Fertilizer Shock, Brazil Harvest Delays, and New Evidence on Dairy Methane Tools

Global Agricultural Developments

2026-03-10

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By Global Agricultural Developments • March 10, 2026

U.S. grain and livestock markets swung sharply with oil and fertilizer volatility, while Brazil's soybean belt dealt with both flood losses and drought stress. This brief also highlights early-plant soybean systems, California dairy methane mitigation data, and the latest fertilizer, feed, and ag-chemical constraints.

1) Market Movers

- **Global / U.S. / Brazil — energy and fertilizer are setting the tone.** The Middle East conflict pushed Brent back above $100 a barrel and triggered what one analyst described as extreme volatility across agricultural commodities. On fertilizers, Middle East April urea was reported up **42%** week over week, NOLA urea up **30%**, and global urea up **$120-$130** in the last week. Brazil also reported a **15%** rise in urea prices since the conflict began [1, 2, 3].
- **U.S. grains — price action was highly volatile, not one-way.** Morning trade lifted May soybeans to about **$12.16/bu**, May corn to about **$4.68/bu**, and Chicago May wheat to about **$6.21/bu** as crude rallied. Later, farmer selling and broader market pressure pulled prices back; by the close, Chicago wheat was down **2.31%** to **$6.02/bu**, with soybeans and corn also lower. Even so, December corn still traded to **$4.985**, and new-crop November soybeans were cited at **$11.50**, keeping new-crop pricing opportunities in view [4, 5, 6].
- **U.S. grain support still has a positioning and export component.** For the week ending March 3, funds were net buyers of **65,000 corn contracts** and **16,000 soybean contracts**, taking corn to its largest net long since April 2025 and soybeans to their largest net long since December

2025. Support also reflects strong U.S. corn exports; one analyst said the U.S. and Argentina are effectively the two main corn exporters right now, and another cited **3.3 billion bushels** of U.S. corn exports this year. Cash basis has not moved as dramatically as futures, with week-over-week basis changes described as minor overall [4, 6, 7, 8].

- **U.S. livestock — cattle weakened on macro fear, while hogs held firmer.** Cattle futures sold off as crude surged and equity markets fell, feeding recession and disposable-income concerns. Cash cattle traded at **$240** last week, and futures broke key technical levels. Hogs were described as more resilient because disease is affecting supply and pork remains competitively priced domestically [9].

2) Innovation Spotlight

- **U.S. Midwest — early-planted soybean systems are becoming more technically robust.** Sources attributed the shift to stronger soybean germplasm and broader seed-treatment use, allowing beans to stay in the ground for roughly **20 days** before emergence without the partial-stand issues common a decade or two ago. The management package cited in the sources included about **$50-$55/acre** in seed-treatment protection, **1-1.5 inch** planting depth, and longer-residual pre programs. Source examples included Kyber Pro at **6-8 weeks** of residual control and Sonic Boom-based programs to reduce extra rescue passes. The economic case presented was preserving the early-plant yield window while avoiding replant risk, extra spray trips, and added compaction [10].
- **California dairy — methane mitigation is moving beyond concept into measured program results.** California's dairy digester and alternative manure management programs have funded **273 projects**, backed by **$300 million** in state support and **$453 million** in matching funds, with reported reductions of about **2.6 million metric tons of CO2e per year**. On enteric methane, the webinar cited average reductions of **30-35%** for 3-NOP, **50-80%** for seaweed, and up to **90-95%** for synthetic bromoform approaches, alongside potential feed-efficiency gains. Researchers also described blood, meat, taste-panel, and lifecycle-assessment work designed to verify animal health, product quality, and net climate benefit; for additives already assessed, lifecycle emissions were said to offset **less than 1%** of the methane reductions achieved [11].
- **Brazil — biological system design and diagnostics are moving onto commercial farms.** In São Paulo, a soybean operation with more than **40 years** of no-till grain production reported higher soybean productivity and lower costs from crop rotation, cover crops, and soil microorganisms. The farm is also adding a multifunctional ecological corridor to attract natural enemies year-round. In Bahia, molecular diagnostics are being used to identify key pathogens in soy, cotton, and corn soils quickly

and guide interventions more precisely [12, 5].

3) Regional Developments

- **Brazil — the soybean story is now split between flood losses and drought losses.** AG Rural said Brazil's soybean harvest reached **51%**, the slowest pace since 2021. In Rio Grande do Sul, drought is cutting yields, while in Mato Piba excessive rain is threatening grain quality. In Marcelândia, Mato Grosso, rainfall has already exceeded **2,200 mm** and may reach **3,000 mm** versus a normal **1,800-2,000 mm**; about **35%** of the region's **200,000 hectares** was still left to harvest, with farm-level losses estimated between **10% and 32%**, and second-crop corn planting already delayed [5, 13].
- **Brazil weather window — central producers have a narrow chance to catch up.** Forecasts point to a **5-6 day** firmer-weather window in Mato Grosso, Goiás, and Bahia that should help soybean harvest and second-crop corn planting before heavier rain returns next week. In Paragominas, Pará, roughly **300 mm** is forecast over the next 30 days, supporting soybean development now but potentially complicating harvest later, with wet conditions expected to extend into mid-May [14, 15, 16].
- **Brazil export logistics — government is actively trying to keep protein moving.** Brazil temporarily relaxed sanitary and logistics rules for meat exports to the Middle East, extending international sanitary certificates to **360 days**, allowing rerouting of already certified cargo, and permitting alternative land and sea routes. That matters because the Middle East represented about **30%** of Brazil's poultry exports in 2025, with roughly **1.5 million tons** and **US$3.2 billion** shipped last year. February poultry exports rose **5.3%** to **493,000 tons**, and pork exports rose **6.7%** to more than **122,000 tons** [17, 5].
- **Brazil / Iran trade lanes — soybeans are more exposed than corn.** Shipments of **600,000 tons** of soybeans and soymeal bound for Iran were suspended and redirected to other markets at lower prices. By contrast, Brazilian corn exporters argued corn is more resilient because Brazil sells to more than **100 destinations** and consumes about **50 million tons** domestically in the first half [3].
- **Brazil farm finance — the operating backdrop is getting tighter.** Canal Rural cited nearly **2,000** judicial recovery requests in Brazilian agribusiness in 2025, up **56.4%** from 2024 and the highest since the series began in 2021. Separate commentary also noted rising delinquency, expensive credit, and tighter bank lending [18, 19].
- **U.S. / Burma — a small but real feed-demand gain.** USDA Foreign Agricultural Service said a new agreement will expand U.S. soybean meal

exports to Burma, adding another outlet for U.S. feed products [20].

4) Best Practices

Grains and weed management

- **Start with clean fields and build programs around three decisions:** weed populations, tank-mix options, and timing. For soybeans, source guidance was to align pre-emergence applications with planting and to scout early-planted fields for winter annuals plus early grass and broadleaf pressure [21].
- **Use stronger residual programs for early-planted soybeans.** Because early beans may take **15-20 days** to emerge, part of the residual window is spent before the crop is even up. The sources recommended clean, flat fields, **1-1.5 inch** planting depth, and more aggressive pre programs to carry protection into the **V3-V5** window [10].
- **Multiple modes of action remain the central anti-resistance tool.** Source examples included Enlist One for Enlist E3 soybeans with **1,700+** tank-mix partners, Sonic Boom with **2 modes of action** and **4-6 weeks** of residual control, and Kyber Pro with **3 modes of action**, control of **50+** broadleaf and grass species, and up to **6+ weeks** of residual activity [21].

Dairy and livestock systems

- **Match manure strategy to farm economics and location.** The California program framework treats digesters and alternative manure management as complementary, not interchangeable: digesters fit systems that can capture energy value, while alternative manure management reduces anaerobic conditions where economics, location, or preference make digesters less suitable [11].
- **Vet methane-reducing feed additives like any other feed-risk decision.** The research process described by UC Davis included blood and metabolite monitoring, meat-quality analysis, taste panels, and lifecycle assessment to confirm there are no adverse animal, human, or product-quality effects before wider use [11].

Soil and resilience management

- **Use crop rotation, cover crops, and microorganisms to feed the soil first.** A São Paulo farm attributed higher soybean productivity and lower costs to that package of practices, and is now adding an ecological corridor with year-round pollen sources to attract beneficial insects and improve resilience [12].

- **Add diagnostics before adding chemistry.** In Bahia, rapid molecular testing is being used to identify pathogen pressure in soy, cotton, and corn soils and support more targeted yield-protection decisions [5].

5) Input Markets

- **Fertilizer — U.S. Upper Midwest is covered, but not fully comfortable on urea.** Farm Journal reported **85-90%** of spring fertilizer was already in warehouses in the Upper Midwest, with more railcars inbound. The gap is the last ton of urea tied to Middle East sourcing; CHS said supplies are generally good except for that portion, farmers are about **80-85%** pre-booked, and the cooperative is looking for alternative origins. Mosaic said phosphate and potash are less exposed, helped by strong domestic positioning, but the warning was that another two weeks of shipping disruption could make finishing spring needs difficult [2].
- **Fertilizer — Brazil remains structurally exposed.** Sources said Brazil imports about **85%** of its agricultural inputs, and MAPA's technical staff sees a very high shortage and price-risk environment for the **2026/27** season because of the Middle East war, Chinese export restrictions, and the Russia-Ukraine backdrop. Fertilizer accounts for roughly **35-40%** of soybean production costs [22, 23].
- **Fuel and freight — diesel is becoming an operating issue in Brazil.** One source cited oil at about **US$120/barrel** and the dollar at **R$5.25**, while producer groups reported diesel prices up by as much as **R$1** at the pump and localized supply difficulties in Rio Grande do Sul and central Brazil. CNA is asking for an immediate move to a **17%** biodiesel blend, up from B15, arguing that abundant soybean supply and low soybean prices support the change [22, 19, 23].
- **Feed and ag chemicals — pressure is still sticky.** In California's organic dairy sector, off-farm feed costs were said to be up **30-40%**, with average losses around **US$250,000** and **10** of the state's **106** organic dairies already out of business. In crop protection, Commodity Classic discussion centered on new dicamba restrictions, ESA requirements, and ongoing glyphosate litigation shaping 2026 weed plans. Separate U.S. farm-economy commentary said input prices remain stubbornly high even as crop margins tighten [11, 24, 7].

6) Forward Outlook

- **Near-term volatility may stay elevated even if the next USDA report is quiet.** One market commentator called March 9 one of the most volatile days they had seen, while another said balance sheets had not materially changed. Farm Journal's grain source expected the March

WASDE to be close to a non-event, with more attention on South American production and later-month data [25, 6].

- **U.S. corn acreage is still the main spring planning variable.** One source called **92 million acres** the line in the sand, noting the market would need a repeat of **186.5 bu/acre** yield to avoid a tight carryout at that acreage. Other source estimates clustered around **93 million** or above USDA's **94 million** depending on fertilizer availability, crop insurance, trade uncertainty, and planting weather. Analysts also said a prolonged Iran conflict could reduce U.S. corn acres [6, 9, 7, 26].
- **Marketing discipline matters more in this tape.** Source commentary said rallies have given producers a chance to move back toward historical sales norms of about **25-35% sold** by this time of year. New-crop corn nearing **$5.00** was flagged as a key psychological level, while basis has stayed relatively stable despite the futures swings [6, 27, 8].
- **Brazil's seasonal split will stay central to supply planning.** Central Brazil has a short fieldwork window before more rain returns, while southern Brazil is still dealing with drought, debt renegotiation pressure, and restrictive credit. Those operational constraints now matter alongside pure yield forecasts [15, 28, 19].
- **Policy is now part of both demand and cost planning.** In the U.S., analysts said RFS and E15 decisions could shape longer-run corn and soybean demand. In Brazil, the biodiesel-blend debate is directly tied to diesel affordability during harvest, planting, and freight [7, 23].

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