ADM Investor Services, Inc.

TUESDAY MORNING JULY 30, 2024 LIVESTOCK REPORT

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CATTLE

JULY 29, 2024	115,000
WEEK AGO	115,000
YEAR AGO	121,098
2024 YEAR TO DATE	18,000,917
2023 YEAR TO DATE	18,840,168
PERCENT CHANGE YEAR TO DATE	-4.5%

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

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2:00 PM JULY 29, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	314.81	301.52
CHANGE FROM PRIOR DAY:	1.04	4.06
CHOICE/SELECT SPREAD:	13.28	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	145	
5 DAY SIMPLE AVERAGE:	313.11	296.30

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CME BOXED BEEF INDEX ON 07/26/2024 WAS 308.61 DOWN 18 CENTS FROM PREVIOUS DAY

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2:00 PM JULY 29, 2024

PRIMAL RIB	446.07	425.89
PRIMAL CHUCK	268.05	269.78
PRIMAL ROUND	279.37	282.87
PRIMAL LOIN	411.52	355.20

PRIMAL BRISKET	255.85	251.82
PRIMAL SHORT PLATE	220.74	220.74
PRIMAL FLANK	190.31	187.03

2:00 PM JULY 26, 2024

PRIMAL RIB	454.35	416.44
PRIMAL CHUCK	262.38	262.40
PRIMAL ROUND	279.54	282.31
PRIMAL LOIN	412.39	355.18
PRIMAL BRISKET	257.01	251.05
PRIMAL SHORT PLATE	213.29	213.29
PRIMAL FLANK	188.91	184.14

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LOAD COUNT AND CUTOUT VALUE SUMMARY

DATE	CHOICE	SELECT	TRIM	GRINDS	TOTAL		
07/26	66	13	9	13	101	313.77	297.46 FRIDAY
07/25	77	30	7	17	131	312.46	295.11
07/24	114	44	11	18	188	312.68	293.96
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

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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 29, 2024 FINAL

CHOICE CUTS	91.63 LOADS	3,665,399 POUNDS
SELECT CUTS	22.74 LOADS	909,462 POUNDS
TRIMMINGS	12.50 LOADS	499,822 POUNDS
GROUND BEEF	18.58 LOADS	743,190 POUNDS

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WEEKLY FUTURES PRICE CHANGE

	07/19/2024	07/26/2024	CONTRACT HIGH
AUGUST 2024 LIVE CATTLE	183.10	188.57	192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	183.47	188.55	194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	184.67	189.30	197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	186.65	189.92	199.57 9/20/2023
APRIL 2025 LIVE CATTLE	188.67	190.87	196.40 3/14/2024

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BOXED BEEF PRICES WERE UP MONDAY WITH DEMAND ON CHUCKS FOR BOTH CHOICE AND SELECT INDICATING BEST DEMAND IS FOR CHEAPER BEEF. THE HOT WEATHER ACROSS LARGE PORTIONS OF THE U.S. AND HEAVY RAINS IN THE NORTHEAST ARE KEEPING CONSUMERS FROM BUYING CUTS WHERE THEY ARE GRILLING OUTSIDE.

AUGUST, THE DOG DAYS, NORMALLY AREN'T A TIME WHEN BEEF PRICES RALLY.

THE 5 DAY NEGOTIATED STEER PRICE ON JULY 26TH WAS $195.45. AUGUST LIVE CATTLE FUTURES SETTLED JULY 29TH AT $186.97.

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THERE IS A DIFFERENCE THIS WEEK FOR THE CATTLE PACKERS ARE BUYING, THEY HAVE INCREASED PRICES PAID IN THE SOUTHWEST UP TO $191.00 WITH A COUPLE LOADS IN TEXAS FOR HEIFERS AT $194.00. PACKERS ARE ALSO CONTINUING TO PAY PREMIUMS IN KANSAS FOR CATTLE THEY CAN SEND TO NEBRASKA.

WEIGHTS HAVE FALLEN OF A BIT WHICH IS NORMAL FOR THE SUMMER. THIS SUMMER THERE AREN'T THE BIG HEAVIER CATTLE IN THE MIDWEST AND PACKERS NEED SEND THE CHOICE CATTLE FROM KANSAS INTO NEBRASKA. AT THE SAME TIME THE EXTRA WEIGHT OF CATTLE THIS YEAR AND BEEF IMPORTS ARE ADDING BEEF TO THE MARKET.

FOR THE COMING WEEK PACKERS WILL BE PULLING UP CONTRACT CATTLE WHICH COULD KEEP CATTLE FROM GOING UP. BY THE SECOND WEEK OF AUGUST, DEMAND COULD INCREASE IF RETAILERS NEED SUPPLY FOR LABOR DAY . LABOR DAY IS SEPTEMBER 2, 2024.

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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

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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: 7/20/2024

	NEBRASKA	KANSAS	TEXAS
PRIME	10.18%	8.20%	6.83%
CHOICE	74.37%	76.63%	65.39%
SELECT	11.52%	12.57%	25.13%
OTHER	3.93%	2.60%	2.64%

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%

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***NATIONAL DAILY DIRECT CATTLE 07/29/2024
5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1453	$195.45	28,970
LIVE HEIFER:	1317	$194.74	11,513
DRESSED STEER	937	$311.50	10,621
DRESSED HEIFER:	840	$309.98	2,458

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USDA POSTED SUMMARY CATTLE PRICES ON 07/29/2024
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.
LIVE DELIVERED - NO REPORTABLE TRADE
DRESSED DELIVERED - NO REPORTABLE TRADE

KS – CASH – NO REPORTABLE TRADE
LIVE DELIVERED - NO REPORTABLE TRADE
DRESSED DELIVERED NO REPORTABLE TRADE
DRESSED FOB – NO REPORTABLE TRADE

TX/OK/NM NO REPORTABLE TRADE
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 07/26/2024 WAS 258.75 DOWN 9 CENTS FROM PREVIOUS DAY

AUGUST 2024 FEEDER CATTLE ON JULY 29, 2024 AT $256.42
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WEEKLY PRICE CHANGE

	07/19/2024	07/26/2024	CONTRACT HIGH
AUGUST 2024 FEEDER CATTLE	255.60	259.70	282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	255.77	259.60	285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	255.65	258.30	275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	255.37	257.20	274.70 FEBRUARY 8, 2024

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JULY 29, 2024	482,000
WEEK AGO	453,000
YEAR AGO	477,242
2024 YEAR TO DATE	73,443,131
2023 *YEAR TO DATE	72,622,335
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 07/25/2024 WAS 91.85 UP 46 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 07/26/2024 AT 104.77 UP 59 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS $12.92 TO THE CME PORK INDEX 07/29/2024

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WEEKLY FUTURES PRICE CHANGE

	07/19/2024	07/26/2024	CONTRACT HIGH
AUGUST 2024 LEAN HOGS	91.57	93.47	108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	74.55	78.20	89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	66.92	70.32	80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	71.45	73.92	82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	76.72	79.00	88.00 OCTOBER 13, 2023
JUNE 2025 LEAN HOGS	89.87	91.60	96.80 DECEMBER 18, 2023

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CME LEAN HOG INDEX AS OF JULY 25, 2024 = $91.85

AUGUST 2024 LEAN HOGS AS OF JULY 2, 2024 = $91.45

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WITH PORK PRICES MOVING HIGHER ON THE DAILY PRICE SHEET AND LOAD MOVEMENT NOT GETTING LARGER WITH AN INCREASING SLAUGHTER, IT IS PROBABLY SHOWING GOOD DEMAND AND COMING A LOT FROM EXPORTS. HAMS AND BELLIES ARE THE STRONGEST PORK PRODUCTS. EXPECT TO SEE THIS WEEK ANOTHER WEEK OF GOOD EXPORTS. THE PROXIMITY OF THE U.S. IS A POSITIVE FACTOR EVEN WITH THE STRONG DOLLAR.

WITH 2 DAYS LEFT IN JULY IT IS LIKELY MONDAY'S LEAN HOG TRADE BEGAN AS LONGS TAKING PROFITS COMBINED WITH STOPS AND AUGUST LEAN HOGS ERASING THE PREMIUM IT GAINED OVER

THE CME LEAN HOG INDEX. MONDAY TRADING WAS MOSTLY TRADING FUNDAMANTALS FOR AUGUST VERSUS HIGHLY CONTROLLED SPECULATION FROM OCTOBER INTO 2025.

WITH A LITTLE OVER 2 WEEKS WHEN AUGUST LEAN HOGS EXPIRE, AUGUST AS OF JULY 29TH SETTLING AT $91.45 IS CLOSE ENOUGH TO THE CME LEAN HOG INDEX.

BUT FROM OCTOBER ON OUT, FUNDS AND LARGE SPECULATIVE SPREADERS DOMINATE FUTURES. THERE IS A LOT OF TIME, GOING FROM SUMMER TO FALL, FROM NOW UNTIL MID SEPTEMBER WHEN SPECULATORS OFTEN CONTROL THE TRADING.

FUNDAMANTALY THE BEARISH NEWS FOR 4TH QUARTER HOGS IS THE GLOBAL MARKET. IT IS EXPECTED THAT CHINA WILL IMPORT MUCH LESS PORK. ACCORDING TO THE USDA GLOBAL TRADE REPORT ON JULY 12TH, IT IS ESTIMATED CHINA WILL TAKE IN ABOUT 21% LESS PORK. EXPORTERS BRZIL, SPAIN, DENMARK, NETHERLANDS AND THE U.S. ARE GOING TO NEED TO FIND NEW BUYERS AND FIGHT FOR LEADERSHIP ON THE EXPORT LADDER.

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PACKERS PUSHED UP SLAUGHTER LAST WEEK WITH A 110,000 HEAD SLAUGHTER FOR SATURDAY. LAST MONDAY'S SLAUGHTER WAS LIGHT AND THEY MADE UP FOR IT SATURDAY.

THE LEAN HOG INDEX TO PORK INDEX HAS THE PORK INDEX AT $12.92 OVER THE CME LEAN HOG INDEX.   FOR PACKERS THAT SLAUGHTER CATTLE AND HOGS, IT IS GOING TO HELP THEIR BOTTOM LINE COMPARED TO PACKERS THAT JUST SLAUGHTER CATTLE.

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FOR WEEK ENDING JULY 18TH IT WAS A GOOD SOLID WEEK FOR PORK EXPORTS. ALTHOUGH THEY HAVE DROPPED A BIT FROM THE FIRST HALF OF THE YEAR, AT 30,200 MT PORK EXPORTS ARE VERY GOOD AND ARE HELPING TO SUPPORT PORK AND HOG PRICES.

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.   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 : 214.94

LOADS TRIM/PROCESS PORK : 28.84

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/29/2024	243.78	106.78	98.66	111.85	78.85	123.19	112.04	151.10
CHANGE:		1.61	1.78	2.13	2.29	2.52	-2.94	6.89
FIVE DAY AVERAGE --		105.23	97.15	111.09	76.54 1	26.67	113.55	142.79

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/29/2024	134.84	107.61	98.75	112.98	79.72	120.44	110.92	157.21
CHANGE:		2.44	1.87	3.26	3.16	-0.23	-4.06	13.00
FIVE DAY AVERAGE --		105.40	97.17	111.32	76.71	126.12	113.32	144.01

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
07/26/2024	262.83	105.17	96.88	109.72	76.56	120.67	114.98	144.21
CHANGE:		-0.78	-1.10	-4.83	0.99	-5.32	-0.44	3.57
FIVE DAY AVERAGE --		104.78	96.92	111.43	76.14	128.35	113.54	140.01

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HOG REPORT - PLANT DELIVERED PURCHASE JULY 29, 2024

NATIONAL NEGOTIATED PRICE
HEAD COUNT 916
LOWEST PRICE: 78.00
HIGHEST PRICE: 85.00
WEIGHTED AVERAGE 84.07
CHANGE FROM PREVIOUS DAY 1.94 HIGHER

OTHER MARKET FORMULA (CARCASS)
HEAD COUNT: 34,329
LOWEST BASE PRICE: 71.66
HIGHEST BASE PRICE: 108.31
WEIGHTED AVERAGE PRICE: 91.15

SWINE/PORK MARKET FORMULA (CARCASS)
HEAD COUNT 172,595
LOWEST BASE PRICE: 82.13
HIGHEST BASE PRICE: 97.47
WEIGHTED AVERAGE PRICE 91.19

OTHER PURCHASE ARRANGEMENT (CARCASS)
HEAD COUNT: 110,048
LOWEST BASE PRICE: 78.39
HIGHEST BASE PRICE: 105.95
WEIGHTED AVERAGE PRICE 90.07

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 – FRIDAY, JULY 26, 2024 AND SATURDAY, JULY 27, 2024

****PRODUCER SOLD:**
HEAD COUNT 273,788
AVERAGE LIVE WEIGHT 281.76
AVERAGE CARCASS WEIGHT 211.08

PACKER SOLD:
HEAD COUNT 28,141
AVERAGE LIVE WEIGHT 283.94
AVERAGE CARCASS WEIGHT 213.75

PACKER OWNED:
HEAD COUNT 199,287
AVERAGE LIVE WEIGHT 280.03
AVERAGE CARCASS WEIGHT 213.08

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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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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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