Agricultural Market Report

28 January 2025

USA SPOT PRICES (compared to 15 Jan 25)		
Corn	482.60	USc/bu
KC HRW Wheat	552.60	USc/bu
Soybeans	1043.20	USc/bu
Soybean Meal	299.80	USD/t
Soybean Oil	45.32	USD/p

"Absolute power corrupts absolutely."
Lord Acton - 1887

RSA SPOT PRICES (compared to 15 Jan 25)		
White Maize	6859.00	R/t
Yellow Maize	5761.00	R/t
Sunflower	9949.00	R/t
Soybeans	9607.00	R/t
Wheat	5855.00	R/t

North America

Can you feel it? That tension. That sudden discomfort of not knowing what is next. You have never really known what will be next and yet it didn't quite feel like this. You were comfortable with not knowing before. What is this? Why the change in experience of an experience that is familiar?

Welcome to the Trump effect.

The first week after his second inauguration on the 20th of January has brought with it more questions than answers. And as a matter of speaking, we could say the dust is yet to settle. The new, hotly anticipated date in the second Trump administration (at least regarding the agricultural and economical landscape) is Saturday, 1 February 2025. For this will be the day all tariffs become known. President Trump has confirmed that 25% tariffs against Mexico and Canada could be coming, as well as speculation of a 10% tariff for China.

President Trump showed the potential impact and influence of US imposed tariffs in a recent flex of power toward Columbia. Forcing the Columbian government to bend to his will regarding flights of deported migrants from the US. All of that happened simply with the threat of import tariffs and other sanctions.

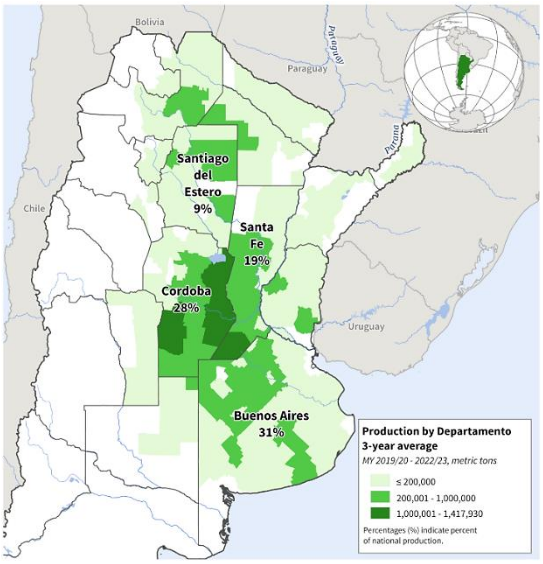
Furthermore, in the US, uncertainty about bio-fuel policies for the new Trump regime remain at play.

South America

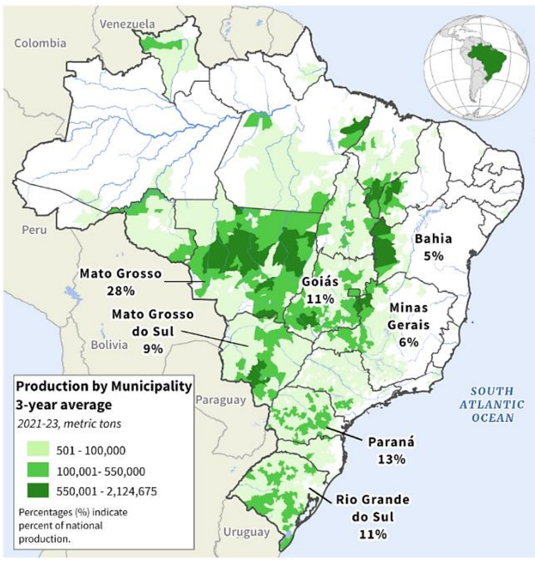
In other political news, the Argentinian government announced a reduction in export taxes that will be in effect till June. The announcement caught many by surprise. For soybeans the rates have been reduced from 33% to 26%, and for soybean products the rate dropped from 31% to 24.5%. This could be significant to the global market, as Argentina is the largest exporter of soybean meal and soybean oil. Accounting for more than a third of world trade activity.

Considering the recent impact of La Nina on Argentinian soybean production, the temporary tax relief could be a shrewd move. Dry conditions and below normal rainfall, causing sharp declines in production estimates from what was predicted at the beginning of the season. A similar reduction in production estimates also taking place in Brazil, but for the opposite reason. With La Nina conditions strengthening, heavy rain has plagued the soybean harvest in Brazil. It is the slowest harvest for Brazil in 15 years; and the moisture content of mature soybeans have been unusually high (close to 30%). Despite the recent setbacks, soybean crop estimates for Brazil continue to be a new high (169-174 Mn T).

Argentina – Soybean Production*1



Brazil – Soybean Production*1



*Data & Graphs Sources: Oil World, Allendale, AMIS, Reuters, Geoglam Crop Monitor, WASDE USDA *1.*