WEBINAR:

Who’s Buying? A Closer Look at Grain Trade and Biofuel Policy

July 29, 2025

10 a.m. (PT) / 11 a.m. (MT)
12 p.m. (CT) / 1 p.m. (ET)

Moderator and Keynote Speakers

Rob Fox
Director,
Knowledge Exchange

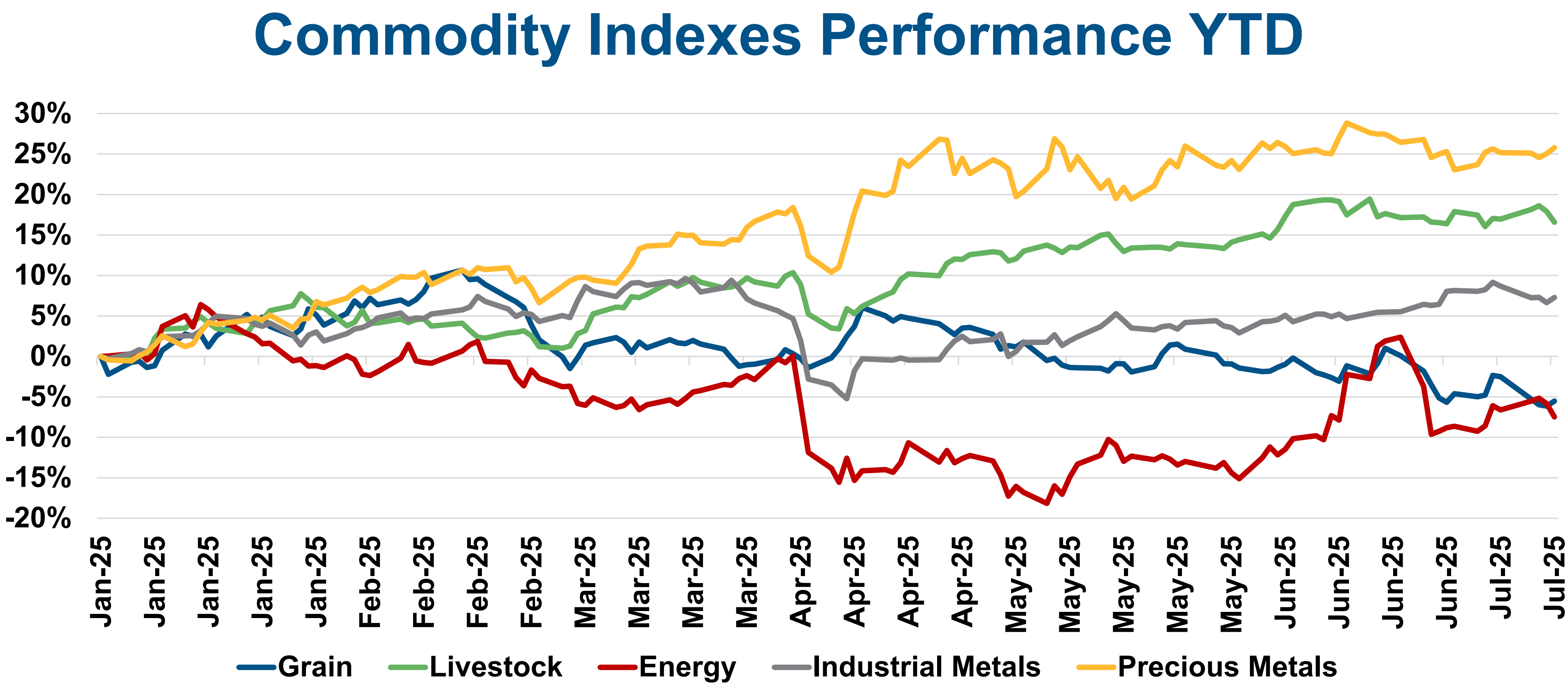
Jacqui Fatka
Lead Economist,
Farm Supply and Biofuel,
Knowledge Exchange

Tanner Ehmke
Lead Economist,
Grains and Oilseeds,
Knowledge Exchange

Grain Market Outlook

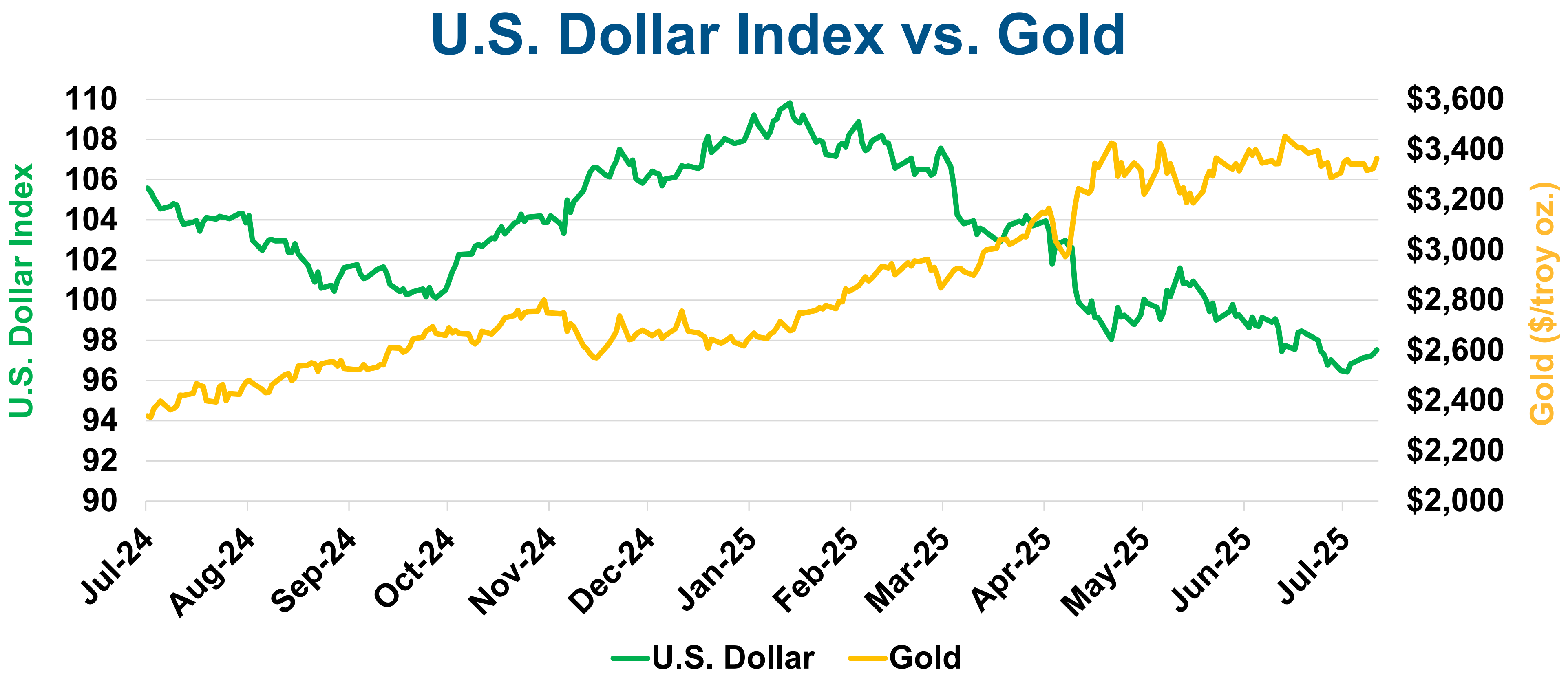
Tanner Ehmke
Lead Economist, Grains and Oilseeds

Grains Among Poorest Performing Commodities



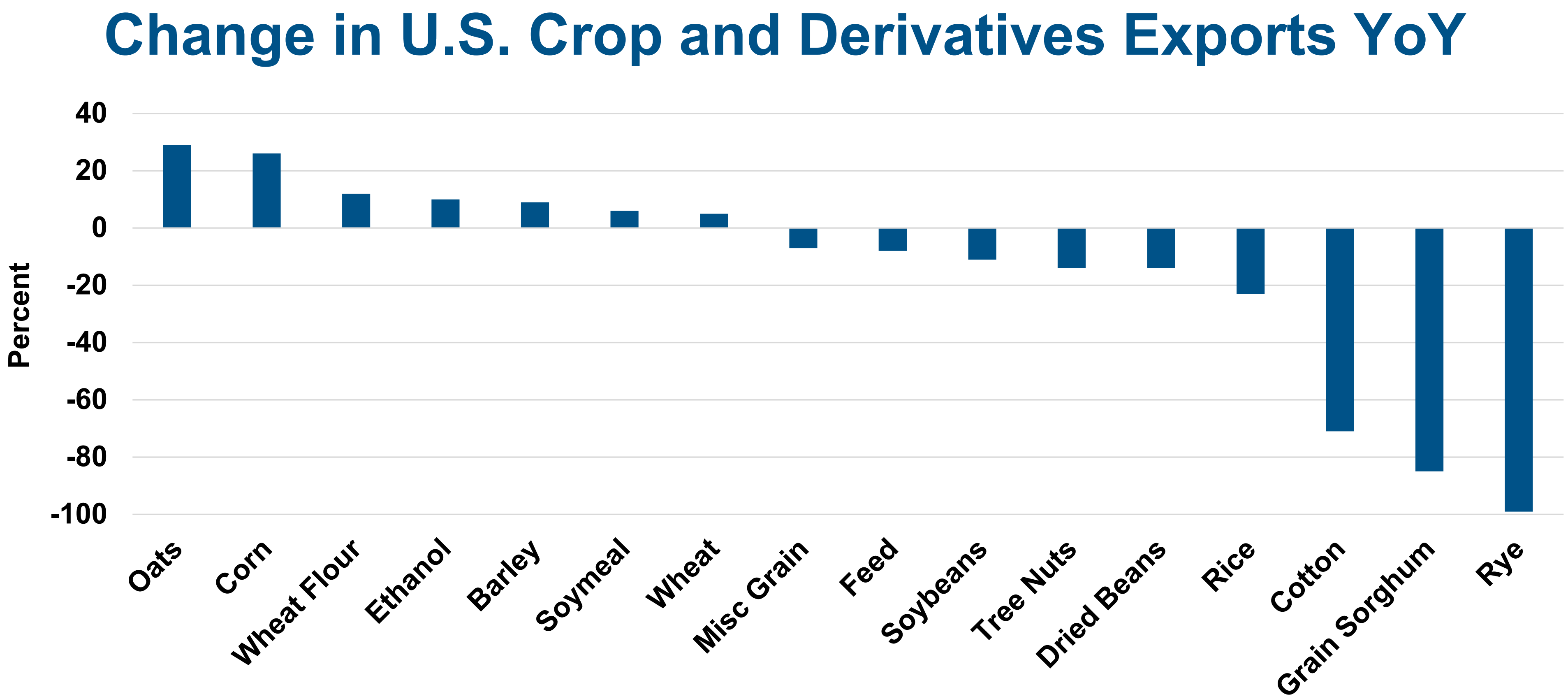
Source: Bloomberg

U.S. Dollar Weakening as Investors Flee U.S. Assets



Source: Barchart.com

Trade Uncertainty Thwarting Exports of Some Crops



Source: USDA-FAS

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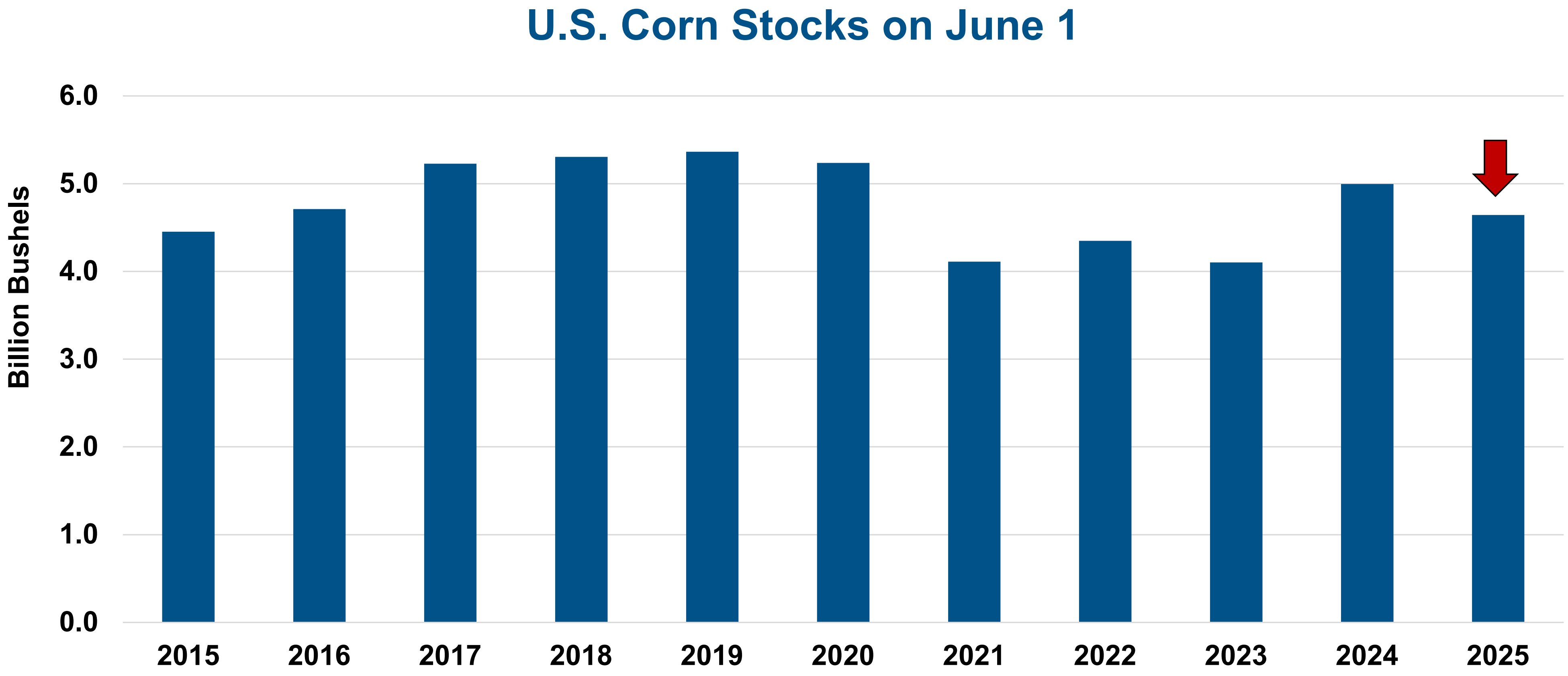
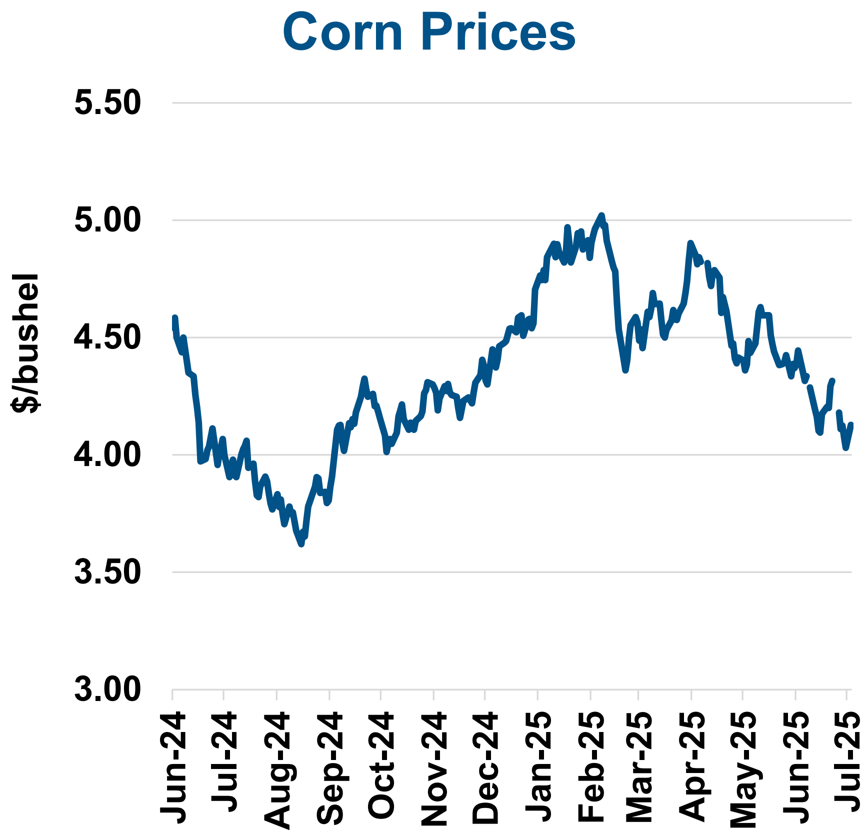
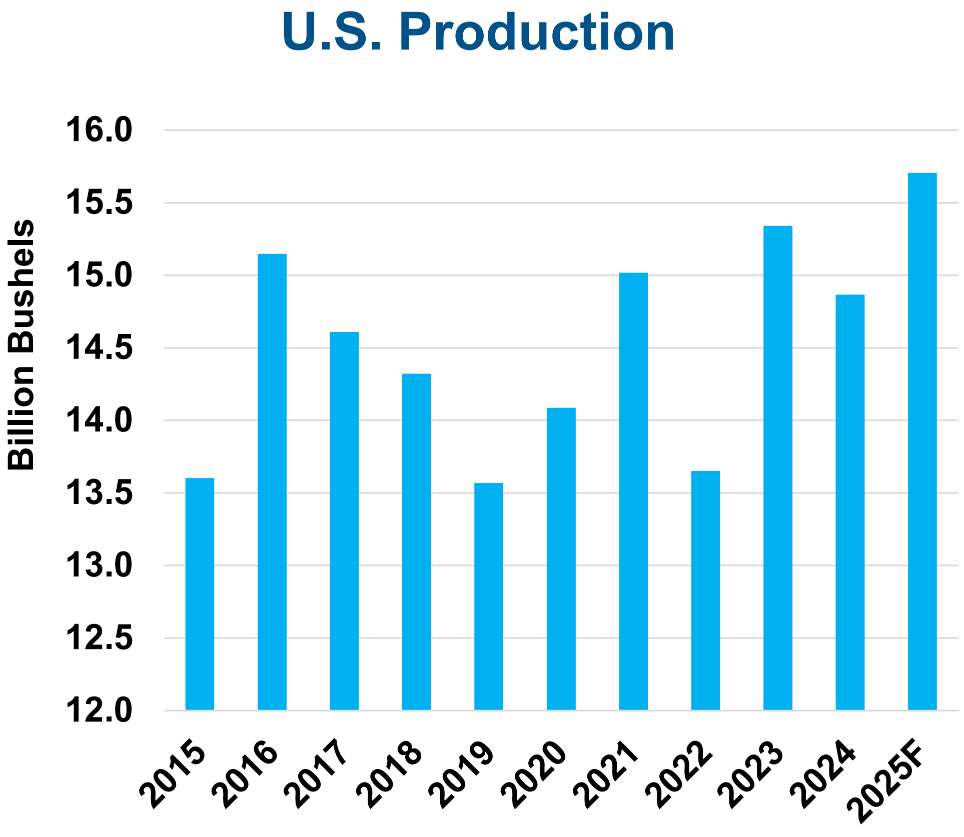
Strong Exports and Ethanol Demand Lowering Corn Stocks



Source: USDA-NASS

Expectations for Record Corn Crop Depressing Corn Prices





Source: CME Group; USDA-NASS

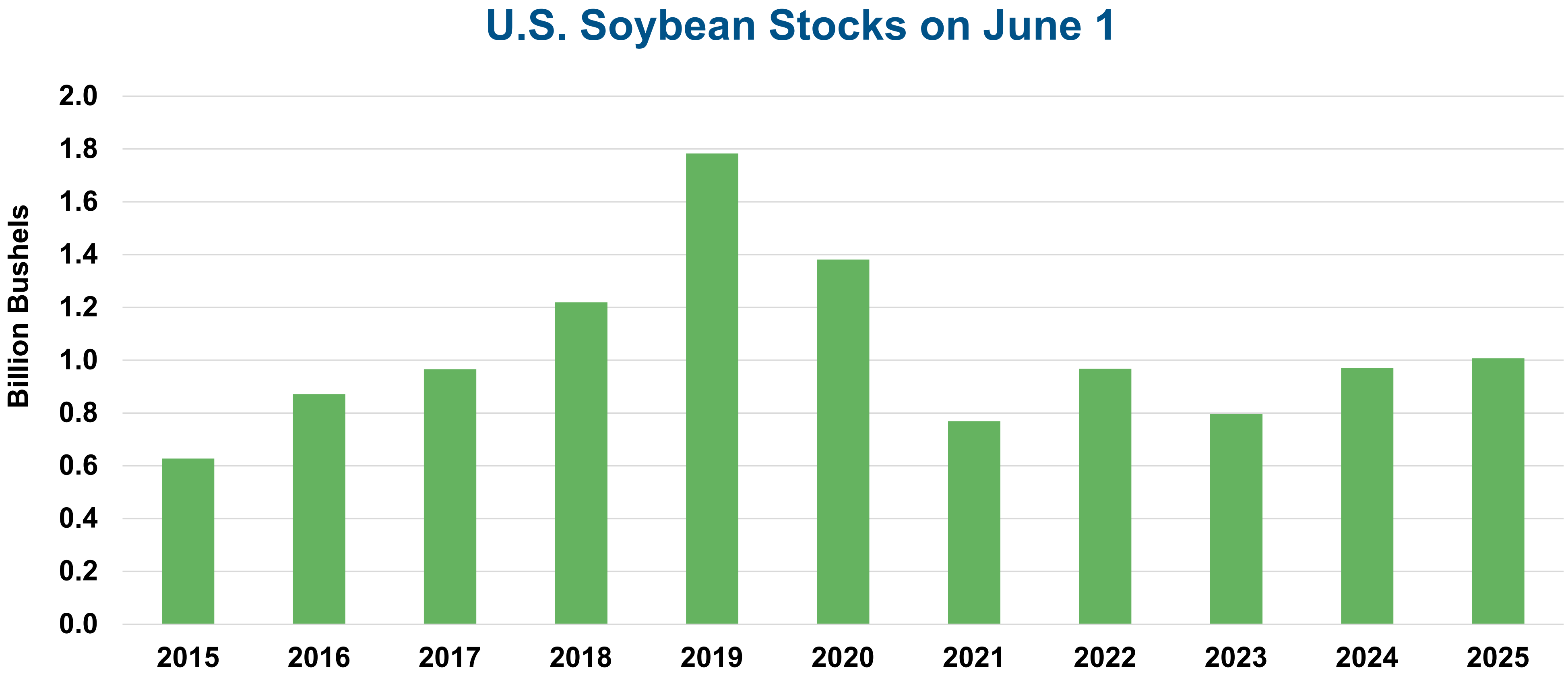
CoBANK

Corn Carries Have Reversed on Anticipation of Record Crop

Futures Carry in Corn (Sep ‘25 – Dec ‘ 25)

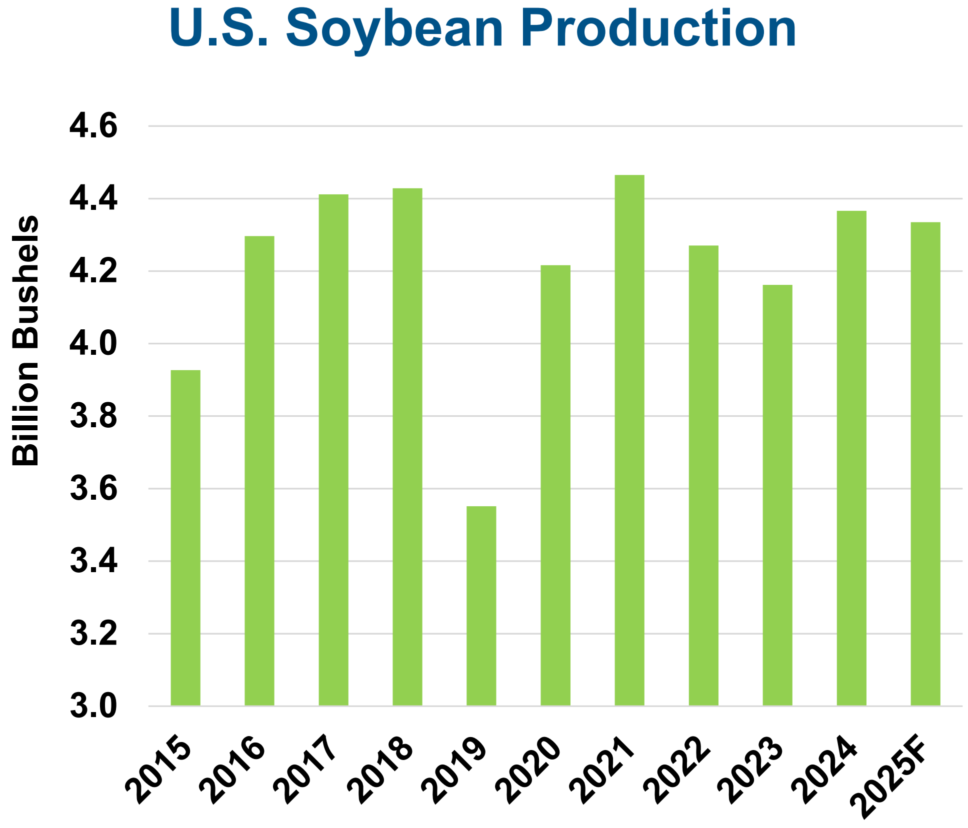
Source: CME Group; CoBank

U.S. Still Working Through Bigger Soybean Inventories



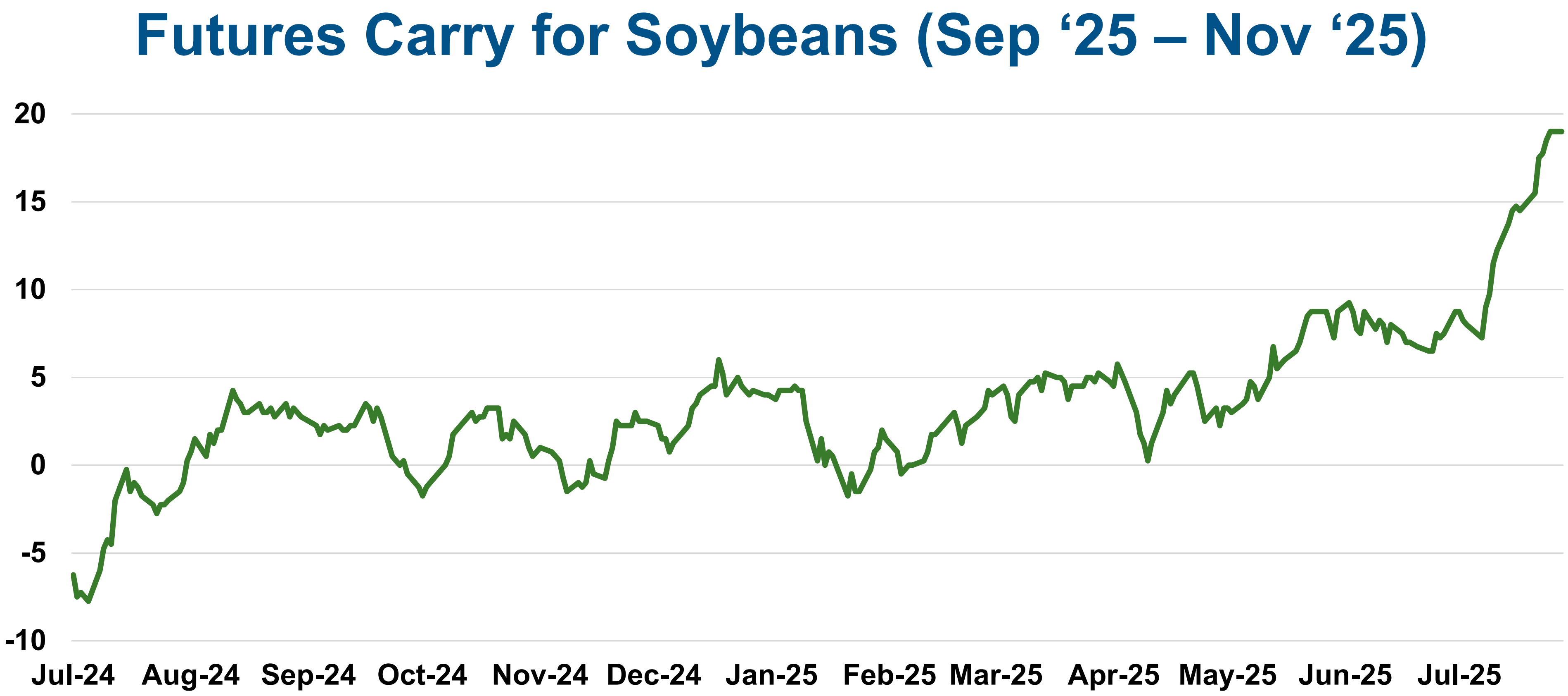
Source: USDA-NASS

Soybean Values Supported on Expanded U.S. Crush



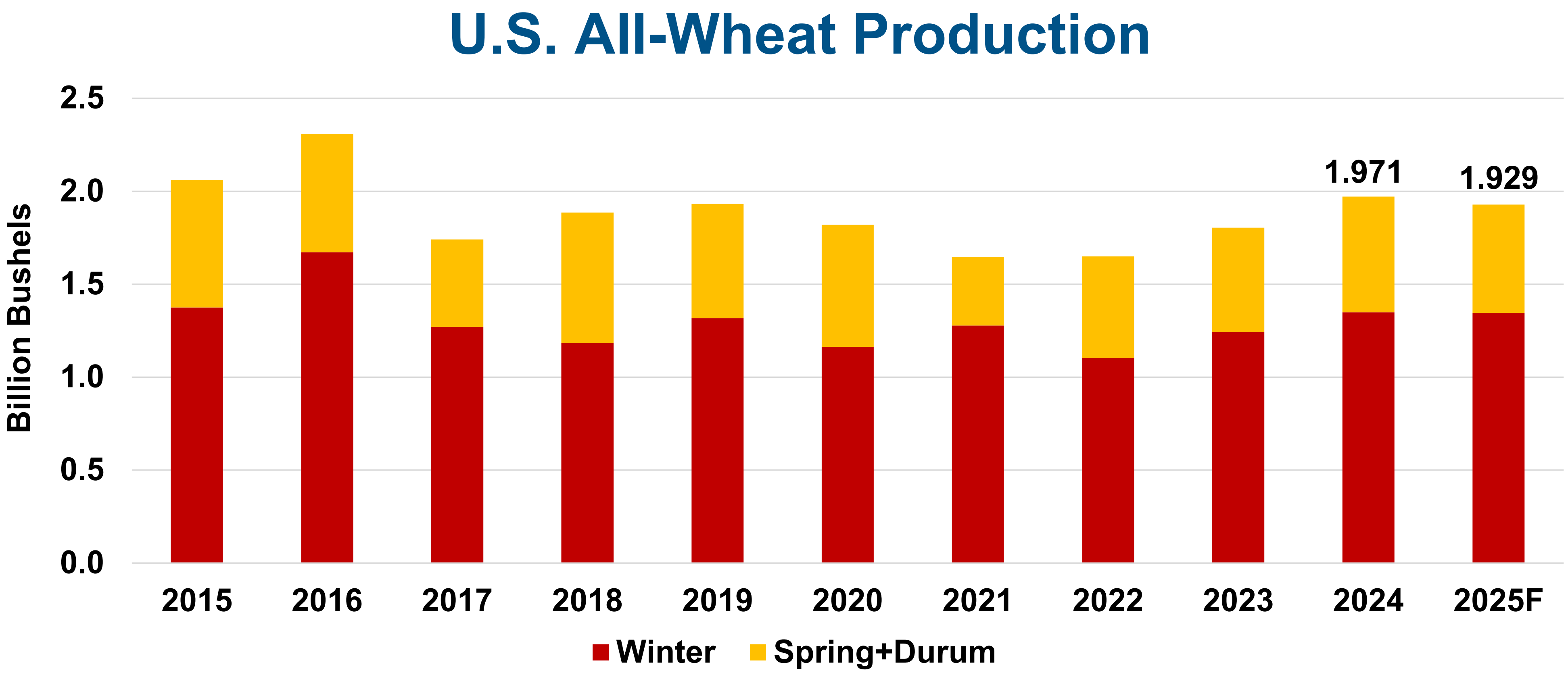
Source: CME Group; USDA-NASS

Soybean Carries Climbing on Demand Fears, Crop Prospects



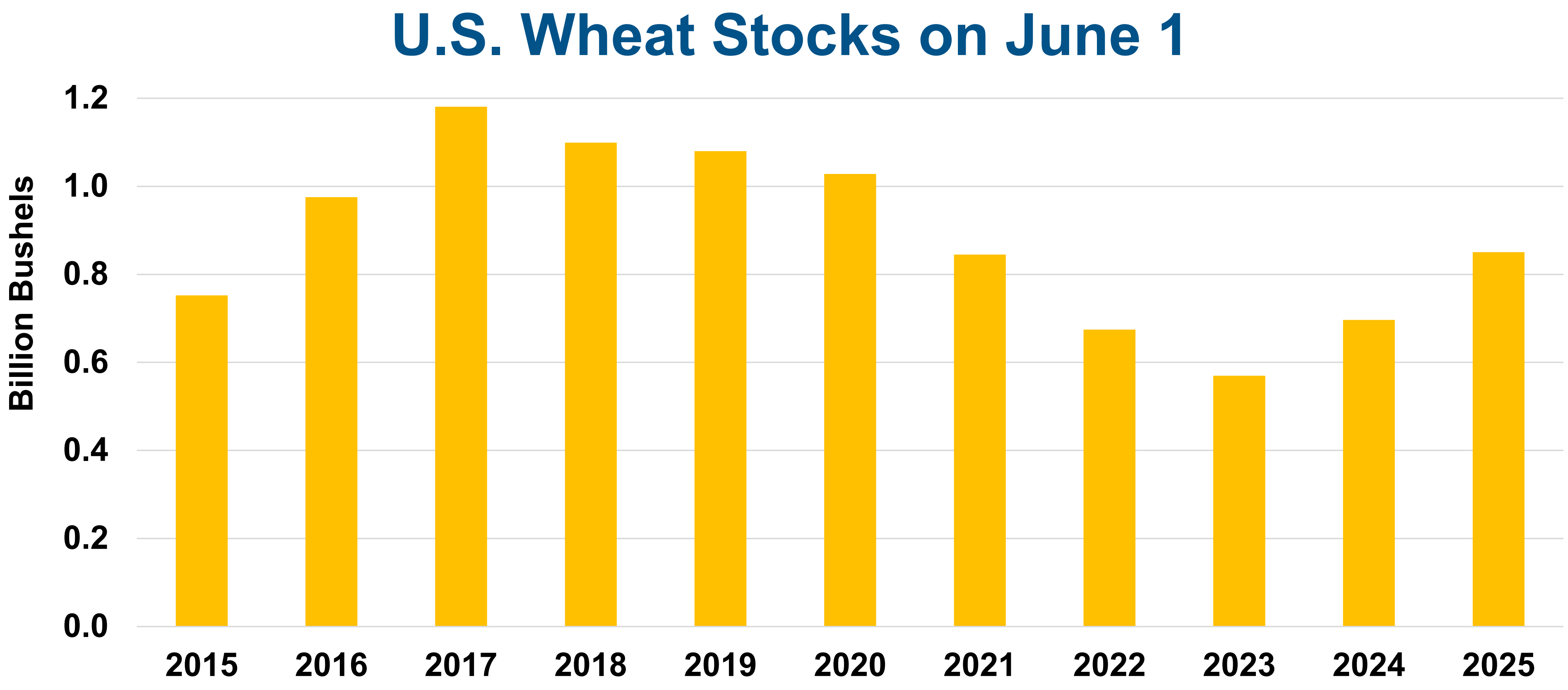
Source: CME Group; CoBank

U.S. All-Wheat Crop Down 2.2% YoY



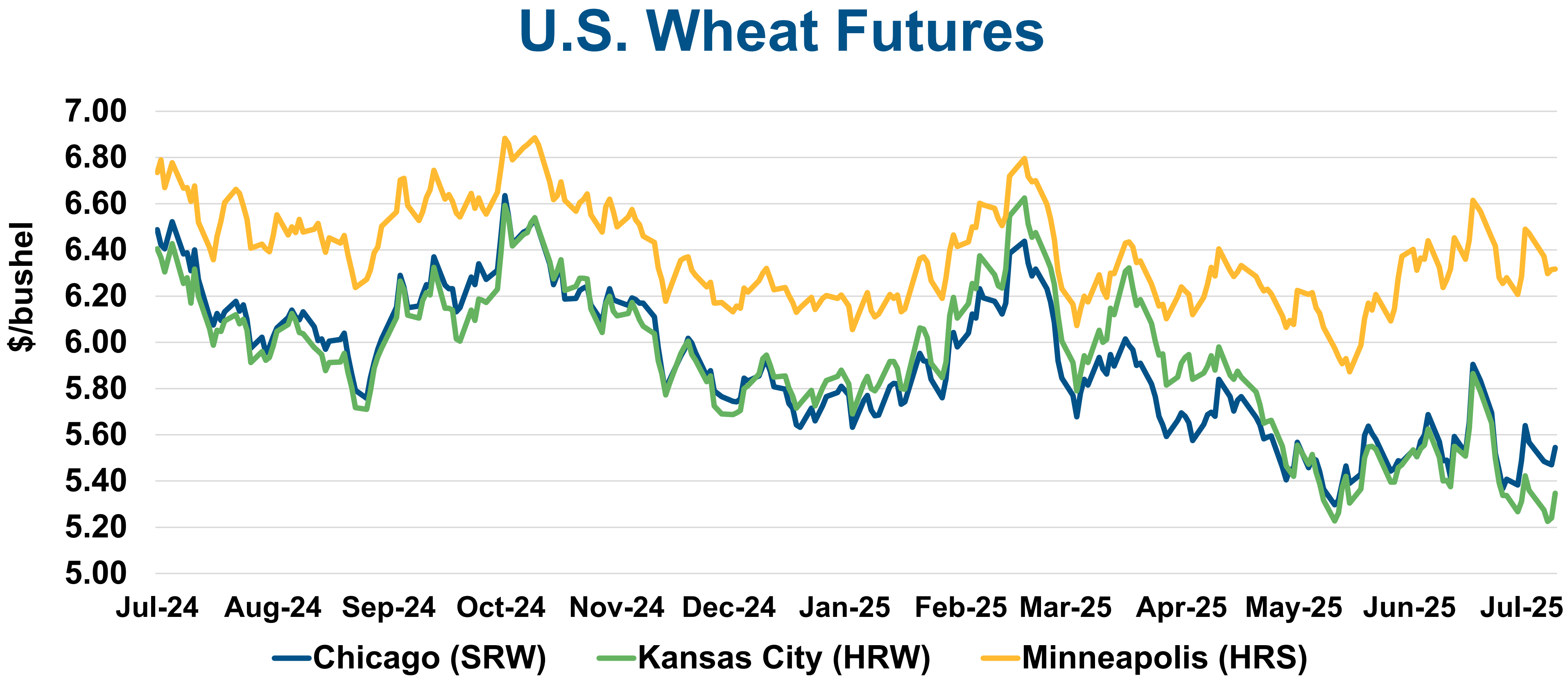
Source: USDA-NASS

Old-Crop Wheat Stocks Will Be Needed for Blending



Source: USDA-NASS

Ample U.S. Wheat Supplies Depressing Prices



Source: CME Group; MGEX

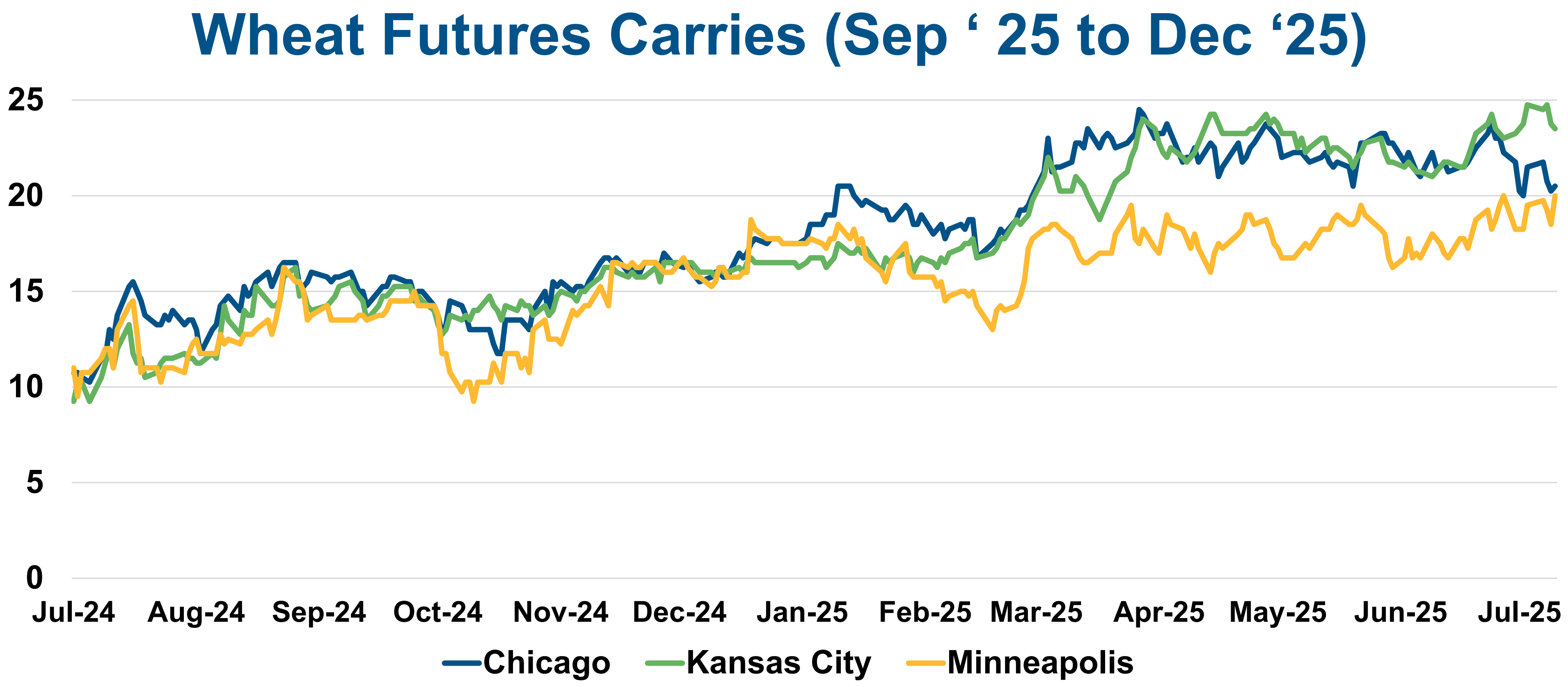
U.S. Wheat Production by Class

Million Bushels

	2023	2024	2025F	CHANGE YOY
Hard Red Winter	601.0	770.4	754.5	-15.9 (-2.1%)
Hard Red Spring	468.1	502.9	468.8	-34.0 (-6.8%)
Soft Red Winter	449.0	342.4	336.8	-5.6 (-1.6%)
White	234.5	275.5	288.8	13.3 (+4.8%)
Durum	59.3	80.1	79.7	-0.3 (-0.4%)
All Wheat	1,812.0	1,971.3	1,928.8	-42.5 (-2.2%)

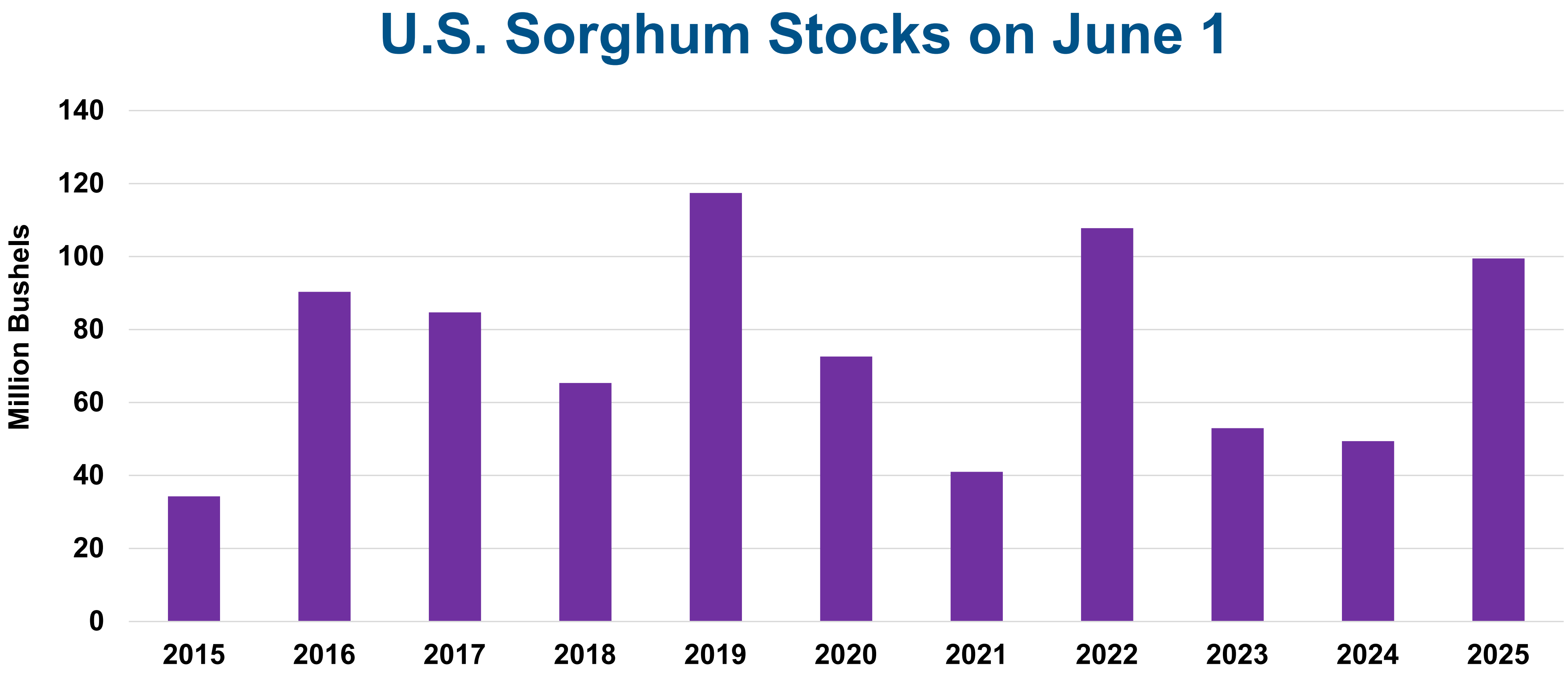
Source: USDA-NASS, Crop Production July 2025

Market is Paying More to Store Wheat



Source: CME Group; MGEX

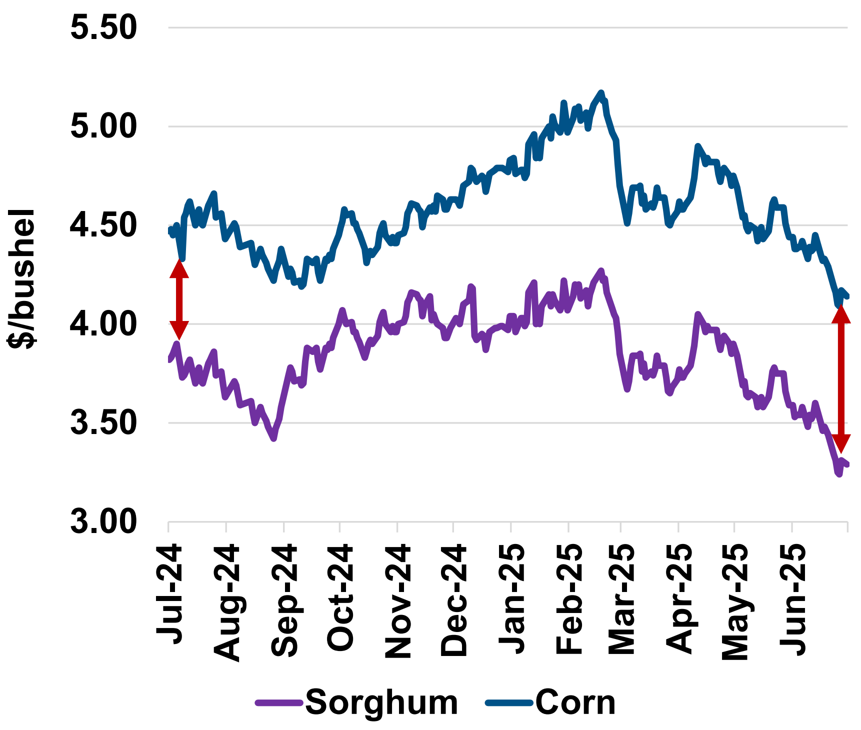
U.S. Sorghum Stocks Ample on Loss of Chinese Demand



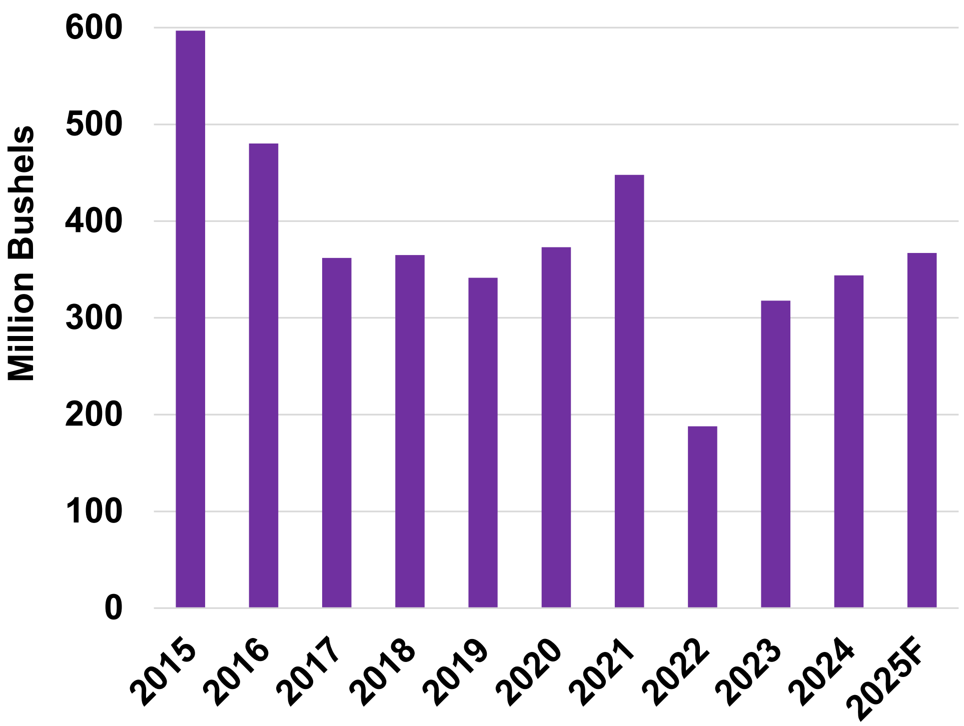
Source: USDA-NASS

Sorghum Trading at Steeper Discount to Corn

Cash Sorghum vs Corn (Western Kan.)



U.S. Sorghum Production



Source: Garden City Coop; USDA-NASS

Outlook

- **U.S. Dollar:** A weakening U.S. dollar is a tailwind for U.S. agricultural exports.
- **U.S. Trade and Biofuel Policy:** Uncertainty over tariffs has been a headwind for numerous crops, but expanded mandates on biofuels and restrictions on biofuels and feedstock imports is helping to replace lost export demand.
- **Global Abundance:** The U.S. is harvesting bigger crops, but also faces growing headwinds from competing exporters, especially Brazil.

Biofuels Outlook

Jacqui Fatka
Lead Economist, Farm Supply and Biofuels

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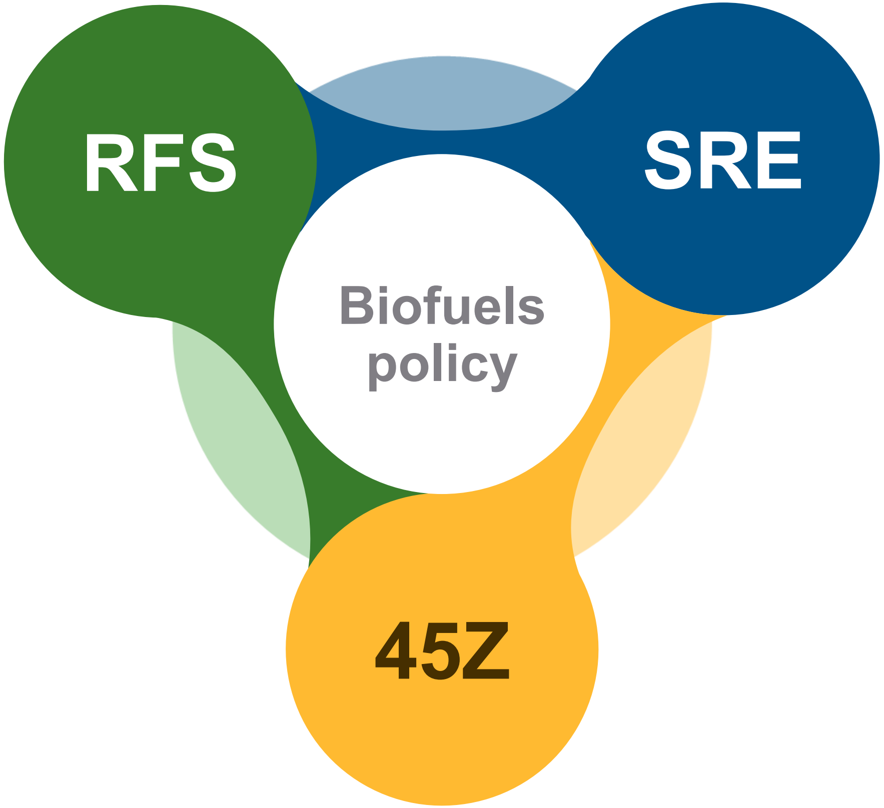
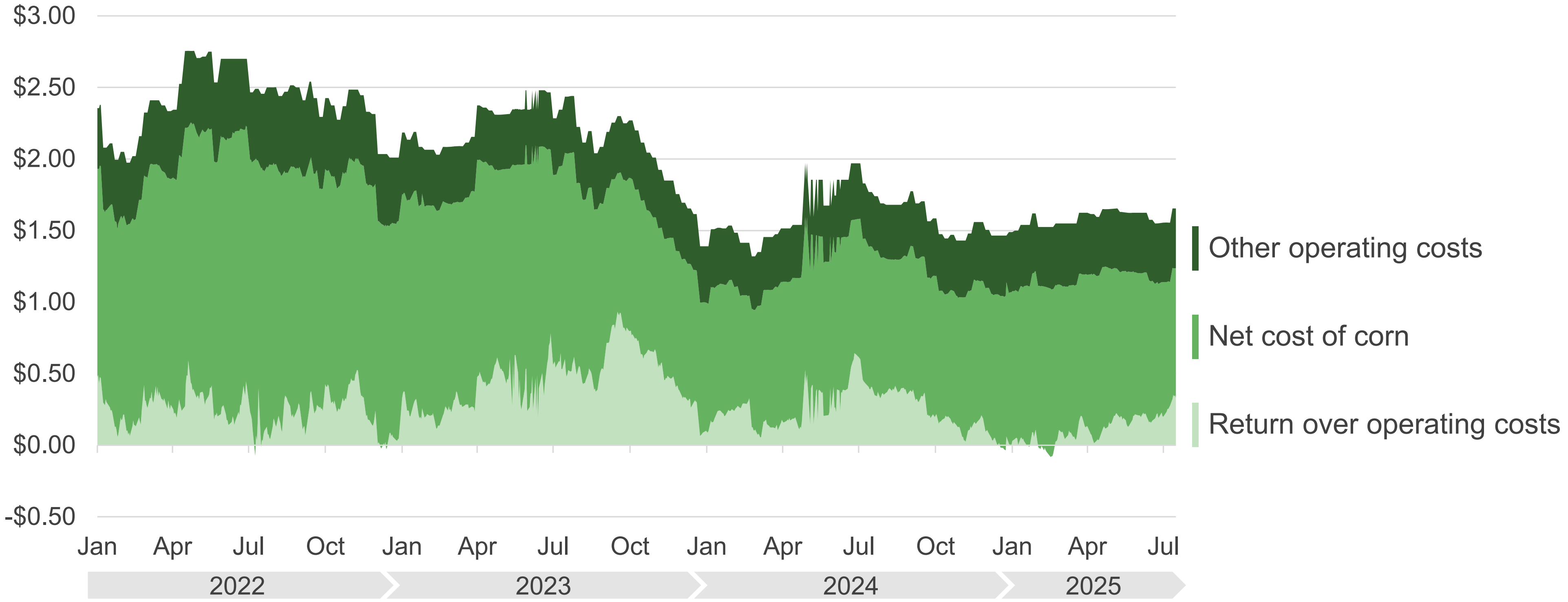
Three-legged stool holding up biofuels policy



Ethanol margins returning, but at moderate levels

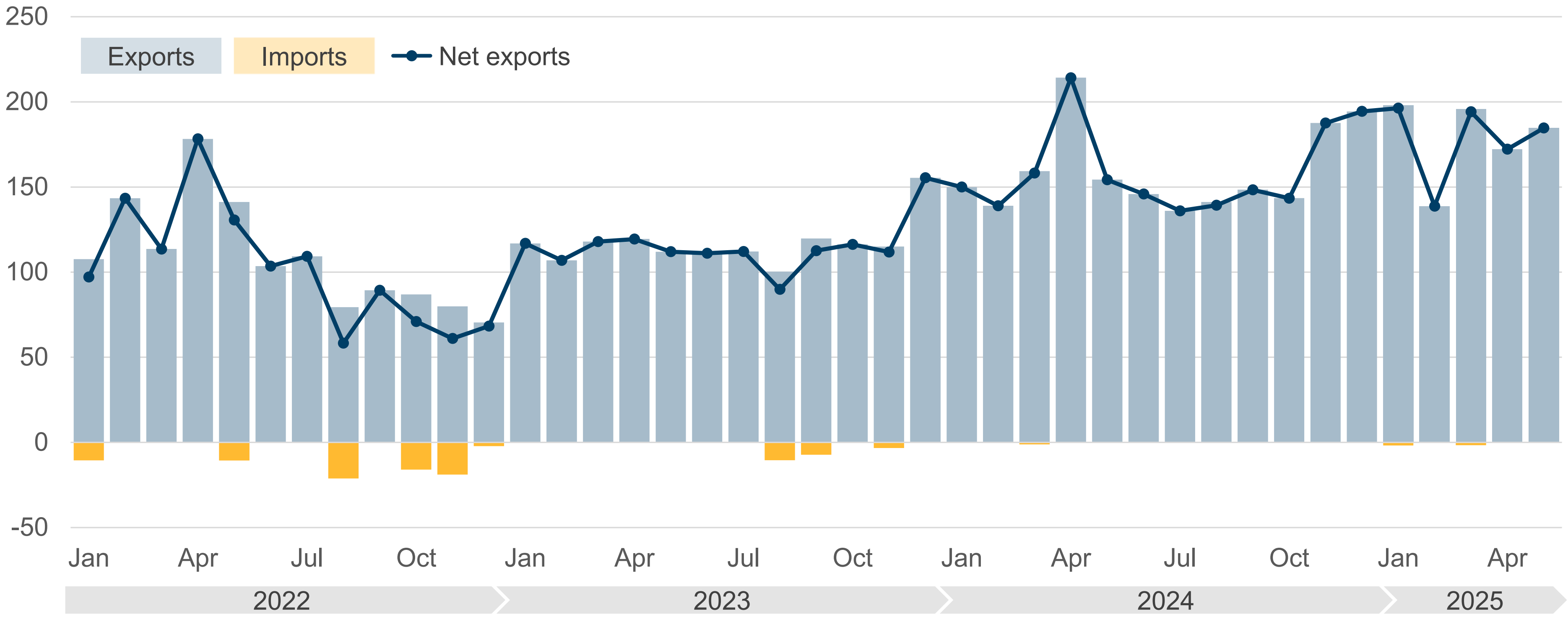
Ethanol price (dollars per gallon)



Iowa State University Center for Agricultural and Rural Development

Ethanol exports show strong start for the year

Monthly U.S. ethanol exports and imports (million gallons)



Source: Renewable Fuels Association (RFA)

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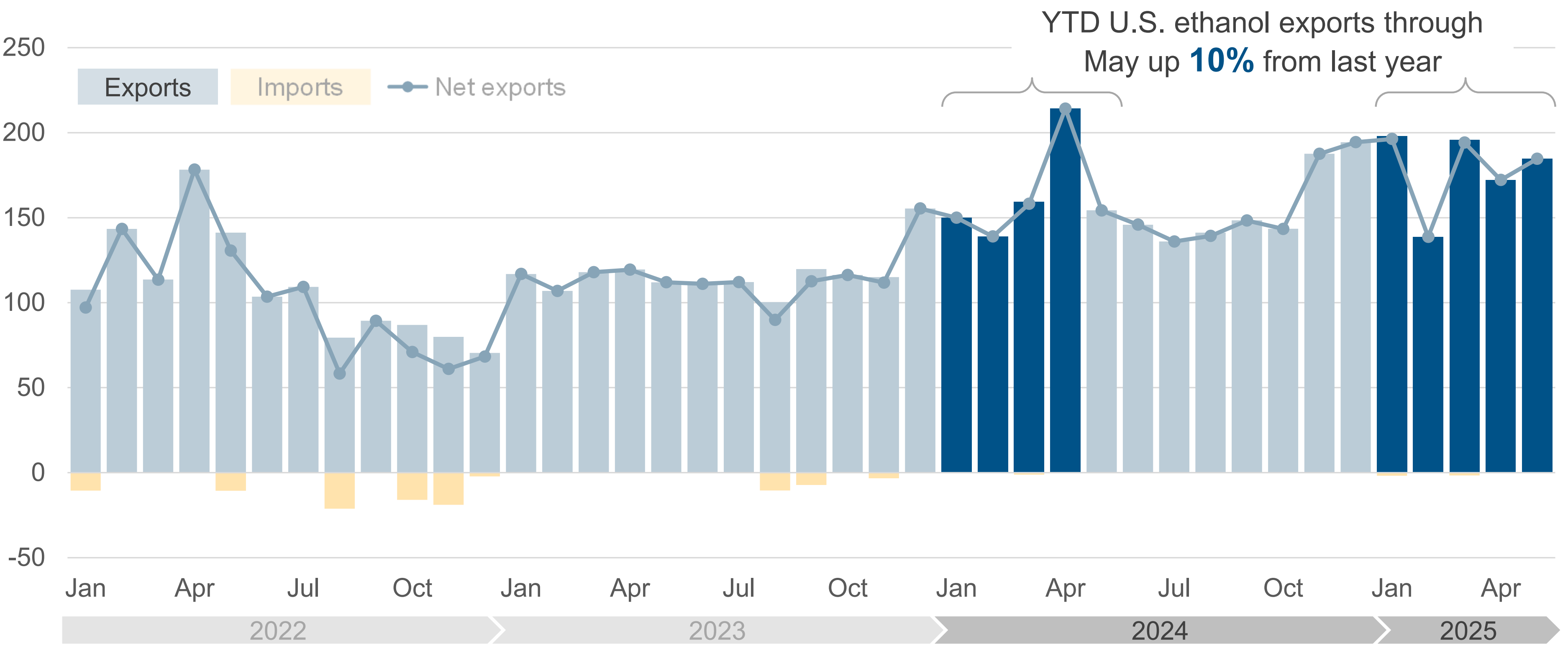

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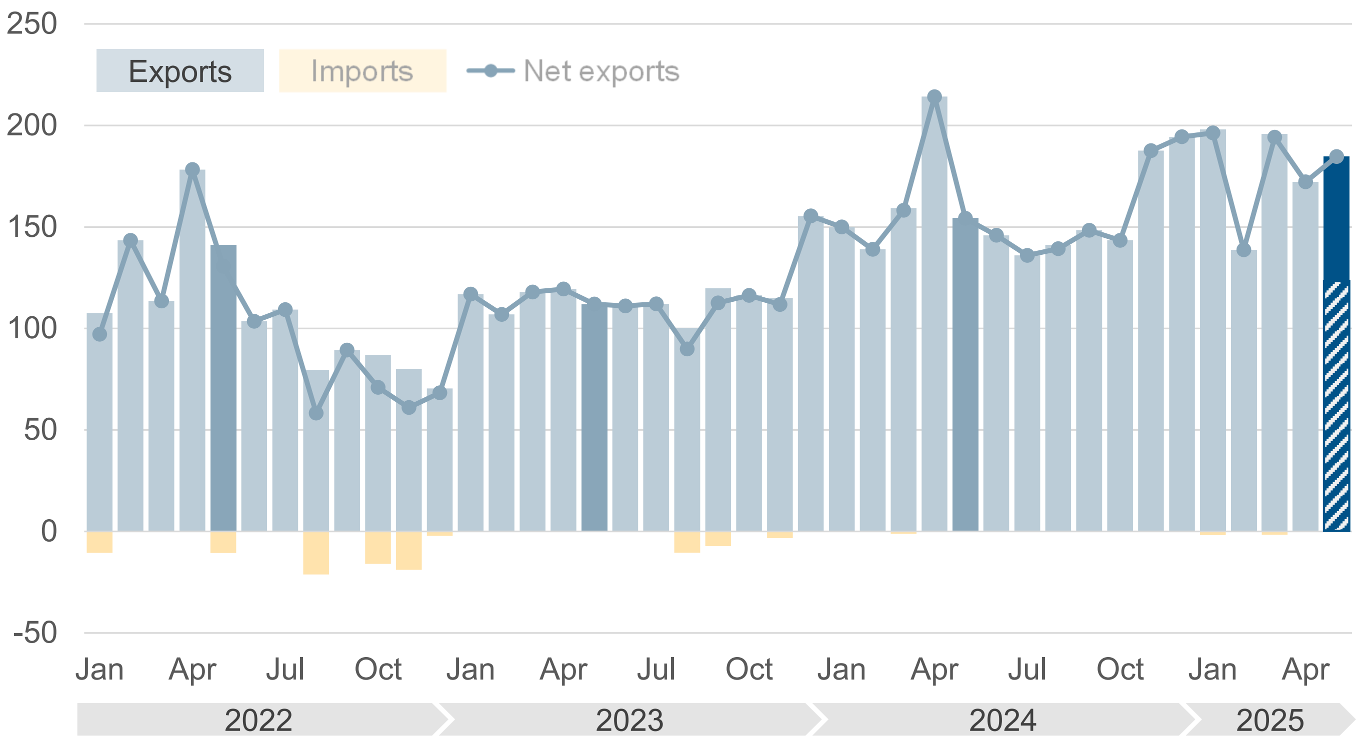


May 2025

Exports expanded **7%**, setting a record for the month

Exports to Canada up **12%** (two-thirds of total U.S. ethanol exports)

Source: Renewable Fuels Association (RFA)

Top ethanol partners in crosshairs of reciprocal tariffs

Country	2024 total exports (million gallons)	Percent of total	Proposed reciprocal tariff
Canada	674.6	35%	USMCA - 0%
U.K.	**243.8**	**13%**	**10%**
E.U.	197	10%	20%
India	**187**	**10%**	**26%**
Colombia	133.7	7%	10%
S. Korea	84.9	4%	25%
Mexico	83.8	4%	USMCA - 0%
Philippines	71.1	4%	17%
Peru	50.3	3%	10%
Singapore	46.1	2%	10%
Rest of world	138	7%	

New U.K. trade agreement touts $700M in ethanol sales (last year UK purchased $535M)

India opportunity rests in changing their regulations to allow U.S. ethanol to qualify for fuel use

Source: Renewable Fuels Association (RFA)

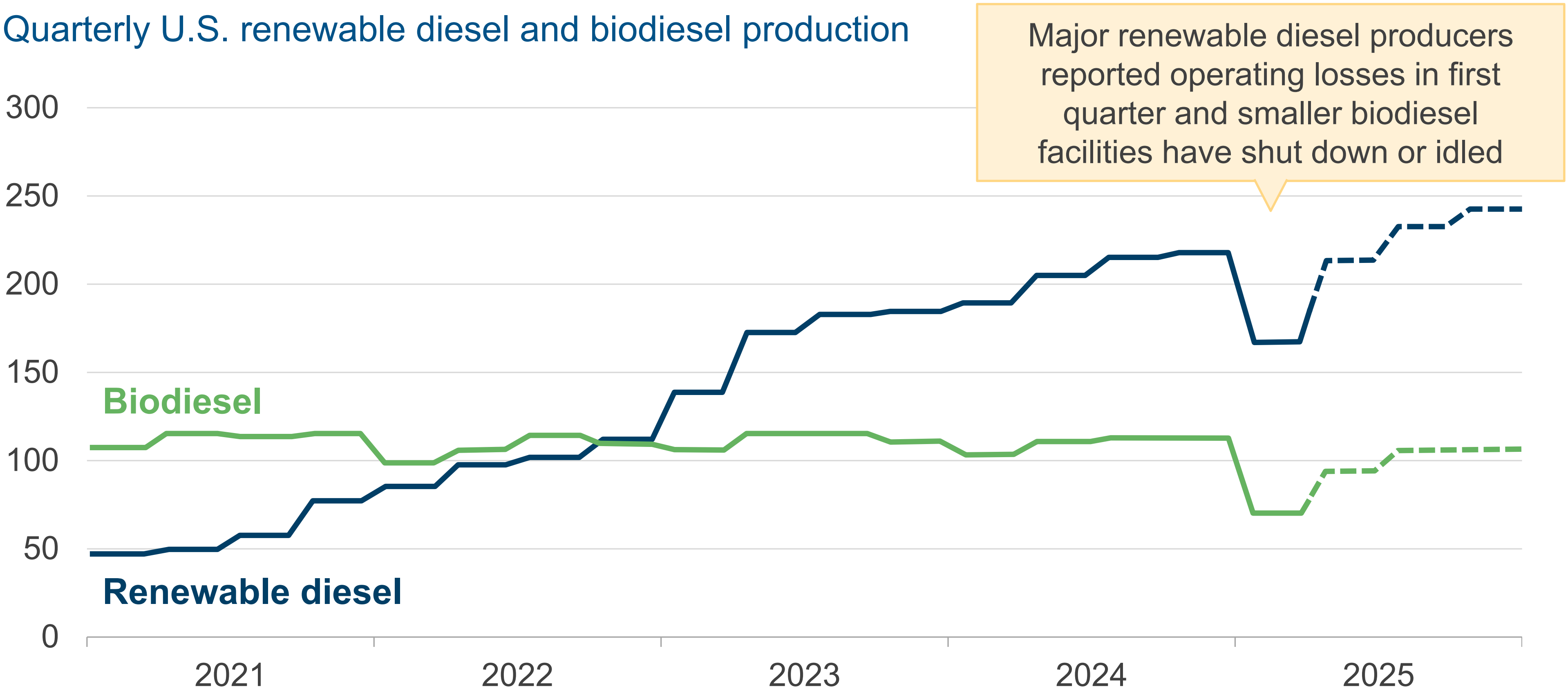
Ethanol can be an easy win in trade negotiations

Country	Current ethanol blend estimate	Blend goal
U.S.	10.35%	
Brazil	46.60%	
EU	6.20%	10% by 2020
China	2.30%	10%
India	11.50%	20% by 2025
Canada	9.10%	20% by 2030
Mexico	0.50%	
Colombia	8.90%	8-10%
Indonesia	0.00%	20% by 2025
Philippines	8.00%	20% by 2025

Source: USDA FAS/ CoBank Knowledge Exchange

Renewable diesel, biodiesel to pick up to meet RFS mandate

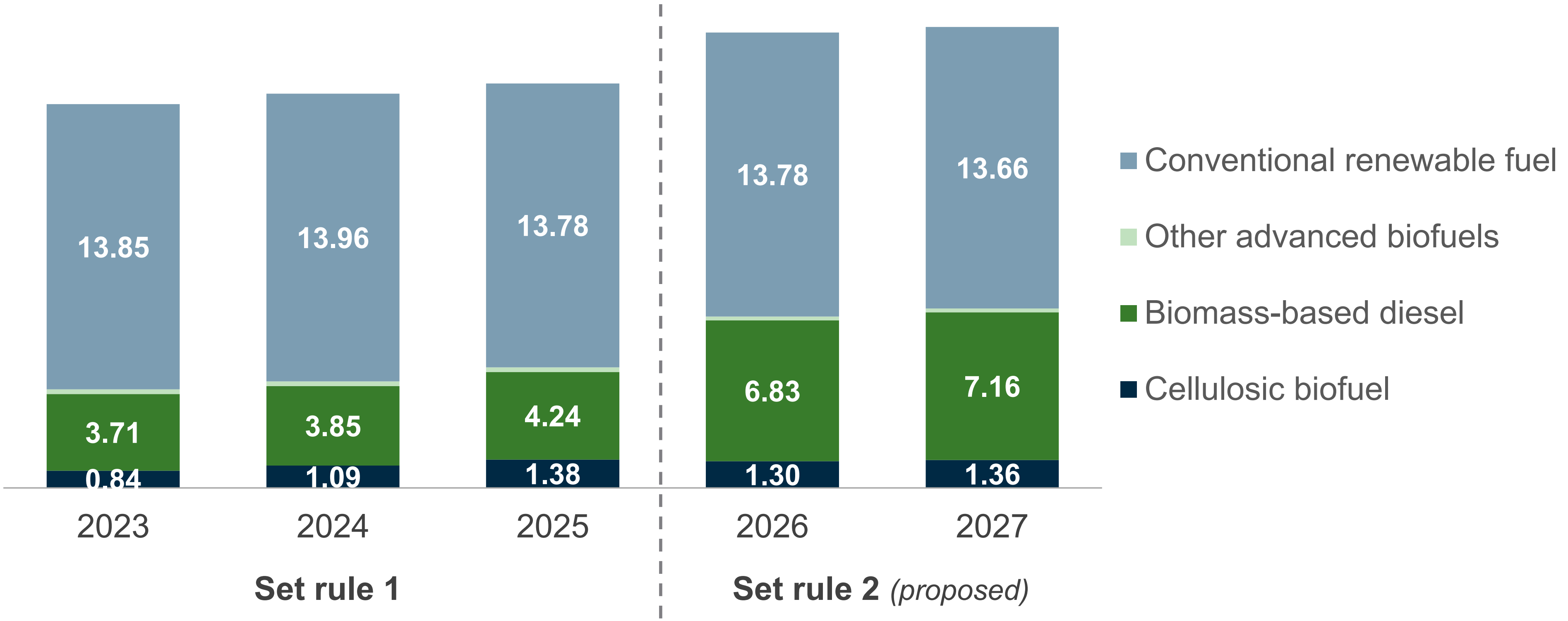
Quarterly U.S. renewable diesel and biodiesel production



Source: EIA

Biomass-based diesel biggest winner in new set rule

Projected supply to satisfy volume requirements (billion gallons)



Source: EPA

Biomass-based diesel biggest winner in new set rule

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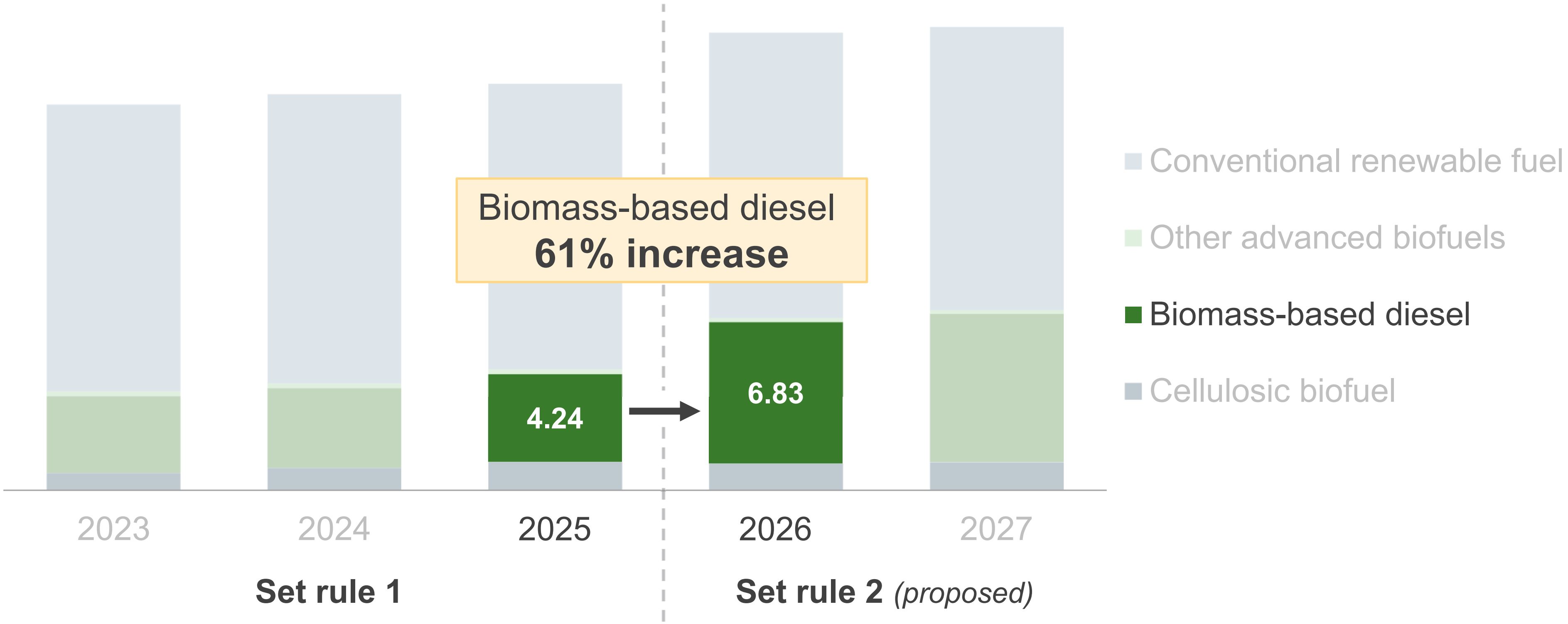
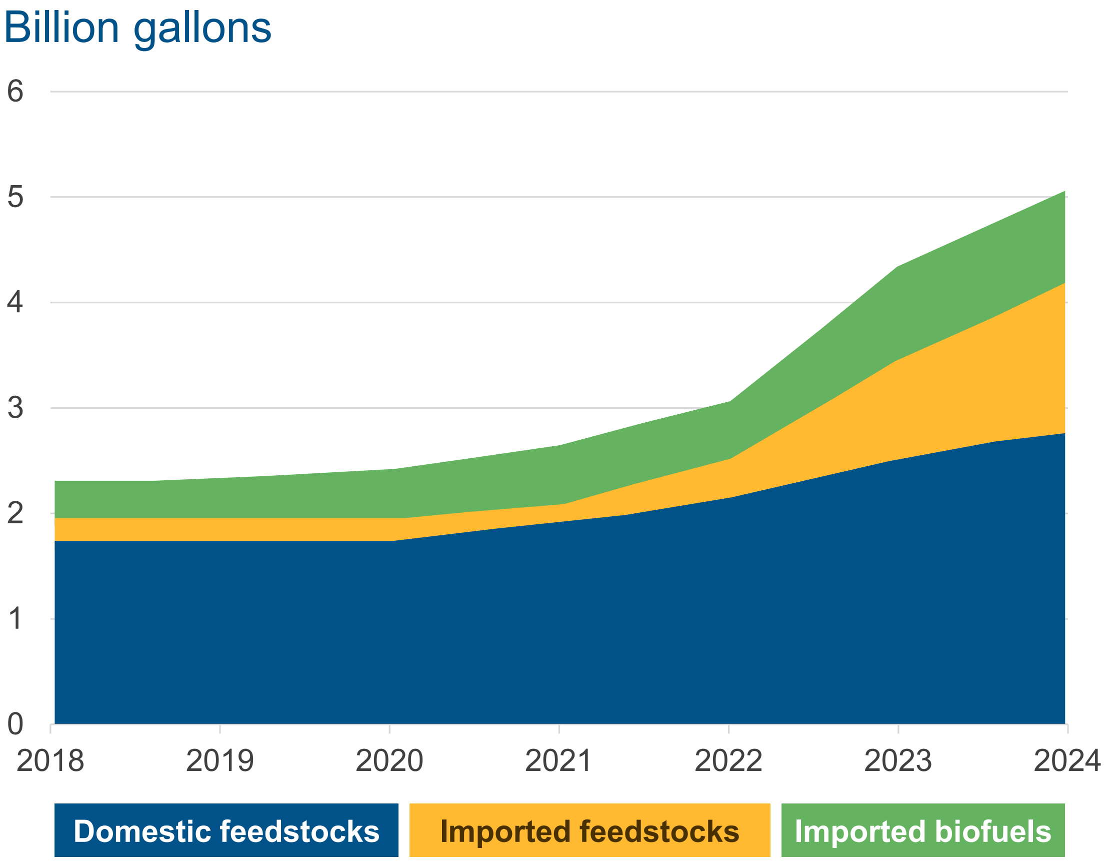


Source: EPA

RFS proposal encourages use of domestic feedstocks



New rule provides only 50% of RIN value for imported feedstocks

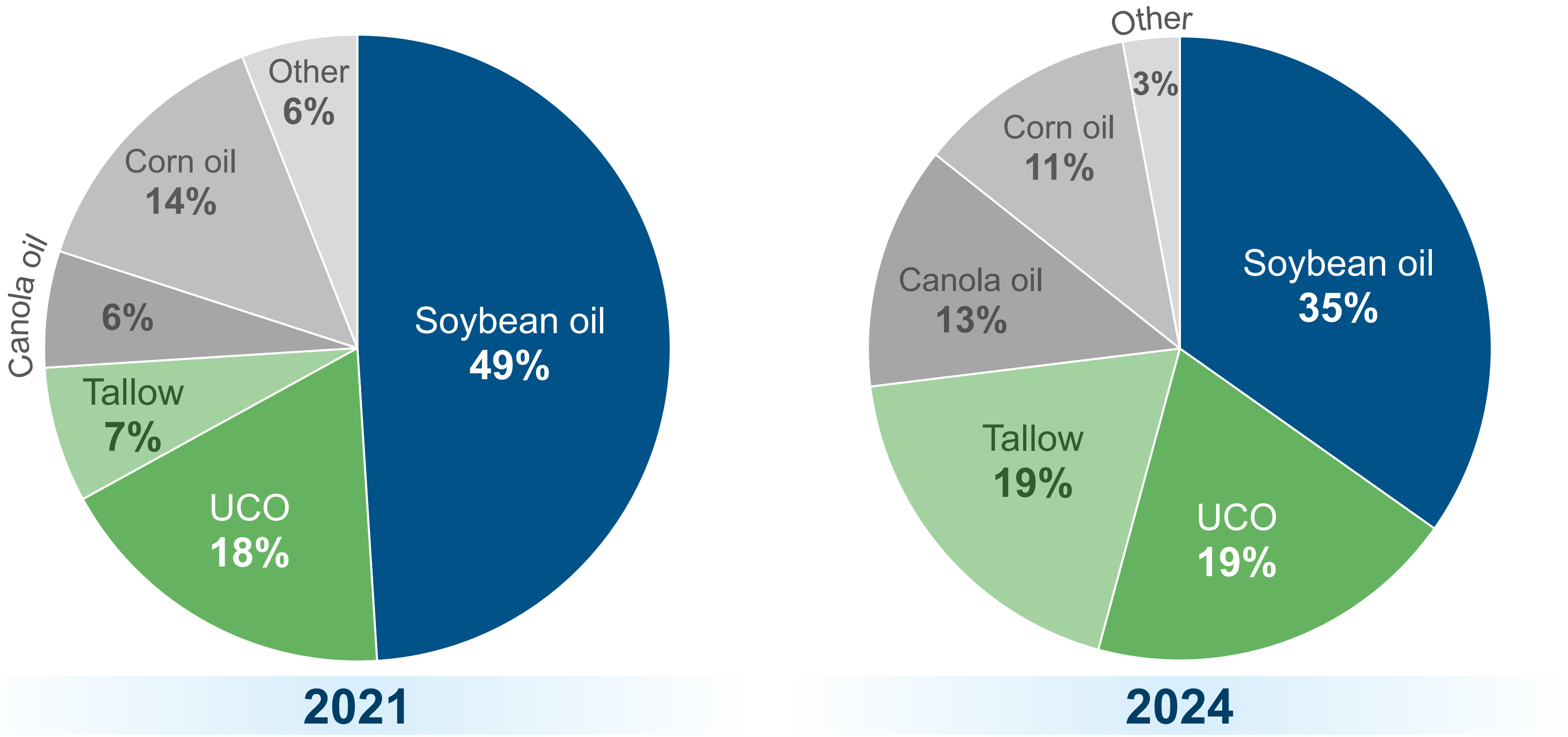
If EPA does not maintain the RIN reduction for imported feedstocks, the 7.12 billion BBD mandate could be met with 4.5 billion gallons of biodiesel and renewable diesel.

- Renewable diesel RIN value lowered to 1.6 RIN/gallon
- EPA assumes RD will use more domestic feedstocks but how much is wild card

Source: EPA

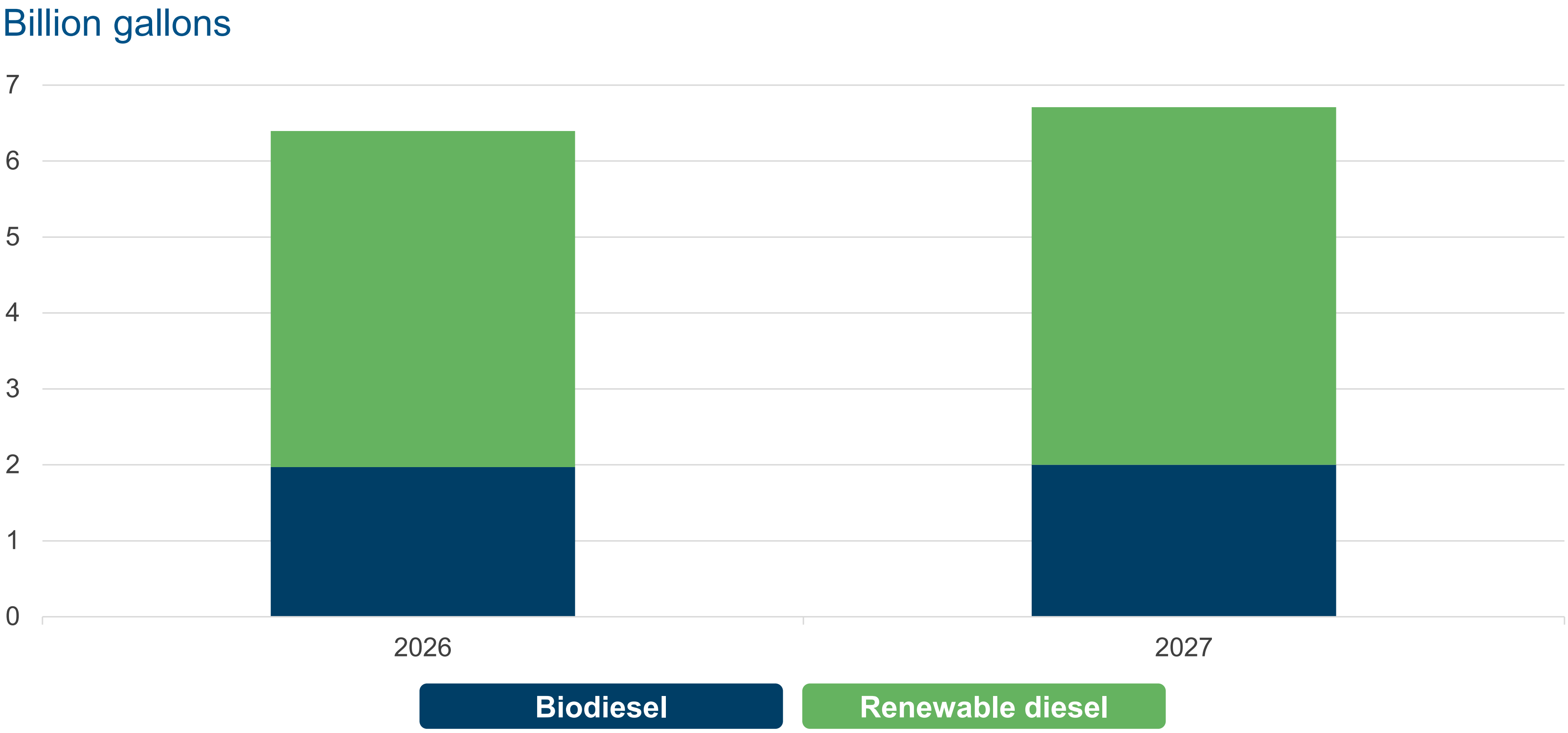
Soybean oil has seen decreasing share in feedstock pie

Feedstocks consumed for production of biofuels



Source: U.S. Census Bureau

Renewable diesel will meet nearly 2/3 of mandate BBD

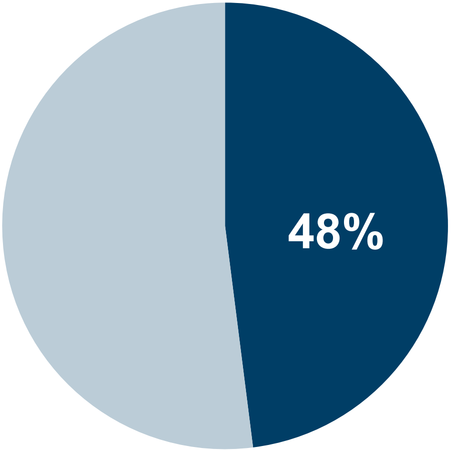


EPA projects soybean oil for RD to grow the most

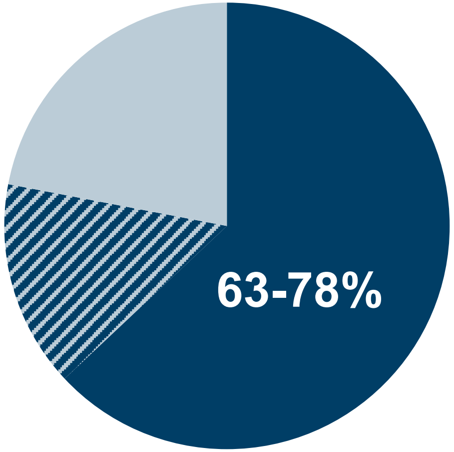
Additional soybean oil demand:

- **+3.8 billion pounds** in 2026
- **+1.9 billion pounds** in 2027

Domestic soybean oil used for biofuels:



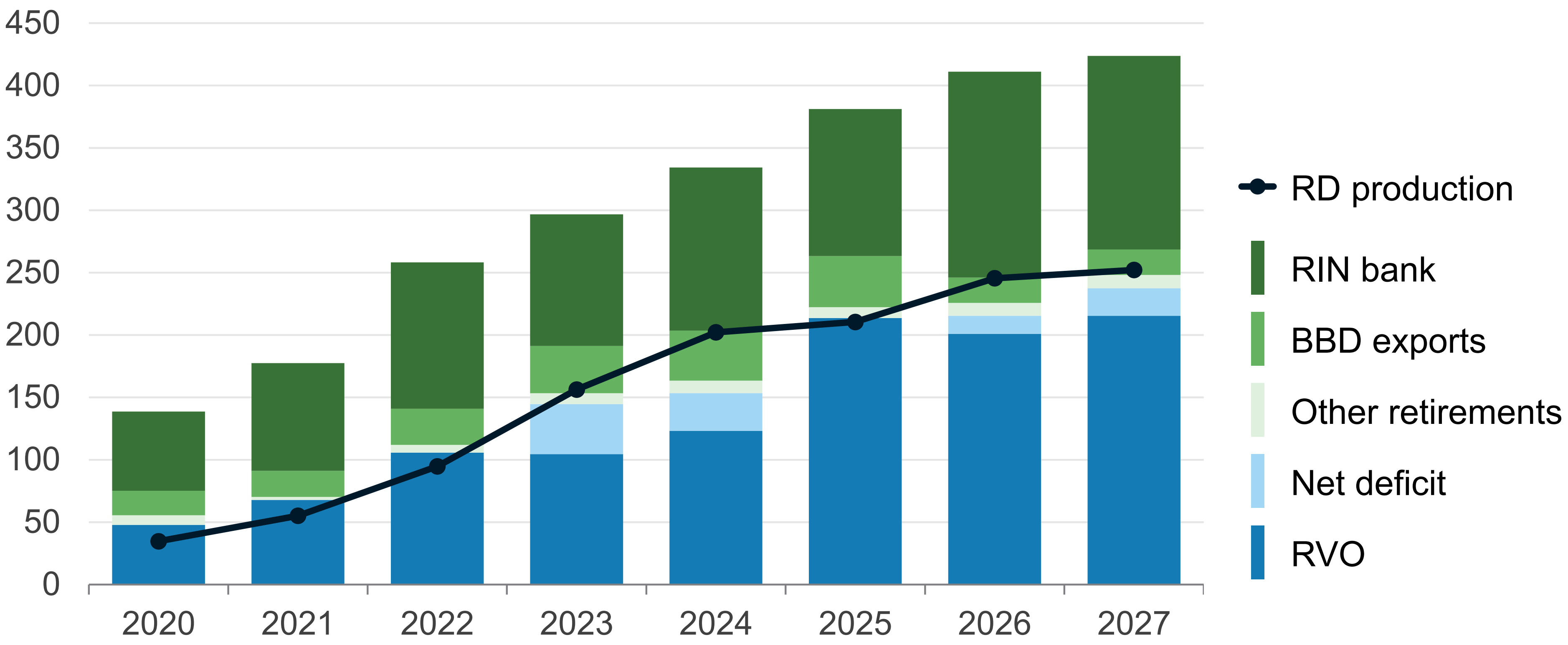
2024



2026-2027

EPA proposed significantly higher BBD levels for 2026-27

Implied U.S. renewable diesel demand in RFS (thousand barrels per day)



X Factor: EPA's treatment of historical SREs

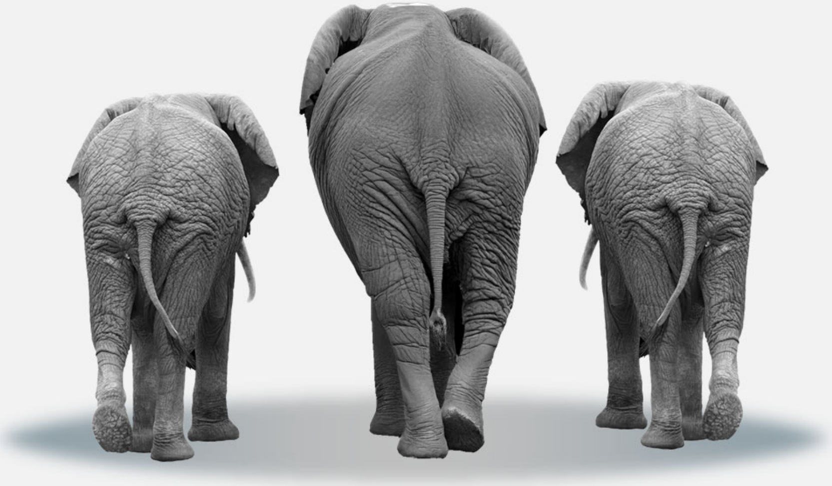
EPA to decide on 189 outstanding small refinery exemptions

- EPA to make its decision on SREs ahead of the final RVO proposal release
- EPA projects **34** qualifying and operational small refineries producing up to **18B gallons** of gasoline and diesel each year, or **10%** of total reported volume of obligated gasoline and diesel
- Looking back to 2017, EPA exempted **89.2B gallons** affecting **12.6 billion RINs**

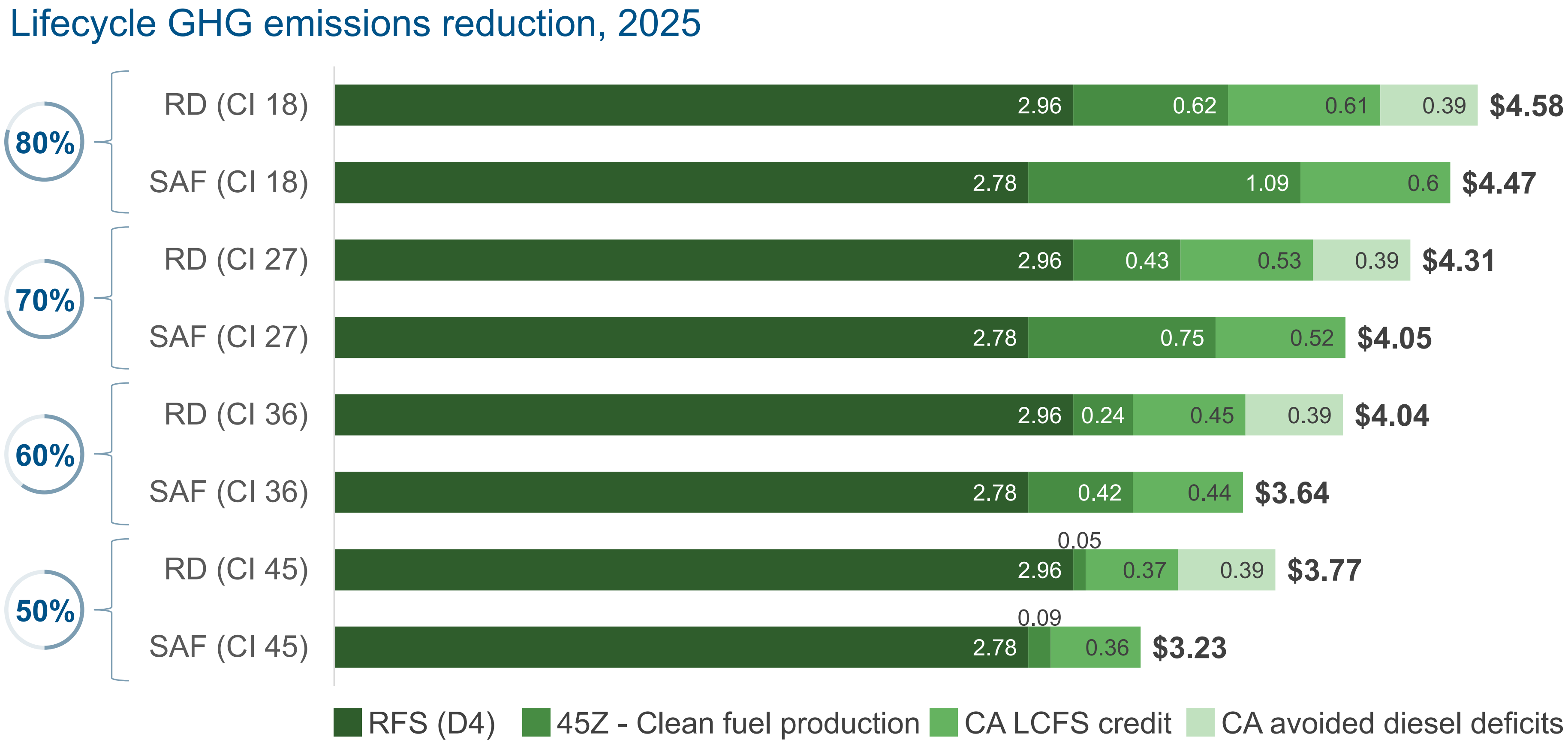
CoBank

Republicans preserved 45Z provisions in One Big Beautiful Bill – key provisions impact 45Z extension

- Extends through end of 2029
- Limits feedstocks to those produced in North America
- Indirect land use change not used in calculating eligibility for the tax credit (will improve CI scores for corn and soy products)
- Allows transferability of credits – key for farmer-owned ethanol plants
- SAF tax lowered from $1.75 to $1.00



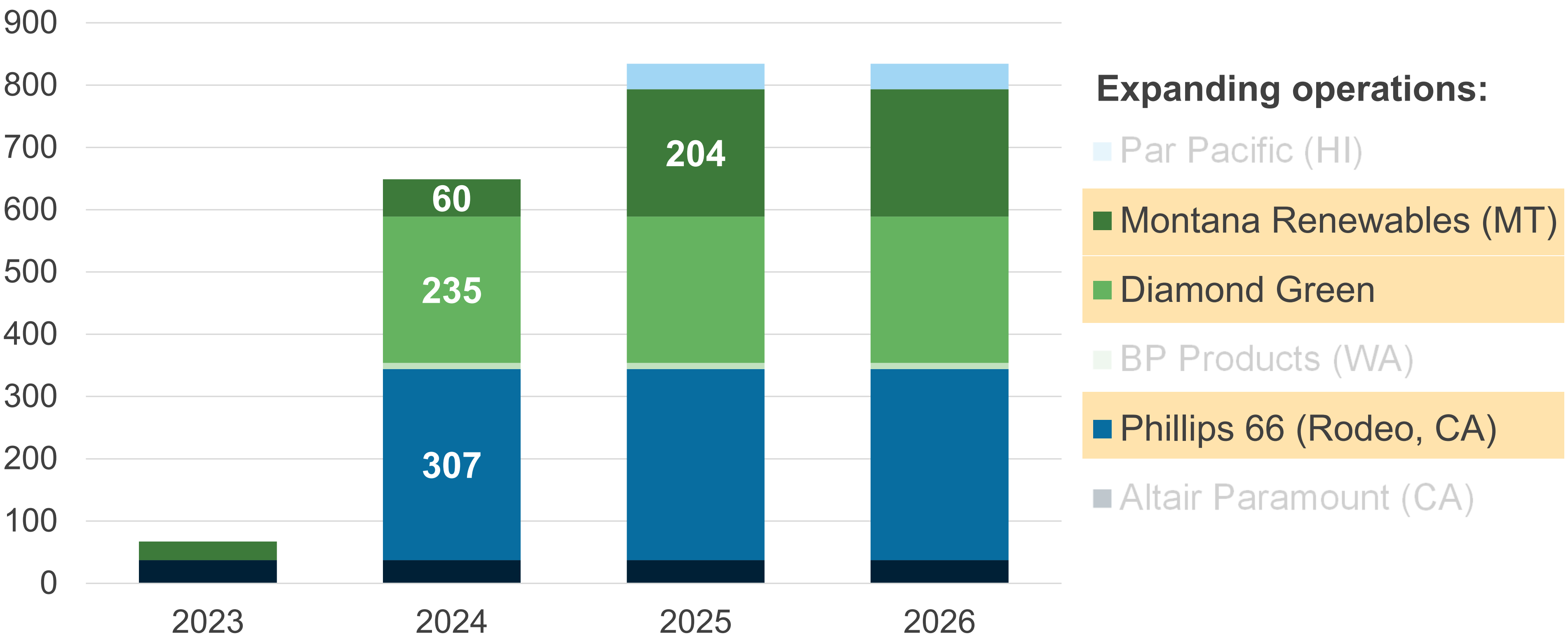
SAF and RD production driven by regulatory incentives



Source: NREL

New SAF production to come online in 2025-26

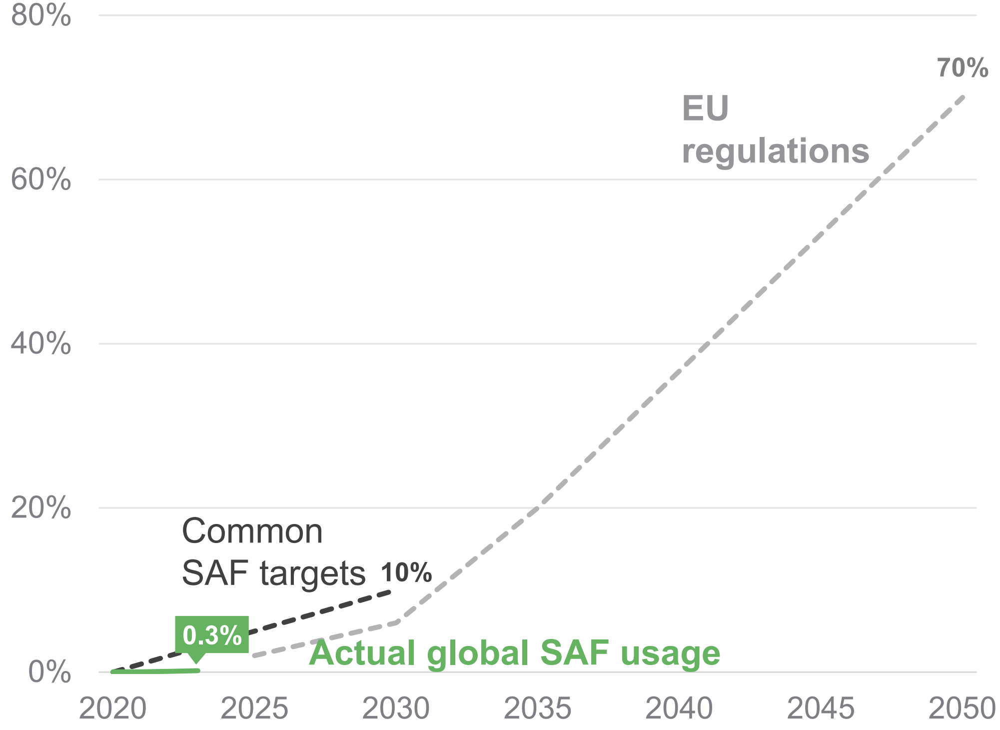
SAF nameplate capacity (million gallons)



Source: Industry investor data

Market and regulations driving SAF outlook

Percentage of aviation fuel that came from sustainable sources in 2024



Airlines are off pace to reach promised SAF target of 10% by 2030

Top 10 SAF users in 2024, kilotons	2023	2024	Percent of fuel
IAG International Airlines Group	54	162	1.9%
Air France KLM	87	103	1.3%
DHL	74	74	3.5%
Delta	10	41	0.3%
United	21	40	0.3%
Lufthansa Group	13	21	0.2%
SAS Scandinavian Airlines	6	11	1.1%
Airbus	7	11	18.0%
Virgin Atlantic	2	10	0.9%
American Airlines	8		0.1%

Final thoughts

Ethanol exports can provide an easy trade win, but also greatest profitability risk if export sales slow.

Soy oil biggest winner in proposed RVO, but SREs remains the X factor in whether levels will be realized.

SAF biggest loser in updated 45Z legislation but removal of indirect land use change will improve CI score for crop-based feedstocks.

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