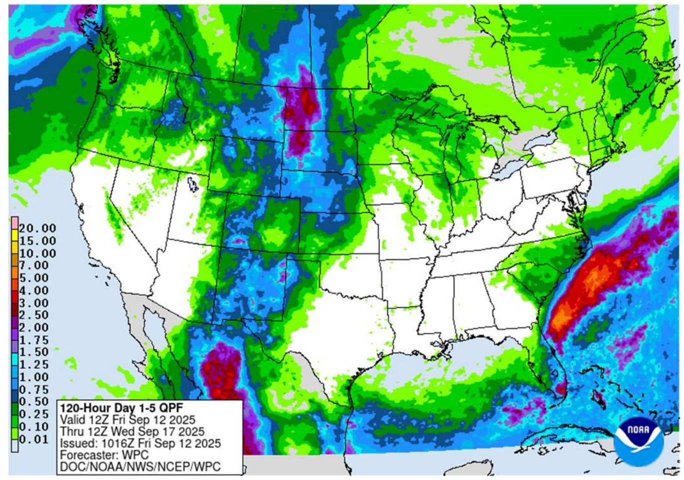
Weather

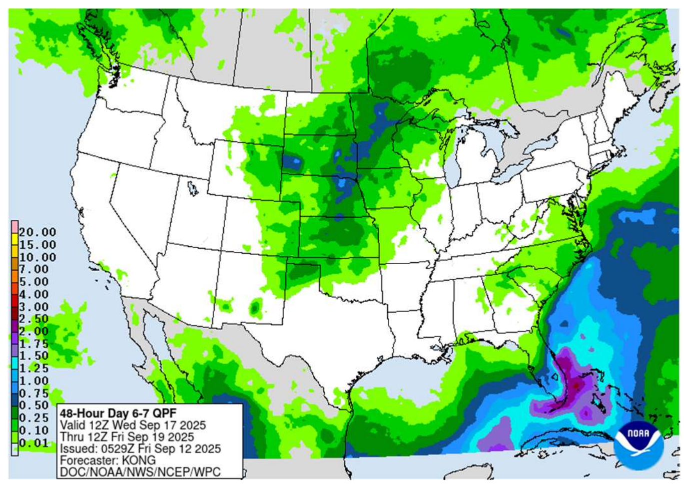
Past 24 hours were dry. It is still a mostly dry and warm forecast. There is no rain forecast in the ECB for at least 10 days. Models were a bit more optimistic about rain in the 2nd week. The WCB could see a few showers next week, again favoring the northwest areas. Tropical activity is expected to remain quiet. A warm period is already underway and should last through the next 15 days.

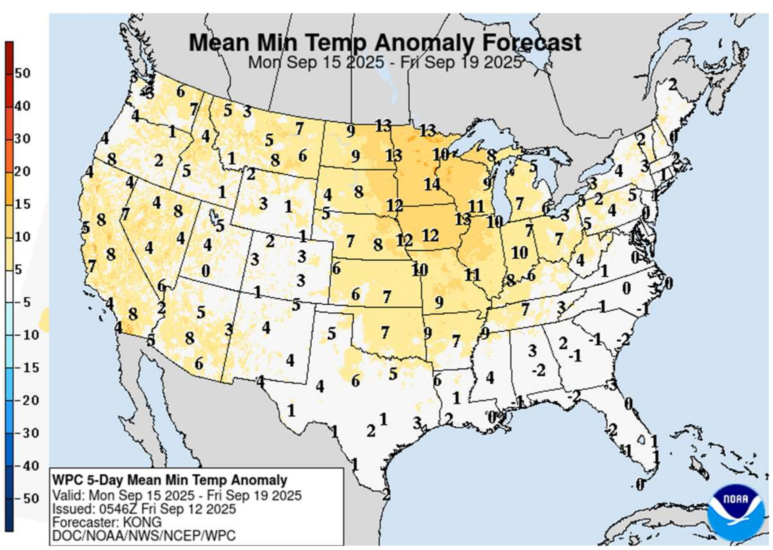
Heat will be notable for the next 10 days, with highs expected in the 90–95-degree range over the next week. Low 90's are likely as far north as southern MN. Record breaking temps are expected - running 10 to even 15 degrees above normal.

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 for another 5 days.







Grains

Will go over wheat today and then just some tidbits/thoughts for the report. I won't spend too much time on wheat as the USDA is not updating US production until the Small Grains Summary at the end of the month. There are some changes in the world numbers expected however. The USDA needs to raise world production by as much as 10-15 mmt. Strategie Grains (now called Expana) came out Thurs with a total EU wheat crop of 144.7 mmt. This compares to the USDA's most recent 138.3 mmt. Both SovEcon and IKAR are near 87.0 mmt for Russia while the USDA is at 83.5 mmt. ABARE came out at 33.8 mmt for Australia while the USDA was 31.0 mmt in Aug. They could also possibly raise Canada slightly. I doubt they will capture all of the EU increase this time, but they could for Russia and Australia. They can raise EU wheat feeding with the bigger crop since they have a short corn crop. But they likely won't be able to raise world trade much, if at all. This could all leave the world numbers looking rather bearish. Adding the US balance sheet for reference. I don't expect many changes. They could raise US exports given the strong pace so far, but they will likely end up lowering again down the line given competition is expected to ramp up. The average trade estimate for US ending stocks is 863 milbus vs 869 in Aug. The trade is expecting world wheat stocks to be up 1 mmt from 260 mmt in Aug. Given the above, I think stocks could be up considerably more.

WHEAT: U.S. SUPPLY AND DEMAND (JUNE - MAY MARKETING YEAR)

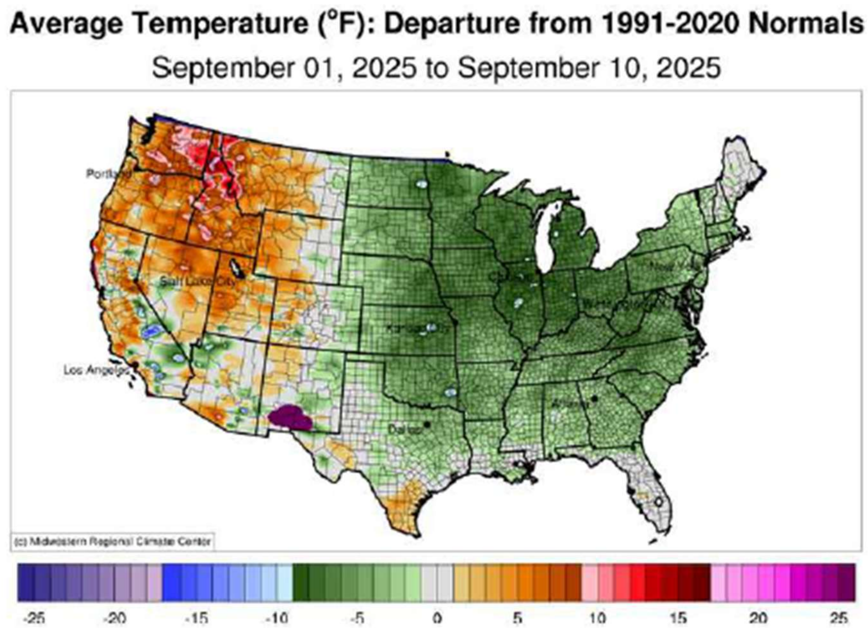
	2019/20	2020/21	2021/22	2022/23	2023/24	MB 2024/25	12-Aug USDA 2024/25	MB 2025/26	12-Aug USDA 2025/26
Planted Area	45.5	44.5	46.7	45.8	49.6	46.1	46.1	45.3	45.4
Harvest Area	37.4	36.6	37.1	35.5	37.1	38.5	38.5	36.5	36.6
Yield	51.7	49.7	44.3	46.5	48.7	51.2	51.2	52.3	52.7
Carry-in	1080	1028	845	674	570	696	696	851	851
Production	1,932	1,820	1,646	1,650	1,804	1,971	1,971	1,910	1,927
Imports	104	100	96	122	138	149	149	120	120
Total supply	3115	2948	2588	2446	2512	2816	2816	2881	2897
Seed	62	64	58	68	62	62	62	64	62
Domestic Mill	962	961	971	972	961	975	969	975	972
Feed/Residual	95	85	88	76	86	103	109	100	120
Exports	969	994	796	761	706	826	826	875	875
Total Use	2088	2104	1913	1876	1815	1966	1965	2014	2029
Carry-out	1028	845	674	570	696	851	851	867	869
Carryout/use	49.2%	40.1%	35.2%	30.4%	38.3%	43.3%	43.3%	43.1%	42.8%

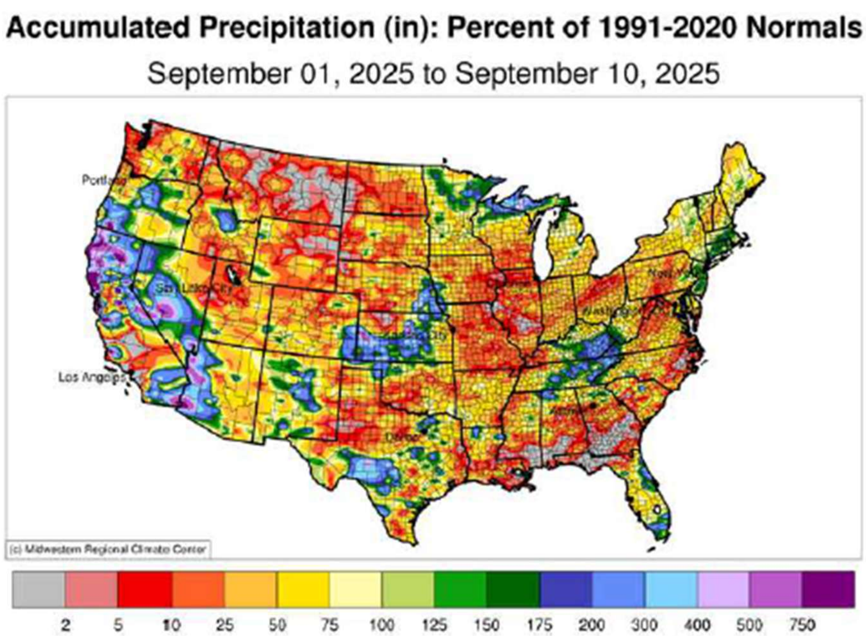
CONAB released their latest production forecasts Thurs before the open and raised corn to 139.7 from 137 previously. Recall the USDA is sitting at 132 so they have a ways to go. They can lower EU by 2-3 mmt as a partial offset. CONAB raised the bean crop more than expected to 171.5 from 169.7 mmt. The USDA was at 169.0 mmt. The USDA could raise Brazil and lower Arg slightly.

US sales slowed for corn, wheat, and beans while meal was still very strong at 357 tmt for old and new combined. Cash meal tightness is still evident with basis in the West up another $10-20/ton in some spots. South America meal basis is also firm. Bean sales will need to do better. Newswires reported on "high-level" talks between US and Chinese diplomats that could pave the way for a potential meeting with Trump and Xi. This seems counterintuitive to what's been going on recently, but that's the headline risk.

To recap for the USDA, the trade is expecting a 186 bu/a corn yield vs 188.8 previously with ending stocks of 2013 vs 2117 in Aug. For beans, the average yield estimate is 53.2 vs 53.6 in Aug with ending stocks expected at 287 vs 290. Some of the yields that are coming out are a fair bit below expectations for corn and there seems to be some nervousness about bean yields not performing given the very dry finish (particularly in the ECB). One word that keeps coming up is variability

– and that it's quite wide this year, which is usually not a great signal for yield potential. This finish has been quite dry (with one cold shot) and the forecast is hot and dry for much of the rest of September. Throwing in the September % of normal maps through the 10th. Rather alarming on the rain. Again, doubt the USDA will lower yields much in today's report. Usually the bigger reductions, if there will be any, come in Oct and/or Nov.

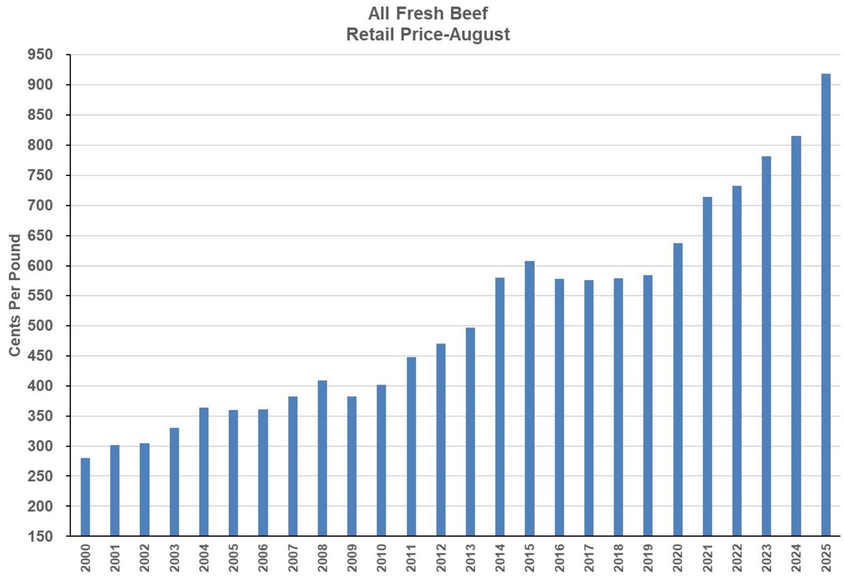




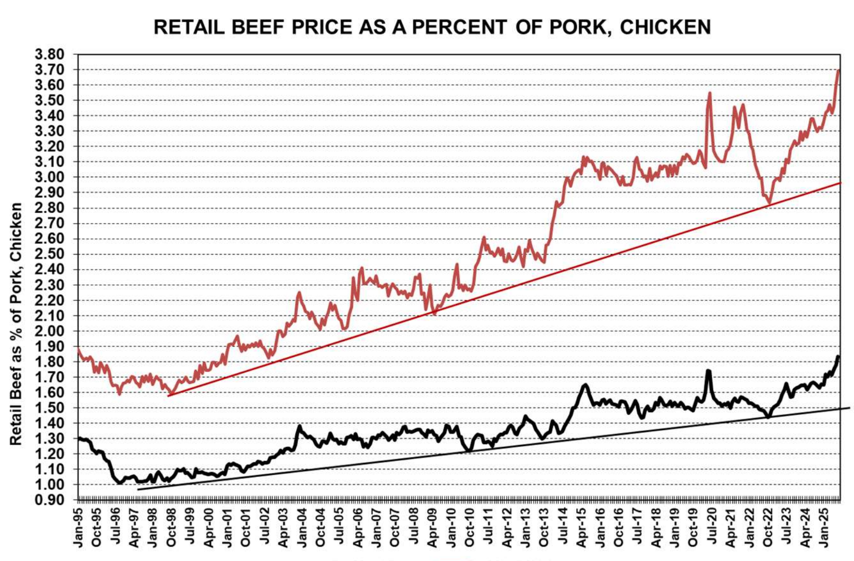
Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

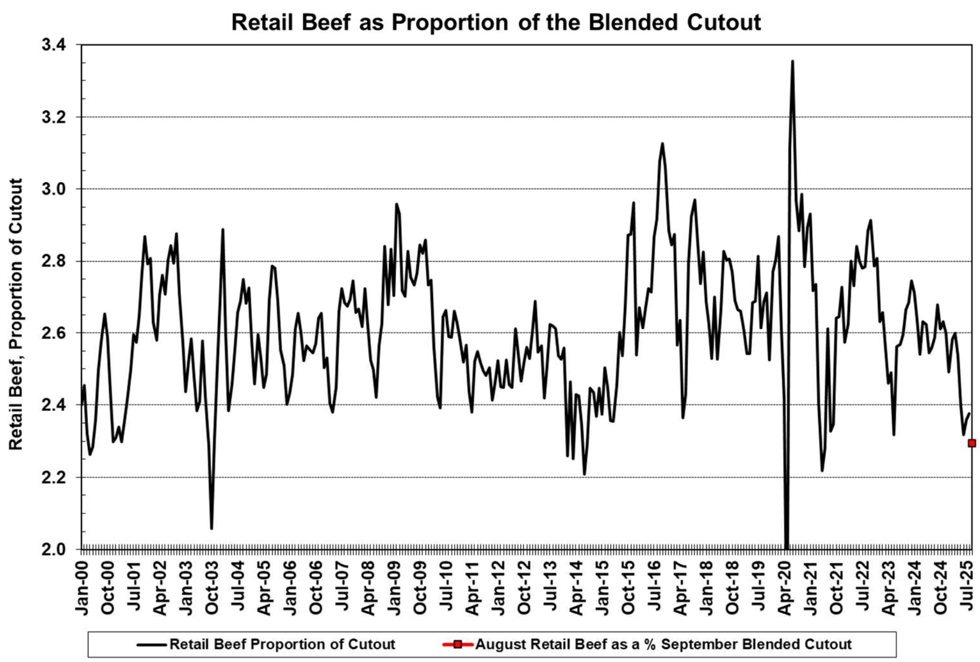
Retail beef prices continued to march higher during August, averaging near $9.18 per pound, establishing another in a succession of monthly record highs, up more than 3% from a month earlier and nearly 13% higher than a year earlier. The August price rise follows a similar advance during July. And, August beef prices were about a dollar per pound or about 13% higher than January. Price gains were most evident in muscle cuts, although ground beef values were higher, as well, with increases noted across all segments of the carcass.



In contrast to the August rise in beef prices, pork and chicken prices were about steady with a month earlier. As a result, beef prices are record high in relation to competing pork and chicken. The widening price spreads between beef and competing meats are a demand concern—perhaps encouraging consumers to limit beef purchases and shift some of their spending to lower-priced competing meats. However, an argument may also be made that record high beef prices do more to support pork and chicken values than those competing meats exert a dampening effect on beef demand.



Despite the rapid beef price rise in recent months, the uptrend likely will continue. Retail beef prices in August were not "high" in relation to cutout values. Nor were August beef prices high in relation to the estimated September cutout values. As a result, the incentive remains for retailers (and likely foodservice, as well) to maintain upward price pressures in the meat case or on menus.



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

I watch a lot of podcasts. Recently Chumlee from Pawn Stars was interviewed. Caught my interest because it was understood in the episode description that this was the real guy being interviewed and that the Chumlee we see on the hugely popular tv show is somewhat an exaggeration of his true character. Anyway, it was interesting to watch. I mention this because the subject of Pokemon cards as an investment came up. Sounds like he has a business on the side where he deals in collectibles, primarily in Pokemon cards. Well, I just so happened to come up an article in the WSJ on trading cards. Very interesting. I'm going to snip some parts of this article for your reading pleasure.

The Hot Investment With a 3,000% Return? Pokémon Cards

The franchise's trading cards are beating the benchmark S&P 500 and highflying stocks like Meta; 'I like diversifying my investments'

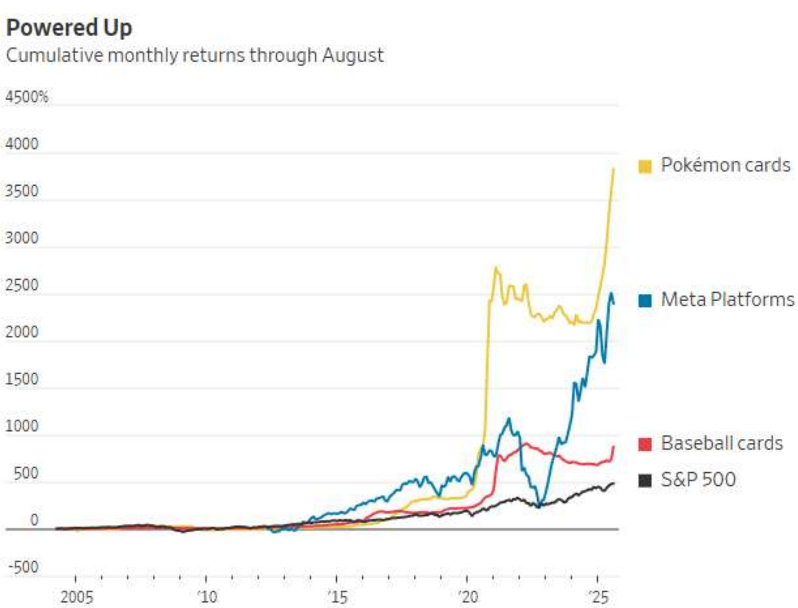
Lucas Shaw hit the jackpot with his latest investment.

The 27-year-old account manager in Ohio used some of the gains to splurge on his fiancée's custom engagement ring, which has three diamonds totaling 3.5 carats on an 18-karat gold band. The money will also help pay for their wedding.

Shaw's windfall didn't involve Big Tech stocks or crypto. It was thanks to the hottest investment among individual traders these days: Pokémon trading cards.

The cute, fictional characters blasted off in 1996, when Nintendo launched Pokémon as a videogame. Pokémon has since become a global phenomenon with a lineup of TV shows, films and games. Now, prices for the franchise's trading cards are soaring like a Charizard, sparking a wave of risky speculation and even a crime spree in Japan.

Pokémon cards, which pay no dividends and aren't subject to financial regulation, have seen a roughly 3,821% monthly cumulative return since 2004, according to an index by analytics firm Card Ladder tracking trading-card values through August. That trounces the S&P 500's 483% jump over the same period. Meta Platforms, one of the Magnificent Seven, has climbed around 1,844% since the company went public in 2012.



Note: Meta went public in 2012.
Source: Card Ladder, FactSet

Justin Wilson estimates his collection of around 500 cards and 100 sealed items is worth about $100,000.

The 32-year-old advertising manager in Oklahoma City started buying Pokémon cards as a kid in the 1990s. He picked up the hobby again in 2019 after realizing he had "adult money" to spend, and has no plans to stop.

"You've gotta catch 'em all," said Wilson, echoing the franchise's famous catchphrase. He views the cards as investments similar to his Roth IRA retirement and Vanguard brokerage accounts.

While financial advisers generally caution against betting retirement savings on fictional battling critters, the cards caught fire among amateur investors during the pandemic. As some investors banded together to spark the GameStop meme stock mania, a more fringe group of traders, also stuck at home and armed with cash from government stimulus, began scooping up Pokémon cards.

The craze intensified after influencer Logan Paul revealed in 2022 that he acquired a near perfect-grade "Pikachu Illustrator" card worth $5.3 million, setting a new Guinness World Record for the priciest Pokémon trading card sold in a private sale.

Link to the whole article, for those with a paid subscription:

https://www.wsj.com/finance/pokemon-cards-investment-0163e058?mod=hp_featst_pos5

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)

- U. Mich. Inflation – 9:00 AM
- WASDE – 11:00 AM

Thanks for reading,

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