

# Tennessee Market Highlights

UTEXTENSION  
INSTITUTE OF AGRICULTURE  
THE UNIVERSITY OF TENNESSEE

July 19, 2024

Number: 29

## Trends for the Week Compared to a Week Ago

### Slaughter Cows

unevenly steady

### Slaughter Bulls

unevenly steady

### Feeder Steers

\$2 to \$6 lower

### Feeder Heifers

\$4 to \$10 lower

### Feeder Cattle Index: 259.26

### Fed Cattle

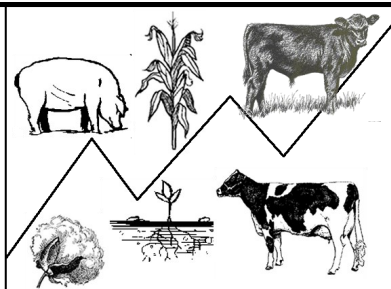
The 5-area live price on Thursday of \$193.14 was down \$0.97 compared to last week and \$310.11 dressed, down \$2.75.

### Corn

### Soybeans

### Wheat

### Cotton



## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded steady in the South compared to last week. Price in the South were mainly \$188 and \$196 in the North on a live basis. Dressed trade was mainly \$310 to \$311.

The 5-area weighted average prices thru Thursday were \$193.14 live, down \$0.97 compared to last week and \$310.11 dressed, down \$2.75 from a week ago. A year ago, prices were \$186.74 live and \$293.98 dressed.

The price spread between Southern cattle and Northern cattle that was mentioned last week narrowed slightly this week, but significant differences remain between regions. Some of this price difference is strictly based on how the cattle will grade, but how much is due to grade is less clear. Regardless, cattle feeders in most cattle feeding regions are actively seeking cattle to place on feed. The demand for cattle will remain strong as cattle feeders compete for a smaller number of cattle this year. At the same time, cattle feeders will combat some of this challenge by feeding cattle more days and to heavier weights. This will support beef production and keep feed yards full longer.

**BEEF CUTOFF:** At midday Friday, the Choice cutout was \$314.13 down \$2.02 from Thursday and down \$8.03 from a week ago. The Select cutout was \$299.01 down \$0.45 from Thursday and down \$4.16 from last week. The Choice Select spread was \$15.12 compared to \$18.99 a week ago.

The Choice boxed beef cutout price has declined \$16.73 the past two weeks following its price surge from the beginning of June through Independence Day. The price decline the past two weeks was not unexpected other than it occurred a little later than may have been expected. The beef market tends to take a breath during the "dog days of summer," which general-

ly corresponds to the same time fishermen have to check fish for ticks. The lower wholesale beef price will have packers working hard to purchase cattle cheaper, but they may not be able to put as much pressure on prices this year as in years past. On the positive side, packers have one more grilling holiday in Labor Day in which beef prices should be supported. It is unlikely Labor Day purchases will result in surging prices, but it will provide a bright spot as the fall months tend to be slow leading up to holiday purchases. This is about as uplifting as receiving a phone call saying there are cattle out, but there is no better feeling than learning it is actually the neighbor's cattle.

**OUTLOOK:** Based on weekly auction market averages, steer prices were \$2 to \$6 lower compared to last week while heifer prices were \$4 to \$10 lower compared to the previous week. Slaughter cow prices were unevenly steady compared to the previous week's weighted average price while bull prices were also unevenly steady compared to the prior week. Feeder cattle futures showed some signs of softening this week, but the reality of the softening is that feeder cattle contracts have been rangebound for three months. Using the August contract as an example, feeder cattle futures have closed every day between \$250 and \$265 per hundred-weight over the past three months. The same contract has spent most of the past five weeks trading between \$255 and \$263. Producers on the selling side of the equation would certainly notice the \$120 per head difference in value from a price of \$250 to \$265 on an 800 pound animal as that would equate to \$7,500 on a single 50,000 pound load of cattle. The difference in price extremes would not be as noticeable given the past month of trading, but it could still reach into the pockets

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# Livestock Comments by Dr. Andrew Griffith

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of producers if a person was to sell when the market was on the lower end of the range. Cattle markets have been extremely volatile the past year, but prices appear to be settling into a narrower range. A narrower trading range does increase the probability of plans coming to fruition. Despite what appears to be a reduction in volatility and a steadier price outlook, it does not mean producers can overlook and ignore managing price risk. Managing price risk does not always mean pulling the trigger on an action, but rather actively observing the market and evaluating price risk management strategies. Some may disagree with this statement, but managing price risk does not mean taking immediate action on a whim or because someone says something needs to be done at a specific time. Oddly enough, we as humans were given the ability to think and reason and, in that, use “common sense.”

The July cattle on feed report for feedlots with a 1000 head or more capacity indicated cattle and calves on feed as of July 1, 2024 totaled 11.30 million head, up 0.5% compared to a year ago, with the pre-report estimate average expecting a 1.2% increase. June placements in feedlots totaled 1.56 million head, down 6.8% from a year ago with the pre-report estimate average expecting placements down 3.0%. June marketing's totaled 1.79 million head down 8.7% from 2023 with pre-report estimates expecting marketings down 8.2%. Placements on feed by weight: under 700 pounds down 6.8%, 700 to 899 pounds down 6.7%, 900 pounds and over down 7.5%.

**ASK ANDREW, TN THINK TANK:** A question concerning selling 50,000 pound loads of feeder cattle through video or through the weekly sale was asked this week. We have not addressed any specific research questions related to selling by video versus selling a truckload through the barn. However, it is not uncommon to regularly compare prices of video cattle and loads of cattle sold through the barn during the same week. I cannot say I see any difference in price for similar cattle. One large benefit of selling cattle through the ring is that the actual weight is known, which means no price slide to negatively impact the seller. Similarly, there is no pencil shrink, which means management of shrink if fully realized by the producer. The only problem is that cattle going through the normal sale may shrink a little more than cattle weighed coming straight off the truck. Many of the livestock auctions in Tennessee sell video cattle and loads through the ring, and they do a great job in both instances. It is difficult to go wrong either way if the base weight is set correctly.

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 –August \$183.10 +0.85; October \$183.48 +0.45; December \$184.68 -0.30; Feeder cattle –August \$255.60 -0.63; September \$255.78 -1.23; October \$255.65 -1.30; November \$255.38 -1.15; July corn closed at \$3.91 down 1 cent from Thursday.

Prices Paid to Farmers by Elevators					
Friday, July 12, 2024---Thursday, July 18, 2024					
	Friday Average	Monday Average	Tuesday Average	Wednesday Average	Thursday Average
<b>No. 2 Yellow Soybeans</b>	-----\$/bushel-----				
Northwest	10.80	10.53	10.66	10.72	10.74
North Central	11.20	10.93	11.06	11.12	11.14
<b>Yellow Corn</b>					
Northwest	3.92	3.81	3.86	3.88	3.81
North Central	3.32	3.21	3.26	3.28	3.21
West Central	3.96	3.85	3.90	3.92	3.85
West	4.17	4.06	4.11	4.13	4.06
<b>Wheat</b>					
Northwest	4.69	4.51	4.49	4.58	4.54
North Central	4.96	4.78	4.76	4.84	4.80
West	5.21	5.03	5.01	5.19	5.15
Mississippi River	5.01	4.83	4.85	4.99	4.95
<b>Cotton</b>	-----\$/pound-----				
Memphis	63.42-65.42	65.36-67.36	64.87-66.87	65.62-67.62	66.37-68.37

## Prices on Tennessee Reported Livestock Auctions for the week ending Monday, July 15, 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	290.00	375.00	321.90	322.66	263.09
400-500 lbs	282.50	345.00	309.50	303.00	253.73
500-600 lbs	257.00	320.00	291.41	276.65	242.72
600-700 lbs	238.00	290.00	268.97	259.51	234.85
700-800 lbs	225.00	266.00	253.16	---	219.84
<b>Steers: Small Frame #1-2</b>					
300-400 lbs	---	---	---	---	---
400-500 lbs	255.00	275.00	265.00	---	226.76
500-600 lbs	---	---	---	---	---
600-700 lbs	250.00	260.00	256.67	---	---
<b>Steers: Medium/Large Frame #3</b>					
300-400 lbs	270.00	320.00	298.45	---	232.01
400-500 lbs	250.00	300.00	279.25	261.67	223.96
500-600 lbs	220.00	285.00	260.71	---	220.35
600-700 lbs	224.00	269.00	250.87	---	212.20
700-800 lbs	185.00	248.00	226.86	---	210.99
<b>Holstein Steers</b>					
300-400 lbs	---	---	---	---	---
500-600 lbs	---	---	---	---	---
700-800 lbs	---	---	---	---	---
<b>Slaughter Cows &amp; Bulls</b>					
Breakers 75-80%	129.50	150.00	142.38	140.82	103.70
Boners 80-85%	127.00	152.00	140.05	135.58	98.76
Lean 85-90%	110.00	138.00	126.04	112.39	88.57
Bulls YG 1	150.00	175.00	162.33	157.52	125.95
<b>Heifers: Medium/Large Frame #1-2</b>					
300-400 lbs	251.00	340.00	287.02	278.55	227.81
400-500 lbs	244.00	312.50	274.57	257.50	221.93
500-600 lbs	227.00	280.00	252.66	251.93	213.61
600-700 lbs	208.00	262.50	239.83	230.33	196.91
<b>Heifers: Small Frame #1-2</b>					
300-400 lbs	---	---	---	---	---
400-500 lbs	226.00	265.00	243.84	---	199.85
500-600 lbs	---	---	---	---	191.20
600-700 lbs	195.00	237.50	216.25	---	---
<b>Heifers: Medium/Large Frame #2-3</b>					
300-400 lbs	227.00	302.00	264.00	257.98	212.10
400-500 lbs	208.00	277.00	250.56	229.25	207.18
500-600 lbs	210.00	257.50	239.22	---	199.58
600-700 lbs	180.00	240.00	223.98	---	188.99

Cattle Receipts

This week:8,308

Week ago:374

Year ago:8,524

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

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

### East Tennessee Livestock Center Video/Board Sale

- Sweetwater, TN

7/10/24

1 load out of 110 steers from BQA certified producer; Est weight 890 lbs; 95% L&M-1s and 5% L&M-2s; 90% BLK/BWF and 10% ChaX; \$241.00

1 load out of 70 steers from BQA certified producer; Est weight 880 lbs; 90% L&M-1s and 10% L&M-2s; 100% BLK/BWF; \$248.00

### Warren Co. Livestock Auction - McMinnville, TN

7/15/24

1 load- 72 one owner steers; averaging 714 lbs; 57 blk, 10 chx, 5 red; medium/large frame; 80% #1/20% #2; value-added; medium flesh; \$275.75

1 load- 55 one owner steers; averaging 916 lbs; 31 blk, 17 chx, 7 red; medium/large frame; 70% #1/ 30% #2; value added medium to medium minus flesh; \$238.50

### Warren Co. Livestock Video Auction - McMinnville, TN

7/15/24

Total Receipts: 184

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_3665.pdf](https://www.ams.usda.gov/mnreports/ams_3665.pdf)

### Browning Livestock Market Video/Internet Auction

- Lafayette, TN

7/17/24

Total Receipts: 844

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_3467.pdf](https://www.ams.usda.gov/mnreports/ams_3467.pdf)

### East Tennessee Livestock Center Video/Board Sale

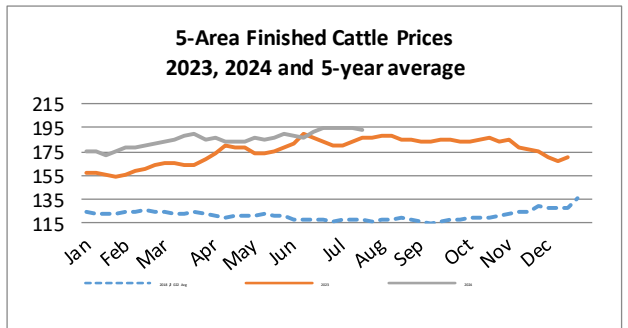
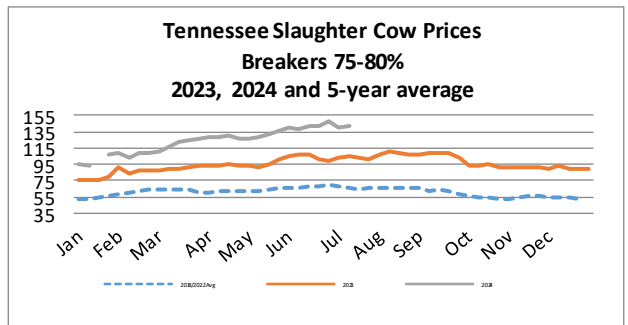
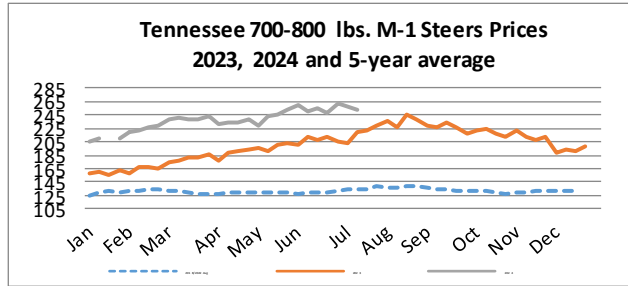
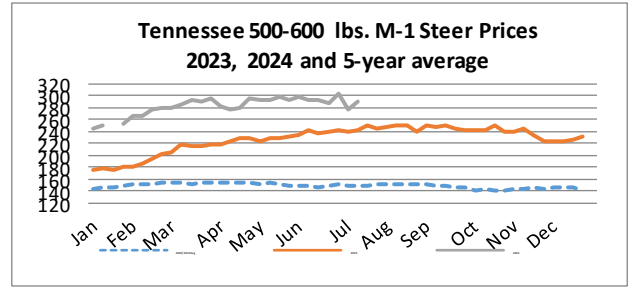
- Sweetwater, TN

7/17/24

Total Receipts: 57

For complete report:

[https://www.ams.usda.gov/mnreports/ams\\_2228.pdf](https://www.ams.usda.gov/mnreports/ams_2228.pdf)



## 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>

## 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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