

2025 Wisconsin Ag Outlook Forum

January 21, 2025



**TOTAL FARM
MARKETING**

BY STEWART-PETERSON

2025 Grain Market Outlook

Focus on the Year Ahead for the Corn and Soybean Markets



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Market Advisor



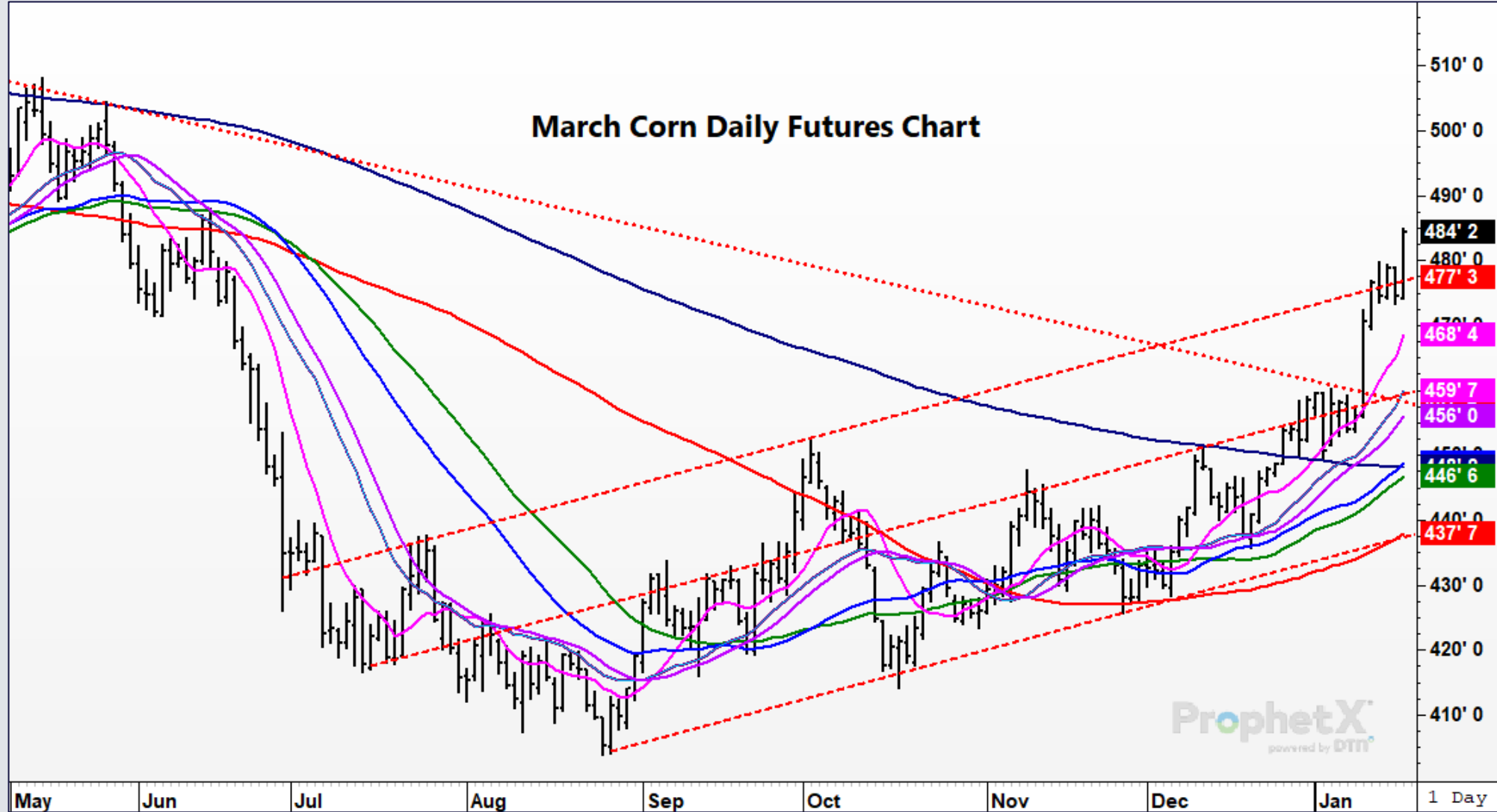
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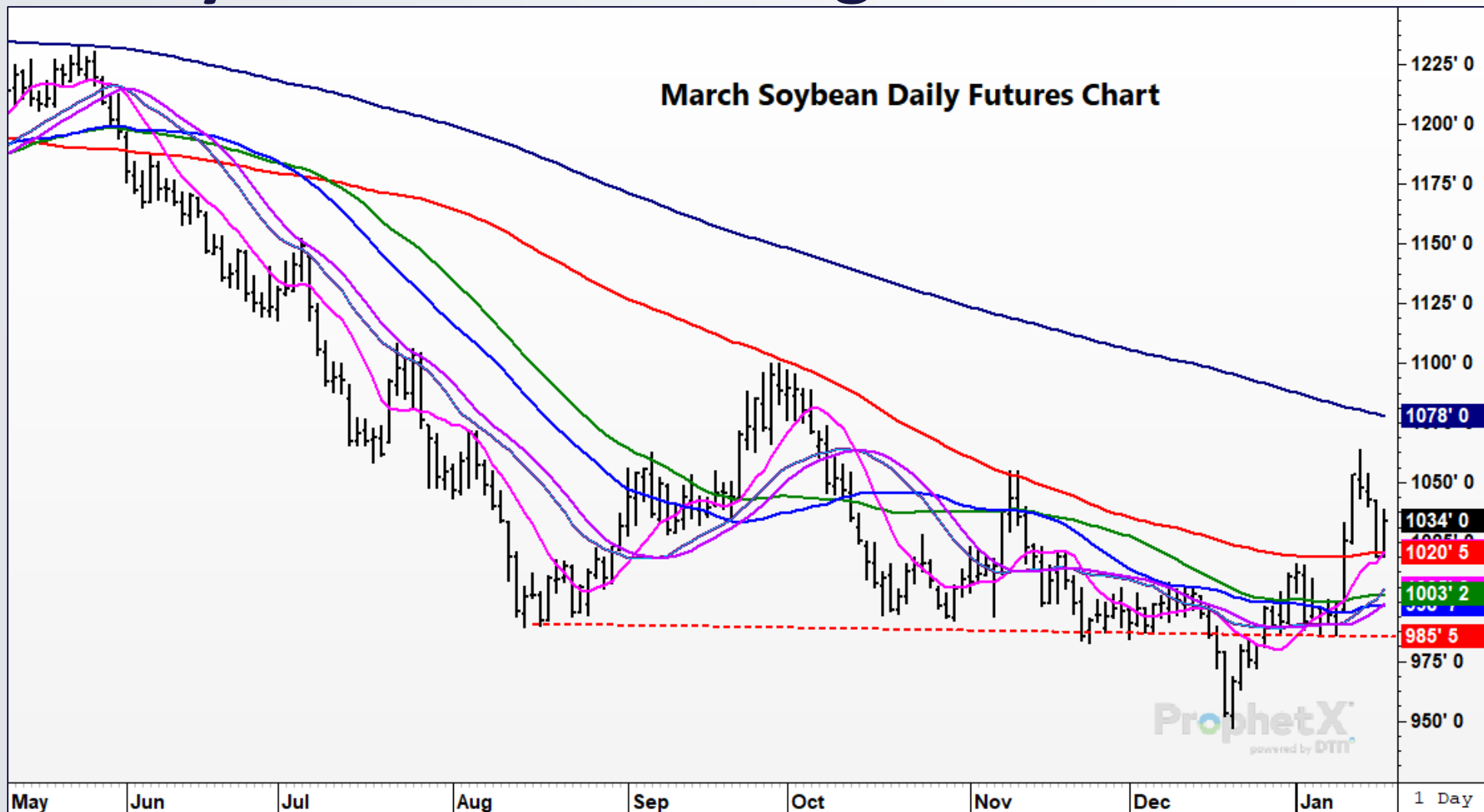
Demand driven rally has lifted the corn market...



Since the August lows.



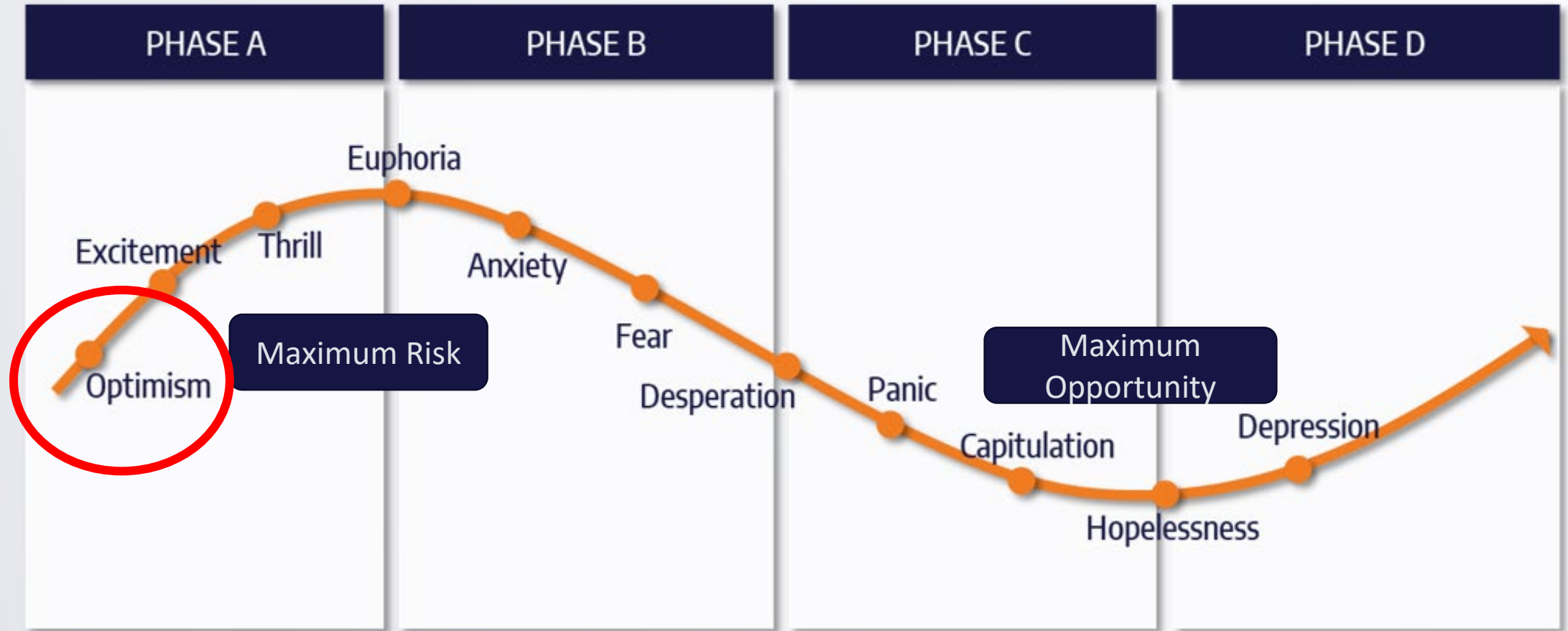
Soybean have built a good base but...



Large South American supplies are coming soon.



Producers are anxious about current market values



Looking into 2025...

What are we watching in the grain markets?

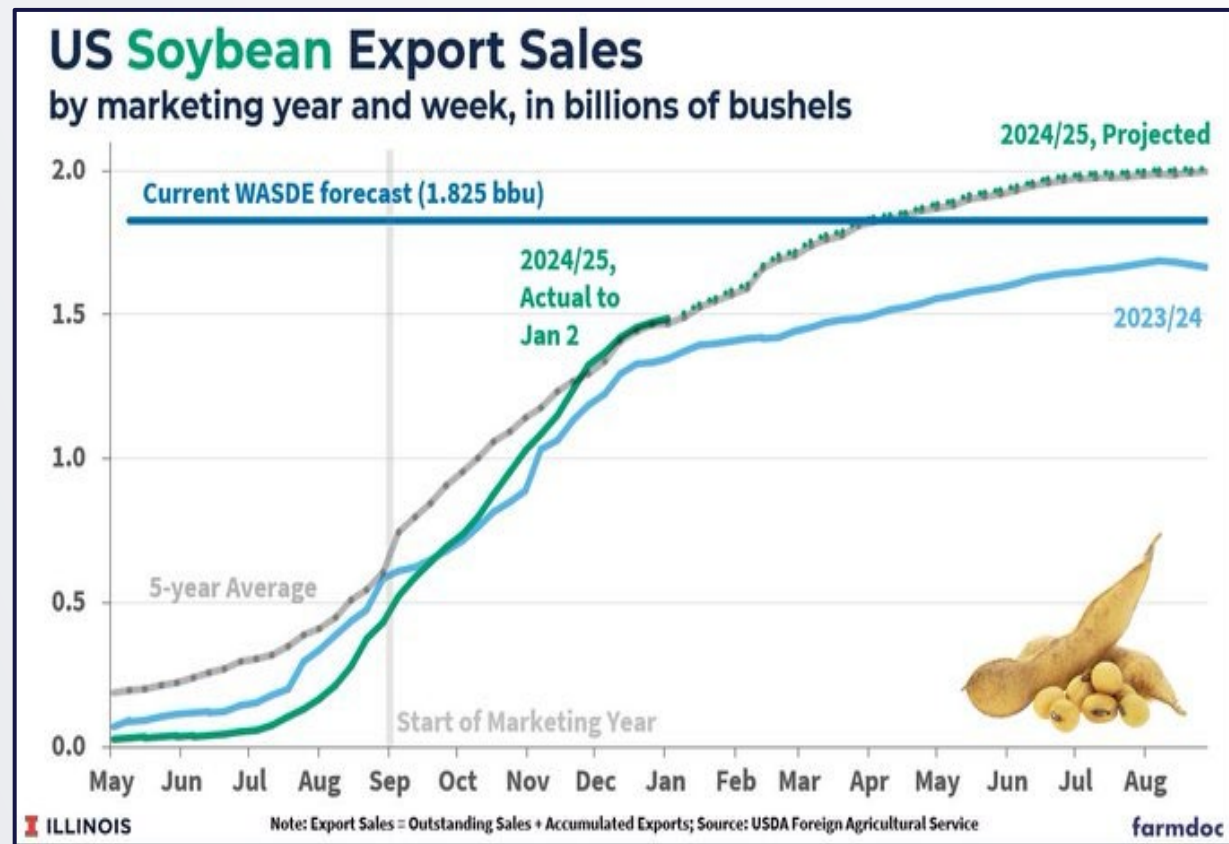
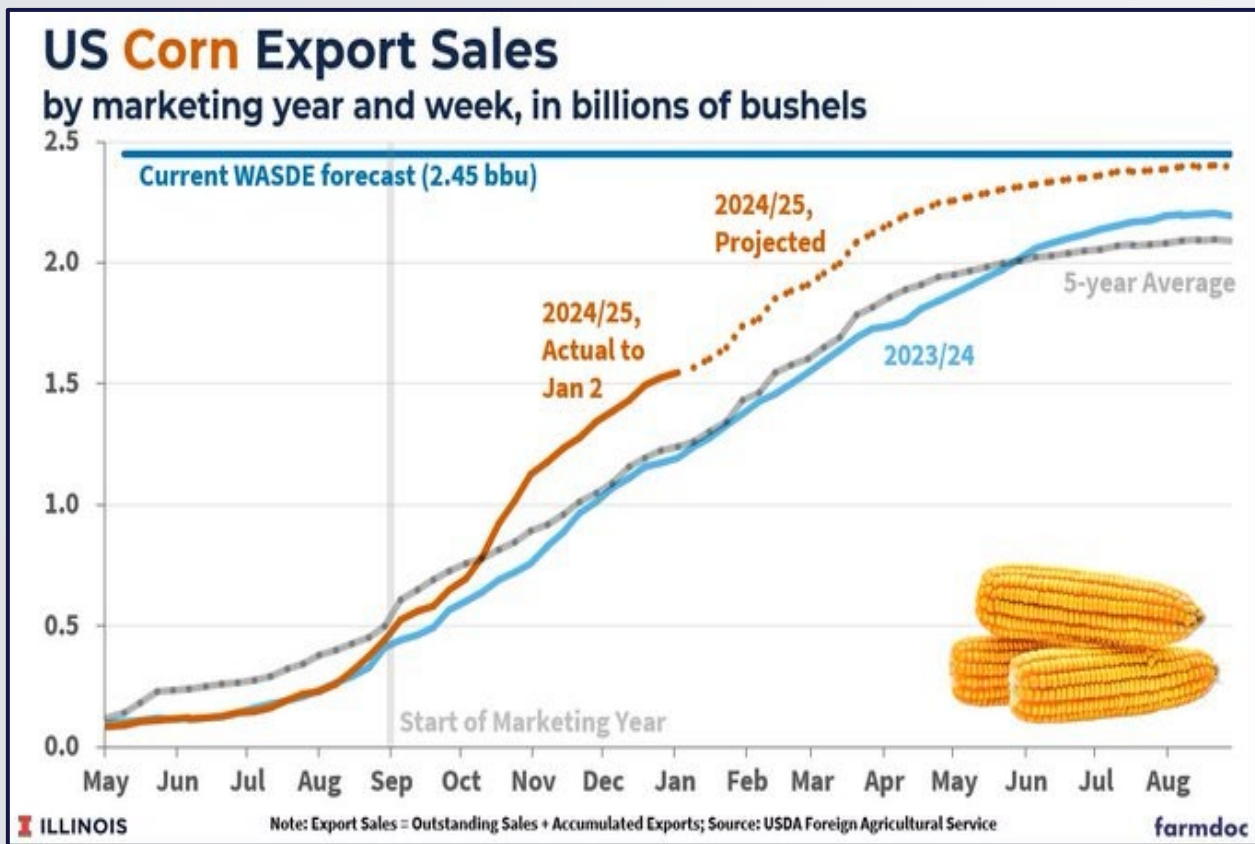
1. Does the Current demand pace remain?
2. The impact of the South American Crop
3. Grain Stocks vs Carry Out
4. The potential acre battle and next fall's production
5. Macroeenvironment: Government policy, Fund positioning, Inflation?



Does the Current demand pace remain?

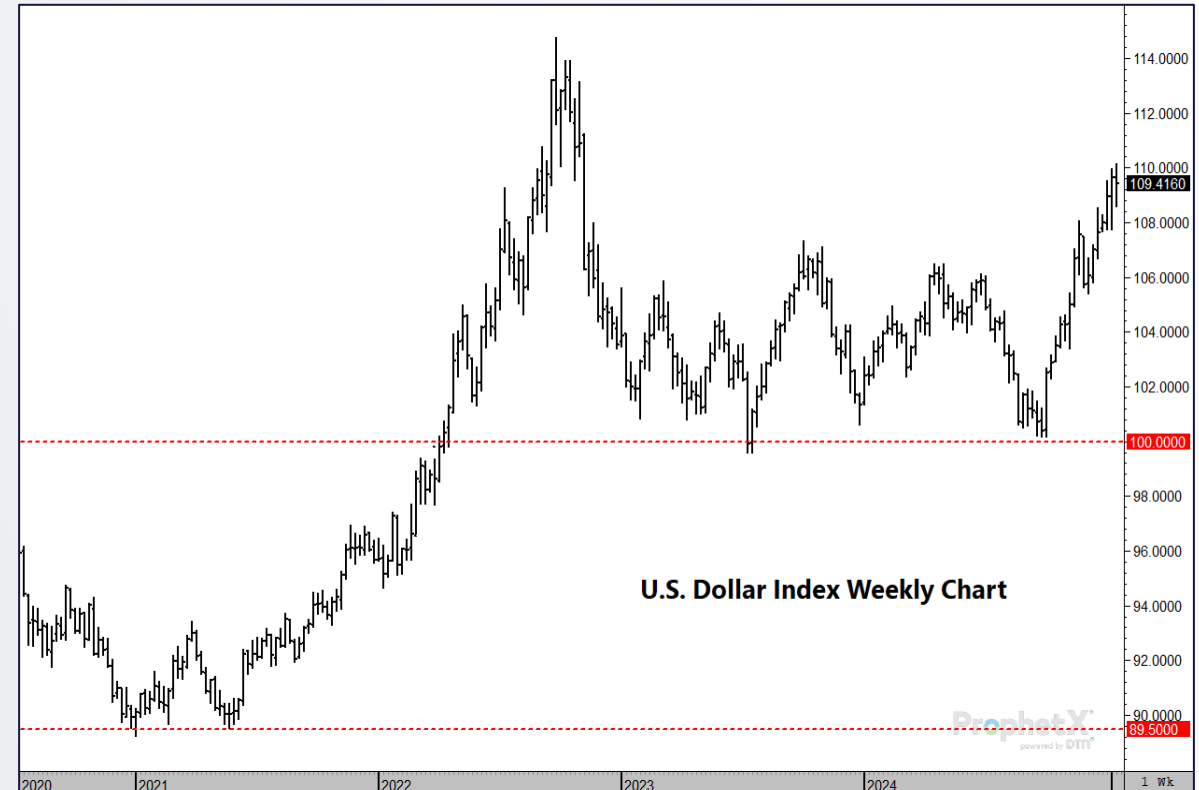
3rd best sales in the past 10 years.

6th best sales in the past 10 years.



Does the Current demand pace remain?

U.S. Dollar and Brazil Real relationship



Impact of South American Supplies

Large South American crops ballooning world supplies.

2024/25 South American Crop Production

(millions of tonnes)

@kannbwx

Data sources: USDA; Reuters

CORN

SOYBEANS

	Argentina	Brazil	Argentina	Brazil
USDA January	51.0	127.0	52.0	169.0
Trade average	50.54	127.05	51.91	170.28
USDA December	51.0	127.0	52.0	169.0
USDA 2023/24	50.0	122.0	48.21	153.0

USDA Office of the Chief Economist
United States Department of Agriculture

World Soybean Production

Country or Region	2023/2024 estimate	2024/2025 forecast	Change from December 10	Change from 2023/2024
----- Million Tons -----				
World	395.0	424.3	-2.9	29.3
United States	113.3	118.8	-2.6	5.6
Foreign	281.7	305.4	-0.3	23.7
Argentina	48.2	52.0	--	3.8
Brazil	153.0	169.0	--	16.0
Paraguay	11.0	11.2	--	0.2
Canada	7.0	7.6	--	0.6
India	11.9	12.6	--	0.7
China	20.8	20.7	-0.1	-0.2

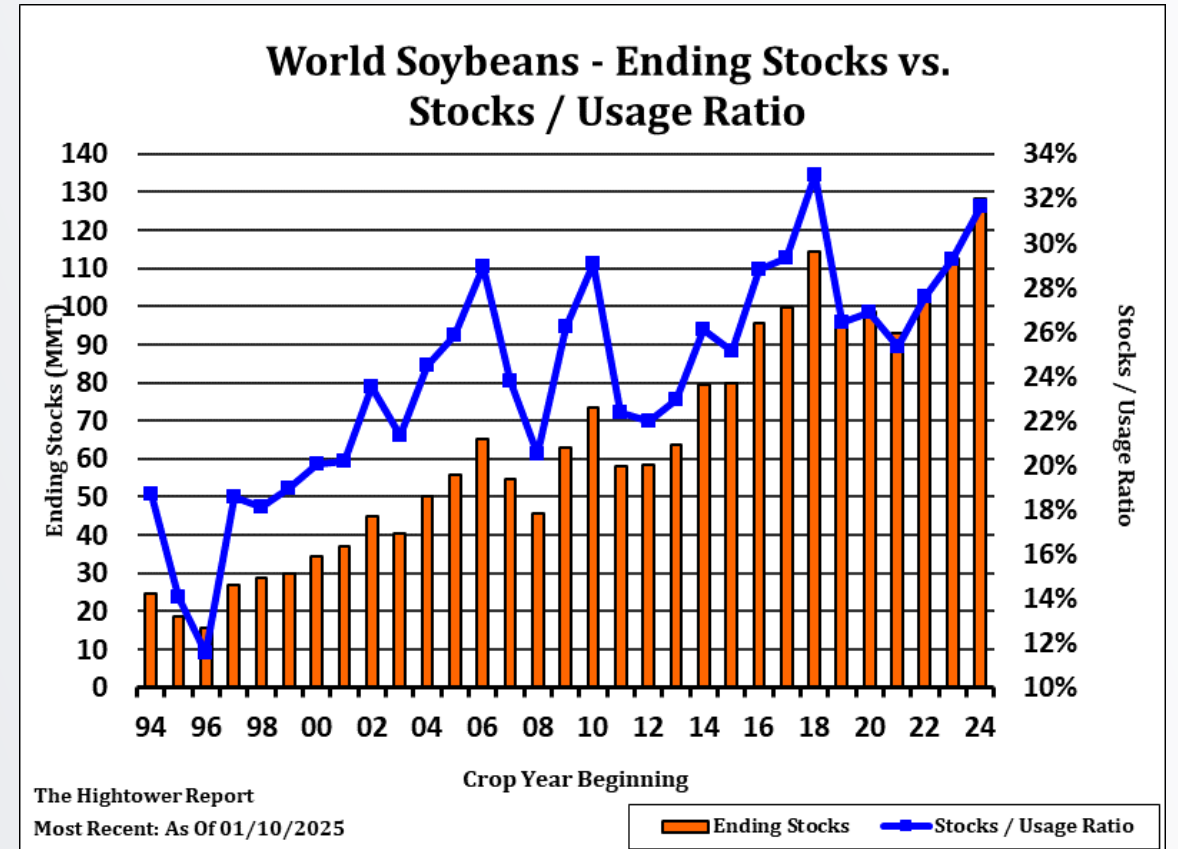
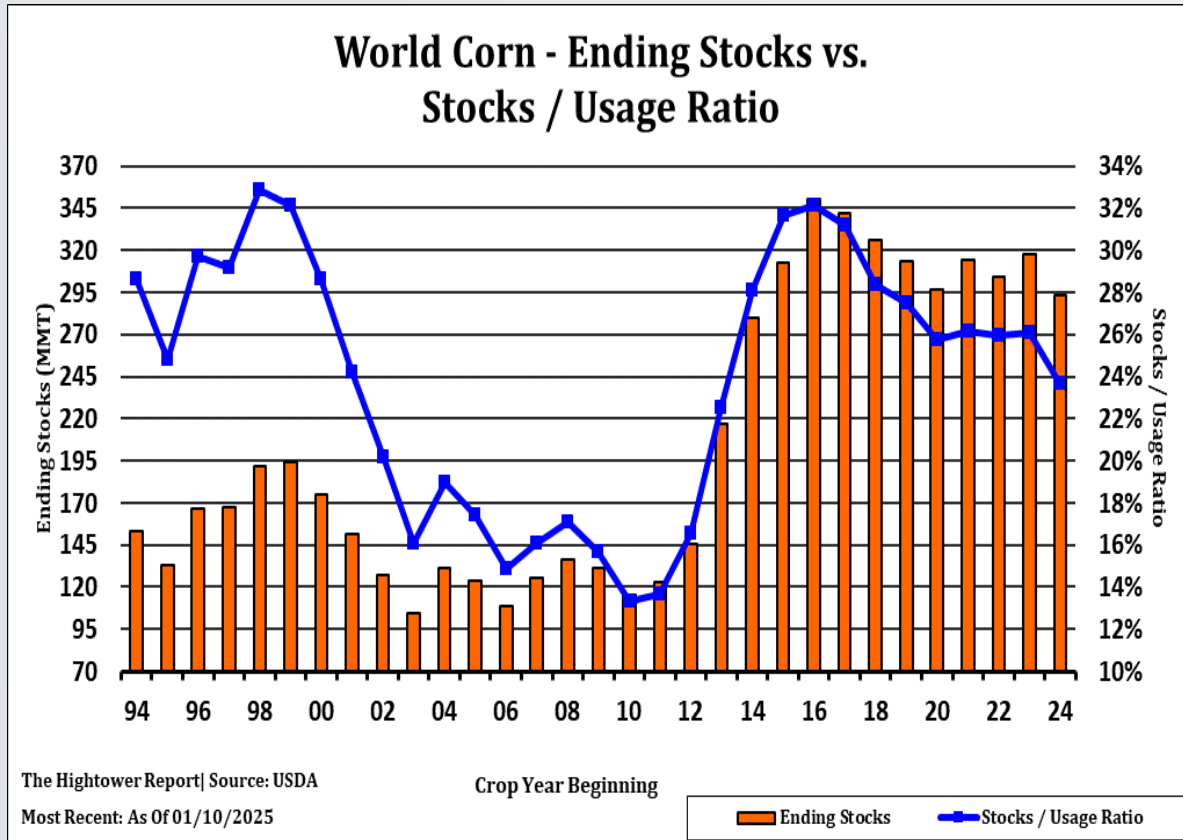
-- No change.



Impact of South American Supplies

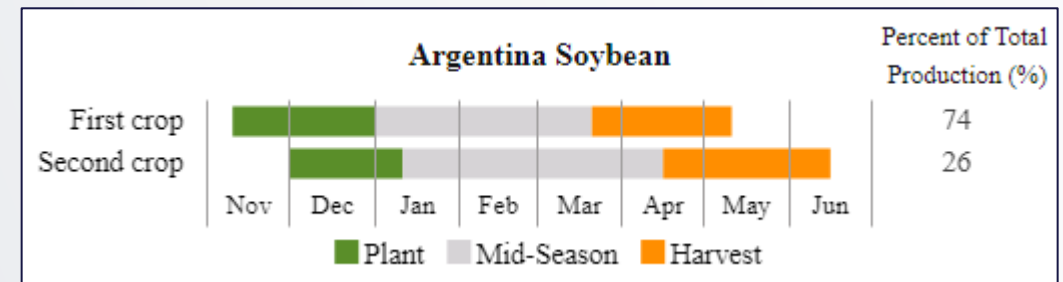
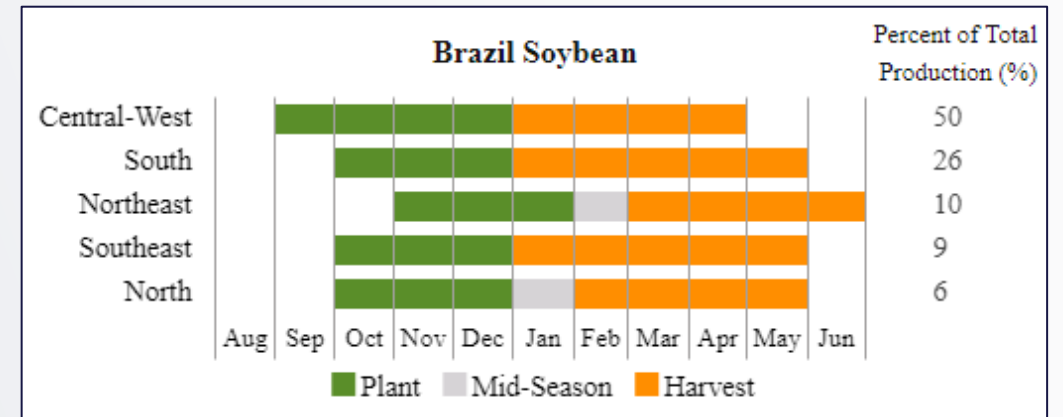
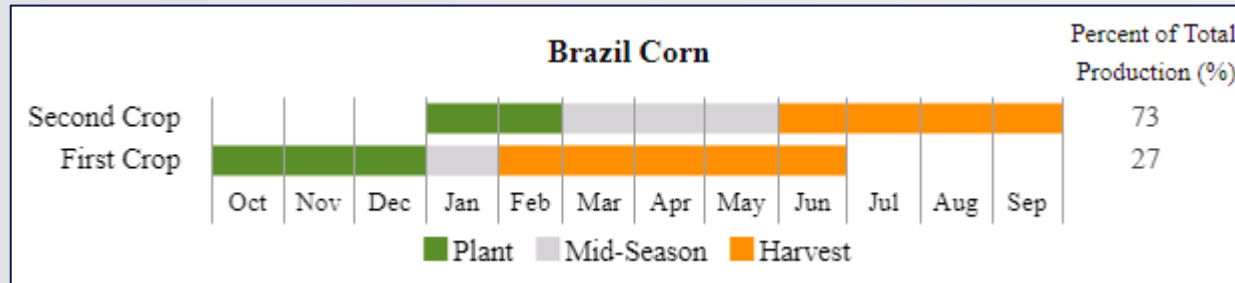
Corn supplies are manageable at this point

Global soybean carryout at record levels. Stocks-to-use near all-time highs



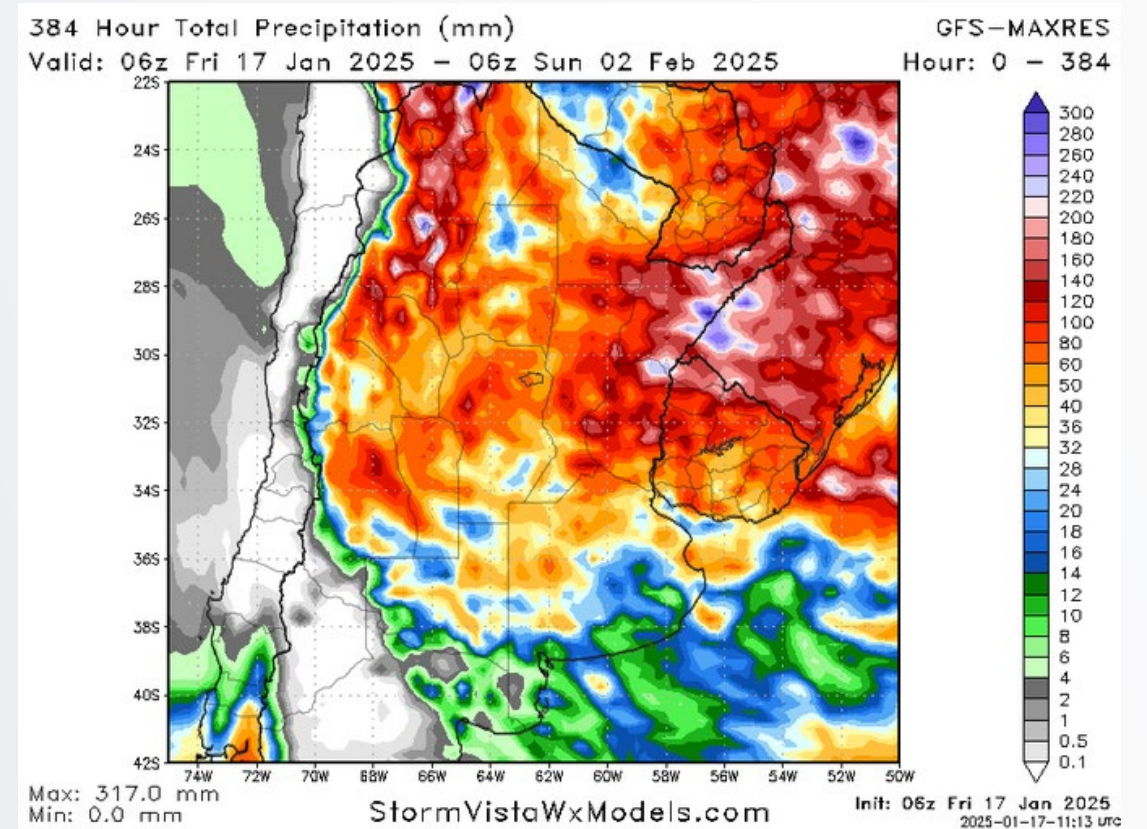
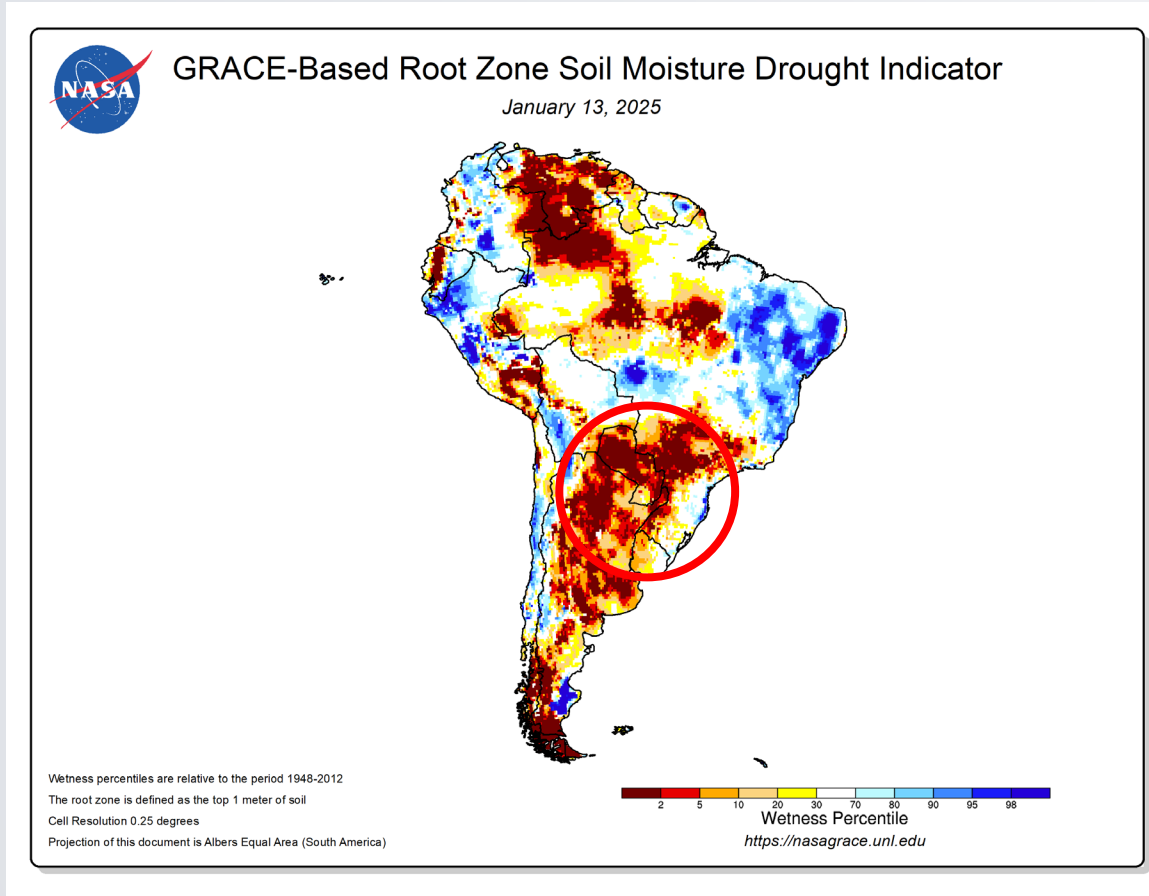
Impact of South American Supplies

When do the South American supplies arrive?



Impact of South American Supplies

Current weather has supported the market...

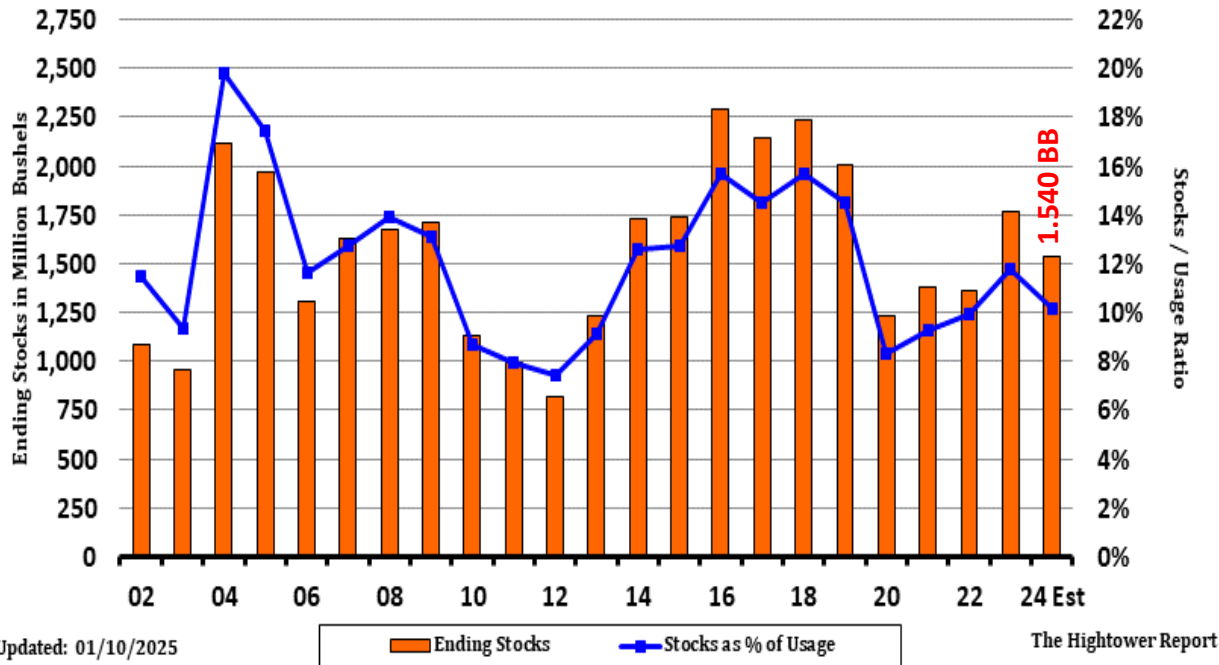


Grain Stocks vs Carryout

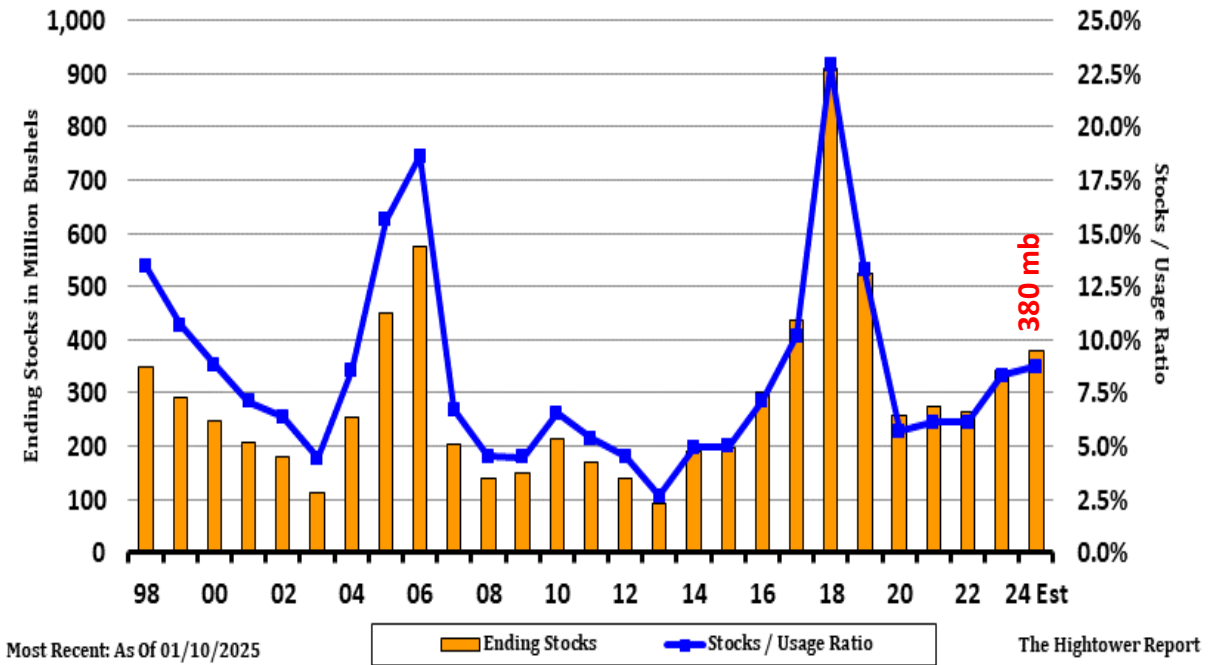
Large USDA yield cut on Jan
WASDE lowered carryout

Despite production cut, soybean
carryout the largest in 5 years.

US Corn Ending Stocks vs Stocks / Usage Ratio



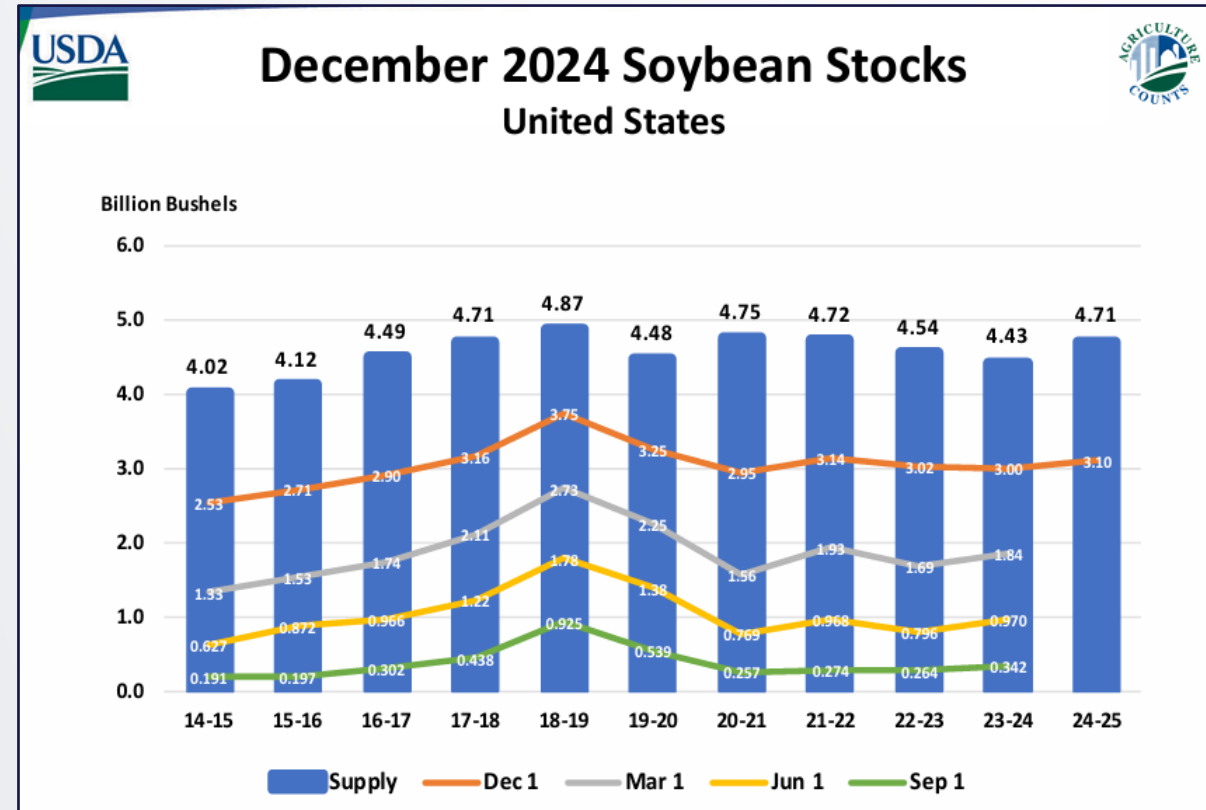
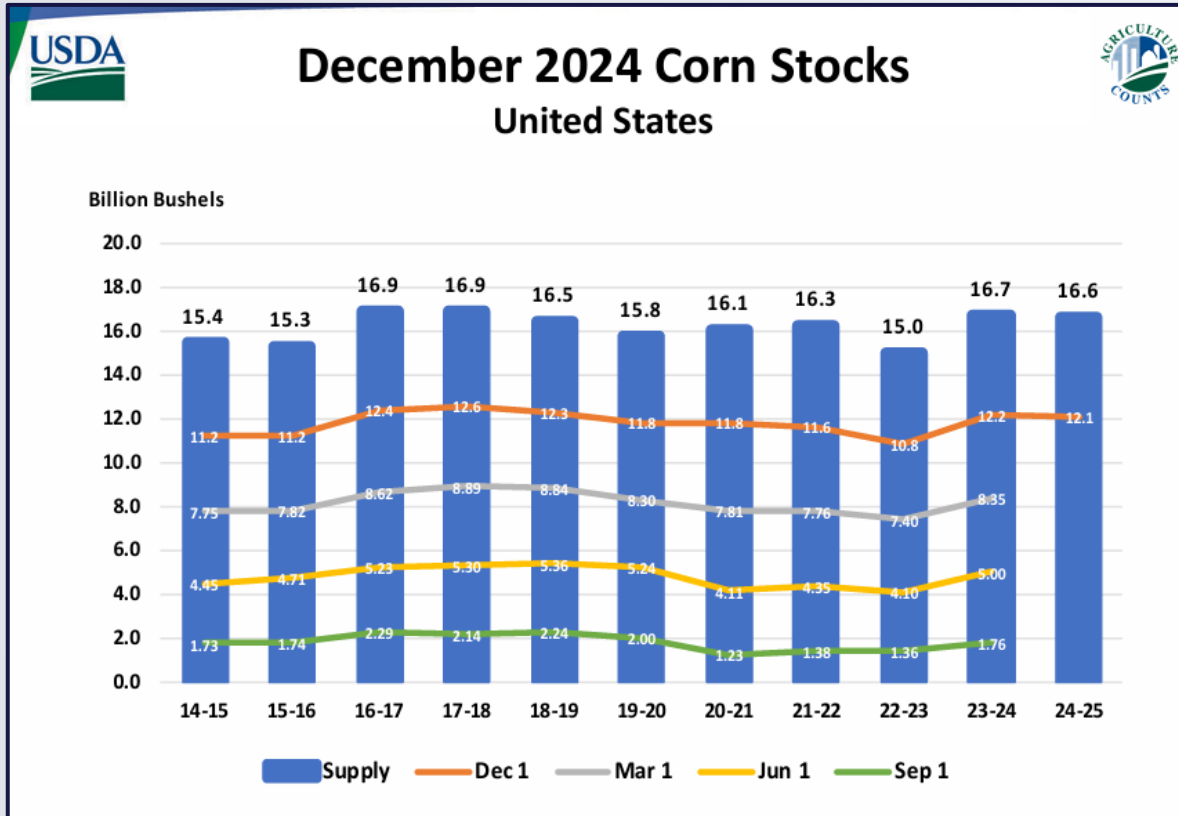
US Soybean Ending Stocks vs Stocks / Usage Ratio



Grain Stocks vs Carryout

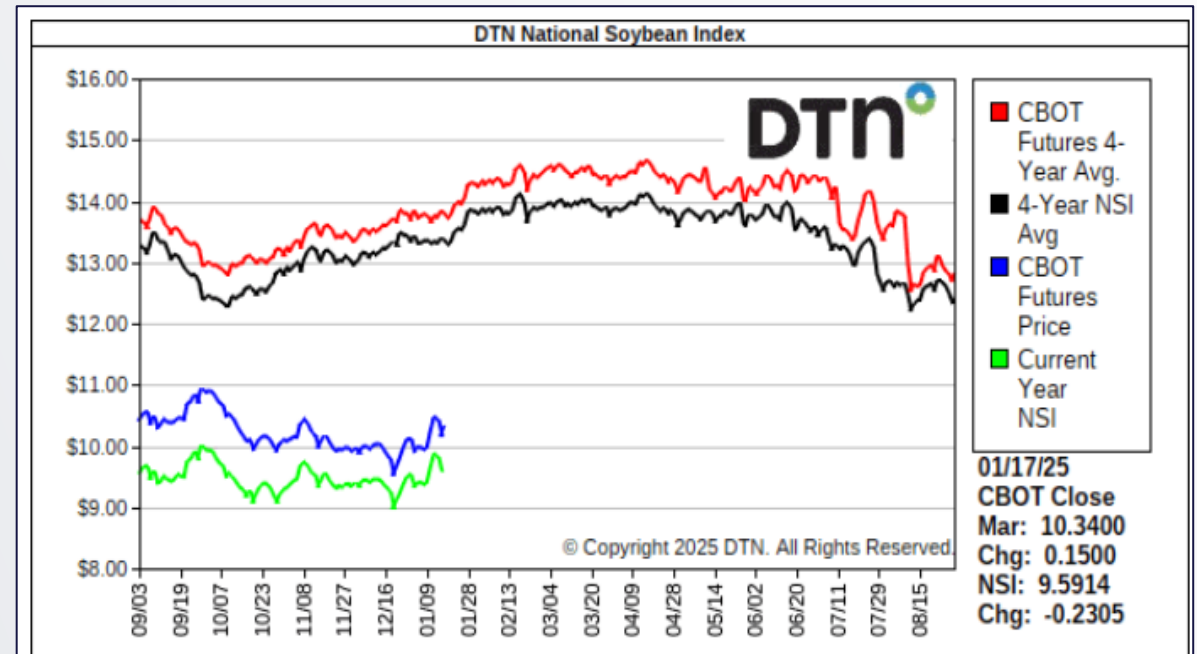
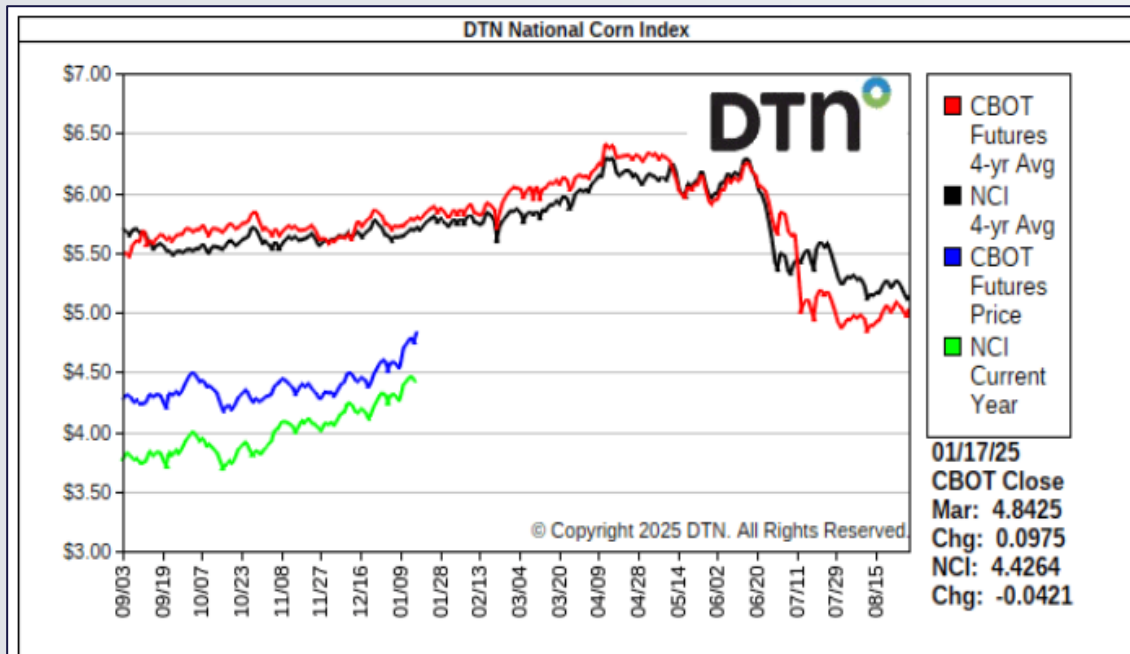
Stockpiles still one of the largest in past 6 years.

Despite production cut, soybean carryout the largest in 5 years.

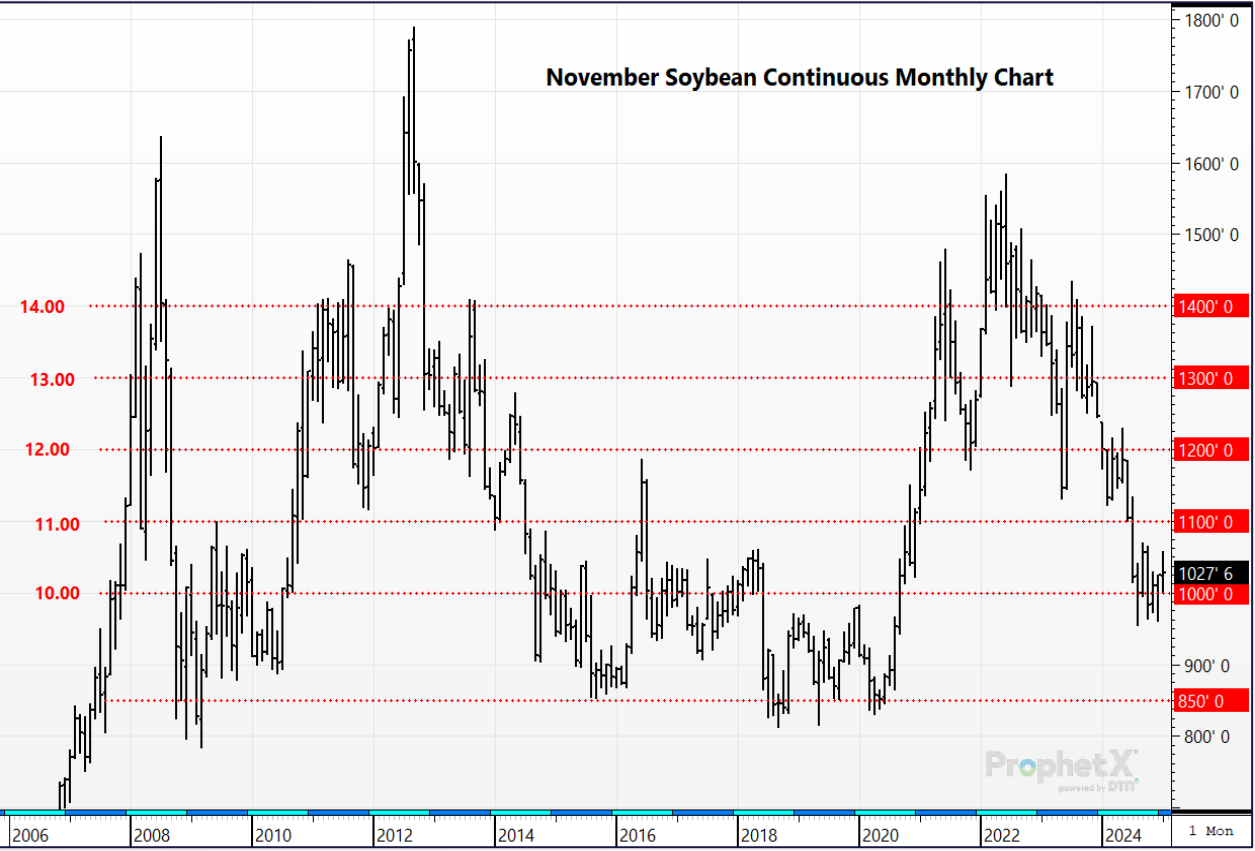
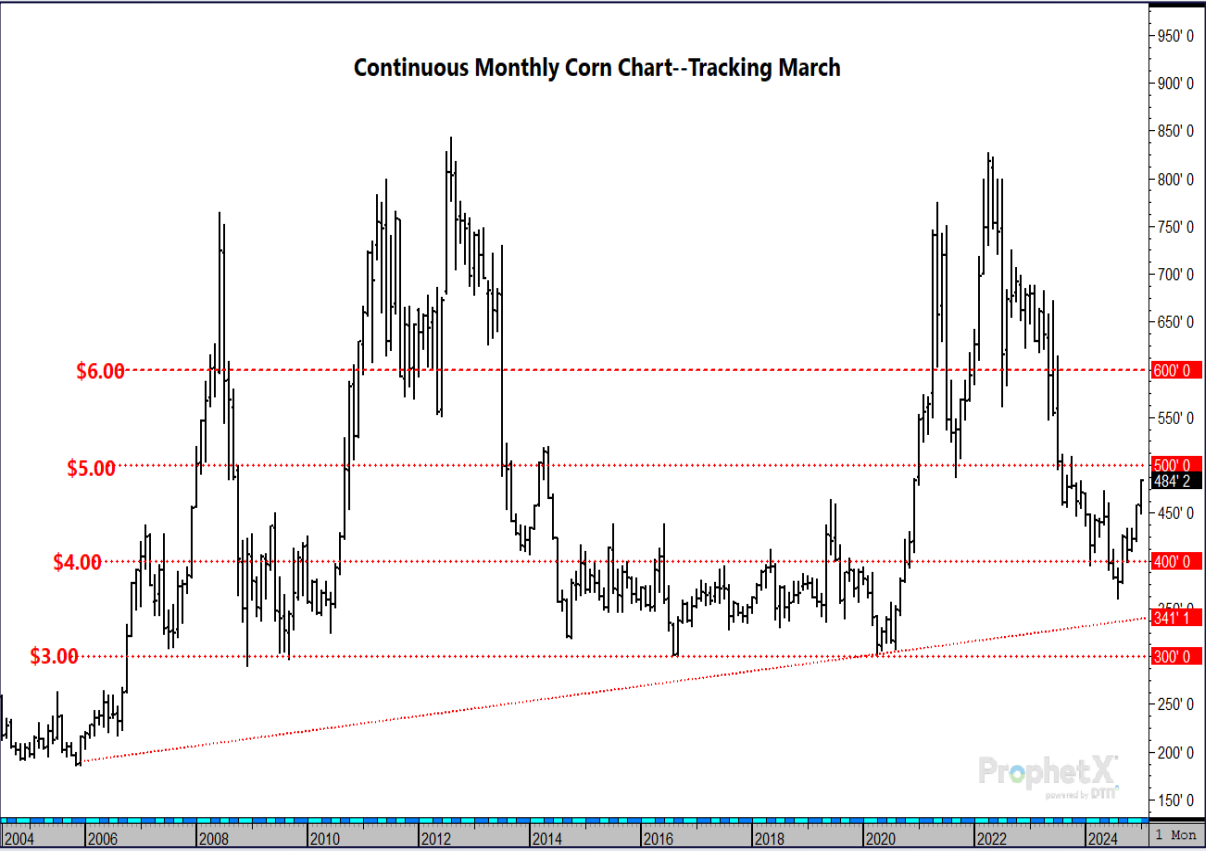


Grain Stocks vs. Carryout

Cash market reflecting current stockpiles despite reduced carryout projections.



Both corn and soybean prices reflect the current market conditions

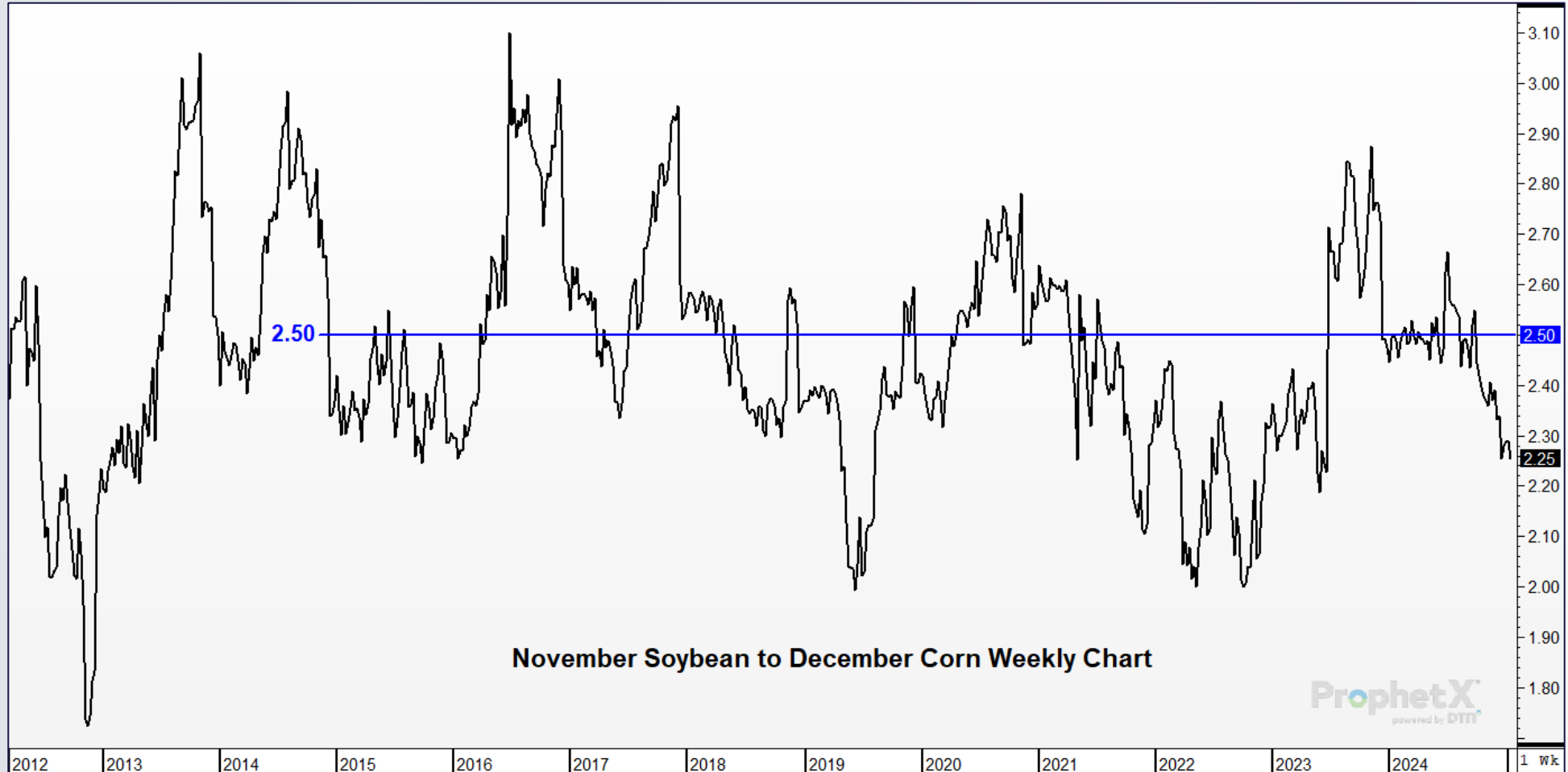


What happens if both carry outs start to grow from the January levels?



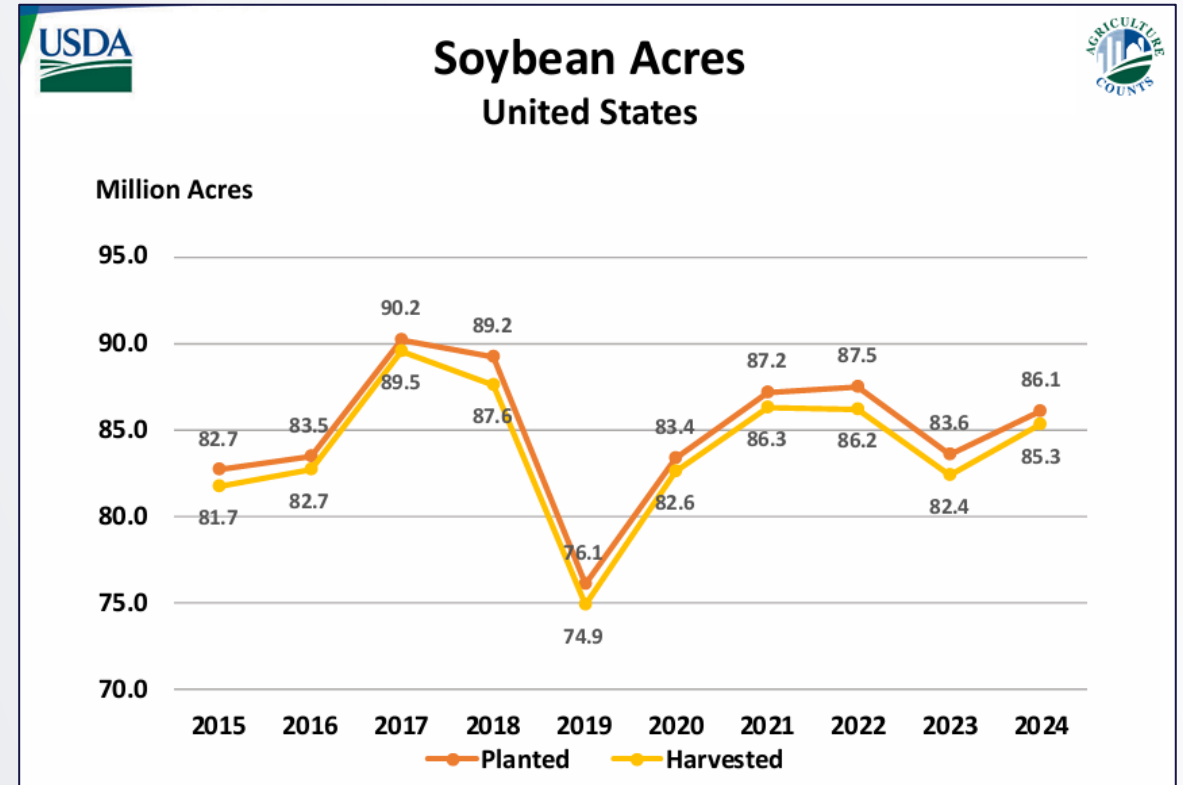
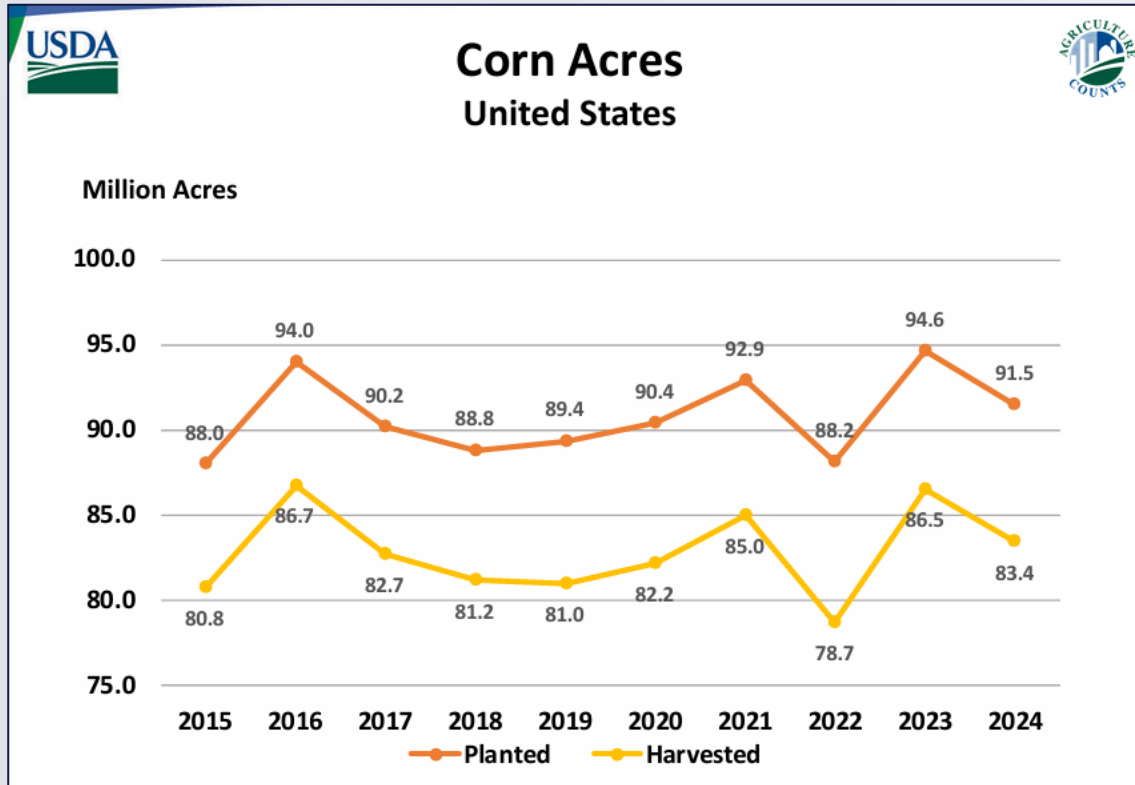
The Potential Acre Battle

Corn:Soybean ratio favorable to more corn acres in 2025



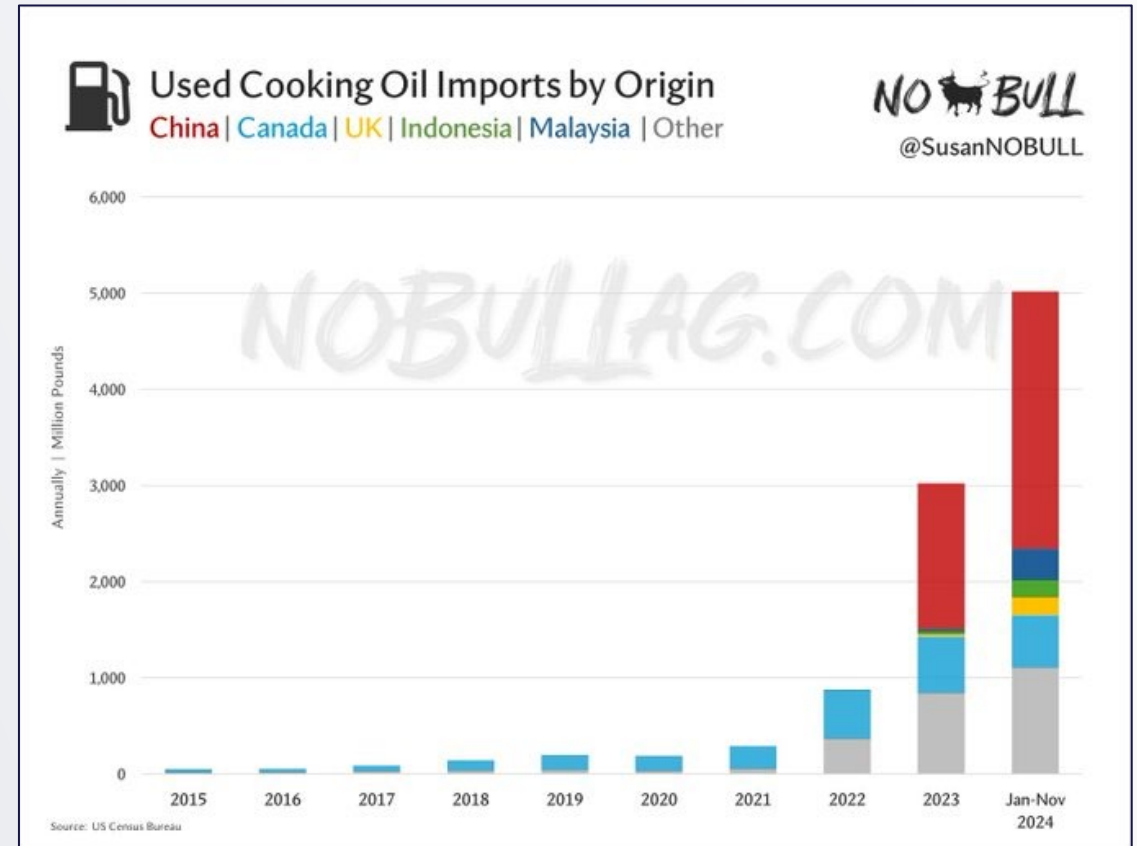
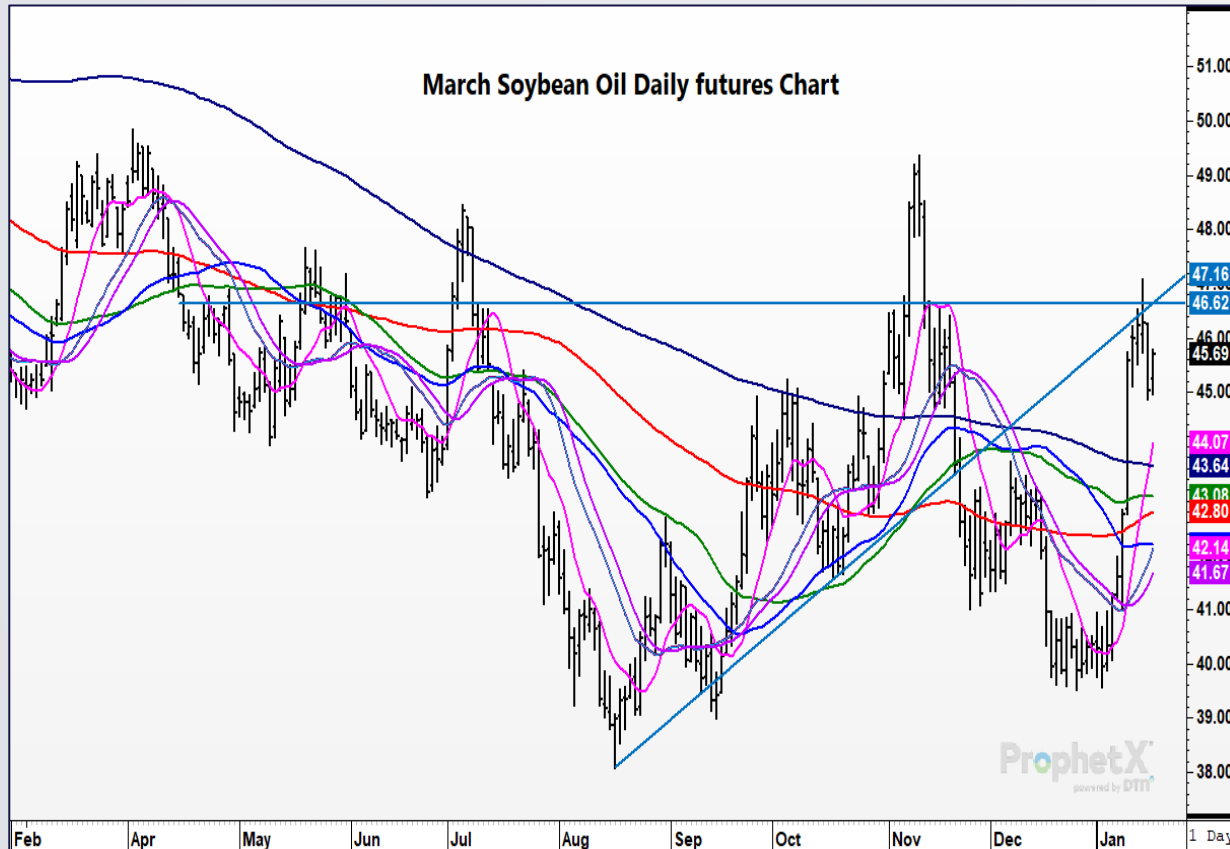
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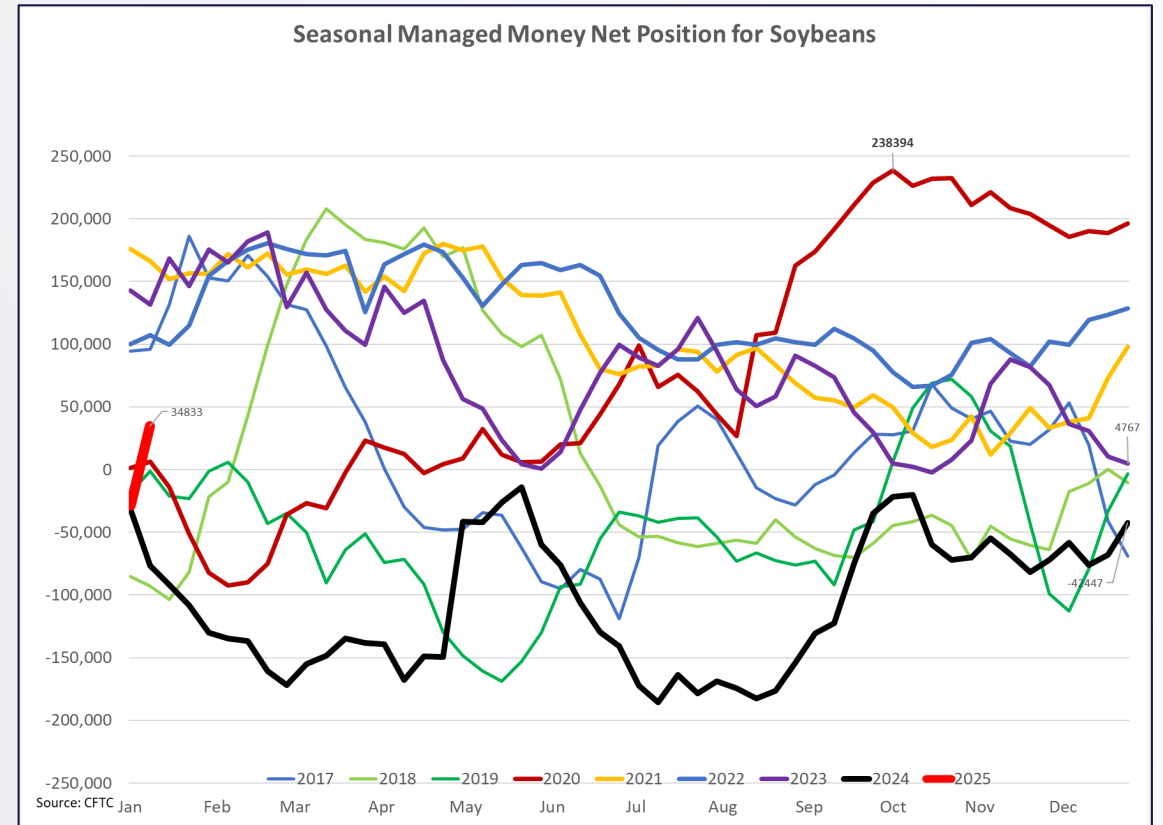
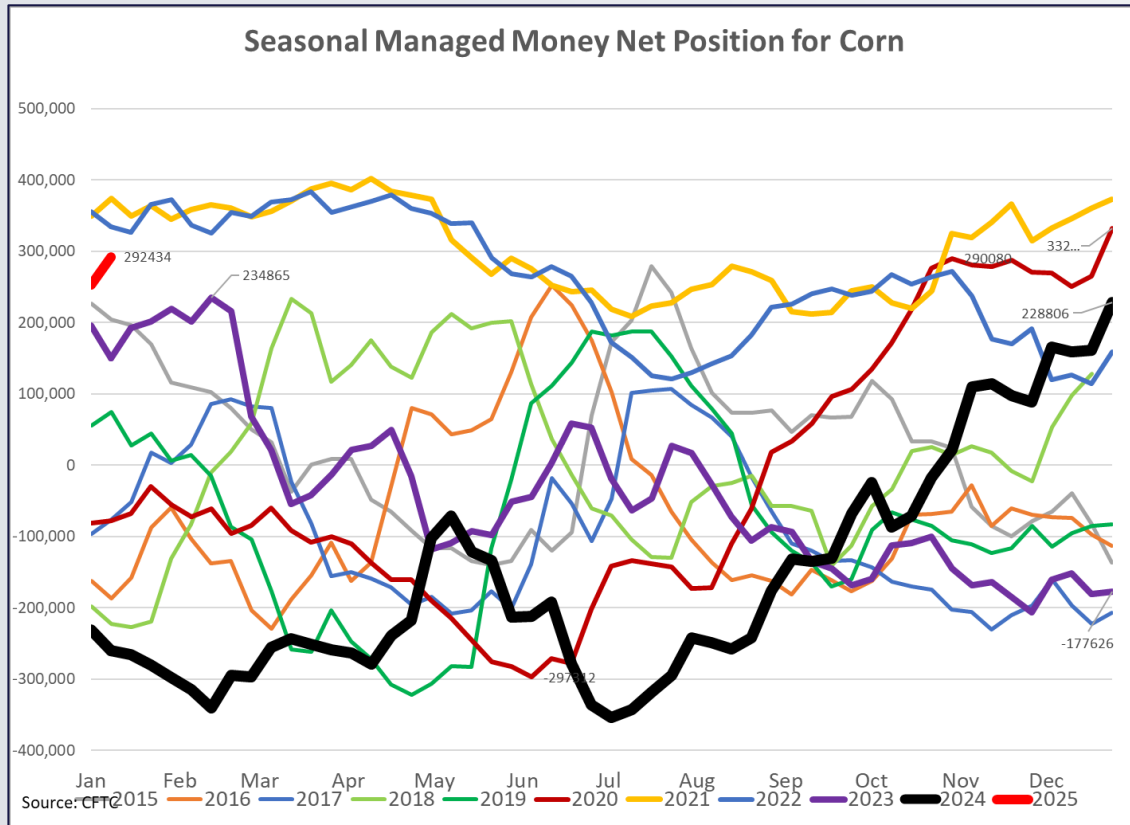
The Macro Environment

Clean Fuel Production Credit (45Z) triggered strong rally in Soybean Oil on the plan that used cooking oil would be ineligible of tax credits.



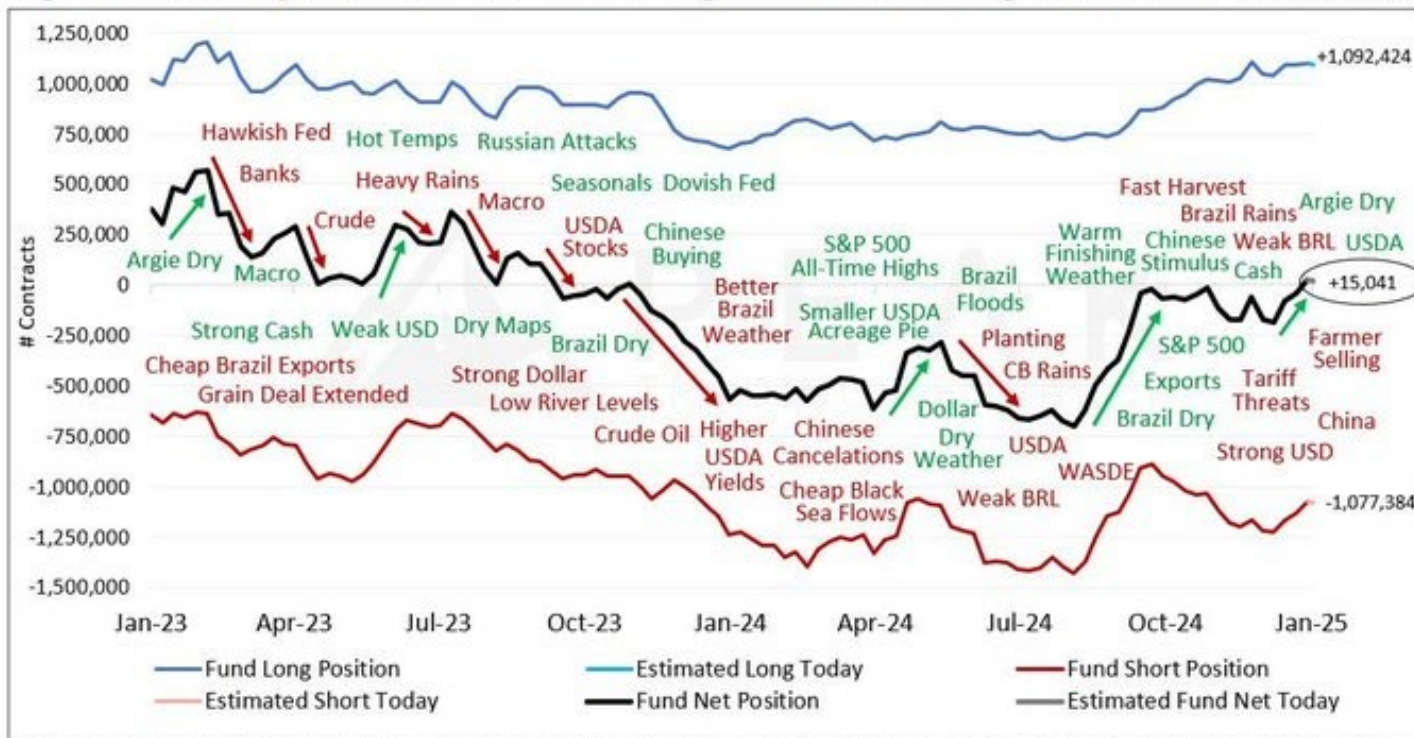
The Macro Environment

Hedge funds have moved to long positions in both corn and soybean markets.



The Macro Environment

Agriculture Complex Non-Commercial Hedge Fund Positioning: 24 Months



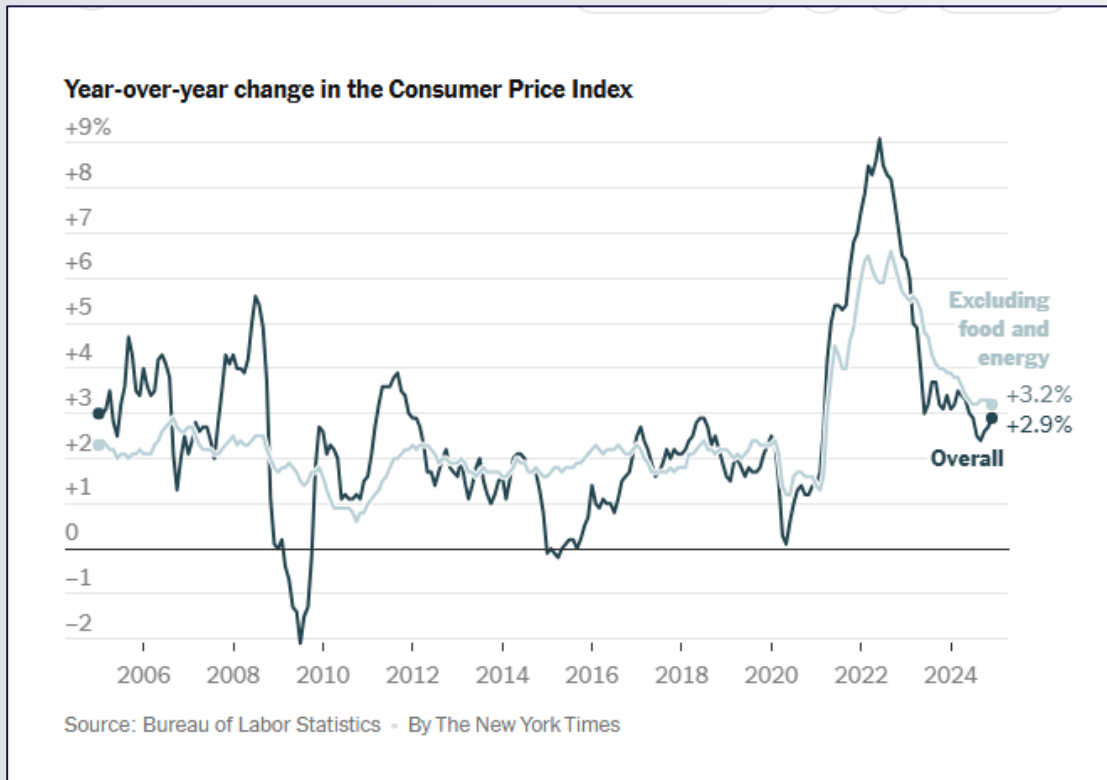
Includes all markets listed in the CFTC's Supplemental COT report: Corn, Chicago Wheat, Kansas Wheat, Soybeans, Meal, Bean Oil, Cattle, Lean Hogs, Feeder Cattle, Cotton, Sugar No. 11, Arabica Coffee, and Cocoa.

Hedge fund flows were steady through the end of last week as agriculture traders juggled new biofuel legislation ideas, back-and-forth S.A. forecast, and mixed macro signals ahead of Trump's inauguration

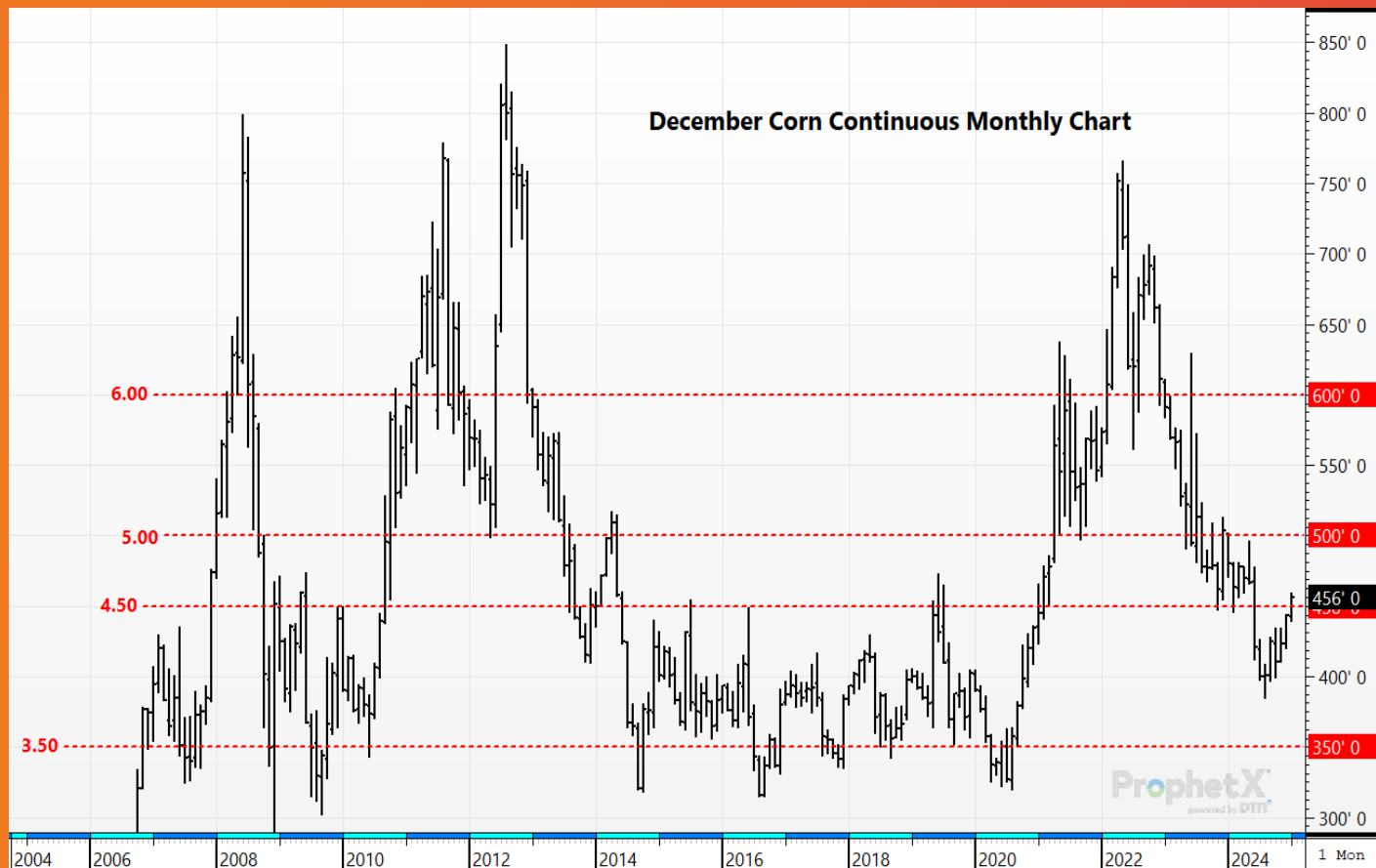


The Macro Environment

A lot of unknown regard government policy and impacts on inflation.



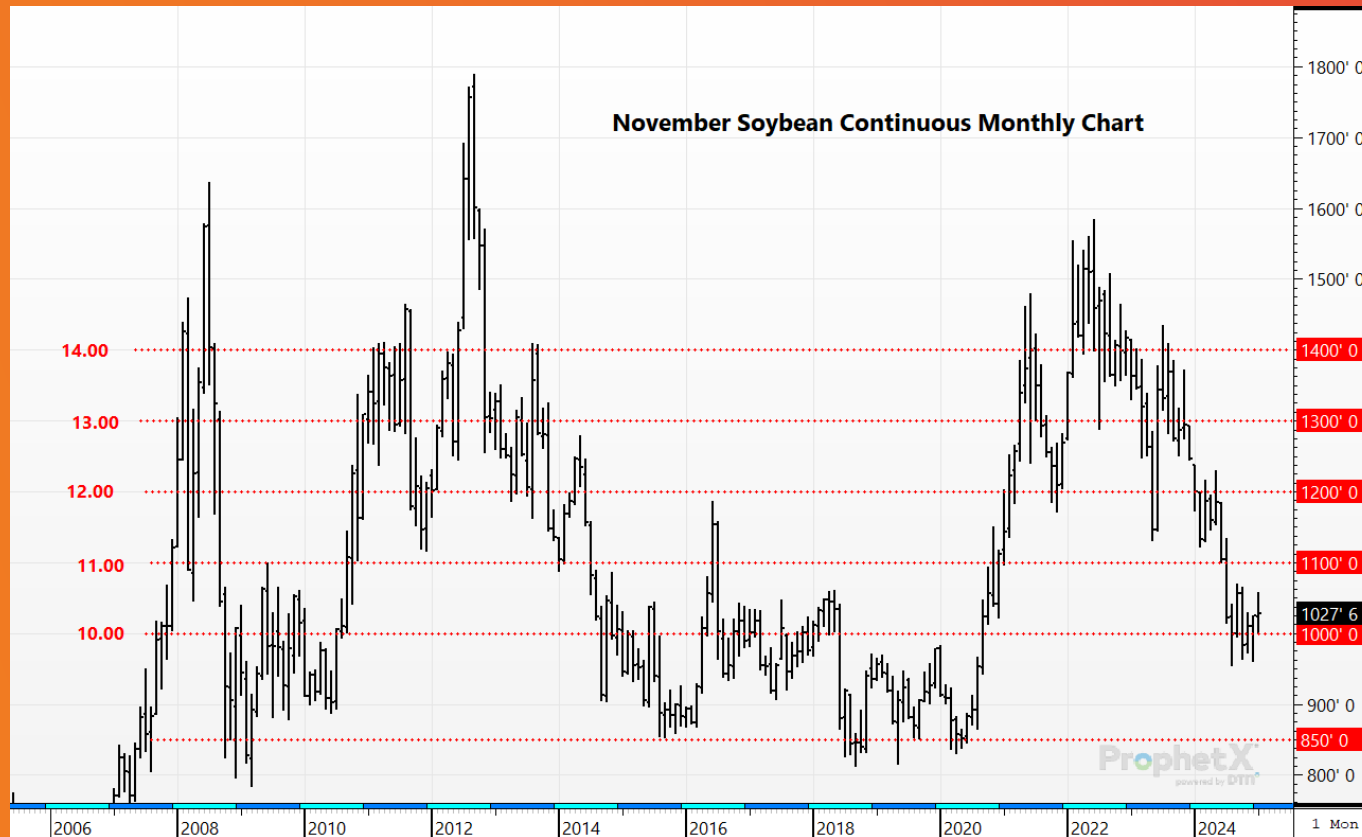
Marketing Keys for 2025-Corn



- Current situation is a combination of strong demand tone, but prospects of growing corn supply into harvest.
- Keep “balance” in your marketing plan.
- Stay disciplined to targets; build the “base” through cash sales, HTA, and defensive strategies (puts).
- Don’t forget about 2026! Market typically gives an opportunity; protect and sell.
- If the market gives you an opportunity, call strategies to maintain ownership of sold bushels.



Marketing Keys for 2025-Soybeans



- A very hard market to gauge, supply is heavy globally, U.S. supply is reduced.
- Current value is difficult for producers to reach margins, leading to a possible reduced acre projection for 2025.
- Does the demand stay supportive or far apart with SA supply coming online
- Protect value you have in the market now (puts) but keep balance with ownership strategies going forward. Especially on price drops this spring with SA harvest.
- A lot of outside factors could influence soybean prices in the next year.



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Thank you for your time.