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Global Agricultural Developments

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The August WASDE tightened corn through stronger demand despite higher acreage, while new Black Sea port attacks put wheat logistics back at the center of price formation. Brazil's drought losses, storage and credit gaps, and fertilizer dependence now shape the next planting and procurement decisions.

Market Movers

United States — corn became the constructive center of the August WASDE

The August report cut U.S. corn yield by 2.3 bushels per acre and raised harvested area by 1.2 million acres, leaving production roughly unchanged. USDA also raised old- and new-crop corn exports by 75 million bushels each, cutting ending stocks by 137 million bushels to about 1.7 billion. [1] The accompanying market table put corn yield at 180.7 versus 182.4 expected; soybeans were 52.7 versus 52.9. [2]

New-crop corn stocks-to-use fell to 10.12% from 11.00%. Market commentary treats a move below 10% as the zone historically associated with corn prices above $5, but that is a pricing heuristic rather than a forecast. [3] December corn closed more than 20 cents higher, its best session of the year. [4]

Soybeans were less cleanly bullish. Harvested acres rose 1.4 million, yield fell 0.3 bushels per acre, production increased 44 million bushels and crush rose 30 million; the net effect was a slightly larger carryout near 320 million bushels. Analysts noted that August rains could still add soybean bushels, leaving yield and China as the main swing factors. [1] Private exporters did report a 244,000-tonne sale to China for 2026/27, but the same market review put confirmed new-crop purchases at 4.2 million tonnes, or 16.9% of the discussed 25-million-tonne target, and described the pace as slightly behind what is needed. [5, 6]

Weather is a localized counterweight to the national balance sheet. Midwest storms brought tornadoes, winds up to 100 mph, flattened some corn and produced more than 6 inches of rain in the hardest-hit areas, with local reports near 10 inches; more rain was forecast over the following five days. The market commentator called the forecast bearish for soybeans, while noting that damage reports were still anecdotal and not clearly widespread. [6]

Black Sea — port disruption is an availability risk, not yet a lost-crop story

SovEcon cut Russia's August wheat-export estimate to 3–3.4 million tonnes from 4.5 million a year earlier, the lowest since 2016/17. Ukraine cut its total grain-export outlook to 38–40 million tonnes, as much as 12% below the prior forecast; a proposed rail route through Moldova to Romania would cover only about 10% of Ukrainian exports. [6] Two large grain terminals at Russia's Novorossiysk port were reportedly suspended after drone attacks, with combined capacity of about 15 million tonnes per year; Reuters reporting cited in the market update put Ukraine's August exports of wheat, corn and barley 76% below the same period last year. Wheat futures responded with a 20–30-cent jump. [6]

Russia and Ukraine account for roughly 29% of global wheat exports, while Ukraine accounts for about 11% of projected corn exports. The immediate problem is moving grain through the Black Sea: the crop remains in the exporting countries, so a diplomatic or logistical reopening could reverse part of the risk premium quickly. [6]

Livestock and other commodities — demand signals are uneven

Live and feeder cattle futures suffered triple-digit losses after running into resistance around $228–230; open interest fell during the attempted rally, while slower slaughter had not produced a meaningful cash or boxed-beef rally. [7] Against that softer cattle structure, USDA officials reported Midwest export values of $14.6 billion for corn, $4.1 billion for ethanol and $7.7 billion for dairy, up 14%, 18% and 13%, respectively. [8, 9]

Brazil's coffee trade also showed a margin squeeze: July shipments rose nearly 10% to more than 3 million bags, but revenue fell 13.2%; January–July volume was down 5.9% and revenue down 13.1%, with harvest delays and port bottlenecks cited as constraints. [10]

Innovation Spotlight

Brazil — Yara reports a quantified soybean-fertilizer result

Yara Brazil's agronomy executive says the company tested its humic- and fulvic-coated YaraBasa phosphate fertilizer in more than 30 trials and 170 farmer protocols. The company reports 15–20% higher nutrient absorption across phosphorus, potassium, calcium, sulfur and micronutrients, an average soybean gain of 4.5 sacks per hectare versus a standard treatment, a cost equivalent to 1–1.5 sacks per hectare, and a reported three- to four-fold return on investment. [11]

This is the strongest current input result in the monitored set, but it remains supplier-reported evidence from a Yara interview rather than an independent audit. The decision-ready next step is a local treated-versus-standard strip trial that records delivered product cost, yield, grain quality and weather response before changing a whole-farm program. The same interview stresses that recommendations should be based on soil, crop history, yield expectation and cultivar rather than a standard recipe. [11]

Paraguay — buffalo finishing is working where pasture remains available

A 33-hectare finishing module within a 135-hectare humidicola pasture takes buffalo from about 430 kg to 500 kg and reports a 51–52% dressing yield. Animals receive 1–1.2 kg per day of a protein-energy supplement costing 3,200–3,300 guaraníes per kilogram; reported daily gain is 0.9–1 kg, against liveweight valued near 15,000 guaraníes per kilogram. The operator says the economics work only with adequate pasture, not supplementation alone. [12]

The implementation is low-complexity: the buffalo quickly learn electric fencing, allowing the field to be managed with one wire, and the animals are sent to slaughter 20–30 days after the final vaccination. The operation also reports similar gains on a pasture originally planted for cattle, making this a practical diversification case rather than a claim that buffalo outperform cattle everywhere. [12]

Regional Developments

Brazil — El Niño is producing sharply different regional risks

In Brazil's SEALBA region, a local report from Sergipe described corn plants below one metre with poorly formed ears and losses exceeding 90% in the state. The same report said the remaining crop was being converted into cattle silage; soil moisture in the agreste was below 20%, forecast rainfall over 30 days was under 15–20 mm versus a normal 60–70 mm, and temperatures were expected to reach 36°C in October. The operational response offered was to shift toward heat- and drought-tolerant crops. [13]

Southern Brazil faces the opposite problem: wind gusts reached 98 km/h in

São Borja, with hail, severe storms and more than 100 mm of rain possible in parts of Santa Catarina and Rio Grande do Sul. Fieldwork is compromised while wheat is still developing. In the Center-West, forecasters expect rain to firm only in the second half of October or November, and warn that planting after an isolated early-September rain could expose seed to 15–20 dry days and 40–44°C heat, forcing replanting and reducing productivity. [14, 10]

Brazil — irrigation is a quantified opportunity, but storage remains the binding constraint

A forum presentation covering selected Brazilian agricultural regions identified more than 704,000 hectares under pivot irrigation—about 30% of Brazil's pivot-irrigated area—and linked those regions to about 15% of agro-export value. The irrigated regions showed roughly six times the agricultural value added and eight times the agricultural employment of non-irrigated comparison regions; the presenters explicitly cautioned that these are associations, not proof of causality. [15] The same study framed 6.4 million hectares of near-term expansion in existing poles as requiring roughly R$100–150 billion, with environmental licensing, on-farm water storage, water permits and electricity access as the main bottlenecks. [15]

Storage is more immediate. Brazil's deficit was described as more than 135 million tonnes, with only about 15% of capacity on farms. [15] Grain production has grown about 17 million tonnes per year over the past decade while storage additions have run only 5–6 million tonnes annually. [15] Prosoja estimates that inadequate on-farm storage and stressed logistics cost roughly 10% of soy and corn output—about 28 million tonnes or R$42 billion. [15]

Brazil — cash-flow stress is becoming a production-capacity risk

Agribusiness judicial-recovery filings rose nearly 22% year over year to 474 in the first quarter of 2026, from 389 a year earlier. Mato Grosso led with 135 cases; legal-entity rural producers accounted for 196 filings, up 73%, and soybean cultivation had 137 requests. The data analyst interviewed attributed the increase to selective credit, high costs, greater debt and compressed margins, emphasizing that the immediate problem is cash flow and debt rollover rather than a failure of production; judicial recovery is often used to reorganize liabilities. [16]

A separate capital-market signal points in the same direction: U.S. tractor sales fell 10.9% year over year in July and combines fell 5.3%, according to AEM data cited by Successful Farming. [17] U.S. livestock biosecurity has at least one concrete positive milestone: USDA's Texas sterile-fly facility is scheduled to open in spring 2027, seven months ahead of schedule, to support the fight against New World screwworm. [18]

Best Practices

Brazil — make soybean soil preparation a two- to three-month decision

Before planting, take the soil sample two to three months in advance, correct fertility, and use the results to set phosphorus, potassium and micronutrient rates. Scout and control weeds before sowing to reduce the seed bank; buy inputs in lower-price windows, use cover-crop mixes and avoid a blanket fertilizer recipe. [19] For U.S. soil-test interpretation, a CEC below 10 indicates very low nutrient-holding capacity while values above 20 indicate much greater capacity; base saturation indicates how full the exchange sites are. Low-CEC sands therefore need tighter, diagnosis-led nutrient management rather than simply larger applications. [20]

Soybean, dry-bean and sunflower growers — target recurring white-mold zones

At the late-season decision point, the remaining intervention is a fungicide application. Ag PhD recommends using field history: white mold tends to recur in the same spots, and wet or humid conditions raise the case for treating those areas. Endura is identified as the preferred product in the source, with Proline, Domark and Topsin cited as lower-cost alternatives depending on crop. [21]

Brazil poultry — manage the house by observation and conversion risk

Between flocks, pre-warm the house; during the flock, check bird behavior, remove mortality and adjust feeders and drinkers daily. The operation identifies ambience, biosecurity, nutrition, litter and worker observation as the five management priorities, with feed the largest cost and feed conversion the key economic bridge. For 12-day-old birds, the target temperature is about 26–27°C and should decline through the controller curve; both excessive and insufficient heat can impair health and conversion. [22]

Input Markets

Brazil — Profert is a policy response to an exposed fertilizer supply chain

Brazil's Senate approved Profert and sent it to President Lula for sanction. The bill creates incentives for domestic production of synthetic, mineral and organic fertilizers, remineralizers, bioinputs and biofertilizers. Brazil consumes about 8% of the world's fertilizer and imports more than 80% of its supply. [23]

Near-term availability remains vulnerable. A Mais Milho forum put import dependence at 92% in 2025, said urea prices had approached recent 2022 peaks, and described sulfur scarcity as a continuing constraint on phosphates; phosphate imports could run 20–25% below 2025 levels. Russia and China were also described as restraining exports to protect domestic supply. [15] Profert is therefore a medium-term resilience signal, not evidence that current-season fertilizer prices or delivery risk have already eased.

U.S.–Brazil–Paraguay–Argentina soybean belt — chemistry is moving toward mixtures and lower water volumes

The agrochemical discussion identifies two simultaneous pressures: tighter global restrictions on synthetic products, especially in the EU, and resistance in weeds, fungi and insects across the American soybean axis. The recommended direction is integrated management and synthetic–biological combinations rather than assuming biologicals will replace synthetics outright. Application volumes have fallen from more than 100 litres per hectare to below 50, with drone use pushing the requirement lower; biologicals remain more expensive per hectare, while the interviewee expects current portfolios to need replacement over the next five to ten years. [24]

Brazil — biofuels remain the clearest structural demand lever

At Brazil's Biodiesel Week, speakers said the program had reduced import spending by US$45 billion over more than 20 years and is moving from the current 15% blend toward 20–25%. The Future Fuels framework also permits ethanol in gasoline to rise from 27% to as much as 35%. Embrapa is tropicalizing canola for the Cerrado safrinha and as a winter crop in Rio Grande do Sul, extending the feedstock base beyond the established soybean, corn and sugarcane chains. [10]

Forward Outlook

1. **Treat the August U.S. crop figures as an opening estimate.** The post-report analysis calls August the first state-by-state "card" and expects further changes; it specifically disputes parts of the Illinois and Iowa corn numbers, while August rains could lift soybean yield. Sudden-death syndrome also needs monitoring over the next 30 days. [7, 1] Methodology confidence deserves its own watch item: a monitored post says NASS deleted a morning message that it had used objective field sampling for the August report and then described the process as its typical August method. [25]

2. **Keep Black Sea logistics ahead of nominal global stocks.** Track whether Novorossiysk terminals resume, whether Ukrainian exports can use the Moldovan–Romanian route, and whether ships move safely. Russia and Ukraine still hold the grain, but exportable availability can remain tight while ports and corridors are impaired. [6]

3. **For Brazil's 2026/27 soybean crop, do not plant on a single early rain.** The Center-West outlook points to a late, irregular start to the rainy season and a high-temperature penalty even after rain returns; SEALBA producers are already being advised to select heat- and drought-tolerant crops. [10, 13]
4. **Separate policy relief from procurement relief in Brazil.** Profert still requires presidential sanction and domestic capacity build-out, while current fertilizer markets remain exposed to sulfur, gas and export-policy constraints. At the farm level, the storage gap and selective credit should be priced into harvest, freight and input decisions rather than treated as background infrastructure. [23, 15]
5. **Use the strongest innovation claims as trial hypotheses.** Yara's multi-protocol soybean result has a quantified yield and ROI claim, while the buffalo case has a quantified gain and supplement equation; both still depend on local soil, pasture, prices and management conditions before they can be generalized. [11, 12]

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