

## CHINA MARKET CLOSED TO US SOYBEANS FOR NOW

A bountiful harvest is now being gathered in the US forcing down the price of grain. Grain producers in the US are losing \$169 per acre (\$417 per hectare) on corn and \$155 per acre (\$227 per hectare) on soybeans according to the American Farm Bureau. Farmers often experience losses at the bottom of a bear market.

A complicating factor this year is the halt of sales of soybeans to China. Normally China takes 50% of US exports of soybeans and 25% of total production. So far this crop year China has taken zero. The window is rapidly closing for such sales. It appears that China is relying entirely on the South American harvest which starts in a few months. It will be interesting to see what happens to the excess soybeans in the US.

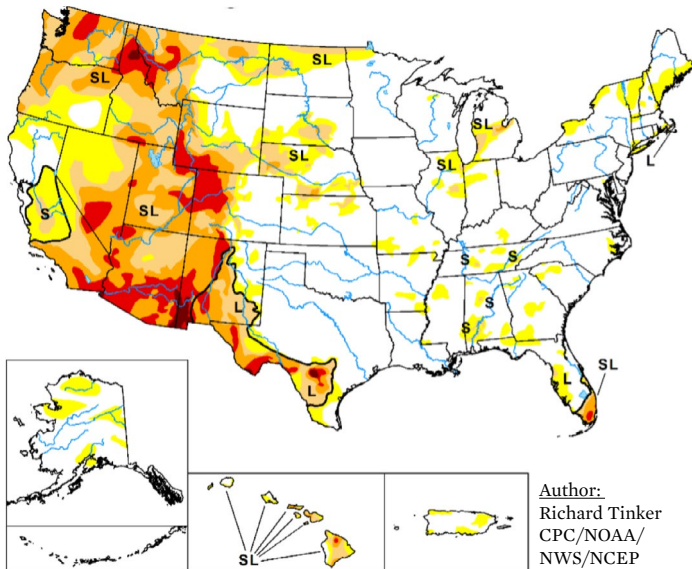
At this critical moment in the harvest, the USDA has gone dark because of the government shutdown. The WASDE report for October was not published. Numbers in this report are from the last WASDE report, September. Current information about chicken prices is still being provided by the USDA.

The US drought monitor below shows some late season drought affecting the Corn Belt. However, the effects of this late drought are expected to be minimal. Dryness actually helps bring in the harvest. In addition, the next harvest in South America is expected to be relatively normal. All in all, the situation for grain users is good.

## U.S. DROUGHT MONITOR

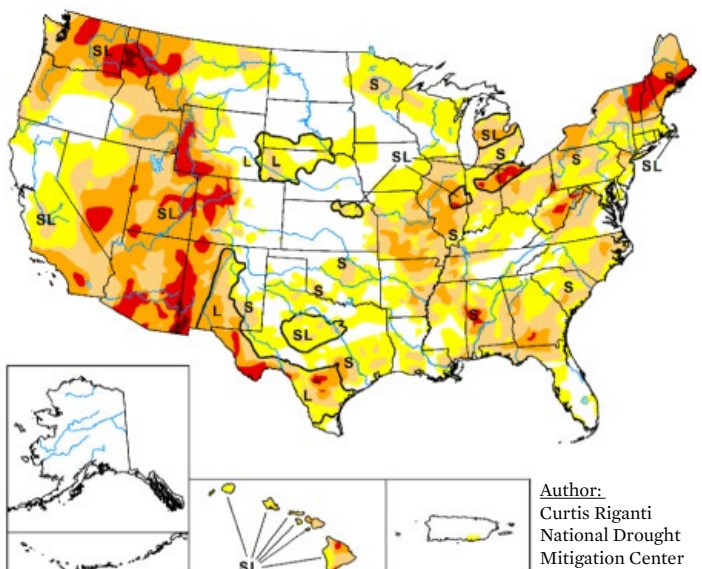
### August 5, 2025

(Released Thursday, Aug 7, 2025)  
Valid 8 a.m. EDT



### October 7, 2025

(Released Thursday, Oct 9, 2025)  
Valid 8 a.m. EDT



#### DROUGHT IMPACT TYPES:

~ Delineates dominant impact  
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)  
D = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

#### INTENSITY:

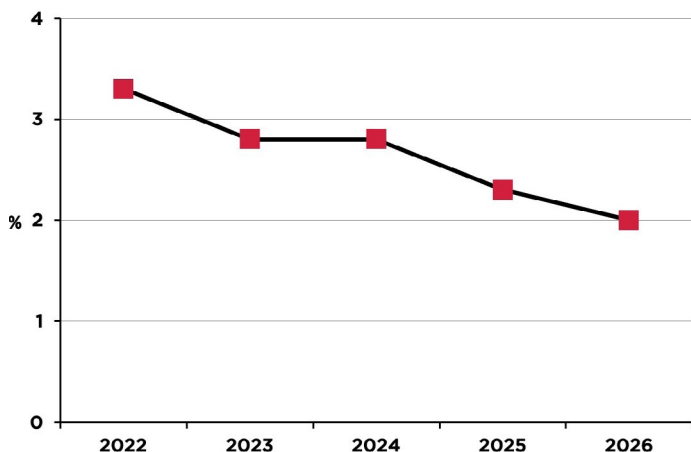
None  
D0 Abnormally Dry  
D1 Moderate Drought  
D2 Severe Drought  
D3 Extreme Drought  
D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary.  
For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



According to the World Bank Chief Economist, international discord, particularly over trade, will result in global economic growth that will be the weakest in 17 years outside of outright recessions. Growth can be expected to be slow in both 2025 and 2026.

### World Economic Growth World Bank 2025 and 2026 Estimated



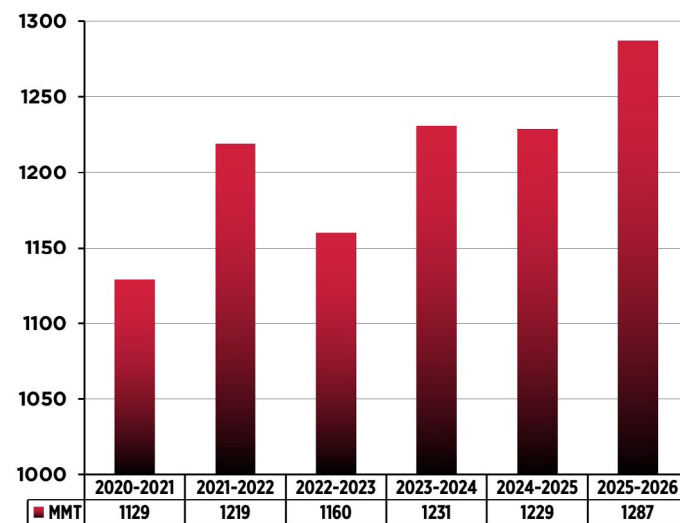
## CORN

In the US, 8.1 million more acres (3.2 million hectares) were planted to corn this year compared to last year. The increase in area planted combined with higher yields will result in a much bigger harvest. The harvest is expected to be 13% higher than last year.

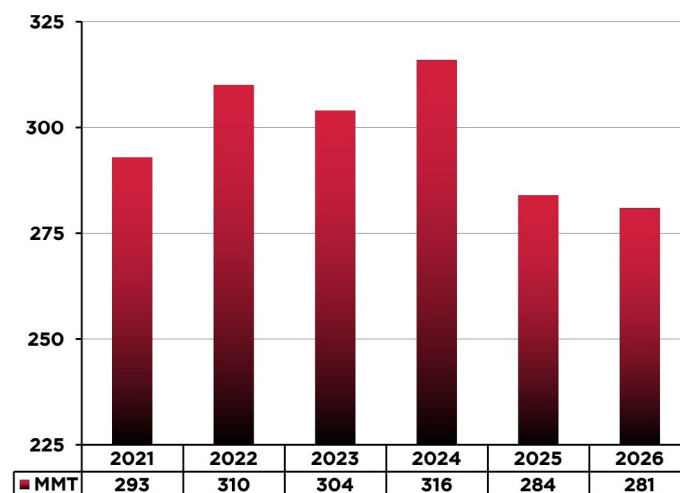
Thanks to the huge harvest in the US, total world production of corn is increasing. This large harvest coming at a time of weakness in the world economy is a recipe for lower prices. Corn is likely to be a bargain for poultry producers for the rest of this crop year and possibly next crop year as well. Lower world ending corn stocks this crop year are not a significant factor because they are primarily a result of a decline China's ample reserves. US ending stock is expected to rise sharply.

After corn prices reached a high of \$5 per bushel (\$200 per ton) in February the market drifted down to \$4 now (\$160 per ton). The harvest of a huge crop in the US combined with a good harvest in Brazil brought prices down. This may mark the bottom of the bear market in corn.

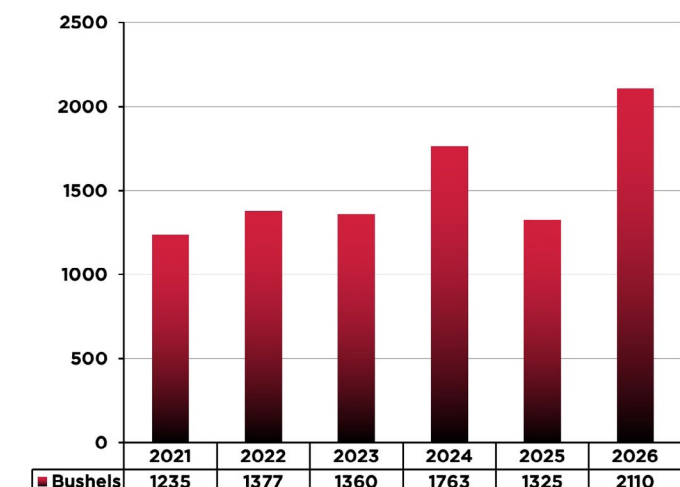
### World Production of Corn Million Metric Tons - USDA



### World Ending Stock of Corn Metric Tons - USDA



### U.S. Ending Stock of Corn Millions of Bushels - USDA



### Argentina Corn Supply and Demand WASDE September – Million Metric Tons

|                  | 2022–2023 | 2023–2024 | 2024–2025 | 2025–2026 |
|------------------|-----------|-----------|-----------|-----------|
| Harvest          | 35        | 51        | 50        | 53        |
| Imports          | 0         | 0         | 0         | 0         |
| Exports          | 24        | 36        | 35        | 37        |
| Ending Inventory | 1         | 3         | 3         | 3         |

### Brazil Corn Supply and Demand WASDE September – Million Metric Tons

|                  | 2022–2023 | 2023–2024 | 2024–2025 | 2025–2026 |
|------------------|-----------|-----------|-----------|-----------|
| Harvest          | 137       | 119       | 130       | 131       |
| Imports          | 1         | 1         | 1         | 1         |
| Exports          | 56        | 38        | 43        | 43        |
| Ending Inventory | 10        | 8         | 6         | 3         |

### Ukraine Corn Supply and Demand WASDE September – Million Metric Tons

|                  | 2022–2023 | 2023–2024 | 2024–2025 | 2025–2026 |
|------------------|-----------|-----------|-----------|-----------|
| Harvest          | 27        | 32        | 27        | 32        |
| Imports          | 0         | 0         | 0         | 0         |
| Exports          | 27        | 29        | 22        | 25        |
| Ending Inventory | 2         | 2         | 1         | 1         |

### China Corn Supply and Demand WASDE August – Million Metric Tons

|                  | 2022–2023 | 2023–2024 | 2024–2025 | 2025–2026 |
|------------------|-----------|-----------|-----------|-----------|
| Harvest          | 277       | 288       | 295       | 295       |
| Imports          | 19        | 23        | 7         | 10        |
| Exports          | 0         | 0         | 0         | 0         |
| Ending Inventory | 206       | 211       | 197       | 177       |

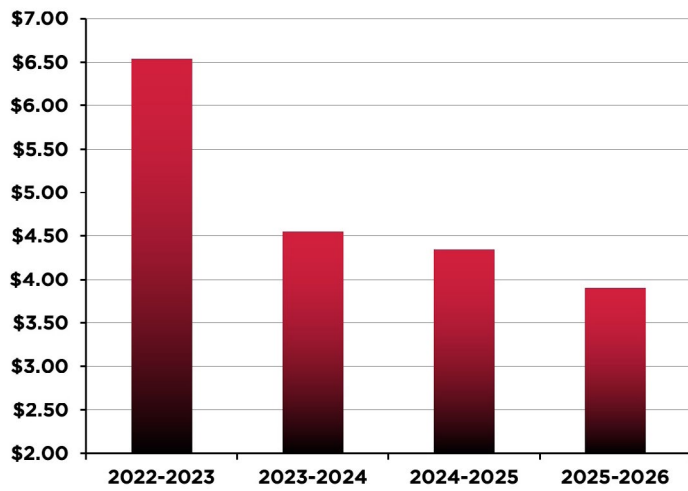
### U.S. Corn Supply and Demand WASDE September – Million Metric Tons

|                  | 2022–2023 | 2023–2024 | 2024–2025 | 2025–2026 |
|------------------|-----------|-----------|-----------|-----------|
| Harvest          | 346       | 390       | 377       | 427       |
| Imports          | 1         | 1         | 1         | 1         |
| Exports          | 42        | 58        | 67        | 75        |
| Ending Inventory | 34        | 44        | 35        | 53        |

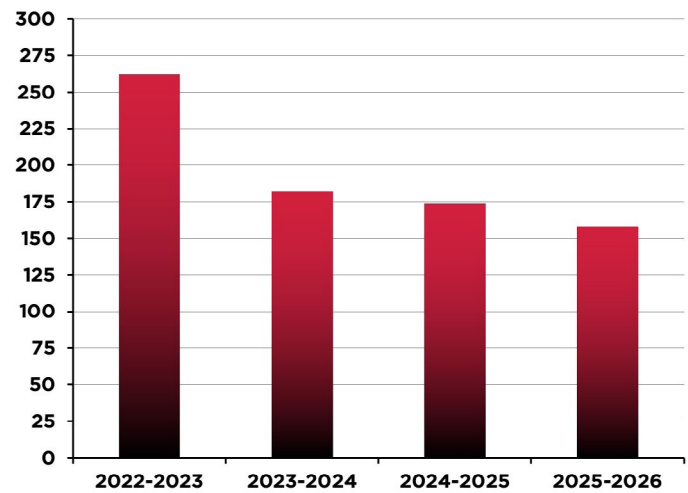
### U.S. Corn Supply and Demand – WASDE September Millions of Bushels

|                  | 2022–2023     | 2023–2024     | 2024–2025     | 2025–2026     |
|------------------|---------------|---------------|---------------|---------------|
| Harvest          | 13,651        | 15,341        | 14,867        | 16,814        |
| Supply Total     | 15,066        | 16,729        | 16,655        | 18,165        |
| Ethanol          | 5,176         | 5,478         | 5,500         | 5,600         |
| Exports          | 1,661         | 2,292         | 2,650         | 2,975         |
| Feed             | 5,487         | 5,805         | 5,750         | 6,100         |
| Total Use        | 13,706        | 14,966        | 15,460        | 16,055        |
| Ending Inventory | 1,360         | 1,763         | 1,365         | 2,110         |
| Farm Price       | <b>\$6.54</b> | <b>\$4.55</b> | <b>\$4.30</b> | <b>\$3.90</b> |

### Average U.S. Farm Price of Corn \$/Bushel USDA



### Average U.S. Farm Price of Corn \$/Metric Ton USDA

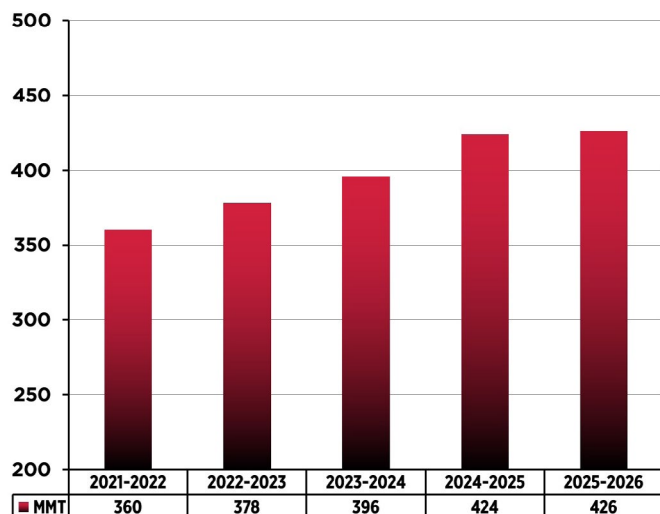


## SOYBEANS

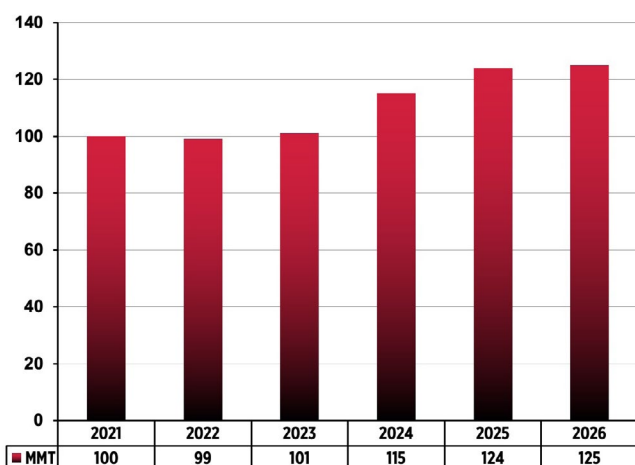
In sharp contrast to corn, the US planted 6 million fewer acres of soybeans this year (2.4 million hectares). That would seem to be bullish news for soybean prices. However, two factors reduce the impact of fewer acres. First, the USDA projects higher yields this year which makes up for most of the acreage decline and second, China, the destination of 25% of US soybean production is closed to US soybeans.

Increases in production in South America combined with the possibility of a weaker world economy reduces the effect of slightly lower production in the US. As can be seen on the following graphs, the world production of soybeans is projected to continue to increase. World ending inventory is ample. Only the US ending inventory is falling. As with corn, soybean meal prices may be close to the bottom of a bear market.

### World Production of Soybeans Million Metric Tons - USDA



### World Ending Stock of Soybeans in MMT - USDA



### Argentina Soybean Supply and Demand WASDE September - Million Metric Tons

|                            | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
|----------------------------|-----------|-----------|-----------|-----------|
| Harvest                    | 25        | 48        | 49        | 49        |
| Imports                    | 9         | 7         | 6         | 7         |
| Exports<br>Beans +<br>Meal | 25        | 32        | 34        | 36        |
| Ending<br>Inventory        | 18        | 24        | 25        | 24        |

### Brazil Soybean Supply and Demand WASDE September - Million Metric Tons

|                            | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
|----------------------------|-----------|-----------|-----------|-----------|
| Harvest                    | 162       | 153       | 169       | 175       |
| Imports                    | 1         | 1         | 1         | 1         |
| Exports<br>Beans +<br>Meal | 116       | 127       | 128       | 135       |
| Ending<br>Inventory        | 37        | 27        | 32        | 37        |

### US Soybean Supply and Demand WASDE September - Million Metric Tons

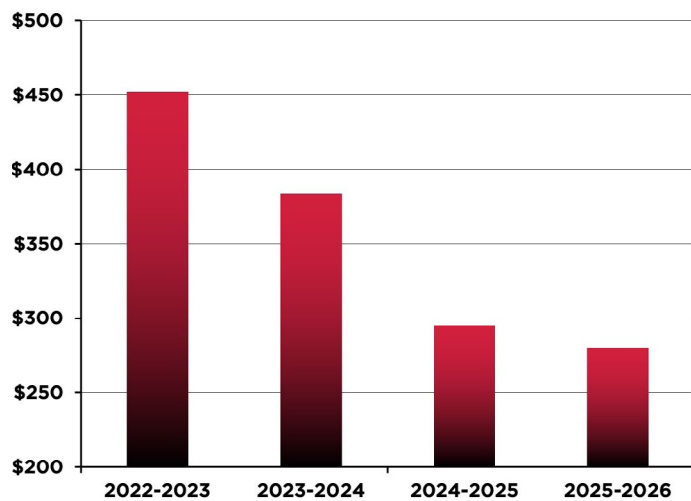
|                            | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
|----------------------------|-----------|-----------|-----------|-----------|
| Harvest                    | 116       | 113       | 119       | 117       |
| Imports                    | 1         | 1         | 1         | 1         |
| Exports<br>Beans +<br>Meal | 67        | 60        | 66        | 63        |
| Ending<br>Inventory        | 7         | 9         | 10        | 8         |

### US Soybeans - USDA - WASDE September Millions of Bushels

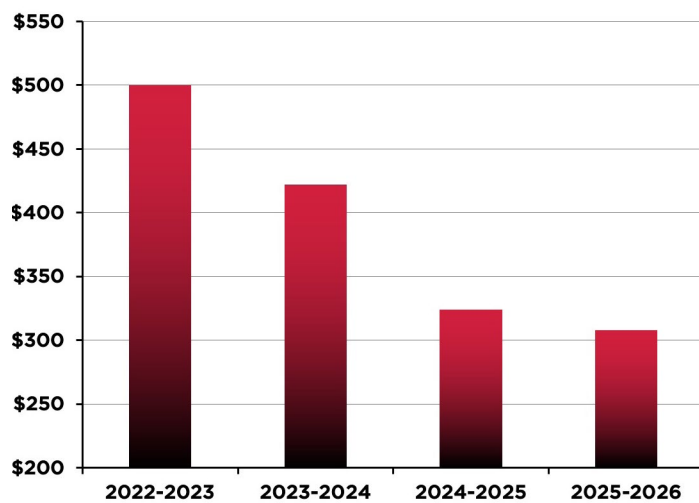
|                              | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
|------------------------------|-----------|-----------|-----------|-----------|
| Harvest                      | 4,270     | 4,162     | 4,366     | 4,301     |
| Total<br>Supply              | 4,569     | 4,447     | 4,734     | 4,651     |
| Export                       | 1,992     | 1,695     | 1,825     | 1,685     |
| Total Use                    | 4,305     | 4,105     | 4,359     | 4,351     |
| Ending<br>Stock<br>Inventory | 264       | 342       | 375       | 300       |
| Meal Price<br>short ton      | \$452     | \$384     | \$295     | \$280     |

NOTE: US Exports could be considerably lower than projected if sales to China fail to materialize in the next few months.

### Average US Crop Year Price of SBM Short Ton USDA



### Average US Crop Year Price of SBM Metric Ton USDA

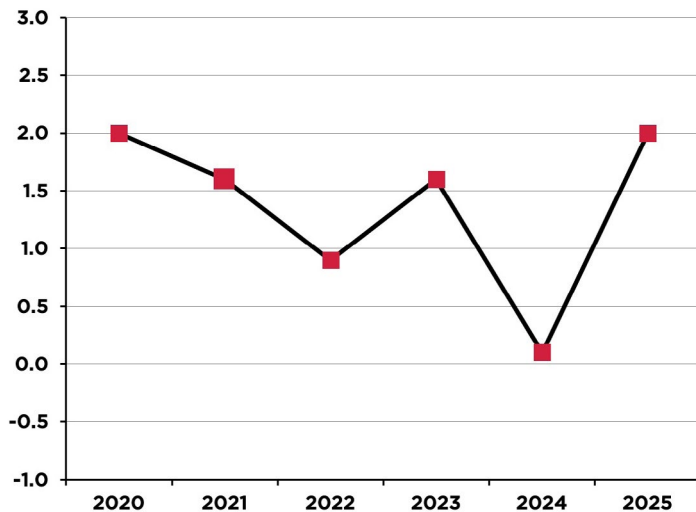


## CHICKEN INDUSTRY

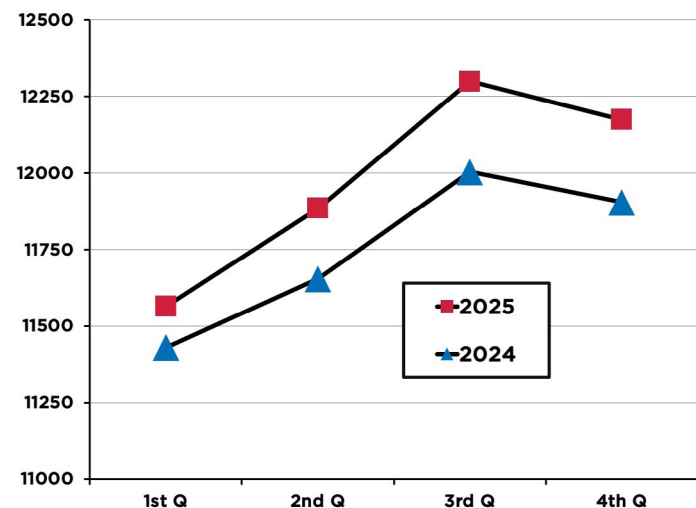
World chicken production increased only slightly last year according to the USDA Livestock and Poultry World Markets report. However, world production growth this year is projected to accelerate to 2% (numbers are based on the April report, October was not published). Recent geopolitical and trade war events may limit the growth of chicken production despite favorable grain prices.

US chicken production has been accelerating recently and is expected to also be 2% higher this year. Higher production is leading to lower prices. However, not all the decline is due to increased supply. Part of the decline is seasonal. The magnitude of the decline indicates a softening of consumer demand.

### Increase in World Broiler Chicken Production in % - USDA

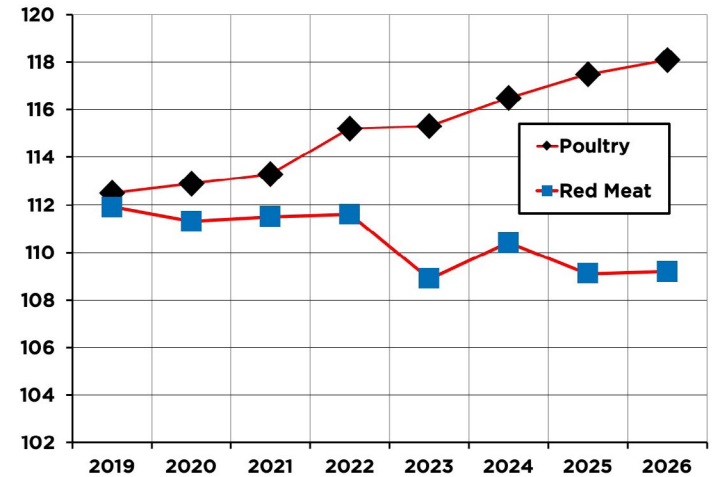


### US Quarterly Broiler Production - Million Pounds - USDA



Poultry per capita consumption in the US continues to increase while consumption of red meat falls. Between 2019 and 2026, red meat per capita consumption is projected to decrease 3 pounds (1.4 kilos) while poultry consumption is projected to rise by 6 pounds (2.7 kilos).

### US Per Capita Consumption of Red Meat and Poultry lbs.

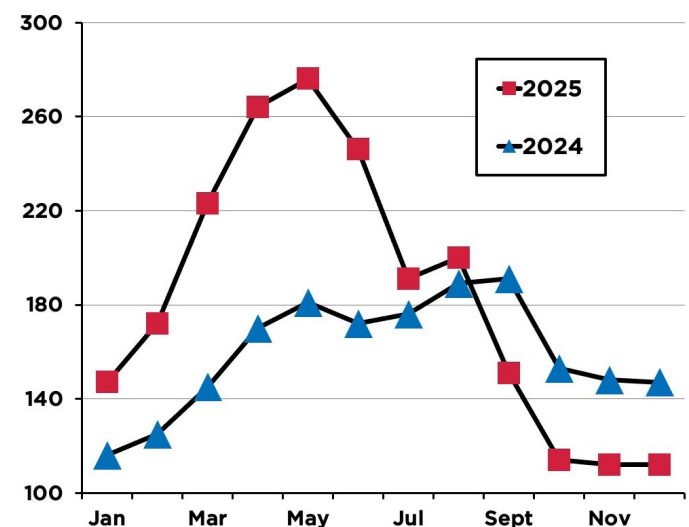


## USDA

### DEBONED BREAST

The spot price of deboned breast in the US rose surprisingly fast in the first four months of 2025 and was far higher than in 2024 helped by the success of fried chicken sandwiches. As production increased and the market accommodated the sudden new demand, prices fell in July and continued to fall in August and September. Prices can be expected to remain low throughout the rest of the year a total consumer demand for chicken appears to have weakened in the last few months.

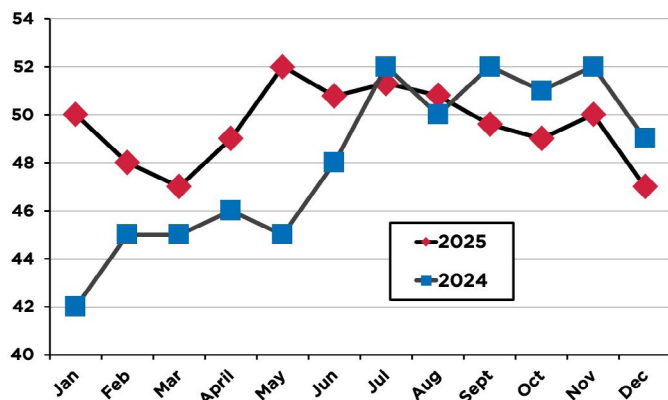
### Breast B/S - 2024-2025 USDA - National Price - Cents/lb. - Future Months Estimated



## FROZEN LEG QUARTERS FOR EXPORT

Mexico is the number one destination for US leg quarter exports, taking 25% of all exports. Despite contentious and ongoing tariff negotiations leg quarters continue to flow to Mexico. Although leg quarter prices started the year higher than last year, a lower ending price is penciled in below due to trade uncertainties.

### Leg Quarter Price - 2024-2025 - Cents per Pound - USDA Frozen Bulk Export - Future Months Estimated

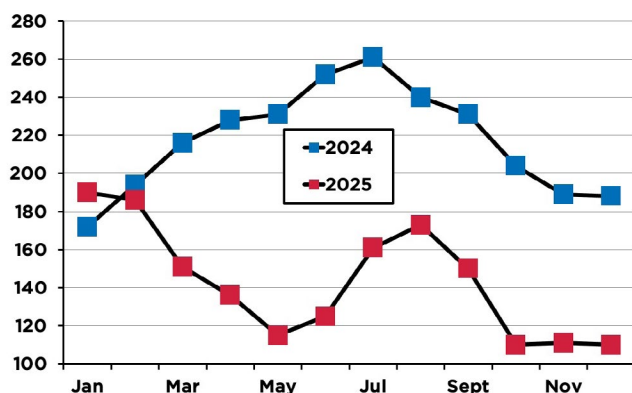


Price series started by USDA in October of 2022

## WINGS

Wing prices were remarkably high last year and then fell sharply at the beginning of this year. How did that happen? It appears that while demand for wings exploded during the pandemic, it has since decreased. As a result, the lower price this year was simply a regression to the mean from extremely high prices. In addition, there is more use of breast meat in "boneless wings". At one point this year wings were more than a dollar per pound below their year-earlier wholesale price. The gap in price appears likely to continue right to the end of the year.

### Whole Wing Prices - 2024-2025 - USDA - National Price - Cents/lb - Future Months Estimated



When calculated using spot prices, chicken production is not currently profitable despite low grain prices. The recent drop in the wholesale price for deboned breast had a great effect on profitability. Poultry companies, of course, do not sell all their product on the spot market so companies are still operating profitably with prices negotiated months ago. Nevertheless, the low current spot market prices are a worrisome signal.

### U.S. Broiler Chicken Industry Profitability October US Measure

|                                |                   |
|--------------------------------|-------------------|
| Frozen Leg Quarters            | \$0.50 / pound    |
| Deboned Breast                 | \$1.14 / pound    |
| Wings                          | \$1.10 / pound    |
| Chicago Corn                   | \$4.11 / bushel   |
| Soybean Meal                   | \$273 / short ton |
| Total Wholesale Cost per pound | \$0.97            |
| Revenue per pound (spot price) | \$0.92            |
| Gain (Loss) per pound          | <b>\$0.05</b>     |

### U.S. Broiler Chicken Industry Profitability October Metric Measure

|                               |                   |
|-------------------------------|-------------------|
| Frozen Leg Quarters           | \$1.10 / kilo     |
| Deboned Breast                | \$2.51 / kilo     |
| Wings                         | \$2.42 / kilo     |
| Chicago Corn                  | \$161 / ton       |
| Soybean Meal                  | \$300 / short ton |
| Total Wholesale Cost per kilo | \$2.13            |
| Revenue per kilo (spot price) | \$2.03            |
| Gain (Loss) per kilo          | <b>\$0.10</b>     |

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*Dr. Paul Aho is an international agribusiness economist specializing in projects related to the poultry industry and has been a prolific writer in trade journals in both the United States and in Latin America. Dr. Aho now operates his own consulting company called “Poultry Perspective”. In this role, he works around the world with poultry managers and government policy makers.*



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