



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING JANUARY 25, 2022 LIVESTOCK REPORT

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COLD STORAGE REPORT AT BOTTOM OF REPORT

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JANUARY 24, 2022	115,000
WEEK AGO	113,000
YEAR AGO	116,000

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BOXED BEEF FINAL	CHOICE	SELECT
CURRENT CUTOUT VALUES:	293.50	284.79
CHANGE FROM PRIOR DAY:	1.09	2.46
CHOICE/SELECT SPREAD:		8.71
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		80
5 DAY SIMPLE AVERAGE:	290.87	280.08

CME BOXED BEEF INDEX FOR 01/21/2021 WAS AT 288.69 UP 1.26 FROM PREVIOUS DAY

FINAL JANUARY 24, 2022

PRIMAL RIB	409.95	387.73
PRIMAL CHUCK	255.10	255.04
PRIMAL ROUND	248.54	250.18
PRIMAL LOIN	385.85	358.14
PRIMAL BRISKET	287.05	273.49
PRIMAL SHORT PLATE	199.50	199.50
PRIMAL FLANK	158.90	160.10

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FINAL JANUARY 21, 2022

PRIMAL RIB	409.98	390.25
PRIMAL CHUCK	254.71	250.42
PRIMAL ROUND	247.92	247.12
PRIMAL LOIN	383.21	356.16
PRIMAL BRISKET	279.50	269.22
PRIMAL SHORT PLATE	200.42	200.42
PRIMAL FLANK	159.91	156.18

LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
01/21	42	12	8	10	72	292.41	282.33
01/20	95	14	4	16	129	292.98	282.18
01/19	64	17	11	23	115	291.60	280.43
01/18	68	17	12	26	124	289.49	278.39
01/17	62	23	8	14	108	287.86	277.05

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

Choice Cuts	58.51 loads	2,340,401 pounds
Select Cuts	9.53 loads	381,372 pounds
Trimmings	3.45 loads	137,897 pounds
Ground Beef	8.59 loads	343,735 pounds

USDA LIVESTOCK REPORTS FOR FEBRUARY 2022

COLD STORAGE REPORT – FEBRUARY 22, 2022 - 2:00PM CENTRAL TIME

CATTLE ON FEED REPORT – FEBRUARY 25, 2022 – 2:00PM CENTRAL TIME

USDA CATTLE ON FEED REPORT - JANUARY 21, 2022

	Range	Average	Actual
On feed January 1	99.5-100.1	99.8	101
Placements in December	100-105	102.6	106
Marketings in December	100-102.1	100.8	100 PLUS

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LIVESTOCK SLAUGHTER – JANUARY 20, 2022

December 2020 contained 23 weekdays (including 1 holiday) and 4 Saturdays.

December 2021 contained 23 weekdays (including 1 holiday) and 4 Saturdays.

Commercial red meat production for the United States totaled 4.78 billion pounds in December, down 1 percent from the 4.86 billion pounds produced in December 2020

Beef production, at 2.36 billion pounds, was 1 percent above the previous year. Cattle slaughter totaled 2.82 million head, up 1 percent from December 2020. The average live weight was up 3 pounds from the previous year, at 1,392 pounds.

January to December 2021 commercial red meat production was 55.8 billion pounds, up slightly from 2020. Accumulated beef production was up 3 percent from last year, veal was down 17 percent, pork was down 2 percent from last year, and lamb and mutton production was down 1 percent.

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As of December 18th, steer and heifer dressed weights were 896.8 pounds down 3 pounds from previous week. So far, it doesn't appear cattle are being backed up unless packers are taking contracted cattle and their own cattle and leaving showlist cattle on feed. The grading percent at 83.8% is up which could be an indication cattle are on feed longer. During the COVID shutdown in the spring of 2020 packers did take contracted and their own cattle first and left showlist cattle on feed. Producers selling on the open market had to search far and wide for a packer to buy their cattle. If packers are keeping showlist cattle off the market, it is one valid reason cash cattle prices are going down. Also, at some point, if showlist cattle are being held back, there should be a jump in weights as showlist cattle are finally moved to slaughter.

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Weights are increasing - comparable to a year ago

***National Daily Direct Cattle 01/24/22

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1487	\$137.54	26,593
Live Heifer:	1383	\$137.29	10,761
Dressed Steer:	971	\$217.97	14,679
Dressed Heifer:	858	\$217.99	7,122

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*****National Daily Direct Cattle 01/17/22 PREVIOUS WEEK
5 day accumulated weighted avg**

	Weight	Price	Head
Live Steer:	1471	\$137.77	22,412
Live Heifer:	1328	\$136.60	9,565
Dressed Steer:	963	\$218.03	11,887
Dressed Heifer:	866	\$217.91	3,331

*****National Daily Direct Cattle 01/25/2021 PREVIOUS YEAR
5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1485	\$109.22	28,814
Live Heifer:	1336	\$109.73	19,413
Dressed Steer:	968	\$172.58	16,791
Dressed Heifer:	885	\$172.47	5,430

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

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January 18, 2022 dressed steer and heifer weights were 896.8 pounds compared to previous week at 899.8 pounds down 3 pounds. The grading percent was 83.8% compared to previous week at 83.5%.

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

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USDA POSTED SUMMARY CATTLE PRICES ON 01/24/2021

**IA/MN – CASH – 136.00 ON 300 HEAD WEIGHING 1575 POUNDS
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.**

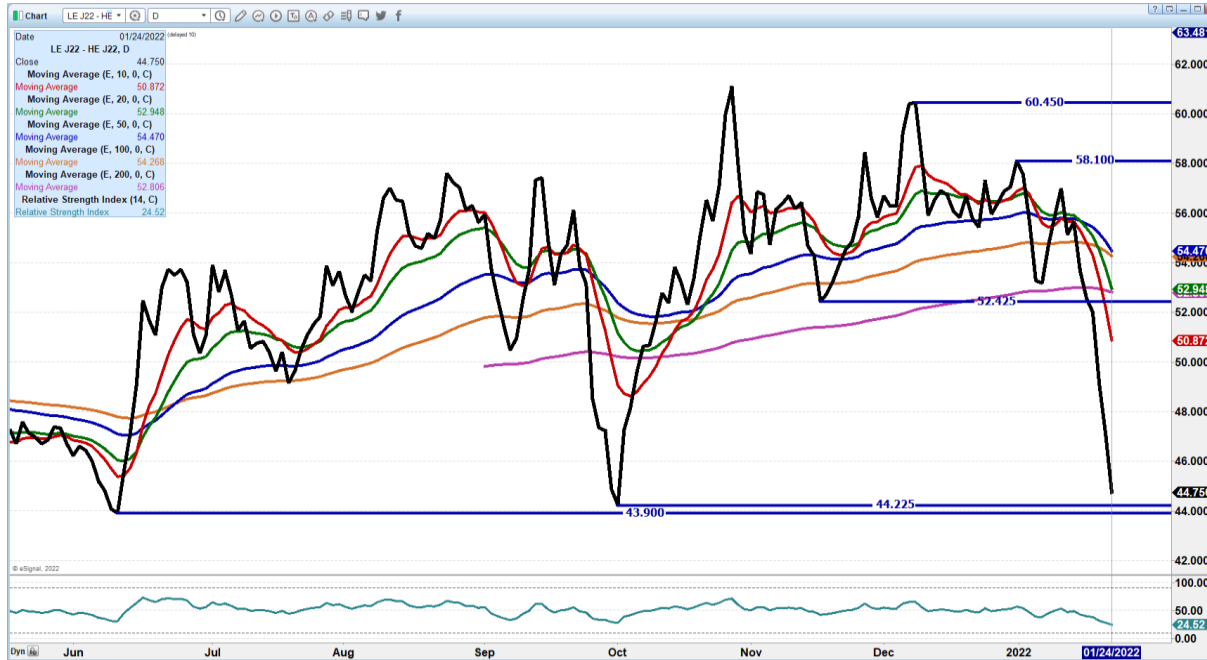
CO – CASH - **NOT REPORTED DUE TO CONFIDENTIALITY
DRESSED - **NOT REPORTED DUE TO CONFIDENTIALITY****

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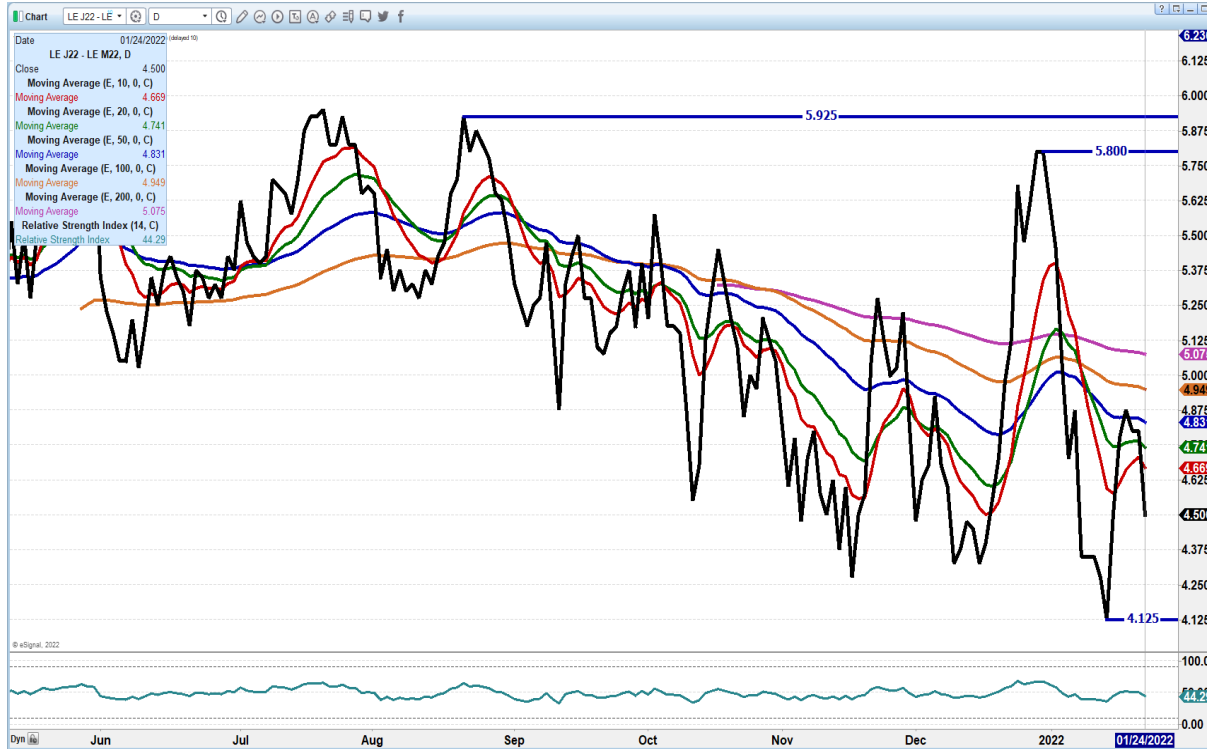
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APRIL LIVE CATTLE/APRIL LEAN HOG SPREAD – Cattle big loss to hogs. This spread is getting oversold If new low is made on a close, then reverse spread



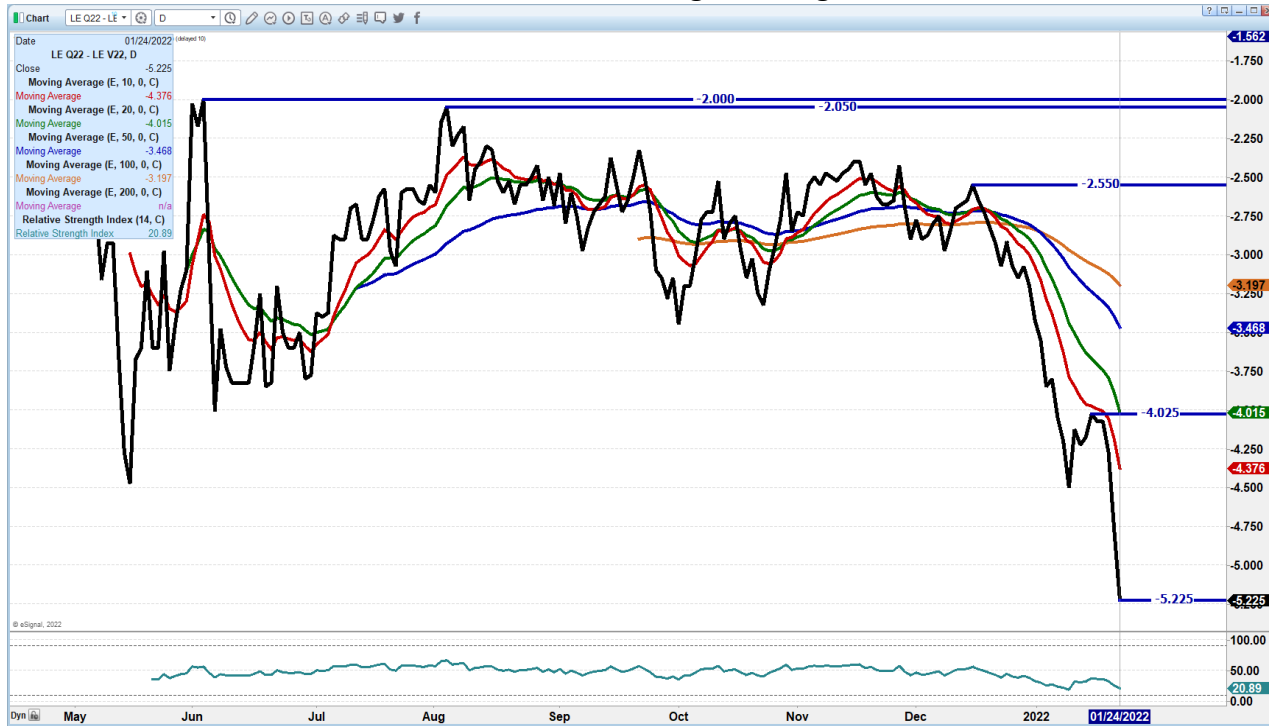
APRIL/JUNE 2022 LIVE CATTLE SPREAD - Look for April to lose to June



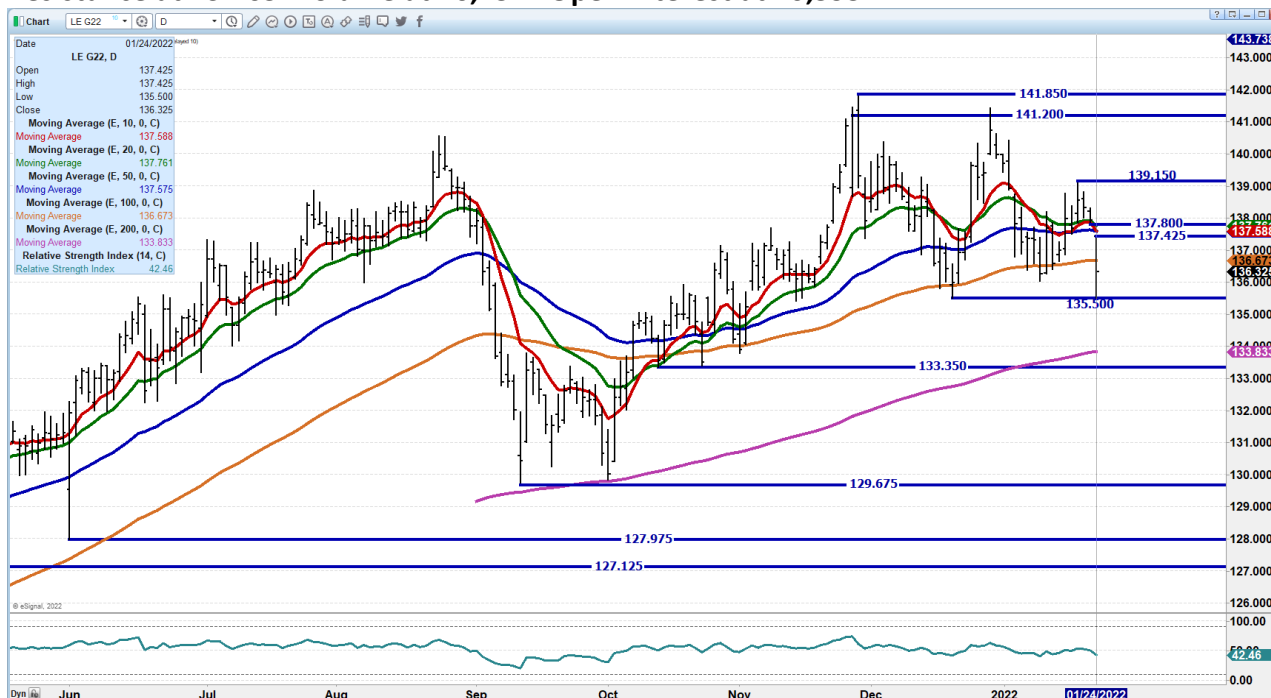
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AUGUST/OCTOBER 2022 LIVE CATTLE SPREAD - August losing to October is bearish



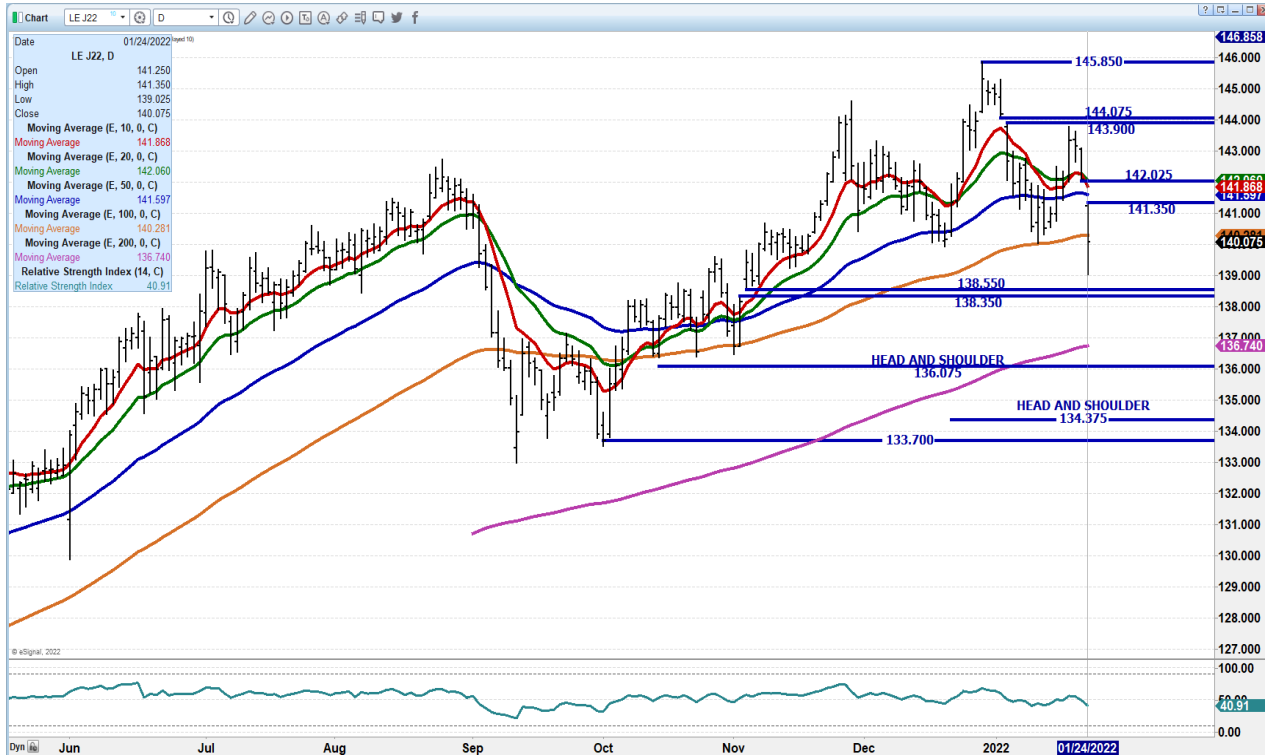
FEBRUARY 2021 LIVE CATTLE – Dropped to low back on Dec 20, Support at 133.80 Resistance at 137.65 Volume at 16,154 Open Interest at 40,595



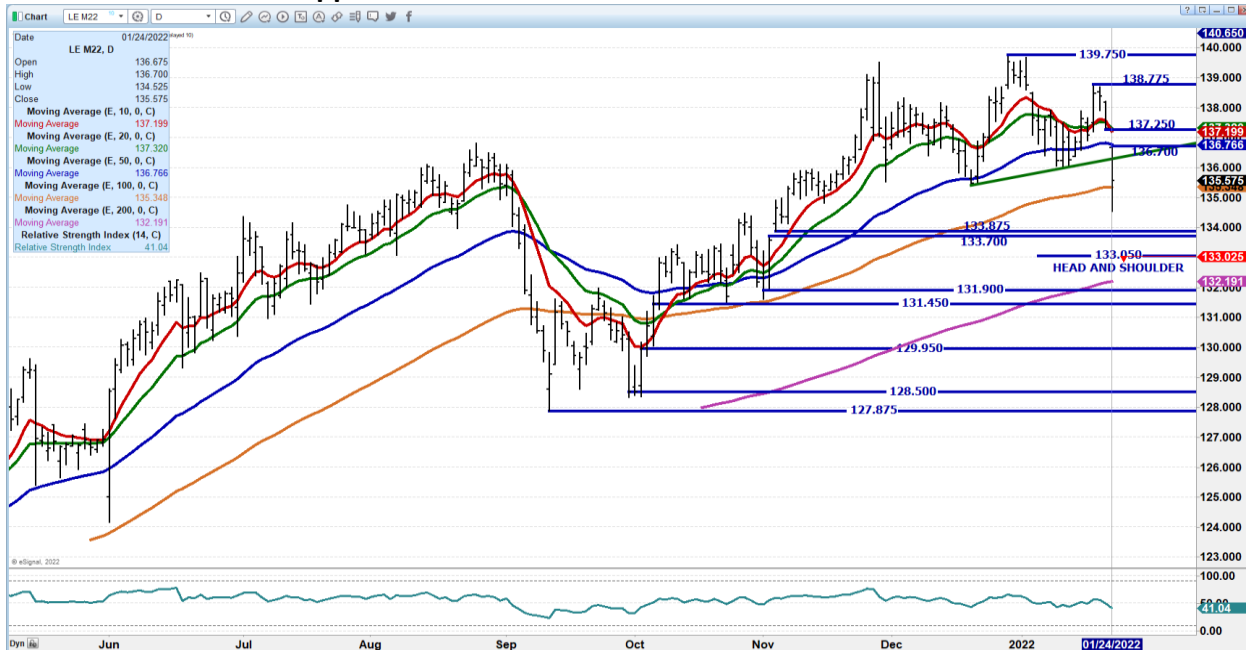
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APRIL 2022 LIVE CATTLE - Volume heavy with 40634 contracts Support at 136.75 Resistance at 142.05



JUNE 2022 LIVE CATTLE – possible Head and Shoulders with objective to 133.02 Resistance at 137.20 to 138.77 Support at 135.35 to 132.15



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Feeder Cattle

CME FEEDER INDEX ON 01/21/2021 WAS 160.46 DOWN 64 CENTS FROM PREVIOUS DAY -

JANUARY 2022 FEEDER CATTLE FUTURES SETTLED ON JANUARY 24, 2022 AT \$158.47

JANUARY 2022 FEEDER CATTLE FUTURES TO CME FEEDER INDEX - THE CME FEEDER INDEX IS 1.99 OVER JANUARY FUTURES.

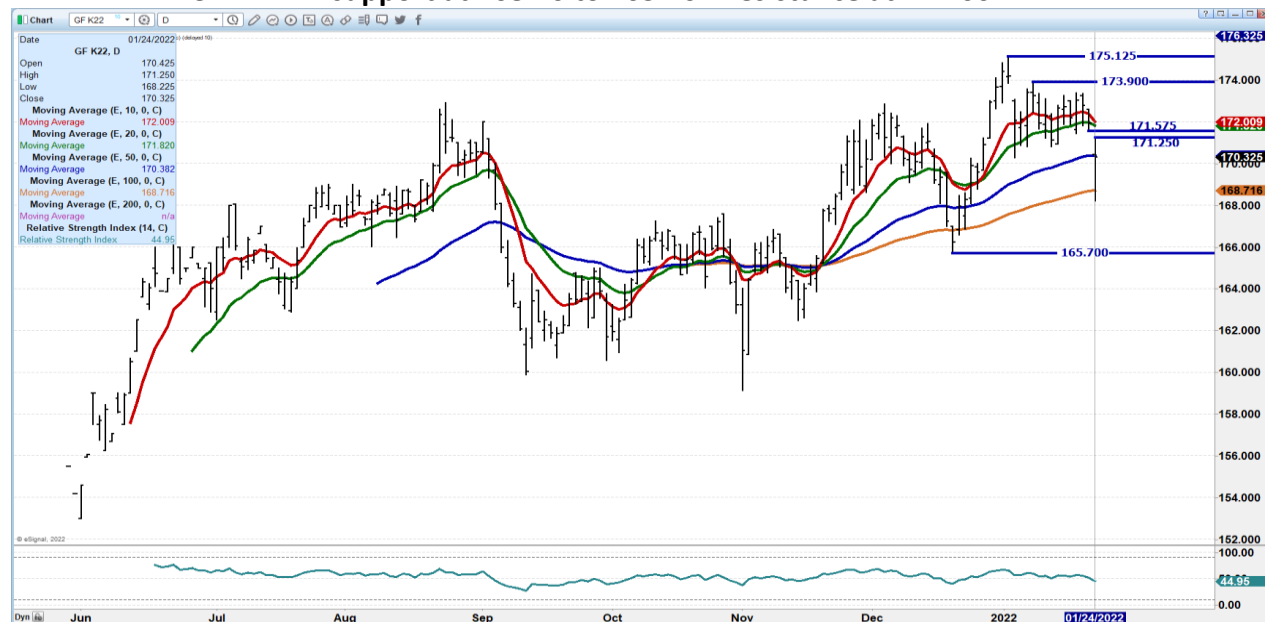
NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 01/22/2022

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	248,000	17,900	4,700	270,600
Last Week:	349,300	20,800	210,100	580,200
Year Ago:	306,300	73,300	6,700	386,300

Compared to last week, steer and heifer calves and yearlings all sold in very uneven trends throughout the country, ranging in most cases from steady to 5.00 higher to 5.00 lower. Direct trade was mostly steady to 4.00 higher. Demand remains moderate to good across the country. Best demand continues to remain on the steer and heifer calves that buyers want to make yearlings out of continue to be the most sought after.

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

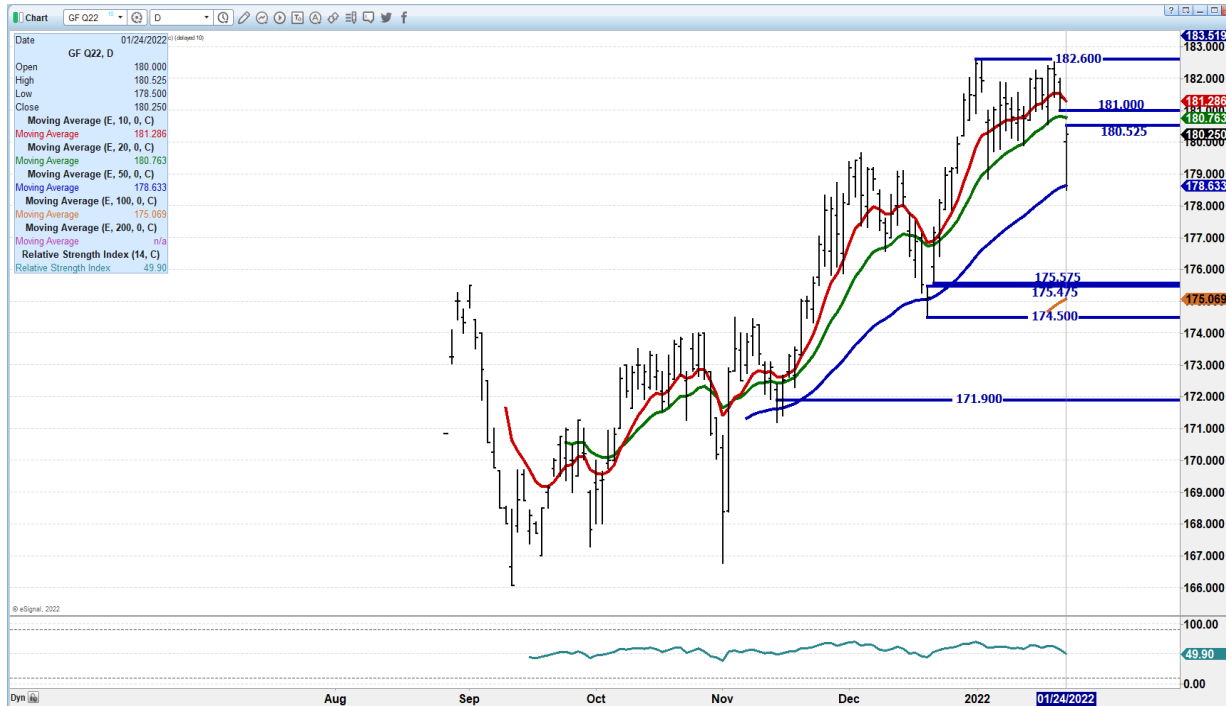
MAY FEEDER CATTLE – support at 168.70 to 165.70 Resistance at 172.00



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AUGUST 2022 FEEDER CATTLE - FOUND SUPPORT ON 50 DAY AVERAGE AT 178.62 NEXT SUPPORT AT 175.00 RESISTANCE AT 180.52 T 181.00 SELL AT 180.75 WITH SCO ABOVE 182.75



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 24, 2022	455,000
WEEK AGO	395,000
YEAR AGO	489,000

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CME CASH LEAN HOG INDEX 01/20/2021 AT \$77.51 UP .72 FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/21/2021 AT \$92.08 UP .82 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 01/21/2021 WAS 191.30 COMPARED TO 01/14/2021 WAS 183.34

CME PORK INDEX TO CME LEAN HOG INDEX plus 14.57

THE SPREAD BETWEEN THE CME LEAN HOG INDEX AND FEBRUARY 2022 LEAN HOGS IS \$8.81

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(The Index to cash usually narrows as prices converge closer to "delivery" or contract expiration. Currently the opposite is happening with futures moving over the Index.)

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Livestock Slaughter - JANUARY 20, 2022

December 2020 contained 23 weekdays (including 1 holiday) and 4 Saturdays.

December 2021 contained 23 weekdays (including 1 holiday) and 4 Saturdays

Pork production totaled 2.40 billion pounds, down 4 percent from the previous year. Hog slaughter totaled 11.1 million head, down 4 percent from December 2020. The average live weight was down 2 pounds from the previous year, at 292 pounds.

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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 24, 2022

LOADS OF PORK CUTS: 304.65

TRIM/PROCESSED PORK: 37.81

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/24/2022	342.46	95.66	95.59	100.04	64.12	154.02	70.22	160.06
CHANGE:		2.37	-0.14	4.16	7.77	4.97	-3.80	10.71
FIVE DAY AVERAGE --		92.77	93.19	92.33	57.05	154.84	72.60	152.44

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/21/2022	242.78	93.29	95.73	95.88	56.35	149.05	74.02	149.35
CHANGE:		1.05	-1.10	8.33	0.73	0.92	8.09	-10.07
FIVE DAY AVERAGE --		92.03	91.72	91.90	56.69	156.55	72.91	149.72

** 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, FRIDAY, JANUARY 21, 2022 AND SATURDAY, JANUARY 22, 2022

AVERAGE LIVE WEIGHT: 291.64

AVERAGE CARCASS 218.93

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PREVIOUS WEEK

SLAUGHTER DATA FOR, JANUARY 14 AND 15, 2022 PREVIOUS DAY

AVERAGE LIVE WEIGHT: 291.13

AVERAGE CARCASS 218.40

PREVIOUS YEAR

SLAUGHTER DATA FOR JANUARY 20, 2021

AVERAGE LIVE WEIGHT - 289.96

AVERAGE CARCASS - 217.49

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

DAILY DIRECT AFTERNOON HOG REPORT JANUARY 21, 2022

National Negotiated Carcass Price

Lowest price: 60.00

Highest price: 75.00

Weighted Average Price 65.69

Head Count: 4,065

From Previous day 3.00 higher

Other Market Formula (Carcass)

Lowest Base Price: 58.24

Highest base price: 104.25

Weighted Average Price: 88.98

Head Count: 73,248

Pork Market Formula (Carcass)

Lowest base price: 62.19

Highest Base Price: 88.05

Weighted Average Price: 77.17

Head Count: 210,303

Other Purchase Arrangement (Carcass)

Lowest base price: 64.02

Highest base price: 98.57

Weighted Average Price: 83.77

HEAD COUNT: 182,466

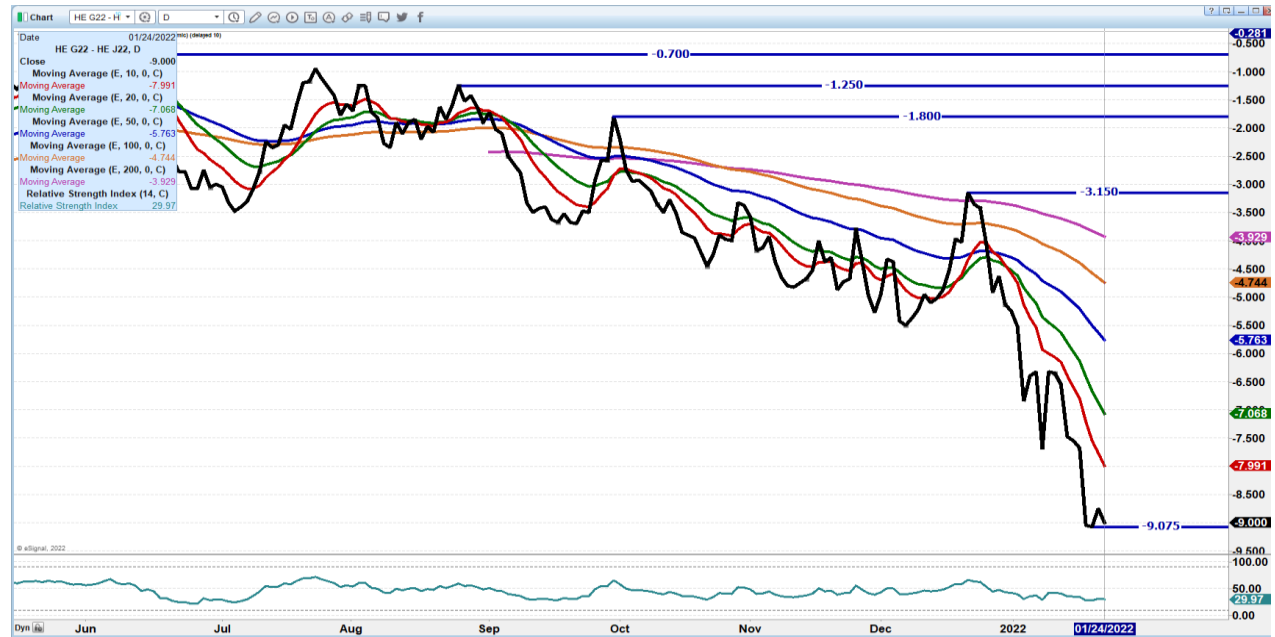
Total head bought 470,082

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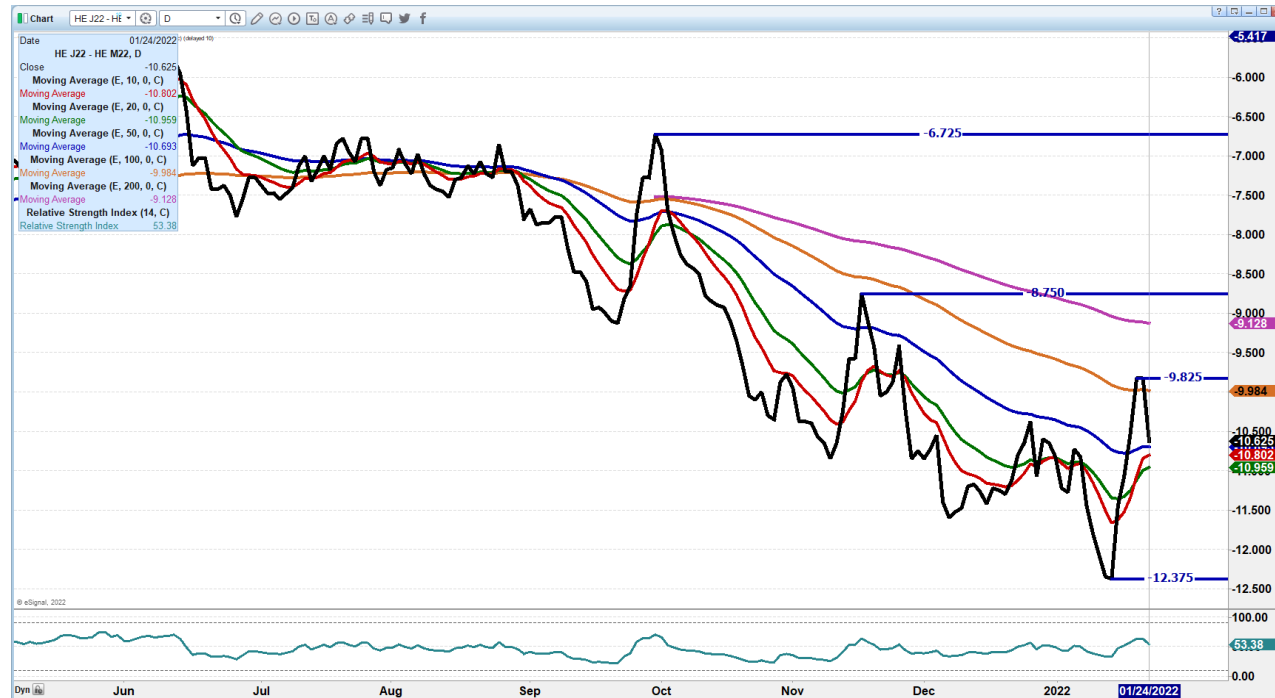
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FEBRUARY – APRIL 2022 LEAN HOG SPREAD – SPREAD IS BEAR SPREAD FEB HOGS BIG PREMIUM TO CME INDEX.



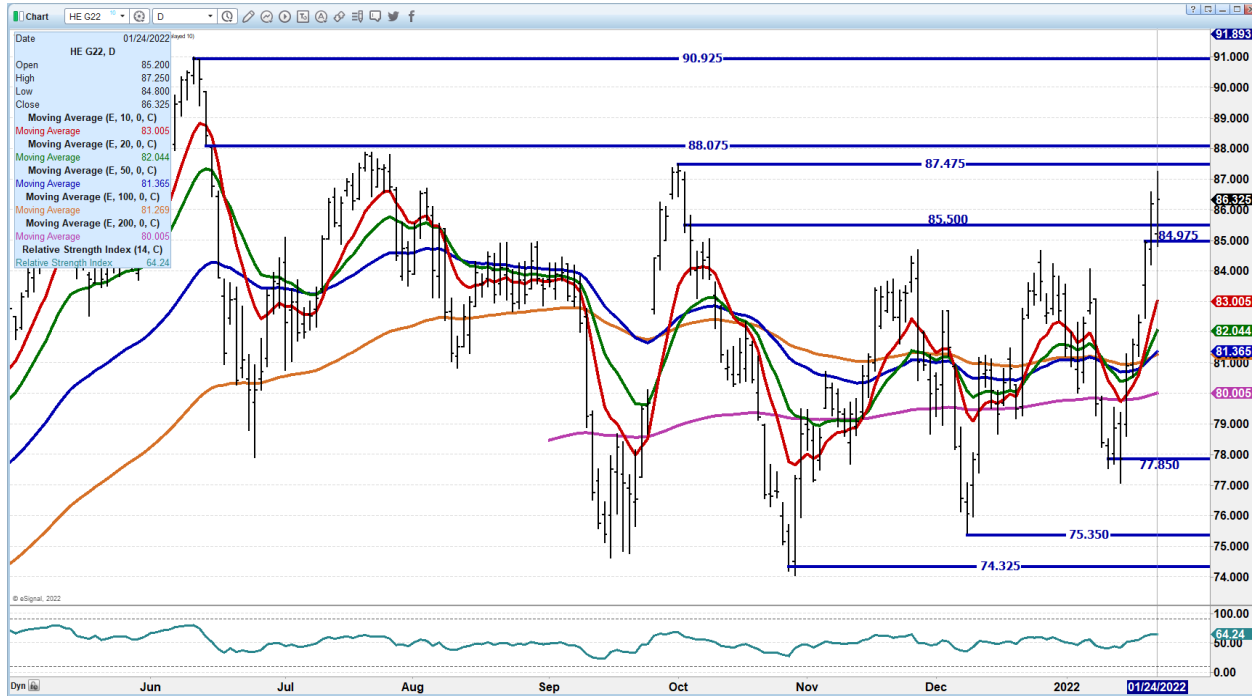
APRIL/JUNE 2022 LEAN HOG SPREAD - LOOK FOR SPREAD TO NARROW BUT NOT QUITE TIME TO PUT ON THE SPREAD.



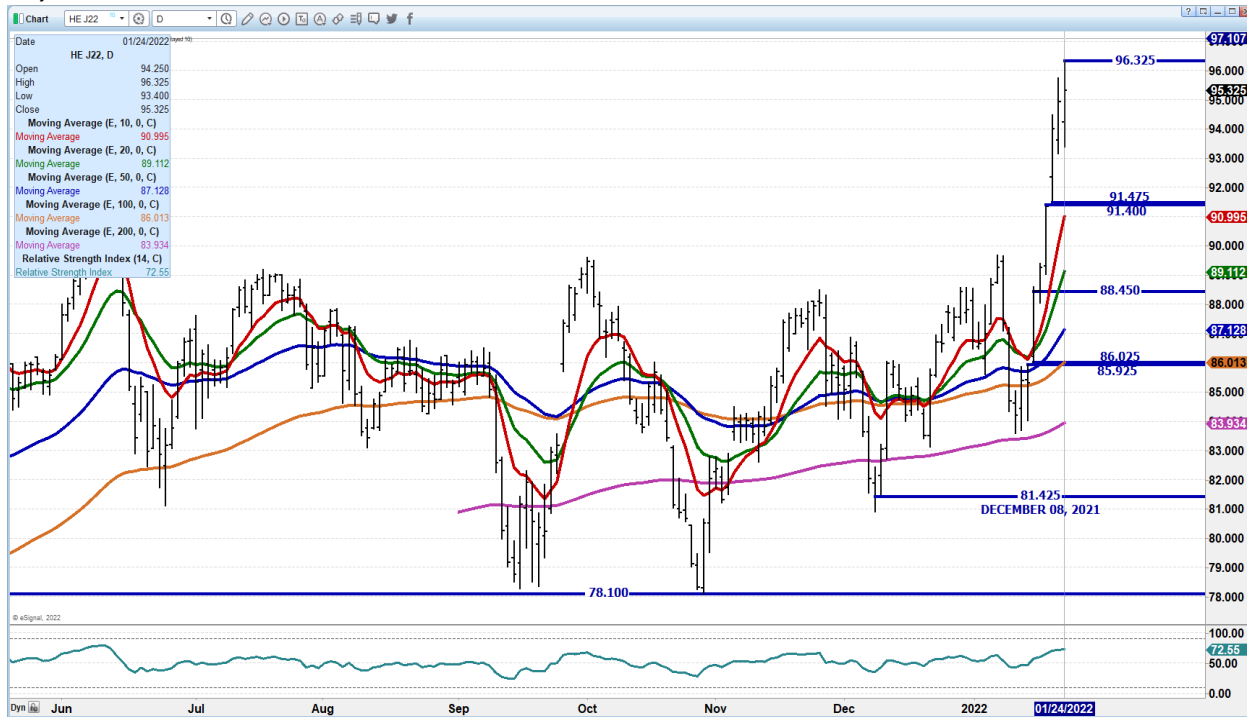
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**FEBRUARY 2022 LEAN HOGS - FEB IS \$8.81 PREMIUM TO CME LEAN HOG INDEX.
RESISTANCE AT 87.47 TO GAP AT 88.02 TO 88.07 SUPPORT AT 83.00**



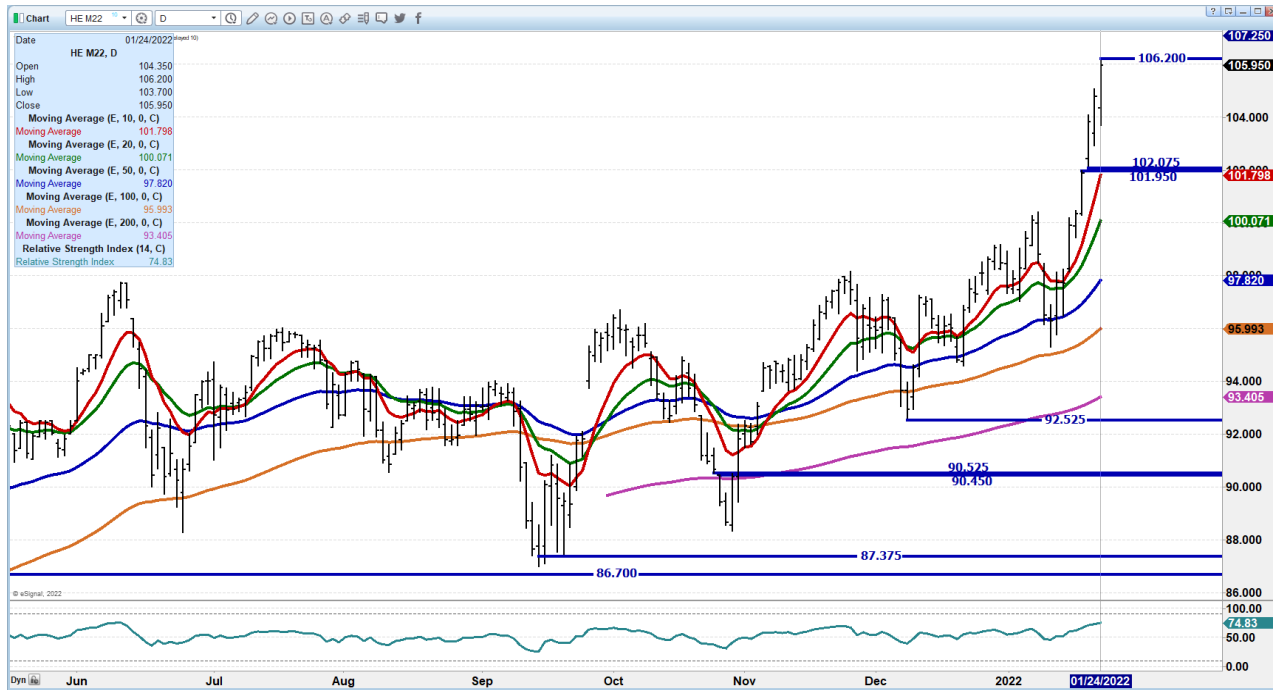
APRIL 2022 LEAN HOGS – RESISTANCE AT 6.32 SUPPORT AT 90.90 VOLUME ON MONDAY AT 21,828 RSI AT 72



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JUNE 2022 LEAN HOGS – RSI AT 73 VOLUME AT 15952 RESISTANCE AT 106.20 SUPPORT AT 101.75



COLD STORAGE – JANUARY 24, 2022

Total red meat supplies in freezers were up 1 percent from the previous month but down 6 percent from last year.

Total pounds of beef in freezers were up 3 percent from the previous month but down 6 percent from last year.

Frozen pork supplies were down 1 percent from the previous month and down 4 percent from last year.

Stocks of pork bellies were up 57 percent from last month and up 29 percent from last year.

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Beef prices in December were going down, so it is no wonder stocks went up. But year on year to see stocks down from a year ago was good news. With cattle slaughter up 1 percent from 2020 and live weight up 3 pounds, it showed beef was being moved instead of stored. But what was moving the most was boneless beef where beef cuts actually went up over the previous year. Expensive cuts were being stored.

Pork supplies down 1 percent from November and 4 percent down from a year ago when hog slaughter was down 4 percent was pretty much a match.

Pork bellies were being stored in December and prices correlated with the higher stocks. On December 1st fresh bellies were \$125.80/cwt and on December 31st, the price was down to \$99.54.

When you look at what beef cuts were being moved and not stored, it is slightly negative. Consumers wanted the cheaper cuts where the expensive beef cuts were being put in storage.

Pork storage is down which is good when exports for 2021 were down. Consumers are buying pork.

Doubtful the report will do much to either cattle or hogs. Now consumers are concerned with inflation and reports indicate that they are buying less expensive beef and more ground beef. As for pork, the current lower slaughter, and less pork available is friendly.

With cattle reacting on Monday to Friday's Cattle on Feed Report doubt this report will do much to cattle on Tuesday. Lean hogs should view it as friendly but recent move higher in pork and current premium of futures to cash hogs makes call on Tuesday steady and more dependent on current friendly cash pork prices.

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