August 28, 2026

THE BROCK REPORT

America's Most Complete Commodity Marketing Service

A VERY STRESSFUL WEEK.....HOW QUICKLY MARKETS CAN CHANGE

Making market decisions in normal times with normal supply and demand changes is hard enough. But when the market is influenced by wars and tariff threats and wildly variable production estimates, the difficulty of making decisions rises exponentially.

A report on Wednesday that Russia is set to increase ballistic missile threats on Ukrainian infrastructure propelled wheat prices through the roof. Russian President Vladimir Putin reportedly sees negotiations with Ukraine at a dead end. That helped pull corn and soybean prices higher as well. Add to that the tariff battles we're having now with Canada and the entire market arena resembles mass chaos.

OTHER OBSERVATIONS

This past week I spent a couple days giving speeches and visiting clients in western New York. Some observations:

1. The dairy industry is going through the largest expansion anyone in lending or farming in the state of New York can ever remember. It's very similar to 2022, when grain producers who had a phenomenally profitable year bought new farm equipment and built buildings to avoid paying taxes. The average producer doing this spent $1.00 to save 30 cents. We all know how that has turned out. Now the dairy industry is doing the same thing. Were they not watching what grain farmers did in 2022? The profits in dairy have not been propelled by high milk prices. The money has been made by selling calves at high prices because of the beef shortage. Now beef prices are dropping and the price of milk is as well. This has trainwreck written all over it. The lenders are very concerned but as one told me at a meeting Tuesday morning, "If we don't lend the money our competitors will. We don't think it's a good idea but what else can we do? We're just making sure we have plenty of collateral to cover the loan."

2. Ethanol production is running very strong (see pg. 2), and ethanol exports continue to grow. But U.S. gasoline demand is not (see pg. 12), as the price at the pump this Labor Day weekend will be at a record high for the holiday by a large margin. Ethanol inventories are at the highest level in history for this time of year (see pg. 2). The build in inventories is significant enough that eventually it's going to lead to a sharp drop in ethanol prices which will, of course, have an impact on production and thus on corn prices. This impact may be a ways off but most everyone in the ethanol industry is quite concerned about it. Add to that this week's news that the EPA is reportedly considering doubling the number of "hardship" waivers granted to oil refineries (see page 12). That could cost the industry billions of gallons in lost demand. Also, with strong exports becoming a "relief valve" for excess ethanol supplies, it's worth noting that Canada is easily the biggest buyer of U.S. ethanol. As the two countries reach the brink of a trade war there's no indication U.S.

"Don't get so busy making a living that you forget to make a life."
—Dolly Parton

TURBULENCE

While it depends on your market position, from a price perspective farmers generally have to be happy with the markets this week: New multi-year highs in corn, soybeans, wheat and cotton, and a strong finish to the week. And although this rally has been driven partially by domestic crop issues including drought in the Plains and declining Midwest corn yield prospects, there is also a demand component, as well as disruptions elsewhere in the world. Nobody is rooting for others' misfortunes, but the fact is that if prices rise due to supply disruptions elsewhere, it creates an opportunity for those with strong crops.

The week hasn't been so good from a policy perspective. In the biofuels industry there is a sense of betrayal over plans to double RFS "hardship" waivers for refiners (see page 12). The administration appeared to be scrambling to offset that damage late this week. And the beef industry is up in arms as well following President Trump's surprise announcement of 300,000 metric tons of ground beef imports, without tariffs and at a reduced cost. It's unclear how this "deal" was negotiated, or where this beef is even coming from. Like any business, farms want policy certainty, and there is not much of that right now.

A VERY STRESSFUL WEEK..........(continued)

ethanol could be targeted for tariffs, but relations between the two countries are already worse than seemed possible just a week ago.

3. Egg prices are unprofitable for producers. After being extremely high a couple of years ago, wholesale egg prices on the East Coast now are averaging approximately $0.95 per dozen and in the Midwest approximately $0.85 per dozen. The egg industry has always been very cyclical. This is a very difficult financial position for everyone in that industry.

WHAT DOES IT ALL MEAN

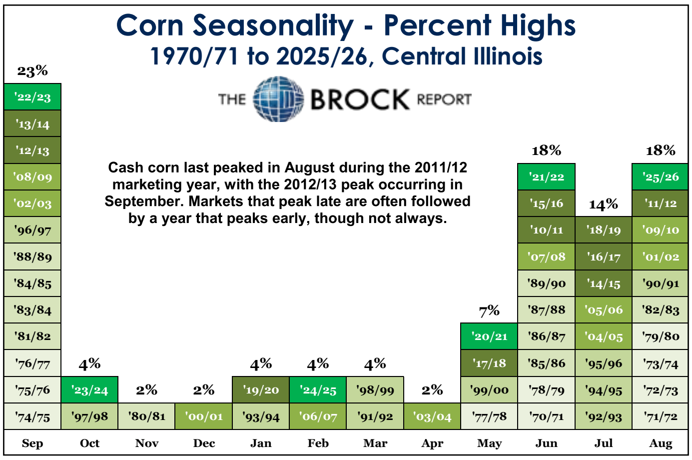
Corn prices have now rallied $1.00 per bushel since the last day of June. August is the last month of the marketing year and the highs in cash corn prices have occurred in this month only 16% of the time since 1970. It rarely happens, but the farmer who forgot to empty his bins is going to be the winner in this marketing year. Very few people can wait that long. Historically, if the marketing year's peak is in August then the following year the marketing year high is normally in September. This week corn prices also entered a five-wave pattern. History teaches a valuable lesson in that rallies this late in the year almost always result in a major top just before, during, or right after harvest. This one will not likely be any different.

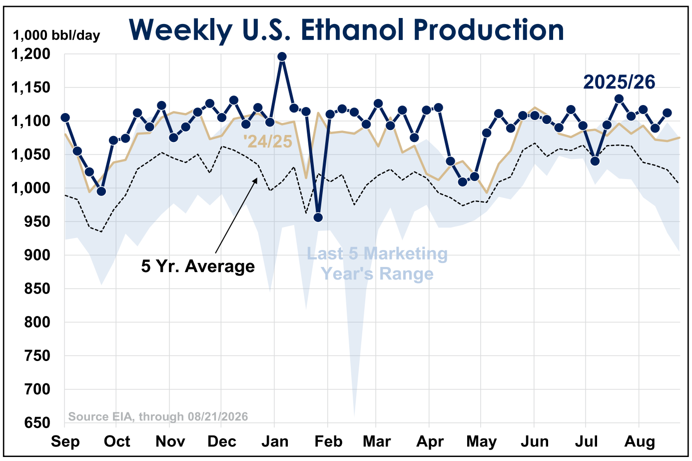
Many producers are concentrating on all the news floating around about the impact of a historically strong El Niño. That could be true long-term, but a drought this time of year is not going to hurt yields. The crop is already made and we have not yet planted next year's.

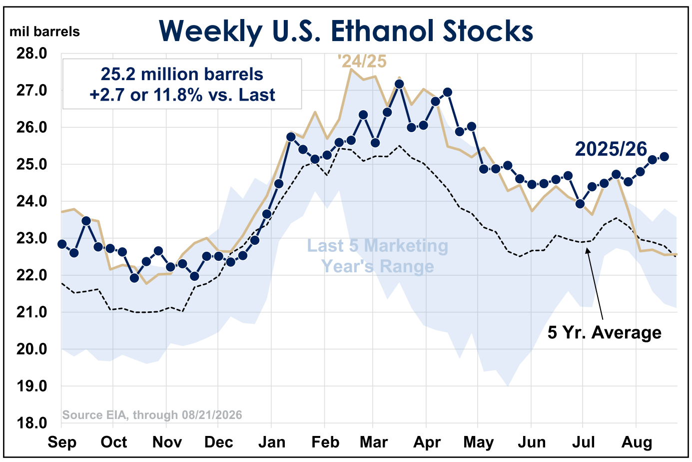
Corn futures open interest has been flat, indicating that new buying is not coming into this market, it is primarily short covering, and since new buying is not coming in, this rally is not the result of increased export sales. See Saturday COT newsletter for an update on this. While the five-wave sell signal has not yet been given, when it does occur it's going to allow corn producers to lock in a much more profitable year than last year and one that has not been expected.

In the case of wheat, it is difficult if not impossible to predict the impact of war. If the conflict continues in Ukraine, the wheat market is going to be difficult to break. Technically, this is a fifth wave up, but no confirmation of the exact five-wave sell signal has been given as of yet.

The case of soybeans could well be the most difficult one we have ever witnessed. Open interest is flat, indicating that no new buying is coming in. Soybean oil prices are acting like they are making a major top, and the primary bullish factor has been soybean meal prices. Technically, if the flag January beans broke out of on Wednesday is a measuring flag from the low of $11.80 on Aug. 11, the upside objective in January soybeans becomes $13.09. That is very close. As in corn, price strength just before harvest is almost always to be sold. These are price levels that most of us did not deem to be possible six months ago or even two months ago. As a rule of thumb that has always worked, when prices are profitable and price direction is not guaranteed, sell something and hope you are wrong. But this is going to be a challenging market.







COMMENTARY

Last week, we took a look at U.S. corn yields, this week we want to do the same for soybean yields. To start with, the soybean yield outlook does not look as bullish as the corn yield outlook. USDA's August Crop Report pegged the average U.S. yield at 52.7 bushels per acre, down a modest 0.3 bushels from last year and 0.9 bushels or 1.7% below the 20-year trend. Meanwhile, Pro Farmer in the wake of its annual crop tour forecast a U.S. yield of 53.3 bushels, up 0.3 from last year even though scouts on the annual crop tour found average soybean pod counts to be below last year in 6 of the 7 tour states by anywhere from 1.55% to 20.4%, with only Minnesota's higher. The crop tour does not calculate state-by-state soybean yields, but instead provides counts of the number of pods in 3x3 foot squares of surveyed fields.

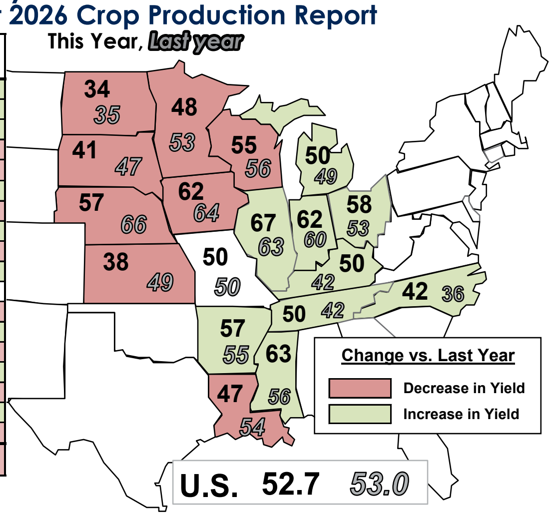
Looking at USDA's soybean yield estimates on a state-by-state basis, we see a very mixed picture. USDA has forecast a lower average yield than last year for eight of the top 18 growing states, but forecasts a higher yield for nine of those states, with Missouri's yield expected to hold steady. USDA sees a lower yield in three of the top five producing states — Iowa, Minnesota and Nebraska, but a higher yield in two — Illinois and Indiana. Not surprisingly, the largest expected yield declines versus last year are in the Plains, where drought conditions and above-normal temperatures hurt both the corn and soybean crops. The estimated soybean yield is down 11 bushels in Kansas, 9 bushels in Nebraska and 6 bushels in South Dakota. The largest yield increases, meanwhile, are in the northern Delta through the Mid-South.

USDA's August yield estimates have potential to change significantly as they were made before a large chunk of the crop had reached the key growing period. As of Aug. 2, USDA estimated 62% of the crop was setting pods. Yields also depend on pod-filling, which will continue well into September. The biggest uncertainty now may be how much excessive rains that hit the central and eastern Midwest in early August may have hurt the crop there.

USDA's final soybean yield has been lower than the August yield seven of the past nine years. However, while crop condition ratings have declined this month, with the good/excellent rating dropping from 63% on Aug. 2 to 60% on Aug. 23, that does not necessarily point to lower yields. The good/excellent rating for week 34 of the year was 3 percentage points below last year and the 10-year average, but remained 2 points above the long-term average going back to 1986. Since 1986, there have been six years when soybean conditions were rated between 59% and 61% good/excellent as of week 34 and in four of those years, the U.S. average yield wound up higher than the 20-year trend, which this year is 53.6 bushels.

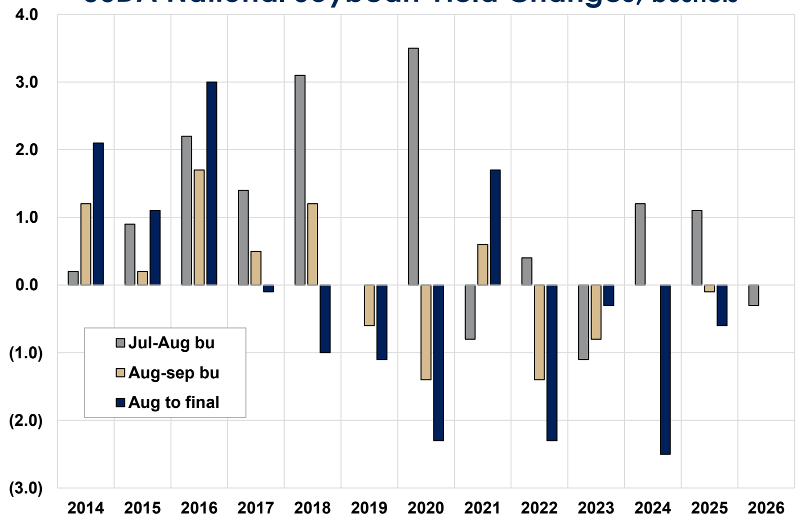
U.S. Soybean Yield 2026 vs. 2025
August 2026 Crop Production Report

Bu Change vs. Last Year	
Arkansas	+2.0
Illinois	+4.5
Indiana	+2.5
Iowa	-1.5
Kansas	-10.5
Kentucky	+8.0
Louisiana	-6.5
Michigan	+1.5
Minnesota	-4.5
Mississippi	+7.0
Missouri	+0.0
Nebraska	-8.5
North Carolina	+6.0
North Dakota	-0.5
Ohio	+5.0
South Dakota	-6.0
Tennessee	+8.0
Wisconsin	-1.0
United States	-0.3



Source: USDA NASS

USDA National Soybean Yield Changes, bushels



Crop Tour Soybean Pod Counts, pods/3'x3' square

	2026	2025	% Change	3-Year Avg.
Minnesota	1,257.80	1,247.86	+0.80%	1,089.82
Iowa	1,362.93	1,384.38	-1.55%	1,295.70
Illinois	1,430.40	1,479.20	-3.30%	1,389.65
Nebraska	1,219.62	1,348.31	-9.54%	1,226.94
Indiana	1,318.64	1,376.50	-4.20%	1,365.19
Ohio	1,197.25	1,287.28	-6.99%	1,256.71
South Dakota	945.98	1,188.45	-20.40%	1,075,78

WORLD NEWS ANALYSIS

CHINA WARNS U.S. ON SANCTIONS

The Trump administration on Monday initiated unprecedented economic sanctions against Iran, which Treasury Secretary Scott Bessent called "the toughest sanctions in history", but the viability of those measures appears to depend heavily on Tehran's No. 1 trading partner - China. That is a potential problem for the soybean market and for exports of other U.S. agricultural products.

Bessent warned all countries doing business with Iran to sever their financial ties with Tehran or face secondary U.S. sanctions. China's foreign ministry on Tuesday called the U.S. sanctions "illegal" and warned that it will "take all necessary measures" to defend its interests if the Trump administration expands its sanctions to target Chinese companies.

The initial package of U.S. sanctions against Iran targets "nearly 60 Iran-linked entities, individuals and vessels across nuclear, missile, cyber and oil networks", but stops short of targeting China's major banks. Neither the U.S. or China seems likely to take actions that would significantly boost trade tensions ahead of the scheduled Sept. 24 summit meeting between President Trump and China's President Xi Jinping in Washington, but what happens after that meeting remains to be seen.

China's return to the U.S. soybean market has been a major boost for prices, but soybeans remain a potential Chinese target in any major escalation of the U.S.-China trade war. China's state traders continue to actively buy U.S. soybeans as Beijing moves toward fulfilling its commitment to buy 25 million metric tons of U.S. soybeans during 2026. However, the soybean market is also anticipating that China will lift its 10% import tariff of U.S. soybeans this fall, bringing private Chinese buyers back to the U.S. market.

BLACK SEA REGION CROP THREAT

The wheat market initially treated disruptions to exports through the Black Sea as a short-term problem, but the stakes have been raised, with the lack of exports threatening to have long-term consequences. The virtual halt to Russian and Ukrainian grain exports out of the Black Sea has caused wheat futures prices to soar in the U.S. and Europe, but the backup of supplies into domestic markets in both countries is weighing heavily on prices there and might cause producers in both countries to cut back on seedings for 2027 harvest.

Russia has reportedly been considering a variety of urgent measures to support grain exports and domestic producers, including suspending its grain export duty. Russia's agriculture ministry has not commented on discussions over the export duty, but did tell Reuters it was also looking into subsidies for producers, loan extensions, mechanisms to use excess grain as livestock feed, railroad shipment subsidies and state grain market interventions.

However, Russian farmers and market analysts on Thursday expressed skepticism over the government measures, with some suggesting area planted to winter grains must be cut to avoid a collapse in domestic prices, Reuters reported. "The proposed measures are unlikely to significantly support Russian grain exports or domestic prices. Until logistics in the Black and Azov Seas improve, grain will continue to accumulate within Russia, maintaining pressure on domestic prices," Andrey Sizov, head of Moscow-based consultancy SovEcon told Reuters. The People's Farmer, a farm lobby group, called on the government to cut the winter sowing area to cope with the oversupply of wheat at a meeting with government officials. The lobby group also asked for state compensation for such cuts. Agriculture ministry officials, however, say a reduction in sowing would be a breach of food security.

Ukraine's agriculture ministry on Thursday said there is risk the country's grain seedings for 2027 harvest could decrease by 5 to 7 million hectares, or 25% to 35% of the estimated area planted for harvest this year because farmers may lack the funds to plant crops due to the export disruption. Ukraine's grain and oilseed plantings for 2026 harvest totaled about 20 million hectares (49.4 million acres), primarily wheat, corn and sunflowers.

BRAZIL FERTILIZER SUBSIDIES SOUGHT

Brazil's fertilizer industry is in talks with the federal government about a 2 billion-real ($388.6 million) subsidy program to help maintain affordable prices for producers amid supply disruptions linked to the war in Iran, a Mosaic executive told Reuters News Service on Tuesday. "We are seeking a subsidy from the government similar to what the oil sector received," Eduard Monteiro, Mosaic's country manager for Brazil and Paraguay told Reuters, referring to past measures to ease fuel price increases related to the Middle East conflict. He said the issue is being discussed between the Agriculture, Finance and Mines and Energy ministries, as well as the presidential chief of staff's office, though no decision has been reached.

The program, which would last three months, would focus on sulfur, a key ingredient in production of phosphate fertilizers, Monteiro said. Global sulfur trade has been severely disrupted as up to 60% of world output normally passes through the Strait of Hormuz. The United Arab Emirates, Saudi Arabia and Qatar are among the largest global exporters of sulfur. Mosaic in July announced production cuts at some of its phosphate operations in Brazil due to high sulfur prices and supply shortages.

WORLD WEATHER HOTSPOTS

Brazil's center-south and center-west regions are advertised to receive "some" rain in the second week of the current forecast period and that may lead to early-season corn and soybean planting for at least a few areas. Mato Grosso's soy planting season opens on Sept. 7.

Russia's Southern Region is expected to dry down additionally along with eastern Ukraine and neighboring areas of Russia's Central Region and Kazakhstan over the next ten days. Rain is needed for winter crop planting, emergence and establishment. Summer crops may be stressed in unirrigated areas due to dryness.

So far, the impacts of the current El Niño weather event on Southeast Asia have not been as severe as those of previous events. Dryness has caused significant cuts in rice production, while impacting sugarcane, corn and other short-rooted crops, but losses have not been as great as once feared. Indonesia has seen the greatest impact. Drought there remains serious and is expected to worsen over the next several weeks.

U.S, CANADA ON BRINK OF TRADE WAR AS DEAL COLLAPSES

A trade deal between the U.S. and Canada, which President Trump touted in mid-August, collapsed on Aug. 21, and in its place is a potentially bitter trade war between the two neighbors.

The U.S. said it is enacting a new 50% tariff on hundreds of Canadian goods, and Canadian Prime Minister Mark Carney announced his country would enact retaliatory measures on Sept. 8. The Trump administration subsequently said that tariffs on Canadian automobiles and parts would rise to 50% by January if Canada does not concede. But Carney, who has broad bi-partisan support in rejecting a deal, issued a list of targets for retaliation, including 15% to 50% duties of U.S. farm machinery, dairy, consumer appliances, electronics, and pulp/paper, while doubling tariffs on U.S. steel and aluminum to 50%. (See page 15 for more on the potential impact on dairy).

Carney said the U.S. made last-minute demands including preventing Canada from signing other trade agreements and what was seen as an attack on Quebec's French culture. Meanwhile President Trump signed an executive order changing the name of Lake Ontario to "Lake America," a move that looks purely antagonistic.

As bad as this potential trade war looks at the moment, outside of dairy there is not a major impact on ag – yet. Canada is the second-biggest buyer of U.S. ag products, and the top buyer of ethanol. And while the U.S. this week has threatened to outright ban certain Canadian imports, we suspect that list would not include potash, as almost all of the vital crop nutrient used in the U.S. comes from our neighbor to the north.

The bigger looming threat is to the U.S.-Mexico-Canada (USMCA) Trade Agreement, which President Trump signed in his first term as a replacement for NAFTA. U.S. Farm Bureau Federation President Zippy Duvall was among those in ag calling for cooler heads to prevail. "Our strong agreements with Canada and Mexico have eliminated nearly all tariffs for U.S. agriculture, allowing the majority of our farm products to enter those markets duty- and quota-free," he said in a statement. "Additional tariff escalations and subsequent retaliation will hurt U.S. agriculture at a time when farmers and ranchers are already struggling."

MORE UNCERTAINTY, ANGER OVER BEEF IMPORT PROPOSAL

Backlash continued to grow this week on President Trump's recently announced plan to allow for up to 300,000 metric tons of tariff-free beef imports. While the administration seeks ways to lessen that blow, there remain significant unanswered questions about the scheme.

Chief among them: What country is this beef coming from? President Trump has declined to say, and USDA Secretary Brooke Rollins in a television appearance said she "wasn't privy" to those conversations, which is a good indication that ranching interests were not top of mind as this deal was negotiated. She said U.S. Trade Representative Jamieson Greer was working closely with President Trump on the details.

Trump's announcement said that the beef would be sold to the U.S. at a 25% discount. The window for importing this beef would be open for 90 days. Trump said that if the imports weren't effectively lowering beef prices, he may suspend the program in order to "prevent a windfall to foreign producers."

While details of the plan are murky, the opposition from across the livestock industry is crystal clear. The Livestock Marketing Association, American Farm Bureau Federation, National Cattlemen's Beef Association, and the United States Cattlemen's Association, organizations that are frequently in opposition to each other, signed a joint letter urging Trump to reconsider. They warned of a negative impact to the industry and said it would further delay the rebuilding of the nation's cattle herd. "We are deeply concerned that this import strategy sacrifices long-term food security for a short-term solution," the leaders of the four groups said in the letter. "Americans deserve safe and wholesome beef free from any market distorting actions."

With the backlash growing, Trump took to social media again on Friday announcing that he was "authorizing legal documents to be drawn in order to allow Farmers and Ranchers to be given the right to PROCESS THEIR OWN FOOD." He said this was being proposed in order to break up the powerful monopoly of the "Big 4" meat processors. Rollins subsequently posted on X that her office was getting to work on waiving red tape in processing, "rescinding outdated guidance" and adding technology for faster safety data, among other measures.

BIG BOOST TO PHOSPHATE SUPPLIES

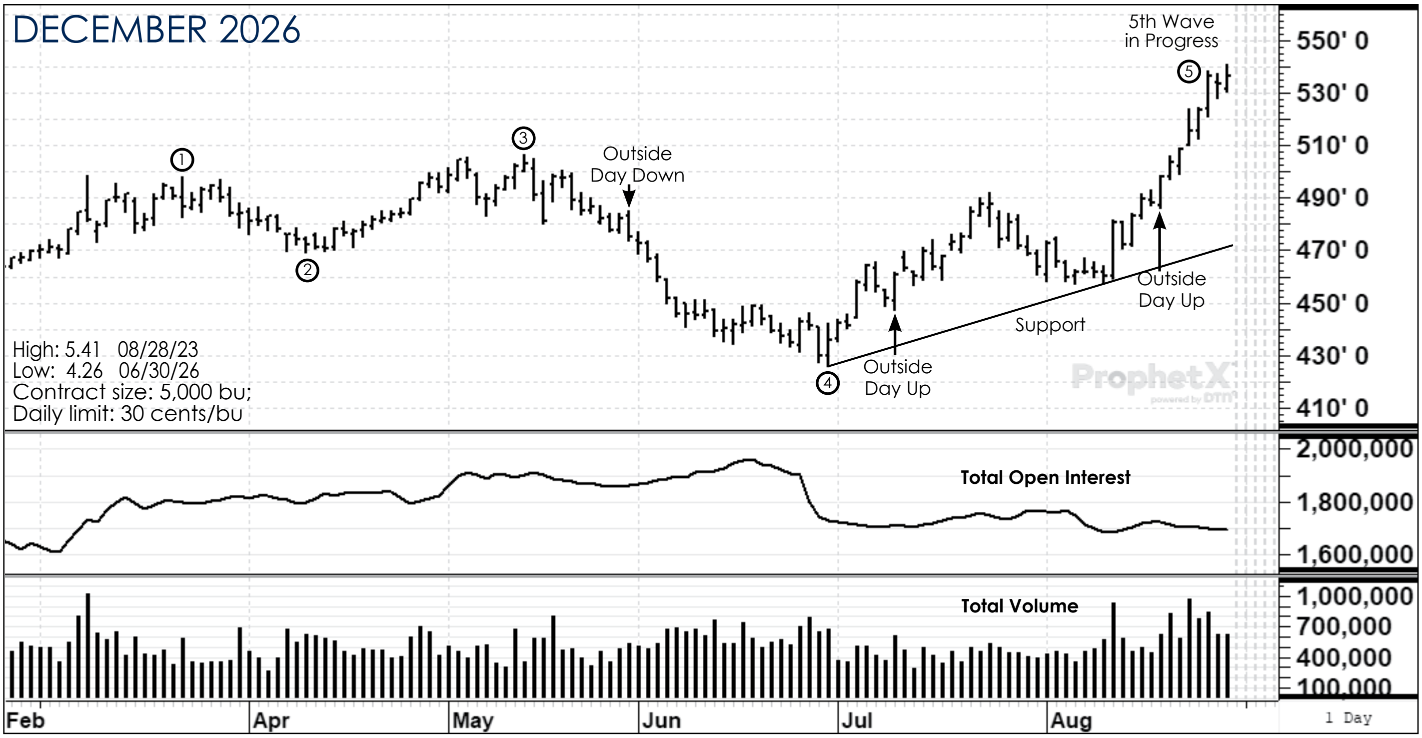
A new phosphate fertilizer project in Louisiana aims to cut in half the amount of phosphate fertilizer imported into the U.S., adding supplies and easing prices. Morocco-based OCP Group and CHS, the largest U.S. farm co-op, announced the project this week, with USDA Secretary Brooke Rollins in attendance. The site is in Waggaman, La., on the Mississippi River.

The location will allow for OCP to ship in phosphoric acid to be processed for the phosphate fertilizer, and subsequently shipped up the river system. Officials said the U.S. imports roughly 40% of the phosphate fertilizer used by farmers each year, and that this project, with an annual production capacity of more than 1 million tons, would cut that in half.

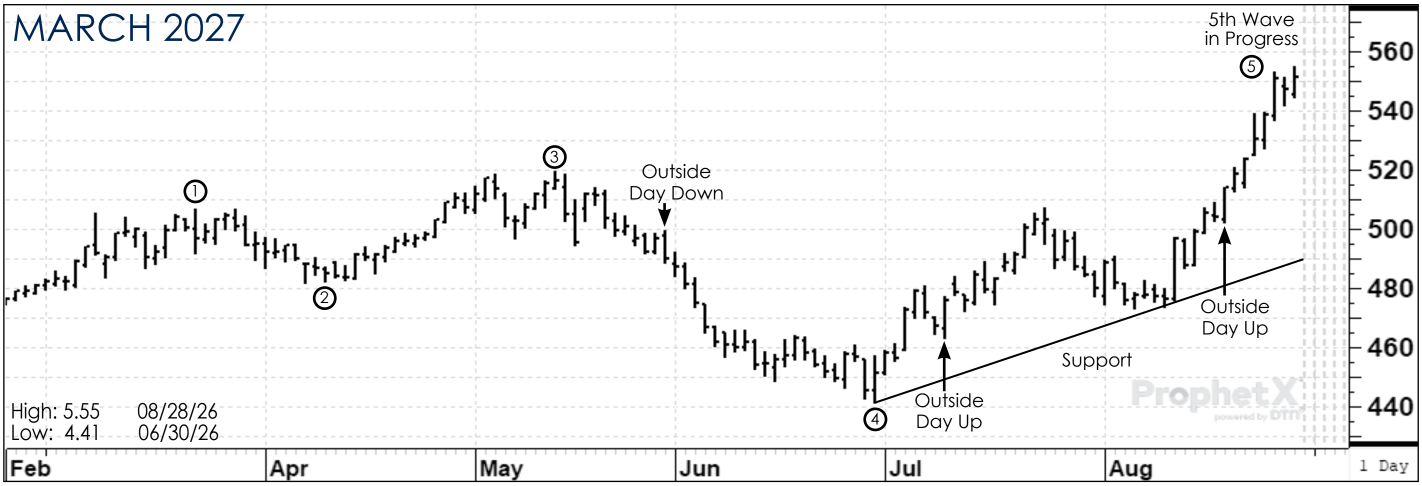
The two companies will split the $450 million investment costs. The project is expected to break ground in the first or second quarter of next year, and become operational at the end of 2028 or early 2029.

CORN

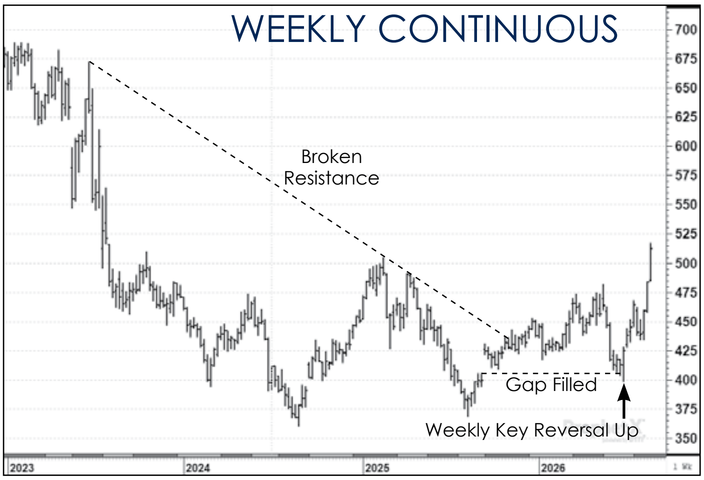
DECEMBER 2026



MARCH 2027



WEEKLY CONTINUOUS

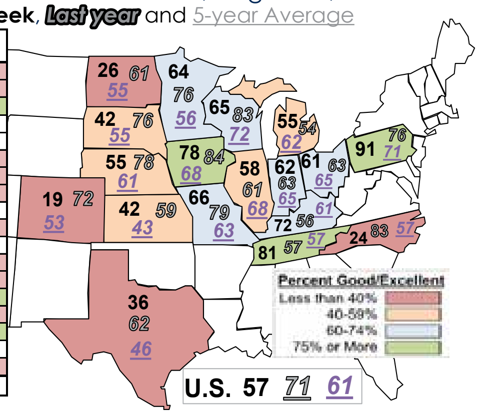


U.S. Corn Condition

Percent Good to Excellent, August 23, 2026

This week, *Last year* and 5-year Average

Change vs. Last Week	
Colorado	-7
Illinois	-1
Indiana	+1
Iowa	+0
Kansas	+0
Kentucky	-2
Michigan	-3
Minnesota	-2
Missouri	+0
Nebraska	-4
North Carolina	+0
North Dakota	-7
Ohio	-5
Pennsylvania	+2
South Dakota	-2
Tennessee	+1
Texas	+0
Wisconsin	-2
18 States	-3



Source: USDA NASS

COMMENTARY

It has been quite a week. Started on Wednesday about mid-morning when a report surfaced that Russia was going to escalate attacks on Ukraine. Russia stated they were going to bomb grain infrastructure in Ukraine. This sparked major rally in wheat prices that carried over to corn and soybeans. All the grain markets absolutely skyrocketed from mid Wednesday into the weekend.

There is still a lot of uncertainty over this year's yield. The majority of subscribers are reporting yields to us that tend to lean toward being better yields than reported by the Pro Farmer crop tour. If we run the numbers on crop conditions vs. trendline yield deviation, the last few weeks suggest national yield of around 179 to 180 bushels per acre. We think the market is trading a 177 to 180 yield.

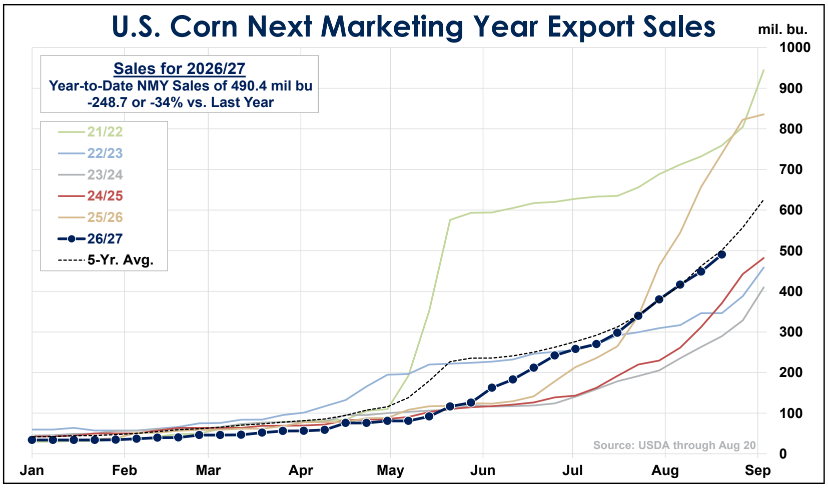
What is clear, however, is that with this late rally in corn prices, the highest price of the 2025/26 marketing year is going to be in August. That is done and dusted. As outlined in page 1, this has only happened 16% of the years since 1970. Rallies late in the season normally end up being the peak of the next year, in September.

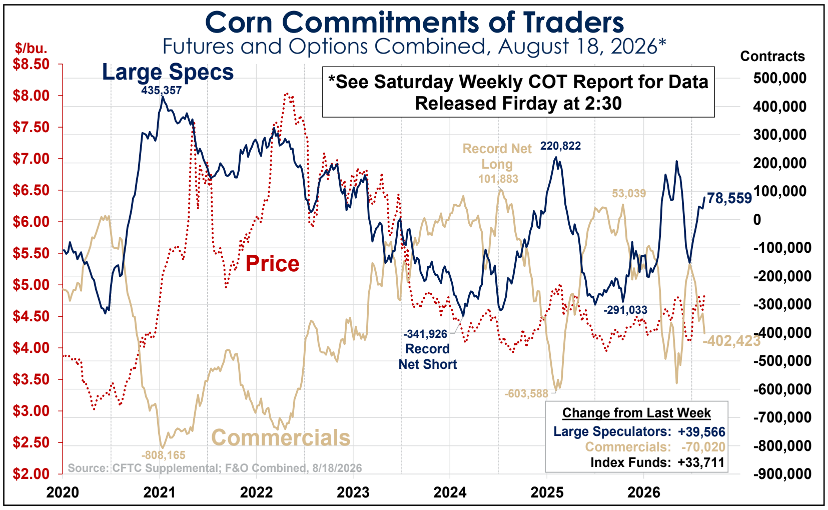
The market has also been propelled by strong ethanol production but this building up inventory of ethanol will eventually lead to a sharp decline in ethanol prices, and the ethanol industry is concerned what that will do to the price of corn.

To summarize this situation, this is a supply driven bull market at harvest time. There is no guarantee that it will act like past markets at this time of the year but one has to be concerned that historically this leads to a major top just before, during or right after harvest. This whole market has changed in the last month and a half, frankly, since the August 12 crop report. Prices are back to profitable levels. We are likely to be very aggressive marketers in the coming weeks, of both 2026/27 and 2027/28 crops, so be alert for recommendations.

Cash-only Marketers' Strategy: Sixty percent of this year's crop is sold after a 5% "reward the rally" sale on Friday.

Hedgers' Strategy: Fifty-five percent is sold in the cash market after a 5% sale Friday. We still have the option strategy on of long 1 March $4.85 put and short 2 March $5.45 calls that are now in the money. We offset part of the position by putting on a long March futures position on 10%, at $5.23. We are working a stop to exit the long futures at $5.41 ½ stop, GTC.

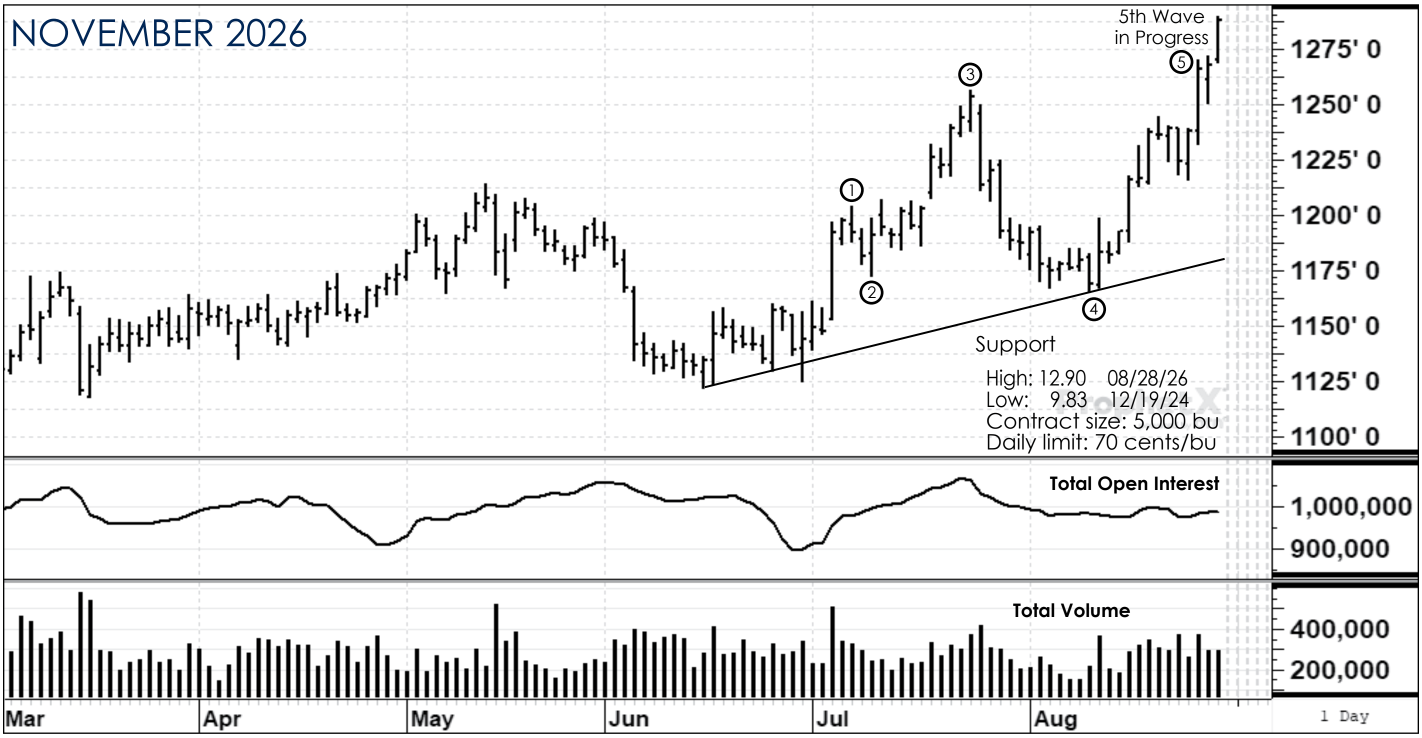


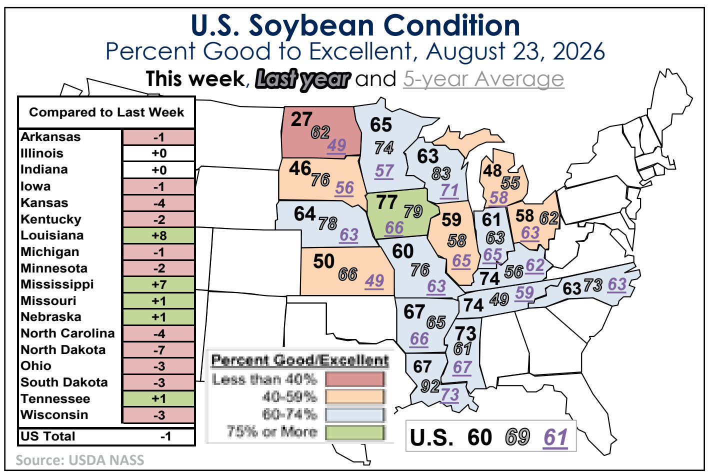


U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins Sept 1	2025/26	2026/27	2025/26	2026/27
ACREAGE (mil acres)				
Planted Area	98.8	96.7	98.8	96.7
Harvested Area	91.3	88.6	91.3	88.6
Yield	186.5	180.7	186.5	179.0
SUPPLY (mil bu)				
Beg. Stocks	1,551	1,945	1,551	1,945
Production	17,021	16,013	17,021	15,859
Imports	28	25	28	25
Total Supply	18,600	17,983	18,600	17,829
USAGE (mil bu)				
Feed & Residual	6,350	6,100	6,350	6,100
Food/Seed/Ind	6,905	6,955	6,905	6,955
Ethanol & By-Products	5,550	5,600	5,550	5,600
Domestic use	13,255	13,055	13,255	13,055
Exports	3,400	3,275	3,400	3,275
Total use	16,655	16,330	16,655	16,330
ENDING STOCKS (Aug 31)	1,945	1,653	1,945	1,499
Stocks/use	11.7%	10.1%	11.7%	9.2%
Farm Price ($/bu)	$4.15	$4.50	$4.15	$4.50-5.25

SOYBEANS





Compared to Last Week	
Arkansas	-1
Illinois	+0
Indiana	+0
Iowa	-1
Kansas	-4
Kentucky	-2
Louisiana	+8
Michigan	-1
Minnesota	-2
Mississippi	+7
Missouri	+1
Nebraska	+1
North Carolina	-4
North Dakota	-7
Ohio	-3
South Dakota	-3
Tennessee	+1
Wisconsin	-3
US Total	-1

COMMENTARY

Soybean prices this past week were a benefactor of a very strong wheat market, continued strong crush, and the strongest export sales for next marketing year since the 2022/23 advanced sales.

The fundamentals of soybeans themselves have changed very little. There is not the yield concern with the soybean crop that there is with the corn, at least not from what we are hearing. The one real change over the last few weeks has been the growth of advanced sales for next marketing year, including meaningful purchases from China. China has purchased 249.5 million bushels of soybeans for next marketing year, compared to 0 last year, and just 106.3 two years ago. Given that current marketing year sales to China are down 267 MBU and 442 MBU vs the last two years respectively, a rebound to "typical" sales quantities is very meaningful.

With an estimated carryover of slightly over 300 million bushels, this would translate to an expected average price in the high $11.00 area. With November futures trading at $12.86, fundamentally this is a market that is overpriced. Given that futures are 70¢ above Tuesday's low, we are certainly concerned that a sharp correction could happen.

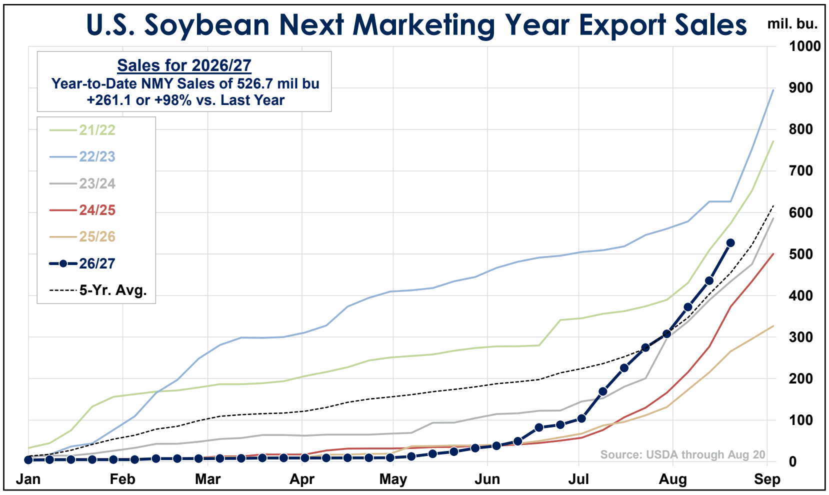
Technically, futures prices are clearly in an uptrend, if that is even a strong enough word. The upside flag objective in November soybeans is $13.00 and again, with the market at $12.86, this could run out of steam fairly soon. Also note that open interest has been flat during this rally which is an indication that new export buying is not taking place.

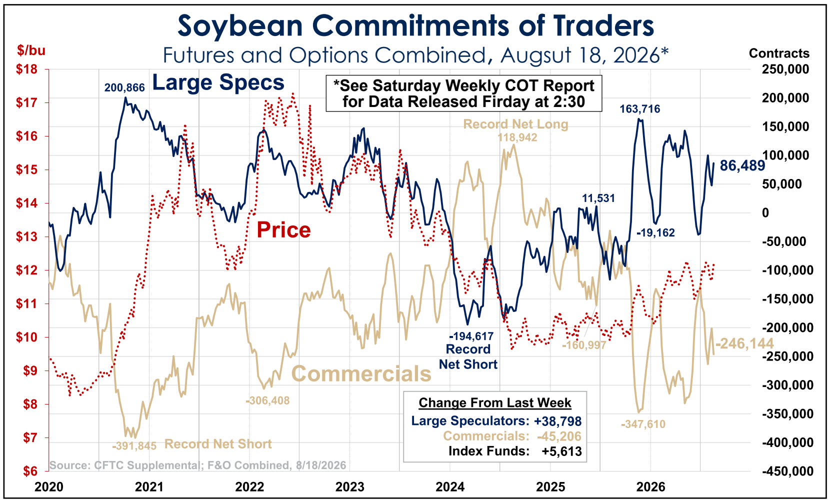
Soybean meal has taken over the lead on the product side, up $10 Friday and up $22 for the week. Soybean oil is lagging behind but did have a strong Thursday and Friday. This is a market that for the short term, is one to sit and watch and wait for the next technical sell signal.

From a timing point of view, we anticipate the top is going to occur in the next two weeks. As in corn, we expect the seasonal price peak to occur just before, during, or right after harvest. Also, as in corn, we are likely to be aggressive marketers of both the 2026/27 crop and the 2027/28 crop in the coming weeks so be alert for recommendations.

Cash-Only Marketer's Strategy: We added a 5% sale this week to reward the rally, taking everyone to 65% sold. If you're not there, catch up.

Hedgers' Strategy: Cash sales are 65%. We came into the week with a 20% hedge on in January soybeans. We liquidated that position on Thursday. Sit tight for now.





U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins Sept 1	2025/26	2026/27	2025/26	2026/27
ACREAGE (mil acres)				
Planted Acres	81.2	86.8	81.2	86.8
Harvested Acres	80.4	85.8	80.4	85.8
Yield	53.0	52.7	53.0	53.0
SUPPLY (mil bu)				
Beg. Stocks	325	325	325	320
Production	4,262	4,519	4,262	4,547
Imports	25	25	25	25
Total Supply	4,612	4,869	4,612	4,892
USAGE (mil bu)				
Crush	2,655	2,780	2,650	2,780
Exports	1,520	1,660	1,530	1,700
Seed	75	73	75	73
Residual	37	37	37	37
Total Use	4,287	4,549	4,292	4,590
ENDING STOCKS (Aug 31)	325	320	320	302
Stocks/Use	7.6%	7.0%	7.5%	6.6%
Farm Price ($/Bu)	$10.40	$11.40	$10.50-$11	$11.3-11.80

THE COST OF WAITING

Cole Slark
Market Analyst/Broker

Farming is a game of waiting. Few businesses rely more heavily on things that operate on their own timetable. Crops grow when they're ready. Weather arrives when it arrives. Markets move when they decide to move. The ability to wait is often an advantage, and because patience is rewarded so often, it's easy to get in the habit of assuming that waiting is always the right answer.

The problem is that patience can look remarkably similar to indecision, procrastination, and complacency. From a distance, they all appear to be the same thing: choosing not to act. But one is an actual strategy. The others can carry a cost. And while patience is often rewarded, there are times when the cost of waiting is higher than it first appears.

Waiting feels safe…. Most marketing decisions involve uncertainty. A producer selling grain today has no way of knowing where prices will be next week, next month, or six months from now. The possibility of making the wrong decision is always present. Waiting, on the other hand, feels risk-free.

If corn is rallying, it's easy to justify waiting for another dime. If soybeans are breaking, it's easy to wait for a rebound. If the market is moving sideways, it's easy to wait for a clearer signal. Regardless of the situation, there always seems to be a reasonable argument for giving it a little more time. Part of the reason is that making a sale creates an immediate outcome. Once grain is sold, the decision is visible. It can be evaluated, second-guessed, and compared against prices that come afterward. Not selling feels different. It often feels like no decision has been made at all.

But choosing not to act is still a choice. A producer who sells 20% of expected production may ultimately wish they had sold more, or less. A producer who sells nothing faces the same uncertainty. The difference is that one decision feels active while the other feels passive. But the market doesn't care whether a producer actively decided to hold grain or simply failed to make a sale. The outcome is often the same.

Sometimes patience pays.... Of course, not all waiting is bad. In fact, some of the most costly mistakes in any business come from acting too quickly. A producer who panic sells grain after a sharp market break may miss the recovery that follows. A farmer who rushes into a major machinery purchase without considering alternatives may discover a better option was only weeks away. Not every opportunity requires immediate action.

That's because patience is a strategy. True patience is making a conscious choice to wait because there is a reason to believe more time may improve the outcome. That can mean waiting for harvest results before making next year's seed decisions. Waiting for a weather event to pass before assessing crop damage. Waiting for marketing objectives to be met before pricing grain. The key difference is that patience has a purpose.

The best form of patience isn't open-ended waiting. It's having a measurable point at which a decision will be made. That may be a specific price objective, a calendar date, or a percentage sold by a certain point in the year. Whatever the benchmark, the important part is establishing it ahead of time. Doing so helps remove emotion from the process. A producer with a marketing plan may intentionally wait because prices have not yet reached established objectives. That's patience. A producer who wants to make a sale but keeps waiting for one more rally, one better forecast, or one more bullish headline may be experiencing something different altogether.

How to avoid the trap of waiting.... The easiest way to avoid the cost of waiting is to decide in advance what will trigger action. Markets have a way of making every situation feel unique. A rally always seems capable of extending a little further. A correction always seems likely to recover. In the moment, there is always another reason to postpone a decision. That's why the most successful marketers rarely rely on how they feel about the market on any particular day, but instead on a framework established before emotions become involved.

Building that framework is up to you and how you like to make your decisions. For some producers, that may be a price objective. For others, it may be based on time. A producer may decide that by planting, a certain percentage will be marketed regardless of price. By harvest, another percentage must be sold. Some producers choose to blend both approaches, incorporating price and timeframe.

The exact percentages aren't nearly as important as having them. No two farms are identical. Cash flow needs, storage capacity, debt levels, and risk tolerance vary from operation to operation. A marketing plan should reflect those differences. Whether the goal is to have 30% sold before planting, 60% sold before harvest completion, or maintain limits on individual sale sizes and contract exposure, the important part is establishing those guidelines before the decision arrives.

Just as importantly, every producer should understand how decisions are being made. Some marketing approaches are highly mechanical, relying on predetermined dates and price levels. Others are more active, utilizing market information and analysis to guide decisions. Some producers prefer to make those decisions themselves, while others rely on marketing programs or professional advisors.

The best marketing plan is the one that you will consistently follow. What all successful approaches have in common is that they create accountability. They establish a process that turns uncertainty into action. Instead of asking, "What should I do today?" the question becomes, "Does today's opportunity fit my plan?" A plan doesn't eliminate uncertainty, but it prevents uncertainty from becoming an excuse for inaction.

-Email Cole at cslark@brockreport.com.

We made four recommendations for grain marketers this week, one each for corn, soybean, cotton and rice producers.

All corn producers were advised to sell another 5% on Friday, getting strict cash marketers to 60% and hedgers to 55% priced. It would be easy to characterize this sale as a reward-the-rally sale but it was more a bit more nuanced than that. Throughout the rally, open interest in corn futures has stayed flat, implying that at least part of the reason for it is short liquidation, not new buying. Clearly, the fundamentals have changed, but assuming a nationwide average of -$.25 basis, December futures are about $.40 higher than USDA's projected average price. Finally, despite a powerful wheat rally, corn seemed to follow along lethargically at best. Not necessarily flashing red lights, but three amber ones for sure resulting in our cash sale.

Earlier in the week, all soybean producers were advised to sell another 5% as well, bringing everyone to 65% priced. This sale was more technically driven than the corn sale. The latest WASDE was neutral to negative for beans, but they rallied afterward nonetheless. After nearing their late July high, they came within a tick of charting a reversal down. In light of the absence of positive fundamental news and the tenuous chart, we advanced sales by 5% as production numbers are still up in the air. Continued volatility will likely have us moving in these measured 5% increments for the balance of this crop.

All cotton producers were advised to let another 5% go, bringing all marketers to 70% priced, the twilight zone for this time of year. For those that missed the mid-May high, thinking cotton would go higher, a collective sigh of relief went up when futures returned to that level this week due to the dire state of the Texas crop, and the potential for improving export opportunities. December futures leveled off around the $.88 mark, prompting us to add another sale at a level that producers only dreamt about when the crop went in the ground.

Finally, all rice producers were advised to sell another 5% bringing everyone to 70% priced. After breaching the $15.00/cwt late last week, November futures fell back without charting a key reversal. While we did say when we made our last sale that we might take a breather on additional sales, with our eye on the late winter export market, we didn't want these prices to get away. We still have 30% left to take advantage of any further rallies and feel comfortable at these levels.

All these sales were 5%, an indication of the trepidation that we feel is necessary to navigate markets which seem more volatile than ever. If you are doing catch-up sales, we would suggest limiting those sales to 10% increments.

Basis Bids as of August 27

Corn	August	Delivery period September	Oct '26
Cedar Rapids, IA	-10 U	-8 U	-26 Z
Burlington, IA	-25 U	-30 U	-40 Z
Peoria, IL	+2 U	-35 Z	-17 Z
Decatur, IL	+15 U		-10 Z
Lafayette, IN	+30 U		-15 Z
Lincoln, NE	-25 U	-25 U	-35 Z
Marshall, MN	-42 U	-30 U	-40 Z
Dalhart, TX	+75 U		
Memphis, TN	+10 U	+16 U	+35 Z
Mitchell, SD	-45 U	-45 U	-58 Z
U.S Gulf, NOLA	+80 U	+93 U	+90 Z

Soybeans	August	Delivery period September	Oct '26
Cedar Rapids, IA	+15 X	+15 X	-40 X
Burlington, IA	-15 X	-25 X	-40 X
Quincy, IL	+30 X	+27 X	-14 X
Champaign, IL	-10 X		-30 X
Decatur, IN	+0 X	+0 X	-30 X
Kansas City, MO	+70 X		
Brewster, MN	+55 X	+30 X	-25 X
Lincoln, NE	+0 X	+0 X	-15 X
Grand Island, NE	-60 X	-60 X	-60 X
Mitchell, SD	+20 X		-45 X
Memphis, TN	+34 X	+30 X	+22 X
U.S Gulf, NOLA	+107 X	+108 X	+109 X

Sources: USDA AMS, DTN ProphetX, DJ Newswires

Central Illinois Cash Corn

Central Illinois Cash Soybeans

Cash Wheat

INDUSTRY UP IN ARMS OVER HARDSHIP WAIVERS SPECULATION

Speculation that the Environmental Protection Agency is considering a plan to issue double the volume of Renewable Fuel Standard (RFS) waivers for 2025 than previously assumed is causing alarm across the biofuels industry and among farm-state legislators.

A recent Bloomberg report indicated the EPA may grant small refinery exemptions (SREs) covering upwards of 1.8 billion Renewable Identification Numbers (RINs), the compliance credits used to meet RFS mandates. This compares to an original baseline projection of approximately 900 million RINs. That would result in at least 500 million gallons in lost biofuels demand, and possibly as much as 900 million depending on how many of the waivers are for conventional ethanol.

The Renewable Fuels Association expressed concern about the rumored increase in waivers, and the American Soybean Association sounded an alarm, warning that doubling exemptions could wipe out roughly 500 million gallons of biomass-based diesel demand and cost U.S. soybean growers an estimated $1 billion in farm revenue.

“If EPA approves small refinery exemption petitions at levels that significantly exceed EPA’s earlier assumptions embodied in current biofuel blending rules, the result will be long-term damage that effectively undercuts the positive actions taken by the administration,” the ASA said in a statement.

The EPA announced it intends to issue formal decisions on pending petitions by the end of the month, prompting Iowa Senators Chuck Grassley and Joni Ernst to take to X to urge the administration to maintain blending obligations. Given the current struggles in the ag economy and the upcoming mid-term elections, which include competitive races in Iowa, we expect that any "bad" news on hardship waivers will at the least be paired with some "good" ethanol policy news.

The prospect of substantially reduced RINs demand sent RINs prices tumbling, both for conventional and biodiesel RINs. On Monday, D6 (conventional) RINs fell 34 cents to $1.75, their lowest level since April, Reuters reported. All this as oil refiners enjoy historically large profit margins as the war with Iran has upended energy markets.

By Thursday, the White House was in damage-control mode. Reuters reported that the White House was considering a plan to add 500 million gallons to the 2027 RFS mandate to offset the waivers. Whether that will be enough to soothe the biofuels industry, or if it will be seen as more of a "kick the can down the road" tactic remains to be seen.

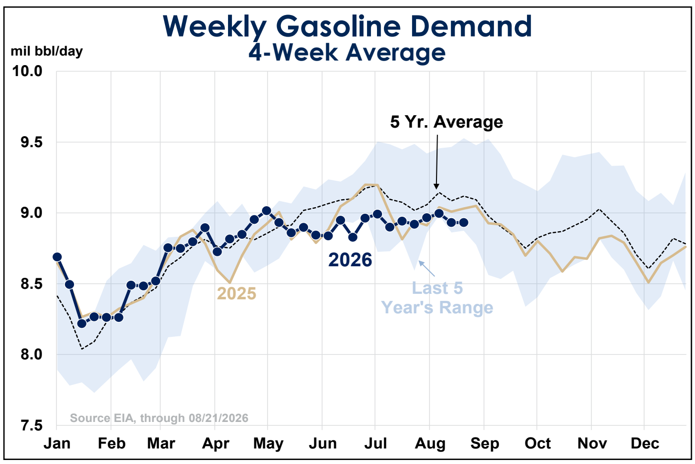
CRUDE DRAWDOWN CONTINUES

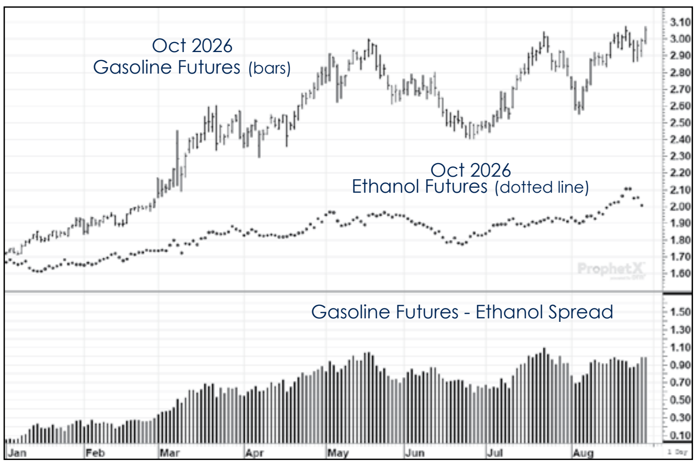
U.S. crude oil reserves continue to tighten, extending a trend seen throughout the war with Iran, which is now six months old. U.S. commercial crude oil stocks (excluding the Strategic Petroleum Reserve) stood at 428.9 million barrels as of Aug. 21, virtually unchanged on the week and up 2.5% from a year ago.

In normal times, the market focuses primarily on commercial stocks while looking past the Strategic Petroleum Reserve. But the SPR continues to drop. As of Aug. 21, SPR inventory stood at 289.7 million barrels, down 3.7 million barrels (1.3%) from the previous week and down 28.3% from a year ago.

There may be some near-term relief on the horizon, however. Crude prices were on the defensive this week on optimism surrounding improved oil flows through the Strait of Hormuz. This sentiment was fed by reports of a transit understanding brokered between Iran and Oman, alongside the redeployment of U.S. diplomats to the region. While the broader conflict remains far from resolved, this week's diplomatic progress has at least revived hopes for safer, more consistent movement of oil tankers through the region.

Meanwhile, weekly ethanol production rose in the week ended Aug. 21. Output averaged 1.112 million barrels per day EIA said, up from 1.089 million the prior week, and the four-week average was up 2.5% from a year ago. Ethanol stocks remain large, at 25.2 million barrels, up from 25.1 million the prior week, and up 11.8% from a year ago. Exports remain a bright spot, averaging 162,000 barrels per day in the week ended Friday, up from 129,000 the prior week. The four-week average of 150,000 is up from 133,000 a year ago.





COMMENTARY

News that Russia plans to further escalate its attacks on Ukraine was all it took to ignite this market. The fundamentals were already bullish due to cuts in planted acreage and overall carryovers. With an expected carryover of 702 million bushels for the 26/27 crop vs. 920 million bushels for the 25/26 crop, this was a can of gasoline waiting to be lit. It happened Wednesday mid-morning.

Technically, in the most active December Chicago wheat contract, the market broke out of a bull flag on August 14. If the center of the flag that started with a high on July 23 and a low on Aug 6 is a 50% move from the very bottom that started on June 30, the upside objective in the March contract is $7.83. The market has already rallied to $7.89. This could be a market making a top right now.

While we cannot say for sure this market is done going up, as is the case with corn and soybeans at the moment, this is the type of market that is likely to make a very aggressive reversal, whenever it does top out.

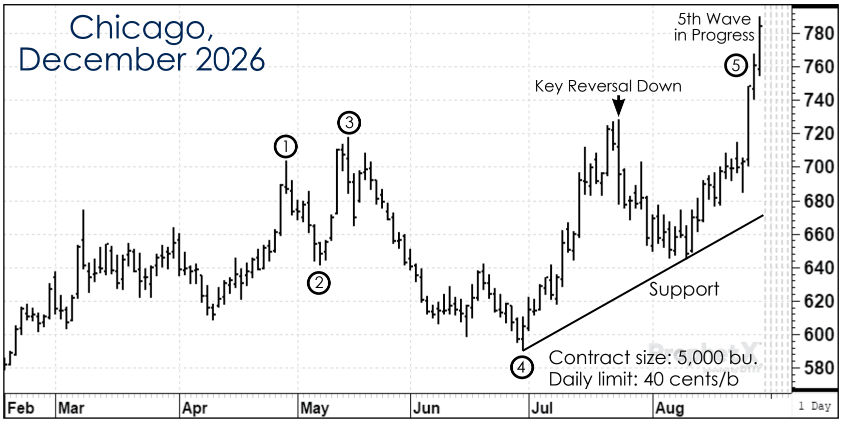
We are likely to use this rally to close out old crop sales soon, and get a good start on next year's crop.

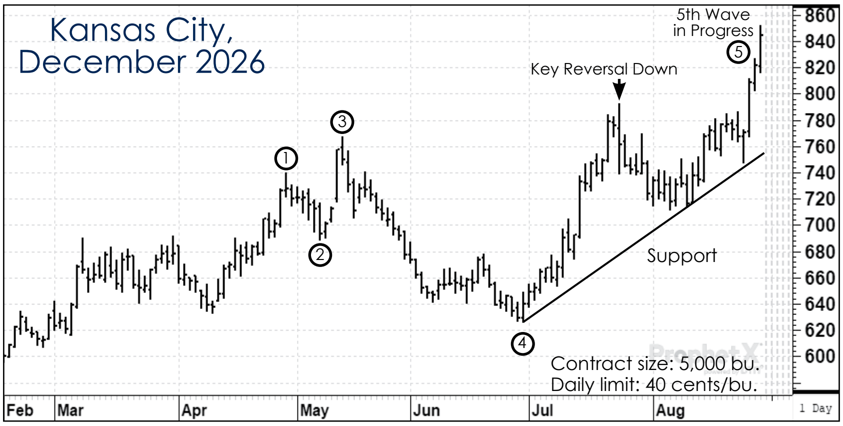
Cash-only Marketers' Strategy: Sales of this year's crop are at 90% and 10% for the 27/28 crop. Catch up if you're not there.

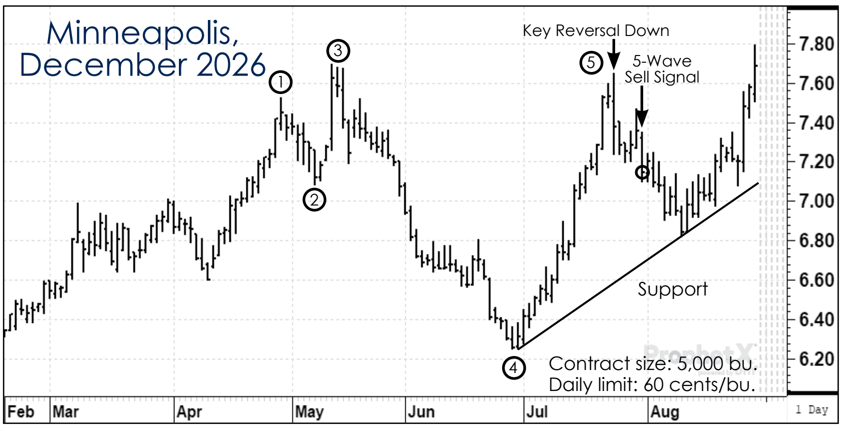
Hedgers' Strategy: Same cash advice as above. No futures or options positions are on.

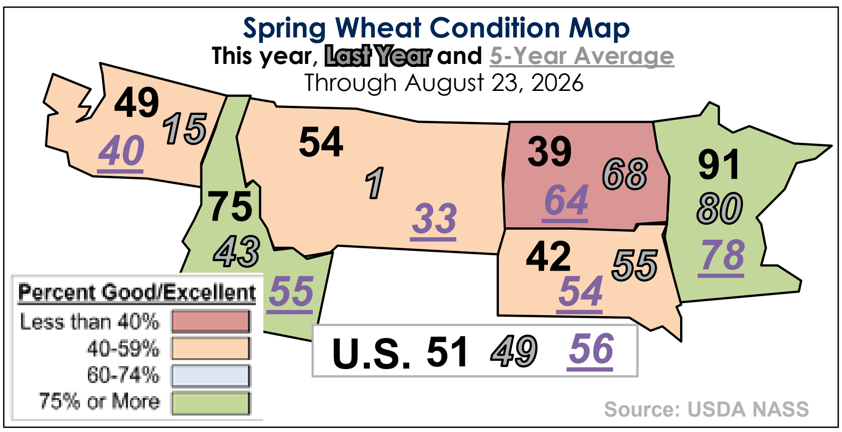
U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins June 1	2025/26	2026/27	2025/26	2026/27
ACREAGE (mil acres)				
Planted Area	45.3	42.7	45.3	42.7
Harvested Area	37.2	32.1	37.3	32.1
Yield	53.3	47.8	53.3	47.5
SUPPLY (mil bu)				
Beg. Stocks	855	920	855	920
Production	1,985	1,531	1,985	1,526
Imports	125	140	110	130
Total Supply	2,964	2,591	2,950	2,577
USAGE (mil bu)				
Food/Seed	1,017	1,019	1,020	1,020
Feed & Residual	119	80	105	80
Domestic Use	1,136	1,099	1,125	1,100
Exports	908	775	905	775
Total Use	2,044	1,874	2,030	1,875
Ending Stocks (May 31)	920	717	920	702
Stocks/Use	45.0%	38.3%	45.3%	37.4%
Farm Price ($/Bu)	$5.06	$6.20	$5.00-5.05	$6.40-6.80

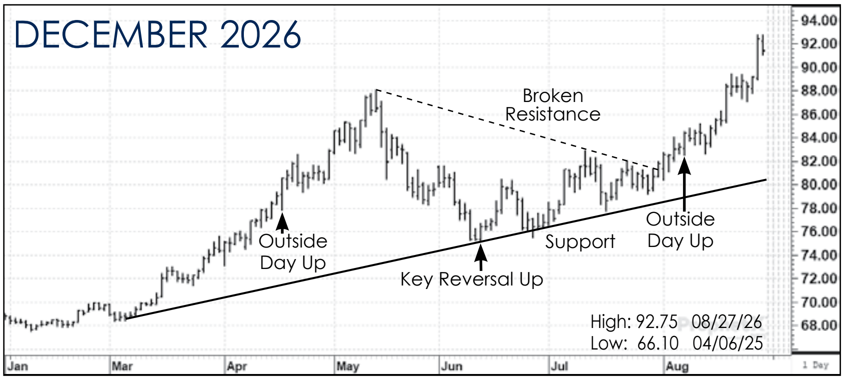


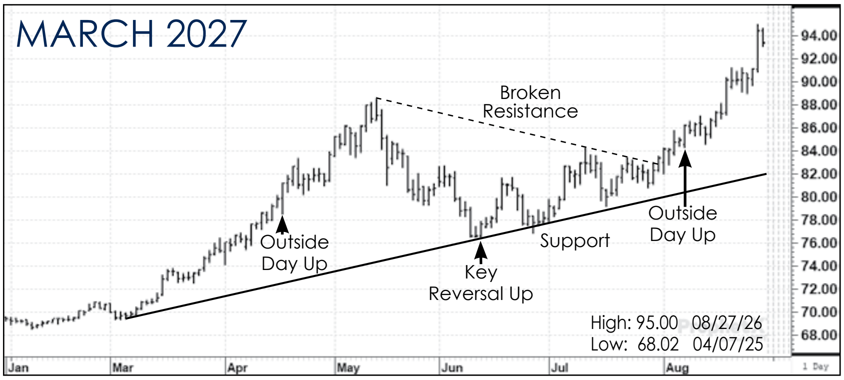


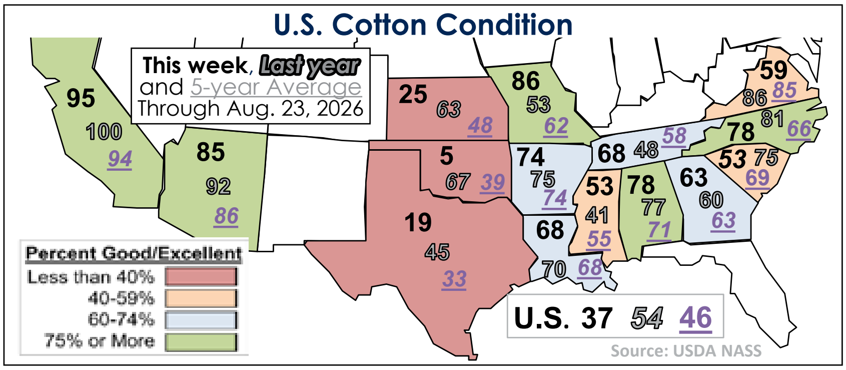




COTTON







COMMENTARY

The long-simmering rally in cotton boiled over Thursday, with futures rocketing higher amid technically-driven speculative buying and worries over a deteriorating U.S. crop outlook. The market made new contract highs and on a front-month basis, cotton rose to its highest level in more than two years, while posting its sixth straight weekly gain. Open interest had been rising on the rally, which has been driven by a historically large net long position by speculators.

Fundamentally, heat and drought in West Texas and in the Mississippi Delta region has hit crop expectations. Heat and dryness in Xinijang, China's main cotton-growing region, has also helped drive price sentiment globally. There's no sign of China returning as a buyer of U.S. cotton, but if it increases its imports, regardless of the source, that could open up opportunities for the U.S.

Cotton's rally this week was part of a broad advance in ag commodities. It was more impressive given lackluster crude oil market action this week.

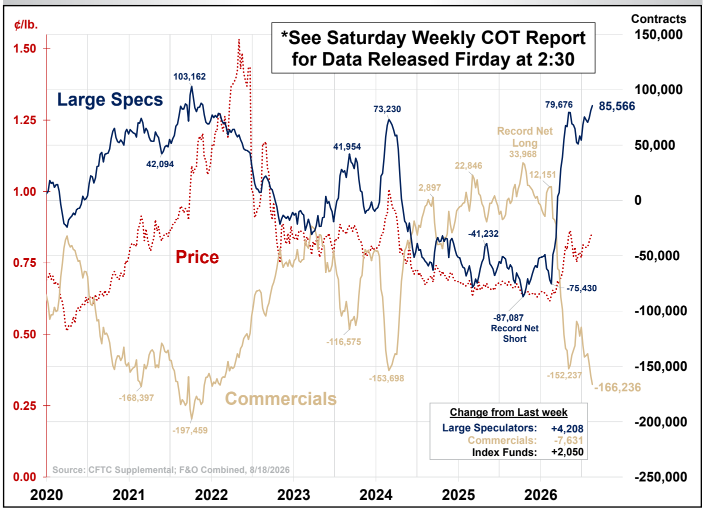
Cash-only Marketers' Strategy: The 2025/26 marketing year has come to an end and we are 100% sold. Meanwhile, 70% of new-crop is sold for 2026/27 after we made another 5% sale on Monday.

Hedgers Strategy: Same cash advice as above. We issued a protective a "good until cancelled" recommendation to go short Dec. cotton at 87.00 early in the week, but cancelled it on Friday with the market now well above those levels. Be alert for fresh recommendations.

U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins Aug 1	2025/26	2026/27	2025/26	2026/27
ACREAGE (mil acres)				
Planted Area	9.28	10.47	9.28	10.25
Harvested Area	7.83	8.19	7.83	7.94
Yield	852	798	852	805
SUPPLY (mil 480-lb. bales)				
Beginning Stocks (August 1)	4.00	4.20	4.00	4.20
Production	13.90	13.61	13.89	13.32
Imports	0.0	0.0	0.0	0.0
Total Supply	17.90	17.81	17.90	17.53
USAGE (mil 480-lb. bales)				
Mill Use	1.55	1.60	1.55	1.65
Exports	12.20	12.30	12.20	12.40
Total Use	13.75	13.90	13.75	14.05
Unaccounted	(0.05)	(0.09)	(0.05)	(0.02)
STOCKS (mil 480-lb. bales)				
Ending Stocks (July 31)	4.20	4.00	4.20	3.50
Farm Price (¢/lb)	62	75	62-64	73-78

Cotton Commitment of Traders



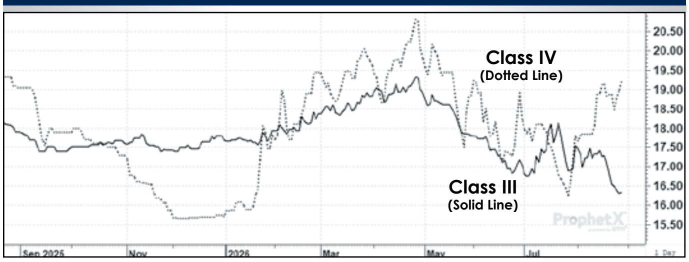
COMMENTARY

USDA's July Milk Production report showed the national dairy herd holding steady at elevated levels. U.S. milk production totaled 20.145 billion pounds in July, up 2.2% from a year ago. The national herd was estimated at 9.71 million head for a second consecutive month, 2.1% larger than July 2025. Herd expansion continues to be the primary driver of increased milk supplies, as production per cow has shown only modest improvement. The July report also extended a trend of strong year-over-year growth throughout 2026, with monthly production increases ranging from 2.1% to 3.5%. Through the first seven months of the year, U.S. milk production reached approximately 139.1 billion pounds, up roughly 3.7 billion pounds from the same period in 2025.

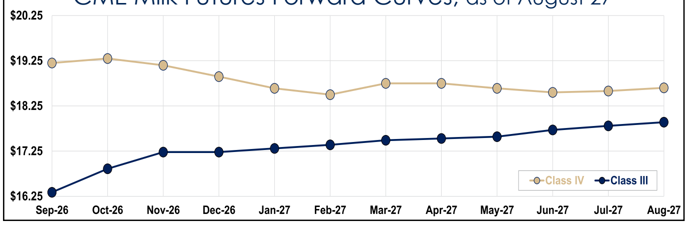
Adding to the negative tone in U.S. dairy markets, trade tensions between the U.S. and Canada escalated this week after Canada announced retaliatory tariffs on about $20 billion worth of U.S. goods, including several dairy products, in response to new U.S. tariffs on Canadian imports. The Canadian measures, which take effect Sept. 8, will apply tariff rates ranging from 15% to 50% depending on the product category. U.S. dairy products will largely be in the 50% tariff category. While the immediate impact on dairy prices is likely limited, the situation bears watching as Canada remains one of the most important export destinations for U.S. dairy products. For additional details on the trade war escalation, see page 5.

For now, the larger concern for dairy markets remains growing milk supplies. With production continuing to expand and cow numbers holding near multi-year highs, the market will need continued strength in domestic and export demand to absorb additional milk production. Any disruption to export channels, particularly to key trading partners such as Canada, could add to product inventories and create additional pressure on dairy prices heading into the fourth quarter.

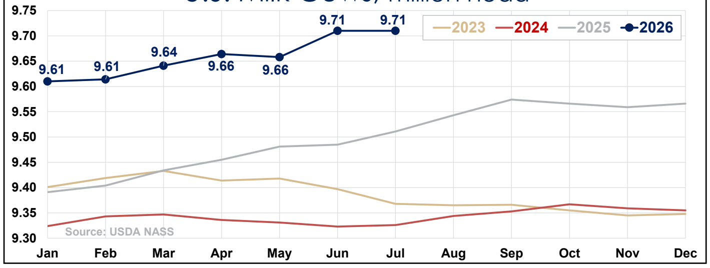
CME September Milk Futures, $/cwt



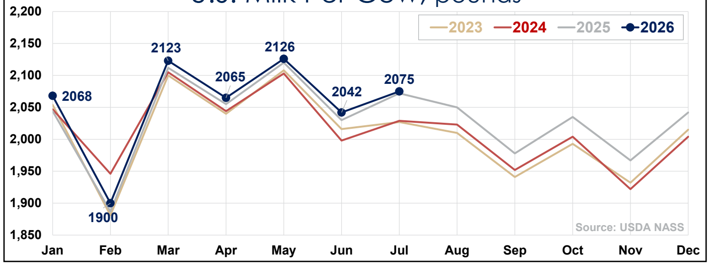
CME Milk Futures Forward Curves, as of August 27



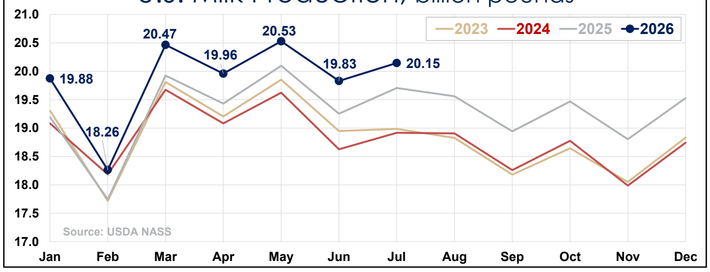
U.S. Milk Cows, million head



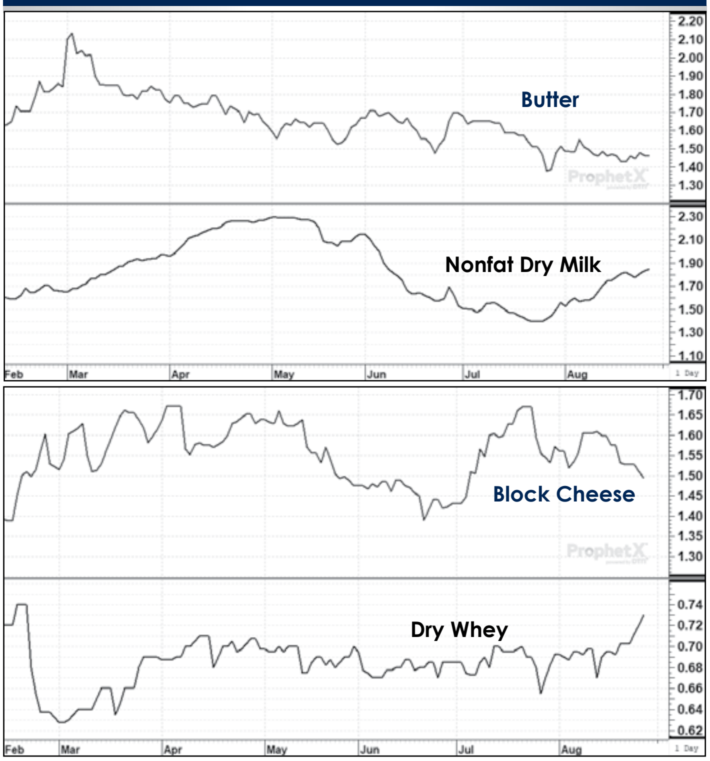
U.S. Milk Per Cow, pounds



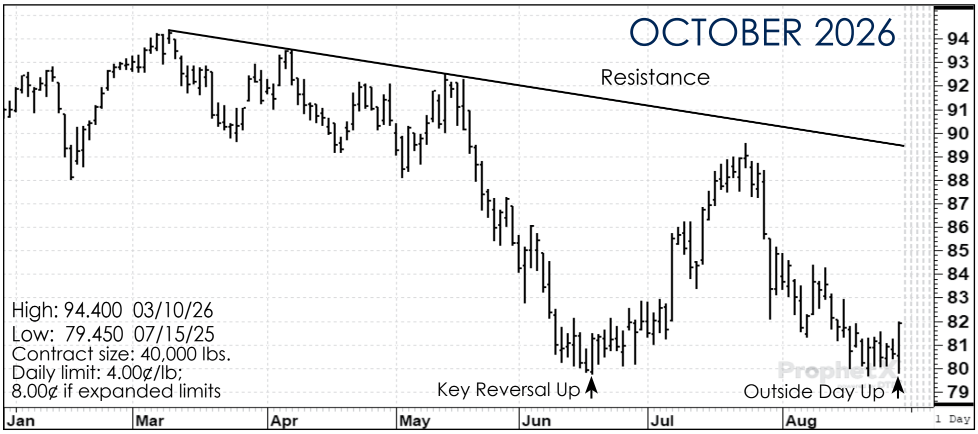
U.S. Milk Production, billion pounds

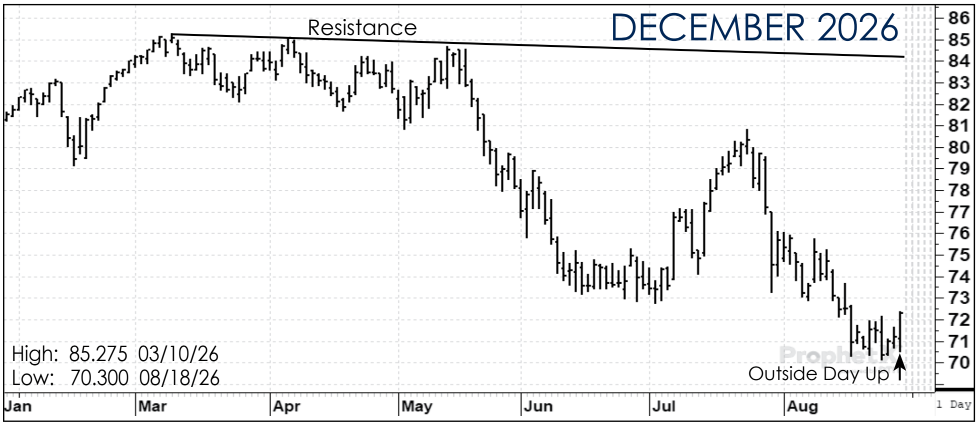


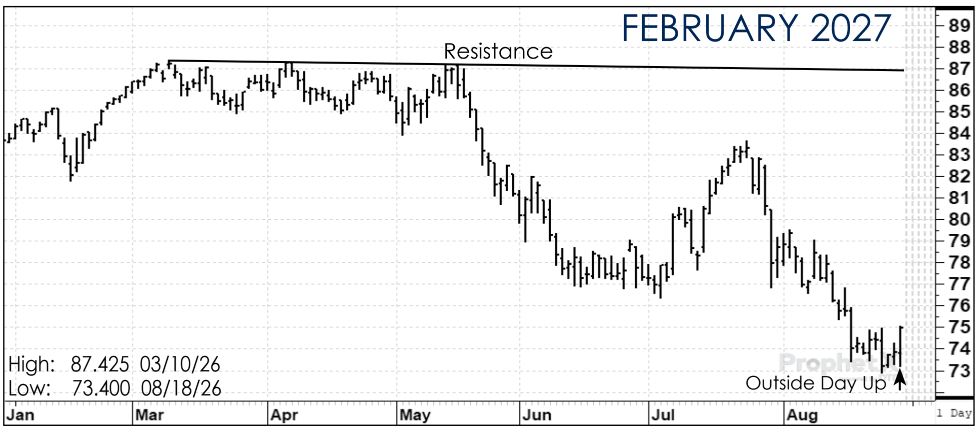
CME spot prices, $/lb

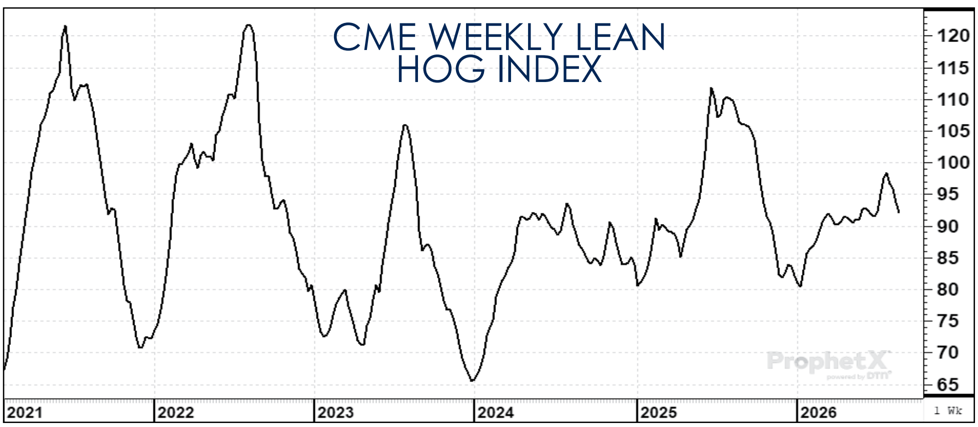


HOGS









COMMENTARY

Lean hog futures rallied late in Friday's session on speculative position evening and a broad wave of buying of agricultural commodities to finish the week with modest gains, breaking a string of four straight losing weeks. Technically, Friday's action suggests futures may finally have bottomed, but it did not appear to be accompanied by any recovery in cash market fundamentals. While wholesale pork prices rose Friday morning, they were lower on the week and cash hog prices continued to slide.

Technically, hog futures look like they may have bottomed after posting sizeable bullish reversals on Friday. We saw similar action last Friday and those reversal lows failed to hold in deferred futures, but this Friday's reversals were more decisive, with nearby Oct. lean hogs posting their highest close in 11 sessions. Oct. hogs now have nearby chart resistance at $83.00, with more formidable resistance above $84.00.

Cash hog prices continued to slide after topping at the end of July as packers continue to have little problem filling slaughter needs. The lagging CME cash lean hog index fell another $1.58 on the week and will fall further to start next week. Pork demand remains soft. The composite pork cutout value fell another $2.43 in the week ended Thursday and was 15.1% below a year earlier.

High hog weights continue to allow packers to maintain pork production above last year despite smaller slaughters. This week's estimated pork output was up 0.5% versus last year on a 0.4% drop in slaughter. This may soon change, though, given the sharp surge in corn and soymeal prices over the past two-plus weeks. Rising feed costs may also cause producers to cut back on farrowing intentions, leading to tighter hog supplies next year. Iowa State University estimates the average return for Iowa farrow-to-finish operators has been positive for 28 straight months, but that long streak is now in jeopardy.

Hedgers' Strategy: Hedgers remain aside futures.

COMMENTARY

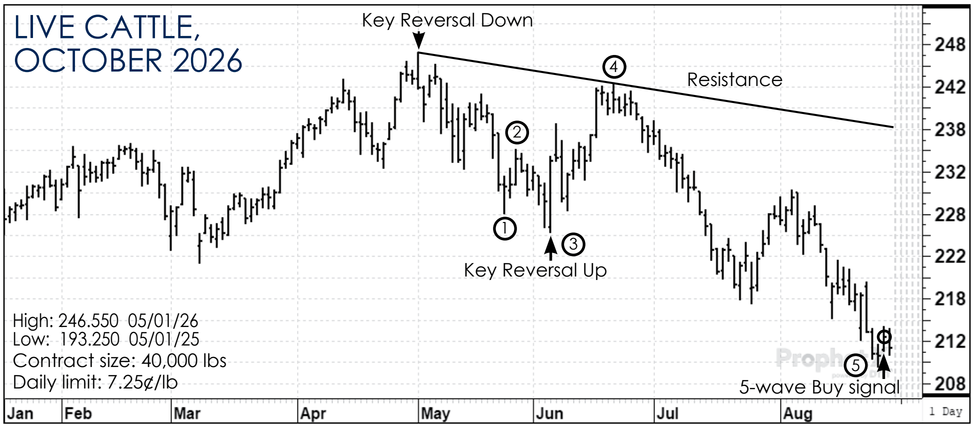
Live cattle futures fell for a fourth straight week as Plains cash cattle prices continued to slide, wholesale beef prices retreated and speculators continued to liquidate long positions. Feeder cattle futures fell for a third straight week as USDA reopened imports of Mexican feeder cattle at Douglas, Arizona and announced reopening dates for New Mexico border ports. Soaring corn prices also pressured feeder cattle futures.

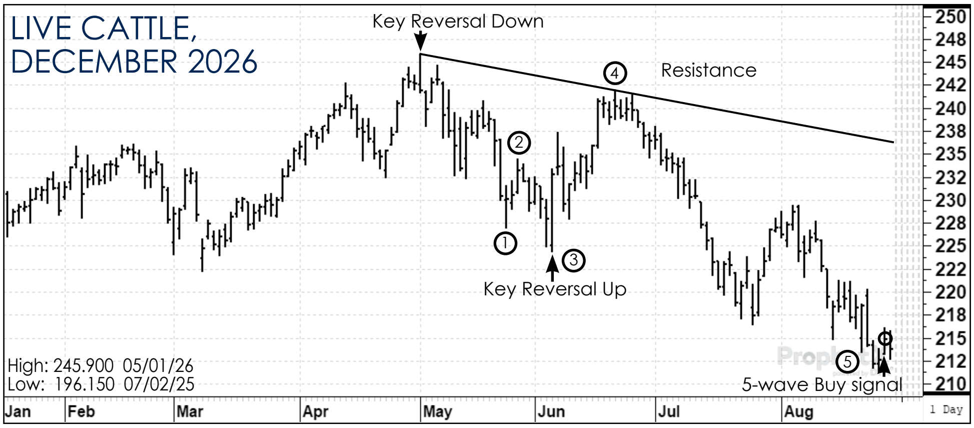
Technically, this appears to have been a big week in the live cattle market as most-active Oct. live cattle cleanly broke the historic 6-year-plus uptrend line on the weekly most-active live cattle futures continuation chart. Oct. futures now have nearby chart support at $209.53, but major support on the continuation chart chart is now at the November 2025 low of $200.33. Most-active Oct. feeder cattle futures posted their lowest weekly close since mid-November and now have key daily chart support at $310.85, with longer-term support down at $293.30.

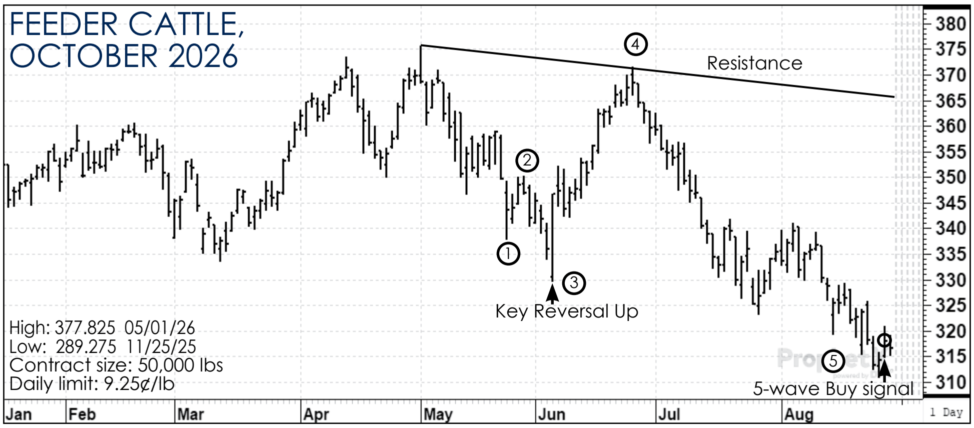
Plains cash cattle prices continue to slide amid ample supplies of market-ready cattle. Although the the Aug. 1 feedlot inventory was below the range of trade expectations, USDA data implied the Aug. 1 supply of cattle on feed for more than 180 days was up a whopping 42.9% versus a year earlier. Cattle slaughter weights remain historically high, but surging corn prices combined with falling cattle prices should lead feedlots to market animals at lighter weights.

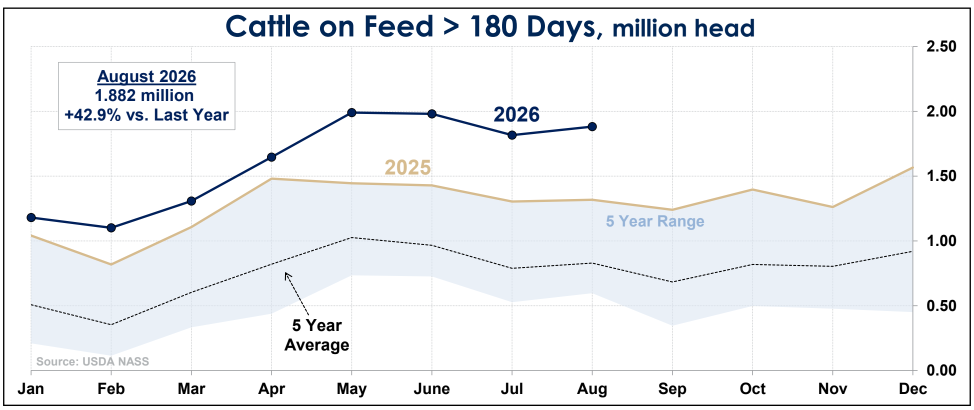
Through Thursday, this week's USDA-reported five-area cash cattle trade had occurred at mostly $218-$219 live, down $6-$8 from last week, with dressed carcass prices at mostly $345, down about $11 from last week' s average price. Wholesale beef prices also slumped this week, with the choice cutout value falling as fast as it went up earlier this month.

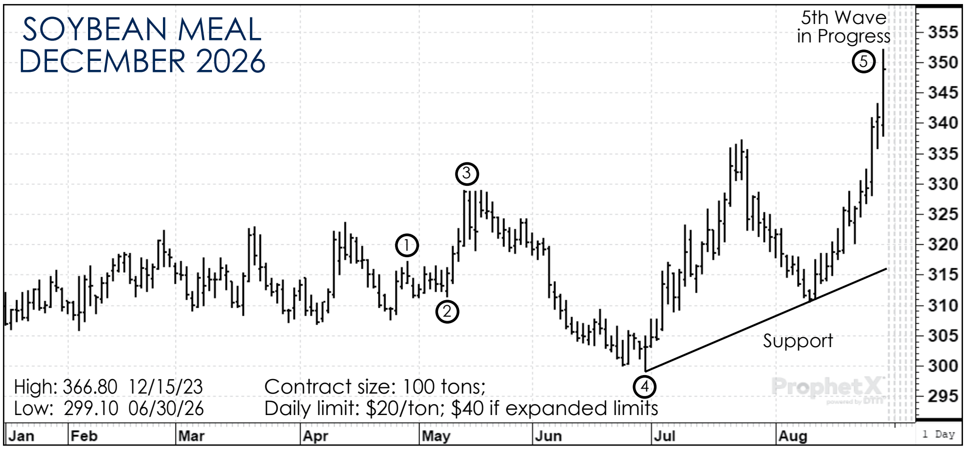
Hedgers' Strategy: Live cattle hedgers remain futures. Feeder cattle marketers and buyers also remain aside futures. With October feeders having fallen about $50 in about two months, though, we are watching closely for a buy signal.

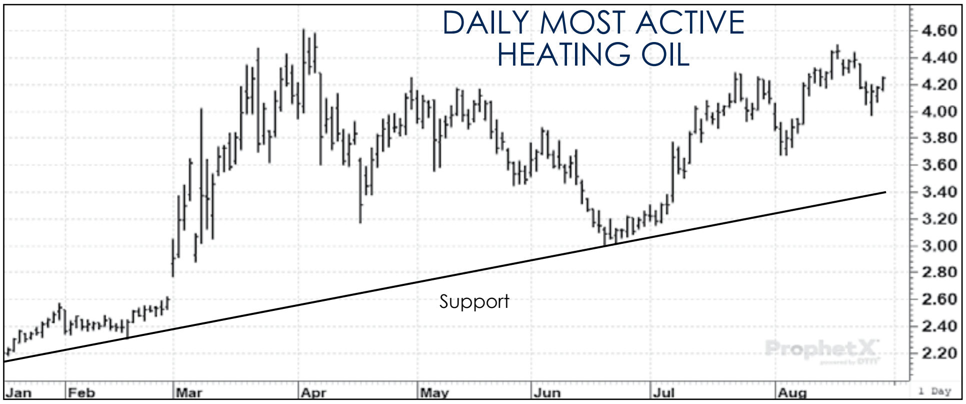


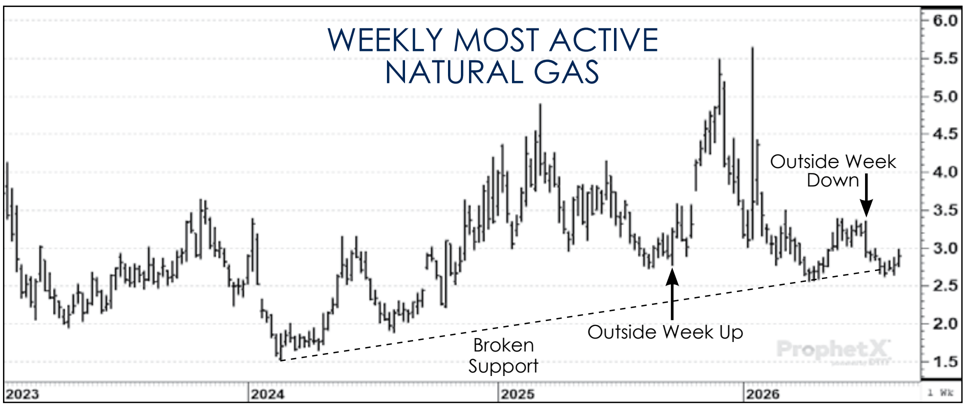












COMMENTARY

Feed: Soybean meal futures rocketed higher along with soybeans and the grains complex. December futures have ended higher six straight days and 11 out of the past 13. The rising soybean market has been a driver, as has renewed uncertainty about crush potential with the federal government poised to significantly increase the number of RFS "hardship" waivers. That could result in a significant hit to renewable diesel demand and thus less soymeal. As the chart above at left shows, soybean meal is also in a fifth wave, and given the extent of the rally there could be significant downside. Buyers should be patient, particularly given the mostly favorable U.S. soybean crop outlook. Distillers' dried grain prices also surged this week.

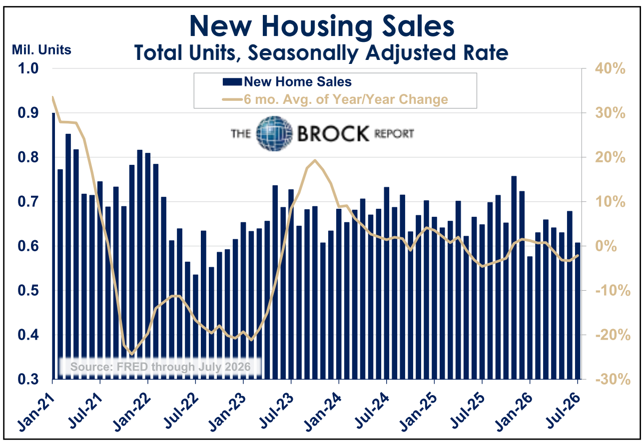
Fertilizer: The recent surge in corn prices, along with a steady potash market, has pushed the corn-to-potash ratio at historically low levels, making potash a "phenomenal" value right now according to StoneX. It is a good time to secure fall application needs. Prices for other nutrients are less attractive, although nitrogen prices have been moving lower. Phosphate fertilizer prices have remained firm domestically despite imports resuming from Morocco. One longer-term factor that is underpinning phosphate prices is sulfur, a key input for phosphate production. Sulfur prices have surged from $200 in spring 2025 to more than $1,000 per ton recently. Mosaic Co. this week said that Brazil's fertilizer industry is seeking more than $350 million in subsidies, focused on sulfur, to help keep phosphate prices in check (see page 4 for more on this). This is not a situation likely to be resolved soon, making it all the more important to take advantage of attractive potash prices.

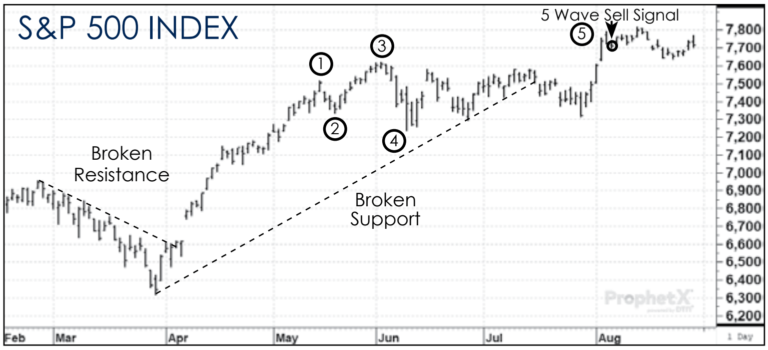
COMMENTARY

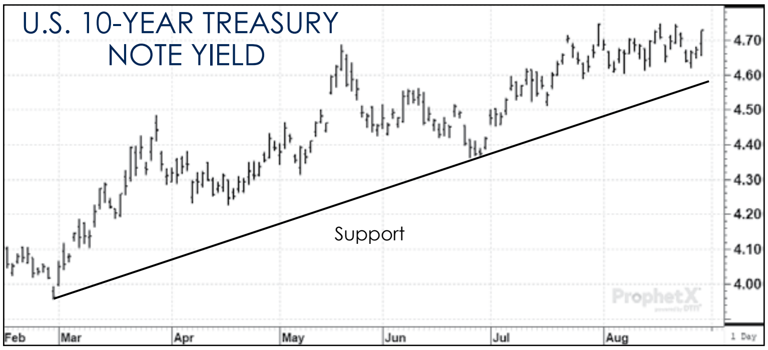
Wednesday's Personal Consumption Expenditures (PCE) Index, the Fed's "preferred" inflation metric, was up 3.3% year-over-year in July, and up 0.2% from the prior month. That "core" reading excludes volatile food and energy prices. The headline PCE, which includes those factors, was up 3.7% from a year earlier, slightly more than expected, and 0.2% from the prior month. The report reaffirms that inflation is cooling, but only slowly. And with energy prices having since risen due to the situation in Iran, inflation remains top of mind for the Fed as it meets in Wyoming this week ahead of its mid-September policy meeting. In his first Jackson Hole speech on Friday, new Fed Chair Kevin Warsh said the Fed may not be done fighting inflation, a surprising statement given the vagueness that had characterized his early tenure up to this point.

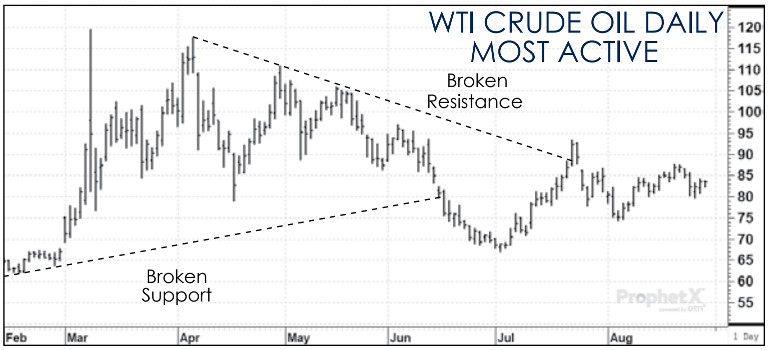
The PCE report showed that real (factoring in inflation) personal spending stalled in July, coming in flat with the prior month. That slowing personal spending added to some less-than-stellar news about the economy in two Tuesday reports. New home sales in July hit a six-month low, government data showed. Sales were down 10.5% from the prior month and 6.3% from a year ago, indicating that higher mortgage rates are having a negative impact. Sales have fallen three out of the past four months. Meanwhile, the Conference Board showed consumer confidence this month sinking to its lowest level since the start of the year. The Conference Board's index, which is tied to labor market sentiment, showed an improvement in current conditions, but respondents were more negative about future job prospects. Weekly jobless claims were impressively low again this week, continuing the recent trend.

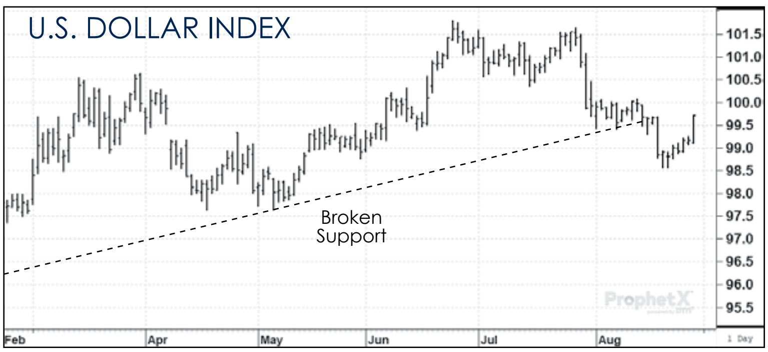
The biggest economic news of the week hasn't had much of an impact on financial markets yet. But the hard right turn toward a trade war between the U.S. and Canada risks sending a number of sectors into the ditch, most notably auto manufacturing. But the two countries are interdependent in many ways, and a trade war also poses a threat to agriculture, energy, and heavy equipment.

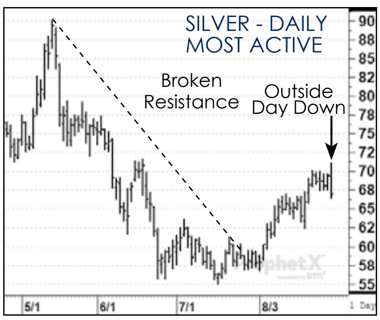


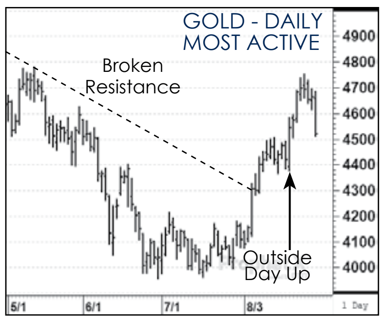












THE BROCK REPORT POSITION MONITOR

THE WEEK AHEAD: USDA releases its monthly Grain Crushings and Fats and Oils reports on Tuesday. The first week of the new month will also bring the monthly Non-Farm Payrolls report, on Friday. Investors will have manufacturing data to digest on Tuesday and Wednesday. Traders will also keep an eye on developments in Iran and Ukraine.

Bolded %'s highlight changes made week ending 8/28/2026

CORN

	25/26	26/27	27/28
Strictly Cash	100%	**60%**	0%
Hedgers Cash	100%	**55%**	0%
Hedgers F&O	0%	*10%	0%

*See Page 7 for positon details

SOYBEANS

	25/26	26/27	27/28
Strictly Cash	100%	**65%**	0%
Hedgers Cash	100%	**65%**	0%
Hedgers F&O	0%	**0%**	0%

WHEAT

	25/26	26/27	27/28
Strictly Cash	100%	90%	10%
Hedgers Cash	100%	90%	10%
Hedgers F&O	0%	0%	0%

RICE

	25/26	26/27	27/28
Strictly Cash	100%	**70%**	0%
Hedgers Cash	100%	**70%**	0%
Hedgers F&O	0%	0%	0%

COTTON

	25/26	26/27	27/28
Strictly Cash	100%	**70%**	0%
Hedgers Cash	100%	**70%**	0%
Hedgers F&O	0%	0%	0%

LIVESTOCK

HOGS	26-III	26-IV	27-I	27-II
Futures	0%	0%	0%	0%
Options	0%	0%	0%	0%

CATTLE	26-III	26-IV	27-I	27-II
Futures	0%	0%	0%	0%
Options	0%	0%	0%	0%

FEEDERS	26-III	26-IV	27-I	27-II
Futures	0%	0%	0%	0%
Options	0%	0%	0%	0%

MILK	26-III	26-IV	27-I	27-II
Futures	0%	0%	0%	0%

Sell in cash or futures market; whichever works best for your operation.

FEED PURCHASES

CORN	26-III	26-IV	27-I	27-II
Cash	100%	0%	0%	0%
Futures/Options	0%	0%	0%	0%

SOYBEAN MEAL	26-III	26-IV	27-I	27-II
Cash	100%	0%	0%	0%
Futures/Options	0%	0%	0%	0%

CONTACT US

For more information or customer service:

Brock Associates
2050 W. Good Hope Rd. Milwaukee, WI 53209
Call 414-351-5500 or toll-free 800-558-3431
breport@brockreport.com | www.brockreport.com

Our mobile app, The Brock Report, is available at

Download on the App Store | GET IT ON Google Play

PUBLICATIONS & SERVICES

BASIC

Subscribe to the Brock Report, our weekly newsletter published 48 times per year; that now includes additional news and analysis updates to the website throughout the week.

Subscription price: $60/month | $700/year

ESSENTIAL

Subscribe to the Brock Report and Daily Market Comments which includes market updates 3x a day plus marketing advice alerts when the team at Brock makes a recommendation.

Subscription price: $80/month | $900/year

PREMIUM

Subscribe to the Brock Report, Daily Market Comments and Market Edge, a USDA report analysis from Richard Brock and his team via live webinar and recording.

Subscription price: $100/month | $1100/year

CONSULTING SERVICES

Brock Associates offers different levels of personal marketing assistance.

BROKERAGE SERVICES

Brock Investor Services offers complete brokerage services.

***Disclaimer:** There is a risk of losses as well as profits when trading futures and options.*