Staff Report No. 2026-33 **May 18, 2026**

May Market Update
Corn, Soybeans, Rice, and Cotton

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Prices at a Glance

Crop	2025/26 U.S. MYA Price Projections	2026/27 U.S. MYA Price Projections
Corn	$4.15 per bu.	$4.40
Soybeans	$10.40 per bu.	$11.40
Long Grain Rice	$10.40 per cwt.	$12.00
South. Med. Grain Rice	$14.70 per cwt.	$13.50
Upland Cotton Lint	$0.61 per lb.	$0.73
Seed Cotton	$0.3455 per lb.	$0.3912

The May WASDE report presents USDA's initial forecasts for the U.S. and world crop supply and demand and U.S. prices for the 2026/27 marketing year. Due to spring planting still being underway in the Northern Hemisphere, and several months away in the Southern Hemisphere, forecasts are highly tentative. The March 31st Prospective Plantings report is used for planted acreage for other U.S. crops.

WASDE Summary

The **2026/27 U.S. corn outlook** is for reductions to supply, total use, and ending stocks with higher expected prices. The corn crop is projected at 16.0 billion bushels, down 6 percent from a year ago on declines to both area and yield. Planted area of 95.3 million acres, if realized, would be down 3.5 million. The yield projection of 183.0 bushels per acre is based on a weather adjusted trend assuming normal planting progress and summer growing season weather. Larger beginning stocks partially offset the forecast reduction in production, resulting in total corn supplies declining 2 percent to 18.1 billion bushels.

Total U.S. corn use for 2026/27 is forecast to fall 2 percent relative to a year ago on reductions to domestic use and exports. Food, seed, and industrial use is forecast flat at 7.0 billion bushels. Feed and residual use is projected down to 6.1 billion bushels on smaller supplies and higher prices. U.S. corn

exports for 2026/27 are forecast to decline 5 percent from a year ago to 3.2 billion bushels. U.S. share of world trade is expected to decline modestly but remain above the average seen over the past several years. In absolute terms the U.S. remains the largest exporter of corn by a wide margin despite higher exports from competitors such as Brazil and Ukraine. With total U.S. corn supply falling more than use, 2026/27 ending stocks are down 185 million bushels from last year. Stocks would represent 12.1 percent of use, down from 13.0 percent the prior year but above the average of the last 5 years. The season-average farm price is projected at $4.40 per bushel, up 25 cents.

The **2026/27 outlook for U.S. soybeans** shows higher supplies, crush, exports, and lower ending stocks from the prior marketing year. The soybean crop is projected at 4.435 billion bushels, up 173 million from last year's crop, reflecting trend yield and higher harvested area. Along with higher beginning stocks, supplies are 188 million bushels above the 2025/26 marketing year.

U.S. soybean crush for 2026/27 is projected at 2.750 billion bushels, up 120 million from the 2025/26 forecast on favorable crush margins and strong demand for soybean oil as a biofuel feedstock. Domestic soybean meal disappearance is forecast to increase 1 percent while exports are forecast at 21.7 million short tons, indicating a 22 percent share of global trade, compared to the prior 5-year average of 20 percent.

Total U.S. soybean oil demand is forecast to increase 7 percent in 2026/27, with higher domestic use partly offset by lower exports. Strong demand for soybean oil as a biofuel feedstock, supported by EPA's Renewable Volume Obligations for 2026 and 2027, lifts soybean oil use for biofuel to 17.8 billion pounds, up 3.6 billion from 2025/26. In contrast, soybean oil exports are expected to fall as expanded domestic demand limits the volume available for foreign markets. Soybean oil ending stocks are expected to rise slightly; however, the stocks-to-use ratio is lower than the prior year.

U.S. soybean exports are projected to rise to 1.630 billion bushels, an increase over 2025/26 when tariff measures curtailed shipments to China, the United States' largest export market. Although U.S. soybean exports are expected to rise in 2026/27, the U.S. share of global trade is likely to continue its longer-term downward trajectory as large South American supplies, coupled with strong U.S. demand, limit export growth. U.S. soybean ending stocks for 2026/27 are projected at 310 million bushels, down 30 million from the revised 2025/26 forecast. The 2026/27 U.S. season-average soybean price is forecast at $11.40 per bushel, compared with $10.40 in 2025/26.

The **U.S. rice outlook for 2026/27 projects** lower supplies, exports, domestic use, and ending stocks compared with 2025/26. All rice production is projected at 175.2 million cwt, down 15 percent from last year on lower harvested area. The projected all rice yield is 7,732 pounds per acre, up 188 pounds from 2025/26. Total rice supplies are 275.3 million cwt, down 10 percent from last year on lower production. Total domestic and residual use is projected at 154.0 million cwt on reduced supplies. Total exports are projected at 79.0 million cwt, down 2.0 million cwt from the revised exports for 2025/26, on continued strong global competition and higher U.S. long-grain prices. All rice ending stocks are projected at 42.3 million cwt, down 18 percent from last year. The 2026/27 season average farm price (SAFP) for long grain rice is projected at $12.00 per cwt, up from $10.40 in 2025/26. The 2026/27 southern medium grain rice price is projected at $13.50, down from $14.70 the year prior.

The first forecast of the **2026/27 U.S. cotton balance sheet** shows lower production and ending stocks, and higher exports and beginning stocks compared to 2025/26, with consumption unchanged. Planted area is projected at 9.64 million acres based on the March 31 Prospective Plantings report. Harvested area is forecast to be 7.38 million acres for an abandonment rate of about 24 percent, approximately equal to the 10-year average. The 2026/27 national average yield is projected at 866 pounds per harvested acre

based on regionally weighted 5-year averages, slightly above last year's 852 pounds. Production is projected to be 13.30 million bales, 600,000 below the 13.90 million bales produced in 2025/26. Exports are projected 300,000 bales higher at 12.30 million due to higher global demand and stocks are drawn down. As a result, ending stocks are forecast to be 500,000 bales lower at 3.90 million, for an ending stocks-to-use ratio of 28.1 percent. The projected season-average price for 2026/27 is 73 cents per pound.

Corn

The USDA's May Supply/Demand report showed US ending stocks for 2026/27 at 1.957 billion bushels, compared to 1.942 billion expected (range 1.776-2.110 billion). Corn ending stocks for 2025/26 were 2.142 million bushels, versus the average estimate of 2.130 million bushels. Food/industrial use dropped 15 million bushels.

The USDA's crop production report shows the 2026/27 crop at 15.995 billion bushels on a 183 bushel/acre yield. The average pre-report estimate for production was 15.986 billion bushels (15.755-16.8 billion bushels range). The average pre-report corn yield estimate was 183.1, with a range of 181-186.4. World corn ending stocks for 2026/27 were 277.5 million tonnes. The average trade estimate was 291.2 million tonnes (range 268-305 million tonnes). 2025/26 ending stocks came in at 296.95 million tonnes versus the average estimate of 296.2 million tonnes. Brazil corn production for 2026/27 is projected at 139 million tonnes. Brazil's 2025/26 production came in at 135 million tonnes, higher than 132 million tonnes in April. The average estimate was 133.3 million tonnes (range 130-137 million). Argentina's 2026/27 corn production is projected at 55 million metric tonnes. 2025/26 corn production is 59 million metric tonnes, higher than 52 million metric tonnes in April. The average estimate was 55.3 million metric tonnes, with a range of 52-60 million tonnes.

USDA used a yield of 183 bushels per acre for new crop, down 3.5 bushels from the 2025/26 season, and new crop ending stocks came in above guesses, loosening the balance sheet slightly more than expected. However, the most significant surprise was the reduction in new crop world ending stocks, which was at the lower end of the range of guesses. Overall, the report is mixed, but we stand by our belief that final corn acres will be at least 1–2 million below today's 95.3, which means today's new crop ending stocks are likely to come down in future USDA reports. Post-report, corn is holding marginal gains of 2-4 cents, and we see no reason to expect a major selloff in the current fundamental environment.

Corn futures saw bullish enthusiasm midweek, only two see the last two trading sessions of the week humble the bulls, including the speculators that had recently climbed aboard the bullish train. Weak long liquidation and profit taking from the specs were featured Thursday and today. Traders tend to overdo it on the upside, as witnessed earlier this week, but also overdo it on the downside, as seen the past two days. We don't look for much more downside price potential in the corn futures market. Heading into this week's U.S.-China summit meeting, Grain market bulls were very upbeat about the prospects of more Chinese purchases of U.S. grain. However, they got "wrong-footed" when no concrete details on Chinese purchase of U.S. ag products came out of the meeting. Traders will keep watching the weekly USDA crop progress reports on Monday afternoons.

World Weather Inc. recently said outside of rain events Saturday into Tuesday and May 22-24, the Midwest will see more sunshine than rain during the next two weeks and planting should advance well while soil moisture is favorable for summer crop germination, establishment, and development. Each round of rain will be important from northeastern Nebraska to north-central Iowa, southwestern and south-central Minnesota, and east-central South Dakota where soil moisture is marginal to short. Much of the Midwest will dry down overall Wednesday into May 29th and the drier areas mentioned above will

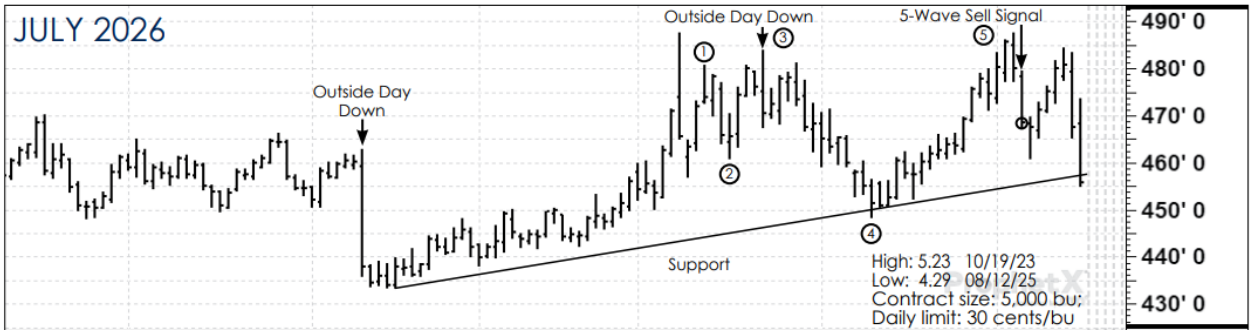
need rain again soon while timely rain in the last days of the month would be beneficial for newly planted crops across the remainder of the Midwest as well.

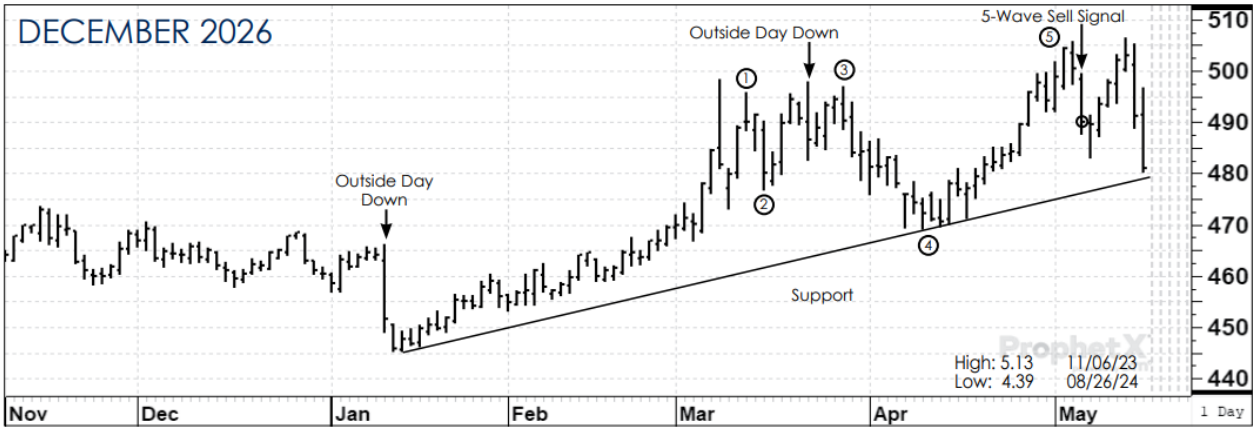
The global supply and demand balance sheet for corn still leans price-friendly. The May WASDE report saw USDA make few changes to the old-crop corn numbers, though the 100-million-bushel cut to new-crop feed and residual use and an additional 150-million-bushel slash to exports were noteworthy changes. These changes suggest a potential decline in U.S. corn exports due to a smaller crop and tighter balance sheet. On the global level, ending stocks are projected to tighten to the lowest level since 2013-14. Don't be surprised to see some degree of a weather market scare in pop up rapidly in corn in the coming couple months. More years than not, one occurs. They develop quickly and can then fizzle out just as fast.

July corn futures slid 11 ¾ cents to $4.55 ¾, nearer the daily low. The corn futures market saw follow-through profit-taking pressure and long liquidation alongside weakness in the soy complex and wheat. July corn lost 15 ½ cents on the week.

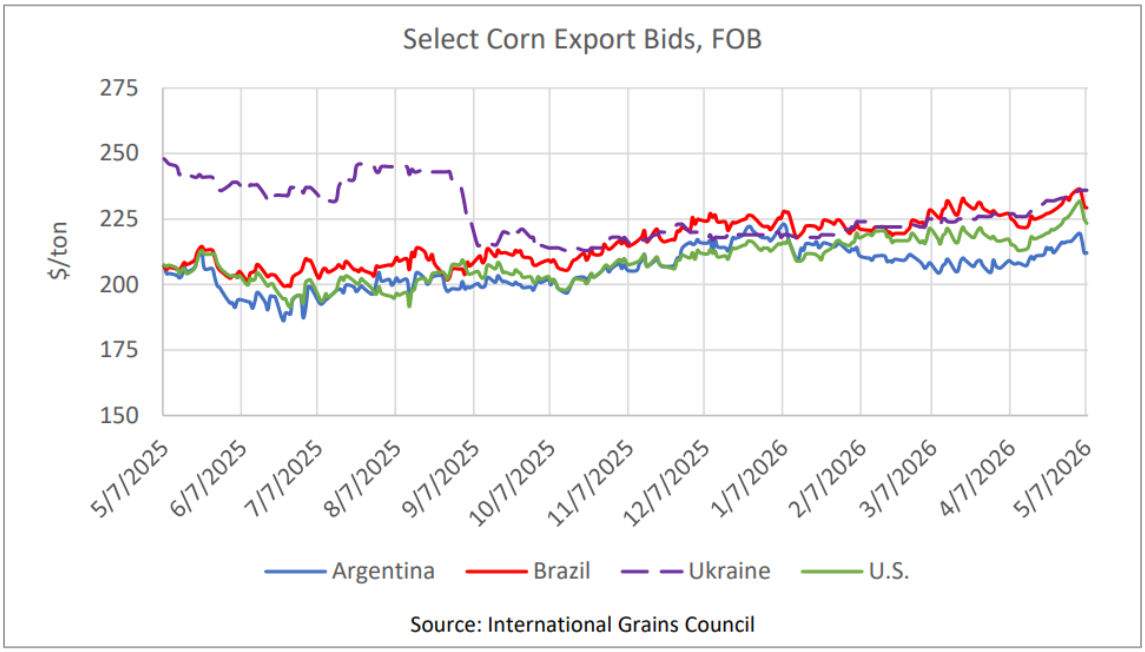
Market prices reacted very negatively to what should have been bullish news, a significant year-over-year drop in worldwide corn production and carry out for 2026/27 in Tuesday's WASDE. After rallying from $4.35 in January to $4.85 this month, the bullish news has been discounted. The bearish news is two-fold at the moment. First, corn appears to have completely decoupled from crude. As energy prices were stable to higher Thursday and particularly Friday, corn futures collapsed. Second, planting progress has been very good; there is almost no drought except for in Nebraska. Forecasts currently show no major threats. On top of that, this selloff coincided with the Trump/Xi meeting, and apparently all the ag markets did not like what came out of that.

Futures can go significantly higher or lower than the expected price, though, and this marketing year does not begin for another 4 months. Support in July futures is at the trendline, and at the April lows ~$4.50. In the new-crop, it is at trendline and the April lows ~$4.70.



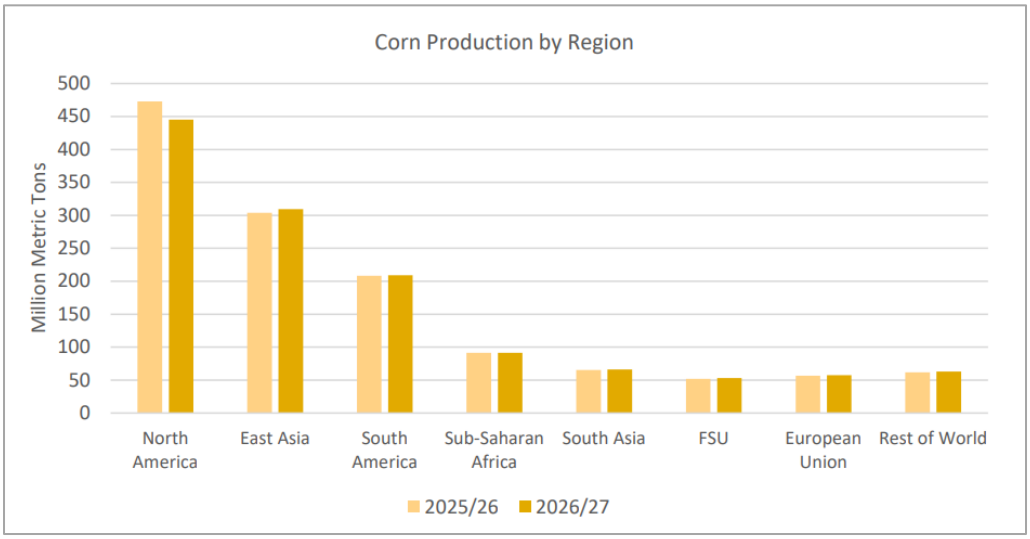


Since the April WASDE, export bids for all major origins rose on both strong global import demand and a solid rally in nearby corn futures. Argentine bids were up $3 to $212/ton, as robust export demand from key buyers like Vietnam and Egypt somewhat offset building harvest pressure from this year's record crop. Brazil prices were up $4 to $229/ton, with movements largely reflecting lifts in other major exporters. Ukraine prices were up $9 to $236/ton, as buyers in the Middle East aggressively sought shipments. U.S bids were up $8 to $225/ton, with FGIS Weekly Grain Inspections and FAS Export Sales Reporting continuing to show booming worldwide demand for U.S. corn.



Export bids (fob, US$ per ton)	7-May-26	7-Apr-26	7-May-25	% change, '25-'26
Argentina, Up River	212	209	207	2%
Brazil, Paranaguá	229	225	207	11%
Ukraine	236	227	248	-5%
U.S. 3YC, Gulf	223	215	208	8%

Global corn production is forecast to decline from the previous year's record to 1.295 billion tons. The decline is primarily driven by a lower forecast for Argentina and the United States, though still second largest on record if realized, and partially offset by larger crops in Brazil and China. Global trade is forecast down marginally but the United States is expected to maintain its position as the world's top corn exporter. Consumption, driven by feed and residual use, is expected to grow again across nearly every region, apart from trivially small declines in the Caribbean, the Middle East, and North America. Food, seed, and industrial (FSI) use is forecast to expand in South America and South Asia, spurred by fuel ethanol projects, and in Sub-Saharan Africa due to growth in human consumption. With slightly smaller global production and a year-to-year increase in consumption, global ending stocks will experience a contraction, chiefly in China and the United States.



Brazilian corn production in 2026/27 is forecast to reach a new record at 139 million tons. Exports are expected to grow modestly given the year-to-year increase in exportable supplies, but expansion in domestic use remains the primary driver of demand. Estimates of food, seed, and industrial use have more than doubled from 5 years ago as corn ethanol production capacity has expanded. With a focus on domestic use, Brazil is forecast to be the second largest corn exporter, well behind the United States and slightly ahead of Argentina.

Chinese grain production in 2026/27 is forecast at a record 604.0 million tons, about 1 percent higher than a year ago, with more than half of that figure accounted for by an expected record 307.0-million-ton corn crop. Strong growth in poultry meat production and stable demand from the swine sector and domestic processing support a 4.0-million-ton growth in corn consumption. Corn imports are forecast at 6.0 million tons as import demand is expected to remain roughly unchanged from the revised 2025/26 forecast, but well below substantially larger volumes in recent years.

Soybeans

The USDA's May Supply/Demand report provides the first balance sheets for the 2026/27 crop year. US ending stocks for 2026/27 are estimated at 310 million bushels, compared to 366 million expected (range of 308-479 million). Exports and crush were increased from 2025/26. Soybean ending stocks for 2025/26 were 340 million bushels, versus the average estimate of 349 million bushels, down from 350 million in April. Crush up 20 million, exports down 10 million. The USDA's crop production report shows the 2026/27 crop at 4.435 billion bushels on a 53.0 bushel/acre yield. The average pre-report estimate for

production was 4.447 billion bushels (4.405-4.521 billion bushels range). The average pre-report soybean yield estimate was 53, with a range of 52.5-53.2 bushels/acre. World soybeans ending stocks for 2026/27 were 125.01 million tonnes. The average trade estimate was 126.5 million tonnes (range 122.1-132.6 million tonnes). 2025/26 ending stocks came in at 124.78 million tonnes versus the average estimate of 125.1 million tonnes. Brazil's soybean production for 2025/26 is 180 million tonnes, unchanged from 180 million tonnes in April. The average estimate was 180.3 million tonnes (range 179-181.6 million). Argentina's 2025/26 soybean production is 48 million metric tons, unchanged from April. The average estimate was 48.4 million tonnes (range 48-49 million).

The report did not spring any surprises regarding old crop ending stocks, but new crop was lowered more than expected due to higher crush and exports. The initial reaction to the report was friendly, and prices are holding near $0.10 gains post-report. No changes to South American production, but new crop world ending stocks were slightly friendly. The report does not change the fundamental outlook significantly but does give the new crop a slightly tighter balance sheet, which will be important for demand if the President can secure a Chinese purchase commitment. Remember - final acreage for beans is likely to be significantly above today's 84.7 million, which means new crop ending stocks may rise in upcoming USDA reports.

The soybean market was hammered late this week as overly optimistic bulls were hoping the Trump-Xi summit meeting this week would produce better results with specifics on fresh China purchases of U.S. beans. While President Trump and other administration officials did signal China would buy “billions” of dollars worth of U.S. ag products, U.S. Treasury Secretary Bessent on Thursday said the U.S. and China already made a deal on China buying U.S. soybeans. The bright spot this week is that the soybean meal futures market came back to life, with July meal hitting a five-month high today. That suggests the downside is limited in soybeans—and that bean futures prices at present levels are probably overdone on the downside.

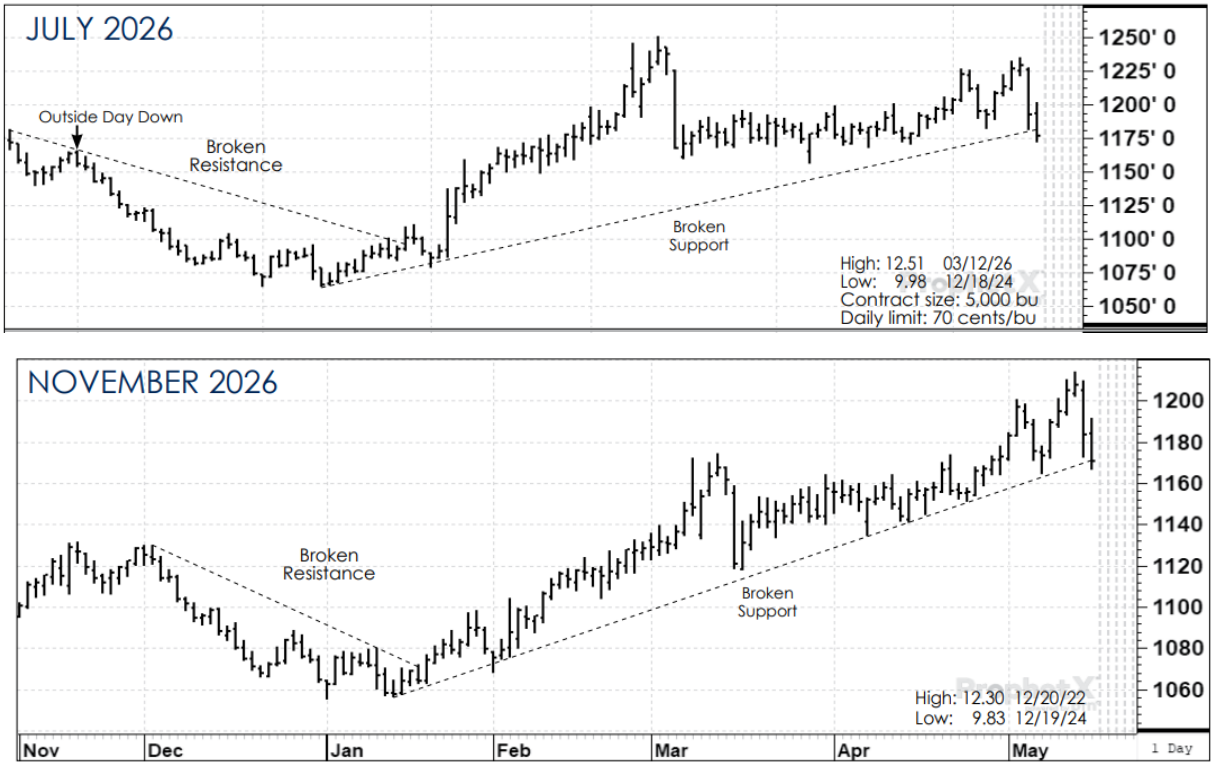
World Weather Inc. today said soybean planting in the U.S. should advance around periods of rainfall. Drought has recently been eased in the Delta, Tennessee River Basin and southeastern states, though each area needs more moisture to end drought. Wet and cool weather in the lower Midwest in the coming week will slow fieldwork.

It’s a long, El Niño growing season for the U.S. soybean crop. This week’s USDA monthly supply and demand report that showed a tighter-than-expected new-crop balance sheet, where crush demand was increased by 120 million bu. from the current marketing year and exports increased 100 million bu. at 1.63 billion bu. While a likely increase in biofuel demand is likely, this week’s U.S.-China summit meeting stirs questions around the U.S. soybean export figure.

July soybeans dropped 15 ½ cents to end at $11.77, nearer the daily low and the lowest close in three weeks. July soybean meal rose $1.80 to $334.30, while July bean oil gained 22 points to 73.88 cents. NOPA said member crush came in at 211.856 million bushels of soybeans last month, down 6.3% from the 226.161 million bushels crushed in March but up 11.4% from the April 2025 crush of 190.226 million bushels. The figure was below estimates with seasonal maintenance a likely factor. Soybeans have seen a drubbing over the past two sessions after President Donald Trump’s summit meeting with Chinese leader Xi Jinping failed to produce concrete commitments on additional purchases. July soybeans dropped 31 cents on the week, while July meal rose $14.60 and July soy oil lost 44 points.

Technically, this was not a good week at all. July soybeans posted an outside week down. The key area in the July beans is now $11.70, the March and April lows. November soybeans traded to new highs and failed, not good. Key support is at $11.60-$11.65. Soybean meal looks strong, but is challenging October

highs. Soybean oil, which had been leading this market higher, is falling apart, making new three-week lows. Speculators are significantly long all three, so the risk of a sharp sell-off is very high.



Over the weekend, the White House said China agreed to purchase at least $17 billion in U.S. agricultural products annually through 2028 as part of the broader understandings reached during President Donald Trump's two-day summit with Chinese President Xi Jinping in Beijing. The figure would represent a major multi-year commitment aimed at stabilizing bilateral agricultural trade after years of tariff disputes, licensing disruptions, and broader geopolitical tensions involving Taiwan, technology controls, and the Iran conflict.

The announcement comes as both Washington and Beijing attempt to rebuild a more predictable trade relationship following months of escalating tensions and retaliatory measures. China's Ministry of Commerce issued its own statement Saturday saying both sides agreed to pursue measures to expand bilateral trade, including mutually lowering levies on certain products, although Beijing stopped short of providing specific dollar commitments or commodity targets. Chinese officials said negotiations on implementation details are ongoing.

For U.S. agriculture, the reported $17 billion annual commitment would provide important support for major export sectors including soybeans, corn, sorghum, pork, beef, poultry, dairy, cotton, and ethanol-related products. The agreement also reinforces expectations that agriculture remains one of the few areas where both countries continue to see strategic mutual benefit despite widening competition elsewhere.

The White House fact sheet did not specify whether the purchases would include fixed commodity amounts similar to past "Phase One"-style agreements or whether they would be structured around broader aggregate value targets. The administration also did not clarify how the purchases would interact with ongoing tariff disputes or existing Section 301 and Section 122 trade actions.

Mr. Jim Weisemeyer, Washington D.C. ag policy analyst, notes that one major criticism is that China has a mixed record on fully meeting large headline purchase targets. Critics point to the 2020 Phase One agreement, under which Beijing ultimately fell short of some of the pledged U.S. goods purchases, particularly in energy products. Skeptics argue that large aggregate dollar commitments can become politically attractive headlines while proving difficult to enforce in practice, especially if global commodity prices fluctuate sharply or Chinese domestic demand weakens.

Supporters of the new framework counter that agriculture differs from many other sectors because China remains structurally dependent on imported feed grains, oilseeds, meat proteins, and other food products. They argue Beijing cannot easily eliminate reliance on external suppliers without risking food inflation, supply instability, or pressure on livestock margins. In that view, the commitments are less about political symbolism and more about economic necessity.

Another common criticism is that the commitments may simply redirect trade flows rather than create meaningful new demand. Some analysts argue China could reduce purchases from Brazil, Argentina, Australia, or Europe while increasing U.S. imports temporarily, producing little net gain for global agricultural demand.

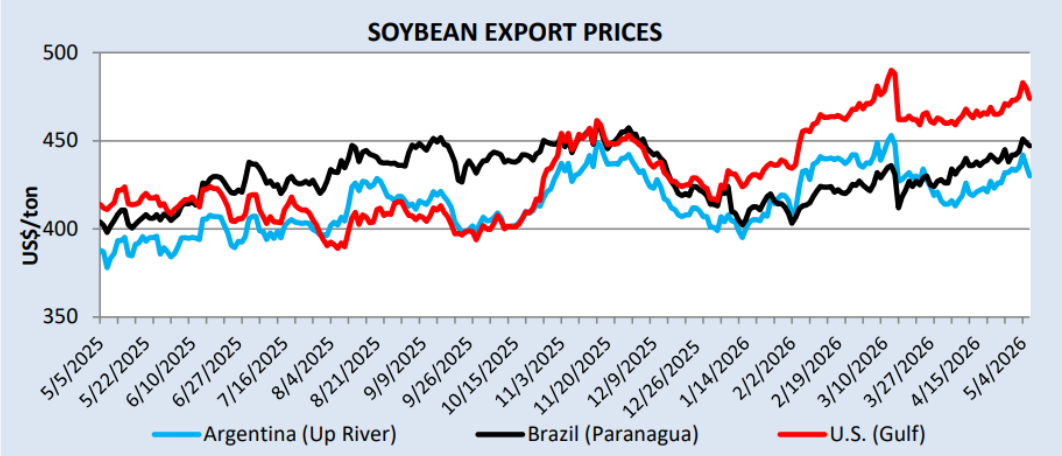
There is also skepticism surrounding whether the commitments will translate into sustained price support for farmers. Some analysts note that $17 billion annually, while sizable, may not dramatically exceed normal Chinese agricultural import volumes during strong demand years. Others caution that weather conditions, currency movements, freight costs, and South American crop size could ultimately matter more than political agreements.

Supporters counter that certainty itself carries value. Multi-year visibility into Chinese buying intentions can influence planting decisions, lending conditions, fertilizer demand, rural equipment purchases, and export infrastructure planning. Commodity markets often react not only to immediate sales but also to expectations regarding future demand stability.

Finally, some critics argue the administration risks overstating the agreement before implementation details are finalized. China's Ministry of Commerce notably avoided publicly confirming the precise $17 billion figure, instead referring more generally to expanded bilateral trade and tariff reductions.

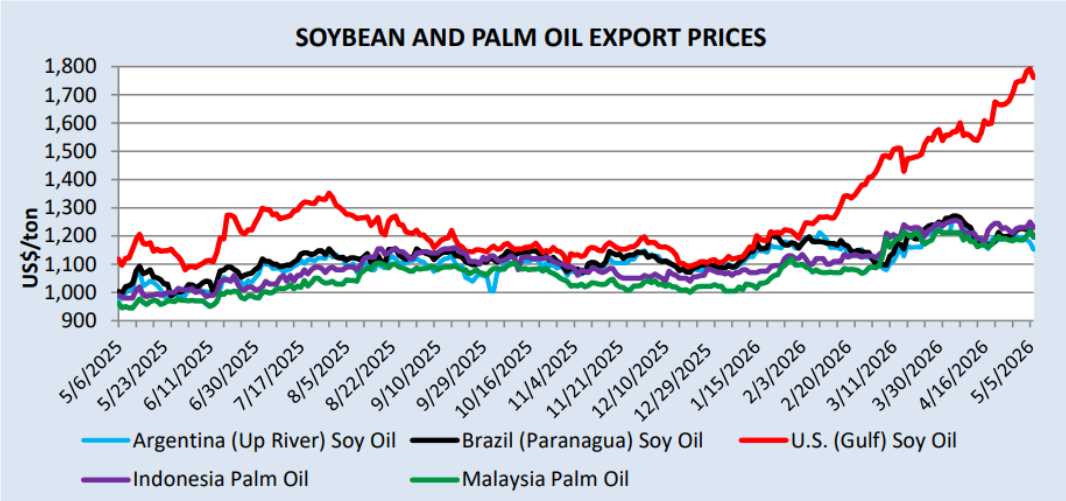
That discrepancy will likely keep markets cautious until additional details emerge regarding commodities covered, enforcement mechanisms, timelines, tariff treatment, and verification procedures. Meanwhile, many in agriculture view the announcement less as a finalized guarantee and more as an important signal that both Washington and Beijing are attempting to stabilize one of the most economically important bilateral trading relationships in global agriculture.

Soybean prices continued to rise over the past month. Weather delays for the Argentine harvest and a sliding U.S. dollar bolstered U.S. prices. EU rejections of Brazilian and Argentine soybean meal due to inclusion of an unapproved genetic event caused a temporary spike in U.S. soybean meal in late April with South American meal temporarily dropping. Following this occurrence, soybean meal prices for all origins declined on expectations of ample crush across all exporters.



Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

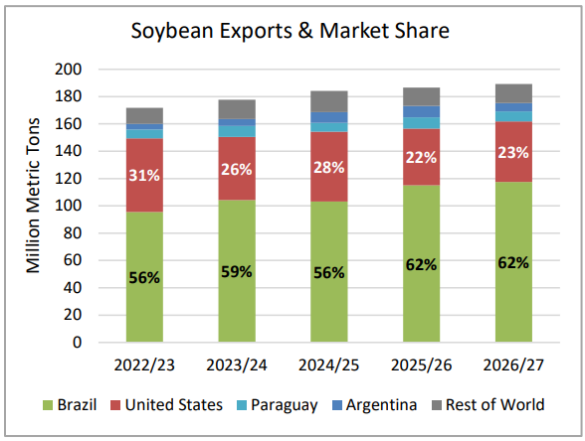
Brazilian and Argentine soy oil prices fell over the past month while U.S. soy oil prices rose. Increased crushing in South America bolstered exportable supplies, pressuring prices. U.S. soybean oil prices approached the highest levels since 2022 on expectations of higher demand from the biofuel industry. Palm oil prices declined modestly on a reduced soybean oil price benchmark, slackening India demand, and a strong Malaysia ringgit. Palm oil is now costlier than South America soybean oil as proposals to boost usage for biodiesel in both Malaysia and Indonesia prompts efforts to secure physical supplies.

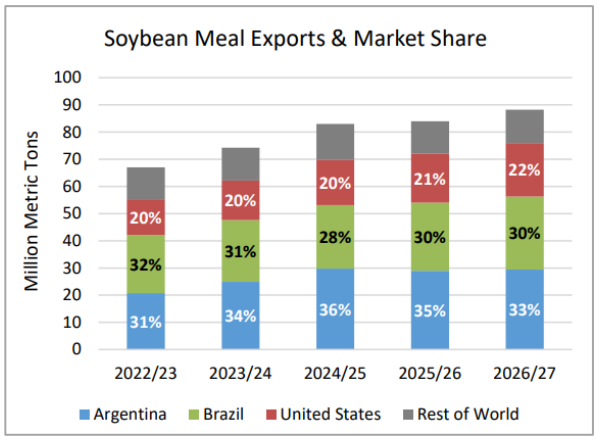


Source: International Grains Council

Global soybean production in 2026/27 is forecast at a new record, with larger crops in the United States, Brazil, and Argentina driven by area expansion and trend yields. U.S. production is expected to reach the highest level since 2021/22, while Brazil production sets its third consecutive record. Paraguay is the only major producer with declining production, down from last year's yield-driven all-time-high crop. Global soybean exports are also forecast at record levels on growth for the United States and Brazil, more than offsetting reduced Argentina exports due to resumption of export taxes after last year's temporary reductions. Imports are up for China, Turkey, Pakistan, Vietnam, and Egypt, largely on growing feed demand and expanded capacity of domestic crushing facilities. Argentine soybean imports are expected to decline on increased availability of domestic soybeans for crushing and lower Paraguayan exports. European Union imports are also expected to fall as crushing shifts toward rapeseed, and sunflower and

soybean meal imports rise. Global soybean ending stocks are forecast to be unchanged as growing crush capacity and robust global feed and oil demand are expected to fully utilize growing production.





Global soybean crushing is forecast to surge, especially in major soybean producing countries. U.S. crush is expected to reach unprecedented levels, driven by domestic demand for soybean oil as feedstock for biofuel production. Brazilian crush is expected to reach a new high as growing capacity is utilized to process the record 2026/27 crop. Argentine crush is also expected to rebound. Soybean meal exports are forecast to jump due to expanding crushing in these three countries. Soybean meal imports are expected to grow in most markets due to the increased exportable supplies from major producers, led by the European Union, Indonesia, Mexico, and Vietnam on strong feed demand. Soybean oil exports are up slightly. Growing Brazilian and Argentine exports more than offset a decline for the United States as more U.S. soybean oil is consumed domestically.

Global soybean meal consumption is forecast higher, reflecting robust feed demand expected to require larger volumes of all major oilseed meals in 2026/27. China, Brazil, Vietnam, Egypt, and the United States have the highest growth expectations for soybean meal. Global soybean meal stocks are forecast to expand proportionately with rising global soybean meal consumption. Global soybean oil consumption is expected to be higher, with nearly all growth attributable to increased industrial consumption as food use remains flat. Higher U.S. and Brazil soybean oil consumption are the main drivers due to higher industrial consumption, while China has the largest surge for food use. Soybean oil ending stocks are forecast to rise.

Rice

The May WASDE report did not look particularly bullish regarding rice, although it did show how supplies will tighten in the year ahead. It made only a marginal change to its old-crop all-rice carryout forecast, lowering it by 1 million cwt to 54.3 million. USDA pegged the 2026-27 U.S. rice carryout at 42.3 million cwt and projected an average on-farm price of $13.50 per cwt, up from this year's expected $12.10. The long-grain carryout for 2026-27 is seen at 28.1 million cwt., down from 39.6 million in 2025-26, and the new crop season average long-grain price is projected at $12.00, up from $10.40 in the current marketing year.

After the WASDE report was released, rice futures settled higher, gaining 14 to 15 cents and making a new 8-month high. May settled at $12.04, July closed at $12.37 ½, and September settled at $12.70. The market has support from expectations of smaller supplies in the year ahead as U.S. acreage drops, and potentially from longer-term concerns about food security tied to the war in the Middle East. However, to

end the week, rice futures were lower, losing 18 to 19 cents. July settled at $12.57, after trading a range of $12.37 to $12.89. September rice settled at $12.89 ½. Despite the losses, July rice gained 41 cents on the week.

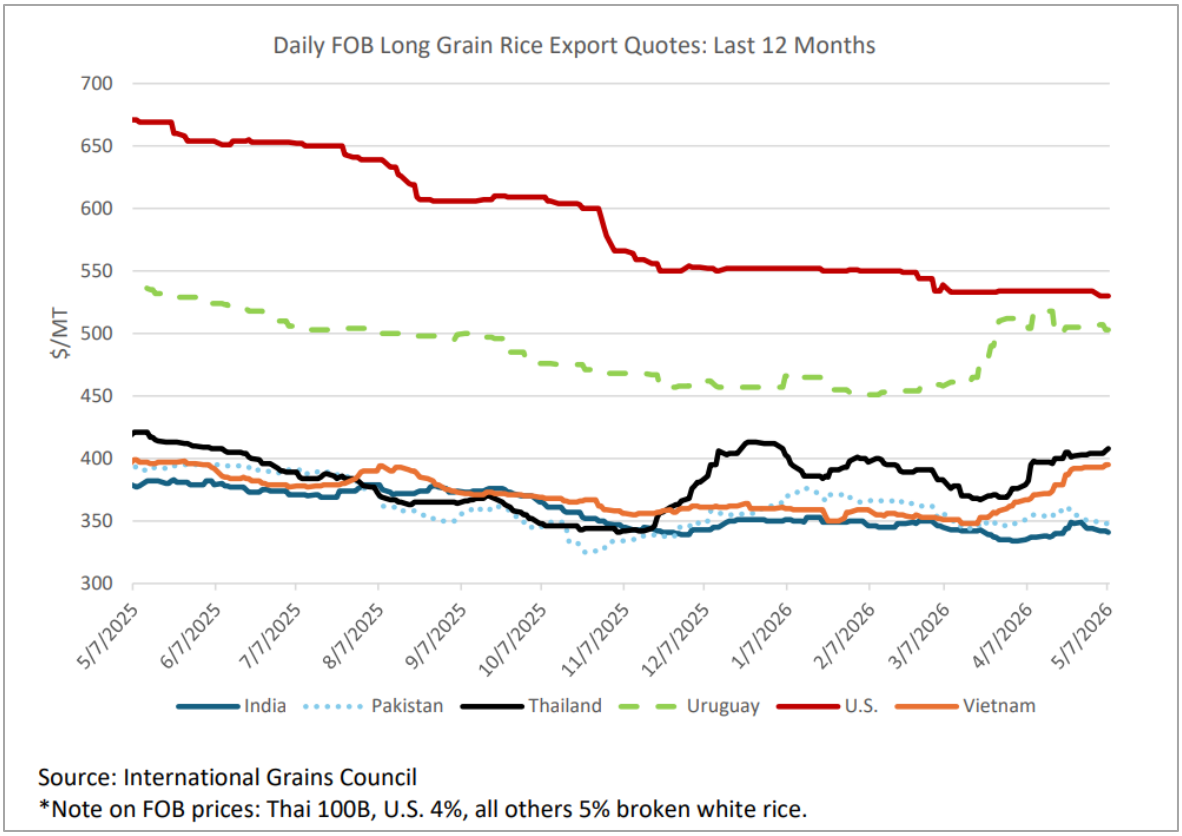
With actual crop size coming into focus, futures are finally starting to respond with the first positive notes we've seen in a long time. The May WASDE dropped production significantly across the states, but we would argue it is still not quite low enough. From surveys we have taken, our best estimate for long grain is approximately 1.45 million acres, and medium grain at about 700,000 acres total. This would be the lowest long grain acreage in the modern era. This would have an even more significant impact if there weren't at least 300,000 acres worth of carry over stock still waiting to be procured. Farmers in NE Arkansas and Missouri are in the final phase of planting.

There has been plenty of consternation about the drop in exports from last year to this year, so some additional context is needed. In 2024/25, the U. S. exported a total of 2.7 million metric tons, where 2025/26 is at 2.26 million metric tons, or a net decrease of 16.1%. The largest drop is long grain rough rice, which has fallen to 785,000 metric tons, or a 32% decrease from this time last year. Medium Grain rough rice has dropped 14% in the same period. Long grain milled rice has dropped from 749,000 metric tons down to 652,000 metric tons, or 13%. The lone gainer of the group is medium grain milled rice, up 5% year over year, on account of an increased trading relationship with Japan.

Colombia has increased its procurements by 139,000 metric tons, but that's not enough to offset Mexico, Nicaragua, Guatemala, and Honduras that have a net loss of 448,000 metric tons. Venezuela is currently off by 48,000 metric ton as well. While these numbers are dreary, it is likely there are some timing constraints involved, as El Salvador, Honduras, and Guatemala import U. S. long grain rice almost exclusively. Therefore, it's likely their reductions are timing related and will balance out in the coming months. Government policies regarding quotas, licenses and tariffs influence decisions of course. Strong competition from Mercosur exporters due to ample stocks, particularly in Brazil is anticipated.

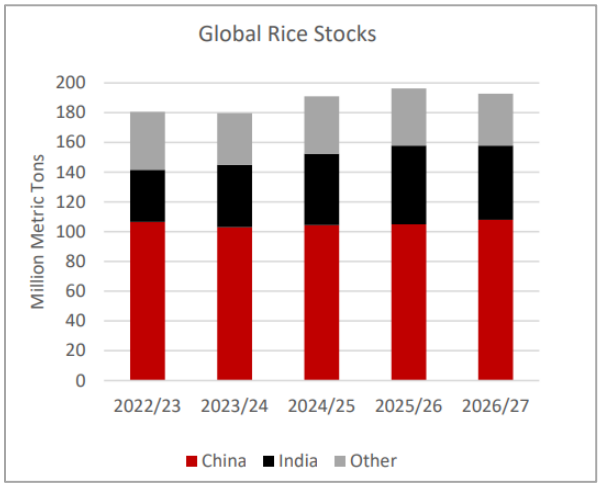
Now looking at the global environment, India is still the juggernaut. However, their rice production machine may be hampered in the coming crop cycles, on both the production and the logistical fronts as high fuel costs strain the entire rice export ecosystem. Reports from the trade show Indian exporters and supply companies are appealing the government for even greater subsidies. India is now responsible for over 40% of the global rice trade, and China now accounts for more than 50% of global rice stocks. At the moment, the USDA expects global rice production to drop 5 million tons this year, with consumption set to increase 3.8 million tons. This would reduce global stocks by 3.6 million tons, down to 192.7 million tons (108 million tons of which belong to China).

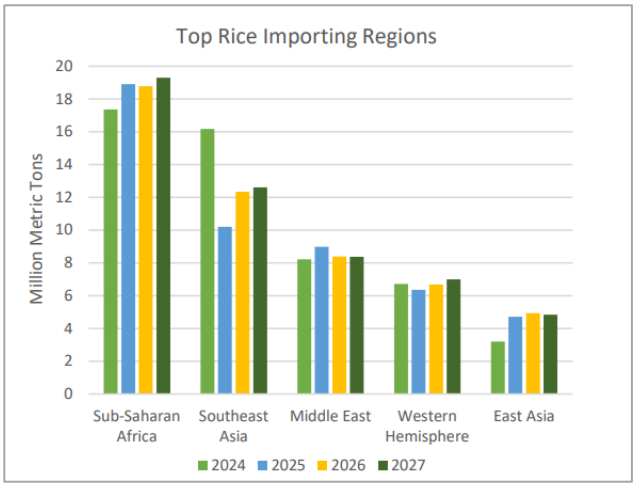
Since the April WASDE, Vietnamese and Thai quotes had the largest shifts among major exporters. Vietnamese quotes jumped $28 to $395/ton with strong demand from the Philippines. Thai quotes increased by $26 to $408/ton on currency appreciation. Pakistani quotes dropped $3 to $348/ton reflecting weaker sales to traditional markets. Indian quotes rose $5 to $341/ton but remain the lowest priced origin. U.S. quotes declined $4 to $530/ton, as sales to key Latin American markets remain slow. Uruguayan quotes fell $1 to $507/ton amidst the harvest of the new crop.



Source: International Grains Council
*Note on FOB prices: Thai 100B, U.S. 4%, all others 5% broken white rice.

Global rice production is down 5.0 million tons from the prior year to 537.8 million, with the largest cuts for India (-2.0 million tons), Burma (-1.0 million), and the United States (- 1.0 million). World rice consumption is up 3.8 million tons to 541.4 million tons driven by increases in South Asia, especially India, and Sub-Saharan Africa as rice continues to be an important staple. Global stocks are projected to decline 3.6 million tons to 192.7 million with the largest reductions in India, Cambodia, Indonesia, and the United States. In contrast, China rice stocks are forecast to increase 3.0 million tons to 108.0 million, accounting for 56 percent of global stocks.





Imports are up driven by Sub-Saharan Africa, underpinned by forecast growth in consumption, with Nigeria, Cote d'Ivoire, and Senegal as the largest importers. Southeast Asia imports continue to rise but at

a slower rate. The Philippines continues to lead as the largest importer on population growth and food use increases underpinned by global prices that remain low. Vietnam, despite being the second-largest exporter, is also the second-largest importer, mainly of paddy rice from Cambodia. The import-dependent Middle East region is expected to have stable imports overall. East Asian imports are expected to drop from the prior year due to reduced demand from Japan. Declining production and growing populations in the Western Hemisphere are expected to fuel increases of imported rice, both from within the region as well as from Asia.

Global rice exports are up slightly and continue to be dominated by India, which at 25.0 million tons accounts for nearly 40 percent of global trade. Despite lower production, massive stocks will weigh on prices, ensuring India's primary position in basmati, parboiled, and regular white rice exports. Vietnam is forecast as the next largest exporter, as relatively steady production and strong imports ensure sufficient supplies. Vietnam primarily ships to Africa and Southeast Asia markets, especially the Philippines. Thailand is expected to rebound slightly with premium fragrant, parboiled, and regular white rice exports. Cambodia exports mostly paddy rice to Vietnam but is also expanding shipments of fragrant rice to Europe and China. The biggest declines in exports are expected from Burma with lower production. The United States continues to face strong competition from Brazil and Uruguay in Western Hemisphere markets. With Asian prices likely to remain low, the region may see additional rice imports from countries such as Pakistan.

Cotton

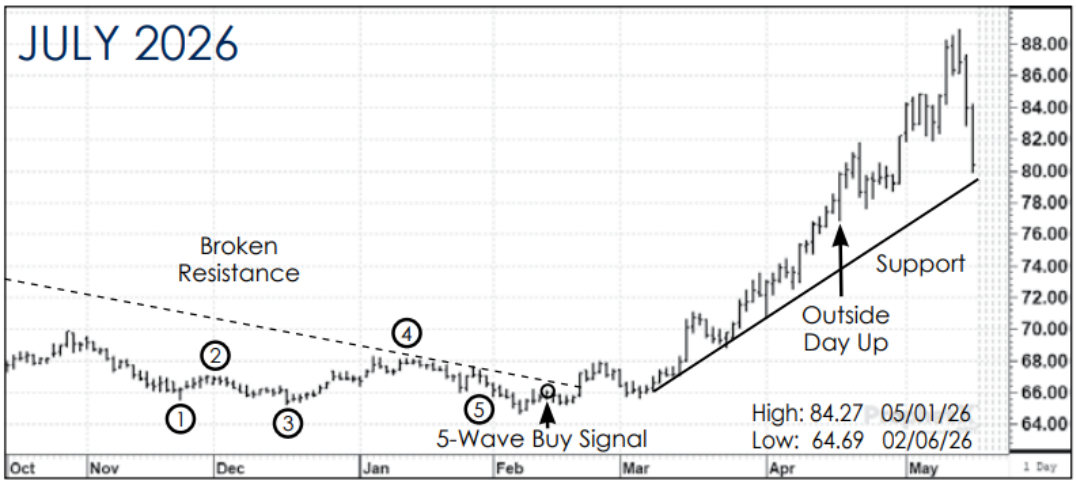
Cotton futures saw heavy profit-taking pressure and some weak long liquidation recently, after recent solid gains. The May WASDE report saw the agency leave old-crop U.S. cotton carryover unchanged from April. Total old-crop supplies were unchanged at 17.9 million bales. Old-crop use at 13.6 million bales is unchanged. USDA puts the national average on-farm cash cotton price for 2025-26 at 63 cents, up two cents from last month. New-crop cotton carryover of 3.9 million bales is down 500,000 bales from this year. Total supplies are projected at 17.71 million bales, down 190,000 bales from the current marketing year. The crop is projected at 13.3 million bales, down 600,000 bales from last year. Planted acres are put at 9.64 million with harvested acres at 7.38 million and a national average cotton yield of 866 lbs. per acre. Exports are projected at 12.3 million bales, up 300,000 bales from this year. USDA puts the national average on-farm cash cotton price for 2026-27 at 73 cents, up a dime from this year.

It appears the cotton market bulls have run out of gas as the bottom has fallen out of the cotton futures market the past two trading sessions, including prices trading down the daily limit for a period of time today. Sharp losses in the grain futures markets this week have spilled over into strong selling pressure in cotton futures. Like grain traders, the cotton market bulls were also disappointed by the lack of concrete results regarding any new China purchases of U.S. ag products at this week's Trump-Xi summit meeting. The late-week downdraft in cotton futures did break the price uptrend on the daily bar chart, which is one technical clue that the market has put in at least a near-term price top.

July cotton futures fell 333 points to 80.61 cents, nearer the session low, hit a two-week low and for the week down 412 points. Cotton was also the victim of heavy profit taking after the Trump-Xi summit failed to produce any news on buying interest.

Cotton's extended rally finally came to an end this week, as the market retreated from fresh two-year highs set on Wednesday, both tumbled Thursday and Friday. By Friday's close, most-active July futures were more than 8 cents off that Wednesday high. December cotton ended a streak of nine consecutive higher weekly closes. And both July and December posted large bearish reversals lower.

Some of the blame for the selloff is being directed toward the Trump administration's meeting in China this week and a lack of any concrete trade deals. But there has been virtually no indication dating back to last fall's "trade truce" that resuming cotton purchases was back on the table. Some of the late-week selloff was technical, and in sympathy with other ag markets as the dollar surged. But cotton also continues to face a structural demand problem, both long-term and short-term.

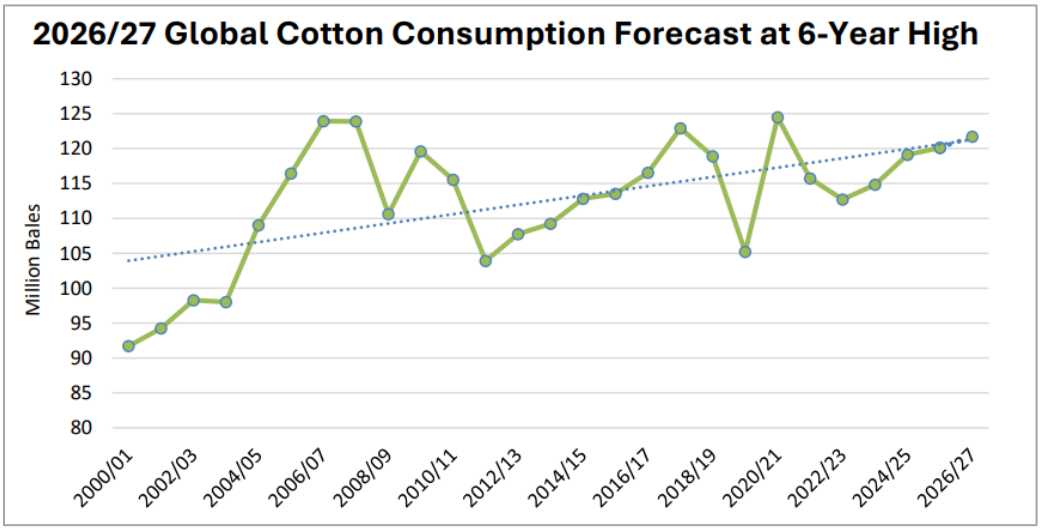


World Weather Inc. today said drought remains in place over the U.S. Delta and southeastern states, where some rain is expected during the next couple of weeks, although the southeastern states will be dry in this first week of the outlook. Parts of south Texas and the Texas Coastal Bend will have opportunities for rain during the coming two weeks and that will improve crop conditions in dryland areas, although some of the moisture comes too late after weeks of little to now rain. West Texas rainfall is expected to be minimal for another week and then showers and thunderstorms may start to pop up periodically. Rain was noted in a few areas during the weekend, but not in the dryland areas of the southwest. There is still a big need for a general soaking rain and that is not likely to occur for a while. Meantime, cotton harvesting in Australia is winding down. Showers in the next couple of weeks should not present many problems since the bulk of harvesting is already complete. Argentina's cotton region has been drying down recently after too much rain fell earlier this season. Harvest progress is increasing and should continue to improve. Xinjiang, China is expecting a cooler bias in temperatures this week and some showers will impact the northeast into Tuesday. It may be a while before warm weather returns. Low temperatures may slip near

frost levels in the far northeast later this week. India's early season crop and that of Pakistan has likely been planted in a favorable environment this year.

Elevated crude oil prices will likely persist in the coming months, while the U.S. stock indexes this week hit new record highs. These elements should keep a price floor under the cotton market. An improved longer-term technical posture and waning global cotton production are likely to continue to provide support for cotton futures in the coming months.

Global cotton consumption is forecast to rise slightly to 121.7 million bales in marketing year 2026/27 (August 2026 – July 2027), a 6-year high if realized. The projection aligns with the 25-year average for growth in cotton demand after it slowed in 2025/26. An expected drawdown in stocks, resilient consumer demand, and global oil supply shortages support demand despite higher cotton prices and economic uncertainties.



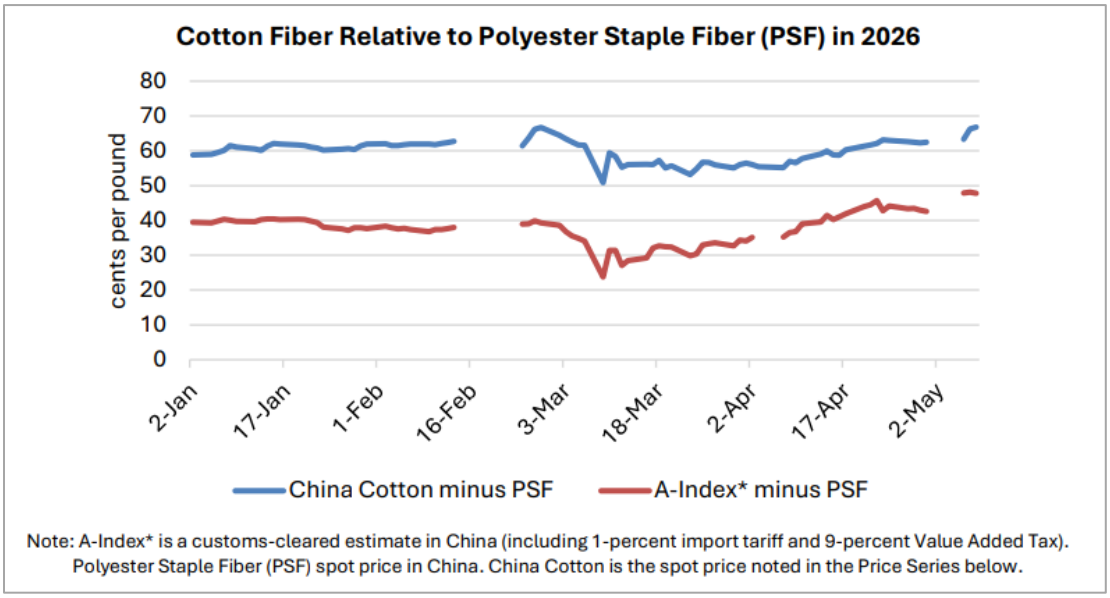
Global cotton production is forecast to fall 5 percent to 116.0 million bales in 2026/27 after reaching the highest level in more than a decade in 2025/26. As a result, global consumption growth will be supported by a projected drawdown in ending stocks. Global trade is only projected down slightly year over year as top exporters Brazil and the United States use stocks to maintain shipments. Stocks in top-consuming countries China and India are also forecast down year over year as their domestic consumption grows.

Global cotton demand is also supported by resilient consumer demand in top cotton product consuming countries: the United States, China, and the European Union. U.S. consumer demand for apparel products remained strong in 2025 as retail sales at clothing stores grew 8 percent. Despite increased demand, U.S. imports of apparel products fell slightly in 2025 as uncertainty around U.S. tariffs disrupted sourcing decisions along the textile supply chain. The gap between imports and retail sales suggests that retailers will need to replenish inventories in 2026, especially as U.S. economic growth is forecast to accelerate in 2026 and tariffs have been reduced below 2025 levels.

Retail sales data for China also shows strong domestic demand for apparel despite slowing economic growth as stimulus efforts focus on household consumption. Furthermore, China exports of cotton products grew in 2025 as exporters were able to expand in the European Union and other markets in response to high tariffs in the U.S. market. As a result of these changing trade patterns, EU cotton product imports hit a record high in 2025 despite muted economic growth and retail sales. This suggests that EU

cotton product inventories are high at the start of 2026 and demand for further imports may be weaker than in the United States.

Cotton demand growth continues to be tempered by competition with synthetic fibers, but the recent oil supply shock has given cotton a potential advantage over polyester in the coming months. Polyester prices have risen along with oil prices and have been more volatile than usual, but the simultaneous rise in cotton prices has weakened the price advantage cotton would have gained. Global oil supply shortages are expected to cause shortages in feedstock for synthetic fibers that will create ripple effects along the textile supply chain that benefit cotton. Higher oil prices are also expected to drive inflation in the cost of consumer goods around the world which will moderate the demand for textiles and apparel, consequently limiting the potential growth in cotton demand. The strength of the impact on the textile supply chain and consumer demand will depend on how long oil prices remain elevated.



Global production in 2026/27 is forecast down 6.6 million bales to 116.0 million as smaller crops in Australia, Brazil, China, Pakistan, Turkey, and the United States more than offset higher output in Argentina and India. Global consumption is forecast to rise 1.6 million bales to reach a 6-year high of 121.7 million. Of the top five consuming countries, all are expected to have higher use.

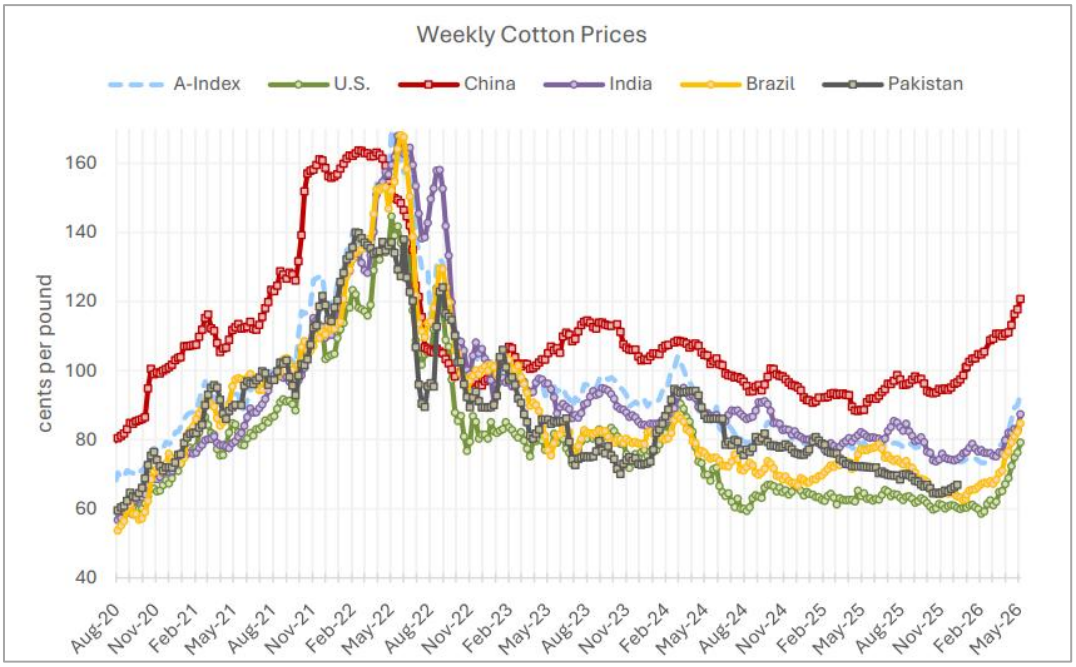
Global trade is forecast down 400,000 bales to 43.3 million. Although the top five importers are expected to witness growth, these gains are offset by sixth-place India dropping by more than half due to ample domestic supplies. Vietnam is forecast to be the top importer at 8.0 million bales, a record if realized. Brazil is forecast to remain the largest exporter with a record 15.0 million bales, followed by the United States at 12.3 million.

With rising consumption and falling output, global ending stocks are forecast to drop 5.4 million bales to 71.8 million on notable reductions in Australia, Brazil, China, India, the United States, and Uzbekistan. The U.S. season-average farm price for 2026/27 is forecast at 73 cents per pound, up 10 cents from the previous year.

Since the last WASDE report, cotton futures on the Intercontinental Exchange (ICE) have risen 13 cents to around 84 cents per pound.

Changes Since April *WASDE* (cents per pound)

	A-Index	U.S.	China	India	Brazil
7-Apr	82.6	68.0	110.8	82.0	76.0
8-May	92.8	79.9	121.1	88.5	86.2
Change	**10.2**	**11.9**	**10.3**	**6.5**	**10.2**



PLC Farm Program Payment Projections – 2025/26 CY

The table below projects the national marketing year average prices for Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

Covered Commodity	***2025/26 MYA Price****	*Effective Reference Price*	***2025/26 PLC Payment Rate***
Corn	$4.15	$4.42	$0.27
Grain Sorghum	$3.55	$4.67	$1.12
Long Grain Rice	$10.40	$16.90	$6.50
Medium Grain Rice	$14.70	$16.90	$2.20
Seed Cotton	$0.3455	$0.4200	$0.0745
Soybeans	$10.40	$10.71	$0.31
Wheat	$5.00	$6.35	$1.35

*The 2025/26 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on May 12, 2026.

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Covered Commodity	***2026/27 MYA Price****	*Effective Reference Price*	***2026/27 PLC Payment Rate***
Corn	$4.40	$4.42	$0.02
Grain Sorghum	$4.10	$4.67	$0.57
Long Grain Rice	$12.00	$16.90	$4.90
Medium Grain Rice	$13.50	$16.90	$3.40
Seed Cotton	$0.3912	$0.4200	$0.0288
Soybeans	$11.40	$10.71	--
Wheat	$6.50	$6.35	--

*The 2025/26 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on May 12, 2026.

Sources: USDA Agriculture Market Service (AMS), USDA Foreign Agriculture Service (FAS), USDA Farm Service Agency (FSA), USDA National Agriculture Statistics Service (NASS), USDA Economic Research Service (ERS), USDA FAS GAIN Report, USDA Office of Communications, USDA World Supply Demand Estimates (WASDE), ADM Investor Services, AgDay, Ag Fax Media, AEI, Ag Market Network, Agri-Pulse, AgRural, Ag Resource Company, Ag Web, Agricultural Market Information System (AMIS), Allendale, American Farm Bureau Federation, Andersons Grain, Bloomberg News, Brock Report, CME Group, Co-Bank, Cotbase.com, Cotton Grower, Cotton Incorporated, Cotton Outlook, Creed Rice Report, O.A. Cleveland, Daniels Trading, Delta Farm Press, DTN Progressive Farmer, Farm Futures, Fastmarkets, Fiber 2 Fashion, Gro Intelligence, Hightower Report, Intercontinental Exchange, International Grains Council, Iowa State University, INTER-RICE, Lakefront Futures and Options, LSU AgCenter, Mississippi State University, NOAA, National Cotton Council, No Bull, Peterson Institute of International Economics, Plains Cotton Cooperative Association, Plexus Cotton, Pro Farmer, Refinitiv, Reuters, Rice Market Letter, Southeast Farm Press, Sovecon, StoneX, Standard Grain, Successful Farming, Texas A&M University (John Robinson), Textile Exchange, Total Farm Marketing, University of Arkansas, University of Georgia, University of Illinois, University of Tennessee, U.S. Grains Council, U.S. Rice Producers Association, USA Rice Federation, U.S. Soybean Export Council, United Nations Food and Agriculture Organization (FAO), Wall Street Journal, and Zaner Ag Hedge.

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