

SOYBEAN NOTES ECONOMICS SECTION

September 4, 2020

Bob Stark

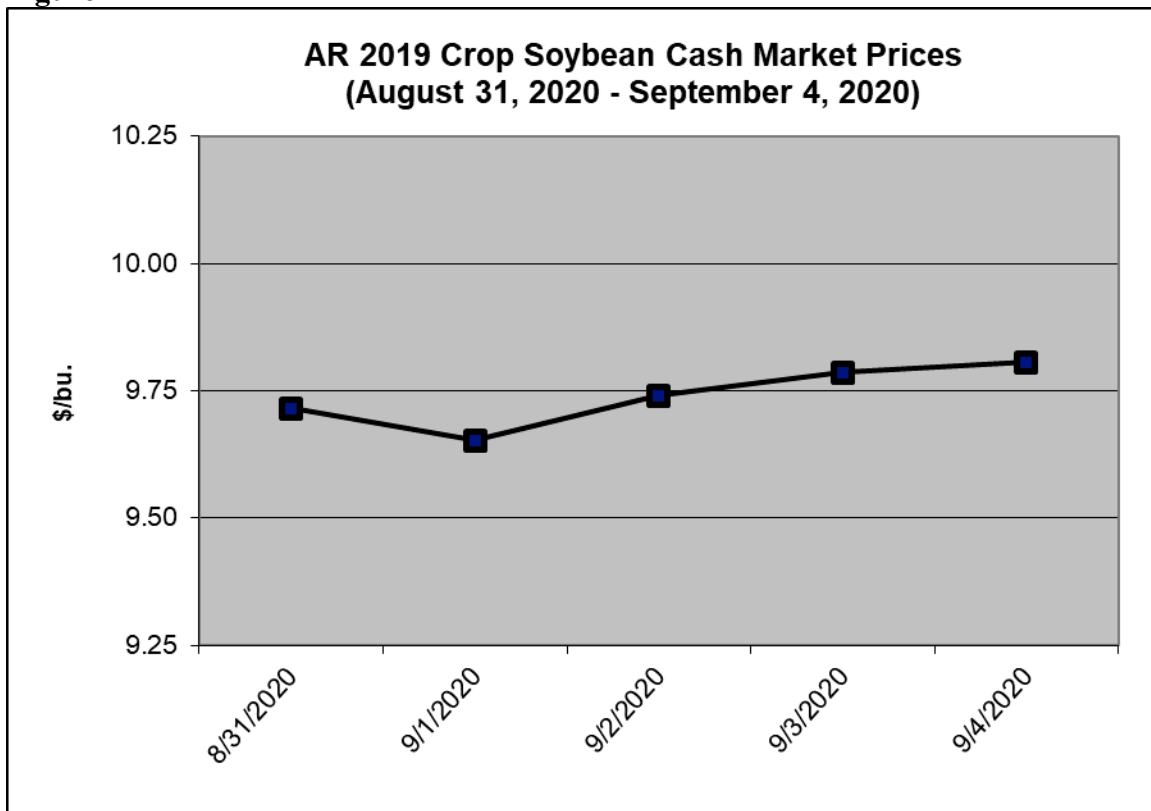
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SOYBEAN NOTES is a weekly newsletter focusing on all aspects of Arkansas soybean news. This market economics component looks at cash market & forward pricing quotes from selected markets as reported to USDA Agricultural Marketing Service in Arkansas.

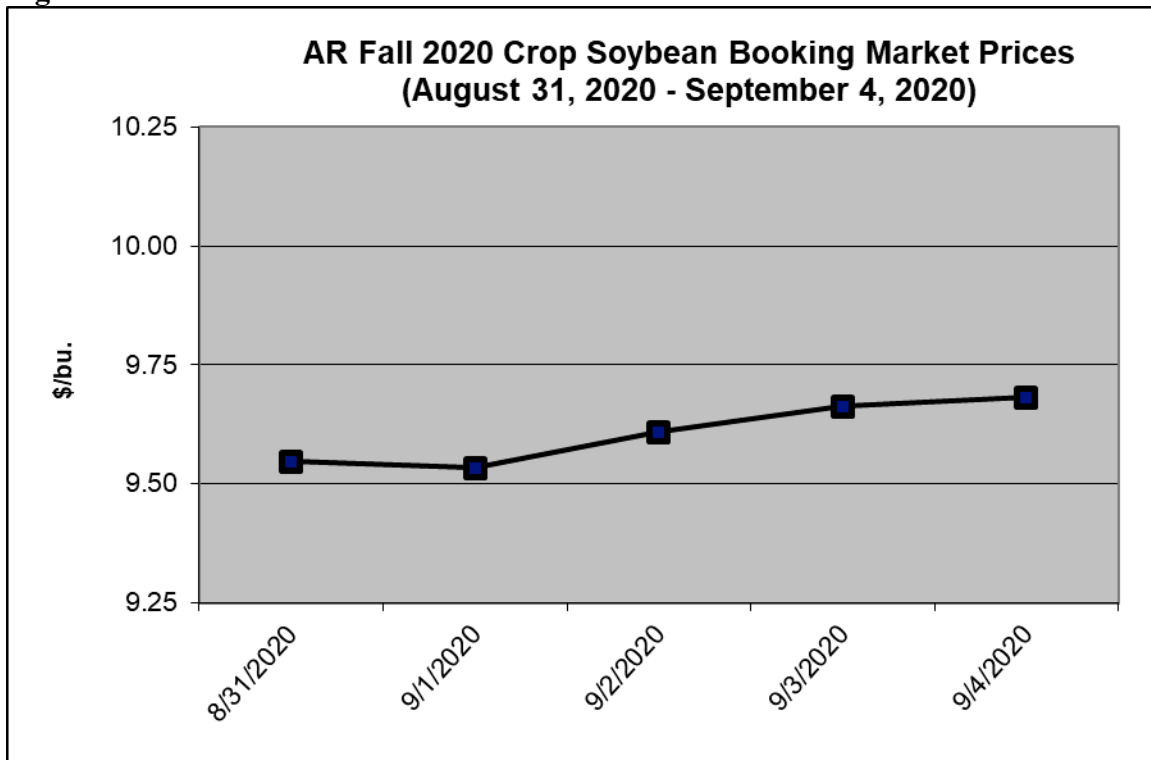
Figure 1



The 2019 crop soybean market posted a strong gain over the extended past weekend, but then suffered a downward correction on Tuesday before moving daily higher for the remainder of the trading week (Figure 1). The Arkansas 2019 Crop Soybean Cash Market opened on Monday at \$9.72, a weekend gain of 9 cents and 47 cents above the previous week opening day average. The Tuesday correction dropped price by 7 cents, but the loss was fully erased by a 9 cent Wednesday gain and the market improved each remaining day of trade in the week. The statewide closing average on Friday was \$9.81, an overall 18 cent gain from the previous week closing mark. High individual market

daily quote of the week was \$9.97 on Monday at Osceola. Low quote of the week was \$9.49 at Little Rock, also on Monday. Four markets provided quotes on each trading day of the past week with three other markets only failing to provide a quote on Monday. The Friday ending price quotes across the seven reporting markets ranged from a \$9.63 low at Little Rock to a high of \$9.91 at Osceola. That put the ending quotes range at 28 cents, 19 cents narrower than the previous week closing day of trade.

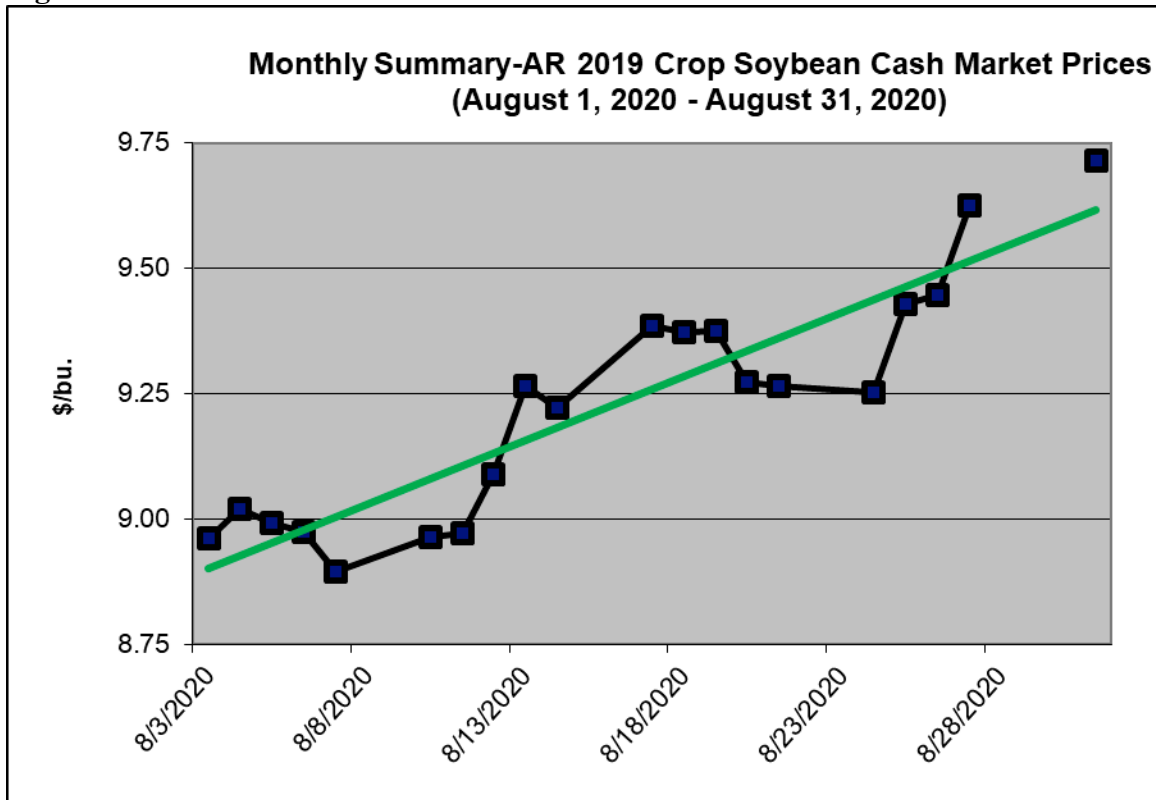
Figure 2



The Arkansas 2020 Crop Soybean Booking Market fared even better than the old crop market over the weekend with a 10 cent gain. Price dipped 2 cents on Tuesday, but then rose each remaining trading day of the week (Figure 2). The new crop booking price opened on Monday at a statewide average of \$9.55, up 47 cents from the previous week opening day price. New crop bookings lost 2 cents on Tuesday, but then had gains of 2 to 8 cents each remaining trading day of the week. The Friday closing trades left the market at a statewide closing average of \$9.68, an overall gain of 23 cents compared to the previous week closing mark. High individual daily market quote for the past week was \$9.90 on Friday at Blytheville. Low individual market quote of the week was \$9.30 on Monday at Jonesboro. Early end-of-the-week quotes saw the Friday closing day prices ranging from a low of \$9.44 at Jonesboro to the \$9.90 high at Blytheville. The ending price quotes represented a range of 46 cents, unchanged from the previous week closing range.

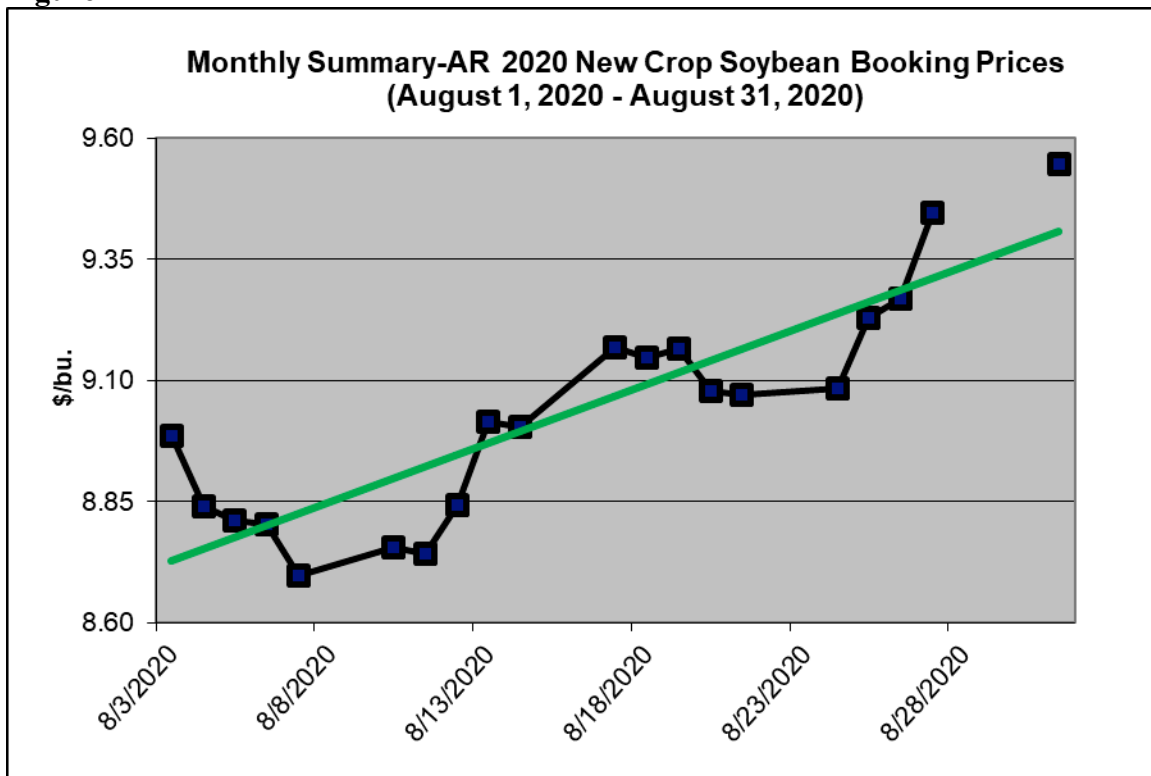
August 2020 Monthly Summary

Figure 3



The 2019 crop soybeans trended strongly upward for all of August. The statewide average price fell 23 cents from the last July trading average and opened August at \$8.96. Price fluctuated for the first week, reaching the monthly low of \$8.90 on August 7, but then trended higher for two weeks before losing 13 cents over a three day period. An 18 cent gain on August 25 put the market back on an upward trend and it posted daily gains for the remainder of the month (Figure 3). Old crop soybeans reached its monthly high on August 31 at a closing statewide average of \$9.81. The August 31 market closing price represented a 62 cent gain from the last trading day of July. High individual daily market quote of the month was \$9.97 on August 31 at Osceola. The low individual daily market quote was \$8.68 at Little Rock on August 7. The overall August statewide average for 2019 soybeans was \$9.26, 23 cents above the July 2020 average.

Figure 4



Old crop 2019 soybeans and the 2020 New Crop Soybean Booking market moved in opposite directions to open the month as new crop bookings fell four straight days after a 3 cent gain on the first trading day over the last July day. But new crop soybean bookings then righted the ship and trended higher overall for the remainder of the month. New crop soybeans did also suffer an August 19 to 21 correction like old crop soybeans, but it was only 10 cents in size and price moved sharply higher through the end of the month (Figure 4). New crop soybean began the month at an opening day \$8.98 statewide average. Price reached its August high statewide daily average on the last trading day at \$9.68, an overall gain of 73 cents from the last July trading day. The high individual daily market quote of the month was \$9.76 on August 31 at Helena. The low individual daily market quote of the month was \$8.44 and occurred on August 7 at Jonesboro. The overall statewide average for August was \$9.04 for the 2020 new crop soybean booking price, a 10 cent improvement compared to July 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.)