



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING JULY 20, 2023 LIVESTOCK REPORT

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BEEF AND PORK EXPORTS ON LAST PAGE

CATTLE

JULY 19, 2023	122,000
WEEK AGO	127,000
YEAR AGO	125,000
WEEK TO DATE	369,000
SAME PERIOD LAST WEEK	377,000
SAME PERIOD LAST YEAR (ACT)	372,000

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2:00 PM JULY 19, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	303.59	275.96
CHANGE FROM PRIOR DAY:	(1.09)	(0.65)
CHOICE/SELECT SPREAD:		27.63
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		123
5 DAY SIMPLE AVERAGE:	307.06	278.05

CME BOXED BEEF INDEX ON 07/17/2023 WAS 299.05 DOWN 16 CENTS FROM PREVIOUS DAY

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2:00 PM JULY 19, 2023

PRIMAL RIB	450.05	373.62
PRIMAL CHUCK	246.77	241.60
PRIMAL ROUND	230.76	232.34

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PRIMAL LOIN	429.09	352.85
PRIMAL BRISKET	246.27	239.69
PRIMAL SHORT PLATE	234.26	234.26
PRIMAL FLANK	228.11	192.18

2:00 PM JULY 18, 2023

PRIMAL RIB	454.73	370.49
PRIMAL CHUCK	245.93	243.25
PRIMAL ROUND	231.98	232.59
PRIMAL LOIN	429.48	352.83
PRIMAL BRISKET	245.73	239.15
PRIMAL SHORT PLATE	241.09	241.09
PRIMAL FLANK	227.65	192.39

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
07/18	77	26	6	13	123	304.68	276.61
07/17	45	26	23	12	105	306.78	275.74
07/14	65	30	20	21	136	FRIDAY 305.94	276.61 FRIDAY
07/13	83	35	0	31	149	306.91	280.18
07/12	105	34	11	15	165	310.98	281.10

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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	69.84 loads	2,793,427 pounds
Select Cuts	30.17 loads	1,206,638 pounds
Trimmings	9.07 loads	362,786 pounds
Ground Beef	14.27 loads	570,906 pounds

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USDA REPORTS FOR JULY 2023

CATTLE ON FEED REPORT FRIDAY JULY 21, 2023
 COLD STORAGE REPORT TUESDAY JULY 25, 2023

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**POLL-US JUNE CATTLE MARKETINGS SEEN DOWN 4.9% FROM LAST YEAR -ANALYSTS -
REUTERS NEWS**

	Range	Average	Million head
On feed July 1	97-98.9	97.7	11.079
Placements in June	96.2-102.7	98.4	1.603
Marketings in June	94-96	95.1	1.960

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Unless the COF holds surprises, cattle and beef prices likely will be moved on demand for beef which has been going down. August is not a good time for beef until the latter part of the month as buyers pick up buying for Labor Day. Choice Boxed Beef has fallen during July in 12 business days from \$328.73 to the present at \$303.59 off \$25.14. Select beef is down about \$17.00 and larger percentage of Select is being moved. Consumers and retailers are buying cheaper beef.

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Live Cattle trade volume has been slowing down Monday through Wednesday as traders are on the sidelines waiting for cash cattle prices and for the results of the COF report Friday.

August Live Cattle on Wednesday settled at \$181.32. The 5 day negotiated steer price is \$184.25.

New contract highs and new contract high closes were made on Wednesday on light volume.

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Record high temperatures in the Southwest are not just slowing cattle, they are retarding growth. For many cattle, they will be finished with bigger frames but unless kept on feed for several months after it cools, many will have a hard time grading low Select. Fortunately, the temperatures in the Midwest haven't been hard on cattle. Weights have been increasing over the past two weeks.

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EXPORTS

For week ending July 13, 2023 beef exports increased South Korea took 7800 MT Mexico 4100 MT and China with 2900 MT

- Week Ending July 6 , 2023 9900 MT
- Week Ending June 29 , 2023 17,000 MT
- Week Ending June 22, 2023 12,000 MT
- Week Ending June 15, 2023 13,300 MT
- Week Ending June 8, 2023 12,800 MT

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JULY 18, 2023

As of July 18, 2023 dressed steer and heifer carcasses averaged 858.2 pounds up 2.4 pound from previous week at 855.8 pounds and 4.9 pounds lower than a year ago. The grading percent as of 7/18/23 was 81.1% compared to previous week at 81.7%. A year ago the grade percent was 80.7%. https://www.ams.usda.gov/mnreports/ams_2700.pdf

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****WEEKLY FUTURES PRICE CHANGE**

	07/14/2023	07/21/2023
AUGUST 2023 LIVE CATTLE	180.17	
OCTOBER 2023 LIVE CATTLE	182.62	
DECEMBER 2023 LIVE CATTLE	185.77	
FEBRUARY 2024 LIVE CATTLE	188.50	
APRIL 2024 LIVE CATTLE	190.10	

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*****NATIONAL DAILY DIRECT CATTLE 07/19/2023
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1451	\$184.25	23,663
LIVE HEIFER:	1300	\$184.88	7,709
DRESSED STEER	944	\$291.61	11,125
DRESSED HEIFER:	839	\$291.98	2,273

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USDA POSTED SUMMARY CATTLE PRICES ON 07/19/2023

IA/MN – CASH FOB – 172.00 MIXED LOAD WEIGHING 1375 ON 140 HEAD.
DRESSED - NO REPORTABLE TRADE.
LIVE DELIVERED – 291.00 ON MIXED LOAD WEIGHING 873 POUNDS ON 78 HEAD

NE – CASH FOB – NO REPORTABLE TRADE.
DRESSED DELIVERED – NO REPORTABLE TRADE

KS – CASH – NO REPORTABLE TRADE.
LIVE DELIVERED: 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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NO CHARTS

OCTOBER 2023 LIVE CATTLE/OCTOBER 2023 LEAN HOGS – AT HISTORIC HIGHS
OCTOBER/DECEMBER 2023 LIVE CATTLE SPREAD – BEAR SPREAD BUT AT NORMAL SPREAD.
AUGUST 2023 LIVE CATTLE –
OCTOBER 2023 LIVE CATTLE –
DECEMBER 2023 LIVE CATTLE -

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FEEDER CATTLE

CME FEEDER INDEX ON 07/18/2023 WAS 238.48 UP 3 CENTS FROM PREVIOUS DAY –
AUGUST 2023 FEEDER CATTLE FUTURES SETTLED ON 07/19/2023 AT \$246.80

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 07/15/2023

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	177,600	90,300	422,700	690,600
07/01/2023:	136,200	38,500	27,000	201,700
YEAR AGO:	188,500	95,400	342,800	626,700

COMPARED TO TWO WEEKS AGO, STEERS AND HEIFERS SOLD 5.00 TO 8.00 HIGHER. MODERATE TO GOOD DEMAND REMAINS FOR ALL WEIGHTS OF STEERS AND HEIFERS AS THE CASH FED CATTLE MARKET CONTINUES TO GREATLY OUTPERFORM THE FUTURES CONTRACT, CASH FED CATTLE TOPPED AT 186.00 THIS WEEK. CATTLE FEEDERS ARE FEELING VERY BULLISH AS THIS IS THE DOG DAYS OF SUMMER WHEN THE FAT MARKET USUALLY STRUGGLES THE GREATEST, BUT PACKERS SEEMED TO STRUGGLE GETTING ENOUGH CATTLE PROCURED TO KEEP RUNNING AT FULL SPEED. SLOWING THE CHAIN SPEED DOWN TO HELP WITH MARGINS IS NOT UNCOMMON THIS TIME OF YEAR. GRASS CONDITIONS ARE GOOD IN SOME AREAS OF THE NORTHERN PLAINS TO KEEP YEARLINGS TURNED OUT; HOWEVER THE COW-CALF STATES ARE STILL RIDDLED WITH DROUGHT DESIGNATIONS OF D3 (EXTREME DROUGHT)

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WEEKLY FUTURES PRICE CHANGE

	07/14/2023	07/21/2023
AUGUST 2023 FEEDER CATTLE	246.65	
SEPTEMBER 2023 FEEDER CATTLE	249.22	
OCTOBER 2023 FEEDER CATTLE	250.47	
NOVEMBER 2023 FEEDER CATTLE	250.40	
JANUARY 2024 FEEDER CATTLE	248.47	

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MARCH 2024 FEEDER CATTLE	248.77
APRIL 2024 FEEDER CATTLE	251.37
MAY 2024 FEEDER CATTLE	253.50

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NO CHARTS

OCTOBER 2023 FEEDER CATTLE/NOVEMBER 2023 FEEDER CATTLE SPREAD –
 AUGUST 2023 FEEDER CATTLE –
 SEPTEMBER 2023 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 19, 2023	468,000
WEEK AGO	452,000
YEAR AGO	461,000
WEEK TO DATE	1,377,000
SAME PERIOD LAST WEEK	1,382,000
SAME PERIOD LAST YEAR (ACT)	1,373,000

****Revised Tuesday Hog Slaughter.. 460,000** Previous Estimate 472,000****

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CME LEAN HOG INDEX ON 07/17/2023 WAS 102.53 UP 93 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/18/2023 AT 112.48 UP 16 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$9.95 TO THE CME PORK INDEX.

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WEEKLY FUTURES PRICE CHANGE

	0714/2023	07/21/2023
JULY 2023 LEAN HOGS	101.97	
AUGUST 2023 LEAN HOGS	96.20	
OCTOBER 2023 LEAN HOGS	83.60	
DECEMBER 2023 LEAN HOGS	76.35	
FEBRUARY 2023 LEAN HOGS	80.22	

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APRIL 2023 LEAN HOGS

84.75

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CME Lean Hog prices going up slower than the CME Pork Index is positive for the packer. If needed, packers will pay more for hogs. The difference needs to be monitored.

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Hogs and Pork have been higher in big part due to high beef prices and because pork was dirt cheap especially hams and loins. However, prices have changed since June 1st and pork has moved higher with increasing loin and hams prices. The big question, how much more can pork prices go up if beef prices move down?

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Lean Hog futures have been trading in a choppy sideways pattern since the July 4th break. However, spreaders have been buying August and selling October, bull spreading. At the same time, spreaders have been selling December 2023 and buying February 2024. Volume is much heavier on August and October. One good reason traders are bullish August has to do with weights. Packers are digging deep to find available hogs.

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July Lean Hogs went off the board at \$102.35.

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EXPORTS

For week ending July 13, 2023 pork exports were down at 19,200 MT. China was largest buyer with 5300 MT followed by Mexico at 5000 MT and Japan taking 4100MT South Korea took only 900 MT the same as Canada. Last two weeks Mexico has bought less than it had been taking and the US is losing good buyers from Japan, South Korea and Canada.

WEEK ENDING JULY 06, 2023 NET EXPORT SALES WERE 24,500 MT

WEEK ENDING JUNE 29, 2023 NET EXPORT SALES WERE 26,000 MT

WEEK ENDING JUNE 22, 2023 NET EXPORT SALES WERE 26,700 MT

WEEK ENDING JUNE 15, 2023 NET EXPORT SALES WERE 28,700 MT

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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 : 266.61

Loads TRIM/PROCESS PORK : 21.81

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2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/19/2023	288.41	112.61	102.21	110.97	85.37	119.05	102.11	192.63
CHANGE:		-0.07	2.58	-4.13	-0.96	-12.01	-4.61	9.94
FIVE DAY AVERAGE --		112.89	101.21	118.98	86.20	130.09	104.27	183.08

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DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE
JULY 19, 2023

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

National Negotiated Carcass Price

Head Count: 15,292
Lowest price: 94.00
Highest price: 107.50
Weighted Average 104.48
Change from Previous Day 0.23 higher

Other Market Formula (Carcass)

Head Count: 23,220
Lowest Base Price: 76.65
Highest Base Price: 109.84
Weighted Average Price: 94.72

Swine/Pork Market Formula (Carcass)

Head Count 133,940
Lowest base price: 87.89
Highest Base Price: 108.96
Weighted Average Price 101.98

Other Purchase Arrangement (Carcass)

HEAD COUNT: 59,466
Lowest base price: 87.31
Highest base price: 111.86
Weighted Average Price: 101.53

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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 - JULY 18, 2023

****PRODUCER SOLD:**

HEAD COUNT 228,223
AVERAGE LIVE WEIGHT 276.04
AVERAGE CARCASS WEIGHT 206.64

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PACKER SOLD:
HEAD COUNT 34,374
AVERAGE LIVE WEIGHT 282.83
AVERAGE CARCASS WEIGHT 210.47

PACKER OWNED:
HEAD COUNT 170,390
AVERAGE LIVE WEIGHT 277.39
AVERAGE CARCASS WEIGHT 210.07

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NO CHARTS

OCTOBER /DECEMBER LEAN HOG SPREAD –
DECEMBER/FEBRUARY LEAN HOG SPREAD –
AUGUST 2023 LEAN HOGS –
OCTOBER 2023 LEAN HOGS –
DECEMBER 2023 LEAN HOGS –

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BEEF: NET SALES OF 20,900 MT FOR 2023 WERE UP NOTICEABLY FROM THE PREVIOUS WEEK AND UP 60 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR SOUTH KOREA (7,800 MT, INCLUDING DECREASES OF 600 MT), MEXICO (4,100 MT, INCLUDING DECREASES OF 100 MT), CHINA (2,900 MT, INCLUDING DECREASES OF 200 MT), JAPAN (1,900 MT, INCLUDING DECREASES OF 500 MT), AND CANADA (1,800 MT, INCLUDING DECREASES OF 100 MT). EXPORTS OF 16,200 MT WERE UP 16 PERCENT FROM THE PREVIOUS WEEK AND 1 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO JAPAN (4,200 MT), SOUTH KOREA (3,600 MT), CHINA (3,000 MT), MEXICO (1,500 MT), AND TAIWAN (1,300 MT).

PORK: NET SALES OF 19,200 MT FOR 2023 WERE DOWN 22 PERCENT FROM THE PREVIOUS WEEK AND 28 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR CHINA (5,300 MT, INCLUDING DECREASES OF 100 MT), MEXICO (5,000 MT, INCLUDING DECREASES OF 400 MT), JAPAN (4,100 MT, INCLUDING DECREASES OF 200 MT), SOUTH KOREA (900 MT, INCLUDING DECREASES OF 200 MT), AND CANADA (900 MT, INCLUDING DECREASES OF 400 MT). EXPORTS OF 25,300 MT WERE UP 31 PERCENT FROM THE PREVIOUS WEEK, BUT DOWN 12 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (8,000 MT), CHINA (4,400 MT), JAPAN (4,300 MT), CANADA (1,900 MT), AND COLOMBIA (1,700 MT).

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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