NESVICK
TRADING GROUP, LLC

Wednesday, September 10, 2025
NTG Morning Comments
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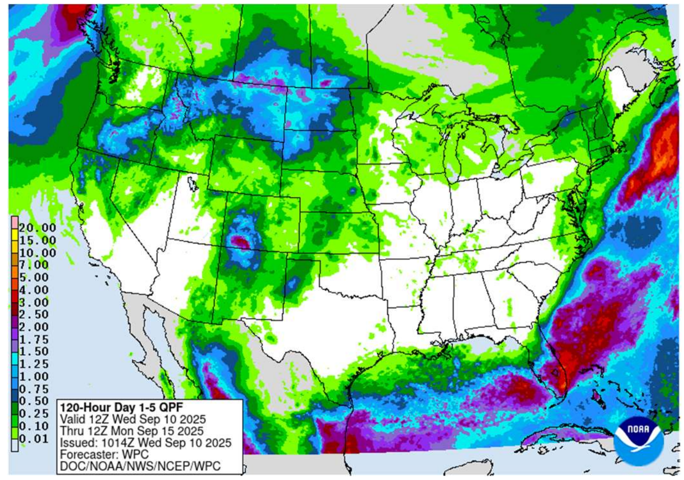
Weather

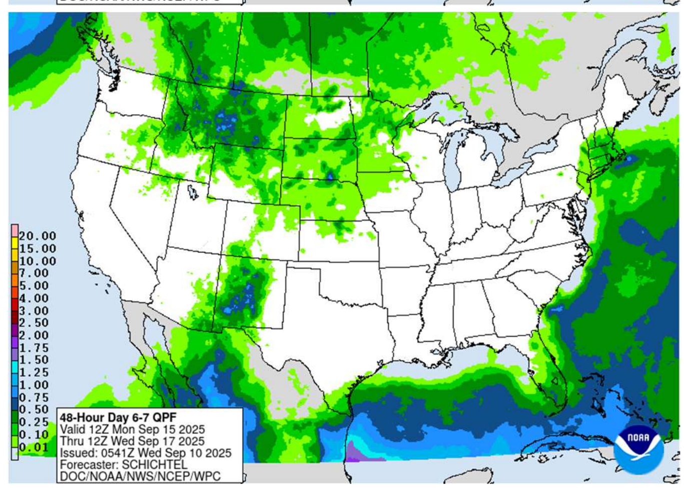
Past 24 hours were mostly dry aside from light rains in MN and far eastern KS. It is still a mostly dry and warm forecast. There is no rain forecast in the ECB for at least a week to 10 days. The WCB has better rain chances next week, again favoring the northwest areas. A very mild (warm) period is expected to start today and last for a week to 10 days with the 11-15 day also forecast to be above normal.

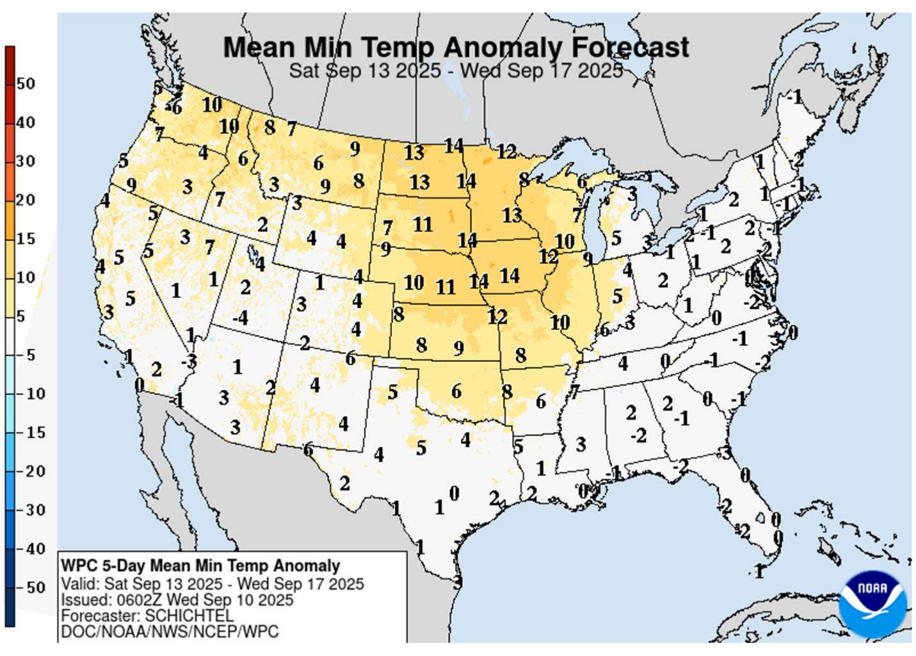
There are no additional frost/freeze threats through at least Sept 24 (and likely longer), with a warm set-up forecast. The ECB will still be cool the next couple days while the WCB is already warming up. Heat is notable for a number of days starting Friday with highs expected in the 90–95-degree range. Temps should be at least 10+ degrees above normal.

The S Plains should see normal rain chances this week with next week even wetter. Rain chances in the Mid-South remain very poor with no rain for at least 10 days, possibly longer. The N Plains should see light rains this week with more organized rain expected over the weekend.

In South America, scattered showers should start next week in Mato Grosso getting the rainy season underway. Rains should favor west and north with 1-2" likely. Argentina still needs to dry out and dry conditions are expected until at least mid-late next week.





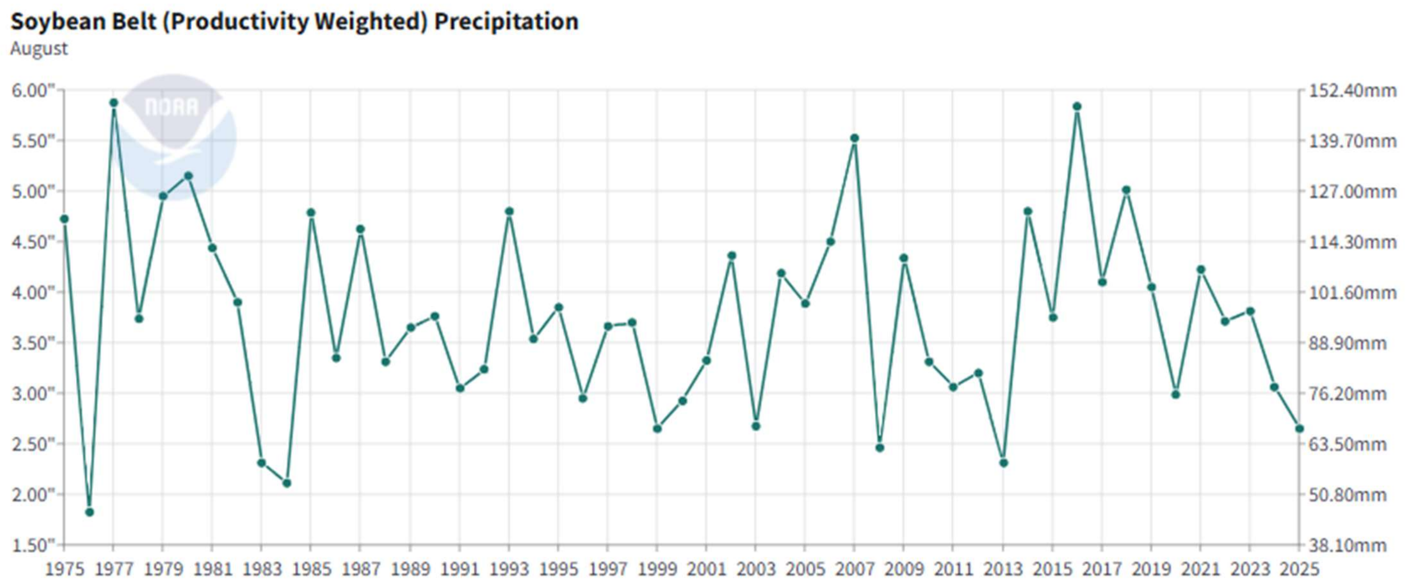


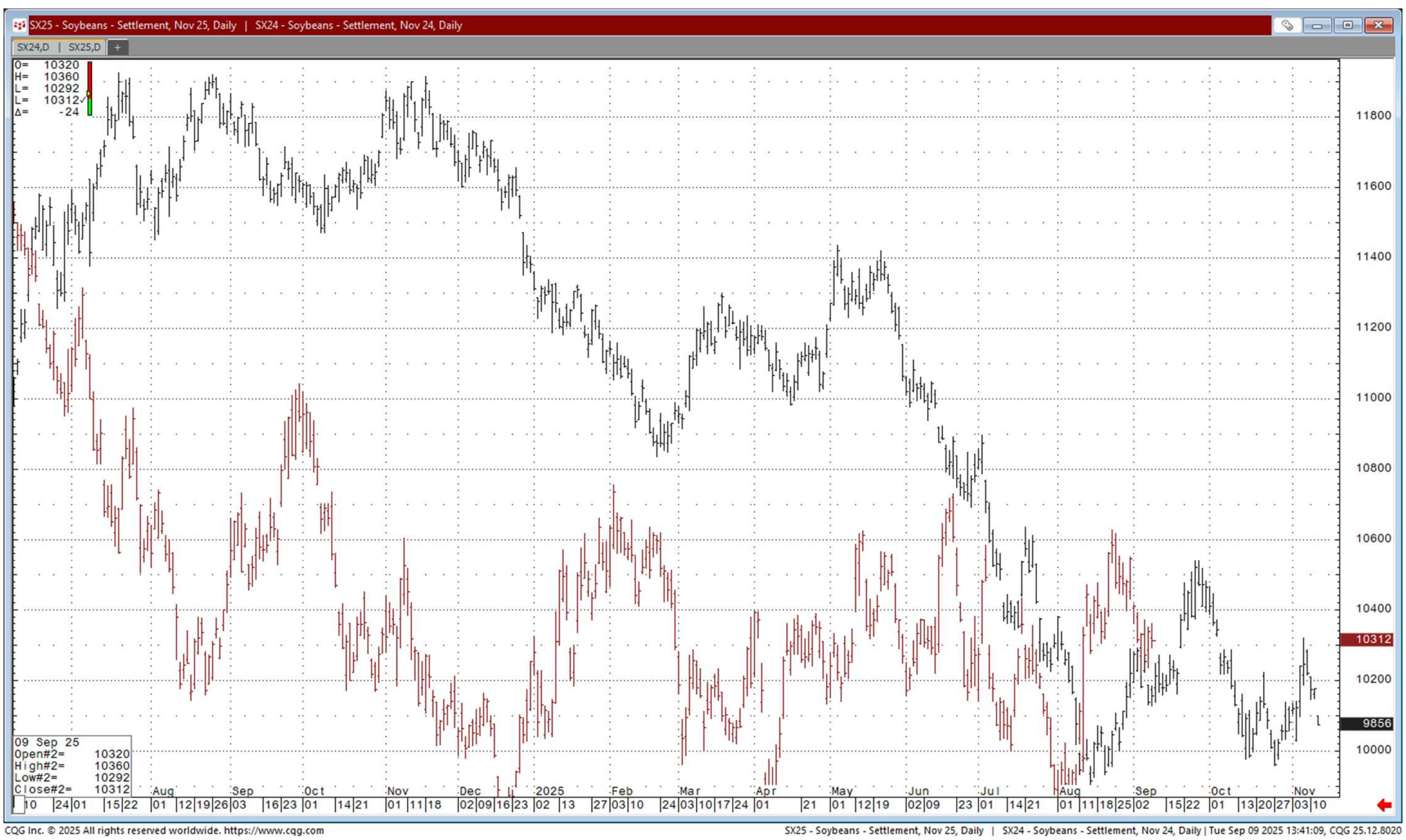
Grains

Going to go over beans in detail today. Then corn tomorrow, and wheat Friday ahead of the WASDE and crop reports from the USDA Friday. There's not a lot else to focus on until then aside from weather and the export debate. After going through each state's soybean ratings and making some adjustments, my working yield estimate is 52.8 bu/a. The key revisions I made this week were in IA, MO, and OH which dropped below year ago. I changed those states to the same yield as year ago. I raised KS, MN, and NE. This is not an exact science obviously. Pod counts in IA, MO, and OH as estimated by Pro Farmer were higher than year ago but I am just going off the ratings. In addition, this Aug was drier than last August (see attached graph) when the national average yield went from 53.2 in Aug and Sep to 50.7 by the final. The average trade estimate for yield is 53.2 (from Bloomberg) vs 53.6 in Aug with a range of 52.4-54.0. The average trade estimate for old crop stocks is 329 milbus (330 Aug) and 287 new crop (290 Aug). The USDA forecast the stocks-to-use ratio at 6.7% in Aug for 25/26 vs 7.5% in 24/25. My best guess is that if they lower the yield/crop they will lower their export forecast and if they leave the crop near unchanged, they won't change the demand side. The USDA has been forecasting new crop exports at 1705 milbus, down from 1875 last year and compares to many in the trade closer to 1500. I am using 1650 milbus for now, which is 6 mmt less than year ago. This assumes China taking 109.5 mmt in 25/26, Brazil production at 176 mmt (up from 170), and exports of 110 mmt (up from 102). Arg production is forecast at 48.5 mmt next year vs 50.9 this year with exports of 5.2 mmt vs 5.5. I'm attaching the soybean balance sheet with a few scenarios including one with the high-end yield and lower end exports. I am not expecting many changes in the world stats this report. There is currently no reason not to expect a 176 mmt crop out of Brazil, but if it's anything less, their export availability should come down. I'm using a slightly lower Arg crop, in line with the USDA and on ideas that corn area will increase and bean area decrease. These are starting points, but given the US b/s needs a record yield and lower exports, it will be important that there are no major issues in the SAm growing season. Planting is just barely getting underway. Last year, the day before the Sept report, SX closed at 1000. After the report, they closed at 1010, and by the end of the month closed at 1057. This was with an unchanged Sept yield 53.2 and USDA carryout of 550 milbus (12.5% stocks-to-use). Added a chart of SX24 with this year overlayed.

SOYBEANS: U.S. SUPPLY AND DEMAND

	19/20	20/21	21/22	22/23	12-Aug 23/24 USDA	24/25 MB	12-Aug 24/25 USDA	25/26 MB	12-Aug 25/26 USDA	Scenario 25/26 USDA	Scenario 25/26 USDA
Planted Area	76.1	83.4	87.2	87.5	83.6	87.1	87.1	80.9	80.9	80.9	80.9
Harvested Area	74.9	82.6	86.3	86.2	82.3	86.1	86.1	80.1	80.1	80.1	80.1
Yield	47.4	51.0	51.7	49.6	50.6	50.7	50.7	52.8	53.6	53.2	54.0
Carryin	925	538	257	274	264	342	342	327	330	330	330
Production	3552	4216	4464	4270	4162	4366	4366	4230	4290	4261	4325
Imports	15	20	16	25	21	25	25	20	20	20	20
Total Supply	4492	4774	4737	4569	4446	4734	4734	4577	4641	4611	4676
Crush	2165	2141	2204	2212	2285	2430	2430	2540	2540	2540	2540
Exports	1679	2266	2152	1980	1700	1878	1875	1650	1705	1705	1600
Seed	97	101	102	72	75	70	70	73	73	73	73
Residual	15	9	5	41	44	29	29	29	34	34	34
Total Usage	3956	4517	4463	4304	4104	4407	4404	4292	4352	4352	4247
Carryout	538	257	274	264	342	327	330	286	290	259	429
Carryout % Use	13.6%	5.7%	6.1%	6.1%	8.3%	7.4%	7.5%	6.7%	6.7%	6.0%	10.1%

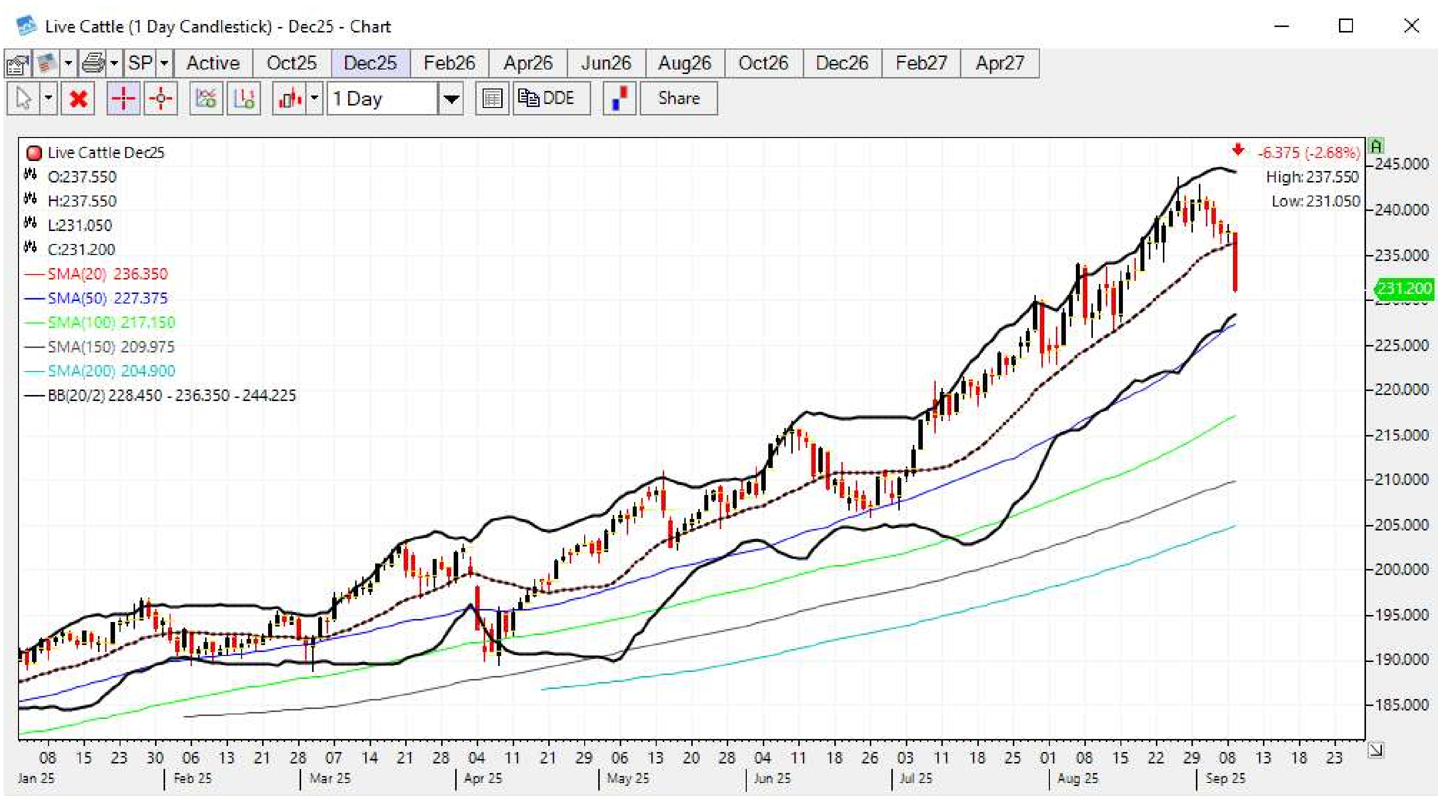




Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

Day two of the official Goldman roll saw no shortage of fireworks in the cattle market. What started off as a quiet day trading down only a dollar or so quickly turned into a day deep in the red. Fats traded down close to -7.00 and all feeder contracts through August 2026 went limit down for the day, a change of -9.25 to finish up with all contracts except the spot month September sitting below 350. With two weeks until expiration the feeder cattle cash index is sitting at $366 and probably headed for the $360-362 area in the not-too-distant future, a full $12 over the futures market which is the biggest separation the market has seen in quite some time. What makes the break yesterday different than the ones we have seen over the last couple months, in my opinion, is both fats and feeder cash cattle trade has cooled off a bit as a result of the board action. It seems to me that all summer long the cash market continued to charge higher and was able to ignore the futures market because demand really has just been that good in the country. Now the futures markets are sitting $20 below the all-time high in feeders and $10 below all-time high in live cattle. It is fascinating to point out that both of those record highs were made just two short weeks ago. It will be very interesting to see how both the cash and futures markets behave the rest of the week. Has the great bull run in cattle come to an end, or is this merely just a bump in the road on the way to yet another new high? The fundamentals have not changed; cattle supplies are still extremely tight. This may be the top for a minute but I'm cautiously optimistic this is not the top forever.



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

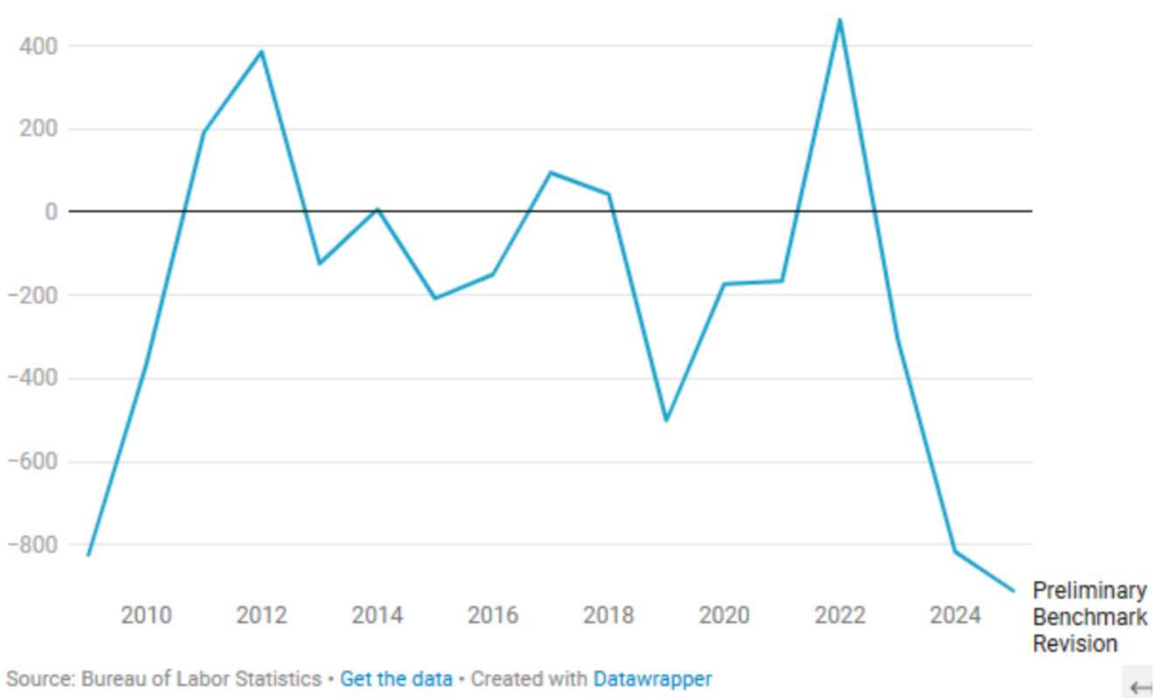
Financials

Released yesterday, the Nonfarm Payrolls Benchmark Revision, -911K vs -818K prior (measuring the time period of April '24 – March '25). It's the largest revision/cut ever, beating out revision of the Great Recession (-902K). Also, it shows the labor market to be weak even before tariffs started to set in.

Table 1. National Current Employment Statistics March 2025 Preliminary Benchmark Revisions by Major Industry Sector

Industry	Benchmark revision (in thousands)	Percent benchmark revision[1]
Total nonfarm	-911	-0.6
Total private	-880	-0.7
Mining and logging	-4	-0.7
Construction	-29	-0.4
Manufacturing	-95	-0.8
Trade, transportation, and utilities	-226	-0.8
Wholesale trade[2]	-110.3	-1.8
Retail trade[2]	-126.2	-0.8
Transportation and warehousing[2]	6.6	0.1
Utilities[2]	3.7	0.6
Information	-67	-2.3
Financial activities	-39	-0.4
Professional and business services	-158	-0.7
Private education and health services	-35	-0.1
Leisure and hospitality	-176	-1.1
Other services	-51	-0.9
Government	-31	-0.1

[1] Values of 0.0 indicate a value between plus or minus 0.05 percent.
[2] Series are part of trade, transportation, and utilities.



Financial commentary provided by Mark Sigman. For questions or comments, Mark can be reached by email at msigman@nesvick.com or on Trillian at msigman@nesvick.com.

Today's Calendar (all times Central)

- MBA Mortgage Applications – 6:00 AM
- PPI Final Demand – 7:30 AM
- Wholesale Trade Sales and Inventories – 9:00 AM
- EIA Energy Stocks – 9:30 AM

Thanks for reading,

Zachary Davis
zdavis@nesvick.com
(901) 604-7712
Trillian IM: zdavis@nesvick.com
Bloomberg IB: zrdavis@bloomberg.net