

# Tennessee Market Highlights

UTEXTENSION  
INSTITUTE OF AGRICULTURE  
THE UNIVERSITY OF TENNESSEE

January 26, 2024

Number: 4

## Trends for the Week Compared to a Week Ago

### Slaughter Cows

\$2 to \$5 higher

### Slaughter Bulls

\$2 to \$5 higher

### Feeder Steers

less than 600 pounds \$10 to \$20 higher, 600 pounds and heavier \$5 to \$10 higher

### Feeder Heifers

\$5 to \$10 higher

Feeder Cattle Index: 230.68

### Fed Cattle

The 5-area live price on Thursday of \$175.39 was up \$3.10. The dressed price of \$276.87 up \$3.87.

### Corn

March closed at \$4.46 a bushel, up 1 cent since last Friday.

### Soybeans

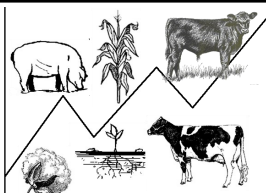
March closed at \$12.09 a bushel, down 4 cents since last Friday.

### Wheat

March closed at \$6.00 a bushel, up 7 cents since last Friday.

### Cotton

March closed at 84.46 cents per lb, up 0.51 cents since last Friday.



## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded \$3 higher compared to last week on a live basis. Prices on a live basis were mainly \$174 to \$176 while prices on a dressed basis were mainly \$276 to \$277.

The 5-area weighted average prices thru Thursday were \$175.39 live, up \$3.10 compared to last week and \$276.87 dressed, up \$3.87 from a week ago. A year ago, prices were \$153.84 live and \$247.72 dressed.

The sails of the finished cattle market caught a slight puff of air this week as increasing prices are supportive to feedlot managers. It will take a couple of weeks to determine if the puff of air was just flatulence or a warm southerly breeze that will be sustained. As bad as flatulence sounds, the market does not need hurricane force winds that are unpredictable and will soon disappear. With certainty, the market has traded based on cattle on feed inventory, but anyone who is paying attention knows there will be fewer calves coming to town the next several months. Thus, managing inventory in such a manner to support live cattle prices increasing is important for feedlots to pencil positive margins.

**BEEF CUTOUT:** At midday Friday, the Choice cutout was \$300.55 up \$1.87 from Thursday and up \$4.60 from a week ago. The Select cutout was \$289.14 up \$1.29 from Thursday and up \$4.19 from last week. The Choice Select spread was \$11.41 compared to \$11.00 a week ago.

Choice boxed beef climbed back to \$300, which would probably be considered a win for most beef industry participants. If cattle prices are going to attempt to reach anticipated levels based on cattle and beef supply then some assistance is needed on the demand side. It is not necessary for beef demand to increase to push prices

higher. As long as demand stays steady then one would expect beef prices to increase as beef production declines with the number of cattle moving through the system. Consumers are currently focused on end meats, but it will not be long before retailers shift their focus toward middle meats. It may seem as if spring and the summer grilling season are miles down the road, but the first month of the year is all but passed. The unofficial start of summer is only four months away, but warmer weather will have many backyard grill masters lighting the grill much earlier than late May. It seems there has been a shift in consumer preferences with the wide Choice Select spread, and the spread will widen further.

**OUTLOOK:** Price trends continue to be difficult to establish due to the inconsistency of auction markets operating the past couple of weeks. Snow and ice blanketing the region for eight days can certainly influence when and how livestock are transported. Despite this fact, a few markets were able to hold auctions this week. Based on the Tennessee auctions reported this week, lighter weight steer prices sharply higher compared to two weeks ago to the tune of \$10 to \$20 while heavier steer prices were only \$5 to \$10 higher. Heifer prices this week were also \$5 to \$10 higher this week compared to two weeks ago. Slaughter cow and bull prices were mainly \$2 to \$5 higher compared to the last week with reported auctions. Whether these trends can be considered solid or not due to the limited number of cattle that worked through the system this week, they are a strong indication cattle prices are destined to increase in the coming weeks. There should be strong demand for cattle in the coming weeks as many of the Tennessee auctions have only held one or two sales over the

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## Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

past five weeks due to holidays and difficult weather conditions. At the same time, the expectation is for strong marketings the next several weeks as many producers are looking to move calves they intended to market at the first of the year. It simply seems as if the market is set up for stronger prices in the immediate future and those prices are expected to increase through the spring months. It appears feeder cattle futures are presenting an opportunity for margin operators to lock in a profit on cattle purchased today, but there are no guarantees those opportunities will persist. Not meaning to speak out of both sides of my mouth, I would not be making any big moves to hedge cattle for this summer and fall. If a producer feels a need to protect their investment by hedging cattle to be sold during that time period then make the move, but there should be some opportunities to lock in even higher prices for those months.

**ASK ANDREW, TN THINK TANK:** How will the beef on dairy cross cattle influence the overall cattle market? There has been considerable discussion on this topic the past few years, and frankly the answer is easier than most people make it. The two changes from beef on dairy is there will be a few

more males born in the dairy herd that will enter the feeding system, because only the “best” cows are being used for producing dairy heifers. The second change will be the size of ribeye coming from the dairy industry! The dairy industry is changing the output and adding value to their operation by producing an animal that is meant for meat production compared to milk production. This is not going to change beef production as much as some people may think. Each dairy cow can still only produce one calf per year. With approximately 9 million head of dairy cows, they account for less than a quarter of the bovine breeding herd domestically. The industry still has to produce heifers to enter the milking parlor and half of the offspring were male before this change in production practices.

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 \$178.45 +0.73; April \$181.68 +0.98; June \$178.85 +1.25; Feeder cattle –March \$239.70 +1.53; April \$245.60 +1.68; May \$251.18 +1.93; August \$265.60 +1.80; March corn closed at \$4.46 down 6 cents from Thursday.

## Crop Comments by Dr. Aaron Smith

### Overview

Cotton and wheat were up; corn was mixed; and soybeans were down for the week.

Days-on-hand is a measure that is often utilized to estimate the stocks of a commodity relative to consumption. If the number of days-on-hand are high the price should be low and vice versa. The calculation is simple, projected ending stocks divided by daily use (yearly consumption divided by 365 days).

	Previous	Current	Change
USD Index	103.11	103.26	0.14
Crude Oil	73.51	77.9	4.39
DJIA	37,878	38,105	227

The January USDA WASDE report estimated US corn days on hand at 54 days, up 18 days compared to the previous year. Soybeans were projected at 24 days-on-hand compared to 22 days the previous marketing year. Foreign days-on-hand indicates a much different supply and demand picture. Foreign corn days-on-hand are projected at 112 days, down 2 days compared to last year and the smallest reserve relative to use number since the 2013/2014 marketing year. Foreign soybean days-on-hand are projected at 123 days, up 9 days compared to last year and the largest reserve relative to use going back to the start of available data for the 1960/61 marketing year.

The estimates will be contingent on if USDA's projections for South American production are obtained. Currently, it appears that reductions in Brazil's soybean crop will be mostly offset by increases in Argentina's crop. Corn is more uncertain at this time as Brazil's second crop corn will not be planted until after the 1<sup>st</sup> quarter soybean harvest. The other major factor is demand. Will Chinese demand for corn and soybeans increase in 2024? At this point in time there is no indication that export demand will increase.

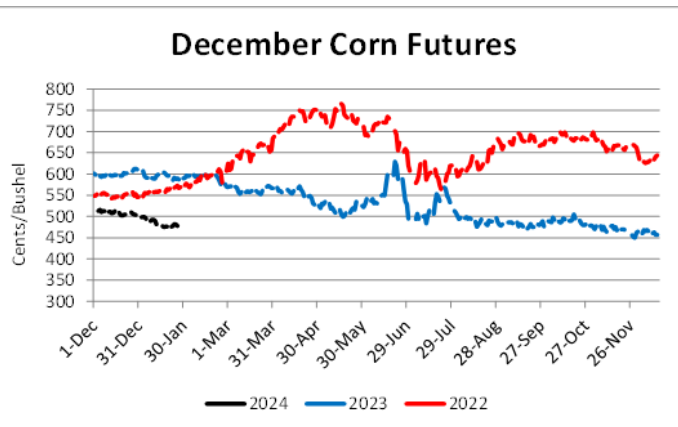
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## Crop Comments by Dr. Aaron Smith

### 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 26 over, with an average of 5 under the March futures at elevators and barge points. Ethanol production for the week ending January 19 was 0.818 million barrels per day, down 236,000 from the previous week. Ethanol stocks were 25.815 million barrels, up 0.120 million barrels compared to last week. Corn net sales reported by exporters for January 12-18 were net sales of 37.6 million bushels for the 2023/24 marketing year and 1.5 million bushels for the 2024/25 marketing year. Exports for the same period were down 7% compared to last week at 36.7 million bushels. Corn export sales and commitments were 61% of the USDA estimated total annual exports for the 2023/24 marketing year (September 1 to August 31) compared to the previous 5-year average of 65%. Cash prices for February-March delivery ranged from \$3.90 to \$4.78 at elevators and barge points. March 2024 corn futures closed at \$4.46, up 1 cent since last Friday. For the week, March 2024 corn futures traded between \$4.44 and \$4.53. Mar/May and Mar/Dec future spreads were 9 and 30 cents. May 2024 corn futures closed at \$4.55, down 1 cent since last Friday.

Corn	Mar 24	Change	Dec 24	Change
Price	\$4.46	\$0.01	\$4.76	\$0.00
Support	\$4.42	\$0.09	\$4.72	\$0.04
Resistance	\$4.56	\$0.06	\$4.85	\$0.05
20 Day MA	\$4.54	-\$0.07	\$4.87	-\$0.06
50 Day MA	\$4.71	-\$0.04	\$5.01	-\$0.03
100 Day MA	\$4.84	-\$0.02	\$5.07	-\$0.01
4-Week High	\$4.80	-\$0.01	\$5.09	-\$0.01
4-Week Low	\$4.36	\$0.00	\$4.71	\$0.00
Technical Trend	Down	=	Down	=



December 2024 corn futures closed at \$4.76, unchanged since last Friday. Downside price protection could be obtained by purchasing a \$4.80 December 2024 Put Option costing 39 cents establishing a \$4.41 futures floor.

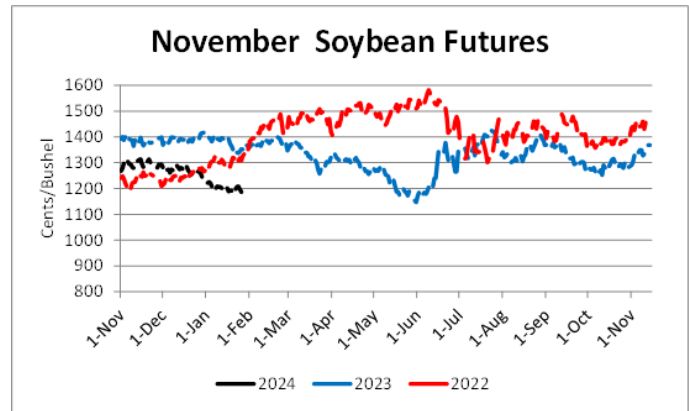
### Soybeans

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 40 over the March futures contract, with an average basis at the end of the week of 15 over. Soybean net weekly sales reported by exporters were net sales of 20.6 million bushels for the 2023/24 marketing year. Exports for the same period were down 33% compared to last week at 41.1 million bushels. Soybean export sales and commitments were 79% 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 80%. March 2024 soybean futures closed at \$12.09, down 4 cents since last Friday. For the week, March 2024 soybean futures traded between \$12.08 and \$12.47. Cash soybean prices for February-March at elevators and barge points ranged from \$12.23 to \$12.69. March 2024 soybean-to-corn price ratio was 2.71 at the end of the week. Mar/May and Mar/Nov future spreads were 7 and -24 cents. May 2024 soybean futures closed at \$12.16, down 7 cents since last Friday.

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## Crop Comments by Dr. Aaron Smith

Soybeans	Mar 24	Change	Nov 24	Change
Price	\$12.09	-\$0.04	\$11.85	-\$0.06
Support	\$11.96	\$0.01	\$11.80	\$0.01
Resistance	\$12.60	\$0.35	\$12.19	\$0.17
20 Day MA	\$12.43	-\$0.21	\$12.08	-\$0.16
50 Day MA	\$13.04	-\$0.15	\$12.52	-\$0.09
100 Day MA	\$13.22	-\$0.08	\$12.62	-\$0.05
4-Week High	\$13.27	-\$0.01	\$12.70	-\$0.04
4-Week Low	\$12.01	\$0.00	\$11.83	-\$0.02
Technical Trend	Down	=	Down	=

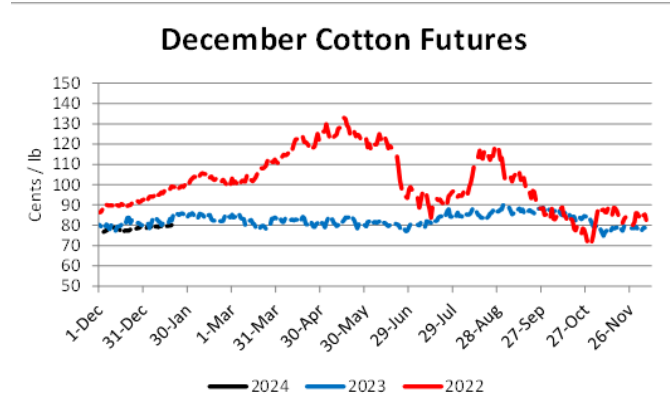


November 2024 soybean futures closed at \$11.85, down 6 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.00 November 2024 Put Option which would cost 78 cents and set an \$11.22 futures floor. Nov/Dec soybean-to-corn price ratio was 2.49 at the end of the week.

### Cotton

North Delta upland cotton spot price quotes for January 25 were 83.76 cents/lb (41-4-34) and 85.76 cents/lb (31-3-35). Adjusted World Price (AWP) decreased 0.83 cents to 64.64 cents. Cotton net weekly sales reported by exporters were 207,000 bales for the 2023/24 marketing year. Exports for the same period were down 45% compared to last week at 142,200 bales. Upland cotton export sales were 84% 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 84%. March 2024 cotton futures closed at 84.46 cents, up 0.51 cents since last Friday. For the week, March 2024 cotton futures traded between 83.54 and 85.86 cents. Mar/May and Mar/Dec cotton futures spreads were 1.26 cents and -3.80 cents. May 2024 cotton futures closed at 85.72 cents, up 0.83 cents since last Friday.

Cotton	Mar 24	Change	Dec 24	Change
Price	84.46	0.51	80.66	0.44
Support	82.07	0.77	79.83	0.26
Resistance	86.31	-0.59	81.46	-0.39
20 Day MA	82.08	1.31	79.80	0.73
50 Day MA	81.05	0.60	78.67	0.38
100 Day MA	83.46	-0.13	79.58	0.03
4-Week High	85.86	1.14	81.37	0.87
4-Week Low	79.51	1.20	77.92	0.90
Technical Trend	Up	=	Up	=



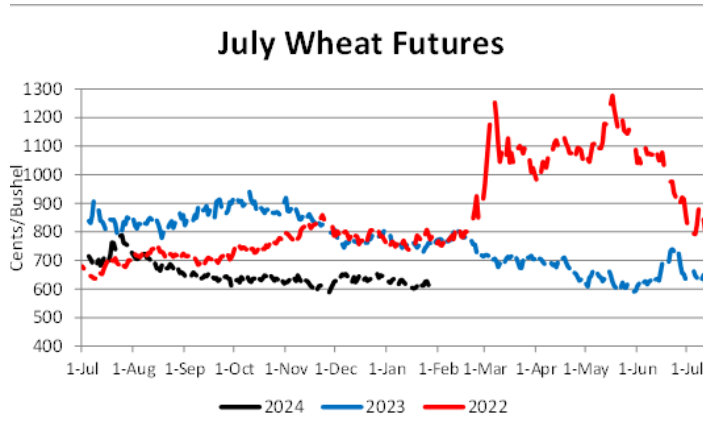
December 2024 cotton futures closed at 80.66 cents, up 0.44 cents since last Friday. Downside price protection could be obtained by purchasing an 81 cent December 2024 Put Option costing 4.74 cents establishing a 76.26 cent futures floor.

### Wheat

Wheat net weekly sales reported by exporters were net sales of 16.6 million bushels for the 2023/24 marketing year and 2.2 million bushels for the 2024/25 marketing year. Exports for the same period were up 32% compared to last week at 11.9 million bushels. Wheat export sales were 84% 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 85%. Wheat cash prices at elevators and barge points ranged from \$5.96 to \$6.28. March 2024 wheat futures closed at \$6.00, up 7 cents since last Friday. March 2024 wheat futures traded between \$5.87 and \$6.17 this week. March wheat-to-corn price ratio was 1.35. Mar/May and Mar/Jul future spreads were 10 and 16 cents. May 2024 wheat futures closed at \$6.10, up 10 cents since last Friday.

## Crop Comments by Dr. Aaron Smith

Wheat	Mar 24	Change	Jul 24	Change
Price	\$6.00	\$0.07	\$6.16	\$0.07
Support	\$5.96	\$0.28	\$6.10	\$0.22
Resistance	\$6.22	\$0.18	\$6.38	\$0.17
20 Day MA	\$6.03	-\$0.04	\$6.22	-\$0.05
50 Day MA	\$6.04	\$0.00	\$6.25	-\$0.01
100 Day MA	\$6.05	-\$0.01	\$6.30	-\$0.02
4-Week High	\$6.37	-\$0.02	\$6.53	-\$0.02
4-Week Low	\$5.73	\$0.00	\$5.93	\$0.00
Technical Trend	Down	=	Down	=



July 2024 wheat futures closed at \$6.16, up 7 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.20 July 2024 Put Option costing 47 cents establishing a \$5.73 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$5.82 to \$6.18.

### 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>

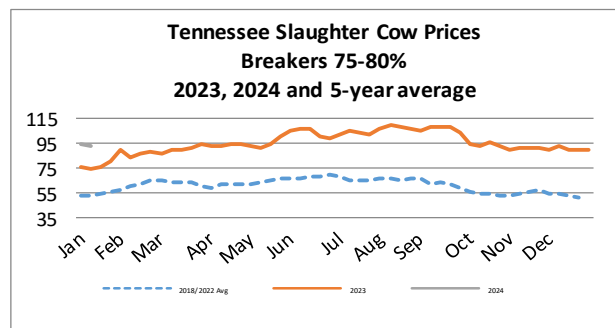
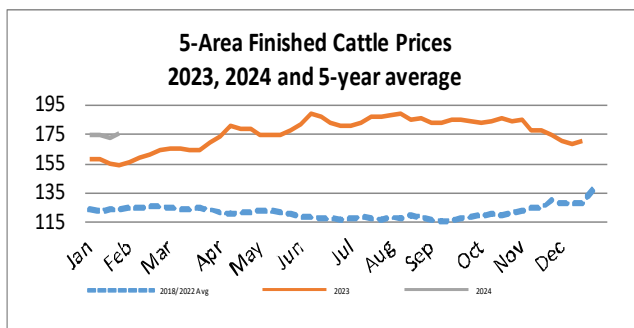
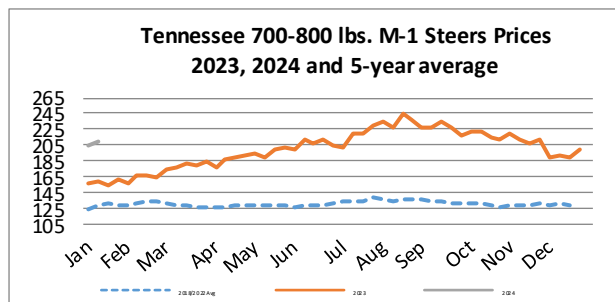
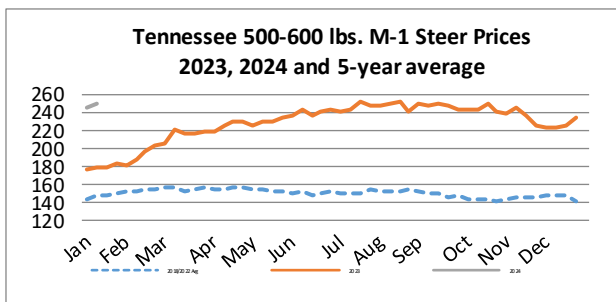
USDA AMS: Market News - <https://www.ams.usda.gov/market-news/search-market-news>

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, January 19, 2024---Thursday, January 25, 2024

	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
<b>No. 2 Yellow Soybeans</b>	-----\$/bushel-----				
Northwest	11.81	11.92	12.07	12.08	11.96
North Central	12.28	12.39	12.55	12.55	12.38
West Central					
West	12.50	12.59	12.74	12.74	12.63
Mississippi River	12.43	12.54	12.68	12.69	12.54
<b>Yellow Corn</b>					
Northwest	4.31	4.31	4.32	4.37	4.37
North Central	3.86	3.86	3.87	4.02	4.02
West Central					
West	4.68	4.68	4.72	4.78	4.78
Mississippi River	4.62	4.64	4.65	4.70	4.70
<b>Wheat</b>					
Northwest					
North Central	5.93	5.97	5.97	6.26	6.27
West					
Mississippi River	5.96	6.00	5.99	6.13	6.15
<b>Cotton</b>	-----\$/pound-----				
Memphis	81.95-83.95	82.83-84.83	82.60-84.60	83.40-85.40	83.76-85.76



**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 22, 2024**

	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	---	---	---	279.36	200.80
400-500 lbs	---	---	---	265.40	190.21
500-600 lbs	---	---	---	249.87	177.10
600-700 lbs	---	---	---	229.09	163.43
700-800 lbs	---	---	---	209.15	155.31
<b>Steers: Small Frame #1-2</b>					
300-400 lbs	---	---	---	202.50	171.15
400-500 lbs	---	---	---	223.27	163.99
500-600 lbs	---	---	---	---	---
600-700 lbs	---	---	---	---	---
<b>Steers: Medium/Large Frame #3</b>					
300-400 lbs	---	---	---	235.57	180.66
400-500 lbs	---	---	---	226.04	171.11
500-600 lbs	---	---	---	220.36	160.53
600-700 lbs	---	---	---	211.06	153.56
700-800 lbs	---	---	---	184.61	140.66
<b>Holstein Steers</b>					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
<b>Slaughter Cows &amp; Bulls</b>					
Breakers 75-80%	0.00	0.00	0.00	94.29	75.44
Boners 80-85%	0.00	0.00	0.00	91.32	73.90
Lean 85-90%	0.00	0.00	0.00	81.18	64.46
Bulls YG 1	0.00	0.00	0.00	113.81	99.01
<b>Heifers: Medium/Large Frame #1-2</b>					
300-400 lbs	---	---	---	239.68	170.08
400-500 lbs	---	---	---	229.56	162.10
500-600 lbs	---	---	---	215.25	151.65
600-700 lbs	---	---	---	196.33	142.24
<b>Heifers: Small Frame #1-2</b>					
300-400 lbs	---	---	---	202.54	136.83
400-500 lbs	---	---	---	199.19	143.05
500-600 lbs	---	---	---	178.65	136.77
600-700 lbs	---	---	---	---	121.62
<b>Heifers: Medium/Large Frame #2-3</b>					
300-400 lbs	---	---	---	221.37	150.07
400-500 lbs	---	---	---	205.13	151.90
500-600 lbs	---	---	---	196.71	138.15
600-700 lbs	---	---	---	183.40	129.29

Cattle Receipts

This week:

Week ago:6,831

Year ago:8,427

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

### East Tennessee Livestock Center Graded Holstein Steer Sale - Sweetwater, TN

1/12/24

Total Receipts: 318

[https://www.ams.usda.gov/mnreports/ams\\_2072.pdf](https://www.ams.usda.gov/mnreports/ams_2072.pdf)

### Knoxville Livestock Center - Knoxville, TN

1/23/24

1 load ML 1-2 preconditioned Steers, 456 lbs., medium flesh, mixed colors but majority black, \$309.00

1 load ML 1 preconditioned Heifers, 517 lbs., medium flesh, mixed colors but majority black, \$248.00

### East Tennessee Livestock Center Video Sale

- Sweetwater, TN

1/24/24

1 load out of 63 steers from BQA certified producer; Est weight 860 lbs; 100% L&M-1s; medium flesh; 100% BLK/BWF; \$216.00

### Hardin County Stockyard - Savannah, TN

1/24/24

54 Steers, 858 lbs, M&L 1, 100% Black, 5-6 Flesh, \$220.00

113 Steers, 909 lbs, M&L 1, 100% Black, 5 Flesh, \$216.25

54 Steers, 950 lbs, M&L 1&2, 31-Black/BWF 12-ChX 11-Red, 4-5 Flesh, \$202.50

71 Heifers, 692 lbs, M&L 1&2, 69-Black/BWF 2-Red, 4-5 Flesh, \$214.50

64 Heifers, 876 lbs, M&L 1&2, 51-Black/BWF 8-Red 5-ChX, 5-6 Flesh, \$192.00

## Graded Goat & Sheet Sale

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

Weighted Average Report for 1/22/24

Total Receipts: 503

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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