

Soybeans Slide on China Risk as Fertilizer and Weather Pressure Build

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Soybeans sold off on renewed U.S.-China headline risk while corn fund length, wheat weather stress, and fertilizer and diesel inflation reshaped planting economics. This brief also highlights field practices with measurable payoff, from banded fertility and in-cab furrow sensing to spray-water conditioning and chick-start management.

1) Market Movers

- **U.S./China soybeans:** Soybeans were down about 30 cents in overnight trade, and multiple market sources later described limit-down action, with old-crop contracts hit hardest after President Trump said he might delay a meeting with Xi Jinping and traders reassessed expectations for additional Chinese old-crop buying [1, 2]. China was still described as committed to buying **25 million metric tons** of U.S. soybeans annually for the next three years, while showing openness to more U.S. poultry, beef, and non-soy row crops [2, 3]. Export inspections to China last week were **20.1 million bushels**, and cumulative soybean inspections still trail the seasonal pace needed to hit USDA's target by **137 million bushels**, though that gap narrowed from the prior week [4, 5]. In Brazil, some regions reported soybean prices down about **R\$6 per sack** as Chicago fell and the real strengthened [6].
- **U.S. corn:** Early March 16 trade had May corn at **\$4.62½**, down **4¾ cents** [3]. The backdrop remains heavily fund-driven: CFTC data showed money managers bought **147,000** corn contracts in the week ended March 10, taking the net long to **199,000** contracts, the largest since March 2025 [3]. Export demand remains supportive, with corn inspections of **65.3**

million bushels last week and cumulative inspections still **315 million bushels** ahead of the pace needed to meet USDA's target [7, 8]. Several analysts also tied the recent fund interest to higher crude oil and concern that elevated fertilizer costs could trim corn acres [3, 2].

- **Wheat:** May Chicago wheat was down **8½ cents** early Monday to **\$6.05¼**, but that followed a sharp Friday rally in which the May contract gained roughly **15 cents** to settle near **\$6.14/bushel** on drought, cold-risk, crude oil, and fertilizer-cost concerns [3]. Weather remains central: Plains wheat saw temperatures in the teens into the Texas Panhandle, with **95°F** and dry weather expected by week-end, especially stressing fields already at jointing [9]. Wheat export inspections are still running **55 million bushels** ahead of the seasonal pace needed to hit USDA's target [10].
- **U.S. livestock:** The JBS Greeley strike began with about **4,000 workers** at a plant that can process about **6,000 head/day**, roughly **7-8%** of recent U.S. slaughter [1]. Even so, cattle held up because some production had already been diverted and the closure was partly priced in [2]. The larger risk remains margin compression: packers were estimated to be losing about **\$180/head**, and heavier cattle become less profitable as corn, soybeans, and meal rise [1].

2) Innovation Spotlight

Strip-till fertility placement with measured savings

Strip-till systems continue to show the clearest near-term ROI in this cycle's notes. Field examples described residue being moved out of the seed zone while fertilizer is banded where roots will use it, improving seedbed conditions and placement efficiency [11]. University-backed guidance cited **20-30%** fertilizer-rate reduction as a safe range, and replicated comparisons found that a **60% banded rate** performed about even with a **100% broadcast rate**; full-rate banding added roughly **12-15 bushels/acre** in that comparison [11]. Rental options are available, with one program quoted at a **1,500-acre minimum** and roughly **\$20-25/acre**, depending on machine setup [11].

“60% was either even or one bushel nudge positive ... basically virtually the same with 40% less fertilizer.” [11]

The same system was also used for soybean establishment at scale, with one example running about **10 mph**, covering roughly **35 acres/hour**, and reporting soybean yields in the **70-bushel** range, with some **90-bushel** results found in the field [11].

In-cab furrow sensing and planter automation

John Deere's FurrowVision uses a **camera, LED, and laser** mounted between the gauge wheels and closing wheels to measure true V-trench depth and residue

in real time [12]. The system uses **three cameras** per planter and sends both live in-cab video and logged metrics into Operations Center [12].

The practical value in the notes came from two examples: one customer overlaid depth and downforce maps, found hard spots where the planter was downforce-limited, and corrected depth consistency the next season; another used the system to compare row-cleaner setups in green cover and found an option that removed **50% more residue** from the furrow than the previous setup [12]. Downforce automation is slated for FurrowVision-enabled planters beginning in **spring 2027**, with a broader hands-free planter-adjustment goal by **2030** [12].

3) Regional Developments

Brazil: slower soy harvest, weather splits, and inspection friction

Brazil's soybean harvest was reported at roughly **57-61%** complete, behind last year but near the five-year average in one survey, while Conab trimmed the soybean crop estimate to **177.85 million metric tons** and still called it a record crop [3, 13]. Safrinha corn planting in the center-south was reported at **91%** complete [13].

Weather remains highly uneven. In Mato Grosso and parts of MATOPIBA, forecasts called for **50-70 mm** in five days, enough to delay the final phase of soybean harvest in some areas [14]. Mato Grosso do Sul was expected to receive beneficial moisture after prior water stress [14, 15]. In South Brazil, however, hotter and drier weather was expected to keep hydric stress elevated, with only **20-30 mm** over five days in some areas—insufficient to reverse deficits—although western Rio Grande do Sul could see **80-100 mm** next week [15]. Severe storms with hail and wind gusts above **100 km/h** were also flagged for parts of the South and center-south Mato Grosso do Sul [14].

China's tighter sanitary inspection of Brazilian soybeans is also creating short-term shipping delays and potential export-premium volatility [16, 17]. That matters because China remains Brazil's largest soybean buyer, while the Middle East imported **51%** of Brazil's corn last year; Iran alone bought more than **9 million tons**, about **22%** of Brazil's 2025 corn exports [16, 18].

United States: drought and wildfire risk remain a supply watch

Nebraska entered the week with widespread severe drought, and one University of Nebraska climatologist described conditions in parts of the state as about as bad as seen at this time of year in a very long time [19]. Wildfires were nearing **700,000 acres** in central and western Nebraska, and no broad drought relief signal was seen for April or early May [19]. Reduced Rockies snowpack was also expected to limit water flows into key reservoirs and irrigation systems [19]. The same source warned that without substantive precipitation by early May, rain-fed producers in central, western, and northeastern Nebraska could face

a very challenging season [19]. Texas also remains heavily stressed, with just under **99%** of the state in drought [20].

Brazil's longer-term supply story remains expansionary

Beyond the current weather and logistics issues, a Brazilian land-use study cited in Canal Rural said grain area could expand by about **20 million hectares by 2035** through degraded-pasture conversion and second/third-crop intensification, without increasing total agricultural land use beyond current levels [17]. The same reporting linked Brazil's biofuel buildout to greater future demand for cane, corn, and soy through ethanol, biodiesel, biogas, and related fuels [17].

4) Best Practices

Grains and weed control

- Build weed programs as a full-season system: strong **pre-emerge**, follow-up **post-emerge**, repeated scouting, and multiple effective modes of action for resistant or staggered-emergence weeds [21].
- Layer residual control behind post applications where possible. One example cited adding residual herbicide after an Enlist pass to control later-emerging weeds [21].
- Watch mechanical causes of stand inconsistency. FurrowVision examples showed value in catching opener-blade wear, shallow planting, and residue hairpinning before problems spread across the field [12].

Soil and spray chemistry

- Treat water quality as part of chemistry performance. Hard water was described as common, with pH often around **7.5-8.0** and some samples reaching **9.1**; ideal spray-solution pH was cited at roughly **5.5-6.5** [22].
- Add **AMS first** so sulfate binds hard-water cations before weak-acid herbicides are loaded [22].
- Use acidifiers when needed; one recommendation cited **16 oz/100 gallons** as a benchmark rate, noting how quickly alkaline hydrolysis can cut active ingredient life at higher pH [22].
- Follow the **WALES** mixing order—Water, AMS, Liquids, ECs, Surfactants—and test water **1-2 times per year** [22]. University material cited in the same discussion pointed to **30%+** efficacy gains from proper water conditioning [22].

Dairy and forage

- For dairy forage work, forage analysis can be used as a baseline similar to tissue analysis, but iron readings need careful interpretation because forage tests can show very high iron even when the crop is functionally iron-deficient [23].

Poultry and livestock

- For broiler starts, place **chick paper** with feed before chicks arrive, position it between feeder and drinker lines, and remove it after roughly **three days** [24].
- Pre-heating and early-house conditions matter: the first **seven days** were described as the most important phase for immunity, gut development, and later feed conversion [24].
- Use chick behavior as the first audit. At three days old, birds should be evenly distributed and actively eating and drinking; piling in corners or small clusters signals a management or environment problem [24]. Stimulating chicks to eat several times a day was also recommended [24].

5) Input Markets

- **Fertilizer:** The Strait of Hormuz disruption continues to feed into fertilizer concern. Analysts described fertilizer prices as “going wild” ahead of U.S. planting, and some market commentary said higher fertilizer costs were already pushing acreage decisions away from corn or spring wheat and toward soybeans or specialty crops [1, 2]. In Brazil, Mosaic’s fertilizer purchasing-power index rose to **1.28** in February, a less favorable exchange ratio for growers, driven by a stronger dollar and higher urea and potash prices [13]. Brazil was also described as **85-90%** dependent on fertilizer imports, prompting a new national fertilizer pact [17].
- **Potential relief remains limited:** The U.S. approved Venezuelan fertilizer sales, with theoretical annual capacity of about **2.7 million metric tons of ammonia** and **3.3 million metric tons of urea**, but analysts in the same discussion said years of underinvestment mean little short-term impact is likely [3].
- **Fuel:** Brent was cited near **\$100.54/barrel**, versus **\$70.75** at the start of the war and about **\$61** at the beginning of the year [17]. In Brazil, ANP data showed common diesel rising from **R\$5.96** to **R\$6.76/liter** and S10 from **R\$6.16** to **R\$6.87** in one week [25]. Brazil imports about **30%** of the diesel it uses [26]. Diesel was described as representing **35-40%** of food freight and **10-15%** of operating costs, and farmers reported retail prices from roughly **R\$7.49** to **R\$8.19/liter** in some areas [17, 25].
- **Feed and animal inputs:** Rising corn, soy, and meal costs were flagged as a direct problem for very heavy cattle because those animals require more feed just to maintain and add weight [1]. In Brazil, February production costs moved differently by species: live hog costs in Santa Catarina fell to **R\$6.36/kg**, while broiler costs in Paraná were nearly flat at **R\$4.72/kg** [13].
- **Crop chemistry economics:** One spray-tank discussion noted that water conditioners and AMS are a small share of a **\$20-30/acre** post-emerge

chemistry pass, reinforcing that mix quality can be a low-cost margin lever when chemical prices are high [22].

6) Forward Outlook

- **Soybeans likely stay headline-driven.** Reporting from Paris described U.S.-China talks as encouraging, but the market reaction remains centered on whether the Trump-Xi meeting proceeds and whether additional old-crop soybean buying materializes [1]. New-crop soybean support looks firmer than old-crop support because of China’s stated **25 million metric tons/year** commitment [2].
- **Corn and wheat will keep trading crude, fertilizer, and weather.** Current fund length in corn is large but export pace remains strong, while wheat still has a live weather story in the Plains and export inspections above USDA pace [3, 8, 10].
- **Brazil’s next two to three weeks are a harvest-vs.-moisture trade-off.** More rain across the Center-West and MATOPIBA is likely to keep soybean harvest slow in some areas, but it should help second-crop corn in places like Mato Grosso do Sul and western Bahia [14]. South Brazil still needs the later-March to April rainfall window to reverse stress more broadly [15].
- **Nebraska and the central Plains need rain before the calendar matters less than the crop.** The clearest U.S. seasonal warning in the notes was that if substantive precipitation does not arrive by early May, rain-fed producers in key Nebraska areas face a very difficult season [19].
- **Longer-term planning should account for both acreage pressure and biofuel pull.** Higher fertilizer costs are already influencing crop-choice discussions in North America [1, 2], while Brazil’s structural outlook points to more grain area and stronger domestic demand from ethanol, biodiesel, and biogas feedstocks over time [17].

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