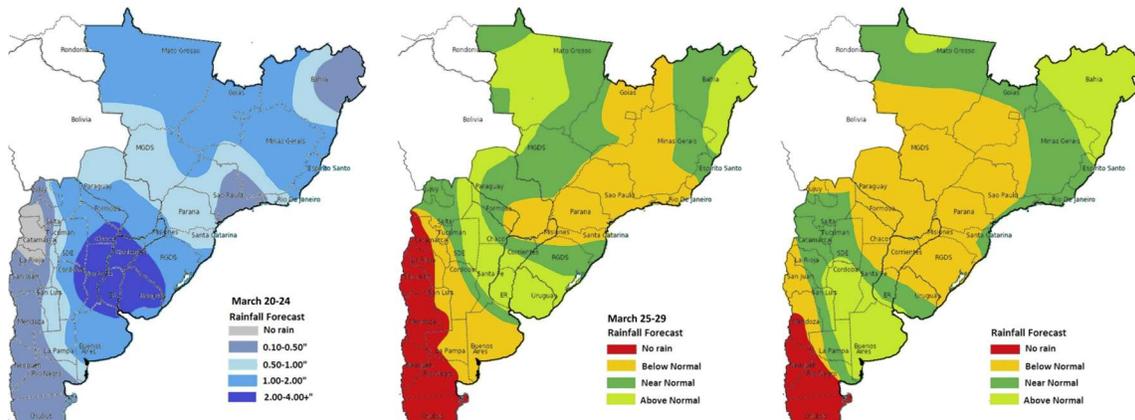


## Weather

Across the United States, the meteorological setup for the HRW wheat belt in the Southern Plains remains overwhelmingly detrimental, as the region will stay completely dry through at least March 30 while enduring widespread, record-setting heat approaching 100 degrees through the 1-5 day period to massively exacerbate crop stress and fire risks. In the Corn Belt, a profoundly dry pattern will dominate operations through the 1-10 day period before a specifically wet transition begins around March 31 to heavily favor central and eastern areas, while western areas will simultaneously endure a consistent pattern of extreme warmth featuring temperatures 15-25 degrees above-normal over the next 15 days. Finally, the Mid-South and Southeast regions will continue to experience minimal rainfall through the 1-10 day period alongside a substantial warming trend, with any notable precipitation chances delayed until the 11-15 day window.

The precipitation forecast for northern Brazilian growing areas features a notably wet 1-5 day period delivering over an inch of moisture before rainfall increasingly concentrates over Mato Grosso and the MaToPiBa region during the 6-10 and 11-15 day periods, allowing ongoing soybean harvesting to advance while sustaining safrinha corn development. In southern Brazil, severe moisture deficits are rapidly intensifying across Parana and southern Mato Grosso do Sul, where a decidedly pessimistic outlook featuring mostly below-normal rainfall accumulations and persistent above-normal temperatures throughout the entire 15-day forecast will aggressively escalate stress levels on the developing safrinha corn crop. Conversely, the forecast for Argentine corn and soybean areas remains exceptionally favorable, with an initial heavy rainfall event traversing the region through Saturday followed by multiple successive storm systems extending into the 11-15 day period, completely eliminating any late-season moisture concerns.



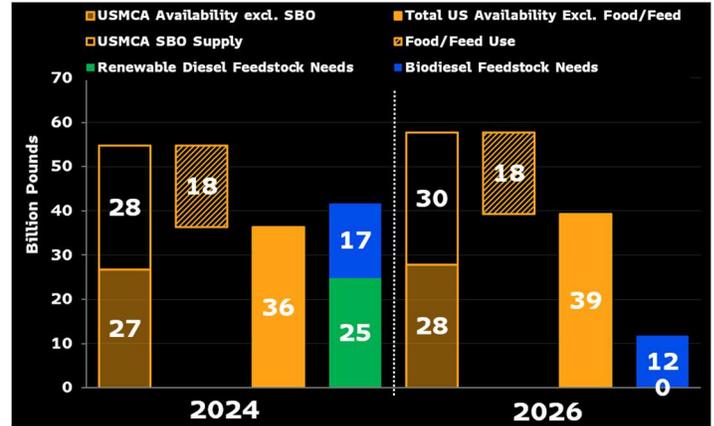
## Grains

At long last, we could finally be seeing the release the 2026-27 biofuels mandates next week. The White House is hosting what it's calling a "celebration of agriculture" on March 27, where it invited hundreds of farmers and biofuels producers on the South Lawn; and the centerpiece is, supposedly, EPA's final 2026-27 renewable volume obligations. However, things have gotten murkier on timing, as a senior official reportedly paused things mid-last week to evaluate Iran's impact on fuel prices. This change isn't necessarily going to cause the rule to be reopened (EPA already submitted volumes to OMB), but the delay is enough to disrupt timing confidence. EPA told the courts it would finalize by end of Q1, and officials reiterated that as recently as the National Ethanol Conference, but right now there's no real confirmation it hits next week. If it slips past 3/31, the barrier to further changes drops; reopening is still unlikely, but no longer off the table.

With the assumption that we will still get the release next Friday, let's look at the expectations for the mandate. The base case at this point is that the D4 mandate holds above 5 billion gallons, with the controversial half-RIN proposal — which would have discounted RINs generated by foreign feedstocks by 50% — likely dropped from the final rule in favor of higher volume targets. That trade-off matters for the soybean oil story. The ~2 billion RIN bank entering 2026 is set to deplete over the course of the year, which should increase the compliance appetite in the back half of the year and support RIN

prices that have been drifting lower. 2027 volumes are shaping up even stronger, with small refinery exemption realizations likely running 50-100% and final 2025 SREs due by April.

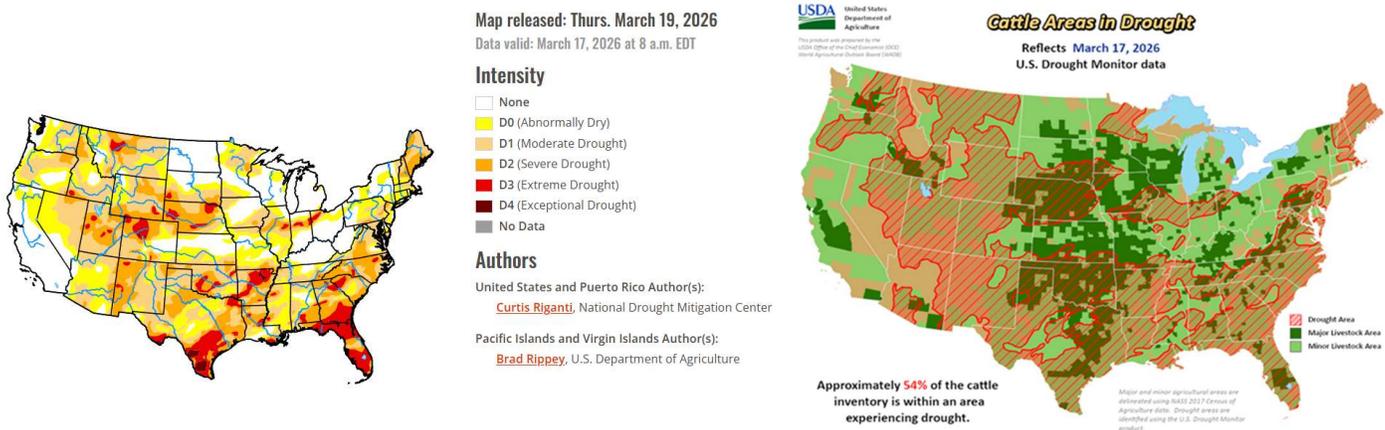
So, what does this mean for soybean oil? Well, the biggest competitive threat to domestic feedstocks has been all but eliminated. China exported 1.27 million metric tons of used cooking oil to the US in 2024 — up 52% from the prior year and representing ~43% of China's total UCO exports. That channel has since collapsed significantly, hit sequentially by Beijing's removal of the 13% export tax rebate in December 2024, US tariffs north of 30%, and the 45Z tax credit's exclusion of foreign-sourced feedstocks. That's roughly 2.8 billion lbs of annual feedstock demand that needs a new home. SBO's share of the biomass-based diesel feedstock mix dropped from 44% in 2022 to 35% in 2024 as imported UCO displaced it, and current projections have SBO use in biofuel rising to 17.3 billion lbs in 2026/27, up 2.5 billion from the prior marketing year — which implicitly assumes soyoil recaptures a meaningful chunk of that lost share. The tariff wall removed the competition, but the demand signal hasn't been formalized yet; The US is crushing at near maximum capacity, but that production is outpacing biofuel demand while we wait for the mandate to be released. Biomass-based diesel margins need to recover from ~70 cents to roughly \$1.25 a gallon for producers to actually deliver the gallons the mandate requires, and that recovery can't start until the market has a number to price. If these dates pass with nothing and no clear guidance, concern starts to set in — and the soyoil stocks keep building into a policy vacuum.



Grains commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at [zdavis@nesvick.com](mailto:zdavis@nesvick.com) or on Trillian at [zdavis@nesvick.com](mailto:zdavis@nesvick.com).

## Livestock

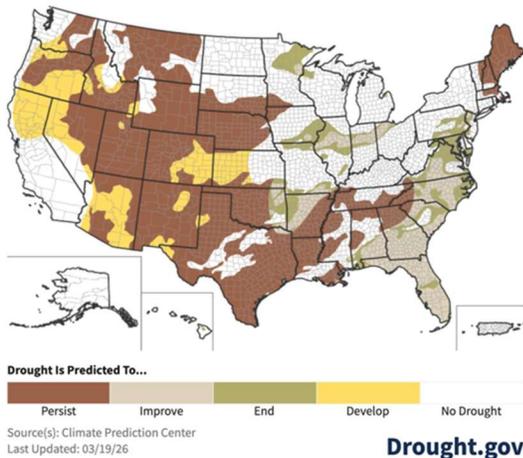
With this year's spring calf crop hitting the ground and the summer grazing season rapidly approaching, pasture prospects and drought concerns take on a heightened level of importance. Last year's growing season ended with the drought monitor indicating continued dryness in the West, but generally favorable moisture prospects from the Great Plains east. However, since October drought conditions have intensified in the Plains states, particularly the Southern Plains and the Southeast. True, it's still mid-March and conditions may change significantly over the next 60 days, but more than 50% of the cattle inventory and hay acres are currently in drought.



In addition, the latest projection from the Climate Prediction Center suggests increased odds of continued/further drought development from the Plains states west and a generally mixed picture for the Southeast—drought risk in the deep south

and some improvement along the Atlantic seaboard. All in all, not a particularly promising outlook for early season grazing prospects. Aside from traditional grazing programs, one casualty of heightened drought prospects could be the early indications of beef heifer retention. A number of the top ten cow states are in heightened drought risk areas and cow herd owners in a number of those states were reporting increased heifer retention at the beginning of the year. Those heifers—and the potential for cow herd expansion—could be early casualties of deteriorating pasture conditions in an effort to preserve resources for the cow herd and more traditional stocker programs. Weather always plays an important role the economics of the cattle industry and this year will be no exception.

Seasonal (3-Month) Drought Outlook for March  
 19–June 30, 2026



## Beef Cows and Replacement Heifers--January 1, 2026

Top 10 States and US--000 Head

	Head	Chg PY %	Replace Heifers	Chg PY Head
TX	4045	-1	650	50
OK	1966	0	345	5
MO	1806	-3	250	-10
NE	1560	-1	280	5
SD	1450	0	315	0
MT	1232	-2	310	5
KS	1145	-7	190	0
KY	862	-1	110	5
FL	872	1	115	0
TN	818	-1	105	5
<b>Total</b>	<b>15756</b>	<b>↓1.3%</b>	<b>2670</b>	<b>↑2.5%</b>
<b>Percent</b>	<b>57%</b>		<b>57%</b>	
<b>US</b>	<b>27607</b>	<b>↓1%</b>	<b>4714</b>	<b>↑1%</b>

Livestock commentary provided by Mike Sands. For questions or comments, Mike can be reached by email at msands@nesvick.com or on Trillian at miksan66@trillian.im.

## Macro/Financials

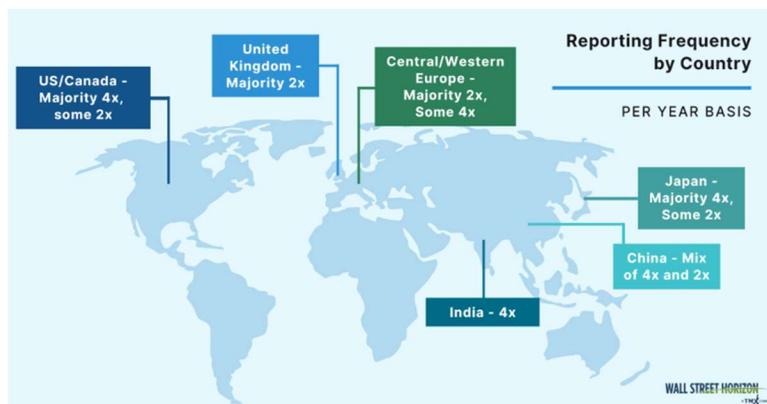
The SEC is preparing to publish a proposal, potentially as soon as next month, that would allow public companies to file earnings reports semiannually instead of quarterly. It's been a long time coming for the Trump Administration – Trump first floated the idea back in 2018, renewed the push on Truth Social last September, and Chairman Atkins has been fast-tracking it ever since.

First, the mechanics: this wouldn't fully eliminate quarterly reporting, it would just make it optional. Companies could choose to file twice a year instead of four times, while 8-K requirements, Reg FD, and annual filings all stay intact. The core argument is straightforward. Quarterly reporting imposes real compliance costs encourages and contributes to the steady erosion of the US public company universe. The number of publicly traded companies in the US has fallen to ~3,700, down roughly 50% from the 1997 peak of 7,522, and the regulatory burden of being public is consistently cited as a factor in companies choosing to stay private. Quarterly reporting also pushes companies toward short-term thinking, chasing down short-term wins to talk about in their next earnings report to keep their shareholders happy, rather than working towards longer term sustainable growth targets. Six months still isn't that long, but when so much energy is being placed on "3 months from now," it's a much larger challenge for leadership to make and execute on long-term goals.

The counterargument, though, is also not without merit. The UK provides the most useful case study here because they've actually tried both regimes. UK companies reported semiannually before 2007, were required to file quarterly from 2007–2014, then reverted to semiannual when the EU amended its Transparency Directive. A CFA Institute study of that period found mandatory quarterly reporting had no material impact on corporate investment levels, undercutting the short-

termism argument, but was associated with increased analyst coverage and improved earnings forecast accuracy. The transparency benefits were real and measurable, while the supposed costs to long-term thinking weren't.

There's also a practical question worth asking: who actually benefits? Large-caps will almost certainly keep reporting quarterly regardless because analysts and institutional investors will demand it, just as they do in Europe, where most major companies still file four times a year voluntarily. The real beneficiaries would be smaller public companies, but those are precisely the ones where information asymmetry is already a problem and transparency concerns run highest. If the goal is to lure more companies into public markets, reducing the flow of information to investors seems like a slightly odd way to get there.



So where does this land? The proposal will likely hit the Federal Register in April, after which it will face a minimum of a 30 day (likely 60-90 day) comment period, followed by 6-12 months of comment review and rule revisions before getting a final ruling. If the final rule is adopted, I'd still expect that the rule wouldn't go into effect until the beginning of 2028 at the earliest, after some transition and compliance period. Ultimately, I think that the market will largely sort this out the challenges of this change on its own. The companies that want to report less frequently will do so, and the ones facing real investor pressure will keep filing quarterly.

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

### Today's Calendar (all times Central)

- Cattle on Feed – 2:00 PM

Thanks for reading,

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