



ADM Investor Services, Inc.



Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING MAY 09, 2024 LIVESTOCK REPORT

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BEEF AND PORK EXPORT HIGHLIGHTS ON LAST PAGE

CATTLE

MAY 08, 2024	123,000
WEEK AGO	123,000
YEAR AGO	125,280
WEEK TO DATE	367,000
PREVIOUS WEEK	360,000
2023 WEEK TO DATE	378,722
2024 YEAR TO DATE	11,138,013
2023 YEAR TO DATE	11,655,574
PERCENT CHANGE YEAR TO DATE	-4.4%

https://www.ams.usda.gov/mnreports/ams_3208.pdf

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2:00 PM MAY 08 ,2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	296.67	288.25
CHANGE FROM PRIOR DAY:	(1.82)	(4.09)
CHOICE/SELECT SPREAD:		8.42
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		145
5 DAY SIMPLE AVERAGE:	295.58	289.16

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CME BOXED BEEF INDEX ON 05/07/2024 WAS 293.62 UP 55 CENTS FROM PREVIOUS DAY

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2:00 PM MAY 08, 2024

PRIMAL RIB	437.52	423.67
PRIMAL CHUCK	245.04	246.79
PRIMAL ROUND	243.81	244.68
PRIMAL LOIN	411.69	377.55
PRIMAL BRISKET	238.32	229.85
PRIMAL SHORT PLATE	217.83	217.83
PRIMAL FLANK	149.43	153.01

2:00 PM MAY 07, 2024

PRIMAL RIB	440.01	429.14
PRIMAL CHUCK	246.79	256.88
PRIMAL ROUND	245.11	243.65
PRIMAL LOIN	411.56	377.71
PRIMAL BRISKET	239.37	231.60
PRIMAL SHORT PLATE	227.15	227.15
PRIMAL FLANK	150.56	151.04

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
05/07	58	21	0	21	100	298.49	292.34
05/06	47	16	0	15	78	298.76	289.75
05/03	53	16	8	20	97	FRIDAY 294.20	287.65 FRIDAY
05/02	107	30	7	21	164	292.90	287.98
05/01	138	22	3	23	186	293.54	288.07

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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.

MAY 08, 2024

Choice Cuts	87.96 loads	3,518,259 pounds
Select Cuts	25.48 loads	1,019,198 pounds
Trimming	9.36 loads	374,547 pounds
Ground Beef	22.46 loads	898,499 pounds

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WEEKLY FUTURES PRICE CHANGE

	05/03/2023	05/10/2024	CONTRACT HIGH
JUNE 2024 LIVE CATTLE	176.67		194.02 9/15/2023
AUGUST 2024 LIVE CATTLE	174.57		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	178.05		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	182.37		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	185.95		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	188.35		196.40 3/14/2024

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As of Wednesday afternoon, there has been no cash cattle sales.

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Bloomberg had a report Wednesday morning titled “JUST ONE HUMAN IS INFECTED BY BIRD FLU IN THE US. MORE CASES ARE LIKELY.”

<https://news.bloomberglaw.com/health-law-and-business/just-one-human-is-infected-by-bird-flu-more-us-cases-are-likely>

Reports that claim more people will be infected are ominous. With futures discount to cash, normally it would indicate buying. Now in a non-spot month it indicates caution. However, traders remain optimistic and are bull spreading the summer months of June and August. For October through 2025 traders are bear spread.

Volume was light Wednesday. Traders are rolling out of June. As of Wednesday, August Live Cattle have the most open interest as funds are completing the roll. Unlike a few years ago when Equity Funds were the largest funds and always long, now funds are a mix of Equity funds and formula funds that may be net long or short, bear spread or bull spread. Now there is a combination of Equity funds selling the and then buying, formula funds doing either depending on their position in the market and spread funds, rolling spreads depending on their positions.

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Compared to a year ago cattle are heavier and are grading higher. Last week carcass weights were 27.8 pounds more than the same period a year ago. Slaughter last week was 622,000 head on. It's 17,291,600 pounds.

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Boxed beef was lower on Wednesday sales with Choice and Select rib primals lower as immediate needs for Mother's Day are over. Choice Short Plates dropped over \$9.00. Plates cuts are used for skirt and hanger steak, shirt ribs and part of the brisket with trimmings into ground beef. Chucks and rounds also dropped. Daily load movement increased and when there is more beef put on daily sales, it suggests contract buyers have more than they need or aren't contracting. Daily hand to mouth buying is a small part of the beef market instead of buying direct from a packer they use meat wholesales.

Last week cash cattle in the Midwest on light sales were \$1.00 higher from \$186.00 to \$187.00 and dressed prices \$295.00. Cash cattle in the Southwest were \$1.00 to \$2.00 higher mostly \$184.00 on light sales. As of Friday total head sold negotiated in Texas, Oklahoma and New Mexico were just 2,557 head.

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EXPORTS WEEK

BEEF EXPORTS WERE DOWN 29% FROM THE 4 WEEK AVERAGE AND 45% LOWER THAN THE PREVIOUS WEEK. FOR WEEK ENDING MAY 2, 2024 NET EXPORTS WERE 12,300 MT. JAPAN TOOK 4,400 MT, SOUTH KOREA ONLY 1,900 MT, ND MEXICO 1,700 MT. CHINA TOOK NOTHING.

WEEK ENDING APRIL 25, 2024	22,500 MT
WEEK ENDING APRIL 18, 2024	15,200 MT
WEEK ENDING APRIL 11, 2024	17,700 MT
WEEK ENDING APRIL 4, 2024	13,600 MT
WEEK ENDING MARCH 28, 2024	18,700 MT

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USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT

https://www.ams.usda.gov/mnreports/nw_ls196.txt Full Report

For Week Ending: 4/27/2024

	Nebraska	Kansas	Texas
Prime	13.47%	8.75%	6.62%
Choice	74.67%	75.54%	65.72%
Select	7.46%	12.67%	25.21%
Other	4.40%	3.04%	2.45%

For Week Ending: 4/20/2024

	Nebraska	Kansas	Texas
Prime	14.27%	9.26%	6.13%
Choice	73.63%	76.03%	65.95%
Select	6.50%	11.63%	25.88%
Other	5.59%	3.07%	2.04%

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT MAY 7, 2024

As of May 7 2024, dressed steer and heifer carcasses averaged 887.1 pounds up 2.5 pounds from previous week and up 27.8 pounds from a year ago. The grading percent as of 05/07/24 was 84.2% compared to previous week at 83.9%. On May 9, 2023 carcasses weighed 859.3 pounds and graded 83.3%

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

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*****NATIONAL DAILY DIRECT CATTLE 05/08/2024
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1457	\$185.87	34,864
LIVE HEIFER:	1326	\$185.53	16,572
DRESSED STEER	950	\$295.11	15,800
DRESSED HEIFER:	864	\$294.56	5,688

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**USDA POSTED SUMMARY CATTLE PRICES ON 05/08/2024
STEER AND HEIFER COMBINED PRICES UNLESS NOTED**

**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.
LIVE DELIVERED - NO REPORTABLE TRADE.
DELIVERED NO REPORTABLE TRADE.**

**KS – CASH – NO REPORTABLE TRADE.
LIVE DELIVERED - NO REPORTABLE TRADE.**

TX/OK/NM CASH – NO REPORTABLE TRADE.

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

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Sterling Marketing on May 7, 2023. I am now using the Comprehensive Beef Cutout Value reported by USDA. I have included a document that explains this cutout value. I looked at this value about 4 years ago and compared the beef packer margin values from my Choice-Select Adjusted value and this Comprehensive value. There was little difference. However, over the past few weeks, the difference has become significant. I believe this is because the mix of cattle slaughtered is increasingly includes higher valued cattle – i.e., Prime, Upper 2/3 Choice, and Branded Program cattle. In addition, it includes the formula-priced cattle. Using just the Choice and higher grade and Select grade to generate the cutout does not reflect this important difference in the quality of cattle which in turn is definitely a driver to the notable improvement in beef demand over the past year.

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**AUGUST LIVE CATTLE/AUGUST LEAN HOG SPREAD -
JUNE/AUGUST LIVE CATTLE SPREAD –
JUNE 2024 LIVE CATTLE -
AUGUST 2024 LIVE CATTLE –**

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FEEDER CATTLE

CME FEEDER INDEX ON 05/06/2024 WAS 239.45 DOWN 8 CENTS FROM PREVIOUS DAY

MAY 2024 FEEDER CATTLE SETTLED ON MAY 08, 2024 AT \$240.20

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 05/04/2024

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	145,300	42,000	57,100	244,400
Last Week:	165,000	68,200	11,300	244,500
Year Ago:	165,900	73,000	26,800	265,700

Compared to last week, steers and heifers sold uneven; 3.00 lower to 3.00 higher. The supply of feeders was moderate with a good selection across all weight groups once again this week.

https://www.ams.usda.gov/mnreports/sj_ls850.txt

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WEEKLY FUTURES PRICE CHANGE

	05/03/2023	05/10/2024	CONTRACT HIGH
MAY 2024 FEEDER CATTLE	243.30		272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	254.75		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	255.77		285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	256.12		275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	255.40		274.70 FEBRUARY 8, 2024

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AUGUST 2024 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

MAY 08, 2024	477,000
WEEK AGO	480,000
YEAR AGO	465,372
WEEK TO DATE	1,436,000
PREVIOUS WEEK	1,438,000
2023 WEEK TO DATE	1,382,544
2024 YEAR TO DATE	46,252,626
2023 *YEAR TO DATE	45,982,672
YEAR TO DATE PERCENT CHANGE	0.6%

https://www.ams.usda.gov/mnreports/ams_3208.pdf

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CME LEAN HOG INDEX ON 05/06/2024 WAS 91.03 UP 23 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 05/07/2024 AT 98.14 DOWN 37 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$7.11 TO THE CME PORK INDEX 05/08/2024

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WEEKLY FUTURES PRICE CHANGE

	05/03/2023	05/10/2024	CONTRACT HIGH
JUNE 2024 LEAN HOGS	98.95		109.65 APRIL 10, 2024
JULY 2024 LEAN HOGS	102.85		111.25 APRIL 10, 2024
AUGUST 2024 LEAN HOGS	101.72		108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	84.65		89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	76.45		80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	80.12		82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	84.00		88.00 OCTOBER 13, 2023

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JUNE 2024 LEAN HOGS AS OF MAY 08, 2024 = \$98.32

CME LEAN HOG INDEX AS OF MAY 06, 2024 = \$91.03

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The daily pork price sheet has been bouncing this week because of moves in loins and bellies. It was up on morning sales \$2.70 and closed on Tuesday down \$2.41. Loins on Monday were \$99.50, then dropped to \$97.09 Tuesday and were up Wednesday at \$99.79.

When fundamentals don't trend, it shouldn't be any wonder why so many traders move to funds. For the long term hedger, the daily swings have little consequence for long or shorts.

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Southern Brazil Flooding Affects 10 Poultry, Pork Plants, Meat Lobby Says
<https://finance.yahoo.com/news/1-meat-lobby-abpa-says-154854289.html>

'Rio Grande do Sul state accounts for 11% of Brazil's total chicken production and for 19.8% of pork supplies, ABPA data showed. Part of the volume is sold on export markets.'

Cash hogs are slowly going down. Weighted average prices on formula and carcass priced hogs making up the majority of hogs sold are averaging near 90.00.

Stronger exports last week weren't much help for futures trading. But with June and summer hogs premium to cash, it is hard to get them energized to move higher.

EXPORTS

FOR WEEK ENDING MAY 2, 2024 NET EXPORTS WERE 24,400 MT. CHINA WAS THE LARGEST BUYER WITH 6,900 MT, THEY WERE ABSENT LAST WEEK, JAPAN TOOK 3,900 MT, AND CANADA 3,700 MT. MEXICO TOOK ONLY 2,600 MT. IT WOULD CERTAINLY BE NEGATIVE IF MEXICO BEGINS TO BUY LESS IN THE MONTHS AHEAD.

WEEK ENDING APRIL 25, 2024 NET EXPORTS WERE 33,600 MT
 WEEK ENDING APRIL 18, 2024 NET EXPORTS WERE 28,800 MT
 WEEK ENDING APRIL 11, 2024 NET EXPORTS WERE 21,800 MT
 WEEK ENDING APRIL 4, 2024 NET EXPORTS WERE 47,400 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 : 209.19

Loads TRIM/PROCESS PORK : 52.10

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/08/2024	261.28	99.29	103.17	125.12	77.93	169.54	83.58	118.27
CHANGE:		2.20	4.67	-5.19	-0.13	1.32	0.23	6.42
FIVE DAY AVERAGE --		98.38	100.20	128.75	79.71	165.94	82.51	117.75

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/08/2024	134.79	99.79	102.80	125.07	81.74	170.19	82.55	120.75
CHANGE:		2.70	4.30	-5.24	3.68	1.97	-0.80	8.90
FIVE DAY AVERAGE --		98.48	100.13	128.74	80.47	166.07	82.30	118.25

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/07/2024	304.86	97.09	98.50	130.31	78.06	168.22	83.35	111.85
CHANGE:		-2.41	-4.33	1.33	-1.47	2.12	0.77	-9.01
FIVE DAY AVERAGE --		98.12	100.39	129.66	80.33	165.32	82.06	115.68

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HOG REPORT - PLANT DELIVERED PURCHASE MAY 08, 2024

National Negotiated Price
Head Count: 6,599
Lowest price: 82.00
Highest price: 95.00
Weighted Average 91.79
Change from Previous Day -1.46 lower

Other Market Formula (Carcass)
Head Count: 23,522
Lowest Base Price: 82.00
Highest Base Price: 101.16
Weighted Average Price: 90.40

Swine/Pork Market Formula (Carcass)
Head Count 145,526
Lowest base price: 77.67
Highest Base Price: 97.84
Weighted Average Price 89.67

Other Purchase Arrangement (Carcass)
HEAD COUNT: 56,892
Lowest base price: 82.20
Highest base price: 103.45
Weighted Average Price: 90.15

<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 – MAY 07, 2024

****PRODUCER SOLD:**
HEAD COUNT 236,011
AVERAGE LIVE WEIGHT 285.61
AVERAGE CARCASS WEIGHT 213.47

PACKER SOLD:
HEAD COUNT 34,096
AVERAGE LIVE WEIGHT 285.99
AVERAGE CARCASS WEIGHT 215.23

PACKER OWNED:
HEAD COUNT 168,335
AVERAGE LIVE WEIGHT 286.31
AVERAGE CARCASS WEIGHT 217.91

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JUNE/JULY LEAN HOG SPREAD –
JUNE LEAN HOGS -
JULY LEAN HOGS –
OCTOBER LEAN HOGS –
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Beef: Net sales of 12,300 MT for 2024 were down 45 percent from the previous week and 29 percent from the prior 4-week average. Increases were primarily for Japan (4,400 MT, including decreases of 400 MT), South Korea (1,900 MT, including decreases of 300 MT), Mexico (1,700 MT, including decreases of 100 MT), Taiwan (900 MT, including decreases of 100 MT), and Canada (600 MT). Exports of 16,200 MT were up 11 percent from the previous week and 10 percent from the prior 4-week average. The destinations were primarily to South Korea (4,200 MT), Japan (3,600 MT), China (2,700 MT), Mexico (1,600 MT), and Taiwan (1,400 MT).

Pork: Net sales of 24,400 MT for 2024 were down 27 percent from the previous week and 26 percent from the prior 4-week average. Increases were primarily for China (6,900 MT), Japan (3,900 MT, including decreases of 300 MT), Canada (3,700 MT, including decreases of 600 MT), Mexico (2,600 MT, including decreases of 200 MT), and Colombia (2,100 MT, including decreases of 100 MT). Exports of 35,000 MT were down 3 percent from the previous week and 9 percent from the prior 4-week average. The destinations were primarily to Mexico (12,900 MT), South Korea (5,400 MT), Japan (5,000 MT), China (3,300 MT), and Canada (1,800 MT).
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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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