



ADM Investor
Services, Inc.

Daily Futures Market Commentary Livestock Outlook

WEDNESDAY MORNING JANUARY 19, 2022 LIVESTOCK REPORT

Chris Lehner, Senior Livestock Analyst | 312.242.7942 | chris.lehner@admis.com

CATTLE

USDA FEDERAL CATTLE SLAUGHTER

JANUARY 18, 2022	117,000
WEEK AGO	114,000
YEAR AGO	119,000
WEEK TO DATE (EST)	230,000
SAME PERIOD LAST WEEK (EST)	227,000
SAME PERIOD LAST YEAR (ACT)	230,000

BOXED BEEF FINAL JANUARY 18, 2022	CHOICE	SELECT
CURRENT CUTOUT VALUES:	289.49	278.39
CHANGE FROM PRIOR DAY:	1.63	1.34
CHOICE/SELECT SPREAD:		11.10
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)		124
5 DAY SIMPLE AVERAGE:	282.64	272.68

CME BOXED BEEF INDEX FOR 01/17/2021 WAS AT 280.13 UP 2.08 FROM PREVIOUS DAY

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

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PRIMAL SHORT PLATE	198.31	198.31
PRIMAL FLANK	161.14	159.72

FINAL JANUARY 17, 2022

PRIMAL RIB	408.19	387.13
PRIMAL CHUCK	250.90	247.86
PRIMAL ROUND	241.16	240.91
PRIMAL LOIN	374.38	344.09
PRIMAL BRISKET	285.21	264.98
PRIMAL SHORT PLATE	198.51	198.51
PRIMAL FLANK	160.42	160.06

LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
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. **CURRET VOLUME** - (one load equals 40,000 pounds)

Choice Cuts	68.08 loads	2,723,106 pounds
Select Cuts	16.74 loads	669,760 pounds
Trimming	12.46 loads	498,388 pounds
Ground Beef	26.49 loads	1,059,727 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

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...”

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<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. So far, there hasn't been a big jump in weights. It could be packers are taking contract cattle and their own cattle and being selective on showlist cattle they buy and leaving showlist cattle on feed. During the spring and summer of 2020, it was common packer practice to leave showlist cattle and use contract cattle first.

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

Cattle on Feed report is on Friday.

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Beef net sales were 9,700MT. Sales of this size do not help support the beef market. Biggest buyer was Japan taking 2,600MT. China bought 1,100MT China has coolers filled and don't expect to see buying from them like 2021 and they are back to buying beef from Brazil.

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***National Daily Direct Cattle 01/18/22

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1471	\$137.77	22,241
Live Heifer:	1332	\$136.72	9,247
Dressed Steer:	963	\$218.03	11,859
Dressed Heifer:	866	\$217.91	3,487

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

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January 11, 2022 dressed steer and heifer weights were 899.8 pounds compared to previous week at 899.5 pounds up .3 pounds. Three tenths of a pound is not a big gain in weight. With draw down on slaughter, should expect if cattle are being backed up there would be, a much larger increase than 3/10ths of a pound.

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

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USDA POSTED SUMMARY CATTLE PRICES ON 01/18/2021

**IA/MN – CASH – 137.00 - 138.80 ON TOTAL SALE OF 2,844 FOR THE WEEK
DRESSED - 217.00 - 218.00**

**NE – CASH - 137.00 ON 962 HEIFERS TOTAL SALES FOR WEEK MOSTLY DRESSED AT 7840 HEAD
DRESSED – 218.00**

**KS – CASH - 135.50 - 137.00 ON 4600 HEAD FOR THE WEEK
DRESSED – NO REPORTABLE TRADE ON MONDAY**

**TX/OK/NM CASH – NO REPORTABLE TRADE ON TUESDAY
DRESSED– NO REPORTABLE TRADE.**

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

**FEBRUARY/APRIL 2022 LIVE CATTLE SPREAD - SPREAD IS BEAR SPREAD. NOT ABNORMALLY
WIDE BUT SUGGETING APRIL IS A HEDGING OPPORTUNITY**



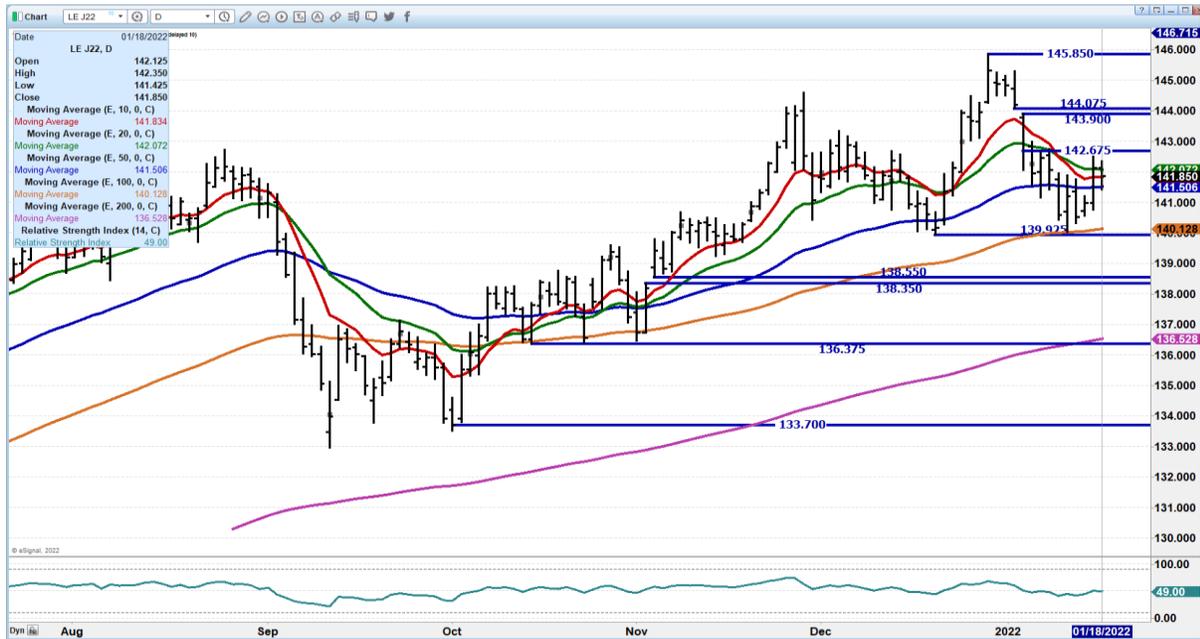
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FEBRUARY 2021 LIVE CATTLE - Volume at 12,225 Resistance at 138.87 Support at 137.50 to 136.55



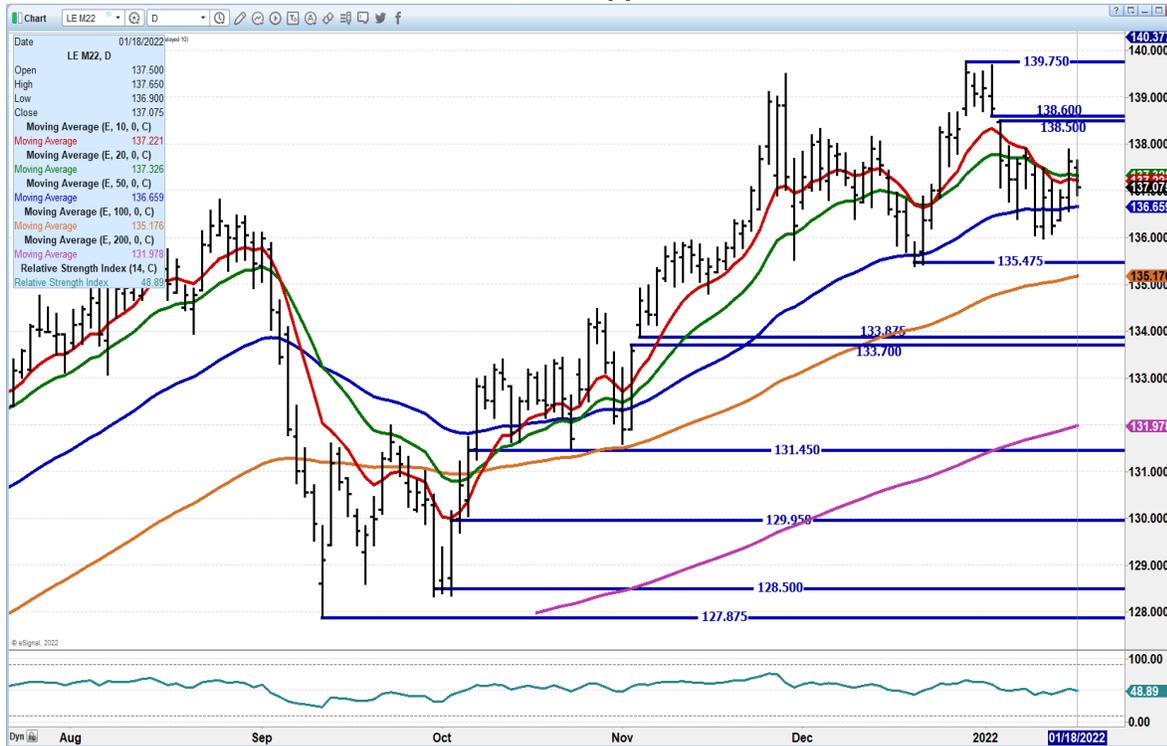
APRIL 2022 LIVE CATTLE - Volume at 20,493 Support at 140.10 to 136.50 Resistance at 142.67 to 144.07



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JUNE 2022 LIVE CATTLE – Volume at 9,711 Support at 136.70 to 135.15 Resistance at 138.60



Feeder Cattle

CME FEEDER INDEX ON 01/17/2021 WAS 161.30 DOWN 41 CENTS FROM PREVIOUS DAY – REPORT

JANUARY 2022 FEEDER CATTLE FUTURES SETTLED ON JANUARY 18, 2022 AT \$161.45

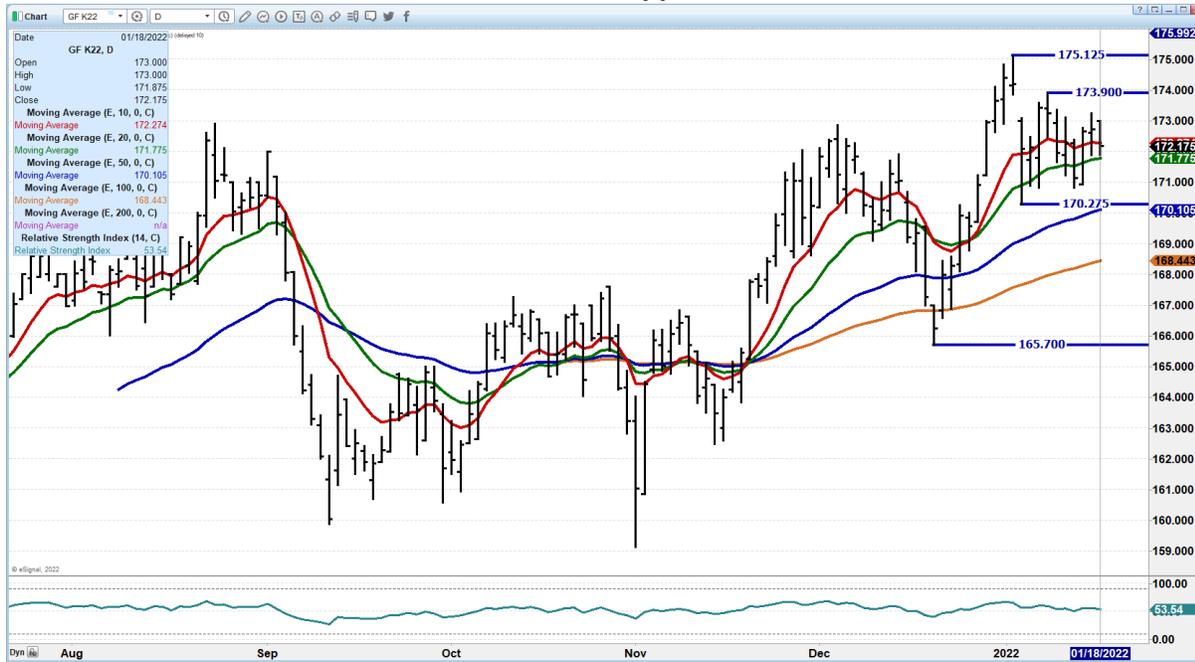
JANUARY 2022 FEEDER CATTLE FUTURES TO CME FEEDER INDEX - THE CME FEEDER INDEX IS 15 CENTS UNDER JANUARY FUTURES.

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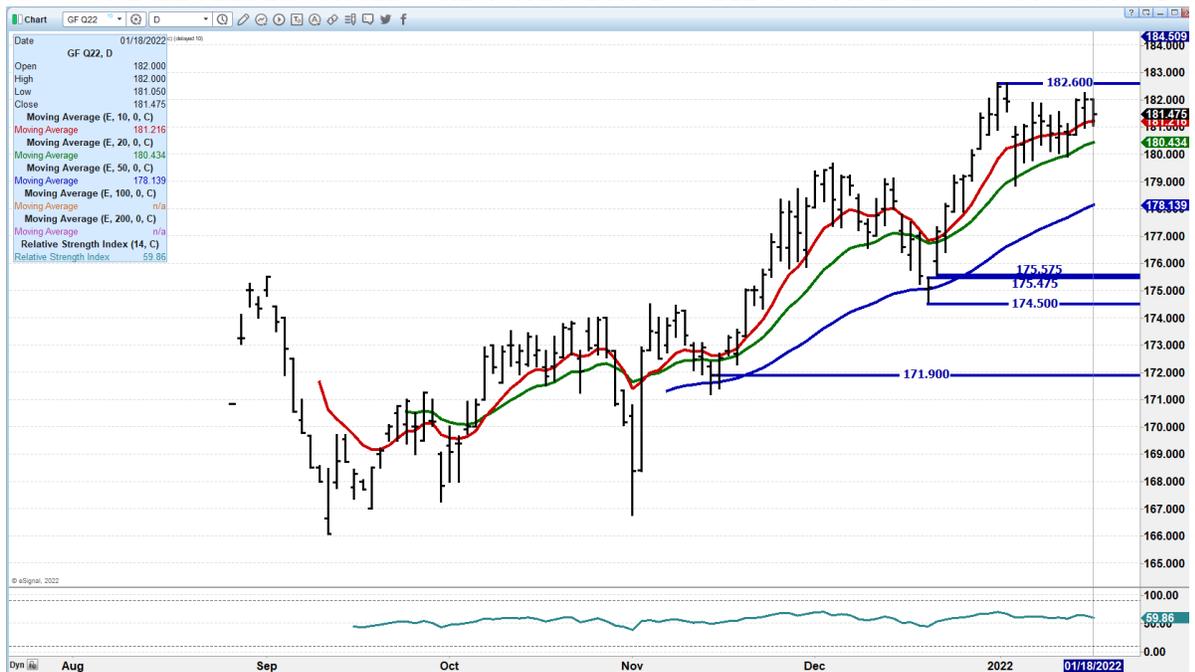
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MAY FEEDER CATTLE – Resistance at 173.90 Support at 171.77 to 170.10



AUGUST 2022 FEEDER CATTLE - RESISTANCE AT DOUBLE TOP AT 182.60 SUPPORT AT 180.37



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

JANUARY 18, 2022	468,000
WEEK AGO	453,000
YEAR AGO	497,000
WEEK TO DATE (EST)	863,000
SAME PERIOD LAST WEEK (EST)	901,000
SAME PERIOD LAST YEAR (ACT)	919,000

****REVISED MONDAY HOG SLAUGHTER..395,000** PREVIOUS ESTIMATE 402,000**

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CME CASH LEAN HOG INDEX 01/14/2021 AT \$75.90 UP 1.58 FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 01/17/2021 AT \$88.02 UP 1.04 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 12.12

THE SPREAD BETWEEN THE CME PORK INDEX AND FEBRUARY 2022 LEAN HOGS IS \$ MINUS \$5.70

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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. But the February/April Lean Hog spread near \$8.00 is wide and needs to be monitored.

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The drop in slaughter is positive for the pork prices. Hams are up almost \$30.00 over the last 5 days. Weights will be important to watch. Increasing weights will indicate packers are backing up hogs. If the drop in slaughter is due to slowing the kill because of COVID, a near term rally in prices could quickly reverse once packers get back on schedule.

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

****Tables below**

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Export net sales were just 19,800 MT with Mexico the biggest buyer with 10,100MT followed by Japan with just 3,100 MT Last month China wasn't kidding when they said there was a glut of pork. They took 1,400MT and likely it was variety meats and offal.

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Exports need to be at least 25,000MT/week.

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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 18, 2022

LOADS OF PORK CUTS: 310.05

TRIM/PROCESSED PORK: 21.71

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/18/2022	331.76	87.21	85.17	97.65	52.72	162.33	61.12	146.20
CHANGE:		-4.73	-3.11	-0.23	-9.62	-0.22	-10.65	-0.27
FIVE DAY AVERAGE --		89.59	87.27	96.42	56.29	160.93	66.53	145.92

NOON

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/18/2022	175.27	93.73	88.56	97.79	61.94	161.58	82.45	138.43
CHANGE:		1.79	0.28	-0.09	-0.40	-0.97	10.68	-8.04
FIVE DAY AVERAGE --		90.90	87.95	96.45	58.13	160.78	70.80	144.37

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
01/17/2022	305.87	91.94	88.28	97.88	62.34	162.55	71.77	146.47
CHANGE:		2.87	-0.33	1.00	9.63	2.28	7.57	2.16
FIVE DAY AVERAGE --		88.47	86.56	98.14	57.25	160.90	63.08	143.74

**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 17, 2022

AVERAGE LIVE WEIGHT: 289.41

AVERAGE CARCASS 216.95

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

AVERAGE LIVE WEIGHT: 291.13

AVERAGE CARCASS 218.40

PREVIOUS WEEK

SLAUGHTER DATA FOR, JANUARY 10, 2022

AVERAGE LIVE WEIGHT: 289.10

AVERAGE CARCASS 216.74

YEAR AGO

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

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 17, 2022

National Negotiated Carcass Price

Lowest price: 60.00

Highest price: 74.50

Weighted Average Price 66.19

Head Count: 5,175

From Previous day 4.08 higher

Other Market Formula (Carcass)

Lowest Base Price: 64.40

Highest base price: 90.62

Weighted Average Price: 76.75

Head Count: 21,309

Pork Market Formula (Carcass)

Lowest base price: 63.34

Highest Base Price: 86.57

Weighted Average Price: 76.25

Head Count: 129,624

Other Purchase Arrangement (Carcass)

Lowest base price: 66.64

Highest base price: 126.80

Weighted Average Price: 80.13

HEAD COUNT: 64,885

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FEBRUARY – APRIL 2022 LEAN HOG SPREAD – BEAR SPREAD BOTH FEBRUARY AND APRIL WIDE PREMIUMS TO CME INDEX AT \$75.90



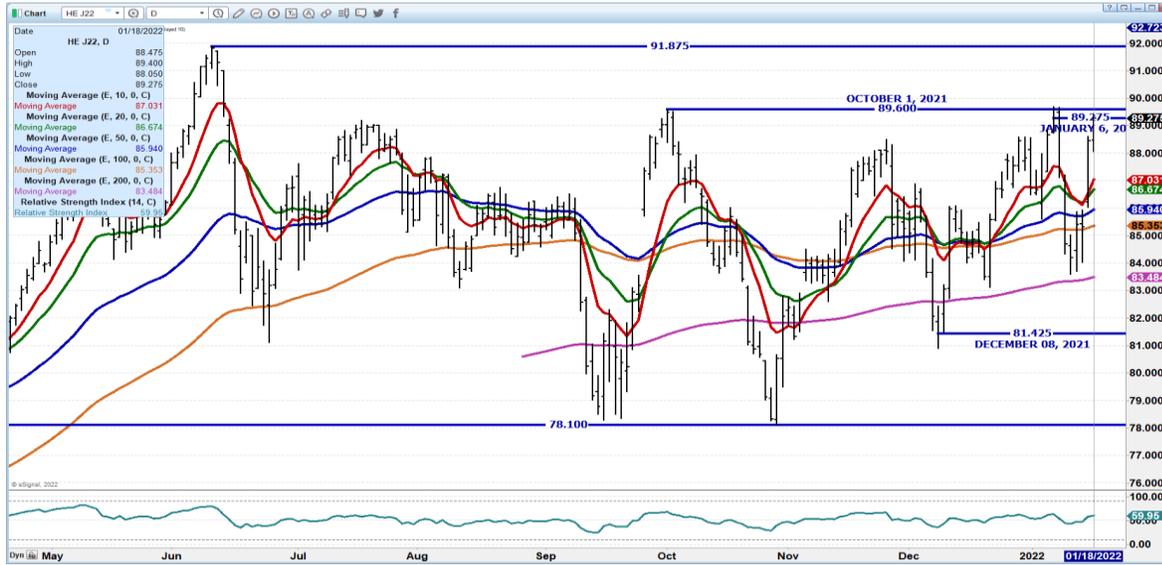
FEBRUARY 2022 LEAN HOGS - VOLUME AT LIGHT AT 13,287 RESISTANCE AT 82.60 SUPPORT AT 79.75



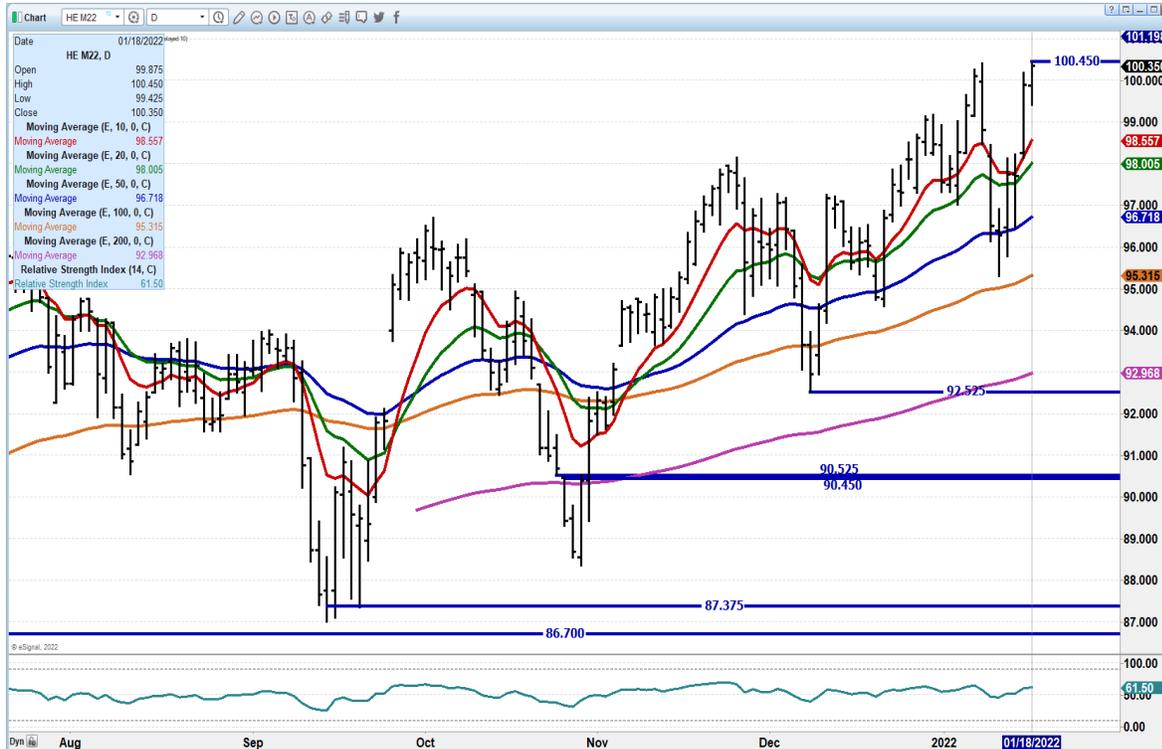
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APRIL 2022 LEAN HOGS – VOLUME AT JUST MODERATE AT 16,254 RESISANCE AT 89.67 TO 91.87 SUPPORT AT 87.00 TO 83.40 RSI FAR FROM OVERBOUGHT AT 60.00



JUNE 2022 LEAN HOGS – NEW CONTRACT HIGH AND NEW CONTRACT HIGH CLOSE. RSI AT 62 IS NOT OVERBOUGHT. RESISTANCE AT 101.7 SUPPORT AT 98.50 TO 95.30



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

Christopher Lehner chris.lehner@admis.com

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