

Daily Futures Market Commentary Livestock Outlook

TUESDAY MORNING MARCH 8, 2022 LIVESTOCK REPORT

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CATTLE

USDA FEDERAL CATTLE SLAUGHTER

MARCH 7, 2022	125,000
WEEK AGO	122,000
YEAR AGO	128,000

****REVISED SATURDAY CATTLE SLAUGHTER..38,000 PREVIOUS ESTIMATE 42,000**

****NEW WEEK TO DATE..654,000** 658,000**

BOXED BEEF FINAL	CHOICE	SELECT
CURRENT CUTOFF VALUES:	254.71	250.22
CHANGE FROM PRIOR DAY:	0.38	1.81
CHOICE/SELECT SPREAD:	4.49	
TOTAL LOAD COUNT (CUTS, TRIMMINGS, GRINDS)	102	
5 DAY SIMPLE AVERAGE:	255.72	250.49

CME BOXED BEEF INDEX ON 03/04/2021 WAS 254.69 DOWN .72 FROM PREVIOUS DAY

FINAL MARCH 7, 2022	CHOICE	SELECT
PRIMAL RIB	378.28	369.83
PRIMAL CHUCK	212.83	215.61
PRIMAL ROUND	214.18	217.90
PRIMAL LOIN	338.04	311.55
PRIMAL BRISKET	228.21	213.52
PRIMAL SHORT PLATE	181.46	181.46
PRIMAL FLANK	143.29	141.69

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FINAL MARCH 4, 2022	CHOICE	SELECT
PRIMAL RIB	373.84	368.48
PRIMAL CHUCK	211.37	214.65
PRIMAL ROUND	218.20	216.24
PRIMAL LOIN	338.10	314.36
PRIMAL BRISKET	227.03	211.18
PRIMAL SHORT PLATE	176.56	176.56
PRIMAL FLANK	141.63	141.38

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LOAD COUNT AND CUTOFF VALUE SUMMARY

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
03/04	60	15	7	31	112	254.33	248.41
03/03	90	19	13	31	153	254.35	247.79
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

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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	59.59 loads	2,383,743 pounds
Select Cuts	15.40 loads	616,167 pounds
Trimming	5.17 loads	206,735 pounds
Ground Beef	21.71 loads	868,397 pounds

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Live Cattle and Lean Hogs Monday, March 7, 2022

If you used charts to trade on Monday, it was easy to see what happened for Live Cattle, and Lean Hogs. Both Live Cattle and Lean Hogs dropped too much last week especially on Friday. Monday, March 7th, Live Cattle and Lean Hogs had a simple technical recovery. Detailed charts will be on Tuesday morning livestock report

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Grain prices soaring and day after day lower boxed beef prices had feedlots selling cash cattle last week \$1 to \$2 lower on Thursday and by Friday for the few cattle that did move, cash prices were down another \$2.00. Inflation around the world is affecting beef prices and higher crude oil and energy prices will add to inflation. With the cost of all foods going higher,

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consumers won't buy high priced beef cuts. With gas and home cost going up, look for consumers to buy even less beef

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Future traders last Friday decided to accept that boxed beef prices have been showing for some time that the consumer is buying less beef and when they buy beef, they are buying cheaper beef.

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I am concerned that contract beef buyers may if they haven't already begin to cancel previously contracted beef 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 that 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 March 01, 2022 dressed steer and heifer carcasses averaged 887.4 pounds compared to previous week at 884.9 pounds, up 2.5 pounds. The grading percent was 84.6% compared to previous week at 84.6%.

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

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*****National Daily Direct Cattle 03/07/22**

5 day accumulated weighted avg

	Weight	Price	Head
Live Steer:	1491	\$140.64	26,674
Live Heifer:	1368	\$140.80	12,464
Dressed Steer:	969	\$224.58	15,744
Dressed Heifer:	862	\$224.71	7,275

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

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USDA POSTED SUMMARY CATTLE PRICES ON 03/07/2021

IA/MN – CASH – 138.00 ON 480 HEAD AVERAGING 1550 POUNDS

DRESSED - 222.00 ON 39 HEAD OF HEIFERS AVERAGING 869

NE – CASH - 138.00 ON 186 HEAD OF STEERS AVE WEIGHT 1400 POUNDS

DRESSED – NO REPORTABLE TRADE.

KS – CASH - NO REPORTABLE TRADE.

DRESSED – NO REPORTABLE TRADE.

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TX/OK/NM CASH – NO REPORTABLE TRADE.
DRESSED– NO REPORTABLE TRADE.

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

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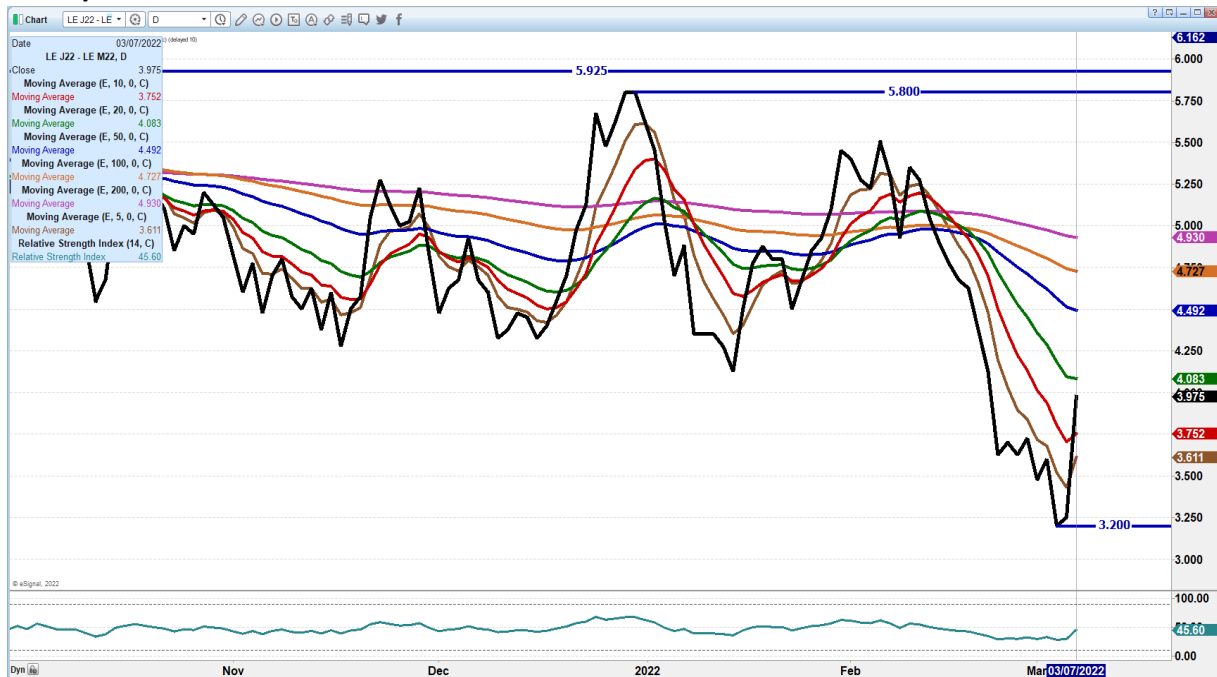
JUNE LIVE CATTLE/JUNE LEAN HOG SPREAD – LOOK FOR CATTLE TO KEEP GAINING ON HOGS.



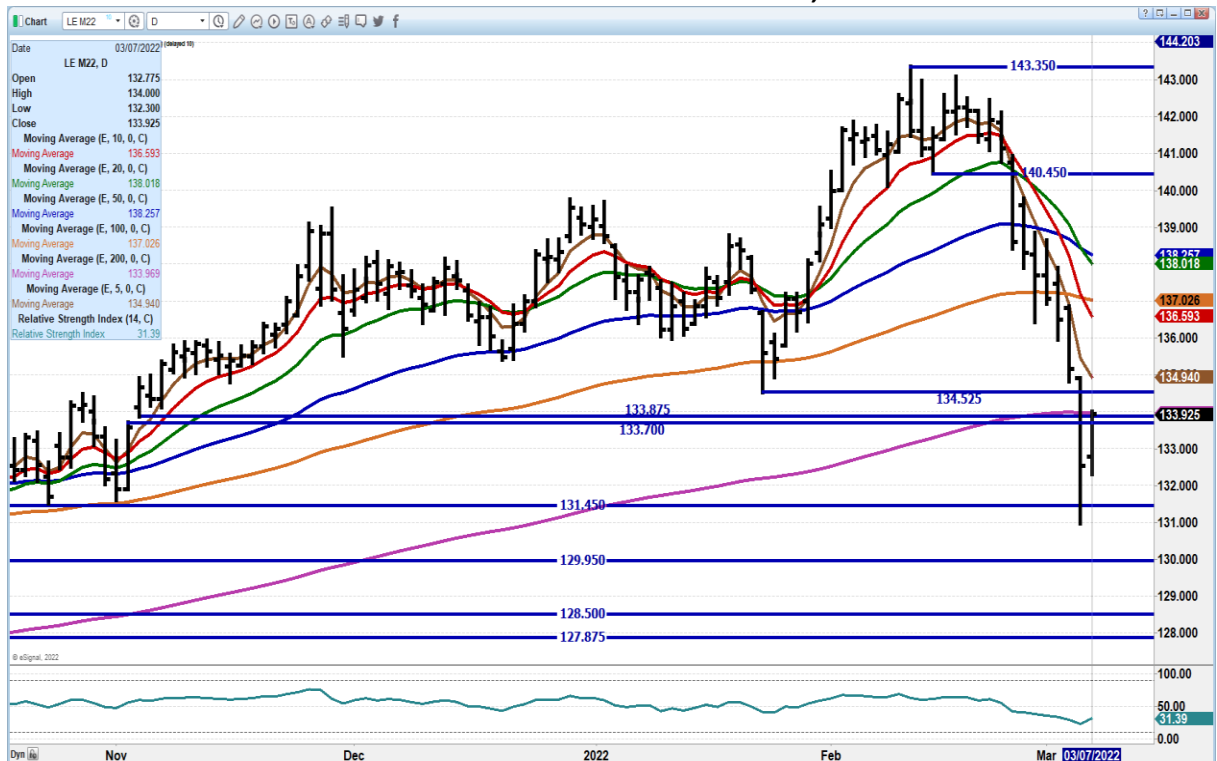
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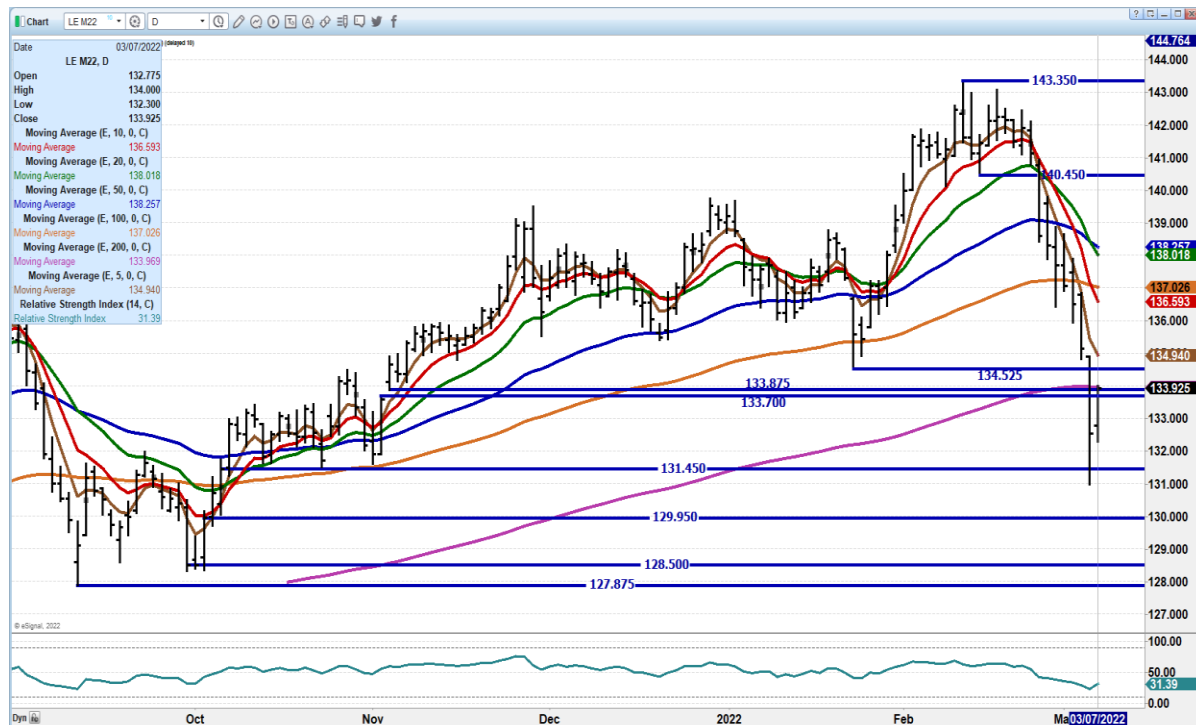
APRIL/JUNE LIVE CATTLE SPREAD – APRIL GAINING ON JUNE IS BULL SPREADING



**APRIL 2022 LIVE CATTLE - NEEDS TO CLOSE OVER 139.00 NEXT RESISTANCE AT 140.35
SUPPORT AT 135.87 TO 133.50 VOLUME WAS STRONG AT 38,688**



JUNE 2022 LIVE CATTLE – VOLUME AT FAIRLY STRONG AT 38,765 RESISTANCE AT 134.95 TO 136.65 SUPPORT AT 131.45



Feeder Cattle

CME FEEDER INDEX ON 03/03/2021 WAS 155.37 DOWN 82 CENYS FROM PREVIOUS DAY –

MARCH 2022 FEEDER CATTLE SETTLED ON MARCH 7, 2022 AT \$154.60

MARCH 2022 FEEDER CATTLE TO CME FEEDER CATTLE INDEX . FUTURES CLOSED .77 UNDER THE CME INDEX

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Negative close still on Monday for futures but futures recovered some of Friday's losses and narrowing spread between the CME Feeder Index

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NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 03/05/2022

RECEIPTS:	AUCTIONS	DIRECT	VIDEO/INTERNET	TOTAL
THIS WEEK:	239,700	32,700	12,600	285,000
LAST WEEK:	170,600	34,100	48,800	253,500
YEAR AGO:	282,800	56,700	12,900	352,400

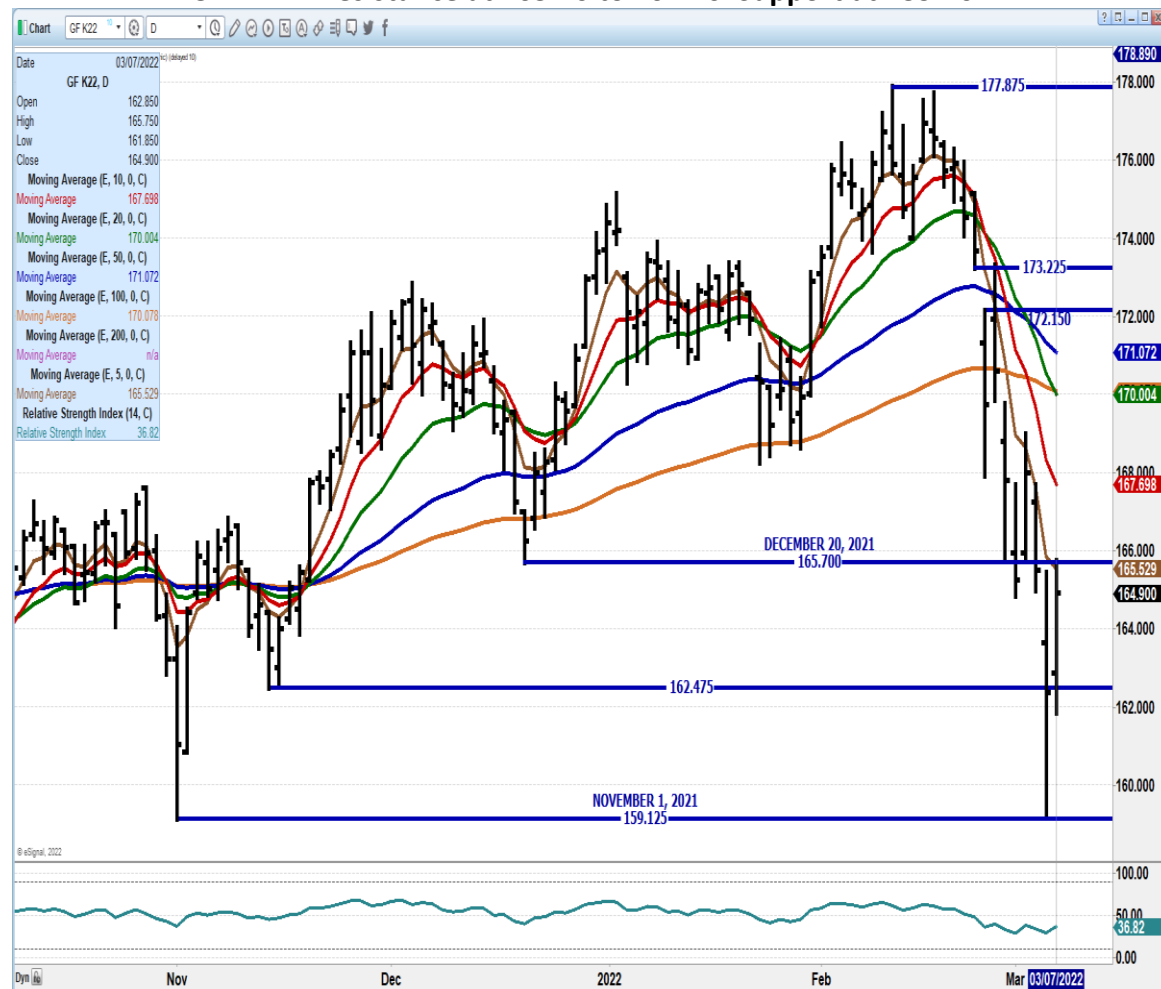
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COMPARED TO LAST WEEK, STEERS AND HEIFERS IN THE SOUTHEAST WERE 1.00 TO 5.00 HIGHER, WHILE THE REST OF THE COUNTRY WAS STEADY TO 4.00 LOWER. DEMAND WAS BEST FOR THE THINNER GRAZING KIND NATIONWIDE AGAIN THIS WEEK AS THE CALENDAR TURNS TO MARCH.

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

MAY FEEDER CATTLE – resistance at 165.70 to 167.70 Support at 159.10



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CME PORK INDEX TO CME LEAN HOG INDEX plus \$8.23 When the Pork Index falls faster than Lean Hogs, it is negative for the packer

APRIL 2022 LEAN HOGS SETTLED ON MARCH 7, 2022 AT \$100.45

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Purely a technical recovery on Monday. Futures moved to resistance and recovery came to a halt. Chart above in Live Cattle section

When hogs rallied to the highs on February 23, 2022 April hogs were at \$112.85, and they were \$21.22 over where February 2022 Hogs settled at \$ 91.62. On February 23rd, the CME Index was at \$98.16. Of course there is a long time between the price where hogs settled and on the 23rd where the CME Lean Hog Index was at the time, but a spread of \$21.22 is a far reaching point from both of the other prices. Hogs simply were too high especially when there are plenty of global hogs and the US is in the global world of pork.

Last week week, pork carcass on the 5 day average dropped \$3.22 to \$107.86

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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 7, 2022

LOADS OF PORK CUTS: 275.99

TRIM/PROCESSED PORK: 34.85

FINAL	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
03/07/2022	310.84	106.65	100.93	114.90	51.34	171.15	86.90	188.62
CHANGE:		2.66	4.97	0.78	-0.80	2.49	4.30	-0.47
FIVE DAY AVERAGE --		106.73	102.03	114.39	51.91	170.95	85.36	190.11

FINAL	LOADS	CARCASS	LOIN	BUTT	PIC	RIB	HAM	BELLY
03/04/2022	257.89	103.99	95.96	114.12	52.14	168.66	82.60	189.09
CHANGE:		-2.42	-10.05	0.32	1.43	-3.40	-9.47	17.37
FIVE DAY AVERAGE --		107.86	102.82	114.22	52.74	170.71	84.18	197.20

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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 FRIDAY, MARCH 4, 2022 AND SATURDAY, MARCH 5, 2022

AVERAGE LIVE WEIGHT 289.31

AVERAGE CARCASS 215.13

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DAILY DIRECT AFTERNOON HOG REPORT MARCH 07, 2022

National Negotiated Carcass Price

Lowest price: 90.00

Highest price: 110.00

Weighted Average 100.36

Head Count: 6,497

From Previous day 2.95 higher

Other Market Formula (Carcass)

Lowest Base Price: 74.93

Highest base price: 110.70

Weighted Average Price: 94.58

Head Count: 34,172

Pork Market Formula (Carcass)

Lowest base price: 82.15

Highest Base Price: 108.77

Weighted Average Price: 97.47

Head Count: 180,594

Other Purchase Arrangement (Carcass)

Lowest base price: 72.39

Highest base price: 105.50

Weighted Average Price: 96.14

HEAD COUNT: 89,786

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

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BOTH APRIL LEAN HOGS AND JUNE LEAN HOGS APPEAR TO BE IN A HEAD AND SHOULDERS FORMATION. HEAD AND SHOULDERS AT ONE TIME WERE A GREAT TRADE, BUT WITH SO MANY TRADES NOW ALGORITHMIC FORMULAS AND SPREADS, THE PERCENT OF ACCURACY OF THE TRADES HAS DROPPED. BUT BOTH ARE FAIRLY CLEAR AS OF THE CLOSE ON FRIDAY.

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Chart: HE J22 - HE M22, D

Date: 03/07/2022

Close: -10.725

Moving Average (E, 10, 0, C): -10.523

Moving Average (E, 20, 0, C): -10.297

Moving Average (E, 50, 0, C): -10.269

Moving Average (E, 100, 0, C): -10.004

Moving Average (E, 200, 0, C): -9.360

Moving Average (E, 5, 0, C): -10.783

Relative Strength Index (14, C): -10.88

Relative Strength Index: -10.88

Price levels: -6.725, -8.950, -11.300, -12.375

RSI levels: 100.00, 45.88, 0.00

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Dyn (a)

Oct Nov Dec 2022 Feb 03/07/2022

Chart: HE J22.D

Date: 03/07/2022

Close: 100.275

Moving Average (E, 10, 0, C): 103.805

Moving Average (E, 20, 0, C): 103.136

Moving Average (E, 50, 0, C): 98.213

Moving Average (E, 100, 0, C): 100.275

Moving Average (E, 200, 0, C): 88.998

Moving Average (E, 5, 0, C): 102.653

Relative Strength Index (14, C): 48.06

Relative Strength Index: 48.06

PROJECTION HEAD AND SHOULDERS: 95.025

81.425 DECEMBER 08, 2021

78.100

83.600

85.925

86.025

88.998

91.400

91.475

95.025

98.213

100.275

103.136

103.805

106.000

112.075

113.304

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Oct Nov Dec 2022 Feb

03/07/2022

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JUNE 2021 LEAN HOGS - VOLUME AT 20507 GOLDMAN SACHS ROLLING NOW. RESISTANCE AT 113.40 TO 114.35 SUPPORT AT 108.45 TO 105.67



OCTOBER 2022 LEAN HOGS – SUPPORT AT 89.75 TO 86.25 RESISTANCE AT 93.00 TO 93.50 VOLUME AT 5871



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CHARTS FROM ESIGNAL INTERACTIVE, INC.

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