7/1/2025

Futures Price Changes

Corn down 5 (Sept) @ 4.05
Corn down 5 (Dec) @ 4.21

Soybeans down 6 (Nov) @ 10.22

Wheat up 6 (Sept) @ 5.44
Wheat up 5 (Dec) @ 5.65

Perdue Grains Commentary

Corn

Good morning. Uneventful USDA Acreage and Stocks reports with futures closing 1-2 cents lower in the new crop contracts and 3 cents higher in the spot month CN contract (on firm cash markets and no initial deliveries). Both the USDA stocks and acreage estimates were very close to trade expectations. June 1 stocks at 4644 milbus compared to the average trade estimate at 4640 and with an FSR (implied feed use) near flat vs year ago and implies that the USDA feed use forecast may be 100-150 milbus overstated. A downward revision is expected in the July Wasde on July 11. On-farm stocks were 55% of total stocks vs last year's record at 60.5%. Planted acreage at 95.2 mln acres was essentially unch from March intentions at 95.3 mln. State changes vs intentions showed little regional bias with the WCB and ECB nearly unchanged from the March survey, dispelling some expectations that fast planting in the WCB might have led to some additional acres while relatively slow progress in the ECB may have lost some intended acres. Exports in the w/e June 26 continued relatively strong at 53.9 milbus and well-ahead of the 33-35 milbus/week need to reach the USDA 2650 crop year forecast which we expect to be revised higher to 2725 milbus in the July Wasde on July 11.

Nationwide crop conditions were higher than expected at 73% gd/exc vs 70 last week.

We expected steady to slightly higher ratings with better ratings in the WCB mostly offset by weaker ratings in the ECB. Ratings were in line with the general expectations except that the gains in IA, NE, and SD far outweighed the weaker ratings in IL and the ECB. Weather forecasts do not show any high pressure dome for the central US which was a fear last week. However, there is a persistence of above normal temps and the moisture pattern is that of a northwest flow…which can be hit-or-miss and difficult to pinpoint actual moisture events.

Outlook: Weather is the dominant force, which, for the moment, is non-threatening. Trade issues also need to be monitored. An agreement with China on ag trade would likely lead to an abrupt change in market sentiment.

Jim Fritz

The market traded either side of unchanged to end the month / quarter with no surprises from USDA on the Jun acreage report but larger than expected bean stocks. Strength was seen pre-report across all legs of the oilseed complex as trade deals / discussions are active ahead of the deadline next week while US weather remains non-threatening. Jun acreage fell 115K acres from Mar intentions, as wet planting conditions in the ECB / Delta led to less bean acreage while increases in the northern plains offset it. Jun 1 quarterly bean stocks were 28 mbu larger than avg trade expectations, implying that LY's crop might have been understated and old crop c/o could grow on the next WASDE led to old crop weakness / new crop strength. Beans had a 20 - 21 ct trading range and led the gains overall in the complex ahead of the reports as US/Cda trade talks resume with gains underpinned by favorable weather. Meal had $4 - $5 trading range and held above Fri's contract lows, with neither product showing much leadership. Bean crop ratings held steady week-on-week, although the crop index improved slightly. Weekly bean inspections remain light. Board crush traded either side of unchanged, weakening early by 3 – 5 cts from the bean strength before the report before firming post report. Beans were down 3.5 cts in old crop / up 2 cts in new crop while meal was unchanged / up $1.

June's 2025 acreage survey indicated bean acreage would fall 115K acres from Mar planting intentions to 83.4 mil acres. Both corn and bean acreage fell by roughly the same amount compared to Mar, bringing combined bean / corn acreage to 178.6 mil acres, up 940K acres YOY. Prevent plant acreage LY was 4.7 mil acres, with 775K acres in beans and 2.7 mil acres from corn and the main reason why combined bean/corn acreage is up YOY. Avg trade estimates pegged bean acreage at 83.7 mil acres (range 82.5 – 85.3 mil acres). While bean planting started off at a record fast pace, rainfall plagued the ECB / midsouth / Delta from finishing while the WCB / northern plains had no weather issues to deal with.

Jun 1 quarterly bean stocks came in larger than expected at 1,008 mbu, above LY by 38 mbu and above the avg trade estimates of 980 mbu. On-farm stocks were 412 mbu (41% of the total stocks) vs off-farm stocks of 596 mbu (59%), reflecting farmers were more aggressive to sell their stocks this quarter likely spooked by what's going on in Washington and knowing there will be strong competition from the record Brz bean crop. LY, Jun 1 stocks were 970 mbu with on-farm stocks 48% of the total vs off farm stocks 52%. The bigger than expected stocks could imply that LY's bean crop was understated between 25 – 40 mbu, which was "found" when farmers started cleaning out some bins. Considering LY's finishing Aug / Sep rainfall disappointed, either seed genetics have improved enough that ample Jul rainfall / lack of heat helped bump yields or LY's acreage was even larger.

Outlook: Surprisingly, USDA didn't surprise the market with anything big to end the month/quarter as markets stay in range bound trade for now although there's nothing overly bullish about a slightly larger US 2024 bean crop competing against a record Brz bean stocks for demand. If US weather remains non-threatening going forward, new crop should grind lower hinging on what kind of trade deals Washington puts together to justify their optimistic export bean forecast which is highly dependent on US/China relations. As the calendar turns to Jul tomorrow and a short trading week before the US holiday, markets could remain in choppy trade with price direction driven by US weather and trade deal announcements.

Jennifer Sumi

Wheat

Despite a meaningful reduction in harvested area in winter wheat in today's USDA acreage report, wheat prices remained under pressure. USDA planted area came in very near expectations at 45.5 mil acres for all classes (45.4 mil expected) including 33.3 mil winter wheat (33.3), 10.0 mil other spring (10.1) and 2.0 durum (2.1). The primary point of interest in Monday's numbers was a nearly 900-k acre cut in harvested acreage in winter wheat, including reductions of 450 k in TX, 200 k in KS, 30 each in CO and NE, and 40 each in SD and MT. A cut in SRW state harvested area takes about 10 mil bu off of our SRW crop forecast, which falls from 345 to 336. Our white winter crop estimate remains unchanged. Today's June 1 stocks in all position number came in at 851 mil versus an average expectation of 836 mil – adding 15 mil bu to the 25/26 carry in. Today's cuts in area – the impact of which may yet be muted by increases in yields – don't produce a dramatic shift in the US wheat situation but do moderate the expected increase in HRW stocks and leave 25/26 all class US ending wheat stocks near unchanged from 24/25. US northern plains/CAN prairies futures a bit above normal temperatures and near normal rainfall in the form of scattered showers. Harvest will work around shower activity in US central plains HRW areas. Northern Europe remains hot/dry, with harvest in Franch getting underway. UKR is also dry as harvest begins. Some rain in northern RUS growing areas, S RUS harvest will proceed. RUS/KAZ spring wheat regions continue to receive regular rainfall. The US winter wheat crop is now 37% harvested vs a 5ya of 42%.

Outlook: A range trade continues to prevail as the managed money sector rebuilds its collective short while the northern hemisphere grower has much of its harvest yet to price. The market now awaits the USDA by-class balance sheets in the July WASDE with a bit more interest.

John Pearson

Best Regards, LaSalle Group