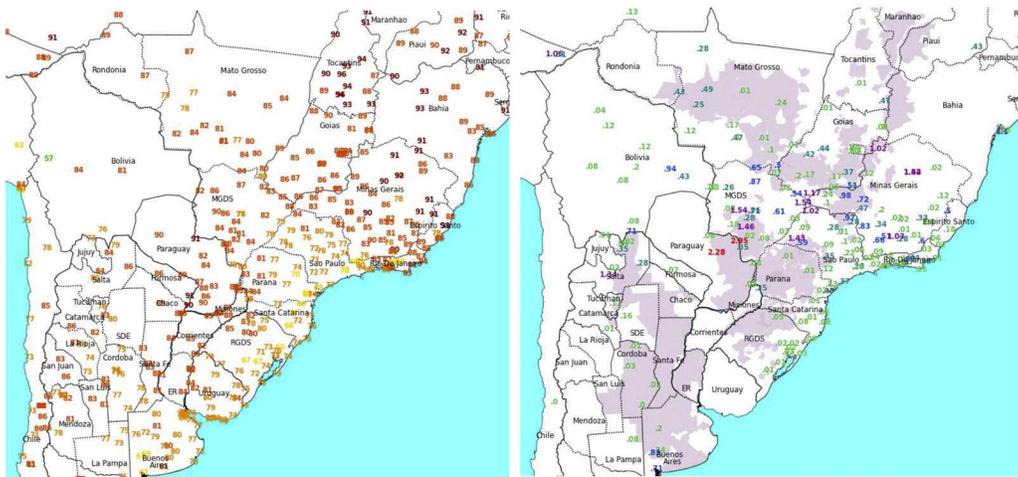
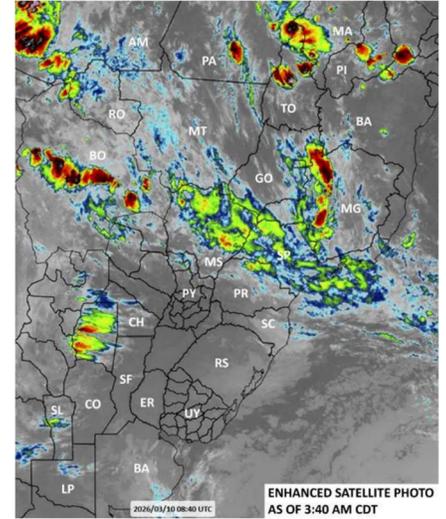


Weather

The forecast for northern Brazilian soybean and safrinha corn areas remains decidedly wet, with near-normal to significantly above-normal rainfall expected over the next 15 days, particularly favoring southern regions; this consistent moisture will undoubtedly hinder the harvest of the remaining soybean crop outside of Mato Grosso and delay further safrinha corn planting, though it provides exceptional conditions for the safrinha acreage that is already established. In southern Brazil, Rio Grande do Sul continues to face a detrimental pattern with 15-day rainfall totals struggling to exceed 1 to 2 inches and running below normal, which will continue to stress the developing soybean crop, exacerbated by a shift toward above-normal temperatures during the 6-10 and 11-15 day periods that will peak around March 16-17. For Argentina, precipitation will be quite limited across corn and soybean growing areas through the 1-5 day period, but moisture is expected to increase significantly late Sunday to initiate a widespread wet pattern for the 6-10 and 11-15 day periods; this transition, despite an approaching window of above-normal temperatures for March 15-19, will keep soil moisture levels beneficial for late-planted corn and double-crop soybeans through the end of the month.



High temperatures yesterday (left) and 18-hour rainfall through 1 AM CDT (right, soybean areas shaded)

Grains

Escalations in Iran over the weekend with Khamanei's son being named new supreme leader (ideas this could drag on) sent overnight markets sharply higher following crude which was up 30% at the highs. Bean oil was up almost 350 points with beans up 30+ and corn up 12-14 cents. Nothing held gains through the day session however as G7 is considering release oil reserves and other measures are being considered.

There was massive producer selling in corn on the rally, both old and new as CZ got close to \$5.00. CoT also stood out in corn with funds going from a small short to a sizable long in one week. There was more talk of a larger reduction in corn acres due to fertilizer shortages – to as low as 91-92 mil vs the USDA Outlook forecast of 94.0 mil and down from 98.8 last year. Safrinha planting in Brazil was reported at 82% overall vs 92 last year and the slowest



since 2022. The forecast is still rather wet. Ukraine said their spring sowing would be delayed by two weeks or so due to frozen ground.

Producer selling in beans was much less. The pre-meeting ahead of Trump/Xi at the end of the month is Friday and the rumor going around Monday was that China was going to buy 6 mmt this week. Who knows, but if they were going to cancel entirely, I would think it would have been done last week.

We have the USDA Mch WASDE out at 11 am, which isn't expected to be a big market mover, especially compared to the moves we have seen recently. The market needs to digest these moves and reassess risks from here. The China buying issue remains unknown (still possible they buy another 8 mmt). We could get an indication this week. We are still waiting on the biofuels policies this month (talk that we may hear something late this week or early next), and there are very real risks of losing more corn acres. And obviously the Iran issue/Strait of Hormuz/crude oil direction is at the forefront.

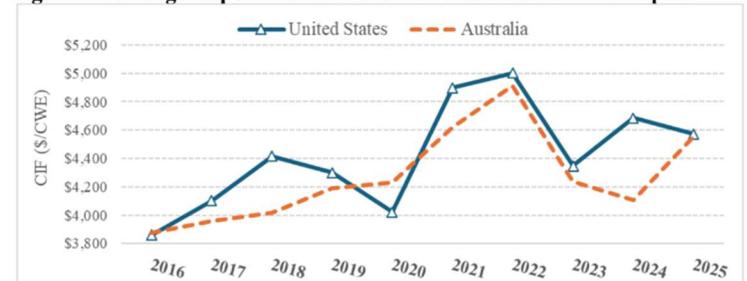


Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

The USDA FAS semi-annual on Japan came out this week, and while the top-line story is one of broad stability – production, consumption, and imports all roughly flat – there's an interesting shift brewing underneath for U.S. beef. Australian beef import prices rose 11% in 2025, pushing them to near-parity with U.S. prices in Japan for the first time in recent memory. Australia still holds 50% of Japan's beef import market versus 36% for the U.S., but that share was built in part on a persistent price advantage that's now evaporating. If Australian prices cross above U.S. levels in 2026, Japanese importers have indicated they'd shift purchasing – though even in that scenario, total import volumes aren't expected to grow given how sluggish domestic demand has become. It would be a reshuffling of share, not a growth story.

Figure 7: Average Import Prices of U.S. and Australian Beef in Japan



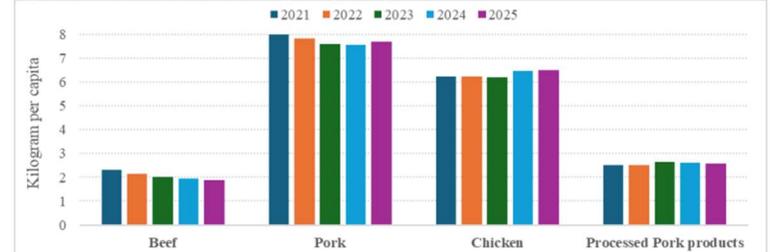
Note: Price refers to cost, insurance and freight (CIF).
 Source: Trade Data Monitor, LLC

On the pork side, Spain's ASF confirmation in November created a more acute problem. Spain accounted for 15% of Japan's total pork imports and ~30% of its frozen pork – a critical input for the processing and food service industries. Japan suspended Spanish imports almost immediately, exempting only product slaughtered and packaged before October 29. The replacement trade is already visible: Brazilian pork shipments to Japan have been climbing since 2024, and that trend

accelerated as frozen Brazilian product steps into the gap. Japan is leaning harder on North American supply too, though U.S. pork faces its own headwinds – high domestic prices and the weak yen at ~156/\$1 make American product expensive on a landed-cost basis.

The thread connecting both stories is the Japanese consumer. Real wages have now declined for four consecutive years – nominal wages rose 2.3% in 2025 but CPI ran at 3.2%, so purchasing power keeps eroding. The result is a steady protein downgrade: retail beef consumption has fallen for five straight years, down another 2% in 2025, while retail pork purchases rose 2%. Breeding cow numbers have dropped 7.9% over just two years as the domestic herd quietly contracts, and only heavier wagyu cattle in the slaughter mix have kept beef production from falling more visibly. Record foreign tourism (arrivals up 16% last year) is propping up food service demand at high-end restaurants, but it's masking what is fundamentally a market where domestic consumers are moving down the protein ladder.

Figure 3: Meat Retail Sales (kilogram per capita)



Source: Ministry of Internal Affairs and Communications (MIAC) & Agriculture and Livestock Industries Corporation (ALIC)

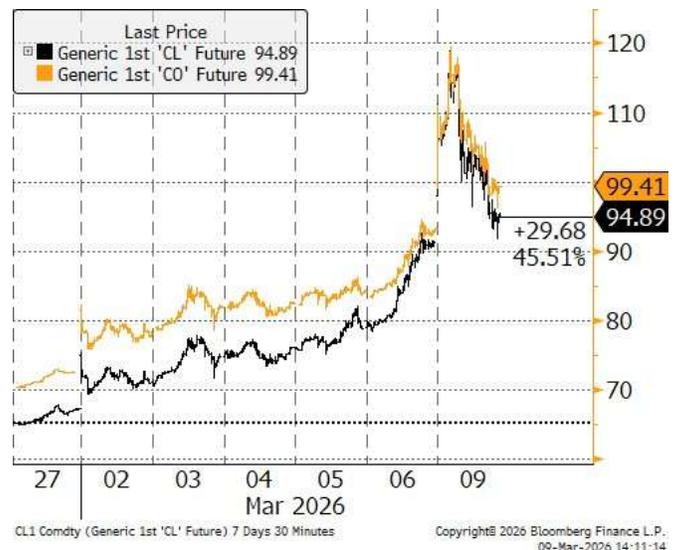
So, Japan's protein complex is stable on the surface but shifting underneath — U.S. beef may have a price-driven opening against Australia, Brazil is filling the hole Spain left in pork, and the domestic consumer continues to trade down. For U.S. exporters, the opportunity is real but modest: it's about capturing share in a flat-to-shrinking import pool, not riding a demand wave.

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.

Energy

We just witnessed the largest single-day dollar move in the history of crude oil futures. WTI hit \$119.43 intraday on Monday — up ~\$28.50 from Friday's close of \$90.90 — before reversing hard and closing back down on the day at ~\$85. Brent traced a nearly identical path, peaking at \$119.50 before pulling back to ~\$90. The previous record for a single-day dollar gain was \$10.75, set on June 6, 2008. That record didn't just get broken — it got lapped. Additionally, the collapse has been the second biggest single-day dollar drop in history, behind only the 2020 collapse that saw crude prices go negative.

What drove the reversal was a familiar playbook: the promise of government intervention that hasn't actually materialized yet. France, which holds the G7 presidency, convened an emergency call of finance ministers on Monday with IEA Executive Director Fatih Birol. Reports have come out of the G7 governments discussing a coordinated release of 300–400 million barrels from strategic petroleum reserves — roughly 25–30% of the IEA system's 1.2 billion barrels. At least three G7 members, including the US, reportedly support the idea. Prices dropped \$15–20 on that headline alone. But here's the thing: the finance ministers met, talked, and then punted. French Finance Minister Lescure said the group is "prepared to act" but hasn't reached the threshold for a coordinated release. Energy ministers will hold a follow-up meeting Tuesday morning, and any actual decision would come after that. So right now we're trading on the expectation of a release that hasn't yet been approved.



I think the more important question is whether an SPR release actually solves the problem if/when it goes into effect. Hormuz handles north of 20 million b/d of oil flows, while the IEA-coordinated stock releases have historically never exceeded a drawdown rate of ~2 million b/d — and the physical process of pulling crude from underground salt caverns, piping it to terminals, and dispatching it takes two to four weeks to reach markets in meaningful volumes. The US SPR sits at ~415 million barrels, about 58% of its authorized capacity and well below pre-2022 levels. Unlike past energy shocks, the spare capacity in Saudi Arabia, UAE, and Kuwait actually exists — but it's physically stranded behind the Strait. There's no way to route those barrels to market. Saudi Aramco is pushing what it can through the East-West pipeline to Yanbu on the Red Sea coast, but loading capacity there tops out around 2.5 million b/d, which doesn't come close to replacing normal Hormuz flows. So, the SPR is a moderating tool, not a solving tool. Analysts broadly agree a credible release could take \$10–20 off Brent in the near term and delay a sustained break above \$100, but if Hormuz doesn't reopen, the direction of travel will likely continue its upward trend.

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)

- ADP Employment Change – 7:15 AM
- WASDE – 11:00 AM

Thanks for reading,

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