



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY AFTERNOON JUNE 22, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JUNE 22, 2022	126,000
WEEK AGO	126,000
YEAR AGO	116,000
WEEK TO DATE (EST)	376,000
SAME PERIOD LAST WEEK (EST)	368,000
SAME PERIOD LAST YEAR (ACT)	355,000

BOXED BEEF 11:00AM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	266.59	246.69
CHANGE FROM PRIOR DAY:	(0.97)	(0.01)
CHOICE/SELECT SPREAD:		19.90
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		97
5 DAY SIMPLE AVERAGE:	267.14	246.14

CME BOXED BEEF INDEX ON 06/21/2021 WAS 262.20 DOWN 16 CENTS FROM PREVIOUS DAY

11:00AM JUNE 22, 2022

PRIMAL RIB	406.80	333.83
PRIMAL CHUCK	219.23	216.32
PRIMAL ROUND	210.25	210.70
PRIMAL LOIN	362.45	319.98
PRIMAL BRISKET	237.36	207.75
PRIMAL SHORT PLATE	198.41	198.41

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PRIMAL FLANK	162.88	153.37
2:00PM JUNE 21, 2022		
PRIMAL RIB	408.77	335.84
PRIMAL CHUCK	218.54	214.98
PRIMAL ROUND	210.40	208.54
PRIMAL LOIN	366.30	321.90
PRIMAL BRISKET	234.59	207.07
PRIMAL SHORT PLATE	201.62	201.62
PRIMAL FLANK	163.22	155.04

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
06/21	85	37	13	8	143	267.56	246.70
06/20	68	20	11	8	106	266.50	246.39
06/17	71	20	8	8	106	266.26	246.53
06/16	90	17	10	12	128	267.16	245.38
06/15	84	31	6	13	134	268.22	245.68

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	60.72 loads	2,428,748 pounds
Select Cuts	15.30 loads	612,181 pounds
Trimming	13.20 loads	528,021 pounds
Ground Beef	7.76 loads	310,532 pounds

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CATTLE DELIVERIES

DELIVERY NOTICE SERVED - JUNE 2022 - LIVE CATTLE
DATE 06/21/22 SETTLEMENT: \$137.82
OLDEST LONG – 02/16/2022 AT \$142.25

25 DELIVERIES FOR 6/21/2022 ALL HEIFERS

FIRM #	FIRM NAME	DEL	REC
685	R.J.O'BRIEN ASSOC	25	2
905	ADM INVESTOR SERVICE		23

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YARD LOCATION

TULIA 25

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JUNE 2022 USDA LIVESTOCK REPORTS

COLD STORAGE REPORT JUNE 23, 2022 2:00PM CENTRAL TIME

CATTLE ON FEED REPORT JUNE 24, 2022 2:00PM CENTRAL TIME

QUARTERLY HOGS AND PIGS REPORT JUNE 29, 2022 2:00PM CENTRAL TIME

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The Cattle on Feed Report could and should start to show more cattle on feed if previous reports about placements were correct. This week look for packers to be picky on how they buy cattle. More cattle are expected to be available moving into the end of June and throughout the summer. If this does happen, packers could even widen the difference between Southwest cattle and Midwest cattle along with paying larger premiums for the higher grading Choice/Prime cattle and deeper discounting light Select cattle.

Weights fell again last week. Last week's steer and heifer carcasses were 851.9 pounds and the grading percent was at 80.3%. Compared to a year ago the average weight is down 2 pounds. Not a lot of difference in weight but a difference in grade. Excessive heat and time on the truck between feedlot and the packer, heat shrink, could account for the drop in weight of less than a pound from the previous week, but the grading percent of 80.3%, the same as the previous week and down from a year ago at 81.6% shows there are feedlots that continue to move cattle that could have stayed on full feed a week or two more.

U.S. packers need bigger heavier and higher grading cattle. Exporters want high Choice/Prime beef. They can buy low grade beef from other countries. With Brazil increasing the number of cattle in feedlots and grading high Choice, it isn't the competition the U.S. cattle industry needs at this time.

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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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Net export sales were 17,400 metric tons about the same as last week at 17,700 MT. Biggest taker was Japan at 5,00 MT followed by China with 4,600 MT and South Korea at 3,500 MT.

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June 24th is the next Cattle on Feed report. Currently cattle are bear spread. When markets are bear spread, it is an opportunity to lock in floors

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As of June 21, 2022 dressed steer and heifer carcasses last week averaged 851.9 pounds down .7 pounds compared to previous week at 852.6 pounds. The grading percent was 80.3% compared to previous week at 80.3%.

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

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*****NATIONAL DAILY DIRECT CATTLE 06/21/22
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1428	\$143.92	46,116
LIVE HEIFER:	1303	\$142.66	17,381
DRESSED STEER:	914	\$230.11	16,929
DRESSED HEIFER:	820	\$230.18	4,095

USDA POSTED SUMMARY CATTLE PRICES ON 06/21/2021

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 148 HEIFERS SOLD AT 138.50 WEIGHING 1200 POUNDS
DRESSED– NO REPORTABLE TRADE.

CO – NO REPORTABLE TRADE

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**AUGUST/DECEMBER LIVE CATTLE SPREAD –
JUNE 2022 LIVE CATTLE –
AUGUST 2022 LIVE CATTLE –
DECEMBER 2022 LIVE CATTLE –**

Feeder Cattle

CME FEEDER INDEX ON 06/20/2022 WAS 165.03 UP 85 FROM PREVIOUS DAY - UPDATE ON MORNING REPORT

AUGUST 2022 FEEDER CATTLE SETTLED ON JUNE 22, 2022 AT \$173.15

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 06/18/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	117,300	20,600	72,200	210,100
LAST WEEK:	166,900	54,600	13,900	235,400
YEAR AGO:	151,100	81,200	57,100	289,400

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COMPARED TO LAST WEEK, YEARLING STEERS AND HEIFERS SOLD STEADY TO 3.00 HIGHER, WHILE STEER AND HEIFER CALVES SOLD 2.00 TO 5.00 LOWER. DEMAND RANGED FROM MODERATE TO VERY GOOD, WITH THE BEST DEMAND SEEN IN THE NORTH CENTRAL REGION FOR GREEN YEARLINGS SET TO HIT THE FALL TO WINTER LIVE CATTLE CONTRACTS.

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AUGUST 2022 FEEDER CATTLE –
NOVEMBER 2022 FEEDER CATTLE –

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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JUNE 22, 2022	469,000
WEEK AGO	472,000
YEAR AGO	473,000
WEEK TO DATE (EST)	1,386,000
SAME PERIOD LAST WEEK (EST)	1,401,000
SAME PERIOD LAST YEAR (ACT)	1,414,000

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CME CASH LEAN HOG INDEX 06/20/2022 AT 110.45 UP 1.29 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 06/21/2022 AT 110.73 UP 55 CENTS FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON JUNE 10, 2022 WAS 205.63 COMPARED TO JUNE 3, 2022 AT 212.50 - NO CME UPDATE AS OF 6/21/2022

THE CME LEAN HOG INDEX IS MINUS 28 CENTS TO THE CME PORK INDEX - THIS IS NEGATIVE FOR THE PACKER

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PACKERS HAVE A NEGATIVE PROFIT MARGIN AND UNTIL MORE HOGS SHOW UP, IT IS GOING TO BE TOUGH FOR THEM TO CHANGE IT. WEIGHTS ARE DROPPING AND SLAUGHTER IS DROPPING. SLAUGHTER AT CURRENT LEVELS HAVE VARIABLE COSTS, LIKE THE COST OF HOGS AND EXPENSES IT TAKES TO RUN A PLANT AND FIXED COSTS BITING INTO PROFITS. THERE IS NOT MUCH A PACKER CAN DO ABOUT IT BECAUSE THEY MUST MEET PREVIOUSLY CONTRACTED MEAT ORDERS. THEY CAN'T GET OUT OF CONTRACTS SO RELUCTANTLY THEY HAVE TO PAY UP FOR HOGS. THE DAILY PORK MARKET TRIES TO RALLY BUT HITS LEVELS AND CAN'T PUSH THROUGH.

PORK CARCASS WAS UP WEDNESDAY ON EARLY SALES ON LIGHT LOAD MOVEMENT. IT WAS HIGHER WITH BELLIES UP 13.66 AND RIB SECTIONS UP 7.35. A SUPERFICIAL RALLY. PORK NEEDS LOINS AND HAMS TO BE THE SOLID STRENGTH MOVING A MARKET. PACKERS DON'T MAKE MONEY ON THE BONIEST PRODUCT, RIBS, AND THE FATTEST PRODUCT, BELLIES. HOWEVER, IF THEY ARE SELLING

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TRIMMED OUT BELLIES AND SOLD AS PERCENTAGE OF MUSCLE TO FAT, IT CAN BOOST THE PRICE OF BELLIES.

LOOK WHAT PACKERS ARE SELLING ON THE DAILY MARKET EVEN WHEN THE AMOUNT OF PORK THEY HAVE TO SELL ON THE DAILY MARKET IS LIMITED. BUTTS AND RIB PRIMAL PRICES ARE HIGHER PRICED THAN LOINS AND HAMS. PORK IS CALLED THE OTHER WHITE MEAT. NOW BUTTS AND RIBS ARE COMPETING WITH CHICKEN WINGS BUT LOINS AND HAMS AREN'T COMPETING WITH BONELESS SKINLESS CHICKEN BREASTS.

EXPORTERS THIS WEEK WANT TO SEE A BIG BUY AGAIN FROM MEXICO. THE PESO HAS MOVED WELL OFF THE LOWS IT MADE ON JUNE 15TH

LAST WEEK NET EXPORTS WERE 27,600MT MEXICO LARGEST BUYER AT 14,700MT FOLLOWED BY CHINA AT 3,800MT AND JAPAN AT 3,700MT. NEED TO SEE INCREASED SALES CLOSER TO THE AVERAGE AROUND 22,000MT TO 25,000MT

BUT WITH CHINA BUYING ANOTHER 40,000MT FROM CHINESE HOG PRODUCERS FOR STORAGE AND TO SUPPORT PRICES, DON'T EXPECT INCREASES TO COME FROM CHINA.

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 21 2022

LOADS OF PORK CUTS: 132.32

TRIM/PROCESSED PORK: 12.87

11:00AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/22/2022	145.18	112.94	98.07	148.49	72.75	196.57	93.77	176.80
CHANGE:		2.08	-2.94	2.13	0.98	7.35	-0.47	13.66
FIVE DAY AVERAGE --		112.33	101.36	145.87	72.54	190.43	96.36	166.78

2:00PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/21/2022	335.08	110.86	101.01	146.36	71.77	189.22	94.24	163.14
CHANGE:		-1.01	-0.62	1.09	0.49	1.43	-2.68	-1.28
FIVE DAY AVERAGE --		110.90	101.41	143.74	72.31	188.16	96.02	160.60

**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 21, 2022

AVERAGE LIVE WEIGHT **278.26**

AVERAGE CARCASS WEIGHT **209.10**

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**DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE
JUNE 21, 2022**

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

National Negotiated Carcass Price

Lowest price: 110.00

Highest price: 124.50

Weighted Average 118.99

Change from Previous Day 4.11 higher

Head Count: 8,060

Other Market Formula (Carcass)

Lowest Base Price: 84.00

Highest base price: 127.10

Weighted Average Price: 104.96

Head Count: 23,747

Pork Market Formula (Carcass)

Lowest base price: 89.50

Highest Base Price: 124.25

Weighted Average Price 107.16

Head Count 150,879

Other Purchase Arrangement (Carcass)

Lowest base price: 77.18

Highest base price: 118.36

Weighted Average Price: 104.73

HEAD COUNT: 58,640

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**AUGUST/DECEMBER LEAN HOG SPREAD –
JULY 2022 LEAN HOGS –
AUGUST 2022 LEAN HOGS
DECEMBER 2022 LEAN HOGS –**

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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