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SEPTEMBER 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 SEPTEMBER

- Feed futures rally continues
- Diesel tops $6/gallon
- Wheat crisis drives corn higher
- Consumer sentiment slides again

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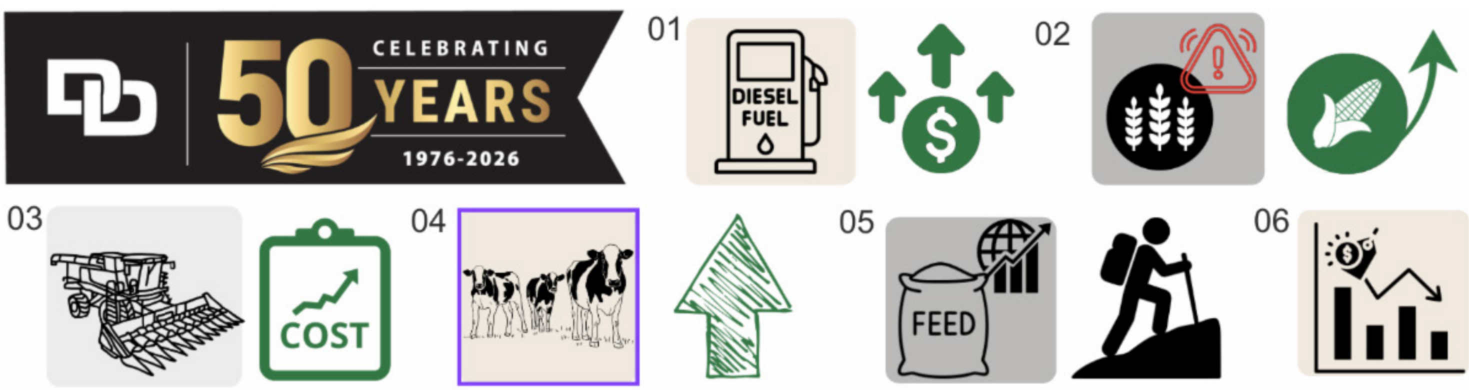
INSIGHTS PORTAL



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In this environment, we're choosing to own physical feed and look for options to create flexibility and recoup costs — we're hesitant to lean too heavily into any futures position not tied directly to a future feed purchase.

FUTURES CLIMB WHILE BASIS STAYS STEADY

Feed futures remain near contract highs with a firm undertone after a counter-seasonal rally through July and August saw corn move nearly $1.00 per bushel higher and soybean meal gain $50 per ton.
Market strength began in early July with persistent drought across critical growing regions in Europe. Similar issues evolved in the US, slowly bringing both corn and soybean crop conditions below the five-year average. Total production is still expected to be strong from a historical perspective, but demand is set to outpace the soon-to-be-harvested supply.

Corn export estimates have been adjusted higher throughout the 2025-2026 crop year. Unless sales' pace changes soon, the same will be necessary for the 2026-2027 balance sheet.

Soybean meal futures tried to hold a steady, attractive price in the low-$300-per-ton range, but a rising tide lifts all boats. Weather seemed to have less of a negative impact on soybean production, and ever-increasing crush capacity in both the US and Canada give protein values a better chance at breaking lower.

Serious concerns over fertilizer and chemical availability and adverse El Nino weather effects have already caused significant reductions in South America's crop size. However, planting has just begun, and Brazilian

FUTURES CLIMB WHILE BASIS STAYS STEADY CONTINUED

soybean production has grown an average 6% each of the last six years. The preemptive reduction of new-crop balance sheets may actually prove to be positive for end users. If input and weather impacts are less severe than anticipated, Brazil and Argentina could surpass current estimates, helping pull markets lower in the first and second quarters of 2027.

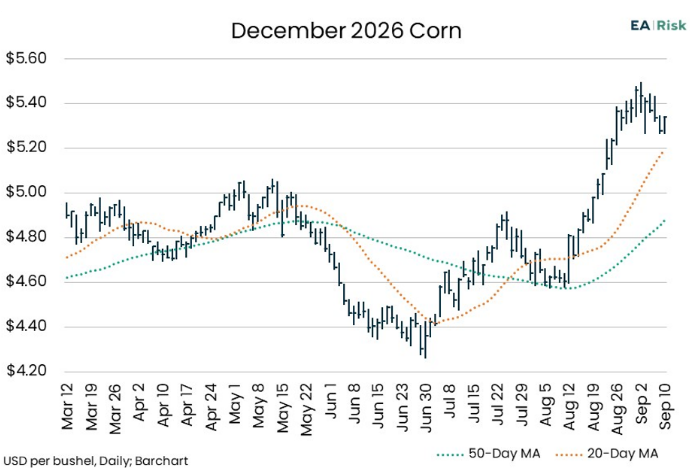
Corn and soybean fundamentals are not the only drivers in this precipitous feed market rally. The US hard wheat crop underperformed by a wide margin in 2026, and the same is true for Europe's wheat crop. Intensifying conflict in the Black Sea region has caused material damage to export infrastructure and dramatically reduced shipping lane capacity for one of the world's most important wheat export markets. While the global wheat balance sheet appears moderately healthy, inability to get product to the global supply chain has resulted in Kansas City wheat futures breaking $8.00 per bushel, and Chicago wheat futures are trailing only slightly behind. When that war first began, wheat eventually made its way to $10 per bushel. Revisiting that range would almost certainly pull corn past $6.00 per bushel and give soybean meal a reason to push towards $400 per ton.

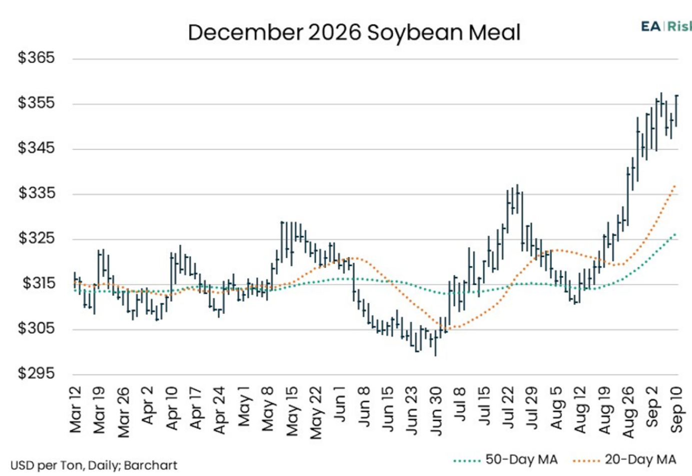
In this environment, we're choosing to own physical feed and look for options to create flexibility and recoup costs in many cases. For those with sizable volumes of unpriced feed still exposed to market movement, we're using options strategies to cover topside risk. We are hesitant to lean too heavily into any kind of futures position that is not tied directly to a future feed purchase given the extent of recent volatility.

While futures markets have been rallying, basis offers have been fairly steady, especially in the Midwest where freight costs are less affected due to shorter shipping distances. In most cases, corn basis has been good enough to book a majority of new-crop needs. Proteins have been less attractive through the Summer months as China aggressively buys canola from Canada and soybeans from US suppliers. Crush capacity and soybean production should be strong enough to offer a slight pullback in the harvest window or in early 2027. This is especially true if Chinese demand backs off or if the South American crop surpasses projections.

Distillers byproducts, corn gluten and similar ingredients rallied along with corn futures. This is partially a response to higher input costs at processing plants. Another explanation is higher export demand as European and Southeast Asian countries begin buying our product to supplement their own needs following drought in Europe this Summer.

Fiber and forages are not to be forgotten in this high-priced cycle. A smaller wheat crop in the western Plains left many livestock producers short of silage this Spring, and drought across the western US severely reduced hay inventories. As cotton crop conditions in the Texas Panhandle continue to trend poorly, we're seeing cottonseed, soyhulls, beet pulp and other transportable fiber products climb to prices not seen in several years. There is little optimism for relief in the short term, with the next opportunity to restock inventories not coming until Spring 2027 assuming favorable conditions this Winter start turning things around.





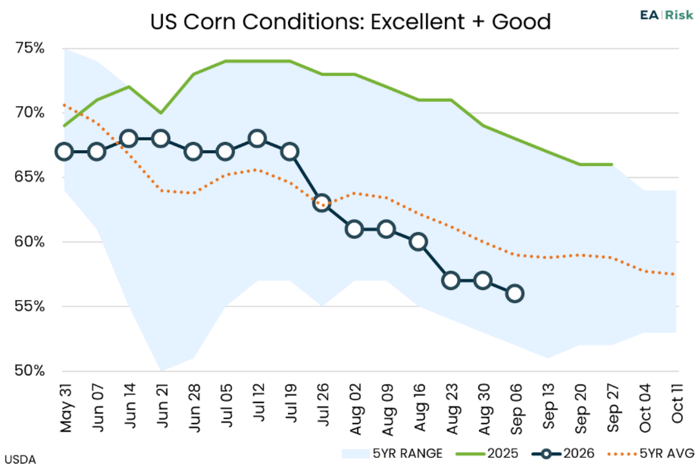
Fast Facts:

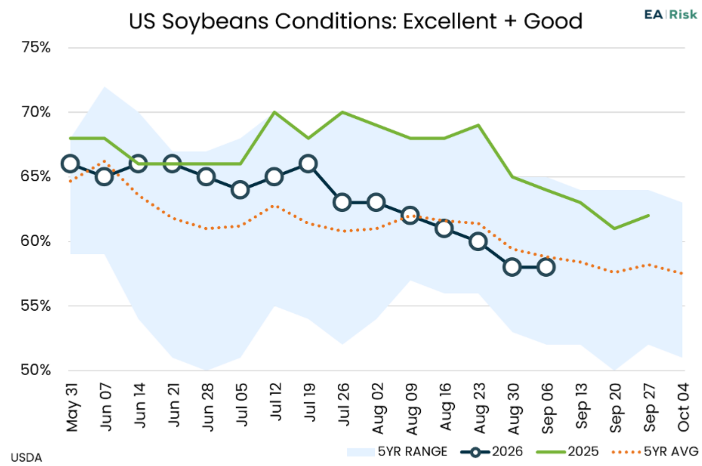
- Insight Portal

CROP CONDITIONS SIT SLIGHTLY BELOW AVERAGE

In its August *Crop Production* report, USDA pegged US corn production at 15.800 billion bushels, slightly ahead of expectations. Corn yield came in at 178.5 bushels per acre, just ahead of expectations for 178.2 bushels per acre but down from the August *WASDE* estimate of 180.7 bushels per acre. US soybean production projections hit 4.535 billion bushels, close to the consensus call. Yield estimates reached 52.8 bushels per acre, slightly above expectations for 52.5 bushels and the August *WASDE* estimate of 52.7 bushels.

As of September 6, USDA rated 56% of the US corn crop in excellent or good condition, below the five-year average of 60%. For soybeans, 58% of the crop was excellent or good, just behind 59% on the five-year average.





Fast Facts:

- Crop Progress Report

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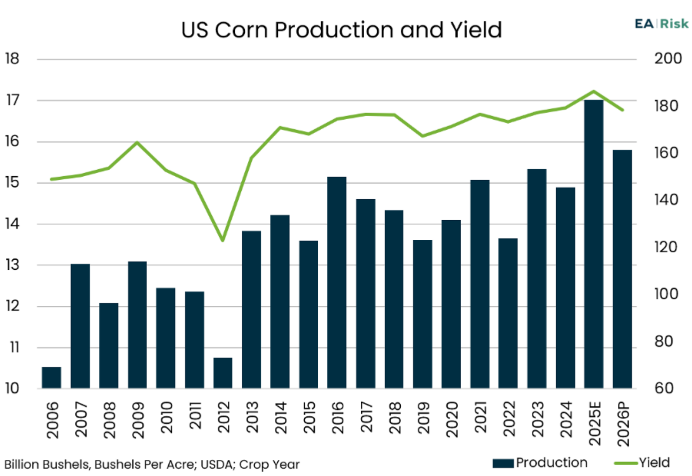
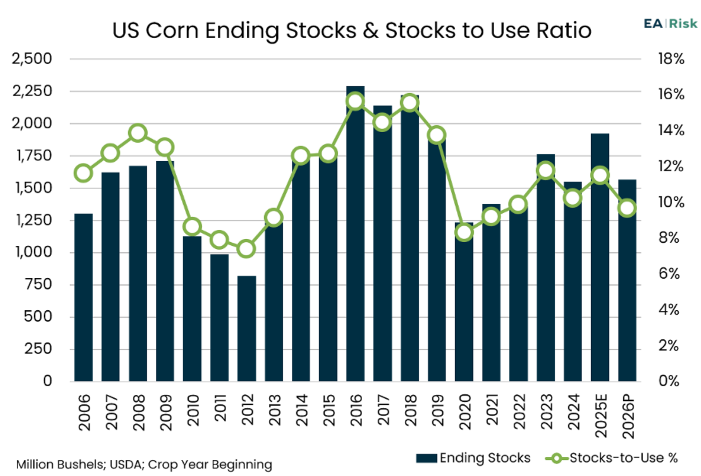
SEPTEMBER WASDE

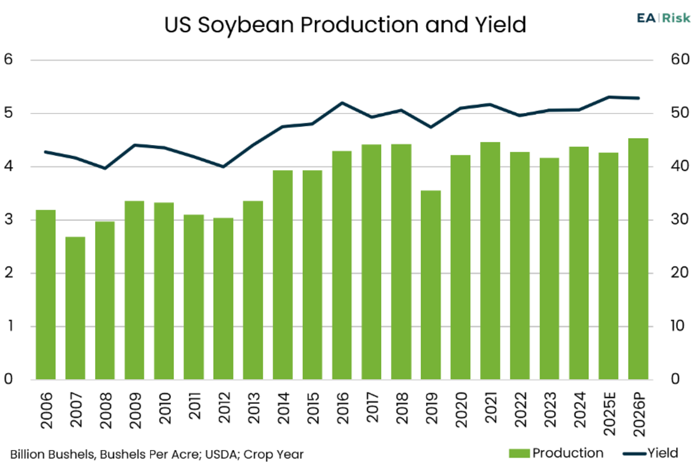
USDA's September *WASDE* report was neutral for corn and soybeans. USDA lowered US corn ending stocks to 1.567 billion bushels, down from 1.653 billion in August but slightly ahead of expectations for 1.528 billion bushels. Exports were unchanged at 3.275 billion bushels in anticipation of steady export demand. World ending stocks tallied 272.10 million metric tons, ahead of expectations but below August's estimate of 274.66 million metric tons.

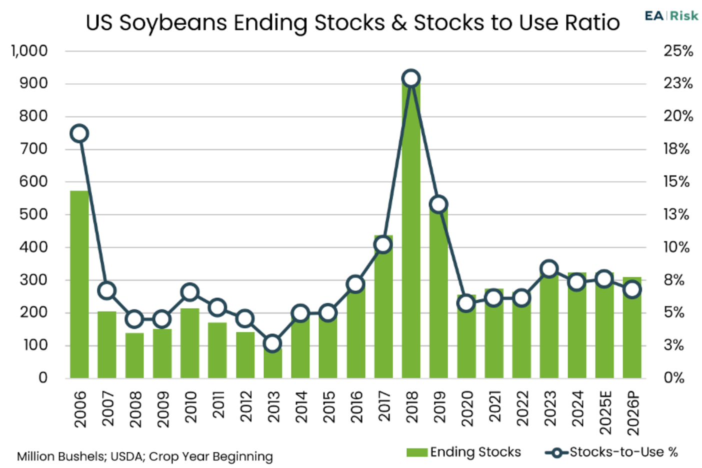
For soybeans, USDA reduced US ending stocks to 310 million bushels, down from 320 million bushels last month but ahead of analysts' expectations for 298 million. World ending stocks were nearly unchanged at 124.02 million metric tons but came in ahead of analysts' expectations for 124.21 million metric tons.





SEPTEMBER WASDE CONTINUED





USDA WASDE Report: September 2026

2026-2027 US Production Estimates (Billion Bushels)	Corn	Soybeans	Wheat
September	15.800	4.535	1.531
Consensus	15.785	4.501	
Range	15.344-16.207	4.393-4.572	
August	16.013	4.519	1.531

2026-2027 US Harvested Area Estimates (Million Acres)	Corn	Soybeans	Wheat
September	88.500	85.900	32.100
Consensus	88.581	85.775	
Range	88.100-89.000	85.300-86.100	
August	88.600	85.800	32.100

2026-2027 World Ending Stocks (Million Metric Tons)	Corn	Soybeans	Wheat
September	272.10	124.02	276.29
Consensus	271.59	123.06	273.46
Range	268.50-274.60	121.00-124.10	271.26-276.30
August	274.66	124.21	273.25

Source: Reuters, USDA

2026-2027 US Yield Estimates (Bushels Per Acre)	Corn	Soybeans	Wheat
September	178.5	52.8	47.8
Consensus	178.2	52.5	
Range	173.2-182.9	51.5-53.3	
August	180.7	52.7	47.8

2026-2027 US Ending Stocks (Billion Bushels)	Corn	Soybeans	Wheat
September	1.567	0.310	0.717
Consensus	1.528	0.298	0.719
Range	1.359-1.820	0.214-0.339	0.686-0.747
August	1.653	0.320	0.717

Fast Facts:

- September WASDE

DIESEL HITS RECORD HIGH AHEAD OF HARVEST

As corn silage harvest gets underway and grain harvest is just around the corner, farmers are facing record-high diesel prices. The national average retail diesel price surpassed $6 per gallon in early September, up more than $2 per gallon from this time last year. As shown in the table, the farm diesel FOB price skyrocketed 81% from last September to an average of $5.45 per gallon.

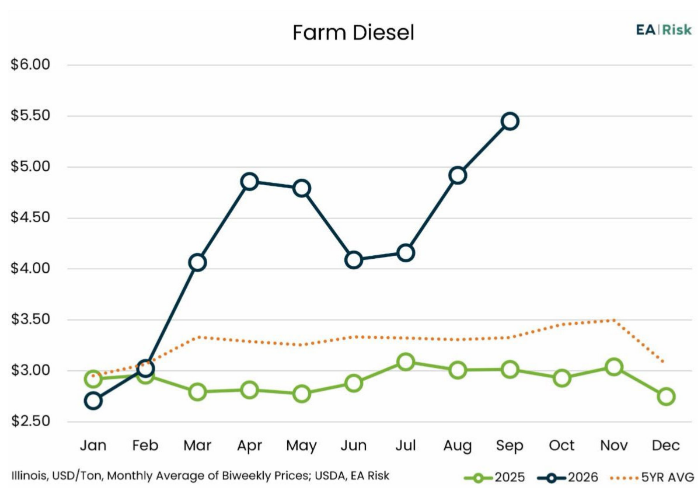
Continued conflict in the Middle East and tight fuel oil stocks have sent prices skyward at the worst time for farmers. High diesel prices also make trucking more expensive for everyday goods, and as businesses incur higher transportation expenses, these costs are likely to be passed on to consumers.
Fertilizer prices also remain above year-ago levels. In early September, urea was up 19% from last year, averaging $722 per ton. Liquid nitrogen 28% was $495 per ton, a 14% increase year-over-year.

Anhydrous ammonia was 13% higher, reaching $893 per ton. DAP climbed to $921 per ton, up 5%, and potash was $500 per ton, 2% higher than last year.

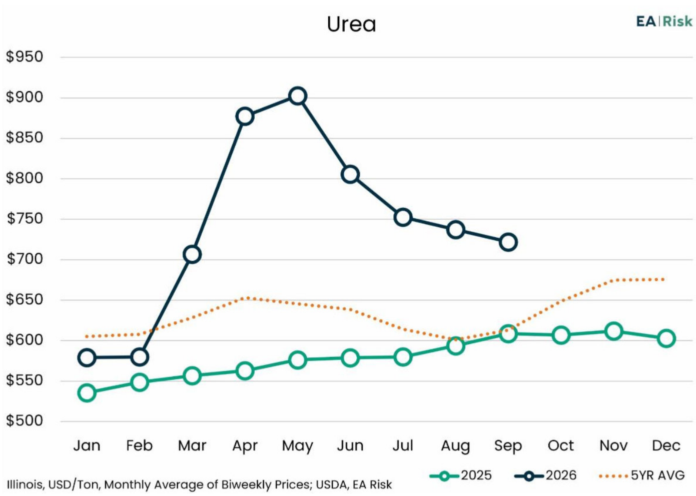
Fertilizer Cost Update: Illinois

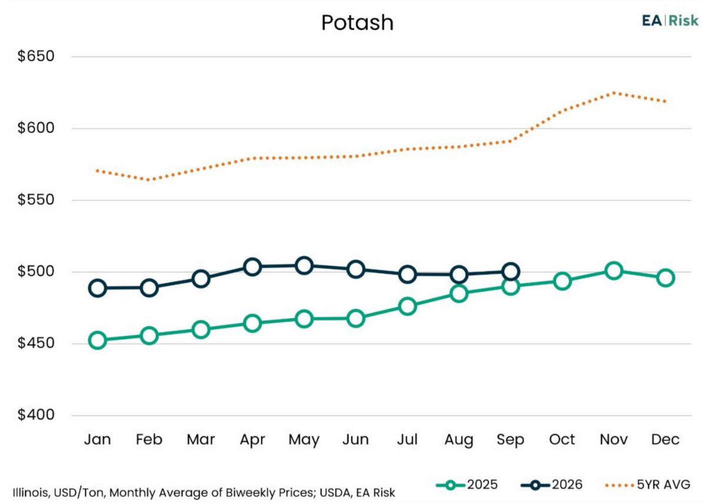
Product	Sep 26	Last Month	Change	Last Year	Change	Average	Change
Liquid Nitrogen 28% Spread	$ 495	$ 518	-4%	$ 433	+14%	$ 422	+17%
Anhydrous Ammonia	$ 893	$ 903	-1%	$ 789	+13%	$ 835	+7%
Potash	$ 500	$ 498	+0%	$ 490	+2%	$ 591	-15%
DAP	$ 921	$ 915	+1%	$ 877	+5%	$ 789	+17%
Urea	$ 722	$ 737	-2%	$ 609	+19%	$ 613	+18%
Farm Diesel	$ 5.45	$ 4.92	+11%	$ 3.02	+81%	$ 3.33	+64%

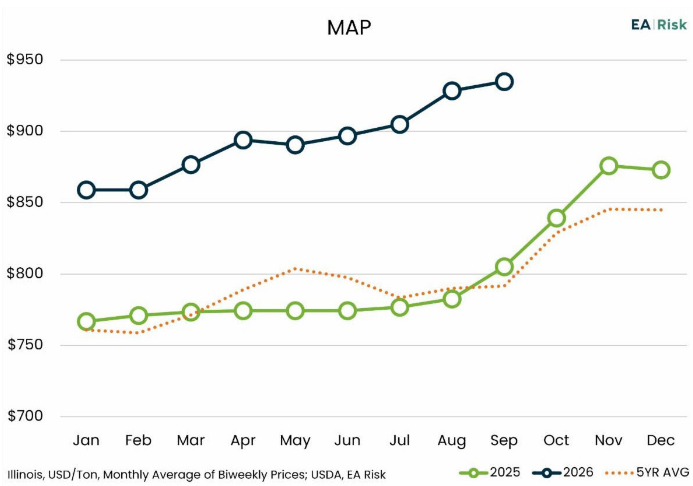
Monthly Average in Illinois, USD Per Ton for Fertilizer, USD Per Gallon for Diesel; USDA, EA Risk Calculations

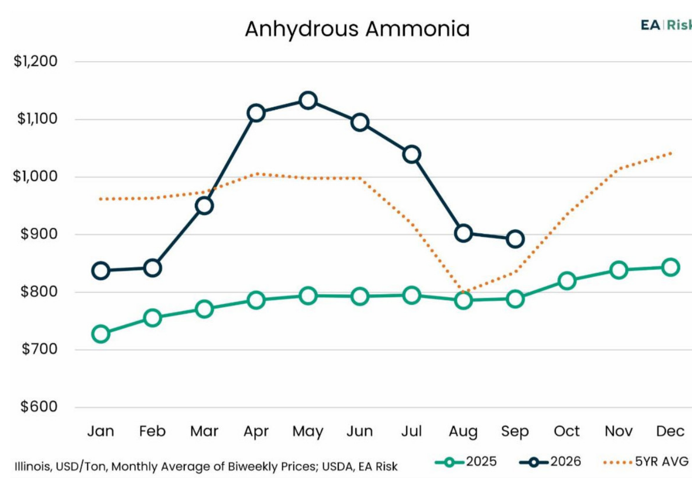


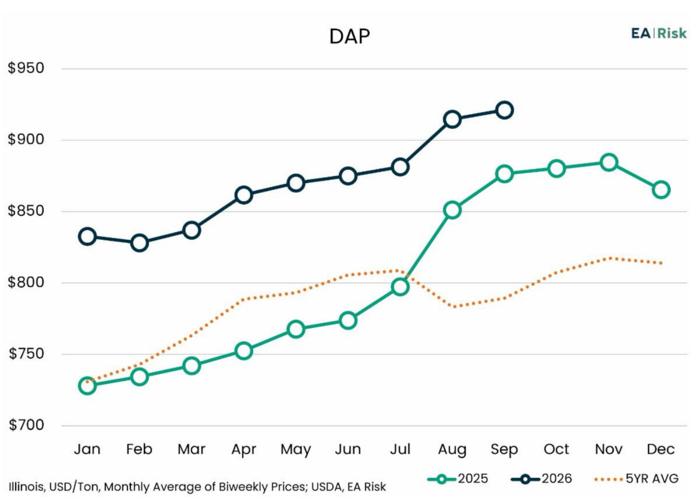
DIESEL HITS RECORD HIGH AHEAD OF HARVEST CONTINUED

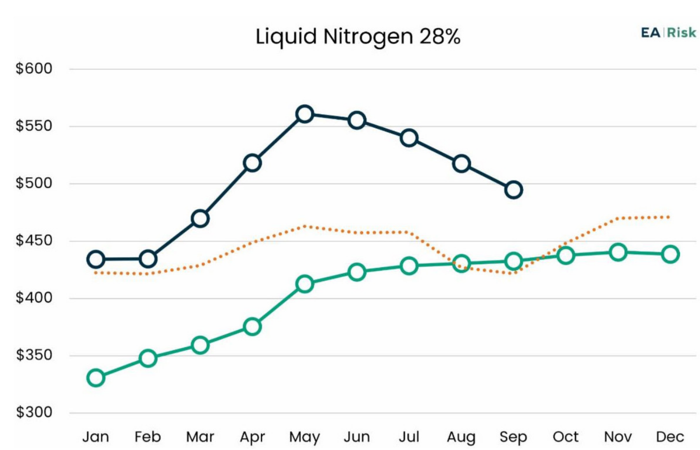












Fast Facts:

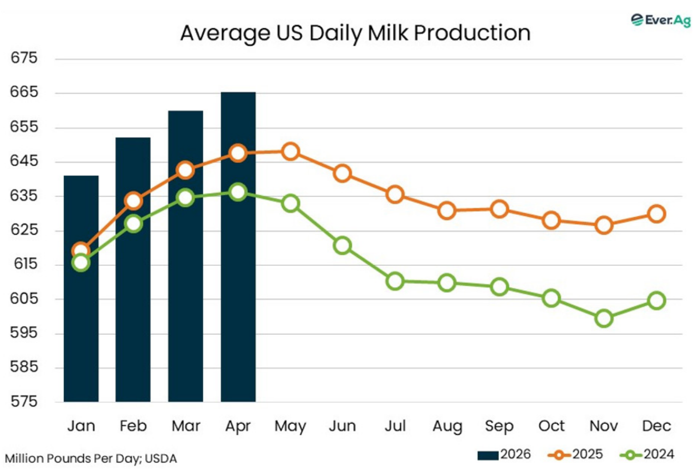
- US Diesel Prices Soar Past $6/gallon

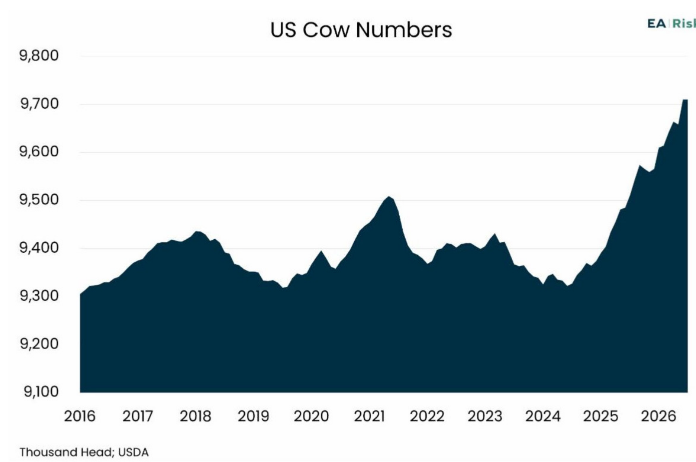
DAIRY UPDATE: RECORD HERDS & EXPORTS

US milk production was up 2.2% year-over-year in July, surpassing expectations. Output was up in all dairy regions except California, where production was 0.8% lower compared to a strong July 2025. Milk production was up 3.0% in the Midwest, +2.6% in the Mideast and +1.3% in the Northeast even as Summer heat impacted cow comfort. Cow power continues to support output gains, as the US herd sits at 9.17 million head. That's the biggest US milk cow herd since 1991 and up 199,000 head from last year. Fat production also continues to rise. The latest data from July showed that average on-farm fat tests reached 4.19%, up from 4.13% a year ago.

US cheese exports hit another monthly volume record in July with 144 million pounds shipped, up 25% year-over-year. Competitive prices have helped US cheese win in contested regions, but falling New Zealand cheese prices could create some more competition for US cheese in the coming months. Meanwhile, domestic cheese use was down 1.0% year-over-year in July. Slow restaurant traffic could be playing a role, with weekly quick-service restaurant visits falling behind year-ago levels for 19 consecutive weeks.

US butter exports fell below prior-year levels for the first time in two years. Shipments totaled 17 million pounds, down 8% on the year. With US prices still higher than global competitors in July, exports of powder also declined year-over-year, falling 23% to 102 million pounds.

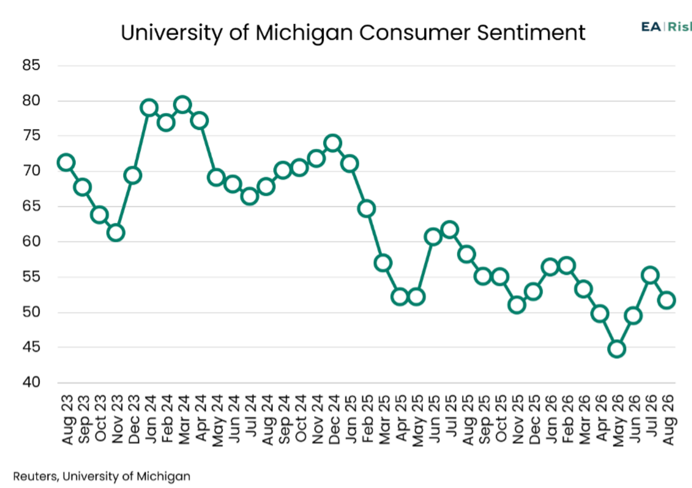




Fast Facts:
- Milk Production Report

CONSUMER SENTIMENT DIPS AGAIN

High gas prices continue to weigh on American consumers. After two months of improvement, the final August reading of the University of Michigan Consumer Sentiment survey fell to 51.7, down from 55.2 in July and well below last August's reading of 58.2. The newly-released preliminary September reading fared even worse, falling to a reading of 47.8. Consumers anticipate more pressure on their pocketbooks amid rising gas prices and renewed trade tension. August inflation was in line with expectations, with the Consumer Price Index up 3.4% year-over-year. However, the current spike in oil and fuel prices stands to impact inflation, spending and sentiment in the weeks to come.



Fast Facts:
- Consumer Sentiment Deteriorates In September

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WHAT'S IN IT FOR YOU?

Top Takeaways From This MarketMix

The Bottom Line

1. Feed futures keep climbing, with wheat leading the charge.
2. Diesel and fertilizer costs are squeezing farmers ahead of harvest
3. Corn and soybean crop conditions are running just below the five-year average
4. Dairy is a bright spot — herd size and cheese/export volumes hit their best levels since 1991

THE SPOTLIGHT PROGRAM

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- 0.07% Fat response
- 0.09% Protein response
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