



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING JULY 12, 2023 LIVESTOCK REPORT

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CATTLE

JULY 11, 2023	128,000
WEEK AGO	2,000
YEAR AGO	126,000
WEEK TO DATE	250,000
SAME PERIOD LAST WEEK	81,000
SAME PERIOD LAST YEAR (ACT)	248,000

****REVISED MONDAY CATTLE SLAUGHTER.. 122,000** PREVIOUS ESTIMATE 125,000**

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2:00 PM JULY 11, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	312.12	280.24
CHANGE FROM PRIOR DAY:	(1.67)	(2.09)
CHOICE/SELECT SPREAD:		31.88
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		161
5 DAY SIMPLE AVERAGE:	318.34	287.65

CME BOXED BEEF INDEX ON 07/10/2023 WAS 311.09 DOWN 3.14 FROM PREVIOUS DAY

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2:00 PM JULY 11, 2023

PRIMAL RIB	452.82	381.21
PRIMAL CHUCK	251.81	238.70
PRIMAL ROUND	230.71	229.44

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PRIMAL LOIN	449.92	370.70
PRIMAL BRISKET	266.53	236.94
PRIMAL SHORT PLATE	251.07	251.07
PRIMAL FLANK	231.25	194.11

2:00 PM JULY 10, 2023

PRIMAL RIB	454.12	390.31
PRIMAL CHUCK	251.06	238.36
PRIMAL ROUND	232.92	234.88
PRIMAL LOIN	454.61	367.65
PRIMAL BRISKET	263.94	241.11
PRIMAL SHORT PLATE	255.06	255.06
PRIMAL FLANK	234.28	196.99

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
07/10	54	30	9	14	106	313.79	282.33
07/07	78	20	18	18	134	FRIDAY 316.90	285.63 FRIDAY
07/06	81	25	5	15	126	319.87	289.97
07/05	55	25	8	13	101	322.78	292.69
07/03	40	17	0	14	71	328.34	294.30

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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	71.02 loads	2,840,978 pounds
Select Cuts	52.37 loads	2,094,788 pounds
Trimmings	22.41 loads	896,506 pounds
Ground Beef	15.37 loads	614,908 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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Tuesday, Live Cattle made contract highs and contract high closes. April 2024 Live Cattle topped at \$190.15. Live Cattle are bear spread.

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The above table “ National Boxed Beef Cuts- Negotiated Sales” pretty much tells what is happening. There is too much Select beef and cheaper beef available compared to Choice beef. Tuesday close to 43% of the beef cuts sold was Select beef. When slaughter is near to 80.7 % Choice cattle, there far too much Select beef being sold.

Retailers are balking at the higher priced Choice beef in favor of Select beef.. A retail store is going to have higher margins on the cheaper grade. A retailer can take a Select Chuck and grind it up and if needed add cheap fat and call it 90% protein to 10% fat. Most consumers think they are buying a better product because it is less fat.

Also, and likely why Live Cattle rallied Tuesday, packers are having a hard time filling orders for Choice beef. Last week, there were heavier high grading Choice cattle selling up to \$185.00 with a few as high as \$186.25 with most Choice Cattle in the Midwest selling \$183.00 to \$184.00. Packers are in a bind. They have contracted beef orders to fill for specific weights and grade and with more cattle grading Select and Choice Cattle arriving light, they have been struggling to find the cattle to meet the contracts.

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Tuesday fund rolling was an active part of the trading. Remember, it is also a non-spot month and futures and cash markets can move in opposite direction. The funds rule the roost.

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August Live Cattle on Tuesday settled at \$178.82. The 5 day negotiated steer price was \$182.21. The price is narrowing but with cash over futures, it remains conducive for feedlots to move cattle as soon as a packer will take them.

Weights have been slowly improving but still remain light with too many Select grade cattle moving.

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Beef net exports for week ending June 29, 2023 were 17,000 MT. Japan was the biggest buyer taking 5,100 MT with South Korea taking 3,700 MT. Exports were 5,000 MT more than previous week but there are no buyers of substantial size.

Week Ending June 22, 2023 12,000 MT
Week Ending June 15, 2023 13,300 MT
Week Ending June 8, 2023 12,800 MT
Week Ending June 1, 2023 12,800 MT

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JULY 11, 2023

As of July 11, 2023 dressed steer and heifer carcasses averaged 855.8 pounds up 4.5 pound from previous week at 851.3 pounds and 3.2 pounds higher than a year ago. The grading percent as of 7/11/23 was 81.7 % compared to previous week at 80.7%. A year ago the grade percent was 80.3%. https://www.ams.usda.gov/mnreports/ams_2700.pdf

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****WEEKLY FUTURES PRICE CHANGE**

	07/07/2023	07/14/2023
AUGUST 2023 LIVE CATTLE	177.00	
OCTOBER 2023 LIVE CATTLE	179.37	
DECEMBER 2023 LIVE CATTLE	183.17	
FEBRUARY 2024 LIVE CATTLE	186.75	
APRIL 2024 LIVE CATTLE	188.65	

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*****NATIONAL DAILY DIRECT CATTLE 07/11/23
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1431	\$182.21	34,533
LIVE HEIFER:	1301	\$181.91	10,578
DRESSED STEER	924	\$289.88	6,187
DRESSED HEIFER:	817	\$289.86	1,844

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USDA POSTED SUMMARY CATTLE PRICES ON 07/11/2023 STEERS

IA/MN – CASH FOB – 180.00 ON 70 STEERS AND HEIFERS. STEERS WEIGHED 1,450.0 POUNDS
LIVE DELIVERED – 184.00 MIXED LOAD OF 30 HEAD WEIGHING 1250 POUNDS
DRESSED DELIVERED – 285.00 ON 62 HEAD HEIFERS WEIGHING 724.5 POUNDS

NE – CASH FOB – NO REPORTABLE TRADE.
DRESSED – 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

**AUGUST LIVE CATTLE/OCTOBER LIVE CATTLE SPREAD –
OCTOBER/DECEMBER 2023 LIVE CATTLE SPREAD –
AUGUST 2023 LIVE CATTLE –
OCTOBER 2023 LIVE CATTLE –
DECEMBER 2023 LIVE CATTLE -
=====**

FEEDER CATTLE

CME FEEDER INDEX ON 07/10/2023 WAS 238.33 DOWN 33 CENTS FROM PREVIOUS DAY –

**AUGUST 2023 FEEDER CATTLE FUTURES SETTLED ON 07/07/2023 AT \$246.25.
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**NATIONAL FEEDER & STOCKER CATTLE SUMMARY WON'T BE PUBLISHED FOR LAST WEEK DUE TO
LIGHT RECEIPTS DURING WEEK OF JULY 3 – 8, 2023. NEXT REPORT ON JULY 17, 2022.**

**THERE IS A WIDE SPREAD BETWEEN CURRENT CME FEEDER INDEX PRICE AND AUGUST FEEDER
CATTLE, BUT THERE IS A LITTLE MORE THAN A MONTH AND A HALF BEFORE AUGUST EXPIRES, WHEN
CONVERGENCE WILL OCCUR.**

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WEEKLY FUTURES PRICE CHANGE

	07/07/2023	07/14/2023
AUGUST 2023 FEEDER CATTLE	245.42	
SEPTEMBER 2023 FEEDER CATTLE	248.60	
OCTOBER 2023 FEEDER CATTLE	250.52	
NOVEMBER 2023 FEEDER CATTLE	250.60	
JANUARY 2024 FEEDER CATTLE	248.75	
MARCH 2024 FEEDER CATTLE	249.32	
APRIL 2024 FEEDER CATTLE	251.97	
MAY 2024 FEEDER CATTLE	253.70	

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NO CHARTS

**AUGUST 2023 FEEDER CATTLE/SEPTEMBER 2023 FEEDER CATTLE SPREAD –
AUGUST 2023 FEEDER CATTLE –
SEPTEMBER 2023 FEEDER CATTLE –
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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 11, 2023	470,000
WEEK AGO	2,000
YEAR AGO	452,000
WEEK TO DATE	930,000
SAME PERIOD LAST WEEK	396,000
SAME PERIOD LAST YEAR (ACT)	891,000

****Revised Monday Hog Slaughter.. 460,000** Previous Estimate 468,000**

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CME LEAN HOG INDEX ON 07/07/2023 WAS 98.15 UP 7 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/10/2023 AT 107.35 UP 1.05 FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$9.20 TO THE CME PORK INDEX.
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WEEKLY FUTURES PRICE CHANGE

	07/07/2023	07/14/2023
JULY 2023 LEAN HOGS	99.00	
AUGUST 2023 LEAN HOGS	95.15	
OCTOBER 2023 LEAN HOGS	81.37	
DECEMBER 2023 LEAN HOGS	76.02	
FEBRUARY 2023 LEAN HOGS	80.35	
APRIL 2023 LEAN HOGS	85.15	

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Similar to Monday, the Goldman Sachs roll was an active part of the trade volume on Tuesday.
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The 5 day pork carcass average was higher Tuesday at 108.31 and the daily pork carcass was at 111.99 up 4.04 with bellies leading the market up 19.33. Loins can't seem to get and stay over \$100.00 and Tuesday were at \$99.47 with Hams up 2.21 at \$99.29 .

Lean Hogs were up as traders were rolling and bringing August closer to July. Traders are spreading, buying the front months and selling ahead.
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Pork has become competitive for retail shelf space but if beef prices continue to fall, and as consumers buy fast cooking meats in the heat of the summer not only in the US with high temperatures but China and parts of Europe, how long will pork prices remain high or near current prices.

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Pork exports remain good. The strength in sales is all about the amount Mexico buys. If it wasn't for Mexico, U.S. exports would be dismal.

Pork net sale exports were 26,000 MT for week ending June 29, 2023. Mexico is the largest buyer taking 15,100 MT. Canada took 4600 MT followed by Japan with 1700 MT. Pork exports are all about Mexico

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

WEEK ENDING JUNE 08, 2023 NET EXPORT SALES WERE 26,700 MT

WEEK ENDING JUNE 01, 2023 NET EXPORT SALES WERE 25, 500 MT

WEEK ENDING MAY 25, 2023 NET EXPORT SALES WERE 22,600 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 : 275.99

Loads TRIM/PROCESS PORK : 20.02

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/11/2023	296.02	111.99	99.47	146.09	87.48	144.72	98.29	167.43
CHANGE:		4.04	1.05	-0.98	3.06	1.14	2.21	19.33
FIVE DAY AVERAGE --		108.31	99.08	152.28	84.44	148.52	96.22	145.88

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/10/2023	226.34	107.95	98.42	147.07	84.42	143.58	96.08	148.10
CHANGE:		0.01	-2.08	-6.45	1.03	-4.04	0.06	4.71
FIVE DAY AVERAGE --		107.52	98.93	155.32	83.69	150.52	96.22	139.25

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DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE

JULY 11, 2023

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

National Negotiated Carcass Price

Head Count: 13,196

Lowest price: 89.00

Highest price: 102.00

Weighted Average 100.39

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Change from Previous Day 2.50 higher

Other Market Formula (Carcass)

Head Count: 32,575

Lowest Base Price: 78.60

Highest Base Price: 111.18

Weighted Average Price: 91.45

Swine/Pork Market Formula (Carcass)

Head Count 153,851

Lowest base price: 84.19

Highest Base Price: 103.07

Weighted Average Price 97.28

Other Purchase Arrangement (Carcass)

HEAD COUNT: 62,393

Lowest base price: 87.48

Highest base price: 111.44

Weighted Average Price: 98.94

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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 10, 2023

****PRODUCER SOLD:**

HEAD COUNT 223,795

AVERAGE LIVE WEIGHT 276.52

AVERAGE CARCASS WEIGHT 207.06

PACKER SOLD:

HEAD COUNT 33,441

AVERAGE LIVE WEIGHT 282.74

AVERAGE CARCASS WEIGHT 210.91

PACKER OWNED:

HEAD COUNT 172,492

AVERAGE LIVE WEIGHT 278.14

AVERAGE CARCASS WEIGHT 209.92

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NO CHARTS

**AUGUST/OCTOBER 2023 LEAN HOG SPREAD –
JULY 2023 LEAN HOGS -
AUGUST 2023 LEAN HOGS –
OCTOBER 2023 LEAN HOGS –**

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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