ADM Investor Services, Inc.

# Daily Futures Market Commentary
# Livestock Outlook

**MONDAY MORNING JULY 29, 2024 LIVESTOCK REPORT**

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## CATTLE

| | |
|---|---|
| **JULY 26, 2024** | **110,000** |
| **WEEK AGO** | **99,000** |
| **YEAR AGO** | **110,073** |
| **SATURDAY 07/272024** | **10,000 WEEK AGO 10,000, YEAR AGO 8,982** |
| **WEEK TO DATE (EST)** | **600,000** |
| **SAME PERIOD LAST WEEK (EST)** | **584,000** |
| **SAME PERIOD LAST YEAR (ACT)** | **615,823** |
| **2024 YEAR TO DATE** | **17,885,917** |
| **2023 YEAR TO DATE** | **18,719,070** |
| **PERCENT CHANGE YEAR TO DATE** | **-4.5% PRIOR WEEK -4.5%** |
| **YEAR TO DATE PER HEAD CHANGE** | **-833,153 PRIOR WEEK -820,903** |

**HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_3208.PDF**

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**2:00 PM JULY 26, 2024**

| **BOXED BEEF** | **CHOICE** | **SELECT** |
|---|---|---|
| **CURRENT CUTOUT VALUES:** | **313.77** | **297.46** |
| **CHANGE FROM PRIOR DAY:** | **1.31** | **2.35** |
| **CHOICE/SELECT SPREAD:** | **16.31** | |
| **TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):** | **101** | |
| **5 DAY SIMPLE AVERAGE:** | **313.12** | **296.57** |

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**CME BOXED BEEF INDEX ON 07/25/2024 WAS 308.79 UP 4 CENTS FROM PREVIOUS DAY**

**CME BOXED BEEF INDEX ON 07/18/2024 WAS 314.90**

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2:00 PM JULY 26, 2024

| | | |
|---|---|---|
| PRIMAL RIB | 454.35 | 416.44 |
| PRIMAL CHUCK | 262.38 | 262.40 |
| PRIMAL ROUND | 279.54 | 282.31 |
| PRIMAL LOIN | 412.39 | 355.18 |
| PRIMAL BRISKET | 257.01 | 251.05 |
| PRIMAL SHORT PLATE | 213.29 | 213.29 |
| PRIMAL FLANK | 188.91 | 184.14 |

2:00 PM JULY 19, 2024 PREVIOUS WEEK

| | | |
|---|---|---|
| PRIMAL RIB | 449.98 | 409.96 |
| PRIMAL CHUCK | 261.05 | 265.50 |
| PRIMAL ROUND | 280.95 | 280.90 |
| PRIMAL LOIN | 416.02 | 362.27 |
| PRIMAL BRISKET | 258.73 | 251.31 |
| PRIMAL SHORT PLATE | 212.26 | 212.26 |
| PRIMAL FLANK | 184.43 | 184.84 |

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LOAD COUNT AND CUTOUT VALUE SUMMARY

| DATE | CHOICE | SELECT | TRIM | GRINDS | TOTAL | | |
|---|---|---|---|---|---|---|---|
| 07/25 | 77 | 30 | 7 | 17 | 131 | 312.46 | 295.11 |
| 07/24 | 114 | 44 | 11 | 18 | 188 | 312.68 | 293.96 |
| 07/23 | 97 | 41 | 13 | 14 | 165 | 313.21 | 296.66 |
| 07/22 | 85 | 27 | 11 | 26 | 149 | 313.44 | 298.33 |
| 07/19 | 102 | 22 | 0 | 7 | 131 | 313.83 | 298.80 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.

JULY 25, 2024 FINAL

| | | |
|---|---|---|
| CHOICE CUTS | 65.86 LOADS | 2,634,523 POUNDS |
| SELECT CUTS | 12.83 LOADS | 513,150 POUNDS |
| TRIMMINGS | 9.02 LOADS | 360,752 POUNDS |
| GROUND BEEF | 13.48 LOADS | 539,101 POUNDS |

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WEEKLY FUTURES PRICE CHANGE

| | 07/19/2024 | 07/26/2024 | CONTRACT HIGH |
|---|---|---|---|
| AUGUST 2024 LIVE CATTLE | 183.10 | 188.57 | 192.45 9/15/2023 |
| OCTOBER 2024 LIVE CATTLE | 183.47 | 188.55 | 194.67 9/15/2023 |
| DECEMBER 2024 LIVE CATTLE | 184.67 | 189.30 | 197.47 9/15/2023 |
| FEBRUARY 2025 LIVE CATTLE | 186.65 | 189.92 | 199.57 9/20/2023 |
| APRIL 2025 LIVE CATTLE | 188.67 | 190.87 | 196.40 3/14/2024 |

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TRADE VOLUME LAST WEEK WAS LIGHT TO MODERATE. A LARGE PART OF THE TRADE WAS AUGUST LIVE CATTLE MOVING NEARER TO CASH TRADE. THERE WAS LIQUIDATION OF BEAR SPREADS BUT MARKETS REMAIN SLIGHTLY BEAR SPREAD.

THE LIGHT SLAUGHTER ESPECIALLY OVER THE PAST TWO WEEKS LOOKS TO HAVE POSSIBLY PUT A LOW IN FOR BEEF PRICES. FRIDAY THE CHOICE CUTOUT WAS UP $1.31. MOVEMENT WAS LIGHT WITH A TOTAL OF 101 LOADS.

WITH THE LIGHTER SLAUGHTER, THE DROP IN BOXED BEEF PRICES HAS BEEN SLOWING.

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THE 5 DAY NEGOTIATED STEER PRICE ON JULY 26TH WAS $194.36. AUGUST LIVE CATTLE FUTURES SETTLED JULY 26TH AT $188.57. A WEEK AGO THE 5 DAY NEGOTIATED PRICE WAS $195.91.

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THERE IS A DIFFERENCE THIS WEEK FOR THE CATTLE PACKERS ARE BUYING, THEY HAVE INCREASED PRICES PAID IN THE SOUTHWEST UP TO $191.00 WITH A COUPLE LOADS IN TEXAS FOR HEIFERS AT $194.00. PACKERS ARE ALSO CONTINUING TO PAY PREMIUMS IN KANSAS FOR CATTLE THEY CAN SEND TO NEBRASKA.

WEIGHTS ARE DOWN, WHICH IS NORMAL FOR THE SUMMER BUT THIS SUMMER THERE AREN'T THE BIG HEAVIER CATTLE IN THE MIDWEST AND PACKERS NEED SEND THE HIGH CHOICE CATTLE FROM KANSAS INTO NEBRASKA.

FOR THE COMING WEEK PACKERS WILL BE PULLING UP CONTRACT CATTLE WHICH COULD KEEP CATTLE FROM GOING UP. BY THE SECOND WEEK OF AUGUST, DEMAND COULD INCREASE IF RETAILERS NEED SUPPLY FOR LABOR DAY . LABOR DAY IS SEPTEMBER 2, 2024.

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JULY 23, 2024

AS OF JULY 23 2024, DRESSED STEER AND HEIFER CARCASSES AVERAGED 892.0 POUNDS, UP 5.0 POUNDS FROM PREVIOUS WEEK, UP 7 POUNDS IN 2 WEEKS AND UP 31.9 POUNDS FROM A YEAR AGO. THE GRADING PERCENT AS OF 07/23/2024 WAS 83.1% COMPARED TO PREVIOUS WEEK AT 82.7%. ON JULY 25, 2023 CARCASSES WEIGHED 860.1 POUNDS AND GRADED WAS 80.3%.
HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_2700.PDF

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STERLING MARKETING BEEF MARGINS WEEK ENDING JULY 20, 2024
PACKER MARGIN ($ /HEAD ($100.96) LAST WEEK ($92.78)) MONTH AGO ($79.01) YEAR AGO ($175.78)
FEEDLOT MARGINS: $326.95 LAST WEEK $368.29 MONTH AGO $499.63 YEAR AGO $441.06

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 18, 2024 AT EXPORTS WERE 13,200 MT DOWN 4% ON 4 WEEK AVERAGE SOUTH KOREA WAS THE LARGEST BUYER AT 4,400 MT. JAPAN SECOND WITH 2200 MT COMPARED TO 2700 MT A WEEK AGO. CHINA TOOK 1800 MT . LAST WEEK CHINA WAS LARGEST BUYER TAKING 4,700 MT. MEXICO TOOK 1200 MT WHERE A WEEK AGO THEY BOUGHT 2700 MT.

| | |
|---|---|
| WEEK ENDING JULY 11, 2024 | 15,400 MT |
| WEEK ENDING JULY 4, 2024 | 8,300 MT |
| WEEK ENDING JUNE 27, 2024 | 15,500 MT |
| WEEK ENDING JUNE 20, 2024 | 16,700 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: 7/13/2024

| | NEBRASKA | KANSAS | TEXAS |
|---|---|---|---|
| PRIME | 9.44% | 7.71% | 7.16% |
| CHOICE | 72.79% | 75.25% | 65.52% |
| SELECT | 13.62% | 14.06% | 24.62% |
| OTHER | 4.15% | 2.98% | 2.70% |

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% |

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***NATIONAL DAILY DIRECT CATTLE 07/26/2024
5 DAY ACCUMULATED WEIGHTED AVG

| | WEIGHT | PRICE | HEAD |
|---|---|---|---|
| LIVE STEER: | 1444 | $194.36 | 17,837 |
| LIVE HEIFER: | 1283 | $191.78 | 3,951 |
| DRESSED STEER | 928 | $309.83 | 3,147 |
| DRESSED HEIFER: | 827 | $308.38 | 1,120 |

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USDA POSTED SUMMARY CATTLE PRICES ON 07/25/2024
STEER AND HEIFER COMBINED PRICES UNLESS NOTED

IA/MN – CASH FOB – 195.00-198.00 ON 2,343 FOB STEERS
DRESSED DELIVERED – 312.00 ON 1,967 STEERS WEIGHING 961.8 POUNDS
LIVE DELIVERED 196.00-199.00 AVE PRICE 197.94
DRESSED FOB - NO REPORTABLE TRADE

NE – CASH FOB – 197.00-198.00 ON 496 TOTAL AVE PRICE 197.88.
LIVE DELIVERED - 199.50- ON 270 STEERS WEIGHING 1550 POUNDS
DRESSED DELIVERED - 310.00-312.00 ON 4,092 STEERS AVE PRICE 311.64

KS – CASH – 190.00-191.00 ON 2818 HEAD AVE PRICE 190.12
LIVE DELIVERED - 198.0ON 649 TOTAL
DRESSED DELIVERED – 308.00-312.00 ON 200 TOTAL AVE PRICE 308.80
DRESSED FOB – 314.00 ON 76 HEAD OF HEIFERS

TX/OK/NM 190.00 ON 1,960 STEERS
190.00-194.00 ON 1144 HEIFERS AVE PRICE 190.84
(11,744 HEAD TOTAL MOVEMENT FOR THE WEEK)

COLORADO - **INFORMATION NOT AVAILABLE DUE TO CONFIDENTIALITY**
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DECEMBER LIVE CATTLE/DECEMBER LEAN HOG SPREAD –
OCTOBER/DECEMBER 2024 LIVE CATTLE –
DECEMBER/FEBRUARY LIVE CATTLE SPREAD -
AUGUST LIVE CATTLE -
OCTOBER 2024 LIVE CATTLE –
DECEMBER LIVE CATTLE –
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## FEEDER CATTLE

**CME FEEDER INDEX ON 07/25/2024 WAS 258.84 DOWN 22 CENTS FROM PREVIOUS DAY**
**CME FEEDER INDEX ON 07/18/2024 WAS 259.18**

**AUGUST 2024 FEEDER CATTLE ON JULY 26, 2024 AT $259.70**
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**WEEKLY PRICE CHANGE**

| | 07/19/2024 | 07/26/2024 | CONTRACT HIGH |
|---|---|---|---|
| AUGUST 2024 FEEDER CATTLE | 255.60 | 259.70 | 282.92 SEPTEMBER 20, 2023 |
| SEPTEMBER 2024 FEEDER CATTLE | 255.77 | 259.60 | 285.90 SEPTEMBER 28, 2023 |
| OCTOBER 2024 FEEDER CATTLE | 255.65 | 258.30 | 275.17 FEBRUARY 8, 2024 |
| NOVEMBER 2024 FEEDER CATTLE | 255.37 | 257.20 | 274.70 FEBRUARY 8, 2024 |

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## HOGS

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

| | |
|---|---|
| JULY 26, 2024 | 438,000 |
| WEEK AGO | 420,000 |
| YEAR AGO | 459,913 |
| SATURDAY 07/27/2024 | 110,000 WEEK AGO 43,000 YEAR AGO 83,327 |
| WEEK TO DATE (EST) | 2,436,000 |
| SAME PERIOD LAST WEEK (EST) | 2,372,000 |
| SAME PERIOD LAST YEAR (ACT) | 2,398,455 |
| 2024 YEAR TO DATE | 72,961,131 |
| 2023 *YEAR TO DATE | 72,145,093 |
| YEAR TO DATE PERCENT CHANGE | 1.1% PRIOR WEEK 1.1% |
| YEAR TO DATE PER HEAD CHANGE | 816,038 PRIOR WEEK 763,321 |

**HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_3208.PDF**

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**CME LEAN HOG INDEX ON 07/24/2024 WAS 91.39 UP 62 CENTS FROM PREVIOUS DAY**
**CME LEAN HOG INDEX ON 07/17/2024 WAS 89.27**

**CME PORK CUTOUT INDEX 07/25/2024 AT 104.18 UP 1.16 FROM PREVIOUS DAY**
**CME PORK CUTOUT INDEX 07/18/2024 AT 99.57**

**THE CME LEAN HOG INDEX IS MINUS $12.79 TO THE CME PORK INDEX 07/26/2024**
**THE CME LEAN HOG INDEX IS MINUS $10.30 TO THE CME PORK INDEX 07/19/2024**

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**WEEKLY FUTURES PRICE CHANGE**

| | 07/19/2024 | 07/26/2024 | CONTRACT HIGH |
|---|---|---|---|
| AUGUST 2024 LEAN HOGS | 91.57 | 93.47 | 108.30 APRIL 10, 2024 |
| OCTOBER 2024 LEAN HOGS | 74.55 | 78.20 | 89.40 APRIL 9, 2024 |
| DECEMBER 2024 LEAN HOGS | 66.92 | 70.32 | 80.65 JUNE 21, 2023 |
| FEBRUARY 2025 LEAN HOGS | 71.45 | 73.92 | 82.05 APRIL 8, 2024 |
| APRIL 2025 LEAN HOGS | 76.72 | 79.00 | 88.00 OCTOBER 13, 2023 |
| JUNE 2025 LEAN HOGS | 89.87 | 91.60 | 96.80 DECEMBER 18, 2023 |

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**CME LEAN HOG INDEX AS OF JULY 24, 2024 = $91.39**

**AUGUST 2024 LEAN HOGS AS OF JULY 26, 2024 = $93.47**

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**THURSDAY AND FRIDAY LEAN HOG VOLUME WAS LIGHT. AUGUST LEAN HOGS ARE PREMIUM TO THE CME LEAN HOG INDEX BUT WIITH THE STRONGER PORK MARKET, AND CASH HOG MARKET, FUTURES ARE NOT OUT OF LINE AT $2.08 OVER.**

**PACKERS PUSHED UP SLAUGHTER THIS WEEK WITH A 110,000 HEAD SLAUGHTER FOR SATURDAY. LAST MONDAY'S SLAUGHTER WAS LIGHT AND THEY MADE UP FOR IT SATURDAY.**

**THE LEAN HOG INDEX TO PORK INDEX HAS PORK AT $12.79 OVER THE CME LEAN HOG INDEX. FOR PACKERS THAT SLAUGHTER CATTLE AND HOGS, IT IS GOING TO HELP THEIR BOTTOM LINE COMPARED TO PACKERS THAT JUST SLAUGHTER CATTLE.**

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**A GOOD SOLID WEEK FOR PORK EXPORTS. ALTHOUGH THEY HAVE DROPPED A BIT FROM THE FIRST HALF OF THE YEAR, AT 30,200 MT PORK EXPORTS ARE VERY GOOD AND ARE HELPING TO SUPPORT PORK AND HOG PRICES.**

**EXPORTS**

**WEEK ENDING JULY 18, 2024 NET EXPORTS WERE 30,200 MT DOWN 19% ON THE 4 WEEK AVERAGE . MEXICO TOOK 7,700 COMPARED TO A WEEK AGO AT 9,000 MT. SOUTH KOREA BOUGHT 6400 MT AND JAPAN 4500 MT. CHINA TOOK 2,100 A WEEK AGO THEY BOUGHT 2800 MT.**

**WEEK ENDING JULY 11, 2024 NET EXPORTS WERE 23,700 MT**
**WEEK ENDING JULY 4, 2024 NET EXPORTS WERE 26,500 MT**

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STERLING PORK PROFIT TRACKER WEEK ENDING - JULY 20 , 2024

PACKER MARGINS $15.69 LAST WEEK $1.47 MONTH AGO $7.28 YEAR AGO $40.94

FARROW TO FINISH MARGINS $38.45 LAST WEEK $44.55 MONTH AGO $45.88 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 : 236.83

LOADS TRIM/PROCESS PORK : 26.00

| 2:00 PM | LOADS | CARCASS | LOIN | BUTT | PIC | RIB | HAM | BELLY |
|---|---|---|---|---|---|---|---|---|
| 07/26/2024 | 262.83 | 105.17 | 96.88 | 109.72 | 76.56 | 120.67 | 114.98 | 144.21 |
| CHANGE: | | -0.78 | -1.10 | -4.83 | 0.99 | -5.32 | -0.44 | 3.57 |
| FIVE DAY AVERAGE -- | | 104.78 | 96.92 | 111.43 | 76.14 | 128.35 | 113.54 | 140.01 |

PREVIOUS WEEK

| 2:00 PM | LOADS | CARCASS | LOIN | BUTT | PIC | RIB | HAM | BELLY |
|---|---|---|---|---|---|---|---|---|
| 07/19/2024 | 292.86 | 102.16 | 98.90 | 113.39 | 75.48 | 134.58 | 104.42 | 132.19 |
| CHANGE: | | 1.91 | 2.80 | 0.00 | 1.32 | 4.09 | 2.30 | 2.02 |
| FIVE DAY AVERAGE -- | | 100.18 | 96.91 | 113.53 | 74.88 | 133.09 | 101.57 | 127.61 |

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HOG REPORT - PLANT DELIVERED PURCHASE JULY 26, 2024

NATIONAL NEGOTIATED PRICE
HEAD COUNT 1,365
LOWEST PRICE: 76.00
HIGHEST PRICE: 85.00
WEIGHTED AVERAGE 82.13
CHANGE FROM PREVIOUS DAY -2.38 LOWER

OTHER MARKET FORMULA (CARCASS)
HEAD COUNT: 27,092
LOWEST BASE PRICE: 66.79
HIGHEST BASE PRICE: 108.31
WEIGHTED AVERAGE PRICE: 92.18

SWINE/PORK MARKET FORMULA (CARCASS)
HEAD COUNT 168,215

**LOWEST BASE PRICE: 82.91**
**HIGHEST BASE PRICE: 104.08**
**WEIGHTED AVERAGE PRICE 91.23**

**OTHER PURCHASE ARRANGEMENT (CARCASS)**
**HEAD COUNT: 51,967**
**LOWEST BASE PRICE: 78.89**
**HIGHEST BASE PRICE: 104.36**
**WEIGHTED AVERAGE PRICE 92.39**

**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**
**SLAUGHTER DATA – JULY 25, 2024**

****PRODUCER SOLD:**
**HEAD COUNT 241,563**
**AVERAGE LIVE WEIGHT 282.18**
**AVERAGE CARCASS WEIGHT 211.46**

**PACKER SOLD:**
**HEAD COUNT 35,323**
**AVERAGE LIVE WEIGHT 282.20**
**AVERAGE CARCASS WEIGHT 212.58**

**PACKER OWNED:**
**HEAD COUNT 177,456**
**AVERAGE LIVE WEIGHT 278.18**
**AVERAGE CARCASS WEIGHT 212.21**

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**DECEMBER LIVE CATTLE/DECEMBER LEAN HOG SPREAD IN CATTLE SECTION**
**OCTOBER/DECEMBER LEAN HOG SPREAD –**
**DECEMBER 2024/FEBRUARY 2025 LEAN HOG SPREAD**
**OCTOBER LEAN HOGS –**
**DECEMBER 2024 LEAN HOGS -**
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