

# Tennessee Market Highlights

UT Extension

May 23, 2014

Number: 21

## Trends for the Week Compared to a Week Ago

### Slaughter Cows

Mostly steady

### Slaughter Bulls

Mostly steady

### Feeder Steers

\$3 to \$5 higher

### Feeder Heifers

Steady to \$3 higher

### Feeder Cattle Index

Wednesday's index: \$188.49

### Fed Cattle

The 5-area live price of \$144.69 is down \$2.26. The dressed price is down \$1.80 at \$232.26.

### Corn

July closed at \$4.78 a bushel, down 5 cents since last Friday.

### Soybeans

July closed at \$15.15 a bushel, up 50 cents a bushel since last Friday.

### Wheat

July closed at \$6.52 a bushel, down 22 cents a bushel since last Friday.

### Cotton

July closed at 86.31 cents per lb, down 3.51 cents per lb since last Friday.

## Livestock Comments by Dr. Andrew P. Griffith

**FED CATTLE:** Fed cattle traded \$2 lower on a live basis compared to last week. Prices on a live basis were mainly \$144 to \$145 while dressed trade was mainly \$232 to \$234. The 5-area weighted average prices thru Thursday were \$144.69 live, down \$2.26 from last week and \$232.26 dressed, down \$1.80 from a week ago. A year ago prices were \$124.45 live and \$199.85 dressed. Cattle feeders continue to feel the pressure of a downward moving fed cattle market while also being forced to pay higher prices for the feeder cattle coming in to fill the pens recently vacated. The given market conditions are sure to put some strain on feedlot managers in the coming months as margins will slip and closeouts could easily turn from black ink to red ink. The leverage has finally shifted to the packer as more cattle come to market as is seasonally expected. Fed cattle prices will likely continue on their downward trajectory for the next couple of months, but the rate and magnitude of that decline could be as variable and volatile as fed cattle prices have been the first five months of the year.

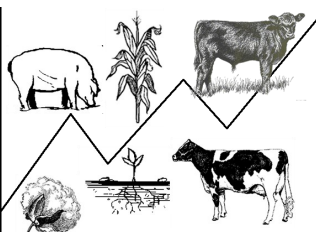
**BEEF CUTOUT:** At midday Friday, the Choice cutout was \$231.60 down \$0.19 from Thursday and up \$4.88 from last Friday. The Select cutout was \$220.94 down \$0.22 from Thursday and up \$3.94 from last Friday. The Choice Select spread was \$10.67 compared to \$9.71 a week ago. Packers are reaping the benefits of a seasonal increase in fed cattle supply and a slowing of chain speeds. May marks the beginning of grilling season, and it is generally the strongest beef demand month as consumers take advantage of moderate temperatures to do a little backyard grilling. Neither the Choice nor Select cutouts have rebounded to price highs recorded earlier in the year, but they are favorable prices for a packing industry that has been reeling from sustained fed cattle prices the past few months. Retailers had all but wrapped up their Memorial Day meat purchases pri-

or to this week. However, retailers will be looking to move some of the lingering beef items sitting on store meat counters following the holiday weekend. It may be difficult for packers to push beef prices much higher in coming weeks as the summer slumber will soon hit. Packers will continue to adjust slaughter rates to support wholesale beef prices, but the results from such efforts may be highly variable due to the volatility present in the marketplace.

**TENNESSEE AUCTIONS:** On Tennessee auctions this week compared to a week ago steer and bulls were \$3 to \$5 higher. Heifers were steady to \$3 higher. Slaughter cows and bulls were mostly steady. Average receipts per sale were 689 head on 12 sales compared to 658 head on 12 sales last week and 460 head on 10 sales last year.

**OUTLOOK:** Calf prices recovered this week from the slight losses experienced last week while feeder cattle prices continue to push forward. Feeder cattle futures prices are climbing the ladder towards the \$200 per hundredweight mark which supports the cash price being witnessed locally. There is a lot of concern from producers with regard to the market out pricing consumers, and it is a well-founded concern. However, out-pricing consumers is not a new happening. There are a number of consumers who either stopped purchasing beef or slowed their beef purchases a number of years ago, and the recent run up in beef prices has resulted in more consumers pulling off or reducing beef consumption domestically. However, it is important to remember that beef is playing in a global market and beef exports remain fairly strong. The increase in prices is a way of rationing the shorter supply of cattle and thus beef. Therefore, prices will remain elevated as long as beef consumers are willing to purchase product and cattle buyers are willing to purchase cattle at the giv-

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## Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

en prices. What may be more of a concern to cattle producers is not the potential of out-pricing consumers at this point, but the potential repercussions that may occur in future years. One concern may be if consumers will come back to the beef counter when beef production picks back up in future years resulting in lower retail beef prices. The market indicates consumers preference for beef compared to competing meats, but diets do change and a prolonged period of overlooking the beef shelf could result in a slower than desired movement back to the beef counter once prices recede. Ground beef, however, may be the one product that keeps consumers coming back as ground product is always in season with beef consumers. Cattle prices will continue to follow beef prices closely and will respond quickly to changes in beef prices. Look for a significant amount of volatility in the cattle complex in future months.

**TECHNICALLY SPEAKING:** Based on Thursday's closing prices, June closed at \$137.60. Support is at \$136.88 then \$135.33. Resistance is at \$138.43, then \$139.98. The RSI is 51.65. August closed at \$138.65. Support is at \$137.93, then \$136.16. Resistance is at \$139.71, then \$141.48. The RSI is 58.54. October closed at \$142.68. Support is at \$142.60, then \$142.30. Resistance is at \$143.70, then \$144.15. The RSI is 58.23. May

feeders closed at \$189.07. Support is at \$188.89, then \$188.52. Resistance is at \$189.27 then \$189.64. The RSI is 78.16. August feeders closed at \$195.38. Support is at \$194.23, then \$191.58. Resistance is at \$196.88, then \$199.53. The RSI is 74.88. November feeders closed at \$195.25. Support is at \$193.28, then \$192.43. Resistance is at \$195.90 then \$196.28. The RSI is 74.42. Friday's closing prices were as follows: Live/fed cattle – June \$136.30 -1.30; August \$137.13 -1.53; October \$141.15 -1.53; Feeder cattle - August \$192.85 -2.53; October \$194.10 -2.40; November \$193.33 -1.93; January \$189.25 -0.95; July corn closed at \$4.78 up \$0.01 from Thursday.

### Average Daily Slaughter

	Cattle	Hogs
	----- Number of head -----	
This week (4 days)	117,500	394,500
Last week (4 days)	117,500	408,000
Year ago (4 days)	125,250	414,250
This week as percentage of		
Week ago (%)	100%	97%
Year ago (%)	94%	95%

### Milk Futures

Thursday May 22, 2014		
Month	Class III Close	Class IV Close
May	22.59	22.58
Jun	20.98	22.26
Jul	20.69	21.93
Aug	20.31	21.65
Sep	20.29	21.44

### USDA Box Beef Cutout Value

	Choice 1-3 600-900 lbs	Select 1-3 600-900 lbs
	----- \$/cwt -----	
Thursday	231.79	221.16
Last Week	225.21	215.47
Year ago	211.20	192.19
Change from week ago	+6.58	+5.69
Change from year ago	+20.59	+28.97

## Crop Comments by Dr. Aaron Smith

	Previous	Current	Change
USD Index	80.11	80.43	0.32
Crude Oil	102.01	104.37	2.36
Dow	16,484	16,599	115.39

### Overview

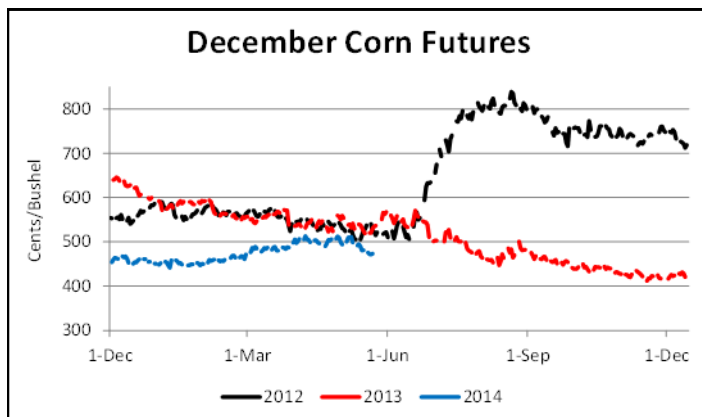
Corn, cotton, and wheat were down; soybeans were up for the week. Harvest corn prices have dropped about 40 cents per bushel since May 9th due to strong planting progress and beneficial weather forecasts. November 2014 soybean futures achieved a new high this week at \$12.79/bu. Prices were supported by good planting conditions that aided corn planting progress in many states and should limit producers switching corn acreage to soybeans. Nearby soybean futures received support through very tight ending stocks as a result of stronger crush margins and exports. China continues to be the key market in soybeans for both old crop and new crop as demand for protein has increased dramatically. December cotton futures retreated below the 80 cent level for the first time since April 10th. Hopefully cotton producers were able to price some 2014 in the lower middle 80's prior to planting. There is a great deal of uncertainty in cotton markets due to record global reserves. Whether producers will get another chance to price cotton above 84 cents will depend in large part on Chinese cotton policy and weather conditions in Texas. July 2014 wheat futures dropped below \$6.60/bu for the first time since March 12th, continuing the downward trend from last week.

## Crop Comments by Dr. Aaron Smith

### Corn

July 2014 corn futures closed at \$4.78 down 5 cents from last week with support at \$4.67 and resistance at \$4.87. Across Tennessee basis (cash price- nearby future price) strengthened in Lower-middle Tennessee and weakened or remained unchanged at Memphis, Northwest Barge Points, Upper-middle, and Northwest Tennessee. Overall basis for the week ranged from 4 under to 21 over the July futures contract with an average of 12 over at the end of the week. Corn net sales reported by exporters from May 9th to 15th were within expectations at 20 million bushels for the 2013/14 marketing year and within expectations at 2.5 million bushels for the 2014/15 marketing year. Exports for the same time period were up from last week at 45.6 million bushels. Corn export sales and commitments are 93% 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 93%. Ethanol production for the week ending May 16th was 925,000 barrels per day up 3,000 barrels per day. Ending ethanol stocks were 16.99 million barrels down 312,000 barrels. July/Sept and July/Dec future spreads were -3 cents and -3 cents, respectively.

Corn	Jul 14	Change	Sep 14	Change
Price	\$4.78	-\$0.05	\$4.75	-\$0.06
Support	\$4.67	-\$0.09	\$4.64	-\$0.09
Resistance	\$4.87	-\$0.03	\$4.84	-\$0.03
20 Day MA	\$4.98	-\$0.07	\$4.94	-\$0.07
50 Day MA	\$4.99	-\$0.01	\$4.96	-\$0.01
100 Day MA	\$4.77	\$0.01	\$4.76	\$0.01
4-Week High	\$5.22	\$0.00	\$5.18	\$0.00
4-Week Low	\$4.72	-\$0.08	\$4.70	-\$0.07
Technical Trend	Strong Down	-	Strong Down	-

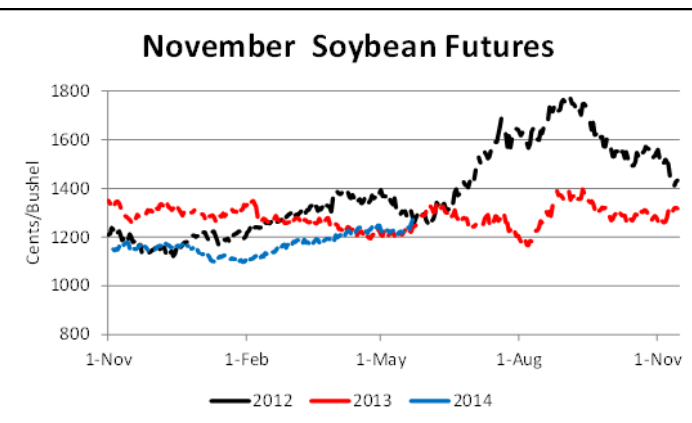


September 2014 corn futures closed at \$4.75 down 6 cents from last week with support at \$4.64 and resistance at \$4.84. December futures closed at \$4.75. Nationally, the May 19th Crop Progress report estimated corn planting at 73% compared to 59% last week, 65% last year, and a 5-year average of 76%; and corn emerged at 34% compared to 18% last week, 17% last year and a 5-year average of 42%. In Tennessee, corn planted was estimated at 93% compared to 87% last week, 77% last year, and a 5-year average of 85%; and corn emerged at 76% compared to 53% last week, 54% last year, and a 5-year average of 72%. This week September and December 2014 corn futures prices traded between \$4.68 and \$4.80. September cash forward contracts at elevators and barge points for the week averaged \$4.63 with a range of \$4.41 to \$4.96. Downside price protection could be obtained by purchasing a \$4.80 September 2014 Put Option costing 28 cents establishing a \$4.52 futures floor.

### Soybeans

July 2014 soybean futures closed at \$15.15 up 50 cents for the week with support at \$14.85 and resistance at \$15.53. Nearby soybean to corn price ratio was 3.17 at the end of the week. For the week, average soybean basis strengthened or remained unchanged at Memphis, Northwest Barge Points, Northwest, and Lower-middle Tennessee and weakened at Upper-middle Tennessee. Basis ranged from 17 under to 40 over the July futures contract at elevators and barge points. Average basis at the end of the week was 13 over the July futures contract. Net sales reported by exporters from May 9th to 15th were above expectations with net sales of 6.0 million bushels for the 2013/14 marketing year and below expectations for the 2014/15 marketing year with net sales of 16.6 million bushels. Exports for the same period were up from last week at 7.5 million bushels. Soybean export sales and

Soybeans	Jul 14	Change	Nov 14	Change
Price	\$15.15	\$0.50	\$12.65	\$0.44
Support	\$14.85	\$0.34	\$12.94	\$0.86
Resistance	\$15.53	\$0.68	\$12.40	\$0.11
20 Day MA	\$14.82	\$0.05	\$12.32	\$0.06
50 Day MA	\$14.58	\$0.11	\$12.17	\$0.07
100 Day MA	\$13.81	\$0.10	\$11.75	\$0.05
4-Week High	\$15.36	\$0.15	\$12.79	\$0.30
4-Week Low	\$14.41	\$0.00	\$12.06	\$0.00
Technical Trend	Strong Up	+	Strong Up	+



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## Crop Comments by Dr. Aaron Smith

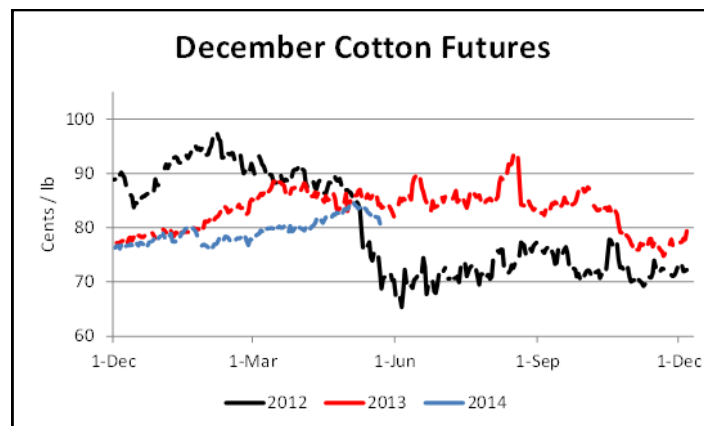
commitments are 103% of the USDA estimated total annual exports for the 2013/14 marketing year (September 1 to August 31), compared to a 5-year average of 99%. August 2014 soybean futures were trading at \$14.45. July/Aug and July/Nov future spreads were -70 cents and -250 cents.

November 2014 soybean futures closed at \$12.65 up 44 cents from last week with support at \$12.50 and resistance at \$12.85. The Crop Progress report estimated soybean planting at 33% compared to 20% last week, 21% last year, and a 5-year average of 38% and soybeans emerged at 9% compared to 3% last year and a 5-year average of 11%. In Tennessee, soybeans planted were estimated at 23% compared to 13% last week, 8% last year and a 5-year average of 21% and soybeans emerged at 10% compared to 3% last year and a 5-year average of 9%. This week November 2014 soybean futures traded between \$12.17 and \$12.79. Harvest soybean to corn price ratio was 2.66. November cash forward contracts averaged \$12.47 with a range of \$12.02 to \$12.91. Downside price protection could be achieved by purchasing a \$12.80 November 2014 Put Option which would cost 76 cents and set a \$12.04 futures floor.

### Cotton

July 2014 cotton futures closed at 86.31 down 3.51 cents for the week with support at 83.67 and resistance at 89.49. Cotton adjusted world price (AWP) decreased 0.46 cents to 70.41 cents. Net sales reported by exporters from May 9th to 15th were up from last week at 358,300 bales of upland cotton for the 2013/14 marketing year and 158,400 bales for the 2014/15 marketing year. Exports for the same period were up from last week at 190,000 bales. Cotton export sales and commitments are 102% 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 103%. Oct 2014 cotton futures are trading at 79.37. July/Oct and July/Dec future spreads were -6.94 cents and -6.84 cents.

Cotton	Jul 14	Change	Dec 14	Change
Price	86.31	-3.51	79.47	-2.87
Support	83.67	-5.72	77.04	-4.49
Resistance	89.49	-2.28	82.22	-1.67
20 Day MA	91.52	-1.15	82.88	-0.30
50 Day MA	91.86	-0.19	81.51	0.14
100 Day MA	89.28	0.27	79.89	0.19
4-Week High	95.10	0.00	84.74	0.00
4-Week Low	85.26	-4.50	78.41	-2.56
Technical Trend	Strong Down	-	Down	-



December 2014 cotton futures closed at 79.47 down 2.87 cents for the week with support at 77.04 and resistance at 82.22. The Crop Progress report estimated cotton planting at 46% compared to 30% last week, 37% last year, and a 5-year average of 48%. In Tennessee, cotton planted was estimated at 48% compared to 26% last week, 12% last year, and a 5-year average of 33%. December cotton futures traded between 78.41 and 82.71 cents this week. Downside price protection could be obtained by purchasing an 80 cent December 2014 Put Option costing 4.7 cents establishing a 75.3 cent futures floor.

### Wheat

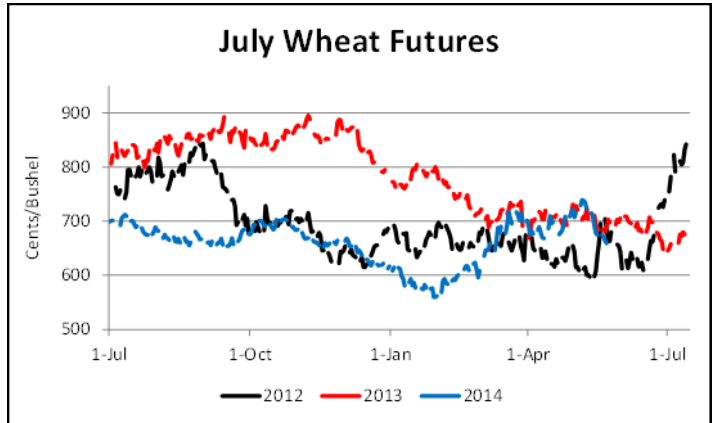
July 2014 wheat futures closed at \$6.52 down 22 cents for the week with support at \$6.45 and resistance at \$6.76. Net sales reported by exporters from May 9th to 15th were within expectations at 5.2 million bushels for the 2013/14 marketing year and within expectations at 7.7 million bushels for the 2014/15 marketing year. Exports for the same period were 18.6 million bushels. Wheat export sales are 99% of the USDA estimated total annual exports for the 2013/14 marketing year (June 1 to May 31), compared to a 5-year average of 104%. The Crop Progress report estimated winter wheat condition at 29% good to excellent and 44% poor to very poor; and winter wheat headed was 57% compared to 44% last week, 41% last year, and a 5-year average of 58%. In Tennessee, winter wheat condition was estimated at 81% good to excellent and 2% poor to very poor; winter wheat headed was estimated at 90% compared to 68% last week, 93% last year, and a 5-year average of 96%. July wheat futures traded between \$6.51 and \$6.86 this week. July wheat to corn price ratio was 1.36. In Tennessee, June/July cash forward contracts averaged \$6.50 with a range of \$6.09 to \$6.71 at elevators and barge points. July/Sept and July/Jul future spreads were 11 cents and 58 cents.

September 2014 wheat futures closed at \$6.63 down 20 cents from last week with support at \$6.56 and resistance at \$6.87. The Crop Progress report estimated spring wheat planted at 49% compared to 34% last week, 64% last year, and a 5-year average of 68%; and spring wheat emerged was 24% compared to 12% last week, 20% last year, and a 5-year average of 40%. September

## Crop Comments by Dr. Aaron Smith

wheat to corn price ratio was 1.40. July 2015 wheat futures closed at \$7.10. Downside price protection could be obtained by purchasing a \$7.20 July 2015 Put Option costing 72 cents establishing a \$6.48 futures floor.

Wheat	Jul 14	Change	Sep 14	Change
Price	\$6.52	-\$0.22	\$6.63	-\$0.20
Support	\$6.45	-\$0.18	\$6.56	-\$0.16
Resistance	\$6.76	-\$0.12	\$6.87	-\$0.10
20 Day MA	\$7.01	-\$0.06	\$7.10	-\$0.05
50 Day MA	\$6.95	-\$0.01	\$7.04	\$0.00
100 Day MA	\$6.50	\$0.03	\$6.58	\$0.02
4-Week High	\$7.44	\$0.00	\$7.51	\$0.00
4-Week Low	\$6.51	-\$0.18	\$6.62	-\$0.17
Technical Trend	Down	=	Down	=



### Additional Information

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](mailto:aaron.smith@utk.edu).

## Futures Settlement Prices: Crops & Livestock

Friday, May 16, 2014 — Thursday, May 22, 2014

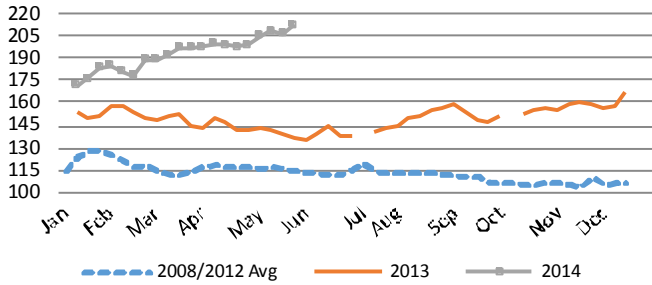
Commodity	Contract Month	Friday	Monday	Tuesday	Wednesday	Thursday
<b>Soybeans</b> (\$/bushel)	Jul	14.65	14.85	14.69	15.05	15.18
	Aug	13.99	14.19	14.05	14.30	14.48
	Sep	12.74	12.93	12.84	13.07	13.27
	Nov	12.21	12.38	12.32	12.53	12.70
	Jan	12.27	12.44	12.38	12.59	12.76
	Mar	12.31	12.49	12.42	12.63	12.79
<b>Corn</b> (\$/bushel)	Jul	4.83	4.77	4.73	4.74	4.76
	Sep	4.81	4.75	4.72	4.72	4.74
	Dec	4.81	4.75	4.72	4.71	4.73
	Mar	4.89	4.84	4.81	4.81	4.82
	May	4.94	4.90	4.87	4.87	4.89
	Jul	5.00	4.95	4.92	4.92	4.94
<b>Wheat</b> (\$/bushel)	Jul	6.74	6.74	6.70	6.64	6.59
	Sep	6.83	6.83	6.80	6.75	6.70
	Dec	6.98	6.99	6.97	6.92	6.88
	Mar	7.13	7.14	7.11	7.08	7.05
	May	7.20	7.22	7.19	7.16	7.12
<b>Soybean Meal</b> (\$/ton)	Jul	480	490	486	498	501
	Aug	455	464	461	470	474
	Sep	421	430	427	434	442
	Oct	391	401	399	406	412
	Dec	388	397	395	402	409
	Jan	387	396	394	402	408
<b>Cotton</b> (¢/lb)	Jul	89.82	89.15	89.00	89.29	87.78
	Oct	82.22	81.76	81.54	81.65	80.92
	Dec	82.34	82.05	81.92	81.88	80.73
	Mar	81.63	81.45	81.39	81.37	80.26
	May	81.75	81.65	81.72	81.97	80.99
<b>Live Cattle</b> (\$/cwt)	Jun	137.90	139.40	138.75	138.27	137.60
	Aug	138.37	140.55	140.10	139.60	138.65
	Oct	142.30	144.22	143.75	143.37	142.67
	Dec	144.77	146.45	145.85	145.90	145.45
	Feb	145.90	147.55	147.20	147.45	147.20
<b>Feeder Cattle</b> (\$/cwt)	May	187.30	188.47	189.05	189.20	189.07
	Aug	193.32	196.20	195.92	196.52	195.37
	Sep	194.30	197.30	197.00	197.55	196.55
	Oct	194.37	197.37	197.10	197.42	196.50
	Nov	193.27	196.22	195.90	196.27	195.25
	Jan	189.00	191.20	190.90	191.67	190.20
<b>Market Hogs</b> (\$/cwt)	Jun	118.92	119.37	118.60	119.92	117.60
	Jul	125.25	125.67	125.17	126.82	125.32
	Aug	125.60	126.60	127.10	128.72	128.10
	Oct	106.10	107.00	107.25	108.40	107.30
	Dec	93.77	94.35	94.80	95.30	95.05

**Prices on Tennessee Reported Livestock Auctions for the week ending May 23, 2014**

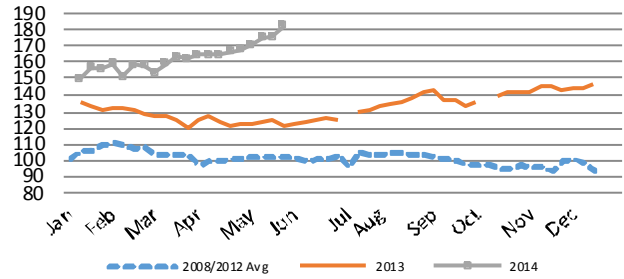
	This Week			Last Week	Year Ago
	Low	High	Weighted Average	Weighted Average	Weighted Average
----- \$/cwt -----					
<b>Steers: Medium/Large Frame #1-2</b>					
300-400 lbs	217.00	282.50	246.33	246.77	155.83
400-500 lbs	206.00	255.00	229.14	222.20	143.88
500-600 lbs	191.00	230.50	212.05	206.36	135.33
600-700 lbs	168.00	219.00	196.16	192.06	127.78
700-800 lbs	165.00	192.00	181.96	175.20	120.56
<b>Steers: Small Frame #1-2</b>					
300-400 lbs	210.00	270.00	234.89	211.79	152.02
400-500 lbs	179.00	222.50	210.48	211.07	129.36
500-600 lbs	----	----	----	181.92	122.29
600-700 lbs	----	----	----	----	105.50
<b>Steers: Medium/Large Frame #3</b>					
300-400 lbs	207.50	267.50	233.07	225.12	145.09
400-500 lbs	186.00	224.00	206.89	198.52	127.94
500-600 lbs	177.00	214.00	198.42	190.10	121.71
600-700 lbs	150.00	198.00	182.40	179.40	117.08
700-800 lbs	161.00	167.00	163.60	176.56	110.44
<b>Holstein Steers</b>					
300-400 lbs	127.50	159.00	147.77	----	118.42
500-600 lbs	141.00	157.50	147.50	----	82.66
700-800 lbs	----	----	----	----	80.60
<b>Slaughter Cows &amp; Bulls</b>					
Breakers 75-80%	88.00	14.50	95.95	96.76	78.11
Boners 80-85%	90.00	104.50	97.18	98.07	79.60
Lean 85-90%	79.00	94.00	86.75	86.40	72.25
Bulls YG 1	105.00	123.00	116.38	114.62	96.79
<b>Heifers: Medium/Large Frame #1-2</b>					
300-400 lbs	200.00	250.00	220.28	218.94	133.13
400-500 lbs	189.00	225.00	206.93	202.71	127.83
500-600 lbs	163.00	207.00	189.32	191.45	122.85
600-700 lbs	159.00	190.00	175.85	170.42	115.13
<b>Heifers: Small Frame #1-2</b>					
300-400 lbs	182.00	222.50	206.69	196.29	116.85
400-500 lbs	149.00	198.00	180.22	188.03	112.67
500-600 lbs	170.00	192.50	179.06	165.04	107.39
600-700 lbs	----	----	----	----	95.18
<b>Heifers: Medium/Large Frame #3</b>					
300-400 lbs	170.00	220.00	201.40	198.48	127.31
400-500 lbs	170.00	210.00	193.94	186.91	118.96
500-600 lbs	155.00	193.00	177.66	174.02	111.48
600-700 lbs	150.00	177.50	166.78	159.57	106.01

Cattle Receipts (# sales): This week: 8,267 (12)      Week ago: 7,900 (12)      Year ago: 4,600 (10)

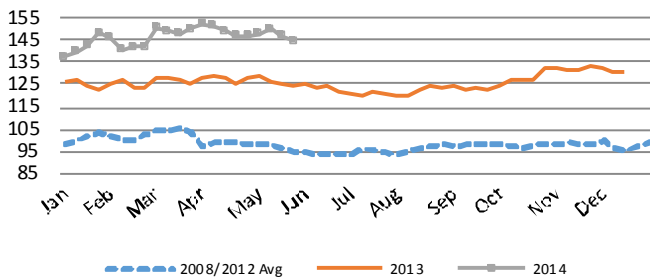
**Tennessee 500-600 lbs. M-1 Steer Prices  
2013, 2014 and 5-year average**



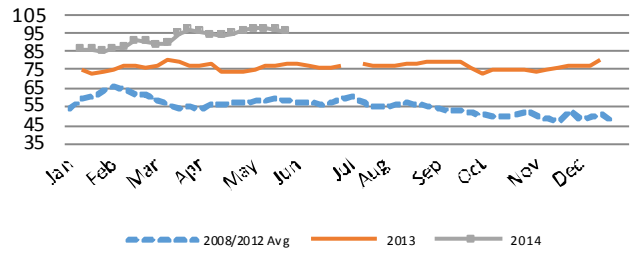
**Tennessee 700-800 lbs. M-1 Steer Prices  
2013, 2014 and 5-year average**



**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, May 16, 2014 — Thursday, May 22, 2014

	Friday		Monday		Tuesday		Wednesday		Thursday		Thursday Harvest	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
----- \$/bushel -----												
<b>No. 2 Yellow Soybeans</b>												
Memphis	14.78-15.00		14.98-15.15		14.82-14.99		15.18-15.40		15.31-15.53		----	
N.W. B.P.	14.72-14.84		14.92-15.04		14.79-14.88		14.16-15.24		15.29-15.38		12.79-12.84	
N.W. TN	14.50-14.65		14.68-14.85		14.52-14.69		14.88-15.05		15.09-15.18		12.40-12.59	
Upper Md.	14.66-14.90		14.86-15.08		14.69-14.94		15.06-15.32		15.19-15.43		12.59-12.70	
Lower Md.	14.65-15.05		14.85-15.25		14.69-15.09		15.05-15.45		15.19-15.59		12.41-12.76	
<b>Yellow Corn</b>												
Memphis	5.03-5.05		4.97-4.99		4.93-4.96		4.94-4.94		4.96-4.96		----	
N.W. B.P.	4.95-5.03		4.88-4.98		4.84-4.93		4.86-4.92		4.88-4.94		4.57-4.62	
N.W. TN	4.83-4.86		4.77-4.80		4.73-4.76		4.70-4.74		4.73-4.76		4.54-4.74	
Upper Md.	4.94-4.98		4.87-4.92		4.83-4.88		4.83-4.89		4.86-4.90		4.42-4.53	
Lower Md.	4.94-5.04		4.92-4.97		4.88-4.94		4.90-4.95		4.92-4.97		4.54-4.94	
<b>Wheat</b>												
Memphis	6.71-6.77		6.67-6.71		6.62-6.65		6.53-6.59		6.49-6.54		----	



### Featured Article from [Drovers CattleNetwork](#) [Worth the Weight](#)

The current environment for the beef industry includes a limited supply of feeder cattle and stable consumer demand for beef, said Glynn Tonsor, livestock economist for Kansas State University. The environment is driving record high prices for cattle.

Many producers and commercial stockers are likely debating the best time to buy and sell calves. Tonsor said those who have the feed resources available should consider putting extra weight on the calves prior to selling.

“Today, someone who might have weaned a fall steer and have a 700-pounder around today will entertain selling him,” he said. “But, if you are in a situation where you still have something to feed the steer and you could put an additional 50 pounds on him, the market is strongly encouraging you to do that.”

In this example, Tonsor pointed out that the feeder cattle market in June compared to May looks to be higher. If the steer sells at a higher price in June when he is 50 pounds heavier, the value of gain (VOG) is projected to be more than \$2, around \$2.11, which could well exceed the cost of gain (COG) for producers who have access to feed resources.

For producers who will be weaning calves this fall, or commercial stockers looking to purchase weaned calves, consider this—putting an additional 200 pounds on calves could have a VOG around \$1.20. That’s comparing selling calves at 550 pounds in late September to selling them at 750 pounds in late December.

“Most people will have a COG close to a buck, or a little bit lower, so there are positive margins being projected there as well,” Tonsor said.

Tonsor used [Beef Basis](#) as a resource for figuring VOG projections. He recommends that producers visit [K-State’s Ag Manager website](#), where they will find links to the Beef Basis website and [Livestock Marketing Information Center’s website](#). These

resources allow cattle buyers and sellers to view market reports and compare costs.

What about herd expansion?

While many cow/calf producers are taking advantage of selling with current high feeder cattle prices, many are also looking to expand the herd following a few years of extensive drought. Tonsor said despite high prices, there is evidence that the industry is trying to expand by retaining heifers and not culling as many cows.

In the first quarter of 2014 on a nationwide basis, he said, there has been a notable reduction in the portion of feedlot placements represented by heifers, which indicates they are staying on a farm or ranch somewhere.

### Video Sales

#### **EAST TENNESSEE LIVESTOCK CENTER - May 7, 2014**

63 Holstein Steers, avg wt. 790 lbs., \$153.00  
60 Holstein Steers, avg wt. 840 lbs., \$150.35

#### **ATHENS STOCKYARD - May 20, 2014**

73 heifers, avg. wt. 690 lbs., **\$179.75**

### Video Board Sales and Graded Sales

#### **05/21/14 Browning Livestock Market (Feeder cattle sale)**

Lafayette, TN Next sale June 04, 2014

Cattle Receipts: 1748 Total feeders: 1544

For complete report:

[http://www.ams.usda.gov/mnreports/nv\\_ls180.txt](http://www.ams.usda.gov/mnreports/nv_ls180.txt)

#### **5/15/14 Athens Stockyard Holstein Steer Sale**

Receipts: 984

For complete report:

[http://www.ams.usda.gov/mnreports/nv\\_ls180.txt](http://www.ams.usda.gov/mnreports/nv_ls180.txt)

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