

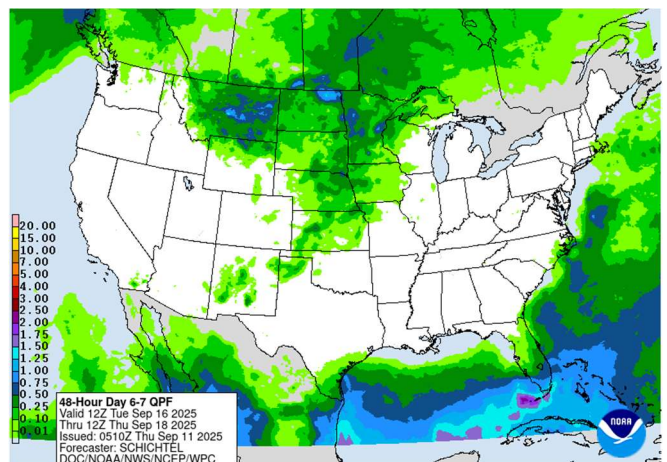
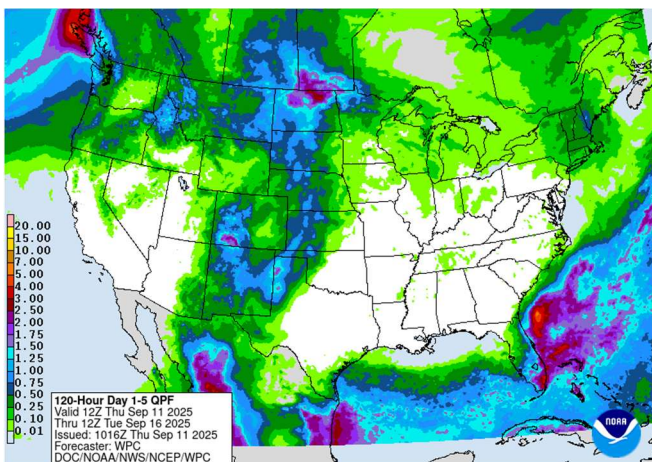
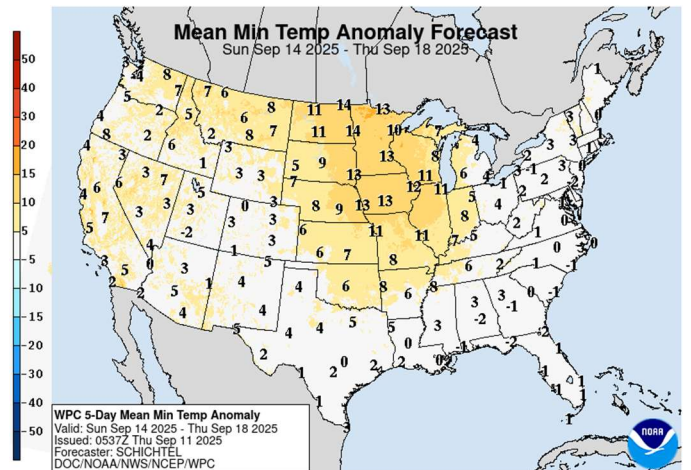
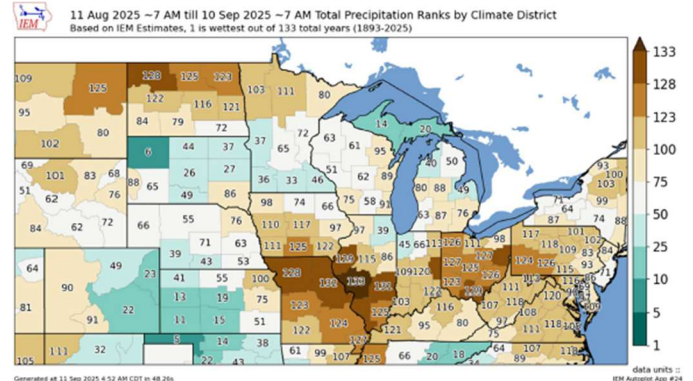
Weather

Past 24 hours were mostly dry aside from light amounts in KS. It is still a mostly dry and warm forecast, leaning a bit drier today. There is no rain forecast in the ECB for at least 10-15 days. The WCB could see a few showers next week, again favoring the northwest areas. Aug-Sep will likely be in the top 10 driest since 1970 given conditions in recent weeks and the forecast for the rest of the month. There is currently no tropical activity expected that could disrupt this pattern. A warm period is already underway in the west and should last through next 15 days.

There are no additional frost/freeze threats through at least Sept 25 (and likely longer) with a warm set-up forecast. Heat will be notable for the next 10 days with highs expected in the 90–95-degree range over the weekend in the WCB and next week in the ECB. Temps should run 10 to even 15 degrees above normal.

Both the southern and northern Plains should see rain over the weekend and into next week. The tail end of spring wheat harvest could be slowed. Rain chances in the Mid-South remain very poor with no rain for at least 10 days, possibly longer.

In SAM, scattered showers should start next week in Mato Grosso getting the rainy season underway. Argentina still needs to dry out and dry conditions are expected until at least mid-late next week.



Grains

On to corn today. The average trade estimate is for a national average yield of 186.0 bu/a, down from 188.8 in the Aug report. Given the condition ratings, dry Aug, and reports of disease pressure, I am now using a 184.5 bu/a yield. Some of the anecdotal yield reports have been surprisingly low in IA and IL, citing rust. A lot seems to depend on how much fungicide was sprayed. The “good yields” that have been reported seem to be in line with last year, not necessarily up much from last year. The USDA’s Aug yields indicated a 5% increase from last year in IA and a 2% increase in IL. IL ratings are well below year ago and IA’s ratings are narrowing to year ago. I still wonder if there won’t be parallels to 2010 given the heavy early season rain and high overnight low temps (see graph). That year, IA yields were down 9% from the previous record. I am not saying that’s going to happen but if it did that would translate to an IA yield of 191, and all else equal, a national of 181.4 which would still be a record overall. While still a record, it would snug up the balance sheet somewhat.

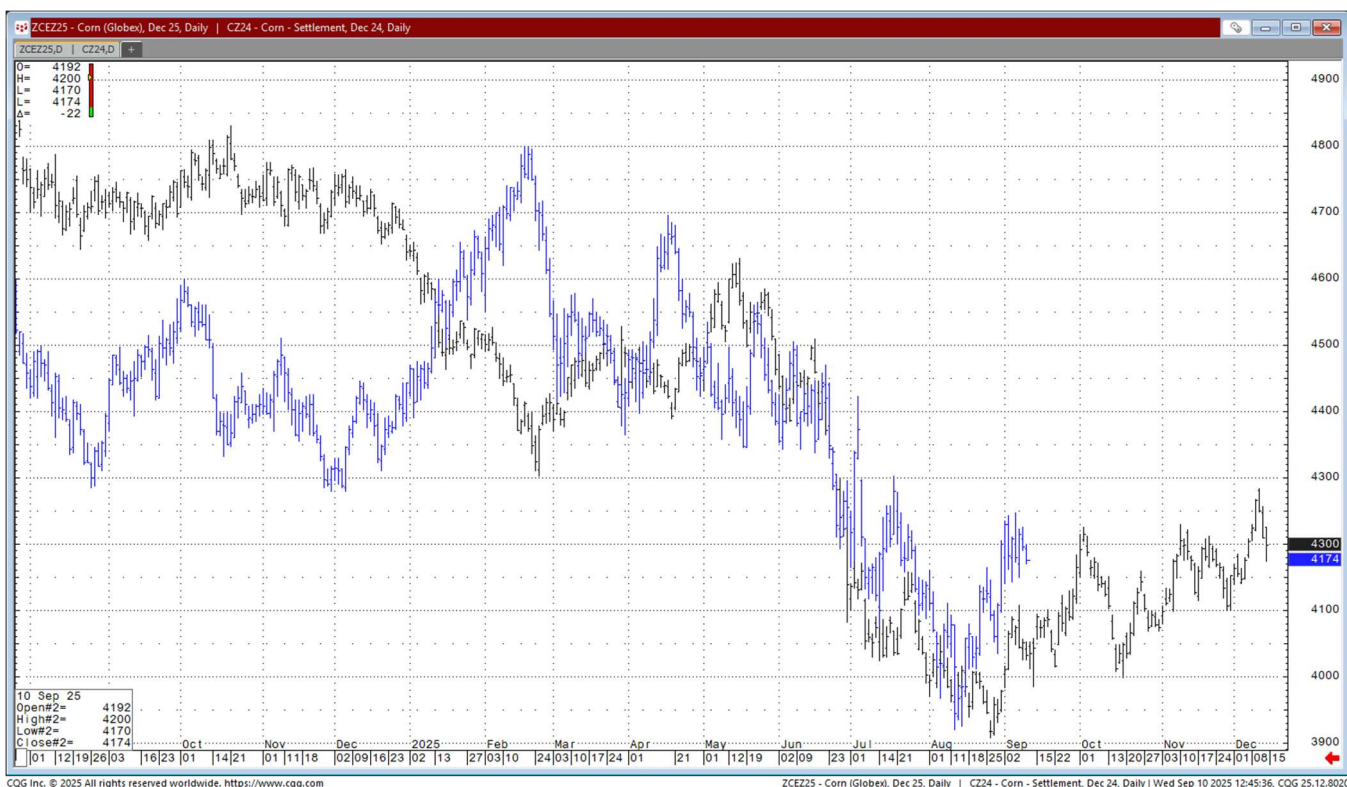
Corn Belt (Area Weighted) Minimum Temperature

June-August



I’m including the corn S&D with a 181.4 and a 189.0 scenario for reference. I’m sure 181.4 is an outlier, but it is still an all-time record. At any rate, I doubt we will see too much of a reduction in this report and an increase would be a surprise. Last year they raised yield in Sept to 183.6 from 183.1 in Aug with the final 179.3. In 2010, Aug was forecast at a record 165.0, then 162.5 in Sept, and the final was 152.8 with a big reduction in Oct. Last year’s carryout forecast in Sept was 2057 milbus (stocks-to-use 13.7%). The average trade estimate for new crop carryout Friday is 2013 milbus. Like beans, on report day last year the market had an initial bearish reaction but finished the day higher. Last year CZ finished the month 28 cents higher than the report day low. There should be some changes in the world numbers in corn. The USDA was 132 mmt on Brazil’s old crop vs CONAB’s 137 (CONAB out this am – not sure if will make publication). So, they need to come up there, but they also likely need to reduce Ukraine by 1 mmt and EU by 2-3 mmt.

CORN: U.S. SUPPLY AND DEMAND (September - August Marketing Year)												
	18/19	19/20	20/21	21/22	22/23	12-Aug 23/24 USDA	24/25 MB	12-Aug 24/25 USDA	12-Aug 25/26 MB	12-Aug 25/26 USDA	25/26 USDA	25/26 USDA
Planted Acres	88.9	89.7	90.7	92.9	88.2	94.6	90.6	90.6	97.3	97.3	97.3	97.3
Harvested Acres	81.3	81.3	82.3	85.0	78.7	86.5	82.9	82.9	88.7	88.7	88.7	88.7
Yield (Bu/Ac)	176.4	167.5	171.4	176.7	173.4	177.3	179.3	179.3	184.5	188.8	181.4	189.0
Begin Stocks	2140	2221	1919	1235	1377	1360	1763	1763	1288	1305	1305	1305
Production	14340	13620	14111	15018	13651	15341	14867	14867	16361	16741	16090	16758
Total Supply	16508	15883	16055	16277	15067	16729	16654	16655	17674	18071	17420	18089
Exports	2066	1777	2747	2472	1662	2255	2850	2820	2775	2875	2875	2875
Feed Use	5429	5900	5607	5671	5486	5842	5675	5675	6000	6100	6100	6100
Food/Ind/Seed	6793	6286	6467	6757	6558	6869	6841	6855	6885	6980	6980	6980
Ind Use-Swtmr/Star	1090											
Ind Use-Bevg/Mfg	150											
Ind Use-Fuel Alcoh	5378	4857	5028	5320	5176	5478	5475	5470	5500	5600	5600	5600
Food/Seed	240											
Total Usage	14288	13963	14821	14900	13707	14966	15365	15350	15660	15955	15955	15955
End Stocks	2221	1919	1235	1377	1360	1763	1288	1305	2013	2117	1465	2134
End Stks/Use %	15.5%	13.7%	8.3%	9.2%	9.9%	11.8%	8.4%	8.5%	12.9%	13.3%	9.2%	13.4%

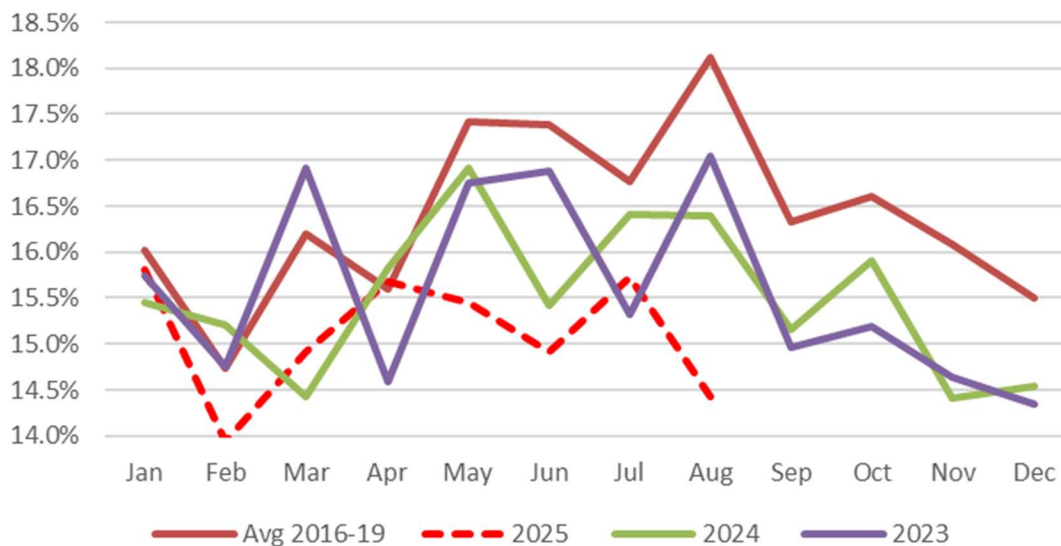


Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com or on Trillian at megan@nesvick.com.

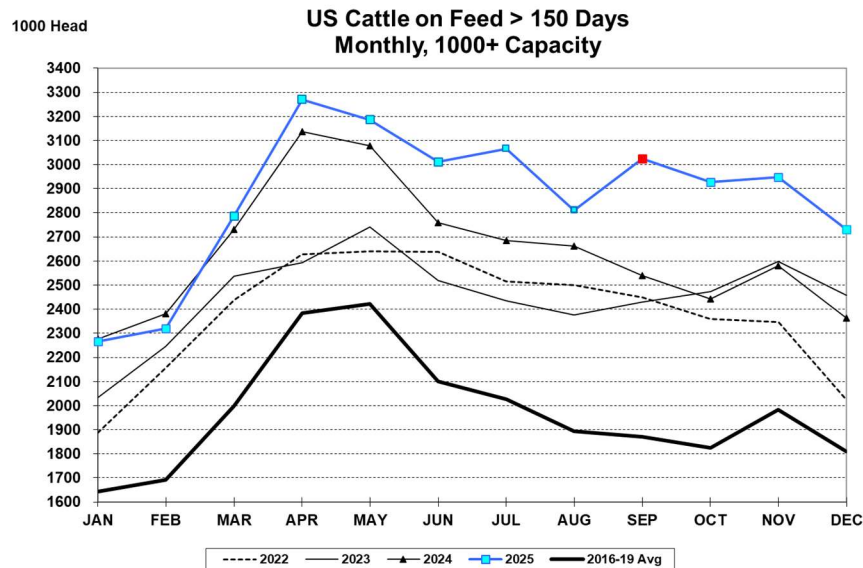
Livestock

While feedlot placements often command the most attention in the monthly USDA Cattle on Feed reports, perhaps a more compelling issue is the short-fall in feedlot sales/fed cattle slaughter since early spring. Feedlot placements “against” the first half of the year were about unchanged from a year earlier and feedlot inventories exhibited a generally “normal” seasonal pattern. However, feedlot marketings have consistently fallen short of expectations, culminating in a record low marketing rate during August at a mere 14.5% of the feedlot inventory. A more typical marketing rate, say around 16.5%, similar to 2023/2024, would have generated an additional 225,000 head marketed/slaughtered during August. Those cattle will be “carried over” into late summer and fall.

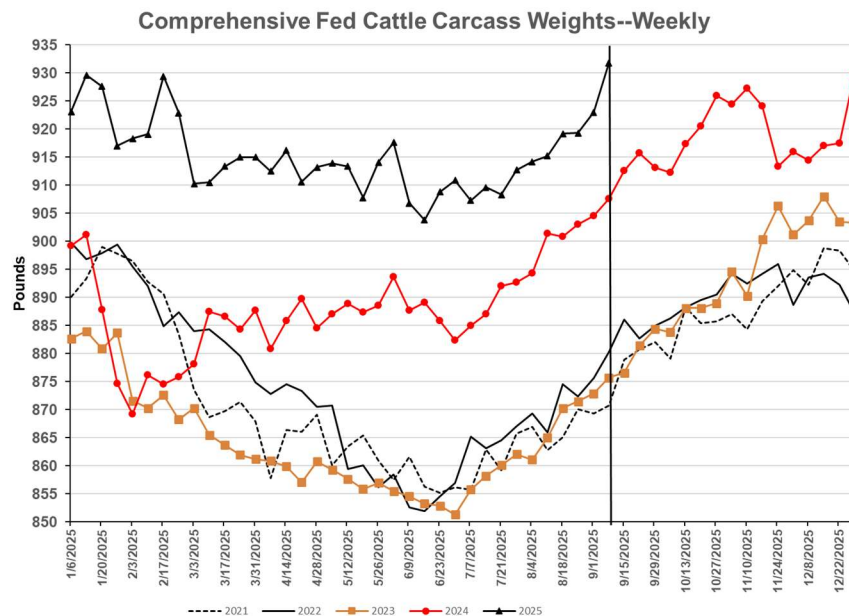
Marketings as % Cattle on Feed



One ramification of the marketing short-fall during recent months is the counter-seasonal increase in the estimated front-end fed cattle supply—which increased more than 200,000 head from August 1 to September 1. Although feedlot placements in recent months have been well below a year earlier, pointing to smaller fed cattle supplies later this year and early next year, much of that potential tighter fed cattle supply may be offset by the record large inventory of long-day cattle.



Along with the slower marketing pace, the larger front-end supply will be further augmented by record heavy carcass weights. The weekly comprehensive weights, which are often a leading indicator of the more inclusive federally inspected weights, were reported at a record 932 pounds last week; up 9 pounds from a week earlier, up 13 pounds over the last two weeks and 24 pounds heavier than a year earlier. And, few would argue that weights have peaked, which also may handicap the leverage of the cattle feeder in the weeks ahead.



Livestock commentary provided by Mike Sands. For questions or comments, Mike can be reached by email at msands@nesvick.com or on Trillian at miksan66@trillian.im.

Financials

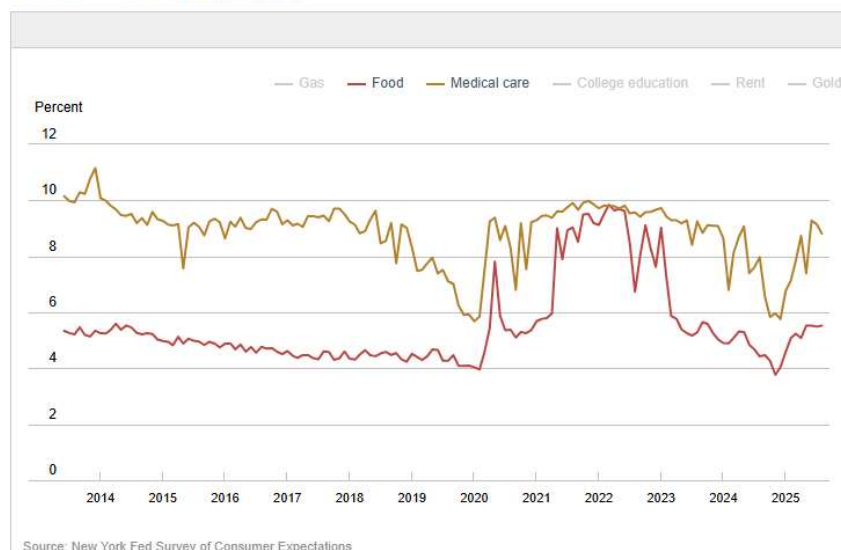
The latest @newyorkfed survey of commodity price change expectations.

Three stood out to me.

Food and medical are expected to have an uptick. Ex-pandemic, food prices are the highest since 2014.

Commodity price change expectations

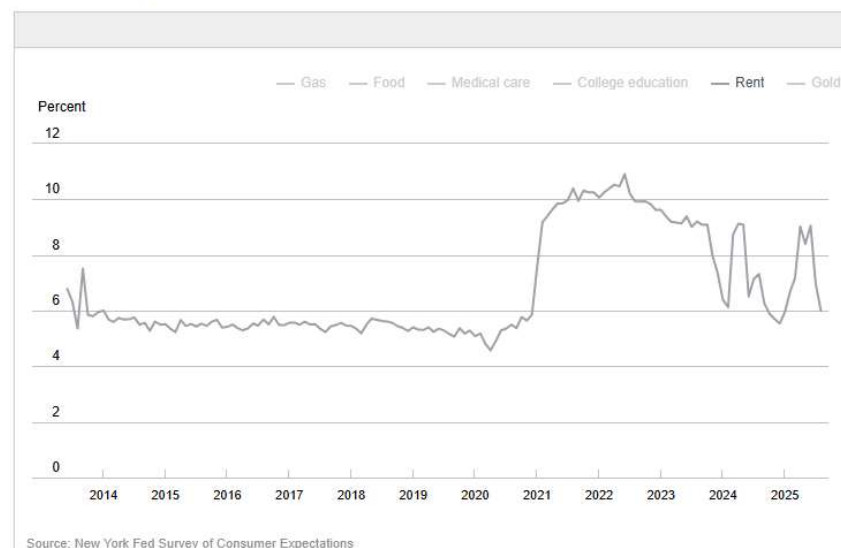
Median one-year ahead point prediction



Nice dip in rent.

Commodity price change expectations

Median one-year ahead point prediction



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](https://www.trillian.im/).

Today's Calendar (all times Central)

- CONAB Estimates – 7:00 AM
- CPI – 7:30 AM
- Export Sales – 7:30 AM
- Jobless Claims – 7:30 AM
- EIA Nat. Gas Storage – 9:30 AM
- Federal Budget Balance – 1:00 PM

Thanks for reading,

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