March 7, 2025

THE BROCK REPORT

America's Most Complete Commodity Marketing Service

WORLD OF OPPORTUNITIES

In the real world, the only certainty is change. It's hard to remember, thinking back in time, any certain period that compares to what is happening right now. In watching President Trump's speech on Tuesday night, it was very clear the divide amongst political enemies has gotten worse and not better. Whether you like what is happening or not, the change is going to be huge on many fronts. It's going to be similar to the old analysis of looking at a glass and determining whether it is half full or half empty. No one is going to see the same thing.

This past Saturday, on March 1, I had the privilege of presenting the corn and soybean price outlook for the Mid-South Farm and Gin Show in Memphis. It is a program I have been on for at least the last 20 years, and one I look forward to every year. It's a great group of people with diverse backgrounds.

This year was different than most. There were many producers and lenders who clearly were concerned about the future of farming. Let me just say that the financial stress amongst producers in the South, in my opinion, is much more severe than in the Midwest. Southern farmers from Kentucky and points south have experienced production issues over the last five years far beyond what has been seen in most of the Midwest: A drought that wiped out corn and soybean production in a wide area in western Kentucky, tornadoes, a whole list of weather issues out of a producer's control. The other factor that many producers in the South face is higher expenses. Irrigation costs and insect control add to the risk while weather and rainfall patterns for most of the south are not nearly as consistent as in the Midwest.

Since the first of January, many farm equipment auctions have occurred within 100 miles of Memphis. Sales have not been good. There are many sales resulting in farm equipment going for 40% of new cost on equipment that's only two to three years old. If the right buyers don't show up at any auction, the results can be disastrous. Only a couple of weeks ago at an auction in Arkansas a disk that sold for $39,000 a year ago sold for $700. The stories can go on and on.

Lenders at the conference were very stressed out facing the month of March, when producers who have not had their lines of credit renewed may be at significant risk of not farming this coming spring, when they thought they had no problems. The good news is that problems are most of the time exaggerated and the final results never come out as bad as some expect. But it is my observation that the South is facing a similar situation to 1986, where large producers that are financially solid will have the opportunity to significantly expand the size of their operation by absorbing smaller farms in their area that are going to cease operation. It's not a fun time for some people.

STRESSED OUT

What is happening is a good indication that commodity marketing is an art, not a science. We desussed this on page 10 last week. Producers who are not interested in marketing will likely never do well at

> *"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."*
>
> **-Winston Churchill**

ON YOUR TOES

There's been a lot of news, and a lot of noise, around tariffs in the past week, but the primary takeaway right now is uncertainty.

President Trump enacted tariffs of 25% on Canada and Mexico as promised on Tuesday. The markets – both equities and ag commodities — did not react well, sinking in both cases, and it was barely a day before the White House was signaling a reprieve, which it ultimately gave. Trump said tariffs on products from the two countries that comply with the U.S.-Mexico-Canada trade deal would be exempt from tariffs for a month.

While Mexico appears to be holding off on retaliatory tariffs for now, policymakers in Canada aren't in such a conciliatory mood, and a hit to ag exports could be imminent. President Trump on Friday changed course again, indicating new tariffs on Canada could begin today, or early next week. Meanwhile, a trade war is escalating with China (see page 4).

At this point, even with tariffs, it seems unlikely that production agriculture is going to take a major hit under President Trump. But patience is starting to wear thin. For now, from a marketing standpoint all you can do is remain aware of the risks, while hoping for a more coherent U.S. trade policy.

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it. The results can vary widely from one producer to another. No two farmers market alike. Each should market according to their own stress point. Stress points are skyrocketing. Quite often it comes down to a matter of confidence. Those who have no confidence cannot make a decision.

THE CURRENT MARKET

We are all going to look back and recognize there were two extremely important days in the corn market. On Friday, Feb. 21 corn futures established a five-wave sell signal. That is one of the most reliable technical signals in commodity markets. Particularly when the market since December had rallied over 70 cents, the decision to pull the trigger aggressively for most of us was easy. The second most important day was Monday, Feb. 24 when prices were lower, confirming the signal given on Friday. We have used Mark Twain's quote many times: "If you have to swallow a frog don't look at it very long." Those were two frog-swallowing days.

As is obvious now, if one waited for three or four days, the train had already left the station and was long gone making it difficult to hop on. These are times when decisions cannot be put off. We have to be able to pull the trigger.

Now as this is written, since the sell signal was given, prices have dropped 60 to 70 cents. The decision does not get much more difficult because the risk is higher at this price level. Some producers have made the comment that they couldn't make a decision because of the potential impact of tariffs. That's what was likely a key factor in causing the prices to drop. Volatility is going to be high. What happens if the Trump administration's threats result in a good compromise with Mexico and China? We could be looking at the potential of some increased exports in corn and that the downhill slide will turn out to be a buying opportunity rather than a selling opportunity. Many moving parts. This compounds the difficulty of decision-making.

As one producer told me this week, this is similar to the banana theory. I said, "What is that?" And his comment was that problems come in bunches. No doubt that we're looking at bunches of issues right now.

WHAT TOOLS TO USE

For hedgers, we came into this week 85% priced on old-crop corn and 25% in new. Seventy-five percent of the old-crop was in cash and 10% was short May futures. In the new-crop, 15% was sold in cash and 10% was with an option strategy of long $4.70 puts/short (2) $5.40 calls. The option position has worked spectacularly. Our mistake was not putting on two to three times as much as we did. But the bottom line was everyone who followed those recommendations had good coverage on.

We recognize that many producers do not want to use futures and options. But in this type of a market, it does limit your potential. It is too early in the season to go heavily forward cash contracted. Not only is there production risk — several prominent weather forecasters are pointing out the higher-than-normal probability of a severe drought in the Midwest — but there's a risk of time in when this market might bounce back.

By Wednesday, both corn and soybean futures were extremely oversold. They had dropped back to their old support areas. We used that as an opportunity to put short May soybean futures hedge profits in the bank. From a pure technical observation, May soybean futures certainly have the opportunity on just a minor correction to rally back into the $10.40 to $10.50 range which would be a 20-30 cent per bushel improvement. In the case of corn, with July corn futures on Wednesday trading at $4.63, a rally back to $4.83 would just be a normal correction. That would be a place for catch-up sales. The technical damage in the last two weeks has been enough to indicate high odds that the seasonal high has been made in corn. With that said, weather odds would argue for higher prices than where the market is now.

As we've stated many times in the past, the majority of market mistakes are made on quantity and not price direction. If one sells too early in bull market on 20%, you're still going to have a good year because you have 80% more to sell at a higher level. But in a major bear market, the mistake is typically made by not having enough sold and sitting and waiting for a rally — that may never happen.

Plan for extreme volatility over the next few weeks. The day-to-day whipsaw of news related to tariffs won't go on forever, but there is a very high level of unpredictability right now when it comes to fundamental news. So, sharpen up your skills on technical analysis. They will be important as we go through this season.


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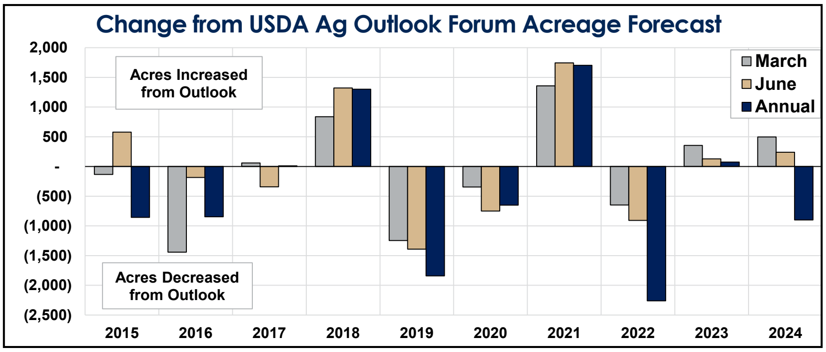
COMMENTARY

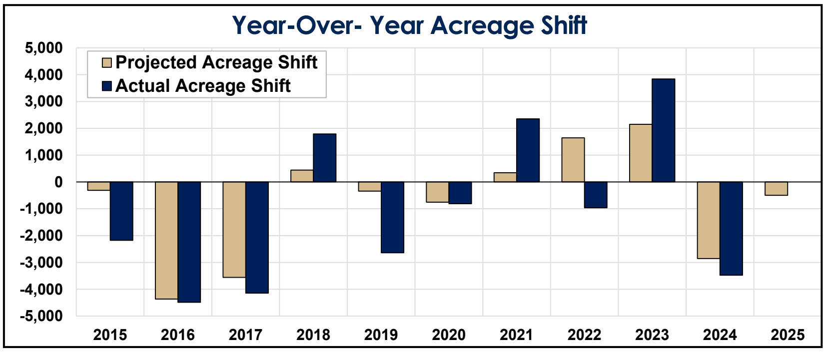
Last week we looked at how USDA's February next marketing year projections for corn and soybean supply/demand stacked up against final results. This week we want to do the same for wheat. At its annual Agricultural Outlook Forum a week ago Thursday, USDA forecast 2025 U.S. all-wheat seedings at 47.0 million acres, up about 2% from last year but projected 2025 U.S. all-wheat production at 1.926 billion bushels, down 2.3% from last year based on a long-term trendline yield of 50.1 bushels per acre and a 10-year average acreage abandonment rate. Despite the modest drop in production, USDA projected U.S. ending stocks at the end of 2025/26 will be 4.0% larger than this year's stocks amid flat usage.

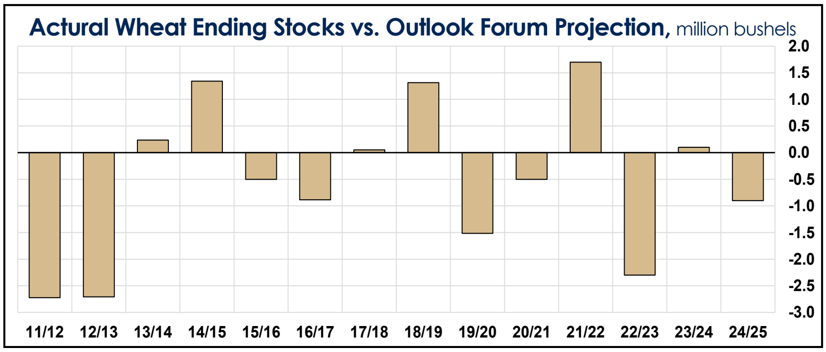
USDA's acreage forecast was based on 34.1 million winter wheat acres, based on the Winter Wheat and Canola Seedings survey released in January. This implies "other" spring wheat/durum seedings of 12.90 million acres, up from 12.37 million acres last year. USDA noted more acreage will be available in the northern Plains due to the expected reduction in soybean plantings. Looking at recent history, USDA has had a fairly good record of projecting wheat seedings in February since it already has the winter wheat seedings data to draw off of. USDA's February acreage forecast has been within 1 million acres of the final seedings in six of the past 10 years. The largest variations were in 2021, when acres wound up 1.7 million higher than expected and in 2022, when they wound up 2.3 million lower than expected.

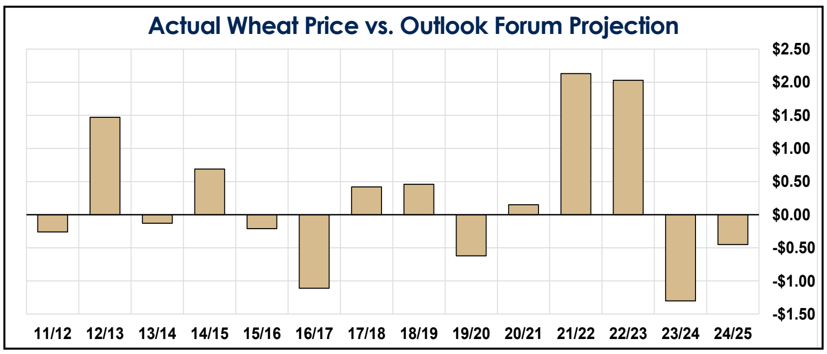
As with corn and soybeans, weather is a huge variable affecting yields and production, so it is not surprising USDA's February projections in those categories have been hit or miss, with USDA overestimating both the U.S. yield and production in six of 10 years and underestimating them in four of 10 years. The bad news is that even though USDA has overestimated production more often than not, it has managed to underestimate the U.S. wheat carryout eight of the past 10 years. In those eight years, the final carryout ranged from 25 million to 213 million bushels (3.3% to 28.2%) larger than USDA's February projection. This has come amid a persistent decline in the U.S. share of the world export market. Things could be different this year with Russia's production expected to slip for a second straight year in 2025. However, USDA expects larger European Union production and steady production in Argentina/Australia/Canada will maintain a competitive export environment.

While it has frequently underestimated ending stocks in February, USDA's annual price forecasts, like its crop forecasts have been hit or miss. The average price has exceeded the February forecast in five of the past 10 years by 3.1% to 38.7% and has fallen short in five years by anywhere from 4.1% to 22.2%. On average, USDA's February price forecast has been off by 84 cents, or 14.3%.









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WORLD NEWS ANALYSIS

CHINA BUYING TO SHIFT FURTHER

Farmers in South America, Europe, Asia and Oceania figure to benefit from China's retaliation measures against U.S. agricultural products if those measures stay in effect for any significant length of time. After announcing tariffs of 10% to 15% on $21 billion worth of U.S. agricultural products, China will have to buy more products from countries in those regions, accelerating the trend of recent years that has seen it moving away from dependence on U.S. farm exports. Among other things, that is likely to mean even larger Chinese purchases of South American soybeans, corn and meat. China may expand pork imports from the European Union, already its top supplier, and may boost wheat imports from top supplier Australia.

The "good" news is that, for now at least, Beijing's response to U.S. tariffs is not as severe as it was during the previous U.S.-China tariff war initiated by President Trump in March 2018, during his first term in office. At that time, China levied tariffs of 25% on $50 billion worth of U.S. goods, including agricultural products such as soybeans, corn, wheat, pork, beef and poultry.

In the near term, the 10% import tariff on U.S. soybeans that is set to take effect March 10 does not seem likely to have much market impact. China's purchases of U.S. soybeans during the remainder of the 2024/25 marketing year already figured to be very limited. This is the time of year when Chinese buyers are focusing on Brazilian beans, and that is especially true this year, with Brazil raising a record large crop. Meanwhile, out of the roughly 777.4 million bushels of U.S. soybeans, China had bought for 2024/25 delivery as of February 27, 93.2% had already been shipped.

Likewise, the 15% tariffs China will levy on U.S. corn and wheat figure to have little near-term impact as China has been only a minor buyer of those commodities so far during 2024/25. As of Feb. 27, China had bought a miniscule 1.27 million bushels of U.S. corn and just 5.1 million bushels of U.S. wheat for 2024/25 delivery. China has cut its overall imports of both corn and wheat in 2024/25 due to large domestic crops.

China's imports of U.S. pork declined by 6% in calendar 2024 versus a year earlier but it was still the second largest export market for U.S. pork behind Mexico, accounting for about 15.4% of total U.S. pork/pork variety meat exports by volume. In 2018, when President Trump initiated the previous U.S. tariff war with China, that country's imports of U.S. pork slid by 29% after Beijing levied a 25% tariff on U.S. pork as part of its retaliation in April 2018.

BRAZIL CUTS IMPORT DUTIES

The prospect of rising Chinese demand for Brazilian agricultural products is not coming at a great time for Brazil, which is struggling to keep domestic food prices under control. In fact, Brazil is looking to boost its own food imports to combat price increases. Brazil's vice president on Thursday announced the government will eliminate import taxes on a number of products, including sugar, corn, coffee and beef as part of a set of measures designed to reduce food costs.

The measures, which also include raising the import quota for palm oil, still must be approved by a government trade body, but are expected to take effect in the next few days, Geraldo Alckmin told reporters. Pasta, olive oil, sunflower oil and sardines will also be exempted from import taxes. Alckmin, who also serves as the government's industry, trade and development minister, insisted that the measures will not hurt local farmers, since they are designed to complement domestic food production and not replace it. Alckmin told reporters that there were no discussions on raising export taxes.

The import tax cuts are at least partly politically driven, as rising food prices have helped send approval ratings for Brazilian President Luiz Inacio Lula da Silva sliding in recent months. Brazil's overall annual inflation rate rose to 4.96% in mid-February, its highest level since late 2023.

AUSTRALIA WHEAT CROP RAISED

Australia's official crop forecaster ABARES on Monday raised its estimate of that country's 2024/25 wheat crop to by 6.9% to 34.1 MMT from a previous estimate of 31.9 MMT and up 31.4% from the weather-reduced 2023/24 crop of 25.96 MMT. The larger production was driven by strong crops in the top growing state of Western Australia and New South Wales, while production fell well below average in South Australia and Victoria states due to persistent dry conditions during the growing season.

The ABARES crop estimate is 2.1 MMT larger than USDA's estimate. However, despite the larger crop, ABARES sees Australia's 2024/25 wheat exports at only 22.2 MMT, compared with USDA's forecast of 25.0. In its initial projection for 2025/26 production, ABARES also forecast that Australia's next wheat crop will decline by 11.0%, to 30.5 MMT.

WORLD WEATHER HOTSPOTS

Dryness remains in the central and southwestern U.S. Plains and upper parts of the Midwest with some of this region still in drought. Enough precipitation is expected in parts of this dry region in the next few weeks to keep topsoil moisture favorable, but the region could become too dry if spring warming comes without a boost in rainfall.

Brazil's weather over the next two weeks looks to be mostly favorable for all crops, although the northeast, including Bahia and northern Minas Gerais will stay drier than usual during much of that period. Conditions in the southernmost state of Rio Grande do Sul may also be on the dry side, but some temporary relief will occur early next week.

Argentina will see its rainy pattern in the southwest come to an end this weekend and a week of net drying is then probable most of next week and possibly into the start of the following weekend. The change toward drier weather will be welcome for most of the key grain and oilseed production areas after recently trending a little too wet

Subsoil moisture remans poor in most of Eastern Europe and southwestern portions of Russia's Southern Region, which could become a problem if timely rain fails to develop this spring. These areas are not likely to see much precipitation for a while.

AS TARIFF TALK ESCALATES, TRUMP PREDICTS "FUN" FOR FARMERS

As we noted in our sidebar story on page 1, patience in ag for the White House's unpredictable trade policy and tariffs is starting to wear a little thin. One early sign of that was the response to a post from President Trump on Truth Social on Monday.

That statement read, "To the Great Farmers of the United States: Get ready to start making a lot of agricultural product to be sold INSIDE of the United States. Tariffs will go on external product on April 2nd. Have Fun!"

It was the ending in particular that irked many. "Farmers are frustrated. Tariffs are not something to take lightly and 'have fun' with. Not only do they hit our family businesses squarely in the wallet, but they rock a core tenet on which our trading relationships are built, and that is reliability," Caleb Ragland, American Soybean Association president and farmer from Magnolia, Kent., said in a statement.

As for the substance of the message, which was reiterated in his address to a joint session of Congress on Tuesday, Trump's directive on selling products within the United States was taken as a warning that export markets are going to dry up. His actual message appeared to be one geared toward his plan for "reciprocal tariffs," which should hit products that the U.S. imports, rather than corn and soybean exports. But to the extent those tariffs target ag imports into the U.S., they will mostly hit horticultural products, rather than grains and soybeans. Thus, the added demand for products domestically won't be felt by grain and soybean growers.

USDA'S ROLLINS: HUSTLING TO GET ECONOMIC AID DISTRIBUTED

Already there is talk among some Republicans in Congress of economic assistance to farmers to compensate them for losses tied to a new trade war. Politically, that figures to be a contentious issue. But in the near-term, the question is when farmers will begin receiving their portion of the $10 billion in economic disaster aid that Congress approved last term.

USDA Secretary Brooke Rollins told reporters at the Commodity Classic in Denver that getting these payments out is a priority. Congress required the payments to be made within three months, which establishes a March 21 deadline. Rollins said USDA will distribute applications for the funding on, or before, March 20. She also said the agency was working to streamline the process.

Rollins has emphasized in public statements that President Trump is aware of farmers' concerns over tariffs and economic pressures that were already in place. "The state of the Ag economy—especially for row crop producers—is perhaps the worst it's been in one hundred years," Rollins said. While that statement will likely raise the eyebrows of anyone who lived through the 1980s farm crisis, it nonetheless is an encouraging sign that USDA will act aggressively to support farmers as needed.

In his State of the Union speech, Trump expressed his "love" for farmers and on tariffs said they might have to "bear with me." To the extent that export markets weaken, the question becomes whether the Trump administration moves to boost domestic demand for U.S. grains and soybeans – particularly through increased biofuels support.

AS SPRING NEARS, DROUGHT AN UNDERLYING CONCERN

Although not unprecedented, the level of drought across the middle of the country remains unusually high for this time of year, feeding a little anxiety about this year's crop early in the season.

Thursday's weekly U.S. Drought Monitor showed dryness remaining pervasive across the Midwest and Plains, and slightly worse than a week earlier. In the High Plains region, which stretches from Kansas through the Dakotas, the area "abnormally" dry or worse was 76.6% and the area in at least moderate drought was 60.3%. In the Midwest region, 67.3% was abnormally dry and 42.9% was in at least moderate drought. That "abnormal" reading in the Midwest is much higher than normal for this time of year, although actually lower than a year ago.

The difference is the dryness in the Midwest right now is heavily focused on the most productive areas of the Midwest, including all of central Illinois, most of Indiana and all of Iowa except for far southern areas. Overall, the Drought Monitor reports that 60% of U.S. corn production is in drought-stricken areas, up from 56% the prior week and 33% a year ago, while 50% of soybean output is in drought areas, up from 46% last week and 31% a year ago.

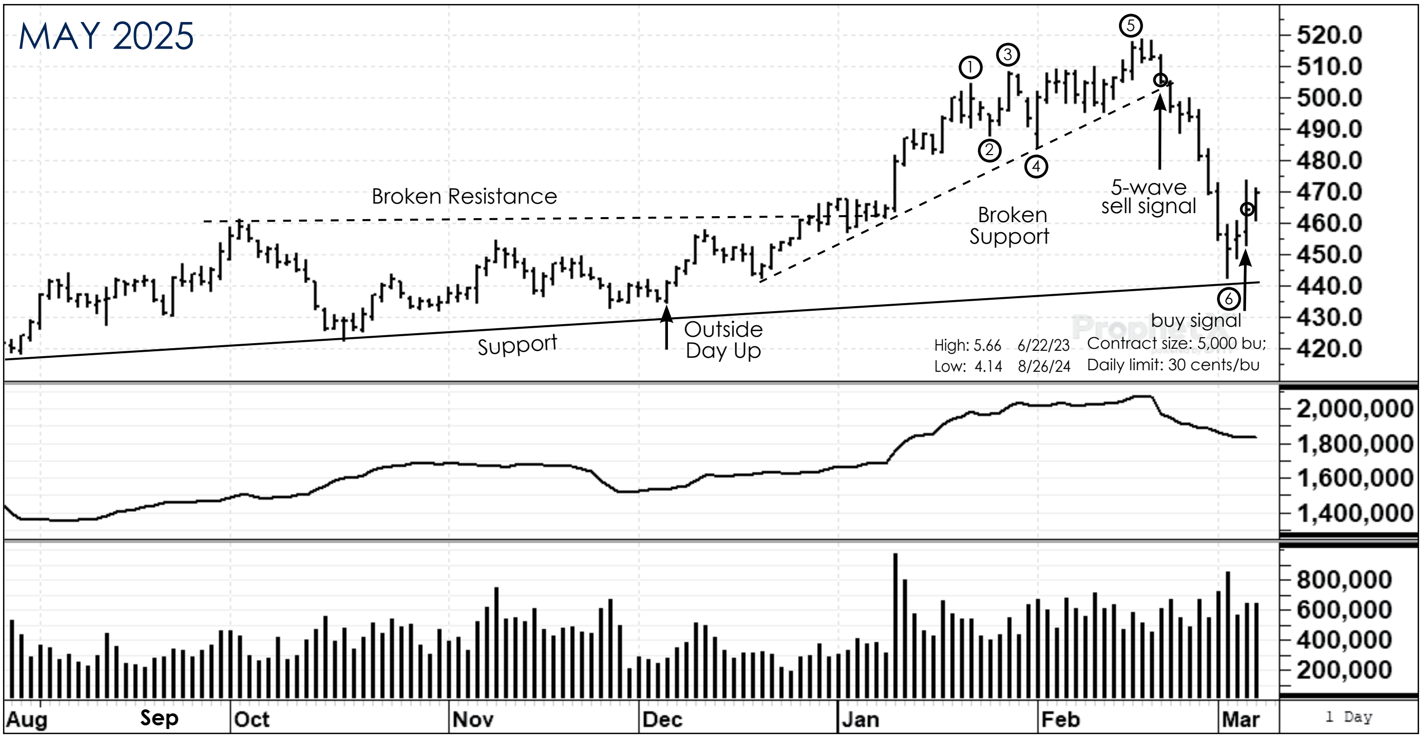
BIG FEES TARGET CHINESE SHIPS

President Trump appears poised to move ahead with plans to slap hefty fees on Chinese ships in U.S. ports, as well as ships that are merely part of a fleet that includes vessels built or flagged in China. Reuters reported Friday that President Trump has drafted an executive order to that effect.

The document draws from a U.S. Trade Rep. office proposal last month to levy fees as high as $1.5 million on Chinese ships.

Trump has stated his desire to revive U.S. shipbuilding. China accounts for 50% of merchant vessel cargo capacity, up from just 5% in 1999, although Reuters notes that market share has been taken largely from Japan and South Korea, with U.S. shipbuilding having peaked decades earlier.

CORN



MAY 2025
1
2
3
4
5
6
Broken Resistance
Support
Outside
Day Up
Broken
Support
5-wave
sell signal
buy signal
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
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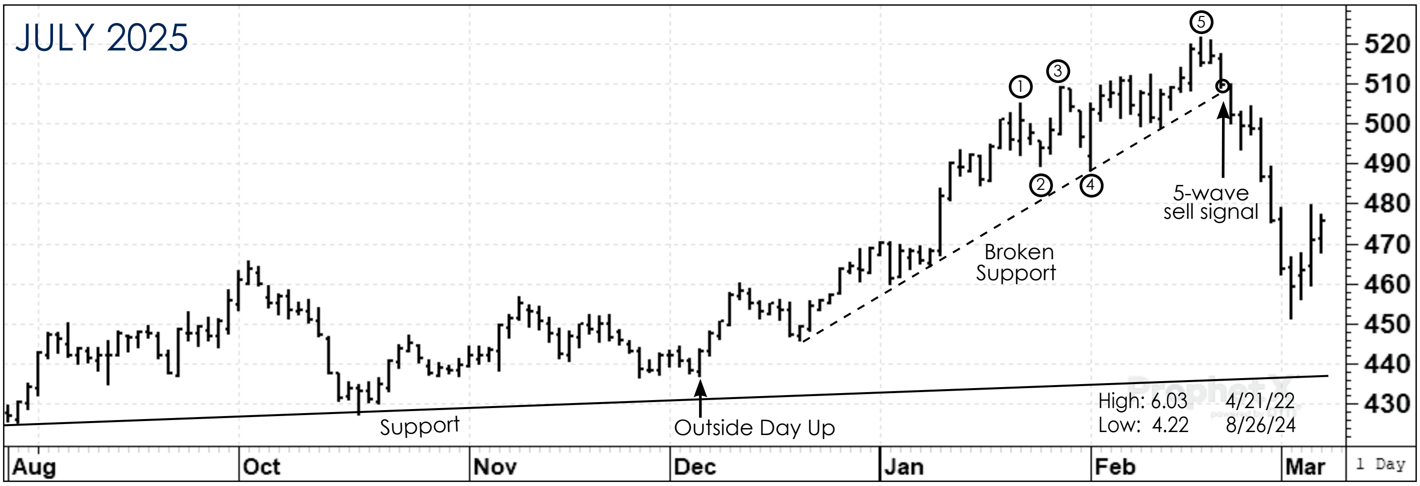
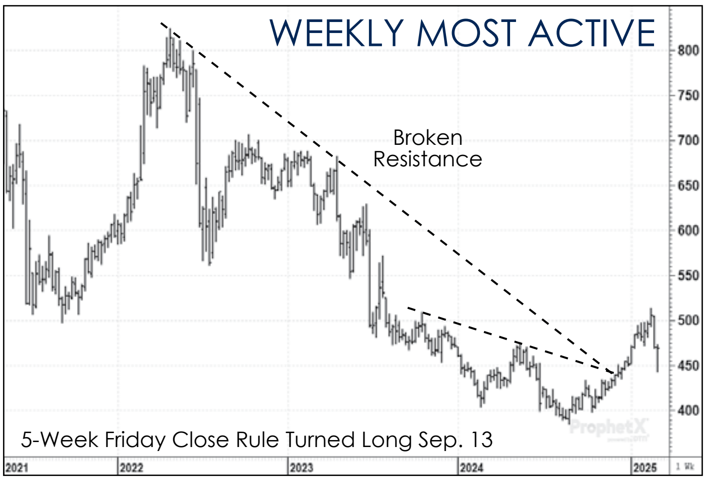
Dec
Jan
Feb
Mar
1 Day



JULY 2025
1
2
3
4
5
5-wave
sell signal
Broken
Support
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
Aug
Oct
Nov
Dec
Jan
Feb
Mar
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
2025
1 Wk

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

Making marketing decisions in a commodity influenced primarily in the short-term by the threat of tariffs, both from us and from foreign countries, makes decision-making challenging at best. The volatility is substantial but one must look at it as a market that provides opportunity, whereas a slow-moving market provides almost none.

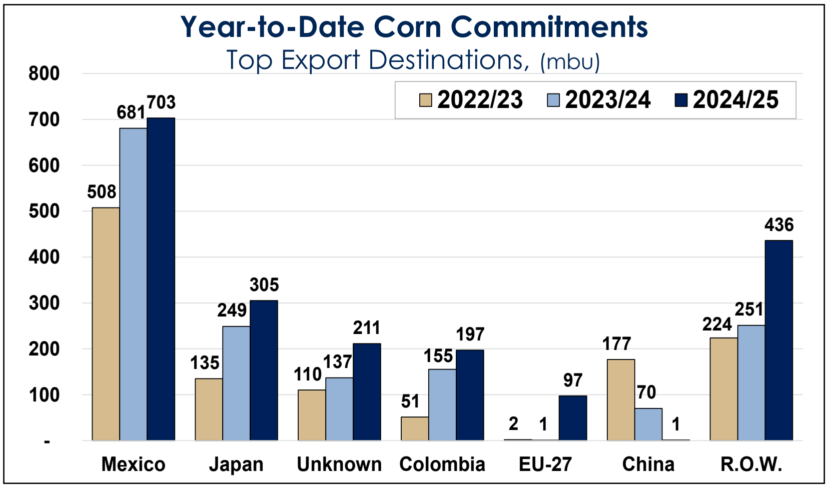
We count our blessings on being able to take advantage of this volatility. The first major sell signal, a five-wave sell signal, occurred on Friday, Feb. 21 and then the following Monday, with a gap lower, was the second one. We actually thought it was an easy market to make decisions in but one had to do so quickly. The market then proceeded to collapse even more than we thought and then this past Thursday, prices bounced back when President Trump delayed implementing tariffs from Mexico and Canada until early April.

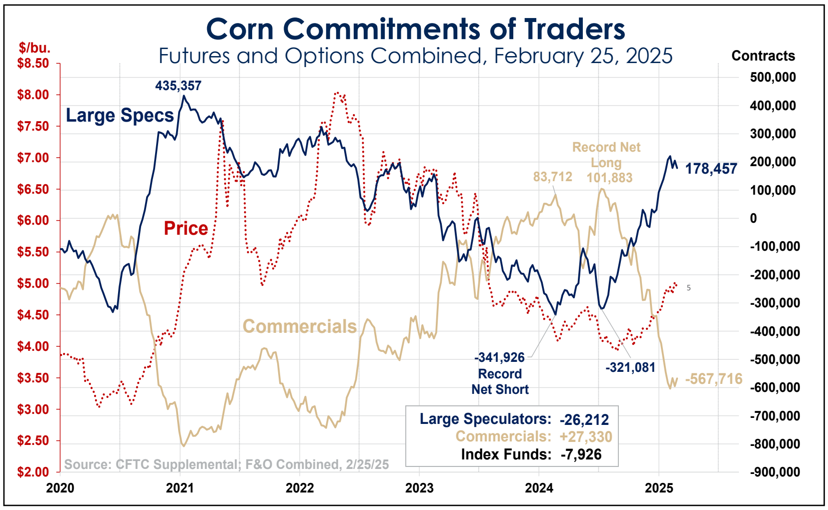
With or without tariffs, the top is in the corn market until weather is the major influence. Supplies are tight enough now both domestic and worldwide that production problems in the U.S. during June and July could very well supply some fireworks. The Midwest is unusually dry at this early point in the season (see page 5). However, the question is whether or not the market can get back to the February high. Time will tell.

Fortunately, we made aggressive forward cash contracts long ago for this year's crop and we were able to take advantage of the February rally advancing old and new-crop aggressively. See below.

Cash-only Marketers' Strategy: Old-crop corn sales are at 85% and the 2025/26 crop is 15% forward contracted. Sit tight for now.

Hedgers' Strategy: Old-crop sales are at 75% in the cash market. We came into the week short May futures on another 10% but lifted those Thursday. In new-crop corn, 15% has been forward contracted and 10% is covered with long December $4.70 puts and short (2) December $5.40 calls. The spread was put on at a cost of roughly four and a half cents per bushel and is now trading at over 17 cents per bushel.

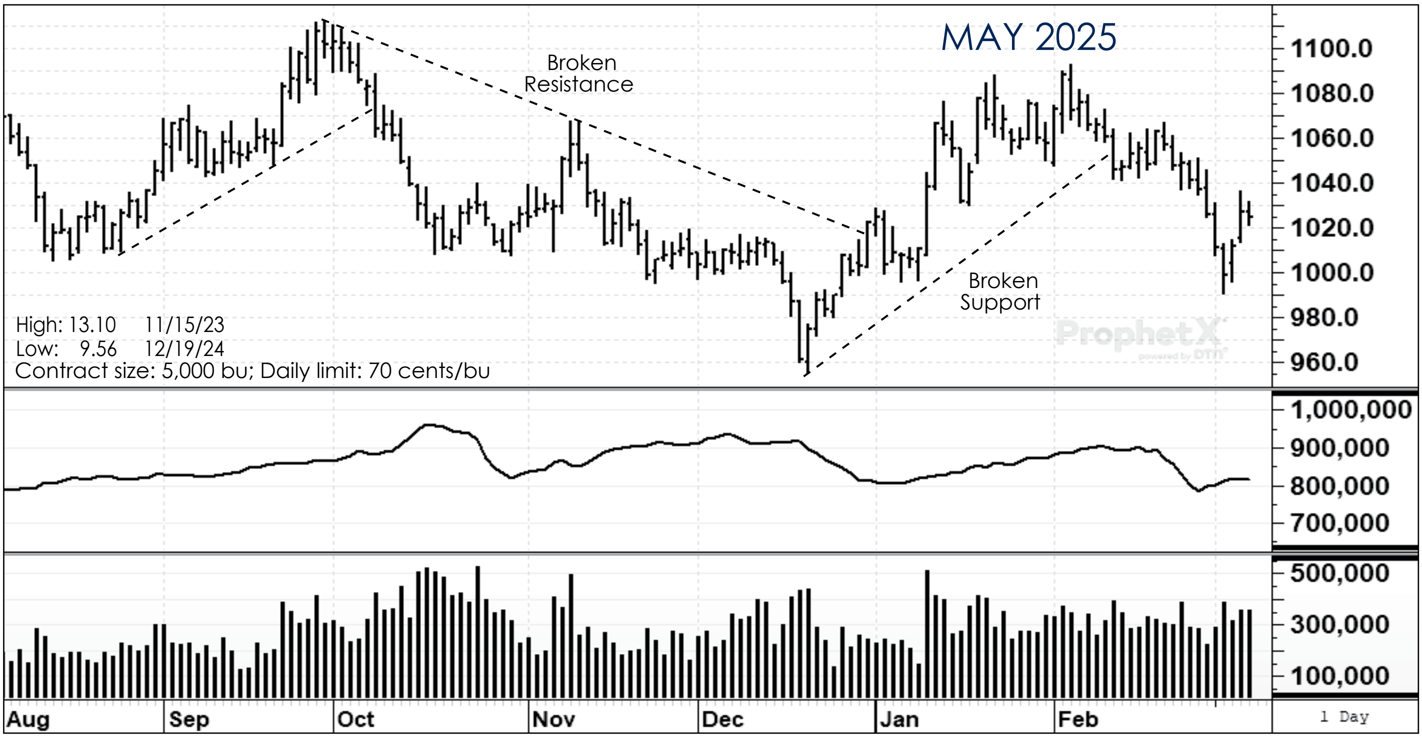




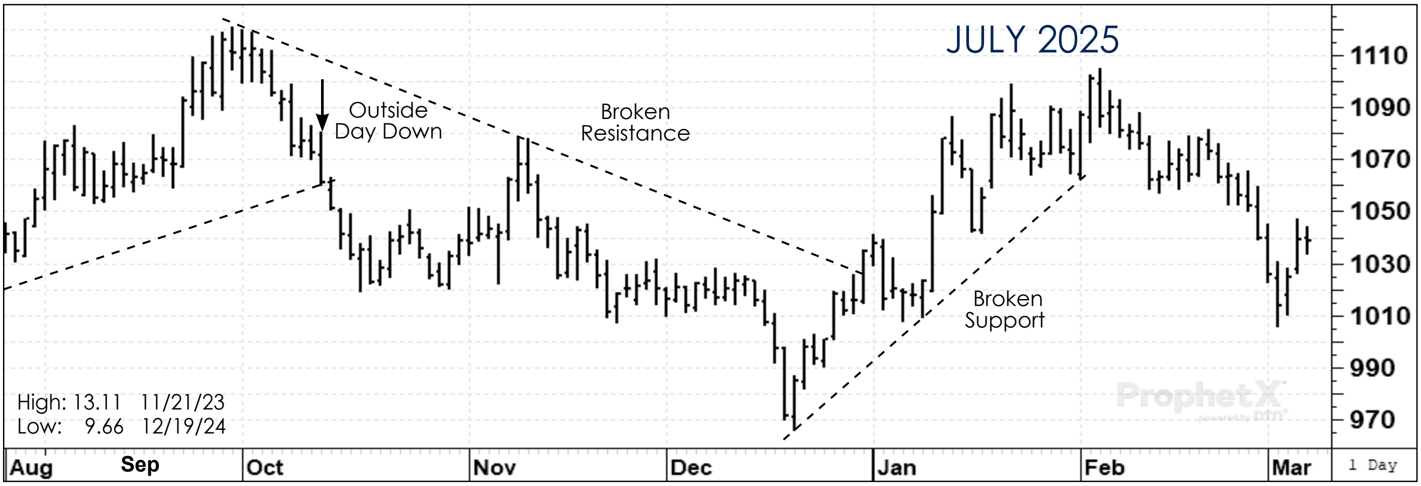
U.S. SUPPLY & DEMAND

	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
Mar
1 Day

WEEKLY MOST ACTIVE
2021
2022
2023
2024
2025

NOVEMBER 2025
2024
Mar
May
Jul
Sep
Nov
2025

COMMENTARY

As in corn, this has been a very treacherous market to make decisions in with the threat of tariffs by both us and foreign countries. Technically, however, the market has traded fairly well. Solid sell signals were given three weeks ago, the market collapsed, we were able to take advantage of short hedges and put money in the bank.

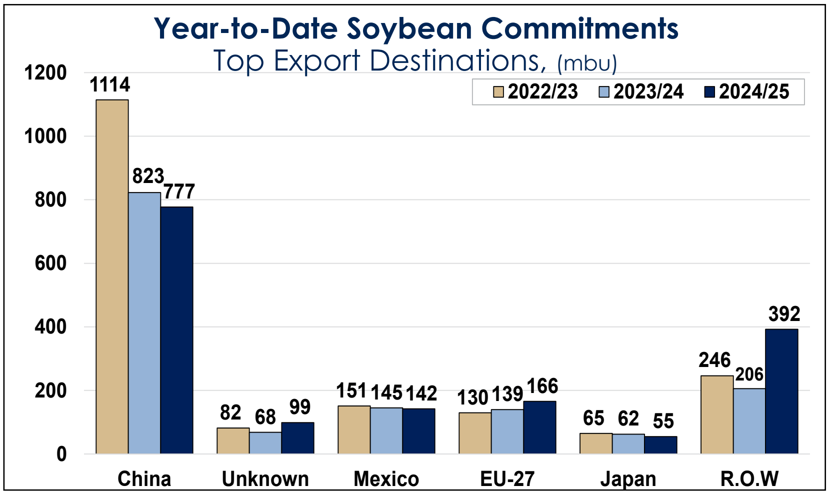
In the near-term, this market is going to shift into a sideways trading range with extreme volatility. Decision-making is going to be challenging at best. The market gave us a very good opportunity at the end of February and allowed us to make some significant profits on hedges. Now is the time to sit back and watch for a while. In July soybeans, the major support is now at $10.06 whereas the resistance is at $10.80. That's a wide range.

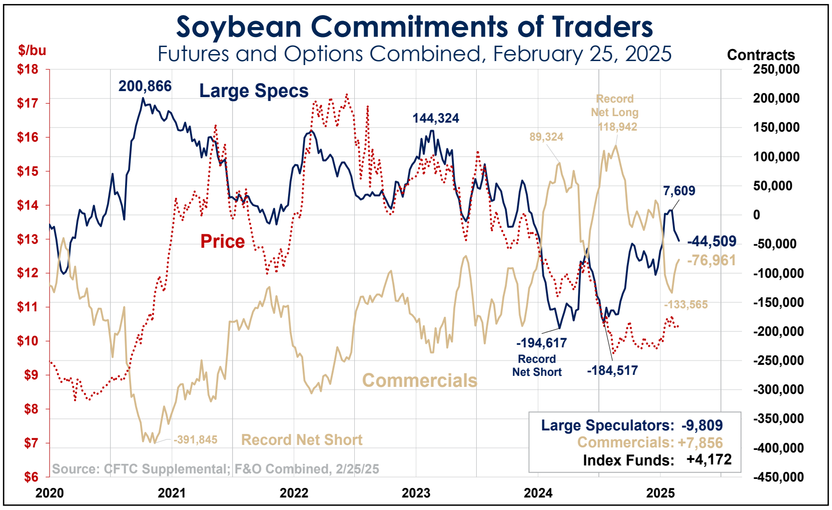
Note that soybeans open interest declined early on and has now bounced back. Within a couple of weeks, this market will change from being one influenced primarily by exports to a weather market. Soybean meal is starting to look positive technically, which is a good sign for soybeans. The other factor is spring acreage, which is expected to shift significantly to corn and away from soybeans.

Tariffs are a negative factor for soybeans, although, as noted on page 4, the impact in the short-term at least should be minimal.

Cash-only Marketers' Strategy: Old-crop soybean sales are at 85% and new-crop is 10% forward contracted. Sit tight.

Hedgers' Strategy: Sixty percent of the old-crop is priced in the cash market. We came into the week short May futures on an additional 20% and took profits on that position on Tuesday. In the new-crop, 10% is forward contracted and we continue to maintain short November futures on an additional 10%.





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

CROP INSURANCE — 2025 SURVIVAL DECISIONS

Jason Moss
Chief Operating Officer & Marketing Consultant

Selecting insurance coverage levels on your 2025 crop have higher stakes than ever. In a normal year, there's more room to weigh premium costs against price forecasts and payout probabilities. But this year, prices alone have already dropped more than 5% lower than the February average in just the first few days of March. Add inflated costs and trade policy uncertainties to the mix and you've got above average odds of losing money. That should make selecting the highest coverage levels possible (and most expensive) your starting point in this year's decision-making.

Since the coverages under your crop insurance policy go hand in hand with your farm program choice of PLC or ARC, I've included a review and discussion of both.

On the Crop Insurance side, based on what crops you plant, you're choosing the product (YP, RP, RPHPE), coverage (50-85%), unit structure (Basic, Optional, Enterprise) and whether you want to add the additional county coverage endorsements of SCO or ECO.

SCO – Supplemental Coverage Option

Coverage extends from crop insurance level up to 86%. Example: 70% RP + SCO ➔ adds 16% of county coverage from 70% to 86%. SCO can be a very valuable crop insurance "add-on" that everyone should consider, because it is subsidized by USDA just like Federal Crop Insurance. Anyone who buys crop insurance can use SCO to increase their coverage, and everyone who has a history of their farm yields outperforming the county can use SCO as a low-risk way to lower their cost to manage the same risk.

ECO – Enhanced Coverage Option

Coverage extends from 86% (whether you have SCO or not) up to either 90% or 95%. ECO can be an economical crop insurance "add-on" by better protecting against shallow losses. While only adding 4% extra coverage from 86-90% or 9% from 86-95% is the most expensive coverage that exists, most of us can agree that the accumulation of small losses that don't quite reach our deductible often hurt the most. USDA is also subsidizing a substantially larger share of the ECO premium this year than last, so don't assume it is as expensive as it's traditionally been.

On the Farm Program side, based on what crops you have Base Acres enrolled, you're choosing between PLC (Price Loss Coverage) and ARC (Agricultural Risk Coverage).

PLC – Price Loss Coverage

A price-only floor on the MYA (Marketing Year Average Price). For 2025, PLC reference prices are $4.26 Corn, $9.66 Beans, $5.56 Wheat. PLC provides superior coverage at lower prices than ARC, and probably the most potentially relevant coverage in the coming year for corn, followed by wheat, and then beans.

ARC – Agricultural Risk Coverage

A county revenue protection (looking at county, not individual ARC) based on 5-year Olympic average of MYA price AND a 5-year, trend-adjusted county yield. Neither ARC nor PLC have paid regularly or well for several years, but some of the recent bull market years have increased the price in the ARC calculation.

So what is the shortlist of considerations about these decisions for 2025?

• If you buy SCO, you have to be enrolled in PLC, not ARC.

• If you buy ECO, you may be enrolled in either PLC or ARC.

• Most payment projections for ARC vs PLC show ARC has the highest chance of paying for 2025, but not by as much as last year and not by much overall. Download the "Farm Bill What-If Tool" from farmdoc.illinois.edu for the best evaluation tool available.

• Since ARC and PLC both use a MYA price to trigger, any payment for 2025 can't be calculated until after the marketing year ends on 8/31/26. SCO and ECO payments don't calculate as quickly as crop insurance losses because of the delay in official county yields. Roughly speaking, SCO & ECO payments would be made in late spring 2026, ARC & PLC in the fall.

• If your back is against the wall with 2025 profitability, consider SCO and/or ECO as a way to increase your revenue protection. For example, 70% RP + SCO has 86% of total coverage and is within a couple dollars of the same cost as 80% RP. Some even use SCO with lower crop insurance to help pay for ECO. Shifting part of your revenue protection from farm to county level might very well be an acceptable risk if your farm yields track with the county, you need to increase protection, but can only do so at the lowest cost possible.

• Those that SCO helps the most are usually those that traditionally buy lower crop insurance levels, either from alternatives being cost prohibitive or their geography requiring small/expensive unit sizes. In these cases where SCO is most valuable, it's worth moving into PLC from ARC to keep it, even if ARC has a more probable payment. But, where you don't need SCO, whether you want ECO or not, it makes sense to prefer ARC to PLC.

• Divide the decisions up, just like you do in marketing. The best producers work at customizing these decisions by farm as much as possible. Some farms' Base Acres don't align with crops actually planted, meaning different choices could be better for one farm than another and underscoring that the decision need not be all or none.

• It is more common than you might think to have "gaps" in coverage. For example, buying 75% crop insurance + ECO 95 means coverage exists below 75% and from 86% to 95%, leaving a gap in coverage between 75% and 86%.

Email Jason at jmoss@brockreport.com

We made no new recommendations in the cash markets this week. However, we did advise feed purchasers to cover 50% of the second and third quarter needs of soymeal by buying July futures if it closed over $305, which it did. Strict cash buyers could implement this advice in the cash markets as well by clocking 50% of needs in the cash market.

While the entire soy complex had been down early in the week, the meal market fell less sharply. After briefly probing below $300/ton, it bounced back out and closed above Tuesday's high, prompting us to get coverage on. The market did follow through late week but failed to break through resistance of the past few weeks. With the tariff's tension seemingly easing, we wanted to take advantage of the decline in prices over the last month.

Corn and soybean basis were half of a double whammy in the cash grain markets this week. May corn futures dropped $.17 Thursday to Thursday while May soybeans were not as negative, dropping $.10 in the same time frame. Nonetheless, basis also widened — significantly in some cases — making for total cash market decreases of as much as $.35 in corn and $.27 in beans in the markets we monitor.

River markets seemed to be the most affected with Burlington, Iowa, "leading" the way, widening it's bid by $.18 in corn and $.11 in beans to -$.22 and -$.21 respectively. Memphis', Tenn. corn worsened by $.12, to +$.20, Decatur, Ill. by $.13, to -$.10 while the NOLA gulf bid widened by $.20, to +$.62. Champaign, Ill., Decatur, Ind., and Memphis, Tenn. all recorded double digit declines in beans with Kansas City the only outlier in beans, improving its bid by $.15, to -$.05. The bottom line being that it was a bad week to be initiating new sales.

We have made sales in old and new-crop corn and soybeans as well as new-crop wheat recently and are content to sit and wait to make additional sales for now. While markets are destined to be volatile, they are all bouncing out of recent lows, while the tariff tensions with Mexico and Canada seem to be trending toward, if not resolution, at least being less egregious and disruptive as first feared.

With roughly half of old-crop cotton to sell, we are looking at the mid $.69 resistance area as a spot to make the next sale. As with corn and beans, the tariffs placed on China hurt an already faltering market early week, but it charted a nice recovery by week's end. Our acreage estimate for new-crop is several hundred thousand less than USDA at 8.8 million, so we are likely to sit on our hands and not get a start on new-crop until the planting intentions come out at month's end.

Basis Bids as of March 6

Corn	Mar	Delivery period Apr	Oct '25
Cedar Rapids, IA	-20 K	-11 K	-25 Z
Burlington, IA	-22 K	-12 K	-40 Z
Peoria, IL	-17 K	+5 H	-35 Z
Decatur, IL	-10 K	+10 H	-30 Z
Lafayette, IN	-5 K		-15 Z
Lincoln, NE	-40 K	-35 K	-30 Z
Marshall, MN	-34 K	-38 K	-30 Z
Dalhart, TX	+70 K		
Memphis, TN	+20 K	+32 H	
Mitchell, SD	-55 K	-55 H	
U.S Gulf, NOLA	+62 K	+61 H	

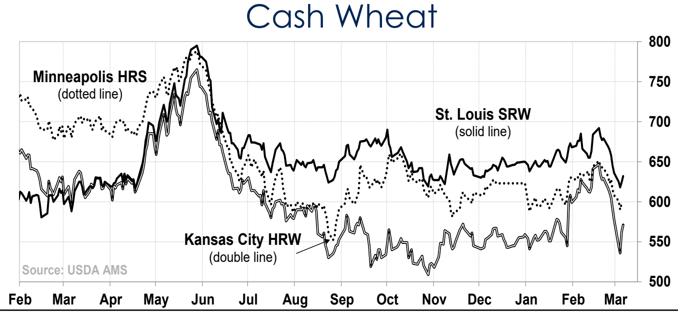
Soybeans	Mar	Delivery period Apr	Oct '25
Cedar Rapids, IA	-25 K	-25 K	-30 X
Burlington, IA	-21 K	-14 K	-40 X
Quincy, IL	-6 K	+1 K	-30 X
Champaign, IL	-30 K		-30 X
Decatur, IN	-5 K	+0 H	-25 X
Kansas City, MO	-5 K		
Brewster, MN	-45 K	-45 K	-45 X
Lincoln, NE	-35 K	-30 K	-40 X
Grand Island, NE	-84 K	-65 H	-65 X
Mitchell, SD	-95 K	-95 H	-85 X
Memphis, TN	+20 K	+30 H	-15 X
U.S Gulf, NOLA	+75 K	+70 K	

Sources: USDA AMS, DTN ProphetX, DJ Newswires

Central Illinois Cash Corn

Central Illinois Cash Soybeans

Cash Wheat



PIPELINE PLANS TAKE HIT IN S.D.

South Dakota Gov. Larry Rhoden signed a bill this week forbidding the use of eminent domain to claim lands for a carbon pipeline planned for the ethanol industry. The pipeline, being developed by Summit Carbon Solutions out of Iowa, has been dealt a number of setbacks by state and local governments as it tries to finalize a route and secure approval.

South Dakota's Senate approved the bill by a 23-12 vote, pleasing property rights advocates who have been fighting the pipeline. Gov. Rhoden in signing the bill noted that it doesn't necessarily kill the project. But the bill "changed the rules in the middle of the game," Summit said in a statement. "This kind of regulatory uncertainty creates real challenges — not just for our project, but for the ethanol plants in South Dakota that now face a competitive disadvantage compared to their counterparts in neighboring states," the statement said. "While this presents obstacles, our project moves forward in states that support investment and innovation, and we will have more news on that soon."

The $8.9 billion pipeline has been planned to run 2,500 miles across Iowa, Nebraska, Minnesota and the Dakotas, leading ultimately to an underground storage site in North Dakota for the carbon generated by ethanol plants. The pipeline has been planned to serve more than 50 ethanol plants, and industry officials have said the project, and tax credits for participating companies, was important to maintain industry profitability.

GREEN PLAINS CEO STEPS DOWN

Green Plains CEO Todd Becker, a pioneer in the industry and one of the longest-tenured CEOs in agribusiness, stepped down on Feb. 28 as the company continued to face losses and investor dissatisfaction. Becker had led the company since 2009, quickly growing it into one of the top five ethanol producers in the country. As CEO of one of the only publicly traded "pure play" ethanol companies, Becker had an elevated profile touting ethanol as the industry boomed with the creation of the RFS.

In recent years, the Omaha-based company had attempted to branch out beyond renewable fuel, on ventures such as bioplastics and high-protein feed. At one point, it was calling ethanol the "co-product." But the other ventures struggled to generate returns. One activist investor publicly called for the company to be sold. The company reported a larger-than-expected quarterly loss in February. Green Plains shares are down 71.8% over the past year, and down 41.9% from five years ago.

CRUDE PLUMMETS AS OPEC UPS OUTPUT

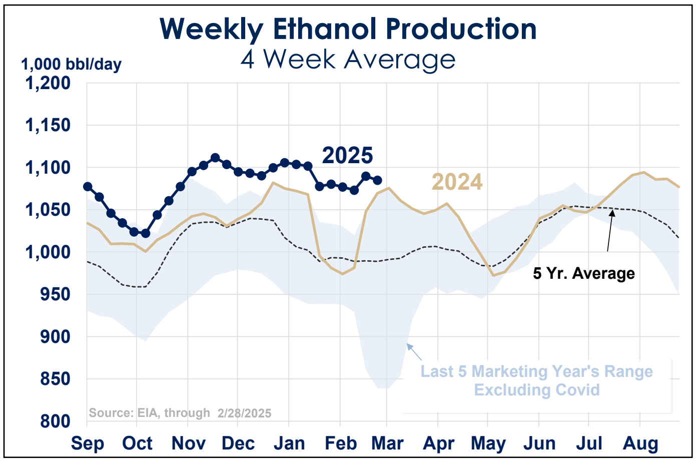
Crude oil prices took a dive this week, with an OPEC Plus decision to raise production adding to the pressure on the market. The cartel announced it would raise production by 2.2 million barrels per day, or 2% of global output, gradually into 2026. Brent crude oil fell to its lowest level in three years, while U.S. (WTI) crude fell to a two-year low.

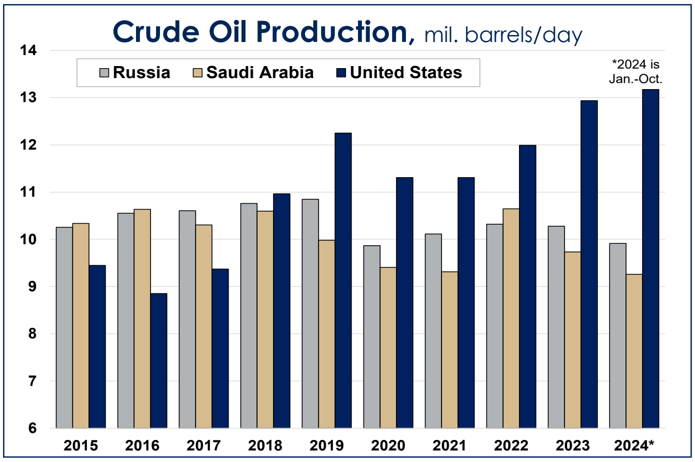
While a production increase was expected this year, analysts were figuring that OPEC would wait given uncertainty about tariffs and U.S. trade policy. The cut is seen by many as a capitulation to President Trump, who has been pushing countries, including Saudi Arabia and Russia, to raise output to help drive prices lower.

With the U.S. taking a friendlier stance toward Russia under Trump and U.S. sanctions against the country seen likely to be lifted, Russia might have added incentive to boost output. As the chart below shows, the U.S. has rapidly overtaken Russia and Saudi Arabia in recent years to become the world's biggest crude producer. President Trump has promised to drive domestic crude oil production even higher.

ETHANOL OUTPUT SOLID

Weekly ethanol output in the week ended Feb. 28 remained impressive at 1.093 million barrels per day, up from 1.081 million the prior week. The four-week average is up 0.9% from a year ago. The bigger concern right now is demand and stockpiles. After swelling the prior week, stockpiles contracted in the week ended Feb. 28, to 27.3 million barrels, from 27.6 million the prior week. Stocks are still up 4.8% from a year ago, however.





COMMENTARY

This market takes volatility to a new level. On Jan. 3, July wheat futures were at $5.50. By Feb. 18, the market was at $6.30. Early this week prices took out the $5.50 low and traded as low as $5.44 ¾. This is not a market for the faint of heart.

The good news is it creates opportunities. You can't sit around and wait for the market to move. Decisions need to be made quickly. As of now, this market is shifting into a sideways trading range. Thursday was a five-wave buy signal in the July Chicago futures. This should provide at least some temporary relief from selling pressure. Odds favor July futures in Chicago rallying back into the $5.80 to $5.90 price zone.

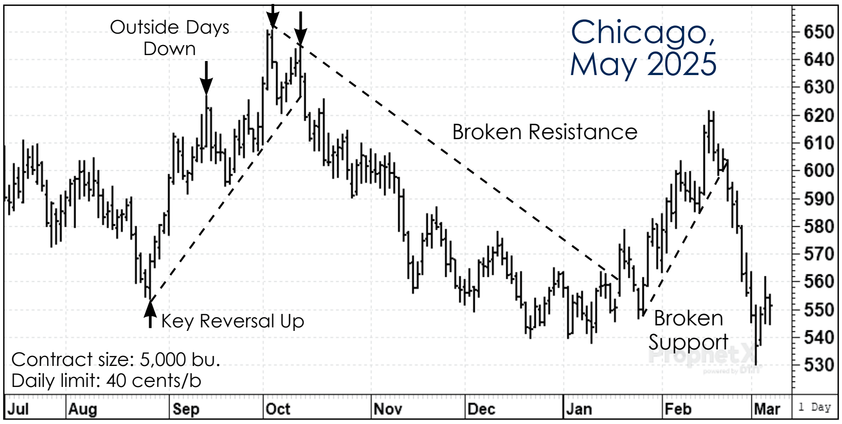
Tariffs have played a role in the market fluctuations, with pressure this week from concerns about retaliation by Mexico, a top buyer of U.S. wheat, as shown below at right.. Traders will continue to watch conditions in the central and southern Plains, where dryness remains an underlying concern as spring arrives. The war between Russia and Ukraine is a potential wildcard.

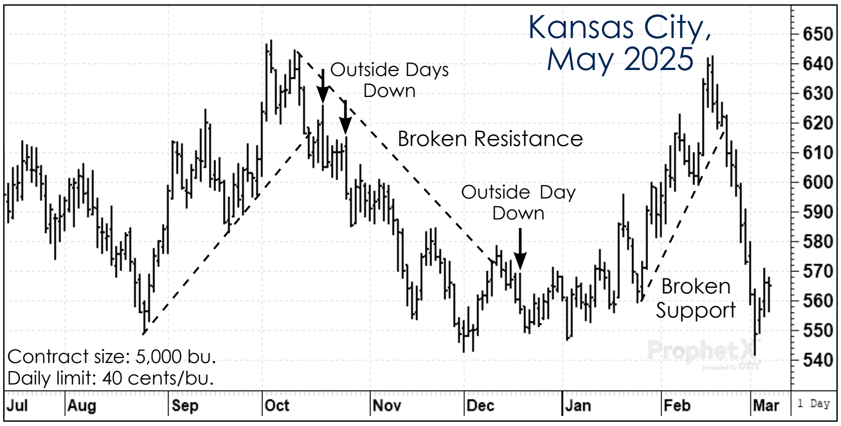
Cash-only Marketers' Strategy: Going into this week, we were sitting at 100% sold on old-crop and 40% on the new-crop. Sit tight for now.

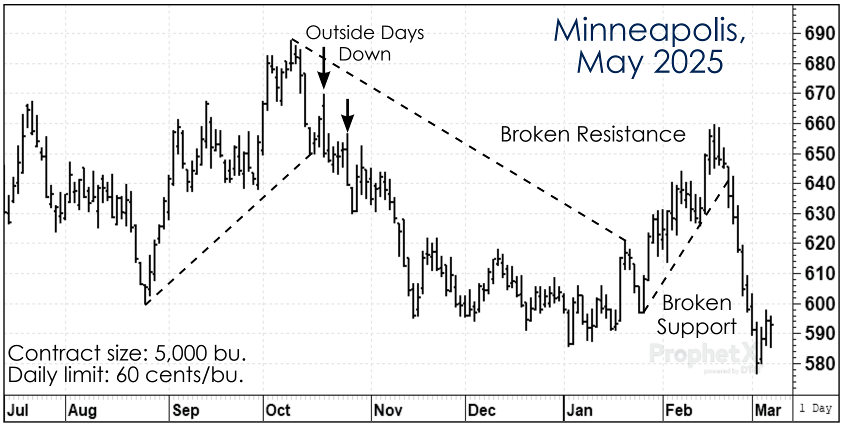
Hedgers' Strategy: One hundred percent sold on old-crop and 30% forward contracted on the new. We rode the market down with a 10% short July futures position and took profits on Thursday.

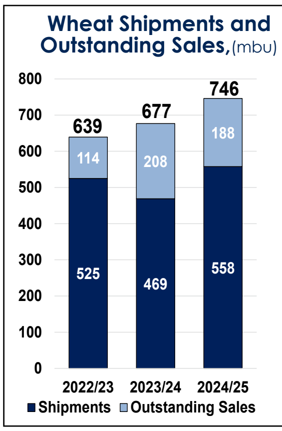
U.S. SUPPLY & DEMAND

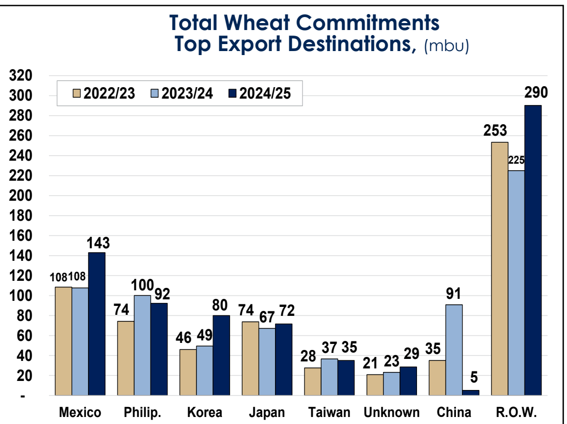
	USDA		Brock	
Marketing year begins June 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (million)				
Planted Area	49.6	46.1	46.1	46.7
Harvested Area	37.1	38.5	38.5	38.2
Yield	48.7	51.2	51.2	50.6
SUPPLY (mil bu)				
Beg. Stocks	570	696	696	803
Production	1,804	1,971	1,971	1,933
Imports	138	130	118	110
Total 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



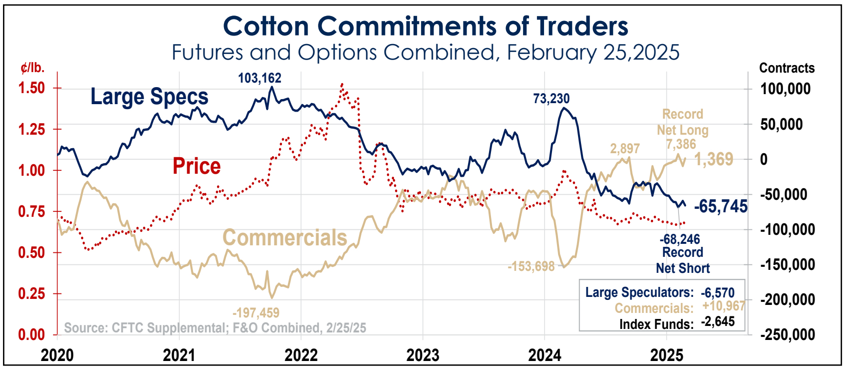








COTTON



COMMENTARY

Futures tumbled on Tuesday, once again making new contract lows and a five-year low on a front-month basis, with worries about tariffs and demand hanging over the market. However, cotton did climb each of the last three days of the week, and by Friday,had carved out a modest weekly gain.

Technically, bulls need to overtake the 18-day moving average at 66.79 to sustain some upside momentum, and above that the 40-day moving average at 67.51. Above that, the main test would be the Feb. 18 high of 69.25 and, if that is taken out, this market would look to – finally – have a bottom.

The mood among many growers right now is not good, as alluded to in our lead story, and southern bankers are also on edge. USDA's Ag Outlook Forum plantings estimate of 10.0 million is down from 11.2 million planted last year but is still too high in our opinion. China this week announced 15% retaliatory tariffs on U.S. cotton, and while that should have little impact in the near-term with China already absent as a buyer, it is not positive for prices. China did re-emerge as a cotton buyer in the latest weekly export sales report. Broader worries about the U.S. economy and slumping crude oil prices are also negative factors for cotton.

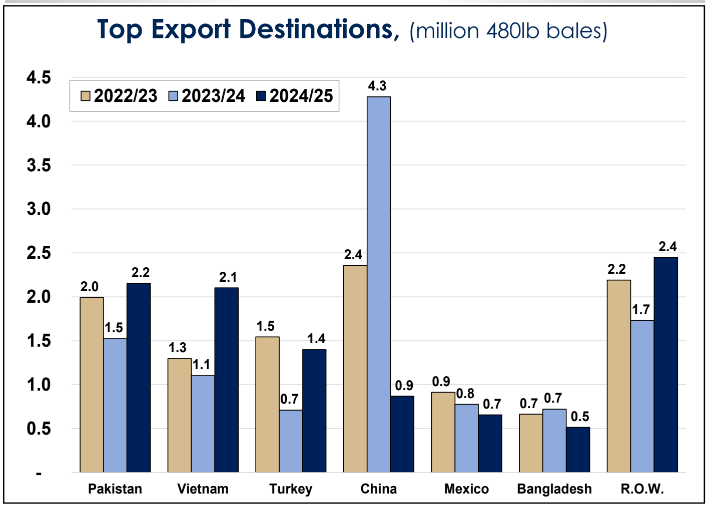
Cash-only Marketers' Strategy: Cash marketers are 45% sold on the 2024 crop. Nothing in new-crop yet.

Hedgers Strategy: We are 35% sold on the 2024 crop in the cash market. We are aside futures, having exited a short 10% position in May futures on Friday.

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

Year-toDate Cotton Commitments



COMMENTARY

Large Asian supplies continue to hang over the market. Futures fell sharply early in the week and continued to make new contract lows as well as a four-year low on a front-month basis, although most-active May rice did rally on Friday to end the week near unchanged.

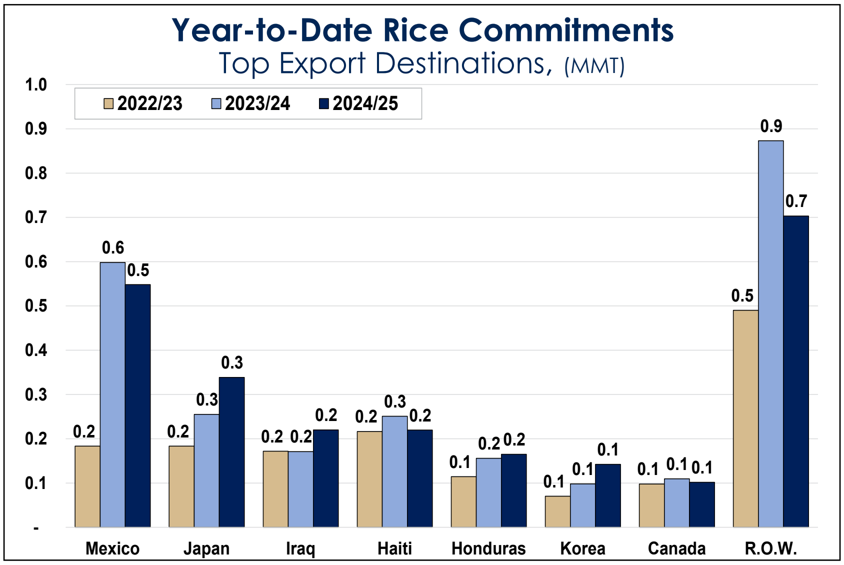
As we've noted recently, abundant supplies in India are the main bearish factor for global prices right now. Late this week, it confirmed that it would begin exporting broken rice.

Here in the U.S., weekly export sales in late February surged to a marketing-year high, driven in part by a large sale to Iraq. Demand has been otherwise lackluster. The developing trade war with Mexico will not help, as it is an important buyer of U.S. rice, albeit one that has been turning more to South America.

The industry appears to be somewhat mixed, however, on the potential impact of tariffs. Some are looking to the prospect of increased demand to grow other varieties, such as jasmine, if reciprocal tariffs announced by President Trump lead to a big drop in imports of those varieties.

USDA's Ag Outlook Forum on Feb. 27 projected U.S. rice acres at 2.6 million, down from 2.9 million last year and the lowest in three years. USDA said the reduction is in long-grain rice in the South, and is partially offset by increased short-and medium-grain rice plantings in California.

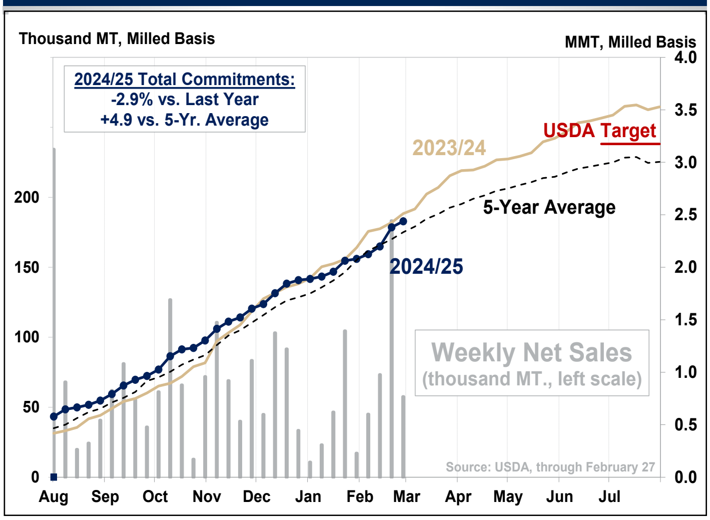
Strategy: We are 80% sold in the 2024 crop after making a 10% sale in late February. Nothing sold for 2025 yet. Sit tight for now.



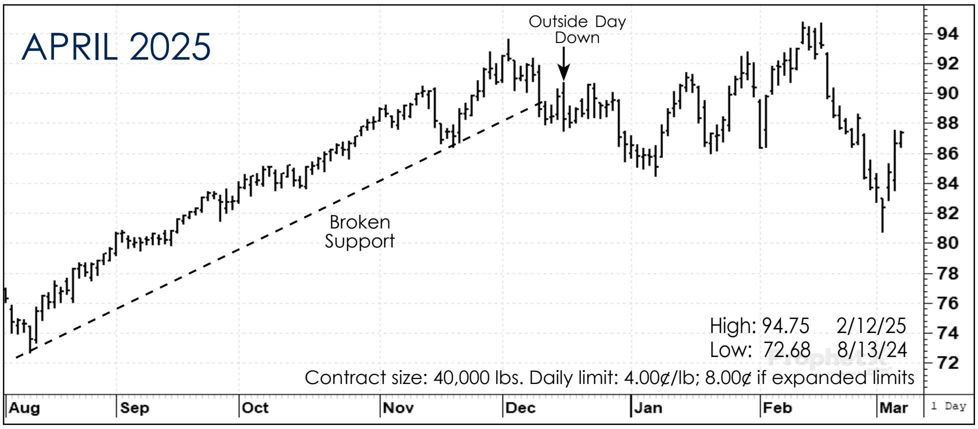
U.S. SUPPLY & DEMAND

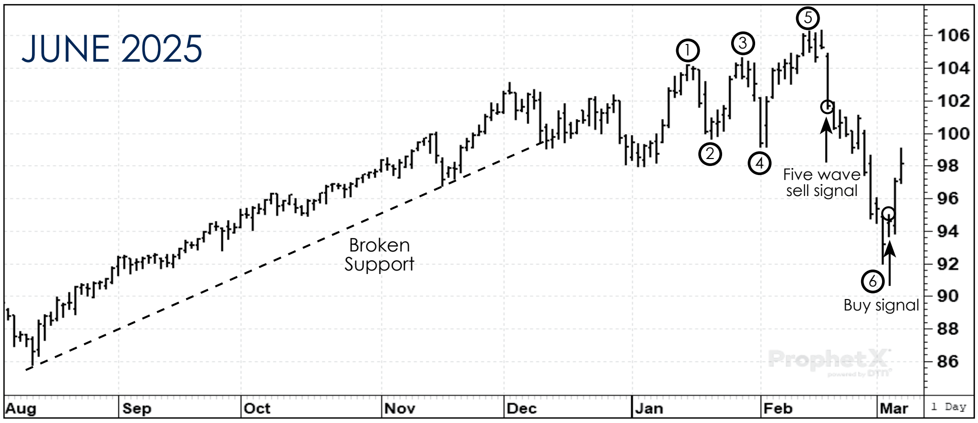
	USDA		Brock	
Marketing year begins Aug 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (Mil. Acres)				
Planted Area	2.90	2.91	2.91	3.13
Harvested Area	2.85	2.87	2.87	3.09
Yield (Pounds)	7,641	7,748	7,748	7,700
SUPPLY (Mil. cwt)				
Beg. Stocks	30.3	39.8	39.8	44.2
Production	218.0	222.1	222.4	237.9
Imports	44.6	47.0	45.0	36.0
Total Supply	292.8	309.0	307.2	318.1
USAGE (Mil cwt)				
Domestic & Residual	154.9	166.0	163.5	164.0
Exports	98.1	96.0	99.5	104.0
Rough	41.7	36.0	42.0	44.0
Milled (Rough Eq.)	56.4	60.0	57.5	60.0
Total Use	253.0	262.0	263.0	268.0
Ending Stocks	39.8	47.0	44.2	50.1
Farm Price ($/cwt)	17.30	15.40	$15.10-15.80	$12.75-13.50

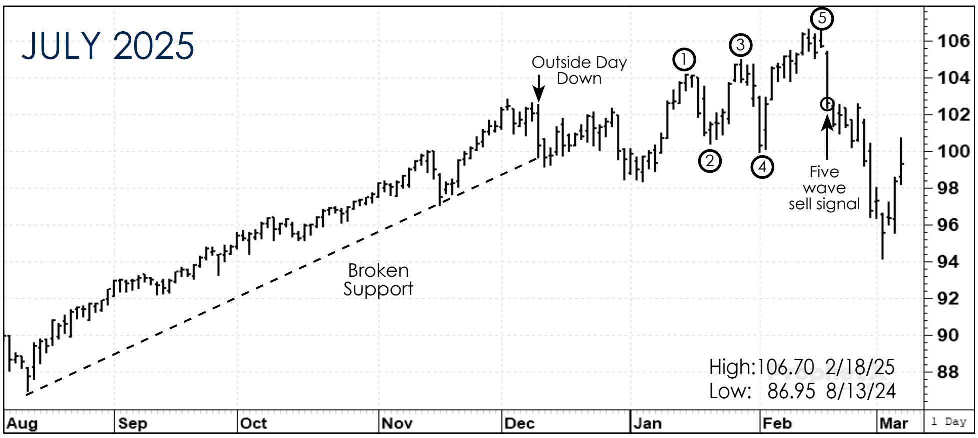
U.S. RICE EXPORT COMMITMENTS

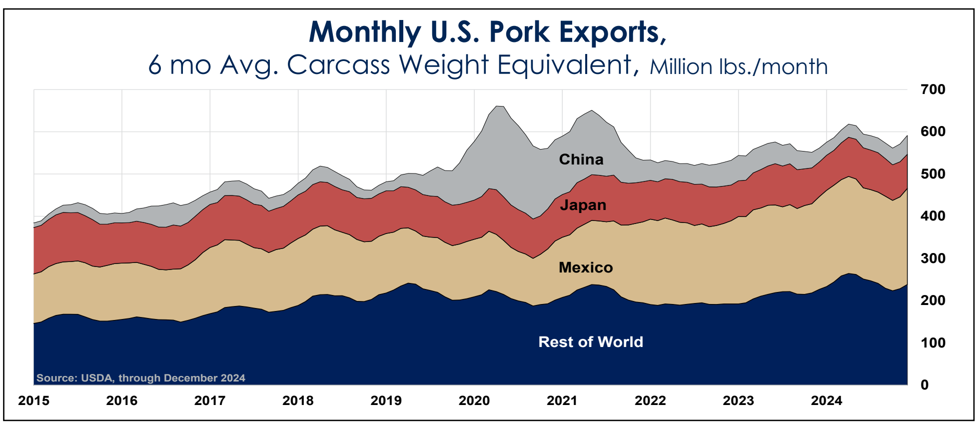


HOGS









COMMENTARY

Lean hog futures took a rollercoaster ride this week, plunging further on Monday and Tuesday and then rebounding sharply the rest of the week as President Trump granted one-month tariff exemptions for many Mexican and Canadian products. Firm cash hog/wholesale pork prices were also supportive for futures, which ended higher for the week.

Technically, lean hog futures charted five-wave buy signals on Thursday and it is clear hog futures have bottomed for now. How much of an upside there is for prices may depend heavily on how the tariff situation plays out. April lean hogs are now only about $3 discount to the CME cash lean hog index and may stay relatively close to that index. The rally in deferred futures appeared to run out of gas on Friday, with those contracts finishing below midrange for the day. However, we would not be too surprised to see summer-month contracts test their February highs at some point.

Futures trade should remain volatile amid the shifting tariff situation. Even if the U.S. and Mexico can work out a more permanent agreement avoiding tariffs over the next month, the market still has to worry that reciprocal U.S. tariffs set to be implemented on April 2 could disrupt U.S. trade with numerous nations. On the supportive side, hog slaughter/pork production continues to run short of expectations. This week's estimated slaughter was down 4.7% from last week and 0.9% from last year. For 2025 to date, U.S. pork production is running 4.4% below a year earlier. The pork cutout value edged a bit lower this week but, as of Thursday, was still 5.5% above a year earlier.

Hedgers' Strategy: Hedgers sold $82 put options on April futures on Tuesday to offset hedges on short April futures hedges. We banked profits on the April futures hedge covering 50% of Q2 production on Thursday and also exited short Aug. futures against 50% of Q3 production, but we continue to be short the $82 April puts for now. Those were sold for more than $3.00 and closed Friday at 65 cents.

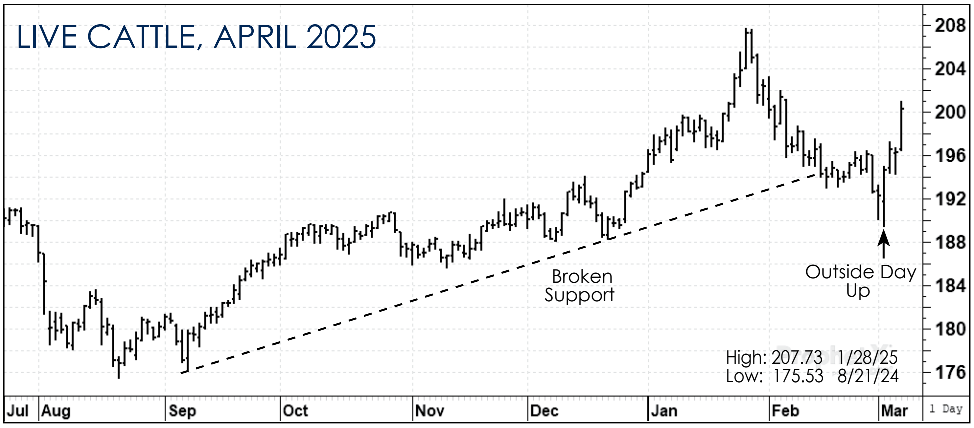
COMMENTARY

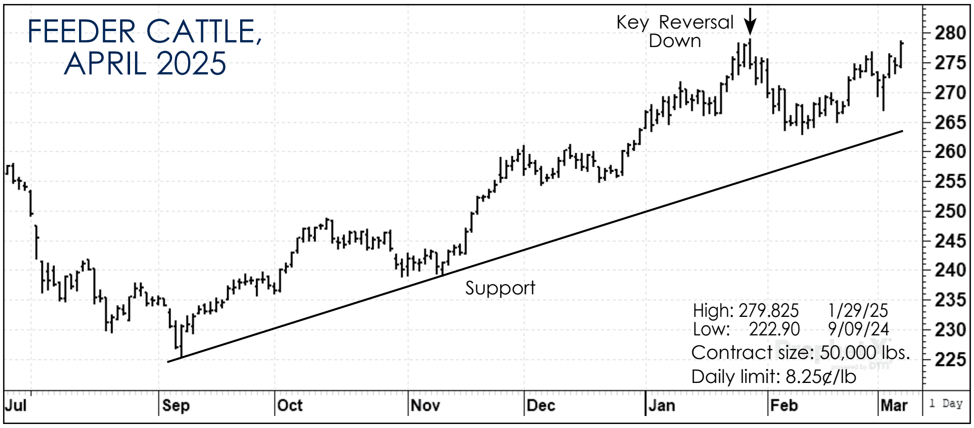
This was a big week for live cattle futures, which rebounded sharply off of two-month-plus lows charted early on Tuesday. Prices were boosted by short covering and speculative bargain hunting spurred by technically oversold market conditions, easing concerns about tariff and signs Plains cash markets may have bottomed for now. Stock market declines and increased talk of a U.S. recession could not prevent the rally. Feeder cattle futures rallied with live cattle despite a rebound in corn prices and a downturn in cash feeder prices.

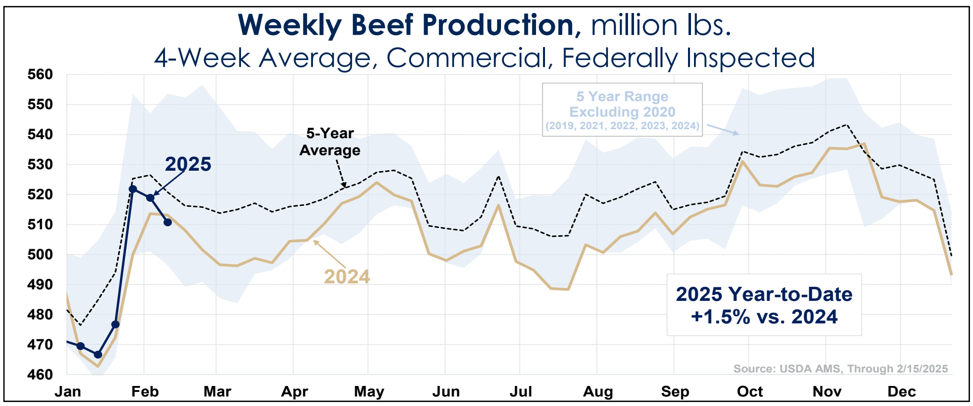
The chart picture for live cattle futures changed dramatically this week, with futures charting huge bullish weekly reversals off of two-month-plus lows. Nearby April live cattle futures ended the week $7.63 higher and $10.78 off of their Tuesday trading low after bouncing off their 200-day moving average. April did finish the week premium to southern Plains cash markets, which may make traders more cautious next week along with continued tariff uncertainty. If June futures can clear resistance at $197.50, they may quickly test their contract high at $201.65. The May and more deferred feeder cattle futures contracts broke out to new contract highs on Friday and charted bullish outside trading weeks.

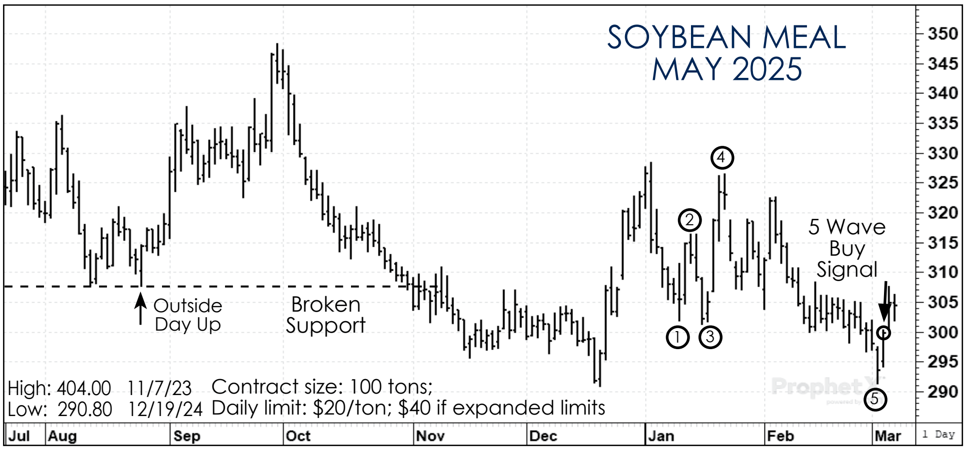
Plains direct cash cattle markets stabilized this week, with most trade in the southern Plains taking place at $197, steady with last week. Trade was late to start in Nebraska, but some Friday morning sales were reported at $200 live and $215 in a dressed carcass basis, up $2 from last week. High cattle weights remain a negative market factor and packer operating margins remain well in the red, but retail buying for the spring grilling period should be picking up, which should boost wholesale beef prices.

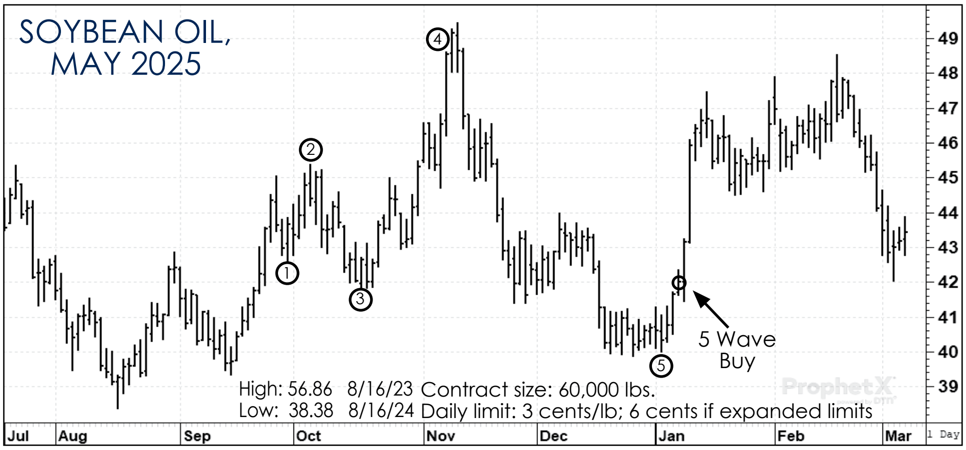
Hedgers' Strategy: We sold Aug. and Dec. live cattle futures on Monday, but quickly exited those positions on Wednesday. Fed cattle marketers remain long $195 put options on June live cattle against 100% of Q2 marketings and $190 Aug. put options on 50% of Q3 marketings. Feeder cattle sellers sold Aug. and Oct. feeder futures on Monday, but exited the Oct. hedge on Wednesday and the Aug. hedge on Friday. Feeder sellers remain long $270 put options against May feeder cattle and short $300 call options against them.

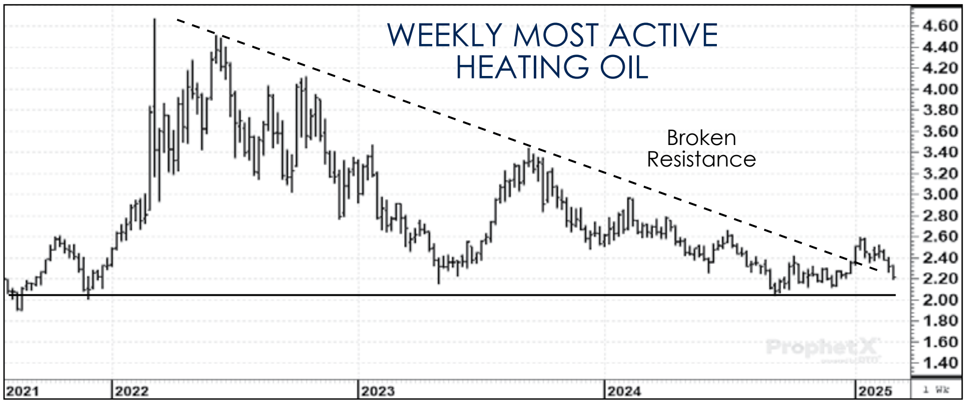


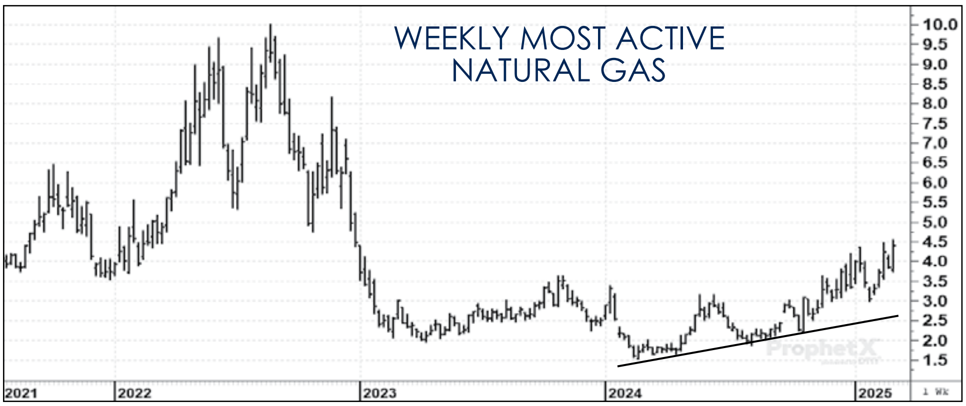












COMMENTARY

Feed: Soybean meal established a five-wave buy signal on Wednesday as shown at left. That will help support the soybean complex over the near-term. Meal will likely now become the leader out of the entire complex.

For feed buyers, we entered that market on long side locking in 50% of purchase needs for second and third quarter in July futures. Note that open interest in the soybean meal dropped sharply over the last two weeks price decline. That is a positive technical indicator.

Distillers' dried grain prices extended their price decline that started the prior week. Prices were down $5 to $10 across most of the heart of the Corn Belt, and down as much as $23 in Illinois. Ethanol output has remained strong despite swelling stockpiles.

Fertilizer: Prices remain firm, driven by solid demand leading into what is expected to be a very active corn planting season. The impact of tariffs on Canadian potash appears likely to be muted in the near-term. Aside from suspending the tariffs for a month, the Trump administration has also indicated a carve-out for potash. Meanwhile, Mosaic's CEO told investors in an earnings call that buyers appeared unconcerned by the tariff and downplayed the potential impact on demand.

Fuels: On Friday, we recommended buying all spring/summer diesel fuel needs. While the crude oil market spent most of the week in retreat, it appeared poised to post a five-wave buy signal on Friday.

Natural gas prices hit a two-year high. The market has been driven by big drawdowns, thanks in part to the bitter cold that gripped much of the U.S. in February. Domestic supplies are down 11.3% from the five-year average. And as we've noted recently, demand for power generation should remain bullish.

COMMENTARY

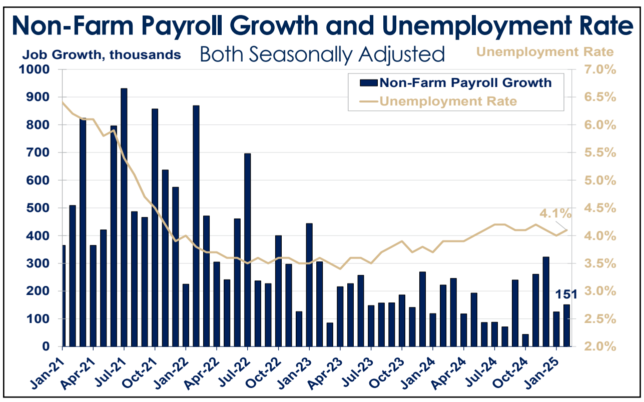
Friday's monthly jobs report came in just slightly below expectations and was not a "game changer" for the economy or inflation expectations. But the calm this month belies what is likely to be a heated debate over the next few months.

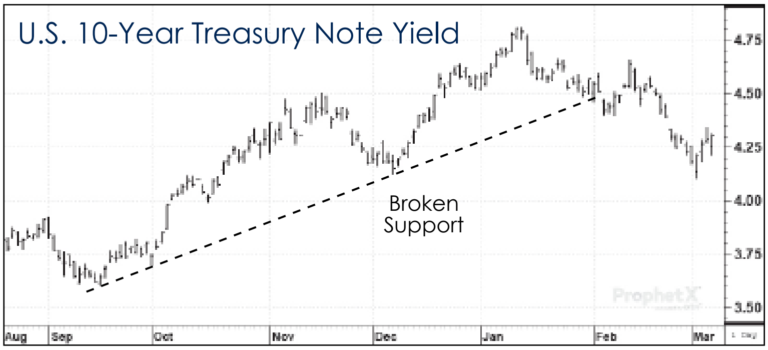
The Labor Department reported Non-Farm Payrolls increased by 151,000, up from 125,000 the prior month but down from the 160,000 to 170,000 that was expected in analyst surveys. Unemployment, which was expected to hold steady at 4.0%, instead increased to 4.1%. The report should further expectations for Fed rate cuts this year, but does not alter the outlook significantly.

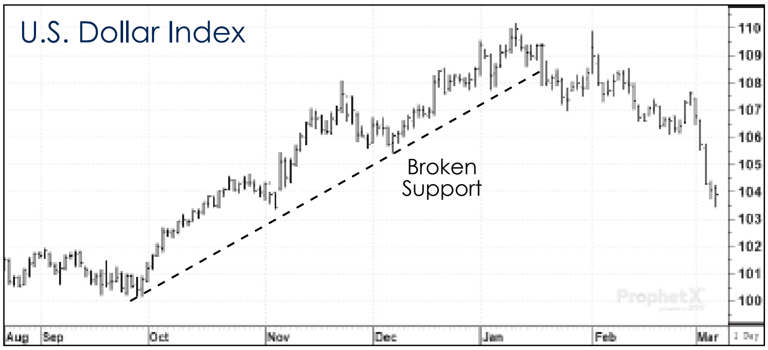
The big question going forward is how the jobs outlook is affected by the mass staff reductions across the federal government. Friday's report showed federal government jobs down by 10,000, a relatively small number that Morgan Stanley in a note said reflected the hiring freeze President Trump enacted on his first day in office, rather than layoffs. But while there is no reliable, agreed-upon number, various reports indicate at least tens of thousands of employees have been laid off, in a process that is still ongoing and will emerge in coming jobs reports.

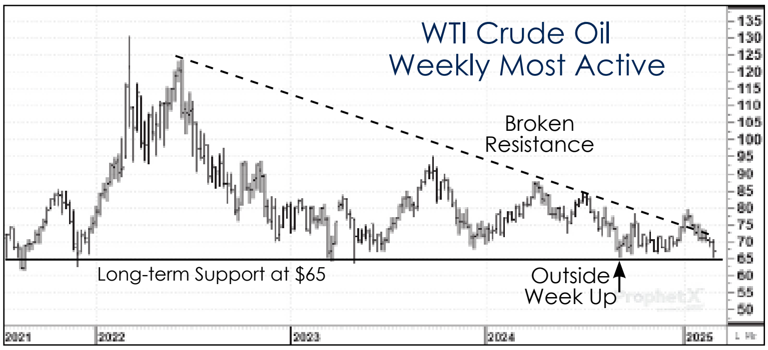
For better or worse, federal hiring and spending has been a driver of the economy. Treasury Secretary Scott Bessent acknowledged as much on Friday, saying the economy has become "addicted" to government spending, and will need to go through a "detox" period while learning to live without it. For those who have had to break an addiction — whether booze, cigarettes, energy drinks or worse — the imagery from Bessent implies that the economy is in for some unpleasant days.

The stock market retreated this week, although it likely had more to do with tariffs than the concerns cited above. The S&P 500 fell to its lowest level since November, down nearly 4% on the week, while the Nasdaq entered "correction" territory, defined as a drop of 10% from the highs.









THE BROCK REPORT POSITION MONITOR

THE WEEK AHEAD: USDA issues its monthly Supply and Demand report on Tuesday. Traders will continue to watch for news on tariffs. Economic reports of interest will include the Consumer Price Index on Wednesday, the Producer Price Index on Thursday, and Consumer Sentiment on Friday.

Bolded %'s highlight changes made week ending 3/7/2025

CORN

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

SOYBEANS

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

LIVESTOCK

HOGS	25-I	25-II	25-III	25-IV
Futures	0%	**0%***	**0%**	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%	**50%**	**50%**	0%

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