KFB Commodity Division Weekly Market Report
January 27, 2025

Commentary

Today's report will focus in on yesterday's tariff news. It is important to lay some groundwork for interpreting "tariff talk". President Trump announced 25% tariffs on Colombia. The reason was initial refusal from the Colombian government to accept the return of Colombia migrants from the U.S. President Trump then elevated the tariff proposition to 50% if stipulations were not met in a week. Upon the news release, market participants began to speculate on potential implications. From the ag side, discussion was immediately directed to trade implications for corn. Colombia imports a significant amount of corn from the U.S., in fact, they rank in the top five export destinations for U.S. corn. Colombian indicated that it would retaliate with 50% tariffs on the U.S. The back and forth concluded later in the night as talks eased and Colombia agreed to accept the deportees. As of now it appears that there will be no tariffs imposed on either side.

Alright, so why much attention to this back and forth between U.S. and Colombia? If these "tariff talks" are here to stay as the new normal for international negotiation. It is important that we learn how to digest this information properly. U.S./Colombia is a case study for how we can approach these matters when making marketing decisions.

Here are some thoughts and questions to ask:

First, recognize the initial stipulations. What is being said? How is it being said? Who is saying it? What is the time frame?

Secondly, resist initial reaction until facts solidify. Information is fast moving leading to the potential for increased volatility. Emotions are certainly sparked when new information arises, but sticking to a set mode of processing can properly steer those emotions. In short, how can we learn to better weather the information storm?

Lastly, what decisions can be made now to smooth your operations risk profile. No one can understand all the risk that is out there (predicting when tariffs will be levied), but can we identify several "certain" risks – and formulate plans to mitigate those risks?

The Kentucky Farm Bureau Commodities Division is here to assist as you make decisions for your farm/business.

KFB Commodity Division Weekly Market Report
February 24, 2025

There are a couple of significant market headlines to monitor this week. From a broad market perspective, the PCE index will be released on Friday. Median forecast has inflation slowing year-over-year to 2.4% in January from 2.6% in December, according to MarketWatch. Last week's write-up we discussed how important the slowing of inflation was to the long run lowering of interest rates. Market participants remain very sensitive to inflation data surprises – especially when numbers come in higher than anticipated.

The second event to monitor is the USDA's 101st Agricultural Outlook Forum held February 27th and 28th. The conference will be significant, in part, due to the discussion around new crop planted acres. In particular, new crop acres for corn and soybeans. The reason new crop estimates are important is because they help shape the narrative for the growing season. See the chart below where I have attached the USDA's Agricultural Projections to 2034, as of 2/18/2025. From the chart below we see planted acreage for corn is projected to be higher in 2025 relative to 2024. Soybeans to be planted, on the other hand, are projected lower than the prior year. A lot of talk is circulating around the projections and what the actual number will be come spring. Futures markets help give some explanation as to why we are seeing the increased corn acres. Below are today's close and forward prices for both corn and soybeans. In short, currently, prices are likely more favorable for corn than soybeans. This has been depicted by a number of market analysts lately as the new crop soybean to corn price ratio.

Table 5: U.S. acreage for major field crops and CRP assumptions, long-term projections

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
						Million acres						
Planted acreage, eight major crops												
Corn	94.6	90.7	92.0	91.0	90.0	90.0	89.5	89.5	89.5	89.0	89.0	88.5
Sorghum	7.2	6.3	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.4	6.3
Barley	3.1	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Oats	2.6	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Wheat	49.6	46.1	46.0	46.0	45.5	45.5	45.5	45.5	45.5	45.5	45.5	45.5
Rice	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.6	2.6
Upland cotton	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1
Soybeans	83.6	87.1	85.0	85.0	85.0	85.5	86.0	86.5	86.5	86.5	86.5	86.5
Total	253.7	247.8	246.9	246.0	244.5	245.0	245.0	245.4	245.4	244.9	244.7	244.1

Name	Contract	Last	Change
Corn	Mar '25	482-4s	-8-6
Corn	May '25	497-0s	-8-0
Corn	Jul '25	502-0s	-7-4
Corn	Sep '25	472-4s	-5-0
Corn	Dec '25	470-6s	-4-2

Name	Contract	Last	Change
Soybean	Mar '25	1029-0s	-10-4
Soybean	May '25	1047-4s	-9-6
Soybean	Jul '25	1063-2s	-9-6
Soybean	Aug '25	1062-2s	-9-0
Soybean	Sep '25	1049-0s	-8-4
Soybean	Nov '25	1051-6s	-8-0

KFB Commodity Division Weekly Market Report
April 8, 2025

Liberation Day has passed and the market volatility, arguably, has exceeded expectations. We've seen strong selloffs paired with recovery turn back to selloffs in US stock markets. Commodities have had to wrestle with the uncertainty as well. There is a lot of perplexity and mixed information as it pertains to tariffs and market direction for commodities and broader markets. Giving the current information climate, I'd like to reference back to the late March write up. We are caught up in economic tension now, but longer run, economic indications point to some kind of stabilization as supply chains adjust.

"For the sake of time, focus on GDP, Unemployment Rate, PCE inflation, and Longer run. In short, for 2025, the projections over time have lowered GDP (economic) growth to 1.7%, increased unemployment to 4.4%, and increased inflation to 2.7%. All while keeping longer run expectations for the three indicators steady from September 2024 through March 2025. One way to interpret this, as some market participants seem to be, is that tariffs will apply *short term* economic pressure. That in the *longer run* will sort through the system. Essentially, the call is to "wait and see – uncertainty ahead"."

September 2024 and December 2024 Projections

Percent

Variable	Median[1]				
	2024	2025	2026	2027	Longer run
Change in real GDP	2.5	2.1	2.0	1.9	1.8
September projection	2.0	2.0	2.0	2.0	1.8
Unemployment rate	4.2	4.3	4.3	4.3	4.2
September projection	4.4	4.4	4.3	4.2	4.2
PCE inflation	2.4	2.5	2.1	2.0	2.0
September projection	2.3	2.1	2.0	2.0	2.0
Core PCE inflation[4]	2.8	2.5	2.2	2.0	
September projection	2.6	2.2	2.0	2.0	
Memo: Projected appropriate policy path					
Federal funds rate	4.4	3.9	3.4	3.1	3.0
September projection	4.4	3.4	2.9	2.9	2.9

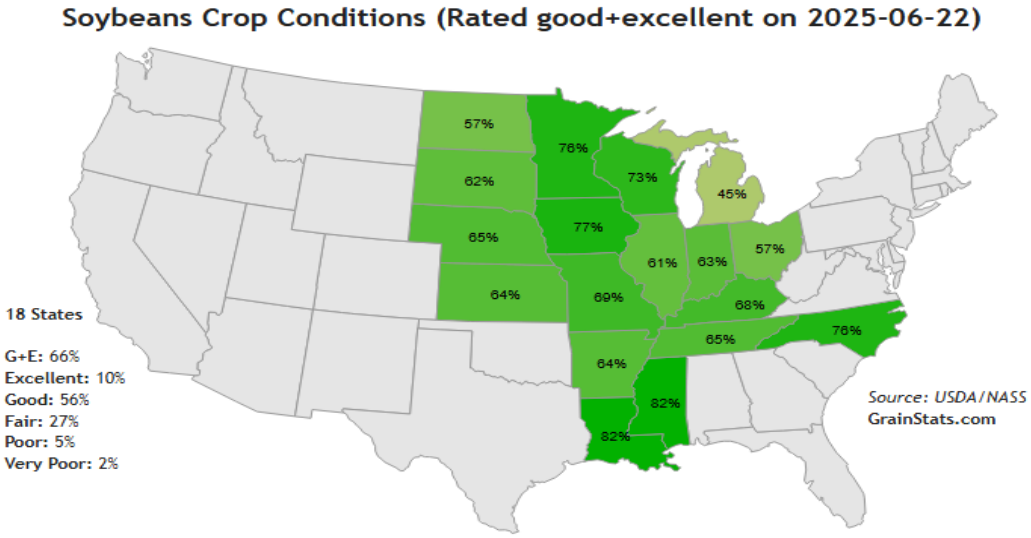
December 2024 and March 2025 Projections

Percent

Variable	Median[1]			
	2025	2026	2027	Longer run
Change in real GDP	1.7	1.8	1.8	1.8
December projection	2.1	2.0	1.9	1.8
Unemployment rate	4.4	4.3	4.3	4.2
December projection	4.3	4.3	4.3	4.2
PCE inflation	2.7	2.2	2.0	2.0
December projection	2.5	2.1	2.0	2.0
Core PCE inflation[4]	2.8	2.2	2.0	
December projection	2.5	2.2	2.0	
Memo: Projected appropriate policy path				
Federal funds rate	3.9	3.4	3.1	3.0
December projection	3.9	3.4	3.1	3.0

KFB Commodity Division Weekly Market Report
June 23, 2025

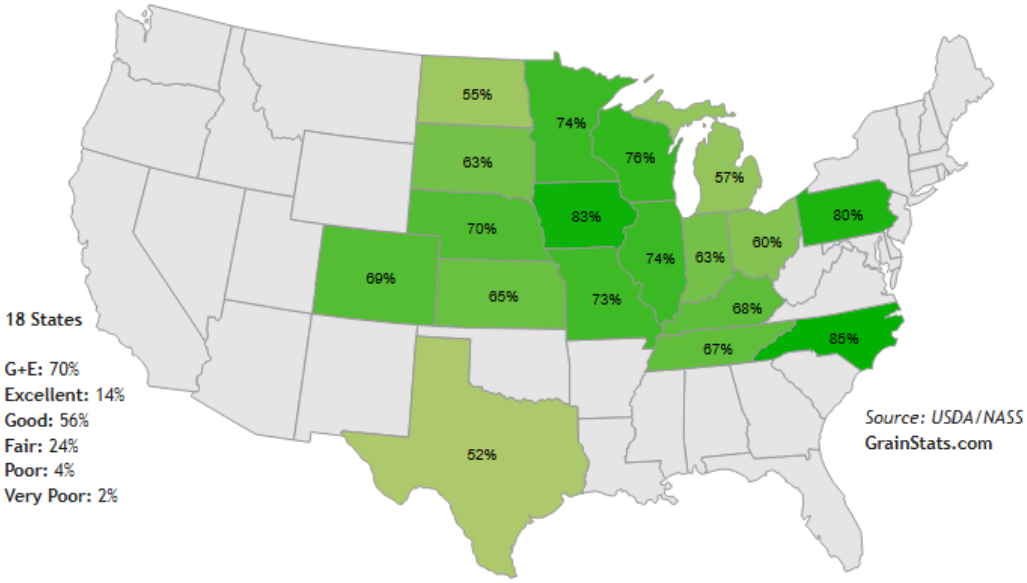
Headline news over the weekend was the U.S. attack on Iranian nuclear facilities. Currently, there is much speculation in the market around the future of U.S./Iran relations. In reference to commodity markets, a lot of eyes have been on crude oil prices given the middle east's role in global oil production. From the supply/demand side of things, many initially expected the conflict to disrupted flows and send crude oil higher through today. Brent and WTI crude closed lower on the day as fears of long run conflict eased. Additionally, it is the time of year that crop conditions are now sharply in focus. I've attached soybean and corn condition information below from grainstats.com to show how Kentucky relates to the rest of the country.



State	Good + Excellent (Week Change)	Excellent	Good	Fair	Poor	Very Poor
Arkansas	64 (+8)	16	48	28	6	2
Illinois	61 (-2)	15	46	28	7	4
Indiana	63 (-3)	8	55	28	6	3
Iowa	77 (-3)	16	61	19	3	1
Kansas	64 (+4)	9	55	30	5	1
Kentucky	68 (-9)	4	64	28	3	1
Louisiana	82 (+10)	2	80	17	1	
Michigan	45 (-3)	1	44	45	10	
Minnesota	76 (+2)	12	64	20	3	1
Mississippi	82 (+8)	31	51	16	2	
Missouri	69 (-3)	6	63	26	4	1
Nebraska	65 (-2)	7	58	30	4	1
North Carolina	76 (-4)	7	69	21	2	1
North Dakota	57 (-6)	3	54	33	7	3
Ohio	57 (+3)	7	50	37	4	2
South Dakota	62 (+0)	7	55	29	6	3
Tennessee	65 (-1)	13	52	22	8	5
Wisconsin	73 (+1)	14	59	22	4	1

Statistic	Good + Excellent (Week Change)	Excellent	Good	Fair	Poor	Very Poor
National Average	66 (+0)	10	56	27	5	2

Corn Crop Conditions (Rated good+excellent on 2025-06-22)

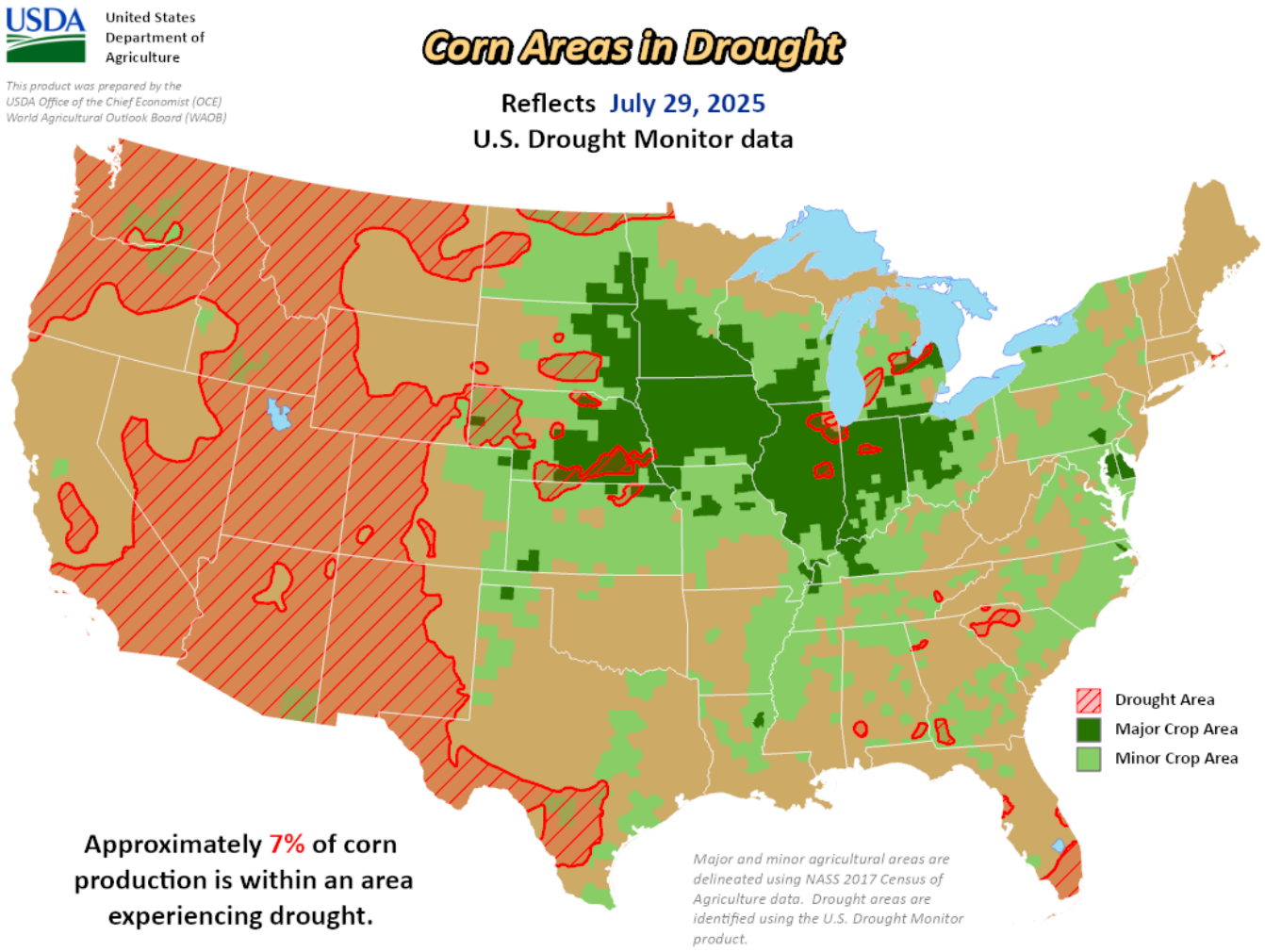


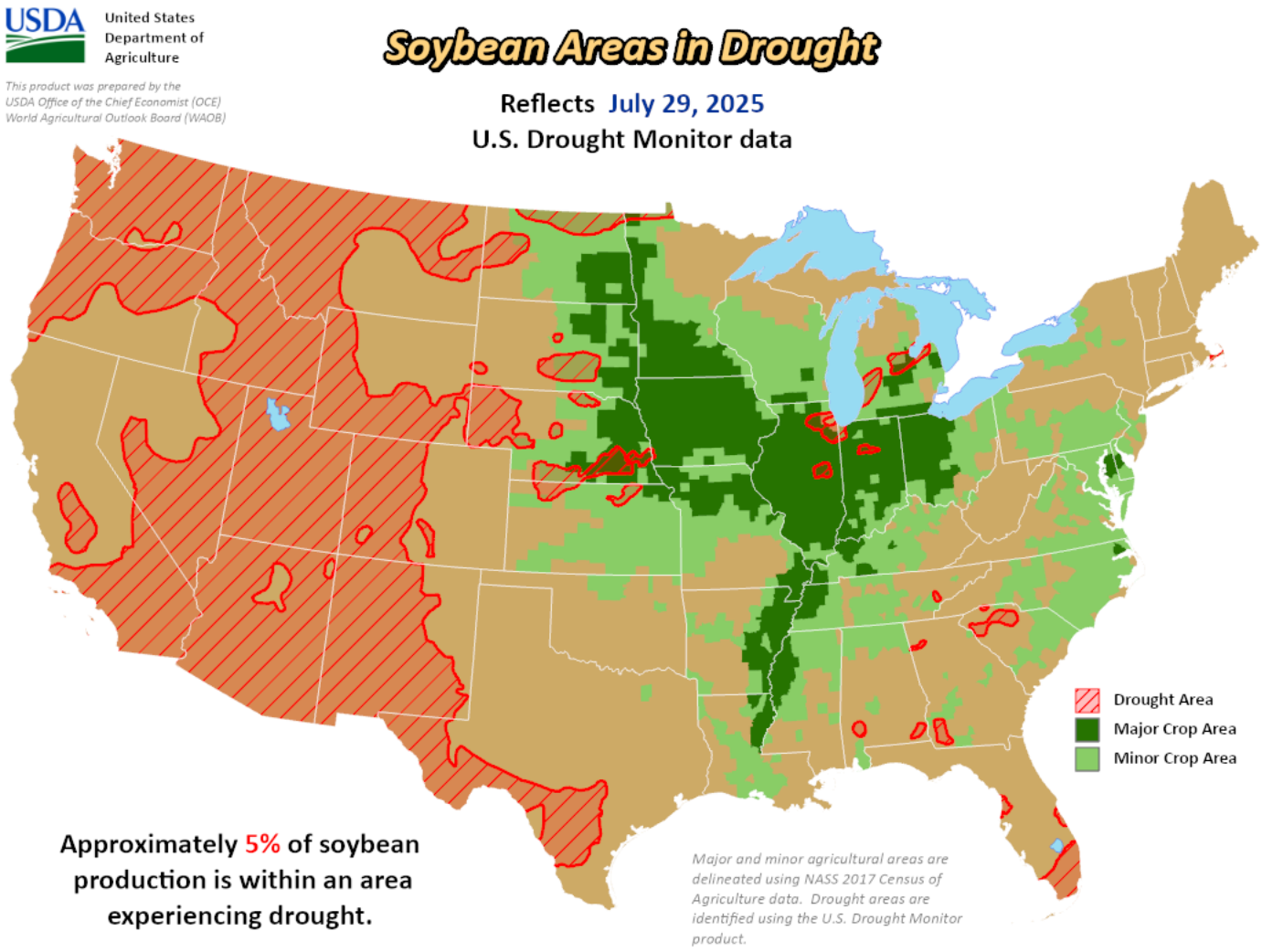
State	Good + Excellent (Week Change)	Excellent	Good	Fair	Poor	Very Poor
Colorado	69 (-9)	12	57	14	10	7
Illinois	74 (+4)	17	57	18	5	3
Indiana	63 (-4)	9	54	27	7	3
Iowa	83 (-1)	21	62	14	2	1
Kansas	65 (+1)	12	53	29	5	1
Kentucky	68 (-5)	7	61	28	3	1
Michigan	57 (+5)	4	53	34	8	1
Minnesota	74 (-1)	19	55	21	4	1
Missouri	73 (-2)	11	62	21	5	1
Nebraska	70 (-3)	11	59	26	3	1
North Carolina	85 (+3)	30	55	12	2	1
North Dakota	55 (-9)	3	52	38	6	1
Ohio	60 (+2)	11	49	35	4	1
Pennsylvania	80 (-7)	22	58	13	6	1
South Dakota	63 (-1)	8	55	30	5	2
Tennessee	67 (+0)	18	49	22	7	4
Texas	52 (-10)	8	44	38	7	3
Wisconsin	76 (+5)	14	62	20	3	1

Statistic	Good + Excellent (Week Change)	Excellent	Good	Fair	Poor	Very Poor
National Average	70 (-2)	14	56	24	4	2

KFB Commodity Division Weekly Market Report
August 4, 2025

In grains and oilseeds markets, continued price weakness remains the story. Sustained deterioration is due to pairing longer run fundamentals with no real event to drive prices higher. Typically, this time of year, drought, would be such an event. Not the case so far this year. What is next? Market participants are awaiting the August WASDE report which will be published on the 12th. July U.S. corn yield was set at 181 bu./acre and soybeans at 52.5 bu./acre. Corn will be a major focus point in the next report. Given the recent price performance, how much does the USDA raise this year's corn yield beyond 181 bu./acre? Below is the [USDA's Agriculture Commodities in Drought] from July 29th .

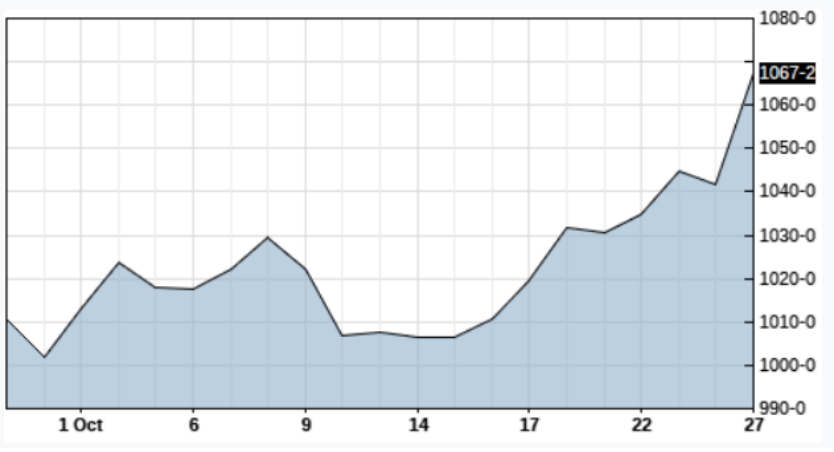


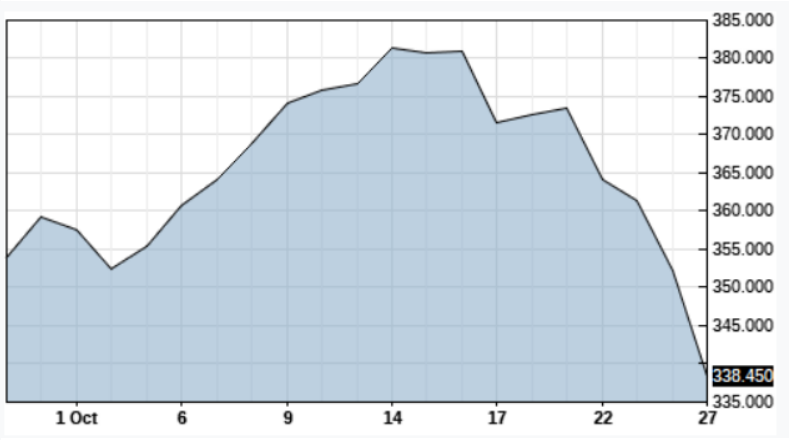


KFB Commodity Division Weekly Market Report
October 27, 2025

The current geopolitical dynamic cannot be understated when trying to understand commodity markets as of late. Soybeans and feeder cattle provide an example of markets that have had price outlook drastically shaped by both political rhetoric and expectations. A core concept of agricultural commodity price outlook is the relationship between supply and demand (S&D). A question to consider - is production, and those things impacting production, the only factors worth considering when attempting to understand where prices are going? While important, we know that is not the whole story. An additional component can be summed up as the beliefs around S&D. What exactly is meant by that? In short, what do traders believe will occur. Let's take a look at the current situation with soybeans and feeder cattle to see just how quickly beliefs can change. If we were to jump back to early-October, what were some thoughts surrounding soybean and feeder cattle? Not to oversimplify, but a lot of soybeans with no primary buyer (China) and tight cattle supplies with strong consumer demand for beef. Fast forward to today and did S&D for those markets immediately and drastically reverse? Well, no, beans didn't up and evaporate and cattle didn't fall from the sky. What did drastically shift was the belief in direction of both of those markets, driven by Trump's, and his administrations', presence on social media and role in shaping geopolitics and trade. In closing, as important as monitoring the fundamentals of a market (S&D) are also those who can shape the beliefs of that market.

Comparing November Soybean (left) and Feeder Cattle (right) Monthly Price Performance





KFB Commodity Division Weekly Market Report
December 8, 2025

It was another successful annual meeting for Kentucky Farm Bureau. Special interest sessions were well attended and, hopefully, provided value for attendees. Another item worth mentioning as far as conferences are concerned is the 2026 Kentucky Commodity Conference. The event is set for January 15, 2026, at the Sloan Convention Center in Bowling Green. It is a great event to start the year and centers around row crop agriculture in Kentucky. You can read more about the event and how to participate, here.

As we approach the Christmas holiday there are still a few more things to monitor as it pertains to markets. The Federal Open Market Committee (FOMC) interest rate decision will be Wednesday, and the USDA World Agricultural Supply and Demand Estimates (WASDE) will be released tomorrow.

Headline news today focused in on Trump's announced $12 billion farm aid package. This has been a topic of discussion for several months now. A significant component of the assistance package is the Farmer Bridge Assistance Program. For more detail see the quote below from Newsweek.

"According to the White House, about $11 billion of the new funding will flow through the Agriculture Department's Farmer Bridge Assistance program, which will provide one-time payments to farmers growing row crops. Soybean and sorghum producers were hit hardest after China imposed retaliatory tariffs; more than half of the U.S. soybean crop is typically exported, much of it to China. The remaining $1 billion will go toward producers of crops not covered under the bridge program, a White House official said, noting the funds are intended to give farmers more stability as they market their current harvest and plan for the next."

In closing of this report, I've attached some Kentucky Barge Loading Elevator bids for Corn and Soybeans.

Barge Loading Elevators - Conventional

Region/Location	Sale Type	Basis (¢/Bu)	Basis Change	Price($/Bu)	Price Change	Average	Year Ago	Freight	Delivery
Ohio River - Upper KY	Bid	-2.00H to 3.00H	UNCH	4.4175-4.4675	DN 0.0100	4.4425	4.4475	DLVD-T	Current
Ohio River - Upper KY	Bid	-30.00Z	UNCH	4.3400	DN 0.0025	4.3400	3.6925	DLVD-T	Sep - Nov
Ohio River - Lower KY	Bid	7.00Z to 15.00H	UP 1.00-DN 1.00	4.4325-4.5875	UP 0.0050-DN 0.0200	4.5467	4.5492	DLVD-T	Current
Ohio River - Lower KY	Bid	-35.00Z to -20.00Z	UNCH	4.2900-4.4400	DN 0.0025	4.3667		DLVD-T	Sep - Nov
Purchase	Bid	7.00H to 17.00H	UP 1.00-UNCH	4.5075-4.6075	UNCH-DN 0.0100	4.5650	4.5625	DLVD-T	Current
Purchase	Bid	-20.00U	UNCH	4.3275	DN 0.0050	4.3275		DLVD-T	Dec
Purchase	Bid	-35.00Z to -15.00U	UNCH	4.2900-4.3775	DN 0.0025-DN 0.0050	4.3338	3.8550	DLVD-T	Sep - Nov

Barge Loading Elevators - Conventional

Region/Location	Sale Type	Basis (¢/Bu)	Basis Change	Price($/Bu)	Price Change	Average	Year Ago	Freight	Delivery
Ohio River - Upper KY	Bid	-10.00F to -1.00F	UNCH	10.8375-10.9275	DN 0.1150	10.8825	10.0600	DLVD-T	Current
Ohio River - Upper KY	Bid	8.00F to 10.00F	UP 1.00-UNCH	11.0175-11.0375	DN 0.1050-DN 0.1150	11.0275		DLVD-T	Jan
Ohio River - Lower KY	Bid	2.00F to 21.00F	UP 1.00-DN 2.00	10.9575-11.1475	DN 0.1050-DN 0.1350	11.0742	10.1967	DLVD-T	Current
Ohio River - Lower KY	Bid	15.00F to 30.00F	DN 1.00-UNCH	11.0875-11.2375	DN 0.1250-DN 0.1150	11.1625		DLVD-T	Jan
Purchase	Bid	5.00F to 20.00F	UNCH	10.9875-11.1375	DN 0.1150	11.0700	10.1575	DLVD-T	Current
Purchase	Bid	15.00F to 25.00F	UNCH	11.0875-11.1875	DN 0.1150	11.1400		DLVD-T	Jan