



ADM Investor
Services, Inc.



Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING MAY 14, 2024 LIVESTOCK REPORT

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

CATTLE

MAY 13, 2024	116,000
WEEK AGO	120,000
YEAR AGO	124,964
2024 YEAR TO DATE	11,509,736
2023 YEAR TO DATE	12,046,129
PERCENT CHANGE YEAR TO DATE	-4.5%

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

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2:00 PM MAY 13, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	298.95	287.18
CHANGE FROM PRIOR DAY:	4.38	3.01
CHOICE/SELECT SPREAD:		11.77
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		113
5 DAY SIMPLE AVERAGE:	296.78	288.06

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CME BOXED BEEF INDEX ON 05/10/2024 WAS 294.52 DOWN 30 CENTS FROM PREVIOUS DAY

2:00 PM MAY 13, 2024

PRIMAL RIB	449.03	430.27
PRIMAL CHUCK	241.90	239.90
PRIMAL ROUND	246.04	244.90
PRIMAL LOIN	417.28	379.30
PRIMAL BRISKET	247.65	234.06
PRIMAL SHORT PLATE	213.50	213.50
PRIMAL FLANK	151.27	150.14

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2:00 PM MAY 10, 2024

PRIMAL RIB	442.22	424.08
PRIMAL CHUCK	237.68	237.05
PRIMAL ROUND	240.90	243.19
PRIMAL LOIN	413.25	376.42
PRIMAL BRISKET	243.61	226.66
PRIMAL SHORT PLATE	212.28	212.28
PRIMAL FLANK	149.40	149.58

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
05/10	94	27	6	28	155	FRIDAY 294.57	284.17 FRIDAY
05/09	135	21	4	13	173	295.39	285.76
05/08	88	25	9	22	145	296.67	288.25
05/07	58	21	0	21	100	298.49	292.34
05/06	47	16	0	15	78	298.76	289.75
05/03	53	16	8	20	97	FRIDAY 294.20	287.65 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.

MAY 13, 2024

Choice Cuts	67.93 loads	2,717,310 pounds
Select Cuts	14.44 loads	577,566 pounds
Trimming	4.62 loads	184,787 pounds
Ground Beef	25.91 loads	1,036,357 pounds

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USDA REPORTS FOR MAY 2024

MAY 24, 2024 – CATTLE ON FEED REPORT

MAY 24, 2024 – COLD STORAGE REPORT

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WEEKLY FUTURES PRICE CHANGE

	05/03/2023	05/10/2024	CONTRACT HIGH
JUNE 2024 LIVE CATTLE	176.67	176.15	194.02 9/15/2023
AUGUST 2024 LIVE CATTLE	174.57	174.12	192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	178.05	177.42	194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	182.37	181.52	197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	185.95	185.05	199.57 9/20/2023
APRIL 2025 LIVE CATTLE	188.35	187.25	196.40 3/14/2024

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Boxed beef Monday was higher. Choice was up \$4.38 and Select was up \$3.01 with Choice for over a week gaining on Select with the difference \$11.77. Sales were light with a total of 113. A week ago Monday, May 6th boxed beef prices were the highest on light movement and by week end. Beef prices were down. The price gain likely was due to small retailers restocking on good weekend demand with Mother’s Day demand and retailers buying for the upcoming Memorial Day on May 27th. Beef will need to be in stores no later than Thursday, May 23rd. Daily beef sales are from 0 to 21 days.

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More Prime cattle are being moved. Besides variety meats, the highest grading beef and heavier cuts are often the best products for China, Japan and other Asian countries. The higher grading beef could help exports.

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Last week packers did pay higher for cash cattle about \$1.00 higher. Midwest cattle averaged \$186.50 to \$187.00 with a few head at \$188.00 and dressed prices mostly \$295.00. In Texas on a light buy of a total negotiated head of 3,991 cash was \$184.00 and in Kansas prices average \$184.50. Heavier cattle are moving in the Midwest but in the Southwest weights are lighter.

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Last week slaughter at 622,000 head was the same as last week and down 22,000 from a year ago.

June Live Cattle first notice day is Monday June 10th.

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EXPORTS WEEK

BEEF EXPORTS WERE DOWN 29% FROM THE 4 WEEK AVERAGE AND 45% LOWER THAN THE PREVIOUS WEEK. FOR WEEK ENDING MAY 2, 2024 NET EXPORTS WERE 12,300 MT. JAPAN TOOK 4,400 MT, SOUTH KOREA ONLY 1,900 MT, AND MEXICO BUYING 1,700 MT. CHINA TOOK NOTHING.

WEEK ENDING APRIL 25, 2024	22,500 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

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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: 5/04/2024

	Nebraska	Kansas	Texas
Prime	14.72%	9.08%	6.18%

Choice	73.08%	76.37%	65.47%
Select	7.37%	11.66%	25.52%
Other	4.83%	2.90%	2.84%

For Week Ending: 4/27/2024

	Nebraska	Kansas	Texas
Prime	13.47%	8.75%	6.62%
Choice	74.67%	75.54%	65.72%
Select	7.46%	12.67%	25.21%
Other	4.40%	3.04%	2.45%

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT MAY 7, 2024

As of May 7 2024, dressed steer and heifer carcasses averaged 887.1 pounds up 2.5 pounds from previous week and up 27.8 pounds from a year ago. The grading percent as of 05/07/24 was 84.2% compared to previous week at 83.9%. On May 9, 2023 carcasses weighed 859.3 pounds and graded 83.3%

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

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*****NATIONAL DAILY DIRECT CATTLE 05/13/2024
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1473	\$186.01	35,333
LIVE HEIFER:	1334	\$185.77	17,469
DRESSED STEER	940	\$295.57	12,985
DRESSED HEIFER:	856	\$295.37	3,020

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**USDA POSTED SUMMARY CATTLE PRICES ON 05/13/2024
STEER AND HEIFER COMBINED PRICES UNLESS NOTED**

IA/MN – CASH FOB – 186.00 ON 35 HEAD MIXED LOAD
DRESSED DELIVERED – NO REPORTABLE TRADE.
LIVE DELIVERED NO REPORTABLE TRADE.
DRESSED FOB - NO REPORTABLE TRADE

NE – CASH FOB – NO REPORTABLE TRADE.
LIVE DELIVERED - NO REPORTABLE TRADE.
DELIVERED NO REPORTABLE TRADE.

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

TX/OK/NM CASH – NO REPORTABLE TRADE.

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

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STERLING MARKETING BEEF MARGINS WEEK ENDING **MAY 11, 2024**
PACKER MARGIN (\$ /HEAD) **(\$137.97)** LAST WEEK **(\$107.71)** MONTH AGO **(\$80.25)** YEAR AGO **(\$46.76)**
FEEDLOT MARGINS: \$291.43 LAST WEEK \$284.30 MONTH AGO \$212.61 YEAR AGO \$414.58

Sterling Marketing on May 7, 2023. I am now using 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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AUGUST LIVE CATTLE/AUGUST LEAN HOG SPREAD -
JUNE/AUGUST LIVE CATTLE SPREAD –
JUNE 2024 LIVE CATTLE -
AUGUST 2024 LIVE CATTLE –

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FEEDER CATTLE

CME FEEDER INDEX ON 05/10/2024 WAS 241.36 UP 75 CENTS FROM PREVIOUS DAY

MAY 2024 FEEDER CATTLE SETTLED ON MAY 13, 2024 AT \$239.37

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 05/11/2024

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	146,400	48,000	7,900	202,300
Last Week:	145,300	42,000	57,100	244,400
Year Ago:	173,900	45,400	42,800	262,100

Compared to last week, feeders under 650 lbs. sold very uneven but mostly 2.00 lower to 2.00 higher, over 650 lbs. sold steady to 2.00 lower. While the supply of feeders was moderate this week, the amount of heavier weight yearling cattle has been mostly flat the last few weeks. Demand was

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moderate to good nationwide this week, with the best demand remains on those cattle that will reach finished weights this winter. Turnout time has arrived, which is keeping demand for grass type cattle red hot.

https://www.ams.usda.gov/mnreports/sj_ls850.txt

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WEEKLY FUTURES PRICE CHANGE

	05/03/2023	05/10/2024	CONTRACT HIGH
MAY 2024 FEEDER CATTLE	243.30	238.80	272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	254.75	250.90	282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	255.77	251.97	285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	256.12	252.87	275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	255.40	252.57	274.70 FEBRUARY 8, 2024

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AUGUST 2024 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

MAY 13, 2024	473,000
WEEK AGO	462,000
YEAR AGO	456,080
2024 YEAR TO DATE	47,205,470
2023 *YEAR TO DATE	46,961,659
YEAR TO DATE PERCENT CHANGE	0.5%

REVISION FOR MAY 10, 2024 ** 462,000** PREVIOUS ESTIMATE 473,000

REVISION SLAUGHTER **2,379,000** PREVIOUS ESTIMATE 2,390,000

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

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CME LEAN HOG INDEX ON 05/09/2024 WAS 91.32 UP 4 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 05/10/2024 AT 98.82 UP 34 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$7.50 TO THE CME PORK INDEX 05/13/2024

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WEEKLY FUTURES PRICE CHANGE

	05/03/2023	05/10/2024	CONTRACT HIGH
JUNE 2024 LEAN HOGS	98.95	98.37	109.65 APRIL 10, 2024
JULY 2024 LEAN HOGS	102.85	101.45	111.25 APRIL 10, 2024
AUGUST 2024 LEAN HOGS	101.72	100.57	108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	84.65	84.70	89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	76.45	77.02	80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	80.12	81.10	82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	84.00	84.90	88.00 OCTOBER 13, 2023

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MAY 2024 LEAN HOGS AS OF MAY 13, 2024 = \$91.45

JUNE 2024 LEAN HOGS AS OF MAY 13, 2024 = \$97.47

CME LEAN HOG INDEX AS OF MAY 09, 2024 = \$91.32

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Monday, all Daily Direct Hog prices averaged below \$90.00.

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Bouncing bellies were the strongest pork primal but there were gains on Loins, and hams. From Friday's close, on Monday the 5 day carcass price gained 58 cents moving to \$99.40. Loins have been steadily moving higher. Movement has been light on the daily market that is price supportive.

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August is losing to October and October is losing to December. August remains bull spread to October however, the spread has been steadily narrowing as is October to December.

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The Mexican Peso has recovered from the steep quick decline in April. The Japanese Yen continues trending lower. The US Dollar is slowly dropping. The strength in the Peso is positive.

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Exports were disappointing last week particularly because Mexico bought so little. Traders will be closely watching what Mexico buys in the coming weeks. There have been times when there were light buys from Mexico but followed by larger purchases the following week.

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EXPORTS

FOR WEEK ENDING MAY 2, 2024 NET EXPORTS WERE 24,400 MT. CHINA WAS THE LARGEST BUYER WITH 6,900 MT, THEY WERE ABSENT LAST WEEK, JAPAN TOOK 3,900 MT, AND CANADA 3,700 MT.

MEXICO TOOK ONLY 2,600 MT. IT WOULD CERTAINLY BE NEGATIVE IF MEXICO BEGINS TO BUY LESS IN THE MONTHS AHEAD.

WEEK ENDING APRIL 25, 2024 NET EXPORTS WERE 33,600 MT
 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

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STERLING PORK PROFIT TRACKER WEEK ENDING - MAY 11 , 2024

PACKER MARGINS (\$0.93) LAST WEEK (\$1.71) MONTH AGO \$5.87 YEAR AGO (\$3.09)

FARROW TO FINISH MARGINS \$49.99 LAST WEEK \$45.78 MONTH AGO \$42.22 YEAR AGO (\$17.39)

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 : 238.46

Loads TRIM/PROCESS PORK : 28.57

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/13/2024	267.03	102.44	104.01	132.15	75.25	173.38	86.83	127.40
CHANGE:		2.67	2.39	0.29	-1.22	1.12	1.18	8.72
FIVE DAY AVERAGE --		99.40	101.98	128.83	76.95	171.17	84.33	118.68

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/13/2024	149.52	101.35	103.24	132.51	75.13	170.75	84.56	127.18
CHANGE:		1.58	1.62	0.65	-1.34	-1.51	-1.09	8.50
FIVE DAY AVERAGE --		99.19	101.82	128.91	76.92	170.65	83.87	118.64

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/10/2024	288.40	99.77	101.62	131.86	76.47	172.26	85.65	118.68
CHANGE:		1.34	-0.97	7.13	-0.56	-0.21	3.42	1.46
FIVE DAY AVERAGE --		98.82	101.74	128.20	77.80	169.72	83.48	117.38

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HOG REPORT - PLANT DELIVERED PURCHASE MAY 13, 2024

National Negotiated Price

Head Count: 2,002

Lowest price: 85.00

Highest price: 92.50
Weighted Average 89.78
Change from Previous Day 1.37 higher

Other Market Formula (Carcass)

Head Count: 20,699
Lowest Base Price: 81.15
Highest Base Price: 98.84
Weighted Average Price: 89.81

Swine/Pork Market Formula (Carcass)

Head Count 164,525
Lowest base price: 80.27
Highest Base Price: 95.93
Weighted Average Price 89.60

Other Purchase Arrangement (Carcass)

HEAD COUNT: 115,992
Lowest base price: 79.59
Highest base price: 103.45
Weighted Average Price: 89.09

<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](https://www.ams.usda.gov/mnreports/ams_2511.pdf)

SLAUGHTER DATA – FRIDAY, MAY 10, 2024 AND SATURDAY, MAY 11, 2024

****PRODUCER SOLD:**

HEAD COUNT 228,182
AVERAGE LIVE WEIGHT 287.60
AVERAGE CARCASS WEIGHT 215.32

PACKER SOLD:

HEAD COUNT 34,917
AVERAGE LIVE WEIGHT 287.04
AVERAGE CARCASS WEIGHT 215.82

PACKER OWNED:

HEAD COUNT 171,656
AVERAGE LIVE WEIGHT 289.58
AVERAGE CARCASS WEIGHT 220.34

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JUNE/JULY LEAN HOG SPREAD –

JUNE LEAN HOGS -

JULY LEAN HOGS –

OCTOBER LEAN HOGS –

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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