

# Tennessee Market Highlights

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

March 1, 2024

Number: 9

## Trends for the Week Compared to a Week Ago

### Slaughter Cows

\$1 to \$3 higher

### Slaughter Bulls

\$1 to \$3 higher

### Feeder Steers

\$2 to \$3 lower

### Feeder Heifers

steady

### Feeder Cattle Index: 246.26

### Fed Cattle

The 5-area live price on Thursday of \$183.31 was up \$2.26 compared to last week and \$290.40 dressed, up \$3.54.

### Corn

May closed at \$4.24 a bushel, up 11 cents since last Friday.

### Soybeans

May closed at \$11.51 a bushel, up 10 cents since last Friday.

### Wheat

May closed at \$5.57 a bushel, down 12 cents since last Friday.

### Cotton

May closed at 95.57 cents per lb, up 2.08 cents since last Friday.

## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded steady compared to last week on a live basis. Prices were largely \$183 to \$184 on a live basis and \$290 to \$291 on a dressed basis.

The 5-area weighted average prices thru Thursday were \$183.31 live, up \$2.26 compared to last week and \$290.40 dressed, up \$3.54. A year ago, prices were \$164.84 live and \$262.54 dressed.

There are many ways in which cattle are traded including negotiated trade, negotiated grid, forward contract, and formula, and all can be traded on a live or dressed basis. Since the beginning of the year, about 76 percent of cattle have been traded on a dressed basis. More specifically, about 60 percent of cattle have been traded using formula pricing on a dressed basis. Negotiated trade has made up more than 27 percent of cattle trade this year with live negotiated trade making up more than 12 percent of total cattle trade. Nearly 11 percent of trade has been negotiated grid, which hinges on the merit of the cattle. Forward contracting only makes up about 5 percent of total cattle traded for slaughter.

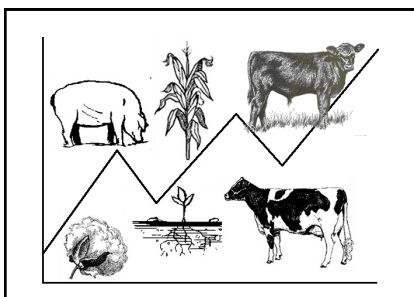
**BEEF CUTOUT:** At midday Friday, the Choice cutout was \$306.11 up \$1.91 from Thursday and up \$4.90 from a week ago. The Select cutout was \$295.99 up \$1.81 from Thursday and up \$8.57 from last week. The Choice Select spread was \$10.12 compared to \$13.79 a week ago.

This is the first week in which Choice boxed beef prices traded over \$300 each day since the first week of November. In fact, the Choice boxed beef price only exceeded the \$300 price point seven days the first two months of the year with five of those days being the last five days of trade in February. Does this mean the market is turning the corner, or is there something else supporting the market? The answer may be a little bit of both.

Beef buyers are gearing up for spring and summer grilling, but the thrust from the grilling season is still a few weeks down the road. The main driver is likely the reduction in cattle slaughter. Federally inspected cattle slaughter is down nearly 272,000 head the first eight weeks of the year compared to the same eight weeks one year ago. Most of the reduced slaughter stems from little to no slaughter on Saturday. Slaughter in and of itself does not bring the picture into complete focus, but noting federally inspected beef production is down 177 million pounds the first eight weeks of the year provides support for why beef prices are increasing.

**OUTLOOK:** Based on weekly auction market averages, steer prices were \$2 to \$3 lower compared to last week while heifer prices were steady compared to the previous week. Slaughter cow prices were \$1 to \$3 higher compared to the previous week's weighted average price while bull prices were also \$1 to \$3 higher compared to the previous week. Price trends this week have some regional differences when looking from one market to the next. The most consistent trend is demand for grass cattle is heating up as the extremely lightweight calves are garnering more interest than heavier calves. This is not to say heavier weight calf prices are softening or on a slide, but the optimism of feeder cattle prices farther out is driving the lighter weights even higher. At the same time, grass cattle buyers are likely concerned it will be difficult to purchase their typical quantity of calves given the reduction in cattle inventory. Yet another factor in this game is the sheer quantity of capital it takes to purchase calves. Prices are much higher than one year ago, so some folks may be looking to purchase lighter cattle in order to stretch their dollars over more cattle than when purchas-

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## Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

ing heavier weight calves. These are all speculative statements, but they are certainly factors playing into a cattle buyer's mind as they make purchase decisions. Another consideration is purchasing heifers or bull calves instead of steers, but this decision is less likely to narrow the price spread between different sexes of animals. There is a \$9 to \$10 per hundred-weight price difference in the May versus the August feeder cattle contract, which simply means an 800 pound steer is worth about \$80 per head than a steer in May. There are sure to be some producers purchasing cattle based on a speculative view that cattle markets are completely in a bull market and no bear can weigh them down. Though the fundamentals strongly support stronger cattle prices, cattle industry participants should not be betting on the come, but rather they should be managing their risk to ensure positive margins.

**ASK ANDREW, TN THINK TANK:** What is my time worth? This question plays into several aspects of farming and life. What does one hour of feeding cattle every day cost a person? The answer is the hourly wage when paying someone else plus the equipment cost. If the owner of the cattle is the one feeding the cattle then there are still equipment costs, but their

own time is worth the next most valuable thing they could be doing. Another example is paying someone to do something they are specialized in versus the person doing it him or herself. It is commonly said that it is too expensive to pay someone to do some task. However, as a farmer, is pouring the concrete or running the electricity in a new shop worth the time to figure out and physically do or would it be more cost effective to pay someone else. From a cash flow perspective, it may be better to do some of this work in house, but when all the costs are factored into the equation, it may be more cost effective to hire the work done. Time is worth something, and each reader is spending their allotted quantity of time right now.

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 –April \$188.45 +3.10; June \$184.00 +2.78; August \$182.70 +2.00; Feeder cattle –March \$252.98 +3.98; April \$258.00 +4.28; May \$260.18 +4.05; August \$269.65 +3.00; March corn closed at \$4.12 down 4 cents from Thursday.

## Crop Comments by Dr. Aaron Smith

### Overview

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

Projected crop insurance prices were set this week. The projected prices for corn, soybean, cotton, and wheat are all down compared to 2023. Corn price was set at \$4.66/bu, down \$1.25/bu; soybeans at \$11.55/bu, down \$2.21/bu; cotton at \$0.83/lb, down \$0.01/lb; and wheat (set in the fall) at \$6.61/bu, down \$1.79/bu. The decrease in projected prices dramatically changes the risk profile faced by Tennessee producers for the 2024 crop year. For example, in 2023 the projected corn price of \$5.91/bu, combined with a 175 bushel/acre APH and 75% buyup, would provide a revenue guarantee of \$775.69/acre for the insured unit or assuming actual yield equal to APH yield, price protection at \$4.43/bu. In 2024, the revenue guarantee would be \$611.63/acre (\$4.66/bu x 175 bu/acre x 75%) or price protection of \$3.50/bu, assuming actual yield equal to APH yield. In 2023 the price protection provided by crop insurance was close to the projected breakeven price for many producers. In 2024 the price protection from crop insurance will be well below most producers breakeven.

Will crop insurance prices impact planting intentions? Price ratios are one factor that may influence producer planting decisions. The soybean-to-corn projected crop insurance price ratio is 2.48, up 0.15 compared to last year. This means all else being equal more soybean acres should be planted relative to corn year-over-year. Similarly, the cotton-to-soybean crop insurance price ratio is 0.072, up 0.011 year over year, indicating a potential increase in cotton plantings over soybeans.

The USDA Outlook conference projected cotton planted acres up 770,000 compared to last year, soybeans up 3.9 million acres, and corn down 3.6 million acres. The current USDA projections are based on models that take into account numerous economic factors. The first producer survey based planted acreage estimates will be provided at the end of the month when the USDA will release the Prospective Plantings report. The report may provide valuable information in potential changes to US planted acres in 2024.

	Previous	Current	Change
USD Index	103.86	103.80	-0.06
Crude Oil	76.49	79.94	3.45
DJIA	39,132	39,068	-63

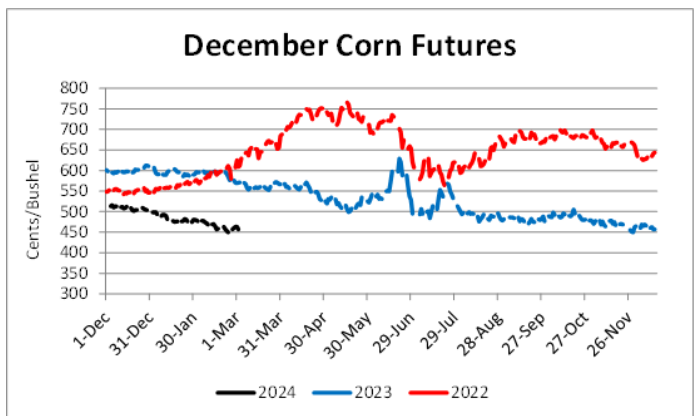
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## Crop Comments by Dr. Aaron Smith

### Corn

Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at West, North-west, West-Central, and Mississippi River elevators and barge points and weakened at North-Central elevators and barge points. Overall, basis for the week ranged from 65 under to 5 over, with an average of 22 under the May futures at elevators and barge points. Ethanol production for the week ending February 23 was 1.078 million barrels per day, down 6,000 from the previous week. Ethanol stocks were 26.022 million barrels, up 0.520 million barrels compared to last week. Corn net sales reported by exporters for February 16-22 were net sales of 42.6 million bushels for the 2023/24 marketing year and 6.5 million bushels for the 2024/25 marketing year. Exports for the same period were up 19% compared to last week at 47.9 million bushels. Corn export sales and commitments were 71% 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 78%. Cash prices for March delivery ranged from \$3.62 to \$4.34 at elevators and barge points. May 2024 corn futures closed at \$4.24, up 11 cents since last Friday. For the week May 2024 corn futures traded between \$4.08 and \$4.32. May/Jul and May/Dec future spreads were 12 and 35 cents. July 2024 corn futures closed at \$4.36, up 10 cents since last Friday.

Corn	May 24	Change	Dec 24	Change
Price	\$4.24	\$0.11	\$4.59	\$0.10
Support	\$4.16	\$0.13	\$4.53	\$0.12
Resistance	\$4.36	\$0.05	\$4.68	\$0.08
20 Day MA	\$4.34	-\$0.06	\$4.64	-\$0.04
50 Day MA	\$4.55	-\$0.05	\$4.79	-\$0.05
100 Day MA	\$4.78	-\$0.03	\$4.96	-\$0.03
4-Week High	\$4.59	\$0.00	\$4.80	-\$0.02
4-Week Low	\$4.08	\$0.00	\$4.46	-\$0.01
Technical Trend	Down	=	Down	=



December 2024 corn futures closed at \$4.59, up 10 cents since last Friday. Downside price protection could be obtained by purchasing a \$4.60 December 2024 Put Option costing 36 cents establishing a \$4.24 futures floor.

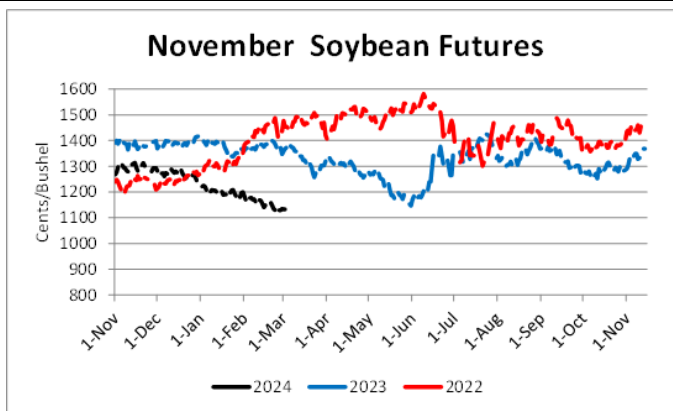
### Soybeans

Across Tennessee the average soybean basis strengthened or remained unchanged at Northwest, West-Central, and North-Central elevators and barge points and weakened at West and Mississippi River elevators and barge points. Basis ranged from 39 under to 17 over the May futures contract, with an average basis at the end of the week of 5 under. Soybean net weekly sales reported by exporters were net sales of 5.9 million bushels for the 2023/24 marketing year. Exports for the same period were down 8% compared to last week at 40.5 million bushels. Soybean export sales and commitments were 83% 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 88%. May 2024 soybean futures closed at \$11.51, up 10 cents since last Friday. For the week May 2024 soybean futures traded between \$11.28 and \$11.61. Cash soybean prices for March at elevators and barge points ranged from \$11.26 to \$11.61. May 2024 soybean-to-corn price ratio was 2.71 at the end of the week. May/Jul and May/Nov future spreads were 10 and -12 cents. July 2024 soybean futures closed at \$11.61, up 10 cents since last Friday.

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## Crop Comments by Dr. Aaron Smith

Soybeans	May 24	Change	Nov 24	Change
Price	\$11.51	\$0.10	\$11.39	\$0.09
Support	\$11.31	\$0.06	\$11.24	\$0.06
Resistance	\$11.61	\$0.01	\$11.49	-\$0.01
20 Day MA	\$11.73	-\$0.15	\$11.52	-\$0.14
50 Day MA	\$12.27	-\$0.16	\$11.91	-\$0.14
100 Day MA	\$12.91	-\$0.07	\$12.34	-\$0.07
4-Week High	\$12.18	-\$0.15	\$11.89	-\$0.22
4-Week Low	\$11.28	-\$0.05	\$11.22	-\$0.06
Technical Trend	Down	=	Down	=

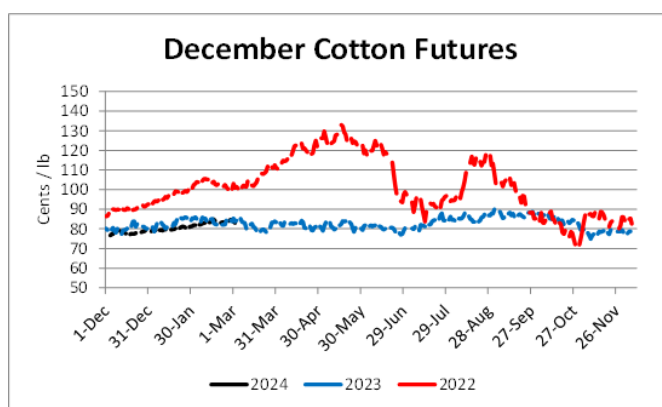


November 2024 soybean futures closed at \$11.39, up 9 cents since last Friday. Downside price protection could be achieved by purchasing an \$11.40 November 2024 Put Option which would cost 72 cents and set a \$10.68 futures floor. Nov/Dec soybean-to-corn price ratio was 2.48 at the end of the week.

### Cotton

North Delta upland cotton spot price quotes for February 29 were 96.82 cents/lb (41-4-34) and 98.82 cents/lb (31-3-35). Adjusted World Price (AWP) increased 2.35 cents to 77.47 cents. Cotton net weekly sales reported by exporters were 40,000 bales for the 2023/24 marketing year and 13,400 bales for the 2024/25 marketing year. Exports for the same period were up 5% compared to last week at 267,100 bales. Upland cotton export sales were 91% 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 93%. May 2024 cotton futures closed at 95.57 cents, up 2.08 cents since last Friday. For the week, May 2024 cotton futures traded between 92.5 and 103.8 cents. May/Jul and May/Dec cotton futures spreads were -1.8 cents and -12.62 cents. July 2024 cotton futures closed at 93.77 cents, up 1.15 cents since last Friday.

Cotton	May 24	Change	Dec 24	Change
Price	95.57	2.08	82.95	-0.44
Support	92.42	0.75	81.42	-1.06
Resistance	101.88	5.43	85.26	0.85
20 Day MA	93.30	2.47	83.44	0.68
50 Day MA	87.17	1.43	81.15	0.60
100 Day MA	85.19	0.41	80.08	0.12
4-Week High	103.80	7.38	85.25	0.30
4-Week Low	86.81	1.84	80.92	0.42
Technical Trend	Up	=	Up	=



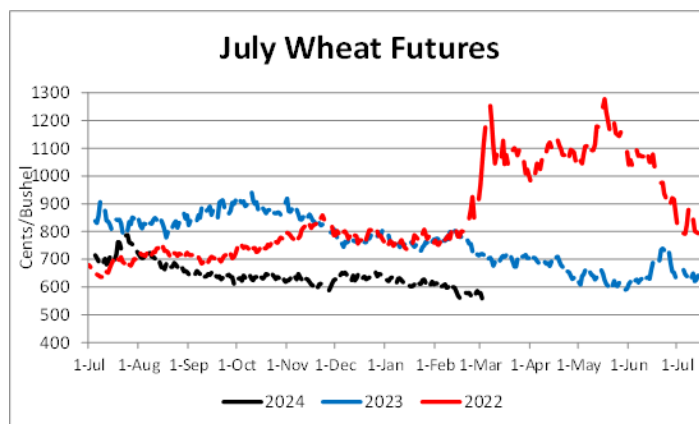
December 2024 cotton futures closed at 82.95 cents, down 0.44 cents since last Friday. Downside price protection could be obtained by purchasing an 83 cent December 2024 Put Option costing 5.09 cents establishing a 77.91 cent futures floor.

### Wheat

Wheat net weekly sales reported by exporters were net sales of 12.0 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 up 44% compared to last week at 19.8 million bushels. Wheat export sales were 92% 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 94%. Wheat cash prices at elevators and barge points ranged from \$5.67 to \$6.06. May 2024 wheat futures closed at \$5.57, down 12 cents since last Friday. May 2024 wheat futures traded between \$5.55 and \$5.89 this week. May wheat-to-corn price ratio was 1.31. May/Jul and May/Sep future spreads were 4 and 12 cents.

## Crop Comments by Dr. Aaron Smith

Wheat	May 24	Change	Jul 24	Change
Price	\$5.57	-\$0.12	\$5.61	-\$0.09
Support	\$5.42	-\$0.12	\$5.46	-\$0.10
Resistance	\$5.84	-\$0.02	\$5.86	-\$0.08
20 Day MA	\$5.84	-\$0.07	\$5.86	-\$0.10
50 Day MA	\$6.04	-\$0.04	\$6.09	-\$0.06
100 Day MA	\$6.10	-\$0.02	\$6.19	-\$0.03
4-Week High	\$6.18	\$0.00	\$6.22	-\$0.10
4-Week Low	\$5.53	\$0.00	\$5.56	\$0.00
Technical Trend	Down	=	Down	=



July 2024 wheat futures closed at \$5.61, down 9 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.70 July 2024 Put Option costing 41 cents establishing a \$5.29 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$5.47 to \$5.77. September 2024 wheat futures closed at \$5.69, down 8 cents since last Friday.

### 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\\_mbbi\\_w.htm](https://www.eia.gov/dnav/pet/pet_sum_sndw_a_EPOOXE_sae_mbbi_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/](#)

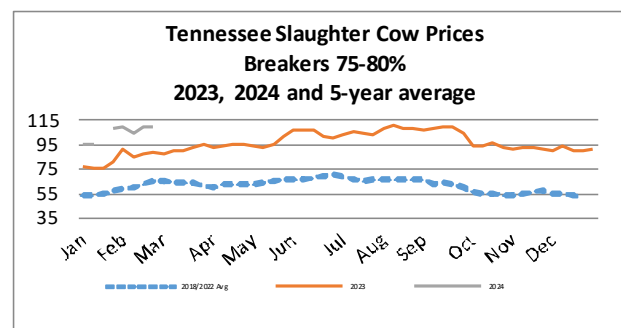
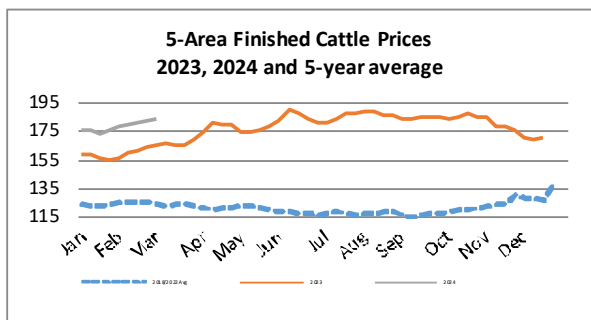
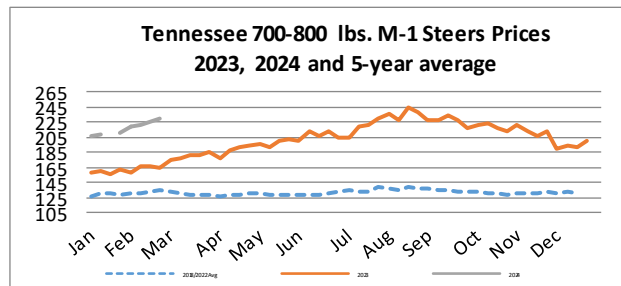
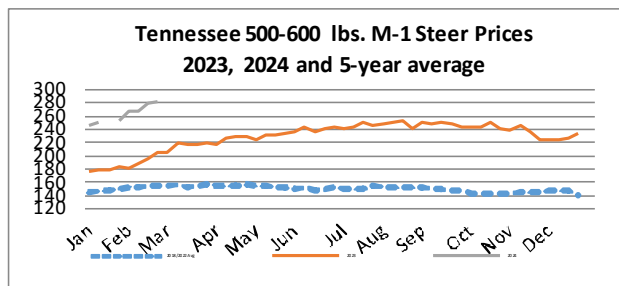
U.S. Crop Progress - <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1048>

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, February 23, 2024---Thursday, February 29, 2024					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
<b>No. 2 Yellow Soybeans</b>	-----\$/bushel-----				
Northwest	11.06	11.09	11.04	11.07	11.08
North Central	11.28	11.31	11.26	11.35	11.31
West Central					
West	11.58	11.61	11.57	11.59	11.53
Mississippi River	11.52	11.54	11.50	11.54	11.49
<b>Yellow Corn</b>					
Northwest	3.87	3.95	3.96	4.01	4.05
North Central	3.50	3.57	3.58	3.64	3.65
West Central					
West	4.18	4.25	4.28	4.31	4.34
Mississippi River	4.09	4.17	4.18	4.24	4.27
<b>Wheat</b>					
Northwest					
North Central	5.94	5.97	6.06	5.95	5.96
West					
Mississippi River	5.60	5.67	5.76	5.69	5.69
<b>Cotton</b>	-----\$/pound-----				
Memphis	90.74-92.74	92.05-94.05	96.05-98.05	98.33-100.33	96.82-98.82



## 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, February 26, 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	295.00	377.50	327.70	317.80	230.56
400-500 lbs	280.00	335.00	307.99	299.04	217.69
500-600 lbs	250.00	315.00	280.92	277.58	203.23
600-700 lbs	224.00	286.00	254.68	243.43	184.23
700-800 lbs	210.00	242.50	228.54	225.28	164.95
<b>Steers: Small Frame #1-2</b>					
300-400 lbs	230.00	300.00	276.57	279.69	196.05
400-500 lbs	245.00	277.50	262.05	245.01	179.78
500-600 lbs	245.00	250.00	247.55	227.00	172.75
600-700 lbs	---	---	---	200.19	---
<b>Steers: Medium/Large Frame #3</b>					
300-400 lbs	250.00	325.00	287.06	283.84	207.37
400-500 lbs	250.00	290.00	271.82	262.24	191.24
500-600 lbs	220.00	280.00	251.22	255.37	176.45
600-700 lbs	190.00	246.00	228.08	220.93	163.28
700-800 lbs	208.00	231.00	215.31	210.24	147.69
<b>Holstein Steers</b>					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
<b>Slaughter Cows &amp; Bulls</b>					
Breakers 75-80%	91.50	120.00	109.60	108.73	88.19
Boners 80-85%	89.50	121.00	106.77	106.07	84.84
Lean 85-90%	70.00	109.00	94.08	92.29	74.33
Bulls YG 1	107.00	136.00	126.87	123.89	111.48
<b>Heifers: Medium/Large Frame #1-2</b>					
300-400 lbs	247.50	335.00	288.02	273.72	191.14
400-500 lbs	217.50	300.00	269.26	255.54	180.04
500-600 lbs	215.00	270.00	242.75	232.57	167.24
600-700 lbs	190.00	237.00	221.23	210.41	154.56
<b>Heifers: Small Frame #1-2</b>					
300-400 lbs	---	---	---	235.39	166.57
400-500 lbs	215.00	265.00	234.35	220.00	159.52
500-600 lbs	215.00	240.00	225.49	210.27	154.07
600-700 lbs	177.50	210.00	193.94	200.00	140.00
<b>Heifers: Medium/Large Frame #2-3</b>					
300-400 lbs	232.50	292.50	267.33	257.11	173.54
400-500 lbs	192.00	275.00	243.84	239.11	166.60
500-600 lbs	201.00	245.00	225.77	218.05	153.15
600-700 lbs	185.00	220.00	201.98	195.34	145.04

### Cattle Receipts

This week:10,034

Week ago:6,303

Year ago:5,309

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

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

### Hardin County Stockyard - Savannah, TN

2/28/24

88 Steers, 601 lbs, M&L 1&2, 100% Black/BWF, 4-5 Flesh,  
\$308.00

76 Steers, 674 lbs, M&L 1&2, 100% Black/BWF, 4-5 Flesh,  
\$271.75

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

Weighted Average Report for 3/1/24

For complete report:

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

## Graded Goat & Sheep Sales

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

Weighted Average Report for 2/26/24

Total Receipts: 818

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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