



April 2025 Monthly Commentary

Another month of waiting on some clarity on the trade situation. At times it felt like tensions were escalating, but the trade may be getting used to the limbo. It is very difficult to get an edge and there is no reason to get married to a position/idea. There was a bit of concern heading into Apr about wet weather for US planting, but although there was a fair amount of rain, it wasn't a problem and the bean planting pace is a record. The market is starting to focus more on the new crop balance sheets and beans gained on corn. Corn was up 11 cents for the month. Wheat just continued to sink with KC leading on favorable rain in the S Plains. Chgo was down 19, KC, down 41, and Mpls was only down 10. The spring wheat balance sheet is shaping up to be rather tight in 25/26 on low acreage ideas. Beans were up 16 cents with oil leading on rumors of an aggressive RVO policy. Oil was up 359 points with meal down \$2.80.

Old crop corn remains the cheapest in the world and Brazil won't be available until into July. However, the inverses gave up a lot of ground recently and it's unclear whether CN needs to be inverse to CU. Brazil crop ideas are getting bigger with some estimates coming out in the last few days that are 10 mmt above CONAB's 125 mmt. USDA is currently 126 mmt and the trade is anticipating an increase in the 12th WASDE. The new crop S&D should look quite comfortable with a 2100-2200 milbus carryout and 14-15% stocks-to-use. As long as weather looks okay, new crop will likely work lower. Acreage may also be higher in the June report. Given the fast planting pace and likely very little/no prevent plant, the whole acreage pie is likely getting bigger.

The new crop bean S&D is facing lower acres (although we may end up a touch higher given the record pace). So much is depending on exports and trade going forward. It was announced this week that China/US will have "ice-breaker" talks in Geneva this weekend. Direction should depend on China/US relations and weather/yield expectations and also the biofuel policies which the trade is expecting to be announced this month, possibly before the Memorial Day holiday.

The same themes are still around in wheat. US is competitive, but there is little interest. Funds are massively short, including short Matif, but there is no catalyst to cover. The new crop US S&D is unexciting and the combined major exporter balance looks very comfortable given current assumptions on crops/exports. This year's looked quite friendly on paper and just leaked lower so nothing to get excited about here.

Regards,

Megan Bocken

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