

2025/26 Crops Outlook

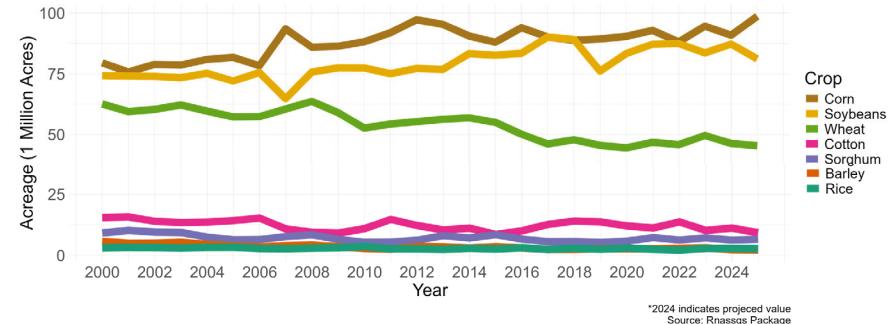
2026 NDSU Crop Insurance Conference

January 12, 2026

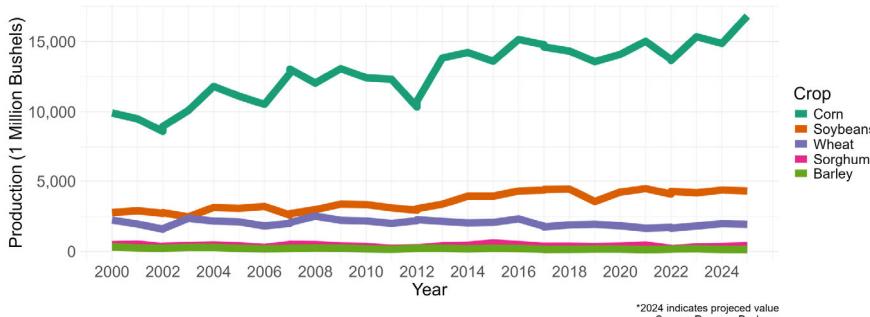
Grant Gardner



US Grain Crop Acreage



US Grain Crop Production

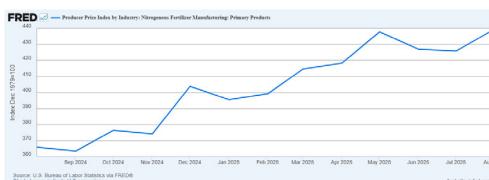


Corn



What's Next? 2025/2026

- Markets:
 - Prices, returns, and incomes are expected to remain under pressure with large global supplies/higher input prices
 - Hard to make a strong bullish case for corn unless weather or policy shocks occur
- Possibilities:
 - Fertilizer prices soften late this year, encouraging producers to maintain or even expand corn acres ("Corn is cheap to grow, so let's plant more of it")
 - High fertilizer prices and larger expected bean acreage incentivizes corn planting
 - La Niña reduces South American production, especially Brazil's safrinha crop, supporting U.S. export demand
- Even with strong yields, high probability of safety net triggering under OBB3
 - PLC Reference Price: \$4.01
 - ARC-Co Revenue Guarantee: \$4.10



Fertilizer prices are around 20% higher than they were a year ago



U.S. Corn Supply & Use										
Marketing Year 2024/25 History & 2025 monthly projections										
	History					2025 Monthly				
	2023	2024	2025-05	2025-06	2025-07	2025-08	2025-09	2025-10	2025-11	2025-12
Area Planted	94.60	90.90	95.30	95.30	95.20	97.30	98.70	98.70	98.70	98.70
Area Harvested	86.50	83.00	87.40	87.40	86.80	88.70	90.00	90.00	90.00	90.00
Yield per Harvested Acre	177.30	179.30	181.00	181.00	181.00	188.80	186.70	186.00	186.00	186.00
Production	15341.00	14892.00	15820.00	15820.00	15705.00	16742.00	16814.00	16752.00		
Beginning Stocks	1360.00	1763.00	1415.00	1365.00	1340.00	1305.00	1325.00	1532.00		
Imports	28.00	20.00	25.00	25.00	25.00	25.00	25.00	25.00		
Supply, Total	16,293.00	166,500.00	17,280.00	17,210.00	17,000.00	180,720.00	181,650.00	185,099.00		
Feed and Residual	5832.00	5492.00	5900.00	5900.00	5850.00	6100.00	6100.00	6100.00		
Food, Seed & Industrial	6879.00	6821.00	6885.00	6885.00	6885.00	6980.00	6980.00	6980.00		
— of which: Ethanol for Fuel	5489.00	5436.00	5500.00	5500.00	5500.00	5600.00	5600.00	5600.00		
Exports	2255.00	2830.00	2675.00	2675.00	2675.00	2875.00	2975.00	3075.00		
Use, Total	14966.00	15144.00	15460.00	15460.00	15410.00	15955.00	16055.00	16155.00		
Ending Stocks	1763.00	1532.00	1800.00	1750.00	1660.00	2117.00	2110.00	2154.00		
Stocks/Use (%)	11.78	10.12	11.64	11.32	10.77	13.27	13.14	13.33		
Avg. Farm Price (\$/bu)	4.55	4.24	4.20	4.20	4.20	3.90	3.90	4.00		

Units: Area = million acres; Production/Supply/Use/Stocks = million bushels; Stocks/Use in percent; Price in \$/bushel.

Source: USDA WASDE (USDA ESMIS).

Observations:

- Expansion of Acreage through September
 - Did not get an October report
 - Yields were not cut as much as expected in November
- Yields only fell ~2 bu/acre from August
 - I believe they could fall further
 - Dry weather is Southern corn belt/Indiana/Illinois
- We simply have way too much supply
- Ethanol is a record highs/exports look fantastic

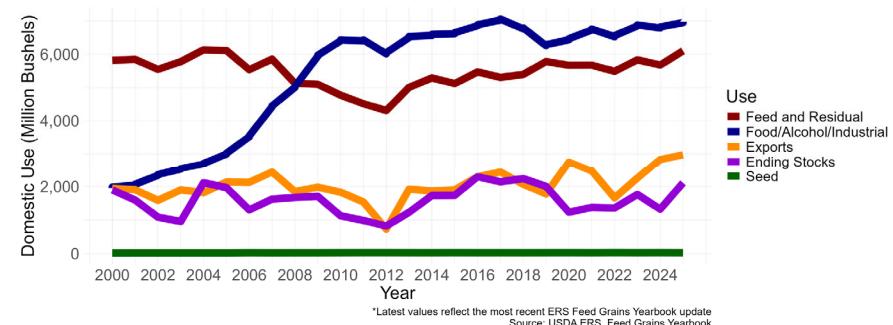


US Crop Supply and Demand

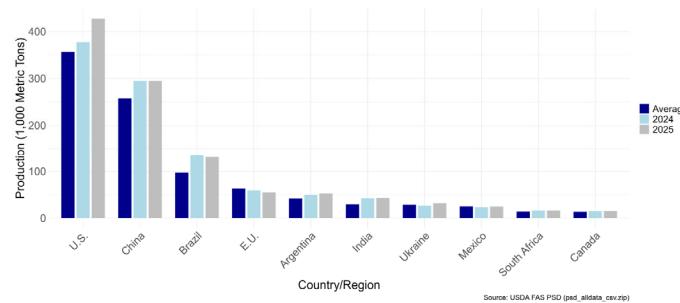
- Production – Bearish
 - Record US Corn Production
 - Near Record South American Corn Supply
 - Midwest has exited harvest – prices are recovering
- Ethanol Production – Sideways
 - A little more clarity than earlier in 2025
 - Year-round E15
 - State and national policies
 - Capacity is capacity!!!
- Exports – Still strong besides widespread tariff pressure
 - Record Exports
 - Who else needs corn? We need more buyers



Corn Use



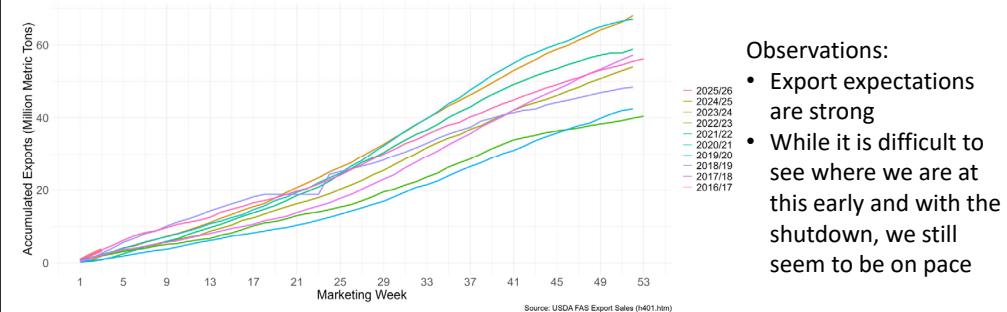
World Production



Observations:

- US production is way above average
- Other countries look to be on par to recent years
- Huge production throughout the world.

Export Pace

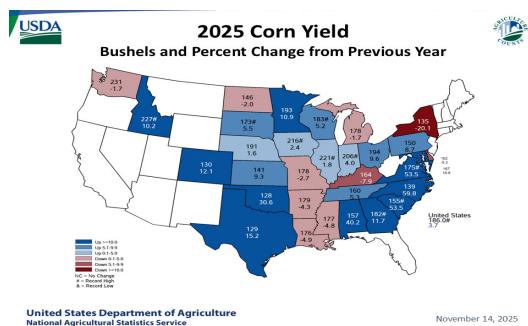


Observations:

- Export expectations are strong
- While it is difficult to see where we are at this early and with the shutdown, we still seem to be on pace



Crop Condition



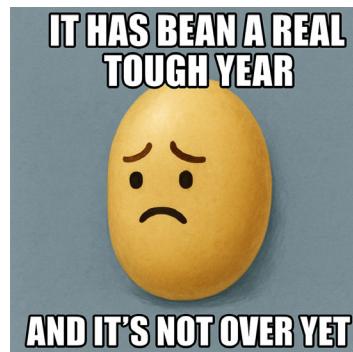
Soybeans



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US Crop Supply and Demand

- Production – Slightly bullish?
 - Record South American Soybean Supply
 - Not as large as expected U.S. production
 - US weather concerns
- Domestic Crush and Use – Bullish
 - A little more clarity than earlier in 2025
 - Increase in RVOs (mixing mandates), questions on SREs (small refiner exemption)
 - Less international feedstock competition
- Exports – PANIC! (Until last a few months ago)
 - China has agreed to import 12 million metric tons of beans this year
 - 25 million metric tons for the next three years
 - Only booked 25% of this.
 - Will we continue to see them buying?



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What's Next? 2025/2026

- Markets:
 - Prices, returns, and incomes are expected to decline throughout the period
 - I have an easier time creating a bullish story for soybean markets after Chinese buying picked up
- Possibilities:
 - Fertilizer prices decline enough this winter that producers decide they want to maintain or expand corn acres. "I love losing money on corn so much that I want to do it again!"
 - We see more adoption of Low Carbon Fuels Standard that brings renewed expectations to the soybean oil industry
 - China jumps in and starts meeting "claimed" deal
 - La Niña DECIMATES the South American Crop
- Even with strong yields, high probability of safety net triggering under OB3
 - PLC Reference Price: \$10.71
 - ARC-Co Revenue Guarantee: \$10.81



Argentina, 2023

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Observations:

- Possibly over-reacted to acreage in August drop
- Yields only fell 0.6 bu/acre since August
 - I believe they could fall further
 - Dry weather on late planted beans
- Stocks are really, really tight
- Previously we did not see much of a drop in exports even with China not buying
- If China books a sale prices could skyrocket if not the bottom could continue to fall out
 - IT HAPPENED!!!
 - Again, will it continue?

U.S. Soybeans Supply & Use

Marketing Year 2024/25 history & 2025 monthly projections

	History		2025 Monthly					
	2023	2024	2025-05	2025-06	2025-07	2025-08	2025-09	2025-11
Area Planted	83.60	87.30	83.50	83.50	83.40	80.90	81.10	81.10
Area Harvested	82.30	86.20	82.70	82.70	82.50	80.10	80.30	80.30
Yield per Harvested Acre	50.60	50.70	52.50	52.50	52.50	53.60	53.50	53.00
Production	4162.00	4374.00	4340.00	4340.00	4335.00	4292.00	4301.00	4253.00
Beginning Stocks	264.00	342.00	350.00	350.00	350.00	330.00	330.00	316.00
Imports	21.00	27.00	20.00	20.00	20.00	20.00	20.00	20.00
Supply, Total	4447.00	4744.00	4710.00	4710.00	4705.00	4642.00	4651.00	4590.00
Crush	2285.00	2445.00	2490.00	2490.00	2540.00	2540.00	2555.00	2555.00
Seed and Residual	119.00	107.00	110.00	110.00	110.00	107.00	110.00	110.00
Exports	1700.00	1875.00	1815.00	1815.00	1745.00	1705.00	1685.00	1635.00
Use, Total	4105.00	4427.00	4415.00	4415.00	4395.00	4352.00	4351.00	4300.00
Ending Stocks	342.00	316.00	295.00	295.00	310.00	290.00	300.00	290.00
Stocks/Use (%)	8.33	7.14	6.68	6.68	7.05	6.66	6.89	6.74
Avg. Farm Price (\$/bu)	12.40	10.00	10.25	10.25	10.10	10.10	10.00	10.50

Units: Area = million acres; Production/Supply/Use/Stocks = million bushels; Stocks/Use in percent; Price in \$/bushel.

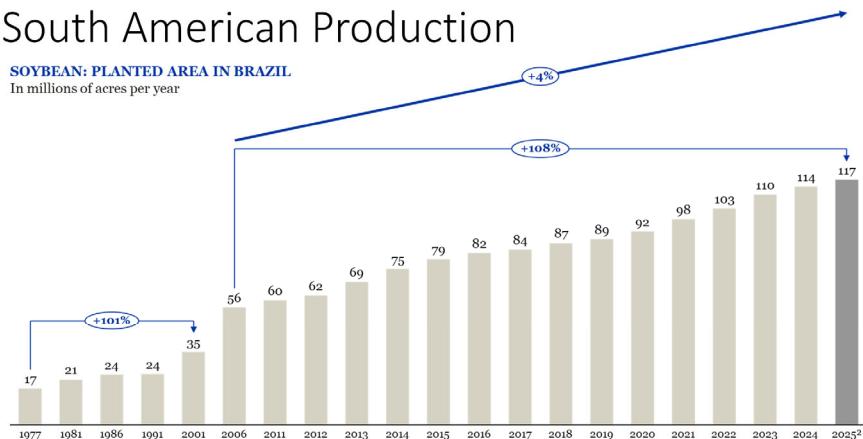
Source: USDA WASDE (Cornell USDA ESMIS).

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South American Production

SOYBEAN: PLANTED AREA IN BRAZIL

In millions of acres per year

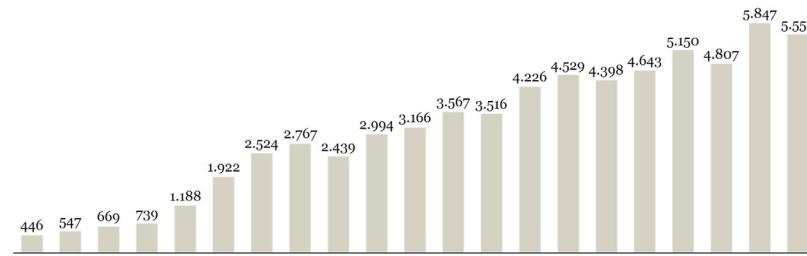


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Brazilian Soybean Production

SOYBEAN: PRODUCTION IN BRAZIL

In millions of bushels per year



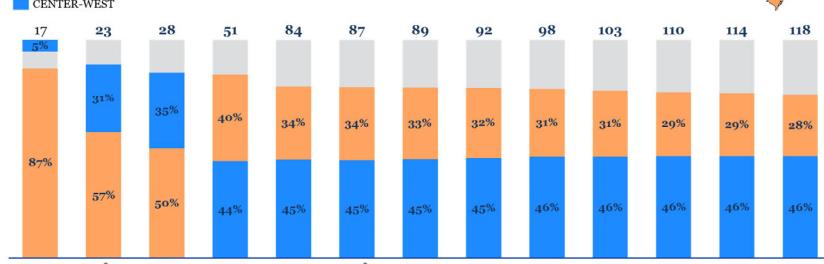
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Brazilian Soybean Production

SOYBEAN: PLANTED AREA IN BRAZIL PER REGION

In millions of acres and in % of total

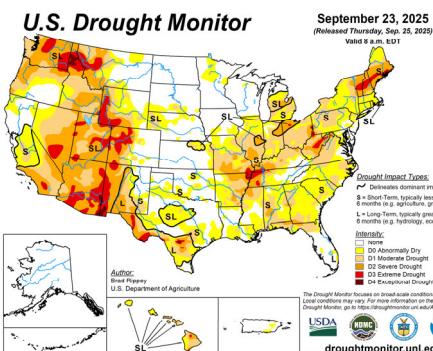
OTHERS
SOUTH
CENTER-WEST



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US Weather Concerns

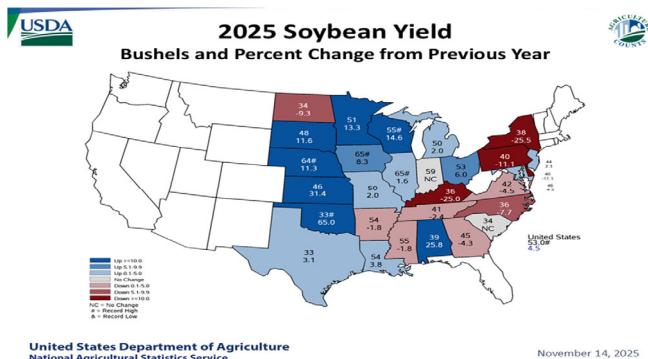
U.S. Drought Monitor



- Overall planting went smoothly
 - Especially in the corn belt
 - Some southern states had issues with late planted stand establishment
- Late season drought
 - Likely more quality issues
 - Late planted soybeans likely have yield issues
- Soybeans are resilient
 - Anecdotally, I never seem to see the WASDE yield move
 - Is this the year?

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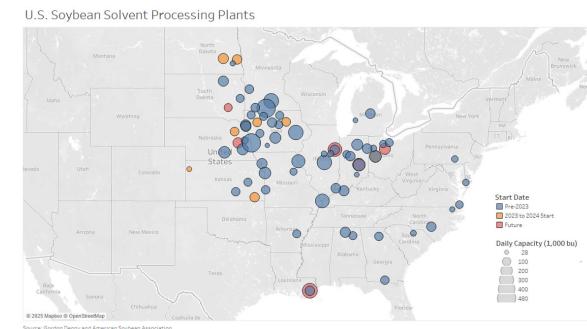
Soybean Yield Expectations



Observations:

- Southern States Struggling
- Iowa, Minnesota, Nebraska, and Wisconsin are absolutely killing it
- Pray for Kentucky

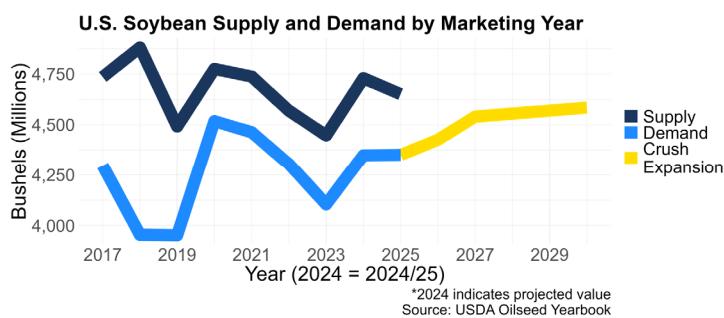
Domestic Crush



- Crush expansion is continuing
- 45Z increases 2025 Blending mandate to 3.35 billion gallons
- Proposing double the blending mandate (5.61 billion gallons) from 2023 (2.82 billion gallons)
- Rules put in place that favor domestic feeds stock



Domestic Crush

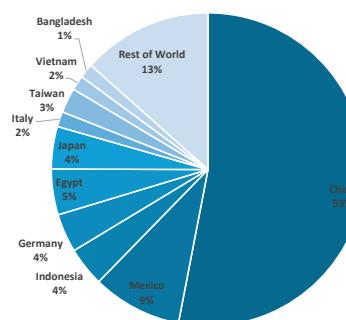


Observations:

- Holding other use consistent, stocks start to get a lot tighter moving forward
- This makes a big assumption with Exports

Trade: Time to Address the Elephant in the Room

Average US Soybean Exports by Destination (2020-2024)



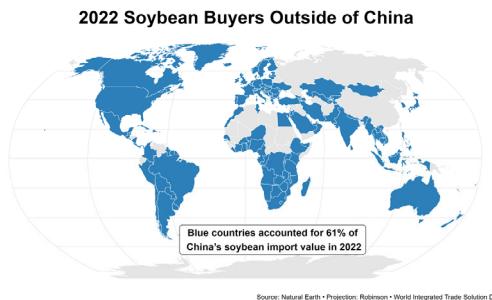
Key Points:

- China normally buys ~25% of U.S. soybean production
 - First new Chinese purchase of 2025 — demand re-appears
 - Helps ease concerns about backed-up supplies
 - Too early to call it a full return to normal buying
- Big question: One-off or trend?

Bottom Line: Positive signal — but still uncertain.



Trade Deals: The piecemeal approach



Key Points:

- New China sale supports U.S. prices — **good news**
- Brazil still competitive; **Argentina discounting**
- One deal ≠ **long-term demand recovery**
- U.S. still needs **more crush capacity + diverse buyers**
- Future stability depends on **broad demand**, not one customer

Bottom Line: Helpful purchase, but U.S. must keep expanding markets.



Soybean Outlook – Key Points

- **Prices Under Pressure:** Global soybean supplies remain abundant, pushing 2025/26 futures below profitable levels.
- **Crush Expanding, Exports Weak:** New U.S. crush capacity boosts domestic demand, but exports seem to be swinging back with new deal.
- **Margins Negative:** At sub-\$10 cash prices, most farms face losses even with solid yields.
- **South America Dominates:** Record Brazilian output and favorable weather keep global stocks high.
- **Market Watchpoints:**
 - Renewable diesel policy could accelerate domestic crush use.
 - Chinese import pace and South American weather will drive direction.
 - Without stronger demand, recovery in soybean prices will be slow.



Wheat



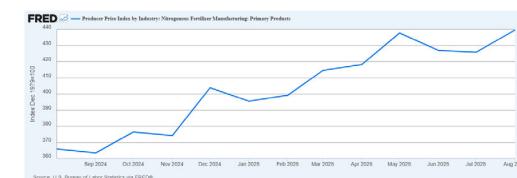
What's Next? 2025/2026

Markets:

- Global production remains ample, but quality losses are emerging in key exporters.
- Large price gains are **most likely to come from stronger export demand if** importers chase higher-protein wheat.

Possibilities:

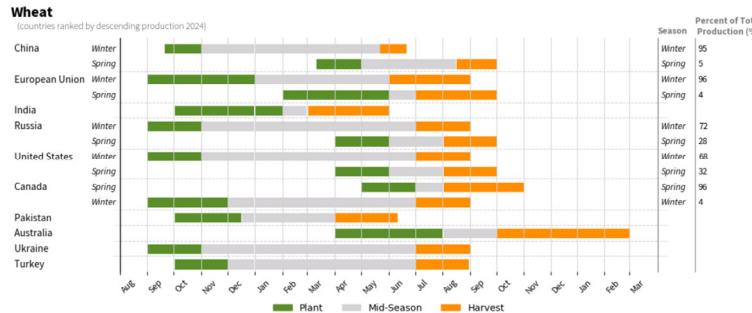
- **Falling quality** in parts of Europe, Canada, and the eastern U.S. could tighten high-grade milling stocks.
- **Black Sea exports** remain strong but face logistics and policy uncertainty.
- **Smaller double crop acreage** due to financial situation in 2026/27



Fertilizer prices are around 20% higher than they were a year ago



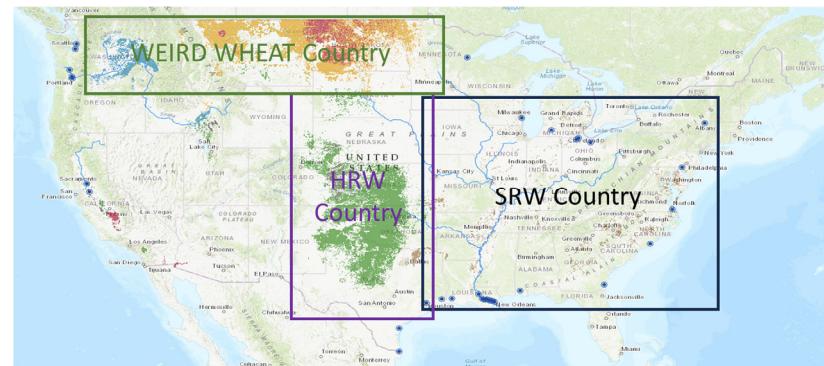
Harvest Times by Country



Observations:

- Wheat is a world crop
- At any point in time Wheat is being harvested somewhere
- Timing of crops matter due to food use
- This is a big factor for exports

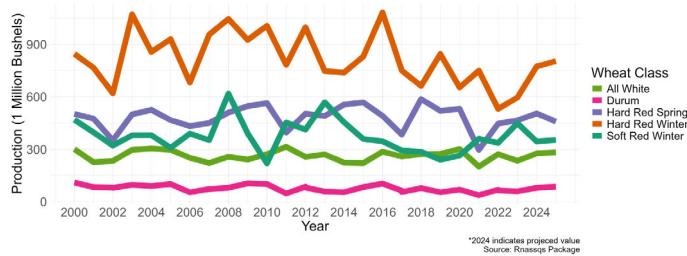
Wheat Production by Class



Source: U.S. Wheat Associates – U.S. Wheat Supply Chain Interactive Map

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Wheat Production by Class



Observations:

- HRW up
 - Input prices?
 - Yield projected up
- Remainder flat to down

U.S. Wheat Supply & Use									
History					2025 Monthly				
2023	2024	2025-05	2025-06	2025-07	2025-08	2025-09	2025-10	2025-11	2025-12
Area Planted	49.60	46.30	45.40	45.40	45.5	45.40	45.40	45.30	
Area Harvested	37.10	38.60	37.20	37.20	36.6	36.60	36.60	37.20	
Yield per Harvested Acre	48.70	51.20	51.60	51.60	52.6	52.70	52.70	53.30	
Production	1804.00	1979.00	1921.00	1921.00	1929.0	1927.00	1927.00	1985.00	
Beginning Stocks	570.00	696.00	841.00	841.00	851.00	851.00	851.00	851.00	
Imports	138.00	149.00	120.00	120.00	120.0	120.00	120.00	120.00	
Supply, Total	2511.00	2824.00	2882.00	2882.00	2899.0	2898.00	2898.00	2955.00	
Food	961.00	969.00	977.00	977.00	977.0	972.00	972.00	972.00	
Seed	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	
Feed and Residual	86.00	117.00	120.00	120.00	120.00	120.00	120.00	120.00	
Domestic, Total	1109.00	1148.00	1159.00	1159.00	1159.0	1154.00	1154.00	1154.00	
Exports	706.00	826.00	800.00	825.00	850.0	875.00	900.00	900.00	
Use, Total	1815.00	1974.00	1959.00	1984.00	2009.0	2029.00	2054.00	2054.00	
Ending Stocks	696.00	851.00	923.00	898.00	890.0	869.00	844.00	901.00	
Stocks/Use (%)	38.35	43.11	47.12	45.26	44.3	42.83	41.09	43.87	
Avg. Farm Price (\$/bu)	6.96	5.52	5.30	5.40	5.4	5.30	5.10	5.00	

Units: Area = million acres; Production/Supply/Use/Stocks = million bushels; Stocks/Use in percent; Price in \$/bushel.
Source: USDA WASDE (USDA ERS).

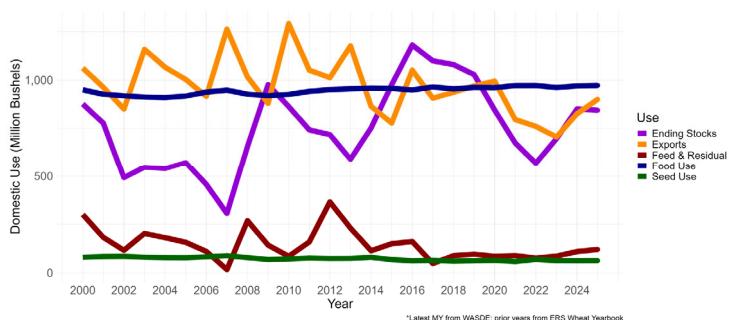
Observations:

- Yields and acreage increased in November
- Less Wheat the 2023/2024
 - Less worries for food security
 - Ukraine has not missed a beat
- Demand has been mostly consistent
- Most increases come from exports
- Food demand within the United States is typically constant

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United States Wheat Use

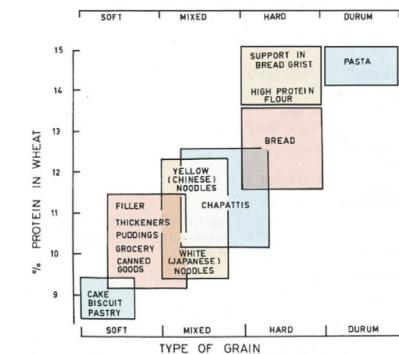


Observations:

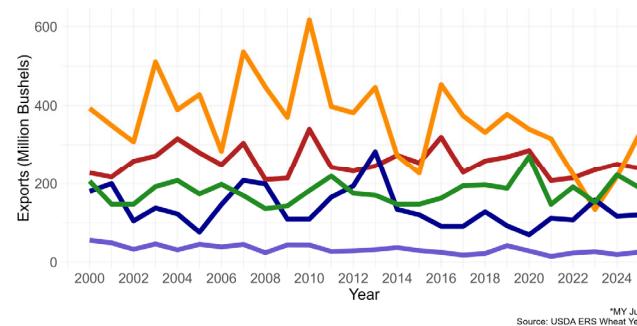
- Interesting uptick in feed and residual
 - Price of corn is low
 - Wheat is also
- Food use is very predictable
- Bullish tendencies come from exports and thus ending stocks

Wheat Use and Export Impacts

- Most Countries are not on the U.S. HRW, SRW, Class system
- Mostly look for imports that follow taste preferences and the wheat produced in their country
- This complicates exports
- Comes down to dough strength
 - Protein is the proxy
- Most wheat on the world market aligns with HRW



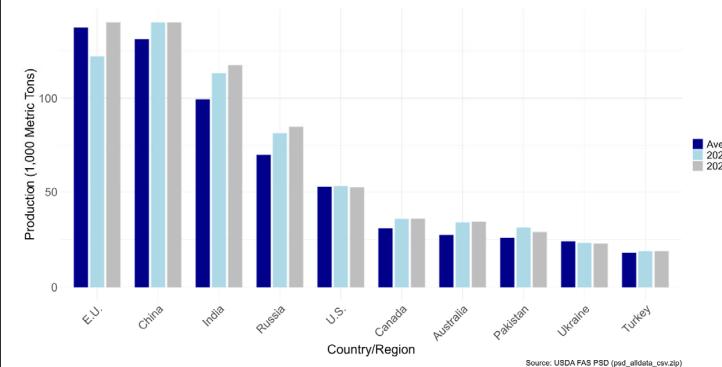
Wheat Exports by Class



Observations:

- HRW recovered from low yields and thus exports in 2023
- White is projected down in 2025
- The remainder are mostly flat with room for growth

Who are the Competitors? Production



Observations:

- We do not see many production deficits looking into 2025
- World wheat supply is strong
- It is important to remember wheat is a food crop
 - Yield isn't the only thing that matters
 - Quality is important

Do we see any quality issues?

China's Henan province issues risk warning as heat threatens wheat crop

By Reuters

Home > News > Analyst insight: UK wheat tough competition from Canada and Germany?

Analyst insight: UK wheat tough competition from Canada and Germany?

Tuesday, 14 October 2025

Black Sea wheat prices soften, but quality and delivery issues loom large

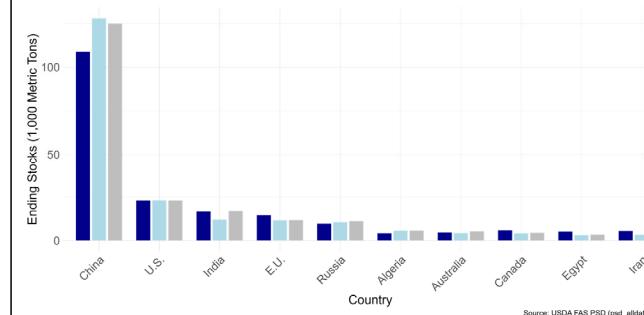


Wheat Outlook – Key Points

- Quality is the Wild Card:** While most global wheat remains adequate for milling, late-season rains in Europe, Canada, and parts of the U.S. SRW belt have raised concerns over *falling numbers* and *test weights*. Any further decline in quality could tighten supplies of high-protein milling wheat and drive price spreads sharply higher.
- Global Supply Still Ample:** Record or near-record crops across Russia, Australia, and the U.S. keep total supply comfortable—limiting broad price gains unless quality losses deepen.
- Export Demand is the Swing Factor:** Large price moves are most likely to come from stronger export demand—particularly if buyers pivot toward higher-quality U.S. or Canadian wheat amid quality downgrades elsewhere.
- Market Watchpoints:**
 - Southern Hemisphere harvest results (Australia, Argentina)
 - Black Sea logistics and export pace
 - Protein premiums widening in global trade



What About Ending Stocks?



Observations:

- Stocks are high in China compared to average
 - What does their quality look like
 - They still buy when quality is low (2023)
- EU stocks are down
 - What happens with France and Germany quality
 - They could turn to the US



Canola

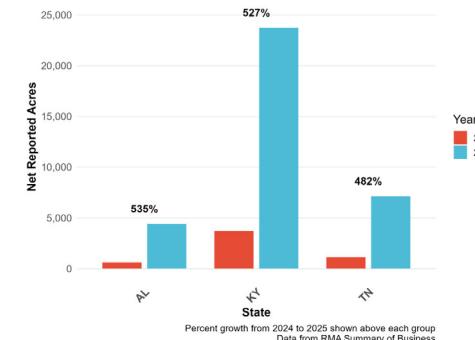


Canola

- Renewable fuel pull: SAF targets (3B gal by 2030; 35B by 2050) are driving **winter canola** adoption in Southern double-crop rotations.
 - Bunge + Chevron + Corteva partnership linking origination, crush, fuel, and genetics
 - Destrehan, LA plant slated to process canola by 2026.
- 2023: 5,000 contracted acres (KY & TN).**
- 2024: >35,000 acres across KY, TN, MS, AR, AL, MO.**
- Demand outlook: **100–150k acres by 2026**; long-term potential **~1 million acres** as crush/logistics scale.



Canola



- Farm economics & contracts
 - Early yields ~40–65 bu/ac
- 2024 contracts ≈ \$12/bu ⇒ gross revenue ~\$480–\$780/ac (often above SRW wheat budgets)
- ~\$420–\$468/ac at current prices

Current offers use acreage contracts at a set price: ~\$11.50/bu for next year.



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UK Economic
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