

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING JULY 6, 2023 LIVESTOCK REPORT

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CATTLE

JULY 04, 2023	2,000
JULY 05, 2023	128,000
WEEK AGO	126,000
YEAR AGO	126,000
WEEK TO DATE	209,000
SAME PERIOD LAST WEEK	377,000
SAME PERIOD LAST YEAR (ACT)	250,000

****REVISED MONDAY CATTLE SLAUGHTER.. 79,000** PREVIOUS ESTIMATE 76,000**

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2:00 PM JULY 05, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	322.78	292.69
CHANGE FROM PRIOR DAY:	(5.56)	(1.61)
CHOICE/SELECT SPREAD:	30.09	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	101	
5 DAY SIMPLE AVERAGE:	328.25	296.04

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CME BOXED BEEF INDEX ON 07/03/2023 WAS 319.32 DOWN 46 CENTS FROM PREVIOUS DAY

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2:00 PM JULY 05, 2023

PRIMAL RIB	478.71	409.22
PRIMAL CHUCK	255.09	249.68
PRIMAL ROUND	240.06	237.33
PRIMAL LOIN	468.06	382.39
PRIMAL BRISKET	274.49	255.43
PRIMAL SHORT PLATE	255.69	255.69
PRIMAL FLANK	233.51	209.38

2:00 PM JUNE 30, 2023

PRIMAL RIB	501.11	425.33
PRIMAL CHUCK	252.47	252.01
PRIMAL ROUND	238.86	239.25
PRIMAL LOIN	483.86	375.25
PRIMAL BRISKET	278.02	246.99
PRIMAL SHORT PLATE	254.25	254.25
PRIMAL FLANK	233.33	210.31

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
07/03	40	17	0	14	71	328.34	294.30
06/30	58	20	10	11	98	327.72	293.63
06/29	57	24	0	16	96	328.05	297.18
06/28	60	20	15	11	105	327.90	296.68
06/27	80	35	14	17	147	329.23	298.43

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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	55.11 loads	2,204,268 pounds
Select Cuts	24.96 loads	998,513 pounds
Trimming	8.03 loads	321,277 pounds
Ground Beef	13.34 loads	533,457 pounds

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Packers are killing enough cattle to meet previously contracted beef orders and then selling what is or isn't needed on the daily market. Wednesday, the day after July 4th the two top primal cuts nosedived. Choice rib and loin primals tumbled. It isn't uncommon during summer to see consumers back off high priced beef cuts but Wednesday, the drop did help to concur, beef prices are seeing consumers shift to

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beef that is less expensive. This trend lower on top cuts, if it continues, is going to be negative for cattle unless top cuts are picked up for exports.

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Cattle weights are down and maybe more importantly the grade continues to lower. Last week average steers and heifers averaged 80.7%

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Traders were spreading Wednesday as they were selling nearby months and buying months ahead. June Live Cattle went off the board at \$181.50 with August discount. Wednesday traders extended the discount with August settling at \$174.95. Volume was moderate. Spread traders were also selling Live Cattle and buying Lean Hogs. Expect spreading to be a dominate part of Live Cattle trading in July.

The wide spread between cash and futures will encourage producers to move cattle as soon as a packer will take them as producers take advantage of the wide cash price to futures. Wednesday the 5 day negotiated steer price was \$181.46.

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BEEF NET EXPORTS FOR WEEK ENDING JUNE 22, 2023 WERE 12,000 MT , China was the biggest buyer taking 2500 MT Japan with 2500 MT was second buyer and Canada at 1900 MT with Canada taking 1,400 MT.

Week Ending June 15, 2023 13,300 MT

Week Ending June 8, 2023 12,800 MT

Week Ending June 1, 2023 12,800 MT

Week Ending May 25 , 2023 18,100 MT

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JULY 5, 2023

As of July 5, 2023 dressed steer and heifer carcasses averaged 851.3 pounds down 1.6 pound from previous week at 852.9 pounds and 5.7 pounds lower than a year ago. The grading percent as of 7/05/23 was 80.7 % compared to previous week at 81.1%. A year ago the grade percent was 81.1%. https://www.ams.usda.gov/mnreports/ams_2700.pdf

****WEEKLY FUTURES PRICE CHANGE**

	06/30/2023	07/07/2023
AUGUST 2023 LIVE CATTLE	177.17	
OCTOBER 2023 LIVE CATTLE	179.55	
DECEMBER 2023 LIVE CATTLE	183.52	
FEBRUARY 2024 LIVE CATTLE	186.95	
APRIL 2024 LIVE CATTLE	188.37	

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***NATIONAL DAILY DIRECT CATTLE 07/05/23

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1419	\$181.46	23,261
LIVE HEIFER:	1298	\$180.66	9,217
DRESSED STEER	922	\$289.49	6,268
DRESSED HEIFER:	814	\$289.85	1,861

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USDA POSTED SUMMARY CATTLE PRICES ON 07/05/2023 STEER AND HEIFERS

IA/MN – CASH FOB – 180.00 ON 84 STEERS WEIGHING 1450 POUNDS AND 80 MIXED LOAD

LIVE DELIVERED – NO REPORTABLE TRADE

DRESSED DELIVERED – NO REPORTABLE TRADE

NE – CASH FOB – NO REPORTABLE TRADE

DRESSED – NO REPORTABLE TRADE

KS – CASH – NO REPORTABLE TRADE

LIVE DELIVERED: 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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NO CHARTS THURSDAY

AUGUST LIVE CATTLE/AUGUST LEAN HOG SPREAD –

AUGUST LIVE CATTLE/OCTOBER LIVE CATTLE SPREAD –

OCTOBER/DECEMBER 2023 LIVE CATTLE SPREAD –

AUGUST 2023 LIVE CATTLE –

OCTOBER 2023 LIVE CATTLE –

DECEMBER 2023 LIVE CATTLE -

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FEEDER CATTLE

CME FEEDER INDEX ON 07/03/2023 WAS 232.78 UP 1.37 FROM PREVIOUS DAY –

AUGUST 2023 FEEDER CATTLE FUTURES SETTLED ON 07/05/2023 AT \$244.70

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 07/01/2023

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	136,200	38,500	27,000	201,700
LAST WEEK:	134,200	29,300	34,700	198,200
YEAR AGO:	144,000	57,400	8,500	209,900

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD VERY UNEVEN AS THE WEEK WAS A ROLLERCOASTER. EARLY WEEK SALES WERE UNEVEN NATIONWIDE; 3.00 LOWER TO 2.00 HIGHER. HOWEVER, THE STORY BEGAN TO CHANGE MID-WEEK AND BY WEEK'S END THERE WAS NO QUESTION THE MARKET WAS SHARPLY HIGHER. THE SUPPLY OF FEEDERS WAS MODERATE TO HEAVY, WITH MANY LOAD LOTS OF YEARLINGS WHICH HAD BEEN HIDDEN BACK FOR THE SUMMER MARKETS STARTING TO SHOW UP. DEMAND WAS MODERATE TO GOOD AS TYPICAL THE SUMMER MARKET FINDS THE BEST DEMAND FOR YEARLINGS WHICH ARE ALWAYS HARDER TO FIND IN THE SUMMER, BUT MORE SO THIS YEAR THAN EVER BEFORE. THE CALF MARKET IS BEING PULLED ALONG AND PLENTY OF BUYERS FOR THOSE AS WELL, HOWEVER THE QUALITY AND CONDITION MUST BE TOP NOTCH TO FETCH THE EXTREME TOP PRICES.

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

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THERE IS A WIDE SPREAD BETWEEN CURRENT CME FEEDER INDEX PRICE AND AUGUST FEEDER CATTLE, BUT THERE ARE CLOSE TO TWO MONTHS BEFORE AUGUST EXPIRES, WHEN CONVERGENCE WILL OCCUR.

WEEKLY FUTURES PRICE CHANGE

	06/30/2023	07/07/2023
AUGUST 2023 FEEDER CATTLE	247.57	
SEPTEMBER 2023 FEEDER CATTLE	250.82	
OCTOBER 2023 FEEDER CATTLE	252.52	
NOVEMBER 2023 FEEDER CATTLE	252.65	
JANUARY 2024 FEEDER CATTLE	250.75	
MARCH 2024 FEEDER CATTLE	250.75	
APRIL 2024 FEEDER CATTLE	253.22	
MAY 2024 FEEDER CATTLE	255.50	

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NO CHARTS THURSDAY

AUGUST 2023 FEEDER CATTLE/SEPTEMBER 2023 FEEDER CATTLE SPREAD –
AUGUST 2023 FEEDER CATTLE –
SEPTEMBER 2023 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 04, 2023	2,000
JULY 05, 2023	476,000
WEEK AGO	450,,000
YEAR AGO	476,000
WEEK TO DATE	872,000
SAME PERIOD LAST WEEK	1,356,000
SAME PERIOD LAST YEAR (ACT)	929,000
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CME LEAN HOG INDEX ON 06/30/2023 WAS 94.31 UP 39 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/03/2023 AT 102.29 UP 1.41 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$7.98 TO THE CME PORK INDEX.

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USDA HOGS AND PIGS REPORT JUNE 29, 2023

	Ranges	Average	Actual	Actual	Estimate
All hogs June 1	98.7-99.9	99.3	72,394	100	71.808
Kept for breeding	98.4-100	99.4	6,146	100	6.131
Kept for market	98.8-99.9	99.3	66,249	100	65.683
Pig crop					
March-May	99.1-99.6	99.3	100		
Weight Groups					
Under 50 lbs	98.1-100.4	99.2	100		
50-119 lbs	98.3-99.9	99.2	100		
120-179 lbs	99.1-100.5	99.7	100		
Over 180 lbs	96.7-100.3	99.1	100		
Farrowings					
March-May	97.7-99.4	98.8	98		
Farrowing intentions					
June-Aug	97-98	97.4	96		
Sept-Nov	96.5-98.3	97.4	96		

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Pigs per litter			
March-May	99.6-101.5	100.5	103

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WEEKLY FUTURES PRICE CHANGE

	06/30/2023	07/07/2023
JULY 2023 LEAN HOGS	95.65	
AUGUST 2023 LEAN HOGS	92.60	
OCTOBER 2023 LEAN HOGS	78.37	
DECEMBER 2023 LEAN HOGS	75.15	
FEBRUARY 2023 LEAN HOGS	80.77	
APRIL 2023 LEAN HOGS	85.20	

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Hog weights are light, losing weight day after day. Lighter hogs are price supportive.

The recent CME Lean Hog Index is 94.31 and July Lean Hogs settled at 101.27 Wednesday. With less than two weeks before July Lean Hogs expire, either cash is moving higher or July Lean Hogs are going to move done.

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Before the Hogs and Pigs report analyst's estimates concentrated on "intended" farrowing intentions. The reality: what a producer might intend to do, can be easily changed. Intentions are not written in stone. However, the Hogs and Pigs report did show that there were slightly more hogs as of June 1st, there were slightly more hogs kept for breeding and slightly more hogs kept for market. It also showed there were more pigs per litter which is likely because there hasn't been disease problems such as PRRS as there was in 2022.

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Pork exports remain good. The strength in sales is all about the amount Mexico buys. If it wasn't for Mexico, U.S. exports would be dismal.

Pork net sale exports were 26,700 MT. staying around the past few weeks sales. Mexico was largest taker with 15,100 MT followed by South Korea at 4100 MT then Japan at 2600 MT. China was absent

WEEK ENDING JUNE 15, 2023 NET EXPORT SALES WERE 28,700 MT
 WEEK ENDING JUNE 08, 2023 NET EXPORT SALES WERE 26,700 MT
 WEEK ENDING JUNE 01, 2023 NET EXPORT SALES WERE 25, 500 MT
 WEEK ENDING MAY 25, 2023 NET EXPORT SALES WERE 22,600 MT
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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

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Loads PORK CUTS : 236.35
 Loads TRIM/PROCESS PORK : 23.01

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/05/2023	259.36	108.69	98.12	161.84	83.00	155.46	97.22	141.00
CHANGE:		0.69	-0.60	0.54	-0.70	0.73	-1.07	6.70
FIVE DAY AVERAGE --		104.22	97.26	163.65	83.28	153.58	91.39	122.88

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/05/2023	127.82	110.85	97.70	164.87	87.52	156.37	98.49	147.66
CHANGE:		2.85	-1.02	3.57	3.82	1.64	0.20	13.36
FIVE DAY AVERAGE --		104.66	97.17	164.25	84.18	153.76	91.65	124.21

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/03/2023	175.56	108.00	98.72	161.30	83.70	154.73	98.29	134.30
CHANGE:		5.55	2.10	-1.65	-1.60	4.00	5.43	23.21
FIVE DAY AVERAGE --		102.52	96.91	164.32	83.38	153.02	89.54	115.49

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DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE

JULY 05, 2023

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

National Negotiated Carcass Price

Head Count: 11,645

Lowest price: 86.00

Highest price: 100.00

Weighted Average 98.32

Change from Previous Day 1.66 higher

Other Market Formula (Carcass)

Head Count: 31,803

Lowest Base Price: 69.26

Highest Base Price: 103.14

Weighted Average Price: 91.41

Swine/Pork Market Formula (Carcass)

Head Count 161,584

Lowest base price: 80.96

Highest Base Price: 101.24

Weighted Average Price 94.60

Other Purchase Arrangement (Carcass)

HEAD COUNT: 72,625

Lowest base price: 87.80

Highest base price: 111.17

Weighted Average Price: 97.00

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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 JULY 3, 2023

****PRODUCER SOLD:**

HEAD COUNT 210,146

AVERAGE LIVE WEIGHT 274.50

AVERAGE CARCASS WEIGHT 205.41

PACKER SOLD:

HEAD COUNT 28,767

AVERAGE LIVE WEIGHT 284.30

AVERAGE CARCASS WEIGHT 209.26

PACKER OWNED:

HEAD COUNT 114,897

AVERAGE LIVE WEIGHT 278.87

AVERAGE CARCASS WEIGHT 208.85

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NO CHARTS THURSDAY

AUGUST/OCTOBER 2023 LEAN HOG SPREAD –

JULY 2023 LEAN HOGS -

AUGUST 2023 LEAN HOGS –

OCTOBER 2023 LEAN HOGS –

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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