



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING DECEMBER 29, 2022 LIVESTOCK REPORT

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CATTLE

DECEMBER 28, 2022	128,000
WEEK AGO	122,000
YEAR AGO	118,000
WEEK TO DATE (EST)	262,000
SAME PERIOD LAST WEEK	346,000
SAME PERIOD LAST YEAR (ACT)	352,000

BOXED BEEF 2:00 PM	CHOICE	SELECT
CURRENT CUTOUT VALUES:	279.41	247.28
CHANGE FROM PRIOR DAY:	(0.63)	1.64
CHOICE/SELECT SPREAD:		32.13
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		102
5 DAY SIMPLE AVERAGE:	269.42	240.62

CME BOXED BEEF INDEX ON 12/27/2022 WAS 262.00 UP .18 FROM PREVIOUS DAY

2:00 PM DECEMBER 28, 2022

PRIMAL RIB	543.81	360.24
PRIMAL CHUCK	222.97	217.53
PRIMAL ROUND	216.52	216.50
PRIMAL LOIN	358.16	313.83
PRIMAL BRISKET	206.26	201.36
PRIMAL SHORT PLATE	165.59	165.59
PRIMAL FLANK	147.38	149.54

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2:00 PM DECEMBER 27, 2022

PRIMAL RIB	548.48	353.79
PRIMAL CHUCK	224.94	216.66
PRIMAL ROUND	216.26	216.67
PRIMAL LOIN	357.48	309.91
PRIMAL BRISKET	201.61	205.25
PRIMAL SHORT PLATE	165.81	165.81
PRIMAL FLANK	145.09	147.99

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
12/27	42	21	4	11	78	280.04	245.64
12/23	46	6	4	18	73	271.95	245.47
12/22	65	15	4	7	91	265.21	241.81
12/21	65	21	7	25	118	264.86	236.29
12/20	62	19	12	15	107	265.05	233.90

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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

Choice Cuts	52.74 loads	2,109,567 pounds
Select Cuts	22.43 loads	897,041 pounds
Trimming	9.26 loads	370,589 pounds
Ground Beef	17.20 loads	688,038 pounds

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Friday, December 30, 2022 is the Last Trading Day for December 2022 Live Cattle

DECEMBER 2022 LIVE CATTLE DELIVERIES

DELIVERY NOTICE SERVED – DECEMBER 2022 - LIVE CATTLE

DATE 12/28/22 SETTLEMENT: \$157.45

OLDEST LONG – 06/22/22 AT \$146.57

0 DELEVERIES ON 12/28/2022

FIRM #	FIRM NAME	DEL	REC
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YARD LOCATION

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So far, after a friendly COF report traders are doing little with the news and probably won't. They were expecting more bullish news than the report gave them and more importantly this week traders aren't going to put on new positions with a long weekend and a new year. Big traders are out of the market. It will be interesting to see if fund traders are again active after the new year as they were a year ago.

Placements down 2% isn't much to write home about. One reason, the November 2021 report had placements up 4% from 2020. Kill won't be much less and with the U.S. bringing in Canadian cattle and importing more beef, 2% fewer placements may not be noticeable. Throughout 2022 slaughter increased up to the last few weeks of December and dropped with feedlots holding cattle and packers not pushing for larger kills.

Unless exports increase, look for beef prices to fall back. Packers do a good job controlling slaughter and barring any surprises in beef demand, they will continue to control slaughter in the weeks to come.

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Net export sales last week for 2022 were 4,500 MT and for 2023 only 7,200 MT. All that can be said about beef exports is that they are bad.

GOOD REPORT ABOUT BEEF QUOTAS

REVIEWING THE TARIFF-RATE QUOTAS FOR U.S. BEEF IMPORTS – DECEMBER 1, 2022 USDA FOREIGN AGRICULTURAL SERVICE JACK BROWER

<https://www.fas.usda.gov/data/reviewing-tariff-rate-quotas-us-beef-imports#:~:text=The%20United%20States%20is%20the%20highest%20beef%20producer%20globally%2C%20but,U.S.%20beef%20supply%20in%202021>

December 1, 2022 | International Agricultural Trade Report

“The United States is the world’s largest producer of beef and its second-largest importer. Imports mostly consist of lean trimmings used for processing into ground beef. These trimmings, which would otherwise go toward rendering or pet food, add value to the U.S. beef supply chain.”

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National Weekly Fed Cattle Comprehensive Report December 28, 2022

As of December 28, 2022 dressed steer and heifer carcasses last week averaged 892.3 pounds down 1.9 pounds compared to previous week at 894.2 pounds . The grading percent was 83.0 % compared to previous week at 83,0%.

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

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*****NATIONAL DAILY DIRECT CATTLE 12/28/22
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1445	\$156.19	15,991
LIVE HEIFER:	1293	\$156.24	10,565
DRESSED STEER:	959	\$248.95	8,042
DRESSED HEIFER:	851	\$248.95	1,967

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**USDA POSTED SUMMARY CATTLE PRICES ON 12/28/2022
STEER PRICES

**IA/MN – CASH – 158.00 ON 120 HEAD FOB 157.00 - 158.00 ON 208 HEIFERS FOB
DRESSED - 248.00 - 251.50 ON 177 STEERS**

**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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**NATIONAL WEEKLY DIRECT BEEF TYPE PRICE DISTRIBUTION
USDA WEIGHTED AVERAGE PRICE**

[HTTPS://MYMARKETNEWS.AMS.USDA.GOV/VIEWREPORT/3492](https://mymarketnews.ams.usda.gov/viewreport/3492)

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APRIL 2023 LIVE CATTLE/APRIL 2023 LEAN HOGS – CATTLE SHOULD GAIN ON HOGS IN 2023



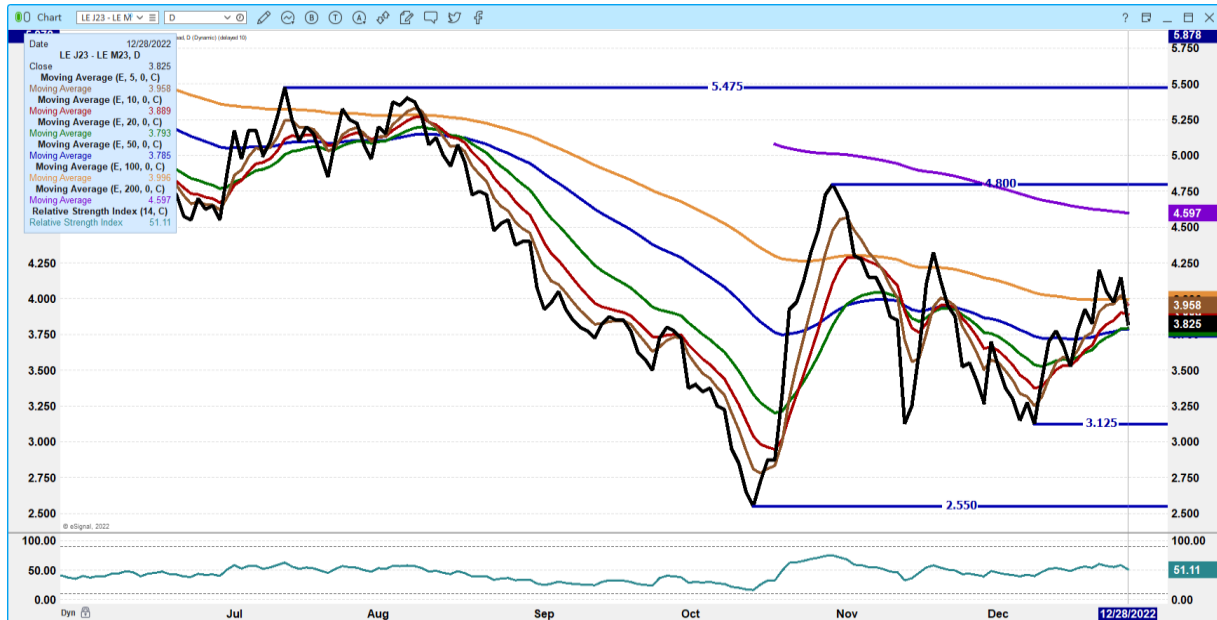
FEBRUARY/APRIL LIVE CATTLE SPREAD - LOOK FOR FEB TO GAIN ON APRIL



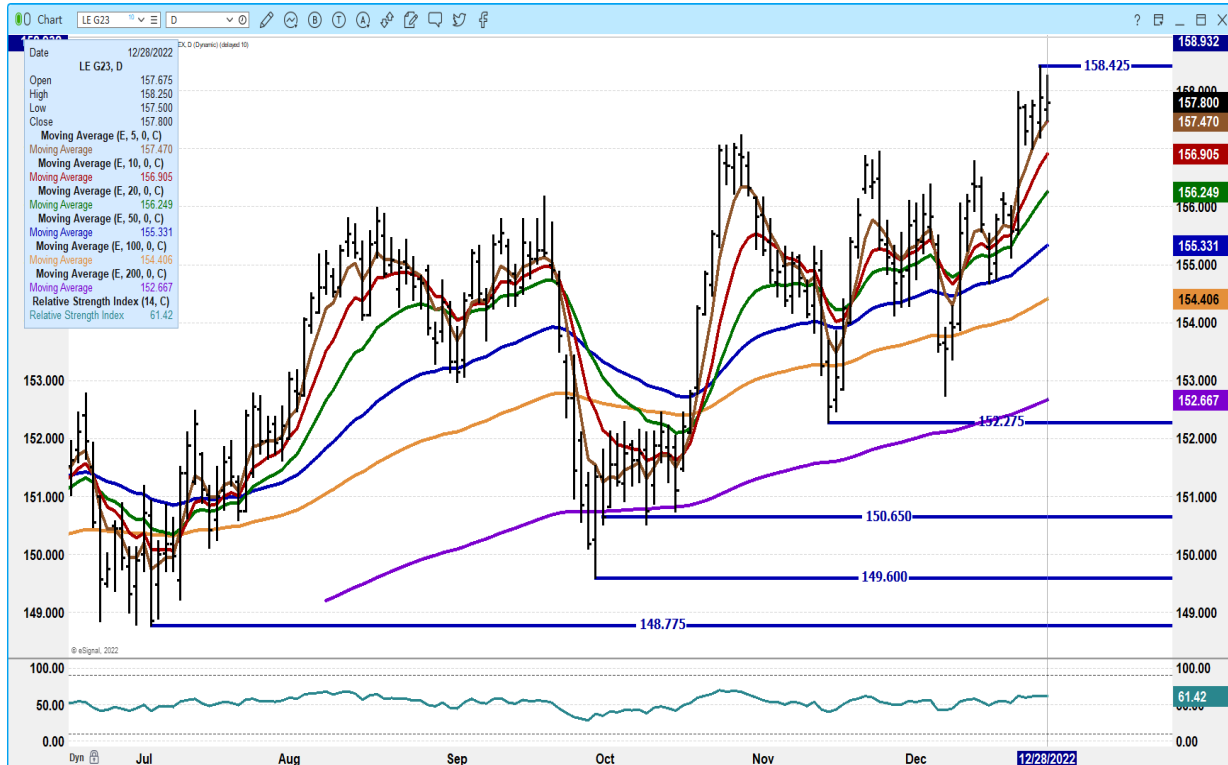
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APRIL 2023/JUNE 2023 LIVE CATTLE SPREAD – APRIL PREMIUM TO JUNE IS BULL SPREAD



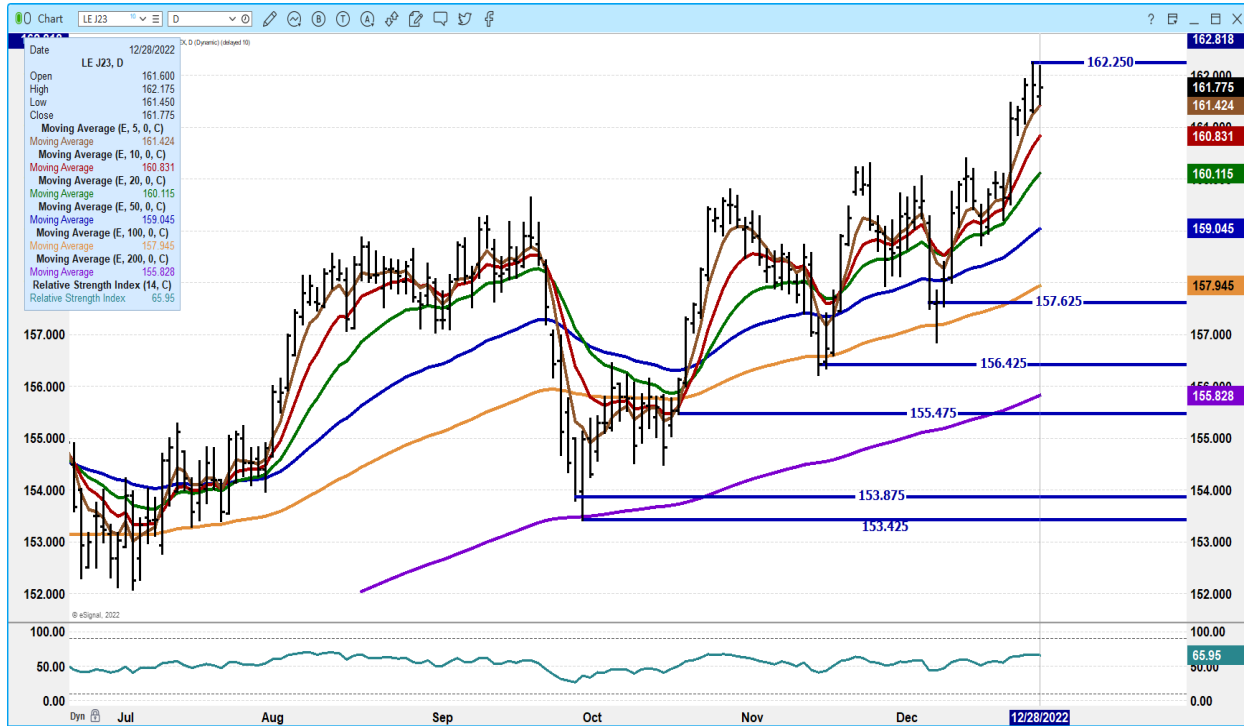
FEBRUARY 2022 LIVE CATTLE – VOLUME AT 17,101 RESISTANCE AT 158.50 SUPPORT AT 157.50 TO 156.25



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APRIL 2023 LIVE CATTLE – VOLUME AT 8524 RESISTANCE AT 162.25 SUPPORT AT 161.37 TO 160.00



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FEEDER CATTLE

CME FEEDER INDEX ON 12/27/2022 WAS 176.08 UP 35 CENTS FROM PREVIOUS DAY –

JANUARY 2022 FEEDER CATTLE CLOSED ON DECEMBER 28, 2022 AT \$183.47

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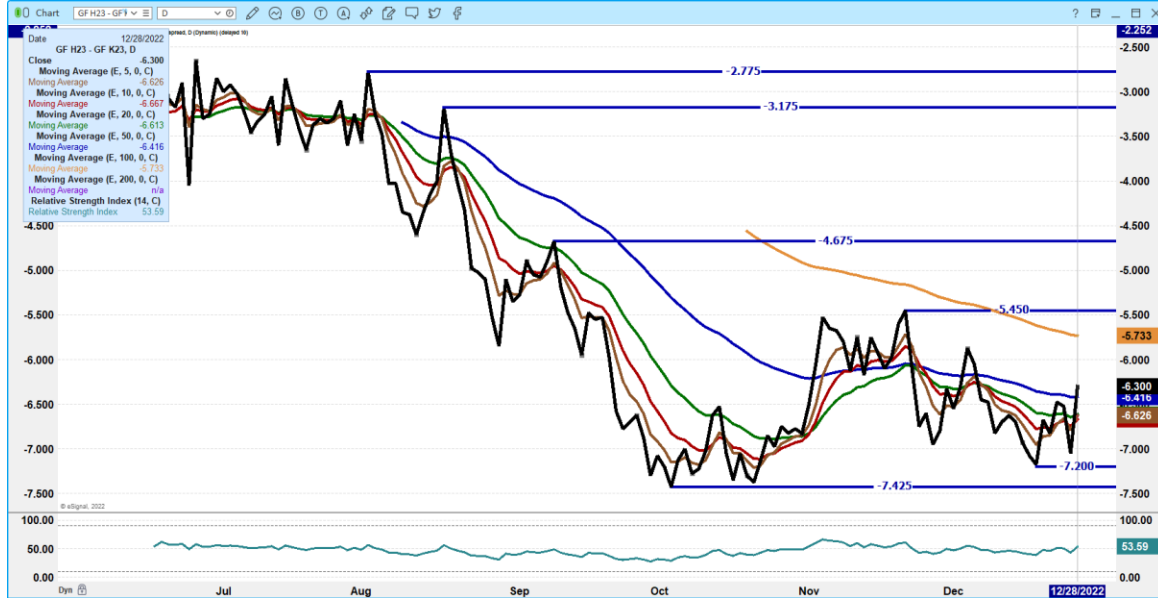
TRADERS WERE BULL SPREADING WEDNESDAY AS THEY BOUGHT MARCH AND SOLD APRIL, AND MAY. TRADE VOLUME WAS VERY LIGHT.

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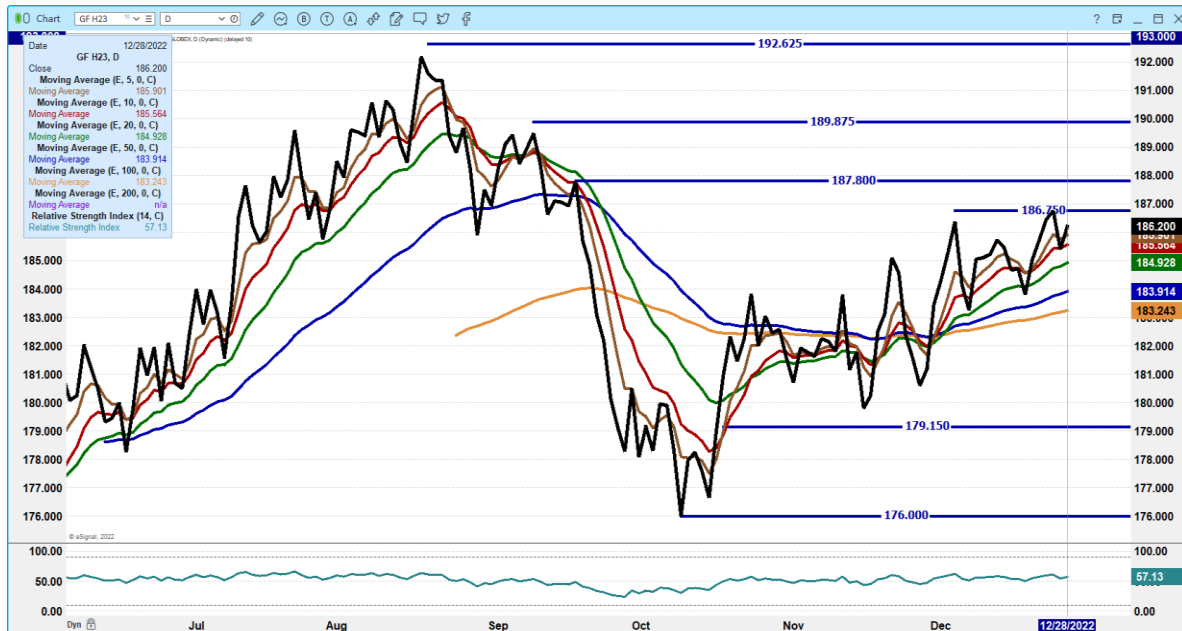
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MARCH 2023 FEEDER CATTLE/MAY 2023 FEEDER CATTLE SPREAD – LOOK FOR MARCH TO GAIN ON MAY



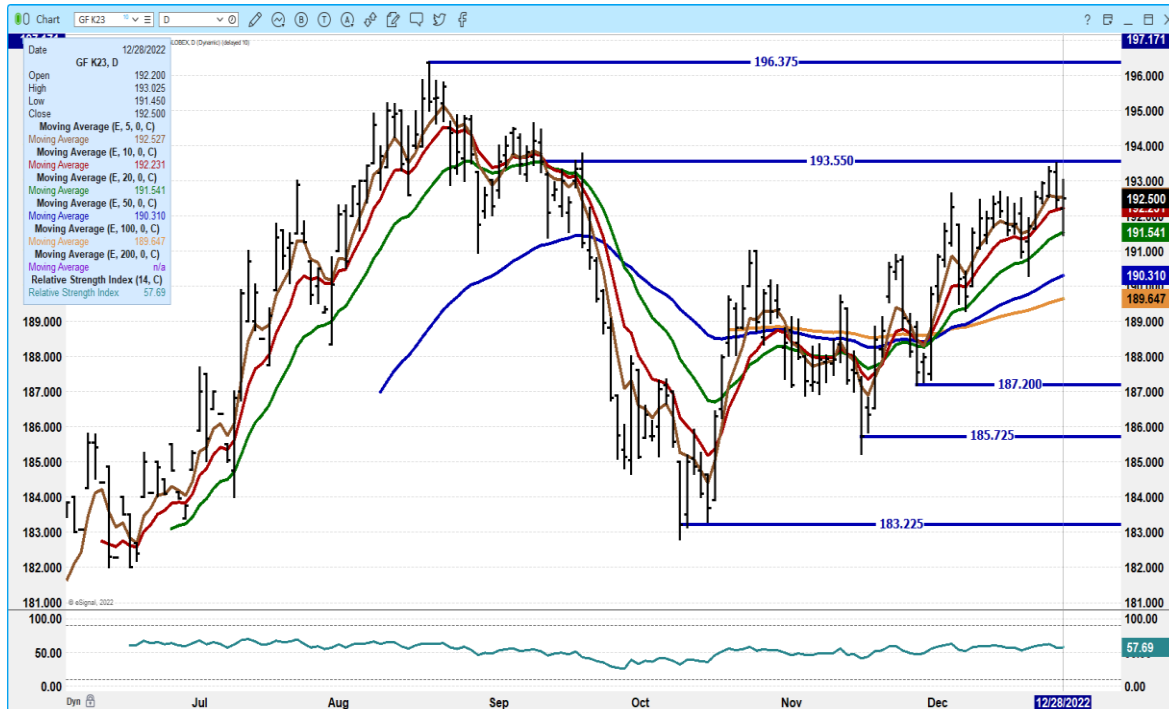
MARCH 2022 FEEDER CATTLE – STAYED AS LINE CHART TO SHOW SLOW STEADY MOVE TO UP SIDE NEXT RESISTANCE AT 187.80 SUPPORT AT 185.50 TO 183.25



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MAY 2023 FEEDER CATTLE - 193.55 RESISTANCE SUPPORT AT 191.50 TO 189.60



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 28, 2022	490,000
WEEK AGO	489,000
YEAR AGO	476,000
WEEK TO DATE (EST)	509,000
SAME PERIOD LAST WEEK	968,000
SAME PERIOD LAST YEAR (ACT)	945,000

****REVISED TUESDAY HOG SLAUGHTER.. 482,000** PREVIOUS ESTIMATE 490,000****

CME LEAN HOG INDEX ON 12/26/2022 WAS 78.60 DOWN 14 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 12/27/2022 AT 87.32 UP 68 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON DECEMBER 23, 2011 WAS 121.55 COMPARED TO DECEMBER 16, 2022 AT 124.17.

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THE CME LEAN HOG INDEX IS MINUS 8.72 TO THE CME PORK INDEX.

There is positive news for hogs or at least packers which could help the price of hogs. The CME Pork Index is gaining on the CME Lean Hog Index. As the spread widens with pork gaining, packers margins become better. When packers make money, although they don't need to share profits, they should want to kill more hogs. At current prices for hogs, packers can pay up especially if they want to increase slaughter.

Trade volume was light to moderate on Wednesday. After, Tuesday's up move on Lean Hogs which was mostly traders spreading, on Wednesday traders that couldn't push spreads more near the open, they liquidated. There are two days to trade in 2022 and liquidation will be most of the trade.

EXPORTS

Last week pork net sales were big for 2022. Net sales were 58,700 MT. Likely large sales were countries meeting yearly trade quotas at end of the year. For 2023 net sales were light at 16, 100 MT. Disappointing to see Mexico take only 2500 MT for 2023. China took for 2023 4,800 MT which is also disappointing with Chinese New Year at end of January. Of course, China could buy within weeks of the celebration with fresh pork flown to China. China is supporting the market taking US offal.

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 : 309.69

LOADS TRIM/PROCESS PORK : 31.20

	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
2:00 PM 12/28/2022	340.89	88.67	84.18	111.78	84.56	119.82	85.89	97.41
CHANGE:		-2.25	3.59	0.42	-4.51	0.70	-3.91	-9.83
FIVE DAY AVERAGE --		88.57	80.61	108.81	88.36	117.08	87.11	100.52
11:00 AM 12/28/2022	204.82	90.84	86.13	111.94	85.12	120.11	88.53	103.15
CHANGE:		-0.08	5.54	0.58	-3.95	0.99	-1.27	-4.09
FIVE DAY AVERAGE --		89.01	81.00	108.84	88.47	117.14	87.64	101.66
2:00 PM 12/27/2022	267.93	90.92	80.59	111.36	89.07	119.12	89.80	107.24
CHANGE:		-1.14	1.08	3.83	-7.28	1.00	-0.36	-8.03
FIVE DAY AVERAGE --		87.53	79.31	107.66	88.77	115.94	86.04	98.97

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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 DECEMBER 27, 2022

****PRODUCER SOLD:**

AVERAGE LIVE WEIGHT 285.51
AVERAGE CARCASS WEIGHT 214.03
HEAD COUNT 211,126

PACKER SOLD:

AVERAGE LIVE WEIGHT 295.43
AVERAGE CARCASS WEIGHT 221.82
HEAD COUNT 29,975

PACKER OWNED:

AVERAGE LIVE WEIGHT 292.90
AVERAGE CARCASS WEIGHT 222.10
HEAD COUNT 181,826

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**** DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE**
DECEMBER 28, 2022

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

National Negotiated Carcass Price

Lowest price: 70.00
Highest price: 80.00
Weighted Average 76.00
Change from Previous Day -1.80 lower
Head Count: 9,082

Other Market Formula (Carcass)

Lowest Base Price: 73.76
Highest Base Price: 105.39
Weighted Average Price: 87.03
Head Count: 28,783

Swine/Pork Market Formula (Carcass)

Lowest base price: 70.65
Highest Base Price: 85.52
59Weighted Average Price 79.41
Head Count 151,433

Other Purchase Arrangement (Carcass)

Lowest base price: 73.74

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Highest base price: 111.28
 Weighted Average Price: 86.22
 HEAD COUNT: 75,359

FEBRUARY 2023/APRIL 2023 LEAN HOG SPREAD – STILL WIDE MINUS 3.00 NORMAL FOR BEAR SPREAD.



APRIL 2023/JUNE LEAN HOG 2023 SPREAD – SPREAD WAS TOO FAR OUT, NOW CORRECTING NORMALLY SPREAD AT 10.00



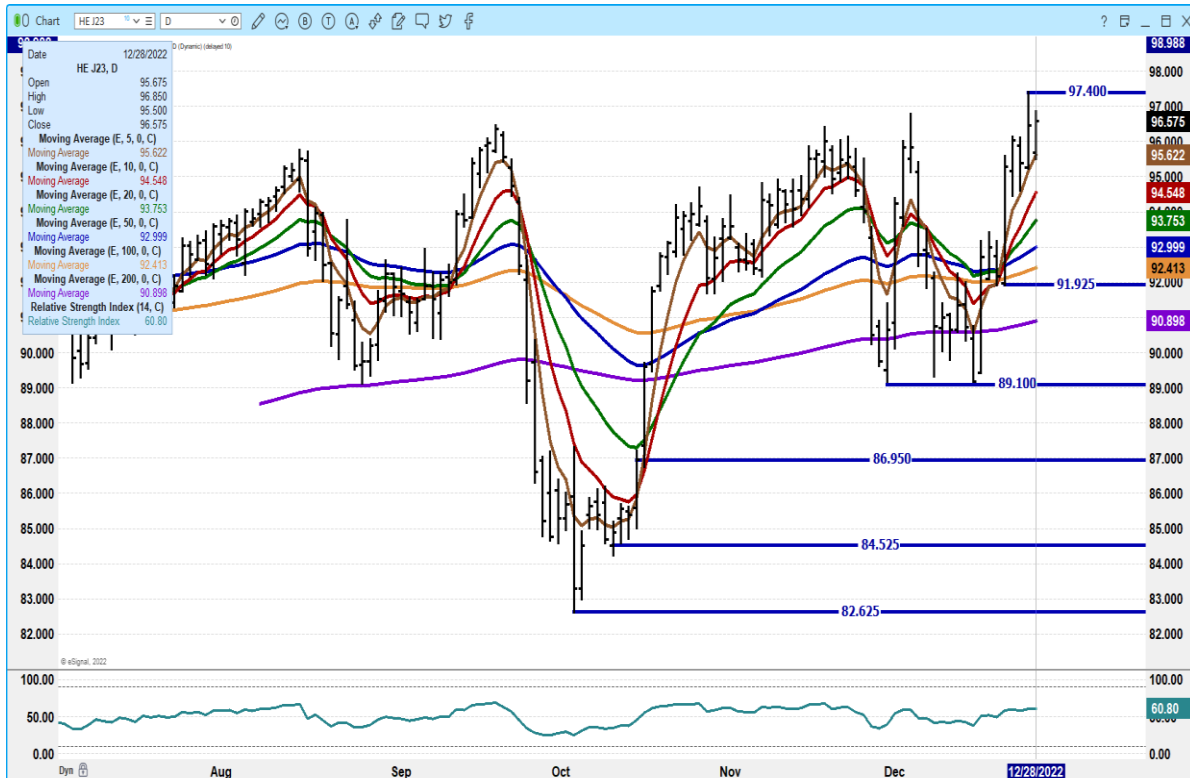
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FEBRUARY 2022 LEAN HOGS – VOLUME AT 18104 RESISTANCE AT 91.80 TO 93.32 SUPPORT AT 89.35 TO 88.00



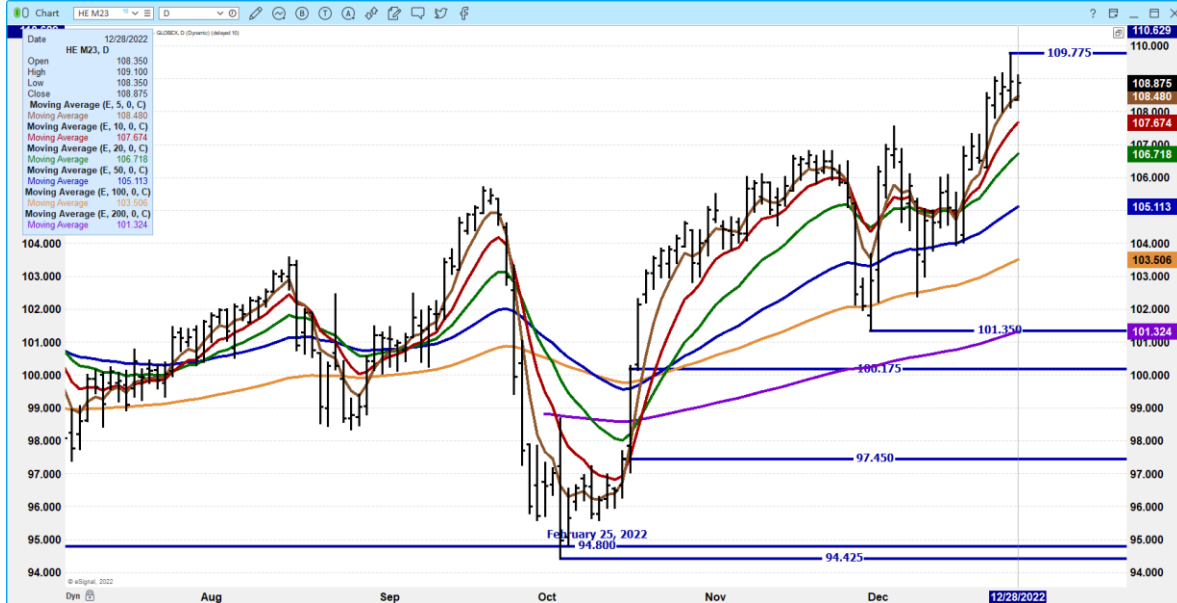
APRIL 2022 LEAN HOGS – VOLUME AT 6965 RESISTANCE AT 97.40 SUPPORT AT 95.60 TO 94.50



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JUNE 2023 LEAN HOGS – HUGGING THE 5 DAY MOVING AVERAGE AS SUPPORT NEXT SUPPORT AT 107.65 RESISTANCE 109.77 VOLUME AT 2649



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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