



Grains Fundamentals Update

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23 October 2025



Government shutdown will push towards trading balance sheets

Is a lower US corn yield bullish?

Trading without key algorithmic inputs

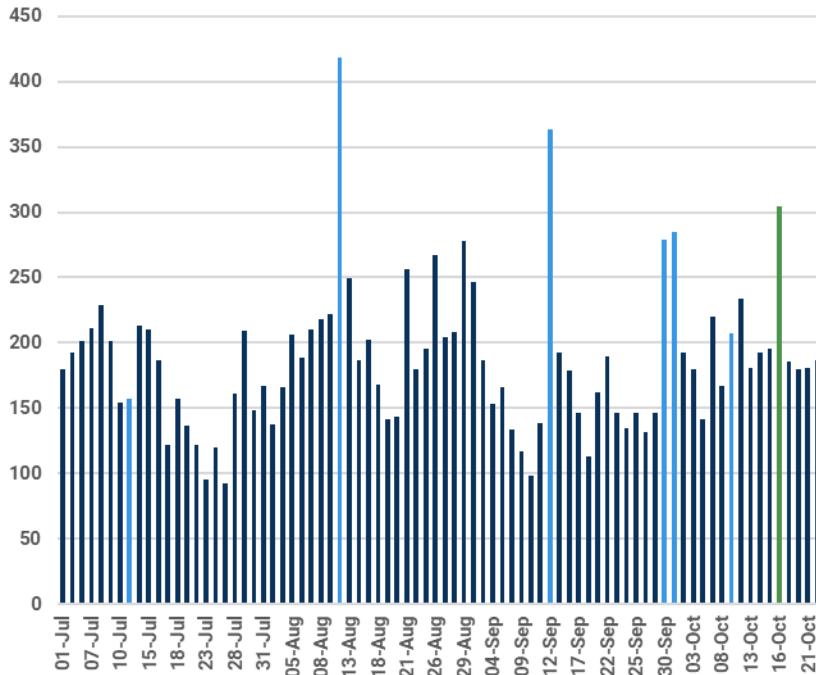
- WASDE metrics
 - US corn and soybean yields
 - World production and ending stocks
 - US exports and endings stocks
 - China and world import demand
- Weekly sales
- Quarterly stocks
- Ag forum, planting and acreage reports

Shift from trading production to trading balance sheets

With Kpler:

- Monitor real-time flows
- Forecast global monthly import demand
- Understand export competition and seasonality
- Trade forward-looking balance sheets

No WASDE volume surge this month for CZ25 (k lots)



Source: Barchart

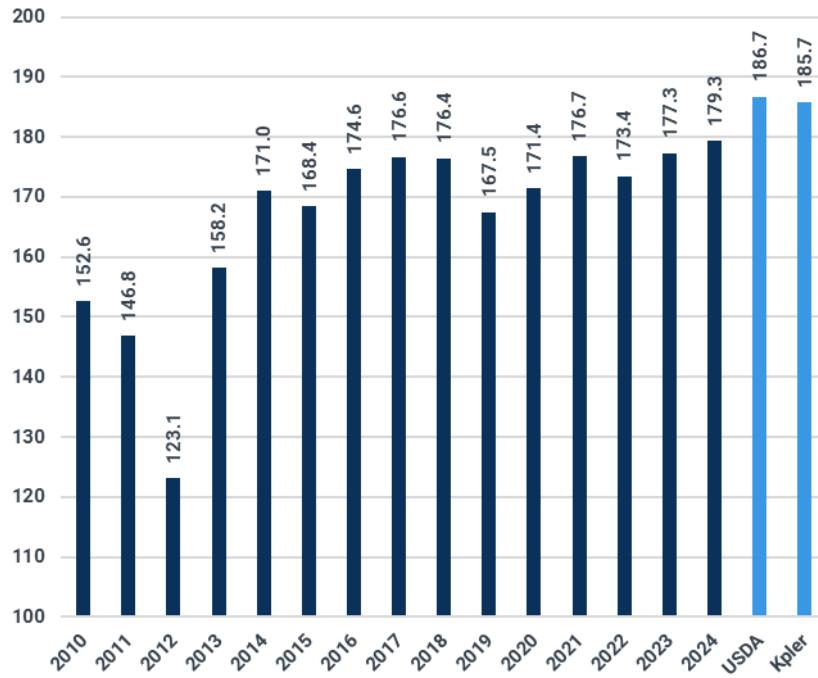
01

Row crop balances

US corn yield remains record but export market poses challenge

Unfavourable conditions take the shine off record yield as market focus pivots to export pace

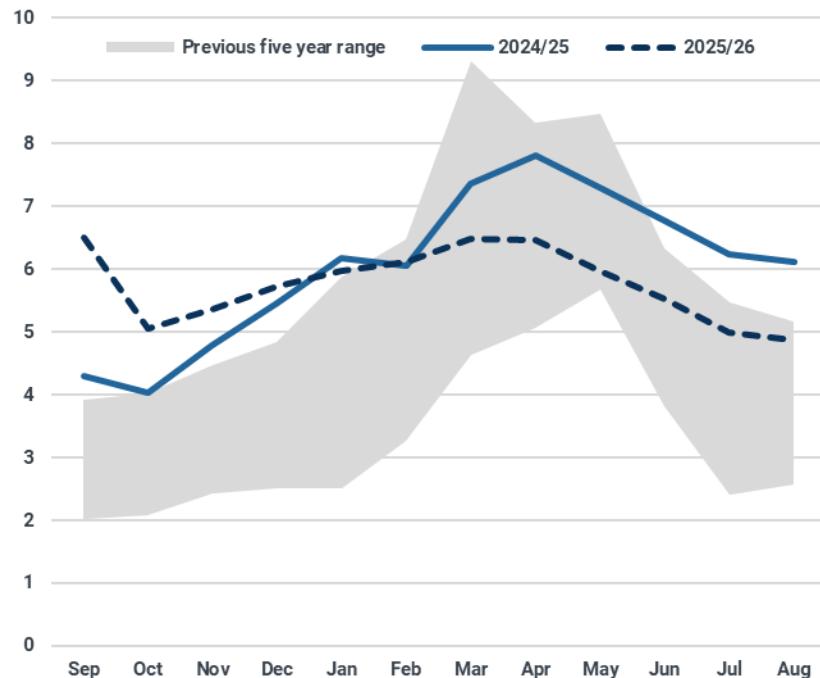
US corn yield (bu/ac)



Source: Kpler Insight

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US corn exports (Mt)

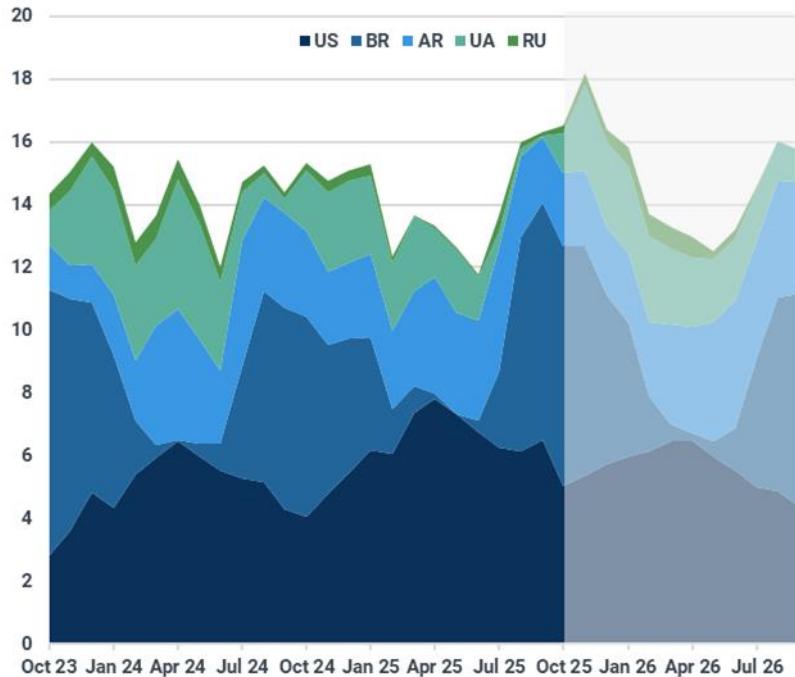


Source: Kpler Insight

Greater global supply of corn for 2025/26

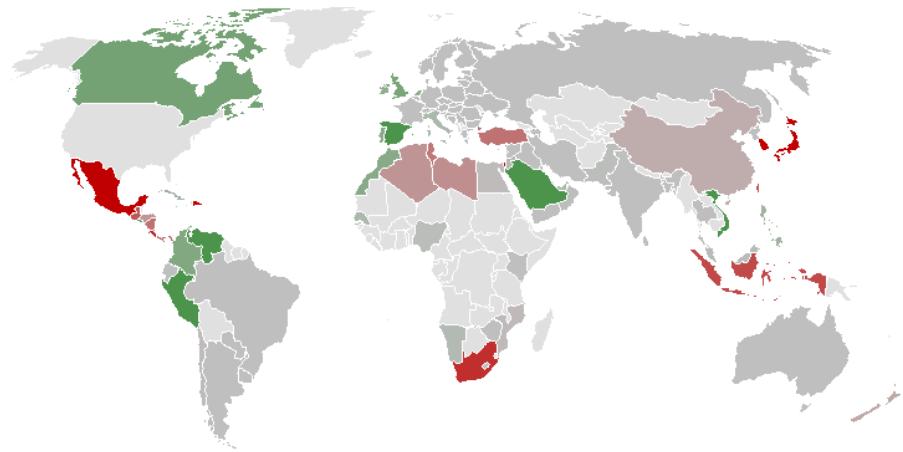
The US had dominated global corn exports during 2024/25, but the global 2025 harvest is expected to be larger y/y

Major exports (Mt)



Source: Kpler Insight

US corn export changes vs last year

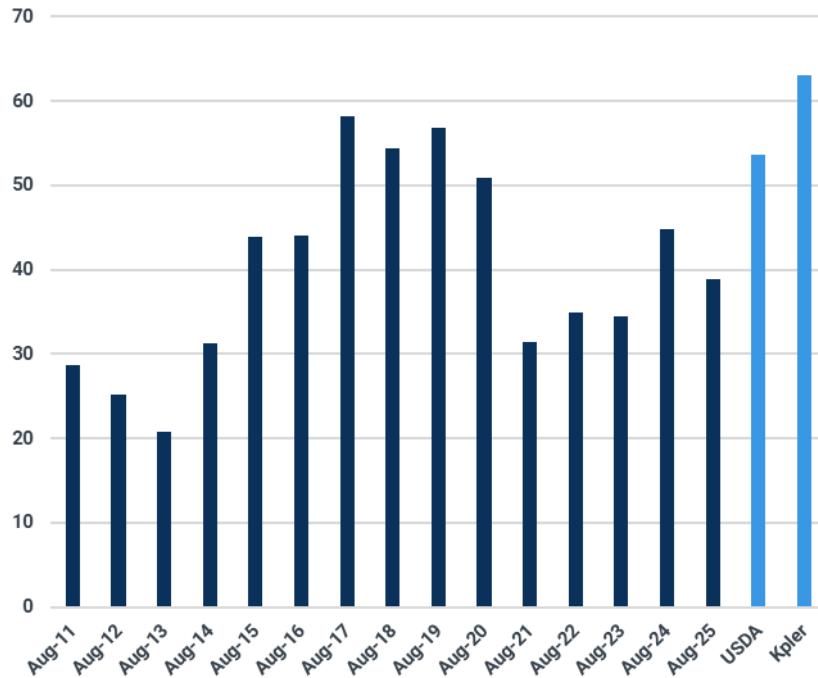


Source: Kpler Insight

US corn ending stocks forecast to rise

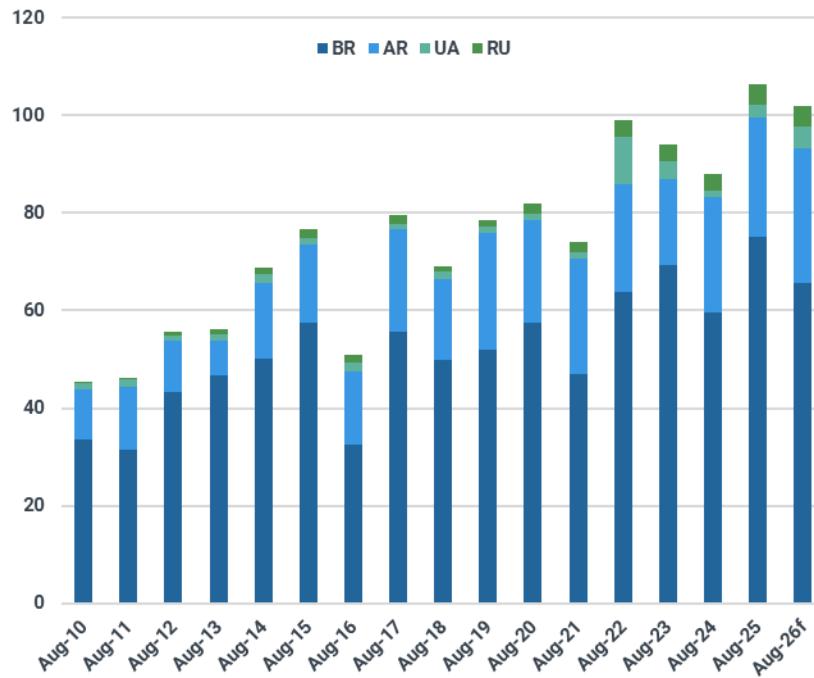
The US is not the only major corn exporter facing heavier ending stocks

US corn ending stocks (Mt)



Source: Kpler Insight

August stocks in other major exporting countries (Mt)

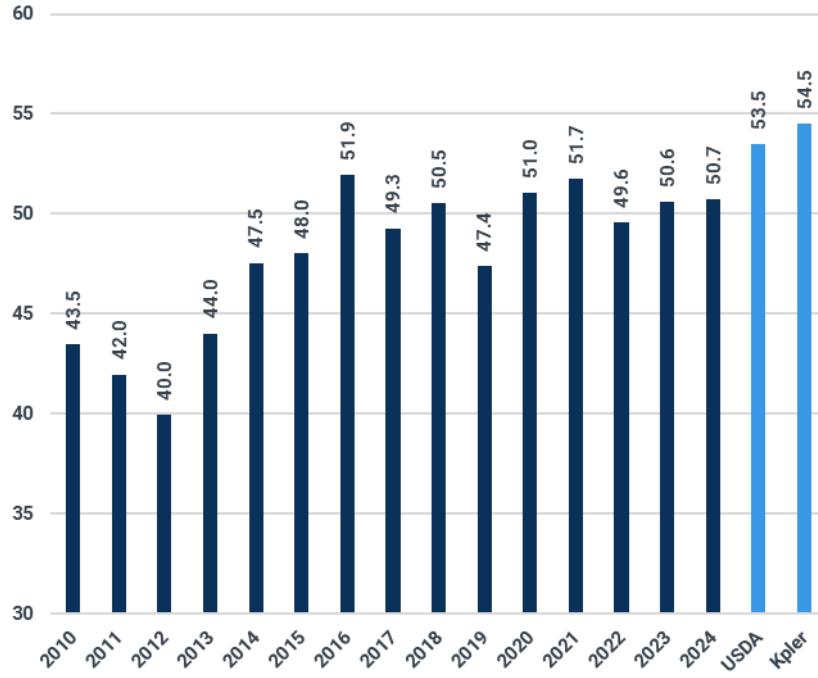


Source: Kpler Insight

Record US soybean yield, but crop unable to tap into Chinese crush demand

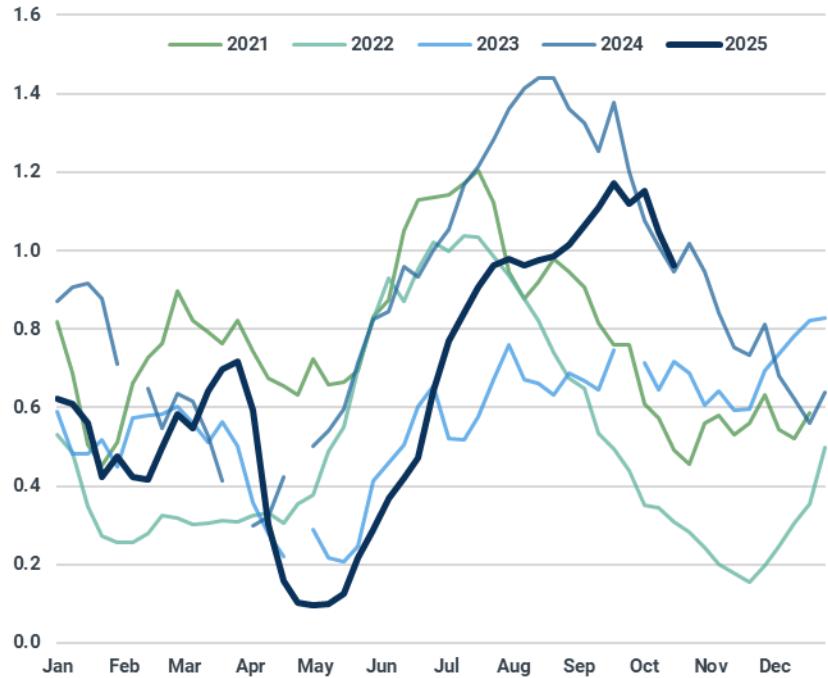
US soybean crop on track for record yield, while Chinese crush demand remains unphased by lack of US supply

US soybean yield (bu/ac)



Source: Kpler Insight

Chinese soybean meal inventory (Mt)

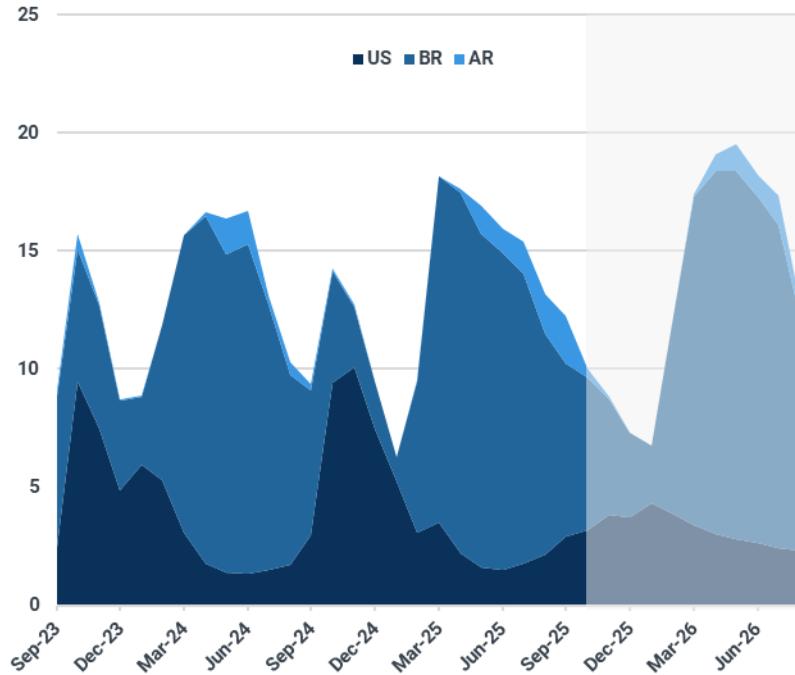


Source: JCI

US soybean exports underperform due to Chinese import tariffs

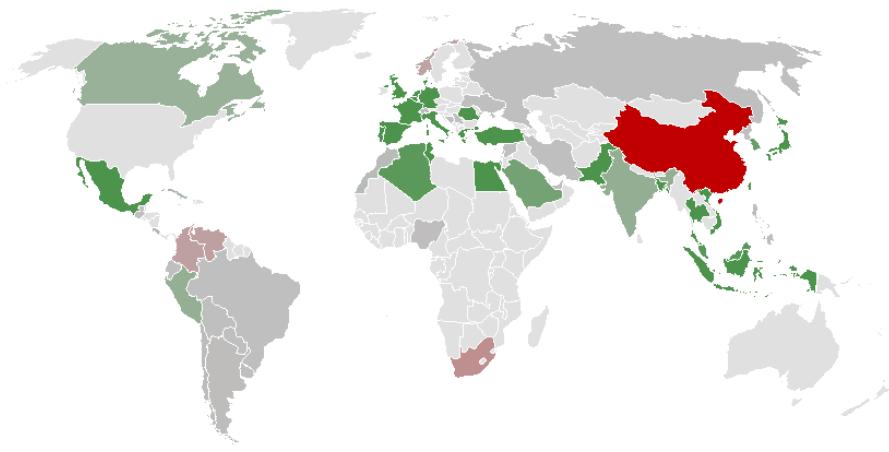
While the US will export more soybeans to alternate markets outside of China, this can't offset the lost demand

Exports by major exporter (Mt)



Source: Kpler Insight

US soybean exports vs last year

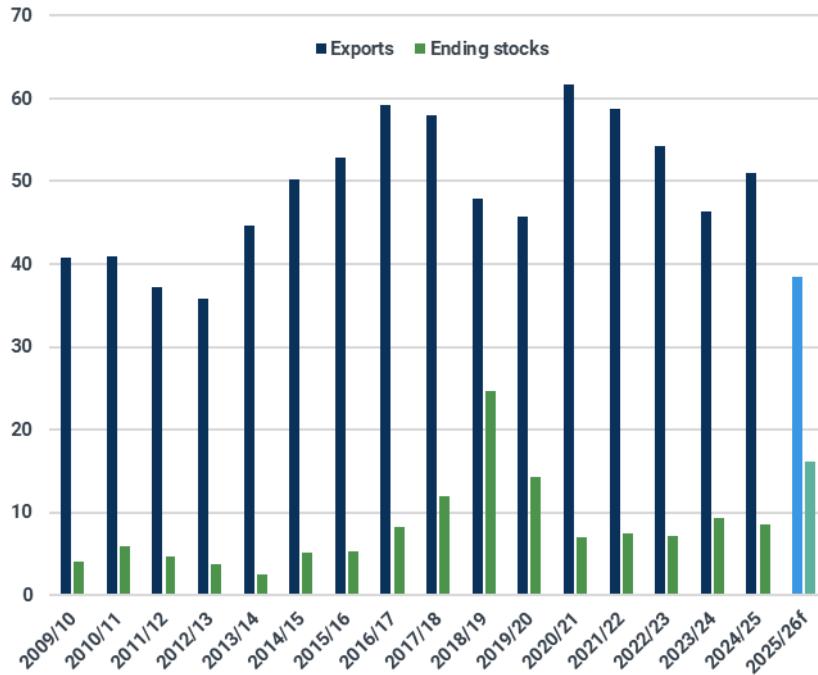


Source: Kpler Insight

Lacklustre US soybean exports see ending stocks balloon

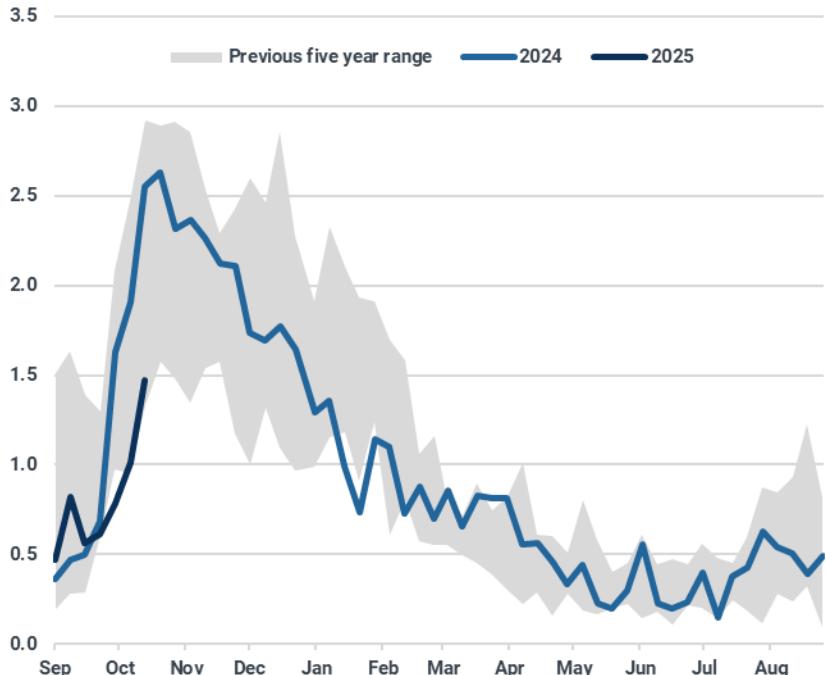
Without Chinese demand, the seasonal surge of US soybean exports will not be witnessed to the same degree

US soybean exports and ending stocks (Mt)



Source: Kpler Insight

US soybean inspections (Mt)



Source: FGIS

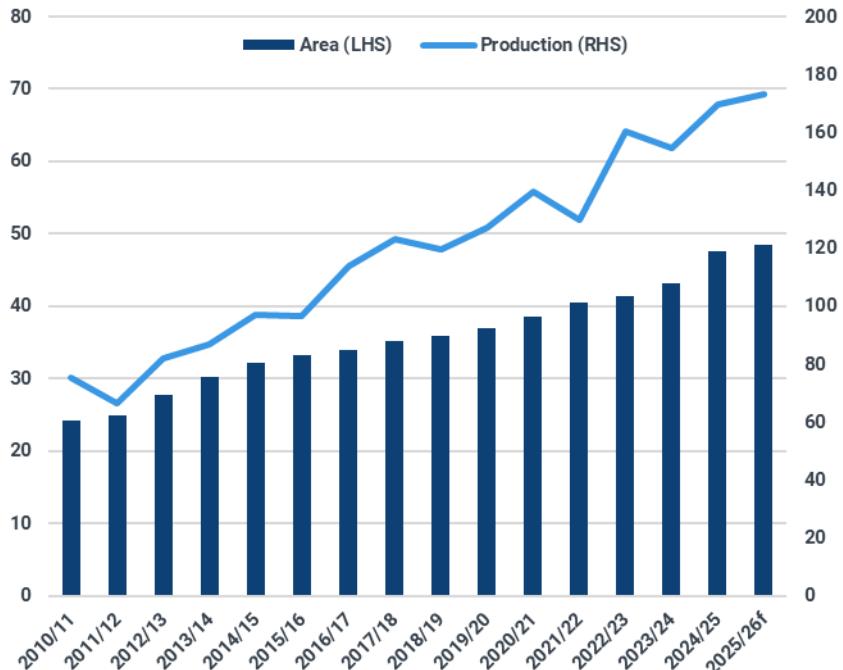
02

2026 supply

Brazilian soybean and corn production

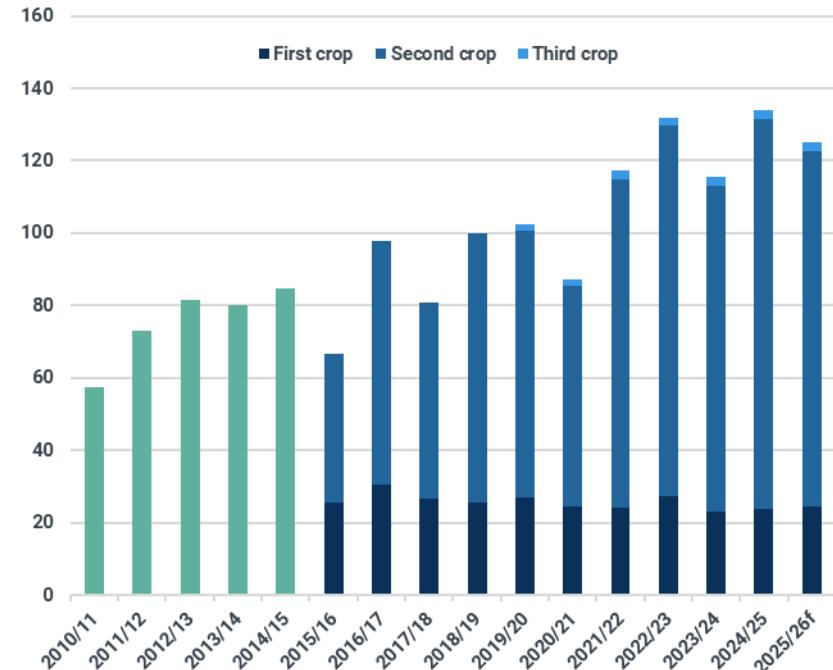
Soybean area expansion offers opportunity for larger soybean production, as well as for second corn crop

Brazilian soybean area (Kha) and production (Mt)



Source: Kpler Insight

Brazilian corn production (Mt)

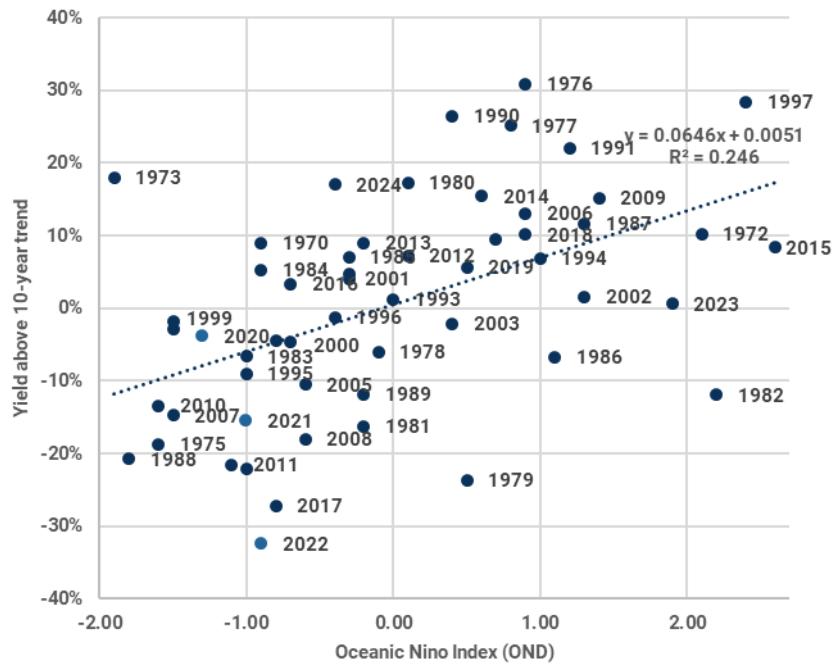


Source: Kpler Insight

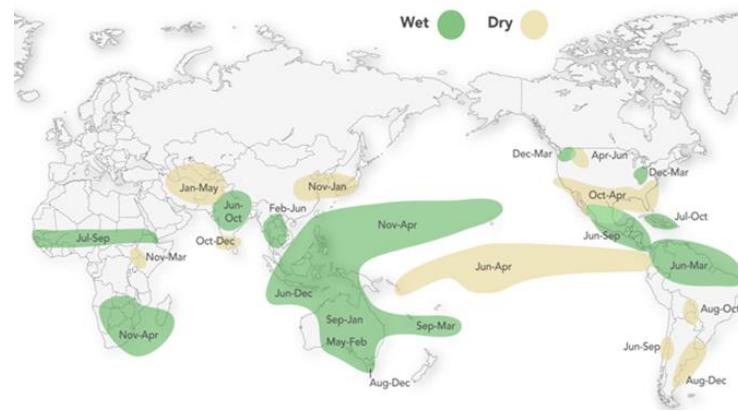
Argentine crop production threatened by La Niña

Weak La Niña conditions are currently present and typically bring drier conditions for Argentina at this time of year.

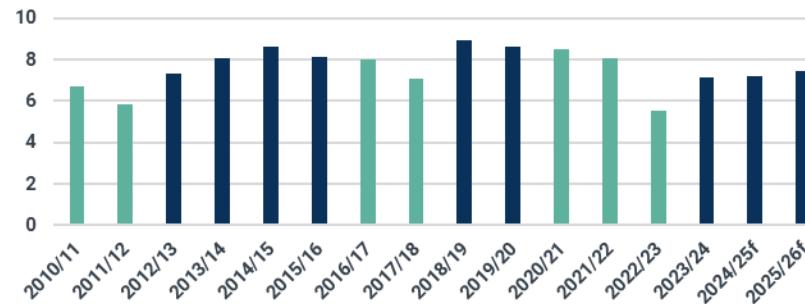
Corn yields drop in La Niña years



Source: Kpler Insight



Argentine corn yield (t/ha)

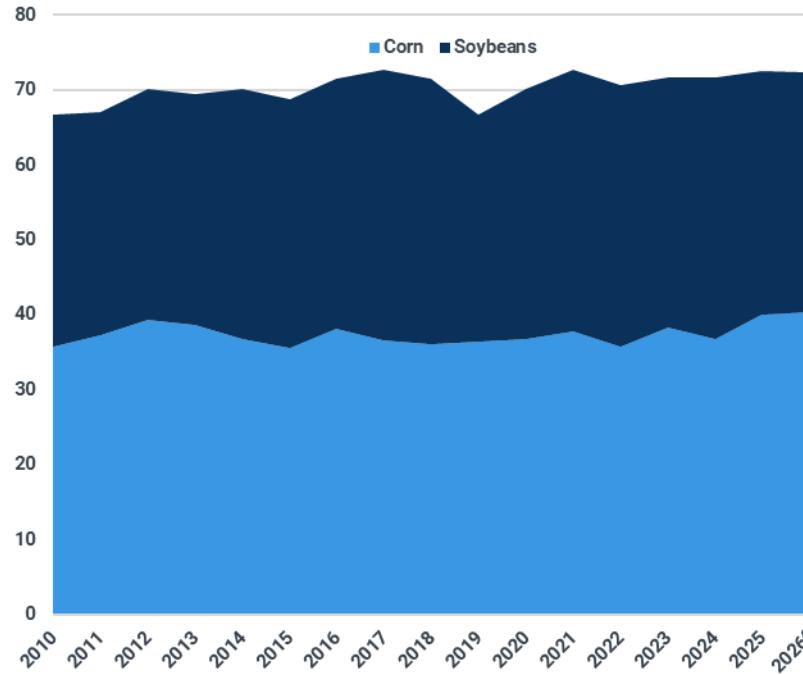


Source: Columbia University, Kpler Insights

2026 US spring planting currently troubled with bearish markets

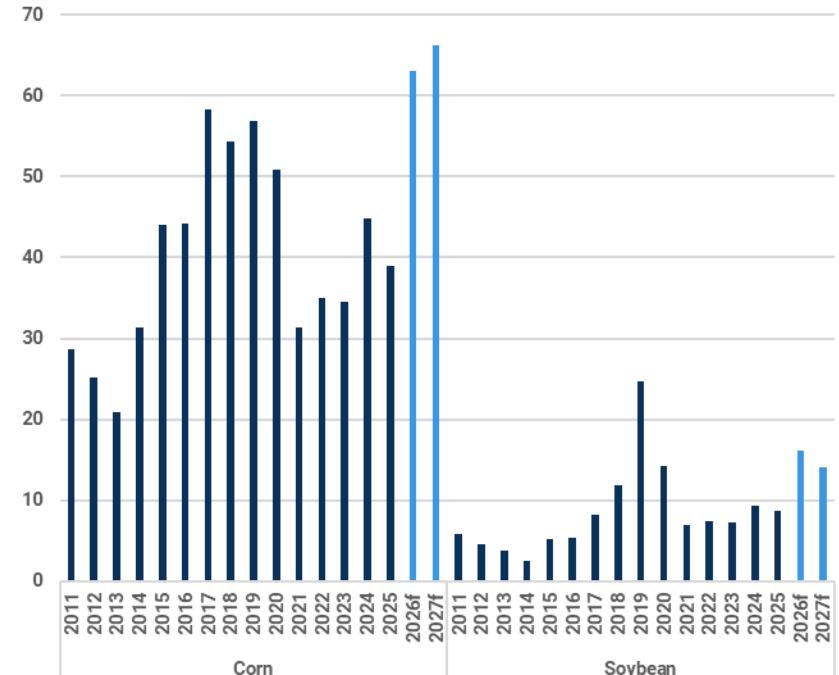
2026 CBOT soy-corn ratio favours corn planting which could further challenge burdensome US corn ending stocks

US corn and soybean area (Kha)



Source: Kpler Insight

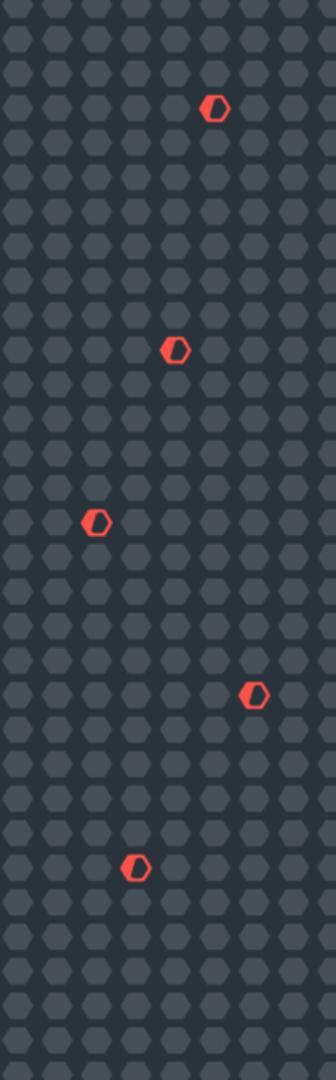
US corn and soybean ending stocks (Mt)



Source: Kpler Insight

03

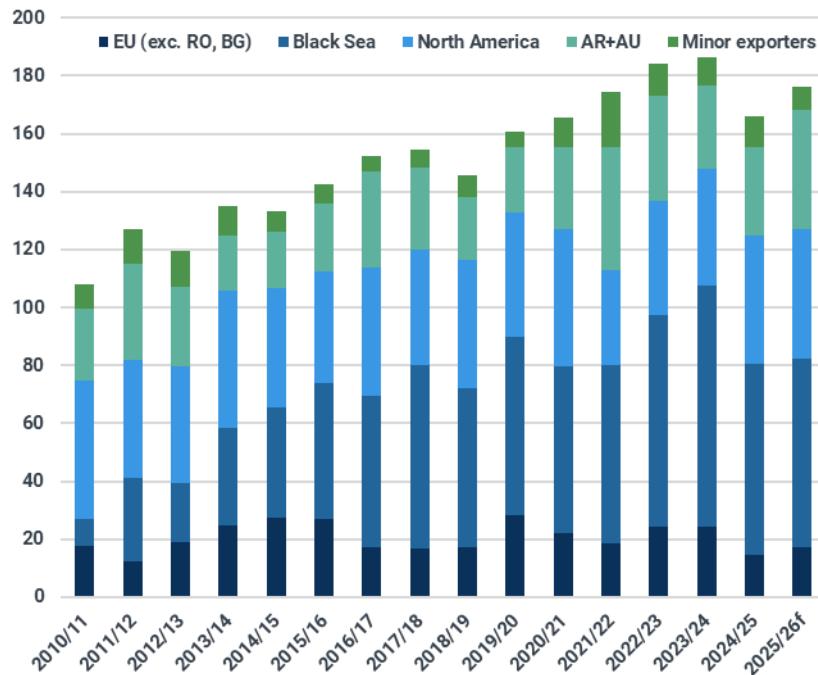
Wheat



Global wheat demand slightly higher y/y so far

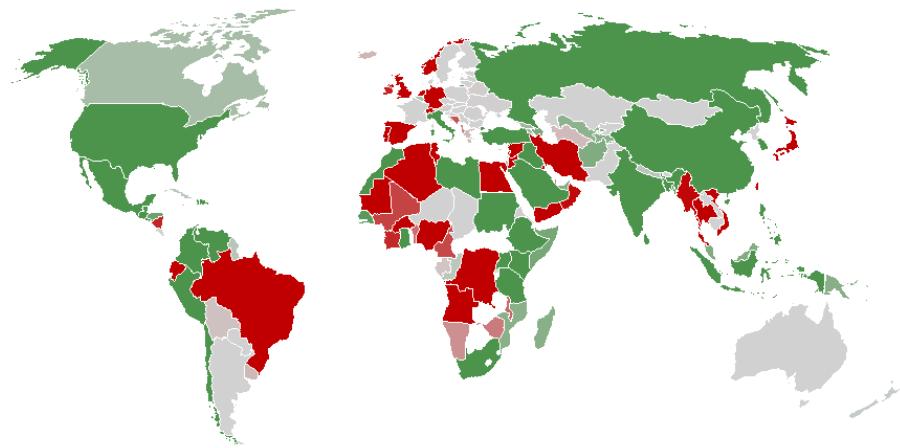
Following ample supply, wheat exporters hope for return of stronger import demand

Trade will not recover to 2023/24 levels (Mt)



Source: Kpler Insight

Jul-Sep wheat imports, +600 kt y/y

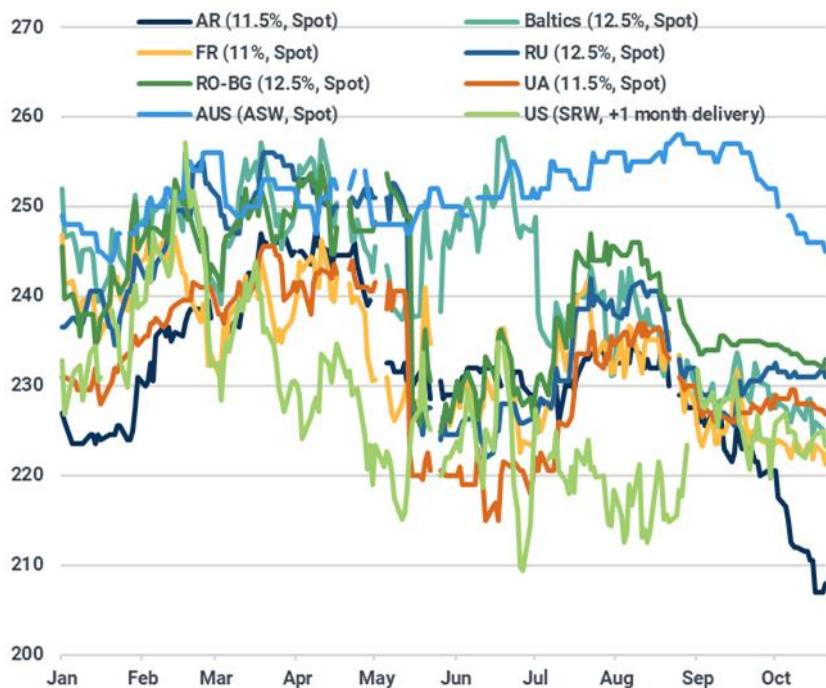


Source: Kpler Insight

With ample supply, the global wheat market faces elevated competition

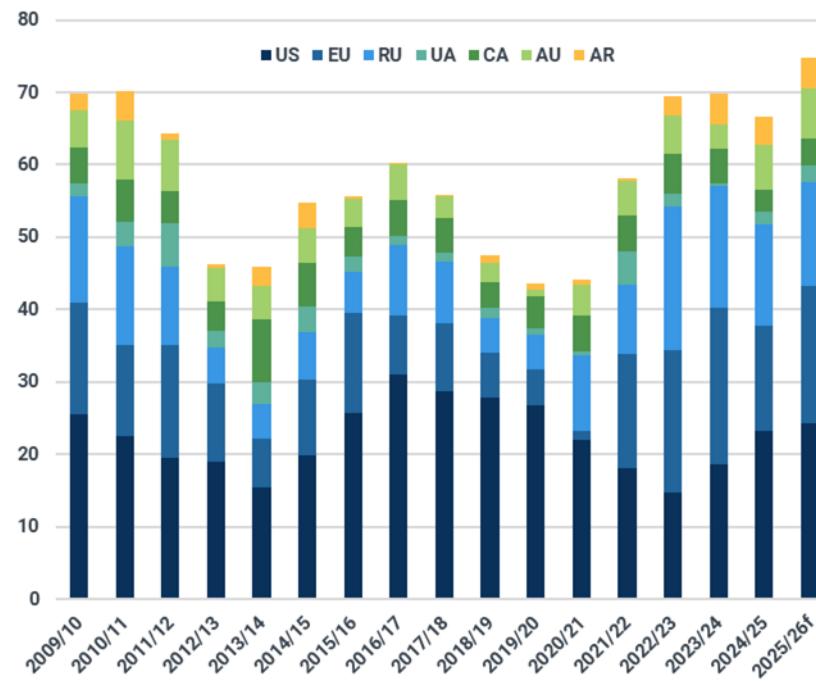
Sizable Southern Hemisphere production poses threat to Northern Hemisphere export campaign

Wheat FOB values (\$/t)



Source: Argus

Wheat ending stocks by major exporter (Mt)



Source: Kpler Insight

04

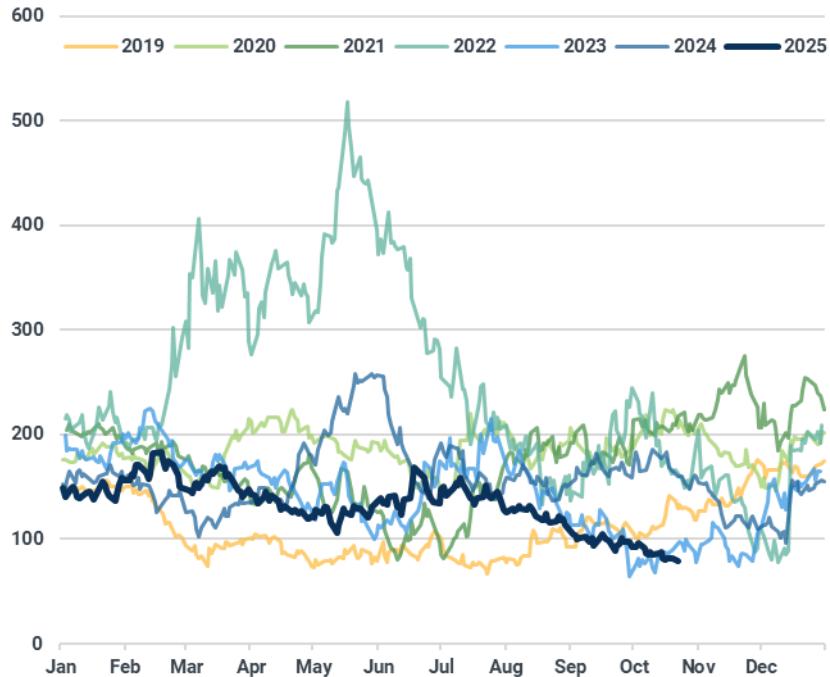
Outlook

Spreads

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Physical markets do not see feed wheat surge; soy spreads to slowly shed production risk

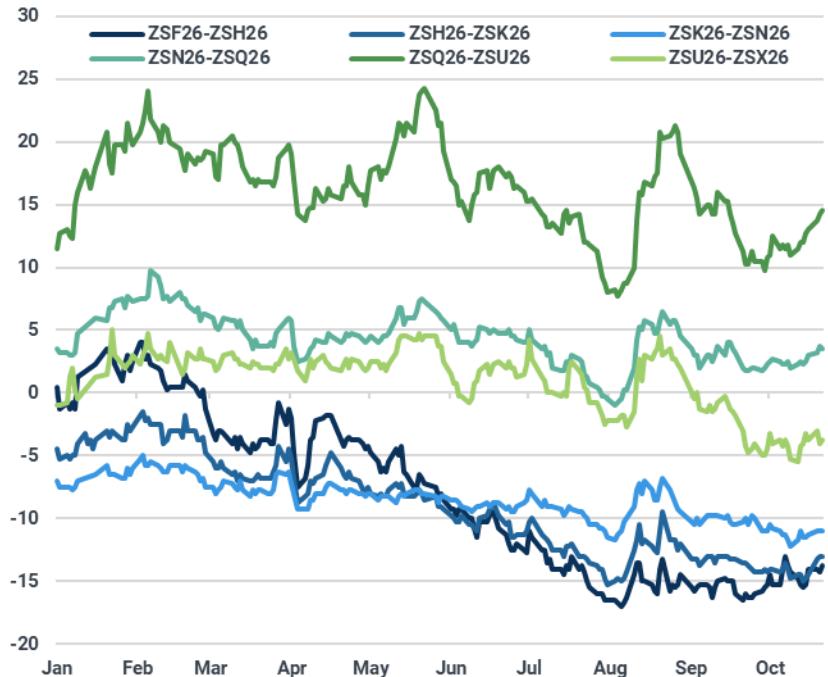
CBOT Dec Wheat-Corn spread (¢/bu)



Source: MarketView

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CBOT soybean spreads (¢/bu)



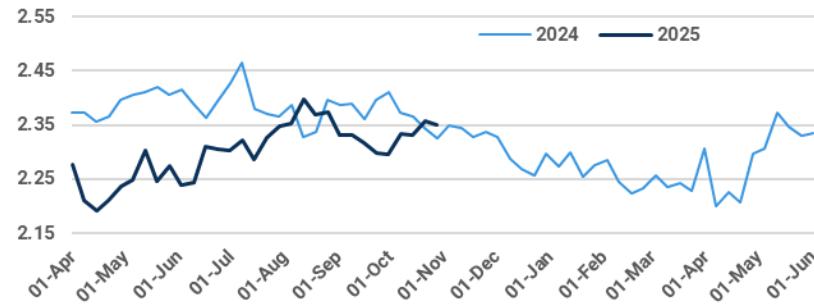
Source: MarketView

Short term outlook

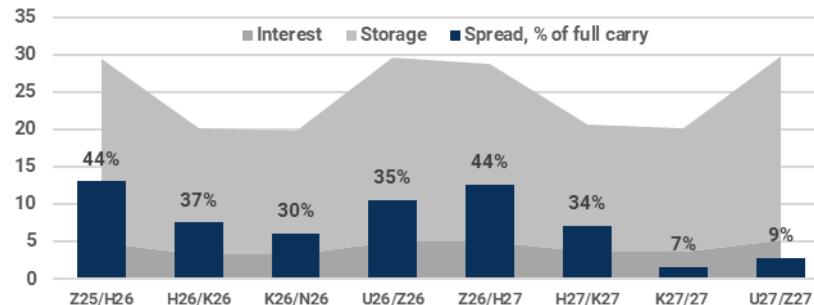
Markets waiting on a trade deal with China, then move to trading South American supply

- Possibility of a trade deal with China has kept the market optimistic. **Unlikely to find closure soon.**
- While soybean traders are hopeful, **corn** will also be a significant beneficiary of a trade deal
- 2025 production is established. Balance sheet, exports and **resulting ending stocks** are key.
- Traders will closely watch production in Brazil and Argentina. **Risk premiums will fade** if normal conditions prevail.
- **Wheat supply pressure** will continue as Western Europe exports start in earnest, despite inefficiencies in the Black Sea.
- Similar conditions in the past were solved by a surprise increase in demand, **from China**

New crop SX/CZ ratio



Corn spreads vs full carry (¢/bu)



Source: Barchart



Thank you!

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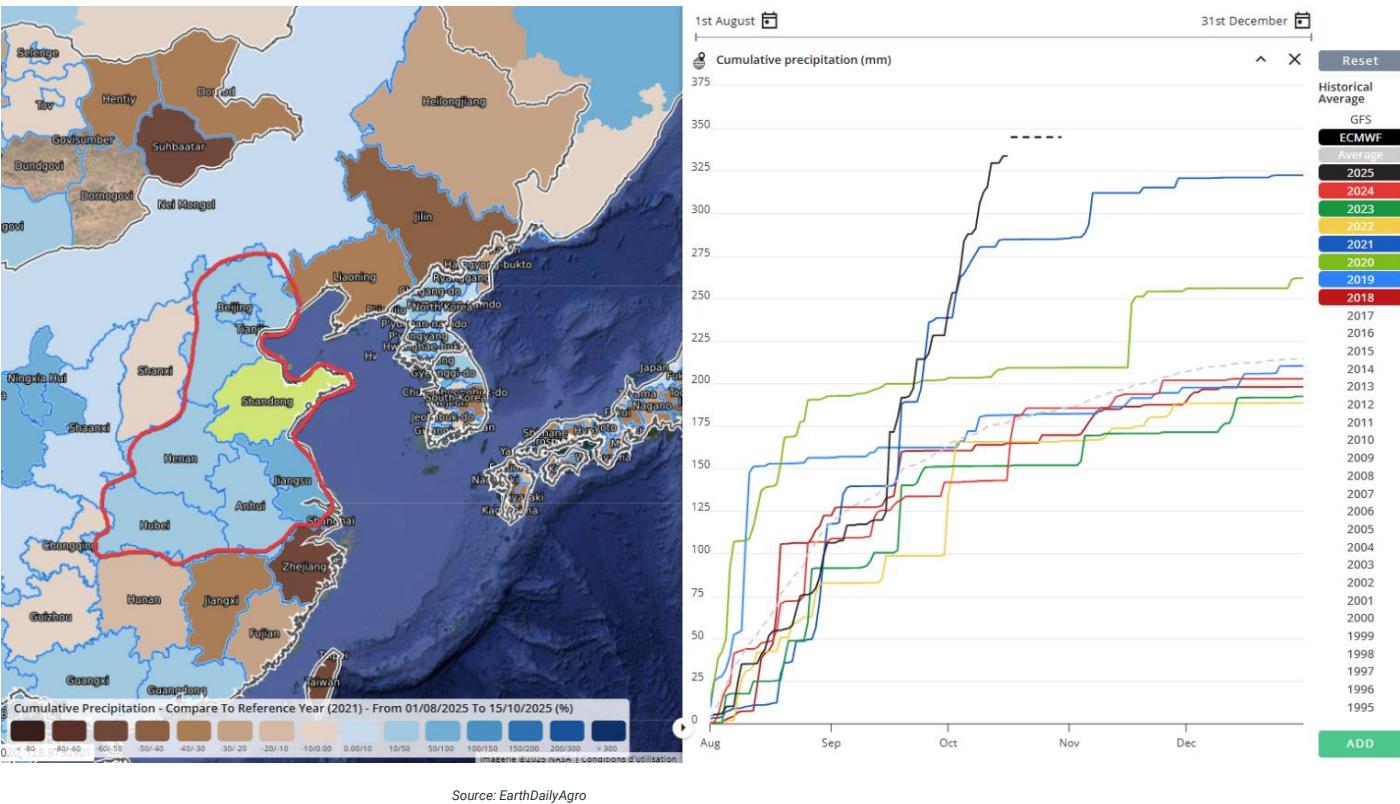
... China is well placed to avoid US soybeans entirely. The effect will be visible on the 2025/26 soybeans balance sheet in reduced US exports through its seasonal peak in Q4 2025.

[Kpler Dry Bulks Weekly - Feb 2025](#)

Excessive rainfall in China

High moisture can affect crop quality, import estimates unchanged

- Area affected
 - 22% corn
 - 15% soybean
- In similar years
 - 2017: -1%
 - 2021: -2%
- Excellent conditions in the **NE provinces** will dampen the impact
- **Quality** might be affected
- No change to imports

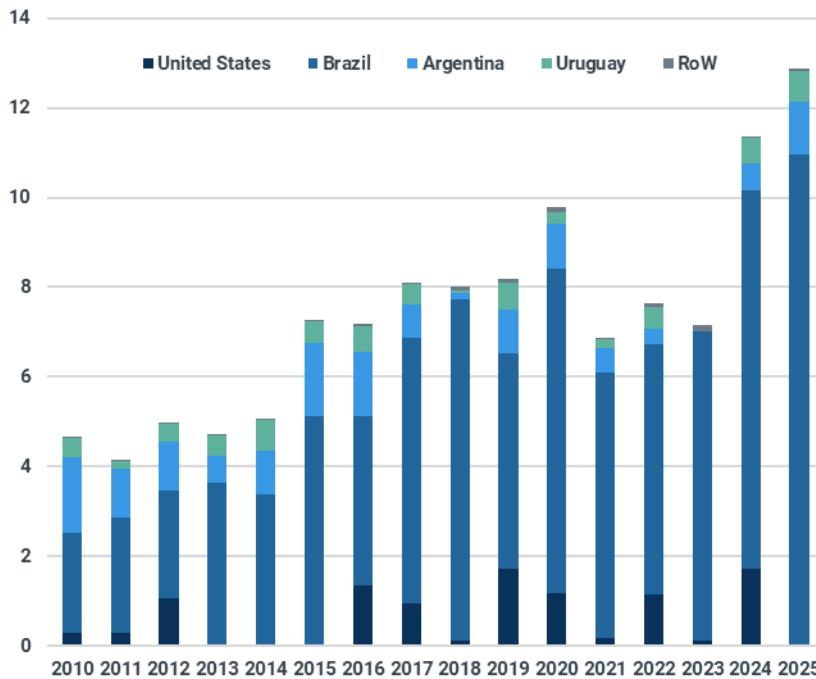


Source: EarthDailyAgro

Chinese soybean demand

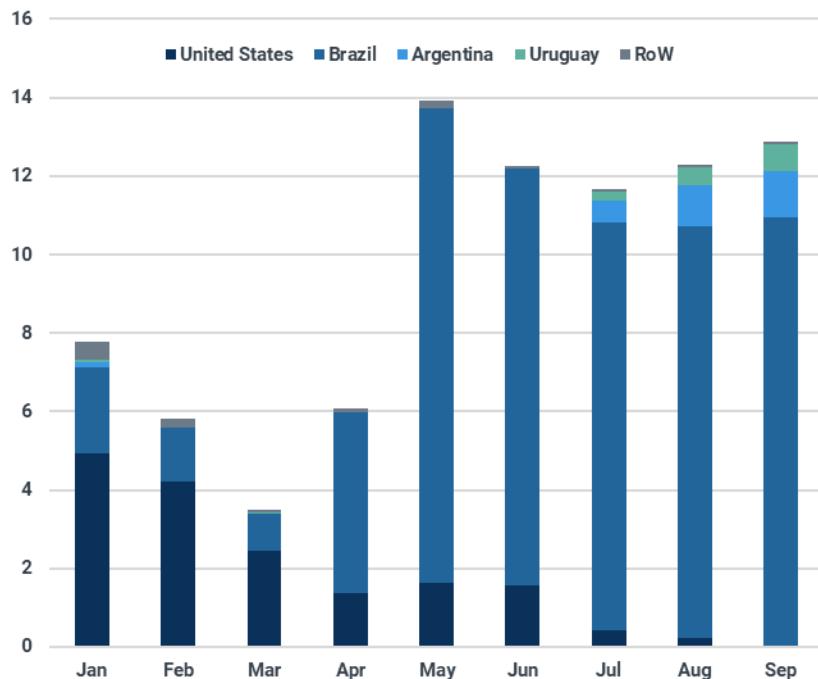
Despite the US being absent, Chinese soybean imports for September are the highest on record

Chinese soybean imports for month of Sep (Mt)



Source: GTT

Chinese soybean imports for 2025 (Mt)



Source: GTT