Farm Journal
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News this week...
2 – September crush hits record, crude oil could see oversupply.
3 – World economy in flux as tariff effects take hold.
4 – Harvest survey yields telling results with yields down.

Corn futures reverse downtrend – *December corn futures made a fresh for-the-move low early in the week before reversing higher, showing robust strength and negating the downtrend that started in mid-September. November soybeans climbed late in the week on trade hopes amid reports Trump and Xi will still meet later this month. Winter wheat continued to see relative weakness, but did see some spillover strength from corn and soybeans, but ample world supplies and increased Russian wheat sales are weighing on prices. Live cattle and feeder cattle futures continue to exhibit remarkable strength, closing higher for 10 consecutive sessions amid record breaking strength in cash feeders, while fats negotiations turned higher. Lean hogs stair-stepped lower amid ongoing seasonal cash losses.*

Trump says China tariffs unsustainable

President Donald Trump and Chinese President Xi Jinping plan to meet in South Korea in two weeks, a sharp contrast to concerns that Trump had cancelled their meeting. Trade tensions between the world's top economies escalated last week, but Trump called the current China tariffs unsustainable and when asked if tariffs on China will remain he said, "no" and that he believes, "We'll be fine with China."

But duties are still going into place

Trump said he might stop trade in cooking oil with China. The potential move would be a retaliation against China for its refusal to buy U.S. soybeans, which Trump said is an economically hostile act that is purposefully causing difficulty for soybean farmers. China remains well supplied with soybeans in the near term due to South American purchases.

ADM attempting to lure soybeans

Farmers have been slow to sell soybeans which has led ADM to get creative in trying to source beans, according to a *Reuters* report. ADM is allowing soy delivery without setting a price, and without storage charges. While this strategy is localized, other processors are likely to start finding creative ways to source bushels amid slow crop selling. The report noted that historically about half of harvested crops go to market and this year that number has been closer to 20%.

We noted last week the recent shifts in basis across the Midwest as processors and elevators are having a difficult time sourcing bushels due to many producers opting to store bushels rather than take them to market.

China slowing Brazilian bean buys

China has yet to book most of its soybean needs for December and January as high premiums for Brazilian cargoes dissuade buyers. Some of the cargoes booked from Argentina a couple weeks ago supply some needs, but China still needs to purchase 8 to 9 MMT of supplies. We reported recently Brazilian traders are taking advantage of being the only players in the Chinese market by raising prices, which has begun to chip away at demand.

China slaps duties on U.S. shipping

China sanctioned the U.S. units of a South Korean shipping giant and threatened further retaliatory measures on the industry, the latest in a series of tit-for-tat moves as the U.S. and China ratchet up their trade war. Beijing has tightened export controls on rare earths among other measures, while the U.S. has expanded curbs on China's access to chips and threatened the country with additional 100% tariffs. U.S. Treasury Secretary Scott Bessent has accused Beijing of pointing "a bazooka at the supply chains and the industrial base of the entire free world," and has rallied U.S. allies to unite with Washington in opposing the China policy.

India to stop Russian oil imports

Trump said Indian Prime Minister Narendra Modi vowed to halt purchases of Russian oil, signaling a possible resolution to an issue at the center of the diplomatic and trade rift between the U.S. and India, according to a *Bloomberg* report. India's government didn't confirm it's complying with Trump's demands, although it said it's working to deepen energy ties with the U.S.

Trump said Modi assured him India will not be buying oil from Russia, which Trump called a big step and added that he now wants China to do the same thing. While Trump's comments showed progress, Indian officials noted no slowdown in Russian oil imports.

Tariffs weigh on import flow

The flow of imports at the Port of Los Angeles, the busiest seaport in the U.S., dropped for a second month in September. This occurred even as total imports volume hit a record high in the third quarter and as U.S. businesses continue to navigate volatile U.S. trade policy, *Bloomberg* reported.

The Port of Los Angeles processed some 883,000 container units in September, according to port data. About 460,000 of those TEUs were loaded with imports, an 8% decline compared to September last year. Exports made up nearly 114,700 TEUs last month — almost identical to the same month last year, the *Bloomberg* report said.

Still no Crop Progress Report

USDA did not publish their weekly Crop Progress Report for the second consecutive week, but *Reuters* and *Bloomberg* conducted their weekly polling for analysts' expectations. The *Reuters* poll showed expectations for corn conditions down a point to 64% good to excellent. Analysts saw harvest as 44% completed, eight points above the 10-year average. Soybean conditions were expected to be 61% good to excellent, down a point, with harvest progressing to 58% complete, up from 39% in last week's poll and 10 points ahead of average. Condition ratings will no longer be polled for given harvest surpassing 50% completed in both crops.

Cordonnier's crop pegs unchanged

Crop consultant Michael Cordonnier left his 2025 U.S. yield estimate unchanged at 181 bu. per acre with a neutral-to-lower bias. He notes corn yields continue to be variable depending on how badly southern rust impacted the crop.

His 2025 U.S. soybean yield forecast was left unchanged this week at 52 bu. per acre, with a neutral-to-lower bias. He continues to note moisture levels in harvested beans below 10%, leading to additional harvest losses.

Cordonnier estimates Brazilian soybean production at 175 MMT and notes planting continues to run ahead of historical average. He estimates Brazilian corn at 140 MMT, well above USDA at 131 MMT. Cordonnier estimates Argentina production at 49 MMT and 54 MMT for soybeans and corn, respectively.

Conab releases first look at 2025-26

Brazilian agri-consultancy Conab estimates 2025-26 Brazilian production at 177.6 MT in their first official update of the year, a record that would be up from 171.5 MMT in 2024-25. Exports are seen as rising to 112.1 MMT, up 5.5 MMT year-over-year. Higher production is seen as offsetting record use, pushing ending stocks up 2.7 MMT to 13.4 MMT. If Conab's production number is realized, it would be sufficient to continue to meet China's soy needs.

Conab pegged Brazilian corn production at 138.6 MMT, which would be down from 141.1 MMT in 2024-25. Good weather boosted production to a record last year, poor margins are expected to limit 2025-26 plantings.

IEA predicts crude oversupply

The International Energy Agency says a record oversupply of crude oil will be bigger than previously estimated and the excess is already starting to build up on ocean-going tankers.

NOPA crush sets September record

Crush jumped to the fourth highest total ever and a September record 197.863 million bu., according to the National Oilseed Processors Association (NOPA). Soybean crush averaged 6.595 million bu. per day, the second highest level on record. Soyoil use remains robust, offsetting higher production and keeping soyoil stocks relatively tight. Crushers often have downtime in September, which points to likely record crush continuing later this year.

Tyson, Cargill agree to settlement

Tyson and Cargill will pay a combined $87.5 million in a settlement with the Consumer Indirect Purchaser plaintiffs in a beef price-fixing lawsuit that began in 2019. The Consumer IPP class notified the court that Tyson will pay $55 million and Cargill $32.5 million in monetary relief. Both agreed to cooperate in the case against the two remaining defendants, JBS and National Beef Packing. The class action lawsuit claims the four largest meatpackers, who control 80% of the market, conspired to restrict the supply of cattle and fix beef prices.

Ukraine to boost ag exports

An agreement was reached between the European Union and Ukraine to cancel tariffs and increase agricultural exports to the EU, according to the Ukrainan Deputy Prime Minister. Reduced trade barriers will encourage Ukrainian producers to plant more grains and oilseeds, likely to draw from U.S. demand. The EU is likely to be the top U.S. soybean importer in 2025-26 amid China's continued absence from the market.

Powell expects another rate cut

Federal Reserve Chairman Jerome Powell said in a speech to an economics group that the Fed is on track to deliver another quarter-point interest-rate cut later this month. He pointed to the low pace of hiring and said the job sector could weaken further, adding further declines in job openings might show up in the unemployment rate. The Fed is scheduled to meet Oct. 28-29. Powell said he and his colleagues are looking to alternative data sources due to the U.S. government shutdown, which is reducing their read on the U.S. economy.

China economy showing cracks

China's consumer prices dropped 0.3%, year-on-year, in September 2025, steeper than market estimates of a 0.1% decline but slightly less than a 0.4% fall in the previous month, according to China's National Bureau of Statistics. Core inflation, which excludes food and energy, rose 1%, year-on-year, the highest in 19 months, after August's 0.9% gain. China's economy has been showing some stress, which likely gives the U.S. better leverage in their current trade negotiations.

China soy imports a record

China's soybean imports hit a record high for the month of September, with the country bringing in 12.9 MMT of soybeans, according to a *Bloomberg* report. Chinese crushers have been bolstering supplies of the oilseed with shipments mainly from Brazil, and shunning U.S. cargoes due to high tariffs and political risks. September arrivals were also near the highest ever monthly level, which was recorded in May, and brought total imports for the first nine months of the year to 86.18 MMT, up 5.3% from a year ago. China's crushers are sitting on ample supplies, giving them leverage in the ongoing trade war with the U.S.

Farm Bureau presses Trump admin

The American Farm Bureau Federation (AFBF) sent letters to President Donald Trump and Congressional leaders to emphasize the severe economic pressures facing America's farmers and ranchers. Falling crop prices, skyrocketing expenses and trade disputes are creating conditions that are too much for farm families to bear.

"Across the country, farms are disappearing as families close the gates on the farms tended by their parents, grandparents, and generations before them," wrote AFBF President Zippy Duvall. "In the short term, we urge leaders to authorize bridge payments for farmers before the end of 2025."

While emergency aid will help, AFBF asks the administration for long-term solutions to help improve economic conditions in rural America, including fair and enforceable trade agreements.

NCGA examines potential E15 impact

If Congress passed legislation that allowed for year-round, nationwide access to fuels with 15% ethanol blends, corn use in ethanol could increase by 50% at full implementation, supporting a higher market price for corn and energy stability for Americans, according to a new analysis released by the National Corn Growers Association (NCGA).

Over the next decade, USDA forecasts corn use in ethanol to stay near the current 5.6-billion-bu. level and near the current share of total corn use. But the trend for corn production, in the U.S. and globally, is expected to continue rising on productivity gains and expanded production area in other nations. Without allowing demand to increase correspondingly, the analysis notes, the increased supply will further depress already below-breakeven market prices.

NCGA has spent months calling on Congress to pass the Nationwide Consumer and Fuel Retailer Choice Act of 2025, which would eliminate an outdated regulation that prevents the sale of E15. Corn grower advocates say it is their goal to get E15 legislation across the finish line by year's end.

Global economy in flux

New tariffs, fiscal stimulus and immigration restrictions, especially in advanced countries, are causing significant changes across the global economy, according to the International Monetary Fund (IMF) in its October Report.

Trade barriers are rising and reduced international aid points to a move toward fragmentation as globalization fades. Despite policy concessions in recent months, uncertainty about future growth and stability remains high.

Tariff effects: Initially viewed as supply shocks for imposing countries and demand shocks for targets, tariffs have led to downward revisions in growth.

Inflation Divergence: U.S. inflation is rising, while other economies are seeing declines.

Temporary Resilience: Early 2025 data showed strength due to front-loaded trade and inventory strategies, but these effects are fading.

Risks

Persisting policy uncertainties could suppress consumption and investment, while escalating protectionism could further disrupt supply chains and productivity. Immigration restrictions threaten output in aging economies while fiscal and financial brittleness point to high borrowing costs and sovereign rollover risk. Overvalued tech stocks could be riddled by AI disappointments, and pressure on central banks could erode trust and data reliability. Climate and geopolitical shocks also pose risks, especially for low-income importers.

Emerging market resilience

IMF indicates emerging markets have weathered recent global shocks better than expected, due to strong global demand and capital inflows, and structural reforms and stronger macroeconomic frameworks. Central banks in emerging markets have become more credible and less influenced by fiscal pressures and have shown reduced reliance on foreign exchange interventions.

Resurgence of industrial policy

While a return of industrial policy could support strategic sectors, foster innovation and enhance competitiveness, poorly designed policies have the ability to also distort markets, misallocate resources and crowd out private investment, according to IMF.

Industrial policy should be transparent, time-bound and performance-based, and in coordination with trade and macroeconomic policies to avoid fragmentation and inefficiencies. If these new policies are widely adopted without coordination, industrial polices could exacerbate trade tensions and reduce global efficiency.

An inside look at production numbers

By Lane Akre, Economist

The ongoing dearth of data from USDA has left a lot of market participants without their typical guides in navigating the volatile grain and oilseed markets. Our team wanted to fill the gap, issuing a survey to look at production numbers and harvest rates across the Corn Belt. The results are rather telling.

Production down in Crop Tour states

Yields are estimated to be down from 2024 in five of the seven Crop Tour states (Illinois, Indiana, Iowa, Minnesota, Nebraska, Ohio and South Dakota). While Crop Tour yields (raw average) were up in six of the seven, we accounted for the heavy prevalence of disease when coming up with our national production estimate. The impact of late season dryness and disease took the top end off yields, with states seeing an average drop of 8% in potential yield from the third week of August. USDA has steadily ratcheted down their production estimate over the past couple of months, and that looks to continue to be the case.

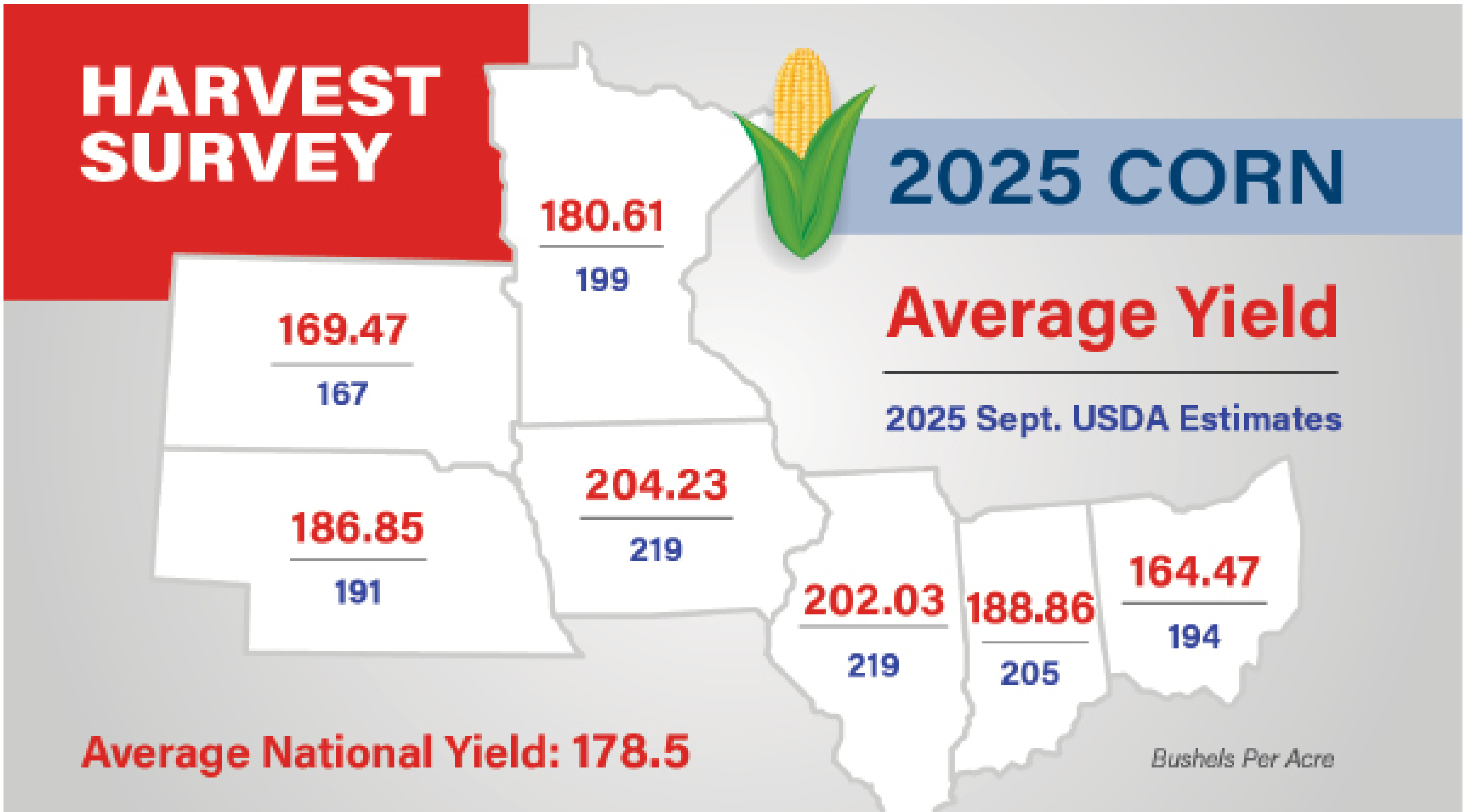
Yields are steady or lower in 74% of responses across Crop Tour states, a far cry from expectations of higher production in each state as estimated in USDA's September Crop Production Report. Traders and analysts saw production falling from that estimate of 186.7 bu. per acre to 185 bu. according to a pre-report poll from Bloomberg. If production does shrink as our survey indicates, the national average yield could fall to 178.5 bu. per acre.

Storage a slight issue in top states

Just over a third of all respondents noted there are some storage concerns as many producers are opting to store grain rather than take it to market. Storage issues are more prevalent in the northern Plains, with 56% of producers in South Dakota saying they are facing issues. While around 43% of corn harvest is completed, nearly 80% of bean harvesting is finished, well above analysts expectations of 60% last week, which could alleviate harvest selling.

Farmers support tariffs

Despite the ongoing trade war with China that has weighed heavily on row-crop prices, over 60% of respondents noted they were in favor of tariffs. Whether or not storage issues are prevalent had little bearing on tariff beliefs, which was rather surprising. Despite the near-term pain as crop margins are generally negative, many are hopeful that aggressive trade policies will pay dividends once it is all said and done.



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Farm Journal CEO, Prescott Shibles

CATTLE - Fundamental Analysis

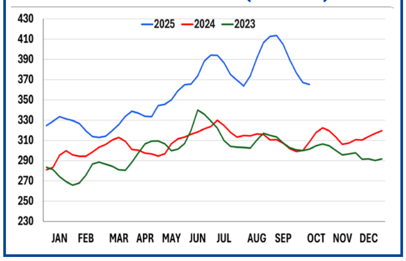
Cattle bulls showed their might last week, forging fresh contract highs, extending a notable series of firmer closes. Recent futures strength has offered renewed confidence for feedlots in cash negotiations, which marked a notable weekly gain. Meanwhile, wholesale values continue to prove mostly stable, though packers continue to struggle with operating margins. As the holidays approach, cutout should improve, though maintaining proper balance in fed supplies, boxed beef supplies and consumer demand will continue to prove challenging as seasonal differences are in play.

Position Monitor

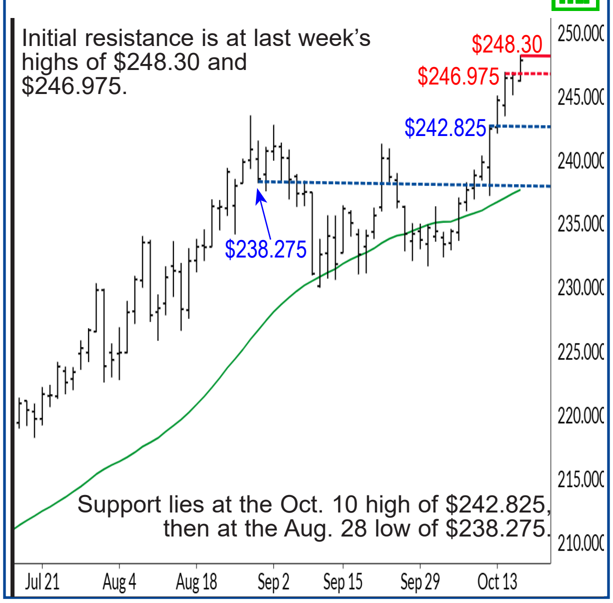
Game Plan: Nearby live cattle futures are now at premiums to the cash market. Be prepared to purchase puts for downside protection.

	Feds	Feeders
III'25	0%	0%
IV'25	0%	0%
I'26	0%	0%
II'26	0%	0%

CHOICE BOXED BEEF ($/CWT)



DAILY DECEMBER LIVE CATTLE



HOGS - Fundamental Analysis

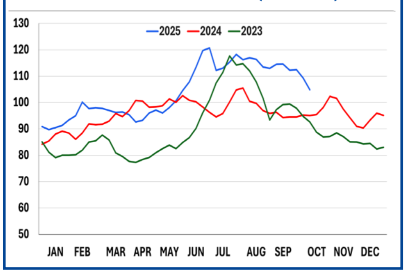
Sellers pushed the December contract to an eight-week low last week, which notched an $8.90 drop from the Sept. 26 high. Persisting pressure in the cash index, combined with a poor technical posture and escalating tensions with China have put bears back in the driver seat. Meanwhile, the government shutdown means less reporting, but seasonal slaughter implies supplies are on the rise, while weights have also increased amid cooler weather. But cash declines have eased recently, with potential profit-taking in cattle a possible catalyst for hogs, especially as grocers begin to ramp up for holiday demand.

Position Monitor

Game Plan: Carry all risk in the cash market. Nearby hog futures remain at a discount to the cash index, which makes it difficult to lay off risk in futures. Stay patient for now.

	Lean Hogs
III'25	0%
IV'25	0%
I'26	0%
II'26	0%

PORK CUTOUT VALUE ($/CWT)



DAILY DECEMBER LEAN HOGS

FEED

Feed Monitor

Corn	
III'25	100%
IV'25	33%
I'26	0%
II'26	0%

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

Corn Game Plan: You should have all corn-for-feed needs covered through October. Be prepared to make additional purchases.

Meal Game Plan: You should have all your meal needs covered in the cash market through December. Be prepared to make additional purchases as futures sit at multiyear lows.

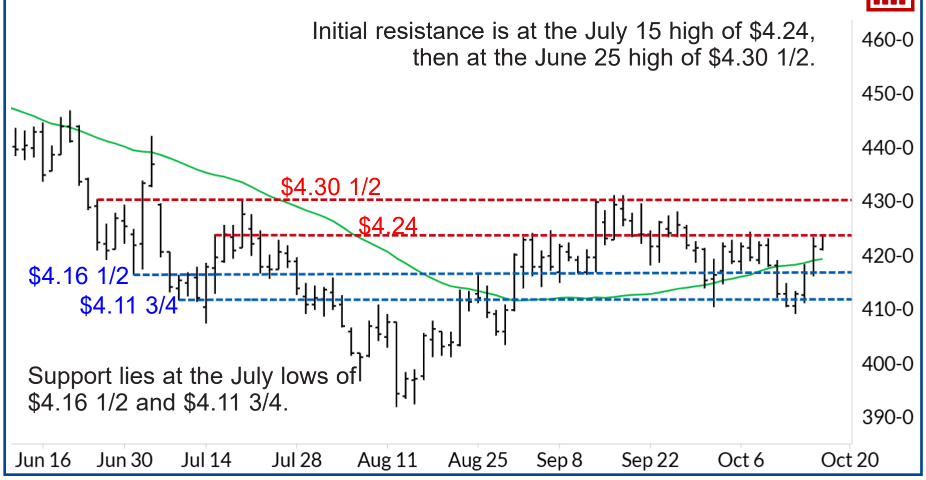
DAILY DECEMBER SOYBEAN MEAL

Position Monitor

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

Game Plan: You should have 20% of your 2025 crop sold. With a push to lows in mid-August, we're willing to wait for a more profound move before making additional new-crop sales. We are targeting $4.40 in December futures, but be prepared to pull the trigger on any rally. Sales for the 2026 crop will also be assessed given the next opportunity.

DAILY DECEMBER CORN

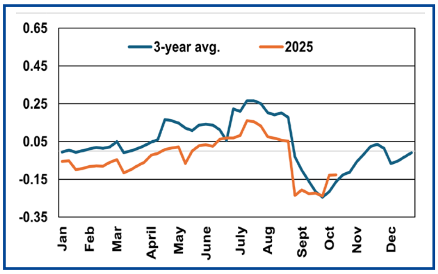


DAILY MARCH CORN

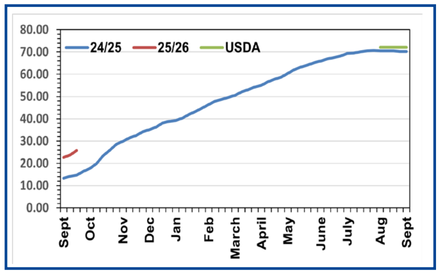
CORN - Fundamental Analysis

Bulls managed to come alive after December futures edged to a six-week low last week. Meanwhile, eroding futures carry and firming basis across the U.S. are indicative of robust demand and slow farmer movement combined with a potentially shorter-than-expected crop (See *News page 4*). While solid export demand is certainly known, lacking government data amid the lingering government shutdown continues to leave market participants largely guessing at recent export sales. Nonetheless, October typically marks a period of seasonal strength for corn, with last week's consective gains and improving technical posture certainly a welcome sight.

AVERAGE CORN BASIS (DEC.)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

	'25 crop	'26 crop
Cash-only:	30%	10%
Hedgers (cash sales):	30%	10%
Futures/Options	0%	0%

Game Plan: You should have 30% of your 2025 crop sold in the cash market and 10% of the 2026 crop sold for harvest delivery. Be prepared to make additional sales on an extended upside move.

DAILY DECEMBER SRW WHEAT

WHEAT - Fundamental Analysis

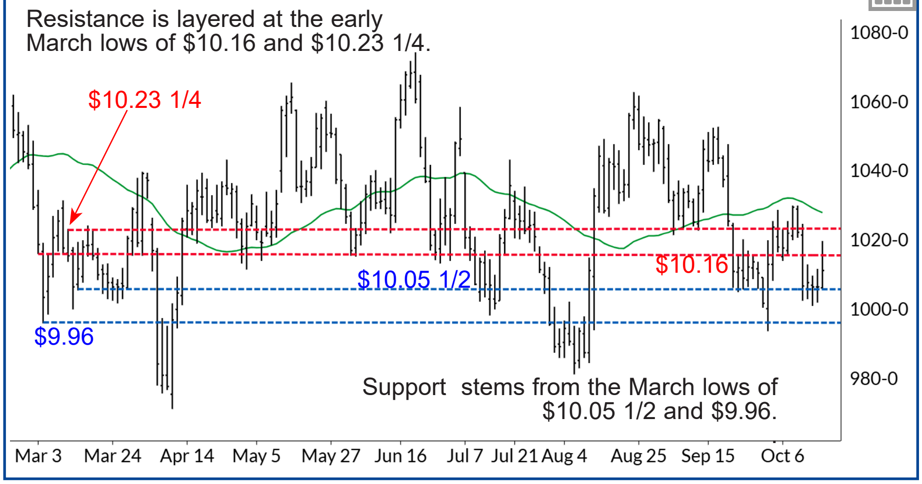
SRW — Persistent pushes to new contract lows may put U.S. acres in jeopardy, especially given elevated uncertainty around soybeans—many producers have surely questioned potential profitability of the double-cropping duo. However, rotations rule for many, which further heightens acreage unknowns.

Position Monitor

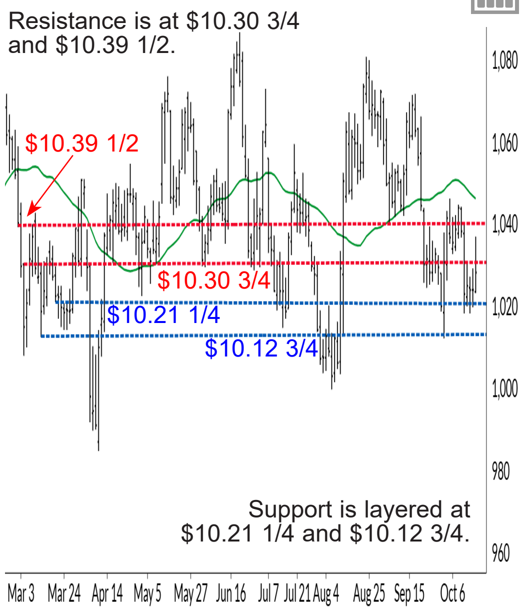
	'25 crop	'26 crop
Cash-only:	20%	0%
Hedgers (cash sales):	20%	0%
Futures/Options	0%	0%

Game Plan: You should be 20% sold for the 2025 crop. Rallies may be limited in the near term, but be prepared to advance new crop sales on an extended short-covering rally. We are targeting $10.70 basis November futures, but may advise sales if a pullback seems imminent. Sales for the 2026 crop will be assessed when the next opportunity arrives.

DAILY NOVEMBER SOYBEANS



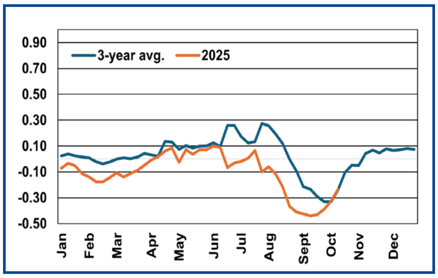
DAILY JANUARY SOYBEANS



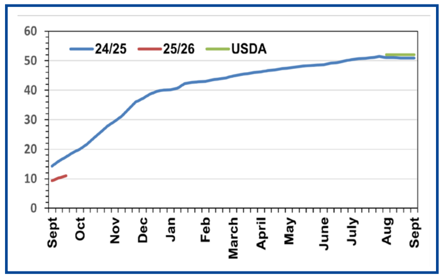
SOYBEANS - Fundamental Analysis

Trade differences between U.S. and China pressured soybeans at last week's commencement, but easing rhetoric between the two countries enticed a corrective short-covering bounce. Regardless, a host of uncertainties along with stiff technical resistance continued to suppress optimism as the marketplace wearily waits for a formal trade deal with China. With soybean harvest winding down across much of the Midwest, crush plants have bolstered basis levels in search of supplies as many producers have opted to store soybeans due to lacking sales opportunities and historically weak basis levels in early harvest. Look for basis to control soybean movement in the event futures remain subdued.

AVERAGE SOYBEAN BASIS (NOV.)



SOYBEAN EXPORT BOOKINGS (MMT)



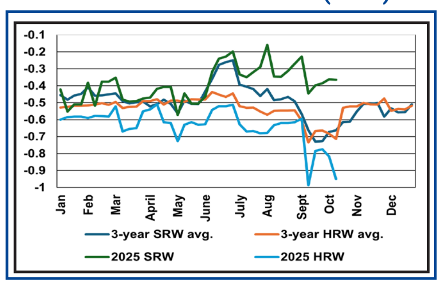
DAILY DECEMBER HRW WHEAT

DAILY DECEMBER HRS WHEAT

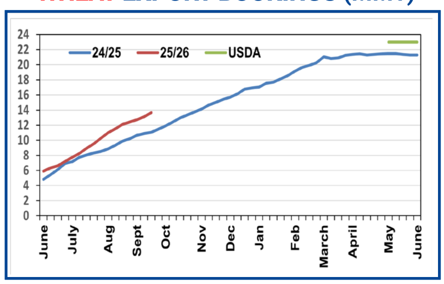
HRW — A short-covering bounce followed a drop to new contract lows early last week, but those efforts were modest despite a corrective pullback in the U.S. dollar. As has been the extended case, fund managers continue to find little reason to hold a long wheat position. Trade woes and ideal planting conditions are likely contributors.

HRS — In routine fashion, December futures edged to fresh contract lows last week. Modest short-covering followed, though technical resistance at the 10-day moving average continued to prove to be the upside limit, as has been the case since early July. Barring a catalyst, look for prices to grind lower and coincide with modest upside corrections.

AVERAGE WHEAT BASIS (DEC.)



WHEAT EXPORT BOOKINGS (MMT)



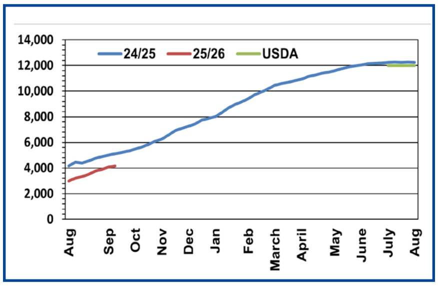
Position Monitor

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

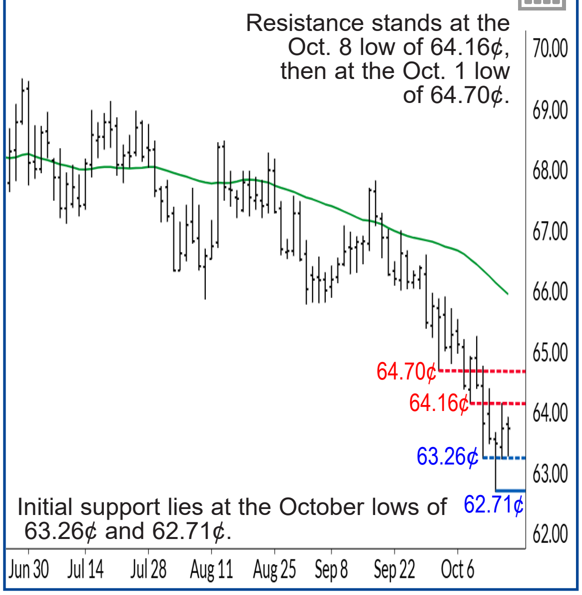
Game Plan: Wait on an extended rally to make 2025 sales. We are targeting 69.00¢ to 70.00¢ in December futures.

AVERAGE COTTON BASIS (DECEMBER)

COTTON EXPORT BOOKINGS ('000 BALES)



DAILY DECEMBER COTTON



COTTON - Fundamental Analysis

New contract and more than five-year lows were carved last week as risk-off sentiments persisted in anticipation of trade progress with China. Oversold conditions and a weaker U.S. dollar did spur a rebound, though continued strength will be a challenge without demand.

GENERAL OUTLOOK

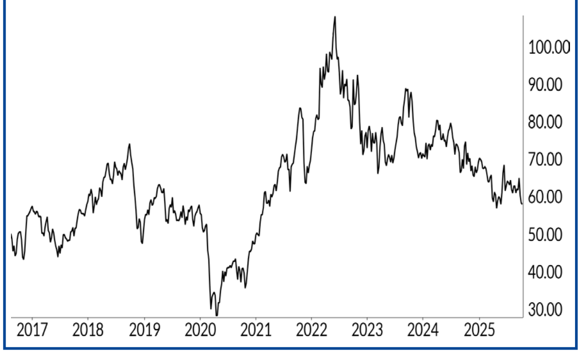
Crude oil: There is a growing chorus in the energy industry that the world is on the verge of a glut of crude oil. Last week the International Energy Agency said a record oversupply of crude oil will be bigger than previously estimated and the excess is already starting to build up on ocean-going tankers.

World oil supply will exceed demand by almost 4 million barrels a day next year, an unprecedented overhang, the IEA said.

That's good news for consumers at the gasoline pump. However, crude oil is the leader of the raw commodity sector.

When oil prices are trending lower, as is the case right now, it's a bearish anchor for most of the raw commodity sector, including grains and livestock futures.

WEEKLY DECEMBER CRUDE OIL FUTURES



FROM THE BULLPEN By Economist Lane Akre

The ongoing trade war with top soybean importer China has had obvious implications on prices in agricultural markets, with tensions escalating of late. Price action has been dictated by social media posts and empty promises from lawmakers.

The relationship between the U.S. and China goes beyond need. China was hurting after the first trade war with the U.S. and President Xi Jinping is trying to save face with the people of China, expressing to his people that he is "large and in charge." Some say that is what caused the most recent disruption in trade talks, leading to a continued deterioration of the relationship between the U.S. and China, a partnership that will be difficult to rebuild.

China historically looks to build long-lasting trade agreements. Brazil has taken over as the supplier of Chinese soy needs and has the production to continue meeting demand — production increases in the past five years have accounted for 40% of U.S. total production. Even if a trade deal is reached, without an ag purchase agreement, a jump in exports seems unlikely.

The destruction of U.S. exports is a staunch reminder that alternative uses need to become available. Domestic demand has been robust, with September crushings a record for the month. A proposed UCO import ban has the potential to drive domestic soyoil use even higher, but additional crush plants need to be built to offset export losses.

WATCH LIST

1. **USDA Crop Progress** — MON 10/20, 3:00 p.m. CT
   Wheat plantings, harvest progress.
2. **USDA Export Sales Report** — THUR 10/23, 7:30 a.m. CT
   Soybean, wheat sales in focus.
3. **Consumer Price Index** — FRI 10/24, 7:30 a.m. CT
   Inflation continues to rise.
4. **USDA Cattle on Feed Report** — FRI 10/24, 2:00 p.m. CT
   Placements will be a focus.
5. **USDA Cold Storage Report** — FRI 10/24, 2:00 p.m. CT
   Frozen meat stocks for September.