

# Tennessee Market Highlights

**UTEXTENSION**  
INSTITUTE OF AGRICULTURE  
THE UNIVERSITY OF TENNESSEE

November 27, 2023

Number: 47

## Trends for the Week Compared to a Week Ago

### Slaughter Cows

### Slaughter Bulls

### Feeder Steers

### Feeder Heifers

Feeder Cattle Index: 225.68

### Fed Cattle

The 5-area live price on Thursday of \$176.99 was down \$0.87. The dressed price of \$280.09 down \$1.76.

### Corn

December closed at \$4.63 a bushel, down 4 cents since last Friday.

### Soybeans

January closed at \$13.30 a bushel, down 10 cents since last Friday.

### Wheat

December closed at \$5.48 a bushel, down 2 cents since last Friday.

### Cotton

December closed at 80.39 cents per lb, up 1.47 cents since last Friday.

**No  
Trends**

## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded \$1 lower on a live basis compared to last week with live prices mainly between \$176 and \$178 while dressed prices were mainly \$280 to \$281.

The 5-area weighted average prices thru Thursday were \$176.99 live, down \$0.87 compared to last week and \$280.09 dressed, down \$1.76 from a week ago. A year ago, prices were \$156.08 live and \$244.88 dressed.

Live cattle trade volume may have not been sufficient to clear all the cattle off of packer show lists this week due to the holiday shortened week. This is despite the need to purchase enough cattle to fill a full week of slaughter to finish the month of November. Cattle feeders may be disappointed they did not let more cattle go at the slightly lower prices this week compared to last week, because live cattle futures declined about \$4 on Friday. This futures price decline will likely give the packer the upper hand going into next week's trade as cattle feeders will not be able to lean on a strong futures market as a holdout for finished cattle. As cattle feeding margins dip into the red, they will big less for feeder cattle.

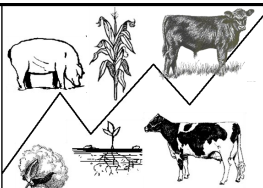
**BEEF CUTOUT:** At midday Friday, the Choice cutout was \$298.59 up \$1.59 from Thursday and up \$4.81 from a week ago. The Select cutout was \$269.05 up \$1.43 from Thursday and down \$0.81 from last week. The Choice Select spread was \$29.54 compared to \$23.92 a week ago.

Beef and ham will now take center stage for consumers as they prepare for end of the year holiday gatherings. To be more specific, consumer demand will focus on the rib primal on the beef side and ham on the pork side. This does not mean other beef items will not find support over the next five weeks, but most of the focus will be on specific holiday items. Despite

the expectation that consumers will be pulling beef products off store meat counters, it is hard to imagine wholesale beef prices will be tremendously supported. It now seems apparent that consumers are feeling the squeeze on disposable income. Despite the slowdown in inflation, prices of most goods remain elevated. At the same time, sustained high energy prices are pulling on disposable income as is higher interest rates. All of these factors are going to make it difficult for packers to push wholesale beef prices higher in the near term. The one thing that may provide support for wholesale beef price in the near future is a reduction in beef supply, but that is probably six or more months down the road.

**OUTLOOK:** Due to the Thanksgiving holiday, few cattle auctions were held and thus few were reported. However, the one auction that was reported demonstrated, steer prices were \$5 to \$15 lower compared to last week while heifer prices were also \$5 to \$15 lower compared to a week ago. Slaughter cow prices were steady to \$2 higher than last week's weighted average price while bull prices were steady to \$2 higher compared to the previous week. The futures market continues to demonstrate weakness with a hard sell off on Friday following Thanksgiving. It appears prices decline much faster than they increase, but the price movement the market is going to see is probably going to be like a pendulum swinging. Thus, there is a good chance market participants will see future prices find a bottom and then increase once again. It is likely the market will continue swinging like a pendulum for a while, which means trying to time the market will be extremely difficult from a physical buying and selling standpoint. However, the use of futures, options, and LRP insurance could come in

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## Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

handy when making marketing decisions. Using these tools are increasingly important, because many margin operators from the stocker producer to the feedlot operator are going to start finding themselves in the red on cattle purchased when the market was much higher than today if a higher priced pricing opportunity does not present itself soon. The plea today is for cattle producers to begin considering price risk management as part of their marketing plan and simply know that it is a cost of producing cattle. Whether a person uses such tools or does not use such tools, the cost will still be incurred either with the cost of actually using the tools or when prices decline and the producer has failed to use any of the tools. Shifting to the near term outlook for calf and feeder cattle prices, calf prices will not find much footing until the first of the year while feeder cattle prices may take a little longer to gain traction, but the freefall will not last forever.

**ASK ANDREW, TN THINK TANK:** In a recent meeting, there was a discussion regarding using weight stops when selling cattle via a video. For some background, cattle selling through video use estimated weights. Thus, the cattle rarely hit the exact estimated weight, which means the price should be

adjusted to reflect the actual weight when the cattle are weighed. This is where a price slide comes into play. As the weight of cattle increases, the price typically decreases. For example, if a load of cattle is based at 800 pounds with a price slide of \$8 per hundredweight and the cattle come in weighing 825 then the price would decline \$2 per hundredweight. The weight stop part of marketing video cattle is where there needs to be some certainty for the buyer of cattle not excessively exceeding the estimated weight. Thus, a 25 pound weight stop on the cattle would result in the slide being enacted on the first 25 pounds over the base weight, but any pounds over that would essentially be given to the buyer for free.

Please send questions and comments to [agriff14@utk.edu](mailto: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 \$170.25 -4.23; February \$170.98 -4.30; April \$173.30 -4.35; Feeder cattle –January \$219.33 -7.80; March \$222.73 -7.40; April \$226.68 -7.23; May \$230.48 -6.95; December corn closed at \$4.63 down 6 cents from Thursday.

## Crop Comments by Dr. Aaron Smith

### Overview

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

A shortened holiday week saw corn futures continue to move sideways to lower. The March corn contract is trading below the 50-day moving average of \$4.95/bu. USDA projects national average corn yield, production, and ending stocks at 174.9 bu/acre, 15.234 billion bushels, and 2.156 billion bushels. These estimates do not support higher prices. The most likely path to higher corn prices is a weather disruption in South America.

Soybeans have been more volatile than corn this fall with a trading range of \$12.70/bu to \$14.20/bu. For the January contract, prices are threatening to drop below the 50-day moving average of \$13.26/bu. If the 50-day moving average is crossed further price weakness is likely to occur. The domestic supply and demand picture is far more supportive of prices than the international picture. US ending stocks of 245 million bushels and crush of 2.3 billion bushels will help hold prices (or basis) at higher prices. However, foreign ending stocks of 3.962 billion bushels, up 544 million compared to last year, will continue to provide downward price pressure. Moving through the winter export sales and South American crop progress will be key factors in determining soybean price direction.

After the runup in March cotton futures to 90 cents at the end of September prices have settled back into the previous March through July trading range of 77 to 85 cents, with a narrower range of 79 to 82 cents likely to persist. For cotton prices to improve export demand will need to increase. The marketing year low in exports this past week will not provide confidence that this is likely to occur.

	Previous	Current	Change
USD Index	103.84	103.30	-0.53
Crude Oil	75.7	75.54	-0.16
DJIA	34,962	35,390	428

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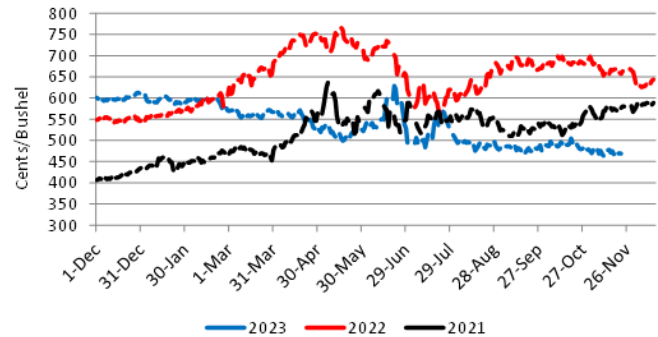
## Crop Comments by Dr. Aaron Smith

### Corn

Ethanol production for the week ending November 17 was 1.023 million barrels per day, down 24,000 from the previous week. Ethanol stocks were 21.652 million barrels, up 698,000 barrels compared to last week. Corn net sales reported by exporters for November 10-16 were net sales of 56.4 million bushels for the 2023/24 marketing year. Exports for the same period were down 9% compared to last week at 24.6 million bushels. Corn export sales and commitments were 43% of the USDA estimated total annual exports for the 2023/24 marketing year (September 1 to August 31) compared to the previous 5-year average of 49%. Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at North-west, North-Central, and West-Central and weakened at West and Mississippi River elevators and barge points. Overall, basis for the week ranged from 55 under to 8 over, with an average of 25 under the December futures at elevators and barge points.

Corn	Dec 23	Change	Mar 24	Change
Price	\$4.63	-\$0.04	\$4.82	-\$0.03
Support	\$4.57	\$0.01	\$4.77	-\$0.02
Resistance	\$4.73	-\$0.10	\$4.92	-\$0.09
20 Day MA	\$4.71	-\$0.04	\$4.87	-\$0.04
50 Day MA	\$4.80	-\$0.01	\$4.95	-\$0.01
100 Day MA	\$4.90	-\$0.02	\$5.04	-\$0.02
4-Week High	\$4.84	-\$0.25	\$4.98	-\$0.23
4-Week Low	\$4.58	-\$0.03	\$4.76	\$0.00
Technical Trend	Down	=	Down	=

### December Corn Futures



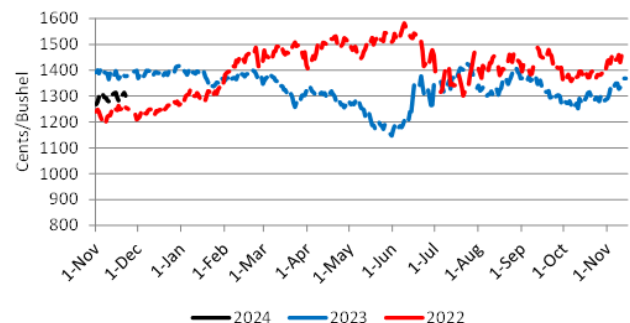
The Crop Progress report estimated corn harvested at 93% compared to 88% last week, 96% last year, and a 5-year average of 91%. In Tennessee, corn harvested was estimated at 98% compared to 97% last week, 100% last year, and a 5-year average of 100%. Cash prices ranged from \$4.28 to \$4.90 at elevators and barge points. December 2023 corn futures closed at \$4.63, down 4 cents since last Friday. For the week, December 2023 corn futures traded between \$4.62 and \$4.75. Dec/Mar and Dec/May future spreads were 19 and 31 cents. March 2024 corn futures closed at \$4.82, down 3 cents since last Friday. May 2024 corn futures closed at \$4.94, down 2 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.10 December 2024 Put Option costing 43 cents establishing a \$4.67 futures floor.

### Soybeans

Across Tennessee average soybean basis weakened or remained unchanged at West, North-Central, West-Central, and Mississippi River elevators and barge points and strengthened at Northwest elevators and barge points. Basis ranged from 52 under to 5 over the January futures contract, with an average basis at the end of the week of 26 under. Soybean net weekly sales reported by exporters were net sales of 35.3 million bushels for the 2023/24 marketing year and 0.3 million bushels for the 2024/25 marketing year. Exports for the same period were down 17% compared to last week at 61 million bushels. Soybean export sales and commitments were 61% of the USDA estimated total annual exports for the 2023/24 marketing year (September 1 to August 31), compared to the previous 5-year average of 65%.

Soybeans	Jan 24	Change	Nov 24	Change
Price	\$13.30	-\$0.10	\$12.80	-\$0.03
Support	\$13.12	-\$0.09	\$12.65	-\$0.06
Resistance	\$13.63	-\$0.07	\$13.05	\$0.04
20 Day MA	\$13.50	\$0.10	\$12.91	\$0.09
50 Day MA	\$13.25	-\$0.02	\$12.73	\$0.01
100 Day MA	\$13.47	\$0.01	\$12.76	\$0.03
4-Week High	\$13.98	\$0.00	\$13.17	\$0.01
4-Week Low	\$13.00	\$0.03	\$12.58	\$0.09
Technical Trend	Up	=	Up	=

### November Soybean Futures



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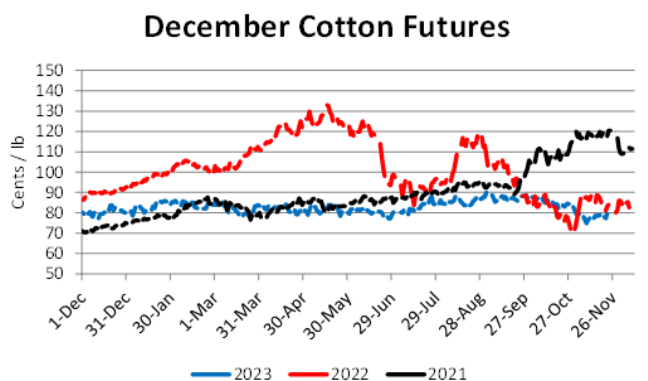
## Crop Comments by Dr. Aaron Smith

In Tennessee, the Crop Progress report estimated soybeans harvested at 93% compared to 87% last week, 92% last year, and a 5-year average of 84%. January 2024 soybean futures closed at \$13.30, down 10 cents since last Friday. For the week, January 2024 soybean futures traded between \$13.27 and \$13.89. Cash soybean prices at elevators and barge points ranged from \$13.26 to \$13.85. March 2024 soybean-to-corn price ratio was 2.80 at the end of the week. Jan/Mar and Jan/Nov future spreads were 18 and -50 cents. March 2024 soybean futures closed at \$13.48, down 8 cents since last Friday. November 2024 soybean futures closed at \$12.80, down 3 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.80 November 2024 Put Option which would cost 88 cents and set a \$11.92 futures floor. Nov/Dec soybean-to-corn price ratio was 2.51 at the end of the week.

### Cotton

North Delta upland cotton spot price quotes for November 24 were 77.49 cents/lb (41-4-34) and 79.74 cents/lb (31-3-35). Adjusted world price (AWP) was up 1 cent at 65.23 cents. Cotton net weekly sales reported by exporters were 322,200 bales for the 2023/24 marketing year and 5,700 bales for the 2024/25 marketing year. Exports for the same period were down 31% compared to last week at 77,900 bales – a marketing year low. Upland cotton export sales were 66% of the USDA estimated total annual exports for the 2023/24 marketing year (August 1 to July 31), compared to the previous 5-year average of 70%.

Cotton	Dec 23	Change	Mar 24	Change
Price	80.39	1.47	80.99	-0.52
Support	77.37	0.26	79.43	-0.02
Resistance	82.19	1.92	82.51	0.02
20 Day MA	78.70	-1.20	80.91	-1.24
50 Day MA	83.03	-0.83	84.68	-0.73
100 Day MA	84.13	-0.05	84.97	0.02
4-Week High	85.25	-0.19	86.80	-0.10
4-Week Low	74.77	0.00	77.66	0.00
Technical Trend	Up	=	Up	=



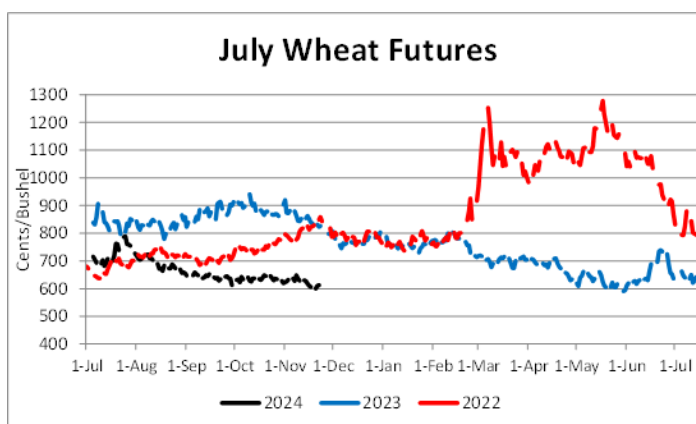
The Crop Progress report estimated cotton harvested at 77% compared to 67% last week, 78% last year, and a 5-year average of 71%. In Tennessee, the Crop Progress report estimated cotton harvested at 95% compared to 86% last week, 89% last year, and a 5-year average of 85%. December 2023 cotton futures closed at 80.39 cents, up 1.47 cents since last Friday. For the week, December 2023 cotton futures traded between 76.68 and 79.75 cents. March 2024 cotton futures closed at 80.99 cents, down 0.52 cents since last Friday. May 2024 cotton futures closed at 81.69 cents, down 0.5 cents since last Friday. Dec/Mar and Dec/May cotton futures spreads were 0.6 cents and 1.3 cents. Downside price protection could be obtained by purchasing a 78 cent December 2024 Put Option costing 5.3 cents establishing a 72.7 cent futures floor.

### Wheat

Wheat net weekly sales reported by exporters were net sales of 6.3 million bushels for the 2023/24 marketing year and 0.9 million bushels for the 2024/25 marketing year. Exports for the same period were down 4% compared to last week at 11 million bushels. Wheat export sales were 64% of the USDA estimated total annual exports for the 2023/24 marketing year (June 1 to May 31), compared to the previous 5-year average of 69%. Wheat cash prices at elevators and barge points ranged from \$4.78 to \$5.36. December 2023 wheat futures closed at \$5.48, down 2 cents since last Friday. December 2023 wheat futures traded between \$5.41 and \$5.63 this week. December wheat-to-corn price ratio was 1.18. Dec/Mar and Dec/Jul future spreads were 29 and 56 cents. March 2024 wheat futures closed at \$5.77, up 2 cents since last Friday.

## Crop Comments by Dr. Aaron Smith

Wheat	Dec 23	Change	Jul 24	Change
Price	\$5.48	-\$0.02	\$6.04	-\$0.01
Support	\$5.41	\$0.00	\$5.96	-\$0.02
Resistance	\$5.59	-\$0.03	\$6.15	-\$0.02
20 Day MA	\$5.63	-\$0.08	\$6.21	-\$0.07
50 Day MA	\$5.71	-\$0.04	\$6.29	-\$0.04
100 Day MA	\$6.12	-\$0.07	\$6.61	-\$0.05
4-Week High	\$5.98	-\$0.06	\$6.50	-\$0.10
4-Week Low	\$5.41	-\$0.06	\$5.97	-\$0.07
Technical Trend	Down	=	Down	=



The Crop Progress report estimated winter wheat condition at 48% good-to-excellent and 17% poor-to-very poor; winter wheat planted at 95% compared to 93% last week, 98% last year, and a 5-year average of 96%; and winter wheat emerged at 87% compared to 81% last week, 86% last year, and a 5-year average of 85%. In Tennessee, winter wheat condition was estimated at 58% good-to-excellent and 15% poor-to-very poor; winter wheat planted at 88% compared to 74% last week, 92% last year, and a 5-year average of 85%; and winter wheat emerged at 65% compared to 52% last week, 75% last year, and a 5-year average of 68%. July 2024 wheat futures closed at \$6.04, down 1 cent since last Friday. Downside price protection could be obtained by purchasing a \$6.10 July 2024 Put Option costing 52 cents establishing a \$5.58 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$5.78 to \$5.89.

### 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](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](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/](https://www.nass.usda.gov/Statistics_by_State/Tennessee/Publications/)

[Crop Progress & Condition/](#)

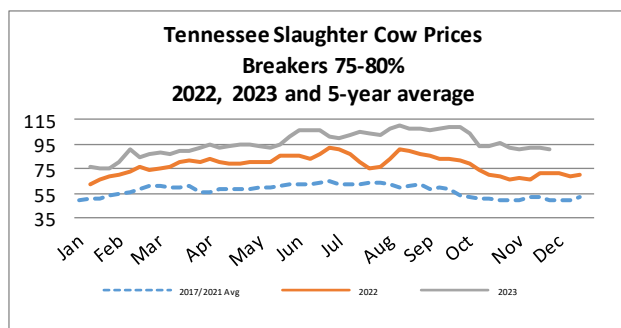
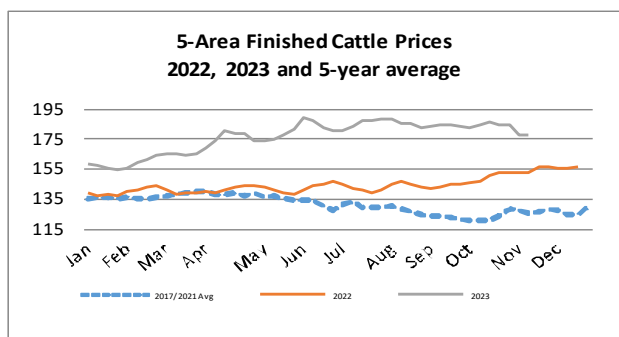
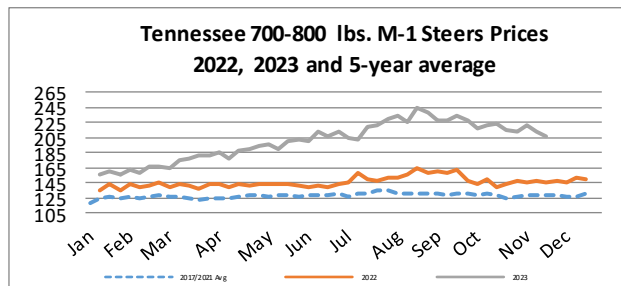
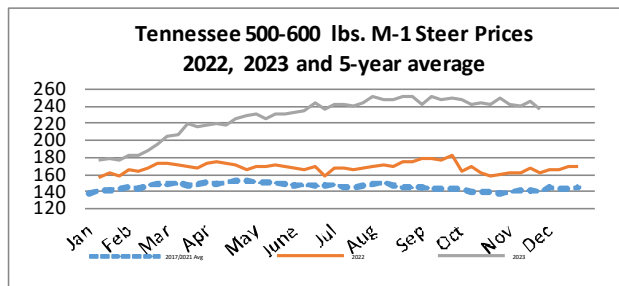
U.S. Crop Progress - <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1048>

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](mailto:aaron.smith@utk.edu).



Prices Paid to Farmers by Elevators					
Friday, November 17, 2023---Thursday, November 23, 2023					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
<b>No. 2 Yellow Soybeans</b>	-----\$/bushel-----				
Northwest	12.85	13.15	13.25	13.04	
North Central	13.20	13.47	13.47	13.27	
West Central					
West	13.48	13.72	13.77	13.47	
Mississippi River	13.38	13.58	13.68	13.47	
<b>Yellow Corn</b>					
Northwest	4.42	4.57	4.58	4.56	
North Central	4.07	4.15	4.15	4.14	
West Central					
West	4.75	4.78	4.70		
Mississippi River	4.65	4.62	4.62	4.61	
<b>Wheat</b>					
Northwest	5.26	4.79	4.90	4.91	
North Central		5.19	5.30	5.31	
West					
Mississippi River	5.31	5.24	5.35	5.36	
<b>Cotton</b>	-----\$/pound-----				
Memphis	78.01-80.26	77.75-80.00	77.19-79.44	77.40-79.65	



## 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 20, 2023

	This Week			Last Week's	Year Ago
	Low	High	Weighted Average	Weighted Average	Weighted Average
-----\$/cwt-----					
<b>Steers: Medium/Large Frame #1-2</b>					
300-400 lbs	212.50	295.00	257.60	260.12	182.56
400-500 lbs	204.00	275.00	244.87	256.06	172.70
500-600 lbs	194.00	257.50	235.24	244.99	161.23
600-700 lbs	181.00	240.00	218.38	224.77	153.69
700-800 lbs	162.50	225.00	206.50	212.44	145.82
<b>Steers: Small Frame #1-2</b>					
300-400 lbs	185.00	240.00	213.48	221.06	143.99
400-500 lbs	180.00	233.00	206.50	226.99	146.67
500-600 lbs	---	---	---	213.69	136.13
600-700 lbs	---	---	---	---	129.99
<b>Steers: Medium/Large Frame #3</b>					
300-400 lbs	182.00	265.00	234.84	243.35	158.51
400-500 lbs	199.00	240.00	224.28	226.29	150.73
500-600 lbs	168.00	240.00	209.69	217.29	139.05
600-700 lbs	169.00	216.00	202.97	200.22	137.53
700-800 lbs	175.00	195.00	187.61	202.06	124.64
<b>Holstein Steers</b>					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
<b>Slaughter Cows &amp; Bulls</b>					
Breakers 75-80%	71.00	102.00	90.91	91.89	70.96
Boners 80-85%	70.50	98.00	87.61	87.79	67.74
Lean 85-90%	61.50	87.00	78.07	78.34	57.97
Bulls YG 1	85.00	126.00	113.02	113.18	92.79
<b>Heifers: Medium/Large Frame #1-2</b>					
300-400 lbs	170.00	252.50	215.04	224.51	153.13
400-500 lbs	169.00	237.50	213.80	215.52	148.89
500-600 lbs	170.00	227.50	204.30	208.91	140.96
600-700 lbs	150.00	211.00	183.69	191.90	133.46
<b>Heifers: Small Frame #1-2</b>					
300-400 lbs	150.00	152.50	150.85	199.21	122.48
400-500 lbs	160.00	160.00	160.00	201.49	131.92
500-600 lbs	163.00	169.00	166.03	178.17	122.08
600-700 lbs	---	---	---	180.20	---
<b>Heifers: Medium/Large Frame #2-3</b>					
300-400 lbs	150.00	235.00	201.94	215.19	132.15
400-500 lbs	144.00	215.00	191.40	202.28	133.51
500-600 lbs	160.00	208.00	181.59	196.97	125.80
600-700 lbs	119.00	197.50	166.12	184.01	122.20

### Cattle Receipts

This week:9,818

Week ago:8,724

Year ago:8,124

Link to report: [https://www.ams.usda.gov/mnreports/ams\\_2063.pdf](https://www.ams.usda.gov/mnreports/ams_2063.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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