ADM Investor Services, Inc.

MONDAY MORNING AUGUST 05, 2024 LIVESTOCK REPORT

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CATTLE

AUGUST 2, 2024	116,000
WEEK AGO	110,000
YEAR AGO	115,294
SATURDAY 08/03/2024	3,000 WEEK AGO 10,000, YEAR AGO 7,020
WEEK TO DATE (EST)	593,000
SAME PERIOD LAST WEEK (EST)	600,000
SAME PERIOD LAST YEAR (ACT)	615,321
2024 YEAR TO DATE	18,484,291
2023 YEAR TO DATE	19,334,391
PERCENT CHANGE YEAR TO DATE	-4.4% PRIOR WEEK -4.5%
YEAR TO DATE PER HEAD CHANGE	-833,153 PRIOR WEEK -833,153

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

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2:00 PM AUGUST 02 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	313.77	297.17
JULY 26, 2024 CUTOUT VALUE:	313.77	297.46
CHANGE FROM PRIOR DAY:	0.98	(0.29)
CHOICE/SELECT SPREAD:	16.60	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	110	
5 DAY SIMPLE AVERAGE:	314.12	299.59

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CME BOXED BEEF INDEX ON 08/01/2024 WAS 310.71 DOWN 6 CENTS FROM PREVIOUS DAY

CME BOXED BEEF INDEX ON 07/25/2024 WAS 308.79

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2:00 PM AUGUST 02, 2024

PRIMAL RIB	448.42	429.85
PRIMAL CHUCK	264.26	264.46
PRIMAL ROUND	281.56	275.58
PRIMAL LOIN	407.72	348.72
PRIMAL BRISKET	260.63	246.25
PRIMAL SHORT PLATE	219.31	219.31
PRIMAL FLANK	190.37	191.78

2:00 PM JULY 26, 2024 PREVIOUS WEEK

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

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LOAD COUNT AND CUTOUT VALUE SUMMARY

DATE	CHOICE	SELECT	TRIM	GRINDS	TOTAL		
08/01	75	38	6	9	128	312.79	297.46
07/31	94	27	9	14	145	314.77	300.16
07/30	74	23	10	12	119	314.48	301.38
07/29	92	23	13	19	145	314.81	301.52
07/26	66	13	9	13	101	313.77	297.46 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.

AUGUST 01, 2024 FINAL

CHOICE CUTS	72.25 LOADS	2,890,010 POUNDS
SELECT CUTS	19.97 LOADS	798,623 POUNDS
TRIMMINGS	6.04 LOADS	241,448 POUNDS
GROUND BEEF	11.86 LOADS	474,201 POUNDS

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WEEKLY FUTURES PRICE CHANGE

	07/26/2024	08/02/2024	CONTRACT HIGH
AUGUST 2024 LIVE CATTLE	188.57	184.10	192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	188.55	182.07	194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	189.30	182.20	197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	189.92	183.32	199.57 9/20/2023
APRIL 2025 LIVE CATTLE	190.87	184.45	196.40 3/14/2024

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THERE WAS A FRIDAY INCREASE IN SLAUGHTER AS THE PLANT IN OMAHA KILLED CATTLE THAT MISSED THURSDAY'S KILL BUT PACKERS ON SATURDAY ESSENTIALLY TURNED OFF THE POWER. SLAUGHTER WAS DOWN 7000 HEAD FROM A WEEK AGO TO 593,000 HEAD.

PACKERS ARE KEEPING KILL DOWN. HEIFERS AND STEER CARCASSES ARE UP 30 POUNDS OR CLOSE TO 50 POUNDSLIVE WEIGHT. IF THEY BRING IN MORE CATTLE BEEF PRICES WILL DROP AND PACKERS CAN'T AFFORD TO HAVE LOWER BEEF PRICES AS LONG AS CATTLE ARE SELLING AT CURRENT PRICES.

THE DOW JONES WHEN LIVE CATTLE CLOSED ON FRIDAY WAS DOWN ABOUT 800 POINTS, THE SECOND DAY OF STEEP DECLINES. CRUDE OIL WAS DOWN. REPORTERS ARE USING TALK OF RECESSION FOR 4TH QUARTER AND INTO 2025.

LIVE CATTLE FUTURES TOPPED ON JULY 25TH TO THE 29TH AND FUTURES HAVE BEEN BEAR SPREAD. VOLUME UP TO THURSDAY WAS LIGHT BUT AUGUST VOLUME HAS JUMPED. FRIDAY VOLUME FOR GLOBEX VOLUME FOR OCTOBER WAS 53,625 CONTRACTS, DECEMBER WAS 29473. VOLUME INCREASED 3 TIMES FROM END OF JULY INTO AUGUST..

FUNDS ARE NOT "TALKING" ABOUT RECESSION. POSITIONS FLIPPED FROM LIGHT VOLUME BUYING TO HEAVY VOLUME SELLING.

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THE 5 DAY NEGOTIATED STEER PRICE ON AUGUST 2ND WAS $195.42. AUGUST LIVE CATTLE FUTURES SETTLED AUGUST 2 AT $184.10.

<u>MONDAY AUGUST 5TH IS FIRST NOTICE DAY.</u>

LAST WEEK CASH CATTLE PRICES DOWN $2.00. PACKERS ARE DISCOUNTING LOADS WITH MORE THAN 15% SELECT CATTLE IN THE LOAD.

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THERE ARE 1% MORE CATTLE ON FEED AND THE MARKET IS ALSO REACTING TO IT.

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A YEAR AGO DURING AUGUST, BOXED BEEF PRICES MOVED UP, BUT THE HIGHER PRICES FOR BEEF DID NOT TRANSLATE TO HIGHER CATTLE PRICES.

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DRESSED STEERS AND HEIFER ARE 30.7 POUNDS MORE THAN A YEAR AGO. THE EXTRA WEIGHT AND BEEF IMPORTS ARE ADDING BEEF TO THE MARKET.
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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JULY 30, 2024

AS OF JULY 30 2024, DRESSED STEER AND HEIFER CARCASSES AVERAGED 892.7 POUNDS, UP .7 POUND FROM PREVIOUS WEEK, UP 7 POUNDS IN 2 WEEKS AND UP 30.7 POUNDS FROM A YEAR AGO. THE GRADING PERCENT AS OF 07/30/2024 WAS 83.2% COMPARED TO PREVIOUS WEEK AT 83.1%. ON AUGUST 1, 2023 CARCASSES WEIGHED 862. POUNDS AND GRADED WAS 80.0%.
HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_2700.PDF
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STERLING MARKETING BEEF MARGINS WEEK ENDING JULY 27, 2024
PACKER MARGIN ($ /HEAD ($107.33) LAST WEEK ($101.44) MONTH AGO ($86.52) YEAR AGO ($194.26)
FEEDLOT MARGINS: $350.53 LAST WEEK $326.95 MONTH AGO $462.28 YEAR AGO $442.92
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 25, 2024 AT EXPORTS WERE 17,700 MT UP 35% ON THE 4 WEEK AVERAGE SOUTH KOREA WAS THE LARGEST BUYER AT 4,400 MT COMPARED TO 5300 LAST WEEK. JAPAN BOUGHT 3500 MT COMPARED TO 2200 MT A WEEK AGO. CHINA TOOK 2100 MT COMPARED TO 1800 MT LAST WEEK LAST WEEK CHINA WAS LARGEST BUYER TAKING 4,700 MT. MEXICO TOOK 1200 MT WHERE A WEEK AGO THEY BOUGHT 2700 MT. MEXICO BOUGHT 2100 MT.

WEEK ENDING JULY 18, 2024	**13,200 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**

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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: 7/20/2024

	NEBRASKA	KANSAS	TEXAS
PRIME	10.18%	8.20%	6.83%
CHOICE	74.37%	76.63%	65.39%
SELECT	11.52%	12.57%	25.13%
OTHER	3.93%	2.60%	2.64%

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%

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***NATIONAL DAILY DIRECT CATTLE 08/02/2024

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1465	9,837	36,940
LIVE HEIFER:	1335	$195.42	13,503
DRESSED STEER	946	$310.81	18,345
DRESSED HEIFER:	843	$310.23	4,004

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USDA POSTED SUMMARY CATTLE PRICES ON 08/02/2024

STEER AND HEIFER COMBINED PRICES UNLESS NOTED

IA/MN – CASH FOB – 193.00-196.50 FOR 7,225 FOB STEERS AVE PRICE 194.86
DRESSED DELIVERED – 304.00-310.00 ON 1,177 TOTAL HEAD AVE PRICE 308.26
LIVE DELIVERED 195.00-196.00 ON 94 TOTAL AVE PRICE 195.59
DRESSED FOB - NO REPORTABLE TRADE

NE – CASH FOB – 196.00-198.00- ON 1,637 FOB STEERS AVE PRICE 196.07
LIVE DELIVERED - NO REPORTABLE TRADE
DRESSED DELIVERED - 306.00-310.00 ON 1,073 TOTAL AVE PRICE 309.11

KS – CASH – 188.00-196.00 ON 525 FOB STEERS AVE PRICE 188.93
188.00-195.00 ON 1575 FOB HEIFERS AVE PRICE 194.19
LIVE DELIVERED - NO REPORTABLE TRADE
DRESSED DELIVERED 310.00 ON 80 HEAD
DRESSED FOB – NO REPORTABLE TRADE

TX/OK/NM 185.00- 187.00 ON 452 TOTAL FOB CATTLE
(9,837 TOTAL CATTLE FOR THE WEEK)

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

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DECEMBER LIVE CATTLE/DECEMBER LEAN HOG SPREAD – CATTLE LOST 5.92 TO HOGS. SINCE JULY 15TH THEY HAVE LOST $10.22.

OCTOBER/DECEMBER 2024 LIVE CATTLE – BEAR SPREAD BUT BARELY

DECEMBER/FEBRUARY LIVE CATTLE SPREAD - BEAR SPREAD

OCTOBER 2024 LIVE CATTLE – DOWN TO JUNE 13TH PRICE SUPPORT AT 179.65 RESISTANCE AT 184.00
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FEEDER CATTLE

CME FEEDER INDEX ON 07/31/2024 WAS 257.72 DOWN 10 CENTS FROM PREVIOUS DAY
CME FEEDER INDEX ON 07/25/2024 WAS 258.84

AUGUST 2024 FEEDER CATTLE ON AUGUST 02, 2024 AT $249.65
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FEEDER CATTLE ARE HIGH PRICED. FOR THE BUYER EVEN WITH CHEAPER GRAIN PRICES, PUTTING CATTLE ON FEED IS A LARGE CAPITAL OUTLAY. AT THE SAME TIME, COW CALF PRODUCERS IN THE NORTHERN GROWING STATES, THE MOUNTAINS AND CANADA HAVE HAD SOLID PROFITABLE YEARS. IT IS THE SOUTHWEST AND WEST THAT HAD PROBLEMS IN 2025 EXPECT TO SEE MORE FEEDER CATTLE COMING FROM THE NORTHERN PLAINS, MOUNTAIN STATES AND CANADIAN CATTLE.
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WEEKLY PRICE CHANGE

	07/26/2024	08/02/2024	CONTRACT HIGH
AUGUST 2024 FEEDER CATTLE	259.70	249.65	282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	259.60	248.15	285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	258.30	246.57	275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	257.20	245.32	274.70 FEBRUARY 8, 2024

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OCTOBER 2024 FEEDER CATTLE - FILLED GAP BACK TO DECEMBER 15TH NEXT SUPPORT AT 236.05 RESISTANCE 252.00
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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

AUGUST 02, 2024	476,000
WEEK AGO	438,000
YEAR AGO	418,100
SATURDAY 08/03/2024	63,000 WEEK AGO 110,000 YEAR AGO 34,089
WEEK TO DATE (EST)	2,455,000
SAME PERIOD LAST WEEK (EST)	2,436,000
SAME PERIOD LAST YEAR (ACT)	2,347,889
2024 YEAR TO DATE	75,417,654
2023 *YEAR TO DATE	74,492,982
YEAR TO DATE PERCENT CHANGE	1.2% PRIOR WEEK 1.1%
YEAR TO DATE PER HEAD CHANGE	924,672 PRIOR WEEK 816,038

816,038763,321HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_3208.PDF

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CME LEAN HOG INDEX ON 07/31/2024 WAS 93.53 UP 45 CENTS FROM PREVIOUS DAY
CME LEAN HOG INDEX ON 07/24/2024 WAS 91.39

CME PORK CUTOUT INDEX 08/01/2024 AT 105.64 DOWN 3 CENTS FROM PREVIOUS DAY
CME PORK CUTOUT INDEX 07/25/2024 AT 104.18

THE CME LEAN HOG INDEX IS MINUS $12.11TO THE CME PORK INDEX 08/02/2024
THE CME LEAN HOG INDEX IS MINUS $12.79

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WEEKLY FUTURES PRICE CHANGE

	07/262024	08/02/2024	CONTRACT HIGH
AUGUST 2024 LEAN HOGS	93.47	92.20	108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	78.20	76.57	89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	70.32	69.15	80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	73.92	72.37	82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	79.00	77.05	88.00 OCTOBER 13, 2023
JUNE 2025 LEAN HOGS	91.60	88.90	96.80 DECEMBER 18, 2023

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CME LEAN HOG INDEX AS OF JULY 31, 2024 = $93.53

AUGUST 2024 LEAN HOGS AS OF AUGUST 02, 2024 = $92.20
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PORK PRICES OVER THE WEEK HAVE MOVED HIGHER. THE 5 DAY PORK CARCASS AVERAGE AS OF FRIDAY COMPARED TO A WEEK AGO WAS UP.71 CENTS. HOWEVER, MOST OF THE GAIN HAS BEEN ON BELLIES, UP $11.59 . HAMS THAT WERE THE LEADER THROUGHOUT JULY, BUT NOW WERE DOWN $4.83 FOR THE WEEK. RIBS LOST $507. LOINS HAD A SLIGHT GAIN OF 54 CENTS.

THE JULY 25TH COLD STORAGE REPORT SHOWED BELLY STOCKS DOWN 16% FROM THE PREVIOUS MONTH AND 14% FROM A YEAR AGO SO IT ISN'T MUCH SURPRISE DURING PEAK SEASON FOR BELLIES THAT PRICES ARE HIGHER BUT DEMAND IS LIKELY TO DROP INTO SEPTEMBER. WITH THE DROP IN HAMS, UNLESS HAMS TURN UP, PORK PRICES WILL FALL. ALSO, PORK MOVEMENT HAS BEEN LIGHT, IF DAILY MOVEMENT INCREASES, IT WILL BE NEGATIVE FOR PORK.

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FUNDAMANTALY THE BEARISH NEWS FOR 4TH QUARTER HOGS IS INCREASING HOG NUMBERS AND THE GLOBAL MARKET. IT IS EXPECTED THAT CHINA WILL IMPORT MUCH LESS PORK. ACCORDING TO THE USDA GLOBAL TRADE REPORT ON JULY 12TH, IT IS ESTIMATED CHINA WILL TAKE IN ABOUT 21% LESS PORK. EXPORTERS BRAZIL, SPAIN, DENMARK, NETHERLANDS AND THE U.S. ARE GOING TO NEED TO FIND NEW BUYERS AND FIGHT FOR SPACE ON THE EXPORT LADDER.

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EXPORTS

WEEK ENDING JULY 25, 2024 NET EXPORTS WERE 31,500 MT DOWN 10% ON THE 4 WEEK AVERAGE . MEXICO TOOK 12,800 MT COMPARED TO 7,700 MT. COLUMBIA WAS THE SECOND LARGEST BUYER WITH 4,100 MT. CANADA WAS THIRD WITH 3,700 MT.SOUTH KOREA BOUGHT JUST 1,800 MT COMPARED TO A WEEK AGO AT 6400 MT AND JAPAN AT 2,600 MT COMPARED TO 4500 MT LAST WEEK CHINA WAS ABSENT.

WEEK ENDING JULY 18, 2024 NET EXPORTS WERE 30,200 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 27 , 2024
PACKER MARGINS $25.97 LAST WEEK $15.50 MONTH AGO ($0.82) YEAR AGO $4.95
FARROW TO FINISH MARGINS $37.31 LAST WEEK $37.58 MONTH AGO $48.19 YEAR AGO $46.25

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%

LOADS PORK CUTS : 199.81
LOADS TRIM/PROCESS PORK : 33.76

2:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
08/02/2024	233.57	104.31	96.79	108.38	77.06	121.10	105.23	152.65
CHANGE:		-1.55	-2.02	-3.12	-2.36	-3.70	-1.06	-0.73
FIVE DAY AVERAGE --		105.49	97.46	110.67	78.18	123.28	108.21	152.00

PREVIOUS WEEK

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

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HOG REPORT - PLANT DELIVERED PURCHASE AUGUST 02, 2024

NATIONAL NEGOTIATED PRICE
HEAD COUNT 525
LOWEST PRICE: 84.00
HIGHEST PRICE: 85.00
WEIGHTED AVERAGE 84.07
CHANGE FROM PREVIOUS DAY -1.16 LOWER

OTHER MARKET FORMULA (CARCASS)
HEAD COUNT: 30,325
LOWEST BASE PRICE: 73.49
HIGHEST BASE PRICE: 107.12
WEIGHTED AVERAGE PRICE: 89.80

SWINE/PORK MARKET FORMULA (CARCASS)
HEAD COUNT 149,008
LOWEST BASE PRICE: 83.55
HIGHEST BASE PRICE: 97.74
WEIGHTED AVERAGE PRICE 92.50

OTHER PURCHASE ARRANGEMENT (CARCASS)
HEAD COUNT: 56,018
LOWEST BASE PRICE: 79.14
HIGHEST BASE PRICE: 104.64
WEIGHTED AVERAGE PRICE 93.15
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
SLAUGHTER DATA – AUGUST 1, 2024

****PRODUCER SOLD:**
HEAD COUNT 238,816
AVERAGE LIVE WEIGHT 280.52
AVERAGE CARCASS WEIGHT 210.10

PACKER SOLD:
HEAD COUNT 36,395
AVERAGE LIVE WEIGHT 282.05
AVERAGE CARCASS WEIGHT 212.00

PACKER OWNED:
HEAD COUNT 174,663
AVERAGE LIVE WEIGHT 277.36
AVERAGE CARCASS WEIGHT 211.27
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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 2024 LEAN HOGS –
DECEMBER 2024 LEAN HOGS –

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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