

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
- <u>Southern Brazil</u> 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
- <u>Europe temperatures over the next seven days</u> will be well above normal with cooling likely late this month The warmth will reduce winter hardiness and bring a few corps in the southwest out of dormancy

• <u>Canada Prairies precipitation</u> 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.

Technicals:

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 GroupS	pec Table Buy	/Sell Stops	(*New Positions in BOLD)						
		2/15/2024		Today's	s Stops	Current Position*				
	<u>High</u>	Low	Close	Buy	<u>Sell</u>	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			
GCJ24	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.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THES IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

THE GULKE GROUP HAS HAD LITTLE OR N\O EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF OR FOR CUSTOMERS. BECAUSE THERE ARE NO ACTUAL TRADING RESULTS TO COMPARE TO THE HYPOTHETICAL PERFORMANCE RESULTS, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE HYPOTHETICAL PERFORMANCE RESULTS. This composite performance records are hypothetical and are used as a guide for position tracking purposes. Execution prices are an average execution price of the first ten trades recorded after advice has been posted and commonsense. In the event less than 10 trades are executed, prices will be determined by looking at fills, in relation to when the advice was given to clients, and a commonsense price will be determined. If no trades are executed, prices are determined by looking at a 1 min chart to determine the tracking price. The closing price on the previous day is used to determine the P/L listed in the Morning Comments and are net of average round turn commissions of \$33.00 for futures and \$36 for options and round turn fees of \$5.34 for grains and \$5.50 for livestock (these fees may change at any time by the CME). One of the limitations of a hypothetical composite performance records is that client decisions relating to the recipient's advice may or may not elect to act upon such advice and timing of execution by clients of advice may create a difference in the execution price represented in the matrix below. Therefore, composite performance records may differ which may materially affect trading results.

	HYPOTHETICAL HED	GING PO	SITION MA	TRIX		2/15/2024								
2023 Corn	- margin= \$1425	GING FC	JOI HON WIA	IKIA	2023 SOYB	EANS - margin= \$2500	2022 WHEAT - margin= \$2600							
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
	res price day of sale)		- Cimitato	/orrougeu		es price day of sale)			70 TTO WIGOU		price day of sale)		- Cuitar	70 Tiougo
	Sold CASH vs. CZ	621 1/2	\$8,199.16	5.0%		Sold CASH vs. SX23	1387	\$874.16	15.0%	3/31/2022	Sold CASH vs. WN22	1021	\$11,299.16	10%
ULLILO	000 0701110. 02	OL 1 III	\$0,100.10	0.070	1/4/2023	Sold CASH vs. SX23	1389 1/2	\$999.16	5.0%	6/17/2022	Sold CASH vs. WZ22	1076	\$17,349.16	10%
		Total		5.0%	1/5/2023	Sold CASH vs. SX23	1386 1/4	\$836.66	5.0%	9/2/2022	Sold CASH vs. WZ22	804	\$3,749.16	10%
utures/Op	tions			0.070	1/20/2023	Sold CASH vs. SX23	1352 1/2	(\$850.84)	5.0%	9/14/2022	Sold CASH vs. WZ22	860	\$6,549.16	20%
	Sold CN 480 calls(10%)	16 1/4	\$133.66	10.00%	3/13/2023	Sold CASH vs. SX23	1340 1/4	(\$1,463,34)	5.0%	9/16/2022	Sold CASH vs. WZ22	836 1/2	\$5,374.16	10%
	Sold CN 480 calls(10%)	17 1/4	\$183.66	10.00%	4/4/2023	Sold CASH vs. SX23	1317 1/4	(\$2,613.34)	10.0%	12/2/2022	Sold CASH vs. WH23	767	\$3,986.66	10%
LILILULT	Futures/Options Hedged	17 173	ψ100.00	20.0%	10/3/2023	Sold CASH vs. SF24	1290	\$4,174.16	10.0%	1/4/2023	Sold CASH vs. WH23	745 1/2	\$2,911.66	5%
	Total Hedged(included CA	SHI		25.0%	11/8/2023	Sold CASH vs. SF24	1366	\$7,974.16	25.0%		COIG OF ICET TO: TITLE	Total	\$2,011.00	75%
2024 Corn	- margin= \$1075	(OII)		20.070	11/0/2023	00ld 0/1011 V3. 01 24	Total	Ψ1,314.10	80.0%	Futures/Optio	ne	Total		1070
Date	Action	Price	Status	% Hedged	Futures/Opt	tions	Total		00.070	1/5/2024	Sold WN24 640 Calls(20%)	43 3/4	\$1,158.66	20.0%
	res price day of sale)	1 HCC	Otatus	70 Ficugeu		Sold SN 1260 calls(10%)	36 3/4	\$627.41	10.0%	1/3/2024	Futures/Options Hedged	70 017	\$1,100.00	20.0%
Casii (lutui	es price day or sale;			_	2/2/2024	Sold SN 1260 calls(10%)	35 5/8	\$571.16	10.0%		Total Hedged(included CA	2LI)		95.0%
		Total		0.0%	2/2/2024	Futures/Options Hedged	33 3/0	\$371.10	20.0%	2023 WHEAT	- margin= \$2600	эпј		90.076
F. d 10	#	IUlai		0.076					100.0%			Dates	04-4	0/ 11- 4
Futures/Op		00.444	4.7	15.000/	20212	Total Hedged(included CAS	н)		100.0%	Date	Action	Price	Status	% Hedge
1/5/2024	Sold CZ 500 calls(15%)	36 1/4	\$471.16	15.00%		eans - margin - \$1725			0/11 1 1		price day of sale)	000	*10.100.00	150
1/29/2024	Sold CZ 500 calls(10%)	27 3/4	\$46.16	10.00%	Date	Action	Price	Status	% Hedged	9/30/2022	Sold CASH vs. WN23	906	\$13,186.66	15%
	Futures/Options Hedged			25.0%	Futures/Opt	tions				12/2/2022	Sold CASH vs. WN23	785 1/2	\$7,161.66	10%
	Total Hedged(included CA	(SH)		25.0%								Total		25%
	Coverage - Corn									Futures/Option				
Date	Action	Price	Status	% Hedged						1/4/2024	Sold WN24 640 Calls(20%)	37	\$821.16	20.0%
1st Quarter	2024					Futures/Options Hedged			0.0%	2/2/2024	Sold WN	611 3/4	\$1,336.66	10.0%
						Total Hedged(included CAS	H)		0.0%		Futures/Options Hedged			30.0%
		Total		0.0%	2023 Canol	a - margin = \$880CD	-				Total Hedged(included CA	SH)		55.0%
2nd Quarte	r 2024			5.075	Date	i iiiiigiii vootob	Price	Status	% Hedged	2024 WHEAT	- margin= \$2400	,		
Lina Quarto	1 2024			_		es price day of sale)	11100	ountuo	70 TTO GOOD	Date	Action	Price	Status	% Hedged
		Total		0.0%	Casii (iutui	es price day or sale)	Total		0.0%		price day of sale)	FIICE	Status	/₀ neuget
: C-W-	i ¢4000	Total		0.0%	F. d 10	e	TOTAL		0.0%	Cash (lutures	price day of sale)			+
	- margin = \$1600				Futures/Opt									
Date	Action	Price	Status	% Hedged	2/2/2024		607.50	\$116.86	15%			Total		0%
Spring 202	4					Futures/Options Hedged			15.0%	Futures/Option				
						Total Hedged(included CAS	H)		15.0%	1/4/2024	Sold WN24 640 Calls(20%)	37	821.16	20.0%
		Total		0.0%	2022 MN WI	HEAT - margin= \$3000				2/2/2024	Sold WN	611 3/4	\$1,336.66	10.0%
Fall 2024					Date	Action	Price	Status	% Hedged		Futures/Options Hedged			30.0%
					Cash (future	es price day of sale)		1111			Total Hedged(included CA	SH)		30.0%
		Total		0.0%	3/31/2022	Sold CASH vs. MWU22	1040	\$5,661.66	10%	2022 KC WHE	AT - margin= \$2400		Status	% Hedged
Ecodor Cat	tle - Producer - margin = \$2			0.070	6/17/2022	Sold CASH vs. MWZ22	1188 3/4	\$12,424.16	10%	Date	Action	Price	otatus	70 Ticugeu
Date	Action	Price	Status	% Hedged	9/2/2022	Sold CASH vs. MWZ22	896	(\$2,213.34)	10%		price day of sale)	Tille		+
		FIICE	Status	/₀ ⊓eugeu	12/2/2022	Sold CASH vs. MWH23	928		10%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,599.16	10%
Spring 202	4	-		_				\$4,086.66						
					1/4/2023	Sold CASH vs. MWH23	903	\$2,836.66	5%	6/17/2022	Sold Cash vs. KWZ22	1141	\$13,524.16	10%
		Total		0.0%			Total		45%	9/2/2022	Sold Cash vs. KWZ22	878	\$374.16	10%
Fall 2024					Futures/Opt					12/2/2022	Sold Cash vs. KWH23	872	\$2,886.66	10%
					1/5/2024	Sold WN24 640 Calls(20%)	43 3/4	\$1,158.66	20.0%	1/4/2023	Sold Cash vs. KWH23	838 1/2	\$1,211.66	5%
		Total		0.0%		Futures/Options Hedged			20.0%			Total		45%
Live Hogs	- margin = \$1600					Total Hedged(included CAS	H)		65.0%	Futures/Optic	ons			
Date	Action	Price	Status	% Hedged	2023 MN WI	HEAT - margin= \$3000				1/5/2024	Sold WN24 640 Calls(20%)	43 3/4	\$1,158.66	20.0%
4th Quarter	2023				Date	Action	Price	Status	% Hedged		Futures/Options Hedged			20.0%
						es price day of sale)					Total Hedged(included CA	SH)		65.0%
		Total		0.0%		Sold CASH vs. MWU23	944	\$9,524.16	15%	2023 KC WHE	AT - margin= \$2400	21.17		00.070
1st Quarter	2024	Total		0.070	12/2/2022	Sold CASH vs. MWU23	906 1/4	\$7,636.66	10%	Date	Action	Price	Status	% Hedged
13t Quarter	2024			_	12/2/2022	SOID CASTI VS. IVIVOZS	Total	\$1,000.00	25%		price day of sale)	THOO	otatus	70 Ticagea
		Total		0.0%	Futures/Opt	tions	, Juli		2070	9/30/2022	Sold CASH vs. KWN23	952	\$7,099.16	15%
2022 0-4-	n morain = \$2500	TOTAL		0.076			27	6004.40	20.00/					
	n - margin = \$3500				1/4/2024	Sold WN24 640 Calls(20%)	37	\$821.16	20.0%	12/2/2022	Sold CASH vs. KWN23	861	\$2,549.26	10%
Date	Action	Price	Status	% Hedged	2/2/2024	Sold WN	611 3/4	\$1,336.66	10.0%			Total		25%
3/31/2022	Sold CASH vs. CTZ22	111.53	\$11,529.76	15%		Futures/Options Hedged			30.0%	Futures/Option				
	Sold CASH vs. CTZ22	112.50	\$11,917.76	15%		Total Hedged(included CAS	H)		55.0%	1/4/2024	Sold WN24 640 Calls(20%)	37	\$821.16	20.0%
3/8/2023	Sold CASH vs. CTH23	82.89	\$1,021.76	10%	2024 WHEA	T - margin= \$2600				2/2/2024	Sold WN	611 3/4	\$1,336.66	10.0%
4/4/2023	Sold CASH vs. CTN23	81.35	\$21.76	10%	Date	Action	Price	Status	% Hedged		Futures/Options Hedged			30.0%
4/20/2023	Sold CASH vs. CTK23	79.50	(\$850.24)	10%	Cash (future	es price day of sale)					Total Hedged(included CA	SH)		55.0%
		. 5.00	Total	60%	- Indiana					2024 WHEAT	-margin= \$2175	1		
2023 Cotto	n - margin = \$3500						Total		0%	Date	Action	Price	Status	% Hedged
Date	Action	Price	Status	% Hedged	Futures/Opt	tions	·Jui		0 70		price day of sale)	. 1100	outus	,s ricageu
							27	6024 46	20.00/	Casii (iutures	price day or salej			+
3/10/2023	Sold Dec Futures	80.20	\$541.76	10%		Sold WN24 640 Calls(20%)	37	\$821.16	20.0%	-		Total	-	60/
	Sold Dec Futures	81.65	\$1,121.76	10%	2/2/2024		611 3/4	\$1,336.66	10.0%	F 12		Total		0%
	Sold Dec Futures	80.62	\$709.76	10%		Futures/Options Hedged			30.0%	Futures/Option				-
8/2/2023	Sold Dec Futures	84.38	\$2,213.76	15%		Total Hedged(included CAS	H)		30.0%	1/4/2024	Sold WN24 640 Calls(20%)	37	\$821.16	20.0%
			Total	45%	Energy					2/2/2024	Sold WN	611 3/4	\$1,336.66	10.0%
							0		04-4		Futures/Options Hedged			30.0%
	Livestock Trading Hours				Date	Action	Contracts	Price	Status	11	rutures/Options neugeu			
Mon - Fri	Livestock Trading Hours 8:30 am to 1:05 pm CST	No Night	Trading		Date	Action	Contracts	Price	Status			SH)		
Mon - Fri	8:30 am to 1:05 pm CST	No Night	Trading			Action	Contracts	Price	Status		Total Hedged(included CA	SH)		30.0%
	8:30 am to 1:05 pm CST Grain Trading Hours		Trading		Spec							SH)		
	8:30 am to 1:05 pm CST		Trading			Action	Contracts	Price	Status			SH)		
Mon - Fri Sun - Fri	8:30 am to 1:05 pm CST Grain Trading Hours		Trading		Spec							SH)		