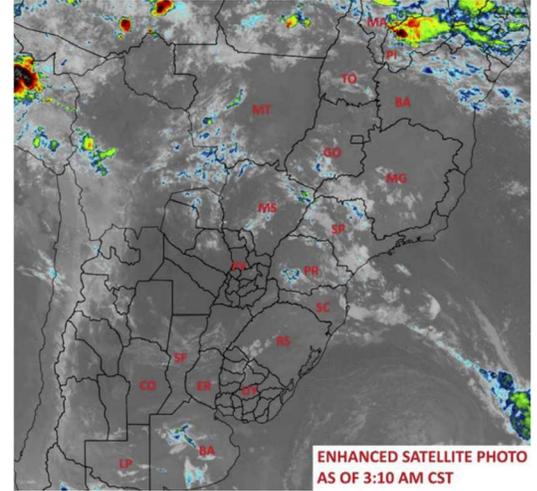
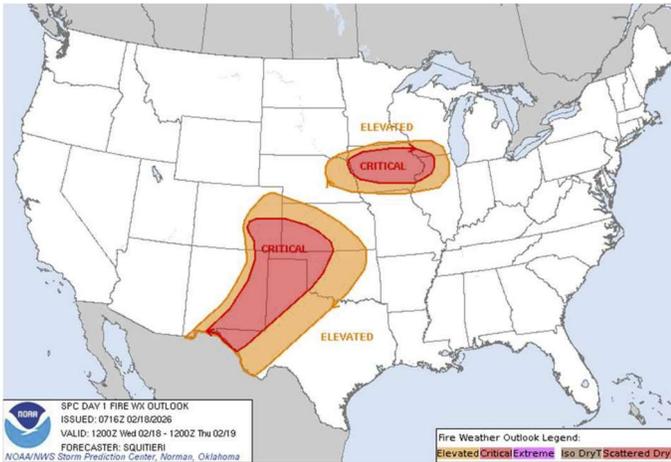


Weather

Favorable, dry fieldwork conditions across northern Brazil are confined to today, as the 6-10 and 11-15 day periods are now forecast to see a return to widespread, above-normal rainfall that will slow soybean harvesting and safrinha corn planting. The outlook for Rio Grande do Sul has improved further, with the state now expected to see its most significant rainfall in weeks starting tomorrow and continuing through Monday; this active period is projected to deliver widespread totals of 1-3 inches, providing critical stabilization for soybean yield prospects. In Argentina, the active weather pattern remains firmly in place, with additional significant to heavy rainfall forecast for the primary corn and soybean growing regions tonight and again Friday night into Saturday, maintaining robust soil moisture levels across the belt.



The forecast for the United States highlights immediate, agriculture-impacting risks, including a major winter storm currently impacting the Northern Plains with heavy snow and high winds, while the central High Plains faces another day of critical fire danger due to strong winds and dry conditions.



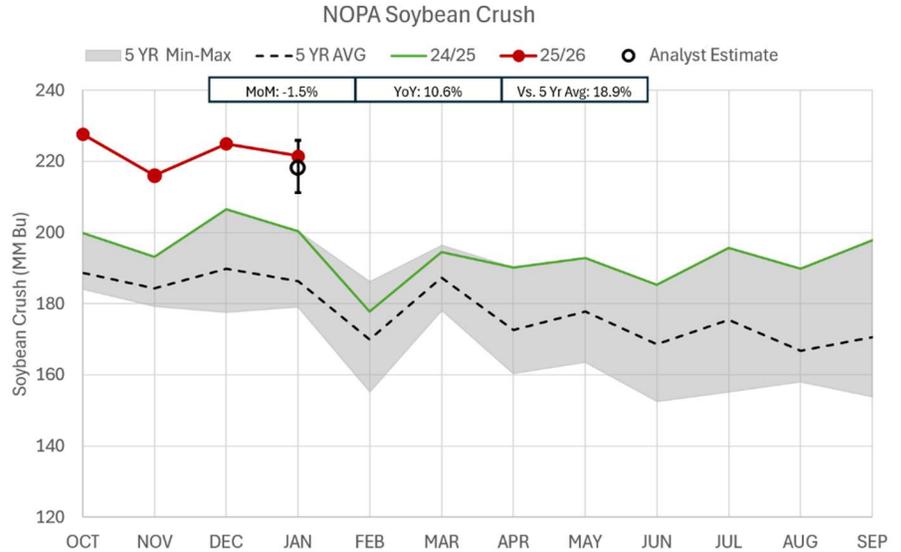
Grains

		NOPA Soybean Crushings Reports As of: January 2026						
	Actual	Survey Results			Previous		Percent Change	
		Avg	Low	High	Month	Year	MoM%	YoY%
Soybean Crush (MM Bu)	221.6	218.0	211.2	226.0	225.0	200.4	-1.5%	10.6%
Oil Stocks (MM Lbs)	1,899	1,668	1,600	1,750	1,642	1,274	15.7%	49.1%

I want to quickly go over the results of the NOPA soybean crush data that came out this morning for the month of January. Total crush for the month came in at 221.6 million bushels, which is above the average guess of 218 milbus from the Bloomberg survey that took place ahead of the report, but still within the upper portion of the survey estimates. Comparing this to earlier data shows that it is slightly below (-1.5%) last month's 225-million-bushel soybean crush, but continues the pattern from the last several months of being well above the previous year's crush; January 2026 crush came in 10.6% higher than the 200.4 milbus crush in January 2025. This monthly crush is especially interesting, as this implies that the severe winter weather that hit much of the US in the last week of January did very little to slow soybean

crush. While January's crush isn't quite as high as in October or December of 2025, the crush has been overall very consistent over the past several months, with the plants crushing much larger quantities of soybeans than in 2024/25, which was a record production year in itself; January has come in at least 18.5% above the 5-year average every month of the 2025/26 crop year.

Oil stocks came in well above trade expectations, with January stocks reported at 1899.96 million lbs. This is well above expectations, with the stocks reported as 232 MM lbs above the average survey guess and even 150 MM lbs above the highest guess. This is 15.7% above the December stocks, and ~49% over the previous year.

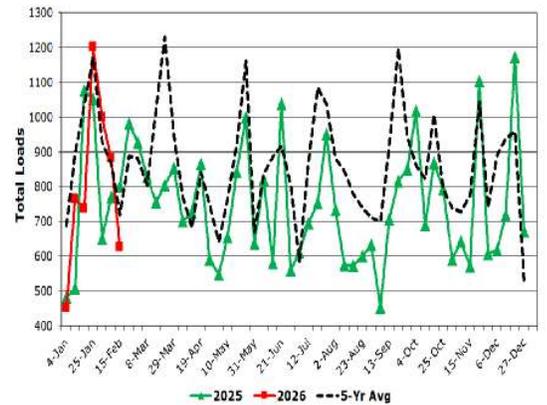


Grains commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com or on Trillian at zdavis@nesvick.com.

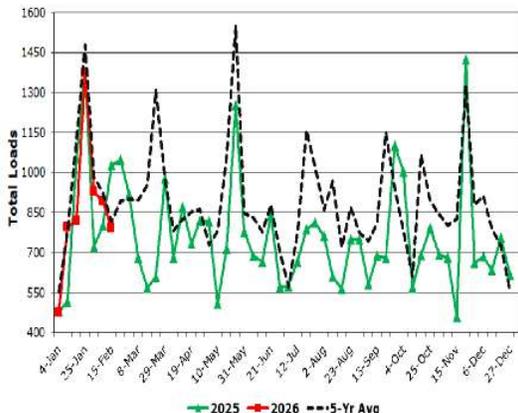
Livestock

Everyone is wondering why beef prices are not higher than they are, given the surge in cash cattle prices, the past few weeks of lower kills, and the unsustainably red packer margins. One reason might be declining demand issues. One reason might be kills into March might increase, and they are trying to sell that now but are unable to get traction on sales. The declining volumes of spot, forward and export sales are a concern. If available supplies are going to increase from February into March and April, something needs to give in order to reverse the trend in packer margins. Packer loses today are -\$400/hd. To cut this in half, either beef prices need to jump \$20 or cattle prices need to decline \$10.

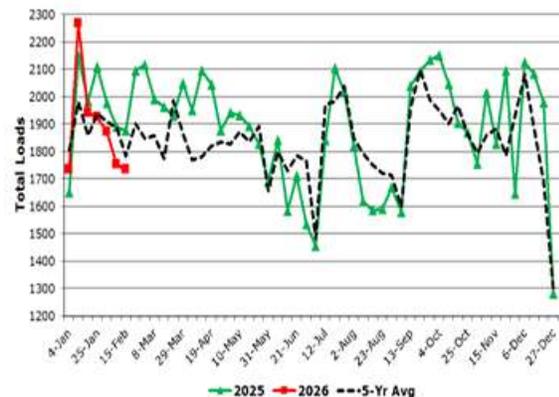
National Comprehensive Boxed Beef Cutout Delivery 22-60 Days



National Comprehensive Boxed Beef Cutout Weekly Export Sales



National Comprehensive Boxed Beef Cutout Weekly Negotiated Sales w/ Delivery in 0-21 Days



The lowest raw kills for all of 2025 should be behind us with February. Increased availability from carryover and cattle that were pushed out of January is expected to be present in March. And they will be big, challenging packer grind discounts over 1100 lbs. Remember \$35/cwt dressed discounts are coming as of April 6th for all carcasses over 1151 lbs. Because of prior placement trends, larger supplies from this bump in March are not likely to be seen until this fall. A less-than-seasonal increase into May and June is still forecasted. I don't know if we have seen a year when supplies in March were the same, if not bigger than those in May?

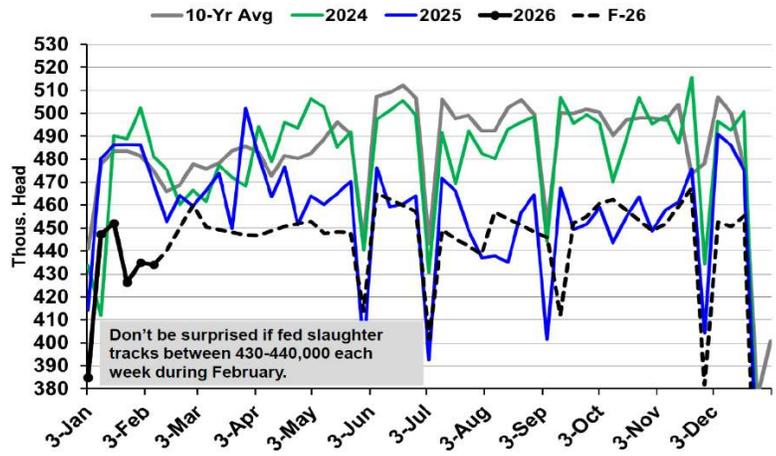
USDA Cattle on Feed is due out this Friday. My bias is for something a little bigger than Mike's forecasts. Mike is at -5% on placements, and I am at -1%. TCFA for a data point estimated +4.5% placements. Marketing's will post a shocking -12%, the lowest levels for the month since 2016. This contributes to increasing the Total Cattle On feed up to 99% of a year ago, +125,000 hd from January 1st. Total cattle on feed will post down only 150,000 hd from a year ago. Why is it not more, when considering the Mexican border is still closed? I could argue that total on feed should be down 400,000 hd or more. Carryover or more beef on dairy placements? Any comments or feedback is appreciated from all who are reading this.

Livestock commentary provided by Scott Shepard. For questions or comments, Scott can be reached by email at scott@mnrcapital.us or on Trillian at scott@nesvick.com.

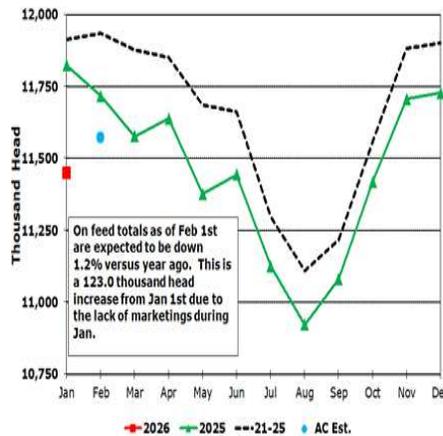
Energy

Yesterday, I was doing some digging into natural gas usage and storage levels as we are quickly approaching the seasonal highs for nat gas usage and lows for storage levels. Historically, we have seen the lows put in for storage levels in mid-March – right at the end of winter – before replenishing the storage levels throughout the spring and summer, and finally drawing these reserves back down into the fall. Interestingly, while 2026 began with well above-average storage levels, the depletion has been much quicker than normal due to the cold snap we had across most of the country in January, bringing these storage levels down

Weekly USDA Steer & Heifer Slaughter

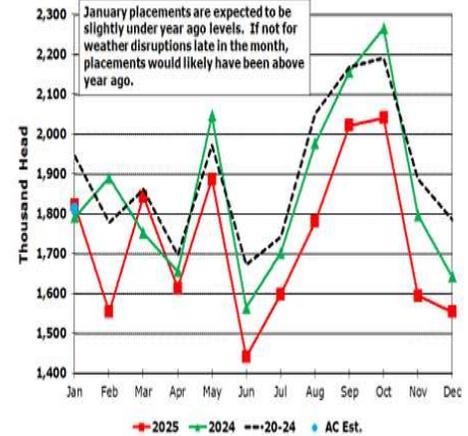


US Cattle on Feed

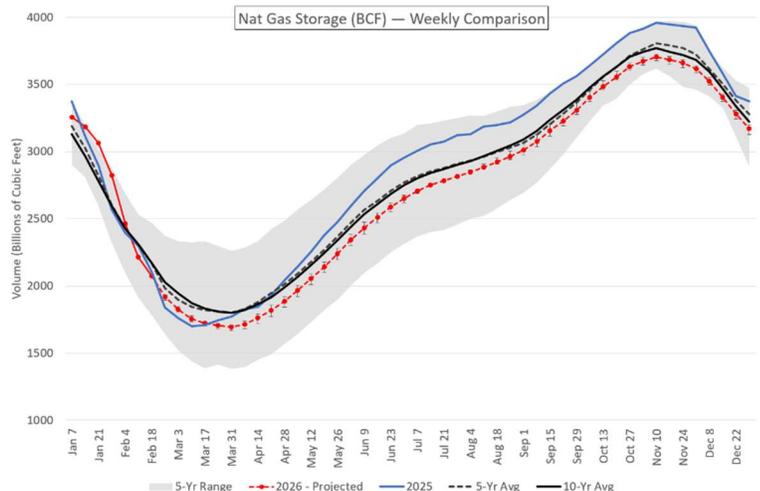


Source: USDA - NASS

US Gross Placements



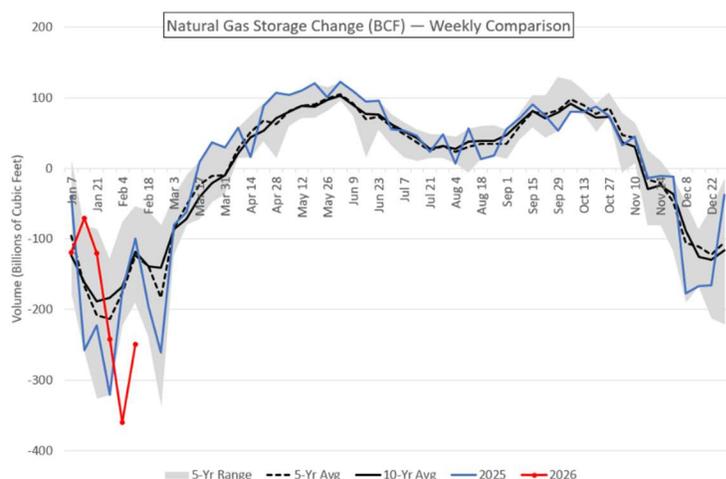
Source: USDA - NASS



below average in the last few weeks. With this rapid decline in stored nat gas, I was curious as to what level of storage drawdown would lead to supply issues and what the likelihood is of reaching those levels.

Generally, 1,000 billion cubic feet (Bcf) is considered to be the hard lower limit for underground natural gas storage to ensure enough pressure to keep the gas flowing freely to meet rapid changes in demand. It is worth noting that this is a general national limit, and doesn't account for regional base limits that could also cause local supply trouble; additionally, going below the base limit for any given reservoir could cause permanent damage to the geological structure of that reservoir. So, are we at any major risk of going below this 1,000 Bcf floor?

In short, there is very little risk of approaching the national 1,000 Bcf floor this winter. We saw natural gas storage change crater to the lowest weekly level seen in over 25 years in the week ending January 29th, with a 360 Bcf drawdown. However, based on Craig's weather forecasts, we know that much of the country will experience normal to above-normal temperatures between now and the beginning of March. These normal-to-warmer temperatures should largely keep natural gas usage within average – or even potentially below-average – levels; as such, I believe that it is reasonable to project storage levels, at least through the end of the winter, based on the 5-year average for storage change. I have shown this projection through the end of 2026 with the dotted red line on the Storage chart, and have also provided error bars showing the minimum and maximum values seen in the 10-year and 20-year weekly averages.



With this projection, we see a lower limit of ~1670 Bcf, well above the minimum safe national level. Unless we get another severe and sustained cold snap across a large swath of the country in late winter into early spring, there is a healthy surplus of natural gas storage to avoid a situation where demand cannot be safely met with the available supply. The thing to look out for, however, will be how this below average storage level could put the country into a bad situation next winter in the case of a cold snap, assuming prices do not rise to a level sufficient to incentivize above-average production in the summer to bring storage back up to normal levels.

Energy 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)

- MBA Mortgage Applications – 6:00 AM
- Housing Starts/Building Permits (Nov & Dec 2025) – 7:30 AM
- Durable/Cap Goods – 7:30 AM
- FOMC Meeting Minutes – 1:00 PM

Thanks for reading,

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