



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING SEPTEMBER 27, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER	
SEPTEMBER 26, 2022	125,000
WEEK AGO	127,000
YEAR AGO	119,000
=====	

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	247.84	223.35
CHANGE FROM PRIOR DAY:	(0.79)	4.04
CHOICE/SELECT SPREAD:		24.49
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		110
5 DAY SIMPLE AVERAGE:	250.05	224.14

CME BOXED BEEF INDEX ON 09/23/2021 WAS 240.90 DOWN .83 FROM PREVIOUS DAY

2:00 PM SEPTEMBER 26, 2022

PRIMAL RIB	400.72	325.64
PRIMAL CHUCK	198.92	194.89
PRIMAL ROUND	219.82	215.05
PRIMAL LOIN	317.93	255.02
PRIMAL BRISKET	200.44	198.42
PRIMAL SHORT PLATE	166.28	166.28

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PRIMAL FLANK	145.04	138.82
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2:00 PM SEPTEMBER 23, 2022

PRIMAL RIB	404.79	312.32
PRIMAL CHUCK	200.07	186.69
PRIMAL ROUND	218.42	215.44
PRIMAL LOIN	319.76	253.81
PRIMAL BRISKET	200.89	202.28
PRIMAL SHORT PLATE	162.84	162.84
PRIMAL FLANK	148.90	142.98

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
09/23	51	28	8	12	100	248.63	219.31
09/22	83	58	7	38	186	248.40	222.11
09/21	98	46	17	35	197	249.13	226.14
09/20	74	40	0	30	145	251.64	227.23
09/19	78	40	6	14	137	252.45	225.89

Change From Prior Week	-4.71	-7.08
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National Weekly Boxed Beef Cuts WEEK ENDING 8/23/2022

Choice Cuts	384.39 loads	15,375,793 pounds
Select Cuts	212.10 loads	8,483,850 pounds
Trimmings	38.65 loads	1,546,039 pounds
Ground Beef	129.82 loads	5,192,706 pounds

National Boxed Beef Cuts - Negotiated Sales 8/26/2022

FOB Plant basis negotiated sales for delivery within 0-21 day period. Prior days sales after 1:30pm are included

Choice Cuts	60.70 loads	2,427,978 pounds
Select Cuts	21.56 loads	862,429 pounds
Trimmings	12.36 loads	494,233 pounds
Ground Beef	15.23 loads	609,372 pounds

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SEPTEMBER 2022 LIVESTOCK REPORTS

USDA HOGS AND PIGS REPORT SEPTEMBER 29, 2022 2:00PM CENTRAL TIME

Chicken Little may have found shelter overnight from the fears a recession would plummet the world into economic disaster. Livestock and commodity markets fell Monday as the British Pound made all time lows, Putin talking about nuclear bombs and the Federal Reserve continuing to raise interest rates. A recession would be negative to beef prices.

The Federal Reserve has been increasing rates for several months to fight inflation. Rising food prices are one of the reasons for inflation and beef often is used for the rising grocery prices. With the Cattle on Feed report mostly in line with expectations, the downturn in beef and Live Cattle are adjusting to the increasing rates and the Federal Reserve policy to fight inflation.

It may take several months before stores significantly drop beef prices. With the majority of beef contracted months in advance, retailers depending on previous pricing contracts likely won't follow the same as the price drop in the daily beef prices.

The cattle market is also having its own problems. As beef prices drop, the industry has to deal with the amount of lower grading cattle, Select and low grading beef selling in larger amounts and cheaper. Consumers are price shopping, buying protein to fit their food budget. With larger amounts and cheaper Select beef and low grade beef, it fits into budgets. Then there is export competition. Export buyers expect Choice and Prime beef from the U.S. When they can't buy the tonnage they want, they can buy lower grade beef from other countries especially when the U.S. Dollar is so strong and countries like Brazil and Argentina have weaker currencies and larger numbers of cattle.

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USDA CATTLE ON FEED REPORT SEPTEMBER 23, 2022

	RANGE	AVERAGE	ACTUAL
CATTLE ON FEED September	99.0-100.5	100.0	100+
PLACED DURING August	93.2-100.9	97.3	100+
MARKETED DURING August	105.4-106.4	105.9	106

United States Cattle on Feed Up Slightly

Cattle and calves on feed for the slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.3 million head on September 1, 2022. The inventory was slightly above September 1, 2021. This is the second highest September 1 inventory since the series began in 1996.

Placements in feedlots during August totaled 2.11 million head, slightly above 2021. Net placements were 2.06 million head. During August, placements of cattle and calves weighing less than 600 pounds were 430,000 head, 600-699 pounds were 320,000 head, 700-799 pounds were 465,000 head, 800-899 pounds were 532,000 head, 900-999 pounds were 270,000 head, and 1,000 pounds and greater were 95,000 head.

Marketings of fed cattle during August totaled 2.00 million head, 6 percent above 2021.

Other disappearance totaled 53,000 head during August, 10 percent below 2021.

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As of September 20, 2022 dressed steer and heifer carcasses last week averaged 886.1 pounds up 5.8 pounds compared to previous week at 874.6 pounds . The grading percent was **78.1%** compared to previous week at 79.7%.

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

***NATIONAL DAILY DIRECT CATTLE 09/26/22
5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
*LIVE STEER:	1475	\$145.09	51,938
LIVE HEIFER:	1327	\$144.23	23,818
DRESSED STEER:	955	\$228.90	16,427
DRESSED HEIFER:	864	\$229.43	4,064

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USDA POSTED SUMMARY CATTLE PRICES ON 09/26/2022

**STEER PRICES

IA/MN – CASH – NO REPORTABLE TRADE.
DRESSED - NO REPORTABLE TRADE.

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.

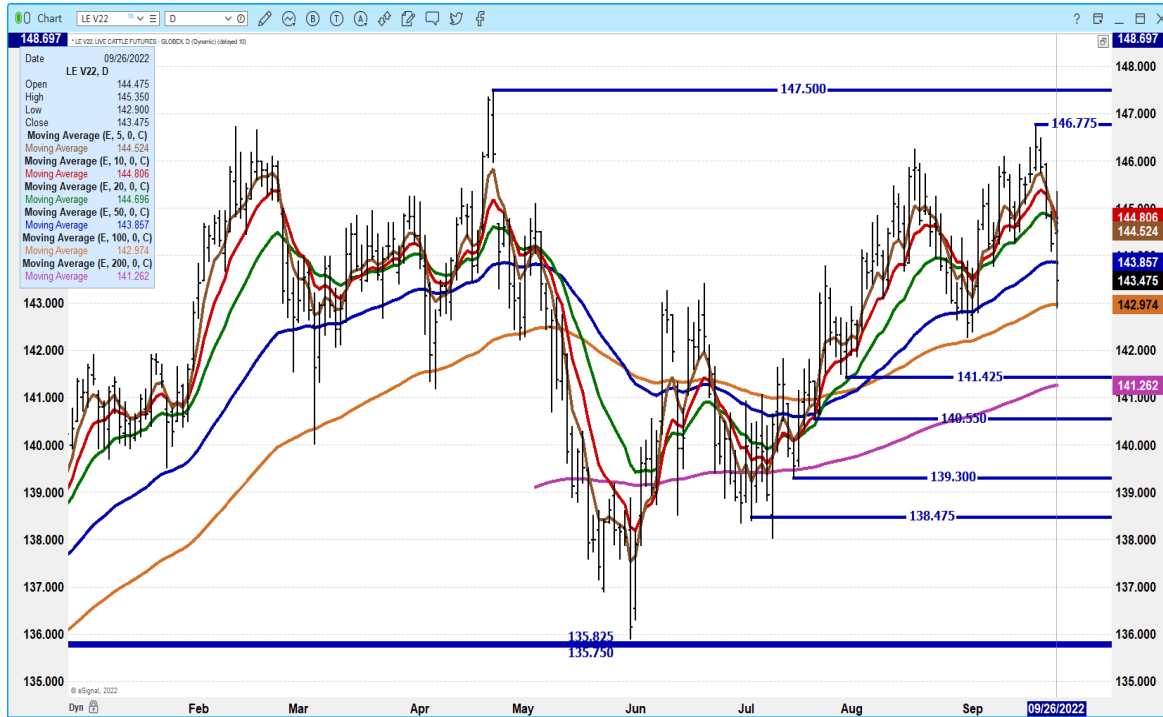
CO – **NOT REPORTED DUE TO CONFIDENTIALITY**

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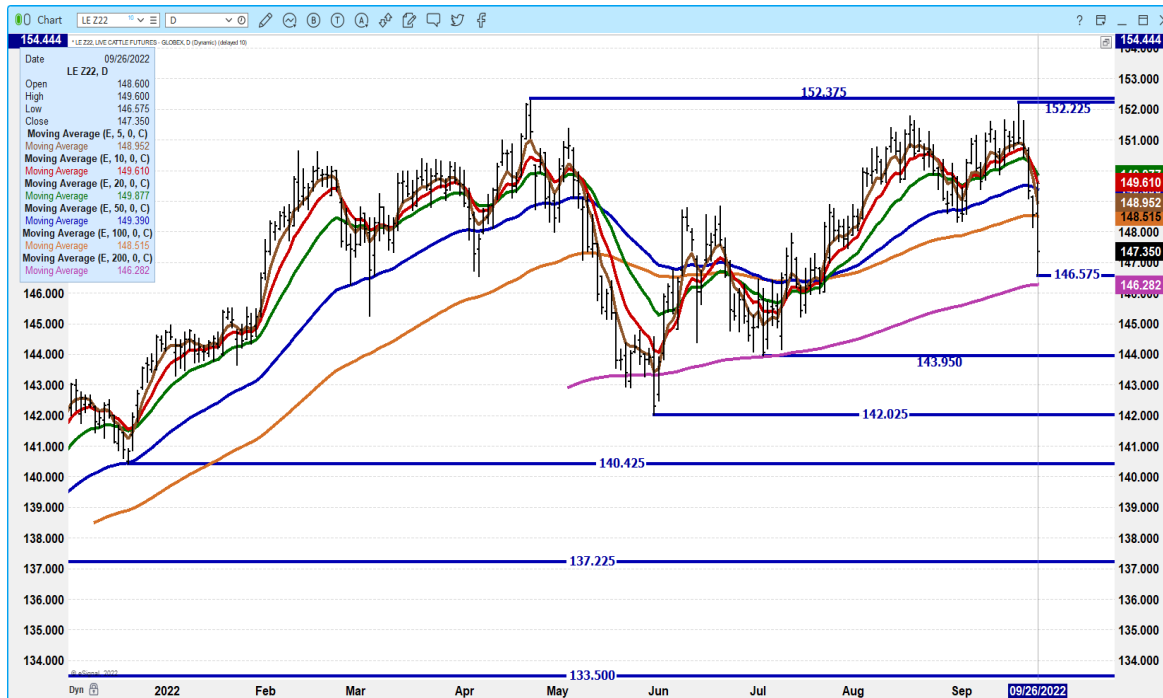
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OCTOBER 2022 LIVE CATTLE - VOLUME AT 13,746 SUPPORT AT 142.97 TO 141.25 RESISTANCE AT 143.85 TO 144.85



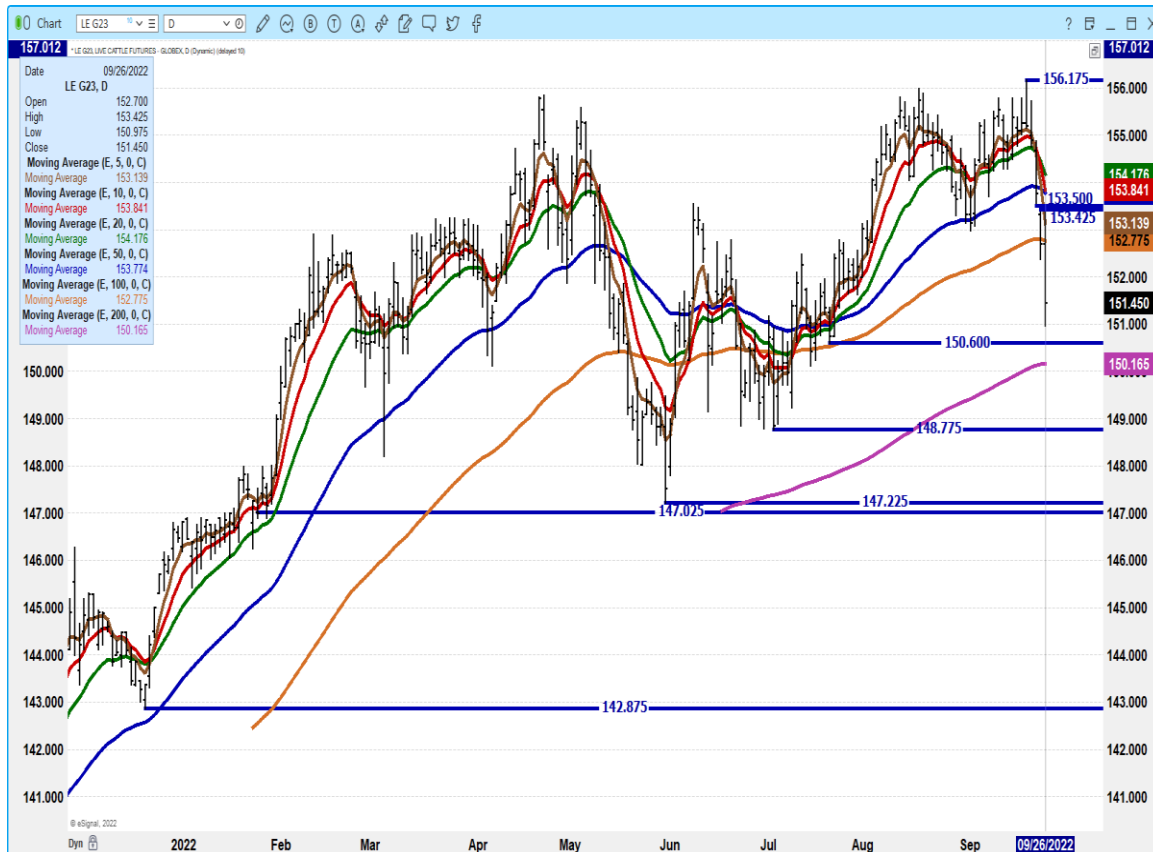
DECEMBER 2022 LIVE CATTLE – VOLUME AT HEAVY AT 33,918 LONG LIQUIDATION AND NEW SELLING SUPPORT AT 146.25 RESISTANCE AT 148.15 TO 149.60



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FEBRUARY 2023 LIVE CATTLE - VOLUME AT 11,554 SUPPORT AT 150.60 TO 150.10 RESISTANCE AT 152.77 TO 153.50



Feeder Cattle

CME FEEDER INDEX ON 09/23/2022 WAS 178.71 DOWN 1.41 FROM PREVIOUS DAY

SEPTEMBER 2022 FEEDER CATTLE ON 9/26/2022 SETTLED AT \$176.87

LOWER GRAIN PRICES THAT NORMALLY ARE POSITIVE FOR FEEDER CATTLE WERE OFFSET WITH NEGATIVE WORLD FINANCIAL TRADING.

NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 09/24/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	165,500	21,000	50,400	236,900
LAST WEEK:	190,400	32,000	32,700	255,100
YEAR AGO:	186,500	14,800	41,700	243,000

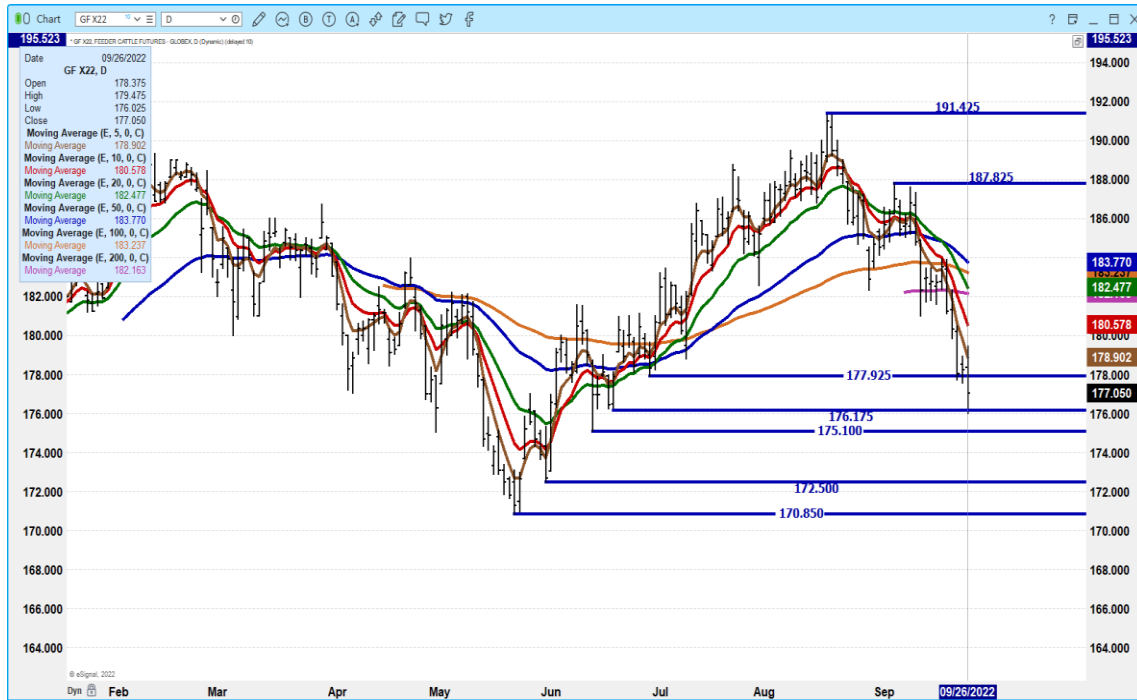
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COMPARED TO LAST WEEK, STEERS AND HEIFERS IN THE NORTH CENTRAL AND SOUTH CENTRAL REGIONS SOLD 1.00 HIGHER TO 3.00 LOWER. IN THE SOUTHEAST REGION STEERS AND HEIFERS SOLD 3.00 TO 6.00 LOWER. DEMAND WAS MODERATE TO GOOD. THE SEPTEMBER 1 CATTLE ON FEED REPORT WAS RELEASED ON FRIDAY AFTERNOON WITH THE REPORT BEING NEUTRAL WITH THE SECOND HIGHEST SEPTEMBER 1 INVENTORY SINCE THE SERIES BEGAN IN 1996. AS DROUGHT CONDITIONS REMAIN, THIS YEAR HAS SEEN INCREASED HEIFER PLACEMENTS REFLECTED BY A LARGER HEIFER SLAUGHTER.

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

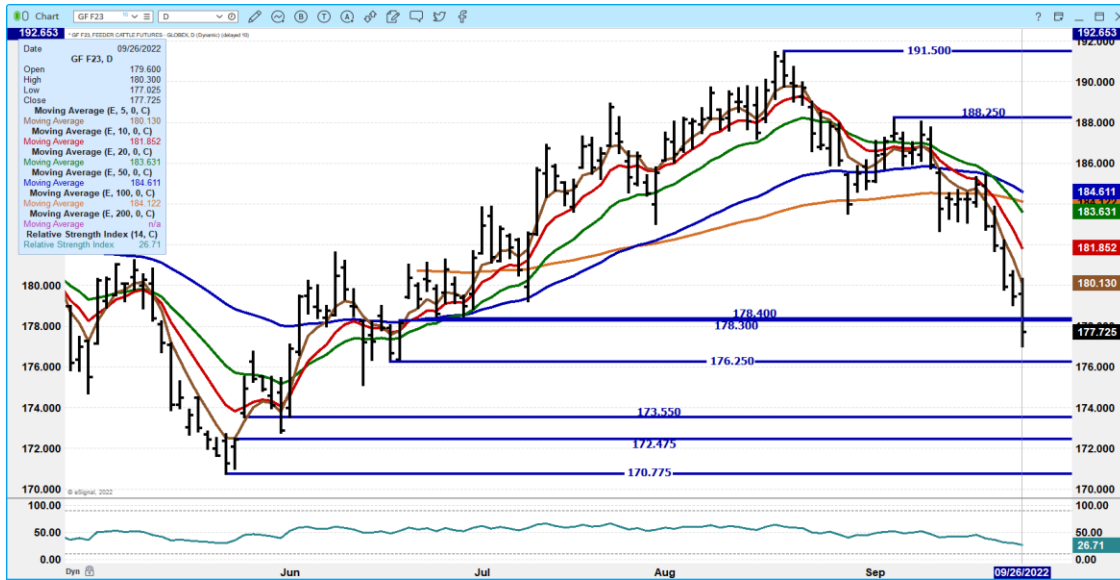
NOVEMBER 2022 FEEDER CATTLE – SUPPORT AT 175.10 RESISTANCE AT 179.00



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JANUARY 2023 FEEDERS CATTLE – SUPPORT AT 176.25 RESISTANCE AT 180.15



HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

SEPTEMBER 26, 2022	484,000
WEEK AGO	478,000
YEAR AGO	474,000

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CME CASH LEAN HOG INDEX 09/22/2022 AT 97.59 DOWN 42 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 09/23/2022 AT 103.48 DOWN 95 CENTS FROM PREVIOUS DAY –

CME CASH FRESH BACON INDEX ON SEPTEMBER 16, 2022 WAS 185.12 COMPARED TO SEPTEMBER 9, 2022 AT 181.86

THE CME LEAN HOG INDEX IS PLUS 5.89 TO THE CME PORK INDEX -

The CME Pork Index is losing to the CME Lean Hog Index.

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HOGS ARE GETTING HEAVIER AND HOG SLAUGHTER IS INCREASING AT A TIME WHEN PORK IS GOING DOWN FASTER THAN THE PRICE OF HOGS. THESE FACTORS ARE GOING TO KEEP PACKERS FROM PAYING HIGHER FOR HOGS. TOP IT OFF WITH PORK EXPORTS DOWN FOR THE YEAR AND WITH THE STRONG U.S. DOLLAR UNLIKELY TO INCREASE, IT WILL BE DIFFICULT TO RETAIN CURRENT LEAN HOG FUTURE PRICES.

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MONDAY THE DECEMBER 2022 LEAN HOG CONTRACT, THE MOST ACTIVELY TRADED CONTRACT, FELL THROUGH THE 200 DAY MOVING AVERAGE AND CLOSED AT \$79.40, THE PRICE LAST JANUARY 28, 2022.

PORK EXPORT HIGHLIGHTS

PORK EXPORT SALES LAST WEEK WERE GOOD BUT UNLIKE A WEEK AGO CHINA WAS A LIGHT BUYER. AS WAS EXPECTED CHINA LIKELY BOUGHT A WEEK AGO TO REPLACE PORK IT REMOVED FROM STORAGE AND PUT ON SALE AHEAD OF THE GOLDEN WEEK AND PEOPLES NATIONAL DAY BEGINNING OCTOBER 1ST. LAST WEEK MEXICO WAS THE LARGEST BUYER WITH 25,500 MT FOLLOWED BY CANADA TAKING 2,300MT. CHINA BOUGHT 2,200MT

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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

LOADS PORK CUTS : 289.69

LOADS TRIM/PROCESS PORK : 58.08 (LIKE GROUND BEEF, CONSUMERS ARE WANTING CHEAPER PORK AND MORE TRIMMINGS ARE BEING SOLD.)

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
09/26/2022	347.77	101.46	97.06	109.64	77.95	129.42	104.30	130.57
CHANGE:		0.53	1.53	-0.84	-2.25	2.89	-2.58	5.16
FIVE DAY AVERAGE --		102.31	97.31	110.54	80.51	129.77	104.99	132.64

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
09/26/2022	198.67	101.57	96.97	108.20	81.73	130.32	103.69	130.30
CHANGE:		0.64	1.44	-2.28	1.53	3.79	-3.19	4.89
FIVE DAY AVERAGE --		102.34	97.30	110.25	81.26	129.95	104.87	132.58

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
09/23/2022	279.43	100.93	95.53	110.48	80.20	126.53	106.88	125.41
CHANGE:		-2.95	-1.54	-0.43	-1.99	-4.27	1.64	-15.19
FIVE DAY AVERAGE --		103.20	97.40	110.98	81.71	130.08	105.70	135.63

**** 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, SEPTEMBER 23, 2022 AND SATURDAY, SEPTEMBER 24, 2022

****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 283.00

AVERAGE CARCASS WEIGHT 211.35

HEAD COUNT 300,793

PACKER SOLD:

AVERAGE LIVE WEIGHT 288.54

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AVERAGE CARCASS WEIGHT 216.37
HEAD COUNT 44,819

PACKER OWNED:

AVERAGE LIVE WEIGHT 292.01
AVERAGE CARCASS WEIGHT 221.57
HEAD COUNT 225,651

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****DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**
SEPTEMBER 26, 2022

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

National Negotiated Carcass Price

Lowest price: 82.00
Highest price: 100.00
Weighted Average 91.88
Change from Previous Day 5.54 higher
Head Count: 8,882

Other Market Formula (Carcass)

Lowest Base Price 72.20
Highest base price: 101.97
Weighted Average Price: 90.16
Head Count: 36,064

Pork Market Formula (Carcass)

Lowest base price: 80.28
Highest Base Price: 103.99
59Weighted Average Price 93.87
Head Count 187,283

Other Purchase Arrangement (Carcass)

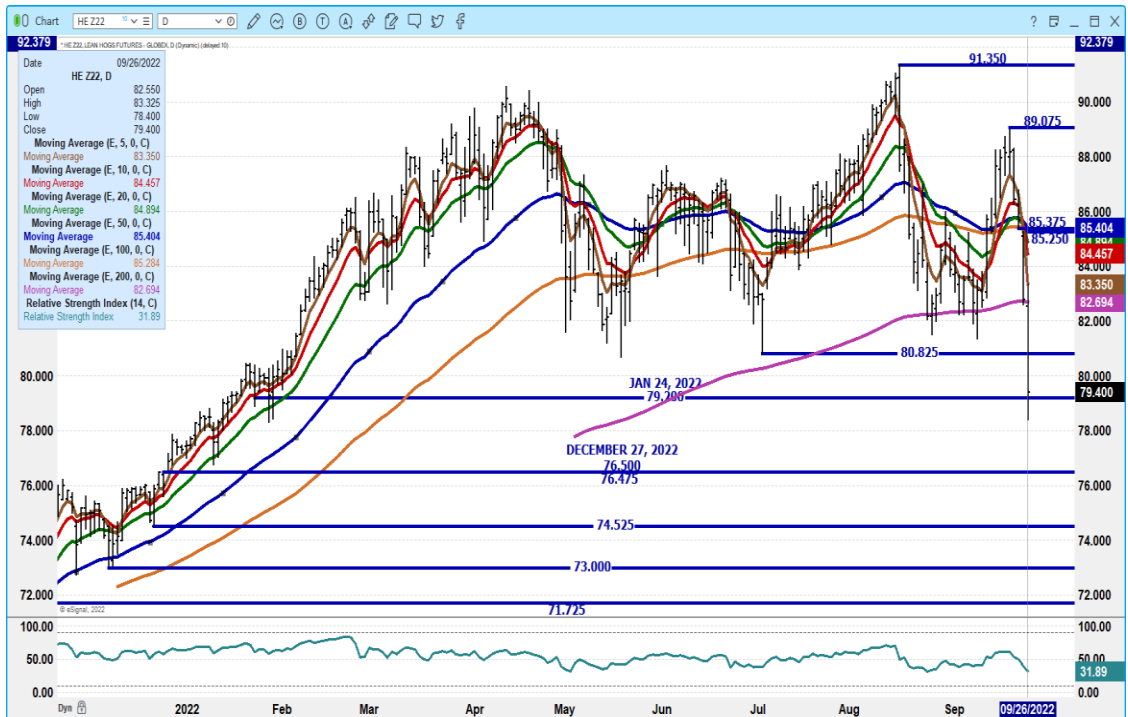
Lowest base price: 87.15
Highest base price: 111.91
Weighted Average Price: 113.05
HEAD COUNT: 175,971

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OCTOBER 2022 LEAN HOGS – VOLUME AT 14,402 SUPPORT AT 89.12 TO 86.82 RESISTANCE AT 90.37 TO 92.90



DECEMBER 2022 LEAN HOGS – VOLUME AT 28,542 HEAVY LONG LIQUIDATION SUPPORT AT 76.50 TO 76.47 RESISTANCE AT 80.82 TO 83.00



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FEBRUARY 2023 LEAN HOGS - VOLUME AT 10,186 SUPPORT AT 82.80 TO 79.92 RESISTANCE AT 84.75 TO 86.00



JUNE 2022 LEAN HOGS – VOLUME AT 2476 SUPPORT AT 99.42 TO 98.35 RESISTANCE AT 100.90 TO 101.95



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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