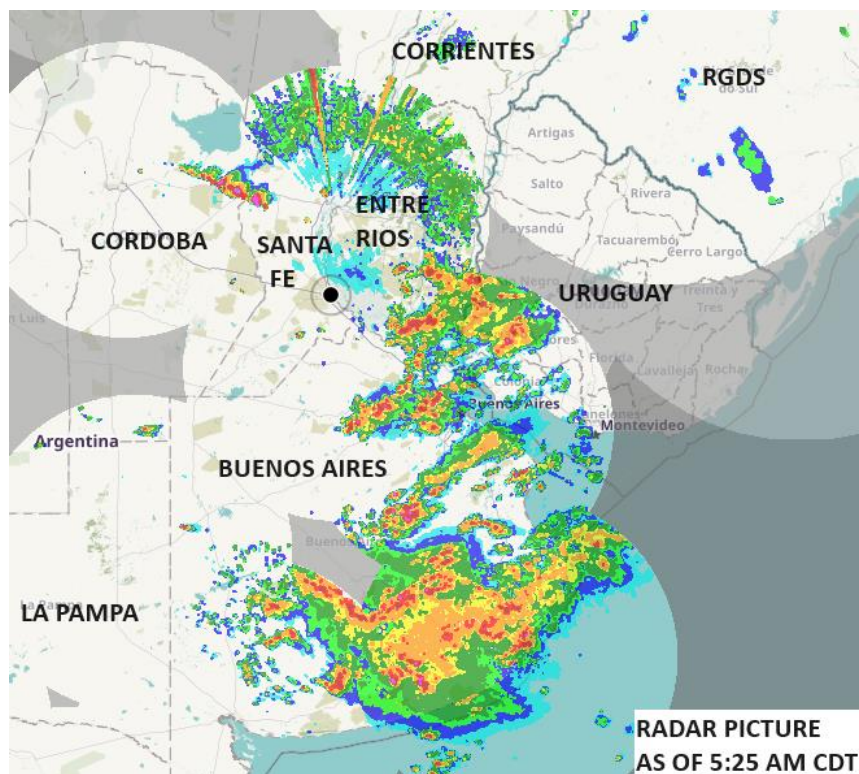


### Weather

Radars in Argentina were nicely “lit-up” early today, but that should be typical over the next 15 days as the weather pattern there looks quite wet. In fact, it could be a situation where we eventually hear complaints about conditions getting “too wet” for a state like Entre Rios as well as nearby areas in Santa Fe and Buenos Aires. Very wet conditions also look to eventually extend northward into Uruguay as well as Rio Grande do Sul of far southern Brazil. Further north in Brazil, the concern is stress on the Safrinha corn crop, especially for Parana and southern Mato Grosso do Sul where it looks dry for at least the next week with big heat (including 100+ degree readings) for especially March 15-19. Rains are forecasted to return though the following week.

In the U.S. periods to note for precipitation chances in the middle of the country will start on Wednesday and again will occur on or around March 22; decent rainfall is projected in drought areas of the western Corn Belt but will not be enough for much actual drought relief. Temperatures will remain very warm on average for Week One but a considerably cooler pattern looms for Week Two (does not appear to be cold enough to threaten damage to any jointing winter wheat for now).



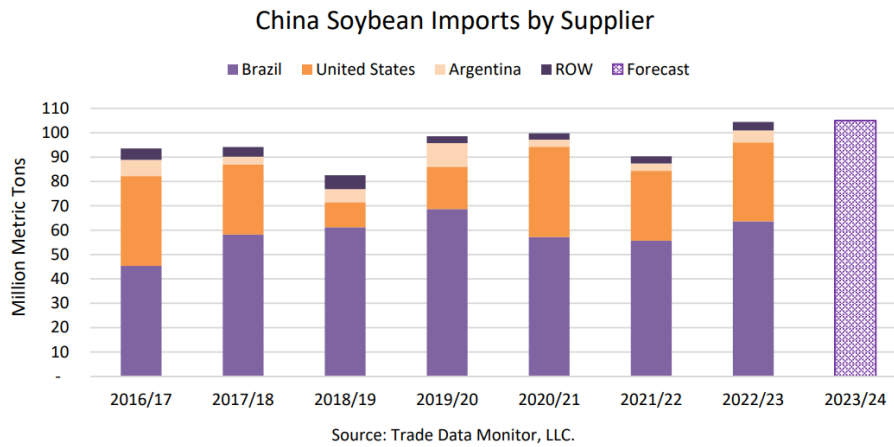
### Crops

USDA’s March WASDE unsurprisingly did not provide much excitement. The primary highlight in my mind were the revisions to the Chinese soybean balance sheet. 2022/23 bean imports were revised up 3.7 million tons to 104.5 million tons and 2023/24 bean imports were revised up 3.0 million tons to 105.0 million tons. These adjustments were based on major exporters’ most recent trade data rather than Chinese import data suggesting that China was concealing their bean import demand. China’s record large bean demand implies larger global production is being absorbed and suggests that there could be less supply cushion heading into a new Northern

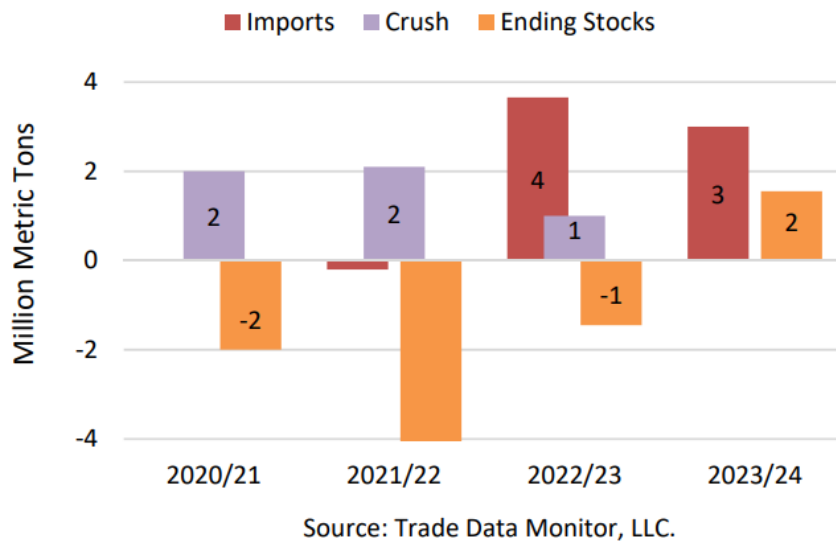
Hemisphere growing season. The March WASDE revealed an increase of 7mm tons of Chinese soybean demand which will put more importance on South American production.

The USDA only revised their Brazilian soybean production estimate to 155mmt (1mmt reduction) while CONAB remains at 149mmt. As a reminder, CONAB will release their report tomorrow, it will be interesting to see if they revise their estimate and how the market will react. There are rumors that CONAB will cut their production estimate 1-3mmt.

### China Soybean: Supply and Demand Balance Changes

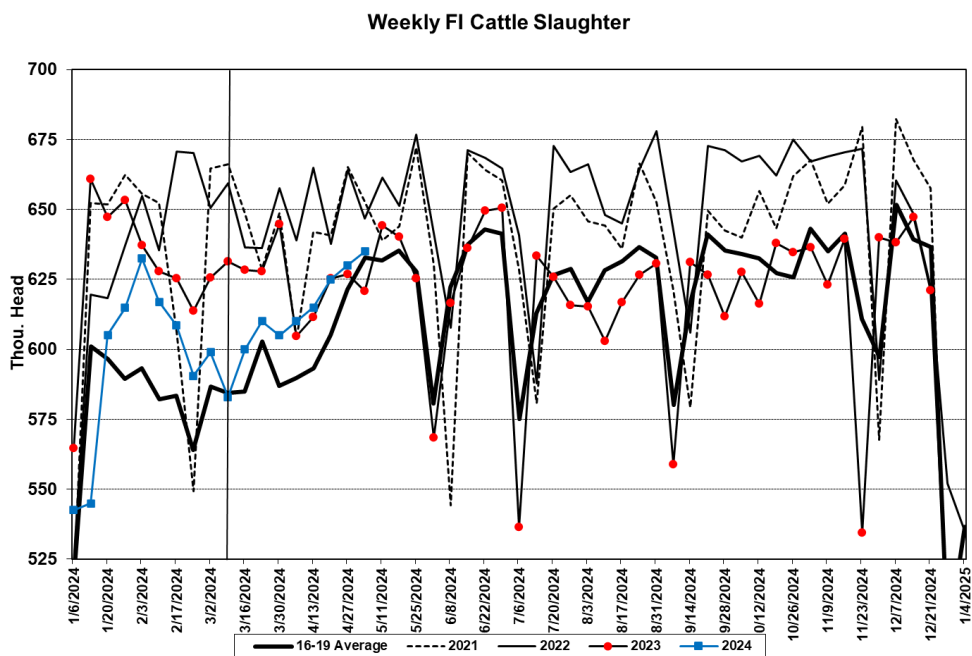


### China Supply and Demand Changes (March vs. February WASDE)



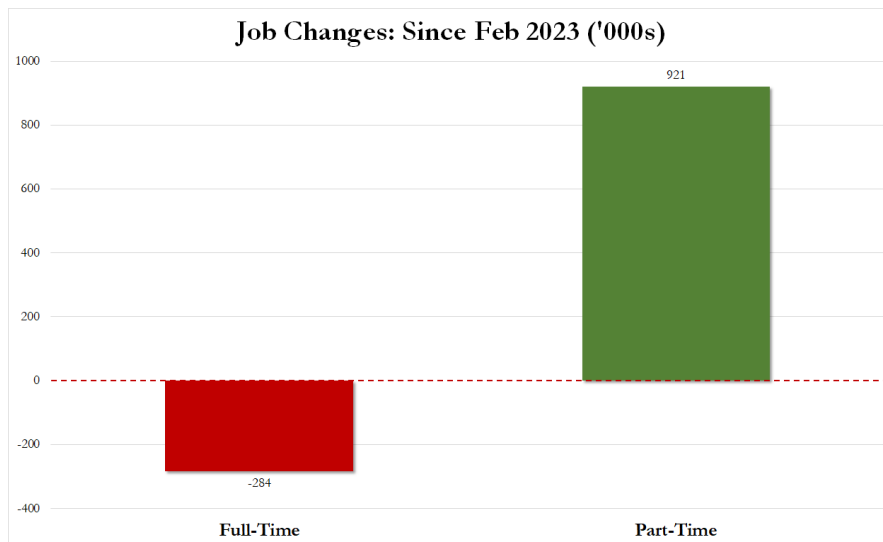
## Livestock

The lid on cattle slaughter remained firmly in place last week, dropping to 583,000 head, down from 599,000 a week earlier and 632,000 last year. The smaller kills have been dominated by both fewer fed cattle and fewer cows in the slaughter mix. Weekly cow slaughter since the beginning of the year has dropped over 12% from a year earlier, with both beef cows and dairy cow kills posting declines. Fed cattle slaughter continues to lag expectations, as well, dropping nearly 6% below a year earlier through early March. That plunge in fed steers and heifers stands in sharp contrast to the reported 2+% increase in feedlot inventories at the beginning of the year. Slaughter volumes are expected to trend seasonally higher into the spring, reaching near 625,000 by late April, mostly reflecting more fed cattle in the slaughter mix, likely reaching near 500,000.

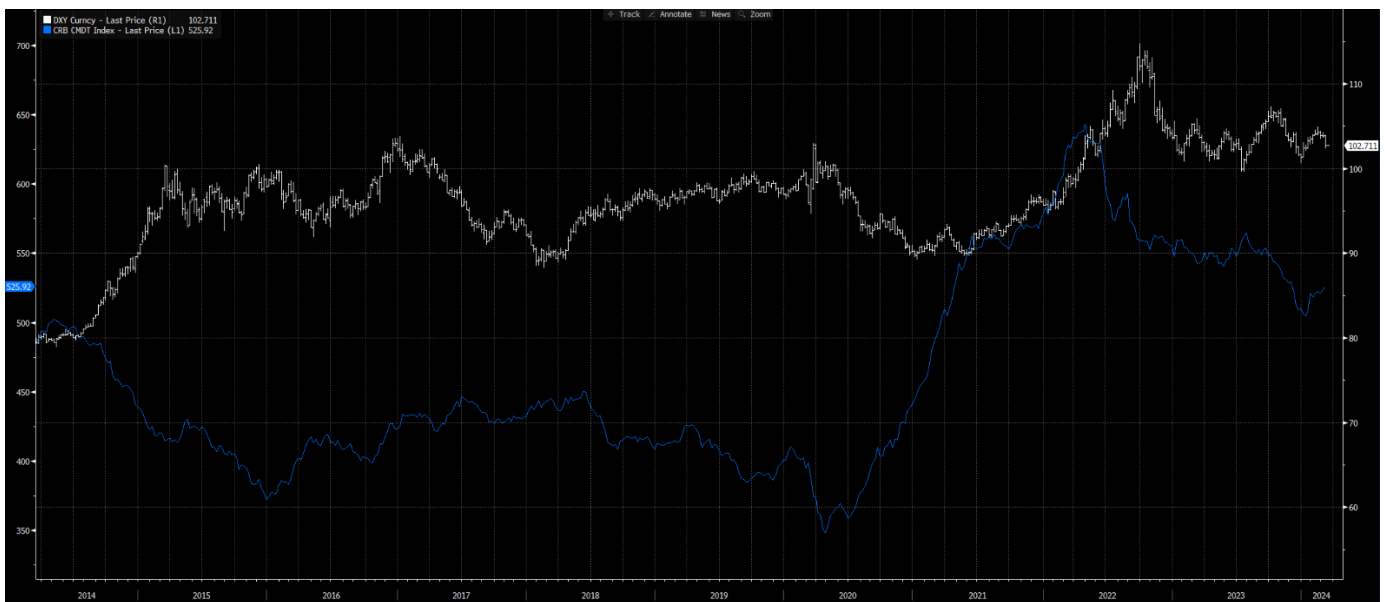


## Financials

Nonfarm payrolls advanced 275,000 last month compared to estimates of 200,000 while unemployment moved higher to 3.9% compared to estimates of 3.7%. The payroll report is a survey-based estimate and is subject to revisions due to the scale and complexity of the data. The report revised January down 124k jobs (353k to 229k) and December down 43k jobs (333k to 290k) for a total reduction of 167k jobs suggesting that the report wasn't as robust as the headline indicated. Digging deeper.... if we consider job changes since February 2023 (below chart), we see that the U.S. economy added 921k part time and lost 284k full-time positions.



The U.S. dollar declined to its lowest level since mid-January as bitcoin and gold recorded record new highs. A weaker U.S. dollar is generally supportive to commodity prices due to foreign countries having more purchasing power. The below chart shows the CRB index on the left axis and the U.S. dollar index on the right.



**Today's Calendar (all times Central)**

- Consumer inflation expectations – 10:00am

Thanks for reading.

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