



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING NOVEMBER 02, 2023 LIVESTOCK REPORT

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BEEF AND PORK EXPORT HIGHLIGHTS ON LAST PAGE

CATTLE

NOVEMBER 01, 2023	122,000
WEEK AGO	126,000
YEAR AGO	130,000
WEEK TO DATE	372,000
SAME PERIOD LAST WEEK	377,000
SAME PERIOD LAST YEAR (ACT)	385,000

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2:00 PM NOVEMBER 01, 2023

BOXED BEEF	CHOICE	SELECT
CURRENT CUTOFF VALUES:	302.18	278.55
CHANGE FROM PRIOR DAY:	(3.00)	(0.95)
CHOICE/SELECT SPREAD:		23.63
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS):		136
5 DAY SIMPLE AVERAGE:	307.27	280.37

CME BOXED BEEF INDEX ON 10/31/2023 WAS 298.78 DOWN 47 CENTS FROM PREVIOUS DAY

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2:00 PM NOVEMBER 01, 2023

PRIMAL RIB	525.42	432.76
PRIMAL CHUCK	255.91	258.21

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PRIMAL ROUND	260.28	260.59
PRIMAL LOIN	378.58	316.12
PRIMAL BRISKET	225.78	213.96
PRIMAL SHORT PLATE	173.32	173.32
PRIMAL FLANK	131.96	133.29

2:00 PM OCTOBER 31, 2023

PRIMAL RIB	532.41	432.59
PRIMAL CHUCK	259.06	256.44
PRIMAL ROUND	261.24	263.69
PRIMAL LOIN	382.13	318.44
PRIMAL BRISKET	225.40	216.66
PRIMAL SHORT PLATE	175.87	175.87
PRIMAL FLANK	135.90	133.07

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	600-900	600-900
10/31	81	30	10	18	140	305.18	279.50
10/30	26	12	10	11	59	309.28	280.89
10/27	69	37	15	13	134	FRIDAY 307.57	280.12 FRIDAY
10/26	91	31	12	17	150	306.85	279.69
10/25	56	32	32	21	141	307.50	281.66

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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 01, 2023 2:00PM

Choice Cuts	62.10 loads	2,483,973 pounds
Select Cuts	34.83 loads	1,393,349 pounds
Trimming	13.67 loads	546,693 pounds
Ground Beef	25.80 loads	1,031,984 pounds

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Tuesday and Wednesday Choice Boxed beef dropped \$7.10. Select beef was down \$3.66. Interestingly, Select Chucks and Rounds on Wednesday were higher priced than the same Choice primals. Movement of Choice cuts were 62 loads compared to 35 loads of Select. Ground beef on Tuesday moved 18 loads and Wednesday 26 loads. Consumers want to buy cheaper beef.

Throughout 2023 packers have the biggest slaughter days, Monday through Thursday and back off Friday with light Saturday kills. Wednesday's slaughter was down to 122,000 head. With beef prices dropping it appears packers are going to slow slaughter for the week. Packer profit margins on showlist cattle and daily beef prices are and have been in the red.

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As of Wednesday there were just a handful of cash cattle sold. With boxed beef down hard Tuesday and Wednesday packers will try to use it to their advantage and want to buy cash cattle lower. But with limited cattle available in the Southwest, they need to secure cattle and make sure they have cattle at the very least to meet contracted beef orders.

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A few funds have started to roll to February which for a couple of weeks could pressure December and move February and April up.

One big question has to be what will consumers do for the holidays? Currently, consumers want to buy the cheaper beef. Is there going to be increased demand for beef especially the primal rib and loins or do wholesalers and retailers have sufficient inventories from previously contracted orders? At the same time, speculators are dominate traders during November, a non-spot month, and will they be buying, selling or sit on the sidelines? Beef prices are high. A clue may be how consumer reports indicate how buying for gifts go this year. The last two years have shown strength in consumer shopping at the holidays. Will it be the same in 2023?

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****WEEKLY FUTURES PRICE CHANGE**

	10/27/2023	11/03/2023
OCTOBER 2023 LIVE CATTLE	184.00	
DECEMBER 2023 LIVE CATTLE	182.22	
FEBRUARY 2024 LIVE CATTLE	182.95	
APRIL 2024 LIVE CATTLE	184.90	
JUNE 2024 LIVE CATTLE	179.10	
AUGUST 2024 LIVE CATTLE	178.77	
FEBRUARY 2025 LIVE CATTLE	188.60	

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USDA NATIONAL STEER & HEIFER ESTIMATED GRADING PERCENT REPORT Monday Oct 30, 2023

For Week Ending: 10/21/2023

	Nebraska	Kansas	Texas
Prime	9.65%	7.23%	3.72%
Choice	73.88%	72.04%	60.36%
Select	11.95%	16.79%	32.99%
Other	4.53%	3.94%	2.93%

(I hesitate posting this table because it is outdated but it is how the USDA posts it. But it does indicate the differences between grades for regions.)

EXPORTS

For the week ending October 26, 2023 net export sales were 17,100 MT. China was the largest buyer with 6600 MT followed by Japan with 4100 MT and Taiwan at 1700 MT. South Korea took only 1500 MT.

Week Ending October 19, 2023 17,400MT

Week Ending October 12, 2023

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 OCTOBER 31, 2023

As of October 31, 2023, 2023 dressed steer and heifer carcasses averaged 889.0 pounds up .9 pounds from previous week at 888.1 pounds. The grading percent as of 10/31/23 was 79.0 compared to previous week at 79.4 down .6%. On November 1, 2022 carcasses weighed 890.5 pounds and graded 79.5%.

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

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***NATIONAL DAILY DIRECT CATTLE 11/01/2023

5 DAY ACCUMULATED WEIGHTED AVG

	WEIGHT	PRICE	HEAD
LIVE STEER:	1465	\$184.26	24,368
LIVE HEIFER:	1329	\$184.34	12,052
DRESSED STEER	959	\$290.30	8,621
DRESSED HEIFER:	837	\$289.97	3,506

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USDA POSTED SUMMARY CATTLE PRICES ON 11/01/2023

IA/MN – CASH FOB – 181.00 ON 40 STEERS WEIGHING 1600 POUNDS
CASH FOB – 183.00 ON 124 HEIFERS WEIGHING 1365 POUNDS
CASH FOB – 183.00 ON 76 HEAD MIXED LOAD
DRESSED DELIVERED – NO REPORTABLE TRADE
LIVE DELIVERED – NO REPORTABLE TRADE

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

KS – CASH – 185.00 ON 279 FOR STEERS, HEIFERS AND MIXED LOAD
DRESSED DELIVERED - NO REPORTABLE TRADE

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TX/OK/NM CASH – 185.00 ON 263 STEERS WEIGHING 1425 GRADING 35% TO 65%

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

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

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FEEDER CATTLE

CME FEEDER INDEX ON 10/31/2023 WAS 237.25 UP 20 CENTS FROM PREVIOUS DAY –

NOVEMBER 2023 FEEDER CATTLE FUTURES SETTLED ON 11/01/2023 AT \$238.57

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From January on out feeder cattle futures are bear spread. As they remain bear spread, upside trading is limited.

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 10/28/2023

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	233,900	20,800	6,300	261,000
Last Week:	259,100	35,500	35,700	330,300
Year Ago:	237,400	31,500	8,000	276,900

Compared to last week, steers sold 1.00 to 12.00 lower and heifers sold 2.00 to 16.00 lower following a bearish monthly cattle on feed report and a lower CME livestock complex. Moderate to good demand with buyers wanting good long weaned cattle with a couple rounds of shots. Cooler temperatures rolled in this week queuing farmers to wean cattle. Many of the northern states saw a wintery mix making unsafe driving conditions and closing auction barns. Winter weather and a lower board positions helped push the market lower.

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

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WEEKLY FUTURES PRICE CHANGE

	10/20/2023	11/03/2023
NOVEMBER 2023 FEEDER CATTLE	236.90	
JANUARY 2024 FEEDER CATTLE	235.70	
MARCH 2024 FEEDER CATTLE	238.57	
APRIL 2024 FEEDER CATTLE	242.62	
MAY 2024 FEEDER CATTLE	246.17	
AUGUST 2024 FEEDER CATTLE	257.80	
SEPTEMBER 2024 FEEDER CATTLE		

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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 01, 2023	487,000
WEEK AGO	486,000
YEAR AGO	491,000
WEEK TO DATE	1,449,000
SAME PERIOD LAST WEEK	1,455,000
SAME PERIOD LAST YEAR (ACT)	1,460,000

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CME LEAN HOG INDEX ON 10/30/2023 WAS 77.13 DOWN 38 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 10/31/2023 AT 86.76 DOWN 2 CENTS FROM PREVIOUS DAY

THE CME LEAN HOG INDEX IS MINUS \$9.63 TO THE CME PORK INDEX. 11/01/2023

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WEEKLY FUTURES PRICE CHANGE

	10/20/2023	11/03/2023
DECEMBER 2023 LEAN HOGS	70.47	
FEBRUARY 2023 LEAN HOGS	73.50	
APRIL 2023 LEAN HOGS	78.92	
JUNE 2024 LEAN HOGS	92.45	
JULY 2024 LEAN HOGS	94.05	
AUGUST 2024 LEAN HOGS	93.77	

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Lean Hogs attempted to extend the recent rally but gave it all back late into the trade. However, the drop didn't break technical support and volume was moderate on December and light for contracts into 2024. About all that can be said, is the trading Wednesday gave up earlier week gains. With cash hogs weakening and pork prices moving lower, the gains of Monday and Tuesday weren't warranted at this time.

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As of Friday, October 27th year to date hog slaughter was up 1,444,000 head. With the increase numbers of hogs it is expected to have lower pork prices. The good news exports are up from a year ago that have helped prices. But demand from US consumers has been reported to about 1 pound more in consumption. Compared to a year ago, pork loin prices are steady. Compared to a month ago pork loin prices are down close to \$10.00. Butts are about steady with a year ago, but down a little over \$18.00 from last month. Picnics about \$9.00 lower from last year and last month. Rib prices for the year are off over \$19.00 and pennies above last month. Bellies have lost almost \$30 from a year ago and \$28.00 from last month. It's the hams, over 25% of the hog carcass that has been the biggest negative factor. Year to date, ham prices are down over \$24.00 and compared to a month ago, they are down over \$4.00.

When reports from China show over supply and Brazil, the main competitor of the US for pork exports to the world expands, the US pork industry has to find ways to increase ham and loin exports and more importantly to get US consumers to increase consumption.

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CHINA LIVE HOG PRICE PLUNGES ON RISING DISEASE, GROWING SUPPLY

<https://www.porkbusiness.com/news/industry/china-live-hog-price-plunges-rising-disease-growing-supply>

(African Swine Fever will pop up in China until a vaccine is available. However increasing growth in China is still putting out more pork. Production of hogs is across a vast area and it is highly doubtful ASF will spread as it did in 2019/2020.)

[China Third-Quarter Pork Output Hits Highest in at Least a Decade | Pork Business](#)

October 17, 2023

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EXPORTS

FOR WEEK ENDING OCTOBER 26, 2023 NET EXPORT SALES WERE 31,100 MT. AS USUAL MEXICO WAS THE LARGEST BUYER WITH 9700 MT. SOUTH KOREA WAS SECOND WITH 7300 MT WITH JAPAN THIRD WITH 2900 MT.

WEEK ENDING OCTOBER 19, 2023 NET EXPORT SALES WERE 28,200 MT

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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 : 297.82

LOADS TRIM/PROCESS PORK : 25.18

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/01/2023	323.00	86.50	87.56	98.32	78.32	111.36	82.28	101.00
CHANGE:		0.02	0.28	-3.07	9.21	-0.56	-2.10	-2.10
FIVE DAY AVERAGE --		86.59	87.58	100.84	71.74	110.64	82.03	105.28

11:00 AM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/01/2023	189.90	86.85	88.25	97.04	81.13	111.01	81.99	101.59
CHANGE:		0.37	0.97	-4.35	12.02	-0.91	-2.39	-1.51
FIVE DAY AVERAGE --		86.66	87.72	100.59	72.30	110.57	81.97	105.40

2:00 PM	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
10/31/2023	317.40	86.48	87.28	101.39	69.11	111.92	84.38	103.10
CHANGE:		-1.38	0.32	-0.30	-4.71	3.32	0.77	-7.89
FIVE DAY AVERAGE --		86.81	87.38	101.33	71.01	109.80	81.91	107.44

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HOG REPORT - PLANT DELIVERED PURCHASE

NOVEMBER 01, 2023

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

National Negotiated Carcass Price

Head Count: 7,407

Lowest price: 66.00

Highest price: 72.00

Weighted Average 68.82

Change from Previous Day -0.78 lower

Other Market Formula (Carcass)

Head Count: 25,326

Lowest Base Price: 63.25

Highest Base Price: 82.31

Weighted Average Price: 71.10

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Swine/Pork Market Formula (Carcass)

Head Count 150,186
Lowest base price: 66.65
Highest Base Price: 81.59
Weighted Average Price 75.25

Other Purchase Arrangement (Carcass)

HEAD COUNT: 64,948
Lowest base price: 65.50
Highest base price: 106.89
Weighted Average Price: 79.04

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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 31, 2023

****PRODUCER SOLD:**
HEAD COUNT 236,828
AVERAGE LIVE WEIGHT 284.94
AVERAGE CARCASS WEIGHT 212.75

PACKER SOLD:
HEAD COUNT 33,565
AVERAGE LIVE WEIGHT 290.53
AVERAGE CARCASS WEIGHT 216.68

PACKER OWNED:
HEAD COUNT 174,139
AVERAGE LIVE WEIGHT 283.01
AVERAGE CARCASS WEIGHT 214.61

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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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