NESVICK TRADING GROUP, LLC

Monday, September 15, 2025
NTG Morning Comments
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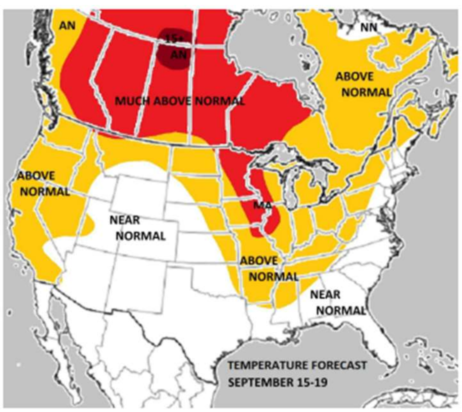
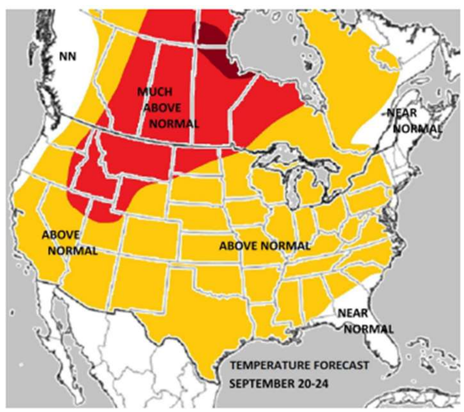
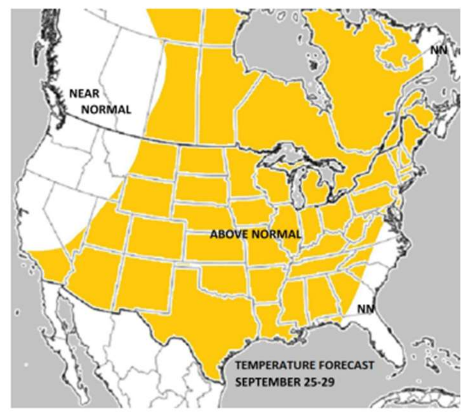
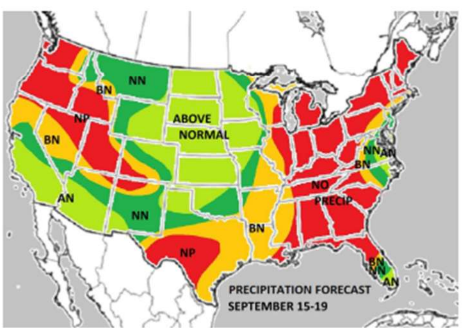
Weather

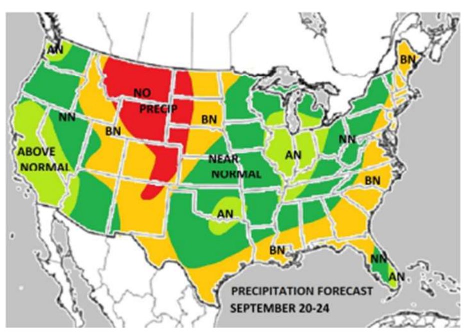
The common feature across the U.S. agricultural regions for the next 15 days is above-normal temperature, with a notable lack of any freezing temperatures in the forecast. The Corn Belt faces a split forecast, as the eastern portion is projected to remain largely dry through the end of this week, with rain chances not improving until around September 21-23. In contrast, the western Corn Belt will begin to see rain starting on Wednesday, and it is this western area that will see the best accumulations over the next 10 days. There is better agreement between the models this morning that the 11-15 day period will see mostly-below-normal rainfall, but there is a semblance of a trough west/ridge east weather pattern for that period. The entire region will experience warm to very warm temperatures, with highs in the 90s expected near-term and a first freeze not anticipated until after October 1st. The Mid-South will continue to see poor rainfall across the next 15 day period, with September 18-22 showing the best chance for some (small) rains. Meanwhile, the Plains are situated for more beneficial moisture; the Southern Plains can expect near to above-normal rainfall, creating favorable planting conditions, while the Northern Plains will see its best rain in the immediate 1-5 day period before turning drier.

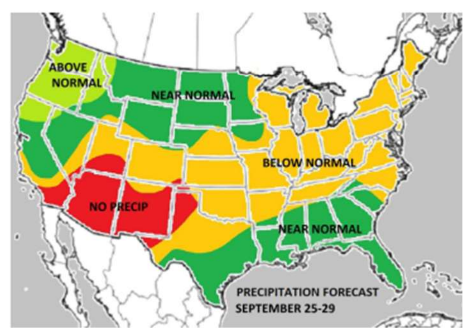




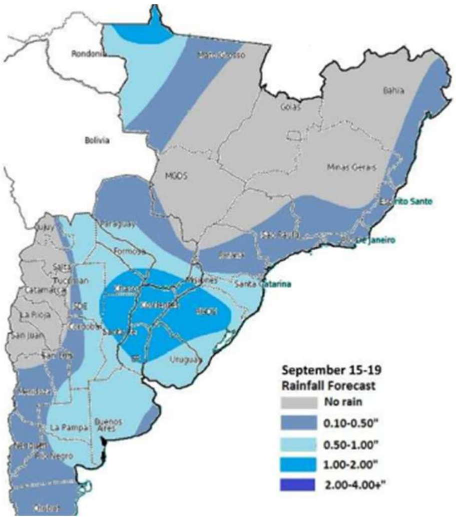


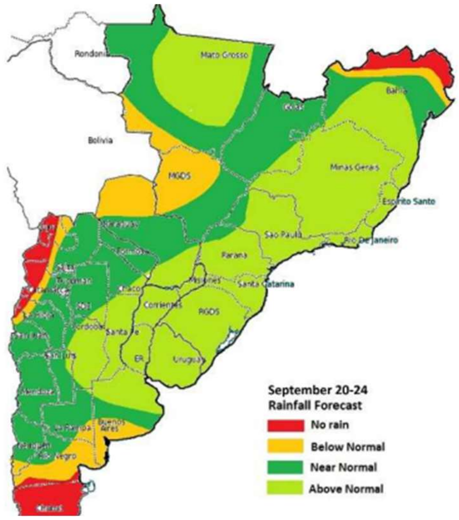


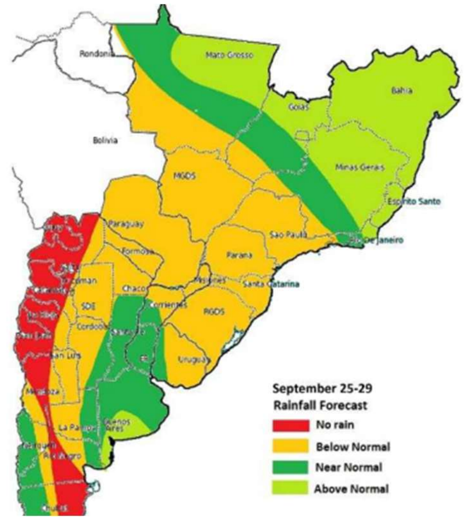




South American forecasts are dominated by significant heat across Brazil and Paraguay, with critical rainfall periods on the horizon that will heavily influence the beginning of the soybean planting season. The bulk of any “good” rain this week will be in northwestern Mato Grosso, but the key timeframe to watch is around September 23, when more significant and widespread rains are expected to arrive. These rains should provide enough moisture to initiate large-scale soybean planting operations. Until then, the region will endure extreme heat, with daily highs of 95-105°F. In Southern Brazil, the best rains are targeted for the 6-10 day period before conditions are expected to dry out again after September 22. For Argentina, the forecast calls for the wettest period to occur from this Wednesday through September 21. Following this wet spell, which the main growing area would prefer to avoid, conditions are projected to become quite dry from September 22 onward.







Grains

The USDA surprised the trade again adding more acres to corn planted and harvested – up 1.4 and 1.3 mil respectively. They lowered yield to 186.7 bu/a from 188.8, a bit higher than expected. The net was a 72 milbus increase in production. They raised exports by 100 milbus – not sure why. Carry-in was up by 20 (they actually need to raise old crop exports more). The result was a 7 milbus reduction in 25/26 ending stocks to 2110 milbus, which compares to 1325 for 24/25. The initial reaction was lower but futures finished up 10 for the day and finished the week up 12 cents. The trade is expecting further yield reductions given that crops are finishing sooner than expected with more disease pressure. Early anecdotal yields are disappointing and the finishing weather is concerning with the ECB not having had a rain in 4-6 weeks in some areas and a stretch of 90-degree temps occurring in a broad area in the Corn Belt currently. I am using a 182.9 bu/a yield. I adopted the USDA's yields in all but IA, IL, IN, and OH. This is still a record yield and really doesn't tighten the balance sheet that much especially with exports 200 milbus below USDA. But the market is fearing a 2010 type yield surprise (similar wet start and hot nights that year) – went from 162.5 in Sept to 155.8 in Oct to 152.8 by the final. In the world numbers, they raised Brazil to 135 mmt from 132 (CONAB 139.7 so will have more to go) and they lowered the EU crop to 55.3 from 58. The market is still short with funds selling into last week's report. The market can likely continue to rally and run in shorts if yields continue to be disappointing.

CORN: U.S. SUPPLY AND DEMAND (September - August Marketing Year)

	18/19	19/20	20/21	21/22	22/23	23/24	24/25 MB	12-Sep 24/25 USDA	25/26 MB	12-Sep 25/26 USDA
Planted Acres	88.9	89.7	90.7	92.9	88.2	94.6	90.6	90.6	98.7	98.7
Harvested Acres	81.3	81.3	82.3	85.0	78.7	86.5	82.9	82.9	90.0	90.0
Yield (Bu/Ac)	176.4	167.5	171.4	176.7	173.4	177.3	179.3	179.3	182.9	186.7
Begin Stocks	2140	2221	1919	1235	1377	1360	1763	1763	1288	1325
Production	14340	13620	14111	15018	13651	15341	14867	14867	16469	16814
Total Supply	16508	15883	16055	16277	15067	16729	16654	16650	17782	18164
Exports	2066	1777	2747	2472	1662	2255	2850	2830	2775	2975
Feed Use	5429	5900	5607	5671	5486	5832	5675	5675	6100	6100
Food/Ind/Seed	6793	6286	6467	6757	6558	6879	6841	6820	6885	6980
Ind Use-Swtnr/Star	1090									
Ind Use-Bevg/Mfg A	150									
Ind Use-Fuel Alcoh	5378	4857	5028	5320	5176	5489	5475	5435	5600	5600
Food/Seed	240									
Total Usage	14288	13963	14821	14900	13707	14966	15365	15325	15760	16055
End Stocks	2221	1919	1235	1377	1360	1763	1288	1325	2021	2110
End Stks/Use %	15.5%	13.7%	8.3%	9.2%	9.9%	11.8%	8.4%	8.6%	12.8%	13.1%

For beans, the USDA actually raised planted and harvested area by 200 thousand after a drastic reduction in Aug. They lowered the bean yield very slightly to 53.5 bu/a from 53.6 with the average trade estimate at 53.2 bu/a. They actually raised IA to 65 (a new record) from 63 previously and up from 60 bu/a last year. IA ratings dropped below year ago last week and will likely drop further this week. I am using 60 for IA. They left IL at 65 (tied for the record). IL's ratings are well below year ago and the second worst in 10 years with a very dry Aug-Sept. They lowered IN and OH by 1 bu/a each and remain above year ago in those states also. I am lower in those 4 states and adopted the USDA's yields for the rest and came out at 52.2 bu/a. I think there could be room to come down more. The USDA's crop was actually up slightly and the USDA did reduce exports by a token 20 milbus. The net was a 10 milbus increase in ending stocks to 300 milbus. There was China talk in the market Friday (which provided support) with a meeting scheduled this week with Bessent and China's VP in Madrid. Beans also traded lower when the numbers came out, but worked higher throughout the rest if the session to close up 13 cents (19 for the week). Products were firmer also with meal spreads tightening further. For the week meal closed $7/ton higher with oil up 86 points. NOPA Crush is out at 11 am with expectations for a 180-183 Aug crush vs 195.7 in July. I think the USDA has room to come down on yields. I know I keep saying this, but last year was down 2.5 bu/a from Sep to final, and given the weather this year in Aug and Sept, I don't think it's a stretch to expect further reductions. The USDA can also come down on exports but it will likely be incremental. We will see what ratings do today and if anything comes from the China meeting, but further strength can't be ruled out with funds also still carrying shorts in beans.

SOYBEANS: U.S. SUPPLY AND DEMAND									
							12-Sep		12-Sep
	19/20	20/21	21/22	22/23	23/24	24/25	24/25	25/26	25/26
						MB	USDA	MB	USDA
Planted Area	76.1	83.4	87.2	87.5	83.6	87.1	87.1	81.1	81.1
Harvested Area	74.9	82.6	86.3	86.2	82.3	86.1	86.1	80.3	80.3
Yield	47.4	51.0	51.7	49.6	50.6	50.7	50.7	52.2	53.5
Carryin	925	538	257	274	264	342	342	318	330
Production	3552	4216	4464	4270	4162	4366	4366	4193	4301
Imports	15	20	16	25	21	25	27	20	20
Total Supply	4492	4774	4737	4569	4446	4734	4736	4531	4651
Crush	2165	2141	2204	2212	2285	2439	2430	2540	2555
Exports	1679	2266	2152	1980	1700	1878	1875	1650	1685
Seed	97	101	102	72	75	70	70	73	73
Residual	15	9	5	41	44	29	31	29	37
Total Usage	3956	4517	4463	4304	4104	4416	4406	4292	4350
Carryout	538	257	274	264	342	318	330	240	300
Carryout % Use	13.6%	5.7%	6.1%	6.1%	8.3%	7.2%	7.5%	5.6%	6.9%

In wheat, the USDA raised exports by 25 milbus to 900 milbus and lowered carryout by 25 milbus to 844 from 869. I think they may end up lowering back as the pace has already slowed considerably, but we shall see. The increase in exports was all in HRW and HRW stocks were lowered by 25 milbus – to 391 milbus, still a rather burdensome carryout. They made some necessary adjustments in the world numbers with world production up by almost 10 mmt and stocks up 4 mmt with increases in feed use and trade partially offsetting the bigger crop. They raised Australia to 34.5 from 31, Canada by 1 mmt to 36, the EU by 2 to 140 mmt, Russia by 1.5 to 85, and Ukraine by 1.0 to 23 mmt. Further increases are expected in the EU and Russia by as much as 5-6 mmt combined. Wheat bounced a bit in sympathy with corn and can continue to do so (Chgo was up 4 for the week with KC 10 higher), but there is nothing friendly in wheat by itself with crops getting bigger and world values working lower.

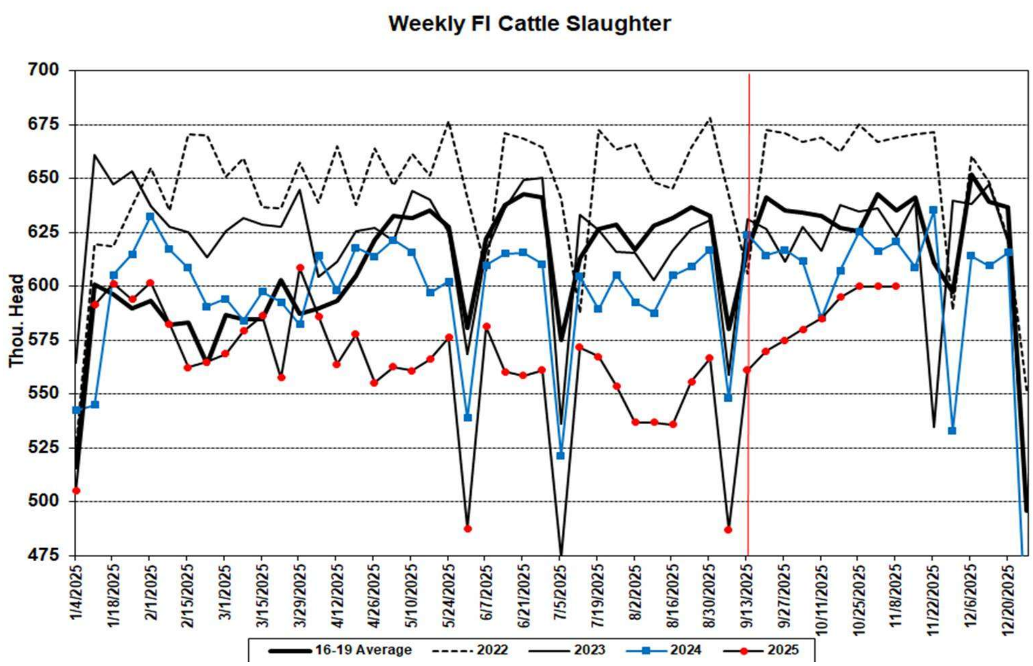
WHEAT: U.S. SUPPLY AND DEMAND (JUNE - MAY MARKETING YEAR)									
							12-Sep		12-Sep
						MB	USDA	MB	USDA
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	2025/26	2025/26
Planted Area	45.5	44.5	46.7	45.8	49.6	46.1	46.1	45.3	45.4
Harvest Area	37.4	36.6	37.1	35.5	37.1	38.5	38.5	36.5	36.6
Yield	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	900
Total Use	2088	2104	1913	1876	1815	1966	1965	2014	2054
Carry-out	1028	845	674	570	696	851	851	867	844
Carryout/use	49.2%	40.1%	35.2%	30.4%	38.3%	43.3%	43.3%	43.1%	41.1%

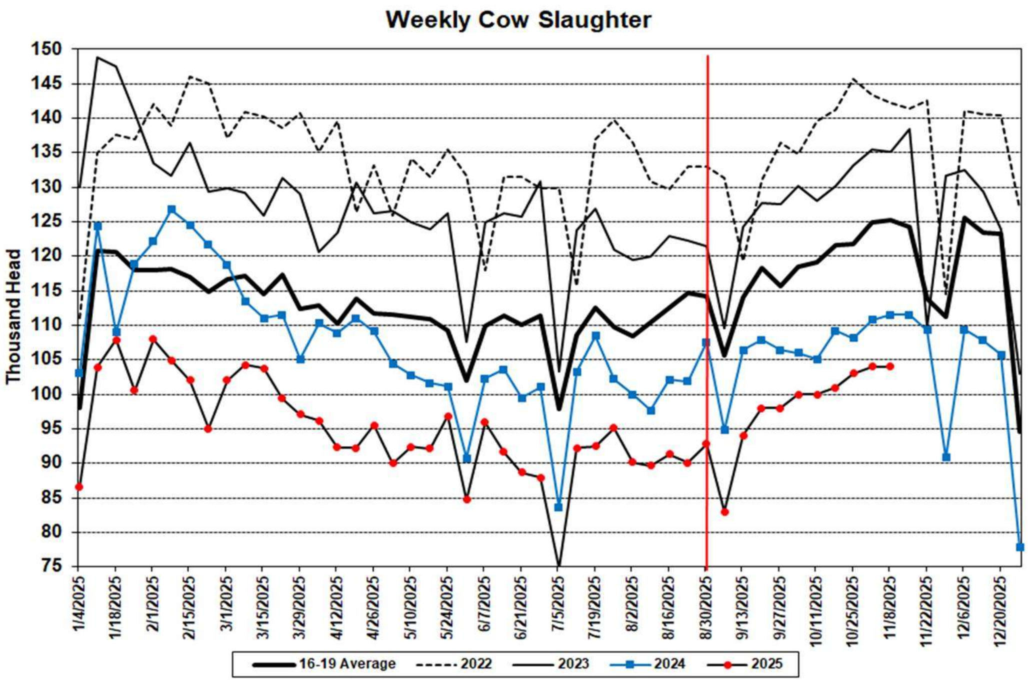
Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

Estimated cattle slaughter for last week came in at 561,000, which is a bit smaller than most were thinking due to issues at two plants on Friday. The kill is expected to start increasing into the fall working its way toward 600,000 per week. The fall cow run is in its early stages and will steadily increase as temperatures begin to dip and ranchers prepare their herds for winter. The beef cutout also began its decline into the fall, as it was down $10 to $400 and probably headed somewhere around $375 or lower. The packer margin is close to $50-$75/hd which is near the best of the year so far. Cash trade last week was pretty much as expected; the south has gone premium to the north. Cash trade in the south last week was $2 lower to $240 while the cash trade in the north was $2-5 lower and will average just below $240 and $375ish dressed on pretty small volume of less than 100,000 head. With the October futures just below $230 and the cash at $240 the basis is very strong for this time of year at $10. Is the board undervalued or is it pricing in a further decline in cash during the second half of September and into October?

There were a couple of outside factors last week that resulted in large breaks in the futures market. The first was early in the week President Trump made a comment that the beef price was too high and he was going to get it lower. The rumor mill chatter about this and the previous track record of Trump doing what he says he is going to do caused the board to break hard on Tuesday and resulted in a limit down move in feeder cattle across the calendar strip. We gained some of if back Wednesday and Thursday, then Friday it was made public that Secretary of Agriculture Brooke Rollins would be speaking in Oklahoma about the New World Screwworm (NWS) after the market closed. This quickly turned into speculation about the administration reopening the border to feeder cattle from Mexico and pressured the market lower during the session. Secretary Rollins spoke about the NWS and everything the government is doing and the money they are spending to keep it out of the United States but made no mention of reopening the border. I still think the NWS has to get into the US and we have to show the ability to detect and manage it effectively before we reopen the border. I suppose it could also be possible that we start to only move cattle outside of fly season when there is less risk of spread but that is still months away. We should get another update on NWS in October, keep your ear to the ground. Looking ahead to this week, the kill should increase, cutout should decrease, and cash is probably steady at best. Feeder cattle index should hang around the $360 area, is the board too cheap with September expiration in 10 days?





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

I found this theory to be an interesting discussion on a podcast put out by Miles Franklin Media, hosted by Michelle Makori, on the Fourth Turning generational model developed by William Strauss and Neil Howe.

Historical cycles, according to Strauss-Howe, consist of four turnings that repeat for each cycle. Each cycle has thematically similar turnings, which they typify as:

- **The High** (which follows the crisis that ended the previous cycle). This period is typified by strong institutions and social collectivism, and weak individualism.
- **The Awakening.** This period is typified by increasing personal and spiritual autonomy of people. During this period social institutions may be attacked, impeding public progress.
- **The Unravelling.** This period is typified by weak institutions that are distrusted. During this period, individualism is strong and flourishing.
- **The Crisis.** This is an era of destruction, e.g., through war, where institutional life is destroyed. However, as this period ends, institutions will be rebuilt. Society will rediscover the benefits of being part of a collective, and community purpose will take precedence again.

According to this theory, every 80-100 years is a crucial 'fourth turning' of generations in American history. The 'fourth turning' is necessarily marked by a crisis that has destroyed the social order and created a new one, after which a new cycle commences. According to contemporary proponents of this theory, we are currently in the (approximately) twenty-year period of 'crisis' which will determine a new social order.

The last fourth gave us the Great Depression and World War 2. Out of that chaos, a new world order was forged, with America at the peak of power. Fast forward to now. According to Larry Lepard, in the interview, the current fourth turning began in 2008 with the global financial crisis, which means right now, we are in the thick of it, with our money being the crux of this crisis. Every fourth turning ends in a reset. The question is, what kind of reset will it be?

It's an interesting watch, on YouTube, titled $10K Gold & $1M Bitcoin in 5 Years as the Monetary Reset Gets Underway | Lawrence Lepard (Part 2/2)

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)

- Export Inspections – 10:00 AM
- Crop Progress – 3:00 PM

Thanks for reading,

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