



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING DECEMBER 26, 2023 LIVESTOCK REPORT

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CATTLE ON FEED, HOGS AND PIGS AND COLD STORAGE REPORTS ON BOTTOM OF REPORT

CATTLE

DECEMBER 22, 2023	117,000
WEEK AGO	121,000
YEAR AGO	98,000
SATURDAY 12/23/2023	7,000 A WEEK AGO 23,000, YEAR AGO 3,000
WEEK TO DATE (EST)	621,000
SAME PERIOD LAST WEEK (EST)	649,000
SAME PERIOD LAST YEAR (ACT)	552,000
2023 YEAR TO DATE	31,737,000
2022 YEAR TO DATE	33,122,000
YEAR TO DATE PERCENT CHANGE	MINUS 4.2 % PREVIOUS WEEK MINUS 4.5% MINUS 1,385,000 YTD PREVIOUS WEEK 1,457,000 YTD

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2:00 PM DECEMBER 22, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	292.93	261.15
CHANGE FROM PRIOR DAY:	1.80	(0.12)
CHOICE/SELECT SPREAD:		31.78
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		90
5 DAY SIMPLE AVERAGE:	289.93	262.12
5 DAY SIMPLE AVERAGE:	291.04	258.71

CME BOXED BEEF INDEX ON 12/21/2023 WAS 284.26 DOWN 11 CENTS FROM PREVIOUS DAY

CME BOXED BEEF INDEX ON 12/15/2023 WAS 284.77

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2:00 PM DECEMBER 22, 2023

PRIMAL RIB	584.83	438.92
PRIMAL CHUCK	232.53	230.37
PRIMAL ROUND	210.40	209.17
PRIMAL LOIN	384.54	323.83
PRIMAL BRISKET	251.12	225.84
PRIMAL SHORT PLATE	169.42	169.42
PRIMAL FLANK	125.67	123.49

2:00 PM DECEMBER 15, 2023 PREVIOUS WEEK

PRIMAL RIB	591.37	470.40
PRIMAL CHUCK	229.52	224.18
PRIMAL ROUND	203.96	201.92
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		
12/21	114	21	14	18	167	291.13	261.27
12/20	76	20	6	22	124	289.13	261.60
12/19	76	25	11	22	135	288.83	263.16
12/18	70	23	0	9	102	288.93	263.72
12/15	74	18	24	18	134	FRIDAY 291.64	260.82 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 22, 2023 AM

Choice Cuts	51.32 loads	2,052,670 pounds
Select Cuts	15.27 loads	610,890 pounds
Trimming	11.67 loads	466,696 pounds
Ground Beef	11.71 loads	468,387 pounds

DECEMBER 2023 LIVE CATTLE DELIVERIES

NO DELIVERIES AS OF 12/22/2023

DATE 12/22/23 SETTLEMENT: \$170.05

OLDEST LONG – 4/06/2023 \$170.90

DECEMBER LIVE CATTLE OPEN INTEREST AS OF 12/22/2023 AT 2020 CONTRACTS

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WEEK FUTURES PRICE CHANGE

	12/15/2023	12/22/2023	CONTRACT HIGH
DECEMBER 2023 LIVE CATTLE	168.22	170.05	192.05 9/19/2023
FEBRUARY 2024 LIVE CATTLE	169.35	168.52	196.60 9/19/2023
APRIL 2024 LIVE CATTLE	172.85	172.12	199.82 9/15/2023
JUNE 2024 LIVE CATTLE	170.05	170.12	199.02 9/15/2023
AUGUST 2024 LIVE CATTLE	170.75	171.00	192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	175.25	175.67	194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	179.25	179.55	197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	181.27	182.27	199.57 9/20/2023
APRIL 2025 LIVE CATTLE	183.95	184.60	195.35 11/02/2023

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

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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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The Cattle on Feed Report was in line with expectations. The report doesn't show it but with increasing cattle weights, and 3 percent more cattle on feed compared to a year ago, after the first of the new year, prices will likely move down first into second quarter. The market is currently bear spread for a reason.

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Cattle buyers bought more cattle last Friday. Prices for the week were up a solid \$2.00 and for some cattle \$3.00 higher, but buying was light especially in the Southwest. This week is a short kill week and next week will be another shortened week. Kill was just 621,000 head. Beef prices lost for the week and likely will be lower this week.

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Last week cattle in the Southwest sold for \$1.00 higher than the Midwest and this week, if feedlots remain adamant of asking prices, it would be \$3.00 to \$4.00 more. Next week and the following week will be short kill weeks. There are more cattle in the Southwest grading higher and better quality now but numbers remain down. Also more cattle in the Southwest are contracted for Mexican packers.

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The 5 day negotiated average steer price as of December 21st was \$169.27. Friday, December 22, 2023 December 2023 Live Cattle settled at \$170.05 .

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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%

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 14, 2023 net sales were 9700 MT. South Korea took 4200 MT and Japan 2600MT with Mexico buying 1100 MT. China took only 400 MT and Canada 600 MT. Beef exports have lost buyers due to Brazil selling to past big buyers of US beef.

Week Ending December 7, 2023	10,600 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 19, 2023

As of December 19, 2023, dressed steer and heifer carcasses averaged 908.0 pounds up 4.3 pounds from previous week and up 13.8 pounds from a year ago. The grading percent as of 12/19/23 was 83.0% compared to previous week at 82.0% up 1.0%. On December 20, 2022 carcasses weighed 894.2 pounds and graded 83.3% .

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

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*****NATIONAL DAILY DIRECT CATTLE 12/22/2023**

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1495	\$169.50	24,254
LIVE HEIFER:	1336	\$169.91	8,771
DRESSED STEER	970	\$269.40	6,956
DRESSED HEIFER:	886	\$269.11	1,756

PREVIOUS WEEK

*****NATIONAL DAILY DIRECT CATTLE 12/15/2023**

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1540	\$167.84	8,587
LIVE HEIFER:	1376	\$168.23	2,517
DRESSED STEER	963	\$267.86	9,079
DRESSED HEIFER:	856	\$267.46	1,595

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USDA POSTED SUMMARY CATTLE PRICES ON 12/22/2023 FOR FRIDAY

IA/MN – CASH FOB – 170.00 - 172.00 AVE PRICE 171.06 ON 1,492 HEAD WEIGHING 1,250 - 1,575 POUNDS

DRESSED DELIVERED – 270.00 - 271.00 ON 999 HEAD AVE PRICE 270.96 AVE WEIGHT 1,045.3 POUNDS

LIVE DELIVERED – NO REPORTABLE TRADE

DRESSED FOB 271.00 - 273.00 ON 750 HEAD AVE WEIGHT 949.2 POUNDS

NE – CASH FOB – 170.00 - 172.00 AVE WEIGHT 1,444.1 POUNDS ON 4,103 HEAD

DRESSED FOB - 171.00 ON 62 HEAD WEIGHING 1,600 POUNDS

DRESSED DELIVERED - 270.00 - 272.00 ON 1,661 HEAD WEIGHING 981.5 POUNDS

KS – CASH – 170.00 - 172.00 ON 4496 HEAD WEIGHING 1,170 - 1,625 POUNDS AVE WEIGHT 1,399.1

DRESSED DELIVERED - NO REPORTABLE TRADE

TX/OK/NM CASH – 171.00 ON 2849 HEAD WEIGHING 1,180 - 1,500 POUNDS

LIVE DELIVERED – NO REPORTABLE TRADE

DAIRYBRED STEER/HEIFERS:

LIVE FOB - 171.00 ON 500 HEAD ALL GRADES WEIGHING 1,375 - 1,500 POUNDS

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 12/21/2023 WAS 219.81 UP 1 CENT FROM PREVIOUS DAY
 CME FEEDER INDEX ON 12/14/2023 WAS 219.07

JANUARY 2024 FEEDER CATTLE FUTURES SETTLED ON 12/22/2024 AT \$222.75

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WEEKLY FUTURES PRICE CHANGE

	12/15/2023	12/22/2023	CONTRACT HIGH
JANUARY 2024 FEEDER CATTLE	220.90	222.75	268.50 SEPTEMBER 15, 2023
MARCH 2024 FEEDER CATTLE	222.17	224.40	270.10 SEPTEMBER 15, 2023
APRIL 2024 FEEDER CATTLE	226.57	229.52	273.60 SEPTEMBER 19, 2023
MAY 2024 FEEDER CATTLE	230.52	223.95	272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	242.97	247.62	282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	245.05	250.27	285.90 SEPTEMBER 28, 2023
NOVEMBER 2024 FEEDER CATTLE	246.55	252.00	257.00 NOVEMBER 21, 2023

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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 22, 2023	434,000
WEEK AGO	471,000
YEAR AGO	106,000
SATURDAY 12/23/2023	61,000 - A WEEK AGO 297,000 YEAR AGO 1,000
WEEK TO DATE (EST)	2,426,000
SAME PERIOD LAST WEEK (EST)	2,682,000
SAME PERIOD LAST YEAR (ACT)	1,783,000

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2023 YEAR TO DATE 125,101,000
2022 *YEAR TO DATE 122,488,000
YEAR TO DATE PERCENT CHANGE **PLUS 2.1%** PREVIOUS WEEK 1.6%
PLUS 2,613,000 YTD PREVIOUS WEEK 1,983,000 YTD

****Revised Thursday Hog Slaughter.. 485,000 ** Previous Estimate 490,000**

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CME LEAN HOG INDEX ON 12/20/2023 WAS 66.69 UP 15 CENTS FROM PREVIOUS DAY
CME LEAN HOG INDEX ON 12/13/2023 WAS 67.75

CME PORK CUTOUT INDEX 12/21/2023 AT 82.82 DOWN 38 CENTS FROM PREVIOUS DAY
CME PORK CUTOUT INDEX 12/14/2023 AT 84.71

THE CME LEAN HOG INDEX IS MINUS \$16.13 TO THE CME PORK INDEX. 12/22/2023
THE CME LEAN HOG INDEX IS MINUS \$16.96 TO THE CME PORK INDEX. 12/15/2023

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WEEKLY FUTURES PRICE CHANGE

	12/15/2023	12/22/2023	CONTRACT HIGH
DECEMBER 2023 LEAN HOGS	67.17	SETTLED 12/14/2023	85.50 FEBRUARY 22, 2023
FEBRUARY 2023 LEAN HOGS	71.65	71.35	88.35 FEBRUARY 21, 2023
APRIL 2023 LEAN HOGS	78.62	77.57	91.60 FEBRUARY 23, 2023
JUNE 2024 LEAN HOGS	93.20	92.30	103.95 DECEMBER 14, 2022
JULY 2024 LEAN HOGS	94.57	93.95	102.60 FEBRUARY 22, 2023
AUGUST 2024 LEAN HOGS	94.87	94.30	96.90 JUNE 26, 2023
OCTOBER 2024 LEAN HOGS	81.92	81.87	85.20 MAY 15, 2023
DECEMBER 2024 LEAN HOGS	74.75	74.52	80.65 JUNE 21, 2023

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**Analysts are focusing on the “Kept for Breeding” from the Hogs and Pigs report down over 3%.
 However, it will be somewhat offset with recent and current outlook for All Hogs as of December
 over 100% and Kept for Market over 100%. Also there are 4 percent more pigs per litter.**

It appears traders will continue to bear spread.

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**The pork carcass 5 day average was down \$2,09 compared to the previous week. Loins were down 60
 cents at \$82.71 and hams lost \$5.25 at \$75.06. Picnics were the only primal higher compared to
 December 15.**

So instead of keeping gilts for breeding, they will go to slaughter. The producers are doing a better job with genetics and fewer pigs lost after birth. A big reason are the larger facilities have specialists from the time a sow drops her pigs to keeping pigs alive right to the time they start creep feed. A few hog producers have said it may also be to giving sows more space as the newer facilities have adopted to rules California insists upon seeing it the future direction.

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EXPORTS

FOR WEEK ENDING DECEMBER 14, 2023 NET EXPORTS WERE 37,500 MT. MEXICO TOOK 15,900 MT, SOUTH KOREA 7000 MT AND CANADA WITH 3200 MT. JAPAN BOUGHT 3000 MT AND CHINA WITH 2800 MT EXPORTS WERE VERY GOOD. BUT BIG EXPORTS DEPEND ON MEXICO. MEXICAN PESO IS STRONG AND MEXICO IS BUYING MORE PORK FROM THE US AND BRAZIL IN 2023 TO FIGHT INFLATION.

WEEK ENDING DECEMBER 7, 2023 NET EXPORTS SALES WERE 28,200 MT.
 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 : 291.06
 Loads TRIM/PROCESS PORK : 27.69

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/22/2023	318.75	82.21	83.13	110.08	84.41	115.19	74.23	83.30
CHANGE:		0.86	-0.67	0.80	4.92	-0.67	0.40	2.15
FIVE DAY AVERAGE --		82.39	82.71	108.78	82.74	116.43	75.06	85.42

PREVIOUS WEEK

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 22, 2023**

National Negotiated Carcass Price

Head Count: 2,206
Lowest price: 41.00
Highest price: 48.50
Weighted Average 47.76
Change from Previous Day -0.20 lower

National Negotiated Carcass Price DECEMBER 15, 2023

Head Count: 3,095
Lowest price: 40.00
Highest price: 50.00
Weighted Average 47.99
Change from Previous Day -1.22 lower

Other Market Formula (Carcass)

Head Count: 27,476
Lowest Base Price: 59.89
Highest Base Price: 91.21
Weighted Average Price: 71.31

Swine/Pork Market Formula (Carcass)

Head Count 134,176
Lowest base price: 47.83
Highest Base Price: 74.85
Weighted Average Price 66.11

Other Purchase Arrangement (Carcass)

HEAD COUNT: 57,120
Lowest base price: 56.02
Highest base price: 105.22
Weighted Average Price: 74.22

<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 20, 2023

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****PRODUCER SOLD:**
HEAD COUNT 231,851
AVERAGE LIVE WEIGHT 287.50
AVERAGE CARCASS WEIGHT 215.33

PACKER SOLD:
HEAD COUNT 32,788
AVERAGE LIVE WEIGHT 291.99
AVERAGE CARCASS WEIGHT 218.50

PACKER OWNED:
HEAD COUNT 180,897
AVERAGE LIVE WEIGHT 289.05
AVERAGE CARCASS WEIGHT 219.37

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

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CATTLE ON FEED REPORT

DECEMBER 22, 2023

	Range	Average	Actual
On feed December	101.8-102.7	102.2	103
Placements in November	94.3 - 98.3	96.2	98
Marketings in November	92.0-94.5	93.3	93

United States Cattle on Feed Up 3 Percent

Cattle and calves on feed for the slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.0 million head on December 1, 2023. The inventory was 3 percent above December 1, 2022.

Placements in feedlots during November totaled 1.87 million head, 2 percent below 2022. Net placements were 1.81 million head. During November, placements of cattle and calves weighing less than 600 pounds were 535,000 head, 600-699 pounds were 440,000 head, 700-799 pounds were 380,000 head, 800-899 pounds were 288,000 head, 900-999 pounds were 140,000 head, and 1,000 pounds and greater were 85,000 head

Marketings of fed cattle during November totaled 1.75 million head, 7 percent below 2022.

Other disappearance totaled 54,000 head during November, 5 percent below 2022.

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Report was in line with expectations. The report doesn't show it but with increasing cattle weights, and 3 percent more cattle on feed compared to a year ago, after the first of the new year, prices will likely move down first into second quarter. The market is currently bear spread for a reason.

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USDA HOGS AND PIGS REPORT

DECEMBER 22, 2023

	Ranges	Average	Actual
All hogs December 1	98.8-100.4	99.5	100+
Kept for breeding	98.3-99.5	98.8	97
Kept for market	98.7-100.6	99.5	100+
Pig crop			
September-November	97.6-98.9	98.3	99.999
Weight Groups			
Under 50 lbs	97.9-99.9	98.8	100
50-119 lbs	98.7-100.1	99.2	100
120-179 lbs	98.9-101	100.2	101
Over 180 lbs	98.9-101.7	100.9	102
Farrowings			
September-November	94.8-95.7	95.2	96
Farrowing intentions			
December-February	95.9-98.7	97.9	98
March-May	96.5-100	98.3	99
Pigs per litter			
September-November	102.5-104	103.3	104

United States Hog Inventory Up Slightly

United States inventory of all hogs and pigs on December 1, 2023 was 75.0 million head. This was up slightly from December 1, 2022, but down slightly from September 1, 2023.

Breeding inventory, at 6.00 million head, was down 3 percent from last year, and down 3 percent from the previous quarter.

Market hog inventory, at 69.0 million head, was up slightly from last year, but down slightly from last quarter.

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The September-November 2023 pig crop, at 34.6 million head, was down slightly from 2022. Sows farrowing during this period totaled 2.97 million head, down 4 percent from 2022. The sows farrowed during this quarter represented 48 percent of the breeding herd. The average pigs saved per litter was 11.66 for the September-November period, compared to 11.22 last year.

United States hog producers intend to have 2.90 million sows farrow during the December 2023-February 2024 quarter, down 2 percent from the actual farrowings during the same period one year earlier, and down 1 percent from the same period two years earlier. Intended farrowings for March-May 2024, at 2.91 million sows, are down 1 percent from the same period one year earlier, and down 2 percent from the same period two years earlier.

The total number of hogs under contract owned by operations with over 5,000 head, but raised by contractees, accounted for 51 percent of the total United States hog inventory, up 3 percent from the previous year.

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Report neutral to a little bearish. Pigs per litter keep improving putting out more hogs. Producers are not keeping as many hogs for breeding, but now the number of hogs for market are a few more. Essentially, the report isn't looking for much change in hog numbers to start the new year.

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USDA Cold Storage
DECEMBER 22, 2023

Total red meat supplies in freezers were down 2 percent from the previous month and down 11 percent from last year.

Total pounds of beef in freezers were up 2 percent from the previous month but down 13 percent from last year.

Frozen pork supplies were down 5 percent from the previous month and down 8 percent from last year.

Stocks of pork bellies were up 67 percent from last month but down 14 percent from last year.

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Consumers ate less high priced beef in November but with cattle numbers down in 2023, there is going to be less beef than a year ago. No surprise.

Report is friendly for pork. Killing more hogs and having less pork shows cheap pork is moving. Demand for pork may show it has bottomed or near a bottom. Exports have been good in 2023. Exports in 2024 will be important. If exports stay at current levels, it is what will be needed to keep hog prices near current levels the first quarter.

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