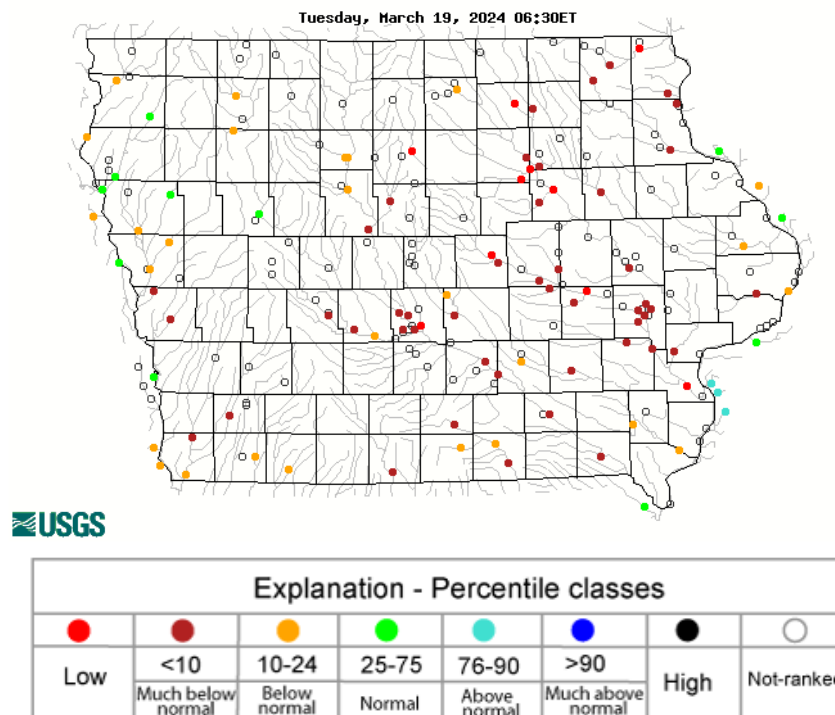


Weather

Light precipitation in the northern Plains and Corn Belt is expected at the end of this week (falling as accumulating snow in a lot of areas). The light precipitation will give way to a much bigger storm from Saturday through as late as March 26. The storm looks capable of large precipitation totals in the western Corn Belt with a lot of areas getting heavy snow combined with very strong winds creating blizzard conditions. The precipitation is BADLY needed in the area and will be welcomed. The map on this page shows current stream flows in Iowa as compared to historical levels for this date. Note how very few rivers in Iowa are posting stream flows close to normal, with the vast majority showing stream flows below or well-below normal...and even a few at RECORD low levels (as shown by the dots in bright red). Not only does a storm for March 23-26 look likely, but there is a lot of evidence of still another storm for the very end of this month and into the start of April. For now, at least, it looks like upcoming precipitation will be making a “dent” in current drought conditions in the western Corn Belt.

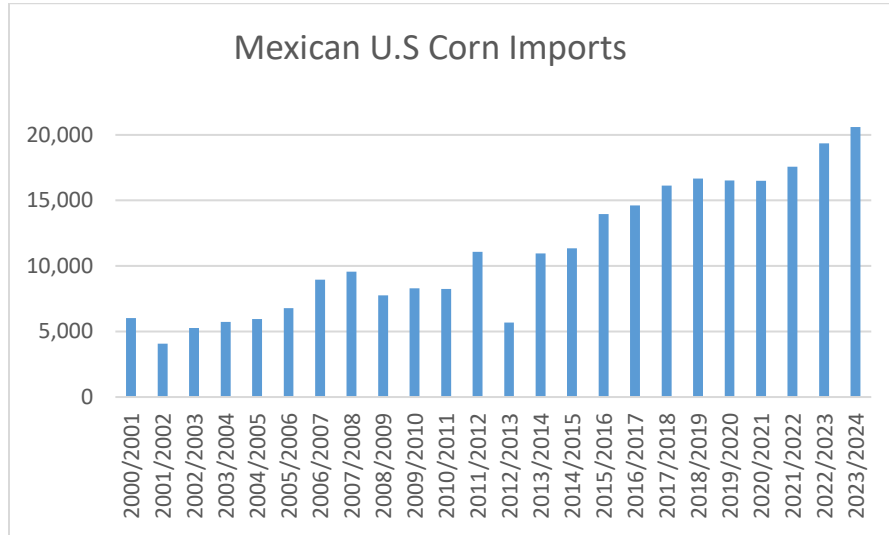
Safrinha corn areas of Brazil are forecast to record near to above-normal rainfall over the next 15 days, with especially good totals in more northern areas (Mato Grosso, Goias) for the end of this week and into the 6-10 day period. Rio Grande do Sul will see heavy rain and likely severe weather for tomorrow night, but will then start a very welcome period of dry weather by Thursday. Argentina is also forecast to see a welcome period of dry weather starting on Thursday.



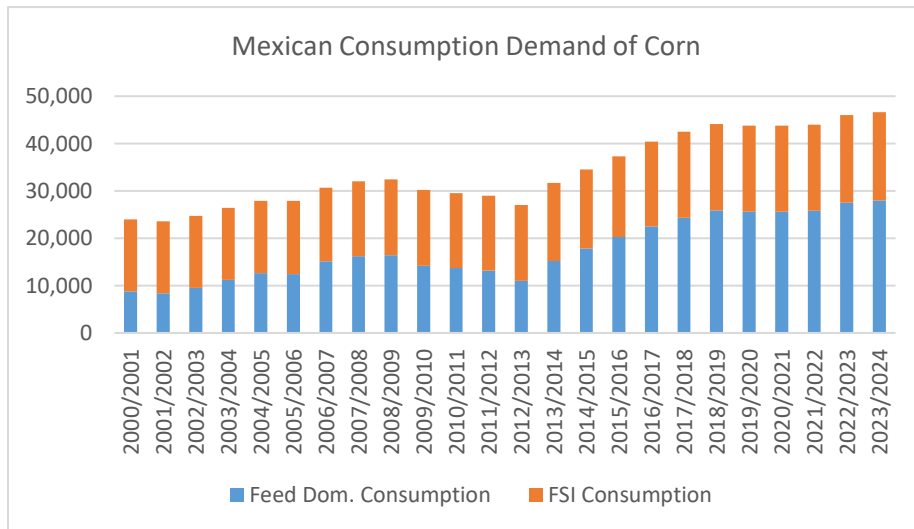
Crops

Mexico imported ~9,000mmt of U.S. corn from September through February of the 2023/2024 crop year. USDA is currently estimating record large U.S. corn exports to Mexico at 20.6mmt. In the March WASDE, USDA increased exports by 1mmt and it is possible that exports could continue to increase by another .5-1mmt based

on current export pace and potential production declines in Mexico. Record large exports are expected due to ongoing droughts in Mexico and increased demand from feed use domestic consumption.

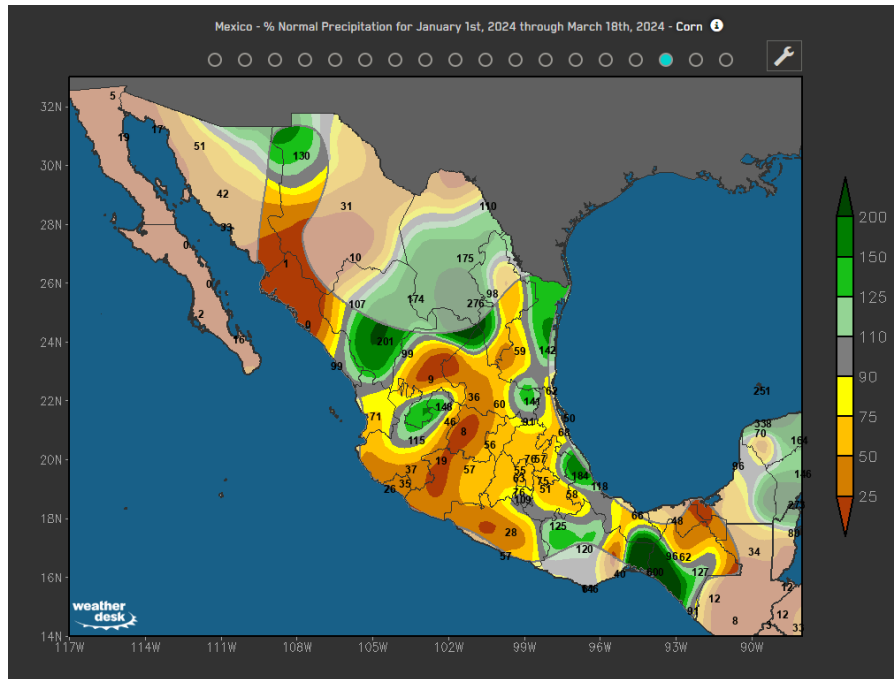


The Mexican population has grown from 97.8mm people in 2000 to 129.4mm people in 2024. Over the twenty-year time period, FSI (food, seed, and industrial) has remained relatively flat while feed use domestic consumption (livestock feed) has rapidly increased due to population growth and increased demand for meat protein.

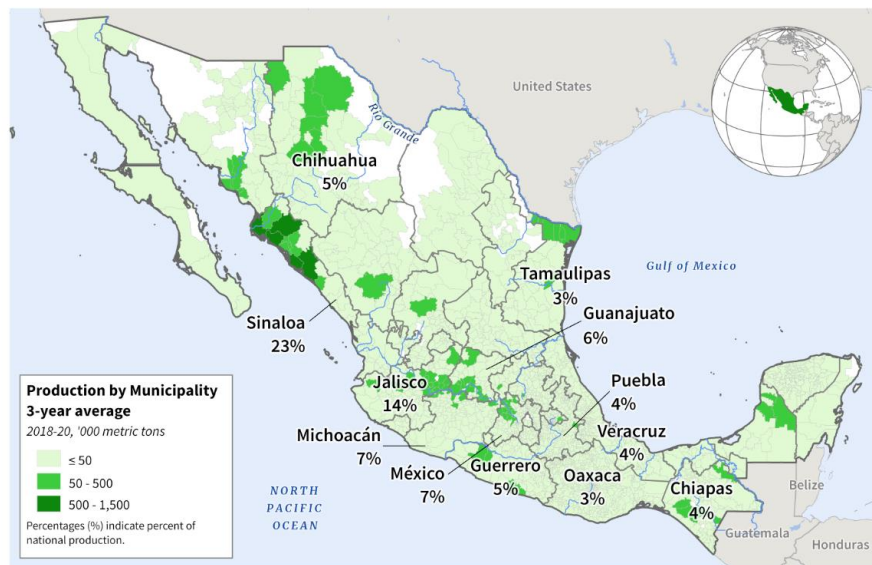


Mexico has been dealing with a two-year drought that has impacted the primary corn growing areas. Production is expected to be 24mmt which is the lowest production level since the 2013/2014 crop year. Over the past five years (excluding crop year 2023/2024), production has averaged 27.3mmt, far above current production

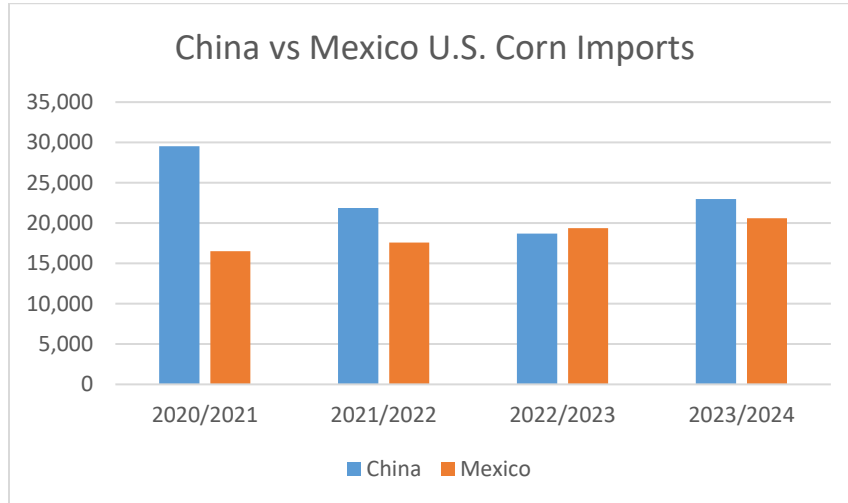
estimates. Due to production declines, Mexico has increased their U.S. import demand to replace the lost production.



Mexico: Corn Production

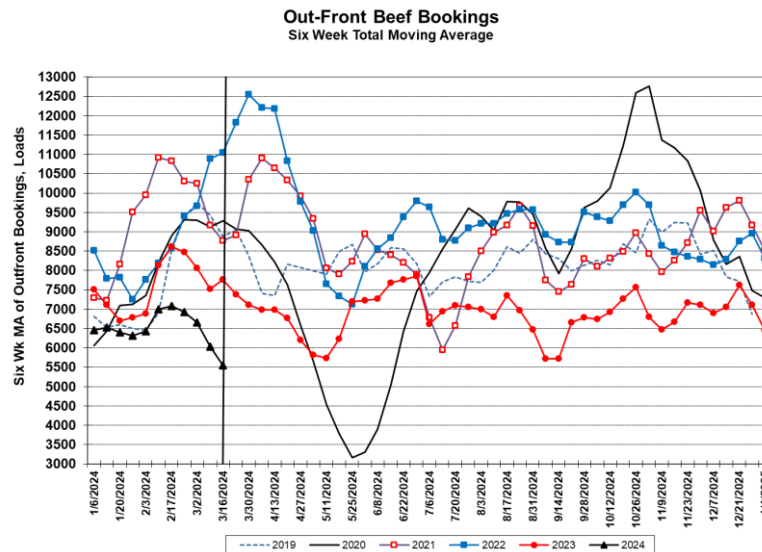


Since 2020, Mexico has narrowed the U.S. corn import gap between China and is arguably now a more important trade partner for U.S. corn.

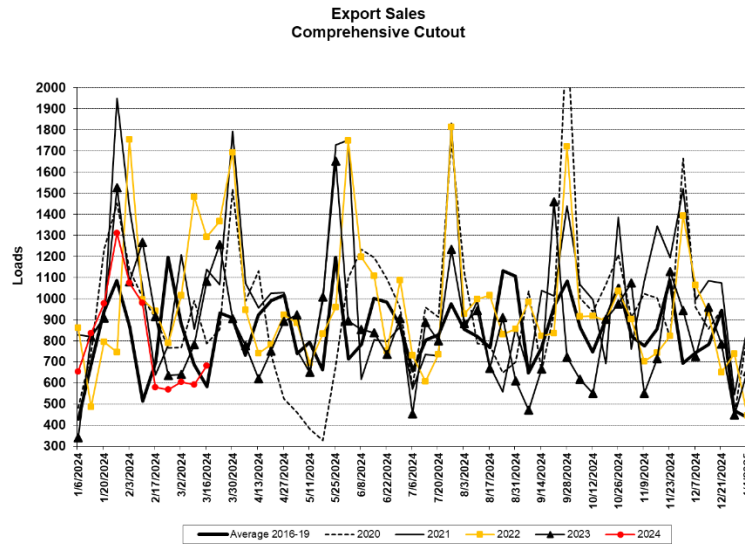


Livestock

Seasonal strength in beef prices heading into the spring is well documented and underpinned by rising middle meat values often associated with grilling demand for rib and loin cuts. In turn, that seasonal price strength is dependent on aggressive feature and promotional activity by retailers. And, those feature and promotional efforts are generally preceded by a surge in out-front bookings heading into late winter. Absent those out-front bookings raises questions regarding the level of retail featuring and subsequent consumer off-take. A rolling six-week average of out-front bookings in mid-March were well below recent years and raises some obvious concerns regarding the potential seasonal strength in cutout values and fed cattle prices in the weeks and months ahead.



Along with concerns regarding domestic beef disappearance in the weeks ahead, beef export sales have remained at a relatively low level. Historically high prices, a relatively strong dollar, and lackluster economic growth in major export destinations are weighing on buyer interest. Beef exports in January were 5% smaller than a year earlier with declines registered to all major destinations including South Korea, Japan, Canada, China, and Taiwan. Lagging weekly sales volumes suggest interest from foreign buyers has yet to rebound.



Today's Calendar (all times Central)

- Housing starts – 7:30am
- API crude oil stocks – 3:30pm

Thanks for reading.

Evan Basse
evan@nesvick.com
 847-650-8002
 Trillian IM: evan@nesvick.com

DISCLAIMER:

This communication is a solicitation for entering into derivatives transactions. It is for clients, affiliates, and associates of Nesvick Trading Group, LLC only. The information contained herein has been taken from trade and statistical services and other sources we believe are reliable. Opinions expressed reflect judgments at this date and are subject to change without notice. These materials represent the opinions and viewpoints of the author and do not necessarily reflect the opinions or trading strategies of Nesvick Trading Group LLC and its subsidiaries. Nesvick Trading Group, LLC does not guarantee that such information is accurate or complete and it should not be relied upon as such.

Officers, employees, and affiliates of Nesvick Trading Group, LLC may or may not, from time to time, have long or short positions in, and buy or sell, the securities and derivatives (for their own account or others), if any, referred to in this commentary.

There is risk of loss in trading futures and options and it is not suitable for all investors. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RETURNS. Nesvick Trading Group LLC is not responsible for any redistribution of this material by third parties or any trading decision taken by persons not intended to view this material.