



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

FRIDAY MORNING SEPTEMBER 2, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

| | |
|-----------------------------|---------|
| SEPTEMBER 1, 2022 | 125,000 |
| WEEK AGO | 124,000 |
| YEAR AGO | 118,000 |
| WEEK TO DATE (EST) | 498,000 |
| SAME PERIOD LAST WEEK (EST) | 499,000 |
| SAME PERIOD LAST YEAR (ACT) | 474,000 |

| | | |
|--|--------|--------|
| BOXED BEEF 2:00 PM | CHOICE | SELECT |
| CURRENT CUTOUT VALUES: | 258.07 | 236.59 |
| CHANGE FROM PRIOR DAY: | (0.27) | (1.15) |
| CHOICE/SELECT SPREAD: | | 21.48 |
| TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS) | | 109 |
| 5 DAY SIMPLE AVERAGE: | 261.49 | 239.30 |

CME BOXED BEEF INDEX ON 08/31/2021 WAS 255.73 DOWN 1.39 FROM PREVIOUS DAY

2:00 PM SEPTEMBER 1, 2022

| | | |
|----------------|--------|--------|
| PRIMAL RIB | 409.24 | 334.97 |
| PRIMAL CHUCK | 211.03 | 205.54 |
| PRIMAL ROUND | 215.65 | 209.85 |
| PRIMAL LOIN | 337.49 | 292.81 |
| PRIMAL BRISKET | 219.98 | 213.10 |

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| | | |
|--------------------|--------|--------|
| PRIMAL SHORT PLATE | 179.22 | 179.22 |
| PRIMAL FLANK | 161.42 | 154.18 |

2:00 PM AUGUST 31, 2022

| | | |
|--------------------|--------|--------|
| PRIMAL RIB | 408.39 | 329.13 |
| PRIMAL CHUCK | 209.13 | 206.79 |
| PRIMAL ROUND | 220.00 | 212.84 |
| PRIMAL LOIN | 337.26 | 295.45 |
| PRIMAL BRISKET | 219.89 | 216.72 |
| PRIMAL SHORT PLATE | 179.30 | 179.30 |
| PRIMAL FLANK | 161.65 | 154.97 |

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LOAD COUNT AND CUTOFF VALUE SUMMARY

| Date | Choice | Select | Trim | Grinds | Total | 600-900 | 600-900 |
|-------|--------|--------|------|--------|-------|---------|---------|
| 08/31 | 77 | 47 | 18 | 14 | 156 | 258.34 | 237.74 |
| 08/30 | 95 | 31 | 12 | 25 | 162 | 259.79 | 239.68 |
| 08/29 | 55 | 16 | 11 | 9 | 91 | 263.04 | 242.75 |
| 08/26 | 71 | 11 | 11 | 8 | 101 | 262.76 | 238.76 |
| 08/25 | 78 | 20 | 8 | 18 | 124 | 263.54 | 237.54 |
| 08/24 | 61 | 24 | 21 | 15 | 121 | 262.83 | 237.62 |

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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 | 63.25 loads | 2,530,174 pounds |
| Select Cuts | 30.91 loads | 1,236,500 pounds |
| Trimming | 5.08 loads | 203,249 pounds |
| Ground Beef | 9.84 loads | 393,714 pounds |

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SEPTEMBER 2022 LIVESTOCK REPORTS

USDA COLD STORAGE REPORT SEPTEMBER 22, 2022 2:00PM CENTRAL TIME
 USDA CATTLE ON FEED REPORT SEPTEMBER 23, 2022 2:00PM CENTRAL TIME
 USDA HOGS AND PIGS REPORT SEPTEMBER 29, 2022 2:00PM CENTRAL TIME

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Beef has been slowly moving down and it is the rib and loin primals that are dropping the most. September is not a big time for beef. Consumers are this year paying off high credit card bills for gas and vacations. Cattle weights are increasing in the Midwest and packers won't need to pay big premiums to get feedlots to keep cattle longer. Rather than a falling market in September, could be a softer market and move sideways as cattle have done several times in 2022. Cattle numbers should start to decrease that should keep prices from falling.

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September is going to be a month to watch if Live Cattle traders continue to keep bear spreads or if they reverse spreads and move December on out into bull spreads. The summer peak in big kills should be over and should see cattle slaughter ticking downwards. Packers know what they have booked for sales and cattle needed to fulfill contracts. If they are short cattle, traders should begin to buy more front month cattle and sell cattle in 2023. Bull spreading means more immediate concern about what is needed in the nearby months and worrying later about the future. If they are going to bull spreads, nearby months should gain on back months

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There is not a September Live Cattle or September Lean Hog contract. During September, speculators can and often do control and dominate trading. Spreads frequently have increasing volatility. It is something to keep in mind.

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As of AUGUST 30, 2022 dressed steer and heifer carcasses last week averaged 872.4 pounds down 2.2 pounds compared to previous week at 874.6 pounds . The grading percent was 79.1% compared to previous week at 79.9%.

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

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***NATIONAL DAILY DIRECT CATTLE 09/01/22
5 DAY ACCUMULATED WEIGHTED AVG

| | WEIGHT | PRICE | HEAD |
|-----------------|--------|----------|--------|
| *LIVE STEER: | 1450 | \$143.90 | 24,200 |
| LIVE HEIFER: | 1326 | \$142.96 | 10,624 |
| DRESSED STEER: | 951 | \$229.34 | 15,452 |
| DRESSED HEIFER: | 854 | \$229.73 | 2,907 |

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USDA POSTED SUMMARY CATTLE PRICES ON 09/01/2022

**STEER PRICES

IA/MN – CASH – 143.00 - 145.00 FOR THE WEEK
DRESSED - 226.00 - 234.00

NE – CASH - 142.00 - 145.00 FOR THE WEEK
DRESSED – 226.00 - 229.00

KS – CASH - 141.00 FOR STEERS AND HEIFERS
DRESSED – NO REPORTABLE TRADE.

TX/OK/NM CASH - 141.00FOR STEERS AND HEIFERS
DRESSED – NO REPORTABLE TRADE.

CO – **NOT REPORTED DUE TO CONFIDENTIALITY**

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OCTOBER LIVE CATTLE/OCTOBER LEAN HOG SPREAD – HARD TO SAY BUT SHOULD SEE CATTLE GAIN ON HOGS BUT HOGS HAVE TAKEN A BIG TIMBLE, LARGER THAN CATTLE IN AUGUST AND CATTLE COULD FOR SHORT TIME LOSE TO HOGS



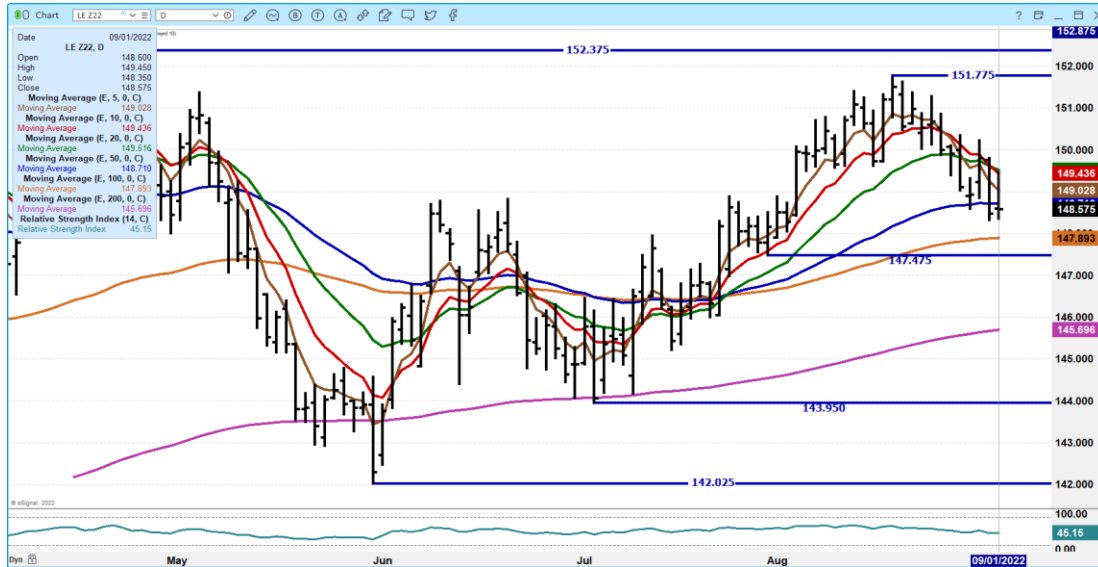
OCTOBER 2022 LIVE CATTLE - VOLUME AT 24,912 SUPPORT AT 142.20 TO 140.67 RESISTANCE AT 143.55



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DECEMBER 2022 LIVE CATTLE – SECOND CLOSE BELOW 50 DAY AVERAGE NEXT SUPPORT AT 147.85 RESISTANCE AT 149.45 VOLUME AT 12,032



FEBRUARY 2023 LIVE CATTLE - FELL SLIGHTLY UNDER 50 DAY AVERAGE NEXT SUPPORT AT 152.10 RESISTANCE AT 153.70 TO 154.05 VOLUME AT 6,933



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Feeder Cattle

CME FEEDER INDEX ON 08/31/2022 WAS 182.36 DOWN 67 CENTS FROM PREVIOUS DAY -

SEPTEMBER 2022 FEEDER CATTLE SETTLED ON 9/01/2022 AT \$183.15

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FEEDERS ARE GOING TO TRADE THE CORN MARKET BUT THEY ALSO WILL BE TRADING THE CASH FEEDER CATTLE MARKET. THERE ARE GOING TO BE MIDWEST CATTLE/ GRAIN PRODUCERS THIS YEAR THAT WON'T BUY FEEDERS BECAUSE THEY CAN SELL CORN AND MAKE MONEY ESPECIALLY IF THEY ARE IN AN AREA WHERE CORN YIELDS HAVEN'T BEEN STUNTED AND THERE WILL BE PRODUCERS LOOKING AT CORN, KNOWING YIELDS HAVE BEEN HURT AND PUTTING IT UP AS SILAGE AND LOOKING AT 600 TO 700 WEIGHT CATTLE AND APRIL LIVE CATTLE FUTURES AT \$157 AND BUYING CATTLE HOPING \$157 IS A STEPPING OFF POINT FOR HIGHER CATTLE PRICES.

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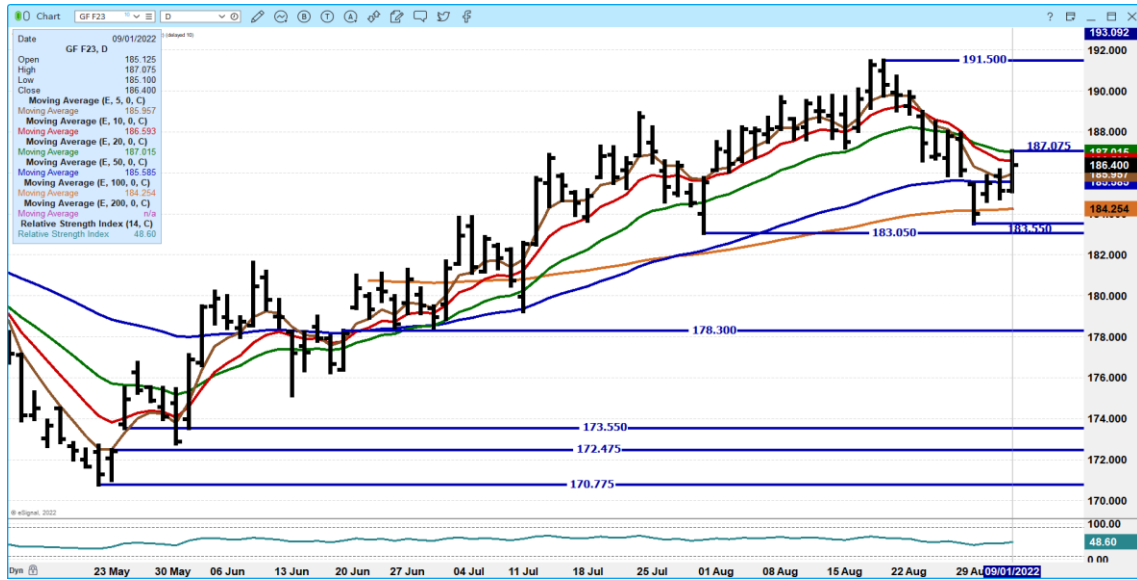
NOVEMBER 2022 FEEDER CATTLE – RESISTANCE AT 186.35 SUPPORT AT 183.40



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JANUARY 2023 FEEDERS CATTLE – RESISTANCE AT 187.07 SUPPORT AT 184.25



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

| | |
|------------------------------------|------------------|
| SEPTEMBER 1, 2022 | 480,000 |
| WEEK AGO | 476,000 |
| WEEK TO DATE (EST) | 476,000 |
| WEEK TO DATE (EST) | 1,915,000 |
| SAME PERIOD LAST WEEK (EST) | 1,914,000 |
| SAME PERIOD LAST YEAR (ACT) | 1,422,000 |

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CME CASH LEAN HOG INDEX 08/30/2022 AT 107.62 DOWN 1.74 FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 08/31/2022 AT 102.52 UP 2 CENTS FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON AUGUST 26, 2022 WAS 225.78 COMPARED TO AUGUST 19 2022 AT 262.52

THE CME LEAN HOG INDEX IS PLUS 5.10 TO THE CME PORK INDEX -

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PACKERS ARE DROPPING CASH HOG PRICES AND SO FAR HAVE BEEN ABLE TO KEEP PORK PRICES STEADY TO A LITTLE BETTER THIS WEEK. THEY HAVE TO DO SOMETHING. THEY ARE STILL LOSING MONEY BUT THERE HAS BEEN A SLIGHT IMPROVEMENT. NO BUSINESS CAN KEEP THEIR DOORS OPEN WITH BIG COMPILING LOSSES.

HOG SLAUGHTER INCREASING IS ALSO HELPING PACKERS. WHEN A PACKER HAS GAPS ON THE LINE, MAY HAVE TO SLOW THE LINE OR WORKS SHORT HOURS, FIXED COSTS PER HOG CUTS INTO MARGINS.

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

SEPTEMBER 1, 2022

LOADS OF PORK CUTS: 298.69

TRIM/PROCESSED PORK: 29.67

| 2:00 PM | LOADS | CARCASS | LOIN | BUTT | PIC | RIB | HAM | BELLY |
|---------------------|--------|---------|-------|--------|-------|--------|-------|--------|
| 09/01/2022 | 328.36 | 101.86 | 95.87 | 104.55 | 78.85 | 132.00 | 99.01 | 145.66 |
| CHANGE: | | -1.33 | -2.20 | -3.37 | -0.09 | 0.08 | 1.56 | -2.59 |
| FIVE DAY AVERAGE -- | | 102.40 | 97.56 | 106.62 | 80.03 | 132.78 | 96.22 | 147.37 |

Previous week

| 2:00 PM | LOADS | CARCASS | LOIN | BUTT | PIC | RIB | HAM | BELLY |
|---------------------|--------|---------|--------|--------|-------|--------|-------|--------|
| 08/26/2022 | 330.54 | 102.23 | 98.28 | 106.32 | 79.81 | 132.90 | 90.29 | 156.14 |
| CHANGE: | | -0.43 | 0.27 | 2.14 | -1.91 | -0.03 | -8.66 | 11.02 |
| FIVE DAY AVERAGE -- | | 106.11 | 101.84 | 109.28 | 84.02 | 135.21 | 96.84 | 158.91 |

****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 MONDAY, AUGUST 31, 2022

****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 277.80

AVERAGE CARCASS WEIGHT 208.08

HEAD COUNT 245,775

PACKER SOLD:

AVERAGE LIVE WEIGHT 283.81

AVERAGE CARCASS WEIGHT 212.52

HEAD COUNT 29,561

PACKER OWNED:

AVERAGE LIVE WEIGHT 280.44

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AVERAGE CARCASS WEIGHT 213.04

HEAD COUNT 169,514

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****DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**

SEPTEMBER 1, 2022

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

National Negotiated Carcass Price

Lowest price: 94.00

Highest price: 125.00

Weighted Average 99.75

Change from Previous Day -5.06 LOWER

Head Count: 5,084

Previous week

National Negotiated Carcass Price

Lowest price: 100.00

Highest price: 127.00

Weighted Average 110.25

Change from Previous Day -7.37 LOWER

Head Count: 4,433

AUGUST 1, 2022

National Negotiated Carcass Price

Lowest price: 113.50

Highest price: 128.00

Weighted Average 116.14

Change from Previous Day -0.94 LOWER

Head Count: 3,956

Other Market Formula (Carcass)

Lowest Base Price 66.22

Highest base price: 108.81

Weighted Average Price: 90.38

Head Count: 17,179

Pork Market Formula (Carcass)

Lowest base price: 81.73

Highest Base Price: 127.23

59Weighted Average Price 100.66

Head Count 155,090

Other Purchase Arrangement (Carcass)

Lowest base price: 86.09

Highest base price: 113.79

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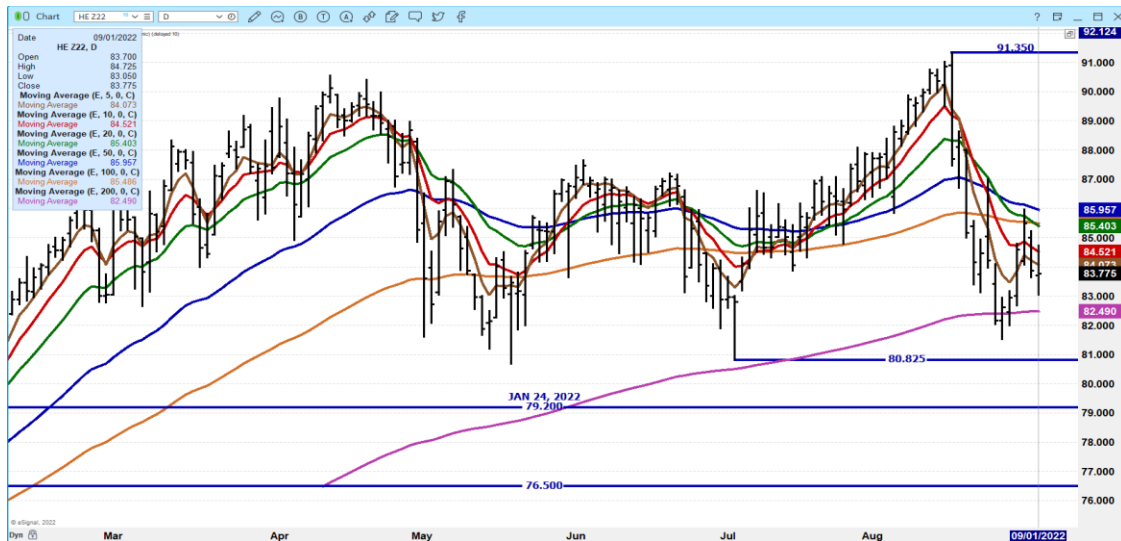
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Weighted Average Price: 99.08
HEAD COUNT: 68,344

OCTOBER 2022 LEAN HOGS – VOLUME AT 16,290 STRONG SUPPORT AT 89.95 RESISTANCE AT 94.50



DECEMBER 2022 LEAN HOGS – VOLUME AT 9,405 SUPPORT AT 82.45 TO 80.82 RESISTANCE AT 84.50 TO 85.97



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FEBRUARY 2023 LEAN HOGS - RESISTANCE AT 89.15 SUPPORT AT 85.45 VOLUME ONLY 3,261



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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