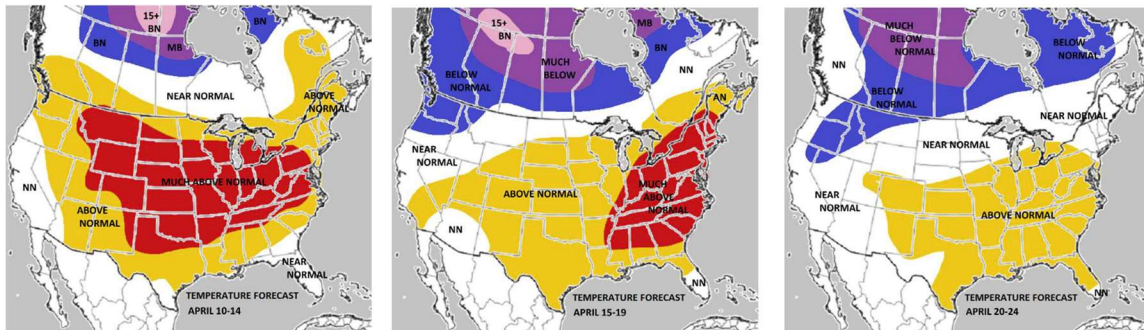


## Weather

The precipitation outlook for the Hard Red Winter wheat belt has trended significantly more pessimistic today for western and northwestern areas, where 15-day rainfall totals are now expected to remain under 0.5", severely limiting any meaningful relief for drought-stressed crops entering critical developmental stages; conversely, confidence remains high for substantial, drought-easing moisture along the Interstate 35 corridor and eastward. Across the Corn Belt, a highly active precipitation pattern has already initiated and is forecast to persist without any notable periods of dry weather expected at any point over the next 15 days, a scenario that will drastically reduce regional drought conditions but simultaneously halt any widespread early-season fieldwork and planting progress. Accompanying this moisture is an exceptionally warm temperature regime expected to dominate from Sunday through April 16, pushing average temperatures 15 degrees above normal across a vast expanse of the central and eastern United States to rapidly accelerate soil warming, though models are now indicating a clear shift toward a colder pattern to finish the 11-15 day period that keeps the threat of late-season snow events alive for the northern Plains. Meanwhile, the moisture deficit across the Southeast continues to compound severely, with the 15-day forecast now projecting precipitation to fall below 25-50 percent of normal, ensuring extended dryness that will facilitate a rapid planting pace but acutely stall early crop establishment and elevate stress on newly emerged, shallow-rooted plants.



## Grains

Yesterday I said this would probably be one most uneventful WASDE reports of the year; on the US side, that's exactly what USDA delivered – corn, soybean, and wheat ending stocks all held flat from March at 2,127, 350, and 938 million bushels, respectively. The only US line item that moved at all was a 35 million bushel shift on soybeans out of exports and into crush, which is exactly what we were looking for ahead of the report. Wheat ending stocks did tick up 7 million bushels on a small import revision, which doesn't sound like much, but the trade was actually expecting a reduction of 8 million (average guess was 923 versus March's 931), so the print landed 15 million above expectations.

The bigger story, though, was world wheat ending stocks jumping 6.2 MMT to 283.1 MMT, well above the 277.4 trade estimate, with nearly the entire build driven by USDA cutting Indian wheat feed use by ~5 MMT in a single revision. World corn stocks also came in bearish, rising 2.1 MMT to 294.8 MMT against a 293.2 guess, with production

25/26 USDA US Ending Stocks (MM Bu)				
	USDA April Ending Stocks	Average of Trade Analyst Estimates	Range of Trade Analyst Estimates	USDA March Ending Stocks
Corn	2,127	2,131	2,052-2,267	2,127
Soybeans	350	349	315-375	350
Wheat	938	923	890-941	931
Cotton*	4.40	4.36	4.00-4.50	4.40

\*in Millions of Bales

USDA World Ending Stocks (MMT)			
2025/2026			
	April USDA Estimate	March USDA Estimate	Average Guess
Argentina Corn	52.00	52.00	52.10
Brazil Corn	132.00	132.00	132.50
Argentina Soybeans	48.00	48.00	48.10
Brazil Soybeans	180.00	180.00	179.90
World Soybeans Stocks	124.79	125.31	125.50
World Corn Stocks	294.81	292.75	293.20
World Wheat Stocks	283.12	276.96	277.40
World Cotton Stocks*	77.04	76.39	76.25

\*in Millions of Bales

raised for India, South Africa, Russia, and Indonesia – South Africa was the standout at +0.8 MMT on the back of above-average growing-season rainfall. Global soybean stocks did ease 0.5 MMT to 124.8, just below the 125.5 expectation, which is the only genuine friendly surprise in the report.

The South American numbers were the one place yesterday's expectations basically held: Brazil corn unchanged at 132.0 MMT, Argentina corn unchanged at 52.0, Brazil soybeans steady at a record 180.0, and Argentina soybeans flat at 48.0. The trade had penciled in modest increases across the board, so three of those four came in just below the average guess. Interestingly, USDA did move the 24/25 Brazil soybean crop up by 1 MMT to 172.5 MMT, due to adopting a slightly higher yield for last season (3.64 MT/ha vs 3.62 MT/ha).

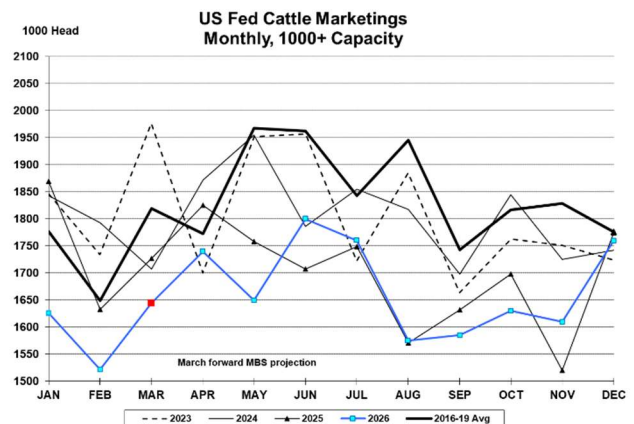
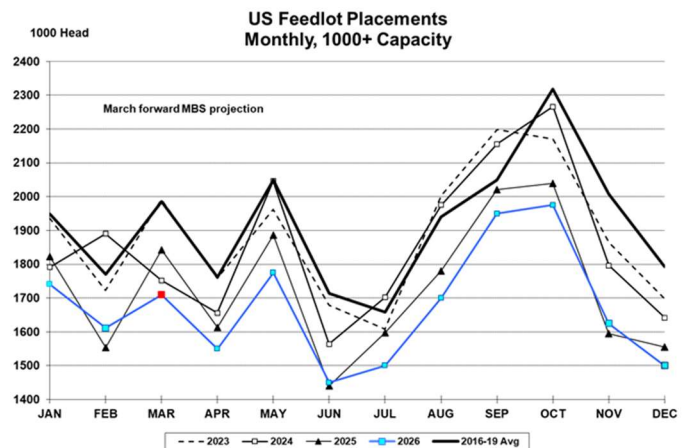
The takeaway is that the US side played out exactly as the trade expected. The Indian wheat revision is the one I keep coming back to, because it's a reminder of how much the global wheat balance sheet hinges on a handful of feed-use assumptions in countries where the underlying data is uneven. May brings the first new-crop balance sheets, and that's where the real adjustments begin.

*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).*

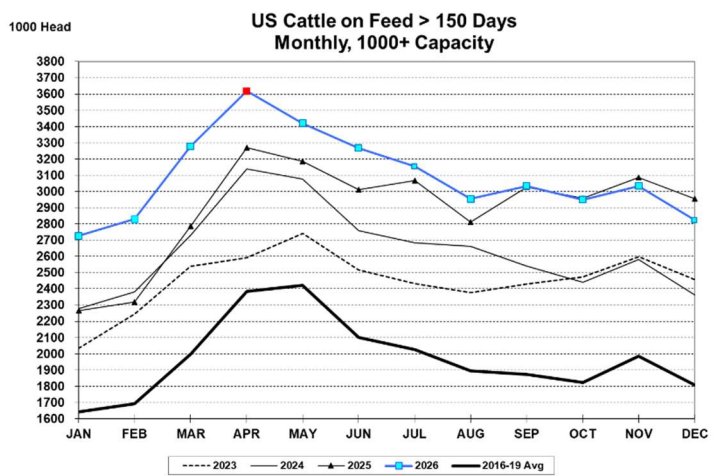
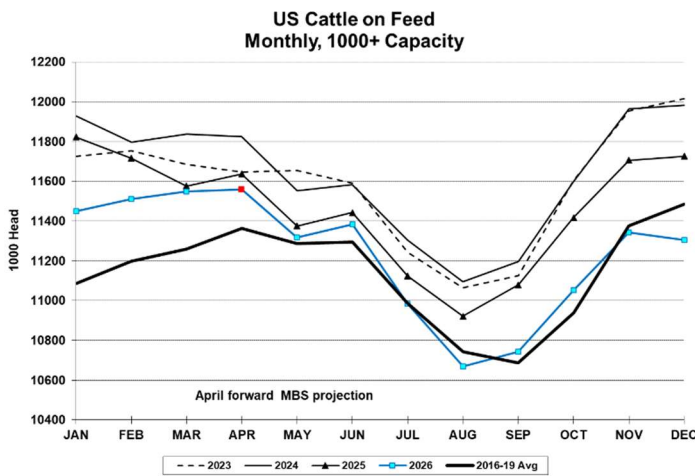
## Livestock

March feedlot placements are projected near 93% of last year's modest volume, which is seasonally larger than a month earlier, but 14% below the 2016-19 average. Aside from the covid-related debacle in 2020, March placements likely are record small. A few more cattle on wheat and small grains pasture at the beginning of the year may have augmented February/March placements slightly. In addition, a number of large wildfires highlighted the pervasive soil dryness/drought conditions in significant portions of the Plains and western US and may have altered some cow herd growth plans and pushed a few more cattle toward the feedyard. The initiation of the Iranian hostilities at the end of February, resulting in sharply higher energy values and corn prices, also elevated concerns that resulting slower economic growth may negatively impact meat and beef demand. The resulting plunge in cattle futures and strong basis, along with the ill-fated labor disruption at JBS-Greeley, weighed on fed cattle prices and pressured the feeder market lower, as well, likely dampening placement interest from cattle feeders.

March marketings are projected near 95% of last year and 10% below the 2016-19 average and the smallest since 2015. However, monthly marketings were augmented by one additional business day during the month; adjusted for that difference, the marketing pace slipped about 9% below a year earlier and record low for the month. Still, significantly fewer fed cattle imports from Canada during March suggests movement out of US feedyards was slightly larger than fed slaughter rates suggest. The slow marketing pace maintains the apparent elevated front-end supply of fed cattle. And, with placements exceeding the small marketing volume, April 1 feedlot inventories are slightly larger than a month earlier.



The April 1 feedlot count is estimated near 99% of a year earlier and slightly larger than a month earlier, but likely marks the peak monthly inventory for this year—and perhaps longer. Feedlot inventories remain much larger than might be anticipated considering the persistent slide in placements, which declined nearly 950,000 head during the last half of 2025 and another estimated 150,000 during the JFM quarter. Still, the feedlot inventory is only about 80,000 head smaller than last year. Incentives remain in place to sustain the slow inventory turnover, accentuated by the recent narrow futures price spreads and weak basis which encouraged rolling hedges forward, further tempering spot fed cattle availability. The elevated inventory of cattle on feed over 150 days; although record high for April 1, the year-over-year increase is more modest than recent months, but remains a significant contributor to record heavy carcass weights and favorable grading percentages. Still, fed cattle supplies are expected to trend seasonally higher into the spring, but the reduced slaughter capacity appears more than sufficient to accommodate those larger fed supplies.

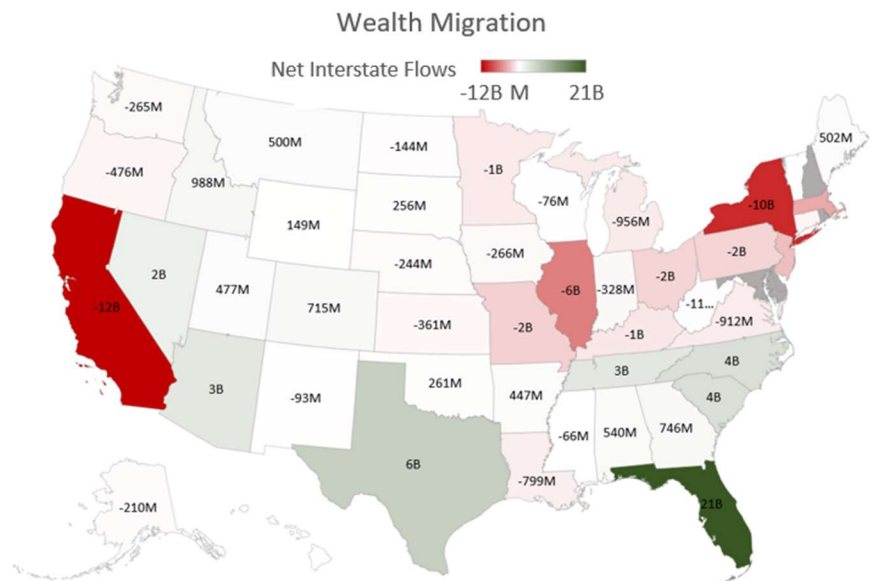


Livestock commentary provided by Mike Sands. For questions or comments, Mike can be reached by email at [msands@nesvick.com](mailto:msands@nesvick.com) or on Trillian at [miksan66@trillian.im](mailto:miksan66@trillian.im).

## Macro/Financials

I was sent a US wealth migration map this week which showed that Florida is pulling in \$21B in net interstate income flows in 2023, more than the next five states combined, while California shed \$12B on a net loss of 268K residents. The obvious read is that low-income tax states are winning, and that's broadly right, but there is some nuance worth discussing.

One number that caught my eye is the average income of Florida's incoming residents: \$122,530, well above the national median. The story isn't really that a lot of people are moving; it's that the tax base is moving, and it's skewing higher up the income distribution. Cumulative 2019–2023, Florida pulled in \$137B in net AGI from interstate moves while California shed \$91B over the same window. And the part that matters for state finances: California and New York rely on



top earners more heavily than any other states, so the revenue hit isn't linear with the headcount loss; losing a thin slice of high earners punches above its weight.

The companion tax burden data lines up cleanly at the extremes — Hawaii 13.3%, New York 12.4% on the high end, Alaska 4.9%, Florida 6.3% on the low end — and the migration data tracks it. Washington is the interesting case: no income tax on paper, but the recently passed 9.9% millionaires' surcharge — and the signal that more is on the way — appears to be doing exactly what you'd expect, with the state posting a small net AGI outflow last year. The one genuine wrinkle is Texas, which at a 7.7% total burden drew \$6B in inflows versus Florida's \$21B at 6.3% — close on tax, very different on magnetism. Zero income tax is doing most of the heavy lifting, but climate, housing supply, and existing momentum still matter at the margin.

So where does this go from here? 2026 is a year of sharp policy divergence. South Carolina, Arkansas, Kentucky, Mississippi, and Oklahoma are on revenue-trigger paths to phase income tax toward zero. California is debating a one-time 5% billionaire wealth tax, Washington just passed a 9.9% millionaires' surcharge, and NYC's proposed top combined rate would land at 16.8%. And it isn't just a US story — reportedly more than a third of high-net-worth individuals globally are exploring relocation. The 2023 IRS data is the rear-view mirror on a trend the 2017 SALT cap kicked off and the 2026 policy split is widening. The outflow states are betting the wealthy won't actually leave. So far, the data isn't cooperating.

*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)

- CPI – 7:30 AM
- U. Mich. Sentiment – 9:00 AM
- Durable/Cap Goods – 9:00 AM

Thanks for reading,

Zachary Davis

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