Official China Soy Buying, U.S. Cattle Strength, and Brazils Feed-Energy Push

Global Agricultural Developments

2026-06-19

Official China Soy Buying, U.S. Cattle Strength, and Brazils Feed-Energy Push

By Global Agricultural Developments • June 19, 2026

Official U.S. soybean sales to China, a sharp rally in cattle, and Brazils record soybean crop are colliding with margin pressure, weather risk, and rapid expansion in corn-ethanol feed co-products. This brief tracks the market signals, production technologies, regional supply shifts, and input trends most relevant to grain and livestock operators.

1) Market Movers

- **United States / China / Mexico:** Official private-exporter sales for 2026/27 included **132,000 MT of soybeans to China**, **120,000 MT of soybeans to unknown destinations**, and **285,775 MT of corn to Mexico** [1]. Farm Journal still characterized the China soybean confirmation as only a little over 3 million bushels and said broader Chinese buying would likely require tariff relief [2].
- **United States — cattle:** June live cattle settled at **$254.80** per cwt, up **$4.93** on the week, and August feeder cattle closed at **$366**, up **$9.18**. Choice box beef rose to **$393.92** and Select to **$374.75** [3]. The supply backdrop remains tight: May placements were **1.7 million head**, down **10%** year over year, while May marketings were **1.55 million head**, down **12%** and the second-lowest May since the series began in 1996 [3].
- **Brazil — soybeans:** Brazil finished a **177 million-ton** soybean harvest across 12 states, with a **62-63 sacks/ha** national average that one speaker said no other country has matched [4]. But the margin picture remains weak: one source said soy prices fell from roughly **R$180** to **R$100-110**, while spot quotes ranged from **R$112** in Rondonópolis to **R$134.50** at Santos, leaving many producers only covering operating costs [5, 6, 4].

- **Global corn:** Market signals are split. One U.S. market source said the global corn ending stocks-to-use ratio is **21.39**, the tightest in 13 years [7]. Another source expects higher grain production in **Brazil, Argentina, and India** to keep feed grain supplies ample and maintain downward pressure on corn prices [3].

2) Innovation Spotlight

Soy productivity through genetics and management

Brazilian producers described yield gains from roughly **40-50 sacks/ha** to **75-90 sacks/ha** through genetic improvement and better management practices [4]. At the national level, that translated into the **177 million-ton** crop and the **62-63 sacks/ha** average noted above [4].

Corn ethanol, DDG, and biomethane are becoming a single production system

Brazil expects to produce **43 billion liters** of ethanol this year [8, 9]. In corn ethanol, **DDG accounts for about 40% of plant revenue**, making it a core product rather than a byproduct [8, 9]. The sector now has **29 biorefineries in operation**, with **13 authorized for construction** and **14 more planned** [10].

The livestock effect is measurable in Mato Grosso: after DDG entered the system, cattle heads per hectare rose sharply and the share of animals slaughtered at **under 24 months** was estimated at roughly **45%** [10]. Brazil also expects DDG production to rise from roughly **4 million tons** to **17 million tons** in coming years [11, 12].

On the machinery side, Brazil is preparing **200-250 CV ethanol tractors** for **2028**, with torque curves described as comparable to diesel models [8]. In sugarcane logistics, one example put a mills annual diesel bill at **R$40 million**, versus **R$8 million** if it used its own biomethane [8].

Agave acceleration for dry regions

At Unicamp, researchers are testing bioestimulants for agave to speed growth and reduce chemical fertilizer use in dry environments [13]. The current greenhouse phase has already been reduced from roughly **1 year to 6 months** through crop-management changes [13]. The broader target is to cut **Agave sisalana** from an **8-10 year** cycle to **4.5-5 years** [13]. Researchers also identified a faster-growing genotype with higher biomass and more fermentable sugars for ethanol production [13].

3) Regional Developments

- **U.S. Midwest:** Severe storms brought tornadoes and **1-3+ inches** of rain across parts of Iowa, Illinois, and Indiana [7]. Over the last 30 days, parts of Missouri, eastern Kansas, eastern Oklahoma, Arkansas, southern Iowa, Kentucky, Tennessee, Indiana, and Ohio received **more than 8 inches** of rain, a pattern linked by one BASF representative to higher soybean disease pressure from **Rhizoctonia** and **Pythium** [7]. Producers also reported yellowing and likely yield limits from excess water in some fields [7].
- **Rio Grande do Sul, Brazil:** The state finished its summer grain harvest with a **sixth consecutive weather-driven shortfall** [14]. Soybean yield was revised to **2,707 kg/ha**, down **14.8%** from the preseason projection, although total output still exceeded **18 million tons** because of the larger base compared with last year [14]. Corn production was estimated at nearly **6 million tons**, up **13%**, while rice output was put at **7.7 million tons**, down **11.4%** [14]. Local commentary said many producers are now at breakeven or below because input costs stayed high while commodity prices fell [14].
- **Mato Grosso do Sul, Brazil:** Since 2012, soybean production rose from about **6 million tons** to nearly **17 million tons**, with production up **180%** on a **110%** area increase, helped by technology and conversion of degraded pasture into cropping land [11]. Over the same period, the cattle herd fell from about **20 million** to roughly **18 million head**, while meat output still increased **8%** [11]. The state also reports **3.16 million hectares** under integrated crop-livestock-forest systems [11].
- **Europe / Mercosur:** Brazil is already the **European Unions top agricultural supplier** [15]. The Mercosur-EU agreement is now creating immediate openings on **543 Brazilian product lines** starting from May 1 [16]. Reported examples include grapes moving from an **11.5%** EU tariff to zero [16] and soluble coffee moving from **9%** tariffs to zero over **4 years** [16]. Speakers also framed the agreement as a route to more processed exports and more EU investment in Brazilian processing plants [16].

4) Best Practices

- **Grains — spraying discipline:** For contact herbicides, one agronomy source recommended operating at about **10 mph instead of 15 mph**. The reasoning was practical: faster travel creates more dust that can neutralize contact herbicides such as Roundup and Liberty, and even **2 feet** of boom-height change alters spray pattern and local application rate [17]. This matters most in rough, hilly, or heavily weedy fields [17].
- **Soils and nitrogen:** In organic systems, front-loading **slow-release or-**

ganic nitrogen was presented as different from front-loading nitrate or ammonium. Recommended tools included materials such as **13-0-0 pellets**, compost-like sources, and support nutrients such as magnesium, sulfur, boron, and humates, with legumes and cover crops as a lower-cost nitrogen source [18]. If triazone urea is used, the same source advised keeping it in **foliar** programs rather than soil application because soil use showed strong negative effects on biology [18].

- **Potatoes — chloride management:** High chloride levels were linked to reduced uptake of **calcium, potassium, nitrogen, and phosphorus**, along with higher bacterial soft-rot risk [18]. The recommendation was to replace **potassium chloride** with **potassium sulfate**, even on a dollar-for-dollar basis rather than a pound-for-pound K basis, because crop uptake and performance were reported to be better despite fewer pounds of applied potassium [18].
- **Bovine systems — finishing and feed:** In semi-intensive beef systems, at least **4 months** of intensive bunk finishing on cattle under 30 months was described as shortening slaughter age by roughly **1 year** while maintaining or improving carcass weight and conformation [12]. Where corn ethanol coproducts are available, **DDG/DDGS** and wet **WDG** were described as high-nutrient feed options for bovines and other livestock species [10].
- **Pig units — entry biosecurity:** A five-step pre-entry routine was outlined for swine barns: remove jewelry, wear disposable boots before leaving the vehicle area, shower and change clothes, record prior farm visits, and fumigate materials such as vaccines and utensils before entry [19].

5) Input Markets

- **Fertilizer:** Near-term fertilizer sentiment improved in the United States after reports of a U.S.-Iran peace deal eased concern about shipping disruption through the Strait of Hormuz [20]. Brazilian budgeting remains less comfortable: producers cited rising **phosphate, nitrogen, and sulfur** costs tied to conflict in Eastern Europe and the Middle East, along with higher freight and diesel pressure for the **2026/27** planning cycle [4]. Structurally, Brazil still imports **88.2%** of the fertilizers it consumes, and **45%** of that supply has been tied to high-instability regions [21].
- **Feed:** DDG availability is expanding quickly. Brazil has **29 operating biorefineries**, with more under construction or planned [10]. Sector presentations put current DDG output around **4 million tons** and projected it at **17 million tons** in the coming years [11, 12]. Export optionality is also improving: the Chinese market opened in **May 2023**, COFCO alone signaled interest of **5 million tons per year**, and the first cargos arrived in **March 2024** [10].

- **Fuel and energy:** U.S. diesel averaged **$5.13 per gallon**, down **$0.15** week over week but still above the **$3.60** level cited for the prior year [3]. In Brazil, diesel and road freight remain part of the cost squeeze for grain producers [4]. Longer term, Brazils Future Fuel law raises ethanol blends toward **35%**, biodiesel to **16%**, and sustainable aviation fuel blends to **10%**, signaling continued competition among fuel pathways for farm transport and processing energy [22, 9].

6) Forward Outlook

- **Brazilian soybean planning:** One FIAP speaker said the next Brazilian soybean crop is more likely to **stabilize** than continue the growth trend because producers have less investment power after the price decline from around **R$180** to **R$100-110** [5]. In the Center-West, forecasts continue to warn that early rains may be irregular and heat waves intense, so growers in Mato Grosso and Goiás are being advised to wait until rains firm in the **second half of October or early November** before sowing soybeans [23].
- **Low-carbon expansion finance:** Brazils Caminho Verde Brasil program is already offering **R$30 billion** in below-market financing to restore **40 million hectares** of degraded pasture [24]. A further round of roughly **R$4 billion** is planned, with **80%** aimed at small and medium producers [24]. Access requires **zero deforestation at the property level**, labor certification, annual GHG accounting, and sustainable-practice commitments [24].
- **Near-term weather risk:** Southern Brazil faces both heavy-rain and frost concerns. Forecasts called for up to **100 mm in 5 days** in parts of Santa Catarina and Paraná, with frost risk extending through the South, Mato Grosso do Sul, and southern Goiás [25]. In the U.S., excess rainfall is already translating into soybean disease pressure and localized yield concerns, so late-June field checks will matter more than headline averages [7].

Sources

1. X post by @USDAForeignAg
2. Markets Now Closes 6/18 Grains Collapse on Weather/War, Fade China Biz: Cattle Fall Pre-Report
3. Placements drop 10% | Weekly Livestock Market Update
4. Premiação Personagem Soja Brasil - Safra 25/26
5. A soja brasileira na engrenagem da economia mundial - Mauricio Buffon | Fiap 2026
6. MP do Cacau avança no Congresso e indústria alega prejuízo de R$ 222 milhões | M&C – 18/06/2026

7. SHOCK Report: US to Lose 30 MILLION Corn Acres by 2050
8. Biocombustíveis: as novas tecnologias de mercado - Luis felli | Fiap 2026
9. FIAP 2026 - FÓRUM INTERNACIONAL DA AGROPECUÁRIA | PERÍODO DA TARDE
10. O etanol na agenda de transição energética - Andrea Veríssimo | Fiap 2026
11. FIAP 2026 - FÓRUM INTERNACIONAL DA AGROPECUÁRIA | PERÍODO DA MANHÃ
12. Raio-X da pecuária e suas oportunidades pelo mundo - Eduardo Pedroso | Fiap 2026
13. Agave: Unicamp testa estratégias para reduzir ciclo da cultura | Planeta Campo - ep. 4 parte 4
14. O clima provoca sexta quebra consecutiva na safra de verão do Rio Grande do Sul
15. Acordo Mercosul e União Europeia: uma análise estratégica - Damian Lluna | Fiap 2026
16. Mercosul-UE: uma análise estratégica - Pedro Henrique de Souza Netto | Fiap 2026
17. X post by @AgPhDMedia
18. Podcast Extra: Ask Me Anything with John Kempf - June 4, 2026
19. FIAP 2026: Campo Grande vira centro de debates globais sobre segurança alimentar | RN - 18/06/2026
20. X post by @SuccessfulFarm
21. A importância do Brasil no contexto da segurança alimentar mundial - Jorge Meza | Fiap 2026
22. A engrenagem sustentável da nova economia global - Arnaldo Jardim | Fiap 2026
23. Massa de ar polar derruba temperaturas no Sul e El Niño ameaça plantio no Centro-Oeste
24. A nova revolução do agro: mais produção e desmatamento zero - Pedro Cunto | Fiap 2026
25. Previsão do tempo: clima campo traz a previsão e destaque do Nordeste