

# Producer Wire

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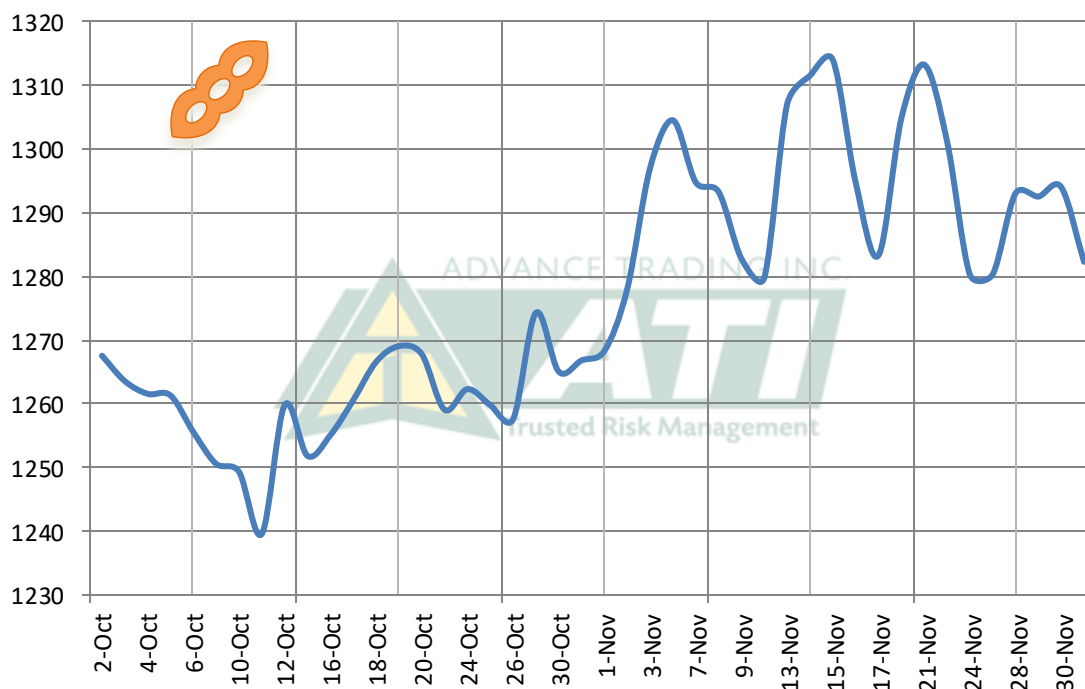


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## First Look at 2024/25 U.S. Soybean Balance Sheet

Preliminary U.S. soybean supply and demand projections for 2024/25 are surfacing. As always, there is a wide range in ending stocks and average farm price estimates. In this uncertain environment, your *Advance Trading* advisor is prepared to assist in developing and executing a risk management strategy that can help manage price volatility and defend your balance sheet for next year's crop.

### November 2024 Soybean Futures Prices



**Production uncertainty is high in Brazil as crop enters critical growing period**

**Preliminary 2024/25 soybean balance sheet reflects potential for significant increase in ending stocks, lower price**

**Critically important to defend your balance sheet**

**Ethanol grind: 1,011,000 barrel/day for week ending Nov. 24—dn 1.2% compared to last week and 0.7% vs. 2022**

## ENERGY/ETHANOL

Ethanol grind: 1,011,000 barrels/day for the week ending Nov. 24—down 1.2% versus last week and 0.7% versus 2022. Stocks were 21.379 mb, down 0.273 mb from the prior week and down 1.555 mb versus last year.

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# November 2024 soybean futures well above five-year average for this time of year

November 2024 soybean futures are currently trading near \$12.85, which is well above the five-year average of \$11.03 for early December. A preliminary look at 2024/25 soybean balance sheet prospects for next year is below.

12/1/2023	USDA	USDA	ATI	USDA	ATI	ATI
SOYBEANS	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25
Planted Acres	87.2	87.5	87.5	83.6	83.6	86.0
Harvested Acres	86.3	86.2	86.2	82.8	82.8	84.2
Abandonment	-1.0%	-1.5%	-1.4%	-1.0%	-1.0%	-2.2%
Yield	51.7	49.6	49.6	49.9	49.9	52.4
Beginning Stocks	257	274	274	268	268	236
Production	4,465	4,270	4,270	4,129	4,129	4,409
Imports	16	25	30	30	25	20
Total Supply & Impts	4,738	4,569	4,574	4,427	4,421	4,666
Seed/Residual	108	102	104	127	125	129
Crush	2,204	2,212	2,212	2,300	2,290	2,350
Domestic Use, Total	2,312	2,314	2,316	2,427	2,415	2,479
Exports	2,152	1,992	1,990	1,755	1,770	1,700
Total Use	4,464	4,301	4,306	4,182	4,185	4,179
SAM Production MMT (5)	182	193		224		
U.S. Ending Stocks	274	286	268	245	236	487
World Ending Stocks MMT	98.1	100.3		114.5		
U.S. Stocks/Use Ratio	6.1%	6.6%	6.2%	5.9%	5.6%	11.7%
World Stocks/Use Ratio	27.0%	27.5%		29.8%		
SF Jan 1					\$13.24	\$12.81
Expected Avg Farm Price	\$13.30	\$14.20	\$14.25	\$12.90	\$12.50	\$10.50

Focusing first on supply, the “ATI” projection pegs planted acreage at 86.0 million, which is 2.9% increase compared to 2023. Utilizing a trend yield of 52.4 bpa results in near record forecasted production of 4.409 billion bushels. Factoring in the 2023/24 ending stocks estimate of 0.236 bbu and adding in a small level of imports, total supply is forecast at 4.666 bbu. Demand is likely to be heavily influenced by South American production prospects. Uncertainty is high in Brazil as the crop enters the critical growing period. Since it is still relatively early in the southern hemisphere growing season (planting in Argentina is just over 50%), normal weather is still assumed for all countries. “ATI” pegs ending stocks of 0.487 bbu, with an average farm price of \$10.50.

*This exercise illustrates the potential for a significant increase in ending stocks and corresponding decline in average farm price estimates for the 2024/25 crop year. It is impossible to say what supply and demand factors will eventually influence the market.* In this uncertain environment, your Advance Trading advisor is prepared to assist in developing and executing a risk management strategy that can help manage price volatility and defend your balance sheet for next year’s crop.

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