ADM Investor Services, Inc.

FRIDAY MORNING DECEMBER 10, 2021 LIVESTOCK REPORT

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BEEF AND PORK EXPORTS AT BOTTOM OF REPORT

CATTLE

USDA FEDERAL CATTLE SLAUGHTER	
DECEMBER 09, 2021	122,000
WEEK AGO	123,000
YEAR AGO	120,000
WEEK TO DATE (EST)	489,000
SAME PERIOD LAST WEEK (EST)	488,000
SAME PERIOD LAST YEAR (ACT)	474,000

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BOXED BEEF FINAL	CHOICE	SELECT
CURRENT CUTOUT VALUES:	264.55	251.68
CHANGE FROM PRIOR DAY:	0.44	(1.41)
CHOICE/SELECT SPREAD:	12.87	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	204	
5 DAY SIMPLE AVERAGE:	270.21	256.70

CME BOXED BEEF INDEX FOR 12/08/2021 WAS AT 267.23 DOWN 1.41 FROM PREVIOUS DAY

FINAL DECEMBER 9, 2021		
PRIMAL RIB	446.77	389.21
PRIMAL CHUCK	215.09	213.17
PRIMAL ROUND	213.80	210.85

PRIMAL LOIN	328.40	308.03
PRIMAL BRISKET	288.72	277.61
PRIMAL SHORT PLATE	186.17	186.17
PRIMAL FLANK	145.20	139.11

FINAL DECEMBER 8, 2021	CHOICE	SELECT
PRIMAL RIB	441.42	394.17
PRIMAL CHUCK	215.71	215.51
PRIMAL ROUND	211.67	211.15
PRIMAL LOIN	331.58	306.73
PRIMAL BRISKET	288.14	284.22
PRIMAL SHORT PLATE	184.22	184.22
PRIMAL FLANK	143.57	144.16

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
12/08	97	27	10	27	161	264.11	253.09
12/07	84	36	12	27	159	268.03	255.68
12/06	79	21	6	10	116	272.53	257.85
12/03	81	14	11	12	117	274.36	258.64
12/02	126	27	4	18	174	272.02	258.25
12/01	164	26	8	28	227	270.22	257.97

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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. CURRET VOLUME - (one load equals 40,000 pounds)

Choice Cuts	113.76 loads	4,550,573 pounds
Select Cuts	20.74 loads	829,404 pounds
Trimmings	5.64 loads	225,501 pounds
Ground Beef	63.98 loads	2,559,262 pounds

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DELIVERY NOTICE SERVED – DECEMBER 2021 - LIVE CATTLE
SETTLEMENT: DECEMBER 9, 2021 - $136.72
OLDEST LONG: 11/17/20 SETTLEMENT AT $117.47

NO DELEIVERIES

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Cattle backing off last week's cash highs this week was expected. Last week packers had to squeeze cattle out of pens the last week of November. This week packers were able to use their own cattle and previously contracted cattle for the first full kill week in December. It happens time and time again the first full week of the month. Unless packers back off slaughter Friday and Saturday, a kill of 670, 000 head will likely happen.

Global beef prices remain high, too high adding to inflation. Economist are expecting to see inflation drop off into 2021. It doesn't mean beef prices are going to fall off the cliff but become more in par with the cost of living.

Live cattle futures were down Thursday on light volume trading. After last week's strong cash market, the trade was disappointed this week there was no follow through to the upside and cash is weaker this week. Thursday morning cash cattle sales in the Southwest were moving cattle for $140.00 after last week's cash at $141.00 to $142.00. Boxed beef dropping this week certainly wasn't conducive to higher cash cattle prices. To top off the negativity, beef net export sales were worse than pitiful at a paltry 4,200 metric tons. For your reference, 4,200 metric tons equals 231.5 truck loads at 40,000 pounds. It is far from enough. It barely makes a dent in available beef supplies.
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DECEMBER 3, 2021 **dressed steer and heifer weights were 892.3 pounds compared to previous week at 894.9 pounds down 2.6 pounds. A week ago they were up 2.8 pounds. Grading percent was 81.2 % down .1% compared to previous week at 81.3%.**
https://www.ams.usda.gov/mnreports/ams_2700.pdf
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USDA POSTED SUMMARY CATTLE PRICES ON 12/09/2021

IA/MN – CASH – 138.00 - 140.00
DRESSED - 218.00 - 220.00

NE – CASH - 137.00 - 141.00
DRESSED – 218.00 - 221.00

KS – CASH - 138.00 - 140.00
DRESSED – 220.00

TX/OK/NM CASH – 140.00 HEIFERS GRADING 60% TO 80% CHOICE UP TO 140.25 WIGHING 1282 POUNDS
DRESSED– NO REPORTABLE TRADE.

CO – CASH - 140.00 ON 745 HEAD
DRESSED - NO REPORTABLE TRADE.

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***National Daily Direct Cattle 12/09/21

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1482	$140.55	59,625
Live Heifer:	1326	$140.74	27,556
Dressed Steer:	959	$220.02	10,076
Dressed Heifer:	857	$220.03	5,251

https://www.ams.usda.gov/mnreports/nw_ls410.txt

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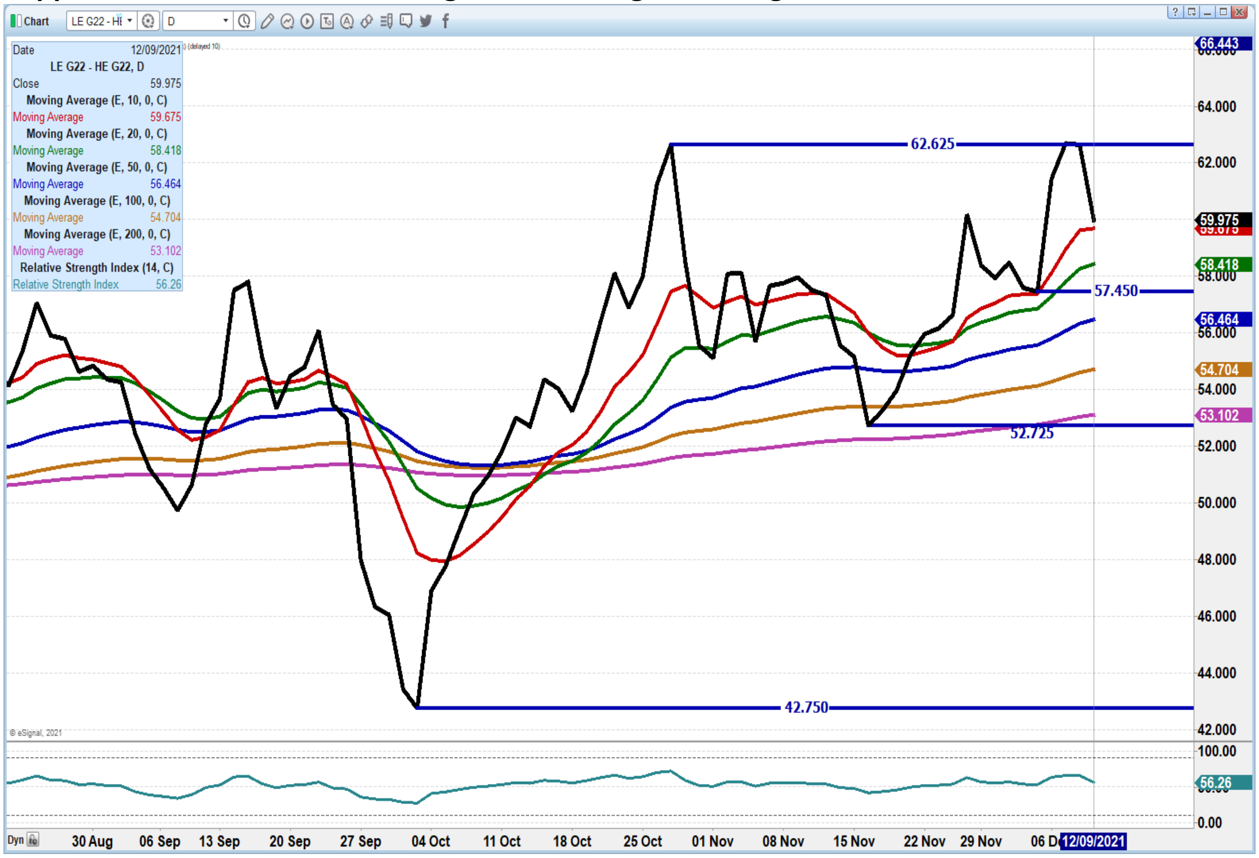
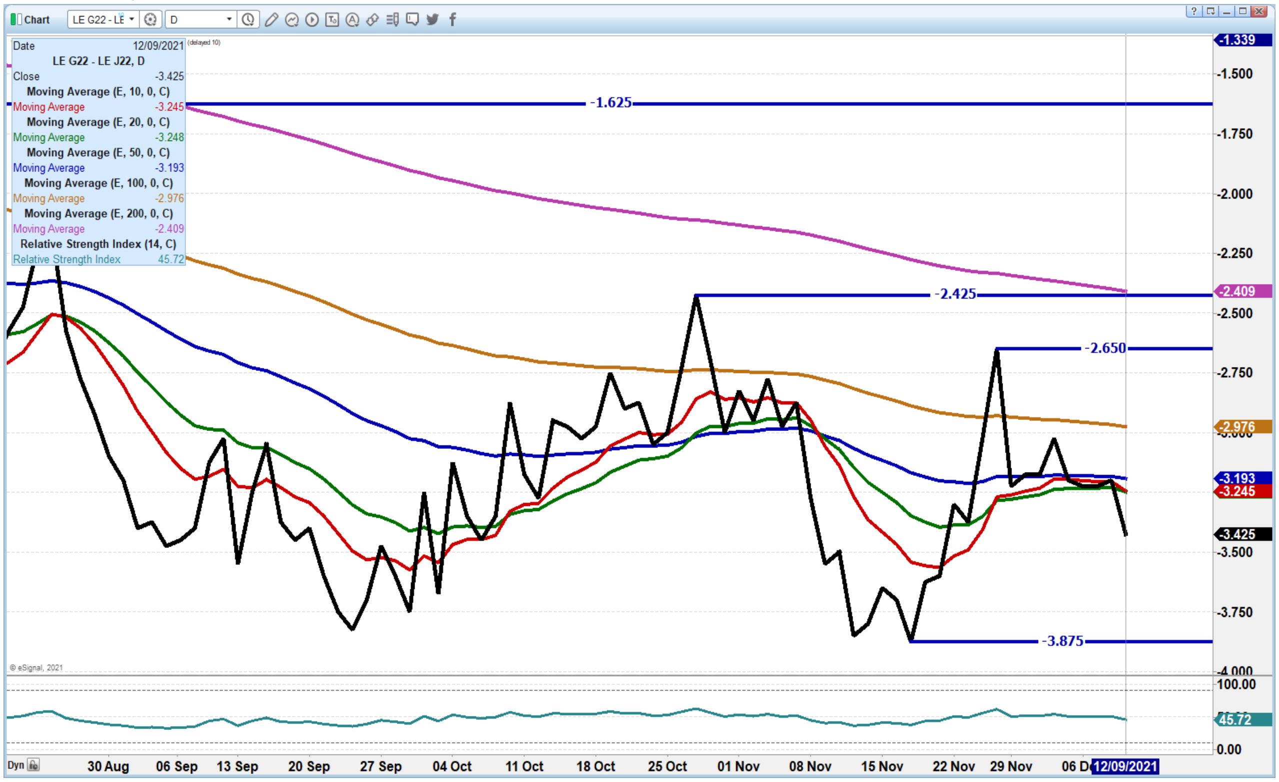
FEBRUARY 2022 LIVE CATTLE/FEBRUARY 2022 LEAN HOG SPREAD – Cattle lost to hogs

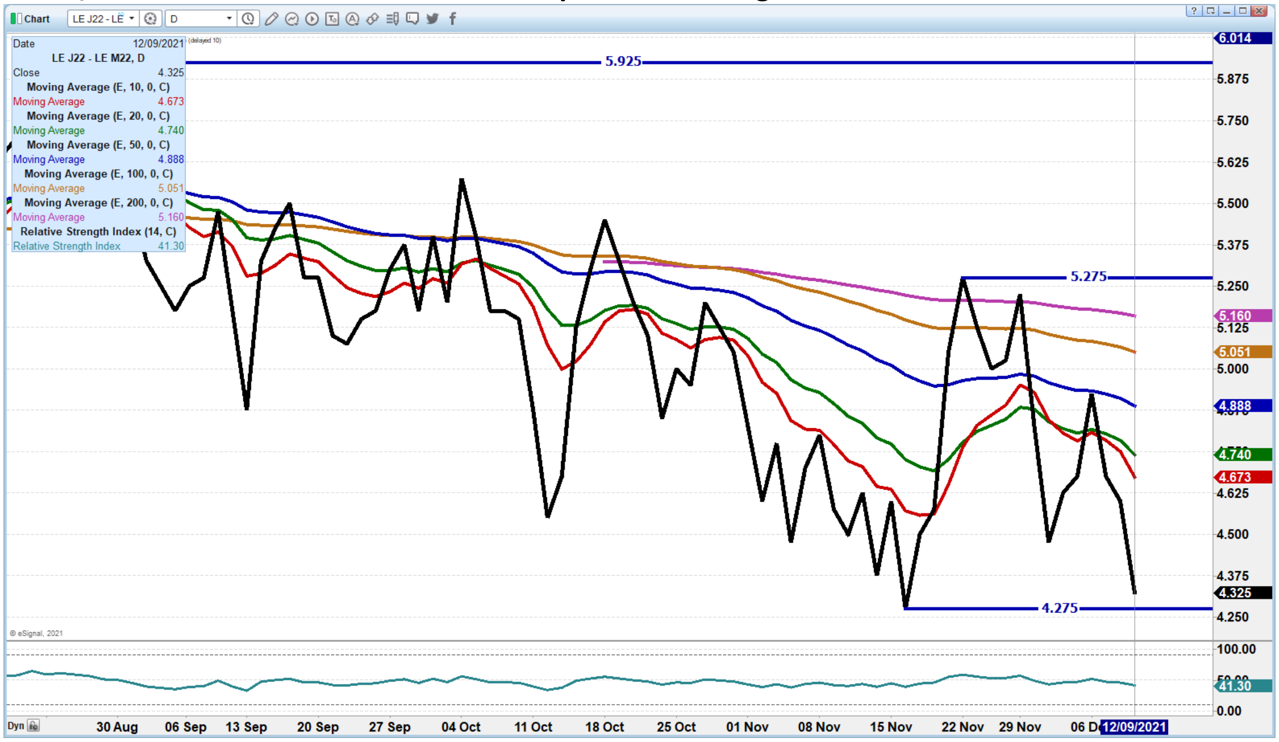
Support at 59.67 to 56.40 Looking for cattle to gain on hogs



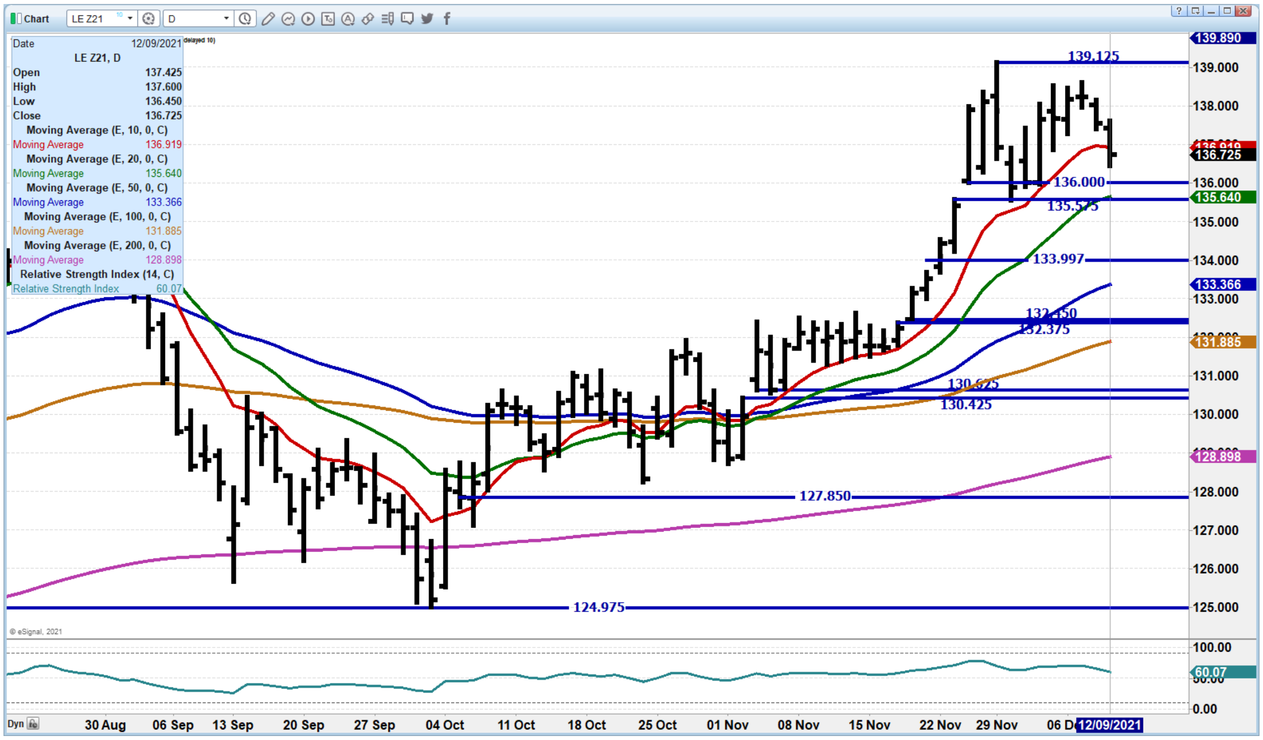
FEB 2022 / APRIL 2022 LIVE CATTLE SPREAD –



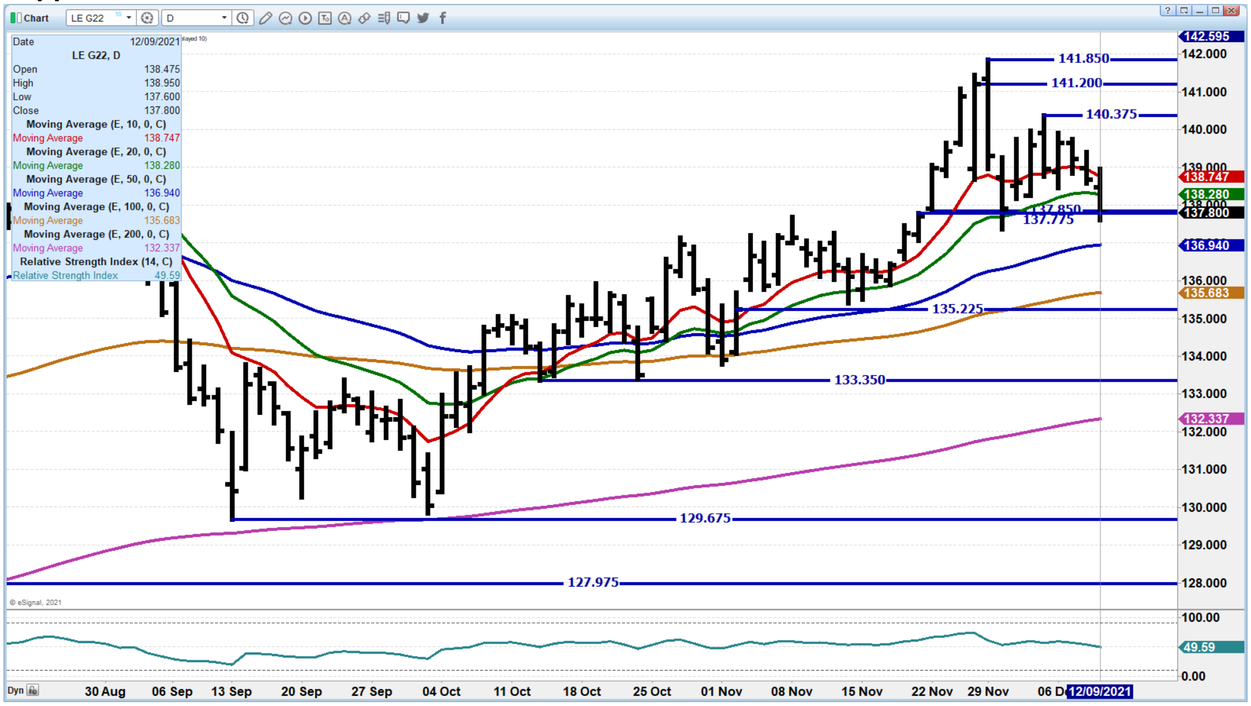
APRIL/JUNE 2022 LIVE CATTLE SPREAD - spread is moving wider



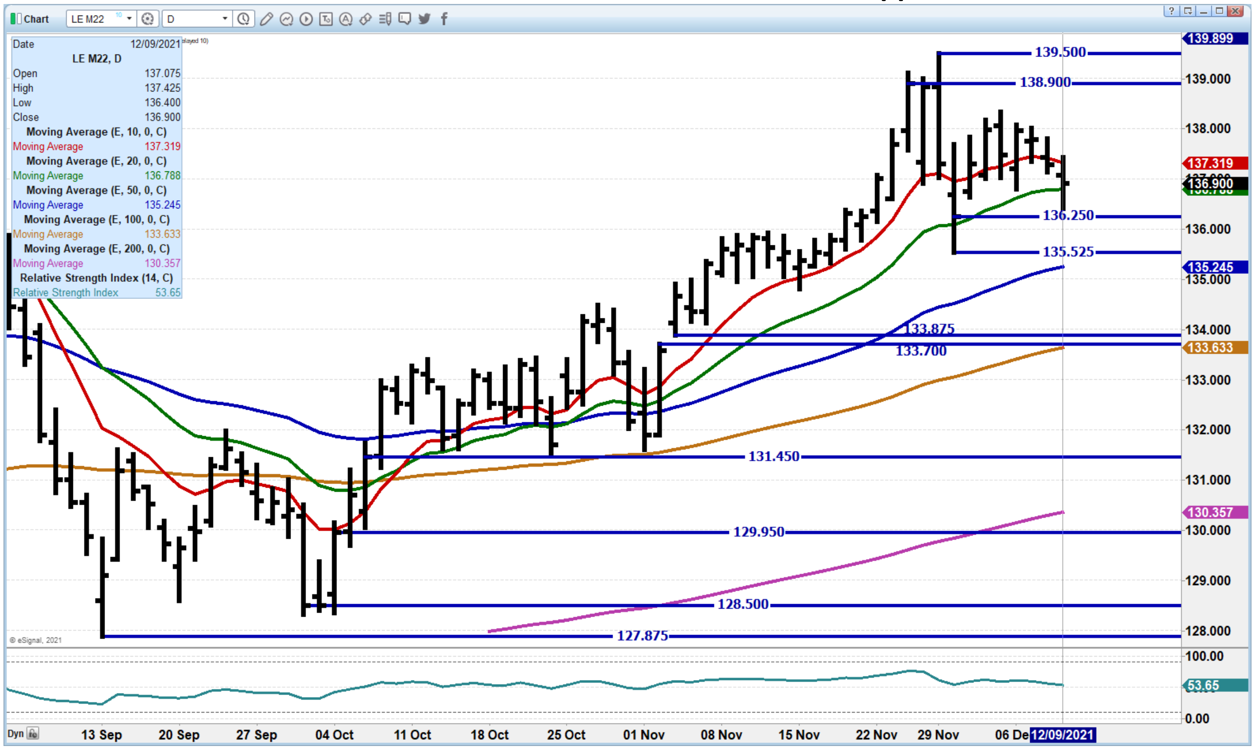
DECEMBER 2021 LIVE CATTLE – Volume at 2767 Open interest at 10,069 Support at 135.60 Resistance at 137.40 to 139.12



FEBRUARY 2021 LIVE CATTLE - Volume light with 6016 Resistance at 138.75 to 140.37 Support at 136.90 to 135.65



JUNE 2022 LIVE CATTLE – Volume 8266 Resistance at 137.30 Support at 136.25 to 135.52



Feeder Cattle

CME FEEDER INDEX ON 12/08/2021 WAS 161.636 UP 47 CENTS FROM PREVIOUS -

JANUARY 2022 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 09, 2021 AT $164.07

JANUARY 2022 FEEDER CATTLE FUTURES TO CME FEEDER INDEX - THE INDEX IS 2.45 UNDER JANUARY FUTURES.

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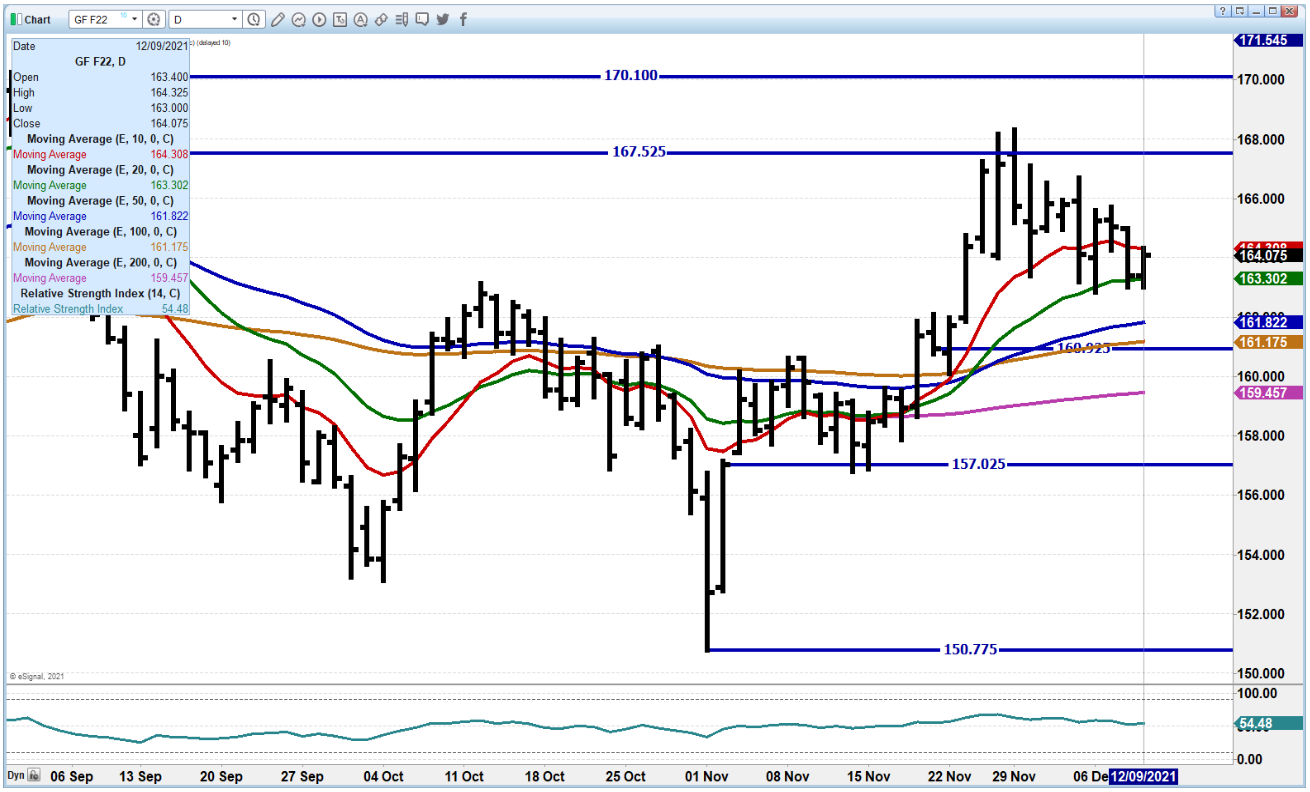
CASH FEEDER PRICES ARE BETTER THAN THE CME FEEDER INDEX AND BETTER THAN THE JANUARY 2022 FUTURES. THERE ARE MANY FEEDERS NORTH TO SOUTH AND EAST TO WEST SELLING FOR $10.00 TO $12.00 OVER THE FUTURES. DOES THIS MEAN FEEDER FUTURES ARE GOING TO RALLY? NOT NECESSARILY. TO HAVE CASH BETTER THAN FUTURES AND THE INDEX IS NOT AN ANOMOLLY. THE FEEDER CATTLE INDEX PRICES ARE FROM A LIMITED AMOUNT OF SALES. PRIVATE SALES, AND FARM TO FARM, AREN'T INCLUDED AND CONTRACT PRICES AREN'T INCLUDED. USE INFORMATION AND DATA THAT IS AVALABLE THAT IS USED BY ALL TRADERS. WHAT YOU SEE IS WHAT YOU GET. HOWEVER, USE COMMON SENSE.

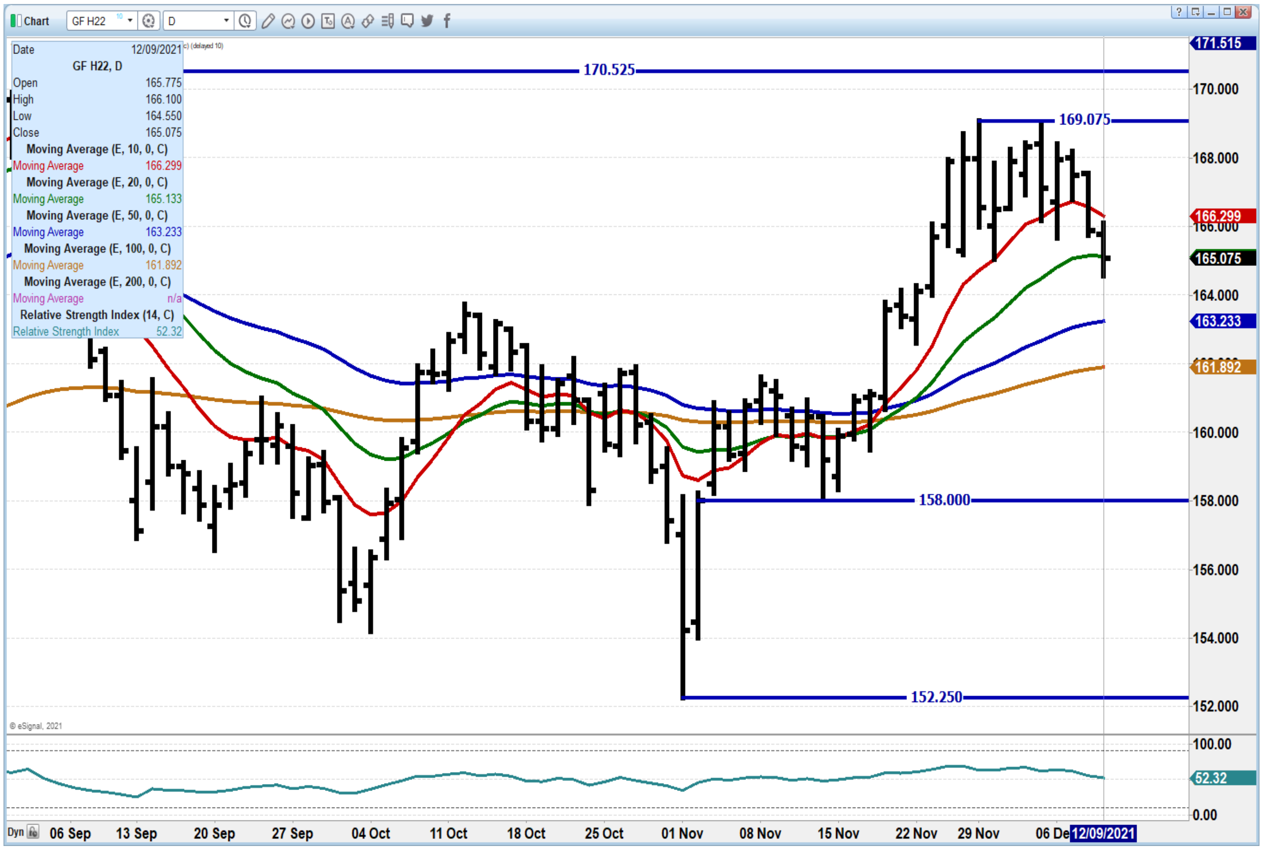
WE ALL KNOW COW SLAUGHTER HAS BEEN ABOUT 10% MORE THAN IT WAS A YEAR AGO. WE ALSO KNOW, FEED PRICES ARE HIGH. WE KNOW FEEDLOTS THAT CONTRACT CATTLE MUST HAVE FEEDER CATTLE TO FULFILL CONTRACTS.

NOW WE ARE SEEING A LARGE SPREAD BETWEEN JANUARY 2022 INTO MAY 2022 AND INTO THE FALL FEEDERS.

JANUARY 2022 FEEDER CATTLE – SUPPORT AT 163.30 TO 161.80 RESISTANCE AT 164.35



MARCH 2022 FEEDER CATTLE - CLOSED ON 20 DAY MOVING AVERAGE NEXT SUPPORT AT 163.20 TO 161.85 RESISTANCE AT 166.30



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

DECEMBER 09, 2021	**473,000**
WEEK AGO	**480,000**
YEAR AGO	**497,000**
WEEK TO DATE (EST)	**1,869,000**
SAME PERIOD LAST WEEK (EST)	**1,923,000**
SAME PERIOD LAST YEAR (ACT)	**1,970,000**

CME CASH LEAN HOG INDEX 12/07/2021 AT $70.83 DOWN 11 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 12/08/2021 AT $ 85.13 UP 1.73 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 12/03/2021 WAS 166.59 COMPARED TO 11/26/2021 WAS 157.92

CME PORK INDEX TO CME LEAN HOG INDEX plus 14.30
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Thursday morning the 5 day pork carcass average showed improvement was up 52 cents from Wednesday. By the afternoon pork turn down 3.48. Hams that were 29.58 higher Wednesday dropped 10.25 on Thursday morning and dropped another 15.41 Thursday afternoon

Pork is cheap but apparently not cheap enough for the world market. Thursday's net export sales at 19,800 metric tons were not good especially when Australia, China and Peru are not buying and to make matters worse they are cancelling previous purchases. It is good to see Mexico buying because if the US pork market lost Mexican buyers, it would be a world of hurt for the US pork industry.

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USDA MARKET NEWS

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

NATIONAL DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES

DECEMBER 09, 2021

LOADS OF PORK CUTS: 322.65

TRIM/PROCESSED PORK: 40.92

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/09/2021	363.57	86.96	84.36	101.07	59.48	136.31	70.00	131.91
CHANGE:		-3.48	4.65	-0.81	-1.10	0.41	-15.42	-3.81
FIVE DAY AVERAGE --		84.71	77.61	100.51	63.04	136.44	67.40	129.67

NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/08/2021	187.90	90.71	85.78	102.05	60.00	137.43	75.17	142.38
CHANGE:		0.27	6.07	0.17	-0.58	1.53	-10.25	6.66
FIVE DAY AVERAGE --		85.46	77.89	100.71	63.14	136.67	68.43	131.76

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/08/2021	412.90	90.44	79.71	101.88	60.58	135.90	85.42	135.72
CHANGE:		9.35	3.47	3.94	-2.71	-0.83	29.58	9.06
FIVE DAY AVERAGE --		84.94	75.99	99.97	63.75	136.37	68.86	130.85

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NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE
HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/AMS_2511.PDF
Slaughter Data for December 8, 2021
Average live weight: 288.95
Average carcass 216.10

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https://www.ams.usda.gov/sites/default/files/media/LMRSwineReportingHandout.pdf
DAILY DIRECT AFTERNOON HOG REPORT DECEMBER 09, 2021
National Negotiated Carcass Price
Lowest price: 56.00
Highest price: 67.00
Weighted Average Price 60.46
Head Count: 7,142
From Previous day 2.70 higher

Other Market Formula (Carcass)
Lowest Base Price: 54.99
Highest base price: 87.23
Weighted Average Price: 68.94
Head Count: 26,887

Pork Market Formula (Carcass)
Lowest base price: 58.50
Highest Base Price: 84.11
Weighted Average Price: 71.68
Head Count: 155,177

Other Purchase Arrangement (Carcass)
Lowest base price: 64.42
Highest base price: 96.07
Weighted Average Price: 75.93
HEAD COUNT: 57,647
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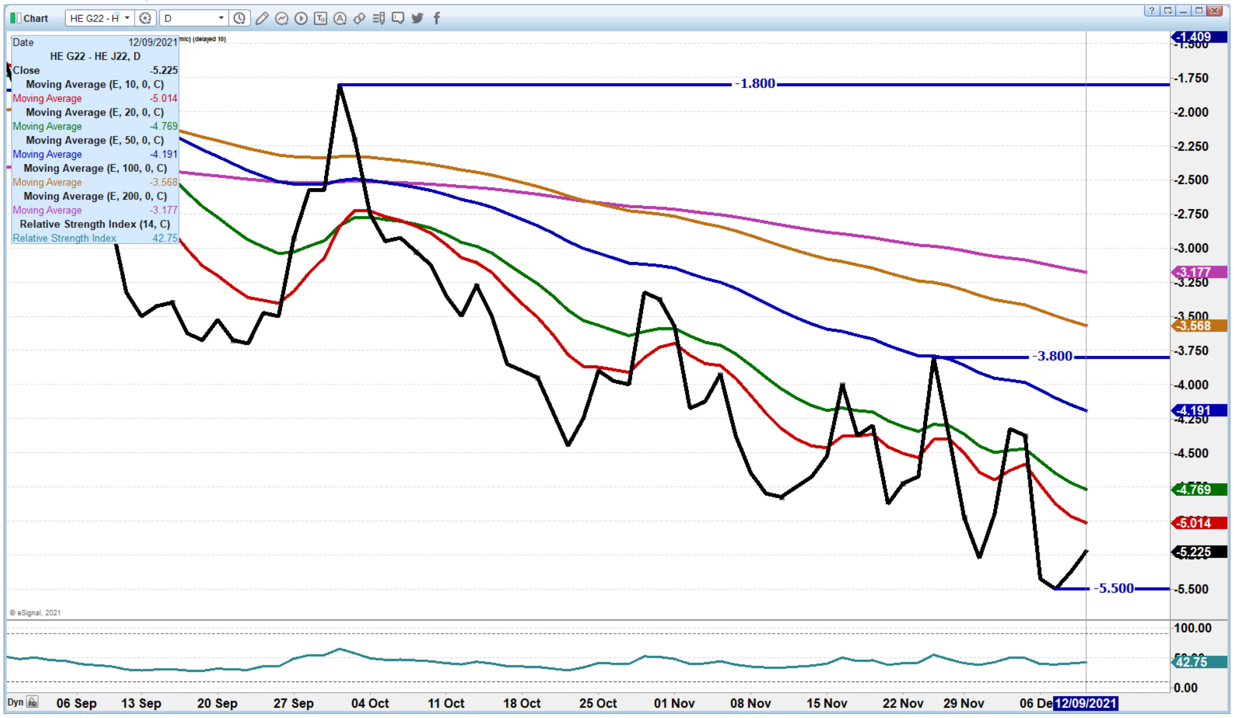
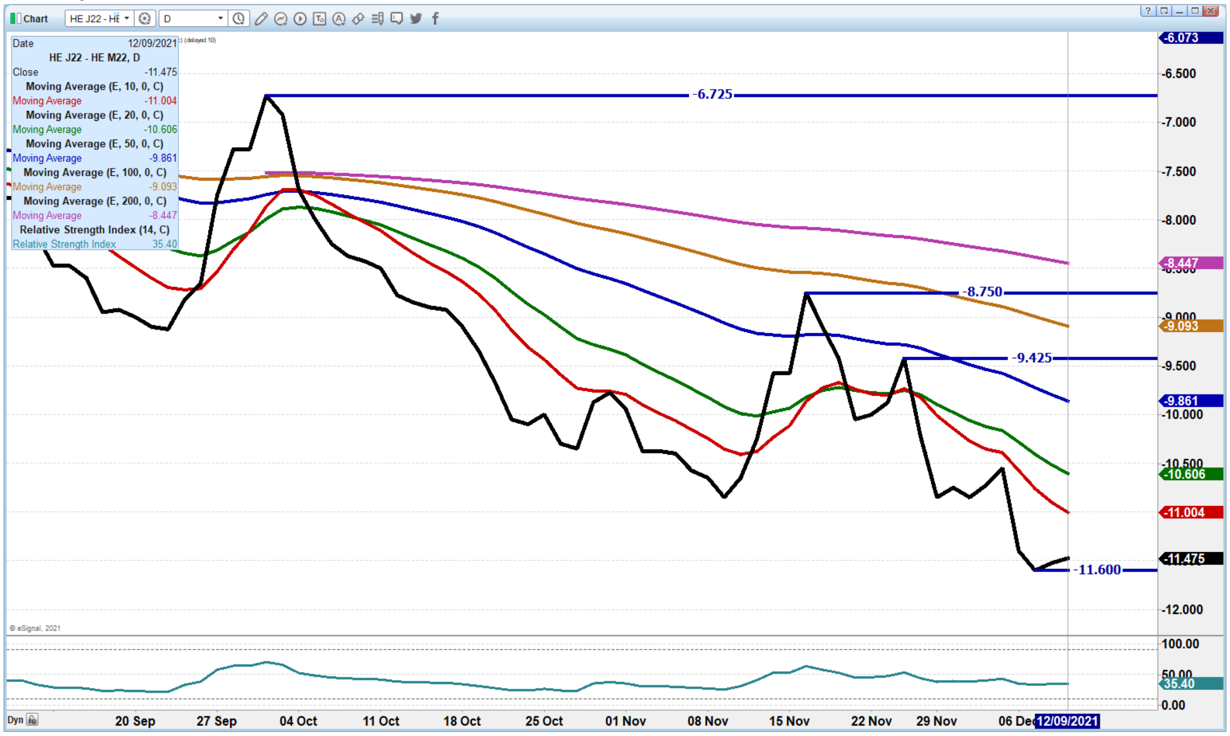
FEBRUARY 2022 CATTLE/HOG SPREAD IN CATTLE SECTION – CHECK IT OUT

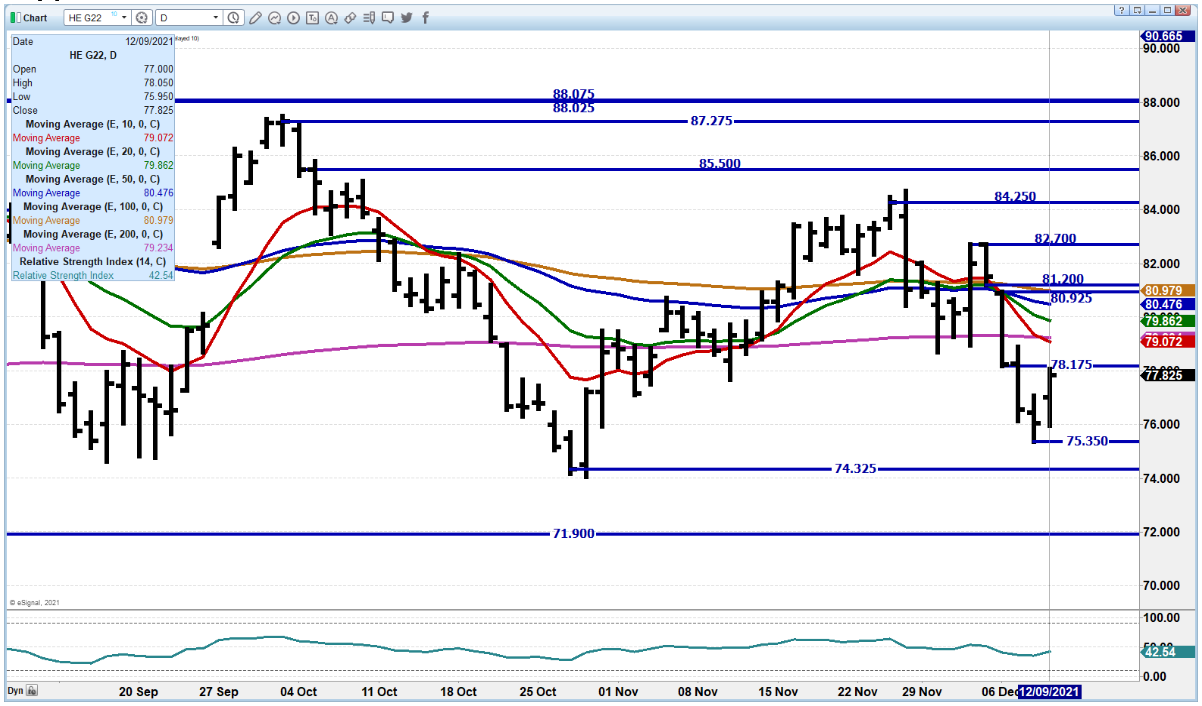
FEBRUARY/APRIL 2022 LEAN HOG SPREAD. – BOUNCE OFF PREVIOUS DAYS LOWS



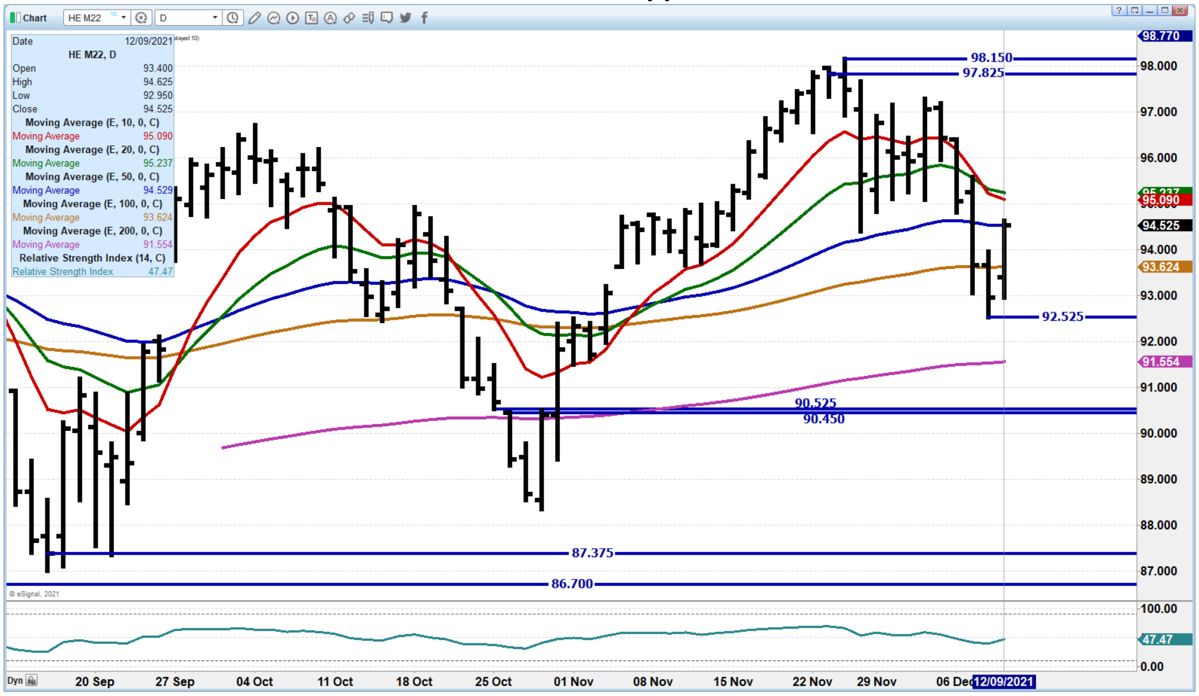
APRIL/JUNE 2022 LEAN HOGS - SPREAD IS WIDE.



FEBRUARY 2022 LEAN HOGS - Volume was light at 15136 Resistance at 78.20 to 79.10 Support at 73.35



JUNE 2022 LEAN HOGS – resistance at 95.25 Support at 92.50 to 91.50 volume at 3717



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Beef: Net sales of 4,200 MT for 2021--a marketing-year low--were down 80 percent from the previous week and 81 percent from the prior 4-week average. Increases primarily for Canada (2,100 MT), China (2,000 MT, including decreases of 300 MT), Japan (1,800 MT, including decreases of 400 MT), Taiwan (700 MT, including decreases of 100 MT), and Mexico (700 MT, including decreases of 200 MT), were offset by reductions for South Korea (4,300 MT). Net sales of 10,400 MT for 2022 were primarily for South Korea (8,200 MT), Taiwan (500 MT), Mexico (400 MT), Japan (300 MT), and China (300 MT). Exports of 16,700 MT were up 1 percent from the previous week, but down 5 percent from the prior 4-week average. The destinations were primarily to South Korea (4,400 MT), Japan (4,000 MT), China (3,300 MT), Taiwan (1,600 MT), and Mexico (1,200 MT).

Pork: Net sales of 19,800 MT for 2021 were down 52 percent from the previous week and 26 percent from the prior 4-week average. Increases primarily for Mexico (11,700 MT, including decreases of 600 MT), Japan (3,700 MT, including decreases of 400 MT), South Korea (1,400 MT, including decreases of 200 MT), the Dominican Republic (700 MT, including decreases of 400 MT), and Colombia (500 MT, including decreases of 100 MT), were offset by reductions for Australia (200 MT), China (100 MT), and Peru (100 MT). Net sales of 700 MT for 2022 primarily for Colombia (400 MT), Japan (300 MT), Australia (200 MT), and South Korea (100 MT), were offset by reductions for Canada (300 MT). Exports of 33,500 MT were down 8 percent from the previous week, but up 2 percent from the prior 4-week average.t The destinations were primarily to Mexico (17,000 MT), Japan (5,000 MT), China (3,600 MT), South Korea (2,900 MT), and Colombia (1,500 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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