

**D&D AGReport**

**MARKETMIX**

This monthly MarketMIX highlights the latest WASDE report findings and what that means for you, your customers and your operation.

**TOP TOPICS FOR JANUARY**

- Port strikes tentatively settle
- South America looks to big harvest numbers
- Risk of tariffs as inauguration looms
- Exports of cheese still strong

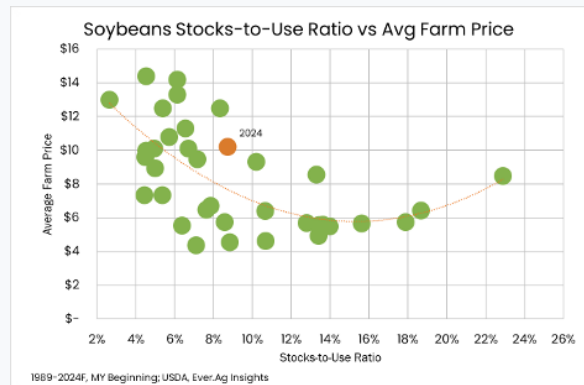
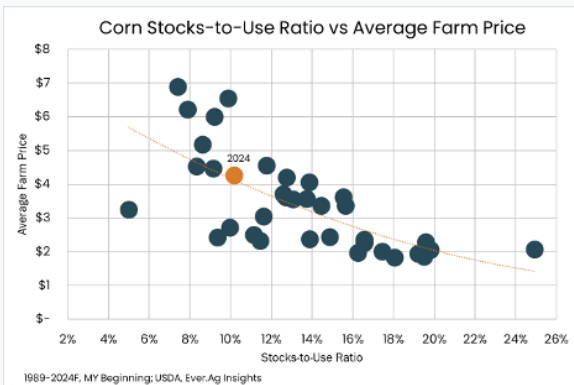
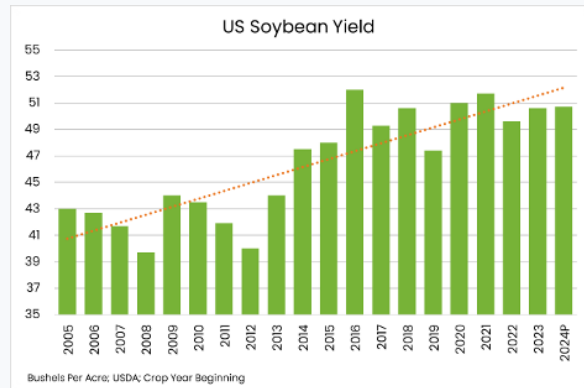
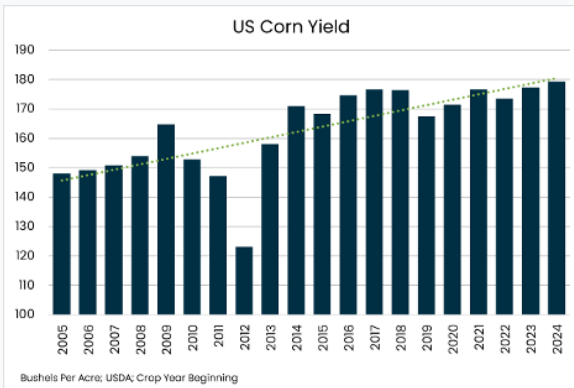
**USDA surprised with major cuts to both corn and soybean balance sheets in last Friday's WASDE report.**

**GRAIN MARKETS UPDATE**

Corn saw the largest reductions, starting with a 2.1% drop in yield from December's projection of 183.1 bushels per acre to 179.3. USDA trimmed domestic feed use and exports by nearly 1% from its last estimate. The results was US ending stocks below all analysts' expectations to 1.540 billion bushels. This cut stocks by nearly 200 million bushels from December's reports, dropping 12.9% report-to-

report. In response, corn futures rose 14-15 cents per bushel across all old crop contracts.

Soybeans saw yield numbers drop by a full bushel per acre, from 51.7 to 50.7 bushels per acre. USDA didn't change most demand numbers. Still, the net result was a 90 million bushel cut to ending stocks, dropping carryout 23.7% from the December WASDE.



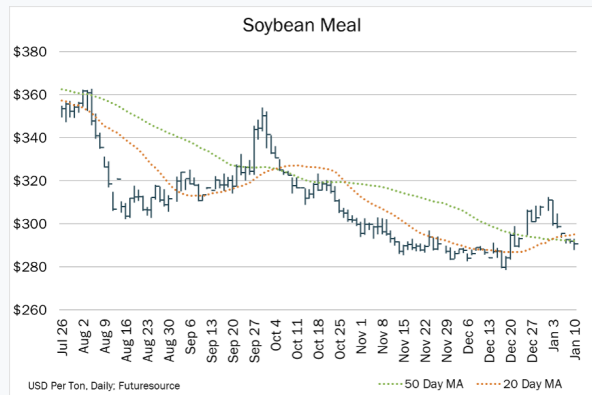
GRAIN MARKETS UPDATE CONTINUED

USDA didn't adjust South American numbers despite market concerns about a lack of rainfall in key growing areas. World ending stocks declined to 128 million metric tons, down 2.7% from the last report. Soybean futures also increased 21-27 cents for old crop contracts.

Weather forecasts are calling for heavy and widespread rainfall across much of Brazil in the two-week outlook. Argentina continues to trend drier, but crop conditions for both remain conducive to a big harvest in the next couple of months. While there are concerns that Argentina's yields could begin to slip, rumblings of an increase in Brazil's production numbers would likely offset any losses incurred by their southern neighbors.

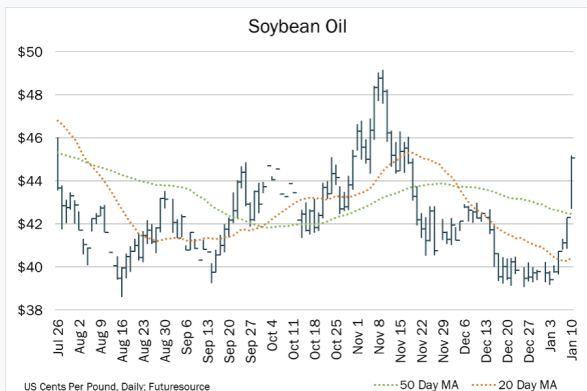
With inauguration day less than a week away, uncertainty across the grain complex remains high. Risk of a trade war is limiting offers of canola from Canada as sellers don't want to get caught paying an additional tariff. US-Russia relations are set to take a new direction with Trump in the Oval Office, but it's not clear if that will result in more grain planted and exported from Ukraine next year.

The Biden Administration published guidance on the 45z tax credit for renewable fuels, offering additional incentives for renewable fuels. As with most agriculture policy, the open question is will the Trump Administration continue on a similar path or turn in a completely opposite direction?



USDA WASDE Report: January			
2024/2025 US Production Estimates (Billion Bushels)			
	Corn	Soybeans	Wheat
January	14.867	4.366	
Consensus	15.095	4.453	
Range	14.965 - 15.193	4.408 - 4.539	
December	15.143	4.461	
2024/2025 US Yield Estimates (Bushels Per Acre)			
	Corn	Soybeans	Wheat
January	179.3	50.7	
Consensus	182.7	51.6	
Range	181.3 - 183.7	51.1 - 52.6	
December	183.1	51.7	
2024/2025 US Harvested Area Estimates (Million Acres)			
	Corn	Soybeans	Wheat
January	82.900	86.100	
Consensus	82.638	86.306	
Range	82.200 - 82.710	85.800 - 87.100	
December	82.700	86.300	
2024/2025 US Ending Stocks (Billion Bushels)			
	Corn	Soybeans	Wheat
January	1.540	0.380	0.798
Consensus	1.675	0.457	0.799
Range	1.540 - 1.815	0.390 - 0.495	0.785 - 0.825
December	1.738	0.470	0.795
2024/2025 World Ending Stocks (Million Metric Tons)			
	Corn	Soybeans	Wheat
January	293.34	128.37	258.82
Consensus	294.8	132.2	257.86
Range	290.50 - 297.07	130.00 - 134.00	256.00 - 259.00
December	296.44	131.87	257.88

Source: Reuters, USDA



PORT STRIKES

Union dockworkers and port operators across the Eastern seaboard tentatively agreed to a new, six-year work agreement. This averts the potential labor strike that could have come after January 15 when the existing contract expires. The new agreement includes a 62% pay raise and a deal on limited automation.

While the new contract must be ratified by rank-and-file union members, ports will continue operations. Both President Biden and President-elect Trump weighed in during the negotiations, typically siding with the union. Some shippers brought inventory into the US while others rerouted it to West Coast ports ahead of the January 15 deadline to avoid disruption. Analysts are hopeful that imports will return to optimal routes and avoid the additional costs incurred by these actions.

**ON STRIKE**

*Sorry, We're*  
**CLOSED**

DAIRY UPDATES

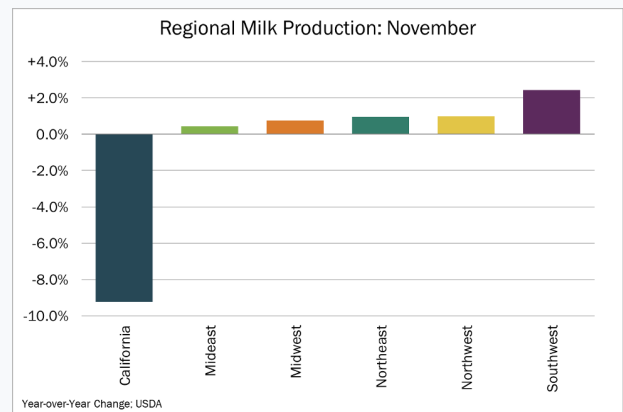
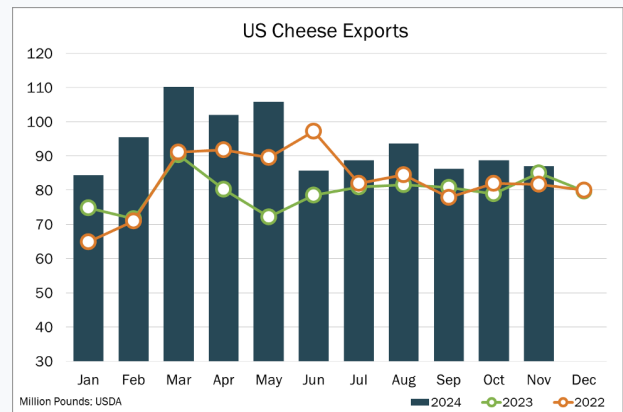
US cheese rallied through year-end on reported supply tightness. Part of the story – stronger exports in November.

Total cheese exports rose 2.4% in November versus the prior year to 87 million pounds. That takes the year-to-date total exports over 1 billion, up 18% from 2023 through November.

Another part of the story was November cheese production declined 1.7% from November 2023. Of note, cheddar cheese production, the currency traded at the CME spot market, declined 3.4% from a year ago.

Avian influenza continues to spread. California is suffering from an outbreak that cut November milk production in the state by 9.2% year-over-year.

Other major states like Wisconsin and New York have yet to officially report infections, so future milk supply could be hurt. In Louisiana, a 65-year old with avian influenza died, although underlying health concerns also contributed. The Biden Administration recently released \$306 million for avian influenza testing, preparedness and countermeasures.



# WHAT'S IN IT FOR YOU?

TOP TAKEAWAYS FROM THIS MONTH'S MARKETMIX



## WHAT DOES ALL THIS MEAN FOR YOU?

### The Bottom Line

1. Things will most likely be volatile with the last crop report and the new administration. Due diligence is necessary.
2. Experts are hopeful normal routes will resume now that the threat of strikes have ceased. That means less costs and quicker transports are potentially on the horizon.
3. Vitamin and mineral supply continues to stay relatively steady. If you see reasonable prices, take advantage for the next 90 days. Take caution booking out farther.

**If you have questions or would like to talk with a D&D Ingredients representative, please contact Pat Kahle at 517-260-8295 or [Pat@DDIngredient.com](mailto:Pat@DDIngredient.com).**

## INTRODUCING:

# THE SPOTLIGHT PROGRAM

*We're partnering with our suppliers to bring you exclusive offers, educational webinars and more.*

**AminoShure™-XM**  
Precision Release Methionine

**Save Up To 5¢/Cow/Day\***  
On Your  
Methionine Investment

**balchem**

\*Based on a 16 g/cow/day feeding rate of a competitive product

AminoShure-XM reliably delivers methionine at a substantial savings over other rumen-protected methionine sources.

Research shows that savings could be as much as 5¢ per cow per day.

Watch Dr. Clay Zimmerman's webinar on AminoShure-XL.

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