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Livestock Finds Support in Tuesday's Market

Heading into Wednesday's market, some packer interest could develop but it's not likely that trade will develop until Thursday or Friday.

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GENERAL COMMENTS:

It was a successful Tuesday for the livestock complex as all three markets closed higher. The live cattle complex was encouraged by strong boxed beef prices and an uptick in slaughter. Hog prices closed higher on the Daily Direct Morning Hog Report, up \$1.19 with a weighted average price of \$77.35 on 6,599 head. May corn is steady and May soybean meal is up \$2. The Dow Jones Industrial Average is up 245.22 points.

LIVE CATTLE:

The live cattle complex successfully closed higher as the market found strength in boxed beef prices and took note of the day's better slaughter space. April live cattle closed \$0.65 higher at \$188.25, June live cattle closed \$0.92 higher at \$183.95 and August live cattle closed \$0.75 higher at \$182.80.

It's not likely the market will trade out of its sideways trading range anytime soon as traders will want significant support before they pressure resistance levels, but stronger boxed beef prices and better slaughter speeds are a positive note for the day. No cash cattle trade developed but asking prices were noted at \$187 in the South but still unestablished in the North. Cash cattle trade is likely delayed until Thursday or Friday at this point. Tuesday's slaughter is estimated at 122,000 head -- steady from a week ago and 4,000 head less than a year ago.

Boxed beef prices closed higher: Choice up \$1.71 (\$310.59) and select up \$0.72 (\$299.60) with a movement of 87 loads (56.11 loads of choice, 15.13 loads of select, 6.84 loads of trim and 8.50 loads of ground beef).

WEDNESDAY'S CATTLE CALL: Steady. With cash cattle prices trading \$2 to \$4 higher last week, prices will likely hold steady at best this week following the market's big advancement last week.

FEEDER CATTLE:

The feeder cattle complex closed higher as the market found comfort in that the live cattle complex closed higher and corn prices closed mostly steady. Not to mention, feeder cattle sales continue to perform extremely well in the countryside. March feeders closed \$0.72 higher at \$248.97, April feeders closed \$1.02 higher at \$254.12 and May feeders closed \$1.32 higher at \$256.70. At Joplin Regional Stockyards in Carthage, Missouri, compared to last week, feeder

steers and heifers traded steady to \$5 higher in all classes. Feeder cattle supply over 600 pounds was 57%. The CME feeder cattle index March 11: Up \$0.02, \$248.26.

LEAN HOGS:

The lean hog market had a dynamite day in its nearby contracts as the market was spurred higher by the day's larger kill and encouraged by the strong performance in the cash market. Pork cutout values were slightly disappointing as the carcass price fell over \$1 lower, largely pressured by a \$3.23 drop in the ham and a \$4.78 drop in the belly. April lean hogs closed \$2.07 higher at \$85.35, June lean hogs closed \$1.15 higher at \$102.20 and July lean hogs closed \$0.77 higher at \$103.85. Pork cutouts totaled 302.23 loads with 280.43 loads of pork cuts and 21.80 loads of trim. Pork cutout values: Down \$1.04, \$92.47. Tuesday's slaughter is estimated at 491,000 head -- 37,000 head more than a week ago and 2,000 head more than a year ago. The CME lean hog index March 8: Down \$0.07, \$81.41.

WEDNESDAY'S HOG CALL: Steady to somewhat higher. Packers will likely need to be aggressive at least one more day this week before they've fulfilled their week's needs.

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