April 4, 2025

THE BROCK REPORT
America's Most Complete Commodity Marketing Service

LET THE DUST SETTLE — PHASE II

The March 14 issue of the Brock Report had the headline "Let the Dust Settle." It did settle, but three weeks later that statement applies once again. This was a challenging week in many markets and for many people. The threat of tariffs has gone from "let's see what happens" to "this is now reality." The Trump administration would like all of us to believe that this is going to be a short-term pain, but it certainly doesn't feel that way right now. Some of the tariffs could have long-term consequences.

In looking at the grain markets specifically, let's be careful how much blame we put on the tariffs. The downward slide in corn, soybeans, wheat and cotton prices all started in the summer of 2022. This did not start when Trump was elected. The key issue for lower grain and cotton prices has been the result of a substantial shift in export demand from U.S. farmers to Brazilian farmers. This has been a long-term trend that didn't start just last week. We exported our technology on seed production giving farmers around the world the opportunity to use the same genetics that only U.S. farmers had 15 years ago. Add to that the fact that Brazil had then and still has more land to bring into production and the impact should have been obvious to everyone in the summer of 2022 when commodity prices were sky high. High prices cut demand and the combination with the other factors mentioned above has been lethal. This is the root cause behind how grain prices and cotton got to where they are today and now tariffs are just adding some additional issues on top of some major fundamental shifts.

The market is truth in that it reflects accurately all the forces that bear upon it. Whether we want to recognize and believe those forces is up to all of us. There are many who sit around and wait for the world to change for them. Very few guess correctly but they are the ones that must change, and not the world. In commodity marketing, one usually gains by yielding, by admitting that believing the way they always have looked at a market may not be the best way to proceed.

Some people become so hard-headed about clinging to marketing the way they have in the past that they run the risk of waiting too long to make changes. As Warren Buffett has said, "The chains of habit are too tight to be felt until they are too heavy to be broken."

GRAIN PRICES?

So much for philosophy 101. We keep emphasizing it because the thought process is sometimes more important than knowing what the fundamentals are. Markets bottom on bearish news and on the emotion of fear. Both cause panic selling. Corn, soybeans and wheat have not actually experienced panic selling quite yet. But for cash flow reasons, sales have been made that under normal economic conditions would not have been made. One can argue that the current news is what is necessary to make a bottom in a market. The fundamentals of both corn and soybeans changed significantly in January when the USDA downsized last year's crop. Putting the tariffs aside, both corn and soybeans have much more potential on the upside with weather concerns this year than they have in the past two.

"There are some things you learn best in calm, and some in storm"..
-Willa Cather

THE PATH OUT

There's so much going on right now with tariffs and the economy, it's hard to know where to start. President Trump's "Liberation Day" tariffs were more severe than expected, and the planning that went into them appeared to be haphazard at best. His announcement sent the markets into a tailspin on Thursday, and hopes of a recovery Friday morning were dashed when China announced it would be retaliating in kind. Soybeans and cotton are among the markets taking a big hit, along with crude oil and, of course, the stock market.

There are all sorts of theories about why Trump has launched aggressive new tariffs and caused the stock market to tank. Many of them seem far-fetched. The level-headed, optimistic case for the current situation is this: Trump's announced tariffs will bring other countries to the negotiating table with the U.S., ultimately resulting in lower tariffs on U.S. exports. On that front, President Trump this morning said that Vietnam is interested in lowering its tariffs on U.S. products in an effort to extinguish U.S. plans for 46% reciprocal tariffs on the country. The trade will need to see a lot more of that in the coming days and weeks. Unfortunately, significant damage has already been done.

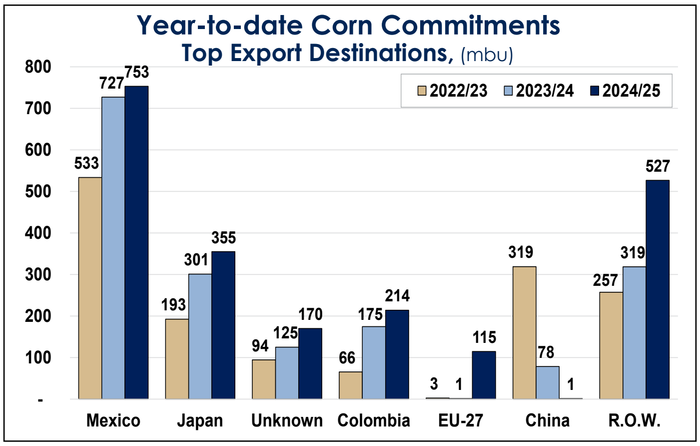
With the tariffs that have been announced there are a few surprises. The administration was not nearly as hard on Mexico and Canada as was previously expected and feared. The tariffs on China are significant, as well as across much of Asia.

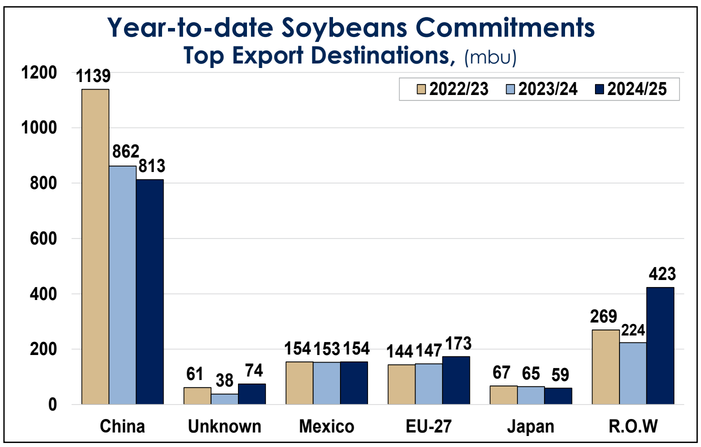
1. This should have little impact on corn prices. Weather and planting concerns are going to be more significant to corn than the tariffs. Note, on the chart on page 6, that for old-crop corn, year-to-date shipments and outstanding sales are well above 2023/24 and will finish the year strong. As shown below, China is not a major buyer of our corn. Mexico is and will stay that way.

2. As the table on soybeans indicates, China is our largest buyer. Sales to China are down from last year and significantly down from 2022/23. Forward sales of soybeans to China will be challenging. But at this price level, which is below the expected average of the year, it's not time to panic.

3. The impact on pork prices will be negative. Price protection on the downside is needed.

4. The largest negative price impact will be to the cotton producers and the entire U.S. textile industry. Note that export commitments to China on the table below are near an all-time new low and off significantly from a year ago. That's not likely to change now. Most of the clothing and shoe manufacturing still remains in China even though some has shifted since Covid to Vietnam, India, Bangladesh and Indonesia.





RECESSION CONCERNS

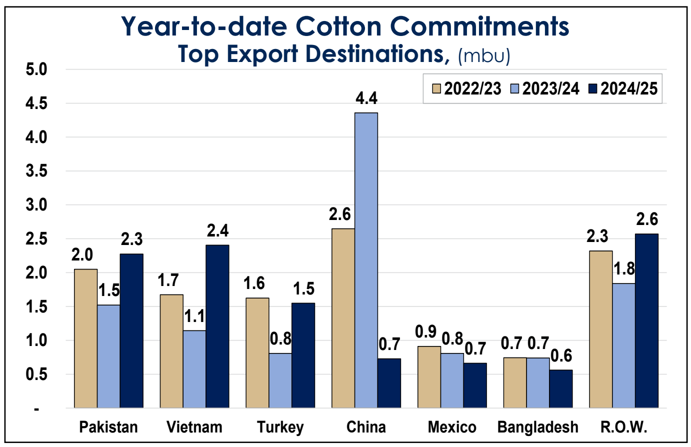
The concerns of a recession in the U.S. are now for real. All one must do is take a look at what happened to copper prices, crude oil prices and treasury prices on Thursday. Following the announcement of the tariffs structure, copper and crude oil prices collapsed. Treasury prices went sharply higher, indicating that interest rates are coming down.

Another interesting development was that the value of the Mexican Peso and the Canadian dollar rallied sharply, an indication that our export demand to those two countries will likely stay strong.

THE BOTTOM LINE

There is no way to sugar coat what is happening. Corn, soybean, wheat and cotton producers are going to be facing some challenging times. Input costs come down much slower than grain prices come down. That is unfortunately a reality. Producers who have done well with their marketing programs in the last two years have a very substantial advantage over their neighbor who might have done a poor job of marketing in the last couple of years. The income spread has been dramatic and now that will hit the bottom line.

How long will this last? Only weather problems this spring will likely give a big enough boost to grain prices to get above break even. It's a no-win situation, unless the weather problems occur on someone else's farm. Low prices will build demand. A year from now this will be a totally different marketing environment. For right now, we must be patient and let the market go through a base building phase. Surprises in this market will now be on the bullish side and not on the bearish side. Patience, patience and more patience.



COMMENTARY

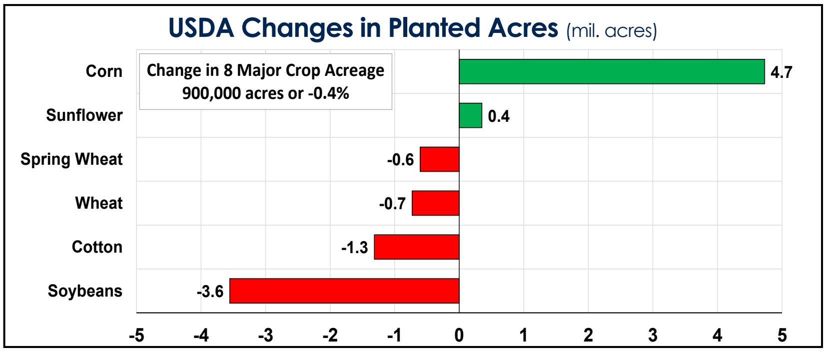
USDA's Prospective Plantings report did not hold much in the way of surprises for the grain, soybean and cotton markets. While corn planting intentions of 95.32 million acres were 900,000 above the average of trade expectations, based on corn futures' reaction (or lack of), intentions of more than 95 million acres were already factored into prices. The biggest surprise was that all-wheat intentions came in at only 45.35 million acres, more than a million below the average of expectations and below the range of trade estimates.

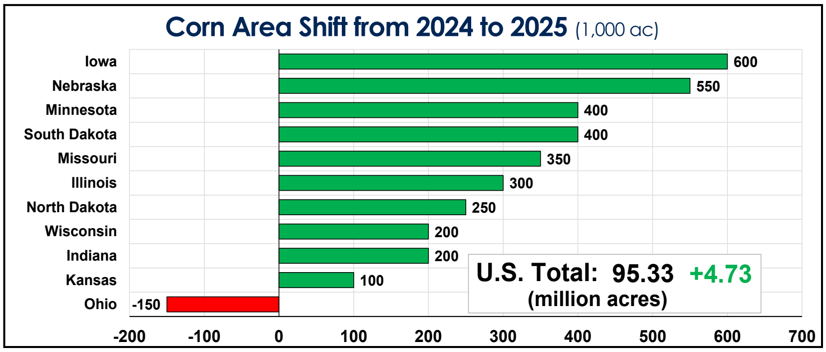
Looking a bit further at acreage numbers, planting intentions for the eight major U.S. crops total 248.0 million acres, down only 0.4% from last year's final planted acreage. But actual plantings at that level would be the lowest in five years and near the low end of the range for eight-crop acreage going back to 1990. The only year when planted acreage wound up significantly lower was in 2019 when prevented planting claims were record large and final plantings were only 238.1 million acres.

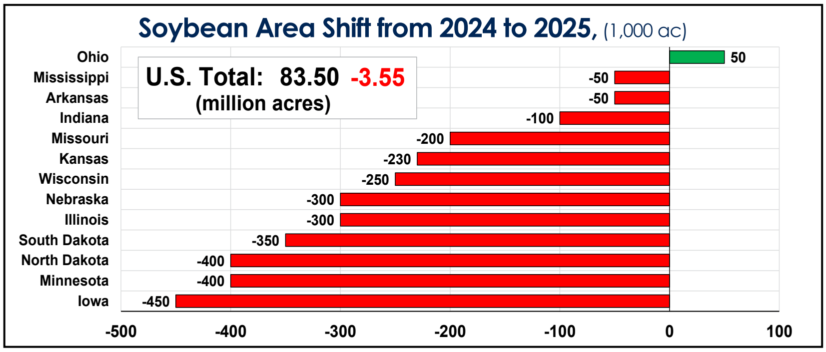
Corn planting intentions are up 4.73 million acres, or 5.2%, from last year's final plantings and are the fourth largest on record. If actual plantings match intentions, they would be the second largest on record behind 2012. As can be seen in the table at right, corn planting intentions are up from 2024 acreage in 10 of the top 11 corn states, with the only exception being Ohio. The largest increases in acreage in major producing states are in the western Corn Belt, led by the top growing state of Iowa. All told, producers in major corn states west of the Mississippi River intend to increase plantings by 5.4% versus 2024, while those east of the Mississippi are planning only a 2.7% increase.

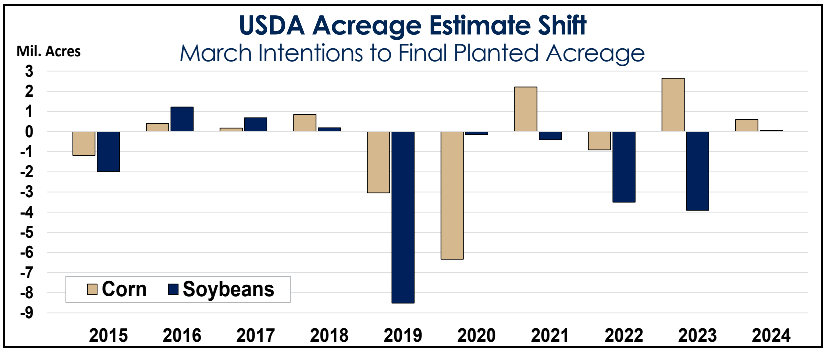
Not surprisingly, soybean planting intentions are down from 2024 plantings in all major producing states except Ohio, where they were up a modest 50,000 acres, as can be seen in the third chart at right. Also not surprising, is that the largest drops in soybean intentions were mostly in western growing areas. Soybean intentions are down 5.3% versus 2024 plantings in significant producing states west of the Mississippi River but are down only 2.7% east of the Mississippi.

Of course, as we have said many times before, the March planting numbers are only intentions and acreage could still potentially shift significantly. The main reason for acreage shifts is weather and there are already concerns about planting prospects, with excessive rains falling in a swath from Arkansas to the Ohio River Valley. As can be seen in the bottom graphic at right, over the past 10 years, final corn plantings have differed from the March intentions by more than one million acres six times, rising four times by as much as 2.1 million acres and falling twice, including a drop of nearly 5 million acres in 2019. Actual soybean acres have changed by more than a million acres in four of the past 10 years, rising by as much as 1.45 million in 2016 and falling by nearly 4.6 million in 2019.









CONTENTS

CHINA MATCHES NEW U.S. TARIFFS

China on Friday retaliated harshly against new U.S. tariffs, imposing a 34% import tariff of its own on all U.S. goods, mirroring the new U.S. reciprocal tariff rate on Chinese goods. China's finance ministry said the additional tariffs will be imposed from April 10. China also said it will curb exports of some rare earth materials. In addition, China's customs administration has imposed an immediate suspension of sorghum imports from some U.S. exporters and has blocked imports of poultry and bone meal from three U.S. firms.

U.S. soybean exports to China are likely to be hit hard by the new tariffs, although the impact in the near-term will be limited, as we previously noted in the March 7 Brock Report. That's because Chinese buyers have already switched to buying mostly Brazilian soybeans for 2024/25 needs and more than 97% of their previous purchases of roughly 813 million bushels of U.S. beans have already been shipped. The big concern going forward is what will happen to U.S. soybean sales to China in 2025/26. The prospects are not good.

During the U.S.-China tariff war initiated by President Trump during his first term, U.S. soybean exports to China plunged by 543 million bushels or 52.5% in 2018/19 compared with a year earlier, falling to less than 493 million. Exports to China recovered only modestly in 2019/20 to 593 million bushels. China has already cut its imports of U.S. soybeans significantly over the past two years, relying ever more heavily on imports from Brazil, and with Brazil continuing to increase production, there is certainly room for a further reduction in U.S. soybean purchases.

Between 2018/19 and 2024/25, Brazil has expanded soybean production by an estimated 48.5 million metric tons (1.782 billion bushels) and has expanded exports by 30.4 million tons (1.117 billion bushels). Chinese import demand rose by 29.5 million tons (1.084 billion bushels) between 2018/19 and 2023/24, but is expected to fall by three million tons (110 million bushels) this year. Brazil is expected to continue expanding soybean production in 2025/26, if weather cooperates, while Chinese demand is expected to be flat to a bit weaker.

China's new tariff rate of 34% exceeds the tariffs levied on U.S. soybeans back in 2018/19, which peaked at 27.5%. If the new Chinese tariffs remain in place in 2025/26, it seems very likely that China's imports of U.S. soybeans would again fall below 500 million bushels, possibly below 400 million, or even lower. That would leave the soybean market looking to find another home for at least another 300-400 million bushels of U.S. soybeans.

CHINA CORN CROP SEEN RISING

China's tariffs are expected to have little impact on U.S. corn exports since China has already been absent from the U.S. market this year and its total imports are down sharply amid Beijing's emphasis on grain self-sufficiency. Imports should remain relatively low in 2025/26 as China's domestic production rises. China's 2025/26 corn production is expected to rise to 300 million metric tons (MMT), up 1.7% from 2024/25, the U.S. agricultural attaché said in a report published on Thursday. Improved yields are seen boosting production, with genetically engineered (GE) corn plantings expected to increase significantly. The attaché now forecasts China's 2024/25 corn imports at only 7.0 million metric tons (MMT), below USDA's official forecast of 8.0 MMT and sees 2025/26 imports at 8.0 MMT. China's 2023/24 corn imports totaled 23.4 MMT, according to USDA.

VIETNAM OFFERS ZERO TARIFFS

While China has been quick to retaliate against U.S. tariffs, Vietnam has again indicated it is ready to lower tariffs. Vietnam is ready to discuss with the U.S. cutting its tariffs on American goods to zero and has asked the U.S. to do the same with Vietnamese goods, state media reported on Friday, citing remarks by Communist Party leader To Lam in a phone call with President Trump. Meanwhile, Trump said in a message on Truth Social on Friday morning that Vietnam is ready to "cut their tariffs down to zero if they are able to make an agreement with the U.S."

Vietnam has been hit by one of the highest "reciprocal" tariff rates by the Trump Administration at 46% and has reportedly asked the Trump administration to delay that tariff by one to three months while a deal is worked out. To Lam and Trump have said they would discuss a bilateral agreement soon, the official Vietnam News Agency reported. Lam invited Trump to visit Vietnam, and Trump accepted, the report added.

SEED PIRACY PROBLEMS IN BRAZIL

Soybean seed piracy in Brazil generates losses of 10 billion reais ($1.76 billion) per year in the country, according to a study by CropLife Brazil and agribusiness consultancy Celeres Consultoria released on Wednesday. Pirated seeds occupy 11% of the area sown with soybeans in Brazil, the study found after looking at planting data for the 2023/24 season.

WORLD WEATHER HOTSPOTS

Excessive rain has already fallen across the lower U.S. Midwest and northern Delta in the past two days and the precipitation event will continue into Sunday, resulting in serious property and some crop damage. The worst impacted areas will be from the heart of Arkansas through southeastern Missouri and western Tennessee to Kentucky. Flooding in some areas there may be severe enough to limit fieldwork for a few weeks.

Portions of the central and southwestern U.S. have been struggling with below normal precipitation since the latter half of summer 2024 with the exception of November. World Weather, Inc. believes a part of this dryness will likely prevail through the balance of spring and into early summer. In the meantime, a wetter bias is expected at times in the eastern Midwest and a part of the Delta, and a change toward wetter conditions should evolve in the far northern Plains and upper Midwest late this spring followed by a drier bias in July.

Black Sea region rainfall is still expected periodically over the next 10 days with mild to cool temperatures, which may translate into better conditions for new tillering and root development in poorly established wheat, barley and rye production areas.

USDA BLOODLETTING CONTINUES

USDA employees are once again facing a "fork in the road." That was the phrase used in January when all federal employees received an email suggesting they consider taking a voluntary buyout, rather than risk being laid off amid DOGE's widespread cuts in Washington. This week, employees at USDA and several other departments received a similar email.

This time the offer came directly from USDA. "If you chose to remain in your current position, we thank you for your renewed focus on serving the American people to the best of your abilities and look forward to working together as part of an improved and streamlined federal workforce," USDA wrote in its email to staff, according to the Federal News Network. "At this time, we cannot give you full assurance regarding which positions will remain — or where they will be located — after USDA's restructuring, but should your position be eliminated you will be treated with dignity and will be afforded the protections in place for such positions."

Employees who accept the offer of deferred resignation would be put on administration leave sometime between April 15 and 30 and would retain all pay and benefits until Sept. 30. Certain employees in "critical" positions may not be able to take the offer. A USDA spokesperson told Federal News Network that it was being "transparent" in how it addressed its future staffing plans. Other departments that sent buyout offers to their employees include Defense, Energy, Transportation, and Housing and Urban Development.

PLAINS DRYNESS WORRIES TO CONTINUE

Despite a recent reprieve, heat and dryness are set to again be a rising concern in the U.S. Plains. By late next week, the Plains is set to see temperatures in the 80s and 90s, with "very strong wind speeds," according to World Weather Inc.

The region has seen a reprieve the past couple of weeks, after two wind/dust storms blew across the Plains in five days. The dust storms had a limited impact on hard red winter wheat crop ratings, and some rains this week have been welcome. But drought remains a concern. The weekly U.S. Drought Monitor showed 61.9% of the High Plains region and 67.7% of Texas experiencing at least moderate drought, essentially unchanged from the prior week.

In the Midwest region, 27.8% of the area is in moderate drought or worse, down from 33.1% the prior week. There should be further improvement in the next report due to widespread rains this week. In fact, the bigger concern right now is torrential rains hitting the lower Midwest, particularly the Ohio Riverbasin. Parts of the region are seeing 10 inches of rain or more this week. The National Weather Service projects the Mississippi River water level at Memphis, which has typically been uncomfortably low in the past couple of years, will enter minor flood stage by April 12.

CUTS TO BIRD FLU TESTING

The Trump Administration arguably received unwarranted criticism early on over the bird flu outbreak and soaring egg prices, which developed while President Biden was still in office, but now they are touting their efforts to resolve the problem as egg prices come down. Retail prices hit $3 per dozen this week, down from a peak of $5.90 in February. The drop comes as the number of bird flu cases plummets, with 2.1 million birds affected in March versus 13 million in February and 23 million in January.

Regardless of whether it deserves blame and credit for the bird flu outbreak to start the year and its subsequent decline, if the virus does flare up again, the Trump administration will "own" it. This week some veterinarians sounded alarms over layoffs affecting 10,000 workers at the Department of Health and Human Services, including 3,500 at the Food and Drug Administration. Reuters reported that those cuts included leadership and the administrative staff at the Center for Veterinary Medicine, which has led to the halt of various testing of bird flu in milk.

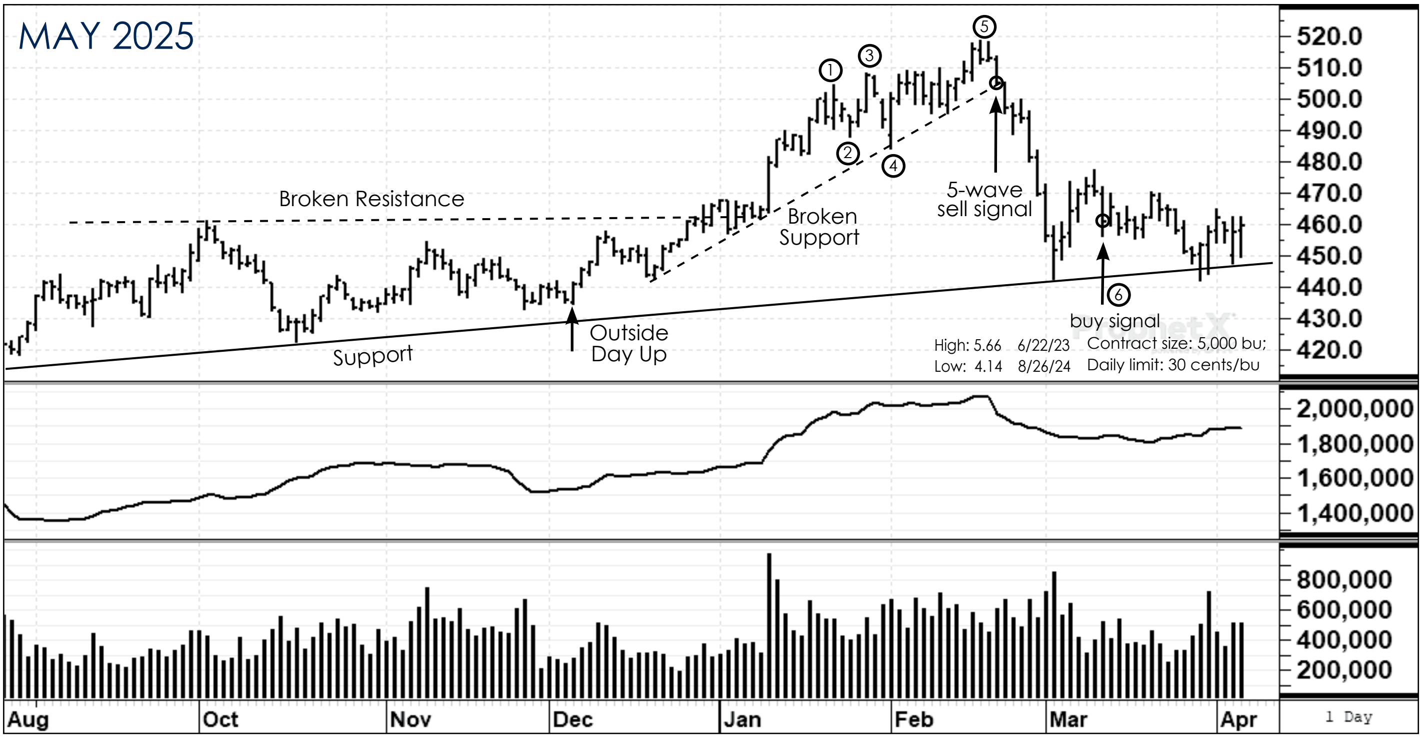
USDA TARGETS MAINE ON TRANS ISSUE

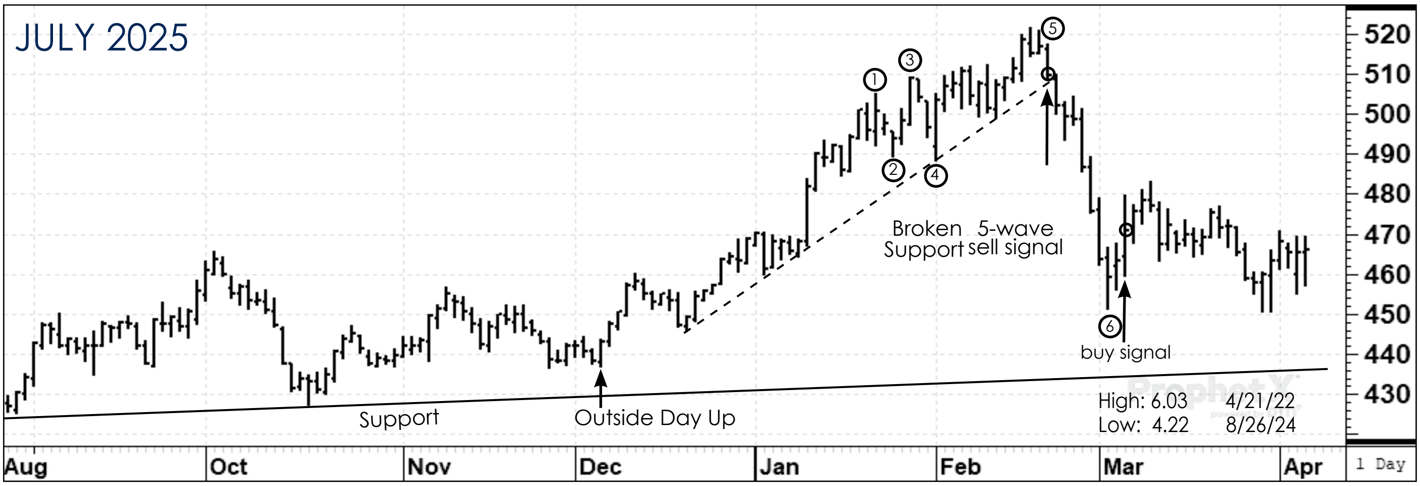
USDA is taking an aggressive stance in support of President Trump's efforts to prevent youth athletes who were born male to participate in girl's high school sports. On Wednesday, USDA Secretary Brooke Rollins announced that the agency was freezing certain funding for educational programs, and it was also launching a full review of grants awarded by the Biden administration to the Maine Department of Education.

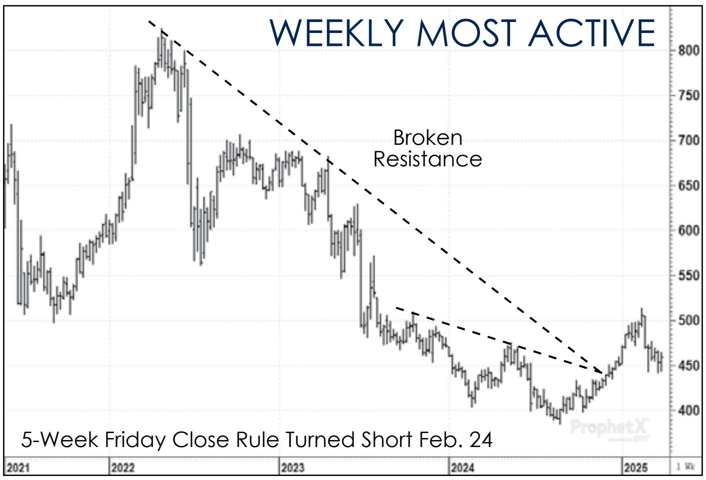
Rollins informed Maine Gov. Janet Mills in a letter. "In order to continue to receive taxpayer dollars from USDA, the state of Maine must demonstrate compliance with Title IX which protects female student athletes from having to compete with or against or having to appear unclothed before males," Rollins wrote. Mills had initially said she would defy an executive order from Trump on the issue.

As for the grants being reviewed, Rollins said in her letter to Mills, "USDA will not stand for the Biden Administration's bloated bureaucracy and will instead focus on a department that is farmer-first and without a leftist social agenda."

CORN


MAY 2025
Broken Resistance
Broken Support
5-wave sell signal
buy signal
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


JULY 2025
Broken Support
5-wave sell signal
buy signal
Support
Outside Day Up
High: 6.03 4/21/22
Low: 4.22 8/26/24


WEEKLY MOST ACTIVE
Broken Resistance
5-Week Friday Close Rule Turned Short Feb. 24


WEEKLY DECEMBER 2025

COMMENTARY

What a world we live in. Making decisions in commodity marketing is difficult enough without the influence of changes every day caused by political announcements. The tariff war is for real. The good news is the tariff war does not impact corn as significantly as other markets, at least as of now.

China's Friday morning announcement to slap a 34% tariff on all U.S. goods starting April 10 is devastating for soybeans and cotton. But China now buys very little if any corn from the United States. They are trying to become self sufficient and what they don't grow themselves they are primarily buying from Brazil. Going into early Friday, corn prices were barely changed for the week.

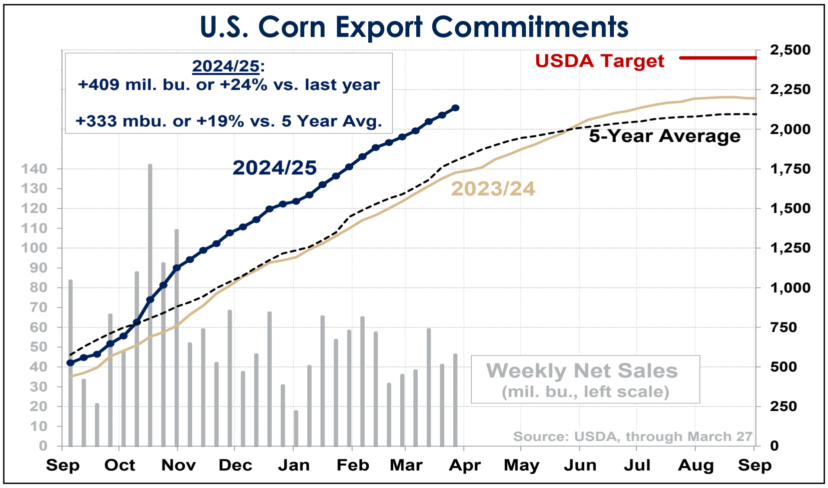
This is a market that will be impacted by planting and weather concerns for the next couple of weeks. Planting in the Midwest appears as if it will be delayed. Heavy storms late in the week and into the weekend through the Mid-South and lower Midwest will cause problems. Thus far, there has been little impact on the central part of the Corn Belt, but moisture levels in the western Corn Belt are low and temperatures are not warming up as quickly as hoped. Thus, at least some delay in planting should be expected.

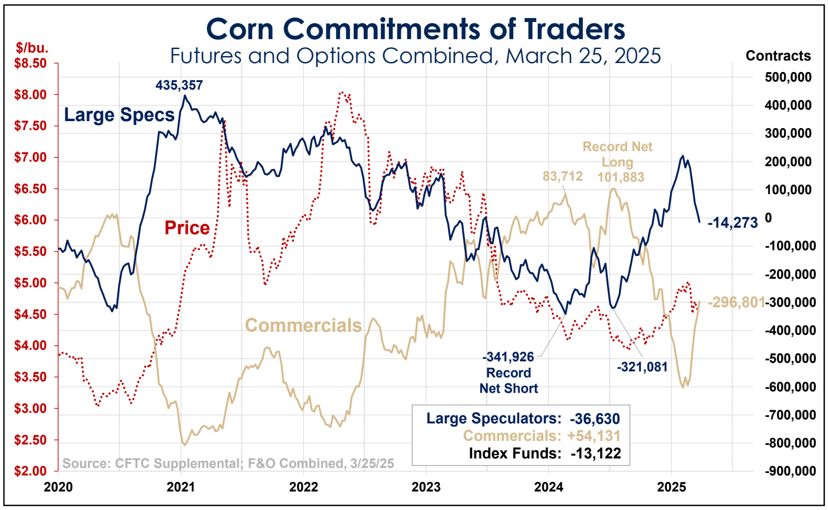
Technically, corn futures still look like a market making a bottom. July corn futures need to hold the $4.50 support area. So far, it would appear so that is going to happen. Fundamentals in the corn market at this price level should be supportive. Carryover supplies, while not tight, are not on the burdensome side either. The large commodity funds backed off of their excessive long position of five weeks ago. Selling pressure from that group should be much less than the last few weeks.

In the new-crop December futures, the trend remains down but with the futures trading at $4.43 and basis is much wider for new-crop delivery. This market is underpriced.

Cash-only Marketers' Strategy: Fortunately, 85% of the old-crop has been sold long ago. And in the new-crop, 15% was forward contracted, mostly in early February. Sit tight.

Hedgers' Strategy: Seventy five percent of the old-crop is priced. We came into the week short July futures on 10% and lifted those positions mid-week. In the new-crop, 15% has been forward cash contracted and we continue to maintain a 10% hedge with options in the December 2025, being long the December $4.70 put (and short December $5.40 calls.) This strategy has worked extremely well, allowing cushion to stay with the positions during volatile times.

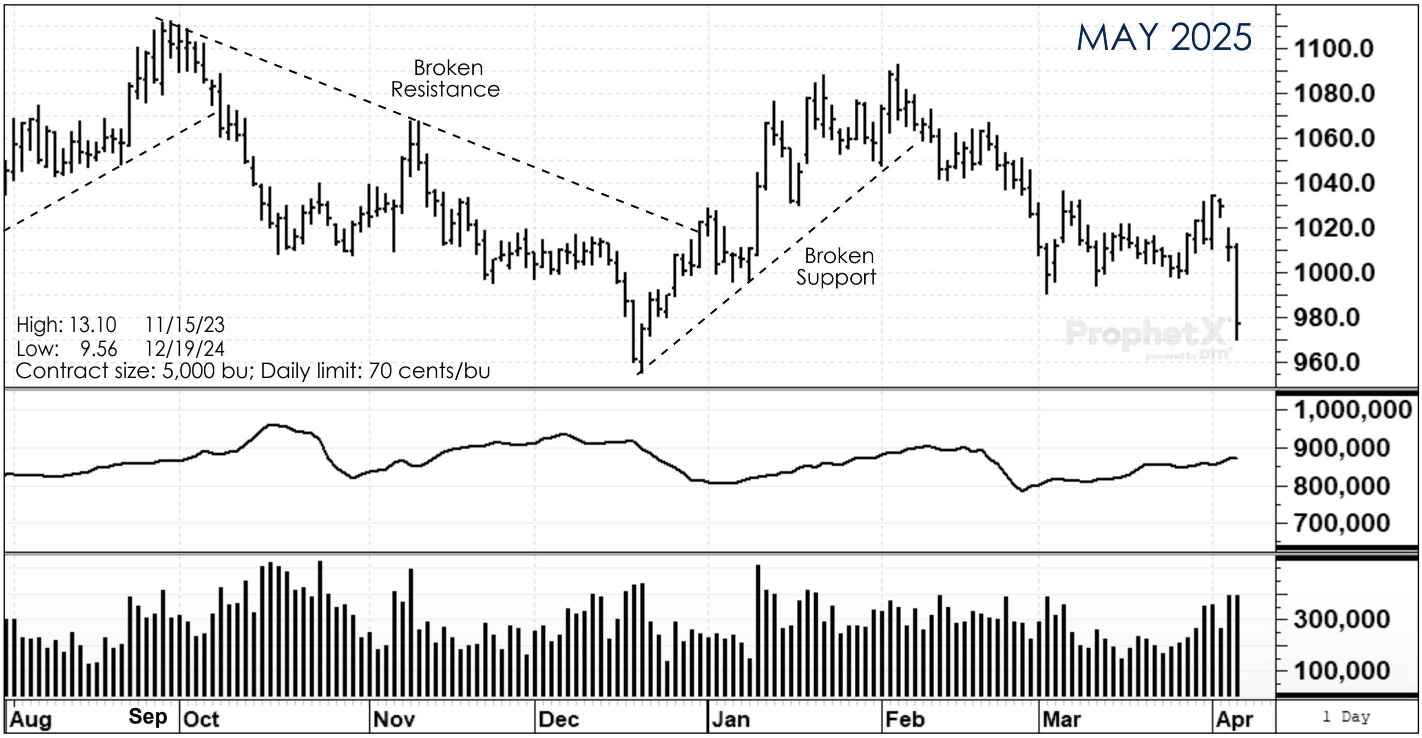




U.S. SUPPLY & DEMAND

	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
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Aug
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Nov
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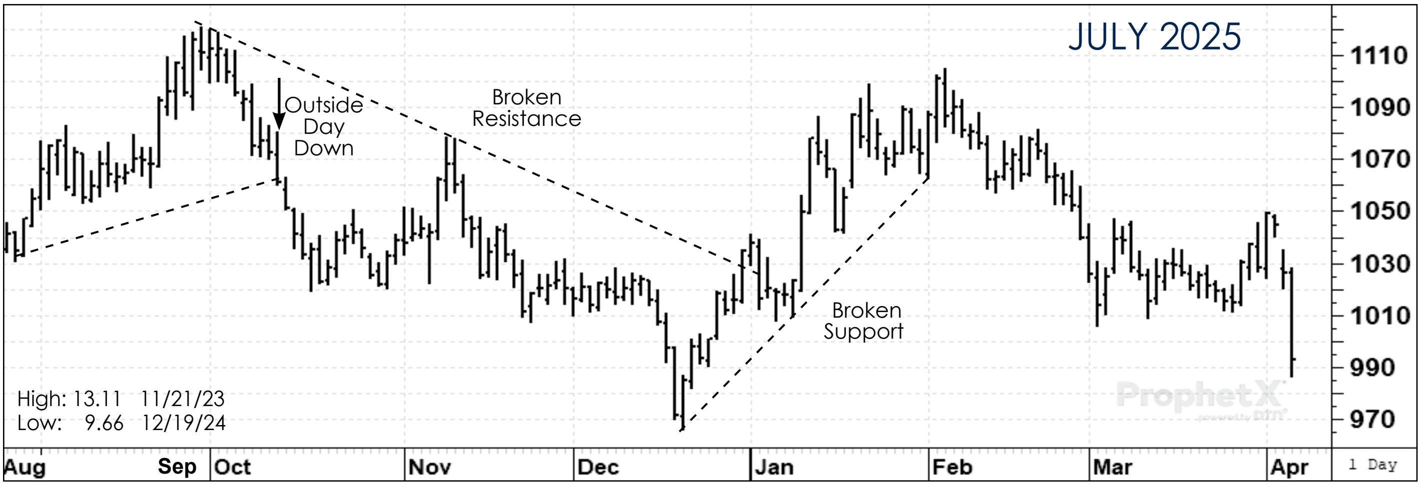
Jan
Feb
Mar
Apr
1 Day


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
Apr
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


WEEKLY NOVEMBER 2025
1350
1325
1300
1275
1250
1225
1200
1175
1150
1125
1100
1075
1050
1025
1000
975
950
2022
2023
2024
2025

COMMENTARY

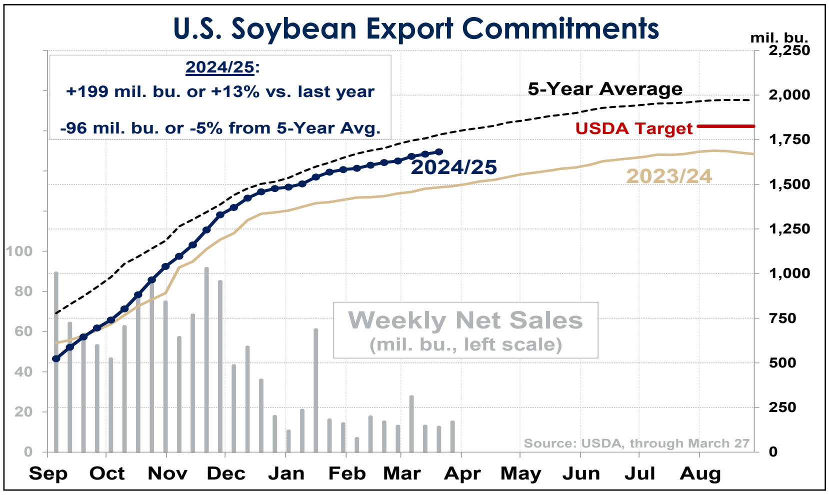
Challenging would be the most accurate word to describe the soybean market right now. On Tuesday, futures prices had an outside day up and closed at the highest price levels for the month. Wednesday was a nothing day and then late on Wednesday, with the tariff announcements, the market expected the worst and opened sharply lower overnight Wednesday with followthrough on Thursday and Friday. China's announcement, on Friday morning, to slap a 34% tariff on imported products from the United States is a big negative for this market.

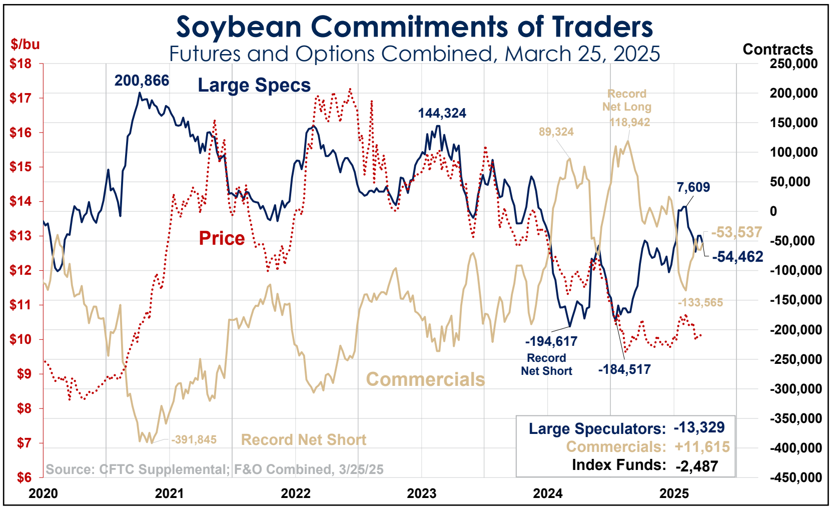
No question this is damaging to exports of soybeans to China. We previously had estimated exports this year (total) at 1.825 billion bushels. The "good: news is that we only have 22 million bushels of outstanding sales commitments to China, as they have already shifted seasonally to South American beans. Still, USDA's target is now going to be difficult to reach and the impact on the 25/26 crop is certainly not going to be positive. We will likely lower our export estimate for 2025/26 if things continue on their current course.

On the bullish side, carryover for new-crop is still relatively tight. This move will certainly have a negative impact on planted acreage; 83.5 million acres is now likely the top end of soybean planted acres and it could drop under 83 million. If that occurs, then soybeans have some opportunity at an upside. Selloffs, such as ones that occurred this week due to political announcements, are not markets to panic in. Unfortunately, the rally early in the week stopped us out of some small short positions in both old and new-crop beans. That can happen in volatile markets. The key in the market such as this is to not get caught speculating long in the futures market. That can hurt big time.

Cash-only Marketers' Strategy: Going into this week, we were 85% sold on old-crop and 10% on new. We have made no changes. Don't want to do anything now.

Hedgers' Strategy: Sixty percent of the old-crop, has been sold in the cash market. We lifted the small hedge early in the week. In the new-crop 10% has been contracted and we were stopped out of short November beans on another 10%. It's a good time to sit and watch.





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	2,285	2,410	2,410	2,465
Exports	1,695	1,825	1,825	1,800
Seed	78	75	80	78
Residual	47	39	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	$9.95	$10.00-$10.75	11.00-11.75

"LIBERATION" IN EYES OF THE BEHOLDER AS TARIFFS UNVEILED

The "Liberation Day" tariffs President Trump unveiled Wednesday were set at 10% on dozens of countries, while those seeing higher rates are predominantly in Asia, where many countries have significant trade surpluses with the U.S.

Topping the list is Vietnam, at 46%. Tariffs on China were set at 34%, which is in addition to a 20% tariff already in place. Pakistan's tariff is at 29%. These three countries are notable because in most years China is buy far the biggest buyer of U.S. cotton, while Turkey and Pakistan typically take the next two spots. Thus, the cotton futures market was hit especially hard the past couple of days. China has already issued retaliatory tariffs. While it is less likely that Vietnam would follow suit due to its much smaller and more fragile economy, even without retaliation the U.S. tariffs figure to hurt cotton demand, as retailers and consumers would have to absorb significantly higher prices for garments made in Vietnam.

Other countries with elevated reciprocal tariffs include Taiwan at 32%, South Korea at 26%, and Japan at 24%. Outside of Asia, the E.U. now faces 20% tariffs from the U.S.

President Trump also confirmed 25% tariffs on all imported automobiles, as well as imported auto parts.

WHAT ABOUT OUR NEIGHBORS?

It wasn't all bad news for U.S. exporters and free trade advocates. Tariffs of 25% on Mexico and Canada, which had already been postponed twice for a month, were expected to go into effect as part of the Liberation Day announcement. Instead, Trump barely mentioned either country in his announcement. The following day, the White House confirmed that it would continue to exempt any goods that are compliant with the U.S.-Mexico-Canada Trade Agreement (USMCA), which President Trump had signed in his first term as a replacement for NAFTA. Thus, despite all the threats and saber-rattling in recent months, a status quo remains in place with these key trading partners. This was a relief for certain markets, particularly for corn, as Mexico is the top U.S. export destination.

Our two neighbors reacted differently to Liberation Day. Mexican President Claudia Sheinbaum said the exclusion of Mexico from the reciprocal tariffs announcement was the result of "mutual respect" and "frank dialogue" with President Trump.

Canada's new Prime Minister, Mark Carney, was less complimentary, zeroing in on the 25% auto tariffs that are expected to wreak havoc on the country's automative industry. Already, Stellantis announced it was temporarily closing a planting in Windsor, Ontario, affecting hundreds of employees. (It also announced layoffs in the U.S. Midwest).

Carney announced reciprocal 25% tariffs on U.S. automobile imports, although not on auto parts. Carney said the relationship with the U.S. is permanently changed. "Although their policy will hurt American families, until that pain becomes impossible to ignore, I do not believe they will change direction, so the road to that point may indeed be long," Carney said of U.S. auto tariffs.

NEXT STEPS IN THE U.S.; CONGRESS STARTS TO GET UNEASY

While the extent of the U.S. tariffs were a surprise to the markets, farmers were well aware of the possibility of market-damaging tariffs under a new Trump administration. The expectation of more federal "trade aid" payments to offset losses, which were a feature of the trade war with China in President Trump's first term, have helped to ease farmer concerns.

But that aid is unlikely to come soon. "We are months, literally months away, from understanding if that's going to be necessary," USDA Secretary Brooke Rollins told Fox News on Thursday. Politically, while such payments to farmers typically have solid public support, that could change if the stock market continues to tank and the job market deteriorates.

At the Capitol, Republican U.S. Senators are starting to voice more unease over Trump's tariff policy. A resolution to cancel President Trump's emergency declaration over fentanyl and the Canadian border, which paved the way for tariffs on Canada, passed the Senate with the help of four Republicans who crossed over, including former Senate Majority Leader Mitch McConnell. However, the resolution was "dead on arrival" in the House, Majority Leader Mike Johnson said. That Senate resolution was introduced by U.S. Sen. Tim Kaine, D-Va.

Meanwhile, U.S. Sen. Chuck Grassley, R-Iowa, is leading an effort to reassert Congressional authority over U.S. tariff policy. He introduced a bill with Sen. Maria Cantwell, D-Wash., that would require the White House to give Congress 48 hours' notice before enacting tariffs, and also require Congress to approve such tariffs within 60 days for them to remain in effect. The bill would also give Congress the ability to cancel tariffs at any time. "Congress has a constitutional role through the Commerce Clause on trade matters, and we should re-assume that role," Grassley told reporters, according to Politico.

We made no new recommendations in the grain or livestock markets this week.

The headliner this week should have been the broad improvement in basis for both corn and soybeans, but that news has been relegated to sideshow status while the center ring has been usurped by "tariffs on the world" as the main attraction. Nonetheless, let's take a look at what positive news there is in the cash grain markets.

Cedar Rapids, Iowa and Dalhart, Tex. were the only two corn bids we monitor that were either unchanged or weaker this past week. All others were narrower by as little as a penny to as much as $.15, with the non-weighted average of the eleven locations at a positive $.055. Combined with a $.07 Thursday to Thursday increase in May futures, the cash corn market improved by $.125. One could make the case that the drop in futures of $.12 the previous week resulting in light farmer selling may have precipitated the better basis to motivate sellers, but that increase is still a positive sign for old-crop corn.

May and July corn futures have held up remarkably well in the face of the tariff mayhem, possibly due to Mexico's relatively favorable treatment from the ringmaster's whip. If somewhat cordial relations can be maintained, our largest corn buyer will be less likely to go looking for a substitute supplier. Although Brazil would be a likely candidate, increased transportation costs and other logistical issues should make us the best option for now.

Soybean basis wasn't quite as perky, but was still narrower overall, especially among inland processor bids. River bids at Memphis, Tenn., Burlington, Iowa, and Quincy, Ill. as well as the NOLA bid were weaker, but all others were more favorable by $.05- $.15. Brewster, Minn. continues to be the standout, improving by another $.05 to -$.20 this week. A month ago, they were at -$.50 and have narrowed all but one week in the last five. Unlike corn, however, nearby May futures were down $.35 on the week after gapping lower Thursday and getting clobbered Friday, making what had been a steady cash market into a bloodbath.

The wheat market seems to be hanging in there, quite literally, with July Chicago futures trading right at trendline support drawn off last August's lows. HRW's chart looks similar and is trading near support.

So hold all three of these commodities for three different reasons. Despite stiff trade-related headwinds, corn futures and basis are holding steady. Any relaxation of tensions could result in a quick rebound. Soybeans look oversold and did get a bit of a bounce Friday off lows that were within 10 cents of December's nadir. China can't completely ignore us as a supplier for new-crop. Wheat is holding support and is relatively unaffected by the tariff news.

Basis Bids as of April 3

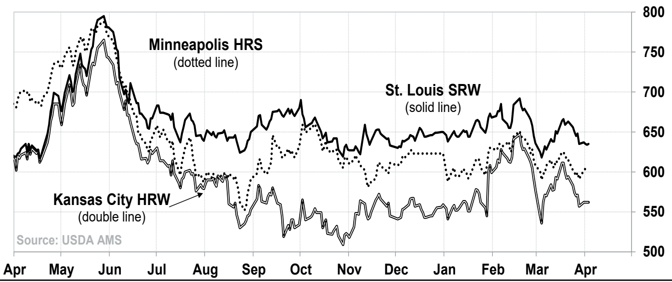
	Delivery period		
Corn	**Apr**	**May**	**Oct '25**
Cedar Rapids, IA	-5 K	-5 K	-25 Z
Burlington, IA	-14 K	-3 K	-40 Z
Peoria, IL	-17 K	+5 H	-35 Z
Decatur, IL	+1 K	+10 H	-18 Z
Lafayette, IN	+5 K		-15 Z
Lincoln, NE	-25 K	-25 K	-30 Z
Marshall, MN	-20 K	-20 K	-30 Z
Dalhart, TX	+70 K		
Memphis, TN	+22 K	+32 H	
Mitchell, SD	-26 K	-26 K	-45 z
U.S Gulf, NOLA	+74 K	+70 K	
	Delivery period		
Soybeans	**Apr**	**May**	**Oct '25**
Cedar Rapids, IA	-10 K	-15 K	-30 X
Burlington, IA	-21 K	-7 K	-40 X
Quincy, IL	-2 K	+5 K	-25 X
Champaign, IL	-15 K		-30 X
Decatur, IN	+20 K	+0 H	-25 X
Kansas City, MO	+10 K		
Brewster, MN	-20 K	-15 K	-45 X
Lincoln, NE	-25 K	-20 K	-40 X
Grand Island, NE	-84 K	-65 H	-65 X
Mitchell, SD	-75 K	-95 H	-85 X
Memphis, TN	+8 K	+30 H	-15 X
U.S Gulf, NOLA	+72 K	+72 K	

Sources: USDA AMS, DTN ProphetX, DJ Newswires

Central Illinois Cash Corn

Central Illinois Cash Soybeans

Cash Wheat



USDA INVESTS IN HIGHER BLENDS

As American farmers brace for an impact on grain and ethanol exports from a new trade war, USDA on Monday announced the release of funding to go toward infrastructure projects designed to encourage more availability and use of higher ethanol blends.

The release of $537 million in obligated funding will go toward 543 projects in 29 states, and is part of the federal Higher Blends Infrastructure Incentive Program. That program was initiated by the first Trump administration, received some additional funding from President Biden under the Inflation Reduction Act, and this week's announcement includes new projects approved recently by the Trump administration.

USDA Secretary, Brooke Rollins, said the agency is "moving away from the harmful effects of misguided climate policies like the Green New Deal," and instead emphasized ethanol's role in boosting rural communities and farmers. The program helps fund investments in storage containers and new pumps that enable more use of E15, E85 and B20. Among other benefits, USDA said, the program "protects American farmers from retaliatory trade practices."

While the release of funding is noteworthy in the current cost-cutting environment in Washington, politically it might be the low-hanging fruit for ethanol backers. A bigger priority for ethanol boosters is year-round, nation-wide E15 availability. It is currently prohibited during the summer except for a handful of Midwest states.

OUTPUT FIRM, EXPORTS SLIP

Ethanol output averaged 1.063 million barrels per day in the week ended March 28, up from 1.053 million the prior week. The four-week average is up 2.1% from a year ago. Ethanol stockpiles contracted to 26.6 million barrels, from 27.4 million the prior week, but still up 0.7% from a year ago. Ethanol exports fell off to an average of 62,000 barrels per day, down sharply from 164,000 the prior week. While this is the lowest weekly total in five months, the week-to-week exports are erratic and no conclusions can be drawn from one data point. The four-week average is still up, at 125,000 barrels per day, versus 103,000 a year ago.

Gasoline demand of 8.495 million barrels per day was down from 8.643 million the prior week, while the four-week average was down 1.9% from a year ago.

ETHANOL, BIG OIL WORK TOGETHER

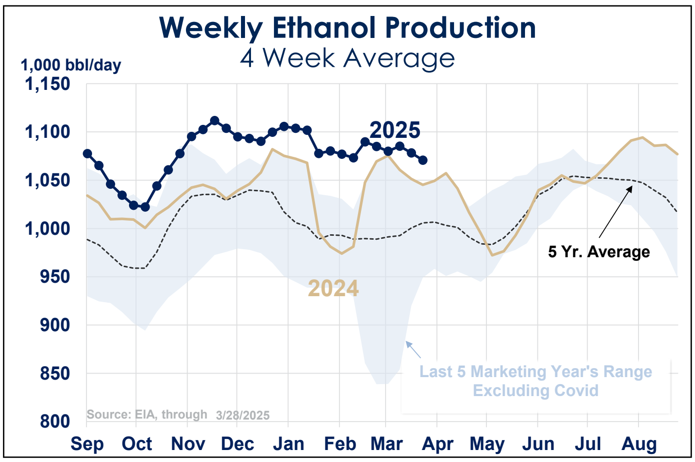
The ethanol and petroleum industries, long-time foes in the Renewable Fuel Standard era, are continuing their recent efforts to work together, with a nudge from the White House.

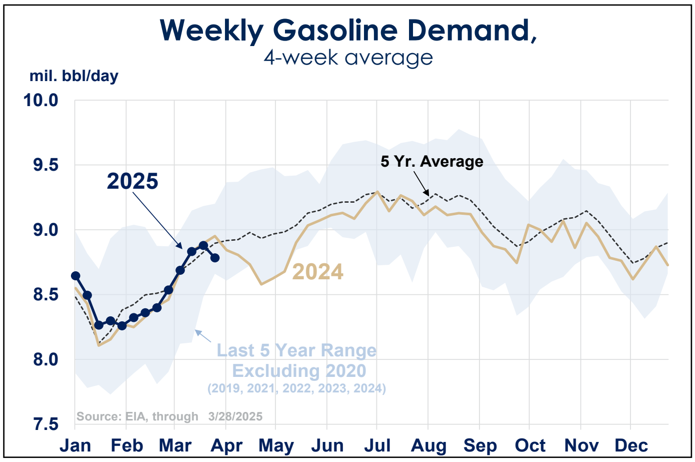
President Trump, apparently tired of trying to navigate the contentious relationship, has directed the two industries to work together to form policy recommendations going forward, Reuters reports. Groups including the American Petroleum Institute, Renewable Fuels Association and Growth Energy, an ethanol trade group, have been heeding that request.

"While our organizations have not always agreed on every detail, we have joined together in recognition of the critical role liquid fuels serve in the American economy, to advance liquid fuels, and ensure consumers have a choice of how they fuel their vehicles," the groups said in a letter to Lee Zeldin, the new administrator for the Environmental Protection Agency, dated March 26.

The groups subsequently met with the EPA this week, Reuters reported. They are lobbying for an increase in the mandate for biomass-based diesel, which includes renewable diesel, to 5.5-5.75 billion gallons per year, up from the current mandate of 3.35 billion. The groups have agreed to leave the ethanol mandate at 15.0 billion gallons, despite industry hopes for an increase to 15.25 billion.

The news on the biomass diesel request helped drive soybean oil prices higher this week. But that request doesn't have the full backing of the petroleum industry. Trade groups for trucking, fuel retailers and small refiners, oppose the increase unless Congress reinstitutes the $1 per gallon biodiesel tax credit. That credit expired at the end of last year. It is supposed to be replaced by the 45Z tax credit under President Biden's Inflation Reduction Act, but the fate of that tax credit is unclear and opponents say that it is less effective than the prior $1 per gallon credit.





COMMENTARY

For better or worse, the United States is a small player in the world of wheat exports. Tariff wars are not helpful, but on a relative basis, not all that damaging. For the 24/25 crop, we continue to estimate exports at 835 million bushels. Our previous estimate for 2025/26 at 885 million bushels may now be on the optimistic side.

Technically, the major trend is down, but a five-wave buy signal is still valid. In the July Chicago futures contract, as long as last week's low at $5.32½ holds, one should be looking at this market as one making a bottom. Open interest has been increasing significantly over the last three weeks, indicating that new buying is coming into the market. To turn this market around, July Chicago futures need to close above $5.57.

U.S. crop and weather concerns, particularly dryness in the Plains, remain supportive for wheat prices.

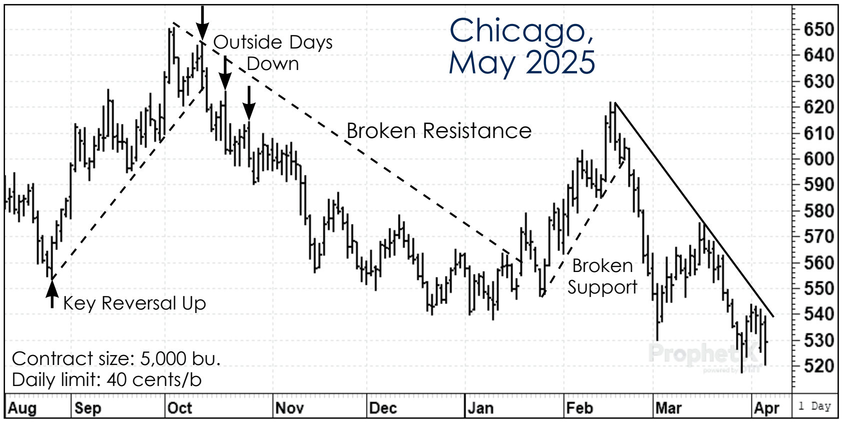
The political battles will continue to influence this market as a result of overflow selling and buying from the soybean complex.

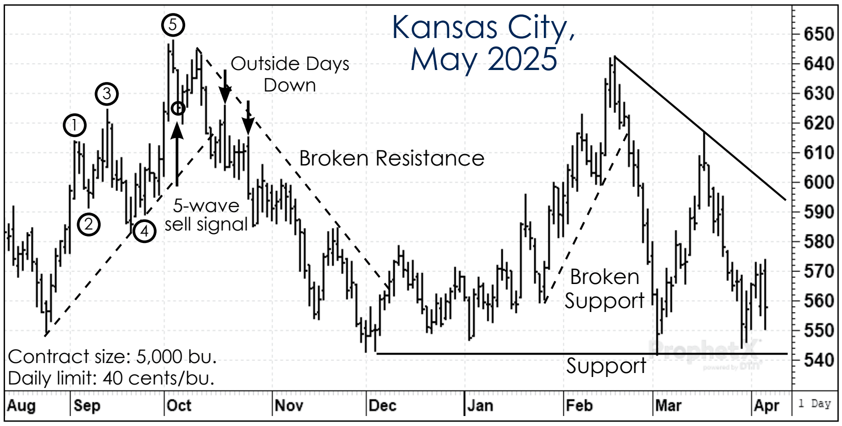
Cash-only Marketers' Strategy: Old-crop has been sold for a long time. The new-crop continues to sit at 40% forward cash contracted.

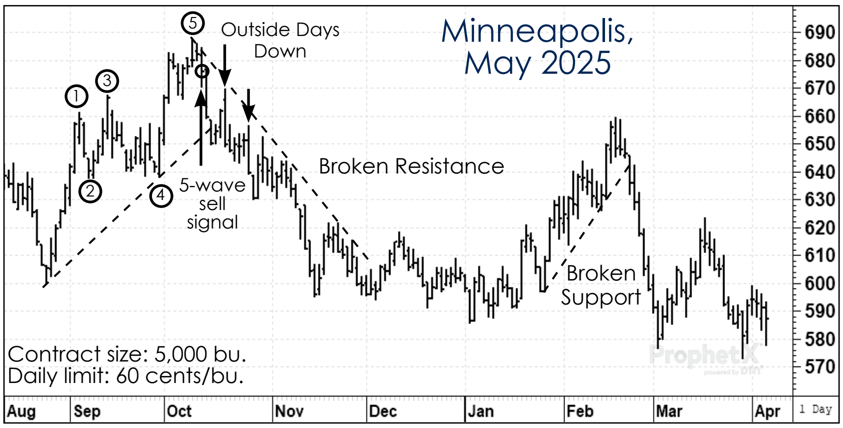
Hedgers' Strategy: Old-crop is long gone. In the new-crop, 30% has been contracted; no hedges are on. Just sit tight.

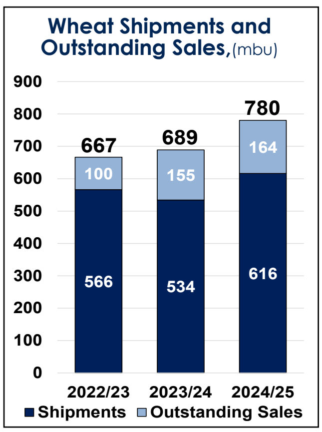
U.S. SUPPLY & DEMAND

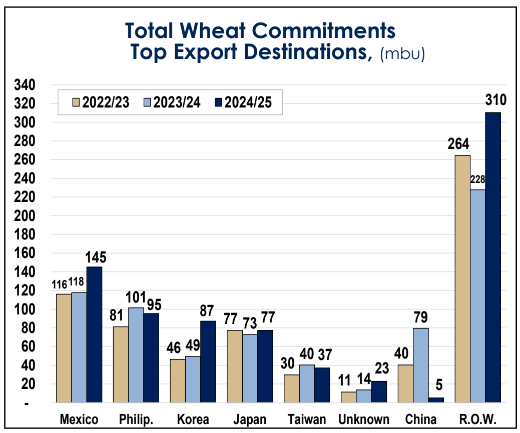
	USDA		Brock	
Marketing year begins June 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (million)				
Planted Area	49.6	46.1	46.1	46.7
Harvested Area	37.1	38.5	38.5	38.2
Yield	48.7	51.2	51.2	50.6
SUPPLY (mil bu)				
Beg. Stocks	570	696	696	818
Production	1,804	1,971	1,971	1,933
Imports	138	140	140	110
Total Supply	2,512	2,808	2,807	2,861
USAGE (mil bu)				
Food/Seed	1,023	1,034	1,034	1,036
Feed & Residual	85	120	120	110
Domestic Use	1,108	1,154	1,154	1,146
Exports	707	835	835	885
Total Use	1,815	1,989	1,989	2,031
Ending Stocks (May 31)	696	819	818	830
Stocks/Use	38.3%	41.2%	41.1%	40.9%
Farm Price ($/Bu)	$6.96	$5.50	$5.55-5.80	$5.85-6.25



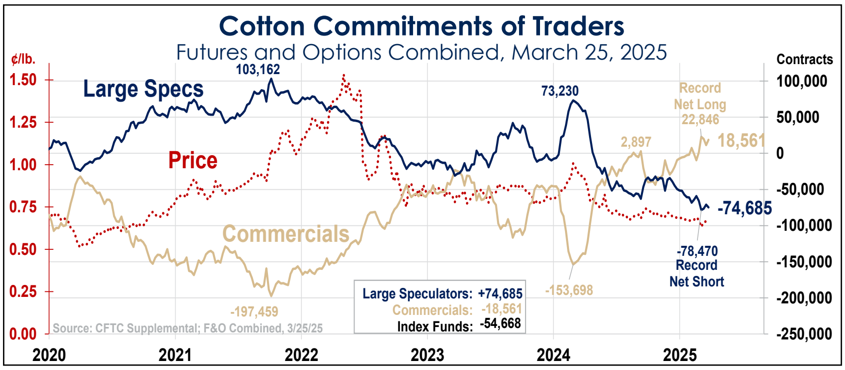








COTTON



COMMENTARY

A long, arduous process of establishing a bottom in this market had finally seemed to come to fruition early this week, as prices rallied to a six-week high while overtaking key moving averages. But after establishing a beachhead above those averages, the market was wiped out in a tidal wave of selling prompted by President Trump's "Liberation Day" announcement, which, as noted on page 10, hit key U.S. cotton buyers particularly hard.

Futures fell sharply on Thursday, with nearby months ending limit down, and tumbled anew Friday morning, after China announced its retaliation. Along with new contract lows, on a front-month basis the market fell to its lowest level in nearly five years.

Along with the tariff war with key cotton importers, plunging crude oil futures and a tanking stock market also helped set a negative tone for the cotton market. There is no good news right now when it comes to demand.

The positive argument, for new-crop in particular, is that this week's plunge will further discourage U.S. cotton plantings. USDA's planting intentions estimate of 9.9 million acres looked too high when it came out last week, even more so now.

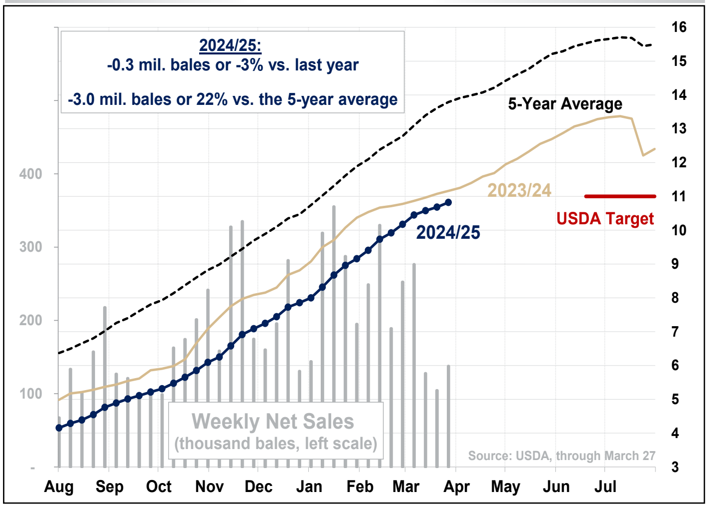
Cash-only Marketers' Strategy: Cash marketers are 65% sold on the 2024 crop, after making a 10% sale on 3/13 and 3/18 when we last challenged resistance. Nothing sold in new-crop yet.

Hedgers Strategy: We are 55% sold on the 2024 crop in the cash market, after making a 10% sales as described above. We are aside futures. 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	0.0	0.0
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	63.0	64-68	65-70

Cotton Exports Commitments



COMMENTARY

The trade outlook for rice is different than many other ag commodities, as the industry is actually open to reciprocal tariff, particularly on Thailand and India, which as shown below at right are major exporters to the U.S. The industry sees tariffs as a way to encourage more domestic production of the Asian varieties that make up much of those imports.

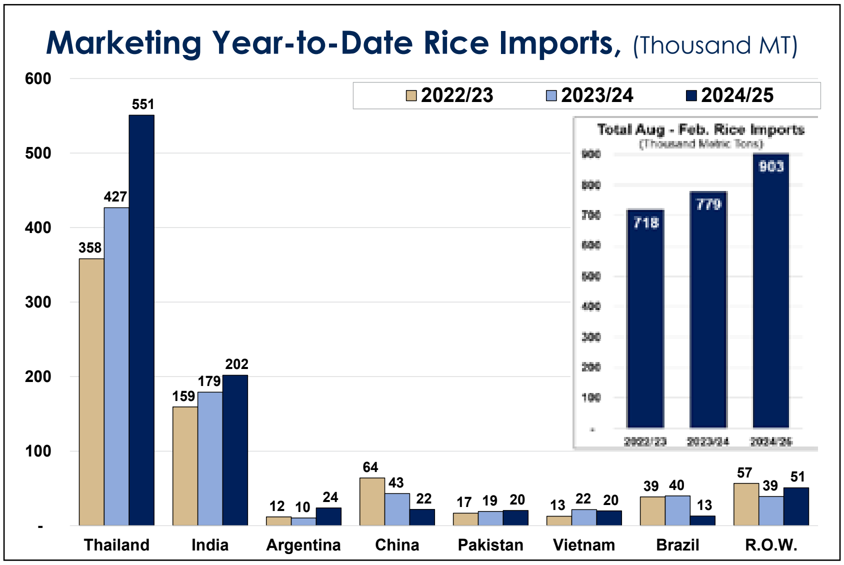
But bringing about that shift is a longer-term project. In the near-term, the tariffs won't help demand from important export destinations, such as Japan and South Korea. This week rice futures started strong, making a multi-week high before retreating sharply. By Friday, nearby futures had posted a bearish outside week lower and looked poised to challenge the four-year low of $12.96 set last month.

U.S. rice planting was more than half done in Texas as of last Sunday. It was just getting started in the top rice producing state of Arkansas, but the weather conditions this week brought that progress to a halt, with several inches of rain across eastern Arkansas.

Monday's Prospective Plantings report showed U.S. rice acreage at 2.9 million, down slightly from a year ago. USDA noted a shift from long-grain to medium-grain in Arkansas.

Domestic and export demand is lackluster.

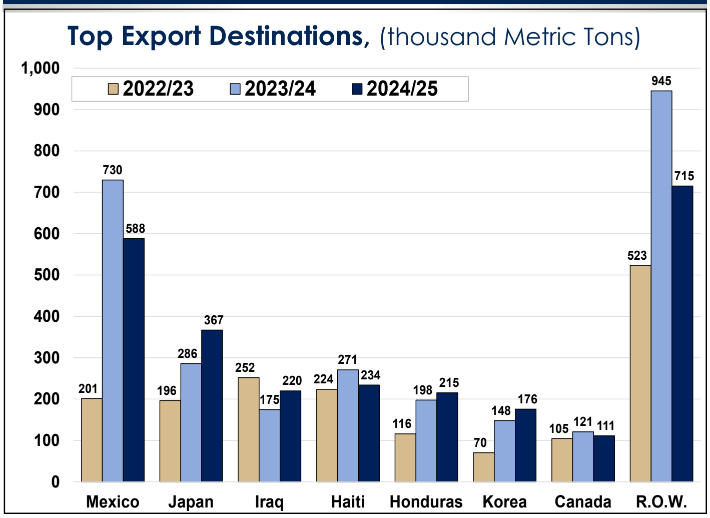
Strategy: We are 80% sold in the 2024 crop. Nothing sold for 2025 yet. We will start looking for opportunities to make our first new-crop sale later in the spring.



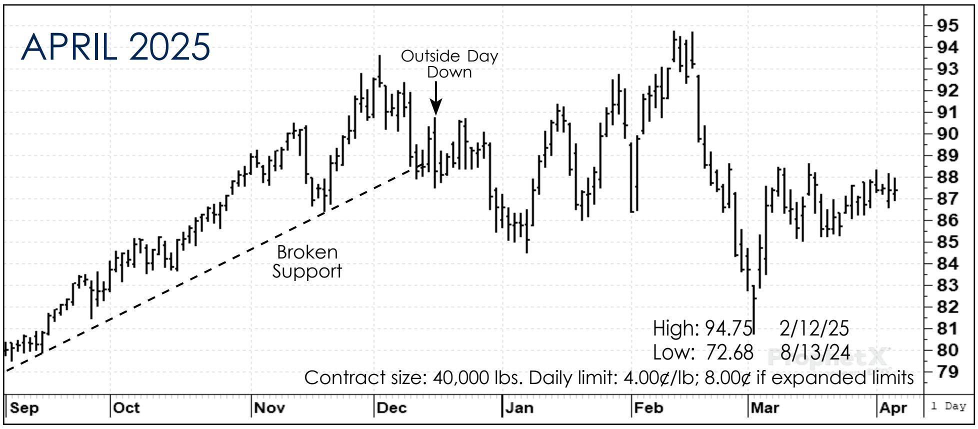
U.S. SUPPLY & DEMAND

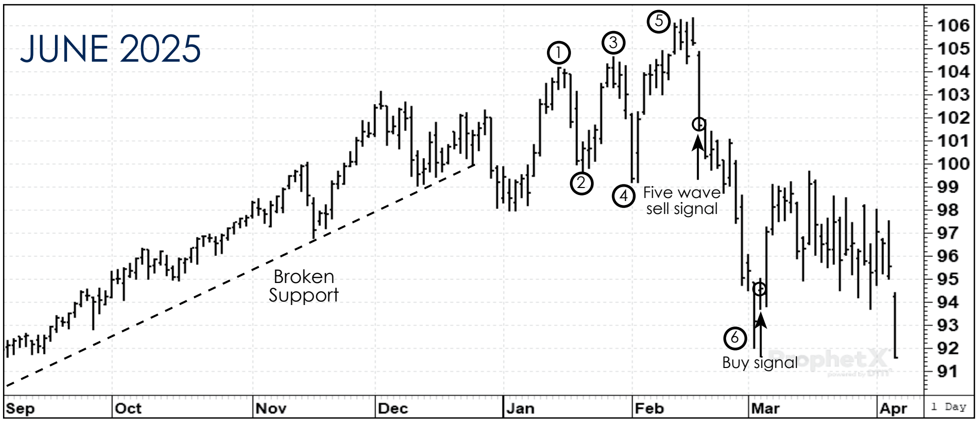
	USDA		Brock	
Marketing year begins Aug 1	2023/24	2024/25	2024/25	2025/26
ACREAGE (Mil. Acres)				
Planted Area	2.90	2.91	2.91	3.13
Harvested Area	2.85	2.87	2.87	3.09
Yield (Pounds)	7,641	7,748	7,748	7,700
SUPPLY (Mil. cwt)				
Beg. Stocks	30.3	39.8	39.8	46.2
Production	218.0	222.1	222.4	237.9
Imports	44.6	48.0	45.0	36.0
Total Supply	292.8	310.0	307.2	320.1
USAGE (Mil cwt)				
Domestic & Residual	154.9	166.0	163.5	164.0
Exports	98.1	97.0	97.5	104.0
Rough	41.7	33.0	36.0	44.0
Milled (Rough Eq.)	56.4	64.0	61.5	60.0
Total Use	253.0	263.0	261.0	268.0
Ending Stocks	39.8	47.0	46.2	52.1
Farm Price ($/cwt)	17.30	15.60	$15.40-15.80	$12.75-13.50

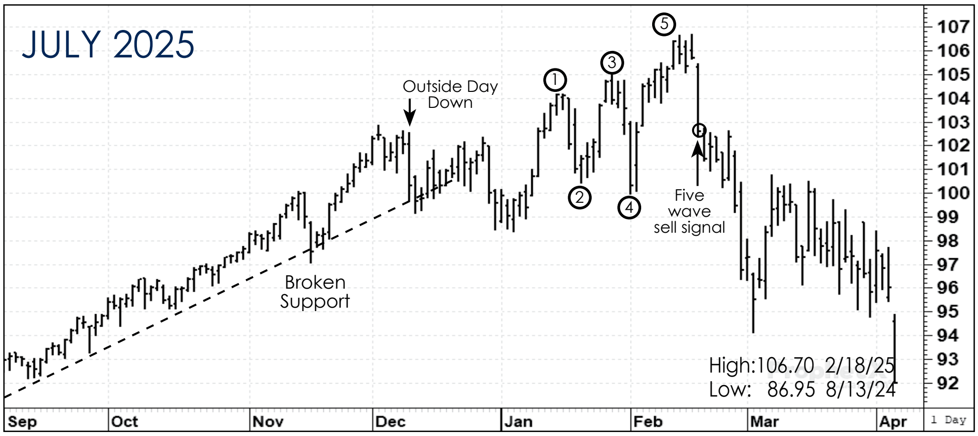
YEAR-TO-DATE RICE COMMITMENTS

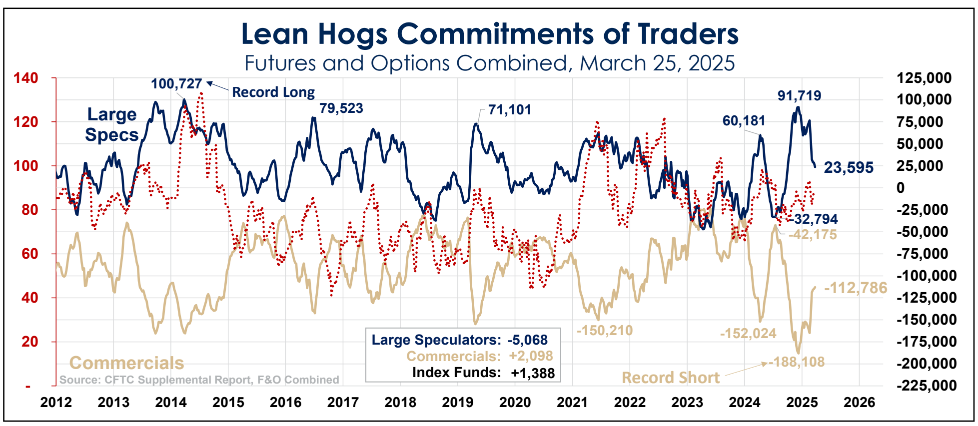


HOGS









COMMENTARY

Lean hog futures price action remained extremely choppy for most of the week, amid concerns about the impact of U.S. tariffs and prospects for seasonal cash market strength. But futures collapsed along with most other markets on Friday in reaction to China's new 34% import tariff on all U.S. imports. Both most-active June and Aug. futures finished down their 400-point daily limits.

On Wednesday, June lean hog futures looked set to break out the top of their recent downward trading channel. But the lean hog futures price chart picture is now a horror story, with June hogs posting their lowest close in 6 months on Friday. While futures are now oversold on short-term indicators, technically, the door has been opened for June hogs to test their August 2024 low at $85.75. Also, with Aug. futures posting their lowest close in 6-1/2 months, they now have downside risk back to their August low of $86.18.

We would note, though, that large speculators have now likely exited most of the near-record long position that held in late 2024. The large specs may get short hog futures, but they rarely stay on the short side of the market for long, so there is reason to think a major price low may not too be too far off timewise.

The new Chinese tariffs on U.S. goods may largely shut U.S. pork out of the Chinese market. U.S. pork was already facing a minimum 47% tariff from China after it hiked tariffs by 10% on March 12, according to the National Pork Producers Council. Meanwhile, traders continue to wait to see if top U.S. pork buyer Mexico will levy an import tariff on U.S. pork. The wholesale pork market has been soft with the composite cutout value falling $2.85 over the first four days of the week. Weekly hog slaughter rose counter-seasonally for a second straight week and was 4.7% larger than a year earlier.

Hedgers' Strategy: Hedgers remain short June futures on 25% of Q2 marketings and Aug. futures on 25% of Q3 marketings.

COMMENTARY

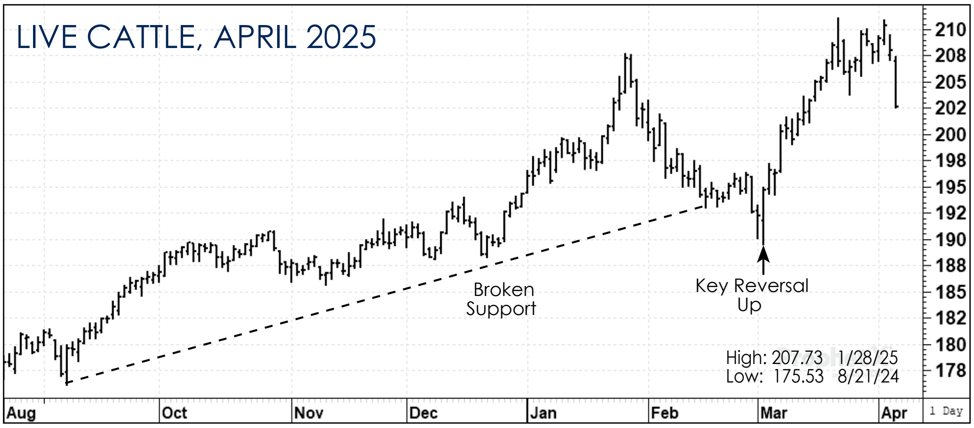
This was another wild week in the live cattle market. Most-active June and Aug. futures broke out to new contract highs on Wednesday, only to come crashing down on Friday as China's announcement that it would match U.S. tariffs boosted fears of an economic recession and sent U.S. stock markets plunging for a second straight day. Feeder cattle futures collapsed along with live cattle futures.

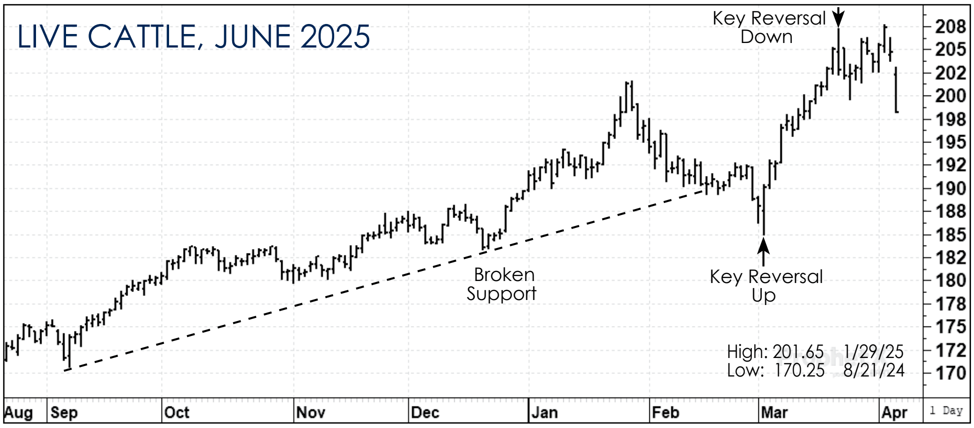
Most-active June live cattle posted their lowest close in three weeks on Friday and charted a big bearish key reversal on the weekly most-active live cattle continuation chart after exactly matching the late January high of $207.73 on that chart. Technically, this looks like a potential major top. There is little support on the weekly chart above the March low of $189.50. Most-active May feeder cattle futures posted their lowest close in nearly a month on Friday and also look extremely toppy.

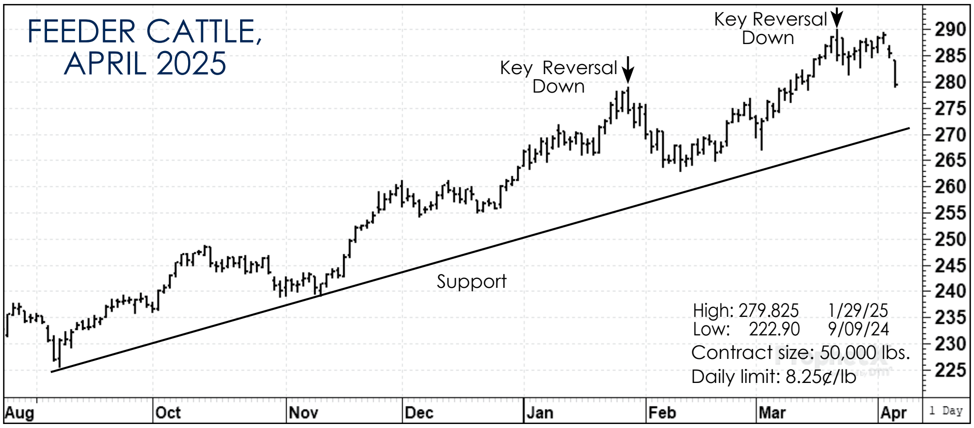
On the supportive side, June live cattle futures are now $10-$11 discount to Plains cash markets, which may limit their downside. Plains cash trade developed on Friday morning at only slightly lower prices despite the futures collapse. Trade was reported at $208 live in the southern Plains, $1-$2 lower than last week, while live trade in Nebraska was steady at $213. The wholesale beef market has been strong again, with the choice cutout value rising $6.05 over the first four days of this week.

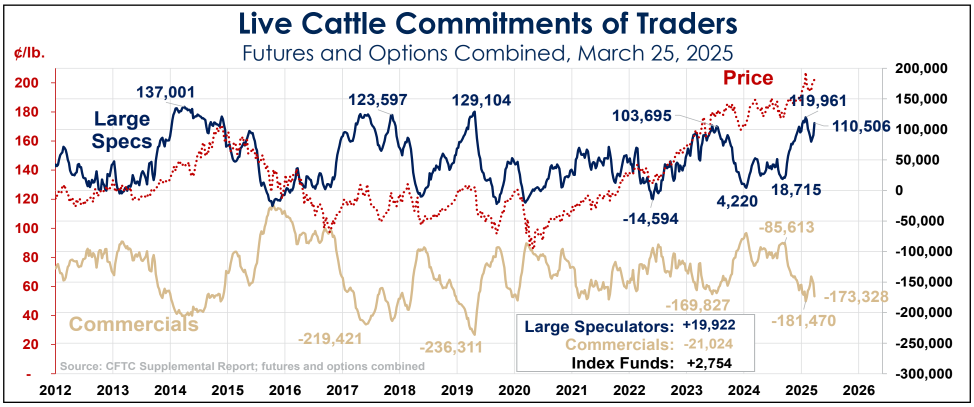
Live cattle slaughter weights continue to run above last year, but have been on the decline. This week's estimated live weight of 1,428 pounds was down from 1,430 last week and 1,437 a month ago, running about 2.1% above a year earlier. Earlier this year, weights were running more than 4% above a year earlier.

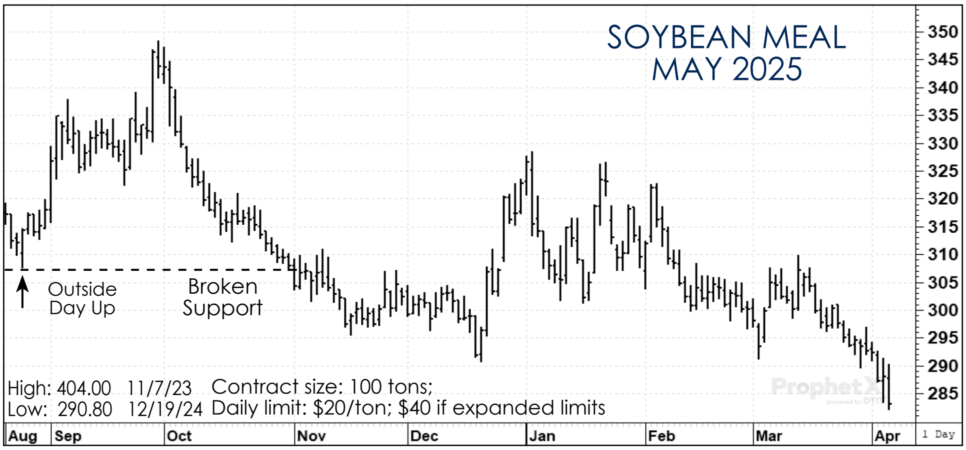
Hedgers' Strategy: Fed cattle hedgers remain long $195 put options on June live cattle against 100% of Q2 marketings and $190 Aug. puts on 50% of Q3. Hedgers are also short June live cattle futures on 25% of Q2 and Aug. futures on 25% of Q3. Feeder cattle sellers are long $270 put options against May feeder cattle and short $300 May calls against 50% of Q2 marketings. They are also short May feeder futures on 50% of Q2 marketings, Aug. futures on 25% of Q3 and Oct. futures on 25% of Q4.

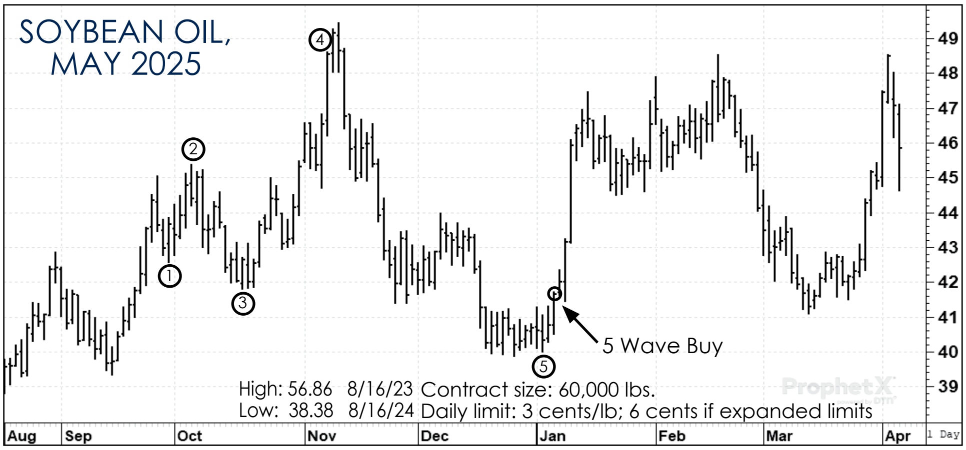


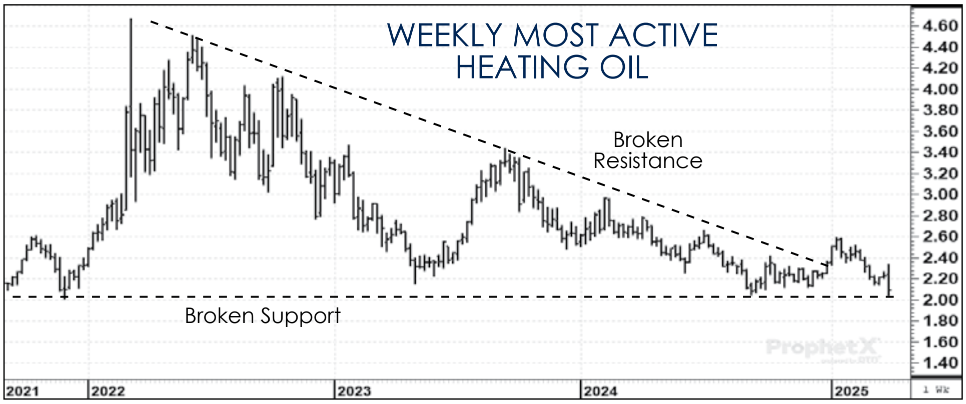


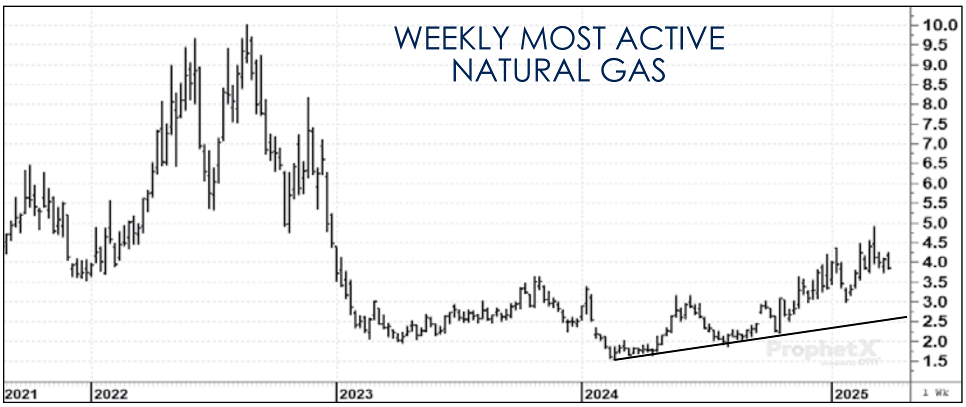












COMMENTARY

Feed: Soybean meal futures retreated, along with the soybean complex, on worries about export demand in a new trade war with China. Futures tumbled late in the week, with July soymeal making a new contract low.

Soybean oil futures tumbled late in the week, pressured in part by the losses in soybeans as well as plunging crude oil prices. But soybean oil actually posted a weekly gain, thanks to a rally early in the week on news of a proposal to significantly boost the renewable diesel and biodiesel mandate (see page 12). It made multi-month highs early in the week.

Distillers' dried grain prices were mostly firm in the past week, with USDA reporting steady or slightly higher prices in most Midwest locations. The plunge in energy prices could hurt ethanol plant margins and ultimately DDG production. But Friday's limit-down moves in cattle and hog futures were a reminder that feed demand is also at risk in the current economic environment.

Fertilizer: Prices should remain flat to firm over the next several weeks. This week's grain market action should favor corn acres and more fertilizer demand, although uncertainty in the ag economy is not bullish for demand. Concerns about potash supplies from Canada are on the backburner for now.

Natural Gas: The natural gas market held up pretty well Thursday, given the turmoil in the broader economy and energy markets, continuing to hug the $4 mark in nearby futures. But that calm disappeared on Friday, and the market sold off sharply, posting its lowest close in several months in nearby contracts.

The sharp selloff in the stock market reflects worries about the economy that will not be good for natural gas demand. In addition, the adversarial trade posture by the U.S. is in conflict with Trump Administration goals to boost liquified natural gas exports.

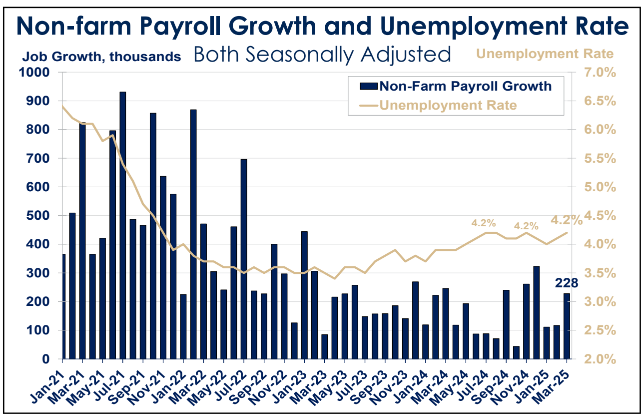
COMMENTARY

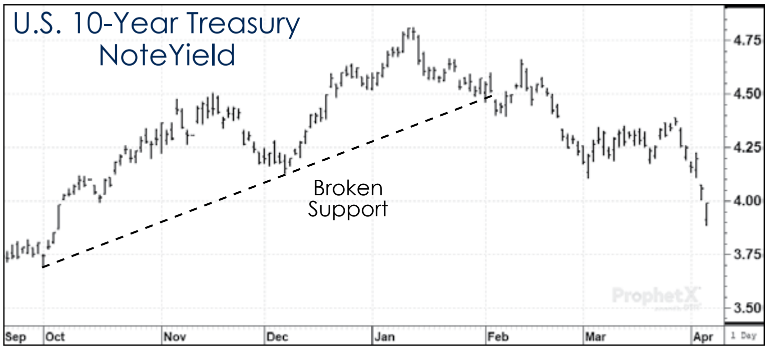
With all the buildup to President Trump's April 2 "Liberation Day," there was a sense, or at least hope, that it would prove to be anticlimactic. It was anything but, as Trump announced widespread "reciprocal" tariffs on dozens of countries. The stock market tumbled on Thursday, putting in its worst performance since the pandemic, and did so again on Friday.

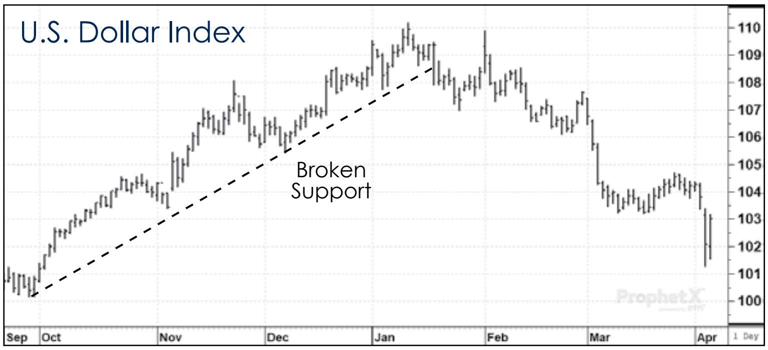
We put "reciprocal" in quotes because while the idea was that the U.S. will merely match the tariffs being placed on it, the actual formulation was much different. Observers said that the rates appeared to be a country's trade deficit with the U.S., divided by their exports to the U.S. – and then that percentage was cut in half to be "lenient" with the targets of our tariffs. It seemed like a ridiculous theory when first suggested, but the White House subsequently confirmed that was indeed how the rates were decided upon. Along with the tariffs themselves, investors were distressed by the seeming lack of preparation. The tariffs were rolled out with the care of a college student who put off a term paper until the night before.

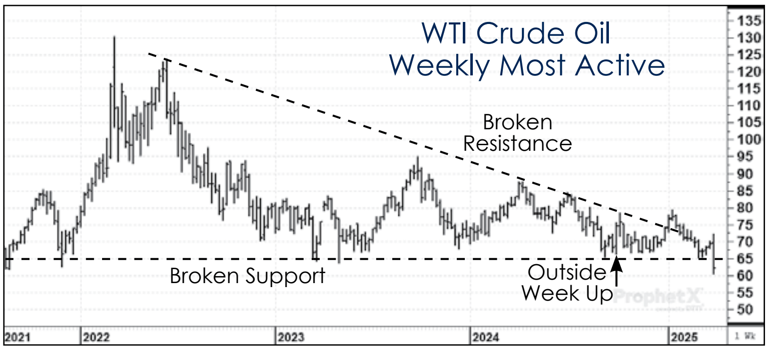
As noted on the page 1 sidebar, there is an optimistic case for Trump's tariffs strategy that involves tariff targets coming to the negotiating table. But that strategy, along with the broader goal of bringing manufacturing back to the U.S., would require a tremendous amount of patience by investors and the public. With 401Ks taking a big hit, some companies already announcing layoffs, and tariffs likely to cause prices to start rising soon, that required patience is likely going to be hard to come by.

The monthly jobs report Friday got less attention than normal given tariffs and the stock market selloff, but it was better than expected for March. Non-Farm Payrolls jumped 228,000, up from 151,000 last month and the average analyst expectation of 140,000. But rather than looking backward at the pre-tariffs economy, investors are going to keep their focus on forward-looking statements, particularly from the Fed as prospects for interest rate cuts increase rapidly.









This page updated at 1:00 pm Friday

THE BROCK REPORT POSITION MONITOR

THE WEEK AHEAD: USDA issues its monthly Supply and Demand report on Thursday, and traders will also be keeping an eye on U.S. planting weather. Economic reports of note include monthly CPI on Thursday and the Producer Price Index on Friday. But the main focus will be on U.S. trade policy, potential tariff concessions from the U.S. and other countries, and the Fed's response. Several regional Fed presidents have speeches during the week, and they will get more attention than normal.

Bolded %'s highlight changes made week ending 4/4/2025

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%	**0%**

WHEAT

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

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%	65%	0%
Hedgers Cash	100%	55%	0%
Hedgers F&O	0%	0%	0%

LIVESTOCK

HOGS	25-I	25-II	25-III	25-IV
Futures	0%	25%	25%	0%
Options	0%	0%	0%	0%

CATTLE	25-I	25-II	25-III	25-IV
Futures	0%	25%	25%	0%
Options	0%	100%	50%	0%

FEEDERS	25-I	25-II	25-III	25-IV
Futures	0%	25%	25%	25%
Options	0%	50%	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.

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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