

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING JANUARY 5, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JANUARY 4, 2022	117,000
WEEK AGO	122,000
YEAR AGO	118,000
WEEK TO DATE (EST)	224,000
SAME PERIOD LAST WEEK (EST)	238,000
SAME PERIOD LAST YEAR (ACT)	230,000

****REVISED MONDAY CATTLE SLAUGHTER..107,000** PREVIOUS ESTIMATE 112,000**

BOXED BEEF NOON	CHOICE	SELECT
CURRENT CUTOUT VALUES:	266.82	259.23
CHANGE FROM PRIOR DAY:	0.79	0.33
CHOICE/SELECT SPREAD:		7.59
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		160
5 DAY SIMPLE AVERAGE:	265.23	257.10

CME BOXED BEEF INDEX FOR 01/03/2021 WAS AT 263.91 UP .67 FROM PREVIOUS DAY

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FINAL JANUARY 4, 2022

PRIMAL RIB	390.99	363.04
PRIMAL CHUCK	229.69	228.65
PRIMAL ROUND	225.55	224.06
PRIMAL LOIN	335.00	318.89
PRIMAL BRISKET	294.06	286.85
PRIMAL SHORT PLATE	184.35	184.35
PRIMAL FLANK	149.41	149.89

FINAL JANUARY 3, 2022

PRIMAL RIB	391.97	360.90
PRIMAL CHUCK	229.10	230.14
PRIMAL ROUND	223.97	224.15
PRIMAL LOIN	333.79	316.79
PRIMAL BRISKET	293.58	286.66
PRIMAL SHORT PLATE	183.60	183.60
PRIMAL FLANK	148.06	148.79

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
01/03	81	19	14	14	129	266.03	258.90
12/30	67	8	13	14	102	265.26	258.23
12/29	83	22	14	15	135	265.71	257.09
12/28	81	16	9	18	123	264.66	256.09
12/27	80	11	11	10	112	264.48	255.18
12/23	61	15	7	7	91	262.94	252.95

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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	98.02 loads	3,920,602 pounds
Select Cuts	30.02 loads	1,200,721 pounds
Trimming	7.68 loads	307,124 pounds
Ground Beef	24.47 loads	978,617 pounds

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USDA LIVESTOCK REPORTS FOR JANUARY 2022

CATTLE ON FEED REPORT – JANUARY 21, 2022 - 2:00PM CENTRAL TIME

COLD STORAGE REPORT – JANUARY 24, 2022 - 2:00PM CENTRAL TIME

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Volatile trading. Times when funds entering market and times specs selling. Packers playing hard to get and with consumers shopping for cheaper cuts, packers may keep kill down

So far no cattle have sold this week. Feedlots are asking \$140.00 but packers are silent.

The narrowing of the Choice/Select boxed beef spread is negative even with boxed beef moving off the lows. Consumers are buying price and not quality.

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Normally packers use contracted and their own cattle during the first week of a month. Weights are not dropping enough over past month to have packers scrambling for cattle. But with very good weather over past few months it is possible cattle gained enough to move a few weeks early.

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The last 3 weeks beef exports dropped. Exports in 2021 were the major support of the beef market for the year but if December was an indicator for 2022, it will be detrimental for beef. The question going forward is how much beef China bought for current needs in 2021 and how much was bought for storage part of China's strategic reserve program.

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DECEMBER 28, 2021 dressed steer and heifer weights were 894.7pounds compared to previous week at 898.4 pounds down 3.7 pounds.

The grading percent also was up at 83.8% percent compared to a week ago at 81.5% percent.

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

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USDA POSTED SUMMARY CATTLE PRICES ON 01/04/2021

IA/MN – CASH – NO REPORTABLE TRADE.

DRESSED - NO REPORTABLE TRADE.

NE – CASH - NO REPORTABLE TRADE.

DRESSED – NO REPORTABLE TRADE.

KS – CASH - NO REPORTABLE TRADE.

DRESSED – NO REPORTABLE TRADE.

TX/OK/NM CASH – NO REPORTABLE TRADE.

DRESSED– NO REPORTABLE TRADE.

CO – CASH - **NOT REPORTED DUE TO CONFIDENTIALITY**

DRESSED - **NOT REPORTED DUE TO CONFIDENTIALITY**

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*****National Daily Direct Cattle 01/04/21**

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1497	\$139.62	40,188
Live Heifer:	1339	\$139.27	16,339
Dressed Steer:	958	\$221.45	12,062
Dressed Heifer:	867	\$221.97	5,375

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

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**FEBRUARY 2022 LIVE CATTLE/FEBRUARY 2022 LEAN HOG SPREAD – cattle losing to hogs .
Could continue**



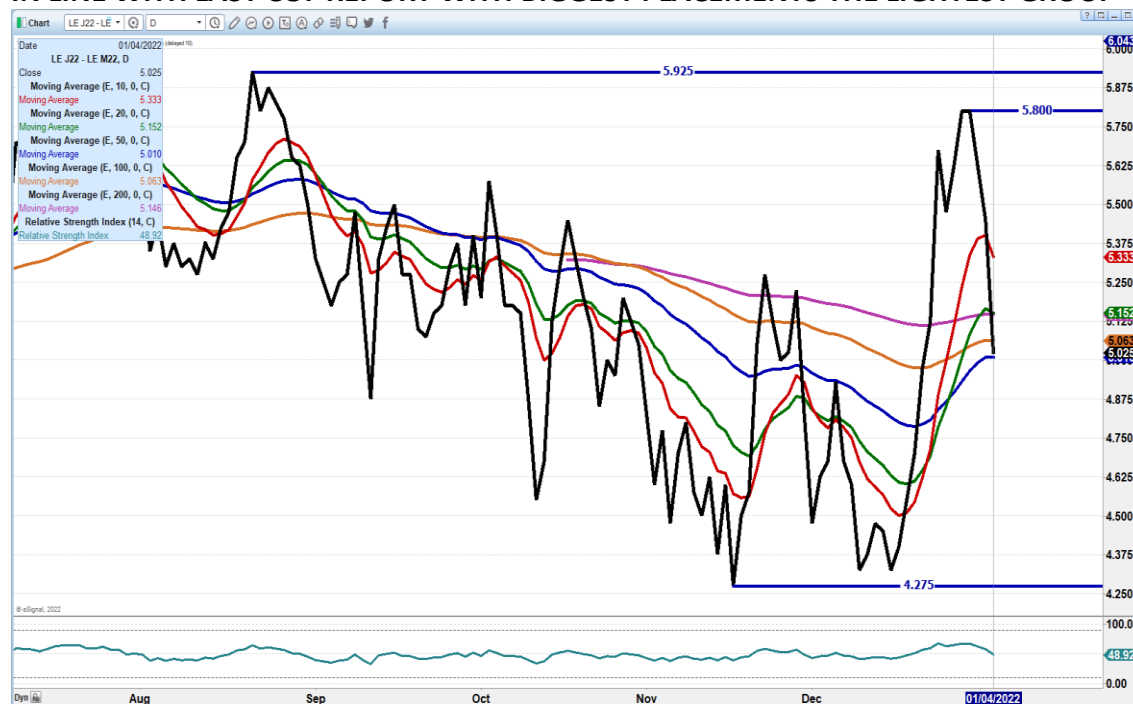
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FEBRUARY 2022 / APRIL 2022 LIVE CATTLE SPREAD - bear spread



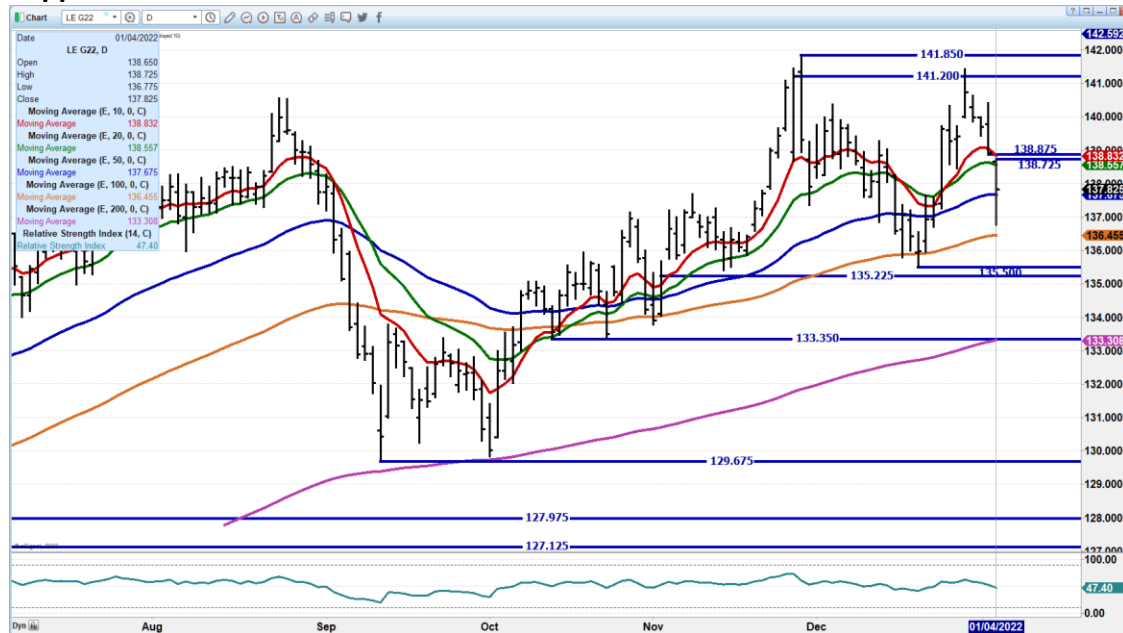
APRIL/JUNE 2022 LIVE CATTLE SPREAD – SPREAD REVERSING BUT REMAINS BULL SPREAD IN LINE WITH LAST COF REPORT WITH BIGGEST PLACEMENTS THE LIGHTEST GROUP



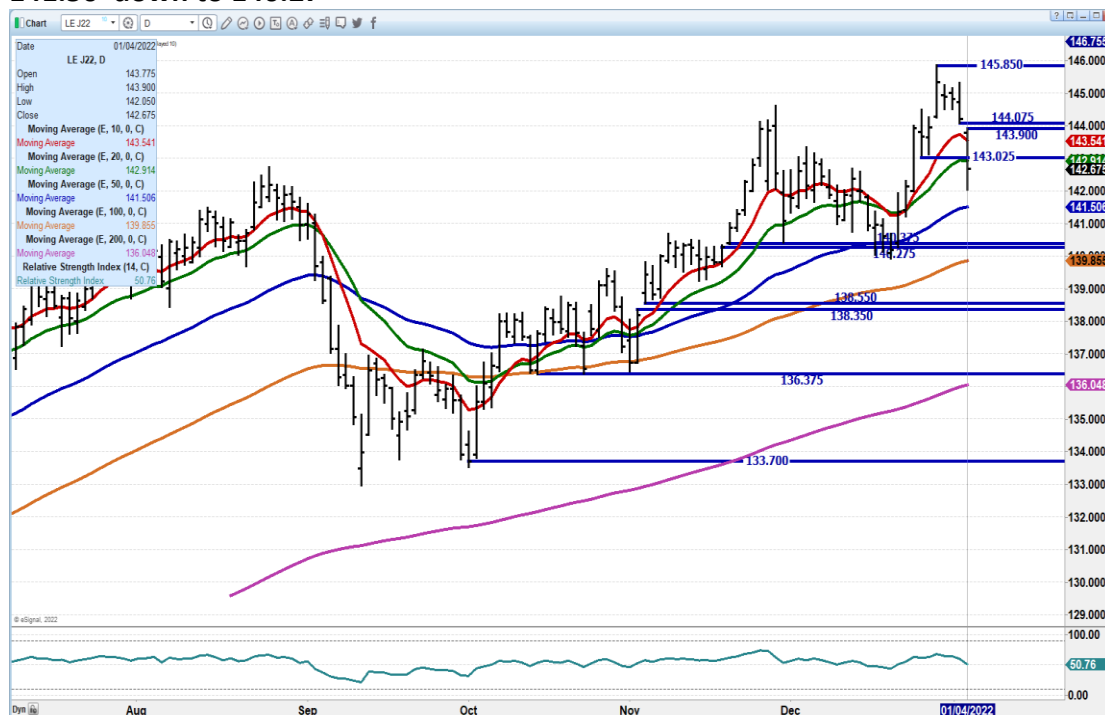
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FEBRUARY 2021 LIVE CATTLE - Strong resistance at 138.87 the 10 day average and top of gap Support at 136.45



APRIL 2022 LIVE CATTLE - Volume at 21351 Resistance at 144.07 to 145.85 Support at 141.50 down to 140.27



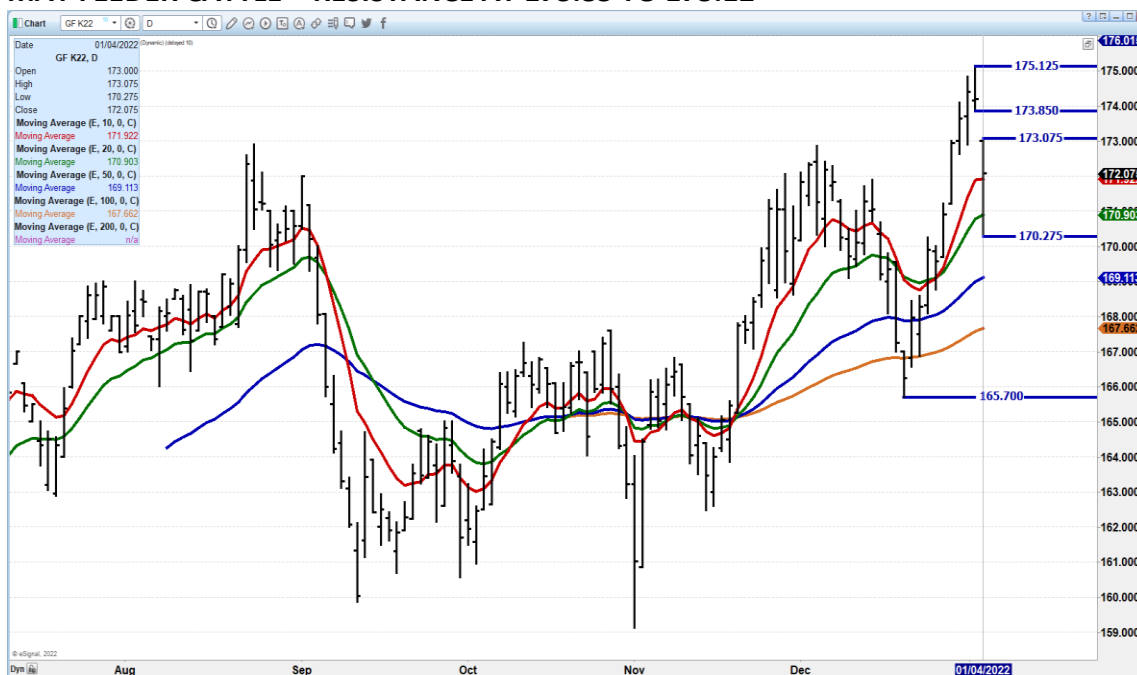
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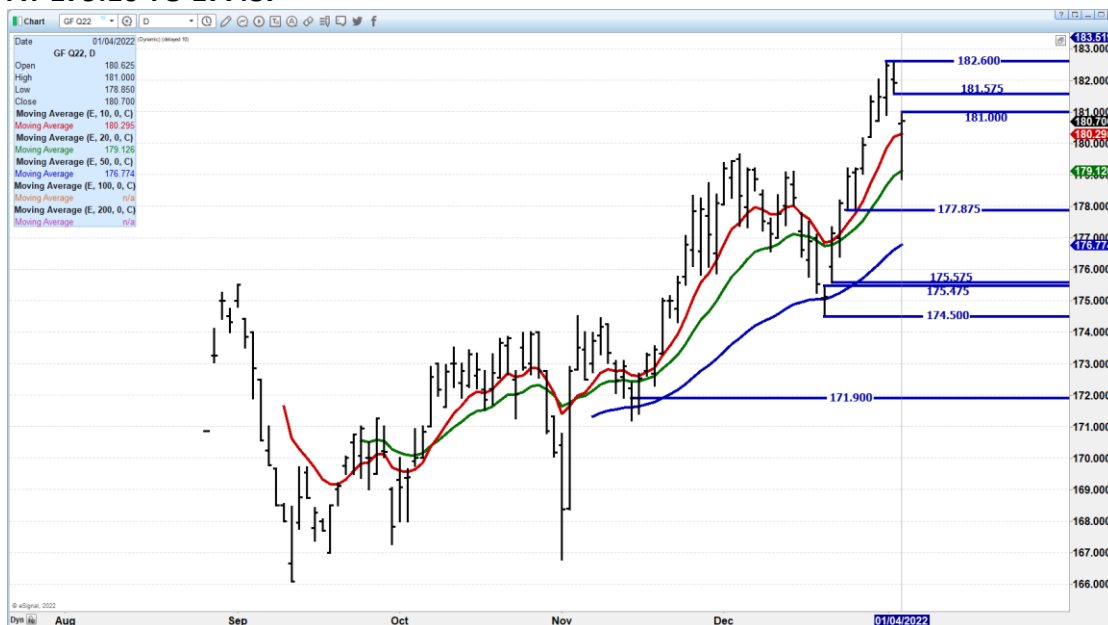
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MAY FEEDER CATTLE – RESISTANCE AT 173.85 TO 175.12



AUGUST 2022 FEEDER CATTLE – GAPPED LOWER 181.57 TO 182.60 RESISTANCE SUPPORT AT 179.10 TO 177.87



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 4, 2022	472,000
WEEK AGO	480,000
YEAR AGO	488,000
WEEK TO DATE (EST)	930,000
SAME PERIOD LAST WEEK (EST)	953,000
SAME PERIOD LAST YEAR (ACT)	974,000

****REVISED MONDAY HOG SLAUGHTER..458,000** PREVIOUS ESTIMATE 471,000**

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CME CASH LEAN HOG INDEX 12/30/2021 AT \$71.85 UP 10 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/03/2021 AT \$87.17 DOWN 1.11 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 12/30/2021 WAS 165.93 COMPARED TO 12/24/2021 WAS 163.50

CME PORK INDEX TO CME LEAN HOG INDEX plus 15.32

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Hams dropped below \$60.00 on Tuesday. We know Mexico has been a big buyer of fresh hams and the drop in price might be an indicator, Mexico is backing off or that demand for processed hams has slowed after the December holidays.

The spread between the CME pork index and February lean hogs is \$8.30.

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The pork market is dependent of the export market. Don't expect to see China a consistent big buyer but there will be times China buys quite a large amount of pork when it is refreshing its cold storage. China has substantially increased cold storage for all meats, but cold storage in China is tied to national strategic reserves and what ever is stored is private.

Mexico is the country, as it has been for over a decade, the largest buyer of US pork and the US pork industry has to bend over sideways to insure Mexico continues to buy US pork.

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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

DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES

JANUARY 4, 2022

LOADS OF PORK CUTS: 393.72

TRIM/PROCESSED PORK: 41.18

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/03/2022	434.90	85.47	79.75	104.62	66.61	154.38	56.22	137.29
CHANGE:		-0.55	4.33	-5.94	0.21	-2.03	-4.21	2.03
FIVE DAY AVERAGE --		86.80	79.12	109.10	68.13	154.87	62.43	132.61

NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/04/2022	241.67	87.28	79.87	104.37	68.93	154.98	62.92	136.52
CHANGE:		1.26	4.45	-6.19	2.53	-1.43	2.49	1.26
FIVE DAY AVERAGE --		87.17	79.15	109.05	68.60	154.99	63.77	132.46

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/03/2022	381.31	86.02	75.42	110.56	66.40	156.41	60.43	135.26
CHANGE:		-5.33	-11.61	0.11	-1.45	0.71	-9.06	-3.78
FIVE DAY AVERAGE --		86.98	79.44	109.52	68.87	154.24	63.40	131.42

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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 for Thursday, January 3, 2022

Average live weight: 289.78

Average carcass 216.74

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

DAILY DIRECT AFTERNOON HOG REPORT JANUARY 04, 2022

National Negotiated Carcass Price

Lowest price: 60.00

Highest price: 68.00

Weighted Average Price 63.09

Head Count: 5,973

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From Previous day 1.37 higher

Other Market Formula (Carcass)

Lowest Base Price: 65.75

Highest base price: 84.05

Weighted Average Price: 76.66

Head Count: 27,001

Pork Market Formula (Carcass)

Lowest base price: 60.99

Highest Base Price: 82.35

Weighted Average Price: 72.58

Head Count: 126,549

Other Purchase Arrangement (Carcass)

Lowest base price: 66.42

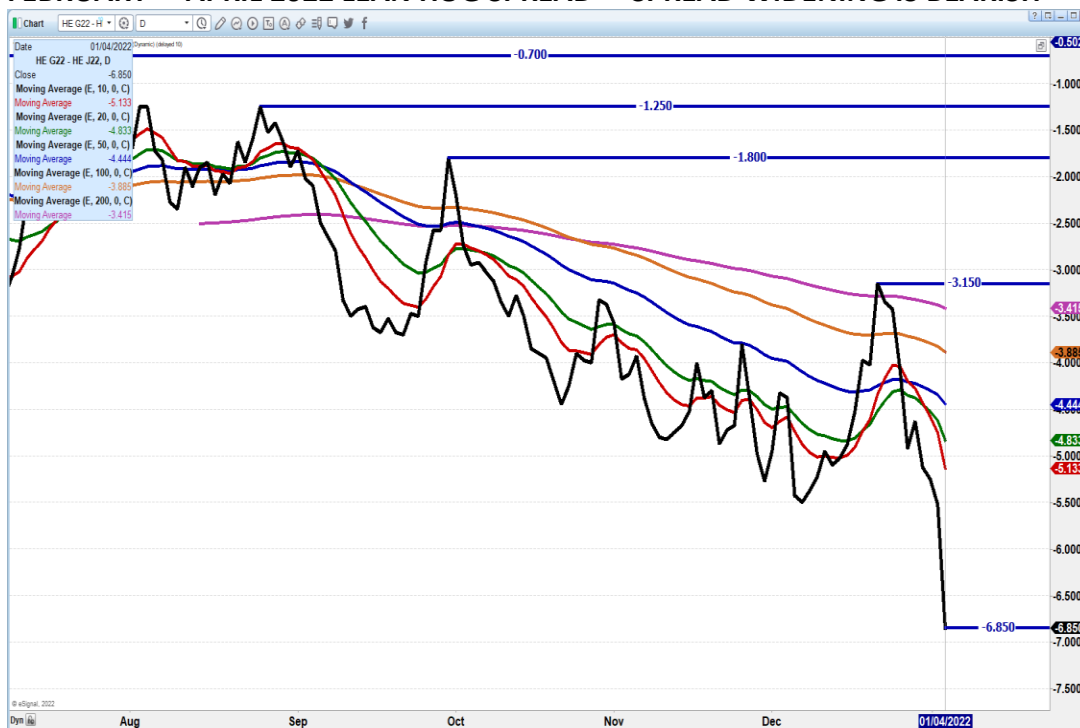
Highest base price: 125.54

Weighted Average Price: 78.34

HEAD COUNT: 60,519

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FEBRUARY – APRIL 2022 LEAN HOG SPREAD – SPREAD WIDENING IS BEARISH



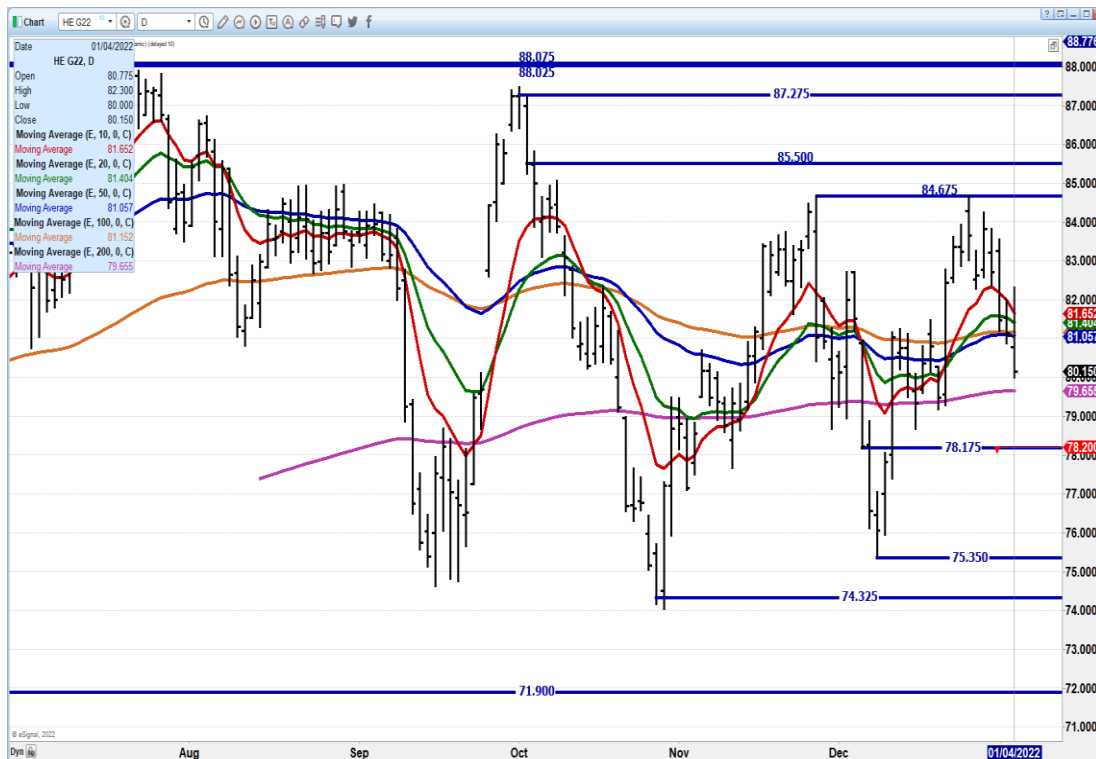
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APRIL/JUNE 2022 LEAN HOGS - WIDE SPREAD. THERE WILL BE NARROWING BUT TOO SOON NOW



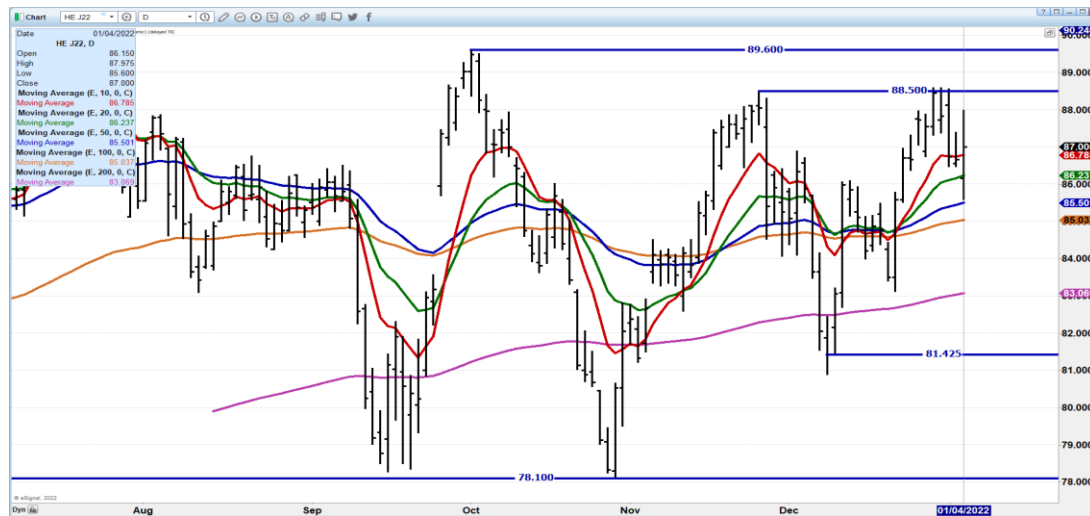
FEBRUARY 2022 LEAN HOGS - VOLUME AT 25,483 FAIRLY HEAVY POOR CLOSE. FEB NARROWING TO CME INDEX AT 71.85. NEEDS TO HOLD 78.17 TO 75.35 RESISTANCE AT 81.00 TO 81.65



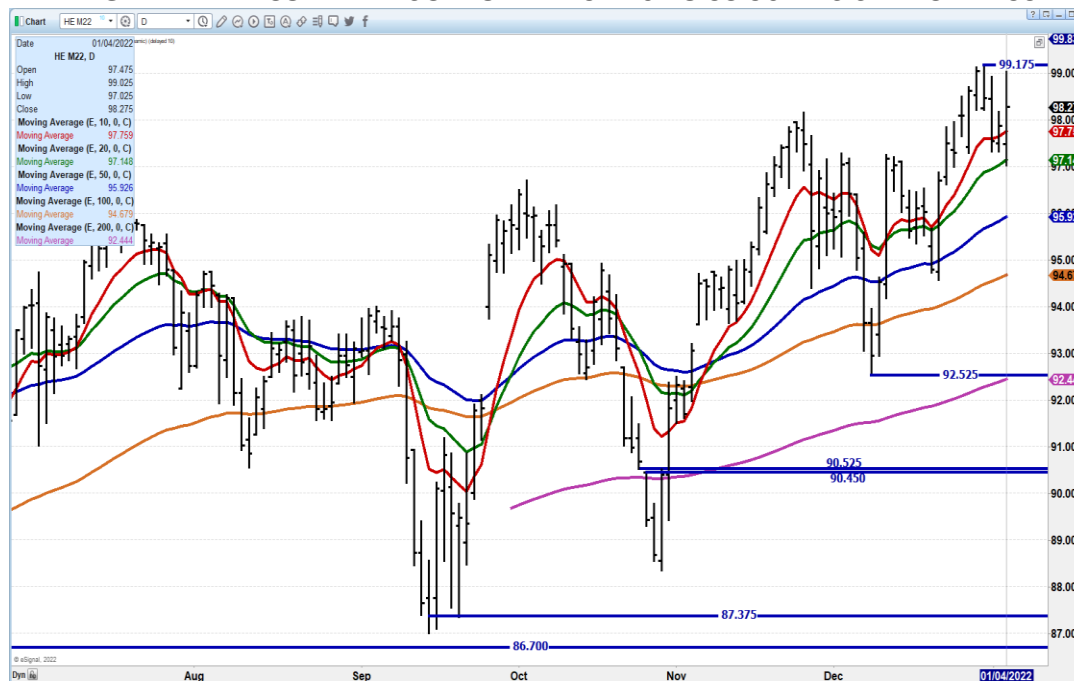
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**APRIL 2022 LEAN HOGS – VOLUME AT 13,281 FELL TO FEW CENTS ABOVE 50 DAY AVERAGE
NEXT SUPPORT AT 85.00 RESISTANCE AT 85.50**



JUNE 2022 LEAN HOGS – VOLUME 6,758 DROPPED TO SUPPORT ON 20 DAY MOVING AVERAGED AND RECOVERED. SUPPORT AT 97.10 TO 95.90 RESISTANCE AT 99.17 TO \$100.00



CHARTS FROM ESIGNAL INTERACTIVE, INC.

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