

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

January 19, 2024

Number: 3

Trends for the Week Compared to a Week Ago

Slaughter Cows

Slaughter Bulls

Feeder Steers

Feeder Heifers

Feeder Cattle Index: 227.29

Fed Cattle

The 5-area live price on Thursday of \$172.29 was down \$2.03. The dressed price of \$273.00 down \$0.63.

Corn

March closed at \$4.45 a bushel, down 2 cents since last Friday.

Soybeans

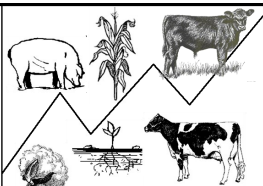
March closed at \$12.13 a bushel, down 11 cents since last Friday.

Wheat

March closed at \$5.93 a bushel, down 3 cents since last Friday.

Cotton

March closed at 83.95 cents per lb, up 2.64 cents since last Friday.



Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle trade was not well established this week. Asking prices on a live basis were mainly \$175 while asking prices on a dressed basis were mainly \$275.

The 5-area weighted average prices thru Thursday were \$172.29 live, down \$2.03 compared to last week and \$273.00 dressed, down \$0.63 from a week ago. A year ago, prices were \$155.07 live and \$248.01 dressed.

Finished cattle trade has been practically non-existent this week as the weather has been the main story of the week. Many packers are likely focusing on cattle that are already contracted for slaughter instead of purchasing on the spot market since they are likely already behind on moving cattle through the system. If packers are in fact behind on moving cattle through the system then their interest in securing more cattle the next couple of weeks may be minimal. This will keep the weekly negotiated trade at a minimum until they work through the market ready cattle. At the same time, packers must remember that finished weights will likely be lighter due to the weather impact on growing cattle.

BEEF CUTOUT: At midday Friday, the Choice cutout was \$295.95 down \$0.34 from Thursday and up \$6.37 from a week ago. The Select cutout was \$284.95 up \$1.19 from Thursday and up \$12.93 from last week. The Choice Select spread was \$11.00 compared to \$17.56 a week ago.

Much of the country and many of its population centers have been impacted by the polar vortex this week. It has brought extremely cold temperatures, snow, and ice. These conditions make it difficult for cattle feeders and packers to move cattle for harvest and to get meat to the store shelves in some instances. Similarly, many consumers will burrow into their hole

called home and only emerge for necessities when the temperatures reach these extremely low levels. In the broadest sense, it is likely less meat is consumed during these weather conditions than when conditions are favorable to consumers moving about their normal activities. Despite the reduction in consumption, production is also being influenced in a negative manner. More normal production and consumption of beef will return to the marketplace once extreme weather conditions subside. Consumers will likely keep their focus on end meats through February. When the Choice Select spread begins to widen again then the market will know the focus is moving back to middle meats.

OUTLOOK: It is extremely difficult to establish price trends for livestock when auctions were canceled due to the winter precipitation that has blanketed the area for a full week. For most cattle producers in Tennessee, there was no feasible way to get cattle to a market. Similarly, it would have been just as difficult for someone to be at the market to purchase an animal and transport it to its new home. Given the extremely low temperatures are expected to persist through Monday morning and the forecast is filled with rain next week, it is unlikely price trends will be able to be established next week due to limited marketing of animals. If this expectation comes to fruition, then January 2024 will likely have some of the lowest cattle marketings on record for the state due to two weeks of essentially no trade. This does have implications in that some producers had intentions of marketing calves to start the year and have not had that opportunity. Thus, the flood gates will open when the weather permits and there should be a large quantity of calves making their way to town in Febru-

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Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

ary. Thus, the stream of calves may flow from February through April as the March and April crowd will be looking to push their calves through the grass fever market. Despite all of these expectations, most producers are simply trying to keep enough feed in front of animals to keep them warm in the midst of the low temperatures as well as keep fresh water available. Given the production challenges, few producers have been pondering markets. Considering the futures market, January feeder cattle futures topped out just above \$268 in the middle of September before bottoming around \$210 the first week of December. The \$58 decline in price expectation for feeder cattle was a tough pill to swallow, but the market has trudged its way back to the low \$230s this week. That may not seem like much of a win, but it does indicate traders overreacted as those commonly do. It may be tough to challenge contract highs for feeder cattle during the spring contracts.

ASK ANDREW, TN THINK TANK: Questions have been non-existent this week from folks across the state, but I have had several questions and requests going through my head. Most of my questions and requests have been directed to God. This

is not an exhaustive list of my questions and requests but they have included the following. When are these tough weather conditions going to end? Please keep my cattle alive. What do I have to do to stop the respiratory issue plaguing these cattle? Please give me hope I can still make a profit on this train wreck. Am I feeding enough hay? Am I going to have enough hay? Would you please provide warmth for my cold hands and feet? Please provide for others who are struggling with these same issues or worse issues. My struggles are miniscule compared to most people's struggles. Thanks for good health to be able to take care of my livestock. Anyway, these are some of the thoughts going through my mind as I feed cattle and provide for their needs during these tough weather conditions.

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 \$174.38 - 0.45; April \$177.38 -0.28; June \$174.33 -0.20; Feeder cattle – January \$230.10 -0.83; March \$231.95 -0.60; April \$237.48 - 0.28; May \$242.30 -0.05; March corn closed at \$4.46 up 2 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

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

March corn futures continued the downward trend setting a new contract low of \$4.36 $\frac{3}{4}$ on Thursday, January 18. Since October 20, March corn futures have fallen over 70 cents. Large US projected ending stocks and rapidly improving prospects for South America continue to provide downward price pressure. Chinese buying of corn has increased, however this is likely rebuilding stocks at substantially lower prices than the past two years.

Current March soybean futures are \$1 under the 200-day moving average of \$13.15. The collapse in prices started in mid-November and accelerated in January with the nearby futures contract shedding \$2.00 in two months. Soybean prices have declined as South American production is projected to achieve another record year, driven primarily by a rebound in Argentina's production from last year's drought. Larger projected South American production will supplant US exports and push domestic prices lower as ending stocks increase. The next key level of support for soybean futures is near \$11.80.

On Friday, March cotton broke above the established trading range of 78 to 83 cents reaching a high of 84.72 cents before closing the day at 83.64 cents. Export sales were a marketing year this week which helped push prices higher. To maintain prices above 83 cents, export sales will need to continue to show strength. It seems more likely that export sales will pull back as prices approach 85 cents.

July wheat futures prices challenged the contract low of \$5.86 before rebounding above \$6.00 at the close on Friday. The dominant trading range Since the end of August has been between \$6.00 and \$6.50. Corn prices have contributed to the price declines and will continue to influence wheat prices this winter. The USDA estimated Tennessee planted 380,000 acres of winter wheat this past fall, down 90,000 acres compared to the previous year (US winter wheat planted was estimated at 34.4 million

	Previous	Current	Change
USD Index	102.15	103.11	0.96
Crude Oil	72.78	73.51	0.73
DJIA	37,544	37,878	334

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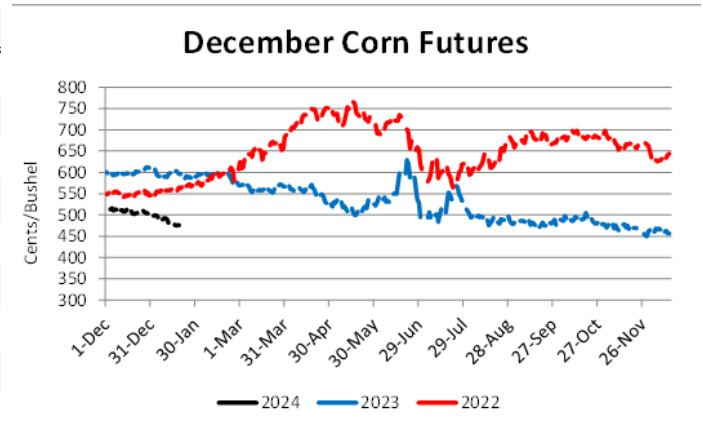
Crop Comments by Dr. Aaron Smith

acres down 2.27 million acres from the previous year). The projected price for winter wheat in Tennessee was set at \$6.61 which provides a minimum level of support for those that purchased crop insurance.

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 20 over, with an average of 10 under the March futures at elevators and barge points. Ethanol production for the week ending January 12 was 1.054 million barrels per day, down 8,000 from the previous week. Ethanol stocks were 25.695 million barrels, up 1.324 million barrels compared to last week. Corn net sales reported by exporters for January 5-11 were net sales of 49.3 million bushels for the 2023/24 marketing year and 0.8 million bushels for the 2024/25 marketing year. Exports for the same period were down 4% compared to last week at 39.4 million bushels. Corn export sales and commitments were 59% 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 63%. Cash prices for February delivery ranged from \$3.87 to \$4.66 at elevators and barge points. March 2024 corn futures closed at \$4.45, down 2 cents since last Friday. For the week, March 2024 corn futures traded between \$4.36 and \$4.51. Mar/May and Mar/Dec future spreads were 11 and 31 cents. May 2024 corn futures closed at \$4.56, down 3 cents since last Friday.

Corn	Mar 24	Change	Dec 24	Change
Price	\$4.45	-\$0.02	\$4.76	-\$0.05
Support	\$4.33	\$0.03	\$4.68	\$0.00
Resistance	\$4.50	-\$0.18	\$4.80	-\$0.17
20 Day MA	\$4.61	-\$0.07	\$4.93	-\$0.07
50 Day MA	\$4.75	-\$0.03	\$5.04	-\$0.03
100 Day MA	\$4.86	-\$0.03	\$5.08	-\$0.01
4-Week High	\$4.81	-\$0.04	\$5.10	-\$0.03
4-Week Low	\$4.36	-\$0.05	\$4.71	-\$0.05
Technical Trend	Down	=	Down	=



December 2024 corn futures closed at \$4.76, down 5 cents since last Friday. Downside price protection could be obtained by purchasing a \$4.80 December 2024 Put Option costing 40 cents establishing a \$4.40 futures floor.

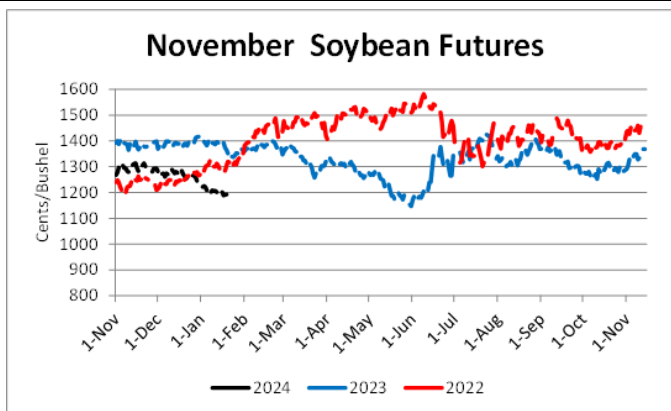
Soybeans

Across Tennessee average soybean basis strengthened or remained unchanged at Northwest, West, West-Central, North-Central, and Mississippi River elevators and barge points. Basis ranged from 33 under to 35 over the March 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 28.7 million bushels for the 2023/24 marketing year and 0.06 million bushels for the 2024/25 marketing year. Exports for the same period were up 94% compared to last week at 61.4 million bushels. Soybean export sales and commitments were 78% 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 79%. March 2024 soybean futures closed at \$12.13, down 11 cents since last Friday. For the week, March 2024 soybean futures traded between \$12.01 and \$12.37. Cash soybean prices for February at elevators and barge points ranged from \$12.05 to \$12.53. March 2024 soybean-to-corn price ratio was 2.73 at the end of the week. Mar/May and Mar/Nov future spreads were 10 and -22 cents. May 2024 soybean futures closed at \$12.23, down 12 cents since last Friday.

(Continued on page 4)

Crop Comments by Dr. Aaron Smith

Soybeans	Mar 24	Change	Nov 24	Change
Price	\$12.13	-\$0.11	\$11.91	-\$0.10
Support	\$11.95	\$0.15	\$11.79	\$0.07
Resistance	\$12.25	-\$0.43	\$12.02	-\$0.26
20 Day MA	\$12.64	-\$0.24	\$12.24	-\$0.17
50 Day MA	\$13.19	-\$0.11	\$12.61	-\$0.08
100 Day MA	\$13.30	-\$0.07	\$12.67	-\$0.05
4-Week High	\$13.28	-\$0.14	\$12.74	-\$0.11
4-Week Low	\$12.01	-\$0.02	\$11.85	-\$0.01
Technical Trend	Down	=	Down	=

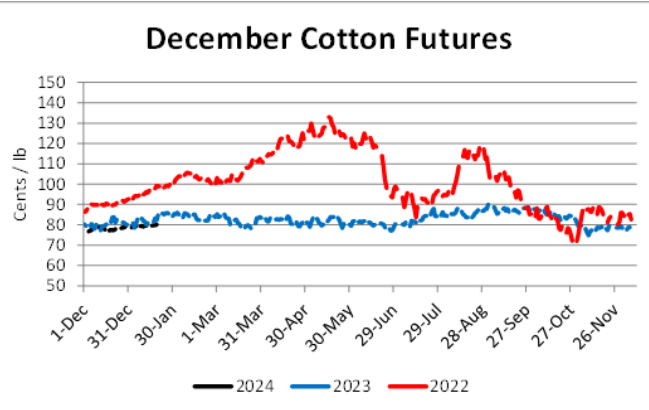


November 2024 soybean futures closed at \$11.91, down 10 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.00 November 2024 Put Option which would cost 74 cents and set an \$11.26 futures floor. Nov/Dec soybean-to-corn price ratio was 2.5 at the end of the week.

Cotton

North Delta upland cotton spot price quotes for January 18 were 80.26 cents/lb (41-4-34) and 82.26 cents/lb (31-3-35). Adjusted World Price (AWP) increased 1.19 cents to 65.47 cents. Cotton net weekly sales reported by exporters were 420,000 bales for the 2023/24 marketing year and 17,600 for the 2024/25 marketing year. Exports for the same period were up 13% compared to last week at 257,700 bales – a marketing year high. Upland cotton export sales were 82% 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 82%. March 2024 cotton futures closed at 83.95 cents, up 2.64 cents since last Friday. For the week, March 2024 cotton futures traded between 80.68 and 84.72 cents. Mar/May and Mar/Dec cotton futures spreads were 0.94 cents and -3.73 cents. May 2024 cotton futures closed at 84.89 cents, up 2.6 cents since last Friday.

Cotton	Mar 24	Change	Dec 24	Change
Price	83.95	2.64	80.22	0.59
Support	81.30	0.93	79.57	0.42
Resistance	86.90	4.21	81.85	1.72
20 Day MA	80.77	0.51	79.07	0.44
50 Day MA	80.45	0.05	78.29	0.10
100 Day MA	83.59	-0.14	79.55	0.00
4-Week High	84.72	2.44	80.50	0.51
4-Week Low	78.31	0.00	77.02	0.00
Technical Trend	Up	=	Up	=



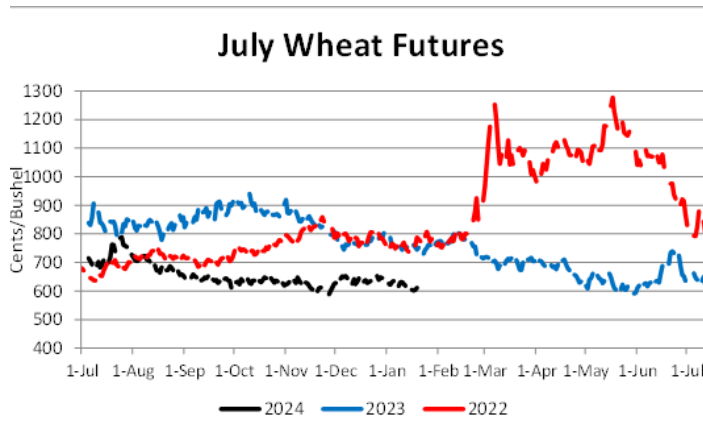
December 2024 cotton futures closed at 80.22 cents, up 0.59 cents since last Friday. Downside price protection could be obtained by purchasing an 81 cent December 2024 Put Option costing 5.82 cents establishing a 75.18 cent futures floor.

Wheat

Wheat net weekly sales reported by exporters were net sales of 26.0 million bushels for the 2023/24 marketing year. Exports for the same period were down 58% compared to last week at 9.0 million bushels. Wheat export sales were 82% 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 82%. Wheat cash prices at elevators and barge points ranged from \$5.82 to \$5.87. March 2024 wheat futures closed at \$5.93, down 3 cents since last Friday. March 2024 wheat futures traded between \$5.73 and \$6.02 this week. March wheat-to-corn price ratio was 1.33. Mar/May and Mar/Jul future spreads were 10 and 16 cents. May 2024 wheat futures closed at \$6.03, down 7 cents since last Friday.

Crop Comments by Dr. Aaron Smith

Wheat	Mar 24	Change	Jul 24	Change
Price	\$5.93	-\$0.03	\$6.09	-\$0.09
Support	\$5.68	-\$0.05	\$5.88	-\$0.10
Resistance	\$6.04	-\$0.18	\$6.21	-\$0.21
20 Day MA	\$6.07	-\$0.07	\$6.27	-\$0.06
50 Day MA	\$6.04	-\$0.01	\$6.26	-\$0.02
100 Day MA	\$6.06	-\$0.03	\$6.32	-\$0.03
4-Week High	\$6.39	\$0.00	\$6.55	\$0.00
4-Week Low	\$5.73	-\$0.14	\$5.93	-\$0.17
Technical Trend	Down	=	Down	=



July 2024 wheat futures closed at \$6.09, down 9 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.10 July 2024 Put Option costing 43 cents establishing a \$5.73 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$5.72 to \$5.96.

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_mbb1_w.htm

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

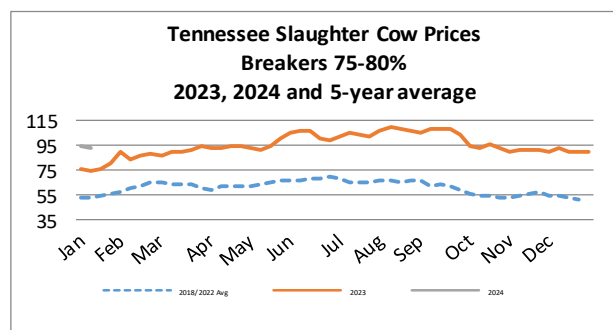
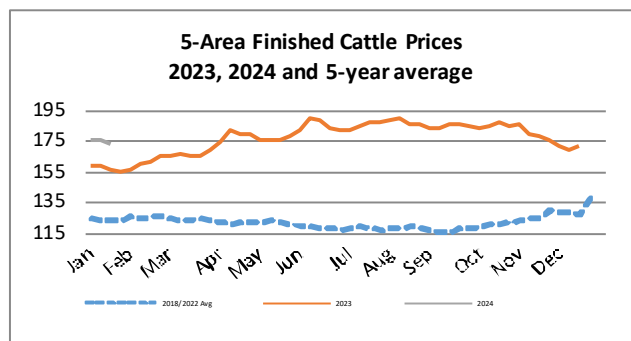
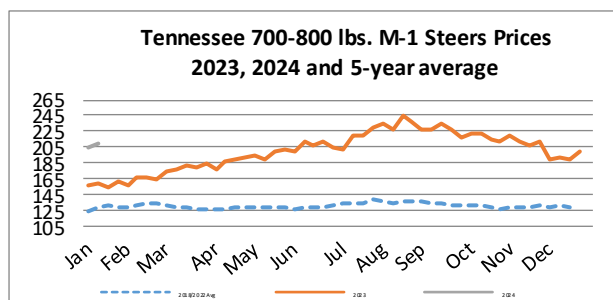
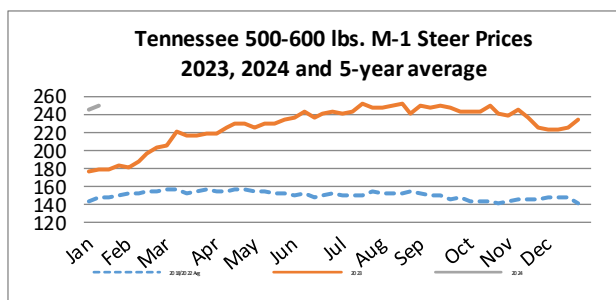
Tennessee Crop Progress - https://www.nass.usda.gov/Statistics_by_State/Tennessee/Publications/Crop_Progress_&Condition/

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 12, 2024---Thursday, January 18, 2024					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	11.92		11.95	11.73	11.81
North Central	12.39		12.42	12.21	12.29
West Central					
West	12.36		12.57	12.41	12.49
Mississippi River	12.44		12.52	12.33	12.40
Yellow Corn					
Northwest	4.32		4.29	4.27	4.29
North Central	3.87		3.84	3.82	3.84
West Central					
West	4.60		4.57	4.62	4.64
Mississippi River	4.57		4.54	4.56	4.57
Wheat					
Northwest					
North Central	5.81		5.82	5.83	5.86
West					
Mississippi River	5.97		5.83	5.84	5.87
Cotton	-----\$/pound-----				
Memphis	79.06-81.06		79.08-81.08	79.45-81.45	80.26-82.26



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 Tuesday, January 16, 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	230.00	325.00	279.36	275.68	209.84
400-500 lbs	230.00	300.00	265.40	260.99	192.60
500-600 lbs	220.00	270.00	249.87	244.97	178.02
600-700 lbs	206.00	242.50	229.09	219.15	167.24
700-800 lbs	190.00	230.00	209.15	205.77	160.01
Steers: Small Frame #1-2					
300-400 lbs	202.50	202.50	202.50	---	189.08
400-500 lbs	200.00	250.00	223.27	---	147.39
500-600 lbs	---	---	---	---	145.14
600-700 lbs	---	---	---	---	---
Steers: Medium/Large Frame #3					
300-400 lbs	185.00	280.00	235.57	221.54	176.57
400-500 lbs	189.00	245.00	226.04	222.40	171.88
500-600 lbs	190.00	242.00	220.36	207.28	159.22
600-700 lbs	15.00	225.00	211.06	196.42	147.22
700-800 lbs	168.00	194.00	184.61	191.00	143.19
Holstein Steers					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
Slaughter Cows & Bulls					
Breakers 75-80%	79.50	109.00	94.29	95.19	75.22
Boners 80-85%	82.00	101.00	91.32	92.40	74.25
Lean 85-90%	49.00	92.00	81.18	80.96	63.96
Bulls YG 1	94.00	128.00	113.81	116.66	99.41
Heifers: Medium/Large Frame #1-2					
300-400 lbs	201.00	267.50	239.68	232.43	167.55
400-500 lbs	190.00	259.00	229.56	220.75	161.28
500-600 lbs	180.00	237.00	215.25	220.44	153.29
600-700 lbs	180.00	220.00	196.33	192.71	140.81
Heifers: Small Frame #1-2					
300-400 lbs	151.00	225.00	202.54	---	144.68
400-500 lbs	170.00	220.00	199.19	---	151.82
500-600 lbs	150.00	195.00	178.65	---	132.46
600-700 lbs	---	---	---	---	121.11
Heifers: Medium/Large Frame #2-3					
300-400 lbs	186.00	236.00	221.37	211.85	152.69
400-500 lbs	160.00	230.00	205.13	197.91	150.27
500-600 lbs	170.00	219.00	196.71	186.04	137.45
600-700 lbs	152.50	203.00	183.40	177.61	130.58

Cattle Receipts

This week:6,831

Week ago:4,846

Year ago:6,810

Link to report: 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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