



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING SEPTEMBER 9, 2021 LIVESTOCK REPORT

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CATTLE

SEPTEMBER 8, 2021	121,000
WEEK AGO	119,000
YEAR AGO	121,000
WEEK TO DATE (EST)	245,000
SAME PERIOD LAST WEEK (EST)	357,000
SAME PERIOD LAST YEAR (ACT)	245,000

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	CHOICE	SELECT
BOXED BEEF FINAL	334.86	298.17
CHANGE FROM PRIOR DAY:	(0.33)	(3.73)
CHOICE/SELECT SPREAD:		36.69
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		132
5 DAY SIMPLE AVERAGE:	338.02	306.12

CME BOXED BEEF INDEX FOR 09/07/2021 WAS AT \$ 329.77 DOWN 2.02 FROM PREVIOUS DAY

FINAL SEPTEMBER 08, 2021

PRIMAL RIB	602.80	441.80
PRIMAL CHUCK	265.18	255.57
PRIMAL ROUND	262.01	266.19
PRIMAL LOIN	424.43	358.95
PRIMAL BRISKET	322.27	272.32
PRIMAL SHORT PLATE	247.19	247.19
PRIMAL FLANK	160.49	159.73

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FINAL SEPTEMBER 07, 2021

PRIMAL RIB	609.91	445.90
PRIMAL CHUCK	267.73	264.94
PRIMAL ROUND	258.53	261.21
PRIMAL LOIN	424.89	367.27
PRIMAL BRISKET	319.25	276.89
PRIMAL SHORT PLATE	241.47	241.47
PRIMAL FLANK	160.51	159.90

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
09/07	45	20	13	31	109	335.19	301.90
09/03	39	11	12	12	74	336.42	304.13
09/02	49	17	0	15	81	337.92	304.97
09/01	59	18	7	20	104	338.45	307.57
08/31	43	15	8	23	89	342.11	312.03

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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. **CURRET VOLUME** - (one load equals 40,000 pounds)

Choice Cuts	66.64 loads	2,665,550 pounds
Select Cuts	27.73 loads	1,109,034 pounds
Trimming	16.55 loads	662,104 pounds
Ground Beef	20.83 loads	833,353 pounds

SEPTEMBER 2021 LIVESTOCK REPORTS

WEDNESDAY SEPTEMBER 22, 2021 - COLD STORAGE REPORT 2:00PM CENTRAL TIME

FRIDAY SEPTEMBER 24, 2021 - HOGS AND PIGS REPORT 2:00PM CENTRAL TIME

FRIDAY SEPTEMBER 24, 2021- CATTLE ON FEED REPORT 2:00PM CENTRAL TIME

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Futures trade volume on Wednesday was active on Live Cattle. When Live Cattle prices for December 2021 into 2022 are at premiums to cash, futures normally are sold.

There has been quite a bit of commentary about beef prices dropping and the negativity to cattle prices but it has to be taken into consideration from where the beef prices fell off highs. Primal Loin sections have dropped the most but the week before Labor Day primal loins were extremely high over \$445/cwt and now are about \$20 lower. Choice rib and brisket sections have maintained their high prices. Rib, loin and brisket sections are still extremely high priced. Rounds and Chuck sections are cheap. Select beef is cheap. Choice Primal ribs, loins and briskets are in a demand driven market.

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There is strong demand for ground beef but processors and fabricators can use the lower priced primals and can grind any lower priced product whether it is choice, select to cow graded beef.

Consumers are buying Choice Prime Ribs roasts down to 30/70 ground beef.

Fewer cattle ahead and less available beef is friendly. But with September a non-spot month, trading will be dominated by speculators.

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As of AUGUST 31, 2021 dressed steer and heifer weights were 869.3 compared to previous week at 870.1 down .8 pounds for the week. Grading percent was 79.6 down 1% compared to previous week at 80.6%.

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The US Department of Agriculture Attaché in Brazil forecasts beef production in 2021 will decrease 6% but in 2022 will see an increase of 2%.

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USDA POSTED SUMMARY CATTLE PRICES ON 09/8/2021

IA/MN – CASH – No Reportable Trade

DRESSED - 198.00 - 203.00 average steer weight 896 - 1,001

NE – CASH - 126.00 - 127.00 average steer weight 1,410 - 1,560

DRESSED – 203.00 - 203.00

KS – CASH - 124.00 average steer weight 1,488 - 1,54

DRESSED – 203.00 . average steer weight 841 - 925

TX/OK/NM – 123.50 - 124.00 Grade from 35% Choice to 80% Choice Steers and heifers

DRESSED No Reportable Trade.

CO – ****Not reported due to confidentiality****

DRESSED ****Not reported due to confidentiality****

*****National Daily Direct Cattle 09/8/21**

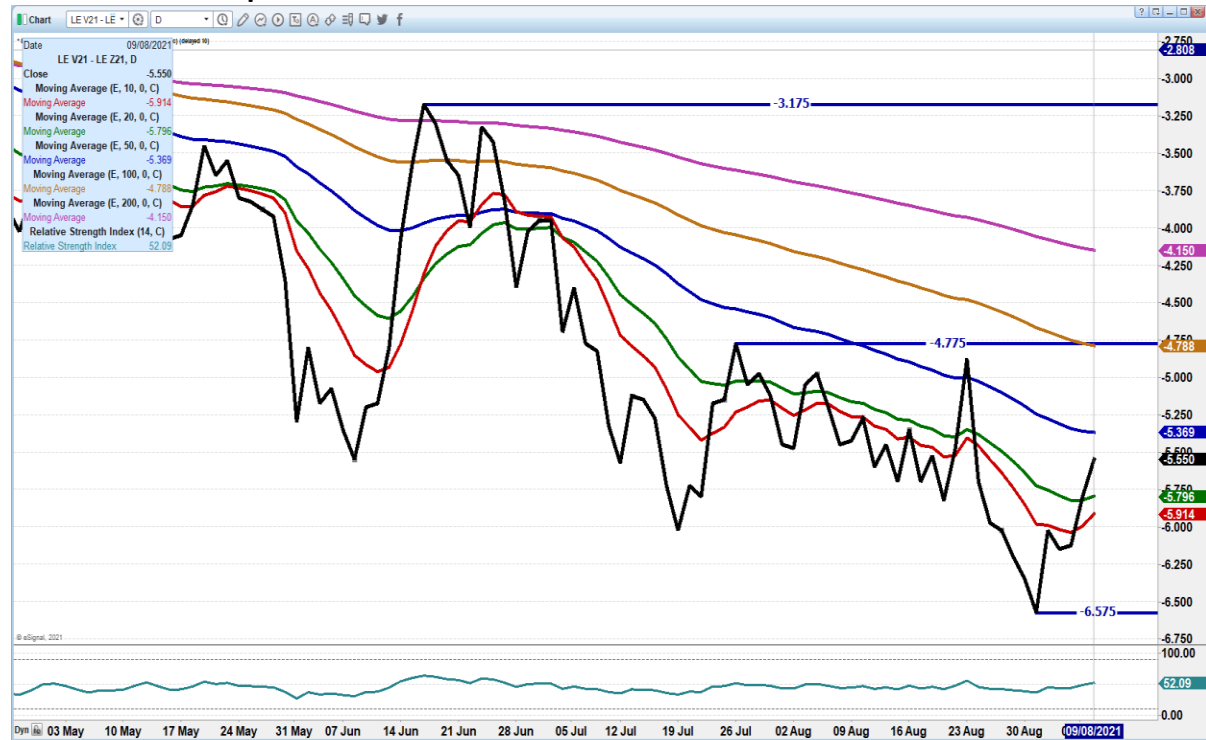
5 day accumulated weighted avg)

	Weight	Price	Head
Live Steer:	1466	\$125.53	27,631
Live Heifer:	1304	\$124.80	9,813
Dressed Steer:	953	\$201.69	12,890
Dressed Heifer:	857	\$202.09	2,708

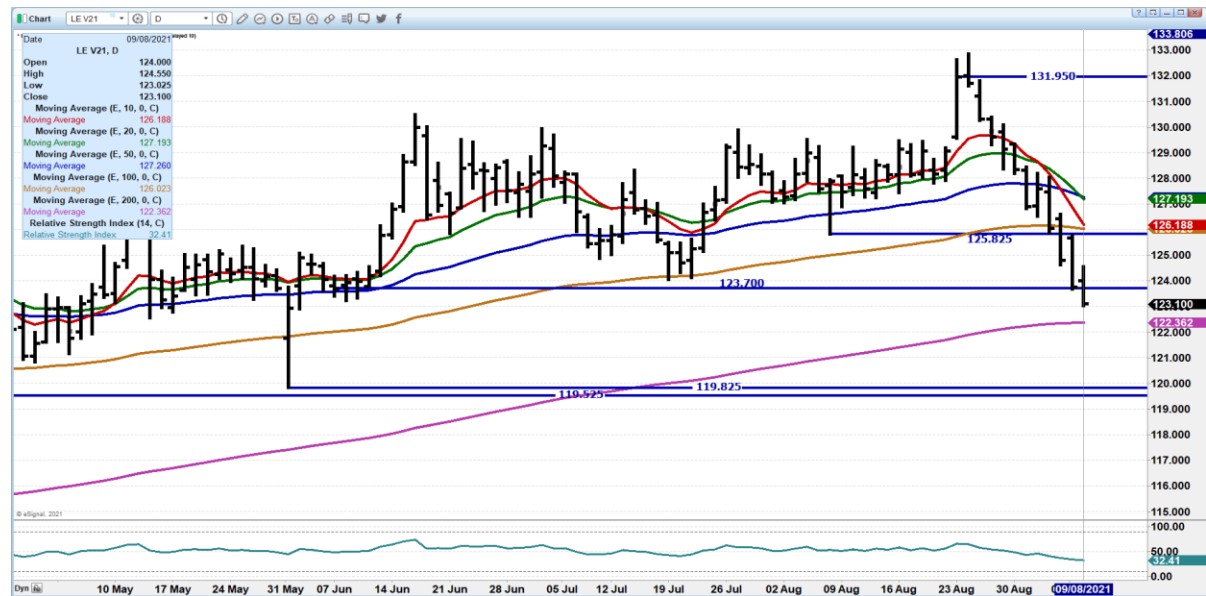
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OCTOBER2021/DECEMBER 2021 LIVE CATTLE SPREAD – Spread narrowing as December narrows to lower price October



OCTOBER 2021 LIVE CATTLE – VOLUME VERY ACTIVE AT 40793 SUPPORT AT 122.38 RESISTANCE AT 126.20



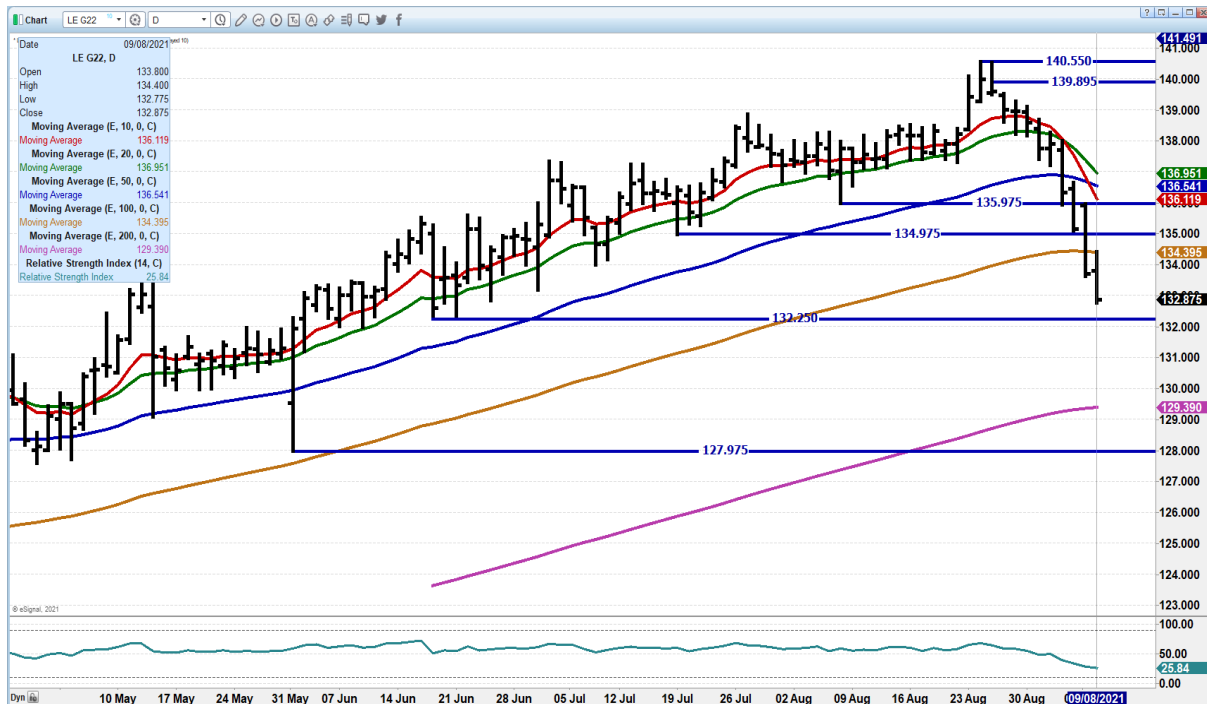
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DECEMBER 2021 LIVE CATTLE – Big volume on Wednesday at 41529 December is now the month with most open interest. Support at 126.50 Resistance at 130.80 to 132.10 RSI at 29 is not oversold but bounce anytime is likely



FEBRUARY 2021 LIVE CATTLE - Breaking 100 day average is negative. Next support at 132.25 to 129.37 Resistance at 134.40 to 136.15



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Feeder Cattle

CME FEEDER INDEX ON 09/07/2021 WAS 157.47 UP .10 FROM PREVIOUS DAY -

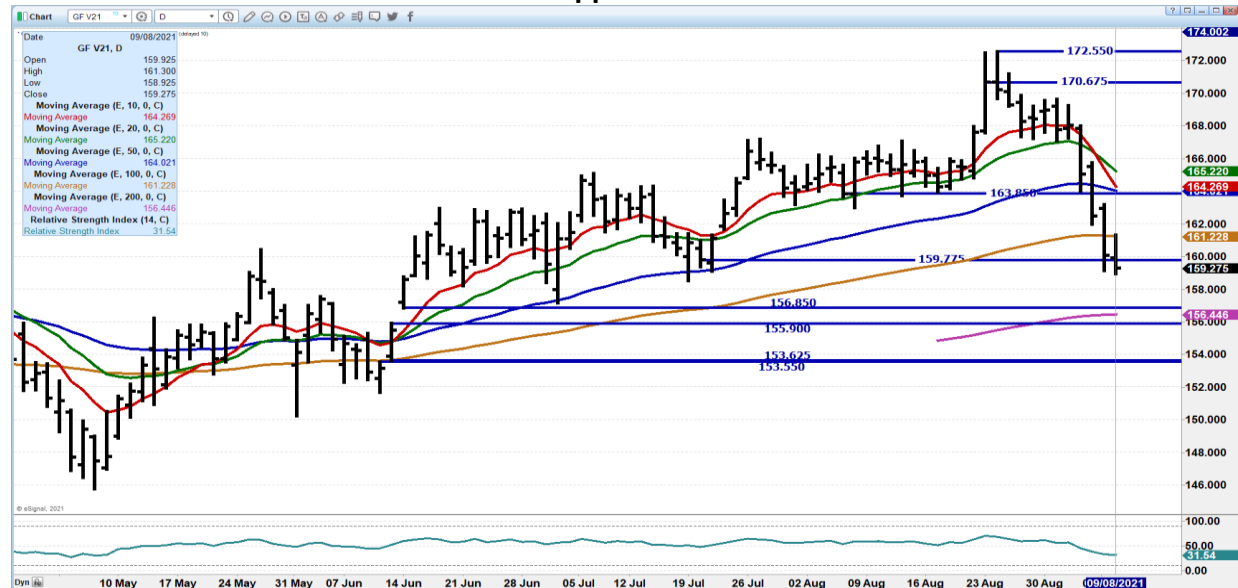
SEPTEMBER 2021 FEEDER CATTLE FUTURES CLOSED ON SEPTEMBER 8, 2021 \$156.05

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/04/2021

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	136,500	34,400	9,000	179,900
THIS WEEK:	159,800	54,300	77,800	291,900
YEAR AGO:	160,800	27,900	5,200	193,900

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD UNEVEN; 2.00 LOWER TO 2.00 HIGHER. DEMAND WAS DESCRIBED AS MODERATE TO GOOD NATIONWIDE THIS WEEK PRIOR TO THE LABOR DAY HOLIDAY. MOST OF THE BETTER FEEDER CATTLE ORDERS WERE EVIDENT EARLIER IN THE WEEK SO FEEDLOT MANAGERS COULD GET CATTLE INTO THE YARD AND PROCESSED PRIOR TO THE LONG HOLIDAY WEEKEND. RECEIPTS THE WEEK BEFORE AND OF THE HOLIDAY ARE TYPICALLY SHORTENED SOME DUE TO SCHEDULING AND SOME OF THE MAJOR MARKETS TAKING THE WEEK OFF AND LETTING EMPLOYEES GET CHARGED UP FOR THE CALF RUNS THAT WILL BE COMING LATER THIS MONTH AND INTO OCTOBER/NOVEMBER.

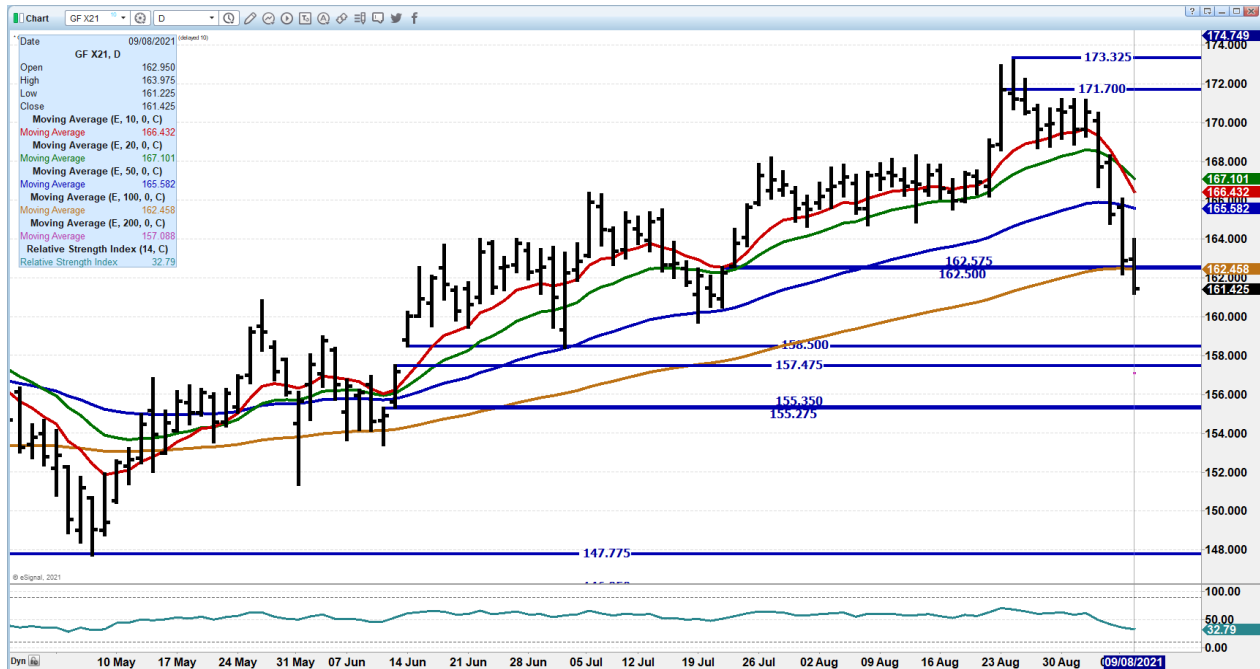
OCTOBER 2021 FEEDER CATTLE – Next support at 56.85 to 155.00 Resistance at 164.27



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NOVEMBER 2021 FEEDER CATTLE - Next target and support at 158.50 to 157.47 Resistance at 165.60 to 166.45



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

SEPTEMBER 8, 2021	479,000
WEEK AGO	479,000
YEAR AGO	485,000
WEEK TO DATE (EST)	954,000
SAME PERIOD LAST WEEK (EST)	1,429,000
SAME PERIOD LAST YEAR (ACT)	960,000

****REVISED TUESDAY HOG SLAUGHTER..469,000 PREVIOUS ESTIMATE 481,000**

CME CASH LEAN HOG INDEX 09/06/2021 AT \$99.30 OWN 76 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 09/07/2021 AT \$107.63 DOWN 1.01 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 9/3/2021 WAS 224.23 COMPARED TO 8/27/2021 WAS 251.91

CME PORK INDEX TO CME LEAN HOG INDEX plus 8.33

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Are hog producers preparing for new law in California that will stop pork sales in January?

The egg, poultry and veal industry say they can meet California's new law on how livestock are raised. The hog industry probably can't. California uses about 15% of the pork produced from US hog farms. It appears pork sales will stop at least for a while in 2022. Halting movement of 15% of pork movement would be a big negative problem for the pork industry.

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Spreading was obvious on Lean Hog futures Wednesday, but the October/December spread continues to remain bull spread. It could be traders rolling out of long October to December or it as trade moves to October, the spread actually narrowing. Trade volume was fairly active Wednesday.

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Pork carcass continues the gyrations on pricing, specifically hams. Morning sales have been high, Wednesday hams were up \$35.34 in the morning. The carcass was up 6.77.

Buyers wanting just fresh hams must pay up for a single product, versus buyers taking half or whole carcasses paying a price on the entire carcass.

Pork movement was light on Wednesday morning and it is logical that individual primals are priced higher versus the entire purchase of a carcass.

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A year ago Cash Negotiated hogs Carcass Base Price: \$40.00 - \$50.00 with an average of \$45.89. The Formula Hogs price range was : \$42.47 - \$75.76 with an average price of \$59.39.

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Concern about African Swine Fever getting into the US from Dominican Republic is a concern. US officials at the border have increased inspections as have Brazil and Canada.

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USDA MARKET NEWS

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

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NATIONAL DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES

SEPTEMBER 8, 2021

LOADS OF PORK CUTS: 434.08

TRIM/PROCESSED PORK: 48.03

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
09/08/2021	482.11	110.40	107.02	117.30	86.52	138.36	97.28	164.83

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CHANGE	4.73	-5.24	-7.87	1.69	-5.14	27.27	0.51
FIVE DAY AVERAGE --	108.01	111.88	125.68	84.46	139.25	81.95	162.23

NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
09/08/2021	290.73	112.44	107.77	118.26	86.01	137.41	105.35	162.82
CHANGE		6.77	-4.49	-6.91	1.18	-6.09	35.34	-1.50
FIVE DAY AVERAGE --		108.41	112.03	125.87	84.35	139.06	83.57	161.83

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
09/07/2021	428.42	105.67	112.26	125.17	84.83	143.50	70.01	164.32
CHANGE		-2.48	-2.37	-4.09	0.27	5.23	-12.61	7.98
FIVE DAY AVERAGE --		107.73	113.10	128.23	83.81	142.55	78.30	161.92

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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 September 7, 2021

Average live weight: 278.30

Average carcass : 209.06

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

DAILY DIRECT AFTERNOON HOG REPORT SEPTEMBER 08, 2021

National Negotiated Carcass Price

Lowest price: 84.00

Highest price: 95.00

Weighted Average Price: 89.71

Head Count: 12,791

From Previous day 1.31 higher

Other Market Formula (Carcass)

Lowest Base Price 58.32

Highest base price: 105.65

Weighted Average Price: 84.45

Head Count: 30,477

Pork Market Formula (Carcass)

Lowest base price: 83.48

Highest Base Price: 109.77

Weighted Average Price: 95.33

Head Count: 151,449

Other Purchase Arrangement (Carcass)

Lowest base price: 72.63

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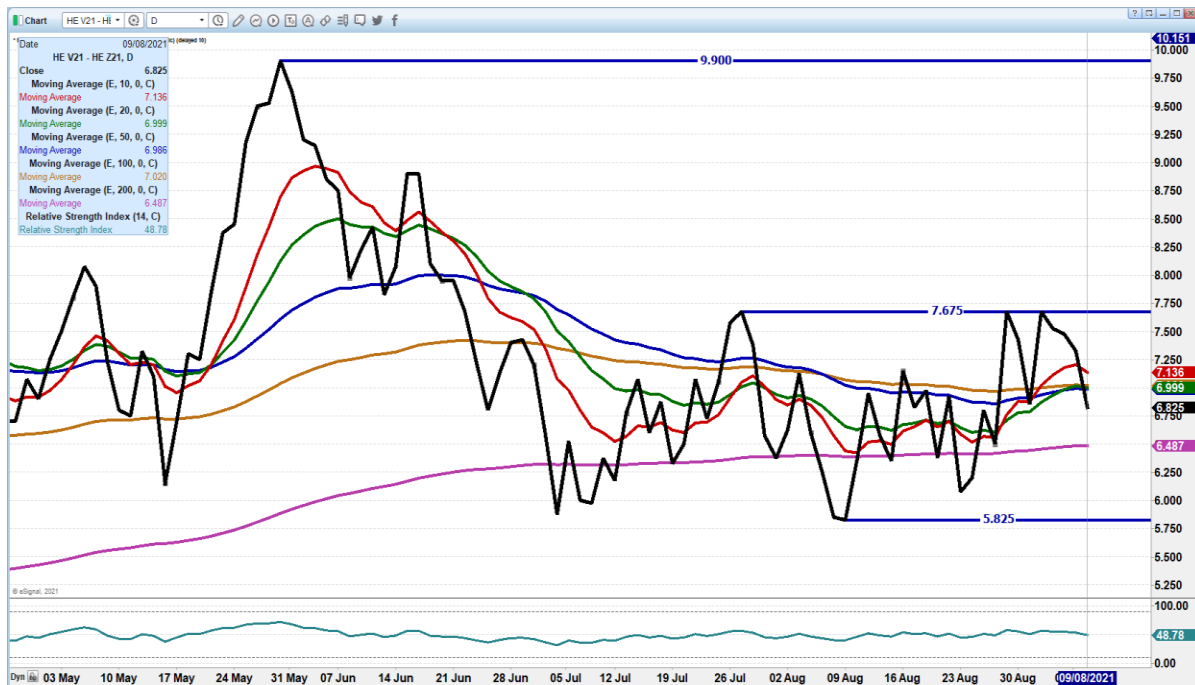
Highest base price: 127.59
 Weighted Average Price: 94.32
 HEAD COUNT: 57,804

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OCTOBER 2021/DECEMBER 2021 LEAN HOG SPREAD – Spread remains bullish but may be reversing Still wide

SPREAD SETTLED

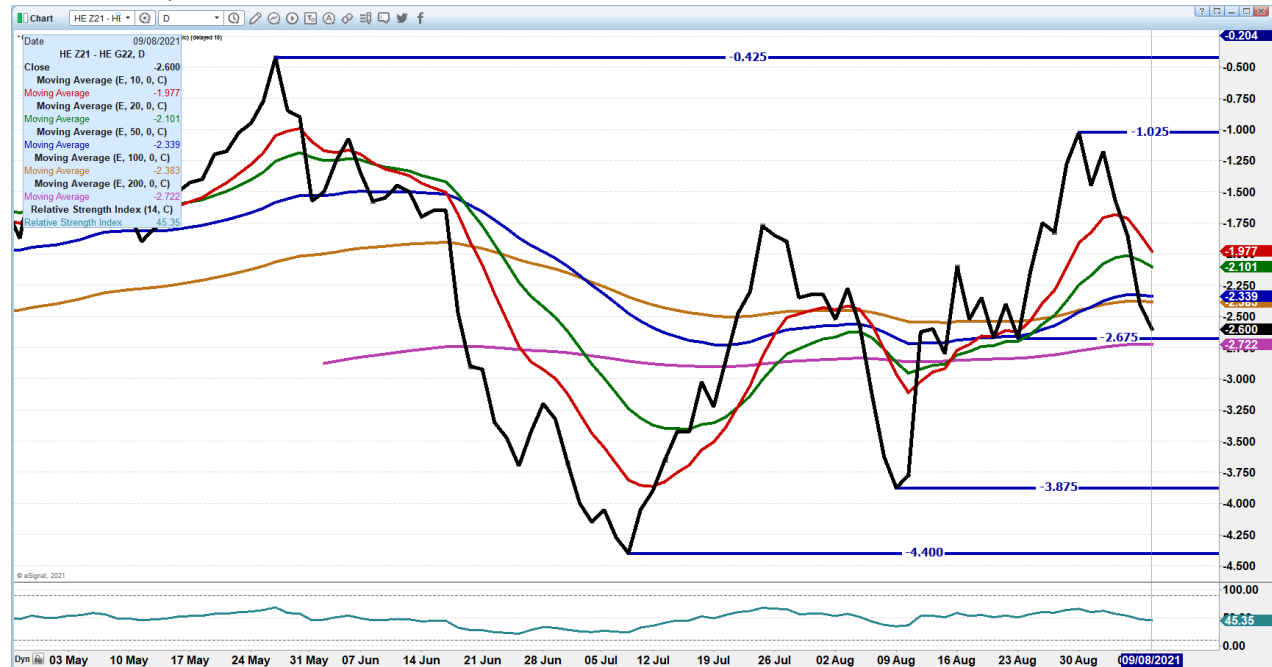
2017 **-\$1.80**
2018 **+\$13.25 HIGH ON 10/11/2018 \$14.25**
2018 **-\$6.05**
2020 **+10.00 HIGH ON 10/17/2020 \$12.30**
2021 **CURRENT 6.82**



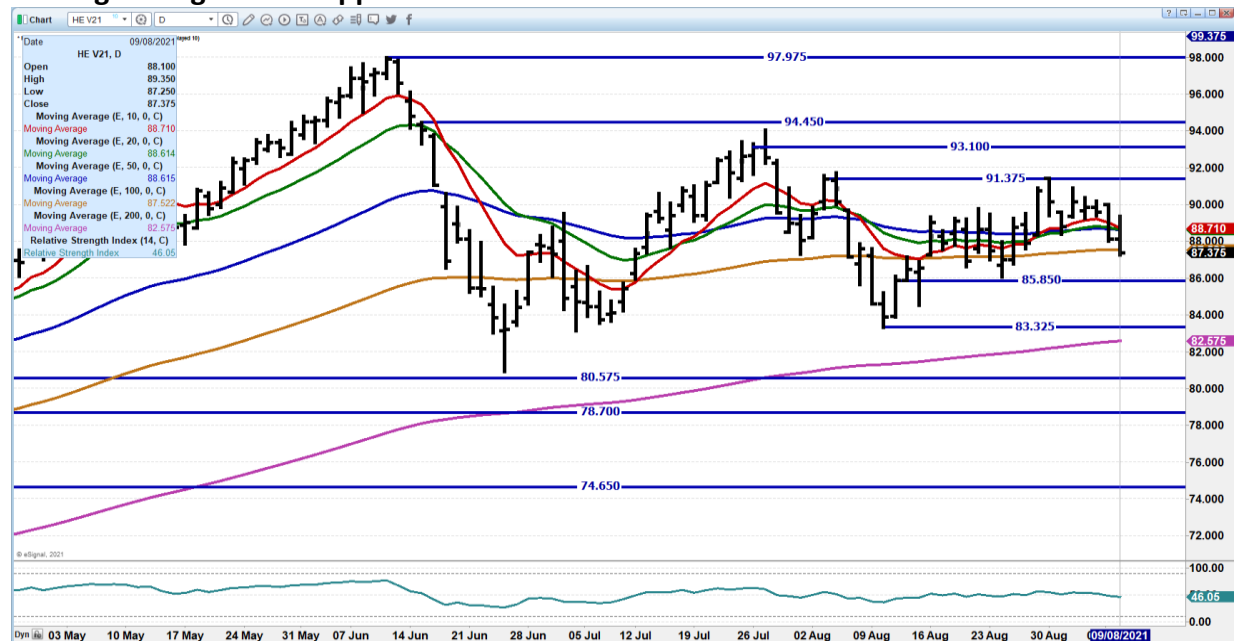
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DECEMBER/FEBRUARY LEAN HOG SPREAD - spread at normal area now. If widens and Dec loses to Feb, it is bearish



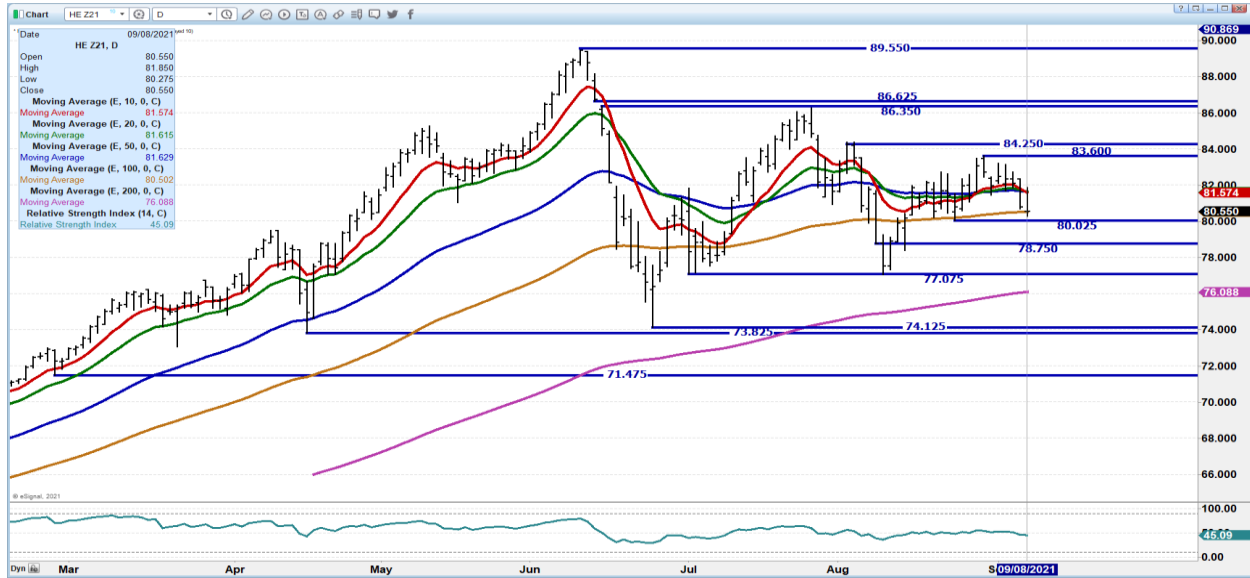
OCTOBER 2021 LEAN HOGS - volume at 30331 was very active. Closed below 100 day moving average. Next support at 82.57 Resistance at 88.75 to 91.37



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DECEMBER 2021 LEAN HOGS – 100 day moving average held downside on Wednesday at 80.50 Next support at 80.02 to 76.00 Volume 19551 is increasing



FEBRUARY 2022 LEAN HOGS - Obvious support needs to hold above 82.87. Next support at 80.82 Resistance at 83.95 to 85.37



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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