

Agricultural Markets Review

from Nationwide Economics



September 2026

Ag News Highlights

Partial rebound for U.S. soybean exports

China has increased its purchases of U.S. soybeans, but the recovery remains incomplete. USDA's Foreign Agricultural Service said that as of August 13, China had purchased 5.7 million metric tons of U.S. soybeans for 2026-27 delivery, with another 3.8 million tons sold to unknown destinations that could include Chinese state-owned buyers but have not been confirmed. By late August, known sales to China had risen to roughly 6.79 million metric tons, or about 27 percent of the reported 25-million-ton annual target. Brazil remains a major competitor as its shipments to China reached record levels from June through August, while a 10 percent retaliatory tariff continues to make U.S. beans less competitive for many commercial buyers. The purchases support demand heading into harvest, but it's too early to say this points to a sustained export recovery. ([USDA](#))

Mixed signals from crop progress report

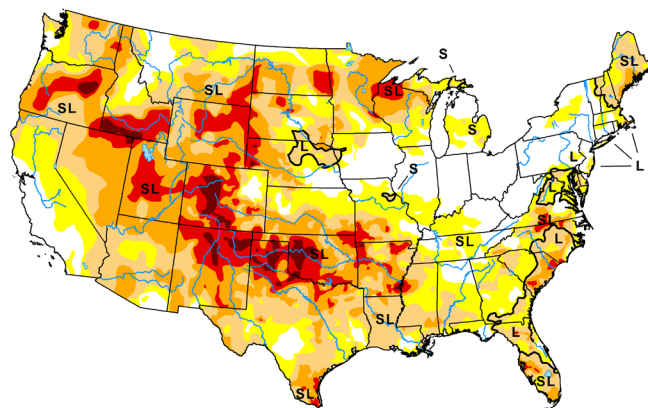
The USDA's latest crop progress report shows fall harvest has begun but remains in the early stages: five percent of corn had been harvested by early September across seven states, compared with a five-year average of three percent. Crop development was slightly ahead of normal, but corn's good-to-excellent rating fell to a season-low 56 percent, compared with 68 percent a year ago. Soybean leaf drop was also ahead of average, while soybean conditions held at 58 percent good-to-excellent, below last year's 64 percent. Winter wheat planting had reached 2 percent, behind the 5 percent average, while spring wheat harvest was 86 percent complete, ahead of average. The report points to an early start to harvest but mixed signals on final crop potential. ([USDA](#))

Farmer sentiment reaches eight-month high

The Purdue University-CME Group Ag Economy Barometer rose from 126 in July to 135 in August, its highest level in eight months. The improvement reflected a more favorable outlook for the months ahead, while readings on current conditions remained subdued. For the first time since June 2025, more producers expected their operations to be financially better off rather than worse off a year from now due to both increased export optimism and a rise in the Farm Financial Performance Index. On the negative side, farmer capital investment sentiment slipped, and 45 percent of farmers cited higher input costs as their biggest concern. The results suggest greater confidence in the future but continued caution about margins and spending. ([Purdue University](#))

Drought Monitor

Drought conditions have spread substantially in the past month. The expansion in drought coverage has occurred mostly in Texas and across the Deep South, while drought intensity has increased in the Northern Plains and portions of the Rocky Mountains.



Drought Impact Types

- Delineates dominant impacts
- S Short-Term, typically less than 6 mos
(ex: agriculture, grasslands)
- L Long-Term, typically greater than 6 mos
(ex: hydrology, ecology)

Intensity

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Author:
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National Drought
Mitigation Center

Commodity Prices

Monthly average, August 2026

	Average Price	1-Month Change	3-Month Change	12-Month Change
Corn ¹	\$4.55	6%	2%	24%
Cotton, Upland ³	\$0.81	9%	3%	N/A
Soybeans ¹	\$12.04	1%	2%	20%
Wheat (winter) ¹	\$6.15	-3%	-5%	30%
Cattle, All Beef ² (Jul. 2026)	\$246.00	-3%	2%	7%
Hogs ²	\$91.66	-2%	2%	-11%
Milk ² (Jul. 2026)	\$20.30	-4%	-2%	-2%
Broilers ³	\$1.17	-1%	-5%	-3%
Eggs ⁴	\$1.02	23%	99%	-64%
Crude Oil ^{5*} West Texas Intermediate	\$83.90	4%	-18%	29%
Diesel Fuel ^{6*} U.S. City Average	\$5.46	10%	-2%	46%

Table Footnotes

¹ \$ per bushel

⁴ \$ per dozen

² \$ per hundredweight (CwT)

⁵ \$ per barrel

³ \$ per pound

⁶ \$ per gallon

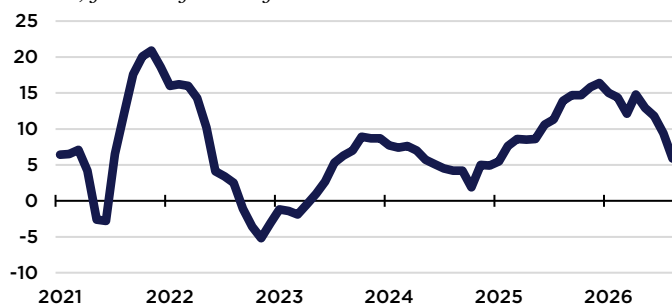
Could beef imports ease the supply squeeze?

Tight cattle pipeline meets tariff-free beef imports

Record-low cattle placements and marketings are tightening the domestic beef pipeline just as the Trump administration waives out-of-quota tariffs on up to 300,000 metric tons of ground beef imports. The move may offer consumers short-term relief, but cattle producers warn it could weaken incentives to rebuild the U.S. herd.

CPI inflation: Beef and veal

Percent, year-over-year change



Source: Bureau of Labor Statistics



The U.S. cattle market is becoming increasingly tight. USDA reported that placements, which are cattle entering feedlots for the final weight-gain phase before slaughter, numbered 1.42 million cattle during July, down 11 percent from a year earlier. Feedlot marketings, which are finished cattle leaving feedlots for slaughter, fell seven percent to 1.62 million head. Both were record lows for the month of July, while August 1 feedlot inventories were still 2 percent above a year earlier at 11.1 million head. Low placements reduce the number of cattle available several months later, while low marketings impact availability sooner because fewer finished cattle are being delivered to packers. The flow is slowing, and heavier carcass weights can only partly offset fewer head.

That tightening supply is the backdrop for the Trump administration's recent response. On August 21, it announced a 90-day waiver allowing up to 300,000 metric tons of ground beef imports to enter without the normal out-of-quota tariff. The waiver is focused on ground beef and lean beef used in blends rather than the entire beef market, and the administration presented the measure as a temporary way to increase supply and lower consumer prices while the domestic herd rebuilds. The ceiling equals roughly 661 million pounds, or about 6.8 percent of annual U.S. ground-beef supply if fully used. It's important to note that this is not necessarily all additional supply; some imports might have entered under existing arrangements, and actual usage will depend on suppliers, logistics, and processor demand.

Domestic cattle organizations have objected because cheaper imports could weaken prices for U.S. cow beef and lean trimmings and diminish the incentive for ranchers to rebuild the domestic herd. The National Cattlemen's Beef Association said the move could undermine herd expansion and long-term market stability, while the American Farm Bureau Federation warned that short-term imports could have longer-term consequences for producers. Their objection is not simply opposition to imports; it is concern that government-driven competition could weaken the price signals needed to retain heifers and invest in new production after years of herd liquidation.

The central question is whether the policy can provide meaningful consumer relief without delaying the rebuilding of U.S. production. Tariff-free imports could put downward pressure on wholesale ground-beef costs if the full volume arrives quickly, but the end effect at grocery stores is uncertain. The waiver lasts only 90 days, the ceiling may not be fully used, and processing and retail margins also impact grocery prices. From the consumer's perspective, more competition in the U.S. beef market is likely to be welcome, even if the effect is modest. Beef and veal prices were up 9.4 percent higher over the past year as of July, and inflation in this category has averaged over eight percent in the last five years. This policy offers a clear short-term appeal for shoppers, but its longer-term effect will depend on whether lower prices come at the cost of weaker incentives to rebuild domestic herds.

(CNBC) (Purdue University)



EIA Energy Forecast

	2026 (August)	2026 ¹	2027 ¹
West Texas Crude (per barrel)	\$83.90	\$84.50	\$58.00
Diesel Fuel (retail \$ per gallon)	\$5.46	\$5.31	\$3.93
Natural Gas (per million Btu)	\$2.78	\$3.51	\$4.01

¹ Forecast prices are an average for the month of December

Source: [U.S. Energy Information Administration](https://www.eia.gov/)

Glossary

Acronyms/Terminology

USDA – United States Department of Agriculture

Hundredweight – Refers to a unit of 100 pounds in the U.S. and Canada

Data Sources

Commodities excluding beef and milk – Haver Analytics and The Wall Street Journal

Beef and milk – Haver Analytics and the U.S. Department of Agriculture (Prices received by farmers)

Drought Monitor – National Drought Mitigation Center, <http://droughtmonitor.unl.edu/>

Additional information sources

CoBank Knowledge Center – www.cobank.com/Knowledge-Exchange.aspx

USDA Economic Research Service – www.ers.usda.gov

USDA Price & Import/Export Forecasts – [USDA Economic Research Service Publications](http://www.ers.usda.gov/publications)

Association of Equipment Manufacturers – www.aem.org/agriculture/

Agriculture Commodity Prices - <http://www.cnbc.com/agricultural-commodities/>

Livestock Commodity Prices - <http://www.cnbc.com/livestock-commodities/>



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