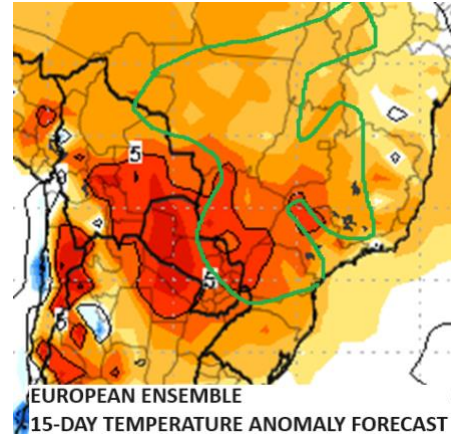


## Weather

Rainfall over the next 15 days looks to run close to normal in the major Safrinha corn areas of Brazil, which (given the time of year) still equates to some pretty notable totals. A wetter forecast would be better though, given that the area in question has not been very wet (with respect to normal) as of late. We have to also note that temperatures in Brazil will average above-normal over the next 15 days, with especially more southern parts of the Safrinha corn growing area (designated by the area enclosed by the green line on the map) forecast to see temperatures averaging more than five degrees above-normal (with heat especially notable there for March 11 and beyond).



Very good rains are forecast for Argentine corn and soybean areas for the first half of next week. Rio Grande do Sul looks abnormally wet over the next 15 days (wettest late in that period).

Precipitation threats in the middle of the U.S. will target especially tomorrow to Saturday and March 13-16. Warm/very warm temperatures through about March 15, but growing evidence of below-normal temperatures on a widespread basis by March 19-20.

## Crops

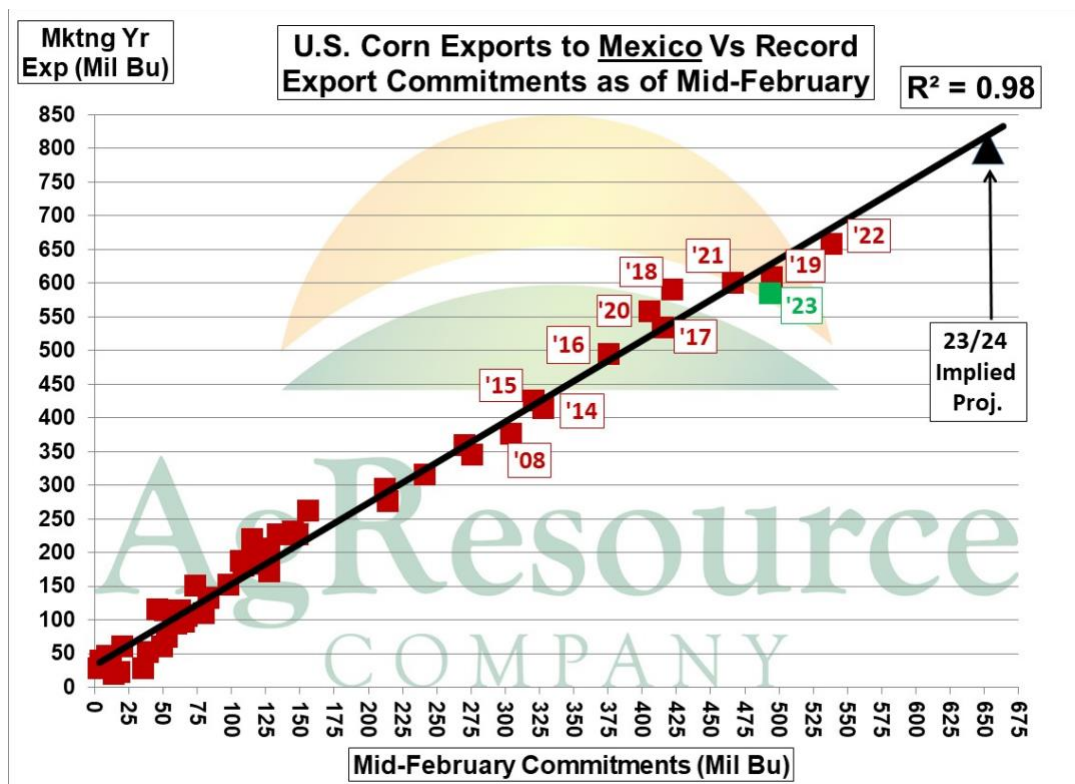
We have a WASDE update due on Friday. I will spend time over the next three days discussing balance sheets for corn, soybeans, and wheat. I don't anticipate that this release will have any profound changes relative to the February update but we will discuss each crop.

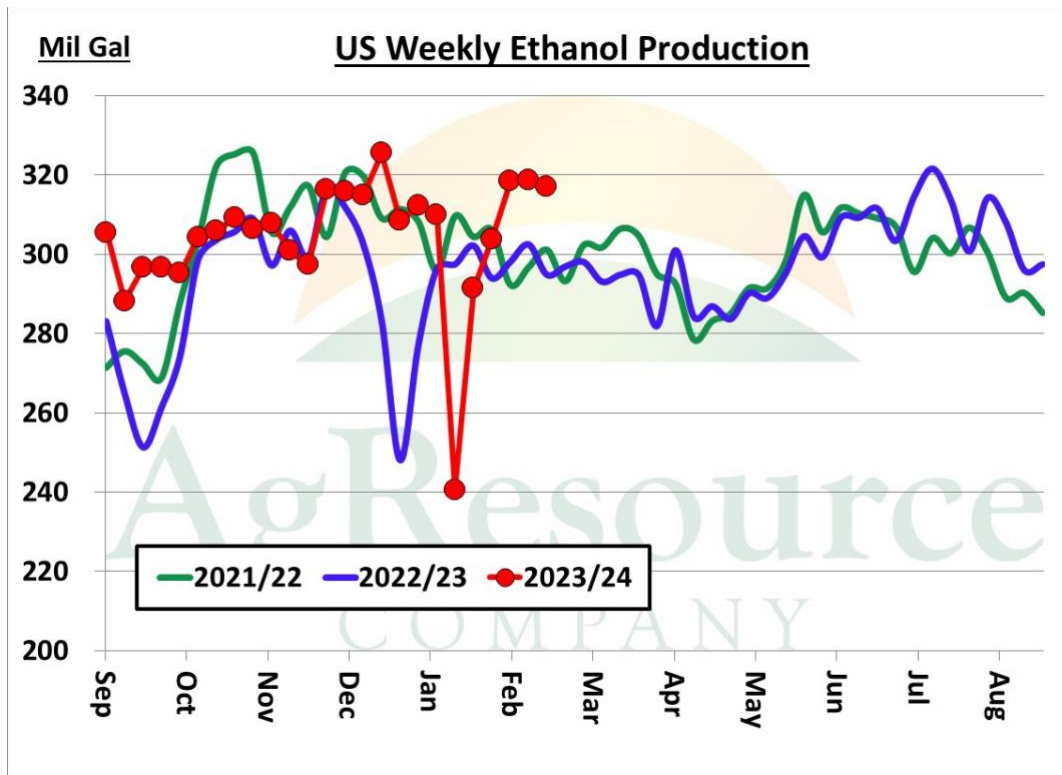
We will first review the corn balance sheet. There is not much to comment on because I don't anticipate any updates to the February balance sheet. There is an outside chance that WASDE could raise ethanol and / or exports by a modest amount. Mexico has been very aggressive in purchasing U.S. corn as evidenced by mid-February sales. It is reasonable that USDA could raise U.S. corn exports to Mexico at some point by 50mm bushels. It is unlikely that they make any change in March though. U.S. ethanol has been running higher relative to 21/22 and 22/23 after the severe cold weather reduced production in January. Again, I don't anticipate any changes in March but it is something to monitor.

The focus of world estimates will be on South American production. Surveys indicate that the Argentina crop is expected on average to remain unchanged at 55mmt. USDA is expected to lower Brazilian corn production by 1-2mmt due to harvest yield data. The average estimate is 122.4mmt which represents a 1.6mmt reduction from February.

US Corn Supply and Demand (Million Bushels/Million Acres)

	USDA 19/20	USDA 20/21	USDA 21/22	USDA 22/23	USDA 23/24 Feb	Estimate 23/24 Mar
Planted Acres	89.7	90.7	92.9	88.2	94.6	94.6
Harvested Acres	81.3	82.3	85.0	78.7	86.5	86.5
Abandoned Acres	8.4	8.4	7.9	9.5	8.1	8.1
Yield	167.5	171.4	176.7	173.4	177.3	177.3
Carryin (Sep 1)	2,221	2,004	1,235	1,377	1,360	1,360
Production	13,620	14,087	15,018	13,651	15,342	15,342
Imports	42	24	24	39	25	25
<b>Total Supply</b>	<b>15,883</b>	<b>16,115</b>	<b>16,277</b>	<b>15,066</b>	<b>16,727</b>	<b>16,727</b>
Feed and Residual						
Total Feed and Residual	5,900	5,667	5,671	5,486	5,675	5,675
Food, Seed, and Industrial						
Corn for Ethanol Fuel	4,857	5,028	5,320	5,176	5,375	5,375
Other FSI	1,429	1,438	1,437	1,383	1,405	1,405
Total FSI	6,286	6,466	6,757	6,559	6,780	6,780
Total Domestic Use	12,186	12,133	12,428	12,045	12,455	12,455
Exports (Census)	1,777	2,747	2,472	1,661	2,100	2,100
<b>Total Use</b>	<b>13,963</b>	<b>14,881</b>	<b>14,900</b>	<b>13,706</b>	<b>14,555</b>	<b>14,555</b>
<b>Carryout (Aug 31)</b>	<b>1,919</b>	<b>1,235</b>	<b>1,377</b>	<b>1,360</b>	<b>2,172</b>	<b>2,172</b>
<b>Stocks/Use</b>	<b>13.7%</b>	<b>8.3%</b>	<b>9.2%</b>	<b>9.9%</b>	<b>14.9%</b>	<b>14.9%</b>

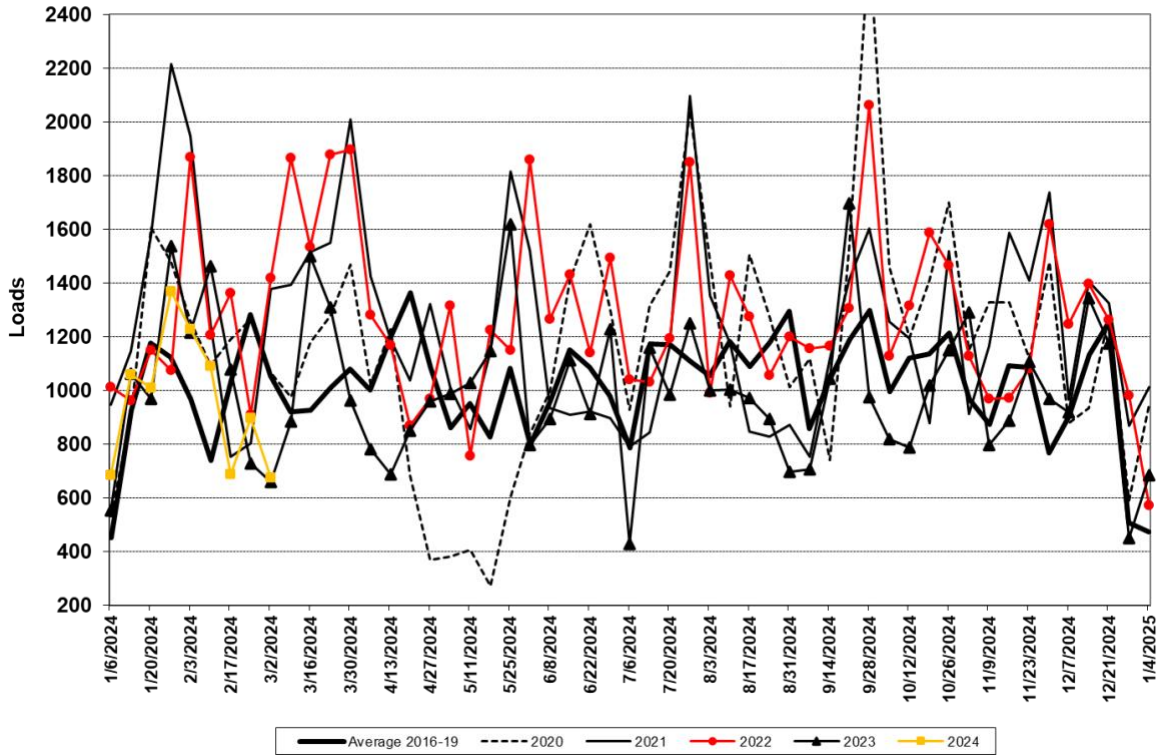




**Livestock**

Out-front beef sales remain modest, at best, suggesting retail interest remains lackluster with buyers unwilling to extend current elevated prices forward into late March and beyond, while sellers have been reluctant to discount amid tight operating margins. The standoff appears likely to extend further into late winter although the sense of urgency may escalate as the decision period moves beyond the Easter holiday at the end of the month. Retail featuring after mid-March and pre-holiday likely will emphasize competing meats—hams and turkeys. However, retail interest in the middle meats is expected to escalate in the weeks ahead, but will be partially offset by rapidly eroding interest in the end cuts.

**Negotiated Sales--More Than 21 Days Out**



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

- ADP Nonfarm Employment Change (Feb) – 7:15am
- Fed Chair Powell Testifies – 9:00am
- JOLTs Job Openings (Jan) – 9:00am
- Crude Oil Inventories – 9:30am

Thanks for reading.

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