



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING JULY 06, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JULY 04, 2022 MONDAY	2,000
WEEK AGO	125,000
YEAR AGO	112,000
JULY 5, 2022 TUESDAY	126,000
WEEK AGO	126,000
YEAR AGO	120,000
WEEK TO DATE (EST)	128,000
SAME PERIOD LAST WEEK (EST)	251,000
SAME PERIOD LAST YEAR (ACT)	132,000

BOXED BEEF 2:00PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	264.66	239.87
CHANGE FROM PRIOR DAY:	0.84	(0.60)
CHOICE/SELECT SPREAD:		24.79
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		109
5 DAY SIMPLE AVERAGE:	265.70	242.08

CME BOXED BEEF INDEX ON 07/01/2021 WAS 258.77 DOWN .55 FROM PREVIOUS DAY

2:00PM JULY 06, 2022

PRIMAL RIB	378.87	315.01
PRIMAL CHUCK	220.51	214.23

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PRIMAL ROUND	211.86	210.88
PRIMAL LOIN	366.76	301.82
PRIMAL BRISKET	234.24	207.16
PRIMAL SHORT PLATE	194.81	194.81
PRIMAL FLANK	163.19	154.70

11:00AM JULY 05, 2022

PRIMAL RIB	378.10	312.89
PRIMAL CHUCK	221.54	218.17
PRIMAL ROUND	211.49	211.18
PRIMAL LOIN	364.14	301.19
PRIMAL BRISKET	233.57	206.35
PRIMAL SHORT PLATE	194.59	194.59
PRIMAL FLANK	162.57	155.37

2:00PM JULY 01, 2022

PRIMAL RIB	377.01	317.13
PRIMAL CHUCK	220.94	216.54
PRIMAL ROUND	211.63	210.25
PRIMAL LOIN	364.10	299.86
PRIMAL BRISKET	229.17	209.56
PRIMAL SHORT PLATE	196.71	196.71
PRIMAL FLANK	162.40	154.09

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
07/01	56	26	12	7	101	263.82	240.47
06/30	64	21	9	8	102	264.00	240.57
06/29	62	38	6	13	118	264.88	240.81
06/28	93	30	19	12	154	267.14	243.31
06/27	56	24	7	12	99	268.68	245.24

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	68.41 loads	2,736,335 pounds
Select Cuts	18.03 loads	721,156 pounds
Trimmings	9.25 loads	369,953 pounds
Ground Beef	12.86 loads	514,262 pounds

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JULY 2022 LIVESTOCK REPORTS

FRIDAY, JULY 22, 2022 USDA CATTLE ON FEED REPORT 2:00PM CST

FRIDAY, JULY 22, 2022 USDA COLD STORAGE REPORT 2:00PM CST

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After a 3 day break on cattle slaughter, Choice boxed beef prices early Tuesday were 35 cents higher and load movement was just 35 loads. It appears daily beef retailers bought close to hand and aren't short supplied to meet what consumers might want to buy this week. For the July 4th holiday beef was competing in the grocery shelves with retail price specials on pork.

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The Dog Days of Summer for beef buying begins after the July 4th break and goes through mid to late August. Also, consumers will be "price shopping" comparing price of all proteins during the summer and price will be an important decision maker.

Packers will need to be more competitive to move beef in the US and globally. With China backing off pork and beef purchases, Brazil will fight to keep pork and beef exports along with all exports flowing out of Brazil bringing currency to Brazil. President Bolsonaro has an election on October 22, 2022. Currently, polls have him in second place.

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More cattle are expected during July and August. If this is the case, look for packers to use it to their advantage. They will pay premiums for the best cattle and discount light and lower grading cattle or simply not take the cattle that won't meet the grade and weight. Normally, beef prices fall during the hottest months of the summer. This year should be no exception. Restaurants are seeing decreasing customers because of the high costs of going out.

High temperatures from the Plains down into the Southwest will affect feed performance. Packers are going to be very picky about buying light cattle. There are packers severely discounting light cattle, sorting them off and putting the cattle back on feed in their own feedlots

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Beef net export sales last week were 17,000 MT. Traders this week will be waiting to see if exports start to go back to the strong levels of early 2022.

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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 07/05/22**
5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1437	\$146.44	26,734
LIVE HEIFER:	1290	\$144.66	13,576
DRESSED STEER:	912	\$234.10	9,938
DRESSED HEIFER:	834	\$233.76	3,310

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USDA POSTED SUMMARY CATTLE PRICES ON 07/05/2021

IA/MN – CASH – NO REPORTABLE TRADE.
 DRESSED - NO REPORTABLE TRADE.

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

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

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

CO – ****CONFIDENTIAL****

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FEBRUARY/APRIL 2023 LIVE CATTLE SPREAD – SHOULD SEE REVERSAL WITH FEBRUARY GAINING ON APRIL



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AUGUST 2022 LIVE CATTLE – VOLUME 27,253 SUPPORT AT 131.70 TO 129.97 RESISTANCE AT 135.25 TO 137.52



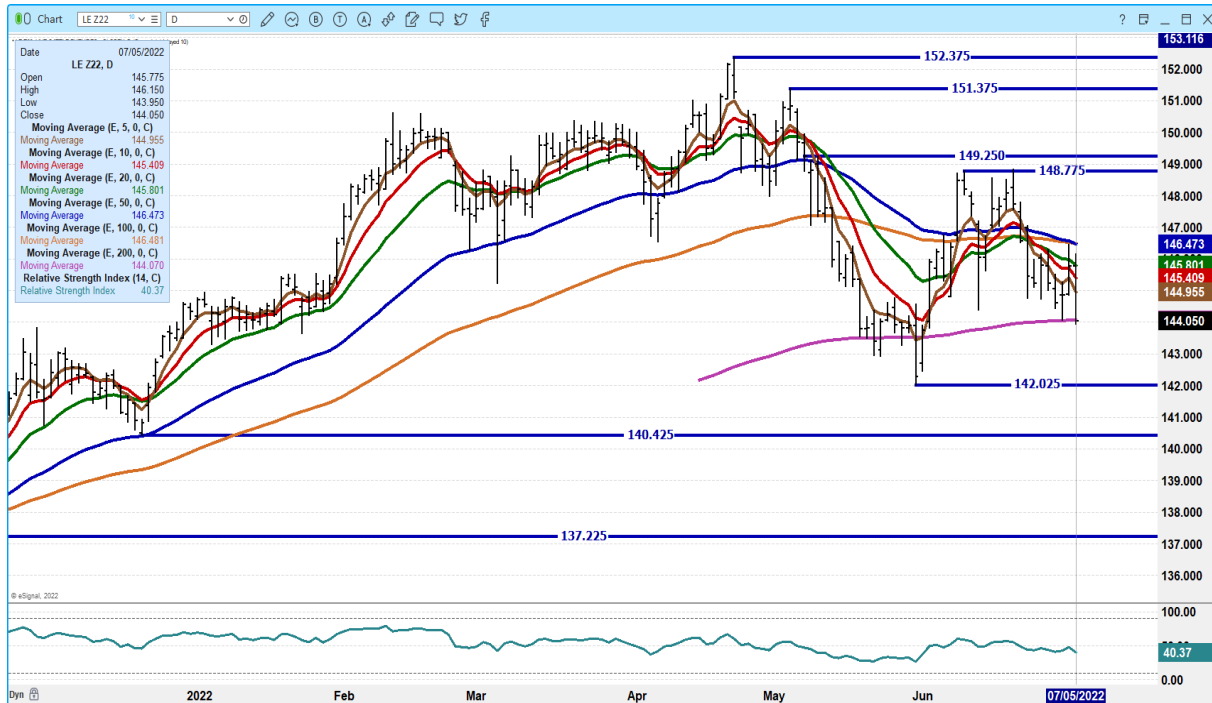
OCTOBER 2022 LIVE CATTLE - SUPPORT 138.35 TO 135.75 RESISTANCE AT 140.75 TO 141.10 FUNDS AND LARGE SPECS BEGIN TO ROLL FROM AUGUST TO OCTOBER



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DECEMBER 2022 LIVE CATTLE – OBVIOUSLY SUPPORT AT 144.00 RESISTANCE AT 146.47



Feeder Cattle

CME FEEDER INDEX ON 07/01/2022 WAS 165.34 DOWN 33 CENTS FROM PREVIOUS DAY -

AUGUST 2022 FEEDER CATTLE SETTLED ON JULY 5, 2022 AT \$172.70

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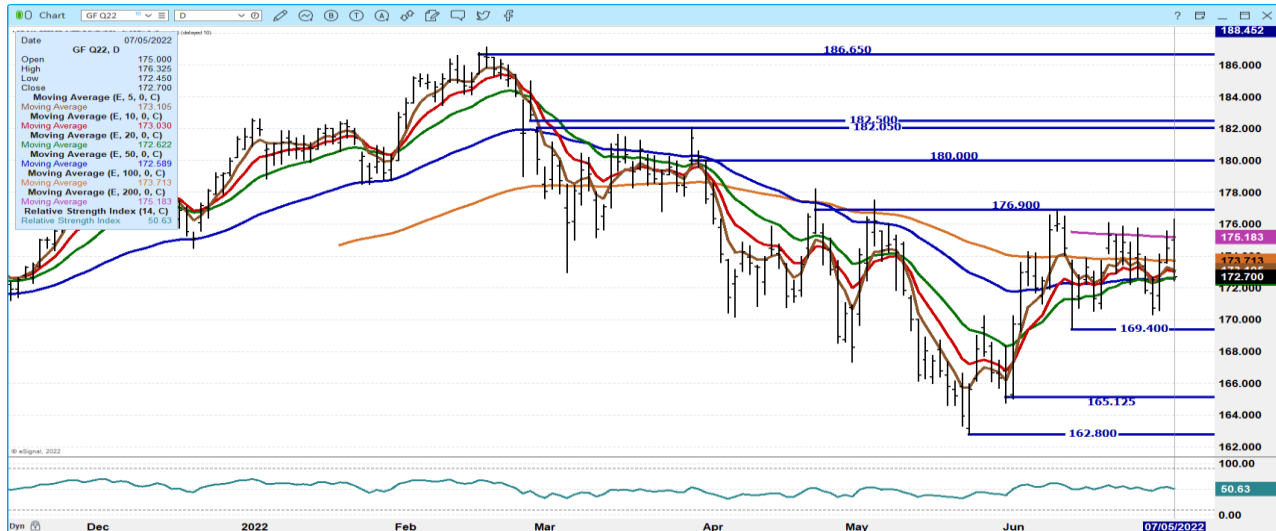
THE CANDIAN DOLLAR HAS BEEN GOING DOWN SINCE MAY 2021, BUT NOW IT IS BOUNCING ALONG THE CONTRACT LOWS. A CHEAP CANADIAN DOLLAR WILL BRING MORE FEEDER CATTLE INTO THE U.S.

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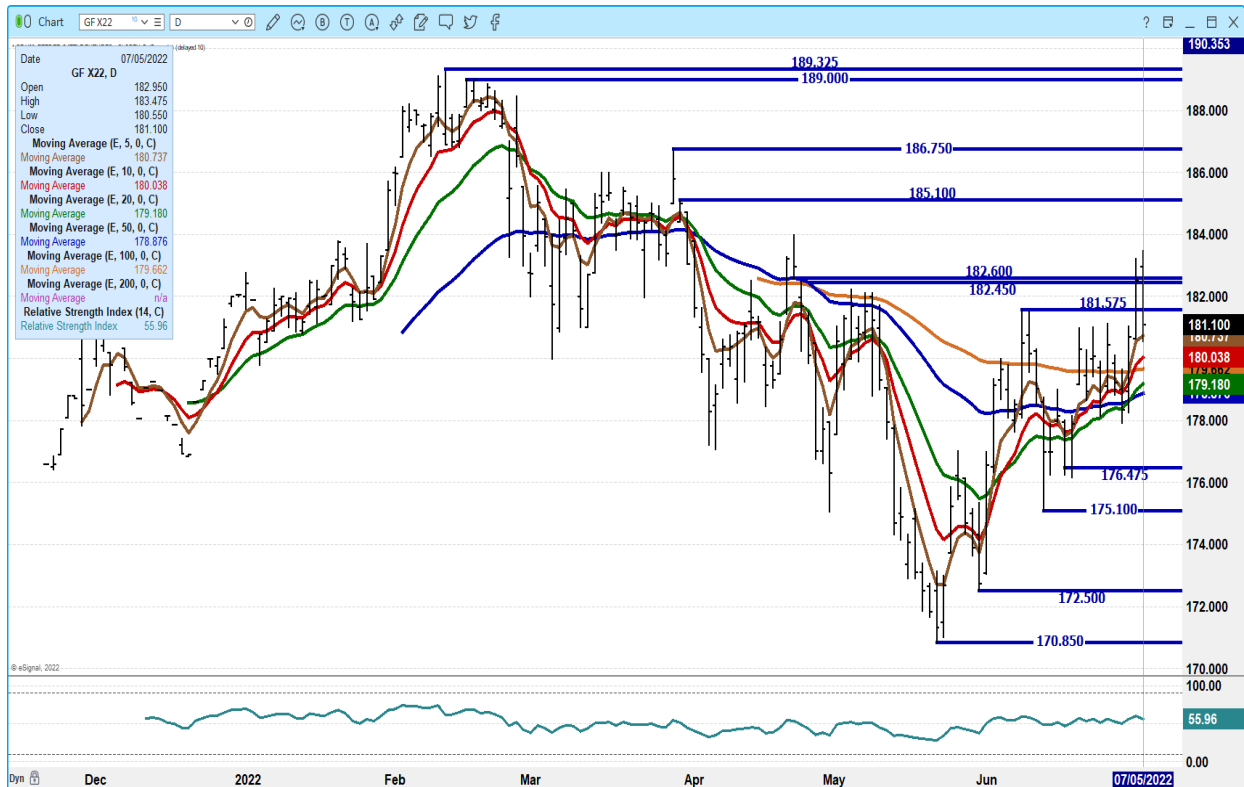
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AUGUST 2022 FEEDER CATTLE – RESISTANCE AT 176.90 SUPPORT AT 172.65 TO 169.40



NOVEMBER 2022 FEEDER CATTLE – a close over 182.60 resistance support at 179.10 to 176.47



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 4, 2022 MONDAY	2,000
WEEK AGO	458,000
YEAR AGO	8,000

****REVISED FRIDAY HOG SLAUGHTER.. 435,000**

****NEW SATURDAY HOG SLAUGHTER WEEK TO DATE..2,281,000** PREVIOUS ESTIMATE
2,286,000**

TUESDAY JULY 05, 2022	458,000
WEEK AGO	450,000
YEAR AGO	464,000
WEEK TO DATE (EST)	460,000
SAME PERIOD LAST WEEK (EST)	908,000
SAME PERIOD LAST YEAR (ACT)	472,000

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CME CASH LEAN HOG INDEX 06/30/2022 AT 110.70 DOWN 14 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/01/2022 AT 107.75 DOWN .68 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 2.95 TO THE CME PORK INDEX -

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TRADE VOLUME INCREASED TUESDAY WITH BUYERS PUTTING JULY LEAN HOGS OVER THE LATEST PRICE OF THE CME LEAN HOG INDEX AND AUGUST MOVING HIGHER. THE RECENT HOGS AND PIGS REPORT IS LOOKING FOR A 1% DECREASE IN HOGS. BUT HOW LONG CAN PACKERS CONTINUE TO KILL HOGS WITH NEGATIVE PROFIT MARGINS IS THE QUESTION.

PACKERS WERE ABLE TO MOVE PORK PRICES HIGHER MONDAY. THE PORK CARCASS WAS UP 5.73 WITH LOINS UP 2.46, PICNICS UP 3.38, HAMS UP 2.11 AND BELLIES UP 20.48. BUTTS 7.37 AND RIBS ONLY PRIMAL DOWN AND OFF 4.57. BUT WHEN SLAUGHTER IS DOWN TO 458,000 HEAD AND TOTAL MOVEMENT WAS 306 LOADS WITH 51.52 LOADS TRIMMINGS, THE AMOUNT OF PORK AVAILBLE IS SO SMALL, IF A DAILY PORK BUYER NEEDS IT, THEY ARE GOING TO PAY THE ASKING PRICE.

WITH MONDAY PACKERS CLOSED, PACKERS ON TUESDAY ONLY SLAUGHTERED 458,000 HOGS.

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THE CME LEAN HOG INDEX IS OVER THE PRICE OF THE CME PORK INDEX. THIS IS NEGATIVE FOR THE PACKER. PACKERS ARE PAYING MORE FOR HOGS THAN HOW THEY CAN SELL PORK. PACKERS NEED TO SEE KILL BACK OVER 475,000 TO 480,00 PER DAY

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STRONG US DOLLAR IS NEGATIVE FOR EXPORTS. PESO NEEDS TO HOLD LOWS MADE EARLY WEDNESDAY MORNING

NET EXPORT 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.

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

JULY 05, 2022

LOADS OF PORK CUTS: 254.72

TRIM/PROCESSED PORK: 51.51

2:00PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/05/2022	306.23	114.48	100.60	153.52	76.20	177.16	101.17	169.96
CHANGE:		5.73	2.46	7.37	3.38	-4.57	2.11	20.48
FIVE DAY AVERAGE --		108.90	98.90	152.00	72.58	179.98	97.13	148.34

11:00AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/05/2022	163.81	117.03	101.51	144.82	76.57	179.63	101.66	186.92
CHANGE:		8.28	3.37	-1.33	3.75	-2.10	2.60	37.44
FIVE DAY AVERAGE --		109.41	99.08	150.26	72.66	180.47	97.23	151.73

2:00PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/01/2022	241.41	108.75	98.14	146.15	72.82	181.73	99.06	149.48
CHANGE:		1.50	0.02	-8.69	4.69	-0.70	4.86	5.51
FIVE DAY AVERAGE --		107.81	98.71	151.87	71.82	180.62	96.09	144.48

**** 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 JULY 1, 2022 AND MONDAY, JULY , 2022

**** PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 277.45

AVERAGE CARCASS WEIGHT 208.75

HEAD COUNT - 221,114

**** PRODUCER SOLD**

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AVERAGE LIVE WEIGHT 298.56
AVERAGE CARCASS WEIGHT 219.02
HEAD COUNT - 26,037

****PACKER OWNED:**

AVERAGE LIVE WEIGHT 286.50
AVERAGE CARCASS WEIGHT 217.51
HEAD COUNT - 169,350

TOTAL HEAD COUNT: 416,501
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DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE
JULY 06, 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 120.46
Change from Previous Day 6.24 higher
Head Count: 14,105

Other Market Formula (Carcass)

Lowest Base Price: 83.58
Highest base price: 120.48
Weighted Average Price: 103.73
Head Count: 26,027

Pork Market Formula (Carcass)

Lowest base price: 87.00
Highest Base Price: 125.34
Weighted Average Price 107.09
Head Count 153,737

Other Purchase Arrangement (Carcass)

Lowest base price: 81.78
Highest base price: 118.49
Weighted Average Price: 102.87
HEAD COUNT: 72,701

Total 266,570 direct plant delivered hogs bought on 07/05/22
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FEBRUARY/APRIL 2023 LEAN HOG SPREAD - LOOK FOR FEB TO CONTINUE TO GAIN ON APRIL



AUGUST 2022 LEAN HOGS – RESISTANCE AT 110.45 TO 114.70 SUPPORT AT 101/45 TO 98.97



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OCTOBER 2022 LEAN HOGS – SUPPORT AT 88.37 TO 87.40 RESISTANCE AT 89.70 TO 92.00



DECEMBER 2022 LEAN HOGS – SUPPORT AT 80.67 RESISTANCE AT 83.30 TO 85.35



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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