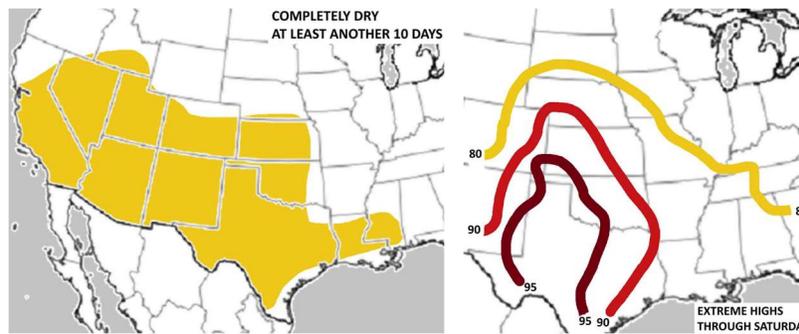


Weather

Across the United States, the outlook for the HRW wheat crop in the Southern Plains remains exceptionally poor, as the region is forecast to stay completely dry through at least the 1-10 day period; this severe lack of moisture is aggressively compounded by wild temperature volatility, transitioning from recent single-digit lows to extreme, record-setting heat featuring 90-95 degree highs for Thursday through Sunday, which will massively exacerbate crop stress. In the Corn Belt, profoundly dry conditions will persist for at least another week, with any notable precipitation chances delayed until the Week Two period and heavily favoring eastern areas; this dry stretch is accompanied by an exceptional warming trend in the western Corn Belt, where temperatures will run 15-25 degrees above-normal, yielding record highs in the 80s by the weekend. Finally, after freeze warnings expire across the Mid-South and Southeast this morning, the region will experience a rapid warm-up heading into the weekend, though the overall pattern remains distinctly dry with precipitation running below-normal over the next 15 days.



The forecast for northern Brazilian soybean and safrinha corn growing areas maintains a modestly drier trajectory, with near to above-normal rainfall expected over the next 15 days; this pattern will allow the soybean harvest in states like Mato Grosso, Goiás, and Minas Gerais to confidently accelerate while delivering easily enough moisture to sustain near-perfect growing conditions for the developing safrinha corn crop. In southern Brazil, northern Rio Grande do Sul failed to receive a significant soaking yesterday, and the 15-day outlook remains decidedly pessimistic with rainfall running near-normal at best alongside consistently above-normal temperatures, continuing to stress late-planted soybeans. For Argentina, current dry conditions will quickly yield to a very wet pattern beginning tomorrow night and extending through early next week, delivering 2-4" rainfall totals that will leave corn and soybean crops fully sufficient on soil moisture for the remainder of the season.

Grains

NESVICK TRADING GROUP, LLC		2025/2026 CONAB Estimates March 2026						
		Survey Results			Prior		Change	
	Actual	Avg	Low	High	Month	Year*	Month	Year
Soybean Planted Area (M Ha)	48.44	48.70	48.30	49.50	48.43	47.35	0.00%	2.29%
Soybean Production (MMT)	177.8	179.3	177.7	182.3	178.0	171.5	-0.08%	3.72%
Soybean Yield (k Kg/Ha)	3.672	3.680	3.670	3.700	3.675	3.621	-0.08%	1.41%
Corn Planted Area (M Ha)	22.41	22.40	21.80	22.90	22.53	21.86	-0.52%	2.52%
Corn Production (MMT)	138.3	139.8	137.0	142.3	138.4	139.7	-0.13%	-1.02%
Corn Yield (k Kg/Ha)	6.171	6.230	6.140	6.490	6.146	6.391	0.41%	-3.44%

*Prior Year Data is from end of Prior Crop Year

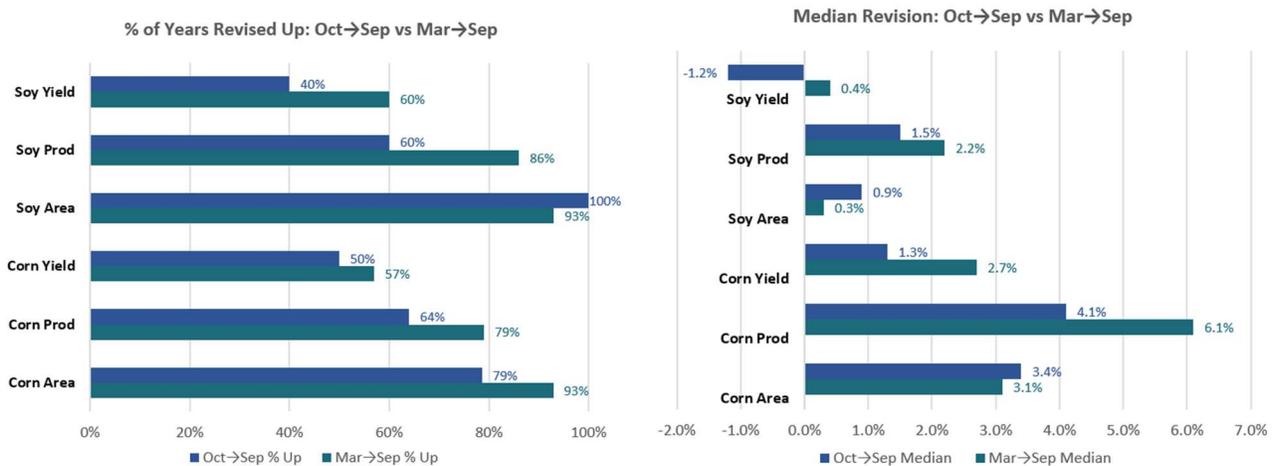
CONAB's March report came in last Friday and came in soft relative to expectations: soy production at 177.8 MMT versus the 179.3 average survey estimate, corn production at 138.3 versus 139.8, and corn yield at 6,171 kg/ha versus the 6,230 the market was looking for. The headline numbers barely moved month-over-month, but the state-level detail tells a more interesting story. RGDS soy yields got cut 11.5% from February (down to 2,769 kg/ha from 3,129), a meaningful regional downgrade that was largely offset by gains in MGDS, Mato Grosso, and Minas Gerais. That dynamic is worth watching

because it's the same one that shows up repeatedly in the historical data – Mato Grosso delivers strong early results, and then the later-harvesting southern states pull the national average down. Corn area continued to drift lower this month, down another 0.52%. And corn yield ticked up to 6,171 – the highest figure CONAB has ever published for any crop year.

The more useful question, though, isn't what CONAB printed last week; it's how much these March numbers tend to move between now and September. Going back through 15 years of CONAB monthly reports, the patterns are surprisingly consistent. Corn and soybean area both get revised higher from March in 93% of years. Soy production has been bumped up in 86% of years from March, with a median revision of +2.2%, and corn production in 79% of years with a median of +6.1%. Apply those medians to the current estimates and you get ~182 MMT on beans and ~147 MMT on corn. The mechanism is straightforward – March is near the seasonal trough for total corn area because safrinha planting data is still incomplete, and soy harvest is only partially reported. CONAB's March numbers are conservative by design, and history says they almost always get revised upward from here.

But "almost always" is doing a lot of work in that sentence, because the distribution has a nasty left tail. In the years when corn production gets revised down from March, the moves tend to be stronger – -20% in both 20/21 and 15/16, driven by safrinha failures. The outcomes are effectively bimodal: good safrinha years see production revised up 5-15%, bad safrinha years see it drop 7-20%, with very little in between. Both corn yield at 6,171 and soy yield at 3,672 are at record starting points, which means there's more room for disappointment than for further gains. Yield direction from March is historically a coin flip, with no real edge either way.

So, the base case is modestly higher on both crops from here, but the median outcome is a bit misleading as a positioning tool. The typical upside from March is +2-6%, while the downside scenarios run to -20%. That asymmetry means the expected value is closer to neutral than the hit rate suggests. And timing matters – March corn production estimates are still just assumptions about a safrinha crop that hasn't been tested by dry season weather yet. That means the April report is still mostly noise; the real revision window opens with the May-August releases as harvest data replaces estimates.

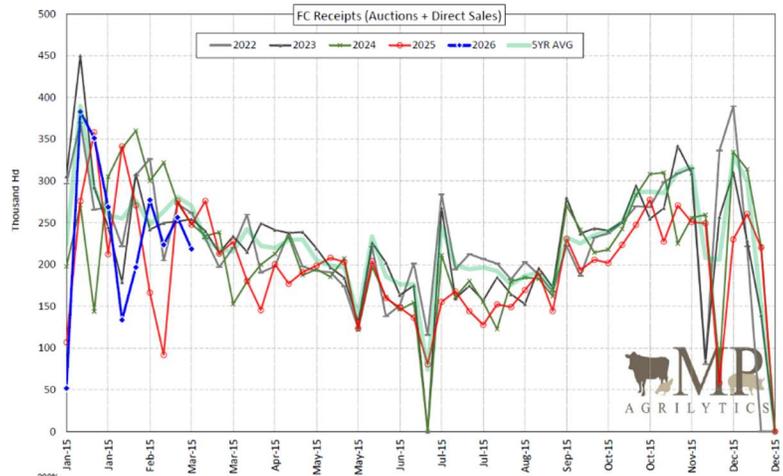


Grains commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com or on Trillian at zdavis@nesvick.com.

Livestock

Live cattle has had a strong start to the week, so far fats are up 500 on the week and feeders are up 1100 points. The cattle complex caught a lift from a stronger stock market, weaker dollar and lower energy prices even with the JBS strike in Greeley officially beginning on Monday. Packers are rerouting those cattle, so no big disruption yet. In fact, we killed more cattle last week with Greeley down all week than we did the previous week when Greeley up and running. This should come as no surprise as we still have excess slaughter capacity due to the smaller cattle supplies. As we head into spring

the kills should get bigger not smaller and the available supply of front-end cattle should get smaller not bigger. Packers only bought 66,000hd last week which seems a bit small in the face of growing slaughter as we get closer to grilling season. I did not hear any bids or trades out of live cattle yesterday but you would think with better packer margins, smaller packer inventory, increasing kills, and the beef up \$12 in the last week, the packer will most likely have to pay up for cattle this week. I think 240+ is a possible target for cash in the next week or two.



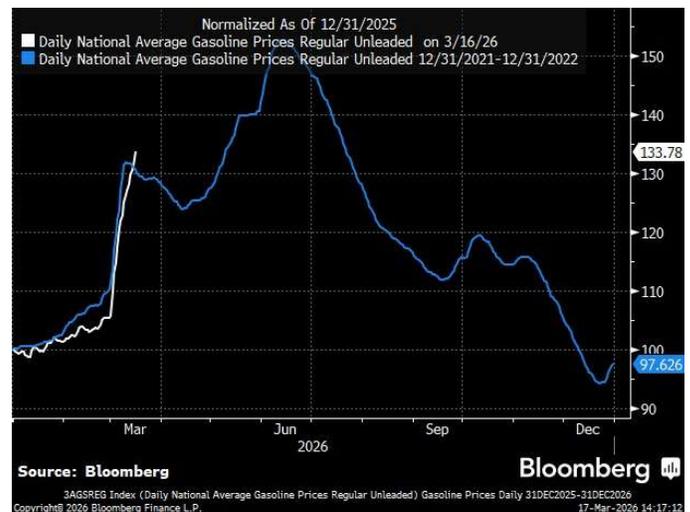
Speaking of higher cash prices, let's look at feeder cattle. On Monday, the daily average price for index cattle was +10.65 higher than the previous week on about 3,300 head which is about 1,000 head less than last week. For the most part, the early wheaties have either already moved or will be moving this week. I think runs get smaller not bigger from here until we get to graze out cattle next month. Ranchers need to buy cattle for grass even though it is dry in places. There is more grass available than there are cattle, feeding margins were spectacular last year and they will try to repeat it this year. They made money last year and it is my belief they will spend it. The competition for feeder cattle should intensify as grass starts to green up and the weather turns warmer. March feeder futures expire next week and I am fairly confident the index will be higher than it is today at 358 and change. I'm looking for something higher than 360. I am probably too conservative and probably too low. January feeders went off at 370 and the size of the feeder cattle supply has not changed.

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

The three-week change in retail gasoline prices is now the largest since Hurricane Katrina in 2005. That's not a typo – the spike from Iran's effective closure of the Strait of Hormuz has already outstripped the initial price surge from Russia's invasion of Ukraine in 2022. Brent topped \$100, ~20% of global oil production is choked off, and none of this is reflected yet in the inflation data. February CPI came in at 2.4% year-over-year, but the war-related inflation hit is still in the pipeline.

Against that backdrop, the Fed announces its March rate decision this afternoon, and the outcome itself is the least interesting part. A hold at 3.50–3.75% is fully priced in and universally expected. There's major tension for the Fed due to its dual mandate; the labor market is cracking in a way that complicates any hawkish lean, but the employment side of the mandate is calling for easier policy. February payrolls showed a loss of 92,000 jobs, unemployment ticked up to 4.4%, and consumer spending was already flat in January – all before the conflict started. But the inflation side – with energy costs surging, fertilizer prices under pressure from the Hormuz closure, and five straight years above the 2% target – says hold or tighten. It's a textbook stagflation setup, and the FOMC doesn't have a clean answer for it.



I'll be watching the dot plot dispersion closely. In December, six of 19 officials thought rates should have stayed higher, and January minutes showed several members lobbying for "two-sided risk" language that would explicitly open the door to hikes. If that language makes it into Wednesday's statement, it would be a meaningful hawkish signal – even with no rate change. Powell's characterization of the labor market matters too. He called it "stabilizing" in January; the February data makes that a hard line to hold.

The political layer adds even more noise to this rate decision. This is Powell's second-to-last meeting as chair, the DOJ probe into the Fed is ongoing despite a federal judge quashing subpoenas last week, and Warsh's confirmation is blocked in the Senate. On Monday, Trump publicly suggested the Fed have an emergency meeting to cut rates; while lower rates would be a political win for Trump going into the midterm elections, it's challenging enough in the current climate to look for a regular meeting rate cut – it's nearly impossible to argue that a rate cut is so necessary at this point in time that a special meeting be held.

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)

- MBA Mortgage Applications – 6:00 AM
- PPI – 7:30 AM
- Durable/Cap Goods – 9:00 AM
- Energy Stocks – 9:30 AM
- Fed Rate Decision – 1:00 PM

Thanks for reading,

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