

February 28, 2024

Weather:

- **Beneficial rain fell on some of the drier areas from Mato Grosso to Sul to Parana into southern Paraguay Tuesday while much of the remainder of southern Brazil also received rain with little rain elsewhere.**
 - Rainfall totals from Rio Grande do Sul and southern Paraguay to Parana to Mato Grosso do Sul and parts of southern Mato Grosso were 0.04 to 0.75 inch most often with several totals of 0.83 to 1.81 inches and parts of southern Rio Grande do Sul dry.
 - Parts of eastern Sao Paulo received 0.16 to 0.39 inch of rain while a few eastern Bahia locations received 0.04 to 0.08 inch and parts of northwestern Mato Grosso and north-central Sao Paulo received 0.04 inch.
 - High temperatures were in the middle 80s through the 90s Fahrenheit with some upper 60s to the lower 80s from northern Rio Grande do Sul to eastern Parana and some lower 100s in central Paraguay.

Forecast Overview and Crop Impacts

- **Much of Brazil and Paraguay will see a good mix of rain and sunshine during the next two weeks with breaks between rounds of rain likely adequate to allow for fieldwork to advance while the rain maintains favorable conditions for summer crops as well as being important for Safrinha crops.**
 - **Rain will not be evenly distributed, however, with Mato Grosso do Sul into western Sao Paulo and northwestern Parana driest through the next week where soil moisture is short in parts of the region and some crops may see rising levels of stress as the region dries down.**
 - **Rain will increase Mar. 7-13 and enough rain should fall to improve soil moisture and crop conditions.**
- **Regular rain will be needed through March in Safrinha crop areas to ensure soil moisture is adequate to support crop development during the dry season.**

News:

RINs fall to three-year lows... U.S. biomass-based diesel and ethanol compliance credit prices have slumped to three-year lows on declining feedstock costs and are set to stay low as renewable diesel output rises, the Energy Information Administration (EIA) said. Renewable Identification Numbers (RINs) generated from renewable diesel and biodiesel

output (D4) and from ethanol production (D6) are both trading at their lowest since 2020. Declining prices of soybean oil, a widely used feedstock for renewable diesel and biodiesel production, are a primary driver behind the slump in RINs, EIA said. Rising global production and lower demand in China have boosted soybean stockpiles, while increasing exports from Brazil have put more pressure on soyoil prices, the agency noted.

- A Thai importer group was said to have bought around 60,000 mt of EU origin feed Wheat.
- Malaysian palm oil plantations minister told parliament that an expected 40,000 worker shortage could translate into possible \$1.7 billion export value loss. The minister noted there is a surplus of 165,000 foreign workers in the country's manufacturing sector and asked if they could be mobilized to the plantation industry to help make up the expected shortfall.
- Brazilian officials claim China did not renew a poultry product import tariff that expired on February 17th on Brazil imports. Back in 2019 China imposed tariffs between 18% and 34% on Brazil poultry products to offset the effects of trade "dumping".
- Ukraine's grain exports through Feb. 27 exceeded last year's level by almost 12%, reaching 5.3 MMT, according to ag ministry data. Since July 1, 2023-24 grain exports totaled 29.1 MMT, down 2.7 MMT (8.5%) from the same period last year. Ukraine's 2023-24 grain exports included 15.8 MMT of corn, 11.5 MMT of wheat and 1.6 MMT of barley.
- OPEC+ will consider extending voluntary oil output cuts into the second quarter, three OPEC+ sources told Reuters, to provide additional support for the market, and could keep them in place until the end of the year, according to two of them. Last November, the Organization of the Petroleum Exporting Countries and allies led by Russia agreed to voluntary cuts totalling about 2.2 million barrels per day (bpd) for the first quarter this year, led by Saudi Arabia rolling over its own voluntary cut.
- Senate Ag Chair Debbie Stabenow (D-Mich.) during a White House event on anti-hunger said she would rather forego a new farm bill than strike a deal with Republicans on their priorities, Politico reported. **House Republicans insist they need to repurpose billions of funding from the Inflation Reduction Act's climate-smart ag funding and limit new updates via the Thrifty Food Plan to increase reference prices for Title I farmer safety net programs. "I'm not going to do it. So, if that means we continue the policies of the 2018 Farm Bill, which were pretty good if I do say so myself, then that's OK," Stabenow said. "... we're not going to go backwards on feeding people, and we're not going to go backwards, by the way, on the climate conservation money that we also have there that is so critical." USDA Secretary Tom Vilsack nodded in agreement as he sat next to Stabenow. "God, you're tough. That's great," Vilsack said after Stabenow spoke. Vilsack has repeatedly suggested using USDA funding from the Commodity Credit Corporation to help pay for some programs to overcome the**

impasse in farm bill negotiations. Vilsack could make similar comments when he testifies this afternoon before the Senate Ag Committee.

- **(Gulke Group Comment/Opinion: These are some of the things that we talked about at the conference last week. Stabenow is set to retire so she has no qualms about taking the hard party-line stance. Now we wait for the next CBO Financial Analysis.)**
- **What concerns us most is a Republican congress with a knife similar to what Reagan did to Ag in 1980's --- The concern for Republicans is that the infrastructure bill is working and food programs means disadvantaged people EAT!!!!**
- **The Farm Bill and RMA Insurance programs have turning into a pseudo welfare program but we (producers) don't like welfare anywhere else—food, education etc ???????**
 - **Voters are not as naïve as they once were.**

Government Update:

House of Representatives:

On the Hill, all House members and 34 Senators are up for reelection. Currently, Republicans hold a two-seat majority in the House – the second smallest majority in the history of our nation – making this election critical to maintain control of the House. **According to Cook Political Report, there are currently 24 toss up seats in the House, and seven of those are freshman on the Agriculture Committee.** Eight other ag committee seats are in districts where there could be a competitive race. Additionally, already, one long standing member of the Ag Committee, Abigail Spanberger (D-VA-7), has announced she will not run for reelection. In the 119th Congress, House Agriculture Committee Chairman Rep. GT Thompson (R-PA-15) is expected to retain his Republican leadership role, but press has speculated that Ranking Member Rep. David Scott (D-GA-13) could face challenges to his leadership if Democrats win the majority. Jim Costa (D-CA-21) and Alma Adams (D-NC-12) are mentioned as contenders.

Senate:

On the other side of the Capitol, 23 of the 34 seats up for reelection are held by Democrats. Three of those members are on the Agriculture Committee. Republicans could flip the Senate if they successfully defend all their current seats and either flip two seats or flip one seat and secure the presidency. Notably, it is expected that Sen. Joe Manchin's (D-WV) seat will flip, and Republicans are targeting several other states including, Montana, Ohio, Pennsylvania, and Arizona. While Republicans have a chance to take back the Senate, many factors including quality of candidates and fundraising will play key roles in the races. **The Senate Agriculture Committee will see significant changes after the election with the retirement of Chairwoman Debbie Stabenow (D-MI). Her Democratic successor will likely be Senator Klobuchar (D-MN). Priority issues for Stabenow have included conservation and nutrition, and while Klobuchar will likely also focus on those areas, she will bring in new priorities including those that have been**

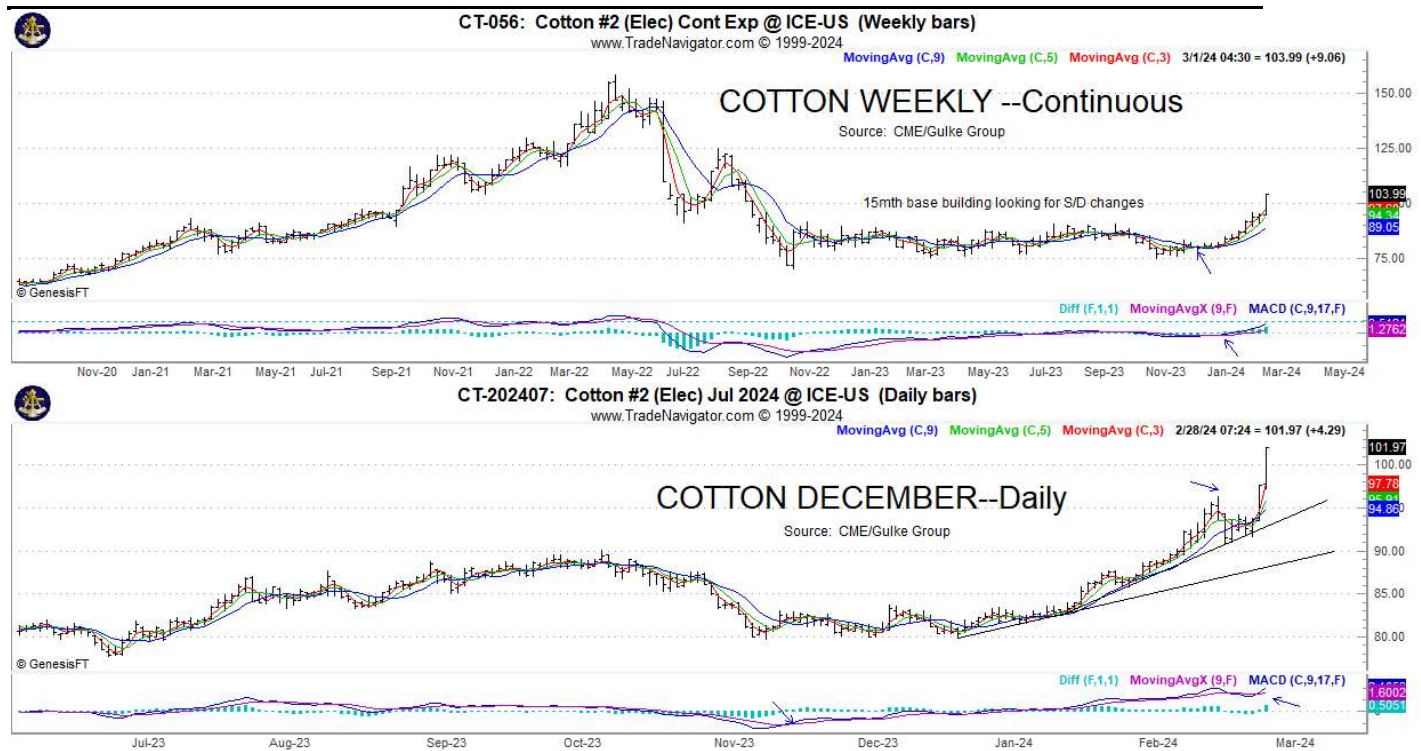
5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

historically important to her constituents. On the Republican side, Ranking Member John Boozman (R-AR) is expected to remain in his role.

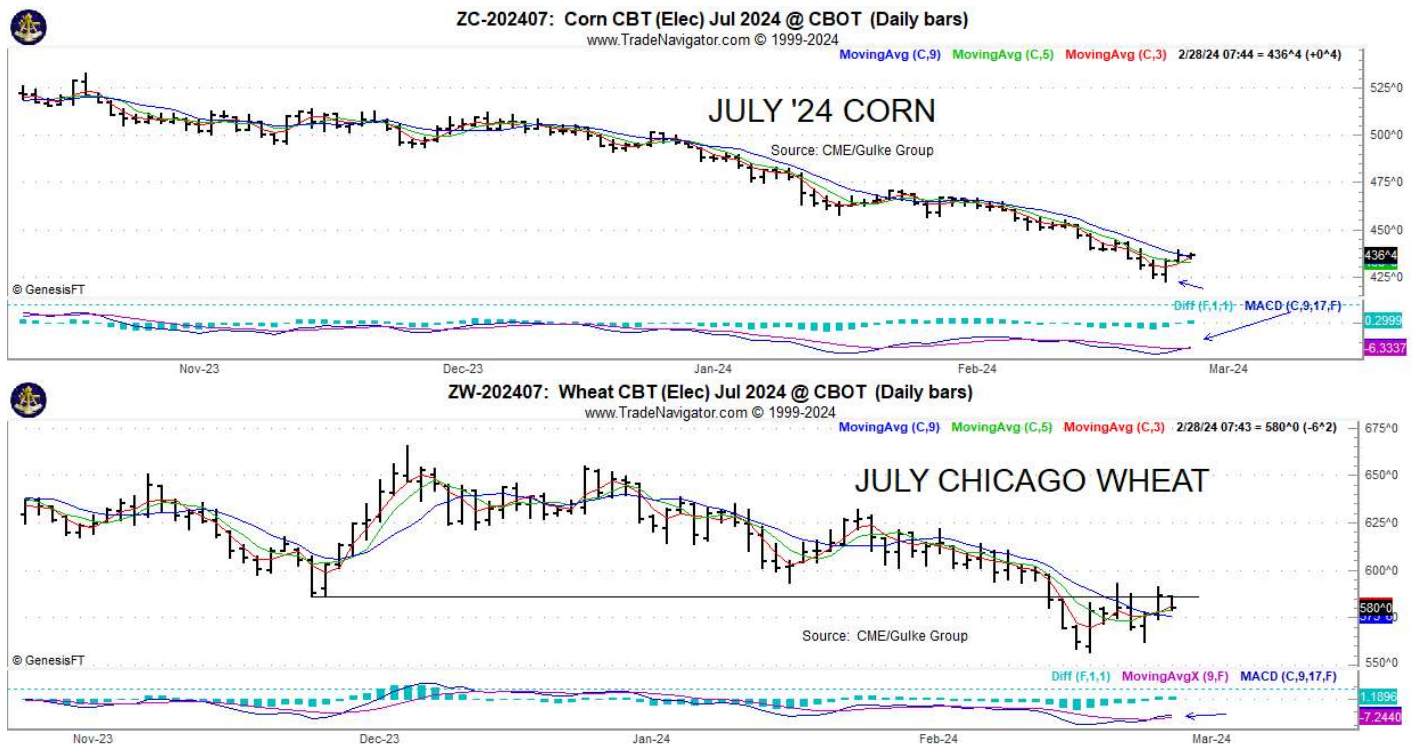
The Future:

The 119th Congress As we look to a new Congress and a new class of freshman members, there will be a period when progress on legislation is delayed due to leadership elections, committee assignments, and staffing changes. If a farm bill is not completed during the current Congress, then it will be punted to the 119th Congress where the process will start again with committee hearings and new policies will be considered. Should this occur, it would likely be several months before we would see votes on the floor for a farm bill. With a new Congress also comes the need for education of new members, which CIRB staff stand ready to do.

Technicals:



5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information



Market Fundamentals:

Yesterday's Trades: no new trades. Livestock looking for direction

COMMENTS: No new advice---markets probing for a bottom—Am inclined to cover some feed needs via CZ but so is everyone else including PF and others--- long side of old crop corn tempting as is wheat on pull-backs---see charts above and comments below---the old new is that we are awash in supply—what is lurking in the weeds????? See cotton for a price shock and comments below.

Brazil: Large million-acre producer relates this: “Corn crop is very good, potential is very high. The problem is prices. No margins at All under the current cost x prices situation. Very concerning, actually. Expect a 5-8% drop in corn área for Brazil”.

Interesting they are experiencing similar unprofitable situation for corn and see a 5-8% drop in planted acres (some going to cotton), yet anecdotal

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

evidence says US farmer content with not lowering corn acres enough. Speculation at our PSP conference last week suggested possible increase in cotton acres of a million acres and a drop in total planted US acres to everything just because---just because we have seen drop in acres historically when return\$ are low or negative. Just saying!

COTTON: a massive uptick yesterday of 4 cts. and higher again overnight. **Note the weekly continuous chart above and the 15-month base building cotton has experienced while looking for a change in supply and/or demand.** The Dec 2024 chart is shown below. The market is doing its best to buy acres. **We have nearly ½ of 2022 and 2023 crop yet unpriced and no new crop 2024 hedges.** It may be time to reward the market. Waiting for a response to the low prices the past 15 months is likely unrealistic but nevertheless it is noteworthy to look at the continuous price chart to understand what finally happened under a long term wait once prices reached such low levels discouraging supply and encouraging demand.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	2/28/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	439 1/4	433 1/4	436	442 1/2	429 1/2		490 1/2
CZ24	462 1/2	455 3/4	460	467 1/4	452 3/4		456 3/4
SN24	1171 1/2	1149 1/2	1151 1/2	1174	1129		1184 3/4
SX24	1144 3/4	1127 3/4	1129 3/4	1147 1/4	1112 1/4	1141 3/4	
SMN24	336.4	326.8	328.3	338.1	318.6	341.6	
BON24	46.47	45.41	45.94	47.50	44.38		46.39
WN24	591 1/4	574	586 1/4	604	568 1/2	575	
KWN24	580	564 3/4	576 1/4	592	560 1/2	568 3/4	
MWN24	670 1/4	658 3/4	666 1/2	678 1/2	654 1/2	671 1/2	
LCJ24	189.150	187.300	187.725	190.075	185.375		187.550
LCV24	187.000	185.775	186.100	187.525	184.675		184.100
LHJ24	86.775	85.800	85.900	87.075	84.725	85.225	
LHV24	84.825	84.400	84.675	85.300	84.050		82.825
FCJ24	260.650	257.675	258.950	262.125	255.775	253.150	
CTK24	98.80	94.54	98.800	103.11	94.49	87.32	
CTN24	97.68	93.50	97.680	102.06	93.30	94.43	
SBK24	22.95	22.16	22.680	23.52	21.84		22.24
GCJ24	2049.1	2038.1	2039.60	2051.10	2028.10	2017.7	
NRK24	18.60	18.22	18.36	18.77	17.94		18.250
DJH24	39154.00	38911.00	39016	39279	38753	38785	
CLJ24	79	77.17	78.87	80.90	76.84		76.72
NGJ24	1.838	1.710	1.808	1.951	1.665		1.701
DXH24	103.86	103.540	103.740	104.26	103.22		104.080
USH24	119 9/32	118 6/32	118 10/32	119 21/32	116 31/32	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.

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 THESE 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 NO 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.

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

