DITSCH TRADING

April 2025 Monthly Commentary

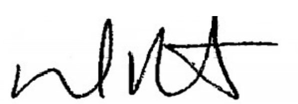
We wrote last month that nearby soybean prices down around $10 seemed fairly neutral. Since then, there have been some mostly bearish market developments, but prices have rallied 50-60 cents per bushel. That puts us back on the bearish side of the ledger again.

South American production looks to meet or exceed expectations from a month ago. South American basis levels have set back. China/US tensions combined with larger South American supplies suggest small and decreasing new crop export potential. World demand has started to show signs of slowing. It does appear as if many destinations have propped up their pipeline and supplies at destination due to lower flat prices and carries in the market. That has now run its course, and demand is slowing accordingly. In the US, early planting weather has been mostly favorable, and some of the driest areas have replenished soil moisture. None of these developments is earth-shattering, but collectively, fundamentals are once again providing a bearish push. It seems as if most of the recent futures buying has been based on some form of hope – hope for improved soybean oil demand via domestic US biodiesel policy, hope for an improvement in US/China trade relations, etc. For now, that is providing some nice selling opportunities.

The corn market is also slowly turning from neutral to bearish in my view. US acreage looks to expand, perhaps even more than the March report suggested. Early-season weather is favorable. Brazil's corn production potential is expanding. US old crop stocks could still end up fairly tight, but new crop looks increasingly bearish.

The bottom line is that there are more soybeans in the world than there has ever been before, and that looks to expand further over the next year. World corn stocks are also expected to recover. Sell rallies.

Regards,



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