

Tennessee Market Highlights

UT Extension

January 17, 2014

Number: 03

Trends for the Week Compared to a Week Ago

Slaughter Cows

\$2 higher

Slaughter Bulls

Steady to \$2 higher

Feeder Steers

Under 400 lbs. \$12 to \$14 higher, over 400 lbs. \$4 to \$8 higher

Feeder Heifers

Under 500 lbs. \$12 to \$17 higher, over 500 lbs. \$4 to \$9 higher

Feeder Cattle Index

Wednesday's index \$171.34

Fed Cattle

The 5-area live price of \$142.45 is up \$2.91. The dressed price is up \$5.79 at \$227.27.

Corn

March closed at \$4.24 a bushel, down 8 cents since last Friday.

Soybeans

March closed at \$13.16 a bushel, up 38 cents a bushel since last Friday.

Wheat

March closed at \$5.63 a bushel, down 6 cents a bushel since last Friday.

Cotton

March closed at 86.8 cents per lb, up 4.21 cents per lb since last Friday.

Livestock Comments by Dr. Andrew P. Griffith

FED CATTLE: Fed cattle were \$3 higher compared to last week. Prices on a live basis were primarily \$142 to \$144 while dressed prices were primarily \$226 to \$229. The 5-area weighted average prices thru Thursday were \$142.45 live, up \$2.91 from last week and \$227.27 dressed, up \$5.79 from a week ago. A year ago prices were \$124.20 live and \$197.76 dressed. The short supply of cattle continues to be priced into the market. Fed cattle prices have not done anything but increase since the Christmas holiday. The price for cattle marketed on a live basis has increased more than \$12 since the week before Christmas while the price of fed cattle marketed on a dressed basis has increased nearly \$20 over the same time period. These types of prices can really help feeder cattle margins, but this also relates to higher feeder calf prices which reduces the probability of a positive margin outcome. Feedlots will continue to purchase cattle as long as they cover all variable costs.

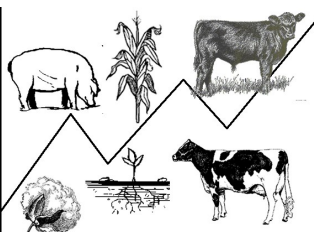
BEEF CUTOUT: At midday Friday, the Choice cutout was \$231.75 up \$2.96 from Thursday and up \$17.14 from last Friday. The Select cutout was \$228.95 up \$3.44 from Thursday and up \$17.47 from last Friday. The Choice Select spread was \$2.80 compared to \$3.13 a week ago. The Choice and Select beef cutouts have set record prices again this week. The short supply of beef that has been discussed for many months and the run up in prices that has been expected has finally come to fruition. In the past two weeks, Choice beef prices have increased \$29.48 while Select prices have increased \$31.58. The oddity is that beef prices generally struggle immediately following the holiday season and they have done nothing but escalate and it has happened at a maddening pace. If the Choice beef market follows the seasonal trend and takes off again in the spring then it may seem as if the sky is the limit. However, the increase in the cutout price has not trans-

ferred to retail prices at this point. Therefore, consumers going to the meat counter will be in for some sticker shock in the near future as retail beef prices set new records. If beef prices increase and disposable income stays the same then consumers will substitute other meat proteins for beef. The substitution of pork and chicken for beef will contribute to an escalation in poultry and pork prices. Additionally, pork supply is somewhat uncertain. Pork supply is expected to be down due to porcine epidemic diarrhea virus which will support the pork price as well.

TENNESSEE AUCTIONS: On Tennessee auctions this week compared to a week ago, feeder steers and bulls under 400 pounds were \$12 to \$14 higher while feeder steers and bulls over 400 pounds were \$4 to \$8 higher. Heifers under 500 pounds were \$12 to \$17 higher with heifers over 500 pounds \$4 to \$9 higher. Slaughter cows were \$2 higher while bulls were steady to \$2 higher. Average receipts per sale were 847 head on 12 sales compared to 454 head on 11 sales last week and 313 head on 12 sales last year.

OUTLOOK: The cold burst a couple of weeks ago might have kept calves from coming to market a week ago, but producers caught up this week as we experienced a fall of the year type run. Producers who marketed cattle this week were met with extremely favorable prices. For example, 525 pound steers averaged \$179 per hundredweight which is \$940 per head while 774 pound steers averaged \$154 per hundredweight \$1,192 per head. Prices this high seem to provide a lot of incentive to be in the cattle business, but that thought is only appropriate for those who are already in the cattle business. Such high prices can be a major barrier to entry into cattle production. It could easily cost a stocker producer between \$55,000 and \$60,000 to

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Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

purchase enough stocker calves to make a load of cattle at a future date. This investment does not include feed costs which can be fairly substantial as well. Investments of this magnitude can benefit from price risk management strategies as well as contribute to securing a loan for the initial purchase of cattle. Though prices are extremely attractive, producers should still continue to evaluate preconditioning and backgrounding home raised cattle. Prices for yearling cattle that are low risk and ready to enter the feedlot are expected to remain strong throughout the year, and in this market there is really no way to predict the magnitude or timing of the apex of the market. The current cash market prices may be an indication of a producer's risk attitude. Many producers who do not like risk at all are likely to market cattle in the near term and take the return and run, or they might manage price risk with the use of futures, options or livestock risk protection insurance. More risk seeking individuals may choose to ride the coat tails of the current market uptrend and hope for the best. Regardless of a producer's risk attitude, prices are likely to remain strong with plenty of opportunities to price cattle at a favorable price level.

TECHNICALLY SPEAKING: Based on Thursday's closing prices, February closed at \$140.15. Support is at \$139.77, then

\$138.77. Resistance is at \$140.77, then \$141.77. The RSI is 79.91. April closed at \$139.23. Support is at \$138.82, then \$137.92. Resistance is at \$139.72, then \$140.62. The RSI is 76.43. June closed at \$131.28. Support is at \$131.13 then \$131.00. Resistance is at \$131.50, then \$131.60. The RSI is 67.82. January feeders closed at \$169.80. Support is at \$169.68, then \$169.33. Resistance is at \$170.03, then \$170.38. The RSI is 65.38. March feeders closed at \$168.25. Support is at \$167.97, then \$167.22. Resistance is at \$168.72 then \$169.47. The RSI is 57.78. May feeders closed at \$169.90. Support is at \$169.88, then \$169.65. Resistance is at \$170.40 then \$170.45. The RSI is 60.01. Friday's closing prices were as follows: Live/fed cattle – February \$140.35 +0.20; April \$139.30 +0.08; June \$131.45 +0.18; Feeder cattle - January \$170.00 +0.20; March \$167.93 - 0.33; May \$169.50 -0.40; August \$171.10 -0.05; March corn closed at \$4.24 down \$0.04 from Thursday.

Milk Futures		
Thursday January 16, 2014		
Month	Class III Close	Class IV Close
Jan	20.91	22.10
Feb	21.79	23.24
Mar	20.39	22.90
Apr	19.44	22.09
May	18.90	21.20

Average Daily Slaughter		
	Cattle	Hogs
	----- Number of head -----	
This week (4 days)	118,250	428,000
Last week (4 days)	112,250	383,250
Year ago (4 days)	125,000	427,000
This week as percentage of		
Week ago (%)	105%	112%
Year ago (%)	95%	100%

USDA Box Beef Cutout Value		
	Choice 1-3 600-900 lbs	Select 1-3 600-900 lbs
	----- \$/cwt -----	
Thursday	228.79	225.51
Last Week	212.05	209.05
Year ago	193.83	186.20
Change from week ago	+16.74	+16.46
Change from year ago	+34.95	+39.31

Crop Comments by Dr. Aaron Smith

	Previous	Current	Change
USD Index	80.76	81.37	0.61
Crude Oil	92.67	94.39	1.72
Dow	16,424	16,452	28

Overview

Soybeans and cotton were up; corn and wheat were down for the week. Estimated domestic corn and soybean acreage for 2014 received a minor twist last week when the Winter Wheat Seedings report indicated an estimated drop in winter wheat acreage of 1.2 million acres. This combined with approximately 1.4 million acres that were previously in CRP and the 8.3 million prevented planting acres (7-year average is 4.8 million acres) reported for 2013 could result in significantly higher available acreage for corn, soybeans, cotton, and other crops for 2014. How these acres will be allocated is debatable, however at present most believe that soybeans will experience the greatest acreage increase. Lower prices for corn could result in a pullback of some acreage this year but I don't believe it will be substantial, unless something else changes.

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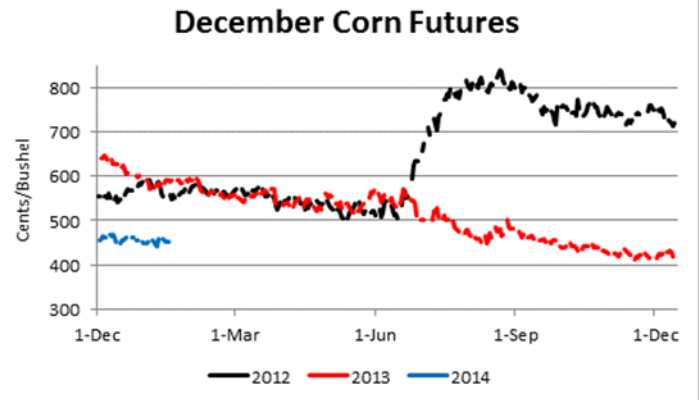
Corn

March 2014 corn futures closed at \$4.24 down 8 cents from last week with support at \$4.19 and resistance at \$4.30. Across Tennessee basis (cash price- nearby future price) strengthened in Upper-Middle and Lower-Middle Tennessee; while basis weakened in the Northwest, Northwest Barge Points, and Memphis. Overall basis for the week ranged between 1 under and 30 over the March futures contract. Corn net sales reported by exporters for the 2013/14 marketing year from January 3rd to 9th were 32.3

Crop Comments by Dr. Aaron Smith

million bushels, primarily to Egypt, Japan, Mexico, Taiwan, and South Korea. Exports for the same time period were 26.6 million bushels primarily to Japan, Mexico, South Korea, Egypt, and Columbia. Corn export sales and commitments are 80% of the USDA estimated total annual exports for the 2013/14 marketing year (September 1 to August 31) compared to a 5-year average of 58%. Ethanol production for the week ending January 10th was 868,000 barrels per day down 51,000 barrels per day, the lowest weekly output reported since October 4, 2013. Ending ethanol stocks were 16.078 million barrels down 60,000 barrels. May 2014 corn futures were trading at \$4.31 down 9 cents from last week. Mar/May and Mar/Sep future spreads were 7 cents and 19 cents.

Corn	Mar 14	Change	Sep 14	Change
Price	\$4.24	-\$0.08	\$4.43	-\$0.09
Support	\$4.19	\$0.22	\$4.39	\$0.20
Resistance	\$4.30	-\$0.20	\$4.48	-\$0.21
20 Day MA	\$4.26	\$0.00	\$4.47	\$0.00
50 Day MA	\$4.29	-\$0.01	\$4.50	-\$0.01
100 Day MA	\$4.46	-\$0.03	\$4.66	-\$0.03
4-Week High	\$4.36	-\$0.03	\$4.56	-\$0.04
4-Week Low	\$4.06	\$0.00	\$4.28	\$0.00
Technical Trend	Strong Down	-	Strong Down	-

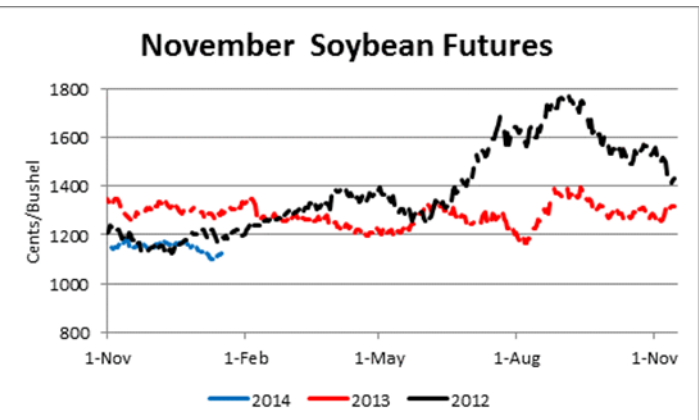


September 2014 corn futures closed at \$4.43 down 9 cents from last week with support at \$4.39 and resistance at \$4.48. This week September and December 2014 corn futures prices traded between \$4.41 and \$4.60/bu. Prices have begun to slide from the bump received from last Friday's WASDE report look for prices to continue to be downward trending to flat. Having some 2014 production priced at this point in the year is strongly encouraged. Downside price protection could be obtained by purchasing a \$4.50 September 2014 Put Option costing 35 cents establishing a \$4.15 futures floor.

Soybeans

March 2014 soybean futures closed at \$13.16 up 38 cents for the week with support at \$12.99 and resistance at \$13.38. Soybean to corn price ratio was 3.10 at the end of the week. For the week, soybean basis strengthened in all five regions. Basis ranged from 30 under to 80 over the March futures contract at elevators and barge points. Average basis at the end of the week was 47 over the March futures contract. Net sales reported by exporters for the 2013/14 marketing year from January 3rd to 9th were 25.8 million bushels, primarily to China, Mexico, Spain Portugal, and Bangladesh. Net sales reported by exporters for the 2014/15 marketing year were 19.3 million bushels, primarily to China, Mexico, and Japan. Exports for the same period were 57.4 million bushels primarily to China, Spain, Portugal, Mexico, and Taiwan. Soybean export sales and commitments were 102% of the USDA estimated total annual exports for the 2013/14 marketing year (September 1 to August 31), compared to a 5-year average of 80%. Many analysts are predicting cancellation of U.S. soybean export commitments when the South American soybean crop becomes available. Prior to any cancellations, buyers will want verification on the size of the South American crop and the ability to bring it effectively to market. May 2014 soybean futures were trading at \$12.97. Mar/May and Mar/Nov future spreads were -19 cents and -191 cents.

Soybeans	Mar 14	Change	Nov 14	Change
Price	\$13.16	\$0.38	\$11.25	\$0.26
Support	\$12.99	\$0.43	\$11.10	\$0.24
Resistance	\$13.38	\$0.31	\$11.36	\$0.20
20 Day MA	\$12.99	-\$0.02	\$11.32	-\$0.11
50 Day MA	\$12.98	\$0.06	\$11.49	-\$0.03
100 Day MA	\$12.96	\$0.01	\$11.63	-\$0.04
4-Week High	\$13.39	\$0.00	\$11.74	\$0.00
4-Week Low	\$12.62	\$0.00	\$10.95	\$0.00
Technical Trend	Strong Up	+	Strong Down	=



November 2014 soybean futures closed at \$11.25 up 26 cents for the week with support at \$11.10 and resistance at \$11.36. This week November 2014 soybean futures traded between \$10.96 and \$11.29/bu. As mentioned above, the anticipation of record planting has reduced harvest 2014 prices, however exports and domestic crush continue to be very strong and will likely continue

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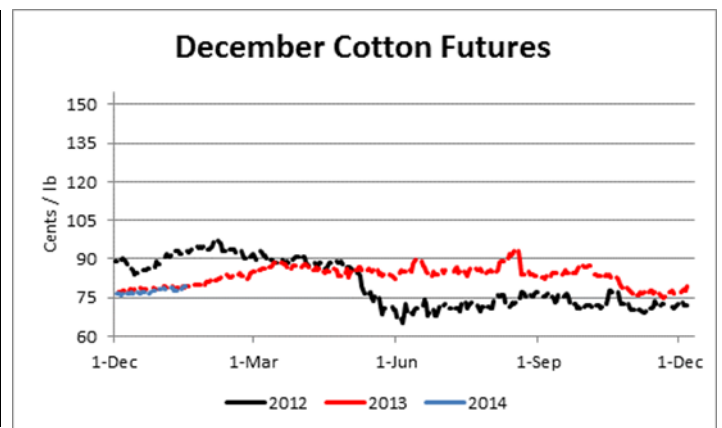
Crop Comments by Dr. Aaron Smith

to support harvest prices near the \$11.00/bu level for the short term. Once South American production begins to reach the market this situation could change dramatically. Downside price protection could be achieved by purchasing an \$11.40 November 2014 Put Option which would cost 70 cents and set a \$10.70 futures floor.

Cotton

March 2014 cotton futures closed at 86.80 up 4.21 cents for the week with support at 85.36 and resistance at 87.86. Nearby cotton futures have broken above 85 cents and appear poised to take a run at 88 cents. In the past, buying has decreased substantially when prices have reached 88 cents, whether prices can push above this key point of resistance remains to be seen. It is likely that nearby cotton futures will settle back to the low or mid 80 cent range. Cotton adjusted world price (AWP) increased 0.17 cents to 67.84 cents. Net sales reported by exporters for the 2013/14 marketing year from January 3rd to 9th were up from last week at 223,700 bales of upland cotton, primarily to Vietnam, Indonesia, China, Pakistan, and Thailand. Net sales reported by exporters for the 2014/15 marketing year were 9,300 bales South Korea. Exports for the same period were 217,400 bales primarily to China, Turkey, Vietnam, Indonesia, and Mexico. Cotton export sales and commitments are 76% of the USDA estimated total annual exports for the 2013/14 marketing year (August 1 to July 31), compared to a 5-year average of 79%. May 2014 cotton futures are trading at 87.05 up 4.31 cents from last week. Mar/May and Mar/Dec future spreads were 0.25 cents and -6.92 cents.

Cotton	Mar 14	Change	Dec 14	Change
Price	86.80	4.21	79.88	2.43
Support	85.36	3.87	79.27	2.74
Resistance	87.86	2.57	80.31	1.24
20 Day MA	83.86	0.46	78.15	0.56
50 Day MA	81.27	0.62	77.22	0.27
100 Day MA	82.34	0.04	78.03	0.09
4-Week High	87.14	1.85	80.00	1.05
4-Week Low	81.42	0.84	76.23	0.23
Technical Trend	Strong Up	+	Strong Up	+

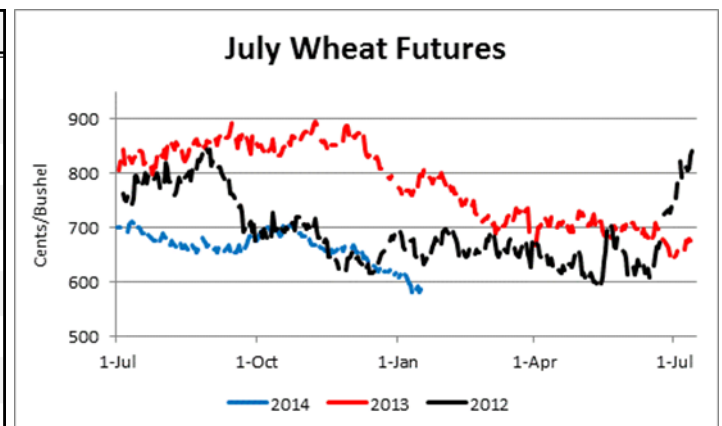


December 2014 cotton futures closed at 79.88 up 2.43 cents for the week with support at 79.27 and resistance at 80.31. This week December 2014 cotton futures traded at 80 cents for the first time since October 21, 2013. Futures prices above 80 cents represent a good starting point to commence pricing for 2014 production. Downside price protection could be obtained by purchasing a 80 cent December 2014 Put Option costing 5.11 cents establishing a 74.89 cent futures floor.

Wheat

March 2014 wheat futures closed at \$5.63 down 6 cents for the week with support at \$5.55 and resistance at \$5.78. Net sales reported by exporters for the 2013/14 marketing year from January 3rd to 9th were 11.8 million bushels, primarily to the Venezuela, Mexico, China, South Korea, and Thailand. Net sales reported by exporters for the 2014/15 marketing year were 3 million bushels primarily to the Philippines, Nigeria, and South Korea. Exports for the same period were 21.6 million bushels primarily to China, Brazil, Mexico, Thailand, and Japan. Wheat export sales are 81% of the USDA estimated total annual exports for the 2013/14 marketing year (June 1 to May 31), above the 5-year average of 78%. May 2014 wheat futures are trading at \$5.70 down 5 cents from last week. Mar/May and Mar/Jul future spreads were 7 cents and 14 cents.

Wheat	Mar 14	Change	Jul 14	Change
Price	\$5.63	-\$0.06	\$5.77	-\$0.03
Support	\$5.55	\$0.14	\$5.68	\$0.13
Resistance	\$5.78	-\$0.29	\$5.91	-\$0.23
20 Day MA	\$5.93	-\$0.13	\$6.05	-\$0.11
50 Day MA	\$6.28	-\$0.10	\$6.34	-\$0.10
100 Day MA	\$6.54	-\$0.05	\$6.56	-\$0.04
4-Week High	\$6.21	-\$0.22	\$6.30	-\$0.18
4-Week Low	\$5.60	\$0.00	\$5.72	\$0.00
Technical Trend	Strong Down	=	Strong Down	=



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Crop Comments *by Dr. Aaron Smith*

July 2014 wheat futures closed at \$5.77 down 3 cents for the week with support at \$5.68 and resistance at \$5.91. In Tennessee, June/July cash forward contracts averaged \$5.67/bu with a range of \$5.21/bu to \$5.93/bu at elevators and barge points. Old crop wheat was trading between \$6.11 and \$6.27. Downside price protection could be obtained by purchasing a \$5.80 July 2014 Put Option costing 36 cents establishing a \$5.44 futures floor.

Additional Information

I recently received a question from a reader that I would like to share with everyone. If you have a question that you would like answered please e-mail it to me at the address below.

Q: Why each week do you quote Put Options as a potential marketing choice for all commodities?

A: Put Options can be a very valuable marketing tool that can be utilized in many circumstances. However, they are quoted for each commodity in the weekly comments for two reasons: 1) in the current marketing environment I feel it is essential to protect downside price risk (a decrease in commodity price); 2) While there are many marketing tools that can assist in protecting downside price risk, Put Options are easily conveyed in terms of strike price (at-the-money is used each week), premium, and futures price floor established. As such, the quotes shown weekly should not be construed as a time or commodity specific marketing recommendation. These quotes are provided to show one alternative that may or may not be an applicable at that time and to stimulate thought on downside price protection and marketing tools in general.

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.

Futures Settlement Prices: Crops & Livestock

Friday, January 10, 2014 — Thursday, January 16, 2014

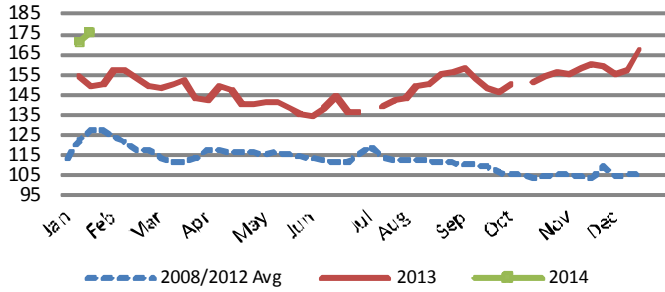
Commodity	Contract Month	Friday	Monday	Tuesday	Wednesday	Thursday
Soybeans (\$/bushel)	Jan	13.04	13.27	13.39	13.18	13.15
	Mar	12.78	12.94	13.07	12.97	12.96
	May	12.60	12.74	12.88	12.81	12.81
	Jul	12.46	12.61	12.73	12.38	12.41
	Aug	12.10	12.24	12.33	11.67	11.70
	Sep	11.45	11.60	11.66	11.18	11.22
Corn (\$/bushel)	Mar	4.33	4.34	4.31	4.26	4.28
	May	4.41	4.42	4.39	4.33	4.32
	Jul	4.47	4.49	4.46	4.40	4.42
	Sep	4.53	4.54	4.51	4.45	4.46
	Dec	4.58	4.58	4.56	4.51	4.52
	Mar	4.67	4.67	4.65	4.60	4.62
Wheat (\$/bushel)	Mar	5.69	5.73	5.79	5.68	5.73
	May	5.75	5.80	5.86	5.75	5.80
	Jul	5.81	5.87	5.93	5.81	5.86
	Sep	5.90	5.97	6.03	5.90	5.95
	Dec	6.04	6.11	6.15	6.03	6.08
Soybean Meal (\$/ton)	Jan	435	447	453	---	---
	Mar	414	422	430	435	432
	May	402	409	415	419	418
	Jul	395	402	407	410	410
	Aug	382	389	394	395	396
	Sep	364	372	376	375	377
Cotton (¢/lb)	Mar	82.59	83.68	83.73	84.79	86.19
	May	82.74	83.95	84.02	84.94	86.40
	Jul	82.47	83.74	84.02	84.66	85.87
	Oct	79.37	79.46	79.93	80.32	81.17
	Dec	77.45	78.36	79.02	79.17	79.67
Live Cattle (\$/cwt)	Feb	136.70	136.60	137.65	139.42	140.15
	Apr	136.97	137.10	137.80	138.95	139.22
	Jun	130.25	130.02	130.30	131.12	131.27
	Aug	128.30	128.32	128.57	129.27	129.40
	Oct	131.90	131.55	131.80	132.65	132.60
Feeder Cattle (\$/cwt)	Jan	168.65	167.82	168.60	169.40	169.80
	Mar	167.65	166.47	166.82	168.02	168.25
	Apr	168.55	167.52	167.97	168.87	169.27
	May	168.90	168.15	168.65	169.90	169.90
	Aug	170.67	169.72	170.17	170.80	171.15
	Sep	169.70	168.90	169.70	170.40	170.40
Market Hogs (\$/cwt)	Feb	85.82	85.37	86.00	86.60	86.87
	Apr	91.00	90.37	90.67	91.55	92.25
	May	98.87	98.35	98.75	99.22	99.60
	Jun	100.90	100.70	100.90	101.20	101.75
	Jul	99.65	99.37	99.65	100.00	100.32

Prices on Tennessee Reported Livestock Auctions for the week ending January 17, 2014

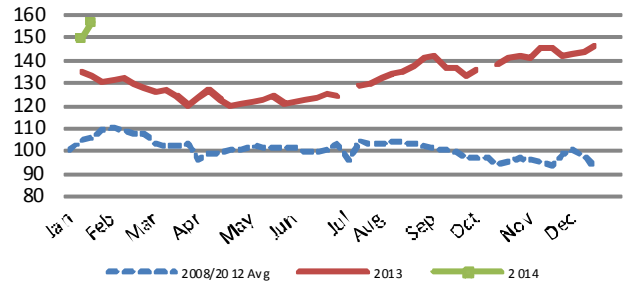
	This Week			Last Week	Year Ago
	Low	High	Weighted Average	Weighted Average	Weighted Average
----- \$/cwt -----					
Steers: Medium/Large Frame #1-2					
300-400 lbs	185.00	249.00	215.19	201.06	175.11
400-500 lbs	173.00	223.00	192.37	189.69	161.28
500-600 lbs	158.00	196.00	175.77	171.04	149.04
600-700 lbs	140.00	176.00	163.47	156.46	138.36
700-800 lbs	134.00	165.50	156.50	149.77	133.15
Steers: Small Frame #1-2					
300-400 lbs	157.50	227.50	198.34	162.03	152.54
400-500 lbs	142.50	193.00	165.47	158.93	---
500-600 lbs	132.00	171.00	145.50	147.25	137.08
600-700 lbs	125.00	144.00	134.22	132.48	125.39
Steers: Medium/Large Frame #3					
300-400 lbs	147.50	221.00	190.63	182.14	152.30
400-500 lbs	143.00	196.00	173.96	161.61	139.10
500-600 lbs	140.00	184.50	167.29	155.22	131.05
600-700 lbs	140.00	165.00	156.40	145.49	122.31
700-800 lbs	120.00	140.00	134.46	137.69	121.60
Holstein Steers					
300-400 lbs	103.00	127.00	112.30	---	109.80
500-600 lbs	100.00	105.00	102.86	106.15	86.49
700-800 lbs	---	---	---	96.45	83.77
Slaughter Cows & Bulls					
Breakers 75-80%	77.50	94.00	86.13	85.90	72.95
Boners 80-85%	78.00	95.00	87.50	85.72	73.14
Lean 85-90%	71.50	86.50	78.12	76.13	68.33
Bulls YG 1	96.00	106.50	100.94	100.61	90.80
Heifers: Medium/Large Frame #1-2					
300-400 lbs	164.00	218.00	182.56	166.76	147.85
400-500 lbs	146.00	200.00	172.08	158.29	140.68
500-600 lbs	135.00	175.00	157.38	150.33	131.56
600-700 lbs	127.50	157.50	146.35	139.75	125.09
Heifers: Small Frame #1-2					
300-400 lbs	135.00	180.00	159.55	140.82	131.05
400-500 lbs	130.00	172.00	149.24	135.12	115.90
500-600 lbs	125.00	147.50	137.01	150.33	117.10
600-700 lbs	110.00	137.50	124.86	139.75	109.01
Heifers: Medium/Large Frame #3					
300-400 lbs	133.00	197.50	162.28	155.18	132.68
400-500 lbs	130.00	178.00	156.99	143.60	126.78
500-600 lbs	120.00	161.00	142.34	133.82	120.19
600-700 lbs	118.00	146.50	135.47	127.24	114.51

Cattle Receipts (# sales): This week: 10,166 (12) Week ago: 5,000 (11) Year ago: 3,750 (12)

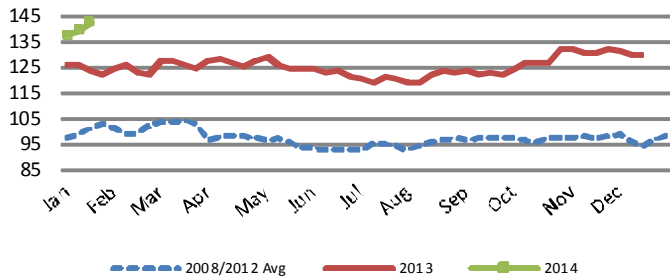
**Tennessee 500-600 lbs. M-1 Steer Prices
2013, 2014 and 5-year average**



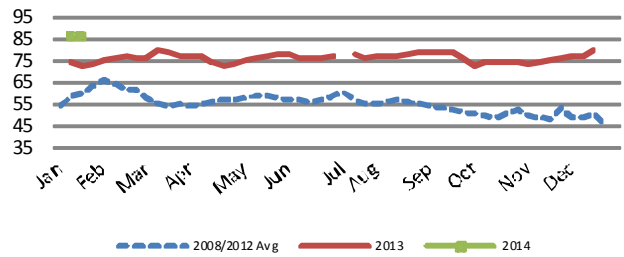
**Tennessee 700-800 lbs. M-1 Steer Prices
2013, 2014 and 5-year average**



**5-Area Finished Cattle Prices
2013, 2014 and 5-year average**



**Tennessee Slaughter Cow Prices
Breakers 75-80%
2013, 2014 and 5-year average**



Prices Paid to Farmers by Elevators

Friday, January 10, 2014 — Thursday, January 16, 2014

	Friday		Monday		Tuesday		Wednesday		Thursday		Thursday Harvest	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
----- \$/bushel -----												
No. 2 Yellow Soybeans												
Memphis	13.59-13.59		13.74-13.74		13.84-13.85		13.93-13.96		13.85-13.95		---	
N.W. B.P.	13.47-13.59		13.62-13.74		13.75-13.84		13.86-13.96		13.83-13.95		11.39-11.42	
N.W. TN	13.08-13.50		13.24-13.65		13.37-13.78		13.48-13.89		13.45-13.86		10.91-11.12	
Upper Md.	13.28-13.40		13.44-13.49		13.57-13.59		13.67-13.71		13.65-13.67		11.12-11.24	
Lower Md.	12.69-12.89		12.84-13.14		12.97-13.27		12.18-13.18		13.05-13.35		10.92-10.92	
Yellow Corn												
Memphis	4.61-4.62		4.64-4.64		4.55-4.56		4.49-4.52		4.52-4.55		---	
N.W. B.P.	4.58-4.62		4.60-4.64		4.51-4.57		4.45-4.51		4.49-4.53		4.27-4.40	
N.W. TN	4.36-4.40		4.37-4.42		4.34-4.39		4.27-4.33		4.28-4.35		4.15-4.37	
Upper Md.	4.27-4.41		4.34-4.42		4.31-4.33		4.25-4.27		4.28-4.32		4.22-4.27	
Lower Md.	4.43-4.48		4.45-4.50		4.41-4.47		4.36-4.41		4.38-4.43		4.32-4.32	
Wheat												
Memphis	6.14-6.18		6.19-6.23		6.24-6.27		6.12-6.13		6.18-6.18		---	

Video Sales

EAST TENNESSEE LIVESTOCK CENTER - Jan. 15, 2014

1 load out of 175 Holstein steers; est. wt. 750 lbs., range: 700-825 lbs.; \$0.04 slide starting at 751 lbs.; 95% 1s, 5% 2s; medium flesh; Feed: on ryegrass pasture receiving 20 lbs/hd/day corn silage/corn gluten mix; double-vaccinated; wormed twice; implanted; weighed on goosenecks on certified truck scales; 2% shrink **\$114.50**

1 load out of 75 Holstein steers; est. wt. 785 lbs., range: 725-845 lbs.; \$0.04 slide starting at 786 lbs.; 95% 1s, 5% 2s; medium flesh; Feed: on pasture plus hay with self feeder receiving 14% pelleted ration; vaccinated; wormed twice; implanted; weighed on farm on certified scales; 2% shrink **\$114.00**

1 load out 110 Holstein steers; est. wt. 900 lbs., range: 850-950 lbs.; \$0.04 slide starting at 901 lbs.; 100% 1s; medium flesh; vaccinated; wormed; implanted; weighed on truck on certified truck scales; 2% shrink **\$114.70**

ATHENS STOCKYARD - Jan. 14, 2014

1 load Holstein steers; est. wt. 800 lbs., +/- 100 lbs.; Slide: \$0.04 on first 50 lbs., over 51 lbs. \$0.06 slide back to first lb. over base weight; 90% 1s, 10% 1½s; large frame; medium flesh; Feed: 5-6# corn gluten, pasture, hay; vaccinated; wormed; no implants; gather early a.m., gooseneck 60 miles, weigh on certified scales; 1% shrink **\$113.75**

1 load steers in the barn; est. wt. 807 lbs., +/- 100 lbs.; 100% BLK/BWF; 95% 1s, 5% 1½s; medium flesh; Feed: 16% Co-op feed, wheat baleage, pasture; vaccinated twice; wormed **\$160.85**

TENNESSEE LIVESTOCK PRODUCERS, Columbia, TN - Jan. 17, 2014

1 load steers, 71 head, est. wt. 649 lbs., **\$170.75**

Video Board Sales and Graded Sales

01/16/14 Farmers Auction Company Fayetteville, TN

Feeder cattle sale Cattle Receipts: 567
* = Value added= Weaned, Vaccinated, Heifers checked open.

Feeder Steers		Medium and Large 1 - 2		
Head	Wt Range	Avg Wt	Price Range	Avg Price
1	310-310	310	200.00	200.00
8	350-396	384	195.00-206.00	202.92
5	447-447	447	188.00	188.00
9	527-527	527	163.00	163.00
16	523-523	523	176.50	176.50*
4	585-585	585	171.00	171.00
3	612-612	612	163.00	163.00
36	605-605	605	174.00	174.00*
4	679-679	679	155.00	155.00
38	705-705	705	157.75	157.75*
5	792-792	792	143.00	143.00
31	804-804	804	148.25	148.25*
31	943-943	943	141.25	141.25*

Feeder Heifers		Medium and Large 1 - 2		
Head	Wt Range	Avg Wt	Price Range	Avg Price
3	250-280	268	167.50-182.50	175.23
2	300-340	320	170.00-172.00	170.94
12	374-375	374	170.00	170.00
30	436-436	436	162.00	162.00
4	453-480	460	152.00-152.50	152.37
21	516-525	517	150.00-154.00	150.58
29	504-504	504	169.50	169.50*
10	555-589	586	147.50-150.00	147.74
60	597-597	597	153.00	153.00*
13	621-649	630	137.00-142.00	140.41
4	670-685	680	130.00-135.00	131.25
1	740-740	740	129.00	129.00
47	711-711	711	151.00	151.00*
1	785-785	785	117.00	117.00
1	825-825	825	118.00	118.00
63	803-839	830	140.00-143.75	142.83*
1	870-870	870	115.00	115.00
8	929-929	929	133.00	133.00*
9	1006-1025	1008	109.50-115.00	110.12

Feeder Bulls		Medium and Large 1 - 2		
Head	Wt Range	Avg Wt	Price Range	Avg Price
29	448-448	448	179.00	179.00
14	505-515	514	166.00-176.00	166.70
8	595-595	595	158.50	158.50
5	615-643	636	149.50-154.00	150.47
1	715-715	715	139.00	139.00

Video Board Sales and Graded Sales *continued*

01/15/14 Browning Livestock Market Lafayette, TN

Cattle Receipts: 2,158 Total Feeders 2,038

Feeder cattle sale Next sale Jan. 29, 2014

* = Value added = Weaned, vaccinated or both

Feeder Steers		Medium and Large 1 - 2		
Head	Wt Range	Avg Wt	Price Range	Avg Price
12	272-272	272	226.00	226.00
12	323-323	323	220.00	220.00
16	395-395	395	217.00	217.00
63	459-474	461	190.00-205.50	198.66
59	512-538	526	177.00-187.00	183.24
24	526-530	528	186.00-188.00	186.92*
64	580-582	581	171.00-179.00	175.19
79	624-646	634	163.50-170.50	166.90*
53	652-654	653	163.50-168.75	166.87
70	661-665	662	165.50-167.25	166.89*
160	705-748	742	157.75-161.00	159.44*
25	755-789	782	156.00-160.25	156.82*
35	810-847	841	150.00-152.00	151.29*
6	959-959	959	140.00	140.00*
Small 1 - 2				
7	454-454	454	157.00	157.00
2	543-543	543	135.00	135.00
3	650-650	650	140.50	140.50
Medium and Large 3				
13	311-321	315	195.00-200.00	196.96
17	386-390	388	175.00-187.50	182.38
17	457-457	457	177.50	177.50
34	525-545	544	154.00-169.00	168.15
6	647-647	647	152.00	152.00
2	665-665	665	150.00	150.00

Feeder Heifers		Medium and Large 1 - 2		
Head	Wt Range	Avg Wt	Price Range	Avg Price
5	269-269	269	187.00	187.00
15	328-328	328	186.50	186.50
56	390-392	391	182.50-186.50	184.78
133	451-455	454	170.00-175.50	173.26
159	522-539	527	161.50-169.00	166.86
47	569-579	575	154.50-159.00	157.39
71	572-583	575	158.00-161.00	159.28*
64	609-647	635	154.00-159.00	154.85*
44	651-652	651	145.00-150.00	148.07
98	651-686	658	151.00-155.50	152.17*
13	733-733	733	140.50	140.50*
54	752-780	757	140.50-143.50	142.19*
13	842-842	842	127.00	127.00*
4	865-865	865	125.50	125.50*
4	964-964	964	114.00	114.00
Small 1 - 2				
4	435-435	435	155.00	155.00
4	564-564	564	144.00	144.00
4	653-653	653	127.00	127.00
Medium and Large 3				
3	345-345	345	170.00	170.00

18	378-385	384	166.50-175.50	167.98
3	448-448	448	156.00	156.00
12	451-451	451	161.00	161.00
19	532-532	532	156.50	156.50
9	652-652	652	139.00	139.00

Feeder Bulls		Medium and Large 1 - 2		
Head	Wt Range	Avg Wt	Price Range	Avg Price
44	367-386	375	208.00-225.50	218.13
76	465-466	466	187.00-196.75	192.14
51	526-527	527	173.50-181.00	178.94
10	574-574	574	162.00	162.00
40	600-641	618	158.50-164.00	161.43
9	658-658	658	149.00	149.00
5	739-739	739	140.50	140.50
6	757-757	757	134.00	134.00
Medium and Large 3				
4	391-391	391	204.00	204.00
3	623-623	623	146.00	146.00

01/14/14 Fayetteville

Receipts: 614 (372 graded and grouped)

Steers: Med & Lg 1-2		Heifers: Med & Lg 1-2	
300-350 lbs	198.00-217.00	300-350 lbs	185.00-190.00
350-400 lbs	198.00-214.00	350-400 lbs	179.00-187.00
400-450 lbs	195.00-200.00	400-450 lbs	180.00-182.50
450-500 lbs	184.00-194.00	450-500 lbs	160.00-180.00
500-550 lbs	174.00-184.00	500-550 lbs	157.00-175.00
550-600 lbs	174.00-179.50	550-600 lbs	148.50-158.00
600-700 lbs	157.50-177.50	600-700 lbs	136.00-148.00
700-800 lbs	152.50-172.00	700-800 lbs	138.50

Bulls: Med & Lg 1-2	
400-500 lbs	188.00-205.00
500-600 lbs	160.00-178.50
600-700 lbs	155.00-171.00
700-800 lbs	130.00-151.00

01/13/14 KY/TN Livestock Cross Plains

Receipts: 200 (113 graded)

Steers: Med & Lg 1-2		Heifers: Med & Lg 1-2	
300-400 lbs	193.00-206.50	300-400 lbs	145.00-168.00
400-500 lbs	185.00-189.00	400-500 lbs	162.00-172.00
		500-600 lbs	142.00-163.00
		600-700 lbs	146.00
		700-800 lbs	127.00-146.00

Bulls: Med & Lg 1-2	
400-500 lbs	151.00-186.00
500-600 lbs	130.00-162.00
600-700 lbs	133.00
700-800 lbs	122.00-126.00

01/10/14 East Tennessee Livestock Feeder Sale

Receipts: 831

For complete report:

http://www.ams.usda.gov/mnreports/nv_ls180.txt

Featured Article from [Drovers CattleNetwork](#)**[Crop farmers encouraged to proceed with caution](#)**

Row crop farmers at the American Farm Bureau Federation's 95th Annual Convention were presented with a cloudy forecast in the years ahead and advised to plan accordingly.

High grain prices during years of drought allowed farmers to purchase new equipment and acquire additional land, even as farmland prices skyrocketed to record levels. Matthew Roberts, an associate professor at Ohio State University's Department of Agricultural, Environmental and Development Economics, told a group of farmers in a workshop Monday about the factors that will pull the grain market lower.

"The last six years have been extraordinary years if you are a row crop producer. It's been the best six years in history. The next six years will not be like that."

Roberts pointed to record corn production in 2013 and limited growth in the ethanol industry as reasons for lower corn prices. The ethanol boom and drought-pressured crop yields had previously helped corn and soybean prices to rise above \$8 per bushel and over \$17, respectively, in 2012.

Roberts advised farmers to prepare for the gloomy forecast by saving money, claiming cash is the only way to ultimately manage risk. He pointed to large farm operators and younger farmers, who haven't managed a farm through hard times, as the groups most likely to be affected.

"We are entering a four year to five year period of lower costs and profitability. I think we'll see some farms (that expanded aggressively) in the corn belt go bankrupt," he predicted. "Put one year's worth of land charges (above normal working capital needs) in the bank as soon as possible.

Read more at <http://tinyurl.com/nu8q3oq>

Farmers are seeing lower prices for corn, which closed at \$4.35 on Monday, and higher land prices and cash rents across the Midwest. Reuters reports more than half of the 250 million acres of corn, soybean and wheat land in the United States are rented. Kent Olson, an economist at the University of Minnesota, says many farmers are already starting to feel the squeeze between revenue, costs and rent.

01/13/14 Tennessee Livestock Producers Graded Goat and Sheep Sale, Columbia, TN

Receipts: 636 (421 Goats; 215 Sheep) Last Sale 723

Next Sale January 27, 2014. (2nd and 4th Monday of each month)

Goats sold per hundred weight (cwt) unless otherwise noted, weights, actual or estimated.

Slaughter Classes: Kids**Selection 1**

25-35 lbs 187.50

36-50 lbs 249.00-260.00

51-65 lbs 235.00-247.00

66-80 lbs 181.00-243.00

81-90 lbs 145.00

Selection 2

25-35 lbs 197.00-229.00

36-50 lbs 245.00-249.00

51-65 lbs 229.00-253.00

66-80 lbs 169.00-196.00

Selection 3

25-35 lbs 124.00-247.50

36-50 lbs 191.00-235.00

51-65 lbs 201.00-217.50

66-80 lbs 174.00

Yearlings Selection 2-3

50-100 lbs 140.00-155.00

Slaughter Bucks/Billies 120.00-139.00

Slaughter Nannies/Does 94.00-134.00

Kids Feeders Selection 3

24-50 lbs 140.00-200.00

SHEEP:

Slaughter Lambs-Includes all breeds, sold per hundred weight (cwt).

Choice and Prime 40-60 lbs 193.00-202.00

Good 169.00-184.00

Choice and Prime 61-80 lbs 168.00-188.00

Good 160.00-171.00

Choice and Prime 81-100 lbs 142.00-150.00

Good 123.00-135.00

Choice and Prime 100-120 lbs 129.00-140.50

Choice and Prime 120-152 lbs

Slaughter Ewes Utility and Good: All wghts 61.00-90.00

Slaughter Rams: All Wgts 59.00-89.00

University of Tennessee Extension
Department of Agricultural and Resource Economics

314 Morgan Hall • 2621 Morgan Circle

<http://economics.ag.utk.edu/>

<http://economics.ag.utk.edu/curmkt.html>

USDA / Tennessee Department of Agriculture Market News Service
<http://www.tennessee.gov/agriculture/marketing/marketnews.html>

1-800-342-8206

THE UNIVERSITY of TENNESSEE 

INSTITUTE of AGRICULTURE

January 13, 2014

CORN:

Harvested area for corn is raised 436,000 acres, but the estimated yield is lowered 1.6 bushels per acre to 158.8, reducing production 64 million bushels to 13.9 billion. Projected corn use for 2013/14 is raised with feed and residual use projected up 100 million bushels based on September-November disappearance as indicated by the December 1 stocks estimate. Corn used to produce ethanol is raised 50 million bushels reflecting continued strong weekly ethanol production, a reduction in expected sorghum use for ethanol, and higher forecast 2014 gasoline consumption in the latest projections from the Energy Information Administration. A 50-million-bushel reduction in other food, seed, and industrial use offsets the increase in use for ethanol. Corn ending stocks for 2013/14 are projected 161 million bushels lower at 1.6 billion. The projected 2013/14 season-average farm price for corn is unchanged at the midpoint with the range narrowed to \$4.10 to \$4.70 per bushel.

Foreign corn production is raised 169 million bushels with higher China production. China corn production is raised 236 million bushels reflecting the latest upward revision by the China National Grain and Oil Information Center, indications from the National Bureau of Statistics for total 2013/14 grain production, and review of growing-season weather. Favorable weather suggests year-to-year yield increases in most of China's major corn producing areas. In the northeastern region, above normal rainfall and favorable temperatures were experienced in nearly all of the corn areas. Harvested area is also raised for China.

Partly offsetting the China corn increase are reductions in 2013/14 corn output for Argentina, Russia, and the European Union. Pro-

duction is lowered 39 million bushels for Argentina with lower expected area and reduced prospects for yields following December heat and dryness. Production is lowered 20 million bushels for Russia based on the latest government data. European Union production is lowered 12 million bushels with a reduction for France.

World corn trade for 2013/14 is lowered with a 79-million-bushel reduction in imports expected for China. Recent rejections of U.S. corn shipments by China and larger domestic corn supplies in China are expected to limit imports during the 2013/14 marketing year. Corn imports are raised for Mexico and the Philippines, up 20 million bushels and 12 million bushels, respectively. Corn exports for Argentina are lowered 39 million bushels also supporting this month's unchanged U.S. corn export projection. Global corn ending stocks are projected 97 million bushels lower with an increase for China more than offset by reductions for the United States and Brazil.

Aaron's Comments:

Corn was the biggest surprise of the January WASDE report. Many were expecting increased production and higher domestic ending stocks; the USDA delivered the opposite. As a result, March corn futures jumped 25+ cents from the low of \$4.06/bu and appear to have established a new trading range between \$4.30 and \$4.36/bu. For those that have unpriced corn this represents a good opportunity to price remaining production as this range may not be sustainable due to strong domestic and global stocks. Harvest 2014 prices also received a significant bump from the report. September and December futures prices are now over \$4.50/bu and may represent a good starting point for producers that have not begun pricing 2014 production.

Monthly Crop Outlook: USDA World Supply and Demand Estimates — Comments by Aaron Smith

January 13, 2014

CORN continued:

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 USDA Estimate	2013/14 USDA Projected December	2013/14 USDA Projected January
SUPPLY								
Acres Planted (Million Acres)	93.5	86.0	86.4	88.2	91.9	97.2	95.3	95.4
Acres Harvested (Million Acres)	86.5	78.6	79.5	81.4	84.0	87.4	87.2	87.7
U.S. Average Yield (Bu/Acre)	150.7	153.9	164.7	152.8	147.2	123.4	160.4	158.8
— — — MILLION BUSHELS — — —								
Beg. Stocks	1,304	1,624	1,673	1,708	1,128	989	824	821
Production	13,038	12,092	13,092	12,447	12,360	10,780	13,989	13,925
Imports	20	14	8	28	29	162	30	35
Total Supply	14,362	13,729	14,774	14,182	13,517	11,932	14,842	14,781
USE								
Feed and Residual	5,913	5,182	5,125	4,792	4,547	4,335	5,200	5,300
Ethanol	3,049	3,709	4,591	5,021	5,000	4,648	4,950	5,000
Food, seed, industrial	1,338	1,316	1,370	1,407	1,428	1,396	1,450	1,400
Exports	2,437	1,849	1,980	1,835	1,543	731	1,450	1,450
Total Use	12,737	12,056	13,066	13,054	12,528	11,111	13,050	13,150
U.S. Ending Stocks	1,624	1,673	1,708	1,128	989	821	1,792	1,631
Foreign Stocks	3,583	4,137	4,040	3,919	4,238	4,414	4,603	4,667
PRICE AND STOCKS TO USE RATIO								
U.S. Avg. Season Price	\$4.20	\$4.06	\$3.55	\$5.18	\$6.22	\$6.89	\$4.05-4.75	\$4.10-4.70
Stocks/Use	12.75%	13.88%	13.07%	8.64%	7.89%	7.39%	13.73%	12.40%

Supply and Demand Projections and Historical Data Source: USDA

Monthly Crop Outlook: USDA World Supply and Demand Estimates — Comments by Aaron Smith

January 13, 2014

COTTON:

The U.S. cotton estimates for 2013/14 are revised slightly to reflect higher production. Production is raised 118,000 bales from last month, due mainly to an increase for Texas. Domestic mill use is unchanged, but exports are raised to 10.5 million, leaving ending stocks unchanged at 3.0 million bales. The marketing-year average price is projected in a narrower range of 72-77 cents per pound, with the midpoint of 74.5 cents raised marginally from last month.

The 2013/14 world cotton supply and demand estimates include higher production and marginally lower consumption, resulting in an increase of 1.2 million bales in ending stocks. Production is raised mainly for China, where government classing data indicates that Xinjiang production, which accounts for about 60 percent of the total, may exceed 2012/13. Production also is raised for Argentina, but is reduced for Pakistan, and Pakistan's consumption also is reduced. World stocks are now projected at 97.6 million bales, with China accounting for 60 percent of the total.

Aaron's Comments:

Overall the outlook for cotton was left largely unchanged from last month. Minor changes were made in production. Harvested acreage was revised down 120,000 acres and yield increased 20 lbs/acre. These production changes were offset by a 100,000 bale increase in imports. Chinese stocks to use ratio was up 3% from last month and is approaching 162% or 1.62 bales in reserve for every bale used annually. Prices continue to be damped by excess Chinese reserves. Nearby cotton futures continue to trade between

80 and 85 cents, while harvest 2014 futures prices are in a trading range of 76 to 79 cents.

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 USDA Estimate	2013/14 USDA Projected December	2013/14 USDA Projected January
SUPPLY								
Acres Planted (million acres)	10.83	9.47	9.15	10.97	14.74	12.31	10.34	10.41
Acres Harvested (Million Acres)	10.49	7.57	7.53	10.70	9.46	9.37	7.78	7.66
U.S. Average Yield (lbs/acre)	879	813	777	812	790	887	806	826
— MILLION BALES —								
Beg. Stocks	9.48	10.05	6.34	2.95	2.60	3.35	3.9	3.9
Production	19.21	12.82	12.19	18.10	15.57	17.32	13.07	13.19
Imports	0.01	0.00	0.00	0.01	0.02	0.01	0.01	0.01
Total Supply	28.7	22.87	18.53	21.06	18.19	20.68	16.98	17.1
USE								
Domestic	4.59	3.59	3.46	3.90	3.30	3.5	3.6	3.6
Exports	13.65	13.26	12.04	14.38	11.71	13.03	10.4	10.5
Total Use	18.24	16.85	15.50	18.28	15.01	16.53	14	14.1
U.S. Ending Stocks	10.05	6.34	2.95	2.60	3.35	3.9	3	3
Foreign Stocks	50.68	54.47	43.71	46.84	69.97	85.27	93.41	94.61
Chinese Stocks	20	22.37	15.25	10.6	31.08	50.36	57.31	58.31
PRICE AND STOCKS TO USE RATIO								
U.S. Avg. Season Price (\$/LB)	\$0.59	\$0.48	\$0.63	\$0.82	\$0.88	\$0.73	\$0.70-0.78	\$0.72-0.77
Stocks/Use	55.10%	37.63%	19.03%	14.22%	22.32%	23.59%	21.43%	21.28%
Chinese Stocks/Use	38.83%	50.84%	30.50%	23.04%	81.79%	139.89%	159.19%	161.97%

Supply and Demand Projections and Historical Data Source: USDA

Monthly Crop Outlook: USDA World Supply and Demand Estimates — Comments by Aaron Smith

January 13, 2014

SOYBEANS:

The U.S. cotton estimates for 2013/14 are revised slightly to reflect higher production. Production is raised 118,000 bales from last month, due mainly to an increase for Texas. Domestic mill use is unchanged, but exports are raised to 10.5 million, leaving ending stocks unchanged at 3.0 million bales. The marketing-year average price is projected in a narrower range of 72-77 cents per pound, with the midpoint of 74.5 cents raised marginally from last month.

The 2013/14 world cotton supply and demand estimates include higher production and marginally lower consumption, resulting in an increase of 1.2 million bales in ending stocks. Production is raised mainly for China, where government classing data indicates that Xinjiang production, which accounts for about 60 percent of the total, may exceed 2012/13. Production also is raised for Argentina, but is reduced for Pakistan, and Pakistan's consumption also is reduced. World stocks are now projected at 97.6 million bales, with China accounting for 60 percent of the total.

Aaron's Comments:

Overall the outlook for cotton was left largely unchanged from last month. Minor changes were made in production. Harvested acreage was revised down 120,000 acres and yield increased 20 lbs/acre. These production changes were offset by a 100,000 bale increase in imports. Chinese stocks to use ratio was up 3% from last month and is approaching 162% or 1.62 bales in reserve for every bale used annually. Prices continue to be damped by excess Chi-

nese reserves. Nearby cotton futures continue to trade between 80 and 85 cents, while harvest 2014 futures prices are in a trading range of 76 to 79 cents.

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 USDA Estimate	2013/14 USDA Projected December	2013/14 USDA Projected January
SUPPLY								
Acres Planted (million acres)	64.7	75.7	77.5	77.4	75.0	77.2	76.5	76.5
Acres Harvested (Million Acres)	64.1	74.7	76.4	76.6	73.8	76.2	75.7	75.9
U.S. Average Yield (Bu/Acre)	41.7	39.7	44.0	43.5	41.9	39.8	43.0	43.3
— MILLION BUSHELS —								
Beg. Stocks	574	205	138	151	215	169	141	141
Production	2,677	2,967	3,359	3,329	3,094	3,034	3,258	3,289
Imports	10	13	15	14	16	36	25	25
Total Supply	3,261	3,185	3,512	3,495	3,325	3,239	3,423	3,454
USE								
Crushings	1,801	1,662	1,752	1,648	1,703	1,689	1,690	1,700
Exports	1,161	1,279	1,499	1,501	1,365	1,320	1,475	1,495
Seed and Residual	93	106	110	130	91	90	109	109
Total Use	3,056	3,047	3,361	3,280	3,155	3,099	3,274	3,304
U.S. Ending Stocks	205	138	151	215	169	141	150	150
Foreign Stocks	1,684	1,440	2,082	2,361	1,857	2,084	2,445	2,507
PRICE AND STOCKS TO USE RATIO								
U.S. Avg. Season Price (\$/Bu)	\$10.10	\$9.97	\$9.59	\$11.30	\$12.50	\$14.40	\$11.50-13.50	\$11.75-13.25
Stocks/Use	6.71%	4.53%	4.49%	6.55%	5.36%	4.55%	4.58%	4.54%

Monthly Crop Outlook: USDA World Supply and Demand Estimates — Comments by Aaron Smith

January 13, 2014

WHEAT:

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	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 USDA Est.	2013/14 USDA Projected November	2013/14 USDA Projected December
SUPPLY								
Acres Planted (million acres)	60.5	63.2	59.2	53.6	54.4	55.7	56.2	56.2
Acres Harvested (Million Acres)	51.0	55.7	49.9	47.6	45.7	48.9	45.2	45.2
U.S. Average Yield (Bu/Acre)	40.2	44.9	44.5	46.3	43.7	46.3	47.2	47.2
—MILLION BUSHELS—								
Beg. Stocks	456	306	657	976	862	743	718	718
Production	2,051	2,499	2,218	2,207	1,999	2,266	2,130	2,130
Imports	113	127	119	97	112	123	160	160
Total Supply	2,620	2,932	2,993	3,279	2,974	3,131	3,008	3,008
USE								
Food	947	927	919	926	941	945	950	950
Seed	88	78	69	71	76	73	73	74
Feed	15	255	150	132	162	390	310	250
Exports	1,264	1,015	879	1,289	1,051	1,007	1,100	1,125
Total Use	2,314	2,275	2,018	2,417	2,231	2,414	2,433	2,399
U.S. Ending Stocks	306	657	976	862	743	718	575	608
Foreign Stocks	4,322	5,482	6,427	6,446	6,567	5,754	6,142	6,204
PRICE AND STOCKS TO USE RATIO								
U.S. Avg. Season Price (\$/Bu)	\$6.48	\$6.78	\$4.87	\$5.70	\$7.24	\$7.77	\$6.65-7.15	\$6.60-7.00
Stocks/Use	13.22%	28.88%	48.36%	35.66%	33.30%	29.74%	23.63%	25.34%

Supply and Demand Projections and Historical Data Source: USDA

Monthly Profitability Outlook — Comments by Chuck Danehower

January 13, 2014

As we start 2014, budgets and projections particularly at average yields look to be closer or tighter than 2013. Lower commodity prices in 2014 could squeeze profit margins and in some instances create negative margins. Producers should develop their own financial plans to gauge the effects of lower prices on their operation. Please contact your local County Extension office or Area Specialist – Farm Management for assistance in developing your own budget or farm financial plan.

This table below should be used as a guide as yields, prices, and expenses will vary among producers and locations. Expenses will vary among producers and production systems. For reference, in variable expenses below, fertilizer expense per acre is estimated as follows: cotton - \$ 112, Soybeans - \$46, Corn - \$148 (includes 170 units of N), Milo - \$94, and wheat/soybeans - \$110. As we start to look at 2014 cropping decisions, cost of production will be adjusted as information becomes available. Projected yields used in these estimates are based on 5 year average Tennessee yields. Weed control costs with resistant weeds have also been difficult to estimate. These costs will vary greatly among producers and individual fields. Production costs are estimates based on the 2014 University of Tennessee Crop Budgets with adjustments made where needed. Please visit with your farm supplier on estimated cost in your area.

Producers with owned land and or cash rent can use Returns Over Variable as a guide in decision making. Producers with share rent

ground should use Returns Over Variable and Land Costs as a guide with their appropriate share rent calculated. A land cost of 25% of revenue is used in the table as a guide or method of comparison and should not be construed as the appropriate rent for a particular area. Producers who are not making major equipment changes can use UT budgets and this table as a guide in developing their own cropping decision budgets. If equipment changes are being made, then a whole farm financial plan would be better suited as a decision aid.

2014 Estimated Returns					
	COTTON	SOYBEANS	CORN	MILO	WHEAT/SOYBEANS
Yield	862 lbs.	40 bu.	127 bu.	85 bu.	61 bu./ 28 bu.
Price (as of 01/13/14)	\$0.78 lbs.	\$11.33 bu.	\$4.38 bu.	\$4.38 bu.	\$5.73 bu. / \$11.33 bu.
Revenue	\$672	\$453	\$556	\$372	\$667
Variable Expenses	\$487	\$274	\$386	\$220	\$448
Returns Over Variable	\$185	\$180	\$171	\$152	\$219
Land Costs (25% of Revenue)	\$166	\$111	\$136	\$92	\$162
Returns Over Variable and Land Costs	\$19	\$69	\$35	\$60	\$57
Fixed Costs Depreciation & Interest on Machinery	\$85	\$63	\$60	\$60	\$107
Returns Over Specified Costs	-\$66	\$6	-\$25	\$0	-\$49
Breakeven Price at Average Yield and Specified Cost	\$0.86	\$11.18	\$4.58	\$4.38	\$6.52/\$11.44

Some differences have occurred due to rounding.