

Tariff ruling reshapes trade uncertainty as KC wheat rally extends and fertilizer costs climb

Global Agricultural Developments

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Key price drivers this cycle include the U.S. Supreme Court's tariff ruling, a sustained KC wheat rally amid Plains weather risks, and continued corn/soy uncertainty tied to acreage, farmer selling, and China demand signals. Also inside: proven yield and ROI innovations (soy co-inoculation, split-N economics, livestock ventilation), plus fertilizer/input market pressures and near-term policy timelines.

Market Movers

U.S. trade policy: Supreme Court tariff ruling adds uncertainty, with limited immediate grain/oilseed impact

The U.S. Supreme Court struck down President Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose broad import tariffs, in a 6-3 ruling ¹. Farm Journal noted importers may halt payments and seek refunds, potentially putting **billions** of dollars in tariff revenue at risk ³, while another analysis cited roughly **\$175B** reportedly collected to date now being called into question ⁴.

Some market commentary framed the decision as likely to have **only limited impact on grain and oilseeds** ⁵, and a Brownfield market check described **very little response in the crop space** immediately after the ruling ⁶.

¹Supreme Court Strikes Down Trump Tariffs in 6-3 Landmark Ruling

²Friday Footnotes: The Tariff Ruling Impact

³Supreme Court Strikes Down Trump Tariffs in 6-3 Landmark Ruling

⁴Friday Footnotes: The Tariff Ruling Impact

⁵ post by @ArlanFF101

⁶January placements down 5% | Weekly Livestock Market Update for February 20, 2026



Supreme Court Strikes Down Trump Tariffs in 6-3 Landmark Ruling (0:54)

Wheat: rally remains supported by short covering, weather risk, and geopolitics

- Wheat strength was tied to **short covering** and weather concerns in the U.S. Southern Plains (drought/high winds) plus Ukraine crop concerns ⁷.
- A multi-month dryness setup in HRW country (Southern Plains) was flagged as a risk, including concern that warm weather could trigger early emergence into dry conditions ⁸⁹.
- Kansas City wheat has been in its **most sustained rally in 5 years**, running **130 days** from October lows (front month basis) ¹⁰¹¹.

Corn & soybeans: acreage shifts, cash selling pressure, and China/trade headlines remain central

- Corn market commentary cited aggressive farmer cash selling depressing prices and excellent Brazil second-crop (safrinha) weather across ~**75%** of

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production areas ¹².

- A separate view described corn staying range-bound until farmer selling eases and markets get clarity on whether expanded trade arrangements include corn, with additional focus on end-of-March reports (planting intentions and quarterly stocks) ¹³.
- USDA Outlook Forum projections referenced broadly across coverage included **94M corn acres** and **85M soybean acres**, with corn at **183 bu/acre** and average cash price forecasts around **\$4.20** for corn and **\$10.30** for soybeans ¹⁴.

China-related demand expectations remained a key swing factor:

- One market guest expected China to resume **goodwill soybean purchases** after its New Year holiday ahead of an April meeting ¹⁵.
- Others suggested China may need higher-quality U.S. corn and could buy corn accordingly ¹⁶.
- A Topsoil analysis noted China met a trade commitment after purchasing **12M tons** of U.S. soybeans since November, then returned to South American soybeans that were about **\$0.50/bu (~5%) cheaper** ¹⁷.

Dairy & livestock: diverging signals on demand vs. supply

- Dairy: One market segment said Class 4 (butter/milk powder) rallied from **\$14/cwt to \$19/cwt** over the last month, citing renewed U.S. government food box purchases and China buying milk powder in GDT auctions (including a record auction price increase) ¹⁸.
- Another Farm Journal segment reported USDA would buy up to **\$263M** of ag products for food banks and nutrition programs, including **\$148M** in dairy (butter/cheese/milk), with the National Milk Producers Federation suggesting it “certainly helps” but is not a major market mover ¹⁹.
- Cattle: A Markets Now guest highlighted a widening gap where **beef cutout** is not following the high **cash cattle** price, interpreting it as demand backing off and expecting “something’s going to have to give,”

¹²Markets Now Closes - 2/20 Soybeans Fall on SCOTUS Tariff Ruling: Wheat Makes New Highs, Corn Follows

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¹⁴February 20, 2026: Farm Bill Developments, Farmer Assistance and Swine Productivity Strategies

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¹⁷From “Feeding 9 billion” to “Overproducing”

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¹⁹Supreme Court Strikes Down Trump Tariffs in 6-3 Landmark Ruling

potentially a **weaker cattle price** ²⁰.

- Weekly livestock data showed January 2026 beef production down **11%** vs. last year, with dressed weights up **19 lbs YoY** ²¹²².

Innovation Spotlight

Brazil (Paraná): co-inoculation bioinputs deliver +8.33% soybean productivity and eliminate N fertilizer need

A 10-year Embrapa Soja and IDR Paraná partnership reported that co-inoculation (Bradyrhizobium + *Azospirillum brasilense*) generated an average **8.33%** soybean productivity gain in Paraná's 2024/25 crop (and about ~8% across recent harvests) ²³²⁴²⁵.

Key operational takeaways:

- The practice can **dispense with nitrogen fertilization** for soybeans by supplying nitrogen through biological fixation (from atmospheric N) ²⁶.
- The program emphasized annual application even in established fields and checking nodulation effectiveness around **20–30 days after emergence** ²⁷.

U.S. corn rootworm: Syngenta's DuraStack targets 2027 with triple Bt protein stack

Farm Journal highlighted Syngenta's DuraStack trait technology (available for the **2027** season), positioned as three modes of action for corn rootworm control, described as the industry's first triple Bt protein stack for rootworm control ²⁸²⁹. Corn rootworm losses were cited as up to **\$1B/year** for farmers ³⁰.

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Precision livestock environments: ventilation and barn modernization

- Calf health (tube ventilation): A positive pressure tube ventilation system was described as providing **8 air exchanges/hour** and reducing stagnant/recirculating air at calf level; the farm reported fewer calf deaths (none while the system was running) ³¹³². Target air speeds cited were **0.3 m/s** for pre-weaned calves and **0.3–0.5 m/s** for weaned calves ³³³⁴.
- Swine housing: A segment on sow systems described more operations shifting to **minimal gestation stalls**, in part because raw-material inflation (steel/concrete) has been severe and facilities need to stay viable over **15–20+ years** ³⁵. Precision feeding technology (Giga/Gestal) was discussed as a modernization lever for sow productivity and welfare ³⁶.

Equipment & repairability: EPA clears off-road “derate” self-fixes

Farm Journal reported the EPA clarified farmers can fix their own off-road equipment derate issues (without needing an OEM or authorized shop), after Deere sought regulatory clarity ³⁷.

Regional Developments

U.S. Southern Plains: wind-driven wildfire damage and persistent dryness

Fast-moving wildfires swept across Oklahoma, Texas, Kansas, Colorado, and New Mexico—damaging **tens of thousands of acres** of pasture and farmland and putting livestock in harm’s way ³⁸. In Oklahoma, a producer fighting a fire near Hooker/Tyrone reported battling wind gusts around **60 mph** while using discs, firefighting equipment, volunteer departments, and back burning to contain spread and protect homesteads and cattle ³⁹⁴⁰.

Conditions behind the outbreak included a traditionally windy period from February into early-to-mid April ⁴¹ and highly depressed recent precipitation—some areas ranging **5–20% of average moisture** over the past 30 days ⁴².

³¹WAS IT ALL WORTH IT!?!... SHE COMES TO DROP BOMBS!

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³⁷EPA Clears Right-to-Repair for Farmers

³⁸Wind, Drought Fuel Southern Plains Wildfires as Dry Pattern Persists

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U.S. West (Colorado): water scarcity and planting risk

A Colorado producer reported no measurable moisture since early October and cited the **least snowpack in recorded Colorado history**, with ditch water allocation at **0%**; they said they may preventive-plant **three-quarters** of the operation if water scarcity persists ⁴³⁴⁴.

Brazil (Mato Grosso): soybean harvest disruption from excess rain

In Paranatinga (central Mato Grosso), heavy rain was reported to delay harvest and increase quality loss, including pod rot and germination; one producer estimated losses around **50%** already and warned fields could be **100% lost** if harvest could not resume in **2–3 days** ⁴⁵. Weather guidance in the same coverage suggested only a brief firm-weather window (around Feb 25 to early March) before additional heavy rainfall ⁴⁶.

Brazil: trade/market development with India and export pace

Brazil opened a new ApexBrasil office in New Delhi to expand trade in a market of **1.4B** people; speakers highlighted India's economic expansion and noted **250M** people lifted from poverty over the last nine years ⁴⁷⁴⁸. Coffee was flagged as a high-potential product, with India's per-capita consumption cited at about **8 cups/year** versus Brazil's **1,400 cups/year** ⁴⁹.

Brazil's February soybean exports were reported at **269.3k tons/day**, **16.2%** below the same period in February 2025 ⁵⁰.

Best Practices

Grains: residue and nitrogen management that holds up under tight margins

- **Uniform residue spread:** Phil Needham emphasized matching the residue chopper/spreader width to the header width to improve uniform

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⁴⁵Forte temporal no RS causa estragos em pelo menos oito cidades | Rural Notícias - 19/02/2026

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⁵⁰AO VIVO: Brasil amplia presença no exterior com escritório da ApexBrasil na Índia | M&C – 20/02/2026

emergence in cereals and soybeans (sometimes requiring a narrower header if residue cannot be spread evenly) ⁵¹.

- **Split-N economics:** A 4-year, multi-location corn study cited an economic optimum nitrogen rate of **236 lbs/acre**, associated with **236 bu/acre**; the system described used a 2x2x2 placement approach with split application timing ⁵².

Soil remediation: high-magnesium soils

Ag PhD described soils with magnesium base saturation above **25%** as “high magnesium soils,” and suggested remediation via flushing Mg (e.g., tile + calcitic lime over years) or adding sulfur/gypsum to form leachable magnesium sulfate—while prioritizing N, P, K, pH, and micronutrients first ⁵³.

Poultry and eggs: yolk color is a feed signal, not a nutrition shortcut

Egg yolk color was explained as being driven by carotenoids (including beta-carotene) in the bird’s feed, with free-range birds eating corn/fruits/vegetables or calendula producing more intense yolks ⁵⁴⁵⁵. Darker yolks may contain more carotenoids, but were not presented as higher in protein or fat; color is “not synonymous with nutrition” ⁵⁶⁵⁷.

On-farm learning loop: equipment maintenance postmortems

A practical AI workflow shared by an operator: record a short voice-note “post-mortem” after equipment work, then feed the note into a ChatGPT/Claude project to accumulate a searchable knowledge base over time ⁵⁸.

Input Markets

Fertilizer: nitrogen values rising into spring; phosphate remains policy-sensitive

- Fertilizer prices were reported as climbing into spring with nitrogen leading; **urea up more than \$100/ton since December**, driven by tight global supplies, limited Chinese exports, reduced European production, and Iran-related geopolitical tensions ⁵⁹.

⁵¹No-Till Legend Shares Residue Management Tips at National Farm Machinery Show

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⁵³ post by @AgPhDMedia

⁵⁴Mito ou verdade: gema do ovo mais escura é mais nutritiva?

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⁵⁷Mito ou verdade: gema do ovo mais escura é mais nutritiva?

⁵⁸ post by @NickHorob

⁵⁹February 20, 2026: Farm Bill Developments, Farmer Assistance and Swine Productivity Strategies

- Anhydrous was described as the cheapest nitrogen option, but all major nitrogen products were reported near record-high levels relative to corn prices; phosphate values remained elevated with China expected to limit exports, while potash was steady and sulfur rising ⁶⁰.

Crop protection and critical inputs: U.S. Defense Production Act action

President Trump invoked the Defense Production Act via executive order to safeguard supplies of **phosphorus** and **glyphosate-based herbicides**, calling them central to agriculture and national security ⁶¹.

Biofuels policy and demand: 45Z/RFS plus new market signals

- Farm Journal described 45Z-related “flexible feedstock provisions” as an upcoming USDA rule that could add incentives at the farm level by increasing derived demand for biofuel inputs (including corn, soy, and potentially canola) ⁶².
- Separately, NASCAR’s partnership to run on “zero carbon bioethanol” (via Poet) was framed as another potential demand channel for corn and low-carbon fuels, building on E15 testing history ⁶³.

Forward Outlook

Weather and seasonal risk

- A Farm Journal weather segment described a transition year from a weak La Niña to weak-to-moderate El Niño, citing model odds rising to a **60% chance** of El Niño development by July; the speaker associated that pattern with cooler weather and timely rains and said it could support a “pretty good crop year” for core corn/soy growing periods ⁶⁴.
- In the Southern Plains, near-term forecasts were described as **drier than average** for much of the U.S. over the next 10 days, with above-average temperatures and a March pattern that may keep the Southwest/High Plains relatively dry ⁶⁵.

⁶⁰February 20, 2026: Farm Bill Developments, Farmer Assistance and Swine Productivity Strategies

⁶¹AgDay In Depth What Does an Executive Order About Ag Products Mean for Producers?

⁶²The Wildcards to Watch That Could Impact the Farm Economy in 2026

⁶³February 20, 2026: Farm Bill Developments, Farmer Assistance and Swine Productivity Strategies

⁶⁴Markets Now Closes - 2/20 Soybeans Fall on SCOTUS Tariff Ruling: Wheat Makes New Highs, Corn Follows

⁶⁵Wind, Drought Fuel Southern Plains Wildfires as Dry Pattern Persists

Policy and program timelines to keep on the calendar

- USDA’s **Farmer Bridge Assistance** program: enrollment runs **Feb 23 to April 17, 2026**, providing **\$11B** in one-time bridge payments to row crop producers tied to temporary trade disruptions and increased production costs; application details are at <http://fsa.usda.gov/fba> ⁶⁶⁶⁷.
- The House Ag Committee’s Farm Food and National Security Act of 2026 was scheduled for committee markup starting **Feb 23**, with potential House floor consideration later in the spring ⁶⁸.

Longer-cycle competitiveness pressures

A Topsoil analysis argued that Brazil’s Southern Hemisphere harvest timing (multiple annual grain supply pulses) has reduced the reliability of the traditional “summer price rally,” and that U.S. farmers face additional squeeze because U.S. production costs are higher than Brazil’s ⁶⁹.

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