



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING JULY 29, 2021 LIVESTOCK REPORT

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[BEEF AND PORK EXPORTS FOR WEEK ENDING JULY 21, 2021 AT BOTTOM OF REPORT](#)

CATTLE

JULY 28, 2021	120,000
WEEK AGO	117,000
YEAR AGO	119,000
WEEK TO DATE (EST)	358,000
SAME PERIOD LAST WEEK (EST)	349,000
SAME PERIOD LAST YEAR (ACT)	355,000

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	CHOICE	SELECT
BOXED BEEF FINAL	273.16	256.12
CHANGE FROM PRIOR DAY:	3.43	2.18
CHOICE/SELECT SPREAD:	17.04	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	136	
5 DAY SIMPLE AVERAGE:	267.13	250.67

CME BOXED BEEF INDEX FOR 07/27/2021 WAS AT 262.75 UP 1.19 FROM PREVIOUS DAY

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FINAL JULY 28, 2021

PRIMAL RIB	432.40	358.46
PRIMAL CHUCK	223.43	223.46
PRIMAL ROUND	224.07	225.82
PRIMAL LOIN	350.98	314.18
PRIMAL BRISKET	224.32	199.02
PRIMAL SHORT PLATE	244.28	244.28
PRIMAL FLANK	137.54	139.46

FINAL JULY 27, 2021

PRIMAL RIB	426.10	354.09
PRIMAL CHUCK	221.10	219.72
PRIMAL ROUND	221.90	223.91
PRIMAL LOIN	344.65	314.91
PRIMAL BRISKET	222.79	198.36
PRIMAL SHORT PLATE	240.66	240.66
PRIMAL FLANK	141.77	139.08

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
07/27	87	39	16	15	157	269.73	253.94
07/26	66	22	10	9	106	267.93	250.92
07/23	86	17	11	16	131	266.63	249.94
07/22	72	23	5	18	118	266.14	249.77
07/21	81	43	17	21	161	265.24	248.77

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

Choice Cuts	76.68 loads	3,067,016 pounds
Select Cuts	29.60 loads	1,183,930 pounds
Trimming	14.57 loads	582,614 pounds
Ground Beef	15.22 loads	608,815 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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Beef export net sales at 22,500 metric tons were decent and on the low side of what they need to average weekly. South Korea once again the biggest buyer, followed by Japan and China taking its normal amount.

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Feedlots see the increase in boxed beef prices, they know the showlist is light and are holding out for \$126 with a few wanting \$127.00. So far packers aren't going for it. Deliveries on contracted cattle for August mean packers can pull up contracted cattle for next week's kill but with cattle as current as they are now, that isn't a good idea with heavy Choice highly finished cattle needed to fill previously contracted beef orders. Packers did buy lower grading cattle in Texas on a few head from \$116 to \$120 but they don't fill needs of high Choice cattle. As it happened over past three weeks look for packers to pay up for some cattle and keep large discount on lower grading cattle.

One of the lightest trading days on futures of the year. Traders know the COF report was friendly, they see cash beef market improve in the present, but with large premiums already built into the futures market, they want to see some sort of positive activity in market to keep premiums in the futures.

With premiums built into the market, there is no reason packers would pay premiums for forward contracts above the board for cattle. For now, traders have to accept unwinding bear spreads is the indicator that prices will improve.

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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.

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USDA POSTED SUMMARY CATTLE PRICES ON 07/27/2021

**IA/MN – CASH – 123.00 delivered
DRESSED - 195.00 - 195.00**

**NE – CASH 123.00 on 289 head
DRESSED – No Reportable Trade.**

**KS – CASH - 122.00 on 589 head weighing 1500 pounds
DRESSED – No Reportable Trade.**

**TX/OK/NM – 116.00 - 120.00 on 1313 head from 65% to 80% grade \$117.86 average price
DRESSED No Reportable Trade.**

CO – **Not reported due to confidentiality
DRESSED **Not reported due to confidentiality**
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*****National Daily Direct Cattle 07/27/21
5 day accumulated weighted avg)**

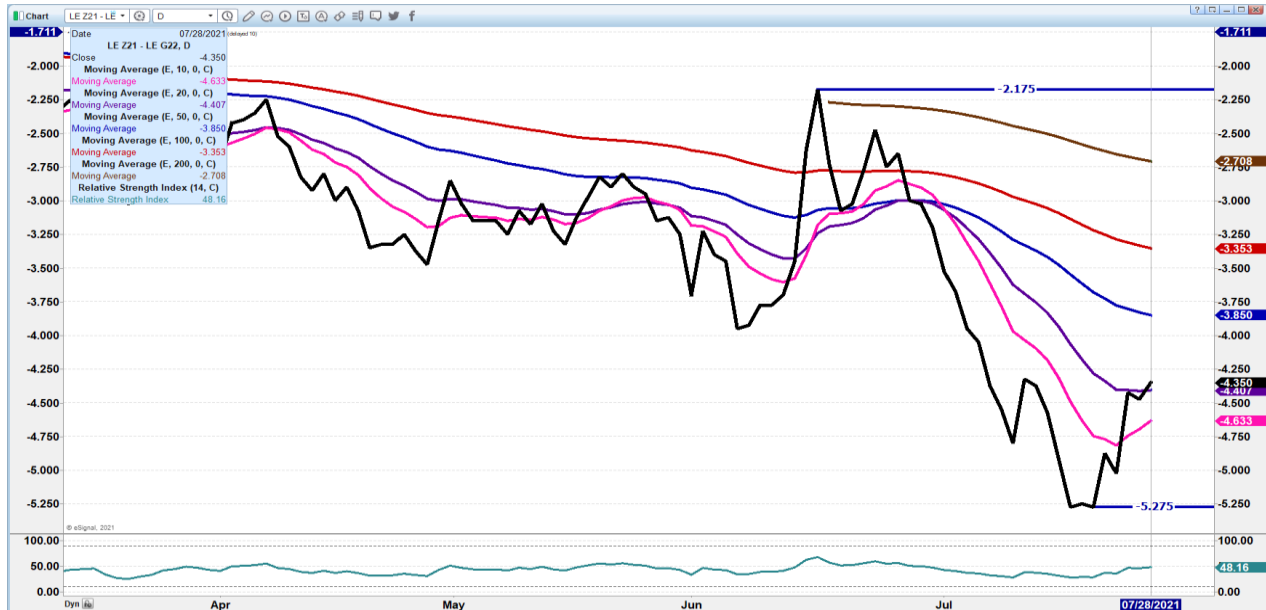
	Weight	Price	Head
Live Steer:	1443	\$121.11	28,156
Live Heifer:	1295	\$120.30	10,366
Dressed Steer:	926	\$197.01	18,552
Dressed Heifer:	836	\$195.68	2,079

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OCTOBER/DECEMBER 2021 SPREAD - CORRECTING BEAR SPREADS, SHOULD AT LEAST MOVE TO MINUS \$3.00



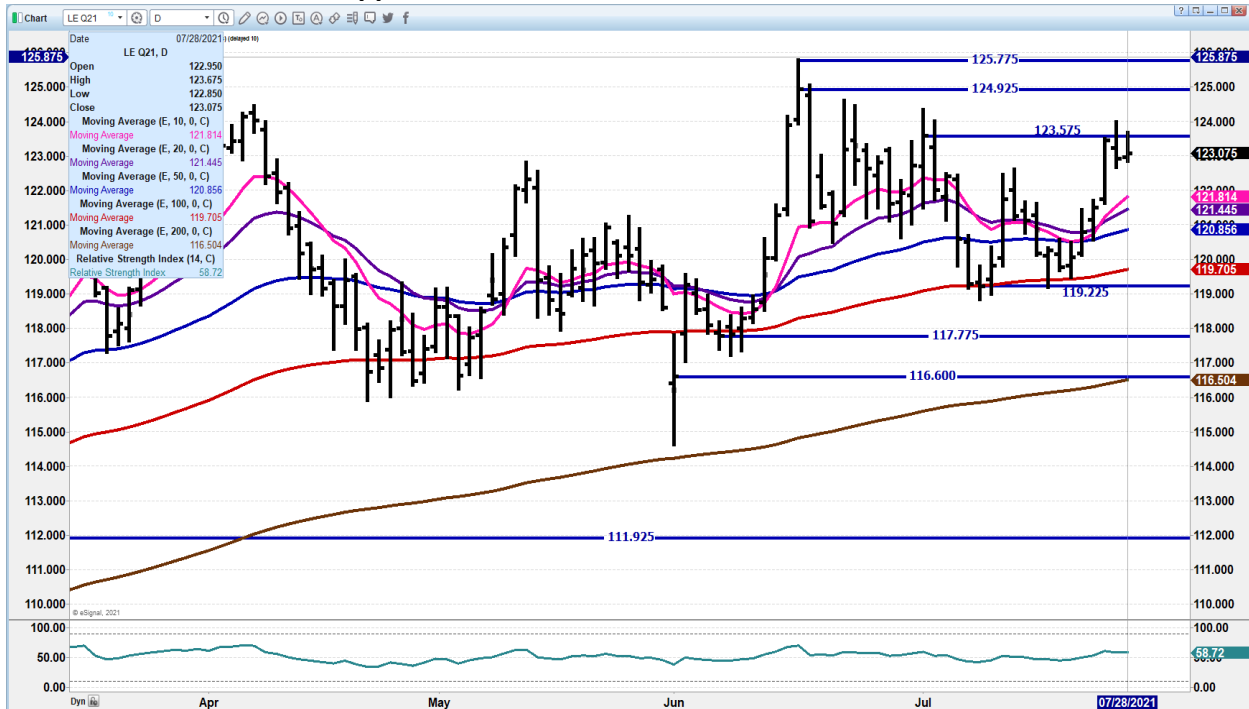
DECEMBER/FEBRUARY LIVE CATTLE - NO REASON SPREAD IS BEAR SPREAD AND SHOULD SEE FUTHER CORRECTION TO MINUS \$3.00 AT LEAST



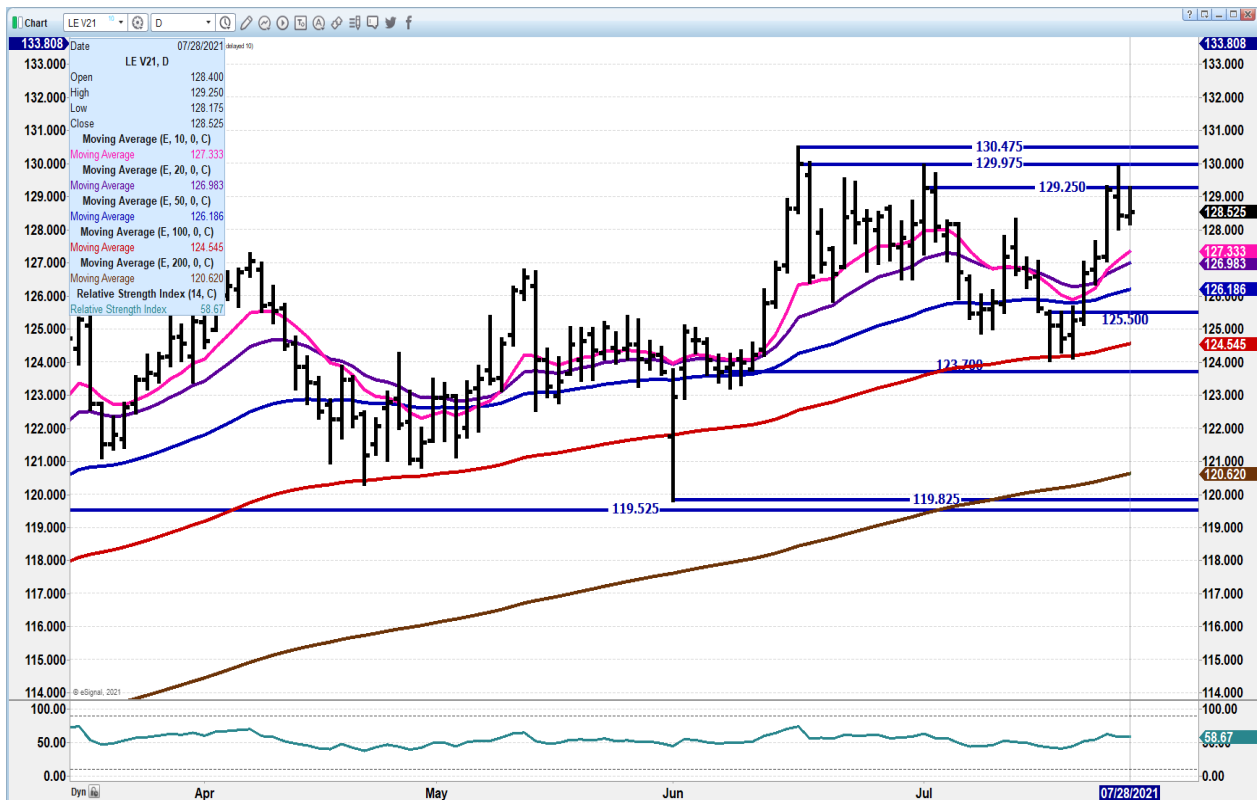
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AUGUST LIVE CATTLE - Support at 121.50 to 120.85 Resistance at 123.75



OCTOBER 2021 LIVE CATTLE – Light volume Wednesday at 14,664 Support at 127.00 to 126.15 Resistance at 129.25



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DECEMBER 2021 LIVE CATTLE – With premium to cash, and spreads narrowing bear spreads, it will be hard to move higher at this time Support at 132.50 to 132.00 Resistance a close above 134.00



Feeder Cattle

THE CME FEEDER INDEX ON 07/27/2021 WAS 154.36 UP 39 FROM PREVIOUS DAY -

AUGUST 2021 FEEDER CATTLE FUTURES SETTLED ON JULY 28, 2021 \$160.17

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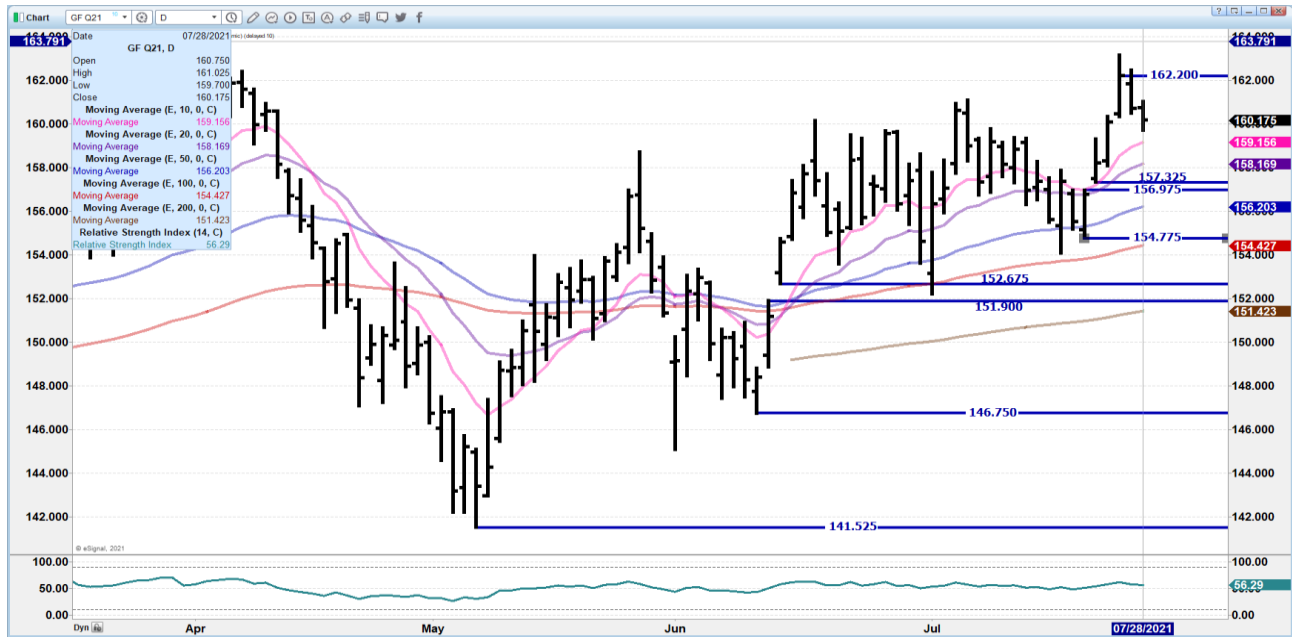
FOR FEEDER CATTLE THE COF REPORT WAS FRIENDLIER AS YEAR PROGRESSES INTO FALL 2021 TO 2022. FROM OCTOBER 2021 INTO 2022 LOOK FOR MONTHS TO CONVERGE RATHER THAN BULL SPREAD AS BUYERS BOOK LONG TERM CONTRACTS.

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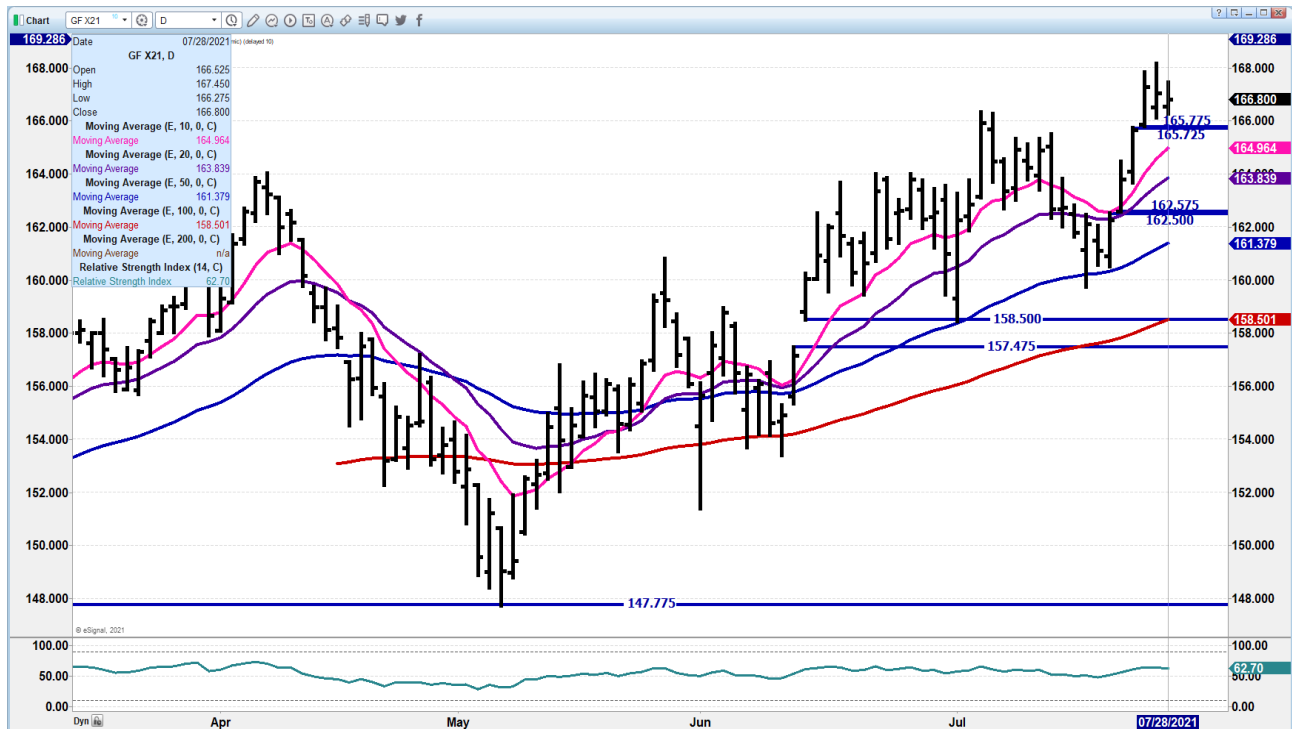
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AUGUST 2021 FEEDER CATTLE – August premium to cash CME Index Support at 157.00 to 156.20



NOVEMBER 2021 FEEDER CATTLE - With premium to current cash, could fall to support at 164.00 to 161.30 Resistance and barrier at this time 168.00



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 28, 2021	471,000
WEEK AGO	474,000
YEAR AGO	476,000
WEEK TO DATE (EST)	1,408,000
SAME PERIOD LAST WEEK (EST)	1,400,000
SAME PERIOD LAST YEAR (ACT)	1,406,000

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CME CASH LEAN HOG INDEX 07/26/2020 AT 112.05 DOWN 17 CENT FROM PREVIOUS DAY –

CME CASH PORK CUTOUT INDEX 07/27/2021 AT 122.69 UP 74 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 7/23/2021 WAS 272.67 COMPARED TO 7/16/2021 WAS 246.99

CME PORK INDEX TO CME LEAN HOG INDEX plus 10.64 Pork gaining on hogs is positive for packers

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Good exports Mexico a large buyer with light sales to other countries like Japan. China was out of the picture. From now China may buy US pork but only on special occasions probably around their 2 major year holidays.

Most of the trading Wednesday was spreading. The volume on October Hogs throughout the day was almost the same as October Live Cattle and for months on December and February, October is the most actively traded lean hog contract and at this time, traders can do what they want. Trading was very light.

When there are only 8986 hogs sold on the negotiated cash market, spec traders have the control of the futures right up to expiration of the current spot month. August at \$105.70 is under the CME Index at \$112.05.

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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

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NATIONAL DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES

July 28, 2021

LOADS OF PORK CUTS: 256.46

TRIM/PROCESSED PORK: 28.51

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/28/2021	284.96	124.97	113.82	111.28	94.31	135.90	110.33	224.14
CHANGE		1.48	0.51	-0.15	-0.60	0.25	6.10	1.64
FIVE DAY AVERAGE --		123.22	111.33	104.06	91.99	133.35	109.19	224.57

NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/28/2021	167.32	125.18	111.49	109.95	92.37	134.76	111.47	229.87
CHANGE		1.69	-1.82	-1.48	-2.54	-0.89	7.24	7.37
FIVE DAY AVERAGE --		123.26	110.86	103.80	91.60	133.12	109.42	225.71

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/27/2021	339.85	123.49	113.31	111.43	94.91	135.65	104.23	222.50
CHANGE		0.55	4.93	6.92	3.58	4.08	-5.83	-5.79
FIVE DAY AVERAGE --		122.64	109.99	103.85	90.89	134.14	108.05	224.79

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

https://www.ams.usda.gov/mnreports/AMS_2511.PDF

Slaughter Data for July 27, 2021

Average live weight: 276.78

Average carcass : 208.15

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

DAILY DIRECT AFTERNOON HOG REPORT JULY 28, 2021

National Negotiated Carcass Price

Lowest price: 100.00

Highest price: 108.00

Weighted Average Price: **103.80**

Head Count: 8,986

On a National basis, compared to the previous day, **1.74 lower**

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Other Market Formula (Carcass)

Lowest Base Price 69.20

Highest base price: 117.76

Weighted Average Price: 92.31

Head Count: 65,343

Pork Market Formula (Carcass)

Lowest base price: 85.49

Highest Base Price: 124.78

Weighted Average Price: 110.00

Head Count: 147,386

Other Purchase Arrangement (Carcass)

Lowest base price: 74.92

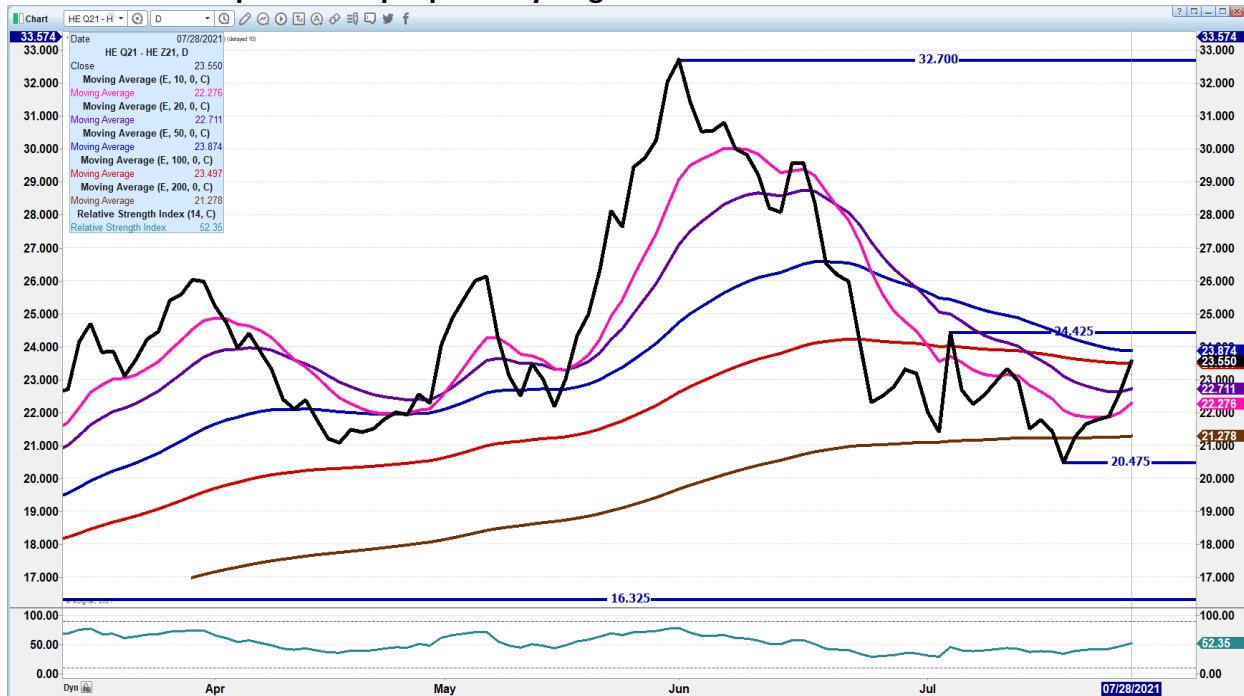
Highest base price: 115.86

Weighted Average Price: 106.14

HEAD COUNT: 57,098

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AUGUST 2021/DECEMBER 2021 LEAN HOG SPREAD – August gaining on December. No reason for wide spread except specs buy August at discount.



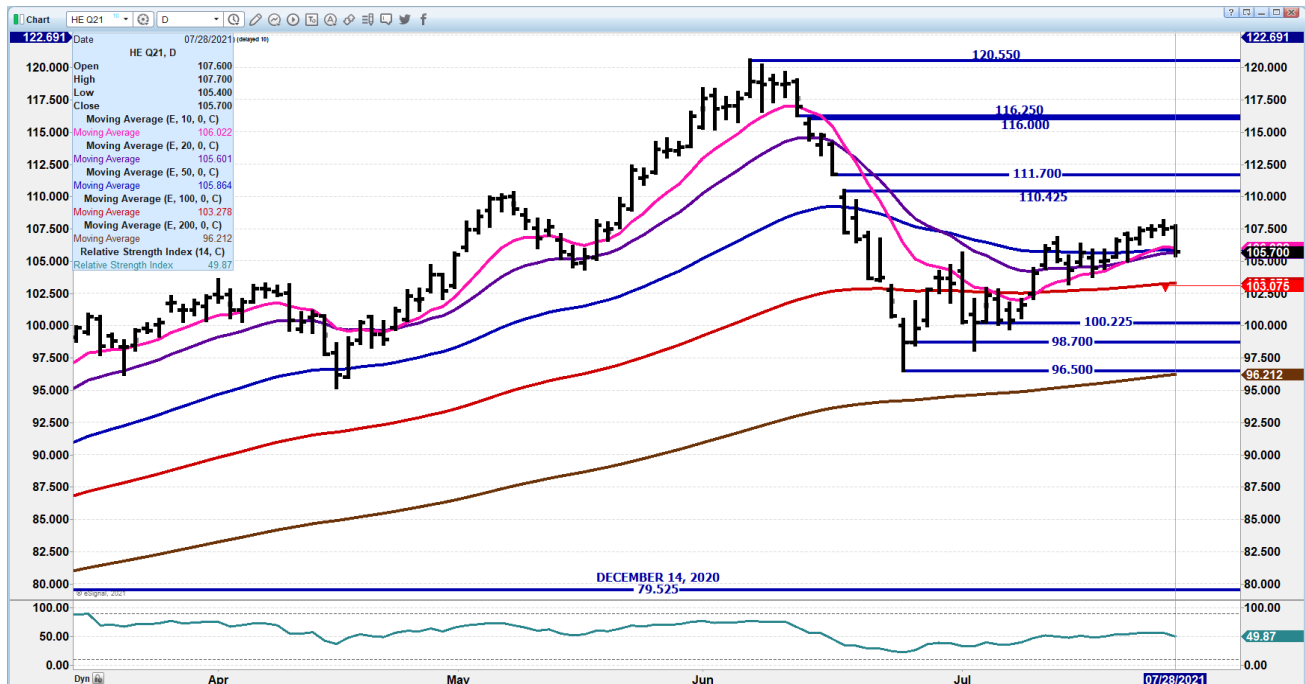
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OCTOBER 2021/DECEMBER 2021 LEAN HOG SPREAD – Need to watch spread. Could continue widen as specs move and trade more October.



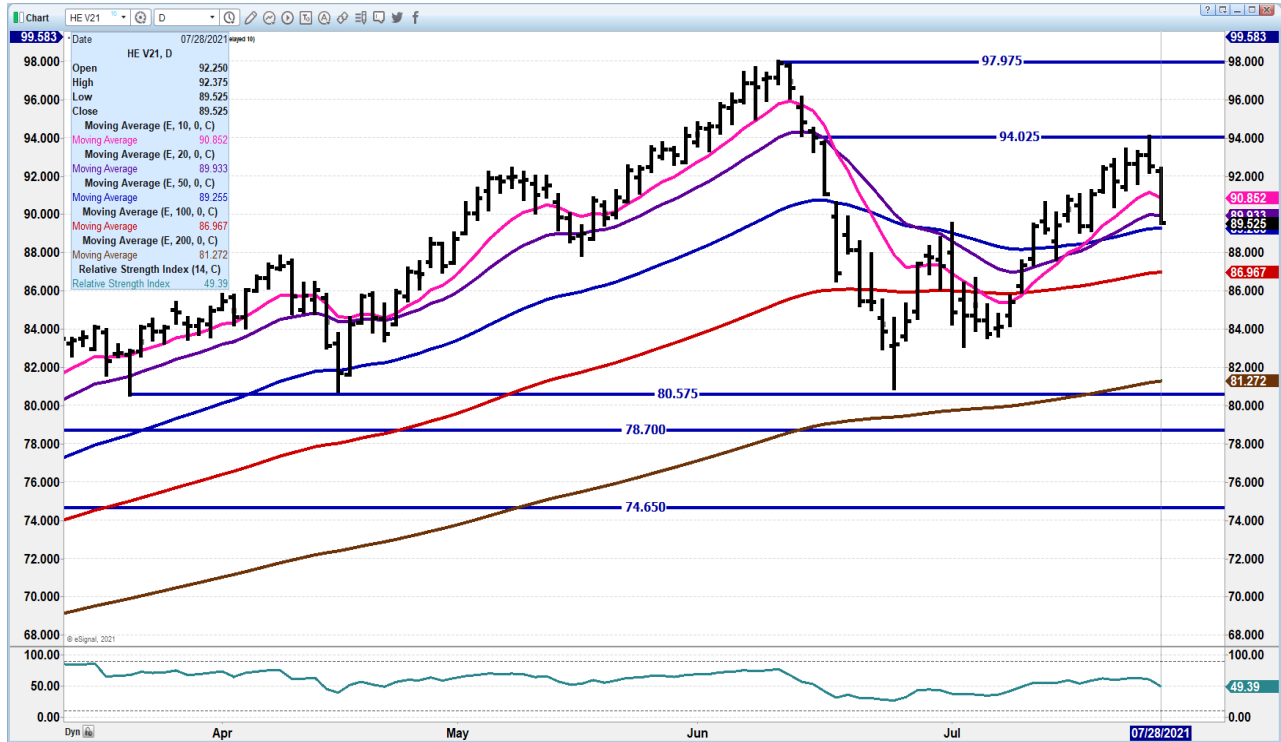
AUGUST 2021 LEAN HOGS - Holding support at 105.50 Next support Next support at 103.07 Resistance at 108.15



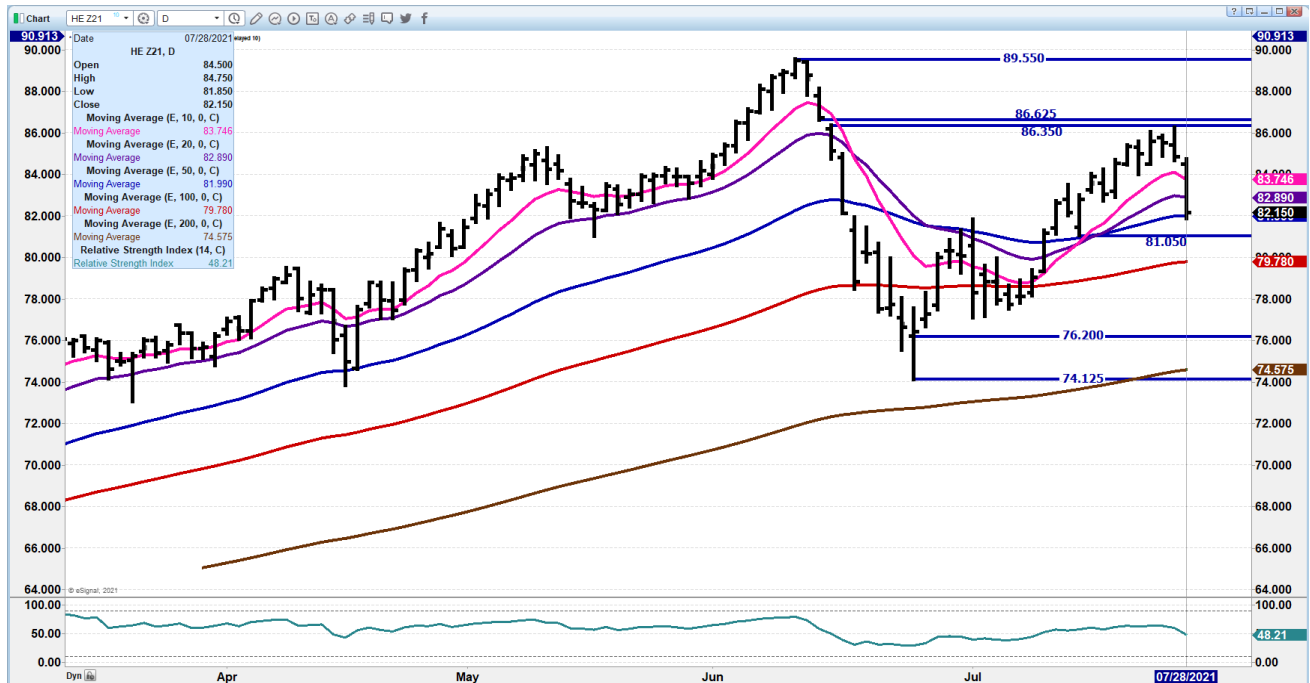
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OCTOBER 2021 LEAN HOGS - 50 day average support at 89.25 to 86.95 Resistance at 90.85 to 94.05 Volume light at 15,155



DECEMBER 2021 LEAN HOGS – Dropped to 50 day average, Resistance at 83.75 to 86.62 Volume at 7027



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Beef: Net sales of 22,500 MT reported for 2021 were down 11 percent from the previous week, but up 28 percent from the prior 4-week average. Increases were primarily for South Korea (8,200 MT, including decreases of 500 MT), Japan (6,100 MT, including decreases of 600 MT), and China (4,500 MT, including decreases of 100 MT). Exports of 19,100 MT were down 11 percent from the previous week, but up 4 percent from the prior 4-week average. The destinations were primarily to South Korea (5,100 MT), Japan (4,400 MT), China (3,100 MT), Taiwan (1,700 MT), and Mexico (1,500 MT).

Pork: Net sales of 38,500 MT reported for 2021 were up 57 percent from the previous week and 43 percent from the prior 4-week average. Increases were primarily for Mexico (25,100 MT, including decreases of 800 MT), Chile (3,300 MT, including decreases of 100 MT), Japan (3,200 MT, including decreases of 200 MT), Honduras (2,300 MT), and Colombia (2,000 MT, including decreases of 100 MT). Total net sales for 2022 of 400 MT were for Chile. Exports of 29,900 MT were down 3 percent from the previous week, but up 1 percent from the prior 4-week average. The destinations were primarily to Mexico (12,300 MT), China (5,700 MT), Japan (4,000 MT), South Korea (2,100 MT), and Canada (1,700 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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