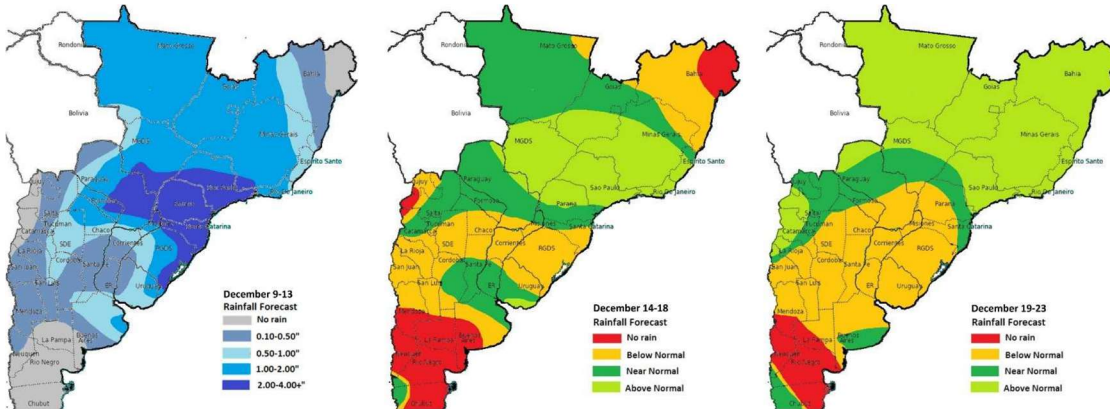
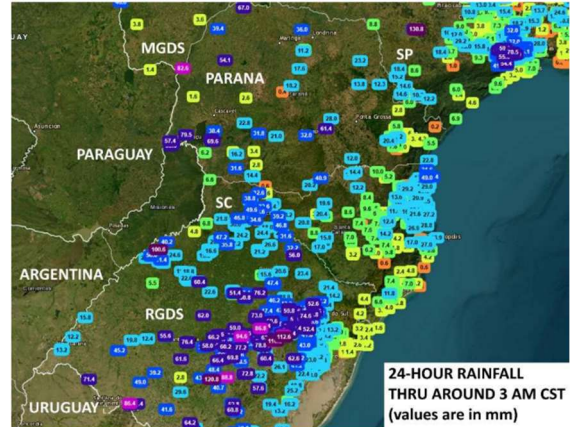


## Weather

Satellite imagery confirms actively falling precipitation across southern Mato Grosso and Rio Grande do Sul this morning, reinforcing the expectation for a multi-system pattern that will deliver substantial 15-day totals of 4-6 inches to Paraguay and Paraná; however, the forecast continues to insist on a sharp transition to drier, below-normal precipitation for the Week Two period beginning December 16. In Northern Brazil, while 15-day accumulations of 5-8 inches remain in the outlook to support favorable soil moisture, the region is entering a temporary lull in activity for the December 10-15 window where rainfall coverage will be notably reduced before expanding again in the 11-15 day period. For Argentina, the forecast features meager 15-day rainfall totals of mostly 1-2.5 inches that will be punctuated by two distinct periods of heat stress: one intensifying now through Saturday in the heart of the growing region, and a second round of above-normal temperatures targeting the December 19-23 timeframe.



## Grains

The USDA released their 10-yr baseline S&Ds over the weekend that typically come out in early November. The S&Ds were interesting particularly for 26/27, which is mainly what everyone looks at. They raised bean acres to 85.0 for next yr from 81.1 last year. Most are expecting a 3-5 mil acre increase. The first time I ran the new crop S&D I was a bit surprised that the balance sheet didn't look more bearish given the larger acres. But the USDA's was similar – ending stocks barely increased – 314 milbus vs 290 this year. They used a 53 bu/a yield (which could be light), and raised crush and exports by a combined 155 milbus.

SOYBEANS: U.S. SUPPLY AND DEMAND										
	19/20	20/21	21/22	22/23	23/24	14-Nov 24/25 USDA	25/26 MB	14-Nov 25/26 USDA	Initial 26/27 MB	Baseline 26/27 USDA
Planted Area	76.1	83.4	87.2	87.5	83.6	87.3	81.1	81.1	84.5	85.0
Harvested Area	74.9	82.6	86.3	86.2	82.3	86.2	80.3	80.3	83.5	84.2
Yield	47.4	51.0	51.7	49.6	50.6	50.7	52.5	53.0	53.5	53.0
Carryin	925	538	257	274	264	342	315	316	233	290
Production	3552	4216	4464	4270	4162	4374	4219	4253	4467	4465
Imports	15	20	16	25	21	27	25	20	25	20
Total Supply	4492	4774	4737	4569	4446	4744	4559	4590	4726	4776
Crush	2165	2141	2204	2212	2285	2445	2570	2555	2650	2640
Exports	1679	2266	2152	1980	1700	1875	1675	1635	1750	1715
Seed	97	101	102	72	75	70	73	73	75	78
Residual	15	9	5	41	44	37	9	37	20	27
Total Usage	3956	4517	4463	4304	4104	4427	4327	4300	4495	4460
Carryout	538	257	274	264	342	316	233	290	232	314
Carryout % Use	13.6%	5.7%	6.1%	6.1%	8.3%	7.1%	5.4%	6.8%	5.2%	7.0%

The corn balance sheet also looked constructive. Acres were down 3.7 mil (in line with trade ideas) and they used a 182 yield. 182 may be light if 186 holds for last year with the weather we had. Ending stocks were forecast at 2019 milbus, down from 2154.

CORN: U.S. SUPPLY AND DEMAND (September - August Marketing Year)											
	18/19	19/20	20/21	21/22	22/23	23/24	14-Nov 24/25 USDA	14-Nov 25/26 MB	14-Nov 25/26 USDA	Initial 26/27 MB	Baseline 26/27 USDA
Planted Acres	88.9	89.7	90.7	92.9	88.2	94.6	90.9	98.7	98.7	95.0	95.0
Harvested Acres	81.3	81.3	82.3	85.0	78.7	86.5	83.0	90.0	90.0	86.0	86.9
Yield (Bu/Ac)	176.4	167.5	171.4	176.7	173.4	177.3	179.3	182.4	186.0	183.5	182.0
Begin Stocks	2140	2221	1919	1235	1377	1360	1763	1532	1532	2109	2154
Production	14340	13620	14111	15018	13651	15341	14892	16427	16752	15781	15815
Total Supply	16508	15883	16055	16277	15067	16729	16675	17984	18309	17915	17994
Exports	2066	1777	2747	2472	1662	2255	2830	2955	3075	2800	3000
Feed Use	5429	5900	5607	5671	5486	5832	5492	6000	6100	6000	6000
Food/Ind/Seed	6793	6286	6467	6757	6558	6879	6821	6920	6980	7000	6975
Ind Use-Swtnr/Star	1090										
Ind Use-Bevg/Mfg A	150										
Ind Use-Fuel Alcoh	5378	4857	5028	5320	5176	5489	5435	5550	5600	5700	5600
Food/Seed	240										
Total Usage	14288	13963	14821	14900	13707	14966	15143	15875	16155	15800	15975
End Stocks	2221	1919	1235	1377	1360	1763	1532	2109	2154	2115	2019
End Stks/Use %	15.5%	13.7%	8.3%	9.2%	9.9%	11.8%	10.1%	13.3%	13.3%	13.4%	12.6%

The 26/27 wheat balance sheet also tightened a bit with 44.0 mil acres, vs 45.3 last year and a lower yield. They forecast ending stocks at 832 milbus, down from 901 in 25/26. We will get the first actual acres forecast from the USDA on Jan 12.

WHEAT: U.S. SUPPLY AND DEMAND (JUNE - MAY MARKETING YEAR)										
	2019/20	2020/21	2021/22	2022/23	2023/24	14-Nov 2024/25 USDA	14-Nov 2025/26 MB	14-Nov 2025/26 USDA	Initial 2026/27 MB	Baseline 2026/27 USDA
Planted Area	45.5	44.5	46.7	45.8	49.8	48.3	45.3	45.3	44.0	44.0
Harvest Area	37.4	38.6	37.1	35.5	37.1	38.8	37.2	37.2	36.2	35.8
Yield	51.7	49.7	44.3	46.5	48.7	51.2	53.2	53.3	53.4	50.8
Carry-in	1080	1028	845	674	570	698	851	851	850	901
Production	1,932	1,820	1,846	1,850	1,804	1,979	1,985	1,985	1,934	1,819
Imports	104	100	96	122	138	149	120	120	120	120
Total supply	3115	2948	2588	2446	2512	2823	2956	2955	2904	2840
Seed	62	64	58	68	62	62	64	62	63	59
Domestic Mill	982	981	971	972	981	989	975	972	980	974
Feed/Residual	95	85	88	78	89	117	75	120	75	100
Exports	969	994	796	761	708	826	992	900	1000	875
Total Use	2088	2104	1913	1876	1815	1973	2106	2054	2118	2008
Carry-out	1028	845	674	570	698	851	850	901	786	832
Carryout/use	49.2%	40.1%	35.2%	30.4%	36.3%	43.1%	40.4%	43.9%	37.1%	41.4%

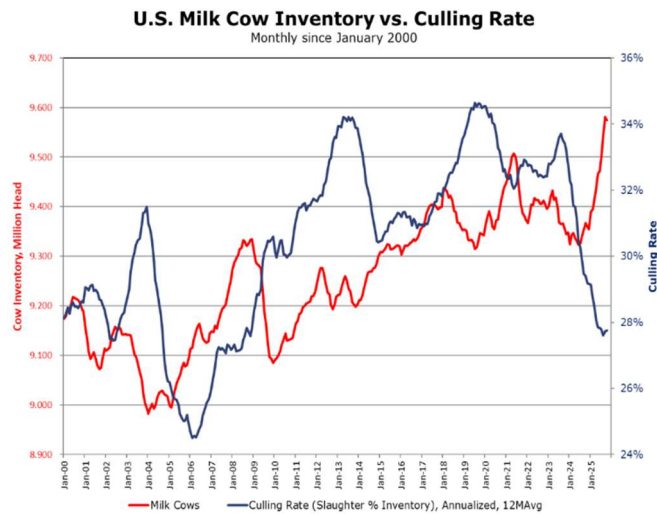
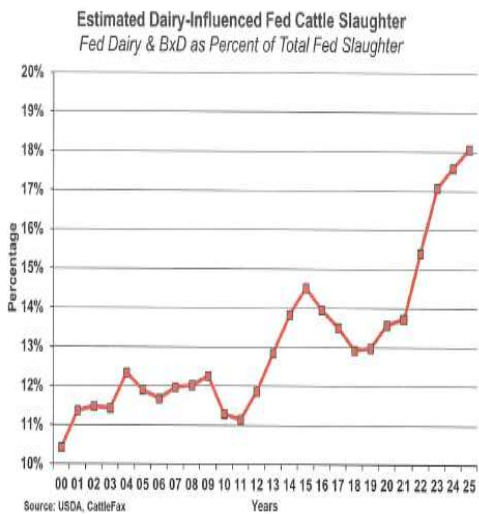
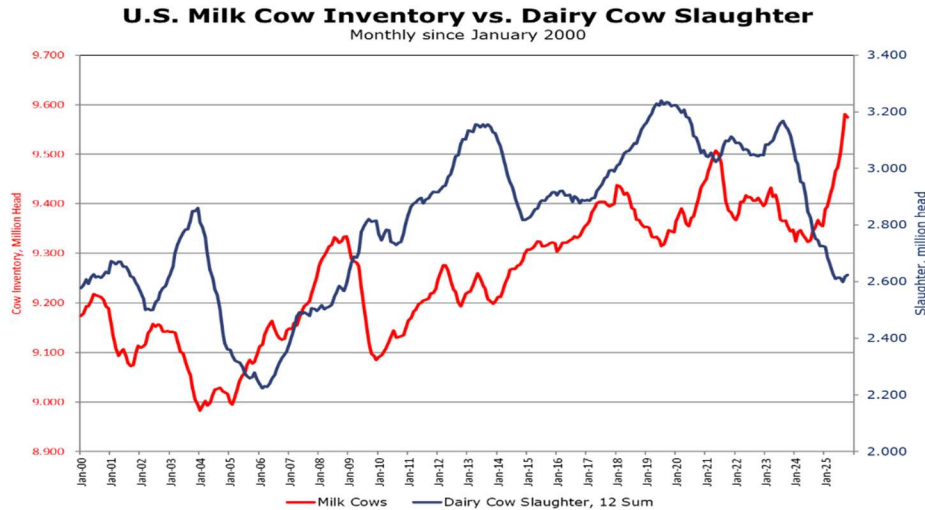
The market barely reacted to the baselines with nearby beans leading futures lower Monday. The dryness in central and northern Brazil has basically been taken care of with last week's rain and more in the forecast. RGDS and central and northern Arg do need to be monitored for possible dryness. Updated WASDE today. Not much change expected all around with a high chance for another bearish world wheat S&D due further production increases.

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

## Livestock

The growth in the "beef on dairy" (BOD) calf supply into the feedyards and its influence on total cattle on feed has been very noticeable over the past 5 years. However, only in the past year has this money turned into a measurable increase in the dairy cow herd. BOD placements into the Fed Cattle inventory are now conservatively estimated to be 18% of the total. Dairy cow inventories have swelled to levels never seen before. Culling rates have collapsed at the same time. This culling rate is a topic we need to focus on a bit more, and you will read more about it in the coming days. In summary, we can expect a migration back to normal culling rates to be seen as early as this spring, and this should certainly be a factor

by the fall of 2026. All things equal, a migration of this large a herd moving back to more normal rates might add 3% to the total cow slaughter bucket. This estimate assumes zero liquidation effect.



*Livestock commentary provided by Scott Shepard. For questions or comments, Scott can be reached by email at [scott@mnrcapital.us](mailto:scott@mnrcapital.us) or on Trillian at [scott@nesvick.com](mailto:scott@nesvick.com).*

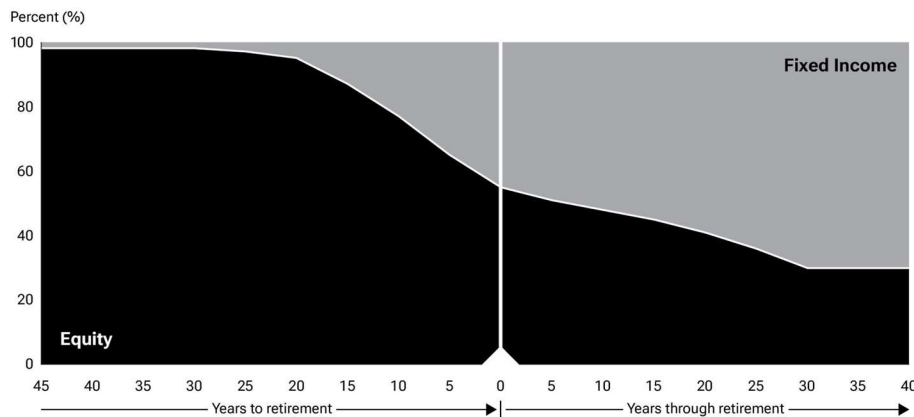
## Macro/Financials

Last week, the Trump Administration released new information and guidance on the upcoming “Trump Accounts” that were announced as part of the Working Families Tax Cuts Act. These accounts, which are effectively tax-advantaged investment accounts for American children, are interesting to me in a few ways that I want to discuss.

For one, each account, at least through the end of the Trump presidency, will be seeded with \$1,000 upon creation; this means that every newborn child should have, at least, a small sum that they can put towards higher education costs, a down payment, or an early start at retirement. This is partially due to the fact that these accounts are fully locked down until the child turns 18, after which the accounts effectively are turned into IRAs with penalty-free removal for education and first-time home purchases. If this \$1,000 were the only money in these accounts, they wouldn’t be very interesting at all, but fortunately there are several other ways to build early wealth in these accounts. The main way is that *anyone* can put up to \$5,000 per year into these accounts. This means that parents/grandparents/aunts/uncles/etc. can play a role in

helping give a child an early start in investing. Additionally, up to \$2,500 of that \$5,000 can be put into the accounts pre-tax by the parents of the child through their workplaces.

The more interesting, and likely more controversial, feature of these accounts is that they can only be invested into broad, low-fee ETFs. While I would prefer the option to exist to diversify into other asset classes, I would also argue that, if there was a time to go all in on stocks, it would be when your time horizon to use is the longest – as a child. Looking at the longest time horizon Target Date Fund option in my 401k account, 98% of the account would be in equities for the first 15 years, and wouldn't dip below 95% equities for another 10 years after that; this is how most people invest for retirement.



Ultimately, I think these Trump Accounts should be treated solely as early extensions of retirement accounts by most people when funding them for their children. The market has traded effectively sideways over 18 years before (which would be a risk if using this account for higher education), but never over a 60-year span; as such, it makes the most logical sense to look at these accounts as early retirement accounts, not education or 1<sup>st</sup>-house savings accounts. Gaining an extra 18 years of investment into the stock market should give these kids a great advantage and increased flexibility as they grow up, allowing them to save more of their paychecks later on to pay for that 1<sup>st</sup> down-payment or the costs of higher education.

*Macro/Financials commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at [zdavis@nesvick.com](mailto:zdavis@nesvick.com) or on Trillian at [zdavis@nesvick.com](mailto:zdavis@nesvick.com).*

### Today's Calendar (all times Central)

- JOLTS Job Data (Sept. & Oct.) – 9:00 AM
- WASDE – 11:00 AM

Thanks for reading,

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