



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING OCTOBER 11, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

OCTOBER 10, 2022	128,000
WEEK AGO	127,000
YEAR AGO	118,000

YEAR TO DATE CATTLE SLAUGHTER UP 396,000 HEAD AS OF OCTOBER 8, 2022

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BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	244.63	213.82
CHANGE FROM PRIOR DAY:	(1.44)	(2.31)
CHOICE/SELECT SPREAD:		30.81
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		150
5 DAY SIMPLE AVERAGE:	246.89	219.11

CME BOXED BEEF INDEX ON 10/07/2021 WAS 239.30 DOWN 21 CENTS FROM PREVIOUS DAY

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2:00 PM OCTOBER 10, 2022

PRIMAL RIB	403.32	298.43
PRIMAL CHUCK	196.17	182.65
PRIMAL ROUND	222.96	213.16
PRIMAL LOIN	308.48	254.24
PRIMAL BRISKET	197.66	183.14

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PRIMAL SHORT PLATE	151.95	151.95
PRIMAL FLANK	138.22	125.72

2:00 PM OCTOBER 07, 2022

PRIMAL RIB	413.22	297.63
PRIMAL CHUCK	199.92	190.91
PRIMAL ROUND	219.99	211.47
PRIMAL LOIN	307.04	253.99
PRIMAL BRISKET	197.52	185.48
PRIMAL SHORT PLATE	154.55	154.55
PRIMAL FLANK	137.88	128.29

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
10/07	72	30	12	19	133	246.07	216.13 FRIDAY 10/07/22
10/06	117	40	23	29	208	247.36	216.99
10/05	100	42	12	16	169	247.06	219.22
10/04	58	20	3	19	99	248.04	221.91
10/03	65	21	11	18	116	245.94	221.31
09/30	45	15	3	11	74	243.75	220.13 FRIDAY 9/30/22

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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	64.51 loads	2,580,421 pounds
Select Cuts	46.23 loads	1,849,228 pounds
Trimming	22.62 loads	904,617 pounds
Ground Beef	16.28 loads	651,106 pounds

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OCTOBER 2022 USDA LIVESTOCK REPORTS

USDA CATTLE ON FEED REPORT - FRIDAY, OCTOBER 21, 2022 2:00PM CENTRAL TIME
 USDA COLD STORAGE REPORT - MONDAY, OCTOBER 24, 2022 2:00PM CENTRAL TIME

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CATTLE DELIVERIES

DELIVERY NOTICE SERVED – OCTOBER 2022 - LIVE CATTLE
DATE 10/10/22 SETTLEMENT: \$144.70
OLDEST LONG – 02/10/2022 AT \$145.07

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0 DELEVERIES ON 10/10/2022

FIRM # FIRM NAME DEL REC

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YARD LOCATION

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On Monday morning's boxed beef movement there were more loads of Select beef moved than Choice beef. It is highly unusual to see sales like it. By afternoon sales Select was 42% of the total pounds of beef sold, still far too much Select. First of all there are too many lower grade Select cattle being sold in the Southwest and secondly, with consumers concerned about inflation now and possible recession late 2022 or into 2023, they are buying and they can buy more cheaper Select beef. It is likely there will be an abundance of Select cattle going to slaughter for 2 to 3 months until the cattle in the Southwest that were setback over the summer are killed.

In the Midwest packers can buy Choice to Prime cattle and weights have been going up. But with more Select and then beef sold at steep discount to Choice, it is keeping a lid on Choice.

The Federal Reserve will continue to increase rates in their attempt to fight inflation. Going into the colder times in the northern hemisphere consumers will begin seeing heating bills increase. This will keep consumers looking to buy the cheaper proteins.

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The grade percent did improve last week but at 78.8% it is still low. It will take several weeks to go through the cattle in the Southwest that were set back due to the extreme heat of the summer no matter how hard they are fed.

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For week ending September 29, 2022 net export sales were 16,400MT. South Korea took 6000 MT, Japan took 2,200MT with at Mexico at 2,200 MT and China at 2,100MT. Exports need to average at least 20,000 MT.

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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

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*****NATIONAL DAILY DIRECT CATTLE 10/10/22**

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
*LIVE STEER:	1488	\$146.30	43,740
LIVE HEIFER:	1333	\$145.92	20,603
DRESSED STEER:	955	\$230.20	14,780

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DRESSED HEIFER: 854 \$230.28 2,292

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

IA/MN – CASH – NO REPORTABLE TRADE.
DRESSED - 228.00ON 75 HEIFERS WEIGHING 960.8

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

KS – CASH - 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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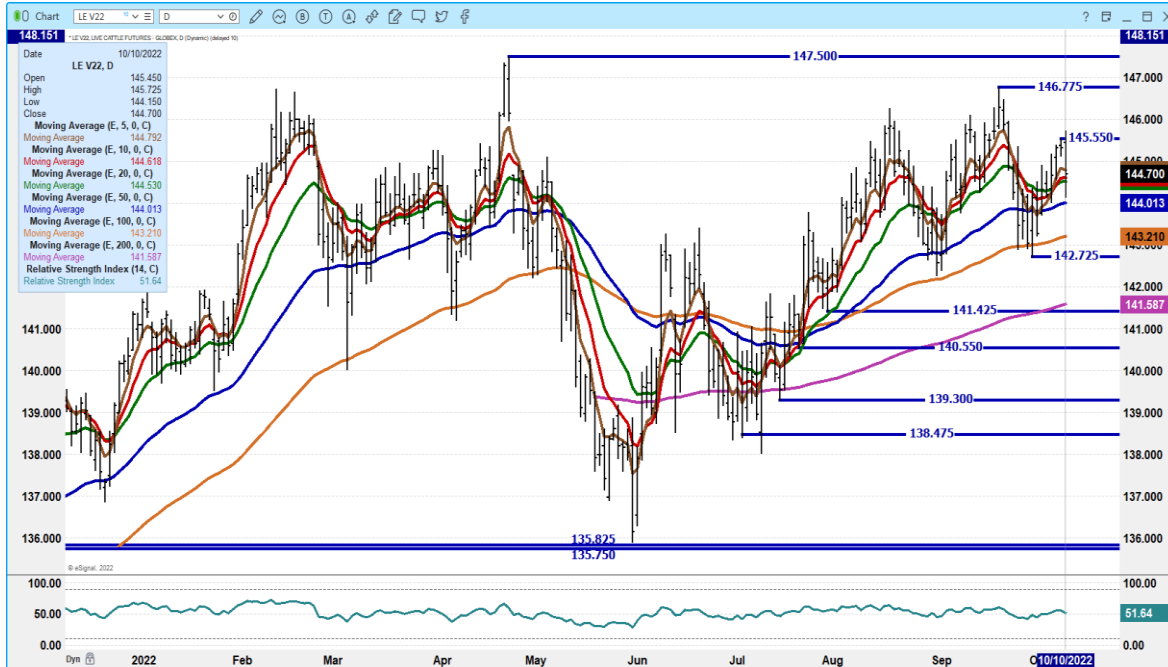
DECEMBER 2022/FEBRUARY 2023 LIVE CATTLE SPREAD – DECEMBER SHOULD GAIN ON FEBRUARY



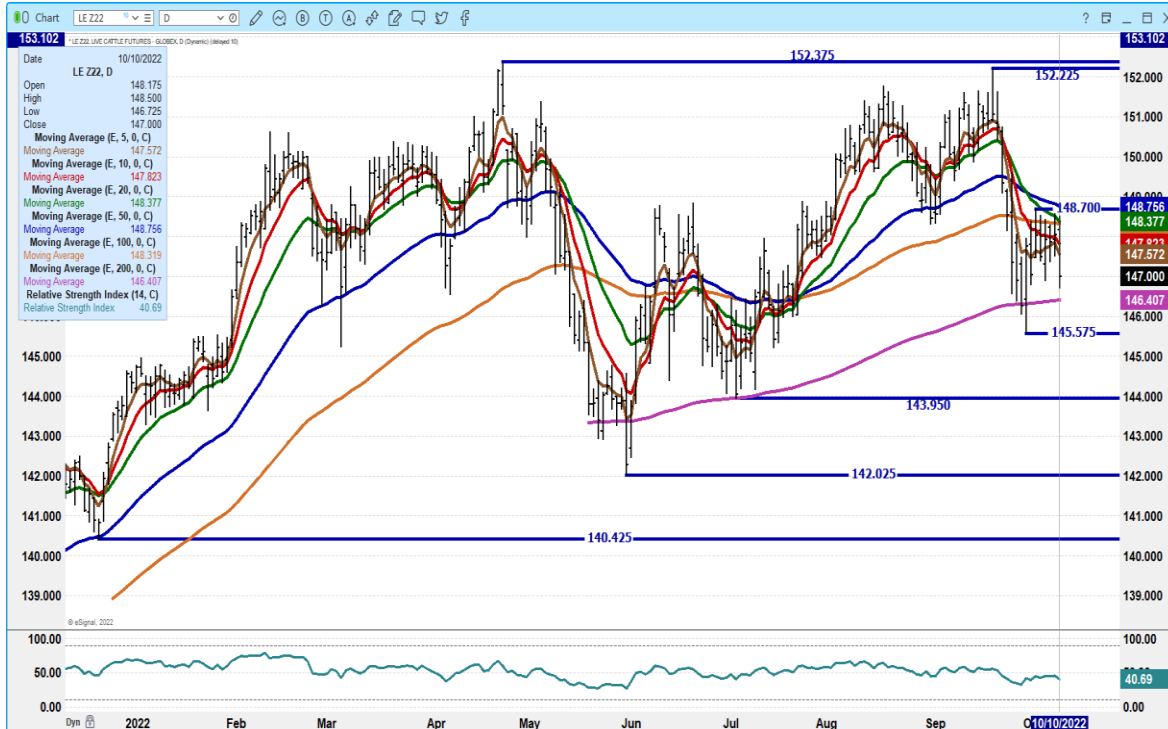
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OCTOBER 2022 LIVE CATTLE – VOLUME AT 4,993 OPEN INTEREST AT 11,208



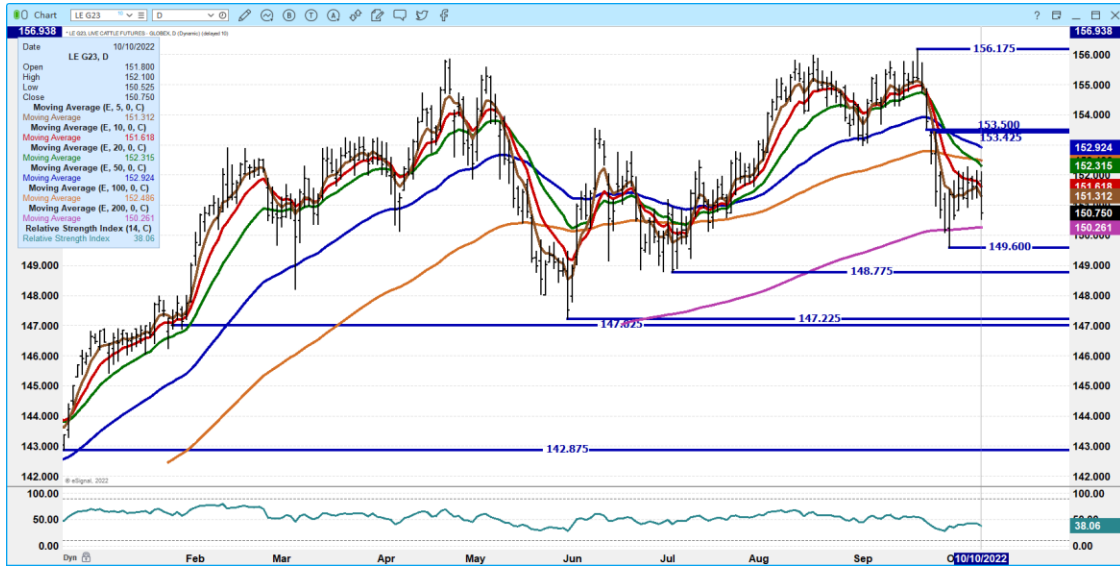
DECEMBER 2022 LIVE CATTLE – VOLUME AT 21,060 SUPPORT AT 146.05 TO 145.57 RESISTANCE AT 147.75 TO 148.37



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FEBRUARY 2023 LIVE CATTLE - VOLUME AT 8174 SUPPORT AT 150.25 TO 149.60 RESISTANCE AT 151.62 TO 152.32



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Feeder Cattle

CME FEEDER INDEX ON 10/07/2022 WAS 174.61 DOWN 31 CENTS FROM PREVIOUS DAY -

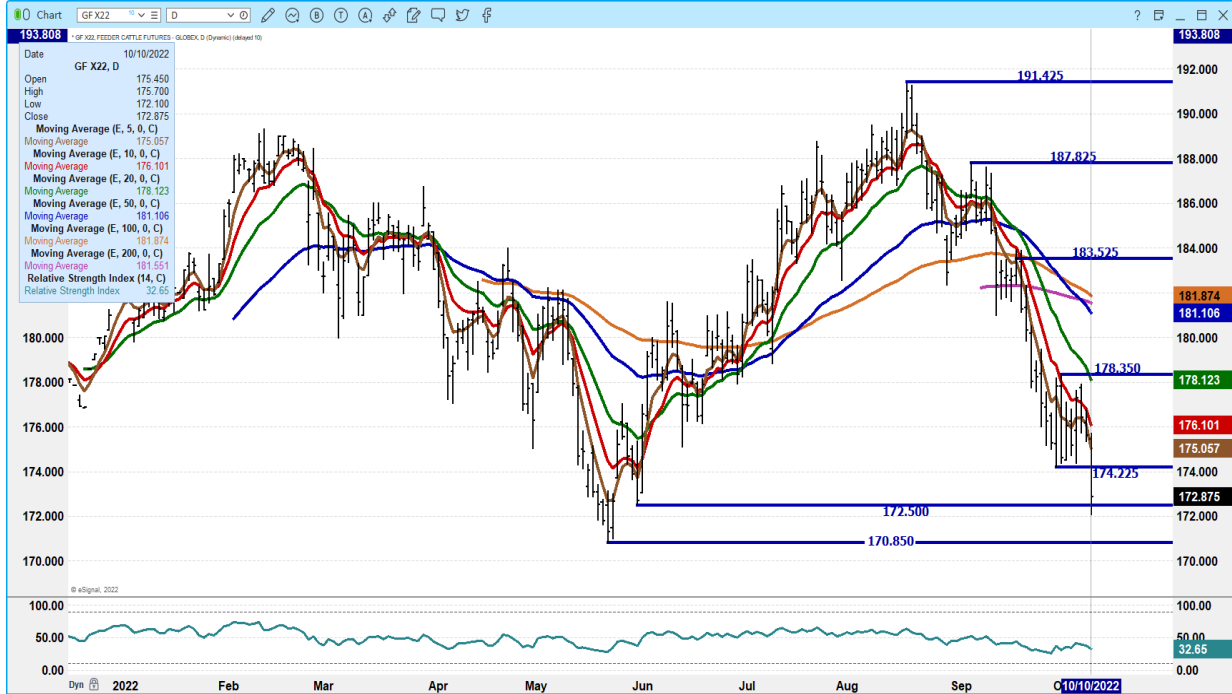
OCTOBER 2022 FEEDER CATTLE 2022 FEEDER CATTLE ON 10/10/2022 CLOSED OUT AT \$172.10

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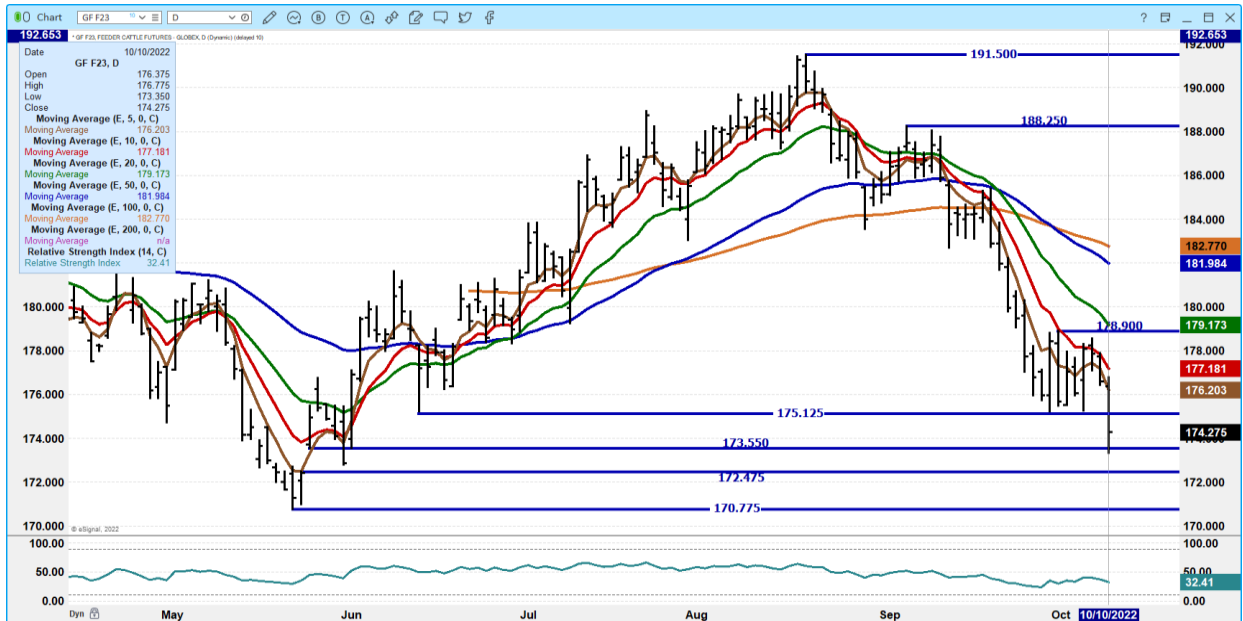
CORN AND WHEAT HIGHER HAD FEEDERS SETTING BACK. ALSO, AS MIDWEST PRODUCERS ARE HAREVESTING CROPS, THERE IS NORMALLY LESS BUYING. WITH HIGH FEED PRICES MORE GRAIN/CATTLE PRODUCERS WILL BE SELLING GRAIN AND REPLACING LOTS WITH FEWER CATTLE.

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NOVEMBER 2022 FEEDER CATTLE – BOUGHT 175.25 SCO AT 174.00 RECOMMENDATION FROM 9/29/22 - STOPPED OUT AT 172.87 10/10/2023 SUPPORT AT 170.85 RESISANCE AT 176.10



JANUARY 2023 FEEDERS CATTLE – GAP AT 173.55 TO 172.47 SUPPORT RESISTANCE AT 177.15



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 10, 2022	488,000
WEEK AGO	465,000
YEAR AGO	474,000

YEAR TO DATE SLAUGHTER DOWN 3,021,000 HEAD AS OF OCTOBER 8, 2022

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CME CASH LEAN HOG INDEX 10/06/2022 AT 92.65 DOWN 12 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 10/07/2022 AT 99.98 UP 73 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 7.33 TO THE CME PORK INDEX -

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SPREADING WAS ACTIVE MONDAY. FRIDAY, THE OCTOBER 2022/DECEMBER 2022 SPREAD SETTLED AT \$15.80. THE DECEMBER 2022/FEBRUARY 2023 SPREAD SETTLED AT MINUS \$2.80. A YEAR AGO THE OCTOBER 2022/ DECEMBER SPREAD SETTLED ON OCTOBER 14, 2021 AT \$10.87. WITHOUT EXPANSION EXPECTED THE DECEMBER. 2022/ FEBRUARY 2023 SPREAD SHOULD CONTINUE TO MOVE FROM PRESENT BEAR SPREAD TO BULL SPREAD WITH DECEMBER OVER FEBRUARY. MONDAY, THE OCTOBER 2022/ DECEMBER 2022 SPREAD SETTLED AT \$14.15 AND THE DECEMBER 2022/FEBRUARY 2023 SPREAD SETTLED AT MINUS \$1.40.

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HOG PRICES ARE GOING DOWN AND PORK PRICES HAVE BEEN SLOWLY IMPROVING. IT IS POSITIVE FOR PACKERS WHEN HOG PRICES DROP AND PORK MOVES UP. BUT IT APPEARS PACKERS ARE ALSO LIMITING SLAUGHTER AS WEIGHTS INCREASE AND FOR THE PRODUCER, IT IS NEGATIVE.

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LAST WEEK THERE WERE STRONG EXPORTS AT 34,300MT. AGAIN MEXICO TOOK THE MOST WITH 16,800MT, CHINA AT 10,100 MT AND THEN EXPORTS DROP WITH CANADA TAKING 1,900MT. JAPAN, ONCE THE LARGEST BUYER OF US PORK DIDN'T TAKE ANY PORK FOR 2022.

THE WEEK BEFORE NET EXPORT SALES WERE ALSO STRONG WITH 34,400 MT. IT MEXICO TAKING 23,700MT TONS AND THEN EXPORTS DROPE TO SOUTH KOREA TAKING 2,900 MT.

AS LONG AS MEXICO KEEPS BUYING U.S. PORK, EXPORTS WILL REMAIN STRONG. FORTUNATELY, THE PESO IS STRONG AND HAS BEEN RALLYING LIKE THE U.S. DOLLAR. HAVING MEXICO AS A BORDER COUNTRY CERTAINLY HELPS.

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DECEMBER MEXICAN PESO – STRENGTH IN PESO GOOD FOR PORK EXPORTS



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 : 279.44

LOADS TRIM/PROCESS PORK : 47.49

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/10/2022	326.93	101.39	92.83	99.43	78.27	124.12	106.21	144.71
CHANGE:		-0.15	-1.78	3.19	-4.49	0.30	-1.88	7.26
FIVE DAY AVERAGE --		100.38	93.64	99.56	80.35	126.94	106.42	132.27

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/10/2022	205.24	102.48	93.02	99.97	84.23	122.47	107.21	145.36
CHANGE:		0.94	-1.59	3.73	1.47	-1.35	-0.88	7.91
FIVE DAY AVERAGE --		100.60	93.68	99.66	81.55	126.61	106.62	132.40

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/07/2022	263.88	101.54	94.61	96.24	82.76	123.82	108.09	137.45
CHANGE:		0.13	2.79	-0.73	0.71	-7.33	-2.37	4.08
FIVE DAY AVERAGE --		100.09	94.01	100.89	80.61	127.45	106.13	128.65

**** 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 FRIDAY, OCTOBER 7, 2022 AND SATURDAY, OCTOBER 8, 2022

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****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 283.40
AVERAGE CARCASS WEIGHT 211.69
HEAD COUNT 282,180

PACKER SOLD:

AVERAGE LIVE WEIGHT 289.51
AVERAGE CARCASS WEIGHT 216.85
HEAD COUNT 42,940

PACKER OWNED:

AVERAGE LIVE WEIGHT 290.65
AVERAGE CARCASS WEIGHT 220.06
HEAD COUNT 257,683

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****DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**
OCTOBER 10, 2022

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

National Negotiated Carcass Price

Lowest price: 79.00
Highest price: 92.50
Weighted Average 84.14
Change from Previous Day -2.75 lower
Head Count: 5,079

Other Market Formula (Carcass)

Lowest Base Price: 77.25
Highest Base Price: 95.53
Weighted Average Price: 89.36
Head Count: 31,988

Swine/Pork Market Formula (Carcass)

Lowest base price: 82.76
Highest Base Price: 98.24
59Weighted Average Price 91.39
Head Count 188,094

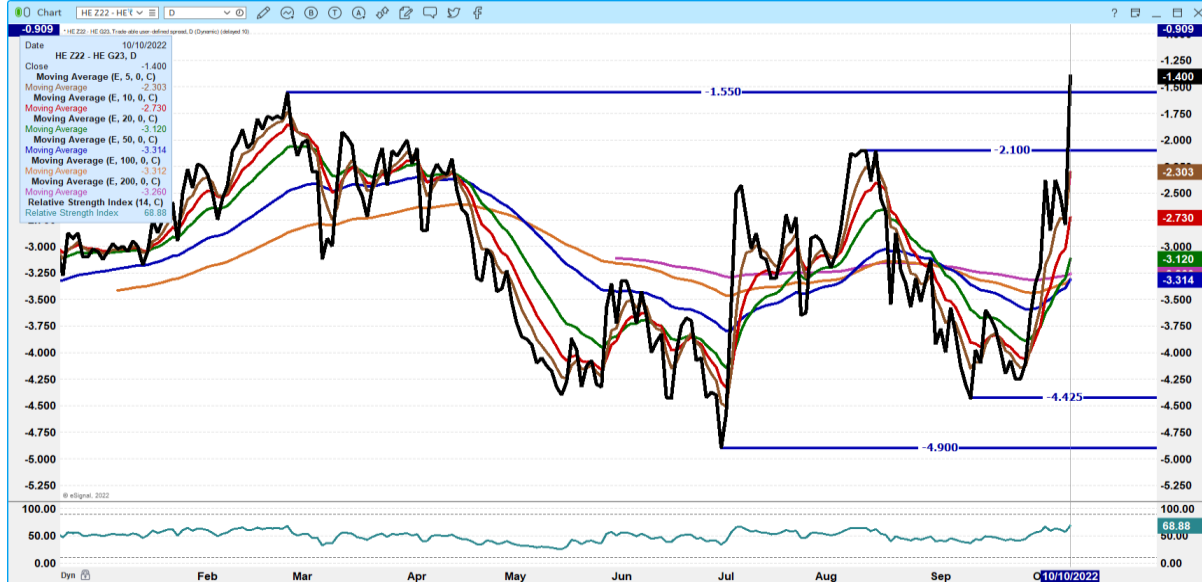
Other Purchase Arrangement (Carcass)

Lowest base price: 78.09
Highest base price: 113.00
Weighted Average Price: 94.62
HEAD COUNT: 174,851

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DECEMBER 2022/FEBRUARY 2023 LEAN HOG SPREAD DEC SHOULD CONTINUE TO GAIN ON FEBRUARY



OCTOBER 2022 LEAN HOGS – VOLUME AT 4,101 OPEN INTEREST AT 10,423



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DECEMBER 2022 LEAN HOGS – VOLUME AT 24,788 RESISTANCE AT 79.90 TO 82.15 SUPPORT AT 76.75 TO 73.00



FEBRUARY 2023 LEAN HOGS - VOLUME AT 13,659 SUPPORT AT 80.15 TO 78.97 RESISTANCE AT 83.05



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JUNE 2022 LEAN HOGS – REVERSAL AFTER HITTING 10 DAY AVERAGE AT 97.12 SUPPORT AT 94.25 TO 92.85



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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