



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

TOP TOPICS FOR JULY

- July WASDE and Crop Report
- The Big Beautiful Bill & Biofuels
- Heat Hits Milk Production, but Dairy Exports Hit Homerun
- Consumer Conversations: Gas & Restaurants

Dairy exports hit a homerun. US cheese exports reached a record-high 114 million pounds in May - up 7% year-over-year.

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JULY WASDE UPDATE

This month's *World Agricultural Supply & Demand Estimates (WASDE)* report was supportive for old-crop and new-crop corn. Ending stocks for 2024-25 corn dropped slightly to 1.340 billion bushels, down from 1.365 billion in June and below expectations for 1.353 billion. The domestic balance sheet is tighter, but a large Brazilian harvest may limit upside potential. Meanwhile, USDA placed 2025-26 ending stocks at 1.660 billion bushels, down from 1.750 billion in June and expectations for 1.720 billion. The smaller balance sheet did little to scare the market, and many analysts are now expecting a potential yield in the August report due to excellent crop conditions across the country.

Global ending stocks for old-crop corn came in at 284.14 million metric tons, less than last month's projection of 285.04 million metric tons. New-crop world ending stocks fell to 272.08 million metric tons, well below expectations for 277.46 million. USDA pegged Brazil to be up 2 million metric tons but left Argentina unchanged.

The report was neutral for both old-crop and new-crop soybeans. Stocks for 2024-25 soybeans were left unchanged at 350 million bushels. This news is unlikely to create much movement in current prices. New-crop soybean stocks were at 310 million bushels, ahead of last month's 295 million estimate and analyst

expectations. USDA adjusted usage marginally, with soybeans used for crushing up by 2.0%, most likely because of confirmed renewable fuel incentives included in recent legislation. The domestic balance sheet is a little stronger now, but August weather will set the stage for yields this fall.

World ending stocks increased to 125.12 million metric tons for old-crop soybeans, more than last month's estimate of 124.20 million but below expectations. New-crop global stocks were almost unchanged at 126.07 million metric tons, close to expectations. USDA increased Argentina production marginally and left Brazil output unchanged.

USDA WASDE Report: July

2024-2025 South America Corn (Million Metric Tons)

	Argentina	Brazil
July	50.00	132.00
Consensus	49.97	132.53
Range	49.00-50.50	130.00-136.10
June	50.00	130.00

2024-2025 South America Soy (Million Metric Tons)

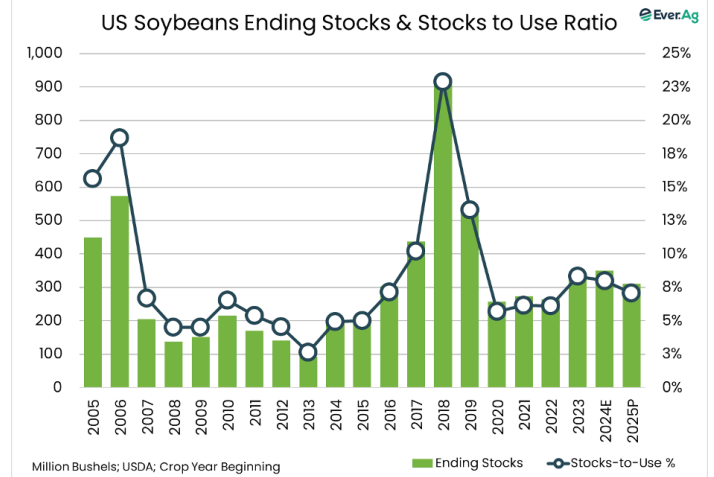
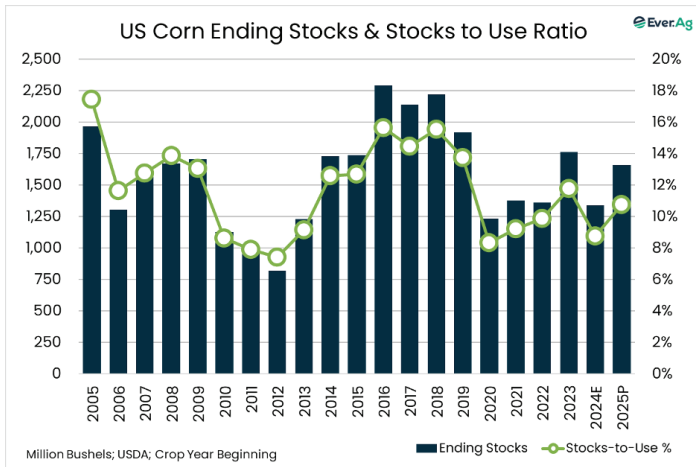
	Argentina	Brazil
July	49.90	169.00
Consensus	49.27	169.25
Range	49.00-50.00	168.75-171.00
June	49.00	169.00

Source: Reuters, USDA

JULY WASDE UPDATE CONTINUED

USDA WASDE Report: July			
2024-2025 US Ending Stocks (Billion Bushels)			
	Corn	Soybeans	Wheat
July	1.340	0.350	0.851
Consensus	1.353	0.358	0.842
Range	1.300-1.415	0.329-0.380	0.825 - 0.856
June	1.365	0.350	0.841
2024-2025 World Ending Stocks (Million Metric Tons)			
	Corn	Soybeans	Wheat
July	284.18	125.12	263.59
Consensus			
Range			
June	285.04	124.20	263.98

Source: Reuters, USDA



Fast Facts: Links & More Insights
July WASDE Report

TARIFFS AND TRADE

Many expected some news about tariffs and trade over what turned out to be a quiet Fourth of July weekend in that regard. The 90-day tariff pause initiated in April by the Trump administration was set to expire on July 9. But just days before that deadline, President Trump postponed the imposition of tariffs until August 1 unless trade deals are made. Japan and South Korea were the first countries to receive letters reiterating the tariff rates

first shared in early April. Negotiations continue with many trade partners. This action delays any immediate trade-related impacts on the market, but overall, tariff uncertainty has hit the value of the US dollar, which is down 10% from the start of the year.

Fast Facts: Links & More Insights
A Look at Countries That Received Tariff Letters

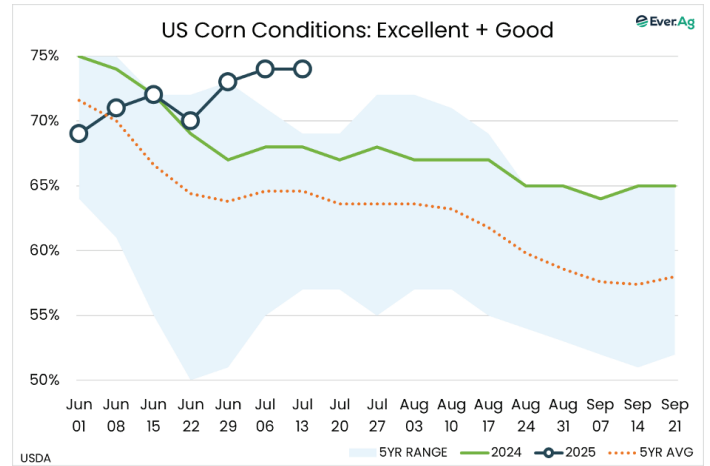
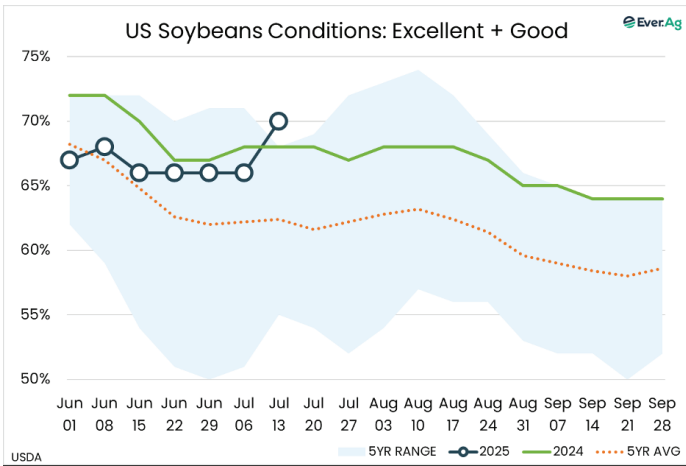
FAVORABLE GROWING CONDITIONS

Growing conditions have been nearly perfect in most parts of the US. The exception is a portion of the Northeast, where substantial rainfall delayed planting. With favorable weather, the crop is progressing nicely, even in the fringe states. As of July 13, USDA rated 74% of the corn crop in excellent or good condition, well ahead of the five-year average of 65%. For soybeans,

70% of the crop was rated excellent or good, better than the five-year average of 62%. Places outside of the Corn Belt like Texas, Oklahoma and Kansas are expecting record yields as long as timely rains continue.

Fast Facts: Links & More Insights
Crop Progress Report

FAVORABLE GROWING CONDITIONS CONTINUED



INCENTIVES FOR BIOFUEL

President Donald Trump signed the “Big Beautiful Bill” into law on the Fourth of July. This large bill includes support for the farm safety net, more affordable crop insurance and protection against inheritance taxes. It also defined the 45Z Clean Fuel Production Credit and blending levels. This should give soybean crushers confidence they will receive the incentives they have been anticipating. This will likely up crushing activity and may spur expansion in the crush industry. As a result of more crushing, byproducts such as soybean meal, soy hulls and canola meal will be more readily available.

DMC payments will also increase under the “Big Beautiful Bill” with annual payment caps changing from 5 million to 6 million pounds of milk per year. Production history calculations will be updated and a 25% premium discount is available for producers who purchase coverage for the full term of the bill.

Fast Facts: Links & More Insights
The Big Beautiful Bill

DAIRY INDUSTRY UPDATE

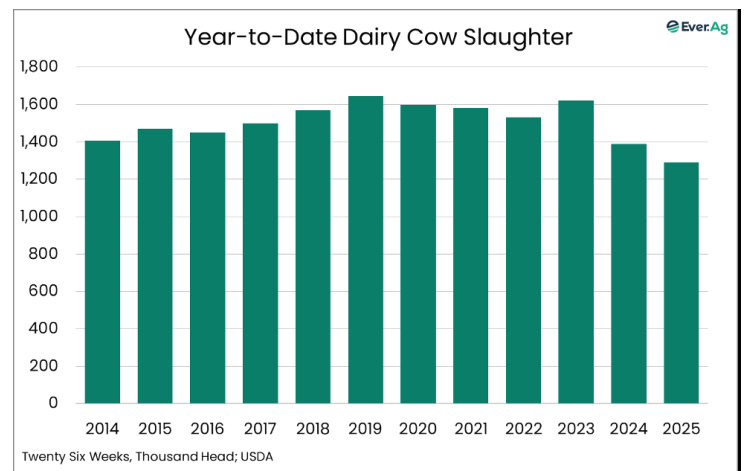
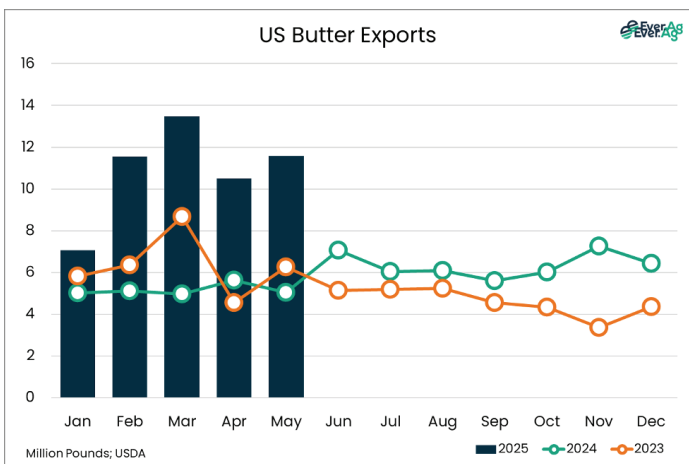
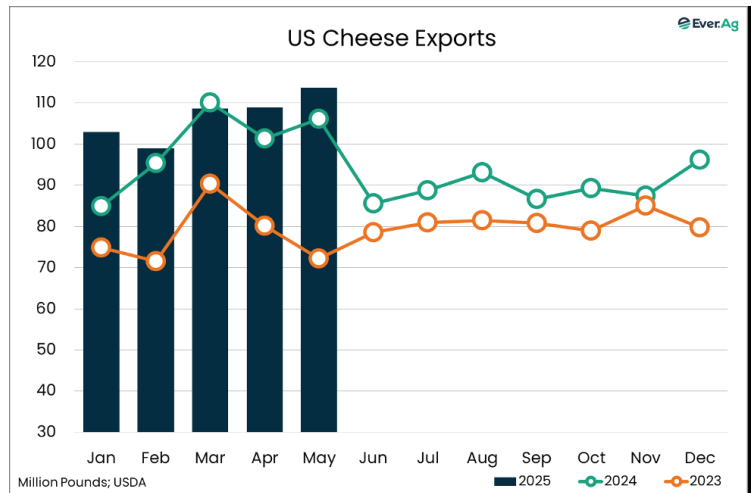
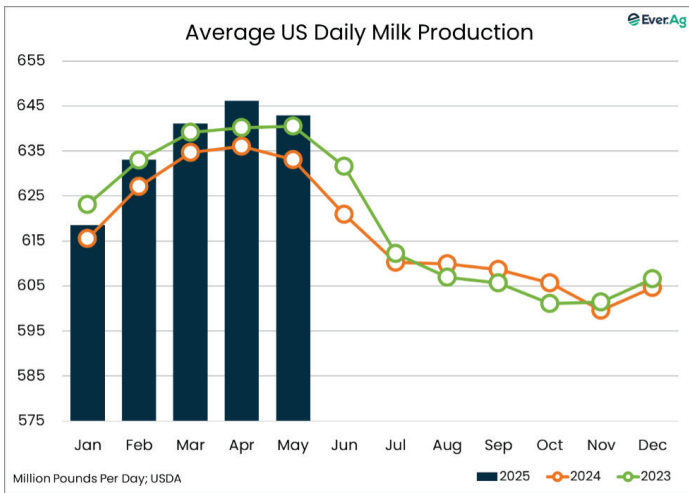
Hot and humid weather spread across portions of the Midwest and Eastern US over the past few weeks, creating uncomfortable conditions for dairy cows. Reports from producers around the region indicated production was down 5 to 20 pounds per cow. Overall, milk supplies are a little tighter in the Midwest because of lower production. Meanwhile, temperatures have been mild in states like California where heat stress is typically more of a concern.

Dairy exports hit a homerun in May. US cheese exports reached a record-high 114 million pounds in May. That was up 7% year-over-year and surpassed the prior monthly record by more than 3 million pounds. Year-to-date through May, US cheese exports totaled 533 million pounds, 7% ahead of 2024 levels. Mexico is still the biggest destination for US cheese, but big gains were seen in shipments to the Dominican Republic, Chile and Guatemala, with each country receiving about 1 million pounds of cheese more compared to last May.

Milk production is expected to grow for the second half of 2025. Milk output in May increased 1.6% year-over-year, and cow numbers were up 5,000 head from April. Milk output was down slightly by 1.8% in California but grew in all other regions. The most growth came from Texas, Idaho, South Dakota and Kansas. Meanwhile, culling is still down as higher supplies remain tight and dairy producers are hanging on to more mature cows. For the week ending June 28, dairy cow slaughter was 45,100 head, down 3.0% from the same week a year prior.

Butter exports also delivered in May. Exports surpassed 11 million pounds, more than twice the volume shipped last May. Canada is the main export destination for US butter, with nearly 5 million pounds shipped during the month. Anhydrous milk fat also moved fat out of the country, with nearly 5 million pounds exported, a 442% gain from May 2024.

DAIRY INDUSTRY UPDATE CONTINUED



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INSIGHTS PORTAL

Fast Facts: Links & More Insights
Milk Production Report

CONSUMER SENTIMENT

There are some signals that consumers may be feeling slightly better about the general US economy. The final June reading for the University of Michigan Consumer Sentiment survey was 60.7, well above May's 52.2. This 16% surge was the first increase in six months, although the index was still below the post-election bump recorded in December 2024.

People still seem to be watching their spending, though. A June poll from PopMenu asked 1,000 consumers where they were spending less compared to the year before. Their number one answer? Restaurants. Overall, 61% of respondents said they are spending less eating out. Placer.ai data confirms the trend, reporting a

1.7% year-over-year decline in June restaurant activity, the worst monthly performance since March.

One area consumers are finding some relief is at the gas pump. Last week, regular unleaded gas averaged \$3.13 per gallon, down 36 cents from the same week a year earlier. If tension in the Middle East remains contained and oil-producing areas avoid major hurricanes, analysts believe the national average could slip below \$3.00 per gallon later this summer.

Fast Facts: Links & More Insights
Consumers Rebound After Tariffs Scare

WHAT'S IN IT FOR YOU?

TOP TAKEAWAYS FROM THIS MONTH'S MARKETMIX



WHAT DOES ALL THIS MEAN FOR YOU?

The Bottom Line

1. Work with suppliers to lock in prices and quantities on feed.
2. Growers must decide what they're doing with new and old crop soon. The wait and see game isn't really a game plan.
3. Dairy products continue to stay strong; look to how you can take advantage of that!

Introducing

THE SPOTLIGHT PROGRAM



WHAT IS THE IMPACT OF INFLAMMATION ON THE TRANSITION COW?

There are many sources of inflammation in dairy cows, and exposure to frequent and repeated stressors leads to persistent inflammation. Persistent inflammation markedly alters nutrient partitioning and negatively impacts productivity.

Flavonoids extracted from *Scutellaria baicalensis* such as baicalein, baicalin, wogonoside and wogonin have been associated with reducing inflammation and having antioxidant properties in dairy cattle.

Dairy Relieve from Elanco is a specific set of flavonoids extracted from *Scutellaria baicalensis* that focuses on reducing inflammation and improves overall animal health.



Find more results and watch Dairy Relieve webinar on the D&D Ingredients website. Better yet, contact us to place your order today.

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

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