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Global Agricultural Developments

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The immediate market decision is how much yield risk is already priced into U.S. corn and soybeans, while Brazil's protein access, corn logistics and El Niño heat define the main regional planning signals. The brief also separates quantified farm reports from validated ROI and turns current livestock, feed, fertilizer and soil evidence into operational watchpoints.

Market Movers

United States — grains: a wide yield range is colliding with a report-driven market

At Tuesday's open, December corn was up 1¢ at $4.62¾/bu, November soybeans were unchanged at $11.79½, September Chicago wheat was up 3¾¢ at $6.44¼, and Kansas City wheat was up 4¾¢ at $7.18¼. [1] The August USDA report, due Wednesday at 11 a.m. CT, is the first to incorporate survey results; trade expected modest cuts to U.S. corn and soybean yields and production, lower U.S. and world corn/wheat carryouts, and an unchanged world soybean carryout. [1]

The yield dispersion is the main risk. Average trade guesses were 182.4 bu/acre for corn and 52.9 for soybeans; StoneX was near 184.8 for corn, while Professional Ag Marketing's eight-state tour came in at 184 corn and 53 soybeans. [2] DTN's digital tour was materially lower at 178.5 corn and 52.1 soybeans, with its corn estimate below almost all average trade guesses. [1] The field evidence is mixed: tip-back and dryness are most visible in the western Corn Belt, while Minnesota and Iowa pull the tour average higher; Illinois has wet-spot problems, and Indiana and Ohio look strong. [2]

Official conditions show some cushion but not a uniformly strong crop: corn

was 61% good-to-excellent versus a 63% five-year average, soybeans 62% good-to-excellent and in line with their average, spring wheat 51% versus a 48% average, and winter-wheat harvest 91% complete. North Dakota corn fell to 27% good-to-excellent and Michigan to 57%, while Missouri, Illinois, Indiana and Ohio improved. [1] Export demand is a partial offset: the week ending Aug. 6 recorded 69 million bushels of corn inspections, up 14% year over year; soybean inspections were 15 million bushels, down 27%; wheat was 15 million, up 1.5%; and exporters reported a 4-million-bushel corn flash sale to unknown destinations. [1]

A longer-dated demand risk is proposed U.S. labeling of ultra-processed foods, not an immediate balance-sheet change. The monitored analysis estimates domestic food use at roughly 7% of U.S. corn demand, or about 1.1 billion bushels, but no definition had been released and the source does not predict that demand will disappear. [1]

Europe — heat and water logistics add wheat risk

A fifth major European heat wave was forecast for northern France and southern England. The European Cereals and Oilseeds trade association estimates that heat has already caused $1.7 billion in farmer losses and destroyed roughly 9 million metric tons of crops; the EU represents about 16.6% of expected global wheat production and 4.1% of corn production, so lower output could increase European grain-import needs and support U.S. export opportunities. [1] Low Rhine water after weeks of heat and little rain is also disrupting cargo ships, raising transport costs and pressuring regional supply chains. [3]

Wheat is not cleanly pricing that risk: a monitored market analyst described price action as disappointing despite EU disruption, a poor U.S. winter-wheat crop, lower global stocks and continuing geopolitical risk, with traders appearing more focused on weak demand and inconsistent positioning. [2]

United States — livestock: cattle strength contrasts with a hog-demand problem

Cattle futures were mostly higher: live cattle gained 83¢ to $1.80, feeders ranged from 90¢ lower to $1.55 higher, and Choice boxed beef rose $7.06 to $371.42 while Select fell $1.53 to $350.84. [1] The more important demand signal is less uniform. Ground-beef prices fell through July, raising concern that the normal August cutout rally may not appear; reported heat losses were approaching 100,000 head, although that estimate remains rough. [2]

Pork is showing the opposite pattern: kills have been lighter for four straight weeks and production is below both last year and 2024, yet the cutout is weaker than both years. The monitored analyst attributes that divergence to demand and aggressive availability of poultry, with the lean-hog index about $14 below last year. [2]

Brazil — protein exports are strong, but access points are narrowing

Brazilian chicken exports reached 519,200 tonnes in July, nearly 30% above July 2025; January–July shipments totaled about 3.45 million tonnes, up 15.2%, with revenue of $6.69 billion. July pork exports were 131,500 tonnes, up 3.7%, while January–July pork shipments reached 925,600 tonnes, up 9.1%, with revenue of $2.158 billion. [4]

The access picture is tightening. China warned that Brazil had used 90% of its 1.1-million-tonne beef quota; Brazil shipped nearly 1.7 million tonnes to China last year, leaving roughly 600,000 tonnes that would need alternative destinations if the quota binds. [4] Norway will stop accepting Brazilian meat and protein derivatives from Sept. 3 over missing antimicrobial-use information; certificates issued by Sept. 2 can still be used, and Norway imported Brazilian beef, chicken, fish and eggs worth $45 million in 2025. Exporters fear similar measures could spread, while a South Korean sanitary mission has begun evaluating Brazil's beef system. [5, 4]

Innovation Spotlight

India — a quantified sugarcane result that still needs validation

A farmer in Balrampur, Uttar Pradesh, cultivating roughly 10 acres of sugarcane variety 14200, says he moved from all-chemical fertilizer to roughly a 50:50 mix of chemical inputs and Jadex Jai Tonik biofertilizer mixed with cow dung. He reports at least 50 quintals/acre of additional yield, lower water use and soil that is easier to work; his stated cost fell from about 15,000 to 10,000/acre. [6] He first tested the practice on sugarcane, now also applies it to wheat, and says he will consider a fully organic system only after further results. [6]

This is a useful commercial pilot hypothesis, not a proven ROI case: the item is a single farmer interview and supplies no controlled comparison, replicated measurement, product-price breakdown or independent audit. A trial should record treated and untreated yield, water use, fertilizer quantities, labor and the full product cost before the reported 5,000/acre saving is used in a crop budget.

United States — phosphate-efficiency product is a technical validation lead

Oara's CEO describes CGP2X as a water-insoluble phosphate fertilizer with a 9-42-0 analysis and 9% magnesium. He says conventional ammonium phosphates make only 10–30% of applied phosphate available to plants, whereas CGP2X releases phosphate through citric acid from soil and plant biology as the crop needs it; he also claims it avoids phosphate lock-up and fall nitrogen loss. [7] The interview gives no field-yield result, price, application-rate comparison or ROI. Treat the product as a local replicated-trial candidate rather than an input substitution assumption.

Regional Developments

Brazil — safrinha corn's last phase is a storage and quality problem

Mato Grosso's second-crop corn harvest was 99.10% complete, but rain delayed the final fields around Campos de Júlio, where about 109,000 hectares were planted, and humidity was compromising grain quality. [8] Buyers had invested little in receiving capacity, some warehouses still held soybeans, and producers reported slower outflow and insufficient space for corn. The report identifies storage and transport infrastructure as the main bottleneck and says subsidized, low-interest credit could stimulate investment because on-farm storage is expensive and often does not pay back. [8]

Quality risk is not theoretical: prolonged humidity kept grain from drying in the field, and producers reported ear disease, damaged grain, fermentation and sprouting, with fungicide management varying by farm. [8]

Brazil — El Niño risk is concentrated in heat and flowering windows

For the coffee belt in southeastern Brazil, a Canal Rural forecaster says El Niño's main effect is excess heat rather than a clear change in seasonal rainfall. Forecasts of 34–35°C in August, about 33°C in September and October, and 32–34°C in November would exceed the source's 30–32°C problem threshold for coffee, coinciding with flowering. No significant rain was expected for 30 days, with more reliable showers only from late September or early October and rainfall firming mainly in the second half of October. [9]

The broader production map is sharply split. Cotton harvest was about 43.7% complete, roughly 5% ahead of the same period last year, but major producing areas were expected to turn hot and dry, with humidity falling to 20–30% and temperatures near 40°C; the South faced storms, hail and severe-wind risk. [10] In the corn belt, nearly 42°C in Goiás contrasted with cold southern conditions, while rain of up to 100 mm in southern Paraná and western Santa Catarina could halt fieldwork. [4]

Brazil — rural-debt relief is not reaching most Rio Grande do Sul producers

Farsul says 88% of Rio Grande do Sul producers in its cases would be excluded from MP 1376's debt-renegotiation lines. Its study examined R$93 million in outstanding balances and identified CPRs—rural producer notes—as the main bottleneck; CPRs represent about 43% of Brazil's rural credit. Farsul's six amendments would include CPRs, accept CPRs issued to cooperatives and input suppliers, open access for already-renegotiated investments, replace the fixed May 31, 2026 deadline, protect some prior renegotiations after new losses and add working-capital access; the federation estimates eligibility could rise to 90%. [11]

Rice-sector groups separately seek an Oct. 31, 2026 cutoff and explicit inclusion of already-extended operations because much of the 2025/26 crop-finance book matures after May 31. The measure therefore remains a financing-policy variable for rice and other climate-hit producers, not an assured source of working capital. [11]

Best Practices

United States — swine heat management must include barns and trucks

In farrowing houses, summer heat increased sow death loss and stillborns; operators shifted heavy work to early morning, added extended care and used split shifts. In wean-to-finish barns, the recommended protocol is to verify mister settings, soak pigs for 2–4 minutes, then allow tunnel ventilation to dry and cool them. One site marketing in early June recorded under 0.25% dead-on-arrivals, while another marketing from late June through July approached 1%; the investigation found broken truck misters, drivers skipping truck soak-downs and potentially over-aggressive pig movement alongside the heat. [12] Audit the transport equipment and loading procedure, not just the barn temperature.

Mosquito control has a direct margin case. At a $300 hog, a 25% bite-related discount would reduce a roughly $45–48 margin to about a $29 loss; the recommended prevention is mowing around barns, removing standing water, spraying before marketing and using stir fans. [12]

For the sow herd, track replacement rate, parity-1-to-3 retention and mortality. The monitored discussion puts financial breakeven for a gilt at parity 3, average herd parity near 3.5, and industry sow mortality near 15% versus about 8% a decade ago. Select gilts capable of reaching fifth parity and maintain body condition through the life of the sow. [12] PRRS and PED are no longer reliably seasonal; manure-pumping season was expected to renew risk in roughly six weeks, so biosecurity protocols should be simple enough to execute consistently. [12]

Brazil — poultry feed conversion begins with export-compliant formulation

A broiler operation in São Paulo uses 100% plant-based feed, mainly corn or sorghum, because its European Union, Chinese and wider Asian markets require no ingredients from slaughtered animals. The operation calculates feed conversion from daily feed consumption against live-bird quantity multiplied by average weight, rather than treating a fixed ration as proof of performance. [13] At about 12 days, birds consumed 50–58 g each; the farm starts closer conversion monitoring from the intermediate phase, while water intake and thermal comfort are treated as prerequisites for turning feed into meat. [13] Weekly weight and mortality data drive the next feed delivery, with two silos per aviary and automated distribution. [13]

United States — manage ditches as pest reservoirs, not just mowing strips

Before mowing or spraying a grassy ditch, scout it with a sweep net. Removing the ditch's food and habitat can push spider mites, grasshoppers and moth species into the crop; controlling a small ditch is presented as preferable to spraying the entire field two or three weeks later. Cheap pyrethroids were cited at about $2/acre for ditch insect and tick control. [14] Control ditch weeds before seed set, and use a non-volatilizing 2,4-D formulation where appropriate; the agronomists warn that old 2,4-D or dicamba can move into neighboring fields. [14]

United Kingdom — reduce silage-clamp waste at the front face

Tom Pemberton's small clamp produced sweet-smelling, low-dry-matter silage that was not heating in the middle and sides, but the front corner contained a large waste layer where new material had mixed with old silage and settled. The reported cause was failing to clamp the small clamp high enough; a fuller clamp would have allowed the sheet to slip rather than leave an unsealed front pocket. [15] With the third cut later than the prior year and winter stocks potentially short, the practical response is to secure the top and front face carefully, remove spoiled material before feeding and measure waste rather than treating it as unavoidable. [15]

Soil remediation — separate inexpensive routine tests from high-risk analytes

A ranch remediating land damaged by drilling plans roughly 100 samples before and after each of three plant-and-terminate cycles, covering nutrients, salinity, heavy metals, pH, organic matter and other analytes. [16] The stated scale is about 300 samples per year, nearly $10,000 through a university, versus a couple of thousand dollars for reagents and equipment; nitrogen remains difficult to test outside Mehlich methods. [17, 18]

The implementation boundary is important: pH and salinity can be handled with standardized water extraction and appropriate calibration, but commenters describe home photometer methods as unreliable for nitrogen and note no affordable home method for trace metals. [19] Accurate analysis across the full panel may require multiple instruments costing $5,000–$15,000 each, and spending more on amendments or testing does not by itself create healthy soil. [20] Use low-cost tests for routine trends, but retain qualified laboratory confirmation for heavy metals and other remediation decisions.

Input Markets

United States — biofuel mandates are pulling soybean oil toward energy

The 2026 Renewable Fuel Standard requires more than 10% of U.S. diesel use to be biofuel, implying nearly 7 billion gallons of biomass-based diesel versus 4.3 billion gallons in 2025; most biomass-based diesel uses vegetable oils such as soybean or palm oil. [21] In 2025, U.S. crop-based vegetable-oil use was 23.5 billion pounds for food and 19 billion pounds for biofuel, while USDA projects another 5 billion pounds for biofuel in 2026. Soybean oil accounts for 75% of U.S. vegetable-oil consumption. [21]

A working paper cited by the author estimates soybean-oil demand elasticity at -0.1, implying that offsetting the additional 5 billion pounds of biofuel demand through a 10% food-demand reduction would require roughly a 100% price increase. That is a modeled elasticity result, not a price forecast, but it reinforces biofuel policy as a structural demand pull on soybean oil and a competing use for food markets. [21]

Brazil — fertilizer scarcity is meeting a domestic-production policy response

At the São Paulo ANDAV congress, distributors reported restricted raw-material supply, especially Middle Eastern sulfur used in phosphate production, alongside high production costs, fertilizer scarcity and elevated prices. Yara was promoting lower-carbon fertilizers and Biotrop its fertilizer portfolio, but the report provided no delivered price or availability improvement. [22]

Brazil's Senate agenda includes PL 699/2023, the Profert program, which would provide fiscal and financial incentives to expand domestic fertilizer production, reduce import dependence and potentially lower costs; if approved, the bill would go to presidential sanction. [5] The policy is a medium-term supply-resilience signal, not evidence of near-term relief for growers.

Forward Outlook

1. **August USDA report:** Compare the published corn and soybean yields with the 178.5/52.1 DTN scenario, the 182.4/52.9 trade guesses and the 184/53 Professional Ag tour. The report is a genuine volatility event: historical average moves around the August release are about $\pm 13¢$ for corn and $\pm 20¢$ for soybeans. [2, 1, 23]
2. **Brazilian grain logistics:** Treat Mato Grosso's final 1% as a storage, grain-quality and open-field exposure problem. Track receiving space, damaged/fermented/sprouted grain discounts and the rain window in Paraná and western Santa Catarina before assuming that a nearly complete harvest equals a clean supply flow. [8, 4]

3. **Protein-market access:** September 2 is the practical certificate cutoff before Norway's Sept. 3 restriction, while China's 1.1-million-tonne beef quota is nearing exhaustion. Track whether Brazil's South Korean sanitary review produces a new outlet and whether other importers adopt antimicrobial-data requirements. [5, 4]
4. **Brazilian financing:** Do not underwrite a debt-relief benefit for Rio Grande do Sul producers until Congress resolves CPR eligibility, the fixed-date problem and the proposed Oct. 31 rice-sector extension. [11]
5. **Heat-sensitive crops:** In southeastern Brazil, prioritize coffee flowering and heat exposure through October rather than assuming normal seasonal rainfall will offset temperatures above the cited 30–32°C risk threshold. In cotton, corn and other central-region crops, pair harvest and fire plans with the forecast low humidity and near-40°C conditions. [9, 10]

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