

New crop soybean futures ended the first half of June lower as planting wraps up and export demand remains lackluster. USDA indicated 87 percent of the soybean crop was planted through the week ending June 9. This was 9 points ahead of the previous week and 3 points ahead of the 5-year average. Seventy-two percent of the crop was rated good/excellent, 1 point behind the 5-year average. Only 1 percent of soybean production area was affected by drought through June 11, although heat and precipitation over the next 8-10 weeks will determine yield potential. USDA on June 12 released its latest WASDE report. For soybeans, the domestic 2024/25 balance sheet called for higher beginning and ending stocks. Old crop soybean crush was lowered by 10 million bushels, leading to larger new crop beginning stocks. The rest of the supply and use categories were unchanged, leading to new crop ending stocks of 455 million bushels. This was identical to the average pre-report estimate. No changes were made to the export estimates despite lackluster demand. Old crop soybean exports continue to run about 19 million bushels behind the historical pace needed to meet USDA's annual forecast. New crop export demand continues to disappoint. Outstanding new crop export sales are at their lowest level over the past decade for this point in the year. China has yet to purchase any new crop soybeans. WASDE's new crop global balance sheet called for lower beginning stocks and ending stocks. Argentine 2023/24 soybean production was unchanged from last month while Brazilian production was lowered by 1 million metric ton. New crop global soybean ending stocks were pegged slightly lower than last month at 127.9 million metric tons, nearly identical to the average pre-report estimate of 127.8 million metric tons. Market attention will remain focused on prospects of extreme heat and dryness in the U.S. and across the globe for the next 8 weeks. Market attention will remain focused on U.S. weather patterns, any signs of new crop export demand, and this month's Acreage and quarterly Grain Stocks reports. Our customers are remaining patient on existing hedges, which provide protection against lower prices while maintaining upside opportunity. They are looking to scale into coverage if the market rallies as we head into critical months for domestic yield potential.



The estimated yield for the Jul 2024 crop is 64 bushels per acre and the non-land operating cost is \$510 per acre. Land cost for Jul 2024 is estimated at \$292 per acre¹. Basis for the Jul 2024 crop is estimated at \$-0.18 per bushel.



The estimated yield for the Nov 2024 crop is 67 bushels per acre and the estimated operating cost is \$498 per acre. Land cost for Nov 2024 is estimated at \$300 per acre¹. Basis for the Nov 2024 crop is estimated at \$-0.38 per bushel.

¹ The Soybeans Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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