



ADM Investor
Services, Inc.



Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING AUGUST 9, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

AUGUST 8, 2022	119,000
WEEK AGO	124,000
YEAR AGO	113,000

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BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	266.24	238.86
CHANGE FROM PRIOR DAY:	1.62	0.19
CHOICE/SELECT SPREAD:		27.38
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		105
5 DAY SIMPLE AVERAGE:	267.58	240.96

CME BOXED BEEF INDEX ON 08/05/2021 WAS 260.31 DOWN 54 CENTS FROM PREVIOUS DAY

2:00 PM AUGUST 8, 2022

PRIMAL RIB	411.32	322.88
PRIMAL CHUCK	213.40	210.04
PRIMAL ROUND	214.27	209.28
PRIMAL LOIN	371.22	304.27
PRIMAL BRISKET	225.24	210.87
PRIMAL SHORT PLATE	181.81	181.81
PRIMAL FLANK	159.32	152.09

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2:00 PM AUGUST 5, 2022

PRIMAL RIB	406.62	326.56
PRIMAL CHUCK	213.40	209.61
PRIMAL ROUND	213.31	209.90
PRIMAL LOIN	368.06	303.08
PRIMAL BRISKET	226.76	208.83
PRIMAL SHORT PLATE	179.01	179.01
PRIMAL FLANK	157.21	150.06

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
08/05	64	16	9	19	108	264.62	238.67
08/04	63	23	10	14	109	266.28	240.35
08/03	49	18	23	16	106	267.94	241.30
08/02	79	27	11	39	157	268.46	241.55
08/01	49	30	7	13	99	270.60	242.90
07/29	42	13	8	11	74	269.24	242.25 FRIDAY

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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	50.23 loads	2,009,206 pounds
Select Cuts	22.47 loads	898,642 pounds
Trimmings	17.38 loads	695,316 pounds
Ground Beef	15.01 loads	600,374 pounds

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CATTLE DELIVERIES

DELIVERY NOTICE SERVED - AUGUST 2022 - LIVE CATTLE

DATE 08/08/22 SETTLEMENT: \$138.35

OLDEST LONG – 02/11/2022 AT \$139.92

6 DELIVERIES FOR 8/08/2022 4 HEIFERS 2 STEERS

FIRM #	FIRM NAME	DEL	REC
685	R.J.O'BRIEN ASSOC	6	5
905	ADM INVESTOR SERVICE		1

YARD LOCATION

CLOVIS 6

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AUGUST 2022 LIVESTOCK REPORTS

CATTLE ON FEED REPORT – FRIDAY, AUGUST 19, 2022 AT 2:00PM CENTRAL TIME

COLD STORAGE REPORT – MONDAY, AUGUST 22, 2022 AT 2:00PM CENTRAL TIME

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Cattle want to rally and have been slowly working higher but so far haven't had the big push up. The question is will Live Cattle futures rally to meet the strong cash markets in the Midwest or continue to trade the weaker cash markets of the Southwest?

Last week cash cattle prices were \$135.00 to \$138.00 for cash prices in the Southwest and \$141.00 up to \$147.00 in the Midwest. The average 5 day steer prices as of Friday, August 5th was \$141.17. August 2022 Live Cattle futures Friday settled at \$137.87.

August 2022 Live Cattle on Monday settled at \$138.35, October 2022 Live Cattle settled at \$144.22 and December 2022 settled at \$150.45 with months into April 2023 sequentially higher.

When June 2022 Live Cattle futures went off the board, the settled CME price was \$138.00 and the 5 day accumulated weighted average cash price was \$146.82 as of June 30, 2022 with Southwest prices from \$137.00 to \$138.00 and Midwest prices \$146.00 to \$150.00.

Futures are trading Southwestern cattle prices now. Are they trading Southwestern prices for cattle October 2022 on out? If so, it indicates cattle in the Midwest will be \$154.00 to \$158.00 in October and by December \$162.00 to \$166.00.

What if futures flip from Southwest prices to Midwest prices and futures rally to meet the higher prices in the Midwest?

The "carry" in the market is an opportunity to sell at higher prices. However, if the market starts to focus on Midwest prices, hedgers want the opportunity to participate. Using futures and options is a good way to do it. Brokers must teach clients how to use options and strategies using options.

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Unemployment at 3.5% should keep beef moving. People are working and whether it's ground beef or high priced cuts like steaks, they are buying beef.

Exports are up in 2022. They have dropped from the explosive increases at the start of the year.

JANUARY - JUNE 2022 COMPARED TO SAME PERIOD IN 2021

U.S. Beef Exports UP 8%

U.S. Beef Variety Meat Exports UP 1%

U.S. Beef Plus Beef Variety Meat Exports UP 6%

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(U.S. MEAT EXPORT FEDERATION)

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Boxed Beef was higher early Monday putting money back on the composite price about what it took off Friday. The gain on beef came from the high priced primal cuts, rib and loin primals.

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Export net sales were reported last week at 12,000 MT down 52% from the previous week at 25,000MT. There were no big takers. South Korea bought 2900 MT, Japan 2400 MT and Canada at 1800 MT.

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As of AUGUST 2, 2022 dressed steer and heifer carcasses last week averaged 867.1 pounds up 2.5 pounds compared to previous week at 864.6 pounds . The grading percent was 80.1% compared to previous week at 81.0%.

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

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***NATIONAL DAILY DIRECT CATTLE 08/08/22

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
*LIVE STEER:	1441	\$141.47	46,576
LIVE HEIFER:	1302	\$138.75	15,500
DRESSED STEER:	935	\$227.96	19,799
DRESSED HEIFER:	836	\$227.63	4,984

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USDA POSTED SUMMARY CATTLE PRICES ON 08/08/2022

IA/MN – CASH – 35 HEAD 146.00
DRESSED - 39 HEAD 228.00

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

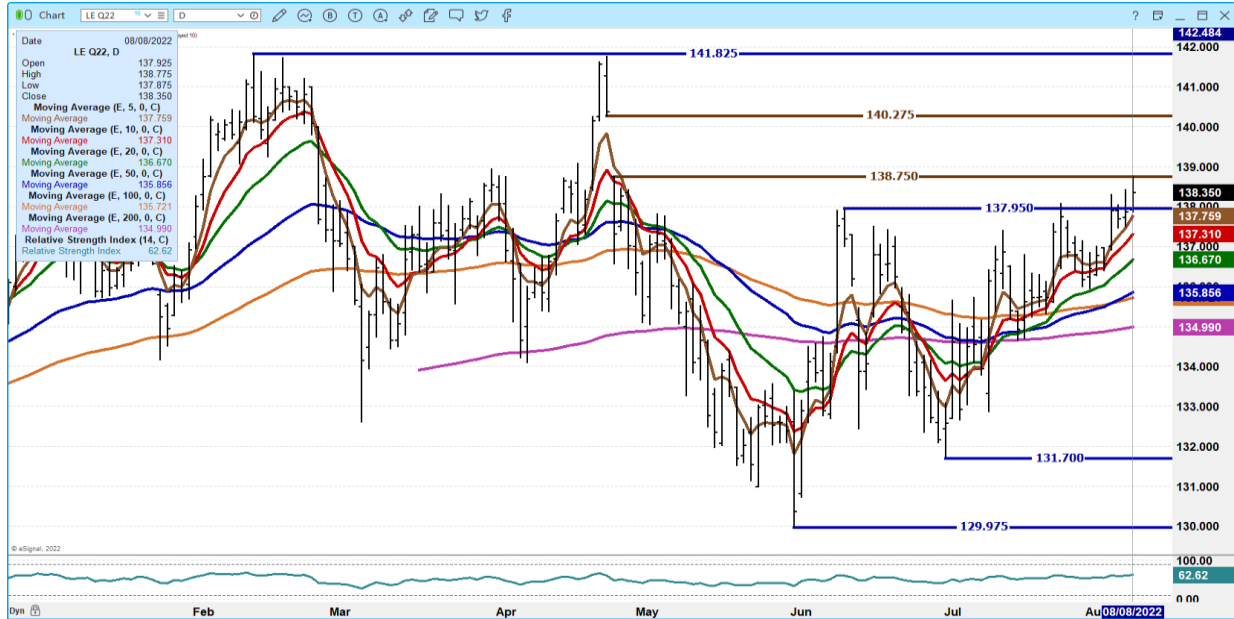
KS – CASH - NO REPORTABLE TRADE.
DRESSED – NO REPORTABLE TRADE.

TX/OK/NM CASH - NO REPORTABLE TRADE.
DRESSED – NO REPORTABLE TRADE.

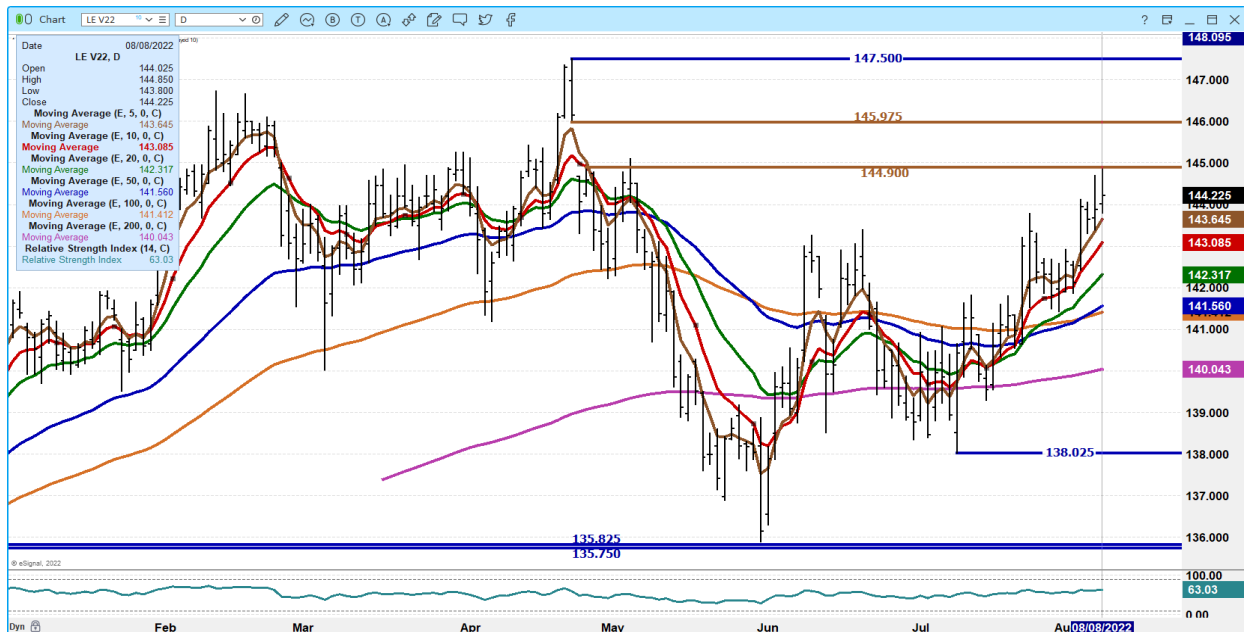
CO – **NOT REPORTED DUE TO CONFIDENTIALITY**

AT THIS TIME I DON'T SEE ANY SPREADS. I DO FEEL THERE WILL BE BULL SPREADING TAKING PLACE BUT FOR NOW SPREADS ARE BEAR SPREAD AND MOVING SIDWAYS IN A FAIRLY NORMAL "CARRY."

AUGUST 2022 LIVE CATTLE – GAP RESISTANCE SUPPORT AT 137.75



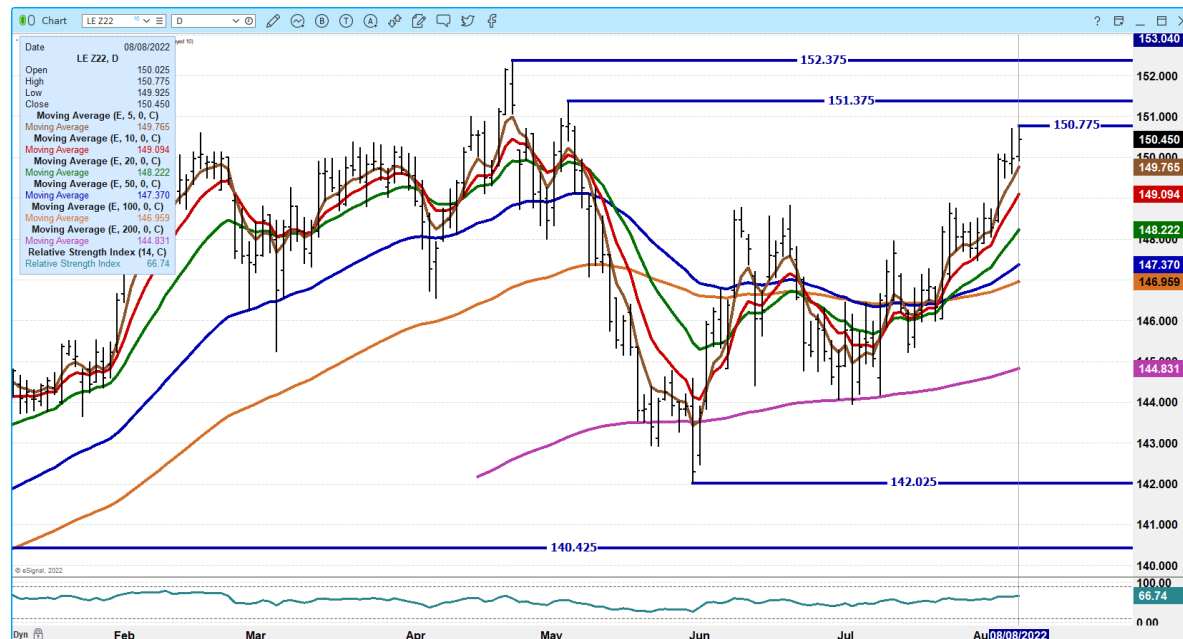
OCTOBER 2022 LIVE CATTLE - VOLUME AT 18869 RESISTANCE GAP AT 144.90 TO 145.97 SUPPORT AT 143.65 TO 142.30



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DECEMBER 2022 LIVE CATTLE – RESISTANCE AT 151.37 TO 152.37 SUPPORT AT 149.77 TO 149.10



Feeder Cattle

CME FEEDER INDEX ON 08/05/2022 WAS 175.31 DOWN 8 CENTS FROM PREVIOUS DAY -

AUGUST 2022 FEEDER CATTLE SETTLED ON 8/08/2022 AT \$181.27

NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 08/06/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	157,800	48,800	207,300	413,900
LAST WEEK:	150,600	61,900	8,900	221,400
YEAR AGO:	174,200	58,600	204,600	437,400

COMPARED TO LAST WEEK, CALF AND YEARLING MARKET IS EXTREMELY ACTIVE AS MOST SALES THIS PAST WEEK TRADED FIRM TO 5.00 HIGHER SOME INSTANCES 6.00-8.00 HIGHER. THERE WERE MANY LONG STRINGS OF YEARLINGS SOLD WITH VERY GOOD DEMAND AS BUYERS ARE STILL EAGER TO CHASE THE MARKET HIGHER.

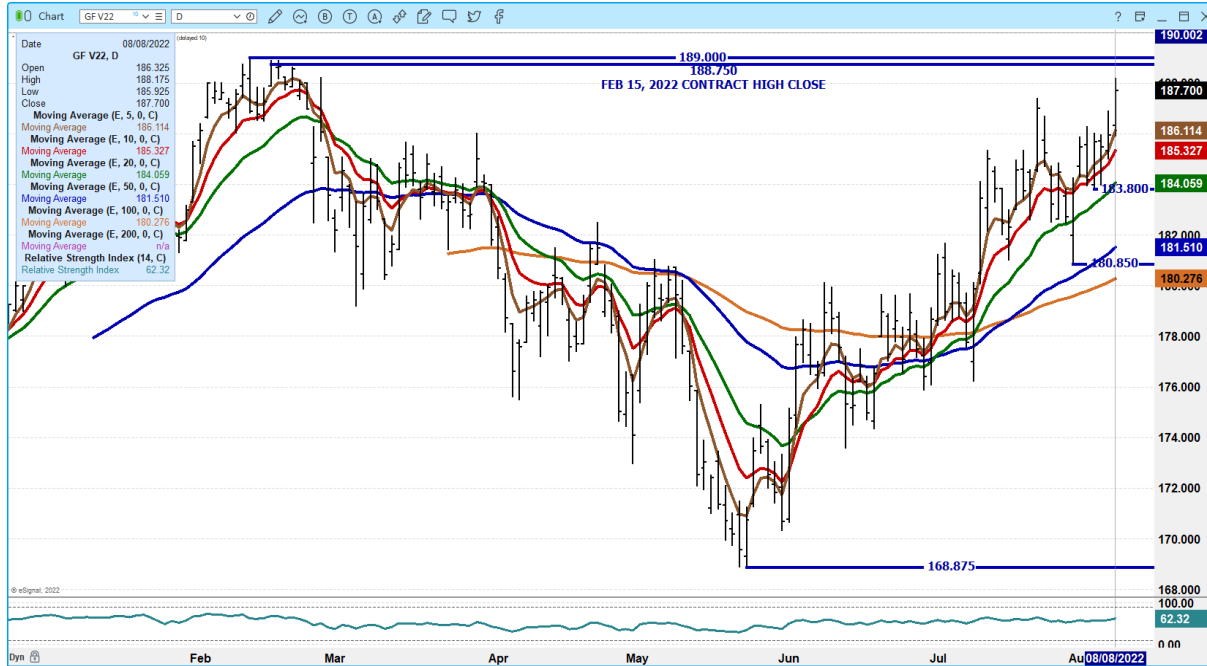
[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

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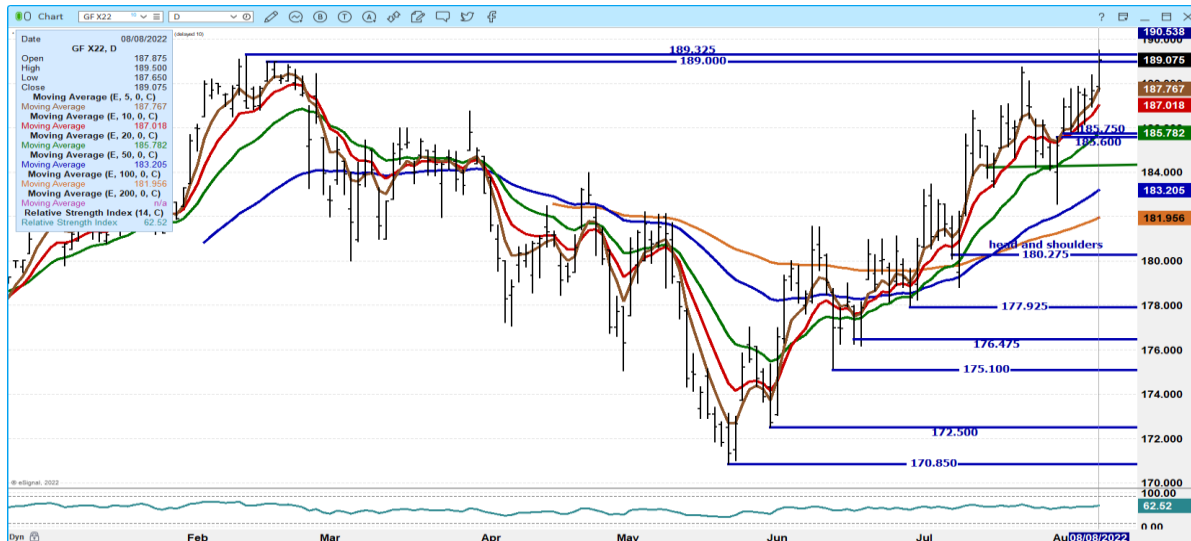
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FEEDER CATTLE PRICES IN THE COUNTRY ARE HIGH ESPECIALLY LARGE GROUPS. LARGE GROUPS ARE SELLING THE BEST AS CONTRACT FEEDERS NEED TO REPLACE CATTLE GONE TO SLAUGHTER AND FEEDLOTS EXPECTING CATTLE PRICES TO INCREASE ABOVE CURRENT LEVELS INTO LATE 2022 AND 2023.

OCTOBER 2022 FEEDER CATTLE CONTRACT HIGS RESISTANCE SUPPORT AT 185.32



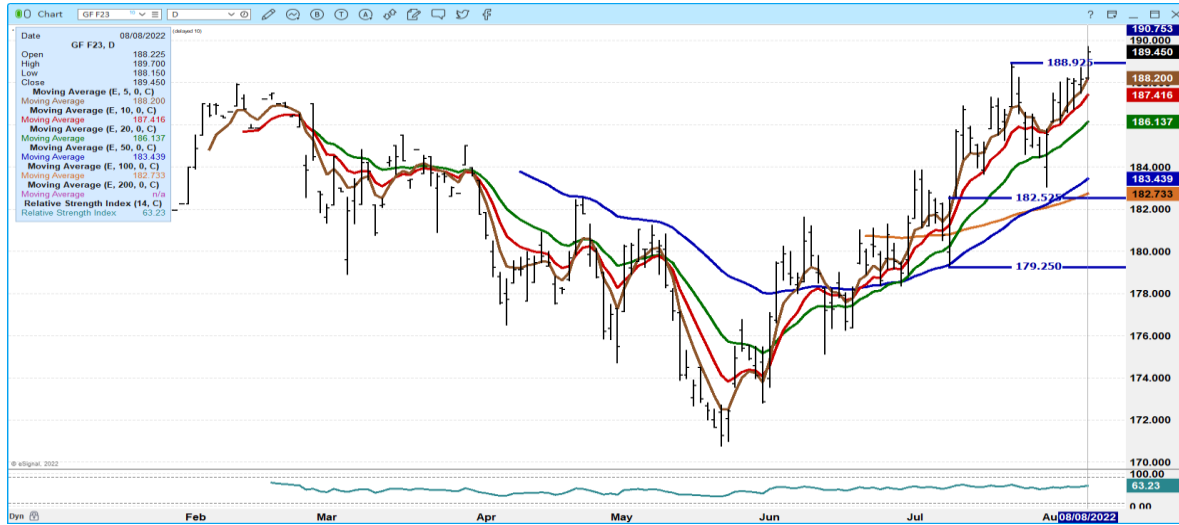
NOVEMBER 2022 FEEDER CATTLE – new contract high close resistance 189.35 Support at 187.75 to 187.00 to 185.75



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**JANUARY 2023 FEEDERS CATTLE – NEW CONTRACT HIGH SUPPORT AT 188.20 TO 187.37
RESISTANCE AT 190.37**



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 8, 2022	458,000
WEEK AGO	408,000
YEAR AGO	456,000

****REVISED FRIDAY HOG SLAUGHTER** 452,000 PREVIOUS ESTIMATE 460,000****
****NEW SATURDAY WEEK TO DATE..2,332,000** PREVIOUS ESTIMATE 2,279,000****

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CME CASH LEAN HOG INDEX 08/04/2022 AT 122.09 UP 48 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 08/05/2022 AT 126.83 DOWN 45 CENTS FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON JULY 29, 2022 WAS 259.52 COMPARED TO JULY 22, 2022 AT 236.40

THE CME LEAN HOG INDEX IS MINUS 4.74 TO THE CME PORK INDEX -

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The CME Lean Hog Index is narrowing the difference between the CME Pork Index. Packers lose when hogs gain more than the pork price. At this point there isn't much a packer can do but pay up if they need the hogs. With the light kill in US, recent exports are taking a larger percentage of the available pork.

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Last week there were strong net export sales at 31,000 MT. China took 16,800 MT Mexico 8,600 MT and Japan at 1,800 MT. This week traders will be watching to see if China is going to continue buying as much.

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Summer meats, Butts, Picnics and Ribs doing the best. Loins when they get near \$110.00 to \$111.00 find stiff resistance. Ham demand seems to depend on what Mexico is buying. Bellies have good demand now but will run out of steam by mid to late August as the BLT season comes to a close.

There are analysts expecting to see increase in the number of hogs by year end as high prices for hogs is expecting to see more breeding late spring.

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For the packers that primarily kills hogs they are like a rubber band. Eventually pulling it too far, it snaps.

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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

AUGUST 08, 2022

LOADS OF PORK CUTS: 218.25

TRIM/PROCESSED PORK: 44.58

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/08/2022	262.83	124.06	106.02	132.25	91.04	151.16	113.95	211.10
CHANGE:		-0.97	0.89	2.52	2.68	4.25	-3.09	-6.73
FIVE DAY AVERAGE --		126.08	105.98	134.02	89.42	151.70	116.47	219.43

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/08/2022	145.93	128.98	105.67	138.29	92.96	150.32	117.28	232.41
CHANGE:		3.95	0.54	8.56	4.60	3.41	0.24	14.58
FIVE DAY AVERAGE --		127.06	105.91	135.23	89.81	151.53	117.13	223.69

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/05/2022	278.78	125.03	105.13	129.73	88.36	146.91	117.04	217.83
CHANGE:		0.23	-3.90	0.86	-2.66	3.18	0.91	6.79
FIVE DAY AVERAGE --		126.81	105.89	136.48	88.70	154.73	117.71	220.23

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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 FRIDAY, AUGUST 5, 2022 AND SATURDAY, AUGUST 6, 2022
NEGOTIATED**

****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 277.52

AVERAGE CARCASS WEIGHT 208.19

HEAD COUNT 233,044

PACKER SOLD:

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AVERAGE LIVE WEIGHT 288.78
AVERAGE CARCASS WEIGHT 216.55
HEAD COUNT 40,637

PACKER OWNED:

AVERAGE LIVE WEIGHT 284.79
AVERAGE CARCASS WEIGHT 215.87
HEAD COUNT 204,563

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****DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**
AUGUST 08, 2022

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

National Negotiated Carcass Price

Lowest price: 114.00
Highest price: 135.00
Weighted Average 122.84
Change from Previous Day -1.59 lower
Head Count: 7,047

Other Market Formula (Carcass)

Lowest Base Price 82.40
Highest base price: 121.82
Weighted Average Price: 109.16
Head Count: 25,746

Pork Market Formula (Carcass)

Lowest base price: 100.02
Highest Base Price: 134.69
59Weighted Average Price 119.40
Head Count 165,524

Other Purchase Arrangement (Carcass)

Lowest base price: 91.01
Highest base price: 130.67
Weighted Average Price: 115.02
HEAD COUNT: 99,239

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FEBRUARY/APRIL 2023 LEAN HOG SPREAD - LOOK FOR FEB TO GAIN ON APRIL



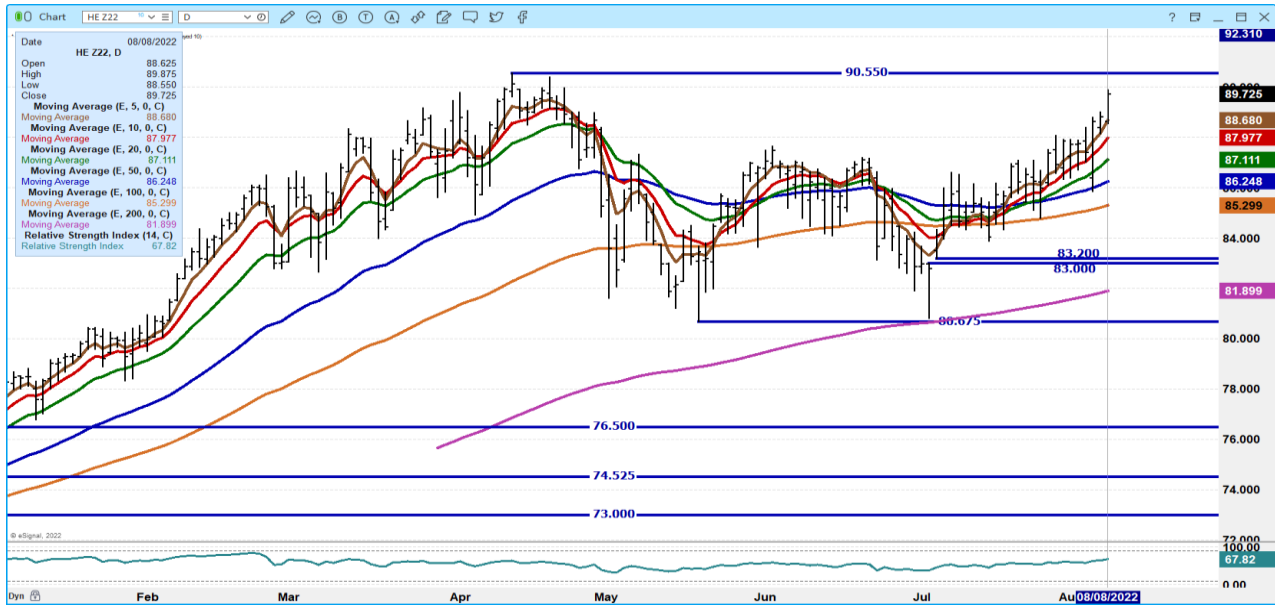
OCTOBER 2022 LEAN HOGS – VOLUME AT 17,932 STOPPED BEFORE MOVING TO CONTRACT HIGH AT 100.82 SUPPORT AT 98.25 TO 97.20



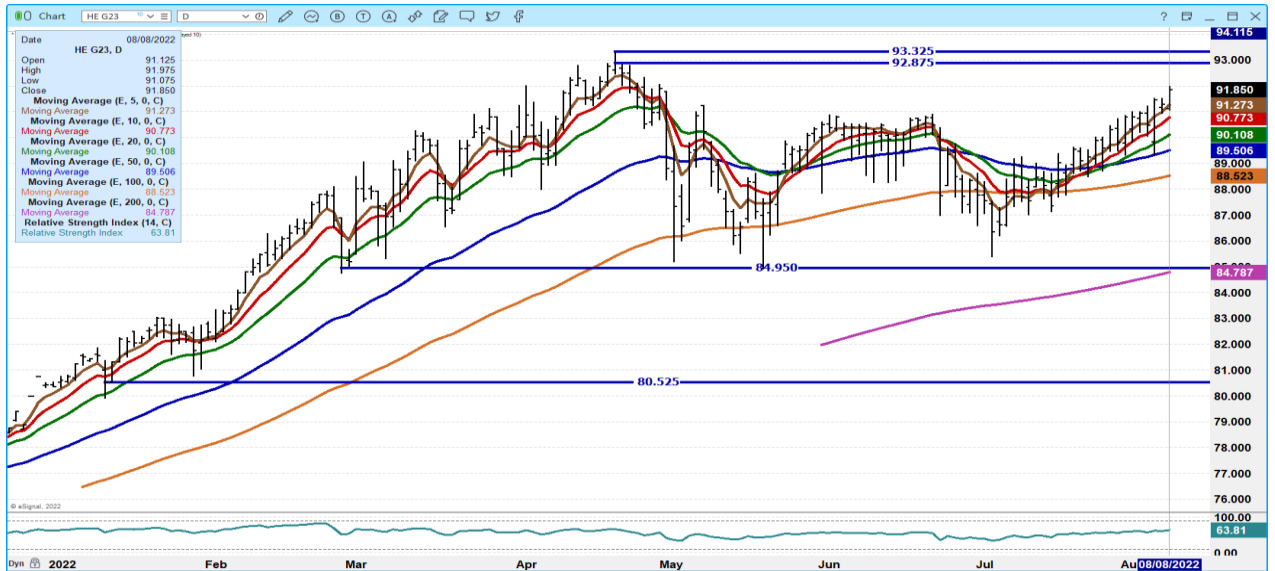
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DECEMBER 2022 LEAN HOGS – RESISTANCE AT 90.55 SUPPORT AT 82.62



FEBRUARY 2023 LEAN HOGS – RESISTANCE AT HIGHS AT 92.87 TO 3.37 SUPPORT AT 91.27 TO 90.75



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

Christopher Lehner chris.lehner@admis.com

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