PREMIER
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Market Update 1/16

The grain markets ended the week on a positive note after the sell-off at the beginning of the week due to the bearish Jan USDA WASDE report. The USDA increased the corn yield by .5 bushels per acre to 186.5 and added 1.3 million planted acres to corn. After a few other adjustments this added two hundred million bushels to the balance sheet, putting the carryout at 2.227 billion bushels. For soybeans there were not any changes to yield but exports were reduced as expected. The ending stocks on soybeans increased by sixty million bushels to 350 million. The USDA also increased Brazil soybean production estimates by 3 MMT to 178 MMT.

China was in again this week buying some US soybeans and are now close to their agreed upon total of 12.5 MMT of 2025 crop soybeans. Their appetite for more soybeans will be subdued as cheaper Brazilian supplies become readily available as their harvest ramps up. Export demand for corn remains strong and we are expecting a record 3.2 billion bushels to be exported this year. This week's soybean and corn export sales were near the top end of expectations. NOPA soybean crush for December was at a strong 224.991 million bushels. Soybeans also got some additional support today from reports that the EPA is expected to release their finalized 2026 and 2027 renewable fuel blending obligations by March 1st. Hopefully that this will be near 5.6 billion gallons for bio diesel in 2026 up from the 3.35 billion gallons in 2025.

South American weather has been cooperative in Brazil; however, some recent rains have slowed early soybean harvest activity. US weather remains dry across much of the grain belt which is not helping the areas experiencing drought conditions.

Now is a suitable time to look at putting together a marketing plan. Things look a little different with these lower prices and it may make sense to look at some tools to help protect the downside while allowing for some sales above the current market. Reach out to your farm marketing specialist at Premier to help with this as they have some great ideas that might be of interest. Have a great weekend!

Doug Cropp