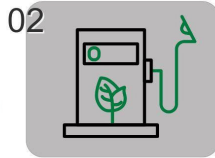




This monthly MarketMix highlights the latest WASDE report findings and what that means for you, your customers and your operation.

**TOP TOPICS FOR FEBRUARY**

- Higher Inputs Ahead of Planting
- Biofuel Subsidy Announced
- Cold Snap Rattles Wheat Markets
- US Milk Output Hits All-Time High



[ddingredient.com](http://ddingredient.com)

*Geopolitical conflicts, trade skirmishes and input price volatility are all causing higher fertilizer costs than last year.*

**FEBRUARY WASDE UPDATE**

The February *World Agricultural Supply and Demand Estimates (WASDE)* delivered no surprises for corn or soybeans, and market prices didn't react much. USDA's most notable adjustment was a 100-million-bushel increase to US exports, something the market was already aware of. This change reduced ending stocks to 2.127 billion bushels, down from 2.227 billion bushels last month. Eyes are on South American crops this time of year, but the USDA left Argentina and Brazil corn output unchanged from January. World ending stocks were lowered slightly to 288.98 million metric tons, below expectations for 290.48 million metric tons and

less than last month's estimate of 290.91 million metric tons.

US soybean ending stocks held steady at 350 million bushels. Argentina production was also unchanged, but USDA lifted Brazil production 2.00 million metric tons to 180.00 million. World ending stocks rose to 125.51 million metric tons, 1.10 million metric tons higher than the last report.

**Fast Facts:**  
• WASDE Report



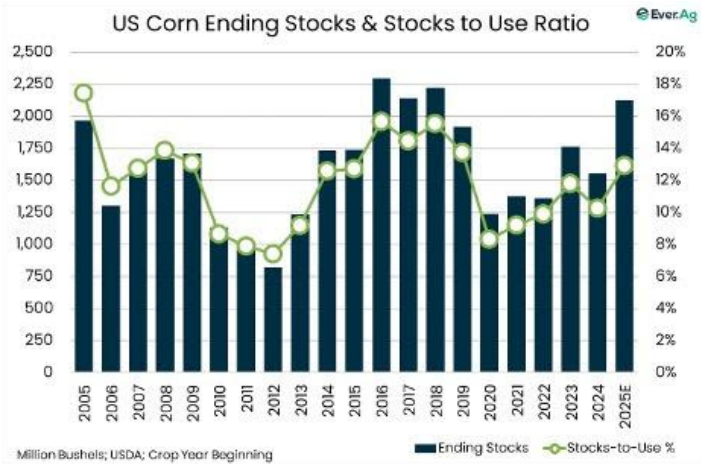
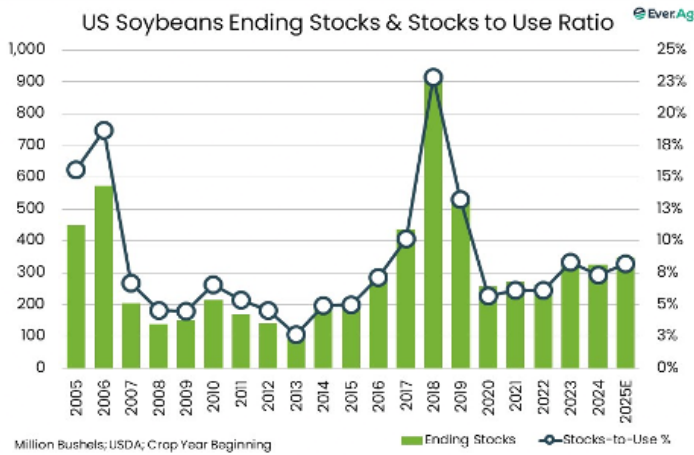
**USDA WASDE Report: February**

2025-2026 US Ending Stocks (Billion Bushels)			
	Corn	Soybeans	Wheat
February	2.127	0.350	0.931
Consensus	2.227	0.347	0.918
Range	2.177-2.315	0.265-0.375	0.879-0.926
January	2.227	0.350	0.926

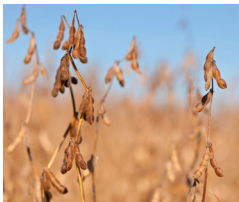
2025-2026 World Ending Stocks (Million Metric Tons)			
	Corn	Soybeans	Wheat
February	288.98	125.51	277.51
Consensus	290.48	125.30	278.24
Range	284.50-293.10	121.80-127.00	277.10-279.00
January	290.91	124.41	278.25

Source: Reuters, USDA

FEBRUARY WASDE UPDATE CONTINUED



POTENTIAL CHINA BEAN EXPORTS CREATE RALLY



Following meetings with China’s President Xi, President Trump posted a tweet that China will buy 20 million metric tons of soybeans this marketing year. That would be 8 million metric tons more than China committed to last Fall. The market

responded with March-September futures climbing past \$11 per bushel. China has not confirmed these numbers, and even with these purchases, volume headed to China would still be well below its typical purchases. Still, futures jumped, and with a lot of contracts traded, it appears grain producers took advantage of the rally before prices fell some on Monday. With South

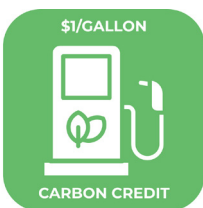
American soybeans priced less expensively than US soybeans, it seems unlikely that China would buy large volumes from the US at this point unless it was part of a broader trade agreement.

Trade negotiations between China and Canada also have canola basis values climbing. Markets assume that Canada will ship more canola seed to China this spring due to reduced tariffs. Basis could soften if purchases don’t pick up the pace between April and September, but it won’t completely retract to where it was.

Fast Facts:

- China-US Trade Talks Surge

PROPOSED RENEWABLE FUEL SUBSIDY



The Department of Treasury and IRS proposed a \$1.00-per-gallon carbon credit for renewable fuels produced using feedstocks grown in North America. This added some clarity to the long-awaited 45Z legislation set to

outline renewable fuel standards for the next several years. Prior to this announcement, soy crushers were penciling in a 70- to 80-cent credit per gallon. Soy oil futures rallied to new contract highs, adding to the momentum from January on improved trade relations with India, a major export partner.

SOUTH AMERICAN CROP PROGRESS

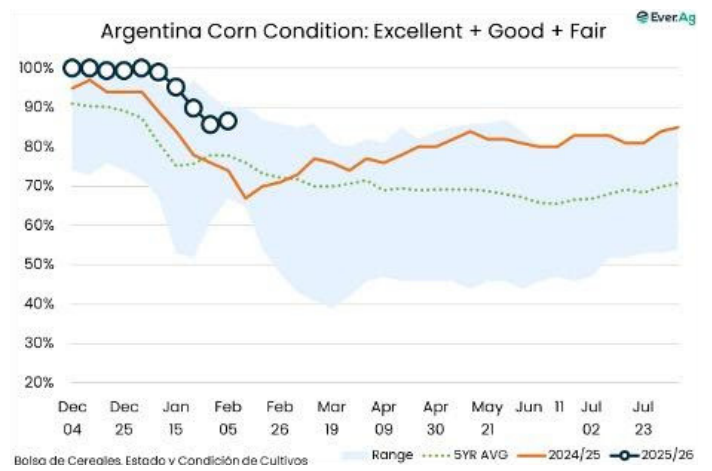
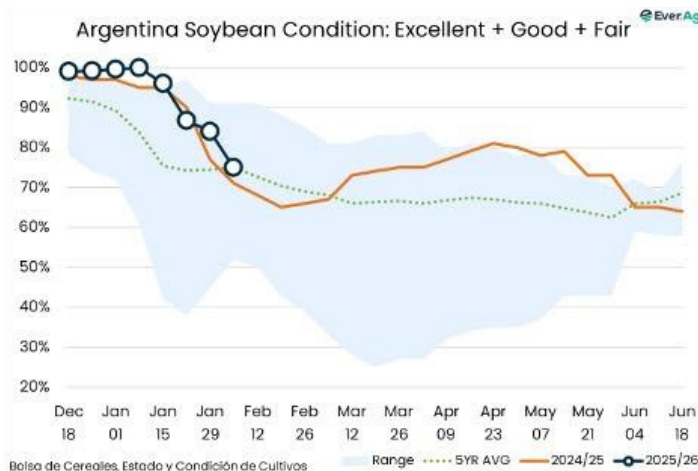
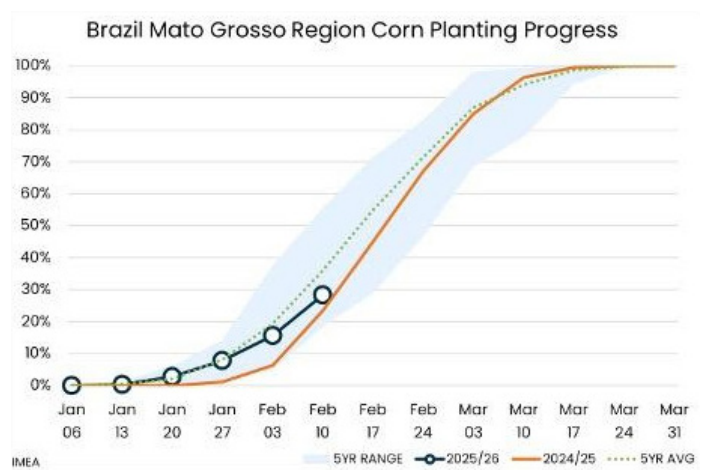
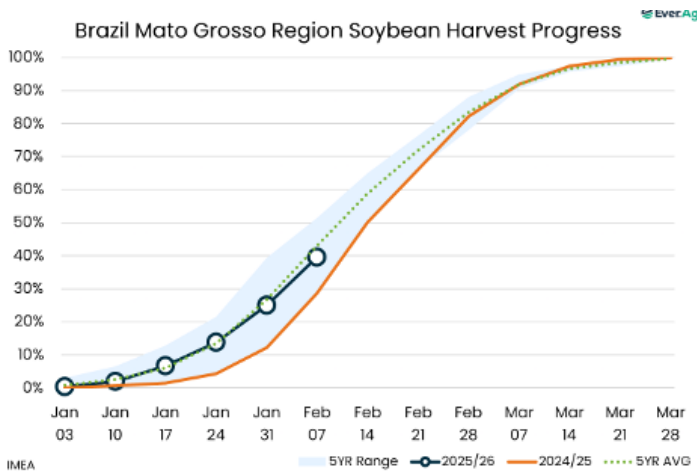
Corn and soybean crops are progressing well in Argentina. Close to 90% of the corn crop is rated excellent, good or fair, far outpacing the five-year average. About 75% of the soybean crop is rated excellent, good or fair, right in line with the five-year average. Dry weather conditions in January may hurt crop development, though. Corn planting in Brazil’s Mato Grasso region is approaching 30% complete,

similar to last year’s pace and just slightly behind the five-year average. Soybean harvest is nearly 40% complete, well ahead of last year and even with the five-year average. But recent heavy rains could slow harvest and impact crop quality in parts of Brazil.

Fast Facts:

- USDA Turns Attention to Harvest in South America

SOUTH AMERICAN CROP PROGRESS CONTINUED



WINTER WHEAT WEATHER WOES

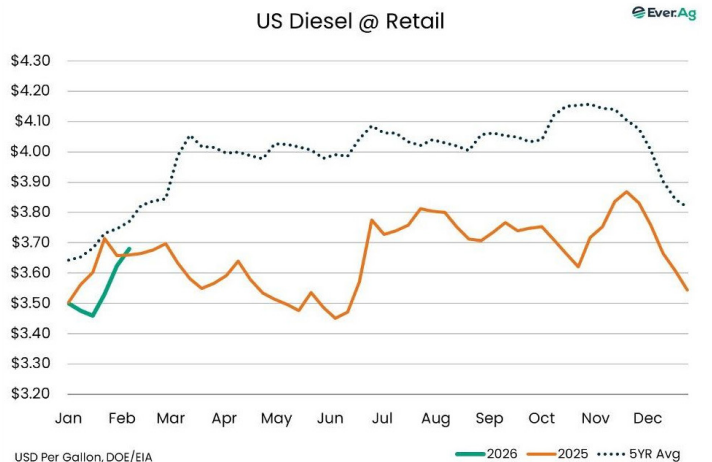


Wheat futures rallied in the second half of January, pulling corn higher on concerns of winter kill as extremely cold temperatures bore down on the Plains. A blanket of snow helped to ease

concerns, allowing the market to steady in early February. The rally encouraged corn producers to sell some inventory and free up cash. In turn, basis values in many markets took a slightly softer tone.

FERTILIZER PRICES CLIMB

Fertilizer prices are on growers' minds as planting season approaches. Geopolitical conflicts, trade skirmishes and input price volatility are all causing higher fertilizer costs than last year. In January, liquid nitrogen (28%) was \$434 per ton, 31% more than last year. Anhydrous ammonia was up 15% year-over-year at \$837 per ton. DAP rose 14% from last January to reach \$833 per ton. Potash came in at \$489 per ton and urea was \$579 per ton, both up 8% from last January. One input that went down compared to last January was diesel. At \$2.71 per gallon, that was 7% lower than a year ago. Prices ticked upward the first week of February, though, to 1% higher year-over-year.



DAIRY MARKET UPDATE

Total 2025 milk output topped 231 billion pounds, an all-time high. The year finished strong with December milk production up 4.4% year-over-year, reaching 19.6 billion pounds. Production was up across all regions, with the most growth coming from regions with expanding processing capacity. Leading the way was Kansas, growing 26.2%. California was also up 9.6% compared to a weaker December 2024 when the state was still dealing with avian influenza outbreaks.

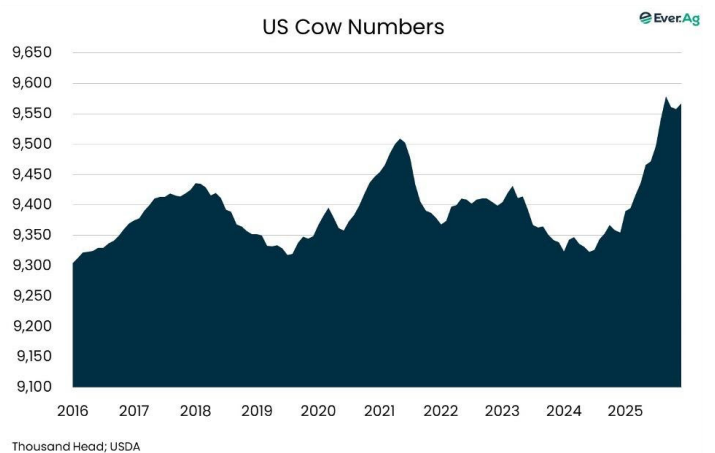
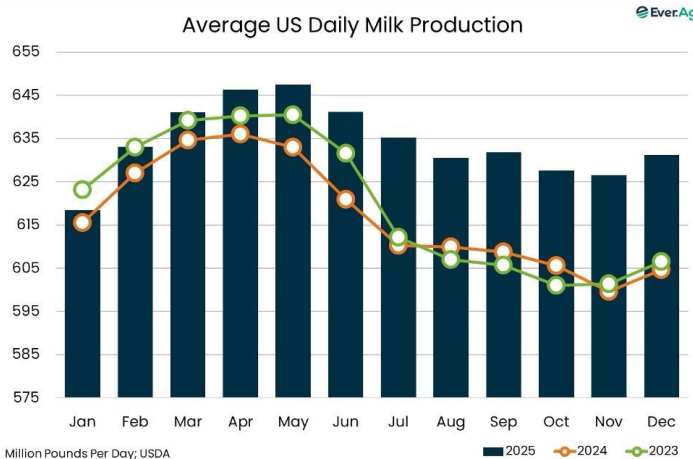
Cow numbers increased by 9,000 head in December. Year-to-date, dairy cow numbers were up 212,000 head compared to December 2024. With a historically large US dairy herd, the stage is set for strong milk output in early 2026. USDA's Cattle report confirmed big cow numbers and fewer heifers in the US dairy herd. Milk cow numbers increased to 9.57 million head, the highest level since 1993. Dairy heifer numbers fell to 3.90 million head, the lowest level since 1978. Heifers expected to calve dropped to 2.50 million head, the lowest since tracking began 25 years ago. The beef cattle herd also tightened from last year, but ranchers held onto a few more heifers for beef replacement compared to last year.

Global milk production growth also continues at a steady clip. European Union production was up an estimated 5.4% year-over-year in December. Good margins and affordable, high-quality feed continue to support milk output. In New Zealand, milk solids output exceeded expectations. Season-to-date through December, milk solids production was up 3.2%. Decent pasture should support continued production strength in early 2026.

Exports continue to help move some surplus product. November cheese exports climbed 28% year-over-year to 112 million pounds. Recent US cheese prices still sit below prices in the EU and New Zealand, maintaining a competitive edge in the global market. November butter exports skyrocketed 245% year-over-year to 25 million pounds, just shy of the monthly volume record set in August 2008. US butter prices remain at a steep discount to EU and New Zealand prices, and with more churns making the right spec (82% unsalted) butter for international buyers, export volume is expected to remain strong.

Fast Facts:

- Milk Production Report

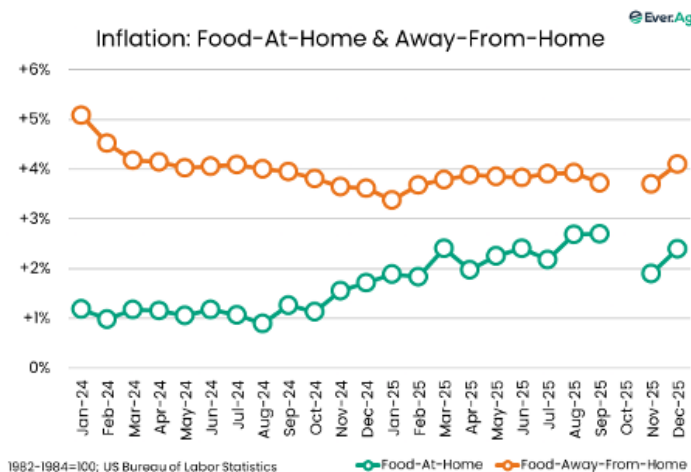
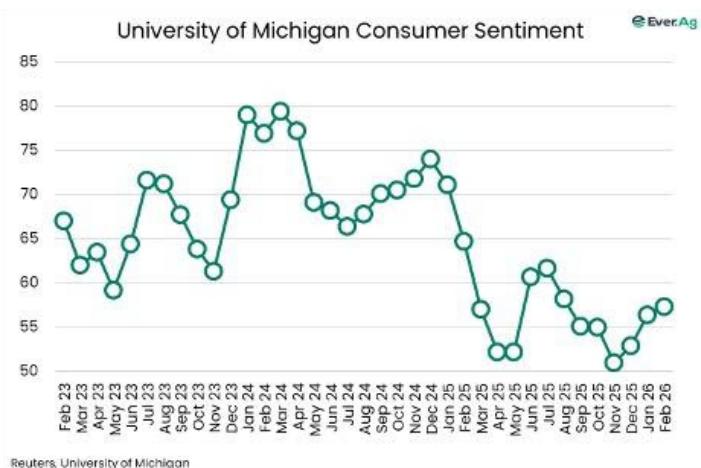


CONSUMER SENTIMENT STILL SHAKY

Weather forecasts prior to Winter Storm Fern sent consumers to the store to stock up on supplies. Grocery store foot traffic for the week ending January 25 jumped 13% year-over-year, according to Placer.ai data. People purchased staples like milk, pushing fluid volume sales 21% higher year-over-year. Butter and cheese were both up more than 20% year-over-year. With full pantries, shopping trips took a dive the following week, with grocery store traffic up just 0.1% year-over-year the week of February 1. Both milk and cheese sales were down 4% year-over-year that week.

Consumers still have concerns about the economy. The preliminary February reading of the University of Michigan Consumer Sentiment Survey came in at 57.3, up from 56.4 in January but down from 64.7 last year and far below the historical average. December inflation rose 2.7% year-over-year, with food at home up 2.4%. The Food Away from Home index rose 4.1% compared to the previous December, the biggest year-over-year increase since July 2024. Higher prices continue to weigh on consumer sentiment.

CONSUMER SENTIMENT STILL SHAKY CONTINUED



Fast Facts:

- Consumer Sentiment Still Shaky



# WHAT'S IN IT FOR YOU?

Top Takeaways From This MarketMix



## The Bottom Line

1. Soybean futures spiked - did you sell?
2. Fertilizer prices surging - budget now
3. Dairy output at records - watch margins
4. Know the facts on China deal

**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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