

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

January 12, 2024

Number: 2

Trends for the Week Compared to a Week Ago

Slaughter Cows

Slaughter Bulls

Feeder Steers

Feeder Heifers

Feeder Cattle Index: 227.75

Fed Cattle

The 5-area live price on Thursday of \$174.32 was down \$0.33. The dressed price of \$273.63 down \$1.11.

Corn

March closed at \$4.47 a bushel, down 13 cents since last Friday.

Soybeans

March closed at \$12.24 a bushel, down 32 cents since last Friday.

Wheat

March closed at \$5.96 a bushel, down 20 cents since last Friday.

Cotton

March closed at 81.31 cents per lb, up 1.12 cents since last Friday.

No
Trends

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded steady on a live basis compared to last week with live prices mainly between \$173 and \$175 while dressed prices were mainly \$273 to \$274.

The 5-area weighted average prices thru Thursday were \$174.32 live, down \$0.33 compared to last week and \$273.63 dressed, down \$1.11 from a week ago. A year ago, prices were \$157.61 live and \$250.93 dressed.

Cattle trade was slow to develop this week. Some of it was due to some areas digging out of the snow, and some of it is due to the expectation of digging out of more snow next week. It is difficult to move cattle in harsh weather conditions. Similarly, it is difficult to move beef when road conditions are not favorable for travel. Thus, the quantity of cattle traded this week for slaughter next week may be low relative to expectations given some facilities have not been able to run at full capacity every day this week. This means some of these facilities will have to work through cattle already purchased but not delivered. It certainly could slow the advancement in finished cattle price, but all momentum will not be lost.

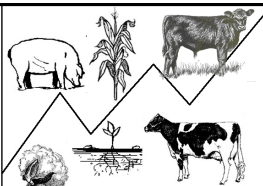
BEEF CUTOUT: At midday Friday, the Choice cutout was \$289.58 up \$3.69 from Thursday and up \$11.70 from a week ago. The Select cutout was \$272.02 up \$2.08 from Thursday and up \$12.91 from last week. The Choice Select spread was \$17.56 compared to \$18.77 a week ago.

Supply and demand are the ultimate determinants of beef price. From the demand side, this includes both domestic and international demand. Focusing on the international market, beef and veal exports on a carcass weight basis the first 11 months of 2023 were down 15.0 percent (492.5 million pounds) compared to the same 11 months in 2022. The largest

declines compared to 2022 from a quantity standpoint were Japan (-21.1%, 158.7 million pounds), South Korea (-18.3%, 136.0 million pounds), and China (-22.0%, 130.8 million pounds). Beef and veal exports to Canada were only down 1.6 percent (4.1 million pounds) while exports to Mexico were up 12.2 percent (30.9 million pounds). From the value standpoint, beef and veal exports were down 17.3 percent (\$1.69 billion). At first glance, one might surmise that international demand for U.S. beef has softened, but it takes a much closer comparison of what cuts were traded in one year versus the other. What can be said is higher beef prices do slow the quantity of beef exported.

OUTLOOK: Few trends could be established this week with most auctions coming off a two week break during the holiday season and hosting their first sale of the year. The rain that came through much of Tennessee Monday evening and Tuesday morning kept many cattle on the farm as wet conditions make it difficult to get trucks and trailers in and out of pastures. The same may be true for sales being held the week of January 15th when forecasted high temperatures are not expected to exceed the freezing point. Despite this information, the few sales that were able to produce price trends showed a stronger market for lightweight steers and heifers compared to last week while heavier calves were steady with a week ago. Similarly, the slaughter cow and bull market demonstrated strength. The one thing most are sure of in this market is that fewer animals will be available for purchase in 2024 compared to 2023. Thus, it is a get them while they are available type scenario, and there is no time better than the present. Cattle movement to livestock markets will be strong in January as producers attempt to finish marketing

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Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

last year's spring calf crop before the next one starts to hit the ground. This means buyers will be at the ready to secure as much inventory as possible, but it will be at higher prices tomorrow than today. One clear price expectation from a supply and demand standpoint and a seasonal standpoint is that calf prices will increase from today through April. Despite the seasonal trend, calf prices are expected to be steady or move even higher following the grass cattle run in March and April. This will be simply due to fewer calves on the market. Higher calf prices tend to lead to higher prices for most classes of cattle. For instance, production sales have demonstrated a strong price for herd sires to start the year. This will likely mean strong prices for bred females moving throughout the year, which will lead to stronger prices for slaughter cows. This market is not set up exactly like 2014 and 2015, but it is set up to push prices higher.

ASK ANDREW, TN THINK TANK: Have those cattle been vaccinated? The ability to see and visually inspect something has great value. For instance, a person considering the purchase of a new tractor or other piece of equipment can visually inspect the equipment for oil leaks, hydraulic leaks, general

wear on points that are expected to wear, and evaluate the overall condition of the equipment. However, it is a little tougher to know if regular maintenance has been conducted. Similarly, a cattle buyer can visually inspect cattle and see if that bull calf has been castrated and is now a steer or if an identification tag has been applied. That same cattle buyer can also visually see the quality of the animal based on frame and muscling. What that cattle buyer cannot visually inspect is if that calf has been vaccinated and what vaccinations have been administered. In most instances, the only way to collect vaccination information is from the person selling the cattle. This is important in that an appropriate vaccination program from the previous producer reduces risk to the purchaser.

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 –February \$171.38 -0.43; April \$174.18 -0.40; June \$171.63 -0.35; Feeder cattle – January \$226.58 +0.30; March \$227.70 +0.30; April \$233.00 +0.28; May \$237.83 +0.35; March corn closed at \$4.47 down 11 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

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

This week nearby corn futures fell to \$4.47/bu, the lowest nearby price since December 2020. The USDA WASDE report was the main contributor to the new price lows; however, corn futures have been in a steady decline since the end of July. The WASDE report increased national average corn yield to 177.3 bu/acre, up 2.4 bu/acre compared to last month. The yield revision propelled projected US ending stocks to 2.162 billion bushels. Foreign corn stocks also increased 363 million bushels compared to last month. Baring intensification of dry conditions in Brazil, it is hard to paint a bullish picture for corn prices in the near future.

Soybean futures plummeted immediately following the release of the USDA reports. Prior to the report March soybean futures were trading between \$12.35/bu and \$12.45/bu. Ten minutes after the report, the March contract was below \$12.10/bu. US ending stocks were increased by 35 million bushels to 280 million bushels, due primarily to a 0.7 bu/acre increase in national average yield. The larger concern for soybean prices remains in South America. Brazil has received timely rains which have improved production prospects. Additionally, Argentina is on track to almost double production compared to last year's drought-stricken crop. Bottom line South American soybean production is very likely to exceed last years.

Cotton futures prices have moved to the upper end of the 2.5-month trading range of 77 to 83 cents, closing Friday at 81.31 cents. Demand remains the number one issue and Friday's WASDE report decreased projected global use by 1.3 million bales. US harvested acres decreased by 960,000 acres but the change in production was mostly offset by an 80 lb/acre increase in national yield. Moving forward prices are likely to continue to trade in the established range.

Additional details of today's WASDE can be found at: <https://arec.tennessee.edu/extension/tennessee-market-highlights/monthly-crop-comments/>

	Previous	Current	Change
USD Index	102.10	102.15	0.05
Crude Oil	73.79	72.78	-1.01
DJIA	37,398	37,544	146

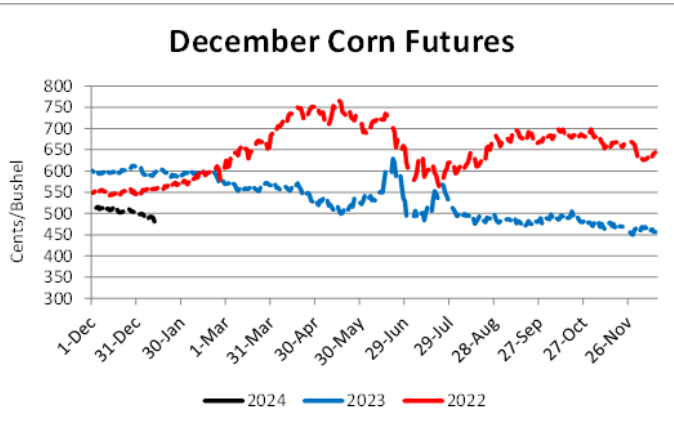
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Crop Comments by Dr. Aaron Smith

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 under to 12 over, with an average of 14 under the March futures at elevators and barge points. Ethanol production for the week ending January 5 was 1.062 million barrels per day, up 13,000 from the previous week. Ethanol stocks were 24.371 million barrels, up 792,000 barrels compared to last week. Corn net sales reported by exporters for December 29 to January 4 were net sales of 19.2 million bushels for the 2023/24 marketing year. Exports for the same period were up 52% compared to last week at 40.8 million bushels. Corn export sales and commitments were 57% 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 62%. Cash prices ranged from \$4.00 to \$4.75 at elevators and barge points. March 2024 corn futures closed at \$4.47, down 13 cents since last Friday. For the week, March 2024 corn futures traded between \$4.41 and \$4.62. Mar/May and Mar/Dec future spreads were 12 and 34 cents. May 2024 corn futures closed at \$4.59, down 14 cents since last Friday.

Corn	Mar 24	Change	Dec 24	Change
Price	\$4.47	-\$0.13	\$4.81	-\$0.13
Support	\$4.30	-\$0.28	\$4.68	-\$0.17
Resistance	\$4.68	-\$0.03	\$4.97	-\$0.05
20 Day MA	\$4.68	-\$0.07	\$5.00	-\$0.50
50 Day MA	\$4.78	-\$0.04	\$5.07	-\$0.02
100 Day MA	\$4.89	-\$0.02	\$5.09	-\$0.01
4-Week High	\$4.85	-\$0.08	\$5.13	-\$0.04
4-Week Low	\$4.41	-\$0.19	\$4.76	-\$0.17
Technical Trend	Down	=	Down	=



December 2024 corn futures closed at \$4.81, down 13 cents since last Friday. Downside price protection could be obtained by purchasing a \$4.90 December 2024 Put Option costing 43 cents establishing a \$4.47 futures floor.

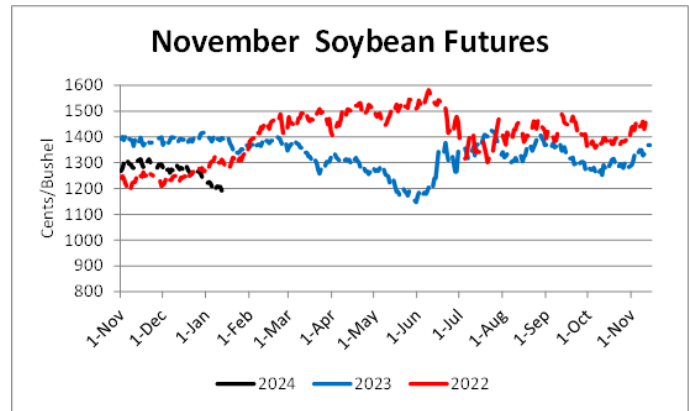
Soybeans

Across Tennessee average soybean basis strengthened or remained unchanged at West, West-Central, North-Central, and Mississippi River elevators and barge points and weakened at Northwest elevators and barge points. Basis ranged from 27 under to 30 over the March futures contract, with an average basis at the end of the week of 13 over. Soybean net weekly sales reported by exporters were net sales of 10.3 million bushels for the 2023/24 marketing year. Exports for the same period were down 14% compared to last week at 31.7 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%. March 2024 soybean futures closed at \$12.24, down 32 cents since last Friday. For the week, March 2024 soybean futures traded between \$12.03 and \$12.61. Cash soybean prices at elevators and barge points ranged from \$12.21 to \$12.69. March 2024 soybean-to-corn price ratio was 2.74 at the end of the week. Mar/May and Mar/Nov future spreads were 11 and -23 cents. May 2024 soybean futures closed at \$12.35, down 29 cents since last Friday.

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Crop Comments by Dr. Aaron Smith

Soybeans	Mar 24	Change	Nov 24	Change
Price	\$12.24	-\$0.32	\$12.01	-\$0.07
Support	\$11.80	-\$0.65	\$11.72	-\$0.33
Resistance	\$12.68	-\$0.18	\$12.28	-\$0.04
20 Day MA	\$12.88	-\$0.24	\$12.41	-\$0.18
50 Day MA	\$13.30	-\$0.08	\$12.69	-\$0.06
100 Day MA	\$13.37	-\$0.06	\$12.72	-\$0.03
4-Week High	\$13.42	-\$0.18	\$12.85	-\$0.07
4-Week Low	\$12.03	-\$0.52	\$11.86	-\$0.21
Technical Trend	Down	=	Down	=

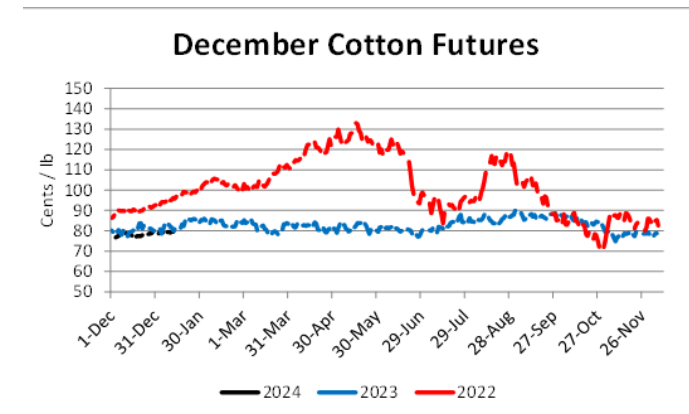


November 2024 soybean futures closed at \$12.01, down 7 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.20 November 2024 Put Option which would cost 79 cents and set an \$11.41 futures floor. Nov/Dec soybean-to-corn price ratio was 2.5 at the end of the week.

Cotton

North Delta upland cotton spot price quotes for January 11 were 79.11 cents/lb (41-4-34) and 81.11 cents/lb (31-3-35). Adjusted World Price (AWP) decreased 0.68 cents to 64.28 cents. Cotton net weekly sales reported by exporters were 262,500 bales for the 2023/24 marketing year and 22,000 for the 2024/25 marketing year. Exports for the same period were up 7% compared to last week at 228,100 bales. Upland cotton export sales were 77% 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 81%. March 2024 cotton futures closed at 81.31 cents, up 1.12 cents since last Friday. For the week, March 2024 cotton futures traded between 79.6 and 82.22 cents. Mar/May and Mar/Dec cotton futures spreads were 0.98 cents and -1.68 cents. May 2024 cotton futures closed at 82.29 cents, up 0.94 cents since last Friday.

Cotton	Mar 24	Change	Dec 24	Change
Price	81.31	1.12	79.63	0.34
Support	80.37	1.06	79.15	0.63
Resistance	82.69	1.04	80.13	0.09
20 Day MA	80.26	-0.21	78.63	0.21
50 Day MA	80.40	-0.44	78.19	-0.13
100 Day MA	83.73	-0.17	79.55	0.01
4-Week High	82.28	-0.85	79.99	0.14
4-Week Low	78.31	0.00	77.02	0.00
Technical Trend	Up	+	Up	+



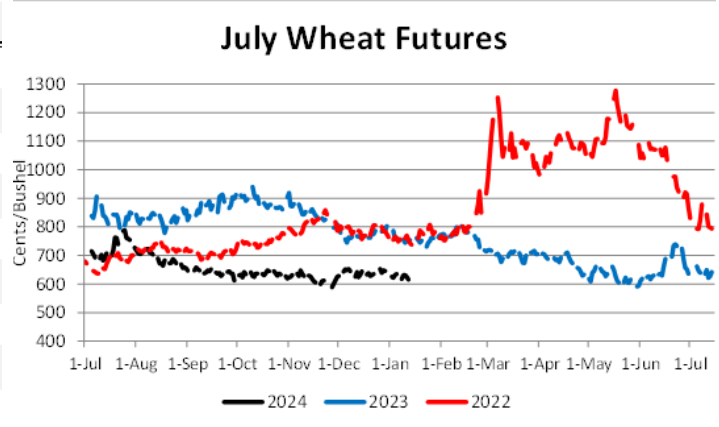
December 2024 cotton futures closed at 79.63 cents, up 0.34 cents since last Friday. Downside price protection could be obtained by purchasing an 80 cent December 2024 Put Option costing 5.44 cents establishing a 74.56 cent futures floor.

Wheat

Wheat net weekly sales reported by exporters were net sales of 4.7 million bushels for the 2023/24 marketing year. Exports for the same period were up 105% compared to last week at 21.5 million bushels – a marketing year high. 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 81%. Wheat cash prices at elevators and barge points ranged from \$5.81 to \$6.12. March 2024 wheat futures closed at \$5.96, down 20 cents since last Friday. March 2024 wheat futures traded between \$5.87 and \$6.17 this week. March wheat-to-corn price ratio was 1.33. Mar/May and Mar/Jul future spreads were 14 and 22 cents. May 2024 wheat futures closed at \$6.10, down 17 cents since last Friday.

Crop Comments by Dr. Aaron Smith

Wheat	Mar 24	Change	Jul 24	Change
Price	\$5.96	-\$0.20	\$6.18	-\$0.17
Support	\$5.73	-\$0.10	\$5.98	-\$0.09
Resistance	\$6.22	-\$0.07	\$6.42	-\$0.03
20 Day MA	\$6.14	-\$0.05	\$6.33	-\$0.03
50 Day MA	\$6.05	\$0.01	\$6.28	-\$0.01
100 Day MA	\$6.09	-\$0.03	\$6.35	-\$0.03
4-Week High	\$6.39	-\$0.10	\$6.55	-\$0.11
4-Week Low	\$5.87	-\$0.04	\$6.10	-\$0.04
Technical Trend	Down	-	Down	-



July 2024 wheat futures closed at \$6.18, down 17 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.20 July 2024 Put Option costing 46 cents establishing a \$5.74 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$5.88 to \$6.22.

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_mdbl_w.htm

Upland Cotton Reports - <https://www.fsa.usda.gov/FSA/epasReports?area=home&subject=ecpa&topic=fta-uc>

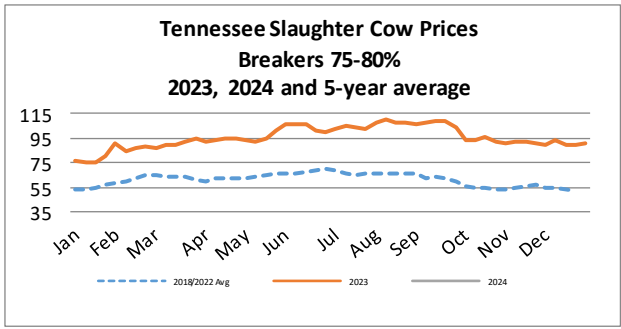
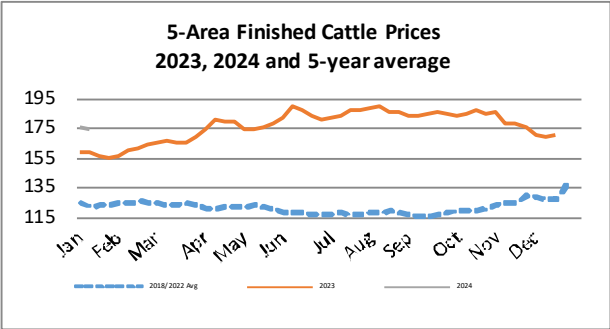
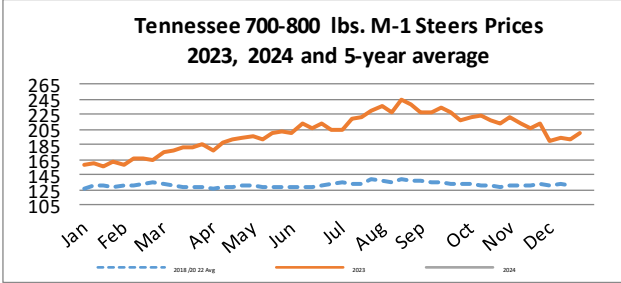
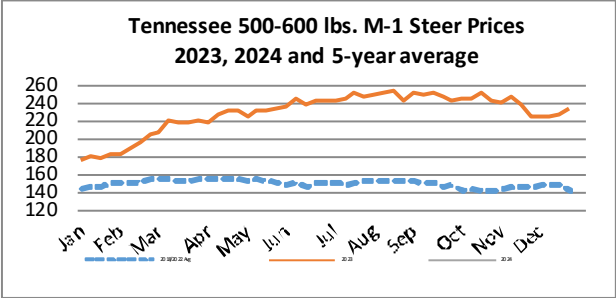
Tennessee Crop Progress - https://www.nass.usda.gov/Statistics_by_State/Tennessee/Publications/Crop_Progress_&Condition/

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, January 5, 2024---Thursday, January 11, 2024					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	12.24	12.13	12.16	12.04	12.04
North Central	12.66	12.61	12.64	12.52	12.52
West Central					
West	12.75	12.65	12.67	12.55	12.61
Mississippi River	12.75	12.65	12.69	12.57	12.59
Yellow Corn					
Northwest	4.46	4.40	4.44	4.45	4.43
North Central	4.01	3.95	3.99	4.00	3.98
West Central					
West	4.69	4.63	4.67	4.70	4.70
Mississippi River	4.61	4.56	4.60	4.60	4.64
Wheat					
Northwest					
North Central	6.01	5.81	5.95	5.96	5.89
West					
Mississippi River	6.17	5.98	6.11	6.12	6.05
Cotton	-----\$/pound-----				
Memphis	77.94-79.94	78.17-80.17	78.48-80.48	77.93-79.93	79.11-81.11



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, January 8, 2024

	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	202.50	322.50	275.68		195.45
400-500 lbs	243.00	295.00	260.99		188.77
500-600 lbs	222.00	282.50	244.97		175.35
600-700 lbs	201.00	235.00	219.15		161.75
700-800 lbs	200.00	220.00	205.77		157.20
Steers: Small Frame #1-2					
300-400 lbs	---	---	---		---
400-500 lbs	---	---	---		167.61
500-600 lbs	---	---	---		146.50
600-700 lbs	---	---	---		---
Steers: Medium/Large Frame #3					
300-400 lbs	160.00	240.00	221.54		179.36
400-500 lbs	210.00	232.00	222.40		160.69
500-600 lbs	180.00	228.00	207.28		158.97
600-700 lbs	176.00	209.00	196.42		147.47
700-800 lbs	189.00	195.00	191.00		140.96
Holstein Steers					
300-400 lbs	---	---	---		---
500-600 lbs	---	---	---		---
700-800 lbs	---	---	---		---
Slaughter Cows & Bulls					
Breakers 75-80%	86.00	106.00	95.19		76.72
Boners 80-85%	82.00	102.50	92.40		73.99
Lean 85-90%	70.00	92.50	80.96		65.68
Bulls YG 1	105.50	130.00	116.66		100.46
Heifers: Medium/Large Frame #1-2					
300-400 lbs	207.50	252.00	232.43		164.07
400-500 lbs	200.00	236.00	220.75		157.26
500-600 lbs	200.00	229.50	220.44		149.80
600-700 lbs	139.00	211.00	192.71		140.75
Heifers: Small Frame #1-2					
300-400 lbs	---	---	---		144.05
400-500 lbs	---	---	---		139.39
500-600 lbs	---	---	---		128.03
600-700 lbs	---	---	---		---
Heifers: Medium/Large Frame #2-3					
300-400 lbs	187.50	216.00	211.85		155.03
400-500 lbs	190.00	205.00	197.91		144.43
500-600 lbs	165.00	204.00	186.04		139.34
600-700 lbs	144.00	188.00	177.61		125.25

Cattle Receipts

This week:4,846

Week ago:2,466

Year ago:7,765

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

Graded Sales, Video Board Sales, Video Sales & Loads

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

1/5/24

Total Receipts: 614

For complete report:

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

Dickson Regional Livestock Center - Dickson, TN

1/8/24

1 load of 56 steers, 940 lbs., blk and bwf, \$205.59

1 load of 59 steers, 864 lbs., blk and bwf, \$215.00

1 load of 61 steers, 853 lbs., blk and bwf, \$212.00

Warren Co. Livestock Video Auction - McMinnville, TN

Weighted Average Report for 1/9/24

Total Receipts: 280

For complete report:

https://www.ams.usda.gov/mnreports/ams_3665.pdf

Graded Goat & Sheet Sale

Columbia Graded Sheep and Goat Sale-Columbia, TN

Weighted Average Report for 1/8/24

Total Receipts: 884

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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