

CROP TALK MARKET UPDATE

Provided by

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GOVERNMENT ACTION

I have talked about government action and policy driving markets, but what about inactivity. The U.S. government is looking at another shutdown this year as lawmakers are unable to come to an agreement on spending and balancing the budget. By the time you read this the shutdown will be in place and the question will then be, how long will it last? There will be many people that will face layoffs, and others just sent home without pay. When it comes to Ag markets, it means no more USDA reports which includes crop progress/condition reports on Monday's, no Crop Production reports, or World Agricultural Supply and Demand Estimate reports. That leaves the September 30th Quarterly Stocks and Small Grains 2025 Summary the last U.S. government reports for the unforeseen future.

With little news driving ag markets there has been anticipation for the September 30th USDA reports. Starting with the stocks report we had average trade estimates looking for corn stocks to come in near 1.337 billion bushels, soybean at 323 million bushels, and all wheat estimated at 2.43 billion bushels.

The USDA made some adjustments to the 2024 production total by increasing production for last year by 25 million bushels from increased harvested acreage which tallied 83 million acres. The USDA posted corn stocks in all positions at 1.532 billion bushels which is down 13% from last year's 1.763 billion bushels, but above the previous carryover estimate of 1.325 billion bushels. This just adds another bearish factor to the corn market as U.S. producers are in the process of harvesting a potential record crop.

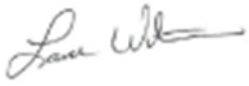
The soybean numbers were also adjusted with harvested acres changing to 86.2 million acres, average yield remains unchanged at 50.7 bushels/acre and total production for 2024 increasing by 7.74 million bushels. The September WASDE report posted carryover from the 2024/25 marketing year at 330 million bushels, but now the stocks report pegs available stocks for September 1st at 316 million bushels which is down 8% from last year's 342 million bushels. The stocks number should have given soybean prices some support, but the underlying factors of no Chinese demand and a large U.S. soybean crop being harvested has prices back below the \$10 mark.

The wheat complex had two reports to glean information from and sticking with the stocks report the USDA posted all wheat stocks at 2.12 billion bushels, up 6% from last year's 1.992 billion bushels. The small grains summary updated 2025 production with all wheat coming in at 1.985 billion bushels versus the average trade estimate of 1.925 billion, the previous USDA total of 1.927 billion bushels, and last year's 1.971 billion bushels. The big jump in production came in the Hard Red Winter wheat where U.S. producers harvested 804 million bushels, up 34 million from last year. Soft red winter wheat is now figured out 353 million bushels, up 11 million from last year. White winter wheat production is up 8 million bushels year-over-year with 244 million bushels harvested. Spring wheat was the only class to be down from the 2024 crop with this year's production totaling 497 million bushels versus last year's 542 million. The wheat complex has faced weeks of limited news that would impact prices, and today's USDA numbers were enough to push prices lower.

Congress went back and forth in the blame game on Tuesday, September 30th and still came short to keep the government operational. This means that we will most likely not see any progress on trade talks, or additional government reports until the government resumes. There have been two government shutdowns in the past decade, one being under President Obama in October of 2013 over a budget impasse including the Affordable Care Act and lasted 16 days, and the second under President Trump during his first term in December 2018 which lasted 34 days and due to funding indifferences based on border security. During the previous shutdowns Ag markets traded sideways and

while that does not mean we will see markets trade sideways during this shutdown it does provide history to how markets reacted.

Until next time,

A handwritten signature in dark ink, appearing to read "Lance Wilson", with a stylized flourish at the end.

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