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Hogs See Support While Cattle Remain Hesitant

Heading into Tuesday's market cattle producers are hoping that the live cattle and feeder cattle contracts muster more support.

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GENERAL COMMENTS:

It was a mixed day for the livestock complex as cattle traders remained skeptical through Monday's close, but the lean hog complex was able to see some mild progress made. No cash cattle trade developed and it's likely that the week's volume is delayed until Wednesday or later again this week. Hog prices closed lower on the Daily Direct Afternoon Hog Report, down \$0.05 with a weighted average price of \$77.54 on 3,770 head. December corn is up 4 cents per bushel and December soybean meal is up \$4.00. The Dow Jones Industrial Average is up 43.04 points.

Monday's Cold Storage Report shared that total pounds of beef in freezers was up 3% from a month ago but still down 18% from last year. Frozen pork supplies were up slightly from last month, but down 13% from a year ago. And stocks of pork bellies were down 28% from last month, but still up 3% from last year.

LIVE CATTLE:

The live cattle complex saw a little more support creep into its market ahead of Monday's end as the vast majority of the 2024 contracts closed higher, but the nearby contracts of 2023 still rounded out the day lower. October live cattle closed \$0.10 lower at \$186.97, December live cattle closed \$0.12 lower at \$191.22 and February live cattle closed \$0.35 higher at \$195.90. It's likely that the market will remain hesitant until it sees how beef demand is going to fair, or until some cash cattle trade begins to develop before it will trade higher again as traders remain incredibly conscience about not overly supporting the contracts. New showlists appear to be mixed, higher in Nebraska/Colorado, somewhat higher in Texas, but lower in Kansas. Monday's slaughter is estimated at 127,000 head -- 6,000 head more than a week ago and 4,000 head more than a year ago.

Last week's trade started to develop Wednesday afternoon and trickled in here and there through Friday. Northern dressed cattle traded for \$285 to \$293, but mostly at \$292 which is steady with the previous week's weighted average. Southern live cattle traded for \$182 to \$186, but mostly at \$183 which is also steady with the previous week's weighted average. Last week's negotiated cash cattle trade totaled 87,245 head. Of that 77% (67,449 head) were committed to the nearby delivery, while the remaining 23% (19,796 head) were committed to

the deferred delivery.

Boxed beef prices closed mixed: choice down \$1.85 (\$301.48) and select up \$0.02 (\$280.45) with a movement of 94 loads (50.12 loads of choice, 30.51 loads of select, 3.56 loads of trim and 9.96 loads of ground beef).

TUESDAY'S CATTLE CALL: Steady. Packers were able to get a sizeable volume bought last week in the cash market so this week's market could remain steady.

FEEDER CATTLE

It was a glum day for the feeder cattle complex as the contracts drifted lower through Monday's end despite the fact that last Friday's Cattle on Feed report should have added supportive tones to the market. But with most of the live cattle contracts rounding out the day lower, and especially the nearby live cattle contracts, the market sought support but came up empty-handed. October feeders closed \$0.32 lower at \$258.82, November feeders closed \$0.82 lower at \$262.70 and January feeders closed \$0.30 lower at \$265.60. At Joplin Regional Stockyards in Carthage, Missouri compared to last week and at their midsession point, feeder steers under 750 pounds were selling \$4.00 to \$8.00 lower, while the heavier weights were trading steady. Feeder heifers under 750 pounds were selling \$3.00 to \$8.00 lower, with the heavier weights selling steady as well. Feeder cattle supply over 600 pounds was 59%. The CME feeder cattle index 9/22/2023: up \$0.83, \$254.06.

LEAN HOGS:

The lean hog complex found success in Monday's market as the contracts were able to close higher and pork cutout values rounded out the stronger too. The belly was the biggest reason why pork cutout values closed higher as it jumped \$12.46, but the rib also saw a nice increase of \$2.30. With the market being far from any resistance pressure now after last week's descent, traders have the ability to again freely trade the contracts without any immediate technical pressure. The big-ticket item this week for the hog complex will be Thursday's Quarterly Hogs and Pigs report as it could add clarity as to what the market should expect after Prop12 is implemented in December. October lean hogs closed steady at \$81.52, December lean hogs closed \$0.35 higher at \$72.52 and February lean hogs closed \$0.75 higher at \$76.10. Pork cutouts totaled 243.22 loads with 212.15 loads of pork cuts and 31.07 loads of trim. Pork cutout values: up \$1.60, \$98.86. Monday's slaughter is estimated at 469,000 head - down 16,000 head from last week and 15,000 head from a year ago. The CME lean hog index 9/21/2023: down \$0.09, \$87.08.

TUESDAY'S HOG CALL: Steady. Packers showed mixed interest in Monday's cash hog trade as they were more aggressive in the market than they have been in past weeks, but still the day's price was down a nickel and volume was thin.

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