

## Daily Futures Market Commentary Livestock Outlook

### FRIDAY MORNING DECEMBER 17, 2021 LIVESTOCK REPORT

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#### CATTLE

##### USDA FEDERAL CATTLE SLAUGHTER

DECEMBER 16 , 2021	122,000
WEEK AGO	122,000
YEAR AGO	113,000
WEEK TO DATE (EST)	479,000
SAME PERIOD LAST WEEK (EST)	489,000
SAME PERIOD LAST YEAR (ACT )	469,000

**\*\*REVISED WEDNESDAY CATTLE SLAUGHTER..113,000 PREVIOUS ESTIMATE 120,000**

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<b>BOXED BEEF FINAL</b>	<b>CHOICE</b>	<b>SELECT</b>
<b>CURRENT CUTOUT VALUES:</b>	<b>262.97</b>	<b>248.14</b>
<b>CHANGE FROM PRIOR DAY:</b>	<b>2.71</b>	<b>0.69</b>
<b>CHOICE/SELECT SPREAD:</b>	<b>14.83</b>	
<b>TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)</b>	<b>140</b>	
<b>5 DAY SIMPLE AVERAGE:</b>	<b>262.66</b>	<b>250.76</b>

**CME BOXED BEEF INDEX FOR 12/15/2021 WAS AT 259.56 DOWN 1.26 FROM PREVIOUS DAY**

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**FINAL DECEMBER 16, 2021**

PRIMAL RIB	438.07	381.91
PRIMAL CHUCK	210.91	206.12
PRIMAL ROUND	216.15	214.99
PRIMAL LOIN	330.95	304.98
PRIMAL BRISKET	281.94	261.00
PRIMAL SHORT PLATE	183.48	183.48
PRIMAL FLANK	148.30	142.54

**FINAL DECEMBER 15, 2021**

PRIMAL RIB	432.91	378.10
PRIMAL CHUCK	211.24	207.67
PRIMAL ROUND	211.08	209.90
PRIMAL LOIN	326.15	304.54
PRIMAL BRISKET	283.71	271.22
PRIMAL SHORT PLATE	183.53	183.53
PRIMAL FLANK	143.56	142.84

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**LOAD COUNT AND CUTOUT VALUE SUMMARY**

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
12/15	88	36	7	42	174	260.26	247.45
12/14	83	28	18	18	146	260.72	248.80
12/13	63	27	12	26	127	263.22	253.64
12/10	35	11	16	13	75	264.54	252.24
12/09	114	21	6	64	204	264.55	251.68

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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	89.35 loads	3,573,976 pounds
Select Cuts	27.79 loads	1,111,642 pounds
Trimming	4.12 loads	164,653 pounds
Ground Beef	18.90 loads	755,847 pounds

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**DECEMBER 2021 LIVESTOCK REPORTS****DECEMBER 22, 2021 COLD STORAGE REPORT- 2:00PM CENTRAL TIME****DECEMBER 23, 2021 – CATTLE ON FEED REPORT - 2:00PM CENTRAL TIME****DECEMBER 23, 2021 – HOGS AND PIGS REPORT - 2:00PM CENTRAL TIME**

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**DELIVERY NOTICE SERVED – DECEMBER 2021 - LIVE CATTLE**

**SETTLEMENT: DECEMBER 16, 2021 - \$135.27**

**OLDEST LONG: 11/17/20 SETTLEMENT AT \$117.47**

#### **NO DELEIVERIES**

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Wednesday was the first “storm market” of the winter although winter doesn’t officially begin until December 21, 2021. The wind storm that moved across the Plains and Midwest on Wednesday stopped feedlots from loading cattle and hogs and made trucking cattle and hogs to the plants and beef and pork out. It will be interesting to see if packers increase Friday and Saturday slaughter. Daily beef prices increased Thursday on moderate movement. The jump in prices was due to packers short daily supplies as they first fulfilled previously contracted beef orders. Packers have leaned not to let a penny get away from them.

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Beef net exports sales of 17,100 metric tons were just mediocre and about 8,000 metric tons less than where they need to be.

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So far, packers are buying cattle \$2.00 and \$3.00 lower this week. Feedlots on a lower market look to be falling right into their hands and keeping cattle off the market and keeping them to after the first of the year.

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It is likely that movement of Ground Beef and the cheap Select cuts will see more movement. With cow kill already big, fast food restaurants might have to pick up cheaper US beef. Ground beef movement has been increasing the number of loads. It may be consumers buying cheaper meat due to inflation or could be the US is importing less beef.

It was announced Wednesday that China is resuming imports of boneless Brazilian beef.

<https://www.reuters.com/markets/asia/china-resumes-imports-boneless-brazilian-beef-customs-2021-12-15/>

Brazil selling beef again to China shouldn’t have much affect on what China buys from the US. China buys mainly prime and Choice beef from the US and has been taking offal with it. Beef going exports from Brazil to most countries is not Choice beef but lower grade beef and the beef from Brazil to the US is the same used mainly for the fast food industry.

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**DECEMBER 14, 2021** dressed steer and heifer weights were 898.8 pounds compared to previous week at 892.3 pounds up 6.5 pounds.

The grading percent also was up at 81.3 percent compared to a week ago at 81.2 percent.

[https://www.ams.usda.gov/mnreports/ams\\_2700.pdf](https://www.ams.usda.gov/mnreports/ams_2700.pdf)

**2021 with dry and warmer weather has allowed good feed conversions. It is a reason for increasing weights but it also has to do with packers are controlling the number of cattle needed. With**

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contracting cattle and beef, packers know what they need and have cattle placed and meat sold. They don't have to drive around the country knocking on doors.

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**USDA POSTED SUMMARY CATTLE PRICES ON 12/16/2021**

**IA/MN – CASH – 137.00 - 139.00 LIGHT SALES  
DRESSED - 218.00 - 219.00 DOWN FROM 222.00 WEDNESDAY**

**NE – CASH - 16 HEIFERS AT 140.00  
DRESSED – 218.00 - 220.00**

**KS – CASH - 136.00 ON 754 HEAD  
DRESSED – NO REPORTABLE TRADE.**

**TX/OK/NM CASH – 136.00 – ON 87 STEERS AND 138.00 ON 73 HEIFERS  
DRESSED– NO REPORTABLE TRADE.**

**CO – CASH - 136.00 ON 36 HEIFERS  
DRESSED - NO REPORTABLE TRADE.**

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**\*\*\*National Daily Direct Cattle 12/16/21**

**5 day accumulated weighted avg**

	Weight	Price	Head
Live Steer:	1471	\$138.17	23,918
Live Heifer:	1336	\$138.57	11,994
Dressed Steer:	949	\$219.17	20,822
Dressed Heifer:	855	\$219.33	6,896

**Previous week**

**\*\*\*National Daily Direct Cattle 12/10/21**

**5 day accumulated weighted avg**

	Weight	Price	Head
Live Steer:	1490	\$139.65	23,323
Live Heifer:	1329	\$139.66	11,920
Dressed Steer:	957	\$219.76	14,859
Dressed Heifer:	869	\$219.99	4,257

[https://www.ams.usda.gov/mnreports/nw\\_ls410.txt](https://www.ams.usda.gov/mnreports/nw_ls410.txt)

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**There will be no charts Friday. I am unable to open my charts**

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

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## **Feeder Cattle**

CME FEEDER INDEX ON 12/15/2021 WAS 161.08 DOWN 69 CENTS FROM PREVIOUS DAY -

JANUARY 2022 FEEDER CATTLE FUTURES SETTLED ON DECEMBER 16, 2021 AT \$162.57

JANUARY 2022 FEEDER CATTLE FUTURES TO CME FEEDER INDEX - THE INDEX IS 1.49 UNDER  
JANUARY FUTURES.

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**THERE WILL BE NO CHARTS FRIDAY. I AM UNABLE TO OPEN MY CHARTS**

JANUARY 2022 FEEDER CATTLE –  
MARCH 2022 FEEDER CATTLE -

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## **LEAN HOGS**

### **USDA ESTIMATED FEDERAL HOG SLAUGHTER**

DECEMBER 16, 2021	463,000
WEEK AGO	473,000
YEAR AGO	469,000
WEEK TO DATE (EST)	1,843,000
SAME PERIOD LAST WEEK (EST)	1,869,000
SAME PERIOD LAST YEAR (ACT )	1,939,000

**\*\*REVISED WEDNESDAY HOG SLAUGHTER..437,000\*\* PREVIOUS ESTIMATE 470,000**

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CME CASH LEAN HOG INDEX 12/14/2021 AT \$72.30 UP 20 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 12/15/2021 AT \$86.64 DOWN 71 CENTS FROM PREVIOUS DAY

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CME CASH FRESH BACON INDEX ON 12/10/2021 WAS 169.79 COMPARED TO 12/03/2021 WAS 166.59

CME PORK INDEX TO CME LEAN HOG INDEX plus 14.34

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Traders didn't seem bothered that China increased tariffs on pork. Of course, exports to China have dropped in 2021 and traders have already taken it into account exports to China will be poor in 2022.

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Trade volume on lean hogs was light again on Thursday. Volume for February was 11,457, April was 3,380 and June 2,305.

December 2021 Hogs went off the board at \$72.30 and February settled Thursday at \$80.35.

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For the small amount of pork packers are selling on the daily market, they could save some money and work the sales department a half a day. Thursday the total movement was just 327 loads.

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#### CHINA TO LEVY HIGHER TARIFFS ON PORK IMPORTS IN 2022 AMID SUPPLY GLUT

[HTTPS://WWW.REUTERS.COM/MARKETS/COMMODITIES/CHINA-LEVY-HIGHER-TARIFFS-PORK-IMPORTS-2022-AMID-SUPPLY-GLUT-2021-12-15/](https://www.reuters.com/markets/commodities/china-levy-higher-tariffs-pork-imports-2022-amid-supply-glut-2021-12-15/)

It was only a matter of time when it would happen.

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Pork net sales of 31,100 metric tons were good with Mexico the largest buyer. For the second week China cancelled exports and along with new tariffs, market probably will be disappointed on both reasons. At least the US can count on Mexico.

Next week and the week after will short slaughter weeks. It will be interesting to see if packers even try to push kill on days they are open.

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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 16, 2021

LOADS OF PORK CUTS: **296.28**

TRIM/PROCESSED PORK: **31.26**

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FINAL DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/16/2021	327.54	91.49	79.44	104.87	70.32	140.77	90.41	124.73
CHANGE:		3.66	2.51	5.09	7.58	0.37	10.04	-6.29
FIVE DAY AVERAGE --		87.60	77.51	102.99	65.78	138.97	75.09	133.15

FINAL DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
12/15/2021	260.30	87.83	76.93	99.78	62.74	140.40	80.37	131.02
CHANGE:		2.35	1.38	-3.40	-2.15	1.95	12.34	-4.47
FIVE DAY AVERAGE --		86.70	78.50	102.23	63.61	138.08	71.00	134.58

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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 December 15, 2021

Average live weight: 288.09

Average carcass 215.74

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

#### DAILY DIRECT AFTERNOON HOG REPORT DECEMBER 16, 2021

National Negotiated Carcass Price

Lowest price: 56.00

Highest price: 66.00

Weighted Average Price 60.09

Head Count: 4,614

From Previous day 0.98 lower

#### Other Market Formula (Carcass)

Lowest Base Price: 64.60

Highest base price: 88.97

Weighted Average Price: 77.80

Head Count: 60,227

#### Pork Market Formula (Carcass)

Lowest base price: 58.41

Highest Base Price: 81.68

Weighted Average Price: 72.27

Head Count: 150,923

#### Other Purchase Arrangement (Carcass)

Lowest base price: 66.47

Highest base price: 96.59

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Weighted Average Price: 77.94  
HEAD COUNT: 56,222

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FEBRUARY/APRIL 2022 LEAN HOG SPREAD. –  
APRIL/JUNE 2022 LEAN HOGS -  
FEBRUARY 2022 LEAN HOGS -  
APRIL 2022 LEAN HOGS –  
JUNE 2022 LEAN HOGS –

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**BEEF: NET SALES OF 17,100 MT FOR 2021 WERE UP NOTICEABLY FROM THE PREVIOUS WEEK, BUT DOWN 3 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR JAPAN (4,700 MT, INCLUDING DECREASES OF 300 MT), SOUTH KOREA (4,500 MT, INCLUDING DECREASES OF 600 MT), CHINA (3,700 MT, INCLUDING DECREASES OF 100 MT), CANADA (1,400 MT, INCLUDING DECREASES OF 100 MT), AND TAIWAN (800 MT, INCLUDING DECREASES OF 300 MT), WERE OFFSET BY REDUCTIONS FOR VIETNAM (200 MT). NET SALES OF 5,700 MT FOR 2022 WERE PRIMARILY FOR CHINA (1,500 MT), SOUTH KOREA (1,400 MT), JAPAN (1,000 MT), AND MEXICO (900 MT). EXPORTS OF 18,500 MT WERE UP 11 PERCENT FROM THE PREVIOUS WEEK AND 6 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO SOUTH KOREA (5,200 MT), JAPAN (4,400 MT), CHINA (3,000 MT), CANADA (1,700 MT), AND TAIWAN (1,600 MT).**

**PORK: NET SALES OF 31,100 MT FOR 2021 WERE UP 58 PERCENT FROM THE PREVIOUS WEEK AND 20 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES PRIMARILY FOR MEXICO (22,700 MT, INCLUDING DECREASES OF 600 MT), CANADA (2,700 MT, INCLUDING DECREASES OF 400 MT), JAPAN (2,100 MT, INCLUDING DECREASES OF 500 MT), SOUTH KOREA (1,800 MT, INCLUDING DECREASES OF 1,100 MT), AND COLOMBIA (1,300 MT, INCLUDING DECREASES OF 400 MT), WERE OFFSET BY REDUCTIONS FOR CHINA (700 MT), AUSTRALIA (600 MT), AND NICARAGUA (200 MT). NET SALES OF 5,800 MT FOR 2022 WERE PRIMARILY FOR MEXICO (2,500 MT), JAPAN (800 MT), CHINA (700 MT), AUSTRALIA (500 MT), AND COLOMBIA (500 MT). EXPORTS OF 30,100 MT WERE DOWN 10 PERCENT FROM THE PREVIOUS WEEK AND FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (14,500 MT), CHINA (4,200 MT), JAPAN (3,200 MT), SOUTH KOREA (2,800 MT), AND CANADA (1,700 MT).**

**CHARTS FROM ESIGNAL INTERACTIVE, INC.**

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