Tuesday, February 17, 2026
NTG Morning Comments
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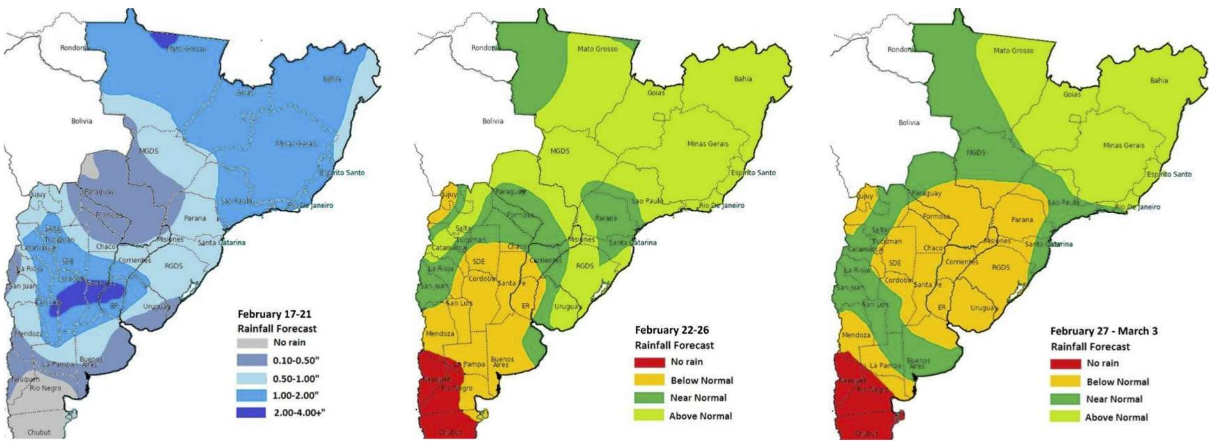
Weather

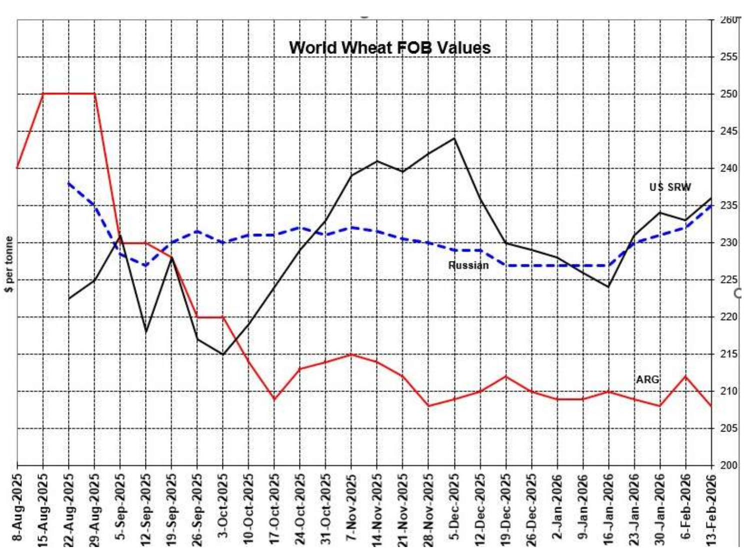
Favorable, dry weather continues across northern Brazil through Wednesday to facilitate rapid soybean harvesting and safrinha corn planting, but conditions will deteriorate as widespread, above-normal rainfall returns during the 6-10 and 11-15 day periods. In southern Brazil, the precipitation outlook for Rio Grande do Sul has trended wetter for the 6-10 day period, compounding recent beneficial rainfall and stabilizing soybean yield prospects across the state. Meanwhile, Argentina maintains an exceptionally active pattern; following weekend rainfall that delivered over two inches to southern Santa Fe, additional significant precipitation is forecast to sweep across the primary corn and soybean growing regions on Wednesday night and again late Friday, ensuring robust soil moisture levels.



An exceptionally warm pattern will dominate the central United States through Thursday, producing dozens of record highs, before a significant forecast shift brings sharply colder, below-normal temperatures to the Plains and western Corn Belt starting Friday and lasting through February 23. In the Southern Plains, hard red winter wheat areas face an extended period of well-below-normal precipitation, with some locations expecting zero moisture over the next 15 days; this extreme dryness will combine with a moisture-starved storm system tomorrow to produce wind gusts exceeding 60 mph, creating highly critical fire danger across western Kansas, eastern Colorado, and the Texas and Oklahoma panhandles. Further north, winter storm watches are posted as a system tracks near the Canadian border, poised to deliver 6-10 inches of snow to northeastern North Dakota tomorrow into Wednesday, with a subsequent system arriving Thursday.

Grains

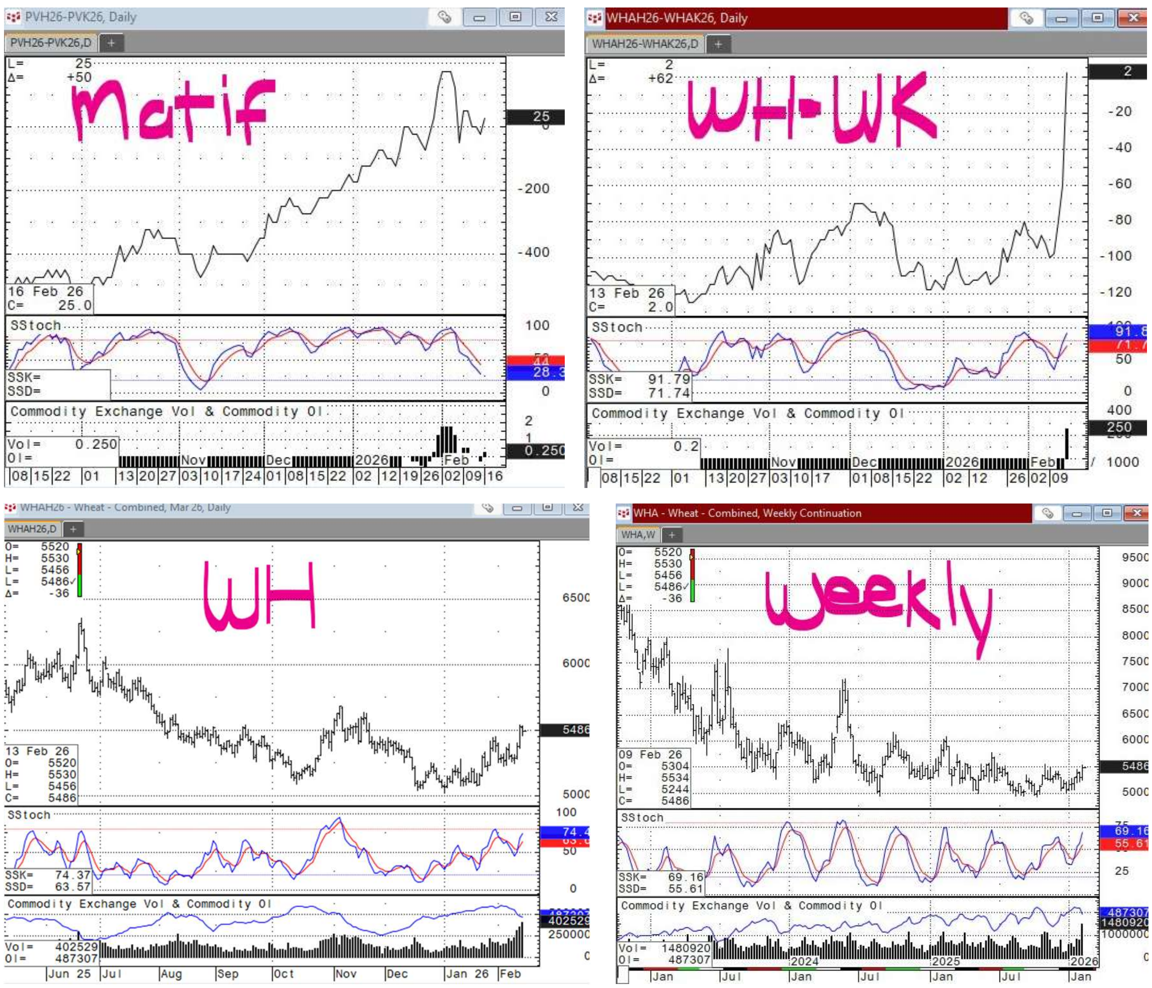
I've been combing for news over the long weekend and am not finding too much of substance and it's difficult not to go down rabbit holes relating to the Epstein files. Sounds like Iran rejected the US offer for negotiation and had threatening language in regards to a war with them. US brokered peace talks between Ukraine and Russian take place this week.



NOPA Crush for January will be out at 11 am with the average trade estimate 218 milbus vs 225 in Dec and 200 a year ago. Oil stocks are expected at 1668 milbus vs 1642 in Dec and up from 1274 at the same time last year.

Going to look at wheat and the FOB chart and spreads briefly. WH-WK traded to an inverse on Friday in very high-volume trade. A contraction of storage rates seems to be the catalyst along with fund short covering. The next CoT will be more pertinent as it will cover the high-volume days and the big push in the spreads. But funds have been covering quietly for weeks. Matif nearby spreads have traded an inverse as well and the Mch-May is currently at even money. Russian FOB values have been creeping higher and despite the bearishness of US and world wheat on paper, there doesn't seem to be a big appetite to carry a big short. First Notice Day for Mch is a week from Friday.

CoT did show a fair bit of buying (short covering) in corn and a considerable amount of buying in beans. Beans have had a big move and given the quick structural change; they seem vulnerable to a set back without confirmation of fresh China buying.



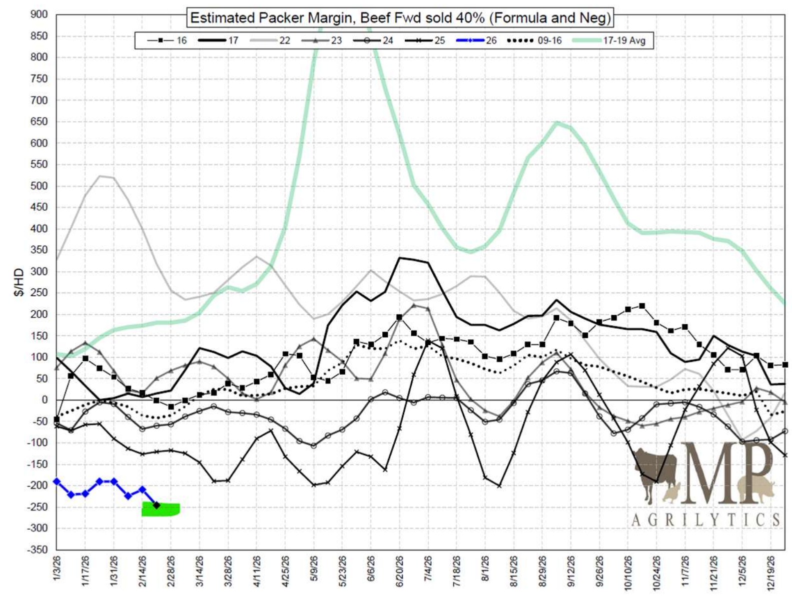
Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com *or on Trillian at megan@nesvick.com.*

Livestock

I want to cover a couple short livestock topics today to make sure that everyone is caught up on the news from this weekend. First, let's discus the recent updates to the Emergency Livestock Relief Program (ELRP). This program was created to provide financial relief for livestock operations that were impacted by floods, wildfires, or droughts during 2023 and 2024. Initial payments totaling ~$1B were made in May 2025, which covered approximately 35% of calculated losses due to drought and wildfire on federally-managed land. On Friday (2/13), Agriculture Secretary Brooke Rollins announced a second payment for these operations, allocating an additional ~$250M and bringing the total payments to $1.289B, covering 43.2% of losses. Additionally, $604M was also allocated to flood and wildfire losses on non-federally-managed land; these payments are expected to cover 100% of the affected livestock operations' calculated losses. It is also worth noting that all of these payments are limited to a total combined payment limit of $125,000 per year for each operation, although there is an exemption form to potentially increase the payment limit to $250,000.

The other topic I want to discuss is the potential for a strike at the JBS Greeley packing plant. On February 4th, 99% of the ~3,800 union workers at the plant voted to authorize an unfair labor practice strike. Over the weekend, union representatives announced that they would be meeting with JBS in a negotiation session on Friday (2/20); workers began prepping for the potential strike this past weekend. If JBS and the union do not come to an agreement on Friday, this could start the first major beef plant strike since 1985.

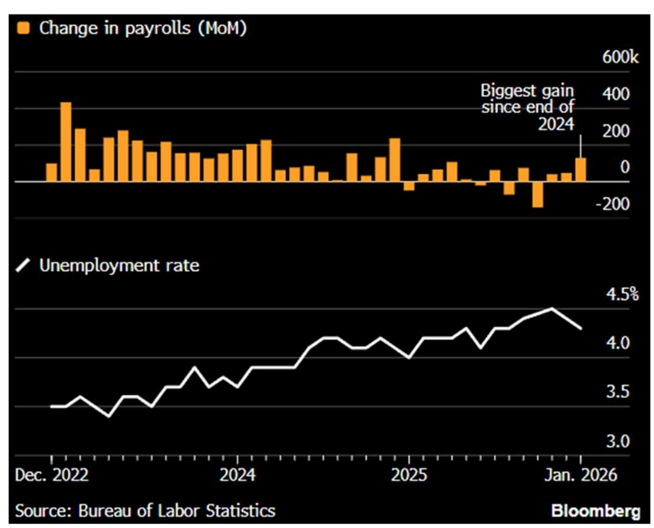
While JBS is pushing for the same 90-cent-per-hour wage increase accepted in its national deal earlier this year, the Colorado union representing the workers at the Greeley plant is digging in for a more aggressive localized agreement to combat regional inflation. The standoff is fueled by a sharp narrative divide: the union is citing JBS's global record profits of over $581 million as justification for higher pay, whereas JBS is pointing to the dismal domestic reality of record-low, negative beef packing margins, which are estimated to be as low as -$250 per head by MP Agrilytics. With such strongly-negative margins, JBS has very little incentive to come to the table with an improved deal for the union. If the strike occurs, then the company will not be losing $250/hd while it is ongoing. Additionally, while there is more than enough slaughter and packing capacity in the US to replace the ~6000 head-per-day slaughter capacity of the Greeley plant, the plant being temporarily shut down would likely put temporary downward pressure on live cattle prices as the cattle normally slated for the Greeley plant get redirected to other locations; this downward pressure on prices would help improve packing margins.



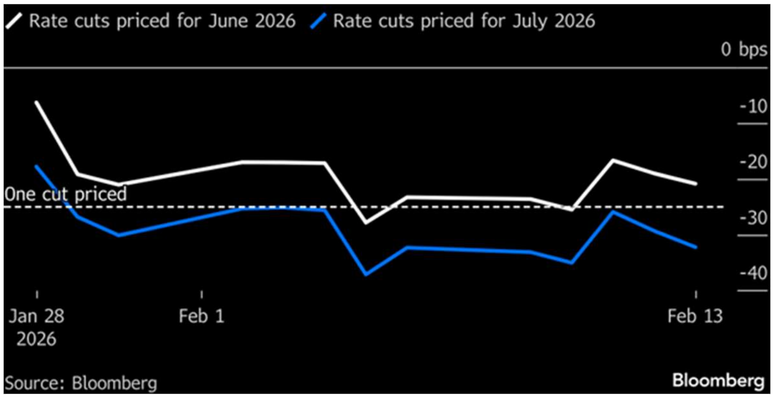
Livestock commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com *or on Trillian at zdavis@nesvick.com.*

Macro/Financials

When the January BLS Jobs report came out with a much stronger increase in payrolls than the market expected (+130k vs the survey consensus of +65k), I mentioned that these results would almost certainly kill the chance of a rate cut. The strength in jobs and lowering of the unemployment rate from 4.5% to 4.3% showed enough strength in overall employment that the market believed the Fed would shift their focus to getting inflation back towards the 2% target, seemingly shutting down discussion of further rate cuts until July at the earliest. We can still reasonably expect that the next Fed rate decision in a few weeks (March 18th) will be relatively tame, with almost no chance of a rate cut; however, there could be some interesting discourse moving



forward due to the contradictory economic data that we've seen this week, and we could very well see a strong opportunity for a rate cut before that July Fed meeting as a result.



The January CPI report that came in on Friday could breathe some new life into the argument for the viability of that earlier rate cut. January CPI usually comes in seasonally higher due to businesses usually choosing to hike prices at the beginning of the year, and many analysts expected even stronger than typical inflation for the month due to tariff pass-through. When the report was released, we actually saw the CPI coming in lower than expected at 0.2% for the month, down from 0.3% in December. This results in a year-over-year CPI of 2.4% in January, down from 2.7% last month. With CPI showing a move directionally towards the Fed's rate target in a month that historically trends towards higher inflation, the market has now fully priced in a rate cut by July, and moved a June cut firmly back into play. This timing also lines up very well for the transition of Fed leadership from Jerome Powell to Kevin Warsh. Warsh, if confirmed by the Senate, is expected to push for rate cuts upon becoming the Fed Chair; his first decision meeting could be an opportunity for him to show his true colors as a dove or a hawk.

Macro/Financials commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com *or on Trillian at zdavis@nesvick.com.*

Today's Calendar (all times Central)

- ADP Weekly Employment Change – 7:15 AM
- NAHB Housing Market Index – 9:00 AM
- Export Inspections – 10:00 AM

Thanks for reading,

Zachary Davis
zdavis@nesvick.com
(901) 604-7712
Trillian IM: zdavis@nesvick.com
Bloomberg IB: zrdavis@bloomberg.net