



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING NOVEMBER 30, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 29, 2022	128,000
WEEK AGO	129,000
YEAR AGO	124,000
WEEK TO DATE (EST)	256,000
SAME PERIOD LAST WEEK (EST)	257,000
SAME PERIOD LAST YEAR (ACT)	245,000

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	254.74	225.82
CHANGE FROM PRIOR DAY:	0.21	(2.71)
CHOICE/SELECT SPREAD:		28.92
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		152
5 DAY SIMPLE AVERAGE:	254.23	232.73

CME BOXED BEEF INDEX ON 11/25/2021 WAS 250.75 DOWN 20 CENTS FROM PREVIOUS DAY

2:00 PM NOVEMBER 29, 2022

PRIMAL RIB	516.67	372.16
PRIMAL CHUCK	200.47	198.50
PRIMAL ROUND	201.03	199.36
PRIMAL LOIN	320.10	269.45
PRIMAL BRISKET	179.89	162.31
PRIMAL SHORT PLATE	145.39	145.39
PRIMAL FLANK	128.53	133.12

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11:00 AM NOVEMBER 01, 2022

PRIMAL RIB	445.73	338.59
PRIMAL CHUCK	229.93	213.91
PRIMAL ROUND	229.39	230.22
PRIMAL LOIN	325.40	257.97
PRIMAL BRISKET	197.27	199.09
PRIMAL SHORT PLATE	146.58	146.58
PRIMAL FLANK	147.10	136.89

11:00 AM OCTOBER 3, 2022

PRIMAL RIB	401.31	313.03
PRIMAL CHUCK	195.86	192.16
PRIMAL ROUND	218.92	217.31
PRIMAL LOIN	312.89	257.68
PRIMAL BRISKET	200.58	198.69
PRIMAL SHORT PLATE	159.61	159.61
PRIMAL FLANK	141.00	142.47

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
11/28	55	14	10	6	85	254.53	228.53
11/25	37	12	7	5	61	FRIDAY 251.83	234.37 FRIDAY
11/23	93	17	28	18	155	252.56	233.33
11/22	108	17	7	24	157	256.63	234.18
11/21	69	18	12	14	112	255.57	233.23

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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	96.71 loads	3,868,469 pounds
Select Cuts	25.86 loads	1,034,534 pounds
Trimming	12.19 loads	487,448 pounds
Ground Beef	16.98 loads	679,170 pounds

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USDA DECEMBER 2022 LIVESTOCK REPORTS – REPORTS 2:00 PM CENTRAL TIME

USDA COLD STORAGE REPORT – THURSDAY – DECEMBER 22, 2022

USDA CATTLE ON FEED REPORT – FRIDAY – DECEMBER 23, 2022

USDA HOGS AND PIGS REPORT – FRIDAY – DECEMBER 23, 2022

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Above are the boxed beef prices for the first day of beef sales for October, November and current prices. The beef market support is definitely rib primals and loins. From the beginning of November, chucks and rounds have been a drag on boxed beef.

Boxed beef was up slightly Tuesday but it would down if Choice rib were not higher and much higher. Because Rib primals are moving up on seasonal demand, when buyers are finished buying for the holidays, beef prices could quickly move to the downside especially if they have been buying specifically for rib and loin sections and building up inventory of other cuts.

If it is truly season demand for rib primals and it is pretty safe to assume it is demand for the December holidays, when the push is over for the holidays, demand better improve for all other primal cuts or beef prices will tumble.

Beef demand usually slows January and February and the safety net for cattle prices will be the expected downturn in cattle numbers and how fast it takes place.

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So far, packers haven't bought cattle this week.

CASH CATTLE

Packers bought quite a few cattle last week. Will they need to pay higher this week? Maybe \$1.00 higher. However, packers might pull up their own cattle and contracted cattle first as they usually do the first week of a contract month. Feedlots in the Midwest are wanting \$160.00 and since weights aren't too heavy, feedlots might decide to keep cattle. Much will depend on beef prices especially primal rib and loin sections.

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Beef exports are not good. Net export sales last week were 12,900 MT for 2022. Net weekly export sales should be an average of 20,000 MT to 25,000 MT. South Korea took 4,600 MT as the largest buyer, China was second largest buyer at 4,100 followed by Japan at 1,700 MT. For 2023 net sales were just 4,000 MT.

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National Weekly Fed Cattle Comprehensive Report November 29, 2022

Third week grading percent was over 80%. With more Choice and heavier cattle it could benefit the export market. Exporter buyers want Choice and Prime U.S. beef and higher grading cattle may generate more purchases.

As of November 29, 2022 dressed steer and heifer carcasses last week averaged 896.0 pounds up 1.8 pounds compared to previous week at 894.2 pounds. The grading percent was 81.1% compared to previous week at 80.5%.

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

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*****NATIONAL DAILY DIRECT CATTLE 11/29/22
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1496	\$156.11	44,694
LIVE HEIFER:	1323	\$156.11	22,414
DRESSED STEER:	966	\$244.99	9,431
DRESSED HEIFER:	856	\$245.04	3,318

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USDA POSTED SUMMARY CATTLE PRICES ON 11/29/2022

****STEER PRICES**

IA/MN – CASH – NO REPORTABLE TRADE.
DRESSED - NO REPORTABLE TRADE.

NE – 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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**NATIONAL WEEKLY DIRECT BEEF TYPE PRICE DISTRIBUTION
USDA WEIGHTED AVERAGE PRICE**

[HTTPS://MYMARKETNEWS.AMS.USDA.GOV/VIEWREPORT/3492](https://mymarketnews.ams.usda.gov/viewreport/3492)

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NO CHARTS ON WEDNESDAY

APRIL 2023 LIVE CATTLE/APRIL 2023 LEAN HOGS - CATTLE SHOULD CONTINUE TO GAIN ON HOGS

FEBRUARY 2023/APRIL 2023 LIVE CATTLE SPREAD – BEAR SPREAD

DECEMBER 2022 LIVE CATTLE –

FEBRUARY 2022 LIVE CATTLE –

APRIL 2023 LIVE CATTLE –

JUNE 2023 LIVE CATTLE –
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FEEDER CATTLE

CME FEEDER INDEX ON 11/28/2022 WAS 178.85 UP 1.66 FROM PREVIOUS DAY- UP\$ 5.22 IN 2 DAYS

JANUARY 2023 FEEDER CATTLE ON 11/29/2022 CLOSED OUT AT \$178.00

NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 11/26/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	64,800	15,800	300	80,900
LAST WEEK:	286,200	29,000	34,700	349,900
YEAR AGO:	82,400	10,200	1,200	93,800

COMPARED TO LAST WEEK, STEERS AND HEIFERS WERE TOO THINLY TESTED TO ESTABLISH A TREND, HOWEVER A HIGHER UNDERTONE IS NOTED. MARKETING OF FEEDER CATTLE WERE BASICALLY LIMITED TO THE MIDWEST AND UPPER PLAINS STATES THIS WEEK AS THE SUPPLY OF FEEDERS WAS LIGHT. HOWEVER, SEVERAL BARNS REMAINED DARK THIS WEEK FOR THE HOLIDAY AND RECEIPTS WERE HEAVY IN THE BARNS THAT HELD SALES; MOST OF WHICH WERE ADVERTISED AS A SPECIAL SALE IN SOME WAY OR ANOTHER AND OCCURRED MOSTLY ON MONDAY AND TUESDAY. DEMAND WAS GOOD TO VERY GOOD AS LIMITED AUCTIONS HAPPENED THANKSGIVING WEEK AND AVAILABLE SUPPLIES WERE MET WITH ENHANCED BUYER ACTIVITY.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

THERE ARE LARGE PREMIUMS ON 2023 FEEDERS. LOOK FOR TRADERS TO MOVE FROM BEAR SPREADS TO BULL SPREADS IN DECEMBER.

NO CHARTS ON WEDNESDAY

MARCH 2023 FEEDER CATTLE/MAY 2023 FEEDER CATTLE SPREAD –
JANUARY 2023 FEEDERS CATTLE –
MARCH 2022 FEEDER CATTLE –

LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 29, 2022	494,000
WEEK AGO	492,000
YEAR AGO	479,000

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WEEK TO DATE (EST) 987,000
SAME PERIOD LAST WEEK (EST) 980,000
SAME PERIOD LAST YEAR (ACT) 962,000

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CME LEAN HOG INDEX ON 11/25/2022 WAS 84.63 DOWN 93 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 11/28/2022 AT 90.14 DOWN 83 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON NOVEMBER 25, 2011 WAS 145.91 COMPARED TO NOVEMBER 18, 2022 AT 156.28.

THE CME LEAN HOG INDEX IS MINUS 5.51 TO THE CME PORK INDEX.

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The pork cutout on the 5 day average is down to \$88.70 Loins are trying to stay above \$80.00 with the average at \$82.00. Hams took a beating Tuesday and the 5 day average is at \$94.33. It is saying something when the highest priced primal are rib primals at \$116.92 well above loins and hams.

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TUESDAY-

Bear spreading continues to be a large part of trading. Trading was moderate on Tuesday and the trade continued selling after Monday's steep drop. Spec traders are spreading buying cattle and selling hogs.

Why did hogs sell off Monday?

Traders are and have been bear spread. For weeks the trade has been bearish. Monday, stops were hit and traders long futures without spreads or option protection were flushed out. The trade agreement signed last week that Mexico is going to buy pork from Brazil was negative to hog futures. For months I have been saying the US pork industry should say prayers and thank their lucky stars that Mexico is supporting US pork. Maybe the COVID problem in China brought in some negativity, but since the US has been selling this year very little to China, I doubt it has much to do with it. Pork and cash hog prices have been steadily dropping. There are increasing global hog numbers. Expectations there will be more hogs in the U.S. going forward into 2023. For a year and a half hog prices have been high that encourages expansion. Kill has been increasing in the US, almost back to slaughter levels before COVID breakout. Packers have negative margins. U.S. producers are bullish. A fair amount of Texas hedging has been taking place and stops were hit Monday. Spec traders are buying cattle and selling hog on spreads. Bear spreading is bearish and when big traders are spread, it can kick like a mule to small retail longs.

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Net export sales for pork were very good at 45,800 MT for 2022 . Mexico took 18,200 MT, Japan took 10,200 MT and Canada at 4,100 M. China was absent. Net sales exports for 2023 are so far not showing much strength. For 2023 net sales were a lowly 4,400 MT.

It was announced this week that Mexico has a new trade agreement with Brazil and will begin to import more Brazilian pork. The reason, Mexico is trying to fight inflation and bringing in Brazilian

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pork should begin to bring down food costs. The agreement will mean that Mexico is expected to buy pork on a regular basis. Look for Mexico to buy Brazilian beef soon.

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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 : 285.51

LOADS TRIM/PROCESS PORK : 45.72

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/29/2022	331.22	85.68	82.26	97.00	81.27	116.37	85.23	97.46
CHANGE:		-3.84	-1.95	-1.35	-3.44	0.65	-9.41	-2.30
FIVE DAY AVERAGE --		88.70	82.00	97.67	80.94	116.92	94.31	102.49

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/29/2022	173.65	88.77	82.46	98.50	78.24	116.79	99.11	96.30
CHANGE:		-0.75	-1.75	0.15	-6.47	1.07	4.47	-3.46
FIVE DAY AVERAGE --		89.32	82.04	97.97	80.33	117.01	97.09	102.26

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/28/2022	290.42	89.52	84.21	98.35	84.71	115.72	94.64	99.76
CHANGE:		1.89	1.98	-0.03	5.57	2.00	-2.67	6.59
FIVE DAY AVERAGE --		89.96	81.94	98.07	81.13	117.73	97.06	105.36

**** NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE**

https://www.ams.usda.gov/mnreports/ams_2511.pdf

SLAUGHTER DATA FOR NOVEMBER 28, 2022

****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 284.41

AVERAGE CARCASS WEIGHT 212.41

HEAD COUNT 245,511

PACKER SOLD:

AVERAGE LIVE WEIGHT 290.53

AVERAGE CARCASS WEIGHT 217.32

HEAD COUNT 30,662

PACKER OWNED:

AVERAGE LIVE WEIGHT 293.02

AVERAGE CARCASS WEIGHT 221.93

HEAD COUNT 178,470

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****DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE
NOVEMBER 28, 2022**

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

National Negotiated Carcass Price

Lowest price: 76.50

Highest price: 87.50

Weighted Average 83.22

Change from Previous Day 0.27 higher

Head Count: 8,744

Other Market Formula (Carcass)

Lowest Base Price: 68.11

Highest Base Price: 87.03

Weighted Average Price: 80.64

Head Count: 25,923

Swine/Pork Market Formula (Carcass)

Lowest base price: 74.48

Highest Base Price: 90.26

59Weighted Average Price 82.47

Head Count 253,444

Other Purchase Arrangement (Carcass)

Lowest base price: 75.89

Highest base price: 114.00

Weighted Average Price: 87.75

HEAD COUNT: 193,601

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NO CHARTS ON WEDNESDAY

FEBRUARY 2023/APRIL 2023 LEAN HOG SPREAD – BEAR SPREADING

APRIL 2023/JUNE LEAN HOG 2023 SPREAD – BEAR SPREADING

DECEMBER 2022 LEAN HOGS –

FEBRUARY 2022 LEAN HOGS –

APRIL 2022 LEAN HOGS –

JUNE 2023 LEAN HOGS –

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