



Wednesday, April 30, 2025

Good morning. Corn and soybean futures have largely continued their Tuesday slide to start Wednesday, though the beans are pressing the downside harder than the corn is on a percentage basis to start the morning. Wheat futures also again made new contract lows by a tick or two, but are trading slightly higher as of this writing and have been mostly quiet through the overnight session otherwise. Following the rather robust selling that has been seen over the past few sessions, our question today is whether the ongoing rhetoric with China is turning fund traders bearish, or if this is just the last exhaustion push on the downside with first notice day upon us and the last of the stale May positions getting cleaned up; if its the prior, our concern is that should funds decide to build similar short positions to last year (300k+ contracts in corn and 180k+ contracts in soybeans), it would mean significant downside price risk likely exists from current levels. Corn futures to start Wednesday are trading mixed to a penny lower, soybean futures are trading 7-9 cents lower, and the Chicago wheat market is near unchanged. Products are lower, soybean meal is down \$1-3/ton, and soybean oil is down 20-30 points. Outside markets are mixed, crude oil futures are down 30-40 cents/bbl, the Dow Jones index is down 70 points, and the US\$ index is up 15-20 points; the S&P500 is down 40 points, and the NASDAQ is down 200 points. Gold futures are down \$40-50/oz.

Today's Reports: Q1 GDP; Monthly PCE Price Index; EIA Weekly Ethanol Production/Energy Stocks

- The CME Group's delivery slate for first notice day on the May contract was expectedly active on the soy product front, with 629 contracts of soybean meal being assigned and 852 contracts of soybean oil; also on the slate was 430 contracts of KC wheat, 240 contracts of rice, 88 contracts of Chicago wheat, 25 contracts of corn, and 3 contracts of soybeans.

- This morning's weekly ethanol report from the EIA for the week ending April 25th is expected to show daily ethanol production in the week in a range of 1.010-1.041 mil bbls, while stocks are seen between 24.50-25.78 mil bbls. On average, both figures would be below those of last week, while the downturn in production continues to be viewed as mostly seasonal.
- The USDA is scheduled to release updated soybean crush and corn grind data tomorrow morning in its monthly fats and oils and grain crushings reports; traders see the reports showing soybean crush in the month of March at 205.9 mil bu, up 1.2% compared to last year, while corn grind for ethanol is seen at 459.9 mil bu, which would be down 2.6% from last year. The report also shows soybean oil stocks data as of March 31st, which the trade expects will be near 1.940 bil lbs (-18%).
- Data from Argentina's Ag Ministry, released yesterday, showed farmer soybean sales through April 23rd were at the slowest pace in more than 10 years due to uncertainties regarding the country's exchange rate and also delays in harvest caused by excessive rainfall. The data estimated that less than 25% of the crop had been marketed so far.
- The USDA's Ag attaché to Australia on Tuesday said they see the country's wheat production in the 2025/26 season at 31.0 mmt's, which would be down more than 3 mmt's from 2024/25 production mostly on reduced harvested area, and also a yearly decrease in yields. The group also sees exports coming in about 3 mmt's lower than last year at 23.0 mmt's.
- Mexico's government announced on Tuesday that it had created a new state-owned seed company with the goal of increasing production of certified seeds for staple crops. The announcement said the company's focus would start on soybean and rice seeds, and would be aimed primarily towards small and medium sized producers who often have struggles accessing quality seeds.

- US corn growers expressed concern over a Tuesday International Trade Commission decision that affirmed Corteva had been negatively impacted by imports of the common herbicide 2,4-D, saying that any moves to limit imports of the product could cause supply shortages that would have negative impacts on US farmers already facing high costs of production. "Corn growers should not be forced to rely exclusively on one domestic supplier," said the President of the National Corn Growers Association.
- The World Bank, in an annual commodity market outlook report, said that they expect overall commodity prices to decline by about 12% in the 2025 calendar year due to weaker global economic growth and slowing demand; the group also added that they see prices falling another 5% in the 2026 year as well. Declining rice prices were the main reason cited for the declines, with values expected to drop by nearly 30% due to ample supplies and a relaxing of export restrictions from the world's number two grower, India.
- Speaking to supporters at a rally outside of Detroit, MI Tuesday night marking his first 100 days in office, President Trump renewed his derogatory remarks towards Fed Chair Jerome Powell, again reiterating that he felt the chairman was not doing a sufficient job. Trump also touted cuts in auto part tariffs, saying that he and his team gave auto companies a little flexibility in time to bring manufacturing back to the US in signing a pair of executive orders last night before the rally began.
- The south-central part of the US will continue to see severe weather threats through the day on Wednesday, with the highest risk areas being near the eastern part of the TX/OK border. The EU is forecasting 1-3" of precip in these areas over the next 24 hours, with the storms then expected to work north and east through tonight and into tomorrow. Through Sunday, the model is forecasting precip of 1-2" generally speaking for most of the eastern Midwest, with the northwestern states of IA/WI/MN and then further west being on the drier side.
- Once this system exits, most of the Corn Belt then expects to see several days of drier conditions as high pressure ridging pushes the Gulf Moisture

flow into the southern Plains and south-central US next week. While beneficial to the Midwest farmer trying to finish spring fieldwork and planting, the pattern shift will cause potential flood risks to TX and OK that will need to be monitored as they pertain to both the wheat crop and also the livestock industry.