



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING AUGUST 11, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

AUGUST 10, 2022	126,000
WEEK AGO	124,000
YEAR AGO	116,000
WEEK TO DATE (EST)	371,000
SAME PERIOD LAST WEEK (EST)	372,000
SAME PERIOD LAST YEAR (ACT)	347,000

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	263.23	237.08
CHANGE FROM PRIOR DAY:	(1.50)	(0.62)
CHOICE/SELECT SPREAD:		26.15
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		123
5 DAY SIMPLE AVERAGE:	265.96	239.38

CME BOXED BEEF INDEX ON 08/09/2021 WAS 258.72 DOWN 1.17 FROM PREVIOUS DAY

2:00 PM AUGUST 10, 2022

PRIMAL RIB	412.77	328.64
PRIMAL CHUCK	210.98	207.23
PRIMAL ROUND	211.58	209.35
PRIMAL LOIN	369.06	301.89
PRIMAL BRISKET	218.12	208.05
PRIMAL SHORT PLATE	169.14	169.14
PRIMAL FLANK	154.97	149.77

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2:00 PM AUGUST 9, 2022

PRIMAL RIB	413.00	322.12
PRIMAL CHUCK	211.90	207.81
PRIMAL ROUND	212.27	211.03
PRIMAL LOIN	372.68	304.55
PRIMAL BRISKET	218.67	209.47
PRIMAL SHORT PLATE	171.48	171.48
PRIMAL FLANK	157.53	150.20

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
08/09	78	31	12	33	154	264.73	237.70
08/08	50	22	17	15	105	266.24	238.86
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

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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	70.46 loads	2,818,442 pounds
Select Cuts	29.04 loads	1,161,588 pounds
Trimmings	10.29 loads	411,646 pounds
Ground Beef	13.60 loads	543,834 pounds

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CATTLE DELIVERIES

DELIVERY NOTICE SERVED - AUGUST 2022 - LIVE CATTLE

DATE 08/10/22 SETTLEMENT: \$139.20

OLDEST LONG – 05/27/2022 AT \$132.40

10 DELIVERIES FOR 8/10/2022 4 HEIFERS 2 STEERS

FIRM #	FIRM NAME	DEL	REC
800	MAREX SPEC	1	
407	STRAITS FINANCIAL	1	
685	R.J.O'BRIEN ASSOC		10
905	ADM INVESTOR SERVICE	8	

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YARD LOCATION

DALHART 10 HEIFERS RETENDER 10 DEMAND

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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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Last week for all cattle, heifers and steers, including cattle bought on negotiated sales, formulas, contracts and grids the dressed weight was 869.3 pounds. Weights have been going up about 2.5 pounds/week over the past 3 weeks. However, grading percent has dropped to 79.6% from an already low the previous week at 80.1%.

U.S. cattle grading just 79.6% is almost unbelievable. The U.S. cattle industry is known around the world as a Choice and Prime industry. Exporters buy from the U.S. because cattle grade Choice and Prime. If an exporter wants lower grade beef there is more than enough beef worldwide they can buy cheaper and in larger quantities from other countries. The reason the U.S. is a net importer of beef is the low grade beef they buy which is mostly for fast food restaurants and frozen, further processed beef and canned products.

The extreme heat in the Southwest has been moving cattle lighter and low grading as soon as a packer will buy them. High feed cost is another reason for lower grade cattle and the reason packers in the Midwest are paying big premiums in order to keep cattle on feed longer.

Too many Select cattle and too many pounds of Select beef are putting a lid on Choice cattle. Select beef sales to Choice should be 20% or less Select beef to 80% or more Choice beef. For months in 2022 the ratio has been running much wider. On early beef sales Wednesday about 37% of the beef cuts sold were Select beef.

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Export net sales were reported last week at 14,600 MT up 22% from the previous week. There were no big takers. Japan 3,900 MT, South Korea 3,100 MT. Taiwan 2,000 MT and China 1,800 MT

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As of AUGUST 9, 2022 dressed steer and heifer carcasses last week averaged 869.3 pounds up 2.2 pounds compared to previous week at 867.1 pounds . The grading percent was **79.6%** compared to previous week at 80.1%.

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

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*****NATIONAL DAILY DIRECT CATTLE 08/10/22
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
*LIVE STEER:	1441	\$141.68	33,442
LIVE HEIFER:	1312	\$139.20	12,961
DRESSED STEER:	938	\$228.29	18,413
DRESSED HEIFER:	838	\$227.93	4,350

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USDA POSTED SUMMARY CATTLE PRICES ON 08/10/2022

**IA/MN – CASH – 144.50 - 146.00 AVERAGE 145.73
DRESSED - 227.00 - 232.00**

**NE – CASH - 143.00 - 146.00 AVERAGE 145.35
DRESSED – 228.00 - 232.00**

**KS – CASH - 139.00 ON 148 STEERS
DRESSED – 228.00 ON 40 STEERS**

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

CO – **NOT REPORTED DUE TO CONFIDENTIALITY**

FEBRUARY 2015 LIVE CATTLE - CONTRACT HIGH NOVEMBER 19 AND 20, 2014 AT \$172.75



**CHART FROM BAR CHART
[HTTPS://WWW.BARCHART.COM/FUTURES](https://www.barchart.com/futures)**

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NO CHARTS THURSDAY
AUGUST 2022 LIVE CATTLE –
OCTOBER 2022 LIVE CATTLE -
DECEMBER 2022 LIVE CATTLE –

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Feeder Cattle

CME FEEDER INDEX ON 08/09/2022 WAS 176.53 UP .13 FROM PREVIOUS DAY -

AUGUST 2022 FEEDER CATTLE SETTLED ON 8/10/2022 AT \$180.67

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IF A RANCH HAS A GROUP NEAR THE SAME SIZE OF THE SAME COLOR GOING TO A MIDWEST FEEDLOT, THEY CAN TACK ON AN EASY \$10.00/CWT TO \$15.00/CWT FROM QUOTED PRICES SELLING DIRECT FARM TO FEEDLOT.

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CONTRACT HIGH –NOVEMBER 2014 FEEDER CATTLE - OCTOBER 9, 2014 AT \$245.75



CHART FROM BAR CHART

[HTTPS://WWW.BARCHART.COM/FUTURES](https://www.barchart.com/futures)

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NO CHARTS THURSDAY
OCTOBER 2022 FEEDER CATTLE -
NOVEMBER 2022 FEEDER CATTLE –
JANUARY 2023 FEEDERS CATTLE –

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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 10, 2022	474,000
WEEK AGO	469,000
YEAR AGO	474,000
WEEK TO DATE (EST)	1,406,000
SAME PERIOD LAST WEEK (EST)	1,349,000
SAME PERIOD LAST YEAR (ACT)	1,401,000

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CME CASH LEAN HOG INDEX 08/08/2022 AT 122.25 UP 33 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 08/09/2022 AT 124.62 DOWN 1.49 FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON AUGUST 5, 2022 WAS 275.10 COMPARED TO JULY 29, 2022 AT 259.52

THE CME LEAN HOG INDEX IS MINUS 2.37 TO THE CME PORK INDEX -

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Packers are paying whatever is needed to get hogs. Paying up if they have to pay up to get enough hogs to fill contracted pork orders is what they need to do.

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The CME Lean Hog Index narrowed to the CME Pork Index again on Wednesday. As it narrows, packers make less money. BUT it is impossible to know what packers are truly making or losing killing hogs. We see a very small amount of the hogs that are killed. We don't see what packers are making killing their own hogs or hogs killed on long term contracts or hogs that are fed on a per head basis. But what we do see and how weights are falling down, along with the drop in slaughter, we can pretty safely assume packers don't have good profit margins. For the smaller packers that do buy hogs on the open market and sell pork on the daily market, they are having problems. The small packers are having problems finding labor just like the larger packers.

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Net export sales were 21,500MT. Mexico 10,200 MT, Japan 3,800 MT, China 3,500 MT. Last week China took 16,800 MT so trade may be disappointed that China dropped back so much. However, with hog slaughter at current levels 21,500 MT is a good amount.

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There are analysts expecting to see increase in the number of hogs by year end as high prices for hogs is expecting to have had more breeding since spring 2022.

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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 10, 2022

LOADS OF PORK CUTS: 282.31

TRIM/PROCESSED PORK: 19.44

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/10/2022	301.75	123.67	108.87	126.47	90.30	138.29	112.68	214.79
CHANGE:		-0.18	2.65	-4.38	3.30	-8.97	-0.51	-0.95
FIVE DAY AVERAGE --		124.28	107.05	129.63	89.54	145.47	114.60	214.10

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/09/2022	210.73	123.80	108.58	124.12	92.33	136.96	113.90	214.65
CHANGE:		-0.05	2.36	-6.73	5.33	-10.30	0.71	-1.09
FIVE DAY AVERAGE --		124.31	107.00	129.16	89.95	145.20	114.84	214.07

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/09/2022	321.32	123.85	106.22	130.85	87.00	147.26	113.19	215.74
CHANGE:		-0.21	0.20	-1.40	-4.04	-3.90	-0.76	4.64
FIVE DAY AVERAGE --		124.65	105.89	131.76	89.15	148.83	115.64	214.24

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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 AUGUST 9, 2022

****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 275.67

AVERAGE CARCASS WEIGHT 207.06

HEAD COUNT 241,797

PACKER SOLD:

AVERAGE LIVE WEIGHT 283.21

AVERAGE CARCASS WEIGHT 212.37

HEAD COUNT 31,838

PACKER OWNED:

AVERAGE LIVE WEIGHT 280.91

AVERAGE CARCASS WEIGHT 212.69

HEAD COUNT 160,866

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****DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE
AUGUST 10, 2022**

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

National Negotiated Carcass Price

Lowest price: 115.00

Highest price: 138.00

Weighted Average 132.48

Change from Previous Day 1.35higher

Head Count: 25,426

Other Market Formula (Carcass)

Lowest Base Price 83.36

Highest base price: 123.20

Weighted Average Price: 100.57

Head Count: 38,543

Pork Market Formula (Carcass)

Lowest base price: 99.08

Highest Base Price: 138.20

59Weighted Average Price 119.25

Head Count 160,003

Other Purchase Arrangement (Carcass)

Lowest base price: 91.25

Highest base price: 133.26

Weighted Average Price: 114.74

HEAD COUNT: 65,186

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NO CHARTS THURSDAY

FEBRUARY/APRIL 2023 LEAN HOG SPREAD -

OCTOBER 2022 LEAN HOGS –

DECEMBER 2022 LEAN HOGS –

FEBRUARY 2023 LEAN HOGS –

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BEEF: NET SALES OF 14,600 MT FOR 2022 WERE UP 22 PERCENT FROM THE PREVIOUS WEEK, BUT DOWN 17 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR JAPAN (3,900 MT, INCLUDING DECREASES OF 400 MT), SOUTH KOREA (3,100 MT, INCLUDING DECREASES OF 400 MT), TAIWAN (2,000 MT, INCLUDING DECREASES OF 100 MT), CHINA (1,800 MT, INCLUDING DECREASES OF 100 MT), AND MEXICO (1,500 MT), WERE OFFSET BY REDUCTIONS FOR SWITZERLAND (400 MT), INDONESIA (100 MT), AND BAHRAIN (100 MT). TOTAL NET SALES OF 200 MT FOR 2023 WERE FOR JAPAN. EXPORTS OF 20,800 MT WERE UP 13 PERCENT FROM THE PREVIOUS WEEK AND 11 PERCENT FROM THE PRIOR 4-WEEK

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AVERAGE. THE DESTINATIONS WERE PRIMARILY TO JAPAN (6,100 MT), SOUTH KOREA (5,100 MT), CHINA (4,400 MT), MEXICO (1,300 MT), AND TAIWAN (1,200 MT).

PORK: NET SALES OF 21,500 MT FOR 2022 WERE DOWN 31 PERCENT FROM THE PREVIOUS WEEK AND 6 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR MEXICO (10,200 MT, INCLUDING DECREASES OF 500 MT), JAPAN (3,800 MT, INCLUDING DECREASES OF 300 MT), CHINA (3,500 MT, INCLUDING DECREASES OF 200 MT), THE DOMINICAN REPUBLIC (1,400 MT), AND COLOMBIA (800 MT), WERE OFFSET BY REDUCTIONS FOR SOUTH KOREA (100 MT). EXPORTS OF 27,200 MT WERE UP 4 PERCENT FROM THE PREVIOUS WEEK AND 6 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (11,900 MT), CHINA (4,800 MT), JAPAN (4,800 MT), CANADA (1,700 MT), AND SOUTH KOREA (1,600 MT).

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