



News this week...

- 2 – Highest early-spring winter wheat ratings since 2019.
- 3 – U.S. hog herd fractionally bigger than year-ago.
- 4 – Our old- and new-crop balance sheets.

Grains stuck in neutral – Corn futures pulled back from their strong March 28 gains last week and soybeans also faded. While it appears both markets posted lows in March, there's no urgency for funds to actively cover big net short positions. Wheat futures rallied and are showing the strongest signs of a potential extended upside move. But ample global supplies and limited demand for U.S. wheat could choke off upside momentum without a bullish catalyst. While there's no direct tie to the U.S. beef herd at this point, the detection of bird flu in the dairy herd fueled long liquidation in cattle futures. The selloff in futures pulled cash cattle prices lower. Lean hog futures brushed off the Hogs & Pigs Report that showed most categories above pre-report expectations (see [News](#) page 3), with deferred contracts posting new highs.

Timeline for reopening Baltimore port

The U.S. Army Corps of Engineers aims to have limited access to the Port of Baltimore restored by the end of April and full access by the end of May. The Corps said weather conditions and complexities with the wreckage may affect this timeline.

China slowing corn imports

China asked some traders to limit deliveries of foreign corn into bonded areas to ease domestic oversupply and support prices before planting. Chinese buyers reportedly canceled up to 1 million metric tons of Ukrainian corn shipments last week. As of March 28, there were just 157,100 metric tons of outstanding U.S. corn sales to China for 2023-24.

Surging UCO imports spark concerns

Used cooking oil (UCO) imports have surpassed expectations, particularly from China. UCO holds advantages in the U.S. biofuels program due to its waste product status, especially in California. The American Soybean Association (ASA) says greater UCO imports impact blending obligations, as levels exceeding EPA's expectations displace domestic feedstocks.

The Blenders Tax Credit ends in 2025 and the Producers Tax Credit (PTC; 45Z) starts. Imported biomass-based diesel will no longer be eligible for tax credits, so renewable diesel imports will likely fall. However, ASA says: "PTC amounts are dependent upon carbon intensity scores, which will give an even stronger incentive to import UCO."

'Extremely active' hurricane season

Researchers at Colorado State University predict nearly two dozen tropical storms, including 11 hurricanes. Warm Atlantic waters and the potential development of La Niña provide favorable conditions for tropical storm formation.

Global food prices halt extended slide

The UN Food and Agriculture Organization global food price index rose 1.1% in March, ending a seven-month slide. Increases in prices of vegoils, dairy products and meat more than offset decreases for sugar and grains.

Update on HPAI in dairy cattle

As of April 4, USDA had confirmed highly pathogenic avian influenza (HPAI) in dairy herds in Texas (7), Kansas (3), New Mexico (2), Michigan (1), Idaho (1) and Ohio (1). There was also a human case of HPAI in Texas in a person who had direct exposure to infected dairy cattle. Key developments:

- Texas Ag Commissioner Sid Miller told us on *AgriTalk* he did not expect HPAI to disrupt beef production, as cases in the state have been in "older lactating cows."
- Mexico is taking "preventative measures" to increase surveillance and inspections of U.S. livestock imports.
- Cal-Maine Foods temporarily halted egg production at its Farwell, Texas, facility after detecting HPAI. The company culled 1.6 million laying hens and 337,000 pullets – about 3.6% of its total flock.
- USDA also confirmed an outbreak of HPAI in a Michigan poultry flock (1.93 million bird).
- John Fulton, founder of Canada-based BioNiagara, said HPAI has potential to be "100 times worse than Covid." Fulton's comments may be more hype than cause for concern at this point. But if some scientists are talking about HPAI becoming the next pandemic, it's likely an issue that isn't going to disappear from headlines anytime soon.

Ag trade deficit builds in February

The U.S. exported \$15.72 billion of ag goods in February against imports of \$16.93 billion, resulting in a deficit of \$1.21 billion. During the first five months of fiscal year (FY) 2024, U.S. ag exports stood at \$78.86 billion against imports of \$82.93 billion for a deficit of \$4.07 billion. USDA forecasts ag exports at \$170.5 billion and imports at \$201.0 billion for FY 2024, which would imply a deficit of \$30.5 billion.

Strong jobs growth in March

The U.S. economy added 303,000 non-farm payrolls in March, far exceeding expectations. The unemployment rate dropped 0.1 point to 3.8%. Over the past 12 months, average hourly earnings increased 4.1%. Fed fund rate futures now put the greatest odds on just two rate cuts this year.

Winter wheat ratings at five-year high

As of March 31, USDA rated 56% of the U.S. winter wheat crop as “good” to “excellent,” up six percentage points from the end of November and the highest initial spring rating since 2019. The portion of crop rated “poor” to “very poor” stood at 11%, down four points from last fall.

When USDA’s crop condition ratings are plugged into the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop improved 22.0 points from last fall to 345.4. The SRW crop slipped 0.1 point to 371.5. The CCI ratings were 31.8 points above the five-year average for HRW and 20.2 points higher for SRW.

Early spring crop ratings point to strong wheat yields

When crop conditions improve during winter, it is rare to see yields much below trendline. The major outlier was 2007, which featured the infamous Easter freeze in early April. World Weather Inc. notes a high pressure ridge could develop over the central U.S. in the May-June timeframe, which could lead to warmer, drier weather. But with just 18% of the winter wheat crop in drought as of April 2, it would take an extended period of heat and dryness to significantly impact yields.

HRW abandonment will be much lower than last year. Combined with a likely uptick in yields, there will be a significant jump in production, despite a drop in overall wheat acres. You should be focused on selling corrective rallies.

Russia curbing some wheat exports

Russian authorities reportedly have halted some grain shipments from TD RIF and Aston, two of the country’s top exporters. Russia’s ag watchdog Rosselkhoznadzor has stopped providing some vessels with phytosanitary certificates as there has been an increase in complaints from importing countries about non-compliance of Russian grain quality with quarantine requirements. Rosselkhoznadzor previously proposed redistribution of export quotas for grain traders in case of “systemic failures.” Aston denied its grain shipments have been halted.

Bigger China corn, wheat crops likely

USDA’s attaché in China projects the country’s corn production will increase 2.4% to a record 296 million metric tons (MMT). China’s wheat production is expected to rise 1% to 138 MMT. China’s corn imports are forecast to decline 3 MMT to 20 MMT in 2024-25, while wheat imports are likely to be steady at 10 MMT. The attaché projects China will import 7.5 MMT of sorghum in 2024-25, unchanged from this year.

Feb. soy crush not as big as expected

U.S. processors crushed 193.9 million bu. of soybeans during February, 2.8 million bu. less than traders anticipated. The crush paced dropped 900,000 bu. (0.5%) from January but increased 17.0 million bu. (9.6%) from February 2023.

Through the first half of the 2023-24 marketing year, soybean crush totaled 1.169 billion bu., 5.4% above the same period last year. To hit USDA’s forecast of 2.300 billion bu., crush must run 2.5% above year-ago during the final six months of the marketing year.

Soyoil stocks at the end of February totaled 2.146 billion lbs., up 117 million lbs. from January but down 218 million lbs. from last year.

Soyoil use for biofuels falls to nine-month low

Soybean oil used to produce biofuels in the U.S. fell to 960 million lbs. in January, the lowest level since April 2023. The usage total included 545 million lbs. by biodiesel plants and 416 million lbs. by renewable diesel facilities.

Corn ethanol use stays strong

Corn-for-ethanol use totaled 441.5 million bu. during February. Corn ethanol use increased 459,000 bu. (0.1%) from the upwardly revised figure for January and was 42.8 million bu. (10.7%) above last year.

Through the first half of the 2023-24 marketing year, corn-for-ethanol use totaled 2.712 billion bu., 164 million bu. (6.4%) ahead of the same period last year. To hit USDA’s forecast of 5.375 billion bu., the pace must run 1.3% above year-ago over the final six months. Based on weekly U.S. Energy Information Administration data, ethanol production topped year-ago by 4.5% during March.

Ethanol production is at its highest level for this time of year, driven by strong crush margins.

Record E15 sales in 2023

U.S. sales of E15 rose 8% to a record 1.1 billion gallons in 2023, according to the Renewable Fuels Association (RFA). While there is no nationwide E15 sales data, RFA estimated national sales by multiplying its count of U.S. E15 stations by the average estimated volume per station in Iowa and Minnesota. Sales were boosted by competitive prices, a growing number of stations selling the fuel and the waiver that allowed summertime sales of E15.

Feb. corn exports exceed inspections

Census data showed the U.S. exported 211.4 million bu. of corn during February, 35.4 million bu. (20.1%) more than weekly inspections data suggested. For November-February, Census exports topped inspections data by an average of 29 million bu., with much of that likely due to corn being railed to Mexico and Canada.



Follow us on X (formerly Twitter):

[@ProFarmer](#) [@ChipFlory](#) [@DavisMichaelson](#)
[@BGrete](#) [@iwatchcorn](#) [@HillariMason](#)

Hogs & Pigs Report	USDA actual (% of year-ago)	Trade expected
Inventory —		
All Hogs/Pigs	100.6	100.0
Breeding	97.9	96.5
Marketing	100.8	100.3
Pig Crop —		
Dec.-Feb.	101.9	101.4
Pigs/litter	104.6	103.4
Farrowings —		
Dec.-Feb.	97.4	98.1
March-May Ints.	99.1	97.7
June-Aug. Ints.	98.3	97.8
Market Hog Inventory —		
Under 50 lbs.	101.5	101.0
50-119 lbs.	101.5	99.9
120-179 lbs.	100.3	99.7
180 lbs. plus	99.4	100.1

U.S. hog herd slightly bigger than last year

USDA estimated the U.S. March 1 hog herd at 74.571 million head, up 435,000 head (0.6%) from both year-ago and the average pre-report estimate. The market hog inventory increased 566,000 head (0.8%) from year-ago, while the breeding herd declined 130,000 head (2.1%). The winter pig crop increased only 1.9%. While farrowings declined 2.6%, litter size jumped 4.6% to a record 11.53 head, as farrowing house efficiency continues to surge.

Based on market hog data, slaughter should run steady to 1.5% above year-ago into fall.

Producers intend to farrow fewer sows during the next two quarters, with spring intentions down 0.9% and summer intentions down 1.7%. But if pigs per litter continue to mark record highs, the spring and summer pig crops would likely top the previous year.

USDA's revisions to past data included: The Dec. 1, 2023 hog population was revised up 845,000 head to 75.816 million. The Sept. 1, 2023 population was revised up 810,000 head to 76.133 million head.

Trade deal signed with South Korea, India next

USDA's trade mission to South Korea yielded \$67 million in business agreements, signaling strong interest in U.S. food and ag products. South Korea imported over \$8 billion in U.S. food and ag products in 2023, making it the fifth largest trading partner.

USDA's next trade mission is set for India, leveraging recent tariff reductions on U.S. specialty crops to bolster market opportunities.

China's factories expand

China's official manufacturing purchasing managers index (PMI) rose to 50.8 in March, above the 50.0 level signifying growth for the first time in six months and the highest level in a year. The Caixin/S&P Global manufacturing PMI rose to 51.1 in March, marking expansion of smaller and privately owned factories for a fifth consecutive month and the highest reading since February 2023. Expansion in the factory sector was driven by increased domestic and foreign demand.

Euro zone inflation cools

Consumer inflation in the euro zone slowed to 2.4% above year-ago in March. Core inflation, excluding food and energy prices, cooled to 2.9%, the lowest since February 2022. Amid the falling inflation, the European Central Bank is expected to start cutting interest rates in June.

	ACTUAL			DOANE FORECASTS*		
	Year Ago	Last Week	This Week	May	June	July-Sept.
(Monthly & quarterly avg.)						
CORN						
Central Illinois, bushel	6.48	4.05	3.99	4.20	4.30	4.40
Omaha, NE, bushel	6.80	4.39	4.38	4.50	4.60	4.70
Dried Distillers Grain, IA, \$/ton	243.53	170.90	167.71	—	—	—
SOYBEANS						
Central Illinois, bushel	15.10	11.69	11.49	12.00	12.15	12.25
Memphis, TN, bushel	15.62	12.11	11.82	12.10	12.25	12.35
Soymeal, 48% Decatur, ton	476.00	364.60	357.70	365.00	365.00	365.00
WHEAT						
Kansas City, HRW, bushel	9.23	6.16	6.02	6.15	6.25	6.00
Minneapolis, 14% DNS, bushel	10.30	8.05	7.75	8.00	8.15	8.25
St. Louis, SRW, bushel	6.88	5.42	5.39	5.70	5.75	5.70
Portland, Soft White, bushel	7.58	5.63	5.70	6.00	6.10	6.20
Durum, NE MT HAD, 13%, bu.	8.56	7.56	7.75	7.85	7.95	8.00
SORGHUM , Kansas City, cwt.	12.30	8.08	7.97	8.25	8.40	8.50
COTTON , 11/16 SLM, 7 area, c/lb.	78.73	86.77	83.92	83.00	84.00	85.00
RICE , nearby futures, cwt.	16.79	16.80	16.08	16.50	16.50	14.50
BARLEY , MT, G.T., malting, bu.	7.40	6.50	6.53	—	—	—
OATS , Minneapolis No. 2 heavy, bu.	3.61	4.13	4.13	4.15	4.15	4.15
ALFALFA , NW Iowa, lg. sq. prem., ton	195.00	170.00	192.50	190.00	190.00	190.00
SUNFLOWERS , Fargo, ND, cwt.	21.90	13.50	13.50	14.50	15.25	15.00
HOGS , Nat'l carcass 51%-52% cwt.	72.36	81.84	82.73	90.00	105.00	95.00
FEEDER PIGS , 40 lbs., Nat. avg, head	80.97	94.21	98.14	92.00	85.00	65.00
CHOICE STEERS , feedlots, cwt.	168.74	189.56	188.23	184.00	180.00	177.50
FEEDER CATTLE , Oklahoma City						
Steers, 700-800 pounds, cwt.	192.74	262.77	255.35	270.00	275.00	270.00
Steers, 500-550 pounds, cwt.	243.82	338.39	336.87	345.00	350.00	335.00
Heifers, 450-500 pounds, cwt.	220.53	310.76	303.37	315.00	320.00	325.00
COWS , utility, Sioux Falls, SD, cwt.	93.60	119.18	127.83	120.00	118.00	110.00
MILK , Class III, CME spot month, cwt.	18.64	15.85	15.69	16.00	16.50	17.50
LAMBS , Slg., San Angelo, TX, cwt.	152.50	189.00	181.00	—	—	—
ENERGY						
Ethanol, IA, gallon	2.14	1.48	1.48	—	—	—
Farm diesel, U.S., gallon	3.58	3.42	3.40	3.45	3.55	3.42

*Average prices expected for the indicated time periods based on available information. Forecasts will be revised as necessary to reflect changing market conditions.

Fine tuning old-crop with a look ahead to 2024-25

By Editor Brian Grete, Chief Economist Bill Nelson and Economist Lane Akre



Trusted Analysis. Professional Insight.

USDA is down to fine tuning usage forecasts for 2023-24, while March planting intentions give us a starting point on outlooks for the upcoming marketing year.

CORN: We project old-crop ending stocks will be tighter than USDA's March forecast, with greater usage in each of the three categories. But at more than 2 billion bu., our ending stocks forecast would still be plentiful, with stocks-to-use of 13.8% being above average. As a result, there wouldn't be much price difference even if USDA's ending stocks forecast tightens.

For 2024-25, there are a couple key questions as spring planting begins. 1) *Will more than 90.0 million acres intended for corn get planted?* 2) *Is a trendline yield possible?* Under our current scenario, we use USDA's March estimate even though it was 1.7 million acres less than our survey indicated. We also use USDA's trendline yield of 181 bu. per acre even though key areas of the central Corn Belt face moisture deficits. Given this scenario, production would fall to 14.840 billion bu., though total supply would increase given larger beginning stocks. A projected rise in use would keep ending stocks at the same level as we have plugged in for 2023-24, though we have a lower average cash price projected.

SOYBEANS: We have bigger estimates for old-crop crush and exports than USDA, which would pull carryover down to 300 million bushels. But at that level, ending stocks would still be plentiful and likely not cause much price response.

For 2024-25, a nearly 3-million-acre increase in plantings and trendline yield of 52.0 bu. per acre would push production up to 4.455 billion bushels. Given bigger beginning stocks, total supply would swell to nearly 4.8 billion bushels. Even with a projected jump in use, our ending stocks forecast would increase to 320 million bu., and the average cash price would slip.

WHEAT: We believe USDA is too optimistic for both old-crop food and feed/residual use. As a result, our ending stocks figure is 22 million bu. higher than USDA's. But at this stage in the marketing year, that wouldn't be enough to change the average price.

For 2024-25, wheat plantings are expected to fall 2.1 million acres. But winter wheat crop conditions are much improved from last year, so harvested acres will increase and so will yield. Even with fewer planted acres, production is projected to increase to 1.945 billion bu. and total supply would swell to 2.760 billion bushels. The projected increase in use would not keep pace with the increased supplies, causing ending stocks to rise to 820 million bu., which would be the highest since 2020-21. Under that scenario, we project the average cash price will fall to \$6.00.

Corn Supply/Demand

	2022-23 USDA	2023-24 USDA	2023-24 PF	2024-25 PF
Planted (mil. acres)	88.2	94.6	94.6	90.0
Harvested (mil. acres)	78.7	86.5	86.5	82.0
Yield (bu./acre)	173.4	177.3	177.3	181.0
<i>million bushels</i>				
Beginning Stocks	1,377	1,360	1,360	2,025
Production	13,651	15,342	15,342	14,840
Imports	39	25	28	25
Total Supply	15,066	16,727	16,730	16,890
Feed and Residual	5,487	5,675	5,775	5,850
Food, Seed, Industrial	6,558	6,780	6,805	6,815
Ethanol for Fuel*	5,176	5,375	5,400	5,400
Total Domestic Use	12,045	12,455	12,580	12,665
Exports	1,661	2,100	2,125	2,200
Total Use	13,706	14,555	14,705	14,865
Carryover	1,360	2,172	2,025	2,025
Carryover, days' supply	36.2	54.5	50.3	49.7
Stocks-to-Use	9.9%	14.9%	13.8%	13.6%
Proj. avg. price/bu.	\$6.54	\$4.75	\$4.75	\$4.50

* "Ethanol for Fuel" is included in the Food, Seed & Industrial total.

Soybean Supply/Demand

	2022-23 USDA	2023-24 USDA	2023-24 PF	2024-25 PF
Planted (mil. acres)	87.5	83.6	83.6	86.5
Harvested (mil. acres)	86.2	82.4	82.4	85.7
Yield (bu./acre)	49.6	50.6	50.6	52.0
<i>million bushels</i>				
Beginning Stocks	274	264	264	300
Production	4,270	4,165	4,165	4,455
Imports	25	30	30	20
Total Supply	4,569	4,459	4,459	4,775
Crush	2,212	2,300	2,315	2,380
Exports	1,992	1,720	1,730	1,950
Seed	97	102	102	103
Residual	4	22	12	22
Total Use	4,305	4,144	4,159	4,455
Carryover	264	315	300	320
Carryover, days' supply	22.4	27.7	26.3	26.2
Stocks-to-Use	6.1%	7.6%	7.2%	7.2%
Proj. avg. price/bu.	\$14.20	\$12.65	\$12.65	\$12.50

Wheat Supply/Demand

	2022-23 USDA	2023-24 USDA	2023-24 PF	2024-25 PF
Planted (mil. acres)	45.8	49.6	49.6	47.5
Harvested (mil. acres)	35.5	37.3	37.3	39.3
Yield (bu./acre)	46.5	48.6	48.6	49.5
<i>million bushels</i>				
Beginning Stocks	674	570	570	695
Production	1,650	1,812	1,812	1,945
Imports	122	145	147	120
Total Supply	2,446	2,527	2,529	2,760
Food	973	960	950	972
Seed	68	64	64	65
Feed/Residual	77	120	110	103
Total Domestic Use	1,118	1,144	1,124	1,140
Exports	759	710	710	800
Total Use	1,876	1,854	1,834	1,940
Carryover	570	673	695	820
Carryover, days' supply	110.9	132.5	138.3	154.3
Stocks-to-Use	30.4%	36.3%	37.9%	42.2%
Proj. avg. price/bu.	\$8.83	\$7.15	\$7.15	\$6.00

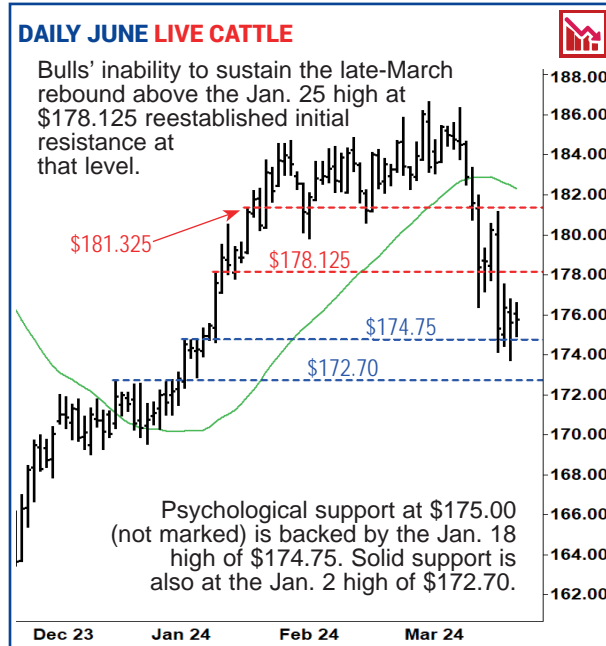
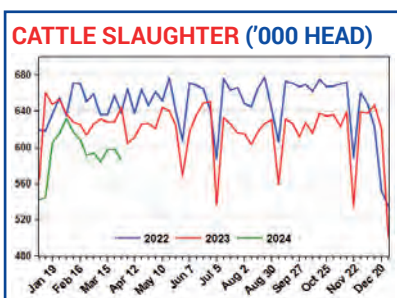
News alert and analysis exclusively for Members of **Professional Farmers of America**® 402 1/2 Main St. Cedar Falls, Iowa 50613-9985
 General Manager Ryan Nelson • Editor Brian Grete • Editor Emeritus Chip Flory • Chief Economist Bill Nelson • Economist Lane Akre • Market Analyst Hillari Mason
 Washington Policy Analyst Jim Wiesemeyer • Technical Consultant Jim Wyckoff • Market Economist Consultant Dan Vaught • LandOwner Editor Davis Michaelson
 Subscription Services: 1-800-772-0023 • Editorial: 1-888-698-0487

©2024 Professional Farmers of America, Inc. • E-mail address: editors@profarmer.com
 Farm Journal CEO, Prescott Shibles

CATTLE - Fundamental Analysis

Big cutbacks undertaken by beef packers, as indicated by the cattle slaughter chart, have apparently taken a toll on the currentness of feedlot marketings and increased market-ready supplies above short-term packer demand. The midwinter surge in steer weights strongly points in that direction. Cattle prices have turned lower in response, although the drop likely has a significant seasonal component as well. However, wholesale beef prices tend to remain strong into mid-May. If wholesale prices resume their first-quarter advance, the recent cash and futures market declines may prove short-lived.

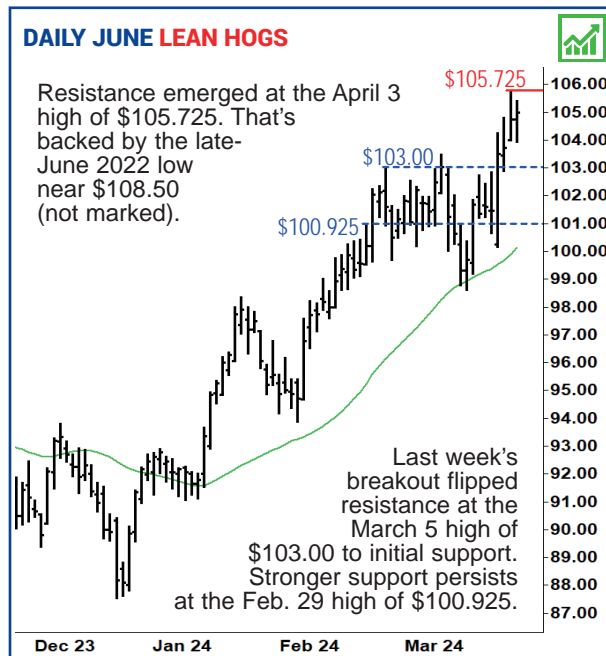
Position Monitor			
Game Plan:		Feds	Feeders
Cattle fu-	II'24	0%	0%
tures have	III'24	0%	0%
topped. Pric-	IV'24	0%	0%
es could fall further, though hedges have increased risk given the big discount to the cash market.	I'25	0%	0%



HOGS - Fundamental Analysis

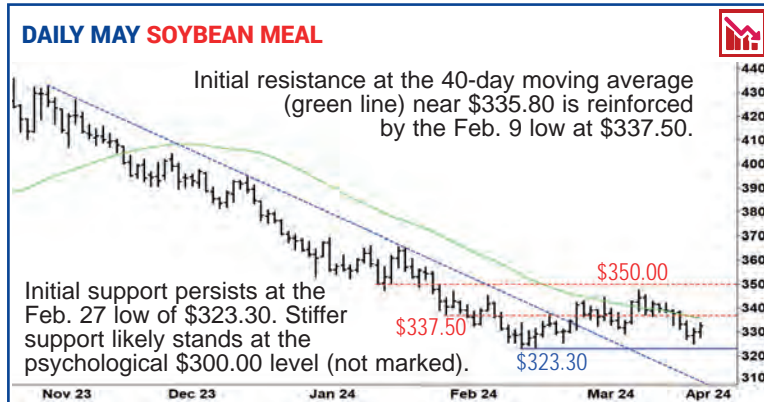
Hog slaughter routinely topped year-prior levels through 2023 and early 2024, but it fell below last year in three of the four weeks in March. This strongly suggests USDA's estimate of nearby hog numbers falling below comparable 2023 levels was accurate. The Hogs & Pigs Report indicated supplies will generally match year-ago totals during April, then edge 1% over those seen late last spring and summer. The first-quarter spike in feeder pig prices suggests hog supplies will remain tight relative to current demand, which seemingly implies strong support for second-quarter prices.

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



FEED

Feed Monitor			
Corn			
II'24	33%	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.	
III'24	0%		
IV'24	0%		
I'25	0%		
Meal			
II'24	33%	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.	
III'24	0%		
IV'24	0%		
I'25	0%		

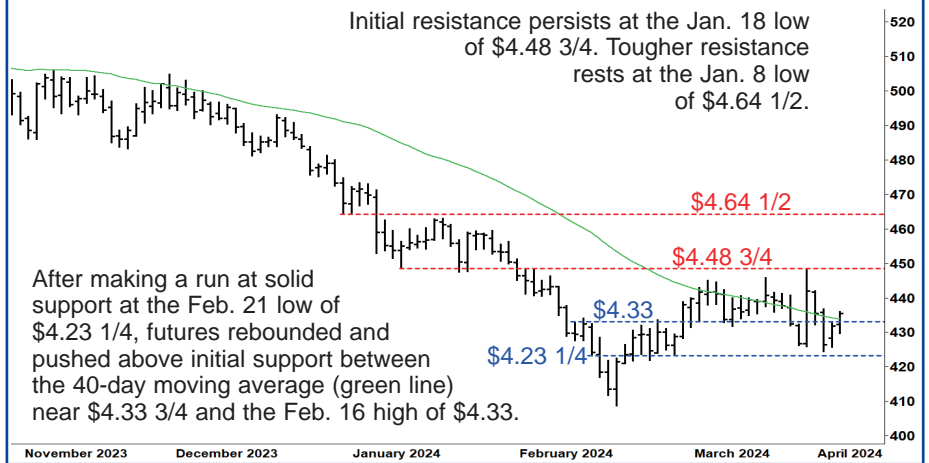


Position Monitor

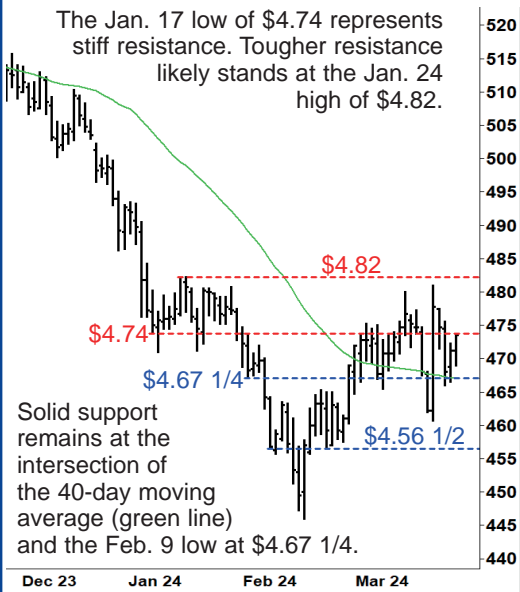
	'23 crop	'24 crop
Cash-only:	35%	0%
Hedgers (cash sales):	50%	0%
Futures/Options	0%	0%

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



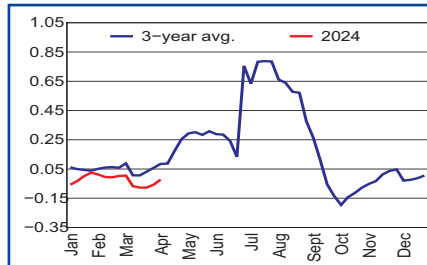
DAILY DECEMBER CORN



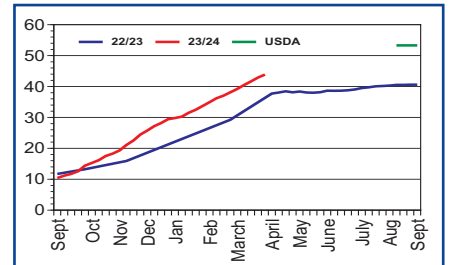
CORN - Fundamental Analysis

Export data indicated active rail shipments of corn to Mexico and Canada again boosted the February total well above levels implied by weekly export inspections. This now represents a four-month trend (see *News* page 2). February usage for ethanol production also stayed strong. As our supply/demand tables on *News* page 4 indicate, we believe depressed prices are boosting usage across the board, which should eventually provide support for a price rebound. However, we see little chance of substantially reduced domestic supplies in the 2024-25 marketing year in the absence of major weather problems. That's why we're looking to actively sell on price strength.

AVERAGE CORN BASIS (MAY)



CORN EXPORT BOOKINGS (MMT)

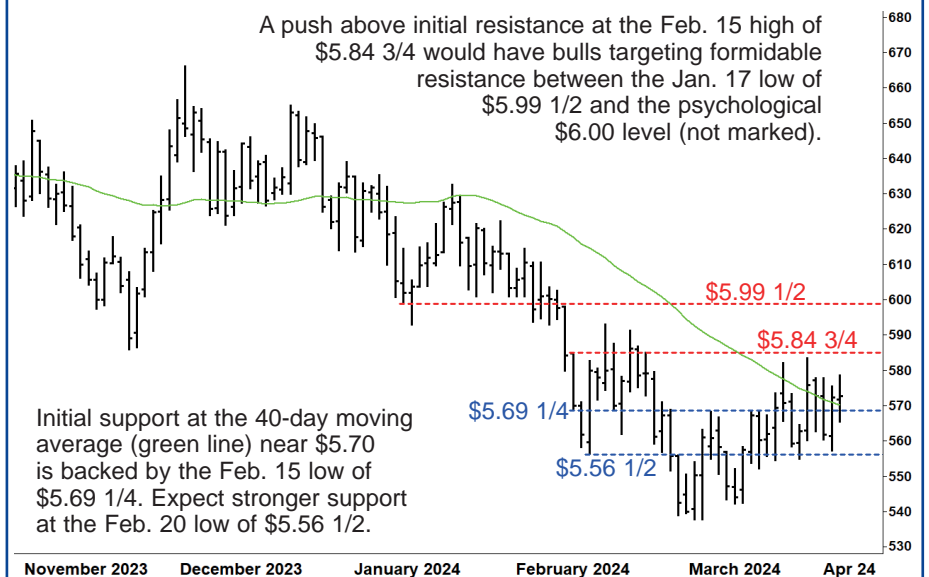


Position Monitor

	'23 crop	'24 crop
Cash-only:	80%	20%
Hedgers (cash sales):	80%	20%
Futures/Options	0%	0%

Game Plan: On March 28, we advised selling another 10% of 2023-crop. Use periods of price strength to get current with advised sales. Be prepared to increase old- and new-crop sales on an extended price rally.

DAILY JULY SRW WHEAT



WHEAT - Fundamental Analysis

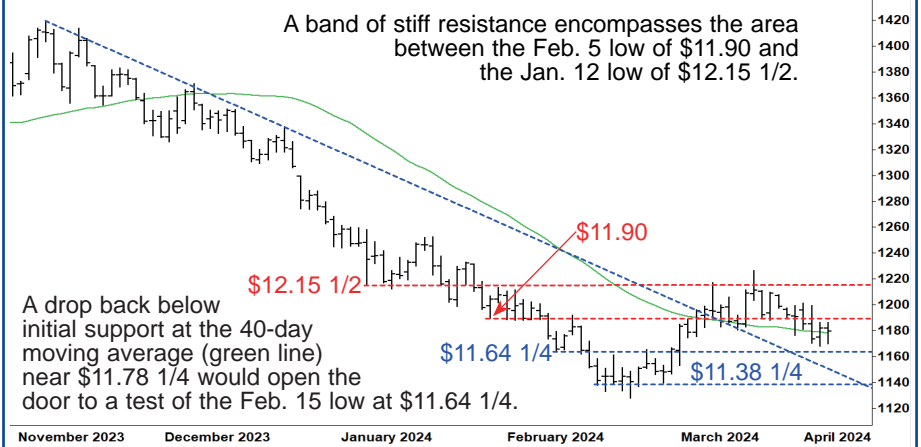
SRW – Although Russia is reportedly curbing its grain exports, the glutted global wheat situation won't tighten soon. This seems especially true in the wake of greatly improved winter wheat crop ratings (see *News* page 2 on both points). Still, a corn/soybean rally could pull wheat higher.

Position Monitor

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

Game Plan: Futures are rolling over from the March highs, suggesting there could be more near-term price pressure. You must be prepared to make additional sales on any notable 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



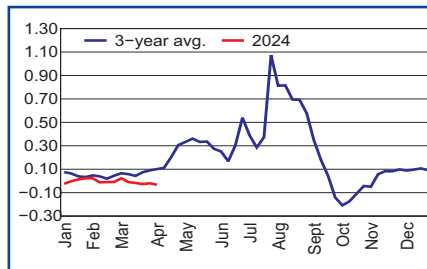
DAILY NOVEMBER SOYBEANS



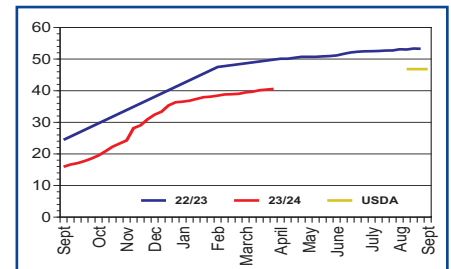
SOYBEANS - Fundamental Analysis

Anticipated spring soybean plantings didn't rise quite as much as expected, but that was more than offset by bearish implications from the March 1 stocks figure. Despite increased supplies and lower prices, implied second-quarter usage for the 2023-24 marketing year fell 12% annually. Reduced exports account for the decline and large South American supplies suggest that will remain a big issue. Bulls can take some comfort from bears' inability to force a retest of recent lows in soymeal, while ongoing crude and palm oil gains could boost soyoil prices. But these conditions emphasize the need for timely sales if there's extended price strength.

AVERAGE SOYBEAN BASIS (MAY)



SOYBEAN EXPORT BOOKINGS (MMT)



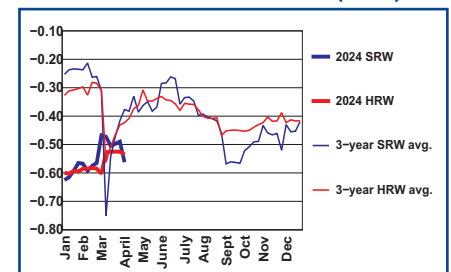
DAILY JULY HRW WHEAT



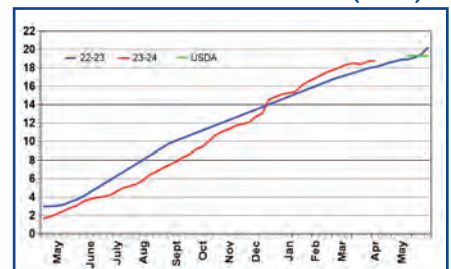
DAILY SEPTEMBER HRS WHEAT



AVERAGE WHEAT BASIS (MAY)



WHEAT EXPORT BOOKINGS (MMT)



HRW — As noted on *News* page 2, the first national HRW ratings of 2024 were markedly improved from last fall. This implies higher yields, as well as reduced abandonment. Ultimately, the logistical disadvantages of North American exports remains a big issue for the wheat outlook. Sustained U.S. dollar strength is also handicapping the market.

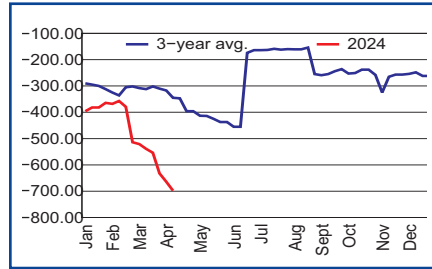
HRS — USDA's forecast for spring wheat plantings exceeded industry expectations, but HRS traders were likely encouraged when the expected rise fell short of increased durum seedings. From a pragmatic standpoint, bears' inability to sustain the post-report breakdown last week may presage a fresh test of overhead resistance.

Position Monitor

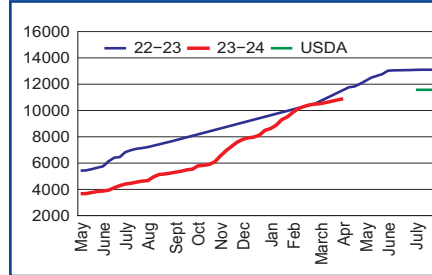
	'23 crop	'24 crop
Cash-only:	90%	25%
Hedgers (cash sales):	90%	25%
Futures/Options	0%	0%

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)



COTTON - Fundamental Analysis

News of relatively low cotton planting intentions only temporarily supported futures. And the recent price drop has done little to boost export sales. These shifts imply cotton prices remain vulnerable to additional losses, as funds continue liquidating long positions.

GENERAL OUTLOOK

PRECIOUS METALS: Gold hit a record high over \$2,300 per ounce last week as safe-haven demand has surged amid heightened geopolitical tensions. The Israel/Hamas war remains hot. Also, an Israeli air strike in Syria apparently killed top-brass Iranian military officials, threatening to widen the conflict.

The charts are firmly bullish for gold, which continues to invite speculators to the long side. Also helping gold appreci-

ate is raw commodity sector leader crude oil seeing a price surge, with Nymex futures climbing above \$85.00.

Especially impressive to bulls is that gold futures keep rallying despite rising Treasury yields and concurrent U.S. dollar strength. Typically, rising bond yields and greenback gains are bearish for gold. These factors suggest the Fed will be keep rates higher for longer before cutting.

FROM THE BULLPEN By Economist Lane Akre

The March Prospective Plantings Report showed a 6.29-million-acre annual decline in principal crop area, which left analysts wondering where the "lost" acres went. It is important to note that principal crop acres are expected to rise marginally from the five-year average. This year's drop in acreage is more a testament to how high acres were last year, rather than how few acres will be planted this year.

Since 1986, March corn planting intentions have fallen from the prior year 14 times. Seven of those times, June planted acres came in above March intentions, while the remaining seven years saw a steeper decline from March intentions.

Since 1986, soybean planting intentions have topped the prior year's acreage

twenty times. Nine of those times, planted acres fell short of initial intentions, while they rose even more the remaining eleven times. The last four years have each seen March soybean intentions above the prior year's planted area, though the last three times plantings fell shy of initial intentions. Bean acres have seen significant revisions from March to June several times both higher and lower in the last 10 years.

Weather throughout spring planting plays a large role in deciding how the total acreage number plays out. The more favorable the weather, the more corn acres tend to increase. Poorer spring weather tends to favor less corn acres and more soybeans than indicated in March.

DAILY MAY COTTON



MONTHLY NEARBY GOLD FUTURES (\$/OZ.)



WATCH LIST

- 1 USDA Crop Progress Report** **MON 4/8**
Focus on winter wheat conditions. 3:00 p.m. CT
- 2 U.S. Consumer Inflation** **WED 4/10**
Consumer price index for March. 7:30 a.m. CT
- 3 USDA Export Sales Report** **THUR 4/11**
Will steady corn sales continue? 7:30 a.m. CT
- 4 USDA Supply & Demand Rpt.** **THUR 4/11**
Focus on shifts to domestic use. 11:00 a.m. CT
- 5 China Trade Data** **THUR 4/11**
Exports, imports for March. 10:00 p.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.