



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING AUGUST 03, 2023 LIVESTOCK REPORT

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BEEF AND PORK EXPORT HIGHLIGHTS ON LAST PAGE

CATTLE

AUGUST 02, 2023	123,000
WEEK AGO	126,000
YEAR AGO	125,000
WEEK TO DATE	371,000
SAME PERIOD LAST WEEK	373,000
SAME PERIOD LAST YEAR (ACT)	372,000

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2:00 PM AUGUST 02, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	303.18	277.47
CHANGE FROM PRIOR DAY:	(2.92)	(2.13)
CHOICE/SELECT SPREAD:	25.71	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	134	
5 DAY SIMPLE AVERAGE:	303.22	278.89

CME BOXED BEEF INDEX ON 08/01/2023 WAS 296.49 DOWN 23 CENTS FROM PREVIOUS DAY

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2:00 PM AUGUST 02, 2023

PRIMAL RIB	449.60	377.27
PRIMAL CHUCK	249.94	249.26
PRIMAL ROUND	235.78	235.54
PRIMAL LOIN	417.28	343.45
PRIMAL BRISKET	251.49	236.15
PRIMAL SHORT PLATE	233.32	233.32
PRIMAL FLANK	225.18	202.68

2:00 PM AUGUST 01, 2023

PRIMAL RIB	457.23	370.92
PRIMAL CHUCK	253.50	252.56
PRIMAL ROUND	237.28	237.44
PRIMAL LOIN	420.75	350.63
PRIMAL BRISKET	250.83	237.56
PRIMAL SHORT PLATE	231.91	231.91
PRIMAL FLANK	226.63	201.13

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
08/01	56	28	6	12	102	306.10	279.60
07/31	44	25	0	17	86	301.78	277.73
07/28	69	17	5	10	101	302.00	277.54
07/27	66	29	14	4	114	302.86	279.76
07/26	77	21	3	12	114	303.34	279.81

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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	73.04 loads	2,921,786 pounds
Select Cuts	30.91 loads	1,236,265 pounds
Trimming	0.00 loads	0 pounds
Ground Beef	30.48 loads	1,219,225 pounds

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AUGUST 2023 USDA LIVESTOCK REPORTS
CATTLE ON FEED REPORT FRIDAY AUGUST 18, 2023 2:00PM CST
COLD STORAGE REPORT WEDNESDAY AUGUST 23, 2023 2:00PM CST

**WEEKLY FUTURES PRICE CHANGE
Table with 3 columns: Month/Year, 07/28/2023, 08/04/2023. Rows include August 2023 Live Cattle (178.15), October 2023 Live Cattle (179.60), December 2023 Live Cattle (183.60), February 2024 Live Cattle (187.62), April 2024 Live Cattle (190.37), June 2024 Live Cattle (184.17).

Live Cattle trade volume was light Wednesday. Prices reversed from Tuesday’s up move essentially giving Tuesday’s gains back.

Choice boxed was lower Wednesday after a big move higher Tuesday. Daily movement is such a small part of all beef shipped from the packers that volatility has become the norm rather than the exception.

August Live Cattle on Wednesday settled at \$178.02. The 5 day negotiated steer price is \$184.76.

Monday, August 7, 2023 is first notice day.

Packers have slowed slaughter, there are first filling contracted beef contracts and then offering small amounts of beef for the daily market. Last week packers killed just enough cattle, 619,000 head, to meet contract and daily beef orders and beef prices were little changed but steer prices were down \$1.00. It looks like this week will be a repeat of last week.

Beef is now in the dog days of summer. Labor Day is the last of the big summertime cookouts. Demand for Choice Chucks, Rounds, Plates and Flanks for processing into ground beef along with the same Select primals will be the support of the beef market, but it is Rib and Loin primals that lead the market and now they are a weight on boxed beef.

Feedlots especially in Nebraska and Kansas are asking higher prices, but as of Thursday morning packers are quiet.

EXPORTS
For week ending July 27, 2023 beef net sale exports were 12,400 MT. The largest buyer was South Korea taking just 3,900 MT followed by Japan with 3,400 MT and Canada at 2,500 MT. China took 900 MT. It is disappointing to see exports drop as much as they did.

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Week Ending July 20 , 2023 21,400 MT
Week Ending July 13 , 2023 20,900 MT
Week Ending July 6 , 2023 9900 MT
Week Ending June 29 , 2023 17,000 MT

[HTTPS://APPS.FAS.USDA.GOV/EXPORT-SALES/HIGHLITE.HTM](https://apps.fas.usda.gov/export-sales/highlite.htm)

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT AUGUST 01, 2023

As of August 01, 2023 dressed steer and heifer carcasses averaged 862.1 pounds up 2.0 pound from previous week at 860.1 pounds and 5 pounds lower at 867.1 pounds than a year ago. The grading percent as of 8/01/23 was 80.0% compared to previous week at 80.3%. A year ago the grading percent was 80/1%.

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

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*****NATIONAL DAILY DIRECT CATTLE 08/02/2023**
5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1446	\$184.76	15,240
LIVE HEIFER:	1305	\$184.30	5,950
DRESSED STEER	938	\$293.86	9,816
DRESSED HEIFER:	845	\$294.15	1,894

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USDA POSTED SUMMARY CATTLE PRICES ON 08/02/2023

IA/MN – CASH FOB – 185.00 ON 126STEERS WEIGHING 1500 POUNDS
LIVE DELIVERED - NO REPORTABLE TRADE.
DRESSED DELIVERED – 292.00 ON 84 HEAD MIXED LOAD

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

KS – CASH – NO REPORTABLE TRADE.
LIVE DELIVERED: NO REPORTABLE TRADE.
DRESSED - NO REPORTABLE TRADE.

TX/OK/NM CASH – NO REPORTABLE TRADE FRIDAY.

CO - *NOT REPORTED DUE TO CONFIDENTIALITY*****

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OCTOBER/DECEMBER 2023 LIVE CATTLE SPREAD –
AUGUST 2023 LIVE CATTLE –
OCTOBER 2023 LIVE CATTLE –
DECEMBER 2023 LIVE CATTLE –

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FEEDER CATTLE

CME FEEDER INDEX ON 08/01/2023 WAS 244.88 UP 19 CENTS FROM PREVIOUS DAY –

AUGUST 2023 FEEDER CATTLE FUTURES SETTLED ON 08/02/2023 AT \$246.82

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 07/29/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	128,400	46,100	178,700	353,200
Last Week:	121,500	37,900	9,900	169,300
Year Ago:	150,600	61,900	8,900	221,400

Compared to last week, steers and heifers sold uneven; 1.00 lower to 3.00 higher. Demand was moderate to good. The supply of feeders was light to moderate and typical of a late July offering. Extreme heat dampened buyer's excitement on the calf market this week and those high-risk calves continue to find very little excitement. Yearlings on the other hand, many of which that are still out there have been held back typically in load lots garner a lot of excitement and continue to sell at or near record high prices. In general, the backgrounders that keep yearlings to market this time of know how to play the game and are bringing uniform load lots without too much condition, long time weaned with all the shots and buyers eagerly pay for that type of management.

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WEEKLY FUTURES PRICE CHANGE

	07/28/2023	08/04/2023
AUGUST 2023 FEEDER CATTLE	245.60	
SEPTEMBER 2023 FEEDER CATTLE	248.97	
OCTOBER 2023 FEEDER CATTLE	251.00	
NOVEMBER 2023 FEEDER CATTLE	251.87	
JANUARY 2024 FEEDER CATTLE	250.25	
MARCH 2024 FEEDER CATTLE	250.87	
APRIL 2024 FEEDER CATTLE	254.00	
MAY 2024 FEEDER CATTLE	255.87	

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OCTOBER 2023 FEEDER CATTLE/NOVEMBER 2023 FEEDER CATTLE SPREAD –
AUGUST 2023 FEEDER CATTLE –
SEPTEMBER 2023 FEEDER CATTLE –
NOVEMBER 2023 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 02, 2023	468,000
WEEK AGO	457,000
YEAR AGO	465,000
WEEK TO DATE	1,420,000
SAME PERIOD LAST WEEK	1,390,000
SAME PERIOD LAST YEAR (ACT)	1,349,000

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CME LEAN HOG INDEX ON 07/31/2023 WAS 105.90 DOWN 10 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 08/01/2023 AT 114.61 UP 59 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$8.71 TO THE CME PORK INDEX.

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WEEKLY FUTURES PRICE CHANGE

	07/28/2023	08/04/2023
JULY 2023 LEAN HOGS	102.53	SETTLED ON 07/19/2023
AUGUST 2023 LEAN HOGS	103.20	
OCTOBER 2023 LEAN HOGS	85.02	
DECEMBER 2023 LEAN HOGS	77.05	
FEBRUARY 2023 LEAN HOGS	80.87	
APRIL 2023 LEAN HOGS	85.30	
JUNE 2024 LEAN HOGS	95.70	

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Hog trade volume was light Wednesday as Lean Hogs closed lower. No support was broken. For August and October, the uptrend is in tack. For December on out, they remain in the same sideways pattern beginning mid-June.

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The CME Lean Hog Index is narrowing the difference between the CME Pork Index. As it narrows, it is negative for packers.

August Lean Hogs settled Wednesday at \$102.67 and the current CME Lean Hog Index is \$105.90.

The cutout was down 21 cents on the daily market. However, the 5 day average carcass was higher at 115.14.

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Pork exports to Mexico are up in 2023. Through May 2023, the latest official data, U.S. pork plus pork variety meat total exports were up 14% with Mexico up 13%, the largest buyer of U.S. pork. But look for Mexico to slip in purchases. The Mexican Peso is up and is now called the "super peso." But at the same time inflation is up big. Consumers have less money to spend on food.

MEXICO'S STRONGER PESO CUTS THE VALUE OF REMITTANCES FROM THE US

<https://www.reuters.com/markets/currencies/mexicos-super-peso-puts-squeeze-us-remittances-2023-07-31/>

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EXPORTS

For week ending July 27, 2023 pork exports were 17,800 MT. Mexico was the largest buyer at 7300 MT followed by Japan at 2800 MT and Canada at 2300 MT. China took nothing

WEEK ENDING JULY 20, 2023 NET EXPORT SALES WERE 21,400 MT
WEEK ENDING JULY 13, 2023 NET EXPORT SALES WERE 19,200 MT
WEEK ENDING JULY 06, 2023 NET EXPORT SALES WERE 24,500 MT
WEEK ENDING JUNE 29, 2023 NET EXPORT SALES WERE 26,000 MT

<https://apps.fas.usda.gov/export-sales/highlite.htm>

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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 : 234.44

Loads TRIM/PROCESS PORK : 44.25

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/01/2023	278.69	111.63	100.16	101.45	76.05	112.48	94.10	215.28
CHANGE:		-3.63	1.72	-1.74	-4.31	-1.69	-6.65	-10.92
FIVE DAY AVERAGE --		114.46	100.27	104.84	80.16	113.83	97.82	221.76

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/02/2023	177.64	115.05	101.87	103.74	75.36	111.60	93.82	233.32
CHANGE:		-0.21	3.43	0.55	-5.00	-2.57	-6.93	7.12

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FIVE DAY AVERAGE --		115.14	100.61	105.30	80.02	113.66	97.77	225.37
2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/01/2023	319.16	115.26	98.44	103.19	80.36	114.17	100.75	226.20
CHANGE:		-1.95	-2.80	-1.62	-3.70	0.38	1.28	-5.56
FIVE DAY AVERAGE --		114.68	99.99	105.10	81.67	114.06	98.43	221.57

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DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE
AUGUST 02, 2023
<https://www.ams.usda.gov/sites/default/files/media/LMRswineReportingHandout.pdf>

National Negotiated Carcass Price
Head Count: 4,647
Lowest price: 93.00
Highest price: 106.00
Weighted Average 101.87
Change from Previous Day -2.13 LOWER

Other Market Formula (Carcass)
Head Count: 25,981
Lowest Base Price: 78.16
Highest Base Price: 107.75
Weighted Average Price: 98.54

Swine/Pork Market Formula (Carcass)
Head Count 145,434
Lowest base price: 92.21
Highest Base Price: 108.93
Weighted Average Price 104.26

Other Purchase Arrangement (Carcass)
HEAD COUNT: 65,205
Lowest base price: 87.33
Highest base price: 113.53
Weighted Average Price: 104.74

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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 – AUGUST 02, 2023

****PRODUCER SOLD:**
HEAD COUNT 235,682
AVERAGE LIVE WEIGHT 275.49
AVERAGE CARCASS WEIGHT 206.14

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PACKER SOLD:
HEAD COUNT 32,595
AVERAGE LIVE WEIGHT 283.89
AVERAGE CARCASS WEIGHT 211.66

PACKER OWNED:
HEAD COUNT 171,797
AVERAGE LIVE WEIGHT 273.03
AVERAGE CARCASS WEIGHT 206.51

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OCTOBER /DECEMBER LEAN HOG SPREAD –
DECEMBER/FEBRUARY LEAN HOG SPREAD –
AUGUST 2023 LEAN HOGS –
OCTOBER 2023 LEAN HOGS –
DECEMBER 2023 LEAN HOGS –
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BEEF: NET SALES OF 12,400 MT FOR 2023 WERE DOWN 42 PERCENT FROM THE PREVIOUS WEEK AND 28 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR SOUTH KOREA (3,900 MT, INCLUDING DECREASES OF 400 MT), JAPAN (3,400 MT, INCLUDING DECREASES OF 700 MT), CANADA (2,500 MT, INCLUDING DECREASES OF 100 MT), MEXICO (1,300 MT, INCLUDING DECREASES OF 100 MT), AND CHINA (900 MT, INCLUDING DECREASES OF 200 MT), WERE OFFSET BY REDUCTIONS FOR TAIWAN (900 MT). TOTAL NET SALES OF 200 MT FOR 2024 WERE FOR JAPAN. EXPORTS OF 17,200 MT WERE UP 7 PERCENT FROM THE PREVIOUS WEEK AND 8 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO SOUTH KOREA (4,900 MT), JAPAN (4,000 MT), CHINA (2,400 MT), MEXICO (1,700 MT), AND TAIWAN (1,300 MT).

PORK: NET SALES OF 17,800 MT FOR 2023 WERE DOWN 30 PERCENT FROM THE PREVIOUS WEEK AND 25 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR MEXICO (7,300 MT, INCLUDING DECREASES OF 300 MT), JAPAN (2,800 MT, INCLUDING DECREASES OF 200 MT), CANADA (2,300 MT, INCLUDING DECREASES OF 400 MT), COLOMBIA (1,900 MT, INCLUDING DECREASES OF 100 MT), AND SOUTH KOREA (1,200 MT, INCLUDING DECREASES OF 400 MT), WERE OFFSET BY REDUCTIONS FOR THE DOMINICAN REPUBLIC (100 MT). EXPORTS OF 27,100 MT WERE UP 14 PERCENT FROM THE PREVIOUS WEEK AND 4 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (12,300 MT), CHINA (4,500 MT), JAPAN (3,000 MT), CANADA (1,600 MT), AND SOUTH KOREA (1,600 MT).

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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