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Will China really buy soybeans from the US?

With the shutdown behind us, missing data are starting to trickle in.

US exports

The USDA is publishing the missing weekly export sales reports at intervals. Individual country exports have been available from the USDA outside of the weekly reports. China has booked some sales, but only about 300,000 tonnes, slightly more than the amount that was agreed upon when the two parties were still sitting at the negotiating table. That figure is still quite distant from the 12 million tonnes committed for purchase by the end of January.

US beans are trading at about $1 per bushel higher than Brazilian origins, which could mean that purchases for the near future will continue to be small and may be designed strictly for political showcasing.

On November 14 we had a look at the first monthly crop report since September.

Despite the US/China export deal, the estimate for 2025-26 exports to all destinations fell by 1.36 million tonnes, to 44.5 million tonnes. That compares with final sales of 51 million tonnes in 2024-25. We view this as acknowledgement from the USDA that even after factoring in the (potential?) purchase of 12 million tonnes by China, the export sector will remain weak.

As noted, from a financial perspective it may not make much sense for China to buy any more from the US than they absolutely must when they can buy beans cheaper from Brazil. And that is certainly true for countries that have no allegiance to any trade deals with the US.

Supply

As expected, the estimated yield on the now-harvested crop was revised downwards by 0.5 bushels, to 53 bushels per acre.

So, the downticks in both exports and production cancelled each other out and left 2025-26 US ending stocks at 290 million bushels, or 6.74% of consumption, down a tad from September. From a historical perspective, that figure would normally represent tightness. In 2023-24 and 2024-25 the carryout was 8.33% and 7.13%, respectively.

The main driver of low ending stocks was the plunge in US area planted for the 2025-26 crop, from 87.3 million acres in 2024-25 to 81.1 million acres. But that is about to change.

Analysts believe that the new crop to be planted for 2026-27 could expand rather dramatically. If farmers believe the commitment by the Chinese to buy 25 million tonnes in both 2026-27 and 2027-28, they want to be prepared. Estimates for the increase in new crop plantings range between 4 and 7 million acres. While we are just entering winter, we will soon begin to see estimates for spring planting.

Technical analysts are excited by the breakout from a sleepy one-year range (Chart 1). We believe that the fundamentals do not necessarily support an overtly bullish view for three reasons.

First, we need to see the Chinese actually buying. The 12-million-tonne commitment is already in the market, and as amply illustrated above, it still leaves 2025-26 sales considerably below previous years.

Second, the Brazilian crop is just being planted now, but with normal weather, forecasts call for a record crop of 175 million tonnes. That compares with 154 million tonnes and

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171.5 million tonnes in 2023-24 and 2024-25, respectively.

Finally, if 2026-27 US plantings move back into normal territory *and* the Chinese do not live up to their ambitious US import promises, the US will be awash with soybeans.

Our timing for switching from being bullish to bearish could not have been more unfortunate (see *Focus on Futures*, October 17). The Chinese commitment to buy US beans was taken seriously. Our most recent short position in March soybeans was stopped at $11.5 per bushel. For now, we suggest observing from the sidelines. But our sentiment remains on the bear side.

[By Sholom Sanik, November 26, 2025]

Chart 1 – CBOT weekly soybeans

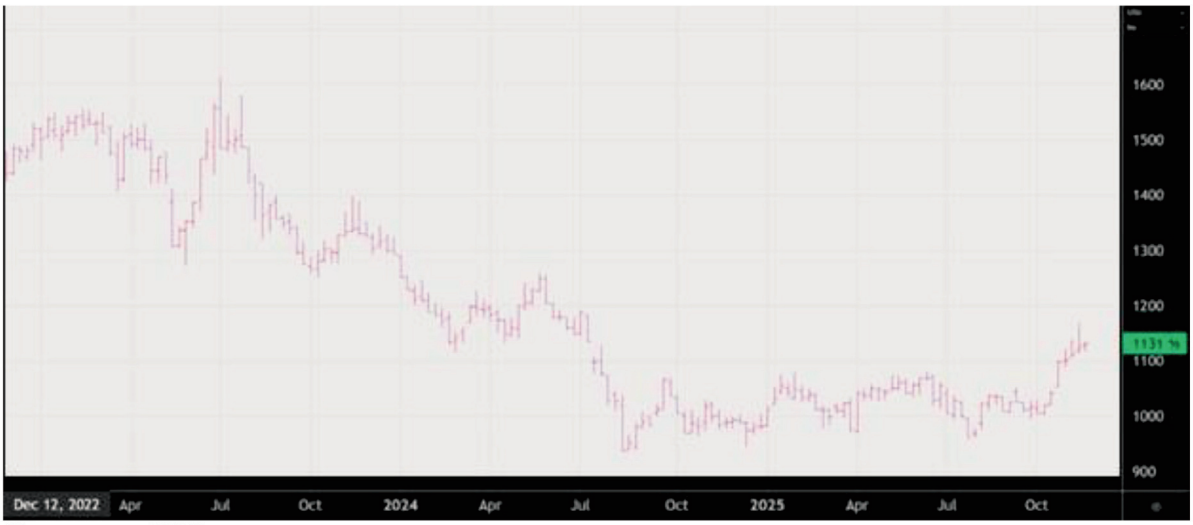


Chart courtesy LSEG

COCOA

Has the bull been defeated?

After sinking to two-year lows, the cocoa market is in the midst of a bounce (Chart 2).

Supply

We're about halfway through the main-crop season in the Ivory Coast, and hope for a return to normal production seems to be fading, at least as far as the headline numbers are concerned.

The marketing year began in October, and the first few weeks of data appeared to present yet another output disaster. As we moved along, port arrivals picked up some steam. As of the most recent weekly port-arrivals report, we are just slightly below last year's level (Chart 3). However, the International Cocoa Organization (ICCO) said in its latest monthly report that the actual harvest is actually more plentiful than what we are seeing in port arrivals.

Arrival data are only an indication of the total volume of beans and do not differentiate between grades. The ICCO claims that after the poor quality of the 2024-25 mid-crop, grinders are holding back inventories of higher-quality beans that are being used for processing and that will never show up in arrivals data. In addition to being the world's largest producer, the Ivory Coast is also the largest grinding country in the world, and the amount in question could be significant. Otherwise, it would be a challenge to explain how prices have fallen by some $2,000 per tonne just since the 2025-26 main-crop harvest began.

The USDA does not publish regular, comprehensive data for the global cocoa market. Rather, through its Foreign Agriculture Service (FAS), it does report periodically on selected markets. On December 3 the FAS released a report on Ghana that estimated 2025-26 bean output at 750,000 tonnes. And, yes, that, if accurate when compared with the government's cocoa ministry's COCOBOD estimate of 650,000 tonnes, is definitely news.

For the balance of the main-crop season, much hinges on weather for both the Ivory Coast and Ghana. The strength of the Harmattan winds in January and February is critical. A strong Harmattan could be detrimental for plant growth. At the moment, forecasts are calling for a mild version of the winds.

Not much timely information is available for Ecuador, but cultivation efforts by this up-and-coming producer have been successful. Until two years ago, production was between 400,000 and 450,000 tonnes. This past year, output was 570,000 tonnes, and projections for the coming crop are 600,0000 tonnes

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plus. We continue to monitor this developing story.

Demand

Looking at the demand side, we previously reviewed third-quarter grinding results (see *Focus on Futures*, October 24). Results showed multi-year lows in most regions. The one exception was North America, which grew 3.8% year-over-year. However, that was a bit of misnomer. The ICCO revealed in its latest monthly report that the positive showing for North America was only due to the addition of two previously unreported processors. The year-over-year comparison was therefore misleading.

Producers have combatted skyrocketing bean prices over the past couple of years with *de facto* strategies of hiking prices, such as offering smaller products without raising per-unit prices and using a higher ratio of alternative ingredients where the specific confectionary would allow. If consumers are willing to absorb these changes, some of these cost-savings strategies are likely to become permanent fixtures and facilitate a long-term decline in usage of cocoa butter and powder.

The recovery in cocoa production is not carved in stone. It does seem, though, that we are headed in that direction. To be sure, there will be volatility, but we believe that this bull market has drawn to a close.

We have an eye to short side, but we will hold off until we see how the main-crop in the Ivory Coast performs in January and February. In addition, by mid-January we will have the benefit of seeing fourth-quarter grind results. Stand aside, but stay tuned.

[By Sholom Sanik, December 9, 2025]

Chart 2 – ICE weekly cocoa



Chart courtesy LSEG

Chart 3 – Ivory Coast port arrivals – 2025-26 vs 2024-25 in percentage

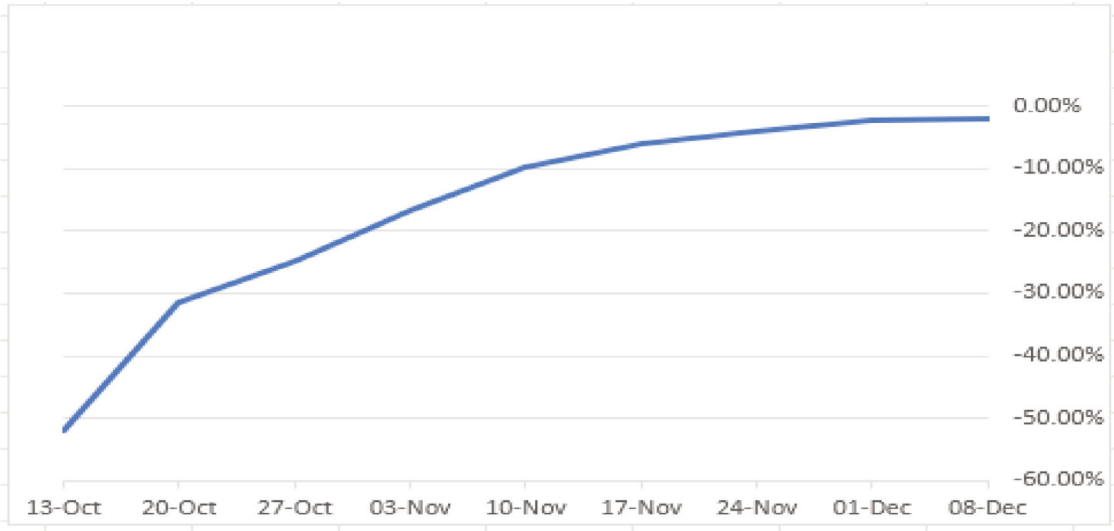


Chart courtesy LSEG

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CORN

Was a big crop enough to meet demand?

Back in February 2024, farmers signaled that they would be planting many more acres for the 2025-26 crop than they did in the previous year. Prices topped out at about $5 per bushel and fell throughout the planting season and for most of the growing season. When the crop was almost completely grown, the market rallied (Chart 4).

It's not that there was something wrong with the crop. Quite to the contrary, in August the USDA revised both planted area and yields sharply higher. The estimate for the bushel-per-acre (bpa) yield rose to a high of 188.7 bpa, up from early-season forecasts of 181 bpa. Already-bloated acreage estimates jumped from early-season forecasts of 95.3 million acres, to 98.7 million acres. As it turned out, the yield estimate was overly exuberant, and as of the December 9 USDA crop report, stands at 186 bpa. Still, that is a monumental leap from 2024-25 yields of 179.3 bpa, and planted area was the largest in nearly 90 years.

There are two distinct bullish factors for US corn prices.

Supply

US corn and soybeans are intimately connected.

This past year's off-the-charts planted acres will not be repeated. As we have discussed many times, US farmers correctly guessed that it was risky to plant too many soybean acres while US and China are engaged in trade war. US corn has no exposure to China. Hence, the sharp drop in soy area and the rise in corn area.

Looking ahead, however, the dynamics have changed. Even without any China considerations, crop rotation will be one factor. But there are others. For example, corn is more fertilizer-intensive than soybeans, and costs have increased from one year ago, which could make soybean planting more profitable.

Although one wouldn't know it from recent price action relative to soybeans (Chart 5), the primary incentive for US farmers is the hope that China makes good on its soybean import promises.

The USDA has yet to weigh in with forecasts for 2026-27 plantings – the first official estimate comes at the USDA's Agricultural Outlook Forum in February. But private analysts have. The range of estimates is wide, but some analysts expect corn area to fall to 91 million acres, a drop of about 8%. Which brings us to the next bullish factor – demand.

Demand

Seeing corn area fall back to normal levels – average planted acreage in the three previous seasons was 91.13 million acres – could be tricky. US ending stocks are estimated at 12.5% of consumption, which is high by historical standards. But we believe that it is very likely that this figure is overstated.

The USDA is still catching up with its weekly export reports. The most recent report, as of November 13, shows export commitments at 40.7 million tonnes, up 29.6% from the same time last year. In the first post-shutdown monthly crop report, the USDA revised upwards its estimate for annual sales, to 81.3 million tonnes, which is still only 12.5% higher than in 2024-25. Regular customers Mexico, South Korea, and Colombia have been steady buyers.

In addition, ethanol usage has been strong, but the USDA has kept its estimate steady, with only one small upward revision since its first estimate in 2025-26 back in May.

The point is that when we see a final balance sheet for 2025-26, ending stocks will probably have made little or no gains despite the harvest of a gargantuan crop. If export sales can continue at their current pace, we expect higher corn prices down the road.

We are long corn as per our August 29 recommendation. Maintain stops in March corn at $4.20 per bushel, close only.

[By Sholom Sanik, December 13, 2025]

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Chart 4 – CBOT March corn



Chart courtesy LSEG

Chart 5 – March soybeans/March corn ratio



Chart courtesy LSEG

COFFEE

A fragile bull

Production of Arabica coffee in Brazil fell for two consecutive seasons – 2024-25 and 2025-26 – which resulted in an explosive move. Prices rose from $1.60 per pound in October 2023 to $4.40 in April 2025. In the months that followed, prices corrected, falling sharply to $2.80 as traders looked ahead to new crops and compensation from output in other countries (Chart 6).

Then came the tariff drama. The Trump administration was dangling tariffs, and prices steadied. Brazilian coffee entering the US was already subject to a 10% tariff, but in early August the US slapped an additional 40% on top of that, much higher than expected. The market rose all the way back to the previous highs in the space of just a few weeks. Most recently, in November, the tariffs were removed, and prices began to tumble.

Analysts warn that it will take some time for the additional costs to importers for the four-month life of the tariffs to be passed on to consumers. US imports from Brazil fell by about 50% from August through October as grinders balked at paying the exorbitant tariffs.

Estimates for Brazilian coffee output vary significantly, so we will refer to the USDA's biannual Coffee World

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Markets and Trade balance sheet, which was issued on December 2.

Most of the coffee beans ground for US consumption are Arabica. And indeed, 2025-26 production was a disaster for Arabica. Between the cyclical off year and the effects of drought, output was revised downward from early-season estimates of 40.9 million bags, to 38 million bags, making it the smallest Brazilian Arabica crop since 2021-22.

The other important player for US Arabica imports is Colombia. It too had an off year. But while Brazilian fortunes dwindled through the harvest season, Colombian estimates grew by 1.3 million bags from early-season forecasts. This cushioned the blow from the poor performance of the Brazilian crop.

If we were to look at the global market as a whole, which includes Robusta, the situation is not as dire as one might conclude from prices, which are still close to record highs. In 2023-24 there was a global production/consumption surplus of 5.5 million bags, followed by a surplus of 4 million bags in 2024-25. According to the USDA's balance sheet, the current marketing year will end with a surplus of 5 million bags.

Thus, in essence, in terms of global supply and demand of coffee beans, if we were to delete the tariff adventure, not very much has changed from this past July when the bull market was in the midst of being unwound. US warehouse stocks stand at about 440,000 bags, roughly half what they were one year ago. But they have been inching up as importers resume tariff-free purchases.

Looking ahead to next year, thus far, weather in Brazil for early plant development has been favorable. True, it is premature to predict that Brazilian Arabica will bounce all the way back.

We believe that the worst of the supply crunch is behind us. As illustrated, were it not for the tariff shock, this market was already looking forward to the restoration of normal supply channels.

We recommend establishing a modest short position. March coffee is currently trading at about $3.45 per pound. Place initial stops at $3.85, close only. That is just above the recent consolidation. Should the market take out recent lows of $3.35, lower stops to $3.60, close only.

[By Sholom Sanik, December 23, 2025]

Chart 6 – ICE weekly coffee



Chart courtesy LSEG

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