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Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING SEPTEMBER 5, 2024 LIVESTOCK REPORT
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CATTLE

SEPTEMBER 04, 2024	125,000
WEEK AGO	120,000
YEAR AGO	128,519
WEEK TO DATE	252,000
PREVIOUS WEEK	354,000
2023 WEEK TO DATE	258,554
2024 YEAR TO DATE	21,152,661
2023 YEAR TO DATE	21,941,245
PERCENT CHANGE YEAR TO DATE	-4.2%

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_3208.PDF](https://www.ams.usda.gov/mnreports/ams_3208.pdf)

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2:00 PM SEPTEMBER 04, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	311.60	299.39
CHANGE FROM PRIOR DAY:	0.93	(0.72)
CHOICE/SELECT SPREAD:	12.21	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):	169	
5 DAY SIMPLE AVERAGE:	309.58	298.00

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CME BOXED BEEF INDEX ON 09/03/2024 WAS 307.56 DOWN 66 CENTS FROM PREVIOUS DAY

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2:00 PM SEPTEMBER 04, 2024

PRIMAL RIB	481.25	441.32
PRIMAL CHUCK	276.48	272.19
PRIMAL ROUND	274.23	274.65
PRIMAL LOIN	373.45	344.03
PRIMAL BRISKET	254.41	245.06
PRIMAL SHORT PLATE	223.21	223.21
PRIMAL FLANK	173.19	180.01

2:00 PM SEPTEMBER 03 2024

PRIMAL RIB	473.54	445.86
PRIMAL CHUCK	274.85	274.13
PRIMAL ROUND	274.59	274.20
PRIMAL LOIN	375.70	342.11
PRIMAL BRISKET	252.76	248.05
PRIMAL SHORT PLATE	222.70	222.70
PRIMAL FLANK	172.82	180.92

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LOAD COUNT AND CUTOUT VALUE SUMMARY

DATE	CHOICE	SELECT	TRIM	GRINDS	TOTAL		
09/03	78	16	0	11	105	310.67	300.11
08/30	57	11	14	15	98	309.34	295.82 FRIDAY
08/29	127	22	7	14	170	308.66	296.19
08/28	85	20	3	16	124	307.29	297.63
08/27	106	31	8	23	167	311.97	300.25

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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.

SEPTEMBER4, 2024 FINAL

CHOICE CUTS	98.64 LOADS	3,945,518 POUNDS
SELECT CUTS	30.41 LOADS	1,216,393 POUNDS
TRIMMINGS	13.64 LOADS	545,564 POUNDS
GROUND BEEF	25.86 LOADS	1,034,505 POUNDS

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WEEKLY FUTURES PRICE CHANGE

	08/30/2024	09/06/2024
OCTOBER 2024 LIVE CATTLE	178.60	
DECEMBER 2024 LIVE CATTLE	177.55	
FEBRUARY 2025 LIVE CATTLE	178.45	
APRIL 2025 LIVE CATTLE	180.17	
JUNE 2025 LIVE CATTLE	174.45	

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WITH THE OUTLOOK FOR MORE CATTLE IN THE FEEDLOTS, TRADERS AREN'T WILLING TO BUY FUTURES BUT WITH NEARBY FUTURES BELOW CASH, THEY ARE'T WILLING SELLERS. TRADE VOLUME WAS LIGHT THURSDAY. FOR THE NEAR TERM, LOOK FOR FUTURES TO TRADE SLOWLY LOWER.

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CASH CATTLE PRICES LAST WEEK WERE STEADY TO SLIGHTLY WEAKER IN THE MIDWEST AND IN THE SOUTHWEST MOSTLY STEADY. BUYING ACTIVITY WAS LIGHT AS PACKERS WERE BUYING FOR THE SHORT LABOR DAY WEEK.

CASH SALES BEGAN SELLING LAST THURSDAY AND FRIDAY PACKERS BOUGHT A FEW TO FINISH OUT THIS WEEKS KILL. STEERS IN IA/MN SOLD FOR \$181.00 TO \$184.00 AVERAGING \$183.15 WITH DRESSED CATTLE MOSTLY \$292.00. KANSAS SOLD AT \$182.00 WITH A FEW UP TO \$183.00 AND TEXAS AT \$183.00 ON VERY LIGHT SALES.

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EXPORTS

FOR THE WEEK ENDING AUGUST 22, 2024 EXPORTS WERE 17,200 MT DOWN 4% ON THE 4 WEEK AVERAGE. THERE ARE JUST NO BIG BUYERS. JAPAN WAS THE LARGEST BUYER TAKING 5400 MT, FOLLOWED BY CHINA AT 3300 MT. SOUTH KOREA TOOK ONLY 1900 MT

WEEK ENDING AUGUST 15, 2024	15,900 MT
WEEK ENDING AUGUST 8, 2024	28,100 MT
WEEK ENDING AUGUST 1, 2024	10,000 MT
WEEK ENDING JULY 25, 2024	17,700 MT

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT SEPTEMBER 3, 2024

AS OF SEPTEMBER 3, 2024, DRESSED STEER AND HEIFER CARCASSES AVERAGED 904.5 POUNDS, UP 1.5 POUNDS FROM PREVIOUS WEEK, AND **UP 31.8 POUNDS FROM A YEAR AGO**. THE GRADING PERCENT AS OF 09/03/2024 WAS 83.4% COMPARED TO PREVIOUS WEEK AT 83.1%. ON SEPTEMBER 6, 2023 CARCASSES WEIGHED 872.9 POUNDS AND GRADED WAS 78.6%.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_2700.PDF](https://www.ams.usda.gov/mnreports/ams_2700.pdf)

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STERLING MARKETING BEEF MARGINS WEEK ENDING [AUGUST 31, 2024](#)

PACKER MARGIN (\$ /HEAD \$10.43 LAST WEEK **(\$3.65) MONTH AGO **(\$135.76)** YEAR AGO **(\$63.55)****

FEEDLOT MARGINS: \$38.46 LAST WEEK \$95.00 MONTH AGO \$313.40 YEAR AGO \$389.49

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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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: 8/25/2024

	NEBRASKA	KANSAS	TEXAS
PRIME	9.93%	7.78%	6.61%
CHOICE	75.20%	76.38%	65.50%
SELECT	11.13%	12.79%	25.15%
OTHER	3.74%	3.05%	2.73%

FOR WEEK ENDING: 8/17/2024

	NEBRASKA	KANSAS	TEXAS
PRIME	9.13%	7.88%	6.90%
CHOICE	73.74%	75.24%	65.79%
SELECT	11.52%	13.73%	24.83%
OTHER	5.61%	3.15%	2.49%

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*****NATIONAL DAILY DIRECT CATTLE 09/04/2024**

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1476	\$184.10	21,529
LIVE HEIFER:	1325	\$183.48	12,257
DRESSED STEER	966	\$290.30	10,173
DRESSED HEIFER:	851	\$291.07	3,603

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**USDA POSTED SUMMARY CATTLE PRICES ON 09/04/2024
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
DRESSED FOB - NO REPORTABLE TRADE.**

**KS – CASH – 180.00 ON 1,333 HEAD, STEERS, HEIFERS AND MIXED LOAD
LIVE DELIVERED - NO REPORTABLE TRADE.
DRESSED DELIVERED NO REPORTABLE TRADE.
DRESSED FOB – NO REPORTABLE TRADE**

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 LIVE CATTLE –
DECEMBER/FEBRUARY LIVE CATTLE SPREAD -
OCTOBER LIVE CATTLE -
DECEMBER LIVE CATTLE -**

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FEEDER CATTLE

CME FEEDER INDEX ON 09/03/2024 WAS 239.53 DOWN 45 CENTS FROM PREVIOUS DAY

SEPTEMBER 2024 FEEDER CATTLE SETTLED ON SEPTEMBER 04, 2024 AT \$239.62

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SEPTEMBER 2024 THROUGH JANUARY 2025 FEEDER FUTURES ARE BULL SPREAD.

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 08/31/2024

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	135,500	47,400	2,800	185,700
LAST WEEK:	146,200	38,100	230,300	414,600
YEAR AGO:	149,800	46,100	3,400	199,300

COMPARED TO LAST WEEK, STEERS AND HEIFERS SOLD UNEVEN; 3.00 LOWER TO 3.00 HIGHER. DEMAND WAS MODERATE TO GOOD, WITH BEST DEMAND FOR YEARLINGS COMING OFF GRASS AND THOSE ARE THE ONES WITH THE MOST POTENTIAL FOR COMPENSATORY GAIN...

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/sj_ls850.txt)

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WEEKLY PRICE CHANGE

	08/23/2024	08/30/2024
AUGUST 2024 FEEDER CATTLE	242.57	243.17
SEPTEMBER 2024 FEEDER CATTLE	238.57	240.47
OCTOBER 2024 FEEDER CATTLE	234.37	237.75
NOVEMBER 2024 FEEDER CATTLE	231.60	235.25
JANUARY 2025 FEEDER CATTLE	229.17	232.26
MARCH 2025 FEEDER CATTLE	230.05	232.50
APRIL 2025 FEEDER CATTLE	232.67	232.82
MAY 2025 FEEDER CATTLE	234.87	236.72

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NOVEMBER 2024 FEEDER CATTLE -

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

SEPTEMBER 04, 2024	485,000
WEEK AGO	473,000
YEAR AGO	479,231
WEEK TO DATE	971,000
PREVIOUS WEEK	1,431,000
2023 WEEK TO DATE	954,843
2024 YEAR TO DATE	86,206,397
2023 *YEAR TO DATE	85,127,761

YEAR TO DATE PERCENT CHANGE 1.3%
[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 08/30/2024 WAS 86.15 DOWN 32 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 09/03/2024 AT 96.79 UP 86 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$10.64 TO THE CME PORK INDEX 09/04/2024

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WEEKLY FUTURES PRICE CHANGE

	08/30/2024	09/06/2024
OCTOBER 2024 LEAN HOGS	82.22	
DECEMBER 2024 LEAN HOGS	72.77	
FEBRUARY 2025 LEAN HOGS	75.37	
APRIL 2025 LEAN HOGS	79.62	
JUNE 2025 LEAN HOGS	91.72	
JULY 2025 LEAN HOGS	92.47	

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CME LEAN HOG INDEX AS OF AUGUST 30 2024 = \$86.15

OCTOBER 2024 LEAN HOGS AS OF SEPTEMBER 04, 2024 = \$81.57

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AS HOG SLAUGHTER INCREASES, THERE IS MORE PORK BEING SOLD ON THE DAILY MARKET AS PACKERS DON'T HAVE INCREASED ORDERS TO MOVE PORK TO CONTRACTED ORDERS. IF YOU RECALL, AT THE END OF 2023 ONE OF THE LARGEST PACKERS REPORTED THEY HAD LOST CONTRACTED ORDERS FOR PORK. U.S. HOG NUMBERS AREN'T GOING DOWN AND GLOBAL NUMBERS ARE HIGH.

WEDNESDAY ON THE AFTERNOON PORK SALES PRICES TURNED DOWN. LOINS WERE DOWN \$5.02 AND BELLIES WERE \$10.05 LOWER. ALL PRIML SECTIONS WERE DOWN EXCEPT RIBS THAT WERE ONLY 25 CENTS HIGHER.

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LEAN HOG FUTURES WERE LOWER WEDNESDAY ON LIGHT VOLUME. TRADERS ARE PREDOMINATELY SPREADING AND MAINTAINING BEAR SPREADS FROM DECEMBER 2024 THROUGH APRIL 2025.

TRADERS ARE ANTICIPATING BIGGER SLAUGHTERS FOR SEPTEMBER AND INTO THE MONTHS AHEAD. WITH INCREASING SLAUGHTERS THEY WILL WANT TO SEE STRONGER EXPORTS. WITH LARGER SLAUGHTERS AND HEAVIER HOGS, THE MARKET NEEDS TO HAVE GROWING EXPORTS.

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AS HOGS MOVE FROM SUMMER WEATHER INTO THE COOLER FALL TEMPERATURES, CARCASS WEIGHTS WILL IMPROVE.

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EXPORTS

FOR THE WEEK ENDING AUGUST 22, 2024 NET EXPORTS WERE 42,200 MT UP 59% ON THE 4 WEEK AVERAGE. MEXICO BOUGHT 13,800 MT AFTER BUYING A WEEK AGO 4,700 MT AND THE WEEK BEFORE 3,300 MT. CHINA WAS THE SECOND LARGEST BUYER WITH 11,500 MT. CHINA HAS BEEN A LIGHT BUYER IN 2024. THIS PURCHASE IS LIKELY CHINESE BUYERS INCREASING FOR THE NATIONAL HOLIDAY BEGINNING OCTOBER 1ST. IT IS UNLIKELY TO HAVE CHINESE BUYERS INCREASING MORE THAN A COUPLE OF WEEKS.

WEEK ENDING AUGUST 15, 2024 NET EXPORTS WERE 19,300 MT
 WEEK ENDING AUGUST 8, 2024 NET EXPORTS WERE 20,900 MT
 WEEK ENDING AUGUST 1, 2024 NET EXPORTS WERE 34,600 MT
 WEEK ENDING JULY 25, 2024 NET EXPORTS WERE 31,500 MT

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STERLING PORK PROFIT TRACKER WEEK ENDING - AUGUST 31 2024

PACKER MARGINS \$21.35 LAST WEEK \$14.00 MONTH AGO \$25.95 YEAR AGO \$9.04
 FARROW TO FINISH MARGINS \$21.13 LAST WEEK \$31.41 MONTH AGO \$39.20 YEAR AGO (\$1.10)

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%

LOADS PORK CUTS : 304.90
 LOADS TRIM/PROCESS PORK : 40.58

	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
2:00 PM 09/04/2024	345.48	95.29	90.85	106.28	78.47	129.48	93.49	121.59
CHANGE:		-3.53	-5.02	-1.67	-1.20	0.25	-1.79	-10.05
FIVE DAY AVERAGE		96.50	94.05	106.90	77.89	128.93	92.17	126.28
11:00 AM 09/04/2024	182.10	97.28	93.64	107.52	80.28	129.89	93.40	126.83
CHANGE:		-1.54	-2.23	-0.43	0.61	0.66	-1.88	-4.81
FIVE DAY AVERAGE		96.90	94.60	107.15	78.25	129.01	92.15	127.33
2:00 PM 09/03/2024	337.40	98.82	95.87	107.95	79.67	129.23	95.28	131.64

CHANGE:	1.59	1.17	0.23	1.83	2.23	2.91	2.03
FIVE DAY AVERAGE	96.65	94.65	107.49	77.65	128.75	91.36	127.73

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HOG REPORT - PLANT DELIVERED PURCHASE SEPTEMBER 04, 2024

NATIONAL NEGOTIATED PRICE
HEAD COUNT 15,462
LOWEST PRICE: 70.00
HIGHEST PRICE: 80.50
WEIGHTED AVERAGE 78.67
CHANGE FROM PREVIOUS DAY -0.23 LOWER

OTHER MARKET FORMULA (CARCASS)
HEAD COUNT: 88,750
LOWEST BASE PRICE: 68.13
HIGHEST BASE PRICE: 92.20
WEIGHTED AVERAGE PRICE: 76.94

SWINE/PORK MARKET FORMULA (CARCASS)
HEAD COUNT 184,961
LOWEST BASE PRICE: 74.91
HIGHEST BASE PRICE 90.91
WEIGHTED AVERAGE PRICE 85.38

OTHER PURCHASE ARRANGEMENT (CARCASS)
HEAD COUNT: 60,162
LOWEST BASE PRICE: 75.57
HIGHEST BASE PRICE: 97.40
WEIGHTED AVERAGE PRICE 85.73

[HTTPS://WWW.AMS.USDA.GOV/SITES/DEFAULT/FILES/MEDIA/LMRSWINEREPORTINGHANDOUT.PDF](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 – SEPTEMBER 03, 2024

****PRODUCER SOLD:**
HEAD COUNT 234,523
AVERAGE LIVE WEIGHT 280.87
AVERAGE CARCASS WEIGHT 210.49

PACKER SOLD:

HEAD COUNT 35,588
AVERAGE LIVE WEIGHT 286.26
AVERAGE CARCASS WEIGHT 216.88

PACKER OWNED:

HEAD COUNT 177,256
AVERAGE LIVE WEIGHT 276.80
AVERAGE CARCASS WEIGHT 211.07

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OCTOBER/DECEMBER LEAN HOG SPREAD -
DECEMBER/FEBRUARY LEAN HOG SPREAD -
OCTOBER 2024 LEAN HOGS –
DECEMBER 2024 LEAN HOGS

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