February 28, 2025

THE BROCK REPORT

America's Most Complete Commodity Marketing Service

THE EASY WAY

Early in one's career, whether you are an agricultural commodity producer or a trader, there is a tendency to think that somewhere there is somebody who knows the answer to market direction and degree. Many do this. After a few years of growing up, most people come to the realization that there is nobody who truly knows and that nobody ever will.

Nevertheless, there are many tools available that help both producers and traders increase their odds in marketing. But it does take a lot of work and a lot of study. Thomas Edison said: "Only 10% of the people think. 10% think that they think. The other 80% would rather die than think."

It takes some people longer than others to get over the illusion that somewhere somebody knows exactly what's going to happen. Then they come to realize that much more is required than the best knowledge of the market. Self-reliance, good judgment, courage, prudence, pliability, perseverance, and humility are all stepping stones to the trail that leads to making good marketing decisions.

Over the last several years, we have all witnessed phenomenal developments in production methods in agriculture. Automation has led some to believe that we can use shortcuts in many of the things we do. Difficulty arises when we attempt to apply this principle to the building of thinking patterns. One cannot grow an ability faster than he lives. It still takes time to gain experience. Experience cannot be replaced in marketing. We can't find self-reliance where it does not exist or good judgment when it hasn't been planted and developed. We cannot pour courage, prudence, pliability, perseverance, and humility as we do concrete. There is only one way to do that and that is the hard way. We may revolutionize a business in three proven steps but look twice at anyone who wants to teach a producer how to make a fortune in markets in three easy lessons with a minimum of effort.

As Roy Longstreet pointed out in his book, "Viewpoints of a Commodity Trader," those who believe they have found a shortcut to success are very often on a rough detour. Those who believe they can ignore the rules and disregard proven practices of successful commodity trading (or marketing) are not even gambling. They are playing a sure game — the result is 100% they will lose.

Many years ago, the game of football had four plays: run through the line, around the end, a pass, and punt. Most of the time, we ended up punting. Rarely did we score. But the drive to be successful caused it to evolve. Today, pro football is much more complicated. Each player must learn many plays. Each player is thoroughly trained to do his job perfectly. The team that wins is the team that makes the fewest mistakes.

The easy way will almost never work. It is often the hard way that is the only way.

"Success is not final; failure is not fatal: It is the courage to continue that counts."

-Winston Churchill

OUTLOOK FORUM

We hesitate to place much significance on USDA's Ag Outlook Forum estimates Thursday morning, but in a time of limited news otherwise, the markets do pay attention to them. Corn prices fell and soybean prices rose on the report, which showed higher-than-expected corn acres and lower-than-expected bean acres.

While all of these estimates are projections based on economics rather than any actual survey data, the acreage estimates at least are timely, as USDA is kicking off its surveying for the March Prospectives Plantings report. The Ag Outlook estimates set the stage for the acreage conversation. With that said, the corn acreage estimates of 94.0 million is up 3.4 million from actual 2024 plantings and 500,000 above the average analyst estimate in a Bloomberg survey. Meanwhile, soybean acres of 84.0 million would be down 3.1 million from actual 2024 plantings and 400,000 below the average analyst estimate. See page 3 for a historical analysis of USDA Ag Forum estimates.

Between now and March planting intentions, the bigger question will be on the demand side, particularly trade policy, with tariffs on Canada and Mexico back on the table. See page 5 for more.

Upcoming Speeches

***3/1/25* - Memphis, TN**
Mid-South Farm & Gin Show

***3/20/25* - Orlando, FL**
AFIA/PISC Conference

800-558-3431
www.BrockReport.com

THE EASY WAY ...(continued)

CHALLENGING TIMES

In many ways, current times remind me of 1986/87. Those were very difficult times in agriculture. Significant financial stress. For producers who have missed the last two years bear market in corn and soybeans, the challenges are much more significant. Financially the difference between the top 20% and the bottom 20% over the last two years is a very widespread.

March is a month that many ag lenders don't look forward to. That is the month when producers are afraid to come in and talk about their finances and their loans for the spring come in. They put it off as long as they can. It is not often that good things happen at meetings with lenders in March. Sometimes, but not often.

Part of the problem today, and this statement will irritate some people, is that too many producers have come to rely on crop insurance as their sole risk management tool. It's easy and people don't have to think about marketing. What they forget is the crop "still has to be sold." That is where the big separation has occurred in the last two years in farm finances.

Roll the calendar back to the 1980s before many of you were even born. There were many marketing schools to attend. As we have always stated, the three most important parts of marketing and understanding marketing, are knowing how to read a balance sheet (fundamental analysis), knowing how to read a chart (technical analysis), and understanding human nature. The majority is normally wrong. Without the skillset of understanding, those three sectors of making marketing decisions will typically lead to failure.

Thus, over the last 40 years, it was easier just to rely on crop insurance and, unfortunately, now too many people are coming to the realization that that in itself does not solve problems. Don't misread me. I am not against crop insurance; it is vitally important in every farming operation. But it does not replace good marketing!

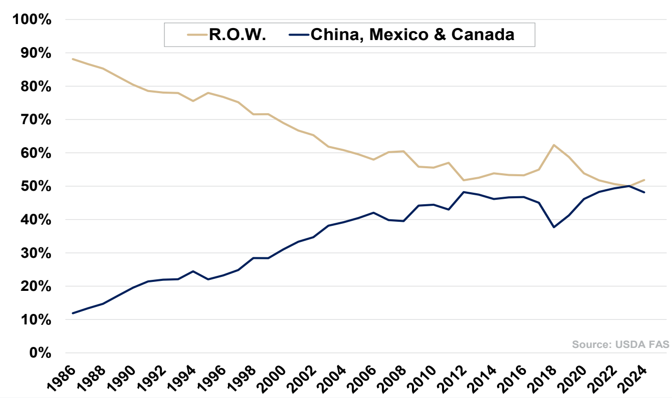
THIS WEEK'S MARKETS

This week's markets aren't making things easier. Corn, wheat and soybeans started the week under pressur, and all fell apart on Thursday, dropping to their lowest levels in several weeks in nearby contracts. The recent rally into the first part of February was welcome and provided some fresh marketing opportunities, but markets are once again moving lower. An initial bounce overnight into Friday morning faded. Cotton fell to new contract lows and a five-year low on a front-month basis.

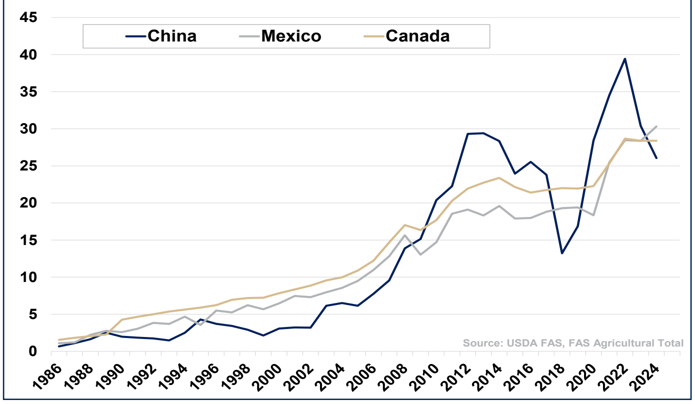
Farm credit conditions are deteriorating, and tariff concerns are heating up again (see page 5) with Canada, Mexico and China in the crosshairs. Those three countries account for half of U.S. ag exports, so the prospect of retaliation by these countries is no small matter. And along with the potential for demand destruction due to tariffs on our exports, a trade war also could send producer costs rising again.

Spring is just around the corner and that normally makes attitudes improve. The next couple of months are going to be very challenging for some people. The opportunities in marketing are not what some have expected nor what many of us want. Volatility will remain high. But unfortunately, we have to take what is given to us at times and do the best in management decision-making to make it all work out. (See page 10 for more on this.) Times like this force all of us to evaluate how we make our decisions. Hopefully, everybody will improve from it.

U.S. Ag Exports to China, Mexico and Canada
As a Percent of Total Exports



U.S. Ag Exports to China, Mexico and Canada
Billions of USD



COMMENTARY

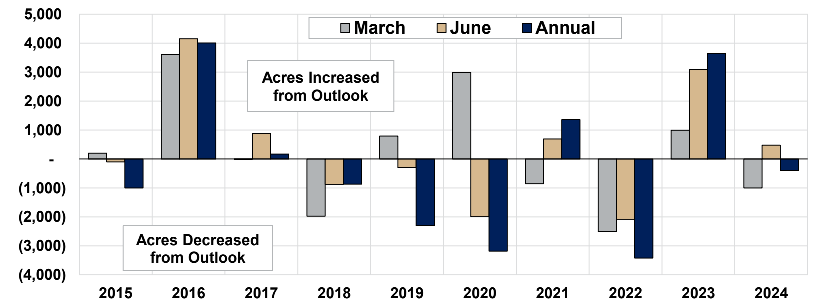
At its annual Agricultural Outlook Forum on Thursday, USDA projected 2025 U.S. corn plantings at 94.0 million acres, up 3.4 million from last year and pegged 2025 U.S. soybean plantings at 84.0 million acres, down 3.1 million. USDA projected a record large corn crop of 15.585 billion bushels on an average U.S. yield of 181 bushels per acre and projected soybean production at 3.370 billion bushels on an average yield of 52.5 bushels. The key thing to remember is that these are just projections based on recent market conditions and normal weather conditions, and are not based on any type of survey. Actual acreage, production and ending stocks could vary widely from these early projections due to a number of factors, with spring/summer weather in the U.S. Corn Belt being first and foremost among those.

Final corn plantings have usually differed from the February projection by more than one million acres. Over the past 10 years, USDA's February acreage projection has been less than 1 million off of the final acreage estimate only three times. Three times, final corn acres wound up at least 2.3 million below the February projection. In all of those years, 2019, 2020 and 2022, poor spring weather was a factor with corn prevent plant acres well above the long-term average. In two years, 2015 and 2023, corn acres wound up well above USDA's February projection.

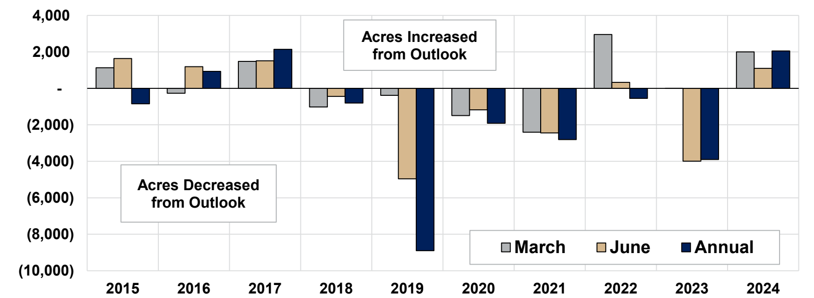
Looking at soybean plantings, USDA's February projection has been less than one million acres off the final estimate four times in the past 10 years, but in the other six years, final acreage has differed from February by at least 1.916 million. Four of those six years, final acreage was lower, including in 2019, when final plantings were a record 8.9 million acres lower due to severe planting delays. Soybean plantings wound up more than two million acres above the February projection in 2017 and 2024.

One encouraging item for corn and soybean producers is that USDA's February projections for the next marketing year have routinely overestimated ending stocks. As can be seen in the chart at right, over the past 14 years, USDA overestimated the next year's corn carryout 10 times, including six times by 380 million bushels or more. As a result, USDA has also often underestimated the season average on-farm corn price. USDA underestimated the next year's on-farm price in 7of 14 years by anywhere from 11 cents to $1.89 per bushel. In seven years, USDA overestimated the price by 9 cents to 80 cents. USDA's record on soybeans is similar – its February projections have overestimated the next year's soybean carryout 10 of 14 years, by anywhere from 22 to 243 million bushels. USDA has underestimated the next year's on-farm soybean price 7 of 14 years by anywhere from 45 cents to $2.90 per bushel. In years when USDA has overestimated the price, the amounts have been much smaller, ranging from 5 cents to 77 cents.

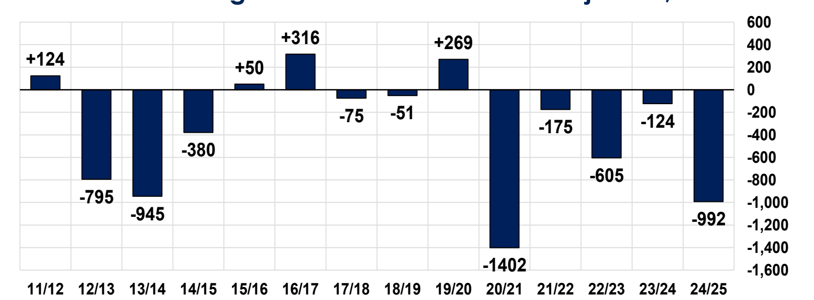
Corn-Acreage Change from Forum, 1,000 acres



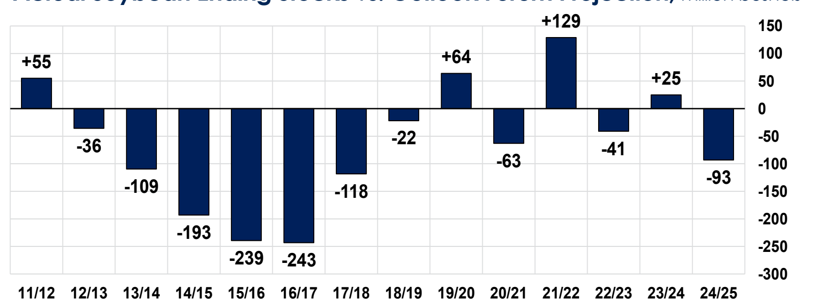
Soybean-Acreage Change from Forum, 1,000 acres



Actual Corn Ending Stocks vs. Outlook Forum Projection, million bushels



Actual Soybean Ending Stocks vs. Outlook Forum Projection, million bushels



CONTENTS

WORLD NEWS ANALYSIS

MEXICO PUSH TO AVOID U.S. TARIFF

Mexico appears to be going all out in an effort to avoid Tuesday's scheduled imposition of a 25% U.S. tariff on imports of goods from Mexico. Senior Mexican government officials have attended a flurry of meetings with U.S. counterparts in Washington this week on tariffs, drug gangs and migration. On Friday, Mexico extradited 29 drug cartel figures to the U.S. in what was seen as a gesture prompted by the tariff threat. Mexican Economy Minister Marcelo Ebrard met on Thursday with U.S. Trade Rep. Jamieson Greer and on Friday with Commerce Secretary Howard Lutnick. The Mexican government's entire security cabinet including the foreign minister, heads of the Army and Navy, the security chief and attorney general – met with Secretary of State Marco Rubio on Thursday.

BRAZIL STATE EXPORT TAX LAWSUIT

ABIOVE, the Brazilian oilseed industry group, which represents global grain merchants, including ADM, Bunge, Cargill and Louis Dreyfus, last week filed a lawsuit seeking to halt a grain export duty of 1.8% imposed by the state of Maranhão, home to the port of Itaqui, one of Brazil's most important export hubs. ABIOVE says the new duty, which took effect this week, hurts Brazilian farmers and grain handlers, potentially making Brazilian grain less competitive in the export market.

ABIOVE head Andre Nassar told Reuters the new tax spurs legal insecurity and erodes profitability. "Grain trading is a low margin business, 1.8% is bigger than the margin of the business," Nassar said. Maranhão, however, has defended its tax as constitutional and aligned with the provisions of Brazil's recent tax reform, and has said proceeds from the new levy will go towards investments in logistics, benefiting the entire agribusiness sector.

However, in the neighboring state of Para, the governor said he would propose legislation to revoke a previously passed tax on grain production scheduled to take effect in March. Governor Heider Barbalho, said in a post on X that he made the decision after listening to criticism of the measure from farmers. In a statement, soy farmers' lobby Aprosoja Para dubbed the decision an "important victory," adding it was "essential to the competitiveness and development of the sector."

INDONESIA PALM EXPORTS TO FALL

Indonesia's 2025 palm oil exports are likely to drop 7.3% from a year ago to 27.35 MMT despite higher production as the world's biggest producer of the edible oil boosts biodiesel output, a senior industry official said on Wednesday. The country's crude palm oil production is likely to rise to 50 MMT in 2025 from 48.16 MMT a year ago, Fadhil Hasan, an official at the Indonesian Palm Oil Association, said in a presentation. "Rising biodiesel mandate is reducing surplus for the exports and this trend will continue," he said. The country launched the mandatory B40 mix, containing 40% palm oil fuel, from Jan.1 but faced some delays due to regulatory issues. Fuel distributors were given until the end of February as a transition period. The blend previously contained 35% palm oil. Indonesia's 2025 palm oil use for biodiesel is likely to climb to 13.6 MMT, up from 11.44 MMT.

UKRAINE TO PLANT MORE CORN

Like U.S. farmers, Ukrainian farmers will likely plant fewer soybeans and more corn this spring, potentially boosting competition from Ukraine for export business in 2025/26. Ukrainian producers are likely to cut 2025 soybean area by 10-15%, and sunflower area by 5% in favor of corn, first deputy farm minister Taras Vysotskiy told Reuters on Thursday. USDA expects Ukraine to export only 23.0 million metric tons (MMT) of corn in 2024/25, down from 29.6 MMT in 2022/23. In long-term trade projections made last fall, USDA forecast only a modest rise in Ukraine's corn exports to 23.7 MMT in 2025/26, however, right now that forecast looks low.

INDIA BRACES FOR HEATWAVE

India is expected to experience one of its warmest March's on record and above-average temperatures throughout most of the month threaten to cut yields of the maturing winter wheat crop, weather department sources told Reuters News Service on Thursday. "March is going to be unusually hot this year. Both the maximum and minimum temperatures will remain above normal for most of the month," said a senior official at the India Meteorological Department (IMD). Daytime temperatures are expected to start rising during the second week of March and by the end of the month, maximum temperatures could exceed 40 degrees Celsius (104 degrees F.) in many states, the official said. India has banned wheat exports since 2022 due to tight supplies, but domestic wheat prices hit a record high earlier this month amid dwindling stocks. Crop losses could potentially force India to lower or eliminate its 40% import tariff on wheat in order to bolster supplies.

WORLD WEATHER HOTSPOTS

Warming in the central and southern U.S. Plains, Delta and southeastern states is reducing winter crop hardiness against cold temperatures and some crops in the south will slowly break out of dormancy next week. The central and southern U.S. Plains will be drier than usual over the next ten days, despite some light precipitation in a part of the region. West and South Texas will remain very dry for the next ten days. Moisture is needed for early season planting of cotton, corn and sorghum in South Texas.

Flooding rain is expected in parts of Argentina during the coming week, but damage to crops is not likely to be very great. Delays to harvesting of early season corn and sunseed is inevitable. Most soybeans and late-season corn should not be seriously impacted. Northern Argentina will experience a full week of hot, dry, weather before there is any chance for rain, which is likely to mean more crop stress.

Mato Grosso, Brazil will experience relatively frequent rainfall over the next ten days slowing fieldwork, including late season Safrinha corn planting. The moisture will be good for previously planted corn and cotton and for late season soybeans. Drier weather is needed to avoid delaying Safrinha corn planting any longer than necessary.

USDA BIRD FLU PLAN INCLUDES AID, MEDS, AND REDUCED REGULATION

USDA Secretary Brooke Rollins unveiled the agency's plan to address bird flu and high egg prices this week, starting with an op-ed in the Wall Street Journal. The plan will spend up to $1 billion, with some of the money coming from cuts to USDA being enacted by DOGE.

The plan includes up to $500 million to implement "gold standard biosecurity measures"; $400 million for financial relief to poultry farms hit by bird flu; and $100 million in research and development of vaccines and therapeutics. Rollins also said the agency would look to curb regulations, encouraging more backyard flocks and potentially targeting California's Prop 12 law. California's Prop 12, approved by voters, prohibits the sale of eggs from hens that are caged and includes heightened standards for conditions for layers.

Egg prices continue to rise, feeding a political problem for the White House and, to a lesser extent, inflation concerns about the economy. USDA's monthly Food CPI report this week showed egg prices up 13.8% in January, after an 8.4% increase in December. Prices in January were up 53% from a year ago, and the problem is not expected to end soon: USDA's 2025 egg price projection is for an increase of 41.1%.

USDA's monthly Chicken and Eggs report on Monday showed egg production in January down 4% from a year ago, and the number of laying hens down 5%. Conditions in February have not improved as bird flu continues to spread.

CREDIT CONDITIONS DETERIORATE IN MIDWEST, PLAINS

Farmland values in the Chicago Fed's district retreated in 2024, ending a streak of four consecutive higher years due to declines in the "I" states. The Chicago Fed reported the value of "good" farmland down 1% from a year earlier, with Illinois and Indiana each down 3% and Iowa down 2%. This more than offset a second straight year of strong gains in Wisconsin, where farmland values were up 8% in 2024 after a 14% gain in 2023.

Despite the annual decline, farmland values actually rose 1% during the fourth quarter, the Chicago Fed said. And when adjusted for inflation, farmland values are still up 11% from their 2013 peak.

Credit conditions deteriorated in the fourth quarter in the district, the Fed said, as working capital for farms has declined, demand for non-real-estate loans is rising, the loan-to-deposit ration was up slightly, and loan repayment rates fell for the fifth straight quarter. The Chicago Fed said the share of the district's farm loan portfolio having "major" or "severe" repayment problems rose to 4.3% in the fourth quarter, the highest level in four years.

The Kansas City Fed also reported that farm credit conditions deteriorated in its district, which includes Nebraska, Kansas, Oklahoma, western Missouri and Kansas.

The value of farmland in the K.C. district was flat in the fourth quarter versus a year ago, with gains of 4% in Oklahoma and 3% in Kansas offset by declines in western Missouri and Nebraska. The volume of farmland sales across the district was down in the fourth quarter, and 75% of all land purchases were made by farmers.

MORE DRAMA, ANXIETY ON TARIFFS

Ag markets entered the weekend once again in a cloud of uncertainty over tariff threats by President Trump. While there were mixed signals earlier in the week, on Thursday he made clear: 25% tariffs on Canada and Mexico, which had been postponed a month in early February, were in fact on schedule to be enacted March 4.

Along with those tariffs, Trump announced a new additional 10% tariff on China, doubling the 10% tariff enacted last month. He framed the tariffs against all three as a response to the fentanyl crisis in the U.S., accusing Mexico and Canada of failing to do enough to stem the flow of the drug across the border, and China of continuing to manufacture it.

The three countries account for half of U.S. ag exports, and retaliation could hit ag commodities including corn, wheat, soybeans, pork and cheese. With China at least, the U.S. reportedly has a plan to negotiate a deal that would boost their ag purchases. Any potential benefits to ag from a trade war with Mexico and Canada are harder to find. Ag trade groups are once again counting on the tariff threats to be part of a negotiating tactic rather than U.S. policy.

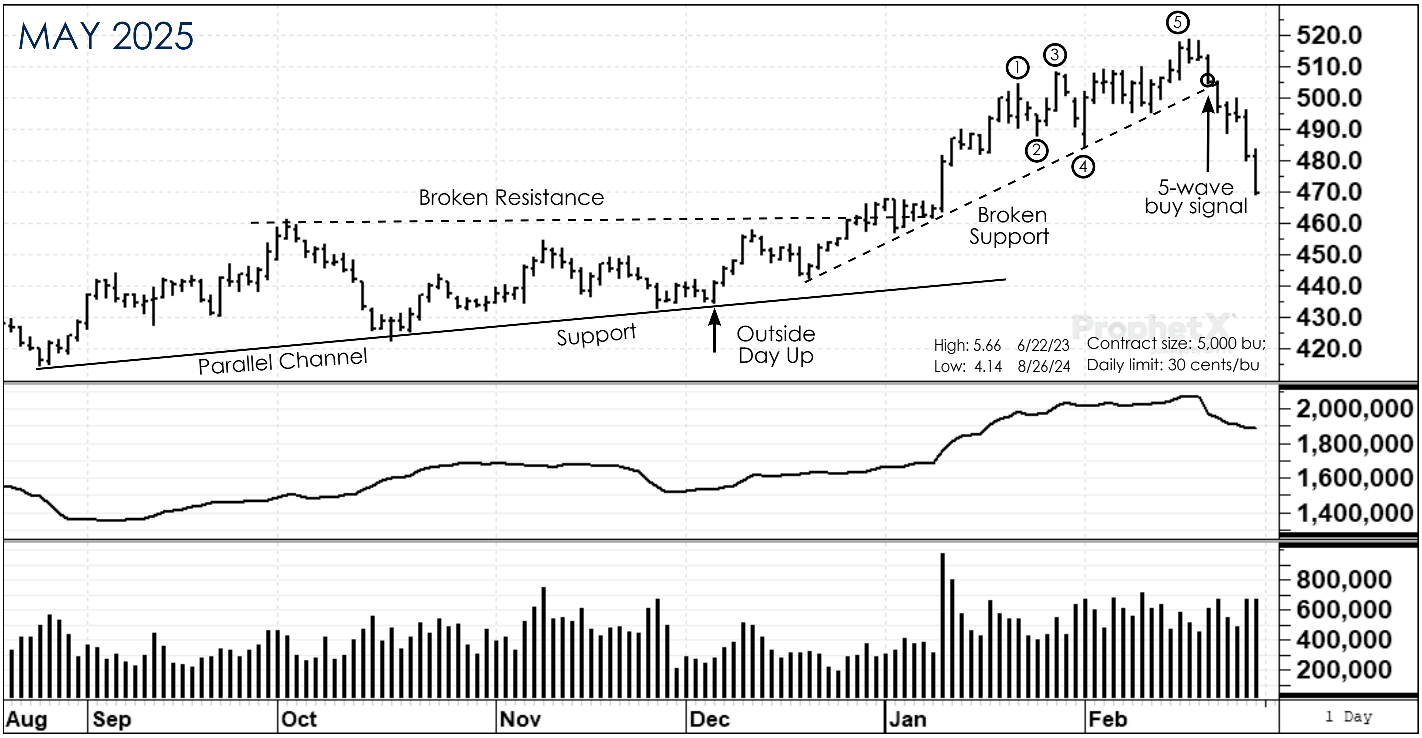
SNAP CUTS, FARM BILL CONCERNS

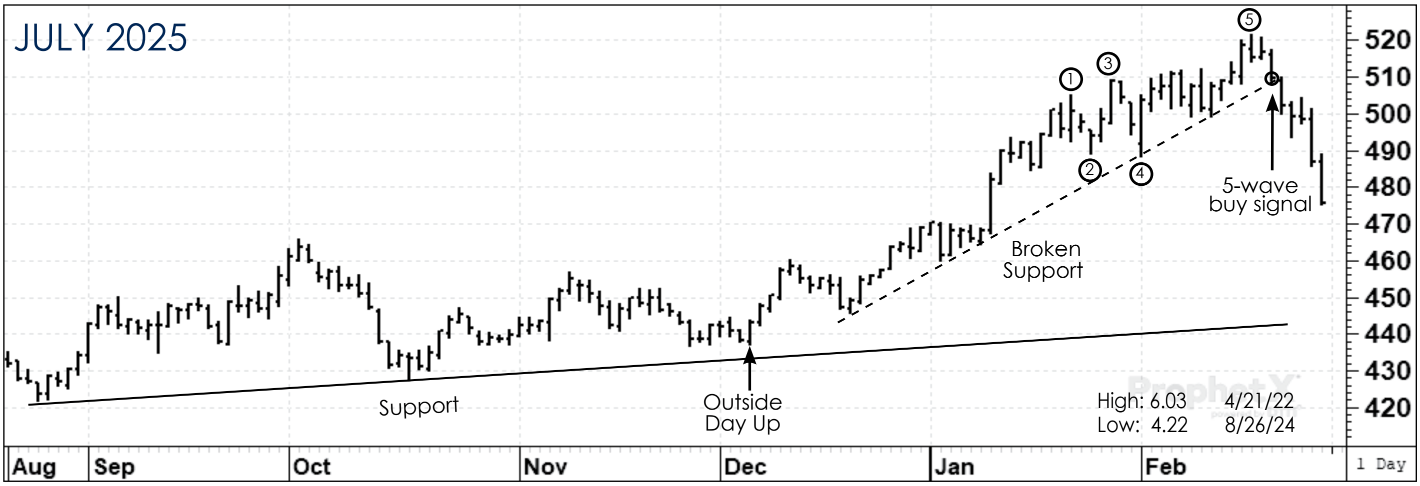
The U.S. House approved a spending plan this week that would require significant cuts to ag spending, likely to come out of the Supplemental Nutrition Assistance Program (SNAP), potentially making farm bill discussions more difficult this year.

The House approved the plan by a vote of 217-215. The reconciliation spending bill would require the House Ag Committee to cut spending by $230 billion and, with Republicans controlling the House, that would likely come mainly from SNAP. But some House Republicans told Politico they were worried that spending plan would complicate Farm Bill discussions. The last five-year Farm Bill was passed in 2018, and there have since been two one-year extensions. Democrats have long placed a priority on SNAP benefits, and a main concern is that they will not support a Farm Bill that weakens those benefits. The Senate and House need to agree on a spending bill.

As we have noted recently, the Project 2025 conservative blueprint for Washington calls for reduced farm subsidies, including for crop insurance. The House spending plan would include $4.5 trillion in tax cuts and increase the debt limit by $4 trillion, Politico said.

CORN


MAY 2025
Broken Resistance
Broken Support
5-wave buy signal
Parallel Channel
Support
Outside Day Up
High: 5.66 6/22/23
Low: 4.14 8/26/24
Contract size: 5,000 bu;
Daily limit: 30 cents/bu
520.0
510.0
500.0
490.0
480.0
470.0
460.0
450.0
440.0
430.0
420.0
2,000,000
1,800,000
1,600,000
1,400,000
800,000
600,000
400,000
200,000
Aug
Sep
Oct
Nov
Dec
Jan
Feb
1 Day


JULY 2025
Broken Support
5-wave buy signal
Support
Outside Day Up
High: 6.03 4/21/22
Low: 4.22 8/26/24
520
510
500
490
480
470
460
450
440
430
420
Aug
Sep
Oct
Nov
Dec
Jan
Feb
1 Day


WEEKLY MOST ACTIVE
Broken Resistance
5-Week Friday Close Rule Turned Long Sep. 13
800
750
700
650
600
550
500
450
400
2021
2022
2023
2024


DECEMBER 2025
Key Reversal Up
520
510
500
490
480
470
460
450
440
430
420
Nov 2023
2024
Mar
May
Jul
Sep
Nov
2025
1 Day

COMMENTARY

As we pointed out a week ago, corn futures were on the verge of confirming a five-wave sell signal. It happened. The result also is as expected. As we have been discussing for weeks, whenever the commitment of traders reports shows that the commodity funds are holding almost the entire long position and commercial companies are huge shorts, it is like a rubber band ready to snap. The five-wave sell signal started the selling and then the rest was predictable.

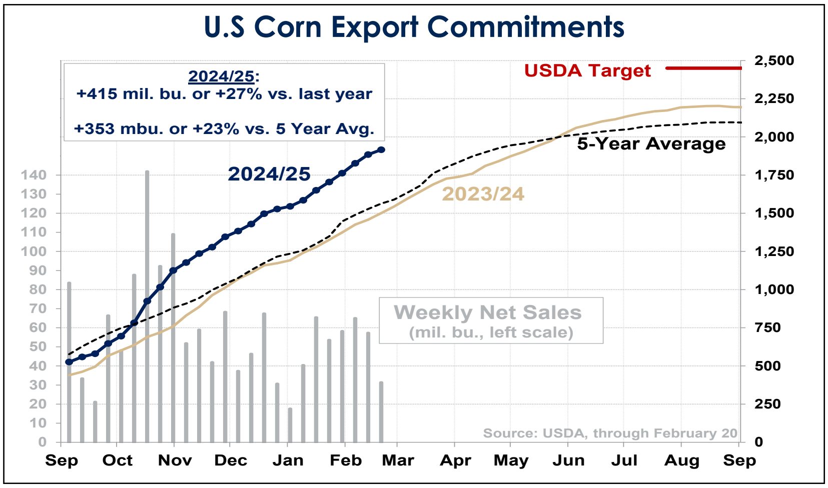
Some will say, “but there wasn’t any change in the fundamentals.” That’s not the way markets work. You don’t need any changes or any news in a market like this when the commodity funds are the ones that pushed the market higher. There are two crops to harvest every year. The corn crop and the speculator crop. This was the week to harvest the speculators.

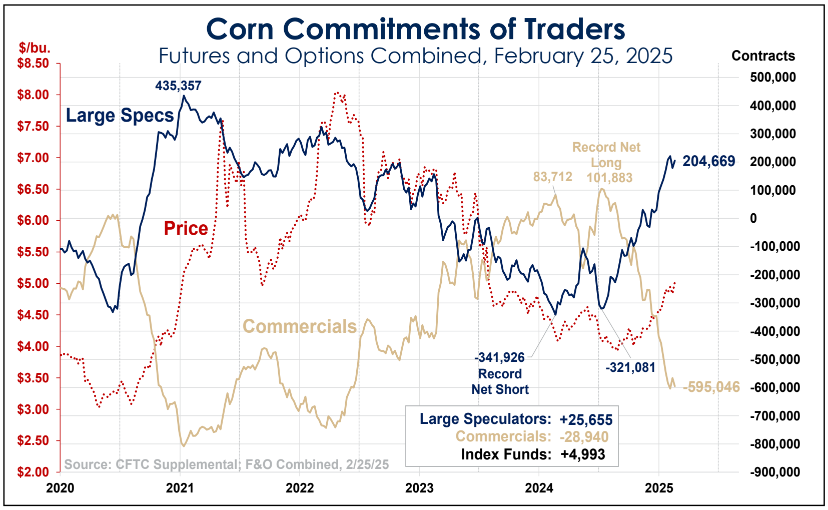
The question now is how far down is down. In actuality, there is no way to know. In looking at May corn futures, the reality is there is no support until the market hits $4.60. That’s a long way from now. Sounds impossible? Don’t bet on it. Prices always go higher in a bull market than expected and always lower in a bear market than expected.

This may well discourage some increases in planted corn acres and certainly it will help increase demand. For livestock feeders, this is going to create some very good buying opportunities. For right now, it’s all about technical selling.

Cash-only Marketers’ Strategy: We’ve made a lot of changes in the last two weeks. Everyone going into this week should have been 85% sold on the old-crop and on Monday, we pushed new-crop sales from 5% to 15%.

Hedgers’ Strategy: Going into this week, we were 75% sold on old-crop corn and on Monday, we hedged another 10% with short May futures contracts bringing you to a net 85% priced. In the new-crop, forward contracts were pushed from 5% to 15% and we established an option strategy covering another 10%. The recommendation was to buy (1) December 2025 $4.70 corn put and sell (2) December $5.40 calls against it. This was put on for about four and a half cents.

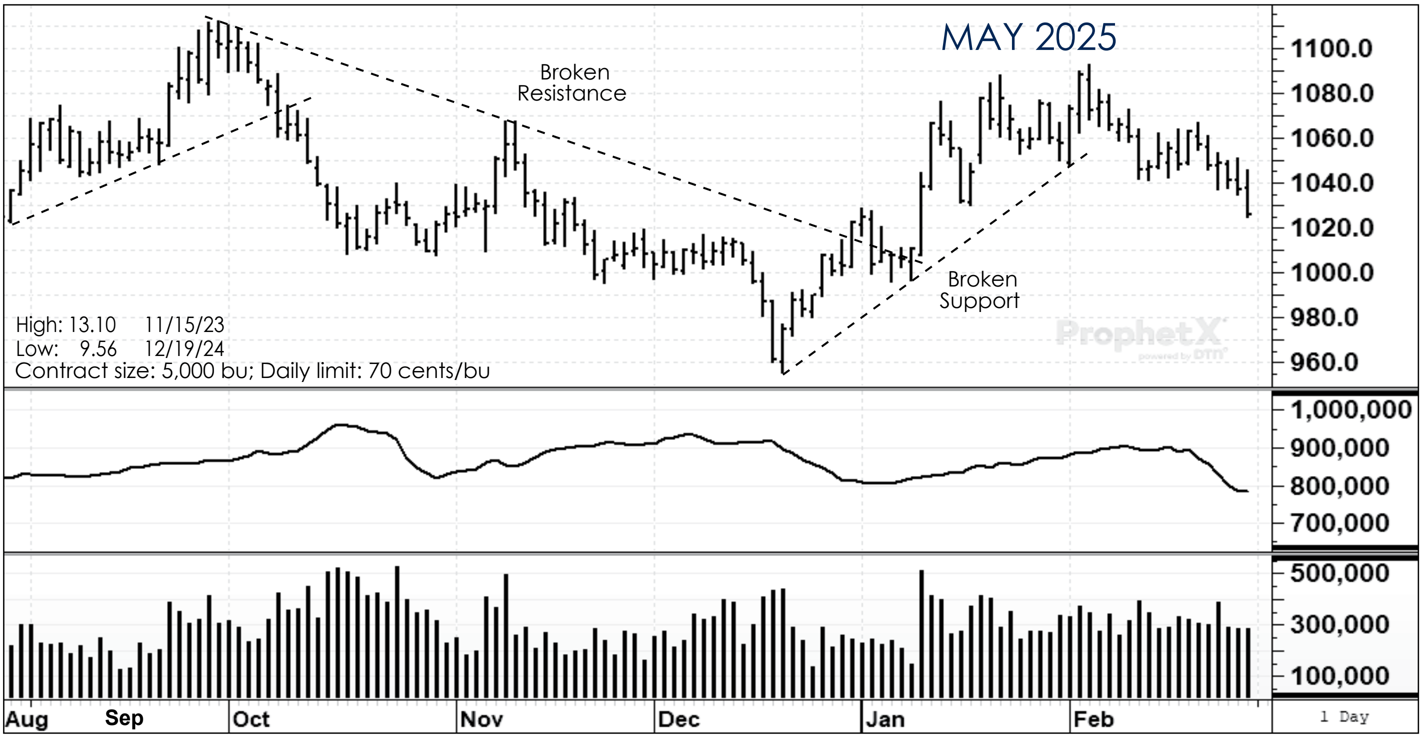


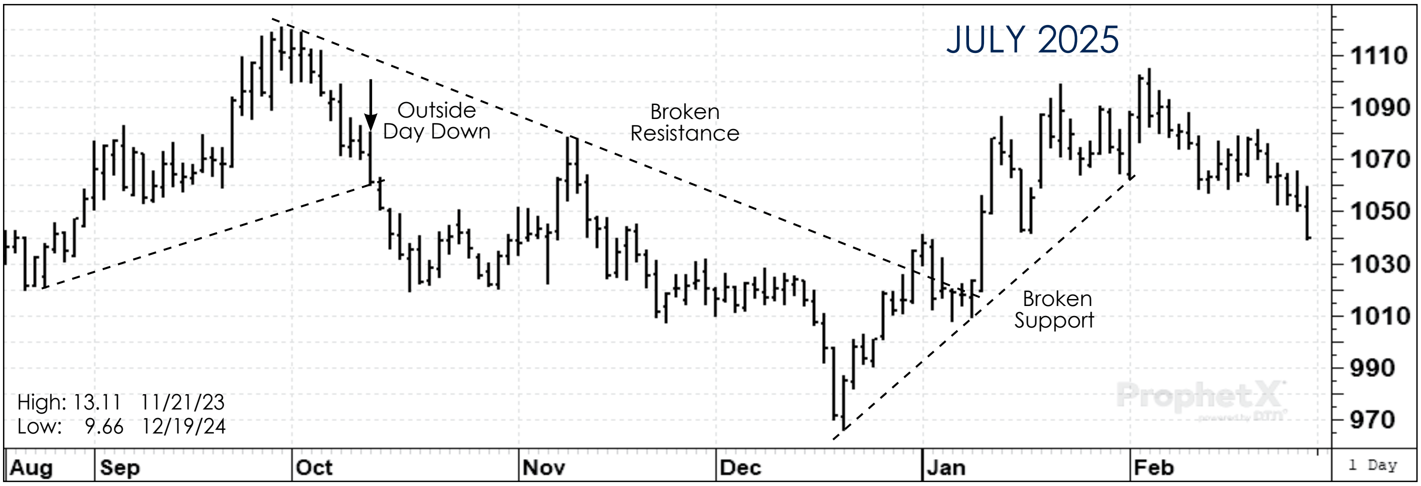


U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins Sept 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (million)				
Planted Area	94.6	90.6	90.6	95.0
Harvested Area	86.5	82.9	82.9	86.6
Yield	177.3	179.3	179.3	180.0
SUPPLY (mil bu)				
Beg. Stocks	1,360	1,763	1,760	1,419
Production	15,341	14,867	14,864	15,595
Imports	28	25	25	25
Total Supply	16,729	16,655	16,649	17,039
USAGE (mil bu)				
Feed & Residual	5,805	5,775	5,800	5,850
Food/Seed/Ind	6,868	6,890	6,905	6,930
Ethanol & By-Products	5,478	5,500	5,500	5,525
Domestic use	12,673	12,665	12,705	12,780
Exports	2,292	2,450	2,525	2,475
Total use	14,966	15,115	15,230	15,255
Ending Stocks (Aug 31)	1,763	1,540	1,419	1,784
Stocks/use	11.8%	10.2%	9.3%	11.7%
Farm Price ($/bu)	$4.55	$4.35	$4.75-5.50	$4.25-$5.25

SOYBEANS


MAY 2025
Broken
Resistance
Broken
Support
High: 13.10 11/15/23
Low: 9.56 12/19/24
Contract size: 5,000 bu; Daily limit: 70 cents/bu
1100.0
1080.0
1060.0
1040.0
1020.0
1000.0
980.0
960.0
1,000,000
900,000
800,000
700,000
500,000
300,000
100,000
Aug
Sep
Oct
Nov
Dec
Jan
Feb
1 Day


JULY 2025
Outside
Day Down
Broken
Resistance
Broken
Support
High: 13.11 11/21/23
Low: 9.66 12/19/24
1110
1090
1070
1050
1030
1010
990
970
Aug
Sep
Oct
Nov
Dec
Jan
Feb
1 Day


WEEKLY MOST ACTIVE
1800
1750
1700
1650
1600
1550
1500
1450
1400
1350
1300
1250
1200
1150
1100
1050
1000
950
2021
2022
2023
2024
2025


NOVEMBER 2025
1260
1240
1220
1200
1180
1160
1140
1120
1100
1080
1060
1040
1020
1000
980
960
Nov 2023
2024
Mar
May
Jul
Sep
Nov
2025
1 Day

COMMENTARY

Price action in soybeans was not good this week, although not quite as bad as in corn. The overall trend is now down. The next support area on May soybeans is approximately $10.20. Resistance in the May futures is last week's high at $10.67.

Soybean meal and soybean oil prices held relatively steady this week until oil gave way Friday. Outside markets right now are too negative and the psychology is shifting to make people hesitant buyers. The well is dried up. Also note that from a technical point of view, open interest has dropped significantly in soybean futures. That is not a good sign right now.

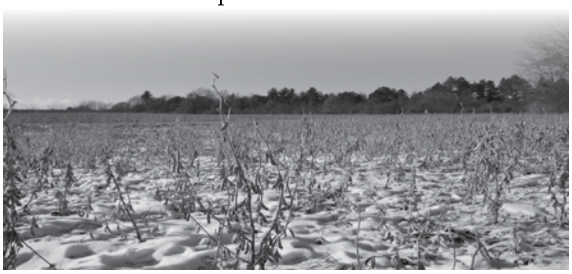
On long-term weekly and monthly charts, this market still looks like it has a long-term bottom. On a percentage basis, the downside risk we don't believe to be as high in soybeans as we do in corn. From a horizontal support area, however, the next major support area in May beans is at $10.20, then $10.00. Could happen.

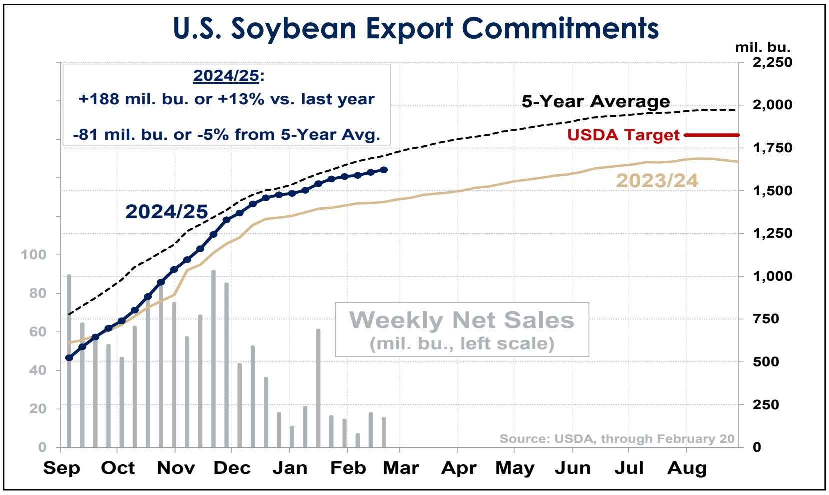
Psychologically, many people are concerned about trade wars. We think it is a fear that will pass within the next three to four weeks and then the concentration will focus on planted acres and weather here in the United States.

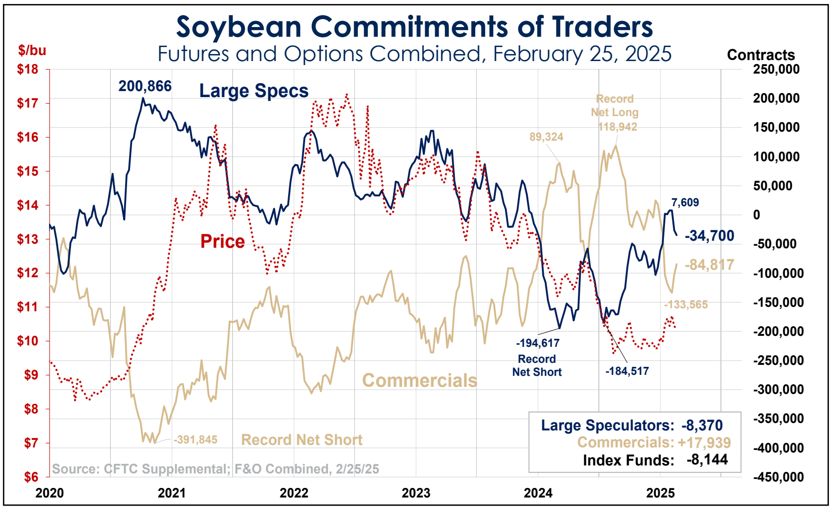
The key to this market was being positioned correctly going into this type of negative price activity. We have been heavy sellers for the last few weeks. It's worked out fairly well.

Cash-only Marketers' Strategy: On Monday, everyone was recommended to push from 75% to 85% sold in the old-crop. We were already 10% forward contracted in the new.

Hedgers' Strategy: Cash sales were pushed from 50% to 60% on Monday and we made two separate recommendations to sell May soybean futures on 10% each, bringing us to 80% priced on old-crop. Also on Friday, we sold November soybean futures on 10% of new-crop.







U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins Sep 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (million)				
Planted Acres	83.6	87.1	87.1	83.5
Harvested Acres	82.3	86.1	86.1	82.4
Yield	50.6	50.7	50.7	51.5
SUPPLY (mil bu)				
Beg. Stocks	264	342	342	376
Production	4,162	4,366	4,365	4,244
Imports	21	20	20	25
Total Supply	4,447	4,729	4,727	4,646
USAGE (mil bu)				
Crush	2,287	2,410	2,410	2,465
Exports	1,695	1,825	1,825	1,800
Seed	78	78	80	78
Residual	45	36	36	21
Total Use	4,105	4,349	4,351	4,364
Ending Stocks (Aug 31)	342	380	376	282
Stocks/Use	8.3%	8.7%	8.6%	6.5%
Farm Price ($/Bu)	$12.40	$10.10	$10.00-$10.75	11.00-11.75

MARKETING DECISIONS — ART, SCIENCE, OR BOTH?

David Brock
President

The Lead Story this week does a great job outlining the three most important aspects to making good marketing decisions: fundamental analysis, technical analysis, and understanding human nature.

One of the key observations in the lead story is the acknowledgement that nobody knows exactly what is going to happen. Just take a look at the USDA Ag Outlook projections vs. actual on page 3. The USDA missed ending stocks in corn this year by nearly a billion bushels!

So, if you agree that fundamentals, technicals and human nature all play a role in the markets, how do we incorporate all three of these into our own process so that on the whole we are making better marketing decisions?

Often times, the fundamental picture and the technical picture are telling us two different things, so which picture should we place an emphasis on? And when it comes to the human nature element, what are we talking about? Our own human nature? The human nature of the market as a whole? Yes.

Fundamental Analysis

This is where it all starts, and what we spend so much time discussing here. Market fundamentals ultimately, over time, dictate the price of a commodity. But it can take months. Also, this writer believes that the market knows all, or 99% of what a market's fundamentals are. VERY rarely does an individual know that the fundamentals are wrong while the rest of the market does not. So, if it is built into today's price, the real question is are the fundamentals more likely to improve or worsen from today, not is the market under or over priced vs. today's fundamentals.

Technical Analysis

As you know by now, we place a lot of emphasis on this. Technical signals are the reason we advanced our corn marketings aggressively early this week, and why we advanced our soybean marketing mid-week and then added to long standing hedges on Friday. We like to start with our fundamental outlook and use technical signals to trigger our actions. Quite frankly, though we ignore our fundamental outlook to some extent if the technical signals are strong enough, I would need another 'On Topic' page to cover this statement adequately.

This is certainly what we did in the case of corn this week. We could easily make the case that corn is underpriced. But, after a significant rally, prices reaching significant resistance levels, money managers holding an historically large long, and a 5-wave sell signal, we took aggressive action.

Human Nature

This is a tougher one to wrap your head around, it's the soft skills portion of marketing. There are two areas we focus on here. The first would be the human nature of the market. The second is your own human nature. It's acknowledging that we are too driven by a fear of missing out on higher prices, or too driven by the fear of lower prices, or always bullish, always bearish, or too stubborn to let go of any one particular aspect of a market that we're convinced will move prices a certain direction. Remember, nobody knows what lies ahead.

We provide many tools to manage individual human nature. The best of which are in the 'Grain Marketing Guidebook' which includes our marketing matrix and sample marketing parameters you can place on yourself to combat the part of your human nature that does the most damage to your marketing results. Email me if you want a copy. We also provide a view into the human side of the market as a whole with our Saturday Commitment of Traders analysis, discussing who is doing what.

Putting it all together

We are constantly reviewing all three of these aspects to marketing. We hold a daily conference call at 9:30 am CT with all of our team members where we discuss fundamental news, changes to the technical picture, and the human nature aspect. We do our best to cover all of these aspects in our writing in the Daily Market Comments and here in The Brock Report. We try to hold each other accountable when someone is too fixated on fundamentals and is ignoring technicals, or the other way around. If you are doing this alone, you need to try to hold yourself accountable. We have 250+ years of combined experience among just our top 7 contributors on this call, and that excludes several consultants and brokers who also contribute.

This game we play is more art than science at times. There is no conclusion to this article that includes a clear cut "here is what you need to do." This is an acknowledgement that what we do, what you do, is hard. There is no replacing experience as a teacher in any endeavor, and it is 10-fold the case in marketing and trading. Working together and leveraging the experience of others is an absolute must in my view. Why wouldn't you?

Email David at dbrock@brockreport.com

We were busy issuing recommendations for both futures and cash throughout the week. The markets started out looking ominous on Monday, and deteriorated from there.

On Monday, we made a 10% cash sale in corn, bringing producers to 15% sold on the 2025 crop. While the corn market has given a clear sell signal in futures, new-crop has held up relatively well, which has softened our impulse to sell 2025 production. But with this week's action, the writing is on the wall for new-crop too. Thursday's USDA acreage estimate (see page 3) reinforced the bearish outlook for corn.

Also on Monday, we made a 10% sale for wheat in the cash market, bringing cash-only marketers to 40% sold on the 2024 crop. As with corn, this move was based more on the market trend than on any fundamental conviction, but a stronger U.S. dollar and improved conditions in the Plains are negative factors for the market.

The soybean market has held up a little better than corn or wheat but by Wednesday, we were recommending a sale here as well: 10% of 2024 production, bringing cash-only marketers to 85% sold. For track record purposes, this will be recorded as a sale for June delivery. To the extent there's a bullish case for soybeans, it is reduced spring acreage. But for old-crop, demand is waning as exports shift to South America, which is seeing some reduction in crop expectations, but nothing approaching disaster.

As the chart below shows, cash corn prices in Central Illinois have rolled over. But with futures plummeting, basis levels were steady/higher in many locations, including in Cedar Rapids, Iowa, Peoria, Ill., Mitchell, S.D. and Memphis. The Basis bids jumped by 25 cents for February and March delivery in Burlington, Iowa. Gulf basis bids also rose.

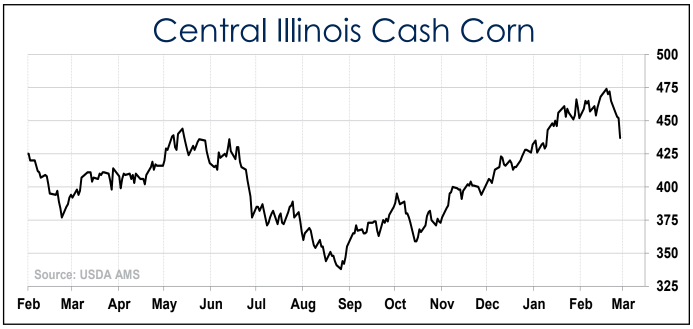
Soybean basis bids were mostly flat, although as with corn there was a big jump in Burlington, Iowa. Basis at the U.S. Gulf in New Orleans was up 11 cents for March delivery, at 81 cents over March futures.

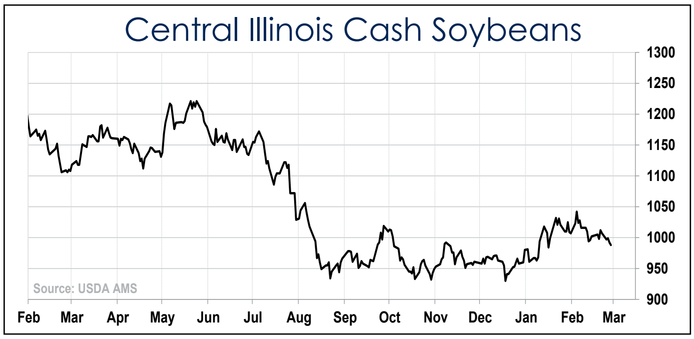
Although large parts of the Midwest and Plains are still in or near drought, Mississippi River water levels have risen substantially recently, and as of Friday, there were still widespread flood watches and warnings in the Delta. Conditions are expected to improve by next week, however. After multiple years in a row of low water levels, the stage could be set for more normal conditions this year.

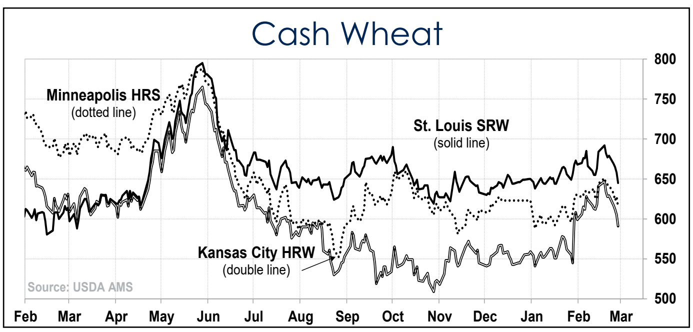
Basis Bids as of February 27

Corn	Delivery period Feb	Mar	Oct '25
Cedar Rapids, IA	-11 H	-7 H	-25 Z
Burlington, IA	-4 H	-4 H	-40 Z
Peoria, IL	-18 H	+5 H	-35 Z
Decatur, IL	+3 H	+10 H	-18 Z
Lafayette, IN	+0 H		-15 Z
Lincoln, NE	-35 H	-30 H	-30 Z
Marshall, MN	-40 H	-37 H	-30 Z
Dalhart, TX	+70 H		
Memphis, TN	+32 H	+32 H	
Mitchell, SD	-55 H	-55 H	
U.S Gulf, NOLA	+82 H	+77 H	
Soybeans	**Delivery period Feb**	**Mar**	**Oct '25**
Cedar Rapids, IA	-20 H	-20 H	-30 X
Burlington, IA	-10 H	-2 H	-40 X
Quincy, IL	+1 H	+1 H	-25 X
Champaign, IL	-20 H		-30 X
Decatur, IN	+12 H	+0 H	-25 X
Kansas City, MO	-20 H		
Brewster, MN	-50 K	-50 K	-45 X
Lincoln, NE	-40 H	-35 H	-40 X
Grand Island, NE	-79 H	-65 H	-65 X
Mitchell, SD	-95 H	-95 H	-85 X
Memphis, TN	+30 H	+30 H	-15 X
U.S Gulf, NOLA	+84 H	+81 H	

Sources: USDA AMS, DTN ProphetX, DJ Newswires







ETHANOL STOCKS BALLOON

Weekly ethanol output remained strong at 1.081 million barrels per day in the week ended Friday, near the prior week's total of 1.084 million. The four-week average is up 1.9% from a year ago. The bigger story in this week's EIA energy report is ethanol stocks, which swelled to 27.6 million barrels, up from 26.2 million the prior week. This is up 6.0% from a year ago and is topped by only 1 weekly print during Covid. Weekly exports slipped to an average of 115,000 barrels per day, from 138,000 the prior week. The four-week average, however, at 127,000 per day, is still up from 108,000 a year earlier.

Gasoline demand of 8.454 million barrels was up from 8.239 million the prior week. The four-week average is 0.1% from a year ago. Crude oil stockpiles of 430.2 million barrels were down from 432.5 million the prior week and down 3.8% from a year ago. Analysts had been expecting crude stocks to increase by 2.3 million barrels.

EPA AFFIRMS PLAN FOR YEAR-ROUND E15 IN MIDWEST

Ethanol groups cheered an Environmental Protection Agency announcement that it would uphold a rule set in the Biden administration to allow for E15 year-round in several Midwest states.

The rule, finalized in February 2024, applies to Illinois, Iowa, Wisconsin, Minnesota, Nebraska, Missouri, Ohio and South Dakota starting this year. The states had petitioned to allow for year-round E15 amid a broader effort to allow it nationally. In its announcement this week, EPA said it would also allow for individual states in the Midwest to request a delay to the E15 rule by one year. Ohio, in particular, has sought that delay.

"Today's decision underscores EPA's commitment to consumer access to E15 while ensuring a smooth transition for fuel suppliers and refiners," EPA Administrator Lee Zeldin said. "Our approach provides certainty for states that are ready to move forward with year-round E15 while accommodating those that requested additional time. We will continue working with all stakeholders to ensure available and affordable fuel supply."

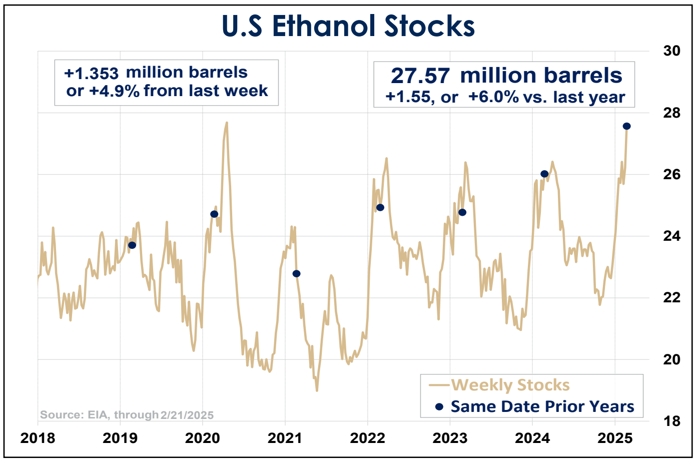
Biofuels advocates appeared to have scored a huge win in the budget reconciliation process before Biden left office, as a spending bill initially included year-round E15 nationwide. That provision did not survive to final passage however, and debate over that provision revealed the significant opposition to ethanol that still exists in Washington. Along with the added ethanol demand at each E15 pump, biofuels supporters says certainty on E15 policy would pave the way for more pumps to be installed.

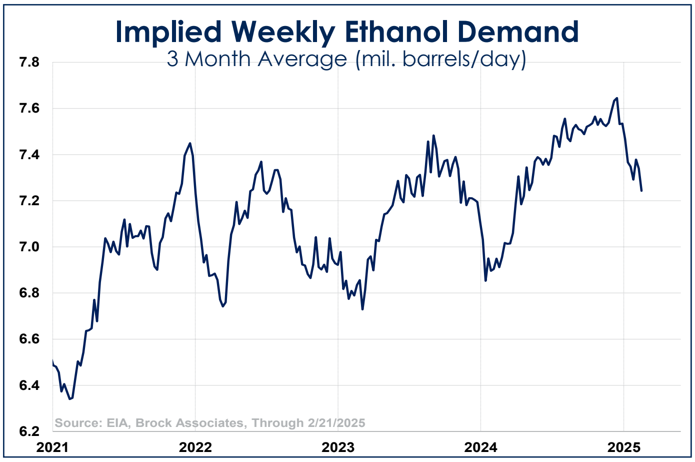
CRUDE OUTPUT HITS ANOTHER RECORD; DRILLING RIGS UP

President Trump's executive order on "energy dominance" issued earlier this month points to a "drill baby drill" approach, but major increases from current levels are likely to prove difficult. This week EIA in a monthly report said that U.S. crude oil production in December hit a record high of 13.491 million barrels per day. That is up from 13.314 million in November, and from the prior record of 13.436 million in October.

The challenge is that the industry will need more incentive than just a nudge by President Trump to invest more in production. Crude oil prices continue to hover around $70 per barrel, and a Reuters poll of 41 economists this week finds an average price forecast this year of $70.66, up barely from their average 2025 price forecast of $70.40 last month. The industry has reportedly shown little interest in major production increases at current levels.

That said, drilling rigs, considered a leading indicator of U.S. crude oil production, have been on the rise. Baker-Hughes this week reported a fifth straight weekly increase in rig counts, the first time that has happened since May 2022. Although the number of drill rigs is still down 6% from a year ago, drilling rigs are reportedly becoming more efficient.





COMMENTARY

This is another market that had a wild ride this week. No real changes took place fundamentally but when a market peaks, no fundamental news is needed. Falling markets fall from their own weight. It's only bull markets that need bullish news to keep going up.

The technical sell signals were very obvious but as always is the case, one needs to act quickly. Both in Chicago and Kansas City futures, the trend is now well established as down. The next support area in July Chicago futures is contract lows at $5.50. That could well be tested within the next week.

In the Kansas City market, the next support area is at $5.80 in the July contract which is the highs that were established in December. We do not think the Kansas City market will go into new contract lows whereas Chicago wheat has a good probability of doing so.

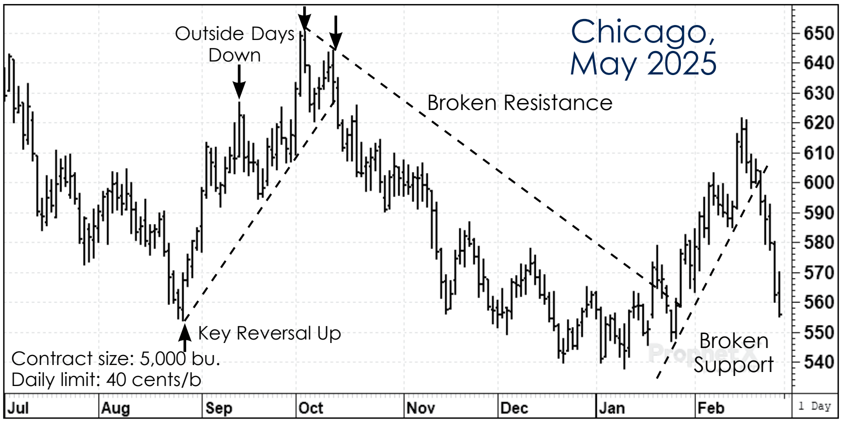
Thursday's USDA Ag Outlook estimates came in a little negative for wheat, and mostly benign crop conditions globally are a negative factor.

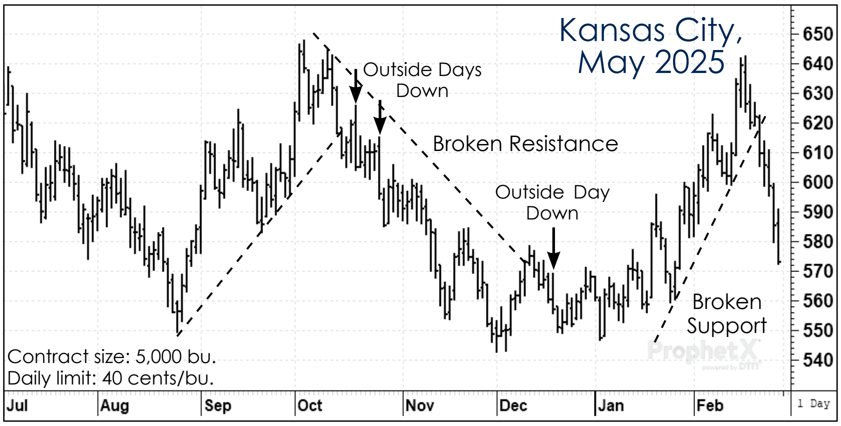
Cash-only Marketers' Strategy: Old-crop sales have been gone a long time. In the new-crop, this week we pushed forward contracts from 30% to 40%.

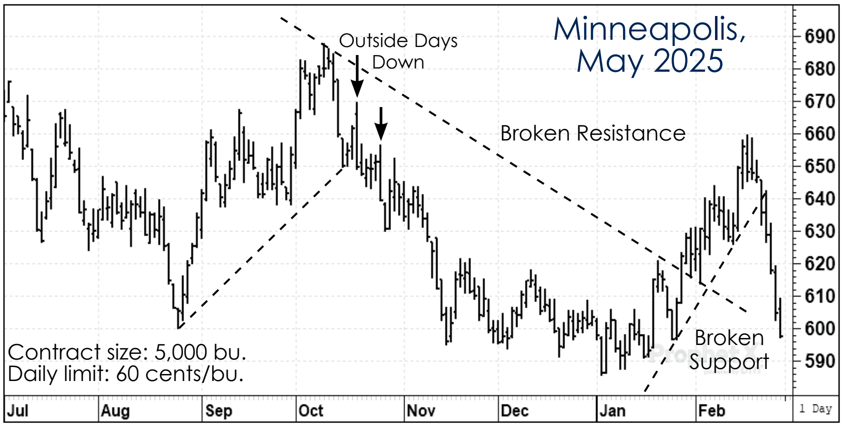
Hedgers' Strategy: Forward contracts on Monday were pushed from 20% to 30% and we shorted July Chicago futures on another 10%.

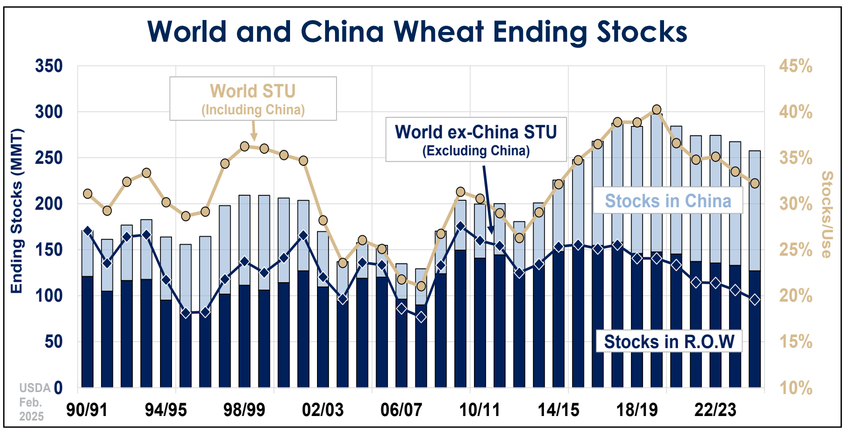
U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins June 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (million)				
Planted Area	49.6	46.1	46.1	46.7
Harvested Area	37.1	38.5	38.5	38.2
Yield	48.7	51.2	51.2	50.6
SUPPLY (mil bu)				
Beg. Stocks	570	696	696	803
Production	1,804	1,971	1,971	1,933
Imports	138	130	118	110
Total Supply	2,512	2,798	2,785	2,846
USAGE (mil bu)				
Food/Seed	1,023	1,034	1,032	1,036
Feed & Residual	85	120	110	110
Domestic Use	1,108	1,154	1,142	1,146
Exports	707	850	840	885
Total Use	1,815	2,004	1,982	2,031
Ending Stocks (May 31)	696	794	803	815
Stocks/Use	38.3%	39.6%	40.5%	40.1%
Farm Price ($/Bu)	$6.96	$5.55	$5.55-5.80	$5.85-6.25

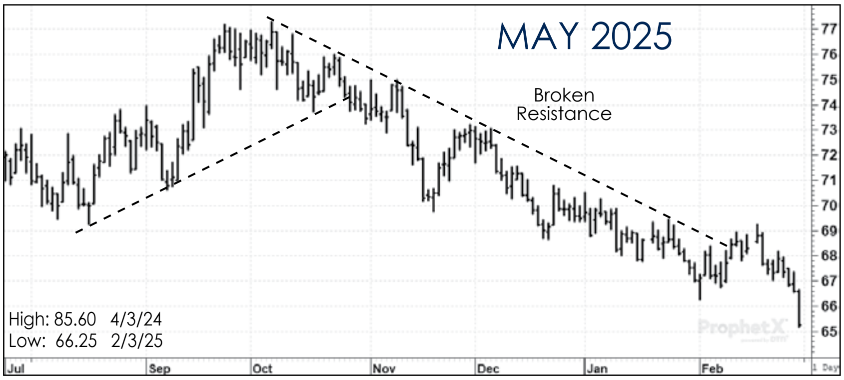


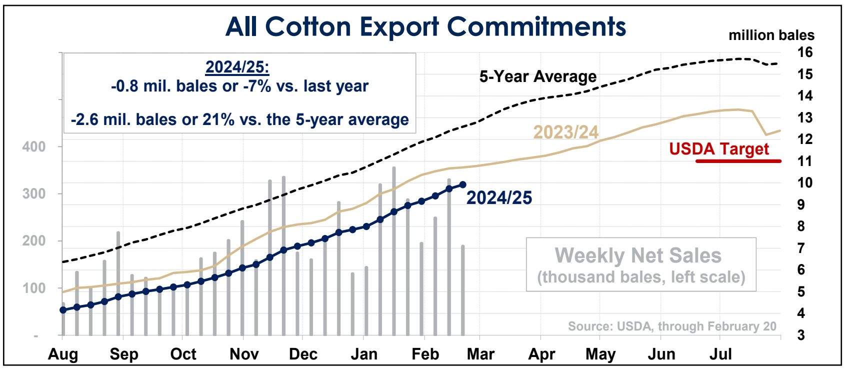






COTTON





COMMENTARY

Another disheartening week for U.S. cotton producers, as the market fell apart and made fresh lows on Friday, including contract lows and a five-year low on a front-month basis. This left us with little choice but to add a new hedge position, with downside price objectives at this point unclear.

Thursday's annual Ag Outlook Forum projections put 2025 U.S. cotton plantings at 10.0 million acres, down 1.2 million from 2024, but on par with the average of trade expectations. The National Cotton Council earlier this month projected 9.6 million, and we expect actual plantings will come in below USDA's estimate. This latest slide in prices reaffirms that expectation. The mood among many producers is not good and acreage is being switched to corn across the South as well as in Texas.

Negative factors for the cotton market include worries about the U.S. economy, competition from Brazil, and a lack of buying by China. Weekly cotton net export sales Thursday were unimpressive at 166,900 bales, down 35% from the four-week average. Shipments totaled 267,500 bales.

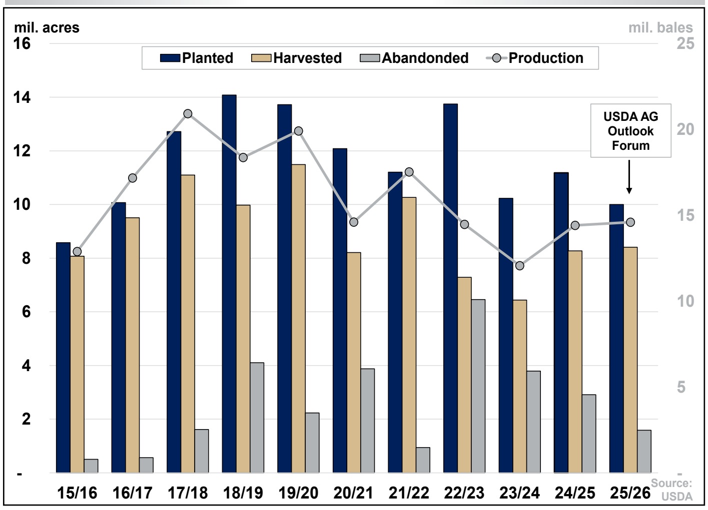
Cash-only Marketers' Strategy: Cash marketers are 45% sold on the 2024 crop. Nothing in new-crop yet.

Hedgers Strategy: We are 35% sold on the 2024 crop in the cash market. We added a short position in May futures on 10% of 2024 production. Nothing sold in new-crop yet.

U.S. SUPPLY & DEMAND

	USDA		Brock	
Marketing year begins Aug 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (million acres)				
Planted Area	10.23	11.18	11.18	8.80
Harvested Area	6.44	8.27	8.27	7.04
Yield	899	836	836	900
SUPPLY (million 480-lb. bales)				
Beginning Stocks (August 1)	4.65	3.15	3.15	4.51
Production	12.07	14.41	14.41	13.21
Imports	0.0	0.0	0.00	0.00
Total Supply	16.72	17.57	17.56	17.72
USAGE (million 480-lb. bales)				
Mill Use	1.85	1.70	1.85	1.90
Exports	11.75	11.00	11.20	11.80
Total Use	13.60	12.70	13.05	13.70
Unaccounted	-0.03	(0.03)	0.00	0.00
STOCKS (million 480-lb. bales)				
Ending Stocks (July 31)	3.15	4.90	4.51	4.02
Farm Price (¢/lb)	76.1	63.5	64-68	65-70

U.S. COTTON ACREAGE & PRODUCTION



COMMENTARY

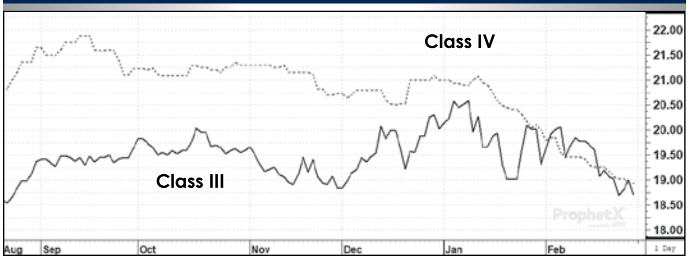
After slumping in the latter part of 2024, milk production showed signs of picking up in January: The USDA monthly Milk Production report showed January production up 0.2% from a year earlier. The increase was driven by increased milk cows, which were up 54,000 head from a year ago to 8.93 million. The number of cows was also up 9,000 from December. Milk per cow was down slightly from the year prior.

Driving the increase in January was Texas, the country's third-biggest dairy producer, which saw production up 6.5% from a year earlier thanks to a big increase in cows. Other states showing increases include South Dakota, Idaho, New York, Pennsylvania and Georgia. Wisconsin production was down 0.6% from a year earlier and California was down 5.7%.

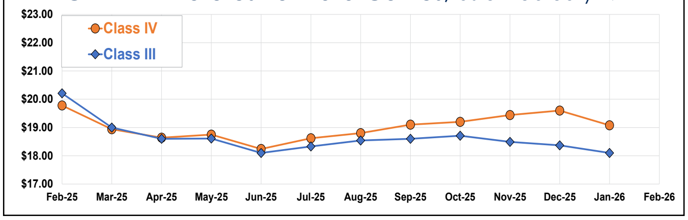
USDA's Dairy Outlook at the Ag Outlook Forum painted a relatively positive picture, noting that producers entered 2025 with favorable feed prices and a growing dairy herd, with prices only down slightly. But the strong returns in 2024 are expected to drive increased cow numbers, which we've already started to see, as noted above. Milk production and cow numbers had been declining steadily since 2021, but USDA forecasts that to change in 2025. But Milk prices are expected to remain steady with 2024, driven in part by strong exports. Except for dry whey, U.S. prices for most dairy products will remain competitive in export markets, USDA said.

The USDA projections do not make mention of potential trade disputes or tariffs, which are a big concern and wildcard for this year. As noted on page 5, President Trump has reaffirmed plans to enact 25% tariffs on Canada and Mexico. Of the two, Mexico is the bigger concern as it is the top importer of U.S. dairy products. The domestic economy is another potentially negative factor. Class III futures have been declining steadily for most of the past three weeks.

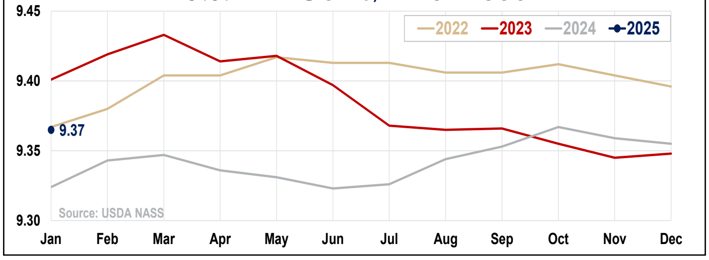
CME March Milk Futures, $/cwt



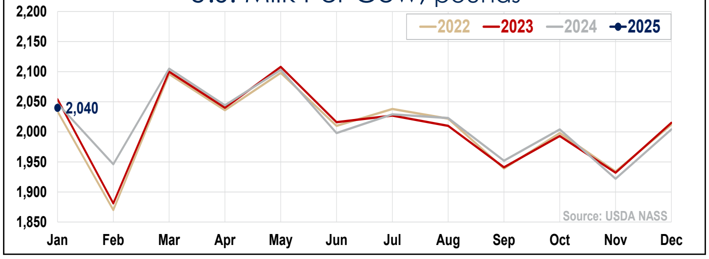
CME Milk Futures Forward Curves, as of February 27



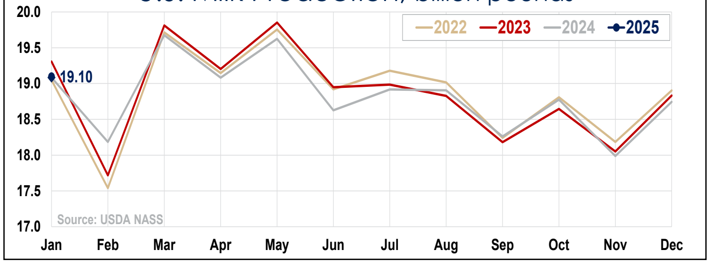
U.S. Milk Cows, million head



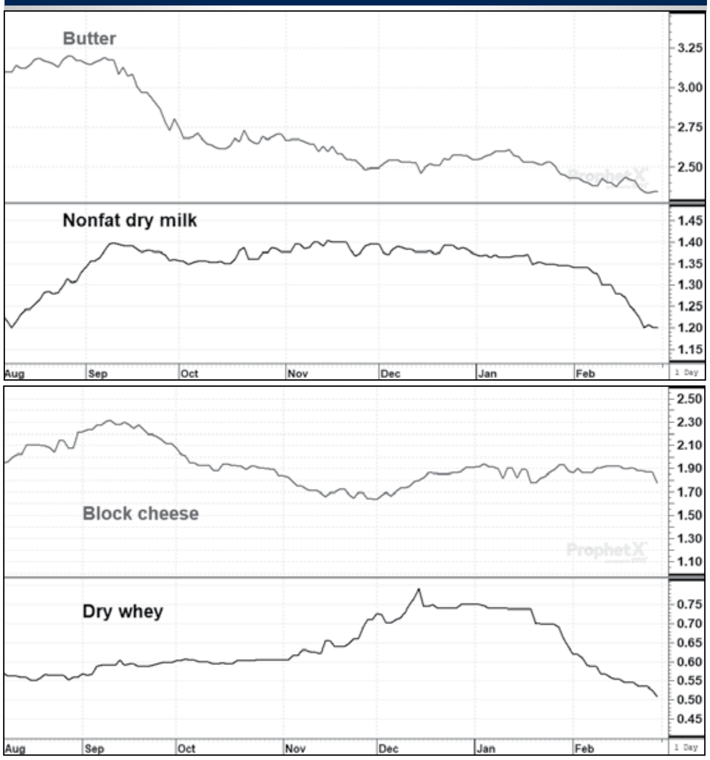
U.S. Milk Per Cow, pounds



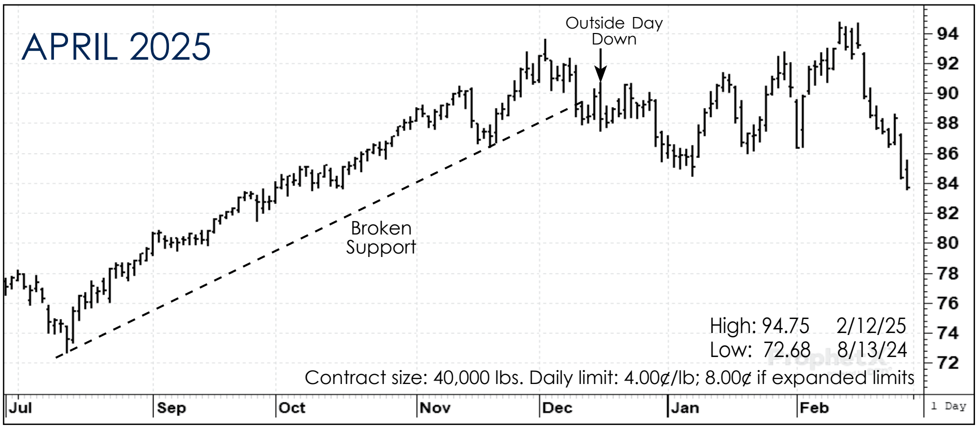
U.S. Milk Production, billion pounds

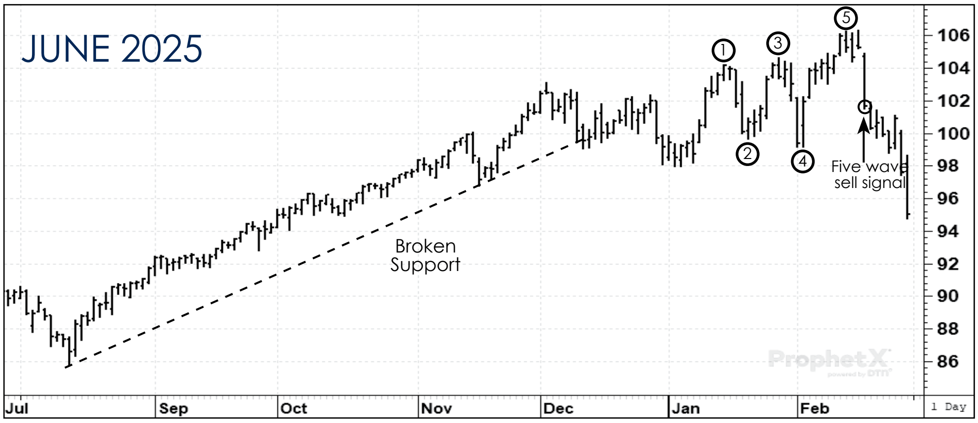


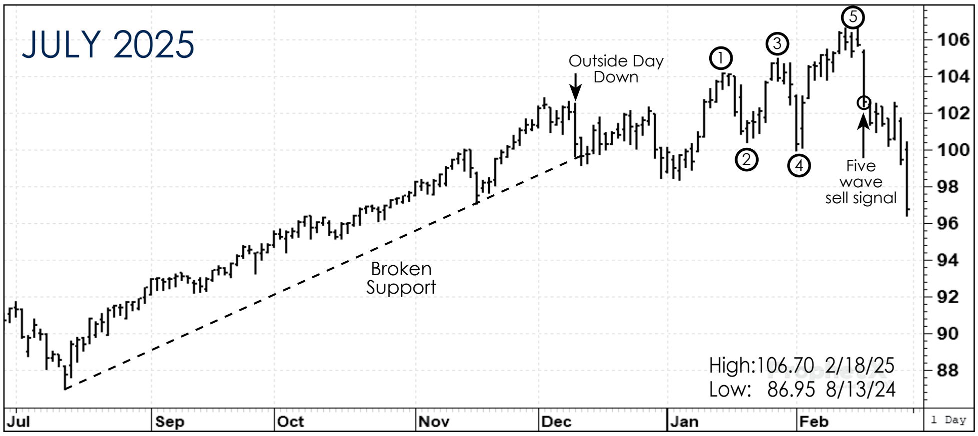
CME spot prices, $/lb

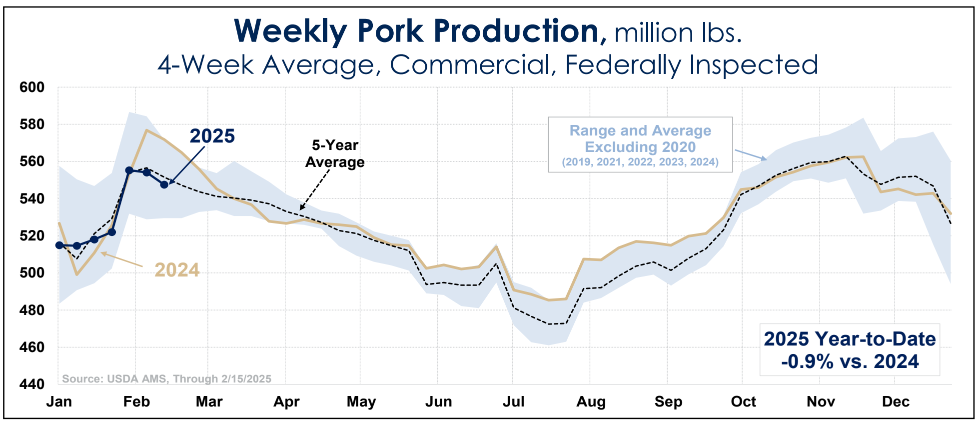


HOGS









COMMENTARY

Lean hog futures had an ugly week, with prices falling sharply amid concerns of retaliation against U.S. pork exports. Futures did rally sharply on Wednesday after comments from President Trump spurred hopes for a further delay in imposition of the tariff, but prices collapsed Thursday and Friday after the White House said it was going forward with the tariff on March 4. Cash market fundamentals were largely flat for the week, but pork belly prices remained volatile.

The hog futures charts look horrendous, with nearby April futures falling $4 on the week to their lowest level since early October and closing below their 200-day moving average for the first time since mid-September. From a technical standpoint, further downside risk has been opened to $80.00. On the Aug. chart, nearby support is now at $95.50 and $94.00.

Things could change in a hurry in the hog market, though, if Mexico reaches an agreement over the weekend to avoid the U.S. tariff. And the market may be overreacting to the tariff threat. Even if the tariff goes into effect and Mexico retaliates against U.S. pork, the impact on exports should not be massive. In 2024, 38.2% of all U.S. pork exports went to Mexico, but looking back at the 2018-19 U.S.-Mexico tariff war, exports to that country fell by less than 10%.

The problem is that with USDA projecting U.S. pork production to rise by nearly 2.7% in 2025, the domestic market does not really need additional supplies. Whether that projection is accurate is another question. Right now, hog slaughter and pork production continue to undershoot expectations. This week's estimated hog slaughter was about 0.5% below a year earlier, although pork production was up 0.3%.

Hedgers' Strategy: Hedgers remain short April lean hog futures against 50% of Q2 production and Aug. futures against 50% of Q3 production. Hold these positions for now.

COMMENTARY

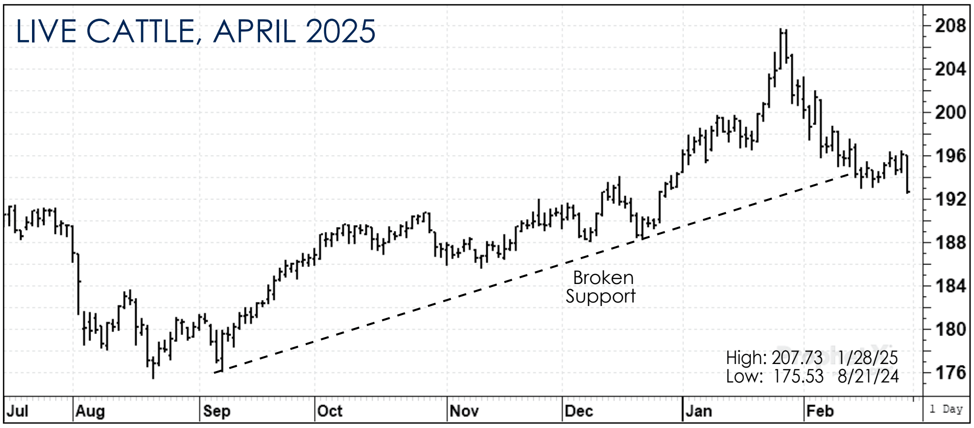
Live cattle futures got a shot of support early in the week from speculative position evening as traders watched the tariff situation and waited for cash trade to develop. But prices could not gain any upward momentum and collapsed on Friday amid lower Plains cash trade and growing fears U.S. trade policy could throw the general economy into recession. Feeder cattle futures rallied most of the week on corn market weakness and firm cash prices, but charted bearish reversals on Friday.

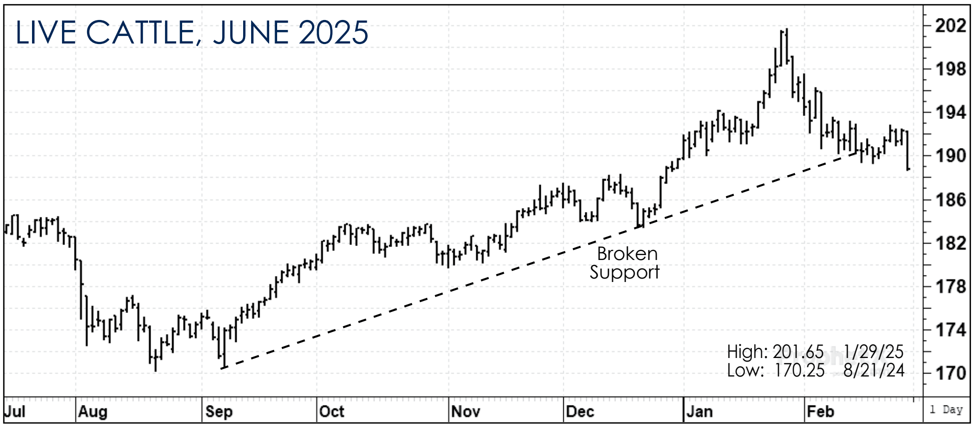
The live cattle futures charts are looking ugly after Friday's price collapse. After failing to close above $195 the previous three sessions, April live cattle on Friday fell to their lowest level in two months. The market also charted an outside week down, suggesting it is set to accelerate lower. The next chart support for April is in the $188.00-$188.50 range and down near $186.00. Most-active April feeder cattle futures climbed to a one-month high on Friday and then reversed lower signaling they have likely topped again.

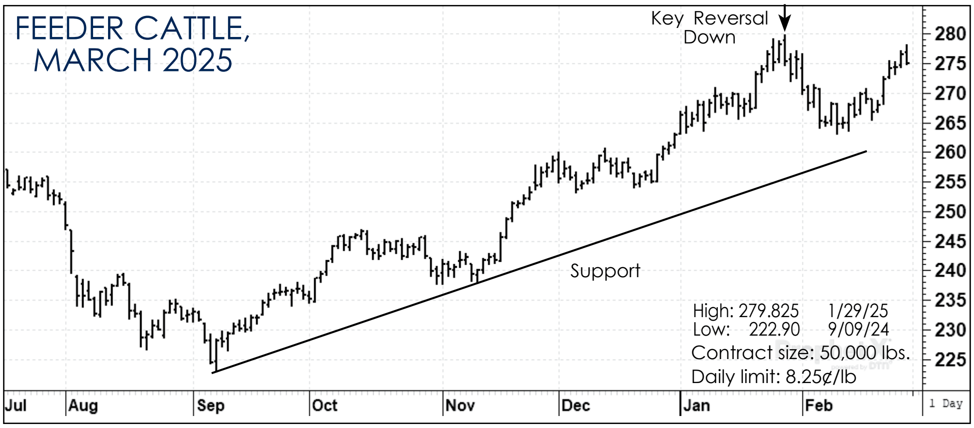
Prices in Plains direct cash cattle markets fell for the fourth straight week with packers maintaining the upper hand in the market amid improved weather conditions and continued ample supplies of heavy cattle. Live cattle slaughter weights averaged about 3.5% above a year earlier, with weekly beef production down only 0.7% versus last year on a 4.7% reduction in slaughter.

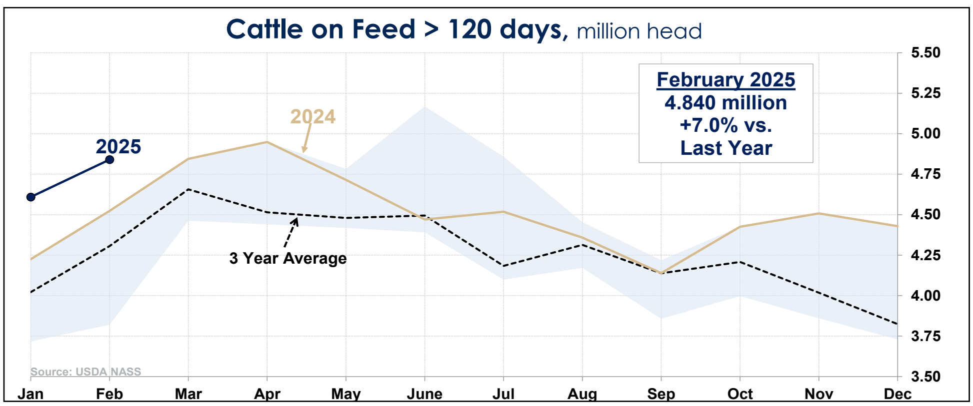
Last week's Cattle-on-Feed report was largely neutral versus expectations, but confirmed a record large supply of market-ready cattle (on feed for more than 120 days) as of Feb. 1, 7% above a year earlier. This situation may take several months to ease. Packer margins remain sharply negative despite easing cattle prices due to seasonally weak beef demand. Friday's average packer margin was estimated by HedgersEdge at minus $167.50 per head, versus minus $199.10 a week earlier.

Hedgers' Strategy: Fed cattle marketers remain long $195 put options on June live cattle against 100% of Q2 marketings and $190 Aug. put options on 50% of Q3 marketings, but exited short $215 June calls and short $210 Aug. call options Wednesday. Feeder cattle sellers remain long $270 put options against May feeder cattle and short $300 call options against them.

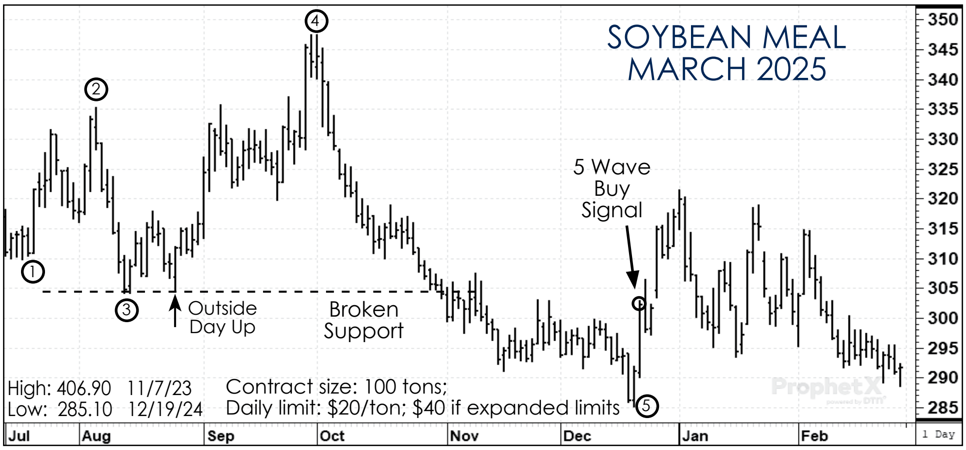


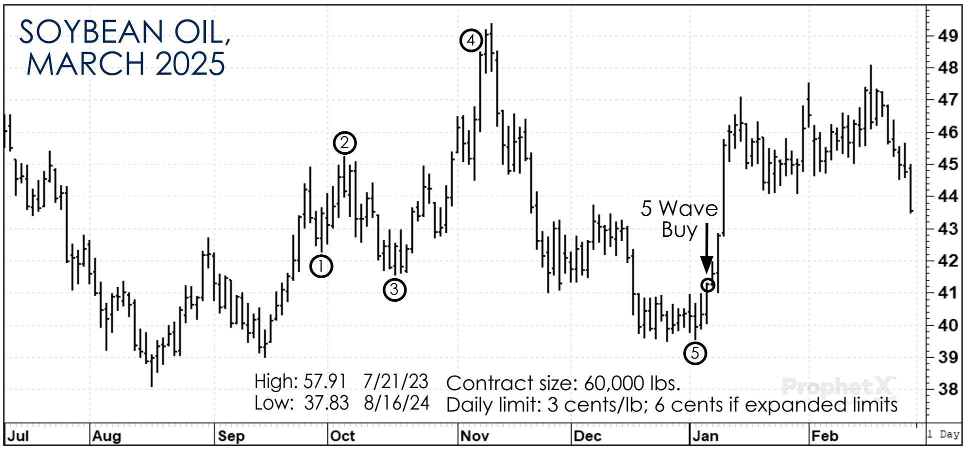


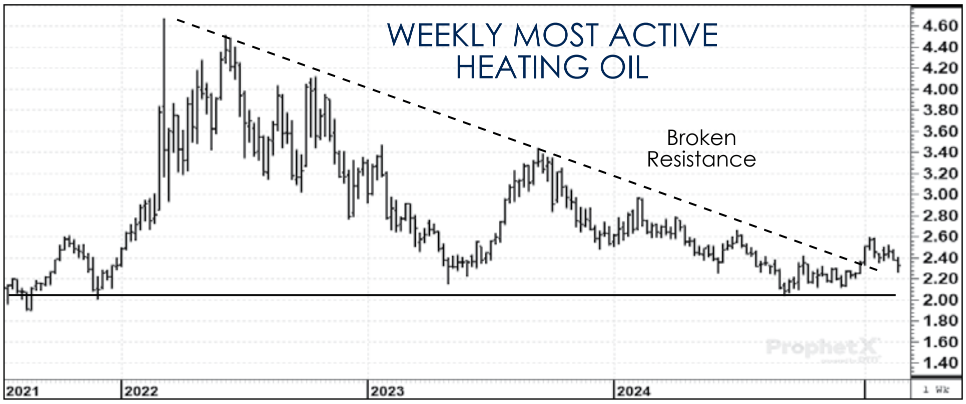


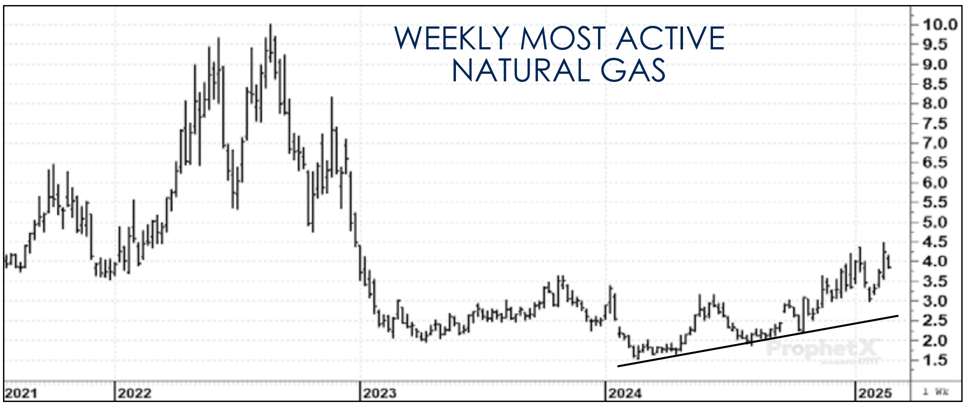


FEED & FERTILIZER









COMMENTARY

Feed: Soybean meal futures continued in a sideways pattern for much of the week but the wheels came off on Friday amid broad weakness in the grain and oilseeds complex. Soymeal futures fell to a seven-week low on a front-month basis, and a 10-week low in May futures. May, the most-active soymeal contract, did at least manage to close just above the $300 level.

This week we exited our long positions for feed buyers in March corn and March soymeal futures. We remain long on 25% of second-quarter needs in May futures, but watch for a recommendation on this. The trend is lower.

Distillers' dried grain prices also started to decline this week, after a couple weeks of little price action. Prices on the week were down $2 to $5 in Indiana, eastern Iowa, Kansas, Minnesota and Nebraska, USDA said. As noted on page 12, ethanol stocks have started to swell, and as that weighs on plant margins, DDG output should start to slip.

Fertilizer: Prices are on the rise for most products. USDA reaffirmed on Thursday expectations for a big jump in corn plantings this spring. The fall application season was not ideal in many areas, so demand should remain strong for nitrogen. Headed into the weekend, the U.S. appears poised to slap tariffs on Canada, which would have a direct impact on potash, most of which is supplied by our northern neighbor.

Natural Gas: Futures started to retreat this week, falling to their lowest level in more than a week as the polar vortex exits the U.S. It's not yet clear if this week's pullback is just a correction. While peak heating demand is now over, natural gas still has bullish stories on LNG exports and on power demand tied to growth in AI.

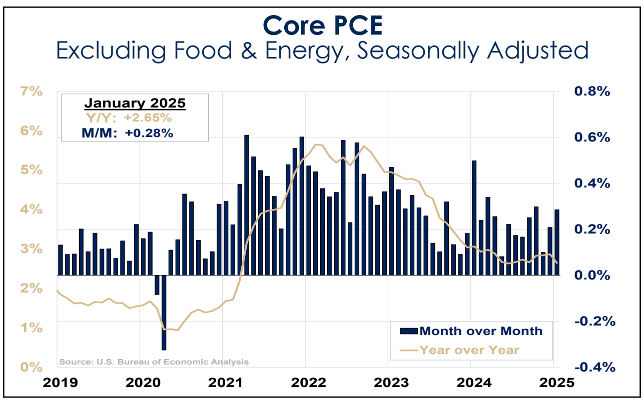
COMMENTARY

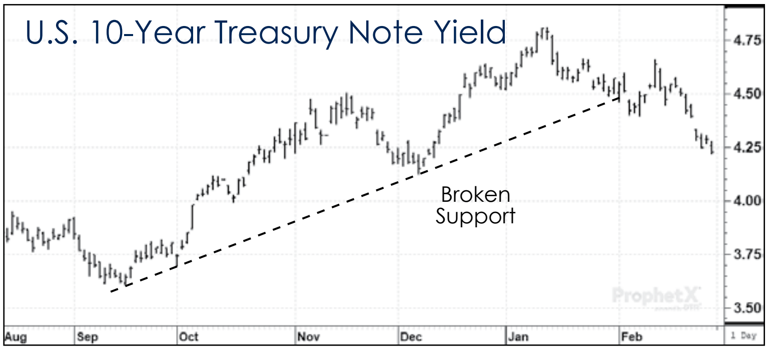
Inflation concerns have been growing as we noted last week, driven in part by concerns about tariffs, but Friday's release on the Fed's preferred inflation gauge should help to ease those concerns for now. The monthly Personal Consumption Expenditures (PCE) Index came in as expected, up 0.3% from the prior month and 2.6% from a year ago, the smallest year-over-year increase in four years. This is the "core" PCE, which excludes volatile food and energy prices.

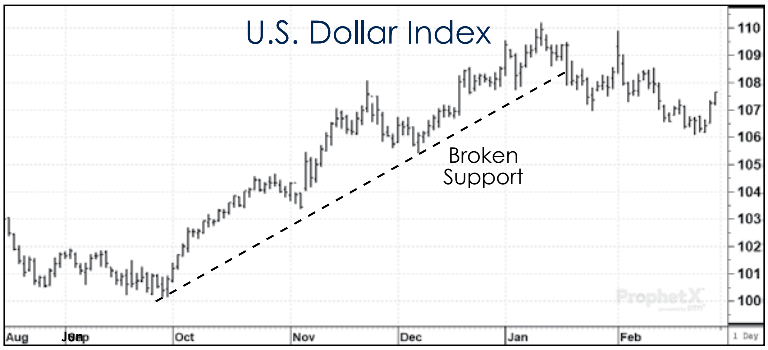
The report is seen as boosting prospects for rate cuts this year. However, expectations for the March Fed meeting have already solidified, with the CME's Fed Rate Watch tool showing nearly a 95% chance the rate will be left unchanged in March. The concern in the PCE report was spending: It fell 0.5%, the biggest one-month drop in four years, following a strong holiday shopping season. The drop in January was driven by weakness in purchases of cars and recreational goods. Optimists are attributing the decline to the harsh winter weather seen across much of the U.S. during January.

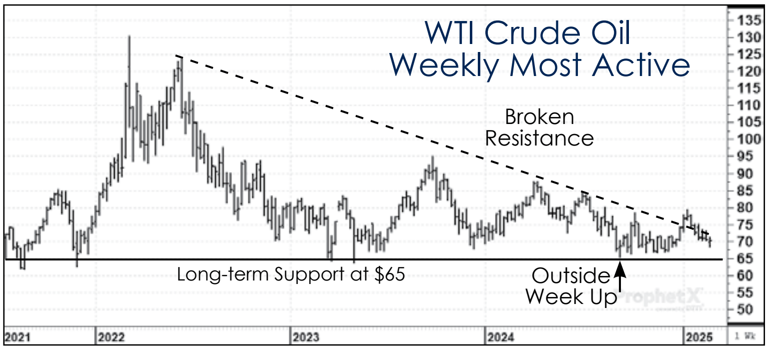
Pessimists point to other recent indicators, including a report on consumer confidence at mid-week showing a decline for the third-straight month, and the biggest one-month decline since August 2021. This is starting to prompt more discussion of recession. Meanwhile, media reports indicate some prominent investors and CEOs are beginning to express concerns about the economy, and how uncertainty is poised to hurt investment.

Much of that uncertainty is tied to the talk of tariffs, and presumably, if new deals are inked to avoid trade wars with our neighbors and with China, economic sentiment will bounce back. For now, the stock market is in retreat, slipping again this week. Another market that is dropping, even more substantially, is Bitcoin. It was down nearly 30% from its January peak late this week, sinking to $80,000. That drop, and a broader crypto "rout," is starting to generate backlash among investors in crypto.









THE BROCK REPORT POSITION MONITOR

THE WEEK AHEAD: The main question headed into next week is if the U.S. will proceed with tariffs against Mexico and Canada. On Monday, USDA releases its monthly Grain Crushings and Fats and Oils reports. Investors tracking the economy will get fresh manufacturing data on Monday. On Friday, the Labor Department releases monthly Non-Farm Payrolls.

Bolded %'s highlight changes made week ending 2/28/2025

CORN

	23/24	24/25	25/26
Strictly Cash	100%	85%	**15%**
Hedgers Cash	100%	75%	**15%**
Hedgers F&O	0%	**10%**	**10%**

SOYBEANS

	23/24	24/25	25/26
Strictly Cash	100%	**85%**	10%
Hedgers Cash	100%	**60%**	10%
Hedgers F&O	0%	**20%**	**10%**

WHEAT

	23/24	24/25	25/26
Strictly Cash	100%	100%	**40%**
Hedgers Cash	100%	100%	**30%**
Hedgers F&O	0%	0%	**10%**

RICE

	23/24	24/25	25/26
Strictly Cash	100%	80%	0%
Hedgers Cash	100%	80%	0%
Hedgers F&O	0%	0%	0%

COTTON

	23/24	24/25	25/26
Strictly Cash	100%	45%	0%
Hedgers Cash	100%	35%	0%
Hedgers F&O	0%	**10%**	0%

LIVESTOCK

HOGS	25-I	25-II	25-III	25-IV
Futures	0%	50%	50%	0%
Options	0%	0%	0%	0%
CATTLE	**25-I**	**25-II**	**25-III**	**25-IV**
Futures	0%	0%	0%	0%
Options	0%	**100%***	**50%***	**0%***
FEEDERS	**25-I**	**25-II**	**25-III**	**25-IV**
Futures	0%	0%	0%	0%
Options	0%	100%	0%	0%
MILK	**25-I**	**25-II**	**25-III**	**25-IV**
Futures	25%	0%	0%	0%

Sell in cash or futures market; whichever works best for your operation.

*See page 17

FEED PURCHASES

CORN	25-I	25-II	25-III	25-IV
Cash	0%	0%	0%	0%
Futures/Options	**0%**	0%	0%	0%

SOYBEAN MEAL	25-I	25-II	25-III	25-IV
Cash	50%	25%	0%	0%
Futures/Options	**0%**	0%	0%	0%

CONTACT US

For more information or customer service:

Brock Associates
2050 W. Good Hope Rd. Milwaukee, WI 53209

Call 414-351-5500 or toll-free 800-558-3431
breport@brockreport.com | www.brockreport.com

Our mobile app, The Brock Report, is available at

Download on the App Store | GET IT ON Google Play

PUBLICATIONS & SERVICES

BASIC

Subscribe to the Brock Report, our weekly newsletter published 48 times per year; that now includes additional news and analysis updates to the website throughout the week.

Subscription price: $60/month | $700/year

ESSENTIAL

Subscribe to the Brock Report and Daily Market Comments which includes market updates 3x a day plus marketing advice alerts when the team at Brock makes a recommendation.

Subscription price: $80/month | $900/year

PREMIUM

Subscribe to the Brock Report, Daily Market Comments and Market Edge, a USDA report analysis from Richard Brock and his team via live webinar and recording.

Subscription price: $100/month | $1100/year

CONSULTING SERVICES

Brock Associates offers different levels of personal marketing assistance.

BROKERAGE SERVICES

Brock Investor Services offers complete brokerage services.

Disclaimer: *There is a risk of losses as well as profits when trading futures and options.*