Staff Report No. 2025-44 **July 12, 2025**

July Market Update
Corn, Soybeans, Rice, and Cotton

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Prices at a Glance

Crop	2024/25 U.S. MYA Price Projections	2025/26 U.S. MYA Price Projections
Corn	$4.30 per bu.	$4.20 per bu.
Soybeans	$10.00 per bu.	$10.10 per bu.
Long Grain Rice	$14.10 per cwt.	$13.00 per cwt.
South. Med. Grain Rice	$15.20 per cwt.	$13.50 per cwt.
Upland Cotton Lint	$0.63 per lb.	$0.62 per lb.
Seed Cotton	$0.3401 per lb.	$0.3279 per lb.

WASDE Summary

This month's 2025/26 U.S. corn outlook calls for smaller supplies, domestic use, and ending stocks. USDA cut corn beginning stocks by 25 million bushels to 1.3 billion, reflecting an increase in exports that is partly offset by lower feed and residual use for 2024/25. Feed and residual use is down 75 million based on indicated disappearance in the June 30th Grain Stocks report. Exports are raised 100 million bushels to 2.8 billion based on current outstanding sales and shipments to date and, if realized, would be record high. Corn production for 2025/26 is forecast down 115 million bushels on lower planted and harvested area from the June 30th Acreage report. Yield remains unchanged at 181.0 bushels per acre. Total use is cut 50 million bushels with a reduction for feed and residual use based on lower supplies. With supply falling more than use, ending stocks are down 90 million bushels. The season-average farm price received by producers is unchanged at $4.20 per bushel.

The 2025/26 outlook for U.S. soybeans shows slightly lower production, higher crush, reduced exports, and increased ending stocks compared to last month. Soybean production is projected at 4.3 billion bushels, 5 million bushels down from last month on lower harvested acres and an unchanged yield of 52.5 bushels per acre. U.S. soybean crush for 2025/26 is raised 50 million bushels to 2.54 billion, supported by higher demand for soybean oil for biofuel. U.S. soybean exports for 2025/26 are lowered 70 million bushels to 1.75 billion on higher U.S. domestic demand, higher exports for Argentina and Ukraine, and

larger Brazilian supplies at the end of September during the U.S. peak export season. With lower U.S. soybean exports partly offset by higher crush, ending stocks are increased 15 million bushels to 310 million. The U.S. season-average soybean price for 2025/26 is projected at $10.10 per bushel, down 15 cents from last month.

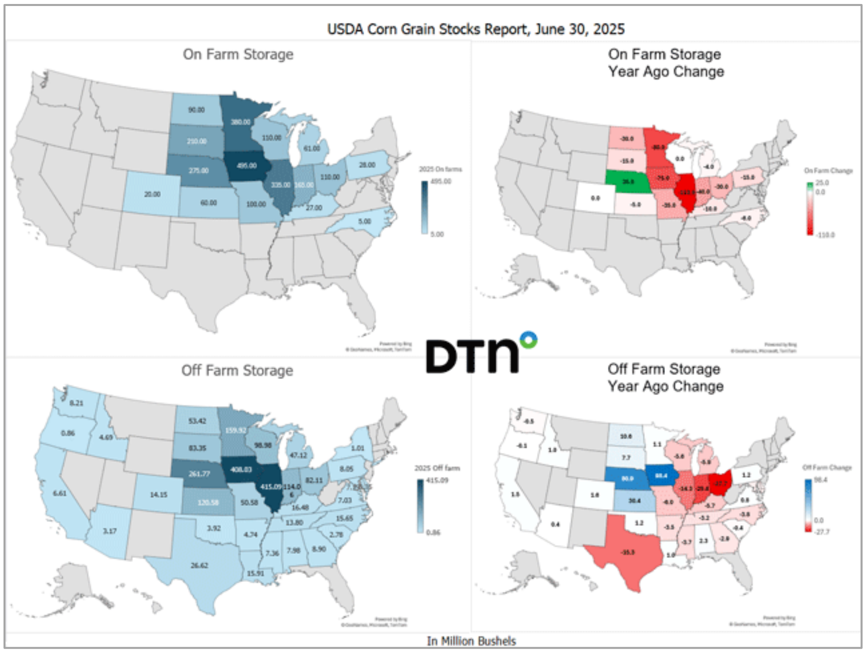
The outlook for 2025/26 U.S. rice this month is for lower supplies, domestic use, exports, and ending stocks. All rice supplies are decreased by 7.9 million cwt to 302.7 million with less production. All rice production is projected at 205.0 million cwt on lower harvested area indicated in the NASS Acreage report issued June 30. Heavy rainfall and flooding in April and May disrupted planting in the Delta region, particularly in northeastern Arkansas. Forecasts for exports and domestic and residual use are both lowered on smaller supplies. Ending stocks for 2025/26 are projected down 5 percent from the prior year to 44.7 million cwt. The all rice, long-grain, and other state medium- and short grain season-average farm prices are all raised $0.50 per cwt to $14.00, $13.00, and $13.50 respectively as lower supplies have raised price expectations.

The July U.S. cotton balance sheet for 2025/26 shows higher production and ending stocks, lower beginning stocks, and unchanged consumption and imports compared to last month. Planted area is raised to 10.12 million acres based on the NASS June Acreage report. Harvested area is increased 6 percent to 8.66 million acres, reflecting higher planted area along with lower abandonment in the Southwest that is partially offset by higher abandonment in the Southeast. The national average yield for 2025/26 is lowered 1 percent to 809 pounds per harvested acre as the reduced abandonment in the Southwest results in the harvest of more lower-yielding dryland acres. With the increase in harvested area exceeding the yield reduction, the production forecast is increased 600,000 bales from June's projection to 14.60 million, and up from 14.41 million last year. Beginning stocks for 2025/26 have been reduced by 300,000 bales following a corresponding increase in projected exports for 2024/25. These revisions result in 2025/26 ending stocks of 4.60 million bales, up 300,000 from last month, for a stocks-to-use ratio of 32.4 percent. The projected season-average upland price for 2025/26 is unchanged this month at 62 cents per pound.

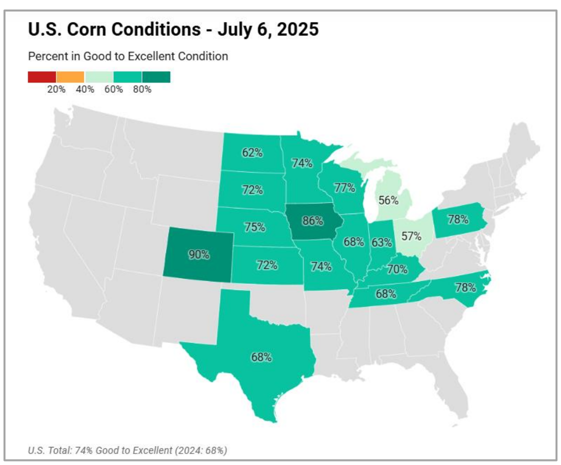
Corn

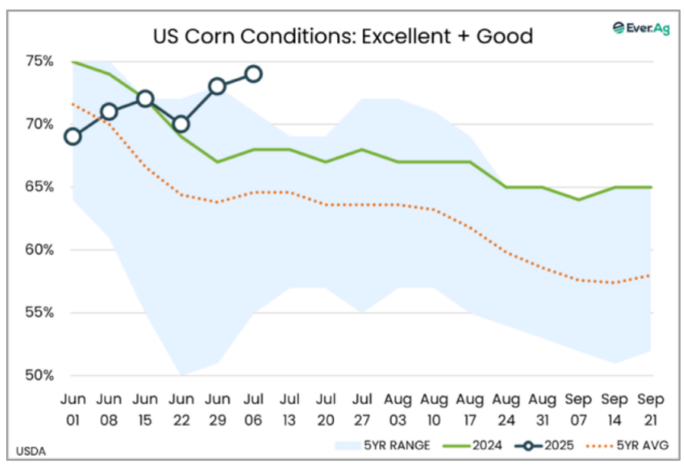
The USDA June Acreage report forecasted that the U.S. will plant 95.2 million acres of corn, a decline of 100,000 acres from March's estimate. It is 5% more than last year and represents the third-highest planting acreage since 1944. Area harvested for grain is projected at 86.8 million acres.

Corn stocks in all positions on June 1, 2025, totaled 4.64 billion bushels, down 7% from a year ago. Of the total stocks, 2.56 billion bushels are stored on farms, down 16% from a year earlier. Off-farm stocks, at 2.09 billion bushels, are up 6% from a year ago. The March-May 2025 indicated disappearance is 3.5 billion bushels, compared with 3.36 billion bushels during the same period last year.



It has certainly been a rough spring and early summer for corn prices, as September futures have lost over 60 cents of value from their mid-April highs, with losses accelerating in recent weeks amid rising crop ratings from USDA. It has also been a moderate and amply wet climate for the Corn Belt, which has been continuously extended, pushing off the originally forecast hot-and-dry spell that was long expected by midsummer 2025.





Corn futures have fallen to new contract lows under the weight of rising U.S. crop expectations, as weather has remained favorable for crop development across a broad swath of the Corn Belt, with forecasts indicating that pattern will continue into late July, when the majority of the crop will have already pollinated. With that in mind, analysts are now considering just how high the yield potential is for this crop. The best indicator right now of U.S. corn crop potential is USDA's' weekly crop ratings. Although those ratings are subjective, they have shown a reasonably strong correlation with final corn yields in the past.

The ratings clearly suggest high yield potential. The overall good/excellent rating of 74% for U.S. corn conditions as of July 6th was the highest for early July in eight years, one point below the rating for the

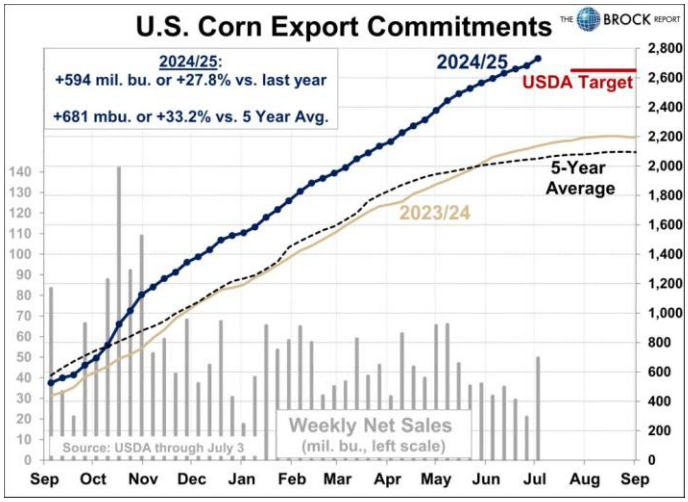
same week in 2018. What is more eye-opening is that the crop rating of 86% good/excellent in the top producing state of Iowa was the highest for early July since 1994, when that rating was an unbelievable 98%. The good/excellent rating for U.S. corn conditions has been 74% or higher in early July only nine previous times since 1986, and as can be seen in the table at the bottom right, the final U.S. yield came in above the 20-year linear trendline yield in all nine of those years by anywhere from 1.5%-14.7%. The average increase over trend was 6.3%. An increase of 14.7%, which was recorded in the watershed crop year of 1994 does not seem to be within the realm of possibility. However, with the 20-year trendline yield this year at 182.3 bushels per acre, an increase over trend of just 1.5% would mean a U.S. yield of 185 bushels, 4 bushels above USDA's current estimate. Using the harvested acreage forecast from the June 30th Crop Acreage report of 86.774 million, that would push the U.S. corn crop above 16 billion bushels for the first time.

For the July WASDE, the USDA forecasted the 2025-26 crop corn at 15.705 billion bushels, down 115 million bushels based on a yield forecast of 181 bushels per acre. Planted acres were lowered 100,000 acres to 95.2 million acres, matching the June 30th crop report. Harvested acres are projected at 86.8 million, down 600,000 acres from June. USDA lowered beginning stocks for the new crop 25 million bushels to 1.34 billion bushels.

On the demand side, the forecast for the 2025-26 corn crop projects total feed and residual use at 5.85 billion bushels, down 50 million bushels from last month. Ethanol use is pegged at 5.5 billion bushels. Total domestic use is forecast at 12.735 billion bushels, down 50 million bushels. Corn exports for the new crop are projected at 2.675 billion bushels, the same as in June. Ending stocks for the 2025-26 crop are projected to come in around 1.66 billion bushels, 90 million bushels down from June estimates. The farmgate price for the 2025-26 crop is projected at $4.20 a bushel, the same as last month.

With old-crop domestic corn, ending stocks for the 2024-25 crop were projected at 1.34 billion bushels. U.S. exports for the 2024-25 crop are pegged at 2.75 billion bushels, up 100 million bushels from June. If that holds, the export numbers would be a record, beating the 2020-21 crop year. The farmgate price for 2024-25 was lowered 5 cents to $4.30 a bushel.

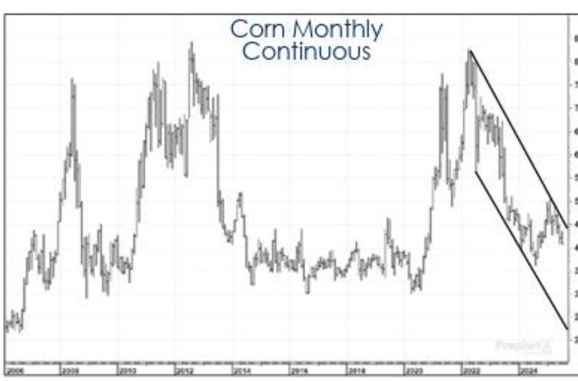
The U.S. corn export sales total of 84.7 million bushels for the week ended July 3rd offers the market proof that lower prices are doing their job and stimulating demand. A slow second-crop harvest pace in Brazil and logistical issues in that country may also be helping to support U.S. old-crop corn sales. Old-crop sales of 49.7 million bushels were impressive for this late in the marketing year and total U.S. sales commitments are now about 2% larger than USDA's current 2024-25 export forecast.

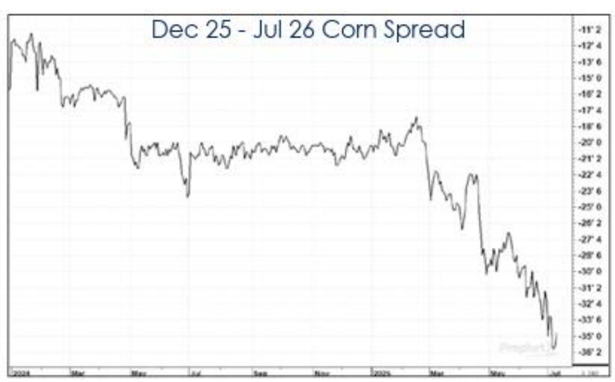


Let us assume that harvested corn acres drop from the USDA's current estimated 86.8 down to 86.0 million acres. Let us also assume that a major weather event occurs somewhere in a key state and the national average yield drops to 178 bushels per acre. That should result in a drop in the carryover supply from the current estimate (ours) of 1.698 billion bushels down to 1.246. That would be bullish, but it is also a long shot. The result would be a stocks-to-use ratio of 8%, and an expected average price well above $4.50 and possibly into the low $5.00 range.

Thus far, weather conditions have been very favorable. The state of Iowa has the highest good-to-excellent ratings in recent history. Leave the harvested acreage the same at 86.8 and jump the yield to 185 bushels per acre. The result is catastrophe. Carryover would jump to 1.953 billion bushels and cash prices would be lucky to average above $3.90. Keep in mind that this occurred in 2016 when the market bottomed in the nearby futures at $3.00.

Also look at the December 2025 corn spread minus July 2026 corn spread. Since February, that spread has gone from minus 18 to minus 35. In 2022 into 2023, corn futures were inverted. There was no carrying charge. What the change in the spreads indicates is that commercial companies are expecting a big crop and there will not be much of an incentive to bid on corn between now and harvest barring any kind of weather problem. As we have stated before, in years such as this with these spreads it encourages farmers to store corn and make the profits on the carry.

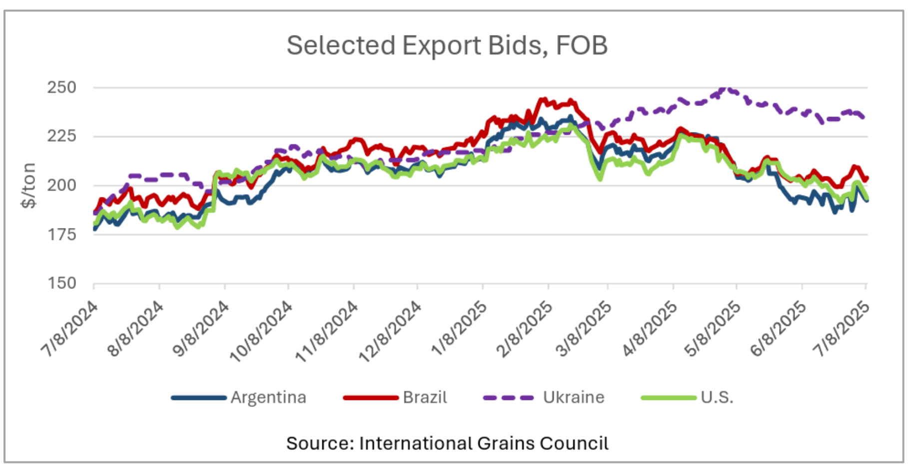




Technically, look at the monthly corn chart. Prices have been in a well-defined channel since the peak was made in 2022. The last major support was tested one year ago in August at $3.60 on a weekly chart there is support at $4.00, we will find out soon if that holds the market up. If not expect a test of $3.60.

The downside risk is still significant. Unless a major weather problem occurs, this is a classic market that should bottom just before or during the early part of harvest.

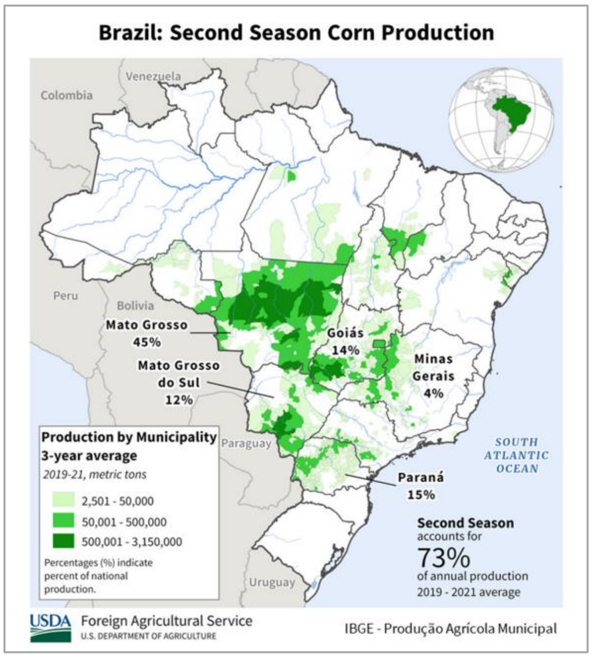
Since the June WASDE, export bids for all major origins except Argentina have fallen, largely due to pressure from Brazil's ongoing safrinha (2nd) corn crop harvest and a benign weather outlook for U.S. crops. Argentine bids were down $1 to $193/ton, while Brazilian bids were also down $1 to $204/ton. U.S. bids were down $9 to $194/ton as expectations of large new crop supplies continue to outweigh tight old crop ending stocks. Ukraine bids were down $6 to $232/ton, largely reflecting movements in other major exporters.



Export bids (fob, US$ per ton)	8-Jul-25	6-Jun-25	8-Jul-24	*% change, '24 – '25*
Argentina, Up River	193	194	178	**8%**
Brazil, Paranaguá	204	205	186	**10%**
Ukraine	232	238	186	**25%**
U.S. #3 Yellow Corn, Gulf	194	203	181	**7%**

USDA estimates Brazilian corn production for marketing year (MY) 2024/25 at 132.0 million metric tons, up 2 percent from last month, 11 percent from MY 2023/24, and 12 percent above the 5-year average. Harvested area is estimated at 22.3 million hectares, unchanged from last month, but 3 percent above MY 2023/24 and the 5-year average. Yield is estimated at 5.92 tons per hectare, up 2 percent from last month, 8 percent from MY 2023/24, and 9 percent above the 5-year average.

USDA estimates a bumper corn crop for Brazil, the result of an extended rainy season which boosted yields for the second-season, or safrinha crop. Brazilian farmers grow corn in two seasons, with first-season corn (27 percent of total annual production) grown in the summer months (October through January, with harvest to follow), and the larger, safrinha crop (73 percent of total annual production) planted after the soybean harvest in January or February and harvested over winter (June through August).



Safrinha corn is more geographically concentrated than first corn, being primarily cultivated in the Central West region, where crop production is dependent on the annual rainy season (mid-September through early-May). It is vital for safrinha corn to be through grain-fill stages before the end of the rainy season to preserve positive yields. A delayed onset of seasonal rains into October 2024 pushed soybean planting and harvest later into the cropping season, which threatened to compress the safrinha corn season, resulting in lower corn yields, with some safrinha corn planting occurring beyond the ideal planting window (mid- to late-February). However, the rainy season extended throughout the month of May, greatly boosting corn yields, even in later planted crops. The result is a bumper safrinha crop, according to government and industry sources. Favorable yields were also reported for first-crop corn, which, combined with safrinha, has resulted in a MY 2024/25 corn crop that is well above-average for Brazil.

Soybeans

In the June Acreage report, USDA trimmed its estimate by 100,000 acres to 83.4 million acres. That is 4% lower than last year. Soybeans stored in all positions on June 1, 2025, totaled 1.01 billion bushels, up 4% from June 1, 2024. On-farm stocks totaled 412 million bushels, down 12% from a year ago. Off-farm

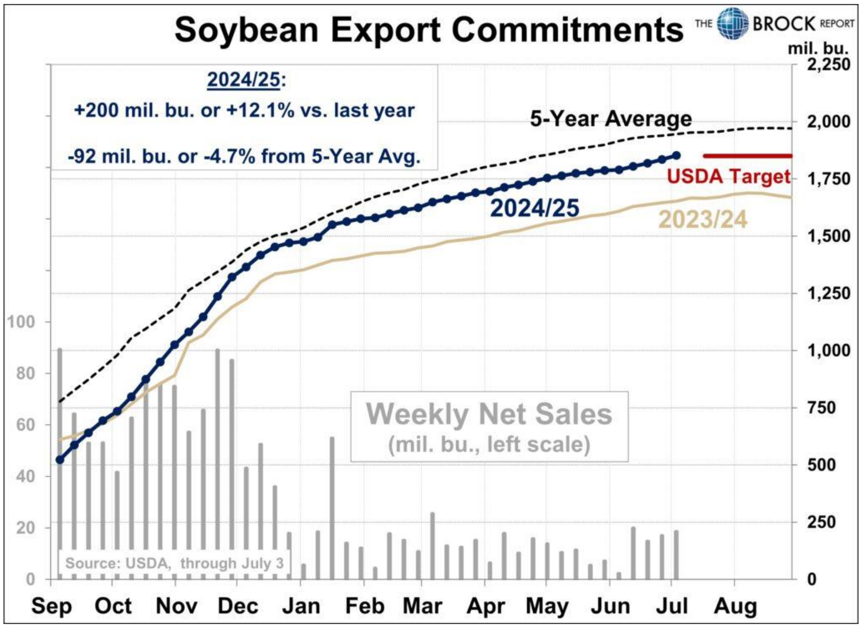
stocks, at 596 million bushels, are up 18% from a year ago. Indicated disappearance for the March-May 2025 quarter totaled 903 million bushels, up 3% from the same period a year earlier.

It is hard to picture that less than a month ago the discussion was whether November soybean futures would push to a new 2025 high, falling just a penny and a half short of doing so. Now, just a few weeks later, prices have fallen over 60 cents per bushel and recently broken through support, which had held since early April, paving the way for a decline towards $10.00.

U.S. soybean crush for 2025/26 is raised 50 million bushels to 2.54 billion, supported by higher demand for soybean oil for biofuel. This month's report assumes the U.S. Environmental Protection Agency's (EPA) proposed rule for required Renewable Fuel Standard volumes for 2026 and 2027 when evaluating soybean oil demand. EPA not only significantly raised the mandates but also proposed to reduce the number of Renewable Identification Numbers (RINs) generated for imported renewable fuels and renewable fuels produced from foreign feedstocks starting in 2026, which increases demand for domestically produced feedstocks like soybean oil.

Along with EPA's proposed rule, the forecast considered additional policy incentives like the 45Z Clean Fuel Production Tax Credit and current state mandates. As a result, estimates for the amount of soybean oil used for biofuel for 2025/26 have been raised 1.6 billion pounds to 15.5 billion, reflecting a 23 percent increase from the prior 3-year average. Given higher domestic demand for biofuel, soybean oil imports have been raised, and exports were reduced. Soybean oil in the residual category (food, feed, and other industrial use) remains unchanged. Higher stocks at biofuel facilities that fall into this category could displace other uses, which are expected to be partially offset by higher use of canola oil and palm oil. Soybean oil ending stocks are raised 0.1 billion pounds to 1.7 billion. With higher soybean oil prices supporting crush margins and higher crush in 2025/26, soybean meal production is raised 1.2 million short tons. Domestic disappearance is increased 0.5 million short tons to 41.8 million, a 3 percent increase over the prior year.

U.S. soybean export sales over the past four weeks have been good from a seasonal standpoint, totaling 68 million bushels, about 68% more than the 40.5 million bushels that were sold during the same period last year. This is especially impressive given that China has not made a significant purchase of U.S. soybeans in months. U.S. soybean sales commitments have now reached USDA's 2024-25 export forecast, totaling 1.853 million bushels as of July 3rd. However, it should be noted that on average over the prior 5 yrs. sales were already at 102% of final exports at the same point.



With an expected carryover for the 2025/26 crop of only 249 million bushels, it is easier to build a potential bullish situation in soybeans than in corn. Lower the expected yield from 51.5 to 50.0 bushels per acre. As the table on page 2 indicates, carryover could drop to 89 million bushels. That will not happen. At some point, if the yield is only 50 bushels per acre, prices will rally enough to start rationing supply. A pipeline supply would likely be 130 to 150 million bushels. In any case, if a weather event occurred, that would cut yields down to 50 bushels per acre; soybean prices have the potential to skyrocket.

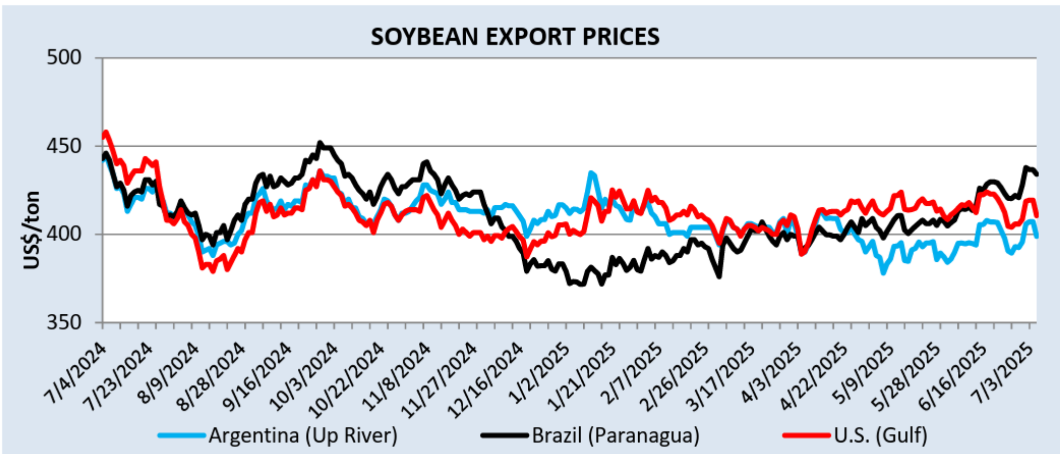
On the monthly chart, the major support was established in August of last year at $9.36. If that does not hold, then the market could test the long-term support at $8.00. We do not think that will occur. As in corn, notice the November - July soybean spread has dropped from just under minus 10 cents per bushel to minus 51. As in corn, that is a strong indicator that commercials are not anticipating a bullish scenario. This is a good year to store beans but to be hedged in the July 2026 contract to take advantage of the wide carry. There are opportunities in both the corn and soybean markets to take advantage of the carry but still one must take action.

On the bullish side, soybean meal futures had a key reversal up on Thursday and, with large speculators at a record net short, there is a lot of buying power sitting there. Soybean oil has been leading the bull market, but that momentum is slowing down and we anticipate the strength will shift to the soybean meal

market rather than soybean oil. Soybean prices are caught in-between, waiting for the 2025 production potential to come into focus.

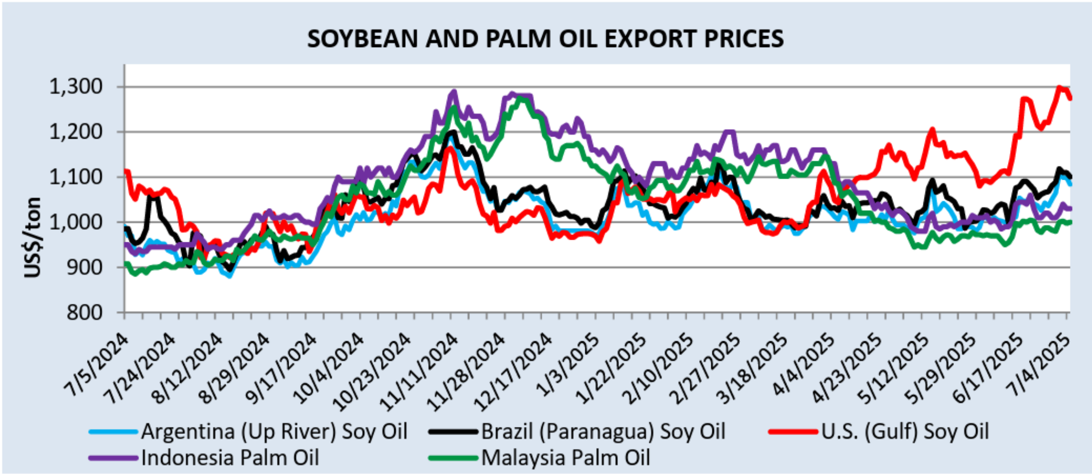
Technically, November futures need to hold the low at $10.02 established on Thursday. If that does not hold, then there is little to stop this market before $9.70, though both times futures closed under $10 they turned higher the next day. Trend remains down but, as indicated earlier, if there is a black swan event, that could be bullish, it will likely be in soybeans and not in corn.

Since the last WASDE report, noticeable spreads developed in soybean export prices. Argentine prices remained lower than Brazil and U.S. origins as harvest concludes, and merchants secured cargoes for shipment before the resumption of the higher export tax at the beginning of July. The premium Brazilian soybeans held over both U.S. and Argentine origins reached unseasonable levels as tariffs increased China reliance on Brazilian soybeans and the Brazil Real appreciated. The Brazilian government announced a rise to B15 in August, also supporting high prices. U.S. prices were volatile due to the EPA RVO announcement, section 45Z tax credit passage, and reports of improving crop conditions. Soybean meal prices continued their descent to below $300/ton on expectations of favorable crush prospects in the United States and Brazil owing to biofuel policy.



Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

The supportive EPA guidance and 45Z provision passage pushed U.S. soybean oil prices up, with the premium continuing to compound over rival vegetable oils. Tensions in the Middle East added volatility to crude oil prices in mid-June, with vegetable oil prices moving in similar directions. South American soybean oil moved up in line with U.S. price movements, just at a notable discount. Palm oil prices remained subdued on seasonal production patterns, remaining as the global discount oil. Ukraine sunflower oil is trading near parity with Argentine soybean oil for the first time since February 2025, driven by the supportive biofuel developments for soybean oil.



Source: International Grains Council

Rice

With long-grain acres now 210,000 acres below the March intentions, that development, in turn, should result in another significant monthly reduction in crop size similar to the 7.5 million cwt. cut seen in June. However, revisions to the old crop balance sheet could have significant implications for long-grain in the July WASDE. Monday's *Rice Stocks* report revealed historically heavy supplies of old crop rice still held in both on-farm and commercial storage as of June 1st. USDA may deem it necessary to revise old crop usage lower in the July WASDE.

The table below summarizes the state and U.S. long-grain acreage changes from NASS' March and June surveys. For reference, NASS conducted their June *Acreage* survey from May 30th and June 16th. Note the 210,000-acre reduction from March to June. Arkansas accounts for 180,000 acres of the total decline. Mississippi and Missouri both shed 20,000 acres each since the March survey. Louisiana added 10,000 acres.

Table 4. U.S. Long-Grain Rice Acres Planted, 2025.

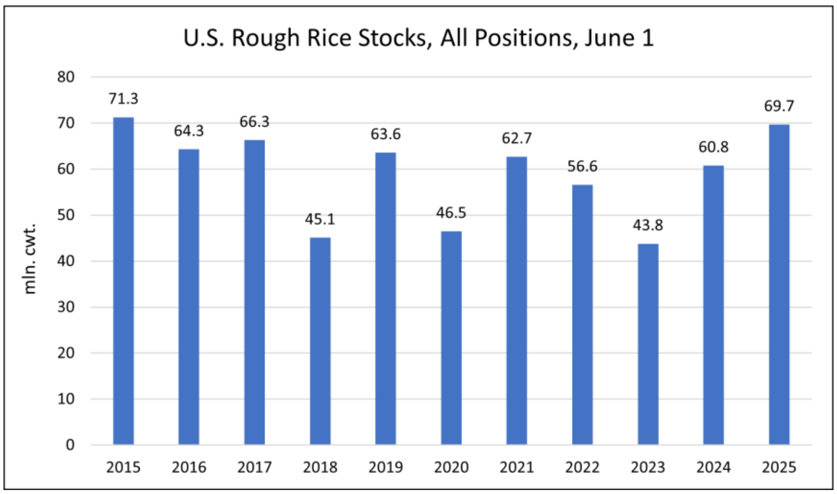
State	USDA March 31	USDA June 30	change (000) acres	% change
Arkansas	1.320	1.140	-0.180	-14%
California	0.010	0.010	0.000	0%
Louisiana	0.410	0.420	0.010	2%
Mississippi	0.150	0.130	-0.020	-13%
Missouri	0.210	0.190	-0.020	-10%
Texas	0.140	0.140	0.000	0%
U.S. Total	**2.240**	**2.030**	-0.210	-9%

source: USDA, National Agricultural Statistics Service, June 2025

The results of NASS' June *Acreage* puts U.S. and Arkansas long-grain acreage at the lowest since 2022. That year, Arkansas had 1 million acres of long-grain. For now, these are the acres that will be plugged into the July 11th WASDE. In August, FSA will release its first round of certified acres. NASS will compare notes with FSA and make future acreage revisions, as necessary.

In addition to the *Acreage* report, USDA also released its quarterly *Rice Stocks* report on Monday. Quite possibly it was the most bearish news for the rice market. Oftentimes it is the stocks reports that hold the biggest surprises, because of their difficulty in estimating.

Rough rice stocks as of June 1st were "heavy" compared to previous years. NASS noted rough rice stocks in all positions (on-farm and commercial) on June 1, 2025, totaled 69.7 million cwt., up 15 percent from the total on June 1, 2024. Stocks held on farms totaled 10.4 million cwt and off-farm stocks totaled 59.3 million cwt.



The U.S. on-farm stocks of 10.4 million cwt. were almost double the June 1 total last year of 5.37 million. As of June 1st, Arkansas growers had 7.35 million cwt. of rice sitting in on-farm storage compared to 3.1 million a year ago. At 7.35 million, that would be the highest in the last 18 years.

It will be interesting to see if the revelations in the June 1st stocks lead USDA to make some old crop demand adjustments. If quarterly stocks are surprisingly high, it can mean that old crop production was actually higher than current estimates or the current estimate of domestic usage is too high. USDA will likely wait for the September *Rice Stocks* before making revisions to 2024 production, if needed. The size of the June 1st stocks may indicate something is out of line with usage. If so, USDA may dial down old crop demand in next week's WASDE.

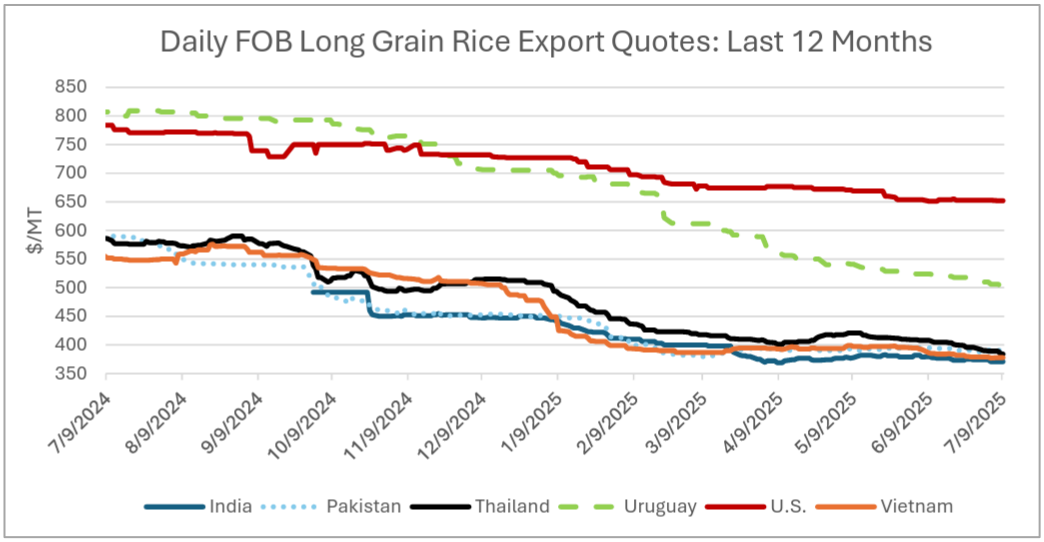
The findings in the June *Acreage* will be incorporated into the July WASDE. We know that USDA will be using long-grain harvested acreage of 2.01 million. The big question today is "what yield will they use?" given the wide planting window this year. Using an estimated yield of 7,539 pounds, which could theoretically pull long-grain production down to 151.5 million cwt. compared to 159.7 million cwt. in June. Purely a guess at this point. A significant portion of any production cut will generally be somewhat offset by lower demand. In summary, we should see another downward revision in long-grain production in the July WASDE. This may provide not only support for new crop futures, but a reversal in the recent downtrend.

The June 30 USDA acreage report pegged rice acres at 2.684 million, down from 2.895 million in March and the average analyst estimate of 2.88 million. And while rice conditions have deteriorated some

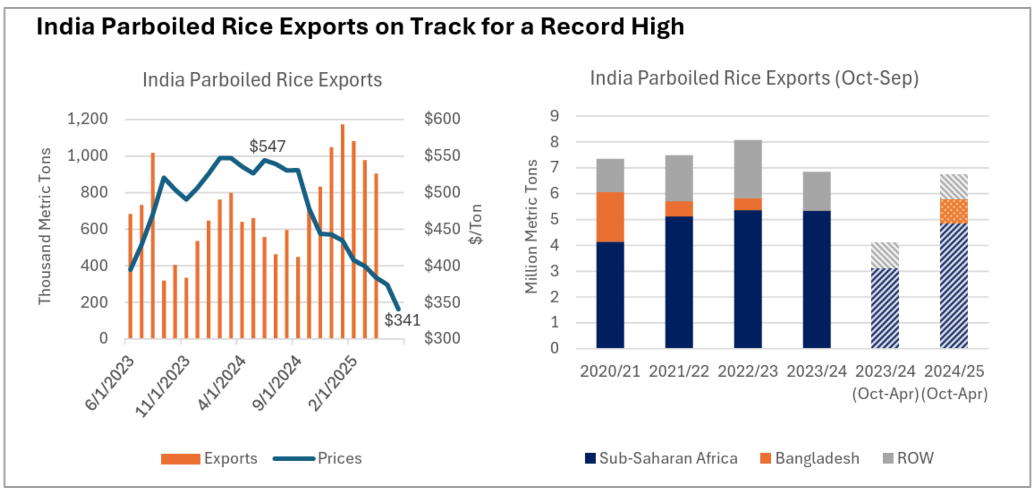
recently, falling to 74% good/excellent as of July 6 from 82% two weeks prior, they are not far off the five-year average of 76%. The big drop in the latest week was in Arkansas, where the rating fell 8 points, to 67% good/excellent. Demand is lackluster, with large supplies in India as well as South America weighing on exports.

The trade situation is a wildcard for rice. As we have noted previously, U.S. rice producers could possibly benefit from steep tariffs on Asia, which could restrict imports and prompt more rice acres in the U.S. But that impact would not be immediate. President Trump recently issued a complaint about Japan's limited buying of U.S. rice amid tight supplies in that country, but that was not enough to give the market a lift. Technically, the recent trend in the market has been lower, but the September contract does not appear to be in danger of testing the contract low at \$12.53. But futures are also well off their June 24th high of \$13.93, and the market has not traded above \$14 on a front-month basis in six months.

Since the June WASDE, major exporter quotes, other than the United States, continued to decline. U.S. quotes rose \$1/ton to \$652, as sales continue to key markets in Latin America. Uruguayan quotes dropped \$21/ton to \$503, reflecting sluggish sales to key markets. Indian quotes (\$371/ton) dropped \$9 and Vietnamese quotes (\$378/ton) fell \$8 as demand fell from major markets in Asia. Thai quotes dipped \$24/ton to \$384 to garner more demand from importers. Pakistani quotes dropped slightly (\$4/ton) to \$391 but remain the highest amongst major Asian exporters. All major Asian rice exporters now have quotes below \$400/ton for 5% broken white rice.



Indian parboiled rice exports are on pace to reach a record high, with falling prices leading to increased sales to Sub-Saharan Africa and Bangladesh. In the first 7 months of marketing year 2024/25 (Oct-Sep), India's overall rice exports are up a remarkable 70 percent compared to the same period last year, of which half have been parboiled. India is the top exporter of parboiled rice globally. Demand for parboiled rice in price-sensitive markets is rising as export prices have declined following the end of India trade restrictions, including the parboiled rice export tax.



Sub-Saharan Africa was the destination for 70 percent of India parboiled rice exports in the first 7 months of this marketing year. Parboiled rice is popular in the region for its firmer, less sticky texture and common use in traditional dishes. Historically, prices for domestically produced parboiled rice in the region are higher than imported rice due to lower yields and high input cost. Declining prices for Indian parboiled rice have caused rebounding demand all over the region. Indian parboiled rice exports to Nigeria and neighboring countries have more than doubled between October 2024 and April 2025 compared to the same period a year before.

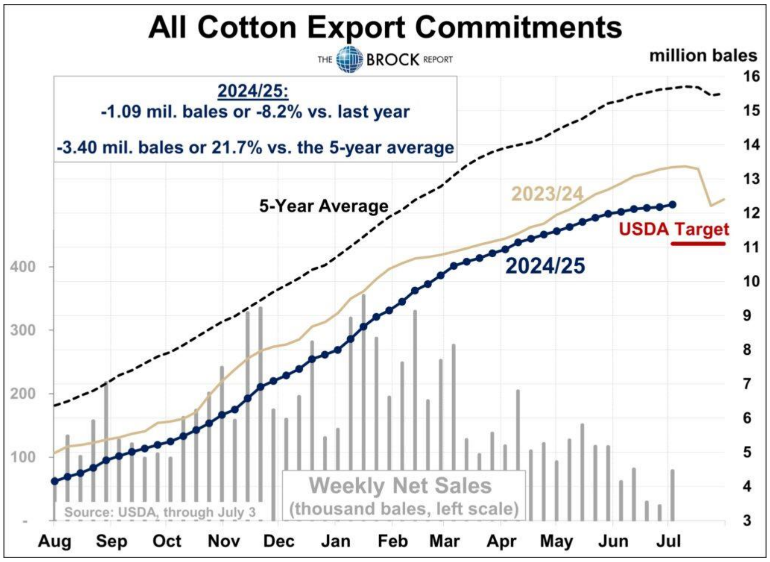
Indian parboiled rice exports to Bangladesh were 925,000 tons from October 2024 through April 2025, compared to none the year before. The Government of Bangladesh temporarily reduced import tariffs and duties following a significant crop loss and high domestic prices. Despite a strong start to the year,

exports of Indian parboiled rice are expected to slow in the remaining months of the marketing year. African markets are reporting lower import demand because of an oversupply of rice. At the same time, some markets are experiencing container shortages and increasing freight costs. While Bangladesh has been a strong buyer in the first half of India's marketing year 2024/25, Bangladeshi imports declined in May with the harvest of its new Boro crop.

Cotton

The cotton market was trading at a seven-week high headed into the June 30th acreage report, but that report put a halt on the rally, and futures have been struggling since. That report put plantings at 10.12 million acres, well above trade expectations as well as our own, and up from March intentions of 9.867 million. Along with the higher acreage, crop ratings have been improving to 52% good/excellent as of July 6th, up from 47% two weeks prior. In Texas, the rating jumped five points to 40%. As always, the question with Texas acres is not how much gets planted but how much gets harvested. That said, conditions there are better than normal.

Meanwhile, the demand outlook remains gloomy, with no sign of China returning to the market. Weekly net sales on Thursday were 156,000 bales for both marketing years combined, up modestly from an anemic 130,000 bales the prior week.



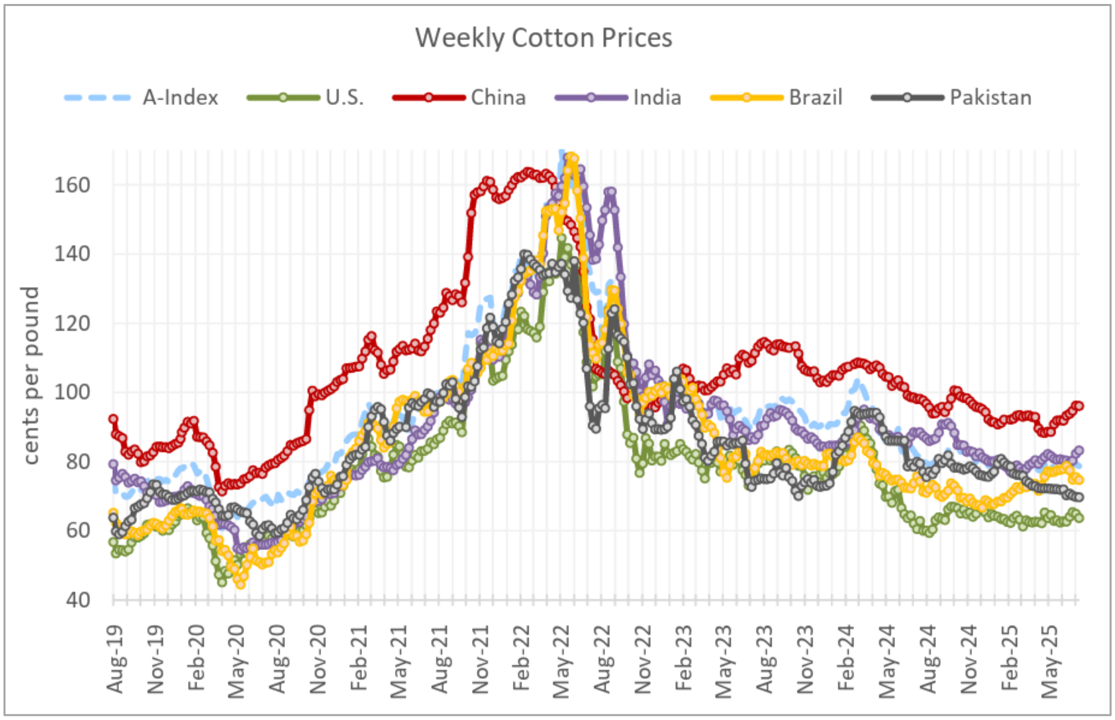
Technically, bulls want to take out Tuesday's high of 68.37, which would invalidate a bearish outside day lower posted on the chart that day. Above that, the June 23rd high is at 69.52. on the downside, near-term support is at this week's low of 67.13. If that gets taken out, bears will be targeting the June 23rd low of 66.27. Ultimately, this market lacks direction which is bad news producers given current prices.

Since the last WASDE report, cotton futures on the Intercontinental Exchange (ICE) are up slightly to around 68 cents per pound as the nearby contract shifted from July 2025 to December 2025. This is despite the June 30th Acreage report showing all cotton acres exceeding market expectations and the March Prospective Plantings report. Recent U.S. exports have been stronger than expected and U.S. stocks ending in July are forecast lower than previously expected.

The latest Commodity Futures Trading Commission Commitment of Traders supplemental report for futures and options showed the net long (buy) position (as July 1, 2025) for both Non-Commercial and Index participants rising to over 11,000 contracts from a net short position last month.2 The shift from a net short to long position also supported the slight increase in prices.

U.S. spot prices are up 1 cent to around 64 cents per pound. Basis is slightly lower at around -400 points. Chinese prices are up 3 cents to 96 cents per pound with prices rising for the nearby futures contract (September) on the Zhengzhou Commodity Exchange (ZCE). Basis (relative to ICE) is unchanged at around 2,800 points. India prices are up 4 cents to 84 cents per pound. Basis is unchanged from last month roughly 1,500 points. Brazil prices are down 4 cents to 74 cents per pound. Basis is down over 600 points this month to roughly 700 points. Pakistan prices are down 2 cents to 70 cents per pound. Basis is down 300 points this month and significantly below the previous year.

The observed A-Index this month includes the simple average of the following 5 quotes: Brazil, Memphis/Orleans/Texas, Memphis/Eastern, Côte d'Ivoire, and Australia. Brazil is the lowest quoted origin at 75.25 cents per pound; Australia is the highest at 81.00 cents. The A-Index relative to ICE is roughly 11 cents higher and similar to the previous year. Note the A-index includes the 5 cheapest origins of 'medium grade' cotton landed at a port in the Far East; quotations are compiled and published daily.



PLC Farm Program Payment Projections – 2024/25 CY and 2025/26 CY

The table below projects the national marketing year average prices for Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

Covered Commodity	***2024/25 MYA Price****	*Effective Reference Price*	***2024/25 PLC Payment Rate***
Corn	$4.30	$4.01	--
Grain Sorghum	$4.10	$4.06	--
Long Grain Rice	$14.10	$14.00	--
Medium Grain Rice	$15.20	$14.00	--
Seed Cotton	$0.3401	$0.3670	$0.0269
Soybeans	$10.00	$9.26	--
Wheat	$5.52	$5.50	--

*The 2024/25 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on July 11, 2025.

Covered Commodity	***2025/26 MYA Price****	*Effective Reference Price*	***2025/26 PLC Payment Rate***
Corn	$4.20	$4.42	$0.22
Grain Sorghum	$4.00	$4.67	$0.67
Long Grain Rice	$13.00	$16.90	$3.90
Medium Grain Rice	$13.50	$16.90	$3.40
Seed Cotton	$0.3279	$0.4200	$0.0921
Soybeans	$10.10	$10.72	$0.62
Wheat	$5.40	$6.35	$0.95

*The 2025/26 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on July 11, 2025.

Sources: USDA Agriculture Market Service (AMS), USDA Foreign Agriculture Service (FAS), USDA Farm Service Agency (FSA), USDA National Agriculture Statistics Service (NASS), USDA Economic Research Service (ERS), USDA FAS GAIN Report, USDA Office of Communications, USDA World Supply Demand Estimates (WASDE), ADM Investor Services, AgDay, Ag Fax Media, AEI, Ag Market Network, Agri-Pulse, AgRural, Ag Resource Company, Ag Web, Agricultural Market Information System (AMIS), Allendale, American Farm Bureau Federation, Bloomberg News, Brock Report, CME Group, Co-Bank, Cotbase.com, Cotton Grower, Cotton Incorporated, Cotton Outlook, Creed Rice Report, O.A. Cleveland, Daniels Trading, Delta Farm Press, DTN Progressive Farmer, Farm Futures, Fastmarkets, Fiber 2 Fashion, Gro Intelligence, Hightower Report, Intercontinental Exchange, International Grains Council, Iowa State University, INTER-RICE, Lakefront Futures and Options, LSU AgCenter, Mississippi State University, NOAA, National Cotton Council, No Bull, Peterson Institute of International Economics, Plains Cotton Cooperative Association, Plexus Cotton, Pro Farmer, Refinitiv, Reuters (Karen Braun), Rice Market Letter, Southeast Farm Press, Sovecon, StoneX, Standard Grain, Successful Farming, Texas A&M University (John Robinson), Textile Exchange, Total Farm Marketing, University of Arkansas, University of Georgia, University of Illinois, University of Tennessee, U.S. Grains Council, U.S. Rice Producers Association, USA Rice Federation, U.S. Soybean Export Council, United Nations Food and Agriculture Organization (FAO), and the Wall Street Journal.

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