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U.S. grain and livestock markets firmed on drought, exports, and fund buying, while Brazil's Agrishow brought new machinery credit and biodiesel testing. This brief also tracks precision-ag return signals, fertilizer stress, and the emerging El Nino watch for 2026-2028.

1) Market Movers

Broad risk-on buying returned to agricultural markets. One market wrap cited combined soybean-complex fund length above 470,000 contracts, while CFTC data showed large money managers bought 30,000 corn and 19,000 soybean contracts for the week, leaving funds net long 361,000 contracts across corn, soybeans, and SRW wheat [1, 2].

- **Wheat | United States:** Hard red winter wheat remains the most weather-sensitive U.S. market. Futures added drought premium as southern Plains dryness persisted, and one analyst said Kansas City wheat could test $7.00-$7.50 if rains miss and U.S. yields fall below 42 bu/acre [1]. Crop conditions remain weak: national winter wheat stayed at 30% good/excellent, but the top five HRW states averaged just 13.8%, the lowest for that group in the last decade [3]. Arlan Suderman also noted the national condition index fell 3 points to 287 as poor/very poor rose to 35%, while Nebraska's condition index dropped 26 points as poor/very poor jumped to 65% [4, 5]. Export demand is still supportive: wheat export inspections were 13.4 million bushels for the week, and marketing-year-to-date pace remains 35 million bushels ahead of USDA's target pace [6, 7].
- **Corn | United States / export markets:** Corn continued to grind

higher on export strength, low global stocks, and concern that higher fertilizer and fuel costs could tighten new-crop balances if acreage or input use slips [1, 8]. Export inspections reached 64.7 million bushels for the week ending April 23, and marketing-year-to-date inspections are still 255 million bushels ahead of the pace needed to hit USDA's target [6, 9]. Flash sales to Mexico and Colombia were cited as evidence that U.S. corn still looks like value to key buyers [8].

- **Soybeans | United States / Argentina / Brazil / China:** Old-crop soybeans were supported by stronger-than-expected export inspections, record crush, firm soybean-oil demand, and frost concerns in Argentina's meal supply chain [1, 10]. New-crop sentiment is more cautious: traders expect extra acres, world stocks are described as record high, China demand remains uncertain, and Brazilian and Argentine offers were cited at \$0.60 to \$1.20 per bushel below U.S. values [1]. Soybean export inspections still trail the pace needed to hit USDA's goal by 33 million bushels, though the deficit narrowed by 10 million bushels this week [10].
- **Cattle and hogs | United States / Mexico / China:** Cattle rallied for a third day as concern about a near-term Mexico border reopening eased after Secretary Rollins canceled an Arizona trip citing biosecurity concerns [11]. Cash cattle traded around \$246 midweek, with some feedyards passing \$248 on Friday and talking about a possible return to \$250; the same interview described supplies as tight for the next 30-45 days [11]. The main counterweight is positioning: funds were still described as a little over 135,000 long in cattle futures and options, leaving liquidation risk if the trade turns [11]. Hogs are trying to put in a seasonal low, helped by tight feeder pig supply and good domestic demand, but analysts also pointed to large global pork supplies and limited expectation of Chinese buying [11, 1].

2) Innovation Spotlight

- **See & Spray | United States:** John Deere said its See & Spray system is now showing measurable yield impact as well as input savings. Company trials cited an average **2 bu/acre soybean gain**, with results as high as **4.8 bu/acre**, alongside lower herbicide and water use; positive results were also reported in cotton [12]. Seven additional crops are being added for model year 2027: wheat, canola, barley, sugar beets, peanuts, milo, and edible beans [12]. The system also returns weed-pressure and as-applied maps, and pricing is tied to actual savings achieved in a field rather than a flat per-acre charge [12].
- **Broadband-enabled precision ag | Arizona, United States:** Yuma County is building a **\$6 million** fiber-and-tower network designed to deliver internet speeds up to **10x faster**, enabling autonomous tractors and better-connected water management in a county that produces about **90% of U.S. winter leafy greens** [13]. The benchmark cited for precision-ag adoption was a **5% productivity gain**, **5% lower water use**, and **7%**

lower fuel use [13]. Arizona also signed measures allowing autonomous farm equipment to travel short distances on public roads and creating a broadband service district structure [13].

- **Sprayer ownership and late-season access | United States:** Operators interviewed on Farm4Profit said owning a sprayer can remove **4-5 day** co-op waits and, on a smaller farm, cash-and-carry chemical buying alone saved about **$20,000 per year** [12]. Hagie highlighted **73-inch clearance** and **2,000-gallon** capacity for late corn passes [12]. In the same discussion, one grower said fungicide access during southern rust pressure protected roughly **40 bu/acre** of corn yield on his farm [12].
- **Public agricultural R&D return | Brazil:** Canal Rural cited Embrapa's latest social balance showing **R$27 returned to society for every R$1 invested**, based on roughly 200 evaluated technologies; the organization also estimated those technologies accounted for **17% of Brazil's agricultural GDP** in 2025 [14].

3) Regional Developments

- **U.S. High Plains and Corn Belt:** Drought remains the defining regional story. About **70%** of the U.S. winter wheat crop is now in drought, the highest share since December 2022 [2]. Weekend rains were scattered and missed most hard red winter wheat country [2]. Another market update said roughly **1 inch** in parts of Kansas and Nebraska may help forage, but likely will not restore major yield potential because the crop is already stressed and advancing quickly in warm weather [8]. Planting conditions are mixed elsewhere: Missouri and parts of Iowa have been slowed by rain, but much of the rest of the Corn Belt is still near normal, with warm southern temperatures supporting fast emergence [8, 2].
- **Brazil machinery, credit, and farm balance sheets:** Agrishow 2026 opened in Ribeirao Preto with **800 exhibitors**, about **520,000 m2** of exhibition area, and roughly **197,000 visitors** expected; the prior edition generated **R$14.6 billion** in business intentions [14]. The federal government announced a **R$10 billion** machinery credit line through FINEP at single-digit rates [14, 15]. Sao Paulo state is also preparing **R$40 million** in machinery subsidy support and **R$100 million** for rural insurance, covering about **R$20 billion** in protected production [15]. At the same time, sector leaders described record harvests arriving alongside low or negative margins, high interest rates, weak national insurance coverage, and rising producer indebtedness and judicial recoveries [14, 15].
- **Brazil biofuels and soybean demand:** Brazil will begin **B20** testing in May, up from the current **B15**, to evaluate technical impacts and operational safety [16]. In the same discussion, speakers argued that Brazil should channel more soy into biodiesel as external demand becomes less certain and China reduces soy use in pig feed [16]. They also said current engine adaptation limits practical blends to roughly **20-30%** for now, versus **50%** palm-based biodiesel in Indonesia [16].

- **Black Sea fertilizer risk | Russia / Ukraine:** A Ukrainian drone attack damaged a fertilizer facility owned by PhosAgro and an oil refinery; the fertilizer site was reported as being targeted for the **second time this month** [17].

4) Best Practices

Grains and crop protection

- **Apply post-emergence early:** For Enlist One on Enlist-traited crops, the recommended rule of thumb was to spray while weeds are under **6 inches** for best efficacy [18].
- **Match spray volume to canopy:** Guidance called for **10-15+ gallons/acre**, with volume rising as canopy height and weed density increase [18].
- **Do not cut rate or setup:** Calibrate equipment, use the full **2 pints/acre** rate, and optimize pressure through the combination of speed, volume, and nozzle selection [18].
- **Protect the next load:** Clean the sprayer after application [18].
- **Keep timing control where disease windows are short:** Growers interviewed on sprayer ownership said co-op application waits can run **4-5 days**, which is a meaningful delay when weather or disease timing narrows the window [12].

Livestock risk management

- **Use LRP as a floor-building tool:** Farm Journal described Livestock Risk Protection as a USDA-subsidized put-option equivalent that can cover **75-100%** of expected value for **13-52 weeks** and scale from **1 to 12,000 head** [8].
- **Cash-flow advantage matters:** Premiums are paid after the policy expires, and if an indemnity is triggered the producer may never make a premium payment [8].
- **Know the settlement reference:** Policies settle against benchmarks such as the **five-area fed cattle average**, the **CME feeder cattle index**, or hog indexes depending on policy type [8].

Dairy, forage, and field operations

- **Watch the frost threshold, not just the headline forecast:** In Sao Jose dos Ausentes, an important dairy and potato area in Rio Grande do Sul, forecasters said frost risk stays low around **5C** but rises if temperatures slip below that level [19].
- **Use connected systems for water efficiency where infrastructure exists:** The precision-ag benchmark cited in Yuma was **5% lower water use** and **7% lower fuel use**, which makes connectivity itself an operational input in irrigated systems [13].

5) Input Markets

- **Fertilizer prices remain the clearest pressure point:** Canal Rural reported that, since the start of the Middle East conflict, Brazilian prices have risen about **63% for urea**, **30% for ammonium sulfate**, and **60% for ammonium nitrate** [15]. In the U.S., nitrogen prices were also described as stubbornly high even after crude oil fell below **$100 per barrel** following the April 8 ceasefire announcement [20].
- **Availability risk is back in view:** The PhosAgro strike in Russia does not quantify lost volume, but it is a fresh reminder that fertilizer infrastructure is being hit directly; it was the second reported attack on that facility this month [17].
- **Policy help looks longer-dated than immediate:** One grain market note said the USDA is doubling supplemental disaster relief payment factors from **35% to 70%**, and the Trump administration is expected to announce measures aimed at expanding domestic fertilizer production, but that those measures are unlikely to provide short-term relief [2].
- **Energy linkages are still shaping crop economics:** Corn analysts tied higher fertilizer and fuel costs to Middle East disruption risk [1]. On the fuel side, U.S. ethanol was described as the cheapest relative to gasoline in roughly **20 years** [21].
- **Feed formulation trends matter for soybean demand:** In Brazil, commentators said China is actively adjusting swine rations to use less soy, which is part of the argument for redirecting more Brazilian soy toward biodiesel [16].

6) Forward Outlook

- **Global weather watch | El Nino:** NOAA's April update put the probability of El Nino developing this year above **90%**, with about a **one-in-four** chance of a very strong event by year-end and model guidance near **+1.8C** in the key Pacific zone by Q4 [22]. The important planning point is timing: historical production impacts tend to lag the climate peak by **6-12 months**, implying tighter physical supply into **2027-2028** rather than an immediate one-season shock [22]. The highest sensitivities cited were cocoa and palm oil, followed by cotton, wheat and rice, and sugar; soybeans are mixed and coffee was described as low risk on quantity [22]. Exposure is concentrated in **Indonesia, Malaysia, India, and Ecuador**, while Brazil was described as roughly neutral overall [22]. The key near-term watches are the **May NOAA update**, the **June IRI run**, and the **Indian monsoon from June through September** [22].
- **United States weather and crop watch:** Wheat still needs more than scattered showers, and several analysts framed current rains as more helpful for forage than for full crop recovery [2, 8]. For corn and soybeans, the near-term issue is not national delay but uneven field access, with wetter pockets in Missouri and Iowa contrasting with otherwise workable

conditions [8, 2].

- **Brazil calendar watch:** B20 biodiesel testing starts in **May** [16]. Debt-renegotiation talks are also active this week, with Brazil's Finance Ministry proposing alternative terms of up to **6 years** for rural debt restructuring after earlier efforts ran into bank-agreement problems [23]. Agrishow's machinery credit line is expected to begin within about **three weeks** [15].
- **Trade policy watch | United States:** USDA's Under Secretary for Trade is scheduled to make an announcement on trade and foreign agricultural affairs on **Wednesday**, described as an important step in a three-point plan to advance U.S. agricultural exports [24, 25].

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