Indiana Farm Bureau
Advocating for Agriculture

Big Corn Crop Gets Bigger! September WASDE Increases Acreage and Production

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With corn and soybean harvest beginning in Indiana, pegged at 3% completed for both crops as of September 14, the September U.S. Department of Agriculture's (USDA) *World Agriculture Supply and Demand Estimate* (WASDE) surprised the market by increasing corn and soybean acreage and production from the August estimates.

Corn

USDA reduced the projected corn yield by 2.1 bushels per acre (BPA) to 186.7 BPA, which is still a record, if realized. However, the USDA also increased the corn planted and harvested area by 1.4 and 1.3 million acres from the August report. This increase surprised the market, which was expected by analysts to be reduced.

If realized, the 2025 corn area is about 9% larger than last year and will offset the impact of a lower estimated yield. The net effect on corn production is a 72 million-bushel (MBU) increase to 16.8 billion bushels (BBU), which would be a new record. The 2023 crop set the previous record of 15.34 BBU. Total corn supply is projected to increase by 1.5 BBU (9%) from last year due to the estimated record corn crop.

Compared to last year, total domestic corn use is projected to increase by 5% from 2024. The largest increase is for feed and residual use, with residual, the measurement error, increasing with the large crop. Corn exports, which were a record for the 2024 crop, are projected to increase further to an estimated 2.97 BBU. Total use is estimated to increase by 730 million bushels (5%), which is not enough of an increase to offset the substantial increase in supply.

USDA projects corn ending stocks to increase by 785 MBU (59%) from last year. The September ending stocks estimate is slightly reduced from the August estimate. The reduction in stocks created initial market enthusiasm for the December 2025 corn futures contract, which closed higher on the report date. The U.S. marketing year average (MYA) price is estimated at $3.90 per bushel. If realized, the MYA price is $0.40 per bushel lower than the 2024 price.

Soybeans

USDA raised planted and harvested soybeans by 200,000 acres from the August estimate. Soybean area is down about 7% from 2024. The estimated yield at 53.5 BPA is 0.1 BPA less than the August estimate. The 2025 soybean crop is currently pegged at 4.3 BBU, an increase of 9 MBU from last month. The 2025 soybean crop, if realized, would be slightly reduced by 1.5% from last year's crop. The overall total soybean supply is estimated at 4.65 BBU, which would be 2% lower than last year's supply.

Total soybean use is estimated to be 1.2% less than the use in 2024. Crush use is estimated to increase by 125 MBU (5%) from last year due to the anticipated increase in demand for soybean oil for use in biofuels.

In contrast, export use is projected to decline by 190 MBU (10%) due to the trade disruption with China. Exports are estimated at 1.685 BBU, which coincidentally was the same quantity exported during the tariff-impacted 2019 – 2020 marketing year.

Soybean ending stocks are estimated at 300 MBU, which is a 30 MBU (9%) reduction from 2024. Soybean stocks are reduced because the decrease in supply is greater than the reduction in use. USDA lowered the US MYA price from the August estimate by $0.10 per bushel to $10 per bushel. If realized, the 2025 MYA price will be unchanged from 2024.

2025 Corn and Soybean Budgeted Profitability

The budgeted profitability for an average corn-soybean farm in Indiana in 2025 for varying land tenures is shown in Figure 1. The profitability calculation assumes the costs in the 2025 Purdue University Enterprise Budgets that were updated in March 2025. The state average yields of 205-bushel corn and 61-bushel soybeans from the September Crop Production report are assumed.

The cash price is the daily closing price of the December 2025 corn and November 2025 soybean future contracts from November 1, 2024, to September 15, 2025, adjusted by basis. The profitability is presented for a farm that rents 100% (red), 50% (blue), and owns 100% (green) of the land base, respectively. The blue line in Figure 1 represents the budgeted machinery overhead and family living expenses, totaling $196 per acre.

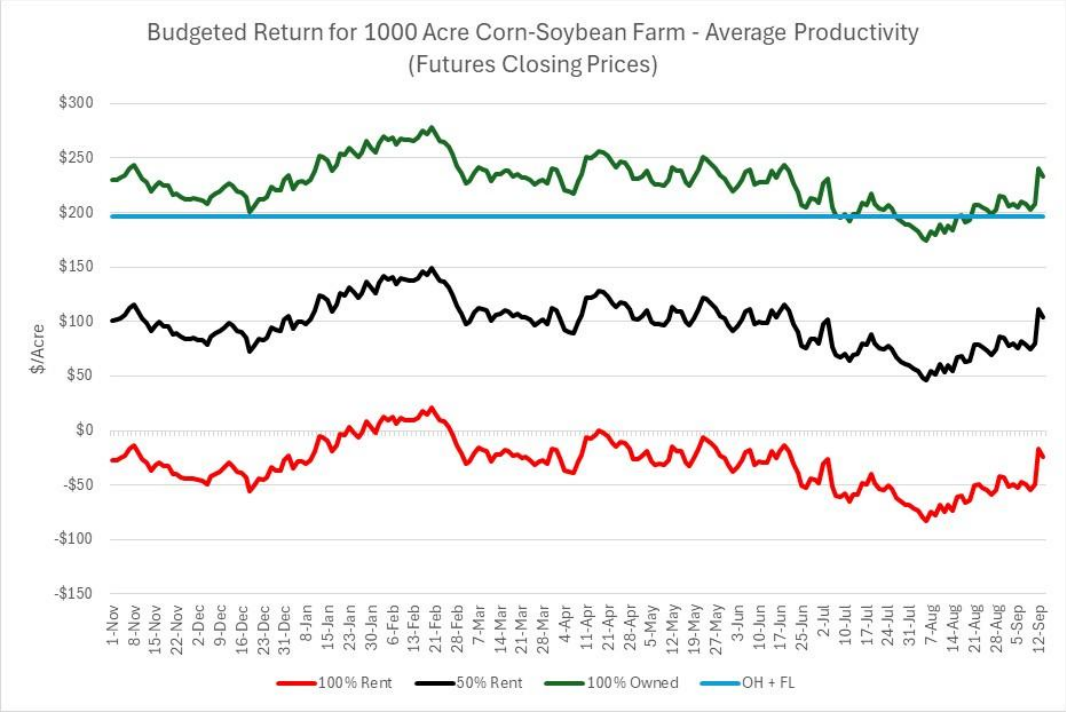

Figure 1. 2025 Budgeted Return over Total Costs for a 1,000-Acre Indiana Corn-Soybean Farm with Average Quality Soil ($/Acre).
Source: Purdue University 2025 Crop Enterprise Budgets (March 2025) and closing future prices for the December 2025 Corn and November 2025 Soybean Futures Contracts. Yields are assumed at 205 and 61 bushels for corn and soybeans from the September 2025 Crop Production report.

Figure 1 illustrates the profitability and liquidity challenges for Indiana grain farmers this year. Only farms that own the entire land base without debt have the potential to find profitability this fall. Profitability potential declines as the percentage of land rented increases.

Based on the 2022 Census of Agriculture for Indiana, commercial grain farms rent at least 50% of their land base. As the farm increases in scale, the proportion of rented land increases. The Census data reports that the largest Indiana farms, based on market sales, own about 20% to 30% of the total land base and rent the rest.

Final Message

The profitability potential for Indiana grain farmers to price their crops before harvest has been limited in 2025. The lines in Figure 1 suggest that the best hedging opportunities existed in late January, with opportunities disappearing as the crops neared harvest.

The soybean market fundamentals would support a higher market price **IF** there were normal trading relationships. Unfortunately, the tariff dispute strains the U.S.-China trade relationship. China has not purchased any 2025 soybeans and instead is buying soybeans from South America. The absence of China in the market is a strong headwind on soybean prices. Similarly, the increase in corn stocks is another headwind reducing price and profitability potential for corn.

The profitability for grain farming is budgeted to be negative for the third consecutive year. Last year, Congress provided Economic Assistance Payments for the 2024 crop. Figure 1 illustrates that the financial emergency persists. Liquidity may be a problem. Farmers will reduce working capital and increase borrowing.

The administration has mentioned the desire to provide "bridge payments" to help farmers until the updated ARC and PLC payments for the 2025 crops are triggered. Unfortunately, the FSA does not make these payments until October 2026. Stay tuned to learn what type of "bridge payment" is developed – if anything.