



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING AUGUST 4, 2021 LIVESTOCK REPORT

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CATTLE

AUGUST 3, 2021	122,000
WEEK AGO	119,000
YEAR AGO	116,000
WEEK TO DATE (EST)	238,000
SAME PERIOD LAST WEEK (EST)	238,000
SAME PERIOD LAST YEAR (ACT)	228,000

****REVISED MONDAY CATTLE SLAUGHTER..116,000** PREVIOUS ESTIMATE 119,000 (MOVED CATTLE FROM MONDAY INTO TUESDAY WITH CATTLE FROM NEBRASKA)**

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	CHOICE	SELECT
BOXED BEEF FINAL	285.84	267.49
CHANGE FROM PRIOR DAY:	4.84	4.11
CHOICE/SELECT SPREAD:		18.35
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		130
5 DAY SIMPLE AVERAGE:	275.51	257.89

CME BOXED BEEF INDEX FOR 08/02/2021 WAS AT 269.23 UP 2.02 FROM PREVIOUS DAY

FINAL AUGUST 3, 2021

PRIMAL RIB	462.43	373.52
PRIMAL CHUCK	239.69	236.10
PRIMAL ROUND	232.94	231.89
PRIMAL LOIN	361.29	328.92

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PRIMAL BRISKET	236.58	235.74
PRIMAL SHORT PLATE	237.94	237.94
PRIMAL FLANK	140.90	141.05

FINAL AUGUST 2, 2021

PRIMAL RIB	451.90	381.28
PRIMAL CHUCK	234.57	230.55
PRIMAL ROUND	228.47	225.38
PRIMAL LOIN	356.75	324.23
PRIMAL BRISKET	231.38	215.77
PRIMAL SHORT PLATE	239.06	239.06
PRIMAL FLANK	141.33	141.43

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
08/02	55	27	25	21	127	281.00	263.38
07/30	61	25	22	9	117	278.46	259.19
07/29	42	32	19	19	112	275.22	256.82
07/28	77	30	15	15	136	273.16	256.12
07/27	87	39	16	15	157	269.73	253.94

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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	66.79 loads	2,671,639 pounds
Select Cuts	23.80 loads	951,935 pounds
Trimming	19.07 loads	762,704 pounds
Ground Beef	20.05 loads	801,981 pounds

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AUGUST 2021 LIVESTOCK REPORTS

FRIDAY AUGUST 20, 2021 CATTLE ON FEED REPORT 2:00PM CENTRAL TIME

MONDAY AUGUST 23, 2021 COLD STORAGE REPORT 2:00PM CENTRAL TIME

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With premiums built into Live Cattle futures, it is going to be tough to rally Live Cattle from October 2021 on out unless speculators start buying, packers know there is a gap of available cattle in the feedlots or there is a new beef order that has to be filled with showlist cattle.

The last time Choice Boxed beef was at \$285, was on July 6th. On July 6th August Live Cattle settled at \$122.40 not far from where they settled Tuesday, August 3rd at \$123.25. The first week of July, the price of cash cattle sold from \$119.00/\$121.00 in the Southwest to \$122.00 up to \$126.50 with a few topping \$127.00 in the Midwest.

Boxed Beef was higher Tuesday with early sales of Choice up \$4.84 but beef sales only moved 67 loads of Choice beef. 67 loads out of a kill of 122,000 head killed is small amount. Daily prices are moving higher because packers are filling contracted orders first and buyers on the daily market pay whatever is asked, the retailer willing to pay almost \$11 more for rib sections or \$5 plus more for chuck sections buys the available beef. Packers make big money on daily sales and consumers are stuck with the markups at the store. The big winner is the contractor of beef that has cheap beef and can mark it up to current costs but can keep price cheaper than the day to day buyer. Look for the small retailers to sell out over the next year.

On the positive side, futures volume did increase Tuesday with a higher futures market. The move on Tuesday took futures to the upper side of the charts that they need to bust through to prove strength in the market. Spreads slightly narrowed bear spreads.

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As of JULY 27, 2021 dressed steer and heifer weights were 865.8 compared to previous week at 859.2 up 6.6 pounds for the week . Grading percent was 80.5% up .3% compared to previous week at 80.2%.

Cattle weight up 6.6 pounds showing packers being selective on what they are wanting to kill. Cash trade has shown packers pay a premium price for heavier finished cattle. However, grading percent barely changed and shows there are still a lot of cattle that barely finish Choice.

USDA POSTED SUMMARY CATTLE PRICES ON 08/03/2021

IA/MN – CASH – 123.00 - 125.00 average weight 1,350 pounds - 1,550 pounds on 2718 head
DRESSED - 197.00 on 36 head

NE – CASH 123.00 - 125.00 on 1,275 head weighing 1,450 - 1,550 pounds
DRESSED – 197.00 on 160 head delivered

KS – CASH - No Reportable Trade.
DRESSED – No Reportable Trade.

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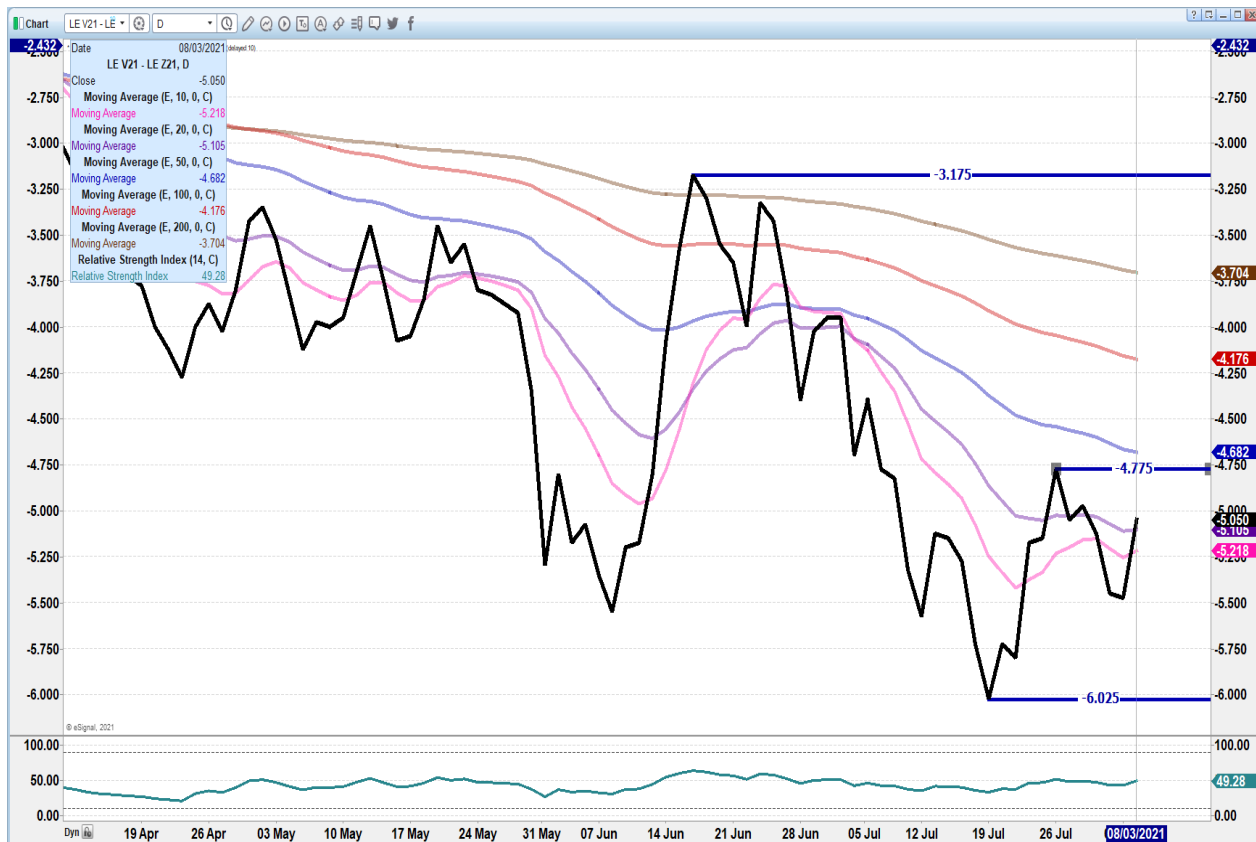
TX/OK/NM – 120.00 on 255 head of heifers weighing 1180 65% to 80% Choice.
 DRESSED No Reportable Trade.

CO – ****Not reported due to confidentiality****
 DRESSED ****Not reported due to confidentiality****

***National Daily Direct Cattle 08/03/21
 5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1439	\$122.17	26,421
Live Heifer:	1312	\$121.46	12,443
Dressed Steer:	931	\$197.24	19,197
Dressed Heifer:	829	\$196.60	3,410

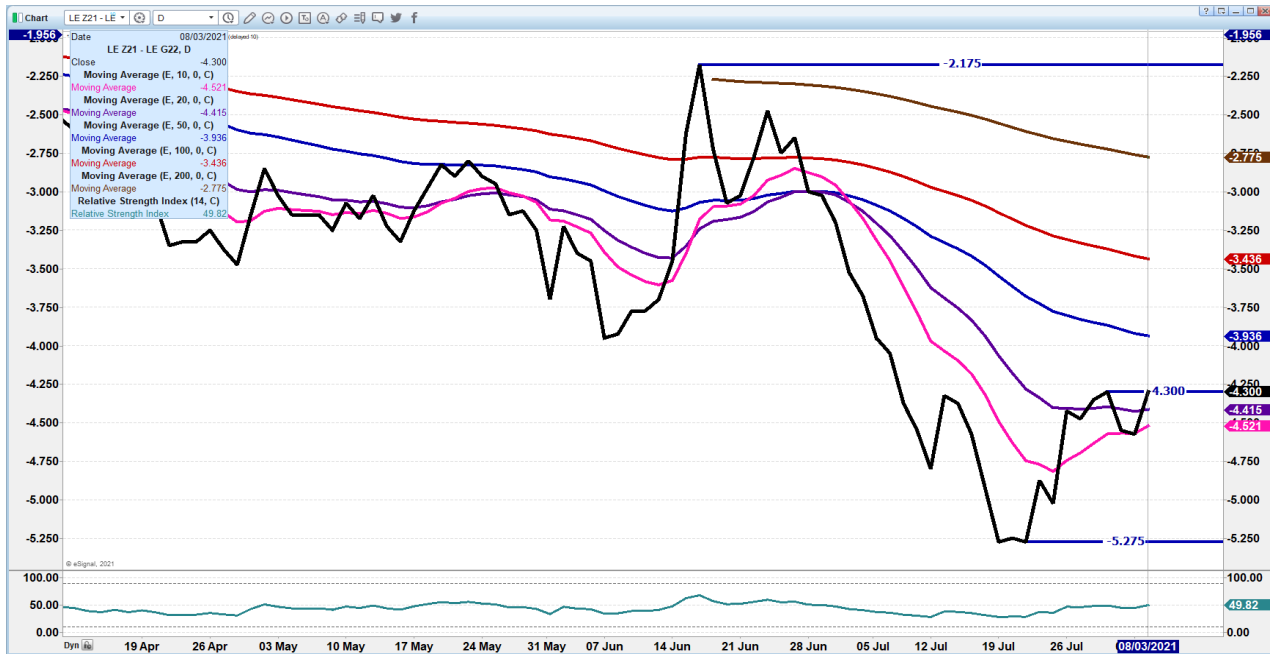
OCTOBER/DECEMBER 2021 SPREAD - SPREAD IS NARROWING. SHOULD NARROW TO MINUS 3.00 AT LEAST



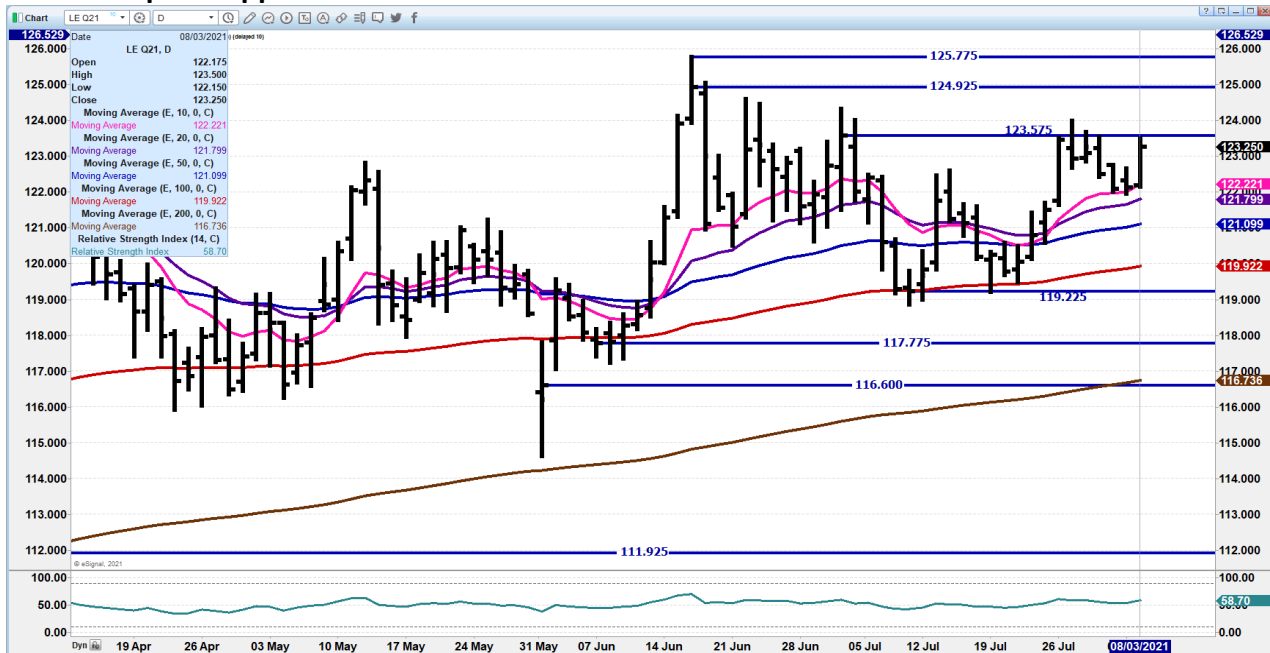
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DECEMBER/FEBRUARY LIVE CATTLE - MORE CATTLE WON'T BE SHOWING UP BY DECEMBER OR FEBRUARY.



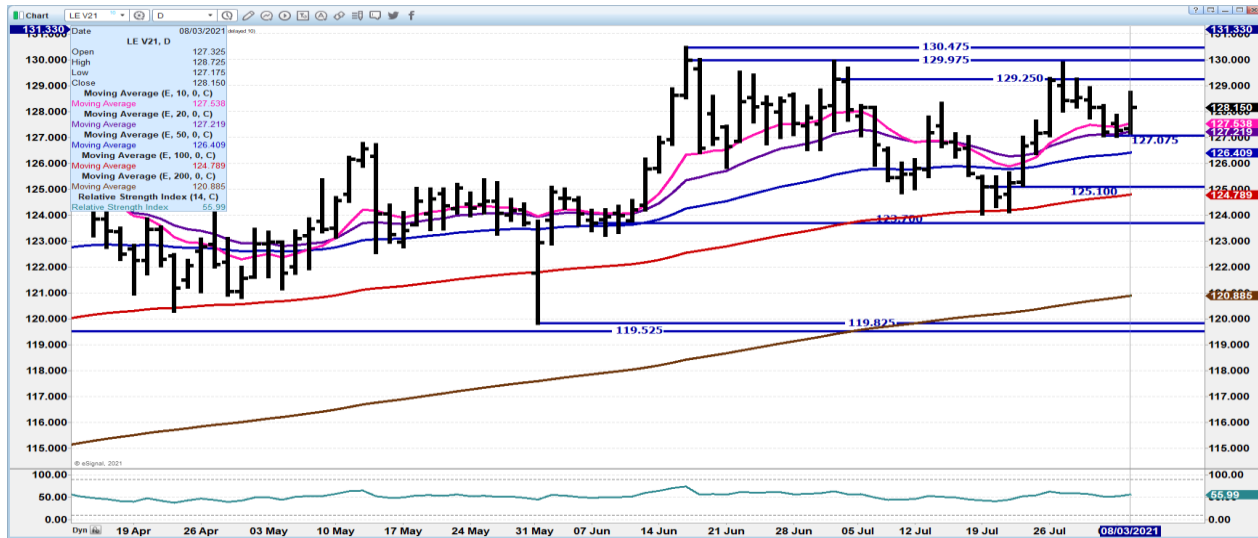
AUGUST LIVE CATTLE - Tow cash markets, one in the Southwest at 120 and one in the Midwest at \$125. A close over 123.57 puts next resistance at 124.92 to contract high Support at 122..20 puts support at 121.00



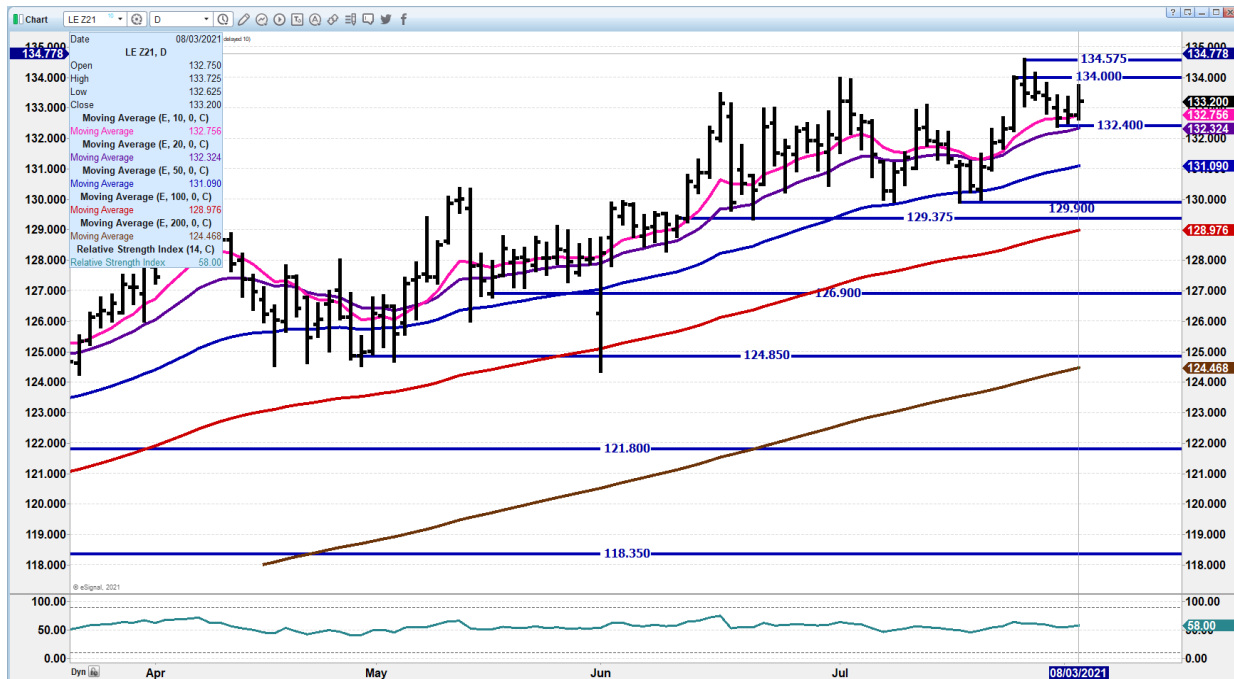
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OCTOBER 2021 LIVE CATTLE – Volume 21493 Support at 127.07 to 126.30 Resistance at 129.25



DECEMBER 2021 LIVE CATTLE – Resistance at 134.00 Support at 132.32 to 131.00 Volume at 8984



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Feeder Cattle

THE CME FEEDER INDEX ON 08/02/2021 WAS 156.15 UP 57 CENTS FROM PREVIOUS DAY -

AUGUST 2021 FEEDER CATTLE FUTURES SETTLED ON AUGUST 3, 2021 \$158.90

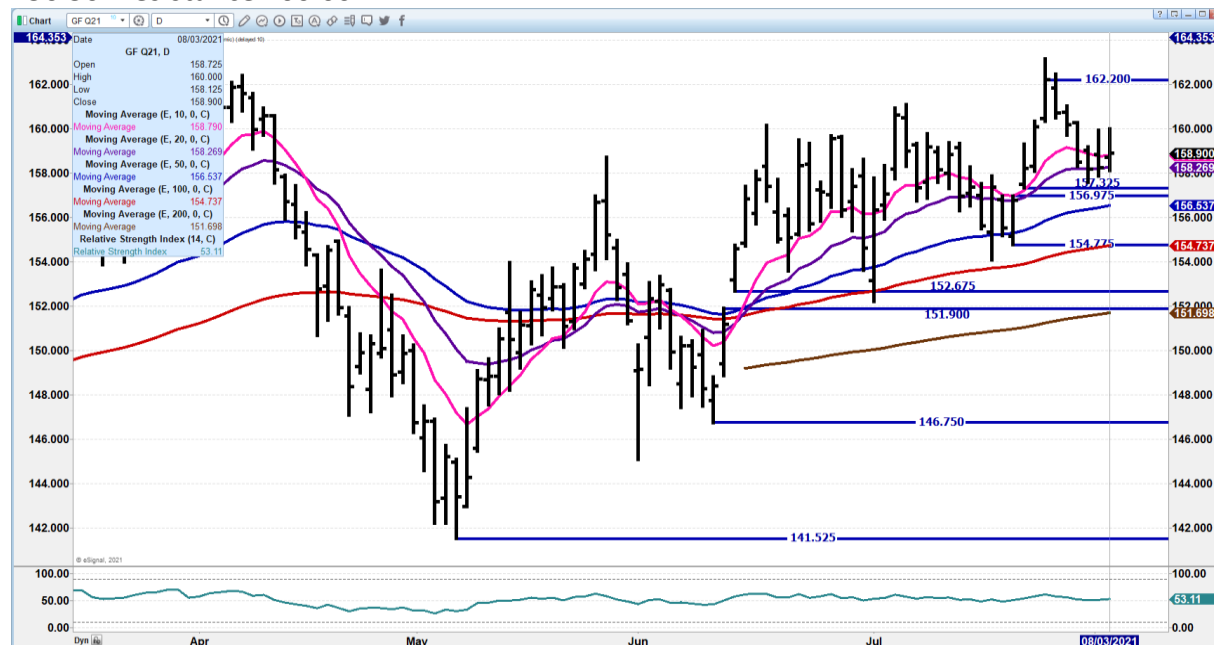
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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 07/30/2021

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	134,900	63,100	5,600	203,600
LAST WEEK:	146,500	76,800	170,800	394,100
YEAR AGO:	136,100	48,500	400	185,000

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD STEADY TO 4.00 HIGHER, WITH SOME LIGHTER WEIGHT YEARLING STEERS IN THE NORTH CENTRAL REGION BEING 6.00 TO 7.00 HIGHER. LONG STRINGS OF YEARLING STEERS IN DROUGHT-STRICKEN AREAS IN THE NORTH CENTRAL REGION WERE MET WITH VERY GOOD DEMAND FOR YEARLING STEERS AND HEIFERS OFFERED RIGHT OFF GRASS AND ARE IN A VERY LIGHT AND DESIRABLE FLESH CONDITION. ORDER BUYERS WERE IN THE SEATS AND BIDDING FIERCELY TO GET THESE GREEN CATTLE BOUGHT. DROUGHT CONDITIONS IN THE NORTH ARE STILL SEVERE ACROSS THE STATE EVEN AFTER THERE WAS RAIN LAST WEEK IN ONLY SOME AREAS THAT WERE IN DIRE NEED.

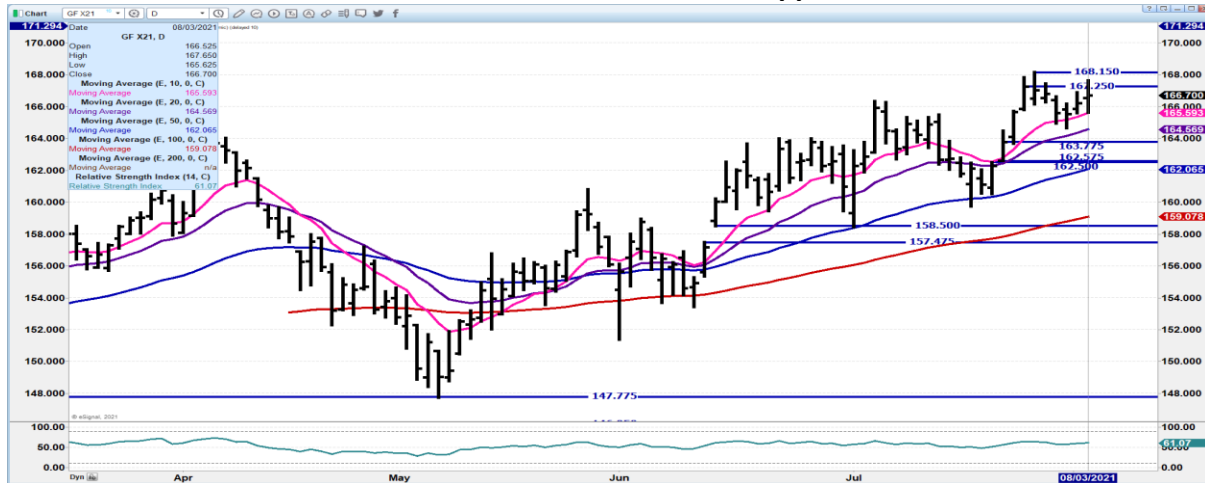
AUGUST 2021 FEEDER CATTLE – CME Feeder Index slowly catching up to futures. Support at 156.50 Resistance 160.00



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NOVEMBER 2021 FEEDER CATTLE - 168.15 Resistance Support at 165.50 to 164.60



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 3, 2021	475,000
WEEK AGO	474,000
YEAR AGO	465,000
WEEK TO DATE (EST)	883,000
SAME PERIOD LAST WEEK (EST)	937,000
SAME PERIOD LAST YEAR (ACT)	891,000

*****REVISED MONDAY HOG SLAUGHTER..408,000*** PREVIOUS ESTIMATE 414,000**

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CME CASH LEAN HOG INDEX 07/30/2020 AT 112.04 DOWN 4 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 08/02/2021 AT 124.82 UP 1.01 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 7/30/2021 WAS 283.71 COMPARED TO 7/23/2021 WAS 272.67

CME PORK INDEX TO CME LEAN HOG INDEX **plus 12.78 Pork gaining on hogs is positive for packers**

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Hogs are bull spread and there is no other way to put it, but it is bullish. Spreads are extremely wide but that is because specs can use the advantage of the strength in the pork market to push spreads wide. Hedgers aren't selling discounted markets so sell pressure is minimal.

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It is good to see pork prices gaining on hogs because it is taking packers from negative margins to positive margins. If a packer needs hogs, they aren't hesitant to pay more when they are making money.

Big move up on loins on early Tuesday sales. Loins above 120.00 are a positive indicator and comparing \$120.00 loins to \$beef rib sections at \$460 plus and beef loin sections at \$360 plus, loins are cheap . Pork carcass has been moving higher on slaughter that has been dropping and demand for pork that has been strong since last winter. .

US Dollar weakening to the Mexican Peso. The US pork market needs Mexico more than it needs China. As long as China keeps buying offal, heads, feet and tails, at current price levels, it adds from \$4.00 to \$5.00 on hogs. It doesn't sound like a big deal but they stopped buying offal and variety meats during President Trump's tariff war, pork producers found what missing \$11.00 to \$14.00 per felt.

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Spreads are going to dominate October Hogs into 2022. Spreads are wide but because of the time between now and October and the months after, specs are going to spread to points of least resistance and now it appears like they will continue to widen spreads.

USDA MARKET NEWS

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

NATIONAL DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES

AUGUST 3, 2021

LOADS OF PORK CUTS: 283.44

TRIM/PROCESSED PORK: 25.13

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/03/2021	308.57	127.67	120.17	121.72	98.20	141.79	99.01	236.08
CHANGE		-1.04	5.72	3.03	4.40	1.23	-18.74	7.76
FIVE DAY AVERAGE --		125.82	115.33	115.76	94.96	137.63	107.86	226.94

NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/03/2021	176.57	131.76	122.70	120.15	98.16	143.58	113.32	236.12
CHANGE		3.05	8.25	1.46	4.36	3.02	-4.43	7.80
FIVE DAY AVERAGE --		126.64	115.84	115.45	94.95	137.98	110.72	226.95

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
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08/02/2021	238.06	128.71	114.45	118.69	93.80	140.56	117.75	228.32
CHANGE		4.82	1.08	3.90	0.57	4.41	10.08	5.96
FIVE DAY AVERAGE --		124.99	113.96	113.70	94.30	136.40	108.90	224.23
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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 02, 2021

Average live weight: 276.76

Average carcass : 208.76

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

DAILY DIRECT AFTERNOON HOG REPORT AUGUST 3, 2021

National Negotiated Carcass Price

Lowest price: 96.00

Highest price: 104.00

Weighted Average Price: **100.40**

Head Count: 6,316

On a National basis, compared to the previous day, **0.60 lower**

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Other Market Formula (Carcass)

Lowest Base Price 71.62

Highest base price: 119.11

Weighted Average Price: **89.92**

Head Count: 72,329

Pork Market Formula (Carcass)

Lowest base price: 85.49

Highest Base Price: 125.75

Weighted Average Price: **110.65**

Head Count: 149,358

Other Purchase Arrangement (Carcass)

Lowest base price: 78.32

Highest base price: 129.40

Weighted Average Price: **108.08**

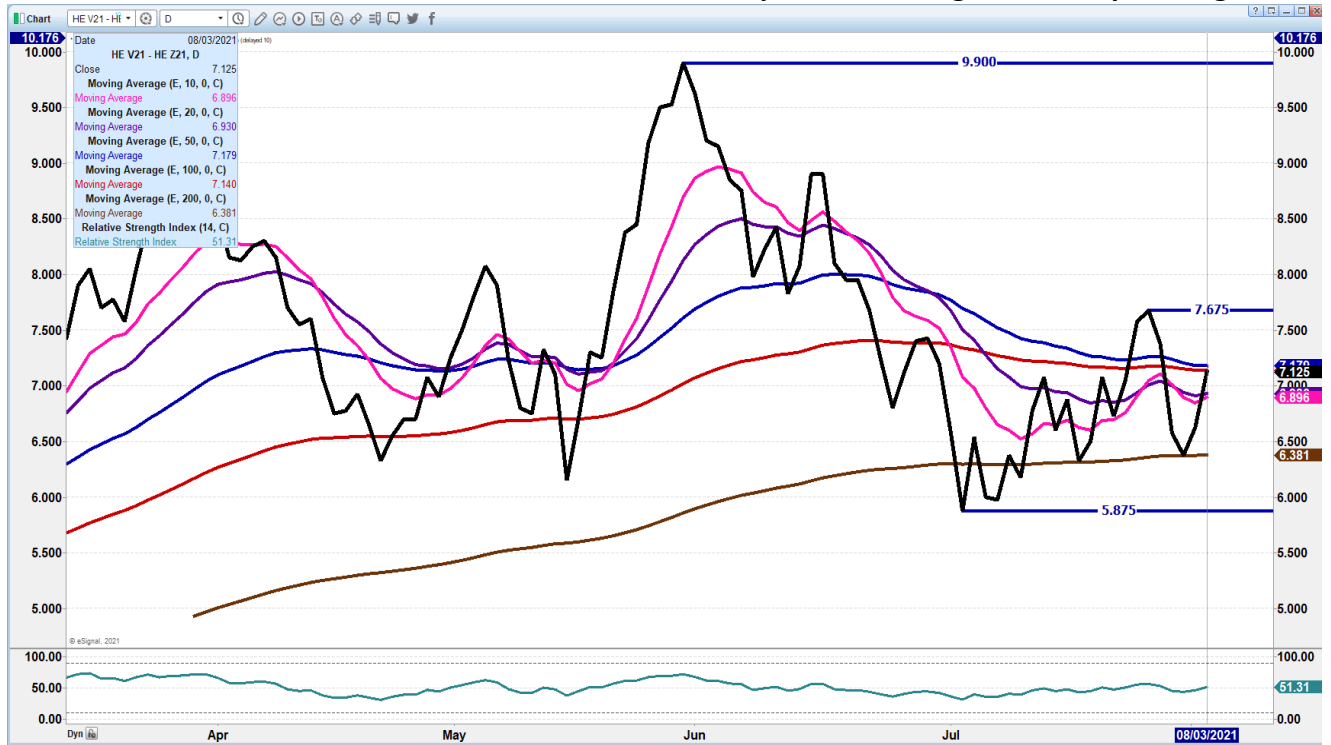
HEAD COUNT: 64,584

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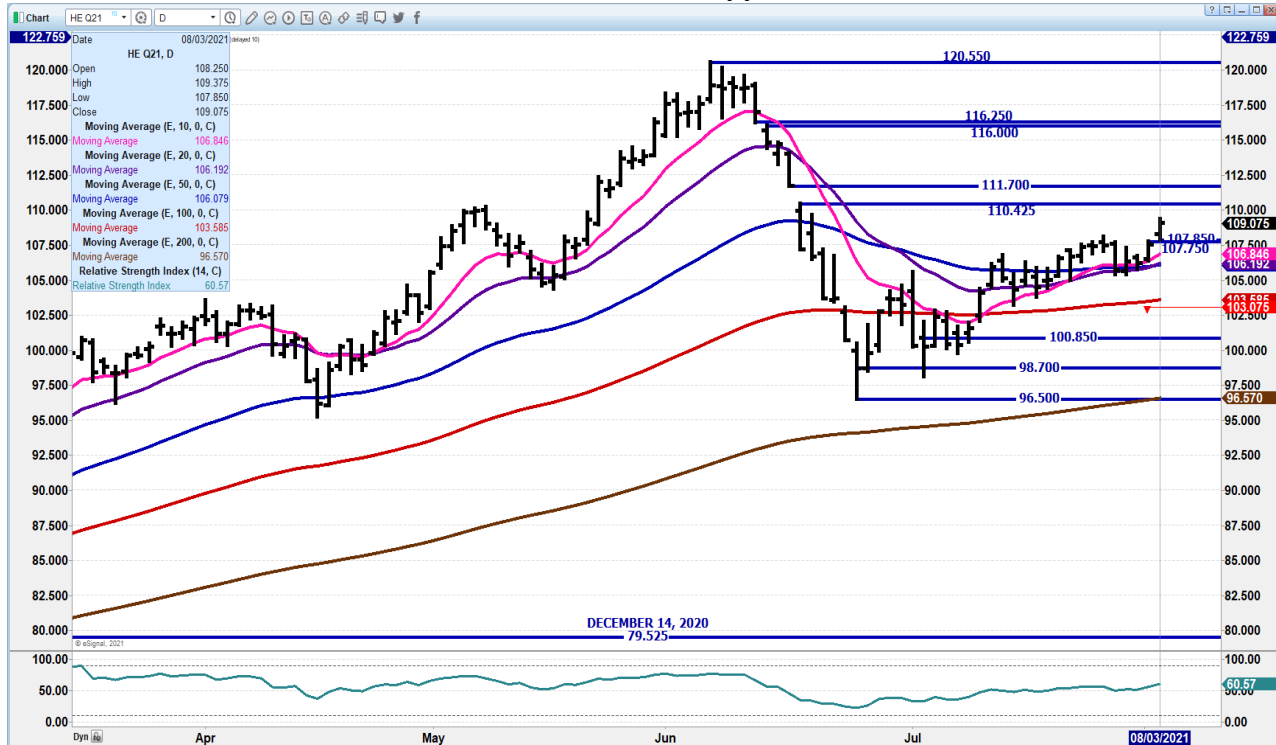
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OCTOBER 2021/DECEMBER 2021 LEAN HOG SPREAD – Spread widening with bull spreading



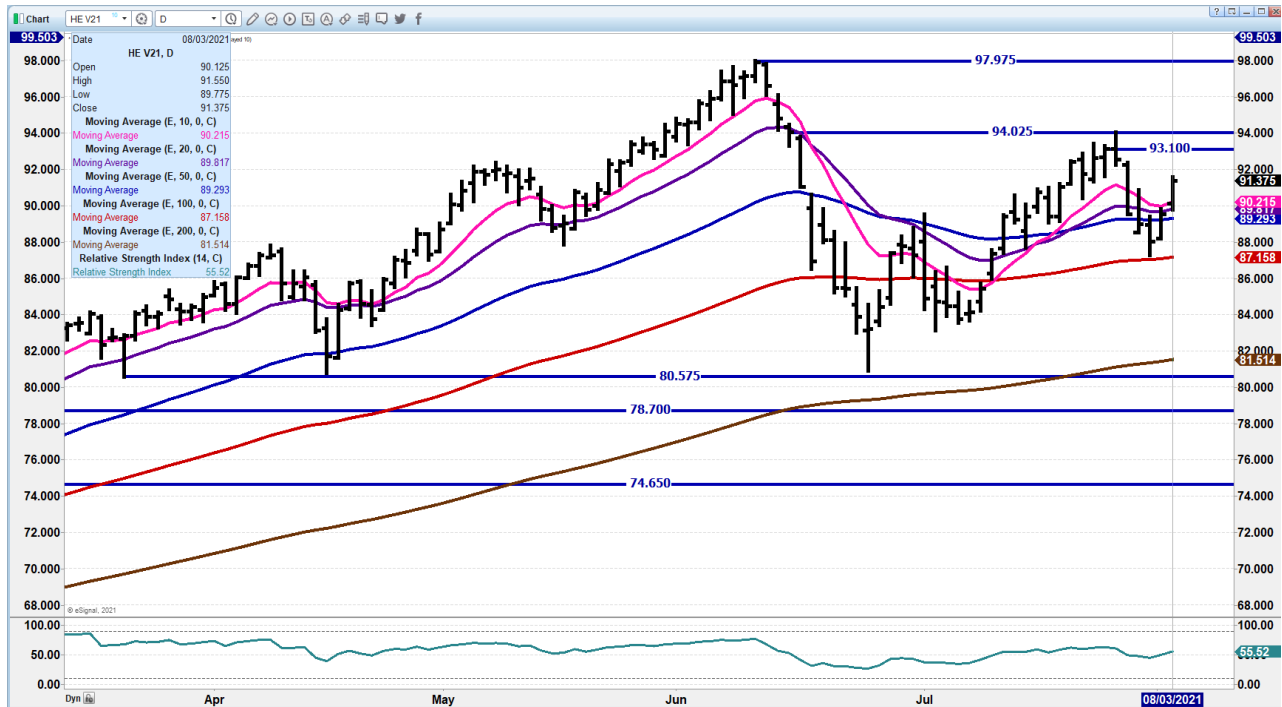
AUGUST 2021 LEAN HOGS - CME Index at 112.04 Support at 106.20



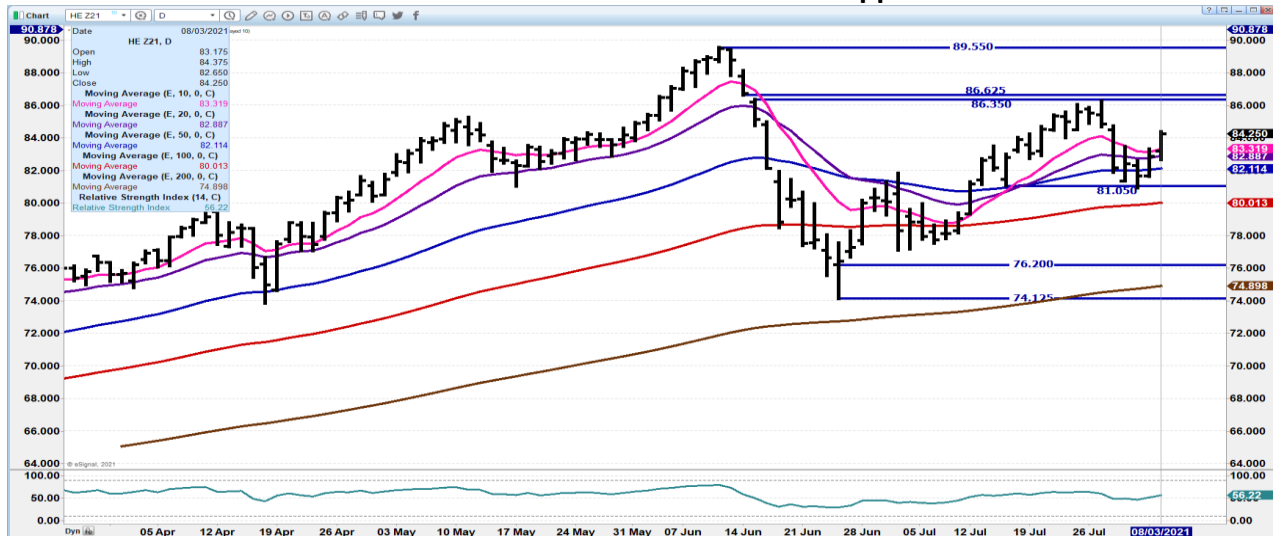
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OCTOBER 2021 LEAN HOGS - Volume moderate at 16,686 Resistance at 93.10 Support at 89.30



DECEMBER 2021 LEAN HOGS – Resistance at 85.00 to 86.62 Support at 82.00



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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