

**COVID-19 Impacts on Arkansas’ Agricultural and Rural Economies**

**UPDATE: Implications of COVID-19 for Arkansas’ Row Crop Producers**

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The weather continues delaying planting progress across the state. The USDA *Crop Progress* report of April 27 indicates that 33% of the rice, 48% of the corn, and 12% of the soybean acreage in the state has been planted relative to an average of 58%, 80%, and 22%, respectively, in the last five years.

**Commodity Markets**

**Rice**

Prices in the global rice market decreased last week from the peak a week before, and Thai and Viet long grain 5% were quoted at $537 and $470 per ton in the week of April 20. The government of Vietnam is fielding export licenses from the trade for up to 400,000 MT total per month. Officially, exports from Cambodia, Myanmar, and Pakistan are suspended due to COVID-19. Exports from India are severely limited due to the impact of COVID-19 measures on inland transportation services, and the accessibility of labor to manage loading and unloading of rice. New sales are been negotiated despite uncertainties on delivery dates.

U.S. rice exports continue without disruptions, and prices remain strong and driven by the short supply. Old 2019 crop prices (May contract) increased significantly by 14.6%, and closed at $16.610 per hundredweight, while new crop (September) future prices decreased by 2.1% and closed at $11.855 the week of April 20. Year-to-date, new crop future prices have decreased slightly from $12.03 at the closing of the first week in January.

**Corn**

The Arkansas No. 2 yellow corn cash market bounced up and down through the week within a 5 cent higher or lower range and closed at $3.26 on Friday April 24, a 6 cent decline from the previous Friday. Corn futures prices were down 1.9% last week and closed at $3.274 per bushel on April 24.

**Soybeans**

The Arkansas 2019 Crop Soybean cash market has fallen 50 cents per bushel since the last weekend break in March. The past week actually saw three straight days of price improvement before losing 7 cents on Friday and closing at a statewide average of $8.30, unchanged from the previous week closing average. Soybeans futures prices were down 1.1% last week and closed at $8.414 per bushel the week of April 20.

Last week the USDA reported export sales of 470,000 metric tons (17.27 million bushels) of soybeans for delivery to China during the 2019/2020 marketing year.

**Cotton**

The cotton market has been supported this week on positive export sales announcements. December 2020 cotton futures gained roughly 2 cents/lb. over the past week and currently trade just above 57 cents. This week, China announced plans to add about 10 million tons of soybeans (367.4 million bushels), 20 million tons of corn (787.4 million bushels), and 1 million tons of cotton (4.6 million bales) to its state reserves. The bulk of the crops would be imports, and mainly from the United States, as China works to fulfil its commitment under the Phase 1 trade deal signed in January.

Results from USDA’s March *Prospective Plantings* may prove to be too high under current weather and market conditions. Producers continue to evaluate spring planting options. Competing crops such as corn reached the crop insurance Final Plant Date on April 25 (most counties in Arkansas).

The COVID-19 pandemic is slowing U.S. cotton export activity. The tone from textile mill buyers around the world is very cautious as they continued to delay or reschedule deliveries of raw cotton due to closures or reduced schedules associated with the COVID-19 virus. Some mills in U.S. plan to remain closed until early May; other mills are resuming operations on a limited basis as supported by product orders. Most production is currently centered on face masks, surgical gowns, and medical products.

**Other comments**

A coalition of Democratic and Republican House members are proposing to include an additional $50 billion in aid to farmers in the next COVID-19 economic relief bill to supplement the farm aid that was authorized in the CARES Act enacted in late March.

As the USDA continues working on the regulations of the new direct payment to producers, pressure is mounting to exclude payment caps.

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