

SOYBEAN NOTES ECONOMICS SECTION

December 20, 2019

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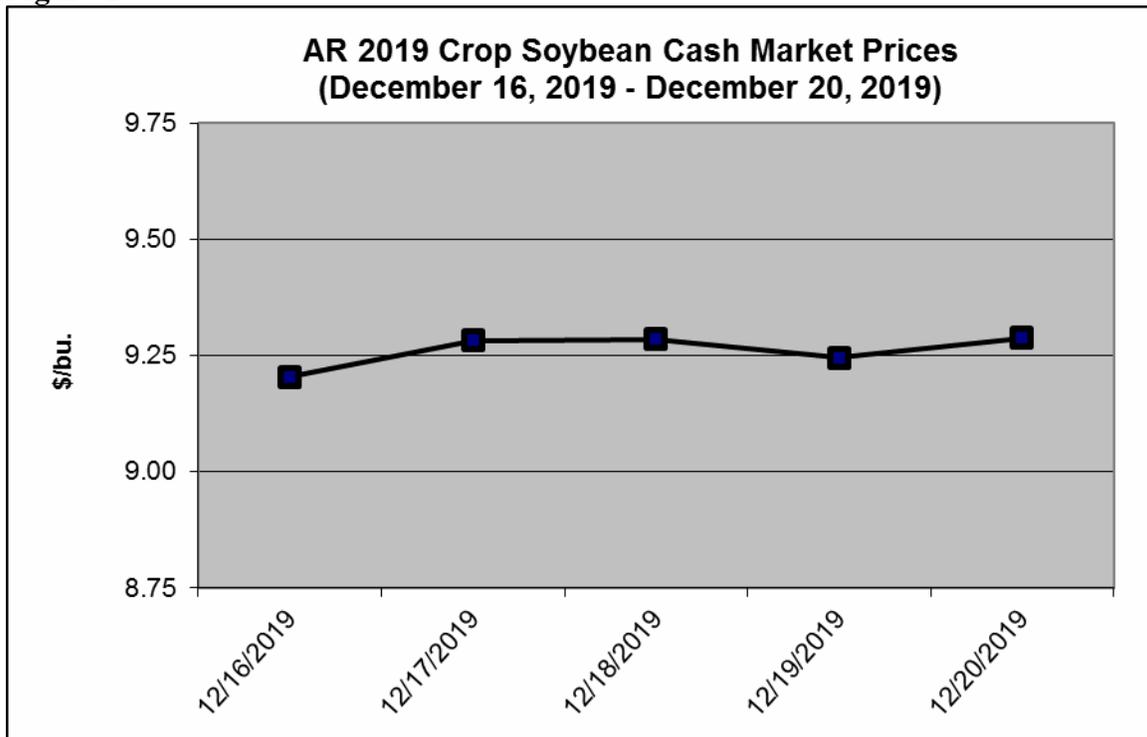
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SOYBEAN NOTES is a weekly newsletter focusing on all aspects of Arkansas soybean news. This market economics component looks at cash market & forward pricing quotes from selected markets as reported to USDA Agricultural Marketing Service in Arkansas.

The Arkansas Daily Grain Report issued by USDA-AMS will not be published for the period of December 23, 2019-January 1, 2020. This cash market report therefore includes price trends for the past week, the month of December, and a marketing year summary for the 2019 corn crop. Regular publications of this Arkansas Soybean Notes Market Report will resume on Friday, January 3, 2020.

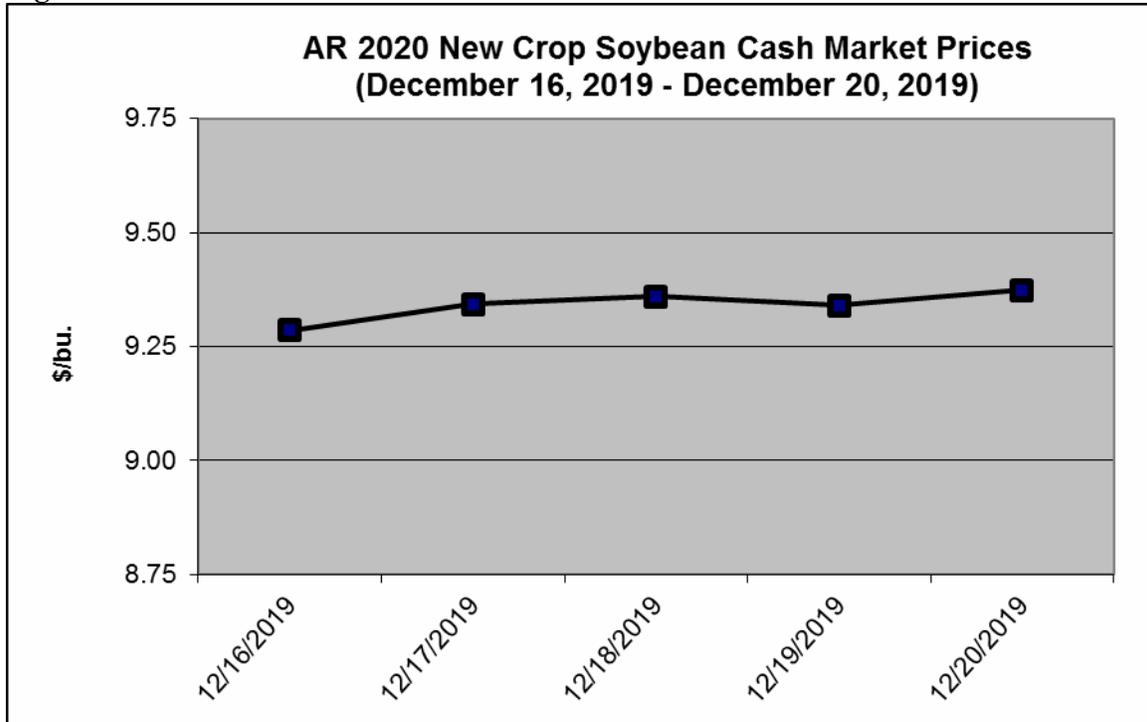
Figure 1



For the second straight week, the Arkansas 2019 Crop Soybean Cash Market posted a solid weekend gain and moved slightly higher through the past week (Figure 1). The market opened on Monday with a statewide average of \$9.20, a 14 cent increase from the previous Friday closing price and an improvement of 27 cents compared to Monday of

the prior week. The market trended higher on four of the five trading days. The Friday closing average was \$9.29, 23 cents above the last trading day of the previous week and the highest daily statewide average of the marketing season. High daily individual market quote of the past week was \$9.61 on Wednesday at Osceola. Low quote of the week was \$8.87 on Monday at Wynne. End-of-the-week quotes saw Friday prices ranging from a low of \$8.93 at Wynne to a high of \$9.58 at Osceola. The ending quotes range was 65 cents, 3 cents wider than the previous week. The market received price quotes from thirteen locations each day of the past week.

Figure 2

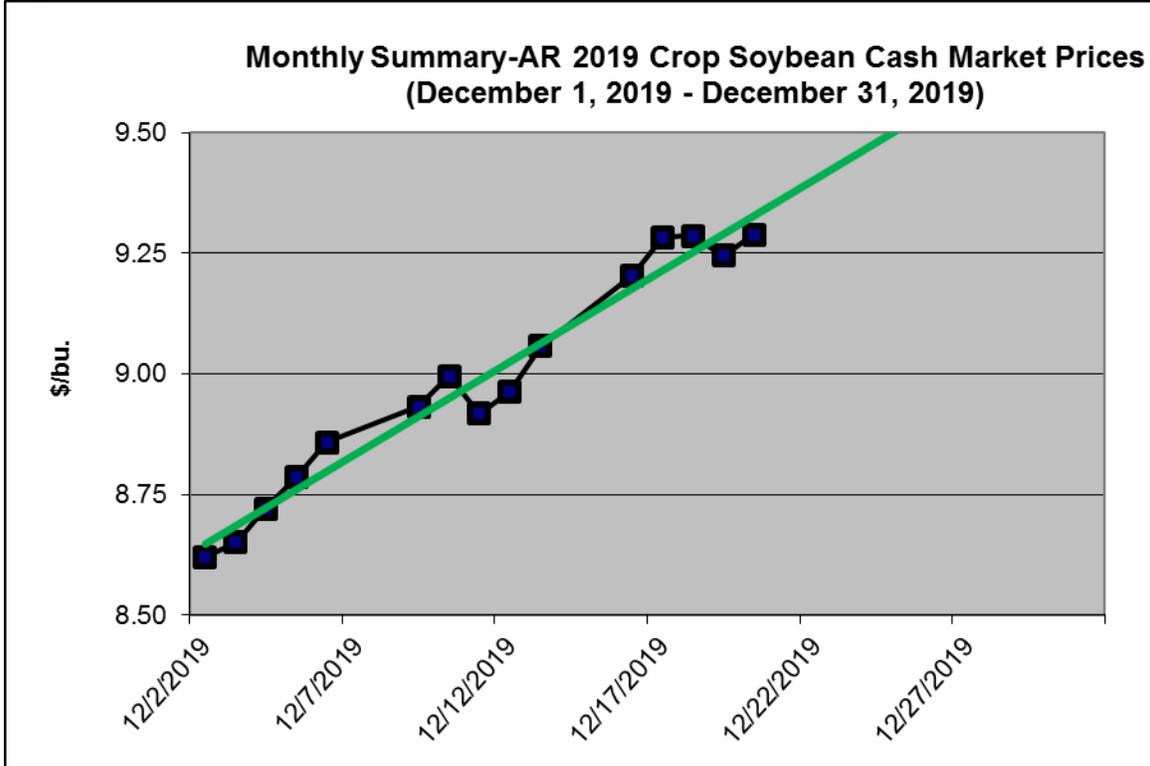


The Arkansas 2020 New Crop Soybean Booking Market followed the 2019 crop market higher this past week in a similar pattern, though the gains were slightly smaller in size than the old crop market movements (Figure 2). The market opened on Monday at a statewide average of \$9.29, 20 cents over the previous Monday average and 12 cents above the previous Friday. Gains were posted on four of the five trading days with the market closing on Friday at a statewide average of \$9.37, an overall 20 cent gain from the previous Friday closing average. High daily individual market quote of the past week was \$9.64 on Friday at Blytheville, the only day of a price quote from that market. The next highest daily individual quote was \$9.54 at West Memphis. Low quote of the week was \$9.16 on Monday at Jonesboro. End-of-the-week quotes saw the closing day prices ranging from a low of \$9.19 at Jonesboro to the high of \$9.64 at Blytheville. These ending price quotes represented a range of 43 cents, 11 cents wider than the previous week. Readers should note that the next highest Friday price, \$9.54 at West Memphis, would have represented a 35 cent range that would be just 3 cents wider than the previous week. The market continued to receive price quotes from eight major locations across

the state for all days of the past week and gained one price quote on Friday from Blytheville.

December 2019 Crop Cash Monthly Summary

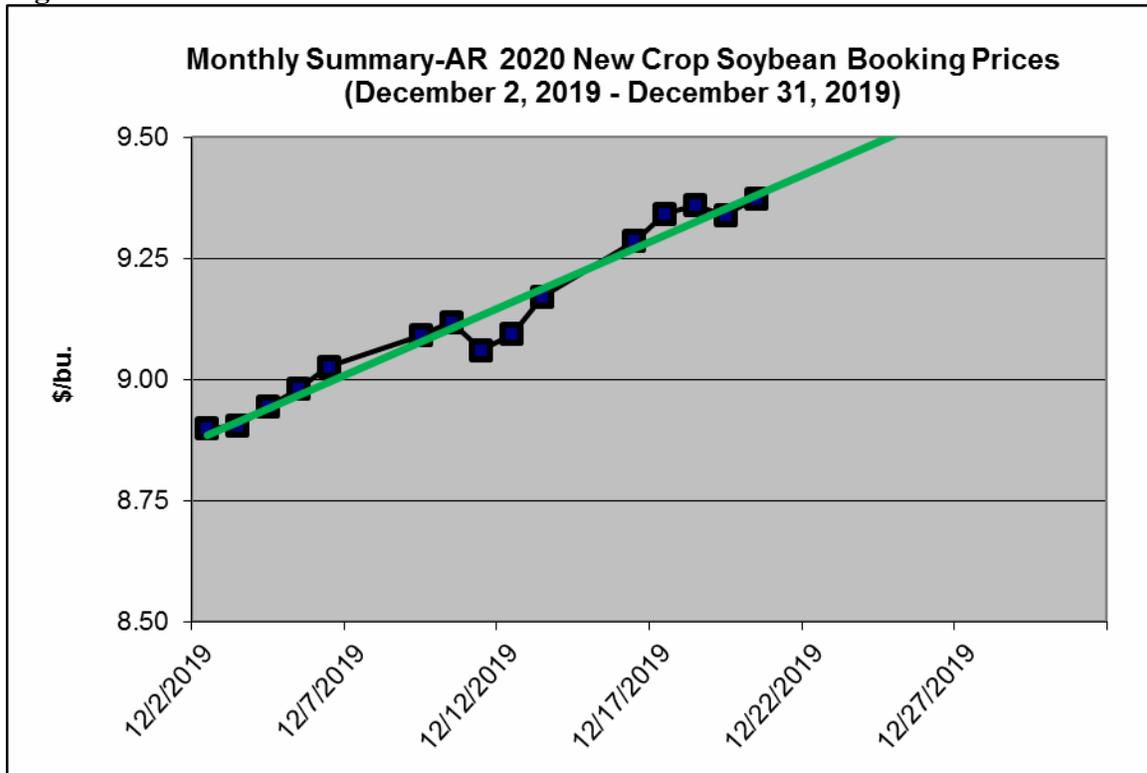
Figure 3



The 2019 crop soybeans completed its third month as cash market prices. The December 2 statewide average of \$8.62 was 18 cents under the last November daily average and 57 cents lower than the first November trading day average. This decline reflects the month long downward price trend seen in November. December was a recovery month as price rose steadily from the first trading day through December 20, the last USDA-AMS price reporting day (Figure 3). Trading closed early on December 20 at a statewide average of \$9.29, an overall 67 cent increase for the month compared to the last November trading day. The monthly statewide average daily high was \$9.29 on both December 18 and 20. The low daily statewide average for the month was the \$8.62 price to open the month. High individual daily market quote of the month was \$9.61 on December 18 at Osceola. The low individual daily market quote was \$8.36 on December 2 and 3 at Wynne. Overall statewide average for December was \$8.99 for the 2019 crop soybeans, 8 cents under the November monthly average.

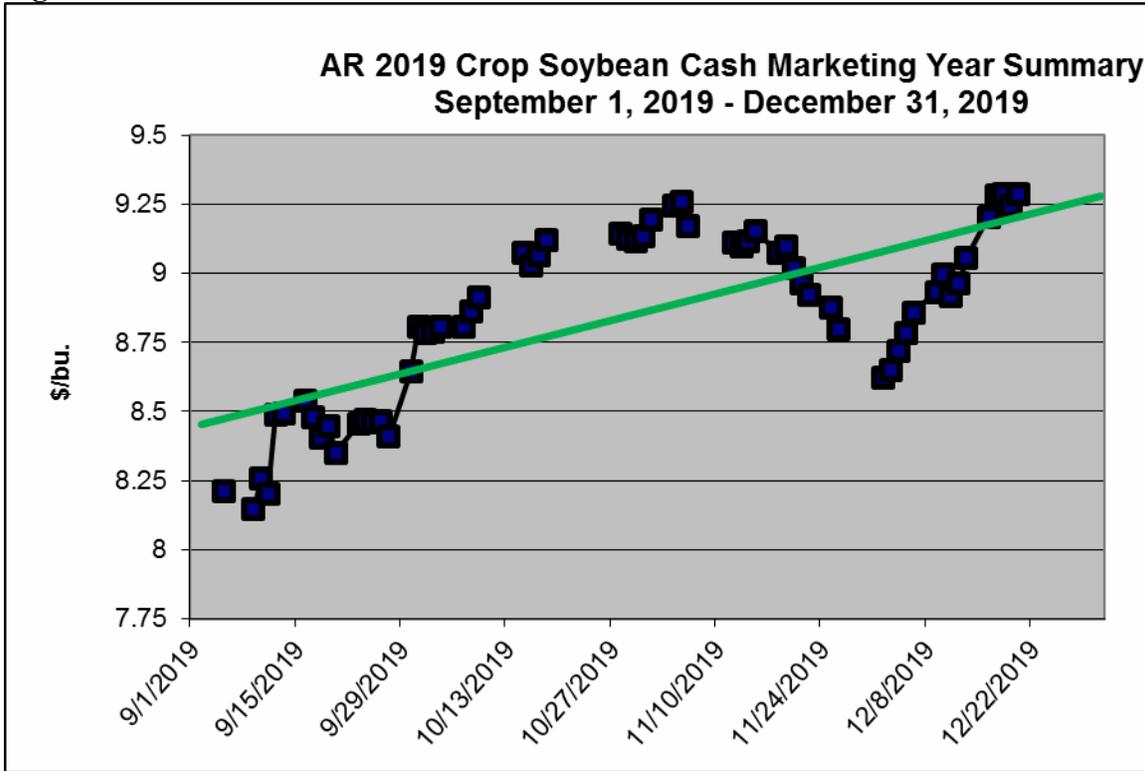
December 2020 Crop Booking Monthly Summary

Figure 4



The 2020 crop booking prices for Arkansas soybeans had its first full month of reporting in December. Price trended higher throughout the month before USDA-AMS reporting ended on December 20 (Figure 4). 2020 crop booking price opened December at \$8.90, 10 cents under the last November trading day. Highest statewide daily average during December was seen on December 20 at \$9.37. The lowest statewide daily average was \$8.90 on December 2. During December, the highest individual market quote occurred on December 20 with Blytheville at \$9.64. The lowest individual market quote was found to be \$8.78 at Jonesboro on December 2. On the last reporting day, December 20, price ranged from a \$9.19 low at Jonesboro to a high of \$9.64 at Blytheville, a spread of 45 cents. The statewide average for the reporting period was \$9.13, an improvement of 3 cents over November. Eight markets provided price quotes on each reporting day of December with Blytheville only providing one quote on December 20.

September 1 – December 31 2019 Crop Marketing Year Summary
Figure 5



The official USDA marketing year for 2019 crop soybeans began on September 1. The first price quotes were received on September 5 due to the Labor Day holiday and non-reporting dates. Arkansas statewide average on that date for 2019 soybeans was \$8.21, 10 cents under the last August trading date. Market price generally moved higher for the first two months of the marketing year, reaching a high of \$9.26 on November 5. The market entered a decline that bottomed out on December 2 at a statewide average of \$8.62. Price then turned around and climbed higher through the next 18 days to the last USDA-AMS report on December 20 with the statewide average at \$9.29, the highest statewide daily average observed during the four month marketing period (Figure 5). During the four month period, the highest individual market quote occurred on December 18 with Osceola at \$9.61. The lowest individual market quote was found to be \$7.93 at Pine Bluff on December 9. The statewide average for the four month reporting period of the marketing year was \$8.84. Eight markets provided price quotes on each reporting day of the period with five additional markets contributing on a very regular basis.

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