

Fertilizer Shock, Soybean Oil Strength, and Weather Stress Reset 2026 Farm Plans

Global Agricultural Developments

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A cross-market agricultural brief covering grain price drivers, fertilizer and fuel stress, practical farm innovations, and production updates across the U.S., Brazil, China, and India. It highlights concrete costs, capacities, and timeframes that matter for 2026 crop, livestock, and input planning.

1) Market Movers

- **U.S. grains corrected, but the rally structure is still intact:** December corn settled at **\$4.9575**, November soybeans at **\$11.6825**, July Chicago wheat at **\$6.4525**, July KC wheat at **\$6.935**, and September spring wheat at **\$7.27**. Multiple market updates described the pullback as end-of-month profit taking and farmer selling after fresh highs rather than a broad deterioration in crop fundamentals. [1, 2, 3]
- **Wheat remains the weather market:** In the U.S. southern Plains, analysts said much of the hard red winter wheat damage is already done, with **34% of the crop heading** and some discussion of abandonment or replanting south of South Dakota. Spring wheat planting is also uneven because snow is still slowing work in northern areas, while booked fertilizer is limiting any extra shift into spring wheat; meanwhile, U.S. wheat has become expensive enough relative to overseas supplies that imports from Russia or the Black Sea are now being discussed. [2, 1]
- **Corn still has a demand-led floor:** December corn nearly touched **\$5**, supported by strong demand, weekly exports of **63 million bushels**, improving eastern Corn Belt basis, solid ethanol margins, and global corn stocks described at **10-year lows**. The next upside move may still face

heavy farmer selling above \$5, but the demand side has not materially weakened. [2, 3]

- **Soybeans are being supported by products, especially oil:** Soybean oil hit **3.5-year highs**, biodiesel demand helped lead the complex, and crush margins remained strong enough to give soybeans a floor. Traders still described beans as rangebound until a clearer catalyst appears, including expected China-related talks in the coming weeks. [2, 3]
- **China remains the key strategic variable for soy demand:** China imported more than **70 million tons** of soybeans in 2025, keeping Brazil as its largest supplier, but its agriculture ministry is projecting a **6.1% decline** in 2026 imports. At the same time, China is expanding pig-feed technologies that use fermentation products and insects, with a stated goal of cutting soybean imports by about **30% by 2030**. [4]

2) Innovation Spotlight

- **Buffalo dairy genetics in Brazil:** São Paulo researchers and breeders are using **kappa-casein DNA testing** to identify buffaloes with superior milk performance for cheese production. The marker-assisted approach can raise cheese yield by **up to 10%**, more than **600 buffaloes** have already been genotyped across six farms, and at least one producer has moved to genotype the entire herd; this matters because buffalo milk in Brazil is used mainly for cheese, especially mozzarella. [5]
- **Low-cost egg formalization for family farms:** Embrapa's **Ovo Limpo** model uses dry egg beneficiation instead of water-intensive washing systems. A basic **15 m²** facility can start at about **R\$15,000** and handle **900 eggs per day**, with a path to scale toward **3,600 eggs per day**; the cleaning workflow relies on good nest management first, then manual finishing with disposable paper towel, a stainless tool, and even a pencil eraser for final polishing. [6]
- **Specialty-crop automation is still attracting capital:** Kubota invested in U.S. startup **Agtonomy** to expand automation for fruits, vegetables, and nuts. The companies are positioning AI-driven autonomous equipment around precision, productivity, and labor efficiency, especially for growers facing rising labor and input costs in **California, Oregon, and Washington**. [7]
- **A measurable smallholder poultry model:** A Rwanda poultry program highlighted a low-cost structure built around the country's first commercial feed mill, grower training, and **\$625 zero-interest loans** for coops. Reported flock performance reached **2.2 kg** broilers at **1.64 feed conversion in 33 days**, while participating household incomes were said to have increased by roughly **4-5x** over time. [8]

3) Regional Developments

- **United States:** The House passed **H.R. 7567**, the **Farm, Food, and National Security Act of 2026**, by a **224-200** vote, advancing a five-year farm bill after multiple extensions. At the same time, produce labor remains a structural risk: the H2A program now supplies nearly **20%** of U.S. agricultural workers and a majority of produce labor, tree-fruit growers were described as sending **99% of returns** to labor, and industry groups said the interim wage rule could deliver **\$17 billion** in relief; prior program delays nearly cost Yuma's lettuce crop. [9, 10, 11]
- **Brazil - Mato Grosso:** Soybean growers reported **25-30%** losses from humidity and quality damage, with final averages around **9 sacks per hectare** below prior years in some cases. Corn is now facing disease and quality risk from excess rain, while diesel is running **R\$1.50-R\$1.70 per liter** above last year and a single corn harvest may use **40,000-45,000 liters**; producers are responding by cutting soil work, lime, and other non-essential spending for the next cycle while asking for subsidized credit and debt renegotiation. [12]
- **Brazil - weather split is widening:** In the Northeast, rainfall of **more than 100 mm in five days** is still expected in parts of Maranhão, Piauí, and Ceará, while **Balsas/Bacabal** could receive around **200 mm over 30 days**, helping maintain soil moisture without heavily disrupting field-work. By contrast, much of the Center-West remains hot and dry, with only irregular rain expected in parts of Mato Grosso and elevated fire risk into mid-May. [13]
- **Brazil - tree nuts are recovering:** After flood-related losses of about **80%** in 2024, Rio Grande do Sul's pecan sector is now expecting a **record 7,000-8,000 tons** in 2026, helped by better rainfall, more technology adoption, and additional orchards entering production. [14]

4) Best Practices

Grains

- **Spray borders first, not whole fields first:** Ag PhD recommends spraying field borders as crops emerge, using the outside boom to treat the first few rows where weed and insect pressure is usually highest. The specific examples given were **Enlist One + a pyrethroid** in Enlist crops and **Roundup** in no-till or strip-till fields where creeping brome is moving in; the goal is to delay full-field spraying and improve late-season control at relatively low cost. [15]

Dairy

- **Use DNA selection where milk is sold into cheese markets:** In buffalo dairies focused on mozzarella and other cheeses, herd-wide genotyping for the favorable **kappa-casein** allele is being used to concentrate more **BB** animals in the herd. That approach offers a relatively fast way to improve milk-to-cheese yield without waiting for a longer conventional selection cycle. [5]

Livestock and Poultry

- **Review feed additives against Brazil's new antimicrobial rule:** MAPA's **Portaria 1617** prohibits the import, manufacture, sale, and use of performance enhancers containing antimicrobials considered important to human or veterinary medicine. For livestock operations and feed suppliers, that makes formulation review, supplier verification, and inventory checks immediate compliance steps. [14]
- **For small egg operations, start with cleanliness at the nest:** Embrapa's guidance is to prioritize healthy birds, good feed, and clean collection practices so eggs arrive at the packing point already clean. Where cleaning is still needed, the recommended process is dry and manual rather than washer-based, which lowers water, energy, and equipment costs for smaller producers. [6]

Soil and Establishment

- **On very sandy soils moving into eucalyptus, establishment discipline matters:** In Mato Grosso, technical guidance for low-fertility soils includes controlling ants before machinery enters, applying roughly **3-5 t/ha of lime** plus about **0.3-1.0 t/ha of gypsum**, targeting around **1,000-1,050 plants/ha**, and completing the main fertilization program by year three. The cited nutrient range was about **100-110 kg/ha N**, **120-150 kg/ha P**, and **320-380 kg/ha K O**, with repeated boron attention because of high extraction and low retention. [16]

5) Input Markets

- **Fertilizer remains the biggest cost and availability risk:** U.S. reporting tied the spring fertilizer surge to the Iran conflict constraining shipments through the **Strait of Hormuz**, on top of the Russia-Ukraine disruption that has been affecting markets since 2022. USDA's near-term response included Jones Act waivers, looser Venezuelan import rules, antitrust enforcement, and calls against export bans, but market commentary remained skeptical that these moves will quickly ease the immediate pressure on **nitrogen** and **urea**. [17, 1]

“There is no easy fix... farmers may feel the squeeze into 2027 and maybe 2028.” [17]

- **Domestic buildout is being framed as a 1-2 year project, not an immediate fix:** U.S. officials are pushing domestic fertilizer manufacturing, support for projects above **\$1 billion**, tariff relief for Moroccan phosphate, and faster permitting. One estimate suggested the outlined projects could expand domestic capacity by more than **30%** for nitrogen, **200%** for phosphate, and **100%** for potash within one to two years. [17, 1]
- **Feed markets are still growing, but feed formulas are changing:** Global animal feed production reached **1.4 billion tons** in 2025, up **2.9%**, with China at **330 million tons**, the U.S. at **267 million**, and Brazil near **90 million tons**. Brazil’s feed industry is expected to reach about **97 million tons** in 2026 as confinement expands, while China’s pig-feed technology push is explicitly aimed at reducing soybean meal use. [18, 4]
- **Energy-linked inputs are still feeding through farm budgets:** U.S. crude jumped nearly **7%** to **\$106.88 per barrel** on Strait of Hormuz disruption fears, and Brazil’s farm sector is already paying more for diesel. On the biofuel side, Brazil’s biodiesel industry says it has about **40% idle capacity** and enough soy-crushing headroom to move from **B15 to B16-B17** without a price shock; engine-viability tests under the **Combustível do Futuro** law are scheduled to start in **May**. [1, 12, 19]

6) Forward Outlook

- **Wheat’s next move likely depends on harvest evidence:** Analysts suggested the market may need until late May or early June harvest results to confirm the full extent of U.S. winter wheat losses, and they also noted USDA is often slow to fully reflect those losses early. That keeps the door open to renewed spikes if production keeps slipping. [2, 3]
- **Corn may stay supported, but rallies above \$5 will be tested by sales:** Market commentary still sees room for December corn above \$5 because demand is strong and global stocks are tight, but also expects heavy farmer selling on strength. For planning purposes, that argues for rewarding rallies rather than assuming an uninterrupted move higher. [2, 3]
- **Soybeans still need a catalyst:** The market is holding near the top of its range on strong product demand, but traders continue to say a clearer breakout probably needs something more—such as China-related talks in the next couple of weeks. That makes soybean oil, crush margins, and biofuel policy the main near-term watchpoints. [2, 3]
- **South America’s fertilizer decision window is becoming more important:** One market outlook said Brazil still had not bought fertilizer

for the next cycle and warned that high prices or supply constraints could reduce application rates, trim acres, and tilt plantings toward less fertilizer-intensive **soybeans** over **corn**. That view lines up with on-farm reports from Mato Grosso of growers already planning lower-input programs for the next season. [20, 12]

- **Weather risk is shifting from spring U.S. concerns toward Asia’s monsoon window:** One market outlook is centered on the **Indian monsoon starting June 15**, warning that a stronger El Niño setup could create severe stress in India, broader Asia, and central/northern Brazil, while expecting generally better U.S. crop weather after May. Even if that outcome is not certain, it is a key seasonal planning risk for fertilizer, feed, and grain trade. [20]
- **Livestock planning remains supply-driven:** One cattle outlook said U.S. beef demand is weakening, but supply is weakening even more, which keeps the market bullish. The same discussion said better western rain could support herd rebuilding and tighten short-term cattle availability further, while dairies may need more herd replacements within the next **3-6 months** to avoid longer-term losses in milk-per-cow efficiency. [20]

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