

THE FARMER'S EDGE

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HURLEY & ASSOCIATES
AGRI-MARKETING CENTERS

Diesel Tightness, Propane Plenty: A Fuel Market Built for Volatility

By: Nathan Keown

For fuel buyers, the clearest message as we wrap up summer and get harvest underway is this: **diesel and propane are entering the fall from very different starting points**. Diesel is confronting historically lean inventories, unusually strong exports and a global shortage of refinery output just as harvest and winter demand approach. Propane, on the other hand, has abundant national stocks and soft speculative positioning, although additional export capacity additions (which those investors have largely contracted utilization of), regional inventory differences and winter weather still matter. The practical implication is not that one market is certain to rise and the other to fall. It is that diesel carries a much smaller margin for error, while propane's apparent cushion could thin if exports or cold weather accelerate demand.

Then there's the elephant in the room: Iran & the Strait of Hormuz. Let's get right to the point: your guess is as good as mine. That said, my bias has been a longer, more drawn-out conflict than we were initially promised. I expect reduced flows through Hormuz vs. pre-war and significant risk for Middle East shippers well into 2027. **I hope I'm wrong**. Now, let's unpack what's happened, shift our perspective on the market, and make the most of the situation.

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NOW HIRING

Join our Growing Team!

Hurley & Associates is seeking talented individuals to join us in our mission to support farm families and promote economic stability in the agricultural industry. Look at our current full-time job openings below and discover how you can contribute to our value-driven organization. We offer competitive benefits and opportunities for professional growth.

Visit our website to apply



GROUP LEADER

Location: Britton, SD

- The Group Leader provides leadership, mentorship, and strategic direction to Farm Marketing Consultants and office staff while promoting Hurley & Associates' farm marketing services. This role is responsible for driving office growth, strengthening client relationships, expanding market presence, and ensuring the delivery of disciplined risk management services to agricultural producers.

FARM MARKETING CONSULTANT

Location: Hutchinson, Kansas

- Farm Marketing Consultants provide tailored marketing and risk management services to farmers, helping them achieve economic stability and profitability. Responsibilities include client relationship management, market analysis, and business development.

HOG SALES MANAGER

Location: Glenwood, MN

- The Hog Sales Manager drives networking, business development, and strategic efforts to grow the Hurley Hog Program. This role promotes the program, manages and distributes sales leads, and supports team development. Overall, the position plays a key part in ensuring the program's success and continued expansion.

CLIENT SERVICES ASSOCIATE

Location: Sioux Falls, SD & Britton, SD

- Client Services Associate provide exceptional customer service and administrative support to farmers and Farm Marketing Consultants, helping ensure clients receive timely information and tailored solutions. Responsibilities include client communication, record management, marketing support, and assisting with commodity risk-management activities.



Diesel Tightness, Propane Plenty: A Fuel Market Built for Volatility

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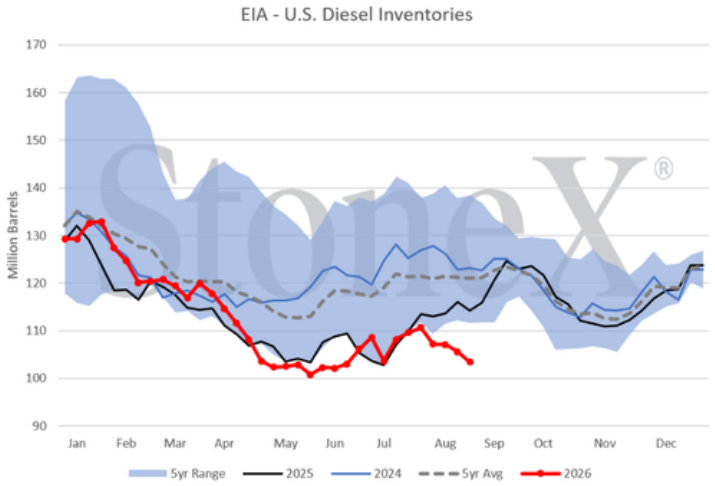
DIESEL'S PROBLEM IS BIGGER THAN THE PRICE OF CRUDE

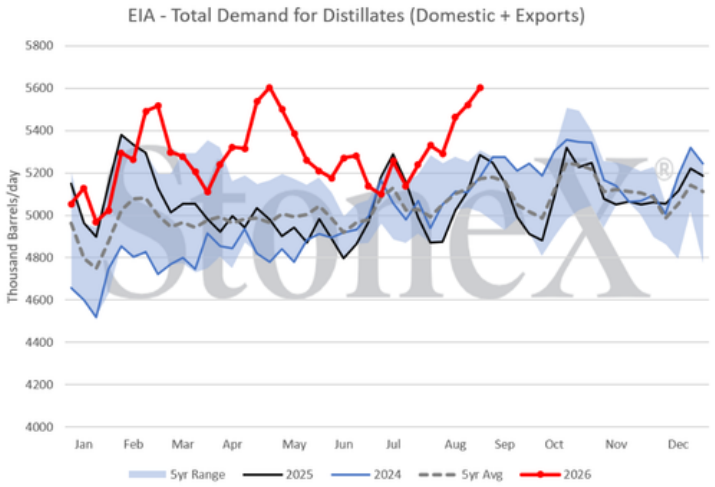
Farmers naturally watch crude oil because it is the raw material behind diesel, but crude is only part of the bill. A second (more important) component this year is the cost of converting crude into usable fuel. That value add - often called the **refining margin** or **crack spread** - has been exceptionally high for diesel. In the last few weeks, the premium of diesel vs. crude topped $100/bbl for the first time in history. Now, there are plenty of costs that eat into that $100/bbl margin (like RFS compliance costs, aka "RINs"), but the diesel market is clearly screaming into the abyss, **"We don't have enough refining capacity!"**

This couldn't be more important to understand for fuel buyers. There isn't enough slack in global refining capacity for refined products markets, plain and simple. **Do not look to crude prices** as the barometer of value when making purchase decisions for your diesel fuel. If you do, you might start scratching your head when you're upwards of $1.75/gal shy of your estimate on where diesel "should be" given the price of crude. That $100/bbl diesel crack spread used to be closer to $25/bbl during periods of adequate refining capacity. Take that $75/bbl difference, divide by 42 to convert $/bbl to $/gal, and **you're left with ~$1.78/gal additional cost (albeit it is varying constantly) that's strictly because the bottleneck of our global refining base is truly that bad**. Now, that historically high premium could cool off, but a lot must change for that to occur.

The U.S. inventory picture explains why that premium has persisted. By August 21, conventional diesel stocks had fallen to 103 million barrels – and the drawdown in August was about a month and a half earlier than we would normally expect. Currently, diesel stocks are at the lowest level on record for August. Now, one caveat is that we now have ~7 million barrels of renewable diesel that we didn't use to have many years ago, but all in all, the cushion is unusually thin ahead of harvest and winter. At the same time, we aren't the only ones who like to burn our diesel fuel.

There is a massive (and growing!) export market for `Merican diesel fuel, and because refining capacity is insufficient overseas (due to lack of investment, the war in Iran, and the war in Ukraine/Russia), U.S. diesel exports have been soaring this year @1.46 million barrels per day of demand YTD. That's a +17% increase vs. the corresponding period last year.





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REFINERS ARE RUNNING HARD—BUT THERE IS LITTLE SPARE ROOM

High margins give refiners every incentive to produce diesel, and they have responded. Over the previous five years, the highest July production rate for U.S. distillate fuel oil was 5.1 million barrels per day. In July 2026, the U.S. refining system was on pace to produce 5.3 million barrels per day. Great! But…the fuel shortage and high premiums persist. Maintenance work was and will be used to optimize units for greater diesel yield, but there's only so much diesel juice for the squeeze: refiners are already pressing close to the practical limit of how much more diesel they can produce. That leaves the market vulnerable to outages: accidental hiccups in the U.S., Ukraine's drone offensive on Russian refineries, and attacks in the Middle East (which have a moderate risk of returning). Each incident may be temporary, but a series of temporary losses becomes important when inventories are already low, and refiners have limited ability to compensate elsewhere.

Russia is another structural pressure point. Due to the onslaught of drone attacks on Russia's refining base, Russia has been forced to export crude oil it otherwise can't refine and in turn ban exports of diesel fuel to address its domestic shortages. Russia's diesel export ban is currently in effect through January 2027. That removes a traditional and significant (#2 behind the U.S.) source of supply not only for direct buyers of Russian fuel, but also for countries now competing for replacement barrels from the United States, Middle East and Asia.

HARVEST AND WINTER ARE ARRIVING WITH A THIN DIESEL CUSHION

The calendar now matters more than usual: we're entering the one-two punch of fall: harvest ramps up diesel demand, followed soon afterward with heating-oil demand and diesel-burn in power plants whenever natural gas gets too expensive. Heating oil and diesel compete for essentially the same distillate pool…the main difference is dye, taxation, and specific additives.

Local basis—the difference between a supplier's physical diesel price and the futures benchmark—can also rise even if futures pause. Basis throughout the Midwest has been exceptionally weak since the war broke out at the end of February.

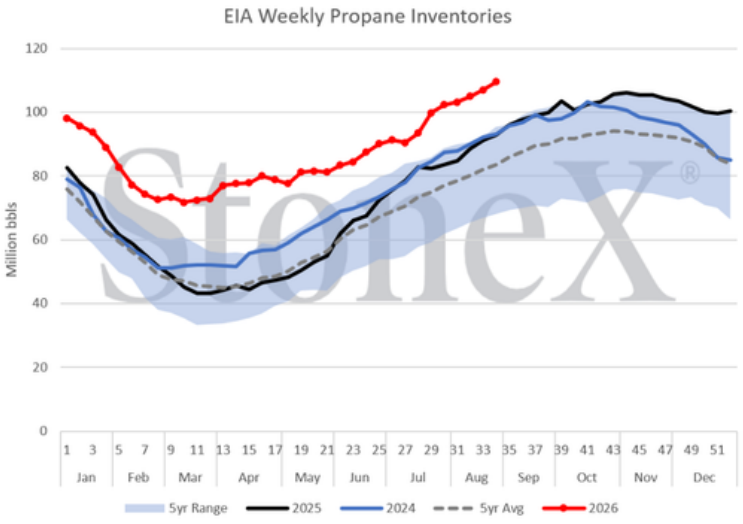
But, that could change soon as fall is the time we typically see diesel basis rise the most in the Midwest. For buyers, that means waiting for a futures decline does not guarantee an equal decline in the delivered quote at the local terminal or tank.

Unfortunately, we all need diesel at the farm around the same time, so filling up tanks on-site in advance is the best strategy, but there's no sugar-coating it: if you're just now entering the market for diesel price protection this fall, you're putting lipstick on a pig. You might get lucky and catch a dip, but the fundamentals are what they are, and the high prices aren't likely to budge too much…

That said, **you can get a $1/gal+ discount if you start laying in some fixed contracts for fall '27…**sounds crazy, but having some of your usage locked up $1 cheaper is a categorical improvement year/year. Take the little wins when you can get them! As for layering in additional protection, **I would target November and December as a time to layer in more protection for 2027+ as we tend to see a lull in the market around then.**

PROPANE HAS MORE SUPPLY—BUT NOT A FREE PASS

Propane presents a much more comfortable headline inventory picture. As of mid-August, propane inventories have reached a whopping 109 million barrels, and the EIA forecast of 115 million barrels by the end of the build season could end up coming in short vs. reality. The EIA forecasts propane stocks to end this winter with more than 70 million barrels. Now, I think we'll likely end with less inventories, but I expect propane to stay amply supplied through this winter.



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Still, national inventory totals can hide regional differences. Most of the propane surplus is concentrated in the Gulf Coast region with some surplus also noted in the Midwest. Now, this year is also a big shift in propane and other natural gas liquids' fundamentals: 716,000 barrels per day of scheduled North American NGL export-capacity additions, exceeding associated fractionation growth by about 300,000 barrels per day. That export capacity should draw more propane to overseas markets, so today's excess Gulf Coast inventories could decline faster than most would think.

For farmers, propane demand is also unusually weather-sensitive. Crop-drying requirements can change rapidly with harvest moisture, while residential and commercial heating demand depends on the timing and severity of cold weather. High national stocks improve resilience, but they do not eliminate terminal constraints, transportation problems or short-term regional price spikes. Therefore, the outlook for our propane market is **comfortable, not invulnerable** - especially if a wet harvest is followed quickly by sustained winter cold.

SEPARATE THE HEADLINES FROM THE FUNDAMENTALS

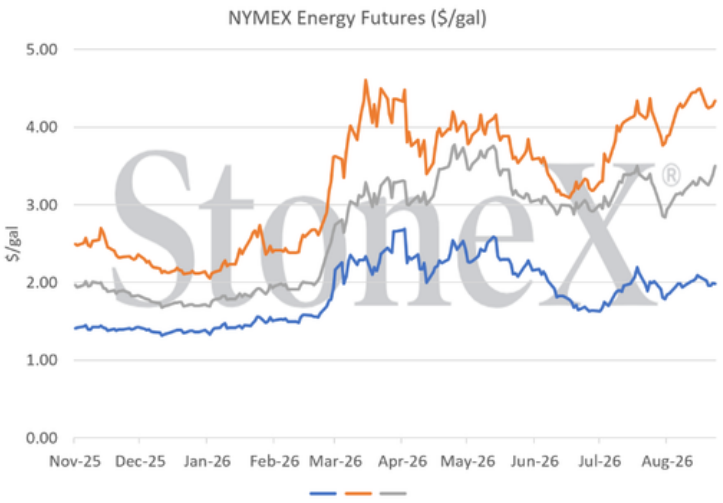
Short-term price volatility will continue to be driven by ceasefire reports, shipping incidents, refinery attacks, government sanctions and changing expectations about Hormuz. The longer-term fundamentals move more slowly. For diesel, those are low inventories, reduced Russian exports, Europe's increasing import dependence, limited spare refining capacity (globally) and strong U.S. exports. Bearish counterweights include weaker Chinese road-fuel demand, potential increases in Chinese refinery utilization, and potential increases in Middle Eastern production and eventual new refining capacity. For propane, ample inventory is the principal buffer, while export expansion and weather are the main threats to that comfort.

What Fuel Buyers Should Watch

Now, don't ignore crude prices completely, but see that as a sideshow to what really matters: diesel pricing. Diesel will continue to be the most volatile product because it's in the most precarious supply/demand position. **The forward curve offers significant cost-savings that shouldn't be ignored. Layer in some protection for fall 2027 and look for a seasonal lull in Nov/Dec to lock up more fixed price gallons for spring and fall '27.**

Propane offers more flexibility because inventories are ample, but regional supply, exports and weather still deserve attention. It could dip further but is likely to be range-bound this winter with more upside than downside price risk, in my opinion. After all, it only takes one nasty winter storm to send prices soaring.

In the months ahead, there are numerous risks to consider, but the key drivers to follow are **geopolitical developments – (take everything you read with a grain of salt), Hormuz vessel traffic, Russian export restrictions, and Chinese refined product exports.** Diesel enters this fall with great structural risk; propane enters it with a large cushion. For farmers and commercial end-users, understanding that difference is more valuable than trying to predict the next headline-driven move.



Sources: Fundamentals data for chart and commentary was sourced from the EIA. Futures pricing and charts are sourcing NYMEX/CME data. Commentary on basis is sourcing pricing from FastRacks, DTN, and Platts. Commentary on international refining, geopolitics, and fuel markets was sourced over several months from the WSJ, Bloomberg, and EIA.

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"TO PLANT SOMETHING IS TO BELIEVE IN TOMORROW."





CONSULTANT SPOTLIGHT

ANNA GOLDAMMER

Farm Marketing Consultant | Brookings, SD

What is your favorite part about working at the company?

My favorite part of working for Hurley is, without a doubt, the people. Whether it's partnering with farming families and supporting them as they pursue their goals, or collaborating with coworkers who are both talented professionals and wonderful people, the relationships I build every day are what make this work so meaningful. I'm grateful to be part of a team that genuinely cares about each other and the farming communities we serve. My connections with my clients and my teammates are what make coming to work each day so rewarding.

What is a recent accomplishment you are proud of?

I'm proud to have celebrated two special milestones recently. The first was welcoming our beautiful baby girl, Ellie, to our family in March. The second was receiving the Rising Star Award at work in recognition of my hard work and dedication. Both accomplishments are meaningful reminders of the roles I value most. Whether I'm supporting my children at home or partnering with clients to help them achieve their goals, I strive to lead with purpose, serve others well, and make a positive impact every day.

What are your hobbies or interests outside of work?

At this stage of life, our hobbies and interests are really our kids' hobbies and interests. Most of our time is spent cheering from the sidelines at volleyball, basketball, baseball, and football games. As a family we also enjoy traveling, attending SDSU women's basketball games, and embracing our competitive side with game nights and card games.

Scan for Anna's Bio

More Than Marketing

By Aaron Erickson
Farm Marketing Consultant | Glenwood, MN



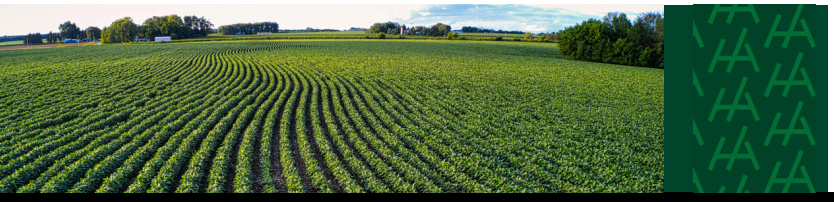
Agriculture has been a part of my life for as long as I can remember.

I grew up near Starbuck, Minnesota, where my appreciation for farming began at an early age. I still remember being a teenager and having my uncle trust me to stay at his farm for a couple of weeks while his family was out of town. I was over the moon. He entrusted me with the day-to-day responsibilities of the farm—hauling grain to town, cutting and baling hay, and taking care of the daily chores that came with raising 250 dairy heifers. At the time, I was simply excited about the opportunity, but looking back, I realized how much that trust meant to me.

During my high school and college years, I continued to work alongside local farmers—milking cows, baling hay, building grain bins, custom combining, and loading grain trains at the local cooperative. Those experiences taught me a great deal about agriculture, but more importantly, they taught me about the people behind it.

I quickly learned that farming is much more than a profession. It is a way of life grounded in hard work, sacrifice, faith, and commitment to family. The farmers I worked with took pride in what they did, cared deeply about their land, and were always willing to help a neighbor when needed. Even then, I recognized there was something special about the agricultural community.

After graduating from Minnesota State University Moorhead, my career took me in a different direction. I spent 17 years as an Operations Manager for Canadian Pacific Railroad while staying connected to agriculture through our own small farming operation, which gave me the opportunity to continue raising cattle and grain, as well as through my service on the local co-op board. Although my professional career was outside production agriculture, the values and relationships I developed through farming never left me.



Those experiences ultimately led me to Hurley & Associates.

What attracted me to Hurley was not only the company's individualized approach to commodity marketing, but also its commitment to serving farm families and helping them pursue their long-term goals. Today, I have the opportunity to combine my passion for agriculture with my passion for building meaningful relationships, and that is something I am incredibly grateful for.

What I have learned since joining Hurley is that commodity marketing is about much more than markets. It is about understanding the people behind each operation—their families, their goals, their challenges, and what success means to them.

When people hear the term commodity marketing, they often think about grain prices, market outlooks, spreadsheets, and risk management strategies. Those things are certainly important. But I have come to realize that the most rewarding part of my job has very little to do with markets themselves.

The greatest privilege of my career is the opportunity to become a small part of the lives of the farm families I serve.

Since joining Hurley & Associates, I have worked with producers from different backgrounds, operations, and stages of life. Every farm is unique, but one thing remains consistent: every operation has a story.

Some families are focused on bringing the next generation back to the farm. Others are working through succession planning, expanding their operations, improving profitability, or creating greater financial stability. Some are navigating difficult challenges, while others are celebrating milestones they have spent years working toward.

Behind every balance sheet and marketing plan is a family with goals, values, dreams, and responsibilities.

One of the things I enjoy most is taking the time to understand those goals and what success looks like for each operation. Success is not always measured by achieving the highest price or producing the biggest crop. Sometimes success means reducing stress. Sometimes it means strengthening financial security. And sometimes it means creating an opportunity for a child or grandchild to return to the farm someday.

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More Than Marketing

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That is why the conversations are one of the best parts of my job.

Of course, we spend time discussing markets and risk management, but those discussions often lead to something much deeper. We talk about family histories, future plans, life lessons, and the challenges that come with balancing a business and a family.

I've had the opportunity to sit at kitchen tables, walk through machine sheds, visit during harvest, and hear stories that span generations. Those conversations provide perspective. They remind me that decisions made on a farm affect far more than production and profitability. They affect families, employees, communities, and future generations.

That is a responsibility I never take lightly.

One thing that has always stood out to me about agriculture is the importance of trust. Farmers are relationship-driven people, and trust is earned through consistency, honesty, and a genuine desire to help. I think back to the trust my uncle placed in me as a teenager when he left me responsible for his farm. I didn't fully appreciate the significance of that trust at the time, but I understand it differently today.

Working with a producer means being trusted with some of the most important parts of their operation—their finances, their goals, and their plans for the future. That trust extends not only to me, but to the entire Hurley team.

That level of trust is humbling, and it is something I value deeply.

The reality is that farming can be incredibly rewarding, but it can also be incredibly demanding. The producers I work with wear many hats. They are business owners, equipment operators, mechanics, agronomists, livestock managers, accountants, and mentors to the next generation. At the same time, they are husbands, wives, parents, grandparents, neighbors, and community leaders.

That is why I believe our role as advisors is about more than marketing. Market recommendations matter, but so does understanding the bigger picture—the family, the operation, and the future they are working to build. Our responsibility is to help clients make decisions that support not only their business today, but also their long-term goals.

What continues to inspire me is the optimism farmers maintain despite the uncertainty they face. Agriculture teaches patience, perseverance, and faith in ways few industries can. Farmers routinely deal with circumstances beyond their control, yet they continue investing in their operations, their families, and the future.

That mindset is something I greatly admire.

As I reflect on the relationships I have built through agriculture, I am grateful for the farmers who have welcomed me onto their operations, shared their stories, and trusted me to be part of their decision-making process.

While my role is to provide marketing guidance, I have learned a great deal from the farm families I work with. Their approach to hard work, perseverance, stewardship, and planning for the future continues to shape how I approach my own work.

For me, that is what makes this career so rewarding. It is about more than marketing plans, prices, and managing risk. It is about getting to know the people behind each operation, understanding what they are working toward, and helping them make decisions that support those goals.

I value the relationships I've built along the way and the opportunity to play a small part in each farm's story. To the producers and families, I work with thank you for the trust you place in me and the Hurley team and for allowing us to be part of your operation. I look forward to the conversations, challenges, and opportunities ahead.



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EXPLORE UPCOMING EDUCATIONAL EVENTS

YOUR FARM. YOUR FUTURE.
YOUR LEGACY.

PASSION. PARTNERSHIP. PLANNING.

Strong roots represent the life you've built. The decisions you make today are planting the seeds for tomorrow, growing a legacy that nurtures your family, sustains your farm, and stands strong for generations.

Join our team for one of the dates that works for you in our upcoming workshop series featuring Alan Hojer, Director and Legacy Consultant for the Keep Farmers Farming Program.

WORKSHOP SERIES:
save the date:

NOME, ND	December 1st 4:00pm-8:00pm
ABERDEEN, SD	December 7th 10:00am-2:00pm
JAMESTOWN, ND	January 12th 10:00 am-2:00pm
BRITTON, SD	January 19th 4:00pm-8:00pm

coming next year!

ELEVATE

by Hurley & Associates

FARGO, ND - 2027

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spring or summer program

12 WEEK, PAID, IMMERSIVE EXPERIENCE IN COMMODITY HEDGING/RISK MANAGEMENT MARKETING.

WHAT CAN I EXPECT FROM HURLEY & ASSOCIATES?

- Client Engagement
- Mentorship & Analysis
- Networking
- Presentations
- Licensing & Workshops
- Creative Contribution

WHAT ARE THE QUALIFICATIONS?

- Must reside in Hurley & Associates territory
- Must be a full-time student pursuing an undergraduate degree in agriculture, business, or related field
- Experience with agricultural youth organizations and work
- Passion for serving hose in the agricultural community
- Recommended coursework: Excellent leadership, public relations,commodity marketing, finance, basic accounting, economic fundamentals





APPLY ONLINE

APPLY AT A LOCATION NEAR YOU.

OPEN POSITIONS:
Brookings, SD
Glenwood, MN
Grundy Center, IA
Charleston, MO

SCHOLARSHIP PROGRAM

Giving back to the families and communities we are built from by providing financial support to students attending select universities that have positively impacted our Hurley family.

SCHOLARSHIP REQUIREMENTS:

Open to full-time students at:

- **Iowa State University**
- **Murray State University**
- **North Dakota State University**
- **South Dakota State University**

Preference given to students studying agriculture, business, or a related field.

APPLY ONLINE
By Nov 1, 2026

$19,500 IN FUNDS AVAILABLE

AWARD DETAILS:

Thirteen $1,500 scholarships are awarded annually. Three to students of each university, and an additional $1,500 scholarship flexible between universities dependent on applicants.

STUDENT OPPORTUNITIES
With Hurley & Associates

new this spring!

SOFTWARE DEVELOPER
INTERNSHIP

What Can I Expect from Hurley & Associates?

- Hands-on software development experience
- Mentorship from experienced developers
- Work on real projects that impact the business
- Collaboration with team members across the organization
- Professional development and networking opportunities
- Exposure to modern technologies and development tools
- Opportunities to innovate and solve real-world problems

What Are the Qualifications?

- Must reside within Hurley & Associates territory
- Pursuing a degree in Computer Science, Software Engineering, Information Technology, or a related field
- Completed at least three semesters of college coursework
- Strong problem-solving and communication skills
- Interest in software development and technology
- Ability to work independently and as part of a team

APPLY ONLINE



CONSULTANT SPOTLIGHT
ALEE ITZEN
Farm Marketing Consultant | Grundy Center, IA

What is your favorite part about working at the company?

My favorite part about working at Hurley is the people. I'm grateful for the relationships I've built with our clients and for the trust they place in me by welcoming me into their homes and allowing me to be part of their family's operation. One of the most rewarding aspects of my job is witnessing the generational nature of agriculture, whether it's seeing grandchildren help during harvest or working with a recent college graduate as they begin farming their own acres. I also appreciate the team at Hurley. The company is filled with knowledgeable and supportive individuals who are always willing to share advice, lend a hand, and work together to help clients succeed.

What is a recent accomplishment you are proud of?

My husband and I purchased an acreage in November. After many months of hard work, and plenty of sweat equity, we moved into our home in August. The real accomplishment is that after all the stress and planning we still like each other. We're excited to begin this new chapter and create lasting memories with our family in our new home.

What are your hobbies or interests outside of work?

Outside of work, I enjoy spending quality time with family and friends. I love being outdoors and on the water, whether that's boating in Iowa or visiting the ocean. I'm also a dedicated Hawkeye fan, and there's nothing better than spending a Saturday at an Iowa football game or wrestling meet.

Scan for Alee's Bio

Recent Technological Developments Drive Optimism for the U.S. Economy

By John A. Johnson

Recent technological developments have been developed to the point that they are rapidly being deployed into our daily life stream and finding ways to be beneficial on a practical level. These developments are namely artificial intelligence, autonomous drones, humanoid-like robots, and all the other wonderful contrivances that these technologies can augment. The objective, of course, is to replace human hours presently being used to accomplish different tasks.

Let's consider the first reaction of so many people: that replacing so many people required for various tasks, will deprive so many people of their means of making a living in the "new" economy. Many of these tasks are very menial, repetitive jobs that are paying some derivative of the minimum wage. Let me assure everyone that, as a child of the 1940's, I saw men working from daylight until sunset for meager wages, all across the South, as they followed teams of mules or horses to prepare land, plant cotton or corn, and then work all summer to cultivate those crops. Meanwhile their wives and working age children chopped the weeds and grass to keep that crop clean, and in the case of cotton, worked all fall to harvest the crop by hand. Once World War II came along the available labor began to be harder to find and farmers were forced to turn to tractors, combines and tractor mounted implements to prepare the land, plant and cultivate the crop. Then in the early 1950's mechanical cotton pickers came on the scene, relieving the hand labor of any meaningful employment in the fall.

Manufacturing was booming at that time in the Northern states of Indiana and Michigan, as well as the cities like Chicago and St. Louis. The labor from our area of Northeast Arkansas literally moved to those areas and found factory, construction or other jobs in service industries, as work was plentiful in those areas.

The result of those times for the overwhelming majority of those workers was that they found better, higher paying jobs than they had previously, and the housing that they were able to afford for themselves, and their families was better than where they had lived on the farms.

The general productivity of the United States was much improved and increased during that time. That increased productivity made products and goods more affordable and the improvement in earnings corresponded to provide a boost in the standard of living for almost all of our citizens during that period. We had two families that had been laborers on our farm that moved to Michigan as fruit pickers and factory workers. Both families managed, after only a few years, to purchase small farms of their own and retire with very comfortable incomes.

Our contention for the implementation of these new technologies is that it will raise the standard of living for the majority of the people, if any, that are displaced.

One economic axiom is that an increase in the money supply has to be matched to some degree by an increase in goods and services to offset it, or the result is inflation. The very definition of inflation is "too much money chasing too few goods and services". During the Covid epidemic, the shutting down of manufacturing and schools, as well as the lockdowns and pretty well shut down our personal lives. This move ended the income for so many people; the government began to issue "Covid checks" to people and businesses. Money was printed out of thin air and simply handed out without any exchange for goods or services. Let's see, money for nothing, lack of production or distribution of goods and services. What could possibly go wrong? We experienced an abrupt run-up in inflation from our normal 2 ½ % to over 9% in one year. Inflation, once it rears its ugly head, is terribly hard to eradicate without some serious economic steps. Generally, those steps eventually result in higher unemployment and a slowdown in our economy. Ultimately, we have to either get our production of goods up to the level of money increases, or draw down the supply of available cash to match. Either one can be painful economically.

Our present administration is trying to engineer what in economic circles is called a "soft landing". We wish them the best, but right in the middle of the issue, we found that our global arch enemy, Iran, is on the very cusp of developing their own nuclear weapon.

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Our fear is that a country whose citizens gather in the streets by the thousands and chant "Death to America" should be strongly suspected of being willing to use that weapon on our country's interest or citizenry. Once our military started taking steps to eliminate the possibility of that weapon, the supply of crude oil that Iran feeds into the global supply daily has virtually dried up. The cost of gasoline and diesel fuel, both of which can be considered to the lifeblood of commerce in our country, is facing the distinct possibility of being forced higher on a moment's notice. We have already seen prices much higher on a short-term basis. Would there be any more sure way to elevate the price of goods and services across the board in the U.S.A. than to increase the cost of the fuel that has to touch each and everything we have to buy, whether we want to or not?

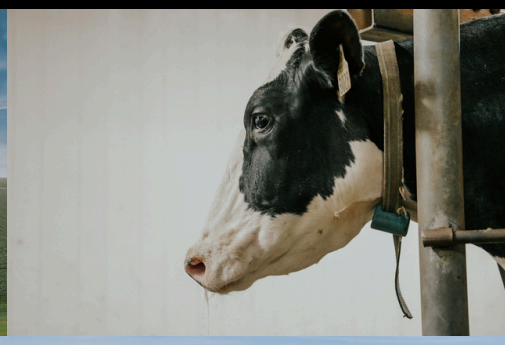
President Trump has announced a new economic strategy of denying Iran the ability to sell its crude oil to anywhere in the world. We would surmise that it will be a hard negotiation to get China to stop buying Iranian oil. There is a summit meeting between President's Trump and Xi next month. Time only will tell.

While the disturbance with Iran is ongoing, we also have the Russia/Ukraine conflict still in full swing. Ukraine, through skillful deployment of drones etc. has been making inroads in that war. They are much encouraged by their recent successes and think they may be on the verge of repulsing the Russians. That would be nice for us if that conflict could come to an equitable end for the people of Ukraine, as it would stop the drain on war materials from the U.S. as well as from Europe.

In other global developments, today the border with Mexico is being partially re-opened for the shipment of their cattle to the U.S. Cattle feeders in the U.S., especially Texas, will be thrilled to finally have access to some of those feeder cattle from south of the border. There will be a small number crossed, beginning in Arizona, and then working their way to other crossings across Arizona, New Mexico and Texas, until we get them all going again.

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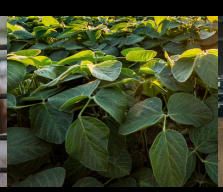






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CONSULTANT SPOTLIGHT

PATRICK SCHAFFER

Farm Marketing Consultant | Glewood, MN

What is your favorite part about working at the company?

What I enjoy most about working at Hurley & Associates is the team atmosphere and the opportunity to work alongside great coworkers. I enjoy learning about the many different and diverse farming operations we serve and developing meaningful relationships with amazing farm families. In my opinion, marketing can be one of the most stressful aspects of a farming operation. When producers feel confident in their marketing plan and can focus their time and energy on the other responsibilities of running their operation, it is incredibly rewarding to know I've helped provide some peace of mind and clarity during challenging times.

What is a recent accomplishment you are proud of?

One accomplishment I am especially proud of is that my family and I successfully completed our first year of farming in 2025. We raised corn, soybeans, and grass hay, and while it came with plenty of challenges and hard work, it was an incredibly rewarding and fulfilling experience. I was also honored to be nominated to serve on the board of the Douglas County Corn & Soybean Growers. In this role, I work alongside other industry leaders to promote and create opportunities that support the profitability and sustainability of farmers through education, service, and advocacy. It is a privilege to represent local producers and contribute to efforts that strengthen agriculture in our region.

What are your hobbies or interests outside of work?

I enjoy spending time with my family, camping, spending time on the lake, and cheering on the Minnesota Vikings and Timberwolves. Our kids have developed interests in activities such as T-ball, golf, gymnastics, and 4-H, so we spend a lot of time supporting and encouraging them. As a family, we also enjoy volunteering with the Western Minnesota Steam Threshers Reunion, helping prepare the showgrounds and supporting an event that celebrates our area's agricultural heritage.

Recent Technological Developments Drive Optimism for the U.S. Economy

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According to Dr. Derrell Peel, market specialist of Oklahoma State University, we averaged receiving some 1.7 million head of cattle per year from them from 2022 until 2025. We don't expect that many for several years, due to the fact that the Mexicans are making money by keeping their calves and feeding them corn purchased from the U.S., and then exporting the meat into the U.S. Works better for them.

One other note from the Northern Hemisphere, is the developing tariff war with our neighbor to the North, Canada. Frankly, we can sense a personality conflict between the Canadian Priemer and President Trump. Both men are accusing the other country of taking advantage of tariff advantages. Both have subsequently laid out plans to increase tariffs on the other. Each one is claiming that the other country has the advantage, i.e. higher tariffs. One solution could be to simply reduce the tariffs on both countries to "0", and declare our common border a free trade zone!

John A. Johnson has worked for Hurley & Associates since 2000. John is semi-retired now living the life of chasing grandkids. John is based in Sikeston, MO



Scan for Patrick's Bio



Financial Delta

By Pearson Wientjes
Farm Marketing Consultant | Brookings, SD



In the fast-paced world we operate in, opportunities can be here one day and gone the next. They arrive in the form of weather events, geopolitical news, or policy changes. With a constant stream of instant information in the palm of your hand, it is easy to get caught up in the headlines and lose sight of how these events actually affect your operation.

In the world of marketing, we often use a term called "delta." Without going too far into the weeds, delta is a measure of exposure, or how your own position changes in relation to how the market changes. In this article, I want to walk through "financial delta": how your cash flow shifts throughout the year based on the decisions you make on inputs, marketing, and insurance.

Harvest is right around the corner, and prepay season follows close behind. Input costs have been one of the larger pain points contributing to the tougher farm economy of recent years. According to Purdue University data, variable costs on an acre of corn (corn-soybean rotation, average production ground) rose from $399 in 2016 to $678 in 2026 — a 70% increase. Variable costs now represent roughly 60% of the total cost of putting in an acre of corn. Those are year-over-year figures, and they don't capture intra-year swings, such as fertilizer doubling in price within a single season. The point is straightforward: input prices are volatile, and they account for a substantial share of your cash flow. Every decision you make to buy seed, chemicals, or fertilizer reduces your exposure to that market, it reduces your financial delta.

The next area to examine is the revenue side: how much production you have, and what price you secure for it. What does delta look like in marketing? It is a spectrum of actions ranging from completely risk-off to completely risk-on. On the risk-off end is the cash sale, which locks in both a futures price and a basis, leaving no exposure for either to improve or deteriorate. On the risk-on end is doing nothing at all. In between sits every combination of options, futures, and cash positions.

The art of our work at Hurley and Associates is matching each producer's production, financial risk tolerance, and emotional tolerance to a position that aligns their financial delta with their long-term goals.

The final piece of financial delta is understanding which crop insurance products you carry, and when you can, and cannot, count on them in your cash flow. In recent years, the government has continued to de-risk production agriculture, not only through direct farm payments but also through subsidized crop insurance. The passage of the One Big Beautiful Bill Act increased subsidies on certain supplemental coverage options to 80%. The emergence of supplemental, area-based, and margin products has created a far longer list of choices than simply selecting an MPCI coverage level. It is important to have a partner on your operation who understands these policies, your production area, and how they affect your bottom line. And because several of these products provide higher levels of coverage, they may warrant adjustments to your marketing decisions.

Inputs, marketing, and insurance are not three separate conversations. They are three levers on the same number. Every prepay expense, every bushel sold, and every coverage election moves your financial delta in the same direction — toward a cash flow you can plan around. The goal is not to eliminate exposure entirely, a farm with no exposure has no opportunity either. The goal is to know where you stand, so that when the next headline crosses your phone, you already understand what it means for your operation instead of guessing. Take the time this fall to write down where you sit on all three. If that picture isn't clear, we would welcome the opportunity to work through it with you.

Scan for Pearson's Bio



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