



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

THURSDAY MORNING JANUARY 20, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JANUARY 19, 2022	115,000
WEEK AGO	114,000
YEAR AGO	121,000
WEEK TO DATE (EST)	345,000
SAME PERIOD LAST WEEK (EST)	341,000
SAME PERIOD LAST YEAR (ACT)	351,000

BOXED BEEF FINAL	CHOICE	SELECT
CURRENT CUTOUT VALUES:	291.60	280.43
CHANGE FROM PRIOR DAY:	2.11	2.04
CHOICE/SELECT SPREAD:		11.17
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		115
5 DAY SIMPLE AVERAGE:	284.89	274.63

CME BOXED BEEF INDEX FOR 01/18/2021 WAS AT 282.49 UP 2.36 FROM PREVIOUS DAY

FINAL JANUARY 19, 2022

PRIMAL RIB	417.49	392.13
PRIMAL CHUCK	252.60	248.11
PRIMAL ROUND	244.97	244.32
PRIMAL LOIN	379.43	351.22
PRIMAL BRISKET	287.67	271.19

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PRIMAL SHORT PLATE	201.02	201.02
PRIMAL FLANK	159.26	159.49

FINAL JANUARY 18, 2022

PRIMAL RIB	415.81	386.11
PRIMAL CHUCK	251.68	247.70
PRIMAL ROUND	241.52	242.59
PRIMAL LOIN	375.64	349.50
PRIMAL BRISKET	288.73	265.15
PRIMAL SHORT PLATE	198.31	198.31
PRIMAL FLANK	161.14	159.72

LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
01/18	68	17	12	26	124	289.49	278.39
01/17	62	23	8	14	108	287.86	277.05
01/14	48	16	11	11	86	284.31	273.97
01/13	63	13	28	23	127	282.86	272.76
01/12	94	19	17	22	152	279.93	270.98
01/11	91	19	10	30	150	278.22	268.63

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	64.28 loads	2,571,072 pounds
Select Cuts	17.30 loads	692,152 pounds
Trimming	10.96 loads	438,388 pounds
Ground Beef	22.88 loads	915,122 pounds

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

**December cattle placements seen up 2.6% from year ago -analysts - Reuters News
CATTLE ON FEED ESTIMATES FOR JANUARY 21, 2022**

	Range	Average	Mln head
On feed January 1	99.5-100.1	99.8	11.943
Placements in December	100-105	102.6	1.892
Marketings in December	100-102.1	100.8	1.868

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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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U.S. RETAIL MEAT SALES REMAIN STRONG

“...One of the biggest stories of 2020 was the significant increase in sales of ground meat, and that continued in 2021. Data from 210 Analytics shows ground beef sales generated \$11.3 billion in 2021 – nearly 86% of all grind dollars...”

“...smaller, ground chicken and pork managed year-over-year increases in sales as consumers are exploring different ground options...”

<https://www.porkbusiness.com/news/industry/us-retail-meat-sales-remain-strong>

Consumers are fighting high cost of beef and buying lower grade beef and cheaper meat like ground beef. Tuesday morning ground beef made up over 27% of the load movement. By the afternoon combined trimmings and ground beef 36.95 loads or over 30% of total movement.

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Boxed beef prices are increasing on lighter slaughter.

This week traders will be focusing on slaughter and if lower slaughter is backing up cattle.

Also this week, traders will be waiting to see what exports do. Bulls need to see much better exports.

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*****National Daily Direct Cattle 01/19/22**
5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1482	\$137.79	23,496
Live Heifer:	1359	\$136.88	10,673
Dressed Steer:	967	\$217.96	18,074
Dressed Heifer:	866	\$217.94	6,407

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 01/19/2021

IA/MN – CASH – 137.00 - 137.00
DRESSED - 217.00 - 218.00

NE – CASH - 137.00
DRESSED – 218.00

KS – CASH - 136.00 - 137.00
DRESSED – NO REPORTABLE TRADE ON WEDNESDAY

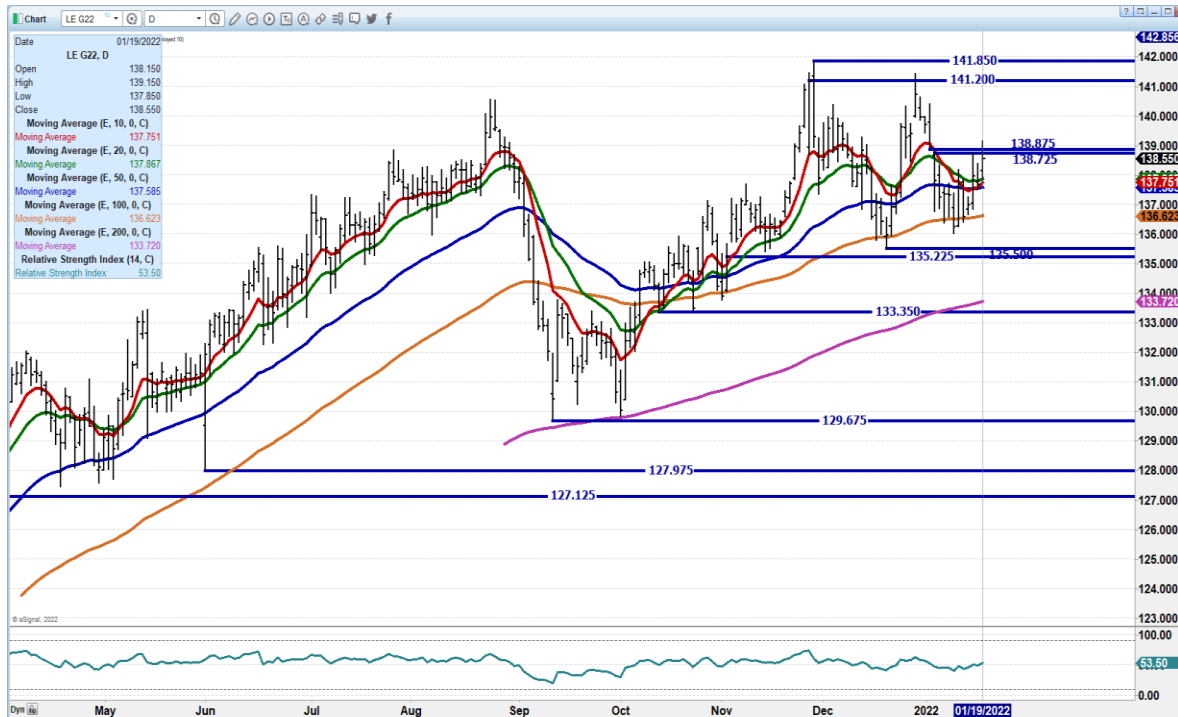
TX/OK/NM CASH – 137.00 ON 7,050 TOTAL HEAD SOLD FOR THE WEEK
DRESSED– NO REPORTABLE TRADE.

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

FEBRUARY/APRIL 2022 LIVE CATTLE SPREAD - Bear spread



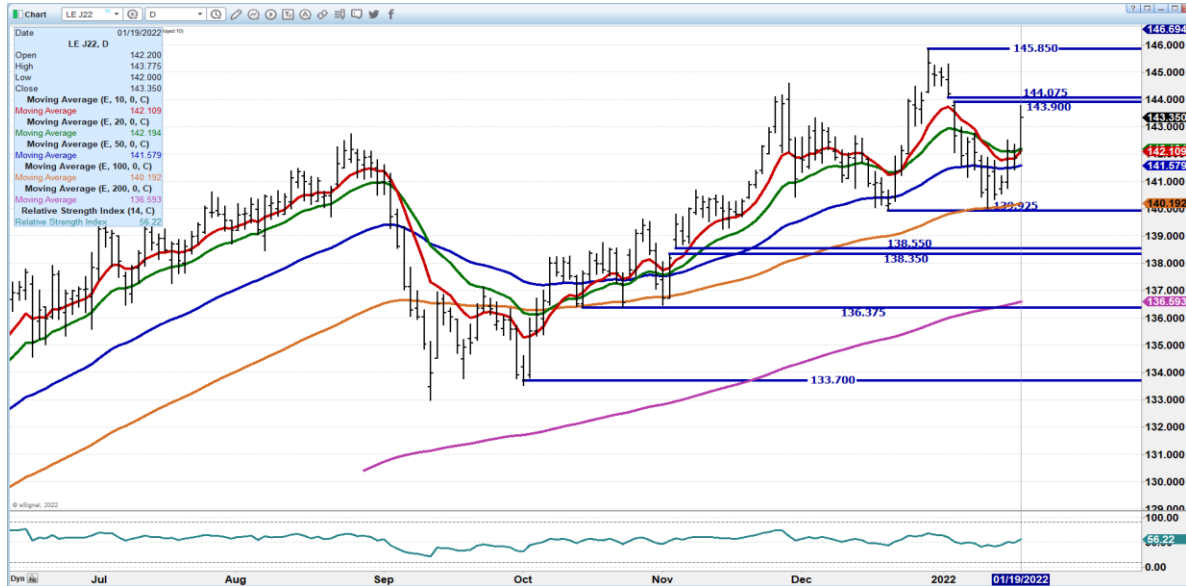
FEBRUARY 2021 LIVE CATTLE - volume at 13298 Resistance at 139.15 to 140.00 Support at 137.75



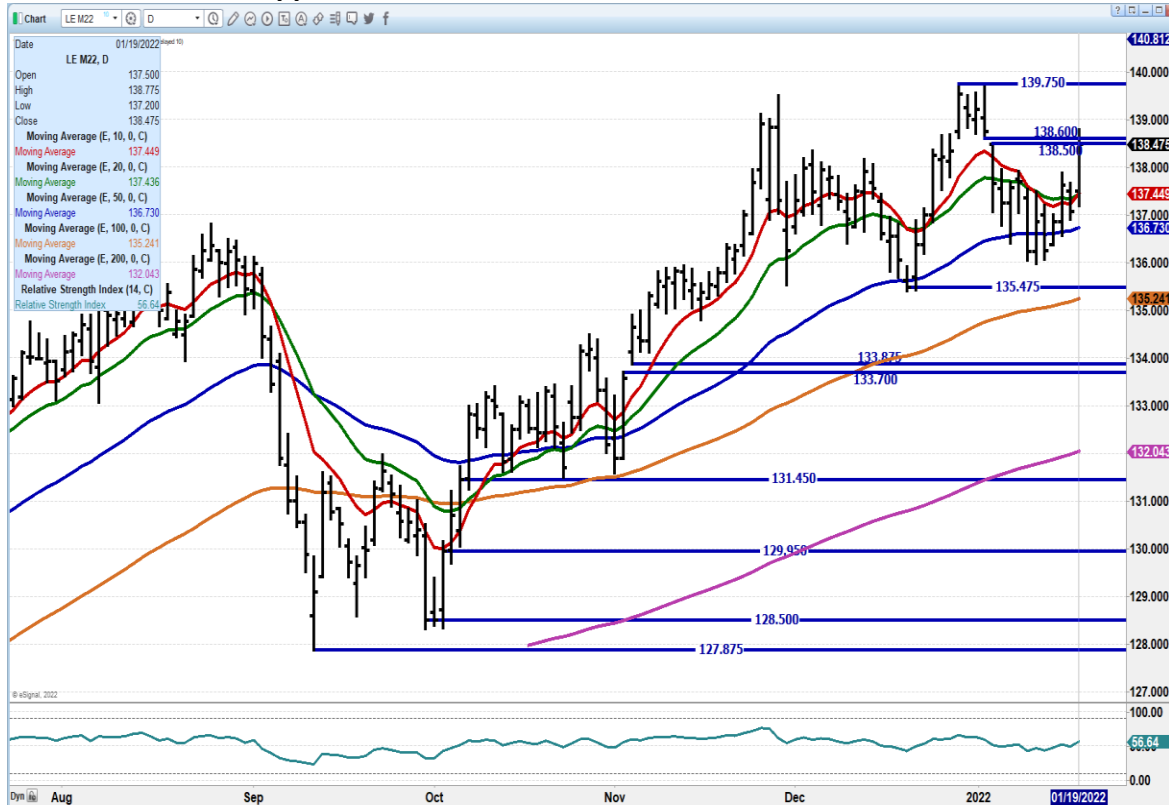
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APRIL 2022 LIVE CATTLE - volume at 27802 Resistance at 144.07 Support at 142.10 to 140.20



JUNE 2022 LIVE CATTLE – volume at 13506 Filled gap and closed below it Resistance at 138.80 to 139.75 Support at 137.45 to 136.70



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Feeder Cattle

CME FEEDER INDEX ON 01/18/2021 WAS 161.24 DOWN 12 CENTS FROM PREVIOUS DAY –

JANUARY 2022 FEEDER CATTLE FUTURES SETTLED ON JANUARY 19, 2022 AT \$161.40

JANUARY 2022 FEEDER CATTLE FUTURES TO CME FEEDER INDEX - THE CME FEEDER INDEX IS 16 CENTS UNDER JANUARY FUTURES.

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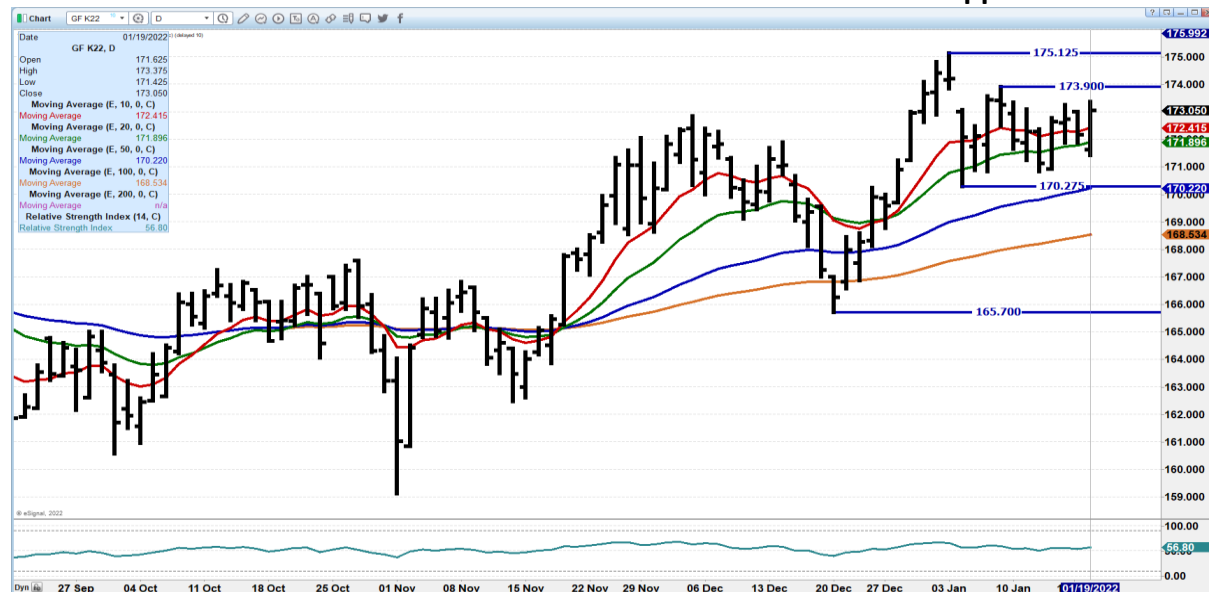
NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 01/15/2022

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	349,300	20,800	210,100	580,200
Last Week:	281,300	15,600	16,000	312,900
Year Ago:	313,400	63,800	157,300	534,500

Compared to last week, steers and heifers in the Southeast and calves suitable for grazing in the North and South Central regions traded 1.00 to 3.00 higher, while heavier calves and yearlings in the Northern and Southern Plains sold steady to 3.00 lower. Demand varied from moderate to very good nationwide this week as good demand remains for all weights of steers and heifers. Cattle feeders were not willing to chase the market as the cash fed cattle market and the Live Cattle futures, have trouble holding at the 140.00 level.

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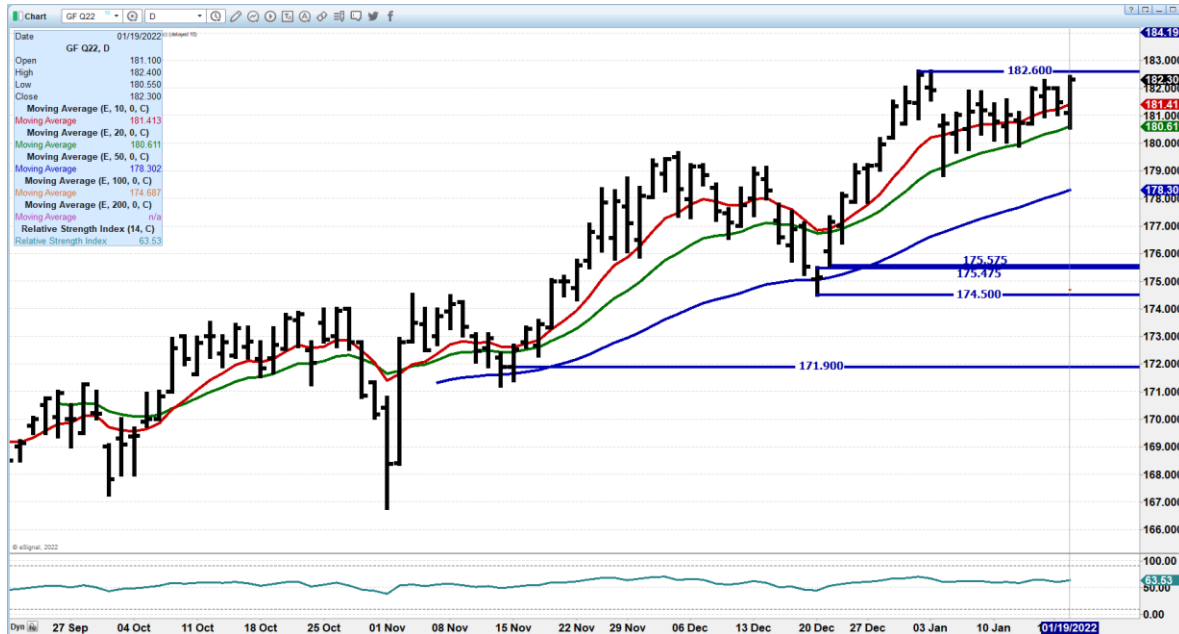
MAY FEEDER CATTLE – IN A SIDEWAYS TRADE Resistance at 173.90 Support at 170.20



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AUGUST 2022 FEEDER CATTLE - RESISTANCE AT 182.60 SUPPORT AT 180.60



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 19, 2022	457,000
WEEK AGO	433,000
YEAR AGO	500,000
WEEK TO DATE (EST)	1,320,000
SAME PERIOD LAST WEEK (EST)	1,334,000
SAME PERIOD LAST YEAR (ACT)	1,419,000

CME CASH LEAN HOG INDEX 01/17/2021 AT \$ 76.78 UP .88 FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/18/2021 AT \$89.50 UP 1.48 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 01/14/2021 WAS 183.34 COMPARED TO 01/07/2021 WAS 178.13

CME PORK INDEX TO CME LEAN HOG INDEX plus 12.72

THE SPREAD BETWEEN THE CME PORK INDEX AND FEBRUARY 2022 LEAN HOGS IS \$ MINUS \$5.52

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So far, there hasn't been a big change in weights.

****Tables below**

A year ago, daily slaughter was 500,000 head. Wednesday January 19, slaughter was 457,000 head. Comparing weights in 2022 to 2021 dressed weights this year were up 1.52 pounds but considering a year ago there were 43,000 more hogs killed. Like cattle, unless packers are taking the contracted hogs and their own captive supplies before hogs on the open market, it doesn't appear there is a significant change in weights. It is possible there could be a time when a mass of showlist hogs show up but reports at this time do not indicate it.

Spreading was obvious Wednesday. From April into 2023 traders were buying April and using June on out as a short leg. Time and time since August 2021 went off the board, trade drops long and keeps the short leg. The small kill has been positive for pork. For the few producers selling on the open market, they better hope it is a lack of hogs ready for slaughter versus packers backing up hogs.

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Lean Hog futures to cash and to the CME Lean Hog Index are wide. Of course, it is almost a month before February 2022 Lean Hogs expire, speculators often control the market during non-spot months. January is a non-spot month and it is when speculators own the field.

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UPDATE 2-CHINA 2021 PORK OUTPUT LEAPS 29%, RECOUPS MOST OF PRODUCTION LOST TO SWINE FEVER

[HTTPS://WWW.AGRICULTURE.COM/MARKETS/NEWSWIRE/UPDATE-2-CHINA-2021-PORK-OUTPUT-LEAPS-29-RECOUPS-MOST-OF-PRODUCTION-LOST-TO-SWINE](https://www.agriculture.com/markets/newswire/update-2-china-2021-pork-output-leaps-29-recoups-most-of-production-lost-to-swine)

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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 19, 2022

LOADS OF PORK CUTS: 353.66

TRIM/PROCESSED PORK: 33.67

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/19/2022	387.33	95.47	92.61	80.53	56.42	160.69	91.73	147.15
CHANGE:		8.26	7.44	-17.12	3.70	-1.64	30.61	0.95
FIVE DAY AVERAGE --		91.79	89.57	92.61	56.99	160.72	74.22	146.33

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NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/19/2022	230.98	93.50	89.25	80.64	54.75	159.34	91.06	142.77
CHANGE:		6.29	4.08	-17.01	2.03	-2.99	29.94	-3.43
FIVE DAY AVERAGE --		91.40	88.90	92.63	56.66	160.45	74.09	145.46

**** 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, JANUARY 18, 2022

AVERAGE LIVE WEIGHT: 290.58

AVERAGE CARCASS 217.62

PREVIOUS WEEK

SLAUGHTER DATA FOR, JANUARY 11, 2022

AVERAGE LIVE WEIGHT: 290.05

AVERAGE CARCASS 217.13

YEAR AGO

SLAUGHTER DATA FOR JANUARY 18, 2021

AVERAGE LIVE WEIGHT - 288.01

AVERAGE CARCASS - 216.10

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

DAILY DIRECT AFTERNOON HOG REPORT JANUARY 19, 2022

National Negotiated Carcass Price

Lowest price: 60.00

Highest price: 75.50

Weighted Average Price 70.28

Head Count: 10,071

From Previous day 4.09 higher

Other Market Formula (Carcass)

Lowest Base Price: 65.18

Highest base price: 84.55

Weighted Average Price: 77.79

Head Count: 26,484

Pork Market Formula (Carcass)

Lowest base price: 60.97

Highest Base Price: 84.05

Weighted Average Price: 75.26

Head Count: 141,338

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Other Purchase Arrangement (Carcass)

Lowest base price: 63.46

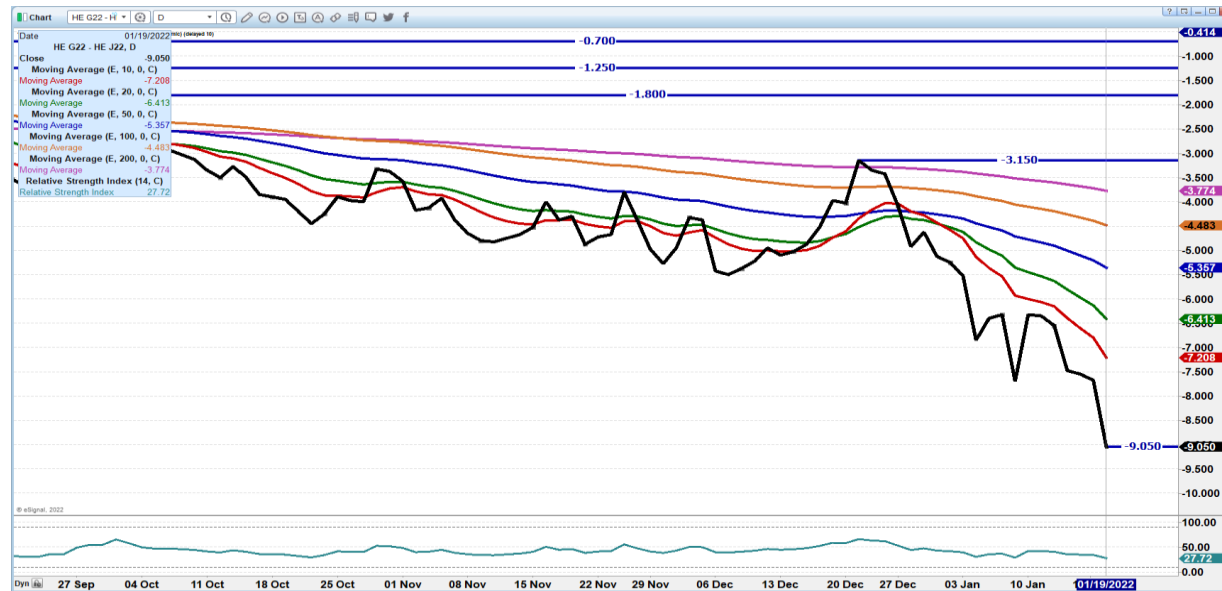
Highest base price: 94.59

Weighted Average Price: 79.56

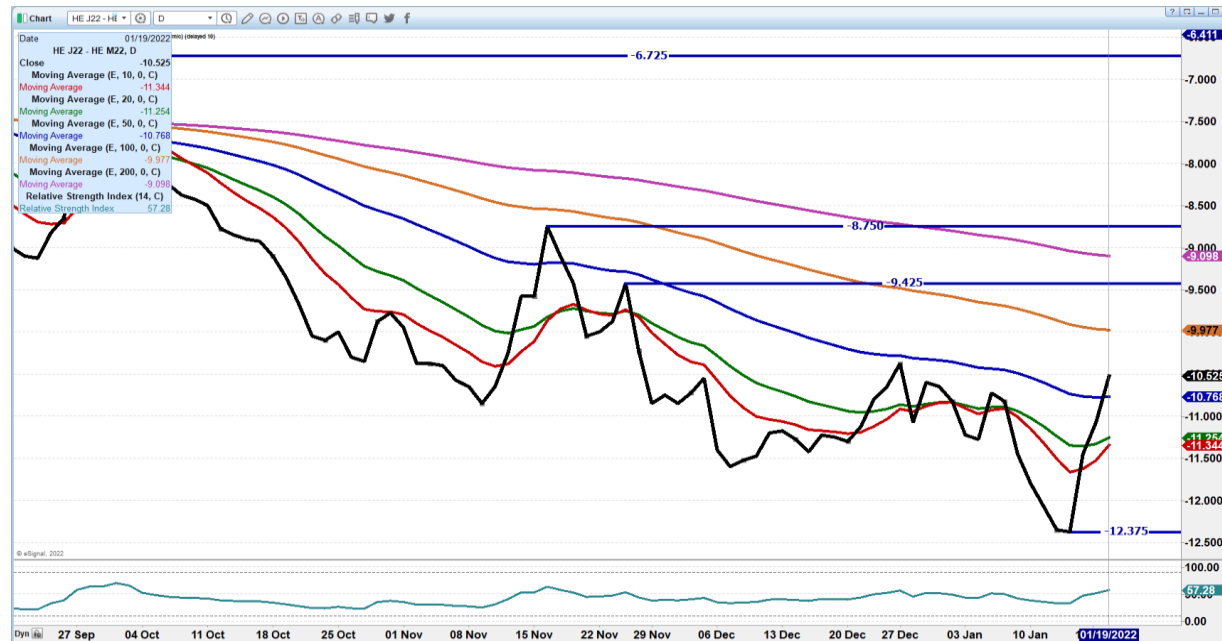
HEAD COUNT: 69,786

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FEBRUARY – APRIL 2022 LEAN HOG SPREAD – BEAR SPREAD.



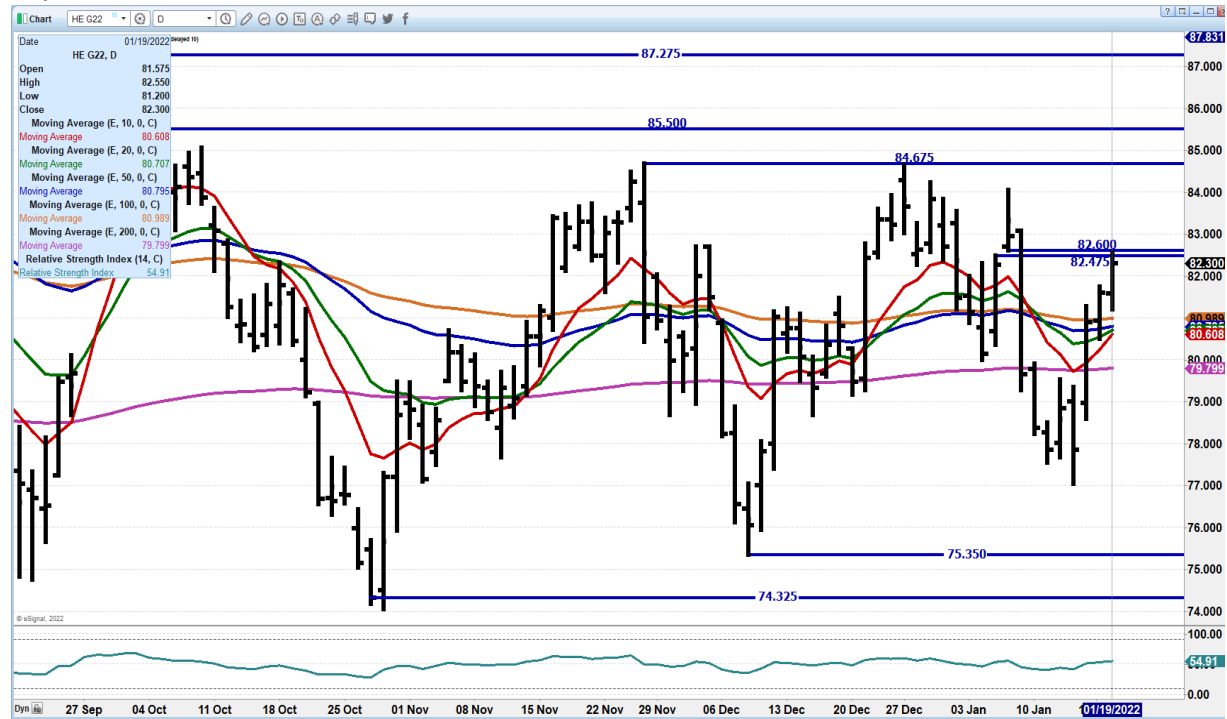
APRIL/JUNE 2022 LEAN HOG SPREAD. - LOOK FOR APRIL TO CONTINUE TO GAIN ON JUNE. NOW AT NORMAL SPREAD BUT INTO APRIL SPREAD SHOULD SUBSTANTIALLY NARROW.



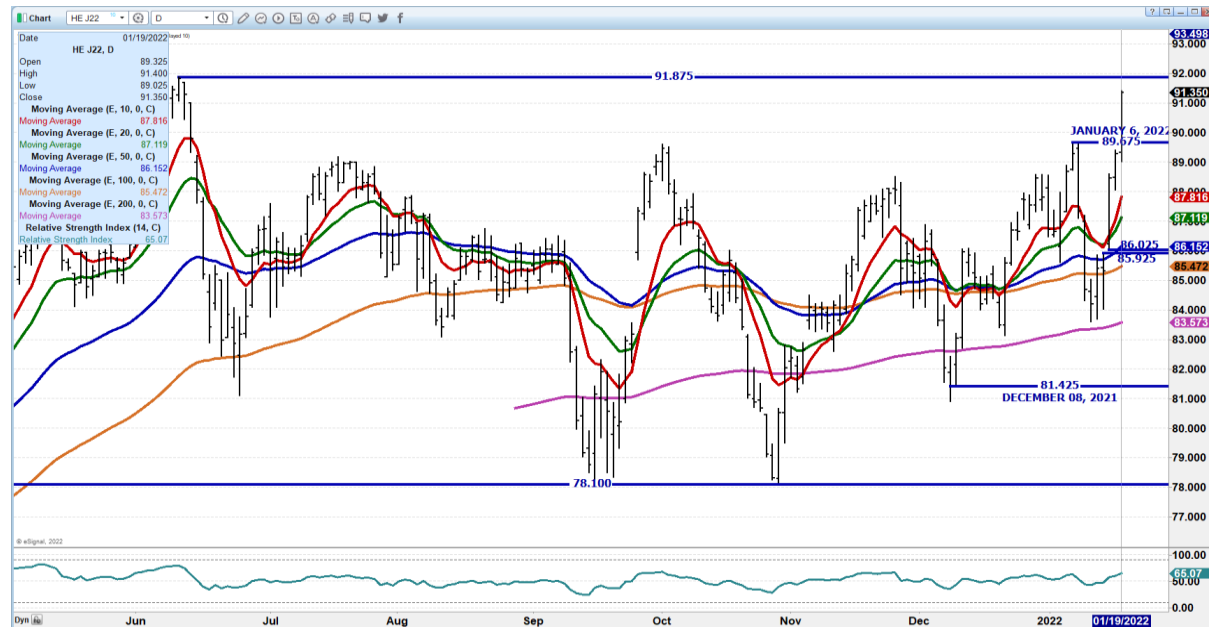
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FEBRUARY 2022 LEAN HOGS - FOR SOME REASON DIDN'T FILL GAP AT 82.60 VOLUME AT 11,550 SUPPORT AT 81.00 TO 80.50 TO 79.80



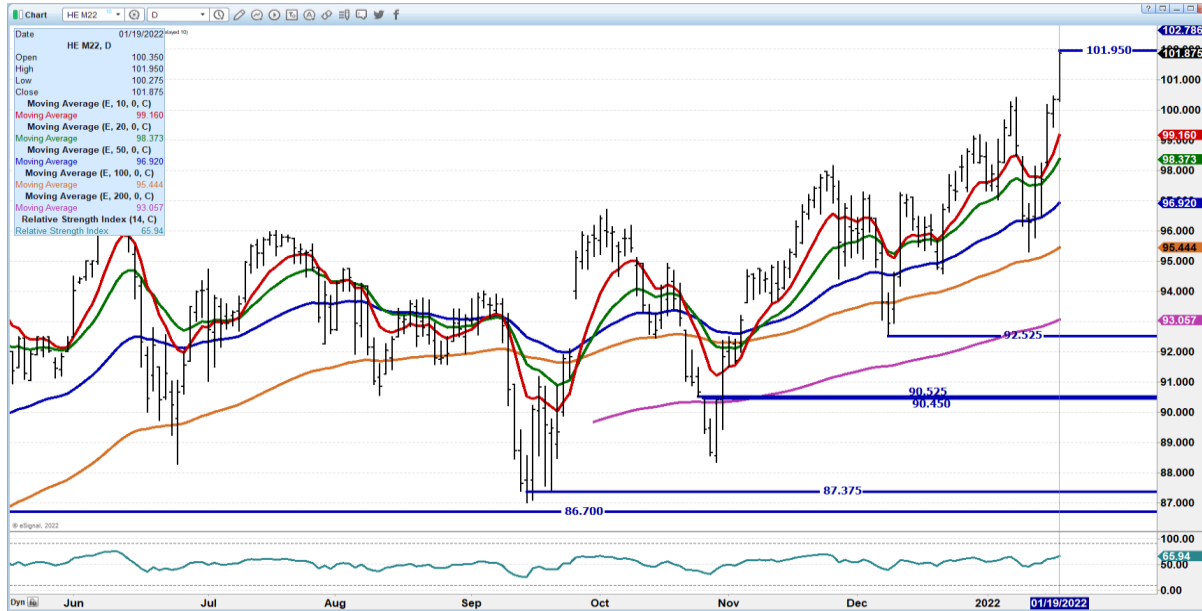
APRIL 2022 LEAN HOGS – VOLUME AT 20,803 RESISTANCE AT CONTRACT HIGH AT 91.37 SUPPORT AT 87.15 TO 85.47 RSI AT 66 NOT OVERBOUGHT



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JUNE 2022 LEAN HOGS – VOLUME 9,358 RESISTANCE AT 102.37 SUPPORT AT 99.15 TO 98.37



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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