



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING JANUARY 18, 2024 LIVESTOCK REPORT

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CATTLE

JANUARY 17, 2024	118,000
WEEK AGO	116,000
YEAR AGO	121,712
WEEK TO DATE (EST)	341,000
SAME PERIOD LAST WEEK (EST)	304,000
SAME PERIOD LAST YEAR (ACT)	375,131

[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 JANUARY 17, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	298.45	283.02
CHANGE FROM PRIOR DAY:	3.46	3.04
CHOICE/SELECT SPREAD:		15.43
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		102
5 DAY SIMPLE AVERAGE:	288.93	272.25

CME BOXED BEEF INDEX ON 01/16/2024 WAS 285.94 UP 3.27 FROM PREVIOUS DAY

2:00 PM JANUARY 17, 2024

PRIMAL RIB	465.02	411.13
PRIMAL CHUCK	259.72	257.47
PRIMAL ROUND	246.15	236.14
PRIMAL LOIN	385.26	354.65
PRIMAL BRISKET	275.29	275.21
PRIMAL SHORT PLATE	188.37	188.37
PRIMAL FLANK	138.97	142.90

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2:00 PM JANUARY 16, 2024

PRIMAL RIB	457.67	406.48
PRIMAL CHUCK	254.85	253.82
PRIMAL ROUND	243.32	236.49
PRIMAL LOIN	383.54	351.57
PRIMAL BRISKET	272.28	262.71
PRIMAL SHORT PLATE	188.31	188.31
PRIMAL FLANK	138.35	136.09

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
01/16	74	16	4	18	112	294.99	279.98
01/15	65	16	5	16	102	291.42	272.56
01/12	80	16	4	26	126	FRIDAY 289.26	271.85 FRIDAY
01/11	72	14	10	20	115	285.89	269.94
01/10	86	16	10	26	137	283.07	266.94

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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.

JANUARY 17, 2024

Choice Cuts	59.66 loads	2,386,384 pounds
Select Cuts	14.95 loads	598,191 pounds
Trimming	9.68 loads	387,080 pounds
Ground Beef	17.78 loads	711,005 pounds

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WEEKLY FUTURES PRICE CHANGE

	01/12/2023	01/19/2024	CONTRACT HIGH
FEBRUARY 2024 LIVE CATTLE	171.37		196.60 9/19/2023
APRIL 2024 LIVE CATTLE	174.17		199.82 9/15/2023
JUNE 2024 LIVE CATTLE	171.62		194.02 9/15/2023
AUGUST 2024 LIVE CATTLE	172.07		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	176.97		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	181.02		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	184.42		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	186.92		195.35 11/02/2023

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

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JANUARY 2024 USDA LIVESTOCK REPORTS
CATTLE ON FEED REPORT - JANUARY 19, 2024
COLD STORAGE REPORT – JANUARY 24, 2024
CATTLE INVENTORY REPORT - JANUARY 31, 2024
ALL REPORTS 2:00PM CST

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US DECEMBER CATTLE PLACEMENTS SEEN DOWN 4.6% FROM YEAR AGO -ANALYSTS - REUTERS NEWS

	RANGE	AVERAGE	MILLION HEAD
ON FEED JANUARY 1	101.4-102.5	102.1	11.927
PLACEMENTS IN DECEMBER	91.5-98.0	95.4	1.702
MARKETINGS IN DECEMBER	98.2-100.7	99.3	1.729

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Before cold subzero temperatures invaded the U.S. heating bills were going up and over the past week, energy usage hit levels where many cities warned that the surge in energy usage was draining power. Consumers are going to have extra large utility bills on top of payments due for holiday spending and travel. Higher beef will have consumers shifting for cheaper beef and alternatives for beef.

Slaughter increased Wednesday but packers are still behind in filling previously contracted beef orders. There will be some orders cancelled on “act of God” clauses but many beef buyers will want the beef and possibly work out new pricing if original orders did get cancelled. Next week weather in many feeding areas will be above normal.

Until packers can push kill chains to pre-storm levels, look for boxed beef price improvement. But.... when roads clear, packers likely to see an overflow of cattle.

Trade volume is light. Changes often come when volume is light.

Packers are biding their time and waiting for roads to clear. They know the cattle are delayed due to the weather conditions. Packers know cattle will need to be moved to slaughter. There are also feedlots that have feeder cattle scheduled to move onto feed and need to move fed cattle to the packer. Beef prices are going up but with light slaughters the cost to kill is more. Last week packers bought cattle lower. They will wait until cattle start moving again. Next week temperatures will be in their favor.

Cheaper beef is what buyers want from the home shopper to the fast food industry. With the severe cold, fast food restaurants saw decreased traffic. It is very likely that U.S. beef buyers will increase imports. There are going to be cattle discounted due to problems with freezing. Feedlots selling these cattle will see big discounts.

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Last week cash cattle price were \$1.00 to \$2.00 Lower. Midwest cattle sold for \$173.00 to \$175.00 with dressed prices \$273.00. Southwest cattle didn't sell until Friday with prices \$172.00.

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First notice day for February 2024 Live Cattle is February 5, 2024.
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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: January 6, 2024

	Nebraska	Kansas	Texas
Prime	12.34%	7.51%	3.75%
Choice	74.15%	77.34%	64.33%
Select	9.36%	12.61%	29.22%
Other	4.16%	2.54%	2.70%

PREVIOUS WEEK

	Nebraska	Kansas	Texas
Prime	14.25%	7.74%	4.54%
Choice	73.59%	77.62%	66.42%
Select	7.85%	12.08%	27.11%
Other	4.30%	2.57%	1.94%

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EXPORTS

For week ending January 4, 2024 net exports were 12,200 MT. South Korea took 3,300 MT China bought 2300 MT Exports are starting out the new year low. Exports need to average on a weekly basis 20,000 MT to 25,000 MT.

Week Ending December 28, 2023	9,500 MT
Week Ending December 21, 2023	2,100 MT
Week ending December 14, 2023	9700 MT
Week Ending December 7, 2023	10,600 MT
Week Ending November 30, 2023	200 MT

[HTTPS://APPS.FAS.USDA.GOV/EXPORT-SALES/HIGHLITE.HTM](https://APPS.FAS.USDA.GOV/EXPORT-SALES/HIGHLITE.HTM)

NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT JANUARY 16, 2024

As of January 16, 2024, dressed steer and heifer carcasses averaged 901.2 pounds up 2.0 pounds from previous week but up 17.2 pounds from a year ago. The grading percent as of 01/16/24 was 82.9 % compared to previous week at 83.4% down .5%. On January 17, 2023 carcasses weighed 884.0 pounds and graded 84.1 % .

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

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***NATIONAL DAILY DIRECT CATTLE 01/17/2024

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1491	\$173.52	19,009

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LIVE HEIFER:	1352	\$173.35	8,325
DRESSED STEER	950	\$273.85	8,319
DRESSED HEIFER:	855	\$273.48	2,628

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USDA POSTED SUMMARY CATTLE PRICES ON 01/17/2024
STEER AND HEIFER COMBINED PRICES

IA/MN – CASH FOB – NO REPORTABLE TRADE
DRESSED DELIVERED – NO REPORTABLE TRADE
LIVE DELIVERED – 172.00 ON 15 HEAD MIXED LOAD
DRESSED FOB - NO REPORTABLE TRADE.

NE – CASH FOB – NO REPORTABLE TRADE
DRESSED FOB - NO REPORTABLE TRADE
DRESSED DELIVERED - NO REPORTABLE TRADE

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 –
APRIL 2024/JUNE 2024 LIVE CATTLE SPREAD –
FEBRUARY 2024 LIVE CATTLE –
APRIL 2024 LIVE CATTLE –

FEEDER CATTLE

CME FEEDER INDEX ON 01/16/2024 WAS 225.87 DOWN 56 CENTS FROM PREVIOUS DAY

JANUARY 2024 FEEDER CATTLE FUTURES SETTLED ON 01/17/2024 AT \$228.42

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 01/13/2024

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	241,700	29,500	164,000	435,200
Last Week:	180,900	16,900	14,400	212,200
Year Ago:	388,000	62,300	75,200	525,500

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Compared to last week, steers and heifers sold 3.00 to 10.00 lower. Demand was reported anywhere from light to good depending on what day of the week the auction occurred. Most of the decline in the market was after Tuesday in the Plains as an arctic blast of cold air and snow blew into the region. Although the holidays are past not all barns were able to get back to business this week as winter weather complicated marketing as most sales after Wednesday had sharply reduced receipts and/or buyer attendance if a sale was held at all. The first full week of the New Year is typically the largest auction receipt week for the whole year; however, this year's number is not even close to where it normally would be.

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

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WEEKLY FUTURES PRICE CHANGE

	01/12/2023	01/19/2024	CONTRACT HIGH
JANUARY 2024 FEEDER CATTLE	226.57		268.50 SEPTEMBER 15, 2023
MARCH 2024 FEEDER CATTLE	227.70		270.10 SEPTEMBER 15, 2023
APRIL 2024 FEEDER CATTLE	233.00		273.60 SEPTEMBER 19, 2023
MAY 2024 FEEDER CATTLE	237.82		272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	253.85		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	256.82		285.90 SEPTEMBER 28, 2023
NOVEMBER 2024 FEEDER CATTLE	258.87		257.00 NOVEMBER 21, 2023

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**APRIL 2024 FEEDER CATTLE/MAY 2024 FEEDER CATTLE SPREAD –
MARCH 2024 FEEDER CATTLE –
MAY 2024 FEEDER CATTLE –**

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 17, 2024	454,000
WEEK AGO	374,000
YEAR AGO	490,062
WEEK TO DATE (EST)	832,000
SAME PERIOD LAST WEEK (EST)	842,000
SAME PERIOD LAST YEAR (ACT)	910,694

https://www.ams.usda.gov/mnreports/ams_3208.pdf

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CME LEAN HOG INDEX ON 01/15/2023 WAS 66.85 UP 30 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/16/2024 AT 86.50 UP 78 CENTS FROM PREVIOUS DAY

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THE CME LEAN HOG INDEX IS MINUS \$19.65 TO THE CME PORK INDEX. 01/17/2024

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WEEKLY FUTURES PRICE CHANGE

	01/12/2023	01/19/2024	CONTRACT HIGH
FEBRUARY 2023 LEAN HOGS	71.90		88.35 FEBRUARY 21, 2023
APRIL 2023 LEAN HOGS	78.62		91.60 FEBRUARY 23, 2023
JUNE 2024 LEAN HOGS	92.45		103.95 DECEMBER 14, 2022
JULY 2024 LEAN HOGS	94.37		102.60 FEBRUARY 22, 2023
AUGUST 2024 LEAN HOGS	94.47		96.90 JUNE 26, 2023
OCTOBER 2024 LEAN HOGS	82.20		85.20 MAY 15, 2023
DECEMBER 2024 LEAN HOGS	75.00		80.65 JUNE 21, 2023

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Kill picked up Wednesday and more trucks were able to move pork from plants as roads cleared. If hogs can't get to town because of weather, trucks leaving with pork can't leave the packer. Hogs are getting backed up and packers need to fill contracted orders.

February Lean Hogs closed \$4.60 over the CME Lean Hog Index but there is plenty of time before February Lean Hogs go off the board and need to converge with cash.

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Wednesday pork movement was light with just 210.8 loads of pork cuts moving and slaughter estimated to be 454,000 head. With the light slaughter and light movement of pork, the carcass could only manage to gain 17 cents. What's going to happen when hogs start moving to the plant?

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EXPORTS

FOR THE START OF THE NEW YEAR EXPORTS AT 23,300 MT WERE GOOD. THIS IS THE AVERAGE EXPORTS NEED TO BE WEEK AFTER WEEK TO BE PRICE SUPPORTING. IT WAS A BIT DISAPPOINTING LAST WEEK TO HAVE MEXICO BUY ONLY 7,400 MT. PORK CAN'T AFFORD TO LOSE EXPORTS ESPECIALLY EXPORTS TO MEXICO.

**WEEK ENDING JANUARY 4, 2024 NET EXPORTS WERE 23,300 MT
WEEK ENDING DECEMBER 28, 2023 NET EXPORTS WERE 17,800 MT
WEEK ENDING DECEMBER 21, 2023 NET EXPORTS WERE 23,800 MT
WEEK ENDING DECEMBER 14, 2023 NET EXPORTS WERE 37,500 MT
WEEK ENDING DECEMBER 7, 2023 NET EXPORTS SALES WERE 28,200 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 : 210.88

Loads TRIM/PROCESS PORK : 29.72

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/17/2024	240.60	87.96	87.21	103.20	65.58	126.06	75.66	124.66
CHANGE:		0.17	2.28	-1.56	-0.44	0.45	-1.16	0.23
FIVE DAY AVERAGE --		86.69	84.53	102.72	65.27	124.27	76.47	120.57

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/16/2024	325.41	87.79	84.93	104.76	66.02	125.61	76.82	124.43
CHANGE:		0.73	0.73	1.26	0.90	1.52	0.51	1.41
FIVE DAY AVERAGE --		86.43	83.77	102.53	65.56	123.27	77.31	118.50

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HOG REPORT - PLANT DELIVERED PURCHASE JANUARY 17, 2024

National Negotiated Carcass Price

Head Count: 8,230

Lowest price: 40.00

Highest price: 48.50

Weighted Average 47.07

Change from Previous Day 1.17 higher

Other Market Formula (Carcass)

Head Count: 26,567

Lowest Base Price: 59.96

Highest Base Price: 91.06

Weighted Average Price: 70.57

Swine/Pork Market Formula (Carcass)

Head Count 152,879

Lowest base price: 43.82

Highest Base Price: 80.77

Weighted Average Price 68.20

Other Purchase Arrangement (Carcass)

HEAD COUNT: 63,448

Lowest base price: 61.55

Highest base price: 103.89

Weighted Average Price: 76.07

<https://www.ams.usda.gov/sites/default/files/media/LMRSwineReportingHandout.pdf>

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 – JANUARY 16, 2024

****PRODUCER SOLD:**

HEAD COUNT 230,430

AVERAGE LIVE WEIGHT 287.64

AVERAGE CARCASS WEIGHT 215.84

PACKER SOLD:

HEAD COUNT 30,069

AVERAGE LIVE WEIGHT 281.45

AVERAGE CARCASS WEIGHT 213.68

PACKER OWNED:

HEAD COUNT 152,111

AVERAGE LIVE WEIGHT 288.97

AVERAGE CARCASS WEIGHT 220.02

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FEBRUARY/APRIL LEAN HOG SPREAD –
FEBRUARY 2024 LEAN HOGS –
APRIL 2024 LEAN HOGS –
JUNE 2024 LEAN HOGS –
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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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