 MT for 2023 Exports down from a week ago but anytime exports are over 25,000 MT, it is good. Last week China was a large taker but they were out this week.**

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*As far as tracking packer and producer profit estimates, I feel Sterling Marketing, Inc. does an excellent job. But year after year there are more cattle and hogs being fed by packers or on the various feeding contracts versus grown by producers selling on negotiated markets and beef and pork sold on contract prices versus the daily markets. Even the prices on daily beef and pork sales are sales between 0 and 21 days. The analysis can only use what prices are available and each year it becomes a smaller percent of openly shared prices. Whenever price discovery is talked about, packers and meat wholesalers came it is proprietary and private information. I suggest, don't put a lot of emphasis on any company that publishes profit margins when analyzing market outlooks.*

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### 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

Loads PORK CUTS : 290.90

Loads TRIM/PROCESS PORK : 33.81

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2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
02/02/2022	324.71	81.50	82.52	93.53	59.20	115.08	76.17	102.17
CHANGE:		2.55	-0.12	0.07	2.04	-4.56	0.97	13.45
FIVE DAY AVERAGE --		80.05	82.63	95.14	57.94	117.70	76.54	92.30

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
02/02/2022	214.16	81.81	83.33	94.61	58.82	115.60	80.21	96.38
CHANGE:		2.86	0.69	1.15	1.66	-4.04	5.01	7.66
FIVE DAY AVERAGE --		80.11	82.79	95.35	57.86	117.81	77.35	91.15

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
02/01/2022	315.76	78.95	82.64	93.46	57.16	119.64	75.20	88.72
CHANGE:		-1.30	0.72	-2.61	-0.19	-0.06	-2.24	-4.14
FIVE DAY AVERAGE --		79.84	82.92	95.48	57.64	117.89	77.10	90.03

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**\*\*DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE  
FEBRUARY 02, 2023**

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

**National Negotiated Carcass Price**

Head Count: 7,993

Lowest price: 67.00

Highest price: 77.00

Weighted Average 72.93

Change from Previous Day -0.10 lower

**Other Market Formula (Carcass)**

Head Count: 19,719

Lowest Base Price: 57.78

Highest Base Price: 88.62

Weighted Average Price: 74.45

**Swine/Pork Market Formula (Carcass)**

Head Count 139,236

Lowest base price: 61.52

Highest Base Price: 80.08

Weighted Average Price 71.52

**Other Purchase Arrangement (Carcass)**

HEAD COUNT: 61,581

Lowest base price: 67.58

Highest base price: 110.74

Weighted Average Price: 79.63

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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 FEBRUARY 1, 2023**

**\*\*PRODUCER SOLD:**

**HEAD COUNT 238,664**

**AVERAGE LIVE WEIGHT 285.32**

**AVERAGE CARCASS WEIGHT 213.37**

**PACKER SOLD:**

**HEAD COUNT 33,535**

**AVERAGE LIVE WEIGHT 289.33**

**AVERAGE CARCASS WEIGHT 216.76**

**PACKER OWNED:**

**HEAD COUNT 188,275**

**AVERAGE LIVE WEIGHT 291.96**

**AVERAGE CARCASS WEIGHT 221.82**

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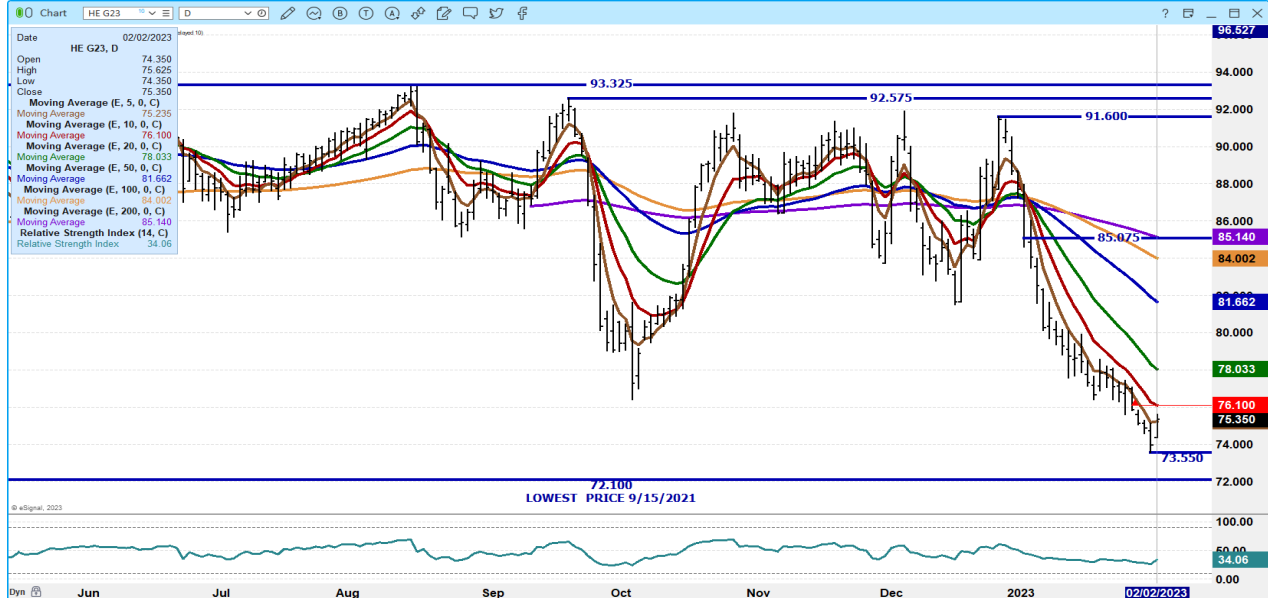
**APRIL 2023/JUNE LEAN HOG 2023 SPREAD – WIDE BEAR SPREAD**



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**FEBRUARY 2023 LEAN HOGS - VOLUME AT 6425 SUPPORT AT 73.55 TO 72.10 RESISTANCE AT 76.10 TO 78.10**



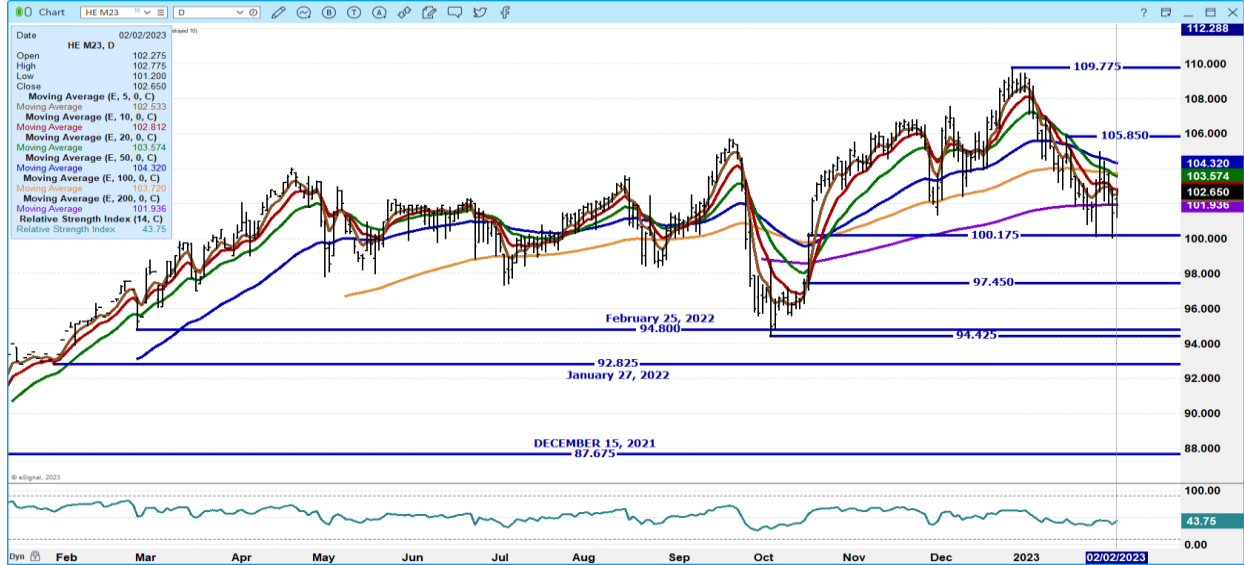
**APRIL 2023 LEAN HOGS – VOLUME AT 19378 SUPPORT AT 73.55 TO 72.10 RESISTANCE AT 76.10 TO 78,35**



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**JUNE 2023 LEAN HOGS – VOLUME AT 7803 SUPPORT AT 100.17 TO 97.45 RESISTANCE AT 102.80 TO 103.57**



**Beef:** Net sales of 25,200 MT for 2023 were primarily for South Korea (7,100 MT, including decreases of 400 MT), Japan (6,800 MT, including decreases of 700 MT), China (4,300 MT, including decreases of 100 MT), Mexico (3,300 MT, including decreases of 100 MT), and Canada (2,100 MT, including decreases of 200 MT). Exports of 18,900 MT were primarily to South Korea (5,300 MT), Japan (4,900 MT), China (3,500 MT), Mexico (1,800 MT), and Taiwan (1,000 MT).

**Pork:** Net sales of 30,900 MT for 2023 primarily for Mexico (15,100 MT, including decreases of 400 MT), Japan (3,700 MT, including decreases of 700 MT), Canada (3,100 MT, including decreases of 500 MT), Colombia (2,200 MT, including decreases of 200 MT), and Australia (2,200 MT), were offset by reductions for Vietnam (100 MT). Exports of 35,500 MT were primarily to Mexico (16,400 MT), China (5,700 MT), Japan (3,800 MT), South Korea (2,800 MT), and Canada (2,400 MT).

**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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