



News this week...

2 – Outlook for corn, soybean and wheat markets.

3 – Outlook for cattle, hog and cotton markets.

4 – Pro Farmer's 2025 ag event, story and person of the year.

Merry Christmas, Happy New Year From Pro Farmer! – March corn futures saw relative strength last week while soybeans and wheat both pushed to fresh lows. Despite the recent increase in China purchases, anticipated robust South American production continues to weigh on soybeans. Wheat harvest in the southern hemisphere has weighed on the wheat market as beneficial weather has increased production potential across much of the globe. Cattle traders await fresh data from the cash market, leading to a week of sideways trade in futures. The CME lean hog index continues to indicate an early seasonal bottom could be in place, prompting traders to build premiums into the futures market. This is your final issue of Pro Farmer for 2025. Your next newsletter will be dated Jan. 3, 2026. For market and policy updates during the holidays, go to www.profarmer.com. Pro Farmer wishes you a blessed Christmas filled with joy and a prosperous 2026!

China chipping away at soy buys

China has secured at least 7 MMT of U.S. soybeans after heavy buying in the past two weeks, Bloomberg reports, passing the halfway mark toward meeting its 12 MMT purchase agreement with the Trump administration.

“The tally follows a wave of buying from Sinograin, the state company in charge of managing China’s strategic grain reserves. The stockpiler booked about 2 million tons from the U.S. last week. That continued this week, with purchases of at least seven soybean cargoes, more than 400,000 tons. The appearance of Sinograin in the market, which adds to deals booked by state-owned firm Cofco, could ramp up the pace of China’s imports. The purchases also come as the Asian nation was auctioning large volumes of soybeans from state reserves to clear space for the incoming cargoes,” the report says.

EPA punts blending decision details

The soy complex saw no favors from news reports that EPA, in a court filing, said it likely won’t finalize 2026 and 2027 biofuel blending mandates until the first quarter of next year. Reuters had previously reported a delay was likely. The plan had been slated for this past October. Reuters notes companies have complained the delay will force them to hold off on deals and delay spending decisions that determine output and margins.

Black Sea peace deal seems unlikely

Russian President Vladimir Putin said Moscow’s troops were advancing across the battlefield in Ukraine, voicing confidence that the Kremlin’s military goals would be achieved nearly four years after he ordered troops into the neighboring country. Speaking at his highly orchestrated year-end news conference, Putin declared Russian forces have “fully seized strategic initiative” and would make more gains by the year’s end, reports the Associated Press.

“Our troops are advancing all across the line of contact, faster in some areas or slower in some others, but the enemy is retreating in all sectors,” Putin said during the annual live news conference.

EU farmers protest trade deal

A group of up to 10,000 European farmers from all 27 EU countries protested in Brussels in one of the largest farmer mobilizations this century. Farmers protested the long-negotiated free-trade agreement between the EU and South American countries. Protestors fear the deal will flood the EU with cheap imports, undercutting higher quality goods produced within the bloc. The protest has delayed the signing of any deal, but EU leaders seem keen on pushing forward.

USMCA up for review; USTR approves

U.S. Trade Representative Jamieson Greer has indicated he supports keeping the U.S. in the present trade accord with Canada and Mexico but says issues with both nations remain. The USMCA is undergoing a mandatory review as it approaches its sixth year, when signatories can choose to extend, revise or end it. U.S. lawmakers on both sides of the aisle have largely categorized this week’s meetings with Greer as positive, saying they open the door for potential revisions to the trade deal that impact their home-state industries.

Consumer inflation cools

The consumer price index (CPI) indicated inflation fell to 2.7% on year-over-year in November, the lowest since July. That is well below September’s figure of 3%. Inflation in energy, fuel and shelter remained above average. Annual core CPI, which excludes food and energy, fell to 2.6%, well below forecasts of 3%. Equities rallied and bond yields declined following the CPI report on hopes slowing inflation could allow lower interest rates in 2026.

Jobs data lacks clarity

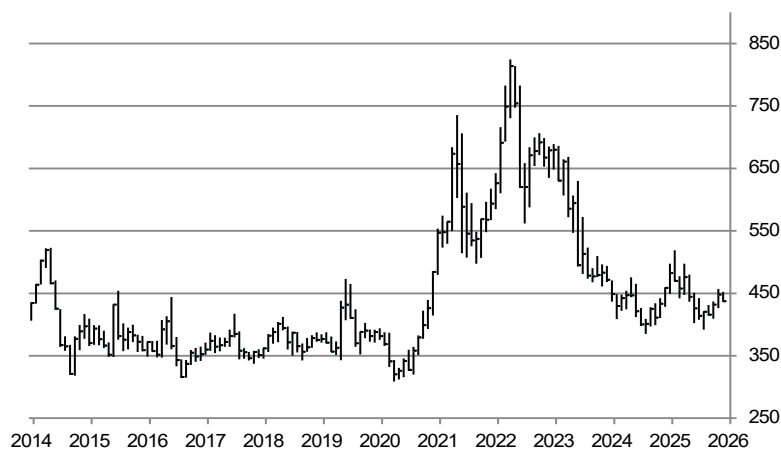
The Bureau of Labor Statistics reported the U.S. economy added 64,000 jobs in November, well above a reported 105,000 loss in October. Job gains were led in health care and construction while the federal government continued to lose jobs. Meanwhile, the unemployment rate increased to 4.6% in November, up from 4.3% in August. That topped expectations of 4.4% and was the highest since September 2021.

Corn futures saw another growing season without a summer rally, something that has only happened in consecutive years one other time — in the midst of the 1980s farm crisis. While prices have been suppressed due to overwhelming supply, demand has proved robust, which should set a floor under prices as the calendar rolls to 2026. We anticipate the market will shift from a supply driven market to a demand driven market early in the year as USDA comes more in line with our production figure. Strong ethanol use across the globe has world stocks seen as tightening to the lowest level since 2013-14. That comes despite abundant U.S. stocks, which we anticipate will tighten once USDA adjusts 2025 production in January. That will lead into growing concerns over safrinha production in Brazil, as late soybean plantings and irregular rainfall has brought question to how the crop will do. Robust world demand with a likely drop in U.S. production in 2026 due to lighter acres are likely to underpin prices through much of the year as prices have seemingly set a floor at the psychological \$4 mark.

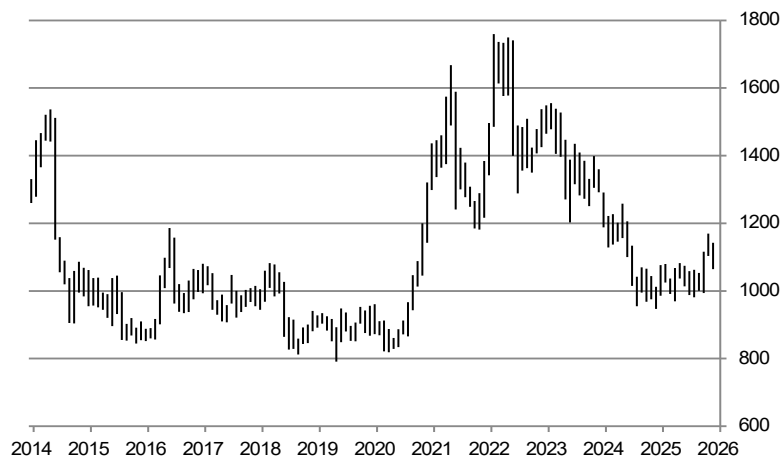
Soybeans have had one of the most high profile years on record, garnering national media attention amid China's historic absence from the U.S. market. It was clear that was expected by traders, as prices trended lower relative to corn following President Donald Trump's reelection in 2024, leading to a large decline in planted acres in the spring. Even with ending stocks estimated at the tightest level since 2022-23 and stocks-to-use the narrowest since 2020-21, bulls have not been able to garner much momentum as traders foresee exports falling even below USDA's pessimistic outlook. High input costs for corn and crop rotations will likely lead to around 85 million planted acres in 2026, which could continue to provide headwinds for prices, but we retain a more optimistic outlook, expecting ending stocks to come in well below USDA's figure as China fulfills purchase obligations over the coming 12 months and domestic use remains robust. The export portfolio has expanded somewhat and soybeans have come to the forefront of trade negotiators' minds. Crush margins in the black are likely to keep domestic use operating at capacity.

Wheat continues to consolidate in the lower end of its trading range amid a surge in worldwide supplies. In the most recent WASDE, not a single major producer of wheat received a decrease in their production forecast. This helped push wheat stocks-to-use up to an ample 33.6% at the global level. Cash prices in the U.S. market also suffered due to abundant supplies locally in a year when USDA set a record for all-wheat yield at 53.3 bu. One positive to cheap wheat is the stimulus it provides to exports. Exports are on pace to be the highest since 2020-21 which will hopefully help work through high U.S. supplies quicker than normal, though U.S. wheat stocks are still seen as abundant given the big crop. The coming crop of winter wheat in the U.S. was rated 48% good to excellent in the fall, 1% below the 10-year average. Prospects for peace in the Black Sea will continue to be a market mover in 2026. News of a peace deal would likely mean a return to more stable grain exports out of the region as Ukraine and Russia look to work through their own high domestic stocks.

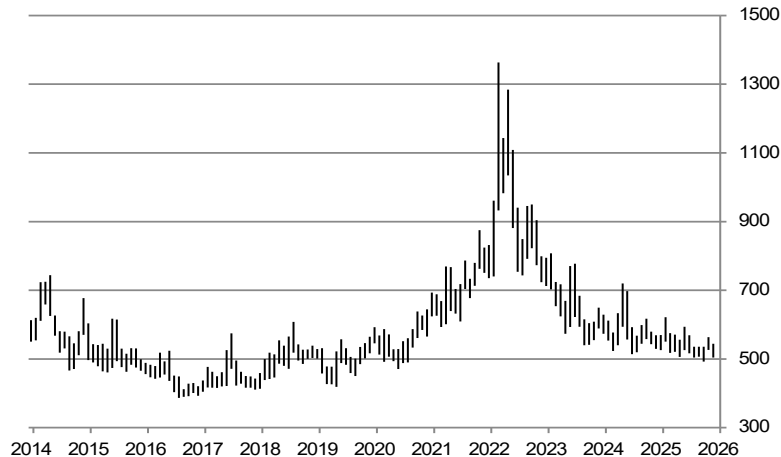
Monthly Corn Futures



Monthly Soybean Futures



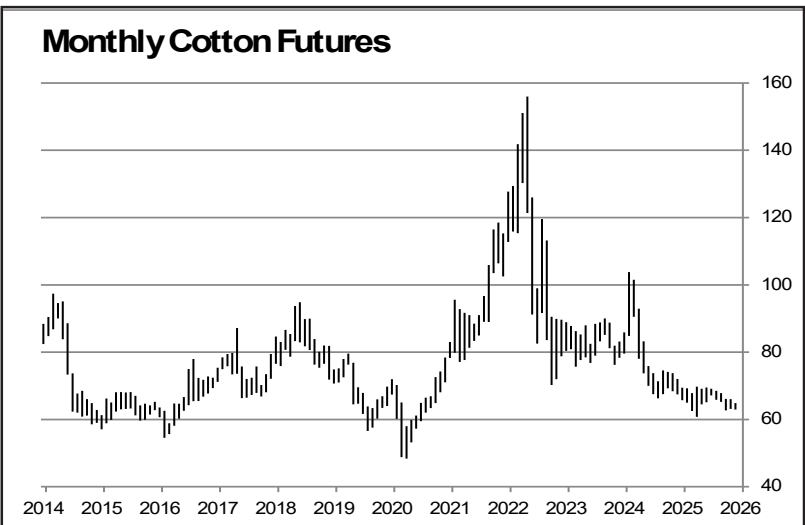
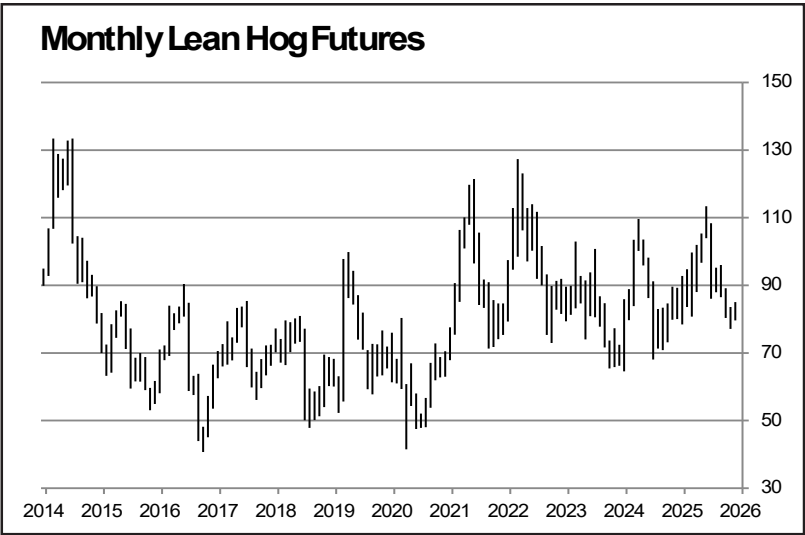
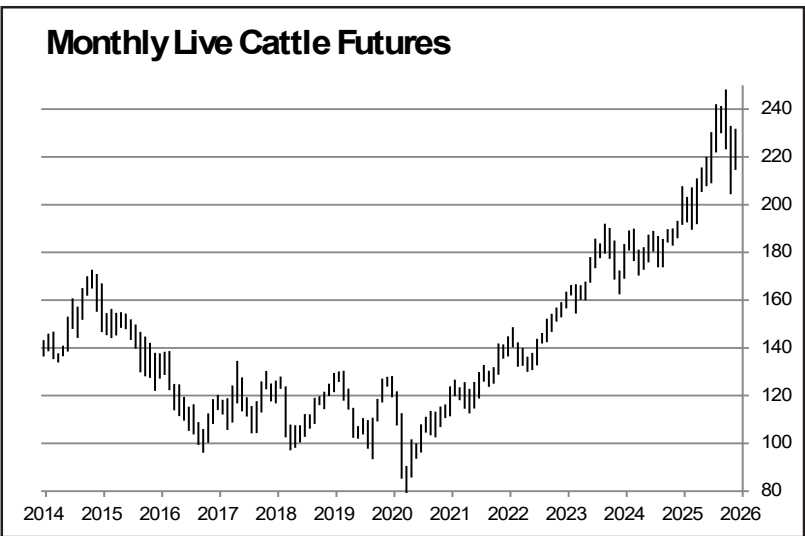
Monthly SRW Wheat Futures



Cattle garnered as much media attention as soybeans have over the past year and, most notably, in the past couple months. Already tight cattle supplies were met with a closure of the southern border due to new world screwworm, leading both fats and feeders to record highs in both the futures and cash markets. While efforts from the Trump administration to lower beef prices led to fund driven selling in the fall, the fundamental picture has not changed, leading to strength going into the new year. The outlook for 2026 calls for even higher cattle prices as the fundamental picture will be even tighter before herd rebuilding efforts eventually lead to a bigger herd. Action in futures, especially recently, has been largely driven by the cash market as traders remain wary of headlines. While the Trump administration's efforts to lower beef prices have weighed heavily on sentiment, imports of beef from South America will do little in terms of oversupplying the market. The biggest question mark in the cattle market is how long consumers will be willing to pay for record beef, but month-after-month of record beef prices has not slowed consumption.

Hog futures fell in tandem with seasonal declines in the HCME lean hog index over much of the fall, finding little support from indications the hog herd is contracting in the September Hogs and Pigs report. The idea pork demand will pick up from consumers switching from high-priced beef is losing steam as consumers are willing to pay up at the meat counter. Meanwhile, signs of a K-shaped economy, marked by a widening gap between high-income and low-income households, could eventually weigh on beef demand as the lower arm faces declining relative income and higher inflation pressures to drive pork use up. Still, the seasonal decline in the cash hog market is coming to an end and traders have begun pricing premiums back in futures into the summer months. The fundamental outlook remains supportive for higher hog prices, and prices should continue to work higher into the spring and summer months. The premiums built into the futures curve remains rather conservative and should allow prices to work higher in tandem with the cash hog market, similar to the decline that was seen in the past several months.

Cotton markets saw prices drop even lower in 2025 after an already lackluster 2024. Acreage was down sharply this year, but USDA's near-record national yields, averaging 929 lb. per acre, drove U.S. stocks-to-use up to 33%, the highest since the COVID-19 pandemic, when spot prices cratered to below 60¢. Demand continues to look poor. Domestic mill use has shown no signs of reversing the downward slide despite the goal of re-shoring U.S. industry, and even saw a 100,000-bale decrease in the latest WASDE. A world economy that has most consumers reeling from inflation and general uncertainty has also limited demand for apparel. Coupled with the cost of U.S. cotton remaining above foreign competition, the outlook for working through current abundant supplies is bleak. Cotton will, however, keep some level of export demand even with increasing competition from foreign production. This is due to the generally higher grade of U.S. cotton being needed for use in premium products and blends that are assembled in foreign mills. China returning to the U.S. market via a trade deal remains the optimistic outlook.



'Liberation Day,' trade war and a call for a truce

By Pro Farmer Editors

ProFarmer
Trusted Analysis. Professional Insight.

Trump 2.0 ushered in a renewed trade war with the largest U.S. trading partner, exacerbating already difficult conditions for farmers and proving impossible to ignore as we look back on what shaped 2025 most.

PF event of the year: 'Liberation Day'

The past year has been nothing short of eventful, but April 2, 2025, set itself apart as the single most important event of the year. Emotions and markets reacted promptly, as the bold policy move agitated geopolitical ties and trade uncertainties in nearly every corner of the world.

Deemed 'Liberation Day,' President Donald Trump's sweeping tariffs on countries across the globe has stoked supply and inflation concerns, which continue to broadly ring across the marketplace.

Trump's tariffs have ultimately generated large tariff revenues, though not before tit-for-tat reactions from many world leaders and most notably, a return of geopolitical tensions with top soybean importer China.

Three lower federal courts have ruled the Liberation Day tariffs, imposed under the International Emergency Economic Powers Act (IEEPA) of 1977, exceeded presidential authority and were unlawful. These decisions were appealed and consolidated at the U.S. Supreme Court, where arguments were heard in November, though no final ruling has been issued as of press time.

PF story of the year: Trade war takes toll

2025 marked one of those rare occasions when the ag story of the year would also be a leading candidate for national news story of the year. Unfortunately, such occasions usually aren't happy ones for U.S. farmers, and that was largely the case in 2025 as the trade war and other trade-related issues stoked market volatility and uncertainty.

While much of the national media coverage focused on the potential political fallout from the tariff battle, China's boycott of U.S. soybean purchases was a realization of a fear that has grown over the decades over South America's rise as an oilseed and grain producer and the dangers of overreliance on a single trade partner.

But it wasn't all about China. In other trade-related news, the New World screwworm outbreak resulted in the closure of the southern U.S. border to Mexican feeders, helping to fuel a surge in cattle futures, as did tariffs on imports from Brazil. Rising beef prices drew Trump's ire, resulting in an

expansion of quotas on Argentine beef imports and the lifting of punitive tariffs on Brazil, contributing to a steep sell-off in cattle prices from the mid-October highs.

A U.S.-China trade truce saw China commit to renewed soybean purchases, which remain underway. Concerns remain over China's commitment, particularly in the event of flare-ups over issues that appear to carry more weight with the administration, such as exports of China's rare-earth minerals, China's imports of advanced semiconductors and Taiwan or China's presence in the Panama Canal. It puts all the more emphasis on continuing to expand access to other foreign markets while leaning into a continued expansion of biofuels. That means there is also more pressure on farm leaders, which brings us to our ag person of the year.

PF person of the year: ASA President Caleb Ragland

Caleb Ragland, the president of the American Soybean Association, was thrust into the national media spotlight, where his steady demeanor and devotion to fact-based arguments made him an effective advocate for all farmers as they fought their way through the trade fire storm.

The Kentucky-based farmer sat for numerous media interviews while the trade war was at its peak and testified before lawmakers, addressing not only concerns about the soybean market but also rising input costs. Following the trade ructions of Trump's first term, Ragland told *Pro Farmer* he knew another trade disruption was possible, but like most U.S. farmers was caught off guard at the sheer scale of the trade war, and the lack of a firm deal with China coming before harvest season began.

With soybean farmers facing poor prices in part due to policy decisions, Ragland and the ASA had a goal of "respectfully, but firmly" communicating the situation to both the general public and lawmakers in Washington. Ragland said research shows soybeans have been mentioned 45,000 times in online media since September, showing the topic was pushed to the front of the public's mind.

"Deeply honored, humbled and surprised" was Ragland's reaction to being named *Pro Farmer's* person of the year. He said a key takeaway from his time in the spotlight was the importance of farmers banding together to influence policy, stating: "If we're not unified, we have very little influence. But there's a lot of strength in numbers when we come together to point to common goals."

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CATTLE

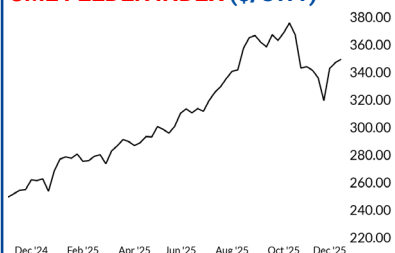
Technical resistance at the 100-day moving average and USDA's late-week Cattle on Feed Report kept buyers limited, forcing sideways consolidation since the Dec. 11 gap higher. A sharp increase in cash cattle trade has handed leverage back to cattle owners, while fading box prices weighed on packer margins. However, holiday demand remains steady, evidenced by strong movement. Retailers also anticipate strong consumer demand well into the new year. Higher slaughter volumes in recent weeks will help compensate for reduced slaughter due to the Christmas and New Year holidays.

Position Monitor

Game Plan:	Feds	Feeders
Nearby live	IV'25 0%	0%
cattle fu-	I'26 0%	0%
tures are	II'26 0%	0%
	III'26 0%	0%

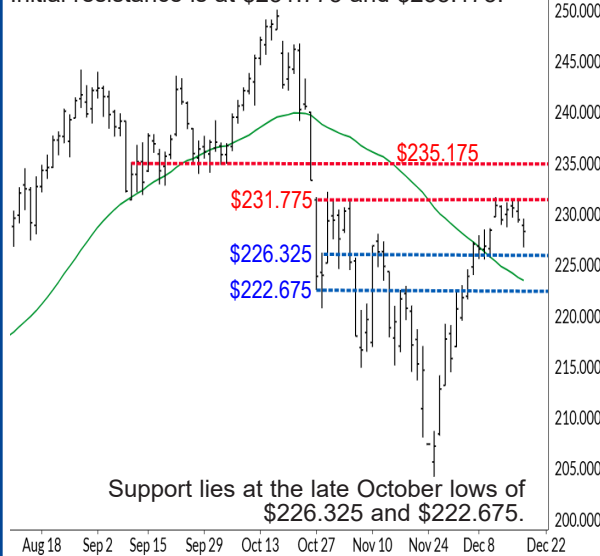
at a premium to the cash market.
Be prepared to purchase puts for downside protection.

CME FEEDER INDEX (\$/CWT)



DAILY FEBRUARY LIVE CATTLE

Initial resistance is at \$231.775 and \$235.175.



HOGS

Futures paused after forging steady gains from the Nov. 21 low, with resistance at the 100-day moving average driving profit taking, along with a simultaneous pause in cattle futures. Concerns were also rustled after Mexico announced an anti-dumping and anti-subsidy probe into U.S. pork leg & shoulder imports (See News page 2). Meanwhile, the CME lean hog index continued to firm, while the cutout value was supported by holiday demand as grocers ramp up holiday features. Low volume holiday trade could drag out recent sideways consolidation, but cattle futures are likely to affect lean hogs into the new year.

Position Monitor

Game Plan:	Lean Hogs
Carry all risk in the cash market.	IV'25 0%
Nearby hog futures now	I'26 0%
	II'26 0%
	III'26 0%

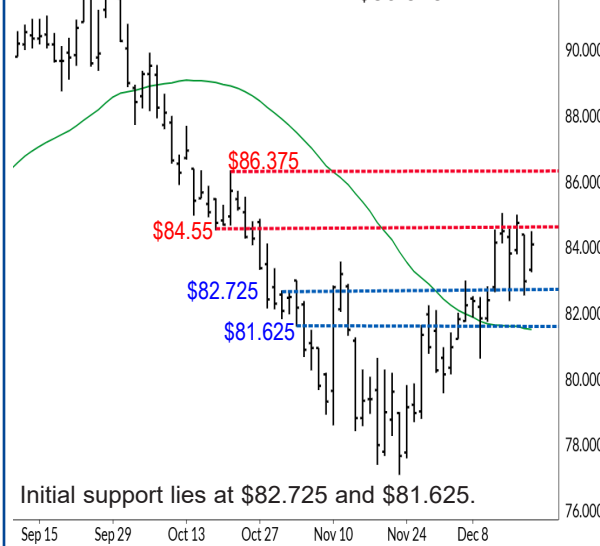
hold a premium to the cash index.
Stay patient for now as we assess the next opportunity to hedge.

CME LEAN HOG INDEX (\$/CWT)



DAILY FEBRUARY LEAN HOGS

Resistance is at \$84.55, then at \$86.375.



FEED

Feed Monitor

Corn

IV'25	100%
I'26	66%
II'26	0%
III'26	0%

Corn Game Plan: We advised covering corn-for-feed needs through February on Dec. 17. Be prepared to make additional purchases.

Meal

IV'25	100%
I'26	66%
II'26	0%
III'26	0%

Meal Game Plan: You should have your meal needs covered through the end of February. Be prepared to make additional purchases on an extended pullback.

DAILY MARCH SOYBEAN MEAL

Look for resistance at \$305.90, then at \$310.40.

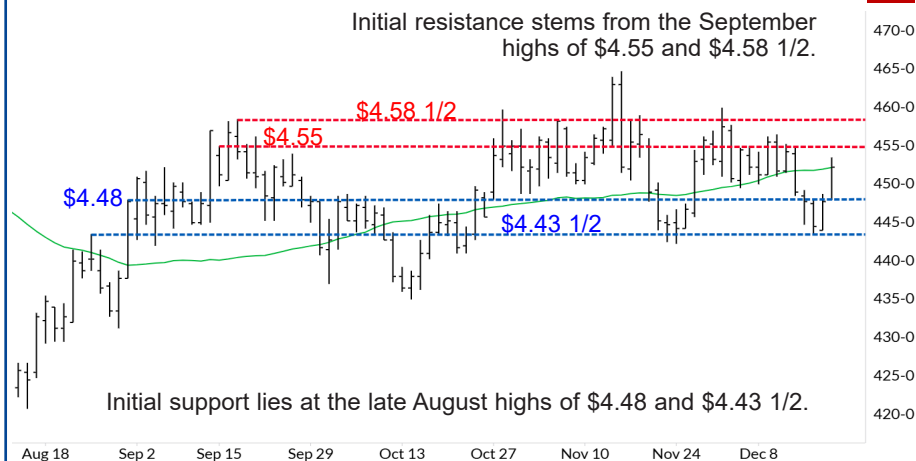


Position Monitor

	'25 crop	'26 crop
Cash-only:	25%	0%
Hedgers (cash sales):	25%	0%
Futures/Options	0%	0%

Game Plan: You should be 25% sold for the 2025 crop in the cash market. We are currently viewing \$4.70 as our next sales target, but be prepared to make sales if volatility should increase. Sales for the 2026 crop will also be assessed given the next opportunity. Our goal is to establish a floor with upside potential using a combination of options and futures hedges.

DAILY MAY CORN



DAILY MARCH CORN

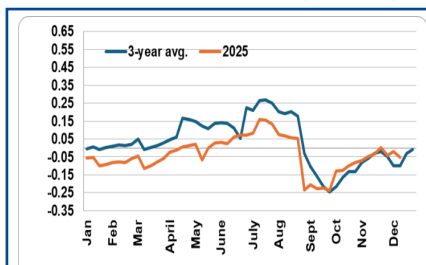
Resistance is at \$4.45 3/4 and \$4.50 1/4.



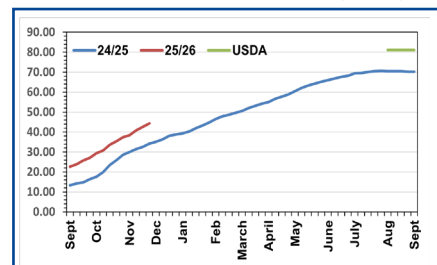
CORN

Corrective gains were achieved last week, similar to the late November rebound, though resistance at the 200-day moving average was left untouched. Still, bulls showed fresh confidence as the sell-off in crude eased and the latest U.S. consumer price index showed tamer-than-expected inflation. As the year winds down, look for low volume trade around the holidays and as traders look toward USDA's January Production Report. In Brazil, a late-planted soybean crop will bring a particular focus on safrinha plantings. Michael Cordonnier notes many Brazilian producers are adopting grain sorghum as an alternative to corn, especially if the corn might be planted late.

AVERAGE CORN BASIS (MARCH)



CORN EXPORT BOOKINGS (MMT)



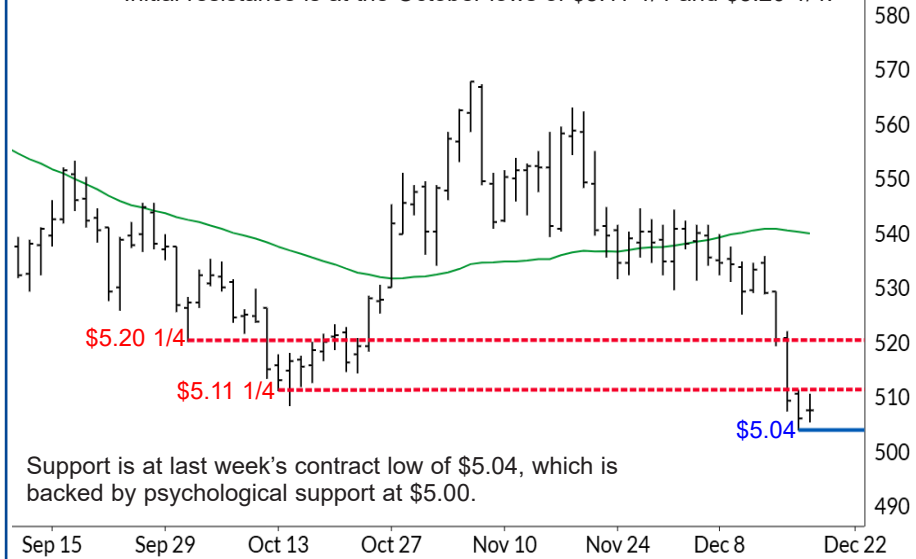
Position Monitor

	'25 crop	'26 crop
Cash-only:	50%	20%
Hedgers (cash sales):	50%	20%
Futures/Options	0%	0%

Game Plan: You should have 50% of the 2025 crop and 20% of 2026 crop sold in the cash market. Be prepared to make additional sales on an extended upside move.

DAILY MARCH SRW WHEAT

Initial resistance is at the October lows of \$5.11 1/4 and \$5.20 1/4.



WHEAT

SRW — New contract lows were carved last week as global supplies continued to weigh on futures along with a modest rebound in the U.S. dollar. It appears that a near-term low might have been forged, but stiff overhead resistance will make a rebound difficult.

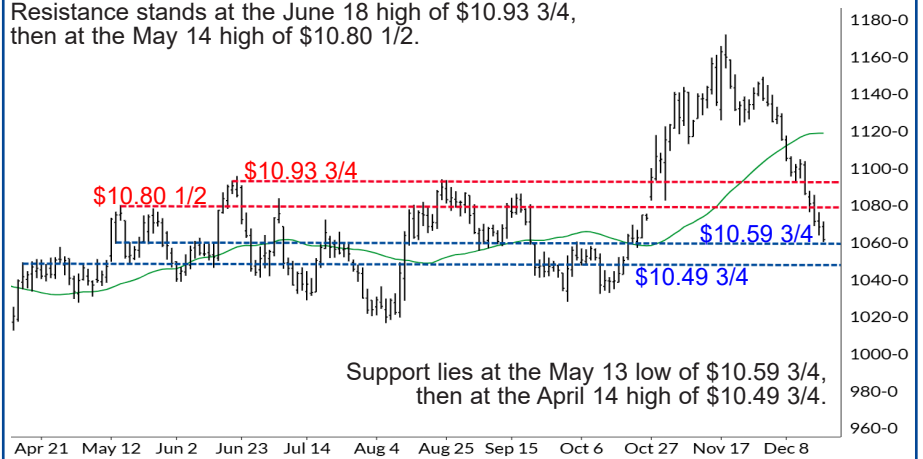
Position Monitor

	'25 crop	'26 crop
Cash-only:	30%	0%
Hedgers (cash sales):	30%	0%
Futures/Options	0%	0%

Game Plan: You should be 30% sold in the cash market for the 2025 crop. Targets for additional sales are being assessed, but we are currently viewing \$11.70 basis March futures as a preliminary sales target. Sales for the 2026 crop will be assessed when the next opportunity arrives. Be prepared for guidance on an option strategy to establish a floor.

DAILY MARCH SOYBEANS

Resistance stands at the June 18 high of \$10.93 3/4, then at the May 14 high of \$10.80 1/2.



DAILY MAY SOYBEANS

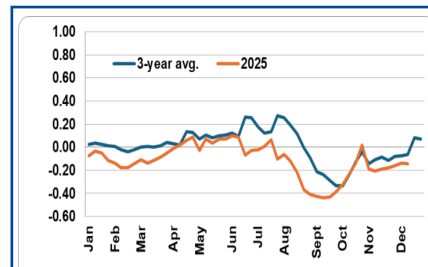
Resistance stems from the late June highs of \$10.86 3/4 and \$10.97.



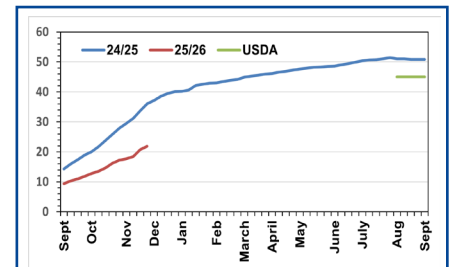
SOYBEANS

Sellers persisted last week, driving futures below support at the 200-day moving average for the first time since mid-October. Mostly favorable weather conditions in South America were an opportunity for bears to extend recent efforts despite additional soy purchases from China. Last week's daily sales put total purchases from the country at over half of the 12 MMT agreement. Meanwhile, prospects of a 2026 biofuels mandate etched before year-end faded further, though EPA reported that a final rule setting 2026 and 2027 Renewable Fuel Standard RVO's would occur during the first quarter of 2026.

AVERAGE SOYBEAN BASIS (JAN.)



SOYBEAN EXPORT BOOKINGS (MMT)



DAILY MARCH HRW WHEAT

Resistance is at \$5.19 1/4.

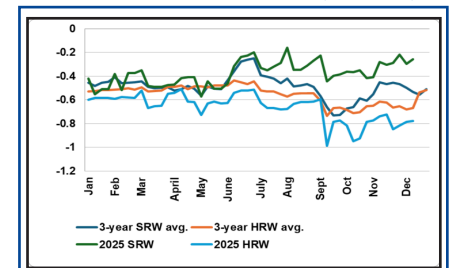


DAILY MARCH HRS WHEAT

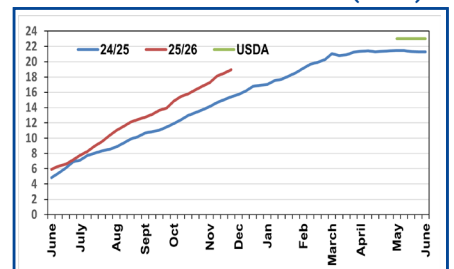
Resistance is at \$5.76 1/4.



AVERAGE WHEAT BASIS (MARCH)



WHEAT EXPORT BOOKINGS (MMT)



HRW — A notable rebound from fresh contract lows last week was halted by strong technical resistance. Hefty global supplies and mostly favorable weather conditions have kept buyers at bay. However, there is lingering uncertainty over planted acres and whether or not HRW wheat will be harvested or grazed.

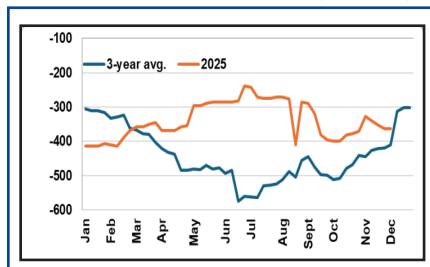
HRS — A rebound from fresh contract lows was encouraging last week, though an extension higher may be limited by technical challenges. A move above \$6 has not been achieved since early September, which will likely make the area a challenge to overcome. However, a catalyst in USDA's January Crop Report could spur a more definitive turnaround.

Position Monitor

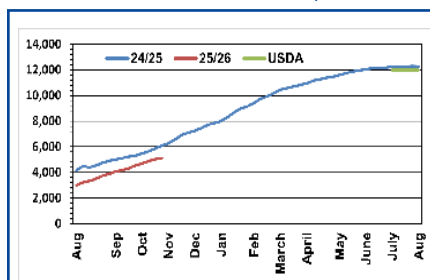
	'25 crop	'26 crop
Cash-only:	15%	0%
Hedgers (cash sales):	15%	0%
Futures/Options	0%	0%

Game Plan: You should have 15% of the 2025 crop sold in the cash market. The next target is under review, though 65.00¢ basis March futures is in focus.

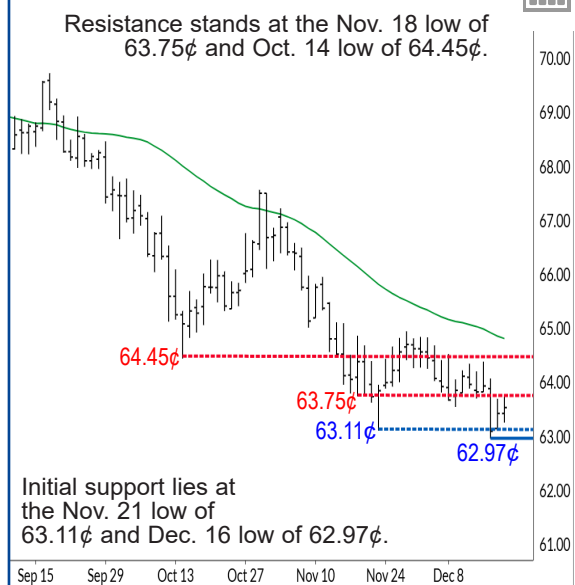
AVERAGE COTTON BASIS (MARCH)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY MARCH COTTON



COTTON

Cotton futures continued to edge lower last week amid lingering technical headwinds and a combined demand drag. However, some questions around USDA's recent increase in the national cotton yield have surfaced of late, stirring ambiguity around U.S. production.

GENERAL OUTLOOK

EQUITIES: The U.S. stock indexes last week scored three-week lows. While the S&P 500 and Nasdaq are down from their autumn record highs, the indexes had a good year.

The S&P 500 is poised to add around 15%, with the Nasdaq up just shy of 20% on the year.

This week, stock bulls are hoping to get an added bonus with a seasonal "Santa Claus" rally, which is a histori-

cal stock market pattern whereby shares tend to rise during the last five trading days of December and the first two sessions of January.

The rally is attributed to investor optimism, holiday bonuses, lower trading volumes and tax-related buying. The Santa Claus rally is said to occur around 80% of the time since the early 1950s, and bring an average gain in the S&P 500 of 1.3% during the period.

WEEKLY MARCH S&P 500 E-MINI



FROM THE BULLPEN By Economist Spencer Langford

Disruptions to international trade and uncertain demand for U.S. commodities has been one of the defining stories in markets this year. The agricultural trade balance is one measure of trade flows that implies not as much has been disrupted as we might think. The metric, which tracks the value of the total flow of imports and exports for goods in the sector, garnered attention in 2025 as a reason for revisiting trade deals with foreign countries and promote purchasing of U.S. goods.

Data for this year, through September, shows the trade balance is currently at -\$38.6 billion according to the USDA-FAS. Negative values represent conditions when higher values of agricultural goods are entering the U.S. as imports

than leaving as exports. \$38.6 billion is a sizable deficit, but only \$4.1 billion lower than the 10 year average for the year through September.

Despite currently trailing lower than the previous year, there is some optimism that the trade balance could narrow considerably over the last quarter of the year. The trade balance usually peaks for the U.S. in the final quarter of the year after most major crop harvests are complete. With corn and wheat showing near-record export paces, the volume of goods shipped seems sufficient to lower the trade deficit by December. However, lower commodity values could temper the ability of high exports to narrow the deficit.

WATCH LIST

1	USDA Cold Storage Report Frozen meat stocks at end of Nov.	TUE. 12/23 2:00 p.m. CT
2	USDA Hogs & Pigs Report Fourth quarter herd count.	TUE. 12/23 2:00 p.m. CT
3	Weekly Ethanol Production Ethanol output remains strong.	WED. 12/24 9:30 a.m. CT
4	Christmas Markets, gov't offices closed.	THUR. 12/25
5	USDA Export Sales Report Soybean, wheat sales in focus.	FRI. 12/26 7:30 a.m. CT

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