



## Thursday, March 27, 2025

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Good afternoon. Though volume continues to be low, ag markets in Chicago at least showed some signs of life on Thursday as soybean oil was able to lift the soy complex to decent gains. Grain markets were unwilling to come along for the ride still, but it was encouraging to at least see some sort of activity in the space following days of feeling like it was on life support.

CK closed Thursday at 4.50, down a penny and a quarter. CN was down a penny at 4.58. Both closed below their respective 200-day moving averages. SK finished at 10.16 and 3/4, up 15 and 3/4. SN closed at 10.30 and 1/2, up 15 and 1/2 cents. WK was down 3 and 1/4 at 5.32. New contract low here at 5.26 and 1/2. Products were higher, May soybean meal closed at 294.50, up 90 cents/ton, and May soybean oil closed at 44.27, up 1.63. Cattle markets were higher on Thursday, April live cattle closed at 209.55, up \$2.47, and April feeders closed at 287.55, up \$1.67; April hogs were down 52 cents at 87.02. Outside day higher for both cattle markets. Outside markets are quiet/mixed, crude oil futures are up 20-30 cents/bbl, the Dow Jones index is down 40 points, and the US\$ index is down 25-30 points. The S&P500 is unchanged and the NASDAQ is down 50 points; gold futures are up \$45-50/oz. Inside day for crude oil, outside day lower for the \$ index, and new contract highs for April gold at \$3,071.30/oz.

Spreads ended the day mixed to higher; corn spreads were down a half cent to up a quarter of a cent, and soybean spreads were up a quarter cent to up 6 cents. CK/CN closed at -8, down a quarter of a cent, and SK/SN closed at -13 and 3/4, up 1/4 of a cent. New lows for the move in the CU/CZ at -8 and 1/4.

News in the bean oil market was a bit of a two-fold situation earlier in the day today, with part one being policy related and part two being export related. Starting with part one, there were rumors circulating this morning regarding a possible increase in the renewable diesel and biodiesel blending mandate from the current level of 3.35 bil gallons to somewhere between 4.75 and 5.5 bil gallons, which obviously cause a notable uptick in the use of feedstocks, most notably bean oil. Along similar lines, there was also news that President Trump

has asked oil and biofuels producers to work together to figure out a plan for the next steps on a US biofuel policy, or in other words, figure out what to do with the much maligned 45Z. Sources say this mandate has already yielded progress, with the API (American Petroleum Institute) last week hosting a bilateral meeting between the two sides in which blending mandates, small refiner exemptions, and tax credits were all topics of discussion. Circling back to part two, export sales this morning in the weekly export sales report were yet again well above trade expectations at 44.5k mt's, and are now up a whopping 1,039% from last year.

The rest of the export sales report from this morning was largely uneventful, with weekly sales for all three of the major crops and also meal coming in within trade expectations. Corn sales in the week ending March 20th totaled 1.040 mmt's, with featured buyers in the week being Japan (415,300 mt's), Mexico (309,900 mt's), and Colombia (212,900 mt's); unknown destinations either assigned out/rolled/canceled 494k mt's. Soybean sales totaled 339k mt's, with featured buyers being Mexico (260,900 mt's) and China (202,300 mt's); unknown destinations assigned out/rolled/canceled 361,400 mt's. For wheat, sales totaled 100k mt's, with the featured buyers being Japan (72k mt's) and Nigeria (53,400 mt's); unknown destinations here assigned out/canceled/rolled 125,500 mt's in the week.

Other data for Thursday included the USDA's quarterly hogs and pigs report, which was released after the markets closed this afternoon and came in slightly friendly compared to expectations. US hog inventory on March 1 was seen at 74.5 million head, which was just marginally lower from March 1 last year and down about 1% from December of last year, which would've been the last quarterly report. Breeding hog inventory was down 1% year/year a t5.98 mil head, and market hog inventory was down just marginally from last year at 68.5 mil head. The December - February pig crop was seen at 33.7 million head, again just a small reduction from a year ago. To view the USDA's full report, please click [here](#).

Weather forecasts for the Midwest were marginally drier at mid-day than the overnight runs over the next 10 days, but continue to show several chances at precip for most of the area through the weekend and into next week. Week two maps continue to be downright wet, with nearly the entire continental US besides the Gulf Coast and Florida expected to see above average precip potential between April 4th and April 10th. On the temperature side, there is good model agreement on much warmer than average air temps across the east and south east through the weekend and into next week, while the West Coast will turn back cooler starting this weekend and then looks to stay that way through most of next week. There is not a lot of agreement in the 10-15 day solutions, which is keeping our confidence beyond the end of next week low.

Forecasts in South America were little changed at mid-day into the weekend and next week and continue to show good rain chances through most of southern and

south-central Argentina for the next five days, while rain in Brazil will be good in the south but a little more spotty through ag areas in the south-central and east-central parts of the country. Extended forecasts through the first 10 days of April show rain chances then in northern Argentina while the south shifts back drier, while Brazil is expected to continue seeing more of the mixed bag of precip seen over the past few days. Temperature anomaly forecasts have trended cooler in Argentina into next week, with now most of the country expected to be well cooler than average. Brazil on the other hand has not turned off cooler, and continues to see above average air temp