

Since mid-January the lean hog futures market has been on an upward trend. Last week saw the rally continue with most nearby lean hog futures contracts posting gains.

FEB: On January 13th the February contract reached its most recent low closing at \$77.85 per cwt. Since that low, the contract rose 14% (\$11) to \$88.48 on January 31. This is still just below the February contract high of about \$90 set in June 2021. Friday, the contract closed slightly lower at about \$87 which is still above the recent low only three weeks ago.

APR and MAY: On January 11th, the April and May contracts each dipped but have since gained in just over three weeks. Since the April contracts recent low of \$84.20 on January 11th, the contract has risen 19% (\$16) to a \$100 per cwt close last Friday. Last week the contract gained about \$5. The May contract rose about \$4 last week to nearly \$104 per cwt as of Friday's closing. In just over three weeks the May contract has increased \$13 or 15%.

JUN, JUL, and AUG: The June, July, and August contracts have been impressive to watch. Each contract dipped to about \$96-\$97 per cwt just over three weeks ago. Since that dip to last week's closing on Friday, the June contract gained \$13 (14%), July rose \$12 (12%), and August increased \$10



(11%). Last week these three contracts gained about \$3-\$4 and are now knocking on \$110 per cwt.

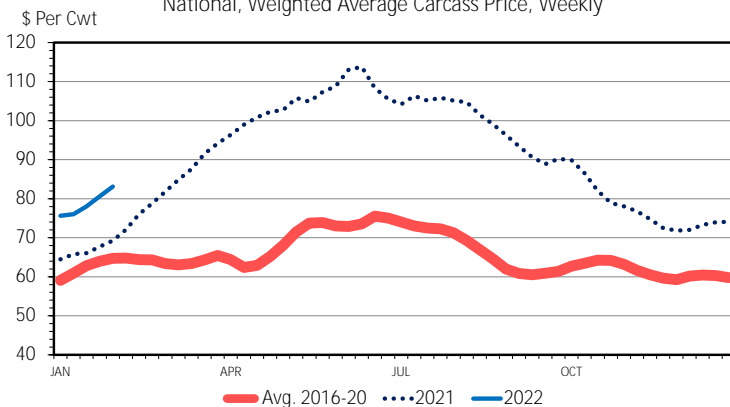
OCT and DEC: Both contracts have posted gains over the last three weeks with October up about 7% (\$6) to \$90 and December up about 4% (\$3) to \$81.

Performance of the lean hog futures has been remarkable over the last several weeks. This strength has also been occurring in the cash market. Over the last month the base slaughter hog weighted average carcass price has risen from just over \$74 per cwt to over \$83 as of last week's price, a 12% or \$9 increase.

The December 1 Hogs and Pigs report indicated hogs weighing 120-179 pounds and 180 pounds and over were down about 6%. Aside from the two holiday slaughter weeks, since the first week of December, weekly slaughter has been about 4%-11% below the prior year. In the same period, dressed weights have been tracking just below year ago levels which indicates that even though labor issues are a concern (as mentioned in the last couple DLR's), hog supplies remain tight and do not appear to be backing up. Tighter supplies and lower weights are factors helping to support prices.

BASE SLAUGHTER HOG PRICES

National, Weighted Average Carcass Price, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The **Daily Livestock Report** is published by **Steiner Consulting Group, DLR Division, Inc.** To subscribe, support or unsubscribe please visit www.dailylivestockreport.com.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group®, CME® and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

PRODUCTION & PRICE SUMMARY

Week Ending 2/5/2022

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		5-Feb-22	29-Jan-22		6-Feb-21			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	2,001	1,927	3.8%	2,044	-2.1%	9,682	-5.6%
C Fl Slaughter	Thou. Head	639	643	-0.6%	652	-2.1%	3,157	-5.5%
A Fl Cow Slaughter **	Thou. Head	137	138	-0.4%	137	-0.2%	13,456	2.1%
T Avg. Dressed Weight	Lbs.	842	843	-0.1%	844	-0.2%	838	-0.6%
T Beef Production	Million Lbs.	537.0	540.8	-0.7%	549.3	-2.2%	2,647	-6.1%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	139.88	136.95	2.1%	113.63	23.1%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	221.79	218.00	1.7%	179.26	23.7%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	165.24	165.92	-0.4%	145.39	13.6%		
& Choice Beef Cutout	\$ per cwt	284.05	290.97	-2.4%	235.31	20.7%		
Hide/Offal	\$ per cwt, live wt	13.76	14.00	-1.7%	9.56	43.9%		
B Rib, Primal, Choice	\$ per cwt	397.64	412.17	-3.5%	382.51	4.0%		
E Round, Primal, Choice	\$ per cwt	238.09	242.61	-1.9%	192.49	23.7%		
E Chuck, Primal, Choice	\$ per cwt	251.37	254.17	-1.1%	202.57	24.1%		
F Trimmings, 50%, Fresh	\$ per cwt	112.96	111.71	1.1%	50.52	123.6%		
Trimmings, 90%, Fresh	\$ per cwt	280.01	277.41	0.9%	223.34	25.4%		
H Fl Slaughter	Thou. Head	2,436	2,526	-3.6%	2,673	-8.9%	12,317	-11.1%
H Fl Sow Slaughter **	Thou. Head	58.8	63.2	-6.9%	65.4	-10.1%	6,633	1.4%
O Avg. Dressed Weight	Lbs.	219.0	219.0	0.0%	219.0	0.0%	219	-0.6%
G Pork Production	Million Lbs.	534.2	552.5	-3.3%	584.1	-8.5%	2,694	-11.6%
S Natl. Negotiated Purchase	Wtd. Avg.	83.07	71.08	16.9%	59.97	38.5%		
Natl. Base Carcass Price	Wtd. Avg.	73.18	80.65	-9.3%	69.28	5.6%		
& Natl. Net Carcass Price	Wtd. Avg.	74.70	82.27	-9.2%	71.04	5.2%		
Natl. Early Wean Feeder	10-12 Lbs.	66.39	63.34	4.8%	55.47	19.7%		
P Pork Cutout	\$ per cwt	95.71	95.46	0.3%	82.80	15.6%		
O By-product Value	\$ per cwt, live wt	5.39	5.31	1.5%	4.51	19.5%		
R Ham, Primal	\$ per cwt	59.93	70.41	-14.9%	71.79	-16.5%		
K Loin, Primal	\$ per cwt	103.94	98.62	5.4%	79.73	30.4%		
Belly, Primal	\$ per cwt	164.52	158.56	3.8%	126.56	30.0%		
Trimmings, 72%, Fresh	\$ per cwt	114.29	113.96	0.3%	77.64	47.2%		
C Young Chicken Slaughter *	Million Head	168.9	154.5	9.3%	166.63	1.3%	803	-0.5%
H Avg. Weight (RTC)	Lbs.	4.92	4.80	2.7%	4.83	1.9%	4.85	0.2%
I Young Chicken Production (RTC)	Million Lbs.	831.6	740.7	12.3%	805.4	3.3%	3,891	-0.3%
C Eggs Set (US)	Million	240.8	238.5	0.9%	233.3	3.2%	25,563	1.4%
K Chicks Placed (US)	Million Head	185.9	184.0	1.0%	185.9	0.0%	20,172	-0.2%
E National Composite Whole Bird	Composite	124.88	125.87	-0.8%	82.93	50.6%		
N Northeast Breast, B/S	\$ per cwt	253.03	242.20	4.5%	127.27	98.8%		
Northeast Leg Quarters	\$ per cwt	36.43	37.13	-1.9%	30.39	19.9%		
T Total Turkey Slaughter *	Million Head	3.69	3.50	5.4%	3.97	-7.1%	17.0	-5.8%
U Avg. Weight (RTC)	Lbs.	26.64	26.58	0.2%	26.52	0.5%	26.49	-1.4%
R Turkey Production (RTC)	Million Lbs.	98.2	92.9	5.7%	105.2	-6.7%	450	-7.2%
K National Hen (8-12 Lbs)	\$ per cwt	127.68	127.61	0.1%	106.29	20.1%		
G Corn, Omaha	\$ per Bushel	6.12	6.27	-2.3%	5.29	15.7%		
R Distillers Grain, IA	\$ per Ton	212.50	205.00	3.7%	230.00	-7.6%		
A Soybean, Cntrl IL	\$ per Bushel	15.49	14.54	6.6%	13.84	11.9%		
I Soybn Meal 48%, Cntrl IL	\$ per Ton	451.00	407.00	10.8%	431.60	4.5%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of "actual" rather than "preliminary" weekly slaughter report).

The Daily Livestock Report is made possible with support from readers like you. If you enjoy reading this report and would like to sustain it going forward, consider becoming a contributor by going to our website: www.DailyLivestockReport.com

Thank you for your support!

