



## **USDA Projects Soybean Stocks to Decrease, Corn Stocks to Increase in May WASDE**

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### **Executive Summary**

- USDA estimates the 2025 corn crop to increase by 953 million bushels (6.4%) from 2024 due to a 4.5 million-acre increase in harvested area combined with an assumed record yield of 181 bushels per acre.
- Corn supply is projected to increase by 605 million bushels (3.6%) from last year, with estimated use increasing by 220 million bushels (1.4%). As a result, 2025 corn stocks are estimated to increase by 385 million bushels (27%) from 2024.
- USDA estimates the 2025 soybean crop to decrease slightly (-0.6%) due to 3.9% fewer harvested acres combined with an assumed record soybean yield of 52.5 bushels.
- Soybean supply is estimated to decline by -0.5%, with use estimated 0.7% higher than in 2024. The result is an estimated 16% reduction in ending soybean stocks from last year.
- USDA estimates the average corn and soybean farm prices for the 2025 crops at \$4.20 and \$10.25, respectively.

The U.S. Department of Agriculture's World Agriculture Supply and Demand Estimates (WASDE) for May gives the market the first estimate for corn and soybean production, ending stocks, and price potential for the 2025 crops. USDA typically surprises the market, with the May report estimating corn and soybean stocks at levels smaller than expected by market analysts.

USDA is projecting the 2025 corn crop to reach 15.82 billion bushels. If realized, the corn crop will be 953 million bushels larger than in 2024 due to a 5.4% increase in harvested area. USDA also assumes a record corn yield of 181 bushels, 1.7 bushels greater than the 2024 yield. This record yield projection is based on the yield trend, assuming normal weather and crop progress throughout the growing season. A 15.82-billion-bushel corn crop would be a record if realized. USDA is also estimating the supply of corn to increase by 605 million bushels (3.6%) from 2024, with the larger corn crop offsetting a smaller level of beginning stock.

On the demand side of the balance sheet, USDA projects a 145-million-bushel increase (1.1%) in domestic corn use from last year due to an estimated increase in feed demand. Projected ethanol use is estimated at the same level as for the 2024 crop, as the ethanol market is mature with

limited growth. Exports are estimated to increase by 2.9% from the current marketing year to 2.67 billion bushels based on the strong export demand for the 2024 corn crop.

The May report projects that the 2025 corn-ending stocks will increase by 385 million bushels (27%) from last year to 1.8 billion bushels. Analysts were expecting stocks to exceed 2 billion bushels, so an estimate of 1.8 billion was bullish for the market. While the report was not as pessimistic as feared, the increase in ending stocks will be a headwind limiting price potential. USDA estimates the average farm price for 2025 to decrease by \$0.15 per bushel from the 2024 average price to \$4.20 per bushel.

For soybeans, USDA is projecting the 2025 crop to be slightly smaller (-0.6%) from last year's crop at 4.34 billion bushels. The smaller soybean crop stems from a 3.4 million-acre (3.9%) reduction in harvested area from 2024. USDA also assumes a U.S. average yield of 52.5 bushels per acre, which would be a record if realized. Like corn, the trend yield assumes normal weather and crop progress throughout the growing season. USDA estimates the 2025 soybean supply to be 0.5% smaller than last year.

USDA is projecting soybean use to increase slightly (0.7%) from the current year. Crush demand is projected to increase by about 3%, with export demand falling by 2%. The result of a slightly smaller supply with a marginally larger use is a reduction in estimated ending stocks. USDA forecasts that 2025 ending soybean stocks will decrease by 55 million bushels (16%) from 2024. This reduction in stocks will support a slightly higher farm price. USDA estimates the 2025 soybean price to be \$10.25 per bushel, which is \$0.30 per bushel greater than the 2024 price.

Farmers should remember that these initial forecasts are what *could* happen with trend yields and no changes in projected harvested area. Mother Nature always has the final word on the size of the 2025 corn and soybean crops. The futures markets are anticipatory, meaning that weather events in North and South America will impact supply and use estimates. USDA is currently assuming weather that would produce record yields, so any weather event that reduces yield potential would reduce supply and potentially reduce ending stocks.

USDA projections only assume trade policies are in effect at the time of publication and will remain in place unless a formal ending date for the policy is specified. As farmers have witnessed this spring, one tweet could announce a policy change at any random moment and may affect these estimates.

However, these initial price projections continue to tell a story of reduced profitability potential for both crops. The U.S. 2025 average corn and soybean prices are projected to be \$2.34 and \$3.95 per bushel, respectively, lower than the average prices for the 2022 crops. Farmers should continue to update their crop enterprise budgets to know the prices needed for the 2025 corn and soybean crops to be able to price a portion of expected production before harvest. In addition, weather uncertainty later this spring or summer may provide a pricing opportunity for those who monitor the markets and know a profitable price when it occurs.

The June 30 acreage report will incorporate the latest information into the 2025 planting season. Stay tuned, and good luck with your planting season.