

News this week...

- 2** – Attention on Brazilian production picking up.
- 3** – Freight logistics challenging on bumper crops.
- 4** – What could acreage decisions look like in 2026?

Choppy, consolidative trade – Indecisiveness was present across crop markets recently, leading to wider daily ranges and choppy price action. The market continues to look for a fresh catalyst. Uptrends persist in both corn and soybeans but are close to stalling out. Traders are looking to next week's WASDE which will give insight into demand assumptions, with more focus on soybeans as crush demand has remained robust and China has returned to the U.S. export market; any reduction in ending stocks could quickly lend support to the futures market. There was a marked shift in cattle futures, which reversed recent losses and surged higher. That negated the technical downtrend and spurred strength in the cash market, which was poised to mark a week-over-week gain for the first time in nearly two months. Hog futures look poised to break the downtrend stemming from late September as well, as traders anticipate a seasonal cash market bottom is close at hand.

Relief package expected soon

Ag Secretary Brooke Rollins said in a cabinet meeting that the Trump administration will announce details of a bridge payment this week, adding clarity to the aid package Trump has touted for months. That is a week later than originally anticipated but should add some color to what relief will look like.

Will China meet obligations?

China several weeks ago promised to book at least 12 million metric tons (MMT) of U.S. soybeans this year, to be followed by additional purchases of at least 25 million tons annually over the next three years. China has not officially confirmed that target but has moved to reduce tariffs on the crop and lifted import bans on three U.S. exporters. Unless there are political impediments, "there would be no reason for them not to at least have made that amount of sales. Whether it's shipped or not, that's another thing," says Wayne Gordon of UBS Group AG's wealth management arm. Treasury Secretary Scott Bessent says China is on pace to complete the purchases by the end of February, moving the goalpost of what the original agreement seemingly laid out. Still, China has been slow to purchase U.S. beans with just one daily sale late last week for 462,000 MT, bringing the estimated tally to 2.845 MMT of the 12 MMT goal. China is still rather selective in purchases between the U.S. and Brazil.

Trump implores Xi to speed up soy buys

President Donald Trump said he urged Chinese President Xi Jinping to increase the speed and size of agricultural purchases and said Beijing had "more or less agreed" to do so, said a Bloomberg report. "I think he's going to very much surprise you on the upside," Trump told reporters aboard Air Force One. "I think he's going to — I asked him, 'I'd like you to buy a little faster, I'd like you to buy a little more.' And he's more or less agreed to do that."

The conversation did not seem to have the intended affect with China being largely absent from the U.S. market in the succeeding days. But, as has been seen in the past, China can often stack large purchases when they eventually do start buying.

First soy cargoes of 2025-26 to China

Several U.S. soybean cargoes are being prepared for China, according to a ship lineup seen by Bloomberg.

"The lineup shows six ships expected to be loaded at Gulf Port terminals in the next several weeks, carrying a total of at least 320,000 tons of soybeans to China. Activity is ramping up after purchases have been booked following a meeting in late October between U.S. President Donald Trump and his Chinese counterpart Xi Jinping," Bloomberg reports.

FDA approves NWS treatment

The U.S. Food and Drug Administration said in a press release it has conditionally approved Exzolt Cattle-CA1 (fluralaner) topical solution for the prevention and treatment of New World screwworm (NWS) larval infestations, and the treatment and control of cattle fever tick in beef cattle two months of age and older and replacement dairy heifers less than 20 months of age.

"This conditional approval gives cattle producers a new tool to combat two parasites threatening the well-being of cattle in the U.S.," says FDA Commissioner Marty Makary. "Although NWS has not been detected in the U.S., cattle fever tick is here. This is the first drug conditionally approved by the FDA specifically for the control and treatment of cattle fever tick."

Trump plans to relax auto standards

Trump unveiled his administration's plan to relax stringent fuel efficiency standards to lower consumer costs. It includes lowering the Corporate Average Fuel Economy (CAFE) requirement to 34.5 mpg for the 2031 model year and eliminating a credit-trading program used by automakers. Critics say this will encourage U.S. automakers to produce less-efficient gas guzzlers, while the administration says it will save Americans \$109 billion over the next five years.

PCE inflation sends mixed signals

The personal consumption expenditures (PCE) index rose 2.8% annually using September data, the highest figure since April 2024. Core PCE, the Fed's preferred inflation gauge, slowed to 2.8% annually, below August at 2.9%.

Cordonnier cuts Brazil soy peg

Crop consultant Michael Cordonnier cut his Brazilian soybean estimate 1 MMT to 176 MMT with a neutral to lower bias. He notes the irregularity of rainfall and intense heat as reasons for lowering his estimate, with central Brazil seeing the greatest challenges. Cordonnier axed his Brazilian corn peg 2 MMT to 138 MMT and holds a neutral to lower bias. Late planting of soybeans has led to concerns over potential delays to second-crop safrinha production, as he notes 30% or more of safrinha production could be planted late, increasing the risk of low yields.

Cordonnier left his Argentine soybean estimate unchanged at 49 MMT and holds a neutral bias. Soy plantings are 36% planted, down from 45% this time last year, hindered by wet conditions. His Argentine corn estimate is unchanged at 54 MMT, he notes planting is 39% completed, with 30% of the planted crop being impacted by excessive rainfall.

Other SA forecasters estimate record

South American agriconsultancy firm Itau BBA estimates the Brazilian soybean crop at 178 MMT despite the weather challenges the crop has faced. That is well above USDA's figure at 175 MMT and last year's production at 171.5 MMT. The firm pegs Brazilian corn production from 138 MMT to 139 MMT, above USDA at 131 MMT.

Agroconsult initiated their Brazilian soy production estimate at 178.1 MMT, led by a 2.1% increase in planted acreage. It estimates a portion of new-crop supplies will be available for shipment as early as January.

China halts some Brazilian soy imports

China has halted soybean imports from five Brazilian plants operated by major global ag firms over sanitation concerns. Chinese inspectors found wheat grains treated with pesticides mixed into the shipments. There was a similar import ban in January 2025, which did not have a big effect on overall imports from Brazil. That's likely to be true again.

Canadian wheat production hits record

Statistics Canada released its updated estimate for crop production in 2025 last Thursday. Notably, wheat production was increased 8% to 39.95 MMT. This is a record-setting wheat crop for the country, surpassing 2013's previous record of 37.6 MMT. Canola production was up 9% from the previous estimate to 21.8 MMT, rising above 2017's previous record of 21.4 MMT. Higher production was mostly driven by greater yields rather than an increase in harvested acres.



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Russia-Ukraine peace talks continue

Talks between Russian President Vladimir Putin and President Trump's special envoy Steve Witkoff and son-in-law Jared Kushner on ending the fighting in Ukraine lasted nearly five hours, reported the Associated Press. Putin's senior adviser Yuri Ushakov called the talks, hosted in Moscow, constructive but added that much work remains.

And yet, attacks pick up on Black Sea

Despite efforts to cease the war between Russia and Ukraine, attacks have picked up in the Black Sea, leading to insurance premiums soaring 250% for vessels. Ukraine has picked up attacks on Russia's "shadow fleet," which operates in secrecy to avoid western sanctions.

Australia boosting beef exports

Australia has taken advantage of the tight U.S. cattle herd by expanding its grain-fed beef exports. Cattle on Feed in Australia rose to 1.6 million from 1.0 million five years ago, with continued growth expected. Most of Australia's beef exports go to Japan, South Korea and China.

Ukrainian wheat harvest could rise

Ukraine's wheat harvest could reach between 24 MMT and 25 MMT, according to Taras Vysotskiy, the country's deputy economy minister. That would be above 22.6 MMT last year. Ukraine typically exports most of their wheat production, further pressuring prices on the world market.

Downbeat economic data from China

China's services activity expanded at the weakest pace in five months, a private survey showed, adding more evidence of sluggish consumer demand that's putting more pressure on a slowing economy. The RatingDog China services purchasing managers' index slowed for a third month and fell to 52.1 in November, according to a statement, matching the median forecast of economists surveyed by Bloomberg. Any reading above 50 indicates an expansion.

Meanwhile, China's factory activity improved but remained in contraction in November, extending its streak of declines to a record as the country's economic slowdown deepens, fresh data on Sunday showed. The official manufacturing purchasing managers' index was 49.2, remaining below the 50.0 mark that separates growth and contraction, for an eighth month. The median estimate of economists surveyed by Bloomberg was 49.4. The non-manufacturing measure of activity in construction and services reached 49.5, after inching up to 50.1 in October, the National Bureau of Statistics said Sunday. It was the first contraction for the index in nearly three years, driven by weakness in the real estate and residential services sectors.

Bumper U.S. crop and storage deficit is weighing on transportation logistics

A large U.S. crop combined with an estimated 184 million bu. storage deficit, the largest since 2016, has elevated pressure on handling and transportation systems. The states facing the greatest deficits include Iowa, Kansas, South Dakota, Nebraska and Minnesota. Kansas saw a notable 43% increase in railcars billed and loaded from early October through mid-November, while Minnesota and South Dakota experienced a 17% and 10% jump, respectively. However, railcar loadings overall have risen from year-ago, with the four-week period ending Nov. 15 seeing an increase in grain carloads of 6% from last year and 7% from the three-year average. Through Nov. 22, corn exports by barge had outpaced the same period in 2024 by 35%, while wheat and soybean shipments trailed year-ago by 20% and 7%. However, total shipments by barge through that period only lagged last year's total tonnage by around 2%. Containerized shipments have also risen in 2025, with September seeing an 8.2% jump from year ago, and 17% from the five-year average. In 2024, containers were used to transport 10% of total U.S. waterborne grain exports.

Grain council touts quality of the U.S. corn crop

The U.S. Grains & BioProducts Council said in a report it estimates the 2025 corn yield at 186 bu. per acre with production of 16.75 billion bu., matching USDA's figure in November. The council highlighted the quality of the crop, touting the lowest rate of unbroken corn and foreign material in the report's 15-year history.

ADP payrolls shrink


Private businesses in the U.S. cut 32,000 jobs in November, down from an upwardly revised 47,000 gain in October and below forecasts of a 10,000 gain. That marks the biggest decline in payrolls since March 2023 and was led by job cuts in small businesses. Further signals of a tightening job market bodes well for another rate cut next week, with traders pricing in an 89% chance the Fed cuts rates for the third time this year.

World economy is robust

The Paris-based think tank Organization for Economic Cooperation and Development (OECD) said the global economy is weathering U.S. and other countries' trade tariffs better than expected due to strong investment in artificial intelligence and supportive fiscal and monetary policies. The OECD raised its U.S. and European area economic growth forecasts for this year and next but still predicts global growth will slow in 2026. OECD cautioned that the outlook is fragile and its projections are subject to substantial risks due to concerns about swift changes in trade measures and the risk of abrupt price corrections in the tech sector.

Diesel shortage persists

Refinery outages in Russia and the Middle East have continued to push diesel prices higher with little reprieve in sight.

	ACTUAL			DOANE FORECASTS*		
	Year Ago	Last Week	This Week	Jan	Jan-Mar	Apr-Jun
				(Monthly & quarterly avg.)		
CORN						
Central Ill., bu.	4.05	4.01	4.20	4.15	4.25	4.40
Omaha, Neb., bu.	4.29	4.16	4.28	4.35	4.50	4.60
Dried Distillers Grain, IA, \$/ton	—	129.37	140.57			
SOYBEANS						
Central Illinois, bu.	9.66	10.95	10.95	11.25	11.40	11.75
Memphis, Ten., bu.	10.24	11.40	11.43	11.50	11.65	12.00
Soymeal, 48% Decatur, ton	—	340.90	326.50	325	325	325
WHEAT						
Kansas City, HRW, bu.	5.42	5.12	5.09	5.25	5.30	5.30
Minneapolis, 14% DNS, bu.	8.20	7.79	7.84	7.70	7.80	7.80
St. Louis, SRW, bu.	5.53	5.42	5.42	5.35	5.40	5.40
Portland, Soft White, bu.	6.05	6.06	6.16	6.00	6.15	6.20
Durum, Neb., MT HAD, 13%, bu.	6.36	5.62	5.63	5.60	5.70	5.75
SORGHUM , Kansas City, cwt	7.90	6.00	6.09	6.05	6.10	6.25
COTTON , 11/16 SLM, 7 areas, ¢/lb	66.31	61.18	60.92	62.00	62.00	64.00
RICE , nearby futures, cwt	15.30	10.14	9.92	10.00	10.10	10.25
CANOLA , Enderlin, N.D., cwt	18.57	20.77	20.23	20.00	21.00	21.50
OATS , Minneapolis No. 2 heavy, bu.	4.41	3.79	3.70	3.80	3.85	3.90
ALFALFA , NW Iowa, lg. sq. prem., ton	—	131.00	125.00	135	140	140
SUNFLOWERS , Fargo, N.D., cwt	19.45	21.15	21.30	21.00	21.50	22.50
HOGS , Nat'l basecost 51%-52% cwt	82.04	70.92	69.36	95.00	100.00	120.00
FEEDER PIGS , 40 lb., Nat. avg, head	78.07	80.82	82.78	90.00	95.00	110.00
CHOICE STEERS , feedlots, cwt	189.97	217.41	211.53	230.00	240.00	250.00
FEEDER CATTLE , Oklahoma City						
Steers, 700 lb. to 800 lb., cwt	257.50	351.33	318.49	370.00	375.00	375.00
Steers, 500 lb. to 550 lb., cwt	323.71	435.56	400.21	425.00	440.00	450.00
Heifers, 450 lb. to 500 lb., cwt	294.74	410.26	376.37	425.00	430.00	440.00
COWS , utility, Sioux Falls, S.D., cwt	132.78	155.95	152.15	165.00	165.00	165.00
MILK , Class III, CME spot month, cwt	18.64	17.20	15.80	18.00	17.00	17.00
LAMBS , Slg., San Angelo, Texas, cwt	—	275.00	270.00	250.00	250.00	250.00
ENERGY						
Ethanol, IA, gallon	—	1.65	1.69	—	—	—
Farm diesel, U.S., gallon	2.91	3.15	3.10	2.97	3.02	3.07

*Average prices expected for the indicated time periods based on available information. Forecasts will be revised as necessary to reflect changing market conditions.

Anticipated acreage shifts in 2026: less corn, more beans

By Editor Bill Watts and Economist Spencer Langford

U.S. farmers are expected to trim corn acres next year after plantings in 2025 hit a nearly 90-year high, while soybean acres are seen posting a rise, according to Farm Journal's latest Ag Economists Monthly Monitor.

Views vary on the size of those shifts

The November survey found 40% of economists expect corn acres to top 95 million in 2026, while another 40% see plantings coming in between 93 million and 95 million acres. Twenty percent look for acres to fall to between 91 million and 93 million, a sharp drop from the 98.7 million planted in 2025.

Last year's figure was the highest since 1936, with plantings driven by a more profitable outlook for corn, signs of robust demand and crop rotations. Corn acres jumped 8.1 million acres in 2025, taking area away from other crops. Soybean acres fell around 6 million acres, with farmers in part spooked by rising trade tensions with China early last year. Those concerns proved well-founded.

Crop rotation and input costs will likely be a major driver in a pullback in corn acres relative to soybeans in 2026. Soybeans typically require less expense toward certain inputs, making them a more economically viable option as chemical prices remain well above a year ago.

The survey found 53% of economists expect 82 million to 84 million planted acres of soybeans in 2026, up from 81.1 million in 2025. A significant minority expects a bigger increase, with 40% anticipating 84 million to 86 million acres and 7% forecasting above 86 million.

Poor profitability driving wheat acreage

Most economists expect total wheat acres to decline amid a weak profitability outlook. The survey found 43% see wheat acres between 44 million and 45 million versus 45.3 million in 2025, while 36% see total acres at less than 44 million. The remaining 21% look for wheat plantings to total between 45 million and 46 million acres.

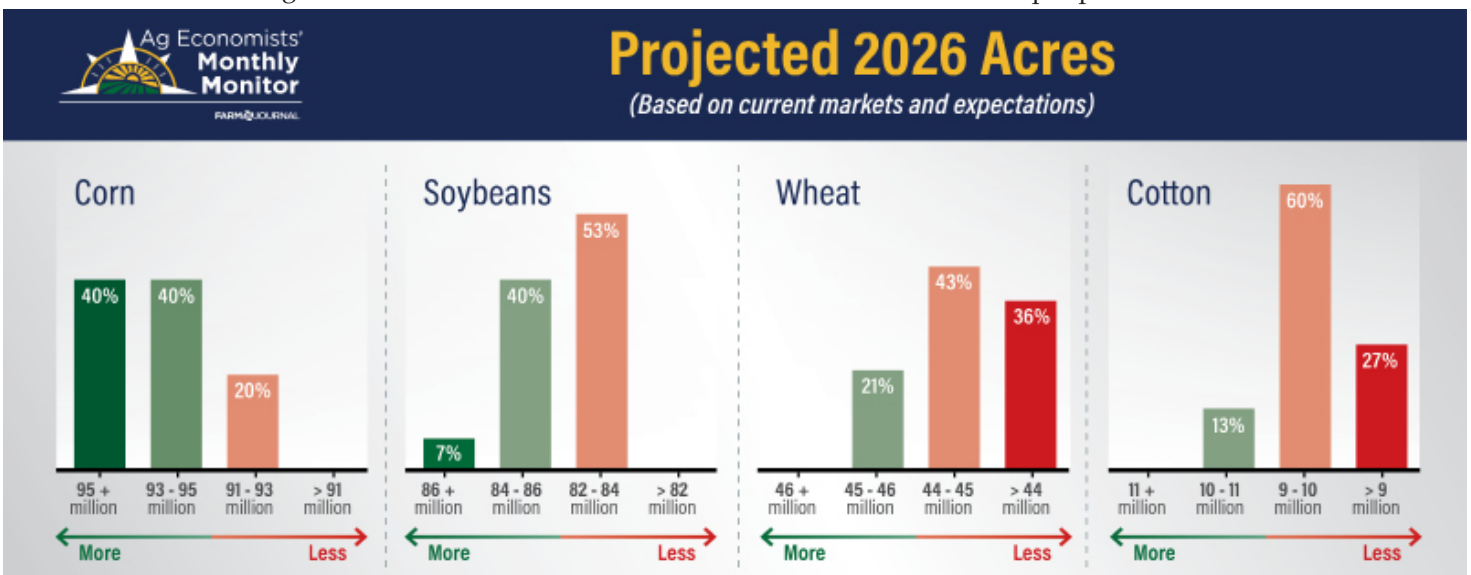
Last month, advisory firm S&P Global Energy estimated 2026 corn acres to be at 95 million and soybean acres to be at 84.5 million. Wheat acres were projected at 44 million. These estimates were based on a survey of farmers and agribusinesses.

Cotton planting expected to remain light

Cotton acres fell 1.9 million in 2025, with a chunk of that lost acreage ceded to corn. Economists largely see little change in cotton acres next year, with 60% looking for plantings between 9 million to 10 million acres versus 9.3 million last year. Around 13% expect cotton acres to total between 10 million and 11 million acres, while 27% see a fall to below 9 million acres.

Lackluster demand and the absence of firm commitments to purchase U.S. cotton has weighed heavily on prices this year, reducing the incentive for growers in the south who have alternative crops to choose from.

The last time cotton acres dipped below 9 million was 2015, when the average farm price per pound was down to 61.3¢ for the year. USDA estimates the average farm-price for this season at 64¢ per pound.



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Farm Journal CEO, Prescott Shibles

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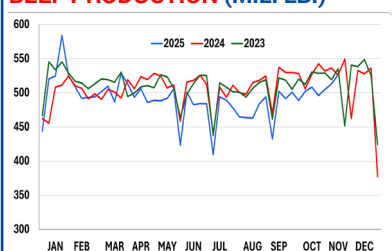
Significantly higher cash trade to kick off last week was enough fodder to entice speculative longs back into futures while wintry weather across the Plains also spurred traders to build some risk premium. Meanwhile, carcass weights continue to inch higher, and ultimately reached an all-time high of 960 lb. last week, which was up 3 lb. from the previous week and 41 lb. from year-ago. Quality continues to ramp up as beef-on-dairy crosses, which produce high quality-grade, are reducing the importance of the Select category. We wouldn't be surprised to see grocers offer more Prime cuts available this holiday season.

Position Monitor

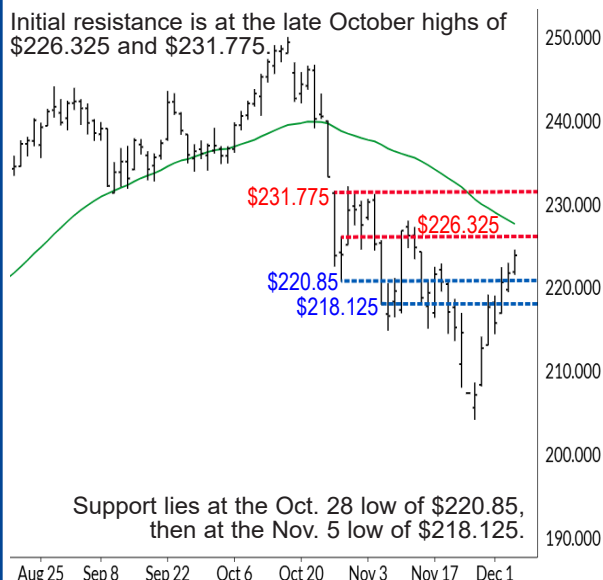
Game Plan:		Feds	Feeders
Nearby live	IV'25	0%	0%
cattle fu-	I'26	0%	0%
tures are	II'26	0%	0%
	III'26	0%	0%

now at discounts to the cash market. Be prepared to purchase puts for downside protection.

BEEF PRODUCTION (MIL. LB.)



DAILY FEBRUARY LIVE CATTLE



HOGS

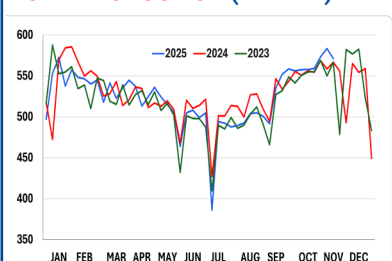
An extended decline in the cash index might finally be coming to a halt as the seasonal lull fades with the calendar year. An improved technical posture since the Nov. 21 low certainly favors bulls, though futures are trading in overbought territory, which is likely to limit near-term momentum. Keep an eye on the outbreak of African swine fever that has affected Spain's wild boar population. While the virus has not reached any farm, it does spread rapidly and poses a threat to global pork supplies. Spain is the second-largest pork exporter after the U.S.

Position Monitor

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

at a discount to the cash index, which makes it difficult to lay off risk in futures. Stay patient for now.

PORK PRODUCTION (MIL. LB.)



DAILY FEBRUARY LEAN HOGS



FEED

Feed Monitor

Corn

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

Meal

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

Corn Game Plan: You are hand-to-mouth for corn-for-feed needs. Be prepared to make additional purchases.

Meal Game Plan: You should have all meal needs covered in the cash market through December. Be prepared to make additional purchases on an extended pullback.

DAILY MARCH SOYBEAN MEAL



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

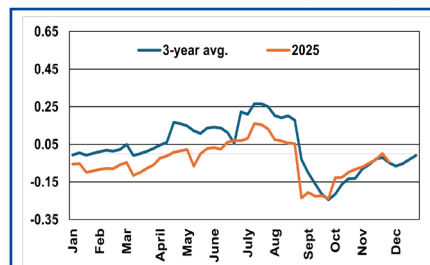
Resistance is at \$4.50 1/4 and \$4.57 1/4.



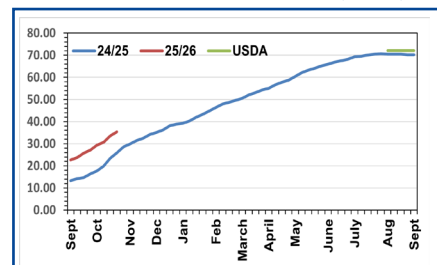
CORN

Corn futures made a run at the 200-day moving average, which ultimately proved futile despite support from a notably weaker U.S. dollar (see General Outlook on Analysis Page 4). Traders continue to mull over USDA's bumper crop estimates and export demand due to USDA's delayed data release in the wake of the recent government shutdown. Rumblings of potential corn purchases from China continue to circulate after a tough growing season and a harvest that produced a crop of questionable quality. Corn prices on China's Dalian Exchange have risen solidly since the end of October, which could help underpin CBOT corn futures. We don't expect many fireworks from this week's WASDE.

AVERAGE CORN BASIS (MARCH)



CORN EXPORT BOOKINGS (MMT)



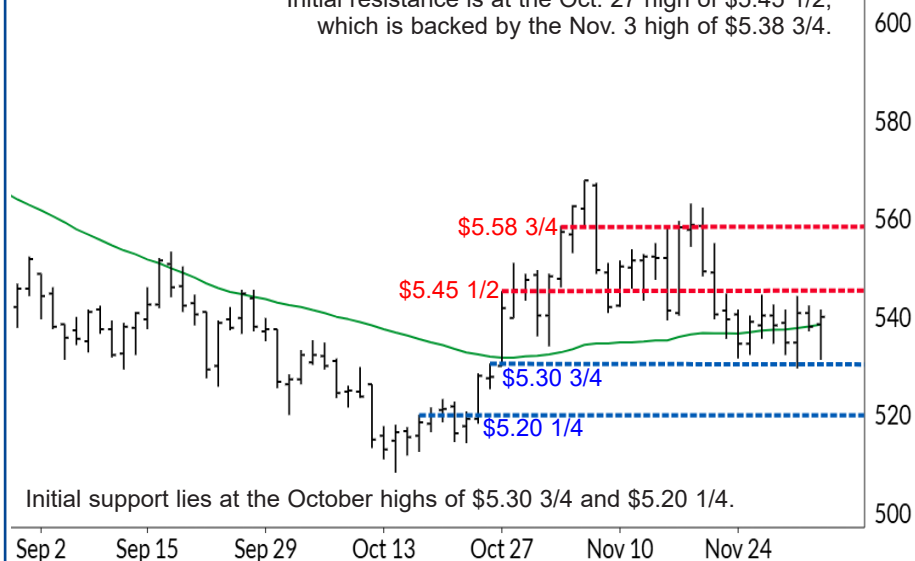
Position Monitor

	'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 Oct. 27 high of \$5.45 1/2, which is backed by the Nov. 3 high of \$5.38 3/4.



WHEAT

SRW – Recent sideways consolidation persisted last week, though rising Black Sea tensions stoked concerns in early-week trade. But strong technical resistance, ample supplies and nearly ideal weather thus far across the globe has traders reluctant of a long position.

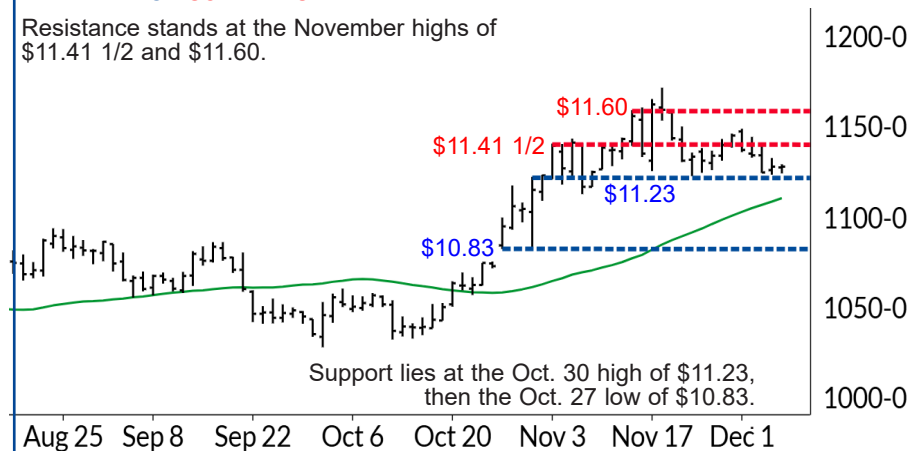
Position Monitor

	'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 \$12.00 basis January 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.

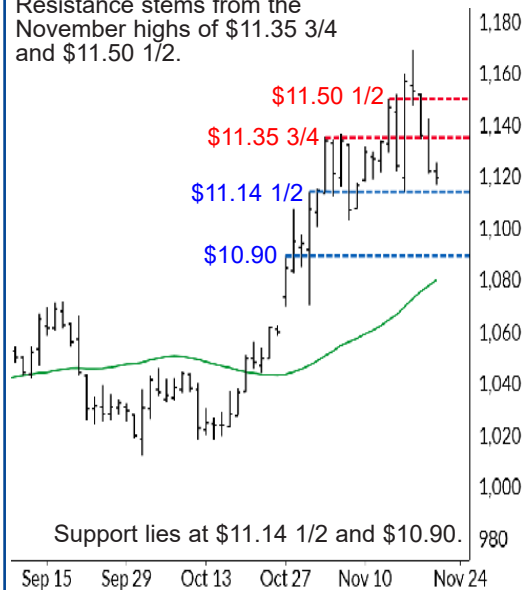
DAILY MARCH SOYBEANS

Resistance stands at the November highs of \$11.41 1/2 and \$11.60.



DAILY JANUARY SOYBEANS

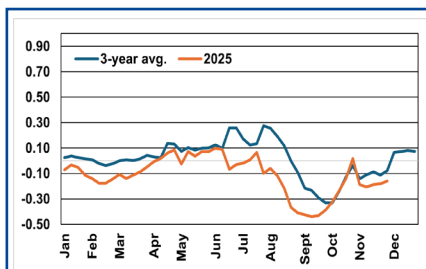
Resistance stems from the November highs of \$11.35 3/4 and \$11.50 1/2.



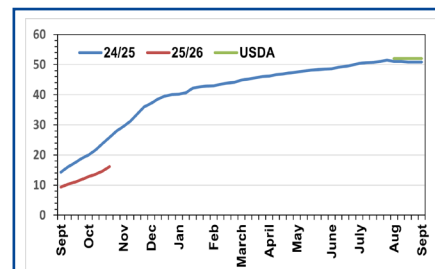
SOYBEANS

January futures continued to fade technically, with pressure from the November high forcing consecutive closes below the 20-day moving average. Traders continue to wait anxiously for additional confirmed purchases from China, even as the Trump administration reaffirmed last week that the country was on track to meet its pledge to purchase 12 MMT of U.S. soybeans by the end of February. A limited reaction is expected from USDA's WASDE update on Dec. 9, though the marketplace is becoming increasingly focused on South American weather, with some production concerns starting to surface due to delayed plantings in areas of Brazil and Argentina.

AVERAGE SOYBEAN BASIS (JAN.)



SOYBEAN EXPORT BOOKINGS (MMT)



DAILY MARCH HRW WHEAT

Resistance is at \$5.35.

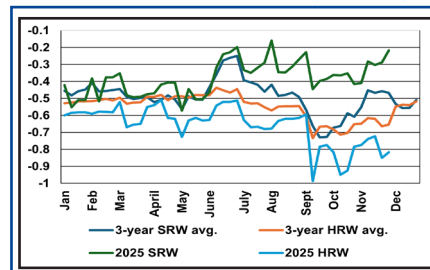


DAILY MARCH HRS WHEAT

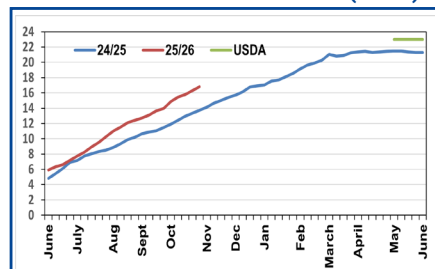
Resistance is at \$5.75.



AVERAGE WHEAT BASIS (MARCH)



WHEAT EXPORT BOOKINGS (MMT)



HRW — Confirmation of a large Canadian crop failed to deter short-covering last week, with nearby March futures edging modestly from technically oversold territory as the week progressed. Notable weakness in the U.S. dollar and frigid temps in areas of HRW wheat country should continue to prove supportive in the near term.

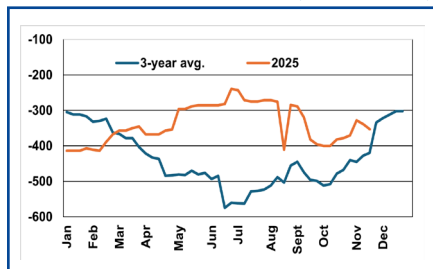
HRS — Rangebound trade continues to persist as resistance stems from the Nov. 18 high, which is closely backed by the 100-day moving average. Recent basing action could be indicative that a more robust move might be on the horizon, but it would certainly require a momentous catalyst for buyers to step in in earnest.

Position Monitor

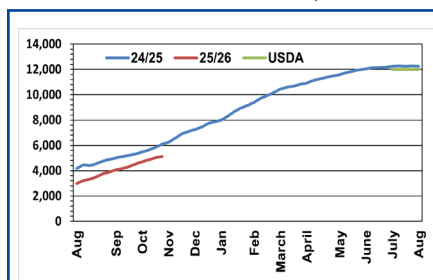
	'25 crop	'26 crop
Cash-only:	15%	0%
Hedgers (cash sales):	15%	0%
Futures/Options	0%	0%

Game Plan: You should have 15% of the 2025 crop sold in the cash market. The next target is under review, though 70.00¢ basis March futures is in focus.

AVERAGE COTTON BASIS (DECEMBER)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY MARCH COTTON

Resistance stands at the Oct. 15 high and low of 65.70¢ and 64.83¢.



COTTON

Sideways consolidation was featured last week, driven by pressure from the 20-day moving average, but notable weakness in the U.S. dollar crimped earnest seller interest. U.S. exports continue to prove dismal, which will continue to keep buyers at bay.

GENERAL OUTLOOK

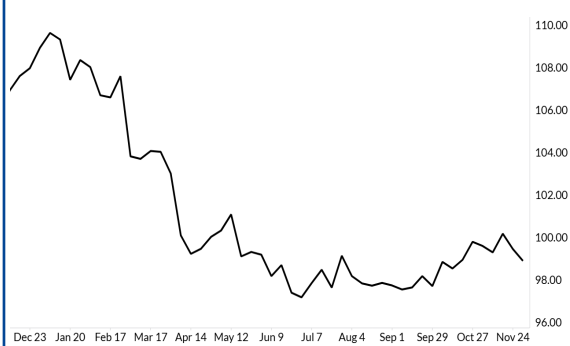
CURRENCIES: A weaker U.S. dollar, all things equal, is considered a positive for commodities priced in the currency. After all, it makes those commodities cheaper to foreign buyers.

The dollar has been notably weak in 2025 and that has been seen as a factor in robust U.S. corn and wheat exports and perhaps a cushion for soybean sales given China's until-recent absence.

Note that the U.S. has seen the yield on the 10-year Treasury note fall by nearly half a percentage point this year (yields and prices move opposite each other).

That's unique, observed Nicholas Colas, co-founder of DataTrek Research in a recent note. Yields for other major economies are almost universally higher in 2025, explaining much of the dollar's weakness.

WEEKLY U.S. DOLLAR INDEX



FROM THE BULLPEN By Technical Consultant Jim Wyckoff

Markets last week were pricing in a 90% chance of a 0.25% U.S. interest rate cut at this week's Federal Reserve Open Market Committee (FOMC) meeting. Markets are also pricing in a total of around 0.9% in U.S. interest-rate reductions for all of the year 2026.

Traders expect that White House economic adviser Kevin Hassett will be nominated as the next Fed chair. Hassett is a monetary policy dove and is known for supporting faster interest rate reductions, in line with President Donald Trump's stance. Lower interest rates mean better risk appetite in the general marketplace and in turn better speculator buying interest in the commodity futures markets.

These are some potential bright spots

in the coming months for a U.S. agricultural sector that has been struggling.

Lower U.S. interest rates also mean lower borrowing costs for businesses and consumers, suggesting better demand for goods and services in the coming months. While falling U.S. interest rates are bearish for the U.S. dollar on the global foreign exchange market, that's a positive for the U.S. grain and livestock markets. The reason being most world agricultural trade is conducted in U.S. dollars.

A depreciating dollar means cheaper U.S. ag export products for purchase in non-U.S. currency. One danger: If the Fed is perceived as easing too aggressively, it could reignite inflationary pressures and raise long-term U.S. Treasury yields.

WATCH LIST

- 1 USDA Crop Production Report** **TUE. 12/9**
Updated cotton production. 11:00 a.m. CT
- 2 USDA WASDE Report** **TUE. 12/9**
Updated 2025-26 usage forecasts. 11:00 a.m. CT
- 3 Fed Interest Rate Decision** **WED. 12/10**
Another rate cut likely. 1:00 p.m. CT
- 4 USDA Export Sales Report** **THUR. 12/11**
Soybean, wheat sales in focus. 7:30 a.m. CT
- 5 U.S. Import/Export Data** **THUR. 12/11**
September goods and services. 7:30 a.m. CT

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