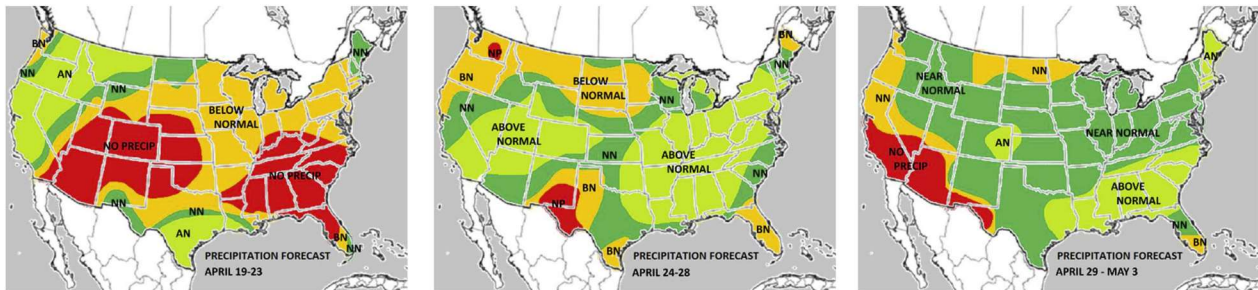


Weather

In the United States, a mostly dry pattern through early Thursday across the Corn Belt will allow for a massive push in planting progress, especially in the Dakotas, Nebraska, and northwestern Iowa, before a wetter pattern returns to drop over 2" of rain south of the I-70 corridor during the 6-10 day period. Temperatures across the central United States will shift from below-normal today to a much warmer pattern featuring highs in the 70s and 80s for Tuesday through Thursday, followed by an exceptionally cold threat for the Northern Plains and western Corn Belt between April 24-27. In the Hard Red Winter wheat belt, poor growing conditions will persist through Friday due to a complete lack of precipitation and temperatures climbing into the 90s; however, critical relief is forecasted to arrive starting Saturday and extending through the 11-15 day period with up to an inch of rainfall expected. The Mid-South will remain completely dry through Thursday before transitioning into a significantly wet pattern for the 6-10 and 11-15 day periods, delivering up to 4" of rain to reverse recent soil moisture deficits.

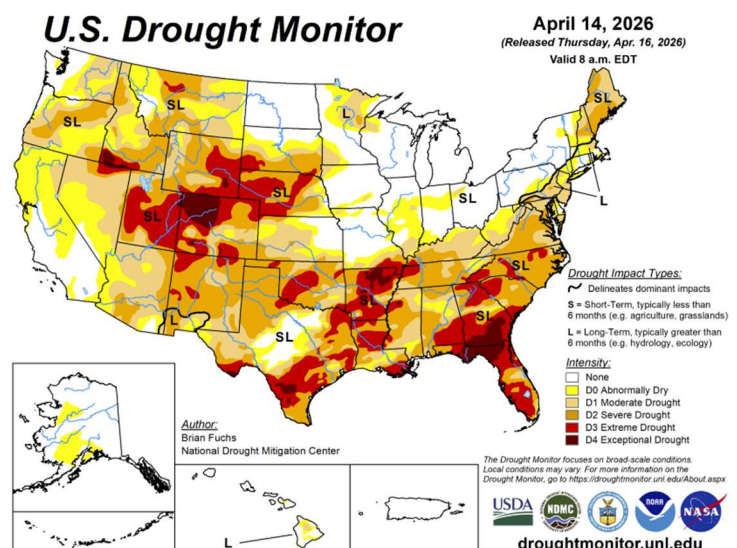


The weather pattern for northern Brazilian safrinha corn areas, specifically Mato Grosso and Goiás, presents a detrimental setup with well-below-normal rainfall expected over the next 15 days alongside an exceptionally warm pattern in Week Two featuring temperatures 5-7 degrees above normal; this combination will severely stress crops and limit any remaining planting progress. In southern Brazil, particularly Parana and southern Mato Grosso do Sul, conditions remain uniformly dry for the 1-5 day period before 1-2" of rainfall return in Week Two to help replenish soils, though temperatures running 5-10 degrees above normal will maintain high evaporative stress. For Argentina, the main growing areas will receive 1-2 inches of significant precipitation by tonight, followed by a meager rainfall pattern for the remainder of the 15-day period that will allow harvest operations to steadily accelerate.

Grains

We've talked a few times about the U.S. drought map for cattle areas, but I thought we should take a look at the most recent drought monitor, which is current as of 4/14, for crop areas now that we're a few weeks into planting across the mid-south/delta regions.

Louisiana corn is 95% planted, Mississippi 77%, Arkansas 63% – and all three states have virtually 100% of their crop area sitting in moderate-or-worse drought. Cotton is the starkest example: 97% of U.S. cotton production is now in drought territory, up a staggering 75 percentage points from a year ago, with every major producing state from Texas to Georgia to the Carolinas essentially fully engulfed. There's been chatter this past week about farmers in the Mid-South halting planting operations entirely because of how dry it's gotten, which means tomorrow's crop progress report could show a notable deceleration from the pace we've seen over the last few weeks.



Winter wheat is the major potential pressure point. Some 68% of the crop is in drought, up 34 percentage points year-over-year, and the damage is concentrated exactly where you'd expect – Kansas (68% in drought with significant extreme conditions), Colorado (100%), and Texas (66%). The forecast doesn't offer much near-term comfort either, although the rains are finally moving forward in the forecast, with the HRW belt now seeing meaningful rain chances materialize around April 25. Until then, it will continue to be warm and dry across the region, with temperatures in the 80-90 degree range.

The corn belt, though – where the real production volume lives – is a different story. National corn drought exposure sits at 26%, but that headline number is inflated by the southern states already discussed. Iowa has just 4% of its corn area in drought, Illinois 2%, Indiana 14%. And the corn belt hasn't really started planting yet – Iowa is at 1%, Illinois 4%, Minnesota and Nebraska at zero. Soybeans are the same picture: 6% planted nationally, driven entirely by the South, with the core Midwest at zero. The belt is dry enough to get fieldwork done this week, and planting should be near average pace.

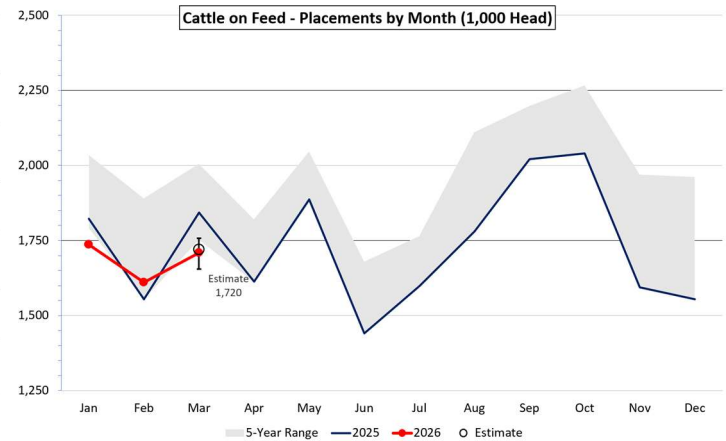
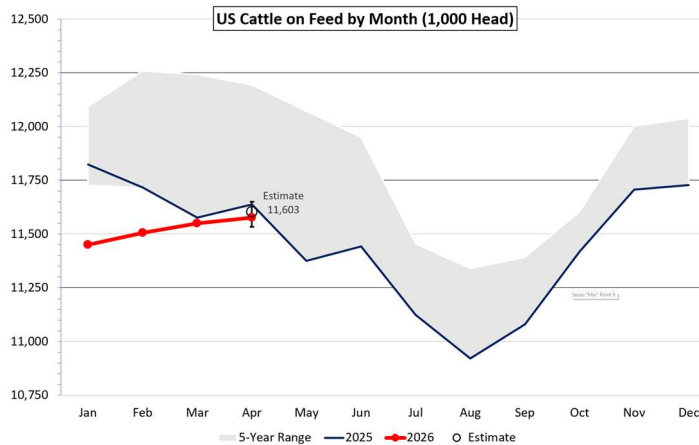
The forecast offers some genuine relief for the areas that need it most. The Mid-South is expected to turn materially wetter starting around April 24, with 2.5-4" in the 10-day period running through early May – easily the best rain outlook the region has seen in months. The HRW wheat belt should see near to above-normal precipitation in that same window, with 1+” for areas east and south of the Oklahoma and Texas panhandles. None of that erases what's been a punishing stretch of dry weather for the southern crop and winter wheat, but it does take some of the edge off the supply-scare narrative. The question now is whether the rain arrives in time to stabilize winter wheat conditions before they deteriorate further. Today's crop progress report should give us much more insight into the planting speed and wheat conditions.

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

NESVICK TRADING GROUP, LLC		Cattle on Feed April 2026					
	Actual	Head	Survey Results			Previous	
			Average (%)	Range (%)	Avg Head (mln)	Month (mln hd)	Year (mln hd)
On-Feed	99.5%	11.576	99.7%	99.1% - 100.1%	11.603	11.549	11.638
Placements	92.7%	1.709	93.3%	89.8% - 95.4%	1.720	1.611	1.843
Marketings	94.5%	1.632	93.6%	92.3% - 95.3%	1.616	1.522	1.727

Friday's USDA Cattle on Feed report for April 1 came out largely the trade anticipated, with both the on-feed inventory and placements landing just below average estimates while marketings provided a small upside surprise. The April 1 on-feed total came in at 11.576 million head, or 99.5% of last year – slightly below the average estimate of 99.7% and representing a continued, if gradual, contraction from the 11.638 million head on feed a year ago.



Placements were the headline of this report. March placements totaled 1.709 million head (92.7% of last year), coming in below the average estimate of 93.3%. This is the smallest March placement total since the series began in 1996 (other than 2020, with the pandemic). The underlying drivers remain unchanged: historically elevated replacement costs and escalating break-evens continue to suppress placement incentives, and the lack of economic stability, from shifting tariff policy to packing plant disruptions, has kept longer-term expansion plans on hold. Nebraska placements fell to 85% of last year while Texas came in at the same level, suggesting the geographic rebalancing of the feeding industry we flagged last month is intensifying on the downside as well.

Marketings provided the one modest counterpoint. March marketings totaled 1.632 million head (94.5% of last year), slightly above the average estimate of 93.6%. While this still marks the second lowest March marketing figure since 1996, the fact that marketings marginally outpaced expectations suggests the chronic processing bottleneck may be loosening at the margins – though one month of a slightly better print doesn't overturn the structural trend of packers managing margins through controlled kill rates and record-heavy carcass weights.

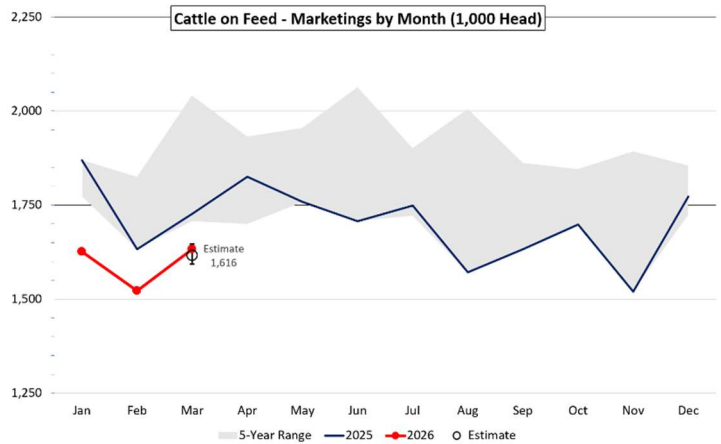
The most significant development in this report, however, may be in the herd composition data. Heifers on feed totaled 4.32 million head, accounting for approximately 37% of the total inventory and slipping below the 38% threshold we identified back in January as an indicator that retention may have started. This is the first time we've seen this metric break below that level in recent reports, and it suggests that heifers are starting to be held back from feedlot placement and directed toward herd rebuilding. The shift is still early – steers on feed were virtually unchanged year-over-year at 7.256 million head – but if heifer retention continues at this pace, it would signal that the long-anticipated herd rebuild may actually be beginning to materialize. With wildfires and persistent drought conditions stressing portions of the Plains this spring, the durability of this retention trend will depend heavily on whether pasture conditions and cow-calf margins improve enough to justify holding back replacements rather than monetizing them.

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/Energy

On Friday, Brent crude dropped as low as ~\$86 a barrel after Iran's foreign minister posted on X that the Strait of Hormuz was "completely open" to commercial shipping. The Nasdaq 100 extended to a 14-day winning streak, its longest since 2013. The S&P 500 flipped from oversold to overbought within 11 days, the fastest such reversal since 1950. Trump said that Iran had agreed to suspend its nuclear program indefinitely. For a few hours on Friday, the market was pricing something very close to peace.

Then Saturday happened. Twelve commercial ships managed to transit Hormuz early Saturday morning before the IRGC reversed course and shut the strait again. The re-closure was not at all subtle – a tanker near Larak Island was fired upon without warning, and an Indian tanker captain who'd been given explicit clearance was met with small boats carrying RPGs. At least nine laden crude tankers made U-turns. The Lebanon ceasefire started fraying simultaneously, with



Israeli strikes and a French UN peacekeeper killed. By Saturday afternoon, reality in the strait looked exactly like it had before the ceasefire.

So what's actually changed? Not much, I don't think. The 200+ laden vessels stuck in the Persian Gulf are still stuck, with 135MM barrels sitting still. Airlines have already locked in capacity cuts through May, with 19 of the 20 largest carriers trimming schedules, regardless of what happens diplomatically at this point. The fundamental issue hasn't moved either: the US wants Iran to surrender its enriched uranium stockpile, and Iran's foreign minister called that material "as sacred to us as Iran's soil." Trump announced Sunday that a second round of talks will take place in Islamabad on Tuesday, but paired it with a threat to "knock out every single Power Plant, and every single Bridge, in Iran" if negotiations fail. Iran said it wouldn't attend while the US naval blockade persists. Even a nominal reopening of the strait doesn't normalize flows without a comprehensive deal – the US is still stopping ships from Iranian ports, and the physical backlog alone will take weeks to clear. The risk isn't just another closure; the risk is that markets keep front-running breakthroughs that quickly fall through, and this whiplash becomes the pattern rather than the exception.

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)

- Export Inspections – 10:00 AM
- Crop Progress – 3:00 PM

Thanks for reading,

Zachary Davis

zdavis@nesvick.com

(901) 604-7712

Trillian IM: zdavis@nesvick.com

Bloomberg IB: zrdavis@bloomberg.net

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