

Tennessee Market Highlights

UT EXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

April 28, 2023

Number: 17

Trends for the Week Compared to a Week Ago

Slaughter Cows

Steady to \$1 lower

Slaughter Bulls

Steady

Feeder Steers

Steady

Feeder Heifers

\$2 to \$4 lower

Feeder Cattle Index: 202.41

Fed Cattle

The 5-area live price on Thursday of \$178.61 was up \$0.07. The dressed price of \$284.17 down \$3.51.

Corn

May closed at \$6.36 a bushel, down 27 cents since last Friday.

Soybeans

May closed at \$14.44 a bushel, down 39 cents since last Friday.

Wheat

May closed at \$6.19 a bushel, down 42 cents since last Friday.

Cotton

May closed at 79.03 cents per lb, up 0.62 cents since last Friday.

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded steady to lower compared to last week on a live basis. Prices in the South were mainly \$174 to \$176 while dressed prices were mainly \$283 to \$285.

The 5-area weighted average prices thru Thursday were \$178.61 live, up \$0.07 compared to last week and \$284.17 dressed, down \$3.51 from a week ago. A year ago, prices were \$143.31 live and \$232.32 dressed.

There was a \$5 to \$8 difference in some cattle traded on a live basis between the North and the South with some Northern live deals marked at \$181. These types of prices make a person start thinking just how high can finished cattle prices go, and how will it influence the rest of the market. Could a certain price level be bad for the market, or can prices simply increase infinitely? They certainly cannot increase infinitely, which means at some point, higher prices will negatively impact the overall market. It does not appear such a price level has been achieved at this point, but the market will likely hit that price point before the market can send clear signals back to producers that prices are too high.

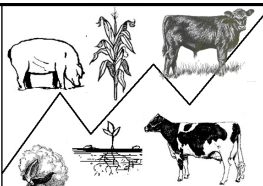
BEEF CUTOUT: At midday Friday, the Choice cutout was \$311.13 up \$0.06 from Thursday and up \$4.36 from a week ago. The Select cutout was \$288.47 down \$0.62 from Thursday and down \$0.69 from last week. The Choice Select spread was \$22.66 compared to \$17.61 a week ago.

Wholesale beef prices are not trading at record levels. This is largely because beef traded to extreme levels during the beginning stages of the Coronavirus pandemic. At this time, it may be important to consider alternative meat protein prices as each meat protein is competing for a share of the consumers disposable in-

come. Beginning with beef, most beef items are trading at year ago price levels or higher with many trading higher than a year ago. This compares to pork items that in general are trading considerably lower than a year ago at the wholesale level. For instance, pork loin prices have averaged about 10 percent lower this year compared to last year while wholesale bacon prices have averaged about 45 percent lower than a year ago. Similarly, chicken breast prices are about 54 percent lower than 2022. These lower prices for competing meat protein products should put pressure on wholesale beef prices if retail prices decline. Despite none of these products being good substitutes for beef, consumers will notice this big of a difference if it translates to retail.

OUTLOOK: Based on Tennessee weekly auction price averages, steer prices were steady this week compared to last week while heifer prices were \$2 to \$4 lower compared to the previous week. Slaughter cow prices were steady to \$1 lower compared to last week while slaughter bull prices were steady compared to a week ago. Prices at local auctions took a breather this week, which may be a good thing. The market has been running for three months with cash and futures chasing each other's tail and sometimes their own tail. Markets are just like humans or any animal that has run a sprint. They get tired and need to catch their breath. These types of runs also tend to lead to exhaustion, which then results in a period of poor performance. This does not mean cattle market prices are going to make some big decline, but a slower and steadier price increase would indicate more stability in the market. The fundamentals of the cattle market certainly support strong cattle prices since beef demand is strong and domestic beef supply is expected to

(Continued on page 2)



Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

decline due to a smaller cattle inventory. The primary factor that could influence or introduce weakness into the market is the general economy. As leadership in the financial institution continues to attempt to curtail inflation with higher interest rates, there is no way to know for sure how this will influence consumers. It will certainly send some sort of ripple effects through the system. From the producer standpoint, there is good reason to manage price risk from both the selling and buying side, but at the same time, producers selling cattle have three months of recent history as a reason to continue watching prices increase. If a historical perspective is what a person wants to use as the base of their decision making then it is important to remember the last time record prices were reached and how quickly prices declined and the magnitude of that price decline.

ASK ANDREW, TN THINK TANK: Questions are asked consistently concerning cattle production and cattle markets and how a producer can be more profitable. Many times, there is research to support the response to the question while other times there is little or no research. A large percentage of the

people asking questions would like to have a “black and white” answer, and some think research provides such. However, even research that seems extremely definitive may not supply such an answer. It is important to remember each year is different and each operation has a different set of resources and skills. As an example, research performed at the University of Tennessee demonstrates that fall calving herds tend to be more profitable than spring calving herds. This is true given the environment in which the study was performed, but it does not mean every producer would be more profitable with a fall calving herd. It is important to use research based information as part of the decision making process, but it is not meant to be the sole source.

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 –June \$165.48 +0.28; August \$163.78 -0.08; October \$167.63 -0.05; Feeder cattle –May \$210.98 -0.55; August \$230.73 -0.85; September \$233.80 -0.73; October \$235.53 -0.53; May corn closed at \$6.36 up 9 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

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

The December corn futures contract compared to the previous 10 years, from the start of January to the end of April, experienced its largest decline in 2023. The December 2023 contract decreased 79 cents - opening the year at \$6.06 $\frac{3}{4}$ and closing April at \$5.27 $\frac{3}{4}$. The next largest decline was 67 $\frac{1}{4}$ cents in 2020 when prices experienced rapid declines, due to the on set of the COVID-19 pandemic. 2022 had the largest gain in the previous 10 years with prices rising a remarkable \$2.03 $\frac{3}{4}$ (\$5.47 $\frac{1}{2}$ to \$7.51 $\frac{1}{4}$), due primarily to Russia's invasion of Ukraine on February 24, 2022. Volatility has been a feature in corn markets over the past three growing seasons and is likely to continue in 2023. There remains a large amount of uncertainty for the 2023 crop, however with greater acreage in Brazil and the U.S. expected the bias in corn markets is for further price weakness, in the absence of a weather-related production disruption.

Brazil's soybean crop will continue to provide downward pressure on soybean prices. Brazil is completing a record soybean harvest of 154 million metric tons. This is 23.5 million metric tons larger than last year and nearly triple the country's output of 59 million metric tons in 2006. For the 2022/23-year, global soybean production is estimated at an all-time high of 369.6 million metric tons. Brazil is estimated to produce 41.7% of global soybeans – the U.S. and Argentina are estimated to account for 31.5% and 7.3%, respectively. The two biggest challenges faced by the record Brazilian soybean crop are a lack of available storage and transportation and logistical challenges.

Since early December, the 2023 December cotton contract has traded between 76.75 and 86.98 cents. Prices are likely to continue to oscillate in this established price range until more is known about the U.S. crop or additional export demand occurs. Rain in parts of the Southern Plains and the onset of El Nino provides increased optimism for the U.S. cotton crop. Global demand for U.S. cotton remains uncertain due to a potential recession and projected ending stocks of 92 million bales.

Last year wheat prices were north of \$11.00 per bushel, today the July contract is rapidly approaching \$6.00 per bushel. The USDA projects global wheat production up 10 million metric tons and global wheat stocks down 7 million metric tons compared

	Previous	Current	Change
USD Index	101.49	101.36	-0.13
Crude Oil	77.79	76.7	-1.09
DJIA	33,782	33,972	190

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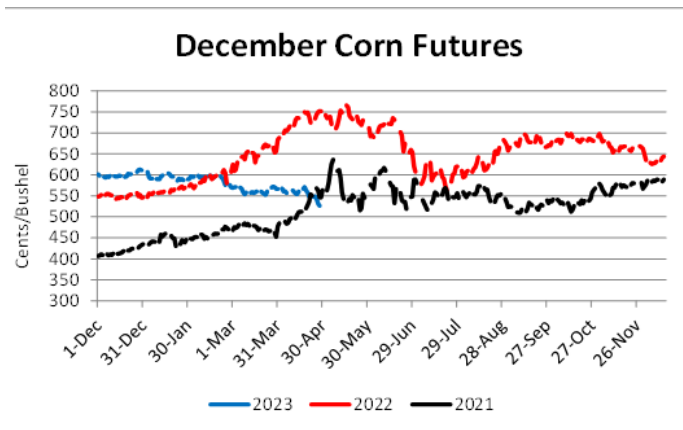
Crop Comments by Dr. Aaron Smith

to last year. The chaos introduced into wheat markets when Russia invaded Ukraine has subsided but remains a potential wild card moving forward.

Corn

Ethanol production for the week ending April 21 was 0.967 million barrels per day, down 57,000 from the previous week. Ethanol stocks were 24.306 million barrels, down 0.987 million compared to last week. Corn net sales reported by exporters for April 14-20 were 15.7 million bushels for the 2022/23 marketing year. Exports for the same period were down 17% compared to last week at 42.4 million bushels. Corn export sales and commitments were 82% 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 93%. 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 86 under to 30 over, with an average of 26 under the May futures at elevators and barge points. May 2023 corn futures closed at \$6.36, down 27 cents since last Friday. For the week, May 2023 corn futures traded between \$6.21 and \$6.67. July 2023 corn futures closed at \$5.85, down 30 cents since last Friday. May/Jul and May/Dec future spreads were -51 and -109 cents.

Corn	May 23	Change	Dec 23	Change
Price	\$6.36	-\$0.27	\$5.27	-\$0.21
Support	\$6.08	-\$0.45	\$5.12	-\$0.31
Resistance	\$6.53	-\$0.25	\$5.48	-\$0.19
20 Day MA	\$6.55	-\$0.02	\$5.55	-\$0.07
50 Day MA	\$6.46	-\$0.04	\$5.63	-\$0.05
100 Day MA	\$6.56	-\$0.01	\$5.79	-\$0.04
4-Week High	\$6.82	\$0.00	\$5.76	\$0.00
4-Week Low	\$6.21	-\$0.02	\$5.21	-\$0.26
Technical Trend	Down	-	Down	=



The Crop Progress report estimated corn planted at 14% compared to 8% last week, 7% last year, and a 5-year average of 11%; and corn emerged at 3% compared to 2% last year and a 5-year average of 2%. In Tennessee, corn planted was estimated at 49% compared to 23% last week, 16% last year, and a 5-year average of 29%; and corn emerged at 11% compared to 1% last week 3% last year, and a 5-year average of 8%. New crop cash prices ranged from \$4.51 to \$5.44 at elevators and barge points. December 2023 corn futures closed at \$5.27, down 21 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.30 December 2023 Put Option costing 38 cents establishing a \$4.92 futures floor.

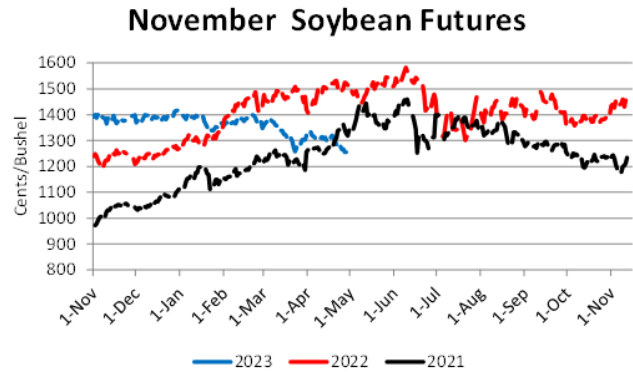
Soybeans

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 10 under to 25 over, with an average basis of 1 over the May futures contract. Soybean net weekly sales reported by exporters were 11.4 million bushels for the 2022/23 marketing year. Exports for the same period were down 22% compared to last week at 16.7 million bushels. Soybean export sales and commitments were 92% 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 97%. May 2023 soybean futures closed at \$14.44, down 39 cents since last Friday. For the week, May 2023 soybean futures traded between \$14.20 and \$15.00. May/Jul and May/Nov future spreads were -25 and -181 cents. July 2023 soybean futures closed at \$14.19, down 30 cents since last Friday.

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Crop Comments by Dr. Aaron Smith

Soybeans	May 23	Change	Nov 23	Change
Price	\$14.44	-\$0.39	\$12.63	-\$0.22
Support	\$14.07	-\$0.63	\$12.46	-\$0.32
Resistance	\$14.61	-\$0.54	\$12.73	-\$0.43
20 Day MA	\$14.89	-\$0.03	\$12.99	-\$0.08
50 Day MA	\$14.92	-\$0.08	\$13.24	-\$0.11
100 Day MA	\$14.97	-\$0.01	\$13.52	-\$0.06
4-Week High	\$15.31	\$0.00	\$13.38	\$0.00
4-Week Low	\$14.20	\$0.15	\$12.51	\$0.04
Technical Trend	Down	-	Down	=

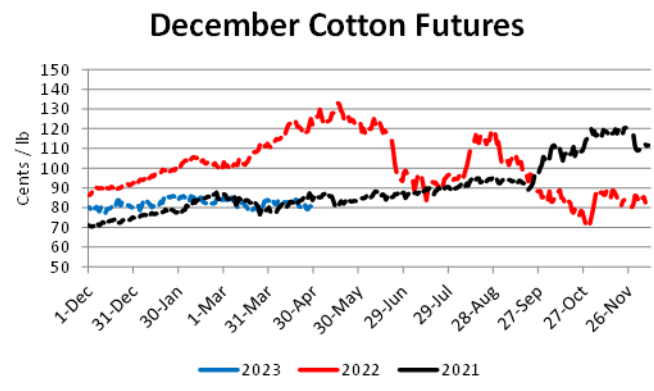


The Crop Progress report estimated soybeans planted at 9% compared to 4% last week, 3% last year, and a 5-year average of 4%. In Tennessee, the Crop Progress report estimated soybeans planted at 16% compared to 7% last week, 3% last year, and a 5-year average of 3%. November 2023 soybean futures closed at \$12.63, down 22 cents since last Friday. New crop cash soybean prices at elevators and barge points ranged from \$12.22 to \$12.83. Downside price protection could be achieved by purchasing a \$12.80 November 2023 Put Option which would cost 69 cents and set a \$12.11 futures floor. Nov/Dec 2023 soybean-to-corn price ratio was 2.40 at the end of the week.

Cotton

Delta upland cotton spot price quotes for April 27 were 79.15 cents/lb (41-4-34) and 81.40 cents/lb (31-3-35). Adjusted world price (AWP) was down 4.29 cents at 66.53 cents. Cotton net weekly sales reported by exporters were 194,900 bales for the 2022/23 marketing year and 19,100 bales for the 2023/24 marketing year. Exports for the same period were up 37% compared to last week at 398,400 bales. Upland cotton export sales were 104% 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 106%. May 2023 cotton futures closed at 79.03 cents, up 0.62 cents since last Friday. For the week, May 2023 cotton futures traded between 76.22 and 81.45 cents. July 2023 cotton futures closed at 80.8 cents, up 0.65 cents since last Friday. May/Jul and May/Dec cotton futures spreads were 1.77 cents and 2.07 cents.

Cotton	May 23	Change	Dec 23	Change
Price	79.03	0.62	81.10	0.72
Support	78.63	1.26	77.93	-1.68
Resistance	82.38	1.37	82.65	0.88
20 Day MA	81.25	-0.65	81.98	-0.40
50 Day MA	81.32	-0.68	82.09	-0.44
100 Day MA	82.87	-0.18	82.26	0.11
4-Week High	84.93	0.00	84.50	0.00
4-Week Low	76.22	0.52	78.60	1.04
Technical Trend	Down	=	Down	-



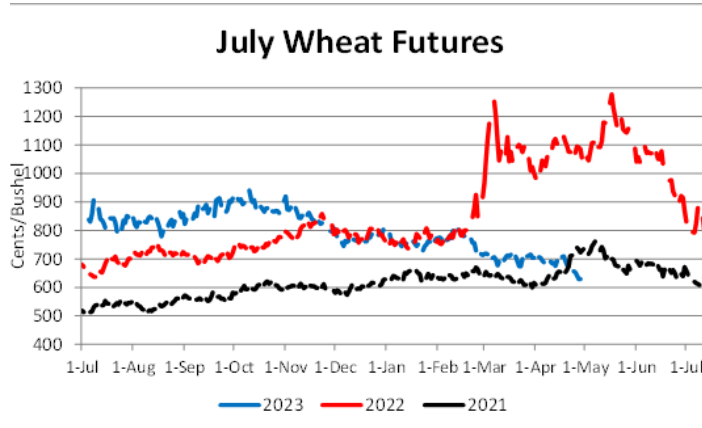
The Crop Progress report estimated cotton planted at 12% compared to 8% last week, 12% last year, and a 5-year average of 11%. In Tennessee, the Crop Progress report estimated cotton planted at 3% compared to 1% last week, 0% last year, and a 5-year average of 1%. December 2023 cotton futures closed at 81.1 cents, up 0.72 cents since last Friday. Downside price protection could be obtained by purchasing an 82 cent December 2023 Put Option costing 7.39 cents establishing a 74.61 cent futures floor.

Crop Comments by Dr. Aaron Smith

Wheat

Wheat net weekly sales reported by exporters were 5.7 million bushels for the 2022/23 marketing year and 7.4 million bushels for the 2023/24 marketing year. Exports for the same period were up 50% compared to last week at 11.2 million bushels. Wheat export sales were 89% 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 104%. Wheat cash prices at elevators and barge points ranged from \$5.99 to \$6.45. May 2023 wheat futures closed at \$6.19, down 42 cents since last Friday. May 2023 wheat futures traded between \$6.10 and \$6.69 this week. May wheat-to-corn price ratio was 0.97. May/Jul and May/Sep future spreads were 14 and 26 cents.

Wheat	May 23	Change	Jul 23	Change
Price	\$6.19	-\$0.42	\$6.33	-\$0.40
Support	\$5.98	-\$0.51	\$6.13	-\$0.46
Resistance	\$6.38	-\$0.41	\$6.53	-\$0.39
20 Day MA	\$6.68	-\$0.17	\$6.80	-\$0.16
50 Day MA	\$6.91	-\$0.16	\$7.01	-\$0.15
100 Day MA	\$7.27	-\$0.08	\$7.34	-\$0.07
4-Week High	\$7.24	\$0.00	\$7.35	\$0.00
4-Week Low	\$6.10	-\$0.44	\$6.24	-\$0.41
Technical Trend	Down	=	Down	=



The Crop Progress report estimated winter wheat condition at 26% good-to-excellent and 41% poor-to-very poor; and winter wheat headed at 18% compared to 10% last week, 10% last year, and a 5-year average of 14%. Spring wheat planted was estimated at 5% compared to 3% last week, 12% last year, and a 5-year average of 12%. In Tennessee, winter wheat condition was estimated at 63% good-to-excellent and 10% poor-to-very poor; winter wheat jointing at 91% compared to 75% last week, 82% last year, and a 5-year average of 87%; and winter wheat headed at 38% compared to 3% last week, 17% last year, and a 5-year average of 25%. New crop wheat cash prices at elevators and barge points ranged from \$5.89 to \$6.52. July 2023 wheat futures closed at \$6.33, down 40 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.35 July 2023 Put Option costing 32 cents establishing a \$6.03 futures floor. September 2023 wheat futures closed at \$6.45, down 38 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>

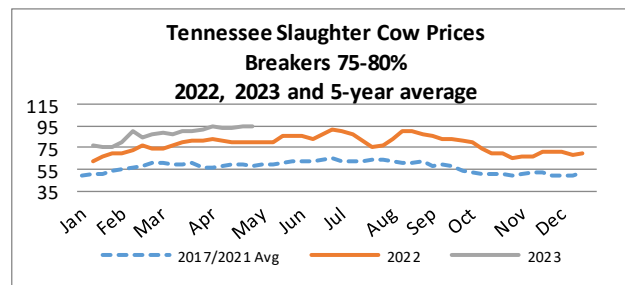
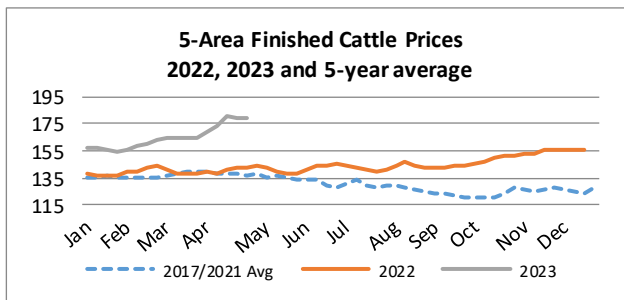
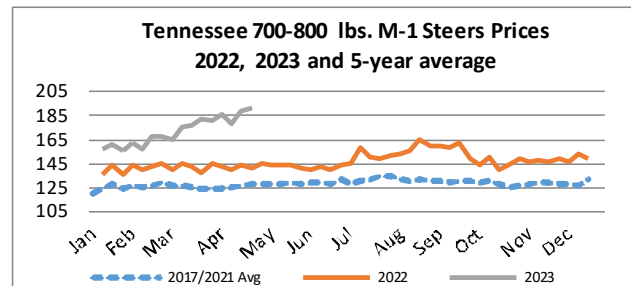
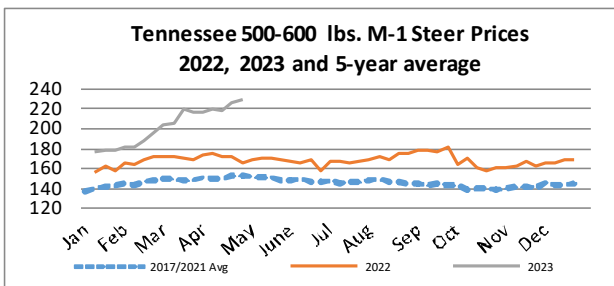
USDA AMS: Market News - <https://www.ams.usda.gov/market-news/search-market-news>

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, April 21, 2023---Thursday, April 27, 2023

	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	14.74	14.55	14.35	14.26	14.17
North Central	14.89	14.70	14.43	14.40	14.29
West Central					
West	15.09	14.90	14.55	14.46	14.37
Mississippi River					
Yellow Corn					
Northwest	6.72	6.62	6.58	6.53	6.36
North Central	5.98	5.86	5.68	5.61	5.42
West Central	6.87	6.18	6.18	6.11	5.92
West	6.93	6.81	6.57	6.52	6.37
Mississippi River					
Wheat					
Northwest	6.38	6.22	6.23	6.12	5.99
North Central	6.62	6.44	6.38	6.27	6.14
West					
Mississippi River	6.61	6.45	6.27	6.15	6.03
Cotton	-----\$/pound-----				
Memphis	78.90-81.15	79.44-81.69	77.37-79.62	77.11-79.36	79.15-81.40



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, April 24, 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	220.00	295.00	259.17	252.18	190.88
400-500 lbs	210.00	270.00	244.24	238.72	178.02
500-600 lbs	200.00	250.00	229.18	224.78	165.75
600-700 lbs	198.00	240.00	211.44	209.64	159.53
700-800 lbs	177.00	215.00	190.77	187.58	141.07
Steers: Small Frame #1-2					
300-400 lbs	195.00	230.00	214.75	216.01	169.74
400-500 lbs	---	---	---	---	158.75
500-600 lbs	---	---	---	---	---
600-700 lbs	---	---	---	---	---
Steers: Medium/Large Frame #3					
300-400 lbs	190.00	255.00	225.15	219.34	171.85
400-500 lbs	180.00	235.00	211.37	215.34	168.33
500-600 lbs	175.00	230.00	202.64	205.17	144.91
600-700 lbs	150.00	209.00	181.07	189.74	132.17
700-800 lbs	155.00	185.00	165.92	180.84	124.00
Holstein Steers					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
Slaughter Cows & Bulls					
Breakers 75-80%	82.00	103.00	94.14	94.47	79.58
Boners 80-85%	84.00	104.00	93.20	92.99	79.90
Lean 85-90%	70.00	93.00	82.83	83.30	68.04
Bulls YG 1	107.00	131.00	119.98	120.41	108.66
Heifers: Medium/Large Frame #1-2					
300-400 lbs	190.00	265.00	229.17	212.60	159.93
400-500 lbs	182.00	247.00	214.62	206.00	155.32
500-600 lbs	175.00	230.00	198.53	196.75	146.32
600-700 lbs	165.00	205.00	178.77	176.09	133.20
Heifers: Small Frame #1-2					
300-400 lbs	150.00	210.00	175.82	193.27	156.22
400-500 lbs	186.00	205.00	192.85	188.04	130.95
500-600 lbs	160.00	190.00	174.64	156.17	133.75
600-700 lbs	---	---	---	---	---
Heifers: Medium/Large Frame #2-3					
300-400 lbs	168.00	235.00	206.52	195.71	146.29
400-500 lbs	150.00	220.00	192.08	183.74	142.41
500-600 lbs	153.00	202.50	179.54	168.15	131.07
600-700 lbs	140.00	177.50	162.78	160.20	127.26

Cattle Receipts

This week:9,018

Week ago:6,852

Year ago:6,875

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

Graded Sales, Video Board Sales, Video Sales & Loads

Hardin County Stockyard - Savannah, TN

4/26/2023

117 steers, 860 lbs, M&L 1&2, 108-Black/BWF 5-ChX 4-Red/
RWF, 5-6 Flesh, \$202.00

Graded Goat & Sheep Sales

Columbia Graded Sheep and Goat Sale-Columbia, TN

Weighted Average Report for 4/24/23

Total Receipts: 1,022

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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