



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING JUNE 30, 2022 LIVESTOCK REPORT

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[JUNE 29, 2022 USDA HOGS AND PIGS REPORT ON BOTTOM OF THIS REPORT](#)

[BEEF AND PORK EXPORT HIGHLIGHTS BELOW HOGS AND PIGS REPORT](#)

[THURSDAY, JUNE 30, 2022 IS LAST TRADING DAY FOR JUNE CATTLE](#)

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JUNE 29, 2022	124,000
WEEK AGO	126,000
YEAR AGO	120,000
WEEK TO DATE (EST)	375,000
SAME PERIOD LAST WEEK (EST)	376,000
SAME PERIOD LAST YEAR (ACT)	360,000

BOXED BEEF 2:00PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	264.88	240.81
CHANGE FROM PRIOR DAY:	(2.26)	(2.50)
CHOICE/SELECT SPREAD:	24.07	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	118	
5 DAY SIMPLE AVERAGE:	266.41	244.90

CME BOXED BEEF INDEX ON 06/28/2021 WAS 261.08 UP 5 CENTS FROM PREVIOUS DAY

2:00PM JUNE 29, 2022

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PRIMAL RIB	381.64	317.68
PRIMAL CHUCK	217.95	212.13
PRIMAL ROUND	212.63	210.12
PRIMAL LOIN	369.43	309.63
PRIMAL BRISKET	235.99	206.08
PRIMAL SHORT PLATE	192.86	192.86
PRIMAL FLANK	162.32	153.46

2:00PM JUNE 28, 2022

PRIMAL RIB	394.62	319.30
PRIMAL CHUCK	221.79	215.55
PRIMAL ROUND	211.56	209.61
PRIMAL LOIN	368.57	310.05
PRIMAL BRISKET	231.06	222.06
PRIMAL SHORT PLATE	198.21	198.21
PRIMAL FLANK	160.20	158.10

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
06/28	93	30	19	12	154	267.14	243.31
06/27	56	24	7	12	99	268.68	245.24
06/24	46	17	11	11	85	264.98	245.02
06/23	61	18	17	9	104	264.66	244.94
06/22	99	30	17	11	157	266.57	245.99

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. **CURRENT VOLUME** - (one load equals 40,000 pounds)

Choice Cuts	61.93 loads	2,477,224 pounds
Select Cuts	38.23 loads	1,529,215 pounds
Trimming	5.72 loads	228,911 pounds
Ground Beef	12.56 loads	502,217 pounds

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CATTLE DELIVERIES

DELIVERY NOTICE SERVED - JUNE 2022 - LIVE CATTLE

DATE 06/29/22 SETTLEMENT: \$136.80

OLDEST LONG 06/16/22 \$137.75

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15 DELEVERIES 6/29/2022

FIRM #	FIRM NAME	DEL	REC
407	STRAITS FINANCIAL		10
685	R.J.O'BRIEN ASSOC	15	
905	ADM INVESTOR SERVICE		5

TULIA 15

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This week packers are buying for the short slaughter week after July 4th. There are plenty of cattle available but there is a slight problem, the weight of cattle. Packers need Midwestern cattle to grade higher and to be able to buy heavier Choice and Prime cattle. If they keep paying premiums for the fancy heavier cattle as they have over the past 4 weeks, feedlots will keep supplying them. As far as cattle in the Southwest and prices, packers are using showlist cattle as fill ins, what packers don't have available in their own private packer feedlots or cattle fed directly and have been previously contracted.

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Packers will continue to add premium prices to cattle in the Midwest. In the Southwest packers will offer a take it or leave it low ball price. Last week the differences in prices was about \$10.00 with extremes of \$13.00. Through the summer look for it to continue. Packer want and need heavier Choice/Prime cattle. In the Southwest packers have plenty of their own cattle and contract cattle and buy Southwest cattle to fill out lines.

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Beef nest export sales at 17,000 mt There were no big buyers South Korea took 5,100MT China 4,500 MT and Japan 2,000 MT

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Buyers have begun to book less beef for post 4th of July. Beef demand usually slips in July and August and will likely do it again this year with consumers concerns of inflation and high cost for most consumer purchases.

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As of June 28, 2022 dressed steer and heifer carcasses last week averaged 854.6 pounds up 2.7 pounds compared to previous week at 851.9 pounds, regaining what it lost the week before. The grading percent was 81.1% compared to previous week at 80.3%.

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

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***NATIONAL DAILY DIRECT CATTLE 06/29/22
5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1457	\$145.56	33,826
LIVE HEIFER:	1295	\$143.57	13,978
DRESSED STEER:	915	\$235.18	18,334
DRESSED HEIFER:	843	\$236.68	7,129

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USDA POSTED SUMMARY CATTLE PRICES ON 06/29/2021

**IA/MN – CASH – 147.00 - 150.00 AVERAGE PRICE 147.81
DRESSED - 230.00 - 235.00 AVERAGE PRICE 233.50**

**NE – CASH - 145.00 - 151.00 AVERAGE PRICE 147.65
DRESSED – 232.00 - 238.00 AVERAGE PRICE 234.05.**

**KS – CASH - 138.00. ALL GRADES
DRESSED– 234.00 ON 119 STEERS**

**TX/OK/NM 137.00 - 138.00 AVERAGE PRICE 137.94
DRESSED– NO REPORTABLE TRADE.**

CO – 145.00 ON 204 HEAD WEIGHING 1400 POUNDS

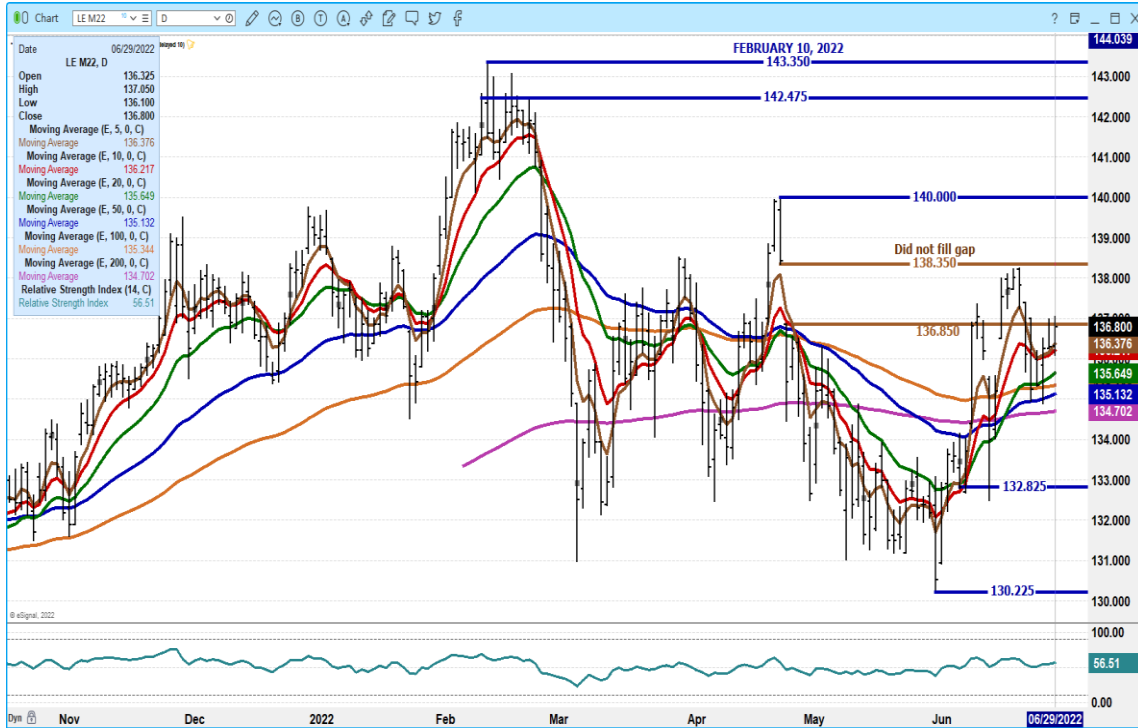
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**AUGUST/DECEMBER LIVE CATTLE SPREAD – AUGUST LIKELY TO LOSE TO DECEMBER BUT
WITH AUGUST DISCOUNT TO CURRENT PRICE, SPREAD LIKELY TO GO SIDWAYS**



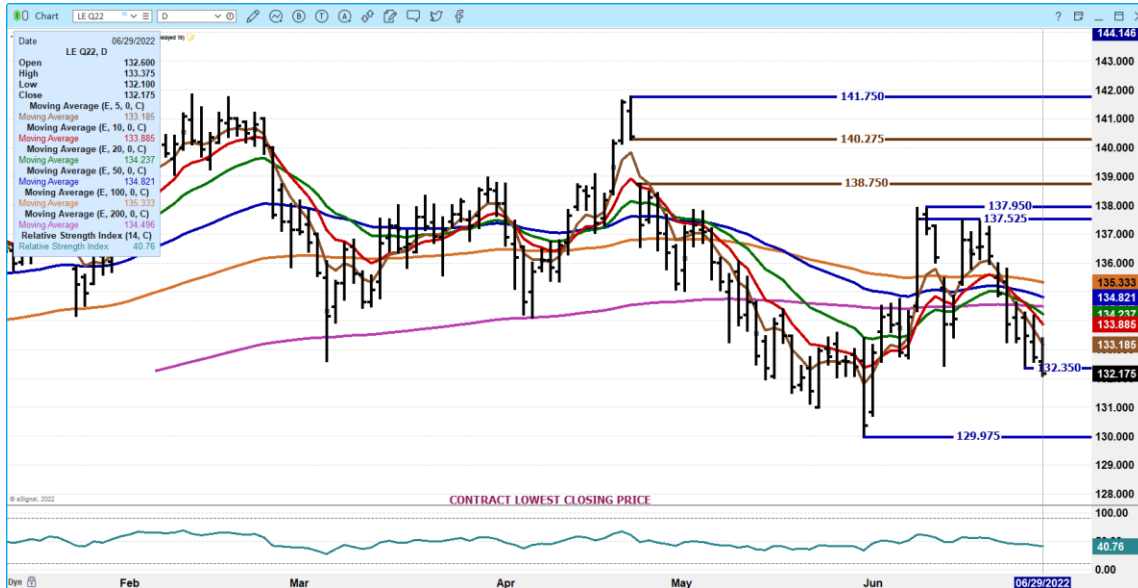
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JUNE 2022 LIVE CATTLE – VOLUME AT 299 OPEN INTEREST AT 200



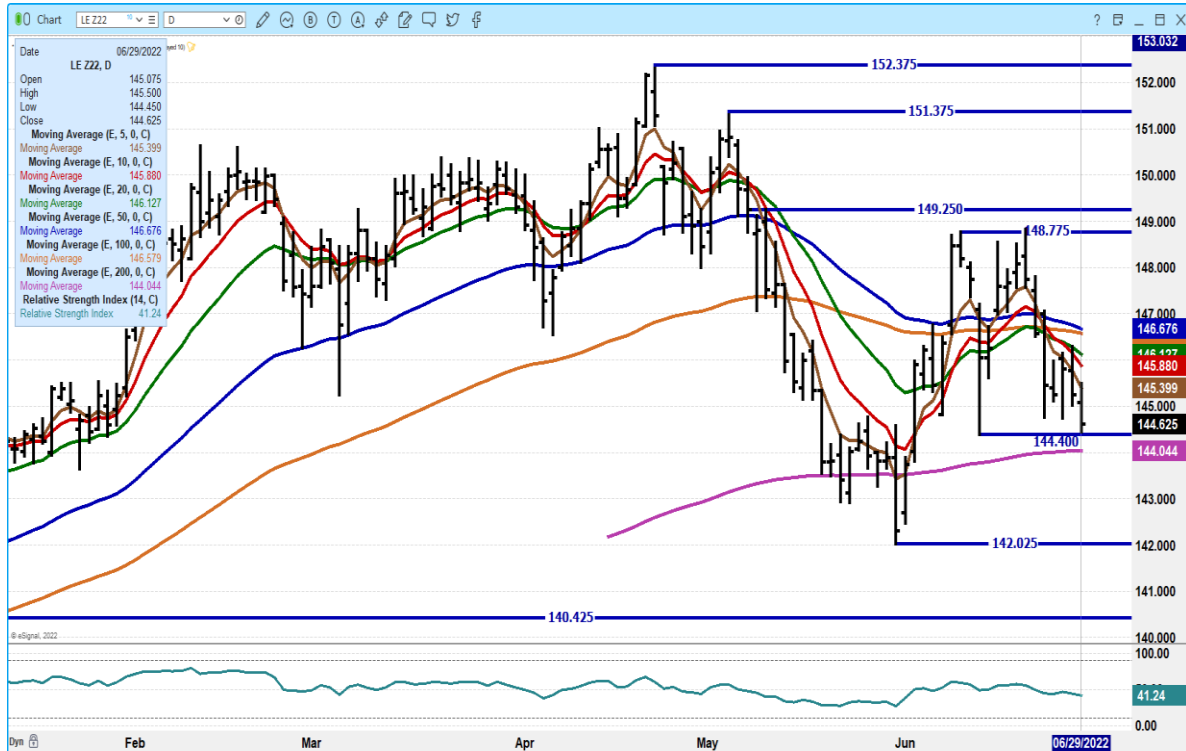
AUGUST 2022 LIVE CATTLE VOLUME AT 24,277 RESISANCE AT 133.90 TO 134.50 SUPPORT AT 129.97



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DECEMBER 2022 LIVE CATTLE – VOLUME AT 4594 SUPPORT AT 144.40 TO 144.00 DOWN TO 142.01 RESISTANCE AT 145.40 TO 145.90/146.15



Feeder Cattle

CME FEEDER INDEX ON 06/28/2022 WAS 164.08 DOWN 12 FROM PREVIOUS DAY -

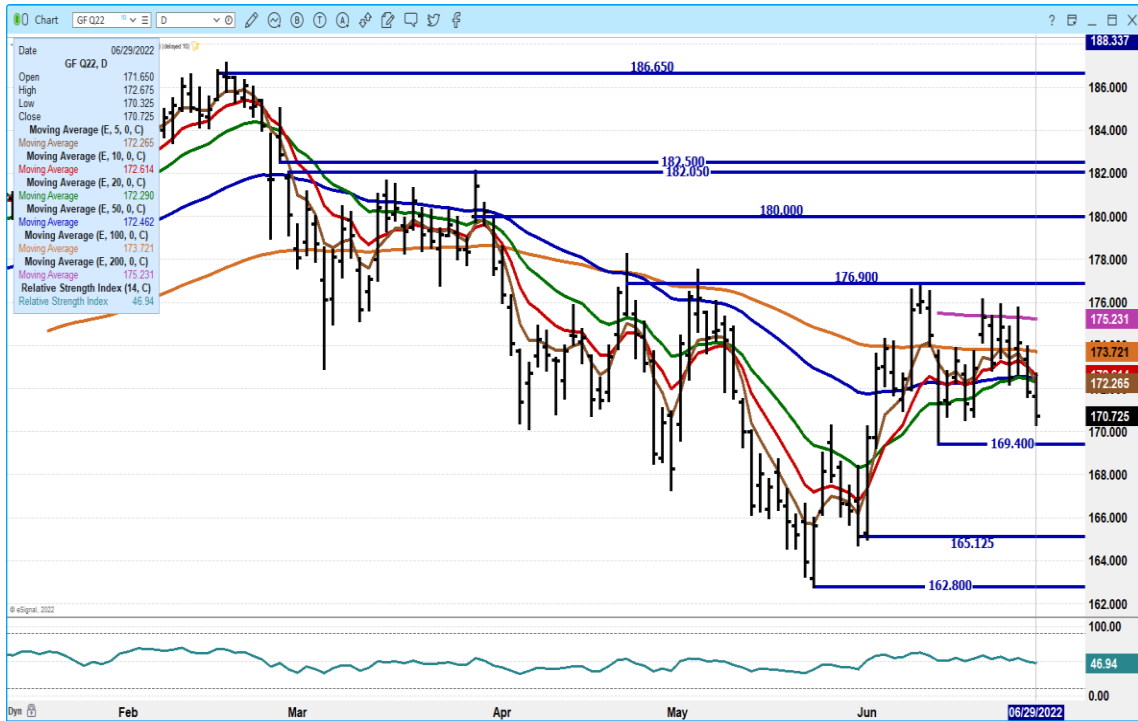
AUGUST 2022 FEEDER CATTLE SETTLED ON JUNE 29, 2022 AT \$170.72

FEEDER CATTLE ARE GOING TO STRUGGLE HIGHER. AUGUST IS ABOUT \$6.00 OVER THE CURRENT CME INDEX WITH MONTHS OUT ALREADY WITH SIZABLE PREMIUMS. . IF GRAINS CONTINUE TO DROP, IT WILL CERTAINLY HELP.

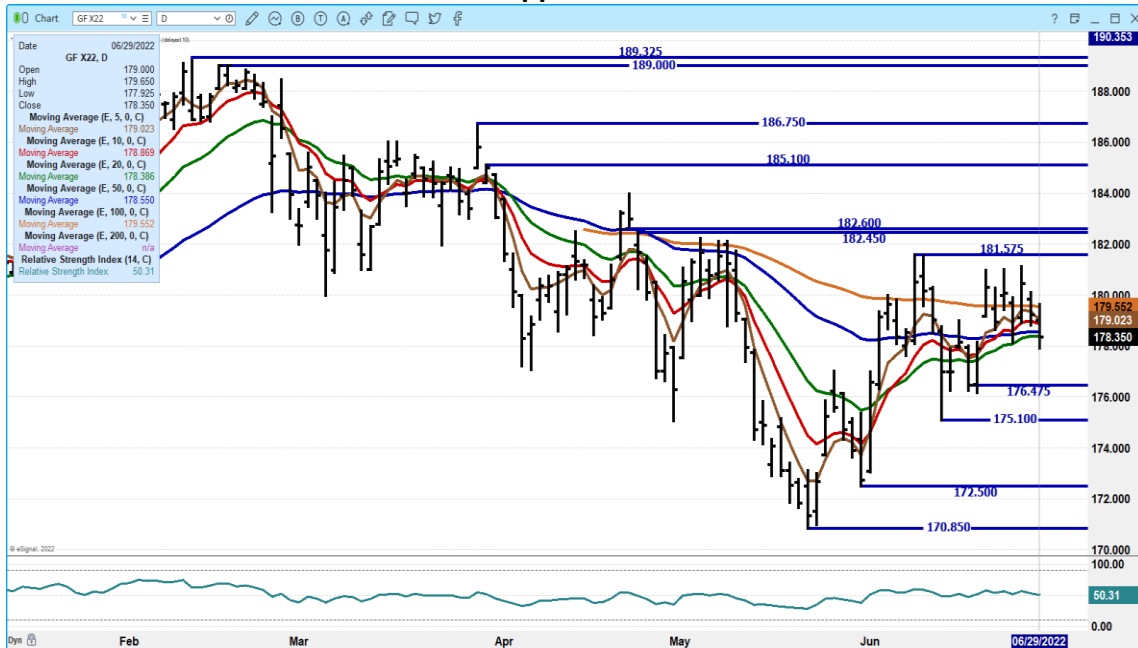
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AUGUST 2022 FEEDER CATTLE – SUPPORT AT 169.40 RESISTANCE AT 172.35 TO 173.75



NOVEMBER 2022 FEEDER CATTLE – support at 176.47 resistance at 179.55



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JUNE 29, 2022	466,000
WEEK AGO	469,000
YEAR AGO	462,000
WEEK TO DATE (EST)	1,374,000
SAME PERIOD LAST WEEK (EST)	1,386,000
SAME PERIOD LAST YEAR (ACT)	1,380,000

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CME CASH LEAN HOG INDEX 06/27/2022 AT 111.64 UP 29 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 06/28/2022 AT 109.33 DOWN 1.24 FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON JUNE 24, 2022 WAS 207.93 COMPARED TO JUNE 17, 2022 AT 205.03-

THE CME LEAN HOG INDEX IS PLUS 2.31 TO THE CME PORK INDEX -

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THE PORK CARCASS WAS UP WEDNESDAY ON EARLY SALES BUT IT IS A BIT MISLEADING. THE CARCASS AVERAGE PRICE WHEN COMBINING PRIMALS CUTS WAS UP BECAUSE BELLIES ON THE EARLY SALES WERE 33.92 HIGHER AND THEY WERE HIGHER BECAUSE THE DAY BEFORE THEY FELL CLOSE TO \$20.00, DROPPING DOWN TO 130.79 ON TUESDAY, BUT EARLY WEDNESDAY, LOINS AND HAMS WERE LOWER AND MORE DAMAGE IS DONE TO THE CUTOUT WHEN THEY LOSE PRICE.

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TUESDAY, AND AGAIN ON WEDNESDAY THE CME LEAN HOG INDEX WAS OVER THE PRICE OF THE CME PORK INDEX. THIS NEGATIVE FOR THE PACKER. PACKERS ARE PAYING MORE FOR HOGS THAN HOW THEY CAN SELL PORK. PACKERS HAVE TO DO IT BECAUSE THEY NEED HOGS TO FILL PREVIOUSLY CONTRACTED PORK ORDERS AND FOR CUSTOMERS THAT DEPEND ON THE PACKER HAVING DAILY SUPPLIES. OF COURSE DAILY BUYERS THAT DEPEND ON PORK SUPPLIES MAY NOT BE ABLE TO BUY IT WHEN THEY WANT IT.

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DON'T BE SURPRISED TO SEE WHAT PACKERS MAY DO.

POSSIBLY SHUTTING DOWN SMALL OLDER PLANTS LIKE SMITHFIELD DID TWO WEEKS AGO IN CALIFORNIA. POSSIBLY USE A FLOATING HOLIDAYS SOONER. RECENTLY PACKERS WORKED THROUGH THE FEDERAL HOLIDAY, EMANCIPATION DAY, AND IT WAS TO BE A FLOATING HOLIDAY SOME PACKERS SCHEDULED FOR AUGUST. PACKERS COULD TEMPORARILY SHUT DOWN PLANTS AND

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RENOVATE DURING THE SHUT DOWN WITH MANY PLANTS WANTING TO MODERANIZE WITH MORE ROBOTICS AS ROBATICS BECOME READILY AVAIABLE. PACKERS MIGHT EXTEND HOLIDAYS.

PACKERS HAVE CONTRACTED PORK ORDERS THEY MUST FILL. THEY COULD FILL PORK ORDERS WITH PORK FROM OTHER COUNTRIES IF CONTRACTS ALLOW IT. MANY U.S. PACKERS HAVE FACILITIES IN OTHER COUNTRIES. PORK PRICES IN THE U.S. ARE HIGH WHEN COMPARED TO BRAZIL, THE EU AND CHINA. PACKERS MAY CANCEL EXPORTS OR DELAY EXPORTS.

HOGS HAVE BEEN DROPPING IN WEIGHT. CONTRACT PORK BUYERS EXPECT PORK CUTS TO BE THE WEIGHTS THEY CONTRACTED. HOGS DROPPING MORE POUNDS ISN'T AN OPTION FOR PORK CONTRACTS.

THE HOGS AND PIGS REPORT COULD GIVE CLUES WHAT PACKERS MIGHT DO.

YEAR TO DATE AS OF JUNE 25, 2022, SLAUGHTER WAS DOWN 2,716,000 HEAD COMPARED TO A YEAR AGO.

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NET SALES OF 32,300 MT FOR 2022 WERE UP 27 PERCENT FROM THE PREVIOUS WEEK. BUYERS MEXICO AT 20,700 MT AND JAPAN WITH 3,700 MT

NET SALE EXPORTS LAST WEEK WERE 25,400 MT LAST WEEK.

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DAILY 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

JUNE 29 2022

LOADS OF PORK CUTS: 221.38

TRIM/PROCESSED PORK: 25.15

2:00PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/29/2022	246.53	108.56	99.12	155.80	73.74	174.85	94.63	147.51
CHANGE:		3.09	0.59	6.13	1.71	-8.86	-1.98	16.72
FIVE DAY AVERAGE --		109.01	99.49	151.65	71.97	180.82	97.14	149.09

11:00AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/29/2022	148.30	110.38	97.73	155.52	72.94	177.34	93.40	164.71
CHANGE:		4.91	-0.80	5.85	0.91	-6.37	-3.21	33.92
FIVE DAY AVERAGE --		109.37	99.21	151.60	71.81	181.32	96.90	152.53

2:00PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/28/2022	322.31	105.47	98.53	149.67	72.03	183.71	96.61	130.79
CHANGE:		-3.56	-1.10	-3.21	-0.35	3.32	0.67	-19.88

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FIVE DAY AVERAGE -- 109.52 99.46 150.21 71.85 182.80 97.12 152.76

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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 JUNE 28, 2022

AVERAGE LIVE WEIGHT 278.28

AVERAGE CARCASS WEIGHT 209.26

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DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE

JUNE 29, 2022

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

National Negotiated Carcass Price

Lowest price: 110.00

Highest price: 125.00

Weighted Average 121.18

Change from Previous Day 1.40 higher

Head Count: 12,187

Other Market Formula (Carcass)

Lowest Base Price: 87.78

Highest base price: 122.52

Weighted Average Price: 104.85

Head Count: 24,872

Pork Market Formula (Carcass)

Lowest base price: 82.27

Highest Base Price: 127.21

Weighted Average Price 107.06

Head Count 132,516

Other Purchase Arrangement (Carcass)

Lowest base price: 80.18

Highest base price: 117.11

Weighted Average Price: 101.90

HEAD COUNT: 66,151

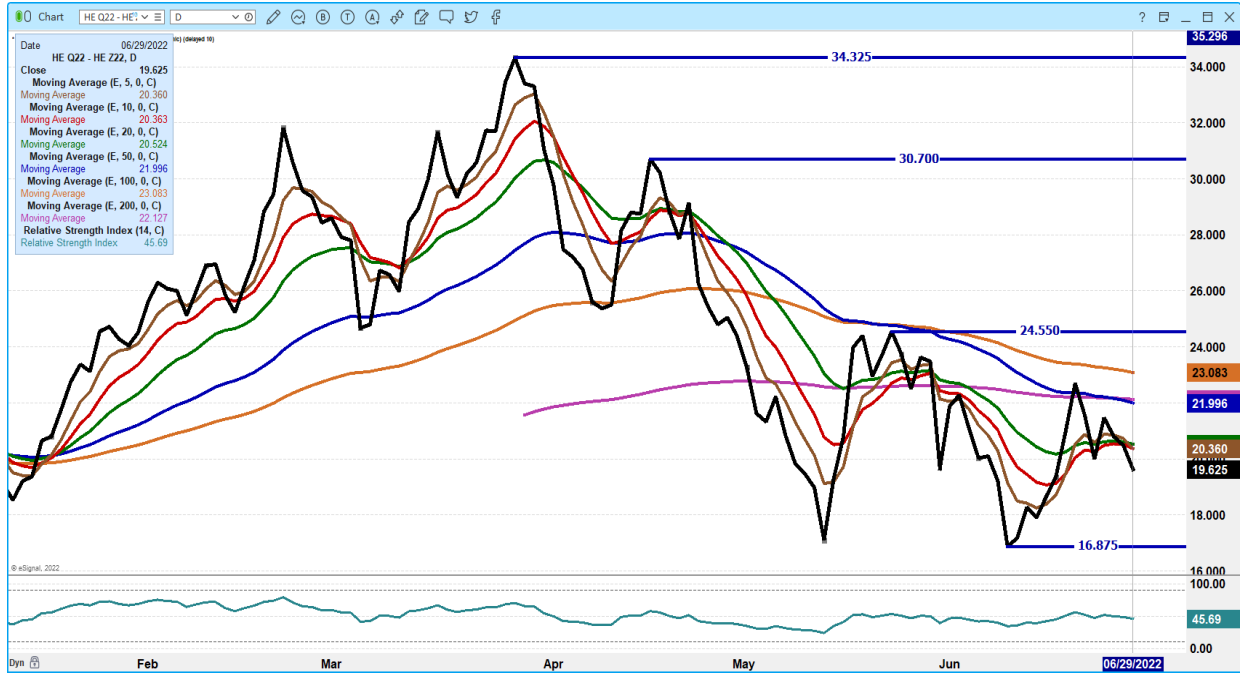
Total 235,726 hogs bought on 6/29/22

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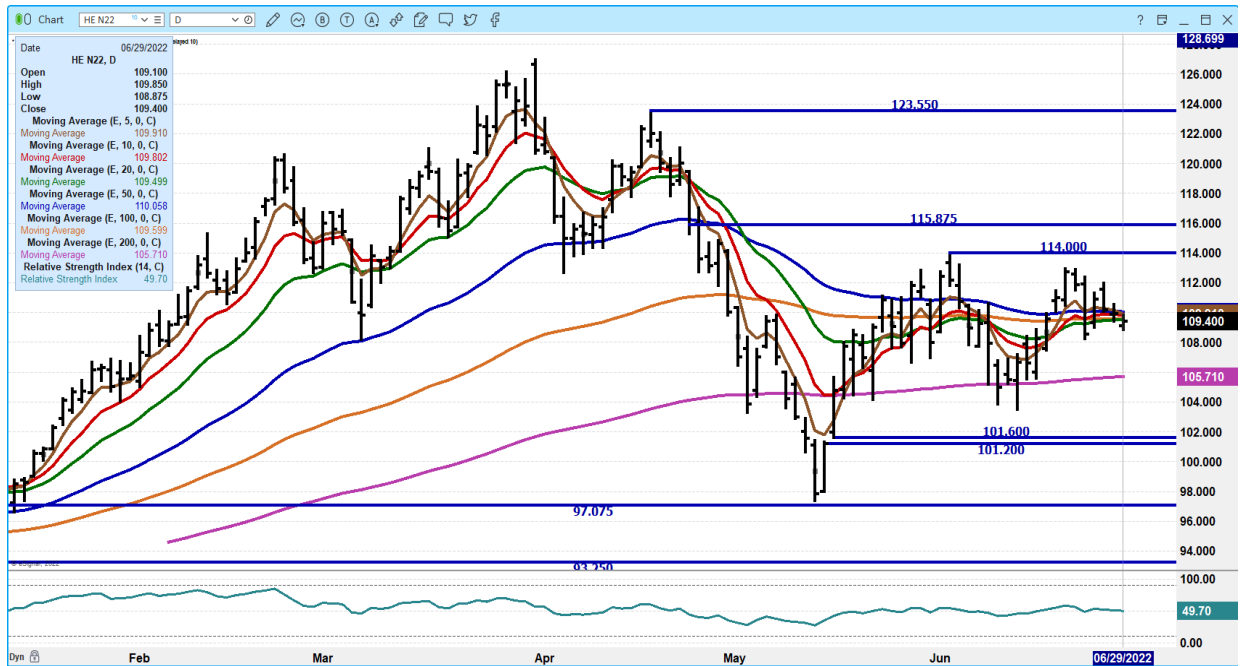
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AUGUST/DECEMBER LEAN HOG SPREAD – SHOULD SEE DECEMBER GAIN ON AUGUST



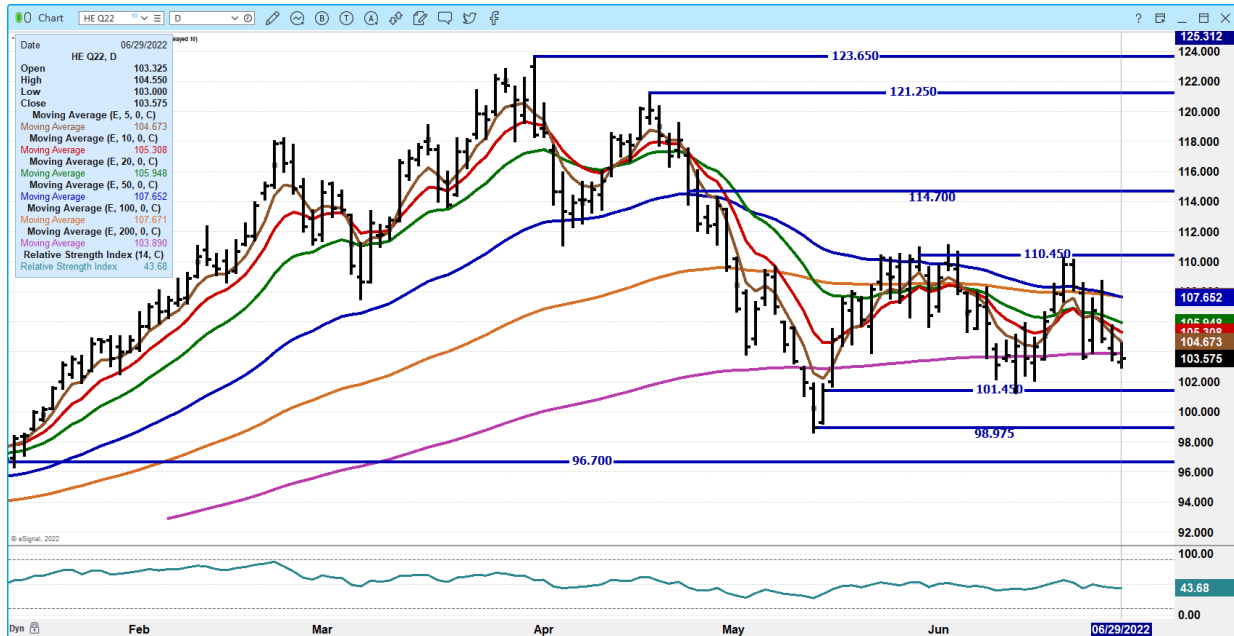
JULY 2022 LEAN HOGS – RESISTANCE AT 112.95 TO 114.00 SUPPORT AT 105.70



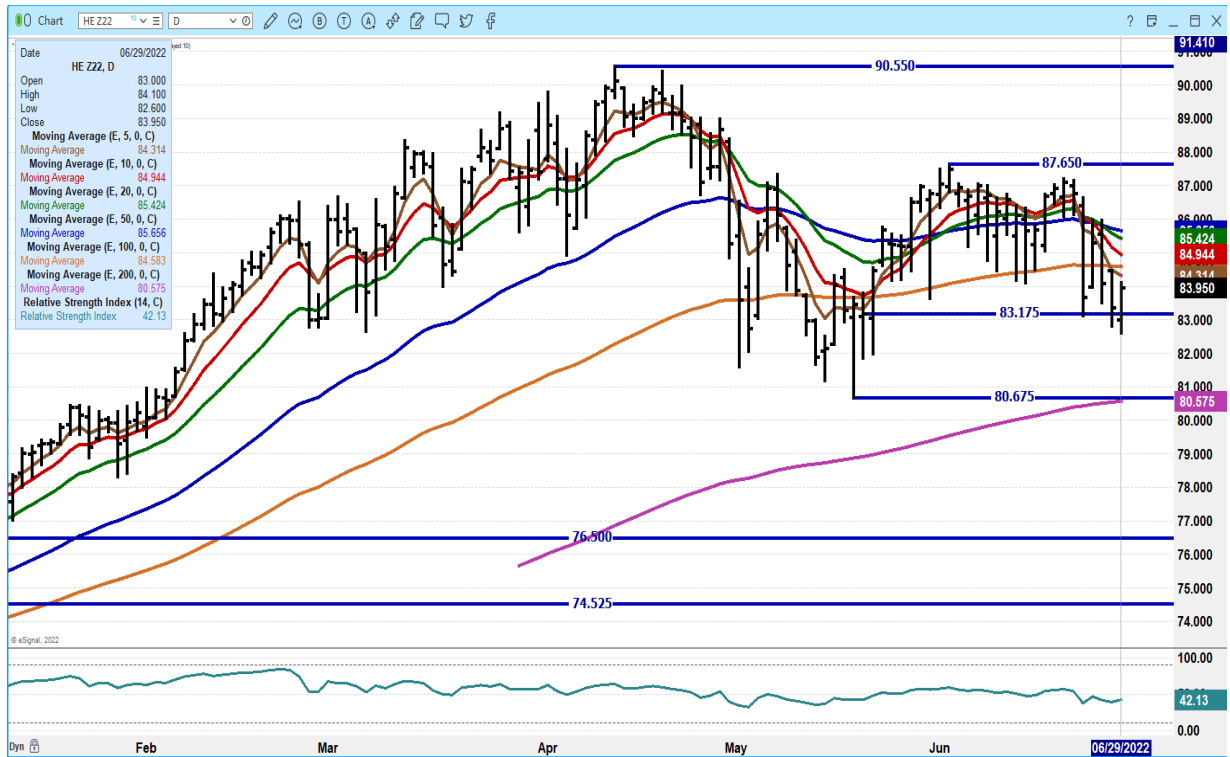
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AUGUST 2022 LEAN HOGS – SUPPORT AT 101.45 TO 98.97 RESISTANCE AT 105.30 TO 107.65



DECEMBER 2022 LEAN HOGS – RESISTANCE AT 85.00 TO 87.65 SUPPORT AT 83.17 TO 80.67



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JUNE 29 2022 USDA HOGS AND PIGS REPORT

	Ranges	Average	Actual
All hogs June 1	98.4-99.8	99.3	99
Kept for breeding	98.2-99.6	98.9	99
Kept for market	98.4-99.9	99.3	99
Pig crop			
March-May	98.4-100.4	99.1	99
Weight Groups			
Under 50 lbs	98.6-100.2	99.4	99
50-119 lbs	98.8-100.4	99.4	99
120-179 lbs	98.2-101.6	99.9	99
Over 180 lbs	97.4-99.4	98.6	99
Farrowings			
March-May	98.4-98.9	98.6	99
Farrowing intentions			
June-Aug	98.9-99.7	99.4	99
Sept-Nov	99.6-100.1	99.8	99
Pigs per litter			
March-May	100-101.9	100.6	100+
	In 2022 11.00 pigs/litter		In 2021 10.95 pigs/litter

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USDA report is close to all estimates. However, it does show there is no expansion and a few less hogs. It is friendly. Traders have been bull spreading through the end of the year 2022 and should continue to bull spread. For 2023, open interest has been extremely light and traders have been bear spreading s in 2023 for the light amount of trading taking place in 2023. July 2022 will have new fund allocation on the half year, look for spreads to reverse for months in 2023.

Initial reaction Thursday should be friendly. July through December on the open up \$3.00 to \$3.50. By the end of the day possibly limit up on August and slightly less than limit each month on out. 2023 hogs by the end of the day \$2.50 to \$3.00 higher and moving into bull spreads.

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What packers will do after the July 4th break is another story. Fewer hogs is negative for the packers. Packer profit margins are now and have been in the red. Packers will need to make big changes working with less hog inventory.

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Beef: Net sales of 17,000 MT for 2022 were up 52 percent from the previous week and 6 percent from the prior 4-week average. Increases primarily for South Korea (5,100 MT, including decreases of 1,100 MT), China (4,500 MT, including decreases 400 MT), Japan (2,000 MT, including decreases of 1,000 MT), Taiwan (1,700 MT, including decreases of 100 MT), and Indonesia (1,000 MT), were offset by reductions for Chile (100 MT). Exports of 19,800 MT were up 4 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to South Korea (5,700 MT), Japan (5,000 MT), China (3,800 MT), Taiwan (1,100 MT), and Canada (1,000 MT).

Pork: Net sales of 32,300 MT for 2022 were up 27 percent from the previous week and from the prior 4-week average. Increases were primarily for Mexico (20,700 MT, including decreases of 200 MT), Japan (3,700 MT, including decreases of 100 MT), Australia (2,700 MT), Canada (1,400 MT, including decreases of 400 MT), and South Korea (1,100 MT, including decreases of 200 MT). Total net sales reductions of 100 MT for 2023 were for Australia. Exports of 27,700 MT were down 4 percent from the previous week and 1 percent from the prior 4-week average. The destinations were primarily to Mexico (12,200 MT), China (4,300 MT), Japan (4,000 MT), South Korea (2,400 MT), and Canada (1,300 MT).

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