

Tennessee Market Highlights

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

December 6, 2024

Number: 49

Trends for the Week Compared to a Week Ago

Slaughter Cows

\$2 to \$3 higher

Slaughter Bulls

\$2 to \$4 higher

Feeder Steers

\$8 to \$15 higher

Feeder Heifers

\$7 to \$13 higher

Feeder Cattle Index: 260.47

Fed Cattle

The 5-area live price on Thursday of \$190.35 up \$0.40 compared to last week and \$296.90 dressed, up \$0.27.

Corn

March closed at \$4.40 a bushel, up 7 cents since last Friday.

Soybeans

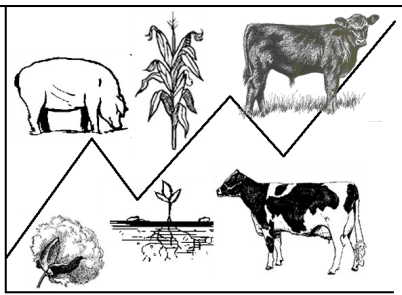
January closed at \$9.93 a bushel, up 4 cents since last Friday.

Wheat

March closed at \$5.57 a bushel, up 9 cents since last Friday.

Cotton

March closed at 70.11 cents per lb, down 2.04 cents since last Friday.



Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle traded \$1 to \$2 higher on a live basis compared to last week. Prices were mainly \$190 to \$191 on a live basis. Dressed trade was mainly \$296 to \$298.

The 5-area weighted average prices thru Thursday were \$190.35 live, up \$0.38 compared to last week and \$296.90 dressed, up \$0.27 from a week ago. A year ago, prices were \$170.17 live and \$269.65 dressed.

Cattle feeders played their way into a stronger market again this week. This will probably be more common over the next several months as true cattle availability is better understood. The continued movement of cattle into the feedlot during most of 2024 was drought induced, but the question always hinged on when cattle producers would stop pushing the increased numbers into the feeding system. This may not be the full inflection point, but it has certainly been noted that fewer animals are going to be available in the near future. Cattle feeders can certainly feel good about the price they are receiving, but they are probably feeling a little angst related to what they are paying to replace those animals.

BEEF CUTOUT: At midday Friday, the Choice cutout was \$311.92 up \$4.08 from Thursday and up \$0.70 from a week ago. The Select cutout was \$277.66 up \$0.56 from Thursday and up \$1.76 from last week. The Choice Select spread was \$34.26 compared to \$35.32 a week ago.

Prime rib will be the centerpiece for many holiday meals, but any middle meats are fair game as businesses host holiday gatherings to celebrate and demonstrate appreciation for staff members. The Choice cutout has yet to demonstrate any type of binge buying at this point, but those who are short bought may get in the market the next couple of weeks to draw custom-

ers in the doors. Whether it works or not or is profitable or not is far from being determined, but there will be a few who play that game. As one thinks about the timeline of beef purchases, the window between Thanksgiving and Christmas was as short as it could ever be at 27 days. This condensed marketing time frame certainly had grocery stores, restaurants, and food service providers weighing their options on how much beef to purchase. These entities do not want to be left holding the bag as consumers shift their consumption to more end meats as the market moves into winter. There will be some who made the correct call and others who did not, but that will not be determined for a few more weeks.

OUTLOOK: Based on weekly auction market averages, steer prices were \$8 to \$15 higher compared to last week while heifer prices were \$7 to \$13 higher compared to the previous week. Slaughter cow prices were \$2 to \$3 higher compared to the previous week's weighted average price while bull prices were \$2 to \$4 higher compared to the prior week. Oftentimes, price trends do not mean much without knowing what cattle prices are at that time. With that said, 550 pound steers in Tennessee will likely have averaged \$285 per hundredweight the first week of December, which is \$1,568 per head. When this is compared to load lot prices for feeder steers sold in Tennessee this week, the value of gain is largely in the \$1.70 to \$1.90 per pound rate. This sounds like a fairly good trade as far as selling heavy weight feeders and purchasing lighter weight feeders. Thus, if feeder cattle prices are maintained or strengthened then the value of gain looks extremely favorable even at the strong calf prices that are being paid. This may make cow-calf producers think calf prices should be even higher

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Livestock Comments by Dr. Andrew Griffith

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and maybe they should. However, as calf prices increase, mortality and morbidity have a higher cost on purchased cattle, which results in margins only being marginally higher than in previous years. This is not meant to defend or promote cow-calf producers or stocker producers in any way. What is clear is that more dollars are flowing in every sector, which can increase financial risk aspects of the business. With that in mind, margin operators and producers who carry cattle through multiple stages of production should consider managing price risk in some manner. There are proponents and opponents to using price risk management as some in the industry only think from a buy and then sell standpoint while others think from a sell and buy back standpoint. I have no problem with either way of thinking, but I do think price risk management tools can benefit both methodologies. Please do not email me if you simply disagree. This was not meant to ruffle feathers.

ASK ANDREW, TN THINK TANK: There have been several heifer and cow-calf pair sales over the past several weeks. Given the price levels, some observers have asked if those females will have a profitable life or if the purchaser will lose money on those females. First, the West Kentucky Select Bred Heifer Sale sold 193 bred heifers with an average purchase

price of \$3,264 per head. A couple of weeks prior to that heifer sale, I attended a bred cow and cow-calf pair sale. The biggest portion of those animals sold for more than \$3,000, and I would make no claim that they were anything special. Given the information of where female prices have been recently, can the buyer make money with these animals? The answer is always "it depends." If calf prices remain elevated for three or four years and those females produce a calf each year then they will likely be profitable. Another way to be profitable may be to market the animals first calf and sell a bred female or cow-calf pair next year. If they fail to rebreed or lose a calf then profitability will be difficult.

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 –December \$187.38 +0.40; February \$186.18 -0.15; April \$188.30 -0.25; Feeder cattle –January \$255.83 +0.90; March \$254.68 +1.08; April \$255.58 +0.95; May \$255.75 +0.93; December corn closed at \$4.31 up 4 cents from Thursday.

Please use this link for cattle and market definitions: [Cattle and Beef Market Definitions Publication W801](#)

Crop Comments by Dr. Aaron Smith

Overview

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

Tennessee corn, soybean, and cotton farmers are managing a disappointing 2024 crop year and planning for the upcoming 2025 crop production year. A few points to consider during the planning process.

- 1) Commodity prices are low and there is currently nothing on the radar that would indicate substantial improvement will occur in 2025. Drought, production disruptions abroad, and geopolitics could improve price prospects, but at this point in time this is highly uncertain and mostly hopeful thinking.
- 2) Trade / retaliatory tariffs are a concern and provide the potential for substantial downside price risk in commodities that are heavily reliant on export sales like soybeans and cotton. Protecting against downside price movements should be considered.
- 3) Producers need to distinguish between cash costs versus non-cash cost (capital recovery) in the short term. We can farm in the short term covering cash costs, but in the long term we need to cover total economic costs.
- 4) Input costs and profit margin need to be managed effectively - do not cut costs at the expense of yield. Approximately 90% of the cash costs are in five cost categories. Land, seed, chemical, fertilizer, and operating expenses for equipment (fuel, labor, repairs and maintenance). Farmers should evaluate the efficiency of these five costs to assist in managing profit margin.
- 5) Secure financing early. It will be a challenging year for many farmers to secure operating credit for 2025. Obtaining financing needs to occur as early as possible. Understand your financial position and how lenders evaluate credit applications. There are five main factors lenders consider (repayment, liquidity, solvency, collateral, and relationship). Which factors lenders emphasize, and the ratio or measure to evaluate the factor, will depend on the agricultural lender or credit provider.
- 6) Develop a marketing and risk management plan. Crop insurance, storage analysis, contracts, futures, and options. Do not use

	Previous	Current	Change
USD Index	106.25	106.04	-0.21
Crude Oil	68	67.11	-0.89
DJIA	44,940	44,626	-314

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Crop Comments by Dr. Aaron Smith

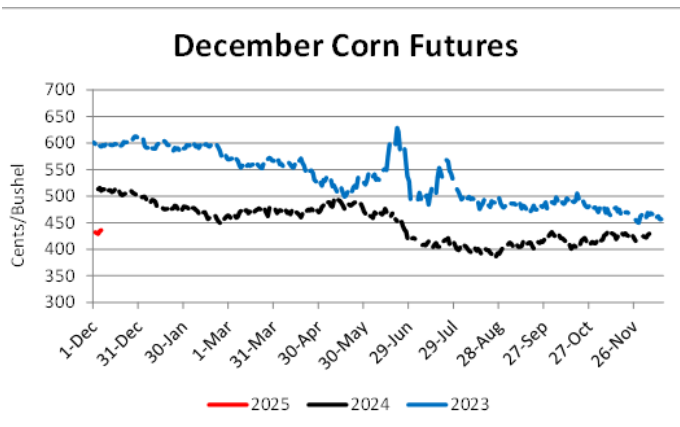
the same marketing and risk management strategy in the current market environment as when we had higher prices and higher volatility two years ago.

7) There is the potential for payments from the federal government (FARM Act? Or other Ad Hoc legislation) and a New Farm Bill is likely. I would not incorporate these potential payments into the 2025 financial plan. If realized they are bonus.

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 29 under to 25 over, with an average of 5 over the March futures at elevators and barge points. Ethanol production for the week ending November 29 was 1.073 million barrels per day, down 46,000 from the previous week. Ethanol stocks were 23.003 million barrels, up 0.134 million barrels compared to last week. Corn net sales reported by exporters for November 22-28 were net sales of 68.2 million bushels for the 2024/25 marketing year and 0.9 million bushels for the 2025/26 marketing year. Exports for the same period were up 3% compared to last week at 31.2 million bushels. Corn export sales and commitments were 58% of the USDA estimated total annual exports for the 2024/25 marketing year (September 1 to August 31) compared to the previous 5-year average of 50%. Cash prices ranged from \$4.02 to \$4.63 at elevators and barge points. March 2025 corn futures closed at \$4.40, up 7 cents since last Friday. For the week, March 2025 corn futures traded between \$4.28 and \$4.40. May 2025 corn futures closed at \$4.45, up 11 cents since last Friday.

Corn	Mar 25	Change	Dec 25	Change
Price	\$4.40	\$0.07	\$4.37	\$0.06
Support	\$4.32	\$0.05	\$4.31	\$0.09
Resistance	\$4.44	\$0.07	\$4.40	\$0.01
20 Day MA	\$4.35	-\$0.01	\$4.36	\$0.03
50 Day MA	\$4.33	\$0.00	\$4.42	\$0.05
100 Day MA	\$4.27	\$0.00	\$4.43	\$0.05
4-Week High	\$4.47	\$0.00	\$4.51	\$0.04
4-Week Low	\$4.25	\$0.00	\$4.28	\$0.00
Technical Trend	Up	+	Up	+



Mar/May and Mar/Dec future spreads were 5 and -3 cents. December 2025 corn futures closed at \$4.37, up 6 cents since last Friday. Downside price protection could be obtained by purchasing a \$4.40 December 2025 Put Option costing 37 cents establishing a \$4.03 futures floor.

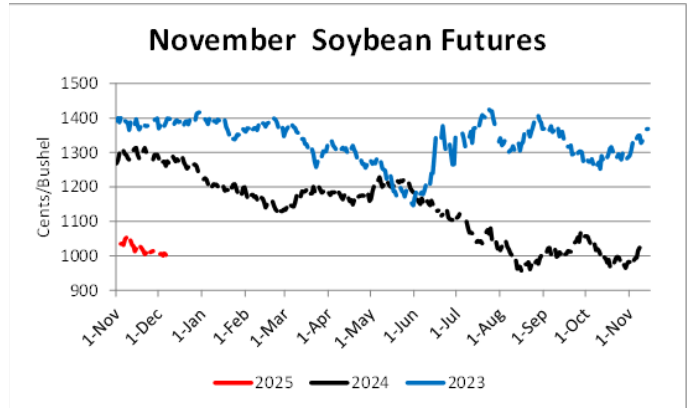
Soybeans

Across Tennessee the average soybean basis strengthened or remained unchanged at Northwest, West, North-Central, West-Central, and Mississippi River elevators and barge points. Basis ranged from 20 under to 34 over the January futures contract, with an average basis at the end of the week of 16 over. Soybean net weekly sales reported by exporters were net sales of 85 million bushels for the 2024/25 marketing year and 0.007 million bushels for the 2025/26 marketing year. Exports for the same period were up 17% compared to last week at 89.2 million bushels. Soybean export sales and commitments were 73% of the USDA estimated total annual exports for the 2024/25 marketing year (September 1 to August 31), compared to the previous 5-year average of 72%. Cash soybean prices at elevators and barge points ranged from \$9.59 to \$10.28. January 2025 soybean futures closed at \$9.93, up 4 cents since last Friday. For the week, January 2025 soybean futures traded between \$9.77 and \$9.99. March soybean-to-corn price ratio was 2.27 at the end of the week. March 2025 soybean futures closed at \$9.99, up 3 cents since last Friday.

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Crop Comments by Dr. Aaron Smith

Soybeans	Jan 25	Change	Nov 25	Change
Price	\$9.93	\$0.04	\$10.05	-\$0.05
Support	\$9.83	\$0.12	\$9.97	\$0.04
Resistance	\$10.02	\$0.05	\$10.12	-\$0.05
20 Day MA	\$9.95	-\$0.03	\$10.17	-\$0.05
50 Day MA	\$10.09	-\$0.05	\$10.36	-\$0.06
100 Day MA	\$10.19	-\$0.02	\$10.46	-\$0.01
4-Week High	\$10.44	\$0.00	\$10.60	\$0.00
4-Week Low	\$9.75	\$0.00	\$9.97	-\$0.01
Technical Trend	Down	=	Down	=

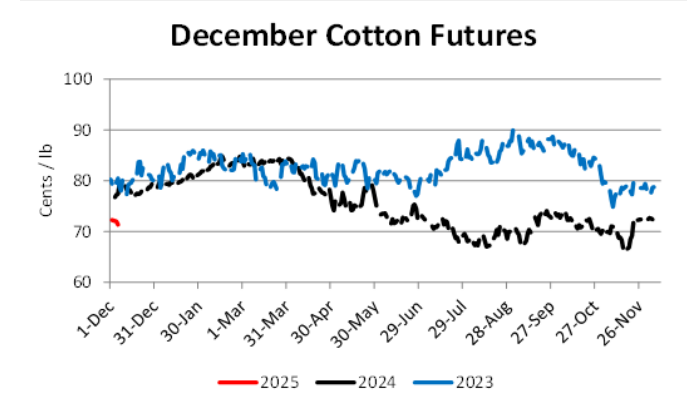


Jan/Mar and Jan/Nov future spreads were 6 and 12 cents. November 2025 soybean futures closed at \$10.05, down 5 cents since last Friday. Downside price protection could be achieved by purchasing a \$10.20 November 2025 Put Option which would cost 72 cents and set a \$9.48 futures floor. Nov/Dec 2025 soybean-to-corn price ratio was 2.30 at the end of the week.

Cotton

North Delta upland cotton spot price quotes for December 5 were 67.6 cents/lb (41-4-34) and 69.6 cents/lb (31-3-35). Adjusted World Price (AWP) increased 0.21 cents to 57.74 cents. Cotton net weekly sales reported by exporters were net sales of 170,700 bales for the 2024/25 marketing year. Exports for the same period were up 21% compared to last week at 157,500 bales. Upland cotton export sales were 65% of the USDA estimated total annual exports for the 2024/25 marketing year (August 1 to July 31), compared to the previous 5-year average of 71%. March 2025 cotton futures closed at 70.11 cents, down 2.04 cents since last Friday. For the week, March 2025 cotton futures traded between 70.06 and 72.06 cents. May 2025 cotton futures closed at 71.35 cents, down 1.63 cents since last Friday.

Cotton	Mar 25	Change	Dec 25	Change
Price	70.11	-2.04	71.29	-1.29
Support	69.35	-0.28	70.70	-0.92
Resistance	71.53	-1.46	72.28	-1.11
20 Day MA	70.96	-0.28	71.86	-0.46
50 Day MA	72.58	-0.27	72.59	-0.99
100 Day MA	71.97	-0.09	72.02	-0.96
4-Week High	73.75	0.00	73.35	0.00
4-Week Low	68.40	0.00	70.10	0.00
Technical Trend	Down	-	Down	-



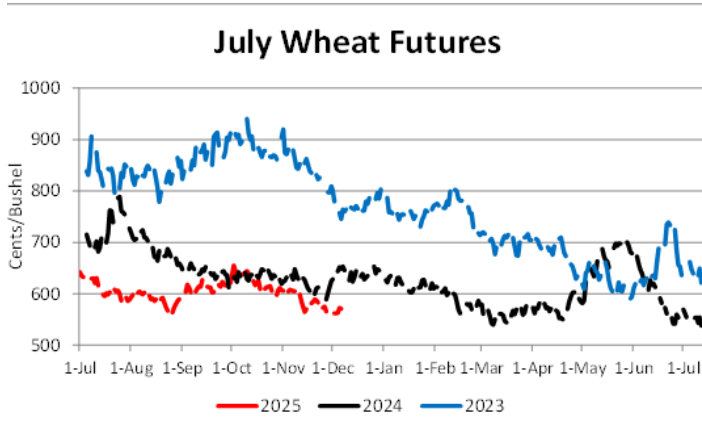
Mar/May and Mar/Dec cotton futures spreads were 1.24 cents and 1.18 cents. December 2025 cotton futures closed at 71.29 cents, down 1.29 cents since last Friday. Downside price protection could be obtained by purchasing a 72 cent December 2025 Put Option costing 4.3 cents establishing a 67.7 cent futures floor.

Wheat

Wheat net weekly sales reported by exporters were net sales of 13.9 million bushels for the 2024/25 marketing year. Exports for the same period were down 26% compared to last week at 11.8 million bushels. Wheat export sales were 70% 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 73%. Wheat cash prices at elevators and barge points ranged from \$4.92 to \$5.44. March 2025 wheat futures closed at \$5.57, up 9 cents since last Friday. The March wheat-to-corn price ratio was 1.27. March 2025 wheat futures traded between \$5.40 and \$5.60 this week. May 2025 wheat futures closed at \$5.65, up 8 cents since last Friday.

Crop Comments by Dr. Aaron Smith

Wheat	Mar 25	Change	Jul 25	Change
Price	\$5.57	\$0.09	\$5.71	\$0.08
Support	\$5.49	\$0.22	\$5.64	\$0.11
Resistance	\$5.64	\$0.20	\$5.77	\$0.02
20 Day MA	\$5.60	\$0.11	\$5.76	-\$0.06
50 Day MA	\$5.86	\$0.17	\$6.02	-\$0.04
100 Day MA	\$5.84	\$0.19	\$6.00	-\$0.01
4-Week High	\$5.96	\$0.17	\$6.11	-\$0.01
4-Week Low	\$5.40	\$0.12	\$5.55	-\$0.02
Technical Trend	Up	+	Up	+



Mar/May and Mar/Jul future spreads were 8 and 14 cents. July cash contracts at elevators and barge points ranged from \$5.07 to \$5.51. July 2025 wheat futures closed at \$5.71, up 8 cents since last Friday. Downside price protection could be obtained by purchasing a \$5.80 July 2025 Put Option costing 54 cents establishing a \$5.26 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_mdbl_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>

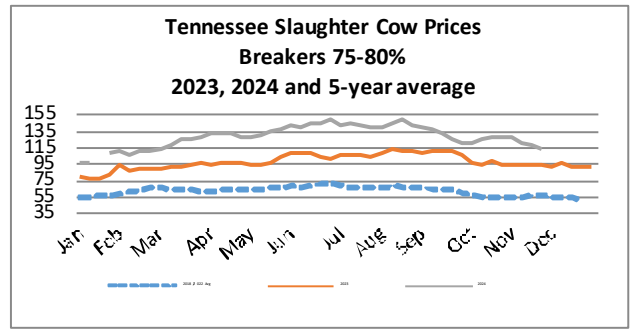
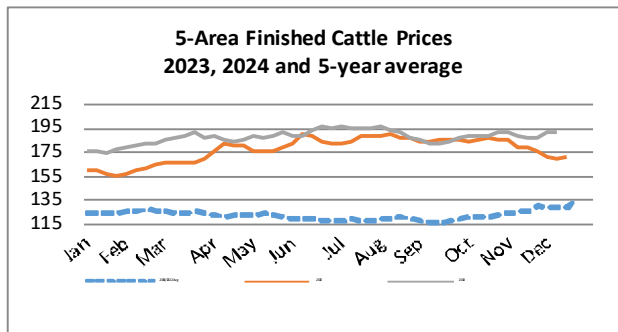
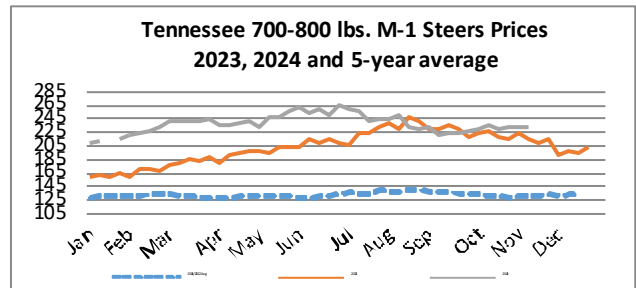
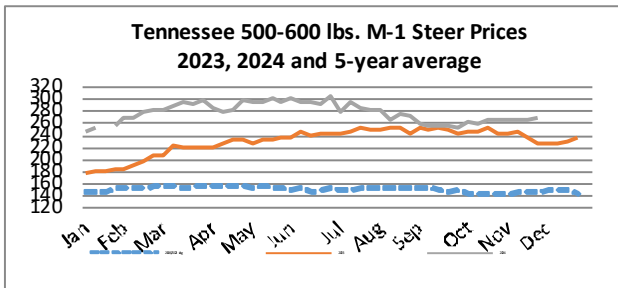
USDA AMS: Market News - <https://www.ams.usda.gov/market-news/search-market-news>

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, November 29, 2024---Thursday, December 5, 2024

	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
No. 2 Yellow Soybeans	-----\$/bushel-----				
Northwest	9.64	9.65	9.72	9.64	9.76
North Central	10.00	9.95	10.12	10.04	10.14
West Central					
West	10.22	10.17	10.24	10.18	10.28
Mississippi River	10.15	10.11	10.17	10.11	10.21
Yellow Corn					
Northwest	4.24	4.53	4.36	4.33	4.40
North Central	4.03	4.05	4.03	4.02	4.07
West Central					
West	4.55	4.58	4.57	4.55	4.60
Mississippi River	4.48	4.45	4.45	4.47	4.52
Wheat					
Northwest					
North Central	4.87	4.93	5.03	5.03	5.13
West					
Mississippi River		5.32	5.33	5.33	5.43
Cotton	-----\$/pound-----				
Memphis	67.93-69.93	67.49-69.49	67.27-69.27	67.25-69.25	67.6-69.60



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>

Graded Sales, Video Board Sales, Video Sales & Loads

Dickson Regional Livestock Center - Dickson, TN

12/2/24

Total Receipts: 1,297

64 steers, 818 lbs, M&L #1, 100% Blk/BWF, 5 flesh, value added \$258.25

Browning Livestock Market Video/Internet Auction

- Lafayette, TN

12/4/24

Total Receipts: 760

For complete report:

https://www.ams.usda.gov/mnreports/ams_3467.pdf

Columbia Livestock Center (UPI) - Columbia, TN

12/4/24

58, 883lbs, Strs, M/L, 1's, 5 fleshed, \$234.25

59, 829lbs, Hfrs, M/L, 1's, 5 fleshed, \$227.50

East Tennessee Livestock Center Video Sale

- Sweetwater, TN

12/4/24

1 load out of 80 steers from BQA certified producer; Est weight 880 lbs; 95% L&M-1s and 5% L&M-2s; 100% BLK/BWF; \$249.75

Hardin County Stockyard - Savannah, TN

12/4/24

65 heifers, 767 lbs, M&L #1, 100% Black/BWF, 4-5 flesh, guaranteed open, value added, \$240.00

Hardin County Stockyard Video Auction - Savannah, TN

12/4/24

Total Receipts: 75

For complete report:

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

Warren Co. Livestock Graded Sale - McMinnville, TN

12/4/24

Total Receipts: 870

For complete report:

https://www.ams.usda.gov/mnreports/ams_2079.pdf

Graded Sales, Video Board Sales, Video Sales & Loads

Hodge Livestock Network-December 5, 2024

1 load of heifers; est. wt. 765 lbs. Range 700-850 lbs.; All Black & BWF; 80% #1s, 20% #1 ½; 70% Medium and 30% Large; Medium flesh; \$239.00

1 load of steers; est. wt. 850 lbs. Range 800-950 lbs.; All Black & BWF; 80% #1s, 20% #1 ½; 75% Medium and 25% Large; Medium flesh; \$250.50

1 load of steers; est. wt. 865 lbs. Range 800-950 lbs.; All Black & BWF; 80% #1s, 20% #1 ½; 80% Medium and 20% Large; Medium Grass flesh; \$251.75

1 load of heifers; est. wt. 775 lbs. Range 700-850 lbs.; All Black & BWF; 80% #1s, 20% #1 ½; 80% Medium and 20% Large; Medium Grass flesh; \$239.00

1 load of heifers; est. wt. 675 lbs. Range 600-750 lbs.; All Black & BWF; 80% #1s, 20% #1 ½; 80% Medium and 20% Large; Medium Grass flesh; \$247.00

1 load of steers; est. wt. 850 lbs. Range 600-800 lbs.; Approx. 70% Black & BWF, 20% Char-X, 10% Reds; 70% #1s, 20% #1 ½ and 10% good #2s; 80% Medium and 20% Large; Light Medium to Medium; \$238.00

1 load of heifers; est. wt. 750 lbs. Range 600-800 lbs.; Approx. 70% Black & BWF, 20% Char-X, 10% Reds; 70% #1s, 20% #1 ½ and 10% good #2s; 80% Medium and 20% Large; Light Medium to Medium; \$228.00

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

Weighted Average Report for 12/6/24

For complete report:

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

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USDA / Tennessee Department of Agriculture Market News Service <https://www.tn.gov/agriculture/farms/news.html>

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