

**April 17, 2024**

## **Weather**

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- GFS model was wet for the heart of the Midwest during mid-week next week on a few of the past forecast runs, but the 06z run shifted the rain to the south and reduced it
  - This change matches a little better to the European model run which is still notably drier for the lower Midwest
- Eastern Ukraine and Russia's Southern Region into Kazakhstan and the southeastern Ural Mountains region are advertised drier than usual for the next ten days with temperatures above normal
- Western Russia, western and central Ukraine, Belarus and the Baltic States are wet in the coming ten days with waves of snow and rain predicted that may raise flood potentials for a few areas
- Far western Europe will be dry biased for the coming week while rain impacts many central and eastern parts of the continent
  - Relief from dryness is still expected in the coming week across the Balkan Countries
- Needed rain is advertised for the North China Plain and Inner Mongolia in about ten days, although confidence is low on the precise amounts that are expected
- Too much rain threatens rice areas of interior southeastern China in the coming week where 5.00 to 15.00 inches of rain may result
- Southern rapeseed areas of China may also experience too much rain, although the impact will be low there is still need for drier biased conditions
- Southern Australia will continue dry over the next ten days with is of greatest interest in Western and South Australia where wheat, barley and canola planting will not begin without some generalized rain
- Argentina will dry down into the weekend, but will see some additional rain in the central and northeast for a little while after that; key summer crop areas in Cordoba, southern Santa Fe and Buenos Aires should not be seriously impacted
- No significant changes were noted in Brazil's forecast
- West Texas rain potentials are still good for this weekend with follow up rain next week
- The lower U.S. Delta will get more rain this weekend into early next week returning soggy field conditions
- Snow in Saskatchewan and Manitoba through Thursday will add more moisture after rain fell in some of these areas Tuesday and overnight improving spring planting moisture
- Western and south-central Canada's Prairies will continue dry enough to maintain worry over the long term outlook

## News:

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- Traders reported on Wednesday that 70,000 mt of feed grade Corn was bought by Korea Feed Association in a privately negotiated deal late yesterday. Origin of the corn was thought to be either US or South American.
- Egypt's GASC bought 120,000 mt of Ukraine origin Wheat at today's tender.
- France's ag ministry cut its 2023-24 wheat export forecast outside the EU by 150,000 MT to 10 MMT. Expected shipments within the bloc were raised 90,000 MT to 6.28 MMT.
- India's Solvent Extractors' Association Wednesday noted 23/24 oilmeal exports jumped 13% on the year to 4.89 mln mt as of March 31. That's the highest since the 13/14 marketing year. Last year's oilmeal exports were 4.34 mln mt.
- At USDA's spring data users meeting on Tuesday, the decision to withhold county estimates for the 2024 growing season and discontinue the July Cattle Inventory Report was a major topic. NASS officials explained these choices were driven by budget constraints rather than shifting funds to other projects. Despite a reduced budget for fiscal year (FY) 2024 compared to FY 2023, officials stated they were open to resuming these efforts if funding becomes available. They also noted USDA's Risk Management Agency (RMA) provides county data, serving as a potential alternative. Additionally, a representative from USDA's Foreign Agricultural Service discussed plans to overhaul the export sales reporting system, aiming for a 2025 rollout after addressing issues from a failed update in 2022.
- Sen. John Boozman (R-Ark.), ranking on the Senate Ag panel, nixed the idea Republicans would rather delay a new farm bill for a potential Trump presidency to write a bill next year. He said a new administration would further delay a bill because of turnover in staff. "I would argue for farmers that we have as great a chance, an easier chance of getting a farm bill done this year rather than next year," **Boozman said. Ag consultant Randy Russell of the Russell Group said: "I think there are low odds the bill is done in 2024. It could come next year depending on the election outcome... could be large changes... personnel, etc. First item up for the new Congress and White House: the debt ceiling, which will trigger a debt/deficit debate. All of sudden we may not be talking about a budget neutral farm bill but rather a cost savings farm bill."**
- **Fed Chair Jerome Powell's suggested the Fed may delay rate cuts, acknowledging that recent data has not increased their confidence in achieving their inflation targets promptly.** He emphasized the importance of allowing current policy measures to continue working and relying on evolving economic data to guide future decisions. While Powell indicated rate increases were not under consideration, he also stated the Fed would keep rates at their current level for as long as necessary if inflation remains stubborn. **This stance represents a shift from earlier indications that suggested the Fed was nearing a point where rate cuts could be considered.**

- U.S. President Joe Biden will do what he can to ensure affordable gasoline prices, White House senior adviser John Podesta said at an industry conference on Tuesday, when asked about future releases of crude oil from the Strategic Petroleum Reserve. The Biden administration in 2022 sold 180 million barrels of oil in about six months from the reserve, the largest ever SPR sale, to lower gasoline prices after Russia invaded Ukraine.

## Technically Speaking:

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## Market Fundamentals:

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### Soybean Export Prices (U.S. dollars per metric ton)

	U.S.	Argentina	Brazil
March 5	\$446	\$406	\$405
April 5	\$457	\$429	\$433
<b>Change</b>	<b>+\$11</b>	<b>+\$23</b>	<b>+\$28</b>

Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

### Soybean Meal Export Prices (U.S. dollars per metric ton)

	U.S.	Argentina	Brazil
March 5	\$396	\$379	\$383
April 5	\$389	\$378	\$376
<b>Change</b>	<b>-\$7</b>	<b>-\$1</b>	<b>-\$7</b>

Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

### Soybean and Palm Oil Export Prices (U.S. dollars per metric ton)

	U.S. Soybean Oil	Argentina Soybean Oil	Brazil Soybean Oil	Indonesia Palm Oil	Malaysia Palm Oil
March 5	\$1,065	\$850	\$863	\$935	\$892
April 5	\$1,086	\$927	\$940	\$1,010	\$995
<b>Change</b>	<b>+\$21</b>	<b>+\$77</b>	<b>+\$77</b>	<b>+\$75</b>	<b>+\$103</b>

Source: International Grains Council; all prices are FOB: U.S. Gulf, Argentina Up River, Brazil Paranagua.

As you can see above South America and other non-US countries export prices have ratcheted up over the past month due mainly to potential lowering of production. Unfortunately, the US has been unable to take advantage of this as our prices are still above to well above the others. We did see Soybean Oil exports adjusted higher in Soybean oil in

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the last WASDE report (along with an even bigger increase in Ending Stocks) but it may prove difficult to see further adjustments higher in the near future and more focus will be in Domestic consumption. Soybeans and Soybean Meal exports were left alone in the latest WASDE, and competition will likely only increase in the near future for both categories with South America availability. The US was able to increase their share of Soybean Meal when South America (mainly Argentina) had production issues last year, but it appears that with production numbers getting back to normal that the US will not be able to keep that newly found export customer.

Politics may be another hurdle to overcome. It was suggested recently by Secretary of Ag Vilsack that China might not be buying grain from us as a retaliation for stopping Chinese purchases of US land. Today a story came out that if Trump is reelected, he would immediately put a 60% tariff on Chinese imports and a 10% tariff on import from all other countries which would create a tit-for-tat scenario.

The US\$ is also a concern that we will delve into more in some upcoming MC's.

Although the Technical picture does not look the most promising at the moment prices are at levels that hopefully will meet some resistance levels that can create some sideways trading until the market gets a better handle on US crop potential and summer weather.

Stay Tuned...

**Yesterday's Trades: no new trades.**

**ADVICE: NO NEW ADVICE---** lots of negative stuff coming out again especially when digging deep into S America's ability to judge crop sizes—global folks don't trust their number and likely neither does USDA so there we go with questionable reliable data!

**COMMENTS: Spec table largely short---** we need a catalyst to stage a recovery of some magnitude

**CORN trading about the same price as March 25, both old and new crop**

**SOYBEANS: About 60 cents less for the same period for old crop and about 25 cents less for November**

**SOYBEAN MEAL: about a dollar better**

**SOYBEAN OIL: has collapsed 4 cents in the same period**

**WHEAT: July about 7-10 cents higher**

**MEATS: LC and FC collapsed about \$20/hundred to where they are looking like a bottom if only short term and tempting to be long. Hogs unchanged compared to March 22-25**

**STOCK MARKET: After a swift collapse of only about 3% it is ripe for a dead-cat-bounce --- I will look for a place to buy a put---This is a trading affair as most in media believe it to be a minor deal but from a monthly perspective, could signal the high for some time to come.**

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	4/17/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	445 1/4	440 1/4	442 3/4	448 1/4	437 1/4		440 1/4
CZ24	470	465 1/2	467 1/4	472 1/4	462 1/4		468 1/4
SN24	1177 1/4	1158	1160	1179 3/4	1140 1/4		1203 1/4
SX24	1172	1156 1/2	1158 1/2	1174 1/2	1142 1/2		1167 1/4
SMN24	341.8	336.5	336.8	342.3	331.4	342.8	
BON24	45.99	45.12	45.48	46.85	44.11		46.54
WN24	572 3/4	558 1/2	564 3/4	579 1/2	550	551 1/2	
KWN24	589	574 1/4	583	598 1/4	567 3/4	583 3/4	
MWN24	659 1/2	642 1/4	645	662 3/4	627 1/4		645 3/4
LCM24	175.850	172.875	175.725	179.200	172.250		178.675
LCV24	176.250	173.450	175.800	178.800	172.800		178.525
LHM24	104.200	102.175	102.825	105.050	100.600		101.600
LHV24	86.375	85.400	85.550	86.725	84.375		88.550
FCK24	241.475	236.875	240.975	245.775	236.175		248.275
CTK24	83.40	79.50	81.290	85.24	77.34		91.12
CTN24	85.58	81.44	83.090	87.43	78.75		91.61
SBK24	20.05	19.28	19.630	20.45	18.81		22.29
GCM24	2414.8	2379.2	2400.00	2436.10	2363.90	2199.2	
NRK24	18.92	18.20	18.37	19.12	17.62	16.420	
DJM24	38284	37838	38046	38512	37580		40002
CLM24	85.6	84.22	84.83	86.41	83.25	85.08	
NGM24	2.046	1.907	1.988	2.142	1.834		2.029
DXM24	106.33	105.870	106.185	106.84	105.53	102.983	
USM24	114 24/32	113 10/32	113 31/32	115 21/32	112 9/32		118 31/32

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HYPOTHETICAL HEDGING POSITION MATRIX					4/17/2024					2022 WHEAT - margin= \$2600				
<b>2023 Corn - margin= \$1425</b>					<b>2023 SOYBEANS - margin= \$2500</b>					<b>2022 WHEAT - margin= \$2600</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
6/22/23	Sold CASH vs. CZ	621 1/2	\$8,199.16	5.0%	12/1/2022	Sold CASH vs. SX23	1387	\$874.16	15.0%	3/31/2022	Sold CASH vs. WN22	1021	\$11,299.16	10%
					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%
	<b>Total</b>			<b>5.0%</b>	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%
<b>Futures/Options</b>					<b>Futures/Options</b>					<b>Futures/Options</b>				
3/28/2024	Sold CZ 480 calls (15%)	28 1/2	(\$72.59)	15.00%	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%
4/11/2024	Sold CN	440	(\$175.84)	15.00%	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%
	<b>Futures/Options Hedged</b>			<b>30.0%</b>	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%
	<b>Total Hedged (included CASH)</b>			<b>35.0%</b>	10/3/2023	Sold CASH vs. SF24	1290	#VALUE!	10.0%	1/4/2023	Sold CASH vs. WH23	745 1/2	\$2,911.66	5%
<b>2024 Corn - margin= \$1075</b>					<b>2024 Soybeans - margin= \$1725</b>					<b>2023 WHEAT - margin= \$2600</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
	<b>Total</b>			<b>0.0%</b>					<b>80.0%</b>					<b>75.0%</b>
<b>Futures/Options</b>					<b>Futures/Options</b>					<b>Futures/Options</b>				
3/14/2024	Sold CZ 470 calls (30%)	34 5/8	\$39.91	20.00%	4/11/2024	Sold SX	1162 1/2	\$161.66						
3/14/2024	Sold CZ	467 1/4	(\$38.34)	10.00%										
3/28/2024	Sold CZ 480 calls (15%)	28 1/2	(\$72.59)	15.00%										
	<b>Futures/Options Hedged</b>			<b>45.0%</b>					<b>0.0%</b>					<b>0.0%</b>
	<b>Total Hedged (included CASH)</b>			<b>45.0%</b>					<b>0.0%</b>					<b>25.0%</b>
<b>End User Coverage - Corn</b>					<b>2023 Canola - margin= \$880CD</b>					<b>2024 WHEAT - margin= \$2400</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>2nd Quarter 2024</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
	<b>Total</b>			<b>0.0%</b>					<b>0.0%</b>					<b>0%</b>
<b>3rd Quarter 2024</b>					<b>Futures/Options</b>					<b>Futures/Options</b>				
					2/2/2024	Sold RSN24	607.50	(\$294.34)	15%					
	<b>Total</b>			<b>0.0%</b>	3/28/2024	Sold RSN24	635.00	\$145.66	15%					
<b>Live Cattle - margin= \$1600</b>					<b>2024 Canola - margin= \$880CD</b>					<b>2022 KC WHEAT - margin= \$2400</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>Spring 2024</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
					3/28/24	Sold RSX24	643	\$273.66	15%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,637.50	10%
	<b>Total</b>			<b>0.0%</b>					<b>15.0%</b>	6/17/2022	Sold Cash vs. KWZ22	1141	\$13,562.50	10%
<b>Fall 2024</b>					<b>Futures/Options Hedged</b>					<b>Futures/Options Hedged</b>				
									<b>15.0%</b>	9/2/2022	Sold Cash vs. KWZ22	878	\$412.50	10%
	<b>Total</b>			<b>0.0%</b>					<b>15.0%</b>	12/2/2022	Sold Cash vs. KWH23	872	\$2,925.00	10%
<b>Feeder Cattle - Producer - margin= \$2850</b>					<b>2022 MN WHEAT - margin= \$3000</b>					<b>2024 WHEAT - margin= \$2175</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>Spring 2024</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
					3/31/2022	Sold CASH vs. MWU22	1040	\$5,700.00	10%					
	<b>Total</b>			<b>0.0%</b>	6/17/2022	Sold CASH vs. MWZ22	1188 3/4	\$12,462.50	10%					
<b>Fall 2024</b>					<b>Futures/Options</b>					<b>Futures/Options</b>				
					9/2/2022	Sold CASH vs. MWZ22	896	(\$2,175.00)	10%					
	<b>Total</b>			<b>0.0%</b>	12/2/2022	Sold CASH vs. MWH23	928	\$4,125.00	10%					
<b>Live Hogs - margin= \$1600</b>					<b>2023 MN WHEAT - margin= \$3000</b>					<b>2023 KC WHEAT - margin= \$2400</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>2nd Quarter 2024</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
					9/30/2022	Sold CASH vs. MWU23	944	\$9,562.50	15%	9/30/2022	Sold CASH vs. KWN23	952	\$7,137.50	15%
	<b>Total</b>			<b>0.0%</b>	12/2/2022	Sold CASH vs. MWU23	906 1/4	\$7,675.00	10%	12/2/2022	Sold CASH vs. KWN23	861	\$2,587.50	10%
<b>3rd Quarter 2024</b>					<b>Futures/Options</b>					<b>Futures/Options</b>				
									<b>45.0%</b>					<b>25%</b>
	<b>Total</b>			<b>0.0%</b>					<b>45.0%</b>					<b>0.0%</b>
<b>2022 Cotton - margin= \$3500</b>					<b>2024 WHEAT - margin= \$2600</b>					<b>Energy</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Contracts	Price	Status
3/31/2022	Sold CASH vs. CTZ22	111.53	\$11,568.00	15%										
8/17/2022	Sold CASH vs. CTZ22	112.50	\$11,956.00	15%										
3/8/2023	Sold CASH vs. CTH23	82.89	\$1,060.00	10%										
4/4/2023	Sold CASH vs. CTN23	81.35	\$60.00	10%										
4/20/2023	Sold CASH vs. CTK23	79.50	(\$812.00)	10%										
3/8/2024	Sold CASH vs. CTN24	94.50	\$5,188.00	40%										
	<b>Total</b>			<b>100%</b>					<b>25.0%</b>					
<b>2023 Cotton - margin= \$3500</b>					<b>2024 WHEAT - margin= \$2600</b>					<b>Spec</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Contracts	Price	Status
3/10/2023	Sold CASH vs. CTZ23	80.20	\$712.00	10%										
4/4/2023	Sold CASH vs. CTZ23	81.65	\$1,292.00	10%										
4/2/2023	Sold CASH vs. CTZ23	80.62	\$880.00	10%										
8/2/2023	Sold CASH vs. CTZ23	84.38	\$2,384.00	15%										
3/27/2028	Sold CASH vs. CTN24	91.89	\$3,520.00											
	<b>Total</b>			<b>45%</b>					<b>0.0%</b>					
<b>Livestock Trading Hours</b>					<b>Futures/Options Hedged</b>					<b>Total Hedged (included CASH)</b>				
Mon - Fri	8:30 am to 1:05 pm CST		No Night Trading						<b>0.0%</b>					<b>0.0%</b>
<b>Grain Trading Hours</b>					<b>Total Hedged (included CASH)</b>									
Sun - Fri	7pm to 7:45am and 8:30am to 1:20pm CST								<b>0.0%</b>					

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