



ADM Investor
Services, Inc.



Livestock Futures Market Commentary

FRIDAY MORNING MAY 17, 2024 LIVESTOCK REPORT

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CATTLE

MAY 16, 2024	124,000
WEEK AGO	122,000
YEAR AGO	123,504
WEEK TO DATE	487,000
PREVIOUS WEEK	489,000
2023 WEEK TO DATE	501,669
2024 YEAR TO DATE	11,880,263
2023 YEAR TO DATE	12,422,834
PERCENT CHANGE YEAR TO DATE	-4.4%

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

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2:00 PM MAY 16, 2024

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOFF VALUES:	310.15	296.51
CHANGE FROM PRIOR DAY:	3.38	2.20
CHOICE/SELECT SPREAD:		13.64
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		115
5 DAY SIMPLE AVERAGE:	300.02	289.05

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CME BOXED BEEF INDEX ON 05/15/2024 WAS 297.10 UP 1.67 FROM PREVIOUS DAY

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2:00 PM MAY 16, 2024

PRIMAL RIB	466.35	444.90
PRIMAL CHUCK	252.86	251.79
PRIMAL ROUND	249.64	250.71
PRIMAL LOIN	437.33	388.19
PRIMAL BRISKET	252.00	239.47
PRIMAL SHORT PLATE	220.98	220.98
PRIMAL FLANK	155.96	154.57

2:00 PM MAY 15, 2024

PRIMAL RIB	456.52	437.93
PRIMAL CHUCK	249.94	248.95
PRIMAL ROUND	248.33	247.69
PRIMAL LOIN	432.49	388.81
PRIMAL BRISKET	250.77	239.55
PRIMAL SHORT PLATE	220.92	220.92
PRIMAL FLANK	155.88	154.12

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total		
05/15	73	15	0	21	109	306.77	294.31
05/14	65	19	17	20	121	304.39	293.82
05/13	68	14	5	26	113	298.95	287.18
05/10	94	27	6	28	155	FRIDAY 294.57	284.17 FRIDAY
05/09	135	21	4	13	173	295.39	285.76

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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.

MAY 16, 2024

Choice Cuts	62.09 loads	2,483,721 pounds
Select Cuts	25.93 loads	1,037,298 pounds
Trimming	14.21 loads	568,285 pounds
Ground Beef	12.84 loads	513,596 pounds

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USDA REPORTS FOR MAY 2024

MAY 24, 2024 – CATTLE ON FEED REPORT

MAY 24, 2024 – COLD STORAGE REPORT

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WEEKLY FUTURES PRICE CHANGE

	05/10/2023	05/17/2024	CONTRACT HIGH
JUNE 2024 LIVE CATTLE	176.15		194.02 9/15/2023
AUGUST 2024 LIVE CATTLE	174.12		192.45 9/15/2023
OCTOBER 2024 LIVE CATTLE	177.42		194.67 9/15/2023
DECEMBER 2024 LIVE CATTLE	181.52		197.47 9/15/2023
FEBRUARY 2025 LIVE CATTLE	185.05		199.57 9/20/2023
APRIL 2025 LIVE CATTLE	187.25		196.40 3/14/2024

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Cash cattle sales light so far. Steers in Midwest selling from 186.00 - 190.00, averaging 188.19 on Thursday. Dressed prices on light buy 298.00 - 300.00, averaging 299.54. Compared to last week prices \$3.00 to up to \$4.00 higher. No cattle sold in the Southwest on Thursday.

Boxed beef continued move higher for the 4th day. Compared to last Friday's closing prices for Choice beef, Thursday on morning sales Choice was up \$15.58. Select beef gained \$12.34. What happened to Avian Flu? Testing 32 packages of ground beef must have appeased buyers.

Daily load movement is light, very light. Thursday total daily movement as 115 loads. Packers fill previously contracted beef orders first and then have less beef for daily sales. If packers wanted to increase kill, they could, but its better slaughter heavier cattle and leave cattle in feedlots longer at this time. Last week steer and heifers averaged 31.2 pounds more than a year ago. On 622,000 head kill it was like adding 19,406,400 pounds more.

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BRAZIL'S JBS EARNS NEARLY \$320 MLN IN Q1, BEATING ANALYSTS EXPECTATIONS

<https://www.reuters.com/markets/commodities/brazils-jbs-earns-nearly-320-mln-q1-beating-analysts-expectations-2024-05-14/>

Gains in pork sales as consumers were buying more pork than beef and a 11% increase in pork exports especially to Mexico, South Korea and Colombia JBS had a record net revenue in their processed foods division. Lower grain costs and better supply.

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TYSON FOODS UNSURE WHEN TIGHT US CATTLE SUPPLIES WILL EXPAND, CEO SAYS - REUTERS NEWS

<https://www.msn.com/en-us/money/other/tyson-foods-unsure-when-tight-us-cattle-supplies-will-expand-ceo-says/ar-BB1ms2TU?ocid=BingNewsSerp>

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Last week packers did pay higher for cash cattle about \$1.00 higher. Midwest cattle averaged \$186.50 to \$187.00 with a few head at \$188.00 and dressed prices mostly \$295.00. In Texas on a light buy of a total negotiated head of 3,991 cash was \$184.00 and in Kansas prices average \$184.50. Heavier cattle are moving in the Midwest but in the Southwest weights are lighter.

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June Live Cattle first notice day is Monday June 10th.

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT MAY 14, 2024

As of May 14, 2024, dressed steer and heifer carcasses averaged 888.9 pounds up 1.8 pounds from previous week and up 31.2 pounds from a year ago. The grading percent as of 05/14/24 was 84.5% compared to previous week at 84.2%. On May 16, 2023 carcasses weighed 857.7 pounds and graded 82.8%

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

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EXPORTS WEEK

FOR WEEK ENDING MAY 9, 2024 NET EXPORTS WERE 15,100 MT. UP FOR THE WEEK BUT DOWN 11% ON THE 4 WEEK AVERAGE. JAPAN WAS THE LARGEST BUYER 6600 MT, FOLLOWED BY CHINA WITH 1900 MT AND TIAWAN WITH 1,700 MT, SOUTH KOREA TOOK ONLY 1300 MT

WEEK ENDING MAY 2, 2024	12,300 MT
WEEK ENDING APRIL 25, 2024	22,500 MT
WEEK ENDING APRIL 18, 2024	15,200 MT
WEEK ENDING APRIL 11, 2024	17,700 MT

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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: 5/04/2024

	Nebraska	Kansas	Texas
Prime	14.72%	9.08%	6.18%
Choice	73.08%	76.37%	65.47%
Select	7.37%	11.66%	25.52%
Other	4.83%	2.90%	2.84%

For Week Ending: 4/27/2024

	Nebraska	Kansas	Texas
Prime	13.47%	8.75%	6.62%
Choice	74.67%	75.54%	65.72%
Select	7.46%	12.67%	25.21%
Other	4.40%	3.04%	2.45%

*****NATIONAL DAILY DIRECT CATTLE 05/16/2024**

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1471	\$186.01	36,061

LIVE HEIFER:	1337	\$185.84	16,128
DRESSED STEER	941	\$295.46	12,589
DRESSED HEIFER:	855	\$295.38	2,930

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**USDA POSTED SUMMARY CATTLE PRICES ON 05/16/2024
STEER AND HEIFER COMBINED PRICES UNLESS NOTED**

**IA/MN – CASH FOB – 186.00 - 190.00 AVE PRICE 188.19 AVE WEIGHT STEERS 1608.5
DRESSED DELIVERED – 298.00 - 300.00 AVE PRICE 299.54 TOTAL 663 HEAD
LIVE DELIVERED NO REPORTABLE TRADE.
DRESSED FOB - NO REPORTABLE TRADE**

**NE – CASH FOB – NO REPORTABLE TRADE.
LIVE DELIVERED - NO REPORTABLE TRADE.
DELIVERED NO REPORTABLE TRADE.**

**KS – CASH – NO REPORTABLE TRADE.
LIVE DELIVERED - NO REPORTABLE TRADE.**

TX/OK/NM CASH – NO REPORTABLE TRADE.

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

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**STERLING MARKETING BEEF MARGINS WEEK ENDING MAY 11, 2024
PACKER MARGIN (\$ /HEAD) (\$137.97) LAST WEEK (\$107.71) MONTH AGO (\$80.25) YEAR AGO (\$46.76)
FEEDLOT MARGINS: \$291.43 LAST WEEK \$284.30 MONTH AGO \$212.61 YEAR AGO \$414.58**

Sterling Marketing on May 7, 2023. I am now using the Comprehensive Beef Cutout Value reported by USDA. I have included a document that explains this cutout value. I looked at this value about 4 years ago and compared the beef packer margin values from my Choice-Select Adjusted value and this Comprehensive value. There was little difference. However, over the past few weeks, the difference has become significant. I believe this is because the mix of cattle slaughtered is increasingly includes higher valued cattle – i.e., Prime, Upper 2/3 Choice, and Branded Program cattle. In addition, it includes the formula-priced cattle. Using just the Choice and higher grade and Select grade to generate the cutout does not reflect this important difference in the quality of cattle which in turn is definitely a driver to the notable improvement in beef demand over the past year.

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**AUGUST LIVE CATTLE/AUGUST LEAN HOG SPREAD -
JUNE/AUGUST LIVE CATTLE SPREAD –
JUNE 2024 LIVE CATTLE -
AUGUST 2024 LIVE CATTLE –**

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FEEDER CATTLE

CME FEEDER INDEX ON 05/15/2024 WAS 242.33 UP 54 CENTS FROM PREVIOUS DAY

MAY 2024 FEEDER CATTLE SETTLED ON MAY 16, 2024 AT \$244.85.

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 05/11/2024

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	146,400	48,000	7,900	202,300
Last Week:	145,300	42,000	57,100	244,400
Year Ago:	173,900	45,400	42,800	262,100

Compared to last week, feeders under 650 lbs. sold very uneven but mostly 2.00 lower to 2.00 higher, over 650 lbs. sold steady to 2.00 lower. While the supply of feeders was moderate this week, the amount of heavier weight yearling cattle has been mostly flat the last few weeks. Demand was moderate to good nationwide this week, with the best demand remains on those cattle that will reach finished weights this winter. Turnout time has arrived, which is keeping demand for grass type cattle red hot.

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

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WEEKLY FUTURES PRICE CHANGE

	05/10/2023	05/17/2024	CONTRACT HIGH
MAY 2024 FEEDER CATTLE	238.80		272.47 SEPTEMBER 15, 2023
AUGUST 2024 FEEDER CATTLE	250.90		282.92 SEPTEMBER 20, 2023
SEPTEMBER 2024 FEEDER CATTLE	251.97		285.90 SEPTEMBER 28, 2023
OCTOBER 2024 FEEDER CATTLE	252.87		275.17 FEBRUARY 8, 2024
NOVEMBER 2024 FEEDER CATTLE	252.57		274.70 FEBRUARY 8, 2024

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AUGUST 2024 FEEDER CATTLE –

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

MAY 16, 2024	479,000
WEEK AGO	472,000
YEAR AGO	470,997
WEEK TO DATE	1,900,000
PREVIOUS WEEK	1,908,000
2023 WEEK TO DATE	1,873,019
2024 YEAR TO DATE	49,090,286
2023 *YEAR TO DATE	48,834,678
YEAR TO DATE PERCENT CHANGE	0.5%

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

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CME LEAN HOG INDEX ON 05/14/2024 WAS 91.76 UP 47 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 05/15/2024 AT 100.85 UP 49 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$9.09 TO THE CME PORK INDEX 05/16/2024

WEEKLY FUTURES PRICE CHANGE

	05/10/2023	05/17/2024	CONTRACT HIGH
JUNE 2024 LEAN HOGS	98.37		109.65 APRIL 10, 2024
JULY 2024 LEAN HOGS	101.45		111.25 APRIL 10, 2024
AUGUST 2024 LEAN HOGS	100.57		108.30 APRIL 10, 2024
OCTOBER 2024 LEAN HOGS	84.70		89.40 APRIL 9, 2024
DECEMBER 2024 LEAN HOGS	77.02		80.65 JUNE 21, 2023
FEBRUARY 2025 LEAN HOGS	81.10		82.05 APRIL 8, 2024
APRIL 2025 LEAN HOGS	84.90		88.00 OCTOBER 13, 2023

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MAY 2024 LEAN HOGS \$91.76 SETTLEMENT

JUNE 2024 LEAN HOGS AS OF MAY 16, 2024 = \$98.37

CME LEAN HOG INDEX AS OF MAY 14, 2024 = \$91.76

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Thursday by the end of trading Lean Hog traders essentially brought futures to prices where they settled last week.

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Exports at a marketing year low are disappointing. Pork exports have been a shining light for pork in 2024. However, pork exports are now slowing compared to January through March and it is beginning to look similar to what happened a year ago. In January 2023 through March 2023 Pork including Variety Meats was up 13%. By year end they were up 8%.

Because it takes the USDA and the US Meat Export Federation close to a month and a half to sharpen their #2 lead pencils and calculate the data on an abacus, statistics are not available even for April 2024. However, if Mexico continues to slow their imports of U.S. pork, being up 6% for the first quarter of 2024 could easily slip lower into the second quarter and into the end of the year.

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The Mexican Peso has recovered from the steep quick decline in April. The Japanese Yen continues trending lower. The US Dollar is slowly dropping.

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EXPORTS

FOR WEEK ENDING MAY 9, 2024 NET EXPORTS WERE 21,100 MT, A MARKETING YEAR LOW. JAPAN WAS THE LARGEST BUYER WITH 4,900 MT. MEXICO BOUGHT 4,500 MT AND SOUTH KOREA 3,200 MT. CHINA TOOK NOTHING. LAST WEEK MEXICO BOUGHT 2,600 MT . MEXICO SEEMS TO BE BACKING AWAY FROM U.S. PORK.

WEEK ENDING MAY 2, 2024 NET EXPORTS WERE 24,400 MT.
WEEK ENDING APRIL 25, 2024 NET EXPORTS WERE 33,600 MT
WEEK ENDING APRIL 18, 2024 NET EXPORTS WERE 28,800 MT
WEEK ENDING APRIL 11, 2024 NET EXPORTS WERE 21,800 MT
WEEK ENDING APRIL 4, 2024 NET EXPORTS WERE 47,400 MT

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STERLING PORK PROFIT TRACKER WEEK ENDING - MAY 11 , 2024

PACKER MARGINS **(\$0.93)** LAST WEEK **(\$1.71)** MONTH AGO \$5.87 YEAR AGO **(\$3.09)**

FARROW TO FINISH MARGINS \$49.99 LAST WEEK \$45.78 MONTH AGO \$42.22 YEAR AGO **(\$17.39)**

The prices to calculate margins are from hogs sold on negotiated prices and pork posted on daily carcass. Both are a very small amount of actual pork or hog sold. Sterling Marketing can only use data provided and private formulas and grids for hogs and pork are not included because packers don't share contracted pork prices and hog producers selling on formulas and contracts don't share how prices are structured.

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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 : 209.37

Loads TRIM/PROCESS PORK : 33.03

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/16/2024	242.40	100.27	101.60	131.13	76.18	175.70	82.91	123.56
CHANGE:		-1.43	-0.63	-0.57	-0.81	-1.45	-3.55	-0.36
FIVE DAY AVERAGE --		101.14	102.28	131.30	76.41	175.21	85.97	123.22

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/16/2024	165.14	100.94	105.52	131.83	75.86	174.81	82.50	122.72
CHANGE:		-0.76	3.29	0.13	-1.13	-2.34	-3.96	-1.20
FIVE DAY AVERAGE --		101.27	103.06	131.44	76.35	175.03	85.89	123.05

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
05/15/2024	262.28	101.70	102.23	131.70	76.99	177.15	86.46	123.92
CHANGE:		0.19	0.29	2.05	-0.19	-0.42	-1.53	1.37
FIVE DAY AVERAGE --		100.77	102.48	130.02	76.58	174.57	85.83	121.95

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HOG REPORT - PLANT DELIVERED PURCHASE MAY 16, 2024

National Negotiated Price
Head Count: 2,952
Lowest price: 83.50
Highest price: 90.00
Weighted Average 89.33
Change from Previous Day 0.60 higher

Other Market Formula (Carcass)
Head Count: 25,998
Lowest Base Price: 68.45
Highest Base Price: 100.18
Weighted Average Price: 91.96

Swine/Pork Market Formula (Carcass)
Head Count 156,794
Lowest base price: 79.18
Highest Base Price: 94.89
Weighted Average Price 90.56

Other Purchase Arrangement (Carcass)
HEAD COUNT: 56,720
Lowest base price: 82.39
Highest base price: 102.03
Weighted Average Price: 92.43

<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 – MAY 15, 2024

****PRODUCER SOLD:**

HEAD COUNT 235,955

AVERAGE LIVE WEIGHT 286.40

AVERAGE CARCASS WEIGHT 214.10

PACKER SOLD:

HEAD COUNT 32,782

AVERAGE LIVE WEIGHT 282.09

AVERAGE CARCASS WEIGHT 212.66

PACKER OWNED:

HEAD COUNT 176,949

AVERAGE LIVE WEIGHT 287.53

AVERAGE CARCASS WEIGHT 218.25

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JULY LEAN HOGS –

OCTOBER LEAN HOGS –

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ALL CHARTS FROM ESIGNAL INTERACTIVE, INC.

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