

Cattle on Feed Report is Bullish

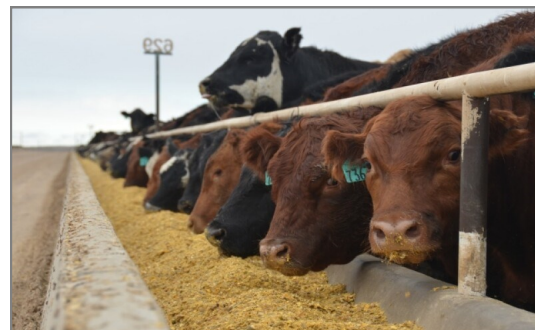
According to USDA's Cattle on Feed (COF) report, there were 11.7 million cattle on feed in the United States on Nov. 1. This is down about 2% from 2024 and the lowest number of cattle on feed for the month of November since 2018. The report also estimates that 2.04 million head of cattle were placed into feedlots, down 227,000 head, or about 10%, from last year. This is the lowest number of cattle placed on feed for the month of October in report history.

Marketings of fed cattle were 1.7 million head, about 8% below last year and the lowest for November in a decade. Lower cattle placed on feed and marketings of fed cattle are a reflection of tighter supplies of feeder cattle, a result of both the border closure and where we are in the cattle cycle.

The most important number when considering efforts to rebuild the herd is the number of heifers on feed. According to the COF report, the number of steers on feed was up 1% from last year at 7.63 mil-

lion while the number of heifers on feed was 4.36 million head, down 245,000 head, or 5%, from last year -- and the fewest heifers on feed in November since 2018.

Continued page 3.



Drovers.

What's inside this Issue?

Cattle Outlook, Speakers for the LA Ag Outlook Forum, Top News Stories form 2025, Trade Updates, Global Fertilizer Outlook, Projected Breakeven Analysis for 2026 Crops, Market Updates, and more!

The Top 10 Ag-related News Stories of 2025

Each year, the Editors at DTN Progressive Farmer summarize the major news stories of the year related to both agricultural and food policy. Here is a recap of the top 10 stories from the previous year.

#10: From RFS Exemptions to E15 in CA, Biofuels Policy Makes News in 2025 . From a Supreme Court ruling in favor of biofuels groups, to a new Renewable Fuel Standard volumes proposal and more debate on small-refinery exemptions, biofuels news this year was highly consequential and starts our Top 10 Ag Stories of 2025 countdown. As President Donald Trump took office for a second term, the year started with the U.S. Supreme Court hearing oral arguments from biofuels and petroleum industry groups on the proper court to hear court challenges to small-refinery exemptions to the RFS. The Supreme Court ruled later in the year that the U.S. Court of Appeals for the District of Columbia Circuit was indeed the proper venue. It was considered a win for biofuels because it is expected to bring consistency to future cases. Unlike the first go-round with the Trump administration that saw the U.S. Environmental Protection Agency grant numerous SREs without considering how it affected the RFS, the second Trump administration decided to take a different approach. The administration released proposed RFS volumes for 2026 and 2027 that gave a significant boost to renewable diesel volumes. That proposal sparked a jump in the soybean futures price.



In August 2025, the Trump administration granted full exemptions on 63 small-refinery exemption petitions, partial exemptions for 77 and denied 28 others. The following month, the EPA proposed several options to reallocate biofuels gallons lost through SREs to other obligated parties including petroleum companies, also announcing the RFS volumes proposal could be further delayed because of the SRE issue. The following month, the EPA proposed several options to reallocate biofuels gallons lost through SREs to other obligated parties including petroleum companies, also announcing the RFS volumes proposal could be further delayed because of the SRE issue.

Also in September, the California Senate voted unanimously on a bill to sell E15 in the state for the first time. The legislation was later signed by Gov. Gavin Newsom. The move opened a 600- to 800-million-gallon market for ethanol. E15 in California was welcomed news in a year that passed without federal lawmakers addressing national E15 legislatively. Despite repeated calls from biofuels groups, the Trump administration did not provide additional tax guidance on the 45Z Clean Fuels Production tax credit as companies continued to wait for certainty on their investments in sustainable aviation fuel.

Continued on page 6

Save The Date!

3rd Annual Louisiana Agricultural Outlook Forum

Thursday, Jan. 22, 2026

**State Evacuation Shelter
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Alexandria, La, 71301**

Keynote Virtual Speakers:

*Mr. Jim Wiesemeyer (Ag Policy Analyst)
and*

Ms. Skylar Sowder (Farm Credit Council)

2026 Market Outlooks

- ◆ Corn
- ◆ Cattle
- ◆ Soybeans
- ◆ Cotton
- ◆ Sugar
- ◆ Timber
- ◆ Rice

Discussion Panel

- ◆ Farm Economy Conditions
- ◆ Farm Bill Updates

For more information contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu
or 225-578-7267 in the LSU Department of Agricultural Economics and Agribusiness

There is no fee to attend this event. However, to assist in meal planning, please preregister using the QR code.

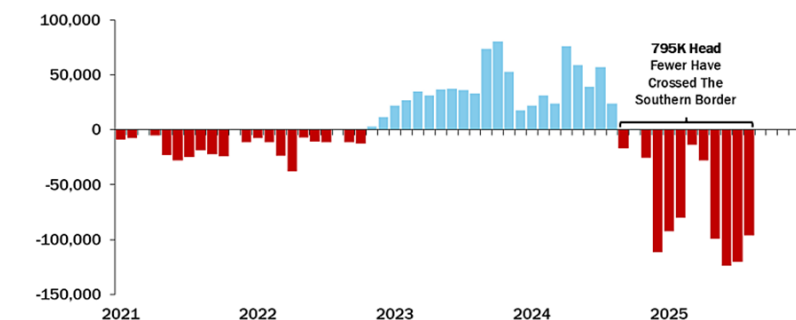


Cattle on Feed Report (cont.)

Typically, the decline in heifers on feed compared to steers on feed could be a sign that herd rebuilding has begun because it would indicate farmers have begun keeping heifers for breeding rather than placing them on feed. However, this decline in heifers on feed is more likely connected to fewer heifers being imported from Mexico due to the border closure caused by New World screwworm. USDA closed the U.S.-Mexico border to imports of cattle, bison and equines in Nov. 2024 as a precautionary measure against the spread of New World screwworm. The border was re-opened in February 2025 and closed again in May as detections moved northward in Mexico. An additional phased reopening of the border was halted in July, and the border has remained closed to these animals since then.

NEARLY 1 MILLION FEWER CATTLE CROSS THE BORDER

Year-Over-Year Change in Live Cattle Imports from Mexico | Head | Monthly | Jan. 2021- Aug. 2025



According to the most recent data from USDA's Foreign Agricultural Service, imports of cattle from Mexico from November 2024 through August 2025 were about 795,000 head behind the same time period in 2023 through 2024. Most of the cattle coming to the U.S. from Mexico are feeder cattle to be placed on feed. The decline in cattle imports from Mexico is a large contributing factor for USDA's reported sharp drop in cattle placed in feedlots in Texas.

To prevent the spread of brucellosis, heifers imported from Mexico are spayed and placed on feed instead of being used for breeding. While the number of heifers on feed on Oct. 1, 2025, was down 5% compared to October

2024 (USDA reports data for heifers on feed quarterly), the 2024 report includes about 116,000 spayed heifers imported from Mexico compared to just 1,672 spayed heifers on Oct. 1, 2025. This is approximately 86% lower than the same period last year. When the drop in heifers from Mexico is considered, the COF report does not indicate strong heifer retention from the domestic herd that would lead to meaningful expansion in the cattle inventory. In a normal environment, this would be fundamentally bullish.

Tyson Foods announced on Nov. 21 that they will close their beef processing plant in Lexington, Nebraska, in January 2026. This plant has a capacity to process about 5,000 head per day, or about 5% of total U.S. slaughter capacity. Tyson also plans to reduce its Amarillo, Texas, plant to a single, full-capacity shift that is expected to reduce the daily harvest from 5,500 head to 2,700 to 2,800 head. Feeder cattle futures markets opened limit down (the maximum price change allowed for a commodity futures contract in a single trading day) on the Monday following the announcement. Tyson states the reason for these capacity changes is to "optimize production volumes across its network to meet customer demand." U.S. beef packers have been operating well below total processing capacity since 2022 due to declining cattle supplies. One study estimates that the annual slaughter in 2025 will be about 30.5 million head, or 13% below the total annual packing capacity of 34.96 million head. This led many industry experts to predict some plant closures during 2025 and 2026.

Cattle prices have recently experienced massive volatility. The Chicago Mercantile Exchange's daily Feeder Cattle Cash Settlement Index was \$318.76/cwt on Nov. 27. This is the lowest price since July 2025 and follows the index reaching a record high of \$376.51/cwt on Oct. 16. Falling cattle prices are coming at a time when cattle farmers are typically making decisions about whether to hold back heifers for breeding or place them on feed. Retaining heifers for breeding could lead to herd expansion in 2028, but with input costs at near-record levels and prices still 25% higher than a year ago, there is a lot of incentive for farmers to market cattle rather than hold them back for breeding. Fundamentally, this means cattle supplies will likely remain tight through 2026, which will delay expansion even further.

USDA's latest Cattle on Feed report reflecting impacts of the ongoing suspension of cattle imports from Mexico, combined with recent processing capacity reductions, underscores the fundamental pressures shaping U.S. cattle markets. Feeder cattle supplies are historically low. Placements and heifer numbers are declining not because of domestic herd rebuilding, but due to the sharp drop in Mexican cattle imports following the New World screwworm-related border closure. At the same time, packers continue to face underutilized capacity, resulting in substantial operational changes that will impact the supply chain for years to come.

These supply constraints, along with shifting processing capacity, have led to higher market volatility and sharply lower feeder cattle prices at a time when farmers are making key decisions about whether to market cattle or keep them for breeding. With near-record input costs and uncertain profit margins, lower prices could lead many farmers to market cattle rather than hold back replacements, limiting the potential for near-term herd rebuilding. As a result, cattle supplies are likely to remain tight well into 2026 and delay meaningful expansion in the U.S. cattle herd until at least 2028.

CME FEEDER CATTLE CASH INDEX FALLS 10% IN 1 MONTH

Dollars Per Hundredweight | Daily | Jan. 2020 - Nov. 2025

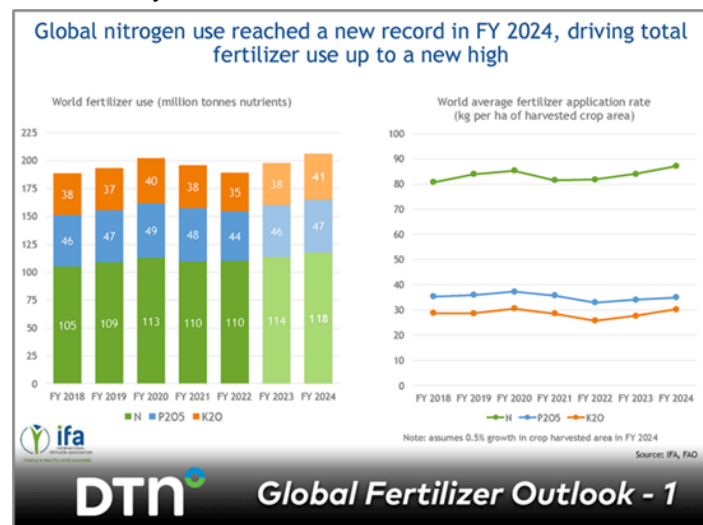


American Farm Bureau Federation

Sources: CME Group, Analysis By American Farm Bureau Federation

Global Fertilizer Outlook

With emerging supply both in the global market and in North America, the nitrogen outlook for 2026 could be positive. Supply disruptions led to higher fertilizer prices in 2025. More supply would mean that prices could fall to historically normal costs, according to fertilizer analysts.



The last few years have proven that many different factors can cloud the nitrogen outlook. A lack of new supply coming onto the market, geopolitical disputes and uncooperative weather can all alter the outlook of nutrients' supply, demand and prices.

Global fertilizer use recovered in 2024, reaching a new record, according to the International Fertilizer Association's (IFA) Public Summary Medium-Term Outlook 2025-2029 report. The report was released in 2025 and covers "fertilizer years," which run from January of one year to January of the next year for some countries but run from midyear to midyear for other countries.

Fertilizer use (nitrogen, phosphorus, potash) increased 4.5% to 198 million metric tons (mmt) of nutrients in 2023 and is projected to rise another 4.4%, to reach 206 mmt in 2024. This marks a 17-mmt increase from the low of 189 mmt in 2022 and 4 mmt above the previous record demand of 202 mmt set in 2020.

The supply forecast for nitrogen fertilizers continues to be positive, according to IFA. Global ammonia output is estimated to have reached 190.5 mmt in 2024, which represents a 3% increase over 2023. Urea production also rose considerably, reaching 201 mmt in 2024, also up 3% year-over-year. According to IFA, nitrogen capacity investment is centered in countries with low-cost gas resources and in decarbonization hubs, led by the United States, Nigeria, Qatar, United Arab Emirates (UAE) and Russia. Global ammonia capacity is projected to grow by 10.5%, from 195 mmt N in 2024 to 216 mmt N by 2029.

Global ammonia capacity is projected to increase from 166.6 mmt in 2024 to 184.9 mmt by 2029, representing a 9% increase during the period. This capacity growth will be driven by the startup of new plants spread across the world, with all regions forecast to increase capacity.

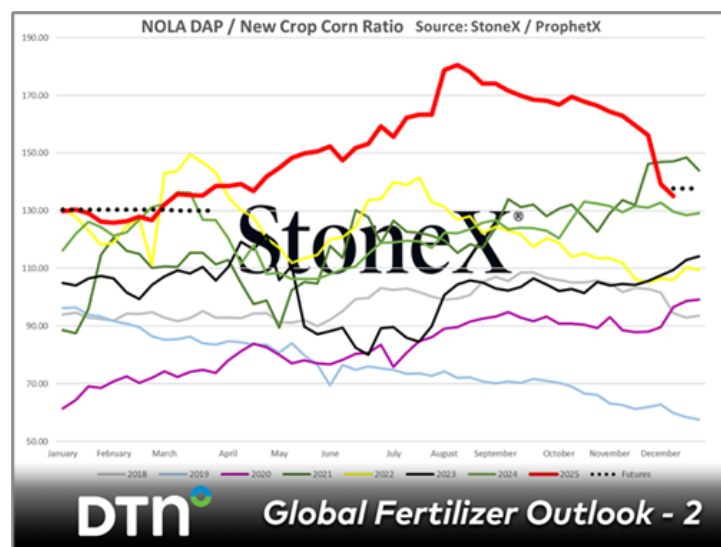
Another issue affecting the nitrogen fertilizer supply in 2025 was the various hiccups in the worldwide supply of natural gas. Natural gas is a basic ingredient in producing nitrogen fertilizers. Natural gas supply constraints caused some nitrogen fertilizer supply issues in 2025. This occurred across the world, including Trinidad and Tobago, Mexico, Egypt, Bangladesh, Algeria and Iran, according to IFA.

The outlook for nitrogen prices in the new year will depend on several different factors, according to fertilizer analysts. These include the many geopolitical concerns around the world, supply disruptions, spring weather and how many corn acres U.S. farmers plant. Issues in any of these factors could alter the outlook in 2026.

Urea could see some upside risk in 2026. Export demand is increasing from countries such as India, which could see urea imports increase from 9.1 mmt last year to 9.6 mmt in 2026. India pushing for more urea might mean higher prices on the world market. UAN could also see some upside risk in the new year. More UAN tons heading into Europe could have an effect on this form of nitrogen's prices, he said. More UAN could be used in the U.S. if limited nitrogen applications were made this fall. The remaining form, ammonia, might have a better chance of seeing lower prices in 2026.

The phosphorus fertilizer outlook in 2026 looks to be extremely complex. Affordability remains historically bad in 2025, and this situation looks like it could remain in place into the new year. As is the case for both nitrogen and phosphorus, the outlook for 2026 is somewhat cloudy. Countervailing duties in the United States, less Chinese exports and demand destruction across the world are major issues facing the nutrient.

However, there are some bright spots for phosphorus fertilizers, according to fertilizer analysts. Lower prices at the end of 2025 and less demand destruction than originally assumed are a couple positives as we head into 2026.



The supply forecast for phosphorus fertilizers continues to be positive, according to IFA. Global phosphoric acid production is estimated to have increased by 5% in 2024, reaching a record 89.6 mmt, IFA reported. MAP and DAP production also climbed by 5% year-on-year to 67.2 mmt; this would be the second-highest annual volume since 2020.

"China and Morocco were the primary contributors to this growth, with increases of 11% and 4% respectively," the report said. IFA reports that capacity in phosphorus fertilizer is expected to increase 14% between 2024 and 2029, reaching 71.7 mmt by the end of the forecast. Africa, West Asia and East Asia are expected to drive this growth. Most new capacity is being developed by existing producers in Morocco and Saudi Arabia.

Continued next page.

Fertilizer Outlook (cont.)

Despite many positives in the global production outlook, the affordability of phosphorus fertilizer remains historically unfavorable globally. Samuel Taylor, Rabobank research analyst, Farm Inputs, told DTN affordability for phosphorus fertilizer is at an all-time low level. In his research, he went back and found the nutrient is at its least affordable level since the large fertilizer price increase of 2008. And it is bad both in the United States and internationally. Many believed it would be worse for a country like Brazil, considering how much the country imports, but affordability is worse in the U.S., Taylor said.

This has led to demand destruction for the nutrient. Internationally, farmers around the world have decided to cut back on phosphorus applications. Josh Linville, StoneX vice-president of fertilizer, said he thinks U.S. farmers have tried to cut corners with phosphorus application. There were some estimates we could see up to 50% reduction in phosphorus applications, but it is probably below that level, he said. Farmers generally have cut back on applications in recent years because of high prices. Many have picked fields with higher levels of phosphorus fertilizer in order to apply less of the nutrient, he said.

Internationally, a supply issue which continues to linger is China's pullback on phosphorus fertilizer exports. Once a major player in the phosphorus fertilizer export business, the nation has dramatically limited its exports. In 2015 China exported about 11 mmt of phosphorus fertilizer. Ten years later in 2025, the country is expected to only export 4.5 mmt. From 2021 to 2022, China had a 42% drop in phosphorus fertilizer exports. CRU forecasts China will export 5.6 mmt of phosphorus fertilizer in 2026, a slight increase from the previous year. As has been the case in recent years, China has decided to focus on its domestic phosphorus fertilizer market to assure Chinese farmers have access to the nutrient at the expense of the country's export business.

A major issue facing phosphorous affordability in the U.S. is the ever-continuing countervailing duties battle. For five years now, duties are being applied to phosphorus fertilizer imports from both Morocco and Russia, thus raising the cost of imports. Countervailing duties is a policy instrument that attempts to remedy market distortions generated by foreign subsidies by imposing tariffs on imported products.

With these global issues in place and most likely not going away in 2026, the price outlook for phosphorus fertilizer appears to be generally in the same range it currently is in, according to fertilizer analysts.

The outlook for the global potash (K) fertilizer market is much more positive compared to the nitrogen and phosphorus outlooks for 2026. Global potash supplies are expected to continue to be high and might even increase. Affordability is optimistic, unlike the other major nutrients, and this is expected to continue into the new year. While the potash outlook is mostly positive, there are potential clouds on the horizon. At the top of that list are various geopolitical issues occurring internationally.

The supply forecast for potash fertilizers continues to be positive, according to IFA. Global Muriate of Potash (MOP) fertilizer production is estimated to have increased by 10% to 76.6 mmt in 2024, a record high. These production increases were driving by Eastern Europe and Central Asia (EECA) countries, namely Russia and Belarus, facilitated by newly established trade routes in response to sanctions. Additional, potash production in Canada and Laos increased by 8% and 20% respectively compared to 2023, according to IFA data.

Global potash capacity is projected to increase by 20% between 2024 and 2029, reaching 77.4 mmt globally. IFA reports Canada, Russia and Laos are expected to be the primary contributors to this growth.



Potash capability -- the ability to mine, process, and supply the mineral -- is projected to rise from 53.8 mmt in 2024 to 59.8 mmt in 2029, an 11% increase, according to IFA. North America and EECA are expected to lead this expansion. Large-scale projects in Canada and multiple planned capacity expansions by existing producers in Russia and Laos will be the primary drivers. IFA reports the potash balance between supply and demand is expected to remain well balanced during the next five years after being relatively tight before 2023. The theoretically available surplus is projected to remain relatively stable, at 14% of supply capability in 2029, compared to 13% in 2024.

The biggest difference in the potash market compared to the others is the fact this market is well-supplied globally. While there are certainly issues around the world, these questions are not affecting potash supply like they are affecting the other two nutrients. The major players in the potash-producing market continue to pump potash onto the world market. Most of the potash in the world is produced by Canada, Belarus and Russia. Increased Canadian potash production is part of the reason the global market for potash fertilizer continues to be well supplied. Canada is the world's largest potash producer and exporter in the world, producing an estimated 21.9 mmt in 2023.

The global potash market has a comfortable supply right now, but some have wondered if the market could slip into an oversupplied situation. One possible scenario where this might occur would be if the Russia-Ukraine conflict is settled and the U.S. drops its sanctions on Belarus. Under these circumstances, this would likely lead to more potash supply coming from the Black Sea region and a potential potash oversupply.

The 2026 price outlook for potash fertilizer appears to be steady to the current price level at the end of 2025, according to fertilizer analysts. Prices will be affected by many different factors in the New Year. U.S. weather tops the list. Winter came somewhat early in November so there are some questions about how much potash was applied in the fall application season. If limited applications occurred in the fall, application will be pushed into the busy spring fieldwork season.

Top News Stories of 2026 (cont.)

#9. Glyphosate Faces Uncertain Future as Lawsuits Mount and Science is Questioned. For the past five decades, U.S. farmers have relied on glyphosate, the herbicide commonly known as Roundup, for weed control. But in 2025, it seemed that mounting costs from lawsuits and efforts to "make America healthy again" might push the product off the market -- even while its largest manufacturer and the agricultural industry try to ensure its survival.

As glyphosate's safety was argued throughout the year by courts and commissions, efforts backed by Bayer were pushing legislation to protect pesticide companies from claims that they failed to warn that their product allegedly causes cancer if their product labels have been approved by EPA without such designation. North Dakota passed such a law in 2025, as did Georgia. Similar efforts in other states -- including Idaho, Iowa, Missouri, Mississippi, Montana, Oklahoma and Tennessee -- failed to pass their legislatures. Similar language has also appeared in proposed federal legislation. In December, the U.S. solicitor general said the U.S. Supreme Court should grant review to Bayer on a petition filed by the company that could bring product-liability lawsuits to an end on the glyphosate-based weed killer Roundup. Just days later, however, a Dutch academic publishing company retracted a 25-year-old safety evaluation and risk assessment of Roundup that had been used by regulators such as EPA in assessments to approve use of the herbicide.



EPA is currently undergoing registration review for glyphosate. According to the agency website, a proposed interim decision on the pesticide is to be released sometime in 2026, a decision that could determine whether this commonly used crop-protection tool is available to farmers to control weeds.

#8. NWS Causes Threat to US Livestock Industry. The U.S. livestock industry has known for years that a foreign animal disease could be devastating to farmers and ranchers, but the industry was likely unaware of how a pest like New World screwworm (NWS) would affect the country. In November 2024, the U.S./Mexican border was closed in hopes of preventing NWS from entering the country; however, during the year it moved north through Mexico and closer to the U.S. So far, the safety preventatives have kept the pest out of the U.S. The U.S. imported 1.2 million head from Mexico annually in both 2023 and 2024 of feeder cattle from Mexico to be fed in feedlots and slaughtered. The news of a closed border affected cattle markets as well, moving upward with the thought of a smaller supply. The border reopened in February, and some cattle were able to move across the border after going through stringent quarantine and treatment to prevent any of the pests from riding across the border.



Since the biological barrier at Panama had been broken in late 2024, animal health officials in Central America, Mexico and the U.S. started working together to find the best way to fight the NWS. The best option for areas where the insect had been found is the sterile insect technique (SIT). In the 1930s, entomologists determined the NWS fly only mates once; thus, if the male flies are sterilized and released to mate with females, there would be no offspring from the mating. This would lead to the SIT being used widespread. Currently, a facility in Panama produces 100 million sterile flies per week, which isn't enough to keep up with the demand. USDA officials announced that Moore Airbase in Texas will be the location of a sterile fly distribution facility to be ready for distribution in early 2026. Later, USDA also announced a sterile fly production facility will be built at the same location. This facility will take longer and be ready in 2027. It will produce 100 million flies per week and ramp up to 300 million flies per week when in full production. A production facility is also planned to open by mid-

2026 in Metapa, Mexico. All this production will help to eradicate the NWS fly.

#7. A Year of Scorched Earth at USDA With Mass Firings, Canceled Grants and Reorganization. The Trump administration blew into Washington in January like a wildfire. They called it the Department of Government Efficiency -- DOGE. For five months, billionaire Elon Musk led a small group of computer-savvy contractors who took credit for canceling billions in contracts and indiscriminately firing federal employees. Musk left in May after a fallout with President Trump and DOGE now no longer exists. Musk and the administration now find themselves in myriad legal battles over DOGE's actions.

The federal government's biggest organization for humanitarian assistance, the U.S. Agency for International Development (USAID), was dismantled with more than 80% of its programs eliminated. That forced Congress to move nearly \$2 billion in annual farm commodity purchases for foreign aid to USDA as a way to try to ensure some food aid continues to flow. The full scale of cuts to USAID has not been made public by the State Department, but the food aid cuts forced the World Food Program to eliminate or drastically reduce aid to several countries this year. USDA's Office of Inspector General (OIG) on Dec. 17 released a report highlighting USDAs job terminations. By mid-June, USDA saw a total of 20,306 employees leave their jobs, the report stated. In April, USDA and other federal departments gave veteran employees the option to quit with six months of pay if they chose to take it. As many as 15,114 USDA employees took the deferred resignation package (DRP). Along with the DRP, another 1,636 USDA workers were terminated, 1,996 resigned and 1,280 retired.

USDA also froze payments for more than 1,000 contracts as Rollins and her team moved to eliminate contracts over terms that involve diversity, equity and inclusion (DEI). "We will end identity politics, identity celebrations and DEI here at USDA and across the federal government," Rollins said in her first speech to staff.

#6. Financial Losses, Labor Fears Tested America's Farmers in 2025. 2025 was always going to be a tough year for crop farmers and that's largely how it played out. Crop farmers came into the year facing financial losses from the 2024 crop, while also waiting for details on \$10 billion that eventually became the Emergency Commodity Assistance Program (ECAP), along with another \$21.5 billion in aid for natural disaster losses in 2023 and 2024.

Continued next page.

Top News Stories (cont.)

One small moment that stood out was in early February when 11 farmers testified before the U.S. Senate Agriculture Committee. Jennifer James, a rice farmer from Arkansas, was the last to speak, but her comments captured the real-life struggles many farmers were facing. Rice farmers were staring at four consecutive years of negative margins projected at \$345 an acre, James said. In hindsight, the net returns for rice farmers actually came in worse than that.

That was just one perspective from crop producers who grappled with financial strains. Corn prices coming into 2025 were down 40% from two years earlier, but input prices such as fertilizer prices and interest rates on operating loans remained stubbornly high. An analysis by economists at the University of Illinois shows the average corn farmer had a net return of minus \$153 an acre this year. For wheat farmers it was minus \$130 and for soybeans it was minus \$83. Cotton farmers had net returns of minus \$383 per acre, while rice net returns were minus \$446 an acre. Sorghum farmers also had a net return of minus \$160 an acre.

The losses translated into fewer farmers buying equipment as well. Despite the promise of new tax breaks for equipment expenses, capital spending by farmers across multiple Federal Reserve districts "declined at the fastest pace since early 2020," according to a recent Kansas City Fed report. While fewer farmers were in the market for equipment, farmers still increased their loan needs in 2025. Agricultural banks reported during the past year that farm loan balances are up 5% at more than half of all agricultural banks while about one-quarter of those banks saw farm loan balances increase 10%. Debt is rising at agricultural banks for both real estate and non-real estate loans, according to a Kansas City Fed report. One in five banks in the Chicago Fed region also has raised their collateral requirements for farm loans over the past year while none eased their collateral requirements.

#5. Cattle Industry Experiences Historical Prices, Herd Numbers and Volatility. Cattle producers have experienced highs and lows in 2025, with the highs continuing to be the market prices because of the historical low in the cattle inventory.

The cattle herd is the smallest it has been in more than 70 years, which has helped boost prices. This has also led to a slower rebuild of the herd. Many producers have already culled cows that have problems, but now are reluctant to keep many heifers back or purchase more, because of prices. Oklahoma State University Livestock Marketing Specialist Derrell Peel said the last time prices were near this high was in 2014 when herds were liquidated mostly because of drought, but the herd was rebuilt quickly after that. He said this time it would take until 2029 to see an impact on herd number if producers started to rebuild now; but the markets still seem to be preventing that.



Cow-calf producers have reaped the benefits of a historically low domestic calf crop, she said. These prices have also been driven higher by the closure of the U.S.-Mexico border as the fear of New World screwworm lingers. Prices should remain strong at least into 2027. Price pressure could be seen by the end of the decade if herd growth happens. The great thing about the whole supply side is the demand has continued to be strong.

Meat supplies have stayed somewhat constant because of an increase in carcass weights. The average carcass weight for 2024 was 927 pounds and increased to 944 pounds for 2025. The increase is expected to continue with tight supplies to provide more meat for consumers. The trend of breeding dairy cows to beef bulls has helped provide more beef for consumers as well.

President Donald Trump became involved in the cattle markets through an investigation of beef packers and increasing beef imports. This came with reaction from both cattle producers and the markets. The National Cattlemen's Beef Association CEO Colin Woodall criticized Trump's plan for imports, wanting to let the cattle markets work like they should and not risk the livelihoods of America's cattlemen and women.

The latest Cattle on Feed report released Dec. 19, showed Dec. 1 cattle and calves on feed for slaughter are down 2% from the same time in 2024. Live cattle futures closed higher, as did March feeder cattle following that report. It will be interesting to see what the market does as it moves into 2026.

#4. Active Weather Largely Characterizes the 2025 Growing Season. Weather is always a hot-button story to the growing season and always comes with areas that end up in favorable condition, and others that deal with challenges. This one was no exception but tended to be a more favorable weather situation than most years for much of the United States. That was not the forecast at the beginning of the year, however. A year ago, DTN and other outlets were concerned about hot and dry conditions for the central U.S. in the middle of 2025.



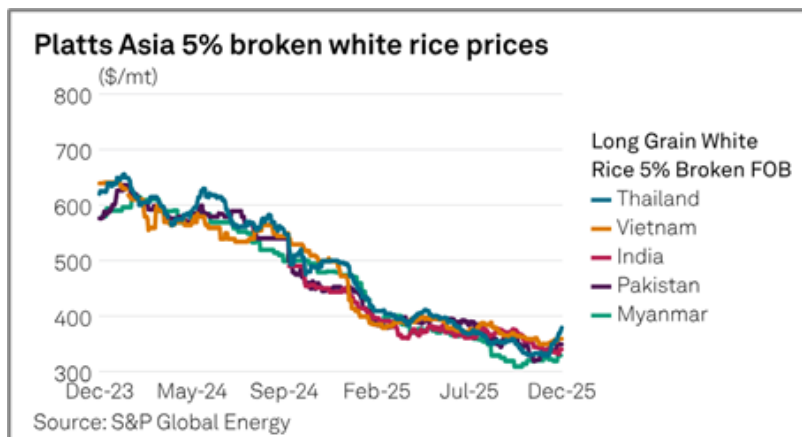
Because of a waning La Nina and a forecast of near- to below-normal sea-surface temperatures in the Pacific Ocean for the summer, the fear was that a stagnant weather pattern would develop and promote long stretches of hot and dry conditions that could wither crops. Many outlets were trying to make comparisons to the dreaded 2012 season. And while the season started with widespread drought, particularly in the Plains and Midwest in early spring, that did not end up being the case for most of the season.

Continued page 9.

India's surplus rice supply to weigh on global prices, reshape trade in Q1

India's record-breaking rice production and increasingly competitive pricing are poised to redefine global trade dynamics in early 2026, as buyers shift their focus toward the world's largest exporter, according to market sources who spoke to Platts, part of S&P Global Energy. This shift could reconfigure major export routes, intensify price pressure on rival suppliers and set the pace. Platts projects India's rice production for marketing year 2025-26 (October-September) at 151.8 million mt, up 800,000 mt year over year.

India's supply strength to drive Asian trade early 2026 India enters 2026 with strong bullish sentiment, backed by record Kharif output. First estimates for the Kharif crop were at a record 124.504 million metric tons for MY 2024-25 (October-September), up 1.7 million mt year over year, according to the Ministry of Agriculture & Farmers Welfare, released Nov. 27. A Chhattisgarh exporter said "demand is likely to shift toward India," noting that government paddy procurement will keep supply tight until mid-January, when market pressure and price declines are expected.



Separately, traders cited a weakening rupee and renewed Nigerian demand as factors that enhance India's competitiveness. An Andhra Pradesh-based exporter said, "Demand might shift, as the rupee is depreciating against the dollar. Overall, it is looking good as India has a competitive advantage."

Industry sentiment aligns with this outlook. Umesh Gosai, rice trade head at ETG, said India may see softer prices, and with the expected price ease amid the open market sale scheme policy, buyers will start shifting to India rather than purchasing from Thailand or other origins. India is likely to be in demand, especially with a bumper crop anticipated this year, Gosai added.

As of Dec. 5, Platts assessed India 5% broken white rice at \$338/mt, a decrease of \$5/mt month over month. In contrast, prices for other Asian origins also saw increases month over month. Thailand's 5% broken white rice rose \$50/mt to \$379/mt, Vietnam's 5% broken white rice increased \$9/mt to \$358/mt, Pakistan's 5% broken white rice climbed \$12/mt to \$347/mt, and Myanmar's 5% broken white rice was assessed at \$334/mt, up \$14/mt, month over month, respectively, on Dec. 5.

South African buying behavior highlights India's price leverage, with multiple buyers echoing this sentiment. A major South African buyer said that if Indian rice becomes \$15/mt cheaper, buying would "immediately" shift from Thailand.

Elsewhere in Asia, exporters await clarity from New Delhi. A Delhi-based seller said India will only "have a chance" if OMSS rates are lowered, a decision expected after procurement ends mid-January.

Thai, Vietnamese prices to face pressure from India's supply Thailand, Vietnam, Cambodia and Myanmar will enter Q1 2026 with mixed fundamentals but face rising competitive pressure from India's expected price softness. In Thailand, tight supplies and elevated prices are likely to continue until February-March arrivals. A Bangkok supplier said, "When the new crop arrives, I expect the price for Thai 5% white rice to drop to around the \$340/mt FOB level by February, from the current level above \$380/mt," adding that India could dominate if oversupplied. Vietnamese traders expect prices to rise unless India's supply outlook shifts. White rice will continue to face competition from India, Thailand, Pakistan and Myanmar.

Philippine buying is expected to resume once its extended import ban ends. Vivek Agarwal of Seri Food said, "Even if India has so much crop, the Philippines is unlikely to shift towards Indian rice ... However, if there is a huge difference in prices, there is a possibility some buyers might shift." The Philippines extended its import ban until the end of 2025 in late October.

Pakistan loses momentum as buyers stay on sidelines Pakistan's export activity remains subdued as major buyers remain inactive. Karan Prem Lohana, a rice trader at Jatlee Commodities DMCC, said he expects India to lead the market in early 2026 as West African demand continues to shift. "Pakistan is struggling to maintain market share because key buyers, such as China and Bulog, are not taking positions as they used to." Pakistan-based sellers anticipate opportunities in the Philippines and a potential resurgence of Chinese private buyers following the Lunar New Year. WAF policies, US consumer preferences shape regional trade risks.

In the US, India's bumper crop is viewed as a price risk for Thai exports. A US miller said, "If India is to have a bumper crop, then this may decrease the prices, and this will in turn cause Thai rice prices to decrease." However, consumer loyalty remains strong. An Arkansas miller said, "They will favor Thai rice over homegrown US rice."

South America is expected to experience a limited direct impact, although exporters remain sensitive to Thai pricing. A Brazilian exporter said, "If Thailand also drops its prices, Peru may import more rice from Thailand and not so much from Brazil." Global pricing path hinges on India's early 2026 export policy.

Top News Stories (cont.)

La Nina peaked in January and early February, then quickly moved into a neutral state in March. The ocean temperatures were a little warmer than many forecasts, which meant that other influences on our weather could take over, and they fought it out for months. The result was an active weather pattern, but not for a specific area for too long of a time. Many areas of the country benefited in early spring, though some areas saw flooding as well.

A particularly busy week of weather in the first five days of April produced widespread severe storms and double-digit rainfall over large areas of the Ohio and Tennessee valleys. Flooding was a major issue and led to late planting and long-term delays as wet weather continued for the rest of spring.

In the Plains, the active pattern aided drought reduction and good soil moisture for winter wheat from Kansas southward, particularly in April and May. The same goes with northern areas, as the Dakotas saw reduction in drought as well. Nebraska had to wait until late May, but once the spigot turned on, it was rather frequent for most of the summer, leading to very little drought come harvest time. The Midwest benefited from this pattern, too. Very few areas were missed by system after system crossing the region. Drought was largely eliminated by the start of summer, except for some smaller patches of moderate drought along the Iowa-Missouri border through northern Illinois and northwestern Indiana.

The active spring weather pattern continued through June and into the first half of July. Predictions for corn and soybean production were record high by the middle of the season, and the early concerns about poor weather essentially vanished. Only very small areas of drought existed on the drought monitor east of the Rocky Mountains at the end of July. Though some significant severe weather did occur, including a couple of major widespread wind and tornado events in May, and a derecho across North Dakota into northwest Minnesota on June 20, the weather was overall favorable for most areas of the country.

The active weather pattern caused many in the Plains to have a near-normal summer season in terms of temperature. Extreme heat was limited to shorter stretches this year. Meanwhile, the lack of rainfall and increased temperatures led to heat stress for much of the Delta and Eastern Corn Belt, especially toward the end of the season. Dryness continued for the late-fill period in early fall, but ebbed and flowed more across the country, particularly in the Eastern Corn Belt. Several systems hit the Ohio and Tennessee valleys in late September and October but were too late to benefit crop production and could not provide a big enough boost to the water levels on the Mississippi River, at least not for an extended period. Drier conditions started to work into the Central and Southern Plains, and drought began to increase again, but did so in patchy fashion. La Nina finally became official, according to NOAA, in October.

On a more favorable note, the hurricane season was rather quiet. Only one tropical storm landed in the U.S., moving across Florida and then the Carolinas into Virginia in early July. For the first year since 2015, no hurricanes landed on the U.S. mainland, though there were three Category 5 storms, including Hurricane Melissa that posted maximum sustained winds of 185 mph and devastated Jamaica and eastern Cuba. And lastly, winter started off quite severely. During Thanksgiving week, a plunge of arctic air spread across the country and was repeatedly reinforced through the first half of December. Snow was frequent and led to widespread coverage over most of the Northern Plains, Midwest and Northeast by Dec. 14. That has quickly flipped the page to end the month, however, and extreme warm weather is forecast to break records during the week of Christmas, eliminating a lot of that snow. The front-loaded winter season is likely to return in January as extremely cold air lurks in Western Canada and should return at some point in the month.

#3. How the One Big Beautiful Bill Redefined Taxes and Farm Policy in 2025. What began as a line from incoming President Donald Trump became the defining domestic policy law of 2025. Trump wanted "one big, beautiful bill" to pass his agenda for tax cuts, mass deportations and energy policies. The One Big Beautiful Bill Act became just that -- a sweeping budget reconciliation package that Trump wanted on his desk before Independence Day. After failing to get a farm bill done in the two prior years, Congress also added an expansion of the farmer safety net in the One Big Beautiful Bill Act, often called OBBBA or OB3 for short. The budget reconciliation package ultimately added as much as \$61.8 billion in spending on farm programs over 10 years. The legislation set up a monumental battle over how the \$4.5 trillion in tax cuts would be partially offset by roughly \$1.2 trillion in spending cuts. The Congressional Budget Office projects the OBBBA will increase the national debt by \$2.8 trillion over 10 years.

Farmers were among the winners in the legislation. When the bill passed, Sen. John Hoeven, R-N.D., said on social media that Congress effectively passed a seven-year farm bill. OBBBA raised reference prices under the Prices Loss Coverage program (PLC) and the Agricultural Risk Coverage (ARC) program. For the 2025-26 crop year, USDA will provide producers with the higher of the calculated ARC or PLC payment rates after the marketing year ends. ARC/PLC payments next fall are projected at \$13.5 billion.

Addressing a long-time challenge with base acres, the legislation allows USDA to add up to 30 million new base acres tied to planting history from 2019-23. USDA will have to come up with a prorated formula for determining eligible acres that will be added to the commodity program. However, the law does not allow producers to reallocate their current base acres.

In addition, Congress made several changes to crop insurance, including expanding the Supplemental Coverage Option (SCO) to 90% coverage at the county level while boosting the federal subsidy to 80% of premium costs.



Continued next page.

Top News Stories (cont.)

Among the tax law changes that will affect farmers:

- A 20% deduction for qualified business income is made permanent, which includes a minimum \$400 deduction for businesses with at least \$1,000 in income.
- Updated and expanded 100% bonus depreciation for equipment purchases is made permanent.
- For smaller businesses, OBBBA also increases the Section 179 deduction to \$2.5 million for any business buying \$4 million or less in equipment.
- The estate-tax exemption is made permanent and increased to \$15 million for individuals and \$30 million for married couples starting in 2026.
- Full expensing for research and development for farmers or businesses using innovative practices in their operations.
- A new 100% depreciation allowance for nonresidential property, which will include manufacturing facilities built before 2031. That provision includes language implying the bonus depreciation can be applied for buildings used for agricultural and chemical production.
- Any capital gains resulting from the sale of farmland to qualified farmers can be paid in four annual installments rather than all at once. Such farmland must have been in agricultural production for the past 10 years to qualify and remain in agriculture for another 10 years after the sale occurs.
- Rural bankers also will receive a 25% deduction on interest income from qualified rural real-estate loans.
- For biofuels, the 45Z Clean Fuels Production Credit is extended and modified. The law extended the 45Z tax credit to the end of 2029 but also cuts the top rate for 45Z from \$1.75 a gallon to \$1 a gallon. Transportation fuels developed from animal manure would also qualify for the credit.
- The Small Agri-Biodiesel Producer Credit doubled from 10 cents a gallon to 20 cents a gallon.
- A \$10,000 deduction on auto loan interest for couples earning \$200,000 or less.
- The state and local tax (SALT) deduction increases to \$40,000 for taxpayers earning under \$500,000.

The OBBBA also cut \$185 billion from the Supplemental Nutrition Assistance Program (SNAP) over 10 years, a program that spends about \$123 billion a year for roughly 42 million people on the program. The law increased SNAP work requirements while pressing on states to reduce SNAP error rates. The law, though, also temporarily shields states with the highest payment error rates before having to pay a share of SNAP costs. Still, most states will now have to pay a percentage of SNAP benefits starting in 2028, which could cause further cuts to benefits.

The legislation also didn't extend the premium tax credits for the Affordable Care Act. That led to gridlock in Congress that eventually caused the longest government shutdown in history. Still, Congress could not come to terms on a health-care bill to extend the tax credits, which affect health insurance costs for roughly 24 million Americans. SNAP cuts also became part of the shutdown fight as the Trump administration effectively used SNAP benefits as leverage, which put pressure on Democrats to end the shutdown. SNAP benefits for 42 million Americans weren't paid throughout most of November as a result.

#2. Growers Expected to Set New Record Average Yields Despite Seasonal Setbacks. Despite pests, disease and everything Mother Nature could dish out throughout the growing season -- from frosts and flooding to droughts and derechos -- U.S. row-crop farmers still managed to set what are expected to be record average yields for both corn and soybeans in 2025.



While USDA won't release final crop production data for 2025 until January, the agency's World Agricultural Supply and Demand Estimates (WASDE) report released earlier in December forecast average corn yield at 186 bushels per acre (bpa), besting the 179.4-bpa average from 2024. Total corn production and harvested acres also are expected to reach new all-time highs at 16.752 billion bushels (bb) from 90 million acres, surpassing the 15.341 bb harvested from 86.5 million acres in 2023. Soybeans also set what could be a new record average yield at 53 bpa, eclipsing the 52.6 bpa from 2016. Total production was down as both planted and harvested acreage was at its lowest level since 2019.

Had it not been for weather events leading to losses and crop abnormalities in some areas and the onset of some late-season foliar diseases in others, the 2025 corn and soybean crop could have been even larger. In some regions, the season got off to a quick start as conditions allowed for early and/or rapid planting. But heavy rains across the upper Delta and lower Ohio Valley regions delayed planting, made replanting necessary or prevented planting all together.

Diseases also crept into the crop, especially where farmers cut back on fungicide applications to mitigate expenses. In corn, tar spot, southern rust and gray leaf spot wreaked the most havoc. Outbreaks of red crown rot, sudden death syndrome and white mold dominated disease reports from soybeans. Insect pressure was more isolated; injury was relatively minor when it occurred. Most notably, corn leafhoppers, which can transmit corn stunt disease, were found farther north than usual for the second consecutive season.

Although reports of all-time best yields for many farmers would usually bring satisfaction, that wasn't the case in 2025 for most. Instead, row-crop farmers became victims of their own agricultural success as commodity prices remained low in an environment of abundant global supply and uncertain demand.

Continued page 13.

Latest U.S. Ag Trade Forecast from USDA Indicates Another Deficit

The USDA is projecting that the ag trade deficit will shrink in FY2026 even more than previously anticipated. USDA expects the trade deficit to fall from \$43.7 billion in FY2025 to \$37 billion in FY2026, according to its quarterly trade forecast. In its previous report issued in August, USDA had projected a trade deficit of \$41.5 billion this fiscal year. The U.S. recorded trade deficits of around \$32 billion in FY2024 and \$17 billion in FY2023, respectively.

Table 1—U.S. agricultural trade, fiscal years (FYs) 2020–26 1/

Item	2020	2021	2022	2023	2024	2025	Forecast	
							Fiscal year 2026	
							August	December
Billion U.S. dollars								
Exports	139.7	171.8	196.0	178.0	174.1	175.6	169.0	173.0
Imports	143.4	163.3	194.1	195.3	206.1	219.4	210.5	210.0
Balance	-3.7	8.5	1.9	-17.3	-31.9	-43.7	-41.5	-37.0

Note: Due to rounding, balance may not agree with import and export data.

1/ Fiscal year is defined as October 1 of previous year through September 30 of current year.

Source: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecasts using data from U.S. Department of Commerce, Bureau of the Census.

The quarterly trade forecast, published by the Economic Research Service, had been scheduled for publication last month, but was delayed due to the government shutdown. Driving the adjusted outlook are larger-than-expected exports. USDA now expects \$173 billion in ag exports for FY2026, up from the \$169 projected in August. But even with the revision, exports are still set to contract year-over-year, after the U.S. recorded \$175.6 billion in exports in FY2025. Ag imports are also set to

fall from \$219.4 billion during the last fiscal year to \$210 billion in FY2026.

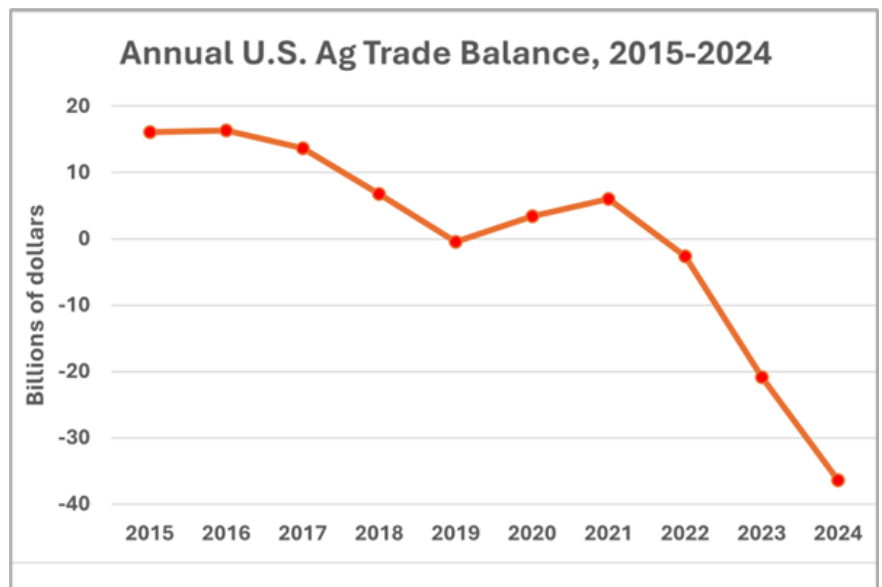
The FY2026 outlook is buoyed by stronger grain and feed, oilseed and dairy exports than previously estimated. Corn exports, for example, were initially forecast to hit \$15.2 billion, but projections have been revised to \$17.6 billion for the fiscal year. Soybean export estimates were also revised up in Tuesday's release from \$18.3 billion to \$19 billion.

U.S. dairy export projections grew by \$400 million from August's estimate. In the livestock category, pork's estimates also increased by \$100 million. Beef and veal projections fell slightly, while poultry estimates held steady at \$6.9 billion.

A significant portion of the better outlook can be attributed to improvements in the Chinese market. USDA revised U.S. ag export prospects to China upwards by \$3 billion from the August to December releases. Exports to South Korea, Japan, Mexico and Southeast Asia also all posted small increases from August's forecast.

However, export projections to the European Union were revised downward from August by some \$800 million.

Since the August report, the U.S. has announced a slate of tariff deals, including an October deal with China, which included commitments to buy U.S. soybeans, and pacts with several Southeast Asian countries.



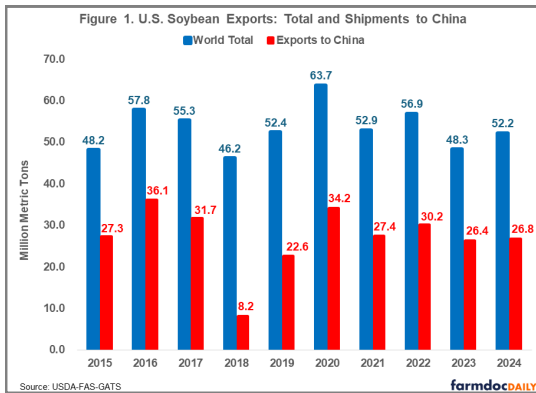
Of note: While the topline changes are modest, the regional reallocations beneath the surface — particularly involving China, South Korea, and the European Union — are more notable.

China: Upward Revision, Still Structurally Lower. USDA raised its FY 2026 export forecast to China to \$12.0 billion, compared with \$9.0 billion in August. The increase reflects stronger expected shipments of corn, soybean meal, and pork as China's feed demand stabilizes and domestic production constraints persist. Even so, the report offers no discussion of policy factors, stock levels, or import behavior changes that would justify the revision. China's forecast remains far below historical highs, underscoring that USDA still views Chinese demand as structurally weaker rather than temporarily depressed.

South Korea: Incremental Strength Without Explanation. Exports to South Korea are now projected at \$9.8 billion, slightly higher than the \$9.6 billion forecast in August. The increase likely reflects steady demand for U.S. beef, pork, and feed grains, but again, the report provides no explicit rationale for the adjustment. South Korea continues to stand out as a relatively stable, high-value market at a time when other developed economies show softer growth.

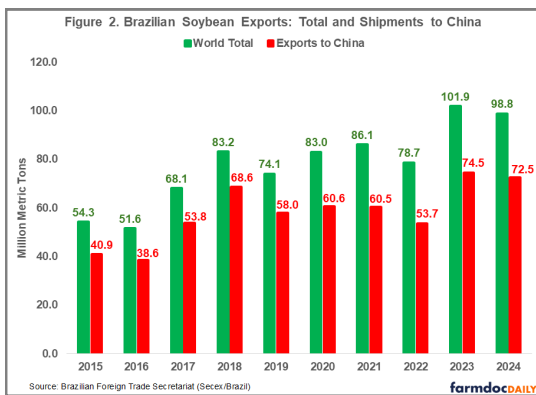
Tracking Soybean Exports from the U.S., Brazil, and Argentina

Until May of this year, before the trade war escalated, the United States had sold nearly 6 million metric tons of soybeans to China, according to data from the USDA. If China fulfills the reported 12-million-ton purchase commitment in the last two months of the year, U.S. soybean exports to the Chinese market in 2025 would total around 18 million metric tons – 33% lower than in 2024, when exports to China reached 26.8 million metric tons.



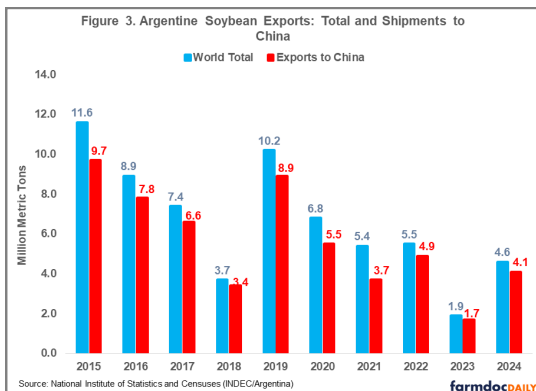
Although the deal brought relief to U.S. producers at the end of the harvest season, total U.S. soybean exports to China this year are expected to be the lowest since 2018, when the trade war between the two countries began. That year, the United States exported only 8 million metric tons to China. In recent years, after the trade deal in 2020, China has purchased roughly half of all U.S. soybean exports, compared to about 60% before the trade tensions began in 2018. If China purchases at least 25 million tons of U.S. soybeans in each of 2026, 2027, and 2028, that volume would still be 14% lower than the five-year average of 29 million tons of soybean shipments to China from 2020 to 2024. The ten-year average was 27 million tons.

The announcement that China would resume purchases from the United States supported soybean futures, which had moved slightly higher in recent days, reaching almost \$11 per bushel – the highest level in over a year. Still, after the \$11 per bushel futures price is adjusted for basis, the resulting cash price is still below the break-even point for many U.S. soybean producers in 2025.



The six-month suspension of U.S. soybean imports by China this year led Brazil to increase its exports to China to levels last seen in 2018. Between January and October, Brazil exported a record 79 million metric tons of soybeans to China, accounting for nearly 80% of its total soybean exports during the period – approximately 100 million tons in total, according to Brazil's Foreign Trade Secretariat. The volume exported so far has already surpassed the total for 2024, which was just under 99 million metric tons.

Prior to the U.S.–China agreement, the Brazilian Association of Vegetable Oil Industries had projected Brazil's soybean exports to China at 84 million tons in 2025, up from 72 million tons in 2024. Based on a more conservative scenario, assuming November and December shipments match last year's pace, the total for 2025 is now expected to reach around 82 million tons, already reflecting the effects of the new agreement. Even so, Brazil is likely to ship about 10 million tons more soybeans than in 2024, despite the return of U.S. soybeans to the Chinese market.



Looking ahead to 2026, if U.S.–China trade flows normalize, Brazil's soybean exports are projected to decline to between 72 and 75 million metric tons, a drop of 7 to 10 million tons from 2025 levels. Rising competition from Argentina, which has recently increased its soybean exports, is another factor that could add additional pressure on Brazil's shipments next year. Even so, farmers across Brazil have begun planting the 2025/26 crop in October with record acreage expected to reach 121 million acres, up 3.5% from last year, according to projections from the National Supply Company.

Argentina, the world's third-largest soybean producer – behind Brazil and the United States – has also benefited this year from China's temporary suspension of U.S. soybean imports. Between January and September, Argentina exported 7.6 million metric tons of soybeans, with 90% of that volume destined for China, according to the Na-

tional Institute of Statistics and Censuses (INDEC). The volume shipped in just the first nine months of the year is about 65% higher than the total exported in 2024, which was 4.6 million metric tons.

At the end of September, Argentina briefly suspended its 26% soybean export tax, allowing China to purchase large quantities of soybeans from Argentina at lower prices. The suspension was an effort to boost Argentina's dollar reserves. The \$7 billion sales cap was reached in just three days, which automatically reinstated the export taxes on grains, including soybeans. The last time Argentina exported a similar volume of soybeans to China was in 2019 – the year following the start of the U.S.–China trade war.

Argentine farmers began planting soybeans for the 2025/26 season in November, with most fields benefiting from optimal soil moisture conditions, according to the latest report from the Buenos Aires Grain Exchange. The soybean area in Argentina for the 2025/26 crop season is expected to total 7.4 million acres, a 4.3% decrease from the previous season, yet still the second largest of the past five years. The decline in soybean planting reflects a shift in production toward corn and sunflowers, driven by lower corn borer pressure and strong yield performance for these crops.

Top News Stories (cont.)

#1. Tariffs, Power and Pressure: How Trade Policy Drove Markets and Politics in 2025. Serving as president of the American Soybean Association for most of the year, Kentucky farmer Caleb Ragland was likely the most quoted farmer in the United States in 2025.

China stopped buying U.S. soybeans in the spring and didn't book any buys for the fall crop until U.S. and Chinese officials brokered a deal in late October. In the meantime, the U.S. helped out Argentina, which led Chinese buyers to quickly snatch up Argentinian soybeans. Tariffs once again put U.S. soybeans at a competitive disadvantage to Brazil and Argentina soybeans at a time when Brazil keeps expanding its production.

Soybeans and the blocked trade with China became just one element adding to struggles for commodity farmers, who also faced an estimated 12% increase in the costs of various inputs, partially due to tariffs.

President Donald Trump aided farmers with an executive order in November ensuring key nitrogen and phosphate fertilizers would not be subject to reciprocal tariffs. Still, the tariff disputes were a key factor weighing on markets in early December when the president announced a \$12 billion aid package to farmers.

Trump began by using emergency powers to impose tariffs on Canada, Mexico and China because of fentanyl. Tariff policies, though, swung like a pendulum. In the early days, tariffs were announced then suspended, and reinstated. Trump set 25% tariffs on Canada in February then pulled them. They went into effect in March.

On April 2, the president announced sweeping reciprocal tariffs of 10% on at least 60 countries, but key trading partners were hit with higher tariffs, which included 34% tariffs on China, 24% on Japan and 20% on the European Union. The tariff on imported automobiles rose to 25%. In making his announcement, Trump pointed to some of the high tariffs other countries impose on U.S. agricultural products and automobiles.

With China, the Trump administration pressed its case with more than tariffs. The administration designated Chinese entities as national security threats, restricting U.S. capital investments in Chinese companies. The U.S. also moved to tighten restrictions on Chinese access to technology. Halting soybean purchases was an early move, but Chinese officials made a much bigger play in early October when the country announced sweeping export restrictions on rare earth minerals.

Rare earth minerals are needed for semiconductor manufacturing and are vital for aircraft engines as well as advanced military systems. The minerals are needed for electric vehicles and expansion of the electric grid. And China controls roughly 70% of global rare-earth mining and has an even bigger share of processing capacity.

China's move on rare earth minerals was so significant Treasury Secretary Scott Bessent and U.S. Trade Ambassador Jamieson Greer held a press conference on Oct. 15 denouncing the impact it would have globally. Greer said China's move "is not proportional retaliation" but "an exercise of economic coercion on every country in the world."

By the end of October, China agreed to delay its restrictions on rare earth minerals for at least a year. The U.S. agreed to lower tariffs by 10% and suspend a rule that restricted Chinese companies' access to certain U.S. technology exports.

U.S. Treasury Secretary Bessent also hailed that China had agreed to buy U.S. soybeans -- 12 million metric tons (440 million bushels) immediately, followed by an annual target of 25 mmt (918 mb). Bessent initially said China would buy its 12 mmt "between now and January" but he and other officials later tamped down that timeline. USDA's export sales, though Dec. 11, 2025, showed sales of 5.4 mmt (198 mb) of soybean purchase commitments to China. In 2024, China bought 26.8 mmt (984 mb), according to USDA. For the marketing year, China already had 14.6 mmt (536 mb) of soybean buys leaving U.S. ports.

Despite the commitments, the Chinese duty on U.S. soybeans remains at 13%, which includes a 10% tariff added after Trump's new tariffs were announced in April. Brazilian soybeans are subject to only the 3% most-favored-nation tariff. China and soybeans were just one trading relationship under strain. Relations along the world's longest unsecured border deteriorated sharply in 2025.

As Trump has frequently pointed out, his current tariff strategy -- and use of the 1977 International Emergency Powers Act -- is now in the hands of the Supreme Court, which heard arguments over the tariffs in November. Two combined lawsuits challenge how Trump used the law to impose tariffs.

Administration officials maintain that ruling against the tariffs would "effectively disarm the President in the highly competitive arena of international trade" and stymie negotiations tied to top foreign policy goals. Such a ruling also "would destroy" framework deals with the European Union, United Kingdom, Japan, South Korea and China worth "several trillions of dollars," the administration stated.

Trump has called the High Court's potential decision as one of the most important in history. Without the ability to immediately set his own tariffs, Trump said, "we will be at a major disadvantage against other countries throughout the world."



Breakeven Analysis for 2026 Cost of Production

The following tables calculate the breakeven yields (presented in the first table) and breakeven prices (in the second table) needed to cover a range of direct production expenses per acre for the 2025 crop year for selected crops. *Continued over the next two pages.*

<i>Specified Production Cost per acre for corn</i>											
<i>Price/bu</i>	<u>\$500</u>	<u>\$525</u>	<u>\$550</u>	<u>\$575</u>	<u>\$600</u>	<u>\$625</u>	<u>\$650</u>	<u>\$675</u>	<u>\$700</u>	<u>\$725</u>	<u>\$750</u>
\$3.00	166.7	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
\$3.15	158.7	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
\$3.30	151.5	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
\$3.45	144.9	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
\$3.60	138.9	175.0	183.3	191.7	200.0	208.3	216.7	225.0	233.3	241.7	250.0
\$3.75	133.3	140.0	146.7	153.3	160.0	166.7	173.3	180.0	186.7	193.3	200.0
\$3.90	128.2	134.6	141.0	147.4	153.8	160.3	166.7	173.1	179.5	185.9	192.3
\$4.05	123.5	129.6	135.8	142.0	148.1	154.3	160.5	166.7	172.8	179.0	185.2
\$4.20	119.0	125.0	131.0	136.9	142.9	148.8	154.8	160.7	166.7	172.6	178.6
\$4.35	114.9	120.7	126.4	132.2	137.9	143.7	149.4	155.2	160.9	166.7	172.4
\$4.50	111.1	116.7	122.2	127.8	133.3	138.9	144.4	150.0	155.6	161.1	166.7
\$4.65	107.5	112.9	118.3	123.7	129.0	134.4	139.8	145.2	150.5	155.9	161.3
\$4.80	104.2	109.4	114.6	119.8	125.0	130.2	135.4	140.6	145.8	151.0	156.3

<i>Specified Production Cost per acre for corn</i>											
<i>Bu/ac</i>	<u>\$500</u>	<u>\$525</u>	<u>\$550</u>	<u>\$575</u>	<u>\$600</u>	<u>\$625</u>	<u>\$650</u>	<u>\$675</u>	<u>\$700</u>	<u>\$725</u>	<u>\$750</u>
90	\$5.56	\$5.83	\$6.11	\$6.39	\$6.67	\$6.94	\$7.22	\$7.50	\$7.78	\$8.06	\$8.33
100	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00	\$6.25	\$6.50	\$6.75	\$7.00	\$7.25	\$7.50
110	\$4.55	\$4.77	\$5.00	\$5.23	\$5.45	\$5.68	\$5.91	\$6.14	\$6.36	\$6.59	\$6.82
120	\$4.17	\$4.38	\$4.58	\$4.79	\$5.00	\$5.21	\$5.42	\$5.63	\$5.83	\$6.04	\$6.25
130	\$3.85	\$4.04	\$4.23	\$4.42	\$4.62	\$4.81	\$5.00	\$5.19	\$5.38	\$5.58	\$5.77
140	\$3.57	\$3.75	\$3.93	\$4.11	\$4.29	\$4.46	\$4.64	\$4.82	\$5.00	\$5.18	\$5.36
150	\$3.33	\$3.50	\$3.67	\$3.83	\$4.00	\$4.17	\$4.33	\$4.50	\$4.67	\$4.83	\$5.00
160	\$3.13	\$3.28	\$3.44	\$3.59	\$3.75	\$3.91	\$4.06	\$4.22	\$4.38	\$4.53	\$4.69
170	\$2.94	\$3.09	\$3.24	\$3.38	\$3.53	\$3.68	\$3.82	\$3.97	\$4.12	\$4.26	\$4.41
180	\$2.78	\$2.92	\$3.06	\$3.19	\$3.33	\$3.47	\$3.61	\$3.75	\$3.89	\$4.03	\$4.17
190	\$2.63	\$2.76	\$2.89	\$3.03	\$3.16	\$3.29	\$3.42	\$3.55	\$3.68	\$3.82	\$3.95
200	\$2.50	\$2.63	\$2.75	\$2.88	\$3.00	\$3.13	\$3.25	\$3.38	\$3.50	\$3.63	\$3.75
210	\$2.38	\$2.50	\$2.62	\$2.74	\$2.86	\$2.98	\$3.10	\$3.21	\$3.33	\$3.45	\$3.57

<i>Specified Production Cost per acre for soybeans</i>											
<i>Price/bu</i>	<u>\$350</u>	<u>\$375</u>	<u>\$400</u>	<u>\$425</u>	<u>\$450</u>	<u>\$475</u>	<u>\$500</u>	<u>\$525</u>	<u>\$550</u>	<u>\$575</u>	<u>\$600</u>
\$9.00	38.9	41.7	44.4	47.2	50.0	52.8	55.6	58.3	61.1	63.9	66.7
\$9.10	38.5	41.2	44.0	46.7	49.5	52.2	54.9	57.7	60.4	63.2	65.9
\$9.20	38.0	40.8	43.5	46.2	48.9	51.6	54.3	57.1	59.8	62.5	65.2
\$9.30	37.6	40.3	43.0	45.7	48.4	51.1	53.8	56.5	59.1	61.8	64.5
\$9.40	37.2	39.9	42.6	45.2	47.9	50.5	53.2	55.9	58.5	61.2	63.8
\$9.50	36.8	39.5	42.1	44.7	47.4	50.0	52.6	55.3	57.9	60.5	63.2
\$9.60	36.5	39.1	41.7	44.3	46.9	49.5	52.1	54.7	57.3	59.9	62.5
\$9.70	36.1	38.7	41.2	43.8	46.4	49.0	51.5	54.1	56.7	59.3	61.9
\$9.80	35.7	38.3	40.8	43.4	45.9	48.5	51.0	53.6	56.1	58.7	61.2
\$9.90	35.4	37.9	40.4	42.9	45.5	48.0	50.5	53.0	55.6	58.1	60.6
\$10.00	35.0	37.5	40.0	42.5	45.0	47.5	50.0	52.5	55.0	57.5	60.0
\$10.10	34.7	37.1	39.6	42.1	44.6	47.0	49.5	52.0	54.5	56.9	59.4
\$10.20	34.3	36.8	39.2	41.7	44.1	46.6	49.0	51.5	53.9	56.4	58.8

Breakeven Analysis (cont.)

<i>Specified Production Cost per acre for soybeans</i>											
Bu/ac	\$350	\$375	\$400	\$425	\$450	\$475	\$500	\$525	\$550	\$575	\$600
25	\$14.00	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00
30	\$11.67	\$12.50	\$13.33	\$14.17	\$15.00	\$15.83	\$16.67	\$17.50	\$18.33	\$19.17	\$20.00
35	\$10.00	\$10.71	\$11.43	\$12.14	\$12.86	\$13.57	\$14.29	\$15.00	\$15.71	\$16.43	\$17.14
40	\$8.75	\$9.38	\$10.00	\$10.63	\$11.25	\$11.88	\$12.50	\$13.13	\$13.75	\$14.38	\$15.00
45	\$7.78	\$8.33	\$8.89	\$9.44	\$10.00	\$10.56	\$11.11	\$11.67	\$12.22	\$12.78	\$13.33
50	\$7.00	\$7.50	\$8.00	\$8.50	\$9.00	\$9.50	\$10.00	\$10.50	\$11.00	\$11.50	\$12.00
55	\$6.36	\$6.82	\$7.27	\$7.73	\$8.18	\$8.64	\$9.09	\$9.55	\$10.00	\$10.45	\$10.91
60	\$5.83	\$6.25	\$6.67	\$7.08	\$7.50	\$7.92	\$8.33	\$8.75	\$9.17	\$9.58	\$10.00
65	\$5.38	\$5.77	\$6.15	\$6.54	\$6.92	\$7.31	\$7.69	\$8.08	\$8.46	\$8.85	\$9.23
70	\$5.00	\$5.36	\$5.71	\$6.07	\$6.43	\$6.79	\$7.14	\$7.50	\$7.86	\$8.21	\$8.57
75	\$4.67	\$5.00	\$5.33	\$5.67	\$6.00	\$6.33	\$6.67	\$7.00	\$7.33	\$7.67	\$8.00
80	\$4.38	\$4.69	\$5.00	\$5.31	\$5.63	\$5.94	\$6.25	\$6.56	\$6.88	\$7.19	\$7.50
85	\$4.12	\$4.41	\$4.71	\$5.00	\$5.29	\$5.59	\$5.88	\$6.18	\$6.47	\$6.76	\$7.06

<i>Specified Production Cost per acre for cotton</i>											
Price/lb	\$660	\$685	\$710	\$735	\$760	\$785	\$810	\$835	\$860	\$885	\$910
\$0.60	1100.0	1141.7	1183.3	1225.0	1266.7	1308.3	1350.0	1391.7	1433.3	1475.0	1516.7
\$0.62	1064.5	1104.8	1145.2	1185.5	1225.8	1266.1	1306.5	1346.8	1387.1	1427.4	1467.7
\$0.64	1031.3	1070.3	1109.4	1148.4	1187.5	1226.6	1265.6	1304.7	1343.8	1382.8	1421.9
\$0.66	1000.0	1037.9	1075.8	1113.6	1151.5	1189.4	1227.3	1265.2	1303.0	1340.9	1378.8
\$0.68	970.6	1007.4	1044.1	1080.9	1117.6	1154.4	1191.2	1227.9	1264.7	1301.5	1338.2
\$0.70	942.9	978.6	1014.3	1050.0	1085.7	1121.4	1157.1	1192.9	1228.6	1264.3	1300.0
\$0.72	916.7	951.4	986.1	1020.8	1055.6	1090.3	1125.0	1159.7	1194.4	1229.2	1263.9
\$0.74	891.9	925.7	959.5	993.2	1027.0	1060.8	1094.6	1128.4	1162.2	1195.9	1229.7
\$0.76	868.4	901.3	934.2	967.1	1000.0	1032.9	1065.8	1098.7	1131.6	1164.5	1197.4
\$0.78	846.2	878.2	910.3	942.3	974.4	1006.4	1038.5	1070.5	1102.6	1134.6	1166.7
\$0.80	825.0	856.3	887.5	918.8	950.0	981.3	1012.5	1043.8	1075.0	1106.3	1137.5
\$0.82	804.9	835.4	865.9	896.3	926.8	957.3	987.8	1018.3	1048.8	1079.3	1109.8
\$0.84	785.7	815.5	845.2	875.0	904.8	934.5	964.3	994.0	1023.8	1053.6	1083.3

<i>Specified Production Cost per acre for cotton</i>											
lbs/ac	\$625	\$650	\$675	\$700	\$725	\$750	\$775	\$800	\$825	\$850	\$875
750	\$0.83	\$0.87	\$0.90	\$0.93	\$0.97	\$1.00	\$1.03	\$1.07	\$1.10	\$1.13	\$1.17
800	\$0.78	\$0.81	\$0.84	\$0.88	\$0.91	\$0.94	\$0.97	\$1.00	\$1.03	\$1.06	\$1.09
850	\$0.74	\$0.76	\$0.79	\$0.82	\$0.85	\$0.88	\$0.91	\$0.94	\$0.97	\$1.00	\$1.03
900	\$0.69	\$0.72	\$0.75	\$0.78	\$0.81	\$0.83	\$0.86	\$0.89	\$0.92	\$0.94	\$0.97
950	\$0.66	\$0.68	\$0.71	\$0.74	\$0.76	\$0.79	\$0.82	\$0.84	\$0.87	\$0.89	\$0.92
1000	\$0.63	\$0.65	\$0.68	\$0.70	\$0.73	\$0.75	\$0.78	\$0.80	\$0.83	\$0.85	\$0.88
1050	\$0.60	\$0.62	\$0.64	\$0.67	\$0.69	\$0.71	\$0.74	\$0.76	\$0.79	\$0.81	\$0.83
1100	\$0.57	\$0.59	\$0.61	\$0.64	\$0.66	\$0.68	\$0.70	\$0.73	\$0.75	\$0.77	\$0.80
1150	\$0.54	\$0.57	\$0.59	\$0.61	\$0.63	\$0.65	\$0.67	\$0.70	\$0.72	\$0.74	\$0.76
1200	\$0.52	\$0.54	\$0.56	\$0.58	\$0.60	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
1250	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58	\$0.60	\$0.62	\$0.64	\$0.66	\$0.68	\$0.70
1300	\$0.48	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58	\$0.60	\$0.62	\$0.63	\$0.65	\$0.67
1350	\$0.46	\$0.48	\$0.50	\$0.52	\$0.54	\$0.56	\$0.57	\$0.59	\$0.61	\$0.63	\$0.65

Breakeven Analysis (cont.)

<i>Specified Production Cost per acre for rice</i>											
<i>Price/cwt</i>	<u>\$550</u>	<u>\$575</u>	<u>\$600</u>	<u>\$625</u>	<u>\$650</u>	<u>\$675</u>	<u>\$700</u>	<u>\$725</u>	<u>\$750</u>	<u>\$775</u>	<u>\$800</u>
\$13.00	42.3	44.2	46.2	48.1	50.0	51.9	53.8	55.8	57.7	59.6	61.5
\$13.25	41.5	43.4	45.3	47.2	49.1	50.9	52.8	54.7	56.6	58.5	60.4
\$13.50	40.7	42.6	44.4	46.3	48.1	50.0	51.9	53.7	55.6	57.4	59.3
\$13.75	40.0	41.8	43.6	45.5	47.3	49.1	50.9	52.7	54.5	56.4	58.2
\$14.00	39.3	41.1	42.9	44.6	46.4	48.2	50.0	51.8	53.6	55.4	57.1
\$14.25	38.6	40.4	42.1	43.9	45.6	47.4	49.1	50.9	52.6	54.4	56.1
\$14.50	37.9	39.7	41.4	43.1	44.8	46.6	48.3	50.0	51.7	53.4	55.2
\$14.75	37.3	39.0	40.7	42.4	44.1	45.8	47.5	49.2	50.8	52.5	54.2
\$15.00	36.7	38.3	40.0	41.7	43.3	45.0	46.7	48.3	50.0	51.7	53.3
\$15.25	36.1	37.7	39.3	41.0	42.6	44.3	45.9	47.5	49.2	50.8	52.5
\$15.50	35.5	37.1	38.7	40.3	41.9	43.5	45.2	46.8	48.4	50.0	51.6
\$15.75	34.9	36.5	38.1	39.7	41.3	42.9	44.4	46.0	47.6	49.2	50.8
\$16.00	34.4	35.9	37.5	39.1	40.6	42.2	43.8	45.3	46.9	48.4	50.0

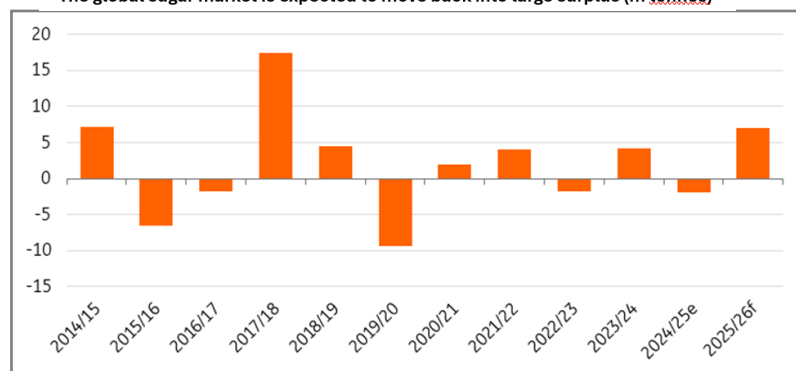
<i>Specified Production Cost per acre for rice</i>											
<i>cwt/ac</i>	<u>\$550</u>	<u>\$575</u>	<u>\$600</u>	<u>\$625</u>	<u>\$650</u>	<u>\$675</u>	<u>\$700</u>	<u>\$725</u>	<u>\$750</u>	<u>\$775</u>	<u>\$800</u>
40.0	\$13.75	\$14.38	\$15.00	\$15.63	\$16.25	\$16.88	\$17.50	\$18.13	\$18.75	\$19.38	\$20.00
45.0	\$12.22	\$12.78	\$13.33	\$13.89	\$14.44	\$15.00	\$15.56	\$16.11	\$16.67	\$17.22	\$17.78
50.0	\$11.00	\$11.50	\$12.00	\$12.50	\$13.00	\$13.50	\$14.00	\$14.50	\$15.00	\$15.50	\$16.00
55.0	\$10.00	\$10.45	\$10.91	\$11.36	\$11.82	\$12.27	\$12.73	\$13.18	\$13.64	\$14.09	\$14.55
60.0	\$9.17	\$9.58	\$10.00	\$10.42	\$10.83	\$11.25	\$11.67	\$12.08	\$12.50	\$12.92	\$13.33
65.0	\$8.46	\$8.85	\$9.23	\$9.62	\$10.00	\$10.38	\$10.77	\$11.15	\$11.54	\$11.92	\$12.31
70.0	\$7.86	\$8.21	\$8.57	\$8.93	\$9.29	\$9.64	\$10.00	\$10.36	\$10.71	\$11.07	\$11.43
75.0	\$7.33	\$7.67	\$8.00	\$8.33	\$8.67	\$9.00	\$9.33	\$9.67	\$10.00	\$10.33	\$10.67
80.0	\$6.88	\$7.19	\$7.50	\$7.81	\$8.13	\$8.44	\$8.75	\$9.06	\$9.38	\$9.69	\$10.00
85.0	\$6.47	\$6.76	\$7.06	\$7.35	\$7.65	\$7.94	\$8.24	\$8.53	\$8.82	\$9.12	\$9.41
90.0	\$6.11	\$6.39	\$6.67	\$6.94	\$7.22	\$7.50	\$7.78	\$8.06	\$8.33	\$8.61	\$8.89
95.0	\$5.79	\$6.05	\$6.32	\$6.58	\$6.84	\$7.11	\$7.37	\$7.63	\$7.89	\$8.16	\$8.42
100.0	\$5.50	\$5.75	\$6.00	\$6.25	\$6.50	\$6.75	\$7.00	\$7.25	\$7.50	\$7.75	\$8.00

<i>Specified Production Cost per acre for grain sorghum</i>											
<i>Price/bu</i>	<u>\$300</u>	<u>\$325</u>	<u>\$350</u>	<u>\$375</u>	<u>\$400</u>	<u>\$425</u>	<u>\$450</u>	<u>\$475</u>	<u>\$500</u>	<u>\$525</u>	<u>\$550</u>
\$3.00	100.0	108.3	116.7	125.0	133.3	141.7	150.0	158.3	166.7	175.0	183.3
\$3.15	95.2	103.2	111.1	119.0	127.0	134.9	142.9	150.8	158.7	166.7	174.6
\$3.30	90.9	98.5	106.1	113.6	121.2	128.8	136.4	143.9	151.5	159.1	166.7
\$3.45	87.0	94.2	101.4	108.7	115.9	123.2	130.4	137.7	144.9	152.2	159.4
\$3.60	83.3	90.3	97.2	104.2	111.1	118.1	125.0	131.9	138.9	145.8	152.8
\$3.75	80.0	86.7	93.3	100.0	106.7	113.3	120.0	126.7	133.3	140.0	146.7
\$3.90	76.9	83.3	89.7	96.2	102.6	109.0	115.4	121.8	128.2	134.6	141.0
\$4.05	74.1	80.2	86.4	92.6	98.8	104.9	111.1	117.3	123.5	129.6	135.8
\$4.20	71.4	77.4	83.3	89.3	95.2	101.2	107.1	113.1	119.0	125.0	131.0
\$4.35	69.0	74.7	80.5	86.2	92.0	97.7	103.4	109.2	114.9	120.7	126.4
\$4.50	66.7	72.2	77.8	83.3	88.9	94.4	100.0	105.6	111.1	116.7	122.2
\$4.65	64.5	69.9	75.3	80.6	86.0	91.4	96.8	102.2	107.5	112.9	118.3
\$4.80	62.5	67.7	72.9	78.1	83.3	88.5	93.8	99.0	104.2	109.4	114.6

Global Sugar Supplies to Keep Prices under Pressure

Sugar prices have come under significant pressure this year, with raw No.11 sugar off more than 20% so far in 2025 and trading to its lowest level since October 2020. Speculators have become increasingly bearish towards the market as expectations for a large surplus through the 2025/26 marketing year grow, driven by strong output from key producers. Stronger output should see the market shift from a deficit of almost 2m tonnes in 2024/25 to a surplus of around 7m tonnes in 2025/26, which would be the largest sugar surplus since 2017/18.

The global sugar market is expected to move back into large surplus (m tonnes)



The large surplus suggests that sugar prices will remain under pressure. Current prices are trading below ethanol parity in Brazil, and we believe that sugar prices will need to continue doing so to ensure mills in Centre-South Brazil – the key sugar-producing region – divert more sugarcane to ethanol production rather than sugar for their 2026/27 harvest, which starts in April. This would help reduce the scale of the expected surplus through 2026.

However, we could see some strength in sugar prices in the first quarter of 2026, which is the off-crop period for CS Brazil and when the market generally sees tightness in the raw

sugar market. However, this tightness should ease from the second quarter onwards. We currently forecast that raw sugar No.11 will average US\$15.40/lb next year, with the third quarter the weakest, which is the peak of the CS Brazil harvest. CS Brazil has passed the peak of its 2025/26 harvest, with the country now entering its rainy season. The industry has crushed 576m tonnes of sugar cane in the season until mid-November, down 1.3% year-on-year. However, a stronger sugar mix has meant that cumulative sugar output has grown 2.1% YoY to almost 39.2m tonnes. Expectations are that total output for the 2025/26 marketing year will reach a little over 40m tonnes. We will need to keep an eye on ethanol parity; with sugar prices trading below domestic ethanol prices, we should see mills favoring ethanol production over sugar. Recent production data has shown that mills have started moving more towards ethanol, although this shift is fairly common at the beginning and towards the end of the harvest. However, there may be some reluctance from mills to switch, particularly if they have sold/hedged their sugar output.

For the 2026/27 CS Brazil harvest, which gets underway in April 2026, another strong year of output is expected. The industry is set to crush more than 600m tonnes of cane, which should see another year of sugar production exceeding 40m tonnes. However, there is growing uncertainty over sugar output for the next harvest. Firstly, much will depend on the weather over the rainy season. Secondly, if sugar prices continue to trade below ethanol parity, mills will likely reduce their sugar mix and instead produce more ethanol. The industry will have also hedged less of next season's sugar output, which will provide them with more flexibility to switch between sugar and ethanol production.

India is set to be a key driver behind the large global sugar surplus in 2025/26. After a good monsoon through the summer, which was 8% above normal, India is set to see a strong recovery in sugar output. In 2024/25, Indian sugar production is estimated to have totalled 26.1m tonnes, down 17.1% YoY. This is after taking into account a 3.5m tonne diversion of sugar to ethanol production. For the 2025/26 season, which commenced in October, sugar output could be as much as 25% higher YoY to total 32.8m tonnes. This increase is driven by improved yields and larger acreage in Maharashtra and Karnataka. In addition, diversion of sugar to ethanol production will be subdued somewhere between 3.5-4m tonnes, given ethanol prices are not attractive. The size of Indian sugar output will dictate the volume of sugar exports the government will allow over the 2025/26 season. The government has already approved the export of 1.5m tonnes of sugar this season. If production holds up, there is certainly room for the government to allow further exports, when you consider that India is expected to consume around 28.5m tonnes of sugar through the season.

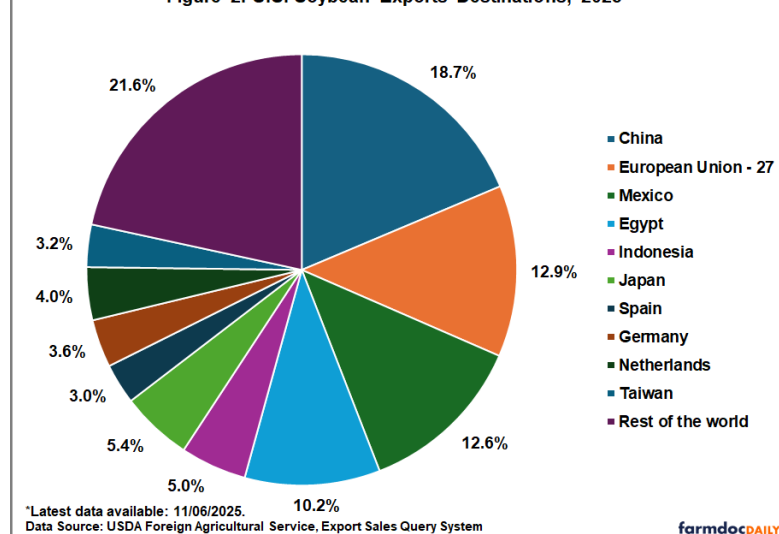
The Thai sugar crop is set to see its second consecutive year-on-year increase, with production in 2025/26 set to total a little more than 11m tonnes, up around 12% YoY. The sugarcane area in Thailand has increased, with cane offering better returns than cassava for farmers. Meanwhile, good rainfall throughout the year should also be supportive for yields. Thai raw sugar availability through the first quarter is important for the global market, given that this is the period we usually see tightness in the raw market due to the CS Brazil offcrop.

EU sugar prices remain under pressure, according to monthly average prices from the European Commission. Data shows that prices in September 2025 fell by a little more than 30% YoY. These lower prices have been driven by stronger domestic output, with larger planted area in the 2024/25 season – the largest area since the 2019/20 season. However, lower prices mean that farmers will have reduced plantings for the 2025/26 season, which should see production fall 7% YoY to 15.4m tonnes. The outlook for the 2026/27 season is for a further decline in beet plantings.

Export Diversification Drives Growth in Corn; Cushions Decline in Soybeans

The U.S. agricultural export scenario has experienced a transformation in 2025, with diversification of export destinations emerging as an important factor for both the corn and soybean markets. Analysis of USDA export data through October 2025, shows distinct patterns of market evolution with implications for U.S. crop producers and the agricultural economy. While these two major commodities have followed different trajectories, with corn exports expanding and soybean exports contracting, both demonstrate the strategic value of diversified market portfolios rather than keeping a high dependence on a single market.

Figure 2. U.S. Soybean Exports Destinations, 2025*



The biggest change in U.S. soybean exports between 2024 and 2025 has been the diversification of destination markets. While 2025 soybean export totals are tracking below 2024 levels, and given historical seasonal patterns, are unlikely to reach last year's volumes even with November and December data, the diversification has helped moderate what could have been a far more severe reduction. In 2024, China accounted for 46.7% of U.S. soybean exports. The European Union held the second position at 9.9%, followed by Mexico at 8.6%.

The 2025 export profile demonstrates a restructuring of U.S. soybean export markets. China's share declined dramatically to 18.7%, a reduction of 28 percentage points, while the "Rest of the world" category surged to 21.6%, becoming the largest category. The European Union increased its share to 12.9%, and Mexico expanded to 12.6%. Additional gains came from include Egypt (10.2%), Japan (5.4%), and Indonesia (5.0%).

This shift has proven important as overall U.S. export volumes have declined in 2025, with China reducing its import volumes substantially due to the second round of the trade war. This heavy reliance on China created vulnerability to market disruptions and policy changes in that single destination.

The U.S. corn export market presents a contrasting but equally instructive story. Despite reductions in purchases from traditional top markets such as Mexico, Japan, and Colombia, overall export volumes in 2025 have already exceeded 2024 levels, even with data only through early November. This result demonstrates that diversification can not only cushion declines but also drive growth when market conditions are favorable.

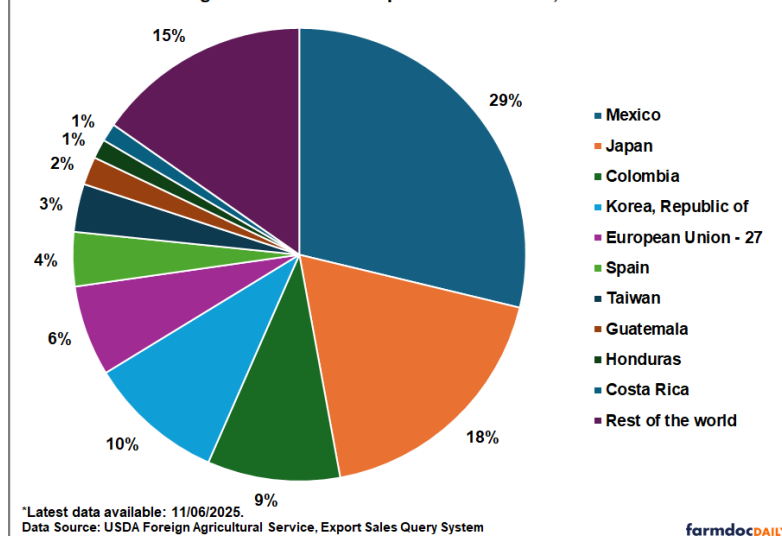
In 2024, Mexico dominated U.S. corn exports with a 38% share, followed by Japan at 20% and Colombia at 12%. The European Union and South Korea accounted for 12% and 5%, respectively. This distribution reflected relatively stable, long-standing trade relationships, mainly with Mexico under the United States-Mexico-Canada Agreement (USMCA).

The 2025 export pattern shows Mexico's share declining to 29%, Japan's to 18%, and Colombia's to 9%. However, these reductions in market share, and in some cases absolute volumes, were more than offset by gains in other markets. The "Rest of the world" category increased from 12% to 15%, while the European Union expanded to 6%.

The contrasting trajectories of corn and soybean exports in 2025 reinforce the dual nature of market diversification as both a defensive and offensive strategy. For soybeans, diversification has functioned primarily as a buffer, mitigating the impact of reduced Chinese demand and preventing a potential market collapse. The insight is not that diversification prevented a decline in total volumes, but rather that it prevented a collapse that would have occurred had the market remained as concentrated as it was in 2024.

For corn, diversification has served as an engine of growth, enabling total volumes to expand despite weakness in traditional markets. The expansion across different markets suggests that U.S. corn has captured market share through competitive pricing and reliable supply. By establishing stronger commercial relationships with diverse markets, U.S. exporters have laid the groundwork for future growth that is less dependent on any single buyer.

Figure 5. U.S. Corn Exports Destinations, 2025*

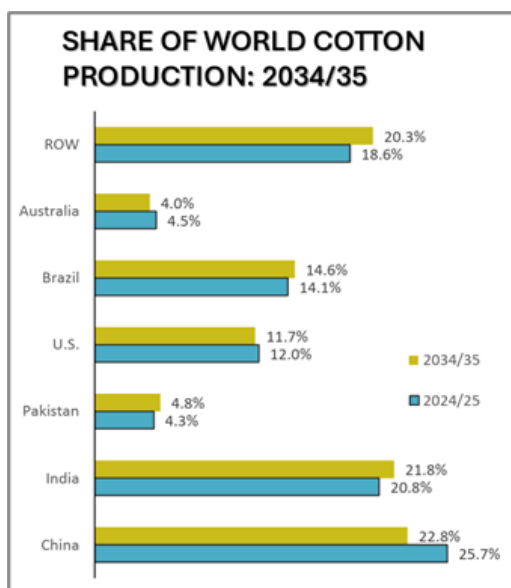
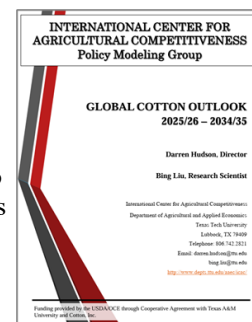


Global Cotton Outlook from Texas Tech University

The outlook for the U.S. The January 2025 World Economic Outlook, released by the International Monetary Fund (IMF), estimated the global GDP growth remain stable at 3.3% in both 2025 and 2026, while below the historical average of 3.7% (2000 – 2019). Global cotton production and consumption are projected to move together over the next ten years. Global cotton consumption is forecast to reach 117.1 million bales in 2025/26 (up by 1.2 million bales). Growing moderately at an average rate of 1.5% per year, consumption is estimated to reach around 134.8 million bales by 2034/35. With limited demand growth, production is projected to increase proportionally to consumption, reaching 120.8 million bales in 2025/26 (up by 1.9 million bales) and increasing to 139 million bales by 2034/35.

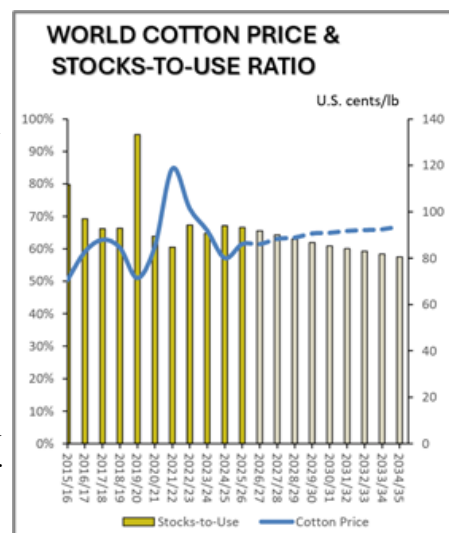
Over the projection period, leading cotton producers are forecast to be (share of world production in parentheses): China (23%), India (22%), Brazil (15%), United States (12%), Pakistan (5%), and Australia (4%).

Mill use is projected to remain concentrated in Asia. By 2034/35, countries that lead the world in cotton mill use are projected to be (share of world mill use in parentheses): China (30%), India (22%), Pakistan (9%), Bangladesh (7%), Turkey (6%), and Vietnam (6%).



Being consistent with mill use growth, world cotton trade over the projection period is expected to grow by 1.7% per year on average. Among major cotton-exporting countries, Brazil has surpassed U.S. as the world's largest cotton exporter, accounting for about 31% of global cotton trade. The growth in cotton demand is primarily driven by increased needs from emerging textile producing countries, such as Vietnam and Bangladesh, to support the expansion of their textile and apparel industries. Leading cotton importers are projected to be (world import share in parentheses): China (17%), Bangladesh (17%), and Vietnam (16%).

With ongoing global economic uncertainty and competitive synthetic fiber prices impacting cotton demand for textile and apparel products, the Cotton A-Index has been on a downward trend since reaching a record high of nearly 120 cents per pound in 2021/22. However, it is projected to follow an upward trend over the forecast period, gradually returning to historical levels. It is estimated to range between 86 and 94 cents per pound throughout the projection period. The stocks-to-use ratio is projected



to fall steadily during the projection period, declining from 67% to 58% over the next ten years.

U.S. Seasonal Farm Price Outlook

The following table represents national seasonal average farm prices (\$/unit), as per the USDA WASDE report.

Crop	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate (Dec.)
Corn	\$6.00	\$6.54	\$4.55	\$4.24	\$4.00
Cotton	\$0.914	\$0.848	\$0.761	\$0.630	\$0.600
Rice (LG)	\$13.60	\$16.70	\$15.90	\$14.00	\$10.50
Rice (Southern MG)	\$13.90	\$18.20	\$17.20	\$15.20	\$11.00
Sorghum	\$5.94	\$6.38	\$4.93	\$4.07	\$3.80
Soybeans	\$13.30	\$14.20	\$12.40	\$10.00	\$10.50

Crop Market Situation for the 2024/25 Marketing Year

The information that is presented in this market update reflects current information as of December 26, 2025.

Corn

In December, there were no changes to estimates for the 2025/26 U.S. corn supply. In January, USDA, National Agricultural Statistics Service (NASS) will provide a production update for the new marketing year that incorporates data from the final stages of harvest. The 2025/26 supply outlook remains unchanged and back-year adjustments are fully offsetting, with ending stocks for 2024/25 known. Demand forecasts are fine-tuned, based on available data—including that from the U.S. Bureau of the Census and USDA, Agricultural Marketing Service inspections data, which support a 125 million bushel increase for 2025/26 U.S. corn exports, to 3,200 million.

Foreign demand for U.S. corn continues to be robust and implies total shipments in the first quarter of the new marketing year could exceed 800 million bushels. Typically, U.S. corn exports in the first quarter (Q1) of the marketing year are the smallest of all the quarters. In the prior 4 marketing years, Q1 exports averaged about 17 percent of total corn exports (by volume) or about 400 million bushels. At a projected 800 million bushels, U.S. Q1 corn exports are poised to comprise a quarter of the current 2025/26 corn export forecast and would exceed the prior high of just under 700 million bushels set during the 2007/08 marketing year. The nonstandard pattern of U.S. corn exports is likely influenced by reduced competitiveness in the Black Sea, where transportation challenges and a reduced corn harvest have inhibited sales, among other factors.

The season-average farm price for corn is unchanged after a 10-cent-per bushel increase in November to \$4.00 per bushel. Following the delayed release of the Grain Stocks report, 2025/26 carry-in was increased by 207 million bushels in November, which was partially offset by reduced production.

Soybeans

The U.S. soybean supply forecast for MY 2025/26 is unchanged at 4.59 billion bushels, but down 156 million bushels from MY 2024/25. In January, the USDA, National Agricultural Statistics Service will release the Crop Production Annual Summary report, offering a final estimate for the 2025/26 crop before subsequent revisions in September 2026. The Crop Production Annual Summary report will incorporate findings from the December Agricultural Survey, which typically has a sample size of more than 70,000 farmers, significantly larger than the nearly 6,700 sample size in the November survey. U.S. soybean ending stocks forecast for marketing year (MY) 2025/26 is projected at 290.0 million bushels, unchanged from last month. The U.S. soybean supply and demand forecasts for MY 2025/26 are unchanged this month. The 2025/26 U.S. season-average farm price for soybeans is forecast at \$10.50 per bushel, unchanged from last month's forecast but higher than the MY 2024/25 price of \$10.00 per bushel.

The U.S. soybean export forecast for MY 2025/26 remains unchanged at 1.64 billion bushels this month. According to USDA, Agricultural Marketing Service, Federal Grain Inspection Service weekly reports, from September through November, the United States shipped 12.3 million metric tons of soybeans to markets outside of China, up 30 percent from the previous year, while shipments to China during this time period were less than 0.1 million metric tons. At the end of October, the United States announced a trade deal with China that included soybean purchases. Following the announcement, the soybean price spread between the United States and Brazil narrowed. The USDA, Foreign Agricultural Service reports both year-to-date commitments through November 6 and flash sales through December 8 to China totaled more than 3.0 million metric tons. While shipments are expected to rise to China, the price rally in November reduced the U.S. price competitiveness to other countries.

Rice

Total U.S. rice production in 2025/26 remains projected at 207.3 million cwt, down almost 7 percent from a year earlier. The production decline is due to a 3.7-percent contraction in harvested area to 2.762 million acres and a 3-percent decline in yield to 7,506 pounds per acre. Production in 2025/26 is projected to decline from a year earlier in Arkansas, Missouri, and Texas, with Arkansas accounting for the bulk of the decline. In contrast, production is projected to increase in California, Louisiana, and Mississippi, with California's production projected to increase 13 percent.

The only supply-side revision this month is a 1.0-million hundredweight (cwt) reduction in total imports to 49.7 million cwt, still nearly 1 percent above a year earlier and the highest on record (figure 1). Long-grain accounts for all the downward revision in imports, lowered 1.0 million cwt to 43.0 million cwt, still 0.3 million cwt above a year earlier and the highest on record. The downward revision is based mainly on weaker-than-expected imports from top supplier Thailand reported by the U.S. Department of Commerce, Bureau of the Census for August—the latest month of reported data—as well as export data reported by the Government of Thailand for September and October. Jasmine, an aromatic rice, accounts for nearly all of these reported long-grain shipments from Thailand. In the previous year, Thailand supplied nearly 65 percent of U.S. long-grain rice imports.

Continued next page.

In-depth Crop Market Update (Cont.)

The information that is presented in this market update reflects current information as of December 26, 2025.

Rice (cont.)

U.S. all-rice exports in 2025/26 are projected at 92.0 million cwt, down 2.0 million from last month's forecast—all from reduced long-grain exports—but still 1.6 percent above a year earlier. The long-grain export forecast is lowered by 2.0 million cwt to 62.0 million, still 2 percent above a year earlier.

The downward revision is largely based on a continued slow pace of sales to key rough-rice markets in Latin America, especially to Mexico, typically the largest buyer of U.S. long-grain rice. Sales and shipments have been weak to Central American markets as well. The revisions are based on Census Bureau trade data for August—the most recent month of available data—and weekly sales and shipment data reported by the USDA, Foreign Agricultural Service in its U.S. Export Sales through the week ending November 6. Weaker-than-expected U.S. sales are largely due to more competitive prices from South American exporters.

For 2025/26, the season-average farm price (SAFP) forecasts are lowered for both classes of rice. The long-grain SAFP is reduced by \$1.00 per cwt to \$10.50, 25 percent below a year earlier and the lowest since 2016/17. The downward revision is based on continued decline in daily futures prices, reported cash prices and marketing for August reported by USDA, National Agricultural Statistics Service (NASS), a slowness in the pace export sales thus far in the 2025/26 market year, and a continued lack of price competitiveness in the global rice market. The California 2025/26 SAFP is decreased by \$2.00 per cwt to \$18.00, down \$2.00 from a year earlier. The downward revision is based on larger supplies in 2025/26 and industry weekly reported price quotes through late November. The southern medium- and short-grain SAFP is lowered by \$1.00 to \$11.00 per cwt, primarily based on a reduced long-grain SAFP. The southern medium and short-grain SAFP is 28 percent below a year earlier and the lowest since 2016/17.

These two regional downward revisions lowered the 2025/26 U.S. medium- and short-grain SAFP by \$1.60 per cwt to \$15.80, 19 percent below a year earlier. The two downward revisions by class resulted in a \$1.10-per cwt reduction in the 2025/26 all-rice SAFP to \$11.60 per cwt, 24 percent below a year earlier and the lowest since 2016/17.

Cotton

USDA's December Crop Production report forecasts 2025/26 U.S. cotton production at nearly 14.3 million bales, 153,000 bales (1.1 percent) above last month's forecast but 140,000 bales (1 percent) below the 2024/25 crop. Harvested area in 2025/26 is estimated at 7.4 million acres, compared with last season's 7.8 million acres.

Cotton production in the Delta region is estimated at 4.3 million bales in 2025/26, 642,000 bales below the year before but equal to the 5-year average. In 2025/26, cotton harvested area is forecast to be 1.45 million acres—the lowest in a decade—while the region's yield is projected at a record 1,423 pounds per harvested acre, outperforming last season's 1,230 pounds.

U.S. cotton demand for 2025/26 is projected slightly lower in December at 13.8 million bales, above the previous 2 years' level of 13.6 million bales. U.S. cotton exports account for the largest share of demand and are forecast at 12.2 million bales in 2025/26. U.S. mill use is expected to continue its trend lower and accounts for an additional 1.6 million bales this season—the lowest in nearly 150 years.

With a modest rise in the world trade projection this season—including higher import demand from countries such as Vietnam, China, and Turkey—higher U.S. cotton export prospects are expected despite increased competition from Brazil. Based on the December projections, the 2025/26 U.S. share of global trade is forecast to remain relatively stable this season at about 28 percent, compared with the 2020/21–2022/23 average of 33 percent.

With the December increase in the U.S. cotton production estimate and demand reduced slightly, 2025/26 U.S. ending stocks are forecast 200,000 bales higher this month, at 4.5 million bales. U.S. cotton stocks are 500,000 bales above 2024/25 and 1.35 million bales above 2023/24. The stocks-to-use ratio (32.6 percent) is forecast above 2024/25's 29 percent and the highest since 2019/20. Based on the U.S. and world cotton supply and demand estimates and recent prices, the 2025/26 average U.S. upland cotton farm price is forecast at 60 cents per pound, compared with the final 2024/25 price of 63 cents per pound and 2023/24's 76.1 cents.

Sugar

The U.S. beet sugar production for fiscal year 2025/26 is reduced from last month by 113,000 STRV to 5.098 million, about 272,000-STRV lower (5 percent) than the previous year and the lowest since 2020/21. The reduction is mainly due to a higher sugarbeet shrink estimate (8.66 percent versus last month's 10-year average of 6.73 percent) based on beet processors' submission to the USDA, Farm Service Agency, Sweetener Market Data (SMD) report. The estimate for sucrose recovery is mostly unchanged at 14.79 percent (based on a 10-year average from 2015/16–2024/25), which is lower than last year's record (15.46 percent) and the 5-year average (15.11 percent) but consistent with the processors' submission (14.95 percent).

Continued next page.

In-depth Crop Market Update (Cont.)

The information that is presented in this market update reflects current information as of December 26, 2025.

Sugar (con.t)

The larger estimate for sugarbeet shrink and relatively low sucrose recovery reflect a mixture of weather-related challenges during the growing season. The issues ranged from hailstorms, warm nighttime temperatures, and either lack of rain or too much rain depending on the area. Areas with excessive moisture experienced disease pressure (due to *Cercospora*) and weed pressure, as well as difficulty in going into fields to apply fungicides.

Domestic cane sugar production for fiscal year 2025/26 is raised 136,000 STRV from last month to a record-high 4.244 million on a larger outlook for both Florida and Louisiana based on the estimates submitted by the cane processors to SMD. This upward revision is consistent with the USDA, NASS December Crop Production report which reflected a year-over-year increase in both States' sugarcane production. As with sugar beet, USDA, NASS will provide an update to its estimates of sugarcane field-related variables in the January Crop Production Annual Summary report. Florida's cane sugar output is increased by 30,000 STRV to 2.082 million, an 8-percent recovery from last year, on larger area harvested and higher recovery rate (table 3). Louisiana's cane sugar output is raised by 106,000 STRV to a new record high of 2.162 million, mainly on area expansion and relatively high yield. This outlook for Louisiana implies 6 consecutive years of growth and 4 years of surpassing Florida.

U.S. 2025/26 sugar imports are reduced from last month by 25,000 STRV to 2.289 million, more than a million STRV (33 percent) lower than 2024/25 and the lowest in almost two decades. The decrease is solely driven by a 25,000-STRV reduction in imports of high-tier1 organic/specialty sugar to 211,000 STRV in recognition that continued imposition of duties can make the pricing prohibitive beyond the second quarter of 2026. The pace of the organic/specialty imports, which are primarily sourced from countries subjected to tariffs like Brazil,² has been strong since July. Based on the USDA, Foreign Agricultural Service (FAS) December U.S. Sugar Monthly Import and Re-Exports report, 90,000 STRV of the 2025/26 projected 211,000STRV high-tier organic sugar, or 43 percent, has already been imported just in the first 2 months of the fiscal year, thereby providing supplies at least through May 2026. On the other hand, the estimate for high-tier refined sugar imports remains at 131,000 STRV while high-tier raw sugar imports were minimally increased by 400 MT to 74,000 STRV to reflect actual entries through the first week of December. Thus, the total high-tier imports projection now stands at ^{USDA} 416,000 STRV. With Mexico's Export Limit as of December unchanged at 219,638 STRV (table 4), high-tier sugar imports will surpass imports from Mexico as the second-largest category of U.S. imports behind the World Trade Organization (WTO) raw sugar tariff-rate quota (TRQ) for the third year in a row.

U.S. 2025/26 sugar deliveries for food and beverage use are lowered from last month by 23,000 STRV to 12.048 million, down 500,000 STRV (4 percent) from last year's record at 12.549 million. The 2024/25 record was achieved mainly on a surge of direct consumption imports (DCI) that reached a record 965,000 STRV as imports were frontloaded ahead of tariffs that went into effect in August. In contrast, 2024/25 sugar deliveries by SMD beet processors and cane refiners were 11.584 million STRV, down by 0.5 percent from 2023/24. This same 0.5-percent annual reduction is applied to the 2025/26 reporters' portion, resulting in a 23,000-STRV downward adjustment from last month to 11.527 million, on an expectation of continued weakness in sugar demand. The demand uncertainty is partly attributed to inflationary pressure and overall reduction in food and beverage consumption due to a shift in eating habits amid the increasing popularity of the glucagon-like peptide-1 (GLP-1) drugs.

Refined sugar prices are under pressure amid the slow pace of sales and high inventory. The lower prices reflect efforts to keep domestic sales competitive relative to high-tier refined sugar imports, which according to Sosland's sources are priced between 45 and 46 cents per pound. The low range of the bulk refined Midwest beet sugar spot price for 2025/26 as of December 17 (reported in Sosland Publishing's Sweetener Market report) has been quoted at 41 cents per pound, down 5 cents since the beginning of the fiscal year. Sosland reported that some traders indicate there are even sales occurring at and below 40 cents per pound to clear storage for the new-crop sugar. Refined cane sugar prices are also under pressure partly by declines in the world raw sugar Number 11 futures price amid plentiful global supplies, which in turn is strongly correlated with the U.S. raw sugar Number 16 futures price. The quote for the bulk refined Northeast spot price for 2025/26 was 49 cents per pound, down from 51 cents in October.

Mexico's 2025/26 sugar production is raised 75,000 metric tons (MT) from last month to 5.094 million (table 5) based on the December 1 USDA, FAS, Mexico City Post's Sugar Semi-annual report. The 5.094 million MT reflects a 7–8 percent increase compared with the past 2 years of weather-affected output (about 4.7 million MT) but remains at the low end relative to pre-2023/24 years. The Mexico City Post partly attributed this recovery to the onset of seasonal rains and to the expansion of harvest into fields planted with new sugarcane that are finally ready. The 5.094 million metric ton estimate is lower than the first estimate (5.281 million MT) released by Mexico's National Committee for the Sustainable Development of Sugarcane (CONADESUCA) on November 13.

Farm Management Planning Tools Available for 2026 Crop Year from the LSU AgCenter

The LSU AgCenter has released the 2026 enterprise budgets for corn, cotton, rice, sorghum, soybeans, sugarcane, and wheat. The purpose of these reports are to provide planning information regarding crop production costs and market returns for the 2026 crop year.



Crop enterprise budgets in this report are presented in two budget formats. The first budget format (table A) is a summary of costs and returns for the crop enterprise. The second budget format (table B) provides a table listing the sequence of production operations, indicating the equipment and implements used, month of operation, labor required, machine time required, and materials used. Labor costs, material costs, custom costs, and direct and fixed costs for tractors and equipment are also included for each operation. All costs are summed giving the total cost per operation or practice.

The budgets included in this report are categorized by per acre total direct expenses and per acre total fixed expenses for a production season. Projected crop enterprise budgets in this report include a calculation of expected market returns for the crop. Expected crop yields and market prices are selected at the beginning of the crop year. Projected crop yields are determined based on recent production history for expected yield given normal weather conditions. Projected market prices are specified as expected marketing year average prices for the commodity, based on harvest time futures price quotes as well as other market information at the beginning of the crop year. No estimate of income from farm program participation or crop insurance is included in this budgets due to the wide variety of farm program and crop insurance choices available to producers.

These projected cost and return documents, as well as other farm management decision tools can be accessed using the following direct links. Enterprise budget publication presents estimates of projected costs and returns for corn, cotton, rice, sorghum, soybean, sugarcane, and wheat production in Louisiana for the 2026 crop year. Enterprise budgets for the 2026 crop year are presented in MS Excel and PDF format.

The following budget links can be pasted into your web browser.

Corn: <https://www.lsuagcenter.com/topics/crops/corn/budget>

Cotton: <https://www.lsuagcenter.com/topics/crops/cotton/budget>

Grain Sorghum: <https://www.lsuagcenter.com/topics/crops/grain%20sorghum/budget>

Rice: <https://www.lsuagcenter.com/topics/crops/rice/budget>

Soybeans: <https://www.lsuagcenter.com/topics/crops/soybeans/budgets>

Sugarcane: <https://www.lsuagcenter.com/topics/crops/sugarcane/economics>

Wheat: <https://www.lsuagcenter.com/sitecore/content/lsuagcenter/topics/crops/wheatoats/budget>

Additionally, specific farm management decision tools (spreadsheets) are available. On the LSU AgCenter's webpage (www.lsuagcenter.com), click crops on the page ribbon. When all the crop icons appear, select the desired crop. Next, click on the budget icon to be directed to the webpage for farm management tool download. Available farm management tools are:

Corn, Cotton, Soybean, and Grain Sorghum Net Return Comparison Tool

Rice Farm Cash Flow Model

Rice Rental Evaluation Model

Furrow Irrigated Rice Budget

Provisia® Rice Budget

Sugarcane Farm Costs and Returns Model

Newsletter Information

A group of growers inquired about a quarterly newsletter being delivered to them containing relevant market news and agricultural policy events. As a result, this publication is delivered electronically per a quarterly release schedule. Please contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu to be added to the email distribution list. As always, subscription is free of charge.

QUARTER	Reporting Period	Release Date
1	January 1 through March 31	April 15
2	April 1 through June 30	July 15
3	July 1 through September 30	October 15
4	October 1 through December 31	January 15

Please direct questions and comments to Dr. Michael Deliberto, Department of Agricultural Economics and Agribusiness, LSU AgCenter. Mailing Address: 101 Martin D. Woodin Hall, LSU Campus, Baton Rouge, LA 70803. Office Phone: 225-578-7267. Email: mdeliberto@agcenter.lsu.edu Staff Report 2026-07. January 2026.

