

# SOYBEAN NOTES ECONOMICS SECTION

May 29, 2020

Bob Stark

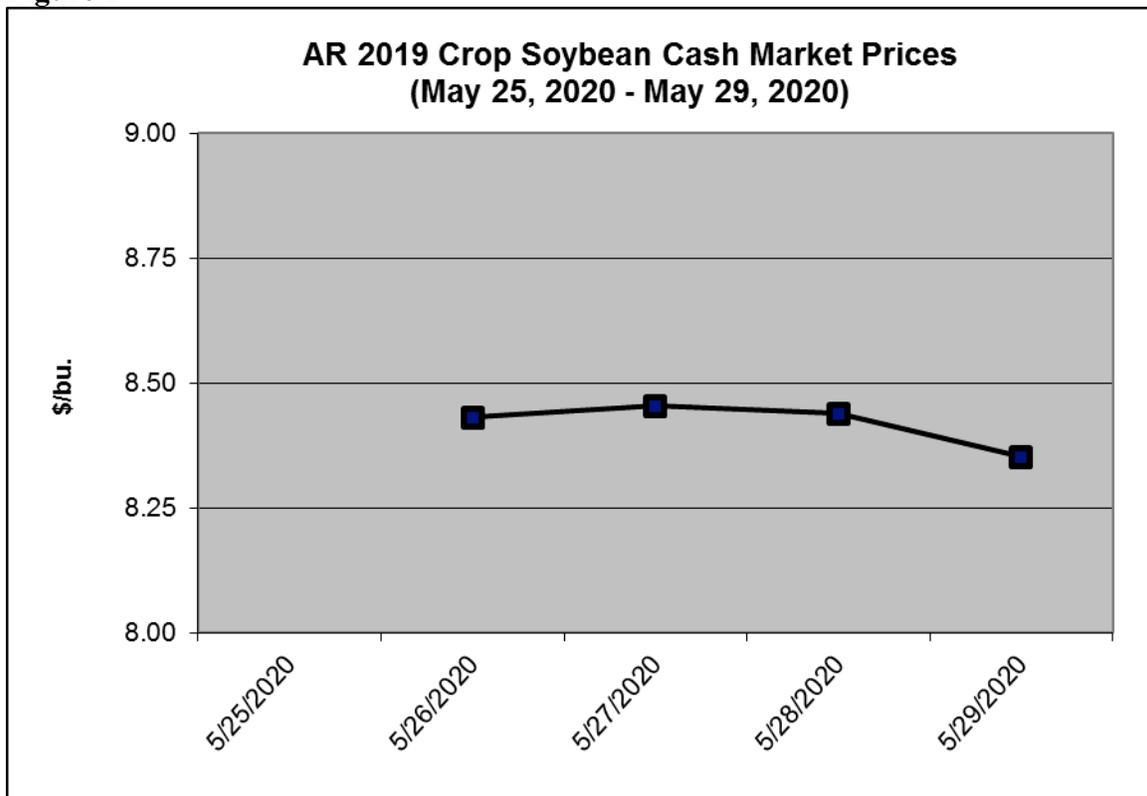
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SOYBEAN NOTES is a weekly newsletter focusing on all aspects of Arkansas soybean news. This market economics component looks at cash market & forward pricing quotes from selected markets as reported to USDA Agricultural Marketing Service in Arkansas.

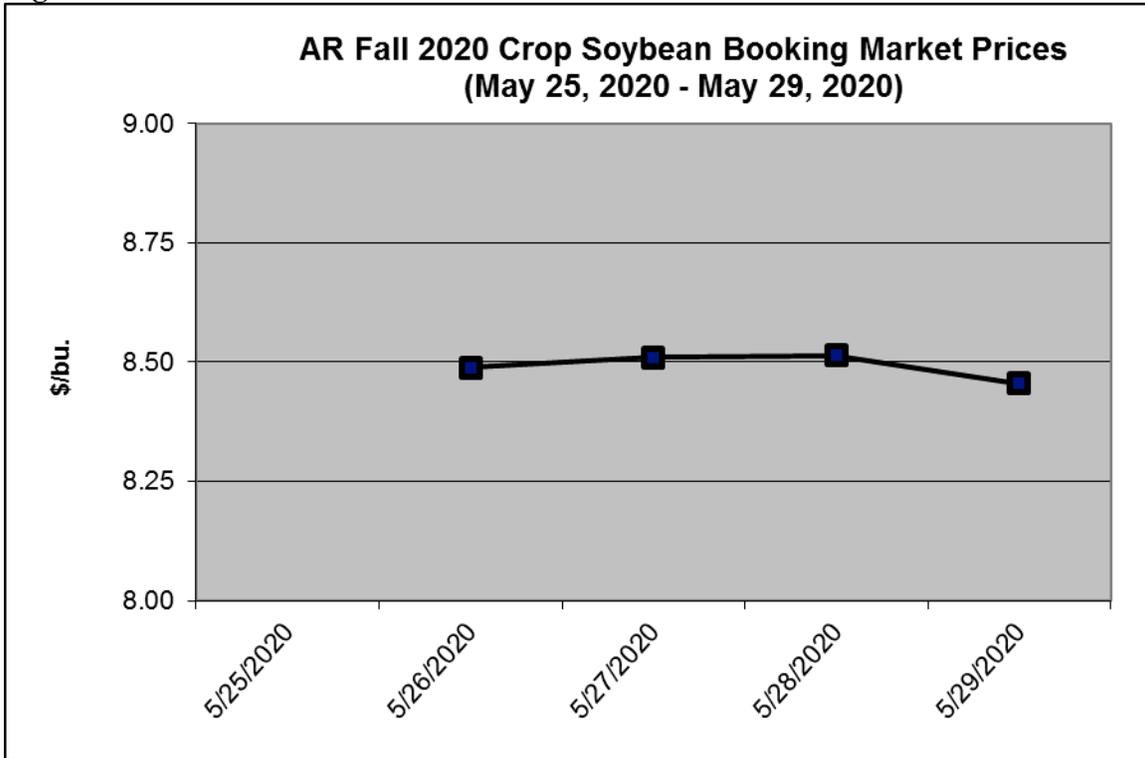
Figure 1



The Arkansas 2019 Crop Soybean Cash Market posted a major gain over the extended Memorial Day weekend and held it most of week before closing lower on Friday. Price climbed 12 cents over the long weekend and only suffered a 9 cent decline to end the trading week (Figure 1). The market opened on Tuesday at \$8.43, a margin of 3 cents over the previous week opening day average. Price added 2 cents on Wednesday and only lost 1 cent Thursday before the 9 cent Friday decline to close the week. The statewide closing average on Friday was \$8.35, an overall 4 cent gain from the previous week closing mark. High daily individual market quote of the past week was \$8.73 on

Wednesday at Osceola. Low quote of the week was \$8.11 at Wynne on Friday. The eleven reporting markets on the last trading day had prices ranging from the \$8.11 low at Wynne to a high of \$8.65 at Osceola. The ending quotes range was 54 cents, 1 cent wider than the previous week closing day of trade.

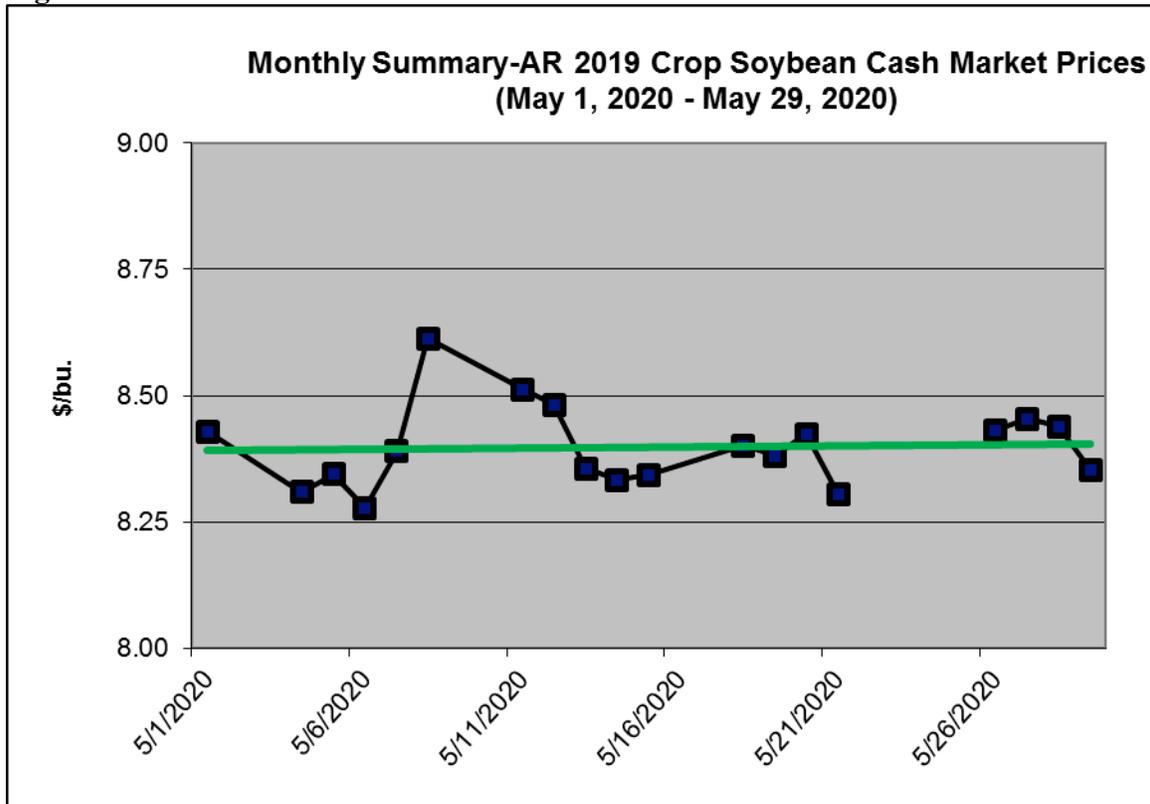
**Figure 2**



The Arkansas 2020 Crop Soybean Booking Market was less volatile than old crop soybeans during the past week on both the upper and lower sides. Price rose 10 cents over the extended Memorial Day weekend and held the gain until the final trading day (Figure 2). The price rise over the past weekend carried the market to a Tuesday opening statewide average of \$8.49, 1 cent over the previous week opening day price. The market rose 2 cents on Wednesday and held steady on Thursday before falling 5 cents to a closing statewide average of \$8.46 on Friday, a net gain of 7 cents from the previous week closing mark. High daily individual market quote of the past week was \$8.72 on both Wednesday and Thursday at Helena. Low quote of the week was \$8.02 on Friday at Wynne. End-of-the-week quotes saw the Friday closing day prices ranging from the low of \$8.02 at Wynne to an \$8.65 high at Osceola. The ending price quotes represented a range of 63 cents, 3 cents narrower than the previous week closing range. The market received price quotes from eleven locations across the state for all reporting days of the short past week with Helena missing a price quote submission on Friday.

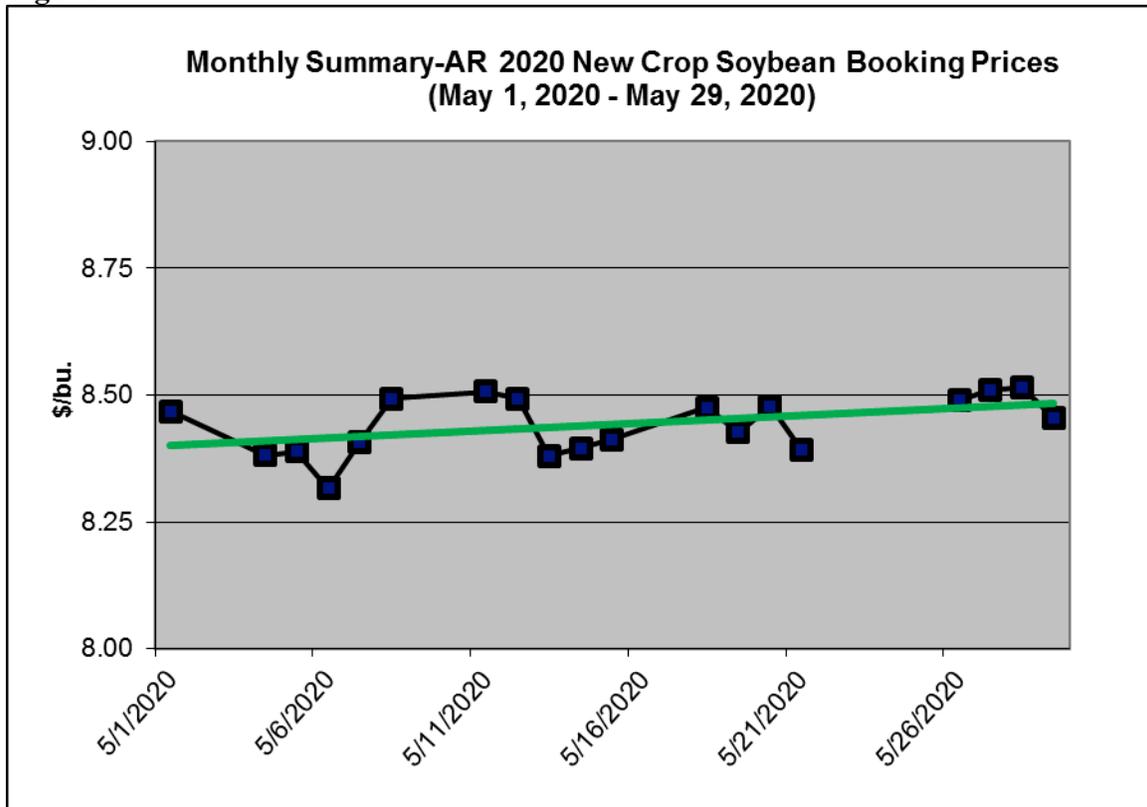
## May 2020 Monthly Summary

Figure 3



The 2019 crop soybeans trended steady for most of May with two major price movement exceptions. The statewide average price fell 4 cents from the last April trading average and opened May at \$8.43. Price continued lower into the next trading week, reaching the May daily average low of \$8.28 on May 6. A 33 cent gain over the next two trading days carried the statewide average to its May high of \$8.61 before price declined 28 cents over a 4 day period. The remainder of the month saw the market remain within a 10 cent range, closing at \$8.35 (Figure 3). Highest daily statewide average for May was \$8.61 on May 8. Interestingly, the lowest daily statewide average was \$8.28, just two days before on May 6. The market closed on May 29 at \$8.35, a 12 cent decline from the last trading day of April. High individual daily market quote of the month was \$8.79 on May 11 at Osceola. The low individual daily market quote was \$7.96 at Wynne on May 6. The overall May statewide average for 2019 soybeans was \$8.39, unchanged from the April 2020 average.

**Figure 4**



Unlike old crop soybean, the 2020 New Crop Soybean Booking market trended overall slightly higher during the month of May after an initial decline (Figure 4). New crop soybean began the month with a 3 cent fall from the last April trading day average, opening at an \$8.47 statewide average. Price continued lower for the next three days, reaching the May daily low of \$8.32 on May 6. A 19 cent gain over the next three trading days carried the market to \$8.51 before price fell 13 cents in two days. The remainder of the month saw mostly gains until closing on May 29 at a statewide average of \$8.46, an overall loss of just 4 cents from the last April trading day. The high individual daily market quote of May was \$8.76 and occurred on May 11 at Osceola. The low individual daily market quote of the month was \$7.89 and occurred on May 6 at Wynne. The overall statewide average for May was \$8.44 for the 2020 new crop soybean booking price, a 3 cent decline compared to April 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.)