

Shifting Landscape of Corn and Soybean Demand

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Overview

- 2025 Profitability
- Corn & Soybean Supply and Demand
- Commodity, Input Prices, and 2026 Profitability
- Price Expectations and Policy

2025 Tennessee Estimated Revenue and Production Costs

	Cotton	Soybeans	Corn	Wheat/Soybeans
Yield - Crop Production Report (Tennessee)	865	42	162	74/37
Average Harvest Price	\$0.65	\$10.36	\$4.28	\$5.27/\$10.36
Revenue	\$562	\$435	\$693	\$773
Variable Expenses	\$616	\$320	\$572	\$566
Returns Over Variable	(\$54)	\$115	\$121	\$207
Land Costs	\$150	\$150	\$150	\$150
Returns Over Variable and Land Costs	(\$204)	(\$35)	(\$29)	\$57
Fixed Costs (Capital Recovery and Management Labor)	\$205	\$149	\$166	\$260
Returns Over Specified Costs	(\$409)	(\$184)	(\$195)	(\$203)
Breakeven Price at Estimated Yield and Specified Cost	\$1.12	\$14.74	\$5.48	\$6.10/\$12.20

2025 Tennessee Crop Losses and Federal Payments

	Cotton	Soybeans	Corn	Wheat/Soybean	Total
FSA Acres Planted (2025)	202,244	1,213,629	897,270	291,791	2,604,934
Irrigation %	14%	8%	9%	4%	8%
Estimated Losses by Crop 2025	(78,993,473)	(170,298,140)	(168,294,115)	(59,197,391)	(476,783,118)
FBA Payment (Estimated)	23,733,333	37,476,864	39,802,897	20,492,482	121,505,576
Crop Insurance Payments (as at Jan 15, 2026)	12,479,865	37,330,926	33,163,898	14,847,035	97,821,724
2024 ARC/PLC (received Oct 2025)	21,886,609	14,879,780	25,106,034	3,577,523	65,449,946
Loss after safety net and ad hoc payments	(20,893,665)	(80,610,571)	(70,221,285)	(20,280,350)	(192,005,872)

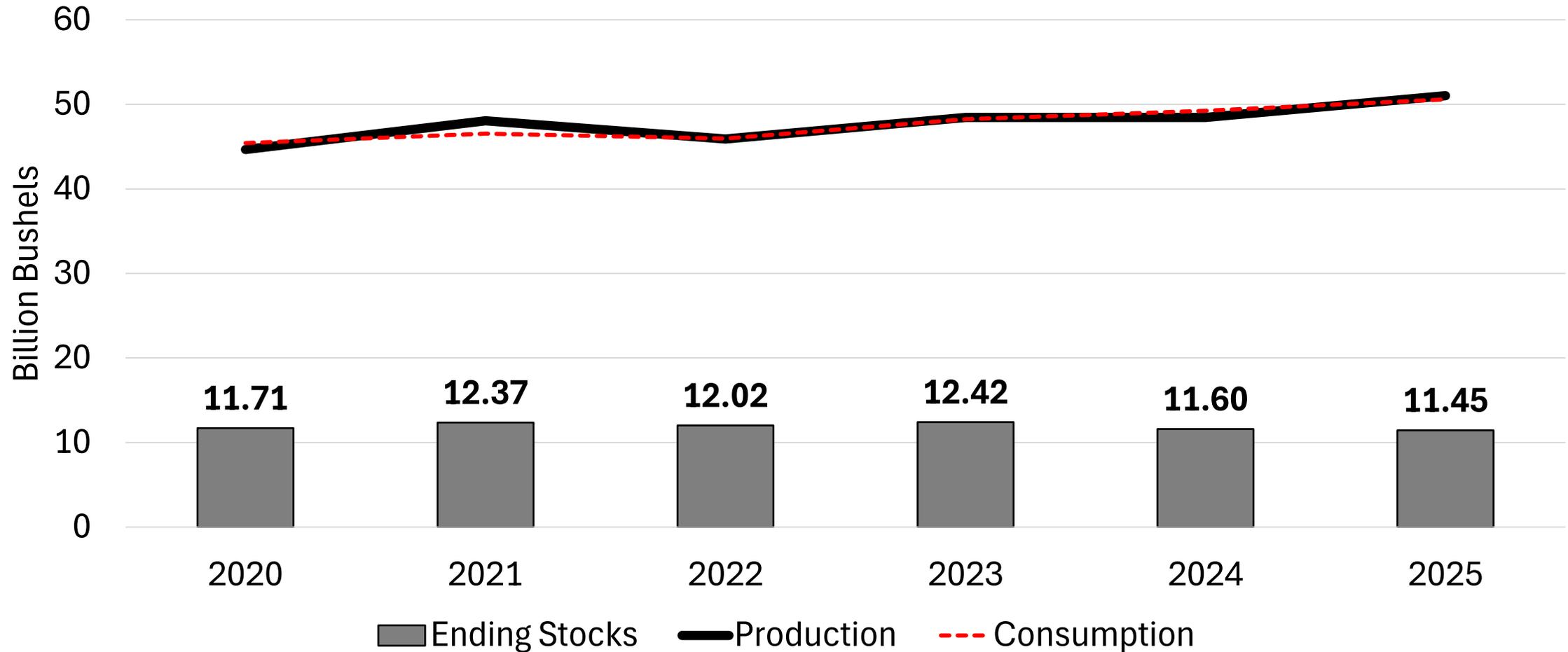
Notes:

- Losses are based on both irrigated and non-irrigated estimated returns for Tennessee
- FSA acres are from the January report
- FBA are estimated based on payment rate and planted acres; does not account for payment limitations
- Crop insurance indemnities are as at Jan 15, 2026; additional indemnities may be added to the RMA data
- ARC/ PLC payments are for the 2024 crop year; received in October 2025; ARC/PLC payments are based on base acres not planted
- Wheat/soybeans includes payments and revenue from both crops.
- Does not include Supplemental Disaster Relief Program (SDRP)

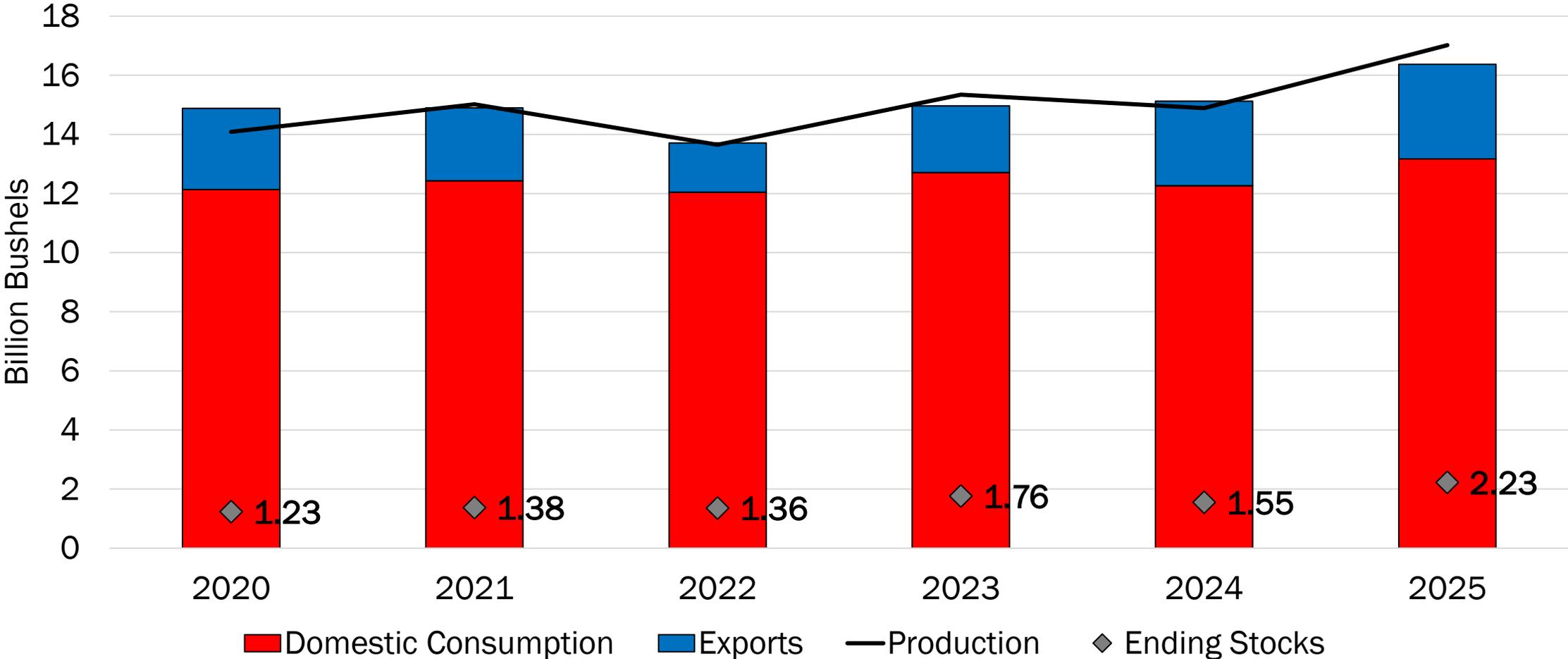
Farmer Bridge Assistance Program (FBA)

- **Corn: \$44.36**
- **Wheat: \$39.35**
- **Soybeans: \$30.88**
- **Cotton \$117.35**

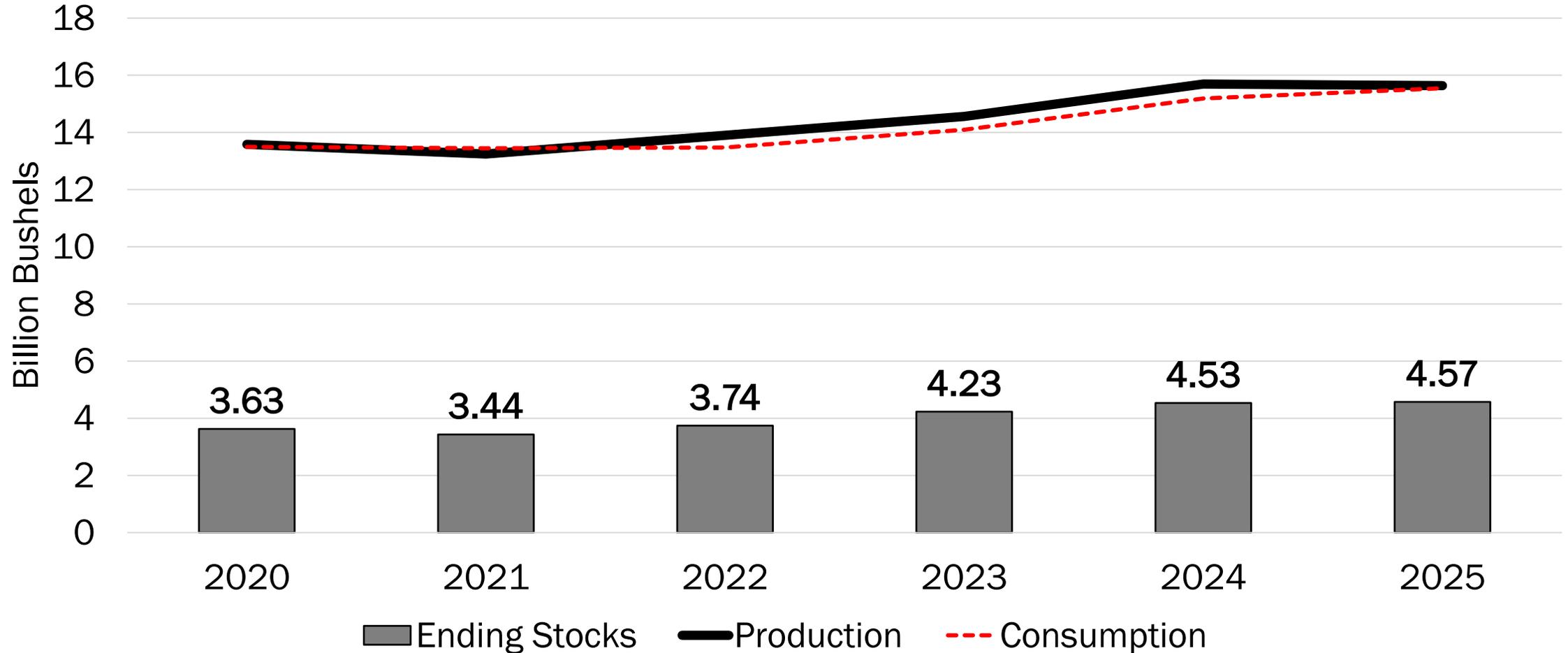
World Corn Production, Consumption, and Ending Stocks



U.S. Corn Production, Consumption, Exports, and Ending Stocks

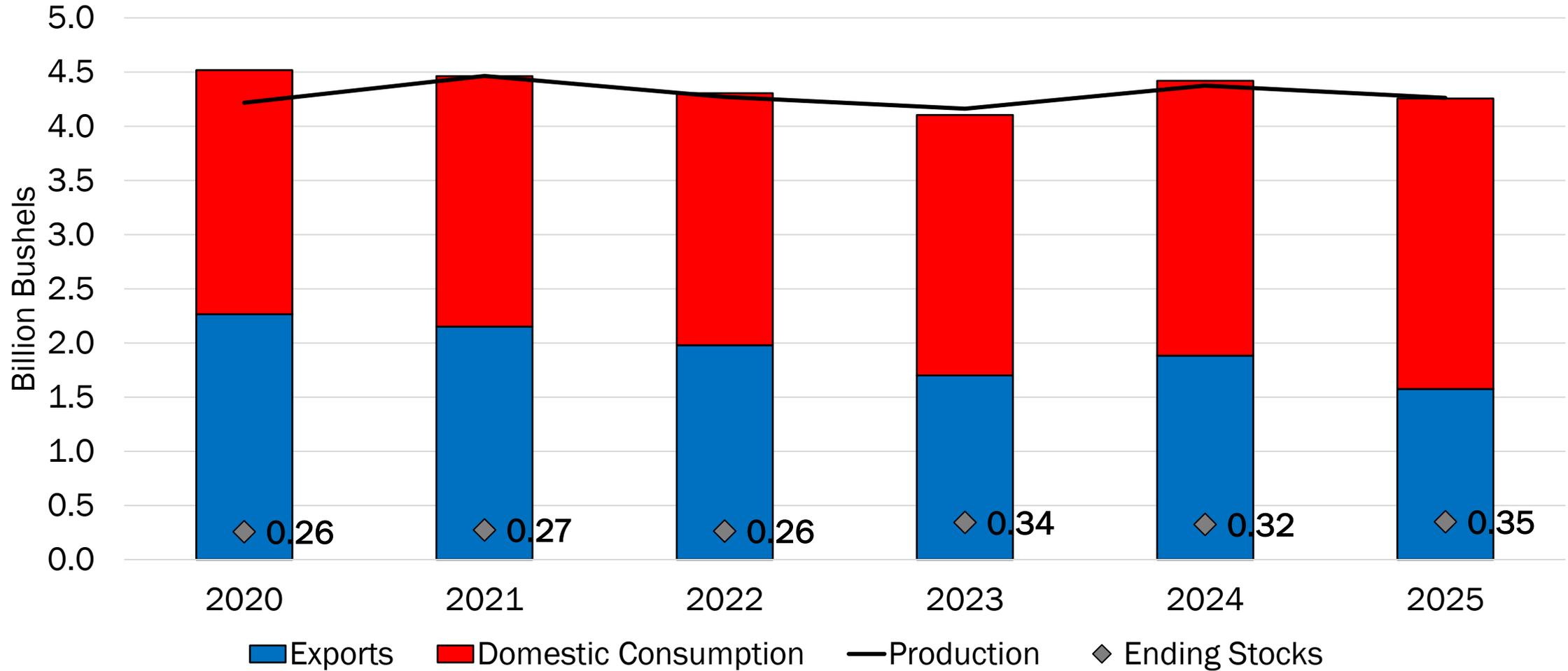


World Soybean Production, Consumption, and Ending Stocks



Source: USDA PSD
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U.S. Soybean Production, Consumption, Exports, and Ending Stocks



HOW WILL A NEW GLOBAL TRADE PARADIGM AND INTERNATIONAL AND DOMESTIC POLICY INFLUENCE SUPPLY, DEMAND, AND TRADE FLOWS?



2026 Estimated Cost-of-Production

	Corn	Soybeans	Cotton
Crop Revenue	\$823	\$605	\$828
Yield	175	55	1,200
Price	\$4.70	\$11.00	\$0.69
Operating costs			
Seed	\$125	\$70	\$145
Fertilizer	\$210	\$60	\$125
Chemicals	\$70	\$105	\$160
Machinery operating cost or custom	\$85	\$75	\$95
Interest on operating capital	\$20	\$14	\$23
Total, operating costs	\$510	\$324	\$548
Allocated overhead			
Labor	\$40	\$30	\$50
Capital recovery of machinery and equipment	\$155	\$135	\$175
Land Expense	\$180	\$180	\$180
Taxes, insurance, and housing	\$21	\$18	\$22
General farm overhead	\$26	\$23	\$27
Total, allocated overhead costs	\$422	\$386	\$454
Total, costs listed	\$932	\$710	\$1,002
Revenue less specified costs	-\$110	-\$105	-\$174

Corn - Net Return Table (\$/acre; **\$932 COP**)

		<u>Yield (bu/acre)</u>										
		130	140	150	160	170	180	190	200	210	220	230
<u>Price</u> (\$/bu)	3.00	(542)	(512)	(482)	(452)	(422)	(392)	(362)	(332)	(302)	(272)	(242)
	3.25	(510)	(477)	(445)	(412)	(380)	(347)	(315)	(282)	(250)	(217)	(185)
	3.50	(477)	(442)	(407)	(372)	(337)	(302)	(267)	(232)	(197)	(162)	(127)
	3.75	(445)	(407)	(370)	(332)	(295)	(257)	(220)	(182)	(145)	(107)	(70)
	4.00	(412)	(372)	(332)	(292)	(252)	(212)	(172)	(132)	(92)	(52)	(12)
	4.25	(380)	(337)	(295)	(252)	(210)	(167)	(125)	(82)	(40)	3	46
	4.50	(347)	(302)	(257)	(212)	(167)	(122)	(77)	(32)	13	58	103
	4.75	(315)	(267)	(220)	(172)	(125)	(77)	(30)	18	66	113	161
	5.00	(282)	(232)	(182)	(132)	(82)	(32)	18	68	118	168	218
	5.25	(250)	(197)	(145)	(92)	(40)	13	66	118	171	223	276
	5.50	(217)	(162)	(107)	(52)	3	58	113	168	223	278	333
	5.75	(185)	(127)	(70)	(12)	46	103	161	218	276	333	391
	6.00	(152)	(92)	(32)	28	88	148	208	268	328	388	448
	6.25	(120)	(57)	6	68	131	193	256	318	381	443	506
	6.50	(87)	(22)	43	108	173	238	303	368	433	498	563
6.75	(55)	13	81	148	216	283	351	418	486	553	621	

ARC/PLC Payments Explorer - Corn

1. Select One County

Tennessee (State) + Dyer (County) 

2. Select One Irrigation System

Irrigated 

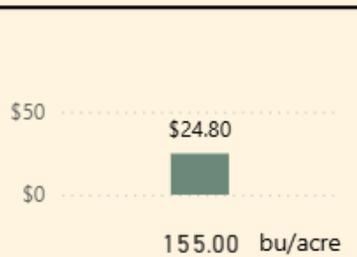
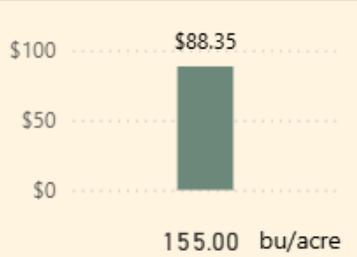
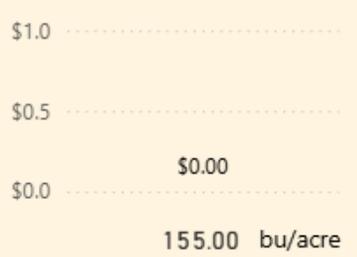
3. Enter your projected marketing year average price for 2025/26

4.10 \$/bushel

4. Enter Your Farm's PLC Yield

155 bu/acre

[Click here for more information on this decision tool](#)

Scenarios	2025 Projected Payment Rates (\$/Acre)				ARC-CO preferred to PLC if 2025 county yield is lower than Equal-Payment Yield	
	PLC	ARC-CO (county yields in horizontal axis)				
<p>Baseline</p> <p>MYA Price</p> <p>\$4.10</p>	 <p>\$24.80</p> <p>155.00 bu/acre</p>	<p>\$96.83</p> <p>Up to 179.49</p> <p>Max-Pmt Yields</p>	<p>\$64.55</p> <p>187.36</p> <p>1/3 Max</p>	<p>\$32.28</p> <p>195.25</p> <p>2/3 Max</p>	<p>\$0.00</p> <p>Above 203.11 bu/acre</p> <p>No-Payment Yields</p>	<p>Equal-Payment Yield</p> <p>197.06</p> <p>bu/acre</p>
<p>Lower Price</p> <p>90% MYA Price</p> <p>\$3.69</p>	 <p>\$88.35</p> <p>155.00 bu/acre</p>	<p>\$96.83</p> <p>Up to 199.44</p> <p>Max-Pmt Yields</p>	<p>\$64.55</p> <p>208.18</p> <p>1/3 Max</p>	<p>\$32.28</p> <p>216.94</p> <p>2/3 Max</p>	<p>\$0.00</p> <p>Above 225.68 bu/acre</p> <p>No-Payment Yields</p>	<p>Equal-Payment Yield</p> <p>201.74</p> <p>bu/acre</p>
<p>Higher Price</p> <p>110% MYA Price</p> <p>\$4.51</p>	 <p>\$0.00</p> <p>155.00 bu/acre</p>	<p>\$96.83</p> <p>Up to 163.18</p> <p>Max-Pmt Yields</p>	<p>\$64.55</p> <p>170.33</p> <p>1/3 Max</p>	<p>\$32.28</p> <p>177.50</p> <p>2/3 Max</p>	<p>\$0.00</p> <p>Above 184.65 bu/acre</p> <p>No-Payment Yields</p>	<p>Equal-Payment Yield</p> <p>184.65</p> <p>bu/acre</p>

Source: <https://ruralandfarmfinance.com/wp-content/uploads/2025/04/ARC-PLC-Payment-Explorer-.pdf>

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ARC/PLC Payments Explorer - Soy

1. Select One County

Tennessee (State) + Dyer (County) ▼

2. Select One Irrigation System

Nonirrigated ▼

3. Enter your projected marketing year average price for 2025/26

10.20 \$/bushel

4. Enter Your Farm's PLC Yield

45 bu/acre

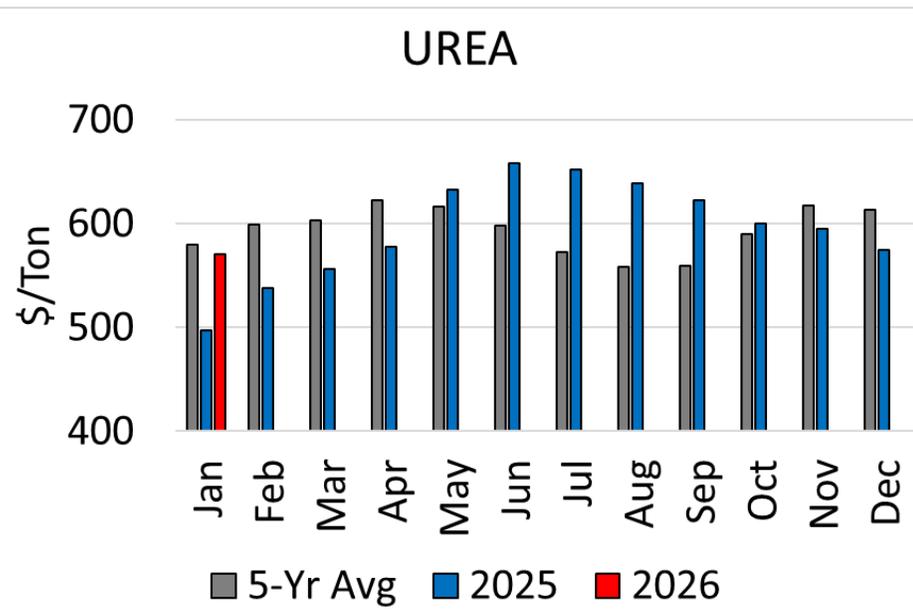
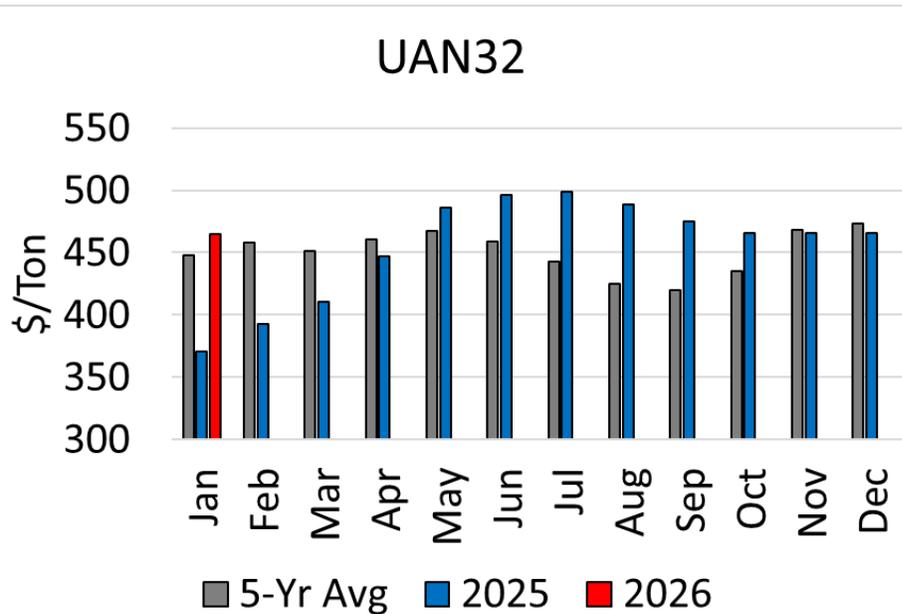
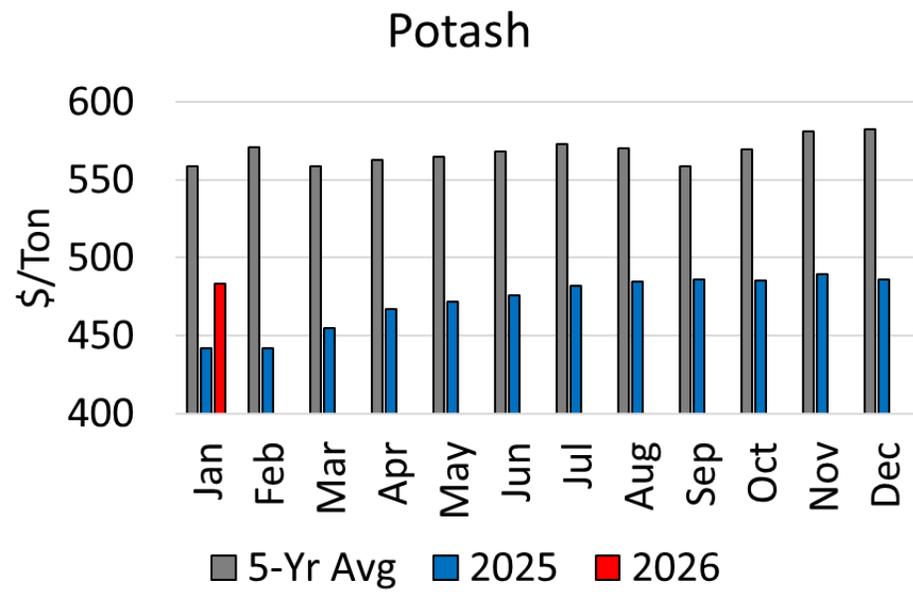
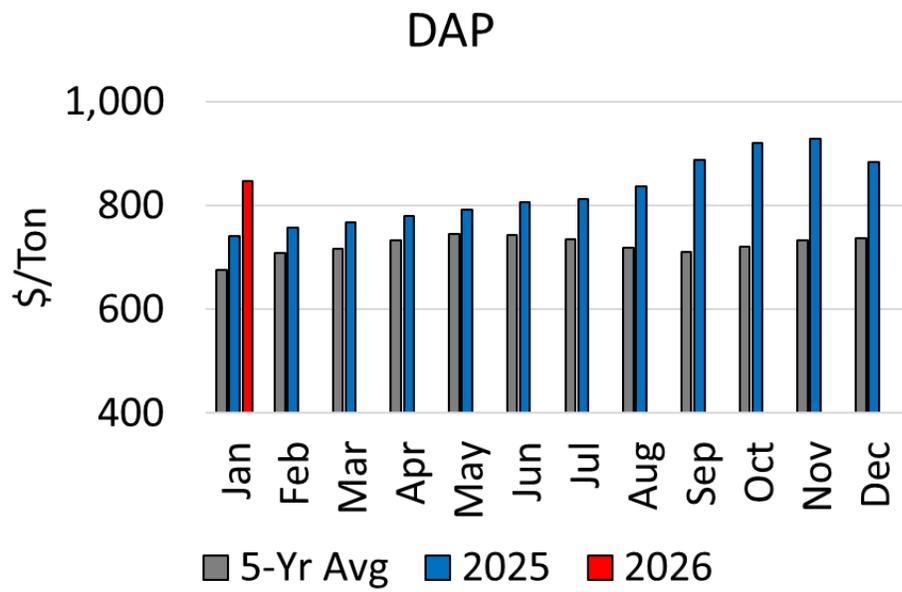
[Click here for more information on this decision tool](#)

Scenarios	2025 Projected Payment Rates (\$/Acre)				ARC-CO preferred to PLC if 2025 county yield is lower than Equal-Payment Yield
	PLC	ARC-CO (county yields in horizontal axis)			
<p>Baseline</p> <p>MYA Price</p> <p>\$10.20</p>	<p>\$50</p> <p>\$0</p> <p>\$0.00</p> <p>45.00 bu/acre</p>	<p>\$60.59</p> <p>Up to 45.15</p> <p>Max-Pmt Yields</p>	<p>\$40.39</p> <p>47.13</p> <p>1/3 Max</p>	<p>\$20.20</p> <p>49.11</p> <p>2/3 Max</p>	<p>\$0.00</p> <p>Above 51.09 bu/acre</p> <p>No-Payment Yields</p> <p>Equal-Payment Yield</p> <p>51.09</p> <p>bu/acre</p>
<p>Lower Price</p> <p>90% MYA Price</p> <p>\$9.18</p>	<p>\$20</p> <p>\$10</p> <p>\$0</p> <p>\$21.60</p> <p>45.00 bu/acre</p>	<p>\$60.59</p> <p>Up to 50.17</p> <p>Max-Pmt Yields</p>	<p>\$40.39</p> <p>52.36</p> <p>1/3 Max</p>	<p>\$20.20</p> <p>54.57</p> <p>2/3 Max</p>	<p>\$0.00</p> <p>Above 56.77 bu/acre</p> <p>No-Payment Yields</p> <p>Equal-Payment Yield</p> <p>54.41</p> <p>bu/acre</p>
<p>Higher Price</p> <p>110% MYA Price</p> <p>\$11.22</p>	<p>\$1.0</p> <p>\$0.5</p> <p>\$0.0</p> <p>\$0.00</p> <p>45.00 bu/acre</p>	<p>\$60.59</p> <p>Up to 41.04</p> <p>Max-Pmt Yields</p>	<p>\$40.39</p> <p>42.84</p> <p>1/3 Max</p>	<p>\$20.20</p> <p>44.65</p> <p>2/3 Max</p>	<p>\$0.00</p> <p>Above 46.44 bu/acre</p> <p>No-Payment Yields</p> <p>Equal-Payment Yield</p> <p>46.44</p> <p>bu/acre</p>

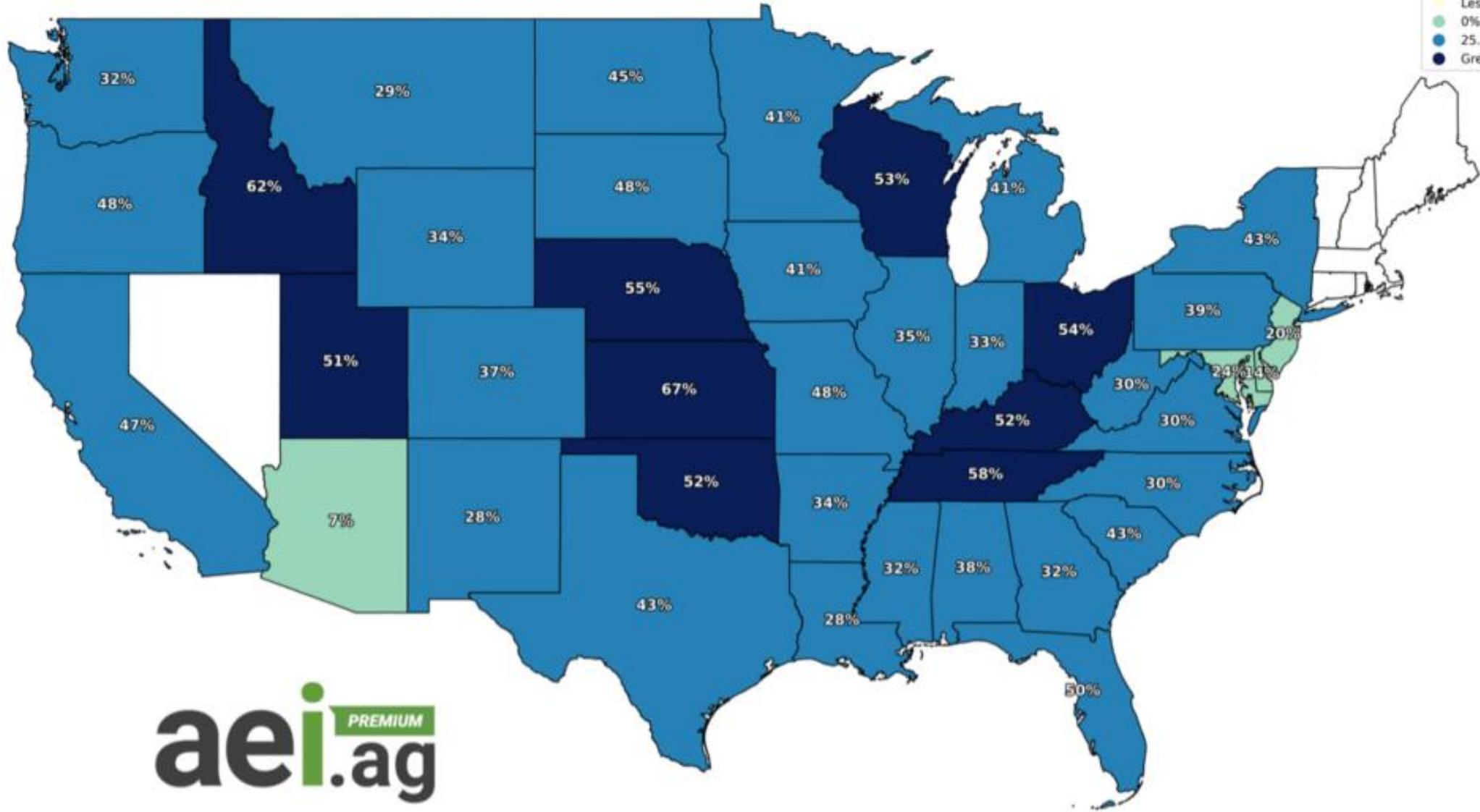
Source: <https://ruralandfarmfinance.com/wp-content/uploads/2025/04/ARC-PLC-Payment-Explorer-.pdf>

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Fertilizer Prices



Change in Cropland Values, 2018 to 2025



Save interest when you can!

500,000 over 15 years

Interest Rate	3.5%	5.5%	8.5%
Interest	\$143,394	\$235,375	\$386,265
Change	-	\$91,981	\$242,871

Cash, Futures, and Basis

- Futures markets are a reference price
 - Cash Price = Futures + Basis
 - It is important to disaggregate cash prices for marketing and risk management purposes
 - Price risk management versus establishing a final price

Price Risk Management and Crop Marketing



Planning and Pre Sales

Input Purchases

Crop Insurance

In-season Sales

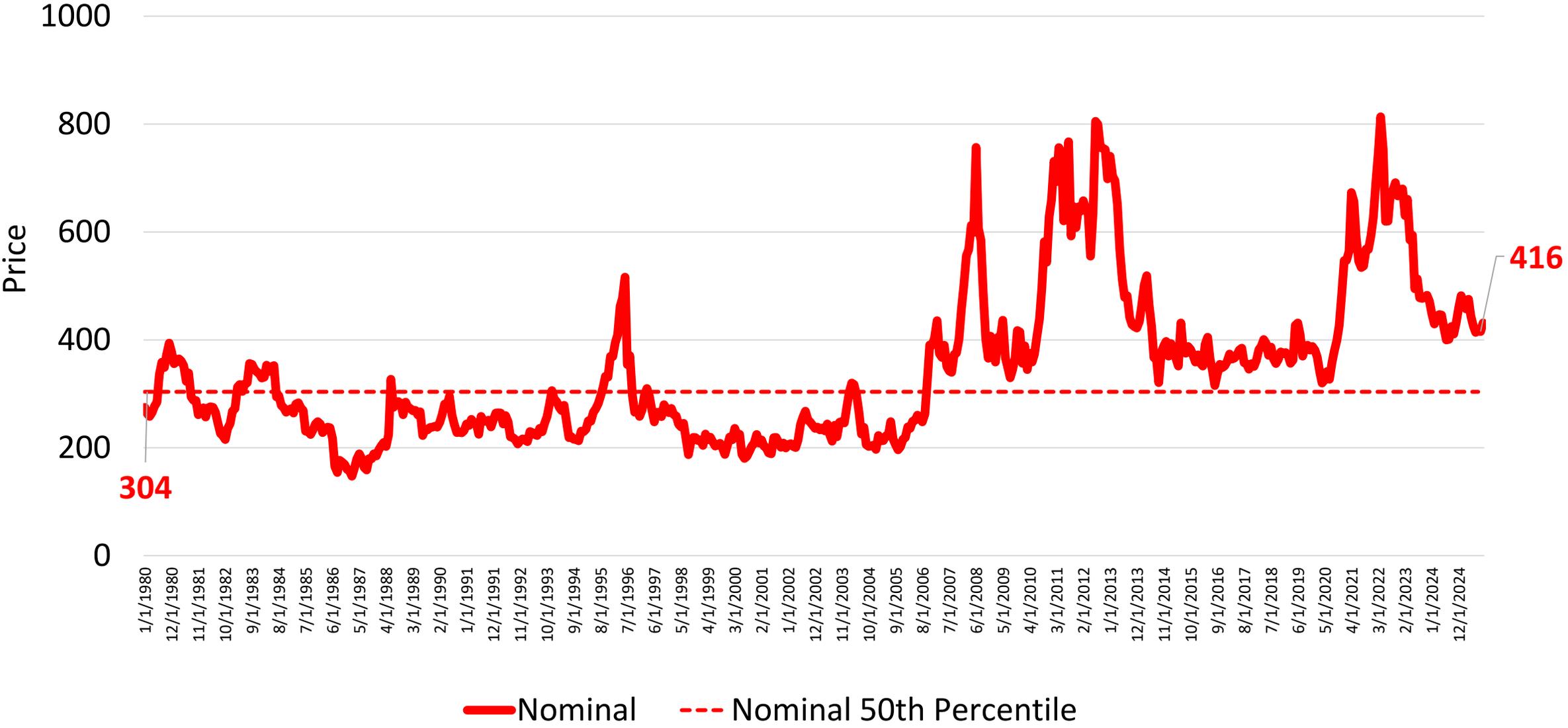
Harvest Sales

Post Harvest Sales

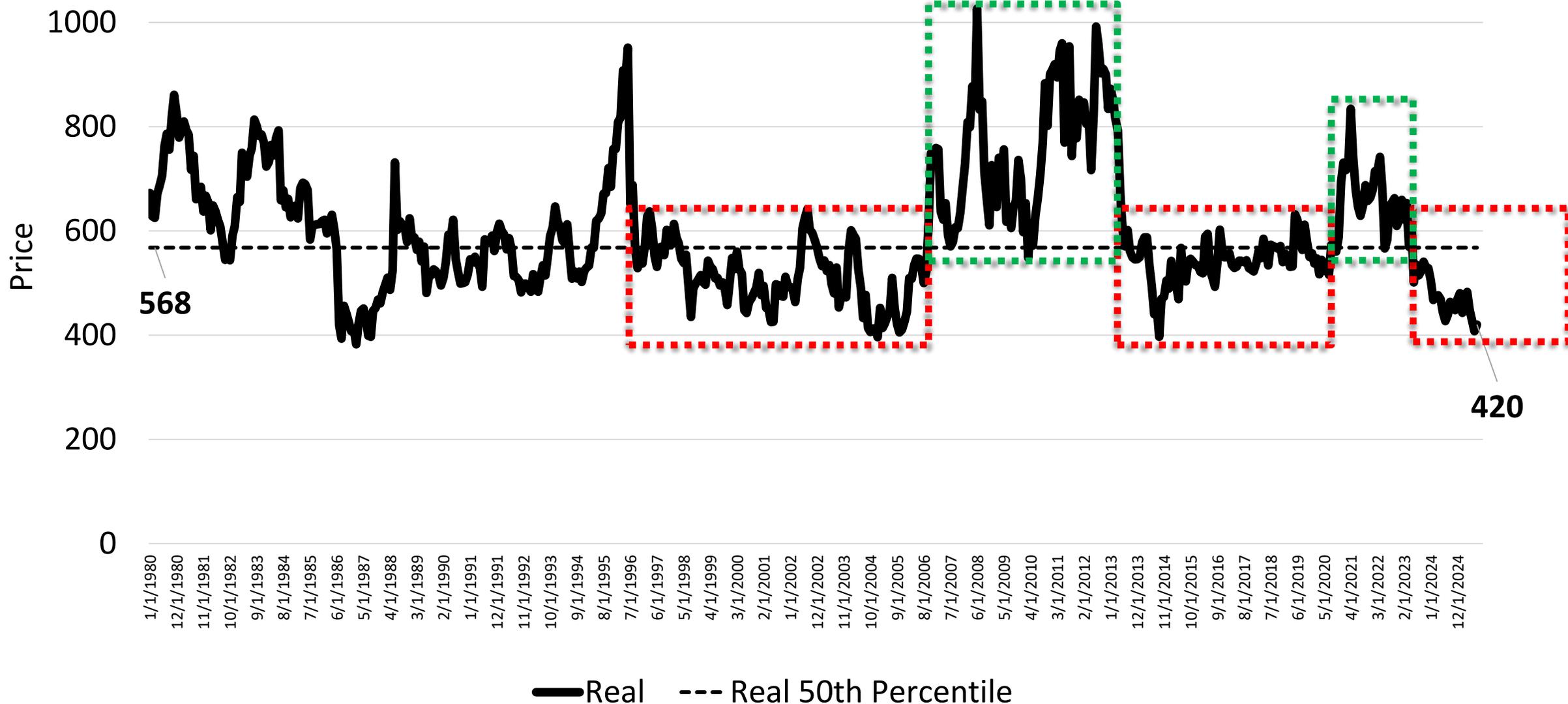
Price Expectations and Marketing

- Understand supply and demand fundamentals
- Look at trends and where prices are in the cycle
- Be forward looking (multiple production cycles)
- Build a plan to incorporate seasonal decisions
- Maintain flexibility
- Execute the plan
- Evaluate successes and failures

Monthly Nominal Nearby Corn Futures Prices, 1980-2025



Monthly Real Nearby Corn Futures Prices, 1980-2025 (Base = August 2025)



Futures Market Nearby and Harvest Prices

	Nearby	2026	2027	2028
Corn	\$4.30	\$4.57	\$4.71	\$4.73
Soybean	\$11.05	\$10.92	\$10.87	\$10.87
Wheat	\$5.28	\$5.80	\$6.01	\$6.32

Data Source: <https://www.barchart.com/futures/grains?viewName=main>

Corn Cost of Production and Marketing								
Cost	Cost per Acre	<u>Expected Price</u>	<u>Time Expense is Incurred</u>			<u>Bushels Marketed to Cover Expense</u>		
		\$5.00	Dec-Apr	May-Aug	Sept-Nov	Dec-Apr	May-Aug	Sept-Nov
		<u># of bu to Cover Expense</u>						
Operating costs								
Seed	\$125	25	100%	0%	0%	25	0	0
Fertilizer	\$210	42	33%	67%	0%	14	28	0
Chemicals	\$70	14	25%	75%	0%	4	11	0
Fuel, lube, and electricity	\$35	7	20%	30%	50%	1	2	4
Repairs	\$50	10	20%	30%	50%	2	3	5
Other variable expenses	\$0	0	33%	33%	34%	0	0	0
Interest on operating capital	\$20	4	33%	33%	34%	1	1	1
Total, operating costs	\$510	102	-	-	-	47	45	10
Allocated overhead								
Labor	\$40	8	25%	25%	50%	2	2	4
Capital recovery machinery, equipment, and buildings	\$155	31	0%	0%	100%	0	0	31
Land (rental rate)	\$180	36	50%	0%	50%	18	0	18
Taxes and insurance	\$21	4	100%	0%	0%	4	0	0
General farm overhead	\$26	5	33%	33%	34%	2	2	2
Other	\$0	0	33%	33%	34%	0	0	0
Total, allocated costs	\$422	84	-	-	-	26	4	55
Total, costs listed	\$932	186	-	-	-	73	49	65
			Target % of Crop to be Marketed			39%	26%	35%
<u>Acres</u>	<u>Total Cost</u>					Dec-Apr	May-Aug	Sept-Nov
2,500	\$2,330,000					182,500	122,500	162,500

Take Home

- Low commodity prices, high input prices and low profit margins are likely to persist in 2026.
- Additional payments seem possible (ad hoc and updated farm safety net).
- Tariffs, trade, and economic instability will continue to make markets unpredictable.
- Have a plan to manage price risk.

The past wasn't as good as you remember.
The present isn't as bad as you think.
The future will be better than you anticipate.

Morgan Housel, The Psychology of Money

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THANK YOU

