

Policy Backgrounder

US Spring Plantings Respond to Energy and Fertilizer Costs

USDA reports show that farmers are shifting from planting wheat and corn to soybeans, a less fertilizer-intensive crop, and are planting record-low wheat. On the global front, food security remains vulnerable to rising fertilizer and other input costs driven by the war in the Gulf.

Trusted Insights for What's Ahead ®

- Soybeans are currently an attractive crop to farmers because they require significantly less fertilizer input than corn, helping to reduce operating costs as fertilizer prices surge due to the war in the Gulf. All wheat planted area for 2026 is estimated at 43.8 million acres (ma), down 3% from 2025.¹ If realized, this figure represents the lowest all wheat planted area since records began in 1919.
- Following last week's US-China summit, China committed² to purchasing at least \$17 billion annually of US agricultural products in 2026 (prorated), 2027, and 2028, in addition to the soybean purchase commitments made in October 2025, when China agreed to purchase at least 25 million metric tons (mmt) of US soybeans annually through 2028.³
- US wheat ending stocks for 2026/27 are projected at 762 million bushels (mb), down 18% from 2025/26. US wheat exports are forecast down 135 mb year to year to 775 mb, with the drop in exports driven by small domestic crop and abundant competitor supplies.
- The war in the Gulf has intensified global food security concerns by disrupting energy and fertilizer markets, driving higher fertilizer and food prices through increased oil and LNG costs, with the UN World Food Programme warning that nearly 45 million additional people could face acute food insecurity if the conflict persists and oil prices remain elevated.

More Soybeans and Cotton, Less Corn and Wheat

The US Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) recently released two major reports that establish the foundation of trends in US crop acreage and grain inventories and the baseline for agricultural markets each year. The annual *Prospective Plantings*⁴ report relies on survey data from producers to provide official estimates of US farmers' planting intentions for the year. The survey asks producers to indicate the principal crops they intend to plant in the current year and their acreage, as well as the previous year's harvest. The quarterly *Grain Stocks*⁵ report contains estimates of stocks for wheat, corn, sorghum, oats, barley, soybeans, flaxseed, canola, rapeseed, rye, sunflower, safflower, and mustard seed nationally, by state, and by position (on-farm or off-farm storage), collected from two separate surveys that are sent to commercial grain storage operations.

Farmers are Shifting to Soybeans, a Less Fertilizer-Intense Crop

Soybean planted area for 2026 is estimated at 84.7 million acres (ma), up 4% from last year.⁶ Compared to 2025, planted acreage intentions are up or unchanged in 20 of 29 states, with increases of 300,000 acres or more in Arkansas, Iowa, Kansas, Mississippi, Nebraska, South Dakota, and Wisconsin. Planting acreage in Wisconsin would be the largest on record.

Producers are expected to plant 95.3 ma of corn in 2026, a decrease of 3% from last year.⁷ Compared to 2025, planted acreage is expected to be down or unchanged in 37 of 48 states, with acreage decreases of 300,000 acres or more expected in the Midwest and Plains States. If realized, acreage planted in Nevada and Washington will be the largest on record.

Soybeans are currently an attractive crop to farmers because they require significantly less fertilizer input than corn, helping to reduce operating costs as fertilizer prices surge.⁸ A 2025 University of Illinois study estimated that farmers would invest approximately \$229 per acre for corn and \$61 per acre for soybean nutrients in 2026.⁹

At least half of soybean crops are exported, making them highly sensitive to global trade conditions.¹⁰ Farmers last year predicted less soybean acreage largely due to uncertainty surrounding US [trade policy](#) with China, the largest buyer of US soybeans. Following the US-China summit, China committed¹¹ to purchasing at least \$17 billion annually of US agricultural products in 2026 (prorated), 2027, and 2028, in addition to the soybean purchase commitments made in October 2025, when China agreed to purchase 12 million metric tons (mmt) of US soybeans in November and December 2025 and at least 25 mmt annually through 2028.¹² The 2025 agreement followed six months of near-zero US soybean exports to China amid retaliatory trade measures. US biofuels policy also drives increased demand for US soybean production. In March 2026, EPA finalized its Renewable Fuel Standard (RFS) "Set 2" rule which established the highest biofuel blending requirements in the program's history.¹³

Farmers to Plant Record-Low Wheat

In contrast to soybeans, all wheat planted area for 2026 is estimated at 43.8 ma, down 3% from 2025.¹⁴ If realized, this figure represents the lowest all wheat planted area since records began

in 1919. At 32.4 ma, winter wheat planted area is down 2% from the previous estimate and down 2% from last year. Of this figure, 23.1 ma are Hard Red Winter, 5.79 ma are Soft Red Winter, and 3.54 ma are White Winter. Estimated planting area for spring wheat is 9.42 ma, down 6% from 2025, with 8.78 ma being Hard Red Spring wheat and 1.95 ma being durum wheat, down 11% from last year.

The record low figure reflects a continuing long-term decline in wheat plantings as producers shift to more profitable crop alternatives.¹⁵ Global competition coupled with higher fertilizer and fuel costs with the effective closure of the Strait of Hormuz have made the crop less attractive.

All wheat stored in all positions on March 1, 2026 totaled 1.30 bb, up 5% from a year ago.¹⁶ On-farm stocks are estimated at 298 million bushels (mb), down 3% from last March. Off-farm stocks, at 1.00 bb, are up 8% from a year ago.

US Wheat Production and Exports

According to USDA's May 2026 *Wheat Outlook*,¹⁷ US wheat ending stocks for 2026/27 are projected at 762 mb, down 18% from 2025/26. US wheat exports are forecast down 135 mb year to year to 775 mb, with the drop driven by a smaller US crop and abundant competitor supplies. The 2025/26 season-average farm price is unchanged from the previous month at \$5.00 per bushel. The 2026/27 season-average farm price is projected at \$6.50, up \$1.50 per bushel from 2025/26 based on tighter forecast US wheat ending stocks and higher corn prices.

Hard Red Winter wheat was especially impacted by drought in key producing states, with production for MY 2026/27 forecast at 515 mb, down 36% from the previous year.¹⁸ Comparatively, production of Soft Red Winter wheat is forecast down 15% to 301 mb, with smaller yield and area harvested. Winter wheat production is forecast to be the smallest since MY 1965/66, tightening supplies of US hard wheat. Low production has sent futures rallying, and on May 13, July Hard Red Winter futures reached \$7.50 per bushel, the highest intraday price for the most active Hard Red Winter contract since September 2023.¹⁹

Global Wheat Production and Harvest

According to USDA's May 2026 *World Agricultural Production*²⁰ report, global wheat production for MY 2026/2027 is projected at 819.06 mmt, down 2.94% from last year. Global wheat yield is projected at 3.75 metric tons per hectare (t/ha), down 2.09% from last year. Total harvested area is projected at 218.42 million hectares (mha), down 0.79% from last year.

Northwest Africa (Morocco, Algeria, and Tunisia) wheat production for MY 2026/2027 is forecasted at a record 12.9 mmt, up 61% from last year and 58% above the five-year average.²¹ Total wheat yield is forecast at 2.43 t/ha, 38% above last year and 40% above the five-year average. Harvested area is forecast at 5.3 mha, up 17 percent from last year and 13 percent above the five-year average. Record-high wheat production from the three Northwest African countries is driven by remarkably favorable weather. While drought is typical for the three

countries, the region enjoyed advantageously spaced precipitation throughout the growing season, providing adequate soil moisture during key crop developmental stages. Because the vast majority of wheat production in Northwest Africa is rain-fed rather than irrigated, precipitation patterns play an outsized role in determining yields and overall harvest volumes.

USDA forecasts **Russia**¹ wheat production for MY 2026/2027 at 86.0 mmt, down 5% from last year and near the five-year average.²² Total wheat yield is estimated at 3.27 t/ha, down 5% from last year's record, but 6% above the five-year average. Total harvested area stands at an estimated 26.3 mha, unchanged from last year and down 6% from the five-year average.

Adverse weather, such as late spring frost, snowfall, and excessive soil moisture, is slowing the spring sowing campaign.²³ According to data from the Russian Ministry of Agriculture (MinAg), as of April 30, spring wheat has been planted on an area of 0.4 mha, significantly behind last year's acreage of 2.1 mha during the same time. Spring wheat, harvested from August to October, accounts for nearly a third of Russia's wheat output.

USDA forecasts **Ukraine** wheat production for MY 2026/2027 at 23.0 mmt, down 4.56% from last year.²⁴ Total wheat yield is estimated at 4.42 t/ha, up 3.51% from last year. Total harvested area stands at an estimated 5.20 mha, down 7.96% from last year. Ukraine wheat exports from July 2025 to February 2026 stood at 9.0 mmt, a 24% drop.²⁵ Sixty percent of total exports went to three destinations: Egypt (2.4 mmt); Algeria (1.6 mmt); and Indonesia (1.4 mmt).

Following labor shortages caused by the mobilization of much of the male population during the Russia-Ukraine war, Ukrainian farmers have increasingly invested in modern agricultural machinery that requires fewer operators and have expanded recruitment efforts to include more female machinery operators.²⁶ The shift reflects broader efforts within Ukraine's agricultural sector to maintain production levels despite ongoing workforce disruptions and wartime economic pressures.

USDA forecasts **Canada** wheat production for MY 2026/2027 at 35.0 mmt, down 12% from last year's record and 5% above the five-year average.²⁷ Total wheat yield is estimated at 3.40 t/ha, 5% above the five-year average. Total harvested area stands at an estimated 10.3 mha, down 3% from last year and nearly unchanged from the five-year average.

A cold, snowy winter and early spring provided the Prairies and Ontario with above-average precipitation while southern Alberta and southwestern Saskatchewan continued to experience dryness.²⁸ Spring wheat, which is typically planted in late April to May in the Prairies and harvested in late August to September, is off to a slow and uneven start with cold temperatures and saturated soils.

¹ USDA crop production forecasts for Russia exclude estimated output from Crimea.

Food Security Risk: Fertilizer and Energy Market Disruptions

The Gulf war has exposed once again how dependent the global agricultural market is on stable fertilizer and energy supplies, as well as how sensitive food systems are to disruptions in global trade routes and input markets.²⁹ The conflict and the resulting situation in the Strait of Hormuz – a critical corridor for oil, natural gas, and fertilizer exports – have driven sharp increases in energy and fertilizer prices globally. Tightened supplies of liquefied natural gas (LNG), a key input for nitrogen-based fertilizers, also drive up the cost of fertilizers such as ammonia and urea, while high oil prices increase processing, manufacturing, and transporting costs, all putting pressure on all fertilizer prices. As of May 18, global urea futures stand at \$575 per ton, down 16.97% from the previous month but still 23.46% higher than a year ago.³⁰

The conflict also raises broader concerns about food price inflation and global food insecurity. In April, the FAO Food Price Index averaged 130.7 points, up 2.1 points (1.6%) from March, marking a third consecutive monthly increase.³¹ New analysis by the UN's World Food Programme (WFP) estimates that nearly 45 million additional people could fall into acute food insecurity or worse if the conflict does not end by the middle of the year (in part because higher prices for fertilizer affect global plantings) and if oil prices remain above \$100 a barrel.³² Unlike the war in Ukraine, which directly disrupted one of the world's largest grain-exporting regions, the conflict in the Gulf involves a critical global energy hub. However, the potentially devastating impact is similar given the tight correlation of energy and food markets. Consumers in all parts of the world are experiencing higher food prices as an effect of the war; their extent and duration depends in large part on how long the conflict will last.

About the Authors



David Young, President, CED



John Gardner, Vice President, Public Policy, CED



Mallory Block, Senior Public Policy Analyst, CED

THE CONFERENCE BOARD is the Member-driven think tank that delivers *trusted insights for what's ahead*®. Founded in 1916, we are a nonpartisan, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States.

The Committee for Economic Development (CED) is the public policy center of The Conference Board. The nonprofit, nonpartisan, business-led policy center delivers trusted insights and reasoned solutions in the nation's interest. CED Trustees are chief executive officers and key executives of leading US companies who bring their unique experience to address today's pressing policy issues. Collectively, they represent 30+ industries and over 4 million employees.

© 2026 The Conference Board, Inc.

Endnotes

- ¹ USDA, [Prospective Plantings](#), March 31, 2026.
- ² The White House, [Fact Sheet: President Donald J. Trump Secures Historic Deals with China, Delivering for American Workers, Farmers, and Industry](#), May 17, 2026.
- ³ Joana Colussi and Michael Langemeir, [U.S.–China Soybean Deal: Comparing Past Export Levels and Global Market Impacts](#), Purdue University, November 14, 2025.
- ⁴ USDA, [Prospective Plantings](#), March 31, 2026.
- ⁵ USDA, [Grain Stocks](#), March 31, 2026.
- ⁶ USDA, [Prospective Plantings](#), March 31, 2026.
- ⁷ USDA, [Prospective Plantings](#), March 31, 2026.
- ⁸ Patrick Thomas, [Farmers Intend to Plant More Soybeans, Easing the Impact of High Fertilizer Costs](#), The Wall Street Journal, March 31, 2026.
- ⁹ Rhonda Brooks, [Fertilizer Decisions: Balance Costs, Yields and Sustainability](#), AgWeb, September 29, 2025.
- ¹⁰ Josh Funk, [Farmers Fear Tariffs Could Cost Them One of Their Biggest Markets in China](#), AP, April 4, 2025.
- ¹¹ The White House, [Fact Sheet: President Donald J. Trump Secures Historic Deals with China, Delivering for American Workers, Farmers, and Industry](#), May 17, 2026.
- ¹² Joana Colussi and Michael Langemeir, [U.S.–China Soybean Deal: Comparing Past Export Levels and Global Market Impacts](#), Purdue University, November 14, 2025.
- ¹³ EPA, [EPA Finalizes Historic New Renewable Fuel Standards to Strengthen American Energy Security, Support Rural Economies](#), March 27, 2026.
- ¹⁴ USDA, [Prospective Plantings](#), March 31, 2026.
- ¹⁵ Glenn Vaagen, [Wheat Acreage Falls to Record Low as Farmers Pivot to Higher Returns](#), Pacific Northwest AG Network, April 3, 2026.
- ¹⁶ USDA, [Grain Stocks](#), March 31, 2026.
- ¹⁷ USDA, [Wheat Outlook: May 2026](#), May 14, 2026.
- ¹⁸ USDA, [Wheat Outlook: May 2026](#), May 14, 2026.
- ¹⁹ Bruce Blythe, [When Will High Wheat Prices Head Out?](#), FarmProgress, May 22, 2026.
- ²⁰ USDA, [World Agricultural Production](#), May 2026.
- ²¹ USDA, [World Agricultural Production](#), May 2026.
- ²² USDA, [World Agricultural Production](#), May 2026.
- ²³ USDA, [World Agricultural Production](#), May 2026.
- ²⁴ USDA, [World Agricultural Production](#), May 2026.
- ²⁵ USDA, [Grain and Feed Annual: Ukraine](#), April 20, 2026.
- ²⁶ USDA, [Grain and Feed Annual: Ukraine](#), April 20, 2026.
- ²⁷ USDA, [World Agricultural Production](#), May 2026.
- ²⁸ USDA, [World Agricultural Production](#), May 2026.
- ²⁹ Caitlin Welsh, [Iran, Fertilizer, and Food Security: Risks, Impacts, and Policy Responses](#), CSIS, April 1, 2026.
- ³⁰ [Trading Economics](#).
- ³¹ [FAO Food Price Index](#).
- ³² [WFP Projects Food Insecurity Could Reach Record Levels as a Result of Middle East Escalation](#), World Food Programme, March 17, 2026.