

February 27, 2024

Weather:

- No major changes in South America overnight
 - Interior southern Brazil will continue to experience restricted rainfall for the next week, although totally dry weather is unlikely
 - Greater rain falls in interior southern Brazil during the second week of the outlook
 - Southern Argentina rainfall is advertised greater in the last five days of the two week outlook
- Not much change in North America was noted overnight in the first week of the forecast
 - Livestock stress will be high in the U.S. Plains through the weekend due to wildly swinging temperatures, low humidity and both very warm to hot temperatures and bitter cold
 - Strong wind speeds in the high Plains may lead to some blowing dust
 - Most of the Plains and western Corn Belt will be dry biased over the next full week
 - Canada's Prairies will receive another bout of widespread snow this weekend
- Eastern U.S. Plains and western U.S. Corn Belt weather may trend wetter in the second half of next week
- Eastern U.S. Midwest will see timely bouts of rain during the next two weeks along with the Delta and southeastern states

- West Texas precipitation will be limited over the next full week and “may” get “some” showers in the following week

News:

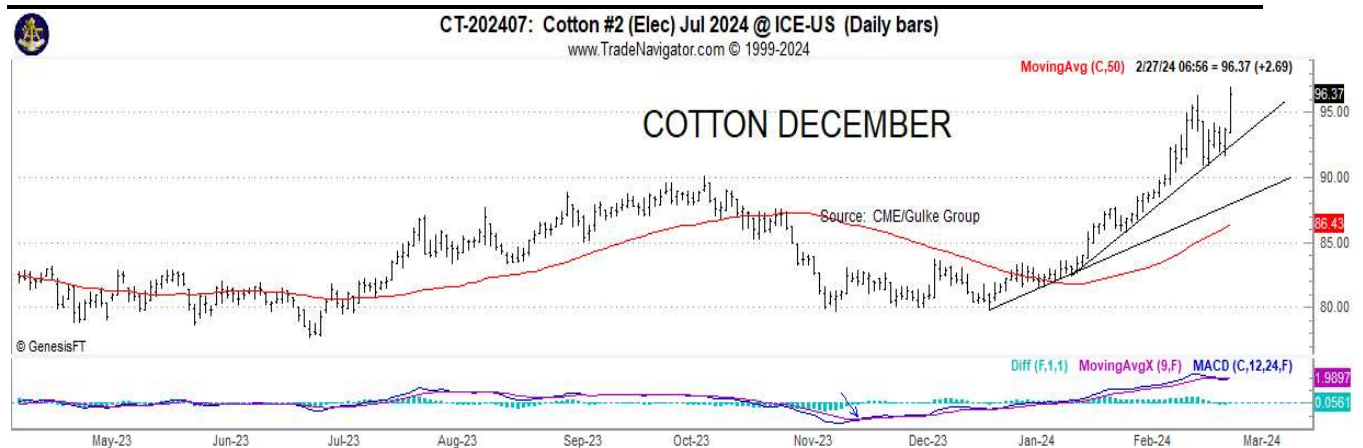
- **USDA reported private sale of 123,000 metric tons of soybeans for delivery to unknown destinations during the 2023/2024 marketing year.**
- Dr. Cordonnier kept his Brazilian and Argentine crop estimates unchanged given rains last week and more in the forecast this week. Cordonnier estimates Brazil's production at 145 MMT for soybeans and 112 MMT for corn. He forecasts Argentina's production at 50 MMT for soybeans and 54 MMT for corn. He has a neutral to lower bias toward crops in both countries.
- Indonesia plans to double its palm oil replanting subsidy to boost farmer participation in the program, without giving a date of when the higher payments will be enacted. Farmers receive subsidies to buy palm seedlings and cultivate new palm trees to replace older, less fruitful trees. However, participation has been slow because of administrative hurdles and farmers' concerns over loss of income while they wait for the trees to mature.
- The Indonesia Palm Oil Association projected 2024 palm oil production up 5% to 57.6 mln mt, last year's output was 54.84 mln mt. They attributed the increase to additional acres with more mature plants bearing higher yields. They noted 2023 palm oil product exports were off -2.7% to 32.2 mln mt when compared to the 33.1 mln mt shipped abroad in 2022. The Indonesian government last year increased mandatory biodiesel blending requirement by five percentage points to 35%, in turn increasing domestic demand of palm oils. The group is forecasting 2024 palm oil exports around 32.0 mln mt.
- USDA's Cold Storage Report showed beef stocks declined contra-seasonally during January, while pork stocks rose less than average. Frozen beef stocks at the end of January totaled 475.4 million lbs., down 4.9 million lbs. from December, whereas the five-year average was a 2.9-million-lb. increase during the month. Beef stocks fell 59.8 million lbs. (11.2%) from January 2023 and were 40.1 million lbs. (7.8%) below the five-year average. Pork stocks rose 40.6 million lbs. during January to 468.0 million pounds. The five-year average was a 48.6-million-lb. increase during the month. Pork stocks declined 51.1 million lbs. (9.8%) from January 2023 and were 51.8 million lbs. (10.0%) lower than the five-year average.

USDA February 2024 Monthly State-by-State Wheat Conditions

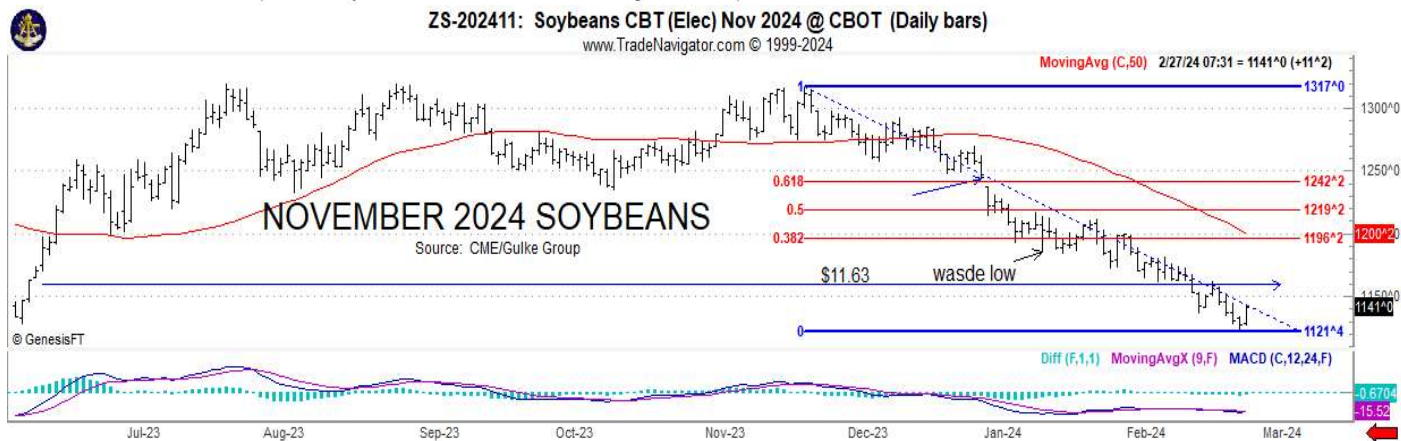
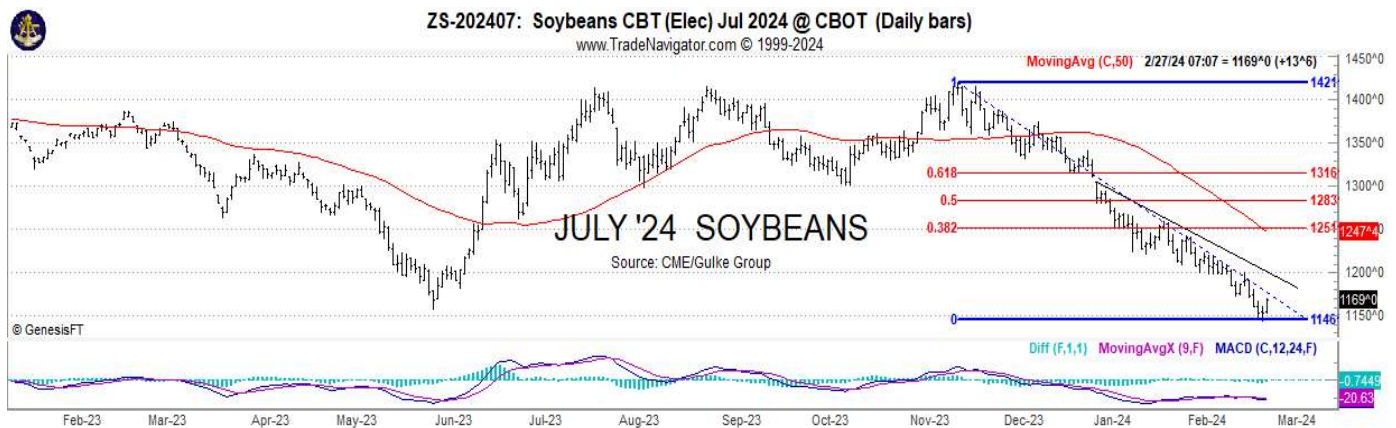
- Illinois February Winter Wheat conditions very poor-poor 4%, fair 30%, good 49%, excellent 17%, that compares with last month's very poor-poor 4%, fair 20%, good 57%, excellent 18%

- Colorado February Winter Wheat conditions very poor-poor 7%, fair 37%, good 49%, excellent 7%, that compares with last month's very poor-poor 5%, fair 11%, good 72%, excellent 12%
- Kansas February Winter Wheat conditions very poor-poor 13%, fair 30%, good 50%, excellent 7%, that compares with last month's very poor-poor 15%, fair 31%, good 46%, excellent 8%
- Nebraska February Winter Wheat conditions very poor-poor 7%, fair 33%, good 48%, excellent 12%, that compares with last month's very poor-poor 6%, fair 25%, good 58%, excellent 11%
- Oklahoma February Winter Wheat conditions very poor-poor 6%, fair 24%, good 61%, excellent 9%, that compares with last month's very poor-poor 9%, fair 28%, good 52%, excellent 11%
- Texas February Winter Wheat conditions very poor-poor 19%, fair 35%, good 36%, excellent 10%, that compares with last week's very poor-poor 19%, fair 41%, good 33%, excellent 7%
- Texas February Winter Wheat Headed crop progress latest week 8%, last week 5%, year ago week 10%
- South Dakota February Winter Wheat conditions very poor-poor 7%, fair 35%, good 55%, excellent 3%, that compares with last month's very poor-poor 5%, fair 42%, good 51%, excellent 2%
- North Dakota February Winter Wheat conditions very poor-poor 7%, fair 45%, good 47%, excellent 1%, that compares with last month's very poor-poor 3%, fair 37%, good 60%, excellent 0%

Technical:



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Market Fundamentals:

Yesterday's Trades: no new trades.

ADVICE: --no new advice--- eye on cotton, and soy complex—we are flat for now but cotton getting interesting---extra acres will need to be covered.

COMMENTS: Or positions are flat, long in the bin and long for 2024—we opted to accept price risk –so far so good—read options review below. Markets remain volatile and media hype is that fund short covering is to blame but they will sell again it is speculated. Whatever the hype used, this situation was discussed at length at PSP last Friday. The direction to start the week is good regardless of how the pundits want to spin it.

PRICE CHARTS: highlighted today is cotton, July and Nov soybeans. Pretty much self-explanatory especially if you attended the Psprings conference at

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last Friday's close. Charts show some upside targets that give coincidence new respect.

Dr. Cordonnier is venturing into estimating 2024 US crops. He cites Farmdoc by saying B/E before land for corn is \$3.58 and for soybeans is \$7.16; prices with land rent (central Illinois) estimated at \$5.18 and \$12.22 respectively. Conclusion is that there is no incentive to plant either crop. Also sighted is that US farmers on average own 45% of their land and rent 55%, which throws his "no incentive to plant" under the bus. If I had listened to land grand University economists, I would not be farming but still be working a 8-5 job. It continues to amaze me that those that don't (produce), have an influence. However, opinions are like noses, everyone has one.

OPTIOS PROFIT TAKING REVIEW: Based on Feb 18th report we did the following: **Corn** – For 2023, bot 20% CN 480 calls at 11 1/8 (ave. \$281.25 profit/contract). For 2024, bot 25% CZ 500 calls at 23 3/8(15% - \$643.75 profit/contract and 10% - \$218.75 profit/contract). **Soybeans** – For 2023, bot 20% SN 1260 calls at 21 3/4 (ave. \$721.875 profit/contract). **Wheat** – For 2022, bot 20% WN 640 calls at 14 5/8(\$1456.25 profit/contract). For 2023, bot 20% WN 640 calls at 14 5/8(\$1118.75 profit/contract) and bot 10% WN at 568(\$2187.50 profit/contract). For 2024, bot 20% WN 640 calls at 14 5/8(\$1118.75 profit/contract) and bot 10% WN at 568(\$2187.50 profit/contract).

CONCLUSION: Our objective was to cover storage costs and capture some of the carry. I keep an unofficial tab on the plan and so far based on above since Jan 1, in my own personal situation, commercial storage has been covered through March and some of the carry. Depending on the extent of the current attempt to rally prices, the bottom line will look even better ==so mission accomplished so far.

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	2/27/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	434 3/4	422 1/4	433 3/4	446 3/4	420 3/4		490 1/2
CZ24	457 3/4	446	457	469 1/4	444 3/4		456 3/4
SN24	1160 1/4	1143 3/4	1155 1/4	1172 1/4	1138 1/4		1184 3/4
SX24	1134 1/4	1122 3/4	1129 3/4	1141 3/4	1117 3/4		1186 3/4
SMN24	334.4	328.8	331.4	337.2	325.7	341.6	
BON24	45.62	44.70	45.39	46.81	43.97		46.39
WN24	578 1/4	562	577	593 3/4	560 1/4	575	
KWN24	567 3/4	550 1/2	566 1/2	584 1/4	548 3/4	568 3/4	
MWN24	659 3/4	646 1/2	657 3/4	671 1/2	644	671 1/2	
LCJ24	188.800	186.050	188.100	191.350	184.850		187.550
LCV24	186.575	184.100	186.475	189.150	183.800		184.100
LHJ24	87.050	85.525	86.275	88.000	84.550	85.225	
LHV24	84.575	84.000	84.500	85.275	83.725		82.825
FCJ24	260.800	256.650	258.900	263.250	254.550	253.150	
CTK24	94.89	92.50	94.800	97.24	92.36	87.32	
CTN24	93.74	91.70	93.680	95.92	91.44	94.43	
SBK24	22.49	21.63	22.160	23.07	21.25		22.24
G CJ24	2046.8	2034.1	2040.90	2054.10	2027.70	2017.7	
NRK24	18.94	18.57	18.65	19.05	18.25	18.760	
DJH24	39290.00	39070.00	39116	39356	38876	38785	
CLJ24	78.03	75.84	77.58	79.97	75.19		76.72
NGJ24	1.834	1.716	1.744	1.877	1.611		1.701
DXH24	103.95	103.630	103.700	104.22	103.18		104.080
USH24	119 22/32	118 11/32	118 19/32	120 6/32	117	119 8/32	

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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