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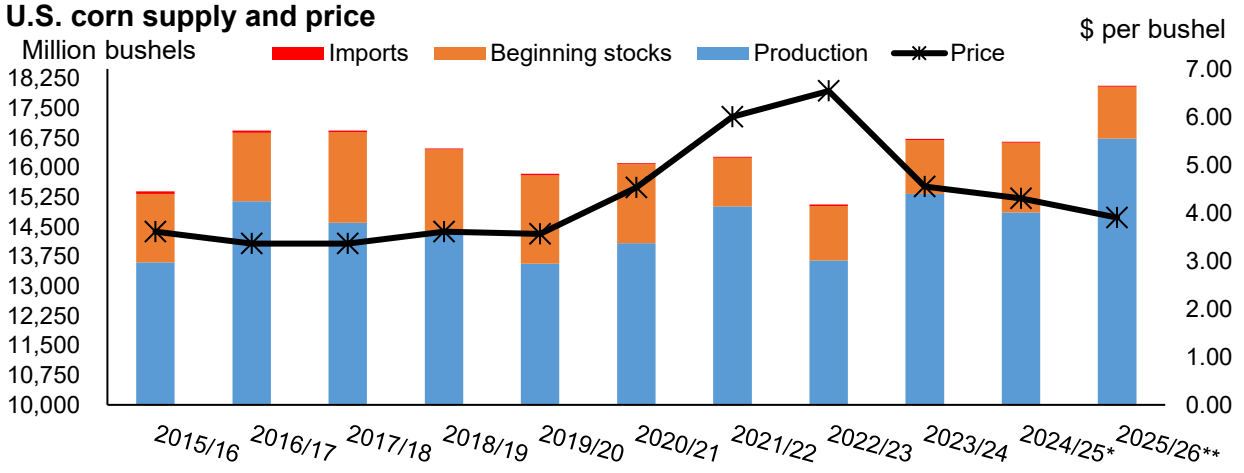
U.S. 2025/26 Corn Supplies Are Sharply Higher on Area and Yield Gains

Record-high U.S. corn production is projected for the 2025/26 marketing year, based on the season's first survey-based corn-yield forecast of the year and updated area estimates from the USDA, National Agricultural Statistics Service. A near 2-million-acre increase in harvested area (to 88.7 million) combines with a 7.8-bushel per-acre rise in yields (now 188.8 bushels per acre) to support an updated corn production forecast of 16.7 billion bushels. Taking into account adjustments in 2024/25 use (and ultimately, reduced old crop carryout), new crop supplies are elevated to more than 18.0 billion bushels. Use categories are revised higher on the basis of expanded supplies—with feed and residual raised 250 million bushels, ethanol use up 100 million bushels, and exports raised 200 million bushels. Ending stocks absorb the balance of the supply increase and are raised by 457 million bushels, putting downward pressure on the season average farm price—lowered 30 cents this month to $3.90 per bushel.

Figure 1
U.S. corn supply and price



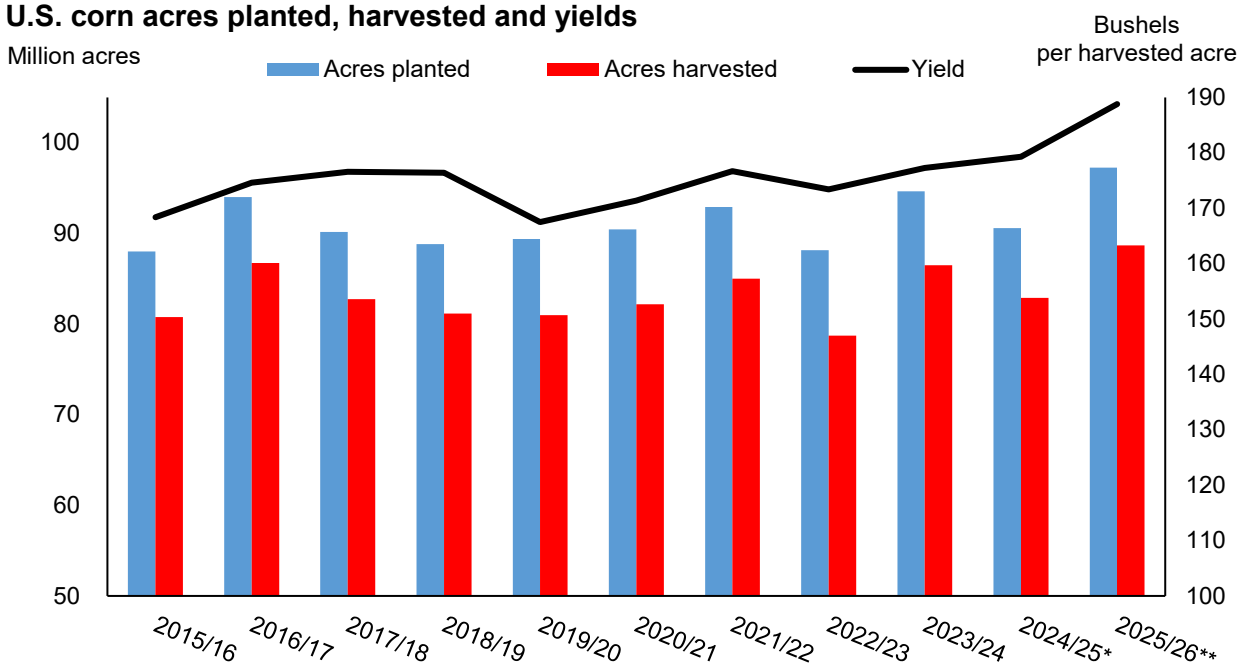
Note: Asterisk (*) denotes estimate, (**) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Domestic Outlook

Record-High Yields Further Elevate Already Record-Large 2025/26 U.S. Corn Crop Production Forecast

The U.S. 2025/26 corn crop was raised by more than a billion bushels this month to a new record high of 16.7 billion bushels. Area and yield gains contribute to the expanded harvest, with USDA, National Agricultural Statistics Service's (NASS) first survey-based corn production forecast of the season revealing 7-percent gains in both planted and harvested area and a more than 5-percent increase, year to year, for yields (figure 2). The August corn production forecast is NASS's first-of-the-season forecast and reflects data collected via operator reported survey, remote sensing in the corn belt, and a review of Farm Service Agency certified acres. Nationally, all major corn producing U.S. States report elevated area harvested for the 2025/26 crop. Just 4 minor corn producing States are projected to reduce area harvested, resulting in a net 5.8-million-acre year-to-year increase for the United States.

Figure 2
U.S. corn acres planted, harvested and yields



Note: Asterisk (*) denotes estimate, (**) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Production* report, and World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Growing conditions for new crop corn have generally been very favorable. As of the week ending August 10th farmers reported that 72 percent of their corn crop was in "good-to-excellent" condition, as compared to 67 percent for the same period a year prior. The 2025/26 crop is

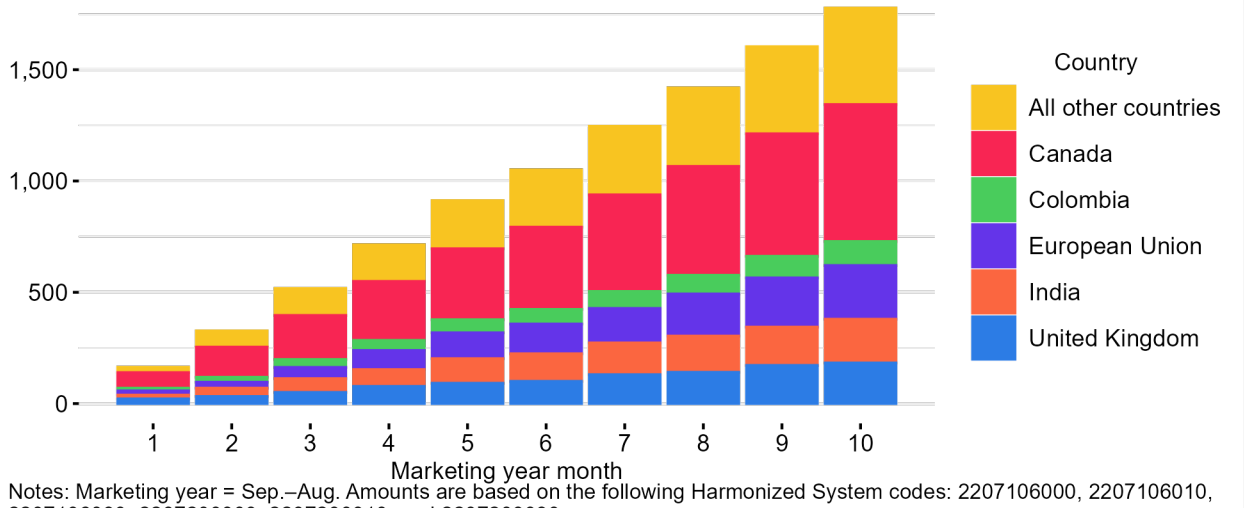
rated more highly than the previous 5 crops for the same period. The percent of corn rated "good to excellent" in the top five corn-producing States—Iowa, Illinois, Nebraska, Minnesota, and Indiana—is on average 2.4 percent higher than the same time a year ago. The percent rated "good to excellent" in the leading corn-producing State, Iowa, is fully 9 points higher as compared to the same time a year ago. Good-to-excellent ratings in Nebraska and Minnesota are 7 and 16 percent higher. Please see the weekly USDA *Weather and Crop Bulletin* for more information.

The new-crop U.S. corn balance sheet is modified this month to reflect significantly augmented domestic availability and changes in international demand. On the basis of a larger crop and lower price expectations, corn feed and residual use is raised 250 million bushels to 6.1 billion. Ethanol use is raised 100 million bushels, both on the relatively lower price of feedstocks, as well as data from the U.S. Department of Energy, Energy Information Administration (EIA) that indicate sustained strong ethanol production. Ethanol export data also reveal strength in sales to Canada, the United Kingdom, the European Union, and India (figure 3).

Figure 3

Cumulative ethanol exports by month and region, 2024/25 marketing year

Million gallons



Notes: Marketing year = Sep.–Aug. Amounts are based on the following Harmonized System codes: 2207106000, 2207106010, 2207106090, 2207200000, 2207200010, and 2207200090.
Source: U.S. Department of Agriculture, Economic Research Service based on data from the U.S. Bureau of the Census.

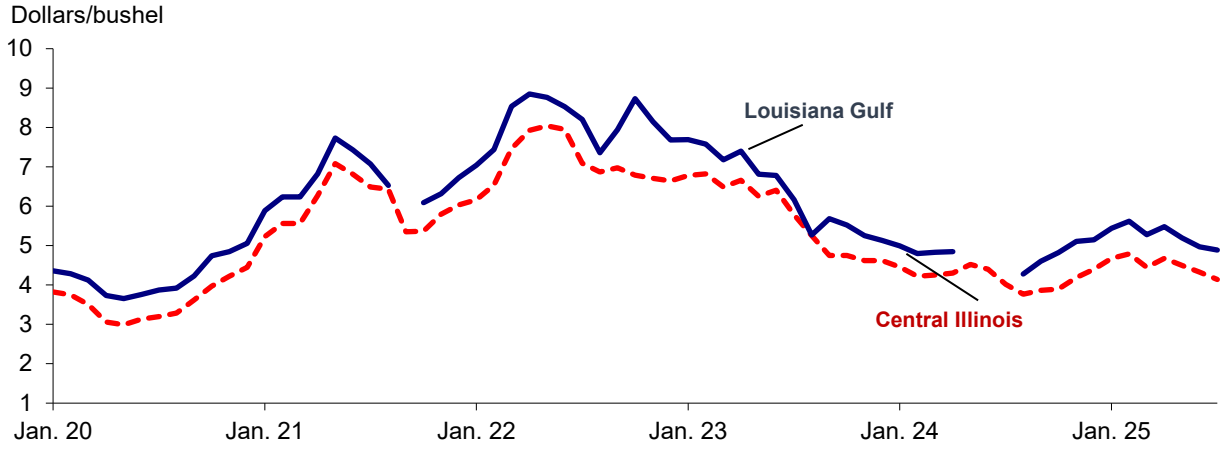
Through June, total 2024/25 ethanol exports were at 1.78 billion gallons—the highest level through the first 10 months of any marketing year (MY)—exceeding the next highest (2023/24) by almost 329 million gallons. The MY 2024/25 year-to-date total exceeds the previous high for a full MY of 1.73 billion gallons in 2023/24. Canada has been the leading export market for U.S. ethanol since 2019/20. Through the first 10 months of the current MY, U.S. ethanol shipments to Canada totaled 615 million gallons and are on pace to exceed the 648 million imported in

2023/24. The second leading U.S. ethanol export destination is the European Union at 241 million gallons, based on U.S. Bureau of the Census trade data available through June. Rounding out the top 5 destinations are India (196 million gallons), the United Kingdom (182 million), and Colombia (108 million).

U.S. corn (grain) export prospects for the new marketing year are raised on larger exportable supplies and expectations for lower world market prices. This month, U.S. exports are raised 200 million bushels to 2.875 billion bushels. Elevated demand from traditional U.S. export markets such as Mexico and Colombia (among others) contribute to rising demand for U.S. exports in the new marketing year. Sales of old crop corn remain strong. With trade data available through June 2024/25, U.S. corn exports are raised 70 million bushels to 2.820 billion.

New crop corn utilization is raised a net 545 million bushels from the July forecast, leaving the balance of the supply increase—about 457 million bushels—to be charged to ending stocks. At 2.117 billion bushels, carryout for the 2025/26 crop is projected to be the highest since 2018/19, when ending stocks reached 2.237 billion bushels. On larger stocks relative to use, the new crop season-average farm price is lowered 30 cents to $3.90 per bushel. Cash bids for the Louisiana Gulf—an indicator of export prices—and Central Illinois—an indicator for cash prices received by corn farmers—have been trending lower in recent weeks (figure 4). USDA's Agricultural Marketing Service *Point of Sale Grain* reports are showing U.S. Yellow #2 Corn bids at conventional country elevators in Illinois in the mid- to upper- $3 per bushel range.

Figure 4
Monthly corn (yellow #2) prices for Central Illinois and Louisiana Gulf



Source: USDA, Economic Research Service, *Feed Grains Yearbook Tables* and USDA, Agricultural Marketing Service.

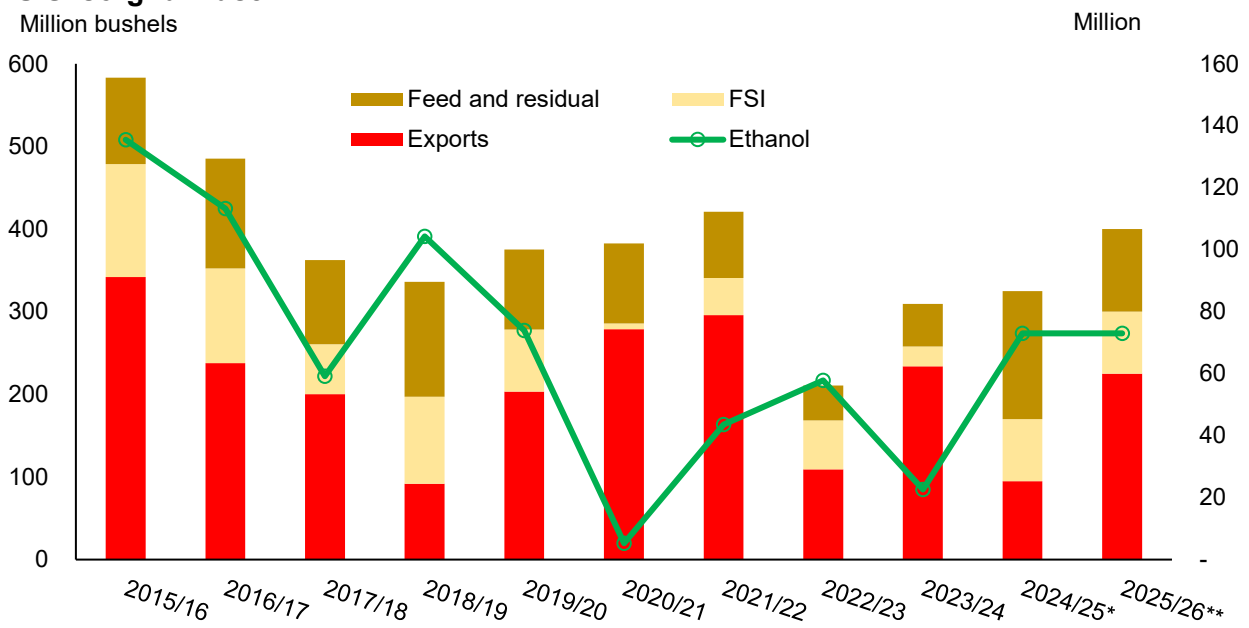
New Crop Sorghum Production, Utilization Are Raised

Production updates for new-crop sorghum were provided by NASS in this month's *Crop Production* report. Area harvested is raised 340,000 acres to 5.675 million. Nationally, harvested area is up 6 percent from the previous estimate and up 1 percent from the 2024/25 figure. Yields are raised a modest 0.2-bushels per acre from the prior forecast; however, at 69.0 bushels, the 2025/26 forecast is 7.7 bushels per acre higher than for the previous marketing year. Significantly improved conditions (compared to 2024) in Kansas—the leading sorghum producing State—and Nebraska contribute to the enhanced yield outlook. Sorghum planting in Kansas was reported to have extended into early May on the basis of wet conditions. Later-planted sorghum crops have been associated with an increased risk of a sugarcane aphid infestation. However, the 2025 sorghum crop in Kansas appears to have rebounded from any earlier planting delays and is maturing about on pace with the 5-year average.

Weather conditions in Texas—the second largest sorghum producing State—have been variable and the outlook is for slightly smaller yields (down 3-bushels per acre to 59 bushels) in 2025. Early wet weather in sorghum production areas of Texas delayed planting somewhat. Heavy rain has been reported intermittently through the growing season, mostly notably in early July when catastrophic flooding led to 135 fatalities. Generally cooler temperatures have accompanied rainier weather in Texas. Harvested area in Texas is up 16 percent year to year, while production is projected to rise by about 10 percent. In aggregate, across the 6 States included in NASS's report, net acreage and yield gains support an approximate 47.6-million-bushel increase in production year over year, raising the 2025/26 forecast to 391.5 million (figure 5).

On expanded supplies, 2025/26 sorghum feed and residual is raised 15 million bushels from the prior projection to 100 million. While higher, the revised projection is 55 million bushels lower than the 2024/25 estimate and reflects abundant new crop corn supplies, which compete with sorghum in feed grain rations. Sorghum ethanol use is raised 5 million bushels in both the 2024/25 and 2025/26 marketing year this month. Recent EIA data indicate stronger-than-expected use of sorghum feedstock for ethanol manufacturing in the final months of the 2024/25 MY. The trend of increased use of sorghum feedstock for ethanol production is expected to continue into 2025/26. In general, corn and sorghum are interchangeable as ethanol feedstocks, with some modifications to production facilities to account for sorghum's smaller grain size.

Figure 5
U.S. sorghum use



Note: (*) denotes estimate, (**) denotes forecast.
Source: USDA, Economic Research Service calculations based on USDA *World Agricultural Supply and Demand Estimates* report.

Sorghum carryout for the new marketing year is raised slightly less than 5 million bushels on net changes in supply and use. As sorghum and corn prices are strongly and positively correlated, despite the comparatively modest increase in sorghum ending stocks (month to month), the sorghum season-average farm price (SAFP) is lowered 30 cents (identical to the cut to the corn SAFP) to $3.70 per bushel. While U.S. sorghum is increasingly value-priced, at this time, strong competition in international markets limits prospects for export expansion beyond the current projection.

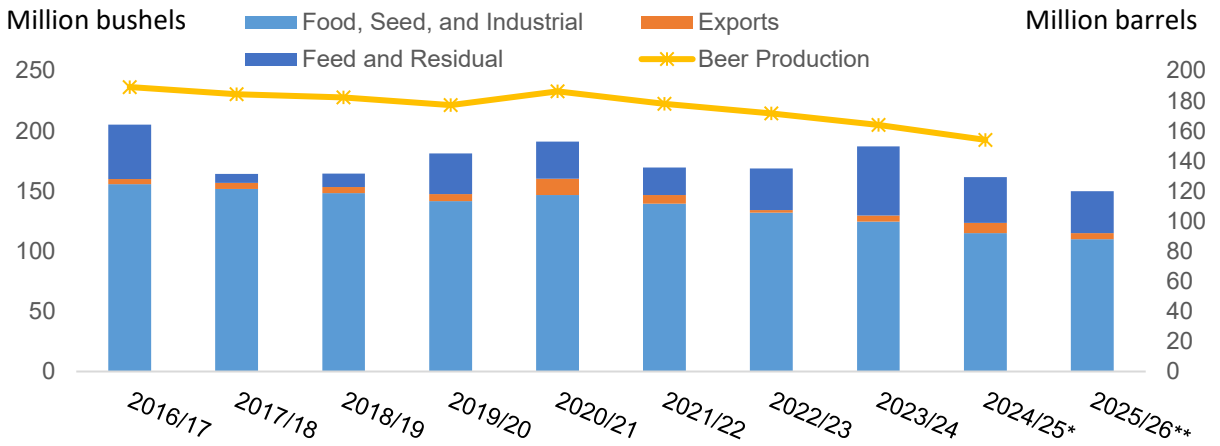
Minor Updates Are Made to New Crop Barley and Oats

This month, NASS released the second production forecasts for 2025/26 barley and oats. For barley, small reductions in area combine with a 0.8-bushel-per-acre yield increase for a net 6.6-million-bushel production decline from the previous forecast. With no back year changes to supply and use and resulting carryout this month, new crop barley supplies are pared by only the new crop production update. Feed and residual use is increased by 5 million bushels and fully offsets the 5–million-bushel reduction in new crop food, seed, and industrial (FSI) use.

At 110 million bushels, 2025/26 barley FSI use is the lowest on record (since 1975/76) and follows the previous record low barley FSI use estimated for the 2024/25 marketing year (figure 6). Barley FSI has trended lower since 2015/16 and in coordination with reduced use of barley

for industrial purposes—typically for brewing. With brewing data available from the U.S. Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB) for 11 months of the 2024/25 barley marketing year (June-May), sharp reductions in beer production are clear and expected to persist through the new marketing year.

Figure 6
U.S. Barley use and beer production



Note: (*) denotes estimate, (**) denotes forecast. 2024/25 beer production uses
Sources: USDA, Economic Research Service calculations based on USDA *World Agricultural Supply and Demand Estimates* report and U.S. Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau.

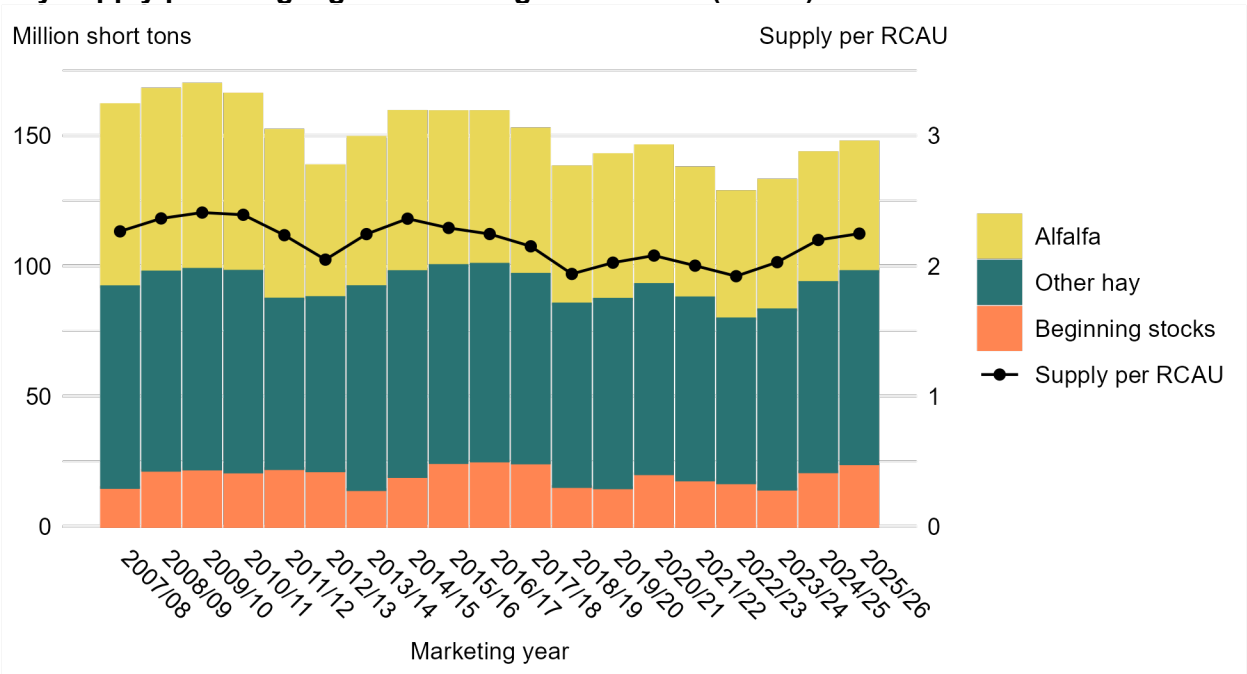
Based on updated NASS data, 2025/26 oats production is raised on a 19,000-acre-harvested area boost and a 0.7-bushel-per-acre yield increase. At 64.3 million bushels, new crop oats production is elevated by a little more than 2 million bushels month to month and compares to the 67.8 million bushels harvested in 2024/25 and the 5-year average of 57.6 million bushels. With no utilization changes made to 2025/26 oats, the full production increase is passed through to ending stocks. The 2025/26 season-average farm price is unchanged this month and remains at $3.10 per bushel.

Total Hay Production Nudged Up for 2025

This month, NASS released its first projections for 2025 alfalfa, alfalfa mixtures, and other hay production. A 1-percent (year-to-year) decline in alfalfa and alfalfa mixtures production to 49.7 million tons is reported and is based on harvested area of 14.2 million acres and expectations for record-high yields of 3.51 tons per acre. If realized, 2025 alfalfa harvested area will be the lowest since 1946, when 14.187 million acres were harvested. Production of other hay—at 73.8 million tons—is up 2-percent from the prior year. Based on August 1 conditions, NASS projects

the U.S. yield to average 2.08 tons per acre. The categories of ”alfalfa and alfalfa mixtures” and “other hay” area harvested projections are unchanged from the June *Acreage* report. For all hay, record low harvested area is reported for Illinois, Michigan, Pennsylvania, and Washington. On net, U.S. hay production for 2025 is up slightly year to year to 123.5 million tons (figure 7)

Figure 7
Hay supply per Roughage Consuming Animal Unit (RCAU)



Notes: Hay marketing year = May–April. Latest data may be preliminary or projected.
Source: USDA, Economic Research Service *Feed Grains Yearbook*.

Hay supplies per Roughage Consuming Animal Unit (RCAU) are projected at 2.25 million short tons per RCAU, the highest since 2015/16. While hay supplies have trended higher since 2022, reduced numbers of cattle on feed, other cattle, and other livestock have contributed to declining RCAU projections. The July-released NASS *Cattle* report informs updated RCAUs and revealed that on July 1, 2025, the U.S. inventory of all cattle and calves was down 1 percent to 94.2 million head compared to the prior (July 1, 2023) estimate of 95.4 million head.

International Outlook

Global Coarse Grain Production Is Elevated on U.S. Gains

Global coarse grain production for 2025/26 is projected up 25.0 million tons this month to 1,572 million tons. Gains projected for this month are largely on sizable increases for U.S. corn (raised 26.3 million metric tons) and U.S. sorghum (up 0.62 million), though production forecasts for corn grown in ***Ukraine*** and ***Canada*** are also higher. Despite production gains for these countries, on net, foreign coarse grain production for 2025/26 (global minus U.S. output) is projected 1.8 million tons lower at 1,132 million tons—on reduced barley, corn, millet, oats, rye, and sorghum. Nonetheless, the projected 2025/26 foreign coarse grain production is 16.9 million tons higher than a year ago.

Prolonged dryness and heat in the ***European Union*** curb corn yield expectations--lowered 0.07 tons per hectare from the July forecasts, and trim harvested area by 0.2 million hectares. New crop corn production for the European Union is reduced by 2.0 million tons and is now forecast at 58.0 million tons (down 2.2 percent from 2024/25). There are no month-to-month changes to 2025/26 EU barley, oats, rye, or sorghum, putting total EU coarse grains production 2 million tons lower at 139.1 million tons, or about 1.2 percent above the year-ago level (figure 8).

Figure 8
Coarse grains foreign production changes by country at a glance for the 2025/26 marketing year (1,000 metric tons)

Commodity	Country	2024/25	2025/26 July	2025/26 August	Month-to-month changes
Barley	Uruguay	1,174	1,150	800	-350
Corn	Canada	15,345	15,000	15,300	300
Corn	El Salvador	785	790	810	20
Corn	European Union	59,312	60,000	58,000	-2,000
Corn	Serbia	5,300	6,175	4,975	-1,200
Corn	Ukraine	26,800	30,500	32,000	1,500
Corn	Uzbekistan	722	760	725	-35
Millet	Ukraine	150	140	65	-75
Millet	Uzbekistan	100	110	105	-5
Oats	Ukraine	460	410	360	-50
Oats	Uzbekistan	35	50	48	-2
Rye	Ukraine	220	220	205	-15
Sorghum	Ukraine	40	65	52	-13
Sorghum	Uzbekistan	20	21	20	-1

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Drought persists in the Balkans and the July Normalized Difference Vegetation Index (NDVI) shows poor conditions across the region. ***Serbia's*** 2025/26 corn production is down 1.2 million tons month to month, on a 1.26-ton-per-hectare cut to the yield projection. With this decrease, ***Serbia's*** corn production is now forecast at 6.1 percent below the year-ago level, as compared to 16.5 percent above the year-ago level last month. ***Ukraine's*** 2025/26 corn crop is raised by 1.5 million tons this month and is now projected at 32 million tons. This increase is due to a 0.2-million-hectare boost in harvested area to 4.4 million, based on official data for planted area as reported by the State Statistics Service of Ukraine. Please see USDA, Foreign Agricultural Service's (FAS) *World Agricultural Production* report for more details.

Corn production for ***Canada*** is raised on a 0.20-ton-per-hectare lift in yields, now pegged at 10.34 tons per hectare. Despite some dryness—particularly in southeastern Canada—somewhat variable rains are reported to have arrived at beneficial times. Statistics Canada is expected to release its first model-based production estimates towards the end of August.

Outside of corn, the largest coarse grains month-to-month production change was for barley grown in ***Uruguay***. While Uruguay's harvested area is down 0.075 million hectares, yields are raised by 0.06 tons per hectare, resulting in a net 0.35-million-ton reduction to the 2025/26 barely crop. With no other changes to foreign 2025/26 barley production, global production is down month to month to a little over 144.3 million tons. Following this change, total foreign 2025/26 barley production is projected at 0.7-percent above the 2024/25 level.

Figure 9

Global coarse grains exports and imports by trade year for select countries/regions (1,000 metric tons)

Commodity	Attribute	Country	2024/25	2025/26 July	2025/26 August	Month-to-month changes
Barley	TY Exports	Argentina	3,300	3,100	3,200	100
	TY Exports	Uruguay	250	350	250	-100
Corn	TY Exports	European Union	2,400	3,000	2,500	-500
	TY Exports	Serbia	1,500	2,100	1,100	-1,000
	TY Exports	Ukraine	21,000	24,000	25,500	1,500
	TY Exports	United States	71,300	68,000	72,500	4,500
	TY Exports	World	190,993	195,102	199,567	4,465
	TY Imports	Canada	1,700	2,300	2,100	-200
	TY Imports	Colombia	7,200	7,300	7,800	500
	TY Imports	Egypt	9,000	9,000	10,000	1,000
	TY Imports	European Union	20,000	20,500	22,000	1,500
	TY Imports	Indonesia	1,200	1,100	1,200	100
	TY Imports	Mexico	25,000	24,800	25,800	1,000
	TY Imports	Turkey	5,900	2,800	3,400	600
	TY Imports	World	184,373	187,643	192,148	4,505

Source: USDA, Economic Research Service calculations using data from USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

On increased exportable supplies for the United States and Ukraine, coarse grains trade for 2025/26 is raised this month (figure 9). U.S. corn exports are raised 4.5 million metric tons to 72.5 million. Elevated U.S. corn exports contribute to higher import projections for ***Egypt*** (raised 1.0 million metric tons), ***Colombia*** (up 0.5 million), the ***European Union*** (up 1.5 million), and ***Mexico*** (up 1.0 million). Corn exports for Serbia and the European Union are lowered 1.0 million and 0.5 million metric tons, respectively, on reduced domestic production. Corn imports for ***Canada*** are reduced by 0.2 million tons on a higher domestic production estimate. Please see USDA, FAS's *Grain: World Markets and Trade* report for additional details.

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