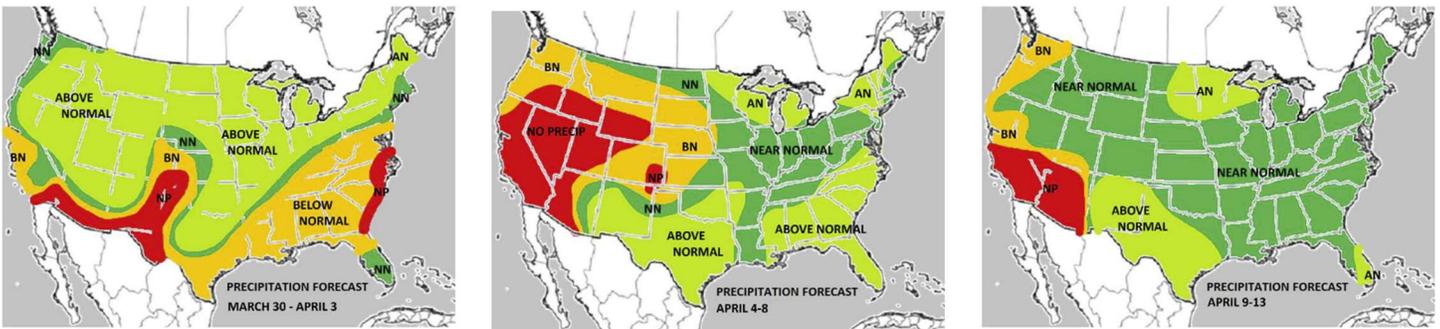


## Weather

An exceptionally active pattern will bring widespread precipitation to the central and eastern Corn Belt starting late Tuesday, delivering 3-5" of rain with localized 6" totals across Michigan, Ohio, Indiana, Illinois, and Missouri that will dramatically improve soil moisture profiles ahead of spring planting. This system will also generate notable snow accumulations in the far northwestern Corn Belt and northern Plains later this week, temporarily halting any early fieldwork in those specific regions. While the Mid-South will remain largely dry through Wednesday, widespread 1-2" rains arriving between Thursday and April 6 will bring substantial relief to regional dryness. Conversely, the drought-stricken HRW belt will see no meaningful relief as completely dry conditions persist through Tuesday alongside record-setting heat of 15-25 degrees above normal that will severely stress struggling winter wheat stands. While modest precipitation chances return to eastern portions of the southern Plains between Wednesday and Friday, western Kansas and eastern Colorado will likely miss these totals entirely before a broader pattern shift brings much cooler temperatures to the entire middle of the country during the 11-15 day period of April 8-12.



Heat and inadequate moisture will continue to plague safrinha corn areas of Parana and southern Mato Grosso do Sul through the 1-10 day period, with temperatures running 3-6 degrees above normal further stressing the developing crop. This immediate risk is expected to moderate during the 11-15 day period when forecasts call for near to above-normal rainfall and a return to normal temperatures. Conversely, conditions across northern Brazil remain highly favorable, as 15-day rainfall totals of 2-4" alongside near-normal temperatures will provide ample opportunities for late soybean harvesting while maintaining excellent soil moisture for safrinha corn development. In Argentina, excessive weekend rainfall bringing up to 6" in parts of Buenos Aires has created localized saturation, but a much-welcomed transition to drier weather and below-normal rainfall is expected to arrive by April 7 to alleviate these conditions following this week's extreme 10-degree above-normal heat wave.

## Grains

EPA finalized its Set 2 renewable volume obligations (RVO) at the White House on Friday, and the numbers came in ~8% above what was proposed last June, with total renewable fuel at 25.82 billion RINs for 2026 and 25.98 for 2027, and biomass-based diesel set at 8.86 and 8.95 billion, respectively. The volumes require a 60%+ increase in biodiesel and renewable diesel production versus 2025, which was the last year of the Biden-era "Set 1" RVO. That's the largest percentage increase in biofuel blending since 2010. ADM said last month that finalization would "largely determine" its 2026 outlook, so for a market that had been waiting for a very long time on policy clarity, the mandate is now official.

	Proposed Volume Requirement			Finalized Volume Requirement			SRE Reallocation Volume		Total Applicable Volume	
	2025	2026	2027	2025	2026	2027	2026	2027	2026	2027
Cellulosic biofuel	1.19	1.30	1.36	1.21	1.36	1.43	0	0	1.36	1.43
Biomass-based diesel	N/A	7.12	7.50	N/A	8.86	8.95	0.21	0.25	9.07	9.20
Advanced biofuel	N/A	9.02	9.46	N/A	10.82	10.98	0.28	0.34	11.10	11.32
Total renewable fuel	N/A	24.02	24.46	N/A	25.82	25.98	0.99	1.04	26.81	27.02

The structural moves around the mandate may matter more than the volumes themselves. Starting in 2028, foreign fuels and feedstocks will receive half the RFS compliance value of domestic products — a direct policy tailwind for soybean oil at the expense of imported UCO. EPA also stripped renewable electricity from the RFS entirely, killing the framework that let EV charging stations generate RINs and narrowing the program back to liquid and gaseous fuels.

Here's the problem: the mandate needs imports to clear, and the imports aren't there. Bloomberg Intelligence's RIN balance model projects the 2026 BBD credit market requires ~1.2 billion RINs (~775 million gallons) of imported biodiesel even with domestic producers running at full utilization. But BBD imports collapsed to just 140 million gallons in 2025 after the \$1/gal Blenders' Tax Credit expired, and the foreign feedstock penalty hanging over 2028 isn't exactly an invitation to rebuild that channel. Imports need to come back from markets like Singapore, which means D4 RIN prices have to rise enough to pull them in. Domestic producers, meanwhile, need roughly \$1.25 a gallon to justify running at the volumes EPA is requiring, and margins are sitting around 70 cents. The mandate creates the obligation, but RINs have to close both spreads — the domestic margin gap and the import incentive gap — or the production won't show up.

So the mandate is set, and it's big. I think the real signal is that this rule can't currently be met domestically — it's structurally dependent on an import channel that barely exists right now, priced by a RIN market that hasn't adjusted yet. Where D4s trade over the next few months is the real-time verdict on whether these record obligations translate into record production, or whether they just sit on paper while the economics sort themselves out.

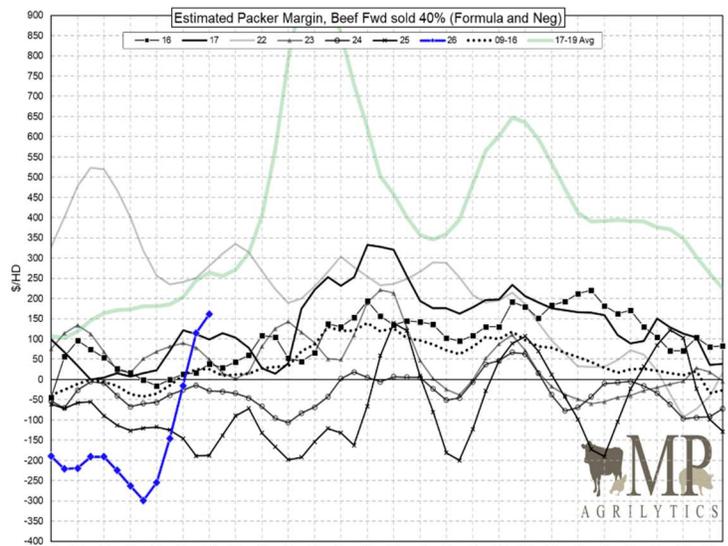
*Grains commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at [zdavis@nesvick.com](mailto:zdavis@nesvick.com) or on Trillian at [zdavis@nesvick.com](mailto:zdavis@nesvick.com).*

## Livestock

Five weeks ago, estimated packer margins were sitting at roughly -\$300/head — the deepest losses of any year on record at that point in the calendar. As of last week, they'd swung to roughly +\$150/head, the best March reading since 2022. That's a ~\$450/head reversal in just over a month, and it tells you a lot about how quickly the economics can shift for cattle slaughter.

Weekly fed cattle slaughter has continued running well below historical levels, as it has for most of 2026. Part of that is structural — the cattle cycle is where it is, and there simply aren't as many market-ready animals due to the record small herd and record long times on feed — but part of it is the ongoing strike at JBS Greeley, which has pulled meaningful capacity offline. While we have plenty of available slaughter capacity, even with the Greeley plant on strike, to handle the current kill rates, there are still some logistical challenges with moving cattle to different slaughter facilities that has resulted in lower total weekly slaughter. Fewer cattle killed means less beef hitting the market, and cutout values have responded accordingly, doing the heavy lifting on the revenue side to drag margins from record lows to multi-year highs.

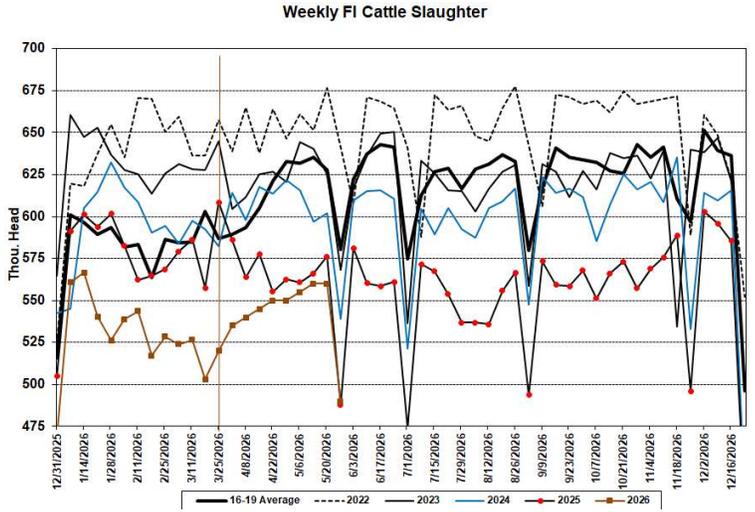
Here's where it gets interesting. The Greeley strike fund is rumored to have roughly one more week of runway, which could force the union back to the negotiating table — potentially on less favorable terms. If that plant comes back online in the next couple of weeks, it lands in a margin environment that JBS would very much like to capitalize on. The irony isn't lost that a plant going dark helped create the supply discipline that helped drive margin recovery over the last few weeks, and now the industry wants that capacity back to collect on it.



The question is whether bringing Greeley back undermines the very margins it would be reopening to capture. I'd lean toward no – at least not immediately. Seasonal patterns point to rising beef demand from here forward as the weather gets warmer and grilling season starts; that tailwind should support prices (and packer margins) despite increasing slaughter volume. But the constraint remains the same one it's been all cycle: even if packers want to run harder, the cattle may not be there to fill the chains. If they start bidding more aggressively to source animals, the margin recovery could get eaten on the cost side just as fast as it appeared on the revenue side.

So for now, packers are in an unusual spot – best margins in three years, a major plant potentially about to restart, and seasonal demand working in their favor. Whether they can hold onto these strong margins depends entirely on how the tight cattle supply interacts with the pull of profitable chain speeds.

*Livestock 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).*



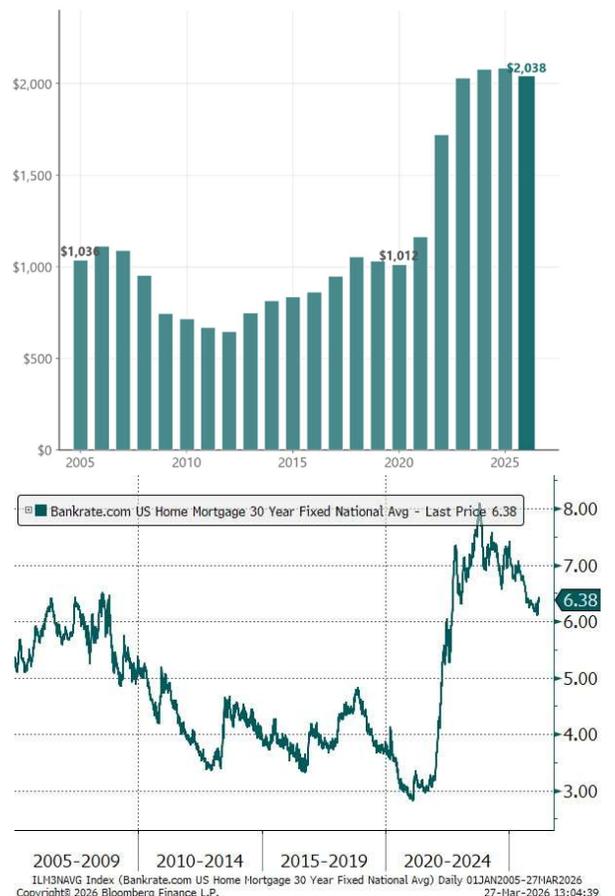
### Macro/Financials

The monthly payment on a median-priced home just crossed \$2,000 for the first time – 20% down, 30-year fixed, principal and interest only. That's roughly double what it was a decade ago, and with 30-year rates sitting at 6.38% and the spring buying season already showing signs of stalling, the affordability math hasn't gotten any easier. So it caught my eye this week when Better Home & Finance and Coinbase co-launched a product that lets borrowers pledge Bitcoin or USDC as collateral for a second loan covering the down payment on a standard conforming mortgage. On a \$500,000 home, a borrower can pledge \$250,000 in BTC and receive a \$100,000 loan to cover the cash down payment – both loans carry the same rate and amortization, rolled into a single monthly payment. The key detail: this is Fannie Mae-eligible, which means conforming rates and standardized terms backed by the government-sponsored mortgage market. That's a first. FHFA Director Bill Pulte ordered Fannie and Freddie last June to start factoring crypto held on regulated exchanges into mortgage risk assessments, and this is the first concrete product to come out of it.

Here's what I think is really going on. Housing affordability is a political problem with no clean solution – you can't meaningfully lower home prices without destroying wealth for the millions of existing homeowners. So instead, the approach has been to engineer new ways to improve access to expensive homes without actually making them cheaper. This is a demand-side workaround,

### Monthly Mortgage Payment on a Median-Priced Home

20% down, 30-year fixed, principal & interest only



not a supply-side fix, and I've seen this playbook before. The pre-GFC era gave us interest-only ARMs, 80/20 piggybacks, and no-doc loans – all designed to stretch buyers into homes they couldn't traditionally afford. I'm not saying this product carries the same risk profile, but the impulse is familiar: when the front door is too expensive, build a side entrance.

The product itself is small today, but the direction of travel is what matters. Bill Pulte and Better's CEO are already talking about expanding collateral to include other cryptocurrencies, equities, and mutual funds, and Fannie and Freddie guarantee over half the nation's mortgages. Layering leveraged crypto exposure underneath that system is genuinely new territory. And the risk here is asymmetric – if crypto prices drop, the loan terms don't change, and the borrower still owes 100% of the original balance. They've effectively swapped a liquid, volatile asset for an illiquid obligation, and if BTC drops 50% while home prices soften, they're underwater on both sides of the trade. Whether this turns out to be financial innovation or a new flavor of risk layering will probably depend on where asset prices are when the first cohort of these borrowers hits a rough patch.

*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)

- Export Inspections – 10:00 AM

Thanks for reading,

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