



ADM Investor Services, Inc.



Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING MAY 16, 2024 LIVESTOCK REPORT

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BEEF AND PORK EXPORT HIGHLIGHTS ON LAST PAGE

CATTLE

MAY 15, 2024	124,000
WEEK AGO	123,000
YEAR AGO	126,208
WEEK TO DATE	363,000
PREVIOUS WEEK	367,000
2023 WEEK TO DATE	378,165
2024 YEAR TO DATE	11,756,736
2023 YEAR TO DATE	12,299,330
PERCENT CHANGE YEAR TO DATE	-4.4%

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

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2:00 PM MAY 15, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	306.77	294.31
CHANGE FROM PRIOR DAY:	2.38	0.49
CHOICE/SELECT SPREAD:		12.46
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		109
5 DAY SIMPLE AVERAGE:	298.00	287.84

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CME BOXED BEEF INDEX ON 05/14/2024 WAS 295.43 UP 79 CENTS FROM PREVIOUS DAY

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2:00 PM MAY 15, 2024

PRIMAL RIB	456.52	437.93
PRIMAL CHUCK	249.94	248.95
PRIMAL ROUND	248.33	247.69
PRIMAL LOIN	432.49	388.81
PRIMAL BRISKET	250.77	239.55
PRIMAL SHORT PLATE	220.92	220.92
PRIMAL FLANK	155.88	154.12

11:00 AM MAY 15, 2024

PRIMAL RIB	456.34	438.18
PRIMAL CHUCK	251.04	250.45
PRIMAL ROUND	249.05	247.54
PRIMAL LOIN	433.32	388.68
PRIMAL BRISKET	249.79	238.37
PRIMAL SHORT PLATE	220.97	220.97
PRIMAL FLANK	155.76	154.01

2:00 PM MAY 14, 2024

PRIMAL RIB	452.28	436.16
PRIMAL CHUCK	248.66	249.01
PRIMAL ROUND	249.87	249.50
PRIMAL LOIN	426.62	388.43
PRIMAL BRISKET	250.62	238.62
PRIMAL SHORT PLATE	212.72	212.72
PRIMAL FLANK	155.27	153.87

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
05/14	65	19	17	20	121	304.39	293.82
05/13	68	14	5	26	113	298.95	287.18
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

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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 15, 2024

Choice Cuts	41.98 loads	1,679,258 pounds
Select Cuts	18.90 loads	755,935 pounds
Trimming	17.21 loads	688,439 pounds
Ground Beef	20.42 loads	816,869 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

	05/10/2023	05/17/2024	CONTRACT HIGH
JUNE 2024 LIVE CATTLE	176.15		194.02 9/15/2023
AUGUST 2024 LIVE CATTLE	174.12		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	177.42		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	181.52		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	185.05		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	187.25		196.40 3/14/2024

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Live Cattle closed just pennies higher and it certainly isn't following the surge higher in boxed beef. Since Friday's close, Choice beef is up \$12.20 on Wednesday and Select beef gained \$10.14. Memorial Day buying should be very good as consumers are spending money this year on largest travel for the holiday in over 20 years.

Except for a few head moved in the Midwest of light weight cattle, packers aren't rushing out to buy cattle. Beef prices going up are in their favor, but it doesn't mean they are going to pay higher opting instead possibly for a light kill.

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BRAZIL'S JBS EARNS NEARLY \$320 MLN IN Q1, BEATING ANALYSTS EXPECTATIONS

<https://www.reuters.com/markets/commodities/brazils-jbs-earns-nearly-320-mln-q1-beating-analysts-expectations-2024-05-14/>

Gains in pork sales as consumers were buying more pork than beef and a 11% increase in pork exports especially to Mexico, South Korea and Colombia JBS had a record net revenue in their processed foods division. Lower grain costs and better supply.

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TYSON FOODS UNSURE WHEN TIGHT US CATTLE SUPPLIES WILL EXPAND, CEO SAYS - REUTERS NEWS

<https://www.msn.com/en-us/money/other/tyson-foods-unsure-when-tight-us-cattle-supplies-will-expand-ceo-says/ar-BB1ms2TU?ocid=BingNewsSerp>

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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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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT MAY 14, 2024

As of May 14, 2024, dressed steer and heifer carcasses averaged 888.9 pounds up 1.8 pounds from previous week and **up 31.2 pounds from a year ago**. The grading percent as of 05/14/24 was 84.5% compared to previous week at 84.2%. On May 16, 2023 carcasses weighed 857.7 pounds and graded 82.8%

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

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EXPORTS WEEK

FOR WEEK ENDING MAY 9, 2024 NET EXPORTS WERE 15,100 MT. UP FOR THE WEEK BUT DOWN 11% ON THE 4 WEEK AVERAGE. JAPAN WAS THE LARGEST BUYER 6600 MT, FOLLOWED BY CHINA WITH 1900 MT AND TIAWAN WITH 1,700 MT, SOUTH KOREA TOOK ONLY 1300 MT

WEEK ENDING MAY 2, 2024	12,300 MT
WEEK ENDING APRIL 25, 2024	22,500 MT
WEEK ENDING APRIL 18, 2024	15,200 MT
WEEK ENDING APRIL 11, 2024	17,700 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 DAILY DIRECT CATTLE 05/15/2024
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1472	\$186.00	35,588
LIVE HEIFER:	1340	\$185.84	15,709
DRESSED STEER	941	\$295.47	12,623
DRESSED HEIFER:	855	\$295.38	2,930

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**USDA POSTED SUMMARY CATTLE PRICES ON 05/15/2024
STEER AND HEIFER COMBINED PRICES UNLESS NOTED**

**IA/MN – CASH FOB – NO REPORTABLE TRADE.
DRESSED DELIVERED – NO REPORTABLE TRADE.
LIVE DELIVERED NO REPORTABLE TRADE.
DRESSED FOB - NO REPORTABLE TRADE**

**NE – CASH FOB – 187.00 ON 69 STEERS WEIGHING 1450 POUNDS
LIVE DELIVERED - NO REPORTABLE TRADE.
DELIVERED NO REPORTABLE TRADE.**

**KS – CASH – 184.00 ON 213 STEERS AND HEIFERS STEERS 1267 POUNDS HEIFERS 1162 POUNDS
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 05/14/2024 WAS 241.79 UP 4 CENTS FROM PREVIOUS DAY

MAY 2024 FEEDER CATTLE SETTLED ON MAY 15, 2024 AT \$243.15

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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 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

	05/10/2023	05/17/2024	CONTRACT HIGH
MAY 2024 FEEDER CATTLE	238.80		272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	250.90		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	251.97		285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	252.87		275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	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 15, 2024	480,000
WEEK AGO	477,000
YEAR AGO	466,314
WEEK TO DATE	1,421,000
PREVIOUS WEEK	1,436,000
2023 WEEK TO DATE	1,402,022
2024 YEAR TO DATE	48,615,470
2023 *YEAR TO DATE	48,363,681
YEAR TO DATE PERCENT CHANGE	0.5%

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

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CME LEAN HOG INDEX ON 05/13/2024 WAS 91.29 UP 7 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 05/14/2024 AT 100.36 UP 97 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$9.07 TO THE CME PORK INDEX 05/15/2024

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WEEKLY FUTURES PRICE CHANGE

	05/10/2023	05/17/2024	CONTRACT HIGH
JUNE 2024 LEAN HOGS	98.37		109.65 APRIL 10, 2024
JULY 2024 LEAN HOGS	101.45		111.25 APRIL 10, 2024
AUGUST 2024 LEAN HOGS	100.57		108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	84.70		89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	77.02		80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	81.10		82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	84.90		88.00 OCTOBER 13, 2023

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MAY 2024 LEAN HOGS AS OF MAY 14, 2024 = \$91.82 SETTLED ON FUTURES

JUNE 2024 LEAN HOGS AS OF MAY 15, 2024 = \$97.50

CME LEAN HOG INDEX AS OF MAY 13, 2024 = \$91.29

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Rains in Brazil slowing slaughter for pork and poultry for 2nd week. Also rains and flooding roads from feedlots slowing movement of cattle from feedlots to packers.

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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.

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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 9, 2024 NET EXPORTS WERE 21,100 MT A MARKETING YEAR LOW.. JAPAN WAS THE LARGEST BUYER WITH 4900 MT. MEXICO BOUGHT 4,500 MT AND SOUTH KOREA 3200 MT. CHINA TOOK NOTHING. LAST WEEK MEXICO BOUGHT 2,600 MT . MEXICO SEEMS TO BE BACKING AWAY FROM U.S. PORK.

WEEK ENDING MAY 2, 2024 NET EXPORTS WERE 24,400 MT.
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 : 226.56

Loads TRIM/PROCESS PORK : 35.72

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/15/2024	262.28	101.70	102.23	131.70	76.99	177.15	86.46	123.92
CHANGE:		0.19	0.29	2.05	-0.19	-0.42	-1.53	1.37
FIVE DAY AVERAGE --		100.77	102.48	130.02	76.58	174.57	85.83	121.95

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/14/2024	263.76	101.51	101.94	129.65	77.18	177.57	87.99	122.55
CHANGE:		-0.93	-2.07	-2.50	1.93	4.19	1.16	-4.85
FIVE DAY AVERAGE --		100.29	102.67	128.70	76.77	173.04	85.26	120.82

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HOG REPORT - PLANT DELIVERED PURCHASE MAY 15, 2024

National Negotiated Price
 Head Count: 5,244
 Lowest price: 83.00
 Highest price: 92.00
 Weighted Average 88.73
 Change from Previous Day -2.10 lower

Other Market Formula (Carcass)
 Head Count: 23,823
 Lowest Base Price: 81.30
 Highest Base Price: 100.83
 Weighted Average Price: 89.58

Swine/Pork Market Formula (Carcass)
 Head Count 142,780
 Lowest base price: 79.90
 Highest Base Price: 95.05
 Weighted Average Price 90.97

Other Purchase Arrangement (Carcass)
 HEAD COUNT: 60,187
 Lowest base price: 79.59
 Highest base price: 101.04
 Weighted Average Price: 91.42

<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 – MAY 14, 2024

****PRODUCER SOLD:**
 HEAD COUNT 238,462
 AVERAGE LIVE WEIGHT 285.65
 AVERAGE CARCASS WEIGHT 213.81

PACKER SOLD:
HEAD COUNT 34,747
AVERAGE LIVE WEIGHT 289.29
AVERAGE CARCASS WEIGHT 217.89

PACKER OWNED:
HEAD COUNT 170,840
AVERAGE LIVE WEIGHT 285.11
AVERAGE CARCASS WEIGHT 217.05

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JULY LEAN HOGS –
OCTOBER LEAN HOGS –

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Beef: Net sales of 15,100 MT for 2024 were up 23 percent from the previous week, but down 11 percent from the prior 4-week average. Increases were primarily for Japan (6,600 MT, including decreases of 300 MT), China (1,900 MT, including decreases of 200 MT), Taiwan (1,700 MT, including decreases of 200 MT), Mexico (1,700 MT, including decreases of 100 MT), and South Korea (1,300 MT, including decreases of 400 MT). Exports of 15,600 MT were down 4 percent from the previous week, but up 2 percent from the prior 4-week average. The destinations were primarily to Japan (4,100 MT), South Korea (3,500 MT), China (2,600 MT), Mexico (1,600 MT), and Taiwan (1,300 MT).

Pork: Net sales of 21,100 MT for 2024--a marketing-year low--were down 14 percent from the previous week and 22 percent from the prior 4-week average. Increases were primarily for Japan (4,900 MT, including decreases of 100 MT), Mexico (4,500 MT, including decreases of 300 MT), South Korea (3,200 MT, including decreases of 1,100 MT), Colombia (1,700 MT, including decreases of 100 MT), and Canada (1,400 MT, including decreases of 700 MT). Exports of 33,200 MT were down 5 percent from the previous week and 13 percent from the prior 4-week average. The destinations were primarily to Mexico (12,700 MT), Japan (5,000 MT), South Korea (4,300 MT), China (2,800 MT), and Colombia (2,400 MT).

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