

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING DECEMBER 1, 2021 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

NOVEMBER 30, 2021	122,000
WEEK AGO	122,000
YEAR AGO	122,000
WEEK TO DATE (EST)	243,000
SAME PERIOD LAST WEEK (EST)	244,000
SAME PERIOD LAST YEAR (ACT)	240,000

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BOXED BEEF FINAL	CHOICE	SELECT
CURRENT CUTOUT VALUES:	271.68	260.29
CHANGE FROM PRIOR DAY:	(5.90)	(1.73)
CHOICE/SELECT SPREAD:		11.39
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		199
5 DAY SIMPLE AVERAGE:	278.92	262.83

CME BOXED BEEF INDEX FOR 11/29/2021 WAS AT 274.43 UP .05 CENTS FROM PREVIOUS DAY

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FINAL NOVEMBER 30, 2021

PRIMAL RIB	457.30	400.99
PRIMAL CHUCK	224.82	221.34
PRIMAL ROUND	227.14	231.59
PRIMAL LOIN	331.58	307.64
PRIMAL BRISKET	286.86	288.66
PRIMAL SHORT PLATE	179.83	179.83
PRIMAL FLANK	143.31	145.36

FINAL NOVEMBER 29, 2021

PRIMAL RIB	479.43	401.12
PRIMAL CHUCK	227.32	222.03
PRIMAL ROUND	232.46	231.24
PRIMAL LOIN	336.16	313.56
PRIMAL BRISKET	289.95	289.63
PRIMAL SHORT PLATE	183.87	183.87
PRIMAL FLANK	144.36	145.00

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
11/29	51	19	6	6	82	277.58	262.02
11/26	20	9	12	10	50	280.01	262.28
11/24	73	37	5	15	129	279.11	263.47
11/23	118	26	11	38	193	278.64	262.67
11/22	68	37	9	10	124	279.25	263.73
11/19	53	29	10	12	103	278.41	263.83

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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	125.97 loads	5,038,933 pounds
Select Cuts	30.22 loads	1,208,868 pounds
Trimming	32.25 loads	1,290,033 pounds
Ground Beef	10.08 loads	403,119 pounds

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Tuesday grains and livestock got a big dose of selling. When something in a day happens that is good, it is referred to as a Red Letter Day. Tuesday, quote screens were covered in red negative prices and it wasn't a good day for longs.

It appears funds were liquidating longs Tuesday while hedgers used premiums offered in 2022 cattle and feeders to hedge.

Choice beef took a tumble Tuesday. Choice Rib sections fell close to \$20.00 and load volume was large. The spread between Choice and Select narrowed to \$11.39. Choice losing to Select on big volume with rib sections falling is not a positive indicator.

For most of Tuesday's trade, the trade volume for February cattle and February hogs was within a 100 contracts.

December cattle were lower because traders are said to be concerned about the Omicron COVID variant. Maybe a few are concerned but COVID hasn't hurt beef but the opposite. When packers closed because workers were getting sick wasn't good, but with the packing industry now having over 90% people vaccinated, shut downs are not very likely to take place.

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The latest COVID variant is shaking world equity markets. It is hard to say what it will do to livestock futures. Last Friday when news was first hitting the markets, cattle surged higher. Monday, as US equity markets were higher, Live Cattle futures turned lower. Global beef demand is strong and one of the reasons economists are so concerned about inflation. Next week December cattle deliveries begin.

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NOVEMBER 23, 2021 dressed steer and heifer weights were 892.1 pounds compared to previous week at 889.3 pounds up 7.2 pounds. Grading percent DROPPED to 80.0% down .7% compared to previous week at 80.7%.

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

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USDA POSTED SUMMARY CATTLE PRICES ON 11/30/2021

IA/MN – CASH – 135.00 - 139.00

DRESSED - 198.00 ON 61 HEAD AVERAGING 852 POUNDS

NE – CASH - NO REPORTABLE TRADE.

DRESSED – NO REPORTABLE TRADE.

KS – CASH - NO REPORTABLE TRADE

DRESSED – 218.00 ON 72 HEAD WEIGHING 985 POUNDS

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TX/OK/NM CASH – 138.00 ON 961 HEAD STEERS AVERAGING 1165 POUNDS, HEIFERS ON 240 HEAD
WEIGHED 1132 POUNDS
DRESSED– NO REPORTABLE TRADE.

CO – CASH - NO REPORTABLE TRADE
DRESSED - NO REPORTABLE TRADE.

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***National Daily Direct Cattle 11/30/21

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1480	\$138.03	56,784
Live Heifer:	1329	\$137.85	24,043
Dressed Steer:	955	\$216.05	8,129
Dressed Heifer:	861	\$216.22	4,070

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

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EXPERIENCING TECHNICAL ISSUES WITH CHARTS WEDNESDAY MORNING.

FEBRUARY 2022 LIVE CATTLE/FEBRUARY 2022 LEAN HOG SPREAD –
FEBRUARY 2022 / APRIL 2022 LIVE CATTLE SPREAD –
DECEMBER 2021 LIVE CATTLE –
FEBRUARY 2021 LIVE CATTLE -
APRIL 2022 LIVE CATTLE –

Feeder Cattle

CME FEEDER INDEX ON 11/29/2021 WAS 162.46 UP \$1.17 FROM PREVIOUS DAY -

JANUARY 2022 FEEDER CATTLE FUTURES SETTLED ON NOVEMBER 30, 2021 AT \$164.85

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JANUARY 2022 FEEDER CATTLE FUTURES TO CME FEEDER INDEX - THE INDEX IS \$2.39 UNDER
JANUARY FUTURES.

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 11/27/2021

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	82,400	10,200	1,200	93,800
LAST WEEK:	273,100	20,700	30,800	324,600
YEAR AGO:	112,300	35,300	1,600	149,200

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STEERS AND HEIFERS WERE LIGHTLY TESTED ON A NATIONAL BASIS THIS WEEK DUE REDUCED RECEIPTS ON ACCOUNT OF THE THANKSGIVING DAY HOLIDAY WEEK. DEMAND WAS REPORTED AS GOOD AT THOSE SALES THAT DID OCCUR LAST WEEK.

[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/SJ_LS850.TXT](https://www.ams.usda.gov/mnreports/SJ_LS850.TXT)

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TECHNICAL ISSUES WITH CHARTS WEDNESDAY MORNING.

JANUARY 2022 FEEDER CATTLE –
MARCH 2022 FEEDER CATTLE -

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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

NOVEMBER 30, 2021	480,000
WEEK AGO	480,000
YEAR AGO	488,000
WEEK TO DATE (EST)	963,000
SAME PERIOD LAST WEEK (EST)	955,000
SAME PERIOD LAST YEAR (ACT)	984,000

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CME CASH LEAN HOG INDEX 11/26/2021 AT \$70.60 DOWN 1.03 FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 11/29/2021 AT \$85.69 DOWN 20 CENTS FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 11/26/2021 WAS 157.92 COMPARED TO 11/19/2021 WAS 179.59

CME PORK INDEX TO CME LEAN HOG INDEX plus 15.09

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The CME Lean Hog Index is \$70.60. December Lean Hogs closed at \$73.37 and February hogs closed at \$79.97. The average weighted cash hog price is \$55.15. Formula hog prices are dropping as low base price declines.

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Pork carcass Tuesday morning was stronger with loins, butts and bellies substantially higher and ribs and hams slightly higher. By the afternoon, loins reversed and dropped 2.48 and hams lost 4.82. Bigger than usual movement of trimmings probably for fabricated products like pressed ham or the sausage market.

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California's - Farm Animal Confinement Initiative - Proposition 12

As of January 2022 the "Farm Animal Confinement Initiative - Proposition 12" will go into effect. Several livestock, poultry and dairy associations are trying to stop it. Several large users from McDonalds and Walmart are backing the proposal

As of November 29, 2021 Proposition 12 is expected to be enacted.

<https://www.poultryworld.net/Eggs/Articles/2021/11/Cage-free-US-egg-industry-sooner-rather-than-later-824443E/>

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Pork exports were too low last week. Net sales at 17,500 tons. They needed this week to be at the very least 25,000 to 30,000 metric. China actually cancelled as did several countries. Mexico did buy 11,300 metric tons

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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

NOVEMBER 30, 2021

LOADS OF PORK CUTS: 378.87

TRIM/PROCESSED PORK: 61.27

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/30/2021	440.14	86.70	82.42	101.33	69.63	136.44	65.18	131.56
CHANGE:		-1.01	-2.48	3.26	-1.73	0.88	-4.82	3.87
FIVE DAY AVERAGE --		85.66	81.68	97.95	66.75	135.45	69.24	125.12

NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/30/2021	215.28	89.53	86.96	105.11	67.99	136.51	70.44	132.68
CHANGE:		1.82	2.06	7.04	-3.37	0.95	0.44	4.99
FIVE DAY AVERAGE --		86.22	82.59	98.71	66.42	135.47	70.29	125.35

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FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
11/29/2021	335.31	87.71	84.90	98.07	71.36	135.56	70.00	127.69
CHANGE:		3.73	2.59	1.96	2.32	0.19	7.05	4.11
FIVE DAY AVERAGE --		85.57	82.43	97.04	66.76	135.64	70.73	122.06

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 November 29, 2021

Average live weight: 289.46

Average carcass 216.57

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

DAILY DIRECT AFTERNOON HOG REPORT NOVEMBER 20, 2021

National Negotiated Carcass Price

Lowest price: 53.00

Highest price: 60.00

Weighted Average Price 56.60

Head Count: 7,160

From Previous day 1.45 higher

Other Market Formula (Carcass)

Lowest Base Price: 54.63

Highest base price: 81.57

Weighted Average Price: 69.81

Head Count: 39,664

Pork Market Formula (Carcass)

Lowest base price: 54.63

Highest Base Price: 81.57

Weighted Average Price: 69.81

Head Count: 143,095

Other Purchase Arrangement (Carcass)

Lowest base price: 63.84

Highest base price: 123.63

Weighted Average Price: 76.13

HEAD COUNT: 68,130

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TECHNICAL ISSUES WITH CHARTS WEDNESDAY MORNING.

FEBRUARY 2022 CATTLE/HOG SPREAD IN CATTLE SECTION – CHECK IT OUT

FEBRUARY/APRIL 2022 LEAN HOG SPREAD. –

DECEMBER 2021 LEAN HOGS –

FEBRUARY 2022 LEAN HOGS -

JUNE 2022 LEAN HOGS –

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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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