

# Tennessee Market Highlights

**U-EXTENSION**  
INSTITUTE OF AGRICULTURE  
THE UNIVERSITY OF TENNESSEE

January 5, 2024

Number: 1

## Trends for the Week Compared to a Week Ago

Slaughter Cows

Slaughter Bulls

Feeder Steers

Feeder Heifers

Feeder Cattle Index: 228.65

Fed Cattle

The 5-area live price on Thursday of \$174.65 was up \$2.52. The dressed price of \$274.74 up \$1.85.

Corn

March closed at \$4.60 a bushel, down 11 cents since last Friday.

Soybeans

January closed at \$12.49 a bushel, down 44 cents since last Friday.

Wheat

March closed at \$6.16 a bushel, down 12 cents since last Friday.

Cotton

March closed at 80.19 cents per lb, down 0.81 cents since last Friday.

No  
Trends

## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded \$2 to \$3 higher on a live basis compared to last week with live prices mainly between \$173 and \$175 while dressed prices were mainly \$274 to \$275.

The 5-area weighted average prices thru Thursday were \$174.65 live, up \$2.52 compared to last week and \$274.74 dressed, up \$1.85 from a week ago. A year ago, prices were \$157.87 live and \$252.01 dressed.

Cattle feeders have started the year off in a favorable manner with increasing prices, but they will be looking for much higher prices moving forward. The futures market is not pricing in any optimism for finished cattle until October, but there is a good chance futures market traders are undershooting the true potential of finished cattle throughout the year. There was chatter in 2023 of finished cattle exceeding \$200 per hundredweight at some point. The market did not ever challenge that mark as the highest weekly 5-area weighted average price in 2023 was just shy of \$189. Does the market have \$200 potential in 2024? The answer is highly unlikely the first half of the year, but futures are likely undervaluing finished cattle for much of the year.

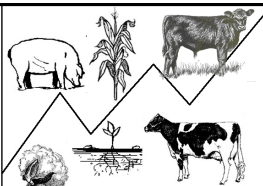
**BEEF CUTOUT:** At midday Friday, the Choice cutout was \$277.88 up \$1.98 from Thursday and down \$13.53 from a week ago. The Select cutout was \$259.11 up \$0.29 from Thursday and down \$3.19 from last week. The Choice Select spread was \$18.77 compared to \$29.11 a week ago.

The Choice beef cutout price has collapsed this week as consumer demand shifts from high quality middle meats to end cuts. The market is following a seasonal pattern as society moves out of the holiday season. Consumer consumption patterns shift during the winter months

with less grilling and more slow cooking. Many consumers are not as concerned if a roast grades Choice or Select, because the method in which they prepare a roast is more forgiving than steak cuts. It is clear consumer demand remains strong for beef given the Select cutout price did not falter compared to Choice beef, but the Choice Select spread may be a better gauge of beef demand. It is common for the Choice Select spread to narrow to nearly zero during the winter months, but this did not happen in 2023 and unlikely in 2024. The Choice Select spread is expected to remain wide from a seasonal standpoint as consumers have proved time and time again that Choice beef or higher quality is preferred, and they are willing to pay for it.

**OUTLOOK:** There are no trends this week as many of the livestock auctions have been closed the past couple of weeks. Despite most of the livestock auctions being closed this week, a few auctions held sales this week and the results of those sales would indicate a stronger undertone in prices for most classes of cattle. Nearly every livestock auction will be back to a normal schedule next week if the weather permits. Given the two chances of rain that are expected to cover Tennessee this weekend and early next week, the number of receipts may be rather small if producers cannot get in pastures to load cattle. Despite this potential setback, cattle buyers should be prepared for some strong runs to start the year as those deferring income for tax purposes will be ready to offload some cattle. Just as buyers should be ready for some strong runs to begin January, buyers should also be prepared to pay higher prices for cattle in January than to finish the year. There is no doubt cattle on feed numbers remain elevated in the near term, but everyone in

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## Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

the market knows those cattle will work through the market the first half of the year. Thus, cattle feeders and packers alike have to be prepared for more competition to secure inventory. Calf and feeder cattle numbers will tighten the first half of 2024 and will tighten even more the second half of the year if climatic conditions allow cattle producers to retain heifers and rebuild the cattle herd. With that being said, the current market is set up for strong prices on all classes of cattle. The determinant of how high prices will go will eventually come down to consumer demand for beef, but there is no doubt every margin operator up and down the supply chain will be competing for a smaller quantity of cattle this year than last year. This also includes the slaughter cow market. One can expect the quantity of cows marketed for slaughter will decline in 2024 as there are fewer cows in general and many cow-calf producers will be trying to get one more calf to capitalize on strong calf prices in 2024 and 2025.

**ASK ANDREW, TN THINK TANK:** What is your New Year's resolution? I am not one to set a New Year's resolution. If a person thinks they need to add something to their life, take something away, make a change, or whatever other category

a resolution may fall into, then I think it is best to begin immediately. Despite my way of thinking, I know there are many people who establish a New Year's resolution, and that is good for them. Without being specific towards a resolution, I am sure there are several folks who have set small and large goals. Some goals will be achievable in the near term while other goals will take longer. Regardless of the goal, it is important to develop a plan to achieve the goal. If there is no plan then most people end up being a goal setter and not a goal getter! I encourage each person to work on developing a plan to achieve the goals of their resolution and encourage others while they work to improve in certain areas of life. Many aspects of this life are a team effort so it would be wise to surround oneself with a good team.

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 –February \$170.58 -0.55; April \$173.40 -0.90; June \$170.55 -1.00; Feeder cattle – January \$223.13 -1.55; March \$224.15 -1.50; April \$229.78 -1.50; May \$234.80 -1.55; March corn closed at \$4.61 down 6 cents from Thursday.

## Crop Comments by Dr. Aaron Smith

### Overview

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

How low will November 2024 soybean futures go?

November 2024 soybean futures have decreased substantially since November 21, 2023, falling from \$13.17 to \$12.08 on January 5, 2024 – down \$1.09 in six weeks. The primary driver of the price declines has been improved South American production projections. Argentina has had good growing conditions year-to-date and is expected to have a dramatic increase in production (1.76 billion bushels) compared to last year's drought-stricken crop (0.92 billion bushels). Brazil's production is projected at 5.92 billion bushels compared to last year's record of 5.88 billion bushels. There were concerns over drought in key production areas in Brazil such as Mato Grosso, but recent and projected rains have alleviated some concerns. Bottom line Brazil could still reach a new record in soybean production in 2024.

Increased global production is likely to continue to support the downward trend in soybean prices. A comparison year, for potential price direction in 2024, may be 2014. In early 2014, soybean prices were coming off three years (2011, 2012, and 2013) in which the November soybean contract traded between \$11.58 and \$17.68, averaging \$13.44 over the three-year interval. Prices started the year near \$12 before falling to a low of \$9.10 in September 2014.

How does that compare to the start of 2024? From 2021 to 2023, November soybean futures have traded between \$11.12 and \$15.82, averaging \$13.44 over the three-year interval. Currently, November 2024 soybean futures are just over \$12. Does this mean prices are heading to \$9? Not necessarily. Every year is different, and weather will continue to play a pivotal role, but two key points should be taken. First, high prices cure high prices – periods when prices remain high for multiple years will eventually lead to increased production and a lower price environment. Second, downside price risk is still prevalent despite recent

	Previous	Current	Change
USD Index	101.03	102.10	1.07
Crude Oil	71.65	73.79	2.14
DJIA	37,677	37,398	-279

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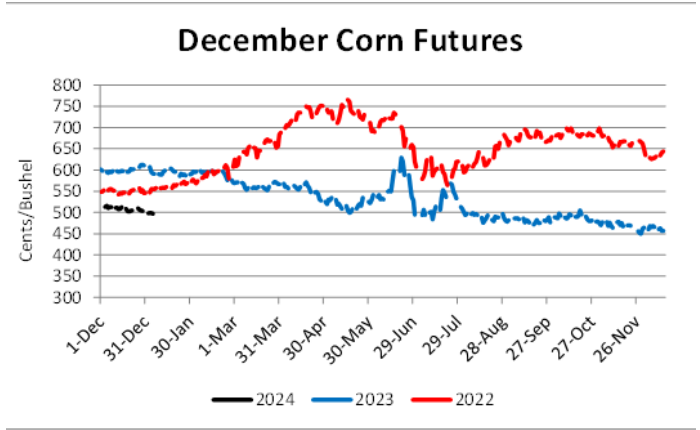
## Crop Comments by Dr. Aaron Smith

price declines and protection against further price declines should be strongly considered. Managing price risk will be essential to financial success in 2024.

### Corn

Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at West, Northwest, North-Central, West-Central, and Mississippi River elevators and barge points. Overall, basis for the week ranged from 60 under to 8 over, with an average of 17 under the March futures at elevators and barge points. Ethanol production for the week ending December 29 was 1.049 million barrels per day, down 58,000 from the previous week. Ethanol stocks were 23.579 million barrels, up 62,000 barrels compared to last week. Corn net sales reported by exporters for December 22-28 were net sales of 14.5 million bushels for the 2023/24 marketing year – a marketing year low - and net sales cancellations of 7,874 bushels for the 2024/25 marketing year. Exports for the same period were down 47% compared to last week at 26.8 million bushels. Corn export sales and commitments were 56% 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 61%. Cash prices ranged from \$4.08 to \$4.77 at elevators and barge points. March 2024 corn futures closed at \$4.60, down 11 cents since last Friday. For the week, March 2024 corn futures traded between \$4.60 and \$4.70. Mar/May and Mar/Dec future spreads were 13 and 34 cents. May 2024 corn futures closed at \$4.73, down 11 cents since last Friday.

Corn	Mar 24	Change	Dec 24	Change
Price	\$4.60	-\$0.11	\$4.94	-\$0.09
Support	\$4.58	-\$0.05	\$4.85	-\$0.12
Resistance	\$4.71	-\$0.07	\$5.02	-\$0.05
20 Day MA	\$4.75	-\$0.05	\$5.50	\$0.41
50 Day MA	\$4.82	-\$0.07	\$5.09	-\$0.03
100 Day MA	\$4.91	-\$0.03	\$5.10	-\$0.01
4-Week High	\$4.93	\$0.00	\$5.17	-\$0.01
4-Week Low	\$4.60	-\$0.08	\$4.93	-\$0.07
Technical Trend	Down	=	Down	=



December 2024 corn futures closed at \$4.94, down 9 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.00 December 2024 Put Option costing 42 cents establishing a \$4.58 futures floor.

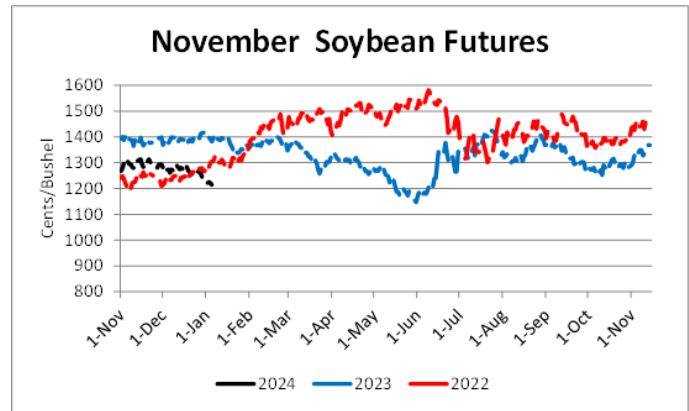
### Soybeans

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 25 under to 25 over the January futures contract, with an average basis at the end of the week of 11 over. Soybean net weekly sales reported by exporters were net sales of 7.4 million bushels for the 2023/24 marketing year - a marketing year low - and 0.02 million bushels for the 2024/25 marketing year. Exports for the same period were down 18% compared to last week at 36.8 million bushels. Soybean export sales and commitments were 77% 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 77%. January 2024 soybean futures closed at \$12.49, down 44 cents since last Friday. For the week, January 2024 soybean futures traded between \$12.49 and \$12.89. Cash soybean prices at elevators and barge points ranged from \$12.58 to \$12.97. March 2024 soybean-to-corn price ratio was 2.73 at the end of the week. Jan/Mar and Jan/Nov future spreads were 7 and -41 cents. March 2024 soybean futures closed at \$12.56, down 42 cents since last Friday.

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## Crop Comments by Dr. Aaron Smith

Soybeans	Jan 24	Change	Nov 24	Change
Price	\$12.49	-\$0.44	\$12.08	-\$0.37
Support	\$12.42	-\$0.28	\$12.05	-\$0.21
Resistance	\$12.79	-\$0.49	\$12.32	-\$0.50
20 Day MA	\$13.02	-\$0.17	\$12.59	-\$0.18
50 Day MA	\$13.25	-\$0.05	\$12.75	\$0.46
100 Day MA	\$13.31	-\$0.04	\$12.75	-\$0.02
4-Week High	\$13.44	-\$0.34	\$12.92	-\$0.21
4-Week Low	\$12.49	-\$0.43	\$12.07	-\$0.41
Technical Trend	Down	=	Down	=

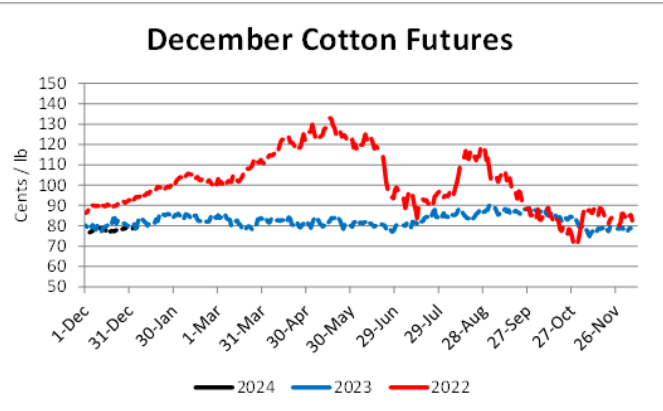


November 2024 soybean futures closed at \$12.08, down 37 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.20 November 2024 Put Option which would cost 78 cents and set an \$11.42 futures floor. Nov/Dec soybean-to-corn price ratio was 2.45 at the end of the week.

### Cotton

North Delta upland cotton spot price quotes for January 3 were 78.68 cents/lb (41-4-34) and 80.68 cents/lb (31-3-35). Adjusted World Price (AWP) increased 0.8 cents to 64.96 cents. Cotton net weekly sales reported by exporters were 131,100 bales for the 2023/24 marketing year. Exports for the same period were down 8% compared to last week at 213,200 bales. Upland cotton export sales were 75% 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 79%. March 2024 cotton futures closed at 80.19 cents, down 0.81 cents since last Friday. For the week, March 2024 cotton futures traded between 79.59 and 81.75 cents. Mar/May and Mar/Dec cotton futures spreads were 1.16 cents and -0.9 cents. May 2024 cotton futures closed at 81.35 cents, down 0.80 cents since last Friday.

Cotton	Mar 24	Change	Dec 24	Change
Price	80.19	-0.81	79.29	-0.07
Support	79.31	1.29	78.52	2.01
Resistance	81.65	0.21	80.04	0.44
20 Day MA	80.47	0.32	78.42	0.65
50 Day MA	80.84	-1.01	78.32	-0.44
100 Day MA	83.90	-0.46	79.54	-0.09
4-Week High	83.13	0.00	79.85	0.41
4-Week Low	78.31	0.00	77.02	0.34
Technical Trend	Flat	=	Flat	=



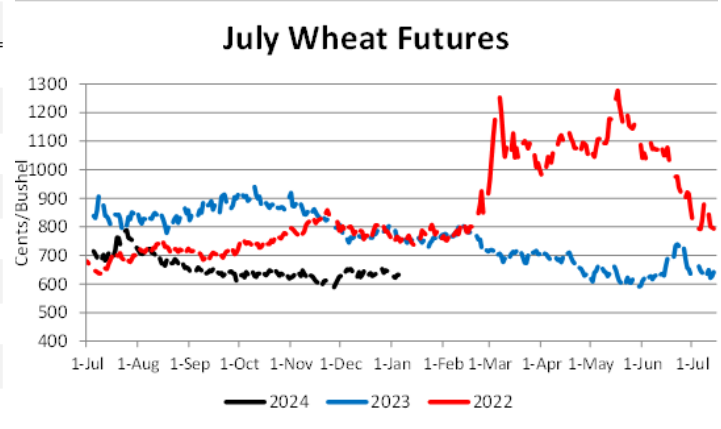
December 2024 cotton futures closed at 79.29 cents, down 0.07 cents since last Friday. Downside price protection could be obtained by purchasing an 80 cent December 2024 Put Option costing 5.65 cents establishing a 74.35 cent futures floor.

### Wheat

Wheat net weekly sales reported by exporters were net sales of 4.8 million bushels for the 2023/24 marketing year and 0.2 million bushels for the 2024/25 marketing year. Exports for the same period were down 16% compared to last week at 10.5 million bushels. Wheat export sales were 78% 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 80%. Wheat cash prices at elevators and barge points ranged from \$5.85 to \$6.08. March 2024 wheat futures closed at \$6.16, down 12 cents since last Friday. March 2024 wheat futures traded between \$5.91 and \$6.28 this week. March wheat-to-corn price ratio was 1.34. Mar/May and Mar/Jul future spreads were 11 and 19 cents. May 2024 wheat futures closed at \$6.27, down 12 cents since last Friday.

## Crop Comments by Dr. Aaron Smith

Wheat	Mar 24	Change	Jul 24	Change
Price	\$6.16	-\$0.12	\$6.35	-\$0.10
Support	\$5.83	-\$0.23	\$6.07	-\$0.18
Resistance	\$6.29	-\$0.15	\$6.45	-\$0.12
20 Day MA	\$6.19	\$0.09	\$6.36	\$0.06
50 Day MA	\$6.04	\$0.01	\$6.29	\$0.00
100 Day MA	\$6.12	-\$0.06	\$6.38	-\$0.06
4-Week High	\$6.49	\$0.00	\$6.66	\$0.00
4-Week Low	\$5.91	\$0.35	\$6.14	\$0.28
Technical Trend	Flat	-	Flat	=



July 2024 wheat futures closed at \$6.35, down 10 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.40 July 2024 Put Option costing 49 cents establishing a \$5.91 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$5.92 to \$6.09.

### 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>

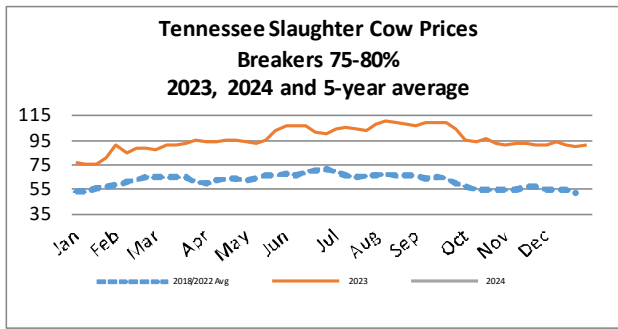
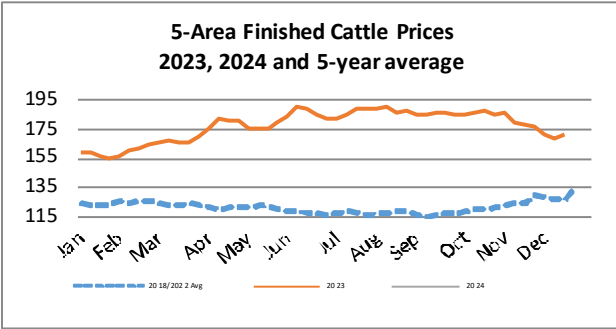
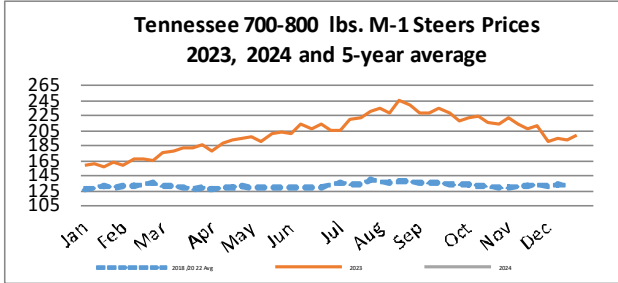
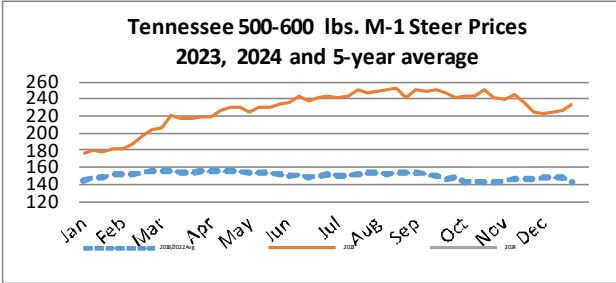
Tennessee Crop Progress - [https://www.nass.usda.gov/Statistics\\_by\\_State/Tennessee/Publications/Crop\\_Progress\\_&Condition/](https://www.nass.usda.gov/Statistics_by_State/Tennessee/Publications/Crop_Progress_&Condition/)

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 29, 2023---Thursday, January 4, 2024					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
<b>No. 2 Yellow Soybeans</b>	-----\$/bushel-----				
Northwest	12.56		12.49	12.45	12.35
North Central	12.94		12.74	12.87	12.78
West Central					
West	13.19		12.99	12.95	12.87
Mississippi River	13.08		12.95	12.94	12.87
<b>Yellow Corn</b>					
Northwest	4.56		4.49	4.50	4.52
North Central	4.06		4.04	4.05	4.07
West Central					
West	4.71		4.64	4.73	4.75
Mississippi River	4.65		4.63	4.65	4.66
<b>Wheat</b>					
Northwest	5.78				
North Central	5.93		5.92	5.85	5.99
West					
Mississippi River	6.25		6.08	6.02	6.15
<b>Cotton</b>	-----\$/pound-----				
Memphis	78.50-80.50		77.44-79.44	78.68-80.68	77.87-79.87



**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>

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

### Knoxville Livestock Center - Knoxville, TN

1/2/24

1 load ML 1 preconditioned Heifers, 444 lbs., medium flesh, mostly black; \$259.75

1 load ML 1 preconditioned Steers, 804 lbs., medium flesh, mostly black; \$220.00

### Browning Livestock Market Video/Internet Auction

- Lafayette, TN

Weighted Average Report for 1/3/24

Total Receipts: 706

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_3467.pdf](https://www.ams.usda.gov/mnreports/ams_3467.pdf)

### East Tennessee Livestock Center - Sweetwater, TN

1/3/24

1 load out of 80 steers from BQA certified producer; Est weight 890 lbs; 95% L&M-1s and 5% L&M-2s; medium flesh; 100% BLK/BWF; \$211.25

### Warren Co. Livestock Graded Sale - McMinnville, TN

Weighted Average Report for 1/3/24

Total Receipts: 845

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_2079.pdf](https://www.ams.usda.gov/mnreports/ams_2079.pdf)

### Hodge Livestock Network-January 4, 2024

2 loads of steers; est. wt. 800 lbs. Range 750-900 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 70% Medium and 30% Large; Medium flesh; \$223.00

2 loads of steers; est. wt. 900 lbs. Range 825-975 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 70% Medium and 30% Large; Medium flesh; \$217.50

1 load of steers; est. wt. 850 lbs. Range 825-975 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 70% Medium and 30% Large; Medium flesh; \$222.00

1 load of steers; est. wt. 900 lbs. Range 825-975 lbs.; Approx. 65% Char-X, 3 or 4 real good Charolais, good hair; 35% Reds and Red Necks; 80% #1s and 20% #1 ½; 70% Medium and 30% Large; Medium flesh; \$214.25

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

### Hodge Livestock Network-January 4, 2024 (continued)

1 load of steers; est. wt. 860 lbs. Range 750-900 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 80% Medium and 20% Large; Medium flesh; \$219.50

1 load of heifers; est. wt. 860 lbs. Range 700-850 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 80% Medium and 20% Large; Medium flesh; \$200.00

1 load of steers; est. wt. 825 lbs. Range 750-925 lbs.; All Black & BWF; 80% #1s and 20% #1 ½; 80% Medium and 20% Large; Medium flesh; \$220.75

2 loads of heifers; est. wt. 750 lbs. Range 700-850 lbs.; All Black & BWF and will be checked open; 80% #1s and 20% #1 ½; 70% Medium and 30% Large; Medium flesh; \$210.00

1 load of heifers; est. wt. 750 lbs. Range 700-850 lbs.; Approx. 50% Black & BWF, 40% Reds and Red Necks, and 10% Exotic Blacks, and will be checked open; 80% #1s and 20% #1 ½; 70% Medium and 30% Large; Medium flesh; \$204.50

1 load of steers; est. wt. 850 lbs. Range 700-900 lbs.; Approx. 70% Black & BWF, 20% Char-X, 10% Reds; 70% #1s, 20% #1 ½ and 10% good #2s; 80% Medium and 20% Large; Light Medium to Medium; \$203.50

1 load of heifers; est. wt. 750 lbs. Range 600-800 lbs.; Approx. 70% Black & BWF, 20% Char-X, 10% Reds; 70% #1s, 20% #1 ½ and 10% good #2s; 80% Medium and 20% Large; Light Medium to Medium; \$194.00

### Lower Middle Tennessee Cattlemen's Association-Video Board Sale-Columbia, TN

Weighted Average Report for 1/5/24

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_3340.pdf](https://www.ams.usda.gov/mnreports/ams_3340.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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