ADM
ADM Investor Services, Inc.

Daily Futures Market Commentary
Livestock Outlook

TUESDAY MORNING DECEMBER 05, 2023 LIVESTOCK REPORT

Chris Lehner, Senior Livestock Analyst | 312.242.7942 | chris.lehner@admis.com

CATTLE

DECEMBER 4, 2023	125,000
WEEK AGO	123,000
YEAR AGO	125,000

==

2:00 PM DECEMBER 04, 2023			
BOXED BEEF	CHOICE		SELECT
CURRENT CUTOUT VALUES:	294.99		262.83
CHANGE FROM PRIOR DAY:	(2.47)		(2.66)
CHOICE/SELECT SPREAD:		32.16	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		169	
5 DAY SIMPLE AVERAGE:	297.78		265.70

CME BOXED BEEF INDEX ON 12/01/2023 WAS 289.76 UP 1.10 CENTS FROM PREVIOUS DAY

=====================

2:00 PM DECEMBER 04, 2023		
PRIMAL RIB	589.63	460.74
PRIMAL CHUCK	232.30	225.69
PRIMAL ROUND	218.92	218.77
PRIMAL LOIN	386.84	317.18
PRIMAL BRISKET	232.31	220.28
PRIMAL SHORT PLATE	169.06	169.06
PRIMAL FLANK	130.14	128.18

2:00 PM DECEMBER 01, 2023

PRIMAL RIB	592.98	466.27
PRIMAL CHUCK	234.75	227.87
PRIMAL ROUND	222.11	224.47
PRIMAL LOIN	388.38	315.61
PRIMAL BRISKET	234.72	224.38
PRIMAL SHORT PLATE	172.08	172.08
PRIMAL FLANK	129.63	128.91

===========================

LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total			
12/01	109	15	5	30	159	297.46	265.49	
11/30	115	33	15	18	181	299.02	264.75	
11/29	83	37	6	12	137	297.03	264.09	
11/28	90	40	16	18	164	298.17	266.35	
11/27	64	31	0	11	106	297.25	267.80	
11/24	28	17	4	7	57	FRIDAY 298.03	268.76	FRIDAY

====================================

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.
December 04, 2023

Choice Cuts	82.11 loads	3,284,265 pounds
Select Cuts	23.63 loads	945,362 pounds
Trimmings	27.47 loads	1,098,723 pounds
Ground Beef	36.01 loads	1,440,428 pounds

===============================

DECEMBER 2023 LIVE CATTLE DELIVERIES
NO DELEIVERIES AS OF 12/04/2023

DELIVERY NOTICE SERVED – DECEMBER 2023 - LIVE CATTLE
DATE 12/04/23 SETTLEMENT: $167.25
OLDEST LONG – 07/15/2022 $154.00
(FYI - December 2023 Live Cattle opened on June 30, 2022 at $153.32)
=============================

WEEK FUTURES PRICE CHANGE

	11/24/2023	12/01/2023
DECEMBER 2023 LIVE CATTLE	170.25	169.27
FEBRUARY 2024 LIVE CATTLE	170.97	169.12
APRIL 2024 LIVE CATTLE	173.30	171.62
JUNE 2024 LIVE CATTLE	169.50	167.55
AUGUST 2024 LIVE CATTLE	170.05	168.07
OCTOBER 2024 LIVE CATTLE	175.30	173.25
DECEMBER 2024 LIVE CATTLE	179.80	177.87
FEBRUARY 2025 LIVE CATTLE	182.90	180.55

===========================

USDA LIVESTOCK REPORTS FOR DECEMBER 2023

CATTLE ON FEED REPORT – FRIDAY, DECEMBER 22, 2023
COLD STORAGE REPORT – FRIDAY, DECEMBER 22, 2023
HOGS AND PIGS REPORT – FRIDAY, DECEMBER 22, 2023

============================

Monday, February 2024 Live Cattle fell to the same level it was a on Monday December 5, 2022.

Traders continue to bear spread. Volume was moderately active.

With slaughter down there is increasing load movement in the daily boxed beef sales suggesting there is less beef contracting. This is not positive as packers will begin to slow fed cattle contracting if they cannot contract beef. Packers will also become pickier to the feedlots they use to contract cattle and more cattle will show on showlists.

=============================

Traders and short hedgers selling cattle as cash cattle prices drop, as weights increase, and with the continuing drop in beef prices. Beef is only being held up with strong pricing for rib and loin primals as other primal sections fall. At the same time traders are watching what consumers have been buying, cheaper beef cuts such as ground beef and cheaper grades.

Slaughter last week was light 635,000 down 25,000 head from a year ago. Packers are buying exactly how many cattle that are needed to fill beef orders.
The spread between Choice boxed beef and Select has been widening. Normally, this is a positive indicator that beef prices will move up. However, now demand has been dropping for both grades and cheaper Select beef offers consumers a less costly product. There are still too many lower grade cattle in the Southwest. Cheaper Select beef is going to weigh down Choice products. Once the demand moves from holiday buying and demand slows for rib and loin primals, a drop in beef prices is likely further adding to a decline in price for cash cattle and live cattle futures.

===========================

USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT
December 4, 2024
https://www.ams.usda.gov/mnreports/nw_ls196.txt **Full Report**

For week ending November 25, 2023

	Nebraska	Kansas	Texas
Prime	12.95%	7.42%	3.63%
Choice	73.53%	74.63%	63.89%
Select	10.11%	14.64%	29.72%
Other	3.41%	3.32%	2.75%

=================

EXPORTS

Exports could be worse. Remember the week ending October 12th, there were more cancellations than exports. But net sales of 6,300 MT are too low and do little if anything to help maintain high beef prices. It is the opposite, high US beef prices and US slaughter down have slowed exports and marketing analysts show when sales are lost, they are difficult to bring back.

For the week ending November 23, 2023 net export sales were 6,300 MT.

Week Ending November 16, 2023	10,000 MT
Week Ending November 9, 2023	8,900 MT
Week Ending November 2, 2023	13,600MT
Week Ending October 26, 2023	17,100 MT

HTTPS://APPS.FAS.USDA.GOV/EXPORT-SALES/HIGHLITE.HTM
===================================
NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT NOVEMBER 28, 2023

As of November 28, 2023, 2023 dressed steer and heifer carcasses averaged 906.3 pounds up 5.9 pounds from previous week and 16 pounds in 2 weeks. On Nov 21st the weight was at 900.4 pounds. The grading percent as of 11/28/23 was 81.8% compared to previous week at 80.5% up 1.2%. On November 29, 2022 carcasses weighed 896.0 pounds and graded 81.1%.
https://www.ams.usda.gov/mnreports/ams_2700.pdf

*****NATIONAL DAILY DIRECT CATTLE 12/04/2023**
5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1488	$174.53	34,012
LIVE HEIFER:	1358	$174.33	13,905
DRESSED STEER	962	$274.86	8,768
DRESSED HEIFER:	861	$275.04	3,621

=======================================

USDA POSTED SUMMARY CATTLE PRICES ON 12/04/2023 FOR FRIDAY

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

NE – CASH FOB – NO REPORTABLE TRADE
DRESSED DELIVERED - NO REPORTABLE TRADE

KS – CASH – NO REPORTABLE TRADE
DRESSED DELIVERED - NO REPORTABLE TRADE

TX/OK/NM CASH – NO REPORTABLE TRADE

COLORADO - **INFORMATION NOT AVAILABLE DUE TO CONFIDENTIALITY**

===============================

APRIL 2024 LIVE CATTLE/ APRIL 2024 LEAN HOGS –
FEBRUARY 2024/APRIL 2024 LIVE CATTLE SPREAD –
DECEMBER 2023 LIVE CATTLE –
FEBRUARY 2024 LIVE CATTLE –
JUNE 2023 LIVE CATTLE -

==========================

FEEDER CATTLE

CME FEEDER INDEX ON 12/01/2023 WAS 223.27 DOWN $2.62 FROM PREVIOUS DAY

JANUARY 2024 FEEDER CATTLE FUTURES SETTLED ON 12/04/2024 AT $210.52
=======================================

NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 12/02/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	224,500	32,600	35,800	292,900
Last Week:	67,000	17,300	10,600	94,900
Year Ago:	305,900	30,600	51,300	387,800

Compared to last week, Steers and Heifers in the North Central and Southeast regions sold steady to 10.00 higher with the exception of 600 lbs steers in the Southeast selling 6.00 lower. In the South

Central region Steers sold 6.00 to 17.00 lower and Heifers selling 17.00 to 19.00 lower with the exception of 500 lbs heifers staying steady. Demand was moderate to good

FULL REPORT - https://www.ams.usda.gov/mnreports/sj_ls850.txt

=====================================

This time of the year more feeder cattle are sold. Now, it is very likely feeders will be held until the first of the year as producers hold off taking income after a profitable year in 2023 and wait until 2024. Most pastures now are in good condition across most of the Southwest as temperatures have cooled and have had rain which will also induce sales into 2024 as producers add weight versus selling. This will add more pressure on feeder cattle prices in 2024.

===============================

WEEKLY FUTURES PRICE CHANGE

	11/24/2023	12/01/2023	CONTRACT HIGH
JANUARY 2024 FEEDER CATTLE	219.32	214.42	268.50 SEPTEMBER 15, 2023
MARCH 2024 FEEDER CATTLE	222.72	217.22	270.10
APRIL 2024 FEEDER CATTLE	226.67	221.17	273.60
MAY 2024 FEEDER CATTLE	230.37	224.90	272.47
AUGUST 2024 FEEDER CATTLE	244.37	238.97	282.92
SEPTEMBER 2024 FEEDER CATTLE	246.67	241.82	285.90

=============================

JANUARY 2024 FEEDER CATTLE/MARCH 2024 FEEDER CATTLE SPREAD –
JANUARY 2024 FEEDER CATTLE -
MARCH 2024 FEEDER CATTLE –

==

HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 04, 2023	488,000
WEEK AGO	476,000
YEAR AGO	486,000

Revised Saturday Hog Slaughter.. 285,000 Previous Estimate 294,000
New Week To Date.. 2,695,000 Previous Estimate 2,704,000

======================================

CME LEAN HOG INDEX ON 11/30/2023 WAS 70.58 DOWN 77 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 12/01/2023 AT 84.92 DOWN 19 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS $14.34 TO THE CME PORK INDEX. 12/04/2023

====================================

WEEKLY FUTURES PRICE CHANGE

	11/24/2023	12/01/2023
DECEMBER 2023 LEAN HOGS	67.57	68.60
FEBRUARY 2023 LEAN HOGS	68.77	70.10
APRIL 2023 LEAN HOGS	75.27	76.37
JUNE 2024 LEAN HOGS	90.85	92.22
JULY 2024 LEAN HOGS	93.02	94.37
AUGUST 2024 LEAN HOGS	93.62	95.20
OCTOBER 2024 LEAN HOGS	80.30	82.10

=======================================

With less than 2 weeks to go before December Lean Hogs expire December settled Monday at $68.05. The CME Lean Hog Index is $70.58.

Packer margins improve. Although the CME Pork Index has been slowing dropping, the CME Lean Ho Index is dropping at a faster rate. Hog prices are dropping as slaughter and weights increase. Pork has been on a steady decline. Spec traders continue to bear spread.

================

EXPORTS

US pork exports are up this year, but will they remain as strong in 2024? I don't feel the US hog herd will be less in 2024 and I feel global competition is going to strong. If by chance Mexico slows buying US pork, then US exports would need to expand into other countries. The problem is other countries have trade agreements they are committed to fill with other hog producing countries and it will be difficult for the US to increase exports.

For the week ending November 23, 2023 net export sales were 21,200 MT.

WEEK ENDING NOVEMBER 16, 2023 NET EXPORT SALES WERE 26,300 MT
WEEK ENDING NOVEMBER 9, 2023 NET EXPORT SALES WERE 24,300 MT
WEEK ENDING NOVEMBER 2, 2023 NET EXPORT SALES WERE 49,000 MT
WEEK ENDING OCTOBER 26, 2023 NET EXPORT SALES WERE 31,100 MT.
WEEK ENDING OCTOBER 19, 2023 NET EXPORT SALES WERE 28,200 MT

=============================

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 : 271.18
Loads TRIM/PROCESS PORK : 41.16

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/04/2023	312.33	84.43	83.35	109.57	77.90	112.76	82.59	88.21
CHANGE:		0.88	1.44	0.61	-0.05	0.68	-1.51	3.88
FIVE DAY AVERAGE --		84.12	82.75	107.88	77.69	111.48	82.76	88.76

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/04/2023	155.21	84.91	83.23	109.16	78.64	112.86	84.23	88.63
CHANGE:		1.36	1.32	0.20	0.69	0.78	0.13	4.30
FIVE DAY AVERAGE --		84.21	82.73	107.80	77.83	111.50	83.09	88.84

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/01/2023	322.21	83.55	81.91	108.96	77.95	112.08	84.10	84.33
CHANGE:		-0.28	-0.78	3.58	-2.28	2.01	0.62	-1.65
FIVE DAY AVERAGE --		84.98	82.92	108.17	78.19	111.34	82.46	93.83

===================================

HOG REPORT - PLANT DELIVERED PURCHASE
DECEMBER 04, 2023

National Negotiated Carcass Price
Head Count: 8,387
Lowest price: 49.00
Highest price: 60.00
Weighted Average 55.53
Change from Previous Day -0.07 LOWER

Other Market Formula (Carcass)
Head Count: 39,727
Lowest Base Price: 61.60
Highest Base Price: 74.77
Weighted Average Price: 66.76

Swine/Pork Market Formula (Carcass)
Head Count 228,711
Lowest base price: 54.94
Highest Base Price: 79.42
Weighted Average Price 69.28

Other Purchase Arrangement (Carcass)
HEAD COUNT: 183,223
Lowest base price: 59.77
Highest base price: 105.32
Weighted Average Price: 78.77

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

===================================

***NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE**
HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_2511.PDF

SLAUGHTER DATA – FRIDAY, DECEMBER 1, 2023 AND SATURDAY, DECEMBER 2, 2023

****PRODUCER SOLD:**
HEAD COUNT 364,571
AVERAGE LIVE WEIGHT 289.68
AVERAGE CARCASS WEIGHT 216.86

PACKER SOLD:
HEAD COUNT 60,509
AVERAGE LIVE WEIGHT 296.26
AVERAGE CARCASS WEIGHT 222.60

PACKER OWNED:
HEAD COUNT 269,926
AVERAGE LIVE WEIGHT 291.52
AVERAGE CARCASS WEIGHT 220.10

==============================
FEBRUARY/APRIL LEAN HOG SPREAD –
DECEMBER 2023 LEAN HOGS –
FEBRUARY 2024 LEAN HOGS –
APRIL 2024 LEAN HOGS –

====================================

CHARTS FROM ESIGNAL INTERACTIVE, INC.

CHRISTOPHER LEHNER chris.lehner@admis.com 312 242 7942 913.787.6804