

Weather

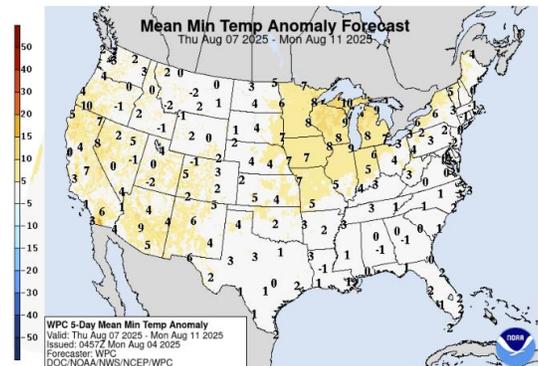
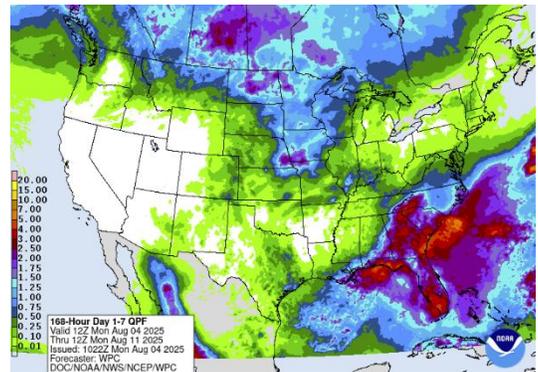
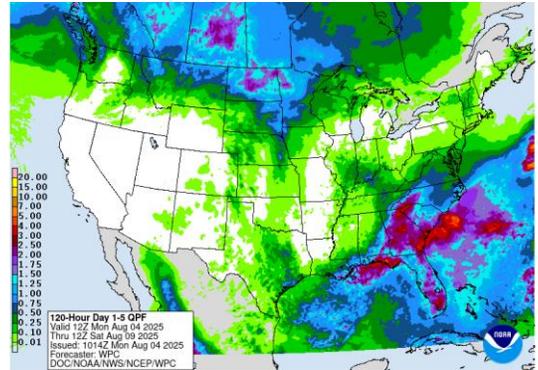
Weekend rain was confined to the Plains and far northwest Corn Belt and temps cooled off as forecast. Rains this week should be also be confined to far northwest areas/ N Plains with the Corn Belt mostly dry until Fri/Sat. Rains will also continue in the far Southeast.

Temps should remain seasonable/below normal through Tuesday. Temps then begin to warm up with above normal readings seen for the rest of the 15-day forecast period. Very warm/hot weather is expected.

Rains should expand into Iowa and the WCB Belt Fri/Sat where rainfall has been above normal all summer. This should also be monitored as add'l severe weather may not exactly be welcome. Beyond the weekend, the Corn Belt forecast becomes more uncertain. The most likely scenario is a resumption of a west/northwest flow aloft with chances for rain via ridge-riders.

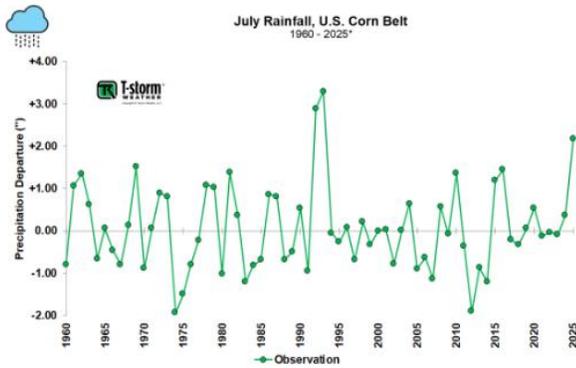
The overnight run of the European model brought a dome of high pressure into the Corn Belt early in the 11-15 day time frame and kept it in place for the rest of that period showing temps 10-15 degrees above normal. This is likely too extreme but should be monitored.

Weather Comments written by Megan Bocken. For questions or comments, she can be reached at Megan@bockentrading.com or on Trillian at megan@nesvick.com.

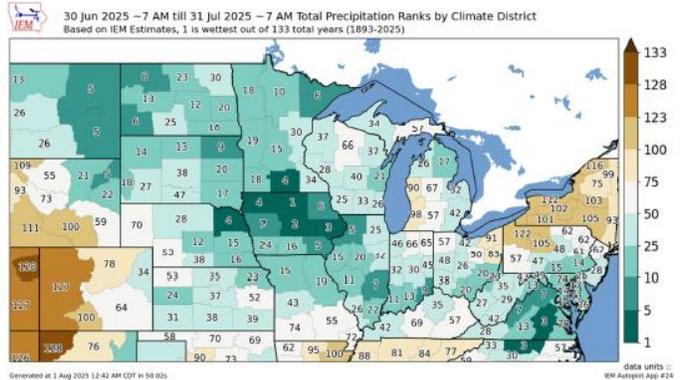
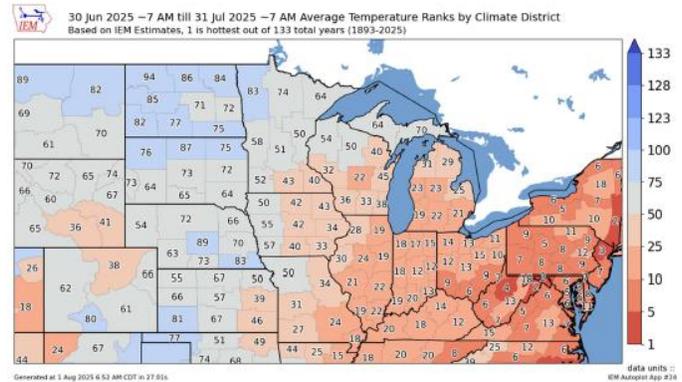
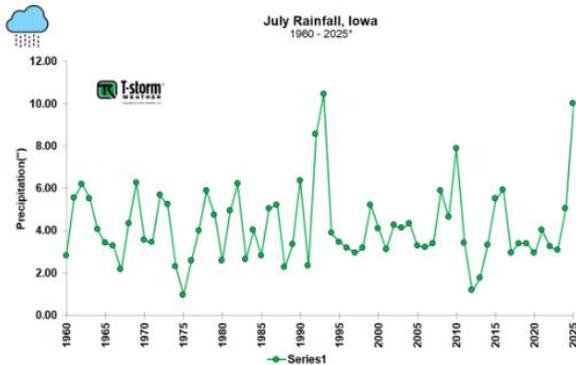


Grains

I thought we'd take a look this morning at July rain since July 2025 is on track to be the wettest since 1993 for the Corn Belt, with Iowa nearing its 1993 record. See maps courtesy of T-Storm weather LLC and Craig Solberg.



Data source: MRCR, NCDC
 U.S. Corn Belt is defined as IL-IN-IA-MN-MO-NE-OH, weighted by area.
 Data de-trended over: 1995-2025 due to a slope over time.
 * 2025 estimated for July based on unofficial totals as of two days ago, then a subjective forecast through the end of the month.



In 1993, Iowa received 26.7 inches of rain from June to August. This year, Ames has already recorded 21.07 inches just in June and July. Ames has been one of the hardest hit areas, but July rain in many locations still ranged from 6-11". If August rainfall is "normal", this year will be the 5th wettest since 1960 with 1981, 1993, 2010, and 2015 wetter. Below is a table of August yield forecasts from the USDA compared with final yields and August price action.

	August Report	Final Nat'l Ave Yield	Previous Record	CZ Futures: Jul 31 Close - Aug 31th Close
1981	#N/A	109.9	109.7	346 to 306
1993	116	100.7	131.5	242 to 237
2010	165	152.8	164.7	407 to 439
2015	168.8	168.4	164.7	381 to 375
2025	? July was 181 bu/a and the mkt is roughly 183-188			410 on Jly 31

End July 2010 corn was rated 72% G/E, while this year's is rated 73% G/E. I can say that the corn I've seen, from the road, in Iowa looks pristine, much better than 2010. But I do think some caution is necessary. While corn may look great from the road, anecdotal reports on X are pointing to pollination issues, especially as the largest producing state approaches the same levels seen in 1993.

The average trade estimates aren't out yet for the August 12 crop report (we will be reviewing more in depth as gets closer), but talk is in the mid-high 180's. So far, forecasts look drier to start the month of August with some heat returning next week. Drier will be welcome, but lasting heat would not. We also had high overnight lows in July which was also a factor in the 2010 yields.

Grains Comments written by Megan Bocken. For questions or comments, she can be reached at Megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

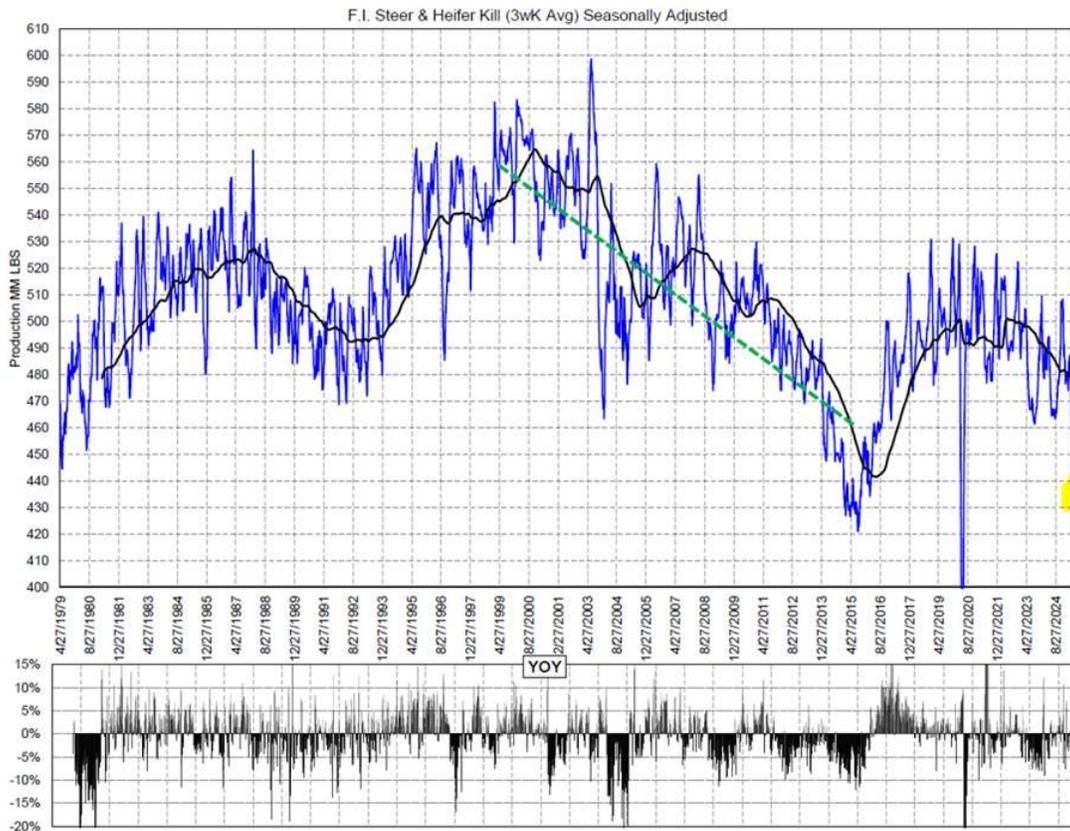
Beef packer margins have been persistently negative throughout 2025. Years of drought reduced the beef cow herd from 2016-2022, producing a smaller calf crop, and in turn, the markets smaller slaughter-ready feedyard supplies. Until this summer, demand has been very strong for beef, which allowed packers to raise beef prices as they fought to keep margins somewhat manageable in the first half of 2025. However, since June it seems that price has finally found its level where it matters. These all-time record high beef prices are finding consumer pushback at the retail counter. Not only are retailers slowing down, the QSRs are feeling a pinch of slow consumer traffic. Both entities are turning to chicken give the consumer that value they are looking for.

This combination of reduced supply and now-softening demand is creating an unmanageable predicament for the beef packers: Run at reduced rates and burn through money; or temporarily idle (or even permanently close) some operations. We are at that point. Beef packer margins are hitting levels where, for the first time in history, it is cheaper to pay your employees to stay home than it is to process cattle into beef.

Spot replacement margins are roughly -\$250/hd in the south and -\$400/hd in the north, averaging -\$300/hd. This calculation is conservative by nature assuming that the extra revenue that packers receive for value added products is getting devoured by the fixed costs they have to absorb over fewer head these reduced hours result in. These are the largest loses in the history of the packing industry going as far back as we have data (into the 80s).



Tyson has their earnings report on Monday, 8/4, where we expect them to discuss this weakening beef demand and the customer love for all things chicken. We are also expecting to hear what their plans are to manage beef margins that are at catastrophic levels of loses.



Livestock Comments written by Scott Shepard. For questions or comments, he can be reached at Scott@mnrcapital.us or on Trillian at scott@nesvick.com.

Financials

A review of Friday's job report numbers:

- US July Nonfarm Payrolls Rise 73k M/M; Est. +104k.
- US July Unemployment Rate 4.2%; Est. 4.2%.

Chart 1. Unemployment rate, seasonally adjusted, July 2023 – July 2025

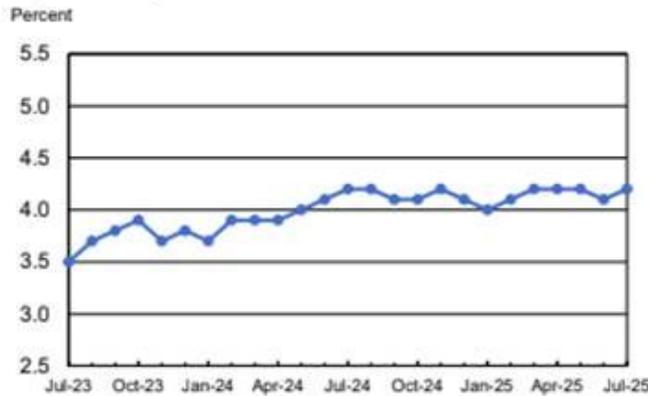
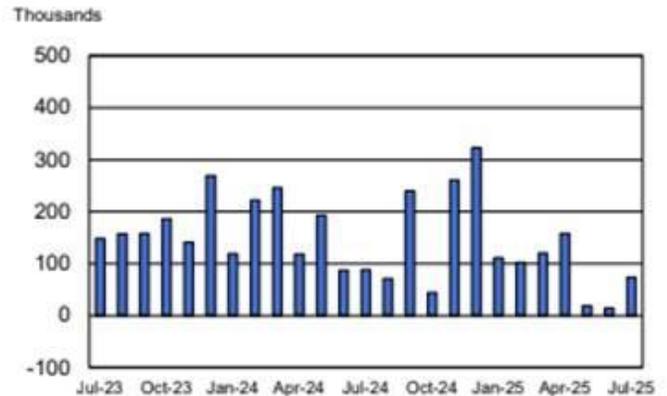
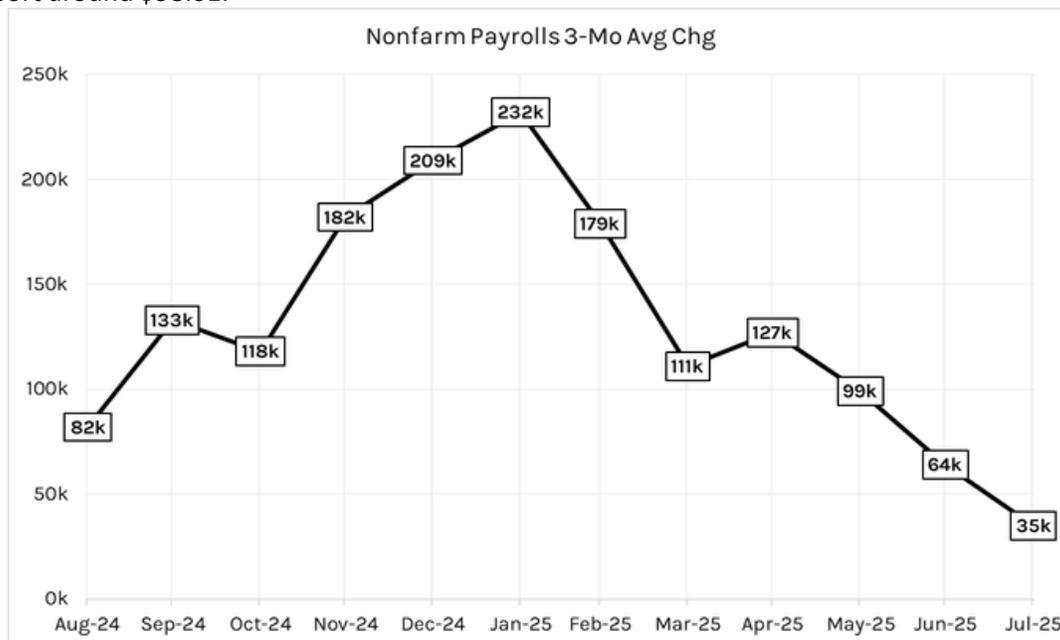


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, July 2023 – July 2025



Revisions for May and June were larger than normal. The change in total nonfarm payroll employment for May was revised down by 125,000, from +144,000 to +19,000. The change for June was revised down by 133,000, from +147,000 to +14,000. With these revisions, employment in May and June combined is 258,000 lower than previously reported. May to June to July is the weakest 3-month period of job growth since COVID. What some are calling a game changer of a report, this changes the trader’s mindset back to a higher chance of a rate cut at the 17Sep25 meeting (currently 82.1%), and giving October a 58.6% chance of an additional cut. Obviously, this puts the safe haven gold trade back on the table (bullish bias) and sends the dollar down in the direction of major support around \$98.01.



Financials Comments written by Scott Shepard. For questions or comments, he can be reached at msigman@nesvick.com or on Trillian at [msigman@nesvick.com](https://trillian.im/msigman@nesvick.com).

Today's Calendar (all times Central)

- Crop Export Inspections – 10:00 am
- Crop Conditions – 3:00 pm

Thanks for reading.

Zachary Davis

zdavis@nesvick.com

(901) 604-7712

Trillian IM: zdavis@nesvick.com

Bloomberg IB: zrdavis@bloomberg.net

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