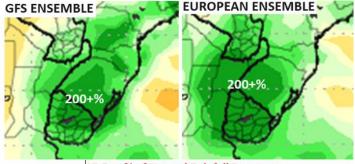


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Weather

Too early to get worried about overly wet conditions in Rio Grande do Sul? It is, given that the state is not "wet" right now and there is virtually no soybean acreage that is ready to be harvested at this time. However, the pattern for that state for the next 15 days is very wet (note the good model agreement this morning on rainfall running more than double the normal level in much of RGDS over the next 15 days), so that is something to keep in the back of your mind as significant amounts of soybean acreage becomes ready to be harvested for mid-March and beyond.



15-Day % of Normal Rainfall Forecasts

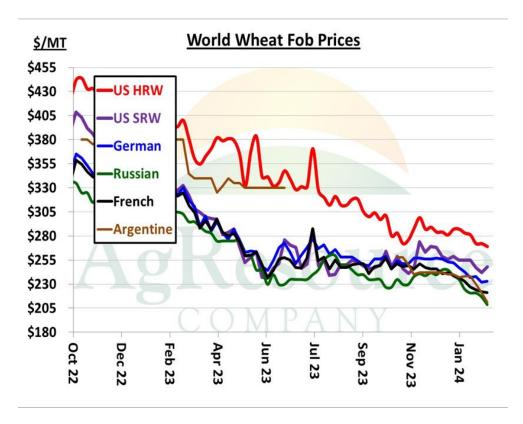
In the U.S., precipitation in the middle of the country for today/tomorrow, for March 7-9, and for March 13-16 will bring welcome amounts to dry areas of the Plains and western Corn Belt but not heavy enough for any drought relief. Above- and much-above-normal temperatures through March 15 (warmest for lowa, Minnesota, and nearby areas with readings averaging 10+ degrees above-normal) but cooler trends in the latest forecast for March 16 and beyond.

Crops

Russian fob wheat is trading at \$202 / MT, which represents a four-year low and marks the lowest level since the start of the pandemic. Fresh off back-to-back record crops, Russia has a surplus of wheat to export causing downward pressure on the world market. On a combined basis, Russia and Ukraine have exported the most wheat since 2000, totaling ~65MMT. Even with the high exports, Russian wheat ending stocks remain high at 12MMT. Russia will remain a drag on the world wheat market unless there is a weather problem. This likely won't occur until May through early July, if at all.

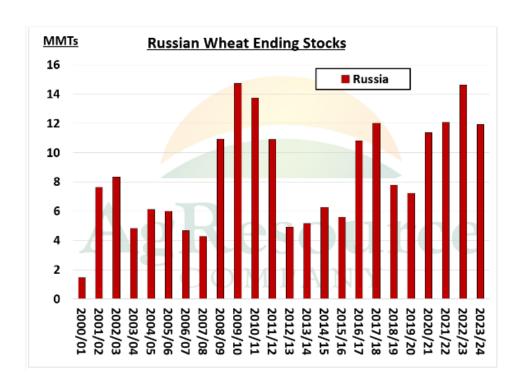
Non-black sea exporter wheat stocks are historically low but that does not make a difference unless Russia has a weather problem. The world's largest wheat importer, China has not signed a phytosanitary deal due to a wheat seed call Ambrosia.



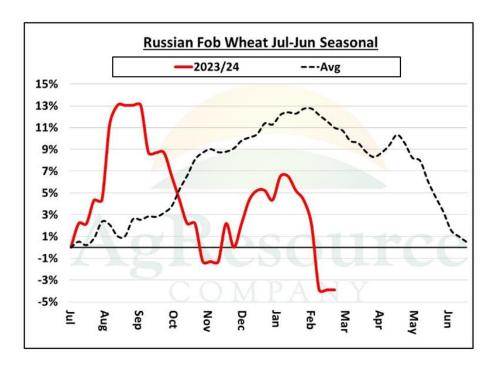








2023/2024 has been an atypical year for Russian fob seasonality. Historical averages suggest that prices should peak in February. The below chart depicts volatility and abnormal price movements for 2023/2024.

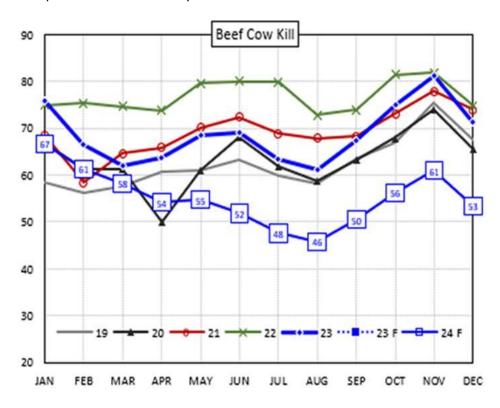


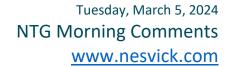


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Livestock

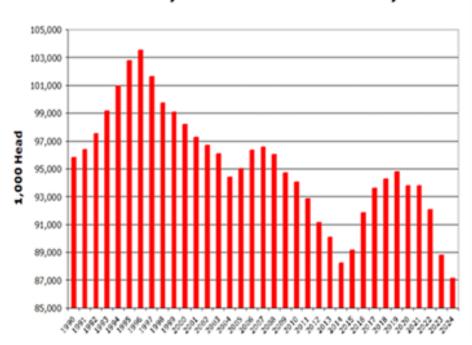
The US beef cow slaughter is forecasted to decline as we enter the spring and summer months. An expansion phase is expected to commence, ending five years of liquidation of the beef cow herd. Current pasture conditions are a primary reason for this. YoY February drought conditions demonstrate the improvement in pasture conditions and available grass. This will encourage ranchers to move feeder cattle to outside pastures but to also hold cows / heifers, furthering tightening the US beef supply. The U.S cow herd expansion phase will lead to rising cull cow prices and a further rally in the fresh 90% lean beef market.

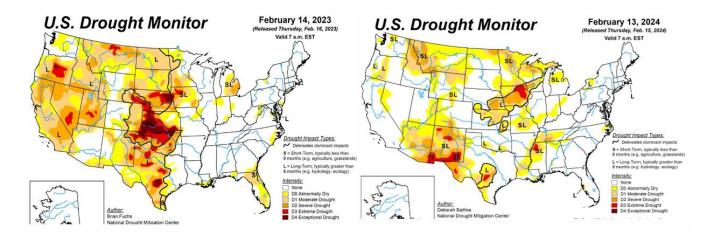






January 1st US Cattle Inventory

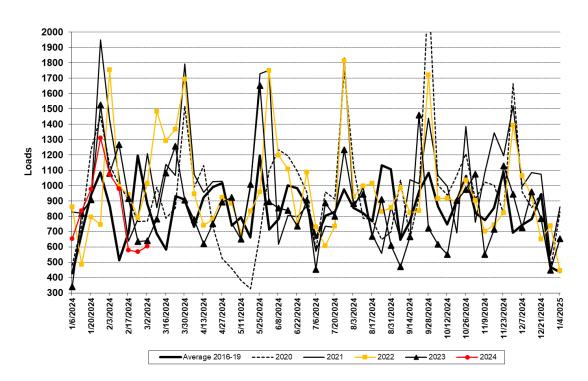




Export interest remains modest. Weekly beef export shipments have trailed last year's pace and when combined with the modest out-front sales pace, suggests beef shipments likely will trail recent years at least into the spring—and perhaps longer.



Export Sales Comprehensive Cutout



Today's Calendar (all times Central)

- PMI 9:45am
- ISM Non-Manufacturing 10:00am
- Weekly Crude Oil Stock 4:30am
- Various Fed speakers

Thanks for reading.

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