Final RFS Volumes, Fertilizer Disruptions, and Acreage Bets Reset Ag Markets

Global Agricultural Developments

2026-03-28

Final RFS Volumes, Fertilizer Disruptions, and Acreage Bets Reset Ag Markets

By Global Agricultural Developments • March 28, 2026

Final U.S. biofuel volumes, tightening fertilizer flows through the Middle East, and late-March acreage uncertainty are driving fresh moves in grains, livestock, and farm input markets. This brief also highlights fertilizer-saving field systems, manure-based nutrient strategies, and regional supply disruptions in Brazil and the U.S.

Market Movers

- **U.S. biofuels / oilseeds:** USDA and allied agencies framed the final RFS volumes as creating **$31 billion** in 2026 value for U.S. corn and soybean oil and boosting net farm income by **$3-4 billion**, with more export opportunity for ethanol and co-products [1, 2]. Market reaction was more restrained: soybean oil had already rallied **16-17¢/lb** since January, the ethanol mandate stayed at **15 billion gallons**, and traders focused on the **70%** SRE reallocation plus full RINs for foreign feedstocks and fuels, which some analysts said could cap soybean oil near **72-76¢/lb** because Argentine oil is still **16-17¢** under Chicago and supplies remain ample [3].
- **U.S. soybeans:** Midwest soybean basis improved about **25¢/bu** in under two weeks, which market participants tied to strong domestic crush and farmer reluctance to sell after prior volatility [4]. But demand expectations around China remain split heading into the **May 14-15** Beijing visit; some market talk still hopes for bigger purchases, while another analyst cut expected old-crop business to **3 MMT** from **8 MMT** and said getting more than **3-4 MMT** by late summer would be difficult [4, 3].
- **Grain money / energy:** Agricultural ETFs took in **$149 million** for the Invesco Ag Fund and **$48 million** for the Teucrium Corn ETF over five

days, with more than **$500 million** entering the broader ag ETF category over the past month [5]. At the same time, analysts argued grains remain cheap relative to the broader commodity complex, and noted that crude near **$96/barrel** has historically coincided with corn above **$6** in many instances [5].

- **Wheat:** Weather premium is building in the western Plains. Analysts cited ongoing dryness in western Kansas, Oklahoma, and Texas, with little rain in the next 10 days, while U.S. wheat has risen about **60¢/bu** since March 1 versus about **8¢/bu** in Russia [3]. Separate market commentary said southern Plains wheat still needs rain soon, and next week could become more important if the coming event disappoints [5].
- **Livestock:** Feeder cattle futures rose **$10.78** on the week to **$361.95/cwt**, and April live cattle gained **$4.70** to **$238.75/cwt**, even with fed steer cash nearly flat at **$234.95/cwt** [6]. Drivers cited included strong retail beef and grilling demand, improving packer margins, a U.S. herd at **86.2 million head**—the lowest in **75 years**—and screw-worm concerns keeping roughly **120,000** Mexican feeders from crossing the border for now [7, 3]. In hogs, the Mar. 1 Hogs & Pigs report showed **74.3 million head** total inventory with breeding inventory down **1.5%**, which analysts characterized as slightly bullish [6].

Innovation Spotlight

- **U.S. strip-till nutrient placement:** On-farm testing showed that banding fertilizer in a **10-12 inch** zone below the seed in the root zone produced the **same yields with 60% of applied fertilizer**, a **40% reduction** versus broadcast [8]. Operators said those savings can help pay for strip-till equipment under tight margins and high input costs, and they are pairing strip till with Y-drops, in-furrow products, and 2x2 placement to keep nutrients near the row and root zone [8].

  "we have made the same yields with 60% of applied fertilizer." [8]

Grow More With Less? Smarter Fertilizer Use Could Boost Profits (1:10)

- **Mississippi Delta precision fertilizer:** Variable-rate starter maps call for **8 gallons** only where needed and shut off entirely in low-response areas [9]. One farm said trusted data let it remove **$330,000** from the fertilizer budget three years ago without sacrificing returns [9]. The same operation also found that running **20 psi** on raised beds pinched rows and caused **10-17 bu/acre** losses under tractor tracks, reinforcing a strategy of stacking many **2-5 bushel** gains rather than chasing a single large breakthrough [9].
- **U.S. row-crop/livestock integration:** A Kentucky contract-hog operation uses manure to reduce purchased fertilizer, extend nutrients across an extra **200 acres** each year, visibly improve soil health, and raise corn budgeting from **170** to **190 bu/acre** [10]. The business model also rests on a **10-year** contract and steady monthly payments, which the operator said lowered financing risk and reduced exposure to market volatility [10].

Regional Developments

- **Brazil / Strait of Hormuz:** Maritime tracking showed about **20 ships** carrying roughly **782,000 tons** of fertilizer waiting near the Strait of Hormuz; the estimate is considered conservative because some vessels disable AIS and the actual volume could be higher [11, 12]. Brazil has also arranged an alternative export route through Turkey for chicken, beef, sugar, and corn, but logistics costs were estimated around **350%** higher and insurance about **10x** normal levels [11].
- **Rio Grande do Sul, Brazil:** Diesel shortages have spread to at least **170**

municipalities, with **9 in 10** stations reporting supply problems [13]. In Tupanciretã alone, roughly **150,000 ha** of summer crops, including more than **141,000 ha** of soybeans, are exposed to rationing or lack of fuel [13]. Diesel has reached about **R$8/liter**, roughly **R$2** above pre-war levels, putting soybean harvest and winter planting at risk [13].

- **South Brazil:** The first 2026 heat wave is pushing temperatures into the **35-38°C** range, with up to **40°C** near the Paraguay border [14]. Producers in Paraná, Santa Catarina, and southern Mato Grosso do Sul are being told to delay second-crop corn planting because soil temperatures are climbing, and forecast rain in key producer areas is not expected to repair moisture deficits [14].
- **United States:** Roughly **75%** of the lower 48 remains in drought, with central-U.S. soil moisture deficits still large enough to worry spring fieldwork, although heavier rain next week could help recharge some profiles [15]. Planting is moving rapidly in the southern Delta because of heat, while much of the Midwest is still waiting on last frost and more moisture; dryness remains the bigger concern west of the Corn Belt and into the Plains [16].

Best Practices

- **Corn rootworm control (U.S. Corn Belt):** Bt alone is not sufficient where rootworm pressure is high, because roots can be damaged before larvae die and secondary pests such as seed corn maggots, wireworms, white grubs, and seed corn beetles are not controlled [17]. The recommendation is to use an insecticide at planting, and where Bt resistance is suspected, pair insecticide with **SmartStax Pro** or **VT4 Pro** to add RNAi protection [17].
- **Grain storage and marketing (U.S. Midwest):** One Illinois producer said on-farm soybean storage captured a move from **$9.75/bu** at harvest to **$11.50/bu** in March [18]. Bin monitoring systems were also credited with preventing spoilage and fire risk after a year in which at least **four** grain bins were reportedly lost locally, and with rehydrating beans from **8-9%** moisture back toward **13%**, which can add **5-10%** saleable weight [18].
- **Manure as a soil program (U.S. row-crop/livestock farms):** Rotating hog manure applications can extend fertility over more acres and materially change soil condition; one Kentucky farm described former *white dirt* turning darker with more earthworms after repeated applications [10]. The same operation linked manure use to higher corn yield targets and lower dependence on commercial fertilizer [10].
- **Low-stress cattle handling (U.S. range cattle):** On one Idaho ranch, redesigning facilities for **counterclockwise** cattle flow and working off the animals' left-eye response cut preg-check throughput to **45-50 seconds per head** and was associated with better grazing continuity; the operator cited a potential **1 body condition score** difference, or about **85 lb**,

when cattle did not interrupt grazing under stress [19].

Input Markets

- **U.S. nitrogen:** The U.S. still needs roughly **5.1 million tons** of urea imports for the 2025-26 fertilizer year and had brought in about **3.8 million tons** through March, leaving about **1 million tons** to source in April-May [20]. About **half** of typical imports come from the Middle East and **25%** from Russia [20]. NOLA urea moved from about **$473/ton** before the Strait crisis to **$695/ton** afterward, even though analysts still described domestic values as **$60-70/ton** below world-equivalent economics [20].
- **Global fertilizer availability:** Europe is running at roughly **75%** of normal nitrogen production, a **3.5 million ton** annualized shortfall; China has halted urea exports until at least **August 2026**, removing another **5-5.5 million tons**; and disruptions affecting Qatar, Iran, and Saudi Arabia put roughly **13.5 million tons** of global nitrogen supply at risk [20]. On phosphate, China's usual **8-10 million ton** export program remains sidelined, Saudi supply is blocked, and U.S. phosphate operating rates have hovered around **75% or below** since 2021 while sulfur and anhydrous costs rise [20].
- **Farm response and acreage risk:** High fertilizer prices are already pushing growers to rethink rotations, with examples of intended shifts from **50/50 corn-soy** to **70/30 beans**, reduced nitrogen and phosphate rates, and substitution toward cheaper anhydrous or UAN where possible [20]. Brownfield also flagged the same dynamic as a feed-cost risk: fewer corn acres would raise feed prices for livestock into 2026 [6]. A proposed U.S. **Fertilizer Transparency Act** would require fertilizer price reporting to improve visibility for buyers and sellers [15].
- **Agricultural chemicals:** Chemical risk is tightening even without new price data. Minnesota confirmed **glufosinate-resistant waterhemp**, narrowing control options across the Midwest [21]. On the product side, BASF's **Surtain** was promoted as a PPO residual herbicide for corn that can be used from **pre-emergence through early post-emergence** [22].

Forward Outlook

- **USDA reports are the next major decision point.** Ahead of the March 29/31 data, trade estimates cluster around **94.4 million** corn acres, with a **92-96 million** range and one private estimate at **96.4 million**; soybean acres are centered around **85.5-86.1 million** [5, 15]. Quarterly corn stocks are expected to be roughly **1 billion bushels** above last year, although one analyst argued feed and residual use may be overstated by about **250 million bushels**, which would place ending stocks closer to **2.4 billion** [5, 3].
- **Acreage surprises are still possible.** Analysts repeatedly said rising urea costs could shift more land from corn to soybeans, with one source

floating a potential **6-7 million acre** swing on the last, unpriced fertilizer volumes [3, 23, 4]. At the same time, skepticism around USDA survey accuracy is elevated because of low mail response rates, and several sources expect meaningful revisions again by June depending on weather [23, 3].

- **Soybean demand remains headline-sensitive.** One analyst cut expected old-crop U.S. soybean business with China from **8 MMT** to **3 MMT** and said getting more than **3-4 MMT** out the door by late summer looks difficult [3]. Another source said U.S. soybean sales are already occurring and broader talks may extend to cotton, rice, and sugar [4]. If the May meeting produces no new signal on Chinese demand, one market participant warned soybeans could "fall right back" [4].
- **Positioning and inputs make the downside two-sided.** Grain markets were described as carrying about **540,000 contracts** of speculative length in Chicago, raising the risk of a cascading selloff if the war premium unwinds [3]. Even if the Strait reopens, fertilizer backlogs may persist because damaged gas plants need repairs and Gulf ports are not designed to load a large backlog of ships at once [20].

Sources

1. X post by @SecRollins
2. X post by @USDAForeignAg
3. Markets Now Closes - 3/27 Corn, Beans Fade RVOs on Profit Taking: Is the Rally Over?
4. Markets on Edge: Volatility, China Demand & USDA Acreage Uncertainty
5. Crude Oil is $96 per Barrel - Corn Should Be $XXX per Bushel
6. Feeder cattle jump more than $10 this week | Weekly Livestock Market Update
7. Fim das cotas brasileiras de exportação de carne para China deve impactar mercado do boi gordo
8. Grow More With Less? Smarter Fertilizer Use Could Boost Profits
9. How Data is Driving this Mississippi Farmer's Bottom Line and Cutting Costs
10. Michael Williford: From the Front Lines to the Finishing Barn | Episode 43
11. AO VIVO: Brasil e Turquia fecham rota alternativa ao Estreito de Ormuz | M&C – 27/03/2026
12. Milhares de toneladas de fertilizantes estão paradas no Estreito de Ormuz
13. Sobe para 170 número de municípios do RS que relatam escassez de diesel
14. Onda de calor deve atingir algumas regiões do Brasil nos próximos dias
15. March 27, 2026: E15 Optimism, Ag Economy Reports and Entrepreneurial Insights
16. La Niña Collapse: One of the Fastest Ever Sparks El Niño Watch As Drought Expands

17. X post by @AgPhDMedia
18. How AGI Equipment is Changing the Game for Illinois Soybean
19. Episode 175: Wild-Range Metabolomics and Nutrient Density with Glenn Elzinga
20. Where Will The Fertilizer Come From? Josh Linville of StoneX Group
21. X post by @SuccessfulFarm
22. X post by @AgPhDMedia
23. Markets on Edge: Volatility, China Demand & USDA Acreage Uncertainty