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January 2026 WASDE Update: Record U.S. Corn Crop Weighs on Price; Soybean Exports Remain Weak

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Executive Summary

- USDA reduces the Indiana corn yield by 2 bushels per acre but increases the U.S. yield by 0.5 bushels per acre from the November estimates. Indiana and U.S. corn yields are records at 204 and 186.5 bushels, respectively.
- From the November estimates, the Indiana soybean yield was increased by 0.5 bushels per acre to 59.5, with the U.S. yield unchanged at 53 bushels per acre.
- Corn ending stocks are projected to exceed 2.2 billion bushels, which is a 44% increase from last year. The soybean ending stocks are projected at 350 million bushels, which is an 8% increase from 2024.
- USDA projects the 2025 U.S. corn price at \$4.10 per bushel and the soybean price at \$10.20 per bushel. If realized, the 2025 average corn prices will be \$0.14 lower than the average price received last year. The 2025 soybean price would be \$0.20 higher than 2024's price.
- Corn and soybean prices continue to decline from 2022 levels by \$2.44 per bushel for corn and \$4 per bushel for soybeans. Tight and negative profit margins continue for Indiana farmers, contributing to financial stress.

The U.S. Department of Agriculture (USDA) updated the projected size of the 2025 corn and soybean crops on Monday, Jan. 12, 2026, based on farmer surveys for the final corn and soybean yield estimates.

Market analysts surveyed before the report's release expected the USDA to trim the corn and soybean yields from the December report. USDA surprised the market by raising corn yields by 0.5 bushels per acre, a larger increase than expected.

In contrast, USDA kept the soybean yield unchanged from December. The U.S. corn yield of 186.5 bushels per acre is a record, up 7.2 bushels (+4%) from last year. The 2025 U.S. soybean yield of 53 bushels per acre is also a record, up 2.3 bushels (+4.5%) from the 2024 crop.

USDA trimmed the Indiana corn yield by 2 bushels but increased the soybean yield by 0.5 bushels from the November estimates. USDA pegged the Indiana corn yield at a record 204 bushels per acre, which is 6 bushels (+3%) larger than the 2024 corn crop. The Indiana soybean crop yielded 59.5 bushels per acre, 0.5 bushels per acre higher than last year.

USDA surprised the corn market by increasing planted and harvested corn area from its December estimate. The combination of the record 186.5-bushel yield and 91.3 million harvested acres produced a record corn crop of more than 17 billion bushels. This is a 2.1 billion bushel increase from the 2024 crop, and the 2025 corn supply is projected to increase by 11% from last year to 1.9 billion bushels, driven by the record crop.

USDA projects corn demand to increase by 1.2 billion bushels (+8.2%) from 2024, but that increase is not enough to offset higher supply. Exports are projected to increase by 342 million bushels (+12%) from last year to a record 3.2 billion bushels. Feed and residual use is projected to increase by 14%; however, most of this increase is in the residual component. Ethanol use is projected to increase by 3% from last year, with ethanol exports supporting that growth.

USDA projects 2025 corn stocks to increase to over 2.2 billion bushels, which is a 44% increase from last year. Corn stocks are projected to increase to a 50-day supply or more at the end of the 2025 marketing year. This is about the same relative inventory level as the 2019 corn crop.

The increase in stocks is a headwind for prices, with the U.S. marketing-year average corn price projected at \$4.10 per bushel, the lowest since 2019. In addition, the 2025 corn price is \$2.29 per bushel lower than the 2022 price.

USDA projects the 2025 soybean crop at 4.26 billion bushels, which is 112 million bushels (-2.6%) smaller than last year's crop. While soybean yields are about 5% larger than last year, the harvested area is reduced by 5.8 million acres.

Soybean supply is estimated to decline by about 3% from 2024 as the USDA projects smaller carry-in, a smaller crop and reduced imports. The U.S. soybean supply is estimated at 4.6 billion bushels.

Soybean use is also estimated to decline by 3.7% from last year, driven by significantly reduced exports. USDA projects soybean exports to be 307 million bushels (-16%) below last year's level. The tariff war with China has crippled soybean exports. As of January 1, 2026, total accumulated soybean exports are 16.3 MMT, with only 1.1 MMT exported to China. In previous years, China purchased over 60% of U.S. soybean exports.

Soybean crush demand is projected to increase by 5% from last year, reflecting the anticipated use in biofuels. Biofuel demand depends on tax policy for biofuel credits, which supports demand for soybean oil. Biofuels could be a promising market but are subject to policy risk in defining the implementation of the tax credit program.

USDA projects soybean stocks to increase to 350 million bushels (+8%), which will pressure soybean prices lower. The 2025 marketing year average price is estimated at \$10.20 per bushel, a \$0.20 increase from last year. However, soybean prices are \$4 per bushel less than the price received in 2022.

Take-Away Message

The increase in corn and soybean stocks is a headwind for both markets. Corn demand remains strong, but the record corn crop will weigh on that market. The soybean market continues to struggle with lower export volumes as it awaits anticipated soybean purchases from China. However, the export window is closing as South American harvest gains steam with the calendar shifting from February to March.

Purdue University budgets show the margin squeeze will continue. Farmers should have known pricing objectives based on the farm's budgeted costs to take advantage of any price rallies.

The potential for a soybean rally could be limited as South America is expected to produce large corn and soybean crops. Any weather threat in Argentina or Brazil may provide a brief pricing opportunity.