



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING DECEMBER 19, 2023 LIVESTOCK REPORT

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CATTLE

DECEMBER 18, 2023	125,000
WEEK AGO	126,000
YEAR AGO	99,000

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2:00 PM DECEMBER 18, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	288.93	263.72
CHANGE FROM PRIOR DAY:	(2.71)	2.90
CHOICE/SELECT SPREAD:		25.21
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		102
5 DAY SIMPLE AVERAGE:	291.76	259.30

CME BOXED BEEF INDEX ON 12/15/2023 WAS 284.77 UP 73 CENTS FROM PREVIOUS DAY

2:00 PM DECEMBER 18, 2023

PRIMAL RIB	580.90	477.84
PRIMAL CHUCK	228.99	234.97
PRIMAL ROUND	201.46	198.04
PRIMAL LOIN	382.71	320.20
PRIMAL BRISKET	250.43	228.94
PRIMAL SHORT PLATE	167.41	167.41
PRIMAL FLANK	127.27	123.96

2:00 PM DECEMBER 15, 2023

PRIMAL RIB	591.37	470.40
PRIMAL CHUCK	229.52	224.18
PRIMAL ROUND	203.96	201.92

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PRIMAL LOIN	385.34	320.20
PRIMAL BRISKET	248.85	225.59
PRIMAL SHORT PLATE	172.34	172.34
PRIMAL FLANK	126.56	126.88

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total			
12/15	74	18	24	18	134	FRIDAY	291.64	260.82 FRIDAY
12/14	118	23	0	30	170		292.32	258.26
12/13	108	31	14	24	176		291.64	259.21
12/12	90	26	0	14	129		292.78	258.66
12/11	71	30	23	9	134		290.43	259.54
12/08	107	28	9	23	167	FRIDAY	288.01	257.90 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.

December 18, 2023 PM

Choice Cuts	69.98 loads	2,799,369 pounds
Select Cuts	23.45 loads	937,800 pounds
Trimming	0.00 loads	0 pounds
Ground Beef	9.02 loads	360,629 pounds

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DECEMBER 2023 LIVE CATTLE DELIVERIES

NO DELIVERIES AS OF 12/18/2023

DELIVERY NOTICE SERVED – DECEMBER 2023 - LIVE CATTLE

DATE 12/18/23 SETTLEMENT: \$168.82

OLDEST LONG – 4/06/2023 \$170.90

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WEEK FUTURES PRICE CHANGE

	12/08/2023	12/15/2023	CONTRACT HIGH
DECEMBER 2023 LIVE CATTLE	168.22		192.05 9/19/2023
FEBRUARY 2024 LIVE CATTLE	169.35		196.60 9/19/2023
APRIL 2024 LIVE CATTLE	172.85		199.82 9/15/2023
JUNE 2024 LIVE CATTLE	170.05		199.02 9/15/2023
AUGUST 2024 LIVE CATTLE	170.75		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	175.25		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	179.25		197.47 9/15/2023

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FEBRUARY 2025 LIVE CATTLE 181.27
APRIL 2025 LIVE CATTLE 183.95
(APRIL 2025 LIVE CATTLE OPENED ON OCTOBER 31, 2023 AT 192.80)

199.57 9/20/2023
195.35 11/02/2023

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USDA LIVESTOCK REPORTS FOR DECEMBER 2023

CATTLE ON FEED REPORT – FRIDAY, DECEMBER 22, 2023

COLD STORAGE REPORT – FRIDAY, DECEMBER 22, 2023

HOGS AND PIGS REPORT – FRIDAY, DECEMBER 22, 2023

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Trade volume was light Monday and expect light trading the remainder of the week before the Cattle on Feed Report on December 22nd and then light again the following week before the New Year break. There could be some volatility as spec traders play within the markets and spreads, but unless there is a surprise on cash cattle prices or if the report has a surprise, expect trade movement to be slow and likely won't increase until traders come back after New Years.

Monday, Live Cattle futures tried to rally with the excuse cattle in the Southwest sold for \$170.00 and were higher than cash cattle in the Midwest. Last week showlist sales were the lowest movement in 2023 estimated to be just 40,000 head. Packers have plenty of cattle supplies in the Midwest and had enough of their own in the Southwest either contract cattle or from their own feedlots. The amount of cattle packers bought in the Southwest wasn't even a handful. The beef market didn't need showlist cattle to kill 645,000 head.

After the first of the year with big heavy cattle especially in the Midwest, packers could pay more for cattle in the Southwest and for finished cattle going into Mexico versus staying in the US. The plus side for packers buying heavy big cattle, there will be more trimmings and ground beef and it is what many consumers want.

Slaughter last week was up 14,000 head over the previous week.

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The 5 day negotiated average steer price as of December 15th was \$167.84. Monday, December 18th December 2023 Live Cattle settled at \$.168.82.

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USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT

December 18, 2024

https://www.ams.usda.gov/mnreports/nw_ls196.txt Full Report

For Week Ending: 12/9/2023

	Nebraska	Kansas	Texas
Prime	12.16%	7.38%	3.47%
Choice	73.34%	75.26%	62.91%
Select	10.70%	14.59%	31.52%
Other	3.80%	2.77%	2.10%

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For week ending December 2, 2023

	Nebraska	Kansas	Texas
Prime	12.34%	7.34%	3.57%
Choice	72.95%	74.44%	65.00%
Select	10.46%	14.97%	29.20%
Other	4.24%	3.25%	2.22%

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EXPORTS

For week ending December 7, 2023 net sales were 10,600 MT. better than a week ago but still way too low. South Lorea the largest buyer took just 2,700 MT and Japan bought 2,300MT China bought 1,300 MT

week ending November 30, 2023 200 MT

Week Ending November 23, 2023 6,300 MT

Week Ending November 16, 2023 10,000 MT

Week Ending November 9, 2023 8,900 MT

[HTTPS://APPS.FAS.USDA.GOV/EXPORT-SALES/HIGHLITE.HTM](https://apps.fas.usda.gov/export-sales/highlite.htm)

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT DECEMBER 12, 2023

As of December 12, 2023, dressed steer and heifer carcasses averaged 903.7 pounds up 2.5 pounds from previous week . The grading percent as of 12/12/23 was 82.0% compared to previous week at 80.9% up 1.1%. On December 13, 2022 carcasses weighed 893.6 pounds and graded 81.5% .

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

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***NATIONAL DAILY DIRECT CATTLE 12/18/2023

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1493	\$168.66	16,693
LIVE HEIFER:	1313	\$169.12	5,522
DRESSED STEER	966	\$267.74	10,661
DRESSED HEIFER:	855	\$267.47	1,649

USDA POSTED SUMMARY CATTLE PRICES ON 12/18/2023 FOR FRIDAY

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 - NO REPORTABLE TRADE
DRESSED FOB - NO REPORTABLE TRADE

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

TX/OK/NM CASH – NO REPORTABLE TRADE
LIVE DELIVERED – NO REPORTABLE TRADE

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

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APRIL 2024 LIVE CATTLE/ APRIL 2024 LEAN HOGS –
FEBRUARY 2024/APRIL 2024 LIVE CATTLE SPREAD –
DECEMBER 2023 LIVE CATTLE –
FEBRUARY 2024 LIVE CATTLE –
JUNE 2023 LIVE CATTLE -

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FEEDER CATTLE

CME FEEDER INDEX ON 12/15/2023 WAS 218.15 DOWN 92 CENTS FROM PREVIOUS DAY

JANUARY 2024 FEEDER CATTLE FUTURES SETTLED ON 12/18/2024 AT \$223.17

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WEEKLY FUTURES PRICE CHANGE

	12/08/2023	12/15/2023	CONTRACT HIGH
JANUARY 2024 FEEDER CATTLE	215.30	220.90	268.50 SEPTEMBER 15, 2023
MARCH 2024 FEEDER CATTLE	216.07	222.17	270.10
APRIL 2024 FEEDER CATTLE	219.20	226.57	273.60
MAY 2024 FEEDER CATTLE	222.67	230.52	272.47
AUGUST 2024 FEEDER CATTLE	235.00	242.97	282.92
SEPTEMBER 2024 FEEDER CATTLE	237.77	245.05	285.90

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 12/16/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	191,800	36,600	46,100	274,500
Last Week:	280,700	29,700	19,100	329,500
Year Ago:	191,800	29,800	33,400	255,000

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Compared to last week, steers and heifers sold steady to 5.00 higher. Demand was moderate with buyers continue to want shots and weaning programs on the story of the cattle in the ring. The weather has yet to stabilize and the sharp differences between day and nighttime temperatures continues to yield a lot of sick calves. Feedyards are not too inclined to take on calves unless they have some bells and whistles this time of year.

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

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APRIL 2024 FEEDER CATTLE/MAY 2024 FEEDER CATTLE SPREAD
JANUARY 2024 FEEDER CATTLE -
MARCH 2024 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 18, 2023	489,000
WEEK AGO	462,000
YEAR AGO	481,000

****Revised Friday Hog Slaughter.. 471,000** Previous Estimate 478,000****
****New Saturday Week To Date.. 2,682,000** Previous Estimate 2,689,000****

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CME LEAN HOG INDEX ON 12/14/2023 WAS 67.15 DOWN 60 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 12/15/2023 AT 84.48 DOWN 23 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$17.33 TO THE CME PORK INDEX. 12/18/2023

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WEEKLY FUTURES PRICE CHANGE

	12/08/2023	12/15/2023
DECEMBER 2023 LEAN HOGS	68.42	67.17 Last futures trade 12/14/2023
FEBRUARY 2023 LEAN HOGS	68.97	71.65
APRIL 2023 LEAN HOGS	76.10	78.62
JUNE 2024 LEAN HOGS	91.42	93.20
JULY 2024 LEAN HOGS	93.67	94.57
AUGUST 2024 LEAN HOGS	94.57	94.87
OCTOBER 2024 LEAN HOGS	82.07	81.92

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Monday, December 18, 2023, the CME Pork Index gained on the CME Lean Hogs and was plus \$17.33. It is good for packers and with the CME Lean Hog Index down, it is bad for producers. Producers cash prices are falling and with the high base prices on carcass and formula hogs based on previous contract prices and various ways of calculating prices such as grids, formulas and carcass pricing, the high base prices will be coming down.

Pork prices continue to slip lower. Monday, the 5 day average carcass prices was down to \$83.95. Hams average \$79.07 and didn't see December holiday demand in 2023. Bigger hog slaughter and increasing weights pressured hog prices along with large global supplies. Exports have been good but not good enough to make up the increase in supplies of pork.

Futures are bear spread indicating traders outlook into 2024 and 2025.

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EXPORTS

EXPORTS REMAIN GOOD BUT HAVE SLOWED AND THEY DO DEPEND ON MEXICO. FOR WEEK ENDING DECEMBER 7, 2023 NET EXPORTS WERE 28,200 MT. MEXICO TOOK 13,700 MT, JAPAN TOOK 3,100 MT AND AUSTRALIA TOOK 2,100MT. SOUTH KOREA WHO WAS LARGEST BUYER LAST WEEK TOOK ONLY 1,300MT. CANADA HAS BACKED OF US PORK AS IT IS TAKING MORE PORK AND BEEF FROM BRAZIL WITH TRADE AGREEMENT MADE EARLY 2023.

WEEK ENDING NOVEMBER 30, 2023 NET EXPORTS SALES WERE 25,900 MT
 WEEK ENDING NOVEMBER 23, 2023 NET EXPORT SALES WERE 21,200 MT
 WEEK ENDING NOVEMBER 16, 2023 NET EXPORT SALES WERE 26,300 MT
 WEEK ENDING NOVEMBER 9, 2023 NET EXPORT SALES WERE 24,300 MT

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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 : 211.06
 Loads TRIM/PROCESS PORK : 49.09

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/18/2023	260.15	83.97	81.76	109.70	78.32	117.02	77.03	95.51
CHANGE:		-0.36	-1.70	-1.98	4.11	-5.07	0.68	-0.25
FIVE DAY AVERAGE --		83.95	82.80	110.52	77.18	118.65	79.07	89.74
11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/18/2023	144.92	86.86	81.95	111.34	93.91	117.25	79.81	96.83
CHANGE:		2.53	-1.51	-0.34	19.70	-4.84	3.46	1.07
FIVE DAY AVERAGE --		84.53	82.84	110.85	80.30	118.70	79.63	90.01

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2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/15/2023	228.65	84.33	83.46	111.68	74.21	122.09	76.35	95.76
CHANGE:		0.76	0.01	-1.59	-2.38	3.22	-2.07	9.98
FIVE DAY AVERAGE --		84.48	83.31	110.69	77.90	118.86	80.31	89.47

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**HOG REPORT - PLANT DELIVERED PURCHASE
DECEMBER 18, 2023**

National Negotiated Carcass Price

Head Count: 4,512
 Lowest price: 40.00
 Highest price: 54.00
 Weighted Average 48.39
 Change from Previous Day 0.40 higher

Other Market Formula (Carcass)

Head Count: 40,001
 Lowest Base Price: 60.50
 Highest Base Price: 92.13
 Weighted Average Price: 71.59

Swine/Pork Market Formula (Carcass)

Head Count 216,975
 Lowest base price: 47.95
 Highest Base Price: 77.79
 Weighted Average Price 67.38

Other Purchase Arrangement (Carcass)

HEAD COUNT: 185,109
 Lowest base price: 54.18
 Highest base price: 105.38
 Weighted Average Price: 77.97

<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 – DECEMBER 15, 2023

****PRODUCER SOLD:**

HEAD COUNT 370,352
 AVERAGE LIVE WEIGHT 290.56
 AVERAGE CARCASS WEIGHT 217.20

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PACKER SOLD:
HEAD COUNT 46,992
AVERAGE LIVE WEIGHT 293.11
AVERAGE CARCASS WEIGHT 220.84

PACKER OWNED:
HEAD COUNT 288,822
AVERAGE LIVE WEIGHT 289.91
AVERAGE CARCASS WEIGHT 219.48

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FEBRUARY/APRIL LEAN HOG SPREAD –
FEBRUARY 2024 LEAN HOGS –
APRIL 2024 LEAN HOGS –

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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