

# Tennessee Market Highlights

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

December 21, 2023

Number: 51

## Trends for the Week Compared to a Week Ago

### Slaughter Cows

\$1 to \$3 higher

### Slaughter Bulls

steady to \$1 higher

### Feeder Steers

\$7 to \$15 higher

### Feeder Heifers

\$8 to \$14 higher

Feeder Cattle Index: 219.80

### Fed Cattle

The 5-area live price on Thursday of \$170.07 was up \$2.26. The dressed price of \$270.09 up \$2.30.

### Corn

March closed at \$4.72 a bushel, down 11 cents since last Friday.

### Soybeans

January closed at \$12.97 a bushel, down 18 cents since last Friday.

### Wheat

March closed at \$6.12 a bushel, down 17 cents since last Friday.

### Cotton

March closed at 79.13 cents per lb, down 0.8 cents since last Friday.

## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded \$2 higher on a live basis compared to last week with live prices mainly between \$170 and \$171 while dressed prices were mainly \$269 to \$271.

The 5-area weighted average prices thru Wednesday were \$170.07 live, up \$2.26 compared to last week and \$270.09 dressed, up \$2.30 from a week ago. A year ago, prices were \$155.90 live and \$247.00 dressed.

This week's gains offset last week's losses in the finished cattle market, but it would be a stretch to say there was a lot of positive momentum in the market. Cattle feeders are struggling with negative margins at this juncture, which is largely due to the price paid for those cattle during the summer months. Fundamentals certainly support higher cattle prices in 2024, but feedlot managers have recency bias that may keep them from pushing feeder cattle prices extremely high to start the year. The finished cattle market will likely drag a little to start off the new year, but it will catch some fire as the spring and summer grilling season near. This is a fluid market, and it is sloshing in the tank.

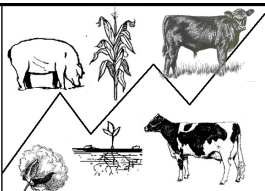
**BEEF CUTOUT:** At midday Thursday, the Choice cutout was \$291.41 up \$2.28 from Wednesday and down \$0.67 from a week ago. The Select cutout was \$262.30 up \$0.70 from Thursday and up \$0.77 from last week. The Choice Select spread was \$29.11 compared to \$30.55 a week ago.

This may be the time to say Merry Christmas and to say I hope each person who reads this has a blessed Christmas season. Christmas is not always a fun time of year for folks for a multitude of reasons, but that does not mean we do not have something to look forward to. The same can be said for wholesale beef prices. They have done nothing to bring optimism to the cattle market during the holiday purchas-

ing season. There has been no dancing. There has been no prancing. They have actually looked more like an elephant on a pogo stick made for a ten year old child. However, there is something to look forward to and that is the spring grilling season. Spring beef prices will reveal the direction of this market and if consumers will continue to be willing buyers of beef at higher retail beef prices. If the consumer balks at higher retail beef prices then the market may stagnate for a while. Consumers should consume less beef with higher prices, but that does not mean demand has softened. It is simply the rationing effect of higher prices.

**OUTLOOK:** Based on weekly auction market averages, steer prices were \$7 to \$15 higher compared to last week while heifer prices were \$8 to \$14 higher compared to the previous week. Slaughter cow prices were \$1 to \$3 higher than the weighted average price from a week ago while bull prices were steady to \$1 higher compared to the previous week. Most livestock auctions closed out the sales book for 2023 this week as many auctions will take a break from the weekly routine the week of Christmas and several also being closed the first week of January. This means producers who were planning on marketing cattle before the end of the year may have to find a private treaty opportunity if selling is a must over the next two weeks. Those opportunities do exist, and it may be as easy as calling the local auction barn management to see if there are any opportunities to move a few head. Most of the auctions in Tennessee saw reduced marketings this week, which is very typical leading up to Christmas, but the few cattle that were traded were in strong demand as cattle buyers pushed the price of many classes of calves and feeder cattle higher compared to the past several weeks. Opti-

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## Livestock Comments by Dr. Andrew Griffith

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mism is going to return to the cattle markets as the books are opened on 2024. There certainly was considerable pessimism the past couple of months, which sent calf and feeder cattle prices lower. However, this way of thinking will not persist, because market participants will be reminded in January just how tight cattle supplies will be the next few years. Producers waiting to market cattle after the first of the year should be able to bear witness to a strengthening market, while buyers of those same cattle will be fussing about how expensive cattle are. The hope is there will be a slow and gradual price escalation for most classes of cattle, but if recent history is an indicator of future happenings then one could expect prices to move sharply higher in the first quarter of 2024. This could lead to another time period of declining prices, but the market should level throughout the year.

**ASK ANDREW, TN THINK TANK:** I have been the one with questions as of late. Sometimes I know of people who can provide assistance, and other times, I am at a loss from whom to gather information. Despite not always knowing the person who can aid my cause, I have learned there is nothing

wrong with asking others to point me in the correct direction. Frankly, many people are tickled when someone thinks they may have information that could be beneficial. Most of my questions have been pointed toward veterinarians the past couple of weeks and others in the animal health industry. Sometimes the information can appear to have contradictions from one person to the next, but it generally is not a contradiction. Most of the time it is the fact that people are forced to respond with limited information. This is where the individual asking the questions must piece together all of the information based on the specific situation. Maybe it is better stated by saying that our questions are sometimes incomplete, and we need to do a better job conveying the question.

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:** Thursday's closing prices were as follows: Live/fed cattle –December \$170.55 +0.53; February \$168.68 -1.63; April \$172.18 -1.65; Feeder cattle –January \$221.70 -2.35; March \$223.38 -2.38; April \$228.45 -2.08; May \$232.98 -1.85; March corn closed at \$4.73 up 3 cents from Wednesday.

## Crop Comments by Dr. Aaron Smith

### Overview

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

The March corn futures contract set a new low at \$4.68 ½ on December 20<sup>th</sup>. Corn prices continue to be affected by large US supplies and an anticipated carryover of over 2.1 billion bushels into next marketing year. South American production remains a wild card, however it is very likely that Argentina has substantially higher year-over-year production as they recover from last year's severe drought and Brazil has had a mix of weather with some areas too wet and others too dry. More important for Brazil's corn crop is when soybean harvest will occur in January and February as this will dictate establishment of the second crop corn and the probability of sufficient moisture for the corn crop prior to the dry season. For now, there remains a bearish bias in corn futures markets.

	Previous	Current	Change
USD Index	102.61	101.48	-1.13
Crude Oil	71.38	73.83	2.45
DJIA	37,190	37,223	33

Soybean futures continue to have substantially more volatility than corn or cotton markets. Since July 24<sup>th</sup>, the January soybean futures contract has traded in a wide range of \$12.70 ¼ to \$14.41. Over that time, daily price changes of greater than 10 cents occurred in 54 of 107 trading days. Over the past month, the January contract has trended lower despite strong US export sales. The fate of soybean prices remains heavily tied to Brazil's projected production. If beneficial South American forecasts persist prices are likely to continue to move lower.

March cotton futures are likely to continue to trade between 77 and 83 cents. Export demand has been mediocre at best, with mills purchasing to fulfill only immediate demand. China has been purchasing to replenish reserve but this occurs when futures prices challenge the bottom of the current price range.

Although down this week, wheat futures have been the lone bright spot with the July contract adding almost 50 cents since the contract low of \$5.86 on November 27<sup>th</sup>. Projected global ending stocks are 428 million bushels lower than last year, which should support prices above \$6.00 until more is known about Northern Hemisphere winter wheat production.

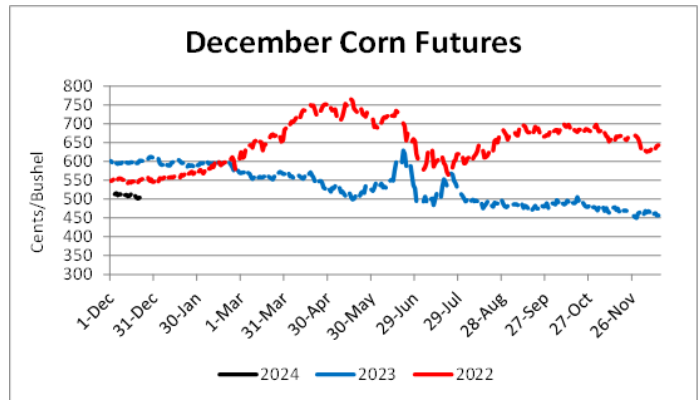
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## Crop Comments by Dr. Aaron Smith

### Corn

Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at West, North-west, North-Central, West-Central, and Mississippi River elevators and barge points. Overall, basis for the week ranged from 60 to even, with an average of 21 under the March futures at elevators and barge points. Ethanol production for the week ending December 15 was 1.071 million barrels per day, down 3,000 from the previous week. Ethanol stocks were 22.906 million barrels, up 806,000 barrels compared to last week. Corn net sales reported by exporters for December 8-14 were net sales of 39.9 million bushels for the 2023/24 marketing year and 0.04 million bushels for the 2024/25 marketing year. Exports for the same period were up 2% compared to last week at 34.3 million bushels. Corn export sales and commitments were 53% 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 58%. Cash prices ranged from \$4.18 to \$4.86 at elevators and barge points. March 2024 corn futures closed at \$4.72, down 11 cents since last Friday. For the week, March 2024 corn futures traded between \$4.68 and \$4.82. Mar/May and Mar/Dec future spreads were 13 and 31 cents. May 2024 corn futures closed at \$4.85, down 10 cents since last Friday.

Corn	Mar 24	Change	Dec 24	Change
Price	\$4.72	-\$0.11	\$5.03	-\$0.09
Support	\$4.63	-\$0.12	\$4.97	-\$0.07
Resistance	\$4.78	-\$0.08	\$5.07	-\$0.06
20 Day MA	\$4.80	-\$0.03	\$5.09	-\$0.02
50 Day MA	\$4.89	-\$0.02	\$5.12	-\$0.01
100 Day MA	\$4.94	-\$0.03	\$5.11	-\$0.01
4-Week High	\$4.93	-\$0.01	\$5.18	\$0.00
4-Week Low	\$4.68	-\$0.02	\$5.00	-\$0.02
Technical Trend	Down	-	Down	-

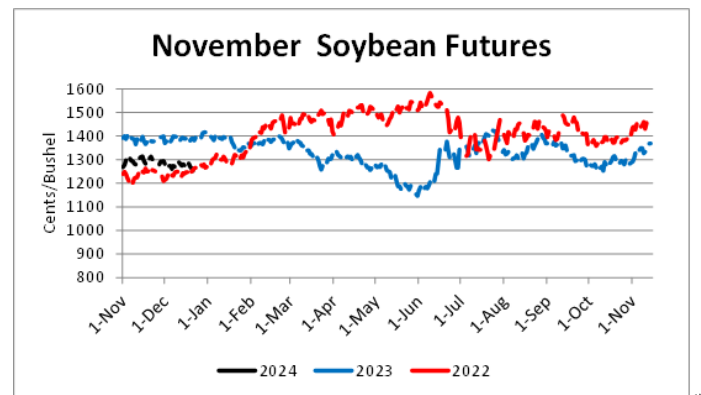


December 2024 corn futures closed at \$5.03, down 9 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.10 December 2024 Put Option costing 43 cents establishing a \$4.67 futures floor.

### Soybeans

Across Tennessee average soybean basis strengthened or remained unchanged at West, Northwest, West-Central, North-Central, and Mississippi River elevators and barge points. Basis ranged from 48 under to 15 over the January futures contract, with an average basis at the end of the week of 8 under. Soybean net weekly sales reported by exporters were net sales of 73.1 million bushels for the 2023/24 marketing year and 5.3 million bushels for the 2024/25 marketing year. Exports for the same period were up 15% compared to last week at 48.8 million bushels. Soybean export sales and commitments were 74% 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 74%. January 2024 soybean futures closed at \$12.97, down 18 cents since last Friday. For the week, January 2024 soybean futures traded between \$12.95 and \$13.28. Cash soybean prices at elevators and barge points ranged from \$13.12 to \$13.44. March 2024 soybean-to-corn price ratio was 2.76 at the end of the week. Jan/Mar and Jan/Nov future spreads were 4 and -44 cents. March 2024 soybean futures closed at \$13.01, down 30 cents since last Friday.

Soybeans	Jan 24	Change	Nov 24	Change
Price	\$12.97	-\$0.18	\$12.53	-\$0.23
Support	\$12.95	-\$0.02	\$12.49	-\$0.15
Resistance	\$13.28	\$0.01	\$12.82	-\$0.09
20 Day MA	\$13.19	-\$0.10	\$12.77	-\$0.06
50 Day MA	\$13.30	\$0.03	\$12.29	-\$0.48
100 Day MA	\$13.35	-\$0.02	\$12.77	\$0.00
4-Week High	\$13.78	-\$0.11	\$13.13	-\$0.04
4-Week Low	\$12.92	\$0.00	\$12.48	-\$0.10
Technical Trend	Down	=	Down	=



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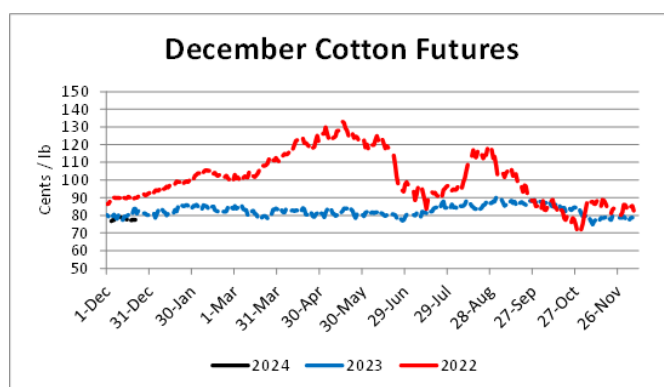
## Crop Comments by Dr. Aaron Smith

November 2024 soybean futures closed at \$12.53, down 23 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.60 November 2024 Put Option which would cost 78 cents and set an \$11.82 futures floor. Nov/Dec soybean-to-corn price ratio was 2.49 at the end of the week.

### Cotton

North Delta upland cotton spot price quotes for December 20 were 76.71 cents/lb (41-4-34) and 78.71 cents/lb (31-3-35). Cotton net weekly sales reported by exporters were 146,700 bales for the 2023/24 marketing year and 1,300 bales for the 2024/25 marketing year. Exports for the same period were up 49% compared to last week at 222,300 bales – a marketing year high. Upland cotton export sales were 71% 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 76%. March 2024 cotton futures closed at 79.13 cents, down 0.8 cents since last Friday. For the week, March 2024 cotton futures traded between 78.31 and 80.59 cents. Mar/May and Mar/Dec cotton futures spreads were 0.89 cents and -1.65 cents. May 2024 cotton futures closed at 80.02 cents, down 0.67 cents since last Friday.

Cotton	Mar 24	Change	Dec 24	Change
Price	79.13	-0.80	77.48	-0.18
Support	78.02	-0.65	76.51	-0.27
Resistance	81.18	-1.66	78.75	-0.65
20 Day MA	80.15	-0.37	77.77	-0.16
50 Day MA	81.85	-0.68	78.76	-0.34
100 Day MA	84.36	9.76	79.63	-0.08
4-Week High	83.13	0.00	79.44	0.00
4-Week Low	78.31	-0.28	76.68	0.00
Technical Trend	Flat	=	Flat	=

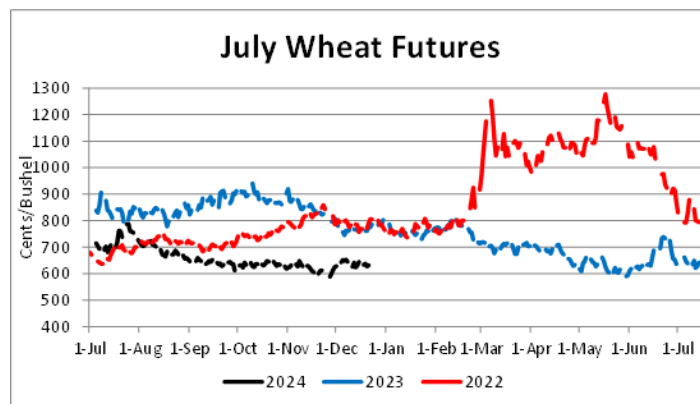


December 2024 cotton futures closed at 77.48 cents, down 0.18 cents since last Friday. Downside price protection could be obtained by purchasing a 78 cent December 2024 Put Option costing 5.65 cents establishing a 72.35 cent futures floor.

### Wheat

Wheat net weekly sales reported by exporters were net sales of 11.9 million bushels for the 2023/24 marketing year and 0.1 million bushels for the 2024/25 marketing year. Exports for the same period were up 17% compared to last week at 12.4 million bushels. Wheat export sales were 76% 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 77%. Wheat cash prices at elevators and barge points ranged from \$5.67 to \$5.88. March 2024 wheat futures closed at \$6.12, down 17 cents since last Friday. March 2024 wheat futures traded between \$6.09 and \$6.32 this week. March wheat-to-corn price ratio was 1.30. Mar/May and Mar/Jul future spreads were 12 and 19 cents. May 2024 wheat futures closed at \$6.24, down 15 cents since last Friday.

Wheat	Mar 24	Change	Jul 24	Change
Price	\$6.12	-\$0.17	\$6.31	-\$0.13
Support	\$6.06	\$0.06	\$6.25	\$0.07
Resistance	\$6.20	-\$0.18	\$6.37	-\$0.12
20 Day MA	\$6.10	\$0.08	\$6.30	\$0.05
50 Day MA	\$6.03	\$0.02	\$6.29	\$0.00
100 Day MA	\$6.18	-\$0.04	\$6.44	-\$0.04
4-Week High	\$6.49	\$0.00	\$6.66	\$0.00
4-Week Low	\$5.56	\$0.00	\$5.86	\$0.00
Technical Trend	Up	=	Down	-



July 2024 wheat futures closed at \$6.31, down 13 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.40 July 2024 Put Option costing 51 cents establishing a \$5.89 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$6.03 to \$6.31.

### **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/)

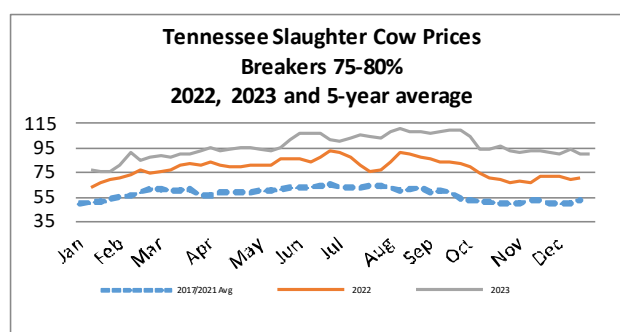
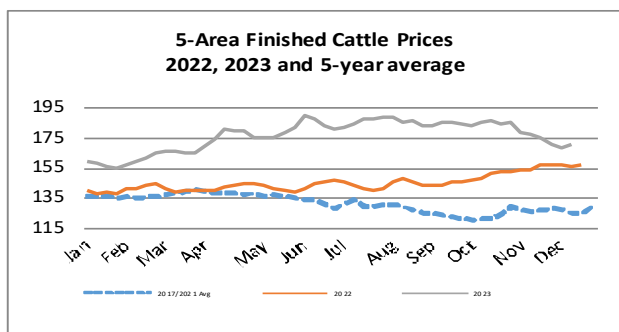
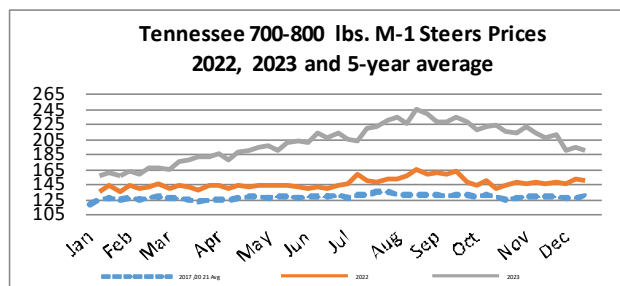
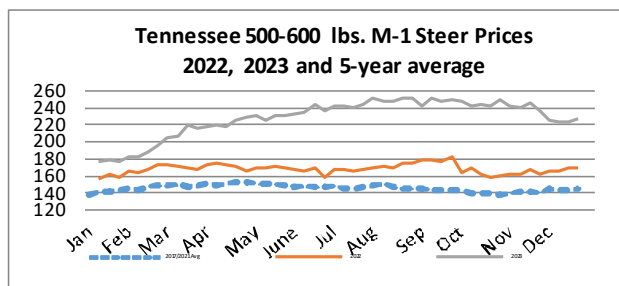
[Crop Progress & Condition/](#)

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, December 15, 2023---Thursday, December 21, 2023					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
<b>No. 2 Yellow Soybeans</b>	-----\$/bushel-----				
Northwest	12.63	12.80	12.70	12.66	12.55
North Central	13.06	13.17	13.03	12.98	12.87
West Central					
West	13.21	13.32	13.28	13.23	13.12
Mississippi River	13.13	13.25	13.18	13.19	13.07
<b>Yellow Corn</b>					
Northwest	4.66	4.60	4.58	4.55	4.58
North Central	4.23	4.17	4.13	4.10	4.13
West Central					
West	4.83	4.77	4.73	4.70	4.73
Mississippi River	4.74	4.69	4.64	4.62	4.64
<b>Wheat</b>					
Northwest	5.79	5.67	5.73	5.60	5.63
North Central	5.94	5.82	5.88	5.75	5.78
West					
Mississippi River	6.37	6.25	6.30	6.18	6.21
<b>Cotton</b>	-----\$/pound-----				
Memphis	77.43-79.43	76.60-78.60	76.96-78.96	76.71-78.71	76.63-78.63



## 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, December 18, 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	203.00	295.00	256.69	258.00	187.59
400-500 lbs	180.00	273.00	248.36	232.25	179.74
500-600 lbs	185.00	257.00	225.68	222.88	168.94
600-700 lbs	177.50	234.00	209.69	208.00	159.56
700-800 lbs	173.00	205.00	190.83	193.10	149.33
<b>Steers: Small Frame #1-2</b>					
300-400 lbs	218.00	265.00	235.96	---	---
400-500 lbs	150.00	220.00	195.42	---	---
500-600 lbs	170.00	206.00	191.17	---	---
600-700 lbs	---	---	---	---	---
<b>Steers: Medium/Large Frame #3</b>					
300-400 lbs	122.50	255.00	211.24	227.74	162.91
400-500 lbs	159.00	267.00	207.47	225.74	152.73
500-600 lbs	160.00	220.00	191.25	203.26	149.84
600-700 lbs	146.00	212.50	184.38	185.54	140.80
700-800 lbs	170.00	195.00	184.09	172.50	125.60
<b>Holstein Steers</b>					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
<b>Slaughter Cows &amp; Bulls</b>					
Breakers 75-80%	75.00	109.00	89.51	89.87	69.84
Boners 80-85%	80.00	97.00	87.49	87.05	67.71
Lean 85-90%	68.50	96.00	77.62	77.26	58.45
Bulls YG 1	102.00	129.00	113.04	114.72	94.46
<b>Heifers: Medium/Large Frame #1-2</b>					
300-400 lbs	184.00	255.00	215.54	210.18	159.60
400-500 lbs	180.00	227.50	205.55	199.67	151.12
500-600 lbs	167.00	215.00	194.26	191.47	144.86
600-700 lbs	154.00	205.00	181.96	177.14	139.82
<b>Heifers: Small Frame #1-2</b>					
300-400 lbs	190.00	212.50	201.05	201.99	141.81
400-500 lbs	162.00	200.00	187.49	180.23	130.94
500-600 lbs	130.00	185.00	162.74	144.24	113.20
600-700 lbs	115.00	180.00	147.50	151.76	---
<b>Heifers: Medium/Large Frame #2-3</b>					
300-400 lbs	150.00	220.00	200.60	192.88	140.80
400-500 lbs	115.00	214.00	189.47	182.73	133.92
500-600 lbs	132.00	207.00	178.56	168.99	133.36
600-700 lbs	130.00	180.00	159.14	161.27	125.15

### Cattle Receipts

This week:5,950

Week ago:5,916

Year ago:5,809

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

## Graded Sales, Video Board Sales, Video Sales & Loads

### Hardin County Stockyard - Savannah, TN

12/20/23

84 Steers, 564 lbs, M&L 1&2, 83-Black/BWF 1-ChX, 4-5 Flesh,  
\$257.50

229 Steers, 655 lbs, M&L 1, 227-Black/BWF 1-RWF 1-ChX, 4-5  
Flesh, \$244.85

## Graded Goat & Sheep Sale

### Columbia Graded Sheep and Goat Sale-Columbia, TN

Weighted Average Report for 12/18/23

Total Receipts: 857

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_2081.pdf](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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