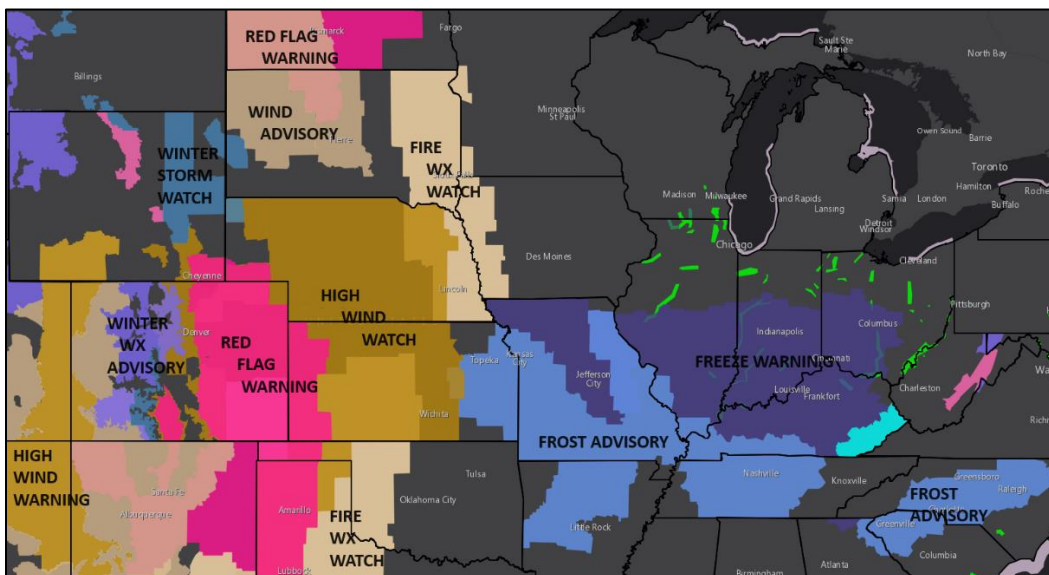


Weather

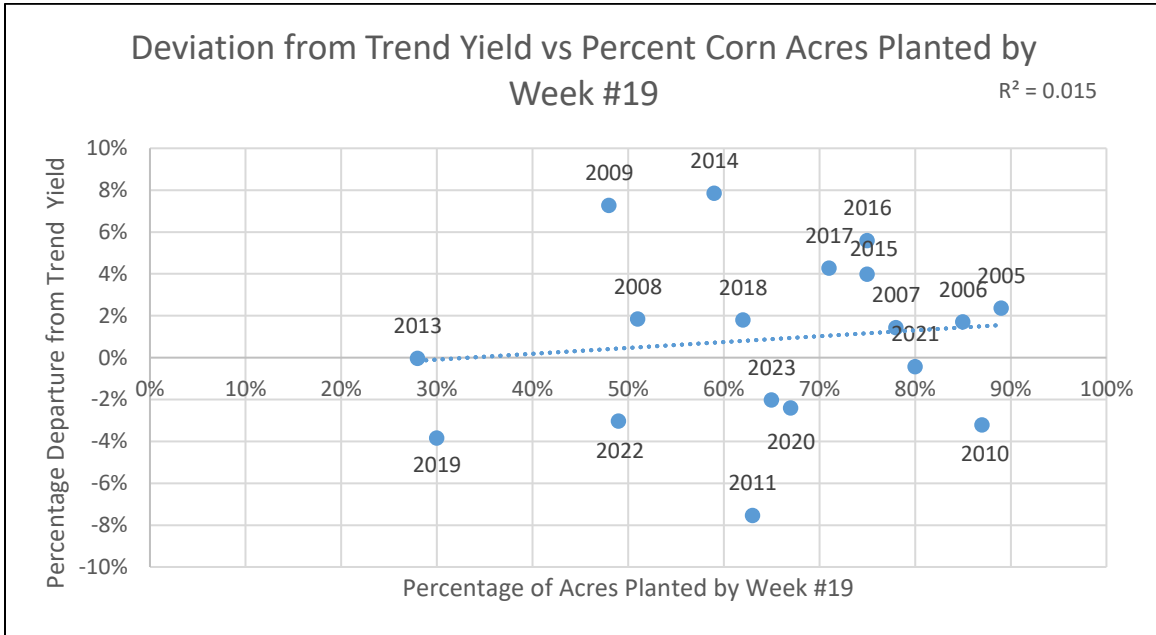
Before we start looking at rainfall possibilities for the Plains HRW wheat belt, we must first consider that the area is going to be under a lot of stress for today and tomorrow. The below map shows that most of the Plains are currently under a high wind watch, a fire weather watch, or a red flag warning (for high fire danger). Conditions are going to be especially stressful tomorrow, when winds can gust over 50 mph and locally over 60 mph. There will be rains for wheat areas of Nebraska for late tomorrow into Sunday, and for far southern Kansas for Monday night into Wednesday. The rainfall forecast for Monday night into Wednesday remains a difficult call, but odds favor beneficial rains in the south. It will be northern Kansas and northeastern Colorado that see minimal rain chances for both time frames in question. Heavy rains (locally over five inches) are going to target the Mid-South for April 7-11. All of the middle of the country is then looking at drier-than-normal conditions for about a week starting April 12.

Safrinha corn areas of northern Brazil continue to have a very favorable 15-day rainfall forecast, and badly-need rains will start to fall in more southern safrinha corn areas on Monday. Heavy rains in Rio Grande do Sul over the next 10 days could impact the soybean harvest in that state, while some southern corn / soybean areas of Argentina could see a bit of frost for April 10-11.

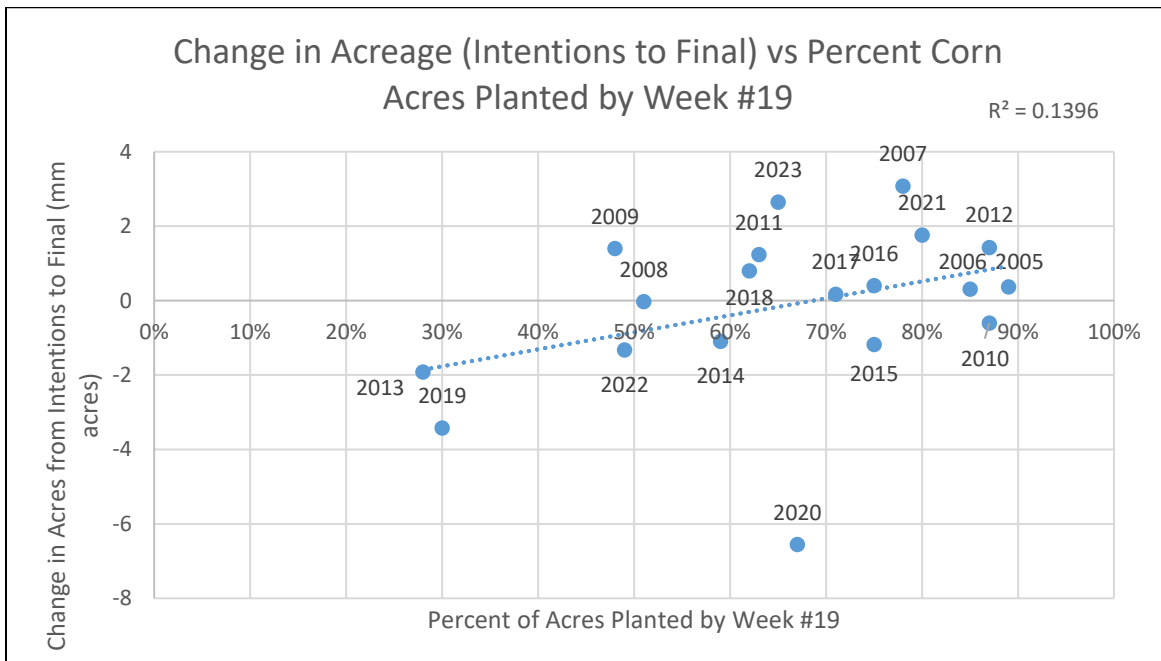


Grains

Warmer temperatures and drier conditions are expected in the corn belt starting on April 12th. This points to the possibility of an early corn planting season. The implications of an early planting season are often debated and some suggest that early planting equates to higher yields. The below chart plots deviation from trend yield vs percent corn acres planted by Week #19 (date ranges from 5/10-5/16 depending on the year). The results show that there is almost a zero correlation as the R^2 value is only .02. Summer weather, most importantly in July, will dictate crop size and will have a much more important impact on yield than early planting progress. Note, 2012 was removed from the below chart due to extreme drought conditions.

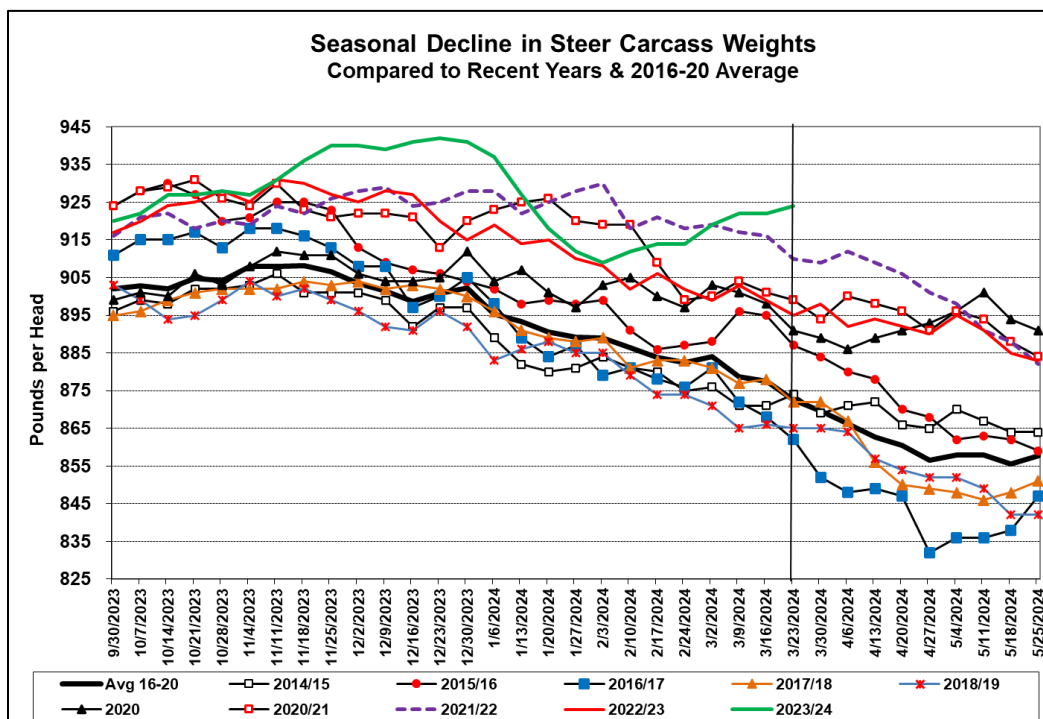


Another interesting study to consider is if early planting progress will have an effect on adding acreage from intentions to final. This a topical discussion as corn “lost” 4.6mm acres YoY, and one can theorize that if farmers get off to an early planting start that they will plant more acreage above their initial intentions. The below chart plots change in acreage (from intentions to final) vs percent corn acres planted by Week #19. The chart shows that there is a very weak correlation between the variables and displays an R^2 value of .14 meaning that there is little credence to the thesis that an early planting season indicates additional acreage.

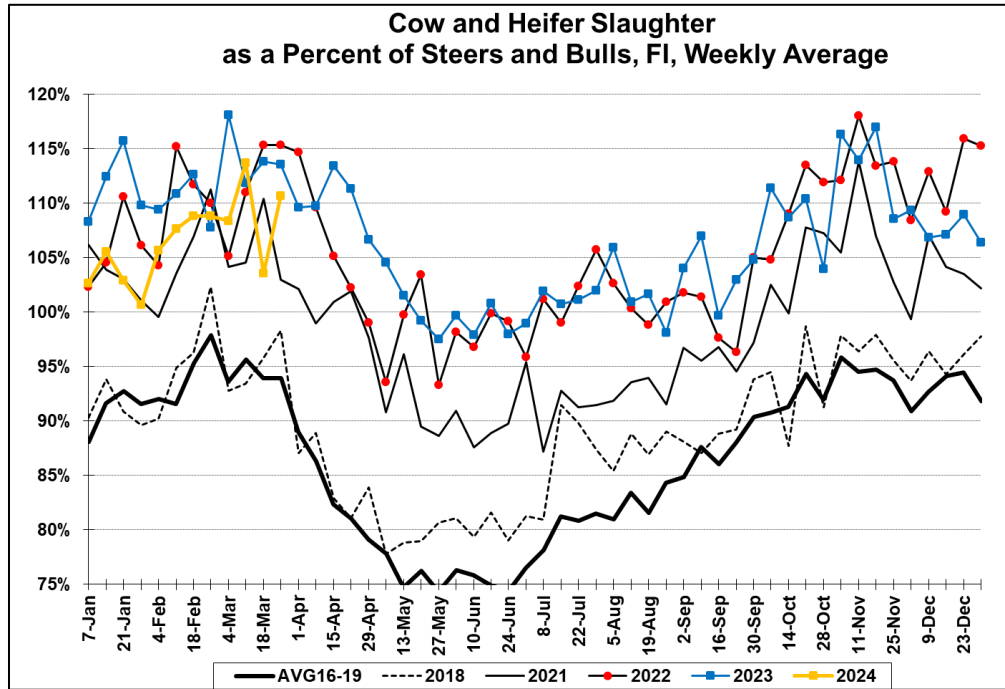


Livestock

Fed cattle carcass weights in late March sustained the counter-seasonal increase initiated in early February, which followed the precipitous weather-induced decline during January. For the week ended March 23, FI steer weights were record high for the date at 924 pounds, up 2 pounds from a week earlier and 29 pounds heavier than a year earlier. Seasonally, steer weights on average decline about 17 pounds from early February to late March. In contrast, steer weights in late March were 15 pounds heavier than early February. From a broader perspective, steer weights have declined less than seasonal from the record highs posted at the end of last year. A significant portion of the counter-seasonal carcass weight rebound in recent weeks is related to the curtailed feedlot marketing and slaughter volumes and suggests a growing front-end supply of market-ready cattle.



Through the first 13 weeks of 2024 cow slaughter is down about 225,000 head from the same period last year, a decline of around 13% and includes smaller dairy cow slaughter along with fewer beef cows. At first glance, such a precipitous decline suggests perhaps that the beef industry has embarked on a vigorous herd rebuilding effort. However, total female slaughter as a percent of male slaughter remains at historical highs, ranging from 105-110%—similar to recent herd liquidation years and far above the herd growth years of 2016-19, when female slaughter ranged from 90-95% of male slaughter.



Today's Calendar (all times Central)

- Nonfarm payrolls – 7:30am
- Unemployment rate – 7:30am

Thanks for reading.

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