

Soybean futures finished the first half of June higher as a bullish biofuel mandate provided support to the market. The soybean crop was 90 percent planted through the week ending June 8. The soybean crop was rated 68 percent good/excellent. This was a point above the previous week and a point ahead of the 5-year average. Some 75 percent of the crop had emerged. USDA on June 12 released its monthly WASDE report. For soybeans, the domestic 2025/26 balance sheet called for no changes to the domestic balance sheet. Ending stocks were unchanged at 295 million bushels, below the average pre-report estimate of 302 million bushels but within the range of estimates (285 to 394 million range). Global soybean production was unchanged. Global beginning stocks were increased marginally based on slower-than-expected crush for China. Global ending stocks were raised by 1.0 million tons to 125.3 million, primarily on higher Chinese stocks. This was above the average pre-report estimate of 124.6 million metric tons but within the range of estimates (123.4 to 126.0 million range). The EPA on June 13 released the initial proposal for the 2026 and 2027 biofuel mandates, which called for a significant increase in the biofuel obligations. The move was viewed as bullish for the soybean oil market. The expectation of an increase in soybean meal production weighed on meal futures toward contract lows. USDA will release its Acreage report at the end of the month, which will provide survey-based indications of planted and harvested area and will be included in next month's WASDE. USDA will also release its quarterly Grain Stocks report at the end of the month, providing insight into indicated disappearance levels over the past 3 months. Our clients have leaned on flexible strategies for new crop protection to allow for margin improvement with prices near the cost of production. They will be patiently evaluating adjustments to increase delta should the recent strength continue.



The estimated yield for the Jul 2025 crop is 67 bushels per acre and the non-land operating cost is \$513 per acre. Land cost for Jul 2025 is estimated at \$275 per acre¹. Basis for the Jul 2025 crop is estimated at \$-0.2 per bushel.



The estimated yield for the Nov 2025 crop is 68 bushels per acre and the estimated operating cost is \$490 per acre. Land cost for Nov 2025 is estimated at \$300 per acre¹. Basis for the Nov 2025 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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