

A TIME OF GRATITUDE AND GROWTH

The summer sun is setting a little earlier every day and the calendar has turned to September.

It's one of my favorite months of the year. The silage cutters are rolling, the soybeans are turning, the calves on grass are blooming and thank goodness football is back for all to enjoy!

What a year 2025 is turning into. It's a record-breaking cattle market, a profitable hog market, and what appears to be record-breaking corn and soybean yields waiting in many fields across the upper Midwest.

For many who have been grinding away in production agriculture for multiple



By Tim Meyer
President, CEO
Producers Livestock Marketing Association

decades, this is certainly a time to be grateful and appreciative of this good fortune.

I know the cash grain farmers reading this might beg to differ with my definition of good fortune due to challenging grain prices, but I do know that having a large crop to sell is a far better alternative to empty bins and crop insurance checks.

Over the past two years,

we have invested considerable resources in promoting Producers Livestock Marketing Association (PLMA) as your full-service livestock marketing partner in the upper Midwest.

As most of you know, we are here to help with the sourcing of livestock, the financing of livestock and the always-important task of managing the downside risk on those live-

stock purchases.

In that same timeframe, we have hosted numerous regional summits across our trade territory to show our appreciation for your business and to also share with you the entire menu of services we provide.

We are pleased that you have chosen to do business with PLMA in the department that best suits your needs, and we want to remind everyone that you choose the services you take advantage of at PLMA.

One does not have to do business with the credit department to utilize the commodity department or the marketing departments, or vice versa.

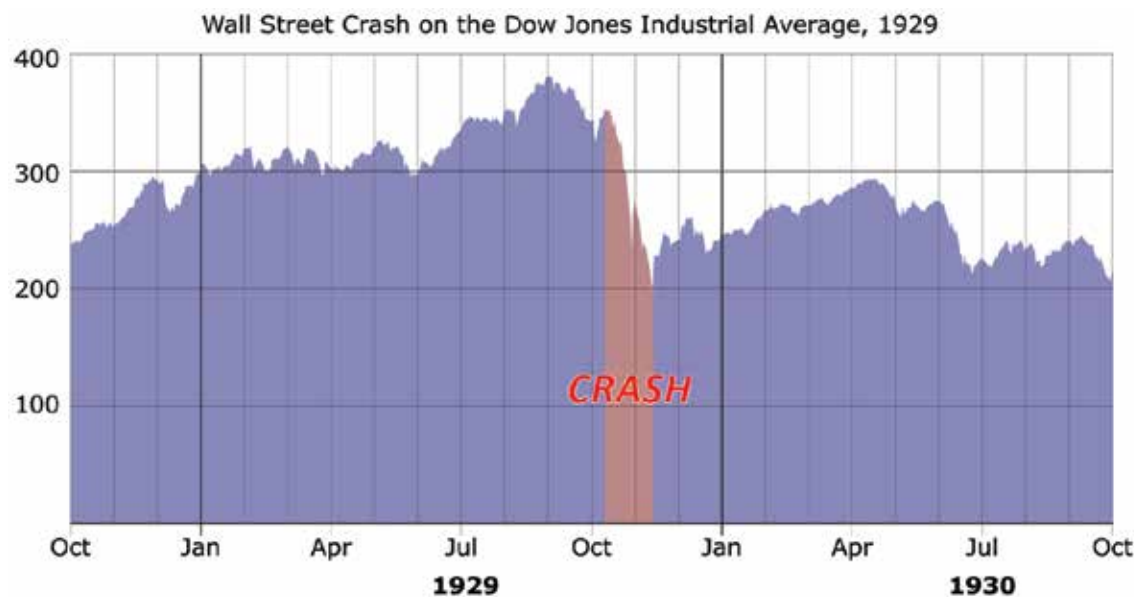
We would be thrilled to

serve you in all of our departments, but we want you to understand that if you like your banker for financing but want to hedge with us and use our marketing agents, that is 100% acceptable.

Our services are interchangeable, and we'd be honored to serve you in any way possible.

Thanks to many of you, PLMA has experienced growth in all of our departments over the past three years, and we hope to continue that trend in the years ahead.

Please reach out to any of our staff with any questions about how we can help you with your operation. On behalf of everyone at PLMA, please stay safe out there this fall!



IS IT THE 'ROARING 20s' ALL OVER AGAIN?

I'm not exactly a student of history, but recently I was reminded by a former bank client that the 2020s could possibly be a repeat of the 1920s.

I've heard the 1920s referred to as "The Roaring '20s" on numerous occasions, and if you were to look at the cattle market today, "roaring" might be an understatement. After all, boxed beef prices are up \$85 since the start of the year, and the feeder cattle index is up almost as much, with a \$77 increase in the last eight months.

At the start of 2020, boxed beef was in the \$230 range and today it's in the \$415 range.



By Bart Thoreson
Senior Vice President, credit department
Producers Livestock Credit Corporation

During the same time frame, the feeder cattle index has gone from \$151 to \$365. I don't think anyone in my inner circle can say they predicted this.

I truly love the fact that we have a market that is allowing profitability in the cow-calf sector, as well as those back-grounding cattle and finishing

their cattle.

For those following the stock market, you are also aware that the Dow Jones has gone from 28,000 to 45,000 since the start of 2020. It seems like only yesterday when it hit 30,000 and all the talk was that it was peaking

■ SEE CRASH ON PAGE 2

PRODUCERS
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2026 Board Openings

Are you or someone you know interested in becoming a part of the board of directors for Producers Livestock?

Elections for directors are held annually in February. Directors are elected for a three year term. To run for a director position, person must be an active member/customer of Producers Livestock. Regions up for re-election in 2026 are the Minnesota region, Kansas and Missouri region, and the northern Iowa region.

If you are interested or would like more information about sitting on the board, please contact either Tim Meyer or Deb Engler at 402-597-9189 by January 1, 2026.

2026 Board Openings

Minnesota
Northern Iowa
Kansas & Missouri

Minnesota

Currently held by Jay Bakken

Kansas & Missouri

Currently held by Jay Rezac

Northern Iowa

Currently held by Mark Philips

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PRODUCERS PRIME PERFORMER

At Producers Livestock, it's not just our services that set us apart — it's the people behind them.

This quarter's Producers Prime Performer is someone known across the industry for building trust, creating opportunities and showing up in a way that supports others, both inside and outside our company.

Scott Hodne has built a reputation as someone you want in your corner. Whether you're a producer looking to place calves, a buyer needing quality fat cattle or a new agent trying to learn the ropes, Hodne is the kind of person who finds a way to get you what you need.

Throughout his career, Hodne has focused on building relationships that last. At a recent cattle sale, he was spotted doing what he does best: visiting with cattle feeders about the value of a set of calves, walking them through risk management tools, then picking up the phone to line up a follow-up visit from a local agent. He's constantly opening doors for others, thinking one step ahead and making sure good cattle find the right home, all the while making sure producers have the right tools in their tool belt to manage their operation effectively.

"Scott is a team player that goes out of his way to do the best for the company and his producers," says Mike Sila, senior vice president of beef marketing. "He's always willing to assist and help other beef agents and employees. He's innovative, collaborative and has an outstanding work



Scott Hodne



ethic."

It's not just our team that takes notice. Industry expert Rick Machado shared this:

"Scott creates more market for a class of cattle that is difficult to sell. Geographically, the West Coast cattle are at a freight disadvantage. The market is dictated in the Midwest, and he finds ways to reach that market. Scott gets creative with orders and helps producers with big, fleshy calves coming at an odd time of the year. He adds real value through his connections to Iowa farmers who like those kinds of cattle. He's a real factor in what we do out West."

Hodne's knowledge of qual-

ity cattle and how to market them plays a big part in the value he brings. He consistently sources top-tier cattle from programs with the kind of genetics that feedlots want and packers demand. And when someone calls with a last-minute ask for fat cattle, Hodne delivers.

If you've worked with him, you know he's always got a connection, a joke or a story with a few photos on his phone to go with it. His influence in the industry stretches far, and he uses it to benefit others, never just himself.

As we celebrate Hodne's impact through this quarter's Prime Performer award, we're reminded once again of what makes this team different: people who take the time to teach, connect and lead by example.

We look forward to highlighting a new Producers Prime Performer each quarter — someone going above and beyond to serve our company, customers and partners across the industry.

CRASH

■ FROM PAGE 1

and a smart investor should take their profits and run.

In the 1920s, taking as much risk as possible was rewarded with large gains in the stock market, as well as almost every other market. People who bought with credit looked very smart and made financial gains compared to those who used only cash to finance their business.

It's very similar to what the cattle market has done in the

last couple of years. Those who are buying high-priced cattle are being rewarded with even higher-priced cattle a month later.

Access to capital seems to be an unlimited want, and even with elevated interest rates, the market continues to reward the use of credit in a big way.

Keeping the pens full at all costs has been a rewarding business plan, to say the least.

The interesting part about studying history is we can usually all agree when the top has come in the market. Predicting the top is much harder, as we

all know.

It is almost universally agreed that Oct. 29, 1929, was when the bull market finally turned. I believe the stock market corrected 13% in one day.

Once the market started falling, those using primarily only credit felt their world being turned upside down. It was very unfortunate that all those gains that were made early in the decade were almost all wiped out in a matter of weeks.

Will this bull market last late into 2029, or will the bear market come sooner is the question I would love to know the answer to.

If you are in my camp and can also agree you don't know the answer either, please keep top of mind all the tools we have to protect these elevated prices and don't let these 2020s be an end like so many others experienced at the end of the 1920s.

If and when our "Black Tuesday" comes this decade, those of you with a strong price-protection plan will be glad you have it.

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RISKS REMAIN WHILE CATTLE MARKETS SOAR

Cash cattle trade in Nebraska for August ranged from \$243-\$245 per hundredweight (cwt.) free on board (FOB). We saw a little outside trade at \$246 and \$247 cwt. FOB in central and western Nebraska.

Trading at record levels, we still strive to reach \$250 cwt. FOB for cash trade. As we see boxed beef prices rise and packer losses decline, maybe it will be in the near future.

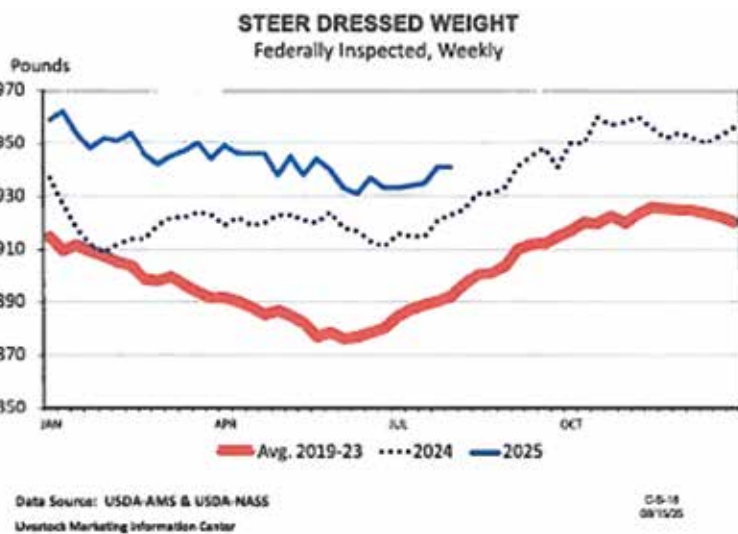
In August, we saw some of the lowest non-holiday weekly slaughters on record, with steer and heifer slaughter at 430,000 to 450,000 head per week for the month. At the same time, the weekly cattle slaughter was 530,000 to 550,000 head. Year-to-date, we have seen a 6.9% decrease in the federally inspected slaughter compared to last year. This has led to a 4% decrease in beef production year-to-date.

Heavier carcass weights continue to keep total beef production from falling faster than it is. Steer carcass weights have averaged from 930 to 941 pounds through the summer. This is 15 to 20 pounds heavier than last summer.

Boxed beef prices have been supported by the drastic cuts we saw in the slaughter rates



By Mike Sila
Senior Vice President, Beef Department
Producers Livestock Marketing Association

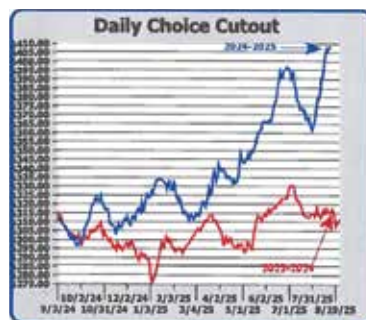
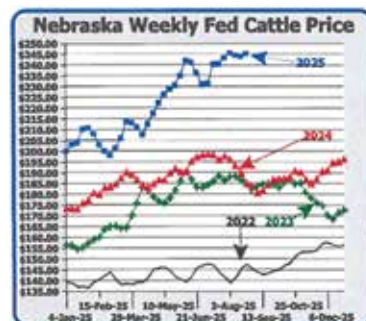


in August. On July 31, the Choice Boxed Beef Cutout was \$361.32. It closed on Aug. 26 at \$413.17, a \$51.85 increase in four weeks. A significant portion of this increase is due to the decrease in slaughter and lower beef production.

As we gear up for the fall run, it appears that cheap feed

costs and increased competition for feeder cattle will keep prices at record levels again this year.

The Aug. 1 U.S. Department of Agriculture Cattle on Feed report had the cattle inventory at 98% of last year. Cattle on feed in Nebraska was 103% and Iowa at 106% of last year.



Placements in July for Nebraska were down 2%, with Iowa 18% higher than July 2024. Overall placements were 93% of last year.

We are entering this fall at levels we have never seen before. Feeder cattle prices, CME feeder cattle futures, cash fed cattle prices and CME live cattle futures are all at or near record levels. Consumer demand continues to remain very strong, but where is the

tipping point? And as usual, the cattle market is very susceptible to outside news and unrelated events. Risks may have never been higher than today.

As you continue to place cattle this fall, please reach out to your Producers Livestock beef agent or commodity broker to assist you with your price risk management strategy.

Thank you for the opportunity to be a part of your team.

WILL BEEF PRICES HOLD UP AFTER GRILLING SEASON?

Heading into Labor Day weekend, choice boxed beef traded over \$415, while select traded at \$390.

The big question now: with Labor Day traditionally marking the "end of summer" and grills slowly getting put away, will we see a seasonal decline in boxed beef?

The rise in boxed beef has improved packer margins,



By Shawn Smith
President
Producers Commodities, LLC

leading to larger harvest numbers than we've seen so far this

summer. For the week ending Aug. 30, steer and heifer weights were up 4 pounds, putting them 13 pounds above a year ago.

In the cash trade, the South is starting to trade higher while the North remains steady, slowly narrowing the large basis we've been seeing.

It's worth noting that the five-year average for basis from September through October is even, meaning the southern trade could continue to close the gap on the northern trade.

The feeder cattle complex has been nothing short of amazing. In my last article, just after the Fourth of July holiday, the feeder cattle index traded at \$312.04.

By Aug. 29, it had risen to \$365.08. That is a \$53.04 increase in eight weeks! With high cash feeder prices, the September feeder cattle contracts hit a high of \$370 on Aug. 27 before pulling back to trade more in line with the index.

As cash feeders continue to set records both at sale barns and internet auctions, it makes sense that we're seeing heavier fats going to market. The cheap cost of gain makes it more attractive to feed the cattle longer before replacing them with today's high-priced feeders.

Hogs have also benefited from stronger beef prices. Pork cutout values remained between \$111 and \$114 through most of August, compared to an average of \$98.84 last August.

Year-to-date pork exports are approximately 5% below the USDA's export projection, with the bulk of all exports going to Mexico.

In fact, the next largest

importer of U.S. pork is Japan, which is 300,000 metric tons behind Mexico. Even with softer export demand, lean hogs rallied nicely to close out August. Coupled with cheap corn and soybean meal, producers are now able to hedge profits into 2026.

Finally, I'd like to introduce a new member of our Commodities team. Alex Gerdes joined Producers Livestock at the end of August as a broker.

Alex is a graduate of Iowa State University, holds a Series 3 license, and brings more than five years of experience in market analysis and risk management planning.

Please join me in welcoming Alex to the team.



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BACON, BELLIES AND THE BOTTOM LINE

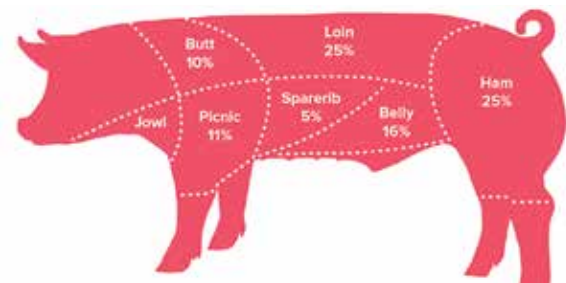
College football season is here again, which means fall is fast approaching and things are about to get very busy. Here's a reminder to keep your market weights on target and not to take shortcuts on biosecurity. There is too much money to be made looking forward, so stick to your marketing plan and disease control as harvest starts to take up more of your time.

The chart with this article shows the rise in the price of bacon over the past three decades. The main driver behind this is the growth in demand from the fast-food market. Let's face it, everything tastes better with bacon. The pork belly has become the most desired cut of a hog, surpassing the loin and ham years ago. If the belly is trimmed or removed due to damage, the carcass value drops dramatically.

The belly and ribs have become a big driver of the pork cutout value. This pork cutout figure is commonly used in a large portion of formulas



By Noland Johnson
Senior Vice President, Pork Department
Producers Livestock Marketing Association



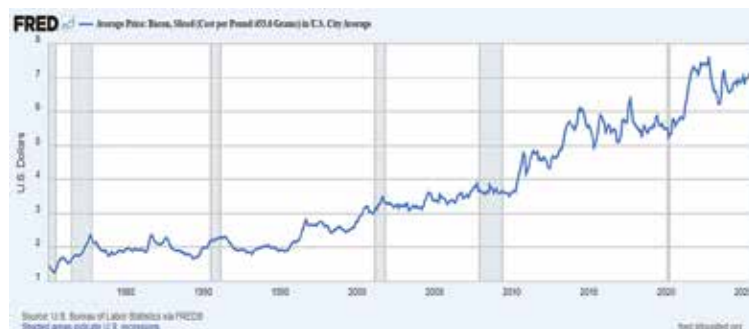
that we use to market our hogs. The graphic (top right) shows the amount of influence each cut has on determining the carcass value.

Bellies and ribs count for over 20% of the value while loins and hams account for 50% of the pork cutout. As of Aug. 29, bellies were worth \$1.84, ribs were at \$1.72, while hams were \$1.01 and loins are bringing 99 cents.

Comparing all those figures shows that the bellies and ribs have as much to do with determining the carcass's overall value as hams and loins do. A lot has changed in the past few decades. As demand shifts to different

consumers, the industry needs to answer those changing demands.

Also, be sure to keep an eye on these futures markets and take advantage if you haven't already. There is a chance to make some real money looking ahead. Feed costs are low and lean hogs on the board are very high



through the summer of 2026. Don't sit in the combine and forget that you raise hogs also. Have a safe and bountiful harvest!

INTERN PERSPECTIVE: WHAT I'M BRINGING HOME WITH ME FROM THE MIDWEST

Coming into this internship as a cow-calf girl from South Georgia, I had no idea what I was getting myself into.

I am a junior at Abraham Baldwin Agricultural College, a smaller agriculture-based school in Tifton, Georgia. At graduation, I will receive two bachelor's degrees, one in livestock production and one in agribusiness.

I grew up the fourth generation on Boggy Creek Farms, my family's cow-calf and hay operation in Jesup, Georgia.

We specialize in raising purebred Angus embryo transfer calves for Ogeechee Angus, along with rolling around 7,000 rolls of hay each summer.

My passion for the beef industry started at a very young age and has done nothing but grow since then.

When looking for a summer internship, I knew I wanted to go somewhere far away and do something totally different than what I was accustomed to.

As I told my mom, if I wanted to cut hay and feed cattle all summer, I would just stay at home and work on our farm.

I knew nothing about the feedlot side of the industry and hopped on this opportunity as soon as I saw it.

During my 10-week internship with Producers Livestock, I spent the first six weeks based out of the Omaha office and the last four weeks out of the Sioux City office.

For the first six weeks, I split my time between the beef marketing department and the credit department. I was able to see the ins and outs of how each department operates and how each employee fits into the company's success.

Since the beef industry is my favorite aspect, I really enjoyed getting to see how the behind-the-scenes worked.

I was also able to get out of the office and go into the country with Mike Sievers, Joe Hoffmann, Bart Thoreson, Emmett Caldwell, David Herbold and Tim Meyer.

The time in the Omaha office has taught me that I am not made for an inside job, so these country trips were arguably my favorite part.

The last four weeks of my internship were spent between the commodity department and the hog marketing department, as well as another week riding with Mike Sievers. I think



By Kayle Arnold
2025 Summer Intern
Producers Livestock

I can say the commodity shop is where most of my actual learning happened, mostly because I started from scratch.

For context, the first time this Southern girl had ever heard the word "hedge" was interning at the National Cattlemen's Beef Association Convention in February of this year. They were able to explain the basic concepts of price protection in the credit department, but I had not really comprehended it yet.

As my time with our commodity brokers is over, am I a price protection expert? Absolutely not! (And probably never will be.) Am I much more knowledgeable, and do I feel comfortable discussing and using the concepts? Absolutely!

To say that I have learned a lot would really be an understatement. From seeing all the different sizes and styles of feedlots to being able to know the difference between a put and call, I have grown so much as a person and as a professional.

One of my favorite parts had to be seeing so much beautiful countryside and so many cattle. I have also been able to attend events such as the World Pork Expo, Producers Regional Summits, Kimball Livestock Exchange, Livestock Marketing Association Convention, a tour of Greater Omaha Packing, and the Superior Cornbelt Classic video auction.

The deeper I get into the industry, the more I realize how much the saying, "It's not what you know, but who you know," holds true. I have been blessed to meet so many wonderful people during my time here.

From employees to customers, everyone I have met has been nice, helpful and eager to help me learn.

I am thankful for each and every person who has had a hand in my time here. I am so grateful for this experience and cannot wait to put these skills and connections to work as I finish school and head into the workforce.

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