

AG NOTES
By John Teague
UT/TSU Extension
June 1, 2021

FARMERS MARKET

We don't know at this point when the market will open. I'm getting asked almost daily by customers. The hard part is to guess when the crop will be in. We are contacting our vendors and it's hard for them to predict when they'll be ready.

Cold spring, wet weather, dry weather. Right now it's hard to make the call. But we will as soon as we can.

WHAT'S THE MARKET?

It's been all over the price ranges for nearly everything. For some of our producers it's good, and for others it's a struggle.

Drs. Andrew Griffith and Aaron Smith, livestock and crop economists with UT Extension, shared the following comments.

The 5-area weighted average prices thru Thursday were \$119.64 live, down \$0.07 compared to last week and \$190.66 dressed, up \$0.10 from a week ago. A year ago, prices were \$115.65 live and \$183.30 dressed. The live cattle trade at \$120 seems to never end. This has been one of the longest periods of steady live cattle trade in memory.

The futures market is not pricing in much of a summer price decline, which could mean this market stays range bound for several more weeks and possibly through the summer months. Steady prices are certainly welcome by cattle feeders given that the seasonal tendency is for fed cattle prices to soften during the summer.

Based on Tennessee weekly auction market data, steer prices were steady to \$4 higher compared to last week while heifer prices were also steady to \$4 higher compared to a week ago. Harvest cow prices were steady to \$1 higher while bull prices were \$1 to \$2 lower compared to the previous week. The calf market will begin to slow moving into the summer months as fewer calves will be available and as demand during the hot and dry summer months tends to fade for these animals. The market for yearling cattle tends to gain momentum heading into the summer months, which is what is being reflected in the summer and fall feeder cattle futures contracts.

(The drought is very real in the southwest and the plains areas. Some liquidation of the cattle breeding herd has started in some areas. Many livestock markets are seeing cow-calf pairs coming to be sold due to limited grass and concern for water supplies. JKT)

Dr. Smith shared these comments last week. Corn and cotton were up; soybeans and wheat were down for the week. Export sales and weather continued to exert their influence on markets. Corn markets were buoyed by weekly export sales, with China purchasing 147 million bushels for the next marketing year. Export shipments and outstanding sales for corn and soybeans indicate that USDA will likely need to raise the marketing year total export amount for the 2020/21 marketing year.

Drought conditions were eased in parts of Texas (decrease from 28% in severe drought last week to 20% this week). However, areas in the northern plains and the Corn Belt saw drought intensify. The US Drought Monitor indicates that 85% of North Dakota is in an extreme drought and 37% of Iowa is in a moderate to severe drought.

New crop soybean futures prices have pulled back \$1 from recent highs, however remain above \$13.50/bu. December corn futures prices have also decreased almost a \$1 and are trading near \$5.50. The long-term outlook is supportive for prices with tight endings stocks given the current USDA acreage

projections and trend line yield estimates. Prices may not be able to get back to recent highs, but a collapse in the market seems unlikely.

July 2021 corn futures closed at \$6.59, up 16 cents since last Friday. For the week, July 2021 corn futures traded between \$6.33 and \$6.71. September 2021 corn futures closed at \$5.73, up 10 cents since last Friday. In Tennessee, new crop cash corn prices at elevators and barge points ranged from \$5.32 to \$5.81. December 2021 corn futures closed at \$5.46, up 4 cents since last Friday.

July 2021 soybean futures closed at \$15.26, down 60 cents since last Friday. For the week, July 2021 soybean futures traded between \$15.12 and \$16.04. August 2021 soybean futures closed at \$14.72, down 55 cents since last Friday. In Tennessee, new crop cash soybean prices at elevators and barge points ranged from \$13.50 to \$14.30. November 2021 soybean futures closed at \$13.60, down 40 cents since last Friday. In Tennessee, new crop wheat cash contracts ranged from \$6.56 to \$7.22. September 2021 wheat futures closed at \$6.77, down 29 cents since last Friday.

THE KIDS

Hank's Little League team won the championship tournament last week. He was really excited when we got the call! The score was 1-0, and he caught four fly hits to center field for outs and threw a runner out at second for another out. He also had an RBI on one hit at bat. The team they played in the finals had beaten them twice in regular season by a point each time, so the win was super sweet for his team.

Ford plays in his All-Star tournament this week. He's getting excited and ready to play. And he'll get to go to the professional minor league ballpark in mid-June and play a game there under the lights one night, but he doesn't know that yet. He'll be super excited, and we will be, too.

Piper's dance recital is this week, and we'll see a preview of it. It's tough when they all have events at the same time. But we'll do the best we can to see it all. She'll be a star if she does what she's shown us so far. At least, that's what she did last year.

Kids making memories...and Grandee and Meme will be there.