



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING NOVEMBER 14, 2023 LIVESTOCK REPORT

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CATTLE

NOVEMBER 13, 2023	125,000
WEEK AGO	122,000
YEAR AGO	127,000

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2:00 PM NOVEMBER 13, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOUT VALUES:	297.85	269.24
CHANGE FROM PRIOR DAY:	(2.61)	1.82
CHOICE/SELECT SPREAD:		28.61
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		93
5 DAY SIMPLE AVERAGE:	300.15	269.54

CME BOXED BEEF INDEX ON 11/10/2023 WAS 292.61 UP 19 FROM PREVIOUS DAY

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2:00 PM NOVEMBER 13, 2023

PRIMAL RIB	541.10	436.61
PRIMAL CHUCK	242.70	232.91
PRIMAL ROUND	250.72	247.38
PRIMAL LOIN	381.24	319.93
PRIMAL BRISKET	216.45	216.06
PRIMAL SHORT PLATE	171.12	171.12
PRIMAL FLANK	131.39	131.42

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2:00 PM NOVEMBER 10, 2023

PRIMAL RIB	542.99	430.41
PRIMAL CHUCK	245.84	233.26
PRIMAL ROUND	254.91	247.03
PRIMAL LOIN	382.50	313.50
PRIMAL BRISKET	216.37	215.41
PRIMAL SHORT PLATE	174.75	174.75
PRIMAL FLANK	131.51	131.51

2:00 PM NOVEMBER 14, 2022 YEAR AGO

PRIMAL RIB	450.56	353.72
PRIMAL CHUCK	222.28	216.13
PRIMAL ROUND	214.39	212.14
PRIMAL LOIN	321.18	267.11
PRIMAL BRISKET	188.31	195.17
PRIMAL SHORT PLATE	148.48	148.48
PRIMAL FLANK	142.49	135.10

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LOAD COUNT AND CUTOOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total			
11/10	97	21	6	14	138	FRIDAY	300.46	267.42 FRIDAY
11/09	49	32	20	32	133		299.42	269.42
11/08	81	29	10	15	135		298.75	271.03
11/07	139	28	19	21	207		300.38	269.48
11/06	50	27	0	10	87		301.72	270.36
11/03	65	24	38	24	151	FRIDAY	302.34	272.01 FRIDAY

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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.

November 13, 2023 2:00PM

Choice Cuts	43.27 loads	1,730,926 pounds
Select Cuts	27.22 loads	1,088,610 pounds
Trimming	10.59 loads	423,485 pounds
Ground Beef	11.69 loads	467,559 pounds

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Many traders and producers are looking at the drop in futures and cash cattle and feeder cattle markets and feeling markets have corrected too far when looking at the downturn in numbers. But it may be due to high prices for beef. Above are tables for current and a year ago boxed beef prices. Prices are higher because availability of certain cuts is less. It is at a time when people have been spending and buying more products the reason the Federal Reserve has increased interest rates to fight inflation. When it comes to beef, consumers are buying cheaper beef products. It also as I point out below, it is November and speculators do dominate the market and futures do influence cash as cash can also influence futures. There is also more pork and cheaper pork.

Last week's trade volume was heavy and active. Monday futures trade volume was moderate for December and February and light for April on out. December 2023 Live Cattle settled Monday at \$174.92. The 5 day negotiated steer price \$179.96. There about 3 weeks until first notice day which is quite a lot of time for speculators if they want to play and move prices.

Packers this week will be buying for a short slaughter next week with Thanksgiving on Thursday, November 23rd with most packers backing down slaughter after Thanksgiving on Friday and Saturday.

One thing that needs to be kept in mind. Packers know how much beef is needed to meet contracts and know what they have already contracted for December into 2024. They know how many cattle they have in their own packer feedlots and know how many cattle they have previously contracted. Because slaughter is down and packers have been increasing beef sold on the daily market, it appears contracting is down.

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PARAGUAY'S BEEF LIKELY WON'T BOOST TIGHT US SUPPLIES, IMPORTERS SAY - REUTERS NEWS

<https://www.msn.com/en-ca/money/topstories/paraguays-beef-likely-wont-boost-tight-us-supplies-importers-say/ar-AA1jPV4I>

(The US beef industry doesn't like the importing beef but the majority of beef imported to the US is beef that is low grade and used mainly for the fast food industry. It isn't going to compete with US Choice and Select beef even when there are large supplies of US beef. US inspected beef is not the same as US graded beef. Chris Lehner)

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Exports aren't helping beef prices. They are dismal and there isn't a good outlook for improvement. Killing fewer cattle with high Choice beef prices is limiting exports.

At least crude prices and heating oil prices are down. Packers working with negative margins and feedlots seeing cattle prices drop better hope that prices don't rally and unemployment remains low.

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****WEEKLY FUTURES PRICE CHANGE**

	11/03/2023	11/10/2023
DECEMBER 2023 LIVE CATTLE	183.87	174.17
FEBRUARY 2024 LIVE CATTLE	185.22	174.65
APRIL 2024 LIVE CATTLE	187.82	176.92
JUNE 2024 LIVE CATTLE	182.70	172.02
AUGUST 2024 LIVE CATTLE	182.42	172.62
OCTOBER 2024 LIVE CATTLE	186.40	177.40

FEBRUARY 2025 LIVE CATTLE 192.52 184.32
On September 20, 2023 Contract high at 199.57. Settled at 199.50

USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT MONDAY NOVEMBER 11, 2023

For Week Ending: 11/4/2023

	Nebraska	Kansas	Texas
Prime	11.60%	7.19%	3.16%
Choice	72.92%	73.85%	60.63%
Select	11.40%	15.27%	33.41%
Other	4.07%	3.69%	2.79%

For Week Ending: 10/28/2023

	Nebraska	Kansas	Texas
Prime	9.97%	7.37%	3.35%
Choice	72.46%	73.22%	59.34%
Select	12.96%	16.04%	33.81%
Other	4.62%	3.37%	3.49%

EXPORTS

U.S. reduces beef exports as herds shrink, prices soar

<https://finance.yahoo.com/video/u-reduces-beef-exports-herds-180721220.html>

For the week ending November 2, 2023 net export sales were 13,600 MT. Beef isn't getting help from exports. There are no big buyers. Japan was the largest with 4500MT with South Korea second taking 2600 MT followed by Mexico with 1400 MT

Week Ending October 26, 2023	17,100 MT
Week Ending October 19, 2023	17,400MT
Week Ending October 12, 2023	Cancellations were more than exports
Week Ending October 5, 2023	9,000 MT
Week Ending September 28, 2023	13,300 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 7, 2023

As of November 7, 2023, 2023 dressed steer and heifer carcasses averaged 894.6 pounds up 5.6 pounds from previous week at 889.0 pounds. The grading percent as of 10/31/23 was 79.8% compared to previous week at 79.0% up .8%. On November 8, 2022 carcasses weighed 894.2 pounds and graded 79.5%.
https://www.ams.usda.gov/mnreports/ams_2700.pdf

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***NATIONAL DAILY DIRECT CATTLE 11/13/2023
5 DAY ACCUMULATED WEIGHTED AVG

Table with 4 columns: Category, Weight, Price, Head. Rows include LIVE STEER, LIVE HEIFER, DRESSED STEER, and DRESSED HEIFER.

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USDA POSTED SUMMARY CATTLE PRICES ON 11/13/2023 FOR FRIDAY

IA/MN – CASH FOB – NO REPORTABLE TRADE.
DRESSED DELIVERED – NO REPORTABLE TRADE
LIVE DELIVERED – NO REPORTABLE TRADE
DRESSED FOB - NO REPORTABLE TRADE.

NE – CASH 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.

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

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APRIL 2024 LIVE CATTLE/ APRIL 2024 LEAN HOGS –
DECEMBER2023/FEBRUARY 2024 LIVE CATTLE SPREAD –
FEBRUARY 2024/APRIL 2024 LIVE CATTLE SPREAD –
APRIL/JUNE 2024 LIVE CATTLE SPREAD –
DECEMBER 2023 LIVE CATTLE –
FEBRUARY 2024 LIVE CATTLE –
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FEEDER CATTLE

CME FEEDER INDEX ON 11/10/2023 WAS 231.40 DOWN 4.02 FROM PREVIOUS DAY

NOVEMBER 2023 FEEDER CATTLE FUTURES SETTLED ON 11/13/2023 AT \$230.72

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 11/11/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	307,100	35,000	4,300	346,400
Last Week:	236,500	31,000	32,000	299,500
Year Ago:	268,900	39,900	5,100	313,900

Compared to last week, steers and heifers sold steady to 5.00 lower in the Southeast while the South Central and North Central regions sold 6.00 to 10.00 lower. Markets started out the week slightly higher following last week's gains but that took a sharp turn Tuesday as the CME Cattle Complex turned sharply lower.

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

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WEEKLY FUTURES PRICE CHANGE

	11/03/2023	11/10/2023	CONTRACT HIGH
NOVEMBER 2023 FEEDER CATTLE	240.60	229.72	268.25
JANUARY 2024 FEEDER CATTLE	239.75	226.42	268.50
MARCH 2024 FEEDER CATTLE	242.35	228.62	270.10
APRIL 2024 FEEDER CATTLE	246.12	232.32	273.60
MAY 2024 FEEDER CATTLE	249.12	235.77	272.47
AUGUST 2024 FEEDER CATTLE	261.55	247.65	282.92
SEPTEMBER 2024 FEEDER CATTLE	262.77	250.00	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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HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 13, 2023	488,000
WEEK AGO	487,000
YEAR AGO	486,000

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CME LEAN HOG INDEX ON 11/09/2023 WAS 76.28 DOWN 59 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 11/10/2023 AT 87.87 UP 37 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$11.59 TO THE CME PORK INDEX. 11/13/2023

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WEEKLY FUTURES PRICE CHANGE

	11/03/2023	11/10/2023
DECEMBER 2023 LEAN HOGS	71.75	71.90
FEBRUARY 2023 LEAN HOGS	75.47	75.57
APRIL 2023 LEAN HOGS	80.72	81.52
JUNE 2024 LEAN HOGS	93.92	94.55
JULY 2024 LEAN HOGS	95.32	96.07
AUGUST 2024 LEAN HOGS	95.07	95.92
OCTOBER 2024 LEAN HOGS	83.02	83.22

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Last week hog slaughter was down 95,000 head from the previous week but up 75,000 head compared to the same period a year ago.

Last week there were small gains on Lean Hog futures, the cash CME Lean Hog Index was steady and the CME Pork Index and cash pork prices gained. Packer profit margins improved. The best part for packers is they don't have to search for hogs. They are keeping from too much pork entering the daily market. They are limiting kill to the point there isn't surplus pork to sell on the daily market. At the same time exports are strong.

Currently December 2023 Lean Hogs at \$73.35 are \$2.93 under the CME Lean Hog Index with about a month when December Lean Hogs expire.

Lean Hogs are bear spread but at the same time traders are also buying Lean Hogs and selling Live Cattle.

There is a give and take in the hog and pork markets. Cash daily pork is moving up more compared to daily cash hogs. There are bear spreaders and spread traders buying hogs and selling cattle. There is a strong export market compared to too much pork offered. The fulcrum is the number of hogs available. Slaughter has been increasing and the question what will happen ahead.

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EXPORTS

For the week ending November 2, 2023 net export sales were **49,000 MT**. China was the largest buyer taking 13,100 MT, followed by Mexico with 11,300 MT. Japan bought 9300 MT and South Korea at 6800 MT. These are strong exports. Pork exports are the major support for the pork market.

WEEK ENDING OCTOBER 26, 2023 NET EXPORT SALES WERE 31,100 MT.
WEEK ENDING OCTOBER 19, 2023 NET EXPORT SALES WERE 28,200 MT
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

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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 : 227.45
LOADS TRIM/PROCESS PORK : 46.35

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/13/2023	273.80	86.77	84.20	108.08	73.47	106.37	81.66	107.41
CHANGE:		-2.65	-1.50	-0.64	-13.83	-1.43	-4.36	2.81
FIVE DAY AVERAGE --		87.50	85.95	106.85	76.02	108.34	83.26	104.89

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/13/2023	142.07	88.46	84.84	109.40	79.26	108.12	84.38	107.29
CHANGE:		-0.96	-0.86	0.68	-8.04	0.32	-1.64	2.69
FIVE DAY AVERAGE --		87.83	86.08	107.12	77.17	108.69	83.80	104.86

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/10/2023	217.03	89.42	85.70	108.72	87.30	107.80	86.02	104.60
CHANGE:		2.48	-0.18	1.46	15.70	-1.78	3.11	0.38
FIVE DAY AVERAGE --		88.46	86.89	106.31	76.68	108.53	83.98	107.89

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HOG REPORT - PLANT DELIVERED PURCHASE

NOVEMBER 13, 2023

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

National Negotiated Carcass Price

Head Count: 1,529

Lowest price: 61.50

Highest price: 67.00

Weighted Average 66.09

Change from Previous Day 0.14 higher

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Other Market Formula (Carcass)

Head Count: 28,772

Lowest Base Price: 64.90

Highest Base Price: 79.46

Weighted Average Price: 70.26

Swine/Pork Market Formula (Carcass)

Head Count 212,485

Lowest base price: 65.56

Highest Base Price: 82.49

Weighted Average Price 75.64

Other Purchase Arrangement (Carcass)

HEAD COUNT: 190,565

Lowest base price: 66.42

Highest base price: 106.93

Weighted Average Price: 79.98

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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 –NOVEMBER 10, 2023

****PRODUCER SOLD:**

HEAD COUNT 349,021

AVERAGE LIVE WEIGHT 287.64

AVERAGE CARCASS WEIGHT 214.74

PACKER SOLD:

HEAD COUNT 208,821

AVERAGE LIVE WEIGHT 287.25

AVERAGE CARCASS WEIGHT 216.99

PACKER OWNED:

HEAD COUNT 208,821

AVERAGE LIVE WEIGHT 287.25

AVERAGE CARCASS WEIGHT 216.99

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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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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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