

# Tennessee Market Highlights

**UTEXTENSION**  
INSTITUTE OF AGRICULTURE  
THE UNIVERSITY OF TENNESSEE

March 26, 2021

Number: 12

## Trends for the Week Compared to a Week Ago

### Slaughter Cows

steady to \$2 higher

### Slaughter Bulls

steady

### Feeder Steers

\$2 to \$4 higher

### Feeder Heifers

steady to \$4 higher

Feeder Cattle Index: 135.62

### Fed Cattle

The 5-area live price on Thursday of \$115.54 was up \$1.29. The dressed price of \$184.87 was up \$3.59.

### Corn

May closed at \$5.52 a bushel, down 5 cents since last Friday.

### Soybeans

May closed at \$14.00 a bushel, down 16 cents since last Friday.

### Wheat

May closed at \$6.13 a bushel, down 14 cents since last Friday.

### Cotton

May closed at 80.38 cents per lb, down 4.30 cents since last Friday.

## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded \$1 to \$2 higher compared to last week on a live basis. Prices on a live basis were primarily \$115 to \$116 while dressed prices were mainly \$184 to \$185.

The 5-area weighted average prices thru Thursday were \$115.54 live, up \$1.29 compared to last week and \$184.87 dressed, up \$3.59 from a week ago. A year ago, prices were \$119.44 live and \$189.31 dressed.

This week the fed cattle market showed some signs of breaking out of the stagnant price range it had been stuck in since early February. Was this led by fundamentals of supply and demand in the marketplace, or was it led by technical trading of live cattle futures? The answer is, "no one cares!" That is not actually the truth, but at this point, cattle feeders are just glad to see the market beginning to seasonally strengthen. The slight progression in prices this week provide optimism for further price improvement moving through April and into May. The market continues to trade at a large discount to April live cattle futures, but cash prices for finished cattle have the ability to push above the \$120 price level.

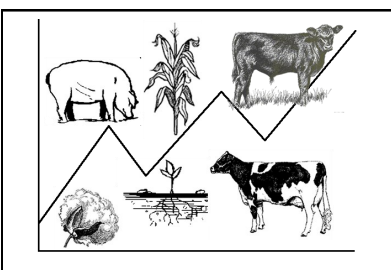
**BEEF CUTOUT:** At midday Friday, the Choice cutout was \$238.40 up \$1.95 from Thursday and up \$8.31 from a week ago. The Select cutout was \$229.09 up \$2.84 from Thursday and up \$8.98 from last week. The Choice Select spread was \$9.31 compared to \$9.98 a week ago.

There was a time in the beef industry when \$200 was the primary resistance point for the weekly Choice boxed beef cutout value. However, the \$200 level appears to be the primary support point in that the weekly Choice boxed beef price has not been below this level since the week ending October 20, 2017. Look-

ing back to 2004, the weekly average price of the composite Choice cutout exceeded \$200 for the first time in May 2013. From May 2013 until October 2017, Choice prices bounced around on either side of \$200, but that action has ceased for the past three and a half years. Choice beef prices have been strong the first quarter of 2021 and they are only expected to get stronger in the second quarter as grilling season hits full stride. Many consumers have ample disposable income, because they have not been traveling. Thus, they can spend some of that money on their eating experience. There is no reason to attempt to predict how high boxed beef prices will go this spring, but they are likely to test the \$250 mark.

**OUTLOOK:** Based on Tennessee weekly auction market data, steer prices were \$2 to \$4 higher compared to last week while heifer prices were steady to \$4 higher compared to a week ago. Slaughter cow prices were steady to \$2 higher while bull prices were steady compared to the previous week. Calf and feeder cattle prices are attempting to push higher as grass fever heats up and as many feeder cattle futures contracts tested contract highs this week. The market is ripe for light-weight cattle to go on grass in the Southeast United States. Spring temperatures with warm nights and adequate moisture have resulted in cool season grasses exploding a couple of weeks earlier than is typical, and feeder cattle futures are offering a great opportunity to hedge a strong price on cattle that will be marketed between August and November. The summer and fall feeder cattle contracts are offering a 150 day to a 240 day back-grounding period to capitalize on current prices. They are also offering a wide mar-

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## Livestock Comments by Dr. Andrew Griffith

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keting window, which provides more time to put weight on cattle. There is some concern by cattle producers that higher feed prices could put significant pressure on feeder cattle prices, but that is not a concern if one takes advantage of what the market is currently offering in the form of price risk management. Shifting to the slaughter cow market, the market has been underwhelming thus far. Slaughter cow prices found some steam in February, but the upward price trajectory has slowed tremendously. This is actually a very seasonal trend as slaughter cow prices are near \$60 per hundredweight. Prices will likely continue to grind higher through the second quarter of the year with a peak projected near \$70 per hundredweight. The overall outlook for cattle markets is positive moving through the second and third quarter of the year, but that does not mean the market will reach what is being predicted in today's futures prices.

**ASK ANDREW, TN THINK TANK:** A question was asked this week how increasing corn and soybean prices will impact feeder cattle prices this year and in future years. In the short-run, higher feed prices will put pressure on feeder cattle prices, because it will be more expensive to feed them. However, this particular question was about pasture and hay

acres potentially shifting into corn and soybean acres which would reduce the number of cattle over the next few years. There is no doubt that some acreage could be shifted to row crop production, but it may take the form of intensifying land usage as opposed to a complete shift. Cattle production tends to work off a longer planning horizon than crop production so a price increase in grains and oilseeds does not mean a cattle producer should immediately change the course of action and shift land usage. There is really no good way to answer the exact question that was asked, because there is no way to guess what land owners will do with land. The expectation is for stronger feeder cattle prices the next two to three years.

Please send questions and comments to [agriff14@utk.edu](mailto:agriff14@utk.edu) or send a letter to Andrew P. Griffith, University of Tennessee, P.O. Box 160, 1000 Main Entrance Dr., Spring Hill, TN 37174.

**FRIDAY'S FUTURES MARKET CLOSING PRICES:** Friday's closing prices were as follows: Live/fed cattle –April \$120.10 +0.55; June \$121.78 +0.70; August \$120.88 +0.50; Feeder cattle – April \$145.13 +0.90; May \$149.88 +0.75; August \$158.45 +0.33; September \$158.83 +0.33; May corn closed at \$5.53 up 6 cents from Thursday.

## Crop Comments by Dr. Aaron Smith

### Overview

Corn, cotton, soybeans, and wheat were down for the week.

December corn is approaching a key support level of \$4.60. If prices fall below \$4.60, the next level of support will be \$4.40. Next week's USDA Prospective Plantings report could provide a major push (up or down) for corn prices depending on USDA estimates. Current estimates are 92 million acres of corn and 90 million acres of soybeans. The harvest price ratio of 2.6 still favors soybeans, but if weather cooperates many farmers may plant corn. Heading into the report having some production priced should be strongly considered as historically this report has moved markets.

July wheat prices have lost over 60 cents since the February 24 high of \$6.72 ¾. Improved weather conditions, as wheat exits dormancy in the West, have production estimates moving higher. Prices are also under pressure from record global stocks, which is not the case with corn and soybeans. In Tennessee, sales with cash prices above \$6.00 should be considered.

December 2021 cotton futures moved lower driven by a 3.83 cent decline on Thursday. The price decline was driven by improved moisture conditions and more advantageous weather forecasts in the Texas/ the Southern Plains. The dramatic decrease the past two weeks further clouds the planted acreage estimates in Tennessee and the Delta. Producers that priced 25-50% (or greater) of anticipated production, with prices north of 80 cents, will plant intended acres. Those that had not priced production will have to weigh the risks of reduced prices. The projected (spring) crop insurance price of 83 cents does provide a strong safety net, but is it enough to maintain cotton acres with harvest corn above \$4.60 and soybeans above \$12.00? I had projected cotton acres in 2021 in Tennessee to reach 325,000 acres, however with recent price developments we could see acres closer to 300,000.

	Previous	Current	Change
USD Index	91.93	92.80	0.87
Crude Oil	61.42	60.84	-0.58
DJIA	32,742	32,747	5

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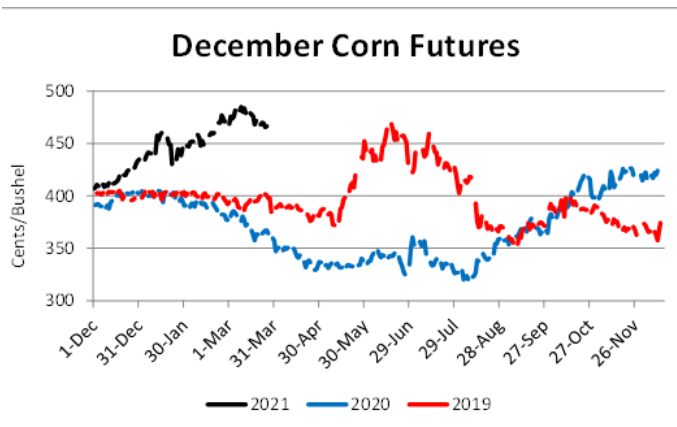
## Crop Comments by Dr. Aaron Smith

On March 31, the USDA will release the Prospective Plantings report, which will provide survey based estimates of intended plantings. The report will provide clarification on planted acres for spring crops.

### Corn

Ethanol production for the week ending March 19 was 0.922 million barrels per day, down 49,000 barrels from the previous week. Ethanol stocks were 21.809 million barrels, up 0.469 million barrels compared to last week. Corn net sales reported by exporters for March 12-18 were up compared to last week with net sales of 176.4 million bushels for the 2020/21 marketing year and 5.7 million bushels for the 2021/22 marketing year. Exports for the same time period were down 7% from last week at 80.2 million bushels. Corn export sales and commitments were 98% of the USDA estimated total exports for the 2020/21 marketing year (September 1 to August 31) compared to the previous 5-year average of 78%. Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at North-Central, West-Central, Northwest, West, and Mississippi River elevators and barge points. Overall, basis for the week ranged from 15 over to 42 over, with an average of 28 over the May futures at elevators and barge points. May 2021 corn futures closed at \$5.52, down 5 cents since last Friday. For the week, May 2021 corn futures traded between \$5.41 and \$5.58. May/Jul and May/Dec future spreads were -17 and -86 cents. July 2021 corn futures closed at \$5.35, down 3 cents since last Friday.

Corn	May 21	Change	Dec 21	Change
Price	\$5.52	-\$0.05	\$4.66	-\$0.05
Support	\$5.35	-\$0.02	\$4.62	\$0.01
Resistance	\$5.57	-\$0.05	\$4.70	-\$0.09
20 Day MA	\$5.45	-\$0.01	\$4.74	-\$0.01
50 Day MA	\$5.43	\$0.05	\$4.62	\$0.02
100 Day MA	\$4.93	\$0.07	\$4.39	\$0.04
4-Week High	\$5.59	\$0.00	\$4.85	\$0.00
4-Week Low	\$5.29	\$0.00	\$4.63	\$0.01
Technical Trend	Up	=	Down	-



In Tennessee, new crop cash corn prices at elevators and barge points ranged from \$4.45 to \$4.89. December 2021 corn futures closed at \$4.66, down 5 cents since last Friday. Downside price protection could be obtained by purchasing a \$4.70 December 2021 Put Option costing 46 cents establishing a \$4.24 futures floor.

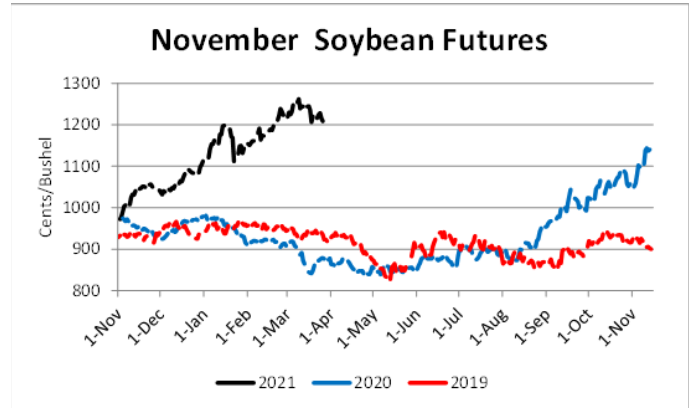
### Soybeans

Net sales reported by exporters were down compared to last week with net sales of 3.7 million bushels for the 2020/21 marketing year and 2.4 million bushels for the 2021/22 marketing year. Exports for the same period were down 6% compared to last week at 18.4 million bushels. Soybean export sales and commitments were 99% of the USDA estimated total annual exports for the 2020/21 marketing year (September 1 to August 31), compared to the previous 5-year average of 88%. Across Tennessee, average soybean basis weakened or remained unchanged at West, West-Central, North-Central, Northwest, and Mississippi River elevators and barge points. Basis ranged from 5 over to 30 over the May futures contract. Average basis at the end of the week was 14 over the May futures contract. May 2021 soybean futures closed at \$14.00, down 16 cents since last Friday. For the week, May 2021 soybean futures traded between \$13.99 and \$14.35. May/Jul and May/Nov future spreads were -9 and -193 cents. May 2021 soybean-to-corn price ratio was 2.54 at the end of the week. July 2021 soybean futures closed at \$13.91, down 12 cent since last Friday.

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## Crop Comments by Dr. Aaron Smith

Soybeans	May 21	Change	Nov 21	Change
Price	\$14.00	-\$0.16	\$12.07	-\$0.13
Support	\$13.97	\$0.25	\$12.00	\$0.15
Resistance	\$14.40	\$0.11	\$12.35	-\$0.10
20 Day MA	\$14.16	\$0.03	\$12.31	-\$0.02
50 Day MA	\$13.93	\$0.04	\$11.98	\$0.05
100 Day MA	\$13.00	\$0.19	\$11.32	\$0.13
4-Week High	\$14.60	\$0.00	\$12.65	\$0.00
4-Week Low	\$13.80	\$0.06	\$12.02	\$0.05
Technical Trend	Down	-	Down	-

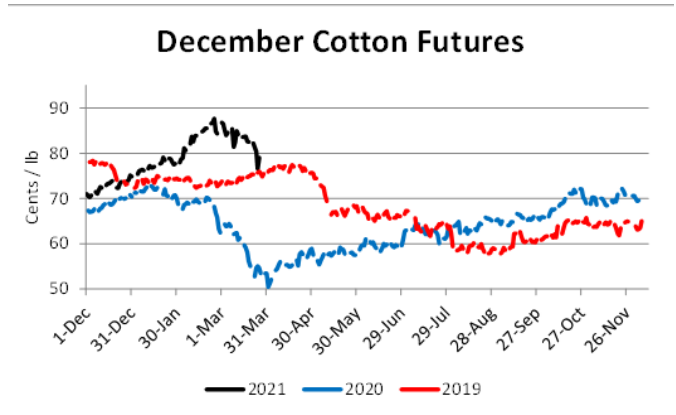


In Tennessee, new crop cash soybean prices at elevators and barge points ranged from \$12.10 to \$12.62. November 2021 soybean futures closed at \$12.07, down 13 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.20 November 2021 Put Option which would cost 82 cents and set an \$11.38 futures floor. Nov/Dec 2021 soybean-to-corn price ratio was 2.59 at the end of the week.

### Cotton

Net sales reported by exporters were down compared to last week with net sales of 271,200 bales for the 2020/21 marketing year and 69,400 bales for the 2021/22 marketing year. Exports for the same time period were down 11% compared to last week at 313,500 bales. Upland cotton export sales were 101% of the USDA estimated total annual exports for the 2020/21 marketing year (August 1 to July 31), compared to the previous 5-year average of 95%. Delta upland cotton spot price quotes for March 25 were 76.19 cents/lb (41-4-34) and 78.44 cents/lb (31-3-35). Adjusted World Price (AWP) decreased 2.9 cents to 68.55 cents. May 2021 cotton futures closed at 80.38, down 4.3 cents since last Friday. For the week, May 2021 cotton futures traded between 77.12 and 85.16 cents. May/Jul and May/Dec cotton futures spreads were 1.03 cents and -1.64 cents. July 2021 cotton futures closed at 81.41 cents, down 4.31 cents since last Friday.

Cotton	May 21	Change	Dec 21	Change
Price	80.38	-4.30	78.74	-3.77
Support	75.53	-7.04	73.67	-7.46
Resistance	84.27	-2.56	81.99	-1.78
20 Day MA	85.97	-2.39	83.01	-1.55
50 Day MA	85.88	0.06	82.03	0.31
100 Day MA	80.53	0.49	77.11	0.51
4-Week High	92.80	-2.80	87.29	-1.99
4-Week Low	77.12	-5.75	75.34	-5.10
Technical Trend	Down	=	Down	=



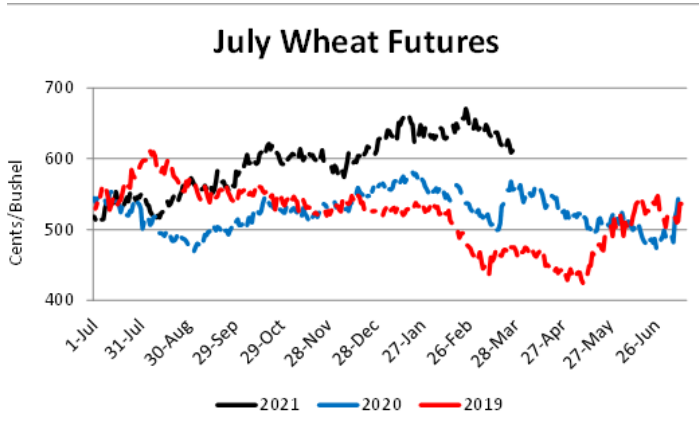
December 2021 cotton futures closed at 78.74 cents, down 3.77 cents since last Friday. Downside price protection could be obtained by purchasing a 79 cent December 2021 Put Option costing 7.85 cents establishing a 71.15 cent futures floor.

## Crop Comments by Dr. Aaron Smith

### Wheat

Wheat net sales reported by exporters were down compared to last week with net sales of 12.6 million bushels for the 2020/21 marketing year and 2.6 million bushels for the 2021/22 marketing year. Exports for the same time period were down <1% from last week at 24.2 million bushels. Wheat export sales were 94% of the USDA estimated total annual exports for the 2020/21 marketing year (June 1 to May 31), compared to the previous 5-year average of 99%. In Tennessee, spot wheat prices ranged from \$6.47 to \$6.70. May 2021 wheat futures closed at \$6.13, down 14 cents since last Friday. May 2021 wheat futures traded between \$6.08 and \$6.44 this week. May wheat-to-corn price ratio was 1.11. May/Jul and May/Sep future spreads were -4 and -3 cents.

Wheat	May 21	Change	Jul 21	Change
Price	\$6.13	-\$0.14	\$6.09	-\$0.10
Support	\$5.99	-\$0.15	\$5.99	-\$0.10
Resistance	\$6.32	-\$0.09	\$6.19	-\$0.12
20 Day MA	\$6.40	-\$0.13	\$6.32	-\$0.11
50 Day MA	\$6.51	-\$0.02	\$6.39	-\$0.02
100 Day MA	\$6.31	\$0.00	\$6.23	\$0.01
4-Week High	\$6.68	-\$0.20	\$6.57	-\$0.15
4-Week Low	\$6.08	-\$0.13	\$6.04	-\$0.11
Technical Trend	Down	=	Down	=



In Tennessee, new crop wheat cash contracts ranged from \$5.96 to \$6.50. July 2021 wheat futures closed at \$6.09, down 10 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.10 July 2021 Put Option costing 34 cents establishing a \$5.76 futures floor. September 2021 wheat futures closed at \$6.10, down 9 cents since last Friday.

### Additional Information:

Links for data presented:

U.S. Export Sales - <https://apps.fas.usda.gov/export-sales/esrd1.html>

USDA FAS: Weekly Export Performance Indicator – <https://apps.fas.usda.gov/esrquery/esrpi.aspx>

EIA: Weekly ethanol Plant Production - [https://www.eia.gov/dnav/pet/pet\\_pnp\\_wprode\\_s1\\_w.htm](https://www.eia.gov/dnav/pet/pet_pnp_wprode_s1_w.htm)

EIA: Weekly Supply Estimates - [https://www.eia.gov/dnav/pet/pet\\_sum\\_sndw\\_a\\_EPOOXE\\_sae\\_mbb1\\_w.htm](https://www.eia.gov/dnav/pet/pet_sum_sndw_a_EPOOXE_sae_mbb1_w.htm)

Upland Cotton Reports - <https://www.fsa.usda.gov/FSA/epasReports?area=home&subject=ecpa&topic=fta-uc>

Tennessee Crop Progress - [https://www.nass.usda.gov/Statistics\\_by\\_State/Tennessee/Publications/Crop\\_Progress\\_&Condition/](https://www.nass.usda.gov/Statistics_by_State/Tennessee/Publications/Crop_Progress_&Condition/)

Crop Progress & Condition/

U.S. Crop Progress - <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1048>

USDA AMS: Market News - <https://www.ams.usda.gov/market-news/search-market-news>

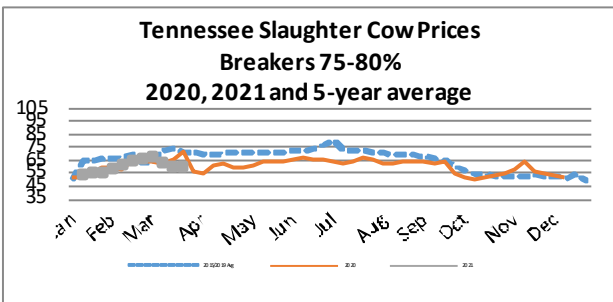
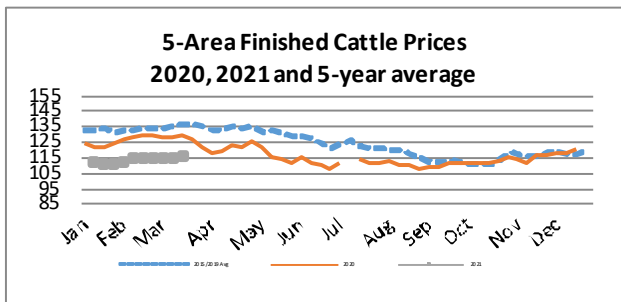
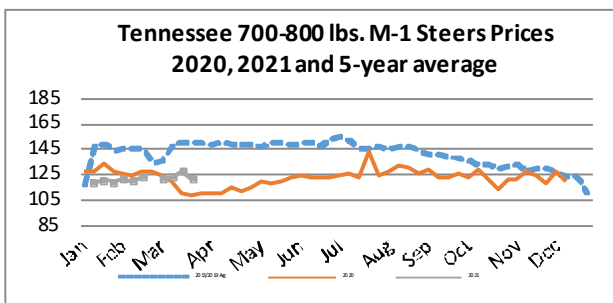
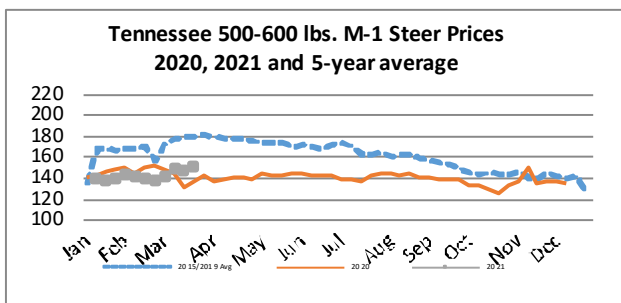
If you would like further information or clarification on topics discussed in the crop comments section or would like to be added to our free email list please contact me at [aaron.smith@utk.edu](mailto:aaron.smith@utk.edu).



**Prices Paid to Farmers by Elevators**

Friday, March 19, 2021---Thursday, March 25, 2021

	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
<b>No. 2 Yellow Soybeans</b>	-----\$/bushel-----				
Northwest	14.21	14.23	14.28	14.38	14.19
North Central	14.26	14.28	14.33	14.43	14.24
West Central	14.21	14.23	14.28	14.38	14.19
West	14.48	14.48	14.53	14.63	14.44
Mississippi River	14.40	14.41	14.46	14.56	14.38
<b>Yellow Corn</b>					
Northwest	5.81	5.72	5.75	5.77	5.70
North Central	5.73	5.64	5.66	5.68	5.62
West Central	5.81	5.72	5.74	5.76	5.70
West	5.99	5.91	5.93	5.95	5.88
Mississippi River	5.96	5.87	5.89	5.91	5.84
<b>Wheat</b>					
Northwest					
North Central	6.62	6.62	6.70	6.60	6.48
West					
Mississippi River					
<b>Cotton</b>	-----\$/pound-----				
Memphis	82.43-84.68	82.37-84.62	81.28-83.53	80.19-82.44	76.19-78.44



**Futures Settlement Prices: Crops & Livestock**

- Corn: <https://www.cmegroup.com/trading/agricultural/grain-and-oilseed/corn.html>
- Soybeans: <https://www.cmegroup.com/trading/agricultural/grain-and-oilseed/soybean.html>
- Wheat: <https://www.cmegroup.com/trading/agricultural/grain-and-oilseed/wheat.html>
- Soybean Meal: <https://www.cmegroup.com/trading/agricultural/grain-and-oilseed/soybean-meal.html>
- Cotton: <https://www.theice.com/products/254/Cotton-No-2-Futures/data?marketId=5352193>
- Live Cattle: <https://www.cmegroup.com/trading/agricultural/livestock/live-cattle.html>
- Feeder Cattle: <https://www.cmegroup.com/trading/agricultural/livestock/feeder-cattle.html>
- Lean Hogs: <https://www.cmegroup.com/trading/agricultural/livestock/lean-hogs.html>
- Class III Milk: <https://www.cmegroup.com/trading/agricultural/dairy/class-iii-milk.html>

**Prices on Tennessee Reported Livestock Auctions for the week ending Monday, March 22, 2021**

	This Week			Last Week's	Year Ago
	Low	High	Weighted Average	Weighted Average	Weighted Average
-----\$/cwt-----					
<b>Steers: Medium/Large Frame #1-2</b>					
300-400 lbs	148.00	195.00	172.58	169.77	143.79
400-500 lbs	146.00	175.00	165.00	162.26	143.47
500-600 lbs	130.00	170.00	148.63	146.04	129.02
600-700 lbs	120.00	147.50	136.21	133.64	117.98
700-800 lbs	108.00	130.00	120.05	126.38	108.96
<b>Steers: Small Frame #1-2</b>					
300-400 lbs	137.50	162.50	148.86	147.50	---
400-500 lbs	137.50	150.00	141.26	137.34	---
500-600 lbs	120.00	120.00	120.00	126.63	---
600-700 lbs	123.00	125.00	124.31	116.12	---
<b>Steers: Medium/Large Frame #3</b>					
300-400 lbs	132.50	170.00	152.88	153.88	136.95
400-500 lbs	132.50	160.00	146.27	144.81	131.76
500-600 lbs	114.00	150.00	132.98	133.89	115.11
600-700 lbs	110.00	133.00	119.91	125.17	106.79
700-800 lbs	112.00	116.00	114.10	112.53	---
<b>Holstein Steers</b>					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
<b>Slaughter Cows &amp; Bulls</b>					
Breakers 75-80%	51.00	65.00	58.91	58.15	63.44
Boners 80-85%	50.00	67.00	58.03	58.67	62.38
Lean 85-90%	40.00	59.00	48.40	49.14	51.38
Bulls YG 1	74.50	94.00	84.14	85.10	83.67
<b>Heifers: Medium/Large Frame #1-2</b>					
300-400 lbs	124.00	156.00	142.38	138.11	121.78
400-500 lbs	117.00	149.00	136.83	134.09	120.14
500-600 lbs	111.00	140.00	126.33	125.06	113.42
600-700 lbs	102.50	126.00	117.61	116.90	101.32
<b>Heifers: Small Frame #1-2</b>					
300-400 lbs	125.00	135.00	129.68	116.15	---
400-500 lbs	113.00	133.00	121.19	121.46	---
500-600 lbs	107.00	120.00	113.12	112.92	---
600-700 lbs	---	---	---	---	---
<b>Heifers: Medium/Large Frame #3</b>					
300-400 lbs	109.00	147.00	130.77	127.70	113.72
400-500 lbs	114.00	136.00	125.77	125.07	110.89
500-600 lbs	104.00	127.50	117.95	115.85	101.52
600-700 lbs	92.00	114.00	106.48	105.84	---

Cattle Receipts

This week:7,729

Week ago:11,220

Year ago:4,463

Link to report: [https://www.ams.usda.gov/mnreports/ams\\_2063.pdf](https://www.ams.usda.gov/mnreports/ams_2063.pdf)

## Graded Sales, Video Board Sales, Video Sales & Loads

### East Tennessee Livestock Center Graded Holstein Steer Sale- Sweetwater, TN

Weighted Average Report for 03/19/2021

Total Receipts: 673

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_2072.pdf](https://www.ams.usda.gov/mnreports/ams_2072.pdf)

## Graded Sheep & Goat Sale

### Columbia Graded Sheep and Goat Sale-Columbia, TN

Weighted Average Report for 3/22/21

Total Receipts: 1,283

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_2081.pdf](https://www.ams.usda.gov/mnreports/ams_2081.pdf)

## Department of Agricultural and Resource Economics

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USDA / Tennessee Department of Agriculture Market News Service <https://www.tn.gov/agriculture/farms/news.html>

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