Tuesday, April 14, 2026

NTG Morning Comments

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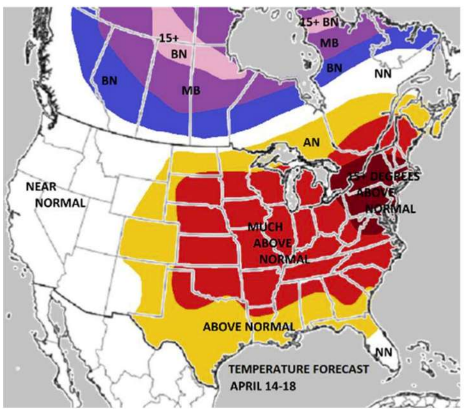
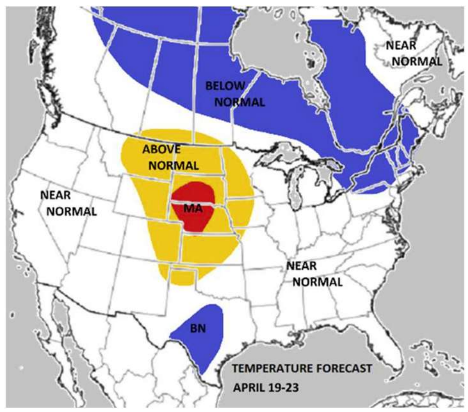
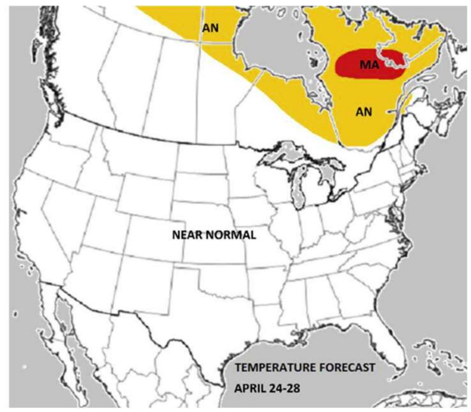
Weather

Tremendous amounts of severe weather and significant rainfall will continue to impact the Corn Belt through the 1-5 day period, delivering over two inches of moisture to central and eastern areas and likely limiting national corn and soybean planting progress. This excessive moisture is accompanied by exceptionally warm temperatures and record-setting overnight lows through Friday, before a sharply colder airmass plunges across areas west of the Mississippi River on Saturday and pushes eastward through April 20. A brief window of dry weather is expected across the middle of the country for the April 19-21 timeframe, but this will likely not provide enough duration for substantial fieldwork to be completed before rain chances increase again by April 22. In the Hard Red Winter wheat belt, the western half faces an exceptionally dry pattern for the next ten days, combined with strong winds and high fire danger that will almost certainly drive winter wheat crop ratings lower. The best hope for meaningful drought relief in these western plains remains concentrated entirely in the 11-15 day period, mirroring the badly-needed wet pattern that is expected to finally establish itself across the Mid-South and Southeast during Week Two.







Grains

The market is expecting CONAB to raise its Brazilian production estimates nearly across the board in this month's update. The survey average for soybean production sits at 179.0 MMT, up 0.65% from March's 177.8, which would put production roughly 4.4% above the prior crop year. Planted area expectations are modestly higher month-over-month at 48.60 million hectares. Private consultancies have been running above CONAB in the 179–182 MMT range, so an upward revision would bring the official estimate more in line with where the market already has the crop pegged.

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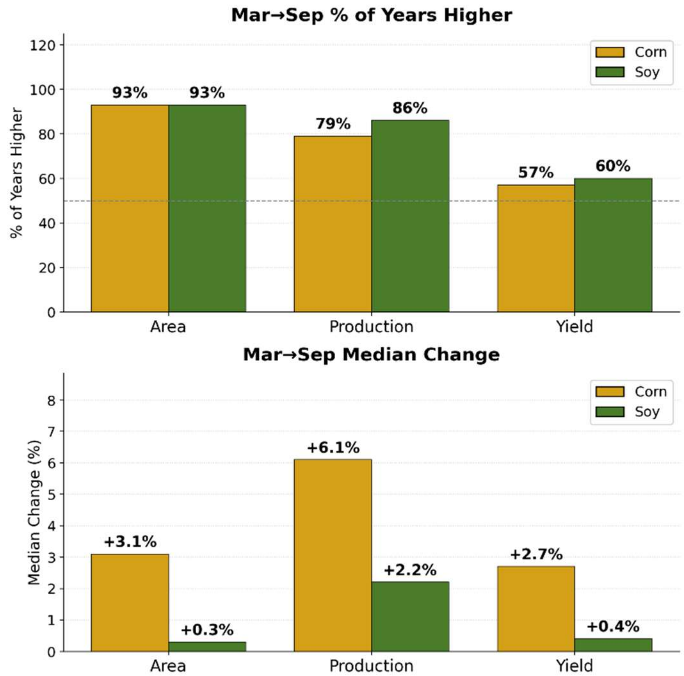
Convenience Table
2025/2026 CONAB Estimates
April 2026

	Survey Results			Prior		Change*	
	Avg	Low	High	Month	Year**	Month	Year
Soybean Planted Area (M Ha)	48.60	48.00	49.50	48.44	47.35	0.34%	2.64%
Soybean Production (MMT)	179.0	177.1	182.6	177.8	171.5	0.65%	4.39%
Soybean Yield (k Kg/Ha)	3.680	3.660	3.710	3.672	3.621	0.22%	1.63%
Corn Planted Area (M Ha)	22.30	21.80	23.00	22.41	21.86	-0.48%	2.02%
Corn Production (MMT)	139.9	136.4	144.0	138.3	139.7	1.18%	0.15%
Corn Yield (k Kg/Ha)	6.270	6.100	6.490	6.171	6.391	1.60%	-1.89%

MoM and YoY Change estimated w/ Average Survey Data

***Prior Year Data is from end of Prior Crop Year*

Corn is the more interesting story. The survey average has production at 139.9 MMT, up 1.18% from March's 138.3, but the safrinha yield number is still largely statistical at this point in the season. Year-over-year yield is actually expected to be negative at this point, at -1.89%, which stands out when the other variables are trending higher. The safrinha crop's fate hinges on the April–May weather window, and the current setup presents a split personality. Northern growing areas (Mato Grosso, Goiás) look manageable, with 15-day rainfall running near to above normal, likely 2-4" in western and northern Mato Grosso. Southern safrinha areas (Paraná, southern Mato Grosso do Sul) are the concern: rainfall near to or below normal over the next 15 days, the best rains not arriving until day 11-15, and a heat event building around April 19-21. That's the kind of stress that can clip yield potential in a hurry.



Historically, CONAB's March estimates have been revised higher by September the vast majority of the time. Corn area goes up in 93% of years, with a median change of +3.1%; production rises 79% of the time with a median increase of 6.1%. But yield is the weakest leg: corn yield only moves higher 57% of the time March-to-September. The base case is these numbers drift higher, but yield is the variable most likely to disappoint, and that's precisely where the southern Brazil weather creates risk.

The emerging strong (or super) El Niño that CPC probabilities increasingly favor is unlikely to form quickly enough to impact the current safrinha crop. Looking forward though, if the El Niño is still in place by winter 2026/27, it would imply drier conditions for northern soybean areas (Mato Grosso, Goiás, MaToPiBa) while delivering favorable growing conditions for southern Brazil, Paraguay, and Argentina.

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

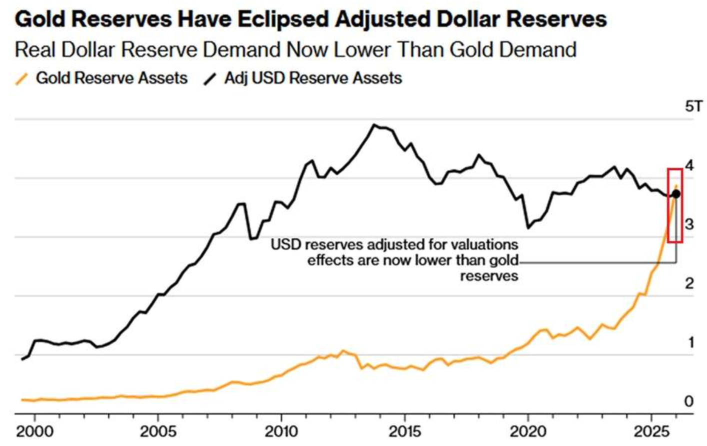
The JBS Greeley three-week strike wrapped up last week after JBS agreed to come back to the negotiating table, and Local 7 ratified a tentative deal yesterday, with 93% of union workers agreeing to the new deal. The union is calling it a clean win: a 70 cent per hour wage increase and a $750 bonus at ratification, two more 40-cent steps through 2027, and another $500 bonus next April, plus protections on healthcare and PPE. Kim Cordova, the President of UFCW Local 7 union, called it "what union power looks like."

Read the statement from JBS, though, and a different story emerges. The company says that the economic framework is identical to the "last, best and final" offer it tabled months ago; the extra wage dollars came entirely from Local 7 reallocating the pension contributions that UFCW International had negotiated nationally for the other ~26,000 JBS workers last year. Greeley effectively traded a brand-new pension for bigger paychecks today. Whether that's a win or not depends on which side of 55 y/o you're on.

The part that matters for the cattle trade is how little the strike actually affected the market. Greeley runs ~6,000 head a day – roughly 5% of federally inspected capacity – and yet JBS kept partial shifts going with line-crossers and shifted cattle to its other plants, which happened to be sitting on plenty of available capacity. The first U.S. slaughterhouse strike since Hormel in 1985, at one of the country's largest beef plants, and packer throughput barely flinched. This deal closes a minor overhang, with JBS saying the plant will resume normal full shifts, but not much else. We'll see how true that is over the coming weeks, it will likely take the plant several weeks (or longer) to return to the same slaughter numbers that they were doing before the strike. However, in this market, even a three-week shutdown at one of the largest US plants clearly hasn't moved the needle the way it would have five years ago.

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.*

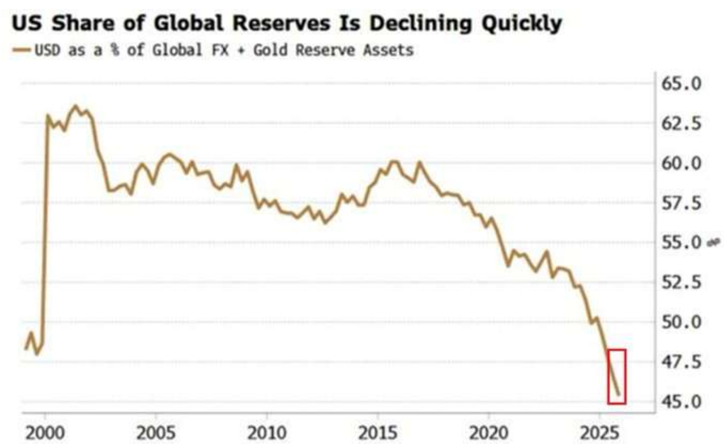
Macro/Financials



Note: Global USD-Denominated Reserve Assets, Adjusted for Valuation Effects on a Quarterly Basis [Unadj. Reserves Assumed to Have Grown at Same Pace in 1Q26 as Previous Quarter]
Source: Bloomberg

For the past few years, central banks have been quietly reshuffling their reserve piles in a way that hasn't shown up in the headline numbers – until this week. Gold reserves held by global central banks have edged above valuation-adjusted USD reserves for the first time since the IMF began publishing the data in the late 1990s. Gold sits at ~$3.87T while adjusted dollar reserves at ~$3.73T.

The IMF's headline dollar reserve number is actually closer to $7.5T, but that figure bakes in the interest Treasuries have thrown off over time (i.e., return, not active accumulation). Strip the Treasury-index return out and you get ~$4T, which is the fair apples-to-apples comparison against bullion, which pays no coupon. On that basis, adjusted dollar holdings have fallen ~15% since the US currency's CB-reserve peak around 2014, while physical gold tonnage held by central banks is up ~15% over the same stretch. Price effect and volume effect both point the same direction.



Source: Bloomberg

The inflection was the 2022 seizure of Russian reserves, which rewrote the risk assessments for every non-aligned central bank holding dollars. Since then, CBs have bought more than 1,000 MT of gold per year, and a cheaper dollar has stopped pulling in the reserve buying it used to. Layer on the ongoing US–Iran conflict and growing questions about whether the US is still a reliable guarantor of the trade-and-security bargain underpinning the dollar system, and the trend has fresh fuel.

So, is this the end of dollar dominance? No, and I'd be careful with anyone selling that line. Global trade is still invoiced overwhelmingly in dollars, dollar-denominated international loans still run ~60% of the total, and there's no viable alternative financing asset on the horizon. This is a reserve composition story, not a reserve currency story. The dollar's transactional role – payments, invoicing, oil pricing, global debt issuance – is largely intact. But the shift away from holding dollars is real. If this trend continues and CB gold buying holds its ~1,000 MT/year pace through the next cycle; if it does, the USD share of global FX and gold reserves – already down to ~45% from ~62% in the early 2000s – keeps sliding.

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)

- CONAB – 7:00 AM
- ADP Weekly Employment Change – 7:15 AM
- PPI – 7:30 AM

Thanks for reading,

Zachary Davis
zdavis@nesvick.com
(901) 604-7712
Trillian IM: zdavis@nesvick.com
Bloomberg IB: zrdavis@bloomberg.net