



ADM Investor  
Services, Inc.

# Daily Futures Market Commentary Livestock Outlook

## THURSDAY MORNING JANUARY 4, 2024 LIVESTOCK REPORT

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### CATTLE

JANUARY 3, 2024	128,000
WEEK AGO	125,000
YEAR AGO	124,000
WEEK TO DATE (EST)	254,000
SAME PERIOD LAST WEEK (EST)	225,000
SAME PERIOD LAST YEAR (ACT )	258,000

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#### 2:00 PM JANUARY 4, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	278.03	258.85
CHANGE FROM PRIOR DAY:	(6.31)	(0.01)
CHOICE/SELECT SPREAD:		19.18
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		160
5 DAY SIMPLE AVERAGE:	290.02	259.99

CME BOXED BEEF INDEX ON 01/02/2024 WAS 282.55 DOWN 1.77 FROM PREVIOUS DAY

#### 2:00 PM JANUARY 3, 2024

PRIMAL RIB	454.65	400.85
PRIMAL CHUCK	231.69	229.44
PRIMAL ROUND	213.48	213.22
PRIMAL LOIN	380.62	325.61
PRIMAL BRISKET	260.07	247.49
PRIMAL SHORT PLATE	166.93	166.93
PRIMAL FLANK	127.69	127.54

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2:00 PM JANUARY 2, 2024

PRIMAL RIB	497.68	399.89
PRIMAL CHUCK	234.09	230.98
PRIMAL ROUND	213.93	213.63
PRIMAL LOIN	384.29	324.89
PRIMAL BRISKET	257.66	243.92
PRIMAL SHORT PLATE	165.86	165.86
PRIMAL FLANK	127.83	127.07

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**LOAD COUNT AND CUTOFF VALUE SUMMARY**

Date	Choice	Select	Trim	Grinds	Total		
01/02	79	27	12	21	139	284.34	258.86
12/29	65	12	6	11	94	FRIDAY 289.71	260.33 FRIDAY
12/28	79	26	11	19	136	291.28	259.24
12/27	64	24	5	13	106	291.48	260.32
12/26	42	13	7	6	69	293.31	261.19

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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.

**JANUARY 3, 2024**

Choice Cuts	107.77 loads	4,310,937 pounds
Select Cuts	30.49 loads	1,219,564 pounds
Trimming	6.22 loads	248,759 pounds
Ground Beef	15.65 loads	626,102 pounds

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Choice rib primals continue to tumble and bringing down Choice boxed beef with it. Wednesday Choice rib primals were down \$43.03 from Tuesday with the cumulative Choice cutout down \$6.31 and over the past 5 days Choice is down \$13.45. Select beef was down 1 cent . Choice Chucks and loins were also lower. On December 21<sup>st</sup> Choice ribs were \$590. 96. The CME Boxed Beef Index, the broader indicator of beef prices, also has been dropping and down \$1.77 from Tuesday.

Bad weather is expected over the weekend and early next week across the Plains. Packers could push kill ahead of storming weather as retailers that buy on the daily market put on extra supplies. Icy roads and snow are predicted.

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**ARE CATTLE PRICES IN THE HOPE PHASE?**

On September 15, 2023 Live Cattle futures rallied to historic highs. April 2024 Live Cattle went the highest price topping at \$199.82. February 2025 Live Cattle up to \$199.57. February 2024 Live Cattle

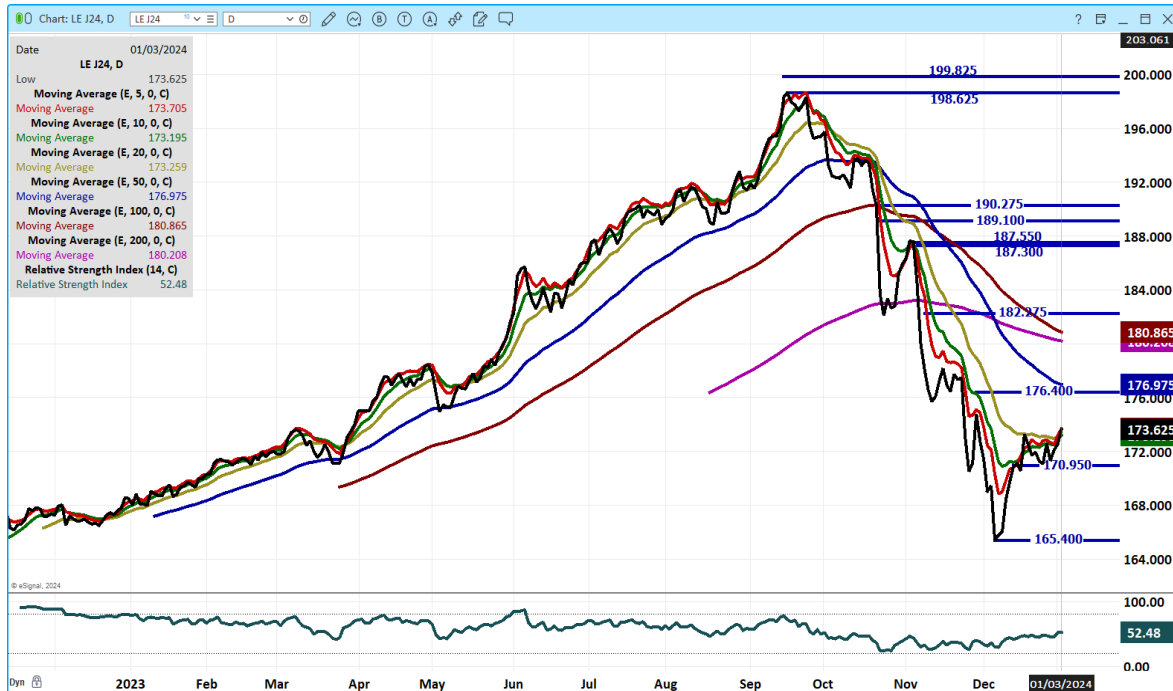
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topped at \$196.60. Between September 15<sup>th</sup> and December 6<sup>th</sup> April Live Cattle dropped \$34.42 and then moved up to January 2, 2024 up \$10.10.

With the past two weeks having higher cash and futures prices, there was a bullishness that has re-entered the feelings of many traders. It is the Hope phase. The big question is how long will Hope for higher prices last? Live Cattle are bear spread.

### APRIL 2024 LIVE CATTLE -



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[Fear And Greed In Trading | Divesh's Technical Analysis \(diveshstechnicalanalysis.com\)](https://diveshstechnicalanalysis.com)

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Cash cattle sold in the Midwest Wednesday. FOB cash sales were \$175.00 for steers, heifers and mixed loads. with dressed delivered sales at \$275.00 with dressed fob sales from \$276.00 to \$277.00. Prices are up \$2.00 to \$3.00 plus for the week. Southwest feedlots held off selling with feedlots asking \$276.00 to \$277.00.

Cattle are heavier. Carcass weights for steer and heifers are up 16.1 pounds from a year ago. Cattle are also improving grades in Texas with Choice cattle percent up 2% from a week ago.

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**USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT**

**December 26, 2024**

[https://www.ams.usda.gov/mnreports/nw\\_ls196.txt](https://www.ams.usda.gov/mnreports/nw_ls196.txt) Full Report

**For Week Ending: 12/23/2023**

	Nebraska	Kansas	Texas
Prime	12.20%	7.28%	4.47%
Choice	72.54%	76.89%	67.85%
Select	9.51%	12.87%	25.71%
Other	5.75%	2.96%	1.97%

**For Week Ending: 12/16/2023**

	Nebraska	Kansas	Texas
Prime	12.45%	7.96%	4.52%
Choice	73.55%	76.35%	65.88%
Select	10.03%	12.82%	27.75%
Other	3.96%	2.87%	1.85%

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## EXPORTS

Exports were horrible in 2023. They could increase in 2024 just because they were so poor in 2023. But it is likely they will remain poor. Prices for Brazilian and Australian beef are cheaper and more importantly, Brazil and Australia have long term trade agreements with Asian and Pacific countries. Also, it isn't all about currency exchange rates. Trade agreements are made up of many factors.

For week ending December 21, 2023 net sales were 2,100 MT. Net sales for 2024 were 11,600 MT.

week ending December 14, 2023	9700 MT
Week Ending December 7, 2023	10,600 MT
Week Ending November 30, 2023	200 MT
Week Ending November 23, 2023	6,300 MT
Week Ending November 16, 2023	10,000 MT
Week Ending November 9, 2023	8,900 MT

[HTTPS://APPS.FAS.USDA.GOV/EXPORT-SALES/HIGHLITE.HTM](https://apps.fas.usda.gov/export-sales/highlite.htm)

## NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JANUARY 3, 2024

As of January 3, 2024, dressed steer and heifer carcasses averaged 903.3 pounds down .2 pounds from previous week but up 16.1 pounds from a year ago. The grading percent as of 01/03/24 was 83.6% compared to previous week at 82.5% up 1.1%. On January 4, 2023 carcasses weighed 887.2 pounds and graded 83.0% .

[https://www.ams.usda.gov/mnreports/ams\\_2700.pdf](https://www.ams.usda.gov/mnreports/ams_2700.pdf)

## \*\*\*NATIONAL DAILY DIRECT CATTLE 01/03/2024 5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1487	\$172.52	30,144
LIVE HEIFER:	1353	\$172.52	14,647
DRESSED STEER	972	\$272.89	8,739
DRESSED HEIFER:	869	\$273.16	1,402

## USDA POSTED SUMMARY CATTLE PRICES ON 01/03/2024

IA/MN – CASH FOB – 175.00 ON 1,557 HEAD WEIGHING 1,500 - 1,625.  
DRESSED DELIVERED – 275.00 ON 716 HEAD 809 - 992 POUNDS  
LIVE DELIVERED – NO REPORTABLE TRADE.  
DRESSED FOB - 276.00 ON 210 HEAD WEIGHING 977 POUNDS

NE – CASH FOB – 175.00 ON 1385 TOTAL HEAD WEIGHING 1,350 - 1,650 POUNDS  
DRESSED FOB - 278.00 ON 304 HEAD WEIGHING 1,000.7 POUNDS  
DRESSED DELIVERED - 275.00 ON 1625 HEAD WEIGHING 864 – 976 POUNDS

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

TX/OK/NM CASH – NO REPORTABLE TRADE  
LIVE DELIVERED – NO REPORTABLE TRADE

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

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

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## FEEDER CATTLE

CME FEEDER INDEX ON 01/02/2024 WAS 225.05 DOWN 3.14 FROM PREVIOUS DAY (NO CHANGE FOR 01/03/2024 FROM CME)

JANUARY 2024 FEEDER CATTLE FUTURES SETTLED ON 01/03/2024 AT \$226.07

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Feeder prices will be an indicator of how much beef is contracted. Contract feeders and packers for their own lots are the strength or possible weakness ahead. If beef contracts go down, these feedlots will back off buying.

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

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## HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 3, 2024	492,000
WEEK AGO	451,000
YEAR AGO	435,000
WEEK TO DATE (EST)	492,000
SAME PERIOD LAST WEEK (EST)	451,000

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SAME PERIOD LAST YEAR (ACT ) 508,000

**\*\*Revised Friday Hog Slaughter.. 479,000\*\* Previous Estimate 485,000**

**\*\*Revised Saturday Hog Slaughter.. 313,000\*\* Previous Estimate 319,000**

**\*\*New Week To Date.. 2,221,000\*\* Previous Estimate 2,233,000**

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**CME LEAN HOG INDEX ON 12/29/2023 WAS 65.05 DOWN 30 CENTS FROM PREVIOUS DAY**

**CME PORK CUTOUT INDEX 01/01/2024 AT 83.39 UP 57 CENTS FROM PREVIOUS DAY**

**THE CME LEAN HOG INDEX IS MINUS \$18.34 TO THE CME PORK INDEX. 01/03/2024**

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The difference between the CME Lean Hog Index and the CME Pork Cutout Index means packers are making money. When packers make money they want to push kill. Currently, packers have wiggle room with big profits. If they need to pay up, they can but they know what they need for the majority of pork moved, contracted pork, and they aren't going to want to build inventory unless pork is sold.

Pork was down Wednesday on fairly large movement. The big problem, loins and hams. Loins on the 5 day average are \$81.69 and on the daily market Wednesday dropped to \$80.06. Hams on the 5 day average are cheap, cheap, cheap at \$78.62 and on the daily market were \$78.80. These products make up 53% to 54% of the hog and are considered the top products. Kill has been strong this week and the drop in pork is related to how many hogs are killed. The pork market can't absorb increasing hog numbers.

**Exports will need to be strong in 2024, above 2023.**

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## **EXPORTS**

**FOR WEEK ENDING DECEMBER 21, 2023 NET EXPORTS WERE 23,800 MT . NET SALES FOR 2024 WERE 24,000 MT**

**WEEK ENDING DECEMBER 14, 2023 NET EXPORTS WERE 37,500 MT**

**WEEK ENDING DECEMBER 7, 2023 NET EXPORTS SALES WERE 28,200 MT.**

**WEEK ENDING NOVEMBER 30, 2023 NET EXPORTS SALES WERE 25,900 MT**

**WEEK ENDING NOVEMBER 23, 2023 NET EXPORT SALES WERE 21,200 MT**

**WEEK ENDING NOVEMBER 16, 2023 NET EXPORT SALES WERE 26,300 MT**

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**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 : 336.77

Loads TRIM/PROCESS PORK : 54.65

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/03/2024	391.41	82.78	80.06	102.55	72.20	115.05	78.80	97.31
CHANGE:		-2.32	-1.63	-4.06	-4.92	-1.13	-0.07	-5.35
FIVE DAY AVERAGE --		83.55	81.69	106.33	75.58	114.89	78.62	94.53

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/03/2024	231.23	82.77	80.03	102.95	71.14	115.24	80.14	95.73
CHANGE:		-2.33	-1.66	-3.66	-5.98	-0.94	1.27	-6.93
FIVE DAY AVERAGE --		83.55	81.68	106.41	75.37	114.93	78.89	94.22

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/02/2024	305.68	85.10	81.69	106.61	77.12	116.18	78.87	102.66
CHANGE:		0.34	0.43	-0.42	-4.17	0.63	-2.01	8.05
FIVE DAY AVERAGE --		83.42	81.94	107.22	76.06	114.18	77.73	93.75

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**HOG REPORT - PLANT DELIVERED PURCHASE JANUARY 03, 2024**

**National Negotiated Carcass Price**

Head Count: 9,041

Lowest price: 41.00

Highest price: 47.00

Weighted Average 44.88

Change from Previous Day -0.25 lower

**Other Market Formula (Carcass)**

Head Count: 22,425

Lowest Base Price: 56.51

Highest Base Price: 83.86

Weighted Average Price: 63.97

**Swine/Pork Market Formula (Carcass)**

Head Count 153,830

Lowest base price: 44.06

Highest Base Price: 78.48

Weighted Average Price 66.22

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**Other Purchase Arrangement (Carcass)**

**HEAD COUNT: 69,884**

**Lowest base price: 53.22**

**Highest base price: 103.47**

**Weighted Average Price: 73.79**

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

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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 – JANUARY 2, 2024**

**\*\*PRODUCER SOLD:**

**HEAD COUNT 265,805**

**AVERAGE LIVE WEIGHT 289.61**

**AVERAGE CARCASS WEIGHT 217.14**

**PACKER SOLD:**

**HEAD COUNT 32,766**

**AVERAGE LIVE WEIGHT 286.59**

**AVERAGE CARCASS WEIGHT 220.89**

**PACKER OWNED:**

**HEAD COUNT 261,618**

**AVERAGE LIVE WEIGHT 289.84**

**AVERAGE CARCASS WEIGHT 217.21**

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**FEBRUARY/APRIL LEAN HOG SPREAD –**

**FEBRUARY 2024 LEAN HOGS –**

**APRIL 2024 LEAN HOGS –**

**JUNE 2024 LEAN HOGS -**

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**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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