Urea jumps on Hormuz risk as Brazil harvest delays reshape corn/soy decisions

Global Agricultural Developments

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Fertilizer and grain markets reacted to Strait of Hormuz risk with sharp urea gains and renewed supply-timing concerns, while Brazil's soybean harvest delays and regional weather issues continue to influence safrinha corn decisions. This digest also highlights actionable on-farm innovations—from biological nematode control and soybean variable-rate seeding to AI-driven livestock nutrition and genomic testing for heifer selection.

1) Market Movers

Energy + geopolitics feeding into ag

- **Fertilizer reacted immediately to Middle East shipping risk.** In NOLA (New Orleans) physical barges for April, **urea traded at $457/ton Friday and around $550/ton Monday** (with commentary noting prices up roughly **$70–$93/ton**) [1]. Phosphate was described as up about **$30/ton** [2], while **UAN and anhydrous ammonia** moved less sharply [3] and **potash** was said to be unaffected so far [4].

[1] Iran War Spikes Fertilizer Prices, Threatens Supplies for Planting Season
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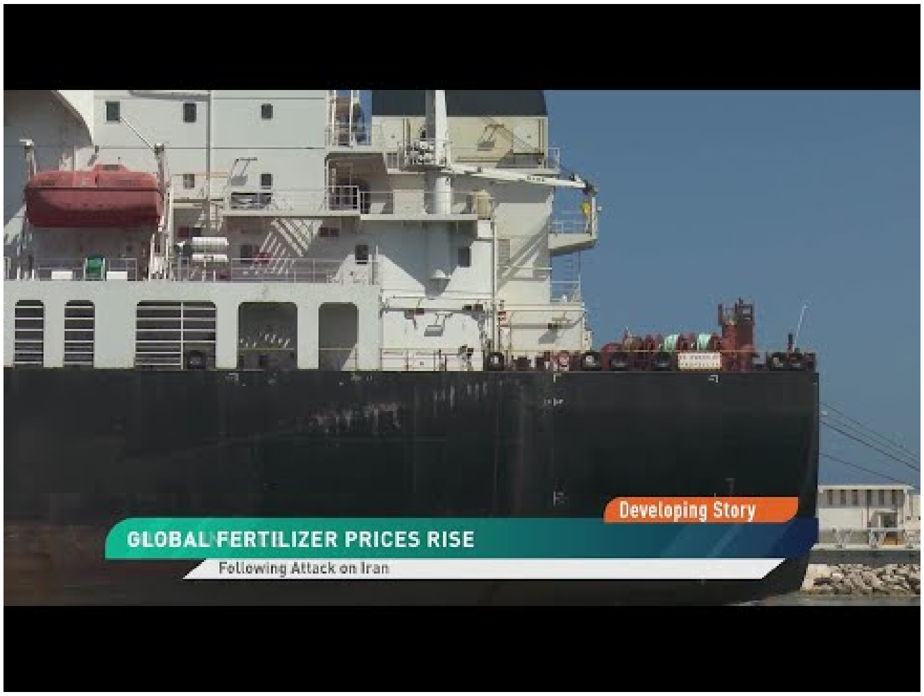
[3] Iran War Spikes Fertilizer Prices, Threatens Supplies for Planting Season
[4] Iran War Spikes Fertilizer Prices, Threatens Supplies for Planting Season



Iran War Spikes Fertilizer Prices, Threatens Supplies for Planting Season (1:15)

- Grain markets are also being pulled by the **biofuel/energy channel**: one market recap highlighted soybean oil's outperformance tied to crude strength amid the conflict [5], and another framed soybean oil as up **$14.50 (+29.5%) since the end of last year** [6].

Grains: price action + demand signals

- **Futures levels cited in market coverage:** May corn **451¾** (+6¢), May soybeans **1182½** (+18½¢), May Chicago wheat **584** (+6¾¢), May Kansas City wheat **583½** (+8¾¢), and May spring wheat **613¾** (+3¾¢) [7][8][9][10][11].
- **US export inspections (week ending Feb 26):**
  - Corn: **73M bushels** (down 8% vs prior week, **up 37% YoY**) [12]

[5] Markets Now Closes - 3/3 Grains End Mostly Higher: Trying to Decide if Iran War Bullish or Bearish
[6] Farmers Now Unable to Buy Fertilizer?? Impact from Iran Attacks
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- Soybeans: **42M bushels** (**up 67%** vs prior week, **up 62% YoY**); **China accounted for ~65%** of inspections [13]
- Wheat: **13M bushels** (down 39% vs prior week; **down 12% YoY**) [14]

- **Spain demand + policy headline risk:** Spain has bought **2.4 MMT of corn** so far this year (up **1 MMT** vs last year) with about **225,000 MT** still waiting to ship [15]. Separately, a post quoted Trump as saying: "**SPAIN HAS BEEN TERRIBLE, I TOLD BESSENT TO CUT OFF ALL DEALING WITH SPAIN**" [16].

2) Innovation Spotlight

Biological nematode control in soybeans (US/Brazil retail rollout)

- Indigo Ag's **Biotrinsic Nemora FP** (biological nematicide) won **The Scoop's 2025 New Product of the Year** [17][18].
- **Mechanism & measured efficacy:** a bacterial seed treatment that grows with the plant and **reduces soybean cyst nematode (SCN) egg hatch by ~70%**; the discussion notes **4–6 nematode life cycles per season** and describes the compounding effect across cycles [19].
- **Use & handling metrics:** applied as a flowable powder dry planter-box treatment at **1 oz/cwt** at planting [20]; product shelf life described as **18–24 months at room temperature**, with **on-seed planting windows from 60 days up to 1 year** (by product) [21].

AI-assisted nutrition decisions in poultry and swine (Brazil)

- A segment on animal production described AI systems that integrate **feed intake, weight gain, feed conversion, water consumption, barn environment, health history, and ingredient quality** to spot patterns and **flag issues early** (e.g., subtle intake drops plus rising bird temperature) [22].

[13] Farmers Now Unable to Buy Fertilizer?? Impact from Iran Attacks
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[17] The Scoop Podcast: The Scoop's 2025 New Product of the Year: Why Biologicals Are Making Waves
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- Reported operational benefit: **earlier diet/formulation adjustment**, avoiding performance loss and **reducing waste** [23][24].
- Implementation constraints called out: **data quality, system integration, tech access, and trained staff** [25].

Genomic testing for replacement-heifer selection (US beef)

- Zoetis' **Inherit Select** genomic testing is presented as a way for commercial producers to select replacements beyond "looks," including traits like **cow fertility** (lifetime calves up to 9 years), **feed efficiency**, and **BRD health/survival** [26][27].
- **Operational timeline & economics:** turnaround advised at roughly **30 days**, with testing ideally **as early as possible** but at least **30 days before** the first keep/sell decision point (e.g., branding/weaning) [28]. ROI was characterized as **3–4:1 or higher** in their experience/modeling [29].

3) Regional Developments

Brazil (Mato Grosso): excess rain delays soy, compresses safrinha corn window

- In northern Mato Grosso (Peixoto de Azevedo, Matupá, Marcelândia), reporting described **atypical precipitation** that waterlogged soils and damaged infrastructure, slowing soybean harvest and pressuring second-crop corn planting [30].
- Marcelândia details included: about **35% of 200,000 ha** still unharvested, an emergency declaration, and rainfall projected near **3,000 mm** versus an average **1,800–2,000 mm** [31][32].
- Producer-reported impacts included soybean losses of **8–10 sacks/ha** (from an expected 75–80) [33] and corn area reductions around **20%** tied to a ~**10-day delay** beyond the ideal planting window [34][35].

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Brazil (national): harvest still behind pace despite some drying

- Conab-linked coverage described national soybean harvest ~**7% behind last year** and **10% behind the 5-year average** [36]. Reported state gaps included Maranhão around **31%** behind, with delays of **10–15%** in Minas Gerais and Goiás [37].

Brazil (south): drought-driven soybean crop downgrades

- Market commentary cited crop cuts attributed to **southern Brazil drought**: AgRural at **178 MMT** (from 181) [38] and StoneX at **177.8 MMT** (from 181.6) [39], with examples of rainfall at **60% of normal** in Paraná over 30 days [40].

Mercosur rice: weak pricing + expected area reductions

- An outlook for rice producers described **low prices** and **poor yields** in 2026 [41][42], with expectations of about a **19% rice area reduction** across Mercosur countries by 2028 as producers shift into other options (soy, corn, livestock) [43].

4) Best Practices (actionable)

Grains & oilseeds

- **Variable-rate soybeans (think "opposite of corn").** Ag PhD recommended lowering seeding rates in the best zones (example: **120,000) to shorten plants, improve standability, and increase airflow to reduce disease pressure; and raising rates** **180,000**) to push height for better weed control and potentially reduce IDC via greater root acid exudation and nutrient availability [44]. They also noted variable seeding **should not increase total seed cost** (reallocating dollars by zone) [45].

- **Soybean inoculation + nodulation check.** Ag PhD described inoculation as putting **live rhizobia on seed or in-furrow** to support nitrogen fixation, noting these bacteria can persist but may be outcompeted, so inoculating "each time" can help [46]. To check nodulation, slice nodules:

[36] Chuvas em Minas Gerais prejudicam qualidade da colheita de soja
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[41] Economista explica, cómo productores arroceros podrían atenuar momento complicado
[42] Economista explica, cómo productores arroceros podrían atenuar momento complicado
[43] Economista explica, cómo productores arroceros podrían atenuar momento complicado
[44] post by @AgPhDMedia
[45] post by @AgPhDMedia
[46] Soybean Nodulation

pink/beefsteak red = active, **black/brown = dead** [47].

Soybean Nodulation (3:04)

Soil fertility (rate-setting under volatile prices)

- Canal Rural's agronomy segment emphasized that more fertilizer **doesn't always mean** more productivity: after a point, **marginal returns decline** [48]. It also stressed that the **maximum economic efficiency** rate rarely equals the maximum yield rate—especially when fertilizer prices are volatile [49].
- Specific "too much" risks cited included nitrogen increasing lodging risk and N O emissions, potassium imbalancing Mg/Ca, and phosphorus exceeding soil fixation capacity leading to immobilization or environmental loss [50].

[47] Soybean Nodulation
[48] Como usar fertilizante de forma eficiente para aumentar a produtividade? | Palavra de Especialista
[49] Como usar fertilizante de forma eficiente para aumentar a produtividade? | Palavra de Especialista
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Livestock & small-farm systems

- **Deep-bedded pig pens as a compost engine (small acreage).** Joel Salatin recommended stationary deep-bedded pens (example **15×20 ft** for 3–5 pigs) with **24–36 inches** of wood-chip bedding; adding carbon to the pigs' "toilet corner" was presented as a way to accumulate enough material to create **3–4 pickup loads of compost in ~6 months** [51][52].

5) Input Markets

Fertilizer: price spikes + logistics constraints (US and global)

- The Strait of Hormuz was described as a critical chokepoint for moving oil and a significant share of global fertilizer [53]. One market source estimated ~ **of global crop nutrients** pass through the strait [54], including ~**25% of global anhydrous ammonia exports** and ~**20–25% of global urea exports** [55].
- **Supply timing risk into spring:** a Farm Journal interview described a "two-month-ahead" calendar—~**30 days ocean transit plus another ~3–4 weeks to move product inland**, with an example that a vessel loading "today" might not be readily available until around **May 1** [56]. A related discussion framed urea as dependent on the Middle East for a large share of US import needs and emphasized the tightness of the spring calendar [57].
- **Market behavior:** one grain-market video said many US retailers went **"no bid"** on nitrogen as they waited on expected price spikes [58].
- **Relative affordability:** StoneX commentary said urea values are high versus history and that the **urea-to-corn ratio** is the **second-highest on record** for this time of year (with the peak referenced as 2005) [59][60].

Potash and phosphate: diverging setups

- Potash was described as well supplied and steady, with Canada's 2025 exports referenced as the most ever and additional tonnage expected from multiple origins and expansions [61].

[51] Can You Raise Pigs On Pasture With Pig Tractors?
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[61] Top Producer Podcast: Josh Linville, StoneX

- For phosphate, one discussion highlighted concentration (five countries controlling ~**85–90%** of flows) and cited China not exporting until **August** [62].

Chemicals and regulatory/process signals

- Successful Farming flagged **new dicamba label changes**, **ESA documentation requirements**, and **glyphosate litigation** as factors shaping 2026 weed plans [63].

Producer risk tools (old-crop corn)

- A hedging note for corn that **must move by May** advised:
  - With **weak basis**: "protect the board first" via **April/May puts or selling futures** if basis is expected to firm before movement [64][65].
  - With **strong basis**: "capture basis" [66][67].

6) Forward Outlook

- **Spring planting decisions may hinge on fertilizer availability.** One Farm Journal segment noted February fertilizer imports were "healthy," but still warned that acreage could shift **from corn to soybeans if fertilizer supplies don't arrive** [68].

- **Fuel and fertilizer remain linked to oil moves.** A Brownfield interview cited oil around **$71–$72/barrel** (up roughly **$6**) [69] and said fertilizer prices often move with oil as a proxy for natural gas, emphasizing fertilizer as a larger farm expense than fuel [70].

- **Brazil export exposure to Iran is material for corn.** Canal Rural reported Iran imported about **9 million tons** of Brazilian corn in 2025 (about **22–23%** of Brazil's corn exports) [71][72]. The same coverage warned that conflict-driven disruptions to freight, port activity, and regional logistics could affect Brazil's export potential and (if exports are constrained) contribute to heavier domestic supply and weaker internal prices [73].

[62] Top Producer Podcast: Josh Linville, StoneX
[63] post by @SuccessfulFarm
[64] CORN SIGNAL & HEDGE ALERT
[65] CORN SIGNAL & HEDGE ALERT
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[67] CORN SIGNAL & HEDGE ALERT
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[69] Middle East conflict could raise fuel, fertilizer prices
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[71] AO VIVO: Arábia Saudita fecha maior refinaria de petróleo após ataque do Irã | M&C – 03/03/2026
[72] Puxado pelo agro, PIB do Brasil cresce 2,3% em 2025, diz IBGE | Rural Notícias - 03/03/2026
[73] Puxado pelo agro, PIB do Brasil cresce 2,3% em 2025, diz IBGE | Rural Notícias - 03/03/2026

- **Financial risk management theme (US):** a Brownfield segment encouraged farmers to manage controllable risk by limiting debt capital borrowed (beyond operating loans) during heightened input and price uncertainty [74].

Sources

1. Iran War Spikes Fertilizer Prices, Threatens Supplies for Planting Season
2. Markets Now Closes - 3/3 Grains End Mostly Higher: Trying to Decide if Iran War Bullish or Bearish
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