

WEATHERING THE MARKET

2025 WEATHER AND CROP PRICE OUTLOOKS



**ZACHARY
LEASOR**

**State Climate Extension Specialist
University of Missouri Extension**

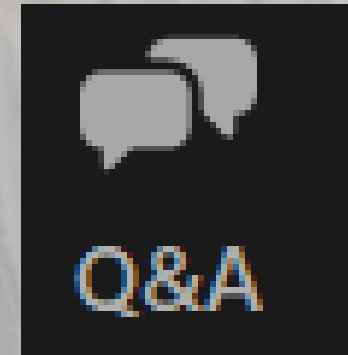


**BEN
BROWN**

**Agricultural Economist
University of Missouri Extension**

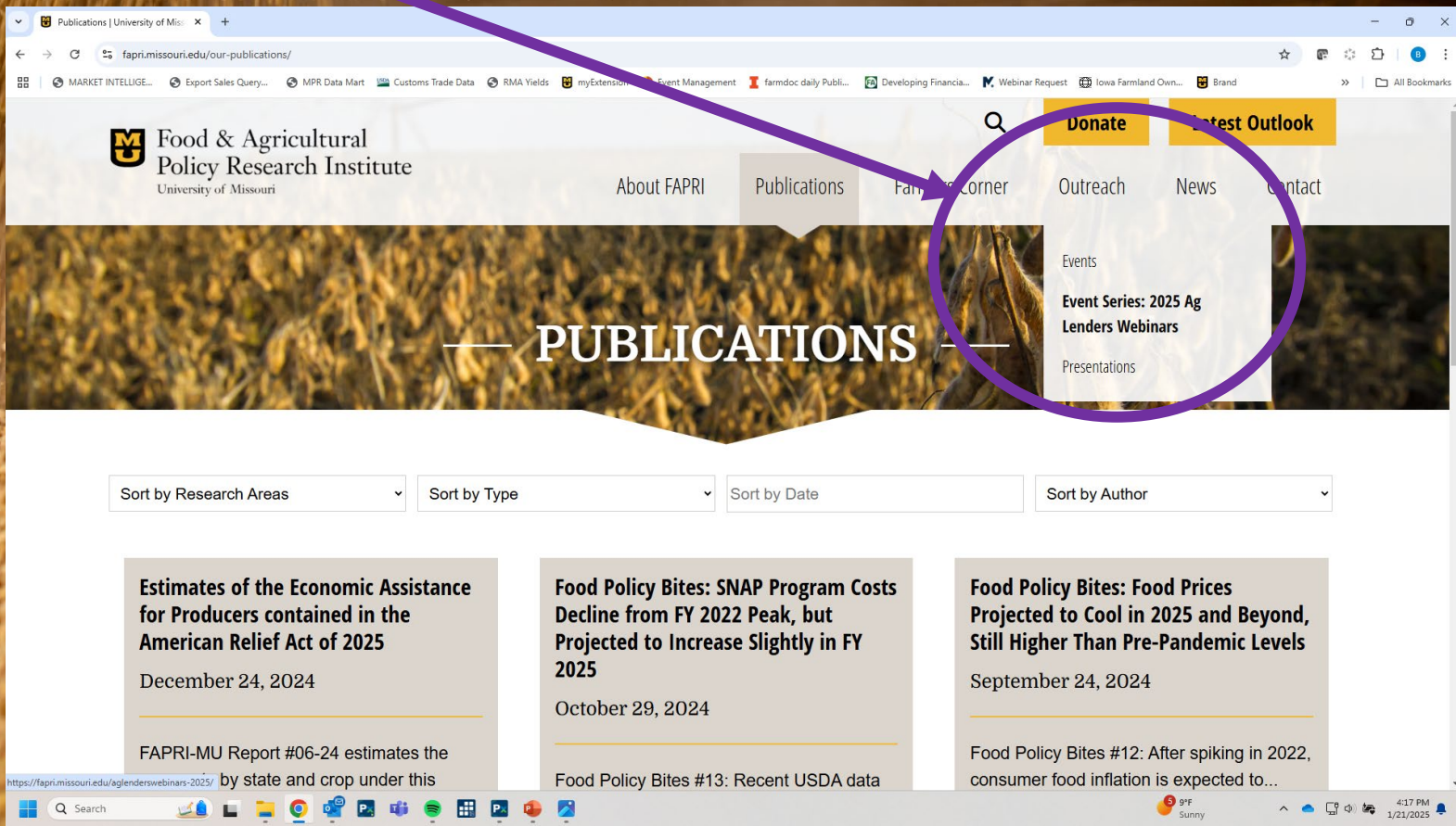
Questions??

- ❖ Feel free to submit questions at any time using the Q/A chat feature at the bottom of your screen.
- ❖ You can also email questions me at bpbrown@missouri.edu
- ❖ We will try to answer as many questions as we can at the end. A full list of questions with responses will be available at fapri.missouri.edu under “events”.



Recording for today's webinar can be found at:

FAPRI.missouri.edu -> Outreach -> Event Series: 2025 Ag Lender Webinars



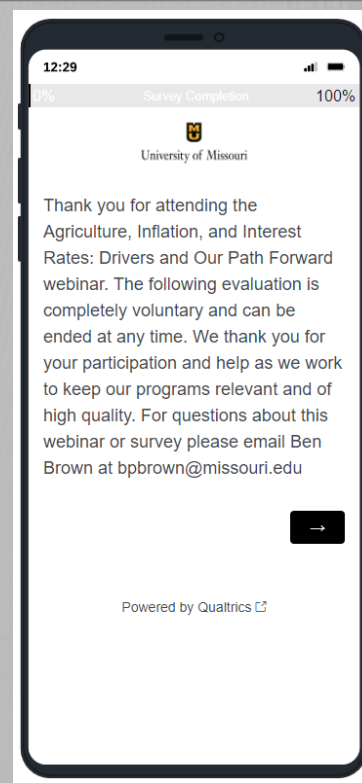
The screenshot shows the FAPRI Publications website. The navigation menu includes 'About FAPRI', 'Publications', 'Family Corner', 'Outreach', 'News', and 'Contact'. The 'Outreach' menu is open, showing 'Events', 'Event Series: 2025 Ag Lenders Webinars', and 'Presentations'. A purple circle highlights the 'Event Series: 2025 Ag Lenders Webinars' link, with a purple arrow pointing from the text above to it. Below the navigation is a 'PUBLICATIONS' banner with sorting options: 'Sort by Research Areas', 'Sort by Type', 'Sort by Date', and 'Sort by Author'. Three publication cards are visible:

- Estimates of the Economic Assistance for Producers contained in the American Relief Act of 2025**
December 24, 2024
FAPRI-MU Report #06-24 estimates the
- Food Policy Bites: SNAP Program Costs Decline from FY 2022 Peak, but Projected to Increase Slightly in FY 2025**
October 29, 2024
Food Policy Bites #13: Recent USDA data
- Food Policy Bites: Food Prices Projected to Cool in 2025 and Beyond, Still Higher Than Pre-Pandemic Levels**
September 24, 2024
Food Policy Bites #12: After spiking in 2022, consumer food inflation is expected to...

Evaluations

Please help us continue to offer high quality programs by completing our evaluation upon completion of the webinar.

- ❖ The internet-based evaluation will start when you exit the zoom.
- ❖ Takes roughly 3 minutes
- ❖ Responses will be completely private



The evaluation is designed to capture how effective our program was at meeting key objectives.

1. Understand the weather and climate trends for Missouri
2. Learn about expectations for spring weather in Missouri
3. Learn about factors impacting market prices for Missouri row crops.



WHAT AG LENDERS NEED TO KNOW IN 2025

EXCLUSIVE WEBINAR SERIES

Agricultural lenders and their clientele are invited to join MU Extension and partners for engaging and informative discussions on key agricultural finance topics set to shape the industry in 2025

Topics include:

- Price trends for **poultry, eggs and dairy cattle** in 2025
- **Fertilizer prices and crop budgets** for 2025
- Navigating the **U.S. economic landscape** and its impact on agriculture
- **Weather and crop price** outlooks for 2025
- Exploring **value-added agriculture** opportunities in Missouri
- Economic insights on **Missouri farm income** in 2025

Dates and times:

February 5.....	10 a.m.
February 13.....	10 a.m.
February 25.....	1 p.m.
March 6.....	10 a.m.
March 18.....	10 a.m.
April 7.....	10 a.m.



FIND DETAILS: [MUEXT.US/AGLENDERSWEBINARS25](https://muext.us/aglenderswebinars25)

Questions? Contact Ben Brown at bbrown@missouri.edu or 573-882-6527

Poll Question #1: How significantly do you consider weather forecasts when making decisions for your operation or in relation to your clients.

- A. Very significantly
- B. Moderately
- C. Slightly
- D. Not at all

Poll Question #2: If severe weather (hail, wind, tornados, floods) were to hit in 2025- how well could the ag sector manage the financial impacts? 1 being not at all 5 being fine.

- A. 1
- B. 2
- C. 3
- D. 4
- E. 5

Poll Question #3: What strategies do you use or recommend to your clients to mitigate weather-related risks?

- A. Diversification of crops
- B. Investment in irrigation systems
- C. Purchasing crop insurance
- D. Use of drought tolerant seed varieties
- E. Soil health management/ conservation
- F. Other
- G. Don't use/recommend any

WEATHERING THE MARKET

2025 WEATHER AND CROP PRICE OUTLOOKS



**ZACHARY
LEASOR**

**State Climate Extension Specialist
University of Missouri Extension**

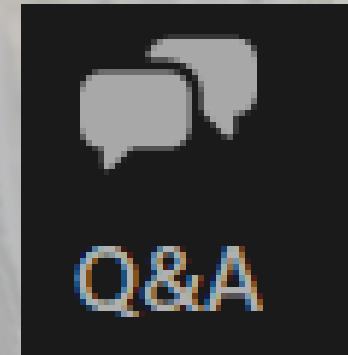


**BEN
BROWN**

**Agricultural Economist
University of Missouri Extension**

Questions??

- ❖ Feel free to submit questions at any time using the Q/A chat feature at the bottom of your screen.
- ❖ You can also email questions to Ben Brown at bbrown@missouri.edu
- ❖ We will try to answer as many questions as we can at the end of each presentation and at the end of all presentations. A full list of questions with responses will be available at fapri.missouri.edu under “events”.



Poll Question #4: Which Missouri crop do you believe has the most bullish fundamental for new crop markets?

- A. Corn
- B. Soybeans
- C. Cotton
- D. Rice
- E. Peanuts
- F. Grain Sorghum
- G. Other
- H. Unsure

Poll Question #5: Regarding land- will Missouri producers

- A. Reduce planted acreage due to low margins
- B. Farm more land that was converted from pasture to spread out fixed costs.
- C. Farm the same amount as last year.



Springtime Crop Outlook

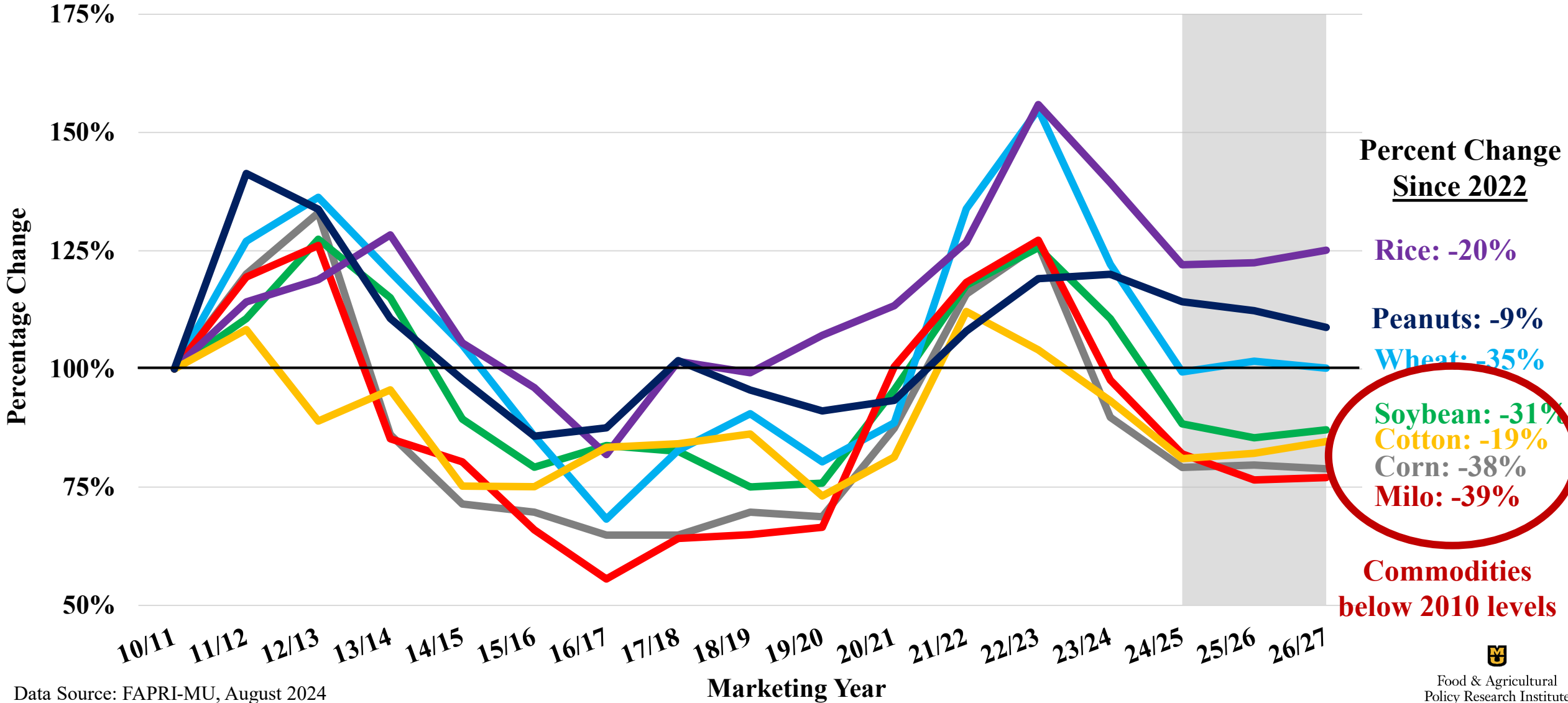
Ben Brown, University of Missouri



Extension
University of Missouri

Price outlook: Commodity Prices Fall

Change in Row Crop Prices 2010-2026



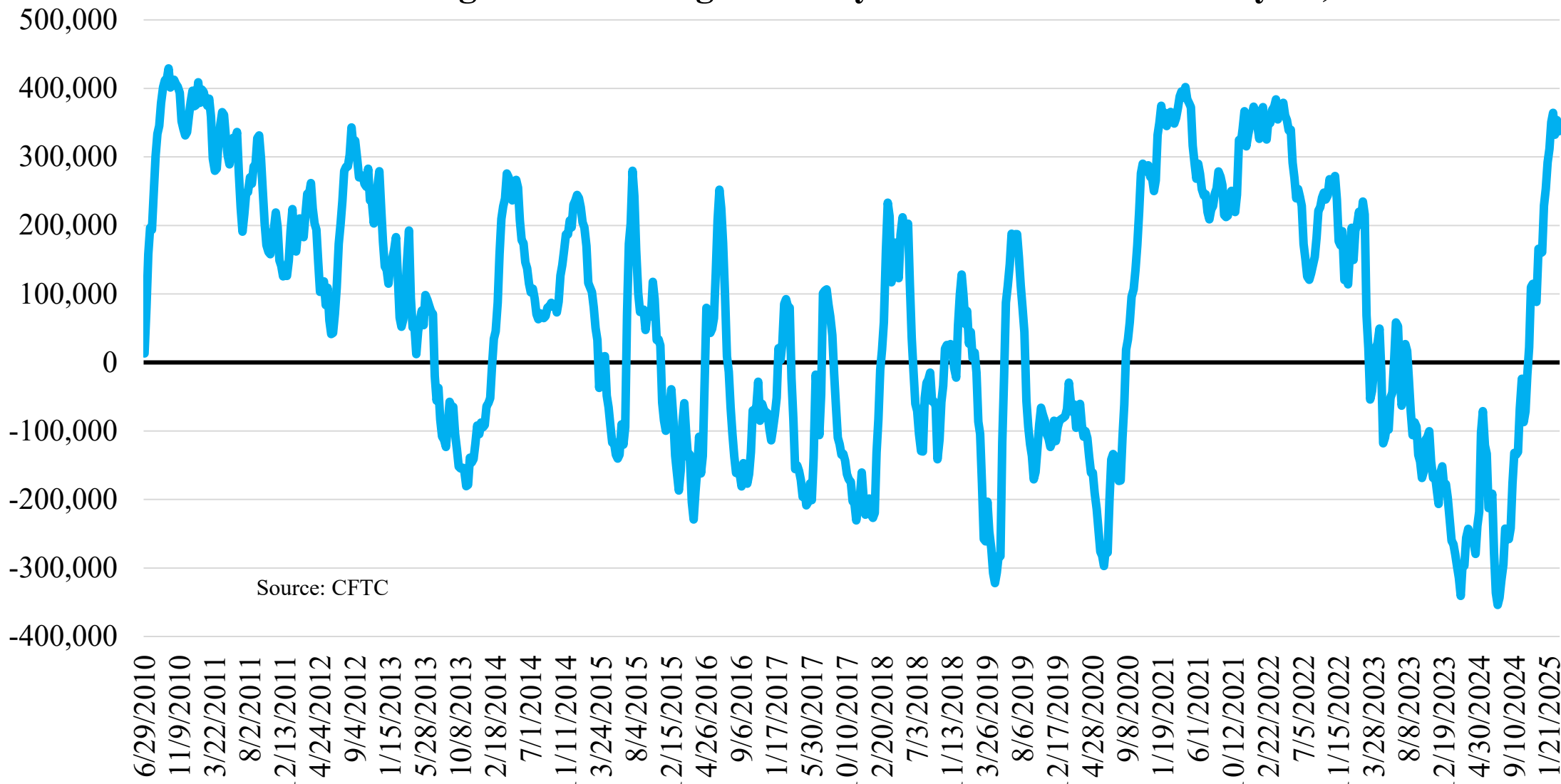
Data Source: FAPRI-MU, August 2024

Price outlook: Commodity Prices Fall



Price outlook: Funds Were Long Corn

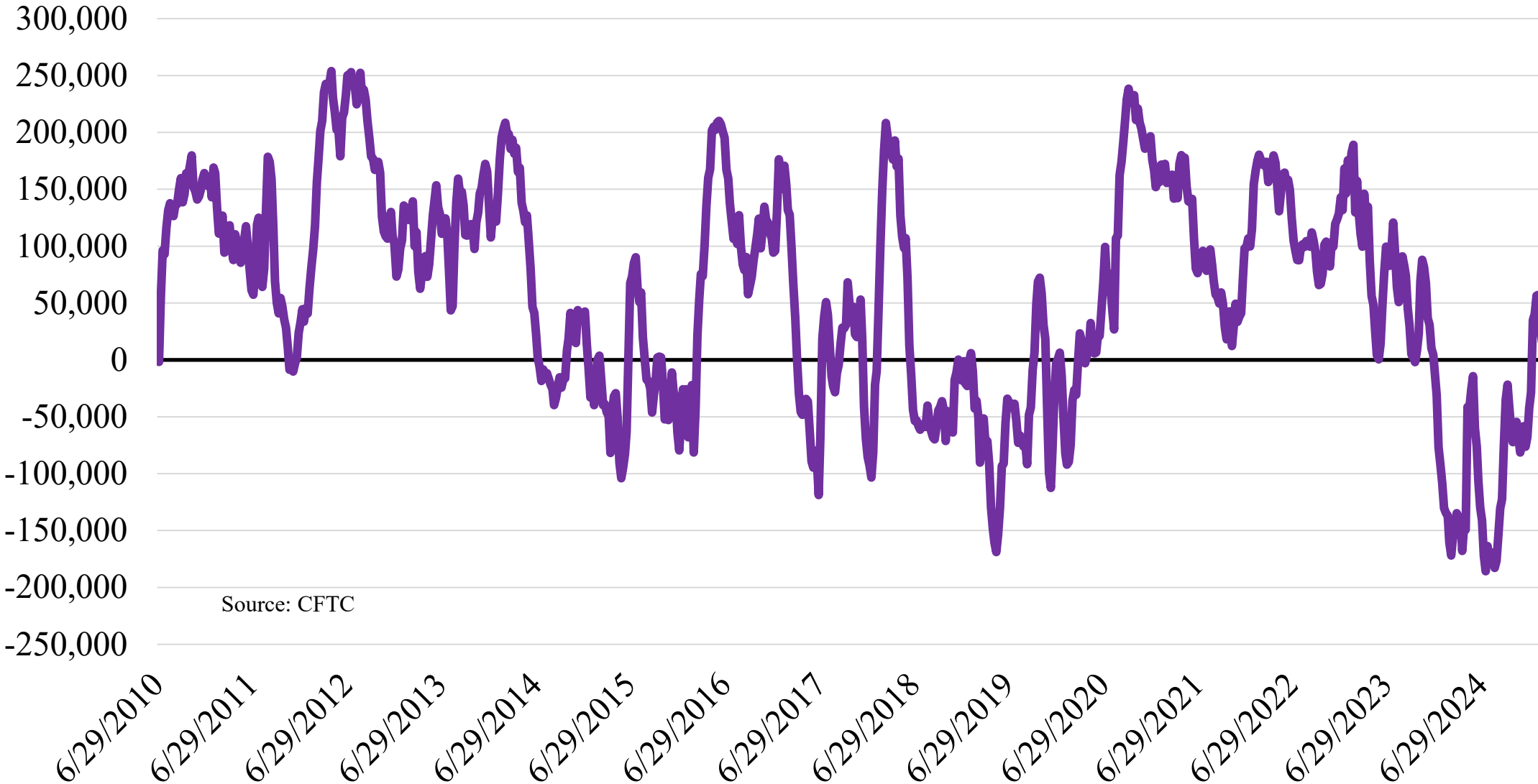
Net Chicago Corn Managed Money Positions thru February 25, 2025



Source: CFTC

Price outlook: Funds Neutral Soybeans

Net Chicago Soybean Managed Money Positions thru February 25, 2025

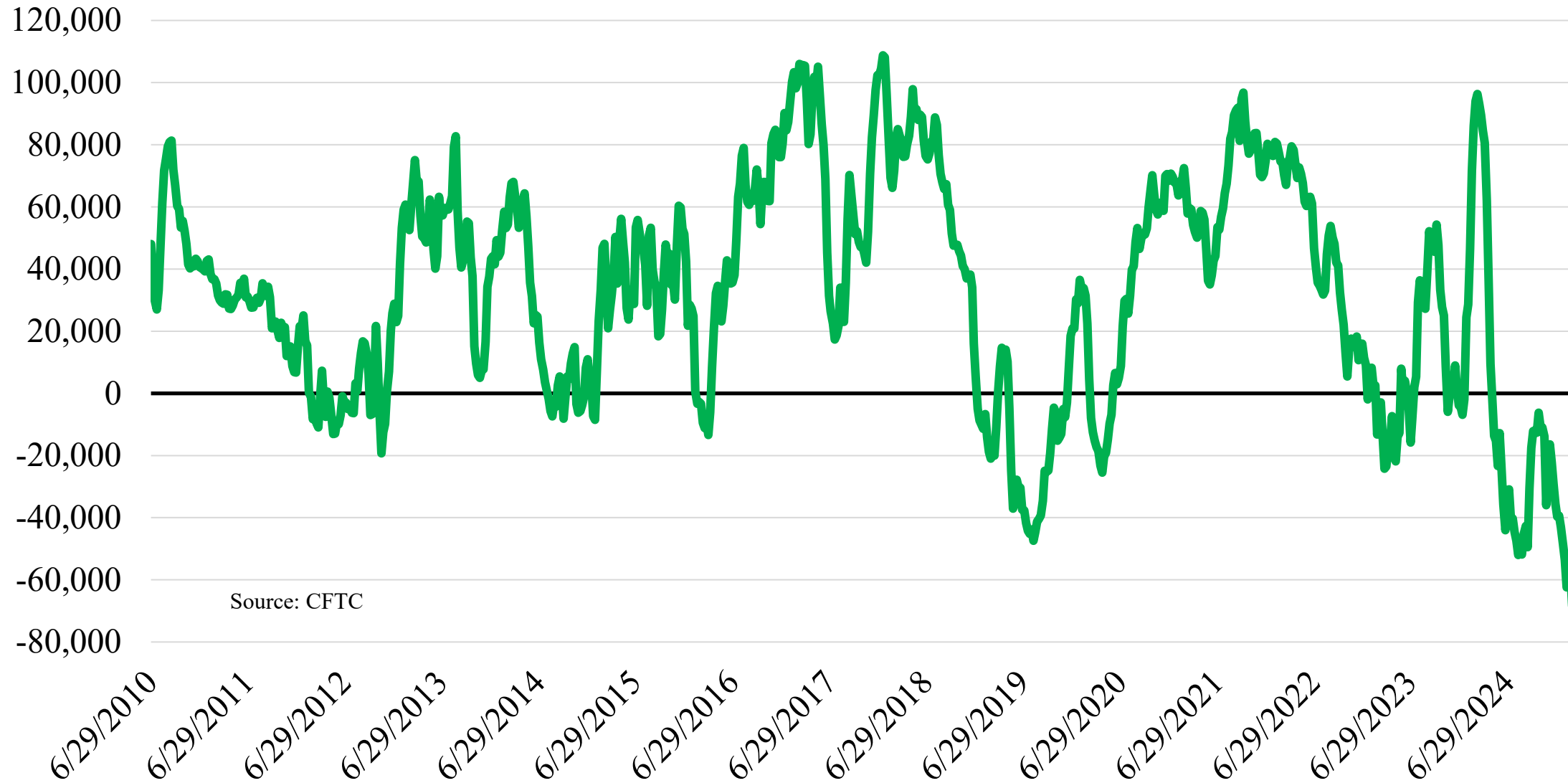


Source: CFTC



Price outlook: Funds Bearish Cotton

Net Cotton #2 ICE Managed Money Positions thru February 25, 2025

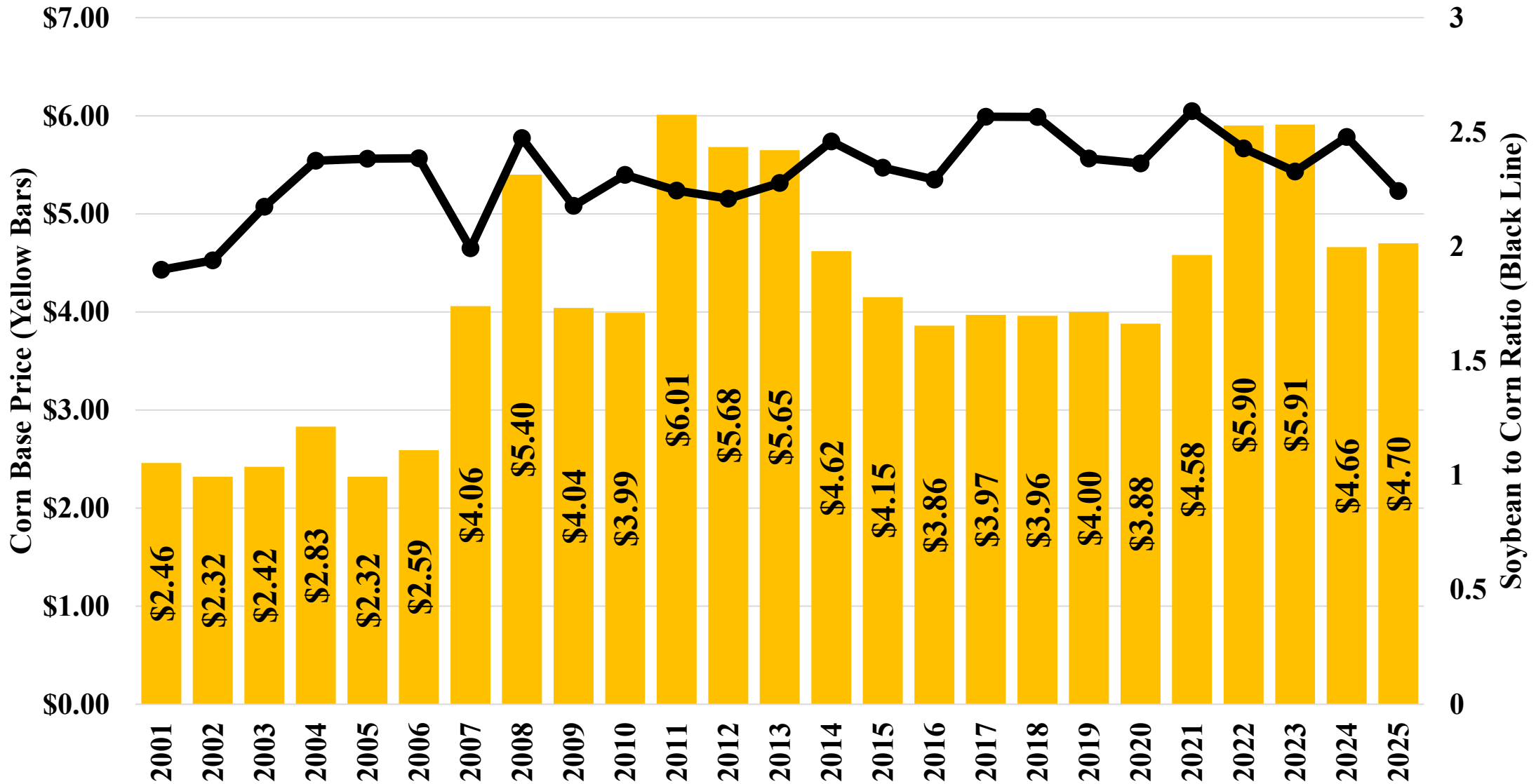


Source: CFTC

Price outlook: Commodity Prices Fall

Crop Insurance Projected Prices 2001-2025

Soybeans: \$10.54



Agricultural Trade and Commodity Markets



Trade: What has happened

February 1, 2025- President Trump signs EO imposing 25% tariff on imports from Canada and Mexico, and a 10% tariff on imports from China for February 4, 2025

February 3, 2025- Tariffs on Mexico and Canada paused one month.

February 10, 2025- China imposes retaliatory tariffs of 15% on US coal, liquefied natural gas and 10% agricultural machinery.

March 4, 2025- 25% tariffs on Mexico and Canada enacted with an additional 10% tariff on Chinese goods.

March 4, 2025- Canada responds to US tariffs by imposing 25% tariffs on US products.

March 4, 2025- China responds to US tariffs by announcing tariffs of 15% on chicken, wheat, corn, and cotton imports and 10% tariffs on sorghum, soybeans, pork, beef, aquaculture, fruits, vegetables, and dairy products.

March 9, 2025- Mexico plans to announce retaliatory tariffs on US products.

April 2, 2025- The US plans to announce reciprocal tariffs on any country that tariffs the US.

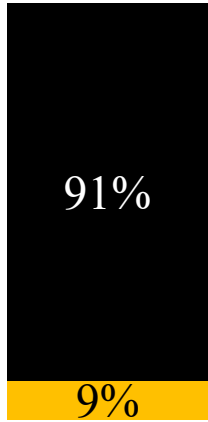
The Players: Trends & Customers

US Ag Product Imports, FY 2024	Billion dollars
Mexico	48.0
Canada	40.6
European Union	35.6
Brazil	7.3
China	5.7
Australia	5.0
All other countries	65.0
All countries	207.2

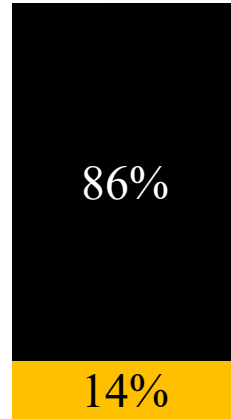
	FY 2017	FY 2019	FY 2023	FY2024
Mexico	18.8	19.2	28.0	30.0
Canada	21.6	22.0	28.1	29.0
China	21.9	10.1	33.6	25.7
European Union	10.5	11.5	12.2	12.4
Japan	12.1	12.4	12.2	11.9
South Korea	7.0	8.0	7.7	8.2
All other	52.9	56.9	56.4	57.2
All countries	144.8	140.1	178.2	174.4

The Players: Trends & Customers

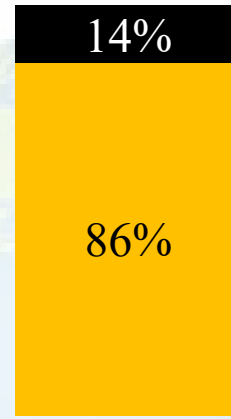
US Beef



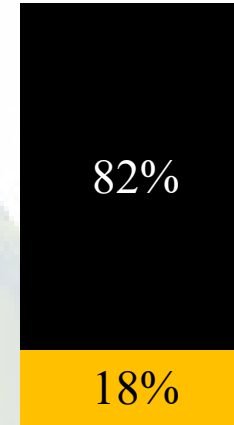
US Corn



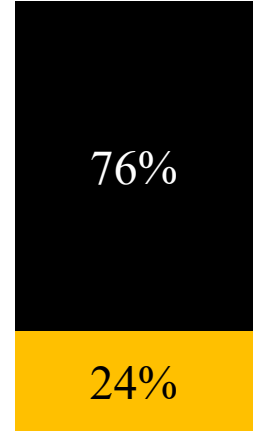
US Cotton



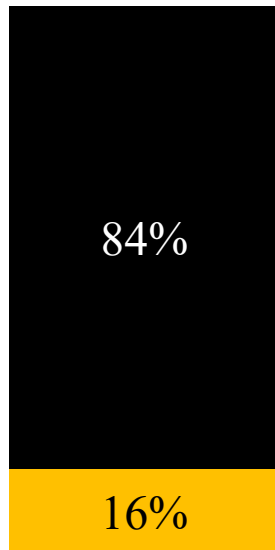
US Dairy



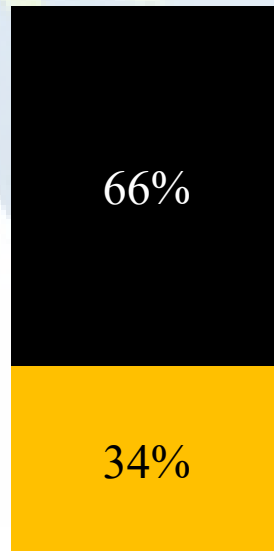
US Pork



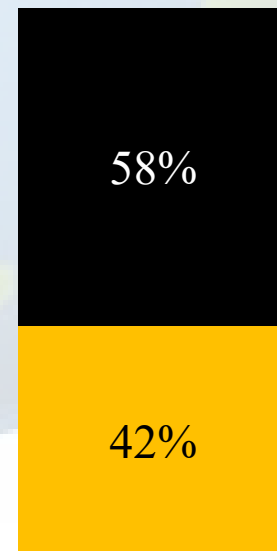
US Poultry



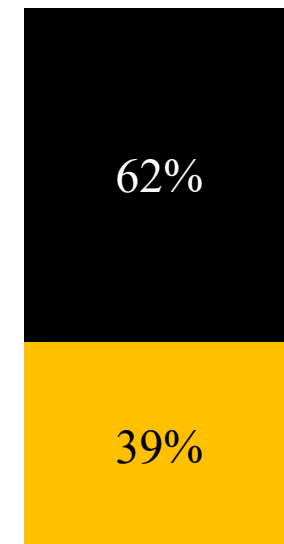
US Rice



US Soybean



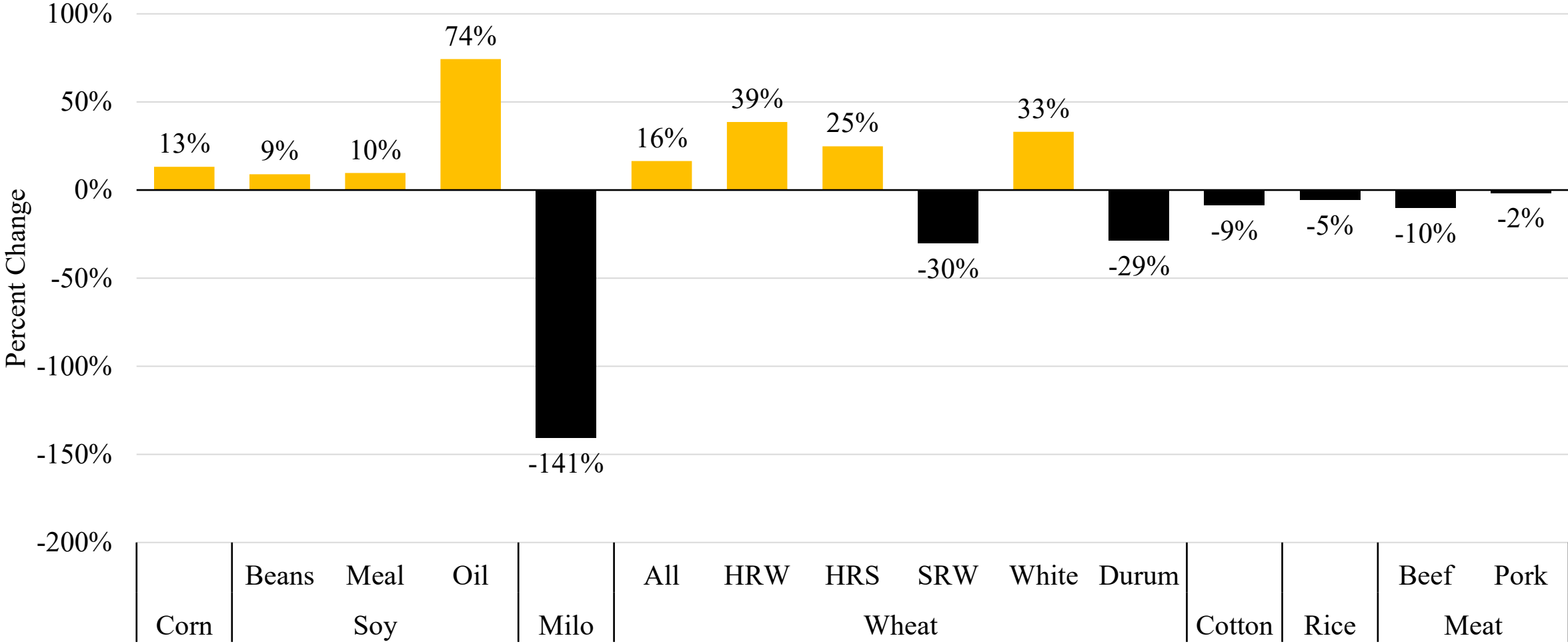
US Wheats



Exports →

Outlook: Trade Environment

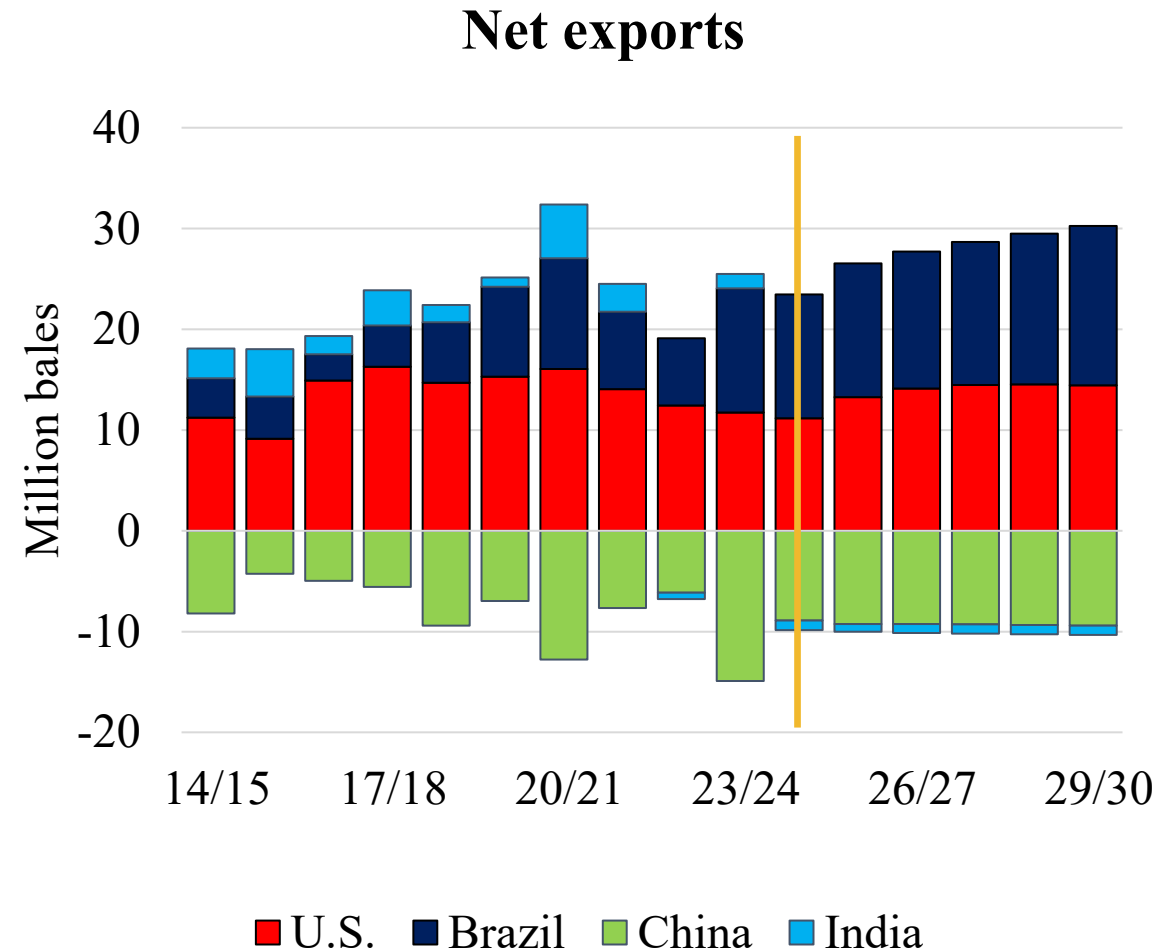
Current Export Sales Pace Forecast of Final Exports Relative to Last Years Final Exports-Week Ending February 27, 2025



Outlook: Trade Environment

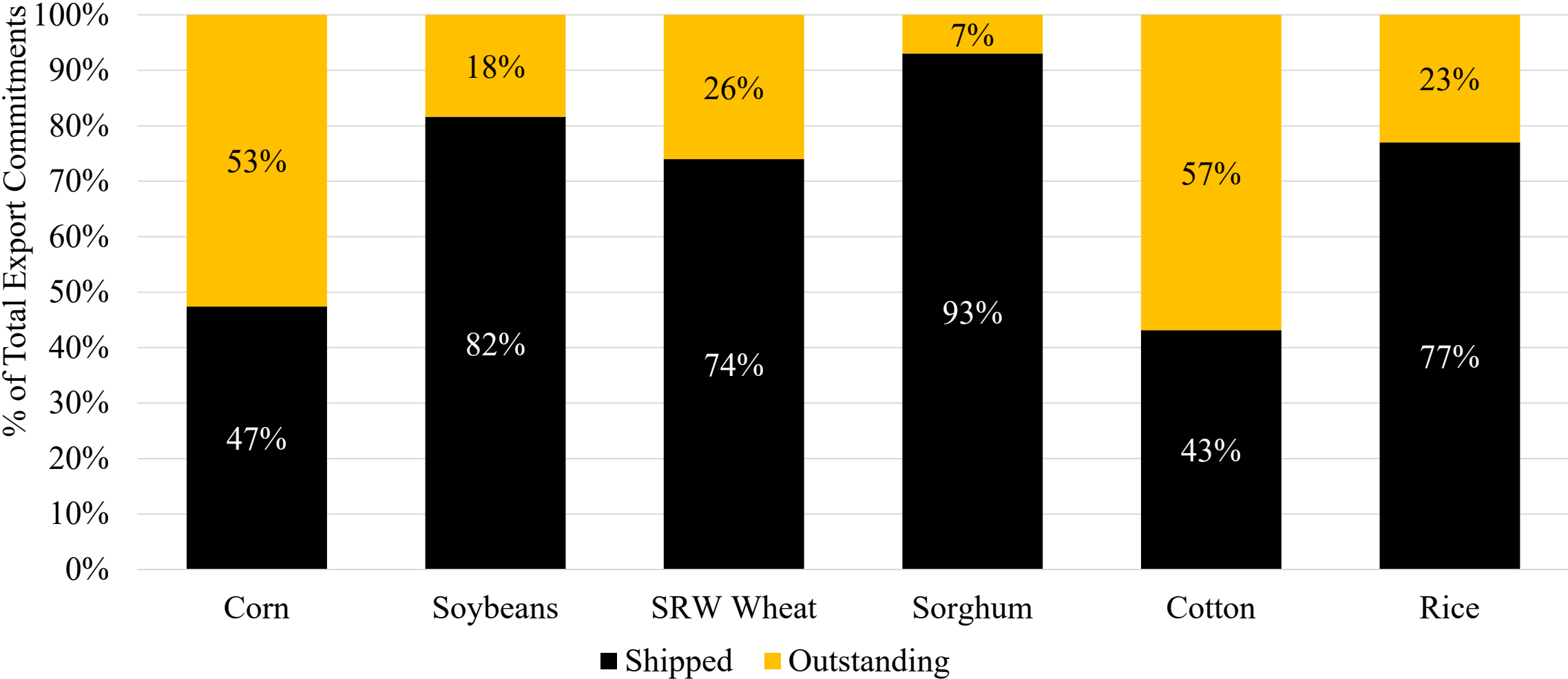
Cotton Trade

- Brazil has emerged as #1 exporter
- As with other commodities, China is a major wild card
- India has become net importer
- Unless demand picks up or Brazilian supply growth slows, outlook for U.S. exports and prices is negative



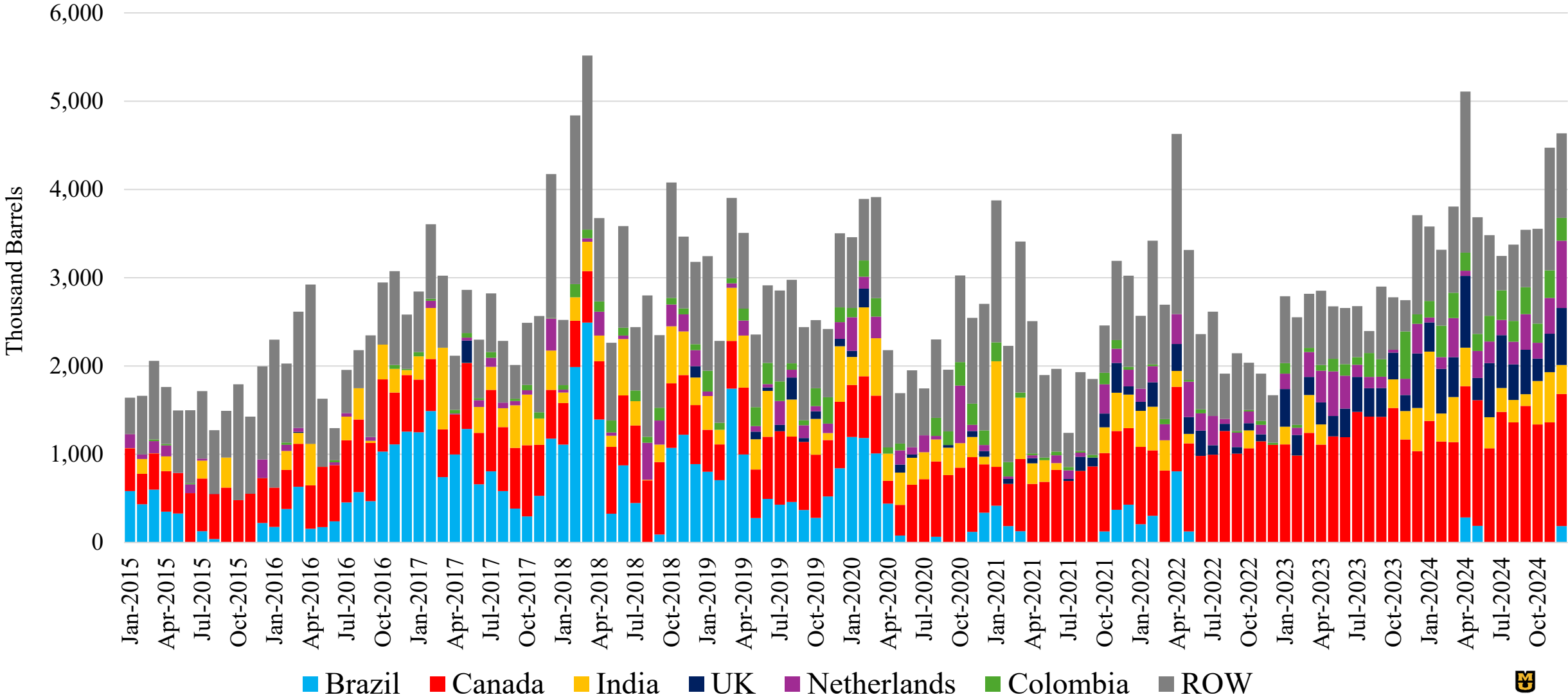
Outlook: Trade Environment

Share of Outstanding Export Sales of Total Export Commitments in February



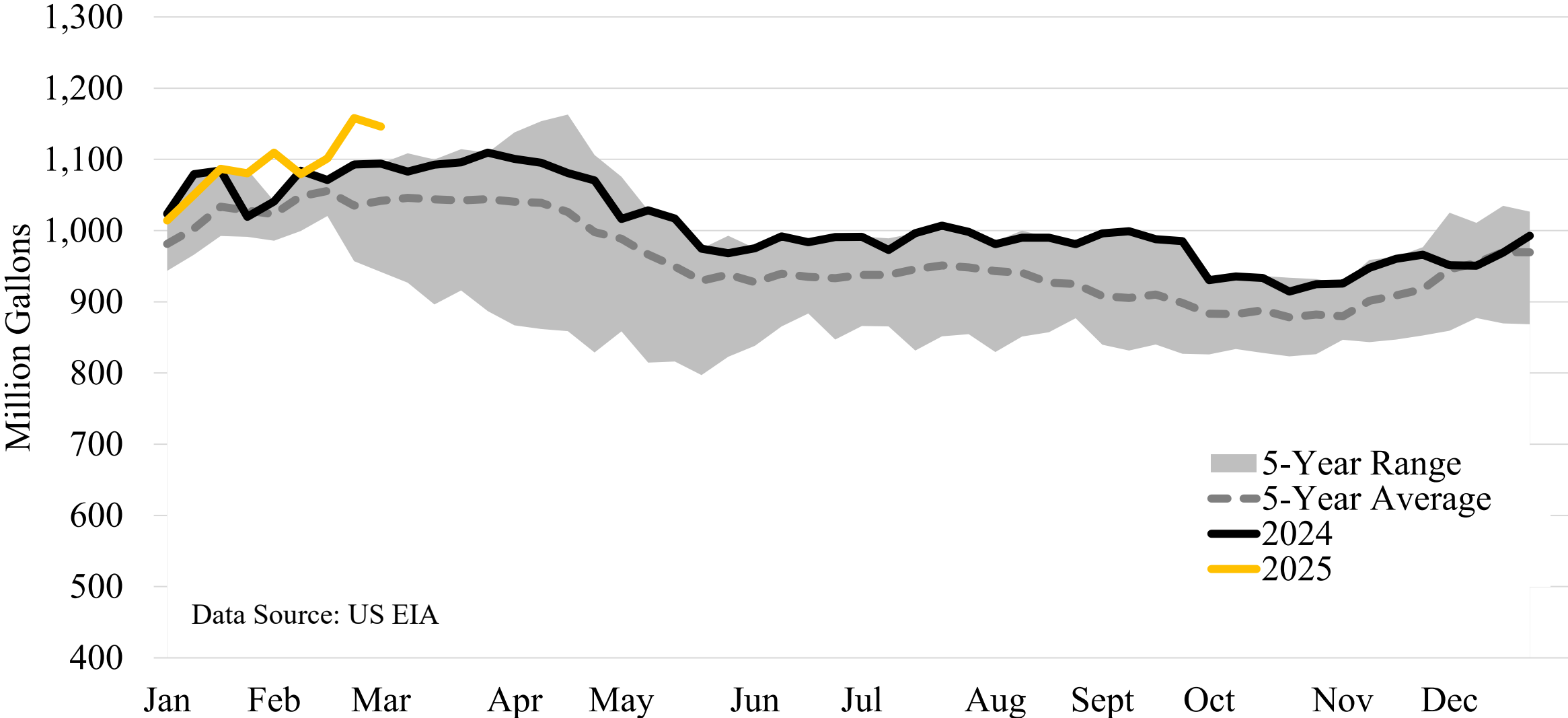
Outlook: Trade Environment

Monthly Exports of US Ethanol



Outlook: Trade Environment

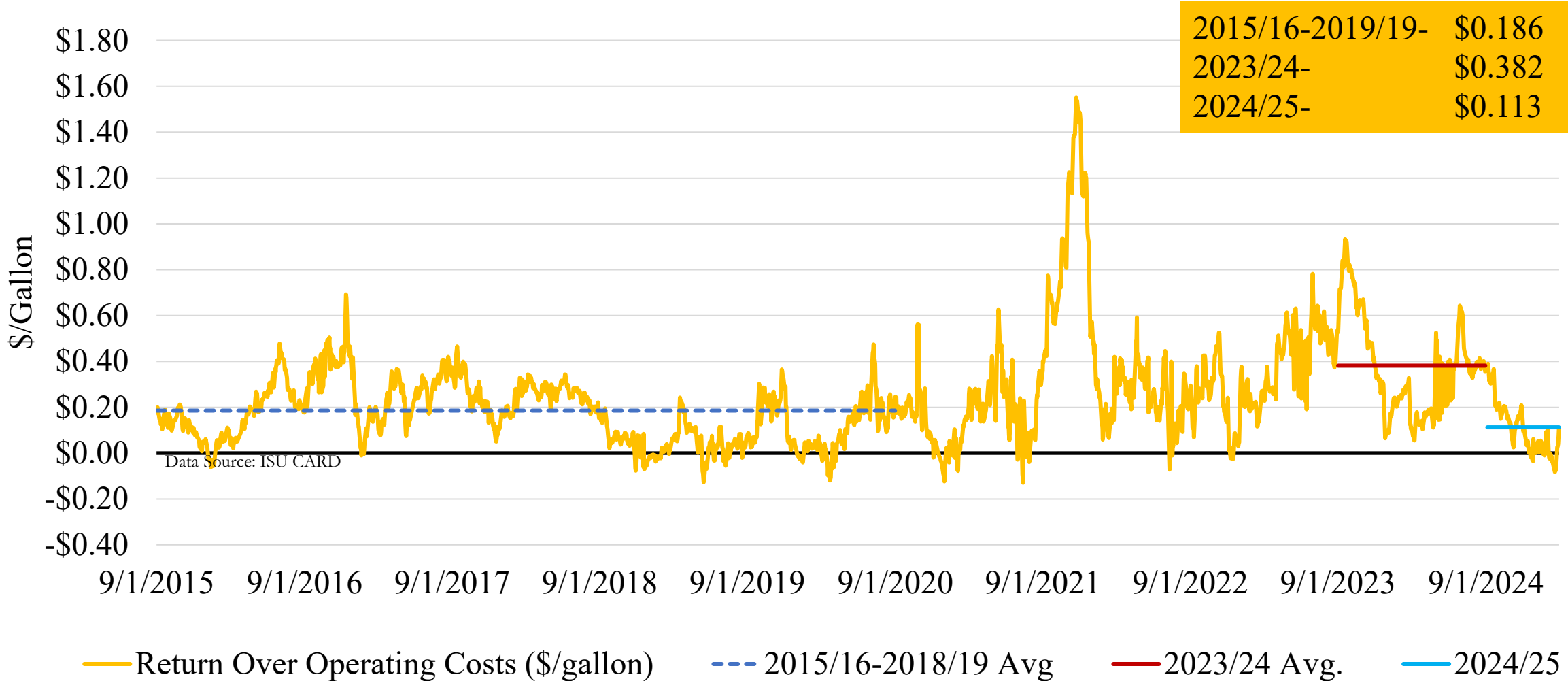
Ending Stocks of US Fuel Ethanol as of 02/28/2025



Data Source: US EIA

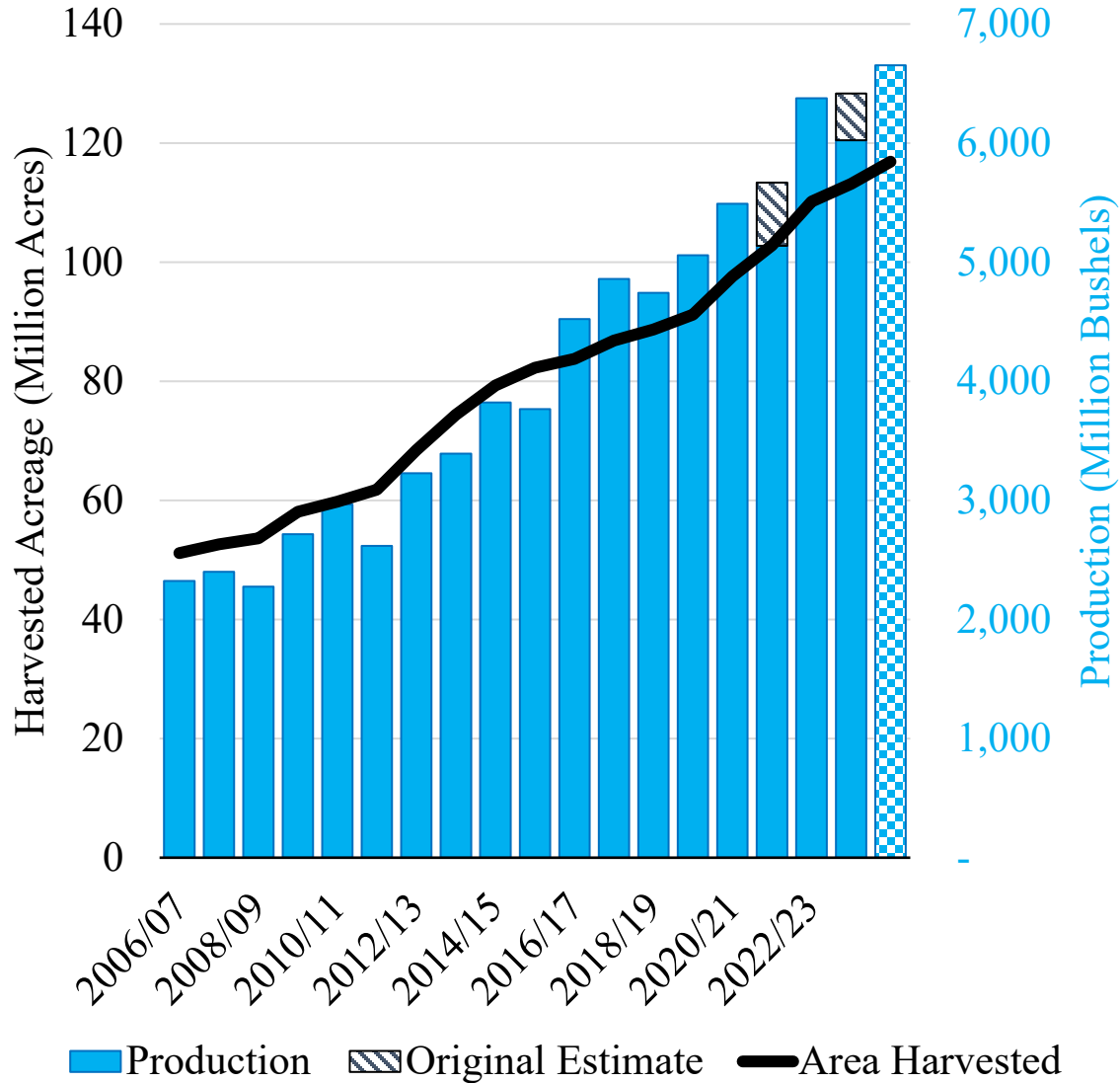
Outlook: Trade Environment

Ethanol Profitability: Return over Operating Cost- Thru February 28, 2025

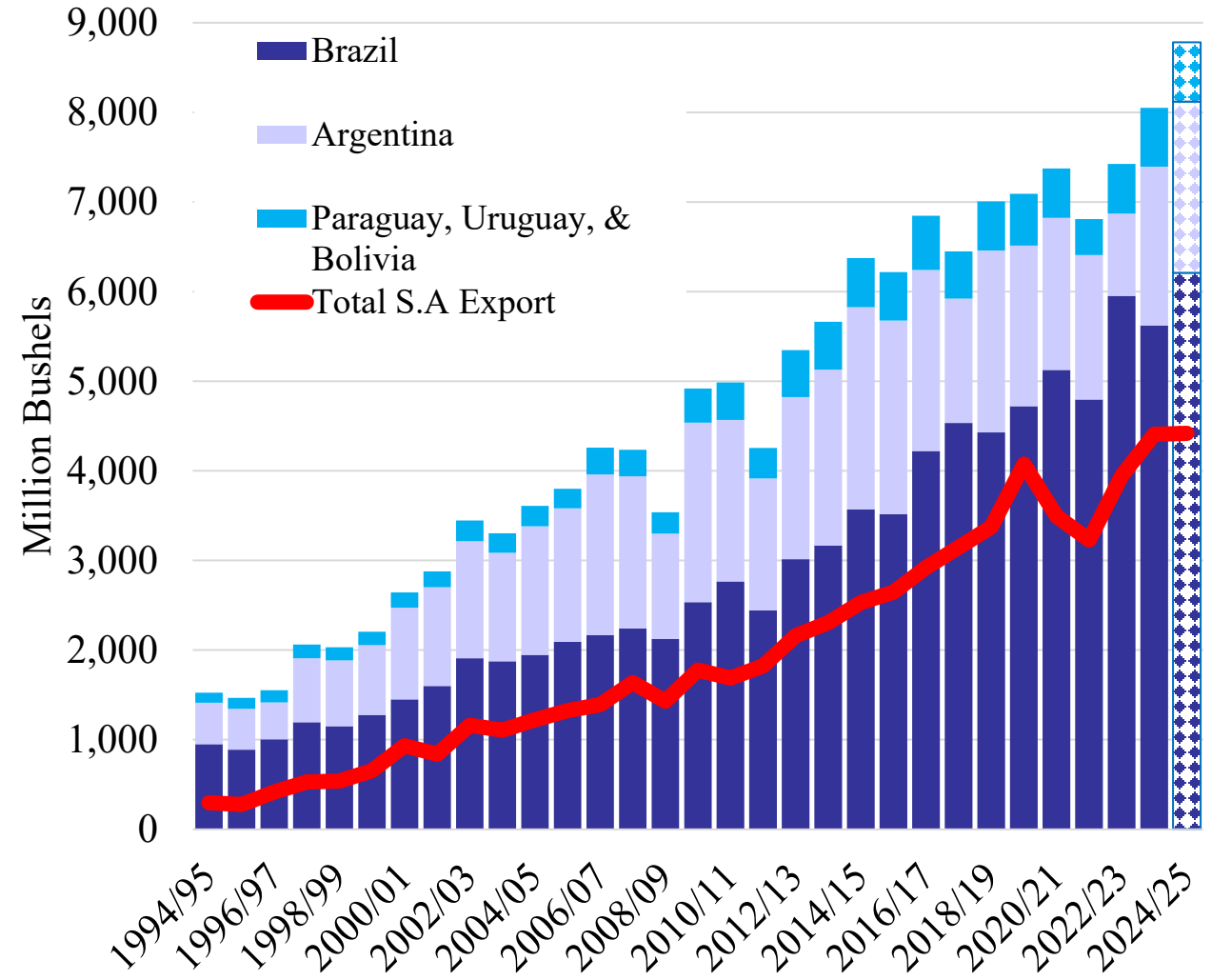


US Soybean Outlook: 2024 Global Supply

Brazil Soybean Acreage and Production



South America Soybean Production and Exports 1994-2024



Source: USDA-FAS

Question: Why Does Brazil keep expanding?

1. Land access and innovation

1. Land conversion- primarily from pasture
2. Two or sometimes **three** growing seasons possible

2. Relative low-cost producer

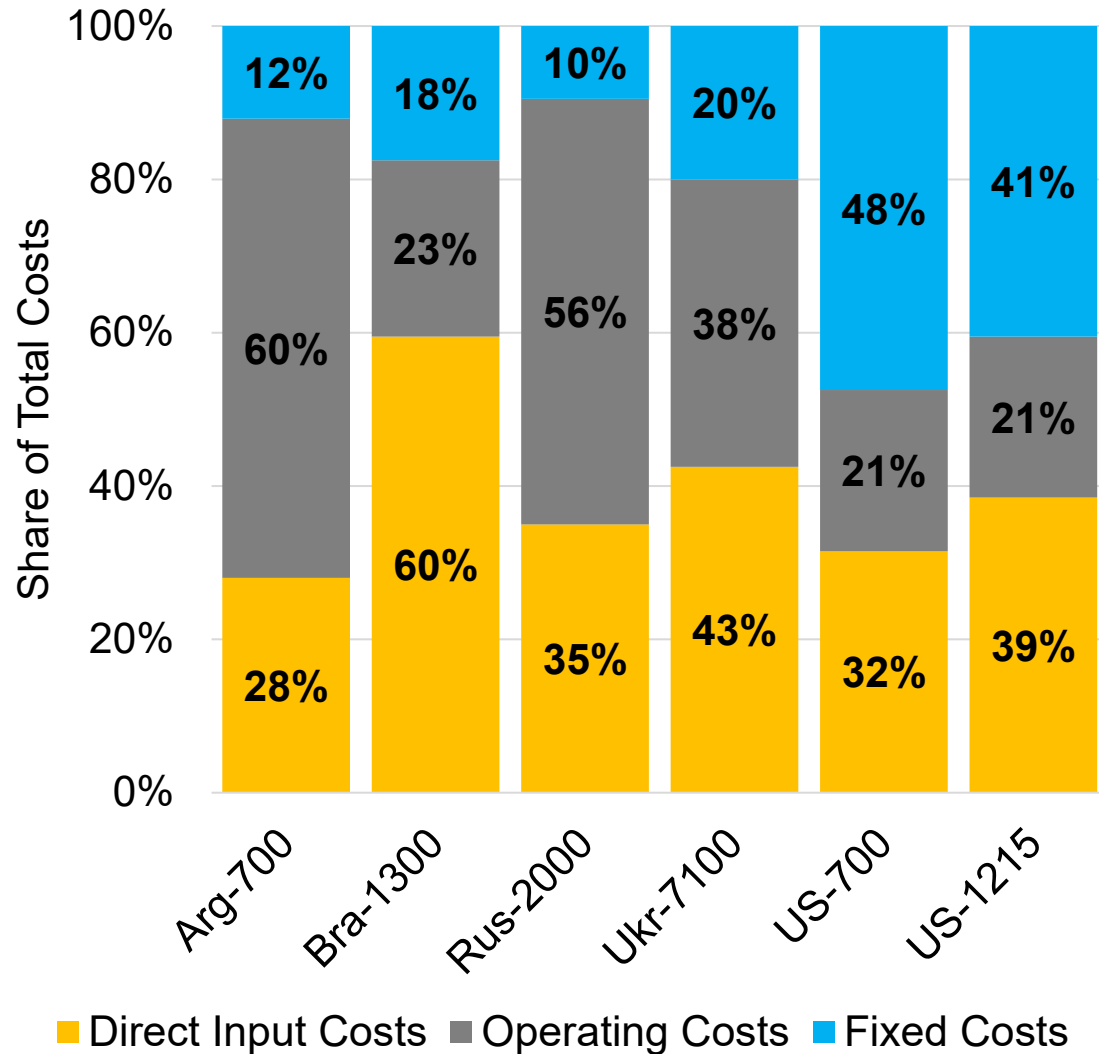
1. Land is not yet limited and therefore able to expand to keep prices low.
2. Economies of size- the average Brazilian farm is greater than 10 times the average US farm
3. Lower equipment costs. Custom hire dominant system vs ownership and overhead.
4. Federal policy is to support crop efficiency **not** producer longevity (i.e. their failure rate is more frequent)

3. Currency exchange rate advantage increasing demand for product

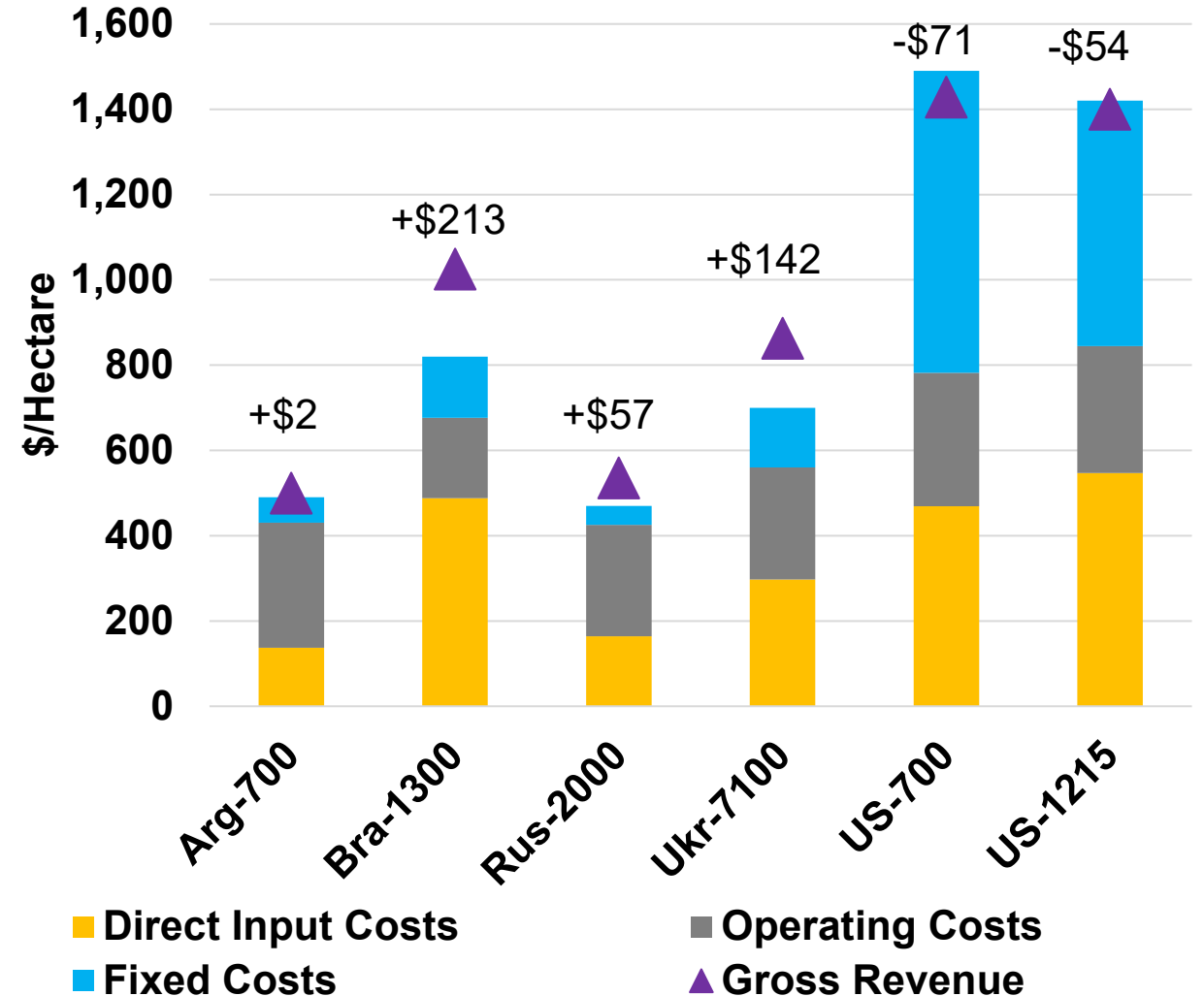


Comparative Advantage: The Cheap Produce More

Soybean Total Cost Share by Region Olympic Average 2014-2023

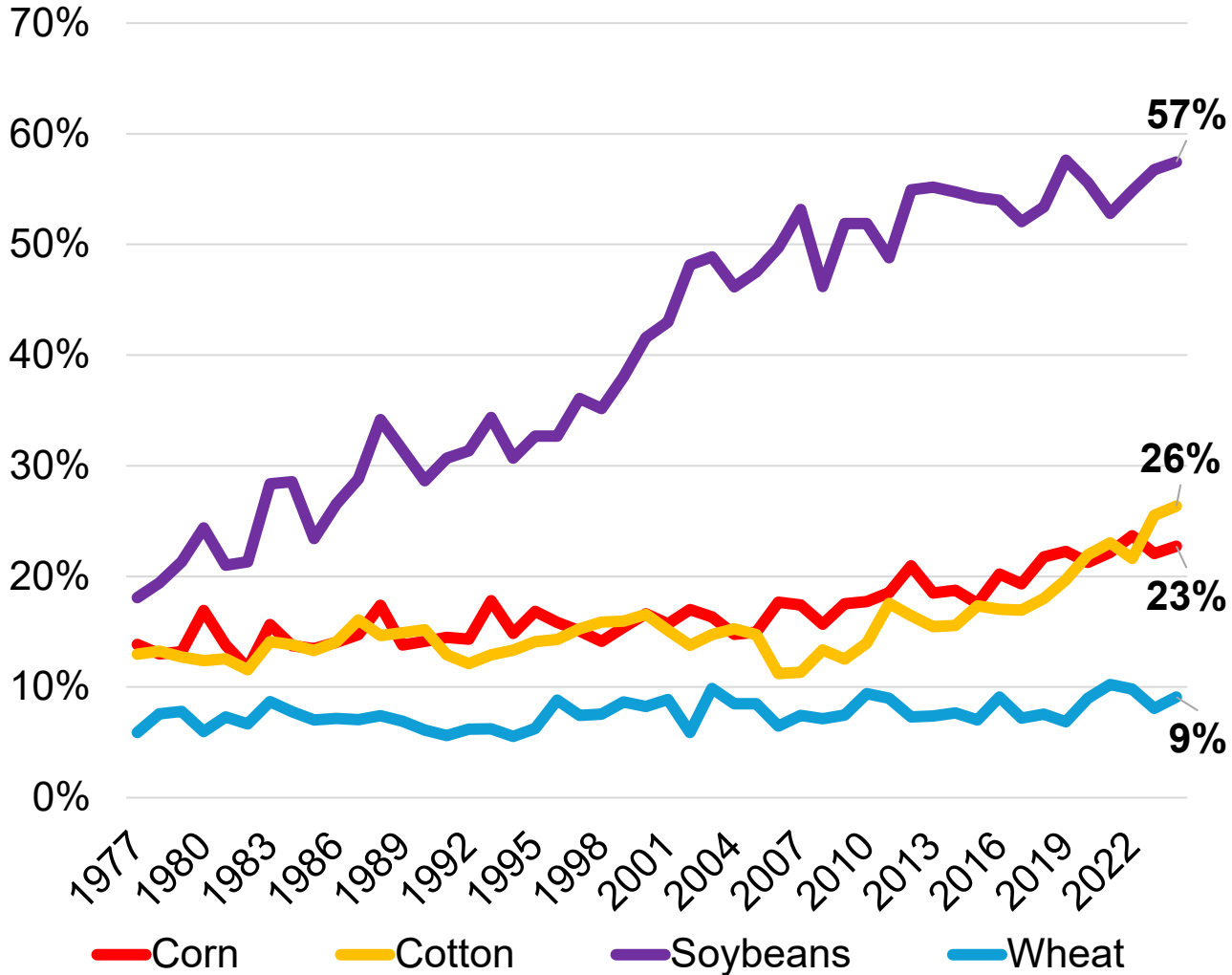


Soybean Gross Returns and Costs by Geographical Region Olympic Average 2014-2023

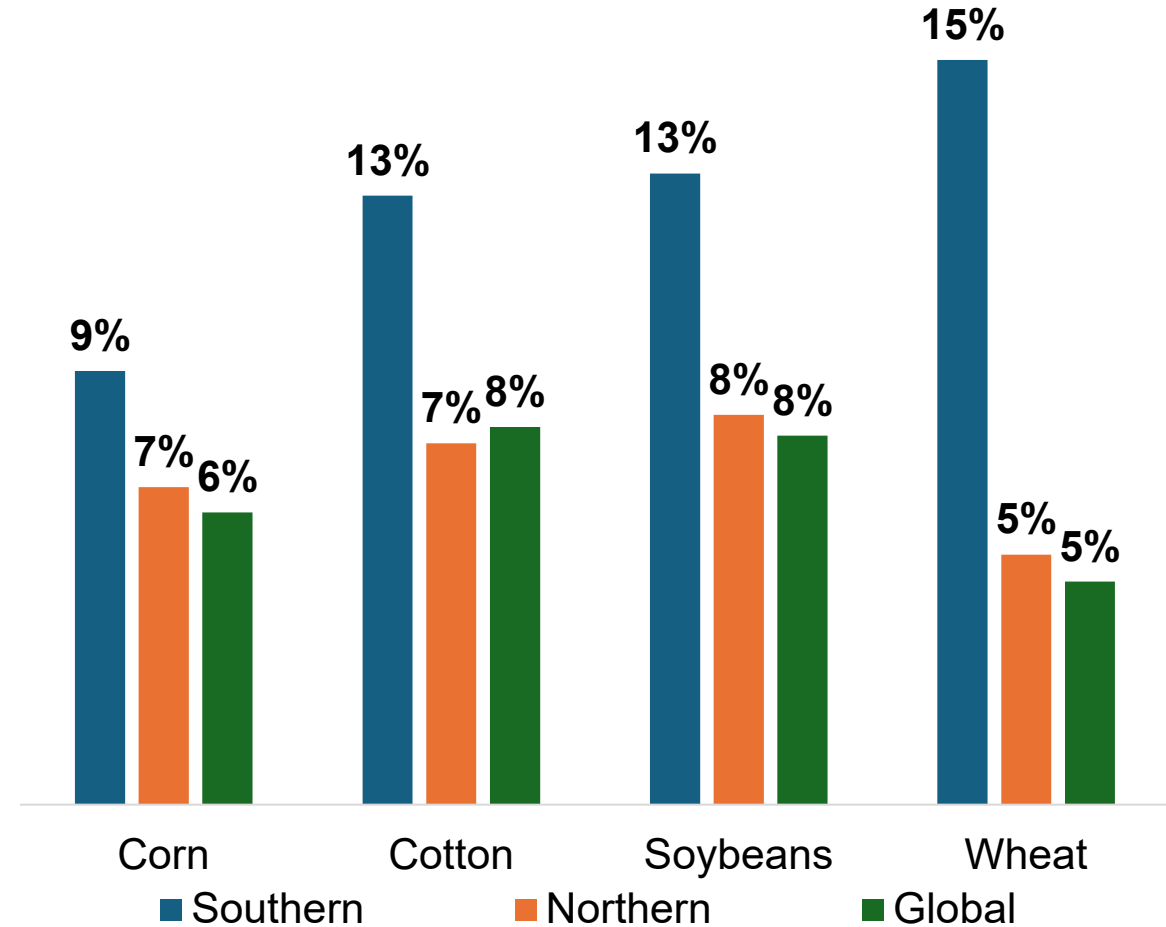


Thoughts on SA Acreage Expansion

Southern Hemisphere Share of Global Production 1977-2024



Standard Deviation of Production Change from Trend Expectations

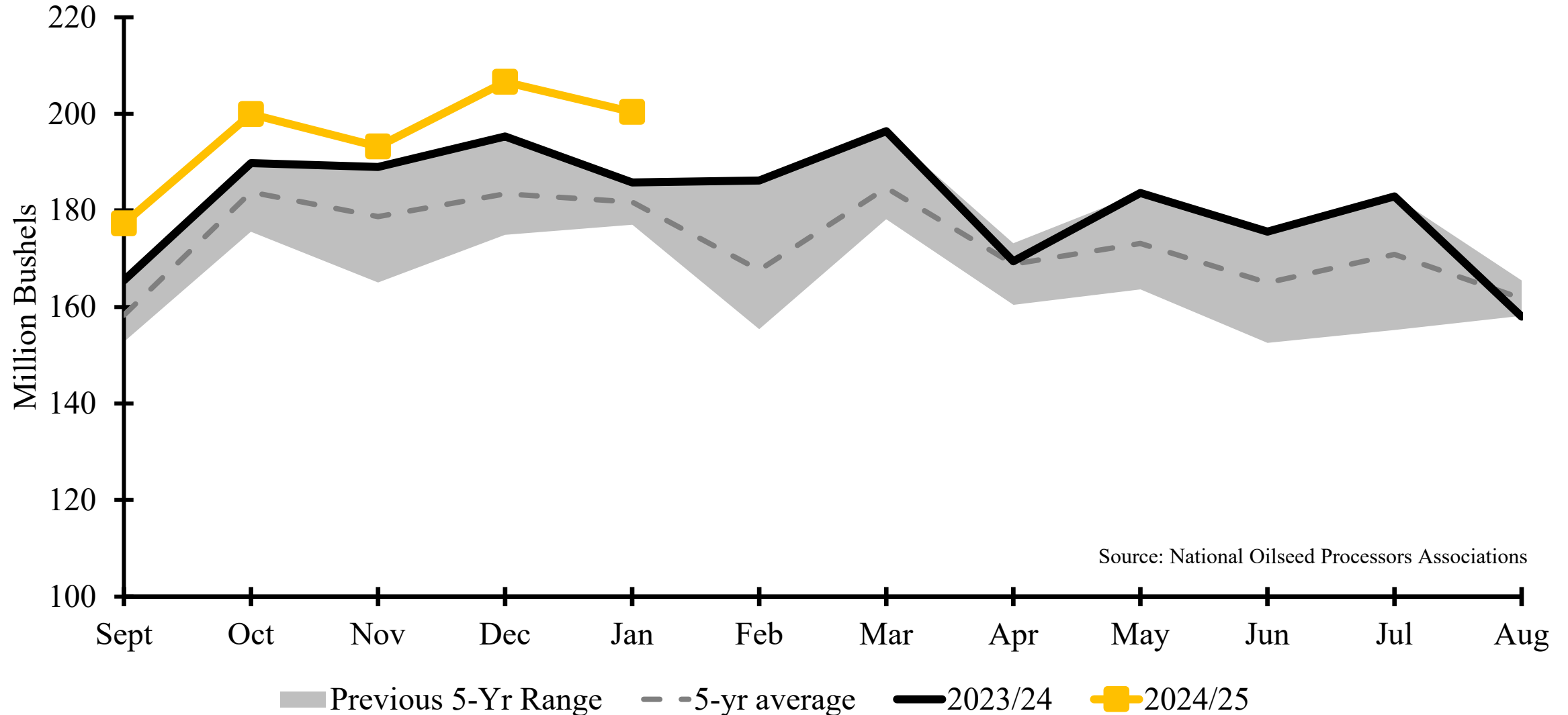




Biofuel Policy

Soybean Outlook: 2024/25 Demand Crush

NOPA Soybean Monthly Crush - January 2025 Estimates



Soybean Outlook: **Future Oil Demand**

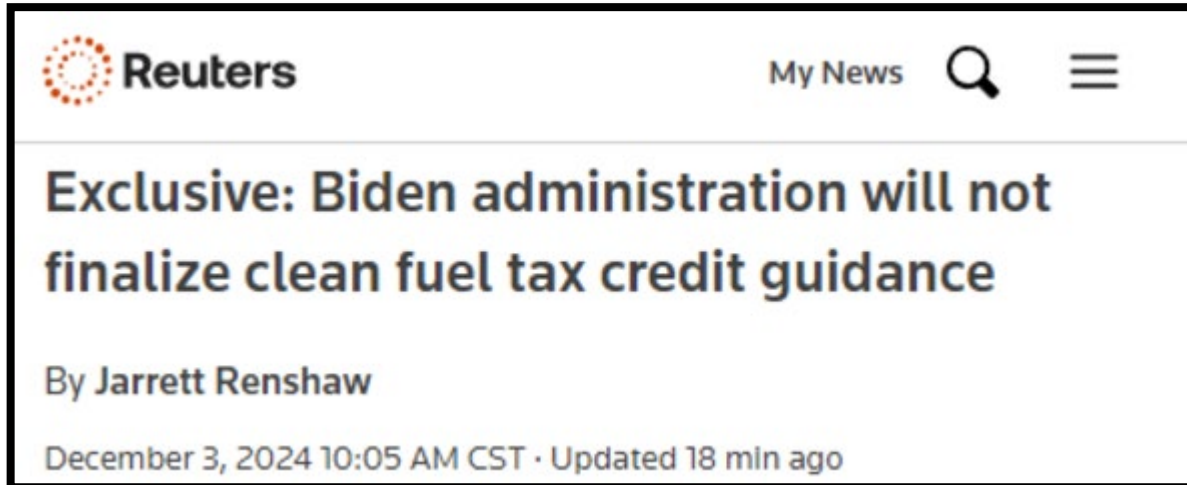
45Z Guidance Timeline

Inflation Reduction Act
signed into law requiring
guidance for 45Z by 1/1/25

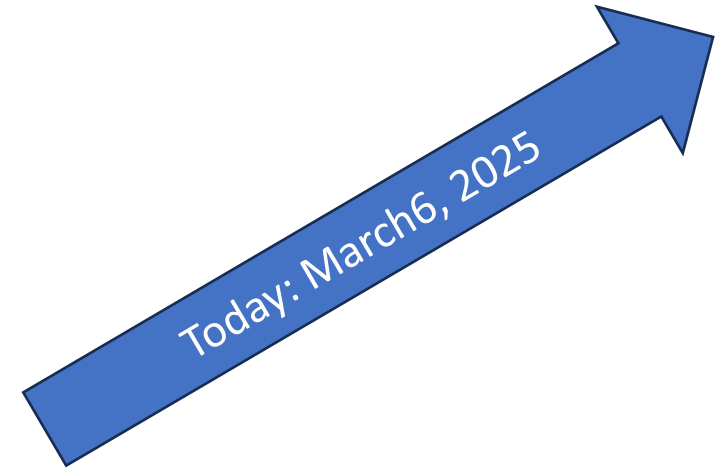
45Z Guidance Due

August 16, 2022

January 1, 2025



The screenshot shows a news article from Reuters. The headline is "Exclusive: Biden administration will not finalize clean fuel tax credit guidance". The author is Jarrett Renshaw. The article was published on December 3, 2024, at 10:05 AM CST and was updated 18 minutes ago. The article is framed with a black border.



Soybean Outlook: 2024/25 Demand Crush

U.S. Soybean Crush Plants



Bloomberg.com

<https://www.bloomberg.com/news/articles/cargill-b...>

Cargill, Bunge Slow Soy Buying on Stalled US Biofuels ...

6 days ago — Agriculture giants including **Cargill Inc.** and **Bunge Global SA** are slowing their buying of **soybeans** due to uncertainty over US biofuels policy.

Missing: ~~crush~~ | Show results with: [crush](#)



Farm Policy News

<https://farmpolicynews.illinois.edu/2024/10>

Lack of 45Z Guidance Could Cause Biofuel Production ...

5 days ago — ... **Cargill Inc.** and **Bunge Global SA** ... "The organization estimates a 25% industry shutdown would correlate to 250 million pounds of unprocessed **soybean oil**."

Missing: ~~crush~~ | Show results with: [crush](#)



Agri-Pulse

The future of key agriculture IRA provisions under Trump 2.0

Along the campaign trail, President-elect Donald Trump had vowed to repeal parts of the Biden administration's landmark climate law,...

4 weeks ago



© 2024 Mapbox © OpenStreetMap

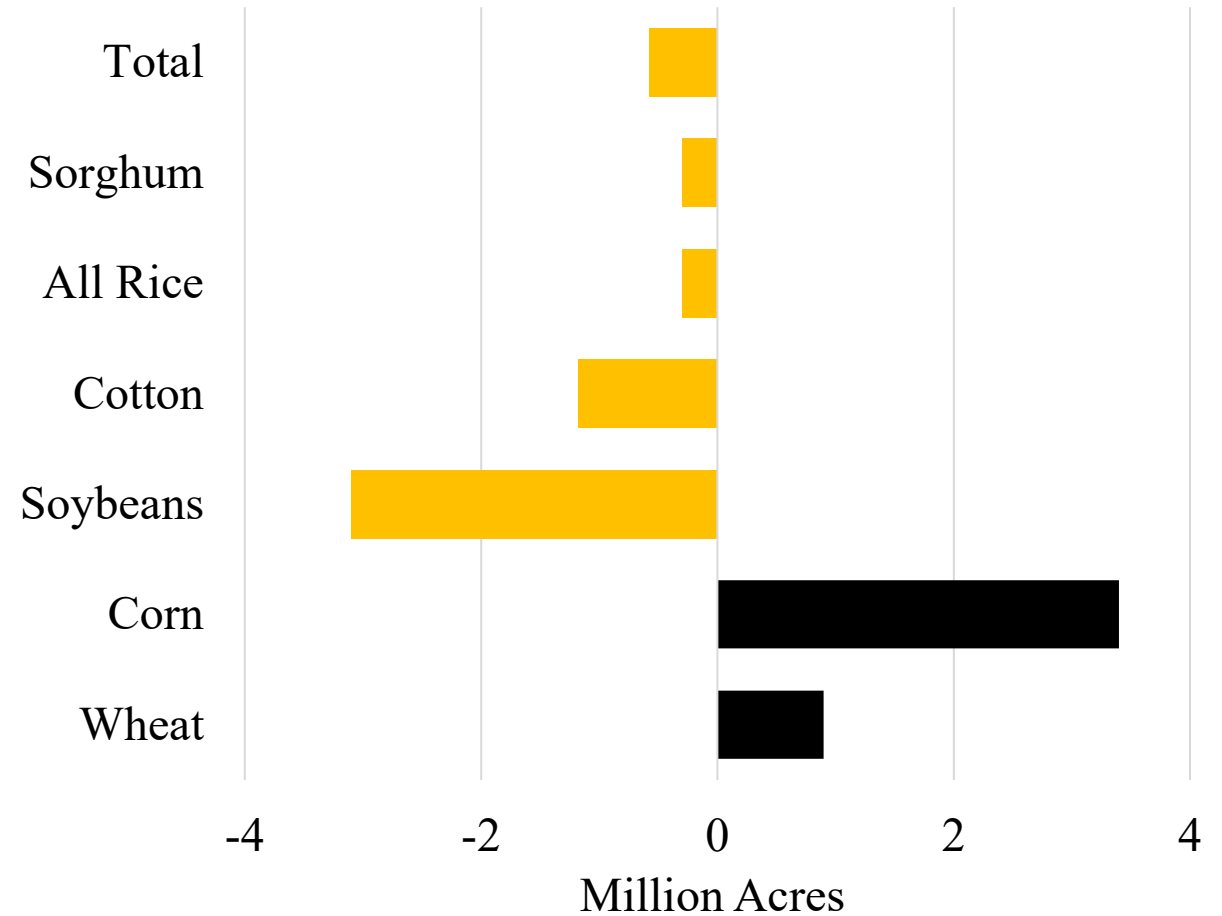
Source: Gordon Denny and American Soybean Association

Source: Scott Gerlt, American Soybean Association

New Crop: Acres

Planted Acres (Millions)	2024	2025	Change
Wheat	46.1	47	0.9
Corn	90.6	94	3.4
Soybeans	87.1	84	-3.1
Cotton	11.18	10	-1.18
All Rice	2.9	2.6	-0.3
Sorghum	6.3	6	-0.3
Total	244.18	243.6	-0.58

Change in Planted Acres 2025 vs 2024



Price Outlook: Other Crops

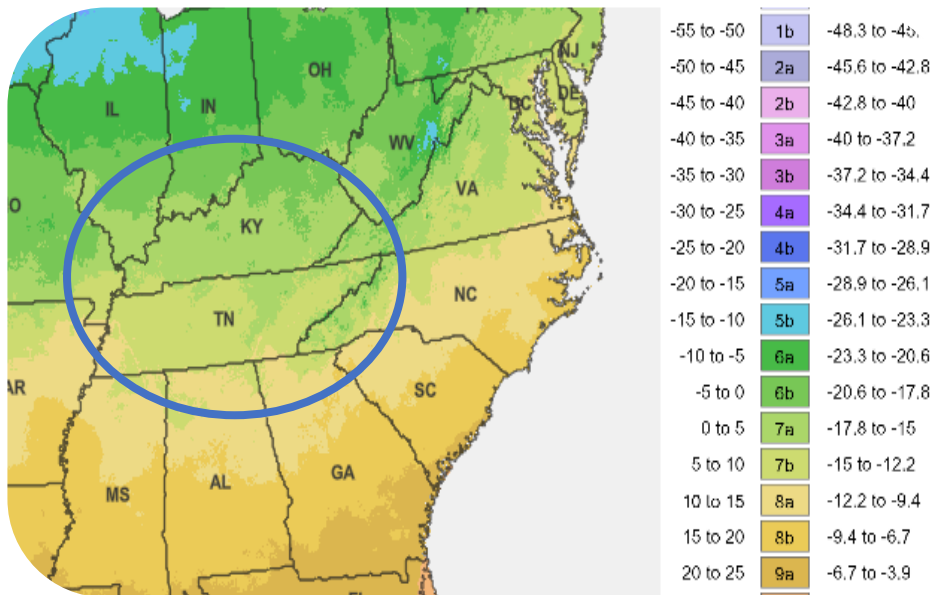
- Sorghum: Prices likely to follow corn, China trade matters a lot
- Rice: U.S. and global prices have declined on ample supplies
- Hay: Prices are down on increase in 2024 production, lower grain prices
- Canola: Tariffs on Canada could boost U.S. prices
- Fruits and vegetables: Tariffs on Mexico could boost U.S. prices



Price Outlook: Other Crops

For every participating farmer:

- ❖ Pioneer provides the canola seed and agronomic support.
- ❖ Bunge certifies the acres, buys the harvested winter canola, and processes the oil.
- ❖ Chevron uses the oil to produce renewable fuels.



Price Outlook: Prices in 2024 & 2025

Marketing Year	2018-2022 average	2019	2020	2021	2022	2023	2024	Percent Change	2025	Percent Change
Soybeans (\$/bu.)	11.07	8.57	10.8	13.3	14.2	12.40	10.17	-18%	10.10	-1%
Corn (\$/Bu.)	4.85	3.56	4.53	6.00	6.54	4.55	4.29	-6%	4.17	-3%
All Rice (\$ cwt)	15.18	13.6	14.4	16.1	19.80	17.20	15.56	-10%	15.13	-3%
Sorghum (\$/bu.)	4.70	3.34	5.04	5.94	6.38	4.93	4.32	-12%	4.00	-7%
Upland Cotton (\$/lb)	0.74	0.6	0.66	0.91	0.85	0.76	0.66	-13%	0.64	-3%
Wheat (\$/bu.)	6.25	4.58	5.05	7.63	8.83	6.96	5.55	-20%	5.33	-4%
Cattle (\$/cwt)	122	117	109	122	144	176	188	+7%	192	+2%
Pork 51-52% lean (\$/cwt)	55.11	48	43	67	71	59	59	+0%	59	-0%

Bold Numbers- Estimates

Source: USDA WASDE and FAPRI-MU



2025 Price Outlook: Summary

- ❖ Changes in policy (biofuel and trade) can move markets quickly. The ones I'm concerned about in the short run:
 - ❖ Ethanol exports to Canada
 - ❖ Corn exports to Mexico
 - ❖ Cotton exports to China
- ❖ Brazilian soybean production continues to grow and weights on the soybean market. Without increases in demand- soybean prices continue to give up acres to corn.
- ❖ New crop acres- **nothing** really needs **more acres**, but everyone wants to give their acres to corn. Could be a major headwind for new crop corn prices.



HARVESTING POTENTIAL EXPLORING VALUE-ADDED AGRICULTURE OPPORTUNITIES IN MISSOURI



**KALLIE
TURNER**

**Urban County Executive Director
USDA Farm Service Agency**



**MALLORY
RAHE**

**Associate Extension Professor
University of Missouri Extension**



ABNER WOMACK MISSOURI AGRICULTURE OUTLOOK CONFERENCE

APRIL 9 | 9:00-2:00 | COLUMBIA

Hear the latest agricultural outlook and discussions on
agricultural policy, U.S. commodities and more

 Food & Agricultural
Policy Research Institute
University of Missouri

Register now

MIZZOU.US/WOMACK2025

Agricultural **LENDERS SCHOOL**

In-depth agricultural finance training for early career lenders and those new to agricultural loan responsibilities - gain insights and knowledge to serve your clientele

JUNE 2-5, 2025 | COLUMBIA, MO

- ✓ Learn from industry experts and University of Missouri faculty
- ✓ Grasp concepts through case studies, interactive exercises and presentations
- ✓ Topics include financial statements, credit analysis, managing risk, emerging issues in agricultural finance... and MORE

Questions? Contact Ryan Milhollin at
573-882-0668 or ryan.milhollin@missouri.edu



find more information at

MUEXT.US/AGLENDERSCHOOL2025

REGISTER BY MAY 12



SCAN TO REGISTER



MISSOURI
INDEPENDENT
BANKERS
ASSOCIATION



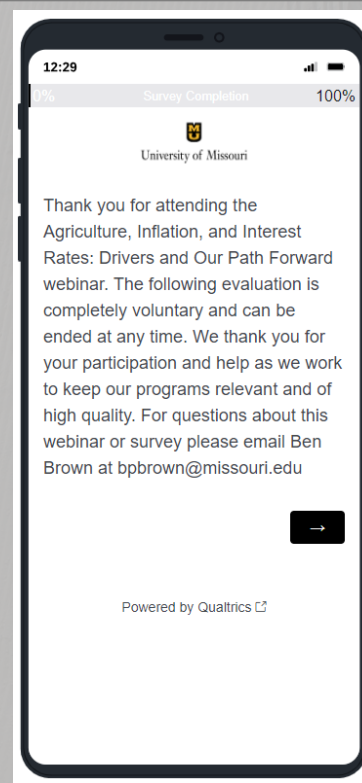
FCS FINANCIAL



Evaluations

Please help us continue to offer high quality programs by completing our evaluation upon completion of the webinar.

- ❖ The internet-based evaluation will start when you exit the zoom.
- ❖ Takes roughly 3 minutes
- ❖ Responses will be completely private



The evaluation is designed to capture how effective our program was at meeting key objectives.

1. Understand the weather and climate trends for Missouri
2. Learn about expectations for spring weather in Missouri
3. Learn about factors impacting market prices for Missouri row crops.



Thank you!



University of Missouri

This program is possible due to the work of the presenters, the Food and Agricultural Policy Research Institute, the Rural and Farm Finance Policy Analysis Center, and MU Extension.

All conference materials and presentations will be available at fapri.missouri.edu for any comments about the conference please email Ben Brown at bbbrown@missouri.edu.