Back to the Fundamentals

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RaboResearch Food & Agriculture
August 2026

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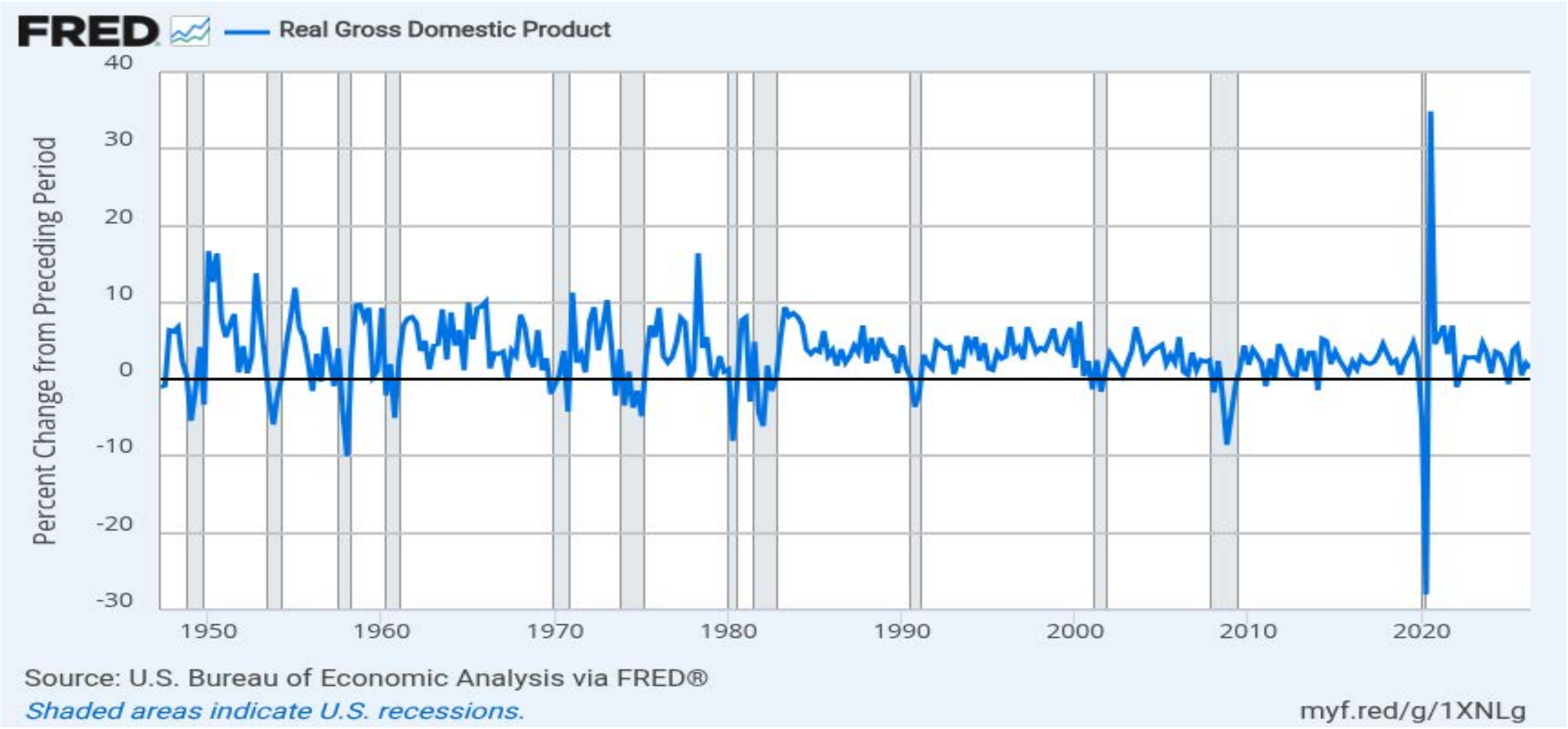
U.S. Real Gross Domestic Product (GDP)

2026-Q2 GDP grew at +1.5% annualized pace



Source: FRED Economic Data, Federal Reserve Bank of St. Louis, RaboResearch 2026

Federal Funds Effective Rate

Target range for federal funds rate is now @ 3.5% to 3.75%--75 pts., since December 2025.

Source: FRED Economic Data, Federal Reserve Bank of St. Louis, RaboResearch 2026

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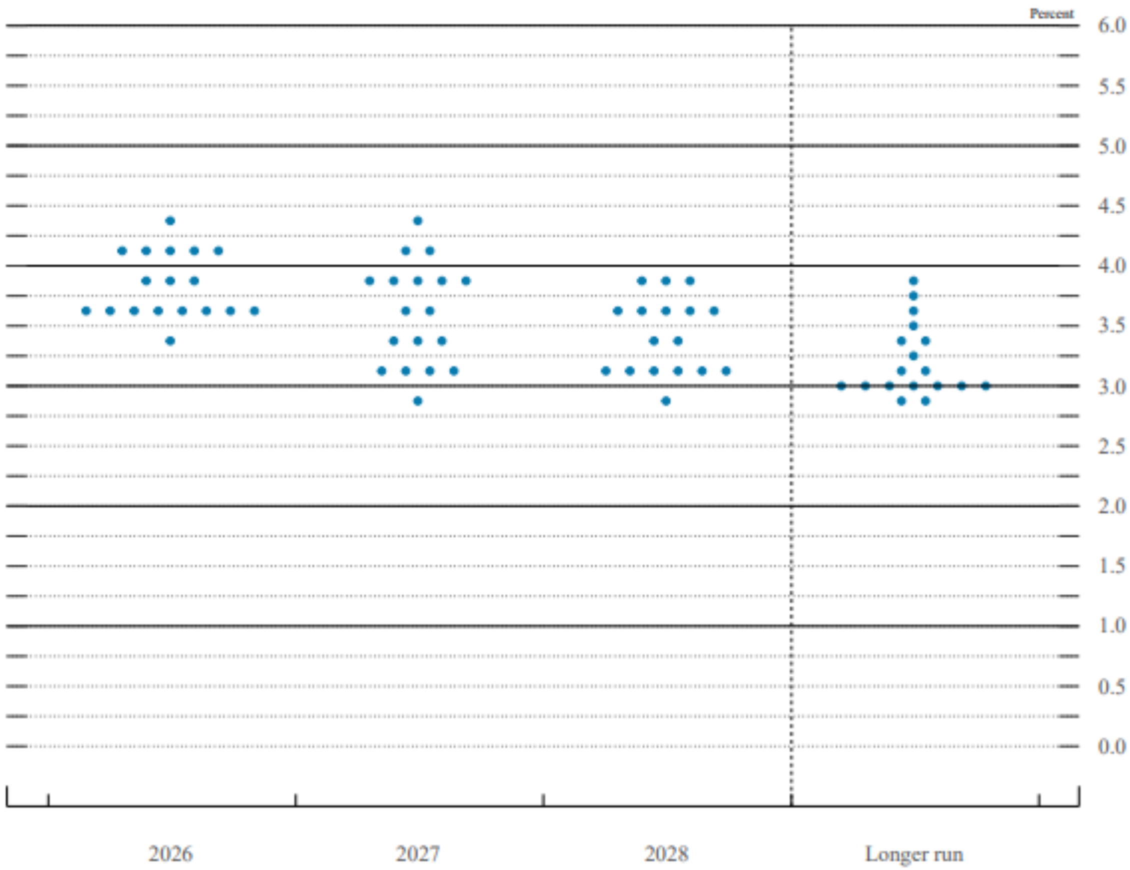
The Infamous Dot-Plot of Effective Federal Funds Rate

Majority of FOMC members don’t see any change in interest rate in 2026 or 2027.



Source: Federal Open Market Committee, June 2026

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Market yield on U.S. treasury securities @ 10-year constant maturity

Source: FRED Economic Data, Federal Reserve Bank of St. Louis, RaboResearch 2026

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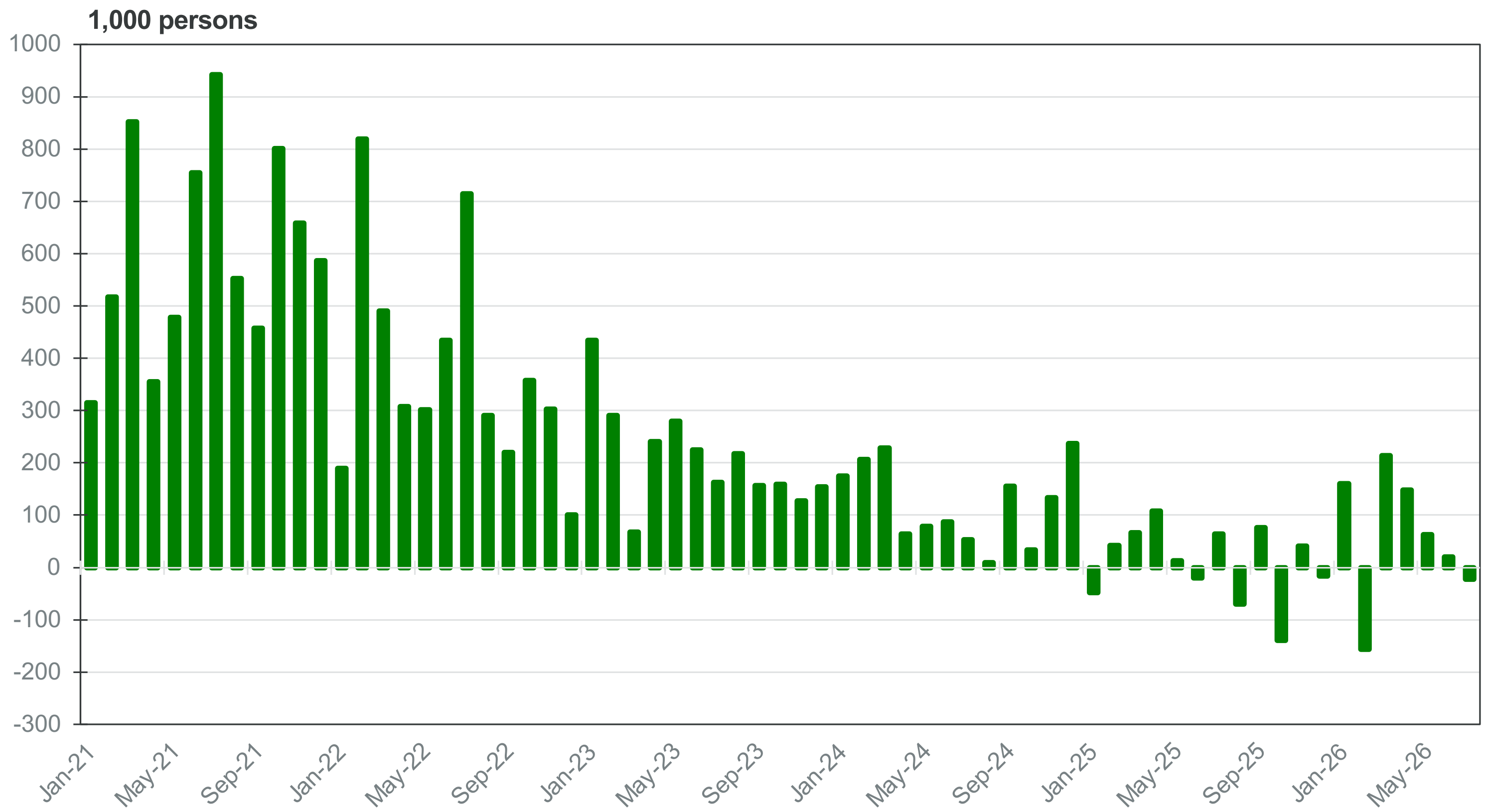
The job growth/generation picture is volatile



Source: FRED Economic Data, Federal Reserve Bank of St. Louis, RaboResearch 2025

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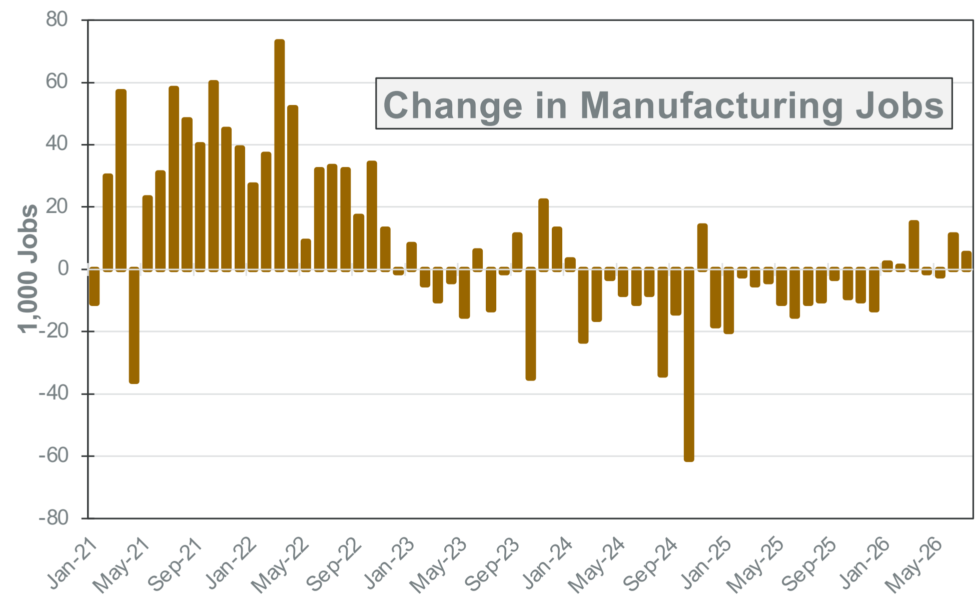
Job losses have been concentrated in government and manufacturing



Source: FRED Economic Data, Federal Reserve Bank of St. Louis, RaboResearch 2026

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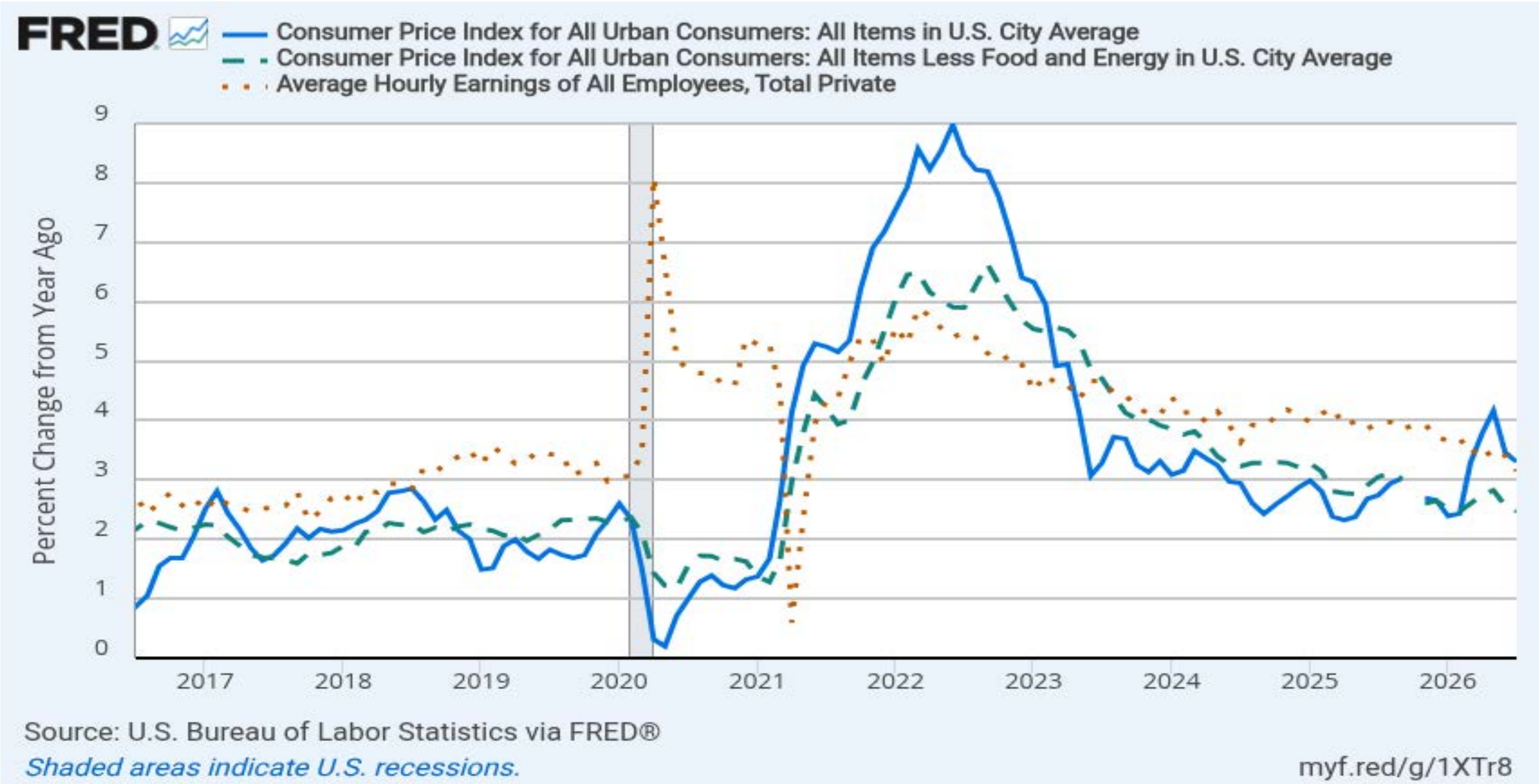
Annual Change in Earnings versus Inflation

Wage earners are starting to lose ground versus inflation



Source: FRED Economic Data, Federal Reserve Bank of St. Louis, RaboResearch 2026

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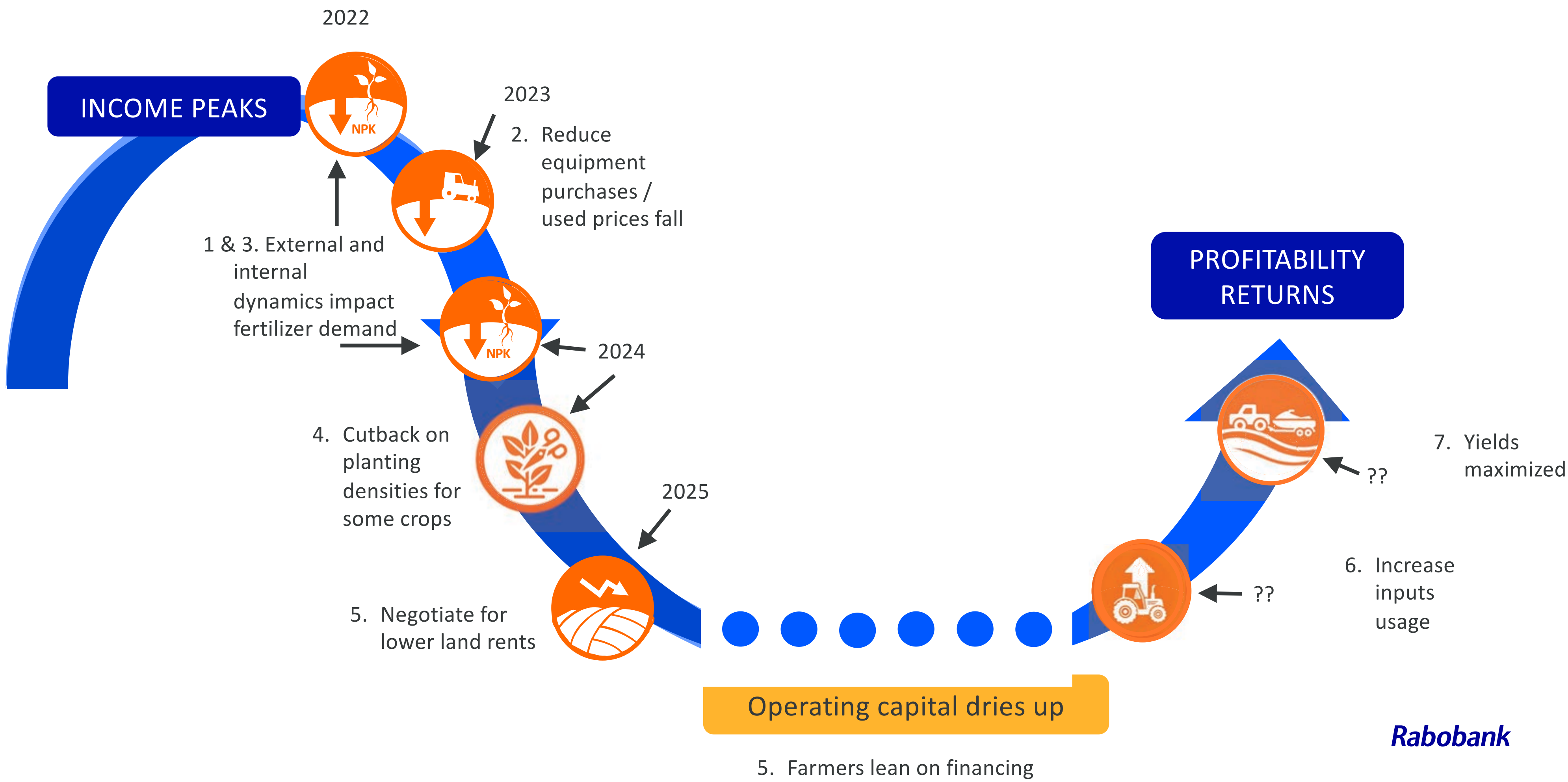
Stages of behavior during a "typical" row crop cycle



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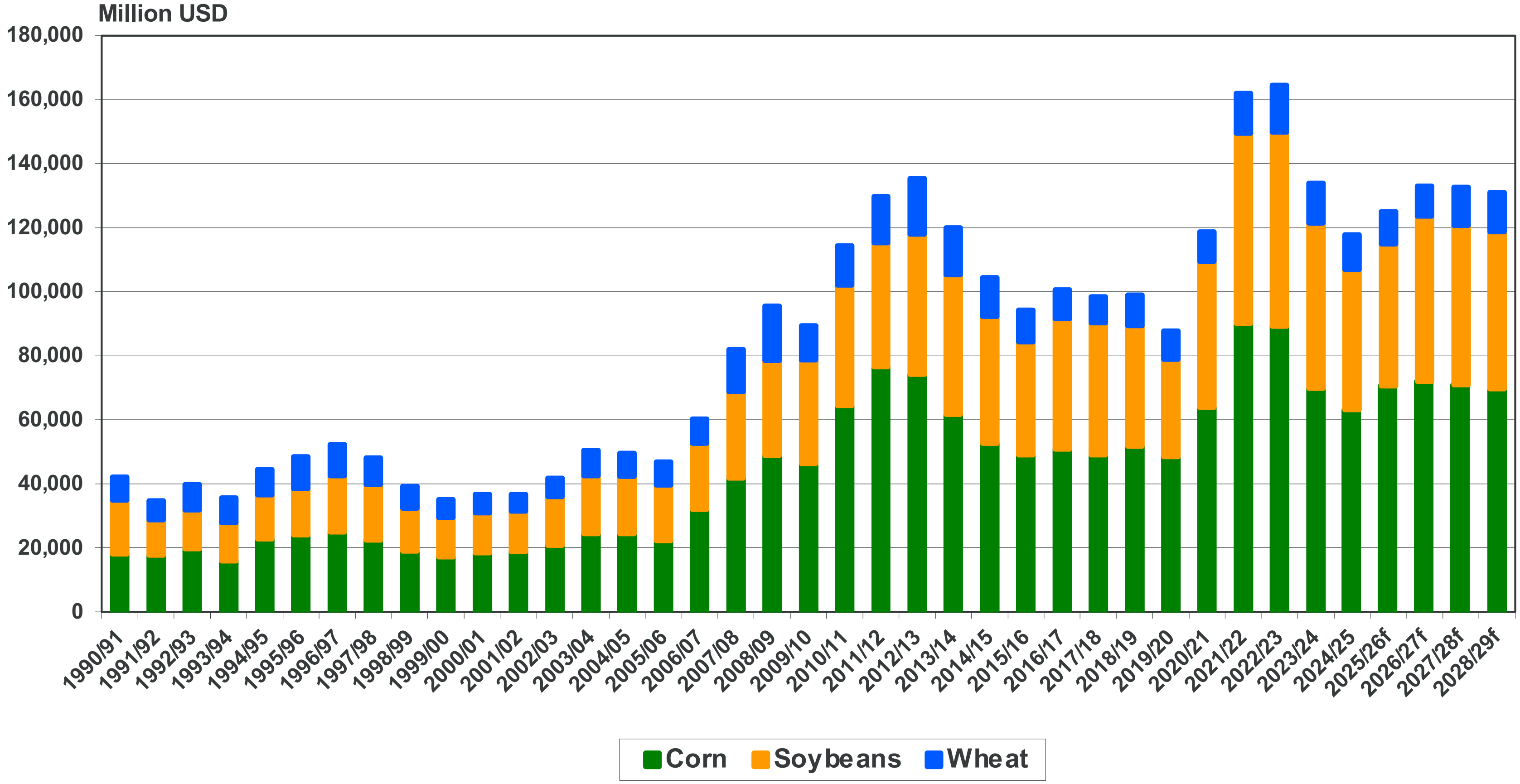
U.S. gross crop revenues (1990/91-2028/29)—above long-term average



Source: USDA/NASS, RaboResearch 2026

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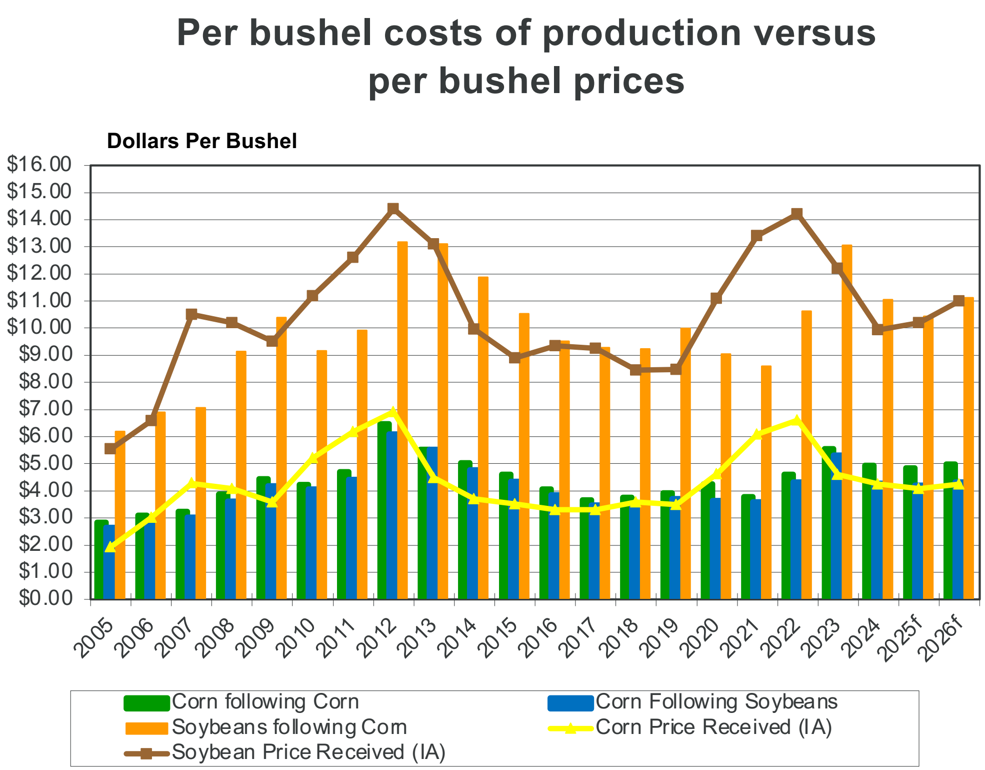
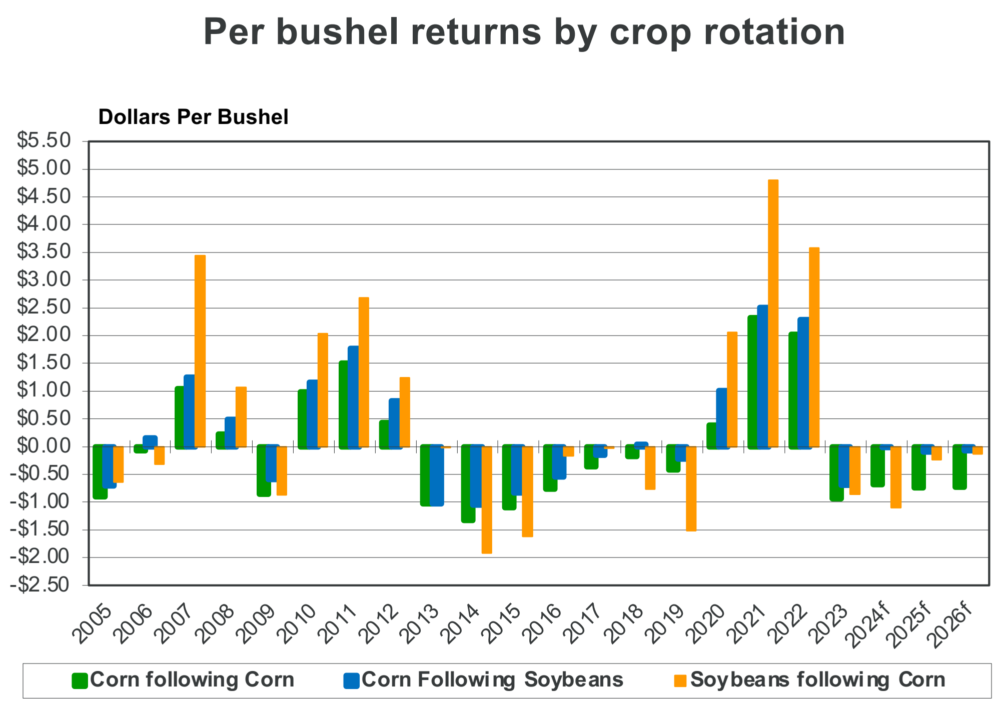
Commodity prices have leveled off as have costs of production, but costs have remained a near record high levels.





*Projection
Source: USDA/NASS, Iowa State University, Rabobank 2026

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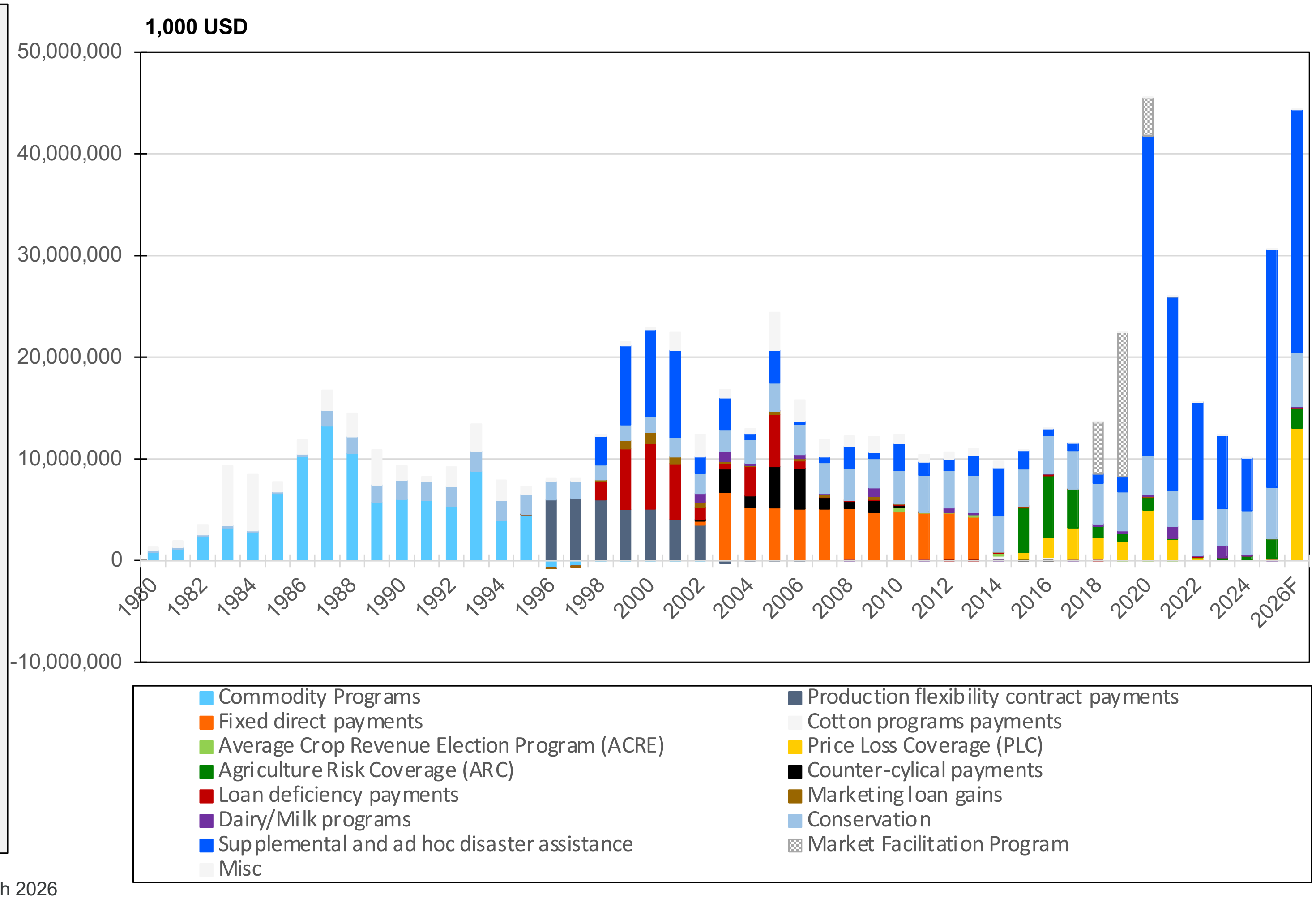
U.S. farm payments are on track for the second highest on record

There are discussions for another $12-$16 billion payment to farmers in 2026.

- **There has been $10 bln distributed** (https://www.fb.org/market-intel/emergency-commodity-assistance-program-ecap-what-you-need-to-know) **from Emergency Commodity Assistance Program (ECAP) in 2025.**
- **The One Big Beautiful Bill Act** (One Big Beautiful Bill Act: Final Agricultural Provisions | Market Intel | American Farm Bureau Federation) increased the farm safety net support through ARC/PLC (increasing reference prices), increasing base acres (+30 mln acres) eligible for farm safety net programs and increased crop insurance premium subsidy.
- **The Administration recently announced $12 bln one-time Farmer Bridge payments to farmers.** These payments are in response to temporary trade market disruptions and increased production costs--$11 bln for Farmer Bridge Assistance (FBA) program for row crop farmers and $1.0 bln for commodities not covered in the FBA program (specialty crops).
- **All these government payments will have a positive impact on the farm's balance sheet as seen in the last downturn from 2014-2020.** This in turn is positive for farm input suppliers and rural communities as farmers will have some money to spend.

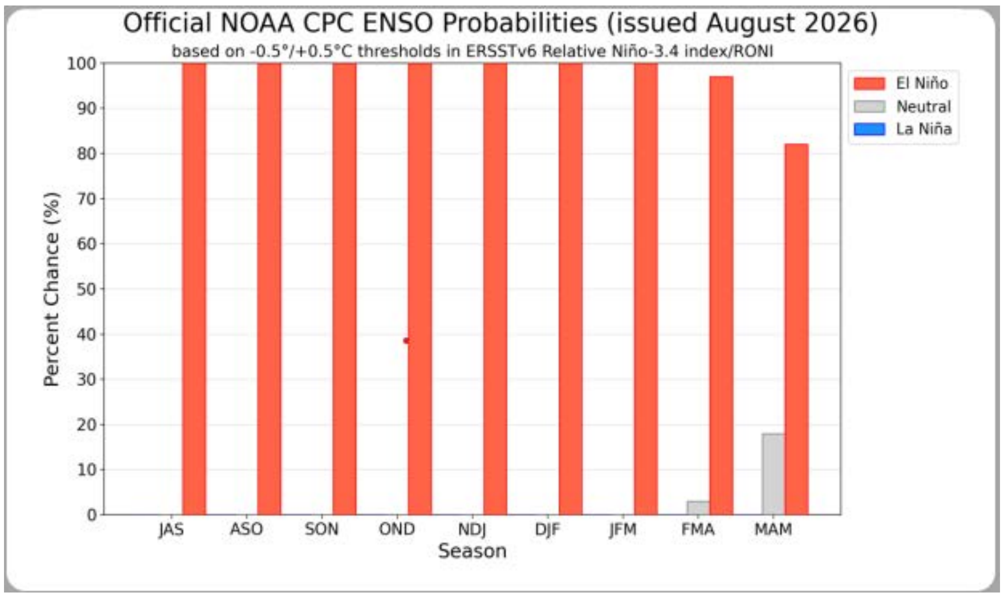


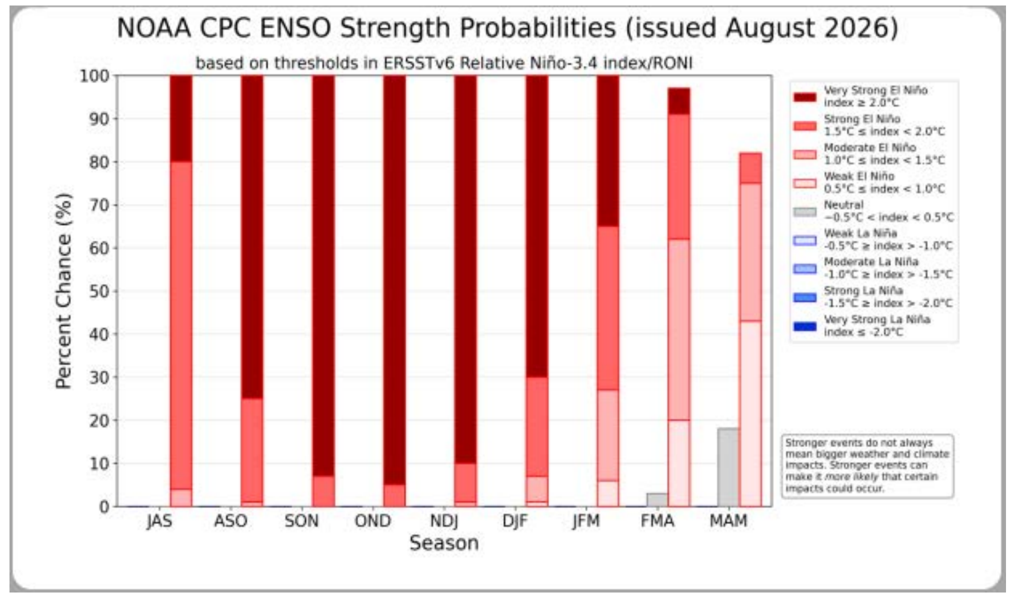
Source: various sources, USDA-ERS, RaboResearch 2026

Current El Nino situation

El Nino if favored to persist through Northern Hemisphere spring 2027

During September-November through November-January 2026-27, there is a greater than 90% chance of a very strong El Nino.





Source: ENSO: Recent Evolution, Current Status and Prediction—NOAA Climate Prediction Center, July 6, 2026

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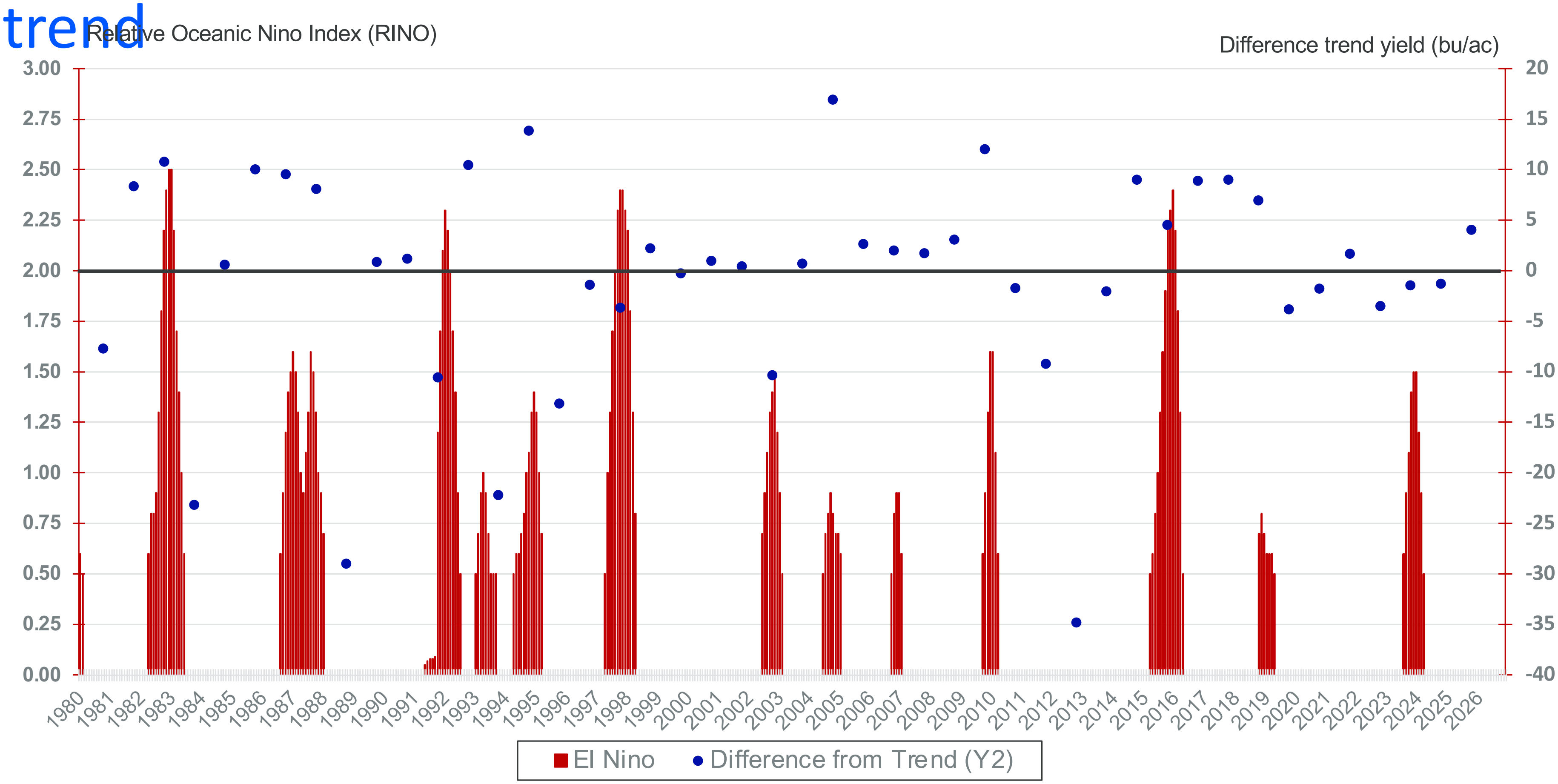
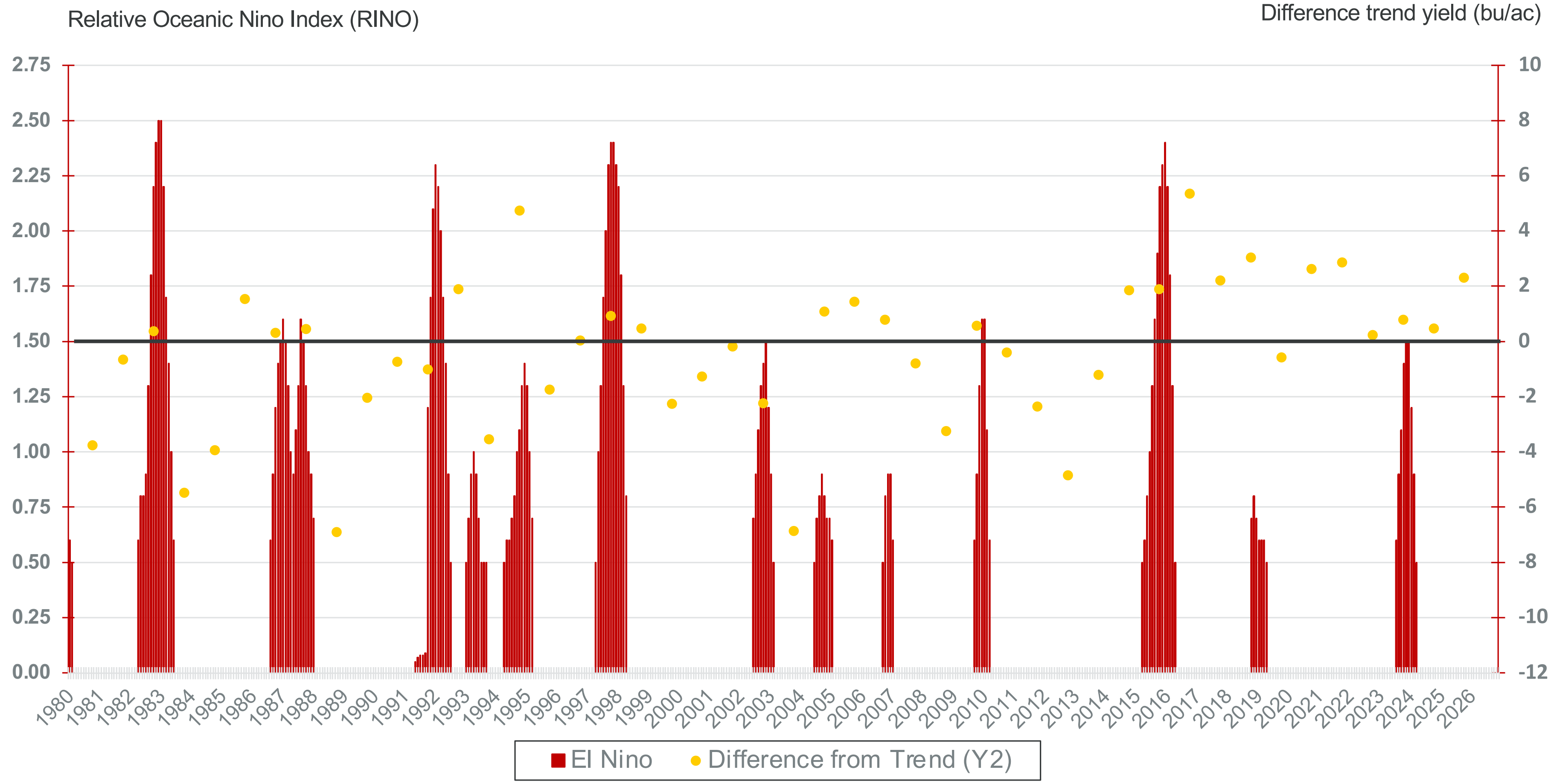
El Nino periods versus U.S. corn yields difference from trend



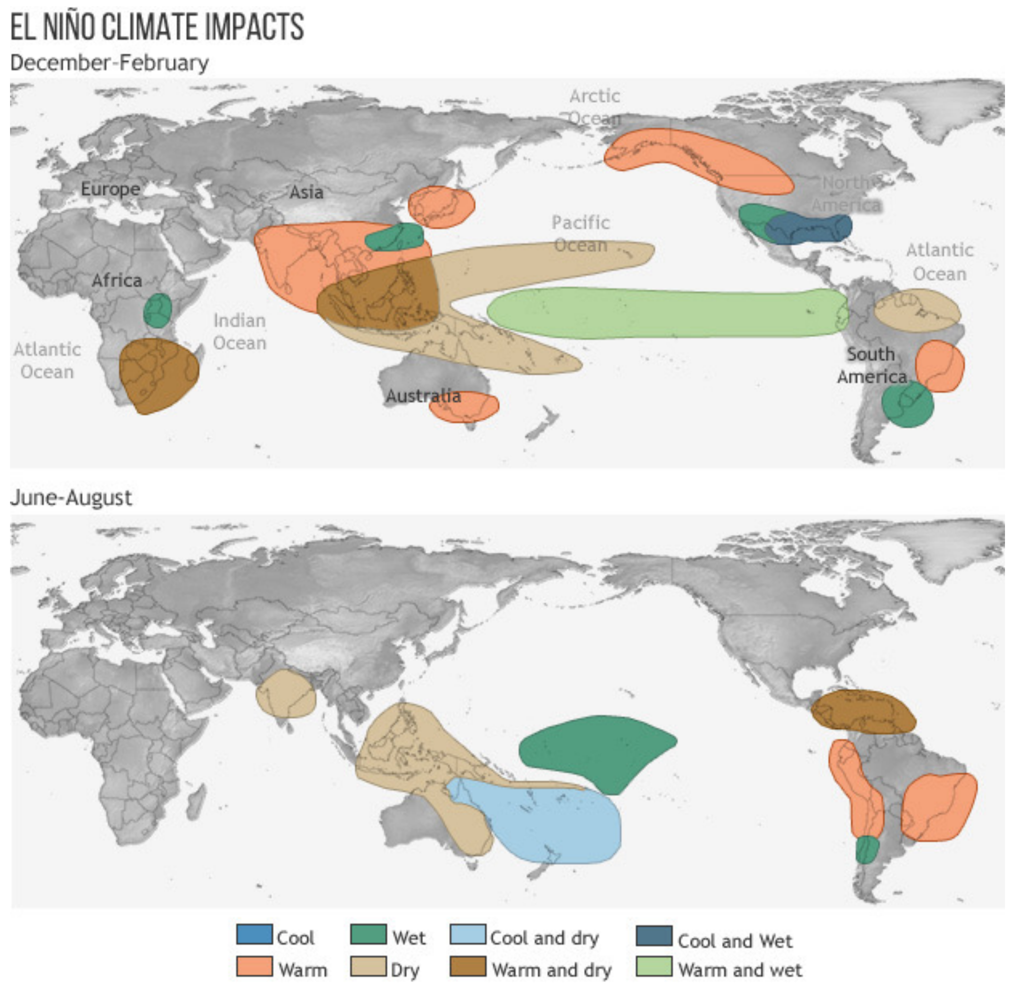
Source: NOAA Climate Prediction Center, USDA-NASS, Rabobank 2026

El Nino periods versus U.S. soybean yields difference from trend



Source: NOAA Climate Prediction Center, USDA-NASS, Rabobank 2026

El Nino Climate Impacts



Source: NOAA, Climate.gov

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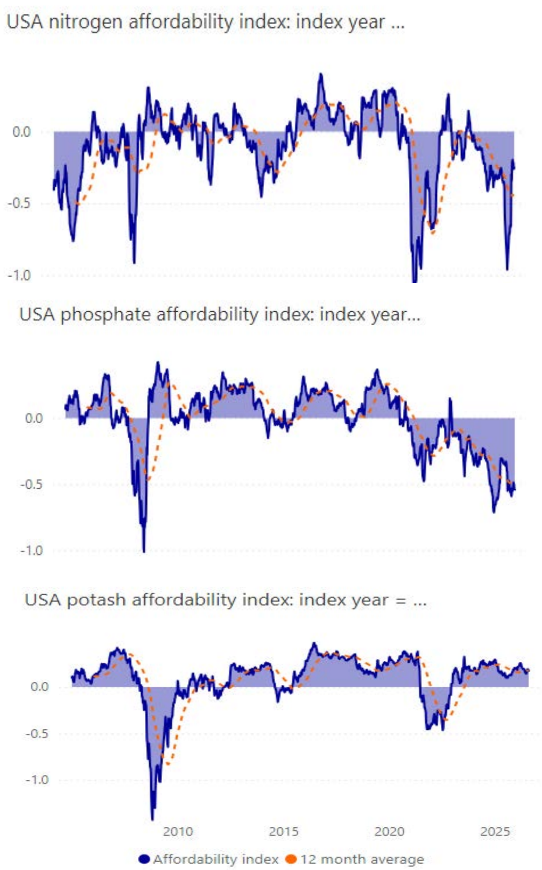
Affordability has been an issue for North American growers for ~4 years now, with the Iranian conflict unlikely to offer reprieve on cost



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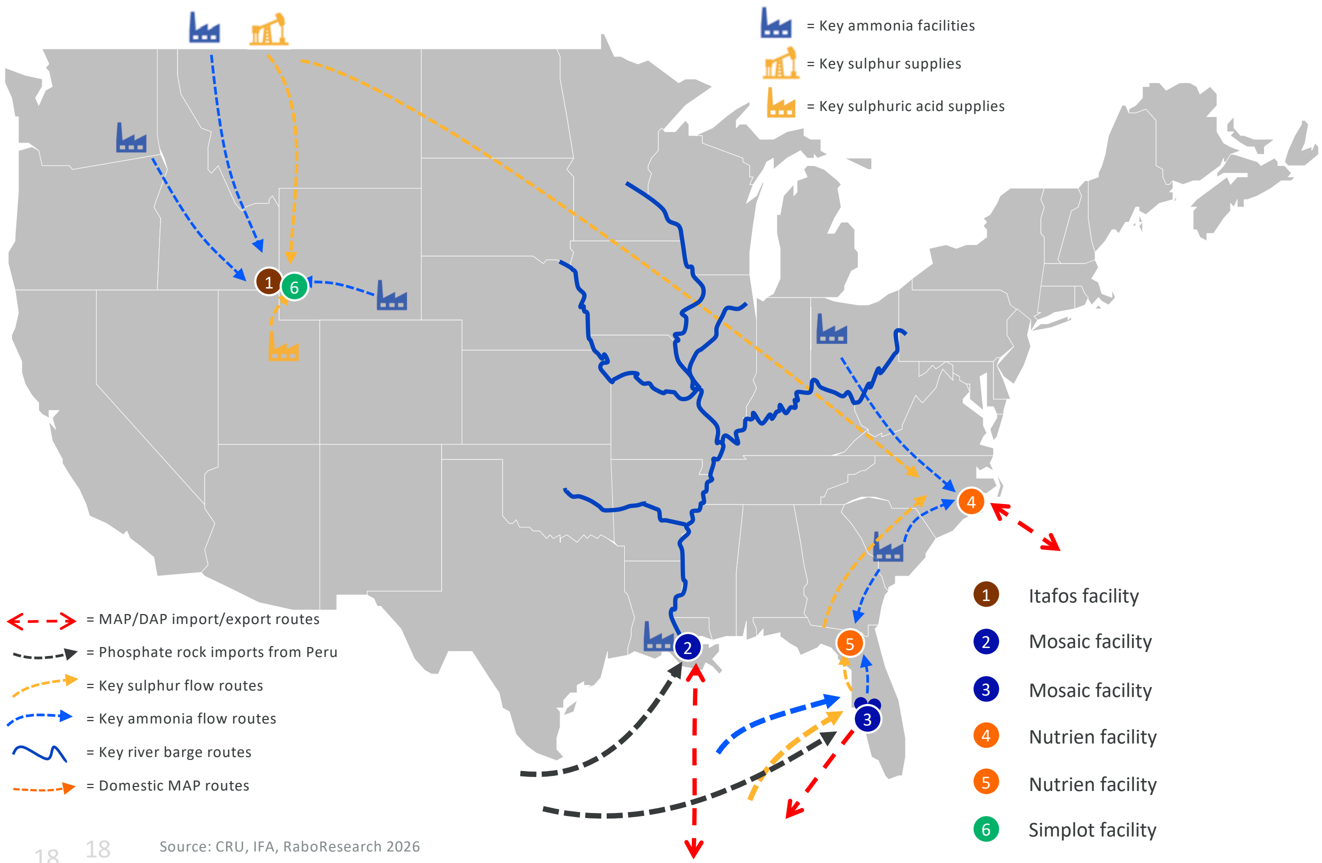
Source: CRU, RaboResearch 2026

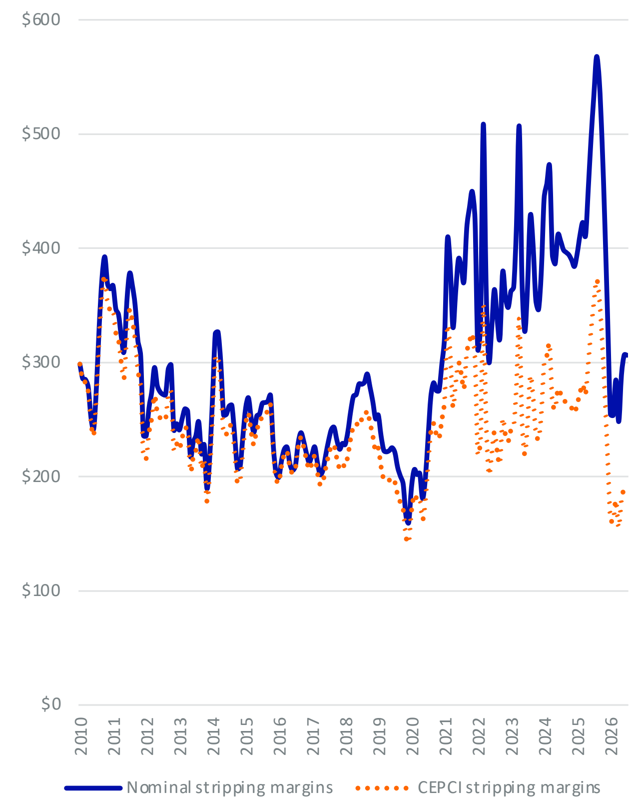
US phosphates will remain expensive & unaffordable, despite efforts to improve policy

US phosphate landscape; integrated, less conditional than others and built for balance



Source: CRU, IFA, RaboResearch 2026

US phosphate stripping margins; deflated stripping margins reflect broader issues



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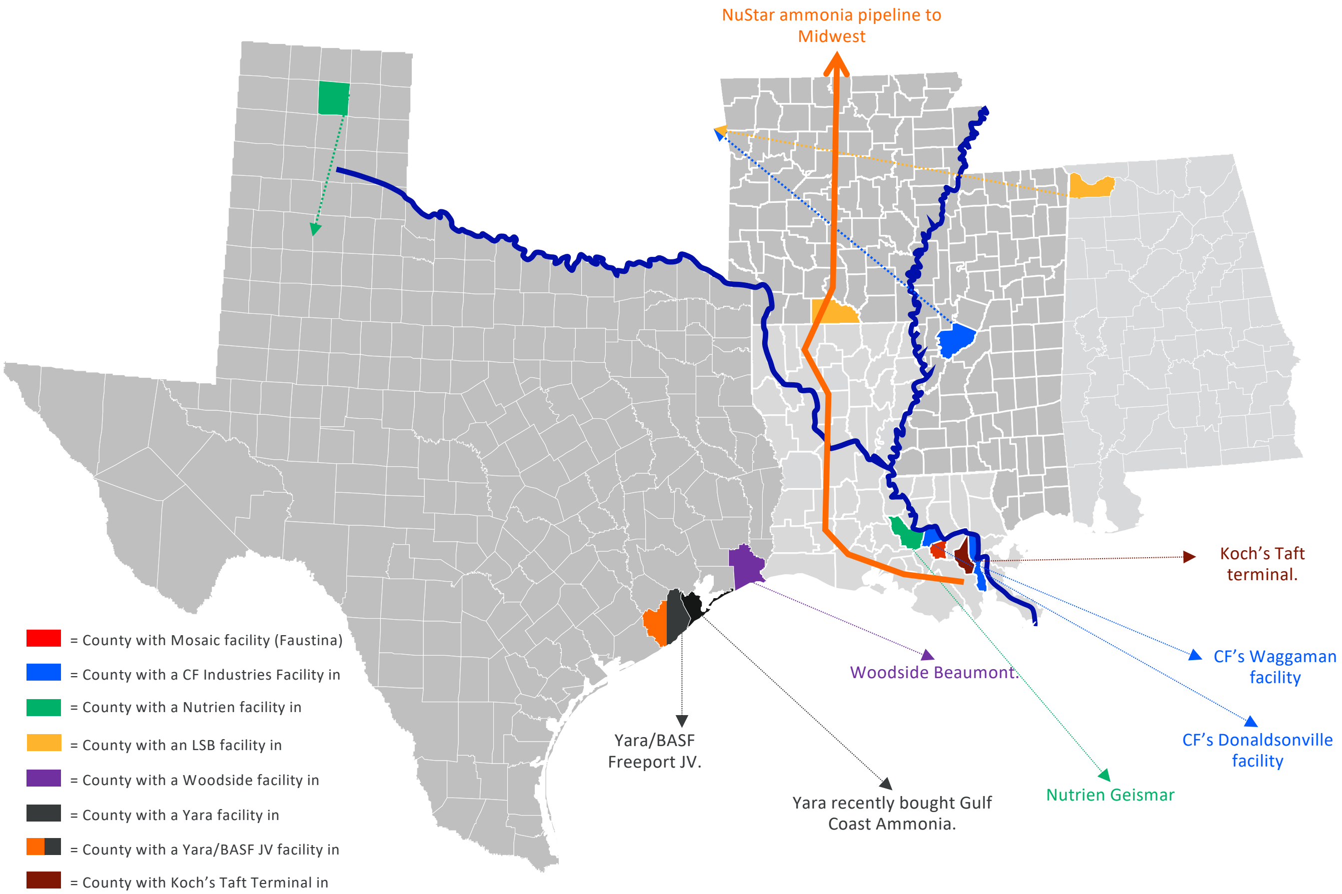
US Gulf ammonia facilities positioned to arbitrage between domestic and international markets



Ammonia outlook

- Fall ammonia prices look like they are up ~25% year-over-year
- Downward price expectation belie the risks
- Domestic inland prices correlate to NOLA → Caribbean → EU → TTF gas prices

Cost expectations for growers

- Seed prices — Up MSD %
- Agrochemical prices — Up MSD %
- Ammonia prices — Up DD %
- Phosphate prices — Up SD %
- Potash prices — Up LSD %

Source: Company reports, RaboResearch 2026

U.S. tariff history is long and complicated

- **The Constitution, Article I, Section 8 states:** “The Congress shall have power to lay and collect Taxes, Duties, Imposts and Excises, …but all Duties, Imports and Excises shall be uniform throughout the United States.”

- **U.S. tariff history is divided into three historical periods:**
  - Revenue period (1790-1860)
  - Protectionist period (1861-1993)
  - Reciprocity and reduction period (1934-2016)
  - Modern Era (2017-present)

America’s trade chaos is just beginning

Tariff wrangling will stretch through the rest of Donald Trump’s term, and beyond

Save Share

ILLUSTRATION: BEN HICKEY

Source: various sources, RaboResearch 2026

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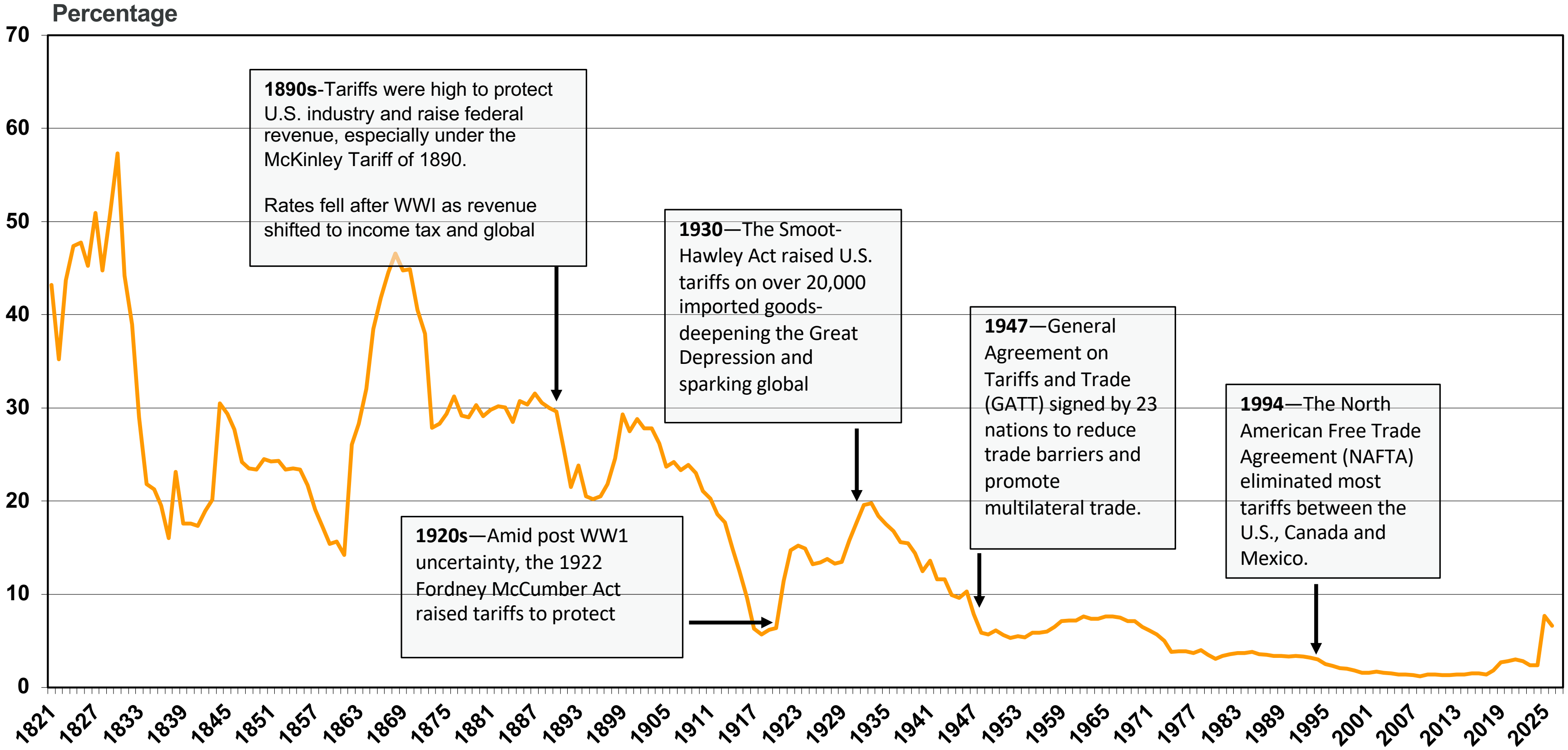
U.S. average effective tariff rate (imports)

Average statutory tariff stands @ 11% under Section 122 at upon expiration. Tariffs reinstated under Section 301 (forced labor), by the end of 2026 tariff rate will be 11.8%.



Source: Tax Foundation, Visual Capitalist

Trump and tariffs

Trump's 2025 average tariff rate was the highest since 1947

US Tariffs Have Changed More Than 50 Times Under Trump

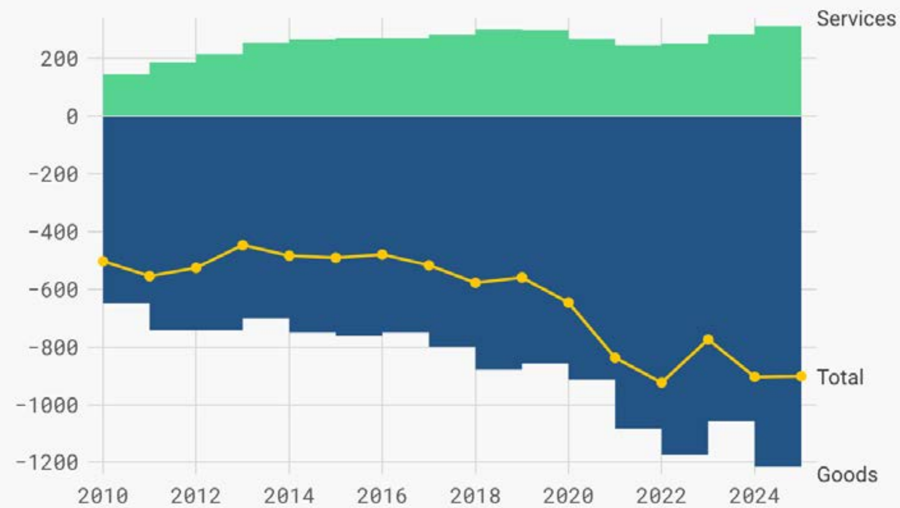
Weighted Average Applied Tariff Rate on 2024 US Import Mix

Note: Chart includes major changes in tariff policy between February 2025 and February 2026. Weighted average applied tariff rate is based on 2024 import mix with adjustments for USMCA compliance.
Source: Tax Foundation estimates.

TAX FOUNDATION

Tariffs Do Not Fundamentally Alter the US Trade Balance

Total, Goods, and Services Trade Balances, Annual, Billions of Dollars



Note: Data are presented on a balance of payments basis.
Source: Bureau of Economic Analysis, "US International Trade in Goods and Services."

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Source: Tax Foundation, RaboResearch 2026

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Trump and tariffs---what have we learned?

- The tariff landscape will continue to change.
- Tariffs are not a negotiating tool--the goal is to shift the economic paradigm.
- However, tariffs have been used for multiple purposes which ever changing.
  - Reduce trade deficits
  - Reduce budget deficits and national debt
  - Reshoring manufacturing
  - National security, e.g. drug shipments to U.S.
  - Righting perceived wrongs
  - Foreign policy priorities, e.g. Greenland, importing crude oil from Russia and Iran
  - Forced labor
- Tariff policies has slowed many business investments, hiring and expansions.
- This is personal for the President.

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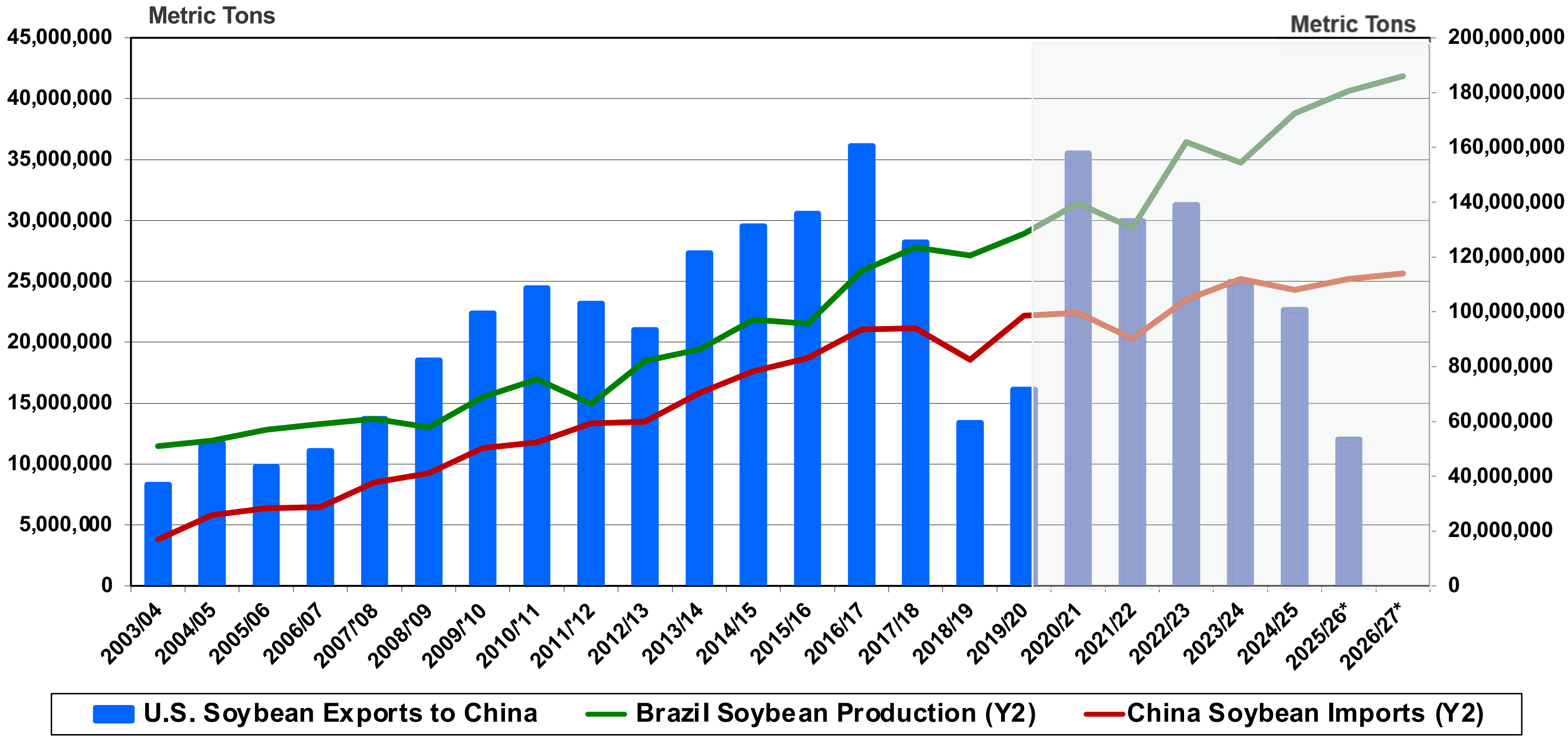
Source: RaboResearch 2026

U.S. Soybean Exports to China

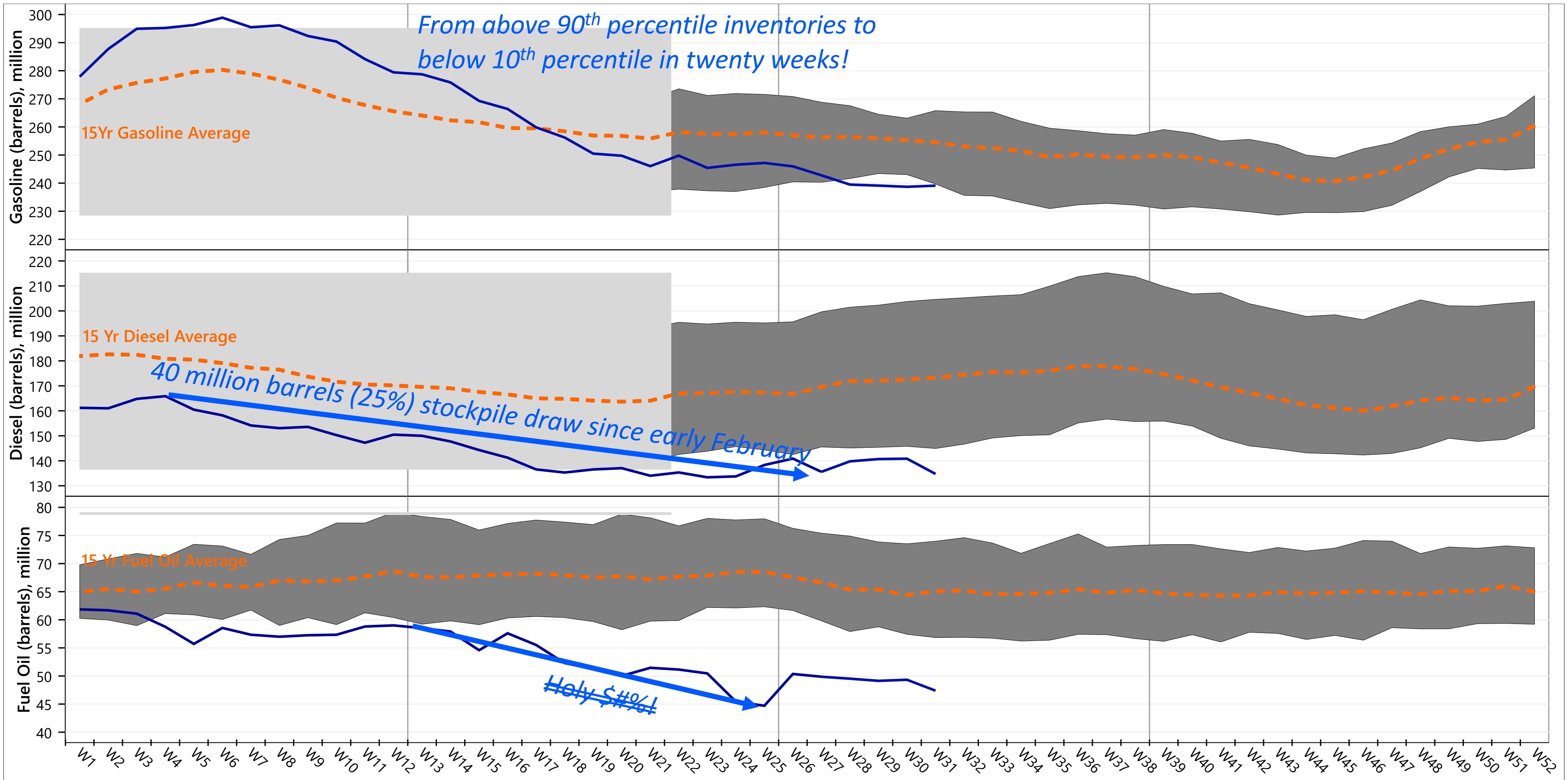
The upward trajectory of U.S. soybean exports to China has been broken.



* Sept-Apr 2026. YTD, -52.2%

Source: USDA-FAS/GAT, USDA-FAS/PSD, Yeutter Institute, RaboResearch 2026

Global Refined Products Inventories (ex-China)



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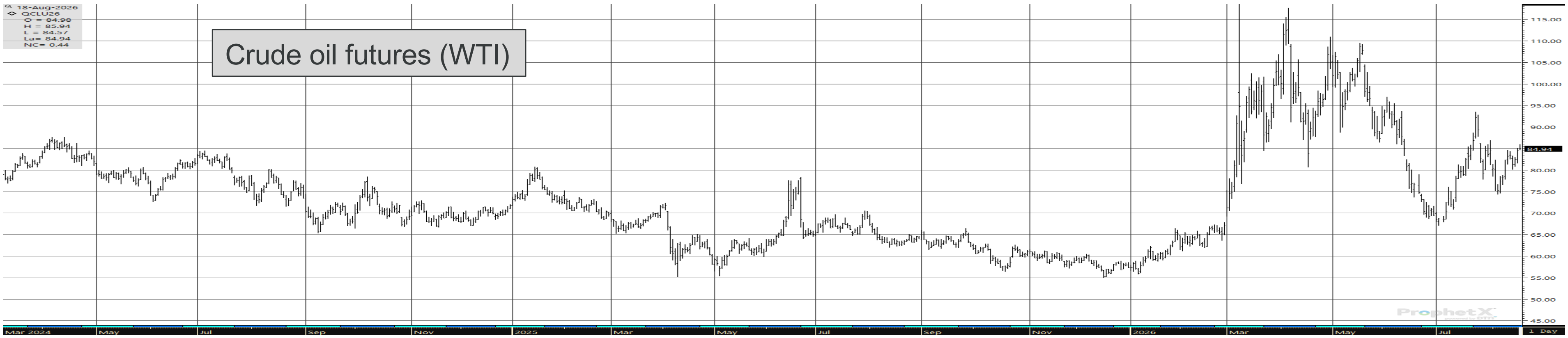
Comparing crude oil and heating oil---contrasting price action



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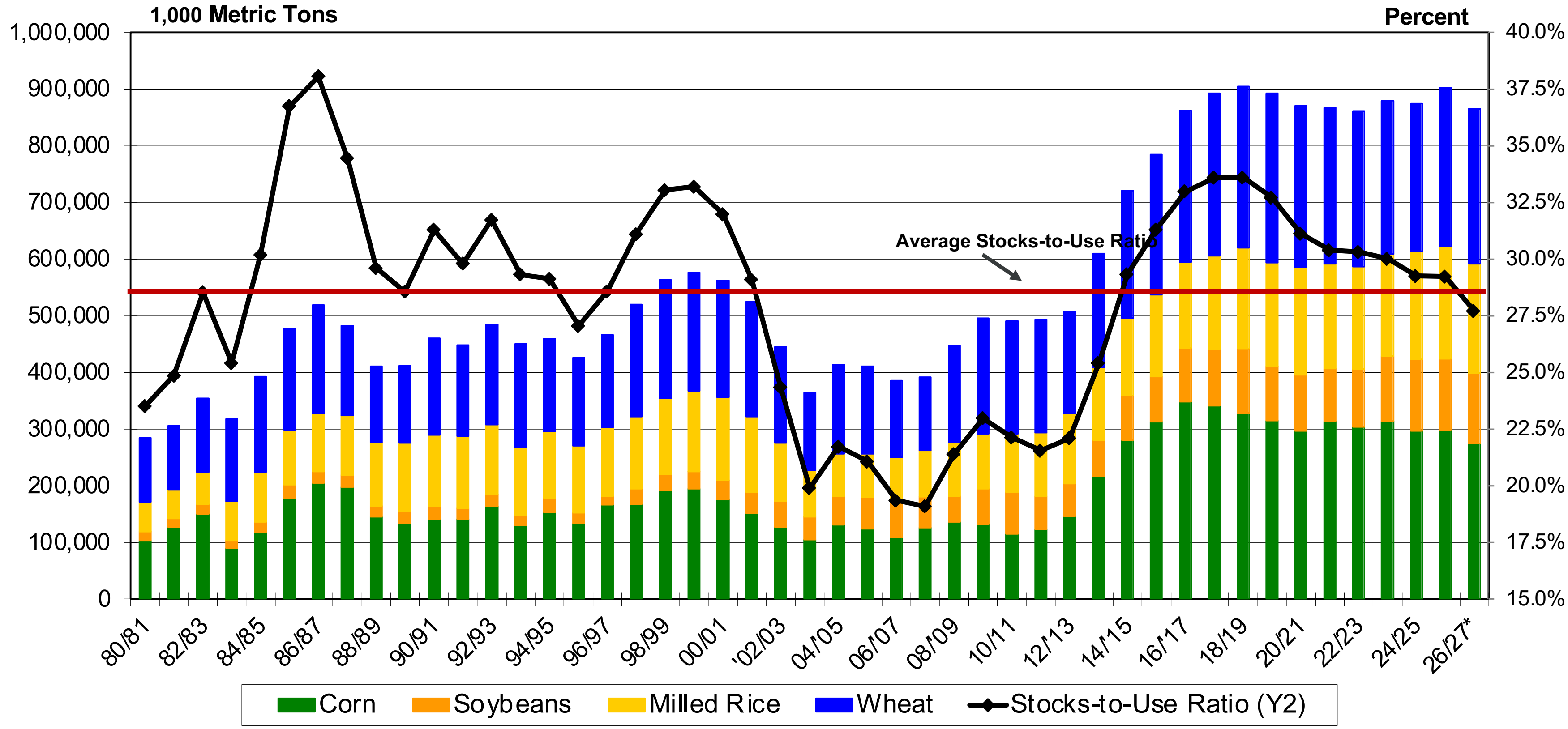
Source: RaboResearch 2026

Global
Grain and Oilseed
Fundamentals

Global G&O stocks situation—still historically high

However, stocks-to-use ratio continues to decline—production is not keeping up with increasing demand.



Source: USDA-FAS/PSD, RaboResearch 2026

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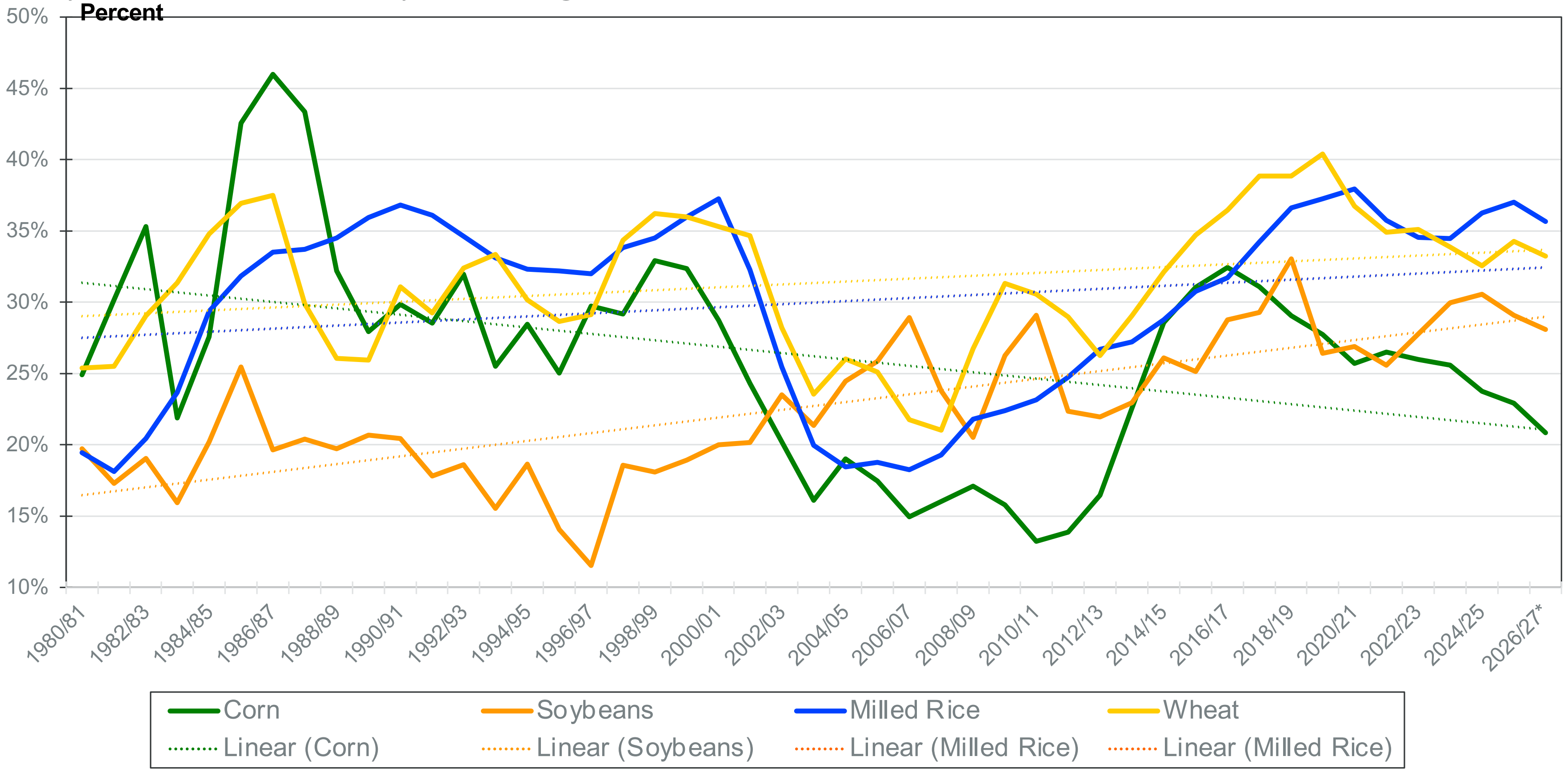
Global stocks-to-use ratios are at comfortable levels, but…

Only corn is below its 20-year average.



Source: USDA-FAS/PSD, RaboResearch 2026

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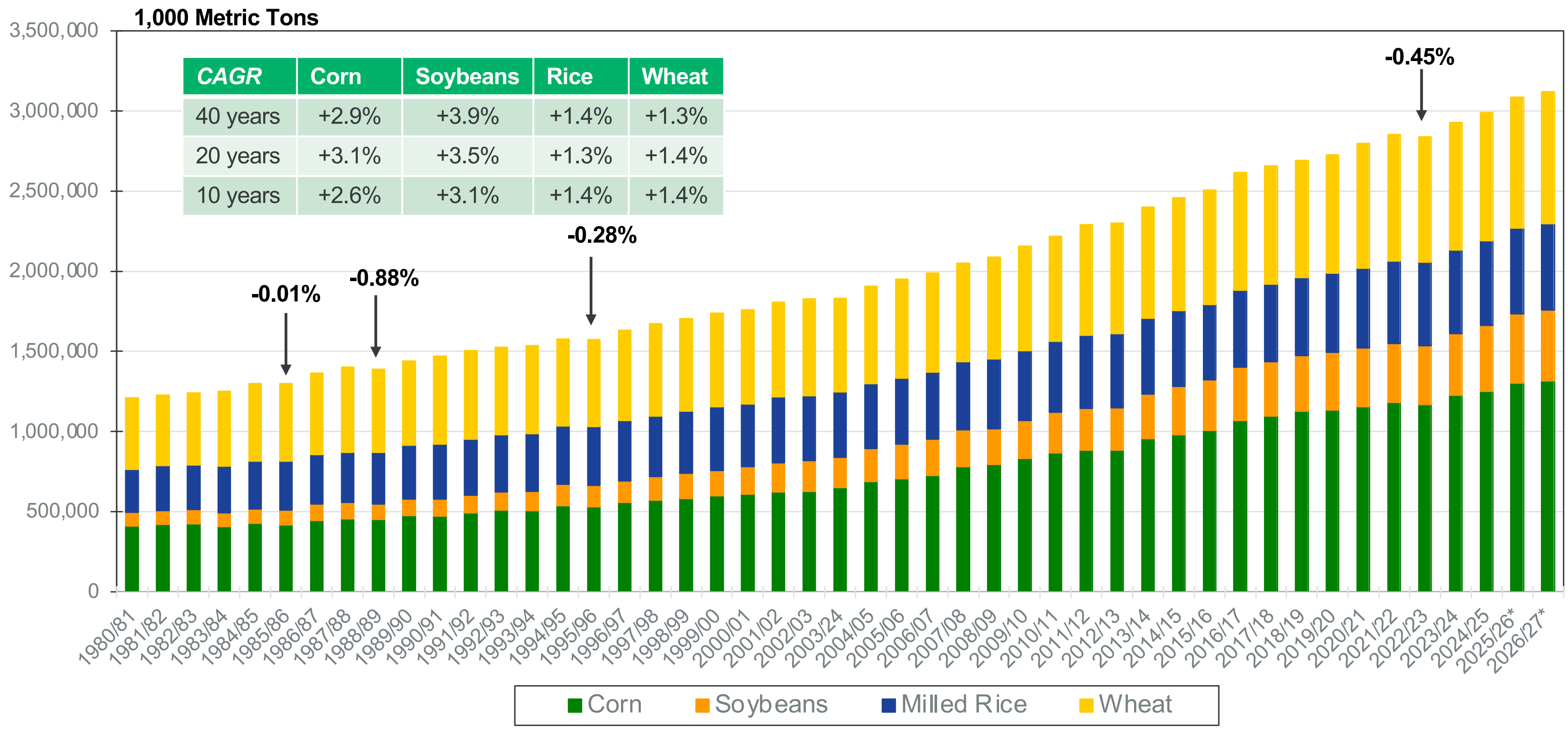
Major global grains & oilseed domestic consumption—strong foundation

There has only five times since 1960/61 has domestic demand in the sector been negative which have been related to supply-side shocks and resulting higher prices.



CAGR	Corn	Soybeans	Rice	Wheat
40 years	+2.9%	+3.9%	+1.4%	+1.3%
20 years	+3.1%	+3.5%	+1.3%	+1.4%
10 years	+2.6%	+3.1%	+1.4%	+1.4%

Source: USDA-FAS/PSD, RaboResearch 2026

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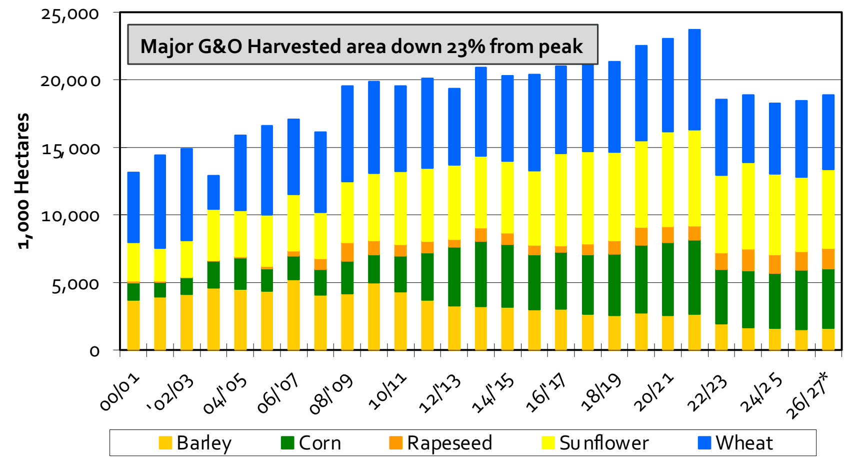
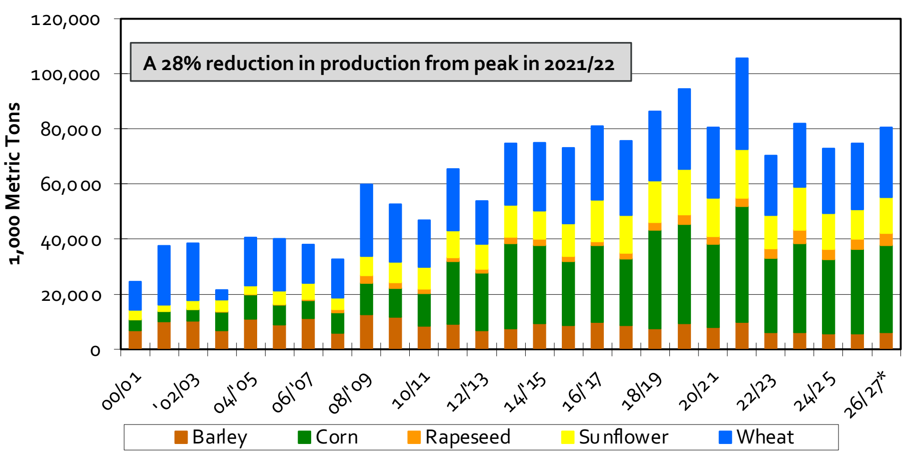
Exports from the Black Sea Region are nearly halted

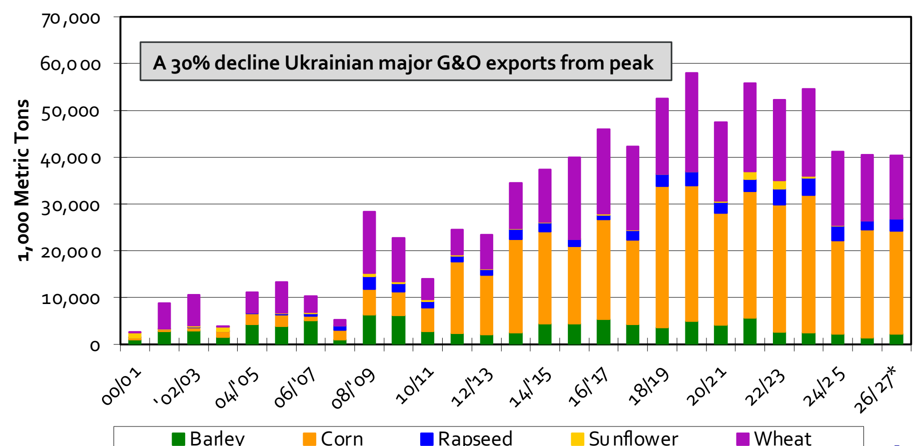
- The situation in the Black Sea is seemingly changing by the day.
- No exports from ports in Ukraine due to increased bombing.
- In Russia, only Tuapse is still open, but with a significant freight premium.
- Alternatives:
  - Russia railing to their Baltic Sea ports.
  - Ukriane increasing exports through Danube ports, Izmail and Constanta, plus railing to European North Sea ports.

Source: *World Grain*, RaboResearch 2026

Russia’s invasion of Ukraine has taken a toll on Ukraine’s a







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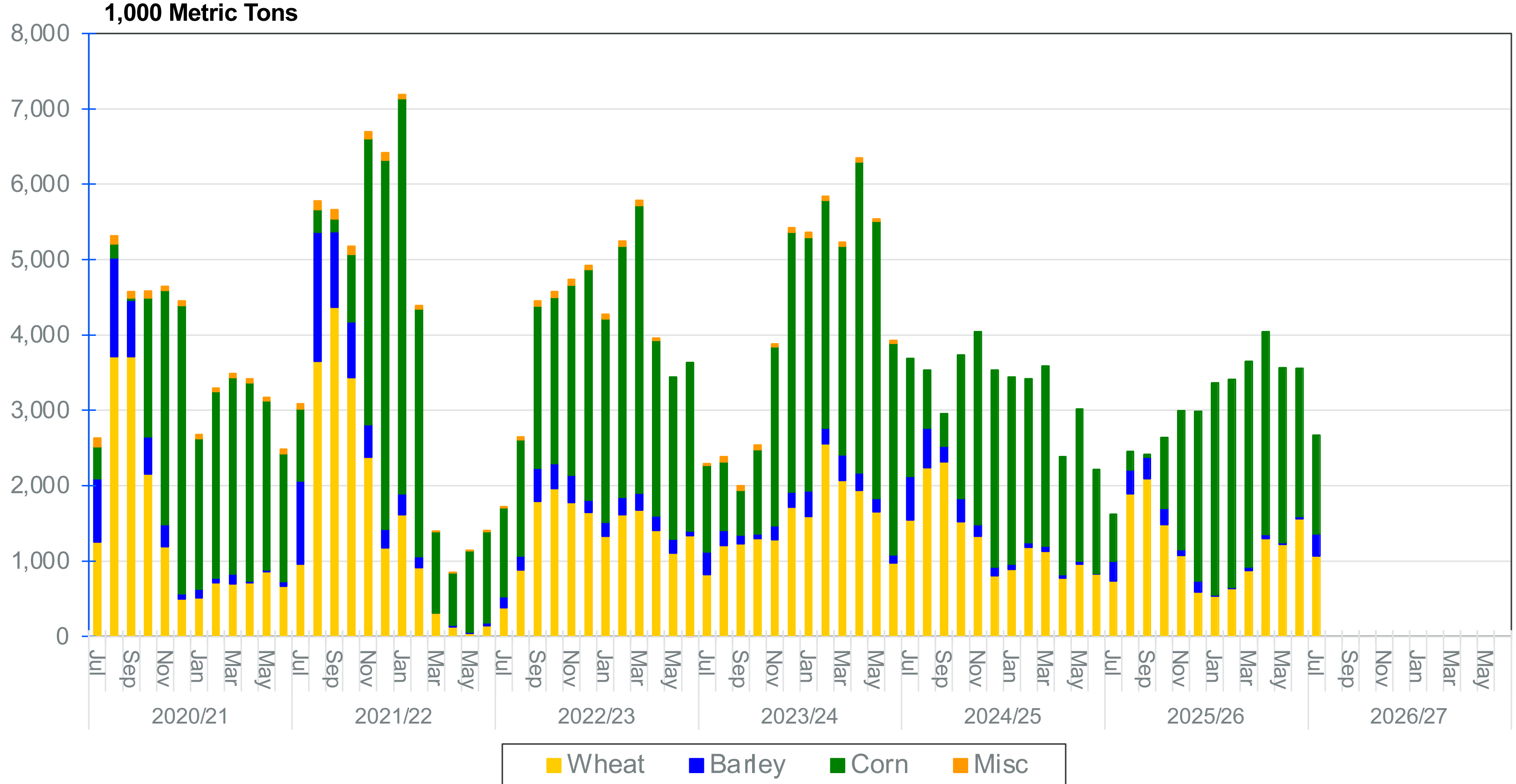
Source: USDA-FAS/PSD, RaboResearch 2026

Ukrainian grain exports declining as war grinds on…

2025/26 vs 2024/25 exports for wheat, barley and corn are running -9.8%, -32.0% and +7.5%, respectively.



Source: UkrAgroConsult, RaboResearch 2026

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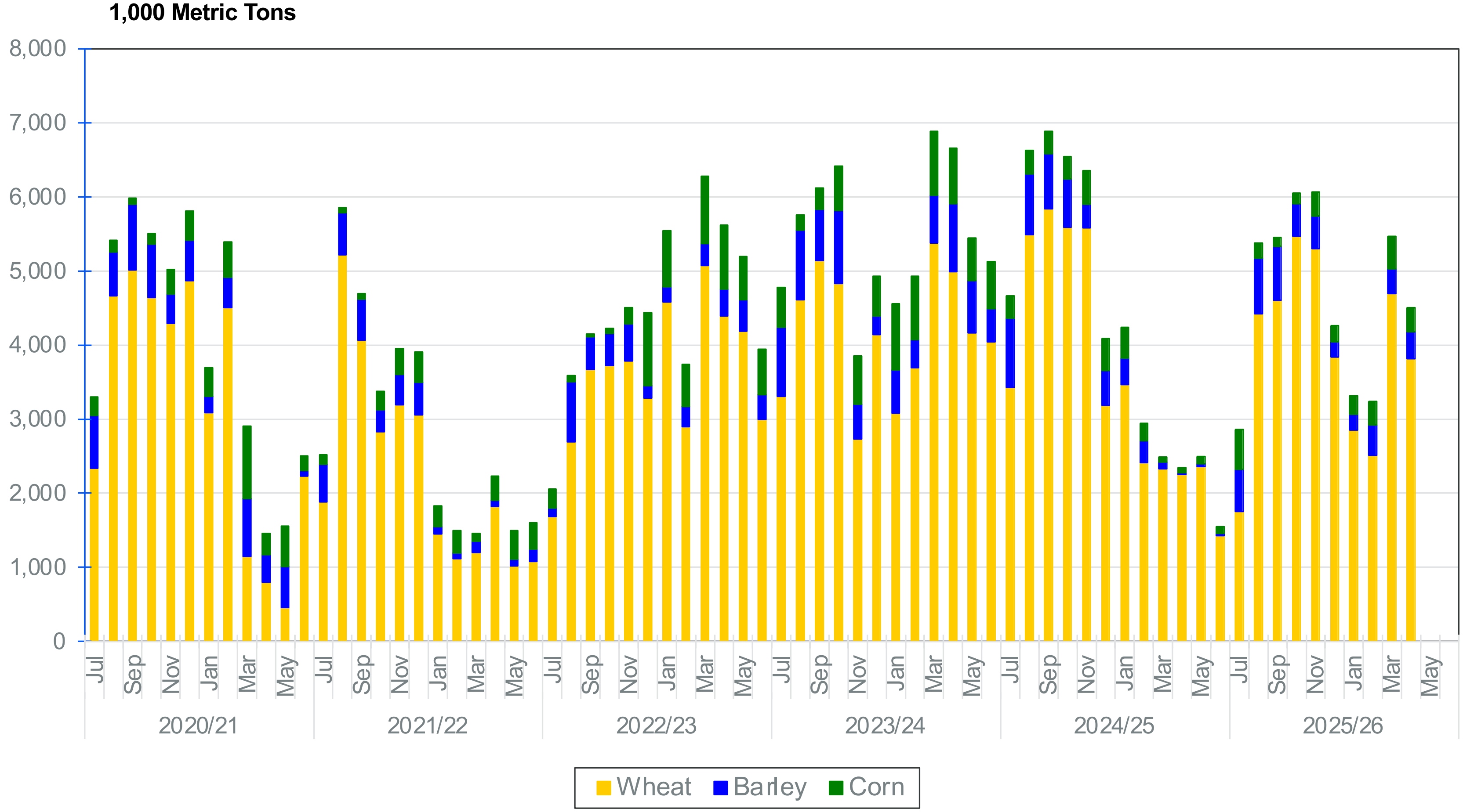
Russian major grain exports



Source: UkrAgroConsult, RaboResearch 2026

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U.S. Grain and Oilseed Fundamentals

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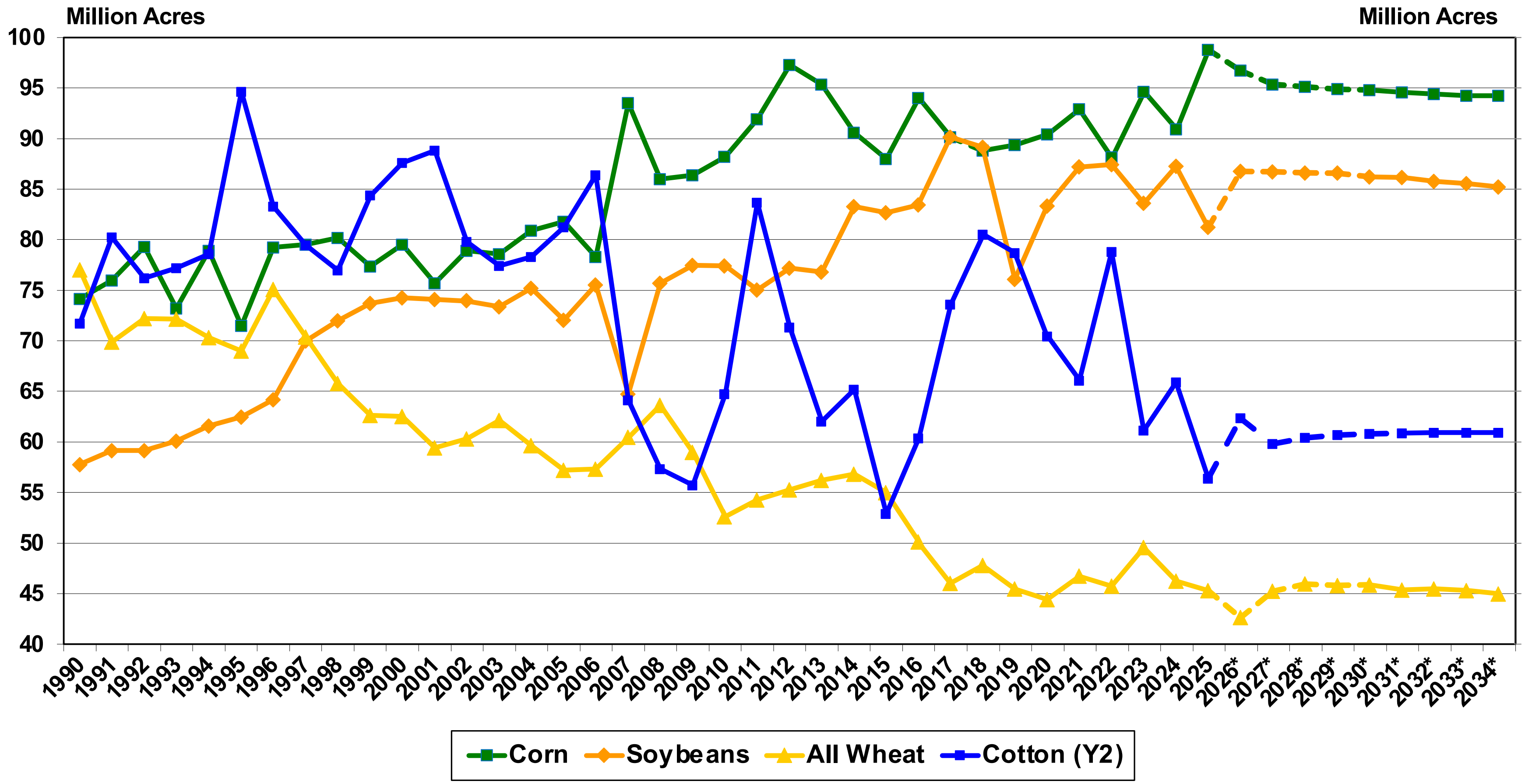
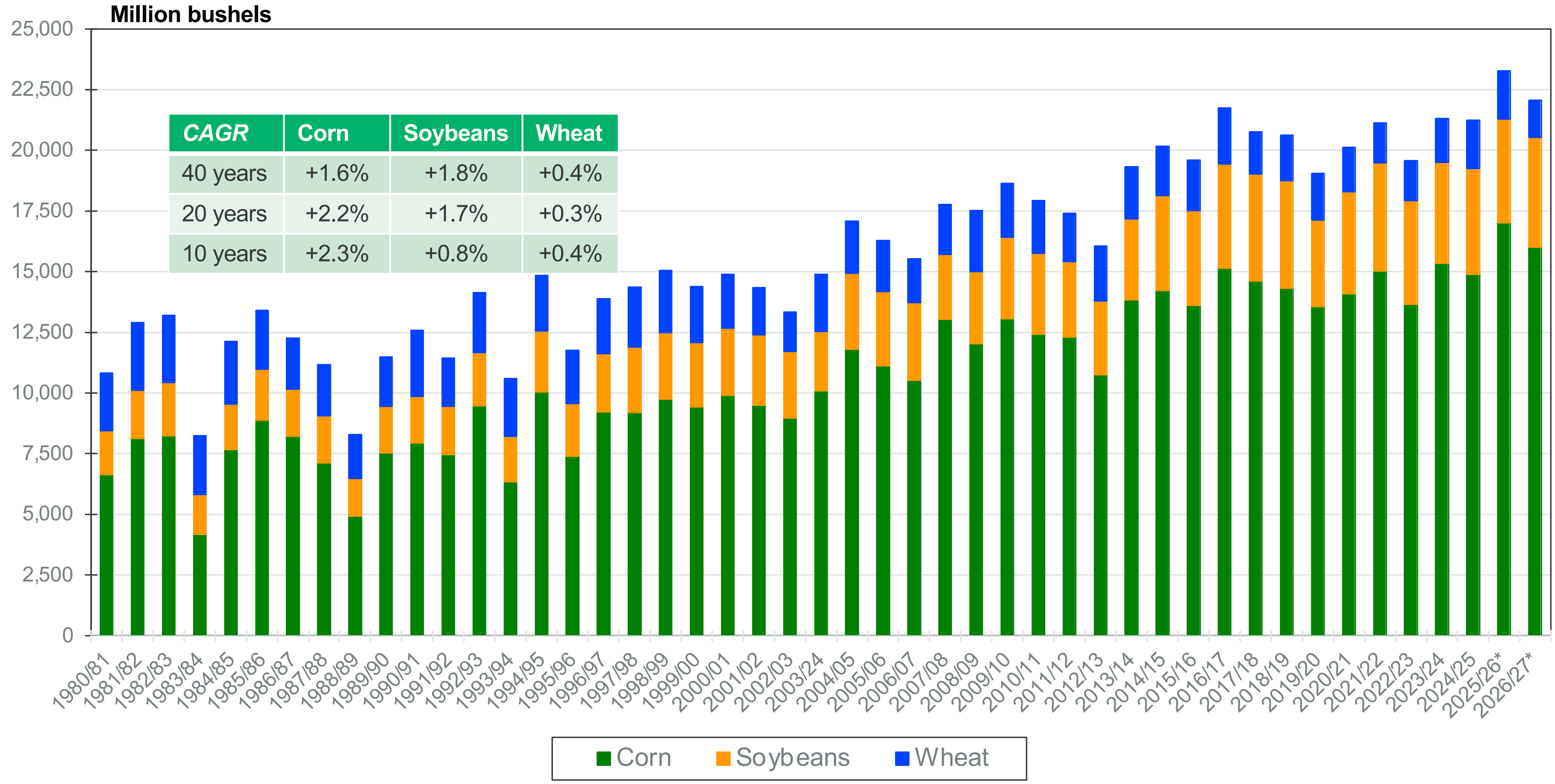
Major U.S. row crop planted acres



* Mar 2026 Rabobank projections
Source: USDA-NASS, RaboResearch 2026

U.S. corn, soybean and wheat production



CAGR	Corn	Soybeans	Wheat
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10 years	+2.3%	+0.8%	+0.4%

Source: USDA-NASS, RaboResearch 2026

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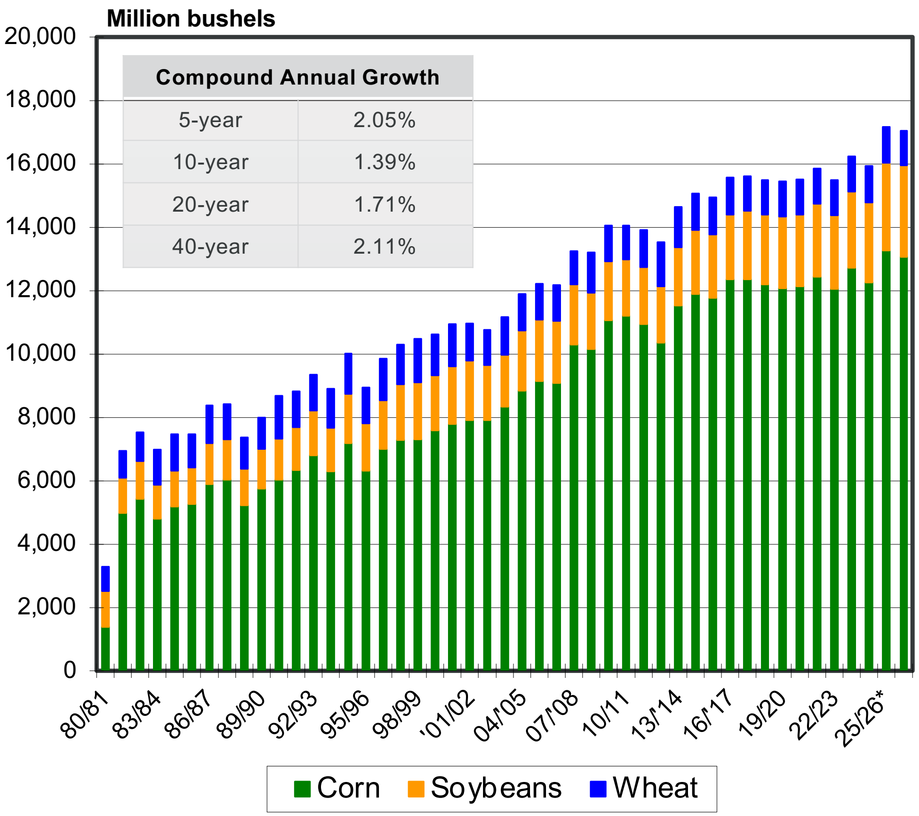
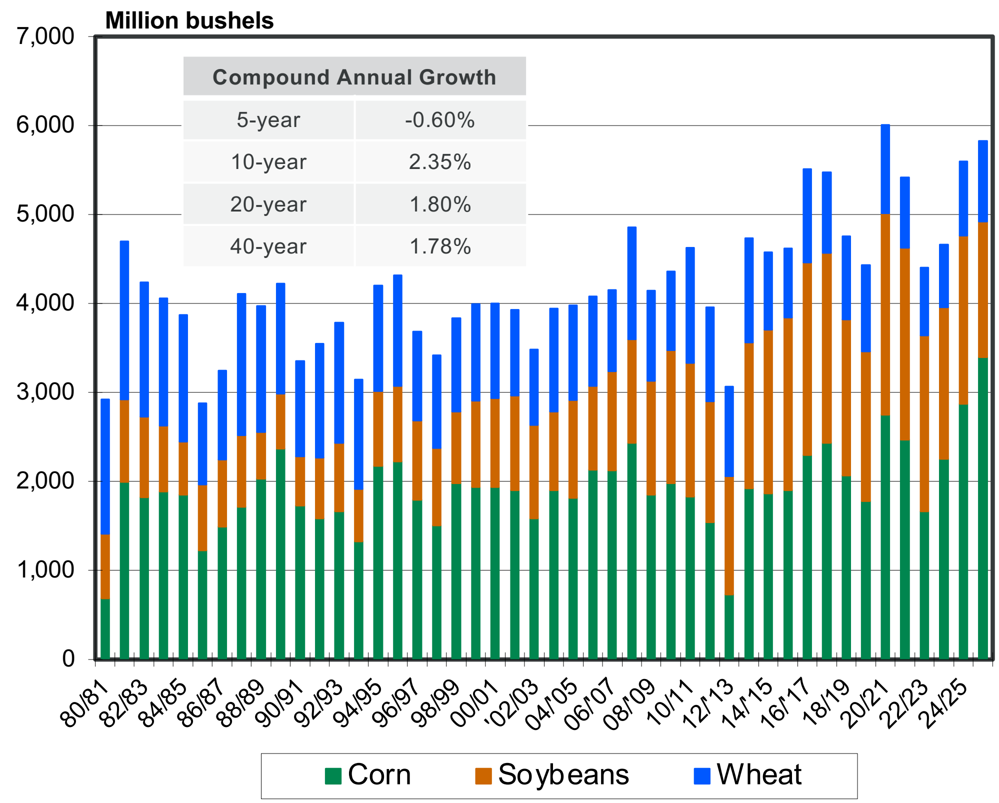
U.S. Grains and Oilseeds Demand Growth

Strong growth in domestic consumption



Have exports reached a ceiling?



Source: USDA-ERS, RaboResearch 2026

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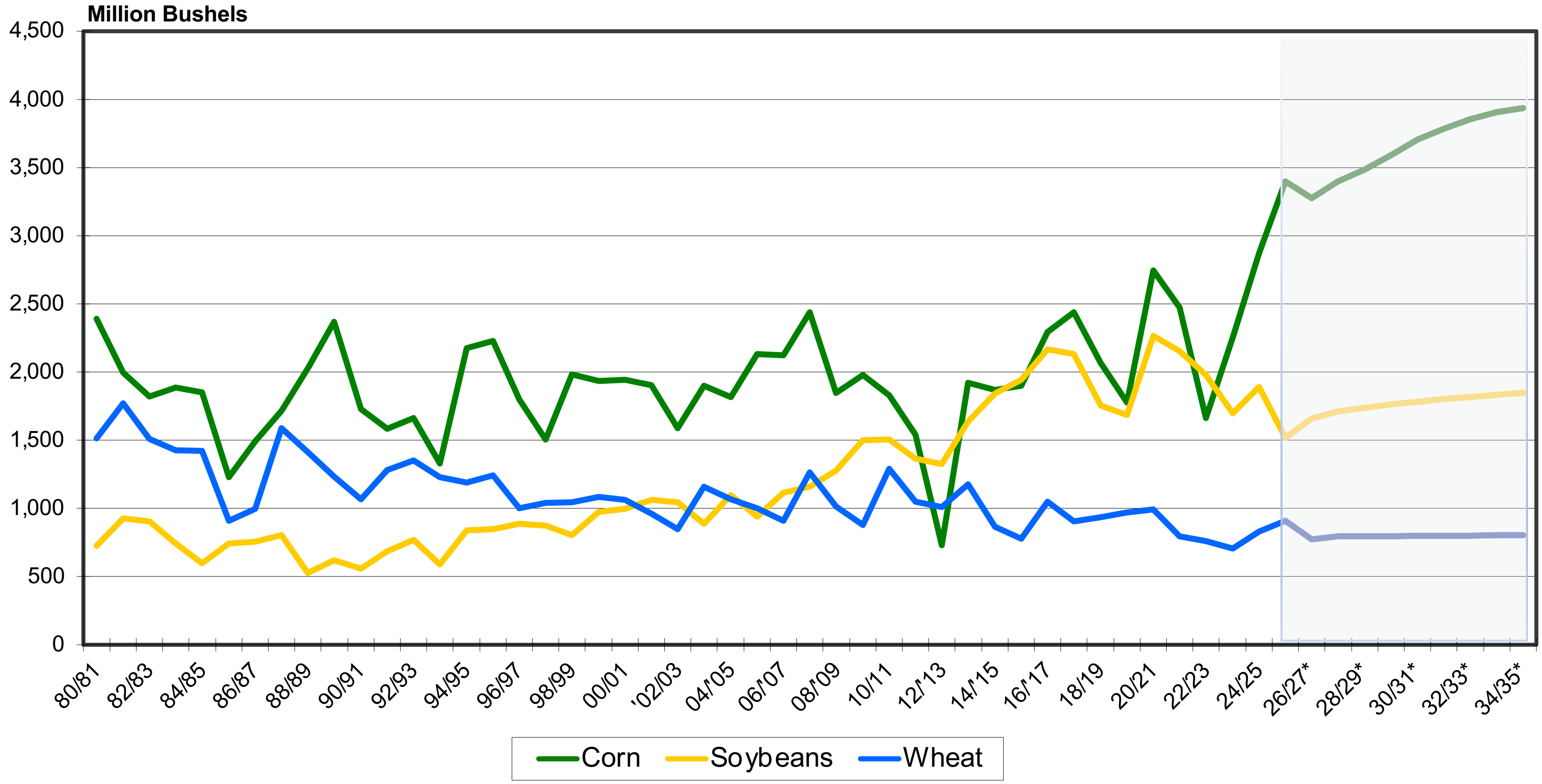
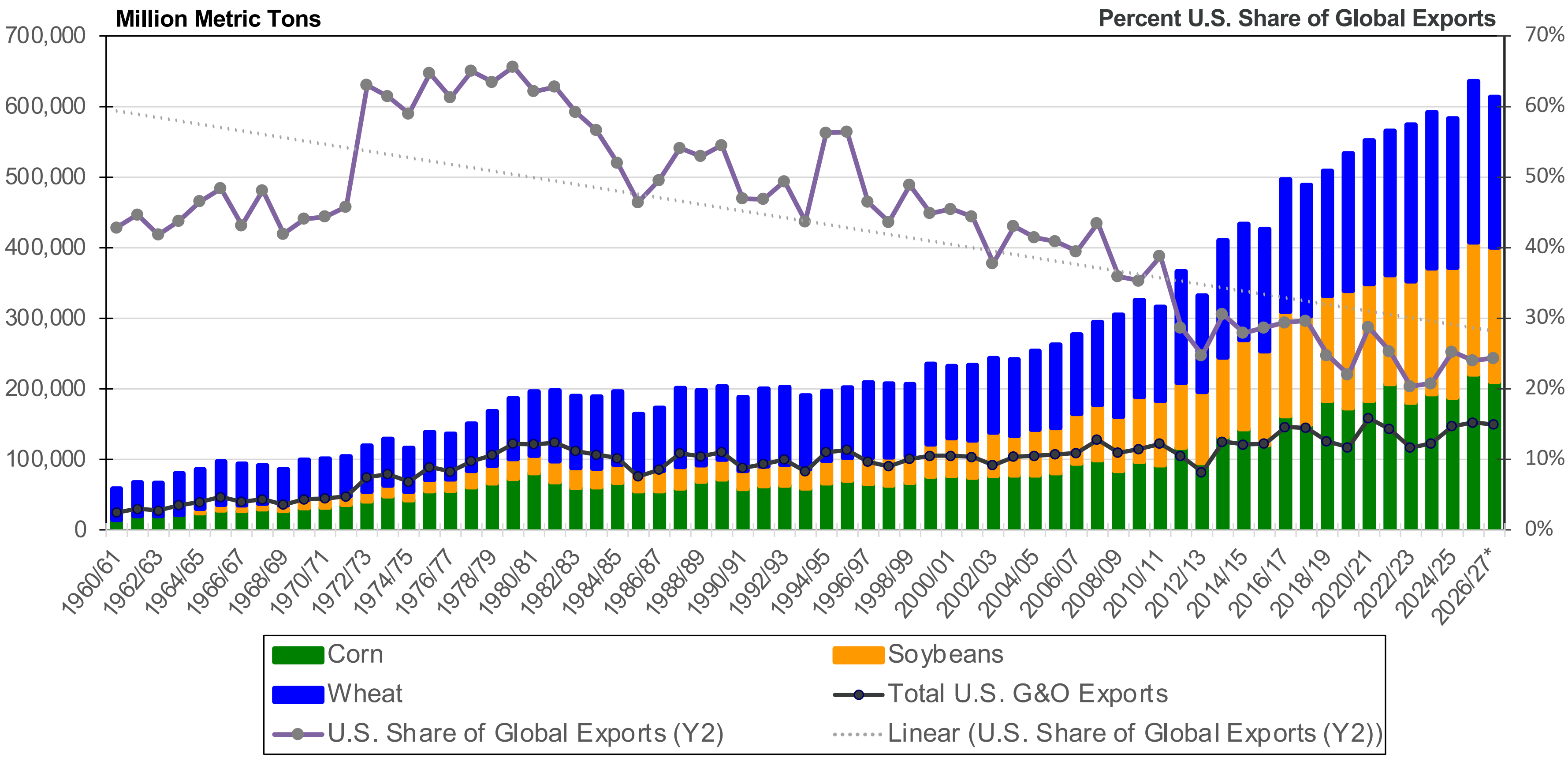
U.S. Corn, Soybean and Wheat Export Projections (Aug. 2026)



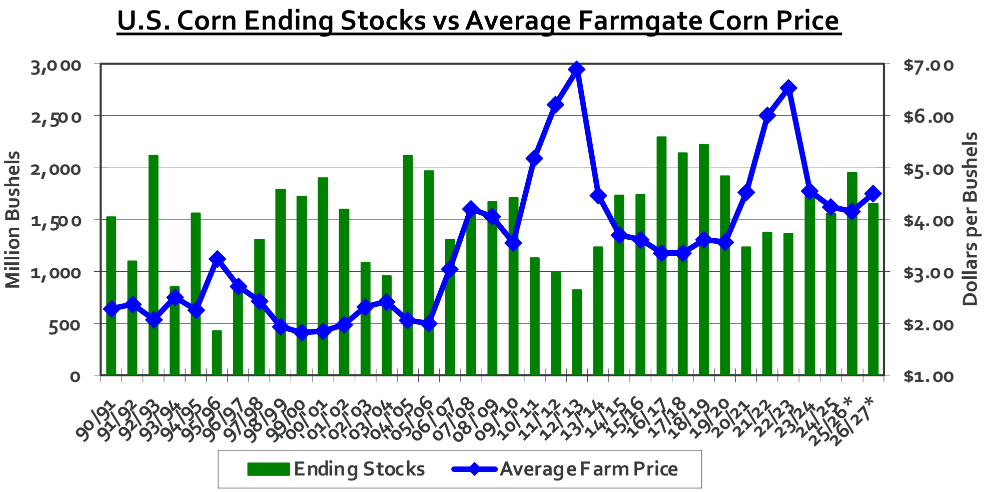
Source: Rabobank RaboResearch 10-year baseline model, 2026

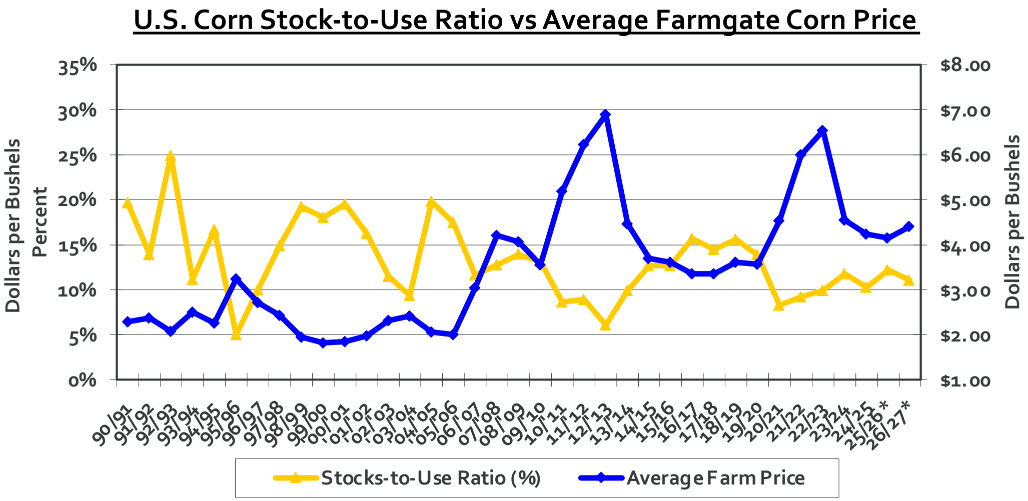
U.S. continues to lose share of global corn, wheat and soybean export market

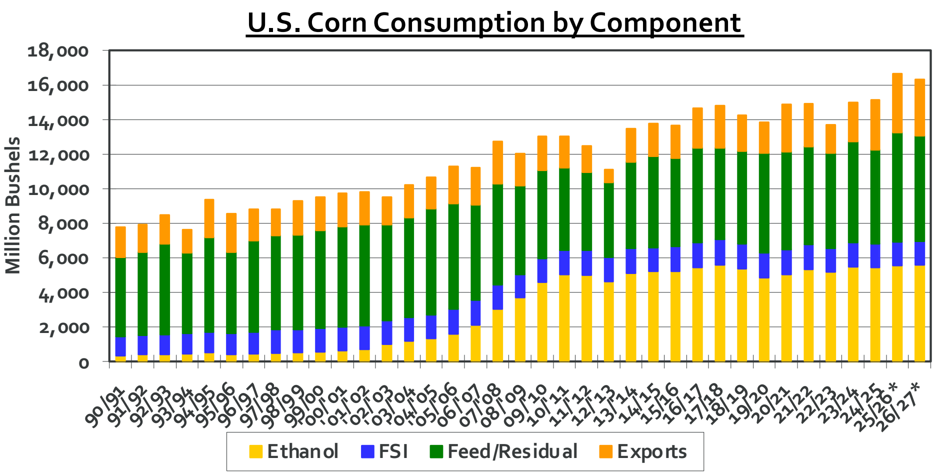


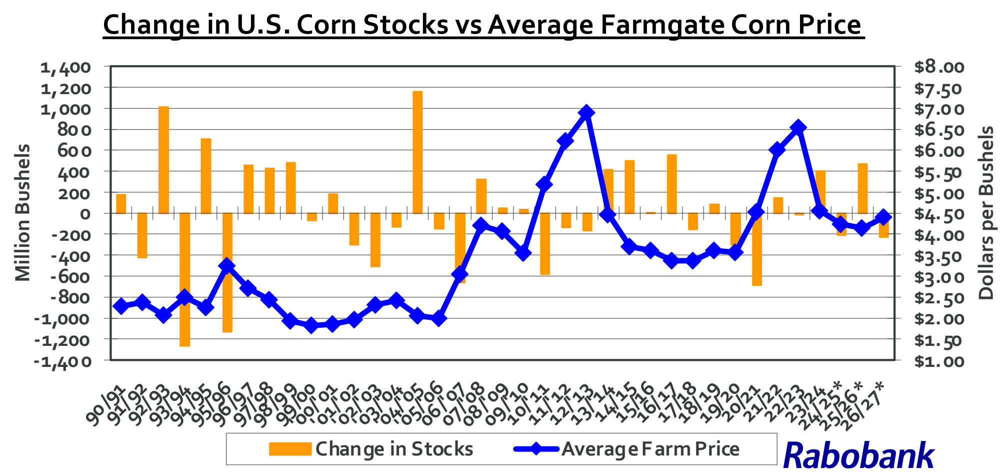
Source: USDA/FAS-PSD, RaboResearch 2026

U.S. corn fundamental dashboard









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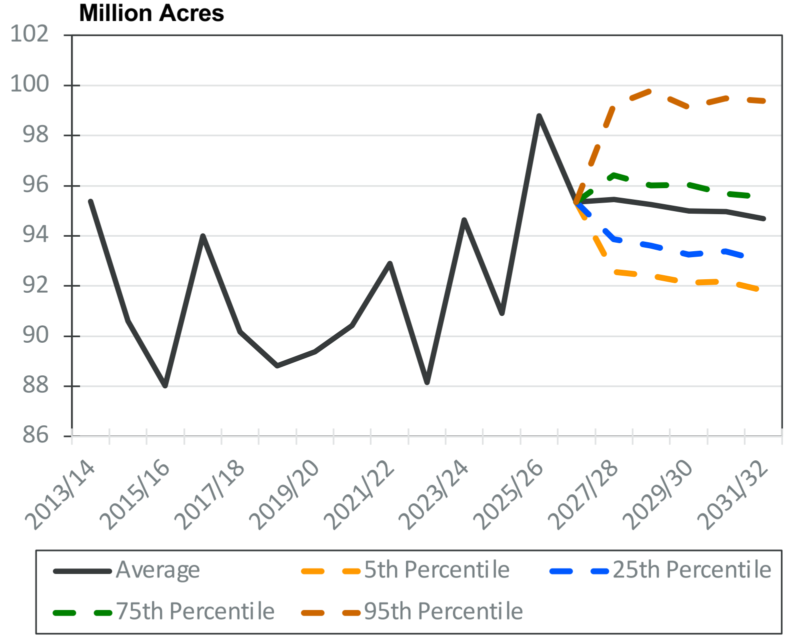
Rabobank U.S. ten-year baseline model corn outlook*

(June 2026)

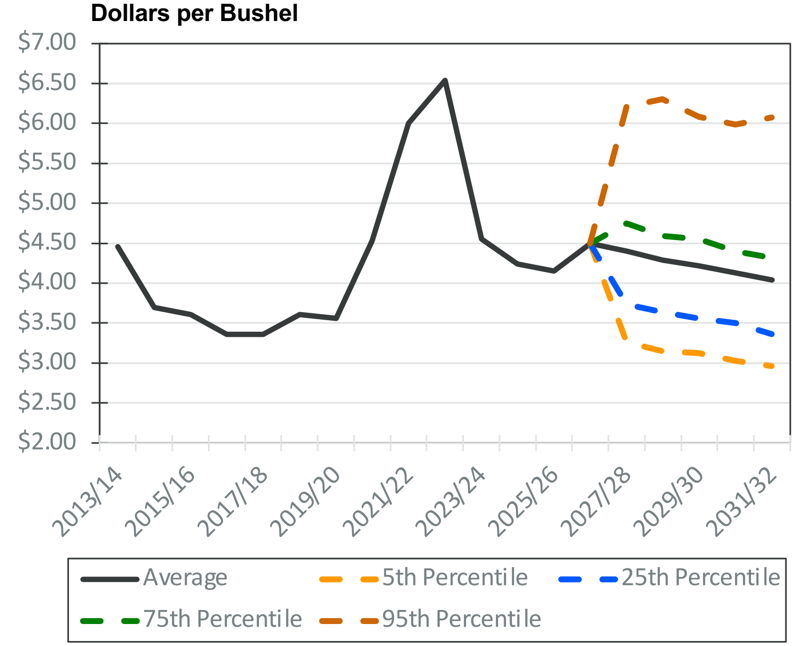
U.S. planted corn acres outlook

75% probability planted corn acres will be under 96.0 mln acres



U.S. farmgate corn price outlook

75% probability corn prices will be under $4.75 per bushel or lower



Source: USDA, RaboResearch Baseline (June 2026)
*Assuming "normal" conditions, including weather

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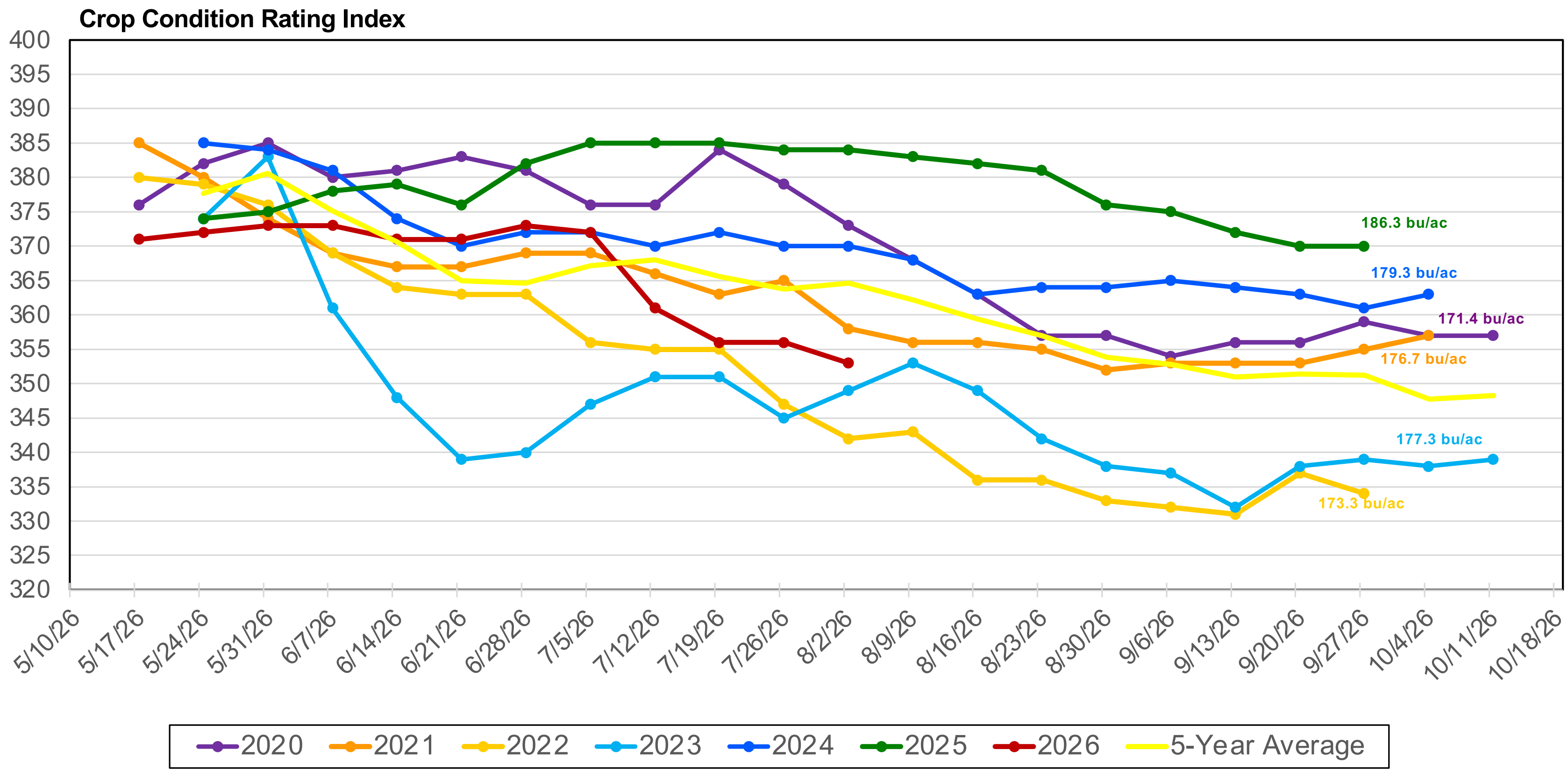
U.S. corn crop condition index vs final yield

In August Crop Production report, USDA pegged national average yield as 180.7 bu/ac



Source: USDA-NASS, RaboResearch 2026

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Weekly CBOT corn futures

Gap filled and market headed higher.

Source: DTN ProphetX, RaboResearch 2026

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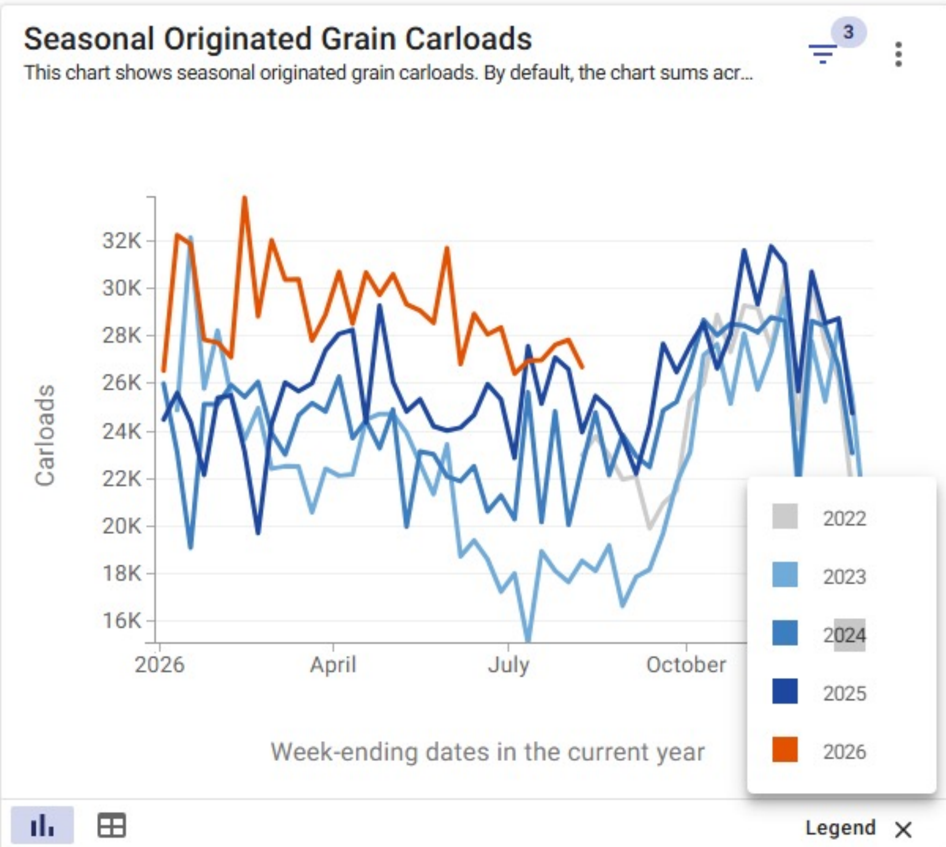
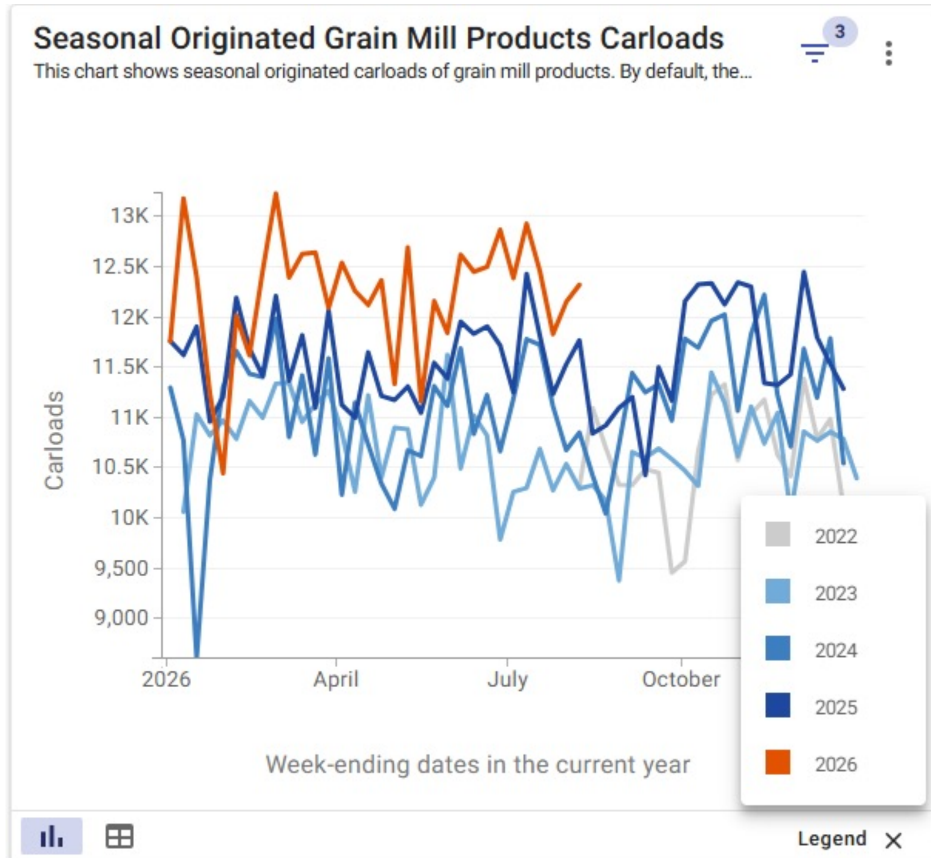
Increased car loading points to the increased importance of the domestic market.





Source: USDA-AMS, RaboResearch 2026

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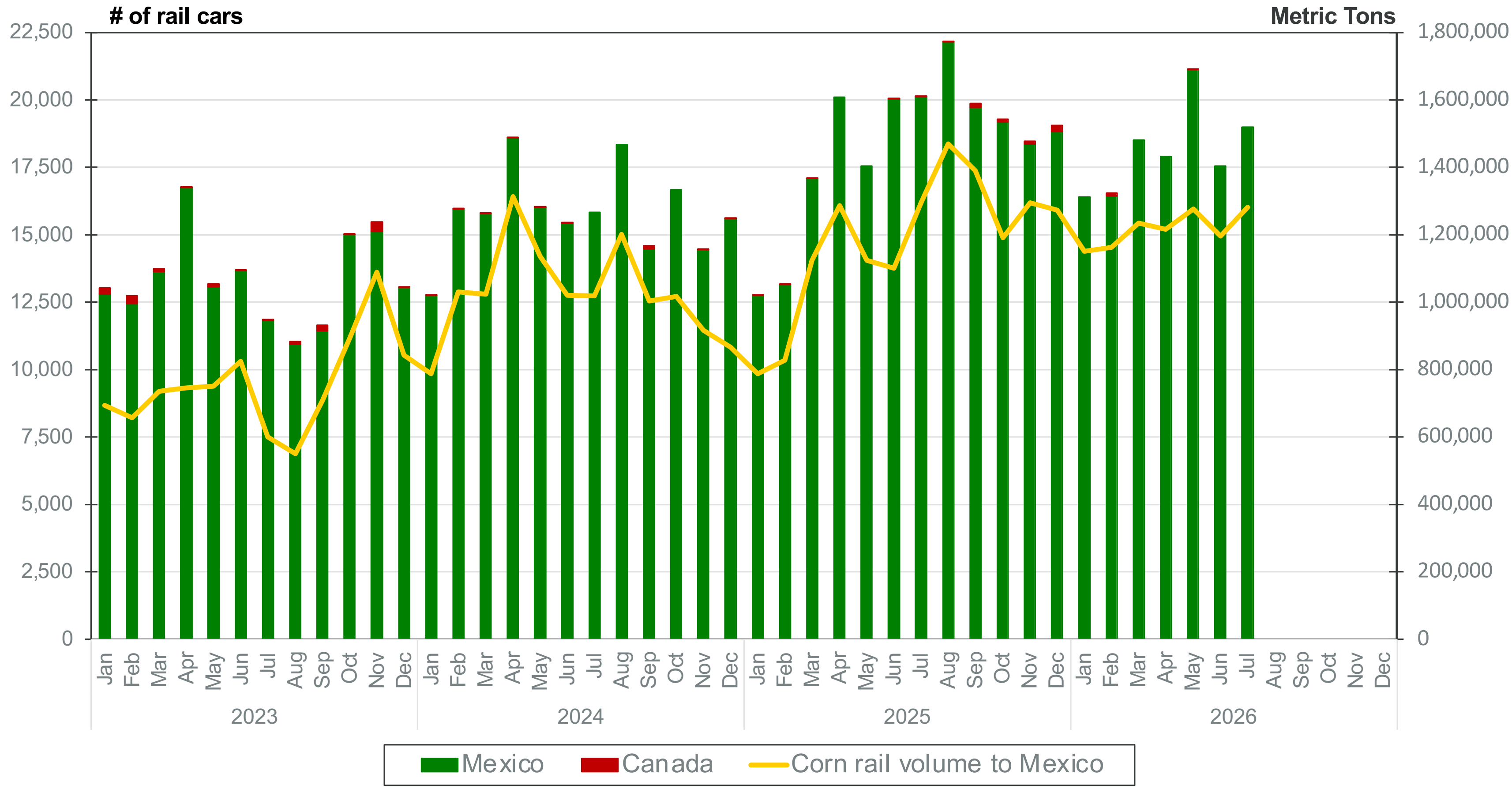
U.S. rail access to Mexico is crucial to U.S. corn exports

In the past 5 years, Mexico has represent 25%-40% of U.S. corn exports.



Source: USDA-AMS, RaboResearch 2026

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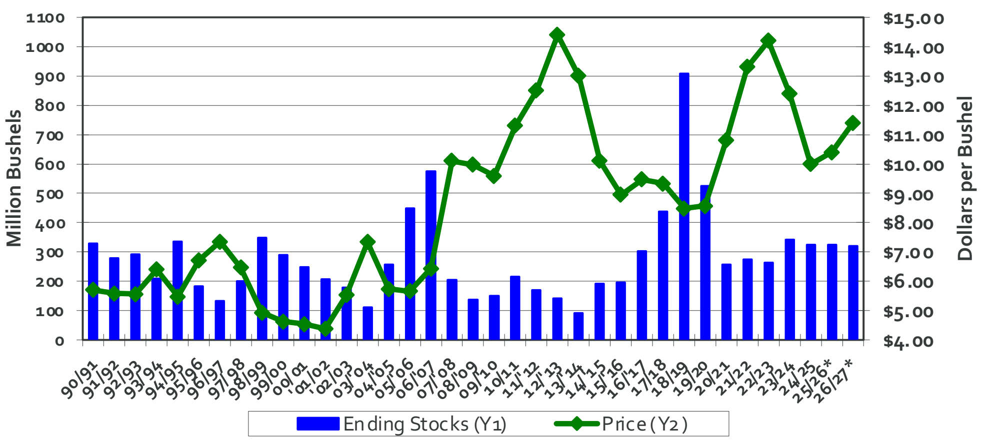
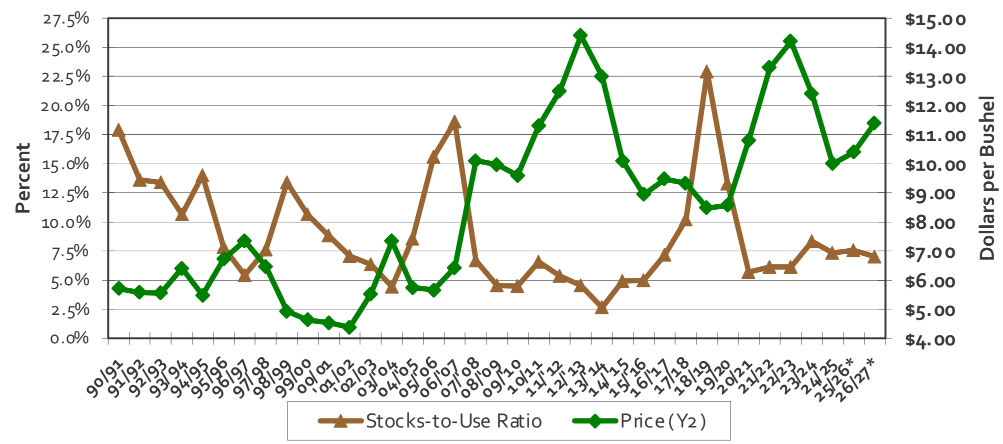
U.S. soybean fundamental dashboard

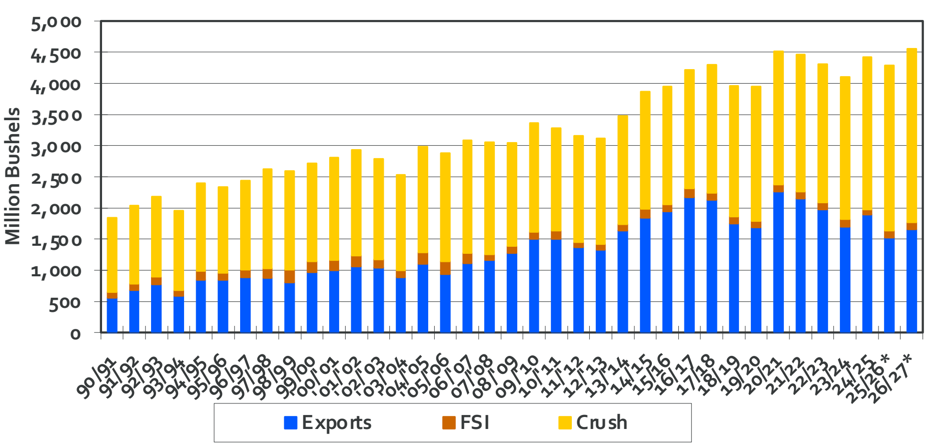
U.S. Soybean Stocks vs. U.S. Average Farmgate Price



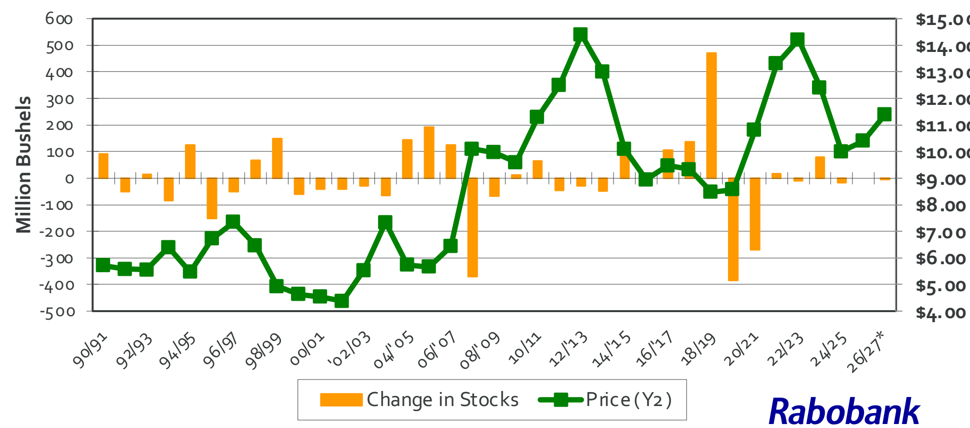
U.S. Soybean Stock-to-Use vs U.S. Average Farmgate Prices



U.S. Soybean Consumption by Component



Change in Soybean Stocks vs U.S. Average Farmgate Prices



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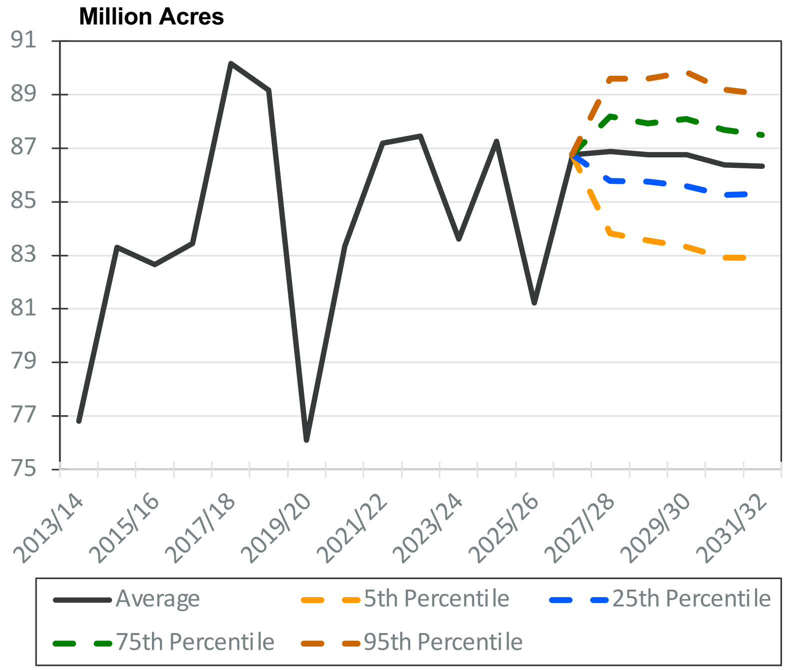
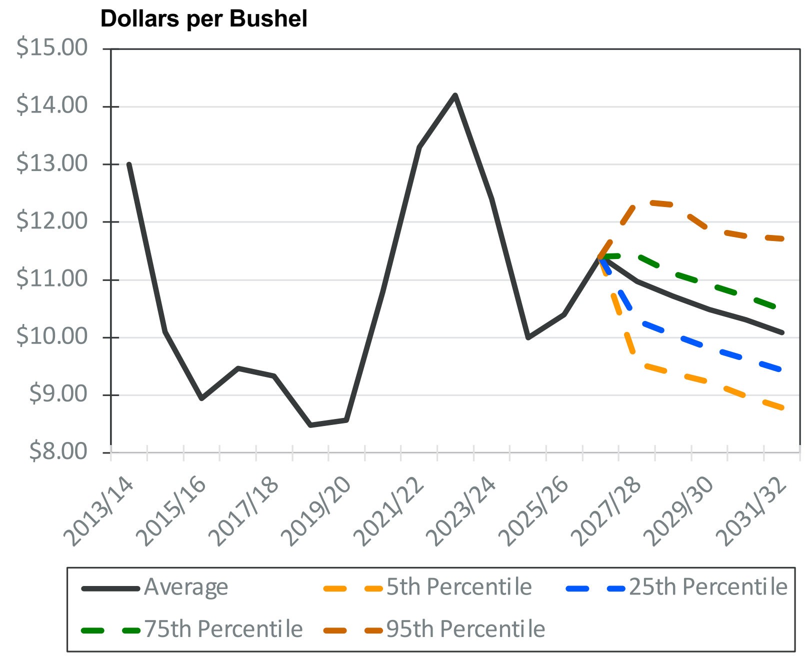
Rabobank U.S. ten-year baseline model soybean outlook*
(June 2026)

U.S. planted soybean acres outlook
75% probability planted corn acres will be under 85.75 mln acres



U.S. farmgate soybean price outlook
75% probability corn prices will be under $11.50 per bushel or lower



Source: USDA, RaboResearch Baseline (June 2026)
*Assuming “normal” conditions, including weather

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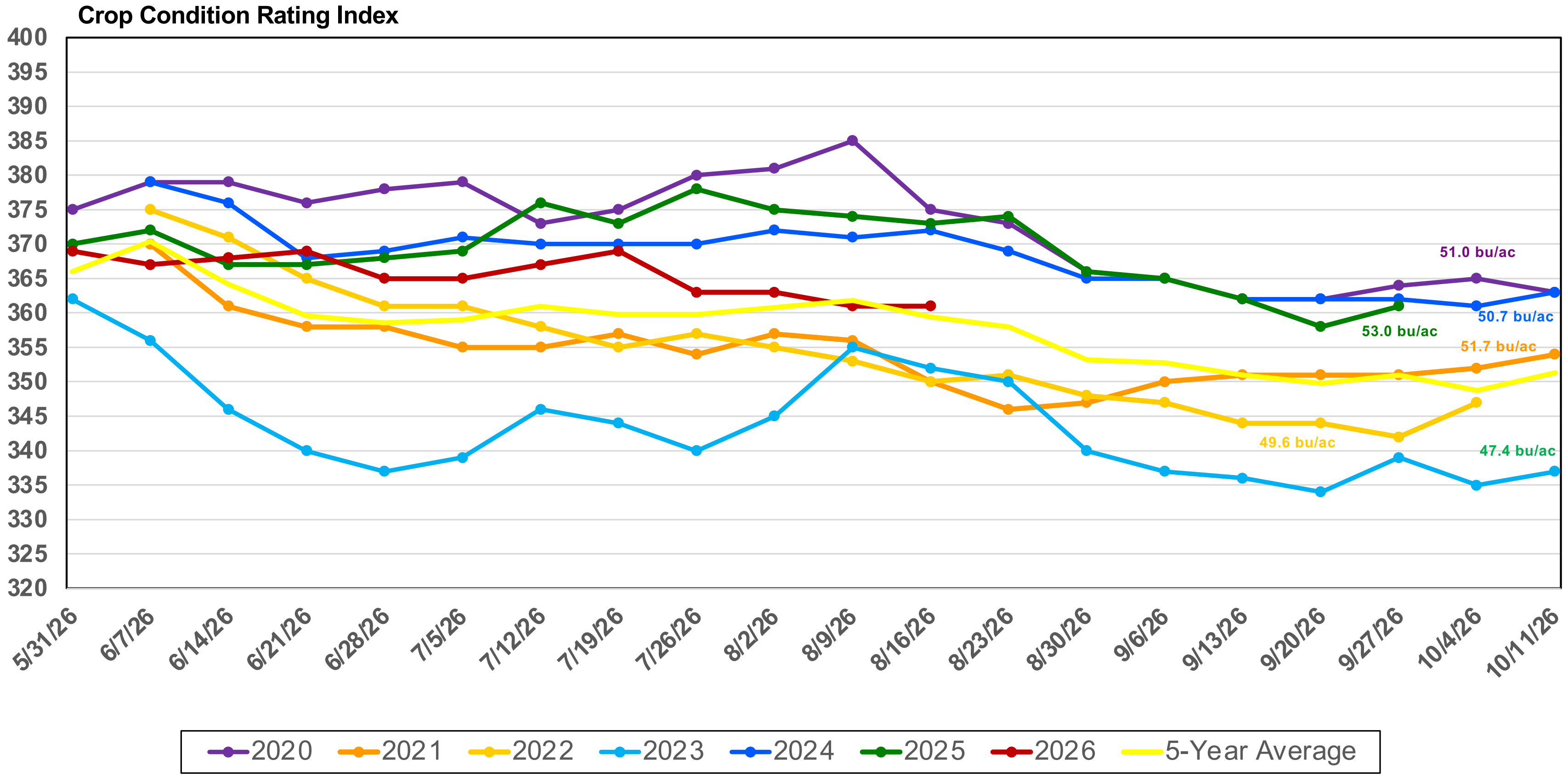
U.S. soybean condition index vs final yield

In August Crop Production report, USDA pegged national average yield as 52.7 bu/ac



Source: USDA-NASS, RaboResearch 2025

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Weekly CBOT soybean futures

Upside resistance around $12.50 area

Source: DTN Prophet X, RaboResearch 2026

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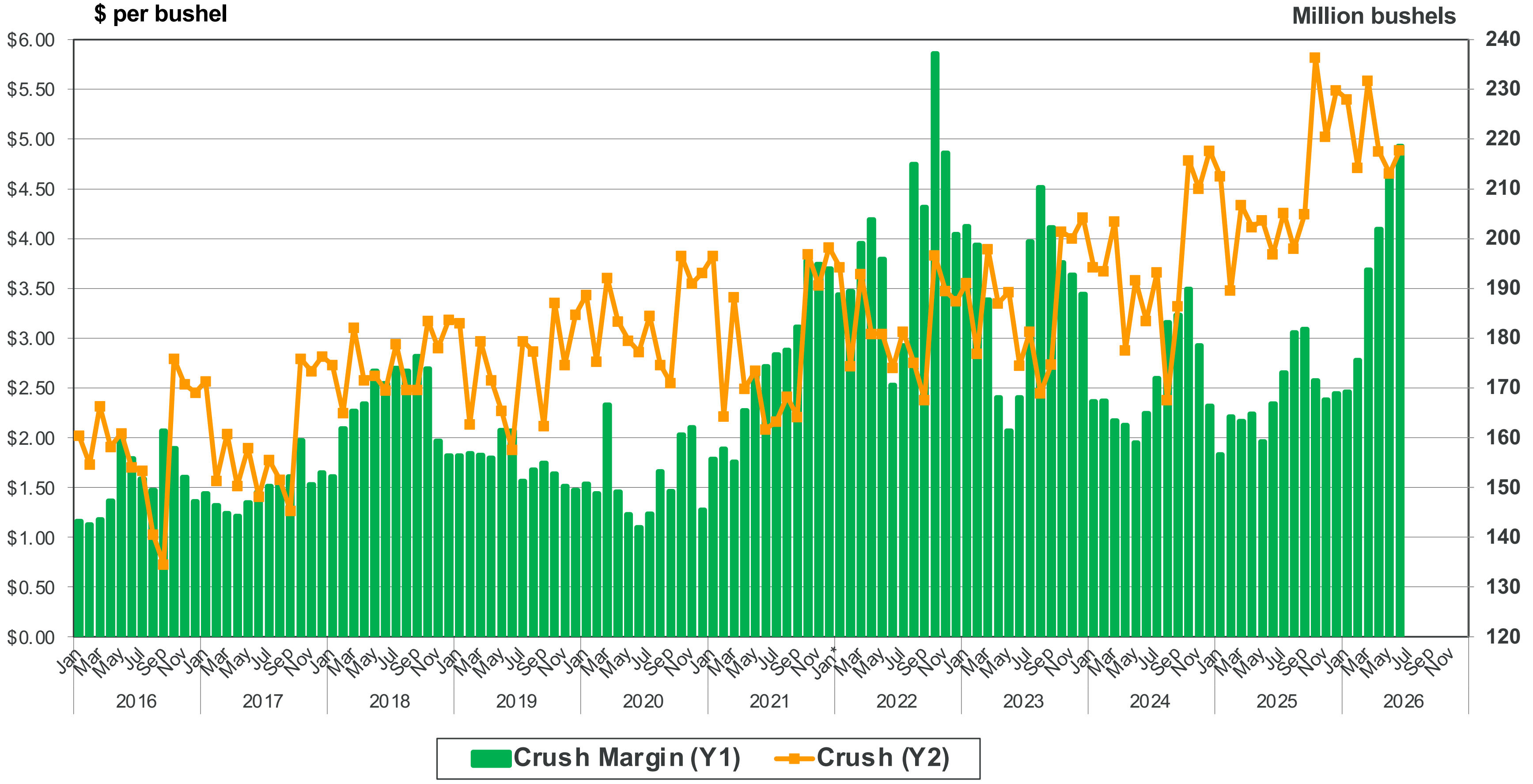
U.S. crush margins



Source: USDA-AMS. USDA-NASS, RaboReseach 2026

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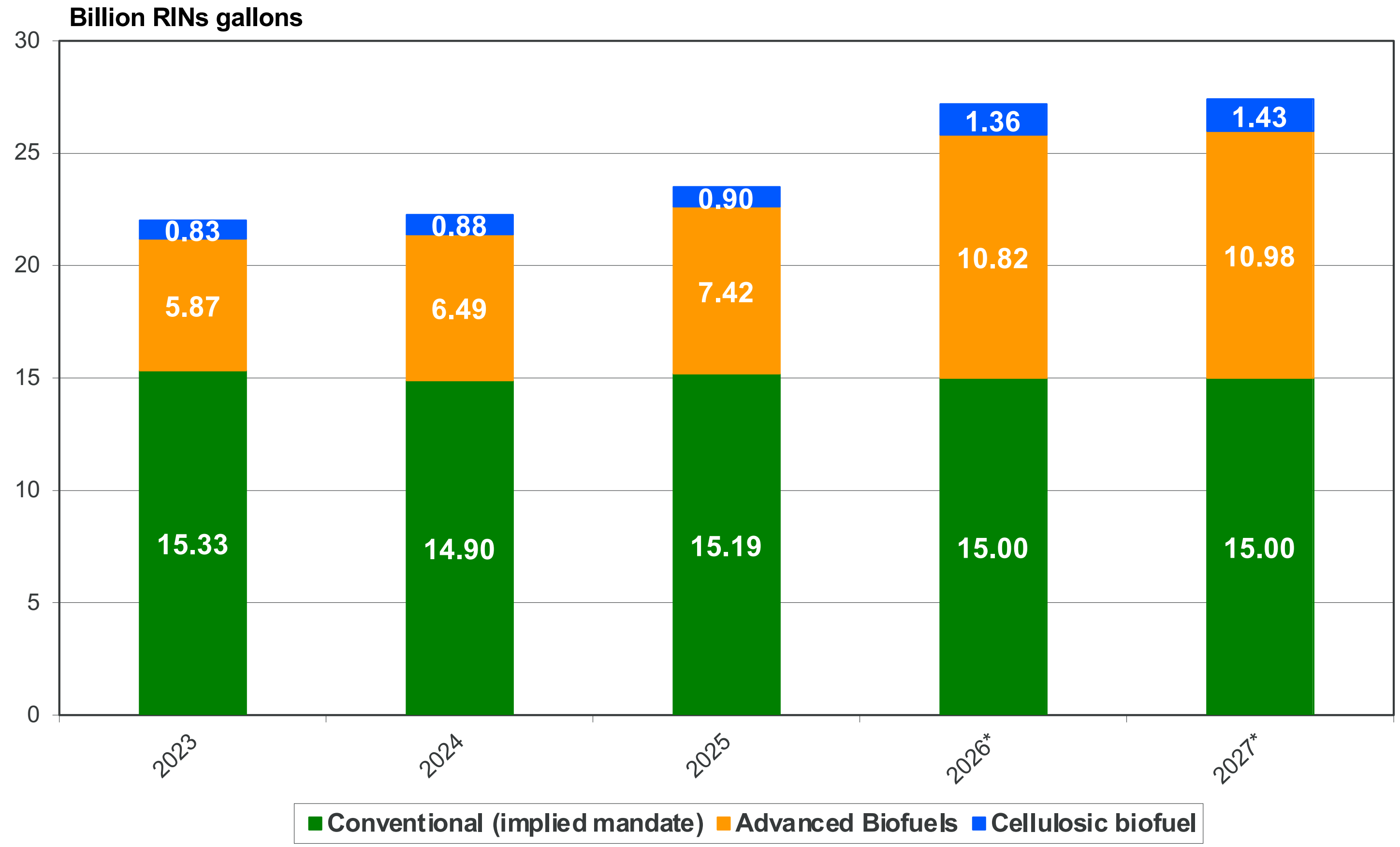
Renewable fuel standard volume proposal with comparisons

Under the rule, imported feedstocks will receive full value until 2028.



Bio-Mass Diesel Mandate, in gallon equivalents:

2025: 3.39 bln
2026: 5.54 bln
2027: 5.60 bln

Note: conventional equals ethanol blend volume
* EPA Proposal RIN volumes, one RIN equals non ethanol-equivalent gallon
Source: EPA, RaboResearch 2026

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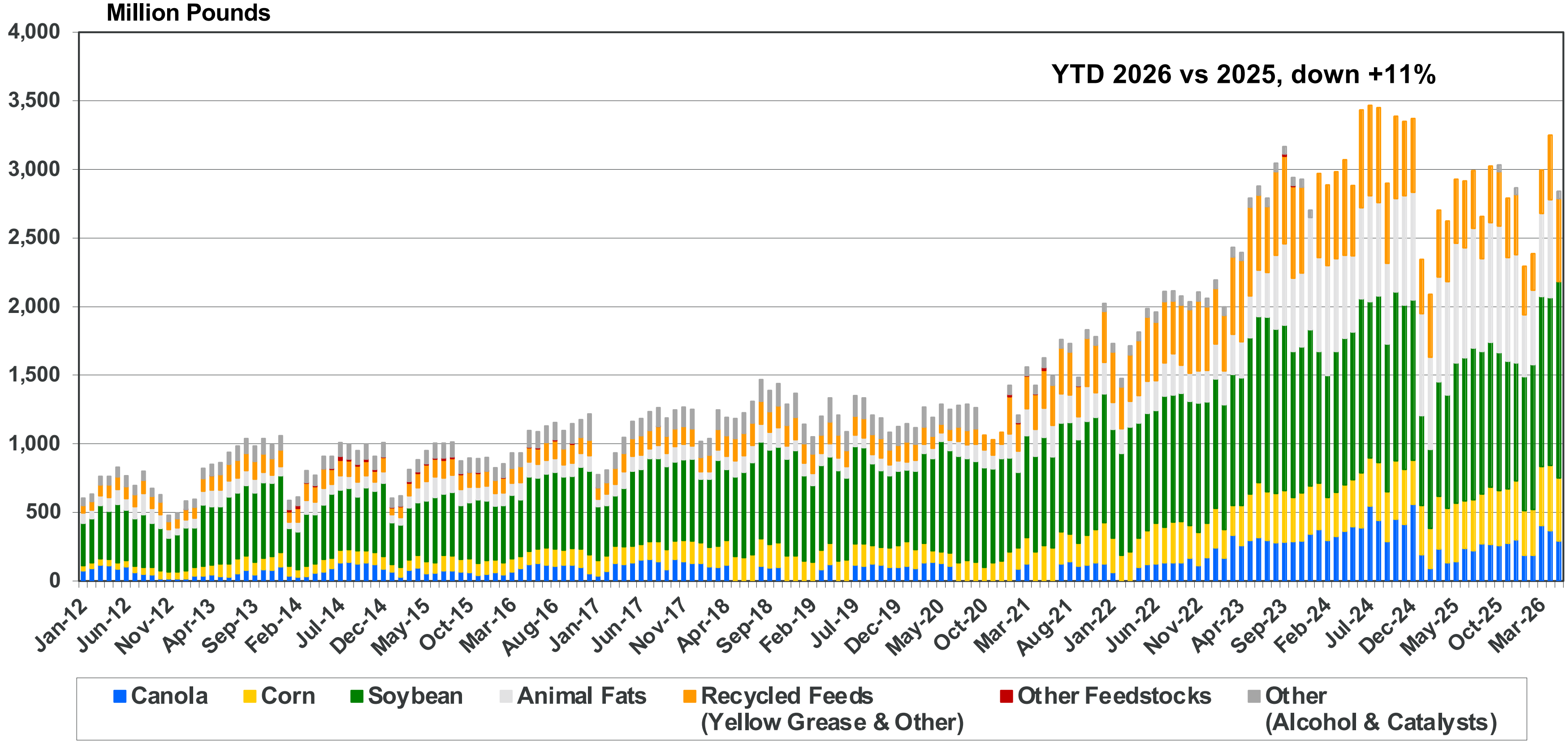
Monthly Feedstocks Consumed for Production of Biomass-Diesel

Volumes are beginning to pick back up, after expiration of lucrative $1.00 /gallon tax credit



Source: U.S. Energy Information Administration, RaboResearch 2026

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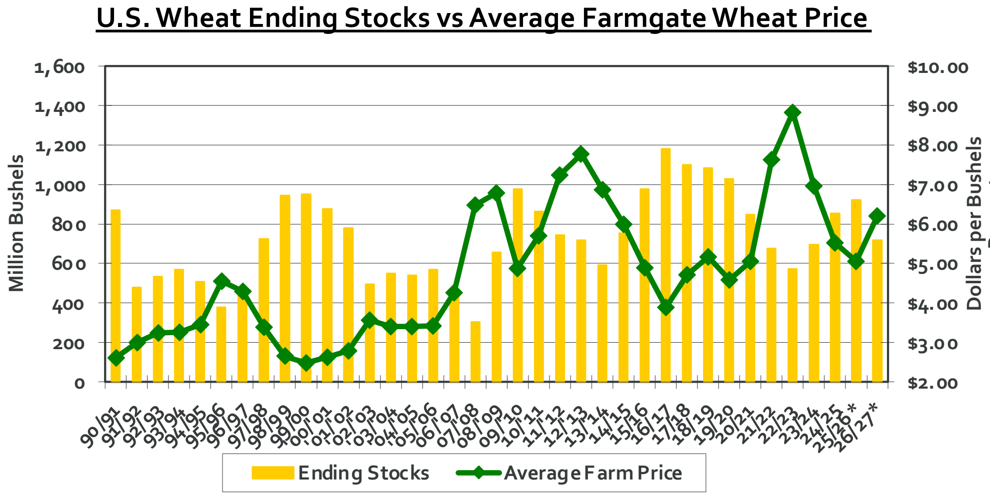
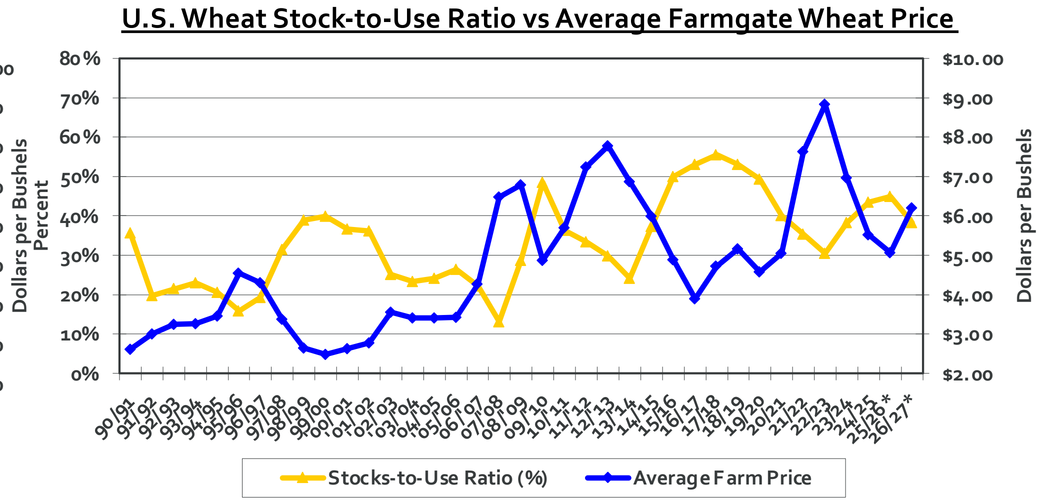
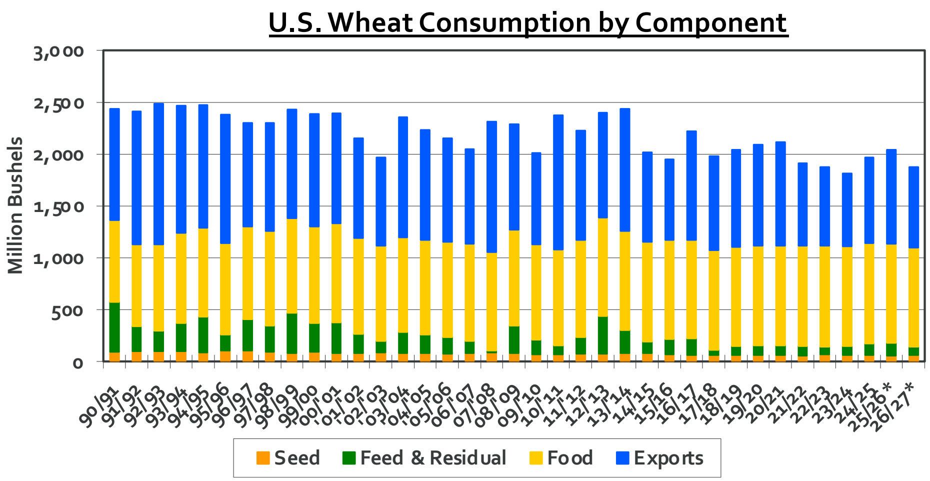
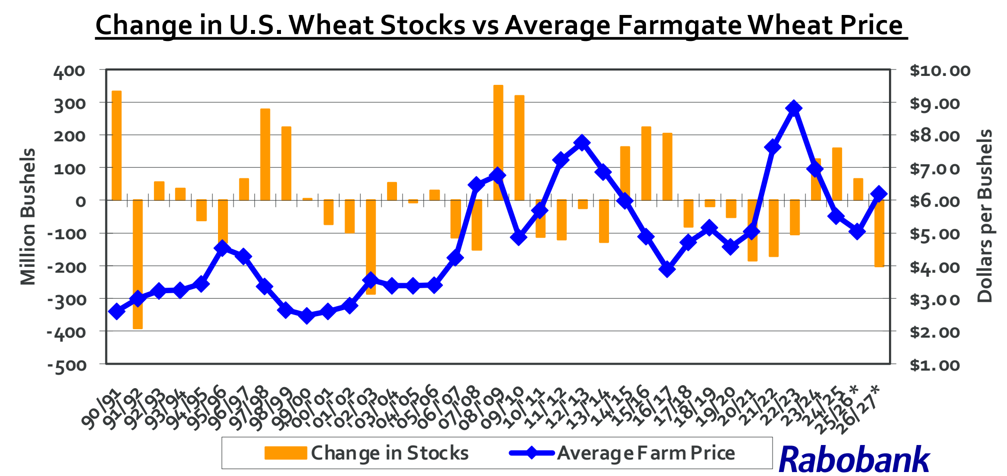
U.S. wheat fundamental dashboard









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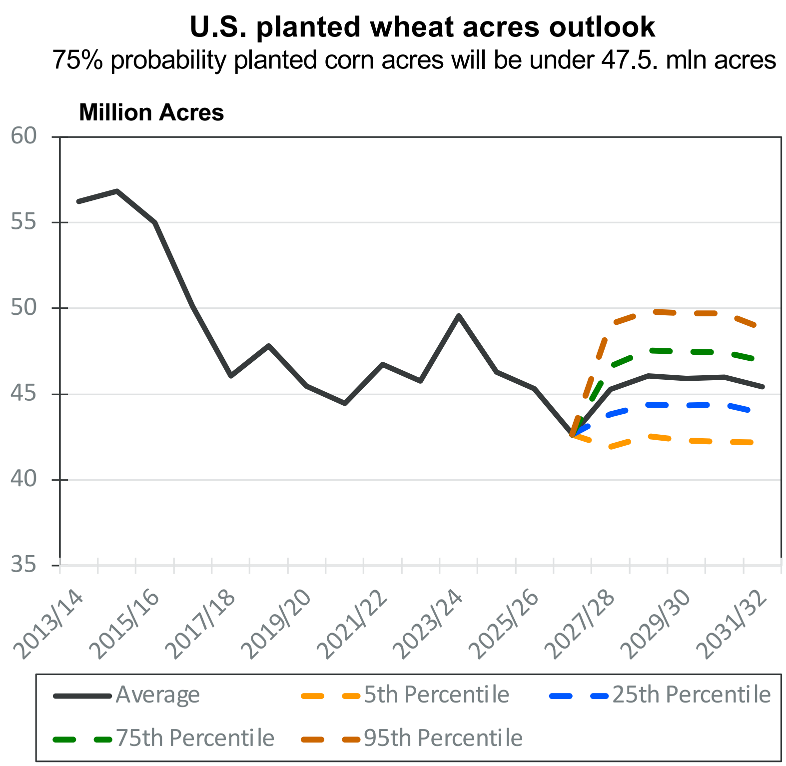
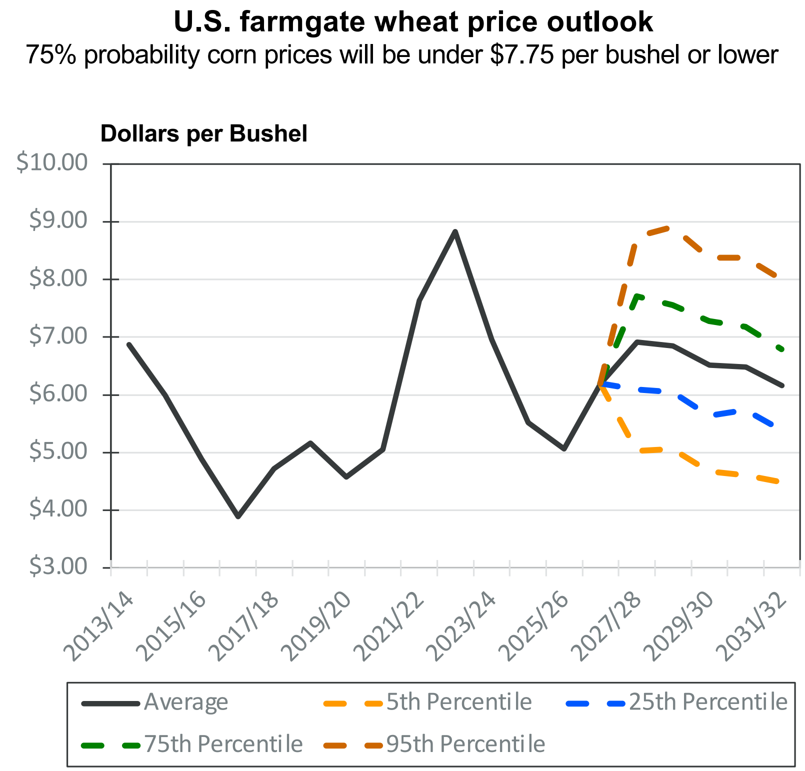
Rabobank U.S. ten-year baseline model wheat outlook*
(June 2026)





Source: USDA, RaboResearch Baseline (June 2026)
*Assuming “normal” conditions, including weather

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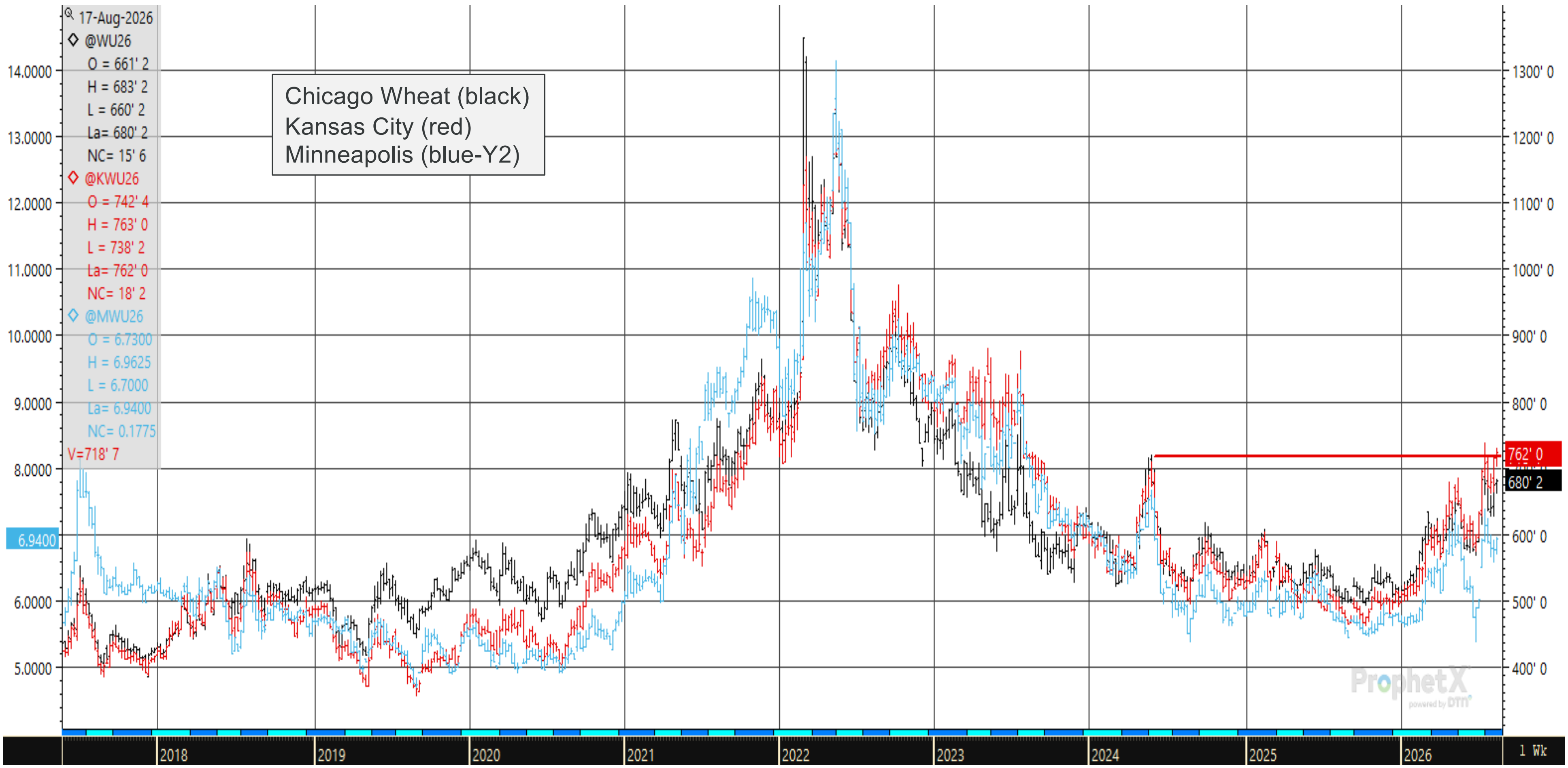
Weekly Wheat futures prices



Source: DTN-ProphetX, RaboResearch 2026

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A summary of the methodologies used by Rabobank can be found on our website.

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