

SOYBEAN NOTES ECONOMICS SECTION

May 1, 2020

Bob Stark

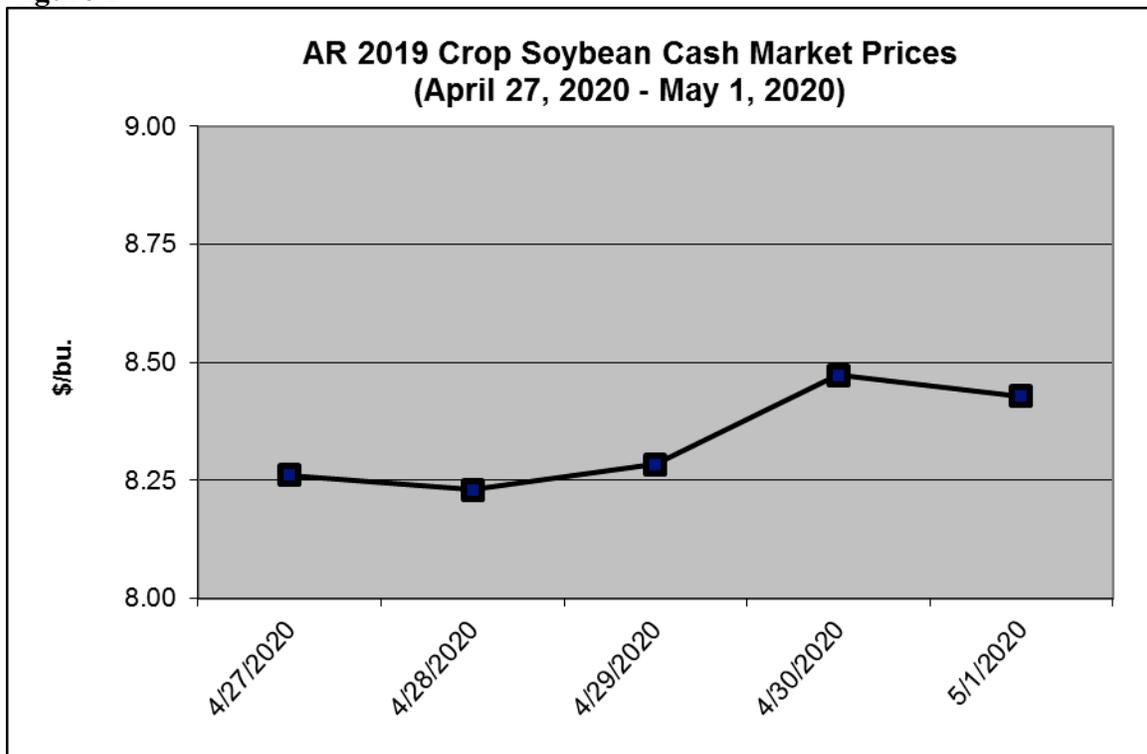
Agricultural Economist-UACES & UAM College of Forestry,
Agriculture, and Natural Resources, Monticello

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 USDA Agricultural Marketing Service in Arkansas.

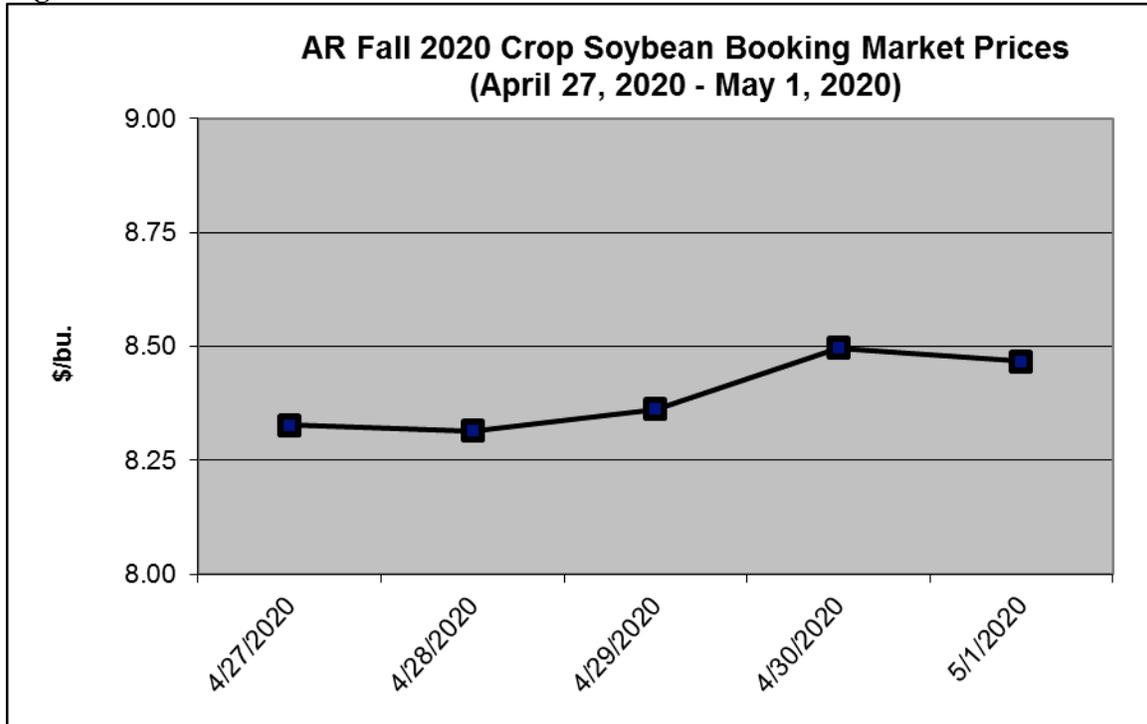
Figure 1



The Arkansas 2019 Crop Soybean Cash Market initially continued its decline through the weekend and the first two trading days of the past week. Price then made a turnaround that recovered the losses of the past two weeks (Figure 1). The market lost 4 cents over the weekend and opened on Monday at \$8.26, an actual 2 cent improvement from the previous week opening day average. Price fell another 3 cents on Tuesday to a statewide average of \$8.23. But the market gained 5 cents on Wednesday and followed it up with a 19 cent gain on Thursday before giving back 4 cents to the Friday close. Old crop soybean closed at a statewide average of \$8.43, a 13 cent overall improvement from the previous week closing average. High daily individual market quote of the past week was \$8.80 on Thursday at Osceola. Low quote of the week was \$7.91 at Wynne on Tuesday.

End-of-the-week quotes saw prices ranging from an \$8.12 low at Wynne to a high of \$8.76 at Osceola. The ending quotes range was 64 cents, unchanged from the previous week. The market received price quotes from ten locations each trading day of the past week as Pine Bluff failed to provide a quote on Friday.

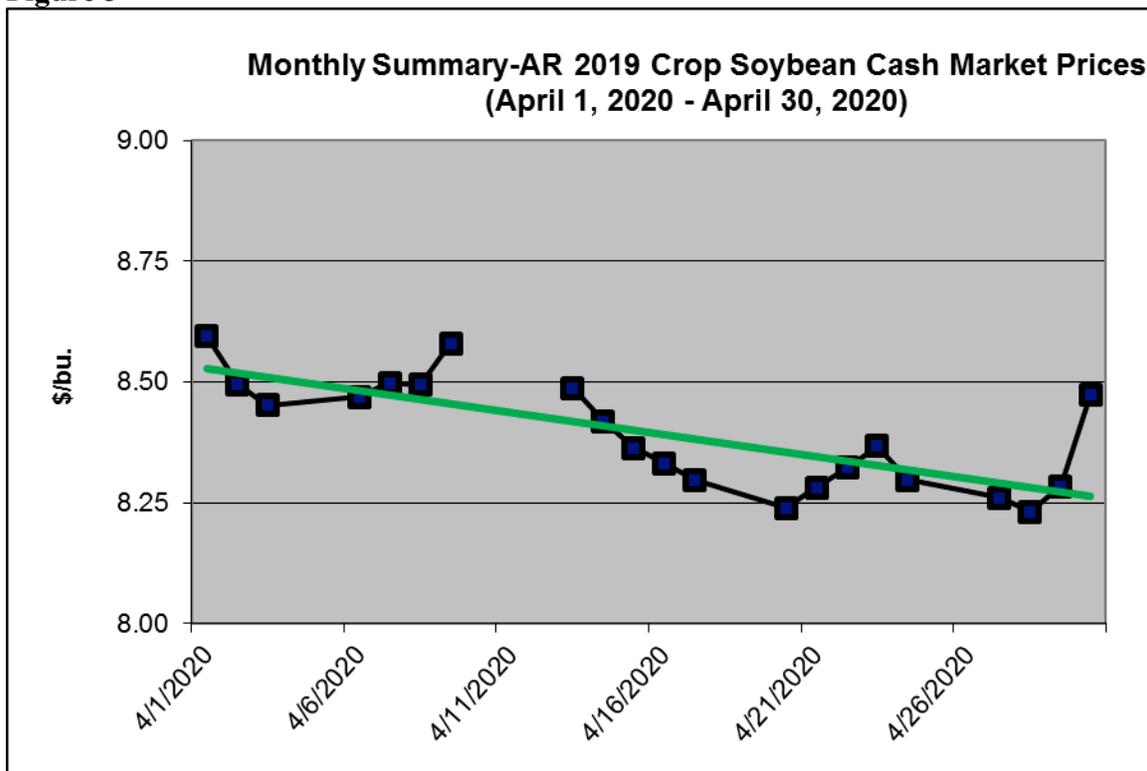
Figure 2



The Arkansas 2020 Crop Soybean Booking Market moved less over the past weekend, but then followed a pattern similar to the old crop market (Figure 2). Price fell 1 cent over the past weekend and opened on Monday at a statewide average of \$8.33, 5 cents under the previous week opening day. The market fell another 2 cents on Tuesday, but then posted consecutive gains of 5 and 14 cents, respectively, reaching a high statewide average of \$8.50 on Thursday. New crop soybeans gave back 3 cents on Friday and closed at a statewide average of \$8.47, a net gain of 13 cents from the previous week closing mark. High daily individual market quote of the past week was \$8.72 on Thursday at both Osceola and Blytheville. Low quote of the week was \$7.89 on Tuesday at Wynne. End-of-the-week quotes saw the closing day prices ranging from a low of \$8.05 at Wynne to an \$8.69 high at Blytheville. The ending price quotes represented a range of 63 cents, 5 cents narrower than the previous week closing range. The market received price quotes from thirteen locations across the state for all reporting days of the past week.

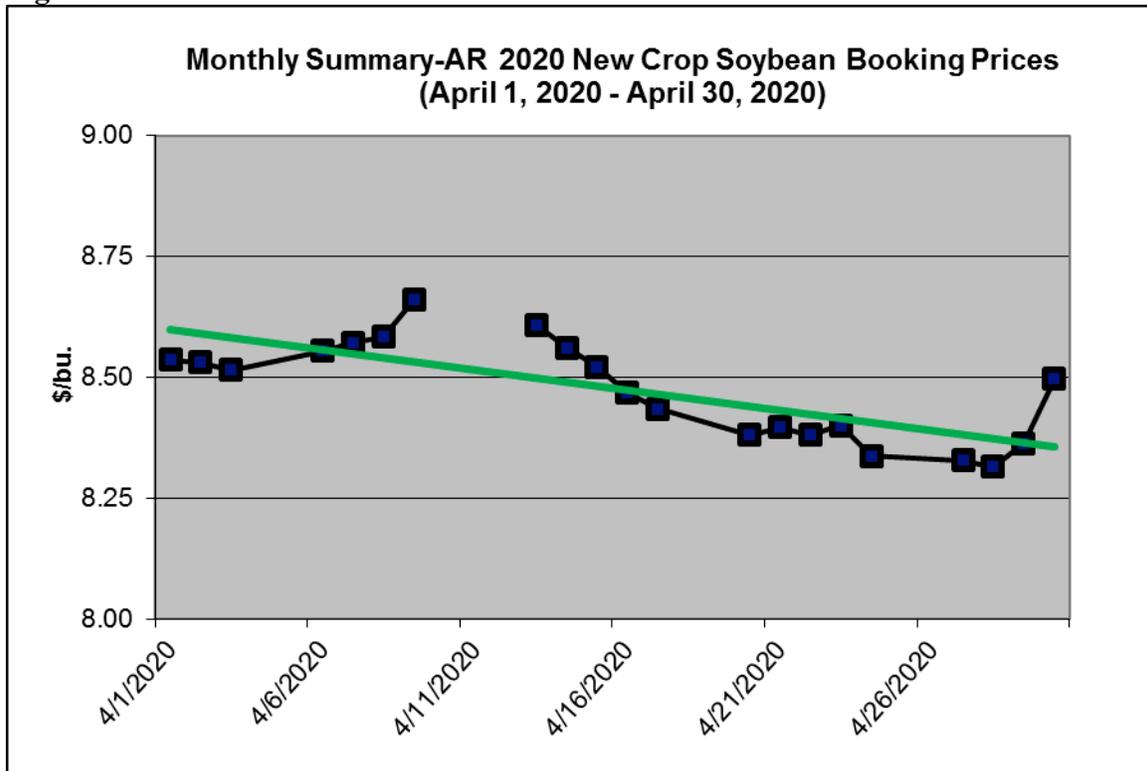
April 2020 Monthly Summary

Figure 3



The 2019 crop soybeans steadily downward price trend of January mainly resumed in April after the market uncertainty of February and March. Old crop soybeans opened April at a first day statewide average of \$8.59, losing 23 cents from the last March trading day average. The market showed some optimism prior to the Easter break, but then resumed a decline that continued almost to the end of the month. A significant rally over the final two trading days carried the market back to pre-Easter levels, but it is uncertain if this was a true reversal or just a temporary blip. Highest daily statewide average for April was \$8.59 and occurred on the first trading day. The lowest daily statewide average was \$8.23 on April 28. The market closed on April 30 at \$8.47, a 35 cent decline from the last trading day of March. High individual daily market quote of the month was \$8.93 on April 9 at Osceola. The low individual daily market quote was \$7.91 at Wynne on April 28. The overall April statewide average for 2019 soybeans was \$8.39, 28 cents under the March 2020 average.

Figure 4



The April market for 2020 New Crop Soybean Booking began the month with a 13 cent decline from the last March trading day average, opening at an \$8.54 statewide average. Price was slightly lower for the remainder of that first week and then posted good gains moving up to the Easter holiday reaching its April high of an \$8.66 statewide average on April 9. But the market began to fall after Easter reaching a monthly low statewide daily average of \$8.31 on April 28. Two good rally days to end the month carried price to an ending level of \$8.47, an overall loss of 20 cents from the last March trading day average. The high individual daily market quote of April was \$8.89 and occurred on April 9 at Osceola. The low individual daily market quote of the month was \$7.89 and occurred on April 28 at Wynne. The overall statewide average for April was \$8.47 for the 2020 new crop soybean booking price, a 22 cent decline compared to March 2020.

(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.)