

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

March 15, 2024

Number: 11

Trends for the Week Compared to a Week Ago

Slaughter Cows

Steady to \$3 higher

Slaughter Bulls

\$3 to \$5 higher

Feeder Steers

\$5 to \$9 higher

Feeder Heifers

\$3 to \$10 higher

Feeder Cattle Index: 248.46

Fed Cattle

The 5-area live price on Thursday of \$187.82 was up \$2.67 compared to last week and \$298.41 dressed, up \$5.19.

Corn

May closed at \$4.33 a bushel, down 3 cents since last Friday.

Soybeans

May closed at \$11.98 a bushel, up 14 cents since last Friday.

Wheat

May closed at \$5.28 a bushel, down 9 cents since last Friday.

Cotton

May closed at 95.28 cents per lb, down 1.34 cents since last Friday.

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded \$2 higher compared to last week on a live basis. Prices were largely \$187 to \$188 on a live basis and \$297 to \$299 on a dressed basis.

The 5-area weighted average prices thru Thursday were \$187.82 live, up \$2.67 compared to last week and \$298.41 dressed, up \$5.19. A year ago, prices were \$164.11 live and \$263.81 dressed.

Cattle weights continue to increase as cattle stay on feed longer. Feedlot managers have no reason to prematurely move cattle out of feeding pens and load them on a truck given the cost of purchasing replacement cattle and the leverage they now have on packers. Similarly, packers have little incentive to increase chain speeds as few cattle are profitable in today's environment. Cattle feeders leverage on the packer will continue to increase as the quantity of cattle on feed continues to dwindle. Despite this leverage, some of the smaller feedlots may struggle to secure inventory as placements into the feedlot slow. This could put some feedlots out of business due to inefficiencies and higher input costs.

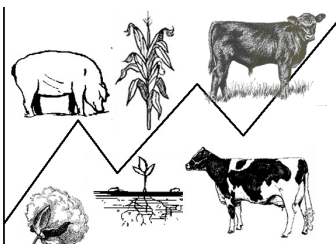
BEEF CUTOUT: At midday Friday, the Choice cutout was \$311.52 up \$0.74 from Thursday and up \$4.56 from a week ago. The Select cutout was \$302.35 up \$0.66 from Thursday and up \$5.46 from last week. The Choice Select spread was \$9.17 compared to \$10.07 a week ago.

Boxed beef prices found support this week as prices firmed most of the week. Choice boxed beef traded at its highest daily price since the middle of September. Choice boxed beef prices remain well over year ago prices to the tune of \$25 per hundredweight, but remain well below the 2023 peak price of \$343. It is difficult to predict how high wholesale beef prices will go given the overall price environment consumers are attempting to wade

through with the elevated interest expense and higher overall prices of goods and services. The answer to the question lies in knowing where consumers will pull dollars from to consume the goods and services they most desire. Whether good or bad, many consumers demand instant gratification and are willing to forgo paying the bills so they can go on vacation or eat at the fancy restaurant. This certainly does not describe every consumer, but it does describe a large portion of consumers. The other side of the coin is the hope that increased wages are spent on beef consumption.

OUTLOOK: Based on weekly auction market averages, steer prices were \$5 to \$9 higher compared to last week while heifer prices were \$3 to \$10 higher compared to the previous week. Slaughter cow prices were steady to \$3 higher compared to the previous week's weighted average price while bull prices were \$3 to \$5 higher compared to the previous week. There is certainly optimism in the calf and feeder cattle market. One has to look no further than feeder cattle futures to recognize there is considerable optimism for prices to increase. A simple example is the difference in the March feeder cattle contract and the October feeder cattle contract, which is \$20 per hundredweight. In other words, the futures market is predicting an 800 pound steer will be worth \$160 more this fall than right now. Looking a little closer, the CME feeder cattle index value as of March 13th was \$248.46, which is \$20 per hundredweight higher than where it started the year and \$33 per hundredweight higher than the December low. Given the rapid ascension the past four months, it is easy to say the price could gain another \$20 as the futures market is predicting over the next four to six months. Despite the recent price action, it

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Livestock Comments by Dr. Andrew Griffith

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can be useful to evaluate how feeder cattle prices could reach such a level from a mathematical standpoint. Assuming an 800 pound steer at \$270 per hundredweight would result in a feedlot purchase price of \$2,160 per head. One would expect the feedlot to put 600 to 650 pounds of weight on the animal prior to selling the animal to the feedlot. Thus, for simplicity, one can assume that is \$600 of cost. The feedlot has \$2,760 of cost in the purchase and feeding of the animal. If the feeder steer was purchased in October and comes off feed in April 2025 then the 1,400 pound steer would be worth \$2,723 based on live cattle futures. This simple calculation does not account for any of the ancillary costs or potential carcass premiums, but it does demonstrate the futures market is keeping feeding margins extremely tight.

ASK ANDREW, TN THINK TANK: A couple of questions concerning Livestock Risk Protection insurance (LRP) were asked this week concerning the cost and choosing coverage levels. LRP is much more affordable today than it was when the program was first introduced. This is due to the government subsidy, which ranges from 35 to 55 percent. The subsidy is tied

to the coverage level. For instance, 95 to 100 percent coverage levels only have a 35 percent subsidy while the lowest coverage levels have the 55 percent subsidy. In reality, the subsidy level means absolutely nothing to the producer. The important thing is how much it is going to cost to protect a certain value. For instance, the highest coverage level for an early August sale of an 800 pound steer would cost about \$60 per head to cover a little more than \$2,100 of value. Thus, the total cost on the highest coverage level is about 3 percent of the total value in this example. Research suggests producers should only purchase the highest coverage levels to the tune of 95 to 100 percent coverage.

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 –April \$187.25 +0.30; June \$183.60 +0.23; August \$186.63 +0.53; Feeder cattle –March \$249.28 +1.80; April \$252.13 +0.95; May \$256.00 +1.18; August \$267.38 +0.75; May corn closed at \$4.37 up 3 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

Soybeans were up; cotton was mixed; corn and wheat were down for the week.

Nearby corn futures are up almost 30 cents off the recent low, however the rally appeared to stall this week. Large U.S. and global corn stocks combined with export sales weakness will keep a lid on futures prices.

U.S. corn export commitments (accumulated exports + outstanding sales), as a percent of the total USDA marketing year projected exports, were 76% compared to the previous 5-year average of 82%. To meet the current USDA export projection of 2.1 billion bushels, new weekly commitments will need to average over 20 million bushels, with corresponding export shipments.

Argentina is expected to be a significant source of competition for U.S. corn exports as USDA projects Argentina’s corn exports to increase 68% year-over-year. Brazil is currently projected to have 4% lower year-over-year corn exports. Dry conditions in Brazil could be a potential path to higher prices as soil moisture, to carry the second corn crop through to harvest, remains a concern. Until more information is known about Brazil’s second corn crop and U.S. corn plantings, it is likely that nearby corn futures will trade mostly sideways between \$4.10 and \$4.60.

May soybeans have rallied off the contract lows near \$11.40. Lower expected production out of Brazil has helped set the bottom of the current trading range of \$11.40 to \$12.50. U.S. projected planted acreage could be the next major market mover. Currently, the November/December soybean-to-corn price ratio is neutral to slightly favoring increased soybean acreage.

The USDA will release the Prospective Plantings report on March 28. The Report will be closely watched for changes in planting intentions compared to the USDA Outlook acreage estimates (corn 91 million acres, soybeans 87.5 million acres, and cotton 11 million acres) and private estimates.

	Previous	Current	Change
USD Index	102.74	103.44	0.70
Crude Oil	77.88	81	3.12
DJIA	38,723	38,759	37

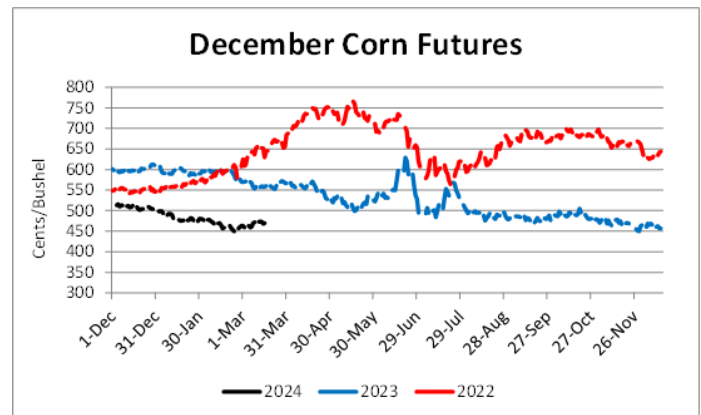
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Crop Comments by Dr. Aaron Smith

Corn

Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at Northwest, West-Central, and North-Central elevators and barge points and weakened at West and Mississippi River elevators and barge points. Overall, basis for the week ranged from 65 under to 10 over, with an average of 17 under the May futures at elevators and barge points. Ethanol production for the week ending March 8 was 1.024 million barrels per day, down 33,000 from the previous week. Ethanol stocks were 25.782 million barrels, down 0.269 million barrels compared to last week. Corn net sales reported by exporters for March 1-7 were net sales of 50.5 million bushels for the 2023/24 marketing year. Exports for the same period were up 9% compared to last week at 49.5 million bushels. Corn export sales and commitments were 76% 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 82%. May 2024 corn futures closed at \$4.36, down 3 cents since last Friday. For the week May 2024 corn futures traded between \$4.31 and \$4.45. May/Jul and May/Dec future spreads were 13 and 34 cents. July 2024 corn futures closed at \$4.49, down 3 cents since last Friday.

Corn	May 24	Change	Dec 24	Change
Price	\$4.36	-\$0.03	\$4.70	-\$0.02
Support	\$4.27	-\$0.01	\$4.61	-\$0.01
Resistance	\$4.45	\$0.00	\$4.77	\$0.01
20 Day MA	\$4.30	\$0.00	\$4.63	\$0.02
50 Day MA	\$4.45	-\$0.04	\$4.72	-\$0.03
100 Day MA	\$4.70	-\$0.04	\$4.91	-\$0.02
4-Week High	\$4.45	-\$0.03	\$4.75	\$0.02
4-Week Low	\$4.08	\$0.00	\$4.46	\$0.00
Technical Trend	Up	=	Up	=



New crop cash prices ranged from \$3.87 to \$4.55 at elevators and barge points. December 2024 corn futures closed at \$4.70, down 2 cents since last Friday. Downside price protection could be obtained by purchasing a \$4.80 December 2024 Put Option costing 42 cents establishing a \$4.38 futures floor.

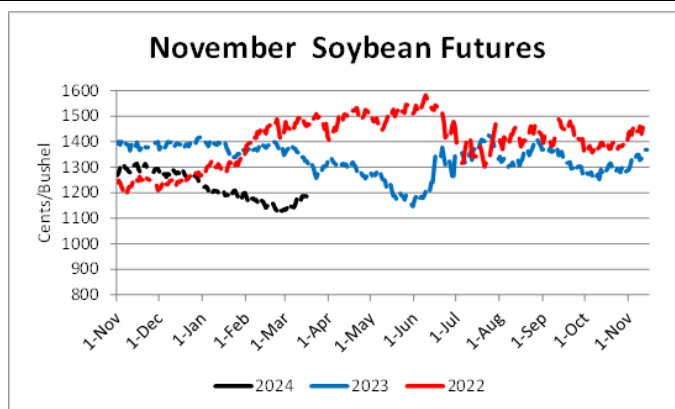
Soybeans

Across Tennessee the average soybean basis weakened or remained unchanged at West, Northwest, West-Central, North-Central, and Mississippi River elevators and barge points. Basis ranged from 33 under to 15 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 13.8 million bushels for the 2023/24 marketing year and 3.5 million bushels for the 2024/25 marketing year. Exports for the same period were down 33% compared to last week at 34.8 million bushels. Soybean export sales and commitments were 85% 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 91%. May 2024 soybean futures closed at \$11.98, up 14 cents since last Friday. For the week May 2024 soybean futures traded between \$11.75 and \$12.17. May 2024 soybean-to-corn price ratio was 2.75 at the end of the week. May/Jul and May/Nov future spreads were 14 and -8 cents. July 2024 soybean futures closed at \$12.12, up 17 cents since last Friday.

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Crop Comments by Dr. Aaron Smith

Soybeans	May 24	Change	Nov 24	Change
Price	\$11.98	\$0.14	\$11.90	\$0.17
Support	\$11.75	\$0.32	\$11.72	\$0.36
Resistance	\$12.27	\$0.22	\$12.06	\$0.13
20 Day MA	\$11.65	\$0.02	\$11.53	\$0.07
50 Day MA	\$11.99	-\$0.11	\$11.74	-\$0.06
100 Day MA	\$12.76	-\$0.08	\$12.25	-\$0.04
4-Week High	\$12.17	\$0.13	\$11.99	\$0.23
4-Week Low	\$11.28	\$0.00	\$11.22	\$0.00
Technical Trend	Up	+	Up	+

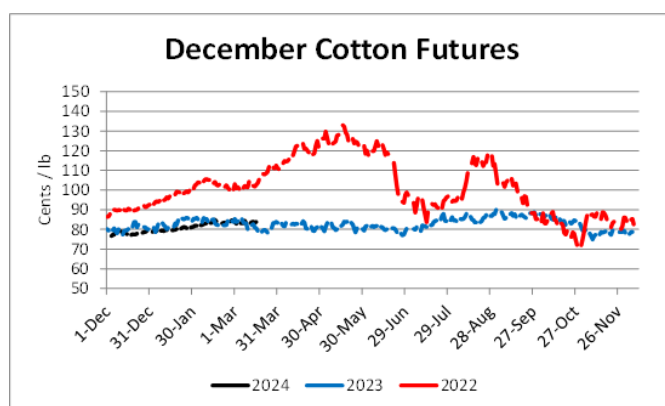


New crop cash soybean prices at elevators and barge points ranged from \$11.40 to \$11.68. November 2024 soybean futures closed at \$11.90, up 17 cents since last Friday. Downside price protection could be achieved by purchasing a \$12.00 November 2024 Put Option which would cost 73 cents and set a \$11.27 futures floor. Nov/Dec soybean-to-corn price ratio was 2.53 at the end of the week.

Cotton

North Delta upland cotton spot price quotes for March 14 were 90.73 cents/lb (41-4-34) and 92.73 cents/lb (31-3-35). Adjusted World Price (AWP) decreased 0.78 cents to 76.1 cents. Cotton net weekly sales reported by exporters were 85,800 bales for the 2023/24 marketing year and 112,700 bales for the 2024/25 marketing year. Exports for the same period were down 11% compared to last week at 293,300 bales. Upland cotton export sales were 92% 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 97%. May 2024 cotton futures closed at 93.94 cents, down 1.34 cents since last Friday. For the week, May 2024 cotton futures traded between 93.2 and 97.53 cents. May/Jul and May/Dec cotton futures spreads were -0.35 cents and -10.26 cents. July 2024 cotton futures closed at 93.59 cents, down 0.33 cents since last Friday.

Cotton	May 24	Change	Dec 24	Change
Price	93.94	-1.34	83.68	0.69
Support	91.73	0.60	82.58	1.18
Resistance	96.41	-7.16	84.58	-0.92
20 Day MA	95.41	0.36	83.61	-0.08
50 Day MA	89.98	1.28	82.18	0.46
100 Day MA	85.93	0.37	80.29	0.11
4-Week High	103.80	0.00	85.25	0.00
4-Week Low	90.84	1.62	81.75	0.00
Technical Trend	Down	-	Flat	+



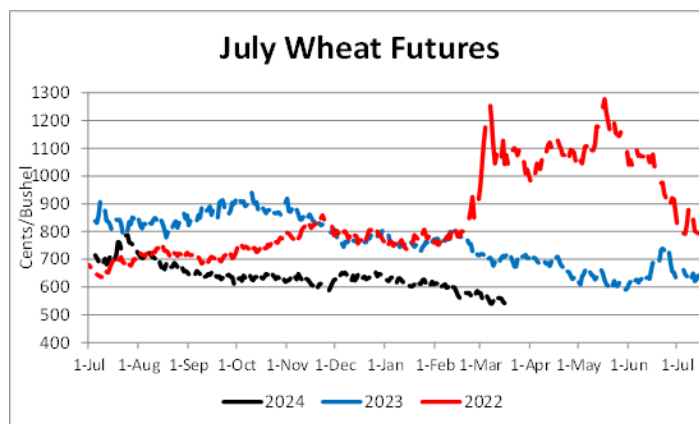
December 2024 cotton futures closed at 83.68 cents, up 0.69 cents since last Friday. Downside price protection could be obtained by purchasing an 84 cent December 2024 Put Option costing 5.5 cents establishing a 78.5 cent futures floor.

Wheat

Wheat net weekly sales reported by exporters were net sales of 3.1 million bushels for the 2023/24 marketing year – a marketing year low – and 3.0 million bushels for the 2024/25 marketing year. Exports for the same period were up 23% compared to last week at 16.7 million bushels. Wheat export sales were 96% 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 97%. Wheat cash prices at elevators and barge points ranged from \$5.02 to \$5.53. May 2024 wheat futures closed at \$5.28, down 9 cents since last Friday. May 2024 wheat futures traded between \$5.23 and \$5.56 this week. May wheat-to-corn price ratio was 1.21. May/Jul and May/Sep future spreads were 16 and 32 cents.

Crop Comments by Dr. Aaron Smith

Wheat	May 24	Change	Jul 24	Change
Price	\$5.28	-\$0.09	\$5.44	-\$0.06
Support	\$5.19	\$0.01	\$5.35	\$0.04
Resistance	\$5.49	-\$0.03	\$5.62	-\$0.01
20 Day MA	\$5.57	-\$0.12	\$5.64	-\$0.09
50 Day MA	\$5.86	-\$0.09	\$5.92	-\$0.08
100 Day MA	\$6.02	-\$0.04	\$6.10	-\$0.05
4-Week High	\$5.94	-\$0.14	\$5.93	-\$0.17
4-Week Low	\$5.23	-\$0.03	\$5.37	\$0.00
Technical Trend	Down	=	Down	=



July 2024 wheat futures closed at \$5.44, down 6 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.50 July 2024 Put Option costing 37 cents establishing a \$5.13 futures floor. New crop wheat cash prices at elevators and barge points ranged from \$5.17 to \$5.45. September 2024 wheat futures closed at \$5.60, down 4 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

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/

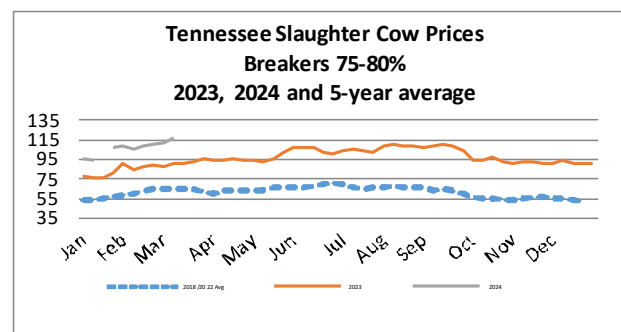
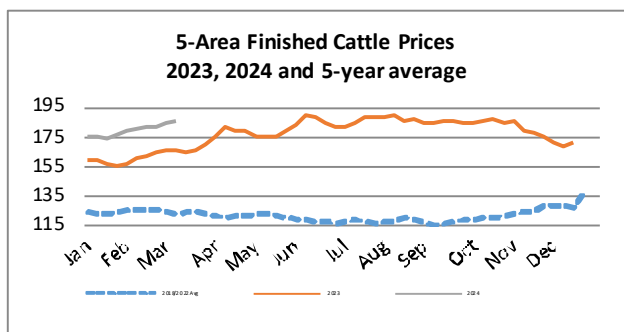
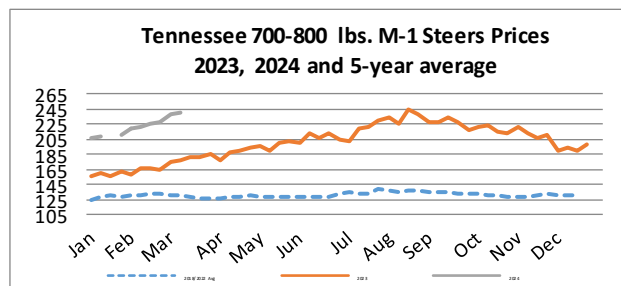
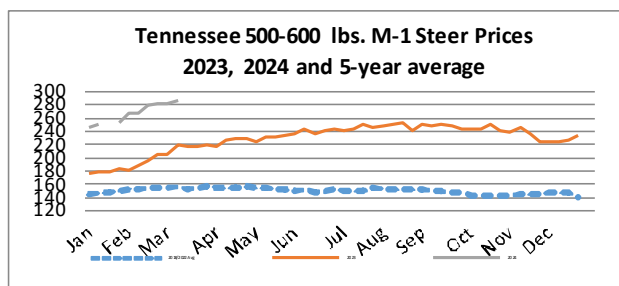
[Crop Progress & Condition/](#)

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, March 8, 2024---Thursday, March 14, 2024					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	11.52	11.47	11.64	11.64	11.63
North Central	11.74	11.69	11.86	11.87	11.85
West Central					
West	12.02	11.94	12.08	12.10	12.10
Mississippi River	11.98	11.91	12.04	12.05	12.04
Yellow Corn					
Northwest	4.15	4.17	4.17	4.24	4.16
North Central	3.75	3.77	3.77	3.76	3.74
West Central					
West	4.52	4.52	4.49	4.49	4.41
Mississippi River	4.45	4.46	4.44	4.44	4.36
Wheat					
Northwest					
North Central	5.43	5.52	5.43	5.14	5.02
West					
Mississippi River	5.40	5.51	5.51	5.48	
Cotton	-----\$/pound-----				
Memphis	92.53-94.53	92.31-94.31	92.48-94.48	92.15-94.15	90.73-92.73



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, March 11, 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	190.00	365.00	321.23	327.74	245.25
400-500 lbs	282.50	350.00	308.78	302.10	232.16
500-600 lbs	256.00	307.50	284.93	280.58	219.42
600-700 lbs	230.00	285.00	258.08	258.84	192.34
700-800 lbs	220.00	251.00	239.78	237.22	176.91
Steers: Small Frame #1-2					
300-400 lbs	235.00	310.00	280.78	253.40	211.84
400-500 lbs	230.00	280.00	261.36	254.38	194.29
500-600 lbs	---	---	---	246.75	---
600-700 lbs	---	---	---	---	---
Steers: Medium/Large Frame #3					
300-400 lbs	230.00	327.00	290.11	281.89	211.54
400-500 lbs	250.00	320.00	277.99	270.07	213.11
500-600 lbs	220.00	280.00	253.69	254.54	192.27
600-700 lbs	217.00	245.00	227.49	227.13	173.87
700-800 lbs	202.50	230.00	214.07	215.18	---
Holstein Steers					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
Slaughter Cows & Bulls					
Breakers 75-80%	105.50	128.00	116.85	111.62	91.73
Boners 80-85%	94.50	124.00	112.50	109.88	89.88
Lean 85-90%	82.50	113.00	99.07	95.70	78.43
Bulls YG 1	100.00	143.00	129.82	128.00	116.69
Heifers: Medium/Large Frame #1-2					
300-400 lbs	250.00	325.00	287.76	284.11	214.66
400-500 lbs	237.50	295.00	269.30	264.44	203.45
500-600 lbs	205.00	275.00	247.74	238.94	184.12
600-700 lbs	195.00	245.00	224.21	217.48	165.66
Heifers: Small Frame #1-2					
300-400 lbs	230.00	300.00	262.70	227.23	160.15
400-500 lbs	200.00	262.00	236.17	223.27	155.00
500-600 lbs	185.00	240.00	206.58	208.63	---
600-700 lbs	160.00	160.00	160.00	---	---
Heifers: Medium/Large Frame #2-3					
300-400 lbs	205.00	305.00	261.39	255.67	190.70
400-500 lbs	195.00	275.00	245.61	234.63	186.02
500-600 lbs	175.00	252.50	227.93	216.23	167.09
600-700 lbs	160.00	217.50	201.74	201.43	146.38

Cattle Receipts

This week: 7,800

Week ago: 8,150

Year ago: 6,225

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

3/8/24

Total Receipts: 683

For complete report:

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

Dickson Regional Livestock Center - Dickson, TN

3/11/24

78 head mixed heifer load averaging 674 lbs, 80% #2, 20% #1,
31 chx/red, medium/large, few with horns, few with ear,
medium minus to medium flesh, guaranteed open; \$221.00

53 mixed steer load averaging 867 lbs, 90% #1, 17 red/chx,
medium to medium plus flesh, medium/large, value-added;
\$233.00

Knoxville Livestock Center - Knoxville, TN

3/12/24

1 load ML 1-2 preconditioned Steers, 445 lbs., light to medium
flesh, mixed colors, \$358.00

Hardin County Stockyard - Savannah, TN

3/6/24

60 Steers, 853 lbs, M&L 1, 100% Black/BWF, 5-6 Flesh,
\$248.00

57 Steers, 931 lbs, M&L 1, 52-Black/BWF 4-ChX 1-Red, 5-6
Flesh, \$237.25

Hardin County Stockyard Video Auction - Savannah, TN

3/13/24

Total Receipts: 62

For complete report:

https://www.ams.usda.gov/mnreports/ams_3509.pdf

East Tennessee Livestock Center Video Sale

- Sweetwater, TN

3/13/24

2 loads out of 125 steers from BQA certified producer; Est
weight 905 lbs; 95% L&M-1s and 5% L&M-2s; 100% BLK/BWF;
\$236.10

Graded Goat & Sheep Sales

Columbia Graded Sheep and Goat Sale-Columbia, TN

Weighted Average Report for 3/11/24

Total Receipts: 1,223

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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