



### News this week...

- 2 – Assessing impacts from the Baltimore bridge collapse.
- 3 – Key developments in HPAI discovery in dairy cattle.
- 4 – A breakdown of USDA's March planting intentions.

**Happy Easter from Pro Farmer!** – Easter is the season of new life and a new beginning as we celebrate Christ's resurrection. May the joy of the Easter season shine eternal. Grain markets faced pressure early last week as funds failed to cover short positions ahead of USDA's March 28 reports. But bullish corn data (see below and [News](#) page 4 for details) triggered a flurry of corrective buying after the reports. Cattle futures, cash cattle prices and wholesale beef values all faced pressure and are signaling short-term tops. Price action resembled June 2023 after the cash market posted its previous peak. Lean hog futures firmed on support from the seasonally rising cash market and ahead of USDA's Hogs & Pigs Report, which was released after markets closed for the extended Easter weekend.

## Baltimore port temporarily closed

The Francis Scott Key Bridge in Baltimore Harbor collapsed after being struck by a cargo ship, indefinitely closing access to the Port of Baltimore. Remains of the bridge must be cleared before the port can restart operations, which experts say could take months. A source told us access to the port will resume once the channel is cleared, though some others differ. We discuss potential impacts on [News](#) page 2.

## Some rains for safrinha corn areas

Areas in south-central and center-west Brazil are expected to receive some rains into early April, though moisture deficits will remain. Given the lack of soil moisture, timely rains will be needed to support the safrinha corn crop. Northeastern areas of Brazil will continue to receive plentiful rainfall.

Favorable conditions are forecast for Argentina, including needed dryness in eastern areas after recent flooding.

## Firm raises Brazilian bean crop peg

Agroconsult raised its Brazilian soybean crop estimate by 4.3 million metric tons (MMT) to 156.5 MMT due to higher planted acreage after surveying fields across the country. The firm forecasts soybean acreage at 46.4 million hectares, 1.2 million hectares more than Conab.

## EU reaches deal on Ukraine exports

EU officials reached a deal to extend tariff-free trade of Ukrainian ag products through June 2025. Certain products, including poultry, eggs, sugar, oats, corn, oat groats and honey, will now face tariffs if their exports surpass average volumes from the past three years. Notably, the reference period was extended to the second half of 2021 and excludes wheat.

## Still waiting on SAF announcement

Exxon Mobil is urging the Biden administration to establish clearer policies regarding sustainable aviation fuel (SAF) to stimulate investment in the industry. The administration has delayed by a month setting these rules due to conflicting interests from environmentalists and the ag/biofuels sectors.

## March 1 corn stocks less than expected

**CORN:** March 1 stocks totaled 8.35 billion bu., up 13% from year-ago. Of the total, 5.08 billion bu. (60.8%) were held on-farm. Implied use in the second quarter of 2023-24 was 3.82 billion bu., down 12% from the same quarter last year.

**SOYBEANS:** March 1 stocks totaled 1.85 billion bu., up 9% from year-ago. Of the total, 933 million bu. (50.4%) were held on-farm. Implied use in the second quarter of 2023-24 was 1.16 billion bu., down 13% from the same quarter last year.

**WHEAT:** March 1 stocks stood at 1.09 billion bu., up 16% from year-ago. Of the total, 272 million bu. (25.0%) were held on-farm. Implied use in the third quarter of 2023-24 was 334 million bu., down 10% from last year.

## USDA discovers HPAI in dairy cattle

Cattle at three dairy farms in Texas and one in Kansas tested positive for highly pathogenic avian influenza (HPAI). Dairy cows in New Mexico also exhibited symptoms and were tested. So far, there have been no trade restrictions for U.S. dairy products, though some countries have used instances like this to alter trade practices. See [News](#) page 3 for more.

## Q4 GDP unexpectedly revised higher

The U.S. economy grew 3.4% during the fourth quarter of last year, up from the previous estimate of 3.2%. In 2023, GDP grew 2.5%. Fed officials project GDP will slow to 2.1% this year.

## Yen on intervention watch

The Japanese yen dropped to its lowest level against the U.S. dollar since 1990, prompting an emergency meeting of top monetary authorities. Japanese officials suggested they were ready to take "decisive steps" to stop "disorderly FX moves."

## Xi optimistic on U.S./China relations

Chinese President Xi Jinping expressed optimism about the future of U.S./China relations, aimed at bolstering foreign investment in China. Xi emphasized the importance of cooperation between the two nations in various areas such as trade, agriculture, climate change and artificial intelligence.

## Assessing the Baltimore port closure

Following the cargo ship wreck, the Port of Baltimore suspended shipping traffic until further notice, but trucks were still being processed at marine terminals. There is no indication of how long shipping traffic will be halted. Some shipping officials have said it might take several months, but most don't anticipate long-term impacts. Keys:

- The Port of Baltimore is the fifth largest port on the East Coast by total tons of cargo handled and the 17th largest overall in the United States.

- The port was first in terms of the volume of automobiles and light trucks (including 847,158 cars and light trucks). Baltimore is one of the nation's leading gateways for farm equipment and construction machines like combines, tractors, hay balers, excavators and backhoes. The port is also a critical hub for items like steel and aluminum.

- The port accounts for about 3% of U.S. ag imports, totaling around 1.794 MMT in 2023. Baltimore was outside the top 12 ports for U.S. ag exports. The top five ag products handled (imports and exports) at the port are: sugar, soybeans, grain (corn and wheat), coffee and grocery items.

- Soybean and grain basis in the DelMarVa region will weaken, with potential for drastic short-term declines.

- The disruption will lead to challenges in redistributing cargo shipments to other East Coast ports. While some ports may absorb part of the diverted cargo, they may not have the capacity to accommodate the entirety of what would have gone through Baltimore. This situation mirrors the congestion experienced by ports during the pandemic, highlighting the potential for traffic jams in port operations.

- Experts suggest that considering the ongoing Red Sea crisis and the loss of Baltimore's port, shipping activities may increasingly shift towards the West Coast. However, this shift could lead to congestion issues at West Coast ports, exacerbating shipping challenges.

- Economists labeled this as a "supply shock," likely resulting in temporary shortages. Rerouting of shipping and congestion at other ports may cause delays in the delivery of goods, impacting even those not originally destined for Baltimore. Additionally, there's a "demand shock" element. Efforts to clear the channel and rebuild the bridge will divert resources such as manpower, materials and time from other projects, potentially leading to delays or postponements.

- Markets are still pricing in the first interest rate cut in June, but some suspect the Fed's timeline could change as impacts of this incident become apparent.

## HRW conditions continue to improve

State-level winter wheat condition ratings signaled more general improvement in the HRW crop over the past month, despite a minor downtick in top producer Kansas. The "good" to "excellent" ratings for HRW wheat rose 12 points in Colorado (to 68%), six points in Nebraska (66%), five points in Texas (51%) and three points in Montana (48%) during March. The "good" to "excellent" ratings for HRW wheat declined four points in Kansas (53%) and two points in South Dakota (56%) over the past month. Conditions were unchanged in Oklahoma with 70% of the crop rated "good" to "excellent."

On the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop improved another 1.5 points from the end of February to 351.7 and stood 28.4 points above USDA's final national rating at the end of November.

USDA will issue its initial national winter wheat crop condition ratings of the spring on Monday, April 1.

## Russian wheat crop raised amid risks

SovEcon raised its Russian wheat crop forecast by 400,000 metric tons (MT) to 94 MMT. While weather was favorable through winter given mild temps and plentiful moisture, the Black Sea consultant noted crop conditions have deteriorated the past two weeks amid a lack of precipitation. Since mid-March, the South region received 40% to 60% of normal precip, while rainfall was only 20% to 40% of average in the Central and Volga regions.

## Cordonnier holds on S. American crops

South American crop consultant Dr. Michael Cordonnier left his Brazilian crop estimates at 145 million metric tons (MMT) for soybeans and 112 MMT for corn, maintaining his neutral/lower bias toward both. South-central safrinha corn areas are dry, while rainfall has been better in west-central locations. Key will be how much rain comes for safrinha areas from April forward.

Cordonnier left his Argentine crop forecasts at 51 MMT for soybeans and 55 MMT for corn, with neutral/slightly lower biases as he awaits damage assessments from recent flooding in eastern production areas. Cordonnier estimated 10% to 15% of the soybean and corn crops were damaged to varied levels, with soybeans likely to be impacted the most.

### **Attaché slashes Brazil bean crop... still higher than most**

USDA's attaché in Brazil slashed its estimate of the country's soybean crop by 5.9 MMT to 152.6 MMT as "poor weather across major producing regions" cut yields. That suggests USDA will sharply lower its official Brazilian soybean crop forecast on April 11. However, the attaché crop peg remained well above most private crop forecasters and Conab.



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## Keys for HPAI detection in dairy cattle

Following are key factors from the highly pathogenic avian influenza (HPAI) cases in some U.S. dairy cattle:

- The dairy cattle affected were older animals and typically comprised about 10% of the total herd, USDA reported. The infected cows have generally recovered from the illness, rather than dying. The most-affected herds produced about 40% less milk for about a week.
- There are no indications from USDA any of the infected animals or herds will be depopulated.
- USDA tests did not detect a genetic change in the virus to make it easily transmissible between mammals, meaning the infected cows are unlikely to infect other cows or humans.
- A suspected source of infection is feed contaminated by wild birds.
- USDA has a list of more than 200 individual mammals that were infected with HPAI in the past two years in the United States. The week prior, Minnesota announced HPAI had killed at least one young goat at a farm where poultry had been infected in February. It was the first known infection of U.S. livestock by the virus.

USDA noted, “At this stage, there is no concern about the safety of the commercial milk supply or a risk to consumer health.” Dairies are required to send only milk from healthy animals into processing for human consumption. Milk from infected animals was destroyed and did not enter the food supply. Pasteurization has proven to inactivate bacteria and viruses, like influenza in milk, and is required for any milk entering the supply chain.

## China’s hog herd still too big

In early March, Beijing cut the national target for breeding sows by 2 million head to 39 million head and issued new regulations to control the country’s pig production. But increasingly productive sows and a reluctance by hog farms to destock will keep herd size at surplus levels and prices low. Shanghai JC Intelligence Co. said China’s sow herd needs to decline to about 35 million head for market balance. It forecasts China’s 2024 pig production at 717 million head, down 10 million head (1.4%) from last year.

China had 40.42 million sows at the end of February, down 0.6% from January and 6.9% less than last year. February hog slaughter fell 6.9% from last year to 21.04 million head, a 43.5% drop from January.

## Argentine beef exports surge

Argentina exported 82,548 MT of beef in February, the biggest monthly total since 1967. During the first two months of this year, Argentine beef shipments reached a record 160,478 MT, with more than three-quarters of the total going to China.

## Placements jump more than expected

USDA estimated there were 11.838 million head of cattle in large feedlots (1,000-plus head) as of March 1, up 153,000 head (1.3%) from year-ago and 83,000 head more than the average pre-report estimate implied. Placements jumped 9.7% from year-ago, while marketings increased 3.4%.

Cattle on Feed Report	USDA actual (% of year-ago)	Average estimate (% of year-ago)
On Feed March 1	101.3	100.9
Placed in Feb.	109.7	106.4
Mktd in Feb.	103.4	103.8

Placements increased in each of the weight categories except heavyweights (1,000-plus lbs.) and in all of the major states aside from

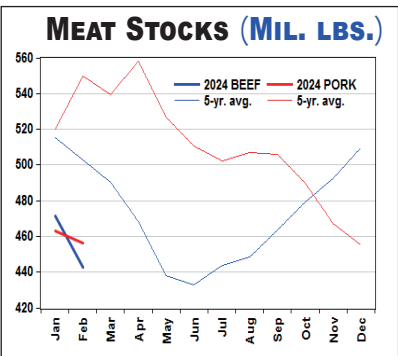
Texas. The added placements increased expected slaughter supplies for late summer/fall.

The report data was negative compared to pre-report expectations, though not bearish, as feedlot supplies will continue to tighten — just not as much as previously anticipated.

## Meat stocks signal strong demand

USDA’s Cold Storage Report showed frozen pork stocks declined contra-seasonally during February, while beef inventories fell more than average.

Beef inventories at the end of February totaled 442.8 million lbs., down 28.5 million lbs. from January and the low-



est for the month since 2014. The five-year average was a 12.9-million-lb. decline during the month. Beef stocks dropped 58.0 million lbs. (11.6%) from year-ago and were 59.8 million lbs. (11.9%) below the five-year average.

Pork stocks dropped 6.8 million lbs. during February to 456.5 million lbs., whereas the five-year average was a 29.7-million-lb. increase for the month. Pork inventories fell 65.1 million lbs. (12.5%) from February 2023 and were 93.0 million lbs. (16.9%) less than the five-year average.

## USDA trims food price outlook

USDA expects all food prices to rise 2.5% in 2024, down from a projected 2.9% increase last month and well below the 5.8% jump last year. Food at home (grocery store) prices are forecast to increase 1.6%, the same as last month and down sharply from the 5.0% jump in 2023. USDA projects food away from home (restaurant) prices will rise 4.1%, down from the 5.0% forecast last month and well below last year’s 7.1% surge.

USDA forecasts beef prices will increase 2.7%, while pork prices are expected to drop 1.6%. Poultry prices are anticipated to inch up 0.5% this year. Egg prices are predicted to increase 4.8% in 2024.



# Corn acres to fall sharply, soybean plantings up

By Editor Brian Grete

USDA estimates farmers intend to plant a lot less corn in 2024 than they did last year, while soybean acres are expected to rise. That shift in acres was anticipated, though not to the degree USDA indicated, especially after aggressive anhydrous applications last fall. March planting intentions strongly suggest agro-economics played a larger role in acreage decisions this year.

## Corn planting intentions: 90.036 million acres

PLANTING INTENTIONS — CORN		
	Change vs. 2023	Million Acres
Illinois	-300,000	10.9
Indiana	-350,000	5.1
Iowa	-300,000	12.8
Kansas	-50,000	5.7
Michigan	-150,000	2.25
Minnesota	-700,000	7.9
Missouri	-350,000	3.5
Nebraska	-100,000	9.85
N. Dakota	-250,000	3.8
Ohio	-300,000	3.3
S. Dakota	-300,000	6.0
Wisconsin	-200,000	3.8

March corn planting intentions would be down 4.6 million acres (4.9%) from last year and 1.7 million acres less than traders expected. Planting intentions were also around 1.7 million acres less than our acreage survey indicated.

USDA estimates lower corn plantings than last year in each of the 12 top production states.

## Soybean planting intentions: 86.510 million acres

PLANTING INTENTIONS — SOYBEANS		
	Change vs. 2023	Million Acres
Arkansas	120,000	3.1
Illinois	150,000	10.5
Indiana	250,000	5.75
Iowa	250,000	10.2
Kansas	-180,000	4.25
Michigan	160,000	2.2
Minnesota	150,000	7.5
Missouri	400,000	6.0
Nebraska	50,000	5.3
N. Dakota	700,000	6.9
Ohio	250,000	5.0
S. Dakota	100,000	5.2
Wisconsin	90,000	2.2

Soybean planting intentions would be up 2.9 million acres from last year, which was virtually what traders expected. March planting intentions came in 240,000 acres lower than our survey indicated.

Soybean acres are seen rising in 12 of the top 13 production states, with only Kansas expected to seed fewer acres this year.

## Combined corn, bean plantings to decline

USDA estimates combined corn and soybean planting intentions at 176.5 million acres, would be down 1.7 million acres (1.0%) from last year. Our acreage survey indicated combined corn and soybean acres would be 178.5 million acres. Producers intend to plant more acres to crops like spring wheat, cotton and some of the minor crops.

## Spring wheat, durum plantings to rise

Other spring wheat planting intentions would be up 135,000 acres from last year at 11.335 million acres. That was 444,000 acres more than the average pre-report estimate and 435,000 acres more than our survey indicated.

Durum planting intentions of 2.028 million acres would be up 352,000 acres from last year and 376,000 acres more than the average pre-report estimate. Our survey indicated durum plantings of 1.775 million acres.

## Sorghum, barley acres to decline

USDA estimates sorghum plantings would decline 800,000 acres from last year to 6.395 million acres. That was 600,000 acres less than traders anticipated. Sorghum plantings are forecast to fall 500,000 acres in Texas (1.5 million acres) and 250,000 acres in Kansas (3.35 million acres) — by far the two largest production states.

Barley acres at 2.566 million acres would be down 535,000 acres from last year. Barley seedings are expected to fall 60,000 acres in Idaho, 240,000 acres in Montana and 220,000 acres in North Dakota — the three top producers.

## Cotton planting intentions: 10.673 million acres

Cotton planted area is expected to increase 443,000 acres to 10.673 million acres, which was 233,000 acres less than traders expected. Plantings are forecast to decline 39,000 acres in Texas (5.54 million acres) and 10,000 acres in Georgia (1.1 million acres). Increases were noted in most other states.

## Major decline in principal crop acres

USDA estimates total acres planted to principal crops at 313.3 million acres, which would be down 6.29 million acres (2.0%) from last year, which was the highest acreage total in the past decade. The drop in principal crops suggest low prices impacted decisions, with farmers opting to fallow more land.

However, this year's expected total acreage would be up 1.6 million acres (0.5%) from the five-year average, as 2022, 2020 and 2019 all had low acreage totals.

Total plantings are expected to decline in each of the top five acreage states, with Iowa down 105,000 acres (0.4%), Kansas down 1.268 million acres (5.1%), North Dakota down 532,000 acres (2.2%), Illinois down 145,000 acres (0.6%) and Texas down 1.198 million acres (5.4%).

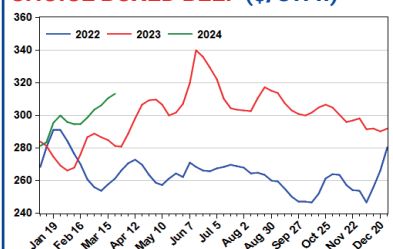
## CATTLE - Fundamental Analysis

USDA's Cattle on Feed Report triggered last week's drop in cattle futures, with February placements topping expectations and marketings proving relatively small. The stage for the drop was set by the surprisingly large increase in steer weights last month, which implied market-ready feedlot supplies have surged. The price drop may continue over the short run, but we don't expect a repeat of the sustained dive last fall. Choice beef prices have marched higher lately and history suggests they'll keep climbing into mid-May. Strong consumer demand (see *News* page 3) should limit losses.

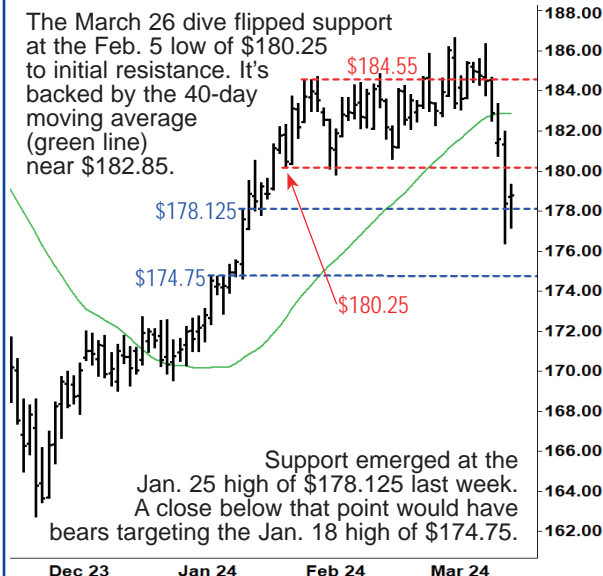
### Position Monitor

Game Plan:	Feds Feeders	
A short-term	II'24	0%
top in the	III'24	0%
cash market	IV'24	0%
	I'25	0%
is seemingly in place. But with futures at a discount to the cash market, hedges have increased risk.		

### CHOICE BOXED BEEF (\$/CWT.)



### DAILY JUNE LIVE CATTLE



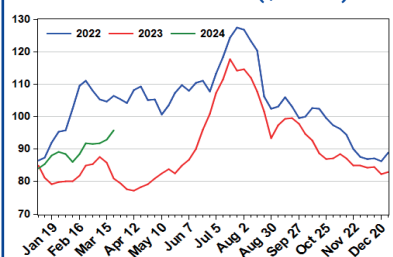
## HOGS - Fundamental Analysis

The pork cutout chart illustrates the wholesale market's tendency toward great strength during spring and early summer. The first-quarter advance indicates consumer demand has proven quite vigorous, especially in light of weekly hog slaughter topping year-ago levels in nine of the first 12 weeks of the year. Having pork stocks decline in February despite the five-year average surging nearly 30 million lbs. also points to torrid usage. History suggests seasonal gains will stall in early April, but that likely reflects Easter disruptions. The passing of Easter opens the door for the spring grilling season.

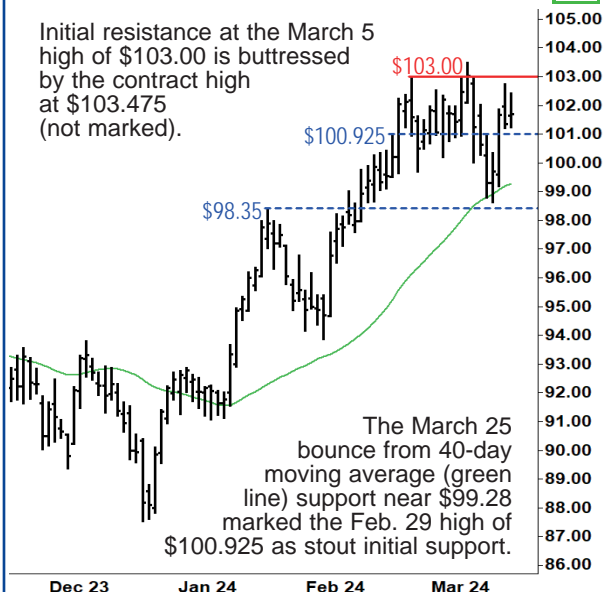
### Position Monitor

Game Plan:	Lean Hogs	
While a short-term dip is possible, the cash market should	II'24	0%
strengthen into summer. Hedges will only be necessary if futures get too far in front of the cash market.	III'24	0%
	IV'24	0%
	I'25	0%

### PORK CUTOUT VALUE (\$/CWT.)



### DAILY JUNE LEAN HOGS



## FEED

### Feed Monitor

#### Corn

II'24	33%
III'24	0%
IV'24	0%
I'25	0%

**Corn Game Plan:** You should have all corn-for-feed needs covered in the cash market through April. We don't want to get more aggressive in extending coverage until the market signals a major low.

#### Meal

II'24	33%
III'24	0%
IV'24	0%
I'25	0%

**Meal Game Plan:** You should have all soybean meal needs covered in the cash market through April. Wait on signs of a major market low before extending coverage.

### DAILY MAY SOYBEAN MEAL

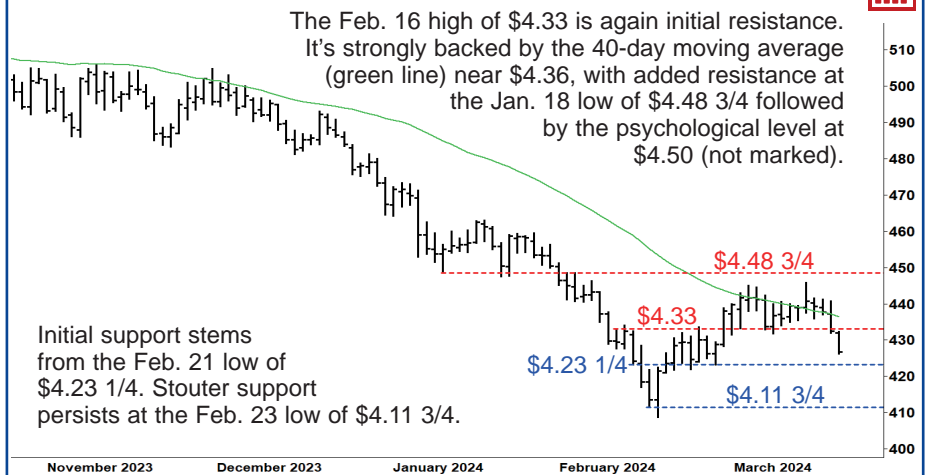


## Position Monitor

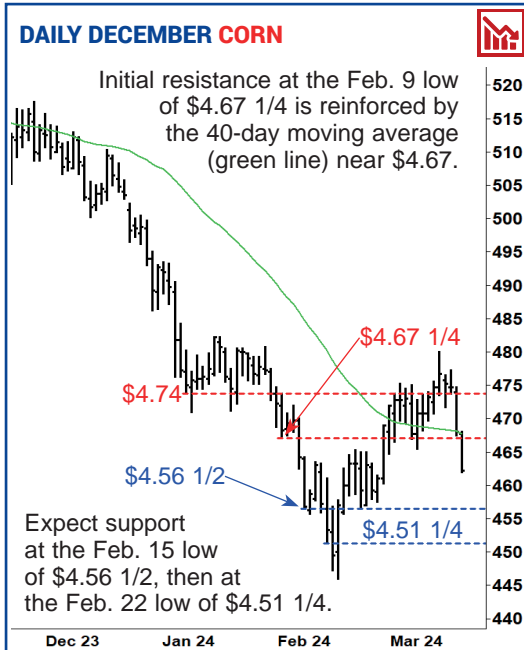
	'23 crop	'24 crop
Cash-only:	35%	0%
Hedgers (cash sales):	50%	0%
Futures/Options	0%	0%

**Game Plan:** There are signs the market has put in a low. With funds heavily short, there is potential for an extended upside push. But given current fundamentals and heavy on-farm inventories, extended price rallies will be limited unless there are serious issues with Brazil's safrinha corn crop. We are targeting a price rebound to \$4.50 or higher in May futures to extend 2023-crop sales and make initial 2024-crop sales.

## DAILY MAY CORN



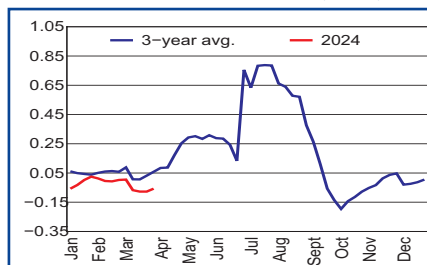
## DAILY DECEMBER CORN



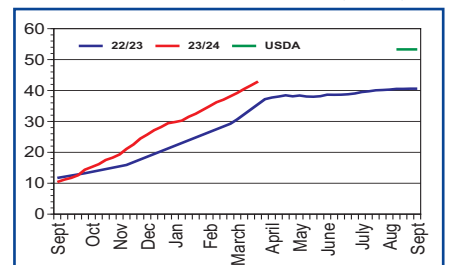
## CORN - Fundamental Analysis

Corn futures sagged ahead of the March 28 release of USDA's Prospective Plantings and Grain Stocks Reports. Trader concerns about a corn acreage number larger than the pre-report average of 91.775 million (which was close to *Pro Farmer's* 91.75 million-acre estimate) likely played a role in the drop, as did improved rainfall over Brazil's safrinha corn-growing area. We still suspect the market made a bottom in late February and tend to think the depressed price levels reached in the first quarter will translate into stronger usage than previously anticipated. But you must be prepared to take advantage of bouts of price strength.

### AVERAGE CORN BASIS (MAY)



### CORN EXPORT BOOKINGS (MMT)

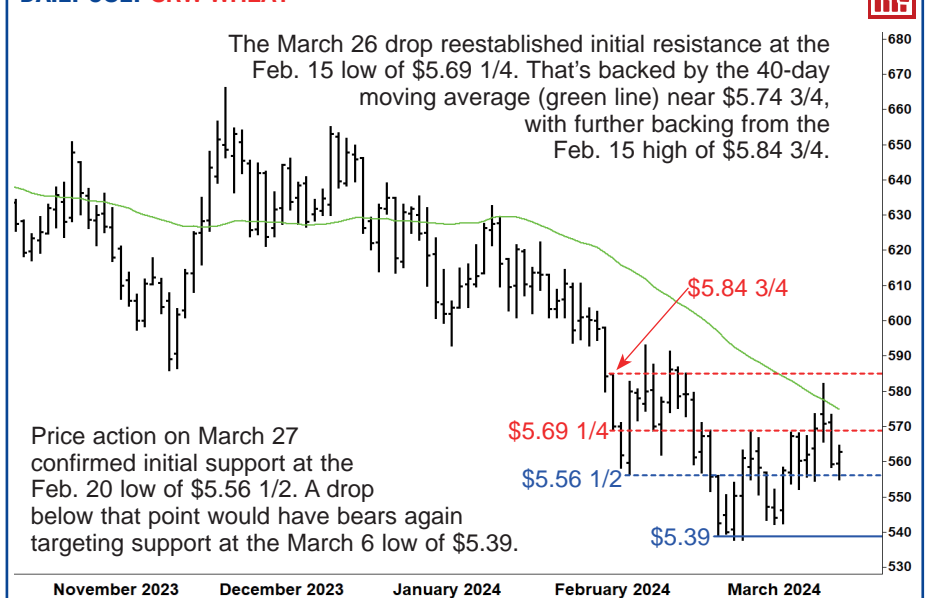


## Position Monitor

	'23 crop	'24 crop
Cash-only:	70%	20%
Hedgers (cash sales):	70%	20%
Futures/Options	0%	0%

**Game Plan:** The market needs a bullish catalyst for an extended price rebound. We are targeting a rally to \$5.60 or higher in May futures to extend old-crop sales and advance 2024-crop marketings.

## DAILY JULY SRW WHEAT



## WHEAT - Fundamental Analysis

**SRW** — Continued Russian selling and the North American logistical disadvantage seemingly negated the brief rally and depressed wheat futures last week. Reports of favorable weather over most global wheat-producing regions added to the downward pressure.



## Position Monitor

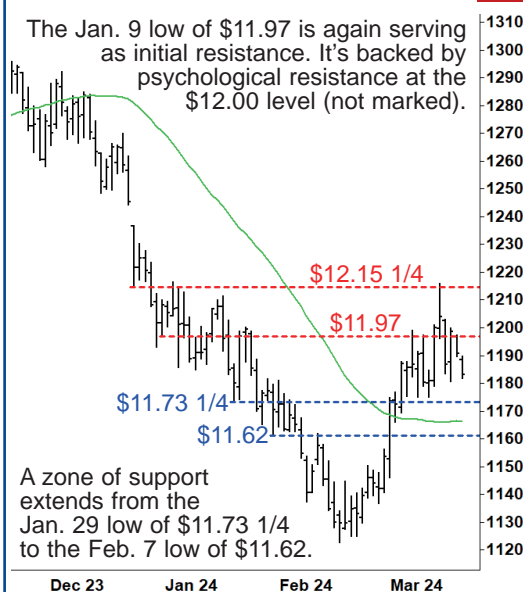
	'23 crop	'24 crop
Cash-only:	60%	10%
Hedgers (cash sales):	65%	10%
Futures/Options	0%	0%

**Game Plan:** Futures are signaling a low is in place. With funds heavily short, an extended correction is possible. But you must be prepared to make additional sales on further corrective price gains as farmer selling is likely to be active and a sustained price rally seems unlikely barring a fresh bullish catalyst. Timing of new-crop sales will be based off the next move for old-crop.

## DAILY MAY SOYBEANS



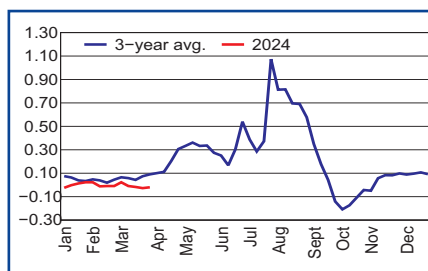
## DAILY NOVEMBER SOYBEANS



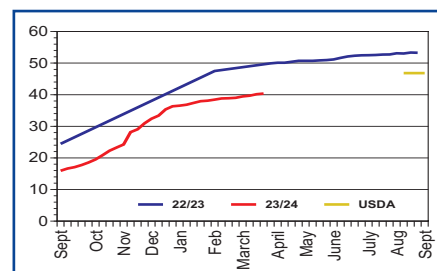
## SOYBEANS - Fundamental Analysis

Industry expectations for U.S. soybean plantings at 86.53 million acres fell slightly below our estimate at 86.75 million. Both are significantly below USDA's February projection of 87.5 million acres. The prospect of diminished plantings may have offered support for the market, as did recent Argentine flooding, although the affected area represented only a small portion of the country's bean acreage. Ultimately, the domestic market's main issue remains poor export demand, as indicated by the export bookings chart. This probably won't change with Brazil's harvest near 75% complete. Be prepared to advance sales on price strength.

### AVERAGE SOYBEAN BASIS (MAY)



### SOYBEAN EXPORT BOOKINGS (MMT)



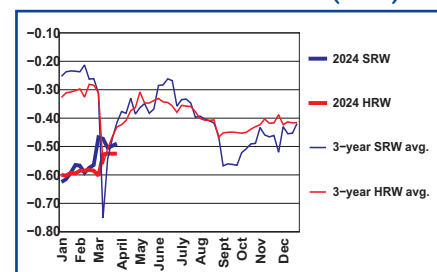
## DAILY JULY HRW WHEAT



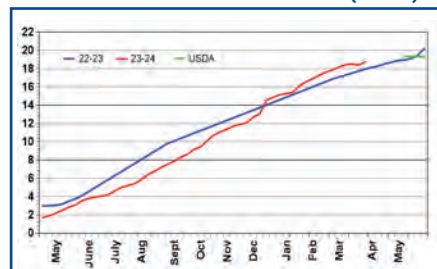
## DAILY SEPTEMBER HRS WHEAT



### AVERAGE WHEAT BASIS (MAY)



### WHEAT EXPORT BOOKINGS (MMT)



**HRW** — The latest state reports indicated another uptick in most winter wheat crop ratings during March (see *News* page 2). April 1 will be the first release of USDA's Crop Progress Report, with national winter wheat conditions being the main focus. It isn't always the case, but the state reports imply big improvements since last fall.

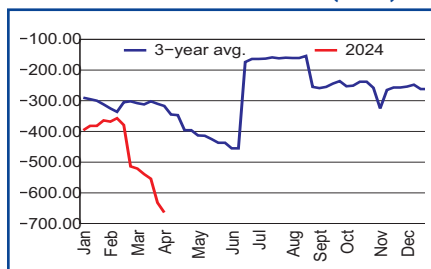
**HRS** — HRS traders spent late March anticipating USDA acreage data. The winter price drop didn't encourage farmers to plant more spring wheat, but concurrent corn and soybean losses sowed discouragement across the board. Despite last week's storm, reduced snow cover suggests increased plantings in the Red River Valley this spring.

## Position Monitor

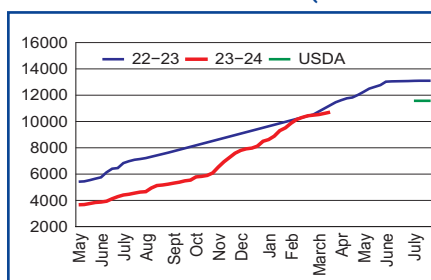
	'23 crop	'24 crop
Cash-only:	90%	25%
Hedgers (cash sales):	90%	25%
Futures/Options	0%	0%

**Game Plan:** The market has topped and there's more near-term downside risk. Old-crop inventories should be down to gambling stocks.

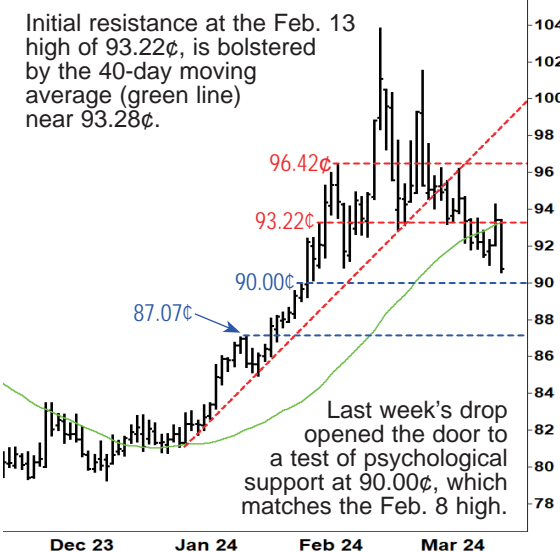
## AVERAGE COTTON BASIS (MAY)



## COTTON EXPORT BOOKINGS ('000 BALES)



## DAILY MAY COTTON



## COTTON - Fundamental Analysis

Funds are reducing their hefty net long position in cotton futures due largely to slumping export sales in the wake of the early-year rally. The market's recent inability to follow the equity indexes higher may be worrying bulls. Weakening basis is also concerning.

## GENERAL OUTLOOK

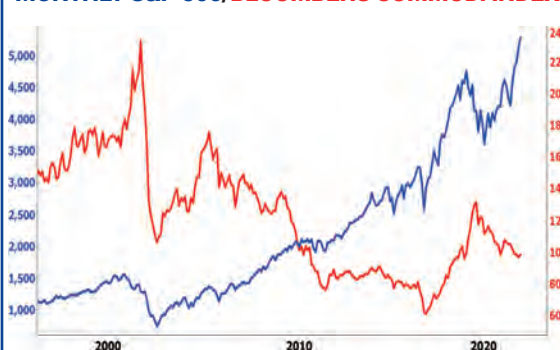
**COMMODITIES:** Goldman Sachs last week forecast the commodity sector will benefit from interest rate cuts expected from major world central banks this year, including the Federal Reserve. The rate cuts will lower borrowing costs and boost consumer and business confidence — suggesting increased demand for raw commodities.

The booming U.S. stock market is one indicator of upbeat consumer attitudes.

Goldman analysts predicted a potential 15% return on commodities in 2024, citing copper, aluminum, gold and oil as most likely to experience price increases. It also said gains in commodities likely won't be broad-based, though if those other markets rally, grains and livestock could be buoyed as well.

Lower interest rates also suggest the dollar could depreciate, making U.S. ag products more price-competitive.

## MONTHLY S&P 500/BLOOMBERG COMM. INDEX



## FROM THE BULLPEN By Economist Lane Akre

Corn futures are poised for the largest monthly gain since September as prices bounced from contract lows in February. Funds actively covered a portion of their net short position ahead of USDA's March 28 reports, though they remained heavily short.

Historically, corn futures favor the downside in April, though that bias has diminished recently. In the last 20 years, corn futures have both risen and fallen ten times. Gains averaged 7.9% (about 35¢ at current prices), whereas losses averaged 3.2% (14¢). Upside moves can quickly turn explosive if there are planting problems, evidenced by the average gain more than doubling the average loss.

The March rally matched our study comparing price action between 2010-2014

and 2020-2024. April favored bulls in 2014 although prices later turned lower.

Soybean futures marked their first gain in four months in March. Funds covered a modest portion of their net short position, though they remained heavily short. April slightly favors bulls, with prices closing higher 12 of the last 20 years. Gains averaged 6.4% (77¢ at current prices), while losses averaged 2.6% (31¢). Prices lagged those of the analog 2010-2014 period in February, but the March rebound was consistent with that of 2014. Gains continued through spring 2014 before dropping into summer.

Wheat mildly tends to decline in April. Funds have been slow to cover shorts, leaving wheat likely to keep following corn.

## WATCH LIST

- 1 USDA Grain/Soy Crush Rpts.** **MON 4/1**  
Strong Feb. soy crush, ethanol use. 2:00 p.m. CT
- 2 USDA Crop Progress Report** **MON 4/1**  
Sharp rise in winter wheat ratings. 3:00 p.m. CT
- 3 USDA Export Sales Report** **THUR 4/4**  
Focus will be on corn sales. 7:30 a.m. CT
- 4 U.S. Ag Trade Data** **THUR 4/4**  
Ag exports, imports for February. 7:30 a.m. CT
- 5 Employment Report** **FRI 4/5**  
Non-farm payrolls for March. 7:30 a.m. CT

## Farm Bill and Policy Updates

Read Jim Wiesemeyer's latest updates on the farm bill, USDA programs and much more in his daily Policy Updates report on [www.profarmer.com](http://www.profarmer.com).