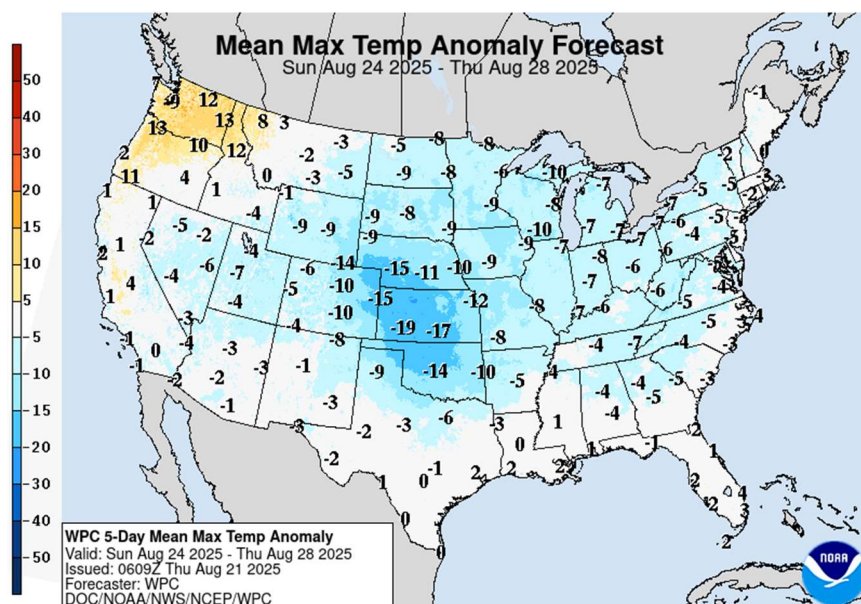
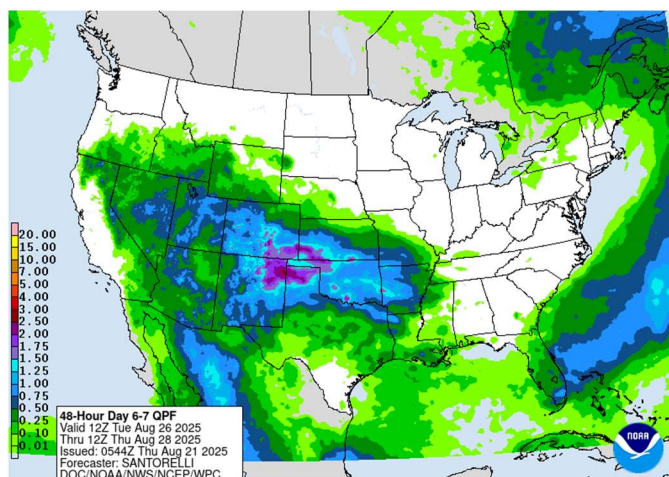
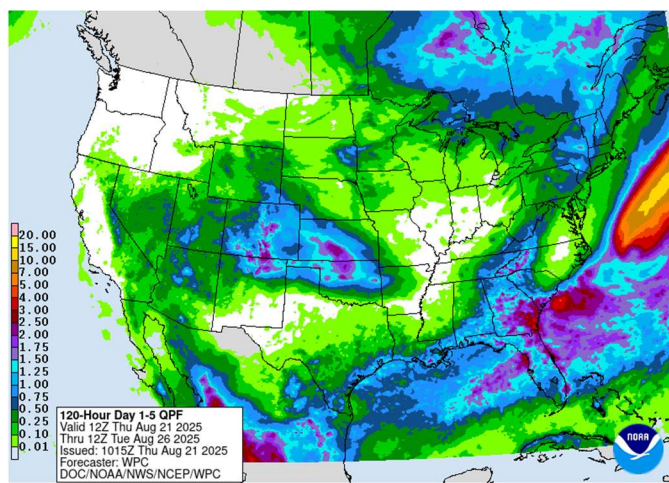


## Weather

The P24 hours were dry in the Corn Belt. Not much has changed in today's forecast with dry and cool conditions expected into the 2<sup>nd</sup> week. Very little rain is expected in the Corn Belt until at least Aug 28. Confidence in rain after that is lacking, with a lot of model disagreement.

Temperatures turn much cooler by Sat, starting an unusually cool pattern Sunday-Thursday. A big area should see temps at least 4-7 degrees below normal for Aug 24-28<sup>th</sup>. There is no indication of a return to warmer weather until at least Sept 4.

Some rain is possible in the Mid-South by Tuesday with better rain chances going forward. It is a much drier forecast in the N Plains for the next 15 days with a few scattered showers possible today/tomorrow. This should be favorable for harvest. It is a very wet pattern in the S Plains with most areas likely to see double their normal rain amounts over the next 15 days.



## Grains

I'm going to add my partial table for the ProFarmer Crop Tour and explain my methodology. I take the percent change for the ProFarmer yield estimate vs ProFarmer last year and extrapolate the USDA from there. For example, for SD, ProFarmer was 174.2 vs 156.5 in the tour last year, an 11.3% change. I take USDA's yield last year (164) and use the same percentage change. So,  $164 \times 1.113$  equals 182.5. The USDA was 168 in Aug (vs 164 yr ago), only a 2.4% increase. I don't have the exact stats, but I have found it fairly accurate/helpful compared to other ways of looking at it. So, for OH, the USDA appears too high - I am now using 179 vs the USDA's 196. IN looks about in line with the USDA at 204.7. I had thought we may see worse results in IN. The USDA could be a touch light in NE - came out 194.8 vs the USDA's 192. IL was released Wednesday evening and suggests USDA is overstating the state's yield by 9 bu/a. ProFarmer won't release their forecast for IA until tonight; but there were scouts in IA on Wednesday, and there were a lot of reports of rust in addition to a fair number of yields under 200 milbus. For reference, the USDA forecast IA at a record 222, up from 211 a year ago, a 5% increase YoY. I had thought that all the rain in June and July could weigh on yields in IA, so we will see.

PRO FARMER TOUR							
State	Pro F	Pro F Yr Ago	Pro F 3 yr ave	Pro F % change yr to yr	USDA Aug	USDA yr ago	USDA implied yield based on Pro F % changes
SD	174.2	156.5	144.1	11.3%	168.0	164.0	182.5
OH	185.7	183.3	181.1	1.3%	196.0	177.0	179.0
IN	193.8	187.5	182.1	3.4%	205.0	198.0	204.7
NE	179.5	173.3	166.3	3.6%	192.0	188.0	194.8
IL	199.6	204.1	196.2	-2.3%	221.0	217.0	212.0
IA					222.0	211.0	
MN					202.0	174.0	
Natl					188.8	179.3	185.3

For beans, I use the same methodology using the percent change in ProFarmer's pod weight estimate YoY and translate that to a percent change in yield. I realize there are other factors and this is less effective than in corn, but it has helped me gauge bean yields historically. The USDA found 15% increases in pod counts in SD and NE and likely needs to raise yields in those states. And they are likely too high in OH and IN.

PRO FARMER TOUR							
% change in pod counts to % change yield yr over yr					USDA implied yield based on Pro F % changes		
State	Pro F	Pro F Yr Ago	Pro F 3 yr ave	Pro F % change yr to yr	USDA Aug	USDA yr ago	
SD	1188.5	1025.9	970.1	15.8%	47.0	43.0	49.8
OH	1287.3	1229.9	1204.8	4.6%	57.0	50.0	52.3
IN	1376.6	1409.0	1295.0	-2.3%	62.0	59.0	60.6
NE	1348.0	1172.0	1132.0	15.0%	57.0	58.0	66.7
IL	1479.2	1419.1	1313.1	4.2%	65.0	64.0	66.7
IA					63.0	60.0	
MN					53.0	45.0	
Natl					53.6	50.7	53.5

So, my yield estimates after going through all the states, using the ProFarmer implied yields in the above states, I am now using 185.3 for corn and 53.5 for beans. IL, IA, and MN will likely tweak them more. It remains to be seen whether the dry August is having an effect - probably won't be known until October or later. It is expected to be dry for the rest of the month. It is now questionable whether this summer will go down as a "warm summer" in the Corn Belt - at least 2 degrees above normal Jun-Jly-Aug. August will have to be 1.7 above to cement the 2 degrees for JJA combined. We had the hot spell, but a very cool air mass is forecast for the weekend into next week, which may make this difficult to achieve.

Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at [megan@bockentrading.com](mailto:megan@bockentrading.com) or on Trillian at [megan@nesvick.com](mailto:megan@nesvick.com).

## Livestock

The USDA's August 2025 Livestock, Dairy, and Poultry Outlook report released this week highlights tightening supplies and robust price increases for both live cattle and feeder cattle. Based on the mid-year Cattle report released July 25, 2025, overall U.S. cattle inventories are contracting, signaling prolonged tight supplies into 2026. All cattle and calves totaled 94.200 million head as of July 1, 2025, down 1.3% from July 2023. This decline reflects ongoing herd liquidation trends since 2020, though the pace appears to be slowing.

### **Inventory and Herd Dynamics**

Beef cow numbers fell 1.2% to 28.650 million head, while beef replacement heifers dropped 2.6% to 3.700 million head, indicating limited herd rebuilding. Dairy cows rose slightly by 0.5% to 9.450 million head, with dairy replacements unchanged at 3.500 million. "Other heifers" (primarily feedlot-bound) decreased 2.6% to 7.400 million head. Year-over-year comparisons from January to July 2025 show smaller declines in breeding females (-1% to -2%) versus steeper drops in other heifers (-5%), suggesting improved retention of breeding stock amid high cattle prices and favorable margins.

Weekly heifer and cow slaughter remains elevated as a share of total slaughter (about 40% through mid-2025), above averages from the last contraction phase (2007-2014). This mix indicates slow transition to herd expansion, with mixed signals: high slaughter supports tight supplies, but retention hints at stabilization. The Cattle on Feed report for July 1, 2025, shows feedlot inventories at 11.124 million head, down 2% year-over-year. Steers on feed rose 1% to 6.884 million, while heifers fell 5% to 4.240 million—the lowest heifer ratio since 2018. This reflects cow-calf producers retaining more females for breeding. June placements dropped 8% to 1.388 million head, and marketings fell 4% to 1.707 million. Cattle on feed over 150 days surged 14%, driven by slower slaughter and low feed costs, potentially sustaining heavier carcass weights.

The 2025 calf crop estimate is 33.1 million head, down 1.3% from 2024, confirming fewer calves for placement in late 2025 and early 2026. This tightens feeder cattle availability, pressuring feedlot placements downward.

### **Production Forecasts**

Beef production for 2025 is lowered 262 million pounds to 25.926 billion pounds (-4% year-over-year), due to slower slaughter paces, fewer placements, and lighter carcass weights in the second half. For 2026, production drops 345 million pounds to 25.470 billion (-2% year-over-year), reflecting increased heifer retention and reduced cow slaughter.

### **Price Trends**

Strong beef demand, tight supplies, and elevated wholesale prices have driven cattle prices to records. Live cattle (slaughter steers in the 5-area region) averaged \$237.09/cwt in July, up \$42 year-over-year. Weekly peaks hit \$243.17/cwt in early August, supported by wholesale beef at \$388.64/cwt pre-July 4. Forecasts: Q3 2025 at \$238/cwt (+\$12), Q4 at \$240/cwt (+\$11); annual 2025 at \$227.06/cwt (+21% from 2024); 2026 at \$243.50/cwt (+7%).

Feeder cattle prices (750-800 lb steers, Oklahoma City) averaged \$335.09/cwt in July, up \$72 year-over-year, with early August sales at \$343.55/cwt. Reduced calf supplies boosted forecasts: Q3 2025 at \$343/cwt (+\$31), Q4 at \$345/cwt (+\$31); 2026 at \$350.25/cwt (+\$38).



## Trade Implications

Beef imports for 2025/2026 are slashed due to Brazil's tariff hikes, while exports dip on lower production. Overall, the outlook underscores supply constraints bolstering prices, with gradual herd changes delaying expansion.

*Livestock commentary provided by Ashley Lowe. For questions or comments, Ashley can be reached by email at [ashley@nesvick.com](mailto:ashley@nesvick.com) or on Trillian at [ashley@nesvick.com](mailto:ashley@nesvick.com).*

## Today's Calendar (all times Central)

- Net Export Sales – 7:30 AM
- Jobless Claims – 7:30 AM
- S&P Global PMI – 8:45 AM
- Home Sales – 9:00AM
- USDA Total Milk & Red Meat Production – 2:00 PM

Thanks for reading.

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