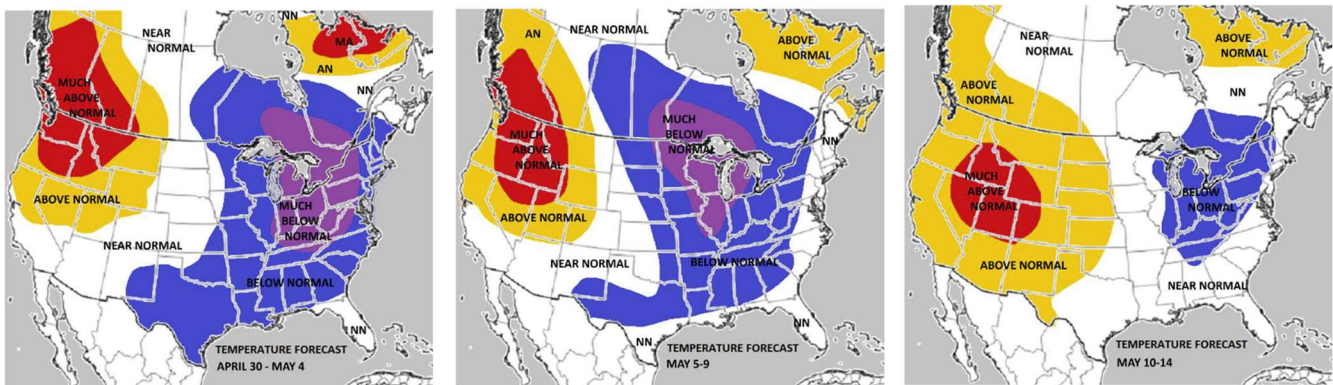


Weather

In the United States, mounting fieldwork concerns persist in the southeastern Corn Belt, where wet conditions will be reinforced by above-normal precipitation returning during the 6-10 day period, further delaying regional planting progress. Conversely, the western and northwestern Corn Belt will remain exceptionally dry, with precipitation totals over the next 15 days projected to run under 50% of normal for most locations. The primary impediment to fieldwork and crop development in these northwestern areas, as well as the broader central Plains, remains a remarkably cold pattern; while a brief moderation featuring above-normal temperatures is now expected for the May 3-4 period, exceptionally cold air masses will dominate through Saturday and return aggressively for the 6-10 day window, maintaining a significant freeze threat for northern areas. In the Hard Red Winter wheat belt, near-term precipitation will be confined strictly to extreme western and far southern areas through Friday, leaving the bulk of the region devoid of the widespread moisture necessary to reverse severe soil moisture deficits and alleviate ongoing stress on developing winter wheat.



Grains

Fundamentals haven't changed much from last week, so I took a 40,000-foot look at world soybean supply and demand.

Over the past decade, global soybean production has grown by about 3.5% per year. Over the past three years that climbed closer to 6%, driven almost entirely by Brazil, which has been growing at nearly 10% per year. World soybean production has increased by about 70 MMT over the past four years with nearly 60 MMT of that increase coming in Brazil.

Before this, the world was mostly balanced, with supply and demand both growing 3-4% per year. Go back further, and China was driving demand closer to 6%.

Last year, world soybean demand surged 7.5%, slowing the stock build that had been developing for five years. This year, a smaller U.S. crop pulled world production growth back to about 1%, while demand growth looks to be settling back toward 3%. This is still solid, but more normal growth.

Looking forward to 26/27, US acreage should normalize. Assuming trend yields in both hemispheres would put world production growth back to around 3%. Demand likely continues at a similar rate of growth. That's better balance but still points to a 7th straight year of increasing global supplies.

That's the backdrop.

The bigger story is how we got here. First, Chinese demand growth pushed prices higher to encourage more production. Then as Chinese growth hit a more mature level (less growth), everything leveled out for a few years. Recently, Brazil ramped up production considerably and world prices drifted back toward cost of production and levels that encouraged world demand growth. And it has worked, at least to an extent.

So, the question now is simple - are we back to balance, or did lower prices just spark a short-term increase in demand?

Meal consumption by country is a pretty good proxy for where the growth has occurred.

Meal demand is growing in China, the US and the EU. But the more interesting signal is where incremental demand is showing up.

Lower prices have increased meal demand significantly in places like Vietnam, Iran, Egypt, Pakistan, Turkey, Mexico. Several other developing markets have also seen considerable growth since 22/23.

That's exactly what should happen. Lower prices found demand. These tables show total growth and percentage growth over the 3-year period from 2022/23 to 2025/26.

Country/Region	22/23	25/26	Growth	% Growth	Region	Growth 22/23 to 25/26	% Growth
China	75.1	84.2	9.1	12%	East/Southeast Asia	+13.0 MMT	+12%
EU	26.6	30.9	4.3	16%	Mid East/North Africa	+5.8 MMT	+38%
United States	34.9	39.2	4.3	12%	North America	+5.3 MMT	+12%
Vietnam	5.8	8.1	2.3	40%	Europe	+5.3 MMT	+18%
Iran	3.6	5.2	1.6	46%	South America	+3.8 MMT	+12%
Brazil	20	21.5	1.5	8%	South Asia	+1.9 MMT	+19%
Egypt	2.7	4.1	1.4	50%	FSU/Black Sea	+1.2 MMT	+24%
South Asia	10.0	11.9	1.9	19%	Sub-Saharan Africa	+1.0 MMT	+37%
Mexico	6.9	7.9	1.0	15%	C. America/Caribbean	+0.9 MMT	+36%
Turkey	1.9	2.7	0.8	43%			

Growth is coming from all corners of the globe, not only in percentage terms but also in absolute terms.

If recent demand growth has been driven by lower prices, then the next move depends on whether that demand holds at somewhat higher prices.

If prices push lower again, demand keeps expanding.

If prices move higher, some of this newer demand could disappear.

That's what the market is trying to figure out right now. Brazil built the supply. Price found the demand. Now we find out how real that demand actually is.

Grains commentary provided by Mark Ditsch. For questions or comments, Mark can be reached by email at mark@ditschtrading.com or on Trillian at mark@nesvick.com.

Livestock

Steak 'n Shake made some noise this week – they've hired a "Chief MAHA Officer," ditched seed oils for beef tallow, and announced that every location will switch to 100% grass-fed, grass-finished beef by June 1. It's a splashy play on the Make America Healthy Again branding, and the coverage has been enthusiastic. But if you spend any time thinking about the beef in this country, the announcement raises an obvious question: where exactly is a national fast-food chain going to source grass-fed, grass-finished beef at scale?

The short answer is almost certainly not here. Grass-fed beef accounts for ~4% of total U.S. retail and foodservice beef sales, and at least 75–80% of that is imported – meaning domestic grass-fed, grass-finished production is maybe 1% of the market. The American cattle industry is a feedlot-finishing system; ~97% of our cattle are grain-finished, and the infrastructure, genetics, and economics all reinforce that model. So Steak 'n Shake is sourcing from abroad, and the most likely candidates are Uruguay or Australia. Australia is the largest beef exporter to the U.S. at ~24% of total imports and

has grown that share by 251% since 2022. The irony, though, is that even Australia isn't as "grass-fed" as people assume – up to 40–45% of Australian cattle slaughter is now grain-finished in feedlots. Uruguay (~80–85% grass-finished) and New Zealand (~95%) are cleaner stories on that front, but both have smaller herds and less export capacity to service a national QSR chain. Brazil has the volume and ~75% grass-finished share, but a fast-food brand wrapping itself in the MAHA flag probably doesn't want to explain Brazilian beef sourcing to its customer base.

The practical impact on domestic fed cattle markets is probably minimal – Steak 'n Shake isn't McDonald's, and this is volume that was never competing for conventional grid cattle anyway. As a rough estimate, Steak 'n Shake only uses 2,500-3,500 MT of ground beef per year. But the trend is worth watching. If larger chains start chasing the same "clean label" narrative, that's demand being routed around domestic producers entirely, and it's happening while the U.S. herd is already at multi-decade lows.

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.

Metals

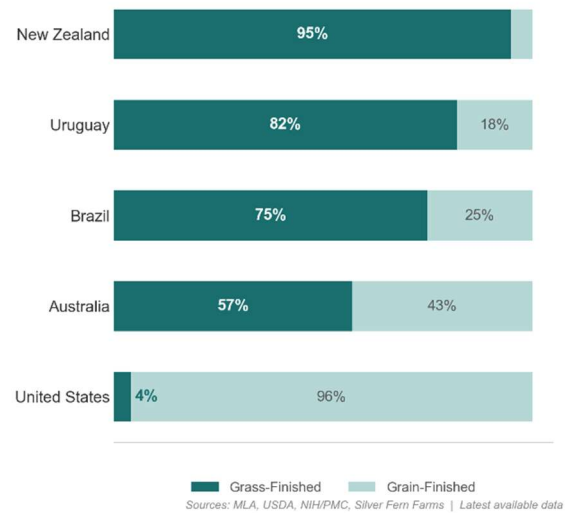
The USGS dropped a new assessment Monday estimating ~2.3 million metric tons of undiscovered lithium oxide in Appalachian pegmatite deposits split between the northern stretch (Maine, New Hampshire) and the Carolinas. The headlines wrote themselves: "enough to replace 328 years of imports," "power 130 million EVs," and so on. It's a big number, and it came in at the perfect moment to fit the domestic critical minerals narrative.

Here's the thing, though: we already have a lithium deposit that dwarfs this one, and they're already discovered. The McDermitt Caldera on the Nevada-Oregon border holds an estimated 20–40 million metric tons of lithium metal, confirmed by drilling, with a JORC-compliant resource of 21.5 Mt lithium carbonate equivalent already on the books. Thacker Pass, the first commercial project in the caldera, is under construction now with \$2B in DOE and GM backing and is expected to start producing this year. That's an order of magnitude larger than the Appalachian estimate, and it's real – not just a probabilistic model of what might be in the ground.

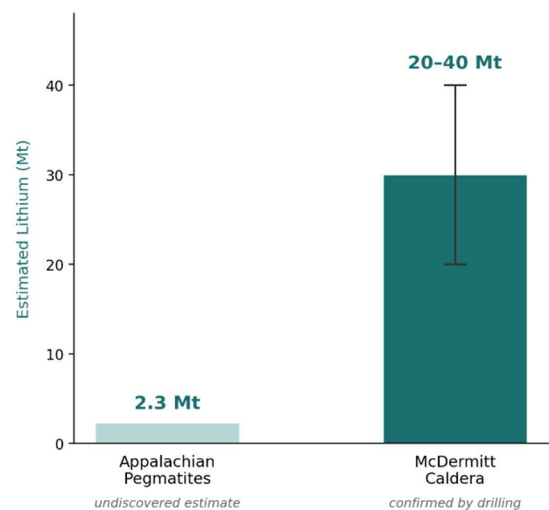
The comparison gets worse from there. Pegmatite mining is hard-rock mining, generally more expensive than the clay-based extraction planned at McDermitt or the brine work underway in the Arkansas Smackover formation (itself estimated at 5–19 Mt). And standing up new mines in the rural Northeast is a fundamentally different permitting and political exercise than doing it in the Nevada desert – one that anyone familiar with New England land-use politics can probably game out on their own.

None of this means the USGS work isn't valuable. Knowing the resource base exists is useful, and the geological science is sound. But in terms of what actually moves the needle on domestic lithium supply this decade, the answer is still out west.

Grass-Finished vs. Grain-Finished Share of Cattle Slaughter



U.S. Lithium Deposits: Appalachia vs. McDermitt Caldera



The Appalachian number is an interesting geological discovery dressed up as a significant energy security breakthrough, but I don't think you should rewrite your supply models over it.

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)

- Export Sales – 7:30 AM
- Jobless Claims – 7:30 AM
- PCE – 7:30 AM
- GDP Q1 – 7:30 AM
- Nat Gas Storage Change – 9:30 AM

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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