# Corn Tests $5 as Soybean Oil, Trade Shifts, and Input Costs Reset Early-May Planning

Global Agricultural Developments

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This brief tracks early-May grain and livestock drivers, emerging rotation and dairy technologies, and major regional developments across the U.S. and Brazil. It also highlights actionable scouting, grazing, and input-cost considerations for the next 30-60 days.

### 1) Market Movers

- **Corn | United States:** New-crop corn reached **$5.00** for the first time since 2023, and December corn was described as making **3-year highs**, even though some market commentary still had the contract settling near **$4.94** after favorable planting weather, weaker crude, wheat losses, and farmer selling capped the breakout [1, 2]. Demand remained firm, with weekly export sales at **63 million bushels** and a separate **148,240 MT** flash sale to unknown destinations, while fertilizer risk, ethanol demand, and diesel inflation kept support under the market [2, 3, 4].
- **Soybeans | United States / China / Brazil:** November soybeans made new highs and July beans moved above **$12** as bean oil led the complex, helped by biodiesel demand, cold weather, heavy rains, and replant risk in parts of Indiana and Illinois [4]. Analysts also described the move as macro-led rather than purely fundamental, with China trade talks still a swing factor and discussion of a possible **25 MMT** new-crop purchase [4]. At the same time, high domestic bean-oil prices are starting to invite used cooking oil imports from China, and U.S. soybeans were described as expensive relative to Brazil [4, 2].
- **Wheat | United States / Europe:** Wheat pushed above **$7** and hit **2-year highs** as Southern Plains drought and frost damage worsened;

one estimate put HRW losses at **200-300 million bushels**, and Oklahoma's crop was **45% poor/very poor** with limited harvest in some areas and insurance claims already being paid [5, 4, 6]. The rally still faces price-rationing risk: U.S. wheat has become expensive enough that Polish imports into the U.S. were cited as a real possibility [4, 2].

- **Cattle and hogs | United States:** Live and feeder cattle still posted large weekly gains, but both markets finished off their highs as traders took profits and questioned how much beef demand can absorb with gasoline around **$5-$6** in some areas [7, 4]. Hogs turned lower on pseudorabies headlines; USDA confirmed cases in Iowa and Texas, and one market commentator called it the first case since 2004 [8, 4].

## 2) Innovation Spotlight

- **Winter camelina in Upper Midwest rotations | United States:** Cargill's winter camelina program is moving from concept to field scale. The crop is a winter-hardy brassica with about **40% oil**, planted in **September-October** and harvested around **mid-June**, giving corn-soy rotations a cash crop that also functions like a cover crop [9, 10]. The pilot has topped **10,000 acres** over three years and is targeting nearly double that this year, using West Fargo's soft-seed plant rather than requiring new crush infrastructure at this stage [10]. The main implementation constraints are herbicide residuals and short-term on-farm storage for the very small seed [10].
- **Buffalo dairy genetics | São Paulo, Brazil:** Buffalo dairies are using genotyping for the **kappa-casein** gene to improve cheese yield. Researchers said the favorable marker can lift cheese yield by about **10%**; more than **600 buffaloes** have been genotyped, and at least one producer is using the results across the entire herd [11].
- **Commercial cattle genomics | United States:** One cattle-tech provider framed genomic testing as a near-term commercial tool rather than a seedstock-only tool: testing **20 heifers** for about **$600** to identify the best **10**, then compounding those selection gains year after year [12].

## 3) Regional Developments

- **U.S. Corn Belt and Plains:** Corn planting reached **25%** of the U.S. crop, **6 points ahead** of the 5-year average, while soybeans were **23%** planted for the fastest start on record [9]. The setup is not uniformly friendly: rain has reached some drought areas, but a colder pattern **5-15°F below normal** raises frost risk, North Dakota had not started corn planting, and wet pockets in Illinois, Missouri, Indiana, Iowa, and Wisconsin were already talking about replants [9, 2].
- **Oklahoma wheat belt:** More than **80%** of Oklahoma remains in

drought, with **D3** drought worsening in the northwest and panhandle [13]. In the wheat belt, limited harvest is expected in parts of the southwest, claims are already being paid, and climatologists said any strong El Niño that forms is more likely to matter in fall-winter than rescue current spring-planted crops [6, 13].

- **Brazil-EU trade corridor:** Brazil's Mercosur-EU agreement entered provisional force on **May 1**. The agreement removes or reduces tariffs across more than **5,000** Mercosur products and could liberalize more than **90%** of bilateral trade; for agriculture, soluble coffee drops from **9% to 7.2%** immediately and to **0** over four years, while grapes move to zero tariff at once [14, 15]. Exporters also need to prepare for the EU's deforestation-free documentation deadlines at end-2026 for large and medium producers and **June 2027** for small and micro operations [15].
- **Brazil protein and weather:** Brazil's animal-protein complex remained export-heavy in 2025: poultry topped **15 million tons** of production with more than **5 million tons** exported, and pork exports reached **1.5 million tons**, moving Brazil ahead of Canada into the No. 3 global export position, with the Philippines now the top buyer [16]. Weather is diverging regionally: Rio Grande do Sul and Santa Catarina face **100-150 mm** rains and field disruption, while Colatina in Espírito Santo is expected to stay relatively dry, helping coffee harvest [17].

## 4) Best Practices

### Grains

- **Prioritize frost and stand checks** in early-planted corn and soybeans rather than assuming uniform injury. The colder pattern and temperatures in the **30s** raise risk, especially where soils remain saturated and storms already caused hail or ponding [9, 18, 5, 2].
- **Scout alfalfa weekly in May** for alfalfa weevil larvae ahead of first cutting. The recommendation was to spray immediately on detection before larvae pupate; pyrethroids remain the low-cost option in many areas, **Steward** is the higher-cost backup where resistance shows up, and adult control preference was chlorpyrifos [19].
- **Use stand thresholds, not guesswork, in older alfalfa.** A **17x17-inch** square gives a 2 $ft^2$ sample; the cited minimum for established stands was about **6 plants per square** (roughly **3 plants/$ft^2$**), while newer stands require materially higher counts [20].

### Dairy

- **In buffalo dairies supplying cheese markets, add kappa-casein testing to replacement decisions.** The reported gain was up to **10%**

more cheese yield, and the work is already being used in commercial herds in São Paulo [11].

### Livestock

- **Use lower-pressure herd handling where feasible.** Reported rangeland examples focused on getting cattle to water and ruminate together, then maintaining cohesion with limited presence rather than repeated chasing; one practitioner said weekly rides can hold a herd together for **1-3 months** if conventional handling does not break the pattern [21].
- **Reduce avoidable stress in feeding and calving systems.** In reported examples, calm feed delivery was associated with about **0.5 lb/day** better heifer gains, and later calving cut overall costs by **50%** with only about **10 lb** less weaning weight [21].

### Soil and forage

- **Treat pasture as a crop, not a leftover.** The guidance was explicit: manage entry height, exit height, stocking rate, and fertilization to protect margins [11]. In Upper Midwest row-crop systems, winter camelina can add revenue and soil cover between main crops, but only if herbicide carryover is planned a season ahead and small-seed storage is lined up before harvest [10, 9].

## 5) Input Markets

- **Fertilizer | United States and South America:** USDA's current fertilizer response includes Jones Act relief, review of shipping restrictions, more imports, and competition measures, but analysts still described urea and anhydrous ammonia as elevated enough to add about **$30-$55/acre** for corn [9, 10]. Commentary from grain markets also stressed that U.S. fertilizer is available but expensive, while the bigger worry is a Strait of Hormuz disruption hitting fall demand and South American needs [4].
- **Fuel | United States:** Diesel remains a direct margin issue. Cash diesel was described as record-high in some areas, Brownfield's weekly check put diesel at **$5.57/gal**, and social posts tracked weekly spikes of **75 cents** in Michigan, **60 cents** in Indiana, and **42 cents** in Illinois during planting season [4, 7, 22].
- **Fuel | Brazil:** Farsul estimated higher diesel already adds about **R$7 billion** to 2026/27 mechanical field costs, with another **R$1.3 billion** added for each **R$0.25/L** further increase [14].
- **Crop protection and labeling:** Alfalfa weevil management is showing a split between cheap but increasingly unreliable pyrethroids and higher-cost **Steward** with longer residual [19]. On the policy side, the House removed

pesticide-labeling preemption language from the farm bill, leaving more case-by-case uncertainty around labeling and liability [10].

- **Biofuel feedstocks:** High bean-oil prices are beginning to pull used cooking oil imports from China back into U.S. renewable diesel channels, a sign that very strong soybean-oil pricing is starting to ration demand at the margin [4].

## 6) Forward Outlook

> "Next 30-60 days are critical." [23]

One market commentary paired that view with the idea that the market is entering an opportunity window and that corn is usually lower from April into August, making early-summer pricing decisions more time-sensitive after the recent move above $5 [23].

- **USDA calendar | United States:** The **May 12** report will deliver the first new-crop corn and soybean balance sheets, a release several analysts flagged as especially important after weather, fertilizer, and acreage uncertainty increased [4, 2].
- **Weather watch | United States and Brazil:** El Niño strengthening is drawing attention to global production risks, including Brazil [9]. In Oklahoma, however, climatology points to any strong El Niño helping more in fall-winter than in the immediate spring [13].
- **Policy watch | United States and EU/Brazil:** Senate farm bill work is next, with a standalone **E15** vote expected separately, while Brazilian exporters need to spend 2026 building documentation to comply with EU anti-deforestation rules [9, 2, 15].
- **Trade and regional watch | China and Brazil:** Soybean trade talks with China remain an upside-downside swing factor for new-crop demand [4]. In Brazil, southern rains could interfere with fieldwork over the next 10 days while Espírito Santo coffee areas stay comparatively favorable for harvest [17].
- **Livestock watch | United States:** Follow-up testing and market reaction after pseudorabies cases in Iowa and Texas are likely to keep hogs headline-sensitive in the near term [8, 4].

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