CGI MARKET NEWS

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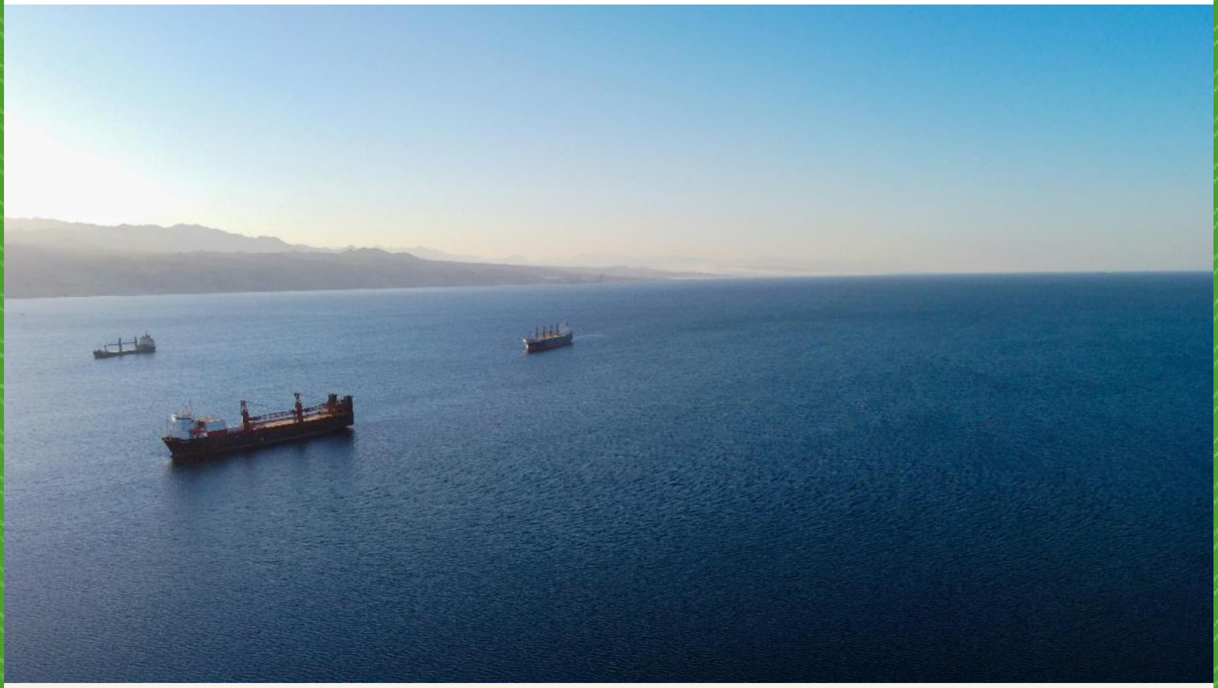
COLUMBIA GRAIN INTERNATIONAL, LLC



INTERNATIONAL

Wiley Wang, Merchant

Asian countries' next target for corn demand has shifted to July shipments. South Korea and Taiwan have a large portion of their demand uncovered, while Japan is almost fully open, with companies observing each other's actions.

If these demands start to move, it will likely be after the announcement regarding the port fees (USTR 301) for Chinese-built vessels tomorrow. Considering the strong opposition statements from bulk exporters, it is highly likely that a milder policy than the draft will be presented. Once the administration's policy becomes clear, it is expected that ocean freight rates will stabilize, and liquidity will return to the PNW FOB market. Furthermore, if the futures market shows a significant drop from the current high level, Asian demand is expected to increase. Therefore, FOB is expected to remain firm in the future. In Brazil, domestic demand for feed and biofuels is strong, and there might be no competitiveness for exports until their June shipment. PNW will likely be the cheapest origin until July shipment.

There is still no movement in soybeans. With the upcoming suspension of the Blender's Tax Credit (BTC), biofuel imports are expected to decrease and then domestic demand for soybean oil is expected to increase. While this would have a negative impact on exports, there are many uncertain factors such as 45Z, so we will keep an eye on the situation closely.

For wheat buyers, there is still some demand left to cover for July shipment, which is a transition month between old crop and new crop for winter wheat. We continue to face heavy competition from Australian wheat to the southern end of SE Asian countries, competition from Black Sea/EU to the west end of SE Asian countries, and competition from Argentina to west coast Latin Americas.

PULSES

Matt Searcy, Merchant

PEAS

China remains not an option to both USA and Canada. Argentina has taken full advantage with strong contracting of green peas to China and expected increase in green pea acres for 2025. Russia and Ukraine continue to dominate the yellow pea demand of China. USA domestic markets continue to buy but without USDA tender business having USAID, funding has remained with very small volumes.

LENTILS

Market remains very slow with limited global demand currently. India tenders continue to be filled with Pigeon peas leaving heavy stocks of green lentils still in warehouses throughout southern India. Many other destination markets such as South America and Europe continue to see pricing going lower and remain on the sidelines to buy. The USDA prospective planting report is showing nearly 20% more acreage and has many destination buyer's hopeful for prices to continue to slide downwards. Further export demand will be needed to spark a bit of rally through green lentil markets. Red lentil pricing has shown slight uptick throughout Canada due to lack of grower selling.

CHICKPEAS

Have found first uptick in several months in global markets. Mexico crop is expected to be around 15,000 MT lower than previous expectations. Desi chickpeas from Australia have risen around $1-$2 cwt into India and Pakistan markets. Large sized chickpeas finding demand while small sized continue to be overrun with Canadian and Argentine strong supply.

DRY BEANS

Markets have been active the past week as first insurance plant date approaches. The US market is still grappling with expected planted acres, after the prospective planting report print a modest 4% reduction in US acres year-on-year. Black bean competing origins, specifically Argentina and Brazil, have been very aggressive in recent weeks offering into Mexico for shipment April-August. It's unclear how much volume is priced to trade but any volume is directly replacing US/Canadian Black Beans. The pinto bean market is more stable today with competing origins not as price competitive versus the US.

Hard Red Spring Wheat

Justin Beach, Merchant

Overall, the HRS wheat market has seen modest price gains but remains under pressure due to global supply increases, bearish trader positions, and lower than ideal demand levels. Weather and export developments continue to shape short-term market trends. The weakness in the dollar has helped support cash prices in recent weeks and will need to be monitored very closely going forward. The WASDE showed an increased carryout projection due to increased imports and decreased exports. However, with the market looking at 9.4M planted acres in the 25-26 campaign that will likely necessitate demand rationing and next year looks to be very tight, no matter the yield outcome. The jury is still out on total planted acreage, but the market will likely need increased acreage, decreased exports, and/or increased imports from Canada.

Counter to this, many traders are anticipating a big post-planting push which has kept basis from running aggressively with limited producer engagement. Internationally, we have seen more interest in HRW with the cash price spread between spring wheat and winter wheat widening out. The Chicago Board of Trade, (CBOT), part of the CME Group, launched its new physically-delivered Hard Red Spring (HRS) Wheat futures and options contracts on April 13, 2025, with trading beginning April 14, 2025, for the July 2025 contract month. This launch, announced on March 18, 2025, and pending regulatory approval, directly competes with the Minneapolis Grain Exchange (MGEX) HRS wheat contract, now operated by MIAX Futures Exchange since its 2020 acquisition. The market reaction has been negative and trade volume has been extremely limited this week.

DURUM

Ryan Statz, Merchant

- On April 10th, the USDA published its April WASDE update that included a few notable changes in regard to durum wheat. The biggest and most critical was the large month on month reduction in 'ending stocks' which came in at 32 mbu versus 45 mbu in its last March update. They did this by plugging 15 mbu into 'feed and residual'. A drastic change, yes, but surprising? No.
    - As many know, there was a lot of durum that was fed because of lower TW and some other quality factors. Again, not a surprise here.
- Discussed in the previous CGI commentary, the USDA issued its March 1 'on-farm' & 'off-farm' stocks report that showed pretty similar levels of stocks to that of the previous year ('23/24). If you remember back, we ended '23/24 with 21 mbu of ending stocks. An ending stock number this year of 45 mbu in which stocks as of March 1 were pretty similar to the prior year led many to believe the 45 mbu was unrealistic and would drop. This doesn't mean to say we will drop to the 21 mbu ending stock number like the prior year as April/May/June business likely will slow because of the surge in pre-tariff Canadian imports….but something in between (~32 mbu) is a lot more likely.

U.S. Wheat by Class: Supply and Use

Year beginning June 1			Hard Red Winter	Hard Red Spring	Soft Red Winter	White	Durum	Total
			Million Bushels					
2024/25 (Proj.)	Beginning Stocks		274	190	126	85	21	696
	Production		770	503	342	276	80	1,971
	Imports		6	80	5	7	52	150
	Supply, Total 3/		1,051	773	473	368	153	2,818
	Food		386	260	155	85	84	970
	Seed		27	15	12	6	3	62
	Feed and Residual		25	20	70	-10	15	120
	Domestic Use		438	295	237	81	102	1,152
	Exports		205	255	120	220	20	820
	Use, Total		643	550	357	301	122	1,972
	Ending Stocks, Total	Apr	408	223	116	67	32	846
	Ending Stocks, Total	Mar	382	207	116	70	45	819

- Other events in durum are as follows;
    - It is seeding season. Pace will be studied as we progress for the next month.
    - The tariff situation….it has been quiet the last 2 weeks. But we can expect quick / volatile changes.
- Stay tuned as a lot of information is coming out that will surely impact markets in the next few weeks.

Ryan Statz, Merchant

HARD RED WINTER WHEAT

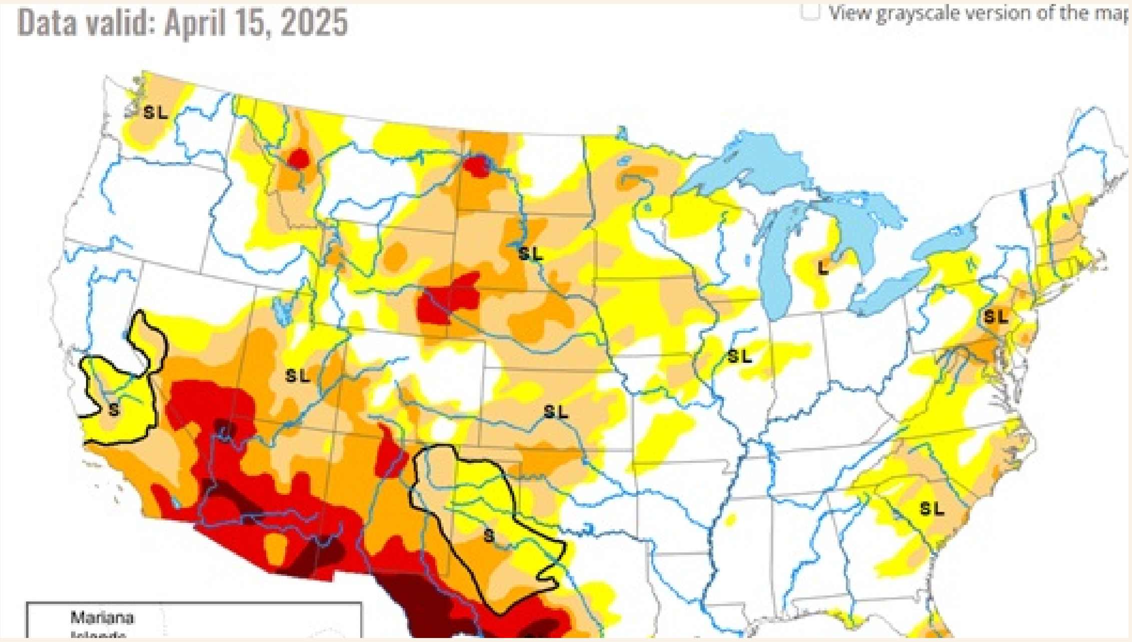
- Choppy-ness has been the name of the game in HRW markets the last few weeks.
    - Overall, traders still have a bearish flat price mindset and are leaning this way

Bearish:

- The USDA/WASDE issued on April 10th increased '24/25 ending stocks by a considerable amount going from 382 mbu (March) to 408 mbu (April). 'Exports' & 'Feed and Residual' quantities dropped considerably. With corn / HRW spreads as tight as they are, this is questionable…
    - World competitiveness (although spreads are inching closer to more favorable US business) & bigger '25/26 forecasted acreage (Montana up 15% Y-O-Y, US up 2% Y-O-Y) are pressuring markets.

Bullish:

- We have a drastically weaker dollar which is aiding support levels the last few weeks.
- HRS/HRW spreads have widened which will incentivize HRW demand.
- Drought conditions are a story in the US Southern plains. It was a very dry Jan/February/March and the future forecast doesn't look much more favorable. Simply put, this area needs moisture. US Drought Monitor below:



- In addition to futures action, the market continues to watch:
  - Rail Freight / Transportation
  - Global crop conditions/turmoil – particularly Russia/Black Sea
  - World ‘feed’ markets.
  - USD currency firmness
  - Tariffs

WHITE WHEAT

Steve Yorke, Merchant

As we march through April, we are continuing to see the same tight trading range for white wheat bids as we saw in Feb and March. Currently we sit at 6.20/Bushel with little reason to move much in either direction. Export business has been on the light side compared to the steady pace we saw through-out much of the winter months. No more Korean cargos popping up and the Gov CCC biz has been silent for some time now. Watch for continued light business in the months ahead and a similar trading pattern as well. I think we are locked into at 6.00-6.30 range until something changes: weather, demand etc. As of this writing exports for white wheat sit at 211MBU for the marketing year. As we have mentioned many times before this is a very healthy export year for white wheat and we should end up around 220MBU for the year, helping reduce the ending stocks to 70-75MBU. Down considerably from last year. All eyes are on this years crop and at this time things are looking very good in most areas. We will need to see continued steady demand in the months ahead to help keep stocks at slightly tighter levels. Tariffs and the Black Sea conflict will continue to be in play so have your orders in and working to capture any late session or evening rallies. Look for upcoming grower meetings in your area once spring work is complete. Happy seeding and stay safe.

BARLEY

Matthew Schorn, Merchant

Tariffs Update

- As of April 17, 2025, tariffs continue to escalate on a global stage impacting markets across the world.
    - As it relates to barley, US feed barley exports to Canada remain at a standstill with 25% tariffs on barley going north into Canada.
    - The Canadian election is on April 28th, after which we should see more clarity from the Canadian government on a path forward.
    - At this time, the focus seems to be on the automotive sectors, with agriculture along for the ride.
    - Both buyers and suppliers are hopeful that a long-term resolution to these tariffs will be reached, however, the market remains extremely volatile.

Malt Demand and Price Trends

- Malt demand remains at a standstill, with limited buyer activity in both the old and new crop positions.
    - Prices have had little change as of late with the market searching for a price floor as weak demand makes price discovery difficult.
    - New crop demand seems well covered at this time with new demand taking time as tariffs provide uncertainty on markets.
    - The malt-feed spread is tightening, as malt barley seeks alternative outlets amid growing concerns over quality.

Canadian Domestic Feed Market

- Canadian feed market has seen demand step in for May forward feed barley as feeders look to get coverage for existing cattle.
    - Feeders have been cautious in placing new cattle orders and are struggling to buy replacement cattle from the market.
    - The Canadian domestic feed market is firming on both feed barley and feed wheat with limited liquidity from the grower as on farms stocks tighten and the focus switches to seeding.
    - The Canadian feed market is the strongest value to the Montana Triangle grower with alternative feed barley markets in California, Montana, and Idaho bid at a discount to the Southern Alberta feed market.

- Imported corn is still not competitive in the feed ration compared to Canadian domestic barley, and buyers are hesitant to switch to a corn ration for the last 30-60 days on feed.
- Have seen virtually no US barley trade to Canada in the past month as tariffs continue to weigh on the market.

CORN

Joe Foley, Merchant

Corn futures have staged an impressive rally following the April WASDE report released earlier this month, gaining 25-30cnts. The weaker dollar, following ongoing trade disruptions / flight from U.S. assets in general, a continuing strong export campaign, and to a lesser extent some risk premium added for potential wet weather planting delays in the Midwest, all supportive elements. The USDA in their latest supply and demand balance sheet increased exports by 100mln bushels and slightly lowered feed and residual demand by 25mln bushels, tightening the U.S. carryout to 1.465bln bushels. Indeed, the export pace remains robust as there aren't readily available substitutes from competing origins until probably August. U.S. export commitments now exceed a year ago, by nearly 12mmt (472mln bushels). The PNW has already shipped 9.5mmt this crop year, vs. only 6.5mmt a year ago this time. Weather in South America is favorable however for Argentina's harvest (28pct complete), and there is ongoing beneficial rain in the forecast for Brazil's safrinha crop, the latter likely displacing U.S. corn to Asian destinations by August/September. Conversely, China remains absent from the world market, not just from U.S. origin corn, but from all origins. Their imports are down some 15-20mmt over the last couple years which continues to keep a lid on values. Look for western hemisphere weather and the latest tariff gyrations for forward guidance on prices.

SOYBEANS

Joe Foley, Merchant

Soybean prices have also enjoyed a moderate bounce since our last writing. The weaker dollar, steady exports (despite a record harvest in Brazil that's nearing completion), and higher corn prices all contributive. The funds are still modestly short soy futures, apparently waiting for the next bit of fundamental developments. The USDA will issue their first '25-26 supply and demand estimates next month, and it will be interesting to see how they tackle export demand in the midst of the ongoing trade spat with Washington and the Chinese. The supply side will necessarily incorporate the March 31 planting intentions and trend yields, but the exports are an extreme wild card given the current state of affairs. Recall the PNW is far more reliant on China than are other U.S. ports, so all eyes need stay focused on the ongoing tariff chaos. Brazil is still expecting a 170mmt crop (last year's U.S. crop was 119mmt), and yields in Argentina are so far better than expected for both soy and yc. Estimates for their corn and soy crops are 48-50mmt, each. Weather and tariff noise will continue to drive near term prices.

Phil Symons

It feels as if we really are finally turning the page and getting into spring planting season. With that, the busy work is getting ready to kick into second gear and your ability to watch the markets as closely as you have over the last few months will start to evaporate. Get those new crop pricing targets out there and working now so they are in place in the event something sneaks up on the markets and momentarily drives prices higher. Weather will begin to have a much more dramatic whip-saw price influences as we see planting pace increase throughout the U.S. The market reactions this year have the potential to be more dramatic and sensitive to weather than we have seen over the past few years given the recent shift in potential seeded acreage.

December 2025 Futures (CZ5) Thoughts:

When we look at new crop pricing alternatives, we have seen December 25 corn rally close to 30 cents from the most recent low and getting back to some of the pricing levels in terms of HTA's and accumulator contracts that we have been monitoring since August of last year. Current levels do look attractive in terms of pricing either HTAs, or Accumulator contracts to lock some of these values in. If nothing else look at initiating a “Ratchet Order” to have some kind of protection on the floor price. Given the increase in acres we anticipate seeing we would need to ‘feed the bull everyday’ to see the kind of price reactions we have seen over the last week and a half.

November 2025 Futures (SX5) Thoughts:

We have had a hard time getting to any of the pricing points that we have been monitoring since August of last year for November 25 soybean futures. With that we may need to re-evaluate the pricing points that we are looking for. One way to enhance the Futures price on SX5 sale would be to include some Accumulator contracts into your marketing plan to get a premium over the traditional HTA contracting. Knock-Out Accumulators are getting close to a 50-cent premium if not more to the traditional HTA. Using the Knock-Out Accumulator could get us much closing to the initial pricing point that we have been watching at $11.00.

September 2025 Chicago Futures (WU5) Thoughts:

We have seen WU5 trade at our first and second pricing points a few times since we started watching this contract back in August of last year. The last USDA supply and demand report was not that friendly US wheat, but we have seen Chicago wheat trade close to 30 cents above the most recent low (which is also life of contract low in WU5). We have a few hurdles that look to be relatively difficult to get over to trade back to the first pricing point that we have been looking at. BUT using one of our accumulator contracts can help get us over the hump and potentially give us enough of a premium over a traditional HTA to get back to that first level. As a reminder we can work Accumulator contract as Good-til - Cancelled orders as well. Be sure to get those orders out there and working to take advantage of any further upside we could see in Chicago Wheat. Especially on SWW HTA's or Accumulator contracts - When you lock in your futures price, we should also place an order to establish basis at a desired level that will get you the cash price you are looking for. SWW 'basis' moves rather erratically as the Chicago Wheat futures are not a true hedge for SWW cash prices so the 'basis' here can swing erratically any given day, ultimately giving us a lot of opportunities.

September 2025 Kansas

City Futures (KWU5) Thoughts:

Like Chicago Wheat, we have had a few opportunities to lock in some pricing points that we have been monitoring since August of last year. KC wheat does have a better story than Chicago wheat as the crop conditions in the ‘breadbasket’ have shown signs of potential production issues. With this we do need to be relatively careful thinking this will move the futures prices higher to a significant level. But if we can lock in either an HTA or an accumulator contract at our first pricing target again, which we have been looking at $6.25, we should be giving that some serious thought of pulling the trigger on additional sales. If we do see further strength in the KWU5 from a deteriorating crop in the breadbasket and have the opinion that we could see KWU5 run further, we should be looking to use a “Ratchet Order” to place a floor under the market but also participate if we do see KWU5 move higher.

September 2025 Minneapolis Futures (MWU5) Thoughts:

Just like Chicago and KC wheat, we have had a few opportunities to lock in some pricing points that we have been monitoring since August of last year. Similar to KC wheat Minneapolis wheat has more of a story than Chicago wheat. With potentially less acers being planted this planting campaign we could see the balance sheet get a little tighter for spring wheat. Again, we need to be relatively careful with this, as the old saying goes “*A known fundamental…. is a useless fundamental*” What this really means is that if we do see the Minneapolis wheat futures markets rally to our first pricing target of $6.50, we should be taking a close look at that. If we trade through $6.50, I would look for further resistance at $6.80 and give some serious thought to moving the pricing target down to $6.80 from the $6.95 area that we have been highlighting since August of last year. If we see MWU5 get to $6.80 and if we do not sell at that price, we should be looking to initiate a ‘Ratchet Order’ there as well.

Sean Ferguson, Merchant

CANOLA

ICE canola futures have continued their rally since the lows seen a month ago; there has only been one day in the last month where canola futures have closed lower than the previous settle. The main drivers contributing to strength in canola futures are the expected Canadian canola carryout, decreased acreage year-over-year, and recent strength in the biofuel blending incentive prices. Current Canadian exports mixed with a record crush pace could lead to the Canadian canola carryout printing in the neighborhood of 1MMT. Keep in mind, the last time Canadian Canola carryout dipped below 1MMT was in 2012. Despite the recent run up in prices, Canadian and US growers alike are deciding against planting canola where possible, rotations allowing; recent sentiment toward high input cost commodities has soured as average farm cash flows continue to decline going into the 2025 crop year. The biofuel market has seen a resurgence as of recent, which has provided additional demand for canola oil. Despite biofuel demand emerging in the market, cash crush is sharply lower with the recent run up in canola seed values and lower vegetable oil prices. This decrease in cash crush has put pressure on canola basis values across North America.

CGI is excited to announce a non-GMO canola Act of God contract. Contract specs include 20 bu/acre AOG on dryland and 40 bu/acre AOG on irrigated land. Experience the yields of commodity canola with the benefit of a healthy non-GMO price premium.

Planting seed is available for purchase. Please contact your local CGI representative for more information.

FLAX

The flax market has traded flat this past week. Stocks are tighter across North America – although recent relief from the USMCA exemption has axed a significant chunk of upward momentum. There is a chance we see higher prices in the old crop but expect prices to be capped as demand for flax/linseed oil will be rationed with any additional increases to the already wide price spread to alternate vegetable oils. Increased expected acreage in North America, mixed with expected acreage increases in the Black Sea should provide much-needed refresh of global stocks.

CGI's flax AOG pricing has now been released. Contact your local CGI elevator for up-to-date pricing.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