

# Crop Outlook and Seasonal Trends

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Marketing Meeting

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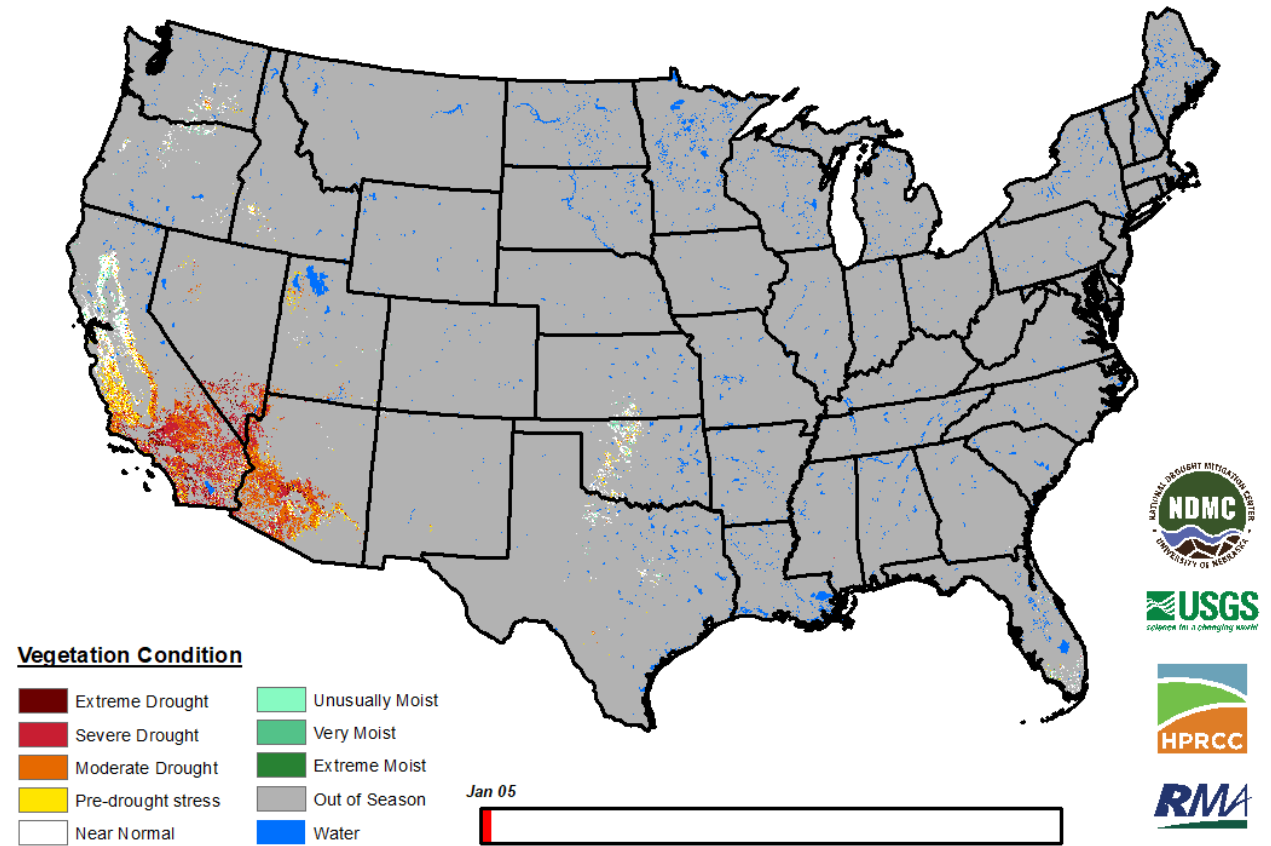
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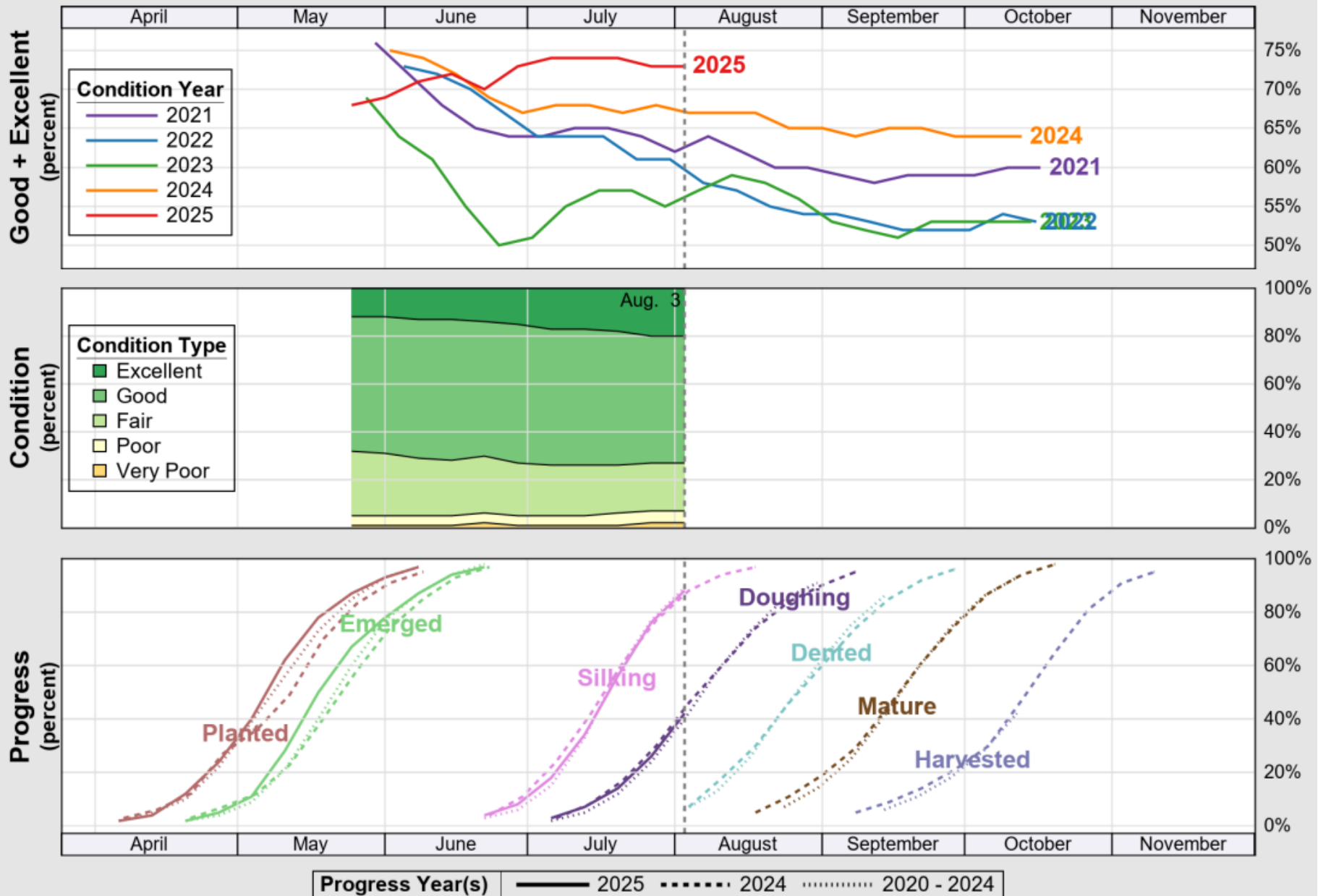
Web Page: <https://cropeconomics.tennessee.edu>

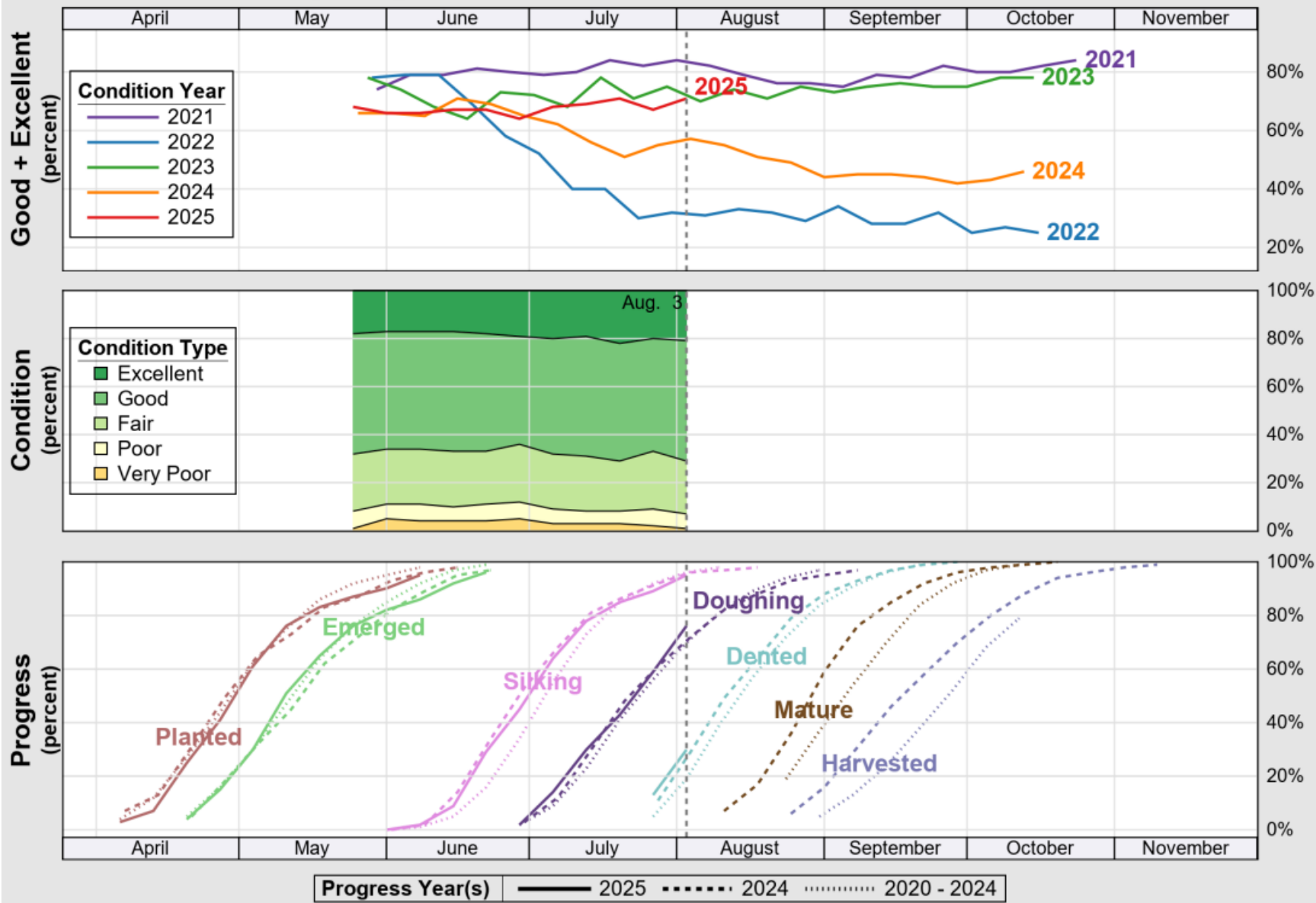
# Overview

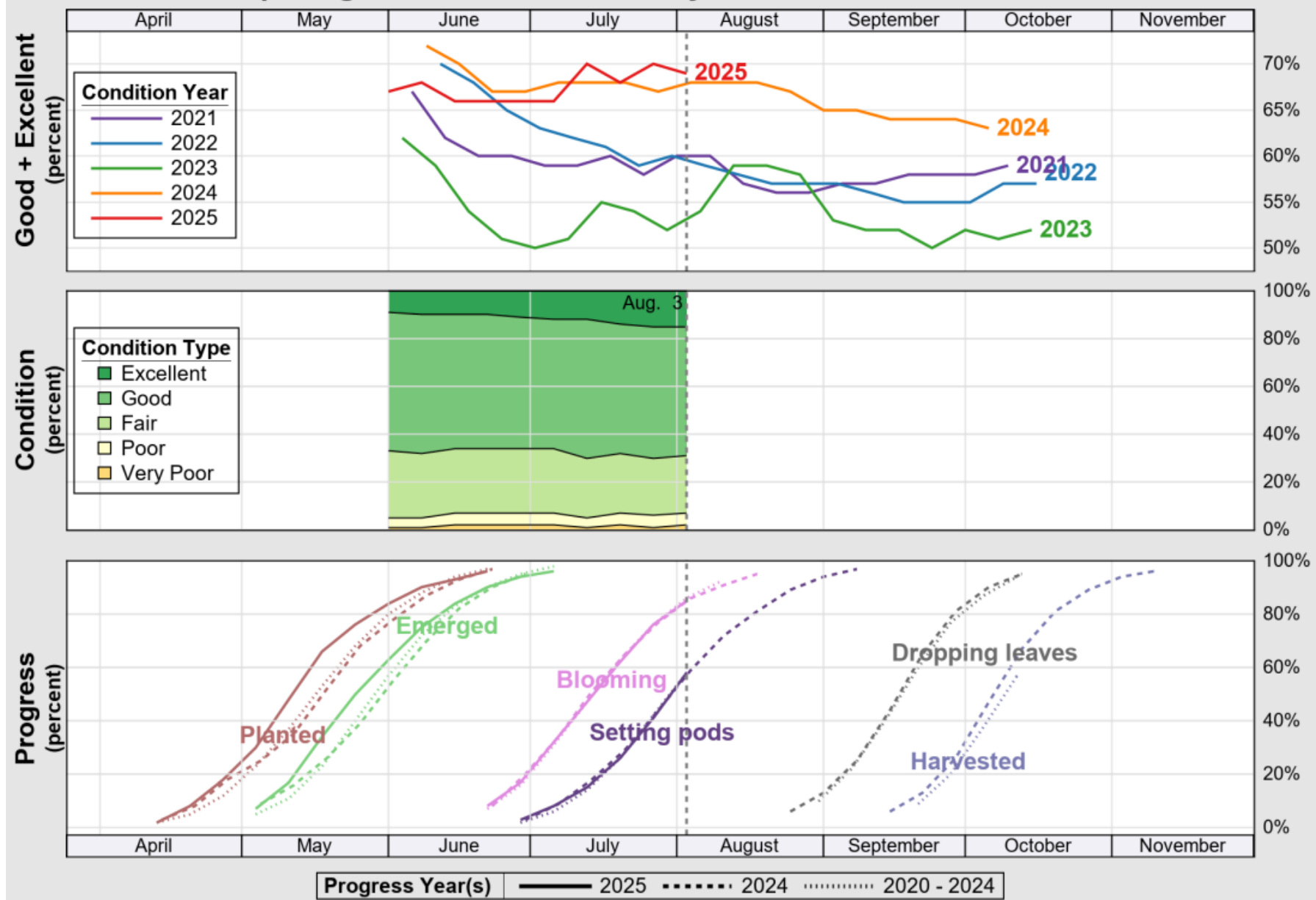
- Crop Progress
- Supply & Demand
- Price Outlook
- Pricing strategies & Storage

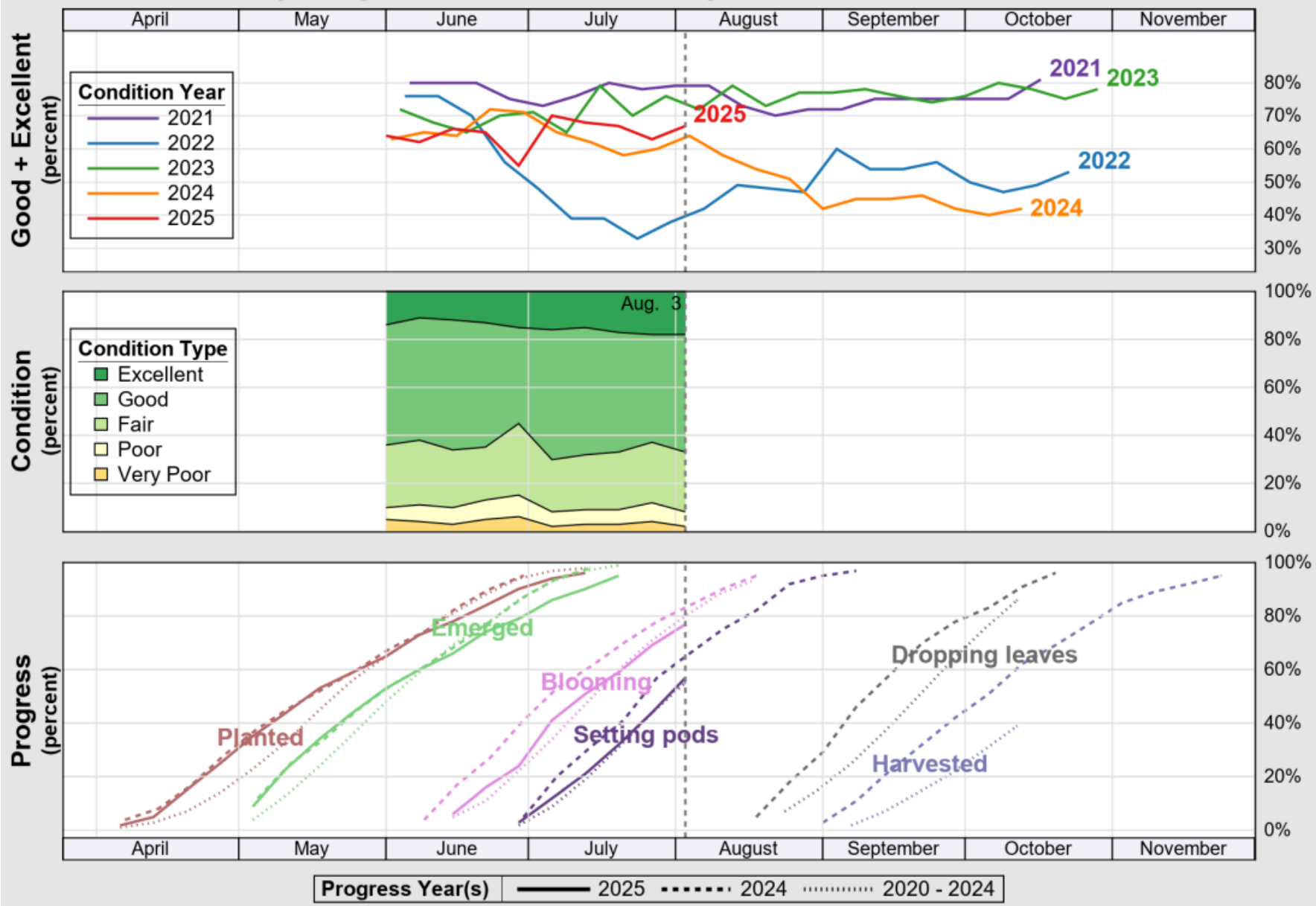
## 2025 Vegetation Drought Response Index (VegDRI)











# Corn

- Yield will likely be increased in August (185+?)
- Demand remains strong domestically.
- Access to foreign markets will be essential to alleviate U.S. supplies.
- South America crop is likely to be increased. This will increase foreign stocks.

	<u>2024/25 Est.</u>	<u>2025/26 Projected July</u>	<u>Change 2025/26- 2024/25</u>
Planted (Million)	90.6	95.2	4.6
Harvested (Million)	82.9	86.8	3.9
<b>U.S. Avg. Yield (Bu/Acre)</b>	<b>179.3</b>	<b>181</b>	<b>1.7</b>
Beg. Stocks	1,763	1,340	-423
Production	14,867	15,705	838
Imports	25	25	0
Total Supply	16,655	17,070	415
Feed and Residual	5,675	5,850	175
Ethanol	5,500	5,500	0
Food, Seed & Industrial	1,390	1,385	-5
<b>Exports</b>	<b>2,750</b>	<b>2,675</b>	<b>-75</b>
Total Use	15,315	15,410	95
U.S. Ending Stocks	1,340	1,660	320
Foreign Stocks	9,848	9,051	-797
<b>U.S. Avg. Season Price (\$/Bu)</b>	<b>\$4.30</b>	<b>\$4.20</b>	<b>-\$0.10</b>
<b>U.S. Stocks/Use</b>	<b>9.28%</b>	<b>10.77%</b>	<b>\$0.01</b>

# Soybeans

	<u>2024/25 Est.</u>	<u>2025/26 Projected July</u>	<u>Change 2025/26- 2024/25</u>
Planted (Million)	87.1	83.4	-3.7
Harvested (Million)	86.1	82.5	-3.6
<b>U.S. Avg. Yield (Bu/Acre)</b>	<b>50.7</b>	<b>52.5</b>	<b>1.8</b>
Beg. Stocks	342	350	8
Production	4,366	4,335	-31
Imports	25	20	-5
Total Supply	4,734	4,705	-29
<b>Crushing</b>	<b>2,420</b>	<b>2,540</b>	<b>120</b>
<b>Exports</b>	<b>1,865</b>	<b>1,745</b>	<b>-120</b>
Seed and Residual	99	110	11
Total Use	4,384	4,395	11
U.S. Ending Stocks	350	310	-40
<b>Foreign Stocks</b>	<b>4,247</b>	<b>4,322</b>	<b>75</b>
U.S. Average Season Price (\$/Bu)	\$10.00	\$10.10	\$0.10
U.S. Stocks/Use	7.98%	7.05%	-\$0.01

- Yield will likely be increased August 12.
- Crush capacity and margins.
- Access to foreign markets and competition with South America.
- South America soybean planted acreage production this fall. (reaction to lower prices).

# Profitability

	Cotton	Soybeans	Corn	Wheat/Soybeans
Yield - Crop Production Report (Tennessee)	1,150	50	175	75/45
Current Harvest Price (as of 8/6/2025)	\$0.68	\$9.85	\$3.95	\$5.25/\$9.85
Revenue	\$782	\$493	\$691	\$837
Variable Expenses	\$598	\$315	\$535	\$545
Returns Over Variable	\$184	\$178	\$156	\$292
Land Costs (Cash Rent )	\$150	\$150	\$150	\$150
Returns Over Variable and Land Costs	\$34	\$28	\$6	\$142
Fixed Costs (Capital Recovery and Management Labor)	\$205	\$149	\$166	\$260
<b>Returns Over Specified Costs</b>	<b>(\$171)</b>	<b>(\$122)</b>	<b>(\$160)</b>	<b>(\$118)</b>
<b>Breakeven Price at Estimated Yield and Specified Cost</b>	<b>\$0.83</b>	<b>\$12.28</b>	<b>\$4.86</b>	<b>\$5.97/\$11.94</b>

# December Corn



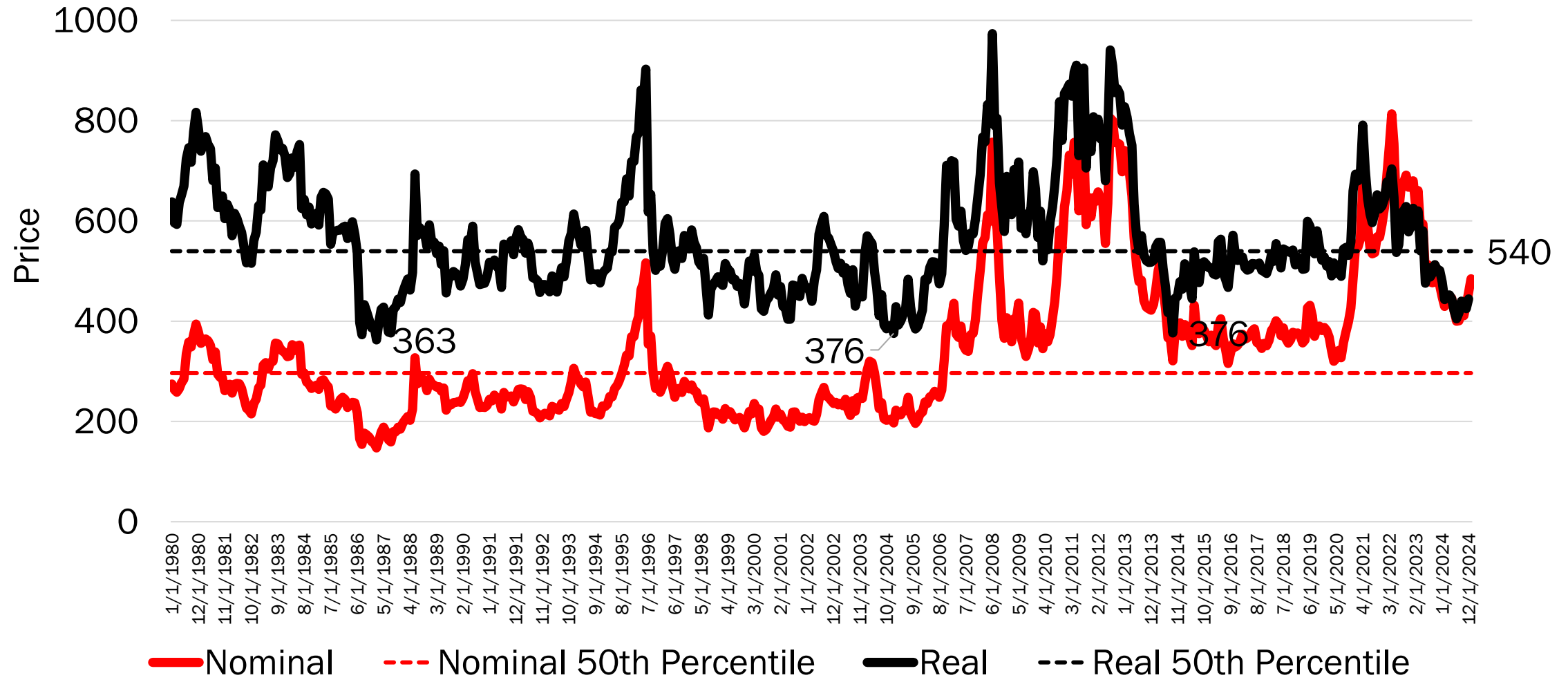
# November Soybeans



# December Cotton



# Monthly Real and Nominal Nearby Corn Futures Prices, 1980-2024 (Base = June 2024)



# 2025 Futures Price Ranges

	New Crop
Corn	\$3.60-\$4.50
Soybean	\$9.35-\$10.60
Cotton	\$0.64-\$0.72
Wheat	\$5.00-\$5.75

# Pricing Alternatives

- Cash contracts
  - Cash forward (locks in futures + basis for a delivery time in the future)
  - Hedge-to-arrive (HTAs) locks in futures price.
  - Basis Contract locks in basis offering.
- Futures and options

# USDA Price reports

- [https://www.ams.usda.gov/mnreports/ams\\_3088.pdf](https://www.ams.usda.gov/mnreports/ams_3088.pdf)

## US #1 Soybeans (Bulk)

### Country Elevators - Conventional

<u>Region/Location</u>	<u>Sale Type</u>	<u>Basis (¢/Bu)</u>	<u>Basis Change</u>	<u>Price(\$/Bu)</u>	<u>Price Change</u>	<u>Average</u>	<u>Year Ago</u>	<u>Freight</u>	<u>Delivery</u>
Northwest	Bid	-65.00X	UNCH	9.2575	DN 0.0375	9.2575		DLVD-T	Current
Northwest	Bid	-65.00X to -60.00X	UNCH	9.2575-9.3075	DN 0.0375	9.2825		DLVD-T	Sep - Nov
Northwest	Bid	-50.00X	UNCH	9.4075	DN 0.0375	9.4075	9.7675	DLVD-T	Oct - Nov
North Central	Bid	-5.00X	UNCH	9.8575	DN 0.0375	9.8575	10.3175	DLVD-T	Current
North Central	Bid	-35.00X	UNCH	9.5575	DN 0.0375	9.5575		DLVD-T	Oct - Nov

### Terminal Elevators - Conventional

<u>Region/Location</u>	<u>Sale Type</u>	<u>Basis (¢/Bu)</u>	<u>Basis Change</u>	<u>Price(\$/Bu)</u>	<u>Price Change</u>	<u>Average</u>	<u>Year Ago</u>	<u>Freight</u>	<u>Delivery</u>
West	Bid	-20.00X	UP 10.00	9.7075	UP 0.0625	9.7075		DLVD-T	Sep - Oct
West	Bid	15.00F	UNCH	10.2425	DN 0.0375	10.2425	10.5125	DLVD-T	Dec - Jan

### Barge Loading Elevators - Conventional

<u>Region/Location</u>	<u>Sale Type</u>	<u>Basis (¢/Bu)</u>	<u>Basis Change</u>	<u>Price(\$/Bu)</u>	<u>Price Change</u>	<u>Average</u>	<u>Year Ago</u>	<u>Freight</u>	<u>Delivery</u>
Mississippi River	Bid	-40.00X to -39.00X	UP 2.00-UP 1.00	9.5075-9.5175	DN 0.0175-DN 0.0275	9.5125	10.0675	DLVD-T	Sep - Oct
Mississippi River	Bid	-45.00X	UNCH	9.4575	DN 0.0375	9.4575		DLVD-T	Sep - Nov
Mississippi River	Bid	-36.00X	UP 2.00	9.5475	DN 0.0175	9.5475	10.0625	DLVD-T	Oct
Mississippi River	Bid	8.00F	UNCH	10.1725	DN 0.0375	10.1725	10.4075	DLVD-T	Dec
Mississippi River	Bid	7.00F to 10.00F	UNCH	10.1625-10.1925	DN 0.0375	10.1825	10.4075	DLVD-T	Dec - Jan
Mississippi River	Bid	15.00F	UNCH	10.2425	DN 0.0375	10.2425	10.3775	DLVD-T	Jan

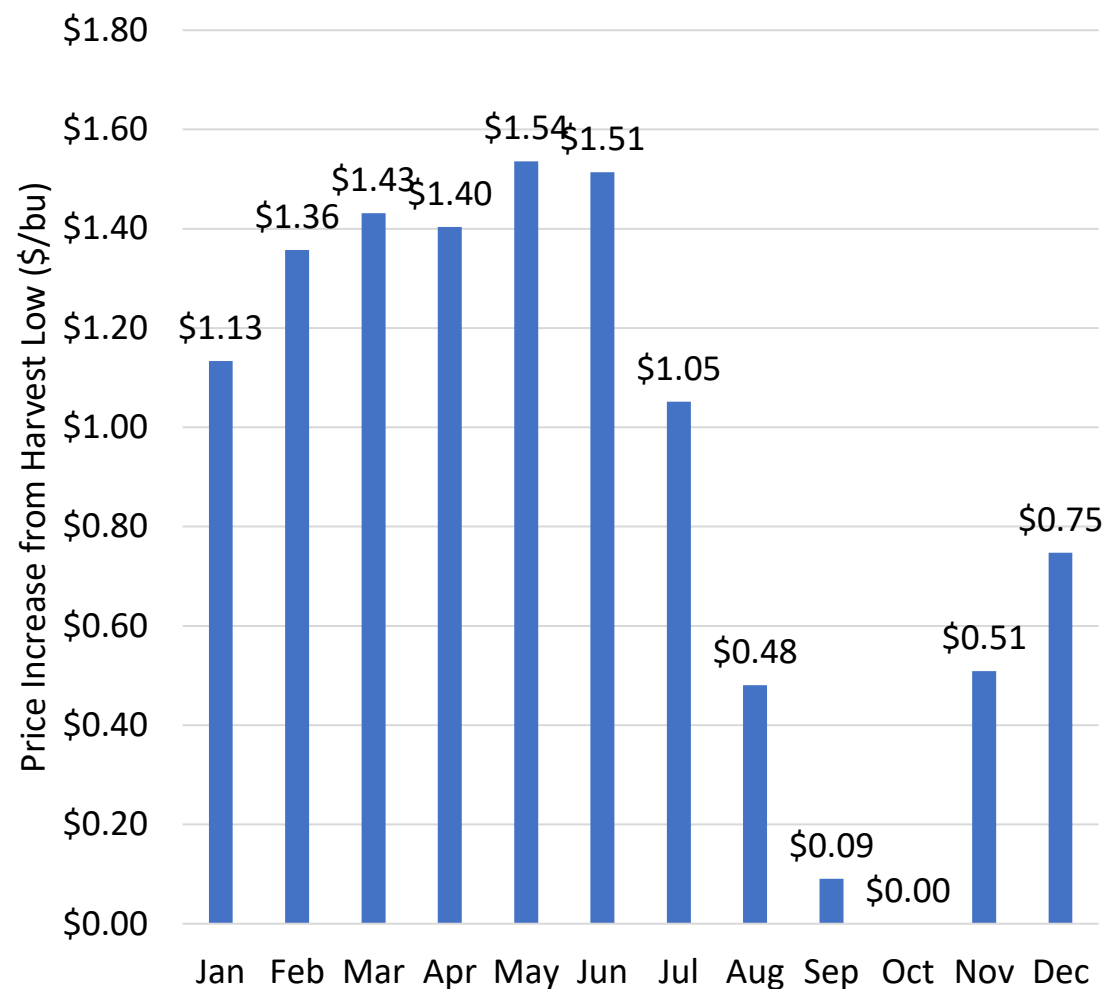
# Buying Call Options

- Allows purchaser to benefit if the futures market rallies.
- Can be effective to use when a market is bottoming.

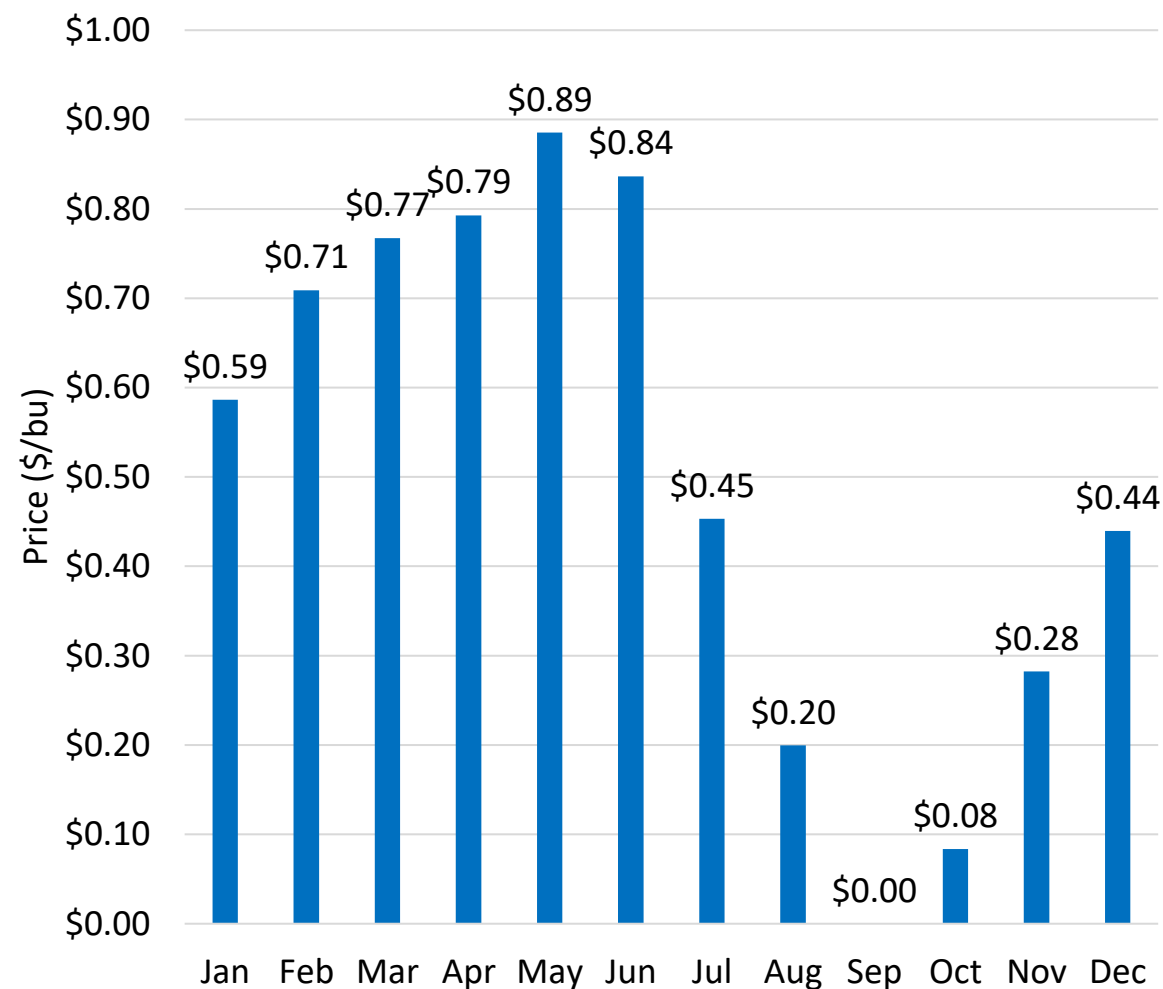
## Jan Soybeans

Calls												
Strike	Open	High	Low	Last	Change	Bid	Ask	Volume	Open Int	Premium	Last Trade	Links
920-0C	N/A	95-0	95-0	95-0s	-3-1	95-6	97-1	N/A	45	4,750.00	08/05/25	⋮
930-0C	N/A	86-5	86-5	86-5s	-3-1	87-3	88-6	N/A	N/A	4,331.25	08/05/25	⋮
940-0C	N/A	78-6	78-6	78-6s	-2-7	79-3	80-6	N/A	1	3,937.50	08/05/25	⋮
950-0C	N/A	71-1	71-1	71-1s	-2-7	71-7	72-7	N/A	N/A	3,556.25	08/05/25	⋮
960-0C	N/A	64-0	64-0	64-0s	-2-6	64-6	65-6	N/A	N/A	3,200.00	08/05/25	⋮
970-0C	N/A	57-3	57-3	57-3s	-2-4	58-0	58-7	N/A	5	2,868.75	08/05/25	⋮
980-0C	N/A	51-1	51-1	51-1s	-2-3	51-5	52-5	N/A	51	2,556.25	08/05/25	⋮
990-0C	N/A	45-2	45-2	45-2s	-2-2	45-6	46-5	N/A	N/A	2,262.50	08/05/25	⋮
1000-0C	N/A	39-7	39-7	39-7s	-2-1	40-3	41-2	N/A	120	1,993.75	08/05/25	⋮
1010-0C	35-6	35-6	34-7	34-7	-2-0	35-3	36-2	96	184	1,787.50	08/05/25	⋮
1020-0C	N/A	30-3	30-3	30-3s	-1-6	30-7	31-6	N/A	164	1,518.75	08/05/25	⋮
1030-0C	N/A	26-3	26-3	26-3s	-1-5	26-6	27-5	6	173	1,318.75	08/05/25	⋮
1040-0C	24-4	24-4	22-7	22-7	-1-3	23-1	23-7	504	1,216	1,156.25	08/05/25	⋮
1050-0C	22-7	23-6	19-6	19-6	-1-2	20-0	20-5	22	3,748	1,093.75	08/05/25	⋮
1060-0C	19-4	20-1	17-0	17-0	-1-1	17-2	17-7	465	1,145	868.75	08/05/25	⋮
1070-0C	N/A	14-6	14-6	14-6s	-0-7	14-7	15-4	7	156	737.50	08/05/25	⋮
1080-0C	15-4	15-4	12-6	12-6	-0-6	12-7	13-3	2	1,107	775.00	08/05/25	⋮
1090-0C	13-1	13-1	11-0	11-0	-0-6	11-1	11-5	24	241	575.00	08/05/25	⋮
1100-0C	10-0	10-0	9-5	9-5	-0-5	9-5	10-1	4	1,058	500.00	08/05/25	⋮
1110-0C	N/A	8-3	8-3	8-3s	-0-4	8-3	8-6	N/A	234	418.75	08/05/25	⋮

**Tennessee Soybean - 10 Year Average Cash Price  
Improvement from October Low, 2013/14 to  
2023/24**



**Tennessee Corn - 10 Year Average Cash Price  
Improvement from the September Low, 2013/14 to  
2022/23**



# Store Soybeans or Corn? Evaluate what the market is offering and costs

## Corn

Contract	Months	Futures Price	Projected Basis	Price Spread	Interest	Spread-Interest
Dec	-	\$4.01	\$0.00	-	-	-
Mar	3	\$4.19	\$0.00	\$0.18	\$0.09	<b>\$0.09</b>
May	5	\$4.30	\$0.00	\$0.29	\$0.15	<b>\$0.14</b>
Jul	7	\$4.37	\$0.00	\$0.36	\$0.21	<b>\$0.15</b>

## Soybean

Contract	Months	Futures Price	Projected Basis	Cash Spread	Interest	Spread-Interest
Nov	-	\$9.92	\$0.00	-	-	-
Jan	2	\$10.11	\$0.00	\$0.19	\$0.15	<b>\$0.04</b>
Mar	4	\$10.28	\$0.00	\$0.36	\$0.30	<b>\$0.06</b>
May	6	\$10.42	\$0.00	\$0.50	\$0.45	<b>\$0.05</b>
Jul	8	\$10.53	\$0.00	\$0.61	\$0.60	<b>\$0.01</b>
Aug	9	\$10.53	\$0.00	\$0.61	\$0.67	<b>-\$0.06</b>

Operating loan interest rate  
 Monthly interest cost (corn)  
 Monthly interest cost (soybean)

9.0%
\$0.030
\$0.074

Additional storage charges ~3-10 cents per month.

# Post Harvest Marketing Tools

- Storage available
  - Deferred cash forward, basis, and HTA contracts
  - USDA marketing loans
  - Futures and options
- Storage unavailable
  - Futures market ownership
    - Purchase call
    - Buy futures

# Take Home

- Supply and demand points towards a low-price environment.
- Limited in season pricing opportunities (large amount of the crop unpriced)
- Evaluate fall storage capacity and if the crop should be stored.
- Incremental pricing into rallies.
- Basis offerings (Mississippi River ?).
- Challenging winter shaping up (obtaining financing for 2026 crop)

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# THANK YOU

