

AG NOTES
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WHAT'S THE MARKET?

Drs. Andrew Griffith and Aaron Smith, livestock and crop economists for UT Extension, shared these comments on the market last week.

Fed cattle traded steady compared to last week on a live basis. Prices on a live basis were primarily \$121 to \$122 while dressed prices were mostly \$195 to \$196. The 5-area weighted average prices thru Thursday were \$121.93 live, up \$0.06 compared to last week and \$195.63 dressed, up \$0.42 from a week ago. A year ago, prices were \$96.77 live and \$154.33 dressed.

Based on Tennessee weekly auction market data, steer prices were steady to \$3 higher compared to last week while heifer prices were steady to \$4 higher compared to a week ago. Harvest cow prices were \$1 to \$3 higher while harvest bull prices were steady to \$2 higher compared to the previous week.

Local auction market results are a tale of a divided week. Early week auction prices appeared to be stronger than prices from the previous week while middle of the week and end of the week auction prices were softer than the previous week. The softness in prices from the middle of the week moving forward is largely due to the softness in the futures market. The April feeder cattle contract price has declined \$7 per hundredweight since Thursday of last week.

Despite the decline in futures on Friday and Monday, Monday and Tuesday auction market prices were still fairly optimistic. However, by the time Wednesday rolled around, optimism had been lost and there even appears to be some bearish undertone in the market. (This is a good example of the short turn-around of the market from a profit to a loss. JT)

The grain market was a different story. Corn, cotton, soybeans, and wheat were up for the week.

Drought concerns and tightening supplies continue to propel harvest corn futures higher. Dry conditions combined with late planting are currently influencing Brazil's projected second crop corn production. The second crop in Brazil is normally harvested July through September and competes with the US for export markets.

There are also concerns with drought in the US, particularly in the Northern and Southern plains, where the latest US drought monitor estimates 100% of North Dakota is Abnormally Dry and 75% is in Extreme Drought; and in Texas 91% is Abnormally Dry and 24% is in Extreme Drought.

It is still early in the production year, but moisture is lacking in several key corn producing states. Due to drought concerns and very strong export sales and shipments, December corn has gained 30 cents from March 31 to April 15. In Tennessee, new crop cash corn prices at elevators and barge points ranged from \$4.86 to \$5.33. December 2021 corn futures closed at \$5.12, up 16 cents since last Friday.

Like corn, soybean futures have also gained since the end of March. New crop futures are now within 25 cents of \$13/bu and could go higher without greater acres planted this spring/summer or greater than trend line national average yields.

US stocks are functionally out, estimated at 120 million bushels by the USDA. With limited US stocks remaining, it is very likely the US will import a small amount of soybeans this summer to aid in meeting domestic crush needs. In Tennessee, new crop cash soybean prices at elevators and barge points ranged from \$12.46 to \$12.97. November 2021 soybean futures closed at \$12.74, up 11 cents since last Friday.

In Tennessee, new crop wheat cash contracts ranged from \$6.18 to \$6.80. July 2021 wheat futures closed at \$6.55, up 15 cents since last Friday.

WISDOM

The topic for the Progressive Farmer's Cornerstones section this month is on purpose. It's a great topic, and there are some gems of wisdom here. They'll make you think. A lot.

Henry David Thoreau said "It is not enough to be industrious; so are the ants. What are you industrious about?" Washington Irving said "Great minds have purpose, others have wishes. Little minds are tamed and subdued by misfortunes; but great minds rise above them."

Epictetus said "Don't put your purpose in one place and expect to see progress made somewhere else." Margaret Atwood said "What am I living for and what am I dying for are the same question." Winston Churchill said "It's not enough to have lived. We should be determined to live for something."

These next ones are two really good ones. A lady who had a great sense of purpose was the late Helen Keller, born blind and deaf with difficulty speaking. She learned to communicate in spite of those great odds with great teachers and helpers who had the high purpose to help her! She rose above her problems and inspired so many. Here is what she said. "Joy is the holy fire that keeps our purpose warm and our intelligence aglow." Think about that.

Ralph Waldo Emerson said it best. "The purpose of life is not to be happy. It is to be useful, to be honorable, to be compassionate, to have it make some difference that you have lived and lived well." A high calling. Think about it.