



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING FEBRUARY 07, 2023 LIVESTOCK REPORT

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

CATTLE

| | |
|-------------------|---------|
| FEBRUARY 06, 2023 | 120,000 |
| WEEK AGO | 121,000 |
| YEAR AGO | 123,000 |

| | | |
|--|--------|--------|
| ===== | | |
| BOXED BEEF 2:00 PM | CHOICE | SELECT |
| CURRENT CUTOUT VALUES: | 266.57 | 253.72 |
| CHANGE FROM PRIOR DAY: | 1.83 | 2.11 |
| CHOICE/SELECT SPREAD: | | 12.85 |
| TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS) | | 104 |
| 5 DAY SIMPLE AVERAGE: | 265.82 | 252.50 |

CME BOXED BEEF INDEX ON 02/03/2023 WAS 263.52 DOWN 49 CENTS FROM PREVIOUS DAY.

2:00 PM FEBRUARY 06, 2023

| | | |
|--------------------|--------|--------|
| PRIMAL RIB | 431.26 | 370.29 |
| PRIMAL CHUCK | 211.93 | 214.60 |
| PRIMAL ROUND | 212.81 | 212.45 |
| PRIMAL LOIN | 375.44 | 344.47 |
| PRIMAL BRISKET | 189.97 | 187.94 |
| PRIMAL SHORT PLATE | 180.48 | 180.48 |
| PRIMAL FLANK | 152.17 | 154.32 |

2:00 PM FEBRUARY 03, 2023

| | | |
|--------------|--------|--------|
| PRIMAL RIB | 432.77 | 368.69 |
| PRIMAL CHUCK | 212.99 | 210.31 |

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| | | |
|--------------------|--------|--------|
| PRIMAL ROUND | 209.11 | 210.78 |
| PRIMAL LOIN | 368.64 | 345.67 |
| PRIMAL BRISKET | 189.77 | 188.08 |
| PRIMAL SHORT PLATE | 180.10 | 180.10 |
| PRIMAL FLANK | 151.83 | 138.87 |

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LOAD COUNT AND CUTOFF VALUE SUMMARY

| Date | Choice | Select | Trim | Grinds | Total | 600-900 | 600-900 |
|-------|--------|--------|------|--------|-------|---------------|---------------|
| 02/03 | 49 | 13 | 3 | 11 | 76 | FRIDAY 264.74 | 251.61 FRIDAY |
| 02/02 | 107 | 19 | 7 | 16 | 150 | 265.10 | 253.66 |
| 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 |

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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 | 63.11 loads | 2,524,317 pounds |
| Select Cuts | 10.30 loads | 412,030 pounds |
| Trimming | 11.23 loads | 449,069 pounds |
| Ground Beef | 19.63 loads | 785,397 pounds |

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FEBRUARY 2023 LIVE CATTLE DELIVERIES

DELIVERY NOTICE SERVED – FEBRUARY 2023 - LIVE CATTLE

DATE 02/06/23 SETTLEMENT: \$160.82

OLDEST LONG – 12/29/23

0 DELEVERIES ON 02/06/2023

FIRM # FIRM NAME DEL REC
YARD LOCATION

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Trading on Monday was moderate with Live Cattle making new contract high closes. Choice boxed beef was up \$1.83 and Select was up \$2.11, narrowing the Choice to Select beef spread. Choice was up with primal loins gaining \$6.80. There was also big movement of ground beef. Select Chucks are higher than Choice Chucks and Select Rounds about the same price of Choice Rounds. Total movement was light at 104 loads as packers killed just 120,000 head offering less meat on the daily market to support prices.

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Feedlots stood their ground last week and packers bought cattle up to 160.00 FOB and \$162.00 on steers delivered in the Midwest. Buying was on a limited number of cattle. As of 3:30 PM Friday there were no cattle purchased in Texas, New Mexico, Oklahoma and only 40 head in Kansas.

Last week federal slaughter was down from the previous week at 641,000 head compared to 659,000 head the week before. Packers bought just enough to cover previous contracted beef orders and the few orders on the daily market. Cattle weights on the 5 day average were up last week by 6 pounds and heifer weights on direct negotiated sales were up 23 pounds.

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TYSON FOODS 'HIT IN THE MOUTH' ON MEAT SUPPLIES, CEO SAYS; SHARES FALL - REUTERS NEWS

<https://www.msn.com/en-us/money/companies/tyson-foods-hit-in-the-mouth-on-meat-supplies-ceo-says-shares-fall/ar-AA17arwh>

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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

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*****NATIONAL DAILY DIRECT CATTLE 02/06/23**

5 DAY ACCUMULATED WEIGHTED AVG

| | WEIGHT | PRICE | HEAD | |
|-----------------|--------|----------|--------|--|
| LIVE STEER: | 1471 | \$158.19 | 27,213 | DROP OF 41 POUNDS FROM FRIDAYS AVERAGE |
| LIVE HEIFER: | 1348 | \$158.21 | 9,924 | |
| DRESSED STEER: | 937 | \$250.22 | 11,120 | |
| DRESSED HEIFER: | 836 | \$249.55 | 4,117 | |

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USDA POSTED SUMMARY CATTLE PRICES ON 02/06/2023

****STEER PRICES**

**IA/MN – CASH – NO REPORTABLE TRADE.
DELIVERED -NO REPORTABLE TRADE.
DRESSED - 250.00 ON 78 HEAD**

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

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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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UNABLE TO LOAD CHARTS FEB 7, 2023

APRIL 2023 LIVE CATTLE/APRIL 2023 LEAN HOGS –
APRIL 2023/JUNE 2023 LIVE CATTLE SPREAD –
FEBRUARY 2022 LIVE CATTLE –
APRIL 2023 LIVE CATTLE –
JUNE 2023 LIVE CATTLE -
OCTOBER 2023 LIVE CATTLE –
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FEEDER CATTLE

CME FEEDER INDEX ON 02/02/2022 WAS 181.29 DOWN 16 CENTS FROM PREVIOUS DAY –

MARCH 2023 FEEDER CATTLE FUTURES SETTLED ON 02/06/2023 AT \$187.70
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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 02/04/2023

| RECEIPTS: | Auctions | Direct | Video/Internet | Total |
|------------|----------|--------|----------------|---------|
| This Week: | 147,900 | 31,100 | 49,400 | 228,400 |
| Last Week: | 202,400 | 42,200 | 9,200 | 253,800 |
| Year Ago: | 182,400 | 39,400 | 5,700 | 227,500 |

Compared to last week, steers and heifers sold 5.00 to 10.00 higher. Demand was reported as good to very good this week. The supply of feeders and stockers was light to moderate nationwide due to a winter storm rolling across the country with a more southern route than

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normal for this time of year, impacting Texas, Kansas, Oklahoma, Arkansas, and southern Missouri.

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Feeder Cattle were higher Monday and they should work higher with constant demand from Packer owned feedlots and feedlots feeding on contracts for a packer. On the other hand, Feeder Cattle are bear spread and since February is not a spot month, there is plenty of time for speculators to widen spreads before trading in March. But with the latest COF report and Cattle Inventory report showing decreases for placements and total inventory, feeder cattle should remain strong.

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Unable to load charts Feb 7, 2023

MARCH 2023 FEEDER CATTLE/MAY 2023 FEEDER CATTLE SPREAD – BEAR SPREAD

MARCH 2022 FEEDER CATTLE –

MAY 2023 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

FEBRUARY 06, 2023 487,000

WEEK AGO 475,000

YEAR AGO 479,000

****REVISED SATURDAY HOG SLAUGHTER.. 173,000** PREVIOUS ESTIMATE 153,000**

****NEW WEEK TO DATE.. 2,595,000** PREVIOUS ESTIMATE 2,575,000**

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CME LEAN HOG INDEX ON 02/01/2023 WAS \$73.05 UP 20 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 02/02/2022 AT \$ 80.03 DOWN 2 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS 6.98 TO THE CME PORK INDEX.

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Lean Hog trading on Monday was active. April 2023 Lean Hogs at \$82.72, the lowest closes since December 27, 2021. Speculators were spreading, selling April Hogs and buying outer months along with buying cattle and selling hogs. The April Lean Hog/June Lean Hog closed at minus 17.82, a tick off the widest the spread has been.

The daily pork carcass on early sales Monday was up \$8.87 and by the afternoon sales lost a good part of the morning gain to close up \$2.53. . All primal cuts were higher Monday. Last week the 5 day average carcass was close to unchanged from the previous week which could suggest a near term bottom. Sales of 280.77 loads were light.

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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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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 : 125.16

Loads TRIM/PROCESS PORK : 19.89

| 2:00 PM | LOADS | CARCASS | LOIN | BUTT | PIC | RIB | HAM | BELLY |
|---------------------|--------|---------|-------|-------|-------|--------|-------|-------|
| 02/06/2022 | 280.77 | 81.62 | 81.80 | 96.10 | 59.88 | 116.52 | 77.33 | 99.44 |
| CHANGE: | | 2.53 | 0.56 | 2.23 | 1.81 | 2.14 | 1.74 | 8.35 |
| FIVE DAY AVERAGE -- | | 80.28 | 82.02 | 94.61 | 58.33 | 117.06 | 76.35 | 94.86 |

| 11:00 AM | LOADS | CARCASS | LOIN | BUTT | PIC | RIB | HAM | BELLY |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 02/03/2022 | 145.05 | 87.96 | 84.09 | 97.48 | 61.22 | 117.75 | 82.21 | 125.27 |
| CHANGE: | | 8.87 | 2.85 | 3.61 | 3.15 | 3.37 | 6.62 | 34.18 |
| FIVE DAY AVERAGE -- | | 81.55 | 82.48 | 94.88 | 58.60 | 117.31 | 77.32 | 100.02 |

| 2:00 PM | LOADS | CARCASS | LOIN | BUTT | PIC | RIB | HAM | BELLY |
|---------------------|--------|---------|-------|-------|-------|--------|-------|--------|
| 02/03/2022 | 295.28 | 79.09 | 81.24 | 93.87 | 58.07 | 114.38 | 75.59 | 91.09 |
| CHANGE: | | -2.41 | -1.28 | 0.34 | -1.13 | -0.70 | -0.58 | -11.08 |
| FIVE DAY AVERAGE -- | | 80.01 | 82.21 | 94.36 | 58.25 | 117.18 | 76.62 | 92.71 |

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

FEBRUARY 06, 2023

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

National Negotiated Carcass Price

Head Count: 4,933

Lowest price: 65.00

Highest price: 77.00

Weighted Average 72.34

Change from Previous Day -0.31 lower

Other Market Formula (Carcass)

Head Count: 26,817

Lowest Base Price: 58.86

Highest Base Price: 89.75

Weighted Average Price: 73.37

Swine/Pork Market Formula (Carcass)

Head Count 184,608

Lowest base price: 63.87

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Highest Base Price: 79.31
Weighted Average Price 72.09

Other Purchase Arrangement (Carcass)

HEAD COUNT: 166,448
Lowest base price: 67.85
Highest base price: 109.74
Weighted Average Price: 86.04

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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 FRIDAY, FEBRUARY 3, 2023 AND SATURDAY, FEBRUARY 4, 2023

****PRODUCER SOLD:**

HEAD COUNT 283,130
AVERAGE LIVE WEIGHT 286.21
AVERAGE CARCASS WEIGHT 214.33

PACKER SOLD:

HEAD COUNT 43,953
AVERAGE LIVE WEIGHT 297.61
AVERAGE CARCASS WEIGHT 221.70

PACKER OWNED:

HEAD COUNT 260,488
AVERAGE LIVE WEIGHT 295.65
AVERAGE CARCASS WEIGHT 222.36

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Unable to load charts Feb 7, 2023

APRIL 2023/JUNE LEAN HOG 2023 SPREAD –
FEBRUARY 2023 LEAN HOGS -
APRIL 2023 LEAN HOGS –
JUNE 2023 LEAN HOGS –
OCTOBER 2023 LEAN HOGS

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

Christopher Lehner

chris.lehner@admis.com

312 242 7942

913.787.6804

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