

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

November 11, 2022

Number: 45

Trends for the Week Compared to a Week Ago

Slaughter Cows

\$1 to \$2 lower

Slaughter Bulls

steady

Feeder Steers

steady

Feeder Heifers

unevenly steady

Feeder Cattle Index: 175.51

Fed Cattle

The 5-area live price on Thursday of \$152.69 was up \$0.78. The dressed price of \$241.30 was down \$0.62.

Corn

December closed at \$6.58 a bushel, down 23 cents since last Friday.

Soybeans

November closed at \$14.55 a bushel, up 4 cents since last Friday.

Wheat

December closed at \$8.13 a bushel, down 34 cents since last Friday.

Cotton

December closed at 88.2 cents per lb, up 1.27 cents since last Friday.

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded steady to \$1 higher compared to last week on a live basis. Prices on a live basis were mainly \$151 to \$154 while dressed prices were mainly \$241 to \$242.

The 5-area weighted average prices thru Thursday were \$152.69 live, up \$0.78 compared to last week and \$241.30 dressed, down \$0.62 from a week ago. A year ago, prices were \$131.35 live and \$206.60 dressed.

Finished cattle prices have spent the past four weeks trading at their highest level since August 2015. This is an extremely good sign given that the price of finished cattle is typically weak in the fall months. Finished cattle prices do typically strengthen the last quarter of the year, but they are usually much lower than what is experienced the first four months of the year. Thus, the four straight weeks trading over \$150 could be a precursor to even higher prices in early 2023. Live cattle futures have finished cattle trading in the high \$150s in April. There appears to be a good probability that those levels are reached next year, but the general economy situation is what is keeping cattle price escalation at bay.

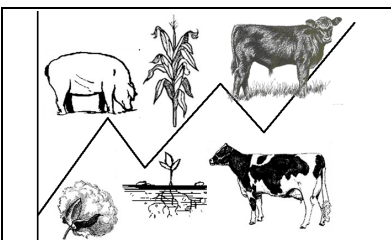
BEEF CUTOUT: At midday Friday, the Choice cutout was \$259.55 down \$3.72 from Thursday and down \$5.26 from a week ago. The Select cutout was \$235.19 down \$1.64 from Thursday and up \$2.49 from last week. The Choice Select spread was \$24.37 compared to \$32.11 a week ago.

Federally inspected beef production through the first ten months of 2022 was about 1.7 percent or 402 million pounds greater than the same months in 2021. This is almost like having one extra week through the first ten months of the year compared to a year ago. Along similar lines, the quantity of beef grading Choice

has increased relative to 2021. There have only been 11 weeks in 2022 in which the quantity of beef grading Choice on a percentage basis has been lower than in 2021, and nine of those weeks spanned from August through early October. However, the trend has reverted back to more beef grading Choice this year relative to last year. The increase in the number of cattle grading Choice is needed as consumers continue to demand higher grading beef relative to lower grading beef. The availability of Choice and higher grading beef is likely one reason consumers continue to purchase beef because this is where demand is growing. The percentage of cattle grading Choice should rebound from 71 percent to close to 74 percent by the end of the year.

OUTLOOK: Based on Tennessee weekly auction average prices, steer prices were mainly steady compared to last week while heifer prices were unevenly steady compared to a week ago. Slaughter cow prices were \$1 to \$2 lower compared to a week ago while bull prices were steady compared to the previous week. This is not a "normal" year. It may end up being close to an average year or demonstrate typical seasonal patterns, but "normal" is a word that is commonly misused. In the Southeast United States, a lack of precipitation during late summer and early fall reduced the ability of forage producers to stockpile cool season perennials. This was followed by an unseasonably early frost and freeze in October that was followed by our second summer, which appears to be ending today. Some regrowth in pastures did occur during this period if it was not overgrazed. At the same time, conditions have been favorable for winter annual forage production the past several weeks. The results of these events are far from normal or even seasonal, but will

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Livestock Comments by Dr. Andrew Griffith

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probably put us close to the average. The reason this is important relates to cattle prices, because some producers may have the ability to graze more cattle through the winter than was expected a couple of months ago. These factors have helped support lightweight calf prices during the fall weaning period. The price of these cattle is expected to increase moving into December and even more after the first of the year. However, this expectation could be thwarted or supported by changes in drought conditions in other regions of the country. What is certain is that there is no such thing as “normal”. Things can be true or false, common or uncommon, seasonal or unseasonable, or a number of other comparisons, but there is nothing that fits the definition of “normal.” The proof can be found by asking a neighbor if he or she thinks the other neighbor is “normal!”

ASK ANDREW, TN THINK TANK: Several discussions and questions were asked this week from how the election will influence commodity prices to preconditioning calves with high feed prices to determining when to act on price risk management strategies. As far as the election’s impact, nothing will get accomplished the next two years from a political

standpoint, and frankly, politicians cannot fix the issues this nation has. Concerning preconditioning calves, given the expectation for cattle prices to increase and do so rather significantly after the first of the year, many producers would benefit from feeding some of the high-priced feed as they may be able to add weight and sell cattle for just as high of a price or a higher price than what they can today. Lastly, the question on making a price risk management move. First, if a producer can secure a price using price risk management that meets their profit goal and reduces their concern over prices then there is nothing wrong with making a move. However, there is more upside potential than downside risk at this time.

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 –December \$151.53 -1.55; February \$153.25 -1.78; April \$157.05 -1.45; Feeder cattle –November \$176.95 -1.68; January \$178.58 -3.13; March \$181.15 -2.65; April \$184.60 -2.35; December corn closed at \$6.58 up 5 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

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

December corn futures fell to its lowest point since August 26, closing at \$6.58. If prices fail to hold at \$6.50 the next major level of support is near \$6.25. Corn prices continue to be affected by poor export sales and shipments. Currently, USDA estimates export commitments at 27% of the marketing year total compared to a five-year average of 43%. If limited export sales continue, it is very likely that USDA will need to revise exports for the 2022/23 marketing year, which will raise U.S. projected ending stocks and decrease prices, barring other adjustments.

January soybean futures finished the week on a strong note closing up 27 cents on Friday at \$14.50. Soybean futures have increased 50 cents in the past two weeks, in addition to basis offerings improving. Basis along the Mississippi River remains depressed but basis has moved off the extreme discounts that were prevalent a few weeks ago. With the South American soybean harvest less than three months away it would be extremely beneficial to see increased soybean export sales before the new year.

December cotton futures have come off the lows established at the end of October, when prices drifted to a low of 70.21. Last week was the major move with prices gaining over 10 cents. This week gains were more modest increasing 1.27 cents closing the week at 88.20. In the short term it is likely that cotton futures prices will level off and trade between 81 and 90 cents. Long term improvements in cotton prices will be influenced by improvements in demand.

Corn

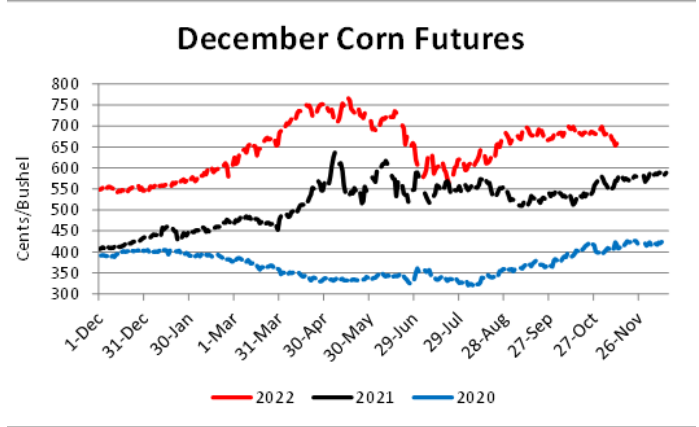
Ethanol production for the week ending November 4 was 1.051 million barrels per day, up 11,000 from the previous week. Ethanol stocks were 22.192 million barrels, down 40,000 compared to last week. Corn net sales reported by exporters for October

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Crop Comments by Dr. Aaron Smith

22 to November 3 were 10.4 million bushels for the 2022/23 marketing year. Exports for the same period were down 42% compared to last week at 10.2 million bushels. Corn export sales and commitments were 27% of the USDA estimated total annual exports for the 2022/23 marketing year (September 1 to August 31) compared to the previous 5-year average of 43%. Nationally, the Crop Progress report estimated corn harvested at 87% compared to 76% last week, 83% last year, and a 5-year average of 76%. In Tennessee, corn harvested was estimated at 99% compared to 97% last week, 94% last year, and a 5-year average of 97%. Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at West, Northwest, North-Central, West-Central, and Mississippi River elevators and barge points. Overall, basis for the week ranged from 66 under to 35 over, with an average of 2 under the December futures at elevators and barge points. New crop cash prices ranged from \$6.04 to \$7.00 at elevators and barge points. December 2022 corn futures closed at \$6.58, down 23 cents since last Friday. For the week, December 2022 corn futures traded between \$6.52 and \$6.80. Dec/Mar and Dec/Dec future spreads were 5 and -49 cents.

Corn	Dec 22	Change	Mar 23	Change
Price	\$6.58	-\$0.23	\$6.63	-\$0.23
Support	\$6.50	-\$0.24	\$6.55	-\$0.25
Resistance	\$6.65	-\$0.23	\$6.70	-\$0.23
20 Day MA	\$6.79	-\$0.07	\$6.84	-\$0.08
50 Day MA	\$6.80	-\$0.01	\$6.86	-\$0.01
100 Day MA	\$6.50	-\$0.03	\$6.56	-\$0.03
4-Week High	\$7.00	-\$0.06	\$7.06	-\$0.05
4-Week Low	\$6.52	-\$0.19	\$6.58	-\$0.21
Technical Trend	Down	=	Down	=



March 2023 corn futures closed at \$6.63, down 23 cents since last Friday. December 2023 corn futures closed at \$6.09, down 16 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.10 December 2023 Put Option costing 57 cents establishing a \$5.53 futures floor.

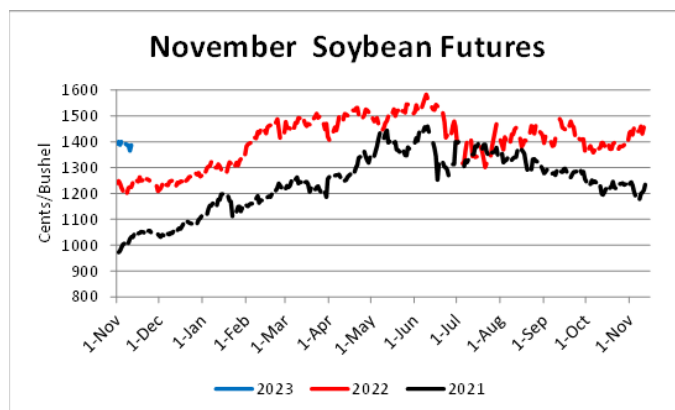
Soybeans

Across Tennessee, average soybean basis strengthened at West, Northwest, West-Central, North-Central, and Mississippi River elevators and barge points. Basis ranged from 69 under to 64 over, with an average basis of 32 over the January futures contract. Soybean net weekly sales reported by exporters were 29.2 million bushels for the 2022/23 marketing year. Exports for the same period were up 4% compared to last week at 101.1 million bushels. Soybean export sales and commitments were 59% of the USDA estimated total annual exports for the 2022/23 marketing year (September 1 to August 31), compared to the previous 5-year average of 59%. Nationally, the Crop Progress report estimated soybeans harvested at 94% compared to 88% last week, 86% last year, and a 5-year average of 86%. In Tennessee, soybeans harvested were estimated at 80% compared to 73% last week, 64% last year, and a 5-year average of 69%. Nov/Dec 2022 soybean-to-corn price ratio was 2.21 at the end of the week. November 2022 soybean futures closed at \$14.55, up 4 cents since last Friday. For the week, November 2022 soybean futures traded between \$14.30 and \$14.65. Nov/Jan and Nov/Nov future spreads were -5 and -68 cents.

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Crop Comments by Dr. Aaron Smith

Soybeans	Nov 22	Change	Jan 23	Change
Price	\$14.55	\$0.04	\$14.50	-\$0.12
Support	\$14.28	\$0.15	\$14.09	-\$0.10
Resistance	\$14.77	\$0.05	\$14.78	-\$0.09
20 Day MA	\$14.10	\$0.15	\$14.18	\$0.12
50 Day MA	\$14.12	\$0.02	\$14.19	\$0.01
100 Day MA	\$14.06	-\$0.04	\$14.13	-\$0.04
4-Week High	\$14.65	\$0.12	\$14.69	\$0.04
4-Week Low	\$13.57	\$0.07	\$13.66	\$0.04
Technical Trend	Up	=	Up	=

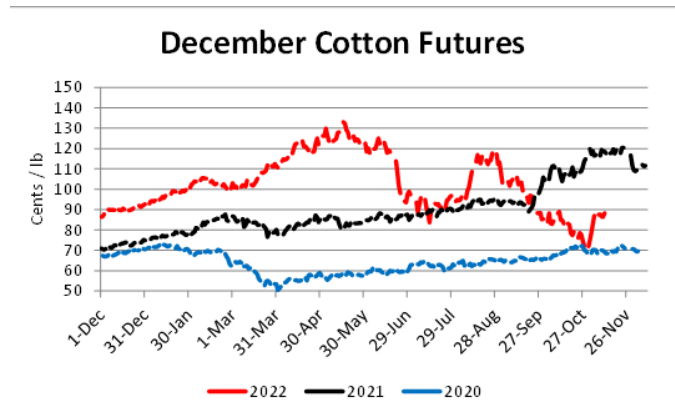


January 2023 soybean futures closed at \$14.50, down 12 cents since last Friday. Cash soybean prices at elevators and barge points ranged from \$14.33 to \$14.97. November 2023 soybean futures closed at \$13.87, down 12 cents since last Friday. Downside price protection could be achieved by purchasing a \$14.00 November 2023 Put Option which would cost 106 cents and set a \$12.94 futures floor. Nov/Dec 2023 soybean-to-corn price ratio was 2.28 at the end of the week.

Cotton

Delta upland cotton spot price quotes for November 11 were 89.45 cents/lb (41-4-34) and 91.70 cents/lb (31-3-35). Adjusted world price (AWP) was down 11.28 cents at 76.74 cents. Cotton net weekly sales reported by exporters were 145,800 bales for the 2022/23 marketing year and 11,400 bales for the 2023/24 marketing year. Exports for the same period were down 9% compared to last week at 108,100 bales. Upland cotton export sales were 75% of the USDA estimated total annual exports for the 2022/23 marketing year (August 1 to July 31), compared to the previous 5-year average of 64%. Nationally, the Crop Progress report estimated cotton harvested at 62% compared to 55% last week, 54% last year, and a 5-year average of 55%. In Tennessee, cotton harvested was estimated at 74% compared to 65% last week, 52% last year, and a 5-year average of 66%. December 2022 cotton futures closed at 88.2 cents, up 1.27 cents since last Friday. For the week, December 2022 cotton futures traded between 84.19 and 89.31 cents. Dec/Mar and Dec/Dec cotton futures spreads were -1.87 cents and -8.64 cents.

Cotton	Dec 22	Change	Mar 23	Change
Price	88.20	1.27	86.33	0.66
Support	85.41	6.68	83.53	6.61
Resistance	90.15	-1.82	88.25	-2.37
20 Day MA	80.60	0.31	79.75	0.21
50 Day MA	88.12	-2.65	86.30	-2.51
100 Day MA	94.16	-1.41	91.53	-1.29
4-Week High	89.31	-1.21	87.17	-1.61
4-Week Low	70.21	0.00	70.10	0.00
Technical Trend	Up	=	Up	=



March 2023 cotton futures closed at 86.33 cents, up 0.66 cents since last Friday. December 2023 cotton futures closed at 79.56 cents, up 1.19 cents since last Friday. Downside price protection could be obtained by purchasing an 80 cent December 2022 Put Option costing 10.63 cents establishing a 69.37 cent futures floor.

Wheat

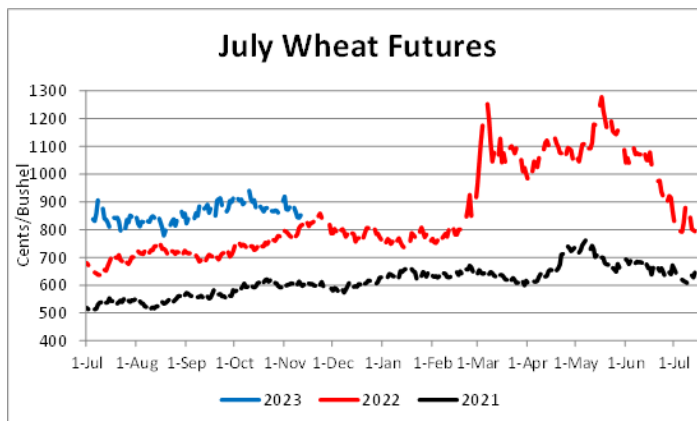
Wheat net weekly sales reported by exporters were 11.8 million bushels for the 2022/23 marketing year. Exports for the same period were up 28% compared to last week at 5.6 million bushels. Wheat export sales were 60% of the USDA estimated total annual exports for the 2022/23 marketing year (June 1 to May 31), compared to the previous 5-year average of 65%. Wheat cash prices at elevators and barge points ranged from \$7.53 to \$8.39. December 2022 wheat futures closed at \$8.13, down 34 cents since last Friday. December 2022 wheat futures traded between \$7.95 and \$8.63 this week. December wheat-to-corn

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Crop Comments by Dr. Aaron Smith

price ratio was 1.24. March 2023 wheat futures closed at \$8.35, down 31 cents since last Friday. Dec/Mar and Dec/Jul future spreads were 22 and 39 cents.

Wheat	Dec 22	Change	Jul 23	Change
Price	\$8.13	-\$0.34	\$8.52	-\$0.28
Support	\$7.90	-\$0.34	\$8.32	-\$0.26
Resistance	\$8.30	-\$0.37	\$8.65	-\$0.31
20 Day MA	\$8.42	-\$0.19	\$8.72	-\$0.12
50 Day MA	\$8.62	\$0.00	\$8.81	\$0.01
100 Day MA	\$8.46	-\$0.11	\$8.64	-\$0.09
4-Week High	\$9.06	-\$0.43	\$9.21	-\$0.28
4-Week Low	\$7.95	-\$0.27	\$8.35	-\$0.19
Technical Trend	Down	=	Down	=



Nationally, the Crop Progress report estimated winter wheat condition at 30% good-to-excellent and 44% poor-to-very poor; winter wheat planted at 92% compared to 87% last week, 90% last year, and a 5-year average of 90%; and winter wheat emerged at 73% compared to 62% last week, 73% last year, and a 5-year average of 74%. In Tennessee, winter wheat condition was 49% good-to-excellent and 8% poor-to-very poor; winter wheat planted at 80% compared to 63% last week, 69% last year, and a 5-year average of 68%; and winter wheat emerged at 56% compared to 36% last week, 48% last year, and a 5-year average of 47%. New crop wheat cash prices at elevators and barge points ranged from \$7.86 to \$8.54. July 2023 wheat futures closed at \$8.52, down 28 cents since last Friday. Downside price protection could be obtained by purchasing an \$8.60 July 2023 Put Option costing 97 cents establishing a \$7.63 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>

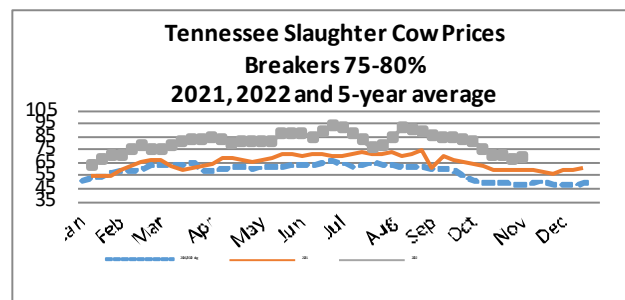
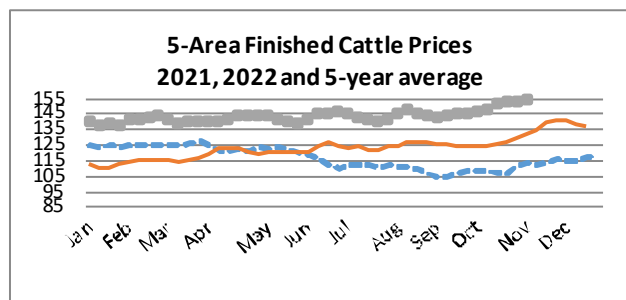
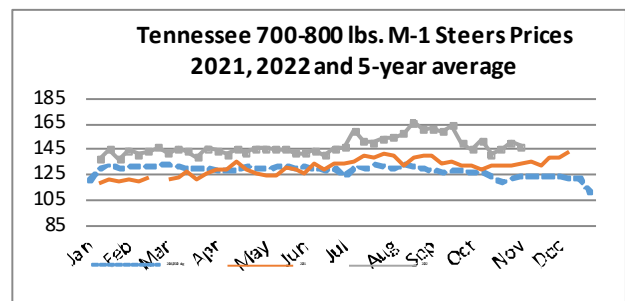
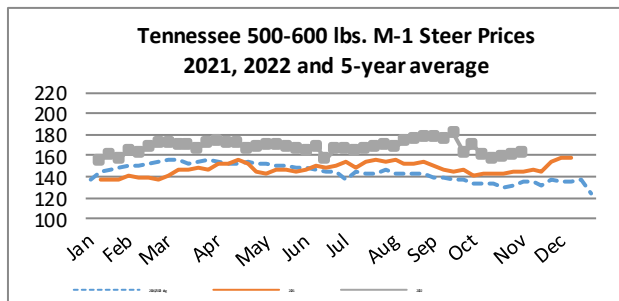
Tennessee Crop Progress - https://www.nass.usda.gov/Statistics_by_State/Tennessee/Publications/Crop_Progress_&Condition/

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, November 4, 2022---Thursday, November 10, 2022					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	14.07	13.95	14.03	14.09	13.83
North Central	14.37	14.25	14.37	14.42	14.24
West Central	14.32	14.40	14.37	14.42	14.13
West	14.72	14.69	14.72	14.82	14.61
Mississippi River	14.55	14.47	14.56	14.74	14.47
Yellow Corn					
Northwest	6.66	6.61	6.53	6.50	6.38
North Central	6.06	6.21	6.13	6.10	5.98
West Central	7.06	7.01	6.93	6.90	6.78
West	6.99	7.03	6.95	6.93	6.86
Mississippi River	6.62	6.55	6.47	6.44	6.50
Wheat					
Northwest	7.98	7.96	7.78	7.57	7.54
North Central					
West					
Mississippi River	8.41	8.39	8.23	8.05	8.03
Cotton	-----\$/pound-----				
Memphis	88.18-90.43	88.74-90.99	88.93-91.18	87.75-90.00	87.63-89.88



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, November 7, 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	161.00	200.00	175.87	179.15	167.61
400-500 lbs	149.00	188.00	174.94	173.84	154.69
500-600 lbs	144.00	180.00	161.95	160.54	144.11
600-700 lbs	133.00	169.00	155.76	154.05	137.40
700-800 lbs	130.00	160.00	146.11	148.78	132.30
Steers: Small Frame #1-2					
300-400 lbs	125.00	167.50	150.96	154.87	140.50
400-500 lbs	135.00	165.00	156.42	158.75	137.51
500-600 lbs	141.00	157.50	150.63	140.25	---
600-700 lbs	110.00	138.00	126.00	---	110.10
Steers: Medium/Large Frame #3					
300-400 lbs	145.00	190.00	167.96	161.97	147.76
400-500 lbs	120.00	170.00	156.31	155.72	135.69
500-600 lbs	108.00	156.00	139.36	137.08	131.03
600-700 lbs	122.50	144.00	131.33	133.48	121.65
700-800 lbs	115.00	136.00	125.76	---	114.97
Holstein Steers					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	49.00
Slaughter Cows & Bulls					
Breakers 75-80%	57.00	75.00	67.20	66.00	57.35
Boners 80-85%	55.00	74.00	66.10	63.94	55.86
Lean 85-90%	47.00	68.00	57.92	56.29	47.98
Bulls YG 1	82.00	108.00	92.89	91.65	83.90
Heifers: Medium/Large Frame #1-2					
300-400 lbs	133.00	174.00	153.10	155.03	130.66
400-500 lbs	129.00	168.00	147.82	146.35	129.28
500-600 lbs	124.00	152.00	140.24	140.04	123.41
600-700 lbs	115.00	145.00	133.82	133.88	118.53
Heifers: Small Frame #1-2					
300-400 lbs	112.50	152.50	127.91	137.51	123.00
400-500 lbs	113.00	140.00	133.88	129.06	112.34
500-600 lbs	107.50	131.00	117.46	128.17	107.81
600-700 lbs	100.00	125.00	115.61	---	107.50
Heifers: Medium/Large Frame #2-3					
300-400 lbs	110.00	158.00	138.74	134.22	123.63
400-500 lbs	107.00	150.00	133.40	125.19	118.85
500-600 lbs	110.00	137.50	125.32	123.20	111.28
600-700 lbs	107.50	130.00	122.36	119.23	104.88

Cattle Receipts

This week:7,238

Week ago:6,877

Year ago:9,196

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

**East Tennessee Livestock Center Video/Board Sale -
Sweetwater, TN**

Weighted Average Report for 11/2/2022

For complete report:

https://www.ams.usda.gov/mnreports/ams_2228.pdf

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

Weighted Average Report for 11/4/2022

For complete report:

https://www.ams.usda.gov/mnreports/ams_2072.pdf

Dickson Regional Livestock Center - Dickson, TN

11/7/22

64 Steers, 782 lbs., M&L 1, 100% Black/BWF, 5 Flesh, \$175.50

Hardin County Stockyard - Savannah, TN

11/9/22

81 Heifers, 644 lbs, M&L 1&2, 54-Black/BWF 15-Red/RWF 12
-ChX, 5 Flesh, \$158.50

60 Steers, 800 lbs, M&L 1, 100% Black/BWF, 5 Flesh, \$171.00

55 Steers, 941 lbs, M&L 1, 100% Black/BWF, 5 Flesh, \$162.10

Hardin County Stockyard Video Auction - Savannah, TN

Weighted Average Report for 11/9/2022

For complete report:

https://www.ams.usda.gov/mnreports/ams_3509.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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