

AG NOTES
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CROP OUTLOOK

Now is planting time for most of our crops. Everyone in agriculture is watching the grain markets, and consumers are watching food prices. We have a really talented crop economist with the UT Department of Agriculture Economics. Dr. Aaron Smith is one of the best in country for analyzing crop markets. Here are some of his comments for the crop market. (I'll have mine at the end. JKT)

July 2022 corn futures closed up 3 cents at \$7.91 $\frac{1}{2}$ with a trading range for the day of \$7.82 $\frac{3}{4}$ to \$8.00 $\frac{3}{4}$. December 2022 corn futures closed up 17 $\frac{1}{4}$ cents at \$7.53 with a trading range for the day of \$7.34 $\frac{1}{2}$ to \$7.55 $\frac{1}{2}$. Corn yield was decreased 4 bu/acre to 177 bu/acre. Late planting could have both yield and acreage repercussions. The June acreage report will be closely watched for adjustments to planted acres.

The 2022/23 U.S. corn outlook is for lower production, domestic use, exports, ending stocks, and higher prices. The corn crop is projected at 14.5 billion bushels, down 4.3 percent from last year. The corn yield is projected at 177.0 bushels per acre, 4.0 bushels below the weather adjusted trend presented at USDA's Agricultural Outlook Forum in February. The very slow start to this year's planting in the major corn producing States and the likelihood that progress by mid-May will remain well behind normal reduce yield prospects.

July 2022 soybean futures closed up 7 cents at \$16.13 $\frac{3}{4}$ with a trading range for the day of \$15.90 $\frac{1}{4}$ to \$16.27 $\frac{1}{4}$. November 2022 soybean futures were up 8 $\frac{1}{4}$ cents for the day closing at \$14.80 $\frac{1}{2}$ with a trading range for the day of \$14.57 $\frac{3}{4}$ to \$14.89. Current planting progress, lower cost of production than corn or cotton, and the potential record planting in South America necessitate downside price protection for soybeans.

The 2022/23 outlook for U.S. soybeans is for higher supplies, crush, exports, and ending stocks compared with 2021/22. The soybean crop is projected at 4.64 billion bushels, up 5 percent from last year's crop mainly on higher harvested area. With slightly lower beginning stocks, soybean supplies are projected at 4.89 billion bushels, up 4 percent from 2021/22. Total U.S. oilseed production for 2022/23 is projected at 136.6 million tons, up 6.1 million from 2021/22 mainly on higher soybean production. The U.S. soybean crush for 2022/23 is projected at 2.26 billion bushels, up 40 million from the 2021/22 forecast.

July 2022 wheat futures closed up 65 $\frac{3}{4}$ cents at \$11.78 $\frac{3}{4}$ with a trading range for the day of \$11.02 $\frac{3}{4}$ to \$11.83. September 2022 wheat futures closed up 64 $\frac{1}{2}$ cents at \$11.81 $\frac{3}{4}$ with a trading range for the day of \$11.07 $\frac{1}{2}$ to \$11.87 $\frac{1}{4}$. Reductions in Ukraine's production, and continued uncertainty in the region, combined with lower global stocks provide support to wheat prices.

The outlook for 2022/23 U.S. wheat is for reduced supplies, exports, domestic use stocks, and higher prices. U.S. 2022/23 wheat supplies are projected down 3 percent, as lower beginning stocks more than offset a larger harvest. All wheat production for 2022/23 is projected at 1,729 million bushels, up 83 million from last year, as higher yields more than offset a slight decrease in harvested area. The all wheat yield, projected at 46.6 bushels per acre, is up 2.3 bushels from last year.

(For those items that depend on corn, soybeans or wheat, it looks like these inputs will cause cost increases. But let me point out that our farmers are not collecting a windfall income here, since they are paying triple for fertilizers, double to triple for seed and weed control, fuel for the planting and

harvest equipment is up nearly 50% and other costs of production is skyrocketing. Some may call the market bullish, but I wondering if the bull is tearing up more than we can stand. John Teague)

For the cattle market, Dr. Andrew Griffith is our livestock economist at UT Extension. Here are his comments on the market.

Fed cattle traded \$1 lower compared to last week on a live basis. Prices on a live basis primarily ranged from \$141 to \$143 while dressed prices were mainly \$227 to \$230. The 5-area weighted average prices through Thursday were \$142.41 live, down \$1.02 compared to last week and \$229.00 dressed, down \$2.60 from a week ago. A year ago, prices were \$119.70 live and \$190.48 dressed.

Based on Tennessee weekly auction market reports, steer prices last week were steady to \$3 higher compared to a week ago while heifer prices were steady to \$2 higher compared to last week. Harvest cow prices were steady while bull prices were steady to \$2 lower compared to the previous week. (Cattle producers are watching the market as cow numbers decline in the Great Plains drought areas from Texas to North Dakota. Water is scarce there. While the immediate affect may be downward pressure on cow harvest prices and an increase in feedlot cattle which will add to the pounds of beef harvest in the future, overall reduction in the cowherd will eventually mean a smaller number of feedlot cattle in the future and higher prices for beef in a world with strong demand for the supply. John Teague)