

CROP TALK MARKET UPDATE

Provided by

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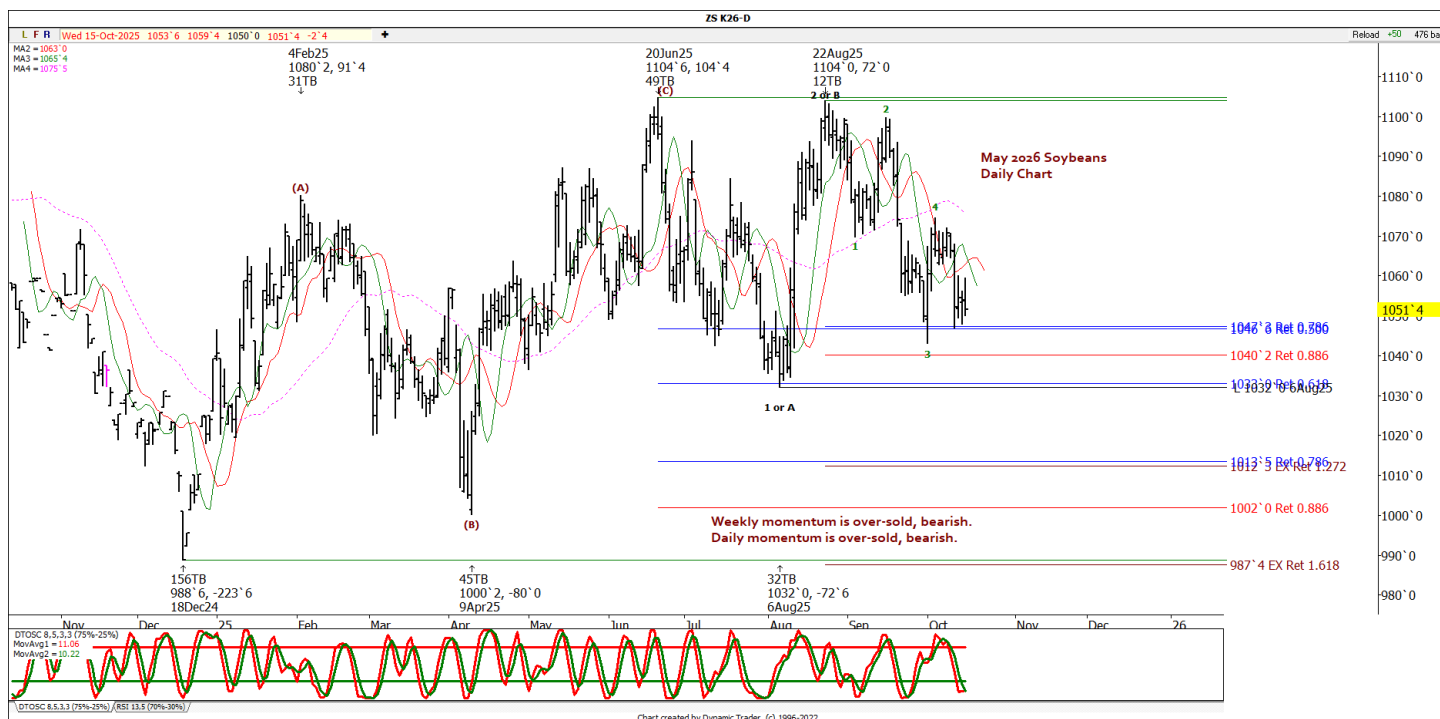
SOYBEAN OPTIMISM

We continue to face the challenges associated with the U.S. government shutdown and the lack of fundamental reports to direct markets. Last week, China returned from its weeklong Golden Week holiday and announced that it would be implementing a \$55/ton port fee on all items transported on U.S.-owned or operated vessels that arrive at Chinese ports. This announcement may have killed any hope that the soybean market was holding on to, as traders and producers had been hoping that the scheduled meeting between the U.S. and Chinese Presidents would yield a positive outcome.

The optimism in soybeans was crushed on Friday, which led to soybeans returning to near \$10/bushel, and rumors that the meeting between Trump and Xi was cancelled. Since then, there have been reports and statements on social media from Trump that the talks would still go on. The anticipation of a trade deal with China has passed, and now fear is setting in that we will miss out on Chinese demand for another year. There is also fear of a trade deal that would drive prices higher. Fear on both sides has markets in limbo with no real direction.

The U.S. is in the process of harvesting a potential record soybean crop, and estimates of Brazil's coming soybean crop surpass last year's production total by 6 million metric tons, with early estimates coming in over 177 million metric tons. The September WASDE report posted U.S. soybean ending stocks at 300 million bushels, which is not excessive but requires exports of 1.685 billion bushels and compares to last year's exports of 1.875 billion bushels. Export sales to China during the current marketing year have been zero, and with more Brazilian soybean harvest beginning in February and no current trade deal with China, the window is closing on the timeframe of when China would look to purchase U.S. soybeans.

There are only 2 more weeks before the first notice for the November contract. Today, I will focus on the May contract because of the carry in the grain markets. The November contract is trading at \$10.06, the January contract at \$10.24, the March contract at \$10.39, and the May contract is at \$10.53. The chart pattern between the nearby November contract and the May 2026 contract is similar over the past year. A key resistance level for the May contract is the wave 4 high from October 3rd, which is at \$10.74, while key support is the 1 or A low from August 6th at \$10.32.



Source: E-Signal and Dynamic Trader, October 14, 2025.

U.S. producers have been living on hope, hoping for a trade deal with China that would boost exports and demand for U.S. soybeans. That optimism is now turning to fear as trade negotiations keep getting delayed and both countries implement more tariffs. Up to this point, there hasn't been fear-based selling, which is usually marked by a sharp price decline as producers feel prices won't rise further and decide to unload bins before prices fall more. A carry in the market isn't considered bullish because merchandisers indicate they don't want the grain now; however, to take advantage of the carry, it's better to sell early rather than later, since prices are likely to drop to meet previous contract levels. Banks are now looking ahead to next year and realize that the outlook for higher prices isn't promising. Take advantage of the carry, and if you're concerned about prices rallying above your sale level, consider purchasing calls or placing a buy order to re-own at those sale prices. Managing risk is key, and with increasing price risk, government assistance programs don't do much to reduce supplies, which could support a potential price increase.

Until next time,

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