ADM Investor Services, Inc.

THURSDAY MORNING JULY 25, 2024 LIVESTOCK REPORT

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BEEF AND PORK EXPORT HIGHLIGHTS ON LAST PAGE

LIVESTOCK AND POULTRY: WORLD MARKETS AND TRADE REPORT
HTTPS://APPS.FAS.USDA.GOV/PSDONLINE/CIRCULARS/LIVESTOCK_POULTRY.PDF

IN A NUTSHELL, CHINA WILL IMPORT ABOUT 21% LESS PORK IN 2024 AND BRAZIL AND AUSTRALIA ARE GOING TO EXPORT A LOT MORE BEEF.

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CATTLE

JULY 24, 2024	122,000
WEEK AGO	121,000
YEAR AGO	124,031
WEEK TO DATE	360,000
PREVIOUS WEEK	360,000
2023 WEEK TO DATE	372,352
2024 YEAR TO DATE	17,642,344
2023 YEAR TO DATE	18,475,599
PERCENT CHANGE YEAR TO DATE	-4.5%

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

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2:00 PM JULY 24, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	312.68	293.96
CHANGE FROM PRIOR DAY:	(0.53)	(2.70)
CHOICE/SELECT SPREAD:	18.72	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	188	
5 DAY SIMPLE AVERAGE:	314.96	298.34

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CME BOXED BEEF INDEX ON 07/23/2024 WAS 311.22 DOWN 1.28 FROM PREVIOUS DAY
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2:00 PM JULY 24, 2024		
PRIMAL RIB	454.68	408.15
PRIMAL CHUCK	260.69	260.15
PRIMAL ROUND	276.44	274.88
PRIMAL LOIN	411.80	353.85
PRIMAL BRISKET	258.62	247.77
PRIMAL SHORT PLATE	214.95	214.95
PRIMAL FLANK	188.71	187.18

2:00 M JULY 23, 2024		
PRIMAL RIB	447.46	413.08
PRIMAL CHUCK	261.51	262.17
PRIMAL ROUND	278.42	279.23
PRIMAL LOIN	416.56	357.62
PRIMAL BRISKET	257.68	250.12
PRIMAL SHORT PLATE	211.20	211.20
PRIMAL FLANK	187.51	184.57

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LOAD COUNT AND CUTOUT VALUE SUMMARY

DATE	CHOICE	SELECT	TRIM	GRINDS	TOTAL		
07/23	97	41	13	14	165	313.21	296.66
07/22	85	27	11	26	149	313.44	298.33
07/19	102	22	0	7	131	313.83	298.80 FRIDAY
07/18	107	29	9	28	174	316.15	299.46
07/17	114	31	4	14	163	318.16	298.44

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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.

JULY 23, 2024 FINAL		
CHOICE CUTS	114.30 LOADS	4,571,892 POUNDS
SELECT CUTS	44.07 LOADS	1,762,818 POUNDS
TRIMMINGS	10.82 LOADS	432,880 POUNDS
GROUND BEEF	18.40 LOADS	736,128 POUNDS

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WEEKLY FUTURES PRICE CHANGE

	07/19/2024	07/26/2024	CONTRACT HIGH
AUGUST 2024 LIVE CATTLE	183.10		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	183.47		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	184.67		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	186.65		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	188.67		196.40 3/14/2024

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FUTURES VOLUME WAS LIGHT WEDNESDAY. TRADERS ARE MOVING AUGUST UP TO BE MORE IN LINE WITH HIGHER AUGUST FUTURES.

WITH THE LIGHT SLAUGHTER, PACKERS, LIKE LAST WEEK, ARE GOING TO BUY JUST THE NUMBER OF CATTLE NEEDED. IT IS LIKELY IF FEEDLOTS IN KANSAS HAVE CATTLE THAT FIT PLANTS IN NEBRASKA THEY WILL PAY HIGH PREMIUM PRICES, $2.00 TO $3.00 UNDER NEBRASKA CATTLE COMPARED TO MOST KANSAS CATTLE THEY BUY CLOSER TO PRICES PAID IN TEXAS.

LAST WEEK'S SLAUGHTER WAS DOWN TO 574,000 HEAD. THIS WEEK IT LOOKS LIKE SLAUGHTER COULD BE JUST AS LOW, AND POSSIBLY LOWER. AT THE SAME TIME BEEF PRICES ARE DROPPING. EVEN WITH LOWER CATTLE SLAUGHTER, LESS BEEF CAN'T SUPPORT PRICES.

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THE 5 DAY NEGOTIATED STEER PRICE ON JULY 23RD WAS $193.87. AUGUST LIVE CATTLE FUTURES SETTLED JULY 24TH AT $186.90.
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LAST WEEK CASH CATTLE SALES BOTH IN THE MIDWEST AND THE SOUTHWEST SOLD MOSTLY $2.00 LOWER. FOB STEERS IN THE MIDWEST 196.00 TO 197.00 DRESSED STEERS $309.00 TO $310.00. THE SPREAD REMAINS WIDE BETWEEN REGIONS WITH SOUTHWEST CATTLE SELLING $186.00.

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JULY 23, 2024

AS OF JULY 23 2024, DRESSED STEER AND HEIFER CARCASSES AVERAGED 892.0 POUNDS, UP 5.0 POUNDS FROM PREVIOUS WEEK, UP 7 POUNDS IN 2 WEEKS AND UP 31.9 POUNDS FROM A YEAR AGO. THE GRADING PERCENT AS OF 07/23/2024 WAS 83.1% COMPARED TO PREVIOUS WEEK AT 82.7%. ON JULY 25, 2023 CARCASSES WEIGHED 860.1 POUNDS AND GRADED WAS 80.3%.
HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_2700.PDF
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STERLING MARKETING BEEF MARGINS WEEK ENDING JULY 20, 2024
PACKER MARGIN ($ /HEAD ($100.96) LAST WEEK ($92.78)) MONTH AGO ($79.01) YEAR AGO ($175.78)
FEEDLOT MARGINS: $326.95 LAST WEEK $368.29 MONTH AGO $499.63 YEAR AGO $441.06

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 18, 2024 AT EXPORTS WERE 13,200 MT DOWN 4% ON 4 WEEK AVERAGE SOUTH KOREA WAS THE LARGEST BUYER AT 4,400 MT. JAPAN SECOND WITH 2200 MT COMPARED TO 2700 MT A WEEK AGO. CHINA TOOK 1800 MT . LAST WEEK CHINA WAS LARGEST BUYER TAKING 4,700 MT. MEXICO TOOK 1200 MT WHERE A WEEK AGO THEY BOUGHT 2700 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
WEEK ENDING JUNE 20, 2024	16,700 MT
WEEK ENDING JUNE 13, 2024	14,900 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: 7/13/2024

	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%

FOR WEEK ENDING: 7/06/2024

	NEBRASKA	KANSAS	TEXAS
PRIME	10.95%	8.79%	7.31%
CHOICE	73.37%	74.97%	66.29%
SELECT	11.95%	12.73%	24.14%
OTHER	3.73%	3.52%	2.26%

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***NATIONAL DAILY DIRECT CATTLE 07/24/2024
5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1446	$193.87	27,252
LIVE HEIFER:	1291	$192.35	9,321
DRESSED STEER	941	$310.21	12,332
DRESSED HEIFER:	864	$310.00	1,325

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USDA POSTED SUMMARY CATTLE PRICES ON 07/24/2024
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 – NO REPORTABLE TRADE.
DRESSED DELIVERED - 308.00 ON 657 HEIFERS AND MIXED LOAD

KS – CASH – 187.00- ON 111 HEIFERS AND MIXED LOAD FOB DELIVERED
DRESSED DELIVERED – 306.00- ON 32 HEAD STEERS WEIGHING 930 POUNDS

TX/OK/NM NO REPORTABLE TRADE.

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

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DECEMBER LIVE CATTLE/DECEMBER LEAN HOG SPREAD –
OCTOBER/DECEMBER 2024 LIVE CATTLE –
DECEMBER/FEBRUARY LIVE CATTLE SPREAD -
AUGUST LIVE CATTLE -
OCTOBER 2024 LIVE CATTLE –
DECEMBER LIVE CATTLE –
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FEEDER CATTLE

CME FEEDER INDEX ON 07/23/2024 WAS 258.39 UP 65 CENTS FROM PREVIOUS DAY

AUGUST 2024 FEEDER CATTLE ON JULY 24, 2024 AT $257.12
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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 07/20/2024

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	111,300	49,800	25,700	186,800
LAST WEEK:	162,100	49,100	450,100	661,300
YEAR AGO:	121,500	37,900	9,900	169,300

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD MOSTLY STEADY TO 5.00 LOWER, BUT THERE WERE SOME EXCEPTIONS TO THAT WHICH TRENDED FIRM TO HIGHER. THE WEEK STARTED OFF WITH EXTREME HEAT AND AUCTION RECEIPTS WERE VERY LIGHT WHICH IS NOT UNUSUAL IN MID-JULY. HOWEVER, LATER IN THE WEEK MUCH COOLER WEATHER ARRIVED AND SOME AREAS SAW HEAVY RAINS AND LOCALIZED FLASH FLOODING WHICH ALSO PREVENTED SOME MOVEMENT. MANY BARNS ENCOURAGED PRODUCERS TO HOLD OFF MARKETING UNTIL THIS WEEK AS THE WEATHER IS PREDICTED TO BE MORE FAVORABLE FOR TRANSPORTING LIVESTOCK.
HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT

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WEEKLY PRICE CHANGE

	07/19/2024	07/26/2024	CONTRACT HIGH
AUGUST 2024 FEEDER CATTLE	255.60		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	255.77		285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	255.65		275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	255.37		274.70 FEBRUARY 8, 2024

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 24, 2024	479,000
WEEK AGO	479,000
YEAR AGO	458,276
WEEK TO DATE	1,413,000
PREVIOUS WEEK	1,434,000
2023 WEEK TO DATE	1,396,038
2024 YEAR TO DATE	71,932,959
2023 *YEAR TO DATE	71,142,676
YEAR TO DATE PERCENT CHANGE	1.1%

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

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CME LEAN HOG INDEX ON 07/22/2024 WAS 90.08 UP 28 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/23/2024 AT 101.95 UP 56 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS $11.87 TO THE CME PORK INDEX 07/24/2024

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WEEKLY FUTURES PRICE CHANGE

	07/19/2024	07/26/2024	CONTRACT HIGH
AUGUST 2024 LEAN HOGS	91.57		108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	74.55		89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	66.92		80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	71.45		82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	76.72		88.00 OCTOBER 13, 2023
JUNE 2025 LEAN HOGS	89.87		96.80 DECEMBER 18, 2023

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CME LEAN HOG INDEX AS OF JULY 22, 2024 = $90.08

AUGUST 2024 LEAN HOGS AS OF JULY 24, 2024 = $93.77

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THE LEAN HOG INDEX TO PORK INDEX HAS PORK AT $11.87 HAS BEEN QUICKLY WIDENING OVER THE CME LEAN HOG INDEX. IT'S VERY GOOD FOR PACKERS AT LEAST FOR THE PORK SOLD ON THE DAILY MARKET TO THE HOGS THEY BUY ON THE CASH MARKET. WITH CASH HOGS MOVING HIGHER, IT IS ALSO GOOD FOR THOSE PRODUCERS SELLING ON THE OPEN MARKET.

PACKERS LOOK LIKE THEY HAVE FIGURED HOW TO HAVE PROFITS IN THE BLACK. SLIGHTLY SLOW SLAUGHTER AND IMPOSE PORK BUYERS TO PAY HIGHER PRICES FOR PORK.

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EXPORTS

WEEK ENDING JULY 18, 2024 NET EXPORTS WERE 30,200 MT DOWN 19% ON THE 4 WEEK AVERAGE . MEXICO TOOK 7,700 COMPARED TO A WEEK AGO AT 9,000 MT. SOUTH KOREA BOUGHT 6400 MT AND JAPAN 4500 MT. COLUMBIA 3600 MT. CHINA TOOK 2,100 A WEEK AGO THEY BOUGHT 2800 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 20 , 2024

PACKER MARGINS $15.69 LAST WEEK $1.47 MONTH AGO $7.28 YEAR AGO $40.94

FARROW TO FINISH MARGINS $38.45 LAST WEEK $44.55 MONTH AGO $45.88 YEAR AGO $32.26

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 : 284.77

LOADS TRIM/PROCESS PORK : 27.08

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/24/2024	311.85	104.76	97.09	108.07	76.18	129.29	113.96	140.15
CHANGE:		1.26	1.94	-3.19	0.66	-4.94	2.62	2.31
FIVE DAY AVERAGE --		103.04	96.95	111.93	75.64	132.03	108.77	135.51

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/24/2024	152.23	103.71	97.34	110.57	75.65	129.69	109.16	139.28
CHANGE:		0.21	2.19	-0.69	0.13	-4.54	-2.18	1.44
FIVE DAY AVERAGE --		102.83	97.00	112.43	75.53	132.11	107.81	135.34

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/23/2024	312.90	103.50	95.15	111.26	75.52	134.23	111.34	137.84
CHANGE:		-1.02	-2.34	-2.29	-1.33	2.67	-0.68	0.64
FIVE DAY AVERAGE --		101.95	96.98	112.41	75.51	132.13	105.99	132.81

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HOG REPORT - PLANT DELIVERED PURCHASE JULY 24, 2024

NATIONAL NEGOTIATED PRICE
HEAD COUNT: 5,243
LOWEST PRICE: 79.00
HIGHEST PRICE: 87.00
WEIGHTED AVERAGE 85.30
CHANGE FROM PREVIOUS DAY 0.95 HIGHER

OTHER MARKET FORMULA (CARCASS)
HEAD COUNT: 38,347
LOWEST BASE PRICE: 70.00
HIGHEST BASE PRICE: 108.31
WEIGHTED AVERAGE PRICE: 88.31

SWINE/PORK MARKET FORMULA (CARCASS)
HEAD COUNT 160,245
LOWEST BASE PRICE: 81.59
HIGHEST BASE PRICE: 96.16
WEIGHTED AVERAGE PRICE 89.82

OTHER PURCHASE ARRANGEMENT (CARCASS)
HEAD COUNT: 62,652
LOWEST BASE PRICE: 80.13
HIGHEST BASE PRICE: 104.36
WEIGHTED AVERAGE PRICE 91.45

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 – JULY 23, 2024

****PRODUCER SOLD:**
HEAD COUNT 236,282
AVERAGE LIVE WEIGHT 280.66
AVERAGE CARCASS WEIGHT 210.48

PACKER SOLD:
HEAD COUNT 35,679
AVERAGE LIVE WEIGHT 281.57
AVERAGE CARCASS WEIGHT 212.79

PACKER OWNED:
HEAD COUNT 171,139
AVERAGE LIVE WEIGHT 276.72
AVERAGE CARCASS WEIGHT 211.11

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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 LEAN HOGS –
DECEMBER 2024 LEAN HOGS -
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BEEF: NET SALES OF 13,400 MT FOR 2024 WERE DOWN 13 PERCENT FROM THE PREVIOUS WEEK AND 4 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR SOUTH KOREA (4,400 MT, INCLUDING DECREASES OF 300 MT), JAPAN (2,200 MT, INCLUDING DECREASES OF 400 MT), CHINA (1,800 MT, INCLUDING DECREASES OF 100 MT), MEXICO (1,200 MT, INCLUDING DECREASES OF 100 MT), AND HONG KONG (1,200 MT, INCLUDING DECREASES OF 100 MT). EXPORTS OF 16,300 MT WERE UP 5 PERCENT FROM THE PREVIOUS WEEK AND FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO JAPAN (4,300 MT), SOUTH KOREA (3,500 MT), CHINA (2,500 MT), MEXICO (1,600 MT), AND TAIWAN (1,300 MT).

PORK: NET SALES OF 30,200 MT FOR 2024 WERE UP 28 PERCENT FROM THE PREVIOUS WEEK, BUT DOWN 19 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR MEXICO (7,700 MT, INCLUDING DECREASES OF 800 MT), SOUTH KOREA (6,400 MT, INCLUDING DECREASES OF 300 MT), JAPAN (4,500 MT, INCLUDING DECREASES OF 400 MT), COLOMBIA (3,600 MT, INCLUDING DECREASES OF 100 MT), AND CHINA (2,100 MT, INCLUDING DECREASES OF 100 MT). EXPORTS OF 32,900 MT WERE UP 3 PERCENT FROM THE PREVIOUS WEEK AND 7 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (13,200 MT), JAPAN (5,000 MT), CHINA (3,900 MT), SOUTH KOREA (2,700 MT), AND CANADA (2,100 MT).

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