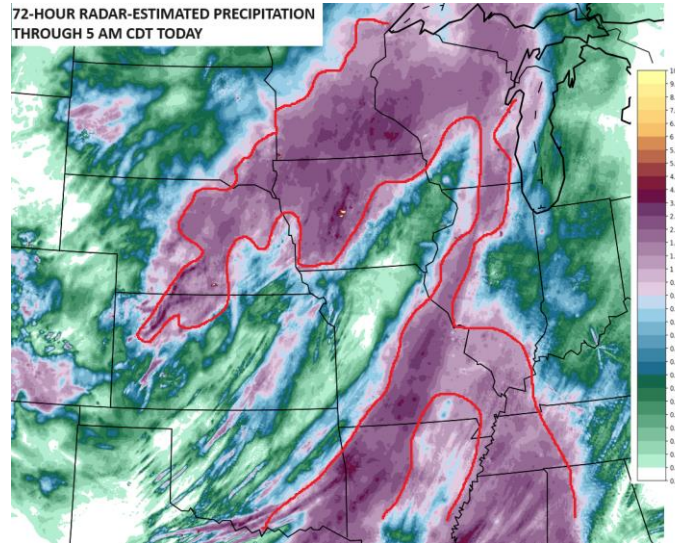


Weather

The northwestern Corn Belt and northern Plains did not pick up nearly as much snow as expected in recent days, but that does not mean that the area in question did not see some very beneficial precipitation totals. Radar-estimated precipitation over the past 72 hours is shown to the right, the area surrounded by the red line is estimated to have picked up at least an inch of precipitation in that time frame. Keep in mind that some parts of the western Corn Belt had significant precipitation totals back on Friday (i.e., just before the time frame covered by this map). Central through northwestern Iowa and nearby areas picked up of 2+” in recent days (and such totals can be confirmed for places such as Sioux City, Ames, Estherville, and Fairmont). The current big storm for the middle of the country will wind down today, and it looks largely dry for tonight through at least Friday. The pattern looks relatively active for the middle of the country for the start of April, with chances for notable storms starting on April 1 and again starting on April 6.



The pattern is as good as one could ever hope for during this time of year for the northern safrinha corn areas of Brazil; widespread above-normal amounts of rains are expected over the next 15 days. The pattern needs to be wetter for southern safrinha corn areas (Parana, Mato Grosso do Sul); rains will not return to those areas until the calendar turns to April. A lot of soybeans are likely being harvested right now in Rio Grande do Sul and that will continue to be the case for the rest of the month under dry conditions. Very wet eastern parts of the Argentine will continue to record welcome dry weather through Saturday.

Crops

Cocoa has soared to record levels of \$10,000 per metric ton in New York, gaining almost \$1,200 / ton on Monday and in the overnight session. Prices have increased almost 60% in the month of March alone. The rally was spurred by adverse weather and a tree disease in West Africa, causing the greatest supply and demand cocoa deficit in forty years per Bloomberg.

When comparing volatility and YTD percent return to other commodities, it shows how much of an outlier cocoa has been. Orange juice, lean hogs, and cotton have also had strong starts to the year while the grains and natural gas have underperformed the rest of the group.

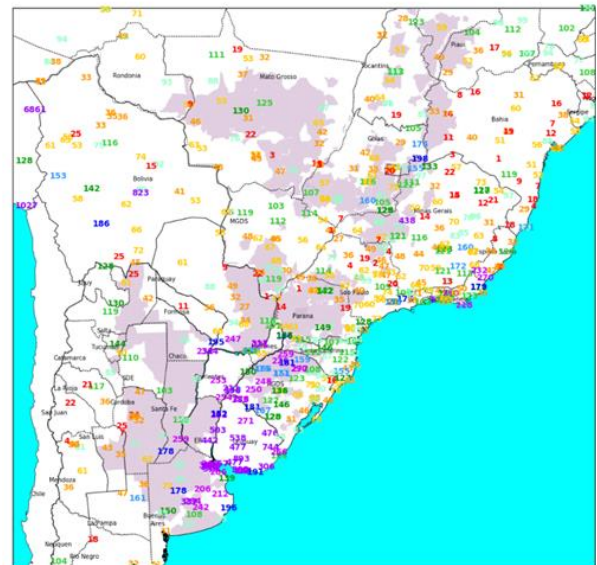


Index	Returns(%) ↓	Ann Rtn(%)	Volatility	Max. Draw	Risk Adj. Retu...
1) Cocoa	133.77	574.41	44.07	-7.62	3.04
2) Orange Juice	20.22	86.81	41.09	-13.62	0.49
3) RBOB Gasoline	18.25	78.39	23.52	-6.16	0.78
4) Lean Hogs	16.31	70.04	14.79	-3.24	1.10
5) Gas Oil	15.47	66.41	23.07	-4.42	0.67
6) Cotton	13.25	56.91	21.28	-6.19	0.62
7) Heating Oil	12.61	54.16	21.50	-5.27	0.59
8) Crude Oil	12.09	51.92	20.15	-5.99	0.60
9) Brent Crude	11.30	48.54	18.84	-5.82	0.60
10) Live Cattle	7.97	34.23	9.88	-2.17	0.81
11) Sugar	7.68	32.99	22.78	-10.12	0.34
12) Sugar	7.29	31.29	20.78	-10.43	0.35
13) Gold	5.51	23.65	11.46	-3.57	0.48
14) Copper	4.67	20.04	13.83	-5.01	0.34
15) Silver	3.77	16.18	21.97	-7.36	0.17
16) Soybean Oil	2.79	11.96	21.14	-8.14	0.13
17) Nickel	1.65	7.09	20.69	-8.57	0.08
18) Coffee	0.46	1.95	25.34	-6.08	0.02
19) Lead	-0.35	-1.50	16.63	-8.25	-0.02
20) Aluminum	-2.80	-12.03	12.97	-8.95	-0.22
21) Zinc	-5.27	-22.64	19.47	-13.03	-0.27
22) Soybeans	-5.29	-22.70	13.86	-10.97	-0.38
23) Corn	-6.73	-28.89	13.84	-12.30	-0.49
24) Soybean Meal	-9.53	-40.94	18.34	-14.28	-0.52
25) Wheat	-9.67	-41.53	23.56	-14.91	-0.41
26) Natural Gas	-11.88	-51.03	40.95	-26.54	-0.29

In 2016, there was a very wet period that occurred during the soybean harvest in Argentina. During that time, Argentina received ~200% - 300% above normal precipitation in some parts of the country. Markets rallied from \$9.00 in April to \$11.75 / bu in June.

20240325 South American Soybeans
 Precipitation - % of Normal
 Last 30 Days (20240225 to 20240325)

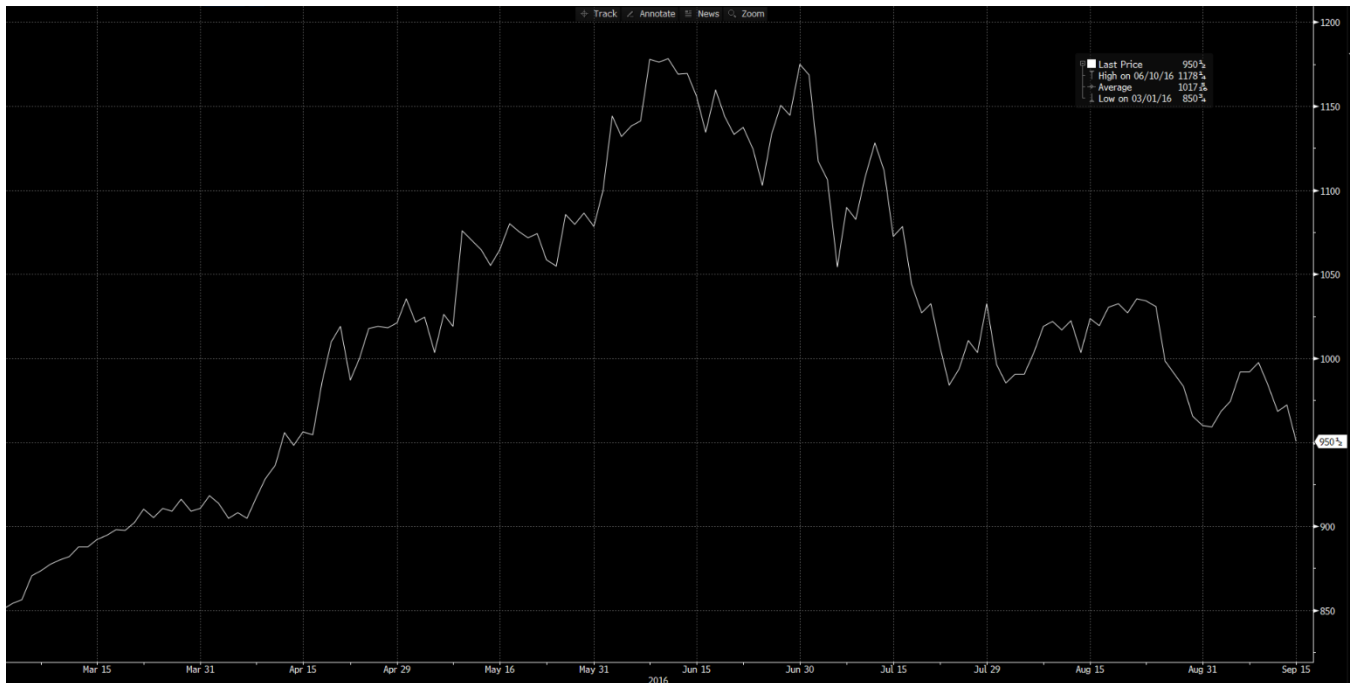
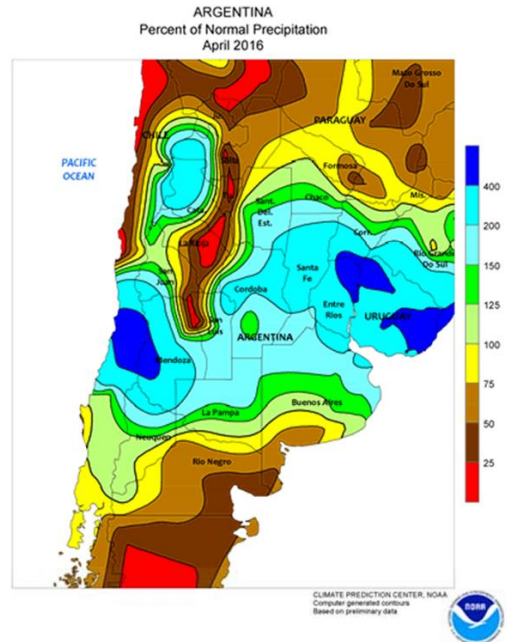
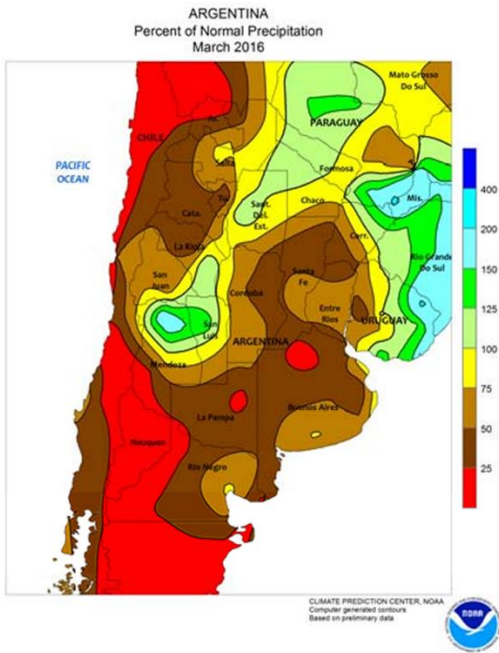
Over the last 30-days, Argentina has had an extremely wet period, especially near the Uruguayan border and east of Buenos Aires. Today, bulls are making comparisons to 2016 and are calling for reduced acreage and yields.



In 2016, Argentina was especially dry in March and later turned wet in April leading to fears of crop and acreage loss. You will see from the below charts that March of 2016 was extremely dry and April was extremely wet, causing flooding.

Interestingly enough, in the end, it meant very little to production. The 2016 March WASDE crop report estimated total production at 58.5mmt and was later revised to 56.5mmt. The market overestimated the loss of production and settled in July after realizing that only

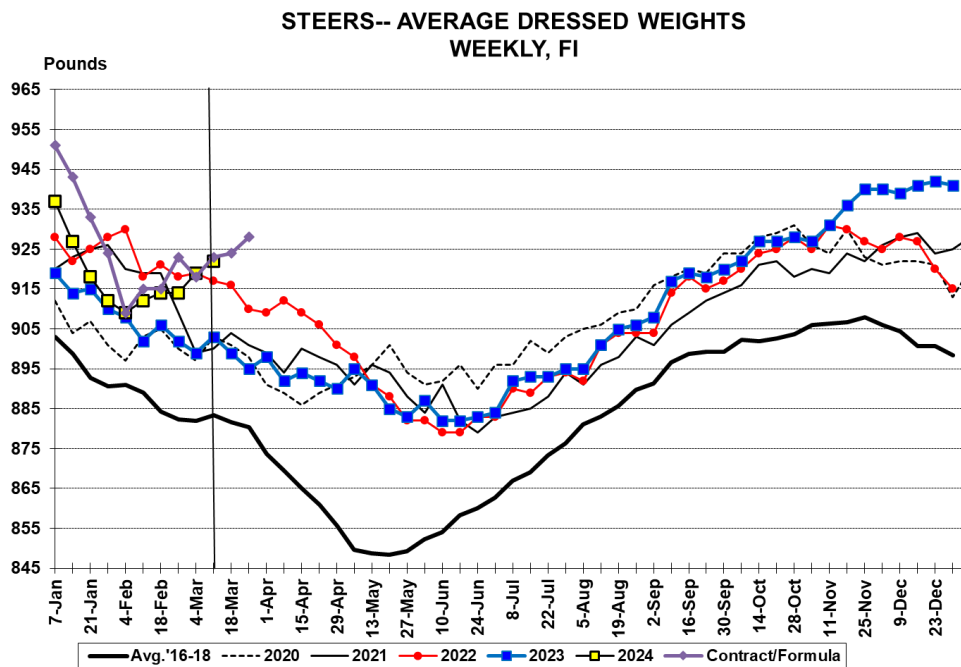
2mmt were lost (see the below price chart). Poor quality beans were still a problem for crushers but the overall impact was far less than expected.



Livestock

The USDA released a report sharing updates on a high pathogenic avian influenza strain (HPAI), that has been impacting Texas and Kansas dairy cattle ([link](#)). The USDA is not recommending movement restrictions of animals at this time and does not believe that the virus is transmissible to humans. The USDA is performing additional testing to confirm the above. This will be a closely monitored story.

Formula / contract trade in recent weeks has accounted for 80% of total cattle purchases, lending more credibility to trends in carcass weights. Reported contract / formula steer weights maintained their counter-seasonal advance last week, reaching near 928 pounds, up four pounds from a week earlier, and 26 pounds heavier than a year earlier. Those contract / formula weights are a leading indicator of subsequent FI dressed weights. While the additional beef tonnage is not insignificant, the record heavy steer weights are a proxy for front end cattle supplies.



Today's Calendar (all times Central)

- Durable goods orders – 7:30am
- CB consumer confidence – 9:00am

Thanks for reading.

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