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August Market Update
Corn, Soybeans, Rice, and Cotton

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Prices at a Glance

Crop	2024/25 U.S. MYA Price Projections	2025/26 U.S. MYA Price Projections
Corn	$4.30 per bu.	$3.90 per bu.
Soybeans	$10.00 per bu.	$10.10 per bu.
Long Grain Rice	$14.10 per cwt.	$13.00 per cwt.
South. Med. Grain Rice	$15.20 per cwt.	$13.50 per cwt.
Upland Cotton Lint	$0.63 per lb.	$0.64 per lb.
Seed Cotton	$0.3401 per lb.	$0.3419 per lb.

WASDE Summary

This month's 2025/26 U.S. corn outlook is for sharply higher supplies, greater domestic use and exports, and larger ending stocks. Projected beginning stocks for 2025/26 are 35 million bushels lower based on a slightly higher use forecast for 2024/25. For 2024/25, larger corn exports are partly offset by reductions in corn used for ethanol and glucose and dextrose. Corn production for 2025/26 is forecast at a record 16.7 billion bushels, up 1.0 billion from last month with a 1.9-million acre increase in harvested area and higher yield. If realized, this total would be 1.4 billion bushels more than the prior record set in 2023/24. The season's first survey-based corn yield forecast, at a record 188.8 bushels per acre, is 7.8 bushels higher than last month's projection. Total U.S. corn use for 2025/26 is forecast 545 million bushels higher to 16.0 billion. Feed and residual use is raised 250 million bushels to 6.1 billion based on a larger crop and lower expected prices. Corn used for ethanol for 2025/26 is raised 100 million bushels to 5.6 billion. Exports are raised 200 million bushels to a record 2.9 billion reflecting U.S. export competitiveness and expectations of relatively low world market prices. With supply rising more than use, ending stocks are up 457 million bushels to 2.1 billion and if realized would be the highest in absolute terms since 2018/19. **The season-average corn price received by producers is lowered 30 cents $3.90 per bushel.**

The 2025/26 outlook for U.S. soybeans includes lower beginning stocks, production, and ending stocks. Beginning stocks are lowered 20 million bushels on an increase to crush and exports in the prior

marketing year. Soybean production for 2025/26 is forecast at 4.3 billion bushels, down 43 million on a lower area partly offset by a higher yield. Harvested area is forecast at 80.1 million acres, down 2.4 million from July. The first survey-based soybean yield forecast of 53.6 bushels per acre is up 1.1 bushels from last month. With lower supply and the slow pace of export sales to date, exports are reduced 40 million bushels. Crush is unchanged at 2.54 billion bushels. U.S. ending stocks are forecast at 290 million bushels, down 20 million from last month. **The U.S. season-average soybean price for 2025/26 is forecast unchanged at $10.10 per bushel.**

The outlook for 2025/26 U.S. rice this month is for higher supplies, domestic and residual use, and exports with slightly lower ending stocks. Supplies are raised on both higher beginning stocks and production. The initial survey-based production forecast for the 2025/26 crop year increased production to 208.5 million cwt as higher harvested area offsets a lower yield. The average all rice yield is forecast at 7,636 pounds per acre, down 109 pounds from the prior forecast. Long-grain production is forecast at 154.5 million cwt and combined medium- and short-grain production is forecast at 54.0 million. Projected all rice imports are lowered 1.0 million cwt (all long-grain) to 49.7 million on increased U.S. supplies but still remain at a record. All rice domestic use and residual is raised 2.0 million cwt (all long-grain) to 167.0 million on increased supplies. All rice exports are raised 4.0 million cwt to 97.0 million on increased supplies and stronger sales of U.S. medium- and short-grain to Japan. Projected ending stocks are reduced 0.1 million cwt to 44.6 million, down 12 percent from last year. Both **the 2025/26 long grain and southern medium grain rice season average farm prices (SAFP) remain unchanged at $13.00 and $13.50 per cwt, respectively.**

The 2025/26 U.S. cotton balance sheet for August reflects lower production, exports, and beginning and ending stocks, along with unchanged consumption and imports compared to last month. Planted area is lowered 8 percent to 9.3 million acres based on the NASS August Crop Production report. Harvested area is reduced 15 percent to 7.4 million acres as dryness in the Southwest raises the expected national abandonment rate from 14 percent to 21 percent. The national average yield for 2025/26 is raised over 6 percent to 862 pounds per harvested acre as higher abandonment in the Southwest results in the harvest of fewer lower-yielding dryland acres. The production forecast is reduced to 13.2 million bales, almost 1.4 million bales below the July forecast and 1.2 million bales lower than 2024/25. Exports are reduced 500,000 bales because of the smaller crop. Beginning stocks for 2025/26 are reduced 100,000 bales following a corresponding increase in exports for 2024/25. As a result of these revisions, ending stocks for 2025/26 are projected at 3.6 million bales, down 1 million from last month, for a stocks-to-use ratio of 26.3 percent. With tighter domestic supplies, **the projected season-average upland price for 2025/26 is raised this month to 64 cents per pound.**

Corn

After begin in a chopping pattern for much of late spring, the corn market took a turn lower in late June, as plentiful rainfall throughout the Grain Belt has increased bearish yield thoughts among traders who have slowly but surely eroded the December market down toward $4.00 per bushel, briefly trading below that level on in early August before bargain hunters stepped in to make purchases.

Prior to the release of the August WASDE report, the corn yield could very well be the first thing most traders turn to. This last week has featured a plethora of estimates hitting the newswires, with most ranging from 185 bushels per acre (bpa) up to 189 bpa, well above the USDA trendline at 181 bpa. An increase given the crop's condition at this point seems very likely, but USDA may roll it out piece by piece, especially given last year's late-season weather, which trimmed the top end off yields. The Dow

Jones pre-report survey of 17 firms seems to agree somewhat, with the average trade guess at 184.3 bpa. But opinion is widely split, with a range of guesses between 181 bpa and 188.1 bpa.

Assuming the 184.3 bpa proves accurate, this would equate to right near a 16-billion-bushel (bb) U.S. corn crop, a record by a wide margin. Looking down the balance sheet, analysts are surprisingly bullish in for the old-crop corn carryout/new-crop beginning stocks, with the average trade guess at 1.318 bb. But judging by the collapse of the old- to new-crop futures spreads, traders can't help but wonder if there is truly more corn available through the countryside.

An additional demand piece to look out for in the WASDE report could be 2025-26 corn exports; USDA estimated 2.675 bb in July, but sales to date are more than double the same point in 2024. It seems USDA is notoriously cautious at times about its export estimates. But it may be a place where some of the added supply could be offset. The bottom line 2025-26 ending stocks have an average trade guess of 1.916 bb, according to Dow Jones, which would be a 256-million-bushel (mb) increase from USDA's estimate in July, largely because of the increased yield.

When the August WASDE report was released on August 12, the U.S. corn supply situation for 2025-26 is suddenly looking very comfortable with USDA projecting an ending stocks/use ratio of 13.3%, which would be the highest in 6 years. The stocks/use projection is up from USDA’s previous estimate of 10.8% and up sharply from the tight 8.5% it now forecasts for the current marketing year. USDA now forecasts the 2025-26 season avg. on-farm price of corn at just $3.90 per bushel, down from a previous forecast of $4.20 and this year’s expected $4.30.

The increase in the stocks/use ratio is despite an increase of 545 mil. bu. in USDA’s projected 2025-26 U.S. corn use, including a 250-mil. bu. increase in corn feed/residual use, a 200-mil. bu. increase in projected exports and a 100-mil. bu. increase in expected corn-for-ethanol use. USDA may still be underestimating next year’s U.S. corn exports at 2.875 bil. bul., up just 55 mil. bu. from this year’s exports, which were raised another 70 mil. bu.

Corn traders reckoned the August batch of USDA supply and demand data would be price-bearish—just not that bearish. The agency forecast a bin-buster record U.S. corn crop of 16.742 billion bushels. USDA’s August U.S. corn production estimate increased 1.037 billion bu. from July and was 752 million bu. bigger than analysts had expected. Average yield is forecast at a record high 188.8 bushels per acre, up 9.5 bushels from last year’s 179.3 bushels and 7.8 bushels above the July estimate. Using FSA certified acres, NASS forecast planted acres at 97.3 million acres, up 2 percent from the previous estimate and up 7 percent from the previous year. Area harvested for grain is forecast at 88.7 million acres, up 2 percent from the previous forecast and up 7 percent from the previous year.

Corn futures tumbled to double-digit losses ranging from 10 3/4 to 13 1/2 cents under the weight of USDA’s massive U.S. corn crop estimate of 16.742 bil. bu. and an increase of 457 mil. bu. in the projected 2025-26 U.S. carryout. Losses were limited by soybean futures strength and a weaker dollar. Sep. corn futures fell 13 1/2 cents to $3.71 1.2, while December futures fell 13 1/4 cents to $4.94 1/2 and March futures fell 13 cents to $4.12 1/4.

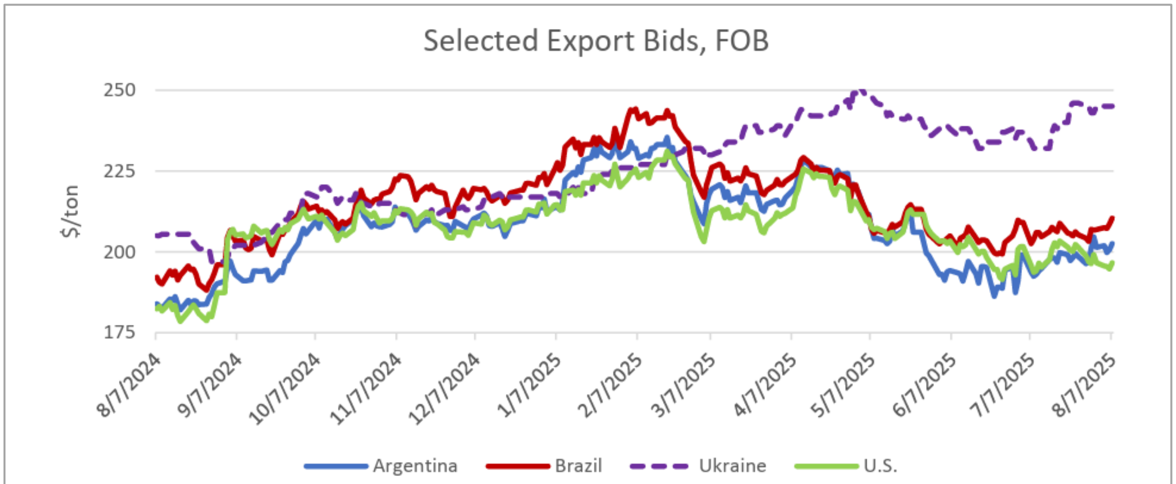
Technically, the market’s action clearly re-established the downtrend in corn futures, as futures charted new contract lows and new low closes. Nearby September futures may now quickly test support at $3.60, last year’s low on the nearby futures weekly continuation chart, while December futures should head for

the 2024 low on the most-active futures weekly continuation chart at $3.85. Given the crop estimate, whether those support points will hold as we approach harvest is no longer clear.

Futures are already oversold on short-term momentum indicators but seem likely to become more oversold before a significant market bottom is finally reached. If December corn does not hold at $3.85, the next potential support on the most-active futures continuation chart would be down in the $3.50-$3.55 area.

The corn futures bears have the solid overall near-term technical advantage and regained power today. Prices are in a 3.5-month-old downtrend on the daily bar chart. The next upside price objective for the bulls is to close December prices above solid chart resistance at $4.15. The next downside target for the bears is closing prices below chart support at $3.75. First resistance is seen at $4.00 and then at today's high of $4.07 3/4. First support is seen at the contract low of $3.92 and then at $3.85.

Since the July WASDE, export bids for all major origins have risen on good global demand and slow early season exports from Brazil. Argentine bids were up $10 to $203/ton while Brazil bids were up $6. U.S. bids were up more modestly, $3 to $197/ton, as a favorable weather outlook supported record prospects for the upcoming harvest. Ukrainian bids were up $13 to $245/ton as seasonally tighter supplies lifted prices.



Source: International Grains Council

Export bids (fob, US$ per ton)	7-Aug-25	8-Jul-25	7-Aug-24	% change, '24 – '25
Argentina, Up River	203	193	184	**10%**
Brazil, Paranaguá	210	204	192	**9%**
Ukraine	245	232	205	**20%**
U.S. #3 Yellow Corn, Gulf	197	194	182	**8%**

Soybeans

The soybean market in mid-June had a high degree of bullish optimism, depending on where the yield ended up and given the breath of fresh air provided to the oil and crush markets by the EPA mandate proposals, the market had the potential to enter a tight stocks situation by 2026. While the jury is still out on the 2025 yield, the slackening pace of new-crop exports due to large South American supplies and China's subsequent absence from the U.S. market has certainly thrown more doubt into the mix for the

upcoming marketing year. This is apparent in the November futures price action since challenging calendar-year highs in mid-June, collapsing below $10.00 per bushel for the first time since early April.

For the August WASDE, average estimates from firms surveyed by Dow Jones are calling for a 4.371-bb soybean crop, with a yield guess of 53 bpa, a half-bushel increase from USDA's already record estimate of 52.5 bpa. With 69% of the U.S. soybean crop rated good to excellent as of the beginning of August and the forecast through August looking decent for pod-filling, some in the trade think a slight increase in the yield is reasonable to expect.

For the U.S. stocks situation, the average estimate for 2024-25 ending stocks is calling for 344 mb, which would be a 6-mb decrease from USDA's July estimate. Given that both the soybean crush and export programs are on target to hit their marketing-year goals, some in the trade don't see any way for a stocks increase, barring a reduction in residual usage.

Taking these potential revisions into account, the bottom line 2025-26 soybean carryout would land just under 350 mb, assuming no new-crop demand changes are made. Analysts in the Dow Jones survey see stocks slightly higher, however, at 360 mb, perhaps penciling in another cut to new-crop exports.

With the release of the August WASDE report on August 12, soybean bulls were cheered today as USDA forecast U.S. soybean production at 4.292 billion bu, just a bit lower than trade expected, at 4.368 billion bu., and compares to 4.335 billion bu. projected in the July USDA report. Yields are expected to average a record high 53.6 bushels per acre, up 2.9 bushels from 2024. Area harvested for beans in the U.S. is forecast at 80.1 million acres, down 3 percent from the previous forecast and down 7 percent from 2024. Big losses in corn and lower wheat futures prices today did somewhat temper gains in the soybean and meal markets.

World Weather Inc. reports that U.S. Midwest will see another two weeks of favorable conditions for crop development and “very high production potentials” Regular rounds of showers and thunderstorms will occur through the middle of next week and many areas that have recently dried down will see a bolstering of soil moisture with nearly all of the region left with enough subsoil moisture to support crop development through the end of the month. Warmer to much warmer than normal temperatures will be most common throughout the next week with widespread, excessive heat not expected throughout the period.

Soybean futures surged another 18 1/4 to 22 1/4 cents higher on speculative short covering after USDA pegged the U.S. soybean crop at the low end of trade expectations on reduced acreage and lowered its 2025-26 U.S. carryout estimate slightly. USDA lowered its soybean crop estimate despite forecasting a record high U.S. yield. A weaker dollar was also supportive for soybean prices. Sep. soybeans rose 21 cents to $10.12 3/4, while November futures rose 21 1/2 cents to $10.32 3/4 and January rose 21 1/4 cents to $10.50 3/4. December soyoil futures rose 14 points to 53.14 cents, while December soymeal futures rose $1.70 to $291.90.

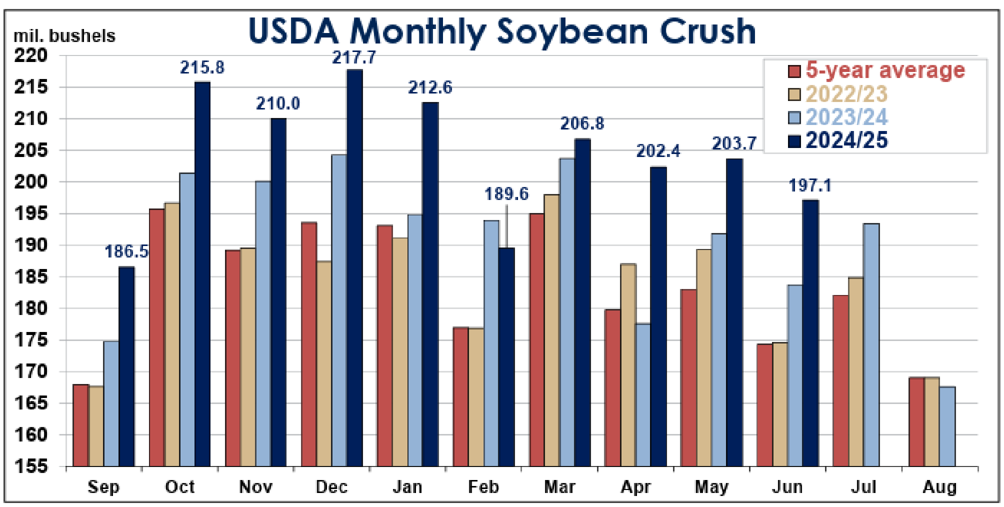
The near-term soybean futures chart picture has suddenly turned very constructive with most-active November soybeans posting their highest close in 3-1/2 weeks and breaking out of a short-term downtrend off of their June price high. November soybeans now have nearby resistance at $10.35 and at $10.43 1/4-$10.44 1/4 from a downward gap left on their daily price chart back in early July. Further resistance is up at $10.58 1/2, while nearby support is at $10.14 1/2 and the recent low down at $9.94.

Post-WASDE report release, soybean futures strength seemed like a bit of an overreaction to the USDA data, but the market was no doubt already factoring in a larger crop and larger ending stocks than USDA had forecast in July, and the modest cut to projected production along was a clear surprise. USDA left its forecast for the 2025-26 on-farm average price unchanged at $10.10 per bushel, but that may be a bit on the low side.

The soybean bears have lost their overall near-term technical advantage and bulls gained technical momentum today. The next near-term upside technical objective for the soybean bulls is closing November prices above solid resistance at the June high of $10.74 1/4. The next downside price objective for the bears is closing prices below solid technical support at the August low of $9.81 1/4.

Earlier in the week, soybean futures shot higher on speculative short covering overnight after President Trump said on social media that he hoped China would "quadruple" its purchases of U.S. beans. Futures held most of their gains despite the absence of any signs of Chinese buying, continued favorable U.S. crop weather and a stronger dollar.

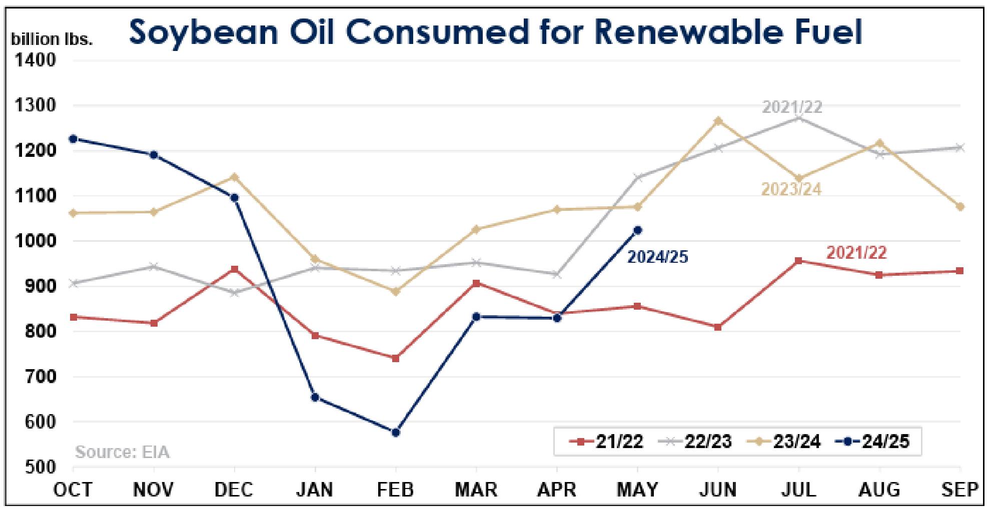
The U.S. soybean crush remained strong during June, coming in 7.3% above a year earlier, according to Monday's monthly USDA Fats and Oils report, although it dropped seasonally from May as processors took downtime. The monthly crush of 193.7 million bushels was a record high for May and was slightly above the average of trade expectations. The crush was also marginally ahead of pace to reach USDA's 2024/25 forecast of 2.420 billion bushels, which is a 5.9% increase over the 2023/24 crush. The U.S. crush for the first 10 months of 2024/25 totaled 2.042 billion bushels, up 6.1% from a year earlier. To reach USDA's crush forecast, the July-August crush must run 379 million bushels, only 5.0% above a year earlier.



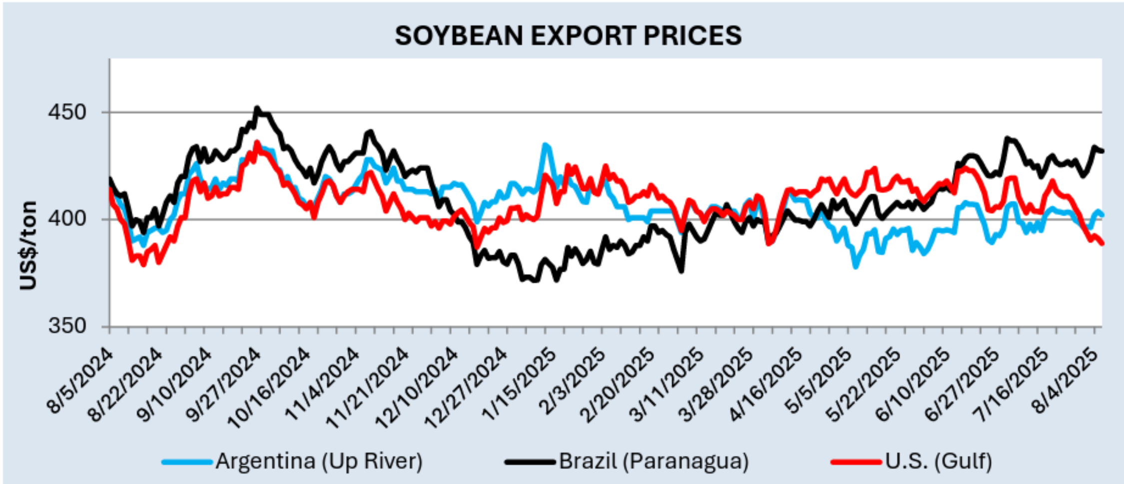
Soyoil stocks remained historically tight, despite record high U.S. production and reduced use of soyoil as a feedstock for renewable diesel and biodiesel in recent months amid increased use of other feedstocks and a modest decline in total renewable diesel/biodiesel production capacity since mid-2024. Through the first eight months of the 2024/25 soyoil marketing year (October-September), U.S. soyoil production was up 6.6% versus a year earlier, to 38.4 billion pounds. Meanwhile, total U.S. soyoil stocks have been well below the five-year average and below the five-year range for seven straight months. Soyoil stocks at the end of June were 10.8% below a year earlier and were easily the lowest for the date in the 10 years that USDA has been issuing its Fats and Oils report.

The Energy Information Administration (EIA) reported last week that U.S. soyoil use for biofuels production jumped seasonally to 1.025 billion pounds in May, from 829 million in April, but was down from 1.076 billion pounds in May 2024. May marked the sixth consecutive month that soyoil use for biofuels was down year-overyear. February use was the lowest since 2021, just after EIA started tracking monthly use. In contrast, U.S. soyoil exports have soared, with USDA forecasting they will hit a five-year high of 2.6 billion pounds in 2024/25 (October-September), more than quadrupling the estimated 617 million pounds exported in 2023/24.

However, the soyoil-for-biofuels/export dynamic is expected to shift back sharply in 2025/26 as U.S. use of soyoil for renewable diesel/biodiesel is forecast to rise dramatically in 2026 due to higher EPA blending mandates and rules making diesel made from imported used cooking oil ineligible for the federal 45Z tax credit. USDA in July cut its forecast for 2024/25 soyoil for renewable fuel use to 12.25 billion pounds from 12.9 billion, based on usage data, but sharply raised its use forecast for 2025/26 use to 15.5 billion pounds from 13.9 billion. U.S. soyoil exports are expected to plunge to 700 million pounds. Total 2025/26 domestic soyoil disappearance is expected to hit a record 29.5 billion pounds, up 10.5% from this year.

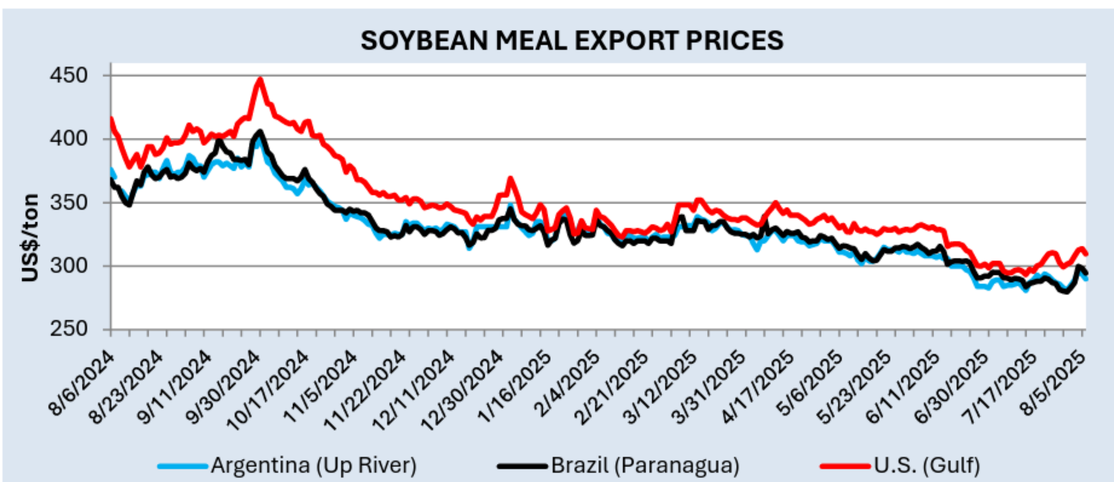


Since the last WASDE report, soybean export prices remain largely unchanged aside from the United States. U.S. soybean export prices have trended downward away from Argentina and Brazil over the past month as crop condition reports confirmed expectations of a large crop combined with lagging export sales. In contrast, soybean meal export prices increased slightly over the month following a multi-month decline that resulted in record lows during July. U.S. soybean meal ended the month rising above $300/ton on strong export sales.

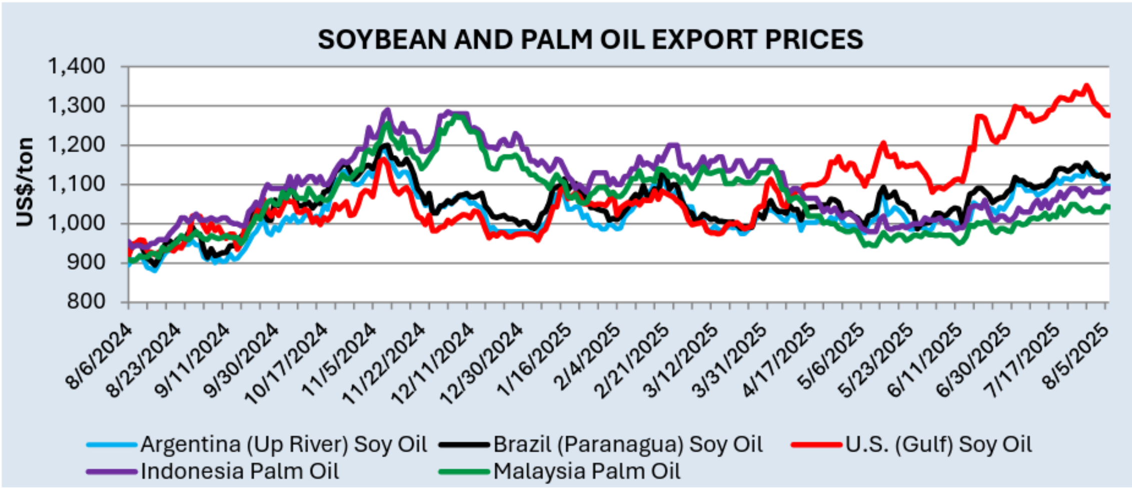


Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

Soybean oil export prices from Brazil and Argentina increased over the past month on strong demand from importers. U.S. soybean oil export prices remain largely unchanged and still hold a substantial premium over alternative origins due to strong domestic demand for biofuels. Ukraine sunflowerseed oil strengthened as production outlook declined. EU rapeseed oil export prices declined over the month as harvest continues across Europe, though prices remain elevated amid presently low supplies. Palm oil remains the world's discount oil with some month-to-month appreciation as import demand accelerates.

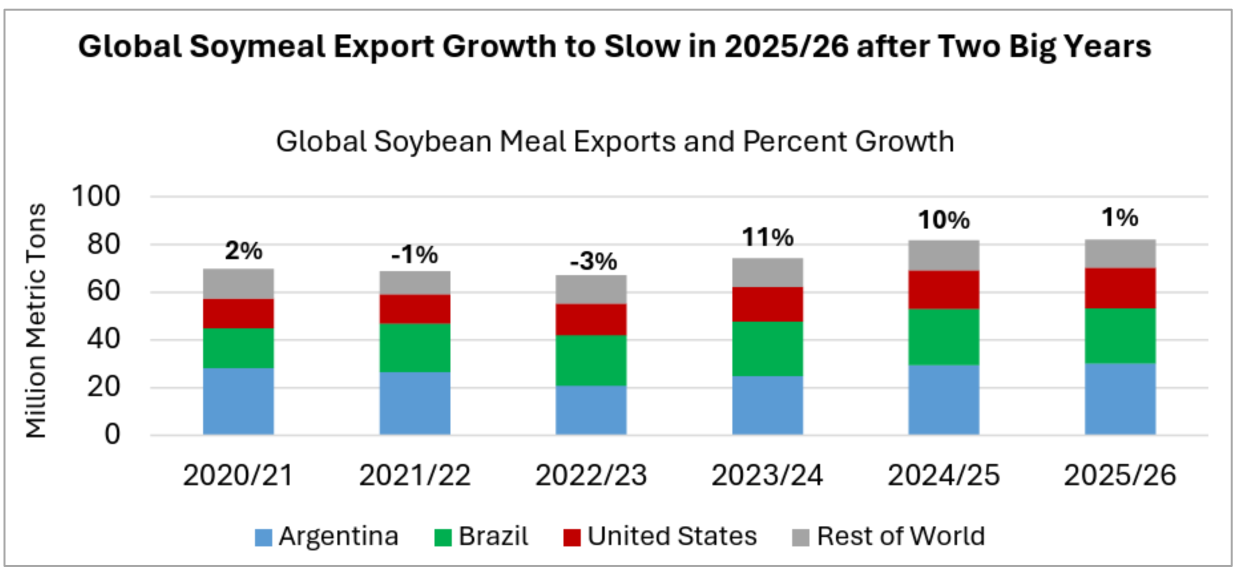


Source: International Grains Council



Source: International Grains Council

Global soybean meal exports are forecast to rise in 2025/26 as meal consumption continues to grow, incentivized by lower soybean meal prices relative to other feed ingredients. While growth is expected to slow compared to double-digit rates in 2023/24 and 2024/25, this would mark the third consecutive year of record soybean meal exports. USDA currently forecasts world soybean meal exports in 2025/26 at 82.0 million tons, a 1 percent increase from 2024/25, but a continuation of a growth trend that has led to exports increasing by nearly a quarter in only 3 years. Lower soybean meal prices were caused by large global soybean supplies and biofuel policies in Brazil and the United States, which increased fat and oil feedstock demand, incentivizing crushing expansion and raising exportable supplies of soybean meal.



Rising global soybean meal supplies beginning in 2023/24 have exerted downward pressure on prices. The average FOB prices have declined from around $550/ton for major exporters in November 2023 to around $300/ton in July 2025. These favorable prices, as well as strong growth in global feed demand, have led to significant import growth for many countries during the 2023/24 to 2025/26 period, when compared to the previous 3-year average. Global soybean meal imports are expected to be nearly 10 million tons higher in this period, driven by import growth in markets including Iran, the European Union, Vietnam, and Mexico.

Rice

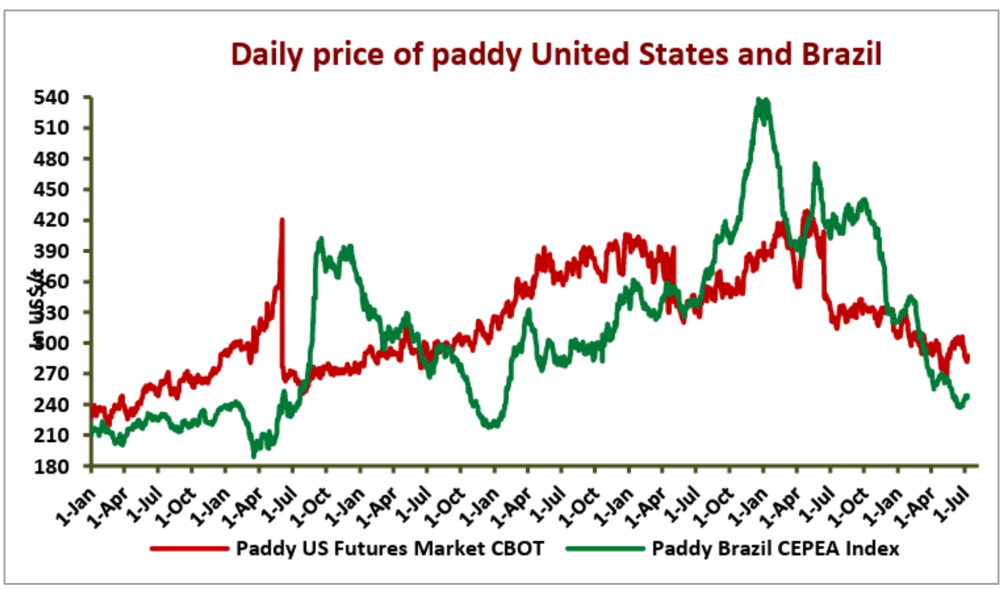
USDA raised its rice carry-in for 2025-26 and the crop estimate, as an increase to acres more than offset lower yield. The long-grain carryout estimate is now 35.3 million hundredweight, versus 34.6 million last month. Rice production is pegged at 208.464 million hundredweight, 3.464 million above a month ago on larger acreage totals, now at 2.79 million for planted area and 2.73 million for harvested area, against a decrease in the average yield, down 109 pounds per acre to 7,636 pounds. Last year, production was 222.133 million hundredweight, with an average yield of 7,748 pounds per acre on planted area of 2.91 million acres and harvested area of 2.867 million acres. U.S. rice crop conditions have been generally favorable outside of Mississippi.

Rice futures ended lower. September rice settled down 19 cent to $12.78, after trading a range of $12.60 to $13.33, November rice was down 21 ½ cents to $12.93 ½, and January rice was down 19 1/2 cents to $13.22.

New crop paddy purchases are starting to emerge, with initial price discovery in Texas and Louisiana. Texas reports prices of $12.50–$13.00/cwt, while Louisiana shows $11.75–$12.00/cwt. There is little to report for new crop activity in Mississippi, Arkansas, or Missouri, which is typical until harvest intensifies by late August. Little demand for old crop contributes to the ongoing problems. California remains quiet, with cash prices for old crop at $11/cwt over loan and no bids yet for new crop.

In the United States, rice prices declined by 2% in a rather quiet external market. In June, exports reached 150,000 t (milled basis), from 180,000 t in May, down 27% from 2024 at the same time. In June, the indicative price for Long Grain 2/4 rice was $661/t, against $674 previously. In early July, the price held steady at $660. By contrast, on the Chicago Board of Trade, rough rice futures were up 6% to $302/t from $285 in May. By Early July, futures prices were down by 5% at $286.

In Mercosur, export prices fell by a further 2.5%. The export market is not very active, despite the efforts of exporting countries to sell their abundant supplies, particularly on regional markets in South and Central America. The Brazilian paddy indicative price fell by 7% to $241/t, from $260 in May. By early July, paddy prices tended to firm up to $247.

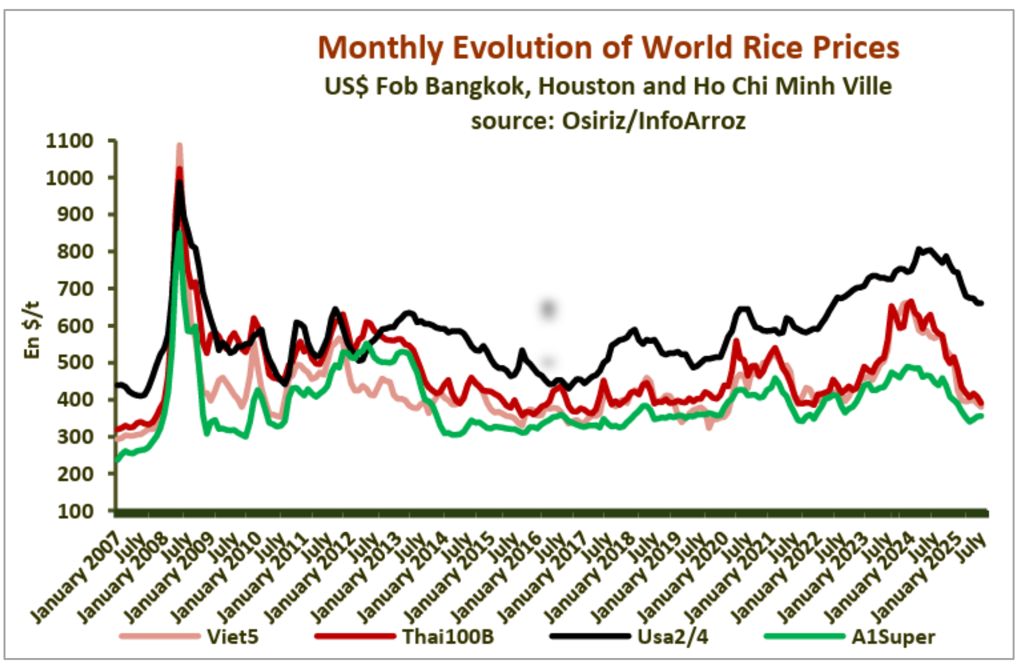


In India, rice prices remained stable, but tending to weaken due to the plentiful of exportable surpluses. Public reserves are at an all-time high, reaching almost 60 Mt against the government target of 13.5 Mt for July 1, 2025. Rice harvests in 2025 looks set to be a record 146.6 Mt (milled basis). Given the abundant supply, exports have been revised upwards and could reach 24.5 Mt in 2025, up 38% from 2024 and accounting for 40% of global rice trade. In June, Indian 5% white rice averaged $382/t Fob, almost unchanged from May. Parboiled rice also held steady at around $375. By early July, prices were stable.

In Thailand, prices fell by 2% due to the slowdown in external demand and despite the firmness of the bath against the dollar. Export supply is satisfactory, and traders are expecting more supply from the end of August with the first early harvests. In June, Thai 100%B marked $407, from $416 in May. Parboiled rice traded at $404, against $413 previously. In contrast, Broken rice A1 Super rose again to $354 again $346 in May. By early July, Thai prices were still trending downwards.

In Vietnam, export prices fell more sharply, by 2.5%, due to the strong mitigation of exports in June. Supplies are ample following good winter spring harvests and the start of early summer-autumn harvests. Prices are at their lowest since January 2022. 2025 should be less difficult than expected, thanks to sales to the Philippines, the main market for Vietnamese rice, and to West Africa. At present, exports are 8% ahead of this time last year, and could reach a total of 8.4 Mt, from 9.1 Mt in 2024. In June, Viet 5% traded at around $389, against $400 previously. Viet 25% dropped to $363 from $370. By early July, prices were tending to stabilize.

In Pakistan, rice prices have remained almost unchanged and remain competitive compared to Indian prices. In 2025, exports could fall by less than expected, to 6 Mt against 6.5 Mt in 2024. In June, Pak 5% traded at $393 versus $391 in May. In early July, Pakistani prices were firmer.

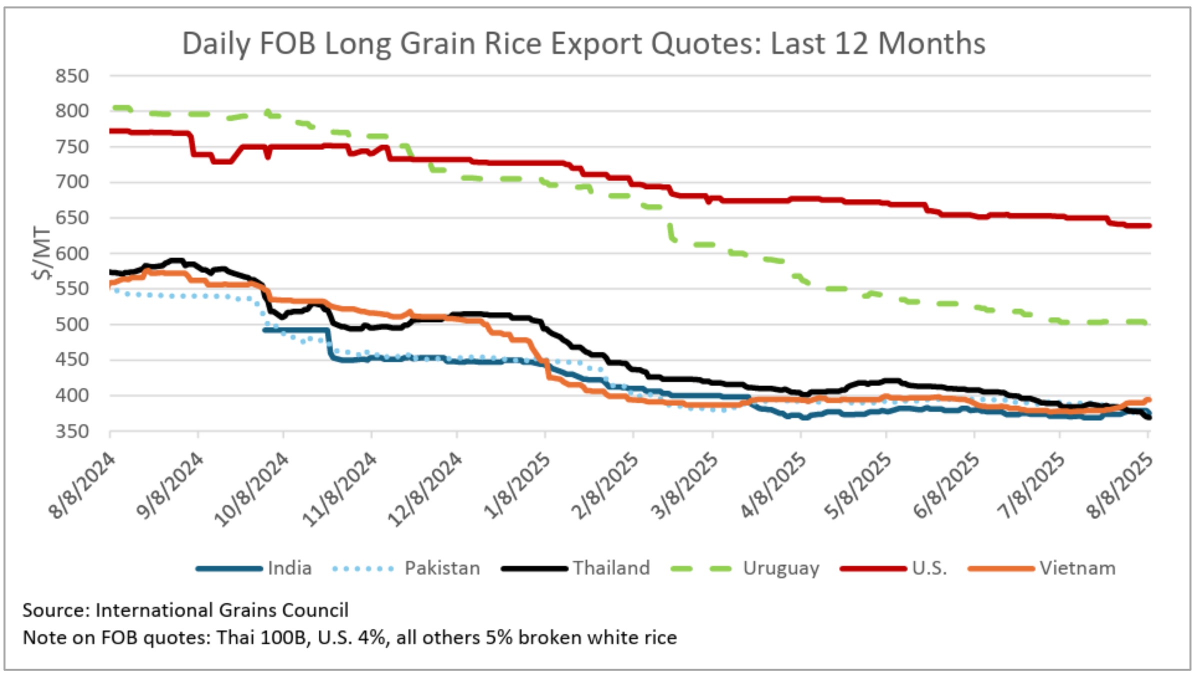


President Trump signed an Executive Order authorizing an additional 25% tariff on imports of certain goods, including rice, from India. As of August 7, a 25% reciprocal tariff will apply to Indian rice imported into the U.S. Then, on August 27, the additional 25% tariff enacted by this Executive Order will

take effect, resulting in a total 50% tariff on Indian rice. This 50% tariff on basmati imports is expected to reduce demand, hopefully encouraging customers to purchase more U.S.-grown rice. These tariffs indirectly address the WTO suits filed by the U.S. rice industry against India's subsidies and price distortions, achieving a similar outcome. Additionally, reciprocal tariffs of 19% are now in effect for imports of Thai rice.

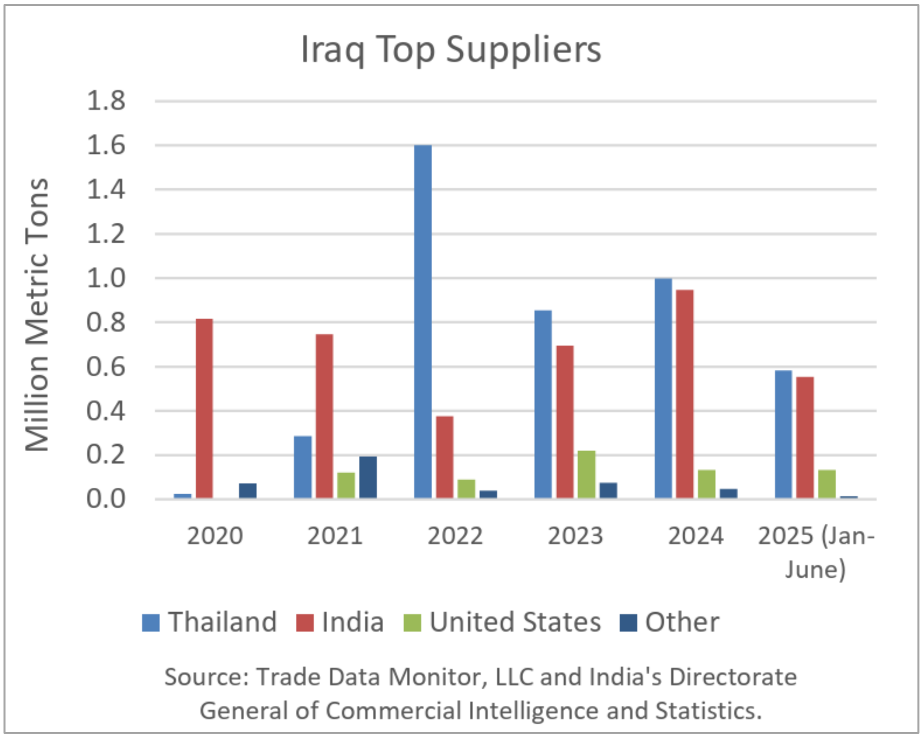
Increased tariffs on some Asian countries, particularly India, could impact imports, and potentially drive more growers to plant other varieties in the U.S. That is a long-term project, however, and not one likely to impact prices in the near-term. In the near-term, harvest pressure could be a negative factor limiting the market's upside, unless reported yields start to disappoint. Fundamentally, the market at current levels appears to be underpriced.

Since the July WASDE, U.S. quotes fell $13 to $639/ton as sales continue to decline to key markets in Latin America. Uruguayan prices decreased $3 to $500/ton, reflecting sluggish sales. Indian quotes ($374/ton) increased $4 given strong interest from Bangladesh. Vietnamese quotes ($394/ton) increased $16 with large sales to the Philippines and Africa. Thai quotes dipped $15 to $369/ton to garner more demand from importers. Pakistani quotes ($362/ton) dropped $29 on weak interest from major markets in Africa.



Over the past 6 years, Iraq's imports have doubled, benefitting top suppliers Thailand, India, and the United States. Iraq is Thailand's second-largest market and the top market for regular white rice. Consumption of regular white rice has grown largely because of the Public Distribution System (PDS), which increased annual rice allowances over the past decade. PDS distributions are primarily long-grain rice purchased by the Iraqi Government. While there are some smaller distributions of basmati in the northern Kurdish region, higher-priced basmati rice is more often sold commercially. For India, Iraq is the sixth-largest market overall and the third-largest market for basmati rice. Although India has been the primary supplier over the past decade, Thailand seized market share in 2022 when India implemented restrictive export policies. Since then, India and Thailand have been in tight competition for market share in this critical growing market.

For the United States, Iraq is the second largest long-grain milled market so far in 2025. Through June, U.S. exports to Iraq are the highest in 5 years and increased over 50 percent compared to 2024. Iraq has a memorandum of understanding with the U.S rice industry calling for annual purchases of 200,000 tons of U.S. rice, which the Iraq government purchases to improve food security for Iraqi households. Iraq's domestic production is severely impeded by water scarcity and insecurity. In 2025/26, Iraq is forecast to produce 225,000 tons of milled rice, down 19 percent from the previous year and accounting for less than 10 percent of domestic consumption, making it insufficient to meet the increasing growth in per capita consumption.



Cotton

December futures settled the week prior at 66.60 cents. The weekly settlement kept the 66-cent handle on the market for the second consecutive week. However, the market spent the week trading below all five of the major moving averages (10-, 20-, and 40-day), as well as the 100-day and the 200-day moving averages- the signature of a market looking to move lower. Additionally, we have seen the building of lower highs and lower lows- the definition of a downtrend. December also broke below its 12-to-13-week trading range, falling below 66 cents during last week's trading and touched 65.88 cents before recovering just before the weekly closing bell. The current trading pattern suggests prices will fall as low as 63 cents, basis December, before finding support.

In the August WASDE report, the USDA's yield estimate will be a subjective estimate, as the first objective yield survey will not be conducted until September1 and made public on September 12. Some in the trade might refer to the current crop situation as normal. However, the crop is very late, and this gives time for moisture to boost yields higher. Should the region receive both August and September rain, yields could still be very significant. Consequently, market prices are free to drift lower with the smell of any moisture in the air. Much of the acreage needs additional moisture, but some locations have enough to harvest 800 pounds even if no more is received.

Simply, it is far too early to put a number on the size of the U.S. crop. The September estimate will give us a hint, but it will be the October and then the November estimates that could move the market. Recall the mention of a late crop. Thus, it could be December before we have a solid feel for the size of the 2025 U.S. cotton crop.

The market will require documented estimates indicating that the size of the U.S. crop is decreasing before prices can again challenge the upper 60s. Such documentation is not expected, at the earliest, for another month.

Cotton traders got a bullish surprise from USDA via the agency's WASDE report. The USDA significantly lowered its U.S. cotton production estimate by 1.386 million bales from the July projection, to 13.214 million bales. The trade expected 14.55 million bales and compares to 14.6 million bales projected in July. Traders expected only a modest production cut. USDA estimates the yield at 862 lbs. per acre, up from 809 lbs. last month. Harvested acres were reduced by 1.3 million acres, largely due to reduced plantings as found in FSA certified acres, as plantings are now estimated at 9.277 million acres.

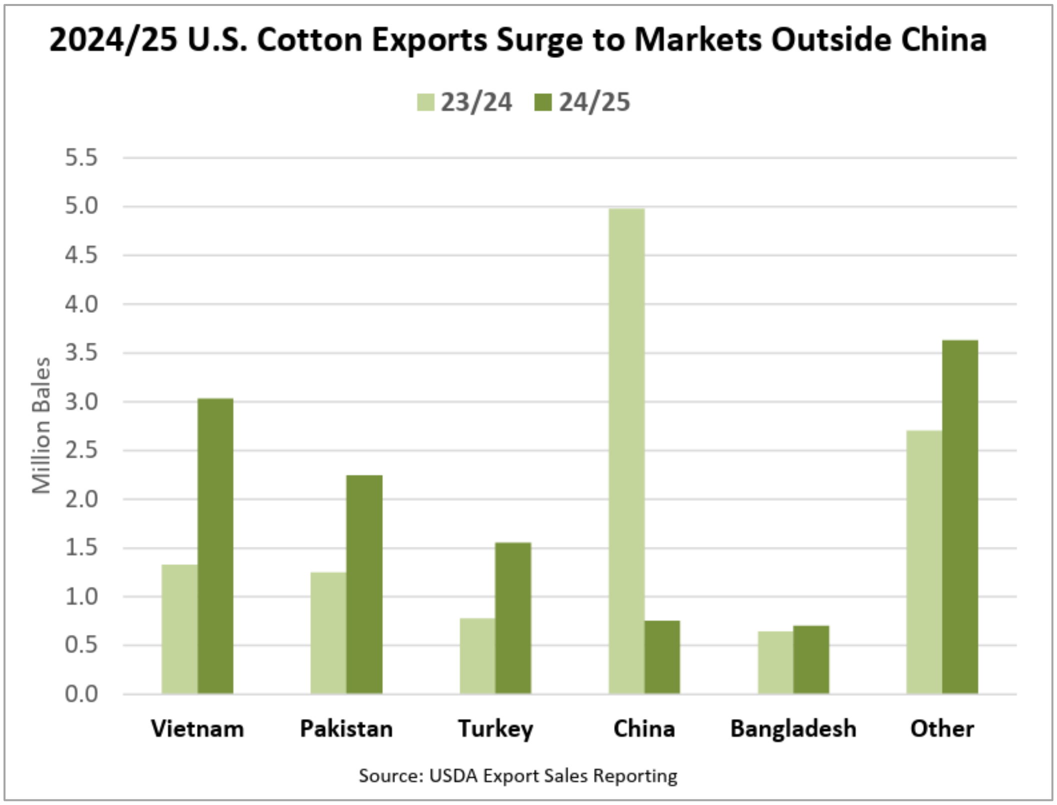
World Weather Inc. today said rain was greater than expected in western Texas and southwestern Oklahoma Monday, where many areas from the central to the southern Panhandle to northern parts of West Texas and southwestern Oklahoma received enough rain to increase soil moisture while lighter rain fell on most of the remainder of western Texas. Rainfall totals in the region described were 0.35 to 1.35 inches most often with some pockets of lighter rain along with several greater totals to near or just over 2.0 inches. Many other areas in western Texas received up to 0.15 inch of rain and locally more with some pockets of dry weather along with pockets of 0.15 to 0.75 inch and locally more in some southern parts of West Texas and the east-central and northeastern Panhandle. Rain also fell on portions of the central and northern Panhandle where totals were 0.09 to 0.88 inch. High temperatures in the west were in the upper 80s to the middle 90s Fahrenheit while other areas saw highs in the middle 90s to the lower 100s.

December cotton rose 163 points to 68.39 cents, nearer the daily high and hit a two-week high. The cotton bulls have gained the slight near-term technical advantage with solid gains. The next upside price objective for the cotton bulls is to produce a close in December futures above technical resistance at the June high of 69.52 cents. The next downside price objective for the cotton bears is to close prices below solid technical support at the August low of 65.88 cents. First resistance is seen at today's high of 68.47 cents and then at 69.00 cents. First support is seen at 68.00 cents and then at 67.50 cents.

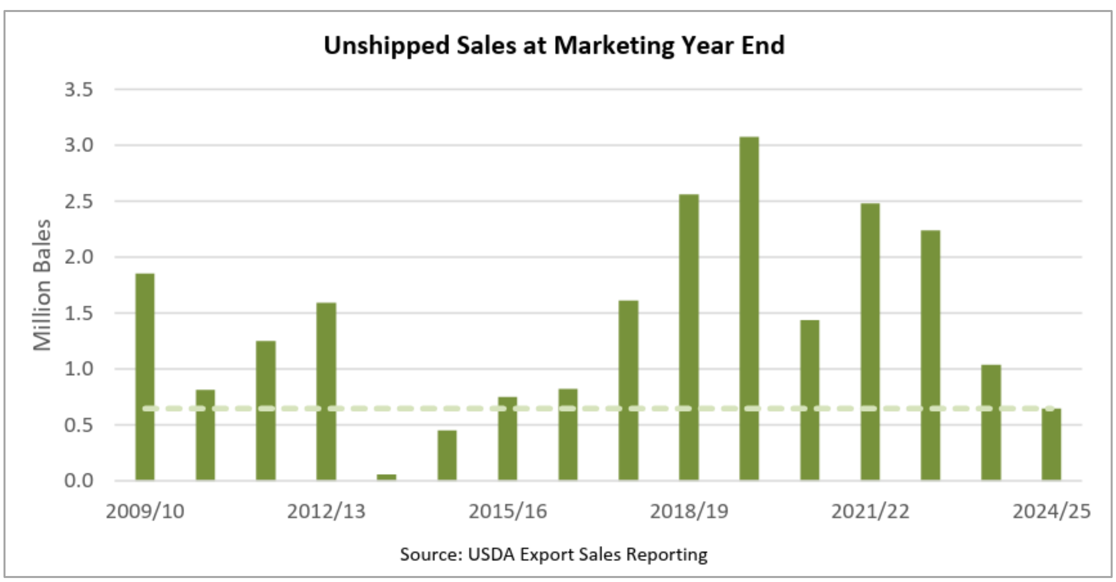
2024/25 U.S. cotton exports (August 2024 – July 2025) are estimated at 11.9 million bales, nearly 200,000 above the previous year.1 This is despite lower global imports and U.S. shipments to China falling over 4.0 million bales. Import demand from Vietnam, Pakistan, and Turkey surged due to higher cotton consumption; lower cotton prices and resilient growth in cotton product demand from developed markets supported consumption growth.

Vietnam was the most important market in boosting U.S. shipments over the previous year and above earlier USDA forecasts.2 Exports to Vietnam more than doubled to over 3.0 million bales, one-quarter of total U.S. shipments. The country has witnessed record cotton consumption and imports due to notable growth in exports of finished products.

U.S. exports to Pakistan rose 1.0 million bales compared with the previous year to 2.2 million, one-fifth of total U.S. shipments. The country's imports (like Vietnam) were a record due to strong consumption growth coupled with lower domestic production. Textile producers in Pakistan and Vietnam have benefited from U.S. importers shifting more apparel orders to their countries and away from China.

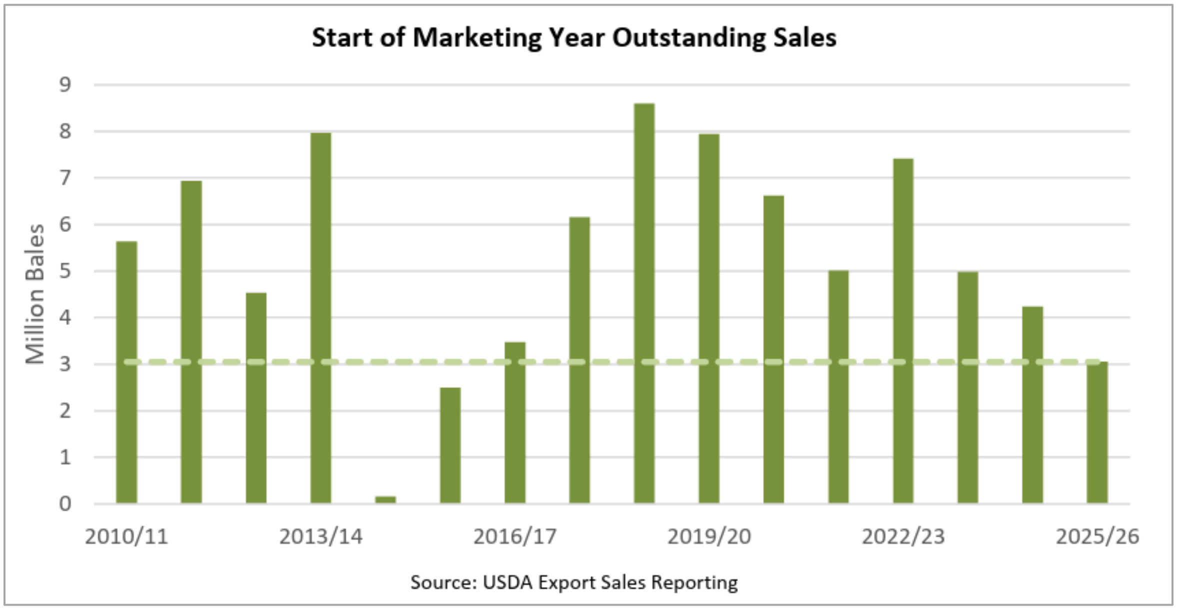


An additional factor boosting U.S. shipments above earlier USDA forecasts was the relatively high percentage of sales that physically shipped before the end of the marketing year (July 31). For the previous 5 years, the average level of sales that did not physically ship, despite being registered to ship by the end of the marketing year, was roughly 2.0 million bales. This contrasts with 650,000 bales this year, the lowest volume of unshipped sales in nearly a decade.



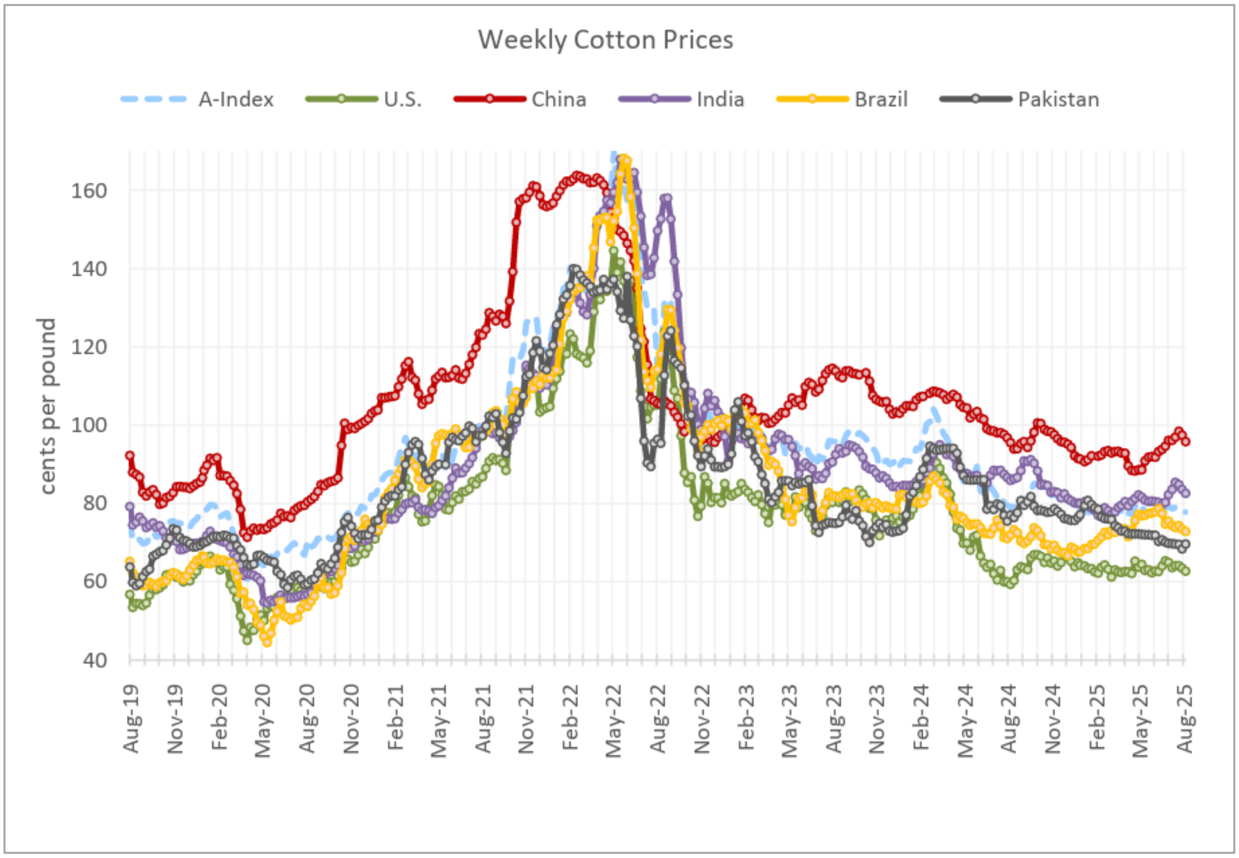
Outstanding sales at the end of the marketing year (2024/25 in this case) typically carry over to the new marketing year but sales are sometimes canceled. A lower level of sales carried over to the new marketing

year (2025/26) has somewhat suppressed the level of sales to begin the new marketing year. Sales to start the 2025/26 marketing year are the lowest in nearly a decade at roughly 3.0 million bales. 2025/26 U.S. exports are forecast to rise 100,000 bales to 12.0 million, mostly unchanged from the previous year. The relatively low level of current outstanding sales implies reported purchases of U.S. cotton are expected to rise significantly over the next year.



Since the last WASDE report, cotton futures on the Intercontinental Exchange (ICE) are unchanged at around 67 cents per pound. The latest Commodity Futures Trading Commission Commitment of Traders supplemental report for futures and options showed the net long (buy) position (as of August 5, 2025) for both Non-Commercial and Index participants falling to 900 contracts.5 With open interest at around 275,000 contracts, this implies that Non-Commercial and Index participants are practically equal between long and short positions.

U.S. spot prices are down 1 cent to around 63 cents per pound. Basis is unchanged at around -300 points. China prices are unchanged at 96 cents per pound. Basis (relative to ICE) is unchanged at around 2,900 points. India prices are down 1 cent to 83 cents per pound. Basis is mostly unchanged from last month at 1,500 points. Brazil prices are down 1 cent to 73 cents per pound. Basis is mostly unchanged at 600 points. Pakistan prices are unchanged at 70 cents per pound. Basis is mostly unchanged at 300 points. The observed A-Index this month includes the simple average of the following 5 quotes: Brazil, Memphis/Orleans/Texas, Ivory Coast, Memphis/Eastern, and Australia. Brazil is the lowest quoted origin at 73.50 cents per pound; Australia is the highest at 79.50 cents. The A-Index relative to ICE is roughly 11 cents higher and similar to the previous year. Note the A-index includes the 5 cheapest origins of 'medium grade' cotton landed at a port in the Far East; quotations are compiled and published daily.



PLC Farm Program Payment Projections – 2024/25 CY and 2025/26 CY

The table below projects the national marketing year average prices for Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

Covered Commodity	***2024/25 MYA Price****	*Effective Reference Price*	***2024/25 PLC Payment Rate***
Corn	$4.30	$4.01	--
Grain Sorghum	$4.10	$4.06	--
Long Grain Rice	$14.10	$14.00	--
Medium Grain Rice	$15.20	$14.00	--
Seed Cotton	$0.3401	$0.3670	$0.0269
Soybeans	$10.00	$9.26	--
Wheat	$5.52	$5.50	--

*The 2024/25 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on August 11, 2025.

Covered Commodity	***2025/26 MYA Price****	*Effective Reference Price*	***2025/26 PLC Payment Rate***
Corn	$3.90	$4.42	$0.52
Grain Sorghum	$3.70	$4.67	$0.97
Long Grain Rice	$13.00	$16.90	$3.90
Medium Grain Rice	$13.50	$16.90	$3.40
Seed Cotton	$0.3419	$0.4200	$0.0781
Soybeans	$10.10	$10.72	$0.62
Wheat	$5.30	$6.35	$1.05

*The 2025/26 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on August 11, 2025.

<u>Sources</u>: USDA Agriculture Market Service (AMS), USDA Foreign Agriculture Service (FAS), USDA Farm Service Agency (FSA), USDA National Agriculture Statistics Service (NASS), USDA Economic Research Service (ERS), USDA FAS GAIN Report, USDA Office of Communications, USDA World Supply Demand Estimates (WASDE), ADM Investor Services, AgDay, Ag Fax Media, AEI, Ag Market Network, Agri-Pulse, AgRural, Ag Resource Company, Ag Web, Agricultural Market Information System (AMIS), Allendale, American Farm Bureau Federation, Bloomberg News, Brock Report, CME Group, Co-Bank, Cotbase.com, Cotton Grower, Cotton Incorporated, Cotton Outlook, Creed Rice Report, O.A. Cleveland, Daniels Trading, Delta Farm Press, DTN Progressive Farmer, Farm Futures, Fastmarkets, Fiber 2 Fashion, Gro Intelligence, Hightower Report, Intercontinental Exchange, International Grains Council, Iowa State University, INTER-RICE, Lakefront Futures and Options, LSU AgCenter, Mississippi State University, NOAA, National Cotton Council, No Bull, Peterson Institute of International Economics, Plains Cotton Cooperative Association, Plexus Cotton, Pro Farmer, Refinitiv, Reuters (Karen Braun), Rice Market Letter, Southeast Farm Press, Sovecon, StoneX, Standard Grain, Successful Farming, Texas A&M University (John Robinson), Textile Exchange, Total Farm Marketing, University of Arkansas, University of Georgia, University of Illinois, University of Tennessee, U.S. Grains Council, U.S. Rice Producers Association, USA Rice Federation, U.S. Soybean Export Council, United Nations Food and Agriculture Organization (FAO), and the Wall Street Journal.

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