



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

TOP TOPICS FOR AUGUST

- WASDE: Bearish Corn, Bullish Beans
- Cottonseed Questionable
- Rail Merger = Good Logistical News
- Dairy Does Good Again



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INSIGHTS PORTAL

Protein basis values have been attractive. Thinning ending stocks is not yet bullish, but reinforces the thought of taking ownership of a significant portion of next year's needs at current price levels.

AUGUST WASDE UPDATE

This month's *World Agricultural Supply & Demand Estimates (WASDE)* report overall bearish news corn. USDA placed 2025-26 ending stocks at 2.117 billion bushels, much higher than July's projection for 1.660 billion bushels and above expectations for 1.900 billion bushels. A yield adjustment was also made, raising expectations to 188.8 bushels per acre, up from the July forecast of 181.0 bushels. Ending stocks for old-crop corn dropped to 1.305 billion bushels, down from 1.340 billion bushels in July and below the consensus call for 1.321 billion bushels. Even though old-crop stocks are getting tighter, expectations for a big harvest this Fall are keeping prices in check.

Corn basis is beginning to show signs of weakness as the crop matures and balance sheets indicate a considerable surplus. Expect further erosion of cash prices as we near harvest and limited on-farm storage capacity forces bushels into the commercial pipeline.

Global ending stocks for old-crop corn came in at 283.11 million metric tons, down from last month's projection of 285.04 million metric tons. New-crop world ending stocks rose to 282.54 million metric tons, ahead of last month's report for 272.08 million metric tons. USDA did not change South American corn predictions, with Brazil holding at 132.00 million metric tons and Argentina at 50.00 million.

The report was bullish for soybeans. Stocks for 2024-25 soybeans declined to 330 million bushels, under last month's estimate for 350 million bushels. New-crop

soybean stocks were at 290 million bushels, down from last month's call for 310 million bushels and analysts' expectations for 351 million bushels. Although yield predictions were increased to 53.6 bushels per acre, up 1.1 bushels per acre from the July prediction, USDA's cuts to the balance sheet signal reduced availability to meet demand. August weather will play a big role in the actual size of the crop, so expect volatility in the market as we move forward.

World ending stocks for old-crop soybeans increased to 125.19 million metric tons, slightly higher than last month's estimate of 125.12 million metric tons. New-crop global moved lower to 124.90 million metric tons, down from July's prediction for 126.07 million metric tons. USDA increased Argentina production slightly but left Brazil unchanged.

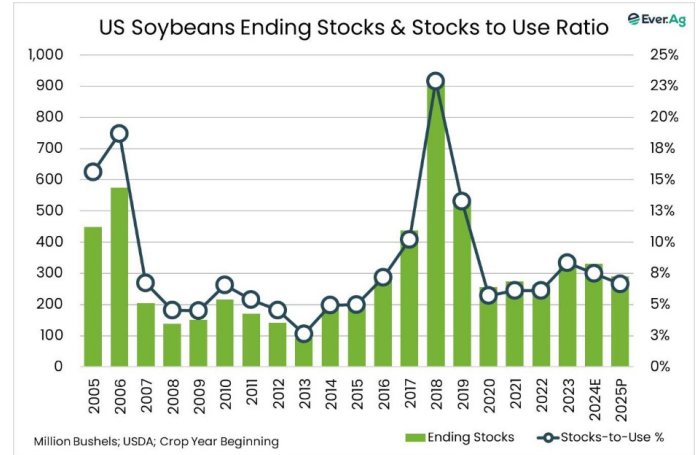
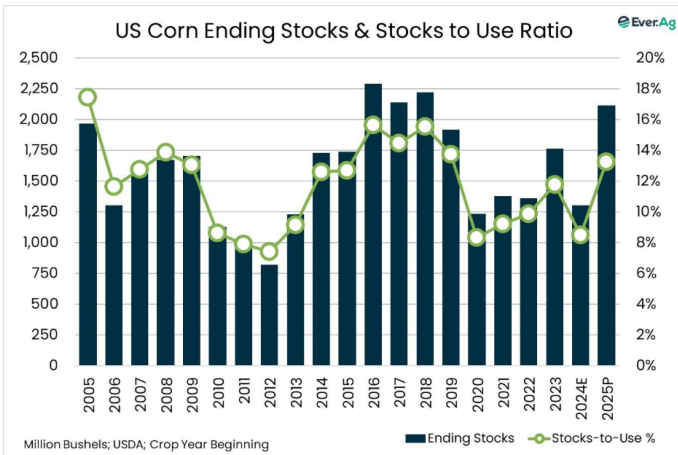
Soybean meal futures responded to the report and the rally in soybean futures with a modest gain of their own. The move was less dramatic, though, keeping prices attractive to feed buyers. A bullish sentiment in the bean market is unlikely to translate 1:1 to meal given the continued increase in crush capacity and lack of robust export demand.

Protein basis values have been attractive for some time. Thinning ending stocks is not yet bullish, but it reinforces the thought of taking ownership of a significant portion of next year's needs at current price levels.

Fast Facts: Links & More Insights

- August WASDE Report

AUGUST WASDE UPDATE CONTINUED



USDA WASDE Report: August			
2024-2025 US Ending Stocks (Billion Bushels)			
	Corn	Soybeans	Wheat
August	1.305	0.330	0.851
Consensus	1.321	0.345	0.842
Range	1.290-1.340	0.305-0.355	0.825 - 0.856
July	1.340	0.350	0.841
2024-2025 World Ending Stocks (Million Metric Tons)			
	Corn	Soybeans	Wheat
August	283.11	125.19	262.70
Consensus			
Range			
July	285.04	124.20	263.98

Source: Reuters, USDA

USDA WASDE Report: August		
2024-2025 South America Corn (Million Metric Tons)		
	Argentina	Brazil
August	50.00	132.00
Consensus	50.00	133.70
Range	49.00-51.00	132.00-139.40
July	50.00	132.00
2024-2025 South America Soy (Million Metric Tons)		
	Argentina	Brazil
August	50.90	169.00
Consensus	50.00	169.60
Range	49.00-50.50	168.80-173.00
July	49.90	169.00

Source: Reuters, USDA

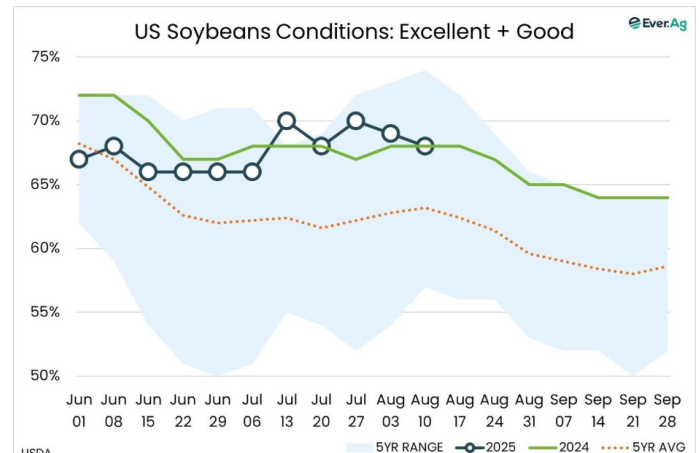
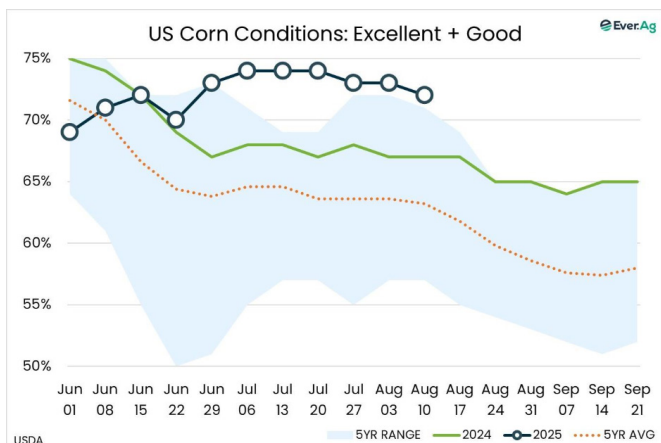
OUTSTANDING GROWING CONDITIONS

Growing conditions continue to impress across the country, which was reflected in USDA's predictions for higher yields for both corn and soybeans. New York was one of the few states pegged to have a year-over-year reduction in yield and overall production because a wet spring delayed planting and development. As of August 10, USDA rated 72% of the US corn crop as good or excellent compared to 73% last week and 63% on the five-year average. For soybeans, 68% of the crop was rated good or excellent, down from 69% last week but ahead of the five-year average of 63%.

Weather has been favorable in cotton-growing regions as well, but plenty of growing season remains. Prices have been firm due to this year's reduced acreage, likely resulting in a smaller crop. But since some other ration ingredients are currently trending less expensive, people can replace cottonseed in rations if price or availability become prohibitive.

Fast Facts: Links & More Insights

- Crop Progress Report



RAIL NEWS

In terms of transportation, Union Pacific announced that it will merge with Norfolk Southern, creating the first transcontinental railroad in the US. The plan would connect more than 50,000 route miles across 43 states and link 100 ports in North America. The deal was passed unanimously by the boards of both companies but still needs approval from the Surface Transportation

Board. If completed, this should improve logistics and rates for shipping products from the Midwest to the Northeast and Southeast.

**Fast Facts: Links & More Insights**

- Rail Merger

TARIFFS AND TRADES

News headlines are still filled with stories about tariffs and trade negotiations. Deals with some trade partners such as Japan and South Korea have been inked at a high level. Others are still in flux. Most notably this week, a pause on higher tariffs was agreed upon between the US and China. The news came hours before the August 12 deadline when tariffs on Chinese goods were set to rise from 30% to 64%.

In the agricultural space, China is the world's biggest buyer of soybeans. After stockpiling grain from South America earlier in the year, China has yet to secure any shipments from the US for the fourth quarter. President Trump urged China to greatly increase their orders from the US to fill their needs and improve China's trade deficit with the US, but so far, China seems to be moving away from making North American purchases.

Fast Facts: Links & More Insights

- Trump Urges China to Quadruple Orders

DAIRY INDUSTRY UPDATED

US milk production jumped in June as new plants demand more milk and dairy farm margins are generally good. Output was up 3.3% year-over-year, the strongest rate of growth since 2021. Kansas saw the most change, with production up 19.0% year-over-year. South Dakota milk output was up 11.5% compared to last June. A trio of other states – Idaho, Texas and Georgia – each grew milk production by nearly 10.0% compared to June 2024. All of these states have new processing capacity now running or soon to be operational.

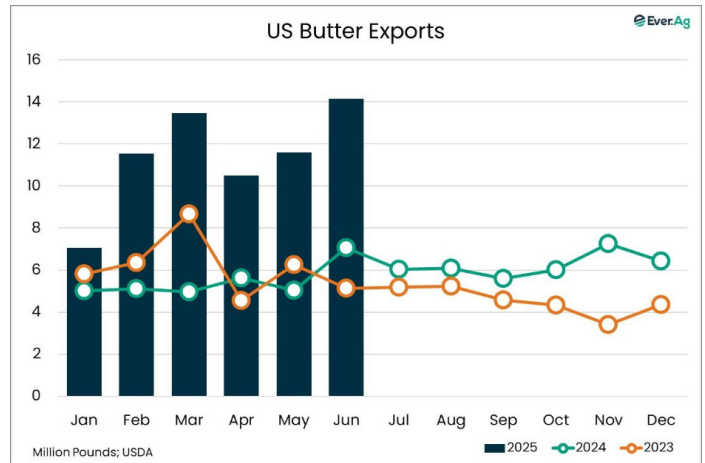
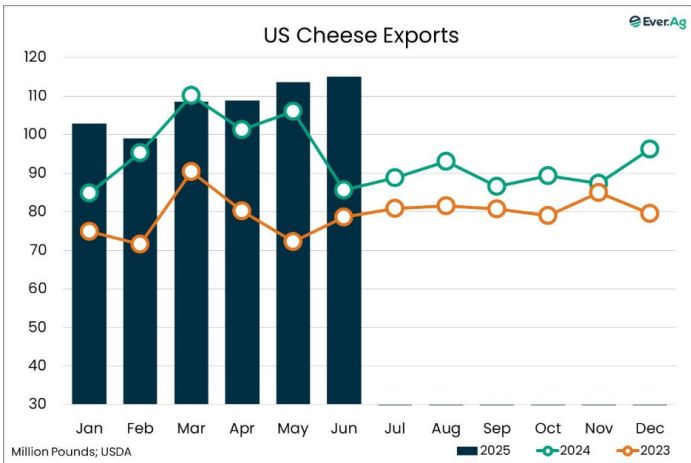
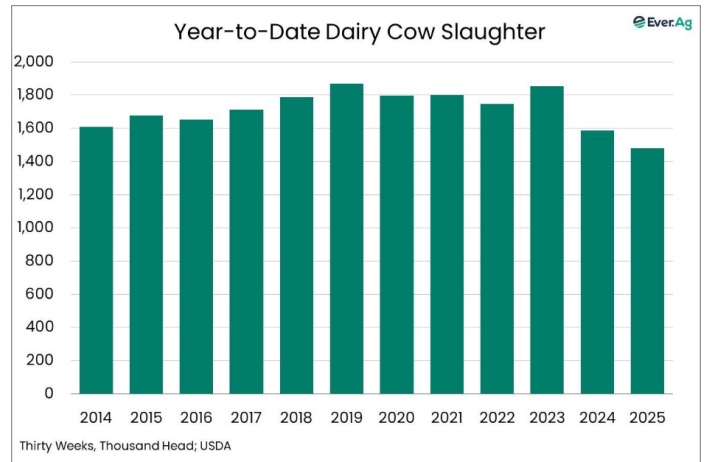
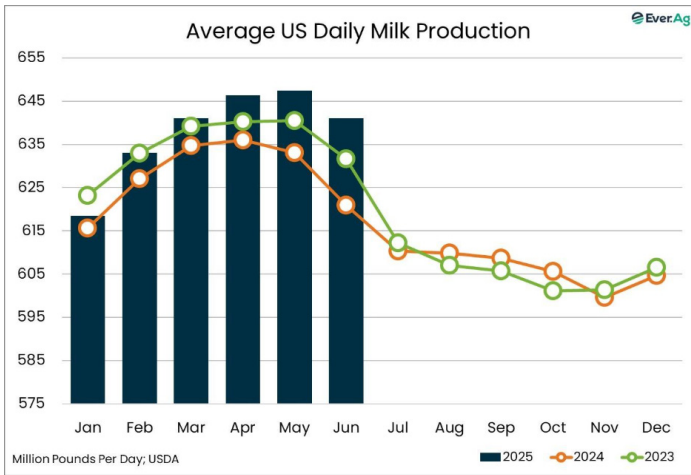
California, the nation's top milk-producing state, saw growth as well, with output up 2.7% over June 2024. Production typically declines in California this time of year because of summer heat stress, as was the case last June. But this year, temperatures have been mild in the Golden State. The worst impacts of highly pathogenic avian influenza also seem to be in the rearview mirror, allowing milk production to recover.

Cow numbers expanded by 4,000 head in June, with year-to-date growth reaching 114,000 head. Herd size hit a four-year high, and except for a five-month stretch in 2021, this was the largest herd in three decades. Culling seemed to pick up just slightly, as dairy cow slaughter for the week ending July 26 was 51,400 head, up 0.4% from the same week a year prior.

Dairy exports showed tremendous strength in June. Cheese exports hit another record, reaching 115.1 million pounds, up 1.3% (+1.5 million pounds) on the month and +34.5% (+29.5 million pounds) year-over-year. Total exports for the first half of 2025 equaled 648.2 million pounds, up 11.1% (+64.7 million pounds) versus 2024. Shipments to Mexico in June reached 36.1 million pounds, up 1.4% (+500,000 pounds) month-over-month and +14.2% (+4.5 million pounds) on the year. Year-to-date, exports to Mexico are down 1.4% year-to-year, but other destinations made up the difference. Year-to-date through June, shipments were up 20% to South Korea, 25% to Japan and 28% to Australia.

Competitive prices led to another strong month of US butterfat exports in June as well. Butter shipments reached 14.2 million pounds, up 22.4% (+2.6 million pounds) on the month and +100.0% (+7.1 million pounds) compared to 2024. Through the first half of June, butter exports totaled 68.3 million pounds, up 108.2% (+35.5 million pounds) on the year. US AMF exports totaled 5.2 million pounds in June, up 6.1% month-over-month and +33.3% (+1.3 million pounds) on the year. Year-to-date, outbound volume was 38.9 million pounds, surging 285.1% (+28.8 million pounds) compared to 2024.

DAIRY INDUSTRY UPDATE CONTINUED



Fast Facts: Links & More Insights
• Milk Production Report

CONSUMER SENTIMENT

Consumers are finding some relief in retail prices, according to the most recent report from the US Bureau of Labor Statistics. Gas prices fell 2.2% from June to July and are down 9.5% from a year earlier. Grocery prices dipped 0.1% from last month, but they are still up 2.2% from last July. On the other hand, restaurant meals rose 0.3% in July and were up 3.9% from the year before.

Overall restaurant traffic is still sluggish, but a few restaurant chains reported better-than-expected results for Q2. McDonald's saw US same-store sales up 2.5%, and Papa John's had same-store sales that were 0.9% higher, ending a five-quarter losing streak. Taco Bell

reported a 4.0% increase in same-store sales for the second quarter. A focus on value seems to be making the difference.

The most recent employment data was slightly disappointing, with nonfarm payrolls coming in at +73,000 in July, below expectations for +110,000 jobs. The number of jobs was also revised downward for May and June. While the number of payrolls still expanded, this report hinted that the job market may be cooling. Meanwhile, unemployment ticked up slightly to 4.2% compared to 4.1% in June.

Fast Facts: Links & More Insights
• US Inflation Steady While Tariff Hit Offset by Cheaper Gas, Food

WHAT'S IN IT FOR YOU?

TOP TAKEAWAYS FROM THIS MONTH'S MARKETMIX



WHAT DOES ALL THIS MEAN FOR YOU?

The Bottom Line

1. Take ownership of next year's needs at current price levels.
2. Cottonseed replacement could be a viable idea.
3. Largest herds in three decades; culling is still top of mind.

Introducing

THE SPOTLIGHT PROGRAM



NUTRITIONAL SUPPORT WITH ELIFE®, A CONCENTRATED SOURCE OF POLYPHENOLS

Oxidative stress takes a toll on the performance, immunity, and overall health of all species. Elife is a powerful antioxidant derived from a carefully selected blend of polyphenols designed to help maintain oxidative balance in all classes of livestock and poultry. Its polyphenol content makes it a valuable tool for supporting ration strategies during periods of increased nutritional demand.

Why Elife?

- Delivers a concentrated source of polyphenols (min. 20%)
- Supports antioxidant activity through a broad polyphenol profile
- Contributes to antioxidant recycling
- Helps maintain a healthy antioxidant balance
- Saves ration costs by sparing vitamin E

Learn more about Elife from Feedworks USA

The video screenshot shows two chemical pathways. The first, 'Radical neutralization (e.g. Reactive Oxygen Species)', shows a radical (Radical*) reacting with a polyphenol (labeled 'OXIDIZED ELIFE' and 'ELIFE') to form a stable radical (RadicalH). The second, 'Antioxidant recycling', shows a radical (Radical*) reacting with a polyphenol (labeled 'OXIDIZED VITAMIN E' and 'VITAMIN E') to form a stable radical (RadicalH) and regenerate the antioxidant. A 'Watch on YouTube' button is visible at the bottom left of the video frame.

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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