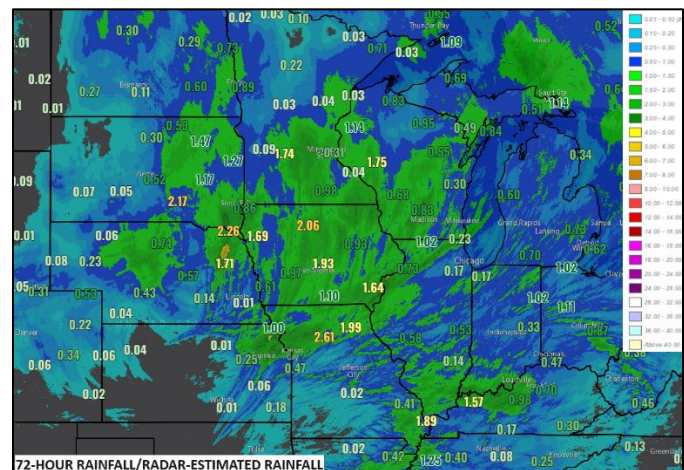
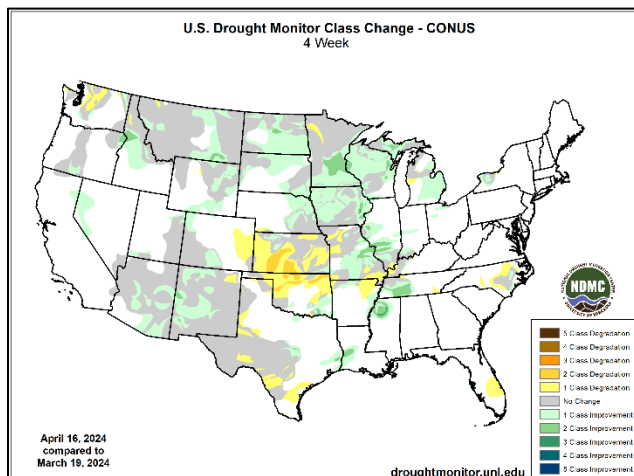


Weather

Drought conditions have improved over the past month in the central and western Corn Belt. The Drought Monitor was released yesterday showing a one-to-two class improvement in drought conditions in that area over the past four weeks. Keep in mind that the below drought monitor map only included rainfall through very early this past Tuesday; that area has seen widespread 1-2+” rains since that time, so a further improvement in drought conditions has to be expected for next week’s Drought Monitor. Continued improvement in the western Corn Belt drought has to be expected during April 25th and beyond, as an active / stormy weather pattern will begin at or around that date and continue for the rest of the 15-day forecast (which today goes through May 3rd); significant and even heavy amounts of rain can be expected. Obviously, the rainfall is really going to slow fieldwork, though we will get fieldwork restarted in the near-term in the Corn Belt with very limited rain in the forecast for the six-day period starting today and lasting through Wednesday.

The biggest concern in South America right now has to be directed towards Rio Grande do Sul. That state will see welcome dry weather through the weekend to allow for soybean harvest to resume (after big rains through early this week stalled the harvest), but rains will return on Monday and it looks VERY wet for the rest of the 15-day forecast. At some point, one has to expect a lot of complaints about the impact of all of that rain on soybean acreage that is still left to be harvested.

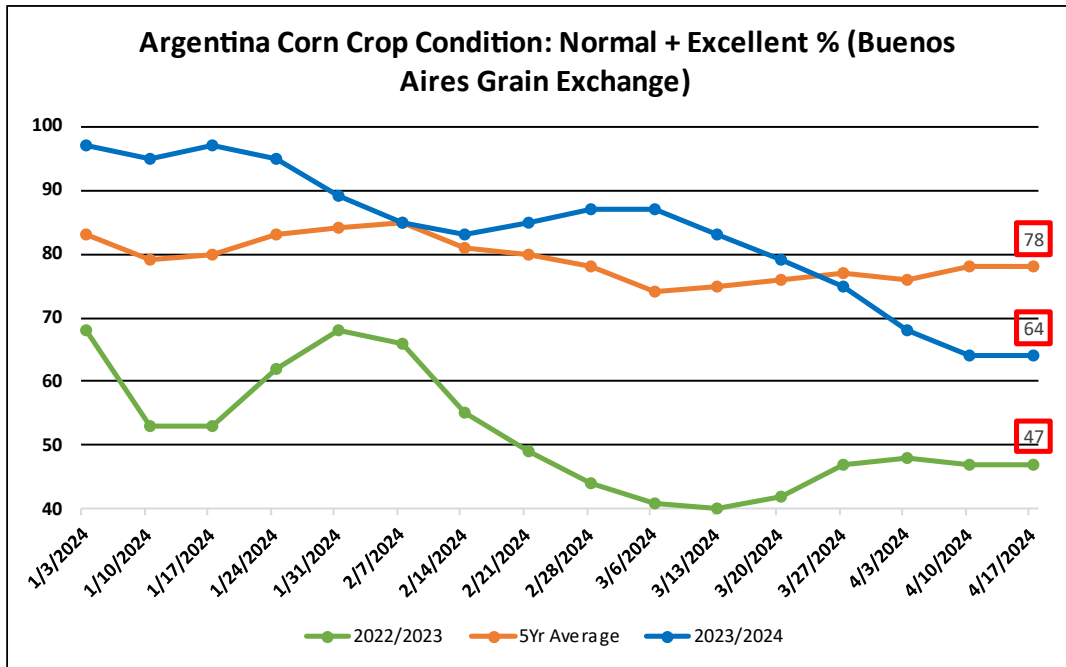


Grains

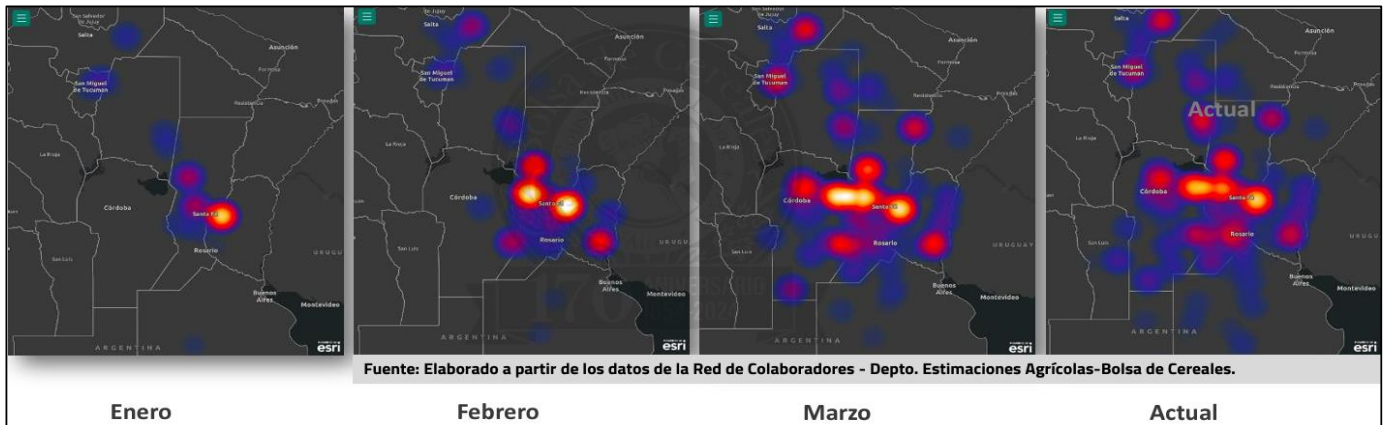
Buenos Aires Grain Exchange released their crop conditions for Argentina corn on Wednesday. The combined percentage of normal + excellent rated corn has fallen since the beginning over the year due to concerns over corn stunt disease (a disease caused by Spiroplasma that is transmitted by leafhoppers). Conditions remain far above last year (widespread drought) but below the 5-yr average. The below heat map shows the effected surface area over time and the impact of the disease has dramatically evolved since there were initially reports in January. Argentina provinces of Cordoba and Santa Fe are the most affected and specifically in Cordoba, production has fallen nearly 26% MoM per Buenos Aires Grain Exchange.

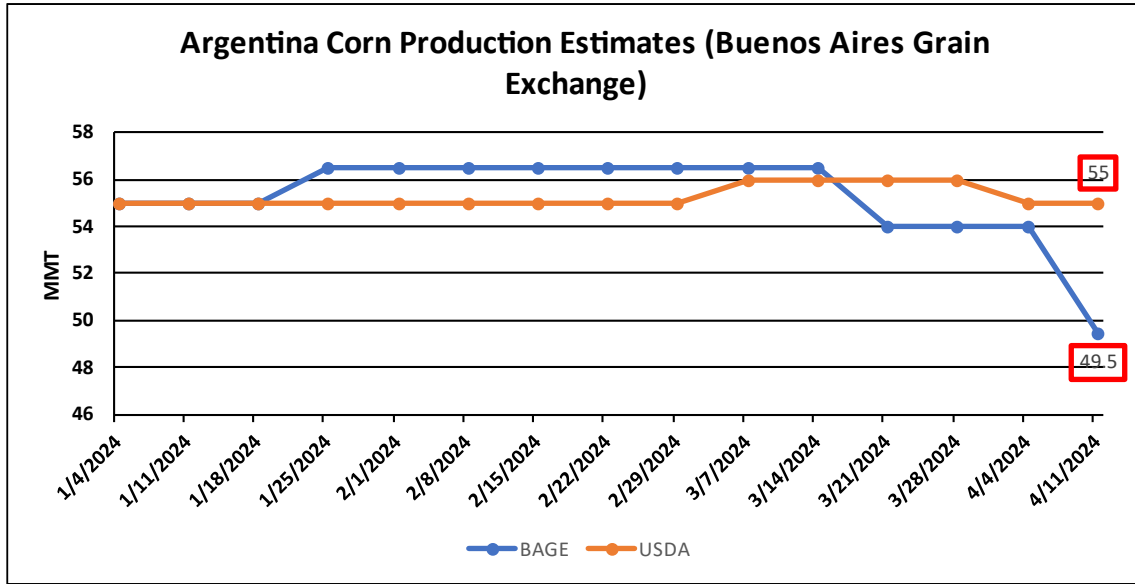
Reports indicate that late planted corn, which isn’t ready for harvest is most affected. Argentina farmers have been planting their corn crop later in a strategy to combat drier weather and increase yields. It is estimated that 2/3 of Argentina corn is now planted “late”.

USDA has not adjusted their production estimates to the degree that the Buenos Aires Grain Exchange has and a 5.5mmt spread in Argentina corn production is currently present. Please see the production estimate comparison chart on the next page.

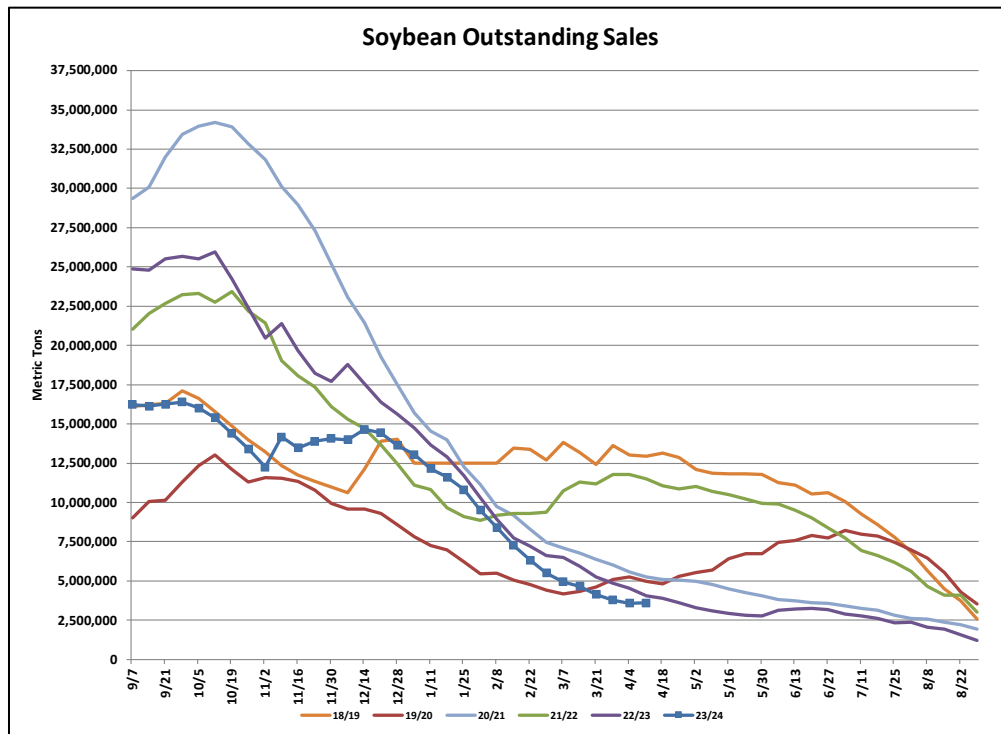


Argentina Heat Map of Corn Stunt Disease



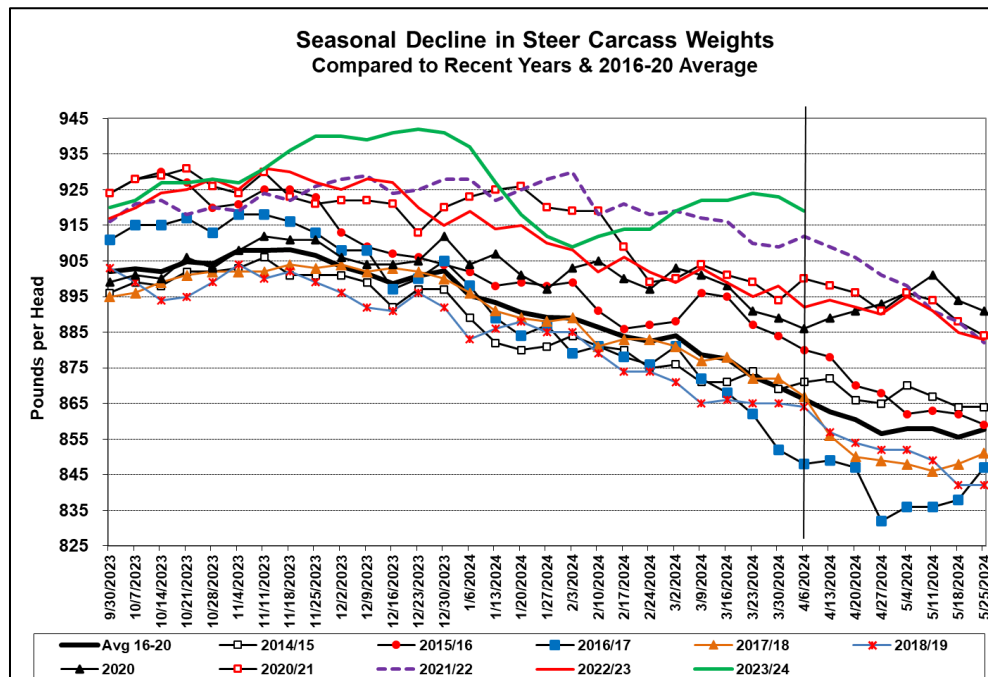


The below chart shows the level of outstanding soybean sales over the past several years. Outstanding sales for the current crop year are at the lowest level for this time of the year in recent history. South American production and lower crush margins have reduced demand for U.S. soybeans and demand is only expected to worsen in the short term as Argentina and Brazil continue to harvest their soybean crop.

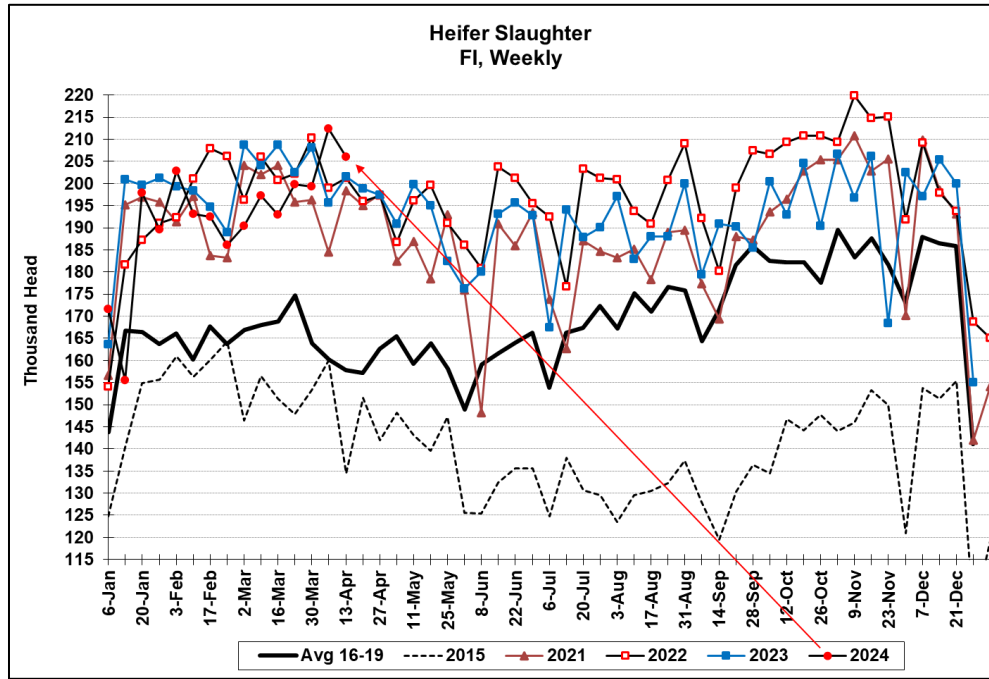


Livestock

Steer carcass weights slipped about 4 pounds lower during the week ended 4/13, to 919 pounds, but that's still about 25 pounds heavier than last year and record heavy for the date. It is readily apparent that despite the adverse feeding conditions at the beginning of the year, weights have declined less than seasonal from the fall peaks above 940 pounds. That slow descent may extend to seasonal lows later this spring, which will sustain weights above last year, and likely will be followed by a seasonal weight increase during the last half of the year; also, above last year and likely at record highs.



Beef cow slaughter since the beginning of the year is around 115,000 head, a drop of more than 12% from last year and over 20% below 2022. The drop in cow slaughter is the first step in evolving prospects for herd rebuilding, but also reflects the smaller cow herd at the beginning of the year. The culling rate (slaughter as a percent of the January 1 cow herd) is lower than the last two years, but remains above the herd growth years 2015-2019. Besides a reduction in cow slaughter the next key ingredient contributing to herd growth is to divert heifers from the slaughter channel to the breeding herd. Consistent with the large volume of heifers on feed at the beginning of the year, heifer slaughter has remained elevated, as well. Today's Cattle on Feed report will provide another snapshot of the number of heifers on feed and prospects for heifer slaughter in the months ahead.



Today's Calendar (all times Central)

- Cattle on Feed – 2:00pm

Thanks for reading.

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