

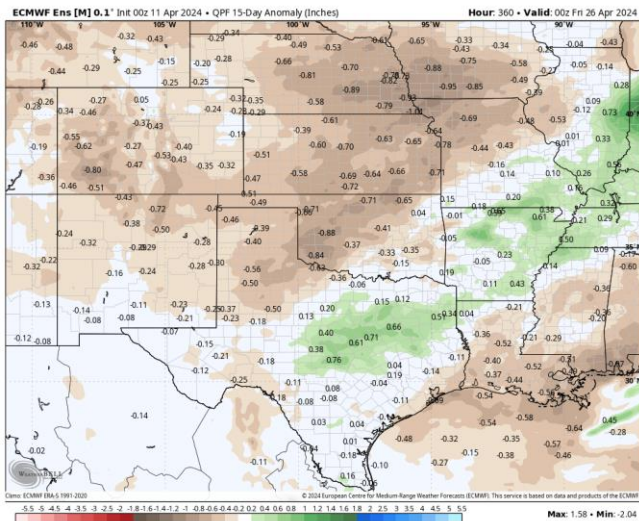
## Weather

We will get a fresh Drought Monitor map early this morning, Kansas is possible state for expansion / intensification of drought conditions. Recall that area had VERY strong winds this past Saturday, strong enough to create blowing dust. Chances for any improvement over the next 15 days do not look particularly good. The below 15-day rainfall departure maps on this page show that both the European ensemble and GFS ensemble are suggesting below-normal rainfall in that area through April 25. The next chance for rain in the region is for late Monday and into Monday night; it may bring a notable severe weather outbreak, but at the same time not much in the way of rain (especially in the west).

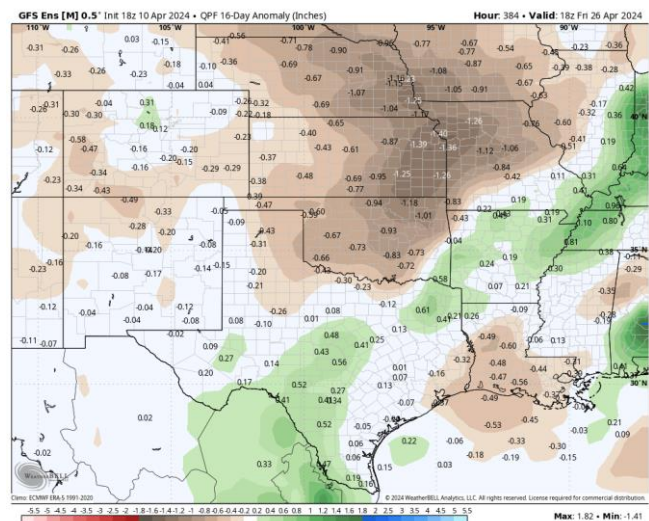
Dry areas of the northern Plains and western Corn Belt look to be the target for some welcome rains starting Monday night, but that does not look to be anything close to the start of a true “wet” pattern for those areas. Additional unwelcome rains will fall the next 1-2 days in the eastern Corn Belt and Mid-South, with those areas looking at another round of above-normal rainfall in the 6-10 day period.

The forecast has trended drier for safrinha corn areas of Brazil, but nice rains are still forecast in that area for the next 5-7 days. Heavy rains will impact the corn and soybean harvests in Rio Grande do Sul and Argentina through early Tuesday before those areas see several days of welcome dry weather.

### European



### GFS



## Grains

As a reminder, the April WASDE report will be released at 11am today. We still need to review the corn and soybean U.S. balance sheets. We will start off with corn, USDA is currently at a 2,172 carryout and the average April trade guess is 2,109. Feed and residual will likely increase by some amount (25-75mm bu) based on the March 1st stocks report. It is also reasonable to expect that ethanol could increase by another 15-25mm bu based on the current grind pace. Since the large decline in January due to weather, ethanol production has exceeded last year’s production each week. Total ethanol production is currently running ~10% over last year.

US Corn Supply and Demand (Million Bushels/Million Acres)	2023/2024		
	WASDE	WASDE	Diff
	March	March	
Planted Acres	94.6	94.6	0
Harvested Acres	86.5	86.5	0
Abandoned Acres	8.1	8.1	0
Yield	177.3	177.3	0
Carryin (Sep 1)	1,360	1,360	0
Production	15,342	15,342	0
Imports	25	25	0
<b>Total Supply</b>	<b>16,727</b>	<b>16,727</b>	<b>0</b>
Feed and Residual			
Total Feed and Residual	5,675	5,725	50
Food, Seed, and Industrial			
Corn for Ethanol Fuel	5,375	5,400	25
Other FSI	1,405	1,405	0
Total FSI	6,780	6,805	25
Total Domestic Use	12,455	12,530	75
Exports (Census)	2,100	2,100	0
<b>Total Use</b>	<b>14,555</b>	<b>14,630</b>	<b>75</b>
<b>Carryout (Aug 31)</b>	<b>2,172</b>	<b>2,097</b>	<b>(75)</b>
<b>Stocks/Use</b>	<b>14.9%</b>	<b>14.3%</b>	<b>0.6%</b>

Separately, Argentina’s Rosario grains exchange cut their Argentina corn forecast to 50.5mmt from 57.0mmt citing “unprecedented damage” by the Spiroplasma disease carried by leafhoppers. The disease has been found in the cells of the gut and salivary glands of the insects. During feeding, the disease is transported to the host corn plant causing corn stunt disease which can hinder growth and cause small ears and / or loose and missing kernels.

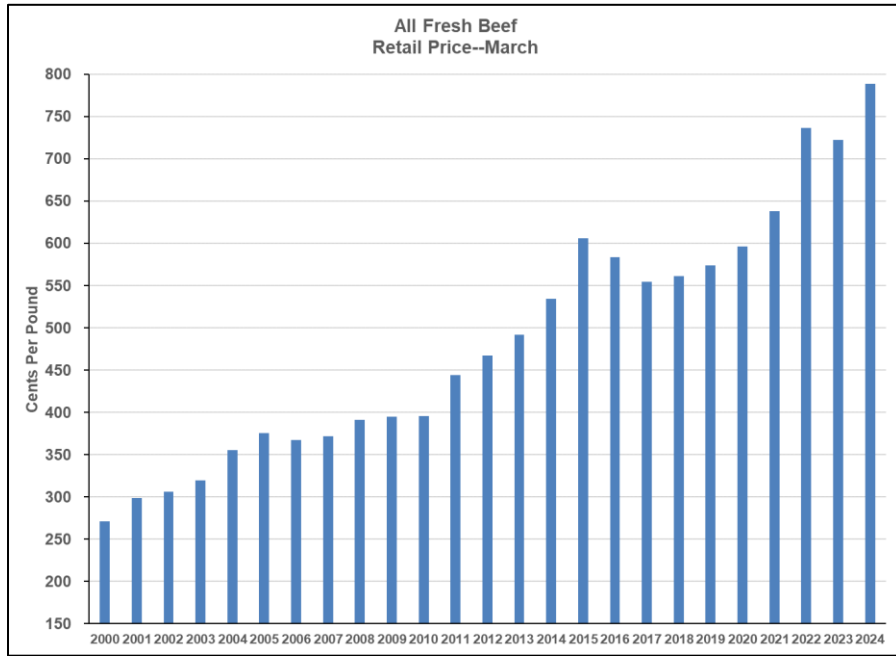
USDA is currently at 56mmt and trade estimates call for a small reduction to 55.8mmt. It is unlikely that USDA will significantly drop their estimate as they tend to be slow to make large adjustments. It possible that they could make a two mmt reduction but I would be surprised if they exceeded that on this report.

USDA is currently at a 315 carryout for soybeans and the average April trade guess is 319. USDA will likely begin to reduce exports. Census pace data shows that the current export pace is trending far below USDA’s estimate of 1,720. Cumulative exports are down 19% YoY while outstanding export sales are down 66mm bu YoY. It is likely that USDA will begin to reduce their export figure on this report (25-40mm bu) though further reductions could be required. USDA could increase crush by ~15-25mm bu based on the record large February per day crush number.

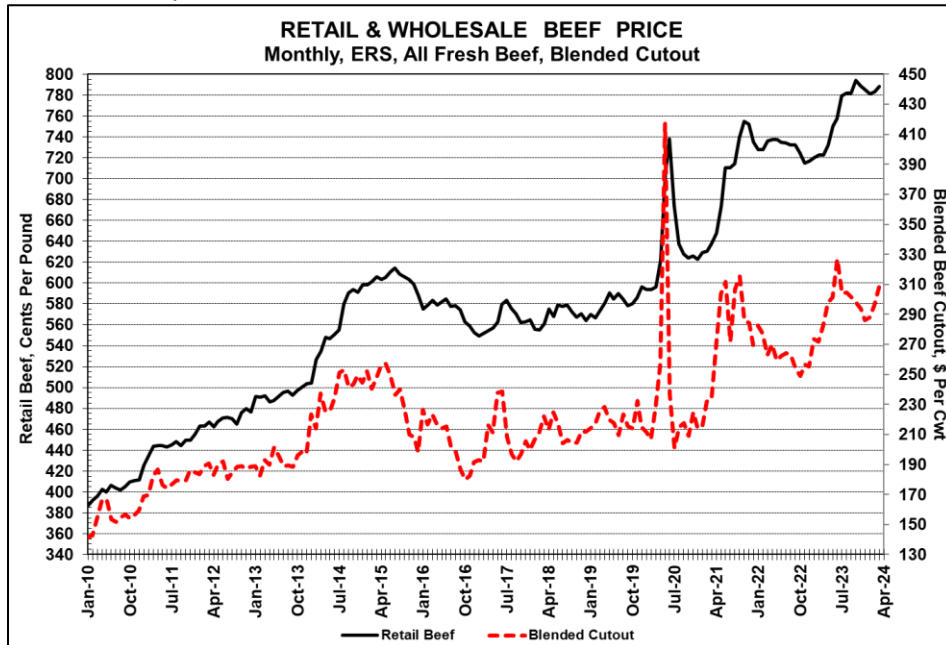
US Soybean Supply and Demand (Million Bushels/Million Acres)	2023/2024		
	WASDE	WASDE	Diff
	March	April	
Planted Acres	83.6	83.6	0.0
Harvested Acres	82.4	82.4	0.0
Abandoned Acres	1.2	1.2	0.0
Yield	50.6	50.6	0.0
Carryin (Sep 1)	264	264	0
Production	4,165	4,165	0
Imports	30	30	0
<b>Total Supply</b>	<b>4,459</b>	<b>4,459</b>	<b>0</b>
Crush	2,300	2,315	15
Exports (Census)	1,720	1,680	(40)
Seed	102	102	0
Residual	22	22	0
<b>Total Use</b>	<b>4,144</b>	<b>4,119</b>	<b>(25)</b>
<b>Carryout (Aug 31)</b>	<b>315</b>	<b>340</b>	<b>25</b>
<b>Stocks/Use</b>	<b>7.6%</b>	<b>8.3%</b>	<b>0.7%</b>

### Livestock

The mid-week CPI report for March indicated stronger-than-expected increases in both the headline and core inflation rates. Coinciding with those increases, USDA issued estimated retail meat prices, which again were led by rising beef prices. For March, all fresh beef at retail was reported up about 1% from a month earlier and more than 9% higher than a year ago, at a record \$7.89 per pound. Similar to recent months, advances in beef prices continue to outstrip increases in both pork and chicken, making beef relatively more expensive than competing meats. The continuing rise in beef prices does carry mixed implications; while higher prices do have the effect of tempering the quantities that consumers may be willing to buy, higher overall beef prices also suggest more comfortable operating margins for retailers, leaving more financial flexibility for featuring and promotional efforts on selected items.



Although retail beef prices moved higher in March, increases in cutout values increased even more. So, on a very short-term basis, retail margins in March were more compressed than they were a month earlier. In addition, from a longer-term historical perspective, retail beef prices were not “high” relative to the cutout value; nor were March retail prices historically “high” relative to cutout values in April. Given that relationship, along with the continuing inflation in retail operating costs—labor, inventory financing, transportation, packaging, shrink, etc.—there is little incentive for retailers to lower prices. Rather, the pressures remain to sustain or even increase retail prices.



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

- Conab Estimates – 7:00am
- Initial Jobless Claims – 7:30am
- Export Sales – 7:30am
- PPI – 7:30am
- WASDE – 11:00am
- 30-yr Bond Auction – 12:00pm

Thanks for reading.

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