

Soybean futures traded lower through the first half of December as favorable South American weather for Brazilian and Argentine Crops is expected. The US Secretary of Agriculture announced \$11B in aid for US row-crop farmers, a one-time payment by February 28th. USDA released its monthly WASDE report on Dec 10th. For soybeans, the domestic 2025/26 balance sheet was left completely unchanged, with ending stocks remaining at a projected 290M bushels, below the average pre-report estimate but within the range of estimates. Likewise, no changes were noted on the domestic balance sheet for either soybean meal or soybean oil this month. Global soybean production was raised 800,000 MT from last month on higher crops for Russia and India but lower output in Canada and Ukraine. No production changes were noted for either Brazil or Argentina, and China's import forecast was likewise left unchanged. China has purchased 70% of the 12 MMT pledge to buy US soybeans. Total commitments of soybeans remain below 10-year lows despite recent sales activity to China. Global soybean ending stocks were raised 400,000 MT to 122.4 MMT based on higher stocks for Brazil and Russia. This was below analysts' average pre-report estimate of 122.8 MMT but within the range of estimates. The first season corn crop in Brazil is 94% planted, and 54% in the vegetative development stage. USDA projects Brazil corn production at 175 MMT and Argentina's corn production at 48.5 MMT. Market attention is focused on US and China trade relations and South American crop conditions. Our clients have been actively adding hedges for both the current and upcoming marketing years on recent market strength. They will patiently evaluate making adjustments to capture hedge gains should the market soften.



The estimated yield for the Jan 2026 crop is 67 bushels per acre and the non-land operating cost is \$513 per acre. Land cost for Jan 2026 is estimated at \$275 per acre¹. Basis for the Jan 2026 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 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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