

Daily Futures Market Commentary Livestock Outlook

FRIDAY MORNING MARCH 4, 2022 LIVESTOCK REPORT

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CATTLE

BEEF AND PORK EXPORT HIGHLIGHTS ON LAST PAGE

USDA FEDERAL CATTLE SLAUGHTER

MARCH 3, 2022	124,000
WEEK AGO	124,000
YEAR AGO	123,000
WEEK TO DATE (EST)	493,000
SAME PERIOD LAST WEEK (EST)	478,000
SAME PERIOD LAST YEAR (ACT)	485,000
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BOXED BEEF FINAL	CHOICE	SELECT
CURRENT CUTOUT VALUES:	254.35	247.79
CHANGE FROM PRIOR DAY:	(1.37)	(3.55)
CHOICE/SELECT SPREAD:	6.56	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	153	
5 DAY SIMPLE AVERAGE:	257.48	253.24

CME BOXED BEEF INDEX ON 03/02/2021 WAS 256.73 DOWN 1.56 FROM PREVIOUS DAY

FINAL MARCH 3, 2022	CHOICE	SELECT
PRIMAL RIB	373.88	369.42
PRIMAL CHUCK	211.31	209.63
PRIMAL ROUND	219.87	217.36
PRIMAL LOIN	337.56	315.22

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PRIMAL BRISKET	219.66	212.93
PRIMAL SHORT PLATE	178.19	178.19
PRIMAL FLANK	142.57	145.08

FINAL MARCH 02, 2022	CHOICE	SELECT
PRIMAL RIB	377.33	370.23
PRIMAL CHUCK	213.36	213.53
PRIMAL ROUND	221.30	221.89
PRIMAL LOIN	336.58	319.31
PRIMAL BRISKET	218.34	216.29
PRIMAL SHORT PLATE	182.29	182.29
PRIMAL FLANK	143.52	144.01

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LOAD COUNT AND CUTOUT VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
03/02	93	18	7	26	145	255.72	251.34
03/01	82	14	17	30	144	256.68	251.52
02/28	50	18	3	14	85	257.51	253.41
02/25	58	15	23	9	104	258.27	255.41
02/24	107	21	10	32	170	259.24	254.55
02/23	138	23	13	23	196	260.88	258.96
02/22	82	12	5	18	117	261.64	263.64

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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	89.53 loads	3,581,108 pounds
Select Cuts	18.91 loads	756,321 pounds
Trimming	13.36 loads	534,461 pounds
Ground Beef	30.77 loads	1,230,613 pounds

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Beef net sales for week ending February 24th at 23,800 metric tons were good South Korea was the largest buyer with 9,800MT followed by China with 4,100MT and Japan took 2,800MT.

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Inflation around the world affecting cattle and sales from Brazil affected with war in Ukraine and Russia. Gas prices in Paris yesterday over \$6.50/gallon.

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Cattle futures were down Thursday with packers taking \$1 to \$2 off cash this week.

There is not much new to say about the beef market. Day after day Boxed Beef keeps getting whittled away at and this week packers started whittling away at the cash cattle market.

With the cost of all foods going higher and consumers worried prices will continue to move higher, it appears at this time, boxed beef will be whittled away at for some time especially the high end cuts.

One concern could happen if contract beef buyers begin to cancel previously contracted orders. There is no way of telling what they are actually paying for beef because there are formulas and contracts that go back several months or more. But if consumers aren't buying beef, buyers could run into storage problems and cancel loads because of lack of storage. Cold Storage report does not report what is in storage what packers own or retailers own. It reports what is in cold storage of companies that are paid to store.

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As of February 22nd dressed steer and heifer carcasses averaged 892.1 pounds compared to previous week at 884.9 pounds, down 7.2 pounds. The grading percent was 84.6% compared to previous week at 85.6%.

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

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*****National Daily Direct Cattle 03/03/22**

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1477	\$141.63	36,683
Live Heifer:	1358	\$141.37	16,484
Dressed Steer:	963	\$225.71	15,439
Dressed Heifer:	864	\$225.48	6,099

PREVIOUS WEEK

*****National Daily Direct Cattle 02/24/22**

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1511	\$143.17	22,323
Live Heifer:	1395	\$142.85	10,952
Dressed Steer:	967	\$226.79	9,890
Dressed Heifer:	871	\$226.84	5,220

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

USDA POSTED SUMMARY CATTLE PRICES ON 03/03/2021

IA/MN – CASH – 141.00 - 143.00 AVERAGE PRICE \$142.34
DRESSED - 223.00 - 225.00

NE – CASH - 140.00 - 141.00 AVERAGE PRICE \$140.02
DRESSED – 223.00 - 224.00 TOTAL

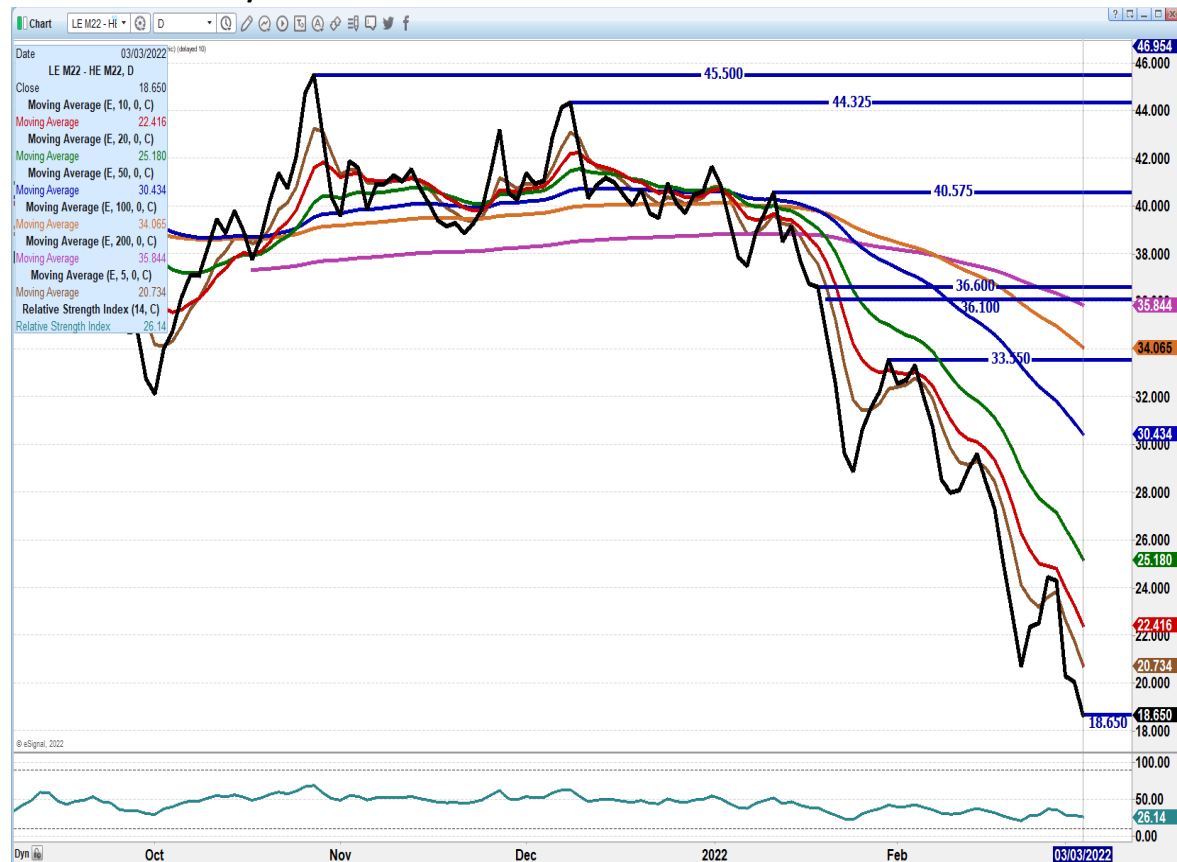
KS – CASH - 140.00 - 141.00 AVERAGE PRICE \$140.14 NO SALES THURSDAY WEDNESDAY PRICE SHOWN
DRESSED – 224.00 ON 345 HEAD

TX/OK/NM CASH – 140.00 FOR ALL GRADES - NO SALES THURSDAY WEDNESDAY PRICE SHOWN
DRESSED– NO REPORTABLE TRADE.

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

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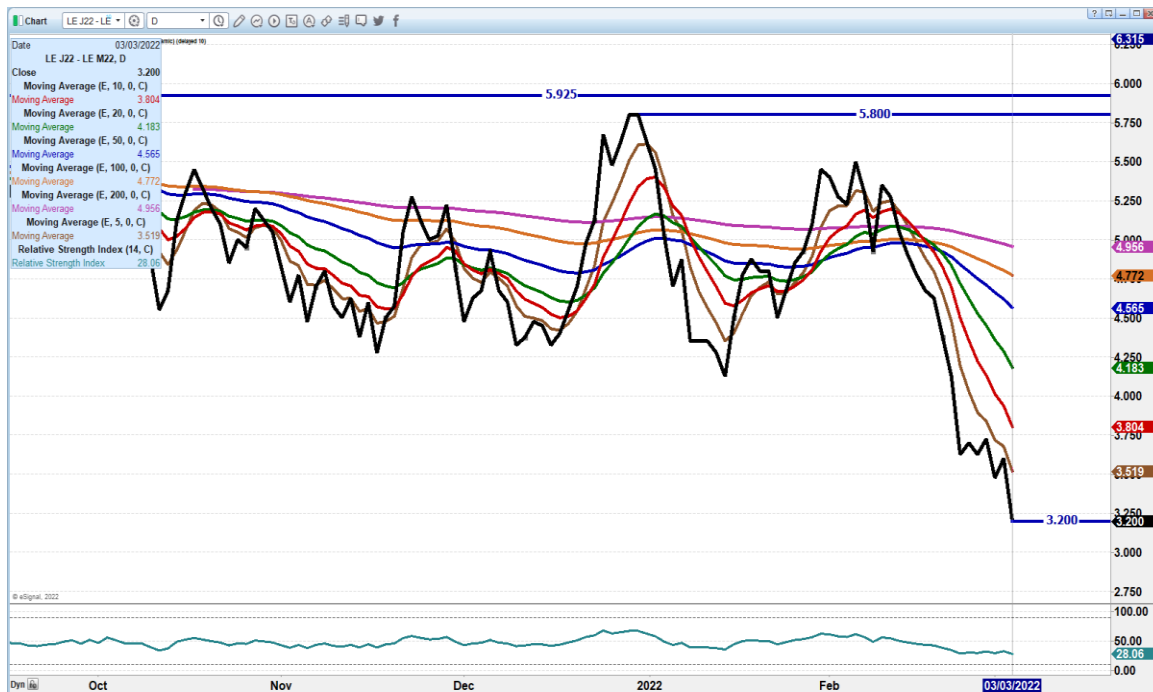
JUNE LIVE CATTLE/JUNE LEAN HOG SPREAD – CATTLE CONTINUE TO LOSE TO HOGS.



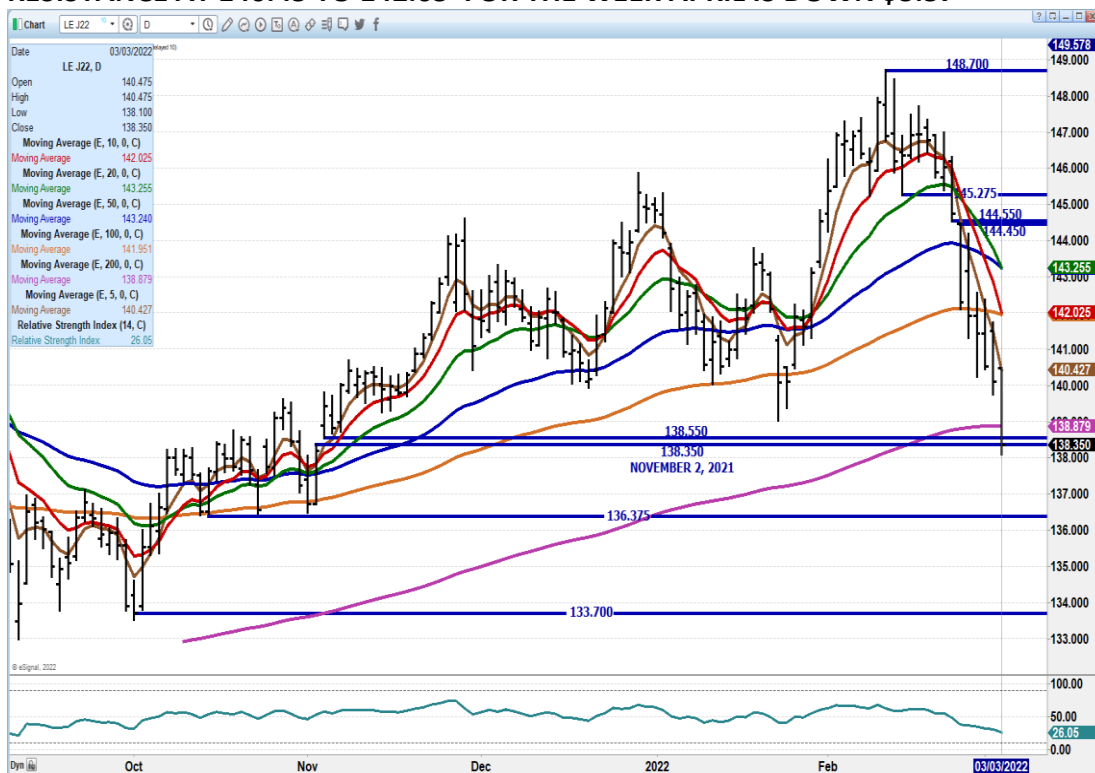
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APRIL/JUNE LIVE CATTLE SPREAD – JUNE GAINING ON APRIL AS MORE SELL PRESSURE ON APRIL



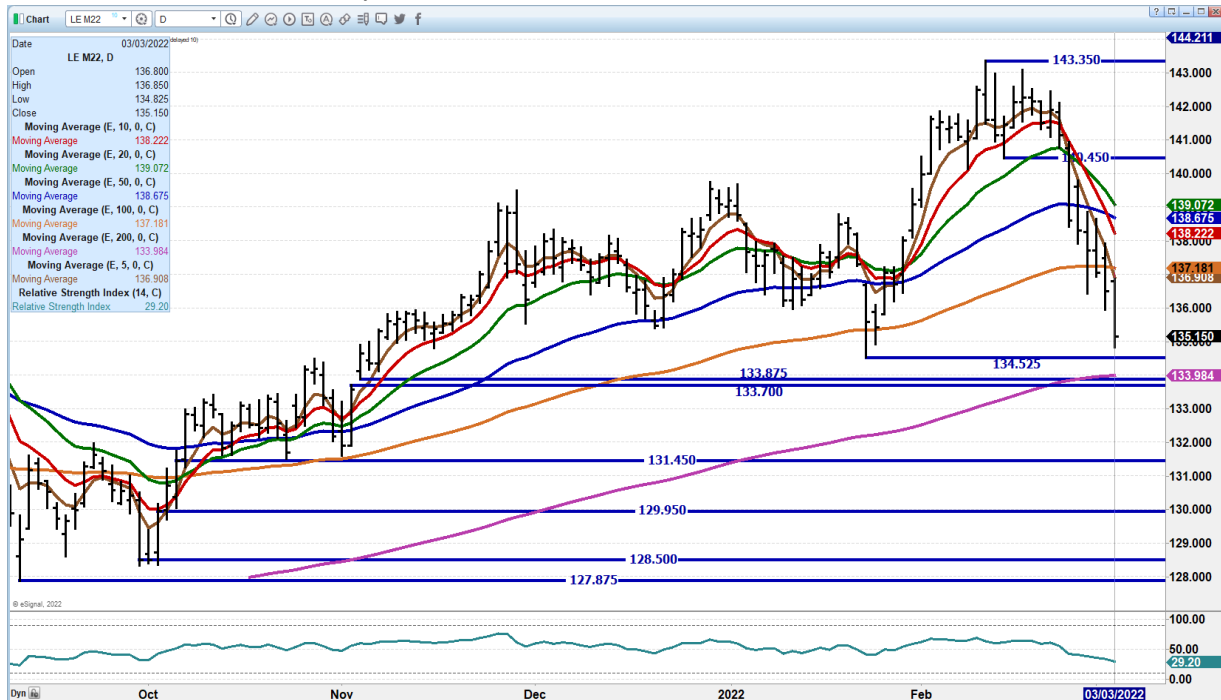
APRIL 2022 LIVE CATTLE - VOLUME STRONG AT 33,684 SUPPORT AT 138.35 TO 136.37 RESISTANCE AT 140.45 TO 142.05 FOR THE WEEK APRIL IS DOWN \$3.57



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JUNE 2022 LIVE CATTLE – SUPPORT AT 133.90 TO 133.70 RESISTANCE AT 136.90 TO 137.20 TO 138.22 VOLUME AT 22,545 THIS WEEK BIGGEST VOLUME WHEN TRADE IS DOWN



Feeder Cattle

CME FEEDER INDEX ON 03/02/2021 WAS 157.78 DOWN 1.27 FROM PREVIOUS DAY –

MARCH 2022 FEEDER CATTLE SETTLED ON MARCH 3, 2022 AT \$156.35

MARCH 2022 FEEDER CATTLE TO CME FEEDER CATTLE INDEX UNDER THE INDEX BY \$1.43

Corn up, feeders down.

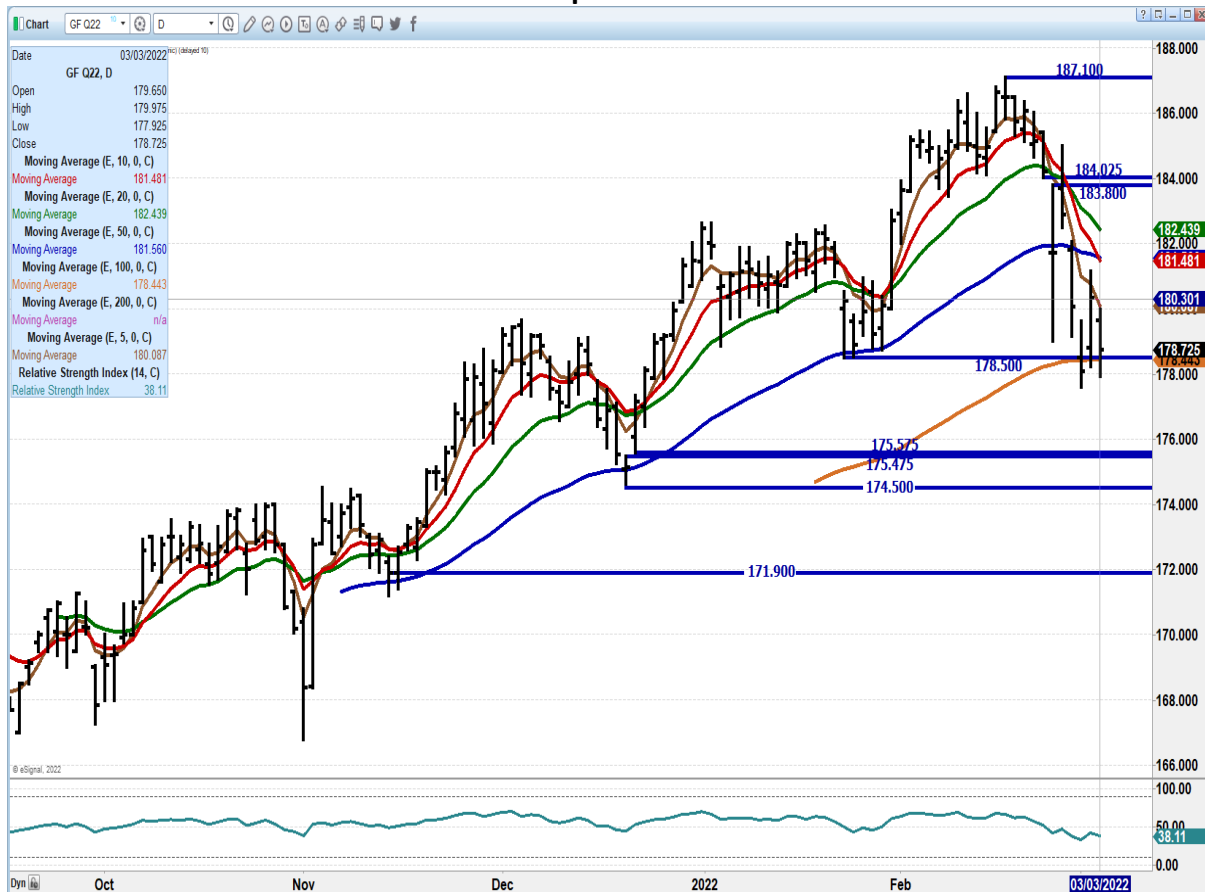
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MAY FEEDER CATTLE – Support at 162.47 Resistance at 167.60 to 169.65



AUGUST 2022 FEEDER CATTLE – Holding Support at 178.50 Net support at 175.47 Resistance at 180.35 to 181.50 Sell at 181.50 with stop above 182.65 SCO



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LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

MARCH 3, 2022	476,000
WEEK AGO	476,000
YEAR AGO	491,000
WEEK TO DATE (EST)	1,890,000
SAME PERIOD LAST WEEK (EST)	1,899,000
SAME PERIOD LAST YEAR (ACT)	1,974,000

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CME CASH LEAN HOG INDEX 03/01/2022 AT 99.84 UP 18 CENTS FROM PREVIOUS DAY

CME PORK CUTOUT INDEX 03/01/2022 AT 111.25 DOWN 12 FROM PREVIOUS DAY

CME CASH FRESH BACON INDEX ON 02/25/2021 WAS 271.50 COMPARED TO ON 02/18/2021 WAS 254.07

CME PORK INDEX TO CME LEAN HOG INDEX plus \$11.41

APRIL 2022 LEAN HOGS SETTLED ON MARCH 3, 2022 AT \$105.20

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Strong net sales of pork at 42, 200MT were very good. Mexico the biggest buyer took 17,100MT followed by China at 16,600MT and then Japan dropping to 3,000MT.

China's purchase pushed sales over the top but it was about the same large purchase China made during January. China usually takes a large shipment in January and then in February to restock coolers after the Lunar Holiday. But, with China having large investors in Ukraine pork production and the packing industry, it could be possible China will increase purchases of US pork. But their numbers are growing and they let Russia know they will buy commodities from Russia so it is possible, pork not able to move out of Ukraine will be moved from Russia to China. Also look for increasing pork sales from Brazil to China in 2022.

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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

MARCH 3, 2022

LOADS OF PORK CUTS: 326.10

TRIM/PROCESSED PORK: 33.96

FINAL

DATE	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
03/03/2022	360.06	106.41	106.01	113.80	50.71	172.06	92.07	171.72
CHANGE:		-2.01	2.74	-0.32	-2.61	0.01	11.92	-33.25

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FIVE DAY AVERAGE --	109.72	104.74	114.54	53.17	170.60	86.22	201.69
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FINAL	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
03/01/2022	291.31	108.19	104.00	115.00	52.05	170.83	85.07	196.17
CHANGE:		-4.08	-0.87	0.96	-3.45	0.89	4.06	-27.86
FIVE DAY AVERAGE --		111.41	105.27	114.25	55.02	167.72	84.34	213.38

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****NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE**

https://www.ams.usda.gov/mnreports/AMS_2511.PDF

SLAUGHTER DATA FOR MARCH 2, 2022

AVERAGE LIVE WEIGHT 287.20

AVERAGE CARCASS 215.13

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DAILY DIRECT AFTERNOON HOG REPORT MARCH 03, 2022

National Negotiated Carcass Price

Lowest price: 89.00

Highest price: 105.00

Weighted Average 94.40

Head Count: 4,670

From Previous day -3.85 LOWER

Other Market Formula (Carcass)

Lowest Base Price: 71.14

Highest base price: 107.55

Weighted Average Price: 94.73

Head Count: 34,093

Pork Market Formula (Carcass)

Lowest base price: 84.57

Highest Base Price: 107.57

Weighted Average Price: 98.65

Head Count: 155,077

Other Purchase Arrangement (Carcass)

Lowest base price: 73.17

Highest base price: 108.05

Weighted Average Price: 97.16

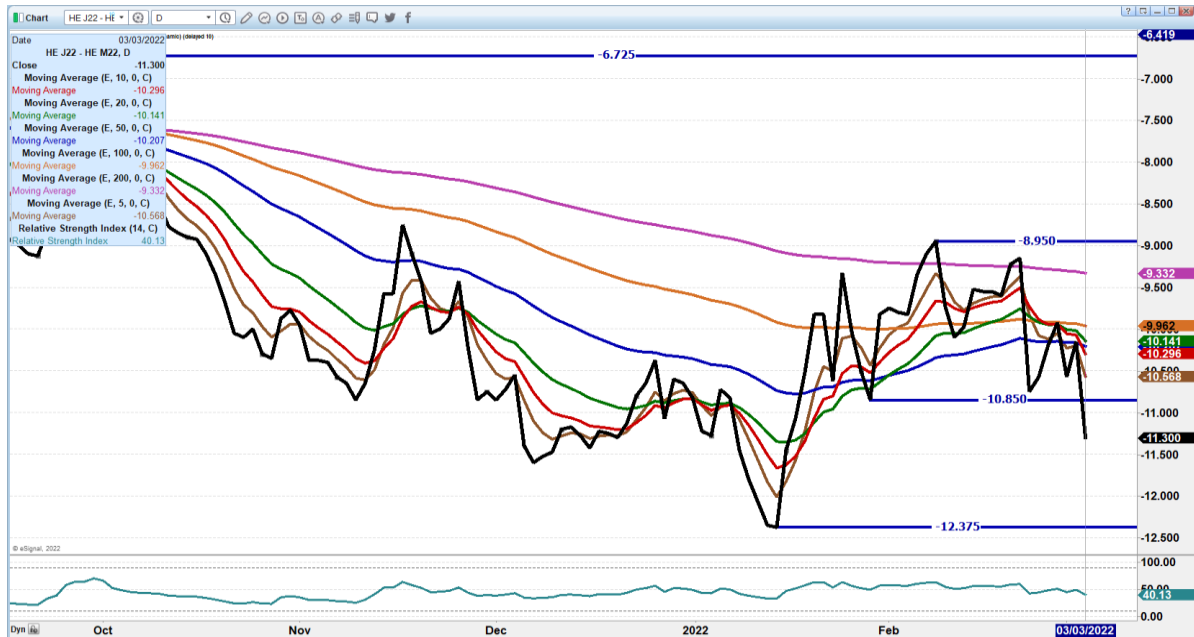
HEAD COUNT: 60,217

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

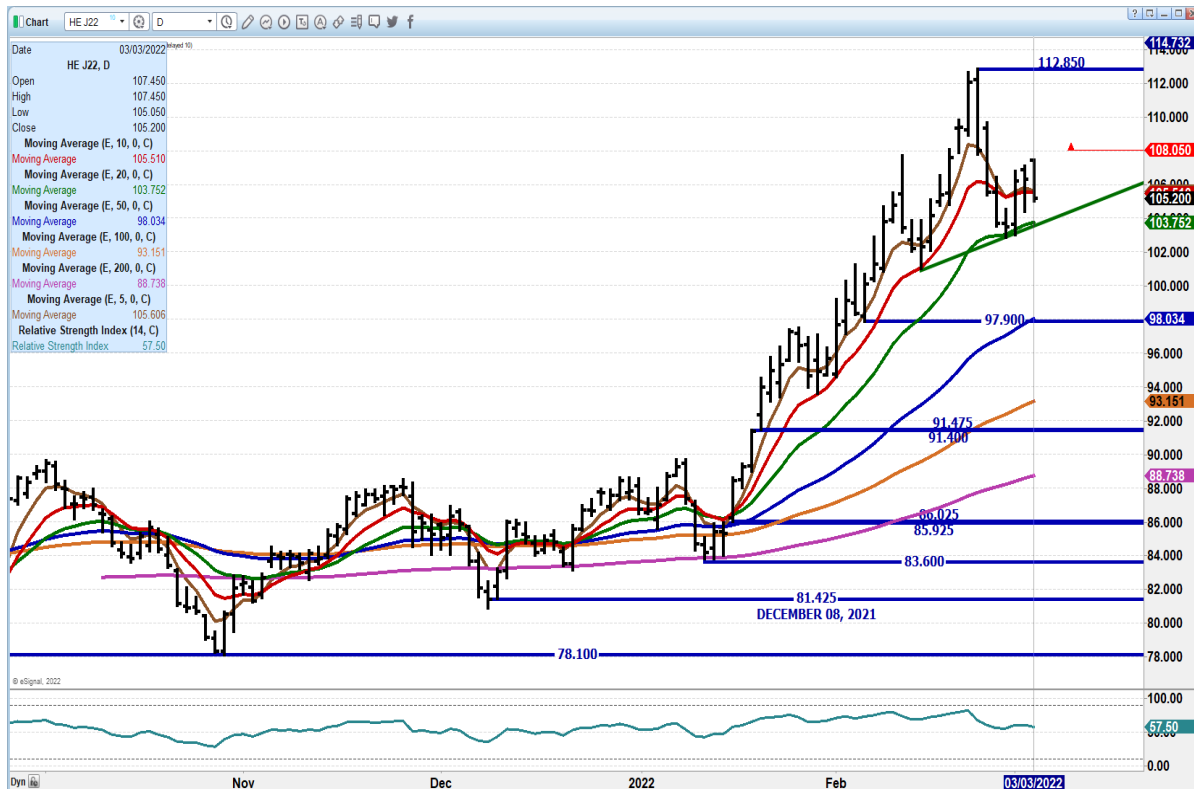
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APRIL/JUNE LEAN HOG SPREAD – SPREAD WIDEN THURSDAY AS MORE SELLING PRESSURE ON APRIL.



APRIL 2021 LEAN HOGS – VOLUME AT 20,330. BROKE FIRST SUPPORT AT 105.50 STRONG SUPPORT AT 103.75 NEEDS TO REMAIN ABOVE ON A CLOSE. RESISANCE AT 108.50 TO CONTRACT HIGH



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Chart: HE M22, D

Date: 03/03/2022

Open: 117.400
High: 117.825
Low: 116.175
Close: 116.500

Moving Average (E, 10, 0, C): 115.805
Moving Average (E, 20, 0, C): 113.893
Moving Average (E, 50, 0, C): 108.241
Moving Average (E, 100, 0, C): 103.113
Moving Average (E, 200, 0, C): 98.070
Moving Average (E, 5, 0, C): 116.174
Relative Strength Index (14, C): 61.24
Relative Strength Index: 61.24

126.838
122.500
120.000
117.500
116.500
115.000
113.893
112.500
110.000
107.500
107.425
102.075
101.950
102.500
98.070
92.500
92.525
90.525
90.450
86.768
100.00
61.24
0.00

Oct Nov Dec 2022 Feb 03/03/2022

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Chart: HE V22, D 03/03/2022 (Day 1)

Open: 95.100
High: 95.500
Low: 94.125
Close: 94.350

Moving Average (E, 10, 0, C): 94.222
Moving Average (E, 20, 0, C): 93.111
Moving Average (E, 50, 0, C): 89.612
Moving Average (E, 100, 0, C): 86.062
Moving Average (E, 200, 0, C): 81.144
Moving Average (E, 5, 0, C): 94.411
Relative Strength Index (14, C): 59.12

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03/03/2022

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BEEF: NET SALES OF 23,800 MT FOR 2022 WERE UP 64 PERCENT FROM THE PREVIOUS WEEK AND 23 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR SOUTH KOREA (9,800 MT, INCLUDING DECREASES OF 500 MT), CHINA (4,100 MT, INCLUDING DECREASES OF 200 MT), JAPAN (2,800 MT, INCLUDING DECREASES OF 700 MT), TAIWAN (2,000 MT, INCLUDING DECREASES OF 300 MT), AND CANADA (1,300 MT). EXPORTS OF 17,600 MT WERE UP 15 PERCENT FROM THE PREVIOUS WEEK AND 11 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO SOUTH KOREA (5,200 MT), JAPAN (4,500 MT), CHINA (2,700 MT), MEXICO (1,400 MT), AND TAIWAN (1,200 MT).

PORK: NET SALES OF 42,200 MT FOR 2022 WERE UP 59 PERCENT FROM THE PREVIOUS WEEK AND 80 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. INCREASES WERE PRIMARILY FOR MEXICO (17,000 MT, INCLUDING DECREASES OF 700 MT), CHINA (16,600 MT, INCLUDING DECREASES OF 300 MT), JAPAN (3,000 MT, INCLUDING DECREASES OF 200 MT), SOUTH KOREA (2,400 MT, INCLUDING DECREASES OF 900 MT), AND CANADA (1,300 MT, INCLUDING DECREASES OF 400 MT). EXPORTS OF 30,100 MT WERE UNCHANGED FROM THE PREVIOUS WEEK, BUT DOWN 3 PERCENT FROM THE PRIOR 4-WEEK AVERAGE. THE DESTINATIONS WERE PRIMARILY TO MEXICO (12,900 MT), JAPAN (4,500 MT), CHINA (4,300 MT), SOUTH KOREA (2,800 MT), AND COLOMBIA (1,400 MT).

CHARTS FROM ESIGNAL INTERACTIVE, INC.

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