

World Corn Supply Expands as Producers Focus on Precision, Costs, and Biosecurity

Global Agricultural Developments

2026-06-13

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By Global Agricultural Developments • June 13, 2026

Larger global corn supplies, favorable U.S. weather, and delayed Chinese soybean buying kept grain markets defensive. At the farm level, producers are responding with tighter nitrogen and spray timing, autonomous planting, grain-moisture control, and faster screwworm prevention.

Market Movers

June's USDA report left U.S. balance sheets mostly unchanged, but trade focused on bigger world corn supplies, favorable weather, and missing Chinese demand [1, 2].

- **Corn — U.S./Brazil/Argentina/India:** World corn production for 2025/26 increased by about **14 million metric tons**, including **5 million** from South America and more than **8 million** from India [2, 1]. December 2026 corn fell roughly **7 cents** to near **\$4.40/bu** and hit a new overnight contract low near **\$4.355/bu** [1]. GrainStats said funds swung from **343,000 contracts net long** to **5,000 net short** in 30 days [3]. Sources tied the pressure to favorable weather, ample supplies, weaker crude, and the removal of war premium from grains [1, 4].
- **Soybeans — U.S./China:** USDA lowered old-crop U.S. soybean exports and raised crush, but China remains the key variable for next-year demand [2]. China is still absent from new-crop U.S. soybean purchases [1, 4]. November 2026 soybeans fell nearly **5 cents** to **\$11.34/bu** [1].
- **Wheat — U.S./Black Sea:** USDA cut winter wheat yield to **46.8 bu/acre**, leaving the smallest winter wheat crop since **1970** [5, 2]. Even so, harvest pressure and Russian wheat competition into the Western Hemisphere kept sentiment weak [2].

- **Livestock — U.S.:** Feeder cattle stayed supported by lower corn prices and tight feeder supply [2]. August feeder futures closed at **\$357.42/cwt**, up **\$3.52** on the week, while live cattle closed at **\$255/cwt**, down **\$1.53** week over week; lean hog futures closed at **\$92.52**, down **\$1.78** [6]. Fresh beef at retail reached **\$9.52**, and one analyst said data still show no loss of beef share to pork or broilers [2].

Innovation Spotlight

- **Autonomous no-till planting — Kentucky, U.S.:** One grower became the first in the state to plant his entire corn crop with a driverless tractor, replacing two large planter setups with a small tractor, an 8-row planter, and a Sabanto autonomy kit [7]. He reported planting **850 acres** at **3-3.5 mph** for **16-20 hours/day**, with better seed placement and stands, at a setup cost of about **\$200,000** versus a prior equipment setup near **\$750,000** [7].
- **Precision soybean management — São Paulo, Brazil:** A record field delivered **119.25 sacks/ha** after using variable-rate planting and fertilization, satellite imagery, and tightly timed applications [8]. The operator linked the result to more than **20 years** of precision-ag investment that measures planting quality, harvest loss, and operational performance [8].
- **Ag data infrastructure for AI — U.S./global:** Leaf announced a **\$13 million Series B** led by Bayer [9]. The company said retailers use its platform to benchmark variety performance, biological companies use it to identify the conditions where products work best, and its rebuilt architecture can query data across **tens to hundreds of millions of acres** in seconds [9]. Its stated goal is to deliver results that are **10x better or 10x faster** for users [9].

Regional Developments

- **Mato Grosso, Brazil — soybean margin squeeze:** Producers in Querência are returning leased land after average soybean yield losses of **4-5 sacks**, selling grain at roughly **R\$10/sack** below last year, and facing higher drying costs after **700 mm** of rain fell from late January through February during harvest [8]. Projected 2026/27 production cost is **R\$4,286/ha**, with break-even at **R\$68.65/sack** [8]. Sources expect fertilizer cuts and are calling for debt renegotiation support [8].
- **Brazil — soy processing and exports:** Soybean processing reached nearly **5 million tons**, up **5.9%** year over year, while Mato Grosso processed more than **13 million tons** in 2025, up **3%** [8]. Jan-May soybean exports reached **58.5 million tons**, with May shipments up **8.7%** year over year [8]. Sources tied stronger crushing to biodiesel demand, with soybean oil accounting for **70-80%** of biodiesel feedstock and the mandated blend scheduled to reach **B17 in 2026** [8].

- **Brazil/EU protein trade:** Starting **3 September**, EU traceability requirements threaten Brazilian animal-protein exports because Brazil has not yet documented antimicrobial use to the EU’s satisfaction [10, 11]. Interviews said the issue is documentation and traceability rather than product safety, and Europe accounts for only about **3.5-4.5%** of Brazil’s beef and chicken exports but remains a high-value reference market whose standards influence other buyers [11, 10].
- **South Texas, U.S. — screwworm response:** Confirmed U.S. screwworm cases rose during the week, with one report citing **five** cases early in the week and Farm Journal reporting **seven** by Thursday morning; a later market segment referenced **nine** cases [12, 13, 14]. Authorities launched quarantine zones, border trade closures, and sterile-fly releases, including **4 million** flies within **24 hours** of the first confirmed case, while U.S. production is being scaled from about **100 million** toward **500 million sterile flies per week** [5].
- **Brazil weather — South/Center-West/North:** Canal Rural said El Niño now carries a **63%** chance of becoming very strong and could affect the full winter crop cycle and the 2026/27 soybean season [15]. In the near term, **100-200 mm** of rain is expected in parts of Paraná, Mato Grosso do Sul, and São Paulo, disrupting second-crop corn and bean harvest, while reduced rainfall in the North/Northeast could lower rivers and hinder Northern Arc logistics later in the cycle [15].

Best Practices

- **Soybeans — finish post-emerge work before flowering:** Midwest agronomists warned that post-emergence herbicide applications after soybean flowering reduce yield potential and leave fewer product options [16, 12, 17]. With rain and wind narrowing spray windows, the recommendation is to prioritize the final in-season pass before flowering begins [17].
- **Corn — protect the V4 nitrogen window:** Southern Michigan agronomy guidance said V4 is the point to review how much nitrogen is already on, how much is still needed for tip fill and kernel depth, and whether side-dress rates are sufficient [17]. Separate guidance said split applications and stabilizers can help keep N in ammonium form in the root zone rather than losing it to movement [16, 12].
- **Livestock — treat fresh wounds as screwworm risk points:** Highest-risk moments cited were calving, surgery, dehorning, transport injuries, calf navels, and post-partum females [18]. Guidance across U.S. and Brazilian sources was to inspect animals daily, clean and protect wounds immediately, and reduce preventable injuries such as barbed-wire cuts [18, 19]. In infected U.S. zones, cattle movement pauses for **72 hours** before inspector-approved relocation [20].

“The main thing is just get the detected quickly because the more days it goes on, that animal doesn’t have a very much chance of

survival.” [19]

- **Grain storage — manage moisture, not just dockage:** Ag PhD estimated that drying soybeans from **13%** to **10%** moisture causes roughly **4.5% shrink** [21]. On **1,000 acres** yielding **60 bu/acre** at **\$10/bu**, that equals about **\$27,000** in lost revenue [21]. The recommended control is bin monitoring plus fan controls so wetter grain can be harvested earlier and finished to target moisture without over-drying [21].
- **Soil structure — keep living roots in the system:** One no-till grower said the fastest gains from cover crops were moisture retention and weed suppression, followed by more earthworms, ground beetles, and other decomposers [7]. A separate soil comparison argued that living plants and roots, not tillage, are what rebuild aggregates and relieve compaction [7].

Input Markets

- **Nitrogen — U.S.:** Granular urea in New Orleans fell to about **\$453/short ton**, down **36%** from the mid-April peak and the lowest level since early February [5, 12]. Sources linked the retreat to easing fears over Middle East shipping disruptions [16, 12].
- **Corn cost competitiveness — U.S. vs. Brazil:** Purdue analysis found Iowa farms still carry higher total corn costs, but Brazil’s costs have risen faster because of fertilizer expense and reliance on imported nitrogen [16, 12]. Both U.S. and Brazilian benchmark operations showed negative economic profits in **2023** and **2024** [16, 12].
- **Farm equipment and irrigation finance — Brazil:** Bahia Farm Show announcements included **R\$14 billion** for tractors and implements at about **9%** annual interest with a **one-year grace period** and **five-year term**, plus **R\$21.1 billion** for trucks and road implements [22]. FINAME rates were cut from **22%** to **12%**, and irrigation users were promised daytime access to the same electricity tariff used at night [22].
- **Feed coproducts — U.S.:** April ethanol exports reached **171.6 million gallons**, while DDG shipments were up **12%** from a year earlier [16, 12]. Sources said continued ethanol and DDG demand is supporting corn utilization and export channels [16, 12].
- **Brazil soy input discipline — Mato Grosso:** The projected **R\$4,286/ha** soy cost structure and **R\$68.65/sack** break-even are already pushing some growers toward lower fertilizer use, especially phosphates [8].

Forward Outlook

- **U.S. grains:** Attention is shifting from the June WASDE to the **June 30 acreage and quarterly stocks reports** [1, 12]. Analysts said excess-rain damage may slow selling, but a sustained bull turn likely needs hot, dry pollination weather or fresh Chinese buying [1].

- **China remains the soybean swing factor:** One Farm Journal source said USDA is effectively penciling in about **15 million metric tons** of Chinese soybean buying versus **25 million** previously committed; zero would be bearish and 25 million bullish [2]. Another analyst said China may wait until **August or September** to buy cheaper U.S. supplies, especially with new-crop sales still below **15%** [4].
- **Corn downside may not be exhausted:** One analyst said December corn is oversold after slipping below **4.40** and could see a technical bounce, but another said he would not confirm a low yet because ending stocks remain large and moisture is adequate [4, 14]. The July chart still has a gap near **405.5 cents/bu**, according to one Farm Journal segment [4].
- **Cattle planning still runs into drought:** One source said **76%** of the U.S. cow herd is in some level of drought, while another put **54%** of cattle country in drought [2, 1]. That keeps weather as the main barrier to herd rebuilding even with high replacement values and historically strong beef prices [2, 14].
- **Brazil 2026/27 planning:** Canal Rural warned that a potentially strong El Niño could delay planting rains in the Southeast and Center-West, increase heat risk, and reduce Northern Arc river logistics later in the cycle [15].
- **Brazil's policy calendar:** Credit conditions, not just headline funding size, remain the concern ahead of the expected **July 1** Plano Safra announcement [10]. One source projected a **R\$550 billion** program but argued effective rural-credit rates could still average **20-25%** [10].

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