

D&D AGReport

MARKETMIX

Read on to learn more about the latest WASDE report and how D&D Ingredients can help you be proactive in your approach.

TOP TOPICS FOR AUGUST

- USDA delivers blow to soybean market
- Argentina strike continues
- Canadian rail strike possible
- Grain exports get a boost

PLUS a new section in MarketMIX – What's In It For You?

Those who have been patient on new crop ownership should begin pricing.

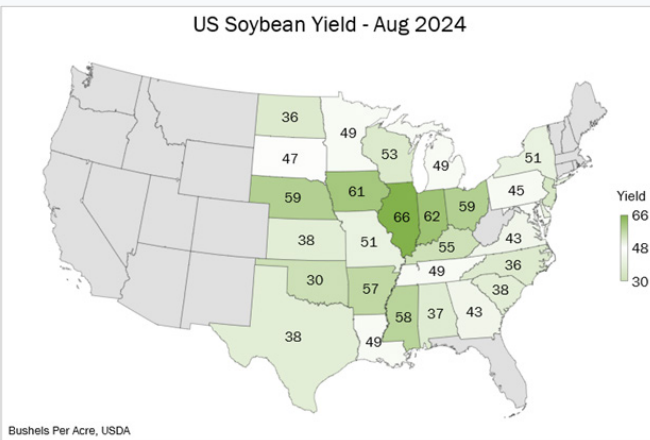
GRAIN MARKETS UPDATE: SOYBEANS DROP

- US soybean crop will average 53.2 bpa (a record if realized), USDA's Crop Production report estimated. That's above USDA's July estimate of 52.0. Total output was raised to 4.6 billion bushels from 4.43 in July. The August WASDE report's estimate of 87.1 million acres was an increase of 1.0 million from July. These changes dropped soybean prices double digits, while corn steadied.
- US corn crop will average 183.1 bpa, USDA's Crop Production report estimated. That's above USDA's July estimate of 181.0. Total output was raised by

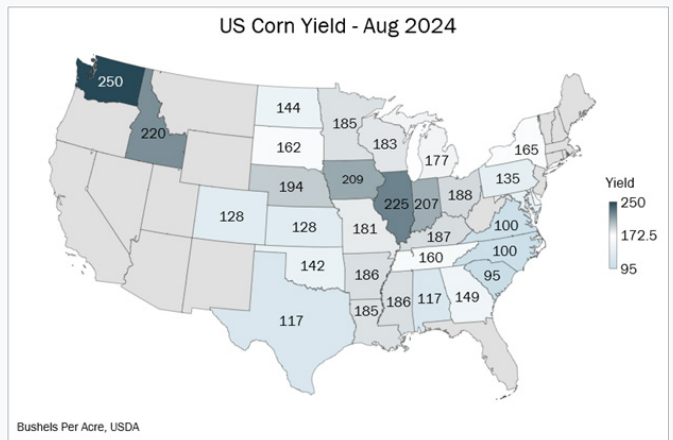
47 million bushels to 15.14 despite a reduction from 91.5 to 90.7 million planted acres from July to August. That reduction in acres, along with some increased estimates for demand usage, helped maintain a steady balance sheet for new crop corn, and December futures have been largely able to maintain a near-\$4-per-bushel level.

- End-user purchases, both globally and domestically, have been notably below \$4, and those who have maintained patience on new crop ownership should begin pricing at these levels.

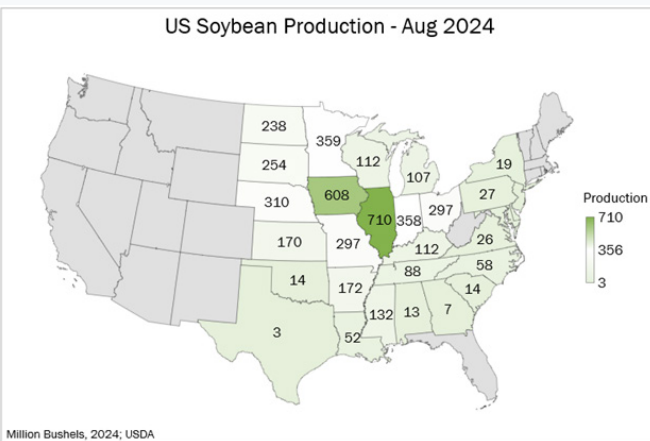
US Soybean Yield - Aug 2024



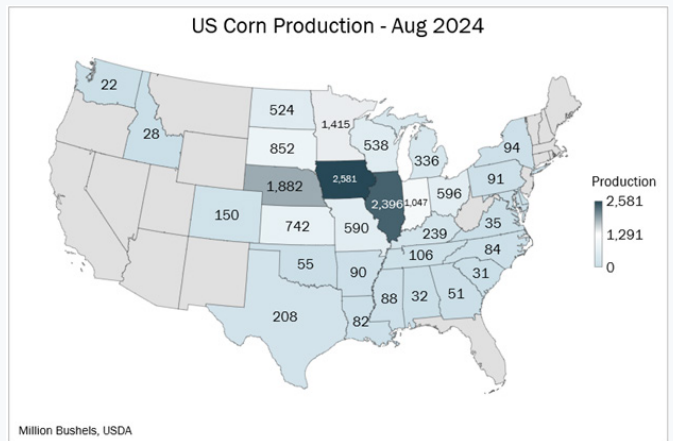
US Corn Yield - Aug 2024



US Soybean Production - Aug 2024



US Corn Production - Aug 2024

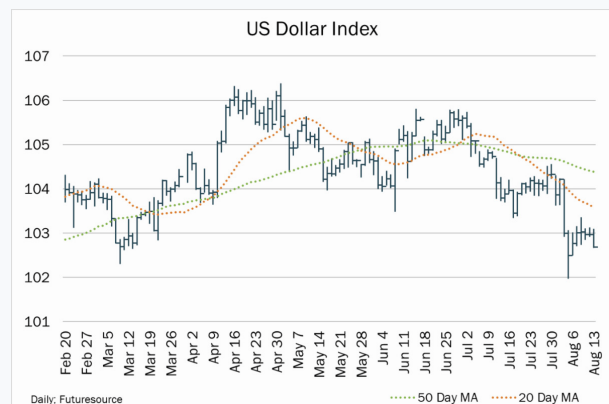


OIL AND RAIL STRIKES ON THE FOREFRONT

- Argentina's government wants a 15-day period of talks between soy-crush workers and agricultural traders, including Cargill, Bunge and LDC, according to a Labor Department document. Workers who have been on strike must return to their posts during the mediation. Ports and terminals affected by the strike will resume their operations progressively, according to an international report from ADM Investment Services. The inconsistent supply has played a factor in China's continued demand for Canadian canola, directly impacting cash prices.
- Canada's rail operations face the risk of shutdown later this month after the country's labor relations board effectively opened the door to a strike by unionized workers, according to a *Wall Street Journal* report. A 13-day cooling off period between the rail companies and Teamsters Canada Rail Conference has been ordered. Canadian Pacific issued a lockout notice for one minute after midnight on August 22 if no settlement is reached.
- **If a rail shutdown happens at harvest, it may back up grain** into the countryside, causing basis prices to drop in production areas while pushing values higher for end users. Under a strike scenario, canola and other products shipped out of Canada may stop arriving for extended periods. One should pursue a proactive approach for end users. If possible, order shipments early, keep your inventories full, and secure deferred needs with contracts to help your supplier plan accordingly.

DOLLAR WEAKENS, GRAIN EXPORTS BOOST

- Currency markets rattled recently by a sharp rally in the Japanese yen, which also helped drive down the US dollar. An increase in Japanese interest rates, along with a weaker-than-expected employment report in the US, sent US stock indices sliding and raised the potential for more immediate interest rate cuts by the Federal Reserve.
- Although the shakeup alarmed the markets, **a weaker dollar ultimately makes US corn and soybeans more competitive on the global market.** A weaker dollar, in addition to falling futures and basis prices, have enabled buyers including China and Mexico to purchase US corn and soybeans numerous times in August, and they may be incentivized further closer to the US harvest.



ONE LAST TIDBIT: COTTON PRODUCTION

- The cotton crop looks poised for a return to normal production after consecutive years or catastrophic failure, particularly in the Texas Panhandle and Western states. Conditions look favorable for an average crop to be harvested, relieving the Southeast of some demand pressure.
- Barring any major weather events, many feed buyers should have a chance to buy cottonseed at prices 5-15% less than are currently being offered for the new crop year.

WHAT'S IN IT FOR YOU?

TOP TAKEAWAYS FROM THIS MONTH'S MARKETMIX



WHAT DOES ALL THIS MEAN FOR YOU?

1. Contract product, if you haven't already.
2. Make sure inventory is full, so you're prepared if markets fluctuate.
3. Plan ahead and give your distributor plenty of lead time on product orders.

Nobody knows what's in store, but you can take a few simple steps now to get ahead of the game on feed costs. You'll never lose money locking in today's profits.

If you have questions on the above or would like to talk with a D&D Ingredients representative, please contact Pat Kahle at 517-260-8295 or Pat@DDIngredient.com.

PRODUCT FOCUS

THIS MONTH'S FEATURED PRODUCT

AMINOPLUS®

High-Performance Protein Source

Learn more about this unique protein source by contacting Jordan from D&D Ingredients today!

Jordan Miller: 419-692-3205, ext. 1043
Jordan@DDIngredient.com

AminoPlus from D&D Ingredients is a rumen bypass soy protein. As protein sources become uncertain, have confidence with AminoPlus from D&D Ingredients.

KEY BENEFITS INCLUDE:

- High protein content with a high proportion of RUP
- High intestinal digestibility
- Low unsaturated fat content
- Controlled production process

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