

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

January 14, 2022

Number: 2

Trends for the Week Compared to a Week Ago

Slaughter Cows

steady to \$2 higher

Slaughter Bulls

steady to \$2 higher

Feeder Steers

steady to \$2 higher

Feeder Heifers

steady to \$5 higher

Feeder Cattle Index: 162.01

Fed Cattle

The 5-area live price on Thursday of \$136.58 was down \$2.00. The dressed price of \$217.99 was down \$2.00.

Corn

March closed at \$5.96 a bushel, down 10 cents since last Friday.

Soybeans

March closed at \$13.69 a bushel, down 41 cents since last Friday.

Wheat

March closed at \$7.41 a bushel, down 17 cents since last Friday.

Cotton

March closed at 119.7 cents per lb, up 4.58 cents since last Friday.

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded \$2 lower compared to last week on a live basis. Prices on a live basis primarily ranged from \$136 to \$137 while dressed prices were mainly \$217 to \$218.

The 5-area weighted average prices thru Thursday were \$136.58 live, down \$2.00 compared to last week and \$217.99 dressed, down \$2.00 from a week ago. A year ago, prices were \$109.52 live and \$173.06 dressed.

Despite finished cattle prices softening this week, prices for finished cattle remain strong relative to a year ago. Cattle feeders are likely wondering why fed cattle prices declined this week and wholesale beef prices increased. This is a reason for concern as it only contributes to the argument of there being a disconnect between the packing sector and the cattle production side of the business. However, this may not even be the largest challenge facing cattle feeders in the near term. The bigger issue may be the weather system moving across the country that is sure to result in reduced feed efficiency that further results in higher costs and lighter cattle at marketing. This is not to mention the struggles with moving cattle from the feedlot to the packer.

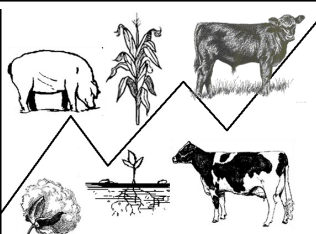
BEEF CUTOUT: At midday Friday, the Choice cutout was \$284.78 up \$1.92 from Thursday and up \$13.47 from a week ago. The Select cutout was \$273.24 up \$0.48 from Thursday and up \$10.59 from last week. The Choice Select spread was \$11.54 compared to \$8.66 a week ago.

Boxed beef prices have reversed course once again as prices made a strong jump this week. Is the Choice box price heading back to \$300? Is \$250 per hundredweight the new floor for Choice boxed beef? How long will consumers continue to pay current retail prices? These are great questions that will be answered in the long-

run. In the short-run, the question is how will retail sales be influenced by the winter weather? How will production be impacted by the same winter weather. The weather system currently moving across the United States has the potential to impact a large portion of this nation's consumers, which may slow beef movement for a few days. At the same time, beef production could be influenced if cattle cannot be transported or if workers are snowed in. The answer to this question will be revealed in a few days, but that does not mean it will be the last time this question arises in the near term. This simply means packers are facing some tough situations just like most cattle producers.

OUTLOOK: Based on Tennessee weekly auction market reports steer prices this week were \$2 to \$6 higher compared to a week ago while heifer prices were steady to \$5 higher compared to last week. Slaughter cow and bull prices were steady to \$2 higher compared to the previous week. Early week auctions ran relatively low numbers this week due to snow and rain events that certainly kept producers' trucks and trailers out of pastures. However, markets operating later in the week typically had strong runs of cattle this week as producers who normally hold cattle over to the first of the year are in a hurry to take advantage of the strong prices being offered. One would expect early week auctions to have a strong run of cattle in the coming week, but another round of winter precipitation over the weekend will likely keep marketings at those auction markets low for at least one more week. Thus, if the ground dries out a little or freezes hard moving into the last week of January then one can certainly expect a steady flow of cattle coming into the sale barns. The delayed marketing

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Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

may only prove to help those producers who could not get cattle out of the field as prices are expected to continue increasing. Part of the increasing prices will simply be the seasonal price increase as spring turnout approaches, but the other part of the price increase will be an overall optimism in the cattle market as finished cattle prices and yearling cattle prices increase, which will drive the cattle complex. The other part of the market to keep an eye on is the slaughter cow market. Prices have started to creep higher, but prices will likely see a strong boost in February before continuing to increase into June. The market has already demonstrated strength in prices, but the market is primed to move even higher. Despite higher cattle prices, producers should consider costs and how that plays into the profitability picture.

ASK ANDREW, TN THINK TANK: : I was listening to a sermon on the radio this week that reminded me of a question that I will not repeat for the sake of brevity. But the sermon was concerning good and bad. The pastor opened with there was a young woman sharing her current situation, and she told him she was married in which he replied that is good. She then said that her husband was an older man. The pastor replied, that is bad! But, he is a wealthy man. That is good! But,

he will not let me spend any money. That is bad! He bought me a very nice car. That is good! But, someone crashed into it. That is bad! He built me the house of my dreams. That is good! But, it burnt to the ground yesterday. That is bad! But, he was in it! I think everyone understands the humor, but it reminded me that even during tough times, there is something good to be found. As cattle producers trudge through the snow and mud this winter, it is easy to get discouraged and ask for spring or summer to arrive. It certainly will arrive. However, find something good about today, because tomorrow may never come.

Please send questions and comments to 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 –February \$137.98 +0.98; April \$142.13 +1.15; June \$137.63 +0.78; Feeder cattle –January \$162.70 -0.23; March \$166.38 -0.35; April \$170.35 -0.13; May \$172.73 +0.08; March corn closed at \$5.96 up 9 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

Corn was mixed; cotton was up; and soybeans and wheat were down for the week.

December corn futures have been moving mostly sideways since mid-November – trading between \$5.35 and \$5.65. There is still a great deal of uncertainty regarding Brazil's second crop corn planting/production and North American planted acres. Profitability for corn in the mid-south looks good compared to other crops, but will producers commit the financial resources to plant the crop – given high fertilizer prices and concerns over input availability.

November soybean prices pulled back from last week's high of \$13.22 ½ due to improved weather forecasts in South America and increased US production and ending stocks -- due to revisions in yield on the January USDA WASDE. The second highest US soybean yield occurred last year in spite of the severe drought that covered the Northern Plains. The diminished yields were offset by increased production in the South and Eastern Corn Belt. In South America production continues to remain uncertain with mostly beneficial conditions in the North and drought in Southern Brazil and Argentina. South American production will be a key determinant if export sales are to achieve USDA targets.

December 2022 cotton futures appear poised to break above \$1. The recent WASDE decreased US yield and ending stocks precipitating an end of the week rally that saw cotton post triple digit gains from Wednesday to Friday. Some caution does need to be exerted in cotton markets as worries about demand erosion and increased global acres planted could through cold water on the rally that started in April of 2020. In the short-term cotton is likely to maintain its bullish momentum.

Wheat futures have declined dramatically since the November 24 high. The July contract peaked on November 24 at \$8.63, since then prices have dropped over \$1.20/bu. US stocks remain low relative to the last 5-years, however exports have been revised down due to a lack of competitiveness in foreign markets.

	Previous	Current	Change
USD Index	95.74	95.15	-0.59
Crude Oil	79.11	83.86	4.75
DJIA	36,351	35,770	-581

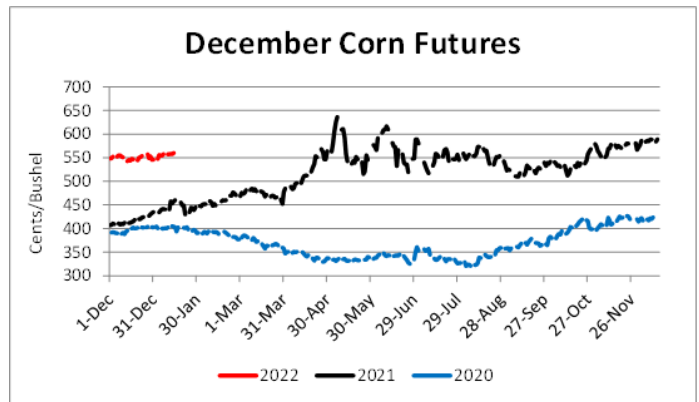
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Crop Comments by Dr. Aaron Smith

Corn

Ethanol production for the week ending January 7 was 1.006 million barrels per day, down 42,000 from the previous week. Ethanol stocks were 22.911 million barrels, up 1.552 million compared to last week. Corn net sales reported by exporters for December 31-January 6, 2022, were up compared to last week with net sales of 18 million bushels for the 2021/22 marketing year. Exports for the same period were up 3% from last week at 39.8 million bushels. Corn export sales and commitments were 67% of the USDA estimated total exports for the 2021/22 marketing year (September 1 to August 31) compared to the previous 5-year average of 59%. Across Tennessee, average corn basis (cash price-nearby futures price) strengthened at West and Mississippi River elevators and barge points and weakened or remained unchanged at Northwest, West-Central, and North-Central elevators and barge points. Overall, basis for the week ranged from 15 under to 35 over, with an average of 15 over the March futures at elevators and barge points. March 2022 corn futures closed at \$5.96, down 10 cents since last Friday. For the week, March 2022 corn futures traded between \$5.85 and \$6.08. Mar/May and Mar/Dec future spreads were 1 and -38 cents. May 2022 corn futures closed at \$5.97, down 10 cents since last Friday.

Corn	Mar 22	Change	Dec 22	Change
Price	\$5.96	-\$0.10	\$5.58	\$0.01
Support	\$5.80	-\$0.12	\$5.53	\$0.07
Resistance	\$6.06	-\$0.05	\$5.63	\$0.01
20 Day MA	\$6.00	\$0.03	\$5.52	\$0.03
50 Day MA	\$5.88	\$0.02	\$5.51	\$0.01
100 Day MA	\$5.65	\$0.02	\$5.35	\$0.03
4-Week High	\$6.17	\$0.00	\$5.62	\$0.03
4-Week Low	\$5.82	\$0.01	\$5.39	\$0.00
Technical Trend	Down	-	Up	=

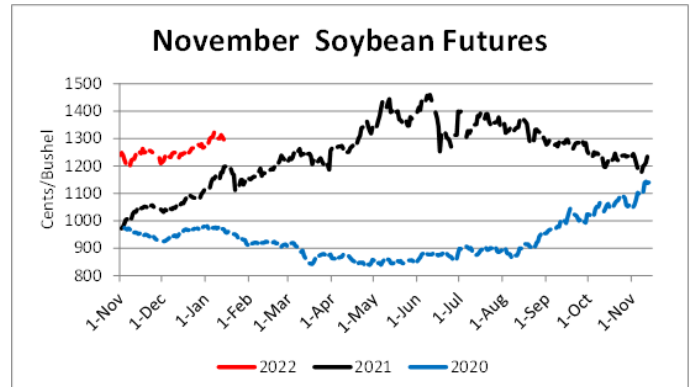


New crop cash prices at elevators and barge points ranged from \$5.22 to \$5.69. December 2022 corn futures closed at \$5.58, up 1 cent since last Friday. Downside price protection could be obtained by purchasing a \$5.60 December 2022 Put Option costing 50 cents establishing a \$5.10 futures floor.

Soybeans

Net sales reported by exporters were up compared to last week with net sales of 27.0 million bushels for the 2021/22 marketing year and 6.7 million bushels for the 2022/23 marketing year. Exports for the same period were down 42% compared to last week at 37.5 million bushels. Soybean export sales and commitments were 76% of the USDA estimated total annual exports for the 2021/22 marketing year (September 1 to August 31), compared to the previous 5-year average of 77%. Across Tennessee, average soybean basis strengthened or remained unchanged at West, Northwest, West-Central, North-Central, and Mississippi River elevators and barge points. Basis ranged from 20 under to 53 over, with an average basis of 19 over the March futures contract. March 2022 soybean futures closed at \$13.69, down 41 cents since last Friday. For the week, March 2022 soybean futures traded between \$13.63 and \$14.09. Mar/May and Mar/Nov future spreads were 10 and -76 cents. March 2022 soybean-to-corn price ratio was 2.3 at the end of the week. May 2022 soybean futures closed at \$13.79, down 39 cents since last Friday.

Soybeans	Mar 22	Change	Nov 22	Change
Price	\$13.69	-\$0.41	\$12.93	-\$0.28
Support	\$13.54	-\$0.07	\$12.82	-\$0.07
Resistance	\$14.10	-\$0.29	\$13.08	-\$0.30
20 Day MA	\$13.60	\$0.29	\$12.83	\$0.15
50 Day MA	\$12.98	\$0.12	\$12.54	\$0.06
100 Day MA	\$12.87	\$0.03	\$12.50	\$0.03
4-Week High	\$14.15	\$0.00	\$13.22	\$0.00
4-Week Low	\$12.54	\$0.11	\$12.30	\$0.06
Technical Trend	Up	=	Up	=



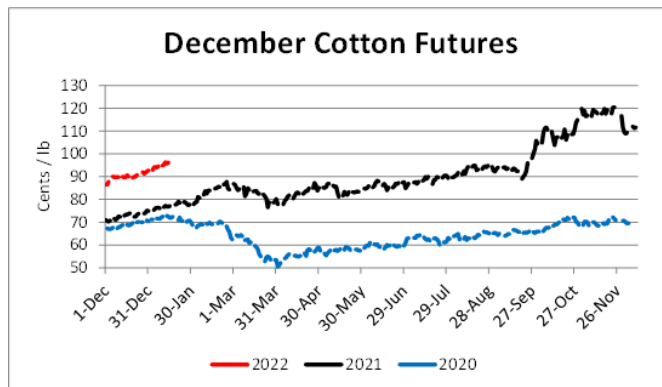
Crop Comments by Dr. Aaron Smith

Nov/Dec 2022 soybean-to-corn price ratio was 2.32 at the end of the week. New crop cash soybean prices at elevators and barge points ranged from \$12.72 to \$13.74. November 2022 soybean futures closed at \$12.93, down 28 cents since last Friday. Downside price protection could be achieved by purchasing a \$13.00 November 2022 Put Option which would cost 92 cents and set a \$12.08 futures floor.

Cotton

Net sales reported by exporters were up compared to last week with net sales of 401,000 bales for the 2021/22 marketing year and 38,300 bales for the 2022/23 marketing year. Exports for the same period were up 60% compared to last week at 167,600 bales. Upland cotton export sales were 76% of the USDA estimated total annual exports for the 2021/22 marketing year (August 1 to July 31), compared to the previous 5-year average of 77%. Delta upland cotton spot price quotes for January 12 were 117.14 cents/lb (41-4-34) and 119.39 cents/lb (31-3-35). Adjusted world price increased 1.73 cents to 105.58 cents. March 2022 cotton futures closed at 119.7 cents, up 4.58 cents since last Friday. For the week, March 2022 cotton futures traded between 114.82 and 119.9 cents. Mar/May and Mar/Dec cotton futures spreads were -3.36 cents and -22.87 cents. May 2022 cotton futures closed at 116.34 cents, up 3.46 cents since last Friday.

Cotton	Mar 22	Change	Dec 22	Change
Price	119.70	4.58	96.83	2.31
Support	114.98	1.36	94.34	1.33
Resistance	122.26	5.58	98.24	3.26
20 Day MA	113.07	2.54	92.94	1.47
50 Day MA	111.80	0.36	91.39	0.39
100 Day MA	105.98	1.22	88.80	0.63
4-Week High	119.90	2.67	97.25	2.65
4-Week Low	104.27	0.00	88.50	0.41
Technical Trend	Up	=	Up	=



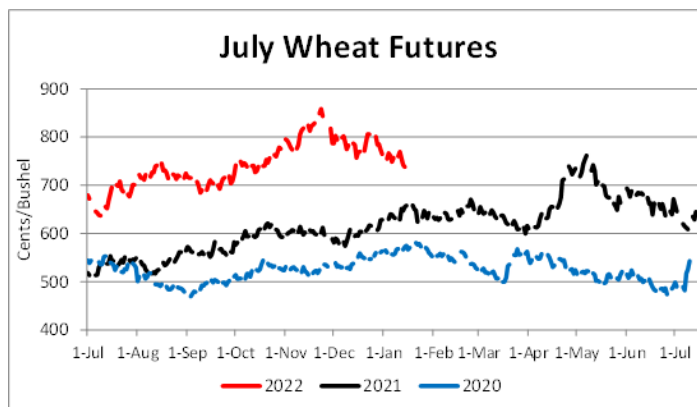
December 2022 cotton futures closed at 96.83 cents, up 2.31 cents since last Friday. Downside price protection could be obtained by purchasing a 97 cent December 2022 Put Option costing 9.76 cents establishing a 87.24 cent futures floor.

Wheat

Wheat net sales reported by exporters were up compared to last week with net sales of 9.7 million bushels for the 2021/22 marketing year. Exports for the same period were up 23% from last week at 9.5 million bushels. Wheat export sales were 73% of the USDA estimated total annual exports for the 2021/22 marketing year (June 1 to May 31), compared to the previous 5-year average of 81%. Wheat cash prices at elevators and barge points ranged from \$7.56 to \$8.00. March 2022 wheat futures closed at \$7.41, down 17 cents since last Friday. March 2022 wheat futures traded between \$7.37 and \$7.70 this week. March wheat-to-corn price ratio was 1.24. Mar/May and Mar/Jul future spreads were 3 and -4 cents. May 2022 wheat futures closed at \$7.44, down 16 cents since last Friday. May wheat-to-corn futures price ratio was 1.25.

Crop Comments by Dr. Aaron Smith

Wheat	Mar 22	Change	Jul 22	Change
Price	\$7.41	-\$0.17	\$7.37	-\$0.20
Support	\$7.31	\$0.05	\$7.30	\$0.02
Resistance	\$7.52	-\$0.24	\$7.47	-\$0.26
20 Day MA	\$7.73	-\$0.06	\$7.70	-\$0.06
50 Day MA	\$7.94	-\$0.04	\$7.89	-\$0.04
100 Day MA	\$7.69	\$0.01	\$7.59	\$0.01
4-Week High	\$8.24	\$0.00	\$8.13	\$0.00
4-Week Low	\$7.35	\$0.00	\$7.36	\$0.00
Technical Trend	Down	=	Down	=



New crop wheat cash prices at elevators and barge points ranged from \$7.23 to \$7.93. July 2022 wheat futures closed at \$7.37, down 20 cents since last Friday. Downside price protection could be obtained by purchasing a \$7.40 July 2022 Put Option costing 51 cents establishing a \$6.89 futures floor.

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

EIA: Weekly Supply Estimates - 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/

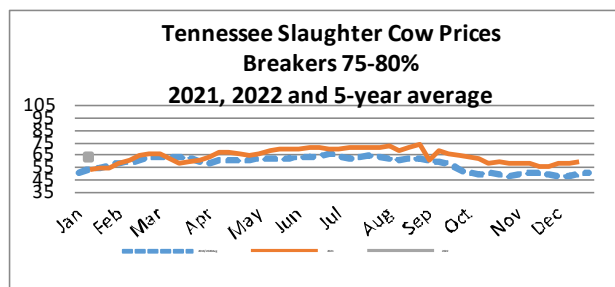
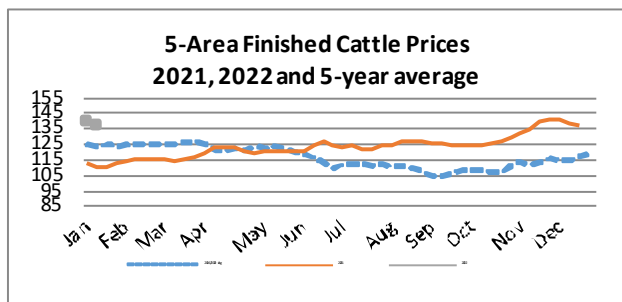
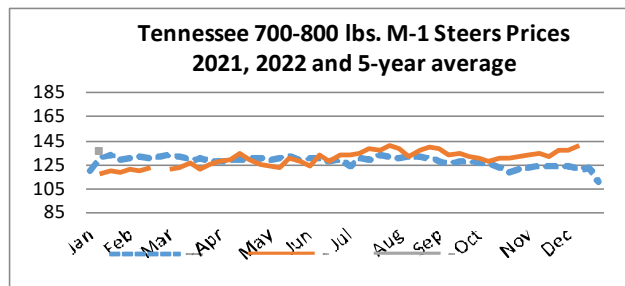
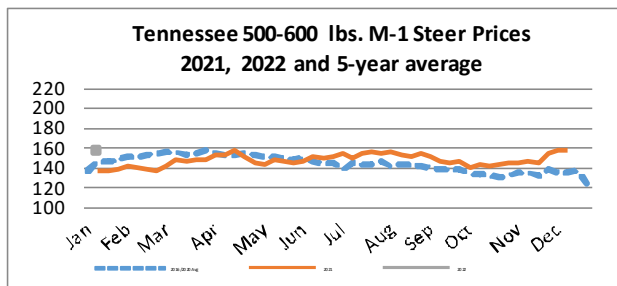
[Crop Progress & Condition/](#)

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.

Prices Paid to Farmers by Elevators					
Friday, January 7, 2022---Thursday, January 13, 2022					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	13.90	13.65	13.67	13.79	13.57
North Central	14.10	13.85	13.87	13.99	13.77
West Central	14.20	13.95	13.97	14.09	13.87
West	14.48	14.27	14.34	14.52	14.30
Mississippi River	14.38	14.17	14.30	14.50	14.15
Yellow Corn					
Northwest	6.09	6.00	6.01	5.99	5.88
North Central	5.92	5.85	5.86	5.84	5.73
West Central	6.37	6.30	6.25	6.23	6.12
West	6.37	6.30	6.31	6.34	6.23
Mississippi River	6.32	6.25	6.26	6.28	6.16
Wheat					
Northwest					
North Central	7.89	7.92	8.00	7.88	7.77
West					
Mississippi River				7.57	7.77
Cotton	-----\$/pound-----				
Memphis	114.62-116.87	114.72-116.97	115.52-117.77	117.14-119.39	116.59-118.84



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, January 10, 2022

	This Week			Last Week's	Year Ago
	Low	High	Weighted Average	Weighted Average	Weighted Average
-----\$/cwt-----					
Steers: Medium/Large Frame #1-2					
300-400 lbs.	160.00	205.00	182.95		161.09
400-500 lbs.	137.00	182.50	168.40		151.14
500-600 lbs.	133.00	172.50	155.62		137.27
600-700 lbs.	132.50	157.00	146.20		126.58
700-800 lbs.	121.00	142.50	135.50		116.97
Steers: Small Frame #1-2					
300-400 lbs.	---	---	---		141.60
400-500 lbs.	---	---	---		130.87
500-600 lbs.	135.00	150.00	142.50		119.92
600-700 lbs.	125.00	---	132.50		113.65
Steers: Medium/Large Frame #3					
300-400 lbs.	148.00	174.00	159.62		150.24
400-500 lbs.	130.00	174.00	159.82		137.89
500-600 lbs.	130.00	156.00	141.51		125.32
600-700 lbs.	120.00	132.50	128.17		118.39
700-800 lbs.	---	---	---		100.54
Holstein Steers					
300-400 lbs.	96.00	105.00	100.62		---
500-600 lbs.	88.00	94.00	91.00		---
700-800 lbs.	---	---	---		---
Slaughter Cows & Bulls					
Breakers 75-80%	51.00	69.00	61.99		52.69
Boners 80-85%	49.00	68.00	59.86		52.01
Lean 85-90%	41.00	63.50	51.75		43.22
Bulls YG 1	78.00	98.50	89.31		78.51
Heifers: Medium/Large Frame #1-2					
300-400 lbs.	125.00	160.00	144.54		132.42
400-500 lbs.	120.00	154.00	139.84		125.85
500-600 lbs.	116.00	146.00	134.05		117.45
600-700 lbs.	114.00	142.00	131.63		111.21
Heifers: Small Frame #1-2					
300-400 lbs.	---	---	---		119.15
400-500 lbs.	122.50	130.00	125.21		116.84
500-600 lbs.	110.00	124.00	118.49		106.36
600-700 lbs.	---	---	---		---
Heifers: Medium/Large Frame #2-3					
300-400 lbs.	116.00	145.00	132.33		124.06
400-500 lbs.	111.00	140.00	128.90		117.26
500-600 lbs.	107.00	139.00	122.76		108.49
600-700 lbs.	100.00	120.00	112.74		98.73

Cattle Receipts

This week: 5,161

Week ago:

Year ago: 5,702

Link to report: https://www.ams.usda.gov/mnreports/ams_2063.pdf

Graded Sales, Video Board Sales, Video Sales & Loads

Warren Co. Livestock Graded Sale-McMinnville, TN

Weighted Average Report for 1/6/22

For complete report:

https://www.ams.usda.gov/mnreports/ams_2079.pdf

Hardin County Stockyard-Savannah, TN

1/12/22

69 Steers, 706 lbs., M&L 1&2, 66-Black/BWF 1-Red/RWF 2-ChX, 5 Flesh, \$155.00

62 Steers, 809 lbs., M&L 1&2, 55-Black/BWF 5-Red/RWF 2-ChX, 5-6 Flesh, \$153.50

East Tennessee Cattle Alliance Preconditioned Graded Feeder Sale-Greeneville, TN

Weighted Average Report for 1/13/22

For complete report:

https://www.ams.usda.gov/mnreports/ams_2075.pdf

Hodge Livestock Network-January 13, 2022

1 load of steers; est. wt. 800 lbs. Range 725-875 lbs.; All Black & BWF; 90% #1s and 10% #1 ½; 70% Medium and 30% Large; Medium flesh; \$157.00

1 load of steers; est. wt. 860 lbs. Range 800-950 lbs.; All Black & BWF; 90% #1s and 10% #1 ½; 70% Medium and 30% Large; Medium flesh; \$155.25

1 load of steers; est. wt. 800 lbs. Range 725-875 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 80% Medium and 20% Large; Medium grass flesh; \$157.75

1 load of heifers; est. wt. 725 lbs. Range 675-825 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 80% Medium and 20% Large; Medium flesh; \$144.50

1 load of steers; est. wt. 860 lbs. Range 700-875 lbs.; Approx. 90% Black & BWF, and 10% Char-X; 80% #1s and 20% #1 ½; 80% Medium and 20% Large; Medium; \$153.25

1 load of heifers; est. wt. 750 lbs. Range 650-800 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 80% Medium and 20% Large; Medium; \$144.00

1 load of steers; est. wt. 850 lbs. Range 700-900 lbs.; Approx. 70% Black & BWF, and 20% Char-X, and 10% Reds; 70% #1s and 20% #1 ½, and 10% good #2s; 80% Medium and 20% Large; Light Medium to Medium; \$143.00

1 load of heifers; est. wt. 750 lbs. Range 600-800 lbs.; Approx. 70% Black & BWF, and 20% Char-X, and 10% Reds, 4 to 5 very light ear; 70% #1s and 20% #1 ½, and 10% good #2s; 80% Medium and 20% Large; Light Medium to Medium; \$132.25

Graded Goat & Sheep Sales

Columbia Graded Sheep and Goat Sale-Columbia, TN

Weighted Average Report for 1/10/22

Total Receipts:

For complete report:

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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