2026 Agricultural Economic Outlook

ASA Symposium

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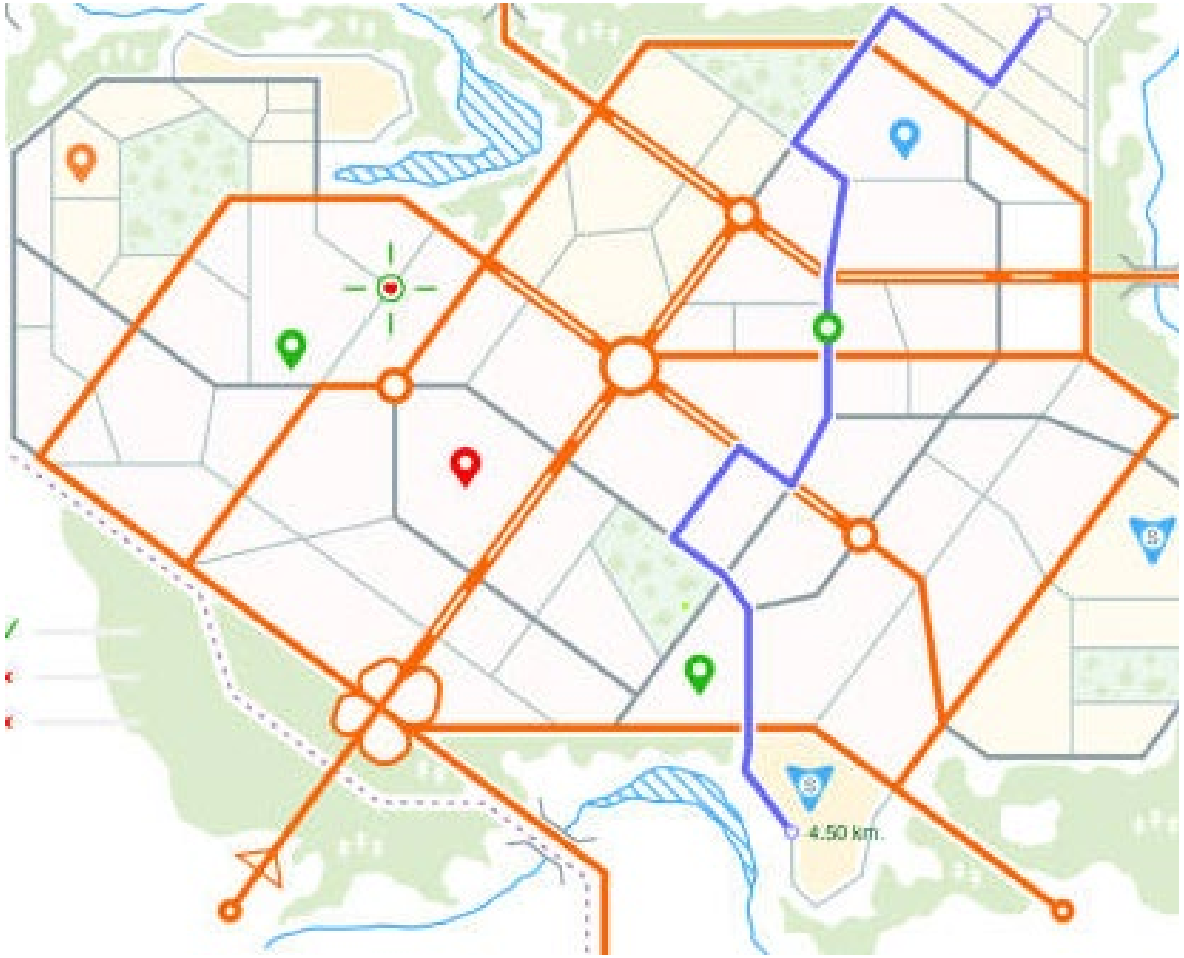
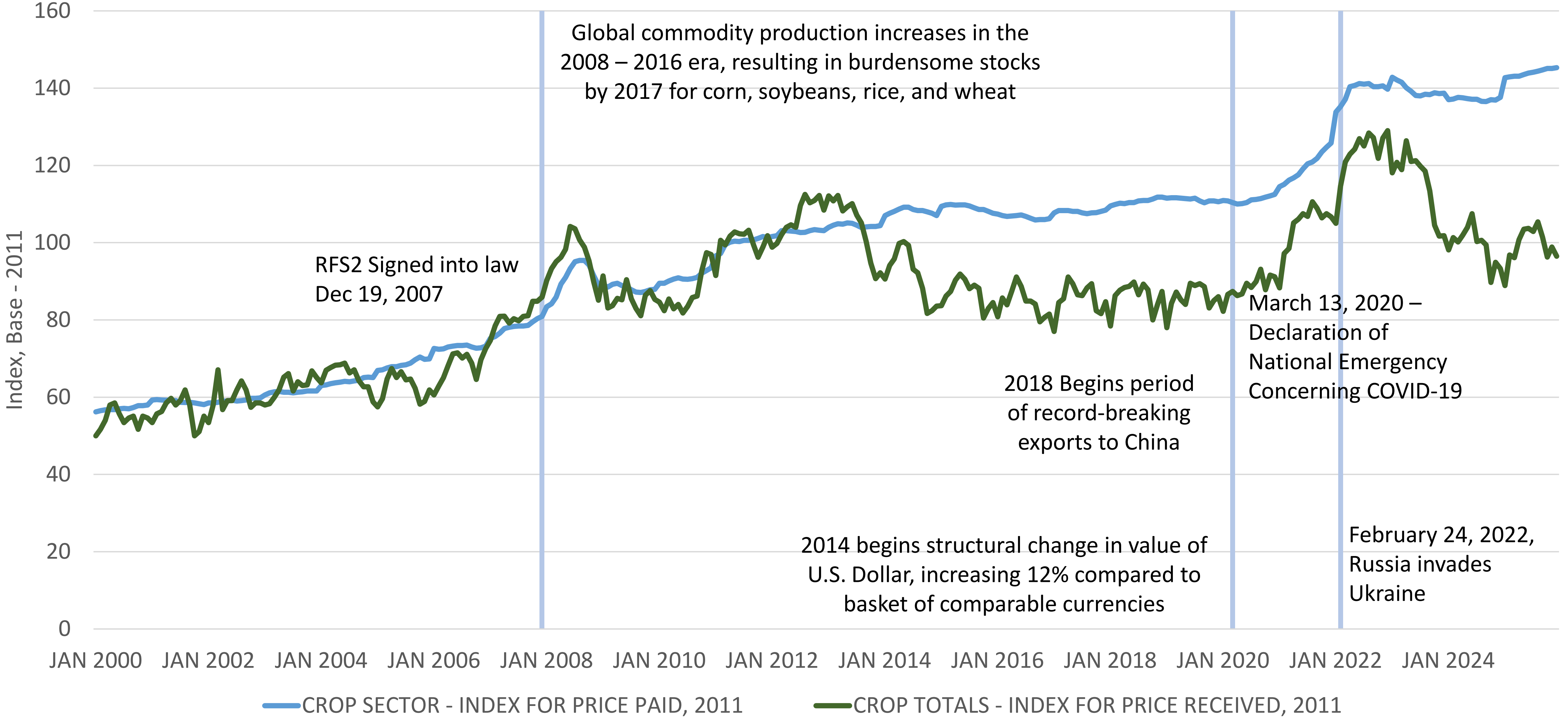
8/4/2026

Road Map

- Recent history and market fundamentals
- Impact of the Strait of Hormuz and inputs
- Final thoughts

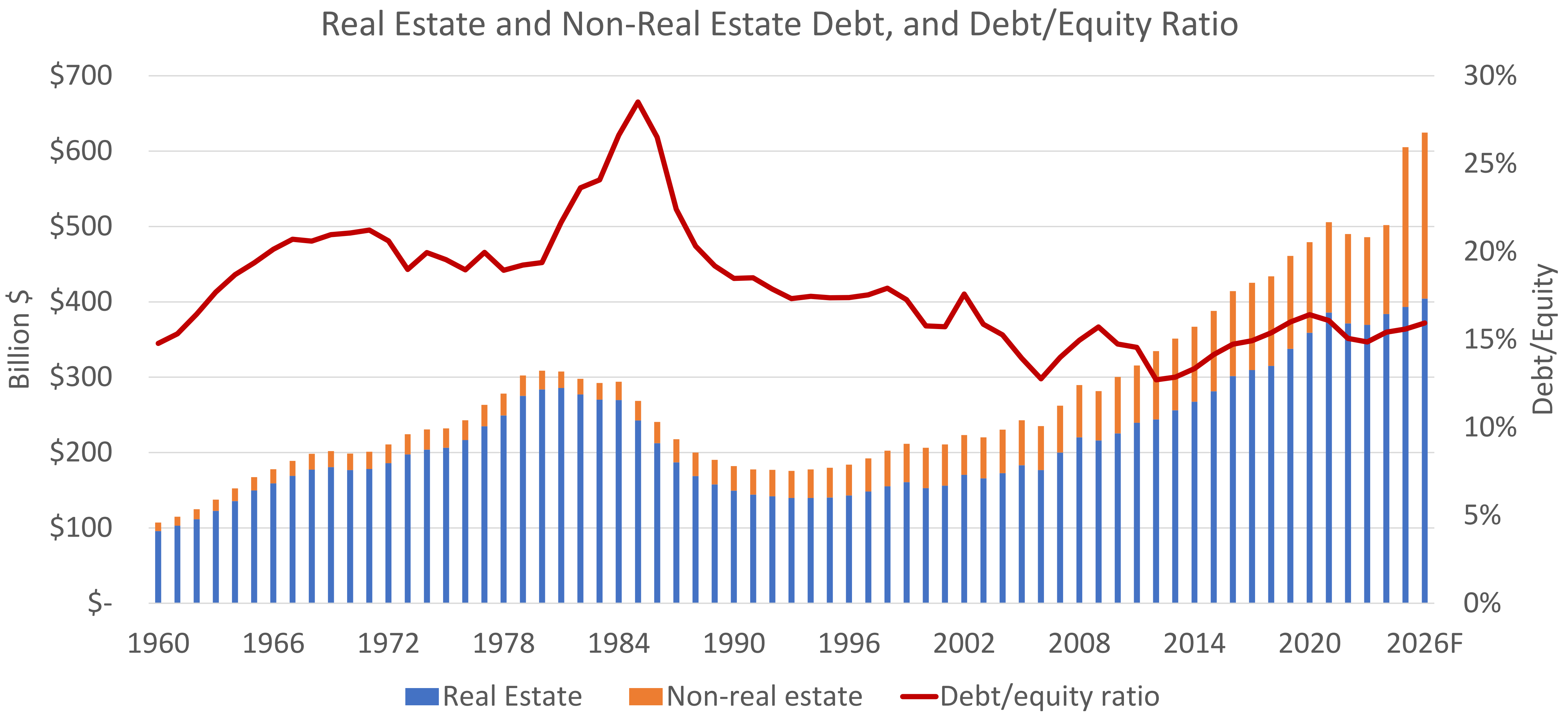


A Decade of Fundamental Headwinds



Source: USDA, National Agricultural Statistics Service

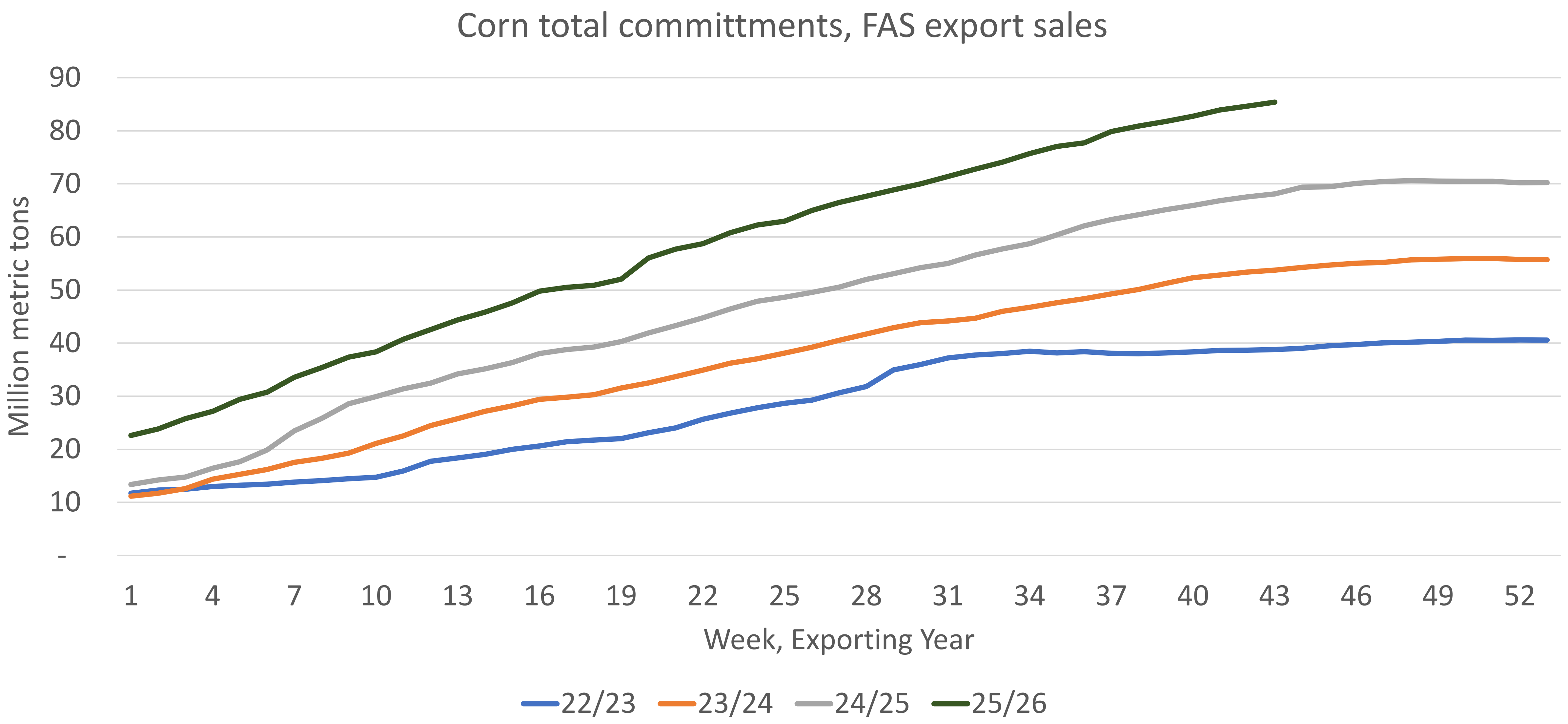
Increasing Debt Burden



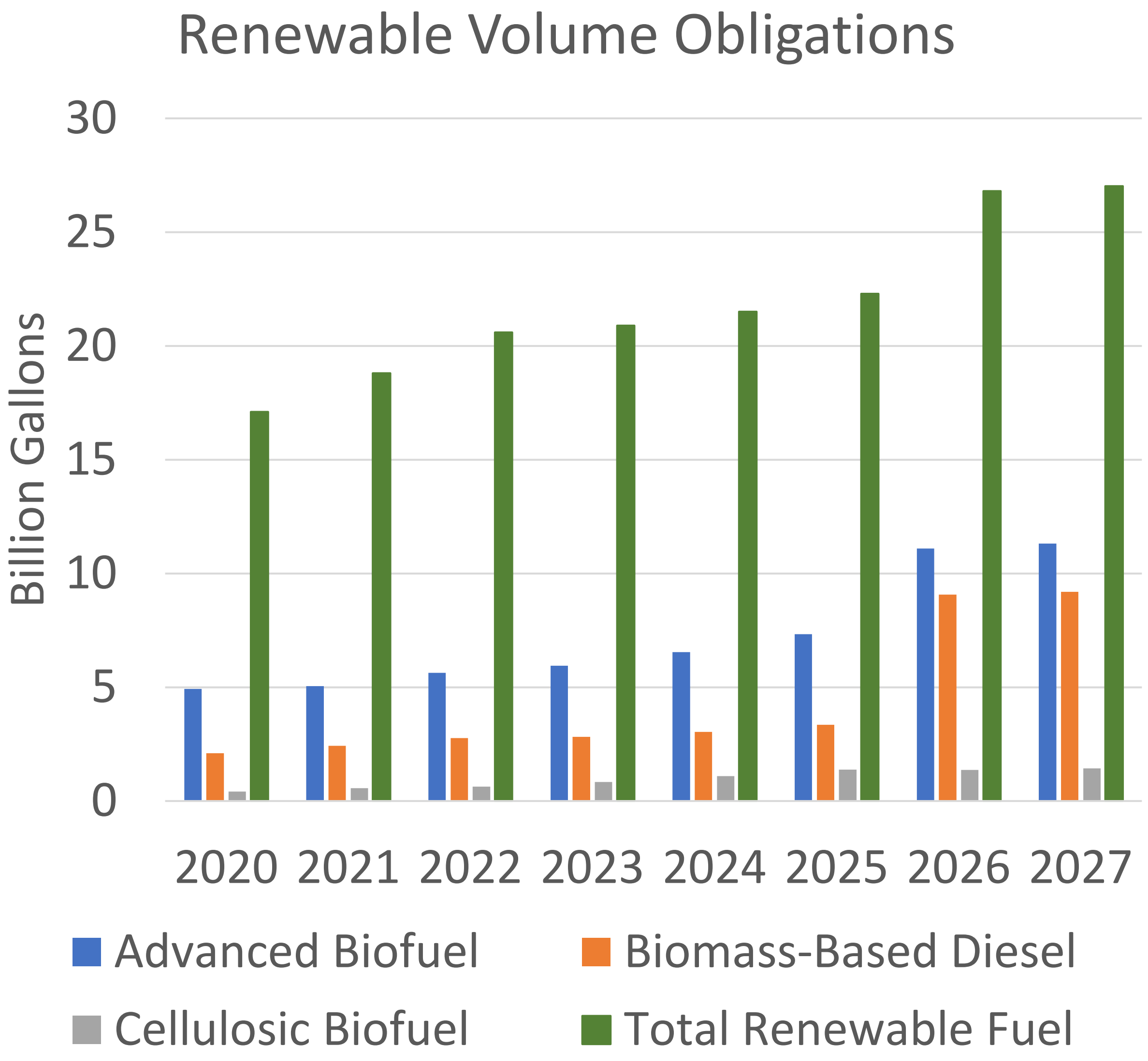
Source: USDA, Economic Research Service

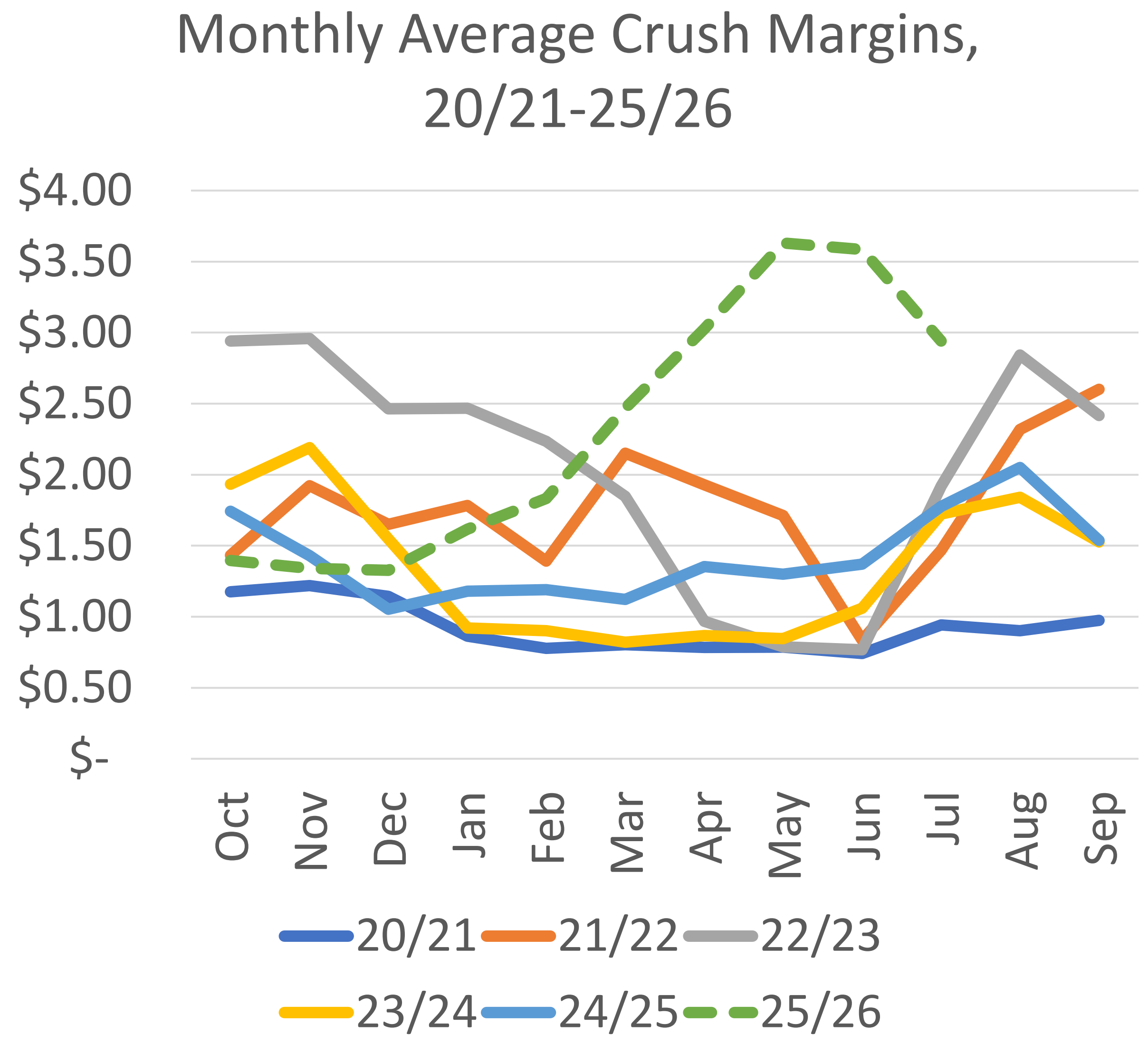
Crop Market Fundamentals

Corn: Record-Breaking Exports



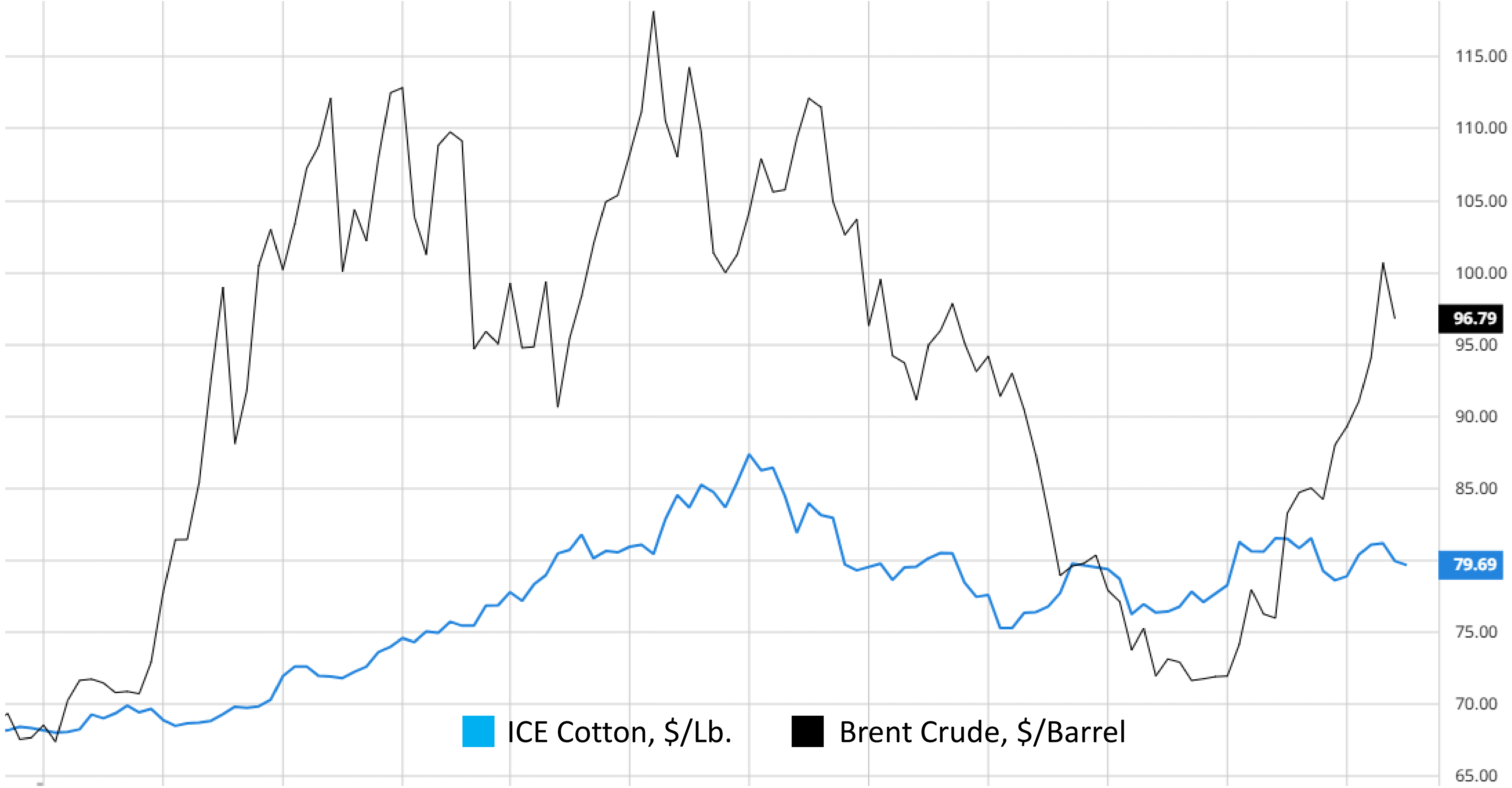
Renewable Fuel Standard, 2026 & 2027





Source: EPA, OCE Estimates

Cotton and Oil through 2026



Source: barchart

Historically Low U.S. Wheat Production 2026

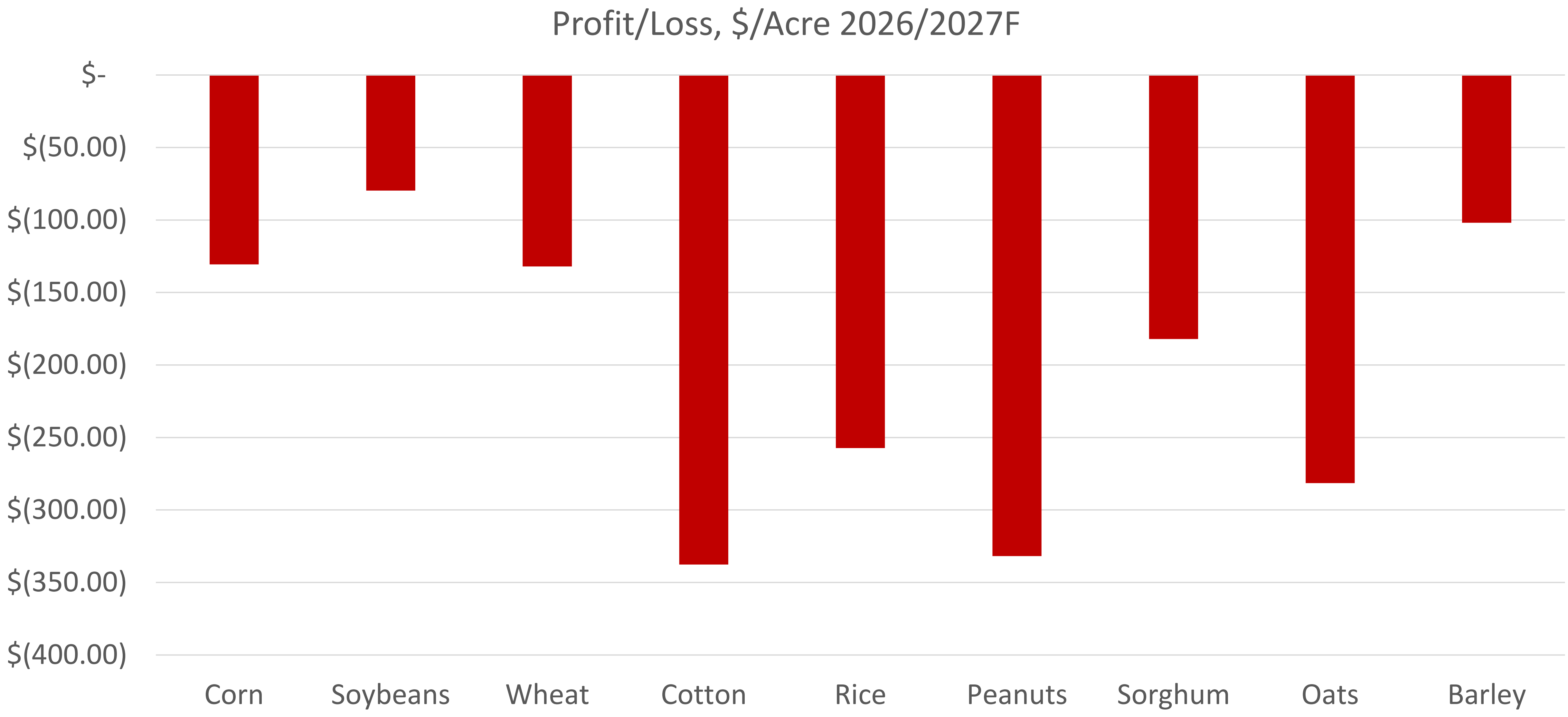
Crop Prices 2026/27 Crop year – July WASDE

	2022	2023	2024	2025	*2026/ 27F*	Change 2025 to 2026	Effective Reference Price	25/26 Proj. PLC Pmt Rate
Corn ($/bu.)	6.54	4.55	4.24	4.1	*4.4*	0.30	4.42	0.27
Soybeans ($/bu.)	14.2	12.4	10.1	10	*11.4*	1.40	10.71	0.31
Wheat ($/bu.)	8.83	6.96	5.52	4.9	*6*	1.10	6.35	1.29
Upland Cotton (c/lb.)	84.8	76.1	63.5	60	*73*	13	88*	0.15*
All Rice ($/cwt)	19.8	17.3	15.1	12.1	*14.9*	2.80	16.9	$6.50
Peanuts ($/lb.)	0.26	0.26	0.26	0.23	*0.26*	0.03	$0.32	$0.082
Sorghum ($/bu.)	5.94	4.93	4.07	3.55	*4.1*	0.55	$4.67	$1.12
Barley ($/bu.)	7.40	7.39	6.31	5.46	*5.6*	0.14	$5.45	$0.00
Oats ($/bu.)	4.57	3.92	3.35	3.23	*3.35*	0.12	$3.05	$0.00

*Cotton estimates assume a rough conversion of seed cotton to cotton lint price of 2.1

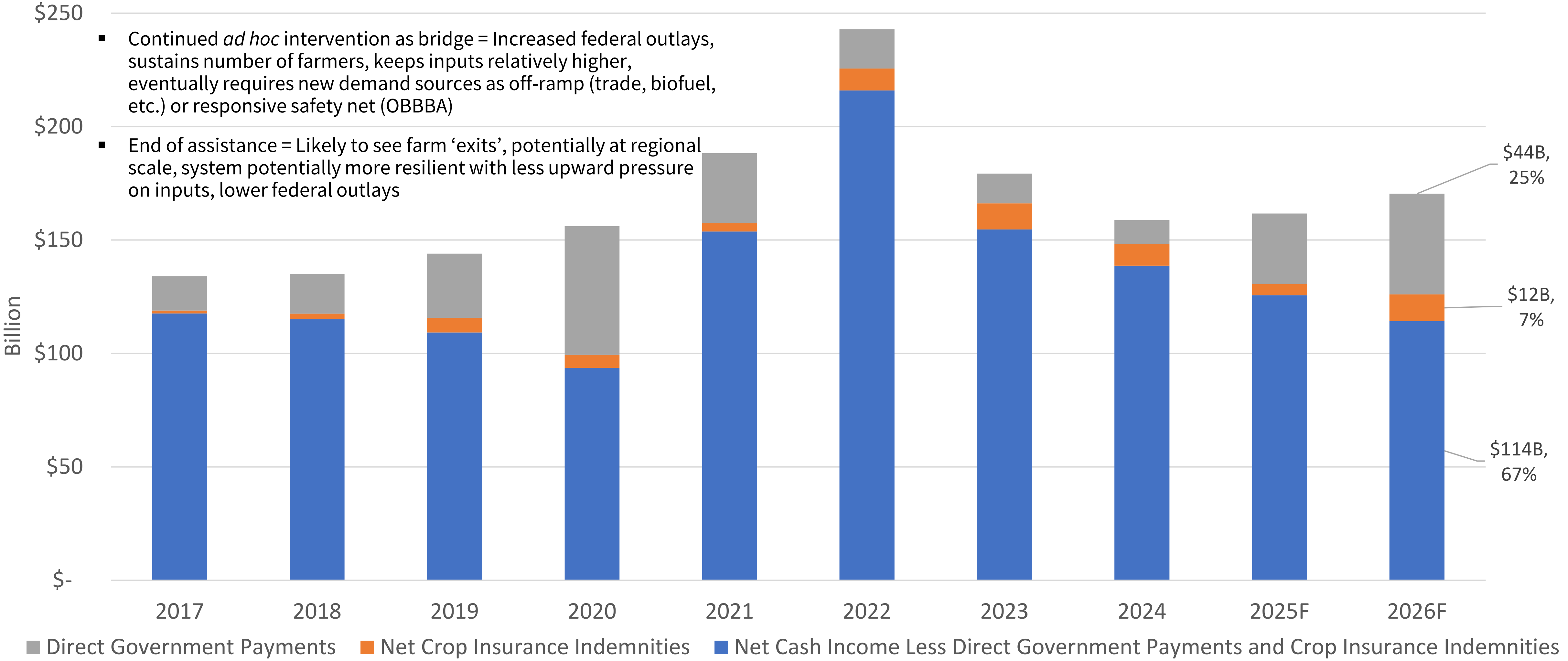
Source: USDA, FPAC and OCE Internal Estimates

Row Crop Cash Returns



The Role of Federal Support

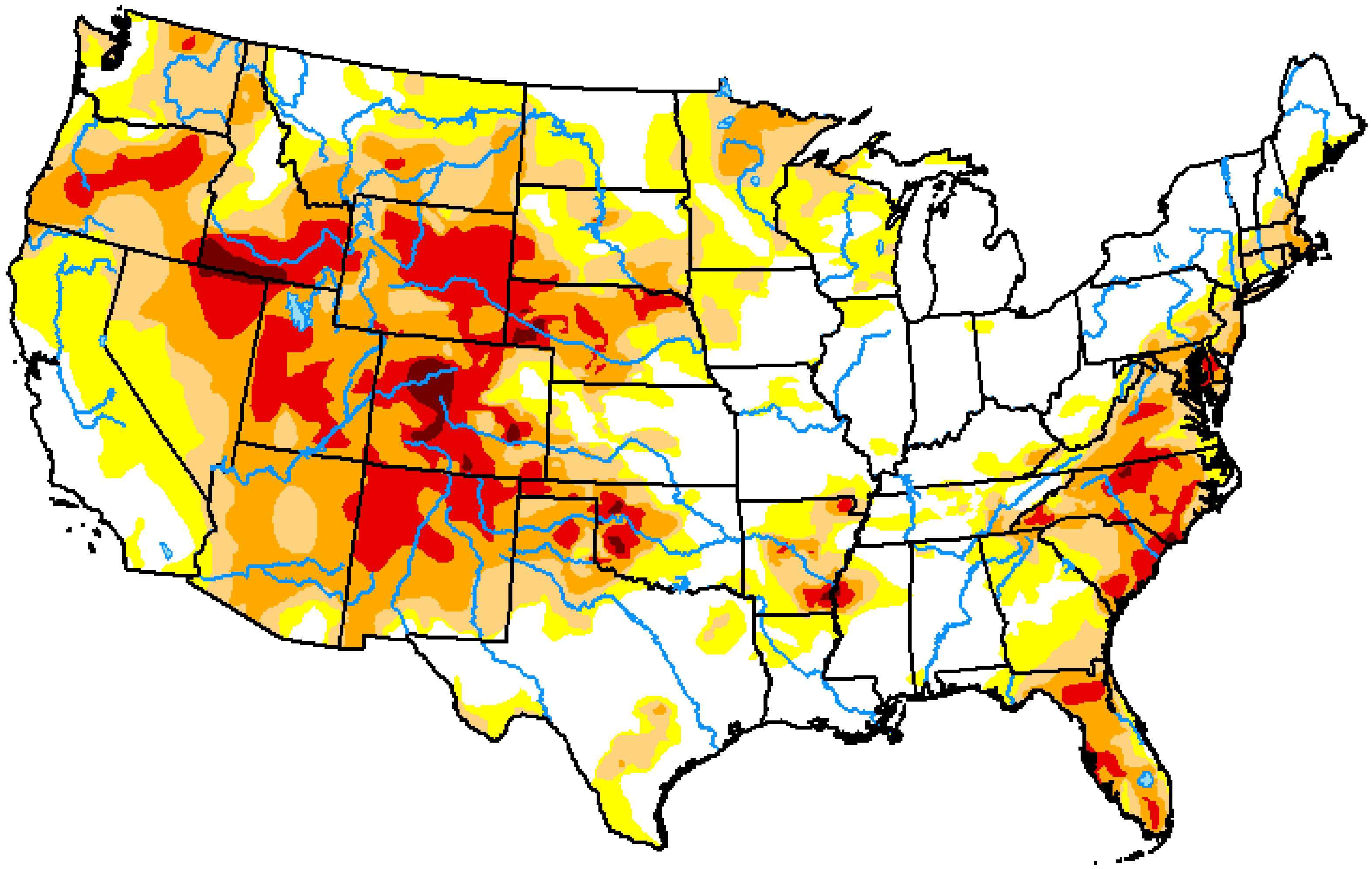
- Continued *ad hoc* intervention as bridge = Increased federal outlays, sustains number of farmers, keeps inputs relatively higher, eventually requires new demand sources as off-ramp (trade, biofuel, etc.) or responsive safety net (OBBBA)
- End of assistance = Likely to see farm ‘exits’, potentially at regional scale, system potentially more resilient with less upward pressure on inputs, lower federal outlays



Data as of February 5, 2026. F = Forecast values. estimates and forecasts developed using data from the USDA’s World Agricultural Supply and Demand Estimates, National Agricultural Statistics Service, Farm Service Agency, Risk Management Agency, Natural Resources Conservation Service, Animal and Plant Health Inspection Service, internal commodity projections, and other non-USDA sources.

U.S. Drought Monitor

Released Thursday, July 23, 2026



Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

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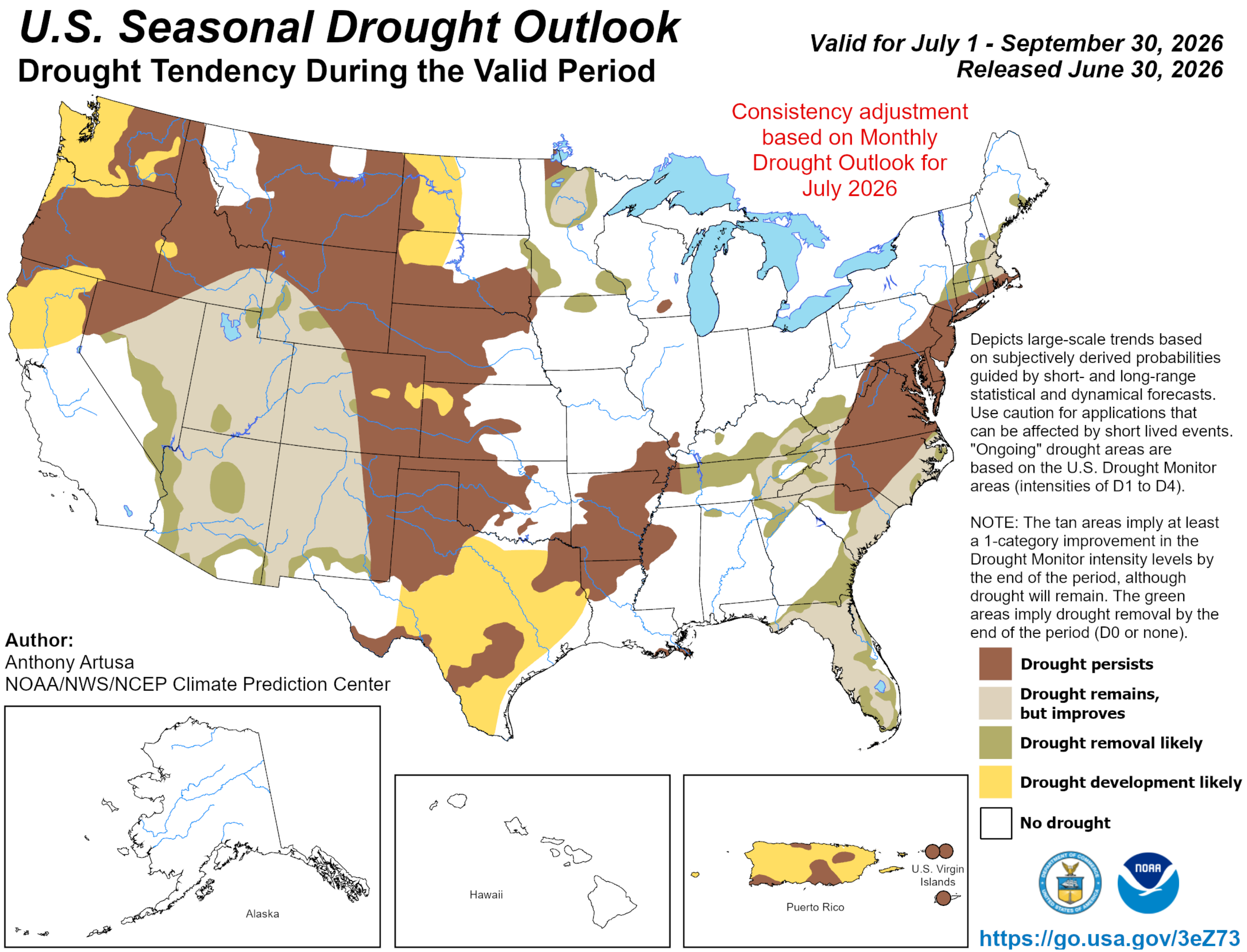
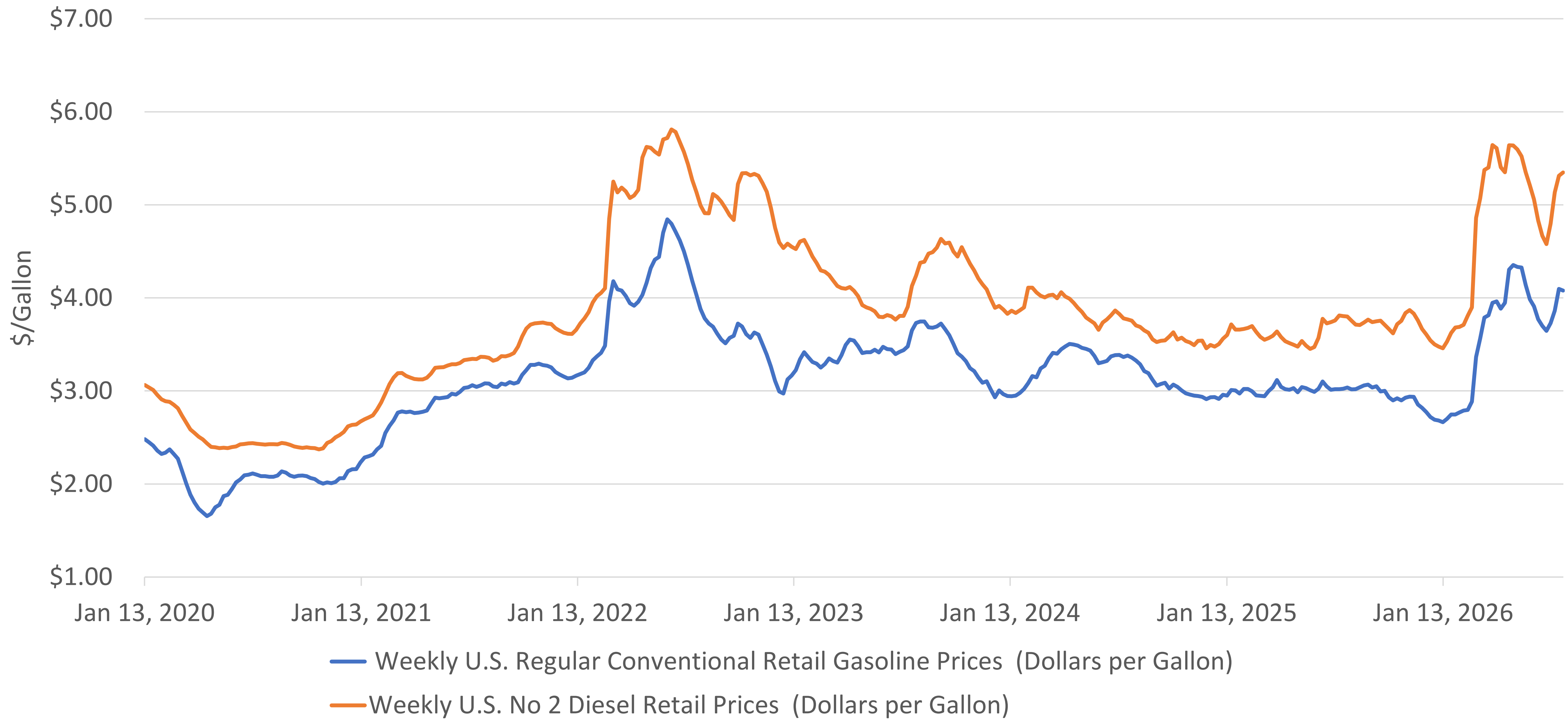
Drought Outlook

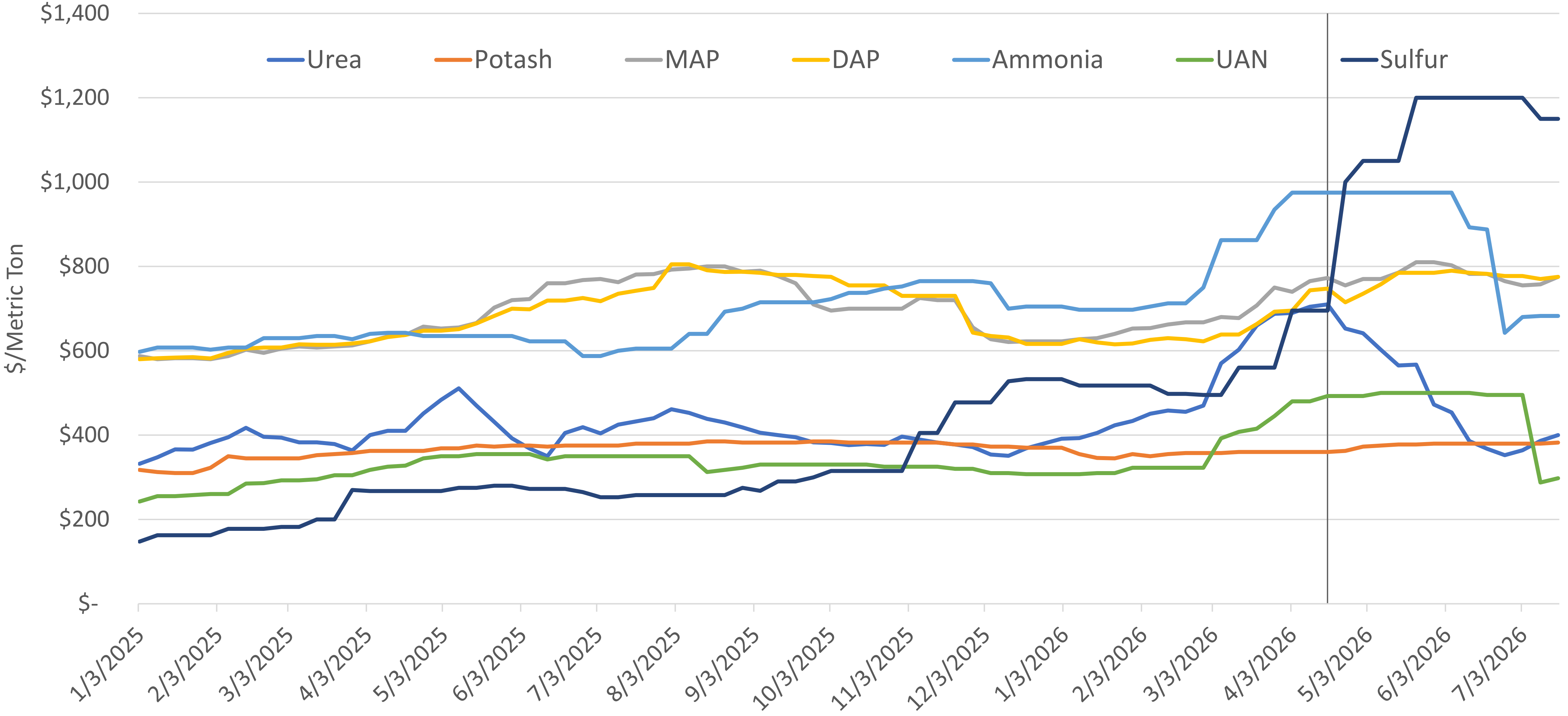


Weekly U.S. Gasoline and Diesel Prices



Source: Bloomberg, 2026

Fertilizer Nutrient and Product Prices, 2025-Present



Source: Bloomberg, 2026

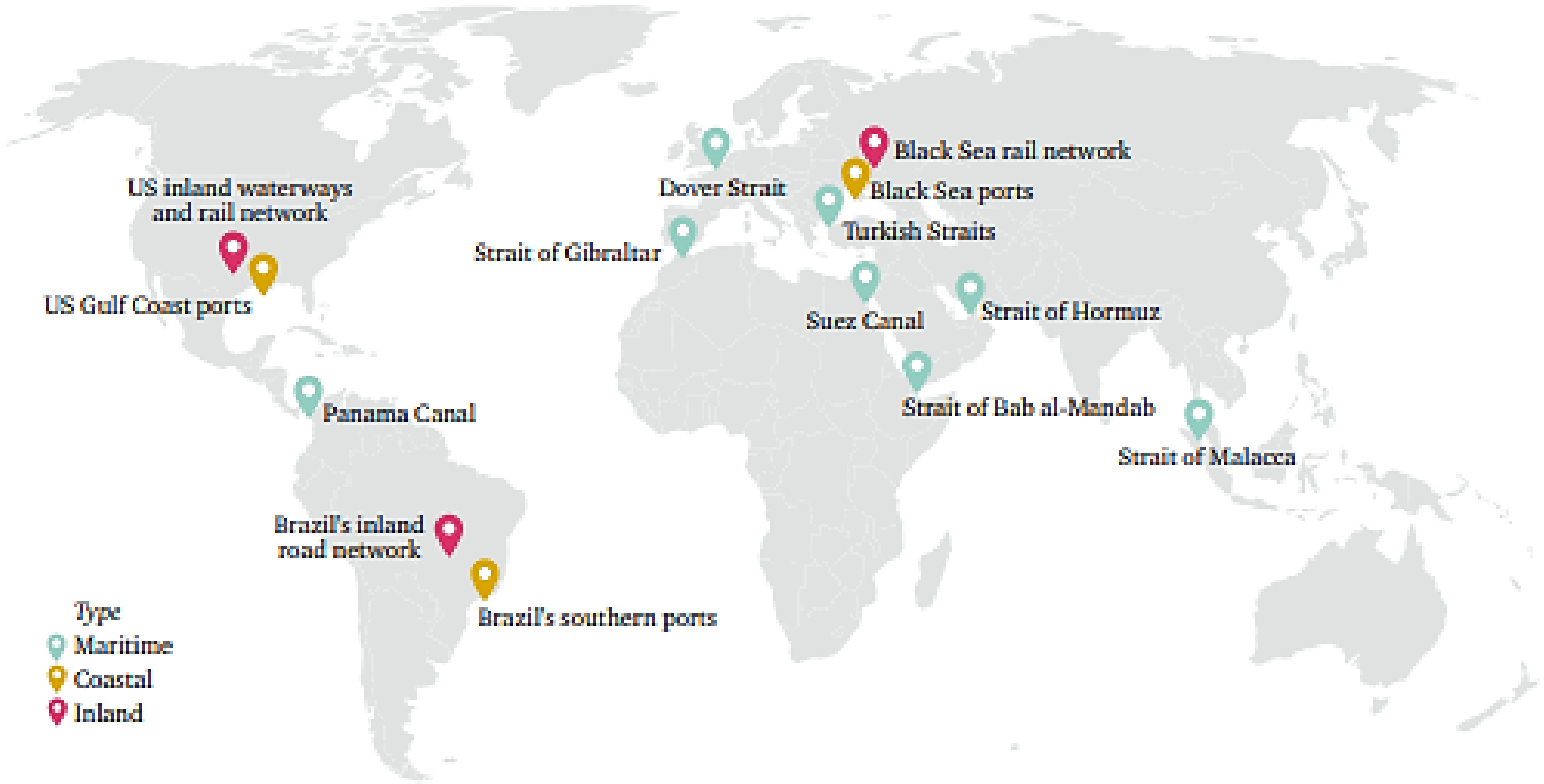
Timing of Application – The Case of N in Corn

- Ongoing questions about
  - Fertilizer availability
  - Application demand through the year
- Application throughout the year – sometimes multiple rounds
- Delay in reopening will have lagged impacts on prices returning to pre-conflict levels
  - Share of infrastructure functioning
  - Time to restart

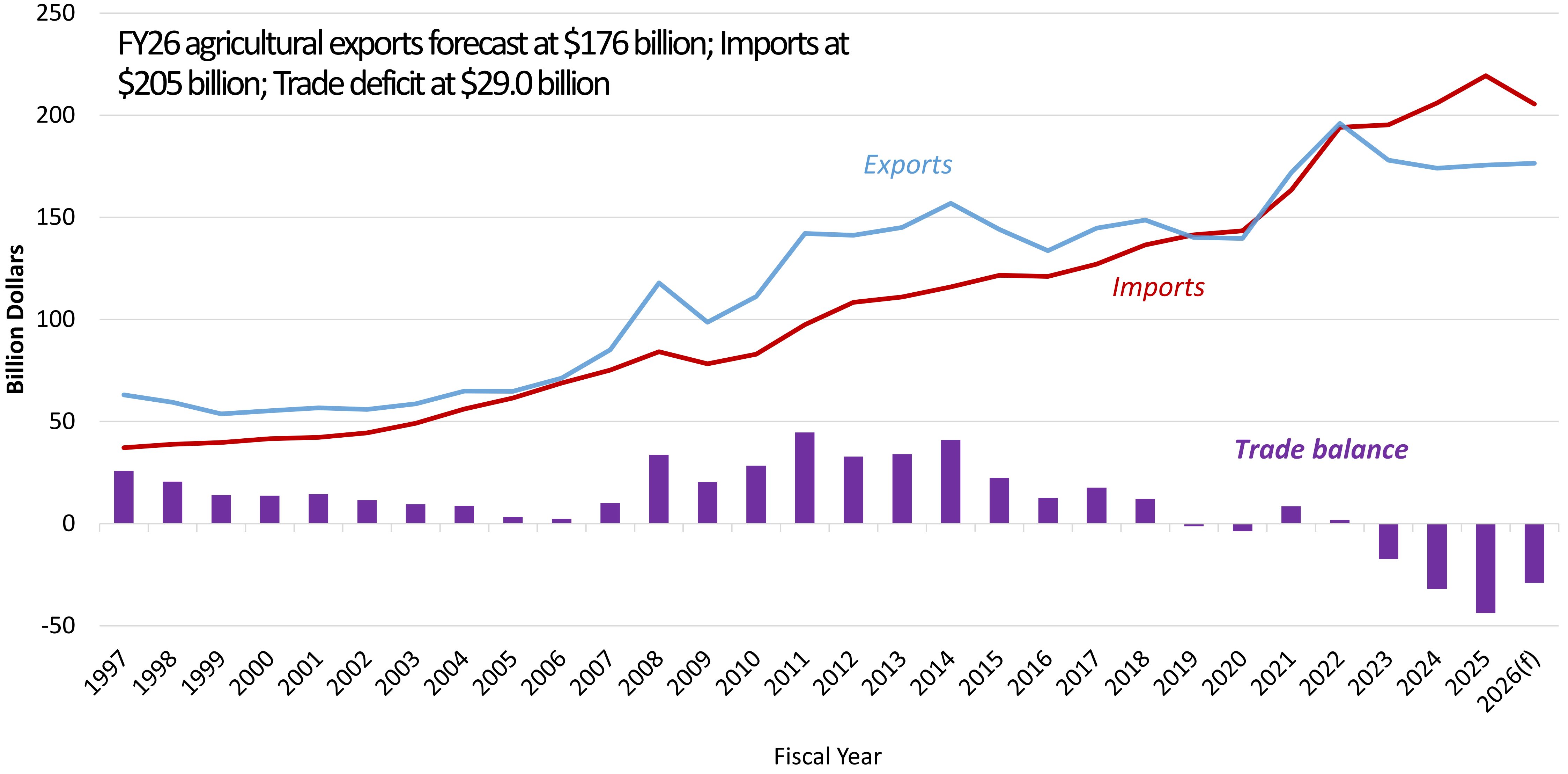
	% Acres Treated With N	Pounds of N Applied
Total	96	143.5
During Fall Prior to Planting	27	84.1
During Spring Prior to Planting	61	101.4
At Planting	34	30.76
After Planting	32	90.7

Source: USDA, ARMS Survey

Other Global Chokepoints in Agricultural Transportation

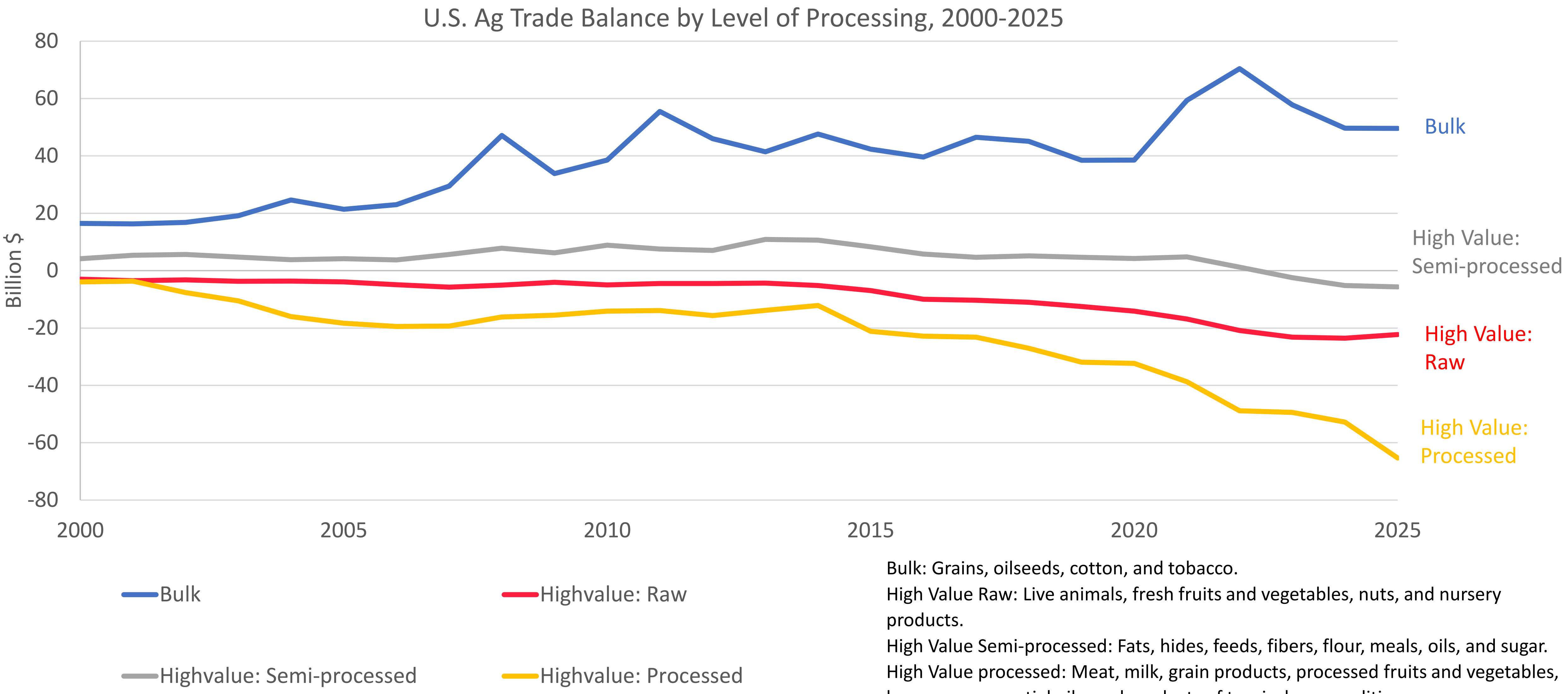


Agricultural Trade



Source: ERS/FAS December 2025 Quarterly Trade Report

Multiple Factors Driving Ag Trade Balance



Bulk: Grains, oilseeds, cotton, and tobacco.
High Value Raw: Live animals, fresh fruits and vegetables, nuts, and nursery products.
High Value Semi-processed: Fats, hides, feeds, fibers, flour, meals, oils, and sugar.
High Value processed: Meat, milk, grain products, processed fruits and vegetables, beverages, essential oils, and products of tropical commodities.

Source: USDA, ERS Foreign Agricultural Trade of the United States (FATUS).

Questions for the Year

- Duration of conflict with Iran
- Management of screwworm and border reopening
- Renegotiation of terms for USMCA or bilateral agreements
- Completion of Farm Bill 2.0 and/or *ad-hoc* support
- Implementation of 45z

Questions

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