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Global Agricultural Developments

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Mixed U.S. grain markets are heading into a high-stakes USDA report as Brazil posts a record soybean crop but faces rising diesel, fertilizer, and logistics pressure. The brief also highlights quantified nitrogen-management gains, new wheat and feed tools, and seasonal weather risks shaping next-step farm decisions.

Market Movers

- **United States:** Mar. 26 grain trade was mixed: May corn at **467.5¢/bu**, Dec corn at **494¢**, May soybeans at **1172¢**, Nov soybeans at **1150.5¢**, May Chicago wheat at **594.75¢**, May KC wheat at **617.75¢**, and May spring wheat at **641.5¢**. Traders were balancing strong export sales—soybeans and soymeal above expectations, with corn and wheat at the upper end of expectations—against positioning ahead of USDA quarterly stocks and planting intentions next Tuesday. Pullbacks were still being bought, and the prevailing acreage view remains lower corn and higher soybeans, though spring weather and the June report still matter for final planted area [1, 2]
- **U.S. wheat / global:** Hard red winter wheat is carrying the clearest weather premium. Hot, dry Southern Plains conditions pushed the HRW premium to SRW to **24 cents** overnight, and analysts said forecast relief needs to show up soon. Additional production risk is being watched in the **EU, Russia, Ukraine, and Australia**, where acreage could shift toward pulses and oilseeds [2]
- **Soybeans — U.S./China/Brazil:** Demand signals remain split. One view is that the **May 14-15** U.S.-China summit and Brazil's shipments

running **15-18%** behind last year could open some U.S. old-crop or new-crop soybean business. Another is that China is effectively done with additional old-crop U.S. beans, has bought almost no new-crop U.S. soybeans so far, and that the U.S. may need another **4-4.5 million metric tons** of sales to avoid overstating exports by roughly **140 million bushels**. Brazil was also described as the cheaper origin [2, 1, 3]

- **Energy and biofuels — global/U.S./Vietnam:** Brent was cited up **6%** to **$108/barrel** and WTI at **$95**, reinforcing the energy link to grain pricing. In the U.S., ethanol output rose to **1.12 million barrels/day** with margins of **$0.10-$0.35**, while emergency E15 waivers run from **May 1-20**. In **Vietnam**, the move to **E10** this June was framed as incremental ethanol demand and a new market opportunity for U.S. agriculture [4, 1, 5]

Innovation Spotlight

- **U.S. corn nitrogen management:** Sentinel Ag's in-season nitrogen system combines **3-meter satellite imagery**, high- and low-N sentinel plots, weather, and nitrogen-dynamics modeling to guide sidedress timing from roughly **V5 to VT** and to credit non-fertilizer N sources such as cover crops and manure. Across four years in corn, the system was reported to cut N rates by **40-50 lb/acre**, save **$27-$40/acre** in nitrogen cost, and improve average commercial profit by **$59/acre**, with NUE around **0.7-0.8**. In one cereal rye example, mineralization held the crop in the sufficient range into **July-September**, avoiding extra applications [6]
- **Brazil wheat:** Embrapa's new **Trigo no Brasil** platform consolidates free maps, dashboards, and tables on wheat production, expansion areas, cooperatives, mills, imports, and exports. It also introduces separate estimates for **irrigated** and **rainfed** wheat, noting that the larger expansion opportunity is in rainfed areas. The platform is intended to support public and private investment decisions as Brazil tries to reduce wheat import dependence, with annual updates planned [7]
- **Brazil poultry and swine feed:** DDGS is being positioned as a dry, easier-to-store ingredient with **32% protein** plus energy and fiber. Research cited no broiler performance difference up to **10% inclusion** in isonutritive diets, while **15-20%** showed slight declines under stricter statistical tests. In swine, researchers reported better carcass yield and recommend lower inclusion early in nursery phases, higher use in intermediate growth phases, and lower inclusion again at finishing [8]

Regional Developments

- **Brazil:** Agroconsult lifted Brazil's soybean crop estimate to a record **184.7 million tons** from **49.1 million hectares**, up **933,000 hectares** from the prior year. Area expansion contributed about **3.5 million tons**, while productivity gains in states including **Mato Grosso do Sul** and **Rio Grande do Sul** added more volume even with another crop frustration in Rio Grande do Sul. The season remained highly irregular: a dry start in central Brazil, more uniform December conditions, excess rain in the center from January to March, and drought episodes in the south [9]

- **Brazil safrinha and northern logistics:** Second-crop corn planting is nearing completion but was still **4%** behind last year, with **São Paulo** only **20%** planted and about **70%** behind, while **Pará** has been slowed by delayed soybean harvest. Producers are also facing higher fall armyworm pressure. In **Paragominas, Pará**, rainfall had already reached **405 mm** in March, with another **100-150 mm** possible in five days and about **300 mm** projected over the next 30 days, risking field delays, flooding, and logistics disruption [10, 11]
- **Brazil/Middle East:** Brazil's agriculture ministry secured an alternative export route through **Turkey** to keep animal-product shipments moving without the Strait of Hormuz. The route sends cargo by sea through the Atlantic North, Gibraltar, and the Mediterranean to Turkey, then onward by rail or road to markets including **Iran, Iraq, Saudi Arabia, Kuwait, Bahrain, Qatar, and the UAE**. The tradeoff is cost: insurance was cited up **10x** and total product costs nearly **300%** higher, even though Arab countries depend on imports for about **90%** of their food [12]
- **United States South:** An unusually warm, dry spring has pushed **Mississippi Delta** planting to roughly on time or about a week early, with corn and grain sorghum nearly complete by week's end. But the pattern is also stressing acreage decisions: nearby freeze damage may force replanting on about **20%** of early corn, cotton acreage is being cut by **50%** versus 2024 in some operations, and more than **50%** of Mississippi and **96.7%** of the South were described as facing dryness [13]
- **Brazil finance and labor:** Rural groups said producer indebtedness is running **30-40%** after several years of drought, heavy rain, frost, and fire, while crop insurance covers only **5-7%** of farms versus **97%** in the U.S. A separate Senate proposal would modernize rural labor rules by formalizing intermittent, temporary, and harvest-season contracts and by allowing more flexible work schedules [14, 15]

Best Practices

- **Grains/soil — U.S.:** Build nitrogen plans from all sources, not just fertilizer. The guidance cited about **20-30 lb N/acre** from each **1%** of organic matter, **5-40+ lb/acre/year** from free-living fixation in non-legume systems, around **20-60 lb/acre** from grass cover crops, and **100-150+ lb/acre** from legumes depending on termination timing. Corn residue and mature grass covers can create early tie-up because of high C:N ratios, while soybean-like residues release N faster [6]

- **N loss control — U.S.:** Urea loss to volatilization drops sharply when more than **0.4 inch** of water incorporates it soon after application. Denitrification risk rises in saturated, warm soils, while leaching is most serious where water moves quickly through the profile [6]
- **Feed formulation — Brazil:** Use DDGS by phase rather than as a flat inclusion rate. The reported swine program starts lower in pre-starter diets, increases through initial and intermediate growth phases, and then tapers at finishing. For broilers, up to **10%** inclusion showed no performance penalty in isonutritive diets; **15-20%** inclusion showed slight declines [8]
- **Livestock — U.S. Southern Plains:** One Texas seedstock system uses **January-March** calving to avoid later summer heat, develops bulls on a **no-corn** ration so they hold up on grass, and relies on rotational grazing that leaves enough residual forage to reduce hay feeding. In that **25-inch rainfall** environment, stocking runs about **one cow per 20-30 acres** [16]
- **Forage management — U.S.:** Prescribed burns can improve forage quality and cattle performance, but the guidance emphasized weather monitoring, planning, and safety controls before ignition [17]

Input Markets

- **Fertilizer — U.S.:** Nitrogen fertilizer prices have risen **10-15%** since the Middle East conflict intensified, though the reported nitrogen cost-to-crop price ratio of about **6:1** remains below the historical **10:1**. Nebraska is also pushing policy that encourages reduced N application to protect groundwater [6]
- **Fuel and fertilizer — Brazil:** Oil has become a direct farm-cost issue. Canal Rural cited Brent at **$108** and WTI at **$95**, while another report said Brazil still needs more than **65%** of the fertilizer volume it must import to install its **2026/27** summer crop; a separate source said the country remains about **90%** dependent on imported fertilizers [4, 14]
- **Diesel — Mato Grosso, Brazil:** During the final stage of soybean harvest, average S500 TRR diesel rose from **R$5.83** to **R$7.47/liter**, with remote areas reporting jumps of up to **40%**, including moves from about **R$7.00 to R$9.50** and from **R$5.67 to R$8.00**. Producers said diesel adds about **30%** to operating costs and freight accounts for roughly **30%** of soybean pricing, prompting FAMATO to file a complaint over allegedly abusive TRR pricing [18]
- **Crop protection — Asia:** Chemical pesticide prices are also moving

higher. One report tied the increase to the Iran war and rising oil-driven production costs in Asia, with double-digit price hikes in some agricultural chemicals in **India** and **China** over recent weeks [19]

Forward Outlook

- **U.S. grains:** Next Tuesday's USDA quarterly stocks and planting intentions reports are the immediate planning event. Multiple sources expect corn acres below last year and soybeans above last year, but also caution that stocks may drive the first market move more than acres and that acreage usually changes again by June [2, 20]
- **Brazil:** The transition toward **El Niño** is a key second-quarter risk. Analysts flagged the possibility of an early rain cutoff hurting safrinha corn in **Goiás, Minas Gerais, Tocantins, Maranhão, and Piauí**, while excess rain in **Rio Grande do Sul** could hurt wheat quality. For the next soybean cycle, timely **September-October** rain regularization remains important [9]
- **U.S. wheat and cotton:** Southern Plains wheat still needs relief to arrive sooner rather than later, and continued drought across the South is already being watched for cotton acreage and irrigation demand [2, 21, 13]
- **Biofuels and trade:** Vietnam's shift to **E10** in June is a new ethanol-demand watchpoint, while the **May 14-15** U.S.-China summit remains a soybean demand variable even with conflicting signals on old-crop buying [5, 2, 1]
- **Northern Brazil:** In Pará, heavy ZCIT-driven rains into early April mean remaining soybean harvest and logistics still depend on short dry windows [11]

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