



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

FRIDAY MORNING JANUARY 19, 2024 LIVESTOCK REPORT

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CATTLE

JANUARY 18, 2024	121,000
WEEK AGO	120,000
YEAR AGO	119,316
WEEK TO DATE (EST)	462,000
SAME PERIOD LAST WEEK (EST)	424,000
SAME PERIOD LAST YEAR (ACT)	494,131

[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 18, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	296.29	283.76
CHANGE FROM PRIOR DAY:	(2.16)	0.74
CHOICE/SELECT SPREAD:		12.53
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		144
5 DAY SIMPLE AVERAGE:	292.00	275.47

CME BOXED BEEF INDEX ON 01/17/2024 WAS 288.87 UP 2.93 FROM PREVIOUS DAY

2:00 PM JANUARY 18, 2024

PRIMAL RIB	452.70	409.87
PRIMAL CHUCK	261.08	260.92
PRIMAL ROUND	245.14	242.58
PRIMAL LOIN	383.01	349.38
PRIMAL BRISKET	268.39	271.15
PRIMAL SHORT PLATE	186.13	186.13
PRIMAL FLANK	140.50	139.91

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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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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
01/17	60	15	10	18	102	298.45	283.02
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

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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 18, 2024

Choice Cuts	110.81 loads	4,432,390 pounds
Select Cuts	11.90 loads	476,015 pounds
Trimming	5.85 loads	233,981 pounds
Ground Beef	15.15 loads	605,832 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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Slaughter Wednesday was 121,000 head and the increase in slaughter was enough to push Choice beef down \$2.16 and increase Choice beef load movement to 110.81 loads. It looks as though packers were dumping beef. The Choice to Select spread narrowed to 12.53 and narrowing of the spread is normally a negative indicator.

Next week packers will have their full workforce back, feedlots will move cattle and beef will leave the packer.

Before subzero temperatures invaded the U.S. heating bills were already 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 credit card payments due from holiday spending and travel. Consumers will leave expensive beef cuts on the shelves, buy the cheapest beef and move to chicken and cheap pork. Beef demand during the holidays was due to a huge surge in Choice rib primals. On December 7th Choice rib primals topped at \$597.03. By January 4, 2024, they dropped to \$453.72.

Beef moved higher because of a weather market. It is that simple.

Buyers can add more imported beef and they likely will do it. When a consumer buys ground or processed beef, they don't ask where beef originates or what grade. If they want 85% to 15% ground beef, or any fat to lean blend that is their concern. Stores can advertise a product such as "Ground Chuck" and unless specified it is a certain grade, it can be from a prime steer to and old bull and likely a mix but using mostly the cheapest grade.

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Trade volume is light.

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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 11, 2024 net exports were 21,400 MT. South Korea took 7800MT, China was second at 5200 MT and Japan took 2400 MT and Mexico bought 2200MT. If beef could average 20,000MT to 25,000MT it would be a benefit for beef.

Week Ending January 4, 2024	12,200 MT
Week Ending December 28, 2023	9,500 MT
Week Ending December 21, 2023	2,100 MT
Week ending December 14, 2023	9700 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 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 01/18/2024
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1478	\$173.33	16,408
LIVE HEIFER:	1342	\$173.02	6,768
DRESSED STEER	947	\$273.70	7,536
DRESSED HEIFER:	855	\$273.48	2,614

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**USDA POSTED SUMMARY CATTLE PRICES ON 01/18/2024
STEER AND HEIFER COMBINED PRICES**

**IA/MN – CASH FOB – 170.00 - 172.00 ON 367 TOTAL HEAD AVE WEIGHT 1551.2 POUNDS
DRESSED DELIVERED – NO REPORTABLE TRADE
LIVE DELIVERED – NO REPORTABLE TRADE
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 01/17/2024 WAS 227.29 UP 1.42 FROM PREVIOUS DAY

JANUARY 2024 FEEDER CATTLE FUTURES SETTLED ON 01/18/2024 AT \$230.92

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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

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 18, 2024	489,000
WEEK AGO	479,000
YEAR AGO	434,623
WEEK TO DATE (EST)	1,810,000
SAME PERIOD LAST WEEK (EST)	1,798,000

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SAME PERIOD LAST YEAR (ACT) 1,827,404

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

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CME LEAN HOG INDEX ON 01/16/2023 WAS 67.34 UP 49 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/17/2024 AT 86.72 UP 22 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$19.38 TO THE CME PORK INDEX. 01/18/2024

WEEKLY FUTURES PRICE CHANGE

Table with 4 columns: Contract Name, 01/12/2023, 01/19/2024, CONTRACT HIGH. Rows include February 2023 Lean Hogs, April 2023 Lean Hogs, June 2024 Lean Hogs, July 2024 Lean Hogs, August 2024 Lean Hogs, October 2024 Lean Hogs, and December 2024 Lean Hogs.

Hog slaughter is close to normal levels. There are still a couple of days when temperatures will be near or below zero and snow will continue to make driving hard in the upper Midwest. But next week will see normal temperatures.

Pork prices Thursday morning during trading were higher with hams the biggest gainer. Hams still remain super cheap averaging \$76.99.

February Lean Hogs closed \$3.76 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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EXPORTS

FOR WEEK ENDING JANUARY 11, 2024 NET EXPORTS WERE 33,400 MT. MEXICO TOOK 10,000 MT, JAPAN FOLLOWED WITH 9,000 MT AND SOUTH KOREA CAME IN THIRID AT 6,300 MT. THE YEAR IS STARTING OUT STRONG.

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

CHINA WENT HOG WILD IN PRODUCTION LAST YEAR AND DURING DECEMBER SLAUGHTERED MORE HOGS AND SLAUGHTERING LIGHTER HOGS. IN 2023 CHINA ALSO INCREASED PORK EXPORTS. THE USDA ESTIMATES CHINA INCREASED EXPORTS IN 2023 BY 23.76%. CHINA ALSO HAS BEEN INCREASING "SWINE" EXPORTS FOR 3 YEARS FROM PIGS TO SOWS.

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 : 258.35

Loads TRIM/PROCESS PORK : 32.13

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/18/2024	290.48	88.73	86.27	101.86	66.86	126.67	77.58	127.97
CHANGE:		0.77	-0.94	-1.34	1.28	0.61	1.92	3.31
FIVE DAY AVERAGE --		87.52	85.16	103.42	65.59	125.22	76.99	123.22

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/18/2024	188.14	89.81	87.19	102.69	66.94	126.37	80.23	128.55
CHANGE:		1.85	-0.02	-0.51	1.36	0.31	4.57	3.89
FIVE DAY AVERAGE --		87.74	85.34	103.58	65.61	125.16	77.52	123.33

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

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HOG REPORT - PLANT DELIVERED PURCHASE JANUARY 18, 2024

National Negotiated Carcass Price

Head Count: 2,860

Lowest price: 47.00

Highest price: 48.50

Weighted Average 48.04

Change from Previous Day 0.97 higher

Other Market Formula (Carcass)

Head Count: 25,876

Lowest Base Price: 63.95

Highest Base Price: 90.91

Weighted Average Price: 70.24

Swine/Pork Market Formula (Carcass)

Head Count 160,009

Lowest base price: 45.35

Highest Base Price: 81.14

Weighted Average Price 67.47

Other Purchase Arrangement (Carcass)

HEAD COUNT: 71,144

Lowest base price: 55.72

Highest base price: 103.89

Weighted Average Price: 77.29

<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 17, 2024

****PRODUCER SOLD:**

HEAD COUNT 228,069

AVERAGE LIVE WEIGHT 290.12

AVERAGE CARCASS WEIGHT 217.08

PACKER SOLD:

HEAD COUNT 37,892

AVERAGE LIVE WEIGHT 292.19

AVERAGE CARCASS WEIGHT 220.14

PACKER OWNED:

HEAD COUNT 184,627

AVERAGE LIVE WEIGHT 289.72

AVERAGE CARCASS WEIGHT 221.43

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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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Beef: Net sales of 21,400 MT for 2024 were primarily for South Korea (7,800 MT, including decreases of 500 MT), China (5,200 MT, including decreases of 100 MT), Japan (2,400 MT, including decreases of 500 MT), Mexico (2,200 MT, including decreases of 200 MT), and Taiwan (1,100 MT, including decreases of 100 MT). Exports of 15,200 MT were primarily to South Korea (4,600 MT), Japan (3,500 MT), China (2,200 MT), Mexico (1,700 MT), and Taiwan (800 MT).

Pork: Net sales of 33,400 MT for 2024 were primarily for Mexico (10,000 MT, including decreases of 200 MT), Japan (9,000 MT, including decreases of 400 MT), South Korea (6,300 MT, including decreases of 1,100 MT), Chile (1,600 MT), and Colombia (1,600 MT, including decreases of 100 MT). Exports of 31,400 MT were primarily to Mexico (12,500 MT), South Korea (4,100 MT), Japan (3,800 MT), China (2,500 MT), and Colombia (2,500 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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