POET MARION

APRIL 2025 NEWSLETTER

TOP NEWS OF THE MONTH

MONTHLY NEWSLETTER

WELCOME!

Last month we saw the very typical rollercoaster of Ohio March weather, a few days of snow and freezing temperatures followed by some unseasonably warm 75-degree, sunny days. Early fieldwork and spring planting preparations are in full-swing. Similar to the weather, the corn market has also been a rollercoaster ride the last month, with seemingly a lot more valleys than peaks. End-user and local elevator needs are not yet fulfilled heading into planting season, so stay in tune with the local marketplace to capture some potential value there.

READ MORE

ANNOUNCEMENTS, UPDATES & IMPORTANT LINKS

- Discount Schedule 2024-25
  - **Free DP starting 4/1/25, DP bushels must be priced by 9/30/25.**
- 2025 Average Price Programs
- 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:
  - Thursday, April 10th: USDA WASDE Report
- Poet is still offering a free, farm-level CI (carbon intensity) estimator tool. Contact a merchandiser for more information!

MARKET OUTLOOK

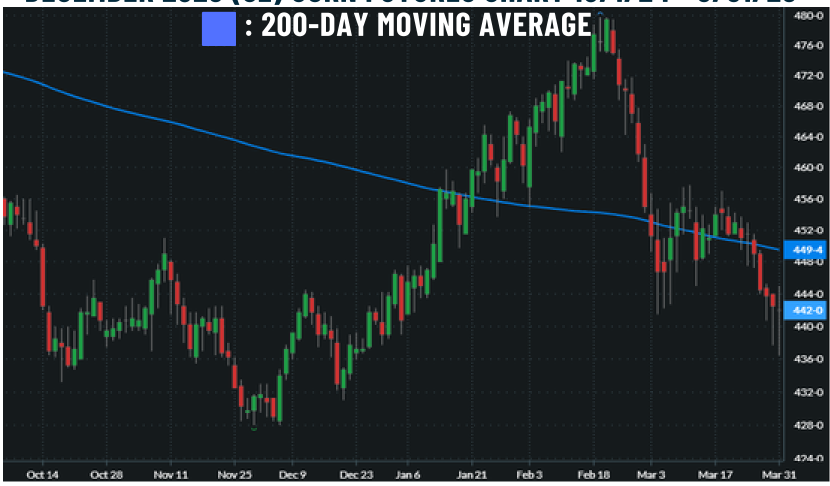
AS THE SEEDING OF A NEW U.S. CROP BEGINS, WHERE IS THE CORN MARKET HEADED?

>>> MAY 2025 (CK5) FUTURES

Volatile. The only word that feels fitting for the price action in the corn market over the last month. There were 10 consecutive red trading days in CK5 futures to end Feb and begin March, which has not been seen in 10+ years. May corn futures finally bounced and found support above the $4.50 futures level a week into March to take back some of the losses. However, trading in the corn market proceeded to be choppy and going into April the market has returned to early March lows. CK5 futures are trading at the $4.57 level to start April, which is just 4 cents above the contract's 200-day moving average and 26 cents below the 50-day moving average. There are numerous factors currently weighing on corn futures, so let's take a look at what those factors are and where the market may be headed from here. For starters, anticipation of the all-important March 31st planting intentions and quarterly stock reports are a classic market-mover during this time of year, both ahead of and following report day. Throw the constant tariff headlines on top of that and the perfect storm for volatile trading is created. That being said, perhaps the heaviest weight on the corn market currently is the massive liquidation of the Managed Money Funds over the last 30 days. The funds are nearing a net even position, coming off quite a bit of length, causing downward pressure on the CBOT. This is arguably a chicken and egg situation as it's debatable whether the MM Funds liquidating was caused by the bearish planting intention trade guesses and eventually final acreage number as well as tariff uncertainty or if the Funds drove the downward movement on their own. Either way, the outlook for corn futures in the near term is not overly positive at this point in time. Given the USDA's number of 95.3 MM acres of corn to be planted, decent corn stocks, ongoing tariffs and a MM Fund position near even, the current outlook leans bearish. That being said, there are a few factors that remain to be seen that could flip the script for corn futures heading into the spring and summer months. The first being South American weather concerns. While the planting of their Safrinha crop has gone smoothly, any sustained lack of rainfall could result in drought concerns and move the market higher. Likewise, U.S. planting has yet to be completed and any weather scares during planting or the growing season this summer could create a bounce for nearby futures. The other factor to keep in mind for pricing old crop in the next few months is basis. Basis has appreciated at a steady pace in the local market throughout the crop year. In mid-March, a survey estimated that on average, the Ohio farmer was 73% sold on old crop corn. Provided that estimation is relatively accurate, the likelihood that available old crop corn gets slimmer into the summer months is fairly good. The real question becomes, will supported basis levels be enough to make up for a potential downfall in futures? Time will tell, but it is advisable to get cash price targets in now to ensure you don't miss out on your next selling level.

MAY 2025 (CK) CORN FUTURES CHART 10/1/24 - 3/31/25

DECEMBER 2025 (CZ) CORN FUTURES CHART 10/1/24 - 3/31/25



>>> DECEMBER 2025 (CZ5) FUTURES

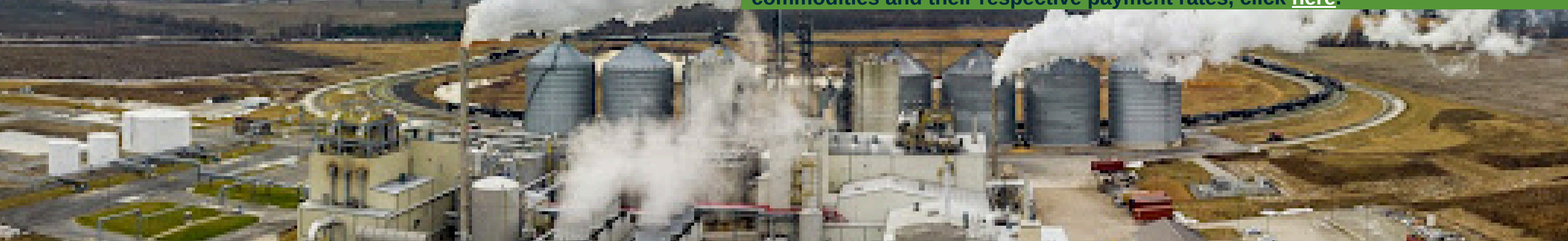
Choppy trading has been the name of the game in new crop corn futures over the past few months. That being said, December 2025 (CZ5) corn futures have started to build a more consistent downward trend instead of sideways trading. The CZ5 contract closed the month of March at $4.42, about 10 cents lower than where they started the month at the $4.51 futures level. As a result of this recent trading action, December corn futures have now dipped 7 cents below the contract's falling 200-day moving average, a strong level of support that is now resistance. Recent news headlines have had more of an impact on new crop corn price fluctuations than in previous months. This stands to reason as these news headlines have just as much, if not more, of an impact on new crop corn as they do on old crop prices. Current market-movers include the USDA's planting intentions and March 1st quarterly stock numbers released at the end of March, followed by the rapidly approaching April 2nd reciprocal tariff deadline. While volatility in new crop futures is less than that of old crop, CZ5 futures feel more restrained than nearby futures as a result of a more burdensome balance sheet outlook. Important to note here, as of mid-March it is estimated that, on average, the Ohio farmer is 3% sold on the 2025-26 corn crop compared to 4% sold across the entire U.S. As always, take these estimations with a grain of salt but if you assume that the somewhat bearish outlook on CZ5 futures ensues, it might just be the right time to make another new crop sale. That being said, there is a lot of time left until December 2025 and there are numerous factors that could flip the script to a more bullish outlook for new crop corn values. What are those factors? Obviously, the big question mark at this point is planting of the U.S. crop. Is it timely or will weather make it a late finish to U.S. planting? After the crop is in the ground, will the growing season be a fruitful one or will minimal rainfall occur? Currently, around 50% of the corn production area in the U.S. is experiencing drought conditions to some degree. Traders will certainly be keeping their ears to the ground in the coming months on all of these factors. Not to mention, South America's growing conditions for their Safrinha corn crop. All of these components have the potential to cause a CZ5 futures rally if the right headlines hit the market. Don't hesitate to pull the trigger on a sale to reward any rallies potentially resulting from weather scares in the U.S. or South America.

>>> EMERGENCY COMMODITY ASSISTANCE (ECAP) PROGRAM

On March 19th, 2025 the USDA officially announced finalized details for the Emergency Commodity Assistance Program, a $10 billion fair aid program for U.S. producers. Farmers were eligible to start signing up for the program starting on 3/19/25, either online or by a mailed application from the government. Payments are per acre and are as follows for the major row crops:

- **Corn: $42.91/acre**
- **Soybeans: $29.76/acre**
- **Wheat: $30.69/acre**

***For more information about the program/application process and a full list of commodities and their respective payment rates, click here.**



IN OTHER NEWS...

MARCH WASDE, PROSPECTIVE PLANTING, & GRAIN STOCKS REPORTS

CORN

The March 11th WASDE report was a real sleeper, providing no changes to the old crop U.S. corn balance sheet or South American production numbers. The only slight revision the USDA did make was to world ending corn stocks, which were lowered 1.41MMT from the February report, to 288.90MMT. This lower stock number resulted from an 80MM bushel reduction to Brazil's corn exports and a reduction to China's corn imports by a like amount. This is now the 7th consecutive month China's corn imports have been lowered by the USDA- a noteworthy piece of information that is worthy of keeping an eye on. Overall, the USDA chose to abstain from making any changes until after quarterly stocks and planting intention numbers were available at the end of the month.

The highly anticipated March USDA reports are now in, and for a historically market-moving report, it was pretty much a non-event. The USDA came out with a prospective planting number of 95.3MM acres of corn, up almost a million acres from an average trade guess of 94.4MM acres. March 1st quarterly stocks came in right at the average trade guess of 8.151MM bushels. However, price action ahead of the report felt like a more bearish report was already baked in. That proved to be true, with the corn market closing up on 3/31/25 following a report of higher than anticipated 2025-26 corn acres and quarterly stocks right in line with estimates. Perhaps the most important note from the report is Ohio's corn stocks, which are the tightest in 5 years and the only primary corn-belt state with a lower acreage number vs. last year. These lower stocks and potentially less planted acres speak to the basis appreciation the eastern corn belt has been seeing compared to the west.

SOYBEANS

In line with the corn side of the balance sheet, the USDA refrained from making any changes to the U.S. soybean balance sheet in the March WASDE report. The anticipation of the quarterly stocks and planting intentions reports at the end of March were enough this year to keep things unchanged until those numbers were seen. The only revisions made were to world ending bean stocks, which came in at 121.40MMT. This was a slight revision lower from last month's 124.34MMT world ending stocks figure.

The March 31st Prospective Planting and March 1st Quarterly Stock reports provided little surprises for the bean balance sheet. The USDA rolled out with an estimate of 83.5MM acres to be planted in the U.S. this spring. This was just slightly lower than the average trade guess of 83.7MM acres, which wasn't a significant enough variation to spark much market movement. However, it is worth noting that the 83.5MM acre estimate is down about 3.5MM from last year's planting intentions, which came in at 87MM acres. In terms of quarterly stocks, U.S. bean stocks came in at 1.91MM bushels, just slightly higher than the average trade guess and up from 1.85MM bushels at this time last year. Price action in the market following the USDA data dump seemed to take more to the increase YoY in bean stocks than the planting estimate, as the soybean market closed down following the report. Overall, market volatility due to the report, for both corn and beans, was fairly limited.

MANAGED MONEY FUNDS

The Managed Money Funds did a 180-degree turn in the month of March and began liquidating...in a big way! This massive liquidation has seen the Funds shave around 300,000 contracts in just a little over a month. It has been a roller coaster ride the last few months for the MM Funds, going from a record short position in the fall to a significantly long position this winter. Now, they're attempting to even back up with this current liquidation. Why are the Funds liquidating you might be wondering? It is likely a combination of a reduced appetite for risk due to market volatility on the planting intentions and quarterly stocks reports, as well as the uncertainty of tariffs. It is worth noting that although the Funds have cut significant length from their position in just a few weeks, corn futures have not fallen nearly to the degree they would be expected to in this scenario. The MM Funds are currently sitting around 75,000 contracts long. Time will tell if they want to go short, hang out around a net even position, or add length again. Remember, the expectation would be that further price decline may occur if the Funds go short and a potential bounce in futures levels if they add length again.

WORLD GRAINS: SOUTH AMERICAN CROP PRODUCTION, RUSSIA V. UKRAINE NEWS, AND THE CONTINUATION OF THE TARIFF SAGA:

<u>South American Growing Season Weather & Crop Progress:</u> As of mid-March, Brazil's bean crop was all but completely harvested and planting of the Safrinha corn crop nearly complete as well. Since then, dryness concerns in key growing regions, namely Mato Grosso, have been rising. South America has received some rain since the completion of Safrinha planting, but it has been just enough to keep dryness talk from running completely ramped. Keep an eye on South American weather in the month of April as a potential corn market-mover as their Safrinha growing season progresses, the market certainly will be.

<u>Russia v. Ukraine War Updates:</u> In recent years, market volatility resulting from the Russia v. Ukraine war headlines has been more limited since the two countries have been at war for several years now. However, a few notable headlines from the war hit the news this month sparking some commodity market reaction. Russian President Vladimir Putin conceded to a 30-day ceasefire on attacking energy infrastructure in Ukraine. Although this is not a total ceasefire, it is a major stride towards the two countries coming to some agreements. Then, on 3/25/25 President Putin announced Russia would be willing to consent to a new agreement on the safety of Black Sea shipments. His stipulations included the U.S. ordering Zelensky, Ukraine's President, to respect the agreement. The prior shipping agreement failed, which allowed Ukraine to ship 33MMT of grain out of the Black Sea even with the on-going war. If this new agreement comes to fruition it could be a pivotal turning point in the war.

<u>Tariffs, Tariffs, And More Tariffs:</u> Monthly market volatility based on the implementation and delays of tariffs has only heightened since their original implementation in February. Commodities raced lower as U.S. tariffs on Canada and Mexico began in March, as promised, but those tariffs were just as soon delayed. On 3/6/25, President Trump paused tariffs on Canada and Mexico for all goods that fall under the USMCA Agreement until April 2nd, 2025. Tariffs on Chinese imports however, were raised from the original 10% to 20% and have not been removed. In response, China has placed 15% tariffs on U.S. corn, wheat, and poultry, and 10% tariffs on U.S. soybeans and pork. The potential for a shipping tax on all goods from China exists as well under the USTR Section 301. Additionally, the Trump Administration imposed tariffs on steel and aluminum imports, causing the EU to make plans for reciprocal tariffs on U.S. ag commodities, among other goods, beginning in April. Bottom line, regardless of if more concessions or delays are made, the market volatility resulting from tariffs is here to stay. The more tariffs the U.S. imposes, the more countries are going to retaliate...and unfortunately U.S. ag commodities get caught in the crossfire. As we continue to wade through the uncertainty of all these tariffs, our best marketing advice is to have a selling price in mind and get a target order in at that level. This will allow you to capture any potentially short-lived rallies that are potentially gone just as soon as they arrive.

MARKETING OPTIONS

LOOKING TO GET ANOTHER SLUG OF CORN SOLD BEFORE SPRING PLANTING IS IN FULL SWING? HERE ARE SOME POPULAR NEARBY MARKETING OPTIONS:

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

- **Premium Plus:** **If you aren't satisfied with the cash price today and are looking to get to a $5.10+ cash price today, this contract may be for you. It does require a potential double obligation (at your chosen futures price and delivery period) in exchange for that premium today. More details on premium plus contracts below.**
- **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 saying you should necessarily unload all your bushels at this pricing level but making a cash sale while basis levels are as supported as they have been in over a year would be advantageous. 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.**
- **Basis contract:** **Lock in your basis for April or May delivery to guarantee that basis level and leave futures open to see if May futures rally between now and the end of April. 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.**
- **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? If your answer is no, what is holding you back? We know, the crop is not even in the ground yet, but try looking at new crop sales ahead of planting from these perspectives. First and foremost, make smaller sales, then if the growing season is a disaster and you only have 50% of your anticipated production, your pre-booked new crop sales are small enough to be filled. Second, 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. Additionally, we still have average price programs available for new crop delivery. These programs allow you to price bushels ahead of delivery during a time period with historically higher futures than the fall timeframe with basis needing to be set prior to delivery. Program #47 is currently available for October-December delivery (new crop) pricing off of the December (CZ) 2025 futures from April through July. Click here to see the 10- year December (CZ) corn futures charts during this pricing period! Putting on new crop sales before the crop is in the ground 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, determine 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 selling at.

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 - $4.80 futures level. New crop accumulators are currently pricing around the $4.75 - $4.95 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