

# WASDE Pressures Grains While Cattle Strength and El Niño Risks Reshape Farm Planning

Global Agricultural Developments

2026-06-12

## WASDE Pressures Grains While Cattle Strength and El Niño Risks Reshape Farm Planning

*By Global Agricultural Developments • June 12, 2026*

June WASDE, wet U.S. weather, and fund liquidation kept grains defensive, while cattle stayed supported by tight supply and Brazil posted record beef exports. The brief also highlights quantified farm-system economics, Brazil's El Niño and feed-grain pressures, and practical guidance for tissue testing, rotation planning, and screwworm response.

### Market Movers

- **Corn (U.S./South America):** Early June 11 trade showed December corn at **445.75¢/bu** [1]. June WASDE raised Argentina corn and soy each **2 million tons** and Brazil corn **3 million tons**, lifting world corn stocks and increasing South American competition for U.S. exports [2]. Farm Journal sources said Midwest rain and the larger South American crop helped accelerate fund selling; funds were estimated to have gone from **250,000+ long** three weeks ago to flat or marginally long, with a weekly close below **440** in December corn opening risk to **420** [3].
- **Soybeans (U.S./Argentina):** Early trade showed November soybeans at **1140¢/bu** [1]. U.S. soybean stocks were left at **310 million bushels**, while Argentina's crop rose another **2 million tons** [2, 3]. Strong crush margins were cited as support, but analysts still described the balance sheet as having little margin for error; funds remained long roughly **90,000-113,000 contracts**, with **\$11** seen as a key support area in November beans [3, 1].
- **Wheat (U.S./Black Sea):** Early June 11 trade showed July Chicago wheat at **587.25¢/bu** and Kansas City wheat at **628.75¢/bu** [1]. U.S. wheat production and ending stocks were cut another **18 million bushels**, and Farm Journal sources said domestic supplies continue to tighten even

as Russia, Turkey, and Ukraine keep global wheat supplies relatively comfortable [2, 3].

- **Cattle and beef (U.S./Brazil):** U.S. cattle stayed firm after box beef and fed cattle prices jumped **more than \$10 in a week** [4]. Analysts said the New World screwworm story is mainly a management and cost issue rather than a broad supply-demand shock, while tight cattle numbers continue to anchor the market [4, 5]. In Brazil, beef exports reached a record **1.36 million tons** in January-May, up **14.4% year over year**, with revenue up **20.2%** [6].

## Innovation Spotlight

- **Pastured egg system economics (U.S.):** Joel Salatin’s comparison favored the feather-net system on labor, capital, and daily return. Labor averaged **1.2 seconds per bird per day** for a 1,000-bird feather-net setup, versus **2.4 seconds** for a 50-bird small shelter and **3.9 seconds** for a 200-bird hoop structure [7]. Capital cost was **\$3 per bird** for feather net, **\$6** for the small shelter, and **\$37.50** for the hoop [7]. Net return was estimated at **8.3¢ per bird per day** for feather net, versus **7.5¢** and **6¢** for the other two systems [7]. Even with predation, the feather-net system remained more economical until losses approached **30%** [7].

“If you produce one pound or dozen eggs more than you have a market for, what’s the value of it? Zero.” [7]

- **Poultry house automation (Brazil):** Automated climate control, temperature and humidity sensors, and environment controllers are being used to stabilize poultry-house conditions in real time [8]. Sources linked better control to lower water and feed use and cited feed-conversion performance around **1.4** when genetics and environment are aligned [8]. Producers also described a shift from manual wood- and pellet-fired heating to automated infrared systems, plus low-cost camera monitoring to catch leaks and other issues remotely [8]. The main constraint remains expensive credit for new construction and retrofits [8].
- **Rotation-led resilience (U.S. Northern Plains):** A South Dakota grain operation described oats as a tool for breaking water cycles and salinity in a flat landscape, then following with a diverse winter-kill cover crop mix of **barley, safflower, peas, radish, and vetch** [9]. In a wet year, one half-section of oats yielded **144 bushels per acre** and outperformed some corn fields on the farm [9]. The same operation is testing drain tile as a way to manage saturation, salinity, and internal yield growth without adding acres [9].

## Regional Developments

- **Brazil - weather vs. production:** Canal Rural said NOAA confirmed El Niño’s return with a **63%** chance of a very strong event, implying heav-

ier rain in southern Brazil, less rain in the North and Northeast, and delayed rain establishment in the Center-West and Southeast during 2026/27 planting [6, 10]. Paraná is a near-term focal point: **200-300 mm** of rain was flagged for the interior between June 17 and 21, with risks to bean and second-crop corn harvest work [11]. Even with that weather risk, CONAB still projects a record **358.6 million-ton** grain crop, including **180 million tons** of soybeans and **140.5 million tons** of corn [6].

- **Brazil - feed bottleneck in Santa Catarina:** Santa Catarina produces a little over **2 million tons** of corn but consumes **8.5 million tons** for its poultry and swine chain, leaving a deficit near **6 million tons** [12]. The state depends on nearly **5 million tons** from Mato Grosso do Sul and Paraná, plus imports from Paraguay and Argentina, and logistics alone cost more than **R\$1 billion per year** [12]. Industry sources also warned that corn ethanol could consume **48 million tons** nationally by 2028/29, increasing competition for feed grain [12].
- **Brazil - rural credit relief remains delayed:** The Senate approved a climate-debt renegotiation program with interest rates of **3.5% to 7.5% a year**, repayment terms up to **10 years**, and a **3-year grace period** [10, 13]. Limits cited were up to **R\$10 million** per beneficiary and **R\$50 million** for cooperatives and associations [13, 10]. But the bill returns to the Chamber, faces fiscal resistance, and one Canal Rural analysis said it will not arrive in time to help producers renegotiate debt before the next Plano Safra; banks may tighten credit in the meantime [14].
- **North America - screwworm and cattle trade:** Mexico blocked most U.S. livestock imports after six New World screwworm cases were confirmed in Texas and New Mexico [5]. Farm Journal sources noted that Mexico itself has reported more than **28,000** cases since late 2024, versus six in the U.S., and described the Mexican action as political rather than science-based [5, 4]. Longer term, analysts expect Mexico to export fewer feeder cattle to the U.S. than in the past because its own feedlot and processing capacity has expanded [5, 4].
- **Kazakhstan - export growth:** Kazakhstan's grain exports rose **14%** to **12.2 million tons** in the first nine months of the 2025/26 agricultural year, against a **13 million-ton** target, reinforcing its role as a regional grain supplier [15].
- **Brazil - beef trade compliance:** Brazilian beef exports set a January-May record, and ABPA/ABIEC asked the federal government to extend antimicrobial restrictions to cattle, mirroring poultry rules, to strengthen Brazil's sanitary credibility in the face of EU restrictions [6].

## Best Practices

- **Nutrient management (U.S.):** Ag PhD's guidance was to begin soil and tissue testing now [16, 17]. The tissue-testing protocol calls for sampling high-yield, low-yield, and average areas of a field, while avoiding spots distorted by drainage or severe compaction, then pulling leaves for

**8-12 consecutive weeks** to judge seasonal nutrient performance and identify true limiting factors before writing next year’s fertilizer plan [17].

- **Water and salinity management (U.S. Northern Plains):** On flat or saline ground, the South Dakota case study suggests using a small grain such as oats to break water cycles, then following with a diverse winter-kill cover crop to widen the rotation and preserve flexibility for corn or soybeans [9]. Where saturation blocks timely fieldwork, drain tile was described as a practical tool for managing water tables and reducing salinity risk [9].
- **Screwworm response (U.S./Mexico border states):** Any maggots in living tissue on a live animal warrant immediate reporting [18]. Recommended sampling is to collect multiple larvae of different sizes from deep in the wound, preserve them in more than **70% alcohol**, and record GPS location plus wound photos before shipping or handoff to animal-health authorities [18]. Treatment guidance was to remove larvae, kill collected larvae with pesticide, treat the wound as needed, and inspect the animal daily because deeper larvae may emerge later [18]. For prevention, monitor all wounds daily, use pesticide-containing topicals at tagging or dehorning sites, and do elective procedures in cooler weather when possible [18]. Before transport, check state-of-destination rules and quarantine maps [18].

## Input Markets

- **Feed grain availability (Brazil):** Santa Catarina’s poultry and swine industries are structurally short corn by roughly **6 million tons a year**, forcing heavy inflows from other Brazilian states plus Paraguay and Argentina [12]. That logistics burden already exceeds **R\$1 billion annually**, and projected corn-ethanol demand of **48 million tons** nationally by 2028/29 points to tighter competition for feed grain [12].
- **Phosphate supply (Brazil):** Southern Brazil’s first phosphate mine has started operating in Rio Grande do Sul, with **70,000 tons** planned in 2026, **150,000 tons** of annual capacity at startup, and expansion to **300,000 tons** by 2028 after **R\$230 million** of investment [19]. The company said the natural phosphate product also carries calcium and magnesium in a **4:1 ratio**, cobalt, zinc, and **13% silicon**, and could cover about **10%** of Rio Grande do Sul’s phosphate fertilizer demand while Brazil still imports about **75%** of phosphate fertilizers [19].
- **Animal-health chemistry and export access (Brazil):** ABPA and ABIEC asked Brasília to restrict or ban cattle-use antibiotics such as **amoxicillin, salinomycin, lasalocid, and narasin** to align beef rules more closely with poultry and strengthen Brazil’s case with the EU [6].

## Forward Outlook

- **Corn:** Market attention is shifting from June WASDE to the **June 30** acreage and quarterly stocks reports, while seasonal tendencies still point to risk later in the summer [2]. One market study said new-crop corn has made its annual low in June only once in the last 20 years, while **August and September** have marked the low in **7 of the last 10 years** [20]. Near term, a weekly close below **440** in December corn was flagged as opening the door to **420** [3].
- **Soybeans:** Strong crush margins continue to underpin domestic demand, but analysts still described the **310 million-bushel** carryout as leaving little room for error [3]. The chart level to watch remains **\$11** in November beans; one analyst warned that a close below 11 could trigger a quick move toward **10.60-10.70** if funds liquidate [3]. Another market source still expects China to buy new-crop U.S. soybeans, but said timing remains uncertain [1].
- **Cattle:** U.S. beef cow inventory on January 1 was down **1%**, producers are not yet moving aggressively into heifer retention, and one analyst said peak cattle prices are unlikely in 2026, with rebuilding potentially extending to the end of the decade even if it started immediately [4]. The main demand-side risk cited was a macro squeeze on consumers if gasoline prices stay high for several months [4].
- **Screwworm control capacity:** The sterile-fly technique remains the core eradication tool, but current supply is limited by production capacity in Panama [18]. USDA-backed expansion in Mexico is expected to add capacity this summer, and a new Texas facility is targeted for **2027** [18].
- **Brazil planning:** El Niño-driven assumptions now include a wetter South, drier North/Northeast, delayed rain establishment for Center-West and Southeast planting, and possible North-region river and logistics stress later in the year [6, 10].

---

## Sources

1. Inflation SPIKE - What Does it Mean for Corn Prices??
2. Markets Now 6/11 WASDE Raises SA Crops, Cuts U.S. Wheat: What's Next for the Markets?
3. Markets Now Closes 6/11 Grains Mostly Lower on Weather & WASDE: Can Cattle Retest Highs?
4. Unscripted: Why Record Cattle Prices May Still Have Room to Run Despite New World Screwworm Concerns
5. New World Screwworm: Livestock Sales and Mexico's Ban
6. Ressurgimento da mosca-da-bicheira nos EUA põe pecuária em estado de atenção | RN - 11/06/2026
7. The Economics of Moving Chickens: Joel Salatin's Millennium Feathernet
8. Automação dobra lucros na avicultura, mas juros altos barram investimen-

tos em galpões

9. How Alex Boekelheide Put Farm4Profit to Work for his Family's Farm
10. AO VIVO: Senado aprova PL de renegociação de dívidas e texto volta à Câmara | M&C – 11/06/2026
11. NOAA confirma volta do El Niño e alerta para evento de forte intensidade
12. Déficit de 6 milhões de toneladas de milho encarece frete e acende alerta na pecuária de SC
13. Senado aprova PL para renegociar dívidas rurais
14. OPINIÃO | Renegociação de dívidas aprovada no Senado não trará alívio imediato ao produtor rural
15. X post by @irfandonat
16. X post by @AgPhDMedia
17. X post by @AgPhDMedia
18. The Bovine Vet Podcast: New World Screwworm Returns
19. Primeira mina de fosfato do Sul começa a operar no RS e reduz dependência de importações
20. X post by @MarketMinuteLLC