

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

March 10, 2023

Number: 10

Trends for the Week Compared to a Week Ago

Slaughter Cows

Steady to \$2 higher

Slaughter Bulls

Steady to \$3 higher

Feeder Steers

\$5 to \$9 higher

Feeder Heifers

\$6 to \$11 higher

Feeder Cattle Index: 188.72

Fed Cattle

The 5-area live price on Thursday of \$165.22 was up \$0.38. The dressed price of \$265.43 was up \$2.89.

Corn

May closed at \$6.17 a bushel, down 22 cents since last Friday.

Soybeans

May closed at \$15.07 a bushel, down 11 cents since last Friday.

Wheat

May closed at \$6.79 a bushel, down 29 cents since last Friday.

Cotton

May closed at 78.18 cents per lb, down 5.99 cents since last Friday.

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded steady to \$1 higher than last week on a live basis. Prices on a live basis were mainly \$165 to \$166 while dressed prices were mainly \$264 to \$266.

The 5-area weighted average prices thru Thursday were \$165.22 live, up \$0.38 compared to last week and \$265.43 dressed, up \$2.89 from a week ago. A year ago, prices were \$138.28 live and \$220.10 dressed.

At this moment in time, there are plenty of cattle available as cattle on feed numbers remain strong. However, cattle feeders and packers are not focusing on near term cattle on feed but rather placements moving forward. With certainty, placements will slow moving forward as the calf crop will be smaller and heifer retention will begin at some point. However, packers are forced to compete for cattle now, because they know the quantity of available cattle will tighten in coming months. Cattle feeders and packers alike have obligations to meet and neither have been bashful about spending money. It will be difficult to keep this market under \$170 this spring. It is yet to be determined if that is good or bad for the industry as a whole.

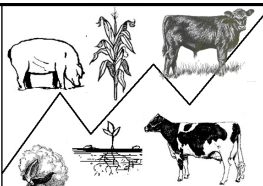
BEEF CUTOUT: At midday Friday, the Choice cutout was \$285.91 up \$1.31 from Thursday and down \$4.17 from a week ago. The Select cutout was \$272.47 down \$3.58 from Thursday and down \$4.95 from last week. The Choice Select spread was \$13.44 compared to \$12.66 a week ago.

The question concerning the Choice beef cutout is how much resistance will the \$300 mark be moving forward. The \$250 price point has proven to be a strong support price, and it is difficult to believe Choice boxed beef will be range bound between \$250 and \$300 per hundred-

weight. The immediate thought is that Choice boxed beef has greater potential to exceed \$300 than to decline below \$250. This will primarily be supply driven compared to being demand driven. The consumer has done about everything possible to demonstrate strong demand for beef. Thus, the declining quantity of beef available will be what pushes prices higher. If this is the case then the market will be asking how high can wholesale beef prices move. It is probably not wise to prognosticate where beef prices will peak, but the market topped out just below \$350 twice in 2021. This likely means it will be difficult to push past that mark in 2023. It is probably safer to assume the market will do well to challenge \$325 in the next 12 months.

OUTLOOK: Based on Tennessee weekly auction price averages, steer prices were \$5 to \$9 higher this week compared to last week while heifer prices were \$6 to \$11 higher compared to the previous week. Slaughter cow prices were steady to \$2 higher than last week while slaughter bull prices were steady to \$3 higher compared to a week ago. The calf and feeder cattle markets continue to soar to higher heights as the ball began rolling in early February, and it has been gaining momentum ever since. Based on Tennessee weekly auction price averages, 550-pound steer values were about \$975 per head at the end of January. That figure has increased to around \$1,200 per head. The addition of \$225 worth of value has not been replicated in the yearling market based on the CME feeder cattle index, but the value of 800-pound steers has increased \$80 to \$100 per head over that same time period. Feeder cattle futures are projecting the value of yearling cattle to increase. For example, August feeder cattle futures are near \$220 per hundred-

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Livestock Comments by Dr. Andrew Griffith

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weight, which means there is an expectation for the CME feeder cattle index to increase \$32 per hundredweight between now and August or \$256 per head. This is certainly an attainable price point, but there is a good chance the market will see some form of weakness between now and the end of summer. With that being said, securing a floor price with price risk management would be a wise decision in the case some world happening sends shock waves through the market. Shifting gears to heifers, heifer values are expected to find more support than steer values in the second half of the year. To this point, 550-pound heifer values have increased approximately \$170 since the end of January, but as cattle producers begin evaluating herd expansion opportunities, the price of heifer calves will likely increase at a faster rate than their steer counterparts. This is simply because of more people searching for heifers.

ASK ANDREW, TN THINK TANK: A familiar saying in rural America is “Good fences make good neighbors.” The question is if this is a true statement. It is highly unlikely an inanimate object such as a fence makes a good neighbor. On the contrary, a more accurate statement is that a good neighbor will

keep a good fence. However, not all neighbors have the ability to keep good fences, which is why we as good neighbors must demonstrate and extend grace to those around us when the fence is in disrepair. Fences are typically built to keep something in or to keep things out. However, it is common for the integrity of the fence to be diminished due to falling trees, livestock, wildlife, and simply age, but the life of the fence can be extended with regular maintenance. When the integrity of the fence is depleted, it generally requires putting up a new fence, which has become increasingly expensive. Despite this expense, it is wise to put in the effort to build new fences. It is similar to the saying “don’t burn any bridges” or in this case don’t go cutting fences! In short, be a good neighbor.

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: Friday’s closing prices were as follows: Live/fed cattle –April \$164.28 -0.53; June \$158.65 -1.03; August \$158.45 -0.93; Feeder cattle –March \$191.48 -1.60; April \$197.65 -1.50; May \$203.58 -1.90; August \$216.53 -2.03; March corn closed at \$6.24 up 7 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

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

The week, ending March 10, was not a good week for corn, soybean, cotton, and wheat prices. All prices finished down and the week closed out with news of the collapse of the 16th largest bank in the U.S. – Silicon Valley Bank. Uncertainty in financial institutions and the banking system only adds to concerns with the general economy, considering the numerous other challenges - inflation, government spending, high interest rates etc. Increased concerns with financial markets and the general economy have the potential for numerous impacts on agricultural markets. Two short term concerns are the increased likelihood of short-term price declines and increased volatility.

Of the four primary row crops in Tennessee, cotton prices were hit the hardest this past week. Cotton is dependent on consumer demand and discretionary spending. As such, weakness in the general economy always has a large impact on cotton futures prices. It will be interesting to see if sub-80 cent cotton can stimulate additional export sales next week. If buyers stay away further weakness is likely.

In Tennessee corn basis will continue to remain strong, due to strong terminal markets and a smaller 2022 crop due to the June-July drought. For those producers with unpriced crop in storage setting the futures (or establishing a price floor) and letting basis do the work is a strategy worth considering. For new crop, there is still plenty of time to establish price but we have likely seen the high in markets until a weather concern occurs.

Soybean prices are likely to soften due to Brazil’s crop hitting global markets. Interest in U.S. soybeans, from global importers is likely to wain substantially. Domestic soybean markets should remain strong due to short supplies and strong crush demand.

	Previous	Current	Change
USD Index	104.55	104.55	0.00
Crude Oil	79.82	76.68	-3.14
DJIA	33,339	31,910	-1,429

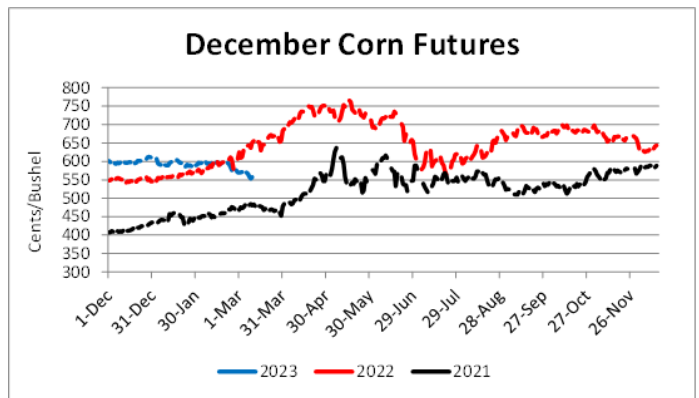
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Crop Comments by Dr. Aaron Smith

Corn

Ethanol production for the week ending March 3 was 1.010 million barrels per day, up 7,000 from the previous week. Ethanol stocks were 25.32 million barrels, up 0.545 million compared to last week. Corn net sales reported by exporters for February 24 -March 2 were 55.6 million bushels for the 2022/23 marketing year. Exports for the same period were up 58% compared to last week at 41.4 million bushels. Corn export sales and commitments were 65% 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 79%. Across Tennessee, average corn basis (cash price-nearby futures price) weakened or remained unchanged at North-Central and Mississippi River elevators and barge points and strengthened at West, Northwest, and West-Central elevators and barge points. Overall, basis for the week ranged from 50 under to 37 over, with an average of 15 over the May futures at elevators and barge points. May 2023 corn futures closed at \$6.17, down 22 cents since last Friday. For the week, May 2023 corn futures traded between \$6.06 and \$6.40. July 2023 corn futures closed at \$6.06, down 22 cents since last Friday. May/Jul and May/Dec future spreads were -11 and -60 cents.

Corn	May 23	Change	Dec 23	Change
Price	\$6.17	-\$0.22	\$5.57	-\$0.14
Support	\$6.02	-\$0.22	\$5.47	-\$0.15
Resistance	\$6.26	-\$0.20	\$5.64	-\$0.11
20 Day MA	\$6.51	-\$0.13	\$5.79	-\$0.08
50 Day MA	\$6.63	-\$0.04	\$5.89	-\$0.04
100 Day MA	\$6.66	-\$0.04	\$5.99	-\$0.04
4-Week High	\$6.84	\$0.00	\$5.98	\$0.00
4-Week Low	\$6.06	-\$0.16	\$5.50	-\$0.14
Technical Trend	Down	=	Down	=

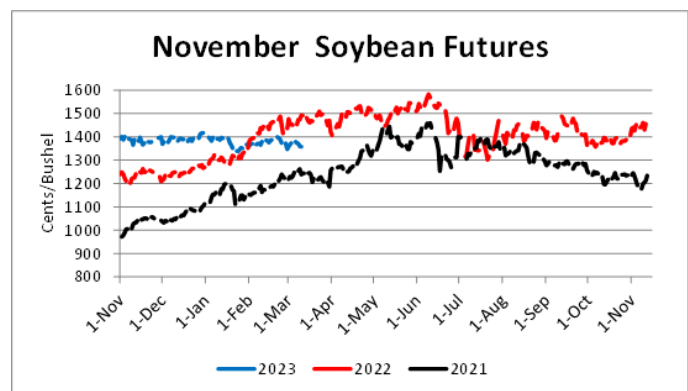


New crop cash prices ranged from \$4.73 to \$5.68 at elevators and barge points. December 2023 corn futures closed at \$5.57, down 14 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.60 December 2023 Put Option costing 42 cents establishing a \$5.18 futures floor.

Soybeans

Across Tennessee, average soybean basis weakened 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 25 over the May futures contract. Soybean net weekly sales reported by exporters were net cancellations of 0.9 million bushels for the 2022/23 marketing year and net sales of 6.3 million bushels for the 2023/24 marketing year. Exports for the same period were down 34% compared to last week at 21.3 million bushels. Soybean export sales and commitments were 89% 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 88%. May 2023 soybean futures closed at \$15.07, down 11 cents since last Friday. For the week, May 2023 soybean futures traded between \$14.98 and \$15.38. May/Jul and May/Nov future spreads were -13 and -150 cents. July 2023 soybean futures closed at \$14.94, down 12 cents since last Friday.

Soybeans	May 23	Change	Nov 23	Change
Price	\$15.07	-\$0.11	\$13.57	-\$0.16
Support	\$14.89	\$0.10	\$13.44	-\$0.04
Resistance	\$15.24	-\$0.05	\$13.70	-\$0.11
20 Day MA	\$15.19	\$0.01	\$13.75	\$0.00
50 Day MA	\$15.13	\$0.03	\$13.75	-\$0.03
100 Day MA	\$14.83	\$0.05	\$13.77	\$0.00
4-Week High	\$15.49	\$0.00	\$14.02	\$0.00
4-Week Low	\$14.77	\$0.00	\$13.45	\$0.00
Technical Trend	Down	=	Down	=



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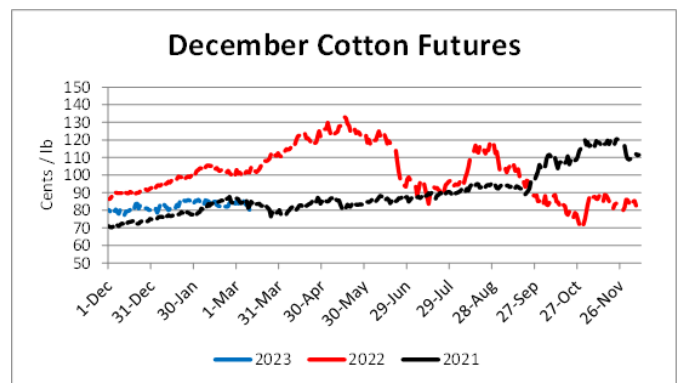
Crop Comments by Dr. Aaron Smith

November 2023 soybean futures closed at \$13.57, down 16 cents since last Friday. New crop cash soybean prices at elevators and barge points ranged from \$13.25 to \$14.00. Downside price protection could be achieved by purchasing a \$13.60 November 2023 Put Option which would cost 73 cents and set a \$12.87 futures floor. Nov/Dec 2023 soybean-to-corn price ratio was 2.44 at the end of the week.

Cotton

Delta upland cotton spot price quotes for March 10 were 77.18 cents/lb (41-4-34) and 79.43 cents/lb (31-3-35). Adjusted world price (AWP) was down 0.78 cents at 71.95 cents. Cotton net weekly sales reported by exporters were net sales of 114,500 bales for the 2022/23 marketing year and net sales cancellations of 68,300 bales for the 2023/24 marketing year. Exports for the same period were up 38% compared to last week at 287,500 bales. Upland cotton export sales were 94% 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 95%. May 2023 cotton futures closed at 78.18 cents, down 5.99 cents since last Friday. For the week, May 2023 cotton futures traded between 78.18 and 85.38 cents. July 2023 cotton futures closed at 78.94 cents, down 5.85 cents since last Friday. May/Jul and May/Dec cotton futures spreads were 0.76 cents and 2.07 cents.

Cotton	May 23	Change	Dec 23	Change
Price	78.18	-5.99	80.25	-4.01
Support	75.47	-5.75	78.00	-3.67
Resistance	83.61	-3.89	84.32	-2.47
20 Day MA	83.34	-0.90	83.50	-0.50
50 Day MA	84.39	-0.35	83.36	0.06
100 Day MA	82.87	-0.07	80.53	0.31
4-Week High	86.77	-1.03	85.75	-0.75
4-Week Low	78.18	-2.70	80.04	-1.46
Technical Trend	Down	=	Down	=

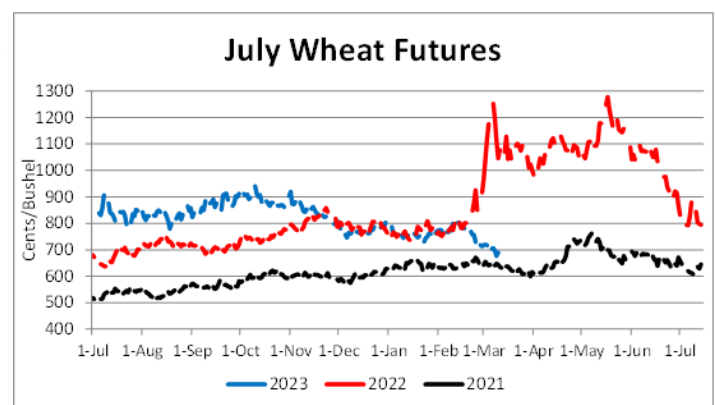


December 2023 cotton futures closed at 80.25 cents, down 4.01 cents since last Friday. Downside price protection could be obtained by purchasing an 81 cent December 2023 Put Option costing 7.35 cents establishing a 73.65 cent futures floor.

Wheat

Wheat net weekly sales reported by exporters were 9.8 million bushels for the 2022/23 marketing year and 2.6 million bushels for the 2023/24 marketing year. Exports for the same period were down 38% compared to last week at 13.9 million bushels. Wheat export sales were 83% 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 97%. Wheat cash prices at elevators and barge points ranged from \$6.37 to \$6.96. May 2023 wheat futures closed at \$6.79, down 29 cents since last Friday. May 2023 wheat futures traded between \$6.61 and \$7.11 this week. May wheat-to-corn price ratio was 1.11. May/Jul and May/Sep future spreads were 11 and 22 cents.

Wheat	May 23	Change	Jul 23	Change
Price	\$6.79	-\$0.29	\$6.90	-\$0.26
Support	\$6.52	-\$0.49	\$6.63	-\$0.71
Resistance	\$6.97	-\$0.30	\$7.08	-\$0.26
20 Day MA	\$7.34	-\$0.20	\$7.41	-\$0.19
50 Day MA	\$7.49	-\$68.31	\$7.54	-\$0.08
100 Day MA	\$7.85	-\$0.12	\$7.89	-\$0.11
4-Week High	\$8.07	\$0.00	\$8.10	\$1.01
4-Week Low	\$6.61	-\$0.40	\$6.72	-\$0.37
Technical Trend	Down	=	Down	=



Crop Comments by Dr. Aaron Smith

New crop wheat cash prices at elevators and barge points ranged from \$6.37 to \$7.02. July 2023 wheat futures closed at \$6.90, down 26 cents since last Friday. Downside price protection could be obtained by purchasing a \$7.00 July 2023 Put Option costing 51 cents establishing a \$6.49 futures floor. September 2023 wheat futures closed at \$7.01, down 26 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

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/

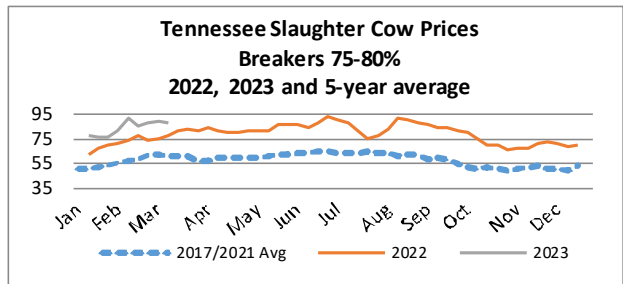
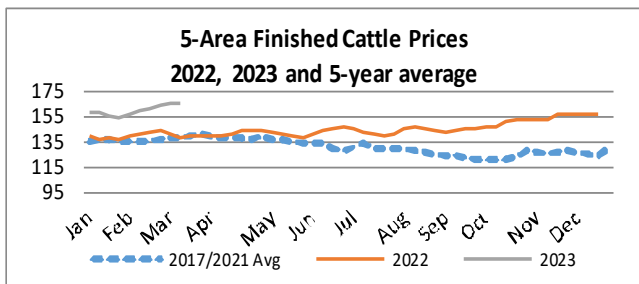
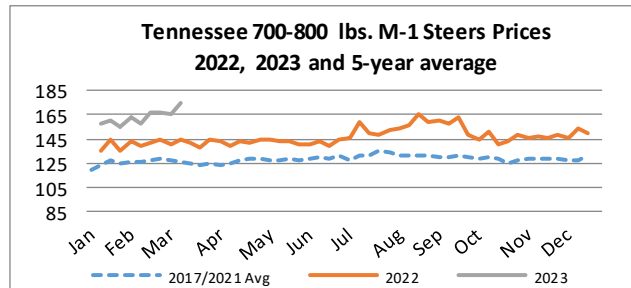
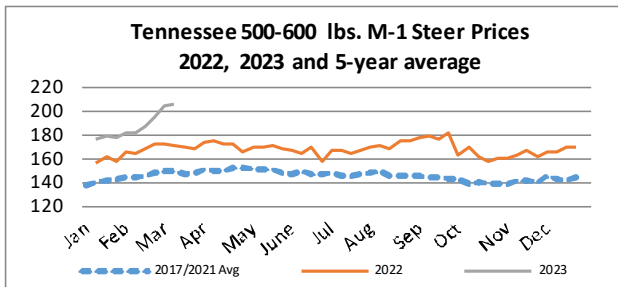
[Crop Progress & Condition/](#)

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, March 3, 2023---Thursday, March 9, 2023					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	15.25	15.19	15.06	15.08	15.01
North Central	15.34	15.44	15.31	15.33	15.26
West Central	15.47	15.57	15.44	15.46	15.39
West	15.72	15.82	15.67	15.69	15.62
Mississippi River	15.58	15.68	15.55	15.55	15.49
Yellow Corn					
Northwest	6.45	6.40	6.37	6.28	6.29
North Central	5.95	5.92	5.84	5.76	5.62
West Central	6.77	6.74	6.71	6.63	6.49
West	6.73	6.71	6.68	6.59	6.48
Mississippi River	6.77	6.70	6.67	6.58	6.44
Wheat					
Northwest	6.77	6.64	6.67	6.57	6.37
North Central	7.04	6.90	6.93	6.83	6.61
West					
Mississippi River	7.06	6.93	6.96	6.86	6.61
Cotton	-----\$/pound-----				
Memphis	83.17-85.42	83.71-85.96	81.77-84.02	81.62-83.87	81.18-83.43



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 6, 2023

	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	208.00	255.00	228.97	230.56	203.12
400-500 lbs	202.00	255.00	223.36	217.69	186.12
500-600 lbs	180.00	235.00	205.33	203.23	171.11
600-700 lbs	170.00	213.00	187.75	184.23	154.15
700-800 lbs	160.00	192.00	175.16	164.95	144.22
Steers: Small Frame #1-2					
300-400 lbs	190.00	210.00	198.94	196.05	171.77
400-500 lbs	180.00	215.00	195.00	179.78	165.18
500-600 lbs	---	---	---	172.75	---
600-700 lbs	---	---	---	---	---
Steers: Medium/Large Frame #3					
300-400 lbs	180.00	227.50	206.93	207.37	175.57
400-500 lbs	170.00	220.00	200.73	191.24	159.55
500-600 lbs	142.50	202.00	185.87	176.45	155.87
600-700 lbs	160.00	182.00	165.88	163.28	137.23
700-800 lbs	---	---	---	147.69	---
Holstein Steers					
300-400 lbs	122.50	140.00	135.63	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
Slaughter Cows & Bulls					
Breakers 75-80%	81.50	97.00	89.45	88.19	76.76
Boners 80-85%	75.00	97.00	87.16	84.84	75.03
Lean 85-90%	63.00	86.00	74.49	74.33	64.94
Bulls YG 1	97.00	125.00	113.04	111.48	100.84
Heifers: Medium/Large Frame #1-2					
300-400 lbs	175.00	227.50	203.66	191.14	163.57
400-500 lbs	168.00	217.00	190.76	180.04	154.67
500-600 lbs	150.00	192.50	174.34	167.24	145.44
600-700 lbs	142.50	176.00	157.68	154.56	135.36
Heifers: Small Frame #1-2					
300-400 lbs	164.00	180.00	172.00	166.57	144.17
400-500 lbs	150.00	180.00	156.97	159.52	136.02
500-600 lbs	150.00	165.00	155.88	154.07	130.34
600-700 lbs	---	---	---	140.00	123.74
Heifers: Medium/Large Frame #2-3					
300-400 lbs	150.00	200.00	178.19	173.54	144.52
400-500 lbs	140.00	203.00	173.11	166.60	141.88
500-600 lbs	144.00	172.00	156.25	153.15	132.34
600-700 lbs	125.00	156.00	143.14	145.04	125.75

Cattle Receipts

This week:6,457

Week ago:5,309

Year ago:6,311

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

Graded Sales, Video Board Sales, Video Sales & Loads

Graded Goat & Sheep Sales

Hardin County Stockyard - Savannah, TN

3/8/2023

73 Heifers, 665 lbs, M&L 1, 100% Black/BWF, 5 Flesh, \$184.50

East Tennessee Livestock Center Video Sale - Sweetwater, TN

3/8/2023

1 load out of 75 steers from BQA certified producer; Est weight 890 lbs; 95% L&M-1s & 5% L&M-2s; medium flesh; 100% BLK/BWF; \$181.75

1 load out of 70 Holstein steers from BQA certified producer; Est weight 900 lbs; 95% L&M-1s & 5% #2s; medium flesh; \$145.00

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

3/9/2023

Total Receipts: 537

For complete report:

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