

CROP TALK MARKET UPDATE

Provided by

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TIGHTENING STOCKS

Corn traders closely monitor the weather during planting and as the crop develops. The U.S. weather conditions have been near perfect for many areas, and summer rains are allowing crop condition ratings to remain better than last year, currently pegged at 74% good/excellent. Managed money held a net long position into May 6th before switching to a net short position, with planting progress moving quickly and good early crop development.

The first look at corn production for the 25/26 marketing year came in the June WASDE report. The report posted planted acreage at 95.3 million acres, with an expected harvested acreage of 87.4 million acres and an average yield of 181 bushels per acre. The latest report, published on Friday, July 11, 2025, left the average yield at 181 bushels, but adjustments were made to beginning stocks, planted and harvested acres, feed and residual demand, and exports. This resulted in carryout decreasing to 1.66 billion bushels. At the beginning of the year, it was assumed that carryout would push back over the 2-billion-bushel mark as increased acres were anticipated to possibly push U.S. corn production to a new record high.

CORN

	<i>Million Acres</i>			
Area Planted	94.6	90.6	95.3 *	95.2 *
Area Harvested	86.5	82.9	87.4 *	86.8 *
	<i>Bushels</i>			
Yield per Harvested Acre	177.3	179.3	181.0 *	181.0 *
	<i>Million Bushels</i>			
Beginning Stocks	1,360	1,763	1,365	1,340
Production	15,341	14,867	15,820	15,705
Imports	28	25	25	25
Supply, Total	16,729	16,655	17,210	17,070
Feed and Residual	5,843	5,675	5,900	5,850
Food, Seed & Industrial 2/ Ethanol & by-products 3/	6,868	6,890	6,885	6,885
Domestic, Total	12,711	12,565	12,785	12,735
Exports	2,255	2,750	2,675	2,675
Use, Total	14,966	15,315	15,460	15,410
Ending Stocks	1,763	1,340	1,750	1,660
Avg. Farm Price (\$/bu) 4/	4.55	4.30	4.20	4.20

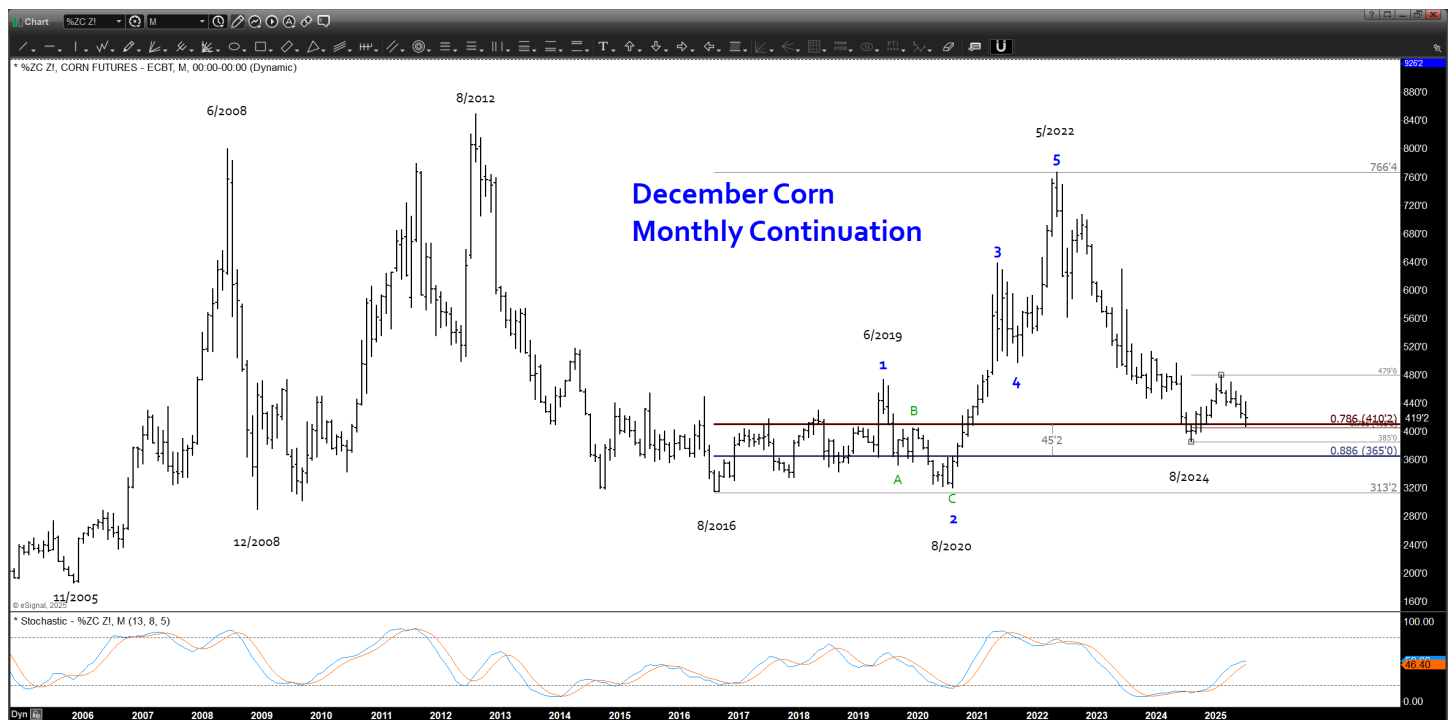
Note: Totals may not add due to rounding. 1/ Marketing year beginning September 1 for corn and sorghum; June 1 for barley and oats. 2/ For a breakout of FSI corn uses, see Feed Outlook table 5. 3/ Corn processed in ethanol plants to produce ethanol and by-products including distillers' grains, corn gluten feed, corn gluten meal, and corn oil. 4/ Marketing-year weighted average price received by farmers. * For June, planted acres reported in the March 31, 2025, "Prospective Plantings." Harvested acres projected based on historical abandonment and use for silage. For July, corn planted and harvested area as reported in the June 30, 2025, "Acreage." The yield projection is based on a weather-adjusted trend assuming normal planting progress and summer growing season weather.

Source: USDA, World Agricultural Supply and Demand Estimates, July 11, 2025.

Many analysts viewed the July WASDE report as bearish, but in reality, soybeans are the only crop that is seeing increased carryout among corn, soybeans, and wheat. The 1.66 billion bushel forecasted carryout is the lowest in three years for the July reports, as July 2024 corn ending stocks for the 24/25 marketing year were estimated at 2.097 billion

bushels. In 2023, the USDA estimated carryout at 2.262 billion, yet U.S. corn ending stocks are still projected to be higher than the July 2022 carryout, which was estimated at 1.47 billion bushels, reaching all-time new highs from the low stocks.

The long-term monthly corn chart below suggests that a low may be in place based on technical factors, despite the bearish fundamental outlook. Currently, we've seen corn drop to new contract lows, but the December continuation chart shows that the August 2024 low has held. The current low developed this month has reached the 78.6% Fib retracement from the August 2024 low to the February 2025 high. There is no confirmation yet that the decline since February is finished, but notable lows have occurred in August of 2016, 2020, and now in 2024. A move above \$4.79 would confirm that the decline is over, and the low of \$4.07 should hold.



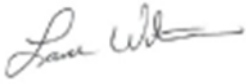
Source: E-signal, July 15, 2025.

The U.S. corn outlook is beginning to look different from what was expected at the start of the year. Last year's export demand was stronger than anticipated, especially when you review the carryout data from July 2024. It's common for ending stocks to tighten from July estimates to September final figures. Looking back at the July 2024 WASDE report, the carryout was forecasted at 2.097 billion bushels, but as we approach the end of the 2024/25 marketing year, it's tightened to 1.34 billion bushels. Will carryout continue to decrease for the 25/26 marketing year, given that the adjustments have fluctuated over the past three years? For the 22/23 marketing year, the difference between the July estimate and the final carryout was only 110 million bushels, then 499 million bushels in 23/24, and currently, the difference for 24/25 stands at 757 million bushels.

The weather is holding for the current U.S. corn crop, but will we be able to average 181 bushels/acre, which is 1.7 bushels over last year's average? There are several ways to attack the corn market as we have an identifiable spot to short the market off recent lows, or place put strike prices, as a drop below that would negate the potential for prices to turn higher. Or, if you have been a seller of new crop supplies, there is the opportunity to buy futures, or calls, with an identifiable protective stop. The weather has warmed up and corn likes heat, along with the moisture that continues to fall, which doesn't give traders a reason to be big buyers, but with Funds currently short 359,000 contracts, they have the power to turn markets higher, considering the possible technical low. Now we wait to see if President Trump's trade agreements and tariffs affect trade partners and lead to reduced export demand, which would increase ending stocks

and likely push prices lower. The question is, are you comfortable with your available tools to maintain or adjust your marketing plan based on the current market picture?

Until next time,



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