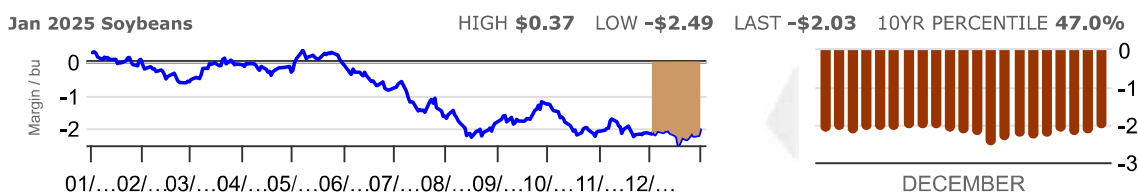


Soybean futures rallied nearly 60-cents over the last two weeks of December in what looks to be position-squaring ahead of year end. On the positive side for prices, domestic soybean crush continues to set a record pace as expected by USDA. Crush through November 30 as reported by NOPA has the crop year crush up 4.8% y/y compared to USDA's annual expectation of up 5.4% by the end of the crop year. With soybean oil stocks at 10-year lows, a large crush is continued to be expected to fill renewable diesel feedstock supplies. Current board crush values would also lead to the expectation of a heavy crush rate as margins look to be near-to-above the 90th percentile of the last decade through the remainder of the crop year. On the neutral-to-negative side for prices, exports continue to be sluggish as expected by USDA. End of year shipments of 1.825 billion bushels would be a slight uptick from last year's volume but will also be the fourth lowest of the last decade. USDA will publish the Crop Production Annual Summary report along with the monthly WASDE report on January 10 and will finalize production for the recent harvest. Along with this, USDA will also publish the Quarterly Grain Stocks report which indicates available supplies and gives a decent measure of usage pace through the first quarter of the crop year. South American weather forecasts are calling for isolated showers and warming temperatures over the next two weeks, but lasting deterioration is not expected, and a record Brazilian crop is anticipated. Our customers are patiently evaluating adjustments to maintain downside protection while simultaneously reopening upside opportunity.



The estimated yield for the Jan 2025 crop is 67 bushels per acre and the non-land operating cost is \$513 per acre. Land cost for Jan 2025 is estimated at \$275 per acre<sup>1</sup>. Basis for the Jan 2025 crop is estimated at \$-0.25 per bushel.



The estimated yield for the Nov 2025 crop is 68 bushels per acre and the estimated operating cost is \$490 per acre. Land cost for Nov 2025 is estimated at \$300 per acre<sup>1</sup>. Basis for the Nov 2025 crop is estimated at \$-0.43 per bushel.

<sup>1</sup> 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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