

## Daily Futures Market Commentary Livestock Outlook

### FRIDAY MORNING JUNE 24, 2022 LIVESTOCK REPORT

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### COLD STORAGE REPORT ON THE BOTTOM OF REPORT

### Beef and Pork exports on bottom of report

### CATTLE

#### USDA FEDERAL CATTLE SLAUGHTER

JUNE 23, 2022	122,000
WEEK AGO	127,000
YEAR AGO	118,000
WEEK TO DATE (EST)	498,000
SAME PERIOD LAST WEEK (EST)	495,000
SAME PERIOD LAST YEAR (ACT )	473,000

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BOXED BEEF 2:00PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	264.66	244.94
CHANGE FROM PRIOR DAY:	(1.91)	(1.05)
CHOICE/SELECT SPREAD:	19.72	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	104	
5 DAY SIMPLE AVERAGE:	266.81	246.20

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CME BOXED BEEF INDEX ON 06/22/2021 WAS 262.10 DOWN 10 CENTS FROM PREVIOUS DAY

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2:00PM JUNE 23, 2022

PRIMAL RIB	396.48	329.28
PRIMAL CHUCK	217.41	215.05
PRIMAL ROUND	211.06	210.62
PRIMAL LOIN	363.21	318.19
PRIMAL BRISKET	235.65	204.88
PRIMAL SHORT PLATE	193.74	193.74
PRIMAL FLANK	158.88	153.68

2:00PM JUNE 22, 2022

PRIMAL RIB	407.40	332.84
PRIMAL CHUCK	219.07	215.68
PRIMAL ROUND	210.27	210.40
PRIMAL LOIN	362.49	318.58
PRIMAL BRISKET	237.11	207.59
PRIMAL SHORT PLATE	197.83	197.83
PRIMAL FLANK	162.93	153.58

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#### LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
06/22	99	30	17	11	157	266.57	245.99
06/21	85	37	13	8	143	267.56	246.70
06/20	68	20	11	8	106	266.50	246.39
06/17	71	20	8	8	106	266.26	246.53
06/16	90	17	10	12	128	267.16	245.38

**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	60.89 loads	2,435,448 pounds
Select Cuts	17.75 loads	709,905 pounds
Trimming	16.63 loads	665,186 pounds
Ground Beef	8.92 loads	356,986 pounds

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#### CATTLE DELIVERIES

**DELIVERY NOTICE SERVED - JUNE 2022 - LIVE CATTLE**

**DATE 06/23/22 SETTLEMENT: \$135.25**

**OLDEST LONG – 04/26/2022 AT \$136.25**

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**0 DELEVERIES 6/23/2022**

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**JUNE 2022 USDA LIVESTOCK REPORTS**

**CATTLE ON FEED REPORT JUNE 24, 2022 2:00PM CENTRAL TIME**

**QUARTERLY HOGS AND PIGS REPORT JUNE 29, 2022 2:00PM CENTRAL TIME**

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**Beef net sales were poor Japan biggest taker at 4,700MT. A week ago low at 17,400 metric tons and week before at 17,700 MT. Exports for beef are dropping**

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**POLL-U.S. May cattle marketings seen up 3% from year ago - Reuters News**

**U.S. Department of Agriculture's monthly Cattle on Feed report estimates on Friday at 2 p.m. CDT (1900 GMT).**

**All figures, except headcount, for feedlots with 1,000-plus head of cattle shown as percentage vs year ago:**

	Range	Average	Mln head
On feed June 1	100.5-101.9	101.4	11.863
Placements in May	98-101.6	99.6	1.903
Marketings in May	102.1-104.1	103	1.926

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**Thursday Live Cattle futures were down. Traders are expecting more cattle over the next 2 and half months based on past placements from the last four Cattle on Feed reports. Friday afternoon's Cattle on Feed report should clarify it.**

**Beef traders are concerned about inflation. The boxed beef market is showing how high priced primal cuts, rib and loin sections are dropping which is an indicator and at the same time how lower and middle meats aren't dropping as fast. Many consumers are and have been buying meat based on the cheapest price.**

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**Weights fell again last week. Last week's steer and heifer carcasses were 851.9 pounds and the grading percent was at 80.3%. Compared to a year ago the average weight is down 2 pounds. Not a lot of difference in weight but a difference in grade. Excessive heat and time on the truck between feedlot and the packer, heat shrink, could account for the drop in weight of less than a pound from the previous week, but the grading percent of 80.3%, the same as the previous week and down from a year ago at 81.6% shows there are feedlots that continue to move cattle that could have stayed on full feed a week or two more.**

**U.S. packers need bigger heavier and higher grading cattle. Exporters want high Choice/Prime beef. They can buy low grade beef from other countries. With Brazil increasing the number**

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of cattle in feedlots and grading high Choice, it isn't the competition the U.S. cattle industry needs at this time.

Buyers have begun to book less beef for post 4th of July. Beef demand usually slips in July and August and will likely do it again this year with consumers concerns of inflation and high cost for most consumer purchases.

Biggest taker was Japan at 5,00 MT followed by China with 4,600 MT and South Korea at 3,500 MT.

June 24<sup>th</sup> is the next Cattle on Feed report. Currently cattle are bear spread. When markets are bear spread, it is an opportunity to lock in floors

As of June 21, 2022 dressed steer and heifer carcasses last week averaged 851.9 pounds down .7 pounds compared to previous week at 852.6 pounds. The grading percent was 80.3% compared to previous week at 80.3%.

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

**\*\*\*NATIONAL DAILY DIRECT CATTLE 06/23/22  
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1418	\$141.79	26,734
LIVE HEIFER:	1288	\$140.08	13,276
DRESSED STEER:	912	\$234.66	5,644
DRESSED HEIFER:	843	\$236.94	4,007

**USDA POSTED SUMMARY CATTLE PRICES ON 06/23/2021**

IA/MN – CASH – 145.00 - 150.00 FOB TO 150.00 - 151.00 DELEIVERED  
DRESSED - 232.00 - 238.00.

NE – CASH - 144.50 - 149.00 AVERAGE PRICE 146.85  
DRESSED – 230.00 - 238.00

KS – CASH - 137.00  
DRESSED– 234.00 ON 80 HEAD WEIGHING 867 POUNDS

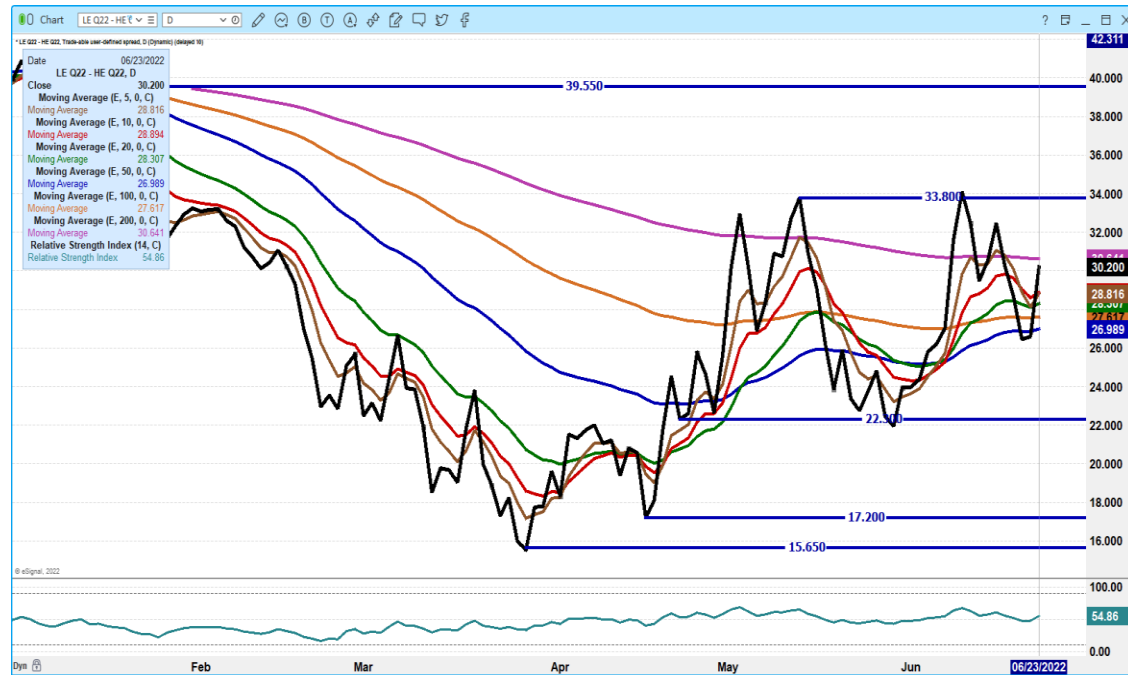
TX/OK/NM 137.00 - 138.00 WEDNESDAY - TOTAL FOB AND DELEIVERED 16,528 HEAD FOR WEEK  
DRESSED– NO REPORTABLE TRADE.

CO – 145.00 STEERS AND HEIFERS

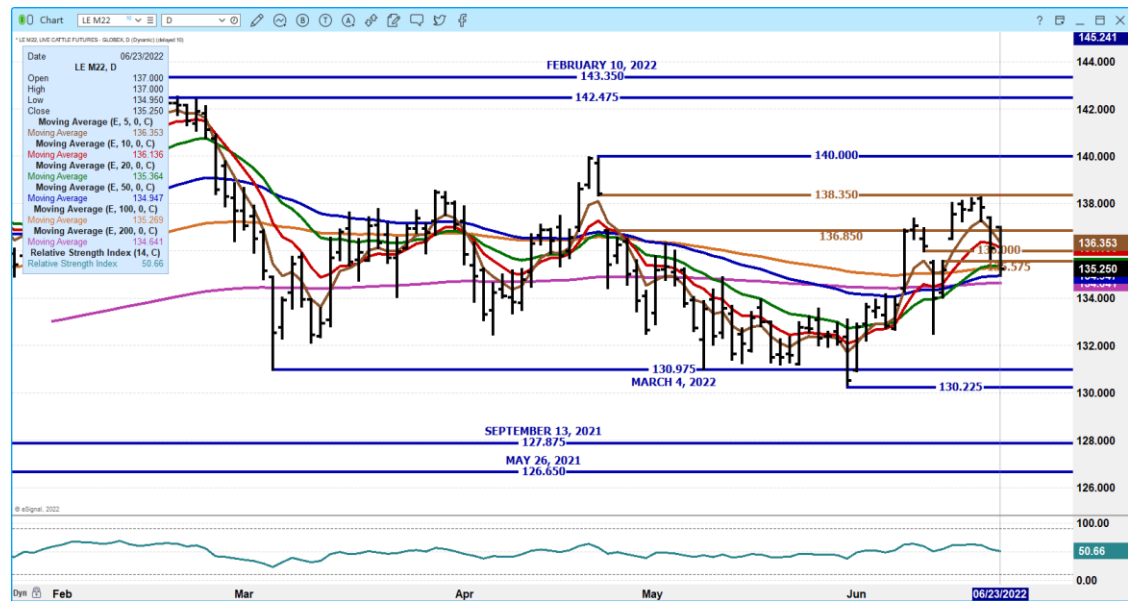
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## AUGUST/DECEMBER LIVE CATTLE SPREAD – THIS WILL DEPEND ON PLACEMENTS SHOULD SEE DECREASING PLACEMENTS FOR END OF THE YEAR



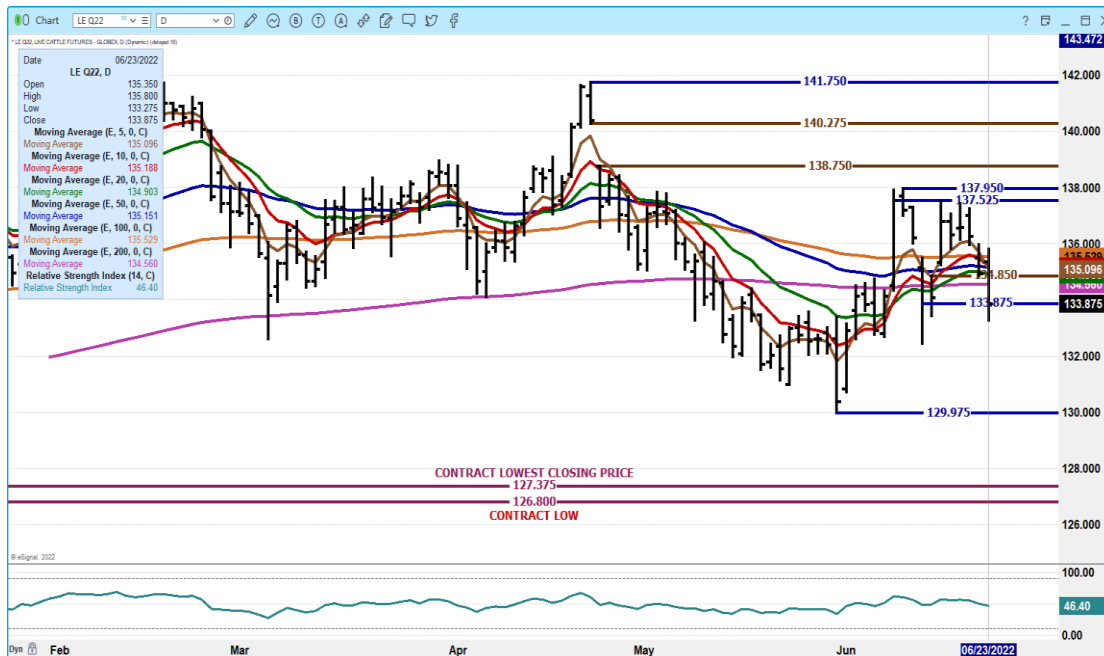
## JUNE 2022 LIVE CATTLE – VOLUME 805 OPEN INTEREST 1408



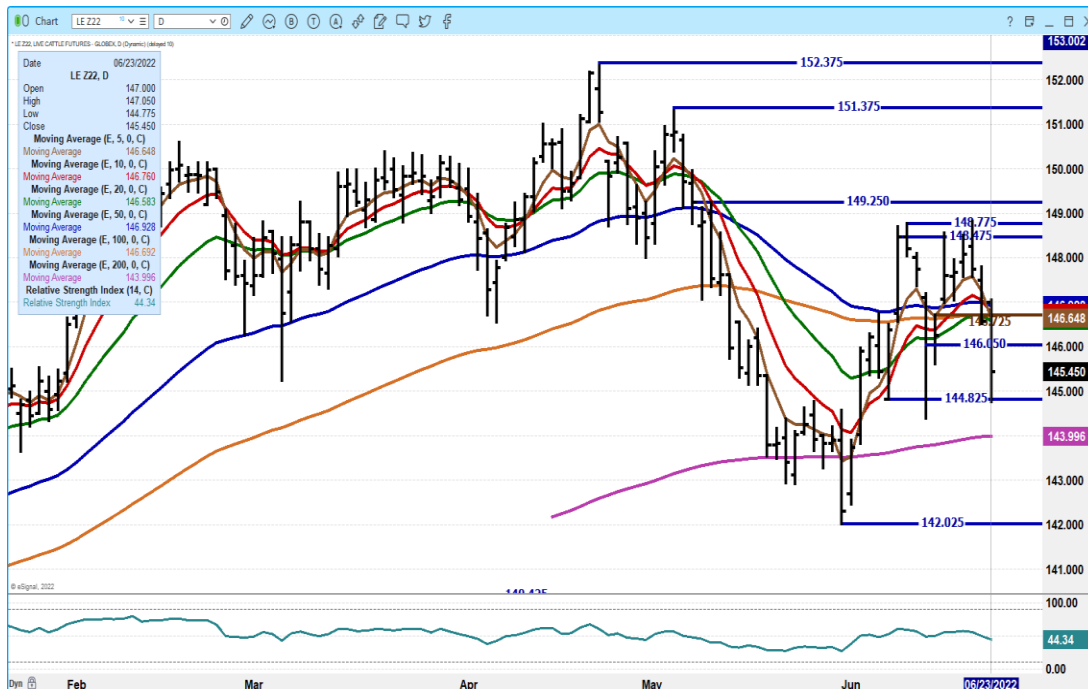
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## AUGUST 2022 LIVE CATTLE – SUPPORT AT 133.87 VOLUME AT 26,581 TRADERS ARE WORRIED ABOUT INFLATION AND OUTLOOK FROM PREVIOUS REPORTS FOR MORE CATTLE INTO AUGUST



## DECEMBER 2022 LIVE CATTLE – NEEDS TO REMAIN ABOVE 144.82 NEXT SUPPORT AT 143.87



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## Feeder Cattle

CME FEEDER INDEX ON 06/22/2022 WAS 165.23 UP 2 CENTS FROM PREVIOUS DAY -

AUGUST 2022 FEEDER CATTLE SETTLED ON JUNE 23, 2022 AT \$174.85

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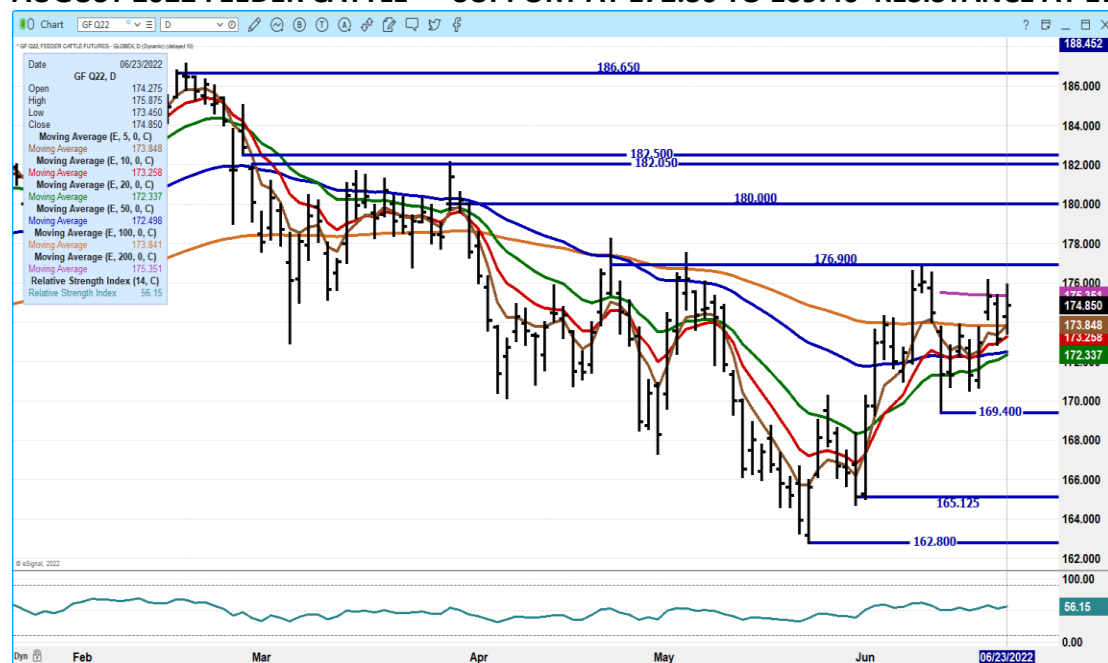
### NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 06/18/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	117,300	20,600	72,200	210,100
LAST WEEK:	166,900	54,600	13,900	235,400
YEAR AGO:	151,100	81,200	57,100	289,400

COMPARED TO LAST WEEK, YEARLING STEERS AND HEIFERS SOLD STEADY TO 3.00 HIGHER, WHILE STEER AND HEIFER CALVES SOLD 2.00 TO 5.00 LOWER. DEMAND RANGED FROM MODERATE TO VERY GOOD, WITH THE BEST DEMAND SEEN IN THE NORTH CENTRAL REGION FOR GREEN YEARLINGS SET TO HIT THE FALL TO WINTER LIVE CATTLE CONTRACTS.

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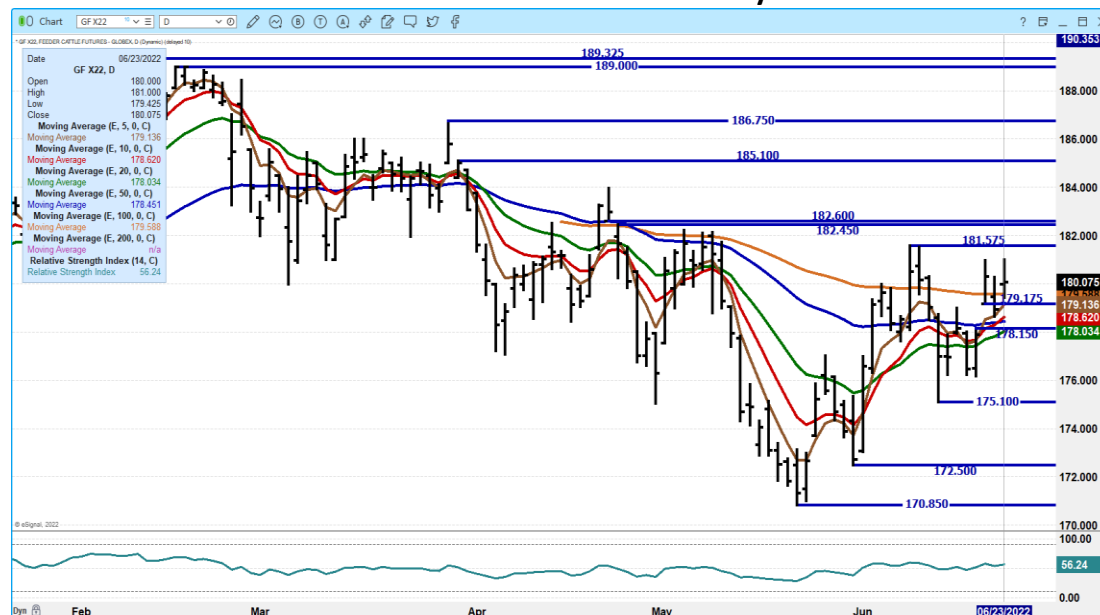
### AUGUST 2022 FEEDER CATTLE – SUPPORT AT 172.30 TO 169.40 RESISTANCE AT 175.35



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## NOVEMBER 2022 FEEDER CATTLE – look for a slow day needs to remain above 178.00



## LEAN HOGS

### USDA ESTIMATED FEDERAL HOG SLAUGHTER

JUNE 23, 2022	465,000
WEEK AGO	466,000
YEAR AGO	472,000
WEEK TO DATE (EST)	1,851,000
SAME PERIOD LAST WEEK (EST)	1,867,000
SAME PERIOD LAST YEAR (ACT)	1,886,000

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CME CASH LEAN HOG INDEX 06/21/2022 AT 110.74 UP .29 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 06/22/2022 AT 111.86 UP 55 CENTS FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON JUNE 10, 2022 WAS 205.63 COMPARED TO JUNE 3, 2022 AT 212.50 - NO CME UPDATE AS OF 6/21/2022

THE CME LEAN HOG INDEX IS MINUS 1.12 TO THE CME PORK INDEX -

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LEAN HOGS ARE IN THE TIME OF A MONTH WHERE SPEC TRADERS TAKE CONTROL. THURSDAY THERE WAS A LOT OF SPREAD TRADING. IT WASN'T FUNDAMENTAL MOVING HOGS LOWER OTHER THAN PACKERS ARE WORKING WITH NEGATIVE MARGINS. BOTH PORK AND LEAN HOGS HAVE BEEN

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MOVING HIGHER. TRADERS WERE BULL SPREADING SELLING FRONT MONTHS MORE THAN THEY WERE SELLING MONTHS INTO THE FUTURE. FOR A SPREADER, AS LONG AS SPREAD GOES DESIRED DIRECTION, IT MAKES NO DIFFERENCE HOW THE SPREAD APPEARS ON THE DAILY TRADE.

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LAST WEEK THE MEXICAN PESO MADE A LOW. SINCE EXPORTS ARE A WEEK BEHIND, FRIDAY MORNING, PORK EXPORTS COULD BE DISAPPOINTING.

LAST WEEK NET EXPORTS WERE 27,600MT MEXICO LARGEST BUYER AT 14,700MT FOLLOWED BY CHINA AT 3,800MT AND JAPAN AT 3,700MT.

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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

JUNE 23 2022

LOADS OF PORK CUTS: 215.96

TRIM/PROCESSED PORK: 25.71

2:00PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/23/2022	241.66	109.77	100.57	149.00	70.28	182.07	99.26	151.18
CHANGE:		-1.38	1.63	0.43	-2.85	-2.70	4.76	-14.69
FIVE DAY AVERAGE --		111.65	101.00	146.97	71.98	187.35	96.74	163.54

11:00AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/23/2022	136.08	111.24	103.94	145.59	74.80	183.44	99.79	152.78
CHANGE:		0.09	5.00	-2.98	1.67	-1.33	5.29	-13.09
FIVE DAY AVERAGE --		111.95	101.68	146.28	72.88	187.63	96.84	163.86

2:00PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
06/22/2022	258.59	111.15	98.94	148.57	73.13	184.77	94.50	165.87
CHANGE:		0.29	-2.07	2.21	1.36	-4.45	0.26	2.73
FIVE DAY AVERAGE --		111.97	101.54	145.88	72.61	188.07	96.51	164.59

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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 JUNE 21, 2022

AVERAGE LIVE WEIGHT **278.13**

AVERAGE CARCASS WEIGHT **209.01**

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**DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE  
JUNE 23, 2022**

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

**National Negotiated Carcass Price**

**Lowest price: 110.00**

**Highest price: 126.00**

**Weighted Average 120.82**

**Change from Previous Day -1.63 lower**

**Head Count: 9,069**

**Other Market Formula (Carcass)**

**Lowest Base Price: 83.17**

**Highest base price: 125.35**

**Weighted Average Price: 104.78**

**Head Count: 24,451**

**Pork Market Formula (Carcass)**

**Lowest base price: 86.47**

**Highest Base Price: 128.72**

**Weighted Average Price 108.32**

**Head Count 138,909**

**Other Purchase Arrangement (Carcass)**

**Lowest base price: 80.13**

**Highest base price: 114.78**

**Weighted Average Price: 103.12**

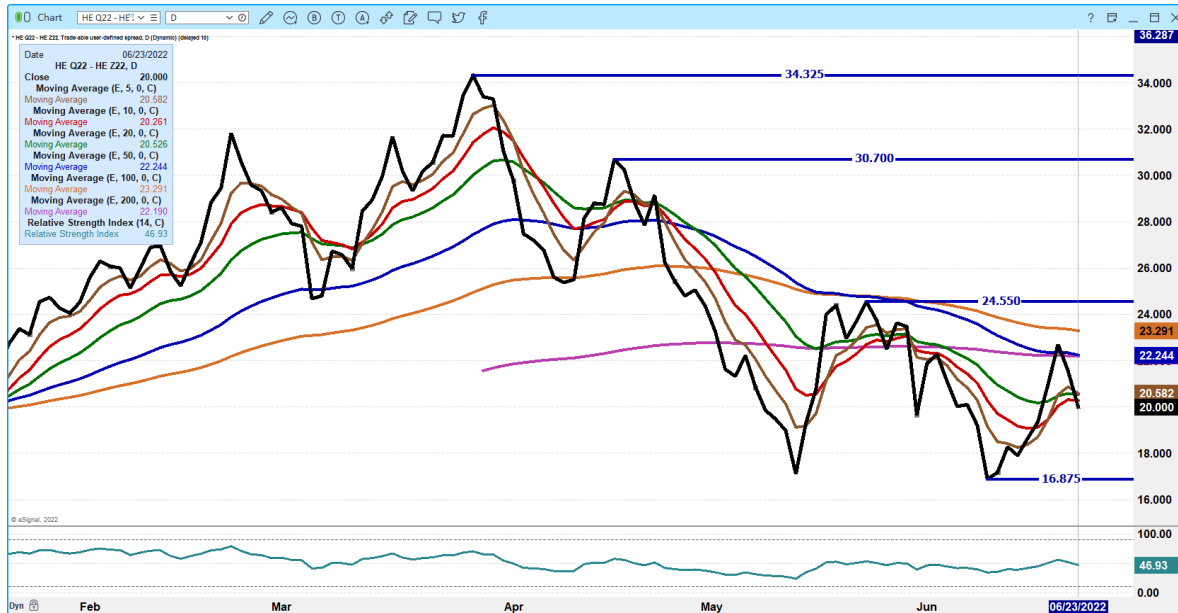
**HEAD COUNT: 58,880**

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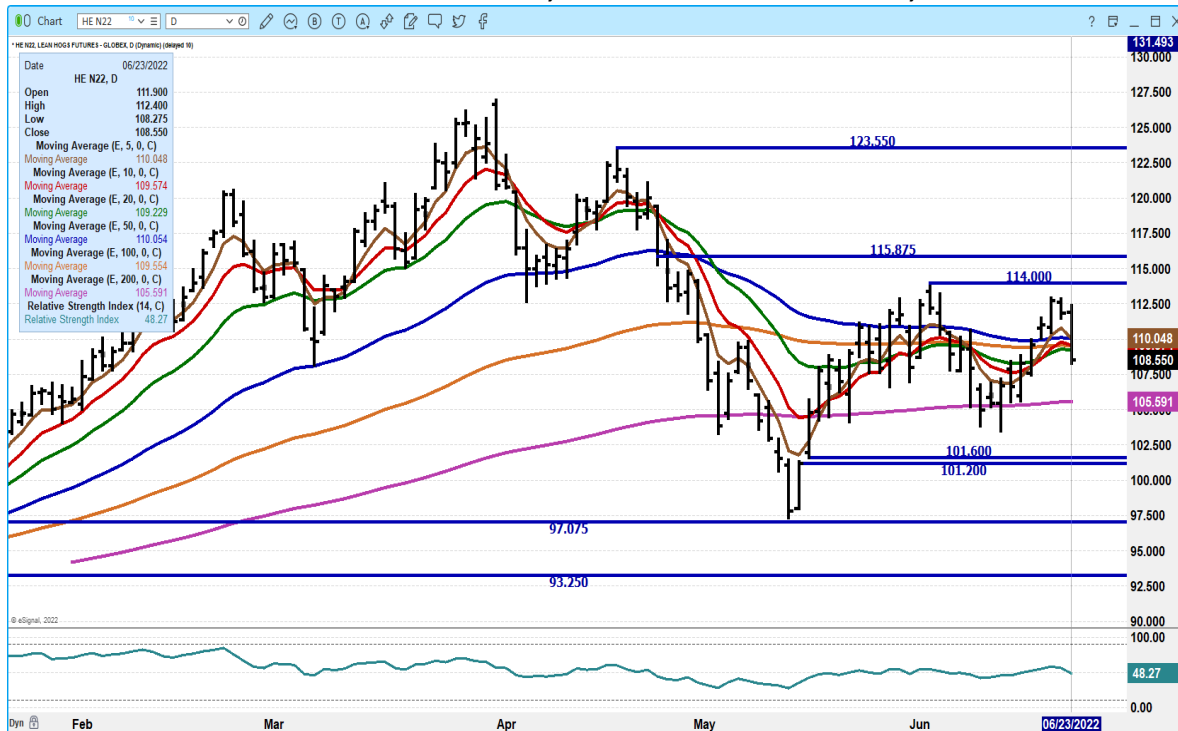
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## AUGUST/DECEMBER LEAN HOG SPREAD –



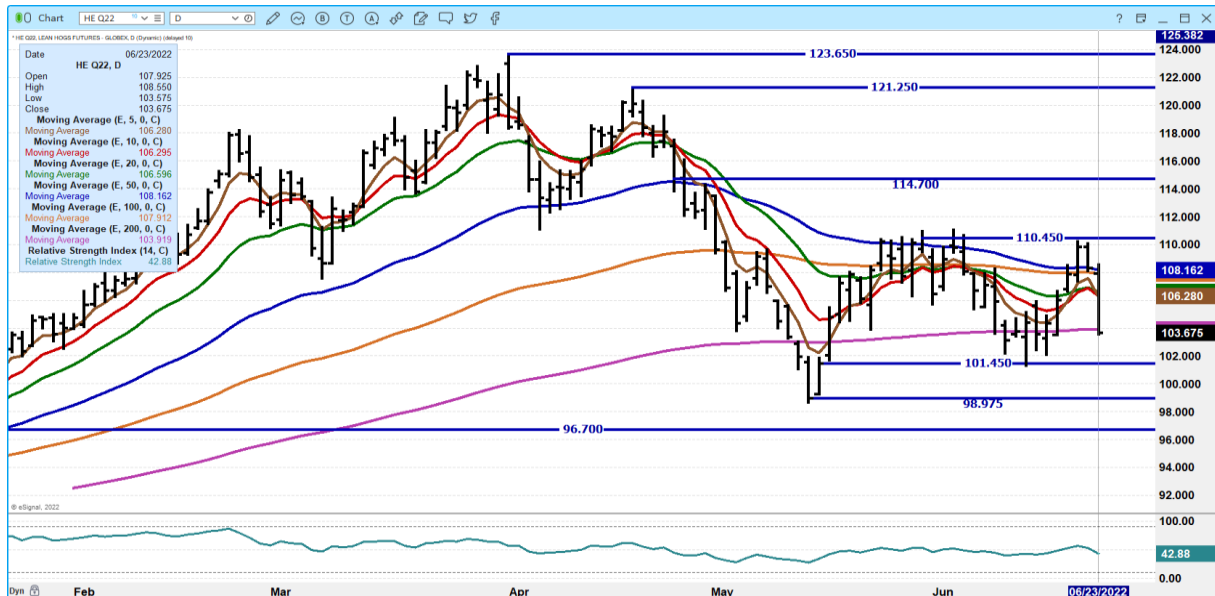
## JULY 2022 LEAN HOGS – VOLUME AT 10,065 OPEN INTEREST AT 17,470



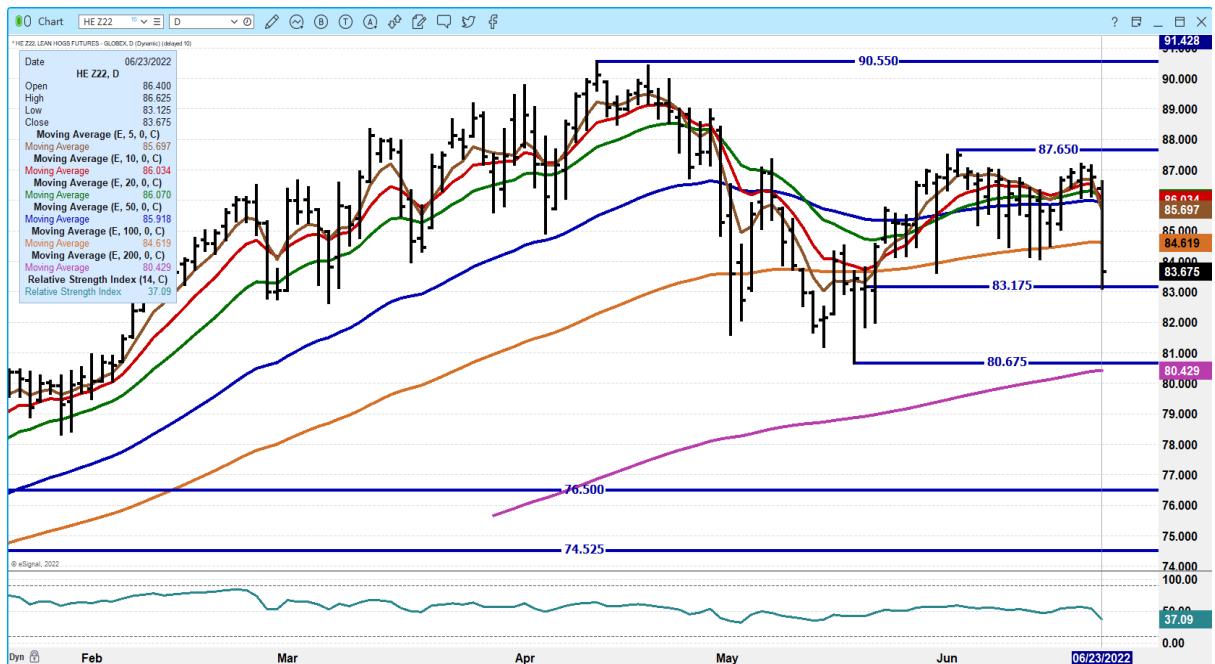
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## AUGUST 2022 LEAN HOGS – VOLUME AT 21,080 NEEDS TO REMAIN ABOVE THURSDAY'S LOW



## DECEMBER 2022 LEAN HOGS – FELL TO SUPPORT THURSDAY NEEDS TO REMAIN ABOVE IT OR NEXT SUPPORT AT 80.40



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**BEEF: NET SALES OF 11,200 MT FOR 2022 WERE DOWN 36 PERCENT FROM THE PREVIOUS WEEK AND 39 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR JAPAN (4,700 MT, INCLUDING DECREASES OF 600 MT), SOUTH KOREA (2,600 MT, INCLUDING DECREASES OF 500 MT), CHINA (1,400 MT, INCLUDING DECREASES OF 400 MT), CANADA (500 MT, INCLUDING DECREASES OF 100 MT), AND MEXICO (500 MT), WERE OFFSET BY REDUCTIONS PRIMARILY FOR CHILE (100 MT). TOTAL NET SALES OF 100 MT FOR 2023 WERE REPORTED FOR JAPAN. EXPORTS OF 19,100 MT WERE DOWN 4 PERCENT FROM THE PREVIOUS WEEK, BUT UP 3 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO JAPAN (5,400 MT), SOUTH KOREA (4,500 MT), CHINA (3,300 MT), TAIWAN (1,300 MT), AND MEXICO (1,100 MT).**

**PORK: NET SALES OF 25,400 MT FOR 2022 WERE DOWN 8 PERCENT FROM THE PREVIOUS WEEK AND 10 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR MEXICO (15,200 MT, INCLUDING DECREASES OF 200 MT), JAPAN (2,200 MT, INCLUDING DECREASES OF 300 MT), CHINA (1,900 MT, INCLUDING DECREASES OF 200 MT), SOUTH KOREA (1,800 MT, INCLUDING DECREASES OF 900 MT), AND CANADA (1,300 MT, INCLUDING DECREASES OF 700 MT). TOTAL NET SALES OF 2,200 MT FOR 2023 WERE REPORTED FOR SOUTH KOREA. EXPORTS OF 28,900 MT WERE UP 4 PERCENT FROM THE PREVIOUS WEEK, BUT DOWN 1 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (12,600 MT), JAPAN (4,400 MT), CHINA (3,900 MT), , SOUTH KOREA (2,500 MT), AND CANADA (1,700 MT).**

## **USDA COLD STORAGE REPORT JUNE 23, 2022**

### **May 2022 Highlights**

**Total red meat supplies in freezers were down slightly from the previous month but up 20 percent from last year.**

**Total pounds of beef in freezers were down 2 percent from the previous month but up 25 percent from last year.**

**Frozen pork supplies were up 2 percent from the previous month and up 17 percent from last year.**

**Stocks of pork bellies were down 3 percent from last month but up 55 percent from last year.**

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**The report shows people are moving less meat, both beef and pork compared to a year ago. Frozen boneless beef in May was at a record storage for 2022 . Pork is not at record levels, but it is up 25% from a year ago and it is significant when Federal USDA Hog Slaughter is down 4.5% from the same period a year ago. The U.S. is killing fewer hogs but it is storing more pork. Pork in storage goes along with low exports down the first quarter 21% and especially to China who was a large buyer of U.S. frozen pork for their storage. Now, China is buying their own pork for storage.**

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The increase in storage for both beef and pork from a year ago is significant. Boxed beef prices have been dropping over the past two weeks and more beef in storage adds to the negativity. The amount of pork in storage is keeping a lid on pork and hogs. It is likely part of the reason Lean hogs reversed off their extreme highs throughout May and Live Cattle futures dropped in May.

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What the report will do to the market Friday may be very little as traders wait for the afternoon Cattle on Feed report. Hog traders are going to wait to see next week's Quarterly Hogs and Pigs report especially farrowing expectations. But when there is such a large increase of beef and pork in storage it will have a negative affect to the meat markets.

The Cold Storage Report is old news. The impact of a report close to a month old has to be questioned.

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