

**News this week...****2** – Argentine corn crop gets a bump.**3** – U.S. meddling in South American affairs.**4** – Keys to watch for in the Jan. 12 reports from USDA.

**Price rebounds across grains** – Following a lackluster start to the year in volume depressed trade on Jan. 2, the grain and oilseed markets saw an impressive rebound in the first full trading week of the year. March corn futures led strength early in the week before facing profit-taking at key technical resistance. Soybeans picked up the slack in the latter portion of the week but also encountered stiff technical headwinds. Each see big catalysts this week with USDA publishing a highly anticipated production estimate along with Dec. 1 stocks and a WASDE report. Wheat will see updated acres along with a fresh balance sheet, but trade will likely be dictated by corn. Wheat futures followed corn and beans higher last week and saw an impressive bounce from contract lows. Live cattle and feeder cattle futures saw consolidation as traders await confirmation of higher trade in the cash market. Lean hog futures struggled to maintain the ongoing technical rally as the CME lean hog index looks to post a late seasonal bottom.

**No SCOTUS ruling on Trump tariffs**

Market participants were looking for a SCOTUS ruling on Trump's tariffs Friday, though the Supreme Court said it would not issue a tariff ruling quite yet. There is speculation if the Supreme Court rules Trump did not have the authority to establish sweeping tariffs, those funds collected over the past year would have to be refunded. The logistics of that would be difficult and that might not be a feasible solution. Meanwhile, the administration has noted there are other ways to establish tariffs if SCOTUS finds Trump's use of the International Emergency Economic Powers Act (IEPPA) unconstitutional.

**Another down year for the dollar?**

The greenback has kicked off the year with a firmer tone after the ICE U.S. Dollar Index, a gauge of its value against six major rivals, fell 9.4% in 2025, but history indicates there's a good chance the trend in 2026 will remain to the downside. A weaker dollar is generally favorable for ag and other U.S. exports. Strategists at BofA Global Research found that big annual declines often come in pairs. Looking at the five years that most closely resembled 2025, they noted that in four cases the dollar slid again the next year. The average next-year performance for the dollar in those five cases was a drop of 8%.

**More signs of crude oil glut**

The Middle Eastern crude oil market is showing more signs of weakness amid concerns of a global glut that could drag prices lower. The discount of the regional Dubai benchmark to Brent crude oil futures was at the widest since August on Monday, Bloomberg reported, suggesting ample supplies. The global oil market has been dominated by concerns worldwide supplies have been running ahead of demand after OPEC+ producers and other drillers ramped up output. Against that backdrop, Brent futures, the leading oil benchmark, sank by 18% last year to cap the worst annual showing since 2020. Meanwhile, investors betting on growth in Venezuela oil output after the U.S. ousted its dictator will need deep pockets and patience, as aging infrastructure will require billions of dollars in spending."

**"Low hire, low fire" labor market**

The U.S. economy added 50,000 jobs in December, with the unemployment rate falling to 4.4%, the Labor Department reported Friday in the first on-time report since last fall's government shutdown. Non-farm payrolls came in below expectations for a rise of 73,000, while the jobless rate came in below a forecast for a reading of 4.5%. It caps a busy data week that painted a picture of a labor market that's cooling but not tanking. Data on Thursday showed first-time jobless claims rose from the previous week but came in below expectations, while the November Job Openings and Labor Turnover Survey on Wednesday showed labor demand continued to weaken. Wall Street analysts have widely described a situation in which employers are reluctant to hire or to let workers go — a "low hire, low fire" environment.

**Iran civil unrest could bring in U.S.**

Iran's supreme leader signaled Friday that security forces would crack down on protesters after they screamed from windows and marched through the streets overnight, directly challenging Trump's pledge to support those peacefully demonstrating. Supreme Leader Ayatollah Ali Khamenei dismissed Trump as having hands "stained with the blood of Iranians" as supporters shouted "Death to America!" in footage aired by Iranian state television, the Associated Press reported. Protesters are "ruining their own streets to make the president of another country happy," Khamenei said, referring to Trump.

**Attacks on Venezuela slowing**

Trump said a second wave of attacks on Venezuela has been canceled, citing improved cooperation from the country, Bloomberg reported. Venezuela is "working well" with the U.S. on rebuilding its oil and gas infrastructure and releasing "large numbers" of political prisoners, Trump wrote in a social-media post. Trump is meeting with U.S. oil executives as his administration pushes them to rebuild Venezuela's energy sector. The U.S. military activity in the region might not be over, though.

## Increased Argentine corn estimate

Crop consultant Dr. Michael Cordonnier increased his Argentine corn estimate 2 MMT to 56 MMT with a neutral-to-higher bias. Though rains were limited, acres came in higher than expected, leading to the increased forecast. He remains cautious due to dryness and stress increasing in central and southern areas, but adds if the weather improves, his estimate will increase as well. Cordonnier left his Argentine soy estimated unchanged at 49 MMT with a neutral-to-higher bias.

Cordonnier left his Brazilian soybean estimate unchanged at 178 MMT and holds a neutral-to-higher bias. Weather continues to be supportive for Brazilian beans and he notes his estimate will increase if that persists. Rain has improved soil moisture in northern areas, though southern portions of the country remain dry. Cordonnier left his Brazilian corn estimate unchanged at 137 MMT and maintains a neutral bias. Early corn is approaching maturity and some early safrinha plantings have begun in parts of Mato Grosso and Parana.

## Brazil soy sales to China could fall

Brazilian traders are expected to ship 77 MMT of soybeans to China in 2026, down 10 MMT from 2025's total, according to Sergio Mendes, head of grain exporter group Anec, quoted in a report by Reuters. U.S. sales are expected to dampen Chinese demand for the South American crop. Brazilian exports are still seen at a record in 2026 as Anec forecasts total shipments of 112 MMT, up from 109 MMT in 2025.

## Amazon deforestation pact ended

A lobbying group representing Brazilian grain trading and crushing firms told authorities in the state of Mato Grosso that it, and several of its members, are quitting a nearly 20-year old agreement that protected the Amazon basin from deforestation by soy farming, Reuters reported. The moratorium had barred signatories from buying soybeans grown on farms on Amazonian land deforested after July 2008.

## French farmers protest SA trade deal

French farmers drove dozens of tractors to the Eiffel Tower and other Parisian landmarks to pressure the government not to support a European Union free trade deal with South American nations. Farming unions say the deal would expose them to unfair competition, and pledges by French Agriculture Minister Annie Genevard to secure a blocking minority have failed to placate farmers. The deal could be signed as early as next week if agreed.

## Brazil tops U.S. on beef production

Brazil surpassed the U.S. as the world's top beef producer amid a shrinking U.S. cattle herd and growing Brazilian herd. Brazil was already the world's largest beef exporter and high export demand has spurred additional animals going to slaughter, pushing beef production higher. Productivity gains are expected to hold strong as Brazil becomes more efficient in growing cattle. The average age of slaughtered cattle has gone from 5 years old to 3 years old in the past decade. That is expected to fall to 24 months soon, according to Vinicius Barbosa, a commercial manager at the CMA feedlot in Barretos, a municipality in Sao Paulo, Brazil.

## U.S. trade deficit shrinks

Bureau of Economic Analysis data showed the October trade deficit narrowed to \$29.4 billion, the smallest deficit reading since 2009 and well below September at a \$48.1 billion deficit. Imports declined 3.2% to a 21-month low of \$331.4 billion, largely attributed to tariffs on goods. Meanwhile, exports rose 2.6% to a record \$302 billion, led by gold and other precious metals.

## New head USDA economist

U.S. Secretary of Agriculture Brooke Rollins announced the appointment of Justin Benavidez as USDA chief economist. He succeeds Seth Meyer, who served since 2021 overseeing USDA's economic forecasting and analysis, including the World Agricultural Outlook Board and the widely followed World Agricultural Supply and Demand Estimates (WASDE) report. Meyer is now director of the University of Missouri's Food and Agricultural Policy Research Institute.

## Ag Economy Barometer falls

Farmer sentiment weakened slightly in December, with the Purdue University CME Group Ag Economy Barometer Index falling three points to a reading of 136. The weakness was due to a modest decline in producers' long-term outlook, with the Future Expectations Index falling four points to 140. Meanwhile, the Current Conditions Index, at 128, was unchanged from November. Angst about prospects for U.S. soybean exports amid increasing competition from Brazil contributed to a slightly weaker outlook for the future.

## China wheat, rapeseed crops good

Prospects for China's winter wheat and rapeseed crops remain favorable in much of the country despite a lack of precipitation in parts of the North China Plain, said World Weather Inc. Main production areas have ample moisture to support relatively good development once temperatures warm this spring.



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# U.S. capture of Maduro triggers geopolitical shockwaves

The U.S. capture of Venezuelan President Nicolas Maduro on Jan. 3 triggered a seismic geopolitical shift.

**Legal and political developments:** Following his extraction by the U.S. military, Maduro pleaded “not guilty” to narco-terrorism and trafficking charges in a New York court. In Caracas, Vice President Delcy Rodriguez, a longtime Maduro ally, was sworn in as interim president. U.S. President Donald Trump has said the U.S. will effectively “run” Venezuela through its transition. International reaction was mixed. European leaders offered a non-committal response. Several Latin American leaders condemned the move, though Argentina President Javier Milei posted on social media that “freedom moves forward.” Russia, China and Iran condemned the operation as a violation of international law.

**Energy markets:** The U.S. has announced plans to secure Venezuela’s oil, including the transfer of up to 50 million barrels of sanctioned crude. Energy Secretary Chris Wright said the U.S. will control the country’s oil exports indefinitely. The U.S. Navy is maintaining a blockade, effectively rerouting tankers away from China. Oil futures are lower for the week. U.S. energy stocks have rallied.

**What’s next:** Caracas remains tense, and the potential for civil war, which could require U.S. military intervention, can’t be ruled out, noted Viktor Shvets, head of global desk strategy at Macquarie Capital.

“Getting rid of Maduro is good, but as Colin Powell once said: ‘If you break it, you fix it.’ The U.S. needs a plan for a sustained economic and military involvement,” Shvets wrote.

## Ethanol blend rate tops 11%

Ethanol accounted for 11.06% of the nation’s gasoline in October, marking the first time the monthly ethanol blend rate has exceeded 11%, the Renewable Fuels Association said, citing data from the U.S. Energy Information Administration. The RFA says the record-high blend rate reflects the growing use of E15 and flex fuels. The trade group also took aim at the notion of a “blend wall” to prevent ethanol from making up more than 10% of the gasoline pool.

## Renewed push for E15

More than 70 biofuel and agricultural organizations are calling for the passage of legislation to allow year-round nationwide sales of U.S.-made E15 fuel blend.

“The U.S. Department of Agriculture projects a record 16.8-billion-bu. corn harvest in 2025 – up roughly 13% from 2024,” the groups wrote. “While this demonstrates the strength and productivity of America’s farmers, it also intensifies pressure on corn prices and farm incomes. Expanding E15 access is one of the most immediate and practical ways to address this imbalance.”

The letter was led by the Renewable Fuels Association, American Farm Bureau Federation, Growth Energy, and the National Corn Growers Association.

DOANE Market Watch®	ACTUAL			DOANE FORECASTS*		
	Year Ago	Last Week	This Week	Feb.	Mar.	Apr-Jun
<b>CORN</b>						
Central Ill., bu.	4.33	4.15	4.22	4.35	4.40	4.50
Omaha, Neb., bu.	4.51	4.28	4.33	4.50	4.60	4.70
Dried Distillers Grain, IA, \$/ton	144.65	—	—			
<b>SOYBEANS</b>						
Central Illinois, bu.	9.67	10.22	10.21	10.75	11.00	11.50
Memphis, Ten., bu.	10.27	10.77	10.99	11.00	11.25	11.75
Soymeal, 48% Decatur, ton	328.90	—	—	325	325	325
<b>WHEAT</b>						
Kansas City, HRW, bu.	5.58	4.95	5.11	5.20	5.30	5.40
Minneapolis, 14% DNS, bu.	7.90	7.37	7.71	7.50	7.60	7.65
St. Louis, SRW, bu.	5.58	5.01	5.13	5.10	5.20	5.35
Portland, Soft White, bu.	6.05	5.90	5.91	6.00	6.10	6.20
Durum, Neb., MT HAD, 13%, bu.	6.25	5.59	5.59	5.50	5.60	5.70
<b>SORGHUM</b> , Kansas City, cwt						
COTTON, 11/16 SLM, 7 areas, ¢/lb.	64.37	60.56	61.14	62.00	64.00	65.00
<b>RICE</b> , nearby futures, cwt						
CANOLA, Enderlin, N.D., cwt	0.00	20.06	20.02	20.00	20.50	21.00
OATS, Minneapolis No. 2 heavy, bu.	4.16	3.70	3.70	3.80	3.85	3.90
ALFALFA, NW Iowa, lg. sq. prem., ton	0.00	140.00	140.00	135	140	140
SUNFLOWERS, Fargo, N.D., cwt	21.00	22.10	22.70	22.00	22.50	22.50
HOGS, Nat'l basecost 51%-52% cwt	79.77	69.40	—	80.00	90.00	105.00
FEEDER PIGS, 40 lb., Nat. avg, head	95.33	93.07	96.08	110.00	105.00	100.00
CHOICE STEERS, feedlots, cwt	198.93	229.33	231.68	240.00	245.00	250.00
<b>FEEDER CATTLE</b> , Oklahoma City						
Steers, 700 lb. to 800 lb., cwt	—	358.41	—	370.00	375.00	385.00
Steers, 500 lb. to 550 lb., cwt	—	470.81	—	450.00	475.00	450.00
Heifers, 450 lb. to 500 lb., cwt	—	436.02	—	440.00	450.00	450.00
<b>COWS</b> , utility, Sioux Falls, S.D., cwt						
MILK, Class III, CME spot month, cwt	20.90	15.22	15.08	16.00	15.50	16.00
LAMBS, Slg., San Angelo, Texas, cwt	—	340.00	340.00	325.00	325.00	325.00
<b>ENERGY</b>						
Ethanol, IA, gallon	1.49	1.66	1.66	—	—	—
Farm diesel, U.S., gallon	2.91	2.94	2.91	2.65	2.70	2.75

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

# Key things to watch in USDA's Jan. 12 Reports

By Economists Lane Akre and Spencer Langford

Monday, Jan. 12, hosts one of the biggest report days of the year, providing an update on USDA's production figures for 2025 and a look at how demand held up in the first quarter of the marketing year.

## Objective yield data could be difference maker

The record long government shutdown led to a delay in getting worthwhile objective yield data in the USDA production figures. That means actual test weights were likely not included to the usual degree in the November production estimate, which saw USDA peg the corn yield at 186 bu. per acre despite lower population and ear counts found in plots. We anticipate a 3.3 bu. per acre cut to yield and maintain our Crop Tour estimate of 182.7 bu. per acre.

Soybean pod weights were seen as rather light given a record amount of pods. We maintain our Crop Tour yield of 53 bu. per acre, which USDA matched in November.

## Analysts don't see much change in corn, soy

A Bloomberg survey found analysts, on average, expect the corn yield to fall 2 bu. to 184 bu. per acre, while soy yields are seen falling to 52.7 bu., a negligible cut. That cut to corn production would not be enough to make a difference in the balance sheet as those bushels would likely fall off demand. While corn demand has run at a record pace over the past several months, USDA's demand estimates are still too lofty. If the corn yield estimate falls near 180 bu. per acre (near the 2024 final yield), that would quickly shift the market dynamic from a supply market to a higher-priced demand market.

One key to watch in this report will be how feed and residual use held up in the first quarter of the marketing year. Historically, around 40% of the annual feed and residual use happens between September and November, so the implied figure in Monday's reports will give a good indication of how the annual estimate holds up.

The soybean balance sheet has far less margin due to the light acres planted in 2025. Most soy use is known between exports and crush, and residual use typically does not make much difference in the balance sheet. If there is a cut to the soybean yield, which seems unlikely given how the cash market has traded, it could quickly ignite a rally, but we are inclined to think a soybean surprise is unlikely on Monday.

## Wheat price action likely to be lead by corn

Wheat stocks will also receive an update but will likely take a backseat to the corn and soybean estimates. The average analyst expects stocks to come in at 1,637 million bu., above last year's report of 1,573 million. Strong wheat production has weighed heavily on the supply side, and while exports have been at a five-year high it will be a tall task for them to push wheat stocks to more price-bullish levels. More time is required to work through the surplus of wheat not only in the U.S., but also globally.

Wheat seedings for the upcoming crop year will be updated in a separate USDA report on Monday. Analysts see winter wheat acres declining, with the average estimate at 32.4 million acres. Large global and domestic supplies have resulted in minimal price opportunities for producers to hedge a profit, thus disincentivizing planted acres.

CORN SUPPLY/DEMAND					SOYBEAN SUPPLY/DEMAND				
	2024-25	USDA 2025-26	PF 2025-26	ANALYSTS AVERAGE 2025-26		2024-25	USDA 2025-26	PF 2025-26	ANALYSTS AVERAGE 2025-26
Planted	90.9	98.7	98.7	98.7	Planted	87.3	81.1	81.1	81.1
Harvested	83.0	90.0	90.0	90.0	Harvested	86.2	80.3	80.3	80.3
Yield	179.3	186.0	182.7	184.0	Yield	50.7	53.0	53.0	52.7
Carry-in	1,763	1,533	1,533	1,533	Carry-in	342	316	316	316
Production	14,892	16,752	16,450	16,554	Production	4374	4253	4255	4233
<b>Total supply</b>	<b>16,675</b>	<b>18,310</b>	<b>17,995</b>	<b>18,111</b>	<b>Total supply</b>	<b>4746</b>	<b>4590</b>	<b>4592</b>	<b>4569</b>
Feed & Residual	5,492	6,100	6,000	6,025	Crushings	2445	2555	2580	2555
FSI	6,821	6,980	6,945	6,950	Exports	1882	1635	1650	1610
Corn for Ethanol	5,436	5,600	5,550	5,550	Seed	70	73	75	73
Domestic Use	12,313	13,080	12,945	12,975	Residual	32	37	37	36
Exports	2,830	3,200	3,100	3,150	<b>Total use</b>	<b>4429</b>	<b>4300</b>	<b>4342</b>	<b>4274</b>
<b>Total use</b>	<b>15,143</b>	<b>16,280</b>	<b>16,045</b>	<b>16,125</b>	<b>Ending stocks</b>	<b>316</b>	<b>290</b>	<b>250</b>	<b>295</b>
Ending stocks	1,533	2,029	1,950	1,986	Stocks-use	7.5%	6.7%	5.8%	6.9%
Stocks-use	10.1%	12.5%	12.2%	12.3%					

News alert and analysis exclusively for Members of **Professional Farmers of America**® 7103 Chancellor Dr. Ste. 200 Cedar Falls, Iowa 50613-9985  
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Farm Journal CEO, Prescott Shibles

## CATTLE

While cash cattle trade has notched a series of gains in recent weeks, packer margins have suffered as boxed beef values have dwindled, despite still-strong retail demand following back-to-back weeks of holiday-shortened slaughter. Consolidation in the processing sector will be activated this month as packers adjust to snug fed cattle supplies. While efficiencies will increase with the closure of a Tyson plant and downsizing of another, it will undoubtedly have a ripple effect on feedlots and feedyards in those areas. Brazil was crowned the world's top beef producer last year, which could open the door for U.S. imports.

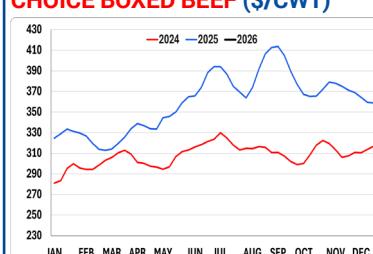
### Position Monitor

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

at a premium to the cash market.

Be prepared to purchase puts for downside protection.

### CHOICE BOXED BEEF (\$/CWT)



### 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

The first full week of the 2026 trading year shot off with a bang in lean hog futures, which charged to a 12-week high and a more than \$9-gain from the Nov. 21 low. While impressive, the move failed to fill the mid-October gap on the daily chart. The futures premium to cash provides an undoubtedly bullish undertone, though the recent slide in the lean hog index has tempered momentum allowing bulls to recharge as they eye the Sept. 26 high. Cutout has faced volatility of late, driven by large swings in primal bellies, though consumer demand is strong, which underscores the February futures premium.

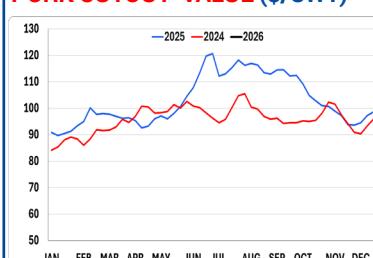
### Position Monitor

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

hold a premium to the cash index.

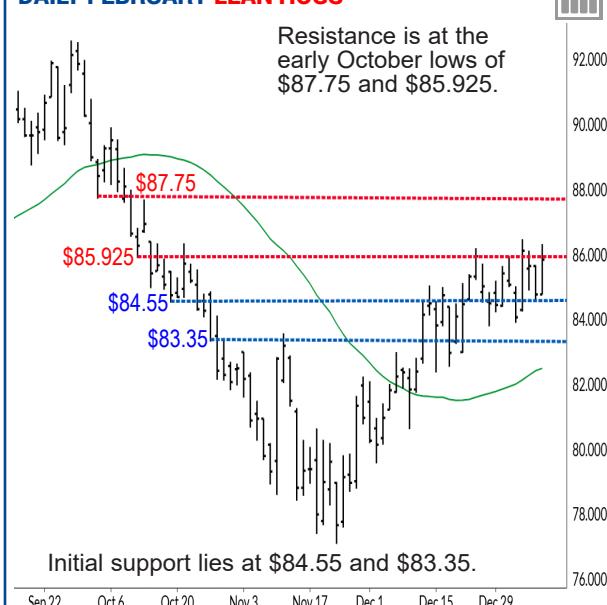
Stay patient for now as we assess the next opportunity to hedge.

### PORK CUTOUT VALUE (\$/CWT)



### DAILY FEBRUARY LEAN HOGS

Resistance is at the early October lows of \$87.75 and \$85.925.



Initial support lies at \$84.55 and \$83.35.

## FEED

### Feed Monitor

Corn	
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.

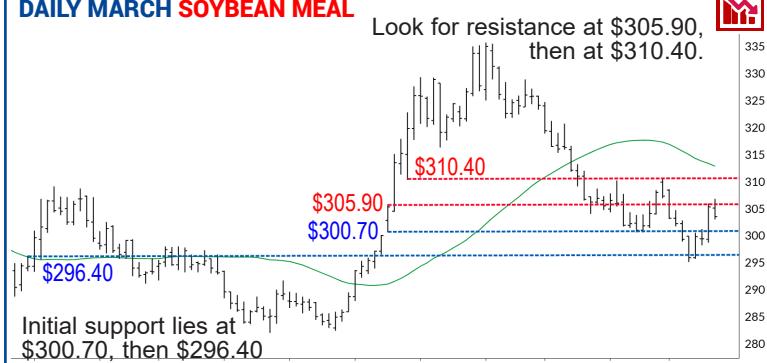
### Meal

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

**Meal Game Plan:** On Jan. 7 we advised covering meal needs through the end of the first quarter. Be prepared to make additional purchases on an extended pullback.

### DAILY MARCH SOYBEAN MEAL

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



Initial support lies at \$300.70, then \$296.40.

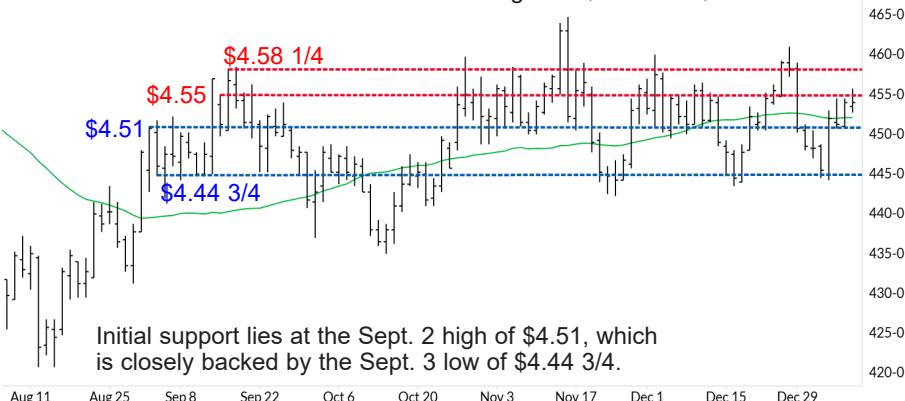
## Position Monitor

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

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

## DAILY MAY CORN

Initial resistance stems from the mid-September highs of \$4.55 and \$4.58 1/4.



## DAILY MARCH CORN

Resistance is at \$4.47 1/4 and \$4.57 1/4.

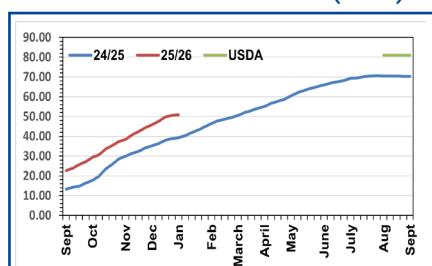
## CORN

March corn futures moved back above the 200-day moving average last week, with a push from fresh geopolitical tensions (see From the Bullpen on Analysis page 4). However, gains were muted as traders looked toward USDA's Jan. 12 release of its final Production Report and updated balance sheets. The marketplace is seemingly prepared for minimal changes from USDA, though a curveball can't be ruled out, especially after the month-long government closure. However, while a national yield cut may seem bullish on the surface, keep a close eye on the demand side of the balance sheet (See News Page 4). Once the data is mulled over, trade focus will return to South America and fresh geopolitical developments.

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



## WHEAT

**SRW** — USDA will release winter wheat seeding data on Jan. 12, which is likely to show a decline in acreage as dismal prices have failed to ignite much optimism around wheat plantings in 2026. However, given a glut of U.S. and global supplies, we believe a reaction to such could be muted.

## Position Monitor

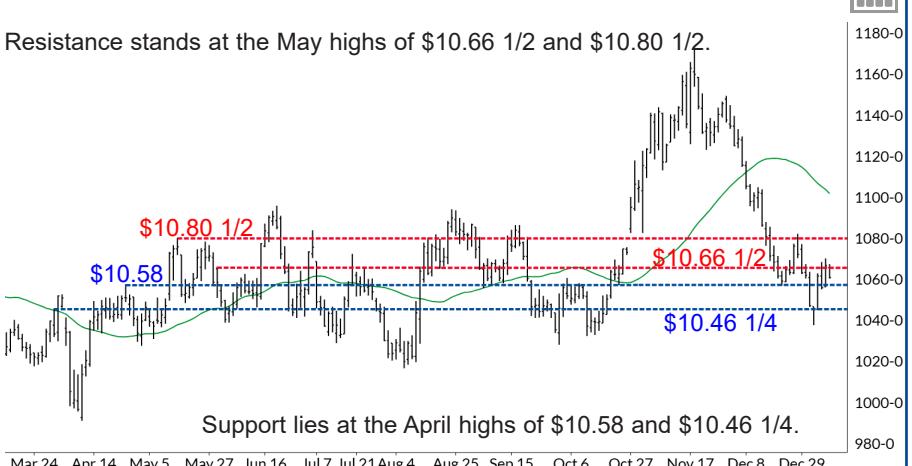
### '25 crop '26 crop

Cash-only:	30%	0%
Hedgers (cash sales):	30%	0%
Futures/Options	0%	0%

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

## DAILY MARCH SOYBEANS

Resistance stands at the May highs of \$10.66 1/2 and \$10.80 1/2.



## DAILY MAY SOYBEANS

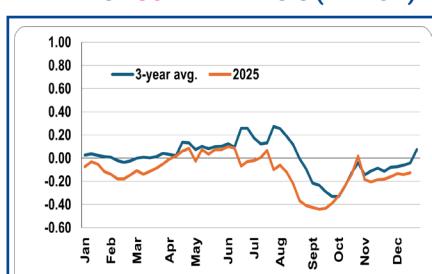
Resistance stems from the June highs of \$10.78 1/4 and \$10.88.



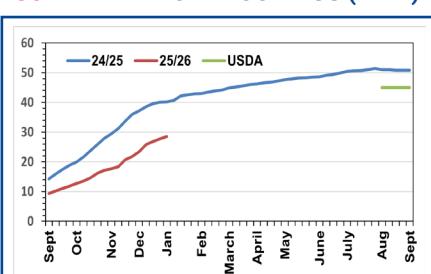
## SOYBEANS

While the first trading day of the year found soybean futures testing harvest lows, an air of resilience surfaced that allowed the session to end near the daily high. That tone carried into early last week, which started with a bang after additional geopolitical uneasiness entered the spectrum. Each year certainly presents challenges and opportunities, and 2026 will be no exception. Market participants remain on edge as China continues to purchase U.S. soybeans while Brazilian producers begin to harvest what appears to be a monstrous crop. USDA will release its final Production Report this week (see News page 4), and while we aren't expecting many surprises, direction could stem from an outside source.

### AVERAGE SOYBEAN BASIS (MARCH)

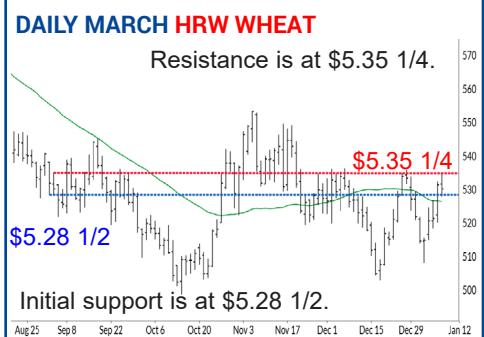


### SOYBEAN EXPORT BOOKINGS (MMT)



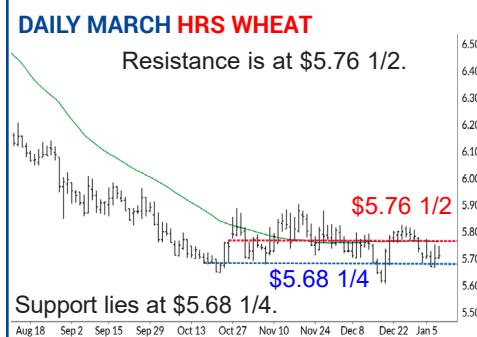
## DAILY MARCH HRW WHEAT

Resistance is at \$5.35 1/4.



## DAILY MARCH HRS WHEAT

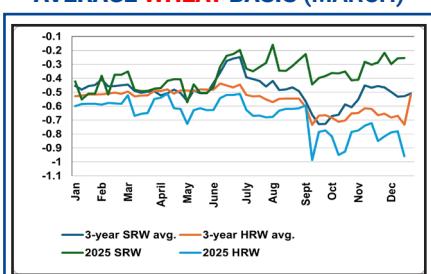
Resistance is at \$5.76 1/2.



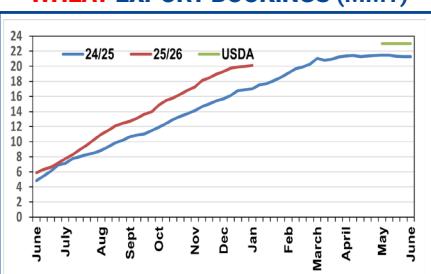
**HRW** – Warmth and a lack of moisture in western growing areas of the U.S. have caused concern. Some rain and cooling arrived last week, though a warm up is expected to negate those effects and potentially induce crop development at a time when dormancy and snow cover are key. A decline in acreage could make for more volatile trade in 2026.

**HRS** – March futures have persistently held within the three-month trading range. While a move outside of the 30¢ window seems unlikely, the months-long pattern of consolidation is a sign something more robust is on the horizon. While the downside seems limited, technical resistance and outside market forces could result in fresh near-term lows.

### 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:** On Jan. 7 we advised selling 5% of the 2025 crop in the cash market. We are currently viewing 67.00¢ basis March futures as the next target.

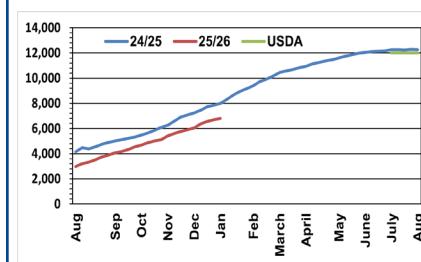
## COTTON

A breakout of the recent range to an eight-week high extended optimism around the natural fiber following improved demand. Meanwhile, USDA's January Production Report on Jan. 12 could stir some excitement in the event of a larger-than-expected cut.

### AVERAGE COTTON BASIS (MARCH)



### COTTON EXPORT BOOKINGS ('000 BALES)



### DAILY MARCH COTTON



## GENERAL OUTLOOK

**EQUITIES:** It was surprising to more than a few market watchers to see the global stock and financial markets exhibit muted reactions to the U.S. raid in Venezuela that captured its dictator.

It can be argued the raid was the biggest geopolitical event in months and has several longer-term implications for markets.

The lack of risk aversion in the general marketplace last week is a reminder

markets adapt quickly to changing fundamentals. It seems traders and investors are expecting a more active geopolitical scene in the coming months, likely led by a more aggressive U.S. national security policy.

The takeaway for ag-market watchers is that any new geopolitical instability might not be as price-bearish as had been the case in years past barring any clear-cut threats to supply or demand.

## FROM THE BULLPEN **By Editor Bill Watts**

Last weekend saw the U.S. ouster and capture of Venezuelan President Nicolas Maduro and his wife, who now face narco-trafficking charges. When markets opened, traders and investors took the news in stride. While the price of gold, perhaps the most traditional safe haven on the planet, jumped, there was no sign of widespread panic or flight to quality. Instead, stocks rallied and grain markets went along for the ride, boosted by a rise in risk appetite.

Another bombshell came on Tuesday night when Trump, in a social media post, said Venezuela had agreed to export 30 to 50 million barrels of crude, worth up to \$2.8 billion, to the U.S. On Wednesday, Energy Secretary Chris Wright said the plan is for the U.S. to control future sales

of sanctioned Venezuelan crude "indefinitely," with revenue to be held in U.S. accounts. The U.S. seizure of a Russian-flagged oil tanker in the North Atlantic on Wednesday further underscored what is being referred to as the "Donroe Doctrine." Traders will monitor what it means for oil prices, which are already low due to a growing glut. That's good news for diesel and input prices, but pressure on refining margins could spell trouble for biofuel demand. It also puts a focus on China, Venezuela's biggest oil customer and creditor. So far there's no sign of a threat to the U.S.-China trade truce, but the events offer a reminder that there's no shortage of potential flash points.

### WEEKLY MARCH S&P 500 E-MINI FUTURES



## WATCH LIST

1	<b>USDA Crop Prod., WASDE</b> Final corn, bean crop estimates.	MON. 1/12 11:00 a.m. CT
2	<b>USDA Grain Stocks Report</b> Dec. 1 on-farm, off-farm stocks.	MON. 1/12 11:00 a.m. CT
3	<b>USDA Winter Wheat Seedings</b> Did acres decline?	MON. 1/12 11:00 a.m. CT
4	<b>U.S. Consumer Inflation</b> Consumer prices for December.	TUE. 1/13 7:30 a.m. CT
5	<b>USDA Export Sales Report</b> Soybean, wheat sales in focus.	THUR. 1/15 7:30 a.m. CT

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