

DITSCH TRADING

September 2025 Monthly Commentary

Harvest kicked off across the US in September with early corn yields generally a bit disappointing while early soybean yields are mostly solid. It will still be a big corn crop, but the crop had the potential to be a record by several bushels per acre. It does not look like that is going to happen now. The fear was that dry August weather would hurt the soybean yield, and it probably did, but the yields being realized point out the massive potential soybeans had prior to the dry finish.

US Corn export demand remains very strong despite Brazil's big crop. Brazilian farmers are reluctant sellers and their domestic market seems to be gobbling up everything they sell. Ultimately Brazil will have to address their export surplus, but it hasn't fully presented itself just yet.

US soybean demand has been slow as expected. There is only so much that can be exported to the rest of the world when China won't buy US soybeans. Large South American supplies have been able to satisfy Chinese demand. The market maintains hope that China will return to the US market, but time is running out. I believe USDA is about 350 million bushels too high on its export forecast. With yield likely a bit below USDA's latest estimate, carryout still looks poised to grow to over 550 million bushels.

I remain bearish soybean futures. There are just too many soybeans in the world. If South America produces anything near a trend crop, 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

October 6, 2025

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