



ADM Investor  
Services, Inc.

## Daily Futures Market Commentary Livestock Outlook

### WEDNESDAY MORNING OCTOBER 5, 2022 LIVESTOCK REPORT

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#### CATTLE

##### USDA FEDERAL CATTLE SLAUGHTER

OCTOBER 4, 2022	128,000
WEEK AGO	128,000
YEAR AGO	122,000
WEEK TO DATE (EST)	255,000
SAME PERIOD LAST WEEK (EST)	253,000
SAME PERIOD LAST YEAR (ACT)	242,000

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	248.04	221.91
CHANGE FROM PRIOR DAY:	2.10	0.60
CHOICE/SELECT SPREAD:		26.13
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		99
5 DAY SIMPLE AVERAGE: SEPTEMBER 30, 2022	246.35	220.33

CME BOXED BEEF INDEX ON 10/03/2021 WAS 239.15 DOWN 24 CENTS FROM PREVIOUS DAY

##### 2:00 PM OCTOBER 04, 2022

PRIMAL RIB	405.69	313.18
PRIMAL CHUCK	200.41	192.07
PRIMAL ROUND	222.50	218.29
PRIMAL LOIN	315.14	258.80
PRIMAL BRISKET	202.16	202.44

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PRIMAL SHORT PLATE	155.68	155.68
PRIMAL FLANK	140.52	134.36

2:00 PM OCTOBER 03, 2022

PRIMAL RIB	401.08	310.97
PRIMAL CHUCK	198.11	192.50
PRIMAL ROUND	220.36	216.39
PRIMAL LOIN	312.52	258.21
PRIMAL BRISKET	200.65	198.42
PRIMAL SHORT PLATE	158.56	158.56
PRIMAL FLANK	140.95	136.26

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**LOAD COUNT AND CUTOFF VALUE SUMMARY**

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
10/03	65	21	11	18	116	245.94	221.31
09/30	45	15	3	11	74	243.75	220.13
09/29	88	31	11	21	150	246.08	219.78
09/28	97	33	19	15	165	247.55	219.21
09/27	82	51	14	24	171	248.43	221.21

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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	57.54 loads	2,301,791 pounds
Select Cuts	19.75 loads	789,862 pounds
Trimming	3.12 loads	124,948 pounds
Ground Beef	18.60 loads	743,836 pounds

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Cash Cattle and Boxed Beef indicating firmer prices.

It is beginning to look like Choice boxed beef is turning back up. The Choice price Tuesday was \$ 248.04 compared to the lower 5 day average at \$246.35. When this happens, it is one of the first indicators. Secondly indicator is a lighter movement. This is becoming harder to use because daily beef movement is a small part of beef sales but when sales are light, it means the majority of beef is needed to fill previously contracted orders before beef can be offered on the daily market. Another indicator is how packers retained price throughout last week and even tacked on higher money for cash cattle Friday.

Beef export net sales were good last week at 21,500MT which is what it needs to average per week. No big buyer. South Korea took 7,300 MT China at 6,000MT and Japan with 3,500 MT.

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Last week the dressing percent dropped to 78.0%. Cattle weights were down 3.4 pounds. Unless weights continue to drop, the change of 3.4 pounds is not a big deal, but to see grade continue to drop, that is a big deal.

It may take several months before stores significantly drop beef prices as boxed beef falls. Likely, stores will have specials on specific cuts. With the majority of beef contracted months in advance, retailers depending on previous pricing contracts likely won't follow the same price drop in the daily beef prices.

U.S. Dollar is strong and countries like Brazil and Argentina have weaker currencies and must sell beef for the export market. The high Dollar will give countries such as Brazil, Australia and Argentina an advantage. Rest assured, countries are hedging the wide spread of currencies to keep the advantage.

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As of October 4, 2022 dressed steer and heifer carcasses last week averaged 885.0 pounds up 2.3 pounds compared to previous week at 882.7 pounds. The grading percent was 78.8 compared to previous week at 78.0%.

[https://www.ams.usda.gov/mnreports/ams\\_2700.pdf](https://www.ams.usda.gov/mnreports/ams_2700.pdf)

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**\*\*\*NATIONAL DAILY DIRECT CATTLE 10/04/22**  
**5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
*LIVE STEER:	1495	\$144.95	45,754
LIVE HEIFER:	1350	\$144.21	19,898
DRESSED STEER:	958	\$229.13	15,240
DRESSED HEIFER:	858	\$228.79	3,976

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**USDA POSTED SUMMARY CATTLE PRICES ON 10/04/2022**

**\*\*STEER PRICES**

**IA/MN – CASH – 148.00 ON 138 HEIFERS AVERAGING 1298.9 POUNDS**  
**DRESSED - NO REPORTABLE TRADE.**

**NE – CASH – 144.00 ON 195 MIXED STEERS AND HEIFERS AVERAGING 1,404.4 POUNDS**  
**DRESSED – NO REPORTABLE TRADE.**

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

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**TX/OK/NM CASH - NO REPORTABLE TRADE.**  
**DRESSED – NO REPORTABLE TRADE.**

**CO – \*\*NOT REPORTED DUE TO CONFIDENTIALITY\*\***

**DECEMBER 2022/FEBRUARY 2023 LIVE CATTLE SPREAD - SLIGHT REVERSAL TUESDAY LOOK FOR DEC TO GAIN ON FEB**



**OCTOBER 2022 LIVE CATTLE – VOLUME AT 6274 OPEN INTEREST AT 22,721 SUPPORT AT 143.85 TO 141.42 RESISTANCE AT 145.00 TO 146.77**



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**DECEMBER 2022 LIVE CATTLE – VOLUME AT 19162 SUPPORT AT 146.35 TO 145.57 RESISTANCE AT 148.75 TO 148.15**



**FEBRUARY 2023 LIVE CATTLE - VOLUME AT 9216 SUPPORT AT 150.20 TO 149.60 RESISTANCE AT 152.60**



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## Feeder Cattle

CME FEEDER INDEX ON 10/03/2022 WAS 175.67 UP 23 CENTS FROM PREVIOUS DAY -

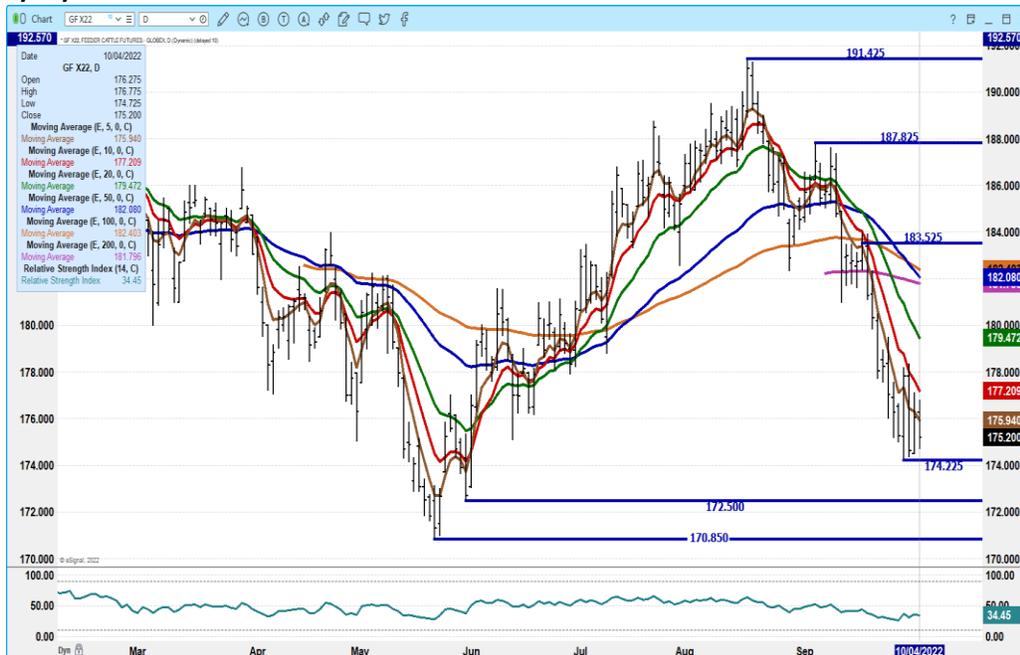
OCTOBER 2022 FEEDER CATTLE 2022 FEEDER CATTLE ON 10/04/2022 CLOSED OUT AT \$174.65

### NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 10/01/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	200,100	32,400	2,500	235,000
LAST WEEK:	165,500	21,000	50,400	236,900
YEAR AGO:	195,800	19,500	3,600	218,900

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD 2.00 TO 7.00 LOWER. MODERATE DEMAND FOR SPRING BORN CALVES THIS WEEK AS MANY FARMER FEEDERS ARE BUSY WORKING ON THEIR FALL HARVEST AND NOT QUITE READY TO TAKE ON NEWLY WEANED, BAWLING CALVES. GOOD DEMAND REMAINS FOR YEARLINGS BUT THERE WAS PRESSURE ON THE MARKET THIS WEEK AS THE FUTURES CONTRACTS SOFTENED AND NEW CROP CORN PRICES WENT HIGHER, CAUSING CONCERN FOR HIGHER COSTS OF GAIN.

NOVEMBER 2022 FEEDER CATTLE – BOUGHT 175.25 SCO AT 174.00 RECOMMENDATION ON 9/29/22



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**JANUARY 2023 FEEDERS CATTLE –**



**LEAN HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

<b>OCTOBER 4, 2022</b>	<b>487,000</b>
<b>WEEK AGO</b>	<b>483,000</b>
<b>YEAR AGO</b>	<b>479,000</b>
<b>WEEK TO DATE (EST)</b>	<b>952,000</b>
<b>SAME PERIOD LAST WEEK (EST)</b>	<b>967,000</b>
<b>SAME PERIOD LAST YEAR (ACT)</b>	<b>944,000</b>

**\*\*REVISED MONDAY HOG SLAUGHTER.. 465,000\*\* PREVIOUS ESTIMATE 472,000**

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**CME CASH LEAN HOG INDEX 09/30/2022 AT 94.33 DOWN 58 CENTS FROM PREVIOUS DAY**

**CME PORK CUTOUT INDEX 10/03/2022 AT 99.19 DOWN 35 CENTS FROM PREVIOUS DAY –**

**CME CASH FRESH BACON INDEX ON SEPTEMBER 30, 2022 WAS 163.67 COMPARED TO SEPTEMBER 23, 2022 AT 180.84**

**THE CME LEAN HOG INDEX IS MINUS 4.86 TO THE CME PORK INDEX -**

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**HOG KILL AND HOG WEIGHTS HAVE BEEN INCREASING. THE PRICE OF PORK HAS BEEN DROPPING. PORK PRICES ARE DROPPING FASTER THAN THE PRICE OF HOGS. IT IS A COMBINATION FOR LOWER MARKETS. TOP IT WITH SLOW DEMAND FOR EXPORTED US PORK AND THE DROP ON HOGS IS ACCEPTABLE.**

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ADD IN THE RELUCTANCE OF HOG PRODUCERS TO SELL HOGS DURING AUGUST AND THE RECENT AVALANCHE IN HOG PRICES IS EASIER TO SEE WHY IT HAS HAPPENED.

THROW IN PACKERS PAYING STEEP FINES FOR PRICE FIXING AND IT BECOMES EVEN CLEARER.

LOINS AND HAMS ARE THE TWO MOST IMPORTANT CUTS OF A HOG AND SINCE AUGUST HAVEN'T FLUCTUATED AS MUCH IN PRICE AS OTHER CUTS SUCH AS BELLIES. FOR THE FIRST HALF OF AUGUST BELLIES AVERAGED AROUND \$210.00. THE CURRENT PRICE IS \$121.01. YET IN AUGUST THERE WERE 85% MORE BELLIES IN COLD STORAGE THAN THERE WERE IN 2021.

IT'S NO WONDER PACKERS PAID LARGE FINES FOR PRICE FIXING.

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**EXPORTS**

LAST WEEK BIG BUYING FROM MEXICO AND MEXICO TOOK 23,700 MT, BUT THEN SALES DROP WITH SOUTH KOREA TAKING 2,900 MT AND CHINA NEXT WITH 2000 MT. THE US PORK EXPORT MARKET IS DEPENDENT ON MEXICO. AS THE US DOLLAR RALLES, THE PESO HAS HELD ITS GROUND AND THE PROXIMITY TO THE U.S. KEEPS EXPORTS STRONG.

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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

**LOADS PORK CUTS : 310.38**

**LOADS TRIM/PROCESS PORK : 43.87**

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/03/2022	354.25	98.29	95.55	102.78	80.05	126.53	103.05	118.78
CHANGE:		-1.64	0.88	-3.33	0.50	-0.13	-1.74	-7.85
FIVE DAY AVERAGE --		99.08	96.22	105.28	79.42	128.85	103.99	119.78

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/04/2022	196.98	99.98	96.66	101.98	81.72	126.02	104.94	124.89
CHANGE:		0.05	1.99	-4.13	2.17	-0.64	0.15	-1.74
FIVE DAY AVERAGE --		99.41	96.44	105.12	79.76	128.74	104.37	121.01

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/03/2022	297.63	99.93	94.67	106.11	79.55	126.66	104.79	126.63
CHANGE:		2.34	-2.06	0.96	-0.18	-2.89	1.45	14.62
FIVE DAY AVERAGE --		99.22	96.29	106.00	78.84	129.58	104.43	120.11

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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 OCTOBER 3, 2022**

**\*\*PRODUCER SOLD:**

**AVERAGE LIVE WEIGHT 281.32**  
**AVERAGE CARCASS WEIGHT 210.28**  
**HEAD COUNT 229,904**

**PACKER SOLD:**

**AVERAGE LIVE WEIGHT 281.68**  
**AVERAGE CARCASS WEIGHT 212.26**  
**HEAD COUNT 26,127**

**PACKER OWNED:**

**AVERAGE LIVE WEIGHT 286.07**  
**AVERAGE CARCASS WEIGHT 216.30**  
**HEAD COUNT 172,733**

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**\*\* DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**

**OCTOBER 4, 2022**

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

**National Negotiated Carcass Price**

**Lowest price: 80.00**  
**Highest price: 98.00**  
**Weighted Average 92.77**  
**Change from Previous Day 10.17 higher**  
**Head Count: 21,094**

**Other Market Formula (Carcass)**

**Lowest Base Price: 74.13**  
**Highest Base Price: 106.91**  
**Weighted Average Price: 87.65**  
**Head Count: 20,069**

**Swine/Pork Market Formula (Carcass)**

**Lowest base price: 77.95**  
**Highest Base Price: 101.35**  
**59Weighted Average Price 90.77**  
**Head Count 143,906**

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### Other Purchase Arrangement (Carcass)

Lowest base price: 78.09

Highest base price: 137.05

Weighted Average Price: 93.55

HEAD COUNT: 73,229

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### DECEMBER 2022/FEBRUARY 2023 LEAN HOG SPREAD - LOOK FOR SUPPORT AT MINUS 3.50 AND THEN REVERSAL TO BULL SPREAD



### OCTOBER 2022 LEAN HOGS – SUPPORT AT 76.45 POSSIBLE IF A HEAD AND SHOULDERS



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**DECEMBER 2022 LEAN HOGS – SUPPORT AT 73.00 TO 71.25 RESISTANCE AT 78.50 TO 80.85 RSI AT 28 IS NOT OVERSOLD**



**FEBRUARY 2023 LEAN HOGS - VOLUME AT 10,224 SUPPORT AT 76.60 TO 72.25 RESISTANCE AT 81.95**



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**JUNE 2022 LEAN HOGS – SUPPORT AT 98.82 RESISTANCE AT 92.30 LOOK FOR JUNE TO KEEP AROUND 10.00 PLUS SPREAD ON APRIL**



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**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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