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Market Situation

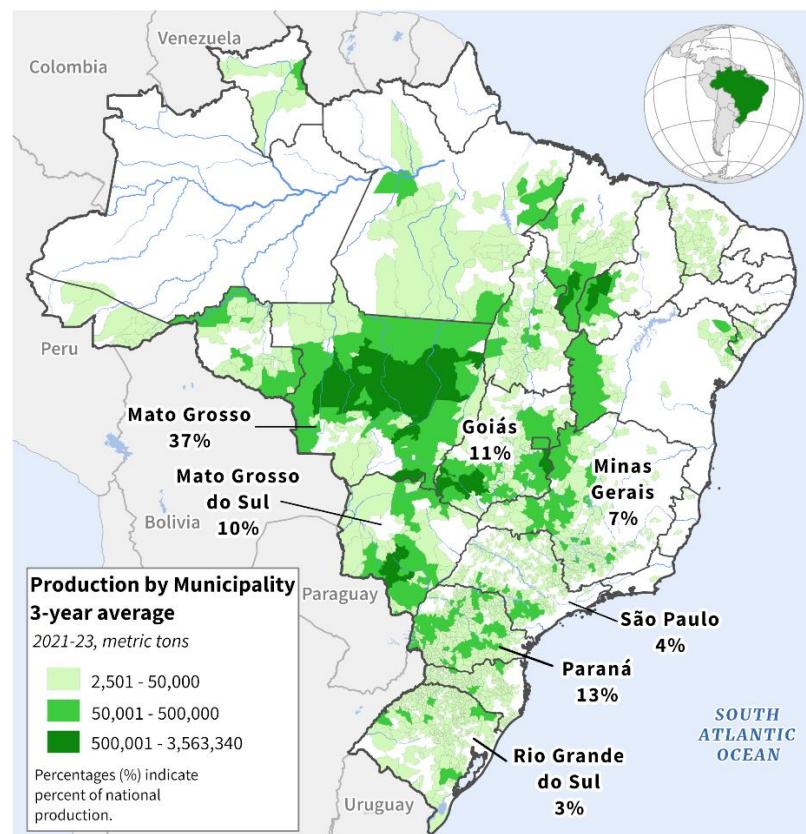
Crop Condition. The Crop Explorer website of the Foreign

Agricultural Service has updated weather information on a wide range of crops and major production regions

(<https://ipad.fas.usda.gov/cropexplorer/>).

Focusing on Mato Grosso, the top corn producing state in Brazil, growing conditions so far this season look favorable. Cumulative precipitation is right at normal. The Normalized Difference Vegetative Index (NDVI) which measures vegetative health is running on par with last year and above normal.

Brazil: Corn Production



Feed Grain Outlook

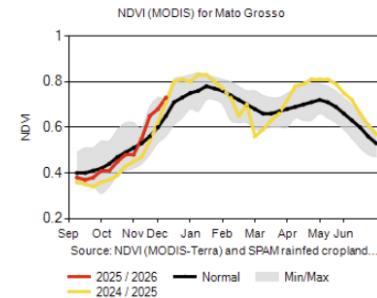
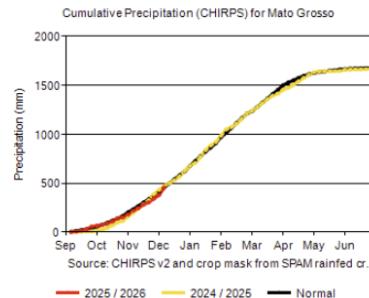
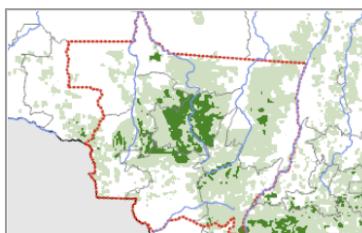
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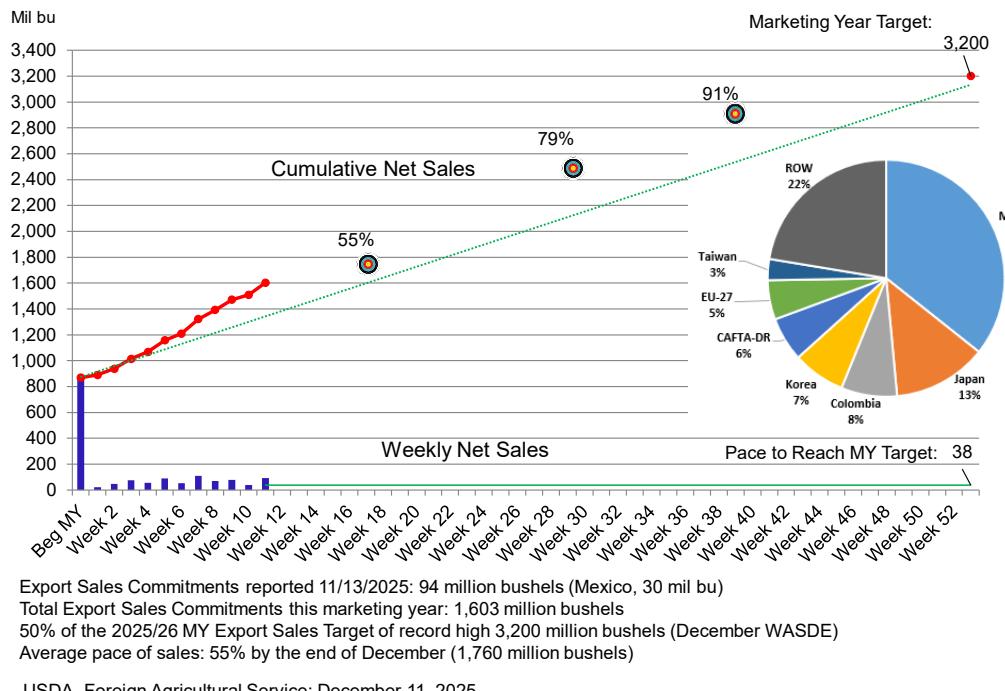
Sub-National Summary: Mato Grosso (Brazil) Corn



Grain Use. Export sales as of November 13 have been reported as FAS still catches up from the governmental shutdown. Additional sales numbers will be reported Monday, November 15.

Corn export sales remain well on track to reach the projected record high total of 3.2 billion bushels. Sales for the week of November 13 were 94 million bushels, 30 million of that going to Mexico. Cumulative sales this marketing year have reached 50% of the total. Normally, 55% of marketing year sales are on the books by the end of December.

U.S. Corn Export Sales Commitments, 2025/26 MY



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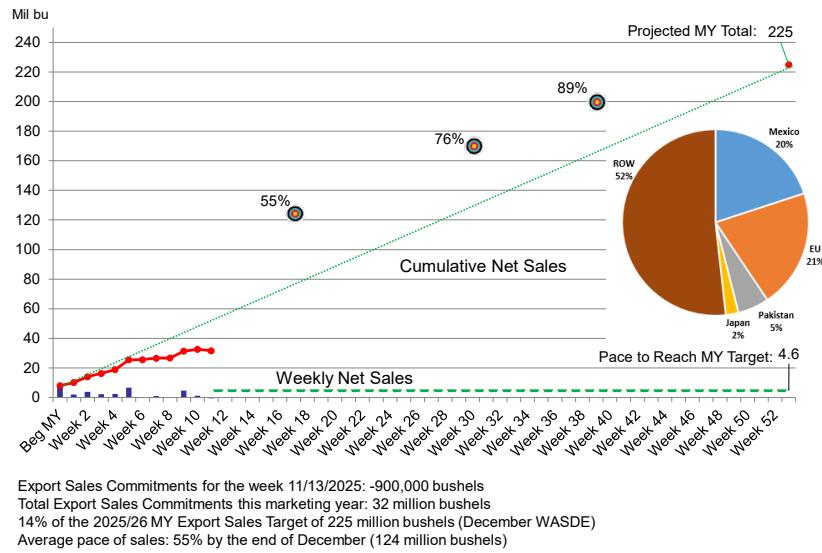
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Grain sorghum sales remain sluggish. Sales so far this year of 32 million bushels are 14% of the projected marketing year total of 225 million bushels. China has yet to be identified as a buyer of U.S. sorghum this marketing year. A large percentage of sales are categorized as 'unknown'.

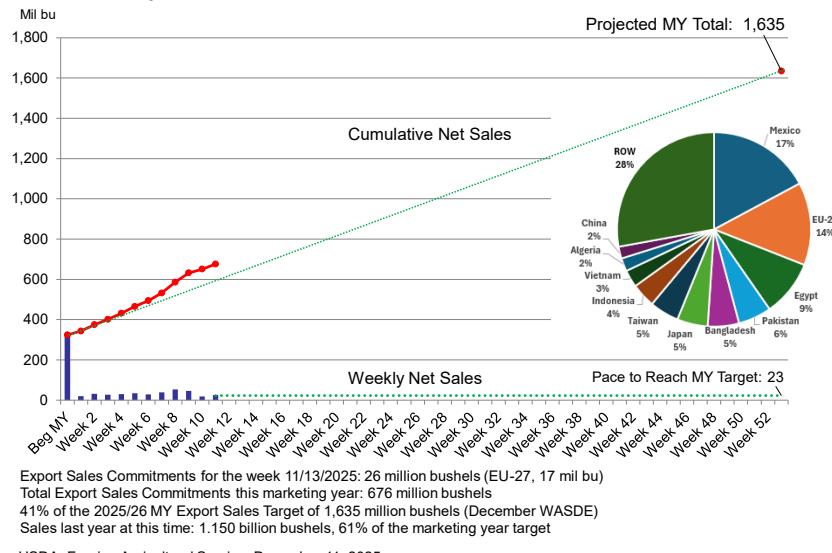
U.S. Grain Sorghum Export Sales Commitments, 2025/26 MY



USDA, Foreign Agricultural Service: December 11, 2025

Soybean export sales reported for November 13 were right at the pace needed to reach the marketing year target. With China just coming back in the market, current sales of 676 million bushels are well below sales levels of a year ago: 1.150 billion bushels.

U.S. Soybean Export Sales Commitments, 2025/26 MY



USDA, Foreign Agricultural Service: December 11, 2025

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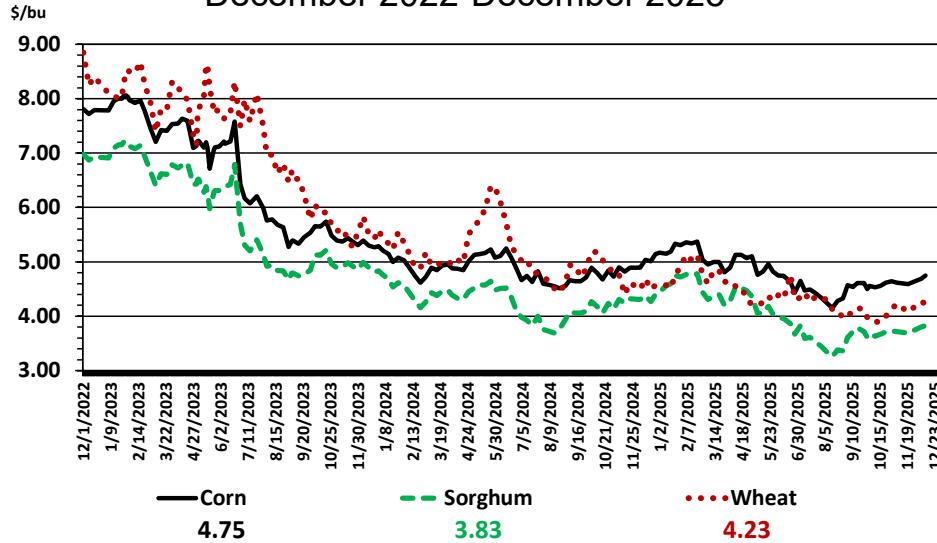
Cash Feed Grain Prices, \$/bu.

| | Nearby Corn Futures | TX Corn Avg Cash Elevator | TX Basis | TX Corn Feedlot | Corn LA Gulf Export bid |
|---------------|------------------------|---------------------------------|----------|--------------------|-------------------------------|
| November 13 | 4.42 | | | | |
| November 20 | 4.27 | 4.59 | 0.32 | 5.39 | |
| November 27 | | | | | |
| December 4 | 4.47 | | | | |
| December 11 | 4.47 | 4.75 | 0.28 | 5.47 | 5.29 |
| 10-yr average | | | 0.44 | | |

| | Nearby Corn Futures | TX Sorghum Avg Cash Elevator | TX Basis | TX Sorghum Feedlot | TX Sorghum Coastal Bend |
|---------------|------------------------|------------------------------------|----------|-----------------------|----------------------------|
| November 13 | 4.42 | | | | |
| November 20 | 4.27 | 3.69 | -0.58 | 4.27 | |
| November 27 | | | | | |
| December 4 | 4.47 | | | | |
| December 11 | 4.47 | 3.83 | -0.64 | 4.49 | 3.61 |
| 10-yr average | | | 0.02 | | |

AMS Market News: TX cash = average (North, Central, and South Panhandle); Coastal Bend: DTN

Texas Cash Grain Prices December 2022-December 2025



USDA, AMS, Market News: TX cash = average (North Panhandle, Central Panhandle, South Panhandle)

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Outside Markets. The Federal Open Market Committee of the Federal Reserve voted this week to lower the federal funds rate a $\frac{1}{4}$ percentage point to 3-1/2 to 3-3/4 percent. This is the third interest rate cut in a row by the FOMC.

In making this decision, the committee noted a slowdown in jobs gained, unemployment edging higher, and an inflation rate that is still elevated. The vote passed with 9 members in favor and 3 against. One member wanted to see a $\frac{1}{2}$ percent cut in the rate. Two members wanted to leave the federal funds rate unchanged (<https://www.federalreserve.gov/>).

Included with this month's meeting was a Summary of Economic Projections. Meeting participants are asked their projections for certain economic indicators and appropriate monetary policy.

The median, or middle projection, for GDP shows a dip in 2025 to 1.7% followed by an increase to 2.3% in 2026;

unemployment, 4.5% in 2025 falling to 4.4%;

inflation falling from 2.9% in 2025 to 2.4% next year;

the federal funds rate, 3.6% in 2025, 3.4% in 2026 and near 3.0% longer term.

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, December 2025

| Variable | Percent | | | | | | | | | | | | | | |
|---|---------------------|------------|------------|------------|------------|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Median ¹ | | | | | Central Tendency ² | | | | | Range ³ | | | | |
| | 2025 | 2026 | 2027 | 2028 | Longer run | 2025 | 2026 | 2027 | 2028 | Longer run | 2025 | 2026 | 2027 | 2028 | Longer run |
| Change in real GDP September projection | 1.7 1.6 | 2.3 1.8 | 2.0 1.9 | 1.9 1.8 | 1.8 1.8 | 1.6-1.8 1.4-1.7 | 2.1-2.5 1.7-2.1 | 1.9-2.3 1.8-2.0 | 1.8-2.1 1.7-2.0 | 1.8-2.0 1.7-2.0 | 1.5-2.0 1.3-2.0 | 2.0-2.6 1.5-2.6 | 1.8-2.6 1.7-2.7 | 1.7-2.6 1.6-2.6 | 1.7-2.5 1.7-2.5 |
| Unemployment rate September projection | 4.5 4.5 | 4.4 4.4 | 4.2 4.3 | 4.2 4.2 | 4.2 4.2 | 4.5-4.6 4.4-4.5 | 4.3-4.4 4.4-4.5 | 4.2-4.3 4.2-4.4 | 4.0-4.3 4.0-4.3 | 4.0-4.3 4.0-4.3 | 4.4-4.6 4.2-4.6 | 4.2-4.6 4.0-4.6 | 4.0-4.5 4.0-4.5 | 4.0-4.5 4.0-4.5 | 3.8-4.5 3.8-4.5 |
| PCE inflation September projection | 2.9 3.0 | 2.4 2.6 | 2.1 2.1 | 2.0 2.0 | 2.0 2.0 | 2.8-2.9 2.9-3.0 | 2.3-2.5 2.4-2.7 | 2.0-2.2 2.0-2.2 | 2.0 2.0 | 2.0 2.0 | 2.7-2.9 2.5-3.2 | 2.2-2.7 2.2-2.8 | 2.0-2.3 2.0-2.4 | 2.0 2.0 | 2.0 2.0 |
| Core PCE inflation ⁴ September projection | 3.0 3.1 | 2.5 2.6 | 2.1 2.1 | 2.0 2.0 | | 2.9-3.0 3.0-3.2 | 2.4-2.6 2.5-2.7 | 2.0-2.2 2.0-2.2 | 2.0 2.0 | | 2.7-3.1 2.7-3.4 | 2.2-2.7 2.2-2.9 | 2.0-2.5 2.0-2.4 | 2.0 2.0 | |
| Memo: Projected appropriate policy path | | | | | | | | | | | | | | | |
| Federal funds rate September projection | 3.6 3.6 | 3.4 3.4 | 3.1 3.1 | 3.1 3.1 | 3.0 3.0 | 3.6-3.9 3.6-4.1 | 2.9-3.6 2.9-3.6 | 2.9-3.6 2.9-3.6 | 2.8-3.6 2.8-3.6 | 2.8-3.5 2.8-3.5 | 3.4-3.9 2.9-4.4 | 2.1-3.9 2.6-3.9 | 2.4-3.9 2.4-3.9 | 2.6-3.9 2.6-3.9 | 2.6-3.9 2.6-3.9 |

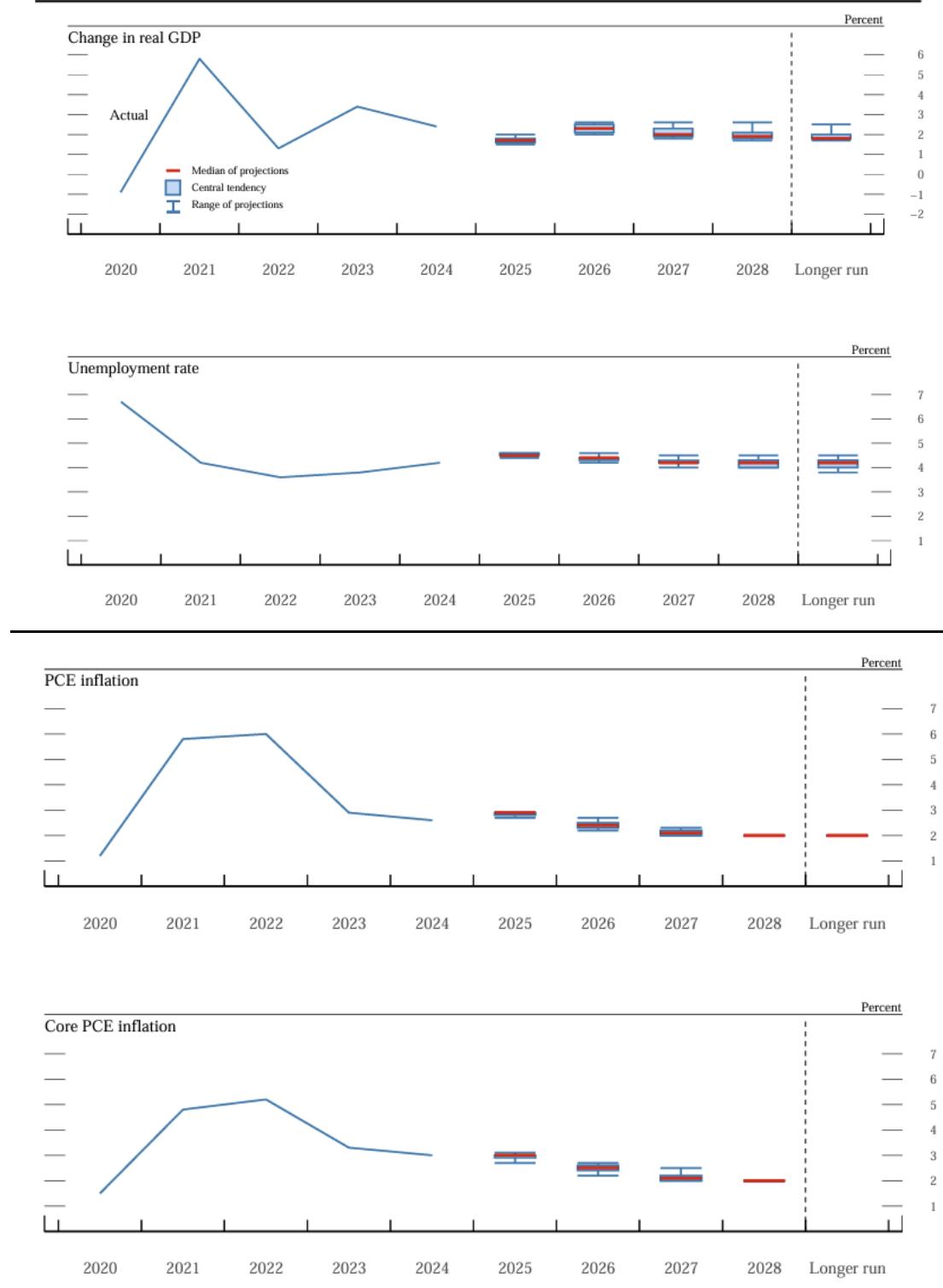
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Figure 1. Medians, central tendencies, and ranges of economic projections, 2025–28 and over the longer run



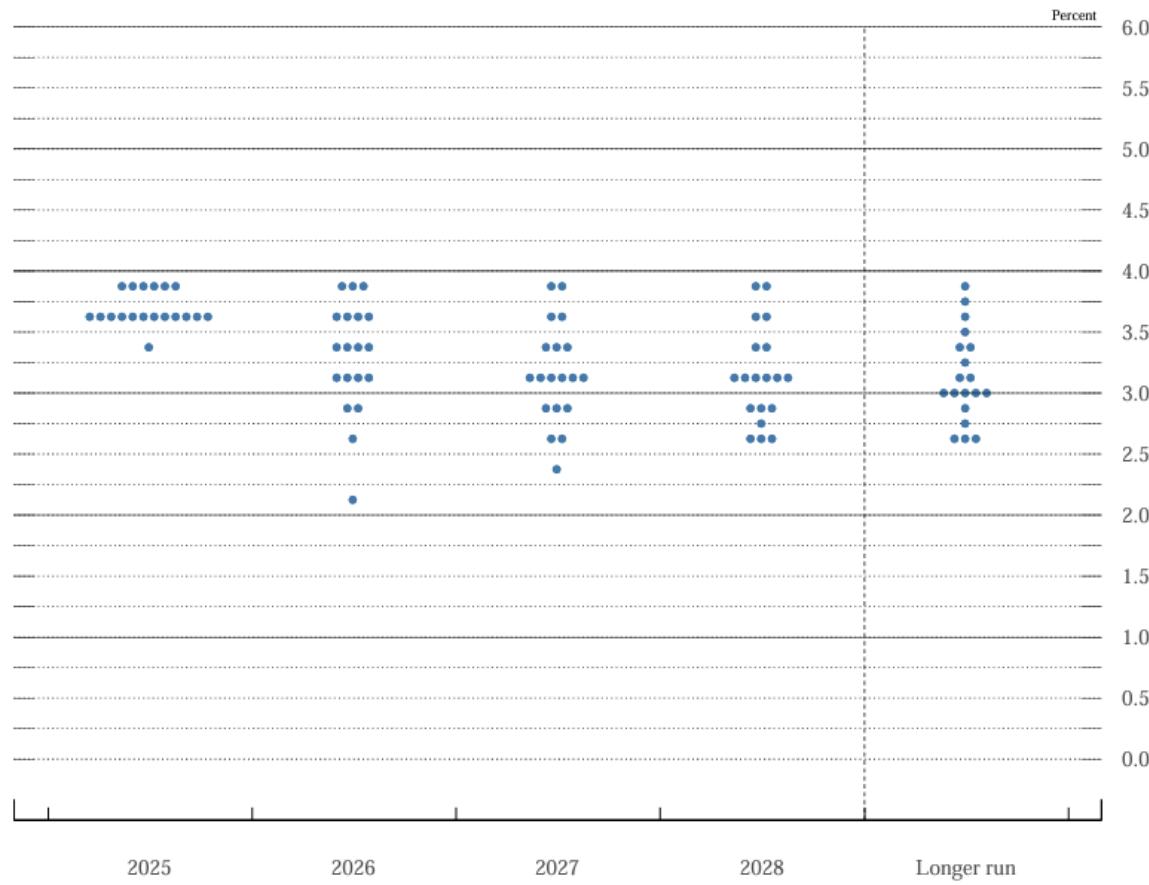
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Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Prices about 10:30 am CT December 12, 2025:

| | IV QTR | 10/1/2025 | 12/12/2025 | net change | % change |
|----------------------|------------|-----------|------------|------------|----------|
| S&P 500 | SPX:IN | 6,711.20 | 6,815.08 | 103.88 | 1.55% |
| 10-yr T Note Futures | March 2026 | 112.72 | 112.27 | (0.45) | -0.40% |
| CRB | CRY:IND | 300.51 | 300.78 | 0.27 | 0.09% |
| Dollar Index | March 2026 | 97.09 | 98.06 | 0.97 | 1.00% |
| Crude Oil | March 2026 | 60.89 | 57.05 | (3.84) | -6.31% |
| Copper | March 2026 | 4.95 | 5.34 | 0.40 | 8.03% |

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| | | | | | |
|-----------|--------------|-------|-------|--------|--------|
| Corn | March 2026 | 4.33 | 4.44 | 0.11 | 2.48% |
| | May 2026 | 4.43 | 4.52 | 0.09 | 1.98% |
| Soybeans | January 2026 | 10.31 | 10.79 | 0.48 | 4.66% |
| | March 2026 | 10.46 | 10.88 | 0.42 | 4.01% |
| SRW Wheat | March 2026 | 5.28 | 5.31 | 0.04 | 0.71% |
| | May 2026 | 5.40 | 5.39 | (0.01) | -0.23% |

Items in the table and reasoning for inclusion:

- S&P 500 Index—a reflection of market expectations of future earnings and economic growth;
- 10-year T-note: expectations of economic growth—as bond prices fall, yields (interest rates) increase and may reflect investor concerns over rising inflation, fading prospects of a recession, or less investment from foreign buyers;
- CRB Index—price direction of a representative indicator of global commodities;
- US dollar Index—impact on export prospects as a strong dollar makes our products relatively more expensive in the global marketplace;
- Crude Oil and Copper—barometers positively correlated to global economic activity.

Charts, 10/1/2025-12/12/2025 (<https://www.barchart.com/>):



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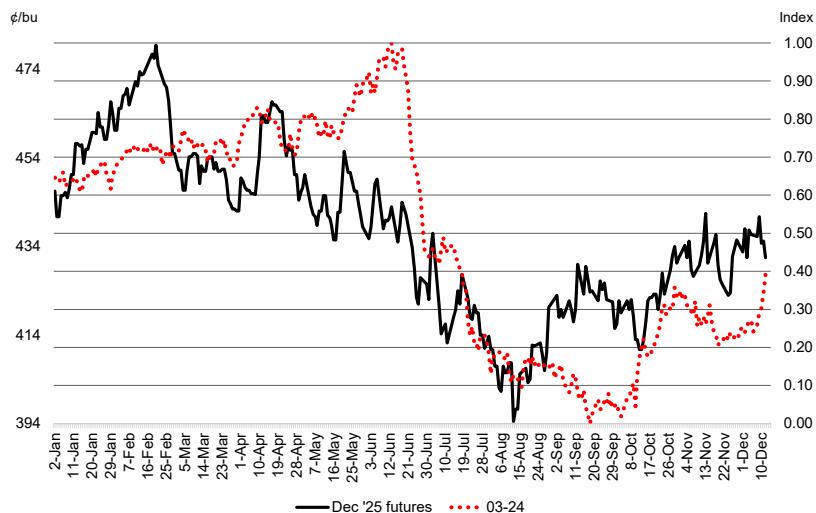
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Marketing Strategies

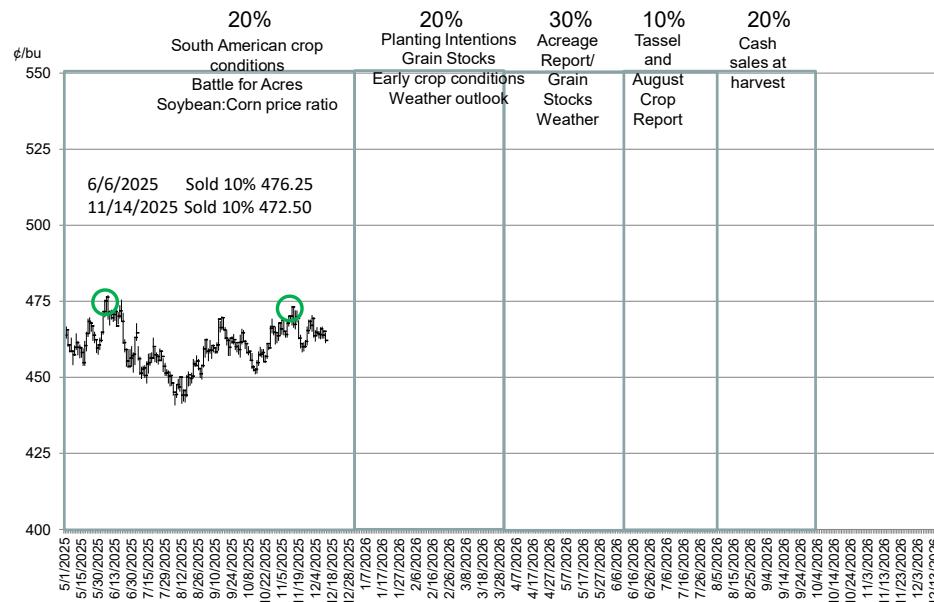
Seasonality. The seasonal price pattern for the December corn contract shows the best pricing prospects in the first half of the year (peaking in June) with prices falling below average (0.50 on the index) in late-June/early July and then bottoming out late September/early October. The price pattern this summer and fall has followed along seasonal tendencies, only setting the harvest low about 6 weeks early.

December 2025 Corn Futures and Seasonal Pattern 2003-2024



Feed Grain Marketing Plan. As we head into the end of the calendar year, I am 20% sold on 2026 corn.

December Corn Futures and 2026 Marketing Plan



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Upcoming Reports/Events

| | |
|---------------|---|
| December 16 | November Employment Situation |
| December 18 | November Consumer Price Index |
| December 19 | Cattle on Feed Chickens and Eggs |
| December 23 | Hogs and Pigs GDP, 3 rd Quarter, initial estimate |
| January 12 | Crop Production WASDE |
| January 4-10 | The Executive Program for Agricultural Producers, San Antonio https://tepap.tamu.edu/ |
| January 21-22 | Developing a Marketing Plan—2026, Wall, Texas, register at https://agriliferegister.tamu.edu/ereg/newreg.php?eventid=865023& |

Mark Welch, Texas A&M AgriLife Extension Economist

600 John Kimbrough Blvd, Suite 330B

College Station, Texas 77843

Tel. (979)845-8011

Fax. (979)845-4906

JMWelch@tamu.edu

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