CELEBRATING 50 YEARS 1976-2026

JULY EDITION

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 JULY

- Crop conditions beating average
- Fertilizer prices trend lower
- Cheese exports cool slightly
- Consumer sentiment inches upward

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Fertilizer markets are finding their footing as tariff relief and easing energy prices open a window for Fall buying.

A FEED AND FUTURES SNAPSHOT

Corn basis values in the Midwest are very regionalized, with some markets seeing values near last year's lows while others still carry some premium. Most are attractive enough that, if futures find a bottom, it is reasonable to book a cash contract with your vendor rather than spend premium managing risk with futures or options. A move toward $4.10 futures should be a good spot to own a significant portion of your needs for the next crop year.

Soybean meal basis is slightly elevated, along with most other protein feedstuffs across the Midwest. There are some deals in a few pockets, but most continue to carry a slight premium versus last year. Cash prices are very attractive, especially with futures bouncing off $300 per ton. We expect there is some downside toward $280 futures and potentially $10 to $20 per ton of downside in basis and soybean meal, with more room to work lower in canola. While we do not have much anxiety about upside risk at this time, there is healthy export activity at these levels, which could make the bottom end of our targeted range much more difficult to reach.

Distillers' byproducts, gluten and similar feed commodities are beginning to slip from their highs into more palatable price ranges. Lower input costs, a seasonal dip in demand and a more competitive commodity space in general are helping to suppress prices. We expect a further break in values as grain farmers sell more new-crop bushels and plants begin to

A FEED AND FUTURES SNAPSHOT CONTINUED

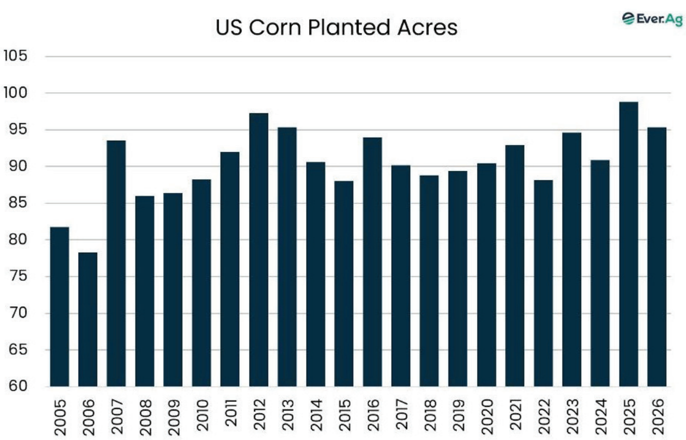
run at full capacity again closer to harvest. Added capacity by way of improved efficiency and expanded facilities should help push this market toward last year's lows.

The cottonseed market remains firm, though the tone has changed from last month. With acres now in the ground and established, fair weather arrived just in time at the end of the planting window, especially in the Texas patch. The Southeast appears to have added acres and to be in similar shape as last year, which should allow prices to come down slightly. However, we do not expect a significant break in price in 2026. If an end user can purchase their needs at values similar to last year, or even at a $20- to $30-per-ton premium, those are likely to be some of the better values available this year.

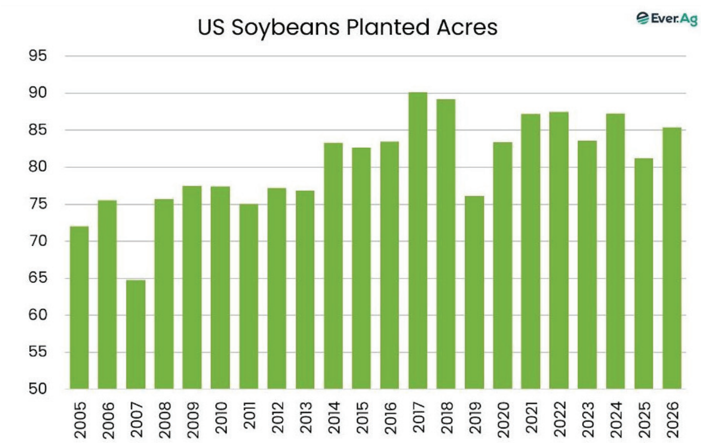
Farmers planted 95.343 million acres of corn this Spring, according to USDA's Acreage report, ahead of analyst expectations for 94.992 million acres. Soybean acres came in at 85.365 million acres, close to expectations for 85.369 million acres. Wheat acres totaled 42.740 million, notably lower than expectations for 48.858 million.

In USDA's quarterly Grain Stocks report, corn totaled 5.295 billion bushels, below the consensus call for 5.408 billion but still 14% higher than a year ago. The report pegged soybean inventories at 1.061 billion bushels, up 5% from last year and slightly above analyst expectations for 1.046 billion.

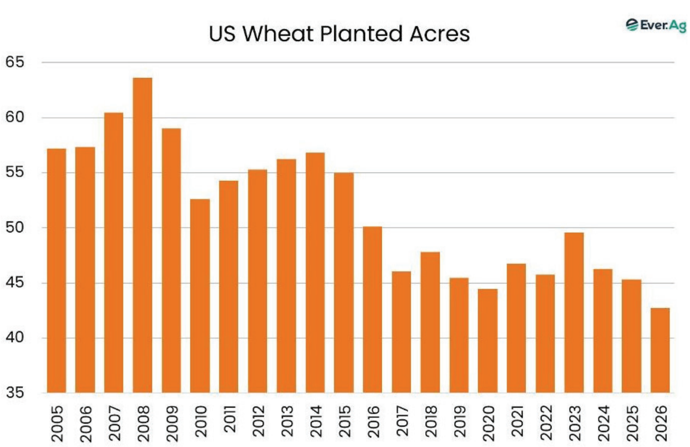
US crops are faring better than average for this point in the growing season. USDA rated 67% of the US corn crop in good or excellent condition as of July 5, unchanged on the week and ahead of the five-year average of 64%. The soybean crop was 64% good or excellent, down slightly from 65% last week, but up from 61% on the five-year average.



Million Acres, Crop Year Beginning; USDA



Million Acres, Crop Year Beginning; USDA



Million Acres, Crop Year Beginning; USDA

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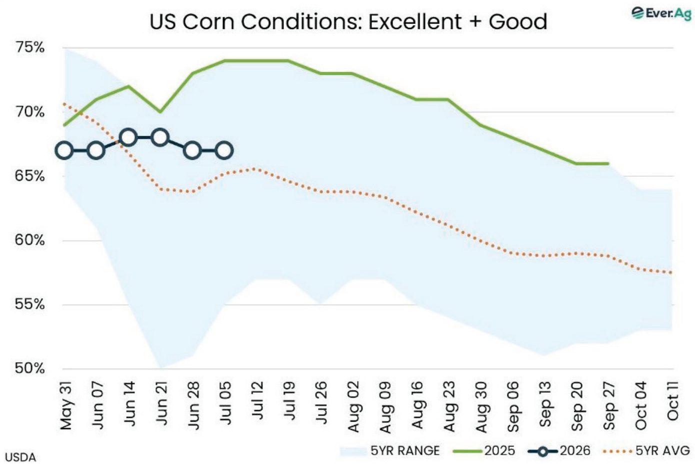
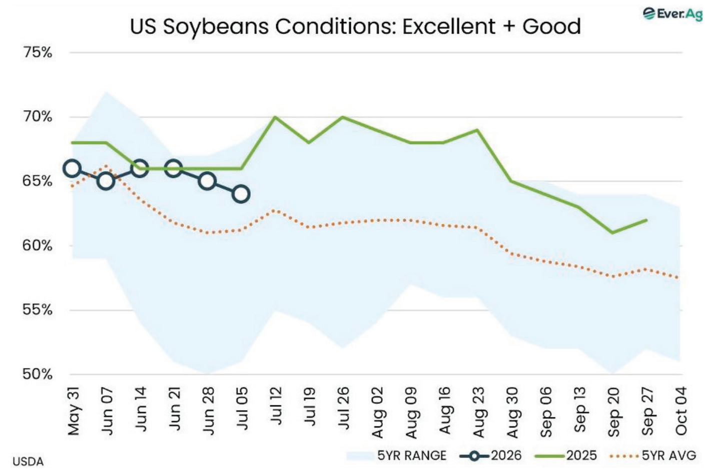
Fast Facts:
- USDA Acreage Report

A FEED AND FUTURES SNAPSHOT CONTINUED

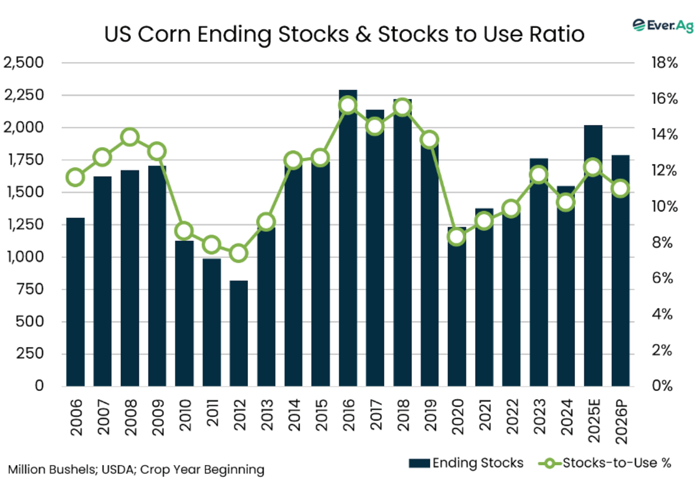


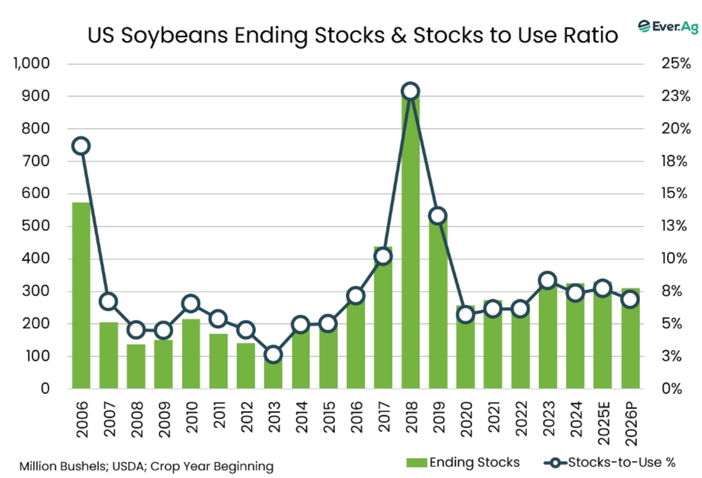


JULY WASDE DETAILS

In its July *World Agricultural Supply and Demand Estimates (WASDE)* report, USDA lowered old-crop corn US ending stocks to 2.020 billion bushels, down from 2.145 billion in June and slightly below expectations for 2.073 billion bushels. Global ending stocks came in at 298.67 million metric tons, down from 303.36 million in June. New-crop corn ending stocks came in at 1.790 billion bushels, down from 1.960 billion in June and expectations for 1.873 billion. World ending stocks tallied 275.26 million metric tons, below expectations for 278.85 million. This cut to new-crop ending stocks puts more pressure on production as we move through the growing season, especially since the old-crop balance sheet may tighten given strong export demand.

US old-crop soybean stocks totaled 330 million bushels, close to expectations for 338 million. World ending stocks came in at 125.33 million metric tons, down slightly from last report's 125.52 million metric tons. New-crop soybean stocks held steady from last month at 310 million bushels, slightly below analysts' expectations for 330 million. World new-crop ending stocks declined to 124.17 million metric tons, down from 124.88 million in the June report. Analysts expected 125.17 million metric tons. After USDA lifted soybean acres in the recent Acreage report, the market anticipated a slightly heavier soybean balance sheet. However, lower beginning stocks and stronger export demand expectations offset the production increase.





Fast Facts:

- **July WASDE Report**

JULY WASDE DETAILS CONTINUED

USDA WASDE Report: July 2026

2025-2026 US Ending Stocks (Billion Bushels)			
	Corn	Soybeans	Wheat
July	2.020	0.330	0.920
Consensus	2.073	0.338	0.942
Range	1.990-2.151	0.312-0.350	0.924-0.985
June	2.145	0.340	0.935
2025-2026 World Ending Stocks (Million Metric Tons)			
	Corn	Soybeans	Wheat
July	298.67	125.33	279.04
Consensus			
Range			
June	303.36	125.52	279.95

Source: Reuters, USDA

FERTILIZER PRICES REMAIN ELEVATED

Fertilizer Cost Update: Illinois

Product	Jun 26	Last Month	Change	Last Year	Change	Average	Change
Liquid Nitrogen 28% Spread	$ 556	$ 561	-1%	$ 423	+31%	$ 457	+21%
Anhydrous Ammonia	$ 1,096	$ 1,134	-3%	$ 793	+38%	$ 998	+10%
Potash	$ 502	$ 505	-0%	$ 468	+7%	$ 581	-14%
DAP	$ 875	$ 870	+1%	$ 774	+13%	$ 806	+9%
Urea	$ 806	$ 903	-11%	$ 579	+39%	$ 639	+26%
Farm Diesel	$ 4.09	$ 4.80	-15%	$ 2.88	+42%	$ 3.33	+23%

Monthly Average in Illinois, USD Per Ton for Fertilizer, USD Per Gallon for Diesel; USDA, Ever.Ag Calculations

Fertilizer prices have followed the energy markets and come down from their highs, especially with crude now down to $70 a barrel across most of the futures curve. An uptick in purchases due to the slide in price has steadied the market, and some regions are seeing minor upticks as a result. There are questions about the long-term outlook for the ceasefire and logistics moving out of the Gulf. But prices could continue to work lower in the months ahead if the market gains confidence that a resolution to the war is in place and that production and shipping can resume. We still expect availability and price to be concerns for the South American crop later this year and next year's US crop, but things are trending favorably as of now.

In June, urea was up 39% in price from last June, averaging $806 per ton. Ammonia was 38% higher, reaching $1,096 per ton. Liquid nitrogen 28% was $556 per ton, a 31% increase year-over-year. DAP climbed to $875 per ton, 13% higher, and potash was $502 per ton, 7% higher than June 2025.

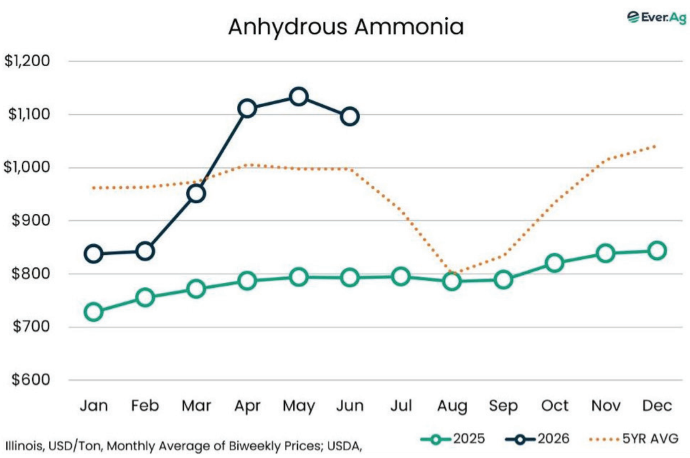
US President Donald Trump asked Congress to approve more than $11.1 billion in additional aid for farmers facing high fuel and fertilizer costs created by the Iran war. About $10 billion would go to row crop and specialty crop producers, while $1.1 billion is earmarked for farmers in Florida. This funding would be in addition to the $12 billion in aid already disbursed to US farmers this year.

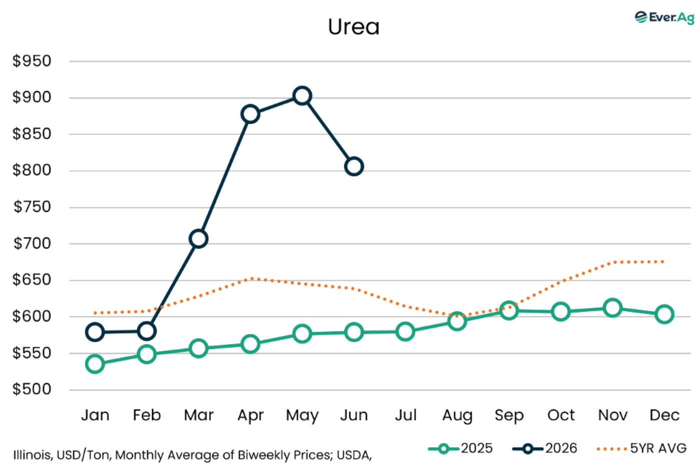
President Trump also announced a temporary pause on tariffs for phosphate fertilizer from Morocco. Fertilizer prices soared this Spring when the Iran war disrupted shipments of fertilizer and production inputs. The administration said the tariff suspension will last at least eight months so that farmers can buy more affordable fertilizer this Fall for the next growing season.

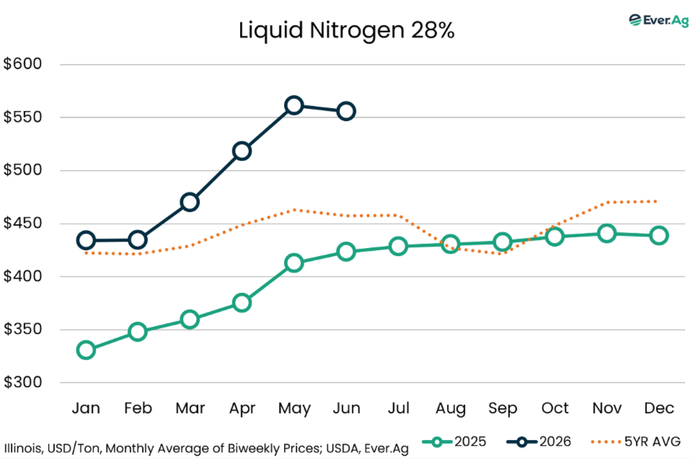
Fast Facts:

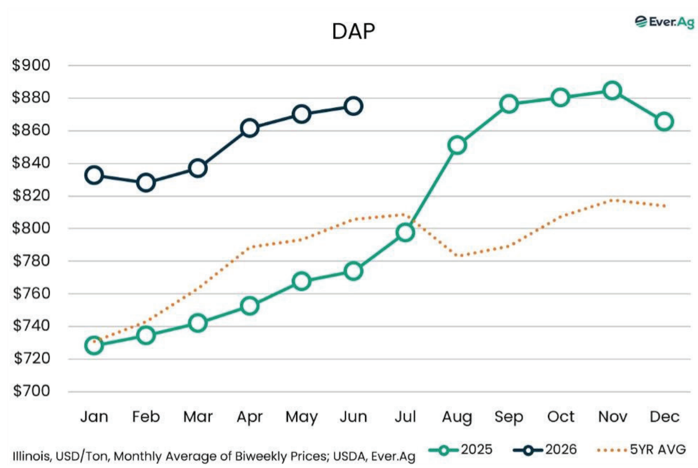
- US to suspend some duties on phosphate fertilizer from Morocco

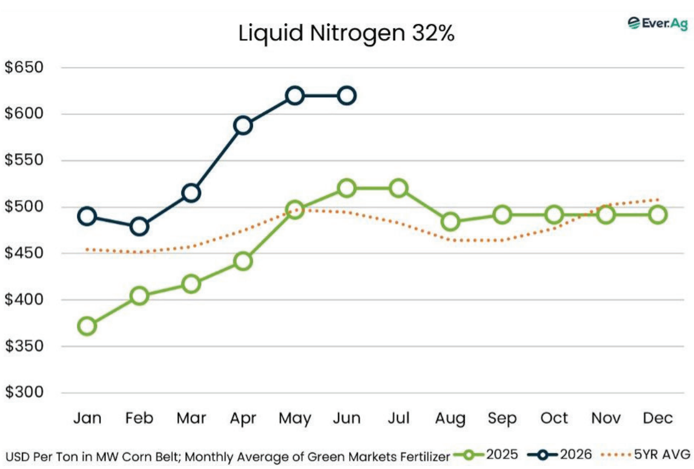
FERTILIZER PRICES REMAIN ELEVATED CONTINUED

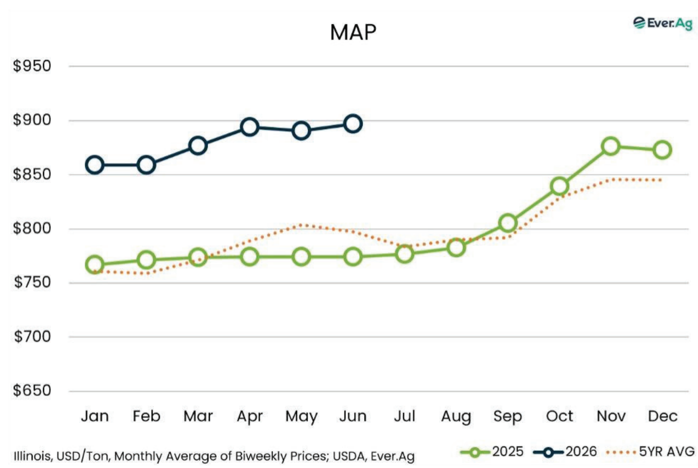












DAIRY: MORE COWS, MORE MILK, MORE BUTTER EXPORTS

May milk production grew 2.3% year-over-year to 20.6 billion pounds. Output was up in all milk-producing regions, though the Northeast only increased by 0.3%. Gains in New York output was offset by declines in Pennsylvania and Vermont. The US dairy herd reached 9.665 million cows, up 184,000 head year-over-year.

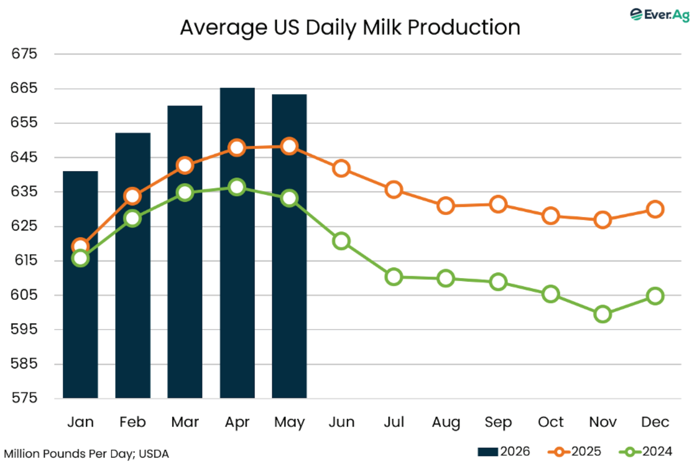
With plenty of cow power and favorable margins for farmers, continued growth is expected in the second half of 2026. Heat waves have impacted some regions of the US, but reports from the field haven't shown big production losses due to heat stress yet.

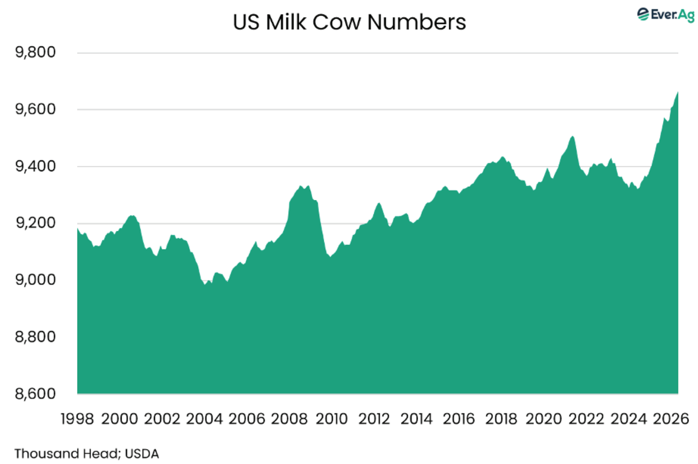
Beyond milk growth, on-farm fat production also continues to climb. The latest data showed the average on-farm fat tests rose to 4.31%, up from 4.24% a year

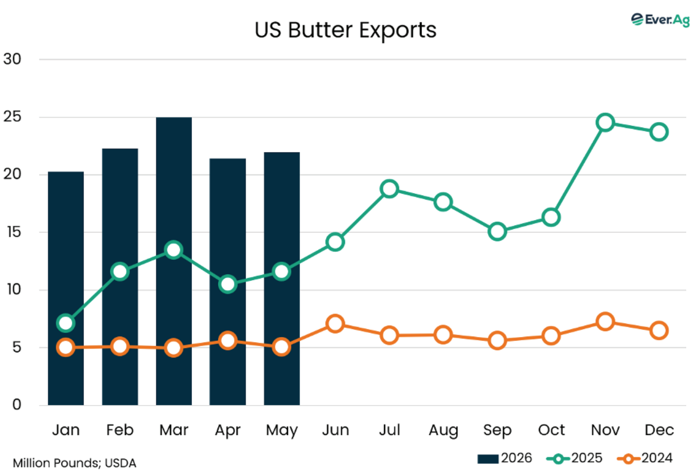
DAIRY: MORE COWS, MORE MILK, MORE BUTTER EXPORTS CONTINUED

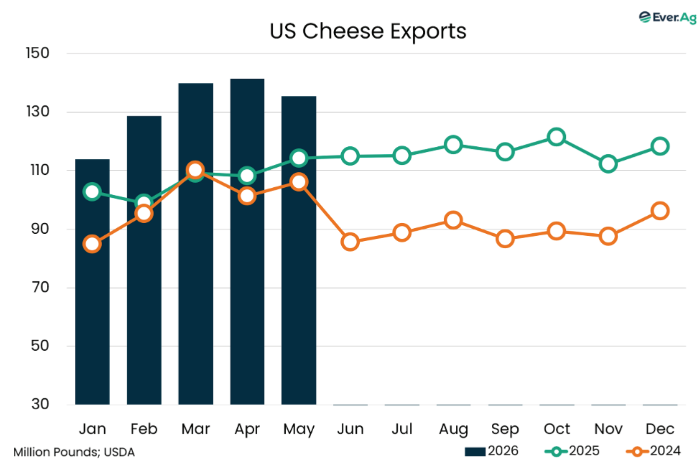
ago. After breaking records three months in a row, May US cheese exports eased slightly. Total outbound cheese volume reached 135 million pounds, down from April's 142 million but still up 18% year-over-year.

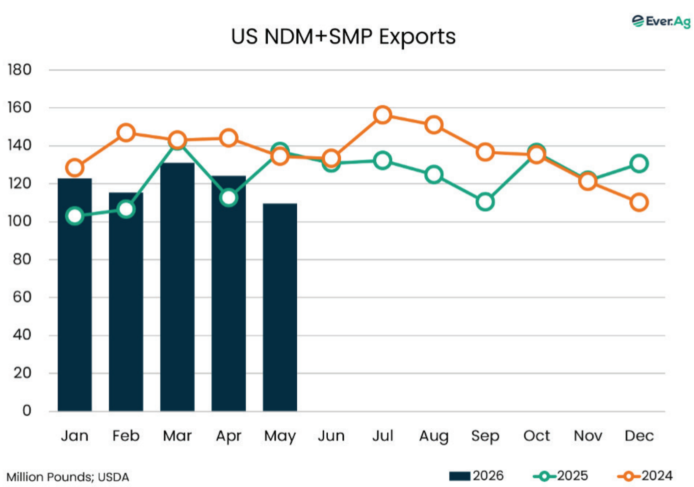
May US butter exports reached 22 million pounds, up 89% (+10 million pounds) year-over-year. Nonfat dry milk and skim milk powder exports pulled back after a strong April. Shipments totaled 110 million pounds, down 20% from the year prior.

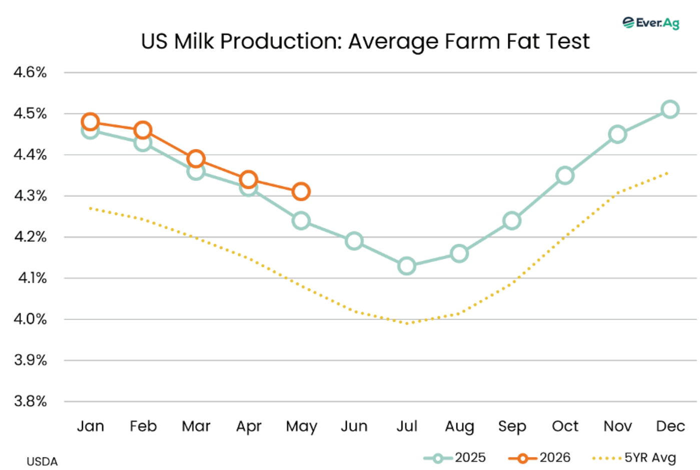












Fast Facts:

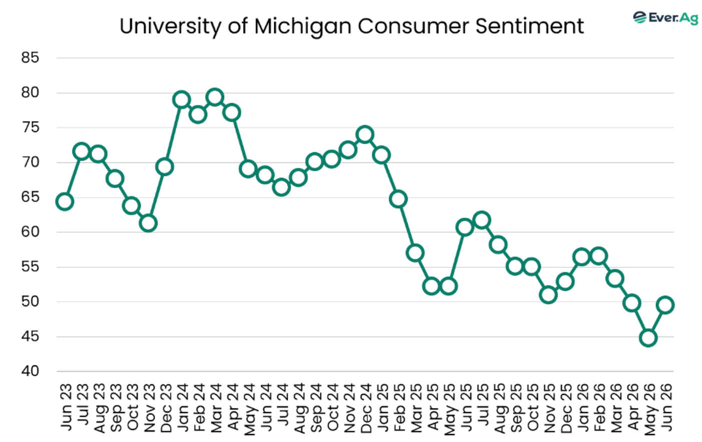
- Milk Production Report

ENERGY COSTS EASE BUT INFLATION PERSISTS

Gas prices are down nearly 70 cents per gallon from the May highs, which puts some money back into consumers' wallets. Will that be enough to help struggling food sales? Quick-service restaurant traffic has been running below prior-year levels for 10 consecutive weeks, which cuts into cheese needs. Retail cheese demand is also soft. Expensive gas, high food prices and changing eating habits all seem to be negatively impacting consumers' willingness to dine out. Some major pizza chains saw improved same-store visits in June, but burger places struggled, and overall, this lackluster demand is not good for cheese use.

There are bright spots in the macroenvironment, though. Even though retail beef sales in May slipped below prior-year levels for the first time in nearly two years, consumers still seem willing to pay for beef despite its higher price tag. Beef prices are near record highs, but consumers continue to choose beef over pork and chicken. And even though restaurant visits have been soft, steakhouse chains are showing strength among other dining options.

In the latest jobs data, the unemployment rate dipped to 4.2% in June, down from 4.3% in May. US employers added +54,000 jobs, below expectations but still growth. If people are employed and able to find jobs, it puts more money in consumers' wallets. The University of Michigan Consumer Sentiment Index reading for June rose to 49.5, still historically low but up from the previous month's record low of 44.8. Lower gas prices helped ease the strain on consumers, although cost-of-living expenses remained a top concern.



Reuters, University of Michigan

Fast Facts:

- **Consumer confidence rises as gas prices fall, but Americans remain gloomy about the economy**
- **Beef Prices: Demand for steak isn't falling**

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WHAT'S IN IT FOR YOU?

Top Takeaways From This MarketMix

The Bottom Line

1. Corn crop conditions ahead of 5-year average
2. Fertilizer prices ease as tariffs pause
3. Cheese exports slow after 3-month record run
4. Consumer sentiment ticks up, gas prices offer relief

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