



FORMULATION OF A SOYBEAN PRICE MODEL

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SUMMARY

The soybeans is considered to be one of the most important oilseeds, contributing biologically and chemically to the soil, having intrinsic protein characteristics in and possessing oil quality and quantity. Moreover, it represents an excellent crop rotation alternative, particularly with maize and rice, which benefits from the symbiotic process of this legume and the favorable rotation between gramineuos and legume soybean is a crop whose evolution has been market by requirements of the agro industry. Due to its high oil (20-22%) and protein (30-46%) content, the soybean is the fundamental raw material for the production of edible oils and concentrated animal feed.

This paper attempts to achieve the following goals: Formulation of a soybean price forecast model that includes only soybean substitutes and Identification of the main factors influencing soybean prices.

This study formulates a soybean world price forecasting model that should only include soybean substitutes. The soybean substitutes included in the model (maize, fish meal and palm oil) at the beginning of the study showed a low influence in soybean world price determination, and, as a result, were excluded from the model. The final model obtained included only the world soybean lag prices.

The present study has also generated the following recommendations that could improve future studies:

-The model used for the estimation of the obtained coefficients should be tried in the future with the vector autoregression (VAR) model. The VAR model does not include any a priori distinction between endogenous and exogenous variables. This model avoids the misspecification of endogenous variables as exogenous variables and vice versa.

Besides the influencing factors named above, other variables should be included in the model, not only substitutes. Variables like, e.g., soybean world stocks, stocks-to-use ratio, and future market prices and future crop or price predictions generated by different institutions.

