



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING FEBRUARY 28, 2024 LIVESTOCK REPORT

Chris Lehner, Senior Livestock Analyst | 312.242.7942 | chris.lehner@admis.com

CATTLE

FEBRUARY 27, 2024	125,000
WEEK AGO	125,000
YEAR AGO	126,094
WEEK TO DATE	247,000
PREVIOUS WEEK	229,000
2023 WEEK TO DATE	249,930
YTD 2024	5,004,748
YTD 2023	5,279,675
YTD% CHANGE	-5.2%

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

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2:00 PM FEBRUARY 27, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	301.74	290.40
CHANGE FROM PRIOR DAY:	(0.05)	2.41
CHOICE/SELECT SPREAD:		11.34
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		100
5 DAY SIMPLE AVERAGE:	299.47	286.48

CME BOXED BEEF INDEX ON 02/26/2024 WAS \$296.96 UP 87 CENTS FROM PREVIOUS DAY

2:00 PM FEBRUARY 27, 2024

PRIMAL RIB	454.49	430.61
PRIMAL CHUCK	259.70	248.83
PRIMAL ROUND	260.48	257.39

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PRIMAL LOIN	395.01	374.59
PRIMAL BRISKET	230.72	223.71
PRIMAL SHORT PLATE	207.26	207.26
PRIMAL FLANK	141.90	141.34

2:00 PM FEBRUARY 26, 2024

PRIMAL RIB	465.12	426.47
PRIMAL CHUCK	259.00	250.97
PRIMAL ROUND	259.00	253.35
PRIMAL LOIN	393.50	367.60
PRIMAL BRISKET	227.53	222.84
PRIMAL SHORT PLATE	205.38	205.38
PRIMAL FLANK	141.55	141.05

2:00 PM FEBRUARY 28, 2023

PRIMAL RIB	468.72	423.61
PRIMAL CHUCK	231.17	233.04
PRIMAL ROUND	229.57	231.39
PRIMAL LOIN	402.80	376.55
PRIMAL BRISKET	211.57	214.74
PRIMAL SHORT PLATE	198.52	198.52
PRIMAL FLANK	167.15	164.27

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
02/26	51	10	10	12	82	301.79	287.99
02/23	68	13	30	35	146	FRIDAY 300.61	286.31 FRIDAY
02/22	101	19	8	15	143	299.79	285.81
02/21	54	20	12	19	105	297.80	284.46
02/20	66	17	11	16	110	297.37	287.82

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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.

February 27, 2024

Choice Cuts	59.29 loads	2,371,441 pounds
Select Cuts	14.38 loads	575,298 pounds
Trimming	13.26 loads	530,579 pounds
Ground Beef	12.92 loads	516,637 pounds

FEBRUARY 2024 LIVE CATTLE DELIVERIES

0 DELIVERIES ON FEBRUARY 27,2024

DATE 02/27/24 SETTLEMENT: \$185.60
OLDEST LONG – 02/07/2024 \$182.22

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WEEKLY FUTURES PRICE CHANGE

	02/23/2023	03/01/2024	CONTRACT HIGH
FEBRUARY 2024 LIVE CATTLE	185.60		196.60 9/19/2023
APRIL 2024 LIVE CATTLE	187.90		199.82 9/15/2023
JUNE 2024 LIVE CATTLE	183.87		194.02 9/15/2023
AUGUST 2024 LIVE CATTLE	183.00		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	185.90		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	189.20		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	192.32		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	194.25		195.35 11/02/2023

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Fires are burning across the panhandle of Texas. So far there has been no reports of death losses but likely there will be some that were not able to move.

Expect cash cattle trading to develop late this week. Packers have cut kill to keep from paying up for cattle and they will buy only enough cattle to fill beef orders.

There are fewer cattle and with fewer cattle it is usually supportive for higher cattle prices. But with packers cutting slaughter, they intentionally are curbing the need for cattle. Slowing slaughter puts less beef on grocery store shelves. At the same time consumers want cheaper beef. Consumer demand is going to be the reason cattle prices will go higher or turn away from higher prices.

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Look for increasing beef imports of high end beef sections and lower grade beef to meet the demand and at the grocery store to offer consumers a way to buy less expensive U.S. beef. A consumer looking for ways to keep food cost down doesn't care about country of origin. The fast food industry is a perfect example. How many people ask if the hamburger patty is US beef?

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Cutting hours and paying union workers guaranteed hours, 32 hours/week, is costly. It is the first step. If numbers don't increase, look for packers to start laying off workers, going to compensation and closing inefficient plants. The smaller regional packers struggling to buy cattle will lose beef orders because they can't supply product and will be the first to close their doors over the big 4 national packers. National packers also have an advantage of importing beef from South America and Australia especially those with facilities in the countries. It is also likely to have packers temporarily

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shut down for two to three months to renovate and modernize. Modernization will reduce costs as renovation means increasing robotics and less labor.

EXPORTS WEEK

FOR WEEK ENDING FEBRUARY 15, 2024 NET EXPORTS WERE 12,600 MT. JAPAN BOUGHT 4300 MT, SOUTH KOREA TOOK 2700 MT AND MEXICO BOUGHT 2100 MT. EXPORTS WERE DISAPPOINTING.

WEEK ENDING FEBRUARY 8, 2024	16,600MT
WEEK ENDING FEBRUARY 1, 2024	20,600MT
WEEK ENDING JANUARY 25, 2024	16,700 MT
WEEK ENDING JANUARY 18, 2024	22,400 MT

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

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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: 2/17/2024

	Nebraska	Kansas	Texas
Prime	11.66%	7.01%	4.51%
Choice	75.61%	77.71%	66.25%
Select	8.74%	12.55%	27.18%
Other	3.98%	2.73%	2.06%

For Week Ending: 2/10/2024

	Nebraska	Kansas	Texas
Prime	13.14%	7.00%	4.44%
Choice	73.21%	77.68%	66.31%
Select	8.99%	12.37%	27.26%
Other	4.66%	2.96%	1.99%

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT FEBRUARY 27, 2024

As of February 27 2024, dressed steer and heifer carcasses averaged 875.9 pounds up 1.4 pounds from previous week and up 7.6 pounds from a year ago. The grading percent as of 02/27/24 was 84.6 % compared to previous week at 84.0%. On February 28, 2023 carcasses weighed 868.3 pounds and graded 85.2%

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

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*****NATIONAL DAILY DIRECT CATTLE 02/27/2024
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1496	\$182.96	28,684
LIVE HEIFER:	1353	\$182.92	17,112
DRESSED STEER	936	\$291.57	9,639
DRESSED HEIFER:	850	\$291.68	3,437

PREVIOUS YEAR

*****NATIONAL DAILY DIRECT CATTLE 02/28/23
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1504	\$163.72	37,225
LIVE HEIFER:	1353	\$163.59	18,634
DRESSED STEER	925	\$260.98	9,137
DRESSED HEIFER:	845	\$261.59	6,017

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**USDA POSTED SUMMARY CATTLE PRICES ON 02/27/2024
STEER AND HEIFER COMBINED PRICES UNLESS NOTED**

IA/MN – CASH FOB – NO REPORTABLE TRADE
CASH FOB – NO REPORTABLE TRADE
DRESSED DELIVERED – 288.00 ON 117 HEAD OF HEIFERS AND MIXED LOAD
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
DRESSED DELIVERED - NO REPORTABLE TRADE

TX/OK/NM CASH – NO REPORTABLE TRADE

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

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**APRIL 2024/JUNE 2024 LIVE CATTLE SPREAD –
APRIL 2024 LIVE CATTLE –**

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FEEDER CATTLE

CME FEEDER INDEX ON 02/26/2024 WAS 246.47 DOWN 17 CENTS FROM PREVIOUS DAY

MARCH 2024 FEEDER CATTLE FUTURES SETTLED ON 02/27/2024 AT \$253.00

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Grain prices are down which is a big help but with current Live Cattle futures and Feeder Cattle prices, lenders aren't going to lend if cattle aren't contracted or hedged.
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WEEKLY FUTURES PRICE CHANGE

	02/23/2023	03/01/2024	CONTRACT HIGH
MARCH 2024 FEEDER CATTLE	254.57		270.10 SEPTEMBER 15, 2023
APRIL 2024 FEEDER CATTLE	259.97		273.60 SEPTEMBER 19, 2023
MAY 2024 FEEDER CATTLE	262.07		272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	270.87		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	271.55		285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	271.60		275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	270.37		274.70 FEBRUARY 8, 2024

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APRIL/MAY FEEDER CATTLE SPREAD –
APRIL 2024 FEEDER CATTLE –
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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

FEBRUARY 27, 2024	491,000
WEEK AGO	490,000
YEAR AGO	487,775
WEEK TO DATE	983,000
PREVIOUS WEEK	980,000
2023 WEEK TO DATE	971,369
YTD 2024	21,291,422
YTD 2023	21,009,749
YTD% CHANGE	1.3%

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

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CME LEAN HOG INDEX ON 02/23/2024 WAS 79.46 UP 36 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 02/26/2024 AT 91.32 DOWN 56 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$11.86 TO THE CME PORK INDEX. 02/27/2024

APRIL 2024 LEAN HOGS ON FEBRUARY 27, 2024 SETTLED AT \$85.90

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WEEKLY FUTURES PRICE CHANGE

	02/23/2023	03/01/2024	CONTRACT HIGH
APRIL 2023 LEAN HOGS	87.20		91.60 FEBRUARY 23, 2023
JUNE 2024 LEAN HOGS	99.37		103.95 DECEMBER 14, 2022
JULY 2024 LEAN HOGS	100.20		102.60 FEBRUARY 22, 2023
AUGUST 2024 LEAN HOGS	99.62		99.97 FEBRUARY 26, 2024
OCTOBER 2024 LEAN HOGS	84.42		85.20 MAY 15, 2023
DECEMBER 2024 LEAN HOGS	76.15		80.65 JUNE 21, 2023
FEBRUARY 2024 LEAN HOGS	78.80		81.50 AUGUST 30, 2023

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The pork carcass continues to move up. February has seen best advancements in the carcass from butts, ribs and hams. Strength in hams is coming from exports and butts and ribs from the restaurant and home smokers.

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Lean hog trade volume was light Tuesday. April through October Lean Hogs are at premiums to current cash with April \$6.44 over the CME Lean Hog Index and June \$19.86 over it. Pork has two strong positives. Pork is cheaper than beef and there is a plentiful supply. Retailers can offer pork with low pricing to the consumer and maintain profit margins.

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Slaughter is increasing and with packers working in the black they aren't hesitant to pay up for hogs especially with pork prices up better than hogs. Pork prices remain cheap and on the global market pork demand is strong.

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Last week hog slaughter compared to last week was down 63,000 head. Compared to the same week in 2023 slaughter was up 69,498 head. Year to date slaughter is up 51,063 head.

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EXPORTS

PORK EXPORTS CONTINUE TO SUPPORT THE PORK AND HOG MARKETS. FOR WEEK ENDING FEBRUARY 15, 2024 NET EXPORTS WERE 28,900 MT. MEXICO WAS THE LARGEST BUYER WITH 13,200 MT, JAPAN WITH 4100 MT AND CANADA THIRD TAKING 2300 MT. CHINA WAS ABSENT INDICATING

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THEIR LAST TWO LARGEST BUYS WERE TO REFILL STOCKS WITH LUNAR HOLIDAY BUYING AS IS A NORMAL YEARLY SEASONAL PURCHASE

WEEK ENDING FEBRUARY 8, 2024 NET EXPORTS WERE 33,736 MT ADJUSTED DOWN FROM 71,900 MT PREVIOUSLY REPORTED

WEEK ENDING FEBRUARY 1, 2024 NET EXPORTS WERE 39,200 MT

WEEK ENDING JANUARY 25, 2024 NET EXPORTS WERE 42,900 MT

WEEK ENDING JANUARY 18, 2024 NET EXPORTS WERE 24,100 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 : 271.53

Loads TRIM/PROCESS PORK : 48.00

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
02/27/2024	319.53	91.87	86.64	109.04	63.26	155.29	83.27	127.90
CHANGE:		0.88	3.45	-0.50	-4.20	4.61	0.87	1.18
FIVE DAY AVERAGE --		91.22	84.74	108.35	64.70	149.57	82.48	127.80

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
02/27/2024	170.69	92.84	85.91	109.44	62.08	156.92	83.86	134.20
CHANGE:		1.85	2.72	-0.10	-5.38	6.24	1.46	7.48
FIVE DAY AVERAGE --		91.41	84.59	108.43	64.47	149.89	82.59	129.06

PRIOR MONTH CLOSE

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/31/2024	310.86	87.56	84.05	93.92	63.26	132.03	69.21	142.72
CHANGE:		-0.99	-1.45	-5.63	-1.35	-1.81	-1.12	1.92
FIVE DAY AVERAGE --		88.72	85.13	97.85	64.31	131.01	69.66	144.64

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
03/01/2023	260.87	85.54	85.44	104.20	67.80	115.92	83.19	100.56
CHANGE:		1.18	1.03	2.05	0.20	2.18	0.01	4.52
FIVE DAY AVERAGE --		85.44	83.63	101.91	67.48	115.33	82.98	103.79

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HOG REPORT - PLANT DELIVERED PURCHASE FEBRUARY 27, 2024

National Negotiated Price

Head Count: 6,977

Lowest price: 67.00

Highest price: 75.00

Weighted Average 72.70

Change from Previous Day 1.79 higher

Other Market Formula (Carcass)

Head Count: 32,832

Lowest Base Price: 69.81

Highest Base Price: 100.53

Weighted Average Price: 84.55

Swine/Pork Market Formula (Carcass)

Head Count 154,113

Lowest base price: 69.97

Highest Base Price: 84.50

Weighted Average Price 78.44

Other Purchase Arrangement (Carcass)

HEAD COUNT: 252,500

Lowest base price: 73.41

Highest base price: 99.12

Weighted Average Price: 87.93

<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 – FEBRUARY 26, 2024

****PRODUCER SOLD:**

HEAD COUNT 245,233

AVERAGE LIVE WEIGHT 285.18

AVERAGE CARCASS WEIGHT 213.35

PACKER SOLD:

HEAD COUNT 31,206

AVERAGE LIVE WEIGHT 281.87

AVERAGE CARCASS WEIGHT 212.12

PACKER OWNED:

HEAD COUNT 177,622

AVERAGE LIVE WEIGHT 283.59

AVERAGE CARCASS WEIGHT 216.24

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APRIL/JUNE LEAN HOG SPREAD -

APRIL 2024 LEAN HOGS –

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

CHRISTOPHER LEHNER chris.lehner@admis.com 312 242 7942 913.787.6804

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