



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

**TOP TOPICS FOR OCTOBER**

- Roll on Harvest
- No News China - Soybean Aid
- Dairy Grows Again
- Frustrated Consumers



**Harvest is a bad time to have less information coming from USDA reports to guide markets.**

**SEPTEMBER GRAIN STOCKS UPDATE**

September's USDA *Grain Stocks* report showed corn stocks at 1.532 billion bushels as of September 1, down 13.1% from last year. Even with strong exports and high ethanol demand, stocks were nearly 200 million bushels ahead of the consensus call of 1.337 billion. Soybean inventories totaled 316 million bushels, down 7.6% from last year. Despite China not buying, the volume was below analysts' expectations of 323 million. The markets responded bearishly to both numbers with corn and soybeans trading in the red after the report was released.

The October *WASDE* report was not published due to the government shutdown. While it's hard to speculate exactly what may have been adjusted from September's data, industry analysts are expecting lower corn yields based on harvest reports across the Midwest. Additionally, a higher beginning stocks number via the bump on the *Grain Stocks* report and likely a decrease in feed demand should allow for a steady to slightly larger new-crop ending stocks. The table below gives a glimpse of what the market was expecting from an October *WASDE* report.

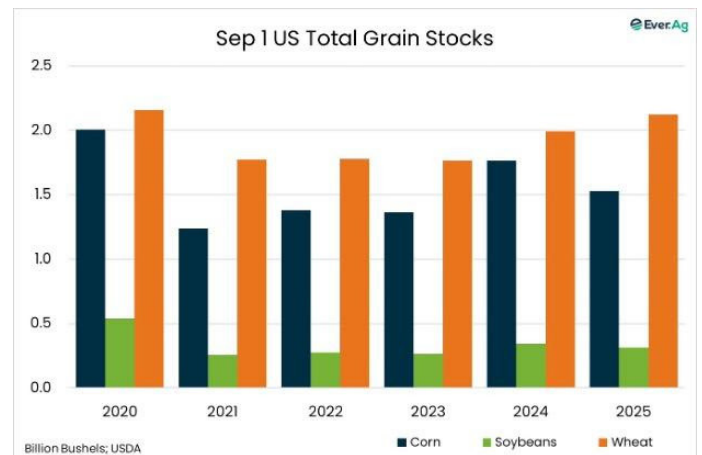
Harvest is a bad time to have less information coming from USDA reports to guide markets. Without this data, traders will rely on the most recent data available and trade conservatively off that. Few past government shutdowns lasted for more than a few days, so it is hard to predict how markets will respond. The last shutdown began in late 2018, and looking back at March 2019 corn charts, it appears the lack of information kept prices stuck sideways. Soybean meal charts for March

2019 also show a sideways \$10 per ton trading range in late December into January. If history repeats itself, one could assume that a government shutdown doesn't drive the market in either direction.

**Fast Facts:**

- September Grain Stocks Report

USDA Quarterly Grain Stocks: September			
September 1 Stocks In All Positions (Billion Bushels)			
	Corn	Soybeans	Wheat
<b>Sep 2025</b>	1.532	0.316	2.120
<b>Consensus</b>	1.337	0.323	2.043
<b>Range</b>	1.260-1.450	0.295-0.360	1.954-2.135
<b>Jun 2025</b>	4.643	1.008	0.851
<b>Sep 2024</b>	1.763	0.342	1.992



SEPTEMBER GRAIN STOCKS UPDATE CONTINUED

USDA WASDE Report: October

2025-2026 US Production Estimates (Billion Bushels)				2025-2026 US Ending Stocks (Billion Bushels)			
	Corn	Soybeans	Wheat		Corn	Soybeans	Wheat
October Consensus	16.645	4.271		October Consensus	2.231	0.299	0.875
Range	16.450-16.814	4.200-4.336		Range	2.077-2.484	0.230-0.427	0.820-0.905
September	16.814	4.301		September	2.110	0.300	0.844

2025-2026 US Yield Estimates (Bushels Per Acre)				2025-2026 World Ending Stocks (Million Metric Tons)			
	Corn	Soybeans	Wheat		Corn	Soybeans	Wheat
October Consensus	185.0	53.2		October Consensus	283.65	124.16	265.72
Range	182.7 - 186.7	52.3-54.0		Range	281.10-288.00	123.00-125.00	264.10-268.00
September	186.7	53.5		September	281.40	123.99	264.06

HARVEST ROLLS ON

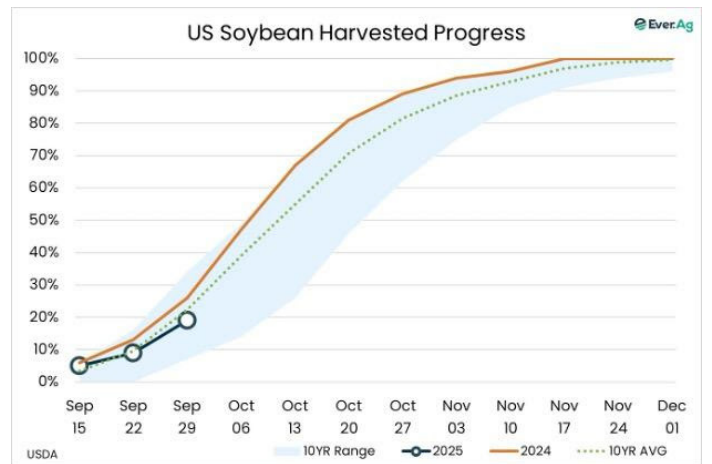
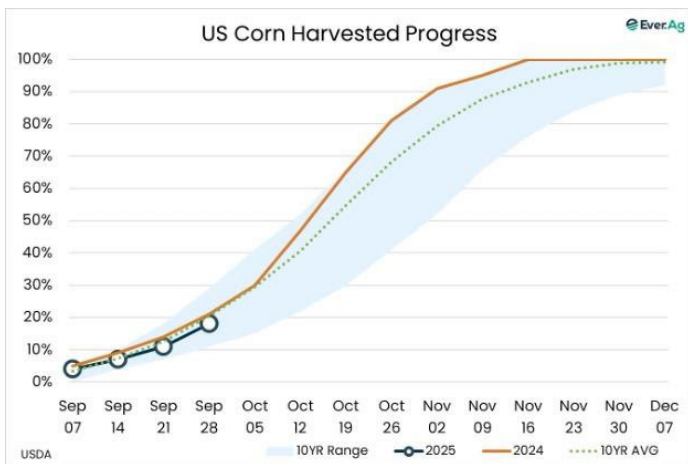
In USDA's final *Crop Progress* report before the government shutdown, 18% of the corn crop was harvested as of September 28, just under the five-year average of 19%. Soybean harvest was 19% complete, just shy of the 20% five-year average. With favorable weather conditions across most of the Corn Belt, harvest continues at a fast clip. Some field reports of disease and low test weights are taking the top end off yields. But overall, expectations remain for large corn and soybean harvests.

Cotton harvest is quickly approaching, and reports indicate a generally healthy crop. Earlier in the season, fewer planted acres and weather concerns pushed prices to their peak at \$375 per ton, but prices retreated to the mid-\$300s. Crush and feed demand should underpin prices through the winter months. Underwhelming cotton futures prices won't do much to incentivize

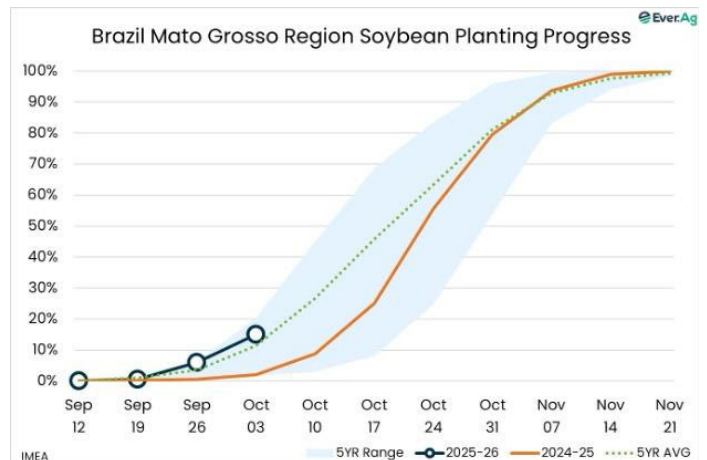
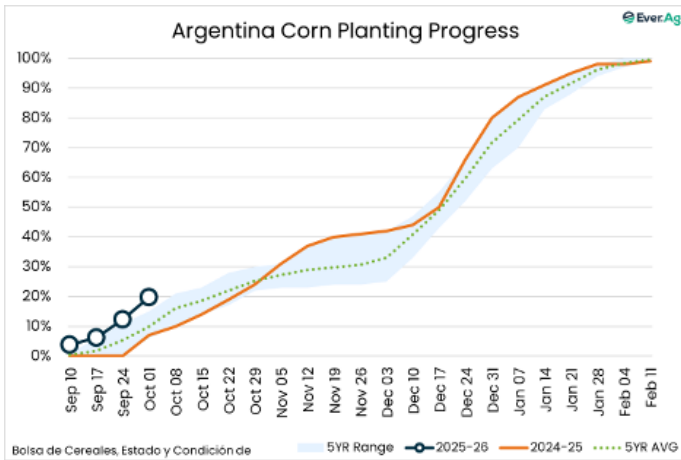
increased acreage next spring, keeping seed prices from breaking too far from current levels.

Meanwhile, soybean planting has begun in South America. In Brazil's Mato Grosso region, planting is 15% complete, well ahead of last year and just above the five-year average. Eyes will remain on the weather to see if Brazil receives enough moisture as the growing season progresses. Brazil could be an important market for China into next year if a trade deal is not reached with the US.

Corn planting in Argentina is more than 25% complete, much ahead of last year and the five-year average. The Buenos Aires Grain Exchange estimates Argentina corn output could rise to 59 million tons this coming season as profitability models predict farmers will plant more corn, up from 49 million tons last year.



HARVEST ROLLS ON CONTINUED



**Fast Facts:**  
• Crop Progress Report

STILL NO CHINA EXPORTS

New-crop soybeans are rolling in from the fields, but China has yet to purchase any US soybeans this marketing year. Soybean growers are among the hardest hit because of China’s absence as a buyer. The United States shipped nearly 985 million bushels of soybeans to China in 2024, just over half of the nation’s total soybean exports. Adding salt to the wound, last month Argentina temporarily removed tariffs on goods to increase export sales up to \$7 billion. During this time, Chinese buyers swooped in and bought enough soybeans to fulfill their needs for several months, extending China’s ability to avoid US soybean purchases.

President Donald Trump indicated that a significant aid package will be made available to US soybean farmers to counter effects of the trade war, but details are still unknown. The President also said he is still working to make a soybean deal with China.

For corn, exports have been strong. Mexico leads the way in purchases. With a potentially record harvest underway, there is still plenty of corn to go around despite solid exports and tighter inventories.

**Fast Facts:**  
• Soybean Aid Package for Farmers

DAIRY INDUSTRY UPDATES

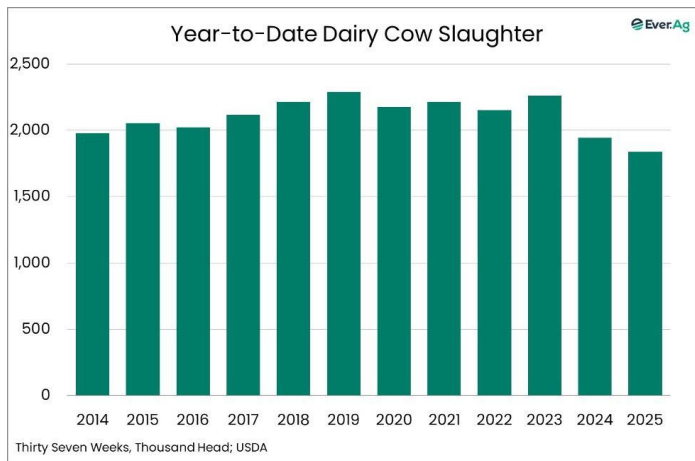
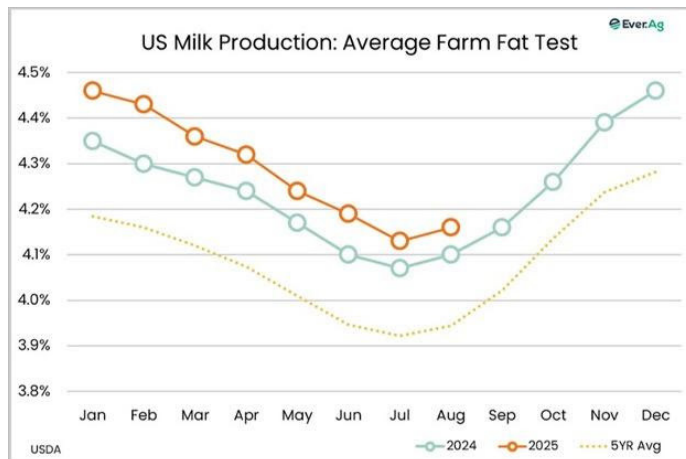
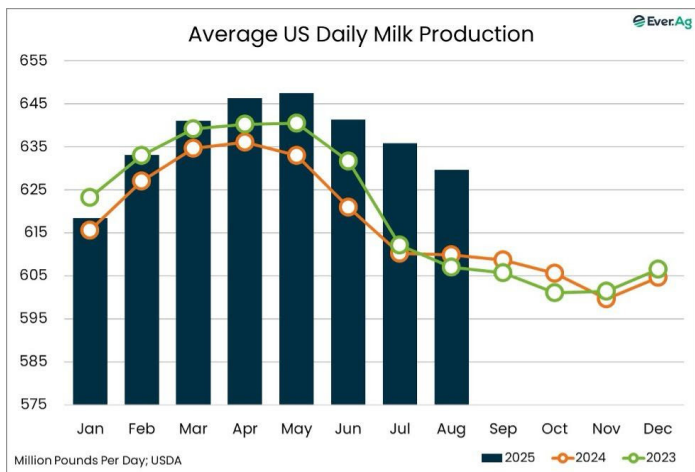
US milk output continues on its growth trajectory. August milk production totaled 19.5 billion pounds, with daily output up 3.2% year-over-year. July production was also revised upward from +3.4% to +4.2%. States with added milk processing capacity – Idaho, Kansas, South Dakota and Texas – logged the most growth. California milk output was also up 1.7% year-over-year compared to a strong August 2024, with mild summer weather countering typical seasonal output decline.

The US dairy herd grew by 10,000 head in August, reaching 9.520 million cows. That is the biggest US dairy herd since the 1990s. While beef cow prices remain high, farms seem to be holding on to older cows while heifer inventories remain tight. Still, the sale of cull cows and dairy-beef calves is valuable income for farms, making up an increasing share of farm revenue, especially as milk futures continue to slip lower.

August fat production stepped up again as well. Average farm fat tests reached 4.16%, up from 4.10% a year ago. When that fat level is combined with the 3.2% increase in milk output for the month, overall farm-level butterfat production hit 26.2 million pounds a day, 4.5% higher year-over-year. With plenty of butter on the market, spot butter prices at the Chicago Mercantile Exchange dipped as low as \$1.62 per pound, a price last seen in August 2021.

Unexpected growth in EU milk output translates to more cheese production and falling prices on the continent. The price gap between US, EU and New Zealand prices kept US exports moving at a record pace earlier this year but is now reversed. EU mozzarella prices fell to mid-\$1.50s at GDT, which is below the US price. With a less competitive edge on the global marketplace, US exports may face headwinds in contestable markets.

DAIRY INDUSTRY UPDATE CONTINUED



**Fast Facts:**  
• Milk Production Report

CONSUMER SENTIMENT

**Domestic demand for cheese has been trending down.** Increasing restaurant prices and sluggish restaurant traffic aren't helping cheese utilization. A focus on healthier diets and use of GLP-1 medications may also factor into less consumption. Domestic cheese use was down 71 million pounds year-over-year on a rolling 12-month basis through July. Meanwhile, for the seventh month in a row, American-type cheese stocks increased with August inventory up 3.1% from last year.

On a bullish note, the dairy product people can't seem to get enough of these days is whey. Sweet dry whey demand has only been so-so, but growing demand for high-protein whey has pulled every available solid into higher-value items. It seems like protein is popping up everywhere right now. Coffee chain Starbucks added high-protein lattes to the menu. When cold foam is added, these drinks boast more than 40 grams of protein. PepsiCo recently launched a line of Propel waters with whey protein, aimed at consumers looking

to lose weight. If these products perform well with consumers, both of these household names could help push demand and prices even higher.

We don't have new jobs or retail sales data to check the temperature of the US economy, but consumer sentiment seems to be wavering. The September reading of the University of Michigan Consumer Sentiment survey came in at 55.1, down from 58.2 in August. Survey participants expressed frustration about high prices and inflation and concern over weaker labor markets. Data from investment firm Carlyle showed a gain of 17,000 jobs in September, which is less than the 22,000 jobs reported for August by the Bureau of Labor Statistics.

**Fast Facts:**  
• Consumer Survey  
• No Job Report

# WHAT'S IN IT FOR YOU?

TOP TAKEAWAYS FROM THIS MONTH'S MARKETMIX



## WHAT DOES ALL THIS MEAN FOR YOU?

### The Bottom Line

1. We can assume government shutdown doesn't drive markets based on past history, but that doesn't mean you should forget your marketing plan.
2. Keep an eye out for any soybean aid package. That could rock the wagon.
3. Cull cows and beef on dairy markets still valuable.

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