

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING JULY 11, 2023 LIVESTOCK REPORT

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CATTLE

JULY 10, 2023	125,000
WEEK AGO	79,000
YEAR AGO	122,000

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2:00 PM JULY 10, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	313.79	282.33
CHANGE FROM PRIOR DAY:	(3.11)	(3.30)
CHOICE/SELECT SPREAD:		31.46
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		106
5 DAY SIMPLE AVERAGE:	321.97	290.65

CME BOXED BEEF INDEX ON 07/07/2023 WAS 314.23 DOWN 1.87 FROM PREVIOUS DAY

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2:00 PM JULY 10, 2023

PRIMAL RIB	454.12	390.31
PRIMAL CHUCK	251.06	238.36
PRIMAL ROUND	232.92	234.88
PRIMAL LOIN	454.61	367.65
PRIMAL BRISKET	263.94	241.11
PRIMAL SHORT PLATE	255.06	255.06
PRIMAL FLANK	234.28	196.99

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2:00 PM JULY 7, 2023

PRIMAL RIB	448.49	393.88
PRIMAL CHUCK	250.20	248.10
PRIMAL ROUND	234.89	234.32
PRIMAL LOIN	470.60	367.20
PRIMAL BRISKET	265.59	239.25
PRIMAL SHORT PLATE	256.49	256.49
PRIMAL FLANK	233.71	203.66

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
07/07	78	20	18	18	134	FRIDAY 316.90	285.63 FRIDAY
07/06	81	25	5	15	126	319.87	289.97
07/05	55	25	8	13	101	322.78	292.69
07/03	40	17	0	14	71	328.34	294.30
06/30	58	20	10	11	98	FRIDAY 327.72	293.63 FRIDAY

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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	53.59 loads	2,143,638 pounds
Select Cuts	29.58 loads	1,183,256 pounds
Trimming	8.93 loads	357,215 pounds
Ground Beef	14.19 loads	567,717 pounds

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Trade volume was active Monday. Volume for August Live Cattle was 41,149 contracts and October Live Cattle volume was 33,142 contracts. Monday was the start of the Goldman Sachs roll.

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If Monday's cattle slaughter is indicative of the week, packers aren't going to go for a big kill. Just what they need to meet sales. Last week slaughter was light with many packers dark July 3rd and 4th. Two days without slaughter didn't back up kill. It just helped to add a few pounds to the majority of cattle being sold at lighter weights.

Boxed Beef prices are dropping day after day and cutting into packer profit margins. Although last week's slaughter was light due to the July 4th break, packers did not up kill Wednesday through Saturday to make up for the lack of slaughter on July 3rd and July 4th. With fewer cattle killed packers kept beef prices from dropping more. Choice boxed beef prices dropped \$10.82 for the week. For the

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feedlot they were able to maintain the previous week's high cash cattle prices and for the packer they were able to procure a few cattle weighing 1550 to 1625 pounds.

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The wide spread between cash and futures still encourages producers to move cattle as soon as a packer will take them. August Live Cattle on Monday settled at \$177.20. Monday the 5 day negotiated steer price was \$182.19. The price is narrowing but with cash over futures, it remains conducive for feedlots to move cattle to kill. However, last week the highest prices were paid for the heaviest highest grading cattle and premiums paid at current prices could help feedlots keep cattle on feed longer especially when they have to replace them with very high priced feeder cattle.

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Old News

A year ago on Monday, July 11, 2022, July 2022 Corn settled at \$781.2/bushel and was as high as \$8.00/bushel that day. August 2022 Live Cattle settled at \$136.15 and August 2022 Feeder Cattle settled at \$174.87.

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Beef net exports for week ending June 29, 2023 were 17,000 MT. Japan was the biggest buyer taking 5,100 MT with South Korea taking 3,700 MT. Exports were 5,000 MT more than previous week but there are no buyers of substantial size.

Week Ending June 22, 2023 12,000 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

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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

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**WEEKLY FUTURES PRICE CHANGE

	07/07/2023	07/14/2023
AUGUST 2023 LIVE CATTLE	177.00	
OCTOBER 2023 LIVE CATTLE	179.37	
DECEMBER 2023 LIVE CATTLE	183.17	
FEBRUARY 2024 LIVE CATTLE	186.75	
APRIL 2024 LIVE CATTLE	188.65	

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***NATIONAL DAILY DIRECT CATTLE 07/10/23

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1434	\$182.19	46,725
LIVE HEIFER:	1302	\$181.84	13,815
DRESSED STEER	922	\$289.73	10,592
DRESSED HEIFER:	817	\$289.88	3,052

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USDA POSTED SUMMARY CATTLE PRICES ON 07/10/2023 STEERS

IA/MN – CASH FOB – NO REPORTABLE TRADE.
LIVE DELIVERED – NO REPORTABLE TRADE.
DRESSED DELIVERED – NO REPORTABLE TRADE.

NE – CASH FOB – NO REPORTABLE TRADE.
DRESSED – NO REPORTABLE TRADE.

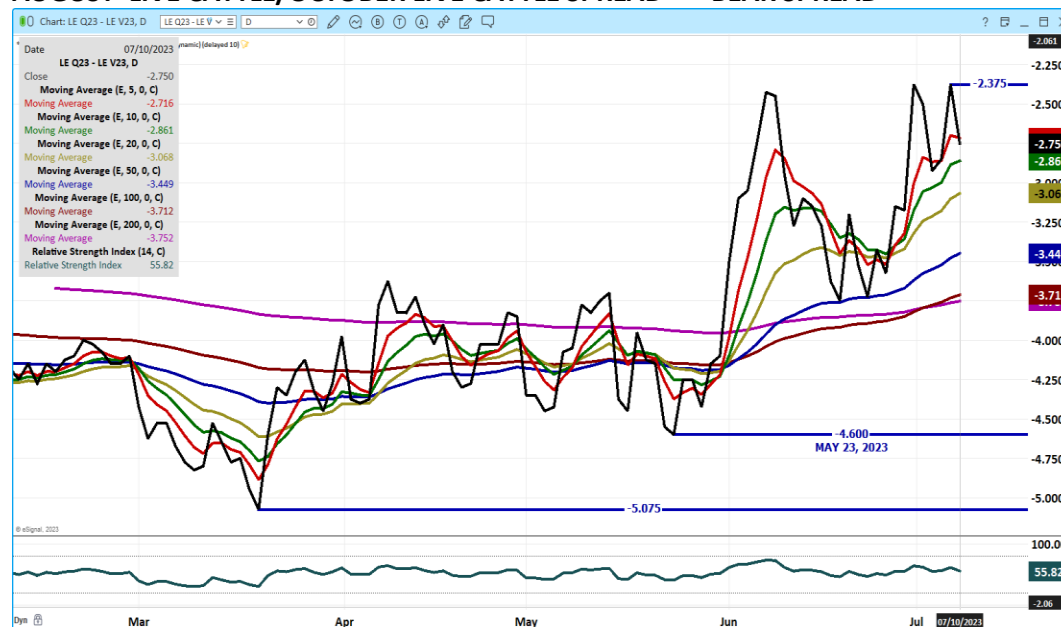
KS – CASH – NO REPORTABLE TRADE.
LIVE DELIVERED: NO REPORTABLE TRADE.
DRESSED - NO REPORTABLE TRADE.

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

CO - ***NOT REPORTED DUE TO CONFIDENTIALITY***

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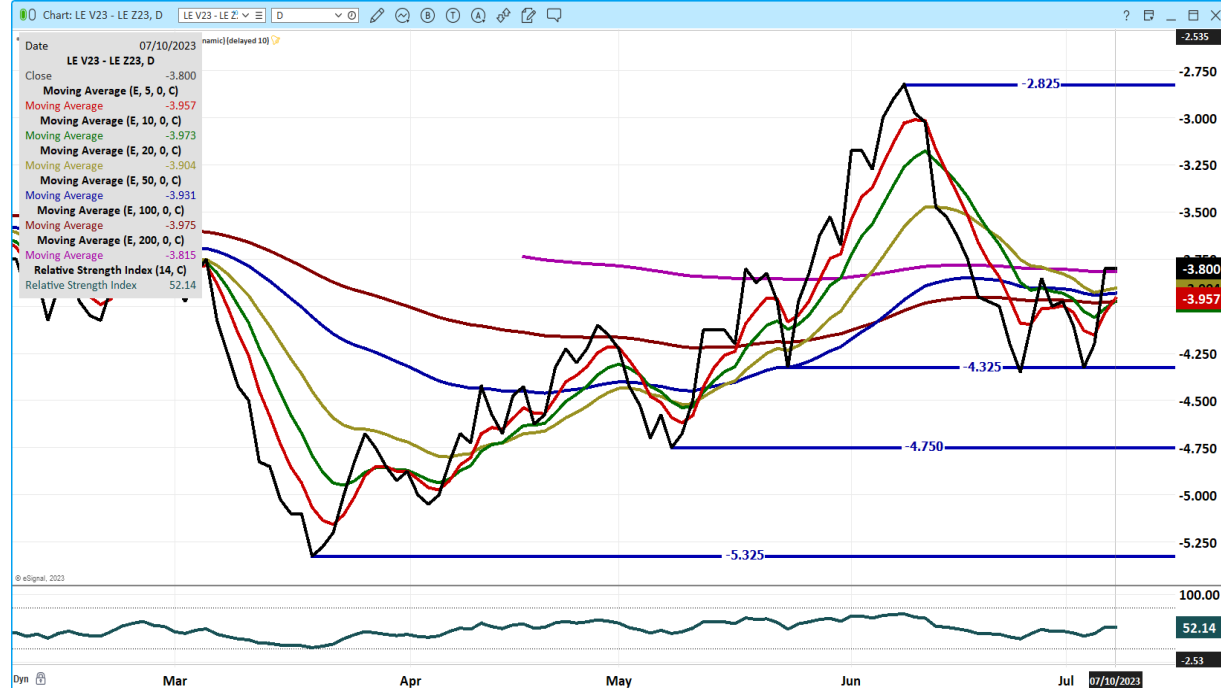
AUGUST LIVE CATTLE/OCTOBER LIVE CATTLE SPREAD – BEAR SPREAD



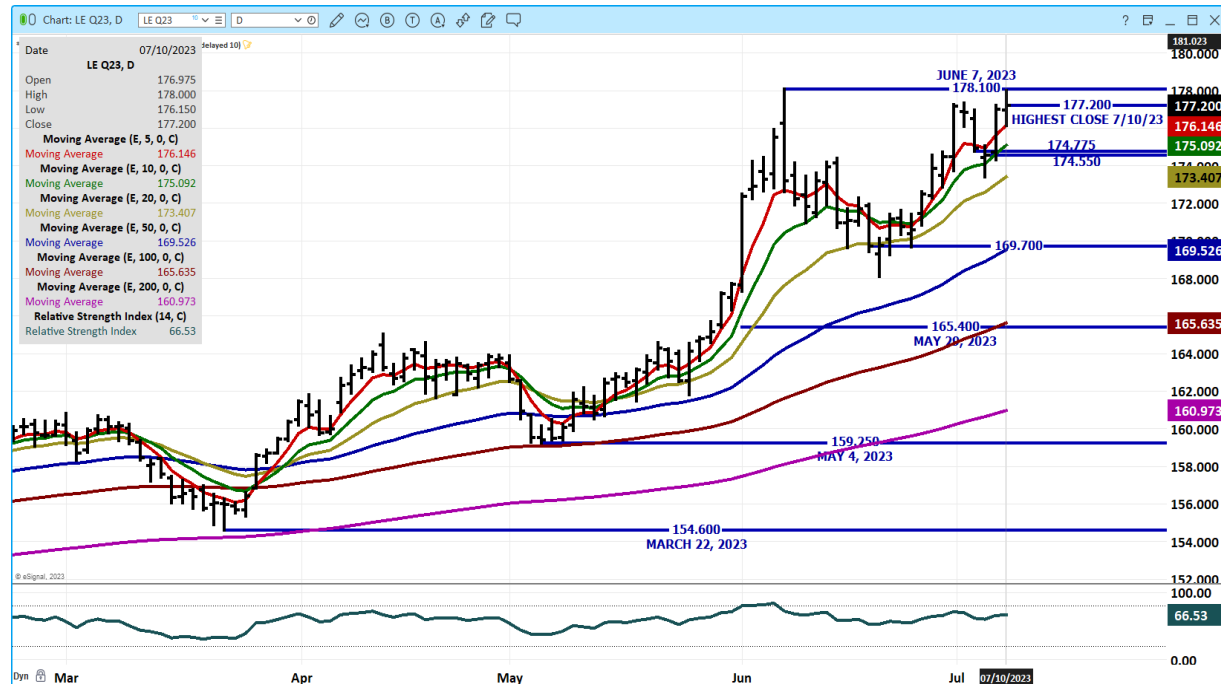
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OCTOBER/DECEMBER 2023 LIVE CATTLE SPREAD – BEAR SPREAD



AUGUST 2023 LIVE CATTLE – VOLUME AT 41149 NEW HIGH CLOSE RESISTANCE AT 178.10 SUPPORT AT 176.15 TO 175.00



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OCTOBER 2023 LIVE CATTLE – NEW CONTRACT HIGH AND CLOSE RESISTANCE AT 183.00 SUPPORT AT 178.85 VOLUME AT 33142



DECEMBER 2023 LIVE CATTLE - VOLUME AT 10540 NEW CONTRACT HIGH CLOSE AND HIGH RESISTANCE AT 186.37 SUPPORT AT 182.75 TO 181.87



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FEEDER CATTLE

CME FEEDER INDEX ON 07/07/2023 WAS 238.66 UP 7.45 FROM PREVIOUS DAY –

AUGUST 2023 FEEDER CATTLE FUTURES SETTLED ON 07/07/2023 AT \$246.25.

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY WON'T BE PUBLISHED FOR LAST WEEK DUE TO LIGHT RECEIPTS DURING WEEK OF JULY 3 – 8, 2023. NEXT REPORT ON JULY 17, 2023.

THERE IS A WIDE SPREAD BETWEEN CURRENT CME FEEDER INDEX PRICE AND AUGUST FEEDER CATTLE, BUT THERE IS A LITTLE MORE THAN A MONTH AND A HALF BEFORE AUGUST EXPIRES, WHEN CONVERGENCE WILL OCCUR.

WEEKLY FUTURES PRICE CHANGE

	07/07/2023	07/14/2023
AUGUST 2023 FEEDER CATTLE	245.42	
SEPTEMBER 2023 FEEDER CATTLE	248.60	
OCTOBER 2023 FEEDER CATTLE	250.52	
NOVEMBER 2023 FEEDER CATTLE	250.60	
JANUARY 2024 FEEDER CATTLE	248.75	
MARCH 2024 FEEDER CATTLE	249.32	
APRIL 2024 FEEDER CATTLE	251.97	
MAY 2024 FEEDER CATTLE	253.70	

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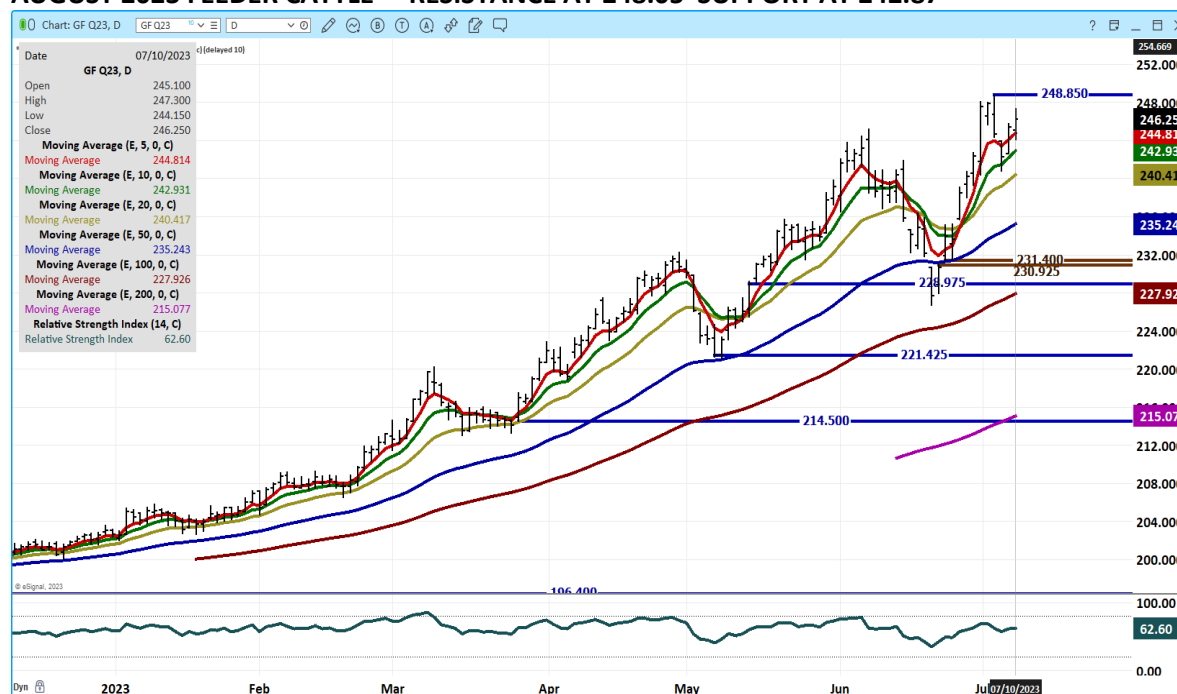
AUGUST 2023 FEEDER CATTLE/SEPTEMBER 2023 FEEDER CATTLE SPREAD – BEAR SPREAD, WATCH GOING FORWARD



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AUGUST 2023 FEEDER CATTLE – RESISTANCE AT 248.05 SUPPORT AT 242.87



SEPTEMBER 2023 FEEDER CATTLE – RESISTANCE AT 252.07 SUPPORT AT 248.00 TO 246.50



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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 07, 2023	468,000
WEEK AGO	394,000
YEAR AGO	439,000

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CME LEAN HOG INDEX ON 07/06/2023 WAS 97.43 UP 1.36 FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/07/2023 AT 106.30 UP 1.00 FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$8.87 TO THE CME PORK INDEX.

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WEEKLY FUTURES PRICE CHANGE

	07/07/2023	07/14/2023
JULY 2023 LEAN HOGS	99.00	
AUGUST 2023 LEAN HOGS	95.15	
OCTOBER 2023 LEAN HOGS	81.37	
DECEMBER 2023 LEAN HOGS	76.02	
FEBRUARY 2023 LEAN HOGS	80.35	
APRIL 2023 LEAN HOGS	85.15	

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Goldman Sachs roll began Monday and it was pretty much what the trade concentrated upon. August Lean Hog Globex volume was 26,687 contracts and October volume was 17,966.

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The 5 day pork carcass average early Monday was at 108.22 and afternoon sales it was up 1 cent . Bellies were up up 21.88 in the morning and up 4.71 by the afternoon. Loins and hams may have come up to a road block at \$100.00 and loins and hams need to be the leader of the pork complex.

Pork has become competitive for retail shelf space but if beef prices continue to fall, and as consumers buy fast cooking meats in the heat of the summer not only in the US with high temperatures but China and parts of Europe, how long will pork prices remain high or near current prices.

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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 26,000 MT for week ending June 29, 2023. Mexico is the largest buyer taking 15,100 MT. Canada took 4600 MT followed by Japan with 1700 MT. Pork exports are all about Mexico

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

Loads PORK CUTS : 203.94

Loads TRIM/PROCESS PORK : 22.40

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/10/2023	226.34	107.95	98.42	147.07	84.42	143.58	96.08	148.10
CHANGE:		0.01	-2.08	-6.45	1.03	-4.04	0.06	4.71
FIVE DAY AVERAGE --		107.52	98.93	155.32	83.69	150.52	96.22	139.25

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DAILY DIRECT AFTERNOON HOG REPORT - PLANT DELIVERED PURCHASE

JULY 10, 2023

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

National Negotiated Carcass Price

Head Count: 4,459

Lowest price: 82.50

Highest price: 100.00

Weighted Average 97.89

Change from Previous Day 0.64 higher

Other Market Formula (Carcass)

Head Count: 31,110

Lowest Base Price: 85.44

Highest Base Price: 103.13

Weighted Average Price: 96.96

Swine/Pork Market Formula (Carcass)

Head Count 169,220

Lowest base price: 89.25

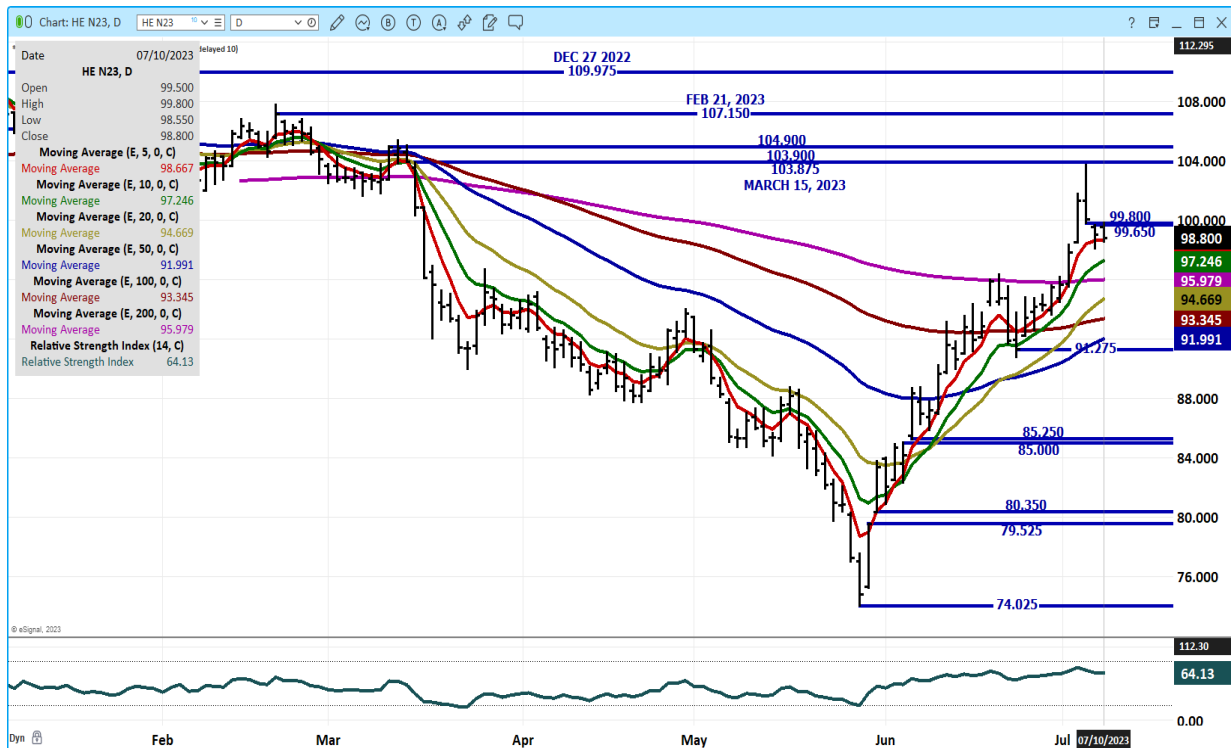
Highest Base Price: 102.21

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JULY 2023 LEAN HOGS - VOLUME AT 4542 OPEN INTEREST AT 11454



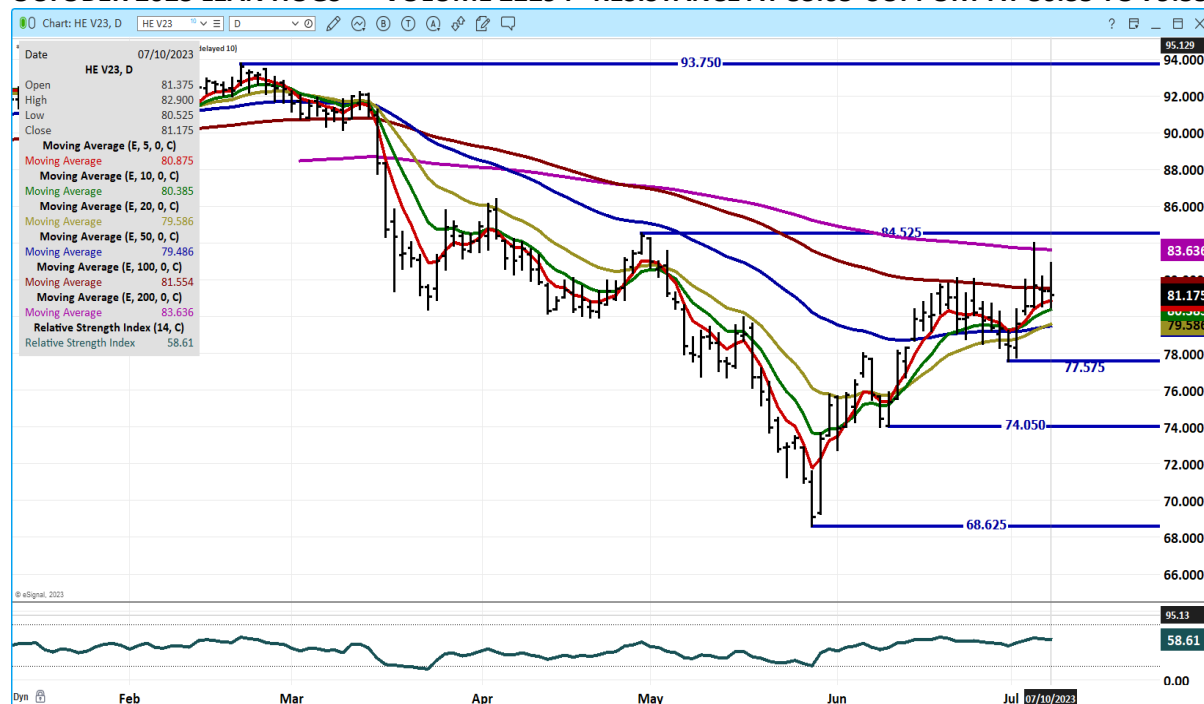
AUG 2023 LEAN HOGS – VOL AT 31144 RESISTANCE AT 96.95 TO 101.07 SUPPORT AT 93.75 TO 92.10



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OCTOBER 2023 LEAN HOGS – VOLUME 22294 RESISTANCE AT 83.65 SUPPORT AT 80.35 TO 79.55



ALL CHARTS FROM ESIGNAL INTERACTIVE, INC.

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