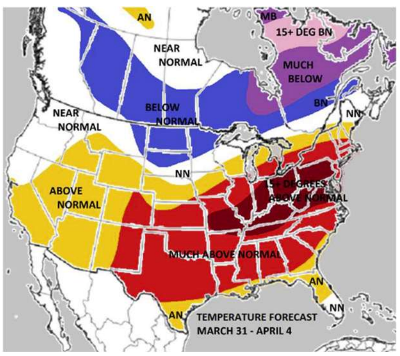
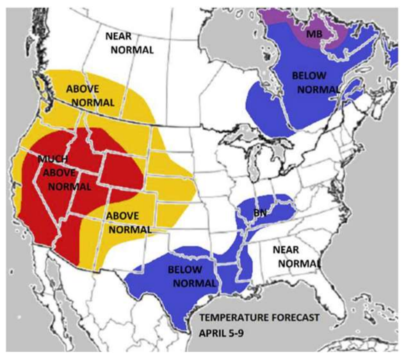
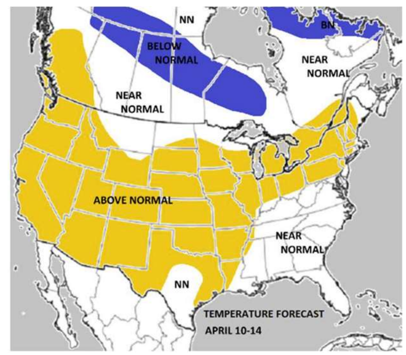
Weather

An exceptionally active storm track will dominate the central United States through Sunday, delivering 2-4” of heavy rainfall to the central and eastern Corn Belt while simultaneously generating significant snowfall accumulations expected to exceed one foot across the Dakotas and northern Minnesota by late this week. This system entirely bypasses the drought-stricken Hard Red Winter wheat belt in the near term, leaving western Kansas, eastern Colorado, and the Texas and Oklahoma panhandles completely dry through the weekend amid record-setting heat, running 20-30 degrees above normal. A strong temperature gradient will divide the country, with a cold northwest and warm southeast pattern through Friday, before the entire region cools significantly during the April 4-8 period. A notable pattern shift is then expected during the 11-15 day period, bringing a highly-anticipated return of at least a half-inch of moisture to parched western wheat areas alongside a broader warming trend spreading eastward.







Current conditions across northern Brazil remain exceptionally favorable, as expected 0.5-1.5” rainfall totals across the 1-5, 6-10, and 11-15 day periods will provide ample opportunities for late soybean harvesting while maintaining excellent soil moisture for safrinha corn development. Heat remains the primary threat for southern safrinha corn areas, including Parana and southern Mato Grosso do Sul, where daily above-normal temperatures will continue stressing the developing crop through April 8, though critical relief is expected as the April 6-10 window promises to be the wettest five-day stretch in the forecast delivering 1-2” amounts to improve dry soils. Argentina will endure a saturated and exceptionally warm Week One with heavy rains persisting through April 6, but a much-welcomed transition to a drier and cooler pattern for April 7 and beyond will help alleviate excess moisture in the fields.

Grains

Welcome to month-end/quarter end. USDA will report Mch 1st Quarterly Stocks and Prospective Plantings at 11 am. Going to go through all of the estimates ahead of the release. Starting with stocks, the average trade estimate for Mch 1 corn stocks is 9104 milbus vs 8147 at the same time last year. There is a fairly wide range of ideas and the corn residual has historically had the tendency for surprises. I am using 9124 milbus – see attached for breakdown.

CORN : QUARTERLY SUPPLY/DEMAND (Millions of Bushels)

				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Begin Stocks				2,221	1,919	1,235	1,377	1,360	1,763	1,551
Production				13,620	14,111	15,018	13,651	15,341	14,892	17,021
Sep 1 Supply Incl Imports				15,859	16,036	16,259	15,034	16,710	16,661	18,578
Sep-Nov		Exports	s	271	449	431	283	376	517	821
		Feed		2,632	2,682	2,554	2,310	2,482	2,350	2,777
		Sweet/Starch		247	254	258	247	239	238	227
		Ethanol		1,301	1,268	1,342	1,282	1,348	1,383	1,375
		O. Dom		79	90	90	97	94	98	95
	Total Use			4,531	4,743	4,674	4,220	4,539	4,585	5,295
	12/1 Stocks			11,327	11,294	11,585	10,813	12,171	12,075	13,282
Dec 1 Supply Incl Imports				11,336	11,299	11,648	10,819	12,177	12,080	13,288
Dec-Feb		Exports	d	353	674	662	399	569	695	795
		Feed		1,318	1,415	1,543	1,436	1,565	1,549	1,642
		Sweet/Starch		248	244	243	234	228	229	227
		Ethanol		1,383	1,182	1,348	1,266	1,371	1,369	1,410
		O. Dom		83	88	94	89	91	90	90
	Total Use			3,384	3,602	3,890	3,423	3,824	3,932	4,164
	3/1 Stocks			7,952	7,697	7,758	7,396	8,352	8,147	9,124

For beans, the average trade estimate is 2086 milbus, up from 1911 a year ago. I am expecting 2108 – see attached table.

SOYBEANS: U.S. QUARTERLY SUPPLY AND DEMAND								
	18/19	19/20	20/21	21/22	22/23	23/24	24/25	MB 25/26
Sep 1 stks	**438**	**925**	**538**	**257**	**274**	**264**	**342**	**325**
Prod'n	4428	3552	4216	4464	4270	4162	4374	4262
Sep 1 supply incl imports	**4880**	**4492**	**4782**	**4737**	**4570**	**4449**	**4746**	**4612**
SON Crush	531	524	559	552	554	576	612	662
SON Exports	502	611	1089	861	802	712	831	460
SON Resid	101	105	188	188	192	160	202	200
SON Total Use	1134	1240	1836	1601	1548	1448	1645	1322
Dec 1 Stocks	**3746**	**3252**	**2947**	**3137**	**3021**	**3001**	**3100**	**3290**
DJF Crush	530	549	554	567	556	592	620	672
DJF Exp	490	506	883	666	805	587	581	531
DJF Resid	0	-58	-51	-28	-26	-23	-11	-21
DJF Total Use	1019	997	1386	1205	1334	1156	1190	1182
Mch 1 Stocks	**2727**	**2255**	**1561**	**1932**	**1687**	**1845**	**1911**	**2108**

U.S. Mch 1 Wheat Stock Estimates By Class						
	White	HRS	HRW	SRW	Durum	Total
2020	183	327	665	185	52	1412
2021	178	326	600	167	43	1314
Actual usda 2022	100	240	495	163	30	1029
Actual usda 2023	135	274	348	148	36	941
Actual usda2024	138	319	395	200	36	1089
Actual usda 2025	**136**	**334**	**539**	**189**	**38**	1237
Pre-report 2026	***138***	***317***	***617***	***203***	***37***	***1312***
Post-report 2026						

The average trade estimate for wheat stocks is 1310 milbus vs 1237 at the same time last year. I am right near the average at 1312. The USDA won't report stocks by-class for a few weeks but I am attaching my estimates by class with the main increase vs last year in HRW.

The number to watch as far as acres is likely corn. The market is expecting a reduction and at the start of the Iran conflict, ideas were getting smaller given expected fertilizer shortages/price spikes. But it seems ideas are coming back up somewhat – likely due to the run to nearly 500 in CZ. In the February Outlook Conference, the USDA forecast corn acres at 94.0 mil and the average trade estimate is 94.5. I am below at 93.0 mil. Beans were forecast at 85.0 in Feb and the average trade estimate is higher by 500 thous. I am using 86.0 mil. Slight reductions are expected in wheat area from the Jan report.

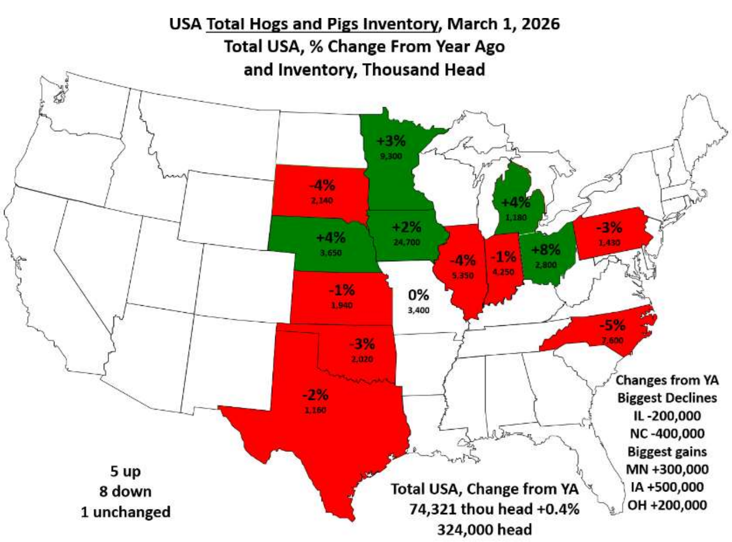
US Acreage					
mil acres					
	USDA Mch 31	MB exp	Ave trade est	Jan/Outlook	Year Ago
Winter		33.0	32.9	33.0	33.2
Other spring		9.0	9.8	#N/A	9.3
Durum		2.2	2.0	#N/A	2.2
All-wheat		44.9	44.7	45.0	45.3
Corn		93.0	94.5	94.0	98.8
Beans		86.0	85.5	85.0	81.2

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

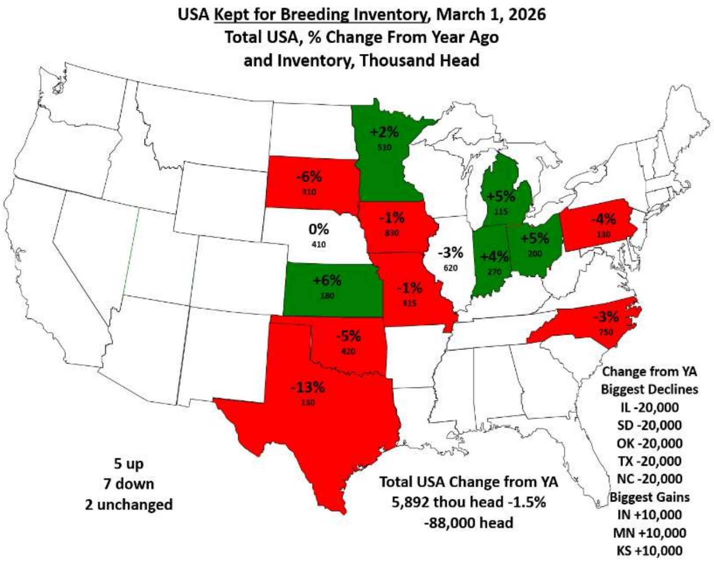
Today, let's talk about some follow-up details from last week's USDA Hogs and Pigs report.

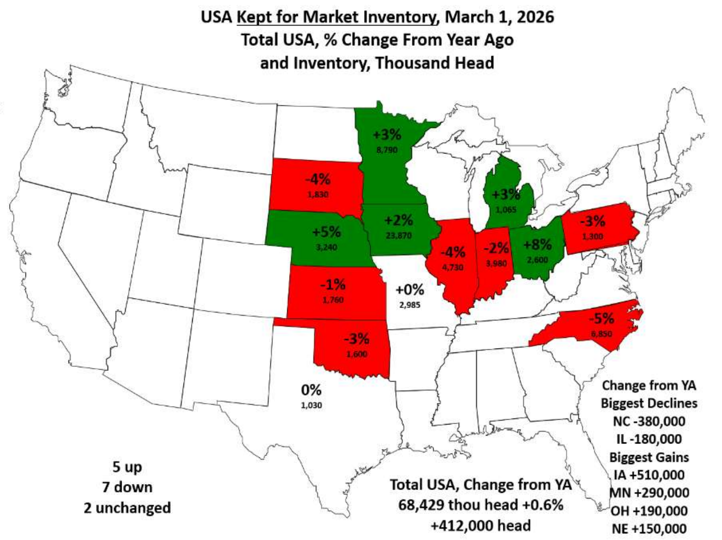
USDA revised down the Dec breeding herd by 49,000 hd and the Dec market hogs by 80,000 hd. The previously reported June-August pig crop was revised up 114,000 hd and the September 1st market hog inventory was revised up 120,000 hd as a result.



There were two surprises in this report. The breeding herd shrank again to the lowest level since 2014. At 7.9% of the total inventory, it is also the lowest relative to the total herd. The second surprise was the Dec-Feb pig crop. It was down 579,000 hd or 1.7% lower than most estimates. The interesting feature was the changes in the two big states, Iowa and North Carolina. Iowa gained 510,000 market hogs while North Carolina lost 380,000 market hogs. The breeding herd changes were similar, with Iowa down 10,000 hd and North Carolina down 20,000 hd.

The message this report said to us was that the USDA is actually getting better at their job! It shows they are addressing the disease issues plaguing the industry. We should view USDA's estimates as directionally correct but lacking in totality regarding the actual losses that have been and will be seen in the market hog category. This effect is expected to start being felt in June and last into early October. I have included the states affected below to give you a glimpse of where the issues will present themselves first.





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.*

Metals

Over the weekend, Iran's IRGC launched drone and missile strikes on Emirates Global Aluminium's Al Taweelah smelter in Abu Dhabi and Aluminium Bahrain's (Alba) facility, two of the largest producers in the Middle East. LME aluminum jumped as much as 6% Monday morning, briefly touching $3,492 per metric tonne – the highest price seen since April 2022.

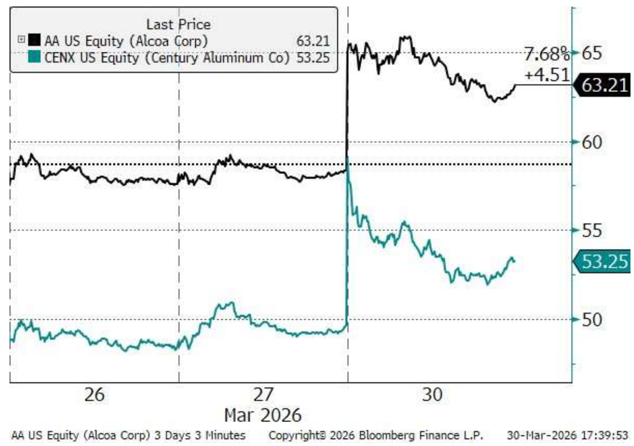
The Gulf accounts for ~9% of global aluminum output, and both producers were already struggling before Saturday. The Strait of Hormuz closure had cut off raw material shipments for weeks, forcing Alba to suspend 19% of its capacity and Qatar's Qatalum to slash production by ~40%. Now the damage is physical. EGA's Al Taweelah smelter produced 1.6 million tons of cast metal last year, and the two struck facilities have combined annual output of 3.2 million tons. That's capacity you don't flip back on quickly — restarting a smelter is a months-long process even under ideal conditions.

The physical market is struggling to keep up with demand, causing prices to shoot upwards. LME warehouse stocks have dropped to their lowest levels in over two decades, and the cash premium over three-month futures hit $61.23 last Friday, the widest backwardation since 2007. Goldman is projecting a 900,000-ton supply deficit in the second half of the year, with global inventory cover currently at just 45 days. European prices have surged 60% since the war began. Hindalco in

India has invoked force majeure with its auto manufacturing customers, and Rio Tinto hiked its Japanese premium to $350/ton over LME, the strongest in more than a decade.

China is somewhat of a wildcard in all of this. Beijing currently caps domestic smelter capacity at 45.5 million tons per year, but there's idle capacity that could restart if prices stay elevated. S&P Global calls China's ramp-up ability "limited," though; and as I already mentioned, restarting idle smelters takes time, so this wouldn't solve a near-term deficit. The US, meanwhile, already had 50% tariffs on aluminum before any of this, so American buyers were already paying a premium before Hormuz even entered the conversation.

Macquarie's Group analysts were expecting a ~20% hit to Gulf running capacity even before the attacks occurred, translating to 800–900 kilotons of lost production and a full-year global deficit. This isn't a spike that fades with the news cycle. Now that there is damage to production facilities on top of the Hormuz transportation blockages and an inventory buffer that's nearly gone, we can expect even larger deficits; and Gulf facility restoration will likely stretch well into the second half of the year. The market responded to the news of the strikes by purchasing Aluminum company stocks, with Alcoa stock rallying +13% and Century Aluminum rallying +20% on the pre-market, before settling for the day up 8.2% and 7.2%, respectively.



Metals 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)

- FHFA House Price Index – 8:00 AM
- S&P Cotality Home Price Index – 8:00 AM
- Conf. Board Consumer Confidence – 9:00 AM
- JOLTS Jobs Report – 9:00 AM
- Quarterly Grain Stocks – 11:00 AM
- Prospective Planting – 11:00 AM

Thanks for reading,

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