NESVICK
TRADING GROUP, LLC

Monday, April 6, 2026
NTG Morning Comments
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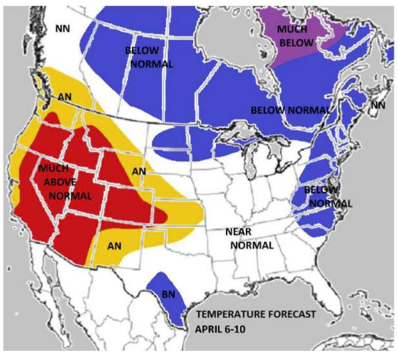
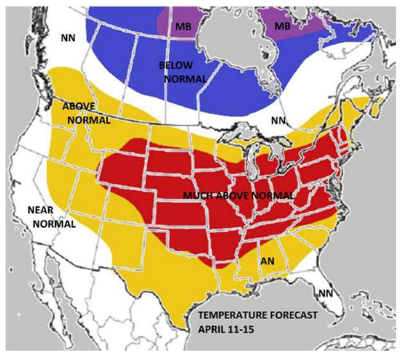
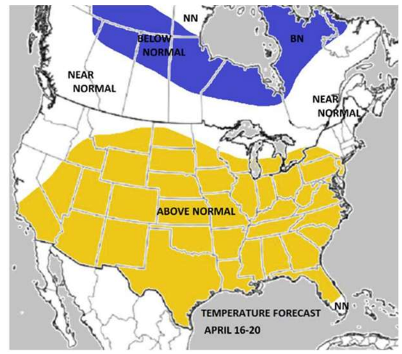
Weather

The US Corn Belt will experience a volatile temperature gradient, beginning with a significant cold anomaly featuring temperatures 10-15 degrees below normal and sub-freezing lows through Tuesday, which presents an immediate freeze threat to any early-emerged crops or advanced winter wheat. This initial cold shock will be replaced by an exceptionally warm pattern later in the 6-10 day period, with temperatures surging 10-20 degrees above normal by April 12-13, likely accelerating planting progress and soil warming. Accompanying this warming trend, a highly active precipitation pattern will establish itself across the Corn Belt and the Hard Red Winter wheat areas of the Southern Plains beginning Wednesday night, delivering 2-4” of rain. Conversely, the Mid-South faces a concerning short-term deficit, with well-below-normal rainfall expected over the next 15 days and some areas receiving less than 25% of normal precipitation.



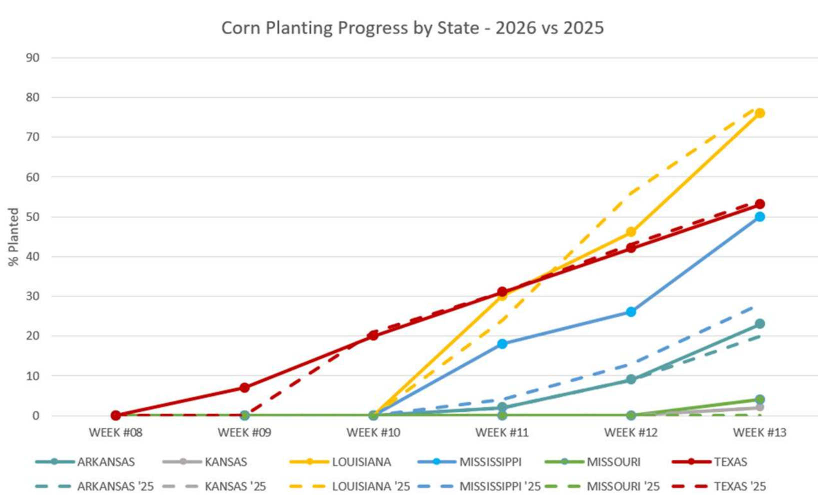




The forecast for Argentina features an immediate influx of significant precipitation, with 1-4” expected across key areas such as Entre Ríos and Santa Fe through Monday, which should bolster late-season growing conditions before a transition into a considerably drier pattern for the remainder of the 15-day period. In northern Brazil, specifically Mato Grosso and Goiás, regular rainfall continues to support safrinha corn development, with 15-day precipitation totals expected to reach 2-4’, maintaining near to modestly above-normal moisture levels. Southern Brazil safrinha corn areas, including Paraná, will see near-normal rainfall totaling 2- 3” over the next 15 days, with beneficial moisture targeting the April 11-15 period; this follows an initial wave of above-normal temperatures that is expected to moderate by Wednesday.

Grains

USDA will release its first national Crop Progress report of the 2026 crop year this afternoon (3:00 PM Central), so let’s take a minute to look at the most recent state-level data for this past week to prepare for the national data release. Overall, the picture across the South and Delta is clear: planters have been rolling, and the past week brought a sharp acceleration.



Corn is still the main story. Mississippi is at 50% planted, nearly double last year's 28% at this point and easily the most aggressive pace in the early-reporting states. Louisiana jumped 30 percentage points in a single week to reach 76%, which is right in line with 78% a year ago. Texas sits at 53% versus 54% last year. Arkansas is at 23% (versus 20%), and Missouri just cracked 4%. The theme across all of these states is the same: Week 12 to Week 13 saw massive progress, with Louisiana, Mississippi, and Arkansas each adding double-digit percentage points. Kansas, at 2%, is a reminder that the Corn Belt proper hasn't really started yet.

Soybeans are the quieter but still interesting story. Delta planting is running well ahead of both last year and the five-year average. Louisiana is at 10% planted versus 5% a year ago and the 4% average, Mississippi is at 7% versus just 1% last year and a 1% average, and Arkansas is at 6% versus 4% last year and a 1% average. These are small absolute numbers, but the spread over historical norms is notable. The early window has been open and farmers are clearly taking advantage of it.

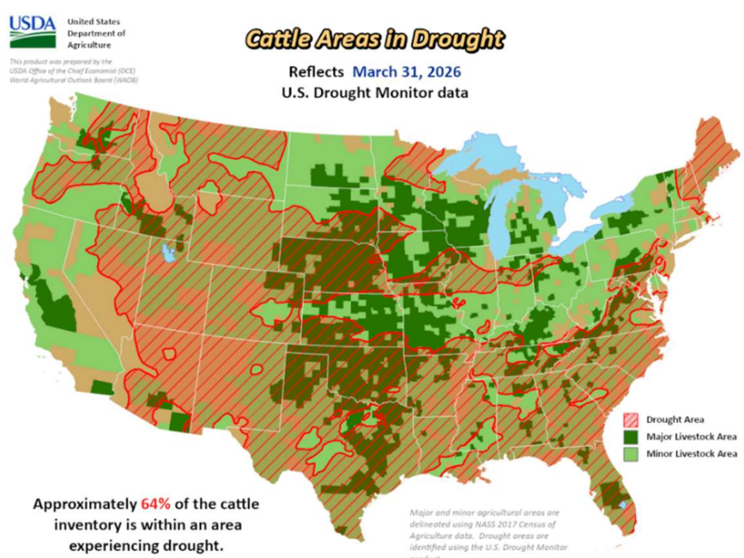
On cotton, Arizona is at 13% planted versus 11% last year and a 9% five-year average, so modestly ahead. Texas just started reporting at 4%, essentially matching both last year's 3% and the 4% average. Not much to read into yet, but nothing out of the ordinary. No states released any data on spring wheat planting this past week either, but that is not abnormal either; the planting data generally starts being reported in the first week of April, so we should be prepared to see a start with the report today.

When the national numbers come out later today, the state data suggests they should confirm a favorable early-planting window across the South. The more consequential question is how the Corn Belt states track over the next two to three weeks as we move into mid-April. That's where the national acreage picture will actually take shape.

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

A couple weeks ago, Mike flagged that roughly half of the cattle inventory was sitting in drought – and the situation has only trended worse since. As of March 31th, USDA pegs that number at 64%, up from 43% a year ago and a low of just 13% last August. The state-level figures are even more striking: 97% of Oklahoma's cattle are in drought, 96% in Texas, and 92% in Nebraska. For hay acreage, the picture is similar – 56% is now in drought versus 39% last year – and that's before we've even entered the peak growing season when production needs to ramp up to build winter stockpiles.



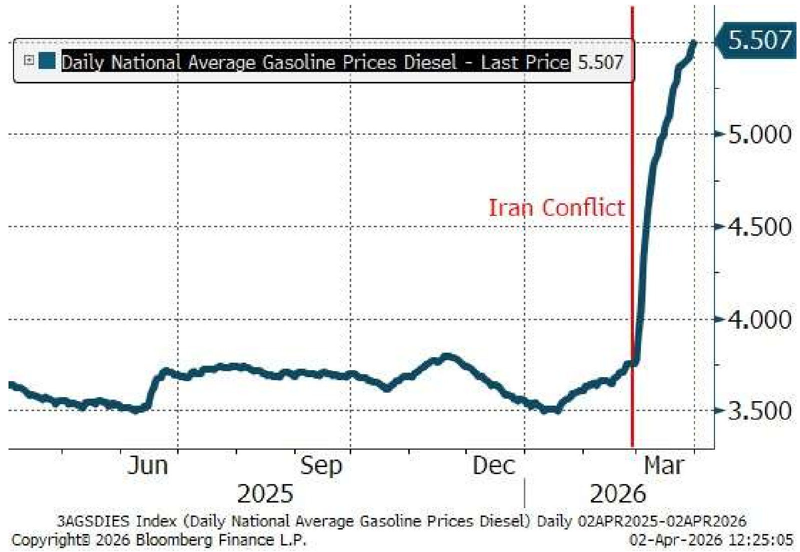
What makes this drought particularly concerning is the fire damage already on the books. The Ranger Road fire towards the end of February affected 283,000 acres in the Oklahoma Panhandle and southern Kansas, and the Morrill fire this past month burned 642,000 acres in west-central Nebraska – the largest in state history. Most wildfire activity generally occurs between May and November; if the worst is still ahead, the pasture and forage losses could compound quickly on top of what drought is already doing.

The near-term weather isn't offering much relief, either. This weekend's storms dumped significant rain across eastern Kansas and central Oklahoma, but the western Plains got essentially nothing. It was a sharp cutoff, and those western areas are exactly where the drought is most entrenched. The forecast is dry through April 8th, although much better chances return around April 9–10, the seasonal outlook from the Climate Prediction Center has drought persisting across cattle country through at least June. If this drought forces producers to prioritize maintaining the existing cow herd over holding back heifers, the rebuild timeline could very well get pushed even further out.

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

Gasoline gets the headlines, but diesel is the one that actually moves the economy. Since the Strait of Hormuz effectively closed in late February, the national average has ripped from $3.72 to $5.38 per gallon, a 45% surge in about four weeks. European diesel futures crossed $200 a barrel this week for the first time since 2022. More than 75% of commercial trucks still run on diesel, it powers every combine and tractor in the field, and it's the fuel behind rail, construction, and mining. When diesel moves like this, nothing is immune.



The transmission mechanism is simple but slow, which is part of what makes it dangerous. Freight bills settle 30-60 days after shipment, so the cost increases hitting truckers right now won't show up in consumer prices until May or June; food prices typically lag diesel by about three months. The USPS already announced a temporary 8% surcharge on packages starting April 26. That's just the first domino. A 40% diesel surge translates to roughly a 10% increase in overall freight costs, and that cost filters into everything from groceries to building materials to the price of a couch. Additionally, small operators in trucking, who make up the bulk of the ag and general freight trucking fleet, can recover less than half of the increase through surcharges. This kind of price spike could knock enough small carriers out of business to strain freight capacity nationally, which would push rates higher even after fuel eventually comes back down. For agriculture specifically, the timing couldn't be worse. Spring planting is getting started, and diesel is the lifeblood of field operations. A 640-acre corn operation is looking at ~$17,000 in fuel costs at current prices, with the March surge alone having already added roughly $2,000 that wasn't in anyone's budget.

The question for markets now is less about whether $5+ diesel is inflationary (it obviously is) and more about how long the lag takes to show up in the data. Fed Chair Powell acknowledged last week that the effects on core inflation are "real and material." If diesel stays elevated through planting season and into the summer shipping months, the pass-through into food, freight, and consumer goods will be broad and persistent. The people feeling it first are truckers and farmers. Everyone else is about 90 days behind them.

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)

- ISM Services Index – 9:00 AM
- Export Inspections – 10:00 AM
- Crop Progress – 3:00 PM

Thanks for reading,

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