E15 Support, Fertilizer Tightness, and Brazil's Weather Shift Reset the Farm Outlook

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Chicago grains strengthened on energy and biofuel support, but fertilizer supply, diesel logistics, and old-crop export uncertainty are still shaping margins. This brief also highlights measurable ag-tech results in autonomous grazing systems, biological rootworm control, and practical nitrogen, soil, and forage strategies.

1) Market Movers

- **Chicago grains finished higher on March 25.** Soybeans closed at **$11.73/bushel** (+1.60%), corn at **$4.67** (+1.08%), and wheat at **$5.99** (+1.61%) [1]. The move was tied to Middle East risk premium and distorted oil spreads, with Dubai oil near **$160/barrel**, Oman near **$152**, and Rotterdam near **$112** versus Brent around **$95** [2]. One analyst also linked the rally to hotter-than-expected PPI data and a rotation into grains and energy as relatively undervalued hard assets [2].
- **U.S. corn remains technically firm, but cash movement is capping nearby enthusiasm.** Analysts said old-crop basis has been weighed down by farmer selling after a **50-cent rally** from January lows to generate pre-planting cash flow [2]. Even so, old-crop corn is trading above all major moving averages, with the **100-day above the 200-day** and a series of higher highs and higher lows [2]. Corn also found support from EPA's decision to allow summertime E15 sales and from expectations around upcoming RVO levels [3, 2]. A separate market commentator cautioned that temporary E15 waivers may not add much corn demand because ethanol grind is already near capacity and no new plants are being built [4].
- **U.S. soybeans are being supported more by biofuels than by old-crop export certainty.** Market commentary described old-crop China

demand as muted after the U.S.-China summit was pushed to **May 14-15**, with talk that a potential **8 million metric ton** purchase could be delayed into **June or July** [5, 2]. At the same time, funds were said to remain long because of optimism around RVOs and current crush margins [2].

- **Wheat is drawing support from crop stress and global production risk.** In the U.S. Southern Plains, Oklahoma was only **14% good/excellent** and Texas **16%**, with some areas already considered unlikely to be harvested [5]. Outside the U.S., Australian farmers are reducing wheat acreage because fertilizer and diesel availability are tightening, while the EU is already assuming production will be **6-8%** below last year and could fall further if spring fertilizer is short [5].
- **Livestock signals were mixed.** U.S. cattle traded lower on weaker box beef values and higher grain prices [5], but analysts also noted that drought-driven cattle movement is likely to leave a tighter back-end supply situation later on [5].

2) Innovation Spotlight

- **U.S. row-crop/livestock integration posted standout yield and profitability data.** At Precision Planting's PTI farm in Pontiac, Illinois, the Stock Cropper system produced **434.9 bu/acre** corn in 2024 and **426.7 bu/acre** in 2025, breaking the prior site record by **30 bushels** and delivering the highest profitability among the innovations tested there [6]. The system combines autonomous pens with rotational grazing between row crops and can handle multiple livestock species in the same setup [6].
- **The same platform is moving down-market with a lower-cost autonomous drive unit.** The new **Cluster Cluck Drive** is a bolt-on, solar-powered motor system designed to move pens of up to **600 pounds** by app, remote, or key fob [6]. The targeted price is **$2,500**, versus roughly **$10,000** for a fully featured Pico unit, with commercial release targeted for **2027** [6].
- **Corn biological seed-treatment tools are moving deeper into rootworm control.** AgExplore's **Grow Pack CT**, launched in 2024 for corn, is a planter-box biological treatment that replaces talc/graphite lubricants and combines Trichoderma for early disease defense, a nutrient-solubilizing biological, and a root-colonizing biological repellent for corn rootworm [7]. In Indiana farm trials near Purdue, users reported rootworm feeding was close to zero across soil types and hybrids, with better late protection than traditional insecticides that may wear off after **30-40 days** [7]. The economic hurdle was described as roughly **3-4 bushels/acre**, and in the highest-pressure zones the recommendation is still to pair it with traits or insecticides [7]. The product is EPA-registered and commercially launched [7].

3) Regional Developments

- **Brazil-China soybean trade is under active phytosanitary negotiation.** China blocked about **20 ships** in March after detecting prohibited weed seeds, and roughly **80%** of Brazilian soybean production goes to China [8]. Brazilian agriculture officials and exporters are in Beijing from **March 20-29** to resolve the issue, with discussion centered on inspections and a possible relaxation of China's zero-tolerance approach to impurities [1, 8]. Despite the dispute, ANEC raised its March soybean export projection to **16.7 million tons**, up **2.6%** from the previous estimate and **6.5%** above March 2025 [1].
- **Brazil's safrinha corn clock is tightening.** Second-crop corn planting is running **4%** behind the same point last year [9]. Mato Grosso has finished planting and is getting supportive rain [10], but São Paulo has planted only about **20%** of intended area and remains roughly **65-70%** behind last year [9, 1]. Weather models point to neutral conditions through autumn before a **moderate-to-strong El Niño** returns in winter [11]. Center-West rains should persist into the **second week of May**, but corn planted in April faces a shorter development window and lower yield potential [11]. Above-normal autumn temperatures are also expected to increase pest pressure [11].
- **Rio Grande do Sul is dealing with a combined drought and diesel problem.** Canal Rural reported that prolonged drought and diesel scarcity are threatening summer crops, livestock, and municipal services [12]. In the state, **S10 diesel** was reported up **24.4%** from pre-war levels [12], and some producers are being rationed to **200-300 liters**, which is inadequate during harvest [12]. At the state level, **166 municipalities** have reported diesel supply problems, with severe shortages affecting public services and road maintenance [1].
- **Australia and the EU are becoming clearer supply-side watch points.** Australian farmers are shifting away from wheat because fertilizer from China, Morocco, and Saudi Arabia is constrained and diesel is tight [4]. In the EU, high internal input costs and uncertain fertilizer availability already point to production down **6-8%** from last year, with risk of a larger decline if spring supply remains tight [5].

4) Best Practices

- **Test soil before buying more nitrogen.** Ag PhD noted that many growers assume only **10-40 lbs/acre** of nitrogen remain at the start of the season, but tests sometimes show **100+ lbs/acre**, regardless of the prior crop [13]. They also estimate that each **1%** of organic matter can release **20-30 lbs of N** over the season, mainly from **May through October**, not all at once [13]. The practical takeaway is to soil-test first, then size N programs to actual carryover and mineralization potential [13].
- **For Brazilian soil management, no-till still comes back to three**

basics. True plantio direto means **no soil disturbance**, **permanent soil cover**, and **species diversification** through rotation or succession [14]. Research and field results cited by Canal Rural linked that package to maintained productivity, better soil chemical, physical, and biological properties, more organic matter, higher infiltration, and greater biodiversity [14]. When combined with crop-livestock-forest integration, pasture can keep soil covered through the dry winter, support grazing, and still serve as cover for the next summer crop [14].
- **Tifton-85 is being used as a drought-management forage strategy in Brazil's semi-arid Northeast.** In Ceará, cloned and genetically improved Tifton-85 is being used to stabilize meat and milk production under dry conditions [15]. The grass combines high-temperature tolerance with rhizomes that store energy for dry periods [15]. It was described as having **more than double the protein** of other tropical forages, while also increasing stocking rate per hectare and improving soil moisture retention and organic matter buildup [15].
- **In high corn rootworm pressure zones, biological tools are being used as complements, not universal replacements.** Farm-level guidance on Grow Pack CT was to combine it with traits or conventional insecticides in the strongest-pressure red zones, even though it provides season-long biological suppression [7].

5) Input Markets

- **Brazil's fertilizer situation remains the main input risk.** Brazil still imports about **85%** of the fertilizer used in its agriculture, and growers still need to secure roughly **65%** of supply for the next safra [16]. Current stocks were estimated at only **2-3 months** of consumption, while incoming ship lineups are running **35-40%** below expectations, especially in phosphates [16].
- **Phosphorus and nitrogen are the most exposed nutrients right now.** The Strait of Hormuz handles roughly **30-40%** of global nitrogen and sulfur transit, and sulfur is a critical input for phosphate products [16]. One Brazilian fertilizer executive said phosphorus is the most stressed segment because sulfur costs are now close to MAP prices, and Chinese phosphate stocks and lineups are about **35%** below the same point last year [16].
- **U.S. nitrogen pricing has moved sharply higher.** Gulf urea was cited at **623**, while Illinois retail urea ranged from **780 to 875**, averaging **822.50**, which is up **231.50** in two weeks [4]. Russia has also suspended ammonium nitrate exports from **March 21 to April 21**, and the country accounts for roughly **20%** of global fertilizer trade [4].
- **Diesel policy is now part of farm cost management in Brazil.** The federal government has proposed a new import subsidy of **R$1.20/liter** for diesel for **two months**; together with earlier measures, support could total **R$1.52/liter** if approved [1]. Higher transport costs are already

changing commercial behavior in perishables, with egg producers prioritizing nearby buyers because freight has become too large a share of box cost [1].

- **Crop-protection input pipelines are shifting toward biological delivery systems.** In corn rootworm control, Grow Pack CT is already launched and EPA-registered [7], while Corteva showcased a **2026** Speedbox release containing the Hypera biocapsule for rootworm suppression [17].

6) Forward Outlook

- **Energy and biofuel policy remain the immediate market watch list.** Traders are looking ahead to the **EIA monthly report on April 7**, **OPEC on April 13**, and the **IEA report on April 14** for signals on how the Middle East situation may affect energy prices [2]. RVO decisions remain part of the support story for corn and soybean oil [5, 2].
- **The next acreage discussion is likely to stay corn-versus-soybean focused.** One market view flagged the possibility of as much as **5 million fewer U.S. corn acres**, with a corresponding shift into soybeans, in upcoming reporting and trade expectations [2].
- **Brazilian crop planning now hinges on both rainfall timing and pest pressure.** For already-planted safrinha corn, Center-West moisture should remain adequate into mid-May [11]. For late planters, however, April seeding increases yield risk [11]. If the projected warmer pattern persists into winter, pest pressure should remain elevated, especially in Center-North regions [11].
- **Brazil-China soybean talks could produce a near-term trade rule change.** Brazilian officials are still trying to secure a meeting with Chinese authorities, and the ministry said that could happen in the next few days or by next week [8].

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