

February 15, 2024

Weather:

- **Southern Spain and Morocco are advertised to be mostly dry over the next ten days, but today's GFS model runs suggested greater rain might impact both countries in the last days of this month** Confidence is low, but the region needs frequent rain into April to support winter crops properly
- **Northern Russia is still deeply buried in snow with abundant soil moisture beneath it** which may lead to spring planting delays and it might lead to some spring flooding in low lying areas and near rivers and streams
- **Argentina will experience net drying for the next 8-9 days, although some rain will fall in the far west late next week. The ground will firm up, but crop conditions should remain mostly good because of the abundant moisture that has fallen recently**
- **Southern Brazil** will experience favorable mix of rain and sunshine except in western and a few far southern Rio Grande do Sul locations where net drying is expected. **The environment will be ideal for summer crop development**
- **Northern Brazil has been benefiting from drier weather the past few days and changes are coming to induce a more active weather pattern**
- **Western South Africa summer crop areas are drying out too much** and crop moisture stress is on the rise in unirrigated fields
- **Eastern Australia summer crop areas will get a few showers and thunderstorms over the next ten days supporting some crop development, but evaporation rates will outpace much of the rainfall in some areas leaving a need for greater rain frequency and amounts. Summer crop production will be greater than expected in 2024, but timely rainfall is needed to ensure the best yields.**
- **Western Australia livestock areas will be subjected to a strong ridge of high pressure this weekend into next week inducing another round of excessive heat and animal stress.** Extreme highs of 108 to 120 Fahrenheit are expected with Sunday and Monday hottest. The heat will shift to South Australia during the first half of next week
- **Europe temperatures over the next seven days** will be well above normal with cooling likely late this month **The warmth will reduce winter hardiness and bring a few crops in the southwest out of dormancy**

- **Canada Prairies precipitation** will be lighter than usual through the next ten days continuing a trend that has dominated much of the cool season. Recent precipitation and snow cover has been welcome and will help to contribute to planting moisture when it melts. Temperatures will be colder than usual over the next ten days which will conserve the snow

News:

Gulke Group 2024 Winter Palm Springs Conference Rancho Las Palmas in Rancho Mirage, CA on Feb. 21-23. conference will start at noon on Wednesday (Feb. 21) and conclude around noon on Friday (Feb. 23).

- Traders reported 68,000 mt of South African or South American origin Corn was bought by Major Feedmill Group.
- Japan's Ag Ministry announced they purchased 115,035 mt of Australian, Canadian and US origin mill grade Wheat at today's tender. The total includes 30,150 mt of Aussie white, 30,190 mt of Canadian red spring, 34,060 mt of US HRW, and 20,635 mt of US white wheat.
- The International Grains Council raised their 23/24 global Corn production figure by 4.0 mln mt to 1.234 billion mt. They kept their 23/24 global Wheat production figure steady at 788 million mt.
- USDA Ag Sec Vilsack told a congressional hearing that without action from Congress to expect US meat marketplace chaos due to a California law tightening animal welfare laws for pork products. Pork industry lobbied against the California law, and the Biden administration backed the industry, calling on Congress to use federal action to suspend the California law. The law went into effect on Jan 1, 2024.
- Despite an Arizona court ruling halting the use of dicamba herbicide, the US EPA late Wednesday said farmers will be able to use some of their existing supplies. Head of the American Soybean Assn. said the group is grateful members will be able to use products they've already ordered and had delivered.
- A push to replenish depleted oil stocks notably in China, the United States and Europe could buoy demand and prices in coming months, analysts and traders said, as tensions in the Middle East threaten key shipping lanes. Heavily depleted by supply disruptions wrought by sanctions on Russia in the middle of 2022, as well as protracted OPEC+ output cuts, global oil inventories have barely recovered with traders unable to justify the costs for storing oil.

2023 USDA Agricultural Outlook Supply and Demand Verbiage:

Corn: Planted acreage of 91.0 million, with harvested acres of 83.1 million. A national average corn yield of 181.0 bu. per acre would produce a crop of 15.040 billion bushels. Total use is projected at 14.705 billion bu., with feed and residual use of 5.750 billion bu.,

food, seed & industrial use of 6.805 billion bu. (5.400 billion bu. for ethanol) and exports of 2.150 billion bushels. Carryover: 2.532 billion bushels (17.2% stocks/use). Price: \$4.40.

Soybeans: Planted acreage of 87.5 million, with harvested acres at 86.6 million. A national average bean yield of 52.0 bu. per acre would result in a crop of 4.505 billion bushels. Total use is projected at 4.400 billion bu., including 2.400 billion bu. of crush and exports of 1.875 billion bushels. Carryover: 435 million bushels (9.9% stocks/use). Price: \$11.20

Wheat: Planted acreage of 47.0 million, with harvested acres at 38.4 million. A national average yield of 49.5 bu. per acre would produce a crop of 1.900 billion bushels. Total domestic use is projected at 1.134 billion bu., with exports forecast at 775 million bushels. Carryover: 769 million bushels (40.3% stocks/use). Price: \$6.00.

Cotton: Planted acreage of 11.0 million, with harvested acres at 9.29 million and a national average yield of 827 lbs. per acre. That would produce a crop of 16.0 million bales. Total use is projected at 15.5 million bales, including exports of 13.8 million bales. Carryover: 3.5 million bales (22.6% stocks/use). Price: 80.0¢.

Cattle: U.S. beef production is projected at 26.19 billion lbs., down 3% from 2023. Exports are projected at 2.785 billion lbs., down 8.3% from last year. Cash price: \$180.00, which would be a record and up \$4.46 from last year.

Hogs: U.S. pork production is projected at 27.88 billion lbs., up about 2% from last year. Exports are expected to rise 3.8% to 7.080 billion pounds. Cash price: \$60.00, up \$1.41 from last year.

Broilers: U.S. production is projected to be a record 46.8 billion lbs., up just under 1% from last year. Broiler meat exports are projected at 7.22 billion lbs., down fractionally from 2023. Wholesale broiler price: \$1.27 per lb., up 2.4% from last year and a record.

Dairy: Milk cow numbers are seen lower in 2024, with milk production projected at 228.2 billion lbs., up 0.7% as production per cow is seen rising 0.9%. Exports are projected to rise 10% with a 1% increase in domestic use on a fat basis while use on a skim-solids basis is seen declining 1% but remaining above the five-year average. The all-milk price is projected to be \$20.95 per cwt., up from \$20.48 in 2023.

Technical:

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Market Fundamentals:

Yesterday's Trades: No new trades.

ADVICE: US Ag Forum further supports ideas we are headed for, as our USDA Sect said—some dicey times. We noticed that in his budget proposal is an increase for RMA Crop Insurance--- as the cost squeeze increases more will be needed.

No new advice ---we'll digest report today and tomorrow as others will as well. The mega-short funds have yet to see a short covering rally. Expect to see more advice on selling far out call options for the carry---

COMMENTS: Yesterday the options trade offered a cheap way for new traders to sell futures and buy calls but it hasn't worked yet as futures prices are stable and put options deteriorate—but there is a week left of life for the puts -odds are the market will clip the premium on put options.

Jamie has a detailed breakdown on important aspects of the Forum in News above.

Click on <https://www.usda.gov/oce/ag-outlook-forum/commodity-outlooks> for complete info.

PSP Conference: If you haven't sent registration funds, do so today please and send directly to

**81647 Merv Griffin Way
La Quinta, CA 92253**

Or bring a check with you next week.

| Gulke GroupSpec Table Buy/Sell Stops | | | | (*New Positions in BOLD) | | | |
|--------------------------------------|-----------|-----------|-----------|--------------------------|----------|-------------------|----------------|
| | 2/15/2024 | | | Today's Stops | | Current Position* | |
| | High | Low | Close | Buy | Sell | Long | Short |
| CH24 | 431 | 422 1/4 | 424 1/4 | 433 1/2 | 415 | | 445 1/2 |
| CN24 | 453 | 445 1/4 | 447 1/4 | 455 1/2 | 439 | | 490 1/2 |
| CZ24 | 470 | 462 1/2 | 464 1/4 | 472 1/4 | 456 1/4 | | 474 1/2 |
| SH24 | 1190 | 1168 1/4 | 1170 1/2 | 1192 3/4 | 1148 1/4 | | 1205 1/2 |
| SX24 | 1167 1/2 | 1153 1/4 | 1155 | 1169 3/4 | 1140 1/4 | | 1186 3/4 |
| SMH24 | 348.5 | 342.3 | 343.3 | 349.7 | 337.0 | 355.4 | |
| BOH24 | 47.54 | 46.12 | 46.35 | 48.27 | 44.43 | | 47.98 |
| WH24 | 597 3/4 | 577 1/2 | 585 1/2 | 606 1/4 | 564 3/4 | | 585 1/2 |
| WN24 | 598 | 580 | 584 1/4 | 602 3/4 | 565 3/4 | | 596 1/2 |
| KWH24 | 595 1/2 | 579 1/4 | 587 3/4 | 604 1/2 | 571 | | 622 3/4 |
| MWH24 | 671 3/4 | 660 1/4 | 662 1/2 | 674 1/2 | 650 1/2 | | 689 |
| LCM24 | 182.575 | 180.125 | 181.125 | 184.075 | 178.175 | | 181.225 |
| LCV24 | 184.625 | 182.000 | 183.000 | 185.825 | 180.175 | | 184.100 |
| LHM24 | 97.575 | 94.675 | 96.775 | 99.875 | 93.675 | 96.450 | |
| LHV24 | 83.425 | 82.775 | 83.325 | 84.175 | 82.475 | | 82.825 |
| FCH24 | 248.400 | 243.550 | 246.225 | 251.275 | 241.175 | | 246.125 |
| CTH24 | 94.49 | 90.91 | 93.480 | 97.26 | 89.70 | 86.24 | |
| CTK24 | 95.28 | 91.37 | 94.380 | 98.34 | 90.42 | 87.32 | |
| SBH24 | 23.57 | 22.79 | 23.370 | 24.20 | 22.54 | | 23.67 |
| G CJ24 | 2008.8 | 1996.4 | 2004.80 | 2017.70 | 1991.90 | | 2017.00 |
| NRH24 | 18.74 | 18.31 | 18.62 | 19.08 | 18.16 | | 18.570 |
| DJH24 | 38526.00 | 38255.00 | 38494 | 38785 | 38203 | | 38334.00 |
| CLH24 | 78.77 | 76.38 | 76.64 | 79.23 | 74.05 | 75.09 | |
| NGH24 | 1.685 | 1.590 | 1.609 | 1.719 | 1.499 | | 2.477 |
| DXH24 | 104.88 | 104.545 | 104.610 | 105.14 | 104.08 | 101.620 | |
| USH24 | 118 26/32 | 117 26/32 | 118 17/32 | 119 25/32 | 117 9/32 | | 119 21/32 |

RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

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