

## August 2025 Monthly Commentary

Weather turned more threatening across major U.S. growing areas in August. It was a dry month, and soybeans don't like dry weather in August. Early crop tours showed magnificent pod counts, suggesting astronomical potential. There's no doubt the dryness has taken the top end off of this crop. Still, soil moisture profiles were in good shape entering the month, providing some buffer. I'm still expecting a record yield — perhaps near 53 bushels per acre — but below what the crop looked capable of early on.

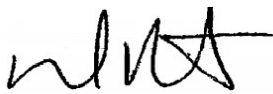
Corn yields are typically more “set” by late August. But hot summer nights likely clipped final yields from top-end potential. Something near 185–186 bpa makes sense.

U.S. soybean demand will be very poor this fall. South American supplies are too large, and the trade war has China avoiding U.S. beans anyway. I believe USDA is more than 300 million bushels too high on its export forecast. Even if yield ends up a bit below USDA's latest estimate, carryout still looks poised to grow to over 550 million bushels.

Corn demand, on the other hand, has been very strong and somewhat counter-seasonal. Typically, SON exports are slow with heavy world competition. This year, however, U.S. prices dropped enough to slow that competition. That corn will still need to move — particularly in Brazil ahead of their new crop soybean harvest starting by February — so I'd expect U.S. corn export sales to slow in coming weeks.

Corn feels somewhat adequately priced, probably near the upper end of its trading range. Soybeans, however, still have significant downside over time. If South America produces another crop near trend, world stocks will climb even higher above current record levels. We need to see either world production slow or demand accelerate to justify saying soybean prices are “low enough.” Neither condition is in place right now.

Regards,



Mark Ditsch

September 8, 2025

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