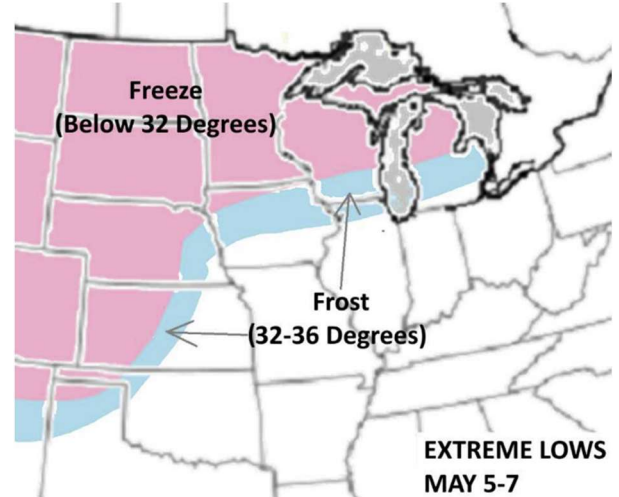
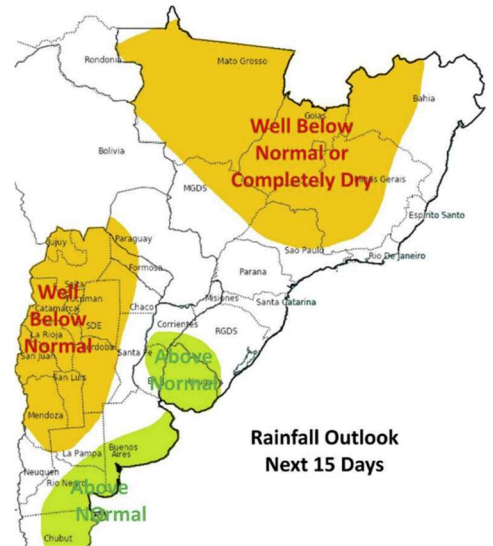


Weather

Across the United States, an exceptionally cold pattern continues to act as an impediment to corn and soybean planting progress, with extreme lows producing widespread frost and freeze conditions across the Plains and the Corn Belt through the 1-5 day period. This severe temperature anomaly, running 10+ degrees below-normal from Tuesday through Thursday, will significantly hinder national planting paces and threaten frost damage to emerged crops. Simultaneously, a divided precipitation pattern will yield significant fieldwork delays in the southeastern Corn Belt and Mid-South, where heavy rainfall exceeding an inch will halt operations in the 1-5 day period. Meanwhile, the Hard Red Winter wheat belt will receive a confined precipitation event in western Kansas and Colorado during the midweek, with accumulations manifesting as highly unusual snow that will stress developing winter wheat. Looking forward into the 11-15 day period, long-term moderation will take hold, as sustained above-normal temperatures broadly return to the western Corn Belt and Plains to substantially improve growing conditions, while the northwestern Corn Belt faces emerging dryness complaints due to 15-day precipitation totals running less than 50 percent of normal.

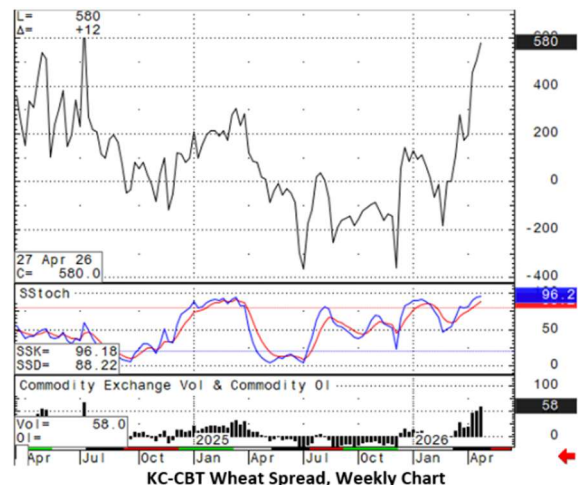


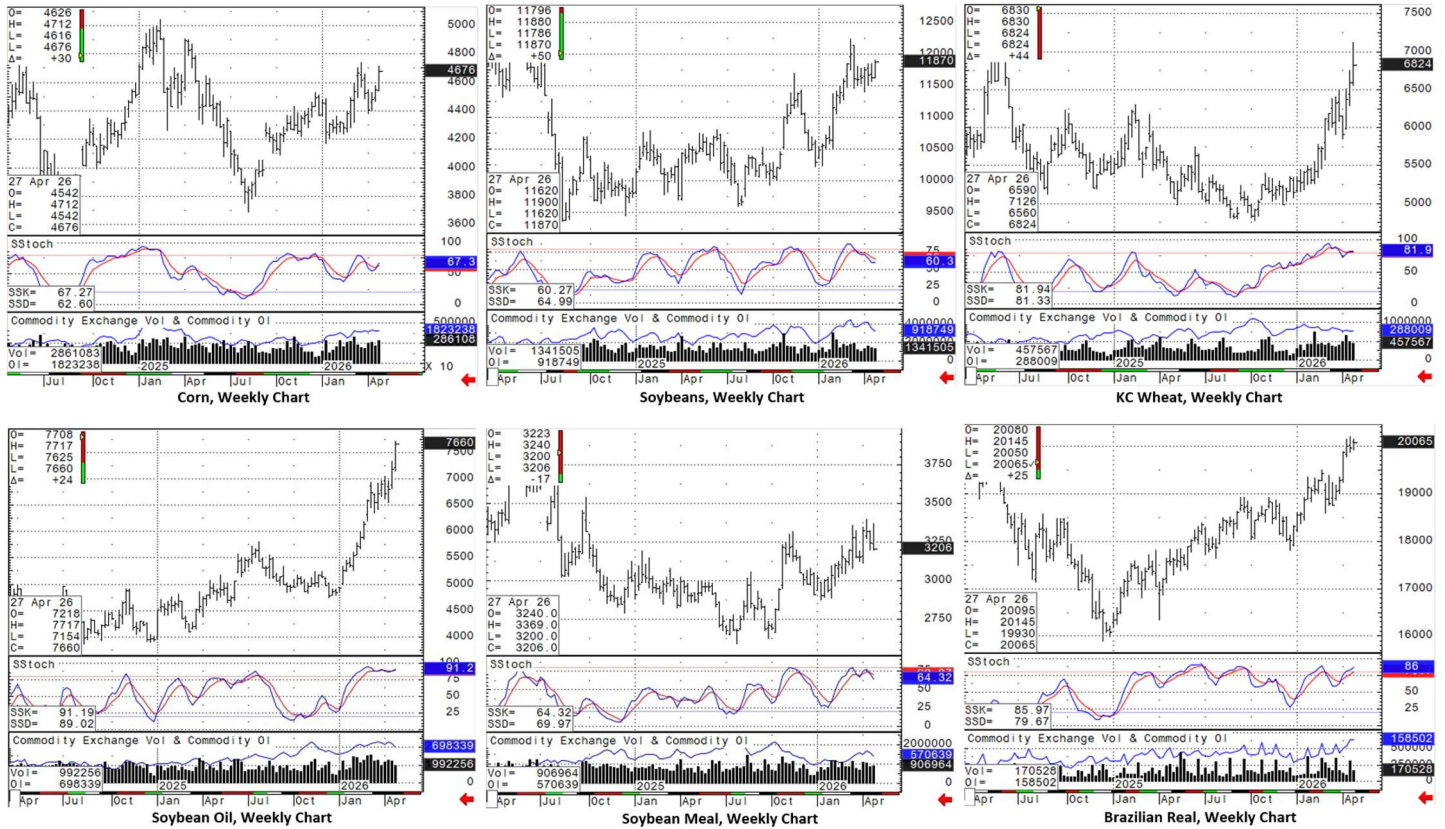
The forecast remains exceptionally concerning for safrinha corn development in northern Brazil, as widespread rainfall totals are projected to run less than 50 percent of normal over the next 15 days across states like Goiás, western Minas Gerais, and eastern Mato Grosso. Combined with an extreme temperature anomaly running 3-6 degrees above-normal through the 11-15 day period, these completely dry conditions will place immediate stress on the developing crop. Conversely, southern safrinha corn areas in Paraná and southern Mato Grosso do Sul are slated to receive near-normal rainfall totals to maintain adequate soil moisture levels. However, this southern region faces an imminent freeze threat in the 6-10 day period as temperatures plunge more than 10 degrees below-normal between May 9 and May 13, creating severe cold stress for crops near the Santa Catarina border before a warming catalyst arrives in Week Two.



Grains

Going to do a review of last week. Bean oil, wheat, and corn made new highs, and beans broke out of the recent range last week. New highs in crude provided support as did increasing concerns with HRW production. For the week corn was up 16 cents with KC up 25 (almost 50 at the highs) and Chgo up 21. KC/Chgo also widened to new highs – 60 cents. Oil was up 385 points with beans up 25. Meal lagged and finished the week near unchanged. By the end of the week there was more optimism about a resolution with Iran and energy markets were under pressure. Bean oil and corn held up however, both making new highs. CZ got through strong resistance at 500 after knocking on the door numerous times this week.

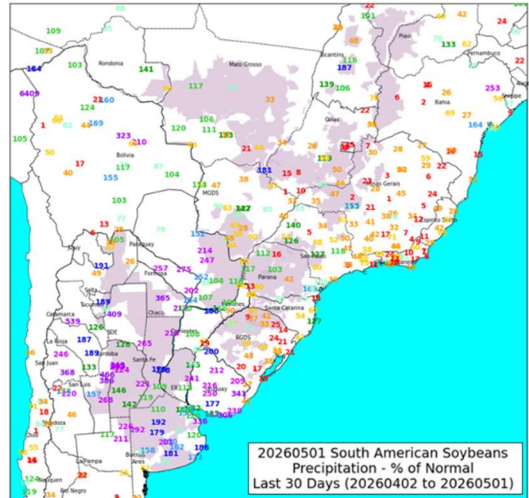




HRW areas continue to miss key rain. What looked like decent amounts on the radar amounted to trace – ¼”. Temps have turned colder again with a freeze expected over the weekend in northwest KS, NE, CO, SD. Ratings will likely drop again Monday afternoon. They key will likely be abandonment and it could be historically high this year. In the bigger picture, concerns are increasing about lower planted area in other major growing areas – Canada, Austr, Arg.

The same concerns are around in corn on fertilizer and transportation shortages/prices. For the US, the trade is still leaning less corn acres and more beans in the June acreage report. The trade is dialing in a bigger Argentine crop – 61+mmt and is on watch for declines in Brazil with a concerning forecast for at least the next 15 days in safrina growing areas. US export demand has not backed down and Brazil is also raising their ethanol mix. There has talk about germination issues due to the cold forecast and the trend this year that producers are focused on getting beans in first instead of corn.

Beans continue to be supported by off the charts crush margins and strength in oil with break even in biodiesel margins in the high 70’s. The market is doing its job however with Argentine basis cratering and import margins in the green. Meal rallied early in the week talk that as much as 6 cargos of S Am meal to Europe were flagged with a non-approved GMO variety found. It is not clear whether this will become a widespread issue, but EU is looking to the US for nearby. Argentine bean harvest is 18% complete, well below the 5-year average of 45%. There were videos making the rounds of major flooding in Santa Fe. The forecast is drier but the last four weeks were quite wet – much of the bean area receiving 150-250% of normal precip. The Brazilian real also made new highs and is providing support to beans. NASS March crush came in below expected at 227.4 milbus (ave trade est 231.1). As a result of the smaller crush, oil stocks came in low as well – 2456 thous pounds (2530-2600 expected).



The markets are somewhat strung out and while I am more cautious here, there are still a number of items (mentioned above) that justify maintaining risk premium. It will also be hard to break much with the Trump/Xi meeting getting closer.

Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

We hadn't seen pseudorabies (PRV) in a U.S. commercial swine herd since 2004. That's no longer true. USDA APHIS confirmed late last week that NVSL detected antibodies to PRV in five boars at a small Iowa commercial facility; this was picked up via routine ELISA and latex agglutination testing, not pre-movement surveillance. Initial traceback points to an outdoor production facility in Texas, where animals from the source herd also tested positive, and APHIS is now coordinating with Iowa and Texas state authorities to expand the trace.

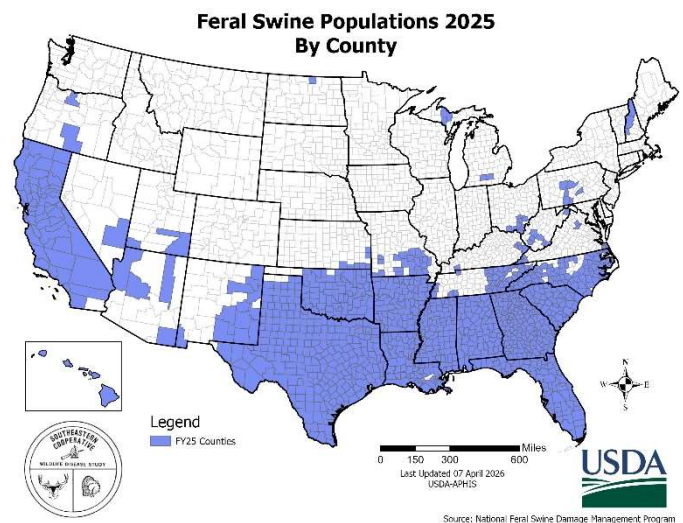
The headline reads like a setback, but the substance is more nuanced. The U.S. eradicated PRV from commercial swine in 2004 after a 15-year voluntary program that cost the federal government ~\$72M, plus an enormous amount of producer and state-level effort on top of it. What eradication didn't do was clear feral swine. PRV remains endemic in feral hog populations across much of the country, and outdoor production herds have always been the expected and most likely re-entry pathway. While the first commercial case in 22 years is genuinely notable, it's also the predicted failure mode, not a black swan; and the fact that routine surveillance caught it is the system working, not breaking.

For markets, the actionable piece is APHIS's own framing: "limited, short-term impacts on exports of U.S. swine and/or swine genetics." Pork product flows are unlikely to move much – this isn't a food-safety or consumer-health issue, and APHIS said so explicitly. Where the issue may actually sit is in live breeding stock and semen, which trading partners could pause with the new detection of the virus. Mexico, China, Japan, and Korea are the likely names to watch.

For historical context, pre-eradication PRV cost the U.S. industry ~\$30M/year (roughly \$126M in 2023 dollars) – meaningful, but a fraction of what the disease does when it gets loose with vaccine-resistant variants in play. China has been living that scenario since late 2011, when new strains tore through vaccinated herds and have stayed dominant ever since; human cases of PRV in farm workers have been reported there since 2017. That's the cautionary version of this story, and a useful frame of reference for why even a single commercial detection moves the industry's needle. But, this is not what's happening in Iowa.

So, what do I want to keep an eye out for moving forward? Three things: how wide the traceback ends up – does it stay confined to the IA-TX link or pull in additional exposed herds; if trading partners pause swine genetics shipments and for how long; and whether USDA frames this as isolated feral-swine spillover or something requiring formal stage-status changes. The first two will move basis and forward genetics flows in real time. The third is the one that matters for whether 22 years of "eradicated" status of PRV survives 2026.

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

We all saw the headline on Friday: 25% tariff on EU autos coming "next week," Trump posted via Truth Social, with no legal authority specified. European auto stocks promptly fell and bond markets re-priced the trade-policy. Before we extrapolate that into a broader macro shock, though, it's worth asking how big a deal this actually is for the US economy.

The honest answer is, not very. The EU shipped roughly 758,000 vehicles to the US in 2024, worth about €38.9B; and that figure has already fallen further, down ~21% in the first half of 2025 under the 10-15% tariff regime. Against ~16.2M total US light-vehicle sales last year, EU-built cars are around 4-5% of the market. Within that, the exposure is uneven. Porsche and Audi have no US production and were already pulling inventory under the prior 10% rate. BMW and Mercedes both run large Southern plants, which build the bulk of their US-sold SUVs, and BMW's free-trade-zone status partially insulates its parts costs. Volkswagen builds the Atlas and ID.4 in Tennessee. So the price hit lands hardest on luxury German sedans and sports cars, while the mainstream end of the market is largely insulated.

What's more interesting to me is what the announcement signals about the policy regime, because that's where the macro story actually lives. The Supreme Court struck down the IEEPA basis for the original EU tariffs earlier this year, which is why the rate fell from 15% to 10%. Friday's post didn't specify what authority would be used to ratchet back to 25%, which means we're either looking at a Section 232 process that takes months, or another legally vulnerable executive order. Either way, the message is that the negotiated trade architecture is not stable, and could be another instance of President Trump making a threat of higher tariffs as a negotiation tactic to get more compliance from the EU on other aspects of a trade deal.

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)

- Durable/Cap Goods – 9:00 AM
- Export Inspections – 10:00 AM
- Crop Progress – 3:00 PM

Thanks for reading,

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 (901) 604-7712

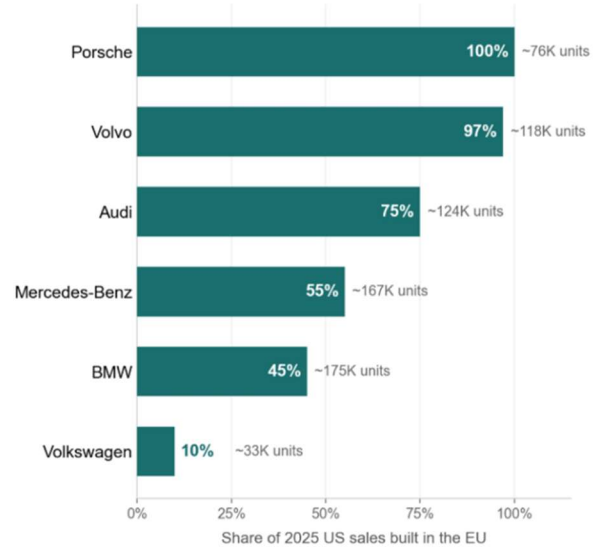
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EU Tariff Exposure by Automaker

Share of 2025 US new-vehicle sales subject to the proposed 25% EU finished-vehicle tariff



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