

CROP TALK MARKET UPDATE

Provided by

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THE RISE OF CORN

The weather has been almost ideal for corn production. The increase in corn is not due to higher prices but because of higher production levels. Over the weekend, private crop tours led to the release of new yield estimates this week. There have been concerns about the corn crop, starting with overly wet conditions in some areas during planting, and other areas facing dry conditions. Currently, there are concerns about pollination and silking.

Crop condition ratings have been good for most of the year and remained at 73% good/excellent in Monday's USDA Crop Progress & Conditions report. This remains above last year's rating of 67%. The table below shows the crop ratings for the top 18 corn-producing states, and even though Texas has a good/excellent rating of 54% early harvest reports are stating that yields are well above average. The past three years, Texas has had average yields of 95, 122, and 112 bushels per acre. Last year's yield was well below the national average of 179.3 bushels.

Corn Condition – Selected States: Week Ending August 3, 2025

[These 18 States planted 92% of the 2024 corn acreage]

State	Very poor (percent)	Poor (percent)	Fair (percent)	Good (percent)	Excellent (percent)
Colorado	9	8	9	70	4
Illinois	4	5	22	52	17
Indiana	3	8	27	51	11
Iowa	1	2	12	57	28
Kansas	3	9	26	44	18
Kentucky	2	7	28	55	8
Michigan	1	8	35	40	16
Minnesota	2	5	18	51	24
Missouri	1	4	16	58	21
Nebraska	1	3	17	55	24
North Carolina	1	3	19	60	17
North Dakota	1	6	22	66	5
Ohio	1	5	35	52	7
Pennsylvania	1	5	17	55	22
South Dakota	1	4	18	52	25
Tennessee	1	6	22	50	21
Texas	2	12	32	36	18
Wisconsin	1	3	15	57	24
18 States	2	5	20	53	20
Previous week	2	5	20	53	20
Previous year	3	7	23	51	16

Source: USDA, National Agricultural Statistics Service, August 4, 2025.

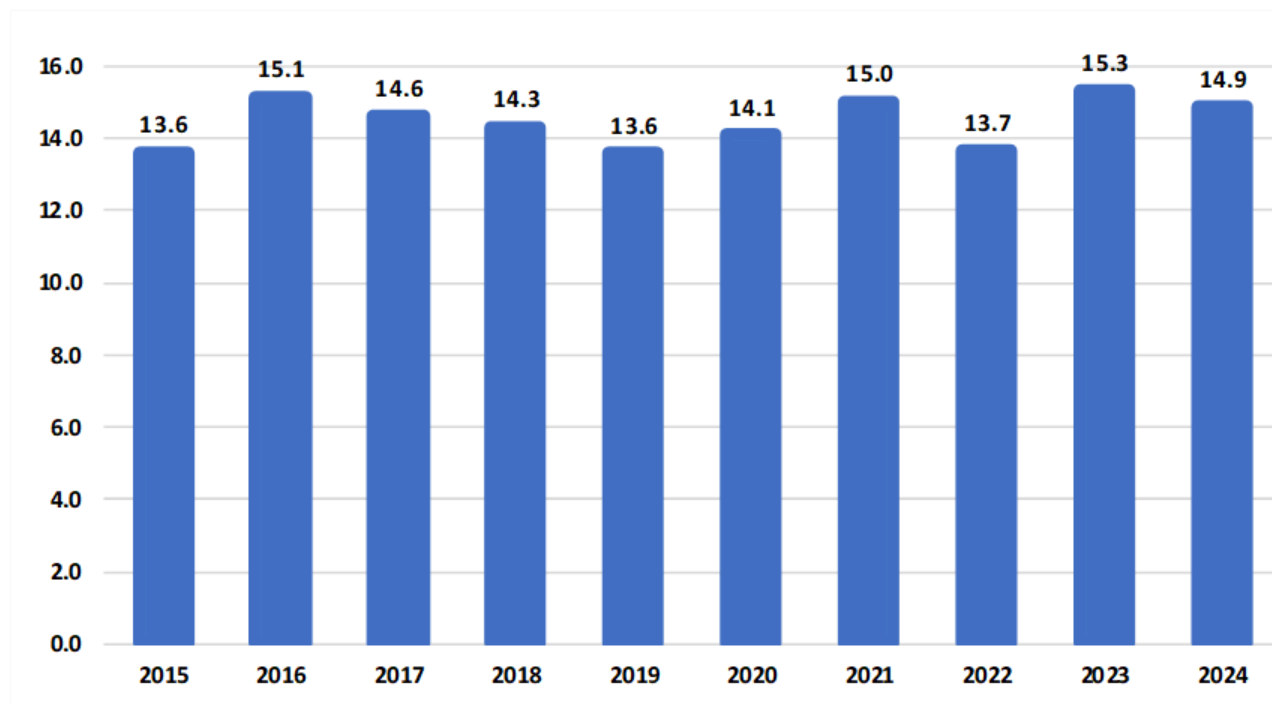
The recent private crop tours have new independent yield estimates ranging from 185-188 bushels per acre. This would put total corn production upwards of 16 billion bushels and the largest U.S. corn crop on record. The July WASDE report posted an average yield of 181 bushels per acre and production of 15.7 billion bushels.



Corn Production United States



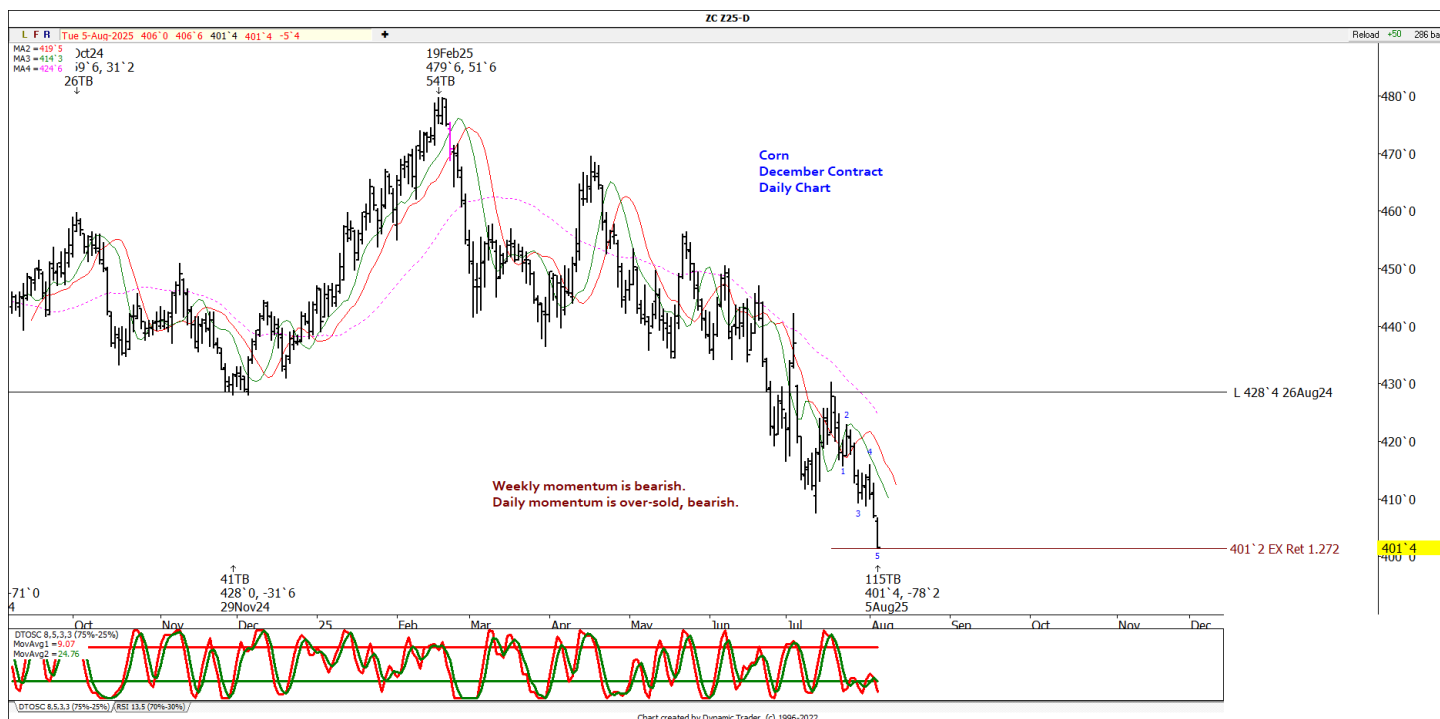
Billion Bushels



United States Department of Agriculture
National Agricultural Statistics Service

January 10, 2025

Fundamentally, it has been weather and speculation on higher corn yields that have pushed prices lower. The December corn contract posted a low today of \$4.01 ½. The move lower has now reached new technical support levels with the 127% external retracement of the last largest move higher. It is also 1 ½ cents from the even \$4.00 mark, which all even dollars become support or resistance. On a front-month basis, there was a weekly low posted the week of August 30th, which traded down to \$3.60 ½.



Source: E-signal, Dynamic Trader, August 5, 2025.

In Friday's Commitment of Traders report, Managed Money is short 352,608 contracts, and they added 5,190 short contracts during the week ending July 29th. The net change was only 181 contracts on their net short position, which is 150,944 contracts. This is down from the net short position of 189,540 contracts that Funds held on July 1st, and well below the net short position of 346,774 on July 2, 2024. While it is only speculation, history has a way of repeating itself, and if Fund action from last year repeats, we could be at the beginning of fund short covering.

It's not only the corn crop that is growing, but this also puts all producers in a tough spot of being undersold and needing to adjust their marketing strategies. With estimates for corn production increasing, there's a chance for prices to fall, especially since long-term charts show lower lows. As I've mentioned in recent articles, there are multiple marketing options, and you don't have to limit yourself to just a cash sale. You can use tools like re-owning futures or purchasing call options. If you decide to do nothing after a cash sale at low prices, you miss out on potential upward moves, but it's important to remember that doing nothing also carries risks.

Until next time,

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