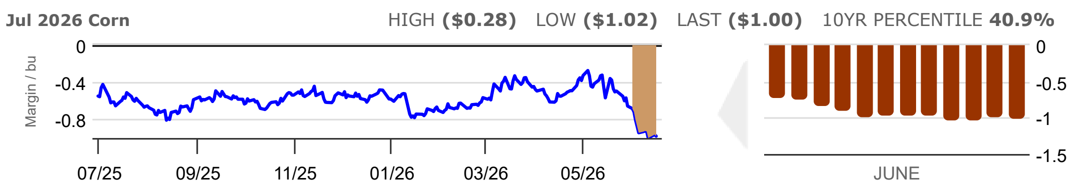
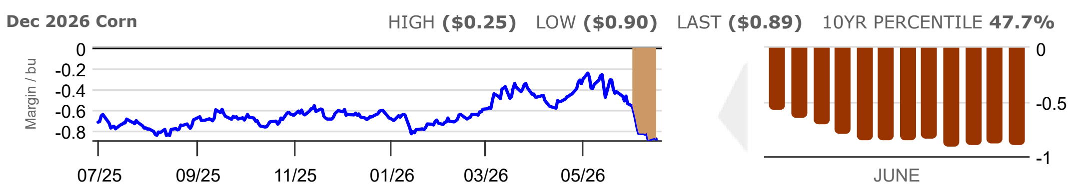
Corn Margin Watch: June

Corn futures moved sharply lower through the first two weeks of June, with the December contract reaching new lows as favorable weather supports early crop development. USDA reported that planting progress is complete across the US with the new crop rated 68% good and excellent. Conditions vary across states with North Carolina rated 37% below its five-year average, although upcoming weather forecast supports growing conditions with rain anticipated for the Eastern Corn Belt and cooler temperatures. Weekly export sales were positive, with 36.5 million bushels of new 2026/27 bookings as buyers look to take advantage of lower prices. New crop commitments now sit at 162.4 million bushels, 32% above last year's pace at this point in the season. The June WASDE for corn was largely in-line with pre-report estimates, as USDA adjusted old crop estimates to align with data already in hand rather than signaling any new demand shifts. Ethanol use was trimmed 25 million bushels and exports were raised 25 million bushels for the 2025/26 crop. Both moves bring forecasts in line with the seasonal pace. Total old crop commitments stand at 3.26 billion bushels with roughly three months remaining, suggesting the export forecast is achievable barring any disruption. For the 2026/27 crop, beginning stocks nudged higher to 2.145 billion bushels as a result of those old crop revisions, with ending stocks settling at 1.960 billion bushels. On the world balance sheet, ending stocks rose to 303.36 MMT, driven by production increases in Brazil, Argentina, India, and Paraguay. Brazil's increase reflects strength in both the first and second crop, while Argentina's revision is supported by harvest data confirming stronger area and yields. The market's attention will eye weather developments, export demand, final area planted, and the possible opening of the Strait of Hormuz. A US/Iran peace framework is expected to be signed Friday in Switzerland, with Strait of Hormuz access anticipated to resume the following weekend. Our clients have benefited from the floors in place as the market trades lower and are actively looking at opportunities to lighten delta with flexible positions.



The estimated yield for the Jul 2026 crop is 215 bushels per acre and the non-land operating cost is $768 per acre. Land cost for Jul 2026 is estimated at $293 per acre [1]. Basis for the Jul 2026 crop is estimated at $-0.2 per bushel.



The estimated yield for the Dec 2026 crop is 220 bushels per acre and the estimated operating cost is $835 per acre. Land cost for Dec 2026 is estimated at $274 per acre [1]. Basis for the Dec 2026 crop is estimated at $-0.25 per bushel.

[1] The Corn Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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