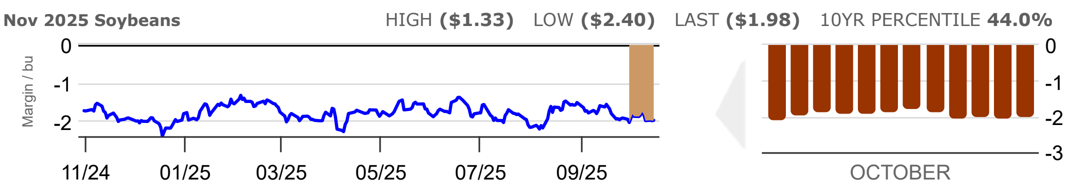
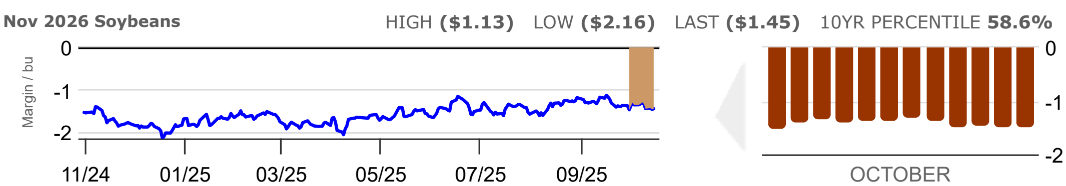
Soybeans Margin Watch: October

Soybeans traded lower as the market remains uncertain about export demand. Headlines were dominated regarding the possibility of an additional 100 percent tariff to be imposed on China, Nov. 1. With the US Government shut down, government data including the weekly crop progress, WASDE, and FAS export reports from the U.S. Department of Agriculture are not available - so farmers and other market-watchers are turning to private polling for information. Analysts suggest 60 percent of soybeans were harvested as of Oct 12. Soybean farmers are facing limited storage as weather aided harvest progress and soybean crush facilities are maxed out in capacity. The lack of Chinese demand continues to weigh on the domestic market. US soybean export inspections as of Nov 1st typically account for 23-24 percent of annual shipments. Shipments so far account for 9% of USDA's 25/26 forecast. U.S. Agriculture Secretary Brooke Rollins said on Oct 9 the Trump administration would be able to deliver a "significant program" to help farmers once the ongoing government shutdown ends. US President Trump and Chinese President Xi are scheduled to meet at the APEC meeting early November. Chinese soybean imports increase year over year in September, as South American soybeans filled the gap left by the US. Brazilian crop agency CONAB gave us their first look at new crop 2025/26 beans this morning: Soybean production was pegged at a record high 177.64 MMT, above USDA's estimate of 175 MMT. Market attention will await the re-opening of the US government, harvest progress and developing US-China trade relations. Our clients are patiently evaluating adjustments on existing hedges. If the market continues to fall, they may look to lighten delta and reopen upside opportunities.



The estimated yield for the Nov 2025 crop is 67 bushels per acre and the non-land operating cost is $513 per acre. Land cost for Nov 2025 is estimated at $275 per acre [1]. Basis for the Nov 2025 crop is estimated at $-0.3 per bushel.



The estimated yield for the Nov 2026 crop is 68 bushels per acre and the estimated operating cost is $490 per acre. Land cost for Nov 2026 is estimated at $300 per acre [1]. 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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