

Soybean futures climbed to new highs through the first half of March, driven by geopolitical tensions following the conflict in Iran. The closure of the Strait of Hormuz has redirected investor interest toward bioenergy crops, including soybeans and soy oil, as a safe-haven trade. The USDA's monthly Supply and Demand report reflected modestly tighter U.S. fundamentals. Domestic crush was raised 5 million bushels to 2,575 million on stronger soybean meal demand, while imports were revised up 5 million bushels to 25 million, in line with trade activity to date. U.S. export pace has slowed, facing headwinds from historically wide South American price discounts. Adding to the market dynamic, Cargill suspended Brazilian soybean exports to China following new phytosanitary requirements issued this month. With the Brazilian harvest now 60% complete, farmer selling pressure is building as limited on-farm storage pushes more supply into the cash market. On the global balance sheet, world production fell 1 MMT from February to 427.18 MMT with Argentina down 500,000 tons to 48 MMT on lower yields and Ukraine down 500,000 tons to 5.5 MMT on reduced area. Global ending stocks declined 200,000 MT to 125.31 MMT, coming in above the average trade estimate of 124.8 MMT. Market attention will focus on U.S.-China trade talks, the upcoming Planting Intentions and Quarterly Stocks reports, and ongoing developments in Iran. Our clients are evaluating flexible opportunities to scale into new crop coverage on the recent market strength



The estimated yield for the May 2026 crop is 66 bushels per acre and the non-land operating cost is \$501 per acre. Land cost for May 2026 is estimated at \$293 per acre¹. Basis for the May 2026 crop is estimated at \$-0.3 per bushel.



The estimated yield for the Nov 2026 crop is 67 bushels per acre and the estimated operating cost is \$495 per acre. Land cost for Nov 2026 is estimated at \$294 per acre¹. Basis for the Nov 2026 crop is estimated at \$-0.4 per bushel.

¹ The Soybeans 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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