2025 REPORTS

November WASDE: Not the Bull Farmers Hoped For

By Matt Erickson, Bree Baatz and Marc Rosenbohm

With fall harvest wrapping up, the release of the USDA's November World Agricultural Supply and Demand Estimates (WASDE) comes after nearly two months of speculation around final crop size.

During harvest, traders and producers were forced to rely on anecdotal evidence and non-government reports, as the lapse in government funding from October 1 to November 12 made many U.S. data sources unavailable. The market consensus heading into the November WASDE was that corn and soybean yields were strong but below forecasts from the September WASDE because of disease pressures. In particular, southern rust in Iowa and Indiana and tar spot in Illinois contributed to localized impacts.

The 2025 corn and soybean harvest is now mostly complete, and the USDA kept national average yields close to their pre-harvest forecasts.

Corn Outlook: Higher Supply, Exports and Ending Stocks Than Expected

Key Takeaways

- The USDA set U.S. corn yields at 186 bu./ac. for 2025/26 — 2.5 bushels above market expectations.
- Most corn belt states are projected to exceed their 30-year trend yields, except Nebraska and Minnesota.
- U.S. ending stocks increased to 2.154 billion bushels, closing the damper on near-term prices.
- Global corn ending stocks were lowered to 281.3 million metric tons, defying expectations and hitting their lowest level since 2014/15.
- Farmers should closely watch for any yield and production revisions in future releases that may rally current and 2026 futures.

Yields

Ahead of the November WASDE report, markets were bracing for lower yields and production. Though they correctly predicted the direction, the extent of the changes came as a surprise. While pre-report expectations pegged the average corn yield at 183.5 bu./ac., the USDA revised its September estimate of 186.7 bu./ac. down only slightly to 186 bu./ac. If realized, this would still mark a record yield.

Corn production for the 2025/26 season is expected to exceed 16.7 billion bushels — surpassing the previous record by more than 1.4 billion bushels, which is equivalent to the size of the Minnesota corn crop in 2024.

Despite early concerns, this growing season is shaping up to be one where producers achieve strong yields. Record yields are forecast in several states, including Illinois, Iowa, South Carolina, South Dakota, Virginia and Wisconsin. With input costs remaining elevated and commodity prices trending lower throughout the year, producers will need to rely on above-average yields to support revenue.

While corn yields appear strong across many states, it's important to compare this year's performance against each state's 30-year trend line. Many areas of the corn belt are expected to exceed those benchmarks.

For example, the following states are projected to outperform their 30-year average:

- Iowa, Illinois and Indiana (+4% each)
- Kansas (+11%)
- Missouri (+6%)
- South Dakota (+7%)

In these regions, higher yields should help reduce cost per bushel and lower break-even prices.

Even with anecdotal reports of southern rust in Iowa and parts of Indiana and tar spot in Illinois, the USDA made only modest yield adjustments in these states. Iowa's yield was down only 3 bu./ac. from September while Illinois' increased 2 bu./ac. and Indiana's was up 1 bu./ac. Nearly every corn belt state met or exceeded its 30-year trend, with the exception of Minnesota (down just 1%) and Nebraska (down 2%).

However, other parts of the country are seeing the impact of adverse weather and growing conditions. Many Southern states and fringe-producing areas in the Northeast show noticeable declines from their long-term trends. Producers in these states are unlikely to be able to "yield out" of low commodity prices and high input prices. Yield volatility remains a reality in many regions, underscoring the importance of a strong risk management strategy year after year.

Use and Ending Stocks

Total corn use for the 2025/26 marketing year rose by 100 million bushels from September to 16.155 billion bushels, driven primarily by stronger export demand. The U.S. has remained more price-competitive than Brazil for corn and recently gained an edge over Argentina as well. As of November 13, corn export prices were $211 per ton for the U.S., $212 per ton for Argentina and $221 per ton for Brazil, per the International Grains Council. Inspection data suggest exports set monthly records in September and October.

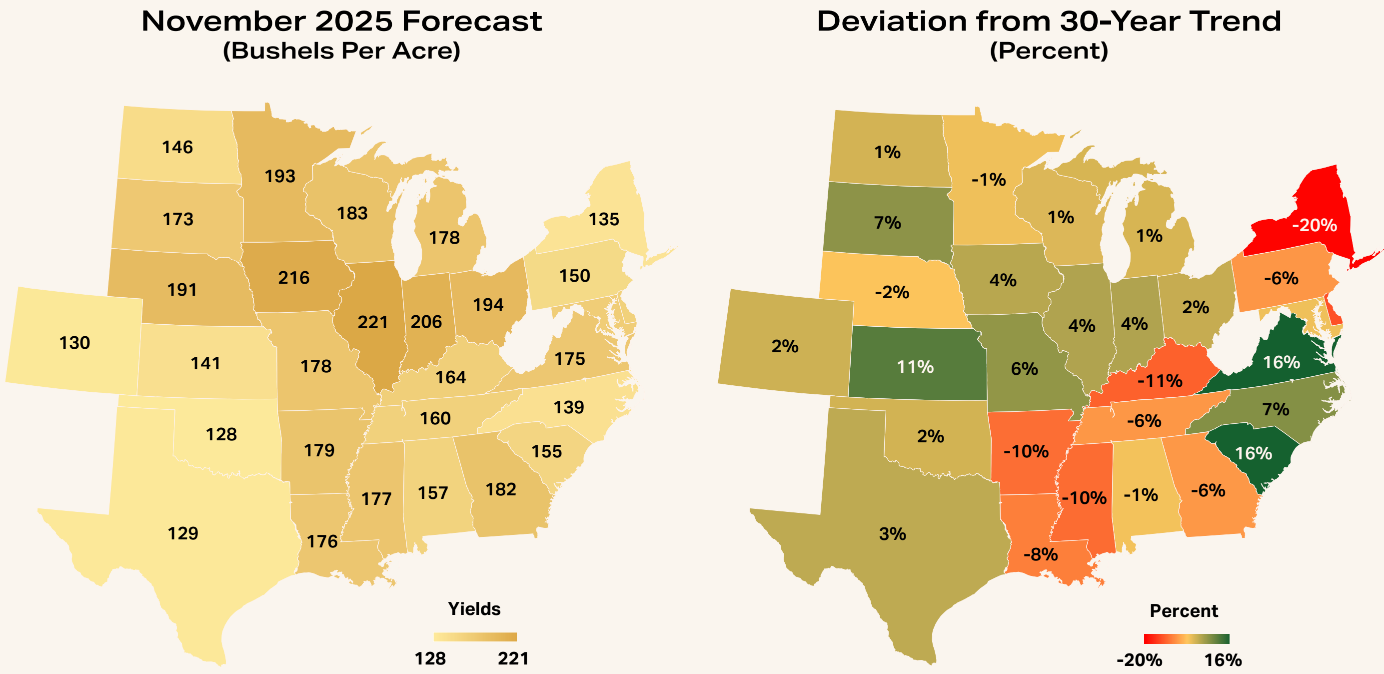
Ethanol production held steady, using 5.6 billion bushels, nearing the record set in 2017/18. According to Iowa State University, the average return over operating cost for Iowa ethanol plants ranged from 27 cents to 29 cents per gallon in early November. While that reflects a slight month-over-month decline, it remains at levels that should support ethanol production consistent with the USDA estimates.

With supply continuing to outpace usage, the USDA raised projected corn ending stocks by 44 million bushels to 2.154 billion — the highest level since the 2018/19 season.

Stocks-to-Use and Price

The 2025/26 stocks-to-use ratio rose from 13.1% in September to 13.3%, surpassing both the five-year

U.S. Corn Yield Projections and Comparisons with Their 30-Year Trend



Sources: USDA, Terrain

average of 9.9% and the 10-year average of 12.2%. Meanwhile, the average corn price, $4/bu., marked the lowest level since the 2019/20 marketing year.

International

Foreign corn production for 2025/26 increased by more than 1.2 million metric tons (MMT), driven by gains in Mexico (up 1.2 MMT) and the EU (up 0.45 MMT). The USDA left production estimates unchanged for Brazil, Argentina and Ukraine but raised domestic usage in all three countries — up 1.5 MMT for Brazil, 0.8 MMT for Argentina and approximately 0.6 MMT for Ukraine.

In a surprising turn, markets overshot expectations for world ending stocks. While traders forecast a 1.5 MMT increase, the USDA lowered global ending stocks by 0.1 MMT to 281.3 MMT — marking the lowest level since the 2014/15 marketing year. The global stocks-to-use ratio now stands at 21.7%, the lowest since 2012/13 and 3.7 percentage points below the five-year average of 25.4%.

Terrain's Market Reaction for Corn

The USDA's November WASDE report leaned bearish for corn. Domestically, the 2025/26 yield estimate was set at 186 bu./ac. — 2.5 bushels above the pre-report average and at the very top of the expected range. With no changes to harvested acres, this pushed the USDA's corn production forecast to over 16.7 billion bushels, exceeding the upper bounds of market expectations.

On the global side, there was a modest bullish surprise: World ending stocks came in about 1.7 MMT below market forecasts. Still, the contrast between the USDA's yield outlook and farmer sentiment about yields makes the December WASDE one to watch closely.

While domestic corn usage is projected to rise 6.6% from 2024/25 to 2025/26, supply is up even more, by

9.8%, resulting in a 2.15 billion-bushel carryout that could spill into the 2026/27 balance sheet. Reflecting the report's tone, December 2025 corn futures dropped 10 cents to $4.32/bu. by midday upon release. Final carryout will be closely watched in the coming months, as a 2.15 billion-bushel surplus could add pressure to the 2026/27 balance sheet. Meanwhile, reduced soybean purchases from China may prompt U.S. producers to shift acreage toward corn, driven by profitability and evolving market dynamics.

Soybean Outlook: Record Yields; Lower Production, Exports and Ending Stocks

Key Takeaways

- The USDA set U.S. soybean yields at 53 bu./ac. for 2025/26 — matching the average market expectation and still a record.
- Western corn belt and Upper Plains yield increases were not enough to offset the late-season dryness in the eastern corn belt.
- U.S. exports and production were reduced, lowering ending stocks by only 10 million bushels compared with the September forecast.
- Global ending stocks were bullish, with the USDA forecast of 121.99 MMT below the lowest trade estimate pre-report.
- With the USDA now fully reopened and catching up on missed data and reports, farmers should watch for confirmed purchases from China in the weekly export sales commitment reports. Any clarity on trade and biofuel policy, which will influence domestic crush, may lead to future price rallies.

Yields

Markets projected a drop in soybean yields ahead of the November WASDE report, with an average pre-report expectation of 53 bu./ac. The USDA's yield estimate was the same at 53 bu./ac. (down 0.5 bu./ac. from September's forecast), which is still a record and up 2.3 bu./ac. from last year. Total U.S. soybean production fell to 4.25 billion bushels (down 1% from September's forecast and down 3% year over year) because of the lower yields and 80.3 million in planted acres (unchanged from September but down 7% from last year).

The most significant year-over-year upward adjustments to production were made for the western corn belt and Northern Plains states of Iowa, Minnesota and Nebraska. The late-season dryness in the eastern corn belt during August reduced production estimates, with the largest year-over-year reductions in Illinois and Indiana.

Record-high soybean yields are projected in Illinois (despite the downward revision), Iowa, Nebraska, Oklahoma and Wisconsin.

Record-strong soybean yields are helping some producers mitigate the impact of lower commodity prices. The western corn belt and Central and Upper Plains benefited from excellent growing conditions and increased precipitation during the summer. Meanwhile, nearly every state east of the Mississippi River is forecast to have lower yields compared with their 30-year trend line due to excessive dry weather in August.

While highly variable depending on regional yield differences, local cash price and basis, profit margins are likely still below break-even levels for many soybean farmers.

Use and Ending Stocks

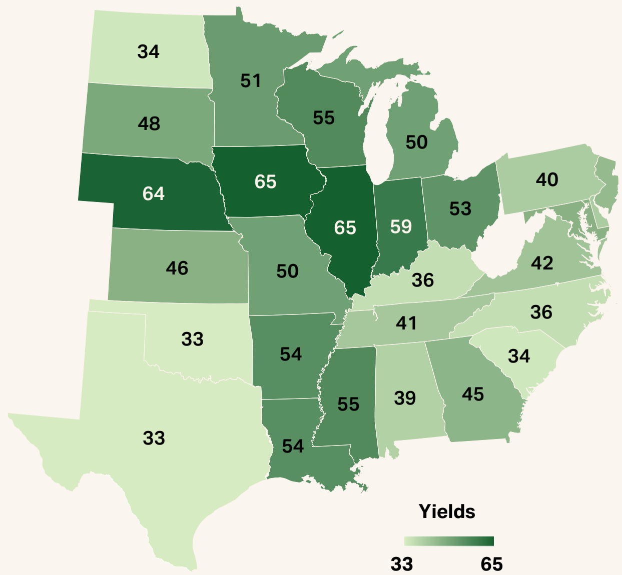
On the demand side, the USDA left 2025/26 domestic crush unchanged from September at 2.55 billion bushels. However, the USDA reduced soybean exports by 50 million bushels to 1.635 billion, reflecting lower sales to date (primarily to China).

Stocks-to-Use and Price

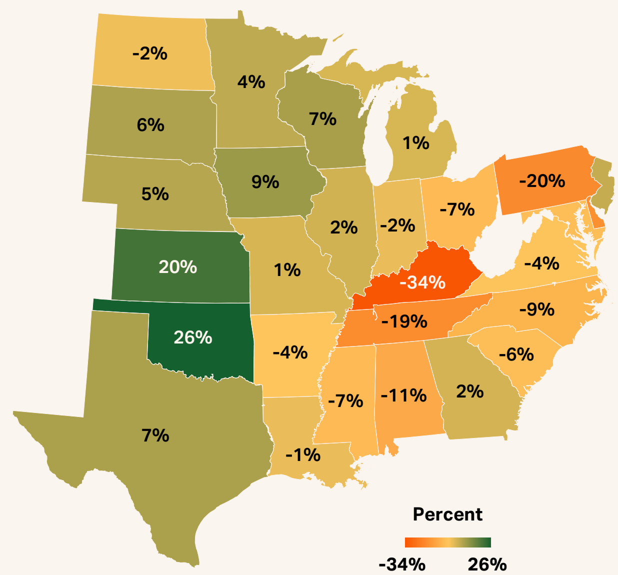
Driven by these lower production estimates, 2025/26 ending stocks were cut by 10 million bushels to 290 million bushels. Because of the reduced yield estimates,

U.S. Soybean Yield Projections and Comparisons with Their 30-Year Trend

November 2025 Forecast
(Bushels Per Acre)



Deviation from 30-Year Trend
(Percent)



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Sources: USDA, Terrain

markets expected a drop in soybean ending stocks ahead of the November WASDE report, projecting a pre-report average of 292 million bushels. Notably, the USDA revision fell below the trade average.

The stocks-to-use ratio was lowered from 6.9% in September to 6.74%. If realized, this would be essentially flat compared with the five-year average and 2.54 percentage points lower than the 10-year average. The November forecast season-average soybean price received by producers increased 50 cents from September to $10.50/bu.

International

Globally, the supply outlook indicates lower production, led by the U.S. The USDA made no changes to soybean production estimates for Brazil, Argentina or Paraguay for 2025/26.

Demand forecasts indicate reduced crush, led by Argentina, which is likely to have lower domestic supplies of soybeans to crush because of increased exports to China.

Regarding global ending stocks, the report was bullish. The USDA's November forecast was lower at 121.99 MMT, compared with an average industry estimate of 125 MMT. Additionally, the world stocks-to-use ratio stands at 20%, a 1% decline from 2024/25.

Terrain's Market Reaction for Soybeans

The USDA's November WASDE report leaned bullish for domestic supplies, with the slight trim to yields and lower production. However, that was mostly offset by reduced exports, which left ending stocks down only 10 million bushels compared with September's forecast. The 2025/26 U.S. yield estimate was set at 53 bu./ac., flat from the pre-report average.

With no changes to harvested acres, this pushed the USDA's soybean production forecast lower to 4.253

billion bushels and ending stocks to 290 million bushels, both below the average trade expectation.

The global side had a modest bullish surprise: World ending stocks came in at 1.01 MMT below the lowest trade estimate. Paying close attention to South American production, which was left unchanged, will ultimately determine global ending stocks. Brazil continues to have record-breaking soybean supplies.

While domestic crush was unchanged, lack of clarity around U.S. biofuel policy, the Environmental Protection Agency's decision on small refinery exemptions (outstanding and future), as well as the RIN (biofuel credit) differential between domestic and imported feedstocks will determine the crush pace into 2026.

Uncertainty around future exports to China — the 2025/26 forecast is still a 13-year low for the U.S. — will also influence U.S. ending stocks. While the report overall leans less bearish on the domestic supply side of the balance sheet, the lack of clarity on demand will continue to overshadow future price direction.

Wheat Outlook: Larger Supplies and Ending Stocks; Lower Average Price

Key Takeaways

- Larger U.S. production estimates from the September 30 Small Grains Annual Summary were incorporated into the November WASDE, adding to global supplies.
- No changes to U.S. domestic use or export forecasts resulted in higher forecast 2025/26 ending stocks.
- Larger global production and ending stock estimates for 2025/26 and marketing year-to-date prices received by farmers led to a reduction in the projected average farm price to $5/bu.
- Slightly stronger wheat yields are unlikely to have offset lower wheat prices, leading to lower average gross market returns. Combined with sticky input prices, this means margins remain tight for most wheat farmers in 2025/26.

Production

The 2025/26 U.S. all-wheat outlook incorporates the September 30 Small Grains Annual Summary estimates, which forecast higher production. As a result, ending stocks increased, with projected domestic use and exports unchanged. The larger projected supplies are due to higher projected yields, up 1.1% from September, and a higher harvested percentage, at 82.1% versus 80.6% in September. This was slightly offset by a 63,000-acre reduction in planted acres.

The larger production estimates are the result of higher average yields in winter wheat and other spring wheat (which includes all spring wheat except durum), as well as higher harvested winter wheat acres. Small declines in spring wheat (both durum and other spring wheat) harvested acres partially offset the higher yields. Upward revisions to winter wheat acres were largest in Texas, Kansas, Montana and Oklahoma and accounted for 61% of the production change.

In other spring wheat, production was revised higher for all states with a mix of generally higher yields (except Washington) and higher harvested acre revisions (except Montana). Overall, harvested acres saw a net reduction as the drop in Montana more than offset gains in other states.

Stocks and Price

Both the all-wheat domestic use and the by-class domestic use estimates were left unchanged from their September estimates, with total use still projected at 1.154 billion bushels. This includes 972 million bushels of food use, 120 million bushels of feed and residual use, and 62 million bushels of seed use. Exports remained unchanged as well, projected at 900 million bushels for the 2025/26 marketing year.

U.S. ending stocks are 39 million bushels higher than the average trade guess, as it appears markets expected upward revisions to total use. Ending stocks for the 2025/26 marketing year are projected to be 901 million bushels, up 6.8% from September and 5.9% from last marketing year.

Higher-than-expected U.S. ending stocks combined with higher global production and global ending stocks have led to lower futures market prices following the report and will continue to weigh on prices this marketing year. Based on these revisions and marketing year-to-date prices received by farmers, the USDA lowered its average farm price estimate by 10 cents this month to $5/bu. For most farmers, this is well below break-even levels.

International

World beginning stocks were revised almost 1 MMT lower, with lower beginning stocks in Argentina partially offset by higher stocks in other countries. Global production was revised higher by 12.7 MMT to 828.9 MMT, with the U.S. accounting for 1.5 MMT. Argentina, Australia, Canada, the EU, Kazakhstan and Russia saw increases of 1 MMT to 2.9 MMT, which were partially offset by lower production in the U.K., Paraguay and Egypt.

The global consumption forecast rose 4.2 MMT to 814.6 MMT. Almost 80% of that increase is projected to be feed use in major producing countries such as Australia, the EU, Kazakhstan and Russia.

The forecast for global ending stocks was up 7.4 MMT to 271.4 MMT, resulting in a global stocks-to-use ratio of 33%. The ratio was up almost 0.75% from September and above the long-run average of about 31%. When excluding China (which holds stocks at a rate well above the world average), the 2025/26 stocks-to-use ratio is forecast at 22%, up 1% from September but 1.2% below the 35-year average of 23.2%.

Terrain's Market Reaction for Wheat

The USDA's November WASDE report leaned bearish for wheat. Both U.S. and global ending stocks are forecast higher than the market was expecting, with global consumption forecast to increase less than production. Higher global wheat feed use continues to underscore the feed competition relationship between wheat and other feed grains.

U.S. wheat markets ended the day of the report release lower. The supply and ending stock outlook for wheat, combined with the bearish report for corn, weighed on current and future expected prices.

Final winter wheat planted acres and winter conditions will be closely watched in the months ahead. Surprises there — such as lower planted acres, winter kill or drought — could offer the first chance for shifts in wheat prices relative to corn prices. Expectations for spring wheat acres should also be closely monitored, as slim margins may force some marginal rotation out of spring wheat. Otherwise, wheat prices will likely remain influenced by current projections and expectations in the corn market, which are overall bearish for the farmer.

Pre-Report Expectations vs. 2025 November WASDE Estimates

2025/26 Yields (Bushels per Acre)				
		Pre-Report Estimates		
	2025 Nov WASDE	Average	Range	2025 Sep WASDE
Corn	**186.0**	183.5	182.0 - 186.0	186.7
Soybeans	**53.0**	53.0	51.7 - 53.8	53.5
2025/26 Production (Million Bushels)				
		Pre-Report Estimates		
	2025 Nov WASDE	Average	Range	2025 Sep WASDE
Corn	**16,752**	16,528	16,380 - 16,748	16,814
Soybeans	**4,253**	4,265	4,152 - 4,420	4,301
2025/26 Ending Stocks (Million Bushels)				
		Pre-Report Estimates		
	2025 Nov WASDE	Average	Range	2025 Sep WASDE
Corn	**2,154**	2,130	1,944 - 2,470	2,110
Soybeans	**290**	292	187 - 418	300
Wheat (All)	**901**	862	828 - 913	844
2025/26 World Ending Stocks (Million Metric Tons)				
		Pre-Report Estimates		
	2025 Nov WASDE	Average	Range	2025 Sep WASDE
Corn	**281.3**	283	280.0 - 284.9	281.4
Soybeans	**121.99**	125	123.0 - 126.0	124.0
Wheat (All)	**271.4**	266	264.0 - 270.0	264.1

***Red = Bearish for Markets; Green = Bullish for Markets**

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Sources: Wall Street Journal, Terrain

ABOUT THE AUTHORS

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ABOUT TERRAIN

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