



S&P	5,840	-0.49%	USD/BRL	5.854	0.21%	WTI Crude	-	-
CH	477	-4.75	SF	1042	0.00	MH	298	-3.6
BOH	47.31	1.20	WH	559	-0.50	KEH	578	-1.50

### Upcoming Reports

- Monday (2/3)
  - 10:00 AM CST – Export Inspections
  - 2:00 PM CST – Cotton System
  - 2:00 PM CST – Fats & Oils
  - 2:00 PM CST – Grain Crushings
- Tuesday (2/4)
  - 3:30 PM CST – API Energy Stocks
- Wednesday (2/5)
  - 9:30 AM CST – EIA Petroleum Status
  - 2:00 PM CST – Dairy Products
- Thursday (2/6)
  - 7:30 AM CST – USDA Weekly Exports
  - 9:30 AM CST – EIA Nat. Gas Report

### Overnight News

The grain markets are off to a lower start to begin the week, with CH25 down 5c, SH25 down 2c, and WH25 down 2c as of 7 AM CST. President Donald Trump has officially enacted tariffs of 25% on imports from Mexico and Canada (10% tariff on Canadian energy resources), and a 10% tariff on Chinese imports. He has cited the influx of illegal aliens and drugs, specifically fentanyl, crossing our borders as a main driver. Canada's Prime Minister said there will be retaliatory 25% tariffs on US goods, Mexico claims there will be retaliatory efforts but has not released an official percentage and it seems as if corn may not be included, and China is vowing to take legal action through the WTO but has held back from any tariff talk. China is currently on their Lunar New Year that ends Wednesday. The CFTC COT report showed continued managed money buying and commercial selling for corn and soybeans and the opposite for wheat. On the week managed money increased their net long position in corn by 22,105 contracts to 343,789, and increased their long in soybeans by 7,114 contracts, bringing the position to 73,035 contracts. In wheat, managed money sold 16,812 contracts of SRW and 6,949 of HRW, which brings their positions to net short 106,391 SRW and 41,407 HRW. Cattle and Bison imports from Mexico are expected to resume over the next few days due to a new protocol established between APHIS and Mexico.

### Headline News

- CBOT Registrations NO CHANGES for 1-31 SRW 20 unch; HRW 105 unch; YC 3 unch; YSB 262 unch; SBM 1,462 unch; SBO 1,116 unch
- Ahead of Monday's monthly USDA soy crush report, analysts are expecting the US soybean crush during December at 6.53 million tons (217.65m bu), that compares with November's 6.30m tons (210.0m bu), and would be 6.6% higher than December 2023. The data will be released Monday, Feb 3rd at 2:00 pm CT. End of December 2024 soy oil stockpiles are forecast at 1.73 billion lbs, if that is realized it would be up +7.5% from November, but nearly -5.0% lower than December 2023.
- January 2025 Total Cattle & Calves: 99%; prior 98%; Total Cows & Heifers Calved: 100%; prior 98%; Beef Cows & Heifers Calved: 99%; prior 98%; Dairy Cows & Heifers Calved: 100%; prior 100%; 2025 Heifer 500lbs & Over - Beef Replacement: 99%; prior 99%; Heifer 500lbs & Over - Dairy Replacement: 98%; prior 100%; 2025 Cattle On Feed: 99%; prior 102%; January 2025 Calf Crop: 100%; prior 98%
- Analysts say the US cattle herd as of January 1, 2025 at 86.7 million head is the smallest since 1951
- President Trump on Friday afternoon said at this point Canada, China, nor Mexico can do anything to halt tariffs, adding the US is running big deficits with them and they must be done. Said he is not looking for concessions, adding tariffs may even have to be increased. Oil and gas tariffs will be in place by Feb 18th, will also place tariffs on aluminum, copper and steel. Expects to impose tariffs on the EU
- EIA data released Friday shows the US used 1.192 bln lbs of Soyoil in November 2024 to produce biofuels. This was down 3% from month prior, but 12% higher than YA. SBO share of feedstocks used was 36% down 1% from last month & vs 35% avg with tallow taking the gained share (UCO 55% - avg 57%). Corn oil was steady at 12% with 404m lbs used (360m avg), canola oil was 12% at 410m lbs used (375m avg).
- A new physically settled Ethanol contract starts trading tomorrow at the CME.
- China comes back from lunar new year on Wednesday.
- Goldman roll starts 2/7 and there is a WASDE report on 2/11.
- The month of February sets the insurance for the year in corn and beans....
- Cattle shipments from Mexico set to resume within the next several says.
- Canadian Dollar is down 1.25% and is at its lowest level since 2003. Mexican Peso is down over 2%.
- China plans to bring back "phase one" trade deal for tariff negotiations....phase one was "Agriculture: The Agriculture chapter addresses structural barriers to trade and will support a dramatic expansion of U.S. food, agriculture, and seafood product exports, increasing American farm and fishery income, generating more rural economic activity, and promoting job growth. A multitude of non-tariff barriers to U.S. agriculture and seafood products are addressed, including for meat, poultry, seafood, rice, dairy, infant formula, horticultural products, animal feed and feed additives, pet food, and products of agriculture biotechnology."
- Fund conviction remains solid (adding length to long position in down price action week), since 12/31/2024 Managed \$ has bought 119.9K Corn contracts; bought 98.2K Soybeans; 71.7K contracts of Soybean Oil; 12.3K contracts of Soymeal, while selling 15.5K of SRW & 7.4K HRW contracts. Would guess today's folly of - Tariff-on/ Tariff-off, starting on MAR 1st, to starting immediately - would cause staunchest fund bull to reassess position. Just today BOH25 rallied 150 ticks from 8:30am until 11:00am, dropping 200 ticks in next 30 minutes and then proceeded to rally 185 ticks in the next 15 minutes. Putting the "old CME pork belly futures" contract to shame.

### T-storm Weather Summary

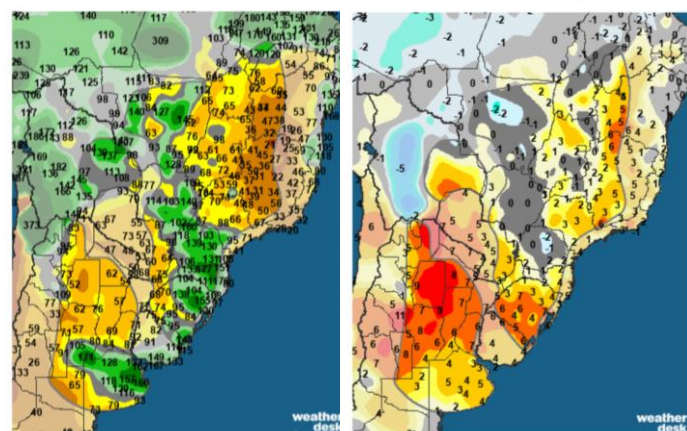
Upper-level high pressure induces heat in central / northern Argentina, far-southern Brazil, and Paraguay over the next 10 to 14 days, but with hints of cooling late in the period. Some waves of energy move along the edge of the high to trigger t-storms in key areas of Argentina (with totals over the next 14 days driven by expectations of a moderate to heavy cluster Wednesday). However, below-normal totals are probable in far-southern Brazil and Paraguay where rain is needed and best coverage is likely 10 to 14 days out. Otherwise, upper-level high pressure turns sensitive soybeans in northern Brazil drier, while rains are mixed central for early harvesting.

- Slightly wetter: 1.50" to 3.00" in key areas of Arg. from a t-storm cluster Wed., then some more with time.
- No change: low-90s to low-100s many of the next 10 to 14 days in Arg. (esp. north half), RGDS, Paraguay.
- No change: 1.00" to 3.00" in southern Brazil and Paraguay next 14 days; driest in RGDS and Paraguay.
- No change: 1.00" to 2.00" in northern Brazil next 14 days (~3.67" is normal); some t-storms in central Brazil.
- January was the driest since: 2013 in key areas of Arg., 1985 in southern Brazil, 1992 in eastern Paraguay.
- Rains Thursday and over the 7 to 10 days that follow induce river / field flooding in / near the U.S. mid-South.

### 1-15 Day Forecast

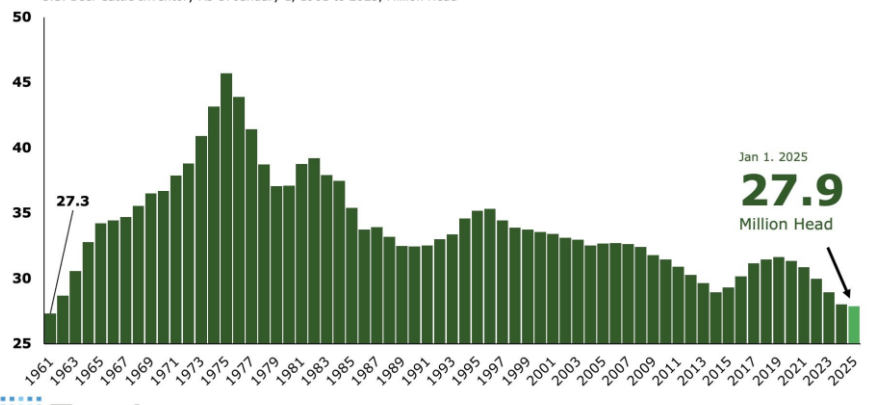
% Normal Rain

Temperature Departure



### U.S. Beef Cattle Inventory

U.S. Beef Cattle Inventory As Of January 1, 1961 to 2025, Million Head



Terrain

SOURCE: Terrain Analysis, USDA NASS