



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING JULY 17, 2024 LIVESTOCK REPORT

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CATTLE

JULY 16 2024	121,000
WEEK AGO	120,000
YEAR AGO	127,242
WEEK TO DATE	239,000
PREVIOUS WEEK	232,000
2023 WEEK TO DATE	246,774
2024 YEAR TO DATE	16,937,873
2023 YEAR TO DATE	17,724,106
PERCENT CHANGE YEAR TO DATE	-4.4%

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_3208.PDF](https://www.ams.usda.gov/mnreports/ams_3208.pdf)

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2:00 PM JULY 16, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	319.26	301.59
CHANGE FROM PRIOR DAY:	(2.23)	(3.23)
CHOICE/SELECT SPREAD:		17.67
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		150
5 DAY SIMPLE AVERAGE:	322.98	303.75

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CME BOXED BEEF INDEX ON 07/15/2024 WAS 317.99 DOWN 70 CENTS FROM PREVIOUS DAY

2:00 PM JULY 16 2024

PRIMAL RIB	446.48	405.20
PRIMAL CHUCK	264.60	266.42
PRIMAL ROUND	285.37	281.45
PRIMAL LOIN	431.77	373.24

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PRIMAL BRISKET	258.42	259.24
PRIMAL SHORT PLATE	218.41	218.41
PRIMAL FLANK	185.10	178.30

2:00 PM JULY 15, 2024

PRIMAL RIB	458.33	414.48
PRIMAL CHUCK	265.88	270.33
PRIMAL ROUND	284.70	283.87
PRIMAL LOIN	434.84	375.57
PRIMAL BRISKET	258.14	259.00
PRIMAL SHORT PLATE	218.72	218.72
PRIMAL FLANK	184.79	177.26

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LOAD COUNT AND CUTOUT VALUE SUMMARY

DATE	CHOICE	SELECT	TRIM	GRINDS	TOTAL		
07/15	47	12	15	15	89	321.49	304.82
07/12	70	13	6	13	102	322.06	302.31 FRIDAY
07/11	98	30	7	8	142	321.65	303.38
07/10	88	36	18	14	156	324.05	303.94
07/09	66	40	12	12	130	325.66	304.31

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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.

JULY 16, 2024 FINAL

CHOICE CUTS	97.86 LOADS	3,914,263 POUNDS
SELECT CUTS	37.03 LOADS	1,481,181 POUNDS
TRIMMINGS	4.37 LOADS	174,731 POUNDS
GROUND BEEF	11.13 LOADS	445,383 POUNDS

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WEEKLY FUTURES PRICE CHANGE

	07/12/2024	07/19/2024	CONTRACT HIGH
AUGUST 2024 LIVE CATTLE	182.37		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	184.07		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	185.47		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	187.75		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	189.87		196.40 3/14/2024

BRAZIL REPORTS RECORD FRESH BEEF EXPORTS IN FIRST HALF OF 2024

[HTTPS://WWW.AGRILAND.IE/FARMING-NEWS/BRAZIL-REPORTS-RECORD-FRESH-BEEF-EXPORTS-IN-FIRST-HALF-OF-2024/](https://www.agriland.ie/farming-news/brazil-reports-record-fresh-beef-exports-in-first-half-of-2024/)

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CHINESE DEMAND WEAKENS AS GLOBAL BEEF HEADS STATESIDE

[HTTPS://MECARDO.COM.AU/CHINESE-DEMAND-WEAKENS-AS-GLOBAL-BEEF-HEADS-STATESIDE/](https://mecardo.com.au/chinese-demand-weakens-as-global-beef-heads-stateside/)

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AUGUST LIVE CATTLE SETTLED TUESDAY AT \$182.67. THE 5 DAY NEGOTIATED STEER PRICE IS \$194.64. THE DIFFERENCE IS WIDE. FIRST NOTICE DAY FOR AUGUST 2024 LIVE CATTLE IS AUGUST 5TH.

TRADE VOLUME WAS VERY LIGHT TUESDAY. TRADERS AREN'T WILLING TO ADD A LOT TO THE FUTURES. CHOICE BEEF IS DROPPING AND THERE TIME BETWEEN NOW AND FIRST NOTICE DAY FOR CASH AND FUTURES TO NEAR A CLOSER LEVEL OF CONVERGENCE. WITH LIVE CATTLE BEAR SPREAD, AND THE MAJORITY OF LARGE SPECULATORS THE MARKET IS GOING TO WAIT TO SEE HOW PACKERS BUY CATTLE.

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WITH BOXED BEEF PRICES MOVING DOWN, UNLESS PACKERS CAN SIGNIFICANTLY LOWER CASH CATTLE PRICES, SLAUGHTER THIS WEEK, SLAUGHTER WILL BE ANOTHER LIGHT WEEK. THEY ARE GOING TO COUNT EVERY STEER AND HEIFER GOING THROUGH THE KILL LINE ALONG WITH KNOWING SIZE AND WEIGHT OF EACH ANIMAL. THEY WILL LIMIT KILL TO THE AMOUNT OF BEEF THAT IS SPECIFICALLY NEEDED.

BOXED BEEF IS MOVING LOWER THE SAME AS IT DID A YEAR AGO AFTER JULY 4TH. TOP CUTS, RIB AND LOIN RIMALS, ARE PULLING THE CUTOUT LOWER. THE CHOICE TO SELECT DIFFERENCE IS NARROWING AND FAVORING SELECT BEEF OVER CHOICE. THE EXTREME HEAT ACROSS THE U.S. IS A FACTOR BUT AS CONSUMERS COME BACK FROM TRAVELS, THEY WILL BE LOOKING AT OVER EXTENDED CREDIT CARD PAYMENTS AND SCHOOL EXPENSES AHEAD.

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LAST WEEK CASH CATTLE PRICES WERE STEADY TO SLIGHTLY WEAKER IN THE MIDWEST AND DOWN \$1.00 TO \$2.00 IN THE SOUTHWEST. CATTLE IN THE MIDWEST MOSTLY \$198.00 TO \$199.00 AND IN THE SOUTHWEST \$188.00. THE SPREAD BETWEEN THE REGIONS REMAINS EXTREMELY WIDE.

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BULLISH CATTLE TRADERS MAY NOT BE GIVING ENOUGH CONSIDERATION TO THE INCREASING TONNAGE OF BEEF THE U.S. IS IMPORTING. AS THE MARKET SHOWS, CONSUMERS WANT CHEAPER BEEF AND THE CONSUMER DOESN'T QUESTION WHERE IT ORIGINATES.

IMPORTED BEEF IS MAKING UP FOR THE LIGHT U.S. COW SLAUGHTER.

JANUARY - MAY BEEF IMPORTS

2023 1,562,426,000 POUNDS EQUALS 39,060.65 LOADS AVE/MONTH 7,812.13 LOADS

2024 1,866,405,000 POUNDS EQUALS 46,660.125 LOADS AVE/MONTH 9,332.02 LOADS

2024 303,979,000 POUNDS MORE IMPORTS COMPARED TO 2023 OR 7,599.4 MORE LOADS

LOAD = 40,000 POUNDS

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JULY 16, 2024

AS OF JULY 16 2024, DRESSED STEER AND HEIFER CARCASSES AVERAGED 887.0 POUNDS, UP 2.0 POUNDS FROM PREVIOUS WEEK AND UP 28.8 POUNDS FROM A YEAR AGO. THE GRADING PERCENT AS OF 07/16/2024 WAS 82.7% COMPARED TO PREVIOUS WEEK AT 82.8%. ON JULY 18, 2023 CARCASSES WEIGHED 858.2 POUNDS AND GRADED WAS 81.1%.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_2700.PDF](https://www.ams.usda.gov/mnreports/ams_2700.pdf)

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STERLING MARKETING BEEF MARGINS WEEK ENDING [JULY 13, 2024](#)

PACKER MARGIN (\$ /HEAD) (\$95.26) LAST WEEK \$48.92 MONTH AGO (\$68.13) YEAR AGO (\$100.49)

FEEDLOT MARGINS: \$368.29 LAST WEEK \$450.78 MONTH AGO \$398.82 YEAR AGO \$434.1

Sterling Marketing uses 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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EXPORTS WEEK

FOR WEEK ENDING JULY 4, 2024 AT EXPORTS WERE 8,300 MT A MARKETING YEAR LOW

WEEK ENDING JUNE 27, 2024	15,500 MT
WEEK ENDING JUNE 20, 2024	16,700 MT
WEEK ENDING JUNE 13, 2024	14,900 MT
WEEK ENDING JUNE 6, 2024	12,500 MT

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USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/NW_LS196.TXT](https://www.ams.usda.gov/mnreports/nw_ls196.txt) FULL REPORT

FOR WEEK ENDING: 7/06/2024

	NEBRASKA	KANSAS	TEXAS
PRIME	10.95%	8.79%	7.31%
CHOICE	73.37%	74.97%	66.29%
SELECT	11.95%	12.73%	24.14%
OTHER	3.73%	3.52%	2.26%

FOR WEEK ENDING: 6/29/2024

	NEBRASKA	KANSAS	TEXAS
PRIME	11.50%	8.96%	6.36%
CHOICE	72.07%	75.58%	66.38%
SELECT	12.16%	12.97%	24.97%
OTHER	4.27%	2.50%	2.28%

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*****NATIONAL DAILY DIRECT CATTLE 07/16/2024
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1442	\$194.64	38,168
LIVE HEIFER:	1322	\$194.75	15,774
DRESSED STEER	942	\$312.61	6,456
DRESSED HEIFER:	855	\$312.90	2,400

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**USDA POSTED SUMMARY CATTLE PRICES ON 07/16/2024
STEER AND HEIFER COMBINED PRICES UNLESS NOTED**

IA/MN – CASH FOB – - NO REPORTABLE TRADE
DRESSED DELIVERED – 38 STEERS AT 315.00
120 HEIFERS AT 306.00
LIVE DELIVERED NO REPORTABLE TRADE
DRESSED FOB - NO REPORTABLE TRADE

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

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

TX/OK/NM NO REPORTABLE TRADE

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

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OCTOBER/DECEMBER 2024 LIVE CATTLE
 AUGUST 2024 LIVE CATTLE -
 OCTOBER 2024 LIVE CATTLE -

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FEEDER CATTLE

CME FEEDER INDEX ON 07/15/2024 WAS 261.37 DOWN 51 CENTS FROM PREVIOUS DAY

AUGUST 2024 FEEDER CATTLE ON JULY 16, 2024 AT \$258.62

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 07/13/2024

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	162,100	49,100	450,100	661,300
JUL 01, 2024:	115,400	39,000	21,700	176,100
YEAR AGO:	177,600	90,300	422,700	690,600

COMPARED TO LAST REPORT TWO WEEKS AGO, STEERS AND HEIFERS IN THE SOUTH CENTRAL AND NORTH CENTRAL REGIONS SOLD 2.00 TO 7.00 HIGHER, WHILE THE SOUTHEAST SOLD 1.00 TO 3.00 LOWER. GRAZING CONDITIONS ARE REMAINING ADEQUATE IN MANY AREAS, AND IT IS ALLOWING CATTLE PRODUCERS TO KEEP CATTLE TURNED OUT AND NOT HAVING TO PULL CATTLE EARLY.

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

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WEEKLY PRICE CHANGE

	07/12/2024	07/19/2024	CONTRACT HIGH
AUGUST 2024 FEEDER CATTLE	258.65		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	258.10		285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	257.55		275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	257.00		274.70 FEBRUARY 8, 2024

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AUGUST 2024 FEEDER CATTLE -

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 16, 2024	477,000
WEEK AGO	476,000
YEAR AGO	462,888
WEEK TO DATE	955,000
PREVIOUS WEEK	938,000
2023 WEEK TO DATE	912,563
2024 YEAR TO DATE	69,117,737
2023 *YEAR TO DATE	68,331,690
YEAR TO DATE PERCENT CHANGE	1.2%

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_3208.PDF](https://www.ams.usda.gov/mnreports/ams_3208.pdf)

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CME LEAN HOG INDEX ON 07/12/2024 WAS 88.42 UP 4 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/15/2024 AT 96.14 UP 42 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$7.72 TO THE CME PORK INDEX 07/16/2024

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WEEKLY FUTURES PRICE CHANGE

	07/05/2024	07/12/2024	CONTRACT HIGH
JULY 2024 LEAN HOGS	88.70		111.25 APRIL 10, 2024
AUGUST 2024 LEAN HOGS	88.45		108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	70.15		89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	62.37		80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	67.50		82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	74.05		88.00 OCTOBER 13, 2023

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CME LEAN HOG INDEX AS OF JULY 12, 2024 = \$88.42

JULY 2024 LEAN HOGS AS OF JULY 15, 2024 = \$88.65 FUTURES SETTLEMENT

AUGUST 2024 LEAN HOGS AS OF JULY 16, 2024 = \$91.27

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CHEAP IMPORTED MEATS FLOOD MARKET

[HTTPS://E.VNEXPRESS.NET/NEWS/BUSINESS/ECONOMY/CHEAP-IMPORTED-MEATS-FLOOD-MARKET-4770097.HTML](https://e.vnexpress.net/news/business/economy/cheap-imported-meats-flood-market-4770097.html)

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AUGUST LEAN HOGS CONTINUE TO GAIN ON OCTOBER LEAN HOGS. LIVE CATTLE/LEAN HOG SPREADS FOR OCTOBER AND DECEMBER SPREADS MOVED TO EXTREME DIFFERENCE. MONDAY THE DECEMBER LIVE CATTLE/DECEMBER LEAN HOG SPREAD SETTLED WITH CATTLE \$123.27 OVER LEAN HOGS. THE SPREAD HAS HAD BIG MOVES SINCE APRIL 12TH IT MOVED \$24.27 AND A SINCE JUNE 3RD IT GAINED \$14.25.

AT THE SAME TIME PORK PRICES HAVE SLOWLY BEEN MOVING UP. WITH CONSUMERS WANTING CHEAPER PROTIENS AND WITH THE READILY AVAILABLE HOG SUPPLY, THE HIGHER PRICES FOR CATTLE FROM OCTOBER INTO 2025, IT WOULD BE EASY FOR TRADERS TO REVERSE CATTLE/HOG SPREADS.

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LAST WEEK PORK EXPORTS WERE DISAPPOINTING.

EXPORTS

WEEK ENDING JULY 4, 2024 NET EXPORTS WERE 26,500 MT DOWN 29% ON THE 4 WEEK AVERAGE DOWN 55% FROM A WEEK AGO. MEXICO TOOK ONLY 9,000 MT AS THE TOP BUYER . JAPAN TOOK 6400 MT.

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STERLING PORK PROFIT TRACKER WEEK ENDING - [JULY 13, 2024](#)

**PACKER MARGINS \$1.35 LAST WEEK (\$9.29) MONTH AGO \$10.62 YEAR AGO \$8.93
 FARROW TO FINISH MARGINS \$47.01 LAST WEEK \$55.68 MONTH AGO \$46.63 YEAR AGO \$32.26**
 THE PRICES TO CALCULATE MARGINS ARE FROM HOGS SOLD ON NEGOTIATED PRICES AND PORK POSTED ON DAILY CARCASS. BOTH ARE A VERY SMALL AMOUNT OF ACTUAL PORK OR HOG SOLD. STERLING MARKETING CAN ONLY USE DATA PROVIDED AND PRIVATE FORMULAS AND GRIDS FOR HOGS AND PORK ARE NOT INCLUDED BECAUSE PACKERS DON'T SHARE CONTRACTED PORK PRICES AND HOG PRODUCERS SELLING ON FORMULAS AND CONTRACTS DON'T SHARE HOW PRICES ARE STRUCTURED.

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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 : 248.47
 LOADS TRIM/PROCESS PORK : 36.36**

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/16/2024	284.84	100.87	95.61	115.37	73.91	136.58	105.50	125.39
CHANGE:		2.58	-1.07	0.30	-1.44	2.57	9.71	1.71
FIVE DAY AVERAGE --		97.73	95.41	115.02	74.58	134.42	97.14	120.55

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/15/2024	261.11	98.29	96.68	115.07	75.35	134.01	95.79	123.68
CHANGE:		-0.55	1.99	-1.67	0.09	2.39	-6.60	3.40
FIVE DAY AVERAGE --		96.31	95.01	114.70	74.54	133.85	93.79	117.91

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HOG REPORT - PLANT DELIVERED PURCHASE JULY 16, 2024

NATIONAL NEGOTIATED PRICE
HEAD COUNT: 9,564
LOWEST PRICE: 74.00
HIGHEST PRICE: 86.00
WEIGHTED AVERAGE 85.05
CHANGE FROM PREVIOUS DAY 1.93 HIGHER

OTHER MARKET FORMULA (CARCASS)
HEAD COUNT: 29,116
LOWEST BASE PRICE: 81.15
HIGHEST BASE PRICE: 108.31
WEIGHTED AVERAGE PRICE: 88.10

SWINE/PORK MARKET FORMULA (CARCASS)
HEAD COUNT 165,614
LOWEST BASE PRICE: 79.60
HIGHEST BASE PRICE: 91.42
WEIGHTED AVERAGE PRICE 86.87

OTHER PURCHASE ARRANGEMENT (CARCASS)
HEAD COUNT: 62,481
LOWEST BASE PRICE: 78.63
HIGHEST BASE PRICE: 104.36
WEIGHTED AVERAGE PRICE 88.68

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 - JULY 15, 2024

**PRODUCER SOLD:
HEAD COUNT 221,117
AVERAGE LIVE WEIGHT 279.51
AVERAGE CARCASS WEIGHT 209.79

PACKER SOLD:
HEAD COUNT 33,070
AVERAGE LIVE WEIGHT 282.07
AVERAGE CARCASS WEIGHT 211.048

**PACKER OWNED:
HEAD COUNT 178,920
AVERAGE LIVE WEIGHT 273.69
AVERAGE CARCASS WEIGHT 209.50**

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**OCTOBER/DECEMBER LEAN HOG SPREAD –
AUGUST LEAN HOGS –
OCTOBER LEAN HOGS –
DECEMBER 2024 LEAN HOGS -**

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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