

# Soybeans Margin Watch: March



Soybean futures were mixed in the last half of March before finishing limit up on the last trading of the month following a surprisingly bullish acreage report from USDA. The March Grain Stocks and Prospective Plantings reports were released March 31. March 1 soybean stocks were pegged at a 5-year low of 1.56 billion bushels. This was down 691 million bushels from last year and the largest ever year-over-year decline in March 1 stocks. U.S. soybean acreage intentions were 2.4 million acres under expectations at 87.6 million acres. This was also below USDA's February outlook for 90 million acres. Prospective soybean planted acres compared to a year ago were higher across the board outside of Texas, Oklahoma, Kansas, and Missouri. Similar to prospective corn acres, soybean acreage gains from 2020 are expected to be the largest in the Dakotas and Minnesota. Old crop soybean export sales are running at 99 percent of the USDA forecast compared to 90 percent on average for this point in the year. The export shipment rate is running 225 million bushels ahead of the pace needed to meet the USDA forecast and has seasonally slowed in recent weeks. A resurgence in African Swine Fever cases in China serves as a threat to further expansion of soybean exports to the world's largest pork producing nation. Planting progress data will begin to flow into the marketplace throughout the months of April and May. Our clients began to scale into new crop coverage with flexible positions as the market awaited official acreage data. They will evaluate adjustments on the current rally and consider stronger delta positions should it continue.



The estimated yield for the May 2021 crop is 65 bushels per acre and the non-land operating cost is \$340 per acre. Land cost for May 2021 is estimated at \$233 per acre <sup>1</sup>. Basis for the May 2021 crop is estimated at \$0.03 per bushel.



The estimated yield for the Nov 2021 crop is 61 bushels per acre and the estimated operating cost is \$340 per acre. Land cost for Nov 2021 is estimated at \$233 per acre <sup>1</sup>. Basis for the Nov 2021 crop is estimated at \$-0.25 per bushel.

<sup>1</sup> 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.

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