



USDA Projects a Record Corn Crop with Corn Stocks to Increase to the Largest Levels Since 2019

Dr. Todd D. Davis
Chief Economist
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Executive Summary

- USDA projects record 2025 U.S. corn and soybean yields of 188.8 and 53.6 bushels per acre, respectively. Indiana yields are also projected at a record 205 and 62 bushels.
- USDA projects the corn supply to increase by 8.5%, with a smaller carry-in offsetting a record crop. If realized, corn stocks would increase by 62% from last year to a 48-day supply in inventory.
- USDA projects the soybean supply to decrease by 2%, with the total use projected to decline by 1% from last year. As a result, soybean stocks are projected to decrease by 12% to 290 million bushels, which would be a 24-day supply of inventory if realized.
- USDA projects the 2025 U.S. corn price at \$3.90 a bushel and the soybean price at \$10.10 per bushel. The average corn and soybean prices will be \$2.64 and \$4.10 a bushel, respectively, lower than the average price received in 2022.

The August set of U.S. Department of Agriculture (USDA) reports is the first yield projection based on a farmer survey of about 14,900 producers from July 25 to August 6. Until this month, USDA used statistical models to project corn and soybean yields for the May through July WASDE reports, so this farmer survey is the first look at how farmers view their 2025 corn and soybean crops.

Before the report's release, analysts expected the U.S. corn crop to be 15.99 billion bushels. USDA surpassed the analysts' expectations by estimating the 2025 corn crop at 16.7 billion bushels – a record if realized.

USDA projects the 2025 U.S. corn crop to yield a record 188.8 bushels per acre. If realized, the 2025 corn yield would be 9.5 bushels per acre (5.3%) larger than last year. Besides estimating a record yield, USDA also projects the 2025 U.S. corn harvested area to have increased by 7.4% from last year.

Indiana farmers expect an average corn yield of 205 bushels per acre, a 7-bushel (3.5%) increase from 2024. USDA also projects the 2025 Indiana corn crop to be 5.6% larger than in 2024 due to a projected 2% increase in harvested area.

The corn market faces a 1.4-billion-bushel (8.5%) increase in supply from last year due to a projected 1.8 billion-bushel (12.6%) increase in production. The projected carry-in is 458 million bushels (26%) lower than the previous marketing year, which reduces the impact of the record corn crop. USDA projects total demand to increase 3.9% from last year, with USDA increasing feed/residuals by 425 million bushels (7.5%) each because of the much larger crop. Projected ethanol use and exports are also 2% higher than last year. However, the projected increase in use will not compensate for the increase in supply.

USDA projects the 2025 corn stocks to increase to 2.1 billion bushels, an 812 million-bushel (62%) increase from last year. If realized, the 2025 corn ending stocks would be the largest since the 2019 marketing year. Increased corn stocks will limit price potential, with the U.S. average farm price projected at \$3.90 per bushel, a \$ 0.40-bushel reduction from the 2024 corn crop, but \$2.64 per bushel below the average farm price for the 2022 crop.

USDA projects a U.S. soybean crop of 4.3 billion bushels based on harvested area decreasing by 6 million acres (7%) from last year, combined with the record yield of 53.6 bushels. If realized, the 2025 soybean crop would be almost 2% smaller than the previous year. The projected smaller soybean crop, combined with a smaller carry-in, is projected to reduce the soybean supply by 2% from 2024.

Indiana farmers expect the 2025 soybean crop to yield a record 62 bushels per acre, a 3-bushel (5%) increase from last year. The 2025 Indiana soybean crop is currently expected to be about 2% smaller than last year due to the projected 400,000-acre reduction (7%) in harvested area.

USDA projects soybean crush demand to increase by 4.5% from 2024 to 2.5 billion bushels, supporting the expanding role of soybean oil in biofuels. Exports are projected to decrease by 170 million bushels (9%) to 1.7 billion bushels due to trade disruptions with China. USDA projects the total soybean demand to be 52 million bushels (1.2%) lower than last year. However, the USDA projects soybean stocks to decrease because supplies are reduced.

If realized, the ending soybean stocks-to-total use ratio would decrease to 6.7%, the second year of reduced stocks. Typically, the tightening of stocks would be supportive of higher prices. However, trade uncertainty is a headwind for price potential.

USDA projects the 2025 average farm price to be \$0.10 higher than last year. However, soybean prices are \$2.30 lower than the price received in 2023 or \$4.10 lower than the 2022 average price.

Take-Away Message

USDA will continue to fine-tune the production estimates in the harvest time production surveys. The September *Crop Production* report will feature in-field measurements of the growing crops to help NASS calibrate the responses from the farmer surveys. The August yield estimates represent a moving target that is refined as crops reach maturity.

Growers should calculate the cost of storing corn and soybeans on their farms. One cost component to include is the opportunity cost of storage. This opportunity cost recognizes that time is money, and holding inventory for an extended period incurs a cost. At higher interest rates, the cost of carrying grain has increased.

Farmers should also know how their local basis appreciates from harvest into spring to help plan risk management for stored grain. Understanding the typical basis appreciation will help managers gauge when the markets are signaling for grain to be sold from storage.

Profit margins continue to be squeezed, and farmers may need to use working capital or increase operating debt to meet liquidity problems. As farmers update their crop enterprise and cash flow budgets, it may be an excellent opportunity to talk with your lender about your profitability expectations for 2025 and your plans for managing any cash flow problems. If you typically combine your household finances with the farm business finances, including family members in this conversation may be beneficial.