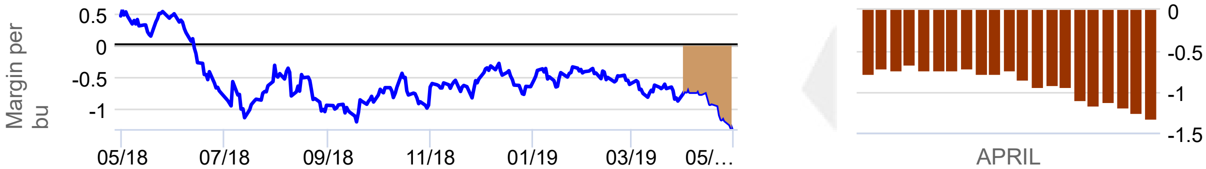
Soybeans Margin Watch: April

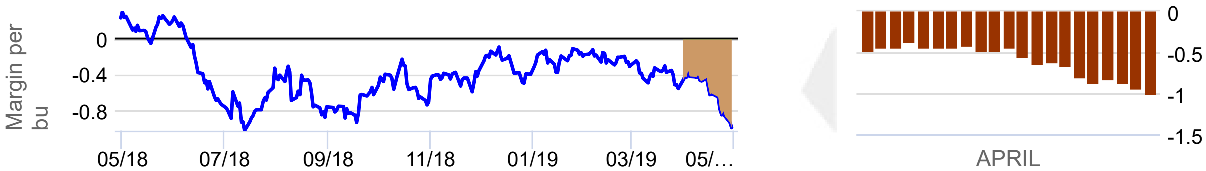
Soybean prices and margins continued lower the last half of April, concerns appear to be accelerating that the slow pace of corn seeding could expand into additional bean acres. The March bean intentions of 84.617 million acres are likely to grow if the corn planting progress continues to lag. As of April 28, corn plantings stood at 15%, on par with last year but well behind the five-year average of 27%. While the gap could be closed easily, the forward weather outlooks remain cool and damp. The U.S. and China trade rhetoric has been encouraging as talks have been ongoing, and will resume next week in Washington D.C., with many hopeful for a final resolution. The market seems to be ignoring the favorable whispers, demanding action, rather than words or promises. Unsurprisingly, U.S. bean export shipments continue to falter at 62.4% of the current USDA estimate of 1,875 million bushels, over 20% behind the average pace needed to meet the expectation. Even a favorable trade deal may be too little too late for clearing the 2018/19 robust carryout. Our clients favor flexibility given the weather and trade uncertainties.

Jul 2019 Soybeans HIGH **$0.56** LOW **($1.31)** LAST **($1.31)** 5YR PERCENTILE **0.1%**



The estimated yield for the 2019 crop is 60 bushels per acre and the non-land operating cost is $336 per acre. Land cost for 2019 is estimated at $219 per acre [1]. Basis for the 2019 crop is estimated at $-0.6 per bushel.

Nov 2019 Soybeans HIGH **$0.31** LOW **($1.03)** LAST **($1.00)** 5YR PERCENTILE **0.1%**



The estimated yield for the 2020 crop is 60 bushels per acre and the estimated operating cost is $336 per acre. Land cost for 2020 is estimated at $219 per acre [1]. Basis for the 2020 crop is estimated at $-0.5 per bushel.

[1] The Soybeans Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.