

SOYBEAN NOTES ECONOMICS SECTION

August 2, 2019

Bob Stark

Agricultural Economist-SEREC & UAM School of Agriculture, Monticello

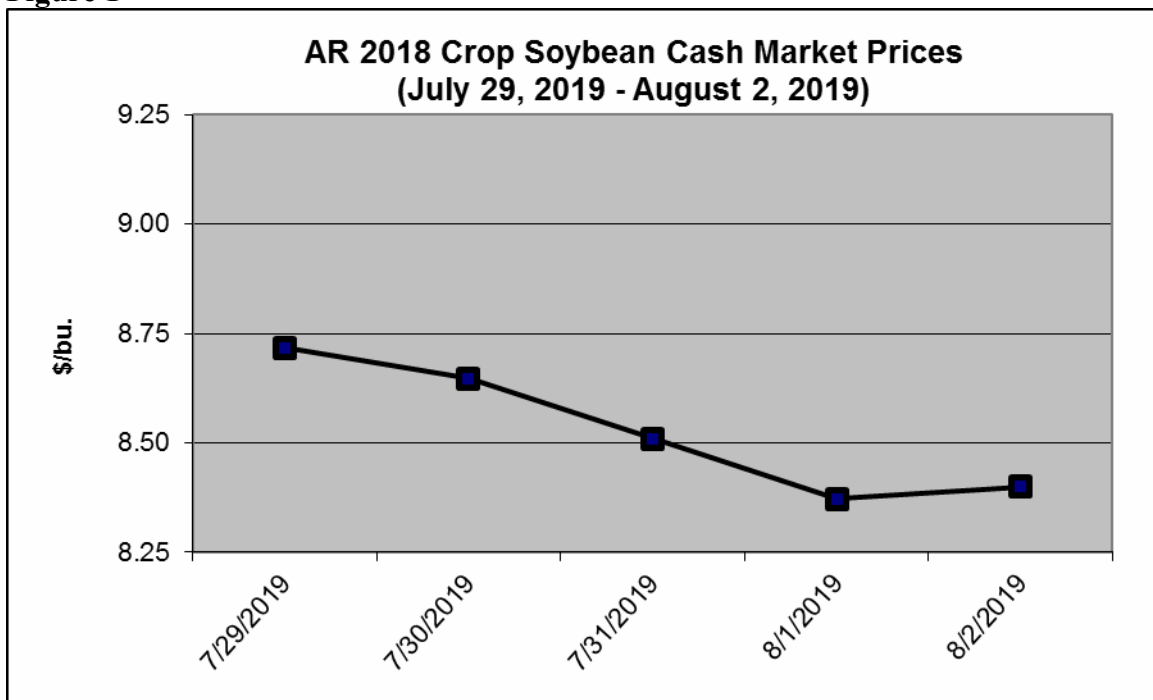
Jeremy Ross

Assistant Professor/Extension Agronomist – Soybean

University of Arkansas Cooperative Extension Service, Little Rock

SOYBEAN NOTES is a weekly newsletter focusing on all aspects of Arkansas soybean news. This market economics component looks at cash market & forward pricing quotes from selected markets as reported to National Agricultural Statistics Service in Arkansas.

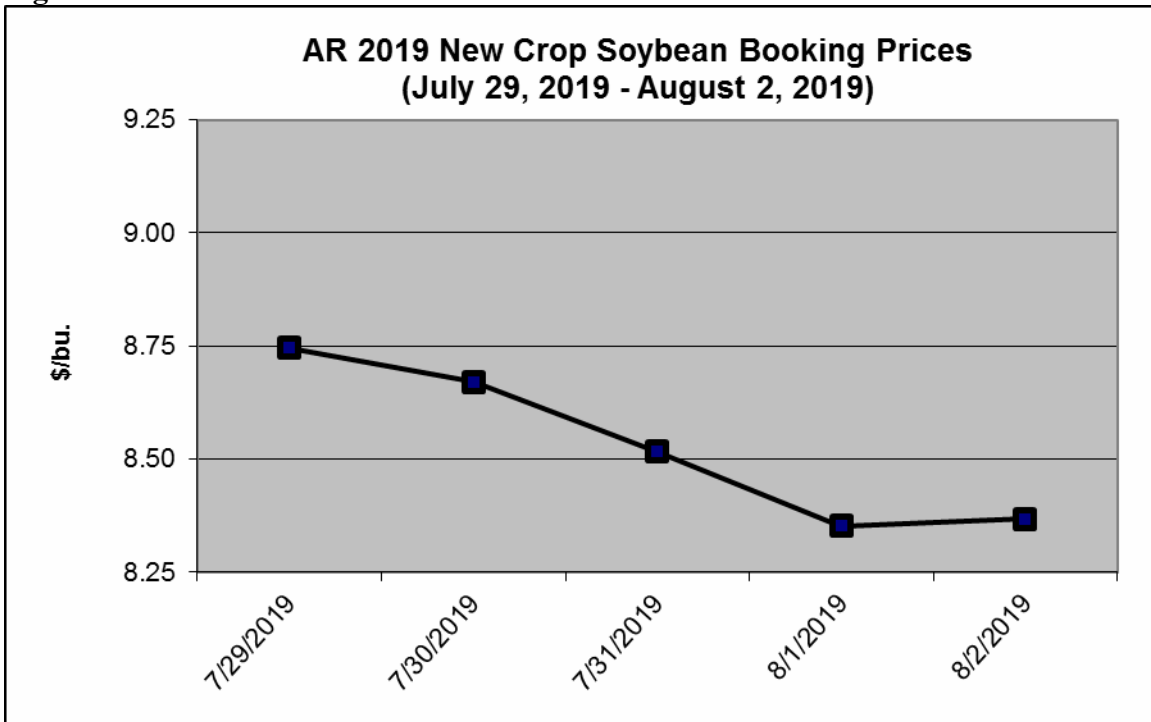
Figure 1



The Arkansas 2018 Crop Soybean Market opened the past week of trading unchanged over the weekend. Market price movement was consistently lower through the week before seeing a slight recovery on Friday (Figure 1). The market opened on Monday at \$8.72, 9 cents under the previous week opening day price. Price fell a total of 35 cents over the next three days to a weekly low of \$8.37 on Thursday. A 3 cent Friday gain put the market at a closing statewide daily average of \$8.40, 32 cents under the closing price of the previous week. High daily individual market price of the week was \$8.87 at Helena on Monday, the first week since the July 4th holiday without an individual daily market quote exceeding \$9.00. Low quote for the week occurred on Wednesday with an \$8.11 quote from Wynne. End-of-the-week quotes saw the Friday closing day prices based on just two markets. The low price was \$8.34 at Little Rock and the high was

\$8.47 at West Memphis. The ending quotes range of 13 cents should not be compared to the previous week range due to the limited number of reporting markets.

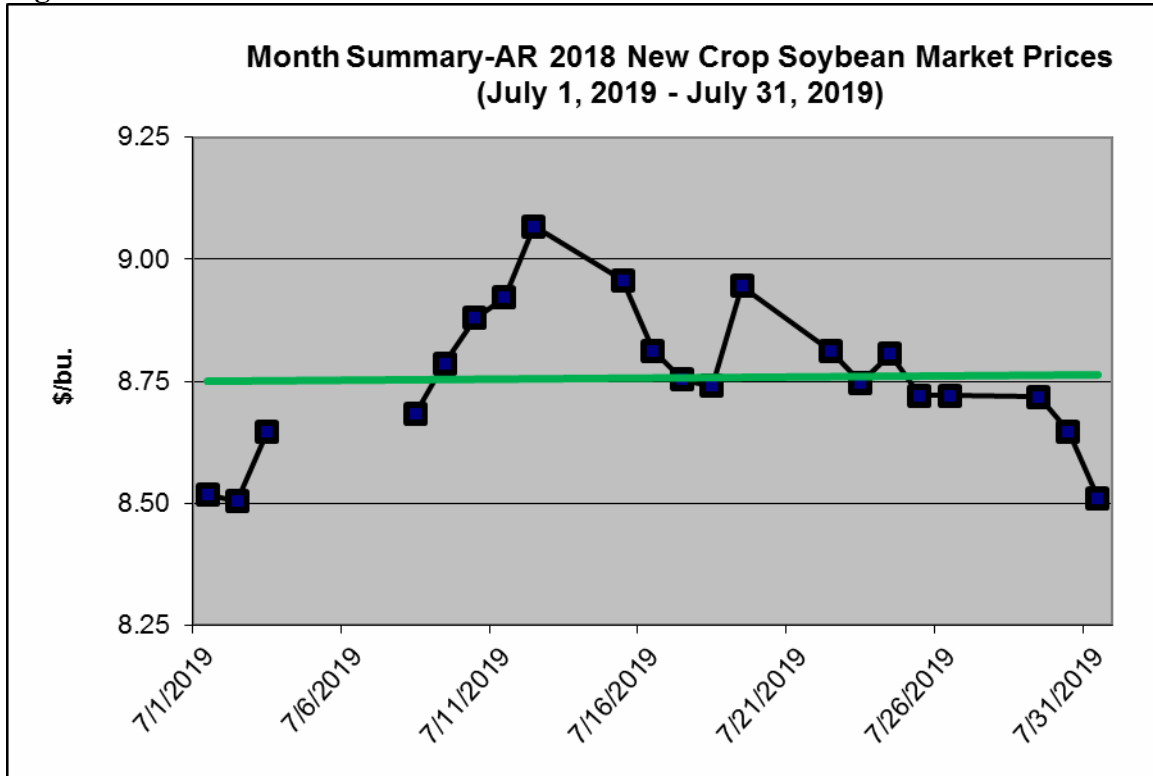
Figure 2



The Arkansas 2019 New Crop Soybean Booking Market again closely followed the price path of old crop beans with no more than a 3 cent difference on any given day. New crop beans rose 4 cents over the weekend prior to the past week and opened with a statewide average of \$8.75 on Monday, 4 cents under the previous week opening statewide average. Price moved lower each succeeding day of the week until a 2 cent rally on Friday to end the week (Figure 2). The market finished the week on Friday at \$8.37, a 34 cent decline from the average ending price of the previous week. High daily individual market quote of the past week was \$8.95 on Monday at Blytheville. Low quote of the week was \$8.11 on Thursday at Wynne. End-of-the-week quotes saw the closing day prices ranging from a low of \$8.15 at Wynne to a high of \$8.60 at Blytheville. The 45 cent ending quotes range was 1 cent wider than the closing day ending range of the previous week. The market received price quotes each day of the past week from eleven locations.

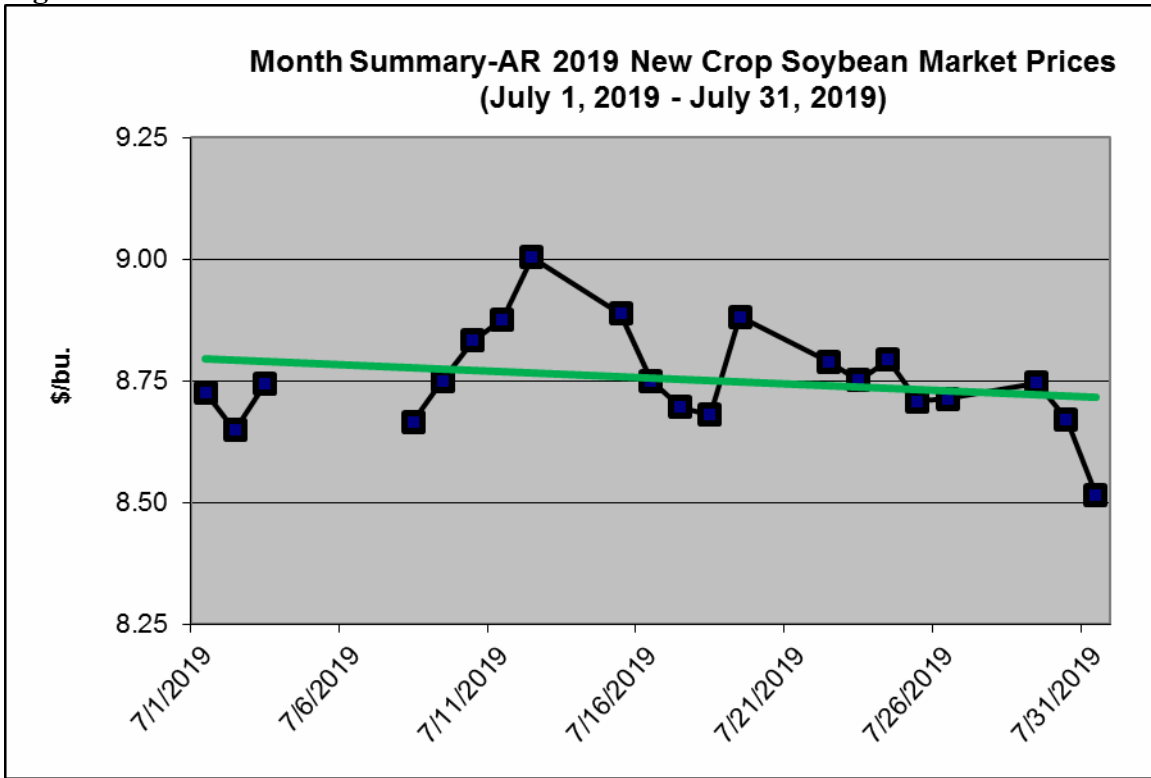
July 2019 Monthly Summary

Figure 3



July cash trading in 2018 crop soybeans opened on July 1 at \$8.52, a 22 cent fall from the last June trading day. After losing another 2 cents on July 2, the market began a price rise that extended through July 12. Unfortunately, price turned around at that point and began two extended declines. The first lasted a week and took the market down to \$8.74 on July 18. A 21 cent gain on the following day was wiped out by the second decline that essentially lasted through the end of the month (Figure 3). The monthly statewide average daily high of \$9.07, the only week above the \$9.00 mark, occurred on July 12. The low for the month was \$8.51 on July 31. The new crop soybean market ended the month 23 cents under the last June trading day price. High individual daily market quote of the month was \$9.25 on July 12 at West Memphis. The low individual daily market quote was \$8.11 at Wynne on July 31. Overall statewide average for July was \$8.75 for the 2018 crop soybeans, 11 cents above the June monthly average. For the first seven months of 2019, the average price now stands at \$8.58.

Figure 4



The market for 2019 New Crop Soybean Booking began July with a sharp 15 cent loss compared to the last June trading day. Price remained steady through the July 4th holiday before entering a weeklong climb that took the market to its eventual July high of \$9.00. Price proceeded to lose almost all of those gains during the subsequent week, had a rally on July 19, and then was weaker through the remaining trading days. A serious loss took place in the final two days leaving the market much lower overall for the month (Figure 4). The new crop market opened trading for the month at \$8.73 on July 1. The highest daily statewide average in July was \$9.00 reported on July 12. The final day of trading, July 31, was the lowest daily statewide average at \$8.52. High individual daily market quote of July was \$9.30 at Helena on July 12. The low individual daily market quote of the month was \$8.28 and occurred on July 31 at Wynne. The overall statewide average for July was \$8.76, a 2 cent decline from the June monthly average. The average new crop price for the first seven months of 2019 is now \$8.79 per bushel.

(Market average prices stated in this report are unweighted averages of the state markets surveyed by NASS. Price data was based on USDA LR GR111 Arkansas Daily Grain Reports.)