

China Soybean Buying, Brazil Credit Stress, and New Nitrogen-Efficiency Tools

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Fresh Chinese soybean buying supported U.S. markets while corn remained capped by favorable weather and strong crop ratings. This brief also tracks Brazil's farm debt and corn-disease risks, plus practical innovations in nitrogen efficiency, dairy feeding, and regenerative systems.

Market Movers

- **United States — soybeans:** Confirmed Chinese purchases of at least two cargoes of new-crop U.S. soybeans lifted futures. Commentary said U.S. beans are currently competitive with Brazil, and buying could become more aggressive if Washington and Beijing coordinate a rollback of the extra 10% tariffs. Domestic demand also stayed supportive: NOPA members crushed a record **189.79 million bushels** in May, while soybean oil stocks fell to **1.74 billion pounds**, a five-month low. Weekly soybean export inspections reached **19 million bushels**, up **27%** week over week and **132%** year over year. [1, 2]
- **United States — corn:** Export demand for 2025-26 was described as record-large, but favorable weather and crop ratings are still limiting aggressive buying. USDA rated corn **68% good/excellent** and soybeans **66%**, both up one point on the week. Corn export inspections were **64 million bushels** for the week ended June 11, down **19%** from the prior week. [1, 2]
- **United States — wheat:** Winter wheat improved to **27% good/excellent**, but that remained the lowest reading for this point in the season since 1989. Harvest reached **25%**. Market commentary said the HRW harvest is confirming poor yields, while late rains are raising

SRW quality questions that are more likely to be resolved in cash markets than in futures. [2, 1]

- **Livestock:** Cattle futures pushed to new highs as traders shifted focus back to cash fundamentals and feeder-cattle strength. Hogs remained weak, with analysts describing continued contra-seasonal selling despite slaughter running near year-ago levels. [1]
- **Brazil — export pace and physical markets:** Brazil shipped **4 million metric tons** of soybeans in the latest week, up **26.6%** from the prior week, taking commercial-year soybean exports to **60.3 million tons**. Santos soybeans were quoted at **R\$132/sack** and Paranaguá at **R\$133/sack**. Corn tone stayed softer on strong safrinha expectations, with CIF Campinas around **R\$62/sack** and Rondonópolis near **R\$46/sack**; commercial-year corn exports reached **3.5 million tons**, up **36.2%** year over year. [3]

Innovation Spotlight

Nitrogen-retaining corn roots in U.S. breeding programs

University of Illinois research is targeting below-ground maize traits that interact with soil microbes to retain nitrogen and suppress nitrous oxide emissions. The program is pulling genetics from South American maize and teosinte to reintroduce traits thought to have been weakened by decades of breeding under high fertilizer use. Reported upside includes lower fertilizer loss, reduced need for added nitrification inhibitors, potentially better nitrogen uptake and yield, and lower nitrous oxide emissions; researchers noted nitrous oxide has roughly **300 times** the global warming capacity of CO₂. Greenhouse work is complete; the team expects to narrow candidate compounds within about **two years**, followed by at least **five more years** of conventional breeding into Midwestern lines, with eventual scaling considered across roughly **100 million U.S. corn acres**. [4]

Dairy feed byproducts with measured efficiency gains

UC Davis work found that including grape pomace at **10-15%** of the ration improved milk yield and milk quality while reducing methane intensity in a system-wide analysis. Separate in vivo work with pre-fermented almond hulls — already about **8%** of California dairy feed — also improved productivity and lowered emission intensity. Related herd-efficiency work argues that more efficient animals reduce lifetime feed needs across both heifer and lactating stages. [5]

Profit-first regenerative transition

Gabe Brown's framework starts with the fastest profitability gains rather than a full-system overhaul.

“Start with that low hanging fruit always, because once a farmer or rancher sees higher profitability, they’re gonna go, I want some more of that.” [6]

In practice, Brown pointed to diverse cover crops grazed by livestock as a way to improve water infiltration and soil aggregation within one growing season while lowering fertilizer needs. He also cited **4.5 pounds/day** average gains on grass-finished heifers grazed on cover crops in North Dakota, with live weights just under **1,300 pounds**. [6]

Regional Developments

- **Brazil — rural credit:** The farm debt renegotiation bill, PL 5122/2023, is being framed around roughly **R\$170 billion** in stressed agricultural debt. The proposal would authorize credit lines using existing funds rather than automatic new Treasury spending. Eligibility requires at least **two production losses above 30%** since 2019, documented by technical report, and refinancing would be capped at **R\$10 million per operation**. Sector representatives say unresolved debt is already constraining access to new crop financing ahead of Plano Safra. [7]
- **Mato Grosso, Brazil — second-crop corn disease:** Producers near São José do Rio Claro are reporting a still-unresolved ear rot problem with symptoms that become evident only at harvest. Initial field losses reached **19 sacks per hectare**, and one producer put early losses above **R\$100,000**. Reported symptoms include salmon-colored growth on husks and ears and reddish lines in the grain; damaged kernels can also trigger commercial discounts. Fundação Rio Verde says diagnosis is still underway and that multiple agents may be involved. [8]
- **South and Southeast Brazil — weather:** El Niño-linked rainfall is expected to keep tightening fieldwork windows in the South through July-September, especially for winter-crop treatments and harvest timing, even as it improves moisture for coming soybean and first-corn planting. In São Paulo and southern Minas Gerais, forecasters also flagged more than **100 mm** of rain in **five days** next week as a risk for sugarcane, second-crop corn, and coffee harvest operations. [9, 10, 11]

Best Practices

- **Grains and weed management:** Crop canopy was presented as the most effective long-run weed suppressor. The operating levers cited were narrower rows, higher plant populations, strong drainage, and full fertility management that includes pH and nutrients beyond N-P-K. [12]
- **Pastures:** The same canopy logic applies to grazing systems. Rotational grazing helps avoid overgrazing, gives grass time to recover, increases pasture production, and reduces weed pressure. In cool-season grass pastures,

white clover was highlighted as a useful legume because it tolerates lower pH and poor fertility while supporting cattle nutrition. [12, 13]

- **Soil and mixed systems:** Integrating cover crops into cash-grain systems can capture more solar energy, bring in biologically fixed nitrogen through legumes, feed soil biology, and improve water infiltration and holding capacity. Brown’s field experience suggests meaningful infiltration and aggregation gains can show up within a single growing season when diverse covers are used and grazed. [6]
- **Livestock parasite control:** A preventive three-application protocol was described for grazing cattle: doramectin 3.5% at the start of the dry season in **May**, moxidectin 1% in **August**, and doramectin 3.5% again at the start of rains in **November**. The stated benefit was avoiding about **100 grams/day** of lost weight gain per animal. [3]
- **Dairy feeding:** Where regional byproducts are available, grape pomace at **10-15%** of ration and pre-fermented almond hulls both showed productivity gains in research settings, with the almond-hull work also emphasizing that the added processing cost has to be justified commercially. [5]

Input Markets

- **Fertilizer logistics:** Even if the Strait of Hormuz reopens, fertilizer shipments are expected to remain delayed while shipowners reassess security and higher-priority oil and gas cargoes move first. The backlog includes more than **40 fertilizer vessels**, and flows through the strait were said to be down **90%** from pre-conflict levels. U.S. fertilizer prices have pulled back from the recent war-risk premium but remain above year-ago levels. [2]
- **Nitrogen protection products:** Centuro APRO entered the market as a nitrification inhibitor **three times more concentrated** than the original Centuro formulation. The stated advantage is operational: less storage space, fewer totes, lower handling volume, and the same goal of keeping nitrogen in a more stable ammonium form longer to reduce leaching and denitrification risk. [14]
- **Seed economics in Brazil:** Seed was described as about **16%** of soybean production cost and about **25%** of corn production cost. Suppliers also pointed to region-specific cultivar portfolios, **5-6 months** of cold storage, and treatment packages designed to preserve vigor above **90%** and germination around **95%**. Seed piracy was described as down to **10-12%** nationally, although financially stressed regions still run higher. [15]
- **Labor:** U.S. H-2A guest farmworker certifications were reported up **17%** in 2026. In Washington raspberries, growers also cited fully phased-in overtime at **40 hours** as a major cost pressure. [16, 17]

Forward Outlook

- **Soybeans:** The next market test is whether China's first confirmed new-crop soybean purchases turn into a broader buying program, especially if tariff relief is coordinated. [1]
- **Corn:** Strong export demand alone may not be enough to lift prices while U.S. weather stays favorable and crop ratings remain firm; market commentary said a new bullish catalyst is still needed. [1, 2]
- **Brazil credit and crop risk:** Timing matters on PL 5122 because producers with unresolved debt may struggle to secure financing for the coming season. In Mato Grosso corn, losses may expand as harvest advances; one producer reporting damage had harvested less than **20%** of the area at the time of the interview. [7, 3]
- **Seasonal operations:** Southern Brazil's wetter July-September pattern points to shorter treatment and harvest windows for winter crops, while the near-term focus in São Paulo and southern Minas Gerais is using firm-weather windows before heavier rain returns. [18, 11]

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