



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING OCTOBER 26, 2023 LIVESTOCK REPORT

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USDA COLD STORAGE REPORT ON LAST PAGE
BEEF AND PORK EXPORTS ON BOTTOM OF REPORT

CATTLE

OCTOBER 25, 2023	126,000
WEEK AGO	126,000
YEAR AGO	128,000
WEEK TO DATE	377,000
SAME PERIOD LAST WEEK	377,000
SAME PERIOD LAST YEAR (ACT)	385,000

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2:00 PM OCTOBER 25, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	307.50	281.66
CHANGE FROM PRIOR DAY:	1.52	(2.34)
CHOICE/SELECT SPREAD:		25.84
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		141
5 DAY SIMPLE AVERAGE:	304.78	279.91

CME BOXED BEEF INDEX ON 10/24/2023 WAS 297.47 UP 26 CENTS FROM PREVIOUS DAY

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2:00 PM OCTOBER 25, 2023

PRIMAL RIB	524.35	433.85
PRIMAL CHUCK	265.00	254.75
PRIMAL ROUND	271.55	267.99
PRIMAL LOIN	377.80	323.98
PRIMAL BRISKET	226.81	222.45
PRIMAL SHORT PLATE	176.23	176.23
PRIMAL FLANK	136.01	135.12

2:00 PM OCTOBER 24, 2023

PRIMAL RIB	510.48	437.64
PRIMAL CHUCK	263.40	255.68
PRIMAL ROUND	270.99	271.91
PRIMAL LOIN	380.64	328.36
PRIMAL BRISKET	227.20	219.16
PRIMAL SHORT PLATE	176.77	176.77
PRIMAL FLANK	136.12	133.75

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
10/24	61	21	4	14	101	305.98	284.00
10/23	52	20	15	18	105	304.54	281.02
10/20	83	24	10	24	140	FRIDAY 305.38	278.70 FRIDAY
10/19	98	45	6	16	164	304.12	277.48
10/18	94	44	7	28	173	303.86	278.35

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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.

October 25, 2023 11:00AM

Choice Cuts	56.08 loads	2,243,010 pounds
Select Cuts	31.94 loads	1,277,720 pounds
Trimmings	32.03 loads	1,281,370 pounds
Ground Beef	21.15 loads	846,101 pounds

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**OCTOBER 2023 LIVE CATTLE DELIVERIES
NO DELEIVERIES AS OF 10/25/2023**

DELIVERY NOTICE SERVED – OCTOBER 2023 - LIVE CATTLE

DATE 10/25/23 SETTLEMENT: \$181.12

OLDEST LONG – 04/10/2023 \$166.52

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Tuesday, October 31, 2023 is Last trading Day for October 2023 Cattle

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There have been no deliveries for October Live Cattle. The oldest long is back to April 10, 2023 at \$166.52. With the average steer price at \$185.60, there is no reason a commercial long would want to get out of the futures contract(s). Going forward there are going to be commercial longs that have bought Live Cattle futures at much lower prices. There are also many cattle contracted to a packer at much lower prices. Boxed beef is high now but any dropped such as post holiday buying when demand slackens, and cheaper cattle from the futures to all forms of packer contracts will help to lower prices.

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Midwest feedlots are near finished selling but Kansas and Southwestern states are holding out. Cattle in the Southwest are going to be down on cattle that finish out and feedlots have an advantage at this time.

Trade volume on Wednesday was half the volume of what it was Monday or Tuesday with Live Cattle closing slightly higher, Traders are wanting to see how the COF report affects futures.

Bear spreads have been narrowing for December, February and April. Nothing in the report indicates strength in early 2024 but into December, with anticipated beef demand for the holidays, December should gain on February and April.

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On October 31st October Live Cattle settle. From now into November, speculators will be the dominate traders. October will trade the cash markets but speculators from December on out will be the active traders. What may happen with cash cattle prices and/or boxed beef from December on out might be the opposite of what futures may do. There are close to 5 weeks before first notice day for December 2023 Live Cattle.

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USDA CATTLE ON FEED REPORT OCTOBER 20, 2023

	Actual	Million head
On feed Oct 1	101	11,580
Placements in September	106	2,206
Marketings in September	89	1,663

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NATIONAL WEEKLY FED CATTLE COMPREHENSIVE REPORT OCTOBER 11, 2023

As of October 11, 2023 dressed steer and heifer carcasses averaged 883.8 pounds down .6 pound from previous week at 884.4 pounds and 2.5 pounds lower at 886.3 pounds than a year ago. The grading percent as of 10/11/23 was up to 79.7% compared to previous week at 78.5%. A year ago the grading percent was 78.5%.

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

****WEEKLY FUTURES PRICE CHANGE**

	10/20/2023	10/27/2023
OCTOBER 2023 LIVE CATTLE	184.27	
DECEMBER 2023 LIVE CATTLE	184.62	
FEBRUARY 2024 LIVE CATTLE	187.72	
APRIL 2024 LIVE CATTLE	190.42	
JUNE 2024 LIVE CATTLE	184.37	
AUGUST 2024 LIVE CATTLE	182.90	
FEBRUARY 2025 LIVE CATTLE	192.67	

EXPORTS

For the Week Ending October 19, 2023 net exports were at 17,400MT. they are up from last week where cancellations outnumbered sales. South Korea took 9300 MT, China came in second with 3200 MT and Japan bought 2200 mt. net sales for 2024 were 3900 MT.

Week Ending October 12, 2023

Week Ending October 5, 2023 9,000 MT

Week Ending September 28, 2023 13,300 MT

Week Ending September 21, 2023 17,700 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 OCTOBER 24, 2023

As of October 24, 2023, 2023 dressed steer and heifer carcasses averaged 888.1 pounds unchanged from previous week at 888.1 pounds. The grading percent as of 10/24/23 was 79.4 compared to previous week at 78.9 up .5%. On October 25, 2022 carcasses weighed 889.5 pounds and graded 79.1%.

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

*****NATIONAL DAILY DIRECT CATTLE 10/25/2023
5 DAY ACCUMULATED WEIGHTED AVG**

	WEIGHT	PRICE	HEAD
LIVE STEER:	1506	\$185.60	62,282
LIVE HEIFER:	1336	\$185.98	23,844
DRESSED STEER	967	\$293.25	12,331
DRESSED HEIFER:	872	\$293.13	2,804

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USDA POSTED SUMMARY CATTLE PRICES ON 10/25/2023

**IA/MN – CASH FOB – 183.00 ON LIGHT SALES OF 258 HEAD FOR STEERS AND HEIFERS
DRESSED DELIVERED – 290.00 ON 1,275 HEAD**

**NE – CASH FOB – 182.00 - 183.00 ON 1318 TOTAL HEAD
DRESSED DELIVERED - 288.00 - 290.00 AVE PRICE 289.92 ON 4053 HEAD**

**KS – CASH – NO REPORTABLE TRADE WEDNESDAY
DRESSED DELIVERED - NO REPORTABLE TRADE**

**TX/OK/NM CASH – NO REPORTABLE TRADE WEDNESDAY
NO REPORTABLE TRADE**

CO - *NOT REPORTED DUE TO CONFIDENTIALITY****

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**FEBRUARY 2024 LIVE CATTLE/ FEBRUARY 2024 LEAN HOGS –
DECEMBER 2023/APRIL LIVE CATTLE SPREAD –
APRIL 2024/JUNE 2024 LIVE CATTLE SPREAD –
OCTOBER 2023 LIVE CATTLE –
DECEMBER 2023 LIVE CATTLE –
FEBRUARY 2024 LIVE CATTLE –**

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FEEDER CATTLE

CME FEEDER INDEX ON 10/24/2023 WAS 241.63 DOWN 49 CENTS FROM PREVIOUS DAY –

OCTOBER 2023 FEEDER CATTLE FUTURES SETTLED ON 10/25/2023 AT \$239.97

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 10/21/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	259,100	35,500	35,700	330,300
Last Week:	206,000	45,000	7,200	258,200
Year Ago:	241,100	28,700	29,800	299,600

Compared to last week, steers and heifers in the Southeast sold 2.00 to 5.00 higher, while the North Central and South-Central regions were 2.00 to 4.00 lower. Moderate to good demand for steer and heifer calves, dependent upon them having received two rounds of preconditioning shots. Large calf runs are underway in the Plains and it's that time of year where the bulk of the receipts are bawling calves coming right off the cow. Farmer feeders are ready to receive these calves as they have made good progress with their grain harvest. Good demand for yearlings as the supply tightens but the pressure on the futures contracts is causing uncertainty to creep in.

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

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WEEKLY FUTURES PRICE CHANGE

	10/20/2023	10/27/2023
OCTOBER 2023 FEEDER CATTLE	241.82	
NOVEMBER 2023 FEEDER CATTLE	242.22	
JANUARY 2024 FEEDER CATTLE	243.05	
MARCH 2024 FEEDER CATTLE	245.72	
APRIL 2024 FEEDER CATTLE	249.90	
MAY 2024 FEEDER CATTLE	253.25	
AUGUST 2024 FEEDER CATTLE	226.45	

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**JANUARY 2024 FEEDER CATTLE/MARCH 2024 FEEDER CATTLE SPREAD –
NOVEMBER 2023 FEEDER CATTLE –
JANUARY 2024 FEEDER CATTLE -
MARCH 2024 FEEDER CATTLE –**

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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 25, 2023	486,000
WEEK AGO	478,000
YEAR AGO	485,000
WEEK TO DATE	1,455,000
SAME PERIOD LAST WEEK	1,441,000
SAME PERIOD LAST YEAR (ACT)	1,459,000

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CME LEAN HOG INDEX ON 10/23/2023 WAS 78.67 DOWN 40 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 10/24/2023 AT 87.58 DOWN 68 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$8.91 TO THE CME PORK INDEX.
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WEEKLY FUTURES PRICE CHANGE

	10/20/2023	10/27/2023
DECEMBER 2023 LEAN HOGS	66.00	
FEBRUARY 2023 LEAN HOGS	70.42	
APRIL 2023 LEAN HOGS	76.90	
JUNE 2024 LEAN HOGS	90.77	
JULY 2024 LEAN HOGS	92.32	
AUGUST 2024 LEAN HOGS	92.15	

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Trade volume was light again Wednesday. Traders know packers are not beating down the bushes for hogs. The CME Pork Index continues to narrow to the CME Lean Hog Index taking away from packer margins.

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FOR THE WEEK ENDING OCTOBER 19, 2023 NET EXPORT SALES WERE 28,200 MT FOR 2023 MT AND 3,900 MT FOR 2024. MEXICO TOOK 10,200 MT, CHINA CAME BACK LAST WEEK BUYING 3,400 MT AND CANADA TOOK 3200 MT . THEY WERE DOWN FROM A WEEK AGO BUT REMAIN STRONG.

WEEK ENDING OCTOBER 12, 2023 NET EXPORT SALES WERE 30,700 MT
WEEK ENDING OCTOBER 5, 2023 NET EXPORT SALES WERE 21,100 MT
WEEK ENDING SEPTEMBER 28, 2023 NET EXPORT SALES WERE 43,000 MT
WEEK ENDING SEPTEMBER 21, 2023 NET EXPORT SALES WERE 27,400 MT
WEEK ENDING SEPTEMBER 14, 2023 NET EXPORT SALES WERE 30,200 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 : 256.35

LOADS TRIM/PROCESS PORK : 42.96

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/25/2023	299.31	87.59	86.56	100.78	74.67	107.15	81.70	111.77
CHANGE:		1.00	-3.06	-0.57	4.10	-3.67	1.06	7.36
FIVE DAY AVERAGE --		87.57	89.43	104.43	73.03	109.04	81.07	107.65

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/25/2023	168.91	89.83	87.37	100.42	74.75	108.65	84.21	120.21
CHANGE:		3.24	-2.25	-0.93	4.18	-2.17	3.57	15.80
FIVE DAY AVERAGE --		88.01	89.59	104.36	73.05	109.34	81.58	109.34

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/24/2023	351.85	86.59	89.62	101.35	70.57	110.82	80.64	104.41
CHANGE:		-1.96	-0.90	-3.37	-5.10	1.07	0.04	-5.39
FIVE DAY AVERAGE --		87.64	90.53	105.68	73.49	110.20	80.58	106.13

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HOG REPORT - PLANT DELIVERED PURCHASE

OCTOBER 25, 2023

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

National Negotiated Carcass Price

Head Count: 6,958

Lowest price: 64.50

Highest price: 74.00

Weighted Average 71.90

Change from Previous Day -0.68 lower

Other Market Formula (Carcass)

Head Count: 20,605

Lowest Base Price: 59.37

Highest Base Price: 86.59

Weighted Average Price: 65.91

Swine/Pork Market Formula (Carcass)

Head Count 169,471

Lowest base price: 66.99

Highest Base Price: 82.39

Weighted Average Price 76.60

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Other Purchase Arrangement (Carcass)

HEAD COUNT: 66,905

Lowest base price: 60.94

Highest base price: 108.93

Weighted Average Price: 78.82

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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 – OCTOBER 24, 2023

****PRODUCER SOLD:**

HEAD COUNT 235,095

AVERAGE LIVE WEIGHT 283.14

AVERAGE CARCASS WEIGHT 211.18

PACKER SOLD:

HEAD COUNT 32,092

AVERAGE LIVE WEIGHT 283.89

AVERAGE CARCASS WEIGHT 212.85

PACKER OWNED:

HEAD COUNT 177,325

AVERAGE LIVE WEIGHT 281.63

AVERAGE CARCASS WEIGHT 213.55

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DECEMBER/FEBRUARY LEAN HOG SPREAD –

FEBRUARY/APRIL LEAN HOG SPREAD -

DECEMBER 2023 LEAN HOGS –

FEBRUARY 2024 LEAN HOGS –

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Beef: Net sales of 17,400 MT for 2023 were up noticeably from the previous week and up 72 percent from the prior 4-week average. Increases primarily for South Korea (9,300 MT, including decreases of 400 MT), China (3,200 MT, including decreases of 200 MT), Japan (2,200 MT, including decreases of 200 MT), Hong Kong (1,000 MT, including decreases of 100 MT), and Taiwan (600, including decreases of 100 MT), were offset by reductions for Indonesia (100 MT). Net sales of 3,900 MT for 2024 were primarily for South Korea (2,200 MT), Japan (1,400 MT), Hong Kong (200 MT), and Taiwan (100 MT). Exports of 13,800 MT were up 1 percent from the previous week, but down 8 percent from the prior 4-week average. The destinations were primarily to South Korea (4,200 MT), Japan (3,200 MT), China (1,700 MT), Mexico (1,100 MT), and Taiwan (900 MT).

Pork: Net sales of 28,200 MT for 2023 were down 8 percent from the previous week and from the prior 4-week average. Increases were primarily for Mexico (10,200 MT, including decreases of 200 MT), China (3,400 MT, including decreases of 100 MT), Canada (3,200 MT, including decreases of 600 MT), Japan (2,900 MT, including

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decreases of 400 MT), and South Korea (2,600 MT, including decreases of 700 MT). Net sales of 400 MT for 2024 were primarily for Australia (200 MT) and South Korea (100 MT). Exports of 27,700 MT were up 7 percent from the previous week, but down 1 percent from the prior 4-week average. The destinations were primarily to Mexico (10,200 MT), Japan (3,500 MT), South Korea (3,000 MT), China (2,900 MT), and Colombia (2,200 MT).

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USDA COLD STORAGE REPORT
OCTOBER 25, 2023

Total red meat supplies in freezers were up 2 percent from the previous month but down 17 percent from last year.

Total pounds of beef in freezers were up 6 percent from the previous month but down 20 percent from last year.

Frozen pork supplies were down 1 percent from the previous month and down 14 percent from last year.

Stocks of pork bellies were down 19 percent from last month and down 19 percent from last year.

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Beef stocks being up in September compared to August is not unusual as wholesales to consumers bought beef for Labor Day late July and August and then during September consumers buy less high end beef to start paying summer vacation credit cards, expenses for school and in 2023 high energy bills for cooling. With high beef prices in September 2023, consumers bought less beef. Compared to a year ago in September 2022 there was a record high stocks in storage in 2022 so with fewer cattle slaughtered in 2023 and to the record stocks in September 2022 to have beef stocks down 20% it is no surprise.

Pork stocks are down due to strong exports and U.S. consumers are eating slightly more pork. With slaughter up in 2023, it is positive pork is moving and not being put into storage. Pork producers better hope and pray exports remain as strong into 2024 and pork in storage remains doesn't increase.

Stocks of bellies are down because most bellies are sold whole to be sold as fresh sections or are trimmed out and sold as trimmings, to ground pork, and for further processing like small "hams" to canned pork. Trimmed pork sales in 2023 are high.

Take into consideration this report is for stocks as of September 2023 compared to August 2023 and September 2022. It is October 25, 2023 less than a week from November.

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CHARTS FROM E SIGNAL INTERACTIVE, INC.

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