>>> POET MARION <<<

MAY 2025 NEWSLETTER

TOP NEWS OF THE MONTH

MONTHLY NEWSLETTER

>>> WELCOME!

A relatively wet start to April did not see planting in Ohio ramp up until the later part of the month. Early fieldwork and spring planting preparations began in late March but seemed to drag on for weeks with some wetter weather. That being said, once the first stretch of days with ideal conditions hit it was pedal to the metal on planting progress. Trading in the corn market remains choppy, with the overall trend in the last month being sideways to slightly higher. End-user and local corn market demands are not yet fulfilled for the planting and summer delivery periods, so stay in tune with the local marketplace to capture some potential value.

READ MORE <<<

ANNOUNCEMENTS, UPDATES & IMPORTANT LINKS

- Discount Schedule 2024-25
  - **Free DP effective 4/1/25, DP bushels must be priced by 9/30/25.**
- Click here to sign up for texts & emails
- E-sign link- this allows you to sign all contracts through our app!
- App link
- ACH Form
- Upcoming Reports:
  - Monday, May 12th: USDA WASDE Report
- Poet is still offering a free, farm-level CI (carbon intensity) estimator tool. Contact a merchandiser for more information!

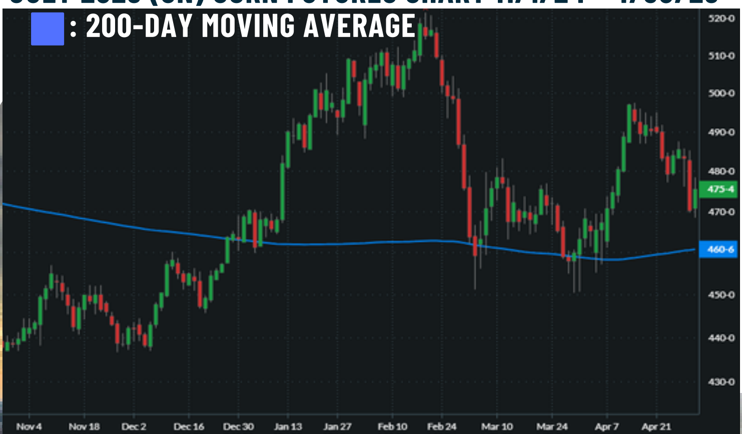
MARKET OUTLOOK

AS THE SEEDING OF A NEW U.S. CROP IS UNDERWAY, WHERE IS THE CORN MARKET HEADED?

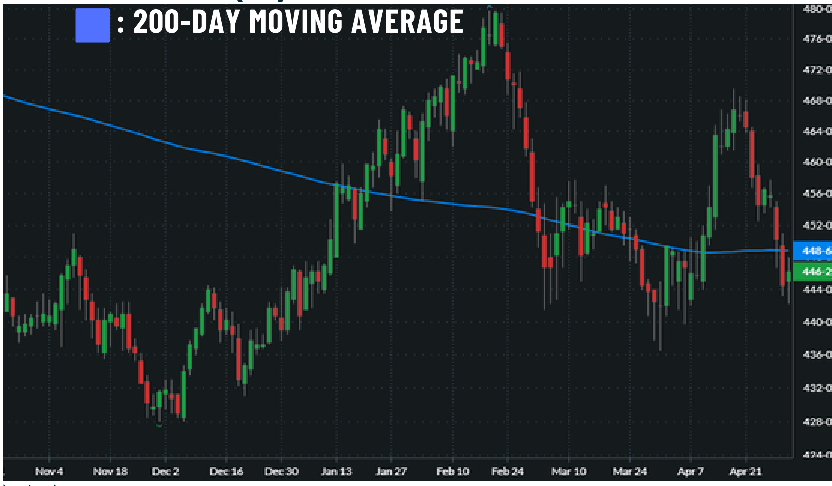
>>> JULY 2025 (CN5) FUTURES

Now that May (CK) 2025 corn futures have expired and old crop corn bids are pricing off of July (CN) 2025 futures, let's take a look at the CN5 corn contract. July corn futures closed out the month of April at $4.75, which is just 7 cents above where the contract started out the month pricing. Old crop corn futures took it on the chin, so to speak, at the end of April losing nearly all gains that had been made month-over-month. Old crop corn futures had been on a nice upward trend hitting levels not seen since late February and looked as though they would stay supported above the $4.80 futures level. Initial support was found on news of the Trump Administration pausing reciprocal tariffs for 90 days with the exception of China. That news was followed just a day later by a somewhat bullish April WASDE report and then a wet first half of April for a majority of the U.S. corn belt to send CN5 futures as high as $4.97. However, in a disappointing downfall the July contract lost 10 cents in the last 3 trading days of April. While the contract is still trading 15 cents above the 200-day moving average, it is now trading back below the all-important 50 and 100-day moving averages. July futures seem to be back to the sideways to lower trading trend versus a slow climb higher. The overarching questions, what drove this price correction to lower prices? Where do old crop prices go from here? For starters, the downward correction headed into May was likely driven by diminishing optimism of timely trade deals with key countries and lack of progress towards the EPA making new bio-related announcements. There is also speculation that some of the bearish price movement surrounded rolling from May to July futures and an average new crop planting pace with a good 6-10 day weather forecast for a potentially quick U.S. corn planting. Overall, it seems that weakness in the CBOT was caused by a combination of factors, not just one big headline. As for where old crop prices go from here, no one has the crystal ball but there are a few potential corn market movers to pay attention to. While the pause on reciprocal tariffs lent support to old crop futures, tariff headline risk is still very much alive. Any further news on concession or additional tariffs could bounce the market higher, or much lower, over the next few months. While mainly affecting new crop prices, U.S. weather will likely cause some price volatility for July corn futures. On the technical side of things, there are also a few key levels near current trading ranges that could either lend support or suppress old crop futures prices. The 200-day moving average, which is sitting at $4.61, serves as support and a close below this level would result in further downside risk. While the 50 and 100-day moving averages are the next strong levels of resistance with both currently sitting around the $4.79 level. Keep these support and resistance levels in mind as you look to make your next sale. Local basis remains supported and looks to remain strong into the summer months in the eastern corn belt. Capitalize on any green trading days in the near future to capture strong basis and cash price levels.

JULY 2025 (CN) CORN FUTURES CHART 11/1/24 - 4/30/25



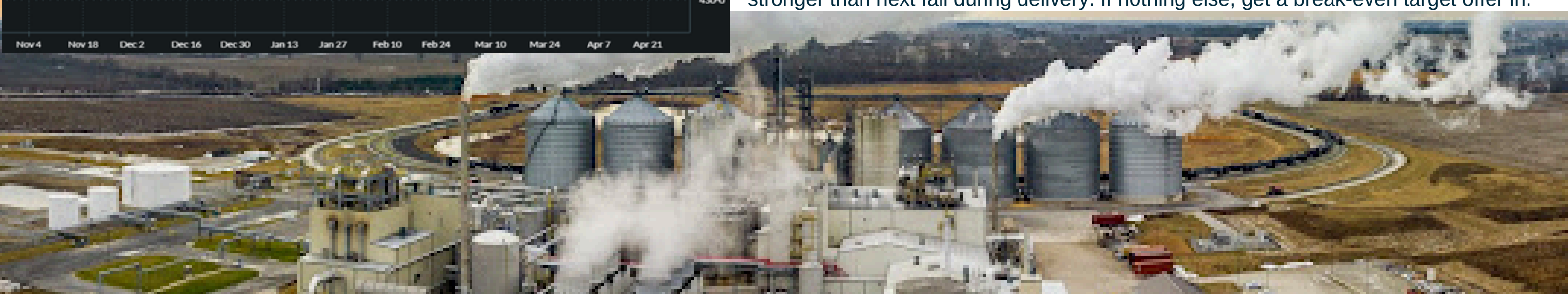
DECEMBER 2025 (CZ) CORN FUTURES CHART 11/1/24 - 4/30/25



>>> DECEMBER 2025 (CZ5) FUTURES

New crop futures continue to deviate further from simply just following suit with old crop futures price movement month-over-month as we get closer to the new crop pricing window. For example, while we would have seen old and new crop corn futures move nearly in lockstep a few months ago, old and new crop futures are now moving in the same general direction but by varying degrees of upward or downward movement. This is largely due to the narrowing window between old and new crop in the U.S. There are more factors that directly impact new crop futures, and not necessarily old crop, as planting and the 2025-26 growing season gets underway. That being said, December (CZ) 2025 corn futures did not follow the upward direction of old crop futures in the month of April. CZ5 futures closed out April at $4.46 futures, 3 cents lower than where they started the month at $4.49. A rally in December corn futures was seen at the beginning of April following the Trump Administration's 90-day pause on reciprocal tariffs and a supportive WASDE report. However, unlike nearby corn futures, December futures worked back down and are now trading sideways to lower right around the contract's downward sloping 200-day moving average (MA) of $4.48.

So where are new crop prices going from here? There are still a lot of unknowns between now and harvest, but here are a few indicators the trade is following. May weather across the Midwest currently looks conducive to timely U.S. corn planting. If timely planting occurs, all eyes will then turn to summer weather for the growing season. Bottom line, the market is and will be all about weather through summer. On-pace planting progress estimations and a clear 7-10 day forecast for most of the U.S. corn belt has the market reading weather as bearish headed into May. Paired with a downward market pull based on dwindling hopes of immediate trade deals and new biofuel announcements saw old crop futures drive the entire grains complex lower this week. Even though December corn futures are slightly lower month-over-month, the outlook for new crop futures is not all doom and gloom. Based on key technical indicators, traders are viewing outlook on the CZ5 corn contract as neutral to bearish in the short term but still remaining bullish in the long term. Currently, the 10 and 50-day moving averages for the CZ5 contract are at higher price levels than both the 100 and 200-day moving averages. This is a strong long-term upward trend in technicals but creates overbought conditions in the near term. This belief would certainly explain the fall back in December futures that followed the mid-April rally. It also leaves you, the farmer, with some food for thought. Ask yourself this important question, "Am I profitable at current new crop pricing levels?" If so, why not make your first sale at a level you know you're not going to lose money at? Chances are you've got at least some corn in the ground at this point. So, making at least a small sale would protect you from further short-term downside. Additionally, the spring and summer months are typically advantageous new crop pricing windows as futures and cash prices are historically stronger than next fall during delivery. If nothing else, get a break-even target offer in.



IN OTHER NEWS...

APRIL WASDE REPORT

CORN

The April WASDE report is historically more of a “sleeper”, as only old crop numbers are provided with no new crop data. The April WASDE this year proved to be more exciting though, coming out with numbers that drove the market upward to the tune of 10+ cents on report day. Ahead of the report, traders were anticipating very minor reductions or no change in both U.S. and world corn stocks. Ultimately, the U.S. corn stocks estimate came in at 1.465 billion bushels, down 75MM bushels from last month’s report and 45MM bushels less than the average trade guess. This is the lowest estimate the USDA has released all crop year for corn stocks, which the market read as supportive and ran with it. A small reduction to feed & residual use was made with the USDA lowering usage 25MM bushels. However, this small cut to demand was more than offset by a 100MM bushel increase to corn exports. Additionally, there were no adjustments made to the average on-farm price for corn, which remains at $4.35/bu.

On the world side of the balance sheet, the USDA opted out of making many adjustments. Both Brazil and Argentina corn production estimates were left unchanged at 126MMT and 50MMT, respectively. China’s corn imports were also left unchanged at 315MM bushels, which is actually noteworthy as this is the first month since August 2024 that China’s corn imports were not cut. The support came from a 287.7MMT ending world stocks estimate for corn, lower by over 1MMT from the March WASDE and slightly lower than the average trade guess.

SOYBEANS

As for soybeans, the April WASDE report was more neutral than it was for the corn balance sheet. That being said, the soybean market did see some limited upside movement following the report, likely being supported by corn and wheat. U.S. soybean carryout came in at 375MM bushels, 5MM bushels below the March report and average trade guess. Paired with the slight reduction in carryout was an increase in demand, from a 10MM bushel jump in domestic soybean crush. This increase to crush was somewhat offset by a 5MM bushel increase to bean imports. In terms of price, the USDA punted on making any changes to average on-farm price and left it at $9.95/bu.

As for the world side of the balance sheet, minimal changes were made for soybeans. The USDA followed suit with beans and made no changes to either Brazil or Argentina’s soybean production estimates. The USDA still has Brazilian bean production pegged at 169MMT and Argentina’s at 49MMT. While the average trade guess had world soybeans stocks pegged slightly above the 121.41MMT estimated last month, the USDA actually increased the estimate for world stocks by over 1MMT to 122.47MMT. Overall, the slight reduction to U.S. soybean carryout paired with an increase to the world ending stocks estimate resulted in a largely neutral April report for the soybean balance sheet.

MANAGED MONEY FUNDS

Following the huge liquidation of their corn position in March, the Managed Money Funds actually added a touch of length in April. The MM Funds started out the month of April around 75k contracts long and are now sitting 38k contracts longer, at +113k contracts. It appeared that length might continue to shed at the beginning of the month, with net long reaching as little as +54k contracts. However, that additional trimming of length was short-lived and length was regained. Overall, not much change in corn position month-over-month. The MM Funds have followed the generalization that as the Funds get shorter, corn futures are likely to decline as well, and if the Funds add length futures levels rise. This is a bit of a chicken and egg situation though, as it is not always clear if CBOT price improvement sparks length in the Funds or if the MM Funds adding length sparks the uptick in corn futures. Regardless, factors that could sway the MM Funds net position one way or the other include trade agreement headlines, continued strength in export sales, U.S. planting pace, and summer weather. Time will tell which direction the Funds head next, but for now we read them as neutral to slightly supportive corn futures.

WORLD GRAINS: STRONG U.S. EXPORT SALES, AND MORE TARIFF HEADLINES:

Strong U.S. Corn Export Sales: U.S. corn exports have been extremely strong throughout the crop year so far. Recently, weekly reported export sales have been far exceeding both average estimation ranges and weekly average sales needed to meet the USDA’s crop year projections. As of 4/24/25, total U.S. corn sales for the marketing year sit at 57,734 MMT, or 92.8% of the USDA’s annual projection with 18 weeks still remaining in the crop year. A weekly sales average of just 13.9MM bu/week is needed to hit the yearly projection on corn exports. The USDA has already raised their estimate for marketing year corn exports, but it seems inevitable they will need to make yet another increase to the final export figure. Especially given the fact that Pacific Northwest (PNW) corn remains exceptionally cheap in comparison to corn from other origins. U.S. corn is currently some of the cheapest in the world market and will continue to be until at least July, when Brazil has corn to offer. As long as strong sales continue, strength in the corn market from exports will continue as well.

Tariffs, Tariffs, And More Tariffs: Trade volatility in the month of April caused by the widespread tariffs threatened by the Trump Administration proved to be the same old song and dance that we’ve been doing since the beginning of President Trump took office in late January. On April 2nd, 2025 the U.S. announced that it would be placing reciprocal tariffs on over 180 countries, as well as a blanket 10% tariff on all imports to begin on April 9th, 2025. Imports from Canada and Mexico that are covered under the United States-Mexico-Canada (USMCA) Agreement were exempt from the reciprocal tariffs, but any other imports from the two countries were to be subject to a 25% tariff. The reasons for these reciprocal tariffs were cited as an attempt to curb immigration and fentanyl traffic into the U.S. from other countries. A 25% baseline tariff was also set on all foreign cars and an additional 34% tariff was placed on China on top of their 20% rate, a total of 54% tariff rate on all goods imported from China. The immediate fear of these tariffs was short-lived as President Trump announced on April 9th, 2025 that he would be putting a 90-day pause on reciprocal tariffs and just impose the 10% baseline tariff on all imports, noting that many countries were not retaliating back or coming to the table to make concessions. However, Trump simultaneously increased tariff rates on China to a whopping 145% citing the country’s refusal to negotiate with the U.S. Market reaction to tariff headlines continues to be volatile. For the time being, traders seem to be reading paused reciprocal tariffs as positive and are running with that. This story is far from over but the current “calm”, perhaps in the eye of the storm, is welcomed. At the end of April, there was scuttle that the U.S. was engaged in trade talks with both Japan and China. While there were mixed reports on these supposed talks with both countries, it will be worth keeping tabs on these headlines as potential market movers if these talks and potential trade negotiations do materialize.

MARKETING OPTIONS & NEWS

U.S. 2025/2026 CROP PLANTING PROGRESS

Tis the season for weekly planting progress numbers to be released by USDA/NASS. As we head into the month of May, let's take a look at U.S. corn and soybean planting progress in comparison to last year and the 5-year averages. Nationally, the United States is 24% planted on corn as of 4/27/25, in comparison to 25% last year and the 22% 5-year average. Soybeans are 18% planted as of 4/27/25, up 1% from this time last year and up 6% from the 5-year average. Overall, planting progress across the Midwest is in line with average pace, with the western and southern areas of the corn belt being largely ahead of average planting pace while the eastern states are near average pace or slightly lagging behind. In Ohio, corn was 8% planted as of 4/27/25 which is 3% ahead of this time last year and 2% ahead of the 5-year average for the state. Similarly, soybeans are 10% planted, 4% ahead of both last year and the 5-year average of 6%. Weather in May will play an important role in the timely planting of the remainder of the crop and determining how well the U.S. growing season starts out.

STILL HAVE OLD CROP LEFT TO MARKET THIS SPRING AND SUMMER? HERE ARE SOME POPULAR NEARBY MARKETING OPTIONS:

Whether you are looking to empty your bins before the summer or just keep corn moving, here are some marketing options that are being widely utilized for the current delivery period:

- **Cash Contract: In this market environment, a simple cash contract may just be the best option. Local basis continues to appreciate ahead of spring planting season, a timeframe when hauling grain gets put on the back burner for the farmer and local end-users and elevators alike need coverage. We aren't necessarily saying you should unload all your bushels at this pricing level but making a cash sale while basis levels are supported and futures are in an upward trend is advisable. If you know you have some bushels to move in the next month or two, making a cash contract on a day the market is green might just be the best option. Ask yourself, are you profitable and happy selling $5+ corn? If so, what are you waiting for?**
- **Basis contract: Lock in your basis for May or summer delivery to guarantee that basis level and leave futures open to see if July futures rally between now and the end of June. This contract option is best if you have a bias that there is further upside potential on futures but you're happy with the basis level now. Keep in mind that basis levels are as supported as they have been in well over a year, so locking some bushels in at these levels may be advantageous.**
- **Target Orders: If you're not ready to make a cash sale today but are looking for a certain price level to make your next sale at, putting in a target offer will be your best bet. Especially, heading into planting season when fieldwork is all-consuming and watching the corn market is not on your mind. A target offer ensures that you won't miss out on your next selling level if we reach it while you're busy planting.**

NEW CROP (2025-26 CROP YEAR) MARKETING OPTIONS:

Looking to put on a new crop sale or two? Now appears to be as good a time as any to get your first sale on or to make another sale. December 2025 (CZ5) futures are virtually unchanged month-over-month and have the potential makings to see some rallies in the next month or two. If that doesn't catch your attention, let's not forget that historically speaking, December corn futures are higher in the spring and summer months than they are in October-December when delivery of that corn occurs. Input costs are now known and a break-even price can be calculated for the year. Instead of waiting to sell your first bit of new crop in the fall when futures will potentially be lower than they currently are, put on a Futures only contract now to capture current board price and leave basis open to see if it appreciates between now and December. Another popular option for getting a 2025-26 sale on the book is an accumulator. New crop accumulators are currently pricing 25 to 45 cents above where the market is currently trading ($4.85 - $5.05), these levels look rather attractive today. You can read more about these contracts in the accumulator section below. We know putting on new crop sales before the crop is off to a good start growing can be daunting, however making conservative sales at this point will pay off from a pricing perspective more times than not. It never hurts to protect yourself from some downside risk with a small sale at a profitable level for next year's crop. If you aren't quite ready to make a new crop sale today, your next step toward doing so should be determining your break-even price and put in a target order at or above that level. This will ensure you don't miss out on a sale at levels you are comfortable and profitable selling at, especially in this currently volatile marketing environment.

NOTE: All other contracting options offered at Poet Marion are still available at this time and you are more than welcome to utilize any of them. These are just a few of the contracting options we have seen interest in and feel are worth taking a look at for nearby delivery.

QUESTIONS?

If you have any questions or would like further information on these contract options please contact us!

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Please email **Lyndie.Heinlen@POET.com** with any feedback or suggestions on what you would like to see in next month's newsletter!

PREMIUM PLUS CONTRACTS

If you need to move corn now but aren't satisfied with cash prices, this contract option may work for you. It involves selling a call option to get a premium on top of today's cash price. Premium plus contracts are customizable to ensure your call option is at a level you are comfortable with. Potential secondary obligation delivery periods are customizable as well. Click here for more details on our premium plus contracts.

ACCUMULATOR CONTRACTS

Both old and new crop accumulator pricing levels continue to look pretty attractive these days. Old crop accumulators are currently pricing around the $4.65 - $4.90 futures level. New crop accumulators are currently pricing around the $4.75 - $5.00 futures level. These are pricing 20-40 cents above where those respective futures are trading today. It may be worth getting some bushels on the books for spring and/or summer delivery at these levels. Click here for more details on accumulators.

***Note**: Accumulators and Premium Plus contracts do have potential double obligations