

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

March 17, 2023

Number: 11

Trends for the Week Compared to a Week Ago

Slaughter Cows

Steady to \$1 higher

Slaughter Bulls

\$1 to \$2 higher

Feeder Steers

\$1 to \$6 higher

Feeder Heifers

\$1 to \$4 higher

Feeder Cattle Index: 188.71

Fed Cattle

The 5-area live price on Thursday of \$164.11 was down \$1.11. The dressed price of \$263.81 was down \$1.62.

Corn

May closed at \$6.34 a bushel, up 17 cents since last Friday.

Soybeans

May closed at \$14.76 a bushel, down 31 cents since last Friday.

Wheat

May closed at \$7.10 a bushel, up 31 cents since last Friday.

Cotton

May closed at 77.83 cents per lb, down 0.35 cents since last Friday.

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded \$1 lower than last week on a live basis. Prices on a live basis were mainly \$164 while dressed prices were mainly \$263 to \$264.

The 5-area weighted average prices thru Thursday were \$164.11 live, down \$1.11 compared to last week and \$263.81 dressed, down \$1.62 from a week ago. A year ago, prices were \$138.55 live and \$221.85 dressed.

With a strong number of cattle on feed and good movement of calves into stocker and backgrounding operations this spring, some people are beginning to ask the question of when there will be a hole in the availability of cattle. It will certainly come, but it may be later than many expected as it is doubtful very many people are making the decision to retain heifers at this particular moment. Cattle on feed numbers will slowly dwindle as heifer retention picks up and as fewer calves are born, which is certain to be the case this year. There remains upside potential in the finished cattle market this spring, but there may not be enough to meet my lofty expectations of \$170 cattle.

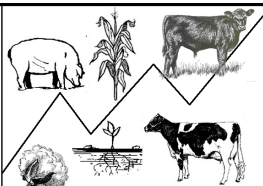
BEEF CUTOUT: At midday Friday, the Choice cutout was \$284.38 up \$0.43 from Thursday and down \$1.53 from a week ago. The Select cutout was \$273.17 up \$1.41 from Thursday and up \$0.70 from last week. The Choice Select spread was \$11.21 compared to \$13.44 a week ago.

When multiple banks are having issues, it is almost certain consumers are having issues. Will this influence beef demand? Will it cause consumers to shift consumption patterns? Will consumers continue on the path of consumption and demand they established the past few years? So many questions and yet so few answers. There is no doubt consumers will be stressed with inflation and increasing interest rates, but where they begin cutting

disposable income is unknown. The beef market is certain to support strong wholesale beef prices from a supply standpoint alone, but a potential slip in demand could keep wholesale beef prices from reaching their full potential. At this moment, the expectation is for consumers to continue purchasing beef at a fairly strong rate, but overlooking the impact inflation and interest rates will have on discretionary spending would be short sighted. There are sure to be more bank issues moving forward since the federal government has jumped in to provide support. It may be a while before the market realizes how bad it is.

OUTLOOK: Based on Tennessee weekly auction price averages, steer prices were \$1 to \$6 higher this week compared to last week while heifer prices were \$1 to \$4 higher compared to the previous week. Slaughter cow prices were steady to \$1 higher than last week while slaughter bull prices were \$1 to \$2 higher compared to a week ago. Auction market prices for calves and feeder cattle have been strengthening since the beginning of February with lightweight calf prices leading the way. Feeder cattle futures have performed in a similar manner, but experienced some weakness this week as some traders became profit takers. Despite the softer futures trade this week, calf prices at auction remained on an upward trajectory as grass cattle are in high demand heading into spring. Given the high cost of gain in the feedlot, the value of gain on grass should be fairly strong this spring and summer, which is providing considerable support for lightweight cattle. Everyone would like to know how high the calf and feeder cattle market are going to go and when it is going there. The futures market is the best information the cattle market has in this regard and everyone knows it is not a perfect system. Feeder

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Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

cattle prices are likely to continue increasing as the CME Feeder Cattle Index price has gained \$8 to \$9 per hundred-weight since the beginning of February. However, the increase in the cash price of feeder cattle has slowed, which may be part of the reason feeder cattle futures experienced weakness. Feeder cattle prices will increase further moving through spring, summer, and fall, but their ability to reach current expectations in the futures market is uncertain. One thing that is certain is the increasing price of slaughter cows and bulls. Fewer animals will be slaughtered this year, which means the price of lean grinding beef will increase. Thus, there should be good opportunities to receive a strong salvage value.

The March cattle on feed report for feedlots with a 1000 head or more capacity indicated cattle and calves on feed as of March 1, 2023 totaled 11.65 million head, down 4.5% compared to a year ago, with the pre-report estimate average expecting a 4.4% decline. February placements in feedlots totaled 1.73 million head, down 7.2% from a year ago with the pre-report estimate average expecting placements down 6.1%. February marketing's totaled 1.74 million head down 4.9% from 2022 with pre-report estimates expecting a 4.2% increase in marketings. Placements on feed by weight: under 700 pounds down 5.0%, 700 to 899 pounds down 9.1%, 900 pounds and over down 5.3%.

ASK ANDREW, TN THINK TANK: A letter was received this week with several questions. The question I would like to address here is "Why do farmers who wear boots, Wranglers and Carhart, drive dirty pickups and live along side of or at the end of gravel roads take advice from professors who live in a subdivisions with paved drives, drive clean cars and dress for the golf course? I think the farmers we work with know they can learn from every experience. Professors at a university have spent years studying a specific subject and generally a specific aspect of that subject. Thus, they generally have a broader knowledge of that very specific subject than other people. I think our farmers value that information, because the farmer knows he or she cannot know everything so they look to gain knowledge from others. In other words, farmers can learn something from success, and they can learn something from failure. In the same manner, farmers can learn from other farmers, but they can also learn from university representatives and others. Many people are looking for an opportunity to learn.

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 \$162.33 -0.03; June \$156.40 -0.48; August \$156.40 -0.18; Feeder cattle –March \$188.85 -0.65; April \$194.65 -0.50; May \$199.95 -0.33; August \$215.30 +0.08; May corn closed at \$6.34 up 2 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

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

May corn futures bounced back from the six-month low of \$6.06 ¼ on March 10, closing the week at \$6.34 ¼. The previous level of support near \$6.40 could provide short-term resistance as old crop prices rebound. Concerns over Brazil's second crop corn planting progress provided a boost to corn prices this week. Moving forward Brazil's planting pace and U.S. acreage projections will drive corn price direction. There remains a substantial amount of uncertainty in corn futures prices. Removing downside futures price risk and allowing for basis improvements, for both old and new crop, is a strategy that many Tennessee corn producers should contemplate.

There are three dominant countries in soybean production. Brazil accounts for 41% of global production; U.S. for 31% of global production; and Argentina for 8.8% of global production (2022/23 crop year). Brazil is currently harvesting an estimated record crop, which is negative for global prices. Argentina's estimated production continues to fall, due a severe drought across key production regions, which is positive for global prices. The U.S. is projected to have limited supplies (210 million bushels) at the end of this marketing year, which is positive for prices. The supply estimates from these three countries will continue to dictate price direction.

Cotton futures prices have continued to be depressed by concerns over global demand and global economic stability. The col-

	Previous	Current	Change
USD Index	104.55	103.38	-1.18
Crude Oil	76.68	66.52	-10.16
DJIA	31,910	31,812	-98

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Crop Comments by Dr. Aaron Smith

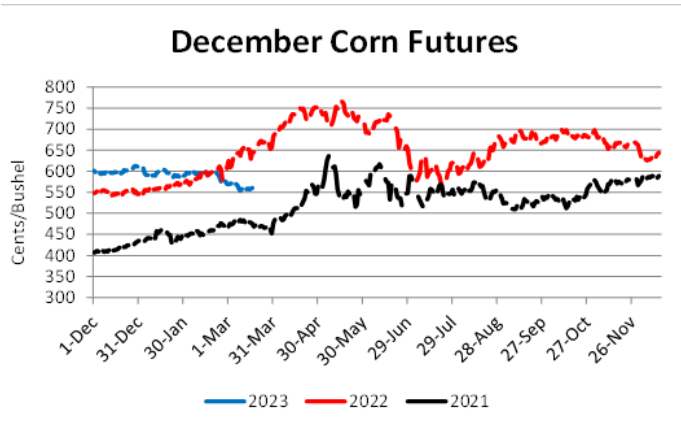
lapse of Silicon Valley Bank and concerns with other financial institutions has added to trepidation over the global economy. This global economic uncertainty will make it very difficult for cotton prices to appreciate above 85 cents. It is currently more likely that prices will soften to the 74 to 78 cent price level in the short term.

In the last six months July wheat prices have retreated from a high of \$9.49 ½ on October 10 to a low of \$6.72 on March 10. There still remains a high degree of uncertainty in production and exports from Russia and Ukraine, which could result in short term volatility. However, projected global wheat production and supplies do not support prices above \$8.00. A trading range between \$6.50 and \$7.80 is a realistic price range until more is known about the 2023 Northern Hemisphere winter wheat crop.

Corn

Ethanol production for the week ending March 10 was 1.014 million barrels per day, up 4,000 from the previous week. Ethanol stocks were 26.394 million barrels, up 1.074 million compared to last week. Corn net sales reported by exporters for March 3-9 were 48.7 million bushels for the 2022/23 marketing year and 7.2 million bushels for the 2023/24 marketing year. Exports for the same period were up 11% compared to last week at 45.9 million bushels – a marketing year high. Corn export sales and commitments were 68% 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 82%. Across Tennessee, average corn basis (cash price-nearby futures price) weakened or remained unchanged at West, Northwest, West-Central, North-Central, and Mississippi River elevators and barge points. Overall, basis for the week ranged from 55 under to 37 over, with an average of 14 over the May futures at elevators and barge points. May 2023 corn futures closed at \$6.34, up 17 cents since last Friday. For the week, May 2023 corn futures traded between \$6.08 and \$6.38. July 2023 corn futures closed at \$6.17, up 11 cents since last Friday. May/Jul and May/Dec future spreads were -17 and -73 cents.

Corn	May 23	Change	Dec 23	Change
Price	\$6.34	\$0.17	\$5.61	\$0.04
Support	\$6.20	\$0.18	\$5.51	\$0.04
Resistance	\$6.41	\$0.15	\$5.65	\$0.01
20 Day MA	\$6.38	-\$0.13	\$5.70	-\$0.09
50 Day MA	\$6.59	-\$0.04	\$5.84	-\$0.05
100 Day MA	\$6.63	-\$0.03	\$5.96	-\$0.03
4-Week High	\$6.82	-\$0.02	\$5.97	-\$0.01
4-Week Low	\$6.06	\$0.00	\$5.50	\$0.00
Technical Trend	Down	=	Down	=



New crop cash prices ranged from \$4.77 to \$5.58 at elevators and barge points. December 2023 corn futures closed at \$5.61, up 4 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.70 December 2023 Put Option costing 46 cents establishing a \$5.24 futures floor.

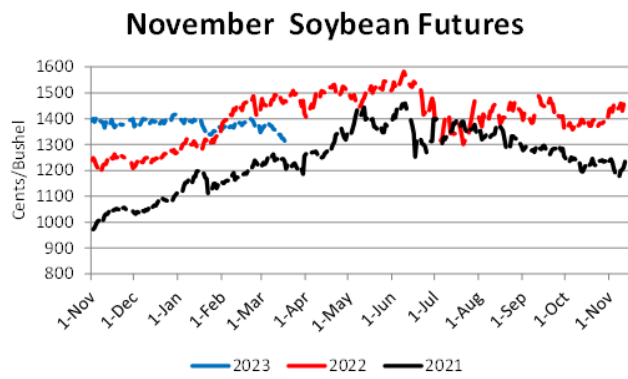
Soybeans

Across Tennessee, average soybean basis weakened or remained unchanged at West, Northwest, West-Central, and Mississippi River elevators and barge points and strengthened at North-Central elevators and barge points. Basis ranged from 10 under to 53 over, with an average basis of 25 over the May futures contract. Soybean net weekly sales reported by exporters were 24.4 million bushels for the 2022/23 marketing year and net sales of 2.4 million bushels for the 2023/24 marketing year. Exports for the same period were up 33% compared to last week at 28.4 million bushels. Soybean export sales and commitments were 90% 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 90%. May 2023 soybean futures closed at \$14.76, down 31 cents since last Friday. For the week, May 2023 soybean futures traded between \$14.70 and \$15.16. May/Jul and May/Nov future spreads were -15 and -163 cents. July 2023 soybean futures closed at \$14.61, down 33 cents since last Friday.

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Crop Comments by Dr. Aaron Smith

Soybeans	May 23	Change	Nov 23	Change
Price	\$14.76	-\$0.31	\$13.13	-\$0.44
Support	\$14.53	-\$0.36	\$12.96	-\$0.48
Resistance	\$15.09	-\$0.15	\$13.39	-\$0.31
20 Day MA	\$15.09	-\$0.10	\$13.62	-\$0.13
50 Day MA	\$15.11	-\$0.02	\$13.68	-\$0.07
100 Day MA	\$14.88	\$0.05	\$13.76	-\$0.01
4-Week High	\$15.49	\$0.00	\$14.02	\$0.00
4-Week Low	\$14.70	-\$0.07	\$13.09	-\$0.36
Technical Trend	Down	=	Down	=

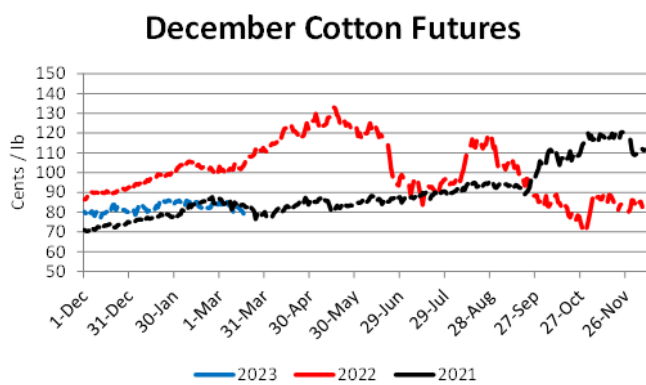


November 2023 soybean futures closed at \$13.13, down 44 cents since last Friday. New crop cash soybean prices at elevators and barge points ranged from \$12.92 to \$13.58. Downside price protection could be achieved by purchasing a \$13.20 November 2023 Put Option which would cost 76 cents and set a \$12.44 futures floor. Nov/Dec 2023 soybean-to-corn price ratio was 2.34 at the end of the week.

Cotton

Delta upland cotton spot price quotes for March 16 were 78.16 cents/lb (41-4-34) and 80.41 cents/lb (31-3-35). Adjusted world price (AWP) was down 3.37 cents at 68.58 cents. Cotton net weekly sales reported by exporters were net sales of 225,500 bales for the 2022/23 marketing year and 12,800 bales for the 2023/24 marketing year. Exports for the same period were down 5% compared to last week at 273,900 bales. Upland cotton export sales were 96% 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 98%. May 2023 cotton futures closed at 77.83 cents, down 0.35 cents since last Friday. For the week, May 2023 cotton futures traded between 76.86 and 82.49 cents. July 2023 cotton futures closed at 78.44 cents, down 0.5 cents since last Friday. May/Jul and May/Dec cotton futures spreads were 0.61 cents and 1.68 cents.

Cotton	May 23	Change	Dec 23	Change
Price	77.83	-0.35	79.51	-0.74
Support	75.54	0.07	77.38	-0.62
Resistance	80.46	-3.15	81.84	-2.48
20 Day MA	82.17	-1.17	82.78	-0.72
50 Day MA	84.10	-0.29	83.45	0.09
100 Day MA	82.92	0.05	80.84	0.31
4-Week High	86.25	-0.52	85.75	0.00
4-Week Low	76.86	-1.32	78.55	-1.49
Technical Trend	Down	=	Down	=



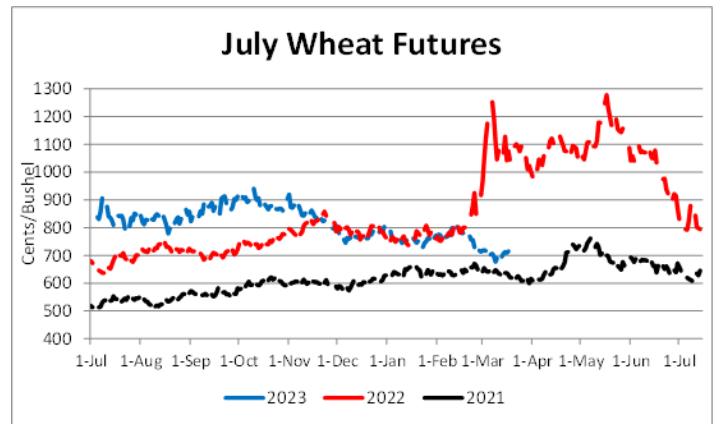
December 2023 cotton futures closed at 79.51 cents, down 0.74 cents since last Friday. Downside price protection could be obtained by purchasing an 80 cent December 2023 Put Option costing 6.8 cents establishing a 73.2 cent futures floor.

Wheat

Wheat net weekly sales reported by exporters were 12.4 million bushels for the 2022/23 marketing year and 5.7 million bushels for the 2023/24 marketing year. Exports for the same period were down 34% compared to last week at 9.2 million bushels. Wheat export sales were 85% 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 98%. Wheat cash prices at elevators and barge points ranged from \$6.55 to \$6.98. May 2023 wheat futures closed at \$7.10, up 31 cents since last Friday. May 2023 wheat futures traded between \$6.67 and \$7.12 this week. May wheat-to-corn price ratio was 1.12. May/Jul and May/Sep future spreads were 9 and 18 cents.

Crop Comments by Dr. Aaron Smith

Wheat	May 23	Change	Jul 23	Change
Price	\$7.10	\$0.31	\$7.19	\$0.29
Support	\$6.91	\$0.39	\$7.02	\$0.39
Resistance	\$7.22	\$0.25	\$7.30	\$0.22
20 Day MA	\$7.11	-\$0.23	\$7.19	-\$0.22
50 Day MA	\$7.41	-\$0.08	\$7.46	-\$0.08
100 Day MA	\$7.76	-\$0.09	\$7.81	-\$0.08
4-Week High	\$7.84	-\$0.23	\$7.89	-\$0.21
4-Week Low	\$6.61	\$0.00	\$6.72	\$0.00
Technical Trend	Down	=	Down	=



New crop wheat cash prices at elevators and barge points ranged from \$6.56 to \$7.08. July 2023 wheat futures closed at \$7.19, up 29 cents since last Friday. Downside price protection could be obtained by purchasing a \$7.20 July 2023 Put Option costing 48 cents establishing a \$6.72 futures floor. September 2023 wheat futures closed at \$7.28, up 27 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_mbbl_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/

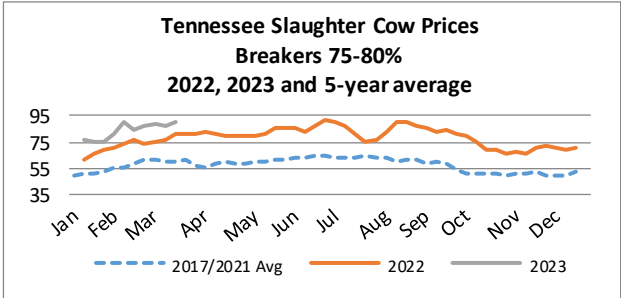
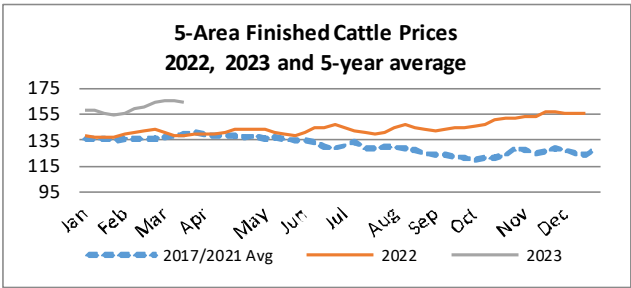
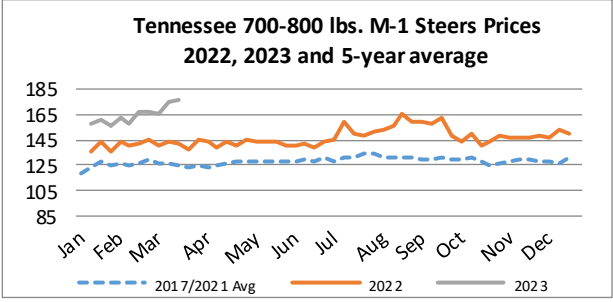
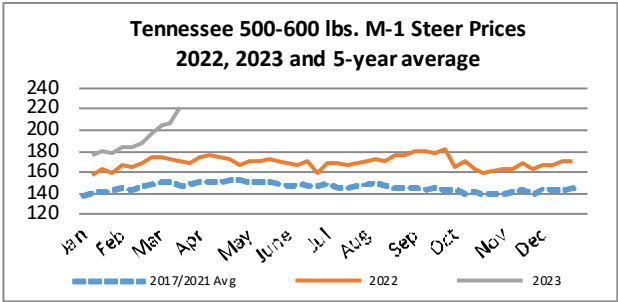
[Crop Progress & Condition/](#)

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 10, 2023---Thursday, March 16, 2023					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	14.97	14.81	14.84	14.79	14.82
North Central	15.22	15.06	15.09	15.04	15.17
West Central	15.35	15.19	15.22	15.17	15.20
West	15.57	15.44	15.41	15.34	15.36
Mississippi River	15.44	15.27	15.32	15.26	15.28
Yellow Corn					
Northwest	6.35	6.31	6.38	6.44	6.50
North Central	5.67	5.64	5.66	5.72	5.78
West Central	6.54	6.51	6.58	6.64	6.70
West	6.53	6.50	6.57	6.63	6.69
Mississippi River	6.50	6.46	6.53	6.59	6.65
Wheat					
Northwest	6.5	6.56	6.67	6.73	6.69
North Central	6.74	6.80	6.91	6.98	6.94
West					
Mississippi River	6.75	6.80	6.92	6.98	6.95
Cotton	-----\$/pound-----				
Memphis	77.18-79.43	80.18-82.43	80.37-82.62	78.11-80.36	78.16-80.41



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 13, 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	219.00	270.00	245.25	228.97	195.74
400-500 lbs	200.00	257.50	232.16	223.36	186.25
500-600 lbs	193.00	245.00	219.42	205.33	169.47
600-700 lbs	170.00	215.00	192.34	187.75	156.67
700-800 lbs	162.00	187.00	176.91	175.16	141.73
Steers: Small Frame #1-2					
300-400 lbs	180.00	232.50	211.84	198.94	180.61
400-500 lbs	170.00	215.00	194.29	195.00	170.09
500-600 lbs	---	---	---	---	---
600-700 lbs	---	---	---	---	---
Steers: Medium/Large Frame #3					
300-400 lbs	180.00	250.00	211.54	206.93	178.14
400-500 lbs	187.50	230.00	213.11	200.73	170.44
500-600 lbs	167.50	212.50	192.27	185.87	157.28
600-700 lbs	160.00	190.00	173.87	165.88	137.43
700-800 lbs	---	---	---	---	132.93
Holstein Steers					
300-400 lbs	---	---	---	135.63	112.50
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
Slaughter Cows & Bulls					
Breakers 75-80%	83.00	104.00	91.73	89.45	80.62
Boners 80-85%	81.00	104.50	89.88	87.16	77.97
Lean 85-90%	66.00	89.00	78.43	74.49	63.84
Bulls YG 1	96.00	133.00	116.69	113.04	105.76
Heifers: Medium/Large Frame #1-2					
300-400 lbs	175.00	240.00	214.66	203.66	157.71
400-500 lbs	170.00	227.50	203.45	190.76	152.84
500-600 lbs	160.00	207.00	184.12	174.34	144.82
600-700 lbs	142.00	185.00	165.66	157.68	135.91
Heifers: Small Frame #1-2					
300-400 lbs	150.00	175.00	160.15	172.00	143.75
400-500 lbs	135.00	175.00	155.00	156.97	141.77
500-600 lbs	---	---	---	155.88	---
600-700 lbs	---	---	---	---	125.00
Heifers: Medium/Large Frame #2-3					
300-400 lbs	165.00	214.00	190.70	178.19	147.09
400-500 lbs	150.00	202.00	186.02	173.11	142.85
500-600 lbs	140.00	185.00	167.09	156.25	134.11
600-700 lbs	132.00	162.00	146.38	143.14	125.31

Cattle Receipts

This week:6,225

Week ago:6,457

Year ago:4,958

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

Graded Sales, Video Board Sales, Video Sales & Loads

East Tennessee Livestock Center Graded Feeder Cattle Sale - Sweetwater, TN

3/10/2023

Total Receipts: 880

For complete report:

https://www.ams.usda.gov/mnreports/ams_2073.pdf

Hardin County Stockyard - Savannah, TN

3/15/2023

110 Heifers, 473 lbs, M&L 1&2, 70-Black/BWF,31-ChX, 9-Red/RWF; 4-5 Flesh, \$224.75

Hardin County Stockyard Video Auction - Savannah, TN

3/15/2023

Total Receipts: 96

For complete report:

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

Graded Goat & Sheep Sales

Columbia Graded Sheep and Goat Sale-Columbia, TN

Weighted Average Report for 3/13/23

Total Receipts: 1,238

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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