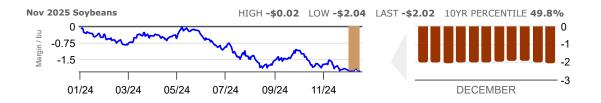
## Soybeans Margin Watch: December



Soybean futures were largely unchanged in the first half of December as the market awaits clarity on South American production and U.S. trade policy moving forward. USDA on December 10 released its monthly WASDE report. For soybeans, the domestic 2024/25 balance sheet was entirely unchanged with the exception of a lower projected average farm price, down \$0.60 per bushel from November to \$10.20 per bushel. For the products, soybean oil production was increased 270 million pounds from last month on a higher extraction rate. With higher soybean oil supplies and strong export commitments to date, exports were raised 500 million pounds to 1.1 billion, although food, feed and other industrial usage was lowered 200 million pounds, resulting in ending stocks declining 30 million pounds from November to 1.506 billion. Similar to soybeans, no changes were noted on the domestic balance sheet for soybean meal besides a lower average farm price projection, estimated down \$20/ton from November to \$300/ton. On the global soybean balance sheet, world production was raised 1.7 million metric tons to 427.1 million on higher area for Argentina and Bolivia, and higher yields for Canada. Global soybean ending stocks increased slightly to 131.9 million metric tons, 1 million below the average pre-report estimate and slightly below the range of estimates between 132.0 and 135.0 million metric tons. Soybean harvest has started in northern Brazil. Argentina has planted 64.7 percent of its soybean crop, well above last year and the 5-year average. The sovbean crop was rated 64 percent excellent. This marks one of the best starts in years as timely rains have fallen across major production areas. The State Statistical Bureau of China released data on its 2024 crop production, which was record large. China in 2025 will allow and encourage the seeding of genetically modified soybeans. Market attention will continue to focus on the pace of export sales, any major shifts in U.S. trade policy, and South American yield estimates. 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  $^1$ . 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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