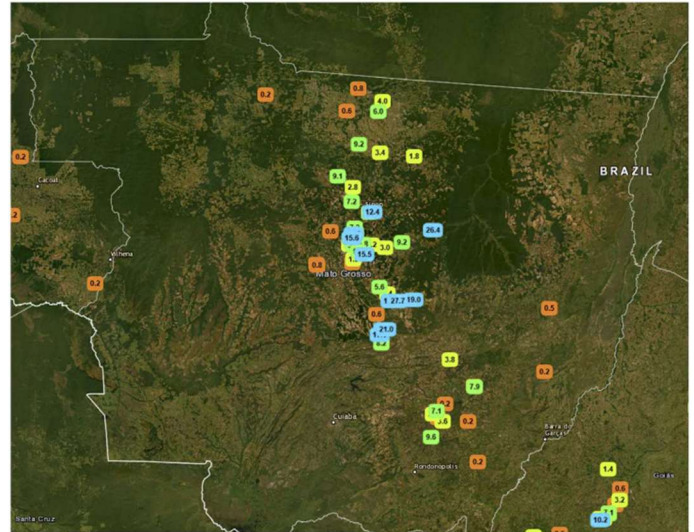


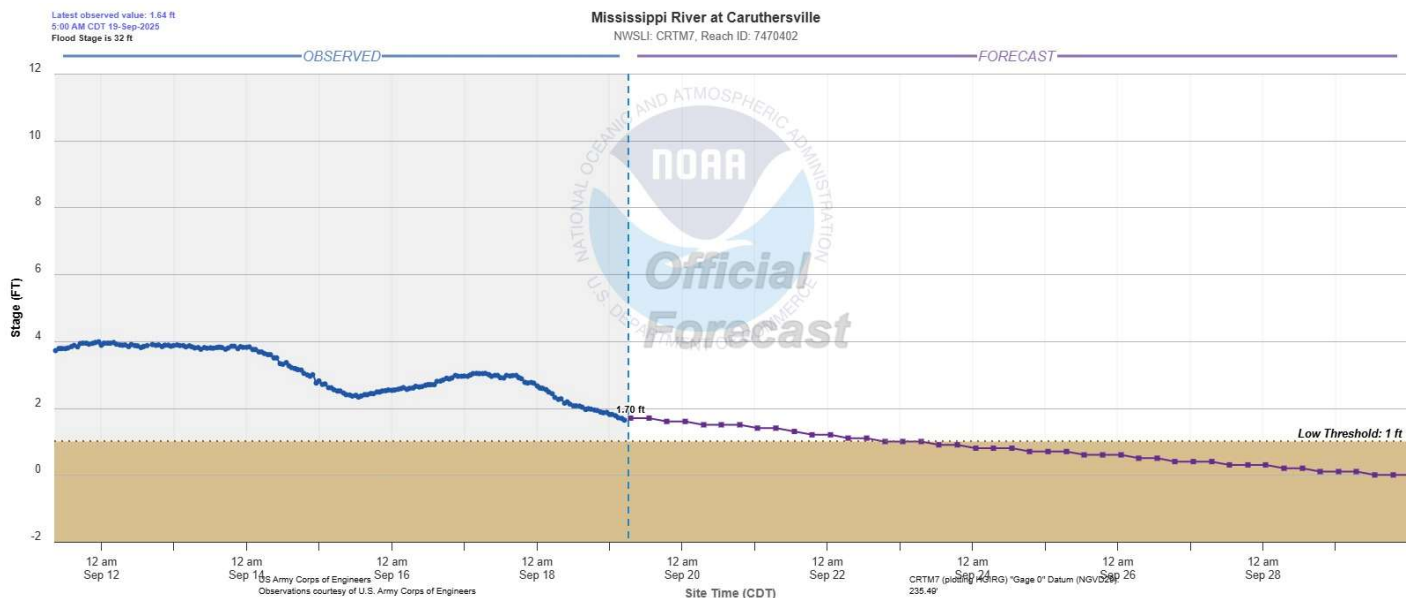
Weather

Mato Grosso continues to be the only area of northern Brazil with any significant rainfall so far this week, and its main soybean growing area picked up as much as an inch in the past 24hrs. Widespread rains are still expected across Northern Brazil in quantities sufficient to initiate soybean planting outside of just Mato Grosso between September 22-26 before backing off to below-normal levels for the rest of the 15 day period. Southern Brazil and Paraguay will see significant rain this weekend, but the area will be largely dry starting Monday. Rains have started a little earlier than expected in Argentina, with the southern areas receiving notable totals. The main growing area will get over an inch of rain tomorrow, followed by a dry spell through the end of the day 10, and then above-normal rainfall in the 11-15 day period. Temperature wise, we're still seeing a general pattern throughout the growing areas of warm-to-hot temperatures through this weekend, followed by a week of below-normal temps, and returning to normal to above-normal through the end of the month.



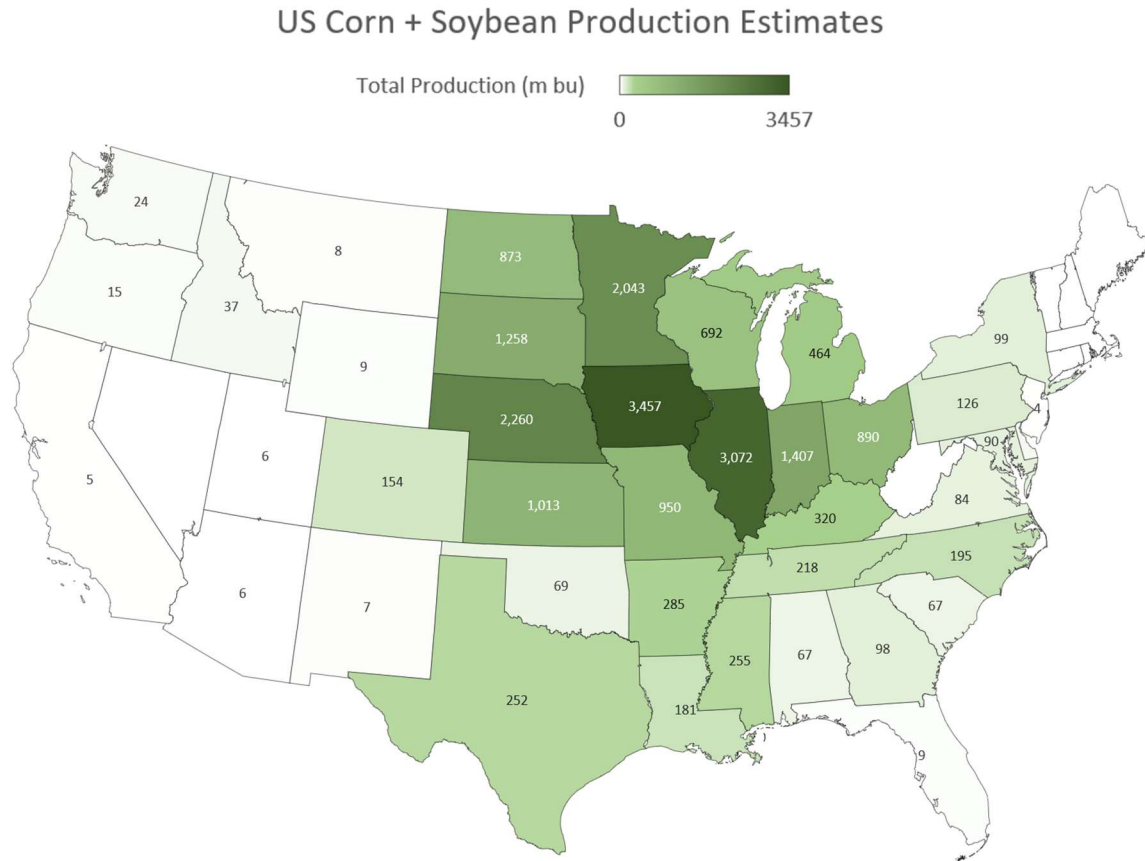
24-hour rainfall in Mato Grosso (values are in millimeters)

In the US, over the next week, and maybe longer, the corn belt is set to get above-normal rains. Southern parts of the region can expect as much as 2-3x normal precipitation levels due to the upper-level low-pressure system. These rains should ring some much-needed relief for the Ohio and Mississippi River levels, which have been dropping and are projected to get quite low. Quite substantial rains are now projected for the Mid-South starting Tuesday and going through the end of the week. Northern Plains has seen big rains for the past 24 hours – as much as 2.5" in Fargo. But, an extended dry period is still expected for the rest of the month. The Southern Plains will continue to receive good rains through the 15 day period, but especially in Week 1. The rainfall and above-normal temperatures should be very favorable for winter wheat planting. The models remain in 100% agreement that the US remains warm or exceptionally warm for the duration of the current 15 day forecast.



Grains

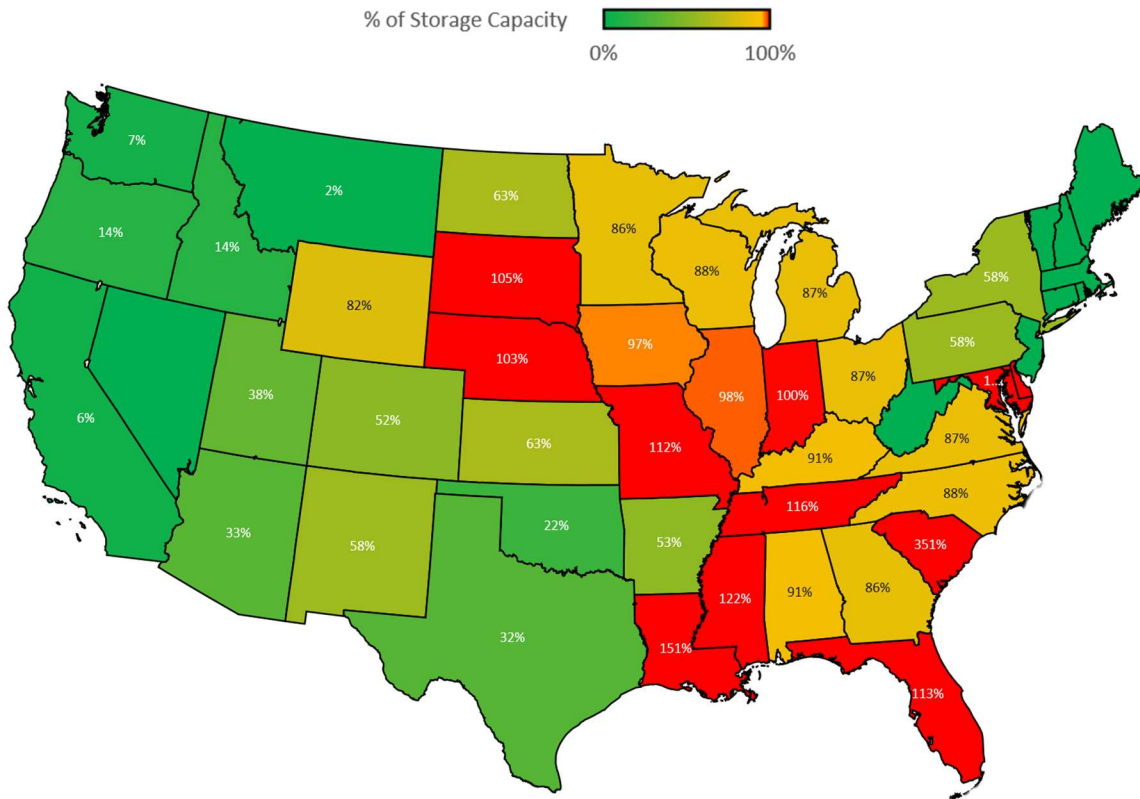
With the production estimates for both corn and soybeans being record or near-record large, respectively, and weak basis for soybeans, the farmer is possibly going to try to hold onto both crops and wait for more appealing prices. But does he have the storage necessary to keep both crops at the same time?



Despite worsening crop conditions pointing towards lower yields, I've used the September NASS production estimates for corn and soybeans as a baseline "maximum" number for how much crop the farmer will be storing. The state-by-state storage capacity is pulled from the Dec 1, 2024 NASS Grain Stocks survey. Notably, I also am not including old crop stocks, as we will not get an update on these stocks until October 1st. Keep an eye out for an update to these numbers when that report goes out.

With only 3 states projecting a decrease in YoY combined production, and 14 states expecting record combined yields, the national production of corn + soybeans is estimated at a record 21.1 billion bushels. Taking a quick look at nationwide storage capacity, there appears to be some headroom, with a total of 25.1 billion bushels of storage capacity. So, everything is fine, right? Well, not quite. As you probably saw coming, if you look at the storage on a state-by-state basis, the situation changes dramatically.

Corn + Soybean Production vs. Storage Capacity

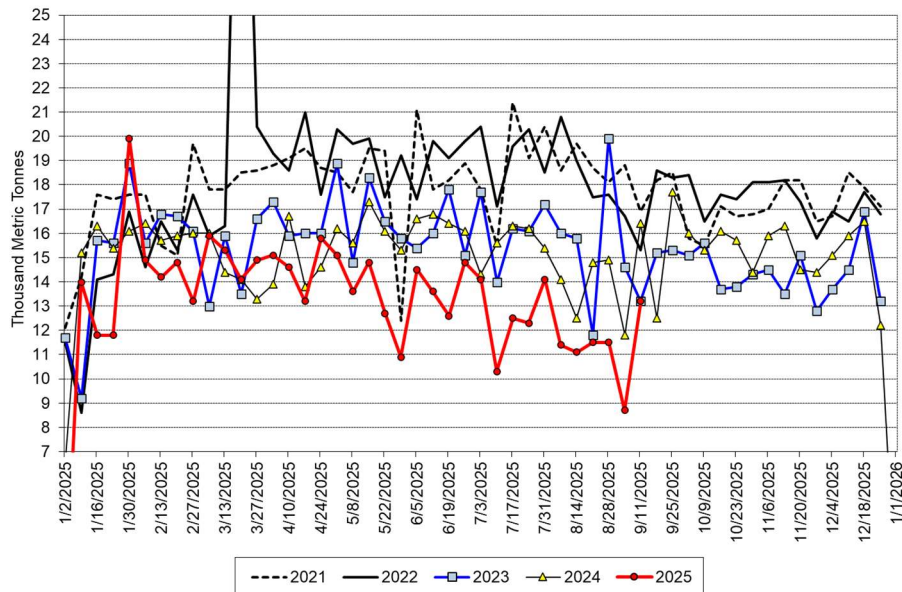


On a state-by-state view, you'll notice that 11 states are expecting crops at or above their storage capacity, and another 4 states are expecting production above 90% of their capacity. These numbers could decrease some if crop conditions continue to fall off and yields come out significantly lower at harvest. But recall, this is also assuming storage bins are currently empty; adding this harvest to whatever old crop is still sitting in storage, there could be many producers who have to sell some of their crop off the combine, regardless of price.

Livestock

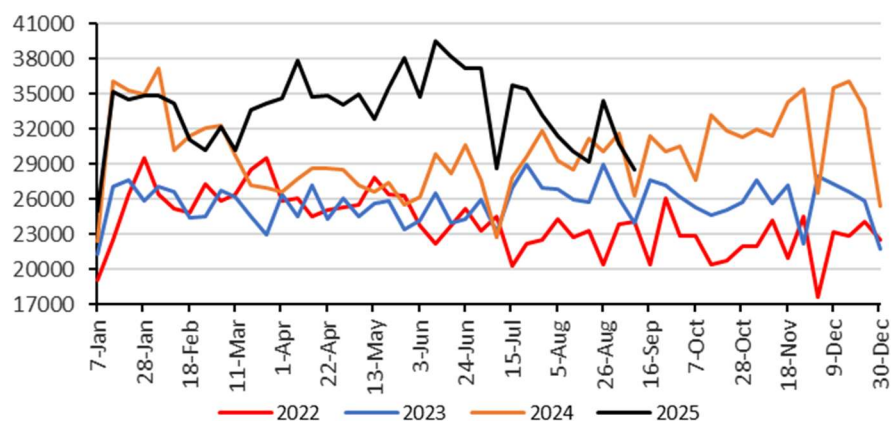
Beef exports have trended generally lower since the beginning of the year, likely a casualty of historically high prices, sluggish world economic growth, and the pervasive disruption in world trade flows associated with the volatile import tariff structure which openly courts retaliation. July beef exports were 19% below a year earlier and the smallest for that month in a decade. Through July, 2025 beef exports were down more than 9% from last year. While YoY comparisons may moderate in the weeks ahead, total shipments for 2025 are projected near 2.8 bil pounds, the smallest since 2016, accounting for about 10% of total beef production, also the smallest export percentage since 2016.

Weekly Total US Beef Exports



In contrast to exports, beef imports have been trending irregularly higher since 2022. July imports, the latest complete month available, were up 13% from last year and for the year to date are 30% higher. Much of the larger import base serves as a replacement for declining production of lean manufacturing beef as US non-fed slaughter slides toward cyclical lows. Beef imports may reach near 5.6 bil pounds this year, up 20% from last year and record large, accounting for about 19% of domestic disappearance.

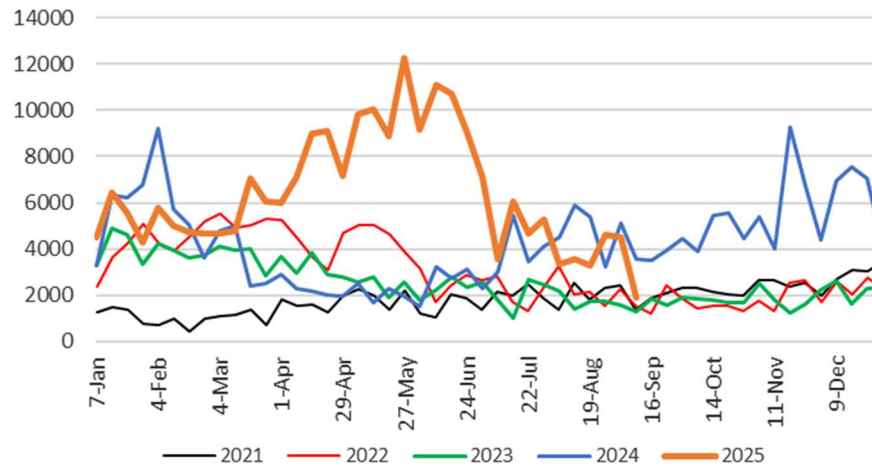
Total Beef Imports
Weekly, Fresh and Processed, Metric Tonnes



Through July, Brazil was the largest beef exporter to the US, displacing Canada and Australia from that usual spot. However, Brazilian imports are subject to a 26.4% over-quota tariff, along with the more recently imposed 50% punitive tariff, rendering the US a much less attractive/unattractive export destination. As a result, US imports from Brazil have declined sharply. Still, record high US lean beef prices will continue to serve as a magnet, drawing large quantities from traditional trade partners such as Australia, New Zealand, Uruguay, Argentina, and other Central American countries. In addition,

shifting Brazilian exports away from the US to other world destinations does pose the risk of tempering US exports to those destinations.

Beef Imports From Brazil



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 names they come up with for these charts...

Intel \$INTC forms a God Candle and is on track for its largest gain in history.



Nvidia announced yesterday that they are investing \$5 billion in Intel. Traded up 30% in pre-mkt, settling down currently, as I write this, up 25%. Equities, especially the tech heavy Nasdaq, seem to like the news.

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)

- Cattle on Feed – 2:00 PM

Thanks for reading,

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