



ADM Investor
Services, Inc.



Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING DECEMBER 07, 2023 LIVESTOCK REPORT

Chris Lehner, Senior Livestock Analyst | 312.242.7942 | chris.lehner@admis.com

BEEF AND PORK EXPORT HIGHLIGHTS ON LAST PAGE

CATTLE

DECEMBER 6, 2023	125,000
WEEK AGO	125,000
YEAR AGO	124,000
WEEK TO DATE (EST)	376,000
SAME PERIOD LAST WEEK (EST)	373,000
SAME PERIOD LAST YEAR (ACT)	378,000

2:00 PM DECEMBER 06, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	290.56	259.90
CHANGE FROM PRIOR DAY:	(3.19)	0.77
CHOICE/SELECT SPREAD:		30.66
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		235
5 DAY SIMPLE AVERAGE:	297.33	264.70

CME BOXED BEEF INDEX ON 12/05/2023 WAS 288.54 DOWN 1.19 FROM PREVIOUS DAY

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2:00 PM DECEMBER 06, 2023

PRIMAL RIB	576.62	489.45
PRIMAL CHUCK	228.98	220.00
PRIMAL ROUND	207.67	206.13
PRIMAL LOIN	389.76	310.98
PRIMAL BRISKET	236.75	220.73
PRIMAL SHORT PLATE	165.14	165.14
PRIMAL FLANK	129.73	124.48

2:00 PM DECEMBER 05, 2023

PRIMAL RIB	578.21	468.04
PRIMAL CHUCK	231.95	220.19
PRIMAL ROUND	217.36	209.68
PRIMAL LOIN	388.54	313.44
PRIMAL BRISKET	236.35	220.39
PRIMAL SHORT PLATE	168.09	168.09
PRIMAL FLANK	130.63	127.38

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
12/05	75	39	20	21	155	293.75	259.13
12/04	82	24	27	36	169	294.99	262.83
12/01	109	15	5	30	159	297.46	265.49
11/30	115	33	15	18	181	299.02	264.75
11/29	83	37	6	12	137	297.03	264.09

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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 06, 2023 AM

Choice Cuts	130.48 loads	5,219,004 pounds
Select Cuts	40.04 loads	1,601,471 pounds
Trimmings	45.86 loads	1,834,554 pounds
Ground Beef	18.68 loads	747,098 pounds

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DECEMBER 2023 LIVE CATTLE DELIVERIES
NO DELEIVERIES AS OF 12/04/2023

DELIVERY NOTICE SERVED – DECEMBER 2023 - LIVE CATTLE

DATE 12/05/23 SETTLEMENT: \$168.50

OLDEST LONG – 07/15/2022 \$154.00

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WEEK FUTURES PRICE CHANGE

	12/01/2023	12/08/2023
DECEMBER 2023 LIVE CATTLE	169.27	
FEBRUARY 2024 LIVE CATTLE	169.12	
APRIL 2024 LIVE CATTLE	171.62	
JUNE 2024 LIVE CATTLE	167.55	
AUGUST 2024 LIVE CATTLE	168.07	
OCTOBER 2024 LIVE CATTLE	173.25	
DECEMBER 2024 LIVE CATTLE	177.87	
FEBRUARY 2025 LIVE CATTLE	180.55	

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LIVE CATTLE PRICE LIMIT - \$6.75

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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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Tuesday, trade volume was light to moderate. Wednesday volume increased and was active. February 2024 Live Cattle Globex volume was 40,077 compared to total volume Tuesday at 26,630 contracts with April Live Cattle volume was 20,005 contracts compared to Tuesday's total at 11,379.

Boxed beef is falling fairly fast. Choice beef from Wednesday, November 29th to the sales on December 6 was down \$6.47 and Select was down \$4.19. Load movement has been increasing as packers need to push more beef to the daily market. When daily load movement increases, prices fall. Packers want to contract beef and don't want to see more beef on daily sales.

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A handful of cattle sold Tuesday from \$170.00 to \$171.00 with dressed cattle at \$271.00. Prices are \$4.00 lower.

The 5 day negotiated average steer price as of December 5th was \$174.35. Wednesday, December 6th December 2023 Live Cattle settled at \$163.45. There were no December deliveries. As of December 5th, the oldest long was from July 15th at \$154.00.

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SMITHFIELD FOODS ENDS CONTRACTS WITH 26 US PIG FARMS, CITING OVERSUPPLY - REUTERS NEWS

<https://www.msn.com/en-us/money/other/smithfield-foods-ends-contracts-with-26-us-pig-farms-citing-oversupply/ar-AA1I3GMi>

(What Smithfield is doing in hogs will also happen for cattle and beef. It is bearish. With cattle slaughter down there is increasing load movement in the daily boxed beef sales suggesting there is less beef contracting. This is not positive as packers will begin to slow fed cattle contracting if they cannot contract beef. Packers will also become pickier to the feedlots they use to contract cattle and more cattle will be moved to showlists with more beef being moved to daily sales. Chris)

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Slaughter last week was light 635,000 down 25,000 head from a year ago. Packers are buying exactly how many cattle that are needed to fill beef orders.

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USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT

December 4, 2024

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

For week ending November 25, 2023

	Nebraska	Kansas	Texas
Prime	12.95%	7.42%	3.63%
Choice	73.53%	74.63%	63.89%
Select	10.11%	14.64%	29.72%
Other	3.41%	3.32%	2.75%

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EXPORTS

For week ending November 30, 2023 net sales were awful at 200 MT. It is the only way to put it.

Week Ending November 23, 2023	6,300 MT
Week Ending November 16, 2023	10,000 MT
Week Ending November 9, 2023	8,900 MT
Week Ending November 2, 2023	13,600 MT
Week Ending October 26, 2023	17,100 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 NOVEMBER 28, 2023

As of December 5, 2023, dressed steer and heifer carcasses averaged 901.2 pounds down 5.1 pounds from previous week . The grading percent as of 12/05/23 was 80.9 % compared to previous week at 81.8 % down .9%. On December 6, 2022 carcasses weighed 888.7 pounds and graded 81.1%.

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

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*****NATIONAL DAILY DIRECT CATTLE 12/06/2023**

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1495	\$174.08	26,575
LIVE HEIFER:	1357	\$173.77	13,822
DRESSED STEER	960	\$274.45	9,804
DRESSED HEIFER:	859	\$274.22	4,844

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USDA POSTED SUMMARY CATTLE PRICES ON 12/06/2023 FOR FRIDAY

IA/MN – CASH FOB – 170.00 - 171.00 ON 1,784 HEAD ON STEERS, HEIFERS AND MIXED LOAD WEIGHT

1,350 - 1,650 POUNDS

DRESSED DELIVERED – 270.00 ON 905 HEAD WEIGHING 857 - 1,008 POUNDS

LIVE DELIVERED – 170.00 - 174.00 ON 114 HEAD AVE PRICE 172.67

DRESSED FOB - 270.00 ON 342 HEAD WEIGHING 876 POUNDS.

NE – CASH FOB – 170.00 - 171.00 AVE PRICE 170.73 WEIGHING 1,400 - 1,650 POUNDS

DRESSED DELIVERED - 267.00 - 272.00 ON 5060 HEAD WEIGHING 836 - 1,080 POUNDS

KS – CASH – 171.00 ON 6197 HEAD WEIGHING 1,200 - 1,625 POUNDS

DRESSED DELIVERED - NO REPORTABLE TRADE

TX/OK/NM CASH – 170.00 - 171.00 ON 2,820 TOTAL HEAD, WEIGHT 1,175 - 1,525 POUNDS

LIVE DELIVERED – 171.00 ON 190 HEAD

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 12/04/2023 WAS 224.23 UP 45 FROM PREVIOUS DAY

JANUARY 2024 FEEDER CATTLE FUTURES SETTLED ON 12/06/2024 AT \$210.15
PRICE LIMIT FEEDER CATTLE - \$8.25

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 12/02/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	224,500	32,600	35,800	292,900
Last Week:	67,000	17,300	10,600	94,900
Year Ago:	305,900	30,600	51,300	387,800

Compared to last week, Steers and Heifers in the North Central and Southeast regions sold steady to 10.00 higher with the exception of 600 lbs steers in the Southeast selling 6.00 lower. In the South Central region Steers sold 6.00 to 17.00 lower and Heifers selling 17.00 to 19.00 lower with the exception of 500 lbs heifers staying steady. Demand was moderate to good

FULL REPORT – https://www.ams.usda.gov/mnreports/sj_ls850.txt

This time of the year more feeder cattle are usually sold. Now, it is likely feeders will be held until the first of the year as producers hold off taking income after a profitable year in 2023 and wait until 2024. Most pastures now are in good condition across the Southwest as temperatures have cooled and have had rain which will also induce sales into 2024 as producers add weight versus selling. This will add more pressure on feeder cattle prices in 2024.

WEEKLY FUTURES PRICE CHANGE

	12/01/2023	12/08/2023	CONTRACT HIGH
JANUARY 2024 FEEDER CATTLE	214.42		268.50 SEPTEMBER 15, 2023
MARCH 2024 FEEDER CATTLE	217.22		270.10
APRIL 2024 FEEDER CATTLE	221.17		273.60
MAY 2024 FEEDER CATTLE	224.90		272.47
AUGUST 2024 FEEDER CATTLE	238.97		282.92
SEPTEMBER 2024 FEEDER CATTLE	241.82		285.90

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

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Packer margins improve. Although the CME Pork Index has been slowing dropping, the CME Lean Hog Index is dropping at a faster rate. Hog prices are dropping as slaughter and weights increase. Pork has been on a steady decline.

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EXPORTS

FOR WEEK ENDING NOVEMBER 30, 2023 NET EXPORTS WERE 25,900 MT. SOUTH KOREA WAS THE LARGEST BUYER WITH 10,100 MT MEXICO CAME IN SECOND WITH 7,800 MT WHICH IS A LITTLE DISAPPOINTING TO SEE THEM MEXICO FALLING BACK ON BUYING AND CANCELLING 1,000 MT AND JAPAN TOOK 2700 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
 WEEK ENDING NOVEMBER 2, 2023 NET EXPORT SALES WERE 49,000 MT
 WEEK ENDING OCTOBER 26, 2023 NET EXPORT SALES WERE 31,100 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 : 305.67

Loads TRIM/PROCESS PORK : 47.73

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/06/2023	353.40	83.20	83.71	106.62	74.21	113.75	81.53	85.17
CHANGE:		1.47	-1.13	-1.19	-1.94	-0.27	-3.42	-0.50
FIVE DAY AVERAGE --		83.94	83.30	107.67	77.29	112.54	83.33	85.87

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/06/2023	209.22	85.30	84.83	106.69	75.52	114.04	81.02	95.99
CHANGE:		0.63	-0.01	-1.12	-0.63	0.02	-3.93	10.32
FIVE DAY AVERAGE --		84.36	83.52	107.68	77.55	112.59	83.23	88.04

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/05/2023	372.22	84.67	84.84	107.81	76.15	114.02	84.95	85.67
CHANGE:		0.24	1.49	-1.76	-1.75	1.26	2.36	-2.54
FIVE DAY AVERAGE --		84.09	83.18	107.78	77.74	111.94	83.61	86.40

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**HOG REPORT - PLANT DELIVERED PURCHASE
DECEMBER 06, 2023**

National Negotiated Carcass Price

Head Count: 9,715
Lowest price: 49.00
Highest price: 58.00
Weighted Average 54.32
Change from Previous Day 0.49 higher

Other Market Formula (Carcass)

Head Count: 24,897
Lowest Base Price: 59.57
Highest Base Price: 91.00
Weighted Average Price: 65.94

Swine/Pork Market Formula (Carcass)

Head Count 140,237
Lowest base price: 53.70
Highest Base Price: 78.11
Weighted Average Price 68.71

Other Purchase Arrangement (Carcass)

HEAD COUNT: 70,644
Lowest base price: 59.42
Highest base price: 105.38
Weighted Average Price: 75.93

<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 – DECEMBER 5, 2023

****PRODUCER SOLD:**
HEAD COUNT 235,920
AVERAGE LIVE WEIGHT 286.33
AVERAGE CARCASS WEIGHT 214.47

PACKER SOLD:
HEAD COUNT 36,768
AVERAGE LIVE WEIGHT 289.37
AVERAGE CARCASS WEIGHT 217.98

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PACKER OWNED:
HEAD COUNT 177,011
AVERAGE LIVE WEIGHT 288.86
AVERAGE CARCASS WEIGHT 219.18

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FEBRUARY/APRIL LEAN HOG SPREAD –
DECEMBER 2023 LEAN HOGS –
FEBRUARY 2024 LEAN HOGS –
APRIL 2024 LEAN HOGS –
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Beef: Net sales of 200 MT for 2023--a marketing-year low--were down 98 percent from the previous week and from the prior 4-week average. Increases primarily for Japan (1,800 MT, including decreases of 1,100 MT), Mexico (1,300 MT, including decreases of 100 MT), China (900 MT, including decreases of 700 MT), Canada (800 MT), and Taiwan (200 MT, including decreases of 300 MT), were offset by reductions for South Korea (4,400 MT) and Hong Kong (1,200 MT). Net sales of 18,400 MT for 2024 were primarily for South Korea (9,100 MT), Japan (5,300 MT), Hong Kong (1,500 MT), China (1,100 MT), and Mexico (500 MT). Exports of 13,700 MT were up 7 percent from the previous week, but down 2 percent from the prior 4-week average. The destinations were primarily to South Korea (3,900 MT), Japan (3,000 MT), China (1,900 MT), Mexico (1,300 MT), and Taiwan (1,100 MT).

Pork: Net sales of 25,900 MT for 2023 were up 23 percent from the previous week, but down 14 percent from the prior 4-week average. Increases primarily for South Korea (10,100 MT, including decreases of 500 MT), Mexico (7,800 MT, including decreases of 1,000 MT), Japan (2,700 MT, including decreases of 700 MT), Colombia (1,700 MT, including decreases of 100 MT), and Australia (1,300 MT), were offset by reductions for Costa Rica (200 MT) and China (200 MT). Net sales of 10,100 MT for 2024 were primarily for Mexico (3,700 MT), South Korea (3,200 MT), Canada (1,100 MT), Colombia (700 MT), and Honduras (300 MT). Exports of 32,300 MT were up 16 percent from the previous week and 2 percent from the prior 4-week average. The destinations were primarily to Mexico (12,700 MT), South Korea (4,500 MT), Japan (3,800 MT), China (2,500 MT), and Canada (2,000 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

CHRISTOPHER LEHNER chris.lehner@admis.com 312 242 7942 913.787.6804

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