

**News this week...**

- 2** – Biofuel quota update expected in March.
- 3** – Hot producer inflation could inhibit Fed rate cuts.
- 4** – What's next after bearish USDA reports?

**"King corn" falls under pressure –** Corn futures led to the downside following bearish USDA reports and struggled to garner much bullish momentum the rest of the week, leading to concerns of bearish technical followthrough selling. Meanwhile, soybeans rebounded off intra-week lows and continue to trade in the down-trend that has captured price action since mid-November. Wheat futures managed to end the week on a high note, making up most of the report driven losses, but continued strength will be difficult without participation from corn. Live cattle futures continue to trend higher with bulls looking to challenge all-time highs sooner than later. The cash cattle market continues to show modest week-over-week gains. Hogs surged over the latter portion of the week, led by returning strength in the CME lean hog index, which looks to have posted a late seasonal bottom. Markets will be closed on Monday, January 19, in observation of Martin Luther King Jr. Day.

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**Corn crop: 17.021 billion bu.**

USDA increased its 2025 corn crop estimate 268 million bu. from November amid a 0.5-bu.-per-acre increase in yield to 186.5 bu. per acre and a 1.211-million-acre increase to harvested acres. USDA estimated Dec. 1 corn stocks at 13.283 billion bu., which implies first quarter use of 5.3 billion bu. – a record. Of that, feed & residual use is estimated at 2.7 billion bu., by far a record and giving some credibility to USDA's 6.2 billion bu. annual estimate for the category.

**Soybean crop: 4.262 billion bu.**

USDA increased its soybean crop estimate 9 million bu. from November. USDA left yield unchanged at 53.0 bu. per acre. Harvested area was increased 124,000 acres to 80.437 million acres. USDA estimated Dec. 1 bean stocks at 3.290 billion bu., implying first quarter use of 1.3 billion bu., the lowest since 2019-20. Lower exports led use lower but residual use remained high, which could help shrink the balance sheet.

**Cotton crop: 13.918 million bales**

USDA cut its cotton crop estimate 352,000 bales from last month. It decreased yield by 63 lb. to 847 lb. per acre. Harvested area went up 436,000 acres to 7.805 million acres.

**Winter wheat acreage decreases**

USDA estimated U.S. winter wheat seedings down 163,000 acres from last year at 32.99 million acres. Planted area is estimated at 23.5 million acres for HRW, 6.14 million acres for SRW and 3.36 million acres for white wheat. USDA estimated Dec. 1 wheat stocks at 1.675 billion bu., implying use of 459 million bu., up from 8% last year.

**Rural bankers turn more optimistic**

The Rural Mainstreet Index, based on a survey of rural bank CEOs dependent on agriculture or energy, climbed to 52 in January, its highest since July 2023 and up from December's 50.1. The index ranges between zero and 100, with a reading of 50 representing neutral. While a slight gain, a big segment of survey respondents say their area is in recession.

**U.S., Taiwan reach trade agreement**

The U.S. and Taiwan agreed to a trade pact that would lower tariffs on goods imported from Taiwan to 15% and see Taiwanese semiconductor companies increase financing for American operations by \$500 billion. Taiwan's technology industry would commit to making at least \$250 billion in direct investments to expand advanced semiconductor, energy and artificial intelligence operations in the U.S. Taiwan also agreed to provide an additional \$250 billion in credit guarantees for further investment in the American semiconductor supply chain.

**Another round of farm aid?**

Key Republican lawmakers are attempting to put together another round of aid for farmers through appropriations bills, Politico reports. Sen. John Hoeven of North Dakota, chair of the Senate Appropriations Ag-FDA subcommittee, met Wednesday with House Agriculture Committee Chair G.T. Thompson of Pennsylvania and Senate Agriculture Committee Chair John Boozman of Arkansas to discuss a path for the package. The report said a final number is still up in the air, but they're eyeing about \$15 billion. Earlier, House Agriculture Committee ranking member Angie Craig, a Minnesota Democrat, introduced a \$17-billion farm aid plan that includes carveouts for specialty crops, foresters and sugar beet producers.

**Canada, China agree to trade deal**

China plans to slash tariffs on Canadian canola seed to around 15% from 80%, with Ottawa in return for allowing 49,000 Chinese electric vehicles into its market at a tariff of 6.1%, Canadian Prime Minister Mark Carney said Friday during a visit to Beijing. The agreement marks warming ties between Canada and China amid continued trade tensions with the U.S.

"In terms of the way that our relationship has progressed in recent months with China, it is more predictable [than Canada's relationship with the U.S.]," Carney said on Friday, according to the Wall Street Journal.

## Cordonnier leaves estimates steady

Pro Farmer crop consultant Michael Cordonnier left his Brazilian soybean estimate unchanged at 178 MMT and holds a neutral-to-higher bias. He notes rains have been boosting crop conditions across the country, while harvest advanced to 0.6%, the quickest in Mato Grosso. Cordonnier left his Brazilian corn estimate unchanged at 137 MMT and maintains a neutral bias.

Cordonnier left his Argentine soy production estimate unchanged at 49 MMT and holds a neutral bias. He did note concerns over dryness are picking up in southern and western areas with a downside risk to production possible. He expects production totaling 56 MMT for Argentine corn, again holding concerns over dryness.

## Brazil exports record high in January

Brazilian soybean exports are expected to be record high in January at nearly 4 MMT, according to grains exporting group Anec. Farmers have just begun harvesting their 2026 crop, bringing fresh supply to the market. Some of the January volume is due to rain-delayed shipments from December, says Sergio Mendes, Anec director general.

## Conab trims Brazil soy production

Brazilian crop agency Conab projected record soybean production of 176.12 MMT. That is up 2.7% from a year ago, but is 1 MMT below their projection made in December, as the agency anticipates a modest cut to yield. Conab estimates Brazilian farmers planted 48.67 million hectares, a 2.8% increase from 2024-25. The agency anticipates exports of 111.8 MMT, with the bulk of that total going to China.

Conab anticipates Brazilian corn production will hit 136.46 MMT, with 110.46 MMT of that coming from the safrinha crop.

## IGC raises corn, wheat crop pegs

The International Grains Council raised its forecast for 2025-26 global corn production by 15 MMT to 1.313 billion tons. USDA raised world production a similar amount but is still below IGC at 1.296 billion tons. IGC raised its 2025-26 wheat production forecast 12 MMT to 842 MMT, which matches USDA's figure.

## Indonesia scraps B50 plan

Indonesia has scrapped its plans to pursue its B50 biodiesel plan, which would have mandated a 50% blend rate this year. That would be up from 40% previously. That plan could lead to higher exports of crop-derived oil on the world market.

## Biofuel quotas expected in March

The Trump administration will finalize rules on biofuel blending by early March, reflecting a compromise between farm groups and major oil companies, Reuters reported. Blending quotas would be close to EPA's initial proposal, which included a target of 5.61 billion gallons for bio-based diesel, up from 3.35 billion in 2025. EPA is now considering a range of 5.2 billion to 5.6 billion gallons.

## Trump won't fire Powell

President Donald Trump insists he does not plan to fire Federal Reserve Chair Jerome Powell despite a Justice Department probe into the central bank's renovation.

"I don't have any plan to do that," Trump told Reuters.

Still, the president says he hasn't arrived at a conclusion on whether the probe would give him grounds to oust Powell.

"Right now, we're (in) a little bit of a holding pattern with him, and we're going to determine what to do, but I can't get into it," he says.

## U.S., Greenland deal expected

The U.S. and Greenland will likely reach a beneficial agreement, according to Bill White, U.S. ambassador to Belgium, who underlined Trump's commitment to the North Atlantic Treaty Organization, Bloomberg reports.

"I believe there will be a productive framework between President Trump and the prime minister of Denmark and this will lead to a more secure Greenland," White says.

## U.S. to hold off on rare-earth tariffs

Trump is holding off on new tariffs targeting imports of critical minerals, following a months-long review of whether foreign shipments threatened U.S. national security. Trump will instead negotiate agreements to "ensure the United States has adequate critical mineral supplies and to mitigate the supply chain vulnerabilities as quickly as possible." The president said, "it may be appropriate to impose import restrictions, such as tariffs, if satisfactory agreements are not reached in a timely manner," according to a Bloomberg report.

## Food for Peace program rekindled

The National Association of Wheat Growers cheered an interagency agreement that sees USDA taking over administration of the Food for Peace food aid program. Food for Peace was previously managed by the U.S. Agency for International Development, which was eliminated last year.

"Having USDA manage Food for Peace strengthens the program's stability, ensures continued market opportunities for American-grown crops, and safeguards in-kind food aid for the people around the world who need it the most," said Sam Kieffer, NAWG CEO.



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## Producer price inflation picks up

Producer price inflation in the U.S. rose 0.2% month over month in November, accelerating from a 0.1% increase previously and matching expectations, according to the Bureau of Labor Statistics. Goods jumped 0.9%, the largest monthly gain seen since February 2024, led by increases in energy costs. Year-over-year, Core PPI, which excludes food and energy, was rose 0.2%, slowing from 0.7% increase in October. Year-over-year, PPI rose to 3% from 2.8% and above expectations. Core PPI climbed to 3.5% from 3.4%, above expectations. Producer inflation remains high, likely to reflect higher consumer prices in the future as well as inhibit the Federal Reserve's ability to cut rates in 2026.

## Meanwhile, consumer inflation steady

U.S. inflation remained at 2.7% year over year in December, steady with November and in line with expectations. The Consumer Price Index (CPI) noted prices eased in the energy sector, driven by lower gas prices. Food prices remain persistently high, with strong gains seen in steaks, which were up 3.1% from November. On a monthly basis, CPI edged up 0.3%. Core CPI, which excludes food and energy prices, rose 0.2%, below forecasts of 0.3%. On a year-over-year basis, Core CPI remained steady at 2.6%, the lowest since March 2021.

## Beef prices lead food inflation higher

Food components of the CPI report are receiving attention. Beef and veal prices were up 16.4% year-over-year, while ground beef rose 15.5% and roasts and steaks were each up over 17% from December of last year. While Trump touted the low consumer inflation figures, the continued strength in retail beef prices surely grabbed his attention. A reignition of Trump's efforts to lower U.S. retail beef prices could lead to the southern border opening sooner rather than later.

## U.S. to lift Venezuela sanctions

U.S. Treasury Secretary Scott Bessent told Reuters additional U.S. sanctions on Venezuela could be lifted soon to facilitate crude oil sales, and that he will also meet this week with the heads of the International Monetary Fund and World Bank on their reengagement with Venezuela. Bessent says almost \$5 billion worth of Venezuela's currently frozen IMF special drawing rights monetary assets could be deployed to help rebuild the country's economy.

"We're de-sanctioning the oil that's going to be sold," Bessent said during a visit to a Winnebago Industries engineering facility, Reuters reports.

The U.S. Treasury is examining changes that would facilitate the repatriation of sale proceeds of the oil stored largely on ships back to Venezuela.

## China central bank could cut rates

China's central bank signaled it has room to further reduce interest rates and bank reserve requirements, while stepping up targeted support for the economy with a cut to the cost of its structural lending tools, Bloomberg reports. Deputy Governor Zou Lan says the People's Bank of China sees "some space" to reduce both the reserve requirement ratio and policy rates this year. The central bank will lower interest rates on its structural monetary policy tools by 0.25 percentage points, reducing the one-year rate for various relending facilities to 1.25% from 1.5%, effective Monday.

"The moves signal a commitment to use mostly targeted adjustments to bolster an economy hampered by weak demand and deep-seated imbalances. The PBOC delivered just one 10-basis-point reduction to the policy interest rate in 2025 — far less than the 40 to 60 basis points of easing many had expected," Bloomberg reports.

## China bean imports record high, again

China's soybean imports in 2025 climbed to a record for a third straight year, up 6.5% to 112 million tons, according to China's General Administration of Customs. Soybean crushers leaned heavily on Brazilian bean imports earlier in 2025, before reviving U.S. purchases after the trade agreement struck with the Trump administration last October.

## New tariffs may undermine China, U.S.

Trump's threat to impose 25% tariffs on imports from any country doing business with Iran sparked fears of a renewed trade tiff with Beijing and received some of the blame for Tuesday's weakness in soybean futures.

China is Iran's top trading partner, according to the Observatory of Economic Complexity, an open-source data visualization platform spun out of the Massachusetts Institute of Technology. But Brazil could also find itself in the crosshairs, according to Reuters, which notes government data that showed the country ran a \$2.9 billion trade surplus with Iran last year. Brazilian exports to Iran consisted mainly of corn and soybeans, making up 67.9% and 19.3% of the country's total exports to the nation in 2025.

## China sells more soybean stocks

China is restarting soybean auctions, after a three-week pause, in an apparent attempt to clear storage space as it keeps buying from the U.S. following the trade truce between the two countries, Bloomberg reports. Sinograin put 1.13 million tons of soybeans up for sale and sold all of the offer, compared to only selling a portion of previous tenders. There is a clear demand for soybeans in China, which could lead to additional purchases with the recent drop in price.

# Markets roil after USDA reports. What's next?

By Pro Farmer Editors

Corn futures plunged Monday, after USDA unexpectedly boosted harvested acres and yield, pushing U.S. production above the 17 billion bu. mark and likely setting a negative tone across the grain and oilseed markets for early 2026.

## What happened?

Analysts had almost unanimously looked for USDA to lower its corn yield estimate from 186 bu. an acre in November, with a Reuters survey pegging the average at 184 bu. Instead, USDA raised its average yield to 186.5 bu., raised its harvested acreage estimate by 1.211 million acres to 91.258 million acres, lifting total production to 17.021 billion bu. from a November estimate of 16.752 billion bu. Ending stocks rose to 2.227 billion bu., up from 2.029 billion bu. in the previous estimate.

Harvested acres have risen nearly 4.5 million acres since USDA's July report, which along with yields, helped make for the production shocker.

March soybeans fell 13½¢ to \$10.49, its lowest close since Jan. 2 after USDA left its average yield estimate at 53 bu. an acre, but edged up acres to lift production to 4.262 billion bu. and lifting ending stocks to 350 million bu. from a December estimate of 290 million.

Meanwhile, Monday's reaction was a textbook example of the danger left by traders all moving to the same side of the boat. March corn ended 24¼¢ lower at 4.21½¢, a loss of 5.4% on the day to end at its lowest since August. Bears will be eying the contract low at \$4.10 and a test of sub-\$4 territory can't be ruled out.

While minor compared to corn and soybeans, wheat also received bearish updates in the report resulting in a 6¢ decline in Chicago wheat to \$5.11¼, and a 3½¢ decline in Kansas City wheat to \$5.26¾. With no new production data, changes to the balance sheet were driven entirely by a 4-million-bu. increase in beginning stocks and decreases to the demand side. The biggest cut to demand was a decrease of 20 million bu. in the feed and residual number, but an export estimate steady with last month at 900 million bu. also didn't help as expectations leaned toward the agency increasing the category. One of the few bright spots for the commodity is it has already been trading near the bottom of its established range and would need further shocks to break the long-term support at the \$5 mark.

Cotton was the only major row crop that didn't experience a fully price bearish reaction to the report. Production was cut 350,000 bales nationally, with pullbacks concentrated in the Delta. This was a larger cut than analysts expected, resulting in nearby cotton closing 50 points higher on the day for a close at 64.91¢.

## Moving forward

USDA has certainly thrown a series of curveballs over the course of the past year, it's been difficult for those in the industry to keep their eye on the ball amid muddled sentiments after a late-planting season affected the eastern Corn Belt and excess rains turned many areas with strong production prospects into a disease-riddled crop. And while most producers wouldn't argue that the 2025 crop was something of a record, big acres and big yields are historically atypical.

Nonetheless, the hand has been dealt, and market participants must chew through the data as 2026 production efforts inch closer. Now is the time to take a deep dive into on-farm economics to gain an insight into areas where inefficiencies exist.

Focus on shoring up working capital and liquidity, bearing in mind that back-to-back years of large corn acres could exacerbate the current landscape if input prices remain elevated. This is an opportunity for renegotiation or to release areas that no longer serve your operation.

Lean on basis levels with corn demand at unprecedented levels. Monitor basis at export terminals and processors. A decline in futures is likely to result in a corresponding decline in grain movement, which could entice buyers to offer premiums for volume.

While Monday's report was a shocker, soon it will become old news. Focus on the future and how to best serve your operation.

## What's next?

The next big catalyst is not until the March Prospective Plantings report from USDA. A mild winter in the U.S. has allowed for ample nitrogen applications, one signal that corn acres could stay high in 2026. While principle crop acres continue to trend lower on a long-term basis, competition for acres outside of corn and soybeans remains abysmal, meaning an acreage drop as a catalyst seems unlikely.

## CATTLE

The Trump Administration's recent revamping of the Food Pyramid certainly drives home that demand for protein is here to stay. While tight fed cattle supplies initiated the current bull-market, strong demand should continue to power prices, even as retail prices remain elevated (see *News Page 3*). This may be exacerbated by declining slaughter rates over the coming weeks as packers adjust to plant closings and new adjusted slaughter rates in other plants. Select boxed beef values have recently topped Choice values as demand for hamburger at retail and food-service locations remains indestructible.

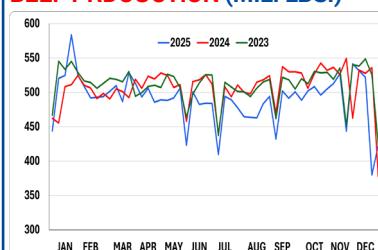
### Position Monitor

Game Plan:			Feds Feeders
Nearby live cattle	I'26	0%	0%
futures are	II'26	0%	0%
	III'26	0%	0%
	IV'26	0%	0%

at a premium to the cash market.

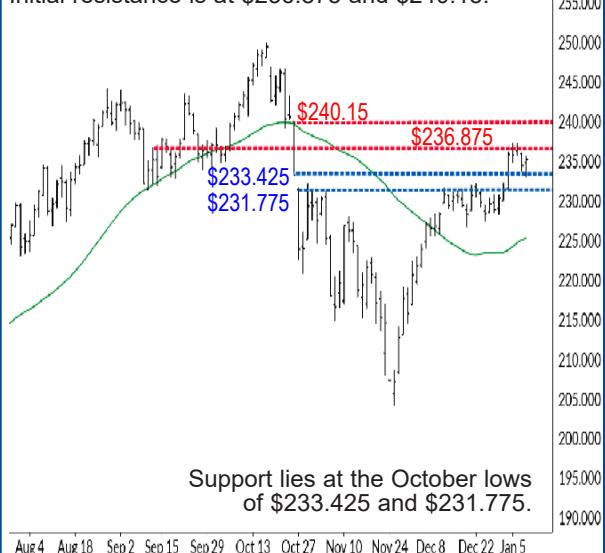
Be prepared to purchase puts for downside protection.

### BEEF PRODUCTION (MIL. LBS.)



### DAILY FEBRUARY LIVE CATTLE

Initial resistance is at \$236.875 and \$240.15.



Support lies at the October lows of \$233.425 and \$231.775.

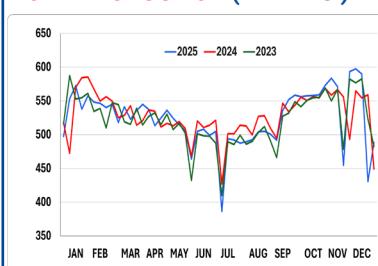
## HOGS

An increase in slaughter, coupled with an extended decline in the cash index and pork cutout value, weighed on futures in early-week trade last week, but a push into technically oversold territory and a still-strong technical posture limited seller interest. A rebound in cutout may be imminent as both processors and retailers shore up ham supplies ahead of the Easter holiday, which falls early this year. As with cattle and beef, lofty consumer demand should continue to support the hog/pork sector, especially as hog supplies and slaughter rates ease toward annual lows in early summer.

### Position Monitor

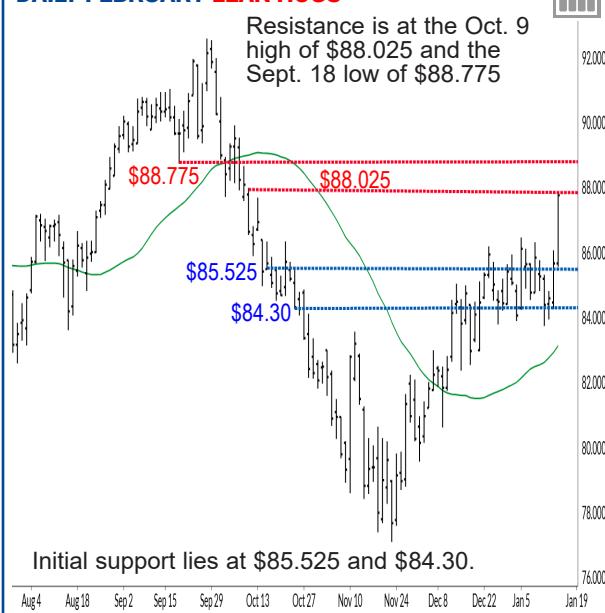
Game Plan:			Lean Hogs
Carry all risk in the cash market. Nearby hog futures re-	I'26	0%	
main a premium to the cash index.	II'26	0%	
Stay patient for now as we assess the next opportunity to hedge.	III'26	0%	
	IV'26	0%	

### PORK PRODUCTION (MIL. LBS.)



### DAILY FEBRUARY LEAN HOGS

Resistance is at the Oct. 9 high of \$88.025 and the Sept. 18 low of \$88.775



Initial support lies at \$85.525 and \$84.30.

## FEED

### Feed Monitor

Corn	Game Plan:
I'26	66%
II'26	0%
III'26	0%
IV'26	0%

**Corn Game Plan:** Your corn-for-feed needs should be covered through February. Be prepared to make additional purchases.

### Meal

Meal	Game Plan:
I'26	100%
II'26	0%
III'26	0%
IV'26	0%

**Meal Game Plan:** Your meal needs should be covered through the end of March. Be prepared to make additional purchases on an extended pullback.

### DAILY MARCH SOYBEAN MEAL

Look for resistance at \$294.70, then at \$299.60.



Initial support lies at \$288.40, then \$299.60.

## Position Monitor

### '25 crop '26 crop

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

**Game Plan:** We advised hedging 10% of 2026 production at \$4.50 or better basis December futures on Jan. 14. You should be 25% sold for the 2025 crop in the cash market. Additional sales for both crops will continue to be closely assessed. Our goal is to establish a floor with upside potential using a combination of options and futures hedges for new crop flexibility.

## DAILY MAY CORN

Initial resistance stems from the August highs of \$4.31 3/4 and \$4.37 1/4.



## DAILY MARCH CORN



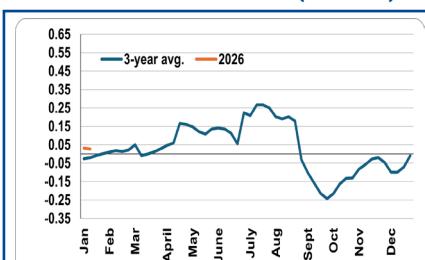
Resistance is at \$4.24 1/2 and \$4.32 1/4.



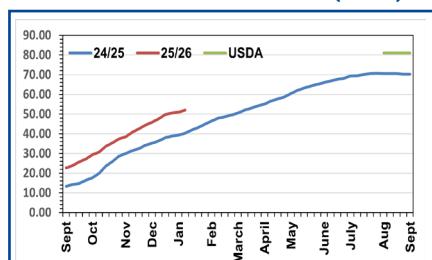
## CORN

USDA's production peg, which included both record harvested acres of 91.3 million acres and a record yield of 186.5 bu. per acre, resulted in the largest daily decline since June 20, 2023, to kick off last week. Futures were able to stabilize in the days following, though a downtrodden tone is undeniable as producers look toward the 2026-27 crop year, which could present another year of hefty corn acres. A strong rally in crude oil was able to lend some support, but those prospects faded as the week progressed. Demand continues to be the bright spot, as export business sits at unprecedented levels along with domestic ethanol production. Focus is starting to shift toward Brazil's safrinha plantings.

### 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 highs of \$5.20 1/4 and \$5.28 1/2.



## WHEAT

**SRW** – Larger-than-expected Dec. 1 stocks and winter wheat seedings figures doused early-week strength, though seller interest remained limited. Recent consolidation indicates a larger move could be on the horizon, though hefty global supplies are likely to cap potential for a rally.

## Position Monitor

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

**Game Plan:** We advised selling 10% of the 2026 crop on Jan. 14 at \$10.60 or better basis November futures. You should be 30% sold in the cash market for the 2025 crop. Sales for both the 2025 and 2026 crops will continue to be assessed. Be prepared for guidance on an option strategy to establish floors for new crop production.

## DAILY MARCH SOYBEANS

Resistance stands at the May highs of \$10.57 1/2 and \$10.73 3/4.



## DAILY MAY SOYBEANS

Resistance stems from the June highs of \$10.68 1/2 and \$10.84 1/2.



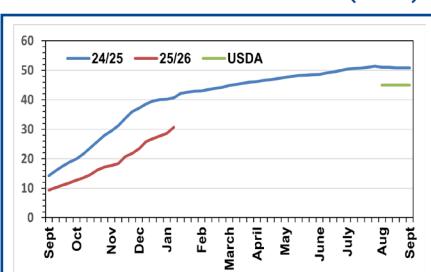
## SOYBEANS

A 20¢ selloff was the product of USDA's early-week data deluge, though old- and new-crop futures held together rather well given the breadth of the bearishness and a consistent undertone of geopolitical uncertainty. Nonetheless, China continued to purchase U.S. soybeans, advancing closer to the agreed-upon 12 MMT figure. A boost stemmed from a somewhat surprising surge in soyoil following reports that the Trump administration plans to finalize 2026 biofuel blending quotas by early March, albeit at decreased levels, and plans to drop arrangements that penalize imports of renewable fuels and renewable fuel feedstocks after 2026. Stay vigilant as technical and geopolitical woes loom.

### AVERAGE SOYBEAN BASIS (MARCH)



### SOYBEAN EXPORT BOOKINGS (MMT)



## DAILY MARCH HRW WHEAT

Resistance is at \$5.27 3/4.



## DAILY MARCH HRS WHEAT

Resistance is at \$5.70.



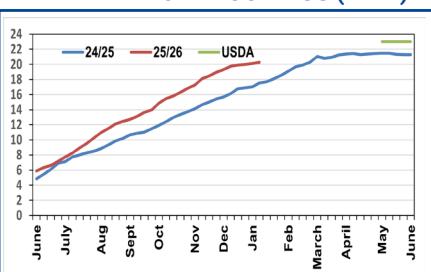
**HRW** – A cold snap over portions of U.S. HRW country this week could spur some additional short-covering. However, temps are expected to stay above the damage threshold or be preceded with light snow. Moreover, the cold temps will also be ideal in improving winter hardiness after recent warm weather, according to World Weather Inc.

**HRS** – Technical selling pushed nearby futures to a more than five-year low last week, though light short-covering efforts immediately ensued. Nonetheless, heavy technical resistance will continue to curb buyer interest, with low prices a likely deterrent for producers to plant as the spring season inches closer.

### AVERAGE WHEAT BASIS (MARCH)



### WHEAT EXPORT BOOKINGS (MMT)



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 2025 crop sold in the cash market. We are currently viewing 67.00¢ basis March futures as the next target.

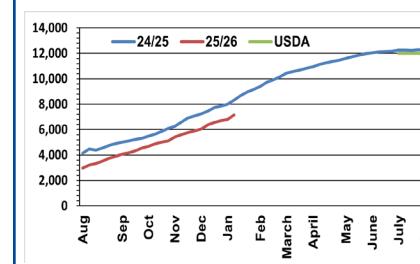
## COTTON

USDA trimmed its cotton production estimate last week amid a 63-lb. yield cut, which resulted in a 300,000-bale cut to ending stocks. The price reaction was mostly muted, though the technical posture indicates futures are likely to grind higher in the near-term.

### AVERAGE COTTON BASIS (MARCH)



### COTTON EXPORT BOOKINGS ('000 BALES)



## GENERAL OUTLOOK

**ENERGY:** Nymex crude oil futures prices rallied last week and hit a 2.5-month high above \$62 a barrel amid heightened geopolitical tensions—namely the U.S. threatening military strikes against Iran as the Iranian government was killing its protesting citizens.

Oil prices backed down late last week after President Trump said the Iranian government had assured

him the killing would stop. However, that situation is likely to remain fluid for the near term.

In the coming weeks it appears crude oil traders will try to balance the price-bearish fundamental of a global supply glut against the potentially price-bullish element of Middle East turmoil disrupting the shipments of crude out of the region.

## FROM THE BULLPEN By Market Analyst Hillari Mason

Last week, USDA updated the season average weighted prices for corn, soybeans, wheat and cotton in its monthly supply and demand drop. These figures are oftentimes overlooked when analysts probe through the data, though it's a crucial piece in ARC and PLC calculations. These programs are likely to prove beneficial for many operations given the current economic landscape as changes to the effective reference price in President Trump's One Big Beautiful Bill make the program more favorable to producers compared to recent years.

These programs have been known to stir confusion, and USDA's 10¢ per bushel increase to its weighted-average corn price (\$4.10) may have compounded

those sentiments as the government simultaneously confirmed the country's largest ever corn crop. The bump came as the soybean price was lowered by 30¢ to \$10.20 and wheat 10¢ to \$4.90. The cotton price rose one cent to 61.00¢.

This is important as increased prices could result in lower ARC/PLC payments to producers for the 2025-26 crop, though the marketing year average will be most crucial.

In looking forward to the 2026-27 crop, we would take caution in considering a potential ARC/PLC payout in conjunction with grain marketing efforts. Potential payments and the price discovery period are well over a year out.

### DAILY MARCH COTTON



### DAILY MARCH CRUDE OIL FUTURES



## WATCH LIST

1	<b>Martin Luther King, Jr. Day</b> Mkts, gov't offices closed.	MON. 1/19
2	<b>Weekly Ethanol Production</b> Will record production continue?	WED 1/21 9:30 a.m. CT
3	<b>Weekly Export Sales Report</b> Soybean sales a focus.	FRI. 1/23 7:30 a.m. CT
4	<b>USDA Cattle on Feed Report</b> Placements will be key.	FRI 1/23 2:00 p.m. CT
5	<b>USDA Cold Storage Report</b> Meat stocks at the end of Dec.	FRI 1/23 2:00 p.m. CT

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