

SOYBEAN NOTES ECONOMICS SECTION

December 30, 2016

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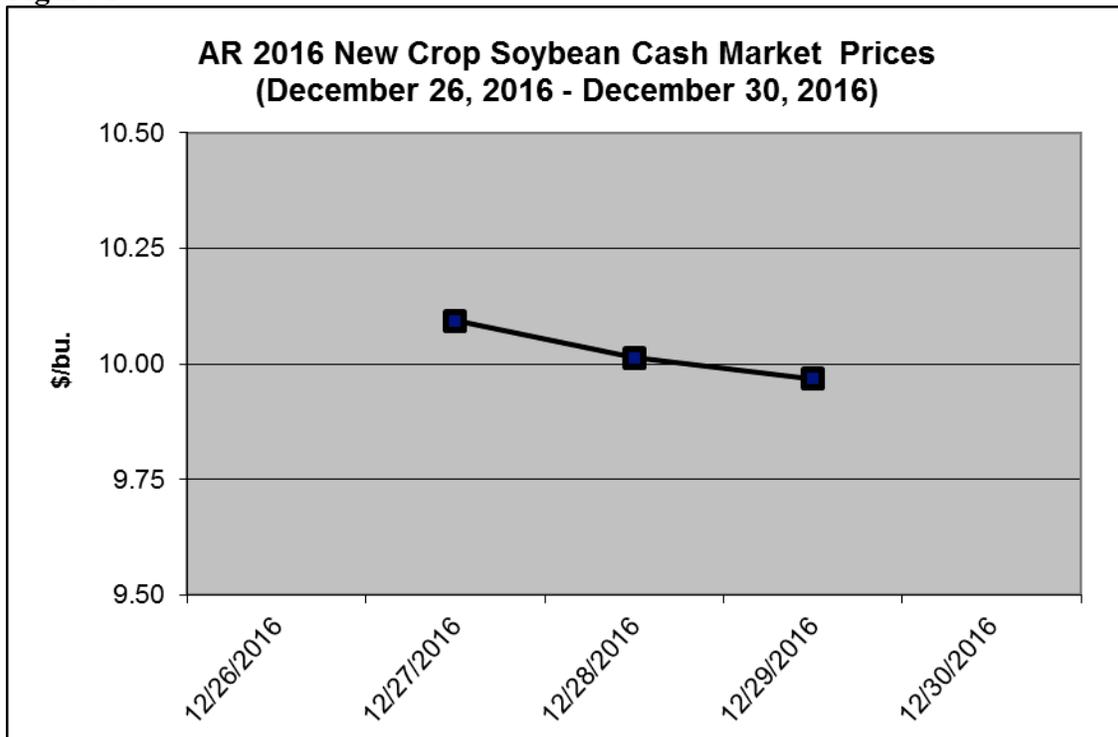
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SOYBEAN NOTES is a weekly newsletter focusing on all aspects of Arkansas soybean news. This market economics component looks at cash market & forward pricing quotes from selected markets as reported to National Agricultural Statistics Service in Arkansas.

NOTE: The NASS Arkansas Daily Grain report for October 28 was not published due to unavailability of the reporter.

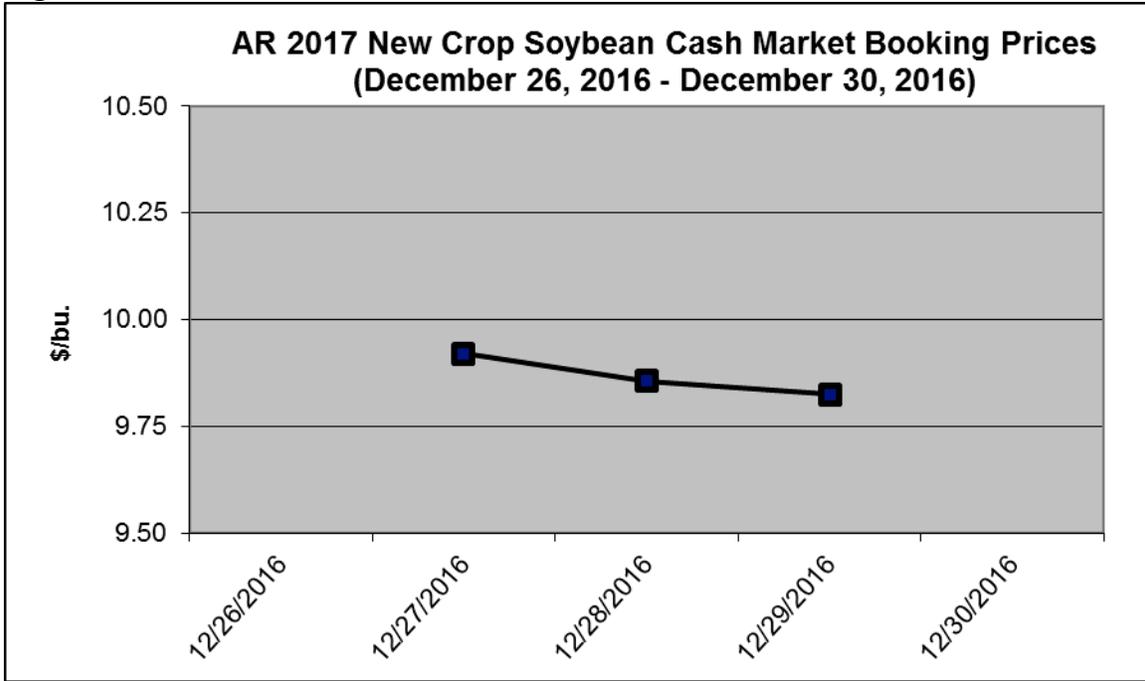
Figure 1



The oddity of having Christmas and New Year's Day on Sunday provided extended market breaks at both the beginning and end of this past trading week. 2016 New Crop Soybean Cash Market price rose 23 cents between the December 22 close for Christmas and the market reopening on this past Tuesday. The statewide average to open the short week was \$10.09, but price moved lower each trading day to the Thursday early closing average of \$9.97, an overall gain of 11 cents from the pre-Christmas close (Figure 1). Twelve markets provided quotes each day and Pine Bluff resumed reporting on Thursday. High daily individual market price for the abbreviated week occurred on Tuesday with Helena at \$10.34. Low quote for the short week was \$9.68 at Wynne on

Thursday. End-of-the-week reported quotes saw closing day prices ranging from the \$9.68 low at Wynne to a high of \$10.22 at Helena. These ending quotes represented a range of 54 cents, a 7 cent widening compared to the previous week closing spread.

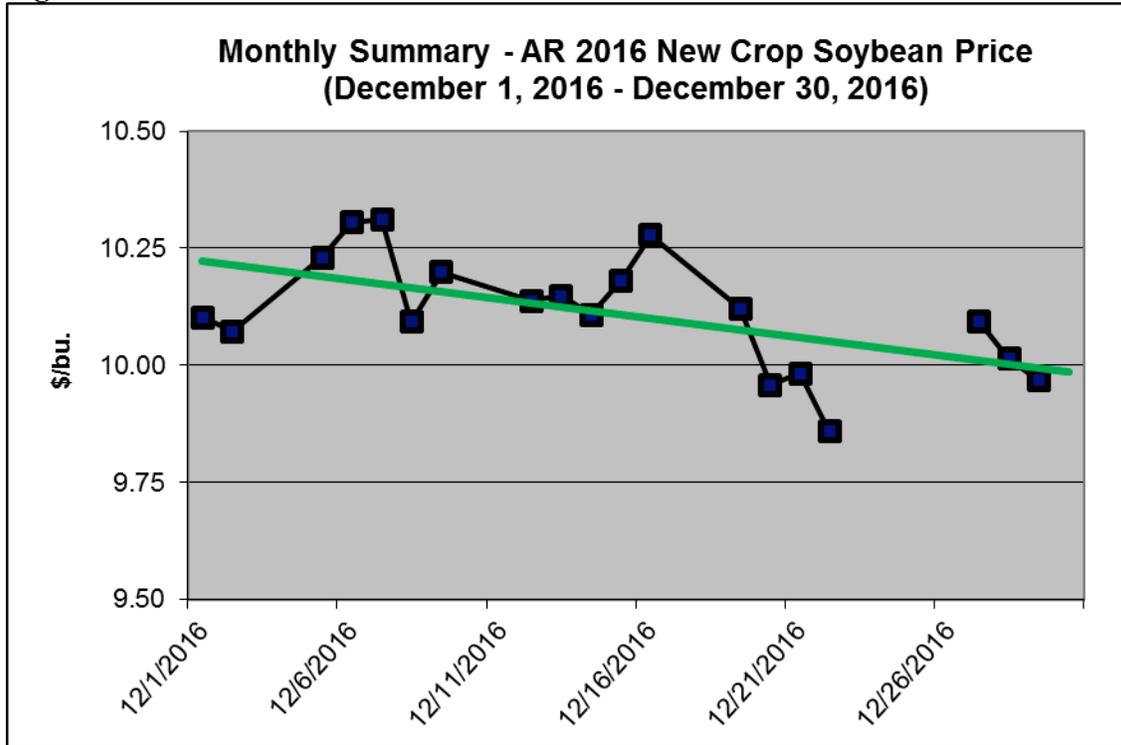
Figure 2



The 2017 New Crop Soybean Cash Market Booking quotes rose 16 cents over the extended Christmas weekend and opened this past Tuesday at a \$9.92 statewide average. The 2017 crop market followed the 2016 crop price lower throughout the week and closed on Thursday at a statewide average of \$9.83. The Thursday closing statewide average represented an overall 7 cent gain from the pre-Christmas closing average (Figure 2). High daily individual market price of the past short week was on Tuesday with \$10.13 reported at Helena. Low quote for the week was \$9.67 at Jonesboro on Thursday. End-of-the-week quotes saw closing prices ranging from the \$9.67 low at Jonesboro to a high of \$10.04 at Helena, the only individual market to close the year above \$10.00. The ending quotes represented a range of 37 cents, a 2 cent expansion of the pre-Christmas closing range. Eleven markets finished the week actively reporting prices with Pine Bluff only providing a quote on Thursday this week.

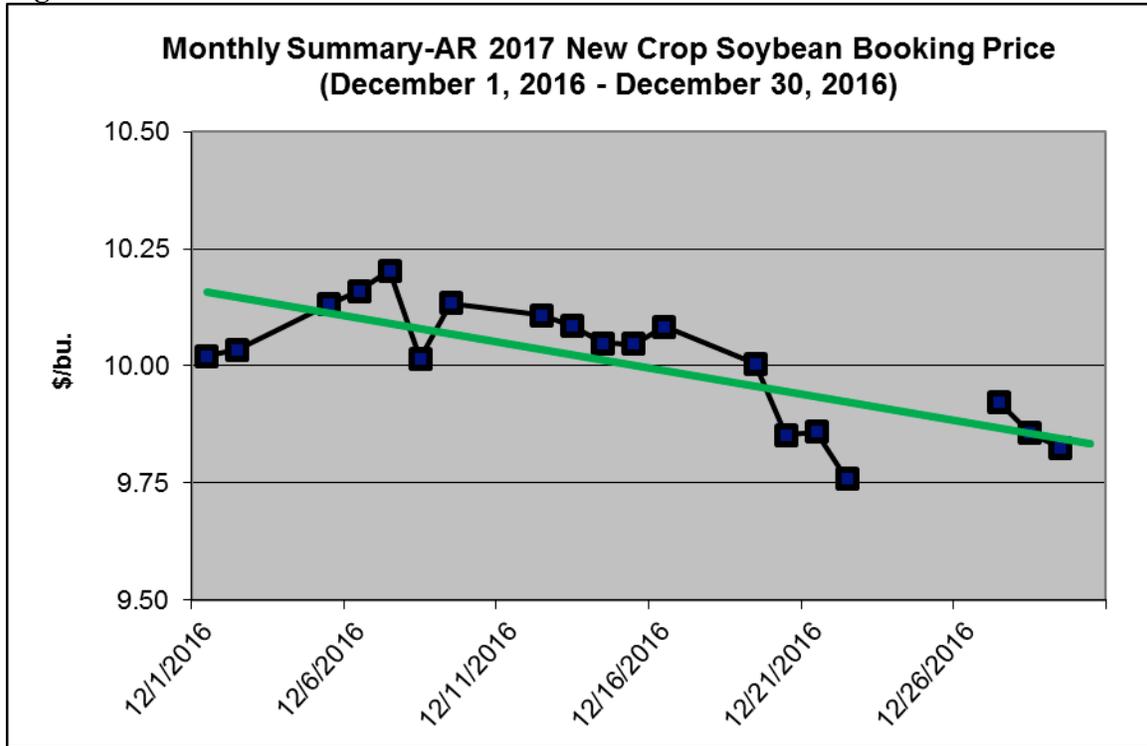
December Monthly Summaries

Figure 3



December trading in new crop (2016) soybeans reversed the upward trend seen in November and began an unsteady but clearly lower movement. The market opened the month with a statewide average of \$10.10 on December 1 and fell to \$9.97 on December 29 to end 2016 (Figure 3). The closing average on December 29 represented a 13 cent overall decline for the month. Price had peaked on December 6 and 7 at \$10.31 and the daily statewide average rose to \$10.28 on December 16 before eventually slipping under the \$10.00 level. The high individual daily market quote occurred on December 16 with Osceola at \$10.54. The low individual daily market quote occurred on December 22 with Pine Bluff at \$9.54. Overall statewide average for the month was \$10.11 for new crop soybeans, up 25 cents from the November average.

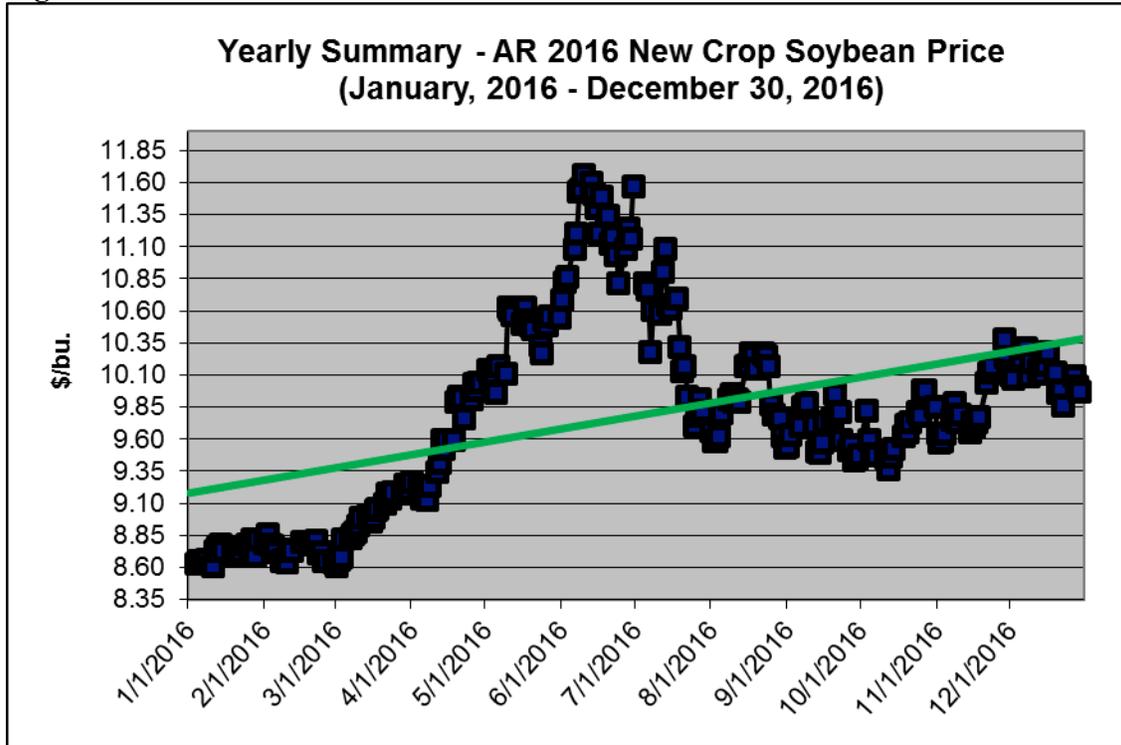
Figure 4



December trading in 2017 new crop soybean booking price initially rose for the first week before turning generally lower through the holidays (Figure 4). The 2017 crop booking price market opened on December 1 at \$10.02 and closed with a statewide average on December 29 of \$9.83, a loss of 19 cents. High daily statewide average for new bean booking quotes was \$10.20 on December 7. The high individual daily market quote for new bean booking quotes was \$10.40 at Helena, also on December 7. The low individual daily market quote occurred on December 22 with Jonesboro at \$9.61. Overall statewide average for the month was \$10.01.

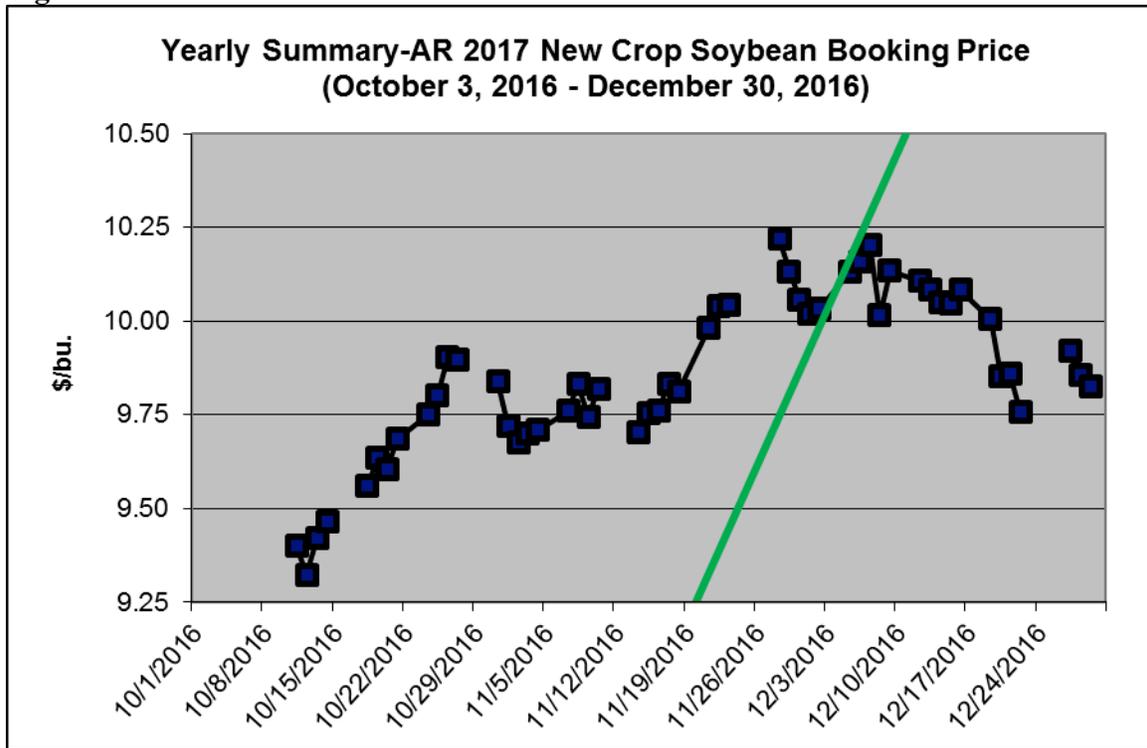
2016 Yearly Summaries

Figure 5



The 2016 soybean crop has been harvested and much is already sold if not already delivered. Price movement for the 2016 crop showed strong gains through mid-year before suffering an equally sharp decline until early August. Price then stabilized with some small gains seen through the remainder of the year (Figure 5). The market opened 2016 with new crop 2016 beans booking at a statewide average of \$8.63 on January 4 and eventually rose to a statewide average high of \$11.65 on June 10. Statewide average price quickly turned lower and bottomed out at \$9.37 on October 12. The closing average on December 29 was \$9.97. The high individual daily market quote of the year occurred on June 10 with Old Town/Elaine and West Memphis both reporting \$11.83. The low individual daily market quote was \$8.29 and occurred on January 11 at Augusta. Overall statewide average for the year was \$9.78 for 2016 new crop soybeans.

Figure 6



Trading in 2017 new crop soybean booking price began in October with the first actual quotes received on October 11. Price rose for most of the first month before turn steady in early November. A second upward surge occurred just prior to Thanksgiving and carried the statewide average to its high before price moved lower in much of December (Figure 6). The 2017 crop booking price market opened on October 11 at \$9.40 and closed with a statewide average on December 29 of \$9.83. The highest statewide daily average was reached on November 28 at \$10.22. The high individual daily market quote for new bean booking quotes was \$10.44 at Helena, also on November 28. The low individual daily market quote occurred on October 12 with Jonesboro at \$9.23. Overall statewide average for the three months of trading was \$9.90.

(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.)