

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

July 5, 2024

Number: 27

Trends for the Week Compared to a Week Ago

Slaughter Cows

Slaughter Bulls

Feeder Steers

Feeder Heifers

Feeder Cattle Index: 256.79

Fed Cattle

The 5-area live price on Thursday of \$195.37 was up \$1.45 compared to last week and \$313.84 dressed, down \$1.01.

Corn

September closed at \$4.10 a bushel, up 3 cents since last Friday.

Soybeans

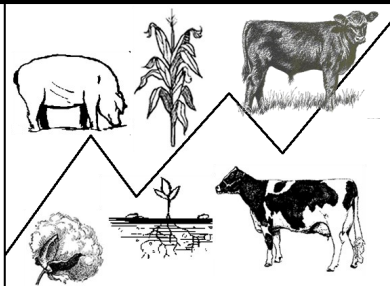
August closed at \$11.66 a bushel, up 33 cents since last Friday.

Wheat

September closed at \$5.90 a bushel, up 17 cents since last Friday.

Cotton

December closed at 70.98 cents per lb, down 1.71 cents since last Friday.



Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded steady higher compared to last week. Price in the South were around \$190 and \$198 in the North on a live basis. Dressed trade was thin with bids at \$312 to \$313.

The 5-area weighted average prices thru Thursday were \$195.37 live, up \$1.45 compared to last week and \$313.84 dressed, down \$1.01 from a week ago. A year ago, prices were \$180.70 live and \$289.81 dressed.

There remains a considerable difference in Northern cattle prices and Southern cattle prices. Given the difference this week, cattle value is more than \$100 lower per head in the South than the North. It is common for prices in the North to be higher than the South, but the market is reaching to the extremes at this point. Cash prices on a live basis are pushing toward the proverbial \$200 mark in the North, which could be what the market needs to push higher. However, there is thought to be a considerable resistance at this level. The cattle feeder likely needs the price of finished cattle to push higher given the \$60 per hundredweight price difference between purchase and sell price.

BEEF CUTOUT: At midday Friday, the Choice cutout was \$330.86 up \$1.02 from Thursday and up \$5.13 from a week ago. The Select cutout was \$306.00 up \$1.62 from Thursday and up \$1.19 from last week. The Choice Select spread was \$24.86 compared to \$20.92 a week ago.

The Choice beef cutout has made tremendous strides the past several weeks and months. The Choice cutout price increased \$15 per hundredweight in the month of June and is \$37 higher than where it was the first day of May. The market fully expected wholesale beef prices to increase entering the grilling season, but prices were expected to increase more so in May

than in June. With the passing of the Independence Day holiday, there is only one more traditional summer grilling holiday left in 2024. This does not mean consumers will not continue grilling throughout the summer months, but there will not be a coordinated grilling time in which a large quantity of consumers are contributing to beef disappearance. There has been repeated concern from analysts that consumers may slow beef purchases due to price. However, beef demand remains strong based on the most recent data. There is always a supply side and a demand side to the equation. Right now, consumers seem to be keeping up their end of the equation.

OUTLOOK: Many of the livestock auction markets were closed this week, which means there are no trends to compare week-to-week changes in prices. Thus, this is a good time to look at the broader picture of change in feeder cattle prices the first six months of the year. The latest CME feeder cattle index as of this writing was \$256.44 per hundredweight, which is down slightly from the record high of \$259.04 on June 26. Despite the slight decline in the index the past week, current prices are well above where they started the year. The CME feeder cattle index was \$228.19 per hundredweight on January 1, which means the market is \$28 per hundredweight higher than six months ago. This price increase equates to a \$224 increase in value for an 800 pound steer from January to the beginning of July. Similarly, the price one year ago was around \$231 per hundredweight, which means today's value of an 800 pound steer is about \$200 per head higher than July 2023. There have certainly been price fluctuations the past six months and even more so over the past year. The CME feeder cattle index has been as low as

(Continued on page 2)

Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

\$215 per hundredweight as recently as December 2023, which means there has been a \$44 per hundredweight swing in less than seven months. Given the record setting price just above \$259, feeder cattle futures for the fall months are predicting prices to move north of \$263. This is not an outlandish expectation and can certainly be achieved. This expectation is certainly more reasonable than when the futures market was predicting \$270 or higher. Market participants should still be cognizant of potential market fluctuations. The simple fact that cattle prices are at record levels does not give license to ignore managing price risk. Actually, it is probably more important to manage price risk at record high prices than any other time. Prices can decline much more when they are at record highs than they can when they are extremely low, but who needs someone to state the obvious?

ASK ANDREW, TN THINK TANK: I had a discussion this week concerning selling older cows and replacing them with bred heifers. This is an important decision for most cow-calf producers including myself as I have bred heifers for sale and I have some older cows whose useful life in the breeding herd is extremely short. Thus, there are multiple questions to an-

swer. The first is if and when a mature female should be marketed. The second is if she should be replaced with a younger breeding female now or at some later date. From the market price perspective, it is extremely important to compare the value of the mature female with the value of replacing her. As an example, boning utility cows in Tennessee had an average price of \$143.50 per hundredweight last week and had an average weight of 1,210 pounds, which results in a value of \$1,736 per head. The decision at this point is to develop and breed a female or to purchase a bred female. Bred females are guaranteed bred and will generate revenue more quickly which makes them more valuable than one to be developed and bred.

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 –August \$186.43 +0.50; October \$187.18 +0.33; December \$188.78 -0.08; Feeder cattle –August \$261.48 -1.90; September \$262.23 -1.40; October \$262.23 -1.30; November \$262.10 -1.23; July corn closed at \$4.11 up 8 cents from Thursday.

Crop Comments by Dr. Aaron Smith

Overview

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

Drought has crept into Tennessee. The July 2nd U.S. Drought Monitor indicated that 64.5% of Tennessee was abnormally dry or worse. This includes 25.8% of the state classified as in moderate drought or 16% of Tennessee corn production, 3% of cotton production, and 13% of soybean production. The southern and eastern portion of the state has been the hardest hit by drought. Looking at the 7-day NOAA precipitation forecast, indicates 0.5 to 1 inch for the eastern half of the state and less than a half an inch for the western half. Limited precipitation in the next week will expand the drought area in the state and has the potential to continue to adversely affect harvested acres and yield potential. Looking at the 30-day NOAA forecast, issued June 30, indicates a normal probability of precipitation with above average temperatures for the state.

Nationally, only 7% of corn production and 9% of soybean production in the US is estimated to be in drought compared to 67% and 60% one year ago. Drought has become prevalent in the Southeast and Middle Atlantic with a band of drought across the Eastern Corn Belt. July will be critical for price direction as most of U.S. corn production will enter pollination.

December corn futures moved sideways this week trading between \$4.14 and \$4.27. Prior to this week, the previous seven trading days saw declines in December corn futures of 11, 3 ½, 1 ½, 8 ¾, 6 ½, 2 ¾, and 13 cents (down 47 cents). November soybeans rose this week with daily increases of 7, 2, 8 ½, and 8 ¼ cents (up 26.75 cents). Weather will continue to be the primary driver of corn and soybean price direction.

December cotton prices fell below 72 cents on Friday closing the week at 70.98 cents. Improved precipitation forecasts for the southern plains and tepid export demand continue to be the primary driver of lower cotton prices. A wild card for cotton prices will be the frequency and severity of hurricanes this summer and fall. Hurricane Beryl is projected to reach Texas on Sunday or Monday.

	Previous	Current	Change
USD Index	105.55	104.61	-0.94
Crude Oil	81.28	83.26	1.98
DJIA	39,011	39,344	333

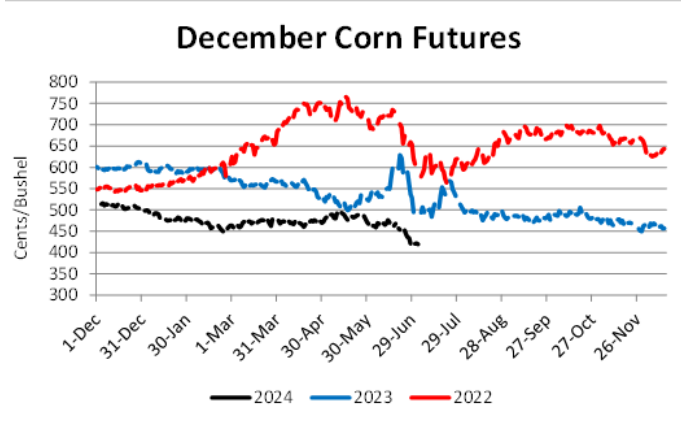
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Crop Comments by Dr. Aaron Smith

Corn

Across Tennessee, average corn basis (cash price-nearby futures price) strengthened or remained unchanged at Northwest, West, West-Central, North-Central, and Mississippi River elevators and barge points. Overall, basis for the week ranged from 79 under to 8 over, with an average of 20 under the September futures at elevators and barge points. Ethanol production for the week ending June 28 was 1.064 million barrels per day, up 21,000 from the previous week. Ethanol stocks were 23.594 million barrels, up 0.171 million barrels compared to last week. Corn net sales reported by exporters for June 21-27 were net sales of 14.1 million bushels for the 2023/24 marketing year and 12.3 million bushels for the 2024/25 marketing year. Exports for the same period were down 24% compared to last week at 35.2 million bushels. Corn export sales and commitments were 98% 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 101%. September 2024 corn futures closed at \$4.10, up 3 cents since last Friday. Sep/Dec and Sep/Mar future spreads were 14 and 28 cents. For the week September 2024 corn futures traded between \$4.01 and \$4.13.

Corn	Sep 24	Change	Dec 24	Change
Price	\$4.10	\$0.03	\$4.24	\$0.04
Support	\$4.00	\$0.18	\$4.14	\$0.19
Resistance	\$4.14	-\$0.27	\$4.28	-\$0.25
20 Day MA	\$4.37	-\$0.08	\$4.49	-\$0.09
50 Day MA	\$4.54	-\$0.04	\$4.67	-\$0.04
100 Day MA	\$4.54	-\$0.02	\$4.67	-\$0.02
4-Week High	\$4.65	-\$0.07	\$4.78	-\$0.07
4-Week Low	\$3.99	\$0.00	\$4.12	\$0.00
Technical Trend	Down	=	Down	=



The Crop Progress report estimated corn condition at 67% good-to-excellent and 9% poor-to-very poor; and corn silking at 11% compared to 4% last week, 7% last year, and a 5-year average of 6%. In Tennessee, corn condition was estimated at 65% good-to-excellent and 9% poor-to-very poor; corn silking at 53% compared to 34% last week, 42% last year, and a 5-year average of 37%; and corn dough at 3% compared to 3% last year and a 5-year average of 3%. New crop cash prices ranged from \$3.39 to \$4.02 at elevators and barge points. December 2024 corn futures closed at \$4.24, up 4 cents since last Friday. Downside price protection could be obtained by purchasing a \$4.30 December 2024 Put Option costing 25 cents establishing a \$4.05 futures floor. March 2025 corn futures closed at \$4.38, up 4 cents since last Friday.

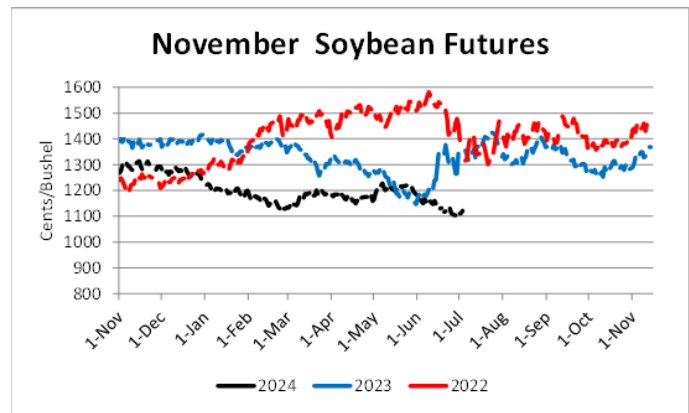
Soybeans

Across Tennessee the average soybean basis strengthened or remained unchanged at Northwest, West, West-Central, and Mississippi River elevators and barge points and weakened at North-Central elevators and barge points. Basis ranged from 25 under to 20 over the August 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 8.4 million bushels for the 2023/24 marketing year and 5.5 million bushels for the 2024/25 marketing year. Exports for the same period were down 22% compared to last week at 11.2 million bushels. Soybean export sales and commitments were 97% 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 102%. August 2024 soybean futures closed at \$11.66, up 33 cents since last Friday. For the week August 2024 soybean futures traded between \$11.29 and \$11.69. September 2024 soybean-to-corn price ratio was 2.75 at the end of the week. Aug/Sep and Aug/Nov future spreads were -40 and -37 cents. September 2024 soybean futures closed at \$11.26, up 26 cents since last Friday.

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Crop Comments by Dr. Aaron Smith

Soybeans	Aug 24	Change	Nov 24	Change
Price	\$11.66	\$0.33	\$11.29	\$0.25
Support	\$11.38	\$0.24	\$11.04	\$0.20
Resistance	\$11.81	\$0.17	\$11.43	\$0.09
20 Day MA	\$11.58	-\$0.06	\$11.31	-\$0.09
50 Day MA	\$11.89	-\$0.02	\$11.69	-\$0.03
100 Day MA	\$11.86	-\$0.01	\$11.68	-\$0.02
4-Week High	\$11.98	-\$0.32	\$11.72	-\$0.38
4-Week Low	\$11.29	-\$0.01	\$10.97	-\$0.03
Technical Trend	Up	+	Up	+

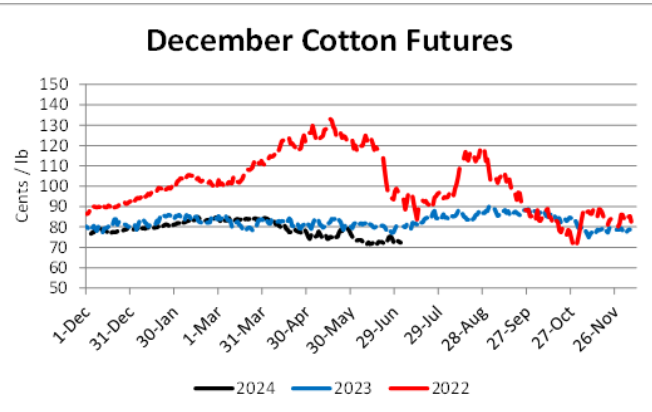


The Crop Progress report estimated soybean condition at 67% good-to-excellent and 8% poor-to-very poor; soybeans emerged at 95% compared to 90% last week, 97% last year, and a 5-year average of 93%; soybeans blooming at 20% compared to 8% last week, 20% last year, and a 5-year average of 15%; and soybeans setting pods at 3% compared to 3% last year and a 5-year average of 2%. In Tennessee, soybean condition was estimated at 71% good-to-excellent and 7% poor-to-very poor; soybean planting at 95% compared to 90% last week, 96% last year, and a 5-year average of 95%; soybeans emerged at 87% compared to 78% last week, 89% last year, and a 5-year average of 86%; soybean blooming at 41% compared to 27% last week, 35% last year, and a 5-year average of 19%; and soybeans setting pods at 5% compared to 6% last year and a 5-year average of 2%. New crop cash soybean prices at elevators and barge points ranged from \$10.61 to \$11.14. November 2024 soybean futures closed at \$11.29, up 25 cents since last Friday. Downside price protection could be achieved by purchasing an \$11.40 November 2024 Put Option which would cost 47 cents and set a \$10.93 futures floor. Nov/Dec soybean-to-corn price ratio was 2.66 at the end of the week.

Cotton

North Delta upland cotton spot price quotes for July 3 were 64.85 cents/lb (41-4-34) and 66.85 cents/lb (31-3-35). Adjusted World Price (AWP) decreased 0.43 cents to 57.8 cents. Cotton net weekly sales reported by exporters were 115,400 bales for the 2023/24 marketing year and 56,900 bales for the 2024/25 marketing year. Exports for the same period were up 25% compared to last week at 175,800 bales. Upland cotton export sales were 117% 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 116%.

Cotton	Dec 24	Change	Mar 25	Change
Price	70.98	-1.71	72.71	-1.65
Support	70.00	-0.20	71.48	-0.69
Resistance	72.37	-4.07	74.96	-2.69
20 Day MA	72.79	-0.31	74.30	-0.33
50 Day MA	74.74	-0.44	76.30	-0.44
100 Day MA	78.75	-0.42	79.87	-0.37
4-Week High	75.84	1.28	77.09	4.92
4-Week Low	70.00	0.00	71.48	0.00
Technical Trend	Down	-	Down	-



The Crop Progress report estimated cotton condition at 50% good-to-excellent and 17% poor-to-very poor; cotton planted at 97% compared to 94% last week, 98% last year, and a 5-year average of 99%; cotton squaring at 43% compared to 30% last week, 38% last year, and a 5-year average of 38%; and cotton setting bolls at 11% compared to 8% last week, 9% last year, and a 5-year average of 9%. In Tennessee, cotton condition was estimated at 62% good-to-excellent and 10% poor-to-very poor; cotton planting was estimated at 100% compared to 99% last week, 100% last year, and a 5-year average of 100%; cotton squaring at 55% compared to 40% last week, 49% last year, and a 5-year average of 41%; and cotton setting bolls at 9% compared, 2% last week, 12% last year, and a 5-year average of 6%. December 2024 cotton futures closed at 70.98 cents, down 1.71 cents since last Friday. For the week December 2024 cotton futures traded between 70.83 and 73.75 cents. Dec/Mar and

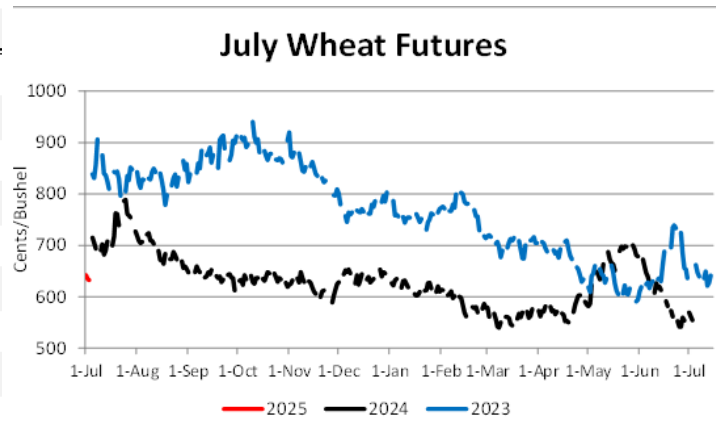
Crop Comments by Dr. Aaron Smith

Dec/May cotton futures spreads were 1.73 cents and 3.12 cents. Downside price protection could be obtained by purchasing a 73 cent December 2024 Put Option costing 4.14 cents establishing a 68.86 cent futures floor. March 2025 cotton futures closed at 72.71 cents, down 1.65 cents since last Friday. May 2025 cotton futures closed at 74.1 cents, down 1.59 cents since last Friday.

Wheat

Wheat net weekly sales reported by exporters were net sales of 29.6 million bushels for the 2024/25 marketing year. Exports for the same period were down 4% compared to last week at 11.3 million bushels. Wheat export sales were 32% of the USDA estimated total annual exports for the 2024/25 marketing year (June 1 to May 31), compared to the previous 5-year average of 30%. The Crop Progress report estimated winter wheat condition at 51% good-to-excellent and 15% poor-to-very poor; winter wheat harvested at 54% compared to 40% last week, 33% last year, and a 5-year average of 39%; spring wheat condition at 72% good-to-excellent compared to 4% poor-to-very poor; and spring wheat headed at 38% compared to 18% last week, 45% last year, and a 5-year average of 37%. In Tennessee, winter wheat harvested was estimated at 93% compared to 78% last week, 83% last year, and a 5-year average of 88%. Wheat cash prices at elevators and barge points ranged from \$4.99 to \$5.55. September 2024 wheat futures closed at \$5.90, up 17 cents since last Friday. September wheat-to-corn price ratio was 1.44. Sep/Mar and Sep/Jul future spreads were 42 and 54 cents. September 2024 wheat futures traded between \$5.67 and \$5.92 this week.

Wheat	Sep 24	Change	Jul 25	Change
Price	\$5.90	\$0.17	\$6.44	\$0.16
Support	\$5.62	\$0.07	\$6.23	\$0.11
Resistance	\$5.99	\$0.04	\$6.51	\$0.08
20 Day MA	\$6.02	-\$0.20	\$6.54	-\$0.19
50 Day MA	\$6.46	-\$0.01	\$6.93	-\$0.01
100 Day MA	\$6.14	-\$0.01	\$6.61	\$0.00
4-Week High	\$6.75	-\$0.51	\$7.23	-\$0.32
4-Week Low	\$5.56	\$0.00	\$6.11	\$0.00
Technical Trend	Down	=	Down	=



March 2025 wheat futures closed at \$6.32, up 17 cents since last Friday. July 2025 wheat futures closed at \$6.44, up 16 cents since last Friday. Downside price protection could be obtained by purchasing a \$6.50 July 2025 Put Option costing 70 cents establishing a \$5.80 futures floor.

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>

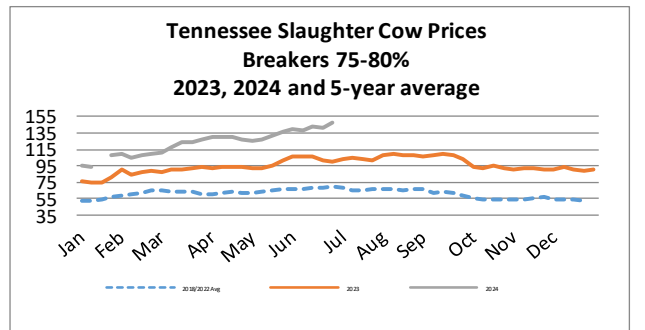
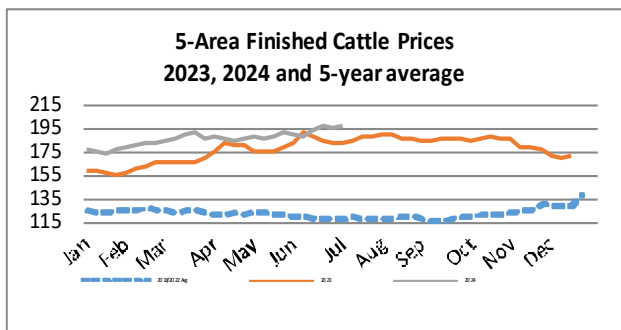
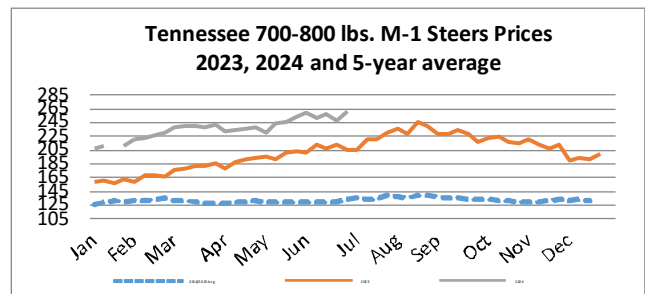
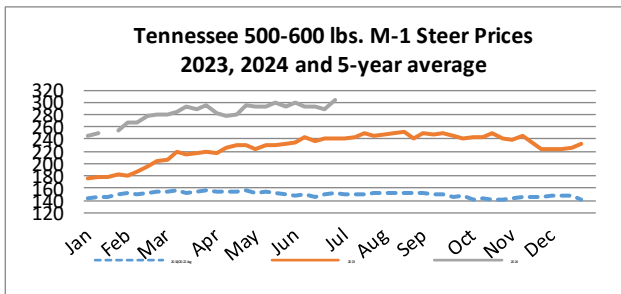
USDA AMS: Market News - <https://www.ams.usda.gov/market-news/search-market-news>

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, June 28, 2024---Thursday, July 4, 2024

	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	11.06	11.21	11.25	11.33	
North Central	11.54	11.66		11.73	
West Central					
West					
Mississippi River					
Yellow Corn					
Northwest	3.74	3.97	3.98	3.96	
North Central	3.27	3.28		3.36	
West Central	4.02	4.01	4.02	4.00	
West			4.16	4.14	
Mississippi River					
Wheat					
Northwest	4.90	5.09	4.99	4.92	
North Central	5.19	5.35	5.43	5.19	
West	5.39	5.54	5.46	5.39	
Mississippi River	5.17	5.31	5.29	5.22	
Cotton	-----\$/pound-----				
Memphis	65.98-67.98	66.24-68.24	65.50-67.50	64.85-66.85	



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, July 1, 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	250.00	375.00	326.47	334.55	252.48
400-500 lbs	279.00	2800.00	315.12	316.41	246.55
500-600 lbs	262.50	322.50	303.12	288.89	241.78
600-700 lbs	250.00	297.50	272.83	271.02	227.46
700-800 lbs	248.00	280.00	260.94	247.46	205.21
Steers: Small Frame #1-2					
300-400 lbs	---	---	---	---	224.40
400-500 lbs	---	---	---	282.80	209.28
500-600 lbs	---	---	---	211.25	198.00
600-700 lbs	---	---	---	---	---
Steers: Medium/Large Frame #3					
300-400 lbs	250.00	315.00	295.11	304.08	222.34
400-500 lbs	250.00	296.00	273.48	279.12	216.35
500-600 lbs	222.50	297.50	273.31	259.56	208.19
600-700 lbs	235.00	272.50	253.92	248.01	212.22
700-800 lbs	180.00	250.00	211.36	221.07	195.40
Holstein Steers					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
Slaughter Cows & Bulls					
Breakers 75-80%	132.00	158.00	147.14	141.74	102.97
Boners 80-85%	126.00	157.00	143.50	138.63	97.05
Lean 85-90%	110.00	147.00	130.73	121.77	87.14
Bulls YG 1	154.00	182.00	166.43	167.09	123.44
Heifers: Medium/Large Frame #1-2					
300-400 lbs	240.00	335.00	301.44	296.93	233.15
400-500 lbs	245.00	307.00	272.94	275.24	220.34
500-600 lbs	225.00	278.00	256.19	258.66	210.53
600-700 lbs	212.50	267.00	238.54	240.30	192.86
Heifers: Small Frame #1-2					
300-400 lbs	---	---	---	243.68	---
400-500 lbs	---	---	---	250.72	214.50
500-600 lbs	---	---	---	223.33	208.96
600-700 lbs	---	---	---	208.75	---
Heifers: Medium/Large Frame #2-3					
300-400 lbs	230.00	290.00	268.30	274.89	208.29
400-500 lbs	210.00	297.00	249.39	254.16	204.55
500-600 lbs	200.00	260.00	236.83	239.86	192.24
600-700 lbs	212.50	245.00	226.25	221.44	176.80

Cattle Receipts

This week:6,508

Week ago:6,174

Year ago:4,500

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

Graded Sales, Video Board Sales, Video Sales & Loads

Graded Goat & Sheep Sales

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

Weighted Average Report for 7/5/24

For complete report:

https://www.ams.usda.gov/mnreports/ams_3340.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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