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Wetter forecasts drove soybeans below \$12 and corn toward its 200-day moving average, while Black Sea disruptions and EU heat lifted wheat to a two-year high. Brazil's F2 tornado destroyed rural properties in Rio Grande do Sul, and the country's grain storage deficit topped 130 million tonnes.

Market Movers

Soybeans slam below \$12 as rain removes weather premium

Soybean futures closed below \$12 on July 29 after forecasts put 1–3 inches of rain into the driest portions of the soybean belt during the critical early-August window. The market had already taken a significant shot: November soybeans fell roughly 50 cents from their late-July peak, with support now at \$11.85–\$11.90 [1]. Analyst Jamie Gizaki of Paradigm Futures said the rains “have to perform” at this point, with the market already back at its 50% retracement level [1].

Corn fell largely as spillover from soybeans. Late-July damage to corn is irreversible — August rain can maintain the crop but not increase production. Key support sits at the 200-day moving average near \$4.67¾ on new-crop December corn; a close below that would be bearish [1]. A strong ethanol production number (highest since January) and crude oil's \$5 rally provided underlying support, suggesting the day's corn selloff was overdone [1].

Wheat held up better than corn and soybeans, supported by unresolved Black

Sea export disruptions and a small US crop nearing harvest end. Higher Russian export costs are making US wheat more competitive [1]. December corn futures were down 3.5¢ at \$4.77, November soybeans down 13¢ at \$12.07, and September Chicago wheat down 3¢ at \$6.59½ in morning trade [2].

Wheat reaches two-year high on Black Sea escalation

Wheat hit a two-year high as Black Sea logistics deteriorated further. One-fourth of global grain trade transits the Sea of Azov [3]. Russia is considering equipping grain vessels with machine guns, anti-drone defenses, armor plating, and military escorts after Ukrainian drone attacks largely halted Azov shipping two weeks ago. Three major Russian export terminals — roughly 40% of annual seaborne grain exports — have begun restricting truck deliveries due to heightened security risks. Sovon lowered its 2026/27 Russian wheat export forecast by about 4% to 44.6 million metric tons [2]. Russia's export estimates have been revised downward, and Ukrainian agricultural companies face bankruptcy risk [3].

Western Europe's fourth heat wave of the summer is compounding wheat tightness, with temperatures expected to reach 108°F and over 1 million acres already burned. USDA projects EU wheat production down 6.3% year-over-year and corn down 5.3%. The EU accounts for 16.6% of expected global wheat production and 14.5% of projected global wheat exports [2].

China demand pauses amid tariff tensions

No Chinese flash soybean sales were reported this week following Section 301 tariffs on Chinese robots. China has booked roughly 12% of its soybean target for new crop, and Sino Grain may sell over half a million metric tons from reserves to make room for US beans — a signal that Chinese buyers are positioning for future purchases [4]. US exporters sold 8 million bushels of corn to unknown destinations for the next marketing year [2]. A Market Minute newsletter summarized the bearish confluence: more rain and less heat in forecasts, negative China headlines, fear of lost sales, and crop ratings that bounced the market but forecasts suggesting no further deterioration — though demand remains very strong [5].

Cattle recover; hogs stall below \$110

Live cattle futures recovered as the market priced in the border reopening and found chart support. Box beef has started to bottom around \$360, seasonally the right time, with a chart pattern similar to last year [1]. Rumbles of heat-related death losses in feedlots remain unconfirmed but are being monitored [1]. Technical action was seen at \$2.19 for October live cattle and \$3.41 for August feeder cattle [1].

Hog cutout values hover at \$104–\$105 with good demand, but the leap to \$110 remains difficult. The seasonal rally came late and will likely be shorter as a

result [4].

Fed holds; September meeting looms

The FOMC left rates steady on July 29. Economists agreed rates should hold given current inflation numbers, but the September meeting will be critical for future rate decisions [1].

Brazilian commodity prices fall

International commodities were mostly lower: soybeans fell 2.34% to \$11.91/bushel, corn dropped nearly 2% to \$4.71, wheat held at \$6.60, and coffee fell 2.76% to \$3.08/lb in New York [6]. In Brazil's physical market, soybeans in Rio Grande do Sul fell R\$2.50/sack to R\$140, corn in Mato Grosso held at R\$46/sack, and rice in RS rose to R\$69.55/sack [6].

Innovation Spotlight

LLM-ready weed guide pipeline for agronomic retrieval

Nick Horob is transforming herbicide weed guides into a structured database optimized for LLM retrieval. The pipeline renders each PDF page to a PNG image locally (free, no API), classifies pages using cheap heuristics with Claude Haiku for ambiguous cases, builds a document map via Claude Sonnet, then extracts content using Claude Opus's Vision API to transcribe herbicide rate tables that don't survive plain text extraction. Narrative sections use Haiku. Chunks are embedded with OpenAI's text-embedding-3-small and loaded into Supabase for hybrid semantic-plus-keyword search. An eval gate requires 23/25 accuracy with zero fabricated rates before a guide is considered usable. Horob plans to build a voice agent to interact with the data [7].

Stored grain monitoring: temperature is king

Temperature is the single most important factor in stored grain management, according to Daniel Winkowitsch of TriStates Grain Conditioning. Number 2 yellow corn at 12–14% moisture stored at 70°F begins deteriorating after about 40 days; cooling to 40°F extends safe storage to roughly 400 days [8]. The principle applies to all grains, with varying numbers.

Key practical guidance: - **Don't freeze grain.** Freezing lowers quality, wastes electricity, and can cause unloading difficulty. Cooling to 45°F is adequate [8]. - **Moisture sensors** use temperature and RH sensors with grain-specific algorithms to estimate moisture — useful for trending but less precise than official testing [8]. - **Soybean rehydration** is feasible with a properly designed system (bin depth 20–25 ft, temperature and moisture cables, weather station, automated controls). Cost runs \$8,000–\$10,000 per bin and can increase moisture by 2+ points over 6–8 months, but requires sufficient ambient humidity — not viable in arid regions [8]. - **CO monitoring** provides early spoilage warning

but must be combined with temperature cables to locate the problem [8]. - Monitoring systems can pay for themselves in one to two years through reduced electrical costs, fewer quality dockages, and the ability to hold grain for better market timing [8].

Midwest US farmers are the hardest to convince and lag behind other regions in grain storage management, despite global adoption in over 40 countries [8].

Corteva Salibro: post-plant nematode control for specialty crops

Corteva’s Salibro nematicide received California registration last year for use in tree nuts, processing tomatoes, and vineyards, offering a post-plant alternative to pre-plant fumigation (Telone, chloropicrin). Its key advantage is in-season application after planting — when nematode populations continue rising through the 25-year life of an orchard, growers can still achieve control. It is applied via chemigation through drip or micro-sprinkler systems and can also be used pre-plant or in-furrow for tomatoes. Salibro controls root knot, ring, and lesion nematodes, with treatment recommended when lesion counts exceed 1–2 per sample. Its caution signal word improves worker safety [9].

Harvest loss prevention: deck plate gap

As little as a 1/8-inch gap between stalks and deck plates accounts for up to four bushels lost per acre. Drago’s Automatic Self-Adjusting Deck Plates are designed to maintain proper contact and capture the corn grown [10].

Regional Developments

United States: heat damage surfaces, tar spot confirmed

Triple-digit heat indices swept across the Midwest and Plains late last week, with damage already showing up in crop condition numbers [11]. Angie Setzer reported corn outright dying on super sandy ground in the driest part of her county — unusual for the area, though not entirely representative of broader conditions [12].

Tar spot is spreading in Ohio, with confirmed cases in seven counties — the first 2026 Ohio detections [13]. Warm temperatures and extended leaf wetness are also fueling foliar disease pressure across cotton country, with Target Spot and Areolate Mildew topping the watch list [14].

USDA’s Foreign Agricultural Service celebrated record ethanol, corn, and other grain exports with the US Grains Council in Wisconsin, highlighting a drop in the agricultural trade deficit and historic market access [15]. USDA will reopen the Douglas, Arizona, cattle port on August 24, 2026, as part of a phased reopening of three southern ports. All entering animals will undergo full USDA inspection for New World screwworm. Santa Teresa and Columbus, New Mexico, ports may reopen later depending on the Douglas evaluation [16].

More than 1,623 acres of Illinois farmland across 13 counties are headed to auction in August 2026 [17].

Brazil: tornado, storage crisis, and trade diversification

An F2 tornado with winds exceeding 200 km/h struck Giruá, Rio Grande do Sul, on July 29, destroying 10–12 rural properties including houses, silos, and barns. Dairy and swine operations were severely affected, with many animals still loose and unaccounted for. The region had been recovering from floods two years ago, with farmers investing in soil correction, but over 300 mm of rain in the past month has caused erosion and further damage [18].

Southern Brazil is the second most tornado-prone region globally, with severe weather events increasing in frequency and intensity — partly attributed to global warming. Recent tornadoes include an F4 in Rio Bonito (2025, winds >300 km/h) and the F2 in Giruá. Hail reaching egg size (~4.5 cm) has been reported. Continued severe weather risk exists for Mato Grosso do Sul, northern Paraná, and interior São Paulo [19].

Brazil's grain storage deficit exceeds 130 million tonnes. Production has grown 6.5% annually over the past decade while storage capacity grew only 4%. Analyst Carlos Cogo estimates producers lost R\$109 billion over four years from inadequate storage — enough to build 100 million tonnes of new capacity and nearly eliminate the structural deficit. Despite the Plano Safra 2026/27 reducing interest rates to 9.5% for storage construction, specialists deem the reduction insufficient. The lack of on-farm storage forces simultaneous transport, raising logistics costs and quality losses [20].

Brazil is evaluating WTO action against the EU's ban on Brazilian beef, set to take effect September 3. Vice-President Geraldo Alckmin announced a South Korean sanitary mission to Brazil in August to advance beef export approvals as part of efforts to double bilateral trade. Brazil currently accounts for only about 1% of South Korea's \$600 billion annual imports [21].

ABPA projects 2026 chicken meat production growth of up to 5.6% (with exports up 10.3%) and pork production up 5% to 5.87 million tons (exports up nearly 6%). Egg production is expected to reach 64 billion units. By 2027, targets include 16.6 million tons of chicken, 6 million tons of pork, and 66.5 billion eggs. Brazil's competitive advantage is reinforced by avian influenza in Europe and African swine fever in Asia. However, US tariffs have reduced Brazilian egg and pork exports to the American market [22].

Brazil's July IPCA-15 inflation slowed to 0.6%, with food-at-home prices falling 1.14% — driven by sharp declines in tomatoes (nearly -20%) and potatoes (over -10%). The moderation supports expectations of a further 0.25 percentage point cut in the Selic rate, currently at 14.25% [23].

El Niño intensifies, shaping Brazil’s 2026/27 planting

A strong El Niño is already active and expected to intensify, causing hotter temperatures across Brazil, more rain in the South, and drier conditions in the North and Northeast [24]. For Rio Brilhante, Mato Grosso do Sul, October–November rainfall is projected near or above average (100–150 mm/30 days), but daily highs of 40°C+ will reduce productivity, accelerate crop cycles, and increase pest pressure [24]. In southern Goiás, producers should delay planting until the second half of October to avoid replanting costs after early rains followed by intense heat; November temperature anomalies of 5–7°C above average are expected [24]. Bahia faces drought and elevated fire risk [24]. Rio Grande do Sul will see continued heavy rain and storms through August–September, sustaining flood risk [24].

Turkey: sunflower harvest and Black Sea corridor call

Sunflower oil accounts for 80% of cooking oil used in Turkish kitchens. The sunflower harvest has begun in the Çukurova region, with upcoming analysis of costs, prices, and foreign trade developments [25]. Turkish agriculture editor Irfan Donat called for the re-establishment of the Black Sea Grain Corridor, evaluating grain and oilseed market conditions and their possible effects on Turkey [26].

SBA-USDA lawfare portal and rural capital

The SBA-USDA partnership has created a “lawfare portal” for farmers to report regulatory overreach. By July 2026 it had received reports from 39 states covering 27 regulatory agencies, including EPA, Forest Service, USDA, SBA, and IRS. The administration has rolled back diesel exhaust fluid requirements, advanced right-to-repair, and is working to roll back the endangerment finding. SBA increased capital access to rural America with a 90% federal guarantee on loans, providing \$70 million in additional capital and \$7 billion in SBA loans the previous year [27].

Best Practices

Alfalfa: start three years ahead

Ag PhD recommends starting alfalfa planning three years in advance. Soil pH must be at least 6.8 or higher, or tonnage will be destroyed. Build deep soil levels of P, K, copper, and zinc to very high levels. Ensure calcium is at least 65% (ideally 75%) and install all needed drain tile. Pre-plant, apply the full rate of Eptam and incorporate immediately. Between each cutting, use foliar fertilizer and plant growth hormones alongside fulvic acid and insecticide if harmful bugs are present. Early each fall, apply a strobilurin fungicide like Headline [28].

Swine biosecurity as competitive pillar

Embrapa Suínos e Aves emphasizes biosecurity as a core pillar of modern swine production, essential in the piglet phase to prevent disease, reduce antimicrobial use, and strengthen Brazilian pork competitiveness. Key practices include all-in/all-out batch production with same-age rooms and a sanitary break (vazio sanitário) between batches to break disease cycles. Biosecurity is an investment — prevention is cheaper than any disease outbreak. Brazil is the third largest pork exporter, and disease-free status is critical for market confidence. Creating a lasting biosecurity culture requires training, communication, feedback, incentives, and commitment from all personnel, from owners to workers [29].

Dairy calf colostrum: the “rule of 246”

Colostrum failures are a leading cause of calf mortality on Brazilian beef farms. The “rule of 246” requires the first colostrum feeding within 2 hours of birth, total intake of at least 10% of birth weight (4 liters for a 40 kg calf) within 6 hours. Beyond 6 hours, immunoglobulin absorption declines sharply. Night births are a critical risk — a calf born at 9–10 PM reaches the 6-hour window at 3–4 AM. For dystocic (difficult) births, the calf needs assisted colostrum delivery via bottle or esophageal tube by trained personnel, plus immediate drying and warming [6].

Cotton foliar disease scouting

Warm temperatures and extended leaf wetness are fueling foliar disease pressure across cotton country, with Target Spot and Areolate Mildew as the primary diseases to monitor. BASF Technical Service Representative Jacob Smith recommends proactive scouting to protect yield [14].

Input Markets

New organomineral fertilizer launched in southern Brazil

A new organomineral fertilizer — Ferte Mais Biomis and Coperene Biomis — has been introduced, available only at Fecoagro cooperatives in Santa Catarina and Rio Grande do Sul. The product is marketed for base and coverage application across all crops, with claimed productivity gains [30].

US tariffs hit Brazilian leather and footwear

US tariffs of 37.5% on Brazilian leather footwear are impacting Rio Grande do Sul, the state that most exports leather shoes to the United States. One company saw its US market share drop from one-quarter of sales to 8%, forcing diversification into Europe, Oceania, and Latin America. The Brazilian leather sector exports 70% of production, and footwear-grade leather cannot easily be redirected to other uses, creating downstream pressure on raw material markets [6].

Forward Outlook

1. **August weather is decisive for soybeans; USDA August 12 WASDE looms large.** If forecast rains confirm, USDA's August report could show a corn yield of 187–189 bu/acre — above the 183 trend line — given the report's heavy weighting on satellite imagery. Without the rains, yields could fall to the mid-to-low 180s. The market has already priced in much of the weather improvement [4].
2. **Mid-August heat may support spring wheat.** The next round of heat is forecast for the northern plains in mid-August, which could provide a catalyst for spring wheat to push to new highs. US and Canadian spring wheat quality needs monitoring [1].
3. **Brazil's El Niño shapes September planting.** Even where rainfall will be adequate (Mato Grosso do Sul, São Paulo), temperatures of 40°C+ will suppress soybean productivity, accelerate crop cycles, and increase pest pressure. Center-north regions face delayed rains and November temperature anomalies of 5–7°C above average. Producers should delay planting in Goiás until the second half of October to avoid replanting costs [24].
4. **Black Sea wheat logistics remain unresolved.** Russia's proposal to arm grain vessels and the halting of Azov shipping show no signs of diplomatic resolution. With 40% of seaborne exports restricted and Sovon cutting the Russian wheat forecast to 44.6 MMT, global wheat supply chains stay tight. The EU beef ban on Brazil takes effect September 3, with WTO action pending [2, 21].
5. **Crude oil approaching a level that matters for grains.** If WTI approaches \$100, grain markets will begin trading energy more actively. At \$80, day-to-day crude changes don't register, but a sustained rally would affect the grain complex through ethanol and biodiesel demand [4].

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