



ADM Investor Services, Inc.



# Daily Futures Market Commentary Livestock Outlook

## THURSDAY MORNING MAY 01, 2024 LIVESTOCK REPORT

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**BEEF AND PORK EXPORT HIGHLIGHTS ON THE LAST PAGE**

### CATTLE

MAY 02, 2024	123,000
WEEK AGO	125,000
YEAR AGO	124,119
WEEK TO DATE	360,000
PREVIOUS WEEK	363,000
2023 WEEK TO DATE	373,515
2024 YEAR TO DATE	10,511,170
2023 YEAR TO DATE	11,029,479
PERCENT CHANGE YEAR TO DATE	-4.7%

[https://www.ams.usda.gov/mnreports/ams\\_3208.pdf](https://www.ams.usda.gov/mnreports/ams_3208.pdf)

2:00 PM MAY, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	293.54	288.07
CHANGE FROM PRIOR DAY:	(0.83)	(1.88)
CHOICE/SELECT SPREAD:		5.47
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		186
5 DAY SIMPLE AVERAGE:	296.34	289.79

**CME BOXED BEEF INDEX ON 04/30/2024 WAS 294.96 DOWN 66 CENTS FROM PREVIOUS DAY**

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2:00 PM MAY 01, 2024

PRIMAL RIB	426.49	423.06
PRIMAL CHUCK	246.42	243.03
PRIMAL ROUND	243.41	244.48
PRIMAL LOIN	401.48	381.66
PRIMAL BRISKET	232.37	230.44
PRIMAL SHORT PLATE	221.93	221.93
PRIMAL FLANK	148.79	148.83

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#### LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
04/30	69	22	0	19	110	294.37	289.95
04/29	64	16	10	14	104	297.53	290.21
04/26	88	25	3	9	125	FRIDAY 297.14	288.72 FRIDAY
04/25	84	14	4	18	120	296.92	289.66
04/24	92	30	8	17	148	295.74	290.42

#### 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 01, 2024 2:00 PM

Choice Cuts	137.56 loads	5,502,594 pounds
Select Cuts	22.11 loads	884,370 pounds
Trimming	3.43 loads	137,291 pounds
Ground Beef	23.20 loads	928,072 pounds

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#### WEEKLY FUTURES PRICE CHANGE

	04/26/2023	05/03/2024	CONTRACT HIGH
APRIL 2024 LIVE CATTLE	184.67	EXPIRED 04/30/24 \$185.00	199.82 9/15/2023
JUNE 2024 LIVE CATTLE	178.57		194.02 9/15/2023
AUGUST 2024 LIVE CATTLE	176.77		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	180.60		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	184.87		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	188.37		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	190.75		196.40 3/14/2024

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Trade volume for a few weeks has been light to moderate but Wednesday there was an increase in volume.

May 3<sup>rd</sup> the Monthly U.S. Livestock and Meat trade report will be released. Expect increasing beef, feeder cattle, breeding cattle imports to the U.S.

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Welcome to May 2024 - Be Prepared

For 2023 and 2024 the most important fundamental news about cattle is the exceptionally low number of cattle for slaughter. But it is news that has been known and it seems to no longer excite traders. For 2023 federal slaughter was close to 1.5 million year to date lower than 2022. For the week ending April 25, 2024 year to date cattle slaughter is down 504,794 head compared to the same time in 2023. The U.S. cattle inventory is at a 73 year low. For the cattle industry it is huge news. But its old news.

Now there is Avian flu. Fresh news. Avian flu has killed millions of poultry and over the past few years has been blamed for the high price of eggs. Flu has caused serious illnesses and death for decades and it's right on the heels of COVID pandemic. It is news that stirs up emotions and market volatility. After the COVID pandemic it frightens traders and consumers.

Avian flu is moving from birds to dairy cows, it is being found in milk, cats and as the headline shows, a Florida dolphin.

Headlines all over the world are making traders and anyone reading the reports believe Avian Flu might be another COVID pandemic. The Internet, newspapers and blogs have 100s of reports.

**"US bird flu outbreak spreads to chickens, cattle, raises concerns over human infections"**

**"Avian Flu Virus Is Spreading And Has Been Found In Raw Milk From Infected Cows. Should We Be Concerned?"**

**"Warning as First American Dolphin Diagnosed With Highly Pathogenic Bird Flu."**

Many people only read the headlines. For instance, if they read the report about the dolphin, they will see it died March 2022 but the report was posted on April 29, 2024. There is nothing about dairy cattle or the current Avian flu but it was online by a very well-known magazine publisher.

Who knows if Avian flu passes to fed cattle, maybe hogs and into meat.

But, before long if Avian flu doesn't move to livestock or meat and it doesn't become a pandemic, what will markets do?

This is an ideal time to use strategies that help to protect risk. Using options and futures are tools to protect possible volatile changes.

May is a non-trading month and it is over a month from June Live Cattle first trading day. Don't try to second guess what large speculators and formula driven trades might do.

Packer margins are in a deep dark hole.

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Slaughter last week was 7000 less than the previous week. Year to date slaughter is off 504,794 head. Choice boxed beef gained \$1.47 mostly with gains on Chucks as buyers buy needs for Memorial Day about a month away. Memorial Day is the first big summer holiday.

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**EXPORTS WEEK**

FOR WEEK ENDING APRIL 25, 2024 NET EXPORTS WERE UP 22,500 MT UP 38% ON THE 4 WEEK AVERAGE. SOUTH KOREA AS THE LARGEST BUYER TAKING 9600 MT COMPARED TO A WEEK AGO AT 1,900 MT, JAPAN BOUGHT 5,200 MT COMPARED TO LAST WEEK AT 2,500 MT AND TAIWAN WITH 2,500 MT. CHINA BOUGHT 1,600 MT WHERE LAST WEEK THEY TOOK 4,600 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
WEEK ENDING MARCH 21, 2024	12,700 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: 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%

**For Week Ending: 4/13/2024**

	Nebraska	Kansas	Texas
Prime	14.16%	9.44%	5.69%
Choice	73.86%	75.70%	66.15%
Select	6.15%	11.80%	25.92%
Other	5.84%	3.07%	2.24%

**NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT APRIL 30, 2024**

As of April 30 2024, dressed steer and heifer carcasses averaged 884.6 pounds down 5.2 pounds from previous week and up 24.4 pounds from a year ago. The grading percent as of 04/30/24 was 83.9% compared to previous week at 85.4%. On May 2, 2023 carcasses weighed 860.8 pounds and graded 80.9%.

[https://www.ams.usda.gov/mnreports/ams\\_2700.pdf](https://www.ams.usda.gov/mnreports/ams_2700.pdf)

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**\*\*\*NATIONAL DAILY DIRECT CATTLE 05/01/2024  
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1475	\$184.40	41,177
LIVE HEIFER:	1331	\$183.97	18,074
DRESSED STEER	957	\$294.42	11,905
DRESSED HEIFER:	842	\$294.23	2,767

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**USDA POSTED SUMMARY CATTLE PRICES ON 05/01/2024  
STEER AND HEIFER COMBINED PRICES UNLESS NOTED**

**IA/MN – CASH FOB – 186.00 - 187.00 ON 378 TOTAL HEAD AVE PRICE 186.41  
DRESSED DELIVERED – 292.00 - 293.00 ON 214 TOTAL AVE PRICE 292.06  
LIVE DELIVERED NO REPORTABLE TRADE.  
DRESSED FOB - NO REPORTABLE TRADE**

**NE – CASH FOB – NO REPORTABLE TRADE.  
LIVE DELIVERED - NO REPORTABLE TRADE.  
DRESSED DELIVERED 292.00 - 294.00 ON 265 HEIFERS AND MIXED LOAD AVE PRICE 293.06**

**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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**AUGUST/OCTOBER LIVE CATTLE SPREAD –  
JUNE 2024 LIVE CATTLE -  
OCTOBER 2024 LIVE CATTLE –**

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**FEEDER CATTLE**

**CME FEEDER INDEX ON 04/30/2024 WAS 247.06 UP 3 CENTS FROM PREVIOUS DAY**

**MAY 2024 FEEDER CATTLE SETTLED ON MAY 01, 2024 AT \$241.42**

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**NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 04/27/2024**

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	165,000	68,200	11,300	244,500
Last Week:	167,700	44,900	70,900	283,500
Year Ago:	196,700	41,000	53,600	291,300

Compared to last week, steers and heifers in the Central part of the country sold 3.00 to 7.00 higher, while the Southeast part of the country sold steady to 5.00 higher. The supply of feeders was moderate with a good selection of feeders across all weight ranges this week. Demand was moderate to good with very good demand for loads heading to summer grass.

[https://www.ams.usda.gov/mnreports/sj\\_ls850.txt](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

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At this time the premiums into August on out are wide compared to current Feeder Index and where April expired. There is close to 4 months until August expiration. Watch the spreads.

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**WEEKLY FUTURES PRICE CHANGE**

	04/26/2023	05/03/2024	CONTRACT HIGH
MAY 2024 FEEDER CATTLE	248.70		272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	260.55		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	261.57		285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	261.72		275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	260.65		274.70 FEBRUARY 8, 2024

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MAY 2024 FEEDER CATTLE –  
AUGUST 2024 FEEDER CATTLE –

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**HOGS**

**USDA ESTIMATED FEDERAL HOG SLAUGHTER**

MAY 01, 2024	480,000
WEEK AGO	483,000
YEAR AGO	467,978
WEEK TO DATE	1,438,000
PREVIOUS WEEK	1,451,000
2023 WEEK TO DATE	1,390,659
2024 YEAR TO DATE	43,854,023
2023 *YEAR TO DATE	43,538,678
YEAR TO DATE PERCENT CHANGE	0.7%

[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 04/29/2024 WAS 90.26 DOWN 10 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 04/30/2024 AT 98.11 UP 39 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$7.85 TO THE CME PORK INDEX 05/01/2024  
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**WEEKLY FUTURES PRICE CHANGE**

	04/126/2023	05/03/2024	CONTRACT HIGH
JUNE 2024 LEAN HOGS	102.47		109.65 APRIL 10, 2024
JULY 2024 LEAN HOGS	105.95		111.25 APRIL 10, 2024
AUGUST 2024 LEAN HOGS	103.95		108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	85.82		89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	76.87		80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	80.05		82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	83.70		88.00 OCTOBER 13, 2023

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The pork market is showing strength for loins. Over the past 5 days, loins have moved up every day. Bellies were down 9.57 on morning sales.

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Packer margins have moved down and with the packers that also kill cattle, they won't push hog slaughter.

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Thursday's exports will be important. Last week's exports were down 25% from the 4 week average. Exports are important and if exports continue to drop off, it is negative.

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**EXPORTS**

**PORK EXPORTS PICKED UP FROM LAST WEEK. FOR WEEK ENDING APRIL 25, 2024 NET EXPORTS WERE 33,600 MT WITH MEXICO TAKING 21,000 MT COMPARED TO A WEEK AGO AT 11,300 MT, JAPAN 4200 MT, THE SAME AS LAST WEEK AND CANADA 1300 MT. CHINA TOOK NOTHING**

**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  
WEEK ENDING MARCH 28, 2024 NET EXPORT WERE 28,700 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 : 233.54

Loads TRIM/PROCESS PORK : 32.86

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/01/2024	266.40	97.99	104.11	129.67	81.03	166.43	81.35	107.90
CHANGE:		0.77	2.83	0.13	-0.67	-1.39	-0.01	-10.61
FIVE DAY AVERAGE --		98.17	100.63	129.85	81.13	165.74	81.78	114.96

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/01/2024	155.96	98.38	103.96	129.49	82.05	167.91	81.50	108.94
CHANGE:		-0.38	2.68	-0.05	0.35	0.09	0.14	-9.57
FIVE DAY AVERAGE --		98.25	100.60	129.81	81.34	166.04	81.81	115.17

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
04/30/2024	248.12	98.76	101.28	129.54	81.70	167.82	81.36	118.51
CHANGE:		-0.24	0.85	-0.64	1.47	3.81	-1.08	-1.26
FIVE DAY AVERAGE --		98.03	99.85	130.20	80.86	164.74	81.90	115.73

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**HOG REPORT - PLANT DELIVERED PURCHASE MAY 01, 2024**

**National Negotiated Price**

**Head Count: 10,934**

**Lowest price: 83.00**

**Highest price: 95.00**

**Weighted Average 92.02**

**Change from Previous Day -0.01 LOWER**

**Other Market Formula (Carcass)**

**Head Count: 18,538**

**Lowest Base Price: 77.15**

**Highest Base Price: 99.50**

**Weighted Average Price: 89.94**

**Swine/Pork Market Formula (Carcass)**

**Head Count 151,189**

**Lowest base price: 80.09**

**Highest Base Price: 97.33**

**Weighted Average Price 89.42**

**Other Purchase Arrangement (Carcass)**

**HEAD COUNT: 59,906**

**Lowest base price: 82.11**

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Highest base price: 98.80

Weighted Average Price: 90.84

<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 – APRIL 30, 2024**

**\*\*PRODUCER SOLD:**

**HEAD COUNT 240,444**

**AVERAGE LIVE WEIGHT 285.88**

**AVERAGE CARCASS WEIGHT 214.00**

**PACKER SOLD:**

**HEAD COUNT 32,746**

**AVERAGE LIVE WEIGHT 285.33**

**AVERAGE CARCASS WEIGHT 214.58**

**PACKER OWNED:**

**HEAD COUNT 170,069**

**AVERAGE LIVE WEIGHT 286.31**

**AVERAGE CARCASS WEIGHT 217.82**

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**Beef:** Net sales of 22,500 MT for 2024--a marketing-year high--were up 48 percent from the previous week and 38 percent from the prior 4-week average. Increases were primarily for South Korea (9,600 MT, including decreases of 700 MT), Japan (5,200 MT, including decreases of 200 MT), Taiwan (2,500 MT, including decreases of 200 MT), China (1,600 MT, including decreases of 300 MT), and Mexico (1,100 MT, including decreases of 100 MT). Exports of 14,600 MT were up 6 percent from the previous week and 1 percent from the prior 4-week average. The destinations were primarily to Japan (3,800 MT), South Korea (3,400 MT), China (2,300 MT), Taiwan (1,400 MT), and Mexico (1,200 MT).

**Pork:** Net sales of 33,600 MT for 2024 were up 17 percent from the previous week and 6 percent from the prior 4-week average. Increases were primarily for Mexico (21,600 MT, including decreases of 400 MT), Japan (4,200 MT, including decreases of 200 MT), Canada (1,300 MT, including decreases of 600 MT), Colombia (1,100 MT, including decreases of 100 MT), and South Korea (900 MT, including decreases of 100 MT). Exports of 36,200 MT were down 10 percent from the previous week and 5 percent from the prior 4-week average. The destinations were primarily to Mexico (14,200 MT), South Korea (5,300 MT), Japan (4,800 MT), China (3,600 MT), and Canada (1,900 MT).

**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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