

**AG NOTES**  
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**FERTILIZER**

Farmers depend on it for crop yields. Livestock growers depend on it for forage production to feed their animals. Homeowners depend on it for nice lawns and ornamentals. Nitrogen, phosphorous and potassium are the major ingredients in fertilizers, and these are responsible for healthy root systems that take up nutrients, healthy foliage that feeds the plants with photosynthesis, and the reproduction process of blooms that form seeds to perpetuate the plant species.

These ingredients have seen unusual increases in price. Along with some grain prices that are reasonably good, and livestock prices that are not as good, farmers are in a dilemma on costs. These fertilizer prices are nearly three times the cost in 2021. This is going to adversely affect profits.

There will be a zoom meeting on January 25 featuring four specialists with the University of Tennessee. Each has a specialty that can shed light on how to deal with these high prices.

Dr. Shawn Hawkins is an animal waste management expert and deals with land application of waste. Dr. Lori Duncan specializes in sustainable production and precision fertilizer applications. Dr. Aaron Smith is one of the best crop economists in the country and he will shed market outlooks and cost analysis. Dr. Neal Eash is a soil health expert and will discuss soil management.

There is no charge but registration is required. Go to [tiny.utk.edu/fertilizer](http://tiny.utk.edu/fertilizer) or [https://us06web.zoom.us/webinar/register/WN\\_5yQpnWVOToGq7eWBuya8DQ](https://us06web.zoom.us/webinar/register/WN_5yQpnWVOToGq7eWBuya8DQ)

I can provide a link by email for those who would like it. This session should be helpful with information that may help in managing these unusually high costs.

**WHAT'S THE MARKET?**

Drs. Andrew Griffith and Aaron Smith, UT Extension livestock and grain market economists, shared these comments on the cattle and grain markets. This is as of Friday, January 7.

Fed cattle traded \$1 lower compared to last week on a live basis. Prices on a live basis primarily ranged from \$138 to \$139 while dressed prices were mainly \$219 to \$220. The 5-area weighted average prices thru Thursday were \$138.58 live, down \$1.14 compared to last week and \$219.99 dressed, down \$0.90 from a week ago. A year ago, prices were \$111.48 live and \$176.02 dressed.

Week to week trends were not able to be established this week due to most markets being closed the past two weeks in observance of the Christmas and New Year holidays. Additionally, feeder cattle and harvest cattle marketings were relatively light this week in Tennessee due to multiple snow events that moved across the region from Sunday through Thursday. These snow events prevented producers from being able to get trucks and trailers in pastures as well as making it difficult to travel many of the roadways, which means livestock auction markets will likely be busy for the second week of January.

Despite these challenges, a few cattle were traded through the weekly auction markets. Given the light test, 525 pound steer prices appear to be heading toward the \$165 per hundredweight mark while 575 pound steer prices are not far behind and near \$160 per hundredweight. These prices are certainly higher than the last week of trade in December, which bodes well for higher prices moving through the next 90 to 120 days.

Corn, soybeans, and cotton were up; wheat was down for the week. 2022 brings drastically different prices than one year ago for many row crops. At the start of January, December corn closed at \$5.47 ½, up 26% compared to last year; November soybeans closed at \$12.83 ¾, up 14.5% compared to

last year; December cotton closed at 92.95, up 23.3% compared to last year; and July wheat closed at \$7.55, up 20% compared to last year.

High commodity prices are positive for farmers; however, input prices and availability continue to challenge producers planning the 2022 crop. Fertilizer prices are double or triple last year's prices and availability of crop protection products are providing planning issues and creating headaches for producers and ag retailers alike. Even if high prices hold, producer profitability is projected to be lower than 2021.

March 2022 corn futures closed at \$6.06, up 13 cents since last Friday. For the week, March 2022 corn futures traded between \$5.84 and \$6.11. May 2022 corn futures closed at \$6.07, up 12 cents since last Friday.

March 2022 soybean futures closed at \$14.10, up 71 cents since last Friday. For the week, March 2022 soybean futures traded between \$13.42 and \$14.15. May 2022 soybean futures closed at \$14.18, up 69 cents since last Friday.

March 2022 wheat futures closed at \$7.58, down 12 cents since last Friday. March 2022 wheat futures traded between \$7.35 and \$7.82 this week. May 2022 wheat futures closed at \$7.60, down 14 cents since last Friday.

One major theme in both Griffith's and Smith's comments is that risk management is important in making management decisions in both the livestock and crop operations. With these unusual high costs of inputs, and uncertainty in the market at harvest or sale times, it is more important than ever!