



INGREDIENTS LLC
CUSTOM BLENDING & INGREDIENTS SOURCING SPECIALIST

OCTOBER EDITION



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

TOP TOPICS FOR OCTOBER

- Corn Futures Slide Below \$5
- Diesel Prices Hit Record Highs
- Harvest Pace Lags Five-Year Average
- Protein Claims Drive Grocery Sales



LEARN MORE
INSIGHTS PORTAL

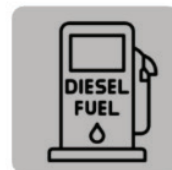


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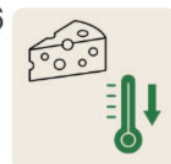
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Shoppers spent more than \$90 billion on protein-labeled products over the past year.

A CLOSER LOOK AT FEED AND FUTURES

Corn futures have been under considerable pressure over the past month. The initial decline came at the end of September following the surprise release of USDA's quarterly *Grain Stocks* report, which revealed an additional 173 million bushels of corn in old-crop inventories. Most of the increase stemmed from a reduction in feed and residual demand.

Following the report, futures traded largely sideways for the next week and a half as the market awaited the October WASDE release. Prices then fell another \$0.30 before recovering to close the day down approximately \$0.20 after an even more surprising increase in ending stocks projections, driven by a 3-bushel-per-acre increase in new-crop corn yields. Most market participants had anticipated a yield reduction,

particularly given early harvest reports showing significantly lower yields than last season and ongoing concerns about crop quality following extensive rainfall in late September across large portions of the Midwest.

The dramatic shift in the stocks-to-use ratio over the past two weeks has pushed nearby corn futures well below \$5.00 per bushel, with much of the new-crop futures curve now trading within a few cents of that level. While there are still several potential headwinds facing the South American crop as planting begins, we expect greater clarity on overall US production within the coming weeks. We continue to view this decline as a buying opportunity, supported by steady export demand, particularly from Mexico.

A CLOSER LOOK AT FEED AND FUTURES CONTINUED

In this environment, flexible risk management strategies that establish firm upside protection while preserving the opportunity to benefit from lower prices remain the preferred approach.

Feed proteins are receiving some support from improving basis levels as processors secure adequate soybean supplies and rail logistics begin to normalize. However, futures remain near contract highs as export sales continue to exceed expectations. Uncertainty surrounding both short- and long-term renewable fuel and vegetable oil policies has also contributed to counter-seasonal strength in soybean meal futures during harvest.

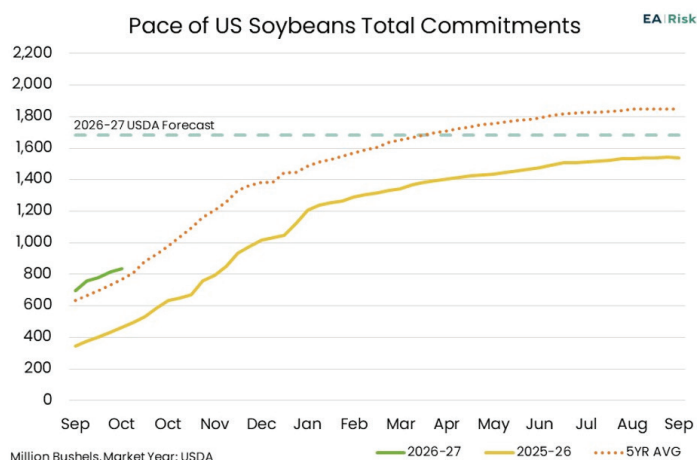
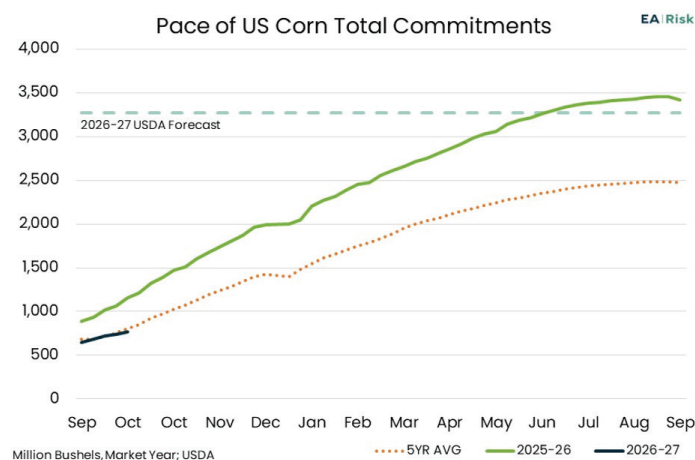
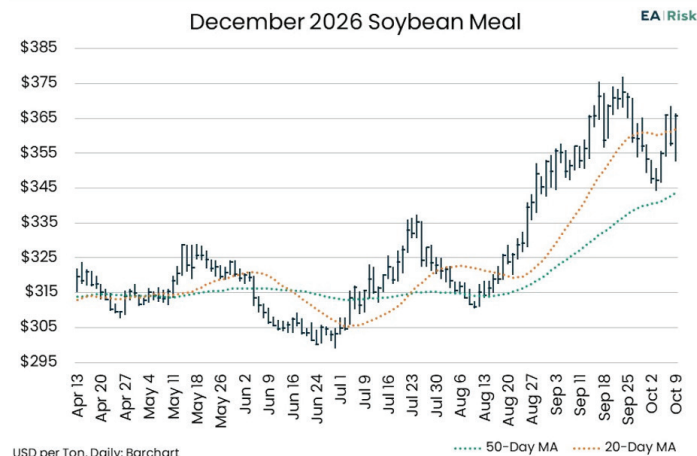
USDA made only minimal changes to the soybean balance sheet in the October WASDE report. As a result, there may be an opportunity for larger ending stocks estimates in November if early harvest reports indicating exceptionally strong soybean yields prove accurate.

Fiber and forage availability continues to be a major concern for many livestock producers who were unable

to put up wheat silage or harvest normal hay tonnage due to Winter and early Spring drought conditions. Cotton production in the Southeast is not expected to be sufficient to offset losses in Texas and other western growing regions. Soy hulls, alfalfa and other exportable forage products continue to experience strong international demand, further supporting already firm domestic prices.

Reversing this trend will likely require a much more favorable Winter and early Spring weather pattern in both the United States and Europe. As a result, it remains imperative to secure fiber needs through March.

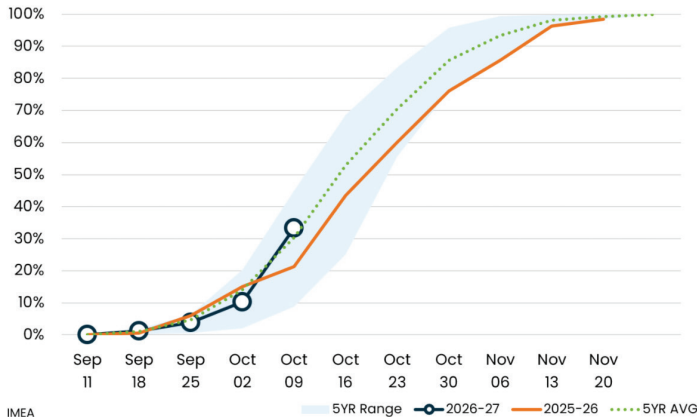
As harvest reaches its peak and processors begin to approach capacity, we expect feed byproducts such as distillers grains, corn gluten feed, soy hulls and soybean meal to become more readily available, particularly following the recent decline in corn futures. This could create opportunistic purchasing opportunities ahead of the holiday season, when processing schedules and transportation logistics can become more challenging.



A CLOSER LOOK AT FEED AND FUTURES CONTINUED

Brazil Mato Grosso Region Soybean Planting Progress

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INSIGHTS PORTAL

Fast Facts:

- Insight Portal

OCTOBER WASDE

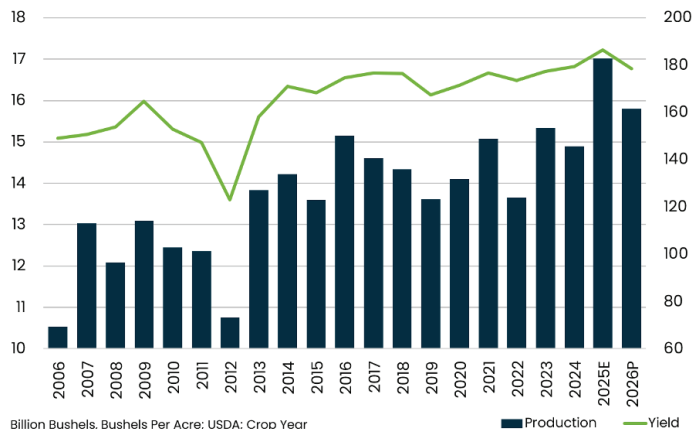
USDA's October WASDE surprised corn markets with a 2.7-bushel-per-acre bump in yield compared to the September report. That helped push US ending stocks to 1.849 billion bushels, ahead of September's 1.567 billion estimate and expectations for 1.670 billion bushels. Exports increased to 3.300 billion bushels, up from 3.275 billion in the last report. World ending stocks totaled 280.44 million metric tons, ahead of 272.10 million metric tons in the September report and

surpassing expectations for 273.78 million metric tons.

The report was also slightly bearish for soybeans, with USDA lifting US ending stocks to 315 million bushels, up from 310 million bushels last month and ahead of analysts' expectations for 305 million. World ending stocks were nearly unchanged at 124.28 million metric tons but came in ahead of analysts' expectations for 123.33 million metric tons.

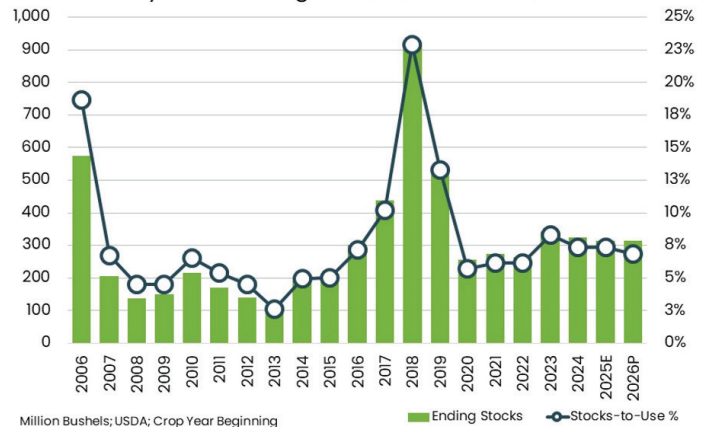
US Corn Production and Yield

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US Soybeans Ending Stocks & Stocks to Use Ratio

EA Risk



USDA WASDE Report: October 2026

2026-2027 US Production Estimates (Billion Bushels)

	Corn	Soybeans	Wheat
October	16.034	4.562	1.534
Consensus	15.721	4.534	
Range	15.344-16.115	4.415-4.648	
September	15.800	4.535	1.531

2026-2027 US Yield Estimates (Bushels Per Acre)

	Corn	Soybeans	Wheat
October	181.2	53.1	48.1
Consensus	177.7	52.8	
Range	173.2-182.1	51.4-54.1	
September	178.5	52.8	47.8

2026-2027 US Ending Stocks (Billion Bushels)

	Corn	Soybeans	Wheat
October	1.849	0.315	0.740
Consensus	1.670	0.305	0.721
Range	1.518-1.895	0.245-0.358	0.692-0.750
September	1.567	0.310	0.717

2026-2027 World Ending Stocks (Million Metric Tons)

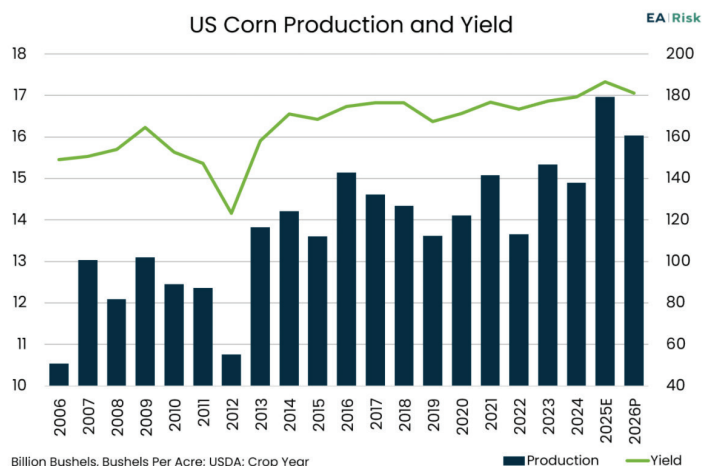
	Corn	Soybeans	Wheat
October	280.44	124.28	276.04
Consensus	273.78	123.33	276.63
Range	269.90-279.82	120.30-125.00	274.60-279.60
September	272.10	124.02	276.29

Source: Reuters, USDA

HARVEST PACE FALLS BELOW AVERAGE

In its October *Crop Production* report, USDA pegged US corn production at 16.034 billion bushels, ahead of expectations. Corn yield came in at 181.2 bushels per acre, above expectations of 177.7 bushels per acre and up from the September WASDE estimate of 178.5 bushels per acre. US soybean production projections totaled 4.562 billion bushels, close to the consensus call. Yield estimates reached 53.1 bushels per acre, slightly above expectations and the September estimate of 52.8 bushels.

As of October 4, US corn harvest was 23% complete, compared to the five-year average of 27%. Soybean harvest reached 25% completion, below the five-year average of 33% at this point in the season. Notable precipitation slowed combines in the Midwest, especially in Iowa, but drier forecasts likely helped many areas catch up in the days that followed.

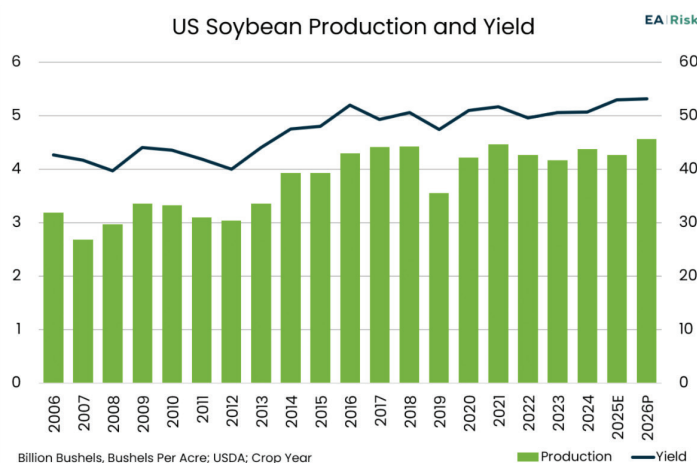


Crop Progress: Harvested

Week Ending October 4, 2026

	Corn	Soybeans
October 4	23%	25%
Last Week	18%	17%
5YR Average	27%	33%
Consensus	26%	29%
Expected Range	21-29%	22-34%

Source: Reuters, USDA



Fast Facts:

• Crop Progress

DIESEL HITS RECORD HIGH

Fertilizer Cost Update: Illinois

Product	Oct 26	Last Month	Change	Last Year	Change	Average	Change
Liquid Nitrogen 28% Spread	\$ 467	\$ 501	-7%	\$ 438	+7%	\$ 448	+4%
Anhydrous Ammonia	\$ 945	\$ 900	+5%	\$ 820	+15%	\$ 935	+1%
Potash	\$ 516	\$ 500	+3%	\$ 494	+5%	\$ 612	-16%
DAP	\$ 929	\$ 925	+0%	\$ 880	+6%	\$ 807	+15%
Urea	\$ 770	\$ 722	+7%	\$ 607	+27%	\$ 649	+19%
Farm Diesel	\$ 5.63	\$ 5.53	+2%	\$ 2.93	+92%	\$ 3.46	+63%

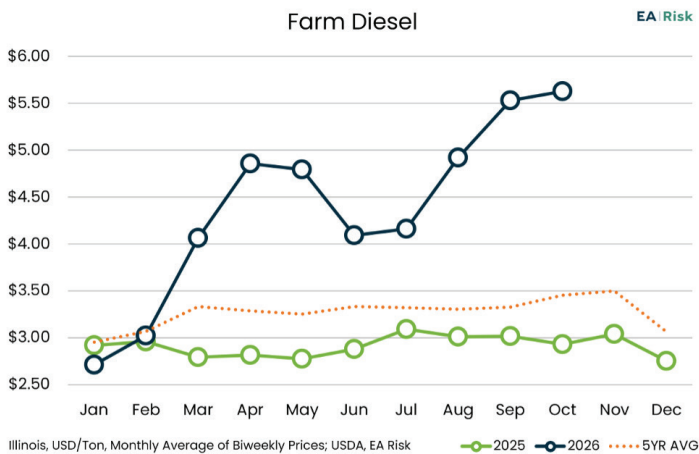
Retail diesel prices continue to soar, with the national average hitting \$6.30 per gallon. As shown in the table, the farm diesel FOB price leaped 92% from last October to an average of \$5.63 per gallon. In response to climbing prices, President Trump signed an executive order to expand access to tax-exempt diesel. The

directive will waive the off-road requirement for tax-free diesel and allow anyone to buy the red-dyed diesel used in agriculture and off-road vehicles.

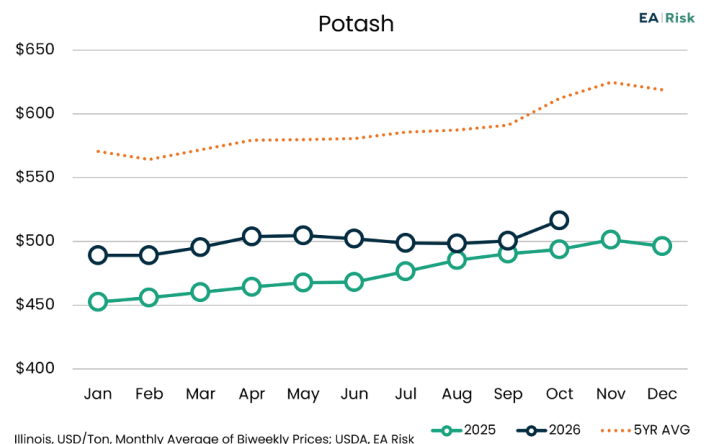
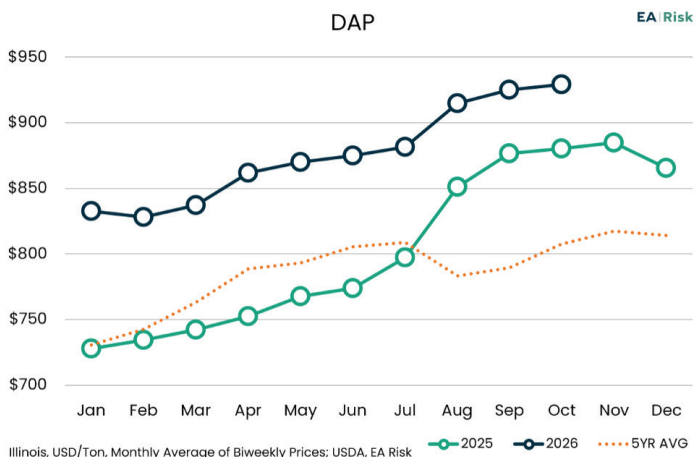
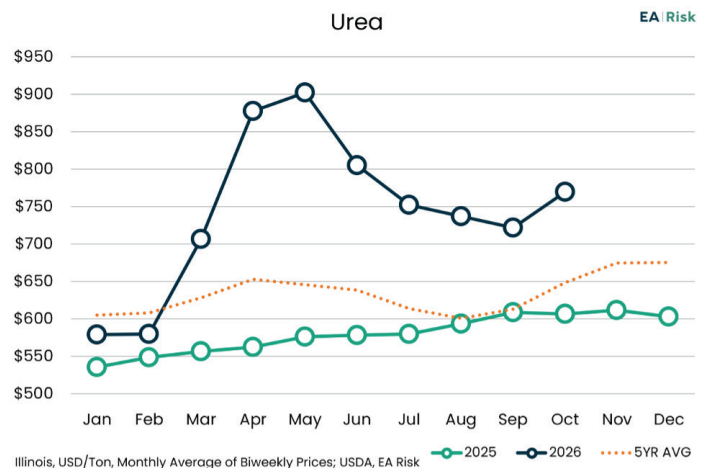
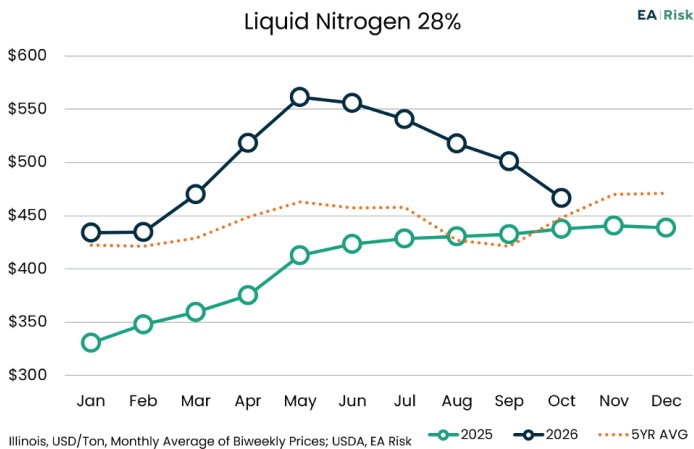
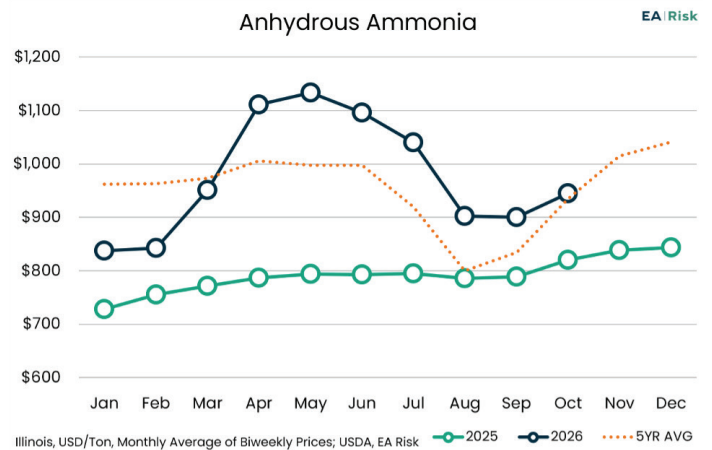
Some experts don't expect this move to help farmers much. Patrick De Haan of the price-tracking website GasBuddy said the dyed diesel action could reduce

DIESEL HITS RECORD HIGH CONTINUED

prices for truckers but won't benefit farmers who already have access to it. De Haan said supply is the problem driving diesel prices higher, not taxes. Diesel inventories are tight, and geopolitical tensions in the Middle East continue to disrupt shipments.



Fertilizer prices also remain above year-ago levels. In early October, urea jumped 27% from last year to average \$770 per ton. Anhydrous ammonia is up 15% to \$945 per ton. Liquid nitrogen 28% is \$467 per ton, a 7% increase year-over-year. DAP climbed 6% from last year to \$929 per ton. Potash rose 5% to \$516 per ton.

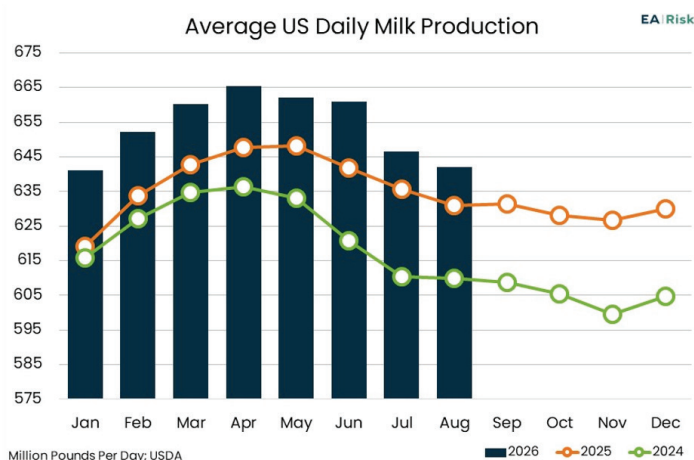


Fast Facts:

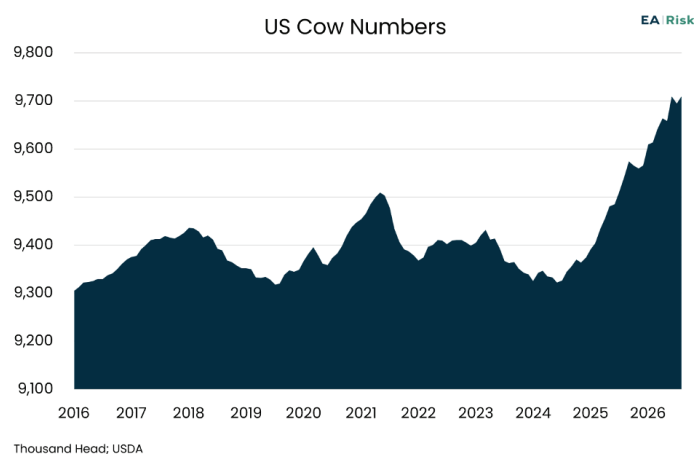
- Trump Order Allows Tax-Exempt Diesel Use on Highways

DAIRY INDUSTRY UPDATES

Milk growth continued as we headed into late Summer. August milk production reached 19.9 billion pounds, up 1.7% year-over-year. Production was up 2.4% in the Mideast, 2.1% in the Midwest, and 0.7% in the Northeast. All regions logged year-over-year growth except California, where production declined 0.7%. The US dairy herd remained at 9.71 million head, and year-to-date, cow numbers are up 167,000 head year-over-year. This is the biggest US dairy herd since the early 1990s.



August cheese exports totaled 130 million pounds, up 9% year-over-year. Though still up from 2025 levels, August shipments were the lowest since February and may help explain the recent weakness in cheese prices. Butter exports totaled 15 million pounds, down 12% from last August. This was the smallest monthly volume shipped since October 2025, revealing growing competition for sales despite low US prices. Meanwhile, uncompetitive prices kept downward pressure on NDM and SMP exports in August. Shipments totaled 101 million pounds, down 19% from 2025.



Fast Facts:

- Milk Production Report

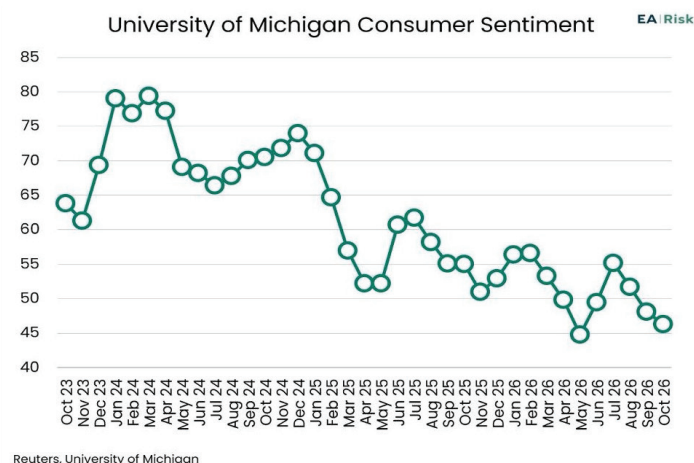
PROTEIN DEMAND IS DRIVING PURCHASING DECISIONS

American consumers still face extremely high gas prices. Prices eased slightly in early October, but the national average is \$4.35 per gallon, up over \$1.20 from a year ago. Expensive gas and energy costs, along with concerns about high borrowing costs, continue to weigh on consumer sentiment. The preliminary October reading of the University of Michigan Sentiment Survey landed at 46.3, down from 48.1 in September and 55.0 a year ago.

While consumers are cutting back in some areas, they seem willing to spend on protein-dense foods. Overall, US consumers spent more than \$90 billion over the past year on products with protein claims on the label. More than 37,000 grocery store items now include some sort of protein claim on the label, up from 3% last year and 34% five years ago.

In the dairy aisle, August dairy retail data from Circana showed a protein-packed leader in cottage cheese, with retail sales up 13.2% year-over-year. Yogurt sales were

also up 6.7% from last August, according to Anne-Marie Roerink of 210 Analytics. Many other dairy categories, including processed cheese and ice cream, were down from the year prior.



Fast Facts:

- Consumer Sentiment Deteriorates Further In October



WHAT'S IN IT FOR YOU?

Top Takeaways From This MarketMix



The Bottom Line

1. Farmers may see corn's pullback as a buying window rather than a warning sign, with export demand holding firm.
2. Rising input costs are cutting into harvest-season margins right when cash flow matters most.
3. A slower harvest pace means patience, but early yield data suggests the crop may outperform expectations once it's in the bin.
4. Dairy producers are riding a wave of strong protein demand and the highest herd numbers in 30+ years, even as export volumes start to soften.



Stress doesn't wait for convenient timing. Heat, mycotoxins, inconsistent environments, diet shifts — they all put cows out of balance, and out of balance costs production.

INTRODUCING DAIRY INNOVATIONS™:

a line of products built around one idea.
Recover, then perform.

Our lineup includes Cidify™, a concentrated anionic blend for transition cow DCAD control, and Ion Pak™ and Ion Plus™, potassium-driven products built for electrolyte balance and DCAD management year-round.

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