



News this week...

- 2 – Biofuel use surges globally amid fuel price surge.
- 3 – Scope of the impact from the fertilizer crisis.
- 4 – A breakdown of USDA's March Planting intentions.

Crude leading price action – Price action was led by varying risk sentiments around the war in the Middle East following Tuesday's USDA reports. Corn and wheat seem particularly susceptible to following crude oil prices. While price action has been choppy, corn, soybeans and wheat continue to trend higher on the daily bar chart on a longer-term basis. How prices react on a test of for-the-move highs will be key. Cattle futures notched contract highs in the summer contract late in the week, which spurred cash market strength. That move comes despite bearish fundamental news over a potential reopening of the southern border to feeder cattle imports. Lean hog futures continue to fall under selling pressure as contra-seasonal weakness undercuts the CME Lean Hog Index. Pro Farmer wishes everyone a blessed Easter.

Record corn use trims stocks

CORN: March 1 stocks totaled 9.024 billion bu., coming in 88 million bu. lower than industry expectations. Stocks are up 9.7% from March 1, 2025. Implied disappearance of 4.281 billion bu. is up 8.4% from the same quarter last year.

SOYBEANS: March 1 stocks totaled 2.104 billion bu., just 18 million bu. above the average pre-report trade estimate and up 9.2% from March 1 of last year. Implied disappearance of 1.182 billion bu. was down less than 1% from year-ago.

WHEAT: March 1 stocks totaled 1.300 billion bu., 5 million bu. below trade expectations. Stocks are 4.9% above March 1 of last year. Implied usage in the third quarter of the 2025-26 marketing year is 374 million bu., up 10.4% from the same quarter last year.

Trump doubles down on Iran

President Donald Trump said the U.S. will hit Iran "extremely hard" in the next two to three weeks. Traders anticipated a de-escalation mid-week, but Trump doubled down, saying U.S. energy strikes would continue if there is no deal. Energy prices surged, pricing in a longer war than previously thought, with Treasuries pricing in longer-term inflation.

China importing Argentine corn

Cofco International Ltd. is loading a bulk cargo of Argentine corn to China – the first such shipment in more than 15 years as the two countries expand agricultural trade, Bloomberg reports. The deal comes after China cleared Argentine corn imports in 2024, and as the South American nation kicks off a bumper harvest. China also booked a rare cargo of Argentine wheat last year, the first shipment in decades. The shipment of about 34,000 MT of corn will load at Cofco's Timbúes port terminal in Argentina and is destined for China's feed sector, the agricultural giant's trading unit said Wednesday.

"The cargo reflects increasing alignment between the two markets and provides an additional origin option for Chinese buyers," Cofco said.

"China has increasingly been turning to South America for crop trading," said Bloomberg.

More tariffs on steel, aluminum

The Trump administration is preparing to outline a tiered system for its broad tariffs on steel and aluminum products to simplify a process that has affected American companies, Bloomberg reports. The U.S. will maintain 50% tariffs on a large number of derivative products, while many other products will be tariffed at a lower 25% rate, and some products will fall below that duty level. The administration is shifting the tariffs from content to the full value of the imported product, with certain items incurring a 50% duty and others getting a 25% tariff, according to people familiar with the matter, said Bloomberg.

U.S. reevaluates NATO relationship

Tensions between the U.S. and NATO allies flared as President Trump said he was considering pulling the U.S. out of the Western military alliance due to its European members refusing to send ships to unblock the Strait of Hormuz, according to Reuters.

Trump told Reuters he was "absolutely" considering withdrawing the U.S. from the NATO alliance. Experts have warned these repeated statements suggest the U.S. might not honor its NATO commitments, which could encourage Russia to test NATO members' readiness to enforce the alliance's Article 5, which states an armed attack against one member state is an attack on all.

Secretary of State Marco Rubio said the U.S. may need to reassess its relationship with NATO after the Iran War is finished, calling the military alliance's alleged lack of support during the Middle East conflict "very disappointing," Bloomberg reports.

February crush hits record

USDA data indicate February crush totaled 214.2 million bushels, a record for the month, topping last year's figure by 13.3%. Meal and soyoil stocks rose as strong consumption can't keep up with production. Ethanol use totaled 424.8 million bushels, and accumulated use is in line with 2024-25. USDA's figure for 2025-26 appears too optimistic now.

Cordonnier maintains SA estimates

Pro Farmer crop consultant Michael Cordonnier left his 2025-26 Brazil soybean estimate unchanged at 178.0 million metric tons (MMT), with a neutral bias. Brazilian soybeans were 75% harvested as of late last week compared to 82% last year, according to AgRural. Cordonnier's 2025-26 Brazil corn production estimate was left unchanged this week at 132.0 MMT, with a neutral-to-lower bias. Safrinha corn planting in Brazil is 99% complete, with the state of Parana being the only state where planting continues, according to AgRural.

Cordonnier's 2025-26 Argentina soybean production estimate was left unchanged this week at 47.0 MMT with a neutral bias. Soybean harvesting in Argentina is just beginning with less than 1% harvested compared to 1.2% average. His 2025-26 Argentina corn production estimate was left unchanged this week at 53.0 MMT with a neutral bias.

Brazil buffered from rising fuel costs

Brazil has enjoyed a buffer against rising fuel prices thanks to its reliance on a massive dual-fuel fleet, consisting of vehicles that can run on any combination of ethanol and gasoline, reported the Associated Press.

Drivers choose between filling their tank with 100% sugarcane-based ethanol or a gasoline blend that contains 30% biofuels. While consumers around the world face steep price hikes, Brazilian gasoline prices rose just 5% in March, the report said, compared to 30% in the United States. Analysts partially credit the stability to a mature domestic biofuels industry that allows the country to withstand geopolitical shocks with minimal risk of fuel shortages, the report said.

Global biofuel demand surging

"Indonesia's abrupt pivot to expand its biodiesel mandate is the latest sign of how the war in Iran is reshaping energy policy, tightening global vegetable oil supplies as more gets funneled into fuel," according to a Bloomberg report.

"The world's top palm oil producer will implement its B50 program — an ambitious target to boost the level of biodiesel blended in its fuel to 50% — starting from July 1, announced Airlangga Hartarto, coordinating minister for economic affairs late Tuesday. The move is an effort to mitigate energy supply disruptions wrought by the conflict, with Airlangga saying it could reduce fossil fuel consumption by 4 million kiloliters annually. That's set to shrink the amount of palm oil the country has available to export and comes as other nations are ramping up biofuel mandates of their own," said the report.

Gas prices average above \$4

U.S. gasoline prices at the pump jumped past an average of \$4 a gallon for the first time since 2022 as the Iran War has pushed fuel prices to soar worldwide.

The Associated Press said, "According to motor club AAA, the national average for a gallon of regular gasoline is now \$4.02 — over \$1 more than before the war began. The last time U.S. drivers were collectively paying this much at the pump was nearly four years ago, following Russia's invasion of Ukraine. The price is a national average, meaning drivers in some states have been paying well over \$4 a gallon for a while now. Prices vary from state to state due to factors ranging from nearby supply to differing tax rates."

Southern border could reopen

"[U.S. Secretary of Agriculture Brooke Rollins] is signaling a possible shift toward reopening the U.S.-Mexico border to feeder cattle imports while continuing aggressive efforts to contain New World screwworm," says the Oklahoma Farm Report. "Rollins made it clear that while the border has remained closed up to this point, conversations are intensifying about a limited reopening strategy. Up to this weekend, we've had no plan to reopen the U.S.-Mexico border to allow Mexican feeder cattle to come back to the U.S."

The report said the stance is evolving.

"We're currently evaluating a potential phased-in strategy ... We obviously will not be opening all four ports anytime soon," Rollins said, pointing to the westernmost port as the most likely candidate for an initial reopening due to its distance from current screwworm activity.

Rollins says producers won't have to wait long for clarity.

Farmer share of food dollar shrinks

The USDA Food Dollar Series tracks how each dollar is spent by consumers and then divides it across the industries contributing to the value in the supply chain. For the past two years, USDA has estimated farmers and ranchers received less than 6¢ of every food dollar. In 2023, that was 5.9¢. Using the latest data from 2024, it's 5.8¢. The crop farmer share of that dollar shrank from 2.9¢ to 2.5¢, while livestock producers' share increased from 3¢ to 3.3¢.

The Food Dollar Series shows farmers received 11.8¢ of every dollar spent on domestically produced food in 2024. The remaining 88.2¢ of the food dollar went toward the "marketing bill," which includes costs associated with food processing, transportation, packaging, wholesaling, retailing and food service. Over time, this shift illustrates how an increasing share of food spending is driven by services and supply chain activities rather than farm production itself.

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Strait of Hormuz closure seen as causing “irreversible cyclical damage”

The fertilizer crisis sparked by the virtual closure of the Strait of Hormuz is getting growing attention as warnings intensify over the long-run potential hit to global food production. Fertilizer analysts at Scotiabank said in a Sunday note to clients that demand destruction for fertilizer is underway in response to soaring prices and curtailed product availability. They offered the rundown below of the “irreversible cyclical damage” they expect to see as a result:

- Australia will plant less wheat than expected due to a lack of fertilizer and diesel fuel. Not helping the situation is soaring freight rates, which will impact the region more than others. This has sent Aussie wheat prices to multiyear highs.
- Brazil soybean farmers are facing a further squeeze on margins that are already at their weakest in at least a decade. The combination of higher fertilizer, fuel and freight costs could further pressure already poor margins.
- China is easing inspection requirements on imported grains and oilseeds. For example, China will now abandon its zero-tolerance policy for the presence of weed seeds in Brazilian shipments.
- Ethiopia receives 90% of its N fertilizer from the Gulf region. Simply put: It’s not showing up, and the planting window starts right now for long-cycle crops.
- India has already seen Yara shut down nitrogen production due to reduced gas availability. Consider how India uses about 40 MMT of urea annually, and had 6.2 MMT of channel inventory on March 19. Fertilizer plants are only getting about 70% of their gas needs, so this will likely become an issue for India later in the year.

Eurozone inflation runs hot

The eurozone area saw its steepest jump in inflation since 2022 as the Iran War pushes energy costs sharply higher, backing expectations the European Central Bank will raise interest rates. Consumer prices rose 2.5% from a year ago in March – surging 1.9% from the prior month and the highest since January 2025. Core inflation, which excludes volatile items including food and energy, unexpectedly slowed to 2.3% annually.

Early indications out of the Euro zone will be replicated elsewhere as the latest data gets released. Anticipation of higher costs will hinder the Federal Reserve’s ability to cut rates, with futures pricing in a hike at one point this week. The bond market indicates a cut is not likely in 2026.

Mortgage rates tick higher

U.S. mortgage rates averaged 6.57% in the last full week of March, the highest level since August. Rising Treasury yields have been the main contributor to higher borrowing costs, but the private credit market as a whole has been rising relative to treasury bonds. The combination of higher rates and increased overall economic uncertainty is having an impact on buyer confidence, which extends beyond the real estate market. Tighter credit conditions across the marketplace have taken their toll.

DOANE Market Watch®	ACTUAL			DOANE FORECASTS*		
	Year Ago	Last Week	This Week	May	June	July-Sep
	(Monthly & quarterly avg.)					
CORN						
Central Ill., bu.	4.31	4.38	4.33	4.50	4.60	4.65
Omaha, Neb., bu.	4.48	4.48	4.37	4.60	4.70	4.75
Dried Distillers Grain, IA, \$/ton	144.63	153.50	156.63	---	---	---
SOYBEANS						
Central Illinois, bu.	10.08	11.21	11.38	11.25	11.50	11.75
Memphis, Ten., bu.	10.38	11.82	11.93	11.75	12.00	12.25
Soymeal, 48% Decatur, ton	---	333.00	332.10	340	340	340
WHEAT						
Kansas City, HRW, bu.	5.62	6.02	6.04	5.65	5.75	5.50
Minneapolis, 14% DNS, bu.	7.73	7.58	7.62	7.50	7.60	7.70
St. Louis, SRW, bu.	5.32	5.98	5.99	5.80	5.90	5.75
Portland, Soft White, bu.	6.13	6.20	6.22	6.20	6.30	6.15
Durum, Neb., MT HAD, 13%, bu.	6.75	5.65	5.65	5.65	5.75	5.85
SORGHUM , Kansas City, cwt	6.83	6.11	5.94	6.00	6.20	6.30
COTTON , 11/16 SLM, 7 areas, ¢/lb.	64.23	64.93	67.44	64.00	65.00	68.00
RICE , nearby futures, cwt	13.23	11.33	11.67	11.50	11.60	11.75
CANOLA , Enderlin, N.D., cwt	19.91	23.32	23.14	22.00	22.50	22.75
OATS , Minneapolis No. 2 heavy, bu.	4.21	3.53	4.09	3.50	3.60	3.70
ALFALFA , NW Iowa, lg. sq. prem., ton	---	---	---	135	130	130
SUNFLOWERS , Fargo, N.D., cwt	26.40	23.40	23.40	23.00	24.00	25.00
HOGS , Nat'l basecost 51%-52% cwt	86.72	91.28	90.54	95.00	100.00	105.00
FEEDER PIGS , 40 lb., Nat. avg, head	99.52	127.36	126.67	115.00	105.00	95.00
CHOICE STEERS , feedlots, cwt	212.14	235.08	235.69	245.00	250.00	260.00
FEEDER CATTLE , Oklahoma City						
Steers, 700 lb. to 800 lb., cwt	297.47	368.01	371.18	390.00	395.00	400.00
Steers, 500 lb. to 550 lb., cwt	386.69	503.17	517.54	510.00	520.00	525.00
Heifers, 450 lb. to 500 lb., cwt	353.63	471.89	484.88	475.00	480.00	490.00
COWS , utility, Sioux Falls, S.D., cwt	---	169.70	170.98	175.00	180.00	185.00
MILK , Class III, CME spot month, cwt	17.13	16.12	17.49	17.25	17.25	17.25
LAMBS , Sfg., San Angelo, Texas, cwt	185.00	390.00	380.00	375.00	375.00	375.00
ENERGY						
Ethanol, IA, gallon	1.61	1.61	1.76	---	---	---
Farm diesel, U.S., gallon	2.96	4.74	4.86	4.75	4.75	4.25

*Average prices expected for the indicated time periods based on available information. Forecasts will be revised as necessary to reflect changing market conditions.

Corn, soybeans hold lion's share of acres

By Pro Farmer Editors

USDA estimates farmers intend to plant fewer acres than 2025 but still far higher than analysts' expectations – closer to what most thought ahead of Operation Epic Fury. The full impact of the war in Iran is not yet known, as higher nitrogen costs and unknown availability are likely to impact decisions even as planters start to roll. That means Tuesday's report may not be the last word. USDA's survey data breakdown showed the majority of responses came in as the run-up in nitrogen prices just began.

and soybean acres have only crossed above the 180.0 million-acre mark three times, though two of those years have been since 2021.

Wheat acres down across the board

All wheat acres are seen as falling to 43.775 million acres, which would be the lowest total wheat planted area since records began in 1919. The 2026 winter wheat planted area, at 32.4 million acres, is down 2% from last year. The area expected to be planted to other spring wheat for 2026 is estimated at 9.415 million acres, down 6% from the 2025 estimate. Durum planted area for 2026 is expected to total 1.95 million acres, down 11% from the previous year.

Cotton intentions show surprise increase

All cotton planted area for 2026 is estimated at 9.64 million acres, up 357,000 acres (4%) from last year. Analysts expected cotton acres to fall to 9.191 million acres. Upland area is estimated at 9.51 million acres, up 4% from 2025. American Pima area is estimated at 130,000 acres, down 8% from 2025. Acres in Texas are expected to rise 199,000 acres to 5.52 million.

Sorghum, rice and oats acres lower

USDA estimates sorghum plantings will decrease 520,000 acres to 6.12 million – 394,000 acres fewer than traders anticipated. Oat seedings are seen as falling 9,000 acres to 2.361 million – 10,000 acres fewer than expectations. Rice plantings are seen down 493,000 acres to 2.319 million – 344,000 acres fewer than expected. Barley indicated the lone increase among small grains, rising 53,000 acres to 2.352 million, though still 19,000 acres under expectations.

Principal field crops continue downward trend

USDA estimates total acres planted to principal field crops at 309.95 million acres, which would be down 1.59 million acres (0.5%) from last year and the lowest planted acreage total since 2019. Corn and soybeans have drawn more acres, though alternative crop seedings have fallen amid a lack of demand. More acres are being seeded to pasture and CRP amid firm cattle prices as well. Out of the 15 top acreage states, only Iowa and Oklahoma are seen as rising in planted acres from 2025.

PLANTING INTENTIONS - CORN

	Change Vs. 2025	Million Acres
Illinois	-300,000	10.9
Indiana	0	5.4
Iowa	-450,000	13.1
Kansas	250,000	7.1
Michigan	-100,000	2.25
Minnesota	-300,000	8.6
Missouri	-150,000	3.65
Nebraska	-450,000	10.3
N. Dakota	-300,000	4.4
Ohio	0	3.4
S. Dakota	-550,000	6.3
Wisconsin	-450,000	3.7

Corn planting intentions: 95.338 million acres

March corn planting intentions would be down 3.45 million acres (3.5%) from last year – but 870,000 more acres than traders expected. Intentions were 662,000 acres down from what our acreage survey indicated. USDA estimates lower plantings in nine of the 12 top production states, with Kansas as the only increase.

Soybean planting intentions: 84.7 million acres

Soybean planting intentions would be up 3.485 million acres (4%) from last year – but were 887,000 acres fewer than analysts expected. March intentions were 450,000 acres higher than our acreage survey indicated.

Soybean acres are seen as rising in 10 out of the 13 top production states.

Combined corn, bean acres roughly steady

USDA estimates combined corn and soybean planting

intentions at 180.04 million acres, which would be up from last year at 180.0 million by a slim margin. Combined corn

PLANTING INTENTIONS - SOY

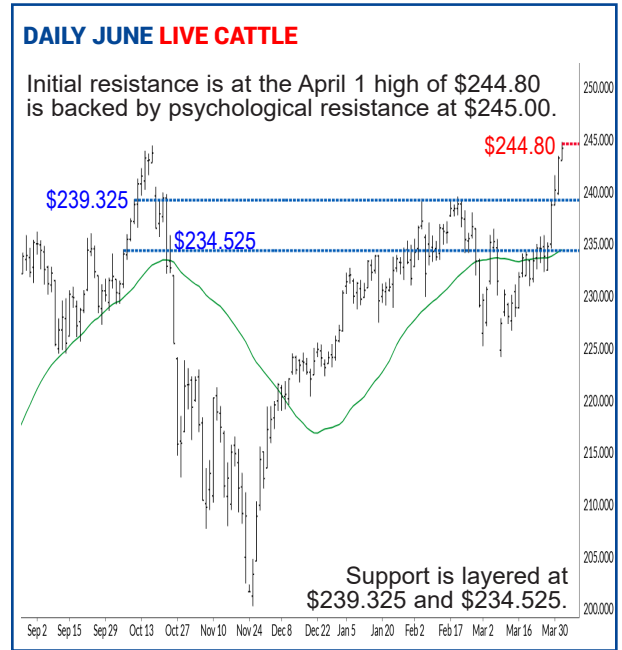
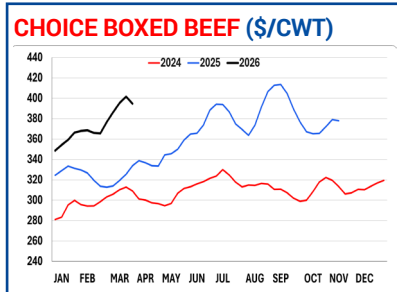
	Change Vs. 2025	Million Acres
Arkansas	510,000	3.1
Illinois	200,000	10.5
Indiana	50,000	5.5
Iowa	450,000	9.9
Kansas	300,000	4.4
Michigan	-30,000	2.05
Minnesota	150,000	7.3
Missouri	-100,000	5.5
Nebraska	350,000	5.2
N. Dakota	150,000	6.7
Ohio	-100,000	4.8
S. Dakota	500,000	5.6
Wisconsin	370,000	2.4

CATTLE

Consecutive gains pushed cattle and feeder futures to multi-week highs as supply fundamentals continue to lean fully supportive. Recent heat and winds across the Plains have underscored the snug beef supplies, which has aided feedlots in cash negotiations. A rebound in boxed beef prices has also allowed packer margins to rebound from last week's decline, which should continue to incentivize slaughter. Musings of a possible limited reopening of the U.S.-Mexico border has failed to stifle recent strength. Secretary Brooke Rollins reported she expects an announcement either way within the next two to four weeks.

Position Monitor

Game Plan:	Feds	Feeders
Nearby live cattle futures are now a discount to the cash market. Be prepared to purchase puts for downside protection.	I'26 0% II'26 0% III'26 0% IV'26 0%	0% 0% 0% 0%

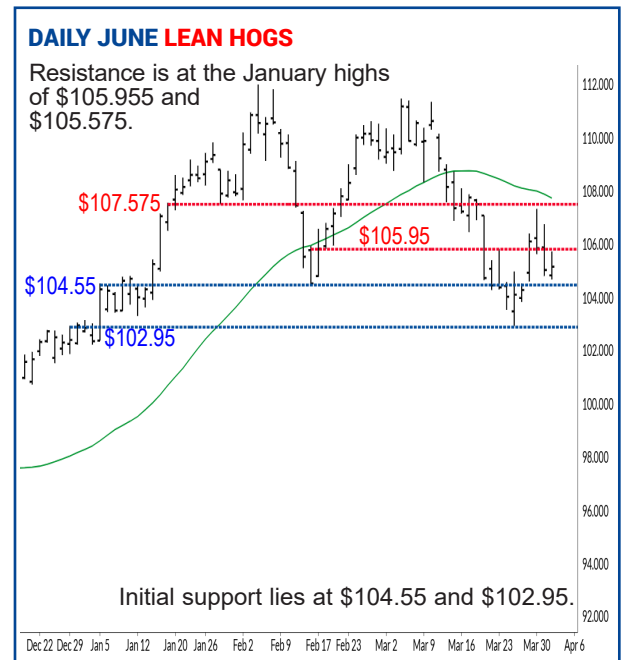
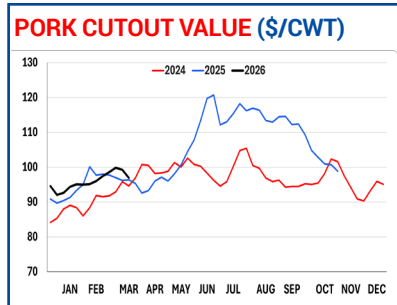


HOGS

Extended cash weakness, spurred by weak packer margins, and looming technical challenges have limited buyer interest in lean hog futures recently. However, the current futures structures versus the cash index indicates the market expects significantly higher cash prices by June settlement, driven by seasonal grilling demand, tight supplies and overall fundamental support. As the seasonal slaughter decline intensifies, we expect a rebound in the cash index to likely occur by mid-April. Demand for pork domestically and for export should continue to prove supportive.

Position Monitor

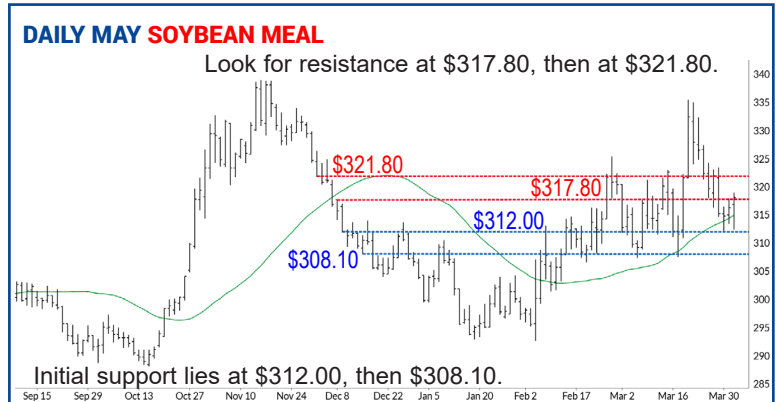
Game Plan: We advised selling the \$104.00 July puts bought on Jan. 28 for Q2 production. Stay patient for now as we assess the next opportunity for hedges.	Lean Hogs
	I'26 0% II'26 0% III'26 0% IV'26 0%



FEED

Feed Monitor

Corn	II'26 33% III'26 0% IV'26 0% I'27 0%	Corn Game Plan: Your corn-for-feed needs should be covered through April. Be prepared to make additional purchases.
Meal	II'26 33% III'26 0% IV'26 0% I'27 0%	Meal Game Plan: Your meal needs should be covered through the end of April. Be prepared to make additional purchases on an extended pullback.



Position Monitor

	'25 crop	'26 crop
Cash-only:	60%	30%
Hedgers (cash sales):	60%	10%
Futures/Options	0%	40%

Game Plan: We advised hedgers to purchase \$4.80 December puts for 40% of expected production to establish a \$4.48 floor price. We also advised cash-only marketers to forward sell another 20% of expected production at that time. You should be 60% sold for the 2025 crop in the cash market. Be prepared to make additional sales.

DAILY MAY CORN

Initial resistance lies at the Nov. 18 high of \$4.59, with firmer resistance at the recent Mar. 9 high of \$4.76



Initial support is at the Mar. 4 high of \$4.47, with further support at the Jan. 16 high of \$4.34 1/4.

DAILY JULY CORN

Resistance is at the Mar. 11 high of \$4.73 1/4, then the Mar. 9 high of \$4.87 1/2.

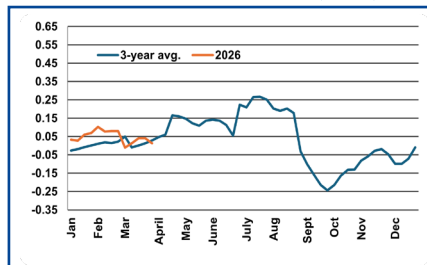


Support is at \$4.52 1/2 and \$4.38 1/4.

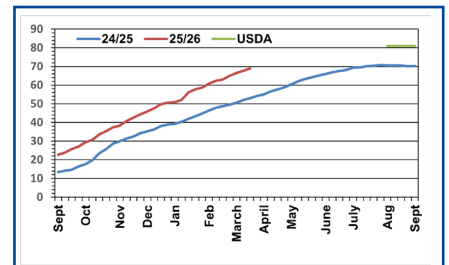
CORN

Futures shook off a potentially bearish acreage report this week, likely supported by a friendly grain stocks release at the same time. The grain stocks report indicates demand for the largest U.S. corn crop on record remains strong. Oil prices near \$100 a barrel will continue to support ethanol demand, with countries around the world contemplating increased ethanol blends in gasoline to ease supply shocks. Planting of the Brazilian safrinha crop is now 99% complete according to AgRural, and is wrapping up slightly later compared to last year after early-season dryness delayed initial soybean planting.

AVERAGE CORN BASIS (MAY)



CORN EXPORT BOOKINGS (MMT)



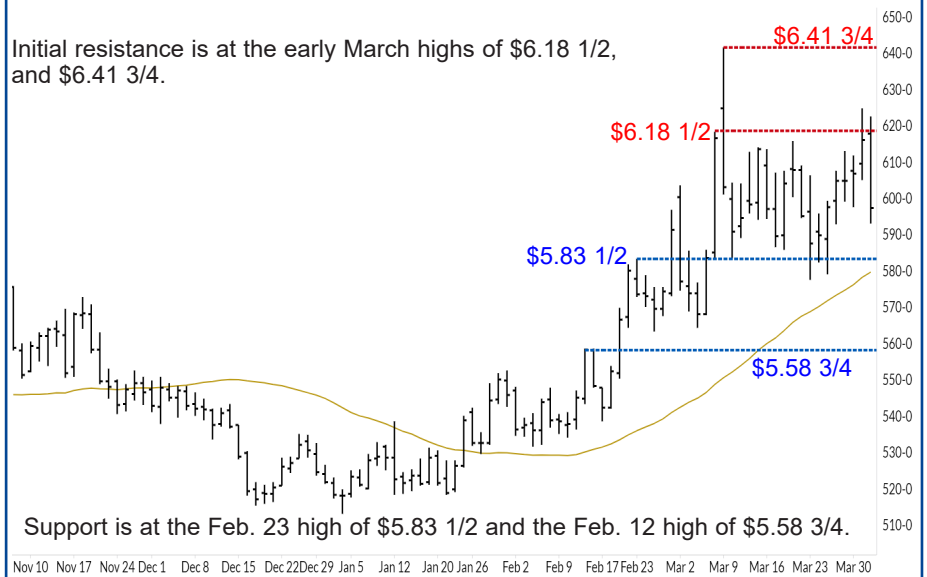
Position Monitor

	'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 and 10% of 2026 production. You should have 70% of the 2025 crop and 30% of 2026 crop sold in the cash market. Be prepared to make additional sales.

DAILY MAY SRW WHEAT

Initial resistance is at the early March highs of \$6.18 1/2, and \$6.41 3/4.



Support is at the Feb. 23 high of \$5.83 1/2 and the Feb. 12 high of \$5.58 3/4.

WHEAT

SRW – Outside markets pressured SRW at mid-week and prompted profit taking. Localized rounds of rainfall east of the Mississippi should help to bolster soil moisture and crop development mostly in the northern portions of SRW country this weekend.

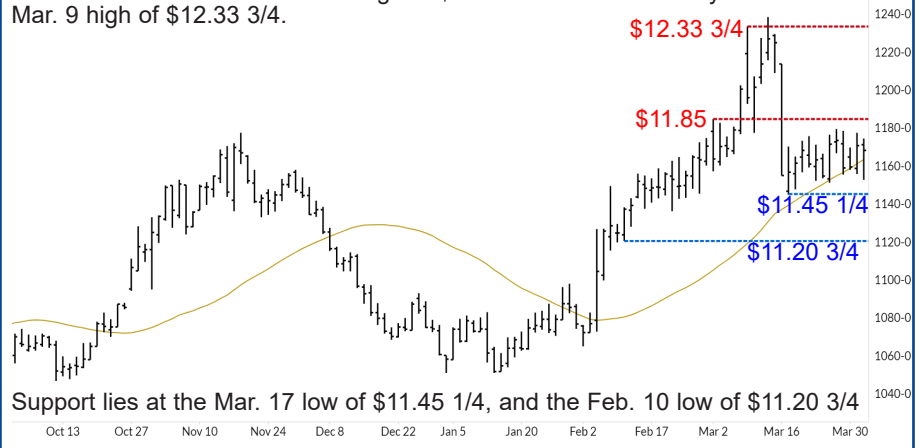
Position Monitor

	'25 crop	'26 crop
Cash-only:	70%	30%
Hedgers (cash sales):	70%	10%
Futures/Options	0%	40%

Game Plan: We advised hedgers to buy \$11.60 November puts on Mar. 31 for 40% of expected production, establishing an \$11.00 price floor. We also advised cash-only marketers to forward-sell 20% of expected production on Mar. 31. You should be 70% sold in the cash market for the 2025 crop. Be ready to make new sales.

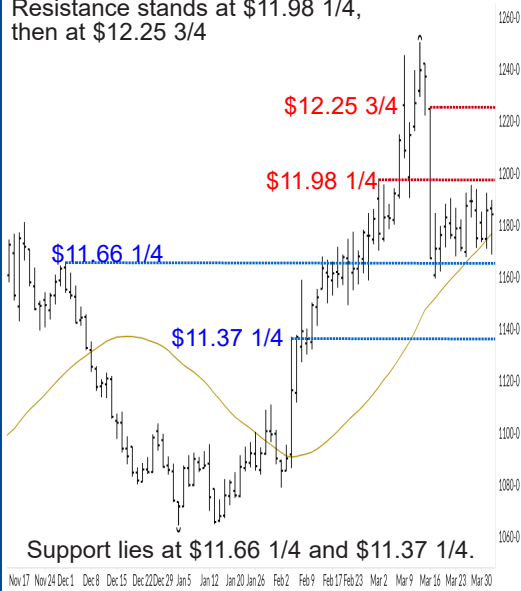
DAILY MAY SOYBEANS

Resistance stands at the Mar. 2 high of \$11.85 which is backed by the Mar. 9 high of \$12.33 3/4.



DAILY JULY SOYBEANS

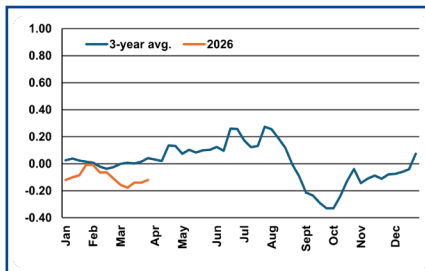
Resistance stands at \$11.98 1/4, then at \$12.25 3/4



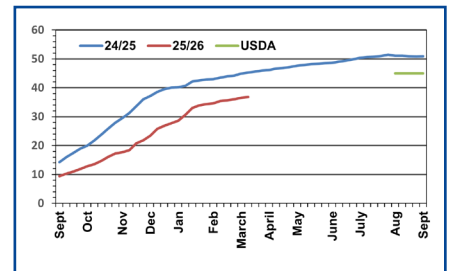
SOYBEANS

Early week losses were moderated as the soy complex saw gains from the mildly bullish acreage report from USDA, although price action is still firmly choppy overall. Soybean exports remain sluggish, with China slow to make additional commitments, likely influenced by the sizable price premium U.S. beans have over Brazilian prices. Following a mild sell-off in soyoil the day of the EPA biofuels rule, the contract continued the uptrend that has been in place since early January. U.S. planting will begin soon, with the Midwest expected to receive rains that may complicate fieldwork over the next week.

AVERAGE SOYBEAN BASIS (MAY)

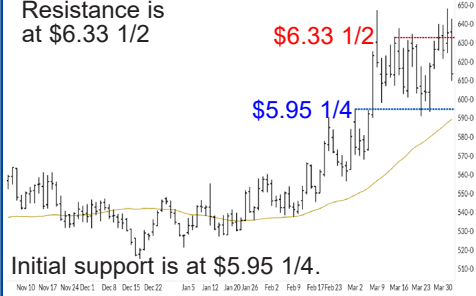


SOYBEAN EXPORT BOOKINGS (MMT)



DAILY MAY HRW WHEAT

Resistance is at \$6.33 1/2

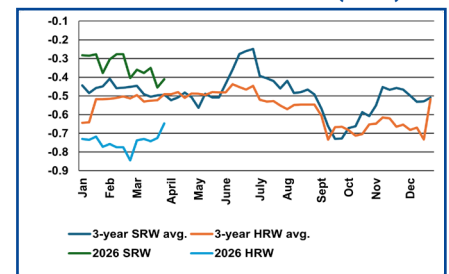


DAILY MAY HRS WHEAT

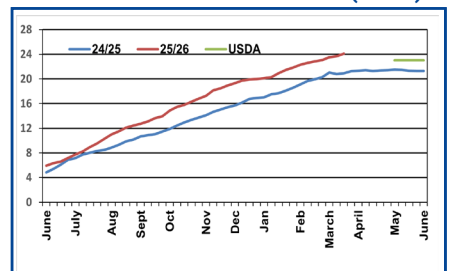
Resistance is at \$6.50.



AVERAGE WHEAT BASIS (MAY)



WHEAT EXPORT BOOKINGS (MMT)



HRW — Potentially lower yields from harsh weather are working in tandem with record-low acreage to offer support to prices. Kansas, long known for its wheat production, now has more acres planted to corn, a symbolic marker of the decline in profitability of the crop in the U.S. over recent years.

HRS — Acres are expected to decline in spring wheat, helping lift the contract to an 8-month high close on Tuesday. The close above resistance was followed by a quick reversal as futures were nearing technically overbought territory. Currently 21% of spring wheat acres are in drought, much lower than the 65% of winter wheat.

Position Monitor

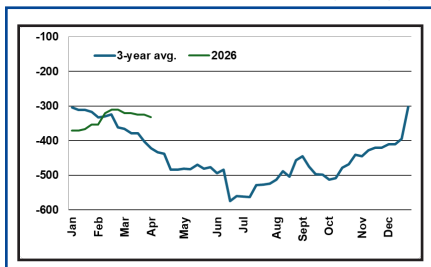
	'25 crop	'26 crop
Cash-only:	60%	25%
Hedgers (cash sales):	60%	25%
Futures/Options	0%	0%

Game Plan: On March 17, we advised selling 20% of old-crop supplies and 15% of new-crop production. Be prepared to make additional sales.

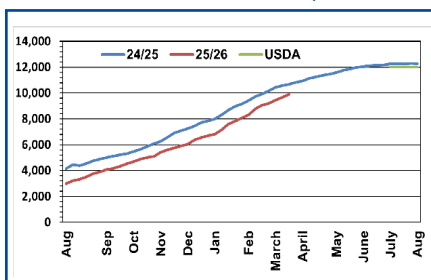
COTTON

Nearby futures carved a nine-month high to round out March, though USDA's Prospective Plantings Report was a catalyst for profit-taking. The agency projected all cotton planted area to rise 4% from year-ago, which was well above pre-report expectations.

AVERAGE COTTON BASIS (MAY)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY MAY COTTON



GENERAL OUTLOOK

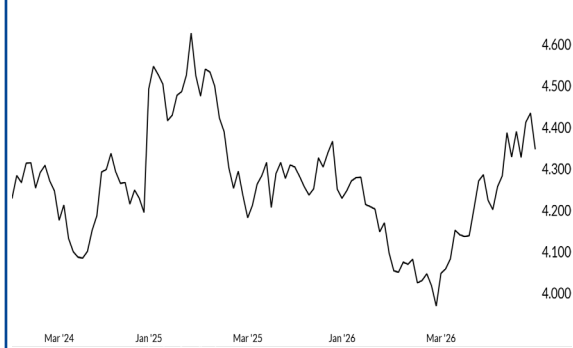
TREASURIES: The past few weeks had seen global government bond markets sell off (rising yields) due to worries about the spike in global energy prices from the war in Iran creating problematic inflation and prompting central banks to hold interest rates steady or even tighten monetary policies.

More recently, bond traders' attitudes flip-flopped as prices rallied (yields dropped) due to notions a pro-

longed war in Iran, including the associated higher energy costs, would be a significant drag on world economies—prompting central banks to lower their interest rates.

So which theory is correct? The answer is that at present nobody knows. What recent price action in the bond markets does once again prove is that traders and markets are fickle.

DAILY MARCH 10-YR YIELD FUTURES



FROM THE BULLPEN By Market Analyst Hillari Mason

USDA's Prospective Planting and Quarterly Grain Stocks Reports offered up opportunities to manage new-crop risk as acreage and production unknowns linger. A 15¢ gain in November soybean futures on March 31 was precisely what was needed to negate the 40¢ mid-month drop, which accompanied a limit-down move in nearby contracts.

Meanwhile, corn futures were able to inch higher, with lower-than-expected March 1 stocks offsetting the higher-than-expected acreage print.

With March behind us and planting efforts to pick up across the Corn Belt, the time has come to establish additional new-crop sales.

On March 31, we advised hedgers

to purchase \$11.60 strike full-dated November soybean puts at a 60¢ cost to establish a net \$11.00 floor on 40% of expected new-crop production. We also advised purchasing \$4.80 strike full-dated December corn puts for 32¢ to establish a net \$4.48 floor. This lends price protection on 50% of expected production, with the opportunity to capture upside on 40%.

We also advised cash sellers to advance another 20% of expected new-crop sales for both corn and soybeans, for a total of 30% sold on each.

Volatility is likely over the coming months, though these sales will provide peace of mind and the opportunity for greater margins.

WATCH LIST

- 1 USDA Crop Progress** **MON 4/6**
Initial winter wheat ratings 3:00 p.m. CT
- 2 Weekly Ethanol Production** **WED 4/8**
Will ethanol production rebound? 9:30 a.m. CT
- 3 Weekly Export Sales Report** **THUR 4/9**
Soybean sales trailing year-ago. 7:30 a.m. CT
- 4 USDA WASDE Report** **THUR 4/9**
Usage will reflect March 1 stocks. 11:00 a.m. CT
- 5 U.S. CPI Report** **FRI 4/10**
Consumer inflation for March. 7:30 a.m. CT

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