



### News this week...

- 2 – Michael Cordonnier cuts Brazilian crop pegs.
- 3 – EPA expected to reallocate at least 50% of SREs.
- 4 – Impact from removal of IEEPA tariffs has been limited.

**Fresh highs in grain, soy complex** – Markets roiled following the announcement of Trump's plans to install tariffs via other means than IEEPA, though losses were short-lived in the agricultural complex, with corn, soybeans and wheat ending the week near for-the-move highs. A bullish move on apparent bearish fundamental news is a positive sign. Soybeans pressed higher out of the recent consolidation range. Corn futures broke higher and are now trading within the sideways range that capped prices from November through December. Wheat surged to multimonth highs as drought concerns spark strength as winter crops come out of dormancy. Cattle futures struggled to carry bullish momentum as packers work to manage poor margins while lean hog futures extended the recent move higher.

## China unhappy with U.S. planning

The approaching high-stakes summit meeting between U.S. President Donald Trump and Chinese leader Xi Jinping is stoking anxiety in Beijing, the South China Morning Post reported Thursday, due to a perceived reluctance on the part of the U.S. to plan for the event. Less than six weeks ahead of the March 31 to April 2 summit in China, "preparations are inadequate, bilateral contacts anemic and outcomes diminished," the article said, citing analysts and former government officials who tied the shortfall to Trump's "reluctance to delegate, disdain for process and focus on quick wins, banking instead on personal magnetism and his 'gut.'"

## USDA announces new program

USDA Secretary Brooke Rollins on Thursday announced the "One Farmer, One File" modernization program.

"Through 'One Farmer, One File,' USDA's mission is to create a single, streamlined record that follows the farmer – no matter where they go in the USDA system," according to a USDA press release.

The initiative is part of a broad modernization effort to unify all FSA, NRCS and RMA systems, and the program should simplify filing for farmers.

## Canada, China increasing trade ties

China said it would drop tariffs on Canadian canola meal and lobsters, boosting ties after a spat through 2024-2025 over tariffs on Chinese electric vehicles, after Prime Minister Mark Carney's January visit, Bloomberg reported. The halt – which also applies to peas and crabs – will take effect from March 1 to Dec. 31, the Chinese government says. Canada pledged to significantly cut import duties on 49,000 Chinese electric vehicles. China is willing to work with Canada to "push for the healthy, stable and sustainable development of China-Canada ties," a Ministry of Commerce spokesperson said in a statement. Canada is the world's largest exporter of the oilseed. Traders in China have already begun booking cargoes in anticipation of the change.

## EU fast-tracks deal with Mercosur

European Union lawmakers fast-tracked a deal between the bloc and Mercosur, a South American group including Argentina, Brazil, Paraguay and Uruguay. Approval by the EU assembly will ultimately be required for full implementation of the deal, but the provisional agreement allows the EU to begin reducing tariffs and applying other aspects of the pact before then. The trade agreement has spurred protests from European farmers because it would increase imports of cheap beef, sugar and poultry, undercutting European producers at a time of tight margins.

## Producer price index runs hot

Wholesale prices for goods and services rose a seasonally adjusted 0.5% in January, accelerating for a second straight month, the Labor Department said Friday. Year over year, the Producer Price Index eased slightly to 2.9% from 3% in December. Economists surveyed by Bloomberg had forecast prices would see a 0.3% monthly rise in January, with the year-over-year figure expected to slow to 2.6%. The core PPI reading, which strips out food, energy and trade services, rose a more subdued 0.3% in January, for a year-over-year increase of 3.4%. The data indicates inflation is likely to remain above the Federal Reserve's 2% target in coming months, leading to continued patience in rate cuts.

## Mortgage rates slide below 6%

The average 30-year mortgage rate this past week fell below 6% for the first time since September 2022, according to Freddie Mac. This move may come as a relief to potential house buyers ahead of the upcoming busy spring home-buying season. The fall comes as long-term interest rates have declined in response to a gradual cooling of inflation and a series of second-half 2025 rate cuts by the Federal Reserve. The 30-year mortgage is a good benchmark for lending rates as a whole and falling mortgage rates could indicate lower interest rates to come across the marketplace, including ag-related debt.

## Safrinha plantings past ideal window

*Pro Farmer* crop consultant Michael Cordonnier cut his Brazilian soybean production estimate 1 MMT at 178.0 MMT with a neutral bias. Cordonnier cited poor quality beans from excessive rains in portions of Brazil and too dry of conditions in Rio Grande do Sul as reasons for his shift in expectations. Harvest has slowed, advancing to just 30%, the slowest rate since 2020-21. Wet weather has slowed reaping efforts.

Cordonnier cut his Brazilian corn estimate again this week, lowering it 1 MMT to 135.0 MMT, and he holds a neutral to lower bias. Half of the safrinha crop will be planted beyond the ideal window, leading to greater risk of lower yields, prompting Cordonnier to cut his production estimate.

He left his Argentine soybean production estimate unchanged at 47.0 MMT and holds a neutral to lower bias. Storms last week increased soil moisture but damaged some crops via wind and hail. Cordonnier left his Argentine corn production estimate unchanged at 53.0 MMT with a neutral to lower bias. The percentage of the crop rated good to excellent rose 9 points to 51%, the first increase in the rating in several months.

## Brazilian DDGs ship to China

The first vessel of Brazilian dry distillers' grain destined for China left port last week, loaded with 62,000 tons of DDGs, said crop consultant Michael Cordonnier, marking a major advance for Brazil's export agenda.

DDG is a co-product of the dry-grind fuel ethanol production process. The shipment left the Brazilian port of Imbituba, Santa Catarina, last week.

## Bridge payment enrollment begins

USDA announced the opening of the enrollment period for the Farmer Bridge Assistance (FBA) program. The enrollment period for the \$11 billion in payments opened Feb. 23 and closes April 17 with payments expected to hit accounts in short order. To apply, producers can submit their pre-filled applications at [fsa.usda.gov/fba](https://fsa.usda.gov/fba) if you have a login.gov account. You can also request a pre-filled application from your nearby FSA county office.

The following commodities are eligible for FBA: barley, chickpeas, corn, cotton, lentils, oats, peanuts, peas, rice, sorghum, soybeans, wheat, canola, crambe, flax, mustard, rapeseed, safflower, sesame, and sunflower. All intended uses for FBA eligible commodities are eligible excluding grazing, experimental, green manure, left standing, or cover crops. Initial acres, double crop acres, and subsequently planted acres, are eligible. Prevent plant acres are not eligible.

## Dimon says credit cycle will sour

JPMorgan Chase & Co. CEO Jamie Dimon, when asked about fierce competition across the financial industry, said he's starting to see parallels to the era before the 2008 financial crisis, when a rush to make loans ended disastrously. "Unfortunately, we did see this in '05, '06 and '07, almost the same thing — the rising tide was lifting all boats, everyone was making a lot of money," Dimon told investors during the company's earnings call. While JPMorgan isn't willing to make riskier loans to boost net interest income, he said, "I see a couple people doing some dumb things. They're just doing dumb things to create NII." Dimon said he expects the credit cycle will eventually sour again — though he is not sure when.

Credit conditions are already seen as tightening in the farm economy. That has added a layer of stress given the need for bigger operating lines as costs for inputs stay high.

## Economic impact of AI hitting stocks

A study by analysis firm Citrini Research titled "The 2028 Global Intelligence Crisis" sparked a stock market dip as investors digested the worrisome scenario of AI replacing white-collar jobs and causing a deflationary spiral. "The post imagined a scenario where extremely capable AI agents have replaced vast swaths of white-collar jobs, wiping out consumer spending and pushing the global economy into a deflationary spiral, causing stocks of firms like Uber and Mastercard to tumble," Bloomberg said in a report. "The reaction to the post is the latest indication that Wall Street is struggling to understand the trajectory of AI, with investors worried that the technology will be either not lucrative enough or too disruptive to the economy," said the report.

Stocks have traded sideways since early December in a tightening pattern, indicating a bigger move could be brewing. The impact of AI on the jobs market appears to be making an impact on entry level jobs already, as the unemployment rate of recent college graduates has ticked to the highest level since the Great Financial Crisis.

## RFK Jr. defends glyphosate order

Health and Human Services Secretary Robert F. Kennedy Jr. took to social-media platform X to defend President Donald Trump's executive order prioritizing U.S. production and use of glyphosate, a move that angered advocates of the Make America Healthy Again, or MAHA, movement. Kennedy, in a lengthy post, described herbicides and pesticides as "toxic by design" and said that their use in the food system put Americans at risk." But taking them away would risk a collapse of the agricultural sector, Kennedy said. The executive order protects Bayer from additional legal costs over glyphosate and ultimately protects U.S. use of the chemical.

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## **EPA to reallocate at least half of SREs**

The Trump administration settled on a plan that would require big oil refiners to make up for at least half of the biofuel blending volumes obligations waived in recent years under the Small Refinery Exemption program, according to Reuters. The news boosts demand for blending credits, ultimately helping the biofuel industry.

Biofuel groups have pushed for the administration to have a full reallocation, while oil groups have warned that reallocation raises costs for larger plants, which could increase fuel prices at the pump.

## **Trump delivers record long SOTU**

Millions of private-sector workers without employer-sponsored retirement savings plans could gain access to new tax-advantaged plans similar to one in place for federal workers, President Trump pledged in his State of the Union speech. The new 401(k)-type plan would be modeled after the low-fee federal Thrift Savings Plan, or TSP, to remedy what Trump termed “the gross disparity” between the roughly 50% of the population who have access to workplace retirement savings plans and those who do not. Workers could get a matching contribution from the government of as much as \$1,000 a year, Bloomberg reported. Trump delivered the longest State of the Union address in the television era, declaring “a turnaround for the ages” for the U.S. economy. Trump also said he would institute new tariffs using other legal authorities, noting that the new regime may be more complex. Trump also said Iran is working to reconstitute its nuclear program even as it negotiates with Washington, adding to speculation that he’s preparing for a fresh round of military strikes in the coming days. Iranian officials are “again pursuing their sinister ambitions,” Trump said.

## **USDA selling South Building**

USDA on Wednesday announced plans to transfer ownership of the South Building in Washington D.C. to the Government Services Administration, with the ultimate intention of the building to be listed for sale. Secretary Rollins cited the 85% vacancy rate among offices in the building and a \$1.6 billion dollar backlog in maintenance as the main contributing factors in the decision. Employees currently stationed in the building will be relocated to hubs around the country as part of the agency’s larger reorganization which is slated to be complete by the end of the calendar year.

## **Additional rate cuts seem unlikely**

Federal Reserve Bank of Boston President Susan Collins on Tuesday said U.S. interest rates are likely to stay unchanged “for some time” as recent economic data shows an improvement in the labor market, while risks to inflation remain.

## **China keeps rates steady**

The People’s Bank of China left its benchmark lending rates unchanged for a ninth consecutive month in February, in line with market expectations and signaling policymakers are not rushing to introduce broad monetary easing after recent targeted measures. The one-year loan prime rate (LPR) was held at 3.0%, while the five-year LPR, the benchmark for mortgage rates, remained at 3.5%. The steady decision comes as authorities balance growth support with financial stability risks. China met its roughly 5% growth target in 2025 on strong exports, but structural imbalances, trade frictions, and rising geopolitical uncertainty continue to cloud the outlook.

## **U.S., Iran hold third round of talks**

The U.S. and Iran started a third round of nuclear talks in Geneva, Switzerland, with days to go until President Trump’s deadline for a deal. “The two parties have been locked in a tense, months-long standoff over the Islamic Republic’s atomic activities and are negotiating through mediator Oman at its embassy in Geneva, the semi-official Iranian Students’ News Agency said. “Iran has come here with a very reasonable amount of flexibility,” Esmail Baghaei, spokesman for Iran’s Ministry of Foreign Affairs, told Iranian state TV on the sidelines of the talks in Switzerland. “We are entitled to use nuclear energy for peaceful purposes, that’s a right that is recognized.” Trump has given Iran a deadline of March 1-6 to strike a deal and has threatened military action if it fails to do so, sparking fears of a new Middle East war that could embroil Israel and Gulf Arab oil producers.

## **Beef, some fertilizers tariff-exempt**

The 10% global tariff imposed by President Trump using Section 122 authority after his earlier round of “reciprocal” tariffs were struck down by the Supreme Court includes exemptions for certain agricultural products, including beef. “Some goods will not be subject to the temporary import duty because of the needs of the U.S. economy or in order to ensure the duty more effectively addresses the fundamental international payments problems facing the United States,” the fact sheet said. Tomatoes and oranges were also cited specifically alongside beef. It also exempts “natural resources and fertilizers that cannot be grown, mined, or otherwise produced in the United States or grown, mined, or otherwise produced in sufficient quantities to meet domestic demand.”

## **Israel says it will buy more U.S. wheat**

Israel plans to make further trade concessions to the U.S. on food and agricultural goods, as part of efforts to persuade the U.S. to ease tariffs on Israeli imports. Prime Minister Netanyahu’s government intends to scrap a tax-free quota and raise levies to 50% on wheat imported from other countries.

## So far, so good?

By Editor Bill Watts and Economist Lane Akre

Corn, soybean and wheat futures are all higher since the Supreme Court on Feb. 20 ruled President Donald Trump had exceeded his authority under an emergency-powers law by imposing sweeping “reciprocal” tariffs on U.S. trading partners last year.

Following the SCOTUS ruling against his IEEPA levies, Trump moved to implement a 10% global baseline tariff under Section 122 and vowed to hike it to 15%. While Trump said some deals would be exempt from the increase in tariffs, trading partners appear to think otherwise, putting trade deals on hold and increasing the risk for another trade war. That led to some knee-jerk jitters across financial markets, though that volatility was short-lived, especially in the ag markets.

### **Will current trade agreements remain in place?**

Trump’s post-decision actions and rhetoric raised questions about whether trade deals already struck or near the finish line would endure. That includes whether China will be less likely to follow through on what Trump has said is the consideration to buy 8 million metric tons more soybeans on top of the recently completed 12 million metric tons he said Beijing agreed to buy after he and Chinese leader Xi Jinping struck a trade truce last October. And then there’s the 25 million metric tons the administration has reported China agreed to purchase during the next three marketing years.

China’s Commerce Ministry chafed at the replacement levy, saying unilateral tariffs “violate international trade rules and U.S. domestic law, and are not in the interests of any party.” The ministry said cooperation between the U.S. and China “is beneficial to both sides, but fighting is harmful.”

U.S. Trade Representative Jamieson Greer brushed off worries the Supreme Court ruling and the administration’s response would undercut Chinese demand, telling Fox News the U.S.-China trade truce wasn’t predicated on the outcome of the tariff case and emphasizing a strong relationship between Xi and Trump. Whether or not the heightened tensions between China and the U.S. lead to a drop in soybean purchases remains to be seen, but the meeting between Trump and Xi is still scheduled to happen, which is a positive sign.

### **European Parliament suspends legislation on trade**

A European Union assessment found Trump’s new tariff policy would increase levies above the level permitted in the trade agreement. That led European Parliament to suspend legisla-

tive work on approving the EU-U.S. accord while requesting clarity on Trump’s new policy.

Greer this past week sought to calm concerns, suggesting in a television interview the changes wouldn’t result in higher cumulative rates for some economies with trade agreements. The European Union typically imports the second or third highest amount of soybeans out of any destination. Exports during the 2025-26 marketing year have been slow to accumulate. That has been disappointing given China’s lackluster pace. Trump has focused on increasing ag exports to the EU, particularly proteins, which could be slowed given the recent tariff changes.

### **India delays delegate visit**

New Delhi quickly reacted to the Supreme Court ruling, delaying a visit of trade delegates to Washington D.C, a move news reports tied largely due to uncertainty regarding policy. A trade deal with India has led to long negotiations that seemed to be wrapping up. Historically, India buys a significant amount of U.S. cotton, trade that has slowed amid an abundant U.S. balance sheet. India’s opposition Congress Party called for the interim pact to be put on hold, urging a renegotiation and questioning Prime Minister Narendra Modi’s decision.

### **Bottom line: effective tariff rate could fall**

Credit-rating firm Fitch Ratings estimates under the 10% global tariff, the U.S. effective tariff rate (ETR) would be 9.4%, still lower than the 12.7% seen before the Supreme Court ruling. If Trump raises the tariff to 15%, the ETR would rise to 11.3%. The 10% tariff has cut China’s ETR to around 19% from 29%, Fitch estimates, though that’s still the highest among major U.S. trading partners.

Meanwhile, it isn’t unreasonable to think Beijing may want to keep buying in a goodwill gesture ahead of a meeting between Trump and Xi in late March and early April. How else to describe China’s recent purchases with U.S. soybeans priced at a premium to South America? The purchases are seen as a lever in helping to stave off more aggressive restrictions on China’s purchases of high-performance semiconductors among other considerations.

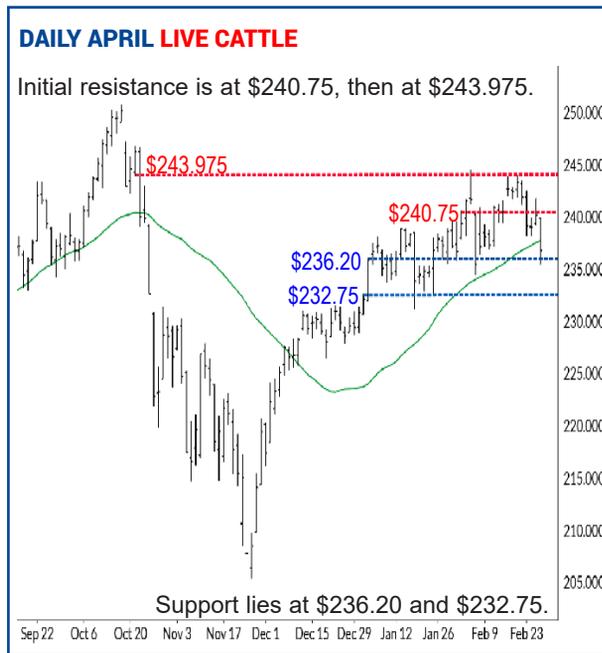
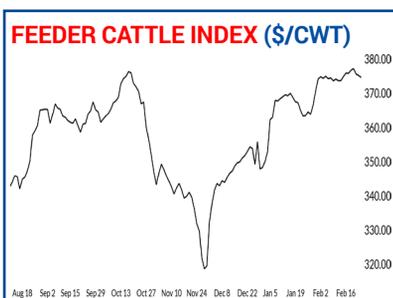
At the same time, the ruling is seen as weakening U.S. bargaining power. As before, the market remains vulnerable to breakdowns in diplomacy or geopolitical flare-ups.

**CATTLE**

Reduced slaughter pushed Choice boxed beef to near non-pandemic seasonal records, easing some pressure on deeply negative packer margins, though tight fed cattle supplies are likely to have a prolonged effect on packers. The closure of a 50,000-head capacity yard in Texas is the most recent example of a rather bleak landscape for the industry. However, demand will be a key marker as the market transitions to a period of increased consumer demand as spring nears. Elevated prices are likely to dampen marketshare eventually as the U.S. produces less beef.

Position Monitor			
Game Plan:		Feds	Feeders
Nearby live	I'26	0%	0%
cattle fu-	II'26	0%	0%
tures are	III'26	0%	0%
	IV'26	0%	0%

now a discount to the cash market.  
Be prepared to purchase puts for downside protection.

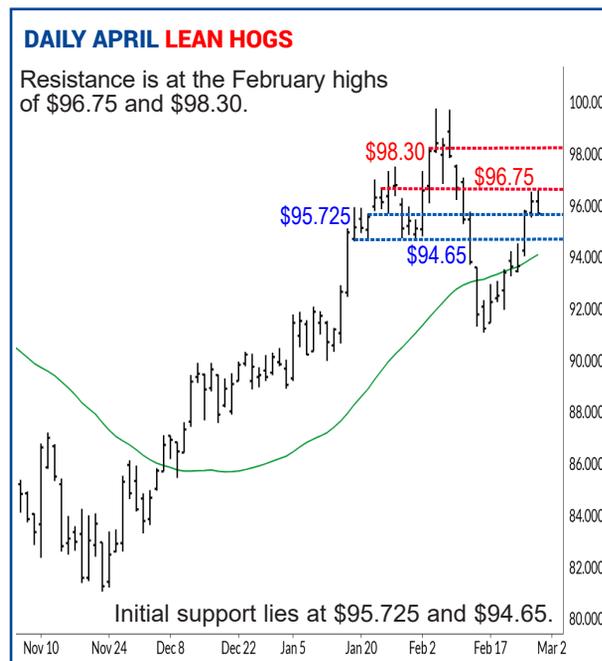
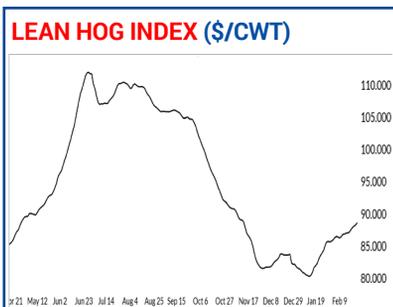


**HOGS**

Lean hog futures have carved a seemingly strategic rebound, ultimately garnering a favorable technical posture. Cash strength continues to lend support, though rising beef prices are driving consumers to shift toward more economical pork cuts. Near-term fundamentals are bullish, as retailers focus on the Easter holiday and upcoming grilling season. The key will be if demand, both global and domestic, can match increased pork production from increased slaughter and litter rates. Look for technical resistance at the Feb. 4 high to curb buyer interest.

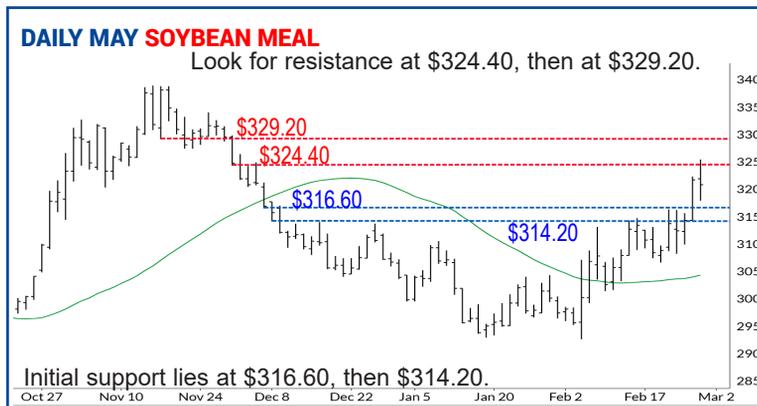
Position Monitor			
Game Plan: We		Lean Hogs	
advised buying	I'26	0%	
\$104.00 July puts	II'26	50%	
on Jan. 28 as a	III'26	0%	
hedge for 50% of Q2 production.	IV'26	0%	

Stay patient for now as we assess the next opportunity to hedge.



**FEED**

Feed Monitor			
<b>Corn</b>		<b>Corn Game Plan:</b> Your corn-for-feed needs should be covered through March. Be prepared to make additional purchases.	
I'26	100%		
II'26	0%		
III'26	0%		
IV'26	0%		
<b>Meal</b>		<b>Meal Game Plan:</b> Your meal needs should be covered through the end of March. Be prepared to make additional purchases on an extended pullback.	
I'26	100%		
II'26	0%		
III'26	0%		
IV'26	0%		

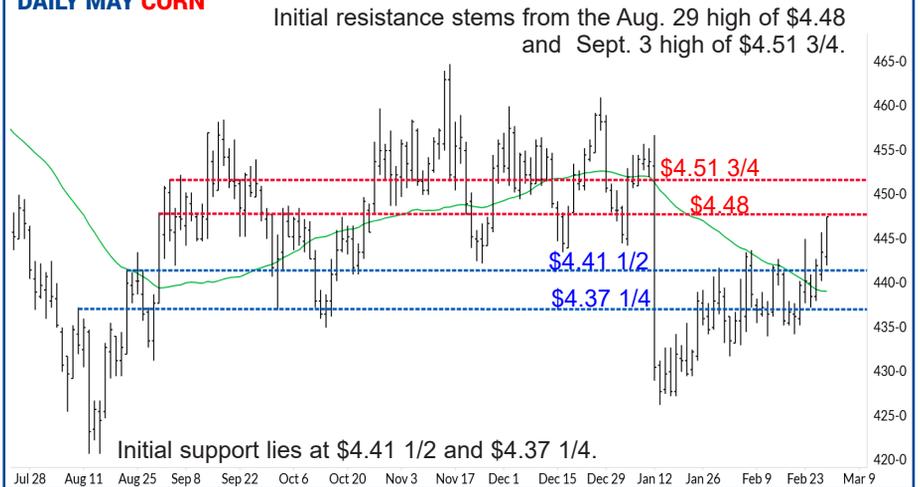


### Position Monitor

	'25 crop	'26 crop
Cash-only:	40%	10%
Hedgers (cash sales):	40%	10%
Futures/Options	0%	0%

**Game Plan:** We advised hedging 15% of 2025 production at \$4.30 or better basis March futures on Feb. 11. You should be 40% sold for the 2025 crop in the cash market. Additional sales for both crops will continue to be closely assessed. Our goal is to establish a floor with upside potential using a combination of options and futures hedges for new crop flexibility.

### DAILY MAY CORN



### DAILY JULY CORN



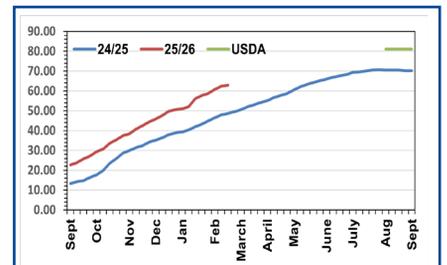
### CORN

Recent strength has largely resulted from fund managers liquidating short positions amid growing global production uncertainties. Brazilian producers continue to advance safrinha corn plantings, despite the calendar surpassing the ideal planting window. Moreover, unusual warmth and dry conditions in key U.S. growing areas have also stirred early concerns, though the Midwest is expected to see a more active weather pattern, with the eastern Corn Belt forecasted to face notable moisture increases. Industry leaders continue to push for year-round E-15, but lawmakers have reportedly been unable to overcome resistance.

#### AVERAGE CORN BASIS (MAY)



#### CORN EXPORT BOOKINGS (MMT)



### Position Monitor

	'25 crop	'26 crop
Cash-only:	70%	30%
Hedgers (cash sales):	70%	30%
Futures/Options	0%	0%

**Game Plan:** On Jan. 30, we advised selling 20% of old crop basis March futures and 10% of 2026 production basis July futures. You should have 70% of the 2025 crop and 30% of 2026 crop sold in the cash market.

### DAILY MAY SRW WHEAT



### WHEAT

**SRW** – Futures marched to a fresh multi-month high as fund managers continued to pile into fresh long positions as global production concerns loom. Constrained supplies in the Black Sea due to logistic hurdles and limited seller activity amid steady demand is also price-supportive.

### Position Monitor

	'25 crop	'26 crop
Cash-only:	50%	10%
Hedgers (cash sales):	50%	10%
Futures/Options	0%	0%

**Game Plan:** We advised selling 20% of the 2025 crop on Feb. 4 at \$11.00 or better basis March futures. You should be 50% sold in the cash market for the 2025 crop. Sales for both the 2025 & 2026 crops will continue to be assessed. Be prepared for guidance on an option strategy to establish floors for new crop production.

### DAILY MAY SOYBEANS

Resistance stands at the November highs of \$11.70 and \$11.77 3/4.



### DAILY JULY SOYBEANS

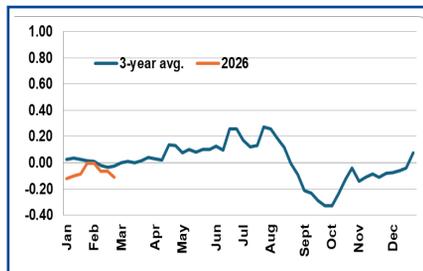
Resistance stands at the November highs of \$11.71 and \$11.81 1/2.



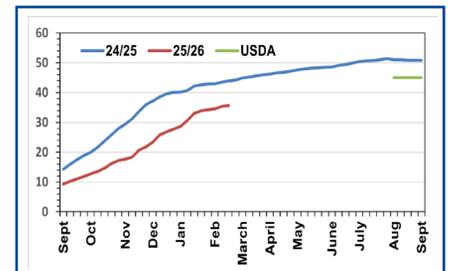
### SOYBEANS

Soyoil strength continues to lead the soy complex higher as refiners look to lock in supplies following EPA's 2026 biomass-biodiesel mandate, which increased 2.26 billion gallons from 2025. Recently, EPA sent a proposal to the White House to reallocate exemptions, which triggered an extended rally. Soymeal has also caught a bid as Argentina, the world's leading meal exporter, has faced a series of weather challenges, exacerbating supply uncertainties. Soybean futures have certainly found support from derivatives of late, with the SCOTUS ruling against tariffs having little effect thus far, but all eyes remain on China.

#### AVERAGE SOYBEAN BASIS (MAY)



#### SOYBEAN EXPORT BOOKINGS (MMT)



### DAILY MAY HRW WHEAT

Resistance is at \$5.81 1/4.

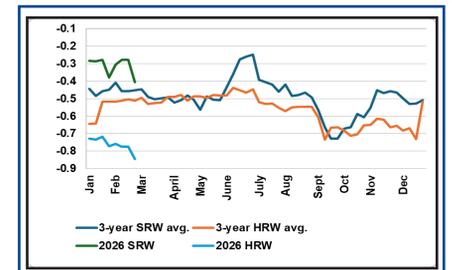


### DAILY MAY HRS WHEAT

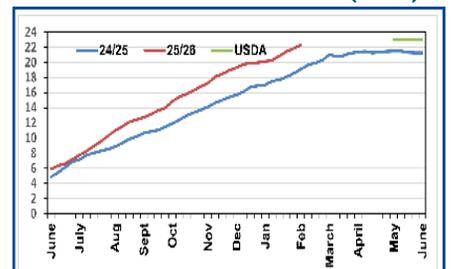
Resistance is at \$6.04 3/4.



#### AVERAGE WHEAT BASIS (MAY)



#### WHEAT EXPORT BOOKINGS (MMT)



**HRW** – Fund managers have aggressively covered shorts due to arctic blasts combined with dry conditions, variable temps and low humidity in U.S. growing regions. USDA's individual state ratings have validated a decline in crop conditions, though yield implications will remain unknown until harvest.

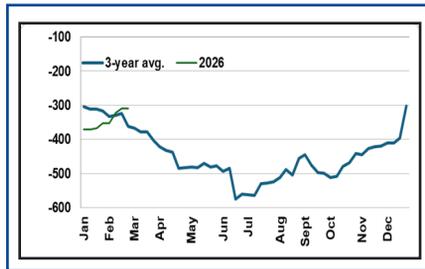
**HRS** – A solid technical posture and general buyer interest across wheat futures has elevated prospects of an extended rally. However, unlike in winter wheat growing regions, no major weather concerns are present in the Northern Plains. However, a move higher will inevitably secure acres for the 2026-27 crop year.

### Position Monitor

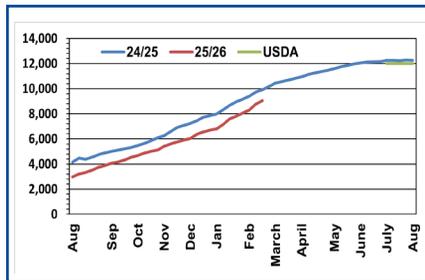
	'25 crop	'26 crop
Cash-only:	40%	10%
Hedgers (cash sales):	40%	10%
Futures/Options	0%	0%

**Game Plan:** On Feb. 23 we advised selling 20% of 2025 production. We are currently viewing 67.00¢ basis May futures as the next target.

### AVERAGE COTTON BASIS (MAY)



### COTTON EXPORT BOOKINGS ('000 BALES)



### DAILY MAY COTTON



## COTTON

Short-covering gains, spurred by an uptick in exports and expectations of a smaller U.S. crop, have pushed nearby futures to the highest level in over a month. In Brazil, cotton plantings are complete, while varying levels of soil moisture are present in Argentina.

## GENERAL OUTLOOK

**INTEREST RATES:** U.S. interest rates will remain on hold “for some time,” according to recent comments from the president of the Boston Federal Reserve, citing inflation concerns and an improving U.S. labor market.

Yet, U.S. Treasury yields are hovering near two- to three-month lows and are trending down.

The contrast of a less-dovish-than-expected Fed and falling U.S. Treasury

yields can be explained in part due to “flight-to-quality” buying of U.S. securities amid heightened geopolitical tensions—namely the large U.S. military presence in the Middle East.

Bond traders are known to be “the smartest folks in the room” when it comes to projecting economic conditions. Bond traders are presently expecting lower U.S. interest rates in the coming months.

### DAILY 10-YEAR YIELD FUTURES



## FROM THE BULLPEN By Economist Spencer Langford

Drought in the southern Plains has intensified over the last month, resulting in various concerns around winter wheat acres.

According to the Drought Monitor, an average of 53% of wheat acres were in some level of drought for the month of February in Oklahoma, with 6% of acres impacted in Kansas. Trendline data comparing drought in February and final USDA yields over the last 10 years suggests that Oklahoma may see a drop in yield from 38.0 last year to 33.4 bushels in 2026, while Kansas would remain virtually unchanged at 51.1 bushels per acre.

Using estimates from the winter wheat seedings report and assuming historical abandonment rates remain in

place, those yields would result in a 12.9-million-bushel decline in production between the two largest winter wheat growing states.

Drought conditions may influence producers to abandon crops at an above average rate, potentially exacerbating a production decline. These weather scares have spurred buying interest in wheat, with the July contract notching a series of gains that have broken out of the low-end trading range the commodity saw for most of the late fall/early winter.

Wheat has retreated after nearing technically overbought territory, but if lower production is realized, further rally potential will be alive and well.

## WATCH LIST

- 1 USDA Soy, Grain Crush Rpts.** **MON 3/2**  
Crush data for January. 2:00 p.m. CT
- 2 USDA State Crop Conditions** **MON 3/2**  
State-level conditions at end-Feb. 3:00 p.m. CT
- 3 Weekly Ethanol Production** **WED. 3/4**  
Will production remain strong? 9:30 a.m. CT
- 4 Weekly Export Sales Report** **THUR 3/5**  
Will corn sales rebound? 7:30 a.m. CT
- 5 Employment Situation** **FRI 3/6**  
Jobs data for February. 7:30 a.m. CT

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