Argus *AgriMarkets* Outlook

Agriculture

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Argus AgriMarkets Outlook
Disclaimer and Notices

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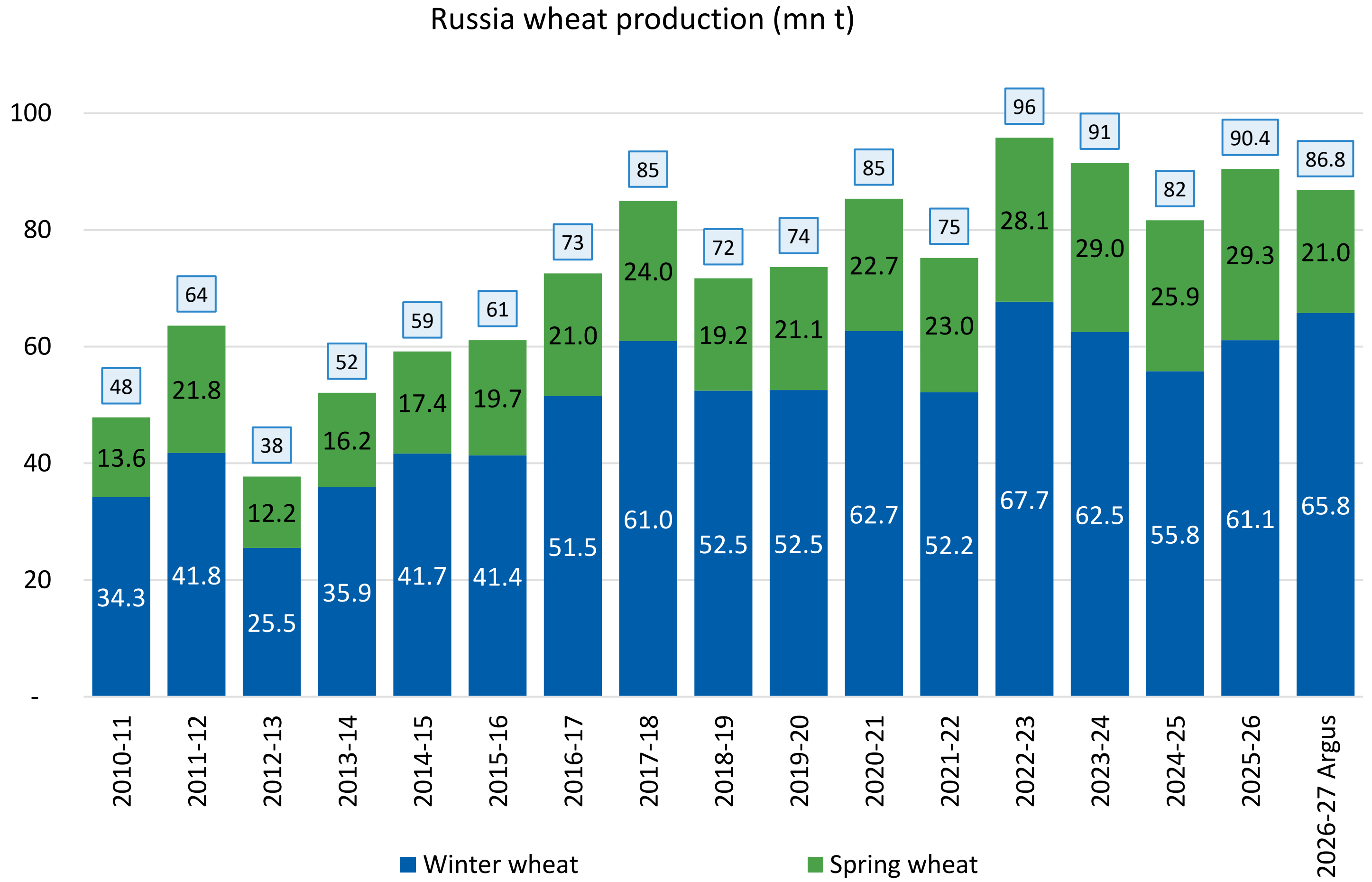
Wheat – Supply and Demand

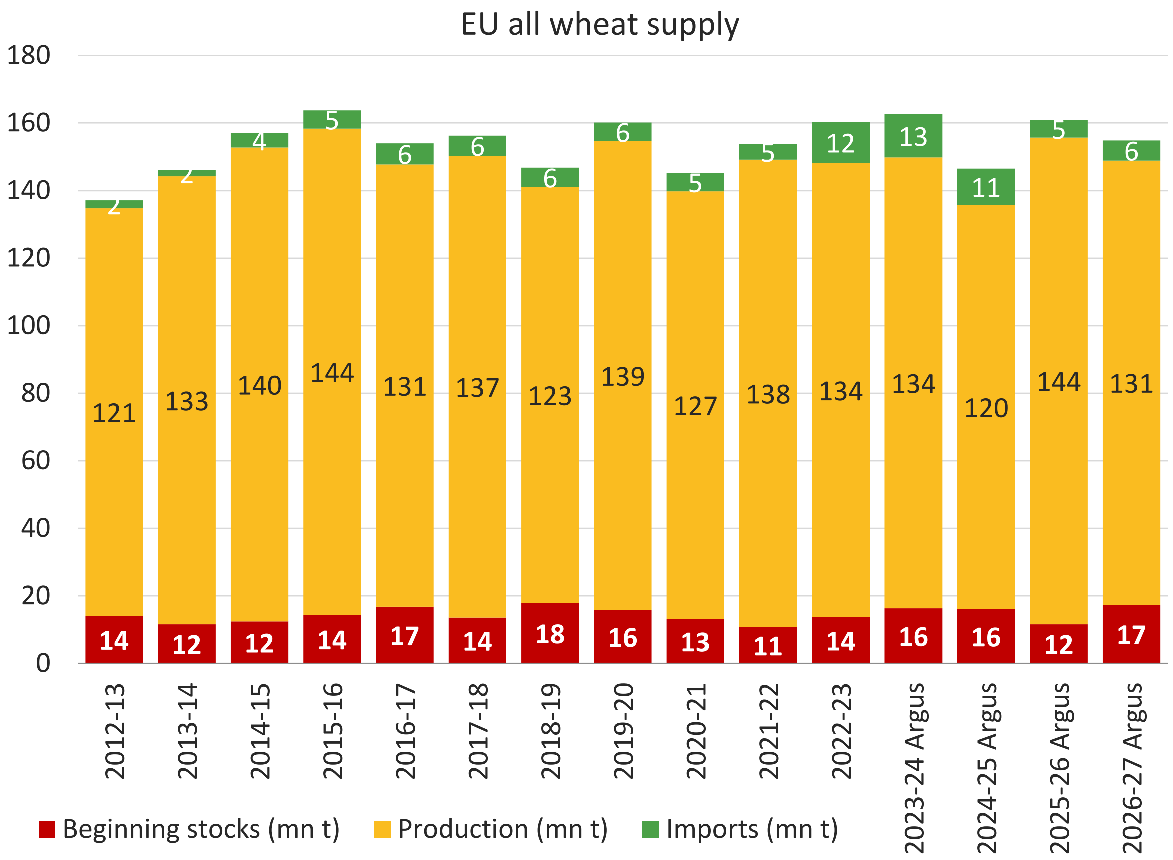
Lower wheat area cuts Russia's production outlook

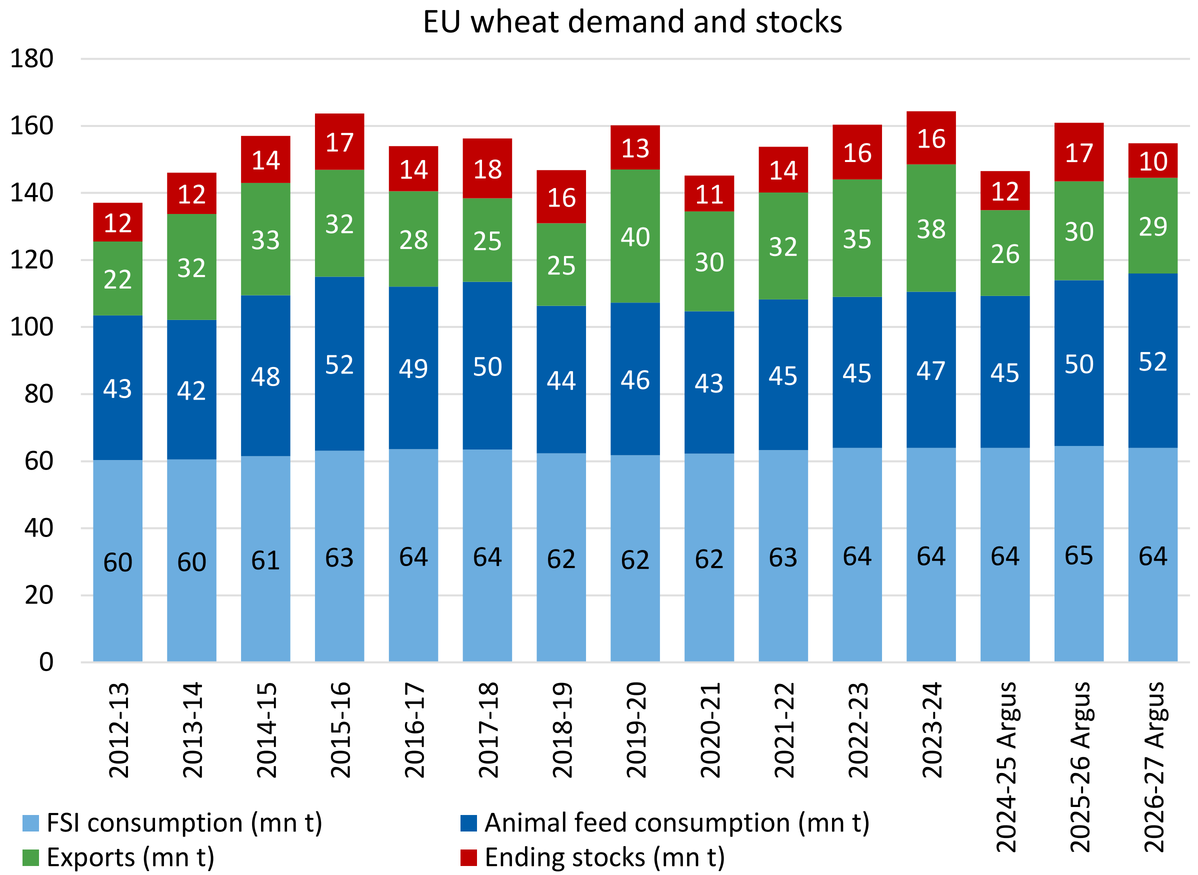


- Recent Rosstat data indicated a smaller wheat area.
- With our spring wheat yield unchanged at 2.3t/ha and our winter wheat yield at 4.1t/ha, our production forecast falls by 2.9mn t to 86.8mn t.

Wheat – Supply and Demand

EU ending stocks limit export potential despite steady demand outlook

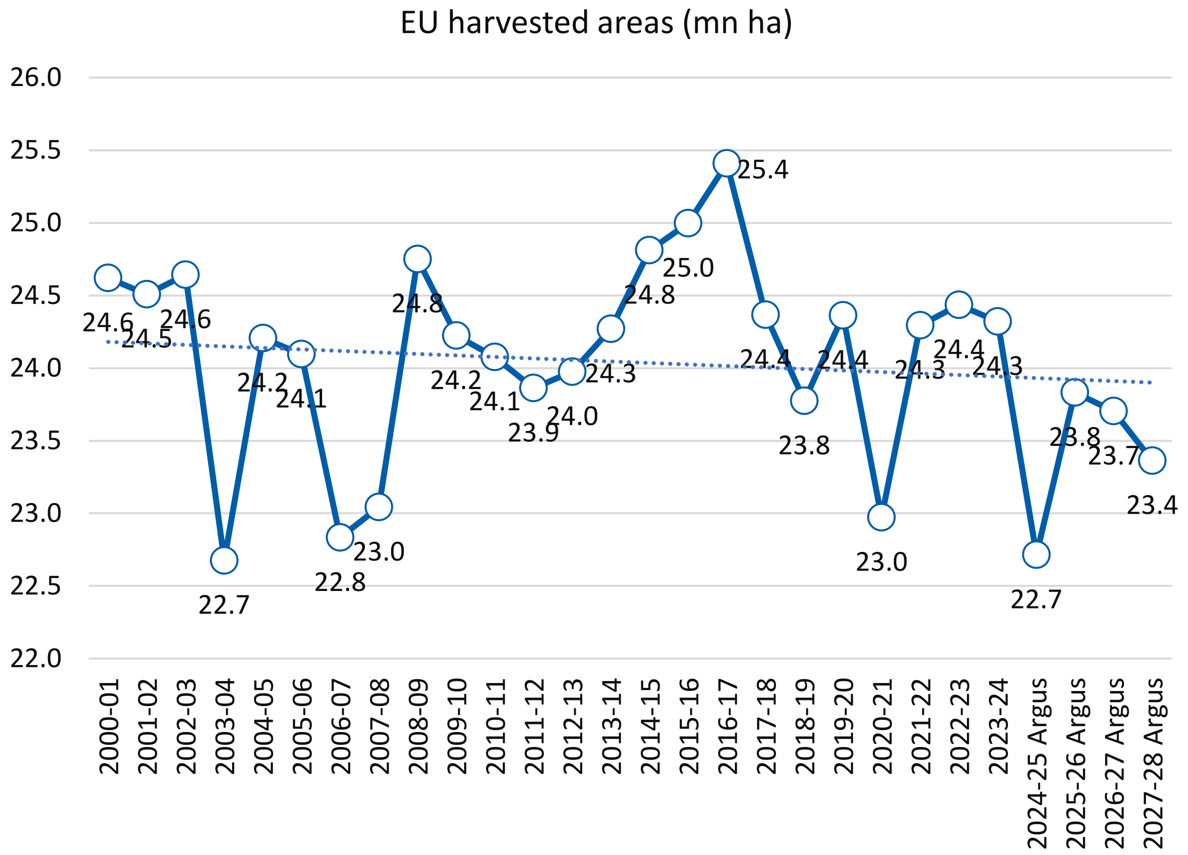


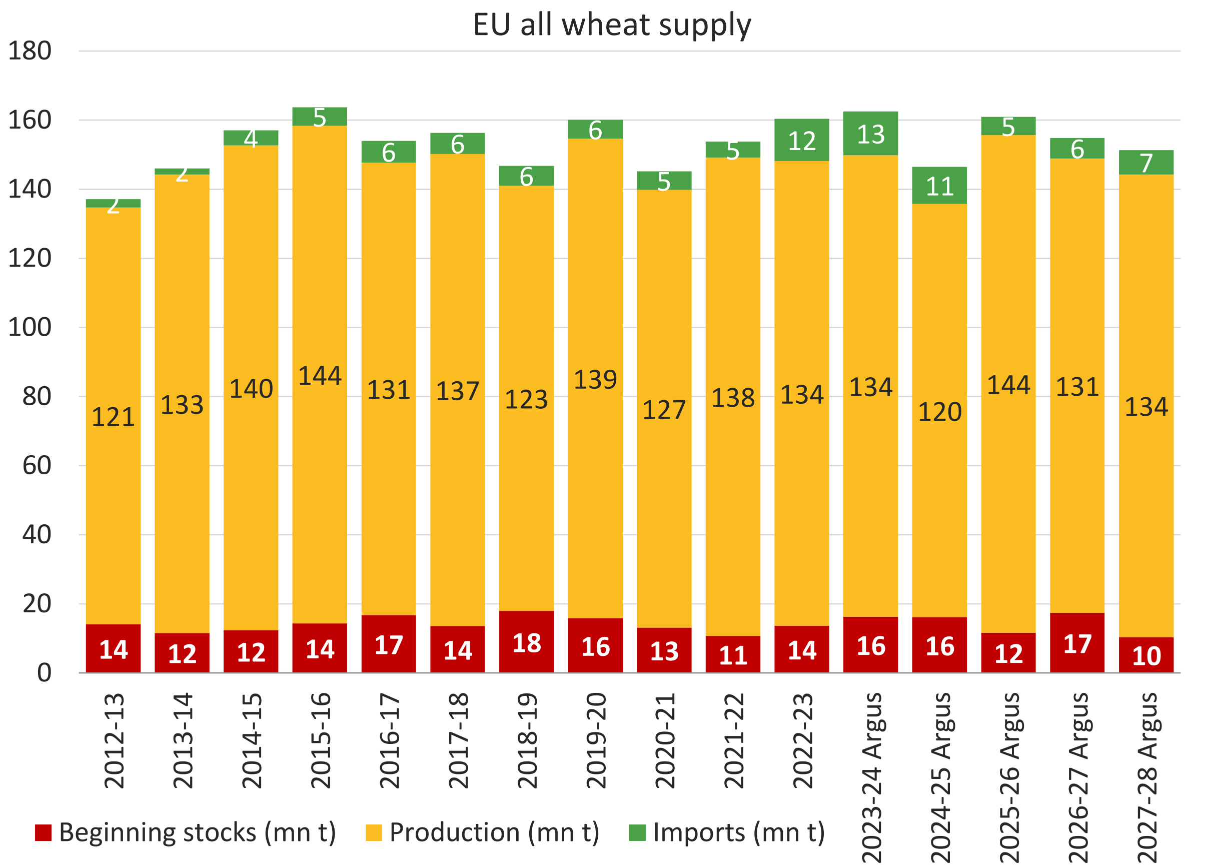


- We cut our German production estimate after the farmer association resumed operations, bringing the **EU production forecast down to 2.5mn t**. We kept our demand forecast unchanged, as stronger feed demand is still expected.
- Export demand remains the key question. For July–August, some line-ups are planned for West Africa, Algeria, Morocco and Tunisia, but the potential export volume is unclear (between 1-2mn t). Buyers appear to be redirecting planned Ukraine and Russia exports towards EU origins, but the EU will not be able to supply as much as it wanted because of ending stocks, which are at the lowest in 16 years.

Wheat – Supply and Demand

Lower EU wheat area points to a tighter 2027-28 balance





- We expect EU wheat area to fall across much of the bloc in 2027-28, as fertilizer costs are likely to remain high because of firm gas prices. We project area at 23.4mn ha, one of the lowest levels in the past 27 years.
- Farmers are also looking to diversify income by planting other crops. Assuming trend or average yields, depending on the region, EU wheat production would reach 133.9mn t. This would leave the outlook tight, and any production disruption could tighten the EU balance sheet further and leave the bloc needing wheat imports.

Wheat – Conclusion

Euronext Wheat

4-Week Outlook

Weather Market

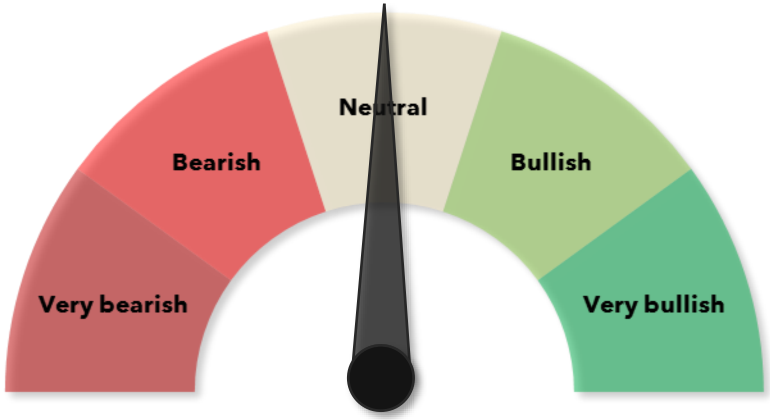
Funds

Competitiveness

Technical Analysis

FX / Macro

News



- Black Sea export pace remains uncertain in the short term; no clear improvement yet
- Importer demand is muted but should intensify in the next 6 weeks
- Long positioning by EU and US funds remains a bearish risk if Black Sea export issues are resolved

3-Month Outlook

Fundamentals

Funds

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FX / Macro

- Large wheat crop in the Black Sea may pressure prices if export constraints ease
- S&D in the EU is tightening gradually
- Corn could support EU prices and establish a price floor
- Southern Hemisphere supply may ease in 2026-27

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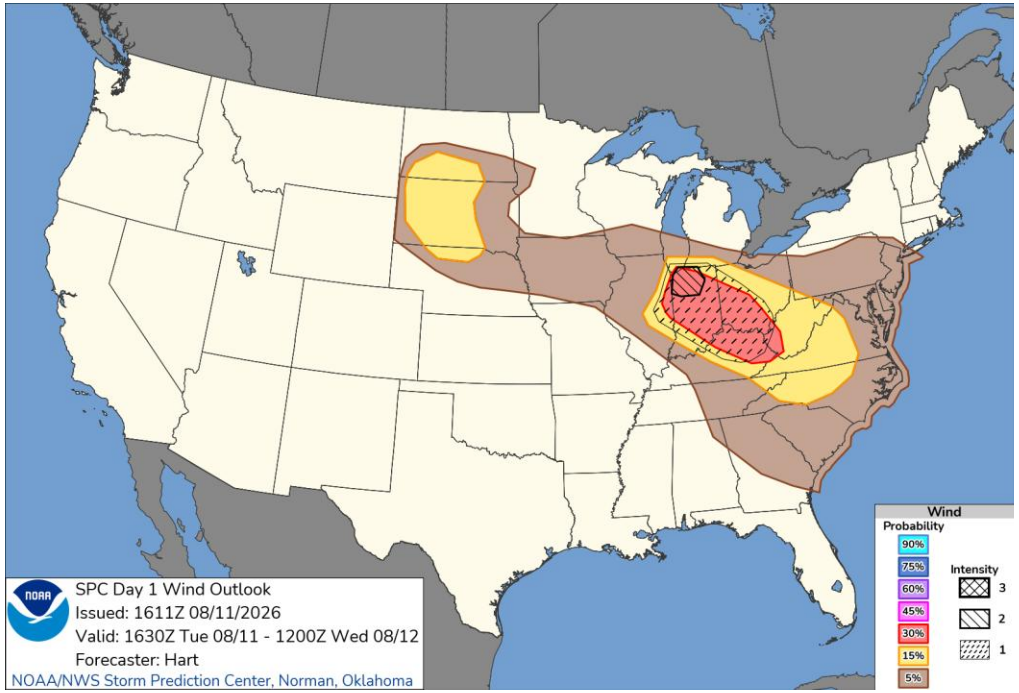
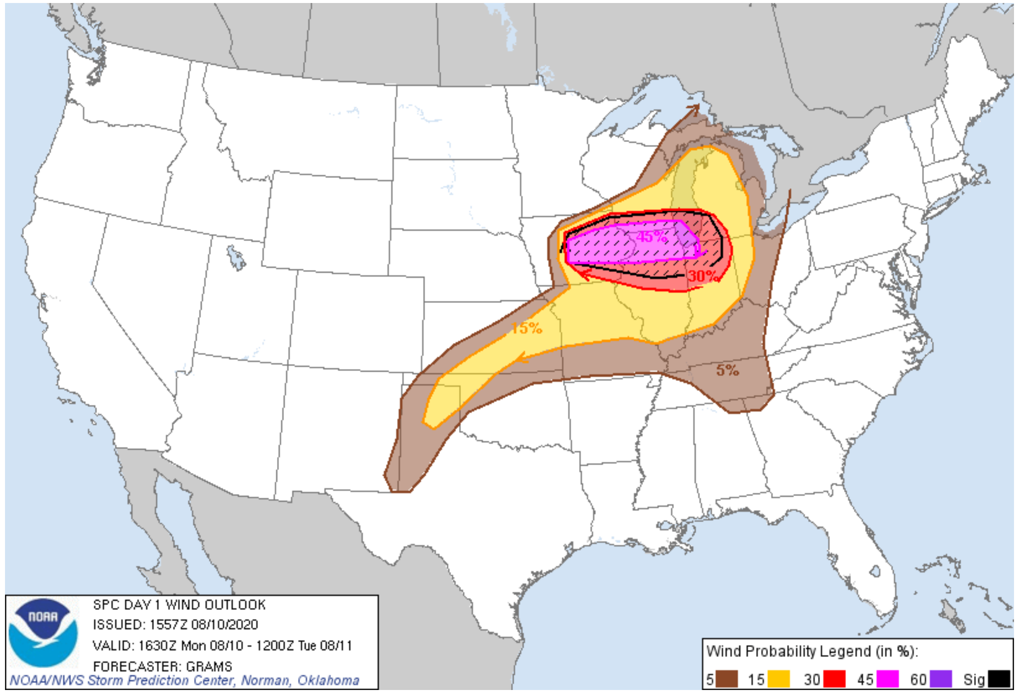
Corn – Supply and Demand

US crop losses likely to remain below 2020 levels

- 11 August 2026



- 10 August 2020

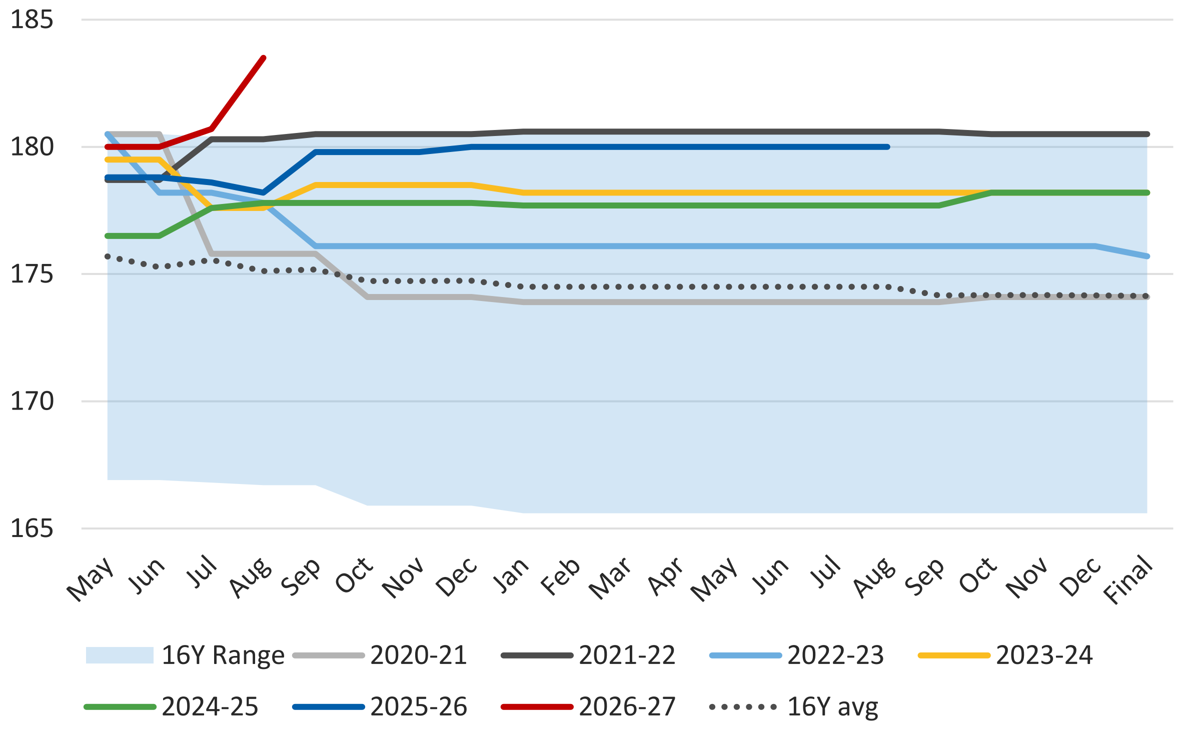


- The last derecho, in 2020, caused widespread damage across thousands of acres and prompted a reduction in US production. The derecho on 11 August 2026 appears to have been less intense and more concentrated in the eastern Corn Belt.
- Some crop damage is possible, but we do not expect losses to match those recorded in 2020. We will assess further field feedback over the coming weeks before drawing firmer conclusions.

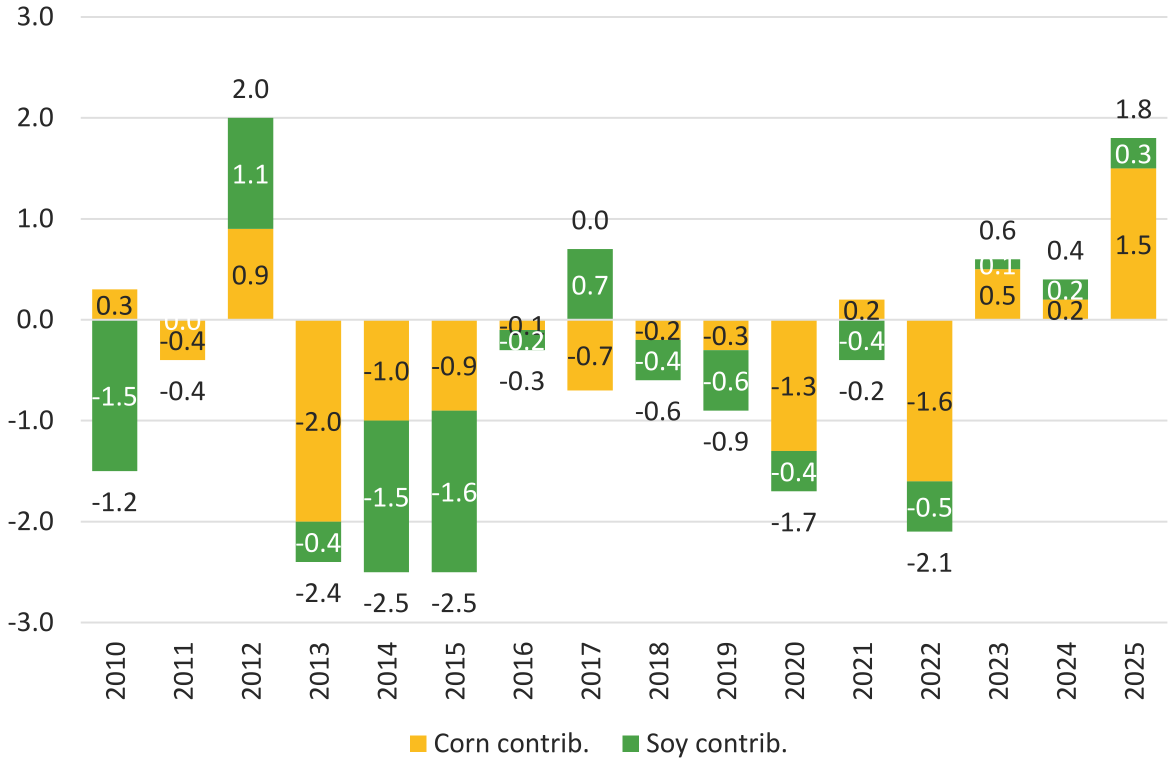
Corn – Supply and Demand

Recent revision trend points to a higher final 2026 acreage total

US corn and soybeans planted areas evolution of USDA estimates (mn ha)



US corn and soybeans planted areas USDA change between August and Final report (mn ha)

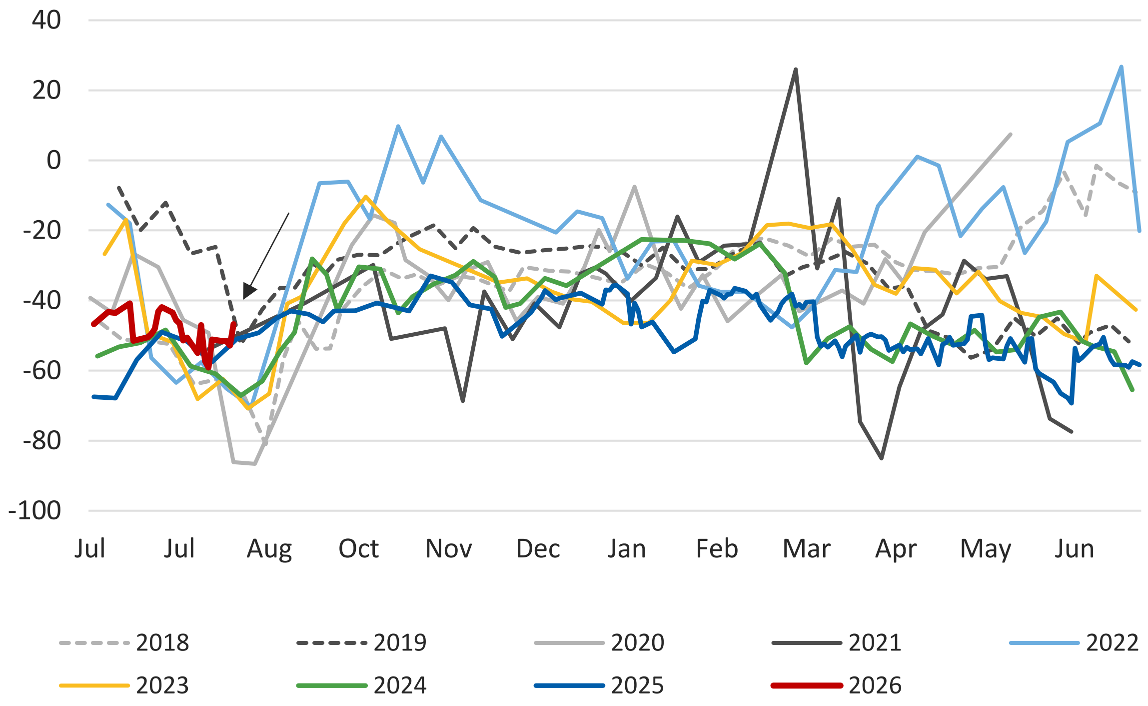


- Combined corn and soybean plantings reached a record 183.5mn acres in 2026, up by 25.3mn acres from 2007 and 10.5mn acres above the 20-year average. Soybeans drove most of the increase, rising by 22.1mn acres compared with 3.2mn acres for corn.
- Revisions averaged a 1mn acre cut in 2010-2022, but a 0.7mn acre increase in 2023-2026, with no downward revision in the past four years, mostly driven by corn.

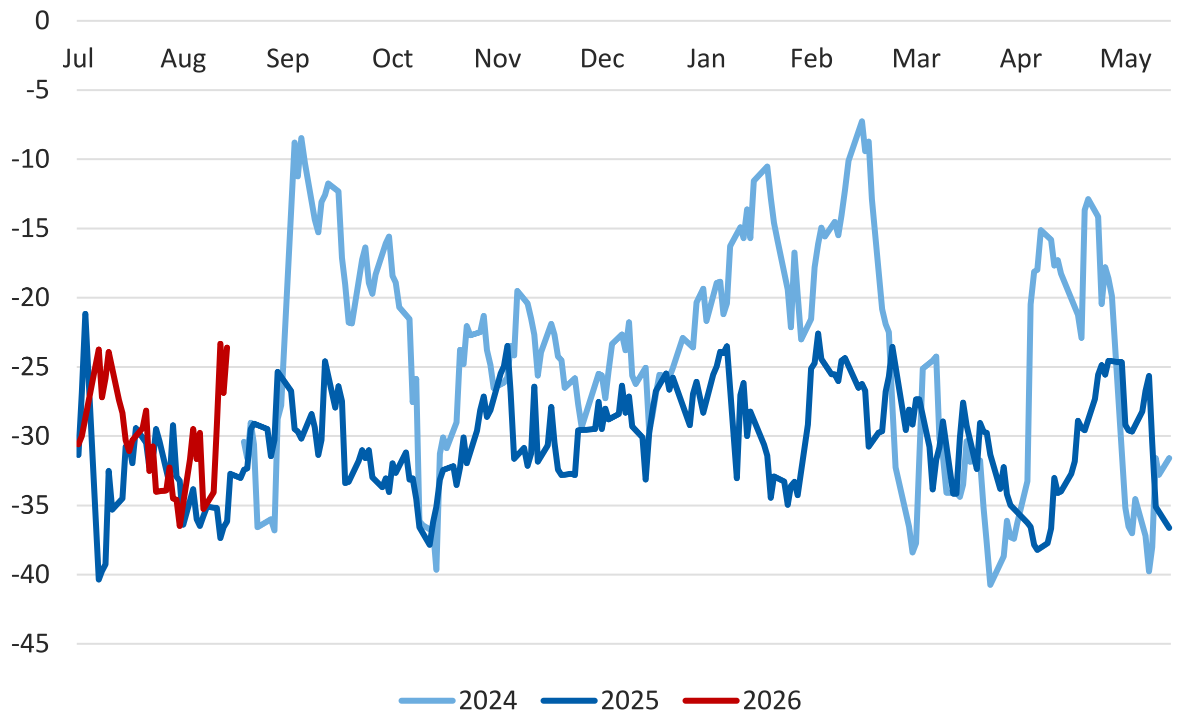
Corn – Quantitative Analysis

US corn price advantage could support increased flows to Europe

Seasonal spread: US corn fob Gulf minus EU corn cif Rotterdam ($/t)



Seasonal spread: US corn fob Gulf minus Spain corn cif Med

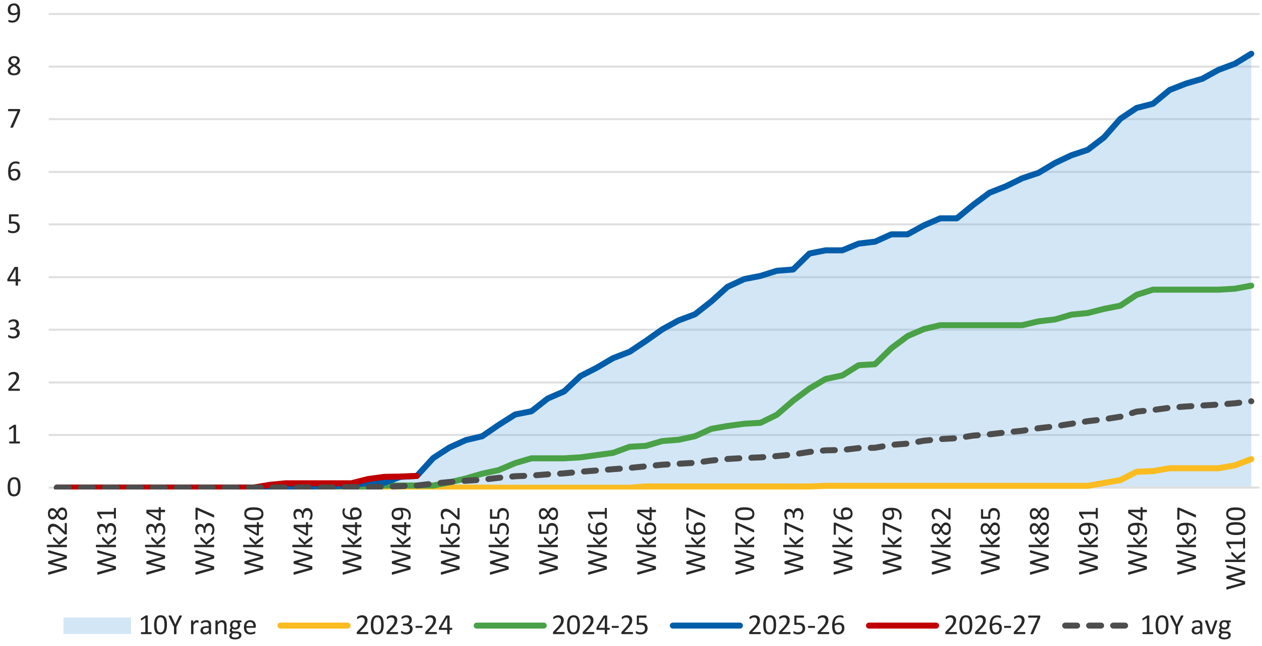


- Current price spreads between US and European corn suggest that US corn could increasingly flow into Europe. US corn is more competitive than Brazilian supply, with current spreads supporting that price advantage.

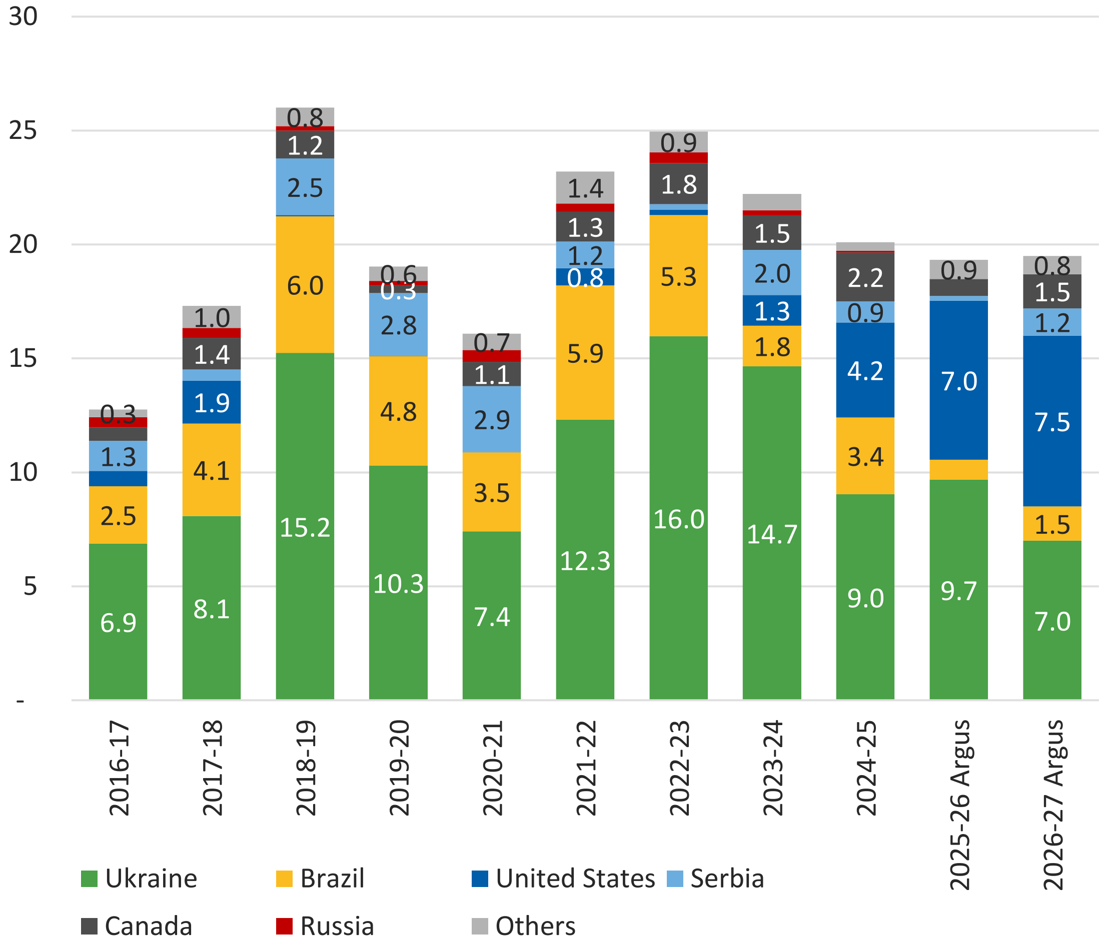
Corn – Supply and Demand

Earlier EU demand could support US corn exports and prices

US corn cumulative weekly export sales to EU



EU corn imports by origin (mn t)



- US corn sales to the EU have reached record highs since the start of the new marketing year, supported by competitive prices and strong EU import demand.
- Sales show a two-year trend of steady growth, making the EU an increasingly significant market for US corn.
- Ukraine is likely to remain a major corn exporter to the EU in 2026-27. But if Ukraine does not resolve the issues affecting its exports, corn from Canada, CVB and the US could cover a larger share of the EU's import needs.

Corn – Supply and Demand

Higher imports expand EU corn balance sheet in 2025-26

EU	2025-26 Argus	2026-27 Argus
Harvested areas (mn ha)	8.4	7.3
Yield (t/ha)	6.88	6.39
Beginning stocks (mn t)	6.5	7.6
Production (mn t)	57.9	46.9
Imports (mn t)	19.3	19.5
Total supply (mn t)	83.7	74.1
Exports (mn t)	1.6	0.5
Feed demand (mn t)	54.5	49.0
FSI demand (mn t)	20.0	18.5
Total domestic demand (mn t)	74.5	67.5
Total demand (mn t)	76.1	68.0
Ending stocks (mn t)	7.6	6.1
Stocks/use ratio (%)	10.0%	8.9%

- These imports prompt us to raise our 2025-26 forecast to 19.3mn t. Although this figure appears high and results in a larger balance sheet, most of the additional imports are expected to arrive in July-September in preparation for the next crop.
- Total EU corn imports in 2026-27 will remain capped because corn is not competitive with wheat. But the US could replace Ukraine as a key supplier early in 2026-27 if Ukrainian logistics do not improve by October-November. This would bring forward EU buying interest in US corn, support US export sales and lend support to prices as EU demand emerges earlier than usual.

Corn – Conclusion

CBOT Corn

4-Week Outlook

Weather Market

Funds

Competitiveness

Technical Analysis

Fundamentals

- Lower yield potential in the US (180-182bu/acre)
- US S&D remains sensitive to acreage surprises
- Brazilian early export supply pressure to benefit US export demand
- Record export demand has fully offset harvest pressure in Argentina

3-Month Outlook

Fundamentals

Funds

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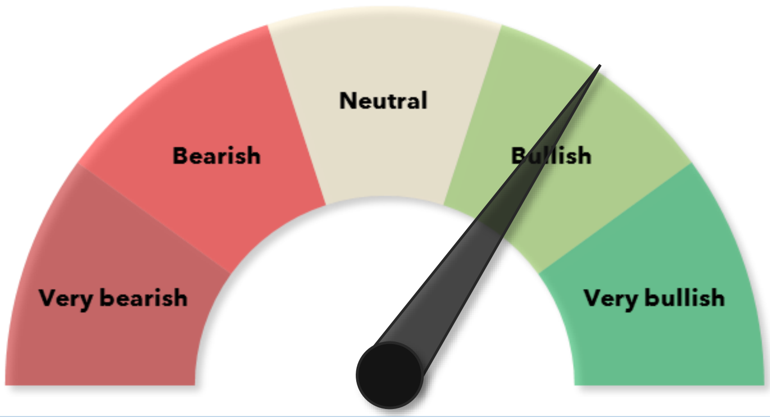
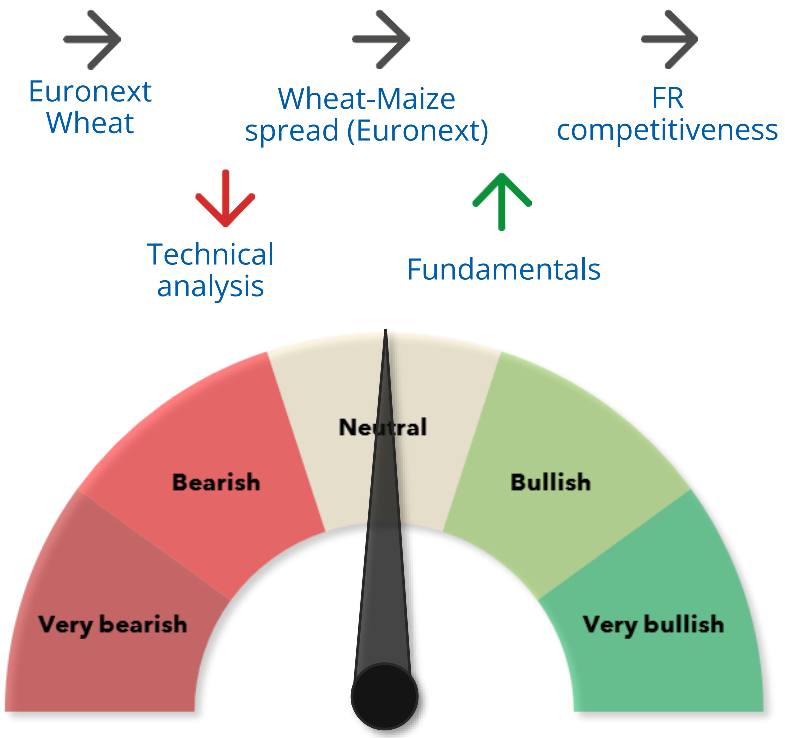


- EU buying interest for US corn to remain significant and stimulate US exports
- Argentina's large export supply could replace US-origin supply
- World demand at record level
- El Niño could turn India into an importer

Corn – Conclusion

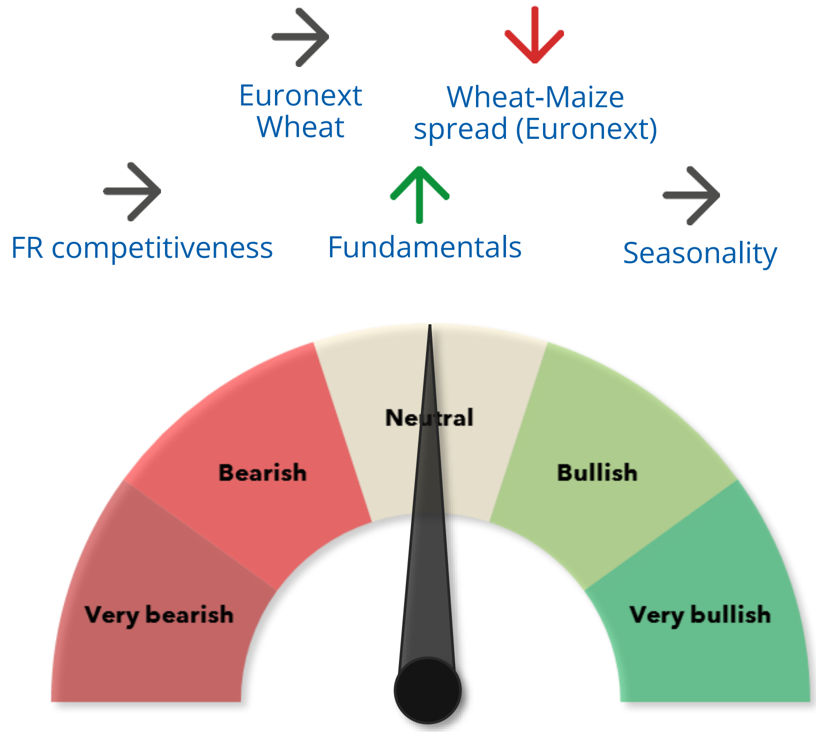
Euronext Corn

4-Week Outlook



- EU corn production expected at 48mn t
- Ukraine export capacity needs attention as EU could face corn shortage in 2026-27
- French balance sheet tight on old & new crop

3-Month Outlook



- Ukrainian corn exports will remain constrained by logistical issues
- Feed corn prices need to remain uncompetitive to shift demand to wheat

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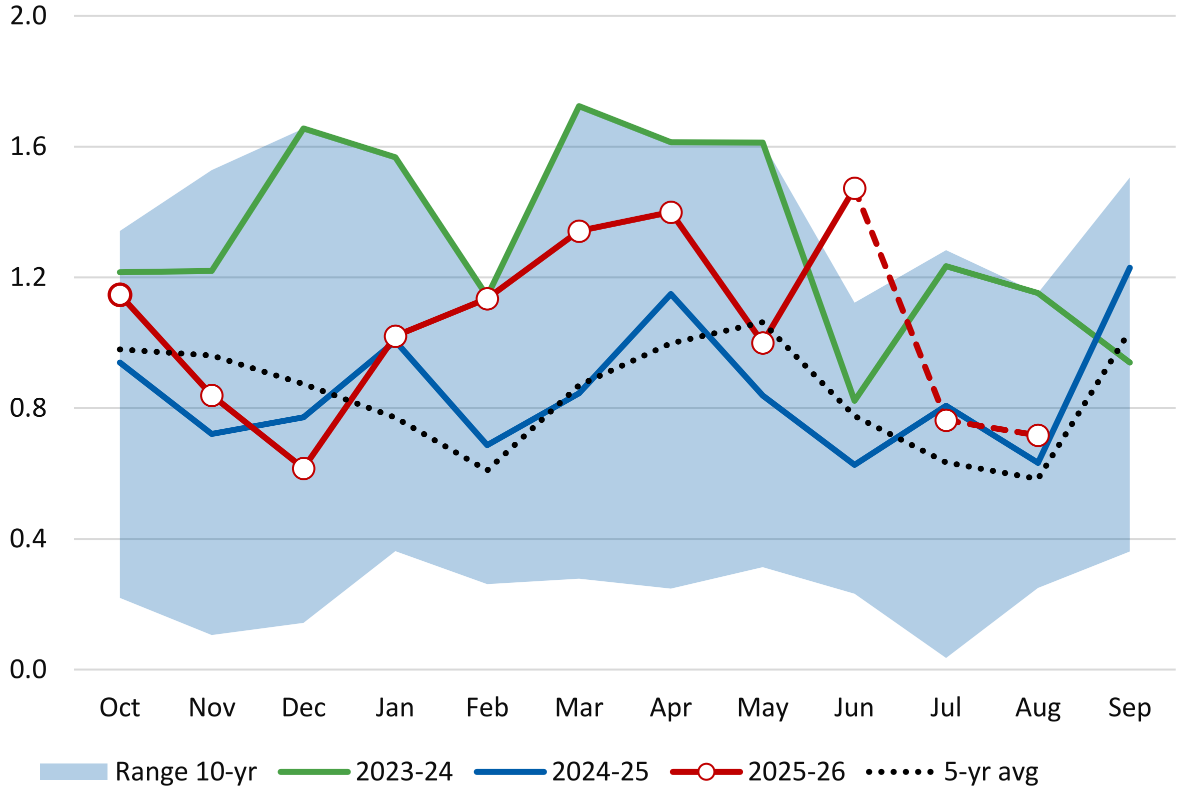
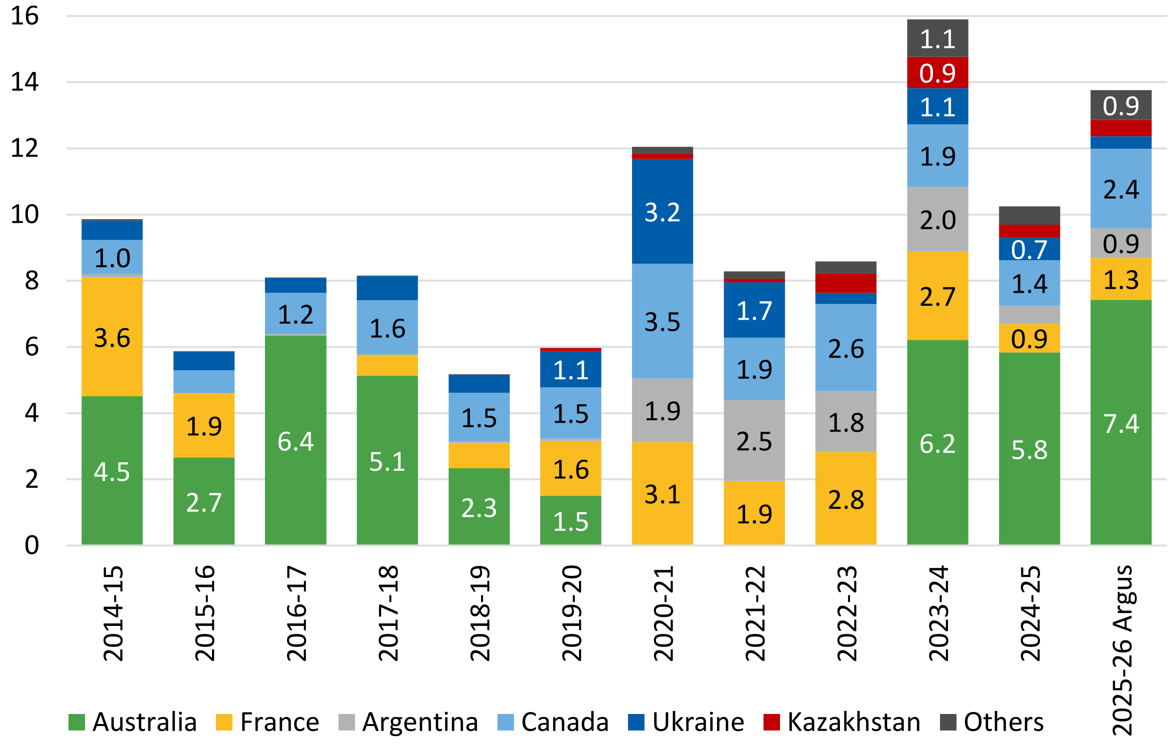
Barley – Supply and Demand

Chinese barley imports set to slow after June surge

China barley monthly imports (mn t)



China barley imports by origin (mn t)

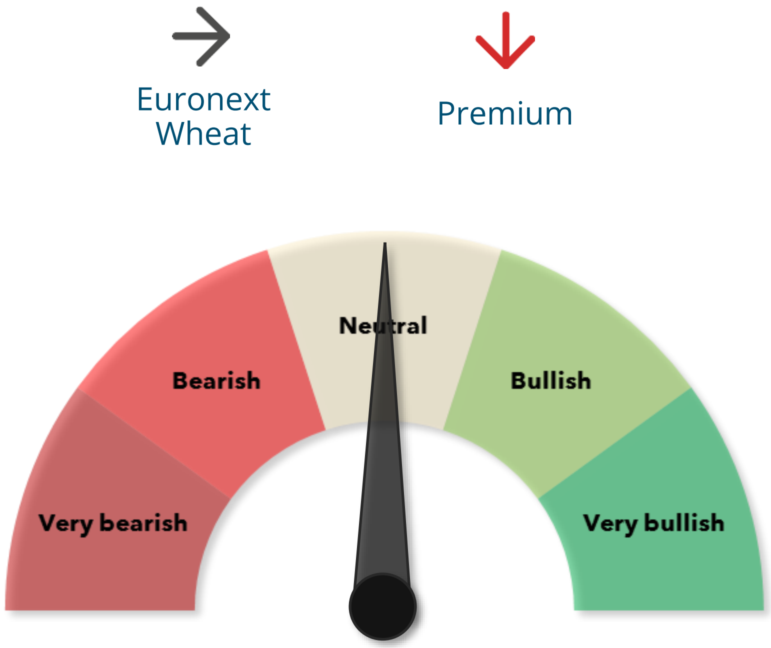


- Chinese barley imports surged in June, but the current shipping line-up points to a slowdown in July and August. Australia and Canada were the main suppliers, supported by their large crops. China accounted for 60pc of exports from Australia, which exported 7.4mn t in 2025-26.
- France was also a major supplier, and we recently received confirmation of around 500,000t of barley exports in July and August.

Barley – Conclusion

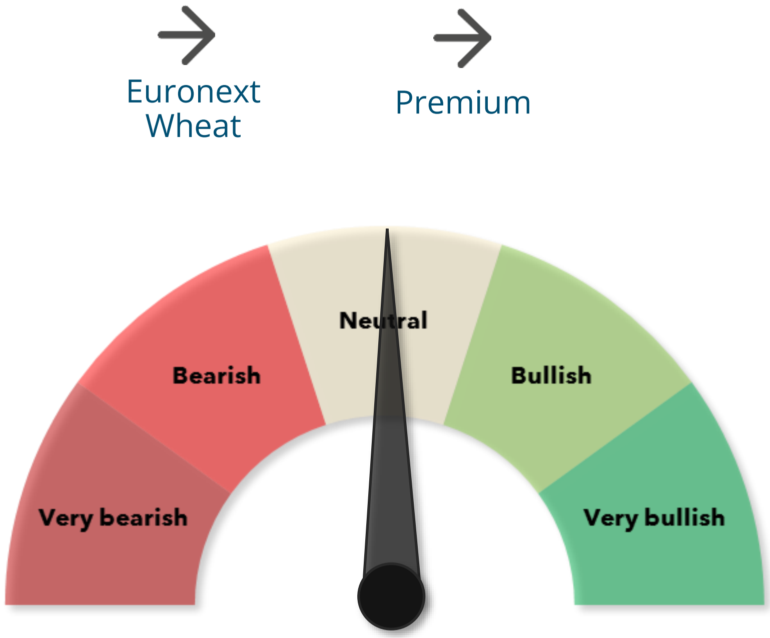
Feed Barley

4-Week Outlook



- Black Sea new-crop export supply remains limited
- The French feed barley premium is falling because of weak demand, despite logistical constraints in Ukraine
- French origin non-competitive into China
- Australian output at risk despite high acreage

3-Month Outlook



- Above-average production in MENA countries could limit import demand in the second part of the campaign
- Potential pressure on the feed barley premium later in the campaign
- Chinese import demand may switch to European barley if a crop incident occurs in Australia

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Agriculture

Soybeans – Supply and Demand

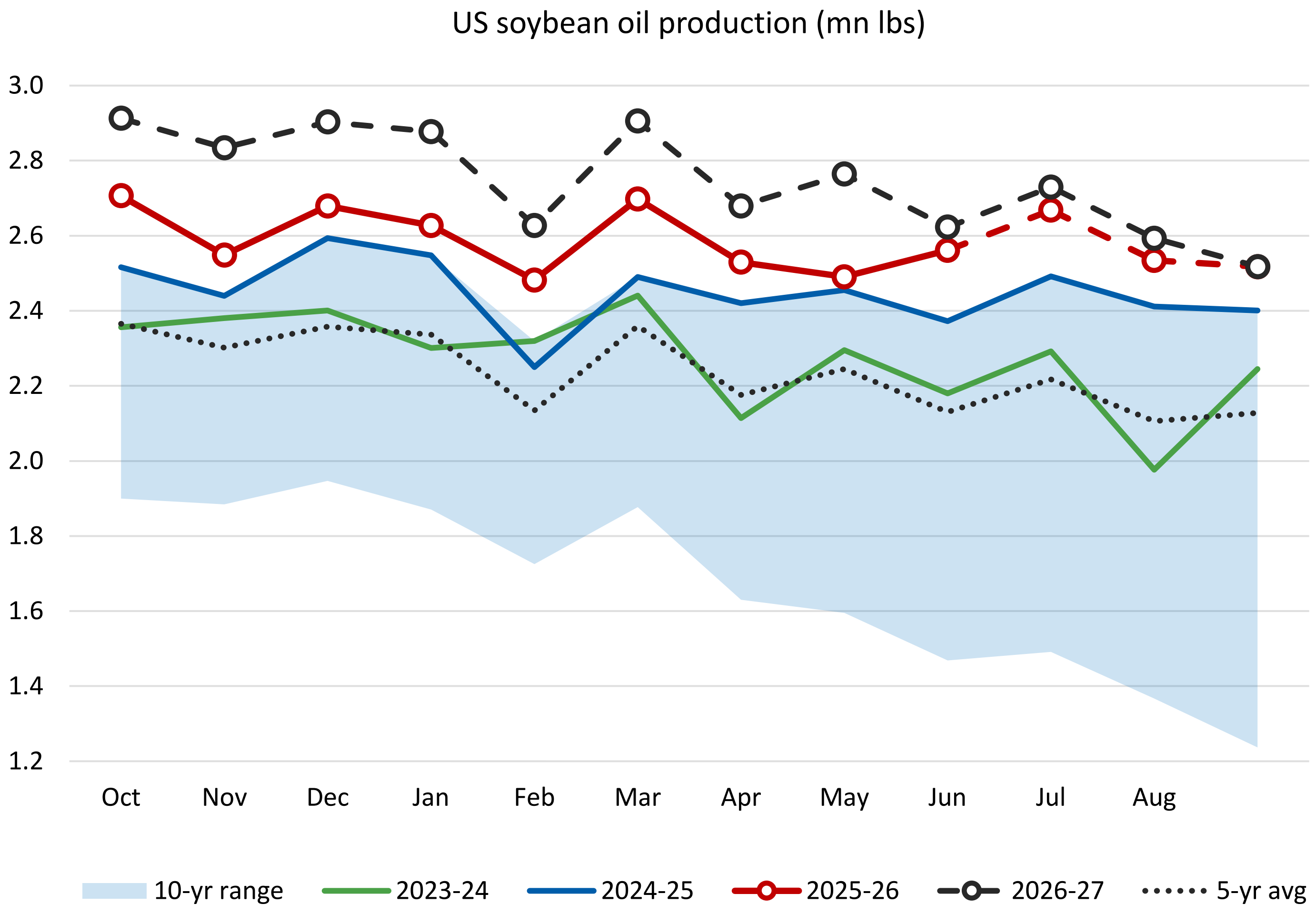
Higher US soybean production offset by record crushing demand

US soybean	2025-26 Argus	2026-27 Argus
Harvested areas (mn ha)	32.6	34.7
Yield (t/ha)	3.56	3.50
Beginning stocks (mn t)	8.8	9.0
Production (mn t)	116.0	121.5
Imports (mn t)	0.7	0.7
Total supply (mn t)	125.5	131.2
Exports (mn t)	41.5	44.5
Crush (mn t)	72.0	75.7
Food Use Dom. Cons. (mn t)	0.0	0.0
Feed Waste Dom. Cons. (mn t)	3.0	3.0
Total domestic demand (mn t)	75.0	78.7
Total demand (mn t)	116.5	123.2
Ending stocks (mn t)	9.0	8.1
Stocks/use ratio (%)	**7.7%**	**6.6%**
Stock/use ratio (days)	28.2	23.9

- We have revised our US soybean area estimates higher, increasing planted area to 86.8mn acres and harvested area to 85.8mn acres after a review of the latest acreage data. As a result, our 2026-27 production forecast has been raised to 121.5mn t.
- We have also increased our US soybean crush forecast to 75.7mn t from 74.8mn t. Much of the additional production is expected to be absorbed domestically, rather than contributing to significantly higher stocks.
- Despite the larger crop, the US soybean balance sheet remains relatively tight. Record crushing demand, steady export sales and ongoing Chinese buying interest continue to compete for available supplies.
- In the near term, the larger crop and approaching harvest are expected to limit upside in soybean prices as seasonal supply pressure increases. Downside potential is also constrained by strong domestic demand and a relatively tight longer-term balance sheet.
- Market attention is expected to shift increasingly towards South American production prospects. Concerns over El Niño, including the risk of delayed rainfall and uneven moisture distribution during Brazilian planting, will become a key market driver.

Soybeans – Supply and Demand

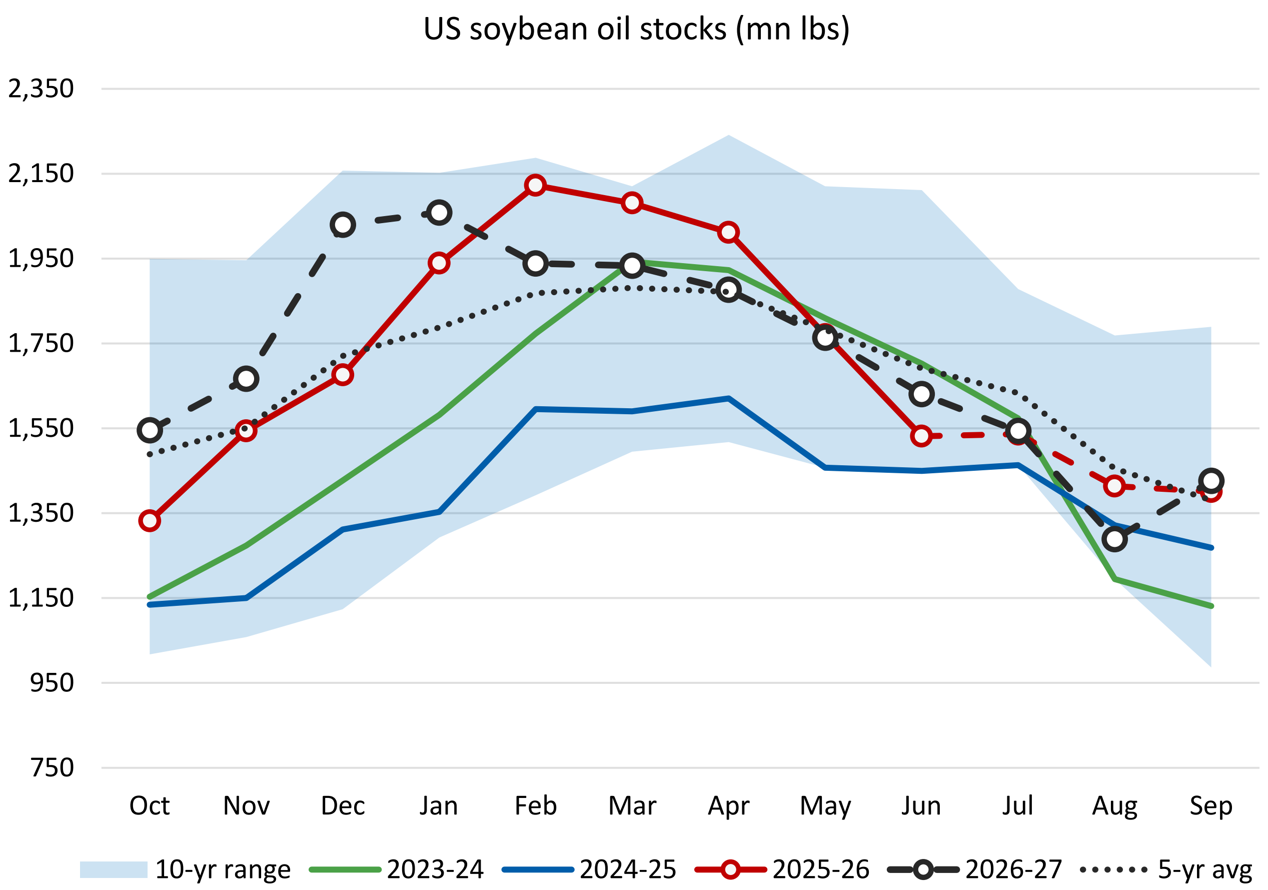
Record crushing to drive higher US soybean oil production in 2026-27



- US soybean oil production is expected to rise in 2026-27 after an upward revision to soybean crush. Record processing volumes, backed by expanding crushing capacity and strong demand for soybean meal and oil, are set to lift output and increase overall availability compared with earlier forecasts.
- However, the higher supply is unlikely to loosen the market significantly. Soybean oil demand remains exceptionally strong, driven by the food, renewable diesel and biodiesel sectors. Record biomass-based diesel blending mandates for 2026 and 2027, along with high Renewable Identification Number (RIN) values, continue to back biofuel margins and spur high feedstock use.

Soybeans – Supply and Demand

Near-term biofuel weakness contrasts with supportive longer-term outlook



- Soybean oil stocks are no longer expected to fall as sharply in 2026-27 as earlier forecasts indicated. Although demand from the biofuels sector is still set to hit record levels, consumption is projected below previous estimates, resulting in a slower draw on inventories.
- Biofuel producers have expanded renewable diesel output more slowly than anticipated in recent months, with a greater share of compliance met through existing Renewable Identification Number (RIN) inventories. At the same time, RIN prices have come under pressure after strong RIN generation in June boosted credit availability. This has weighed on biofuel margins and soybean oil prices in the near term.
- But continued reliance on the RIN bank remains a concern. Current expectations suggest RIN inventories could tighten significantly by 2027 if output does not rise enough to meet growing mandate requirements. As a result, many market participants expect adjustments to regulations or a market rebalancing to avoid a major compliance credit shortfall.
- While recent weakness in RIN and soyoil prices reflects an increase in near-term credit supply and soft biofuel economics, these conditions are not expected to last. Record biomass-based diesel mandates, ongoing growth in biofuel demand and strong domestic consumption should keep soyoil prices relatively well supported over the medium term.

Soybeans – Conclusion

CBOT Soybeans

4-Week Outlook

Weather Market

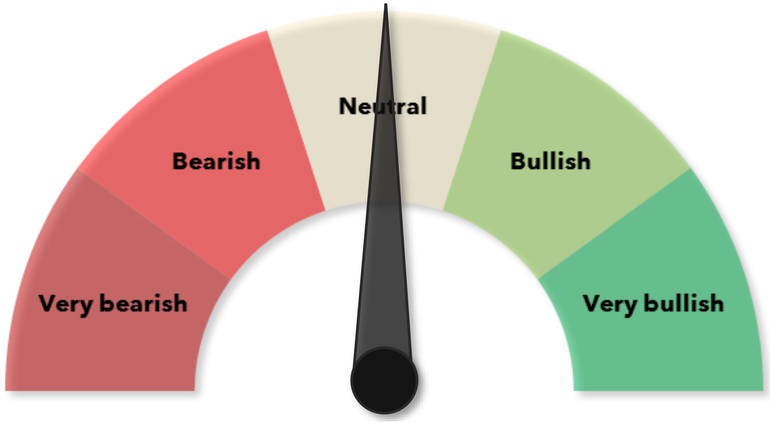
Funds

Trade / Competitiveness

Technical Analysis

FX / Macro

Reports



- Weather risk remains in the US, before Brazilian planting windows under El Niño
- China buying is supporting prices
- Tightness in vegetable oils is supporting the oilseed complex

3-Month Outlook

Fundamentals

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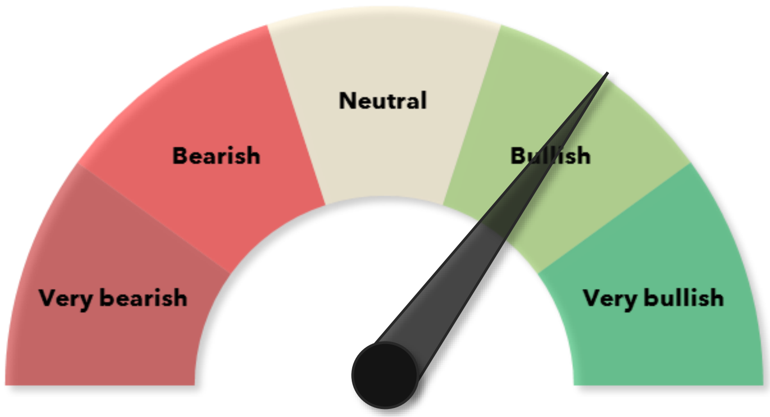
FX / Macro

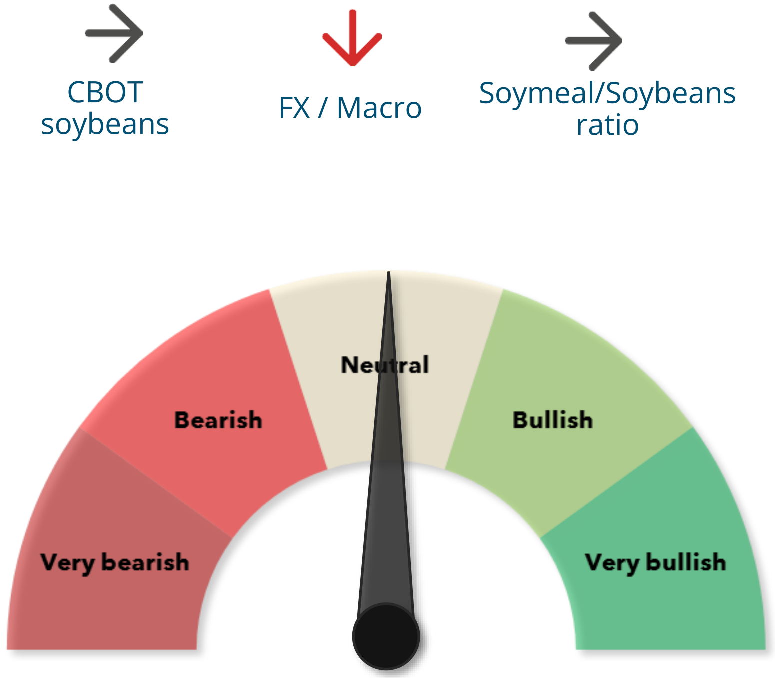


- El Niño and potential lower supply in Brazil could reshape soybean trade flows and prices
- Weather uncertainties in the US could cut crop outlook
- Global soybean supply uncertain

Soybean meal – Conclusion

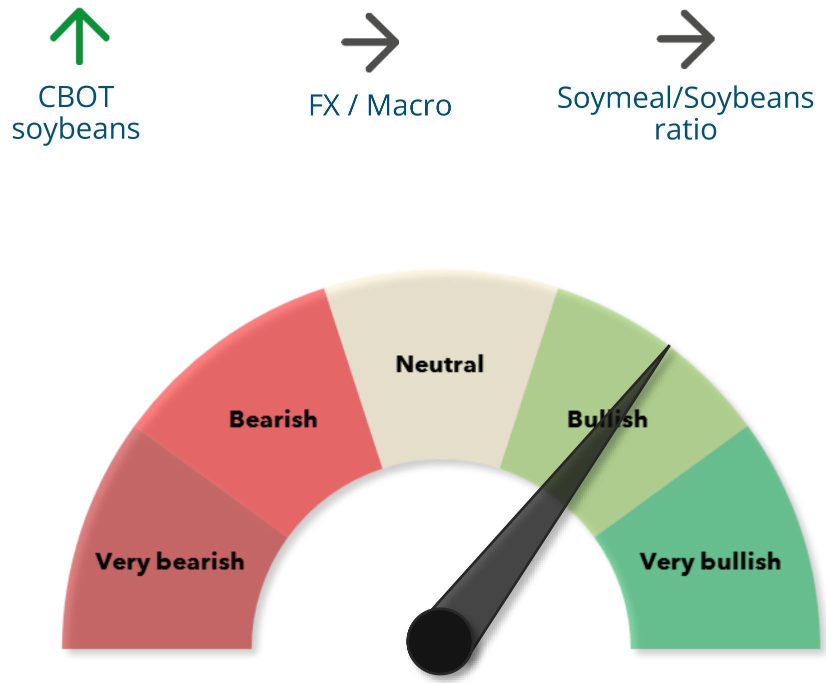
Soybean meal - Montoir

4-Week Outlook



- EU meal production remains limited
- Quality concerns over imports in the EU may limit short-term supply
- Lower EURUSD could support meal values

3-Month Outlook



- Soybean tightness in the US to support meal prices
- South American supply to remain ample
- EU could purchase US meal to replace Argentine origin
- Soybean meal is competitive in the EU; short-term tightness remains

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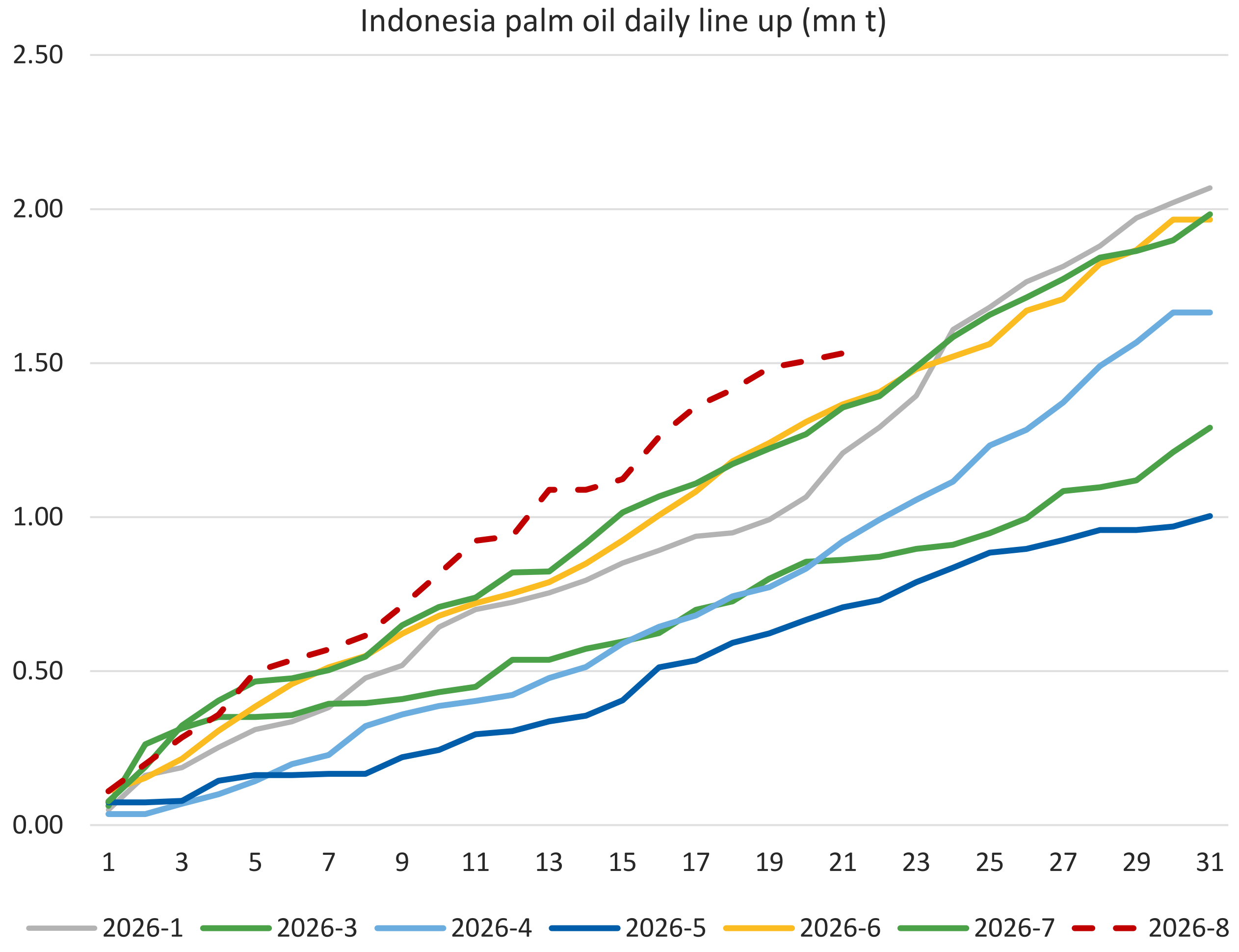
Vegoils – Supply and Demand

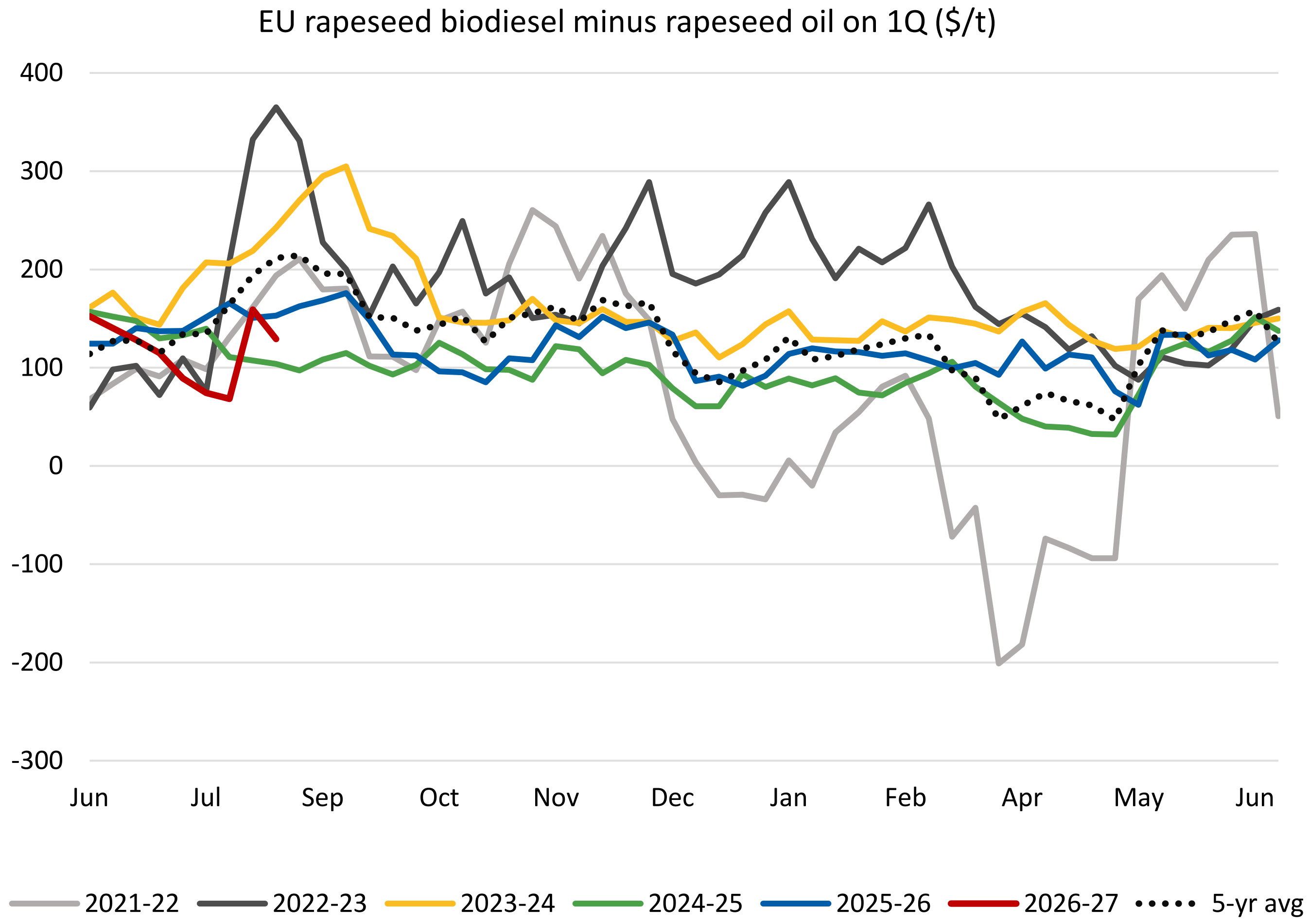
Indonesian palm oil exports accelerate in August



- Preliminary vessel line-ups show Indonesian palm oil exports started strongly in August. Shipments could exceed 2mn t if current loading schedules continue.
- Strong buying from key destinations, including India and other Asian importers, supported export flows after weaker demand earlier in the year.
- Questions remain about whether the current export pace can be sustained. Rising fuel and transportation costs in Indonesia and Malaysia have increased harvesting and logistics expenses across the supply chain, particularly for independent smallholders.
- Growing domestic biodiesel demand is absorbing a larger share of production, especially in Indonesia after the implementation of higher blending mandates. These factors could limit supply growth, even as production remains close to record levels.

Vegoils – Quantitative Analysis

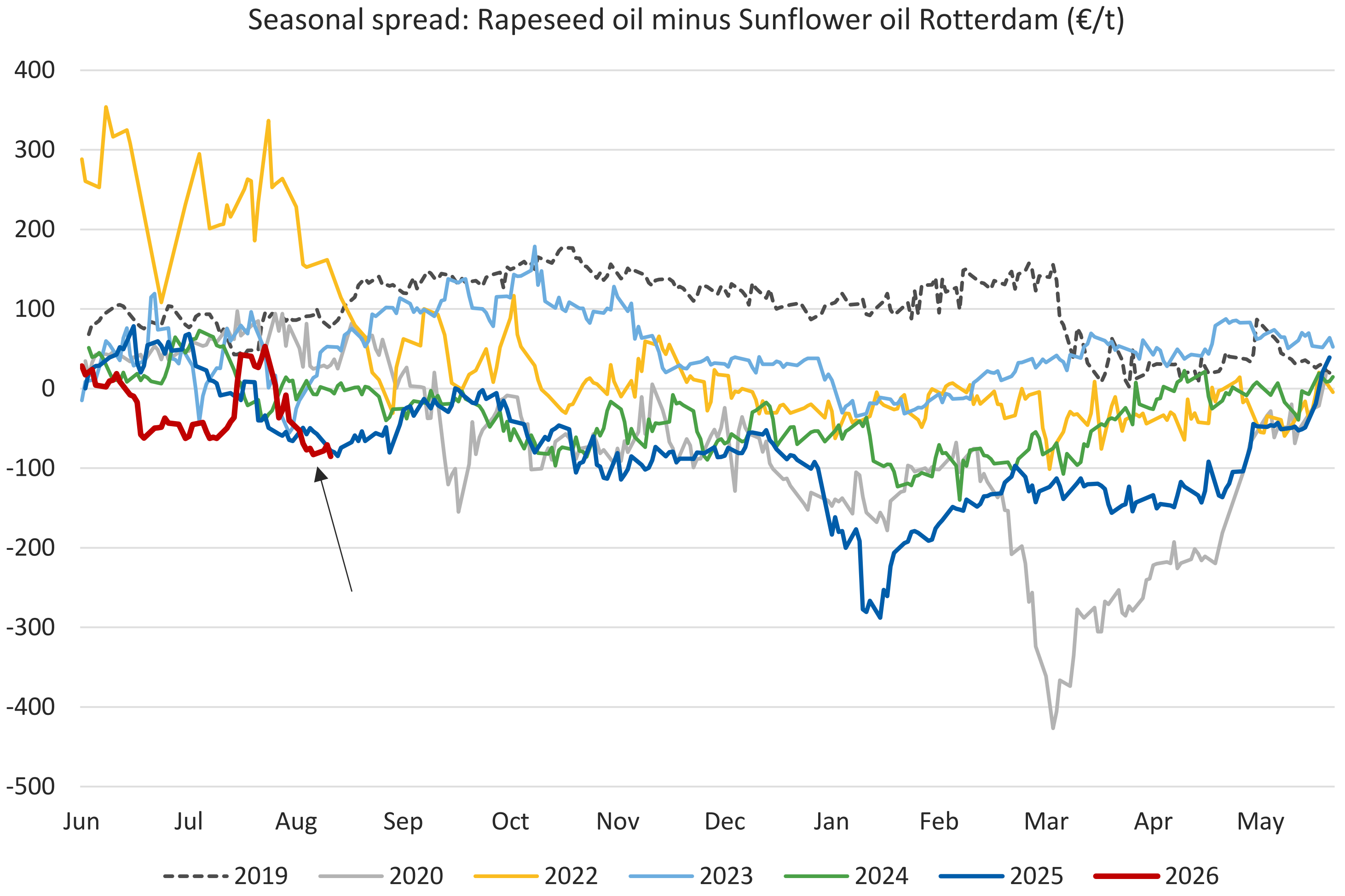
Tighter rapeseed fundamentals challenge biodiesel margins



- Rapeseed biodiesel (RME) prices rose over the past week as firmer diesel markets and steady compliance-driven demand supported values.
- The spread between biodiesel and feedstock narrowed after rapeseed oil prices increased because of concerns about EU planting conditions, Ukrainian export availability and logistical disruptions. Diesel prices fell as geopolitical risk premiums softened.
- Biodiesel prices have generally outperformed rapeseed oil prices in recent weeks, which has supported margins.
- However, ongoing uncertainty around rapeseed supply could keep rapeseed oil prices supported, further narrowing the spread with RME and reducing biodiesel profitability in the coming weeks.

Vegoils – Quantitative Analysis

Food sector turns to rapeseed oil as sunflower oil premium widens



- Rapeseed oil has become more competitive than sunflower oil in recent weeks as uncertainty over Black Sea export logistics and concerns about EU sunflower seed output keep sunflower oil prices supported.
- The narrowing price gap has increased rapeseed oil's appeal for food manufacturers and refiners.
- Food-sector demand is adding further support at a time when the market is already focused on tight rapeseed availability, uncertainty over Ukrainian exports and concerns about EU planting conditions. This is increasing competition for available supplies alongside the biofuel sector.
- If sunflower oil continues to trade at a premium, more demand could shift to rapeseed oil, which would support prices and tighten European vegetable oil balances.

Contents

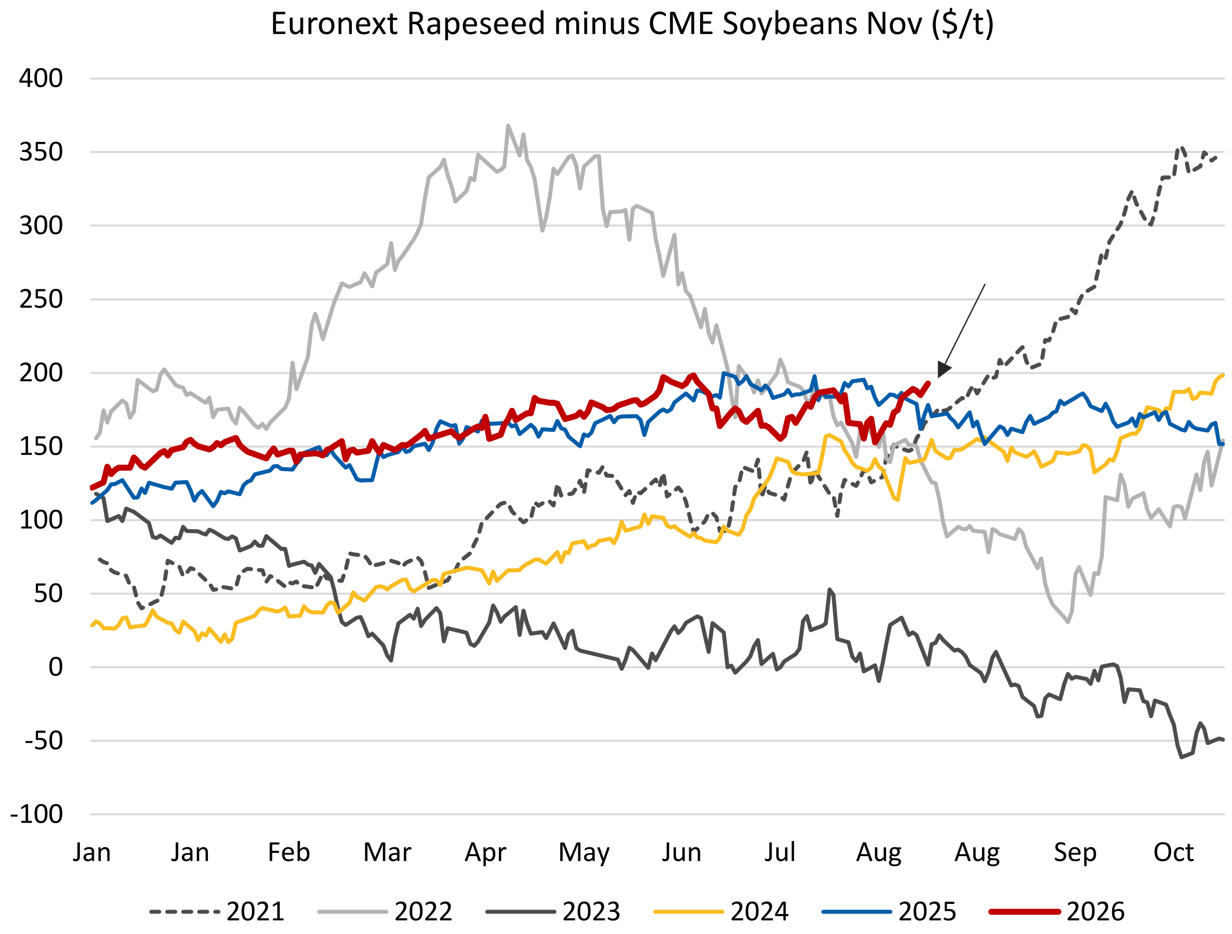
Rapeseed/Canola – Supply and Demand

EU 2026 production estimate revised down by 455,000t

European Union	2025-26 Argus	2026-27 Argus	2027-28 Argus
Harvested areas (mn ha)	6.04	6.52	7.08
Yield (t/ha)	3.34	3.01	3.19
Beginning stocks (mn t)	1.99	2.17	1.53
Production (mn t)	20.19	19.62	22.59
Imports (mn t)	6.79	6.64	6.00
Total supply (mn t)	28.98	28.43	30.13
Exports (mn t)	0.69	0.35	0.40
Crush (mn t)	25.26	25.80	26.80
Food Use Dom. Cons. (mn t)	0.00	0.00	0.00
Feed Waste Dom. Cons. (mn t)	0.86	0.75	0.75
Total domestic demand (mn t)	26.12	26.55	27.55
Total demand (mn t)	26.81	26.90	27.95
Ending stocks (mn t)	2.17	1.53	2.18
Stocks/use ratio (%)	**8.1%**	**5.7%**	**7.8%**
Stock/use ratio (days)	29.6	20.8	28.4

- We have revised our **EU rapeseed production forecast lower to 19.6mn t** following a reduction in **Germany's crop estimate to 3.7mn t**. The downgrade reflects the impact of adverse growing conditions during the season and further tightens the EU supply outlook.
- We have also reduced our 2026-27 EU rapeseed crush forecast to 25.8mn t. Persistently low water levels on key inland waterways, including the Rhine and Danube, are disrupting logistics and slowing deliveries of rapeseed to crushing facilities. While demand from crushers remains strong, logistical constraints are expected to delay feedstock arrivals and limit near-term processing activity.
- The EU rapeseed balance sheet continues to tighten as lower production coincides with elevated import requirements and uncertainty surrounding Ukrainian export availability. These supply-side constraints are expected to keep rapeseed prices well supported in the near term, particularly as concerns over 2027-28 planting conditions add further risk to the market outlook.

Rapeseed/Canola – Quantitative Analysis
Rapeseed premium over soybeans widens on EU risks



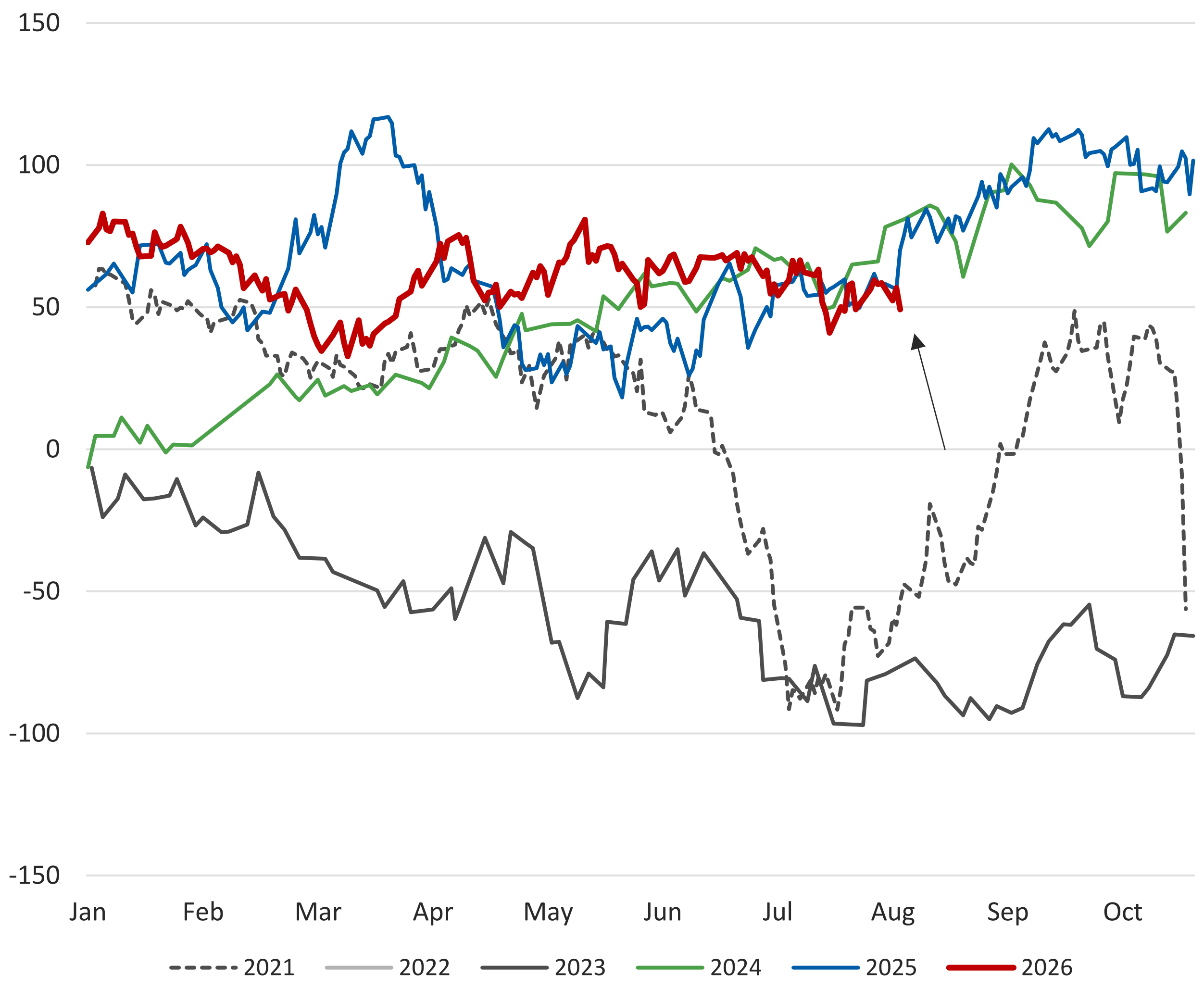
- European rapeseed has kept a premium over US soybeans, widening to about $190/t as tighter rapeseed fundamentals drive prices.
- The wider spread is improving soybean competitiveness in European feed and crushing markets. While substitution is limited in some uses, cheaper soybeans can help offset tight rapeseed supply and support demand for US imports as new-crop stocks reach the market.
- Further widening may be limited as attention turns to South American weather risks. Concerns about El Niño's impact on Brazilian planting and yields could lift soybean prices later this year, trimming part of rapeseed's premium.
- Looking ahead, the spread will depend on whether European rapeseed supply risks keep building and how South American crop prospects evolve. Ongoing concern about EU planting and Ukrainian export flows could support rapeseed prices, while a weather-driven soybean rally would cut the current competitive edge of US-origin supplies.

Rapeseed/Canola – Quantitative Analysis

EU rapeseed market remains supported by supply risks

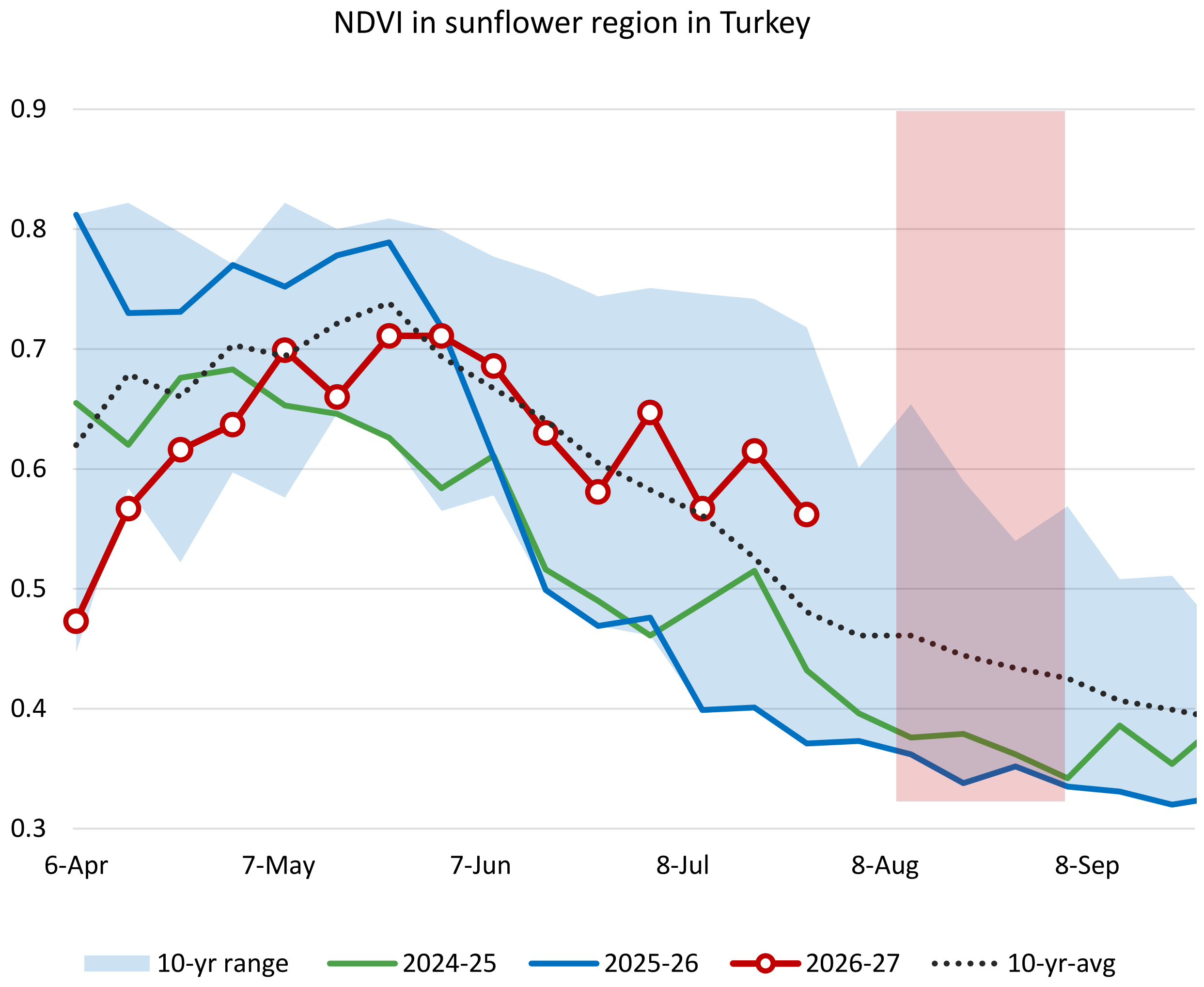
- European rapeseed remains at a premium to Canadian canola, although the spread has narrowed from earlier highs as crop conditions in the Canadian Prairies improve.
- Despite the spread, the premium is not enough to spark a significant rise in Canadian canola imports into the EU. European buyers continue to depend mainly on domestic rapeseed and Ukrainian supplies. Import interest could pick up later this year as harvest boosts Canadian availability and exporters look for extra outlets.
- Downside risk for canola prices remains limited. Canadian canola crush is forecast at a record 14.5mn t in 2026-27, meaning a bigger share of production is likely to stay in Canada for domestic processing. This will limit growth in exportable seed volumes even with the larger crop.
- Larger North American supplies may offer some relief later in the season, but European rapeseed values are expected to stay well supported.

Euronext Rapeseed minus Winnipeg Canola ($/t)



Sunflower – Supply and Demand

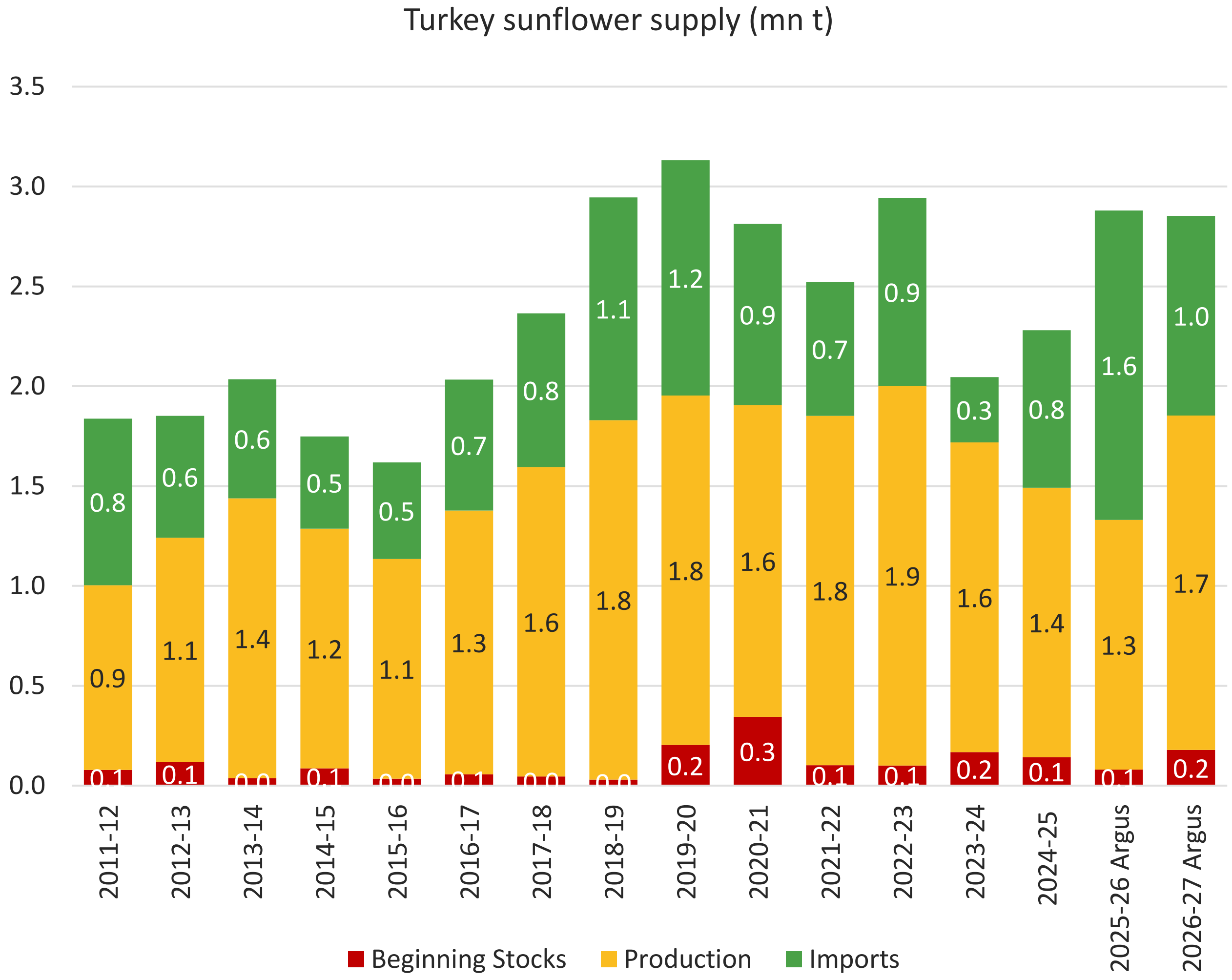
Turkey's sunflower recovery faces late-season weather risks



- Turkey's sunflower production is set to recover in 2026-27, supported by improved yield prospects after a challenging previous season. Current NDVI readings are close to the 10-year average; however, the crop has not yet reached key yield-determining stages, so final production will depend heavily on weather conditions in the coming weeks.
- High temperatures are the main downside risk to the crop. Heat stress could reduce yield potential. For now, higher domestic production should reduce Turkey's dependence on sunflower seed and sunflower oil imports compared with 2025-26.

Sunflower – Supply and Demand

Turkey seeks to balance domestic support and import requirements

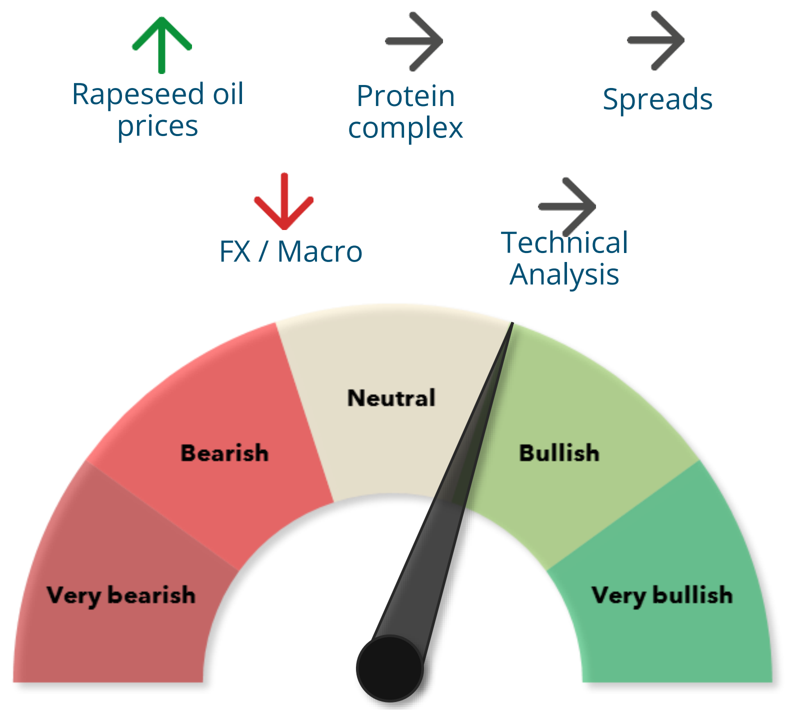


- The Turkish government introduced a tariff rate quota (TRQ) scheme in July to support domestic producers during the harvest. The programme allows zero-duty imports of up to 1.25mn t of sunflower seed and a reduced 20pc duty on up to 500,000t of sunflower oil for industrial users that buy domestic seed and oil between July and November 2026. The measure aims to encourage the use of local production while maintaining adequate supply for processors.
- Recent attacks on Russian sunflower oil storage infrastructure have increased uncertainty about export availability from Russia, Turkey's largest supplier. Any disruption to Russian shipments could tighten regional supply and increase Turkey's reliance on alternative origins, even with expectations for a larger domestic crop.

Rapeseed – Conclusion

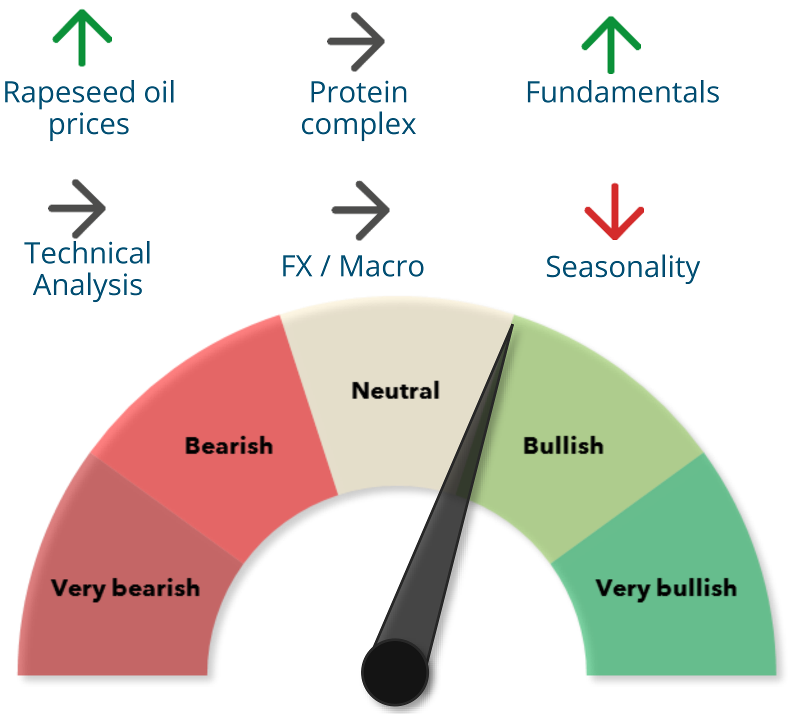
Euronext Rapeseed

4-Week Outlook



- Sunflower production losses will be supportive for rapeseed oil demand
- Concerns remain over Black Sea deliveries
- Funds still record long on Euronext
- Canadian S&D is tightening
- Oleic complex as the driver of firmness
- Canola area uncertainties in Canada and Australia

3-Month Outlook



- Sunflower production losses in Europe to add firmness in the long term
- Australian and Canadian export supply down for 2026-27 – risks of lower volumes persist
- Record vegoil demand is driving prices higher
- European dryness threatens 2027-28 rapeseed area

Argus AgriMarkets Outlook

Watch this week's webinar **here**

Agenda

- 17 Aug: Last trading day for Euronext wheat September-26 options
- 17 Aug: NOPA crush report
- 17-20 Aug: US Pro Farmer crop tour
- 24 Aug: JRC MARS Bulletin
- 25 & 31 Aug: Bursa Malaysia closed
- 31 Aug: StatCan model-based principal field crop estimates

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