



September 2025 Monthly Commentary

Firm into mid-month and then broke on ideas that China was not coming back and with news of Argentina removing export taxes hitting the bean market hard. Beans finished the month down 52 cents with meal down \$15 and oil losing 266 points. Corn held up relatively well, down only 4 cents. Wheat made new lows in all three markets with Chgo down 26, KC, down 22, and Mpls down 17. The government shut down the day after the stocks report and we're likely to spend most of the month flying blind.

The Argentine government removed export taxes on Sept 22 – was supposed to be until Oct 31 or until producers sell \$7 bln worth of exports. This ended up taking only three days and China benefitted, buying roughly 30 cargos of Arg beans. There was a lot of push back here, and there are likely going to be direct payments to US farmers as a result. President Trump also hinted they were closer to a deal with China and reiterated his meeting with Xi at the end of October. Anecdotal yield reports have been better than expected in beans for the most part despite the very dry and mostly hot finish. In the Sept crop report, the USDA only lowered yields marginally to 53.5 bu/a from 53.6 in Aug and they raised planted/harvested acres slightly. There will be no Oct report, so the market will have to go off anecdotal yield reports until the Nov report. Yields may be dropping in some of the later planted beans. Sept 1 stocks were a touch light and the balance sheet still looks tight with USDA's export number. Almost no one believes it, but any trade deal could change the tone fairly quickly, especially given the market is short. We are shifting to the SAM growing season. Northern Brazil has been hot and dry. The forecast is adding rain by mid-month and it will be important that it verifies. Planting so far is ahead of year ago and average. Southern Arg has been too wet with some flooding issues, but there is plenty of time for this to correct. SX dipped below 10.00 on the first day of Oct and then bounced back. Direction should depend on yield results, China/trade, and SAM weather. We are likely past the halfway mark in harvest which may provide some support. Bullish views on palm oil may also provide support, but we will likely be waiting even longer for definitive biofuels policies given the shutdown.

The corn market has had a fair amount of bearish news thrown at it with another increase in area and only a small yield reduction (186.7 vs 188.8 Aug) in the crop report as well as Sep 1 stocks coming in 200 milbus above trade ideas. The balance sheet continues to look rather unexciting, but we continue to do business and have absorbed the bearish news pretty well. Yield reports continue to be highly variable depending on rust and fertilizer application. Further yield reductions are expected although StoneX and S&P Global were higher than many private ideas. Also, the impact on further yield reductions is buffeted by the increase in area and large increase in beginning stocks. As long as US corn is competitive and we are doing business, it may be hard to fall apart despite the comfortable balance sheet. A 2010 type yield reduction would likely be necessary for a sustained rally.

From a balance sheet standpoint, there is not much supportive to talk about in wheat with world production getting bigger among just routine demand. We should see crop increases in Argentina, Canada, Australia and Russia in the next WASDE. US production also increased in the Small Grains Summary when most were expecting little change. The main supportive feature currently is that Russian values have stabilized despite the crop getting bigger. Their spring wheat is having quality issues and the percentage of supplies in the southern exporting region is historically low. Typically, Russia sets the tone so will continue to monitor for direction.

Regards,

Megan Bocken
October 6, 2025

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