



NCGA

Economic Outlook

2026: 4Q

Happy New (Marketing) Year! What Lies Ahead for the 26/27 Corn Crop

U.S. CORN BALANCE SHEET

MARKETING YEARS 2025/2026 – 2026/2027

METRIC	2025/2026	2026/2027	CHANGE
Area Harvested (million acres)	98.8	96.8	-2%
Beginning Stocks (mil. bu)	1,551	1,922	+24%
Production (mil. bu)	17,020	15,800	-7%
Imports (mil. bu)	30	25	-17%
Total Supply (mil. bu)	18,602	17,746	-5%
Exports (mil. bu)	3,425	3,275	-4%
Feed Dom. Consumption (mil. bu)	6,350	5,950	-6%
FSI Consumption (mil. bu)	6,905	6,955	+1%
Domestic Consumption (mil. bu)	13,255	12,905	-3%
Ending Stocks (mil. bu)	1,922	1,567	-18%
Use, Total (mil. bu)	16,680	16,180	-3%
Yield (bu/acre)	186.5	178.5	-4%

Change is the year-over-year percent difference between the 2025/2026 and 2026/2027 marketing years. Volumes in million bushels unless noted; area in million acres; yield in bushels per acre.

Source: USDA World Agricultural Supply and Demand Estimates (WASDE) and NCGA economic analysis · September 2026.



USDA's U.S. corn marketing year runs from September 1 to August 31, meaning that the balance sheet has officially rolled over to a new crop. As farmers are in the fields harvesting the crop (or may have already finished in some regions), the focus shifts from truing up the old crop carryout to the size and shape of the new one.

In the first few weeks of the new marketing year, markets have been shaped by not only the size of the U.S. crop but also by a few other factors unfolding on the global stage. As harvest progresses, prices have received support, pushing over \$5/bu for nearby futures- atypical as prices normally weaken as more grain enters the supply chain.

While the 26/27 U.S. crop is expected to reach 15.8 billion bushels, that size is still significantly smaller than last year's record-setting 17-billion-bushel crop, and USDA has revised yield down from 183.0 earlier in the season. Although USDA has made relatively small downward adjustments to domestic demand, those changes haven't fully offset the impact of lower production. That leaves projected ending stocks and stocks/use ratio lower compared to the 25/26 year. Elsewhere, uncertainty over the impacts of El Nino on the South American corn crop, a drought and heat-stricken European crop, and escalating tensions in Ukraine and the Black Sea region have tightened the global picture.

Future expectations for energy and fertilizer prices will likely continue to shape corn prices throughout the year as tensions in Iran continue. Policy will also remain a major factor for markets this year, from RVOs to interest rates and currency exchange.

Diesel and Energy Costs

Diesel can be thought of as an essential input to plant, manage, harvest, and deliver a corn crop. The national average for diesel reached new records following Houthi attacks on Saudi oil infrastructure, constraints to Russia's exports, and lingering supply tightness from the situation in Iran.

Like many other aspects of crop production, diesel is needed during relatively narrow windows when timing matters. If a farmer needs to be out in the field even as diesel prices spike (as they are now), that cannot be put off for weeks or months. Similarly, a farmer has little opportunity to reduce the amount of diesel they need, and certainly not on short notice.

NO. 2 FARM DIESEL PRICES

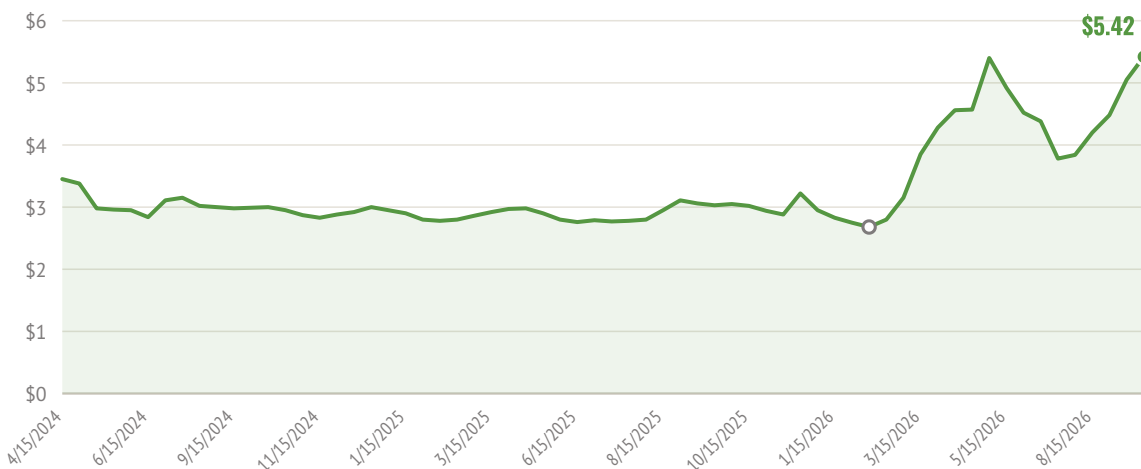
USDA AMS ILLINOIS · BIWEEKLY · DOLLARS PER GALLON

\$5.42

Latest biweekly price

+102%

Since the Feb. 2026 low of \$2.68



Prices are biweekly Illinois farm-delivered No. 2 diesel quotations, April 2024 through September 2026. Series held near \$3.00 per gallon for roughly two years before rising sharply through spring and summer 2026.

Source: USDA Agricultural Marketing Service, Illinois Biweekly Farm Fuel Report, and NCGA economic analysis · September 2026.



Fall harvest is one of the most diesel-intensive times of year for farmers, which has coincided with skyrocketing costs this year. USDA’s AMS Illinois Biweekly Production Cost Report for the week ending 09/04/2026 printed a \$5.45/gallon price for farm diesel, up \$0.26 from the week before and \$2.43 (81%) from the same week last year. Corn prices have gained some support since diesel prices first began rising in March (near planting time for the current crop), but the implications of the increased cost of fuel now and over the next year does have implications for farmers’ bottom lines and the decisions they will make for their operation and the next crop.

Though each operation differs, making the impact of this cost increase at the farm level difficult to measure, drawing some broad assumptions can inform an idea of how the situation could impact a farmer’s bottom line: estimating that it takes about 6 gallons of diesel to produce an acre of corn, a farmer did not prepurchase diesel, and most diesel is used in the planting-harvest cycle. The average cost of a gallon of farm diesel in the AMS report between March and early September was \$4.58 in 2026 compared to \$2.90 over the same period in 2025-58% higher. For a thousand-acre farmer, this represents roughly \$10,000 in increased costs for diesel alone compared to last year.

FUEL COSTS FOR A 1,000-ACRE FARM

ABOUT \$10K IN ADDITIONAL FUEL COSTS THIS YEAR · 6 GALLONS PER ACRE

YEAR	AVG. PRICE PER GALLON	COST PER ACRE	TOTAL, 1,000-ACRE FARM
2025	\$2.90	\$17.40	\$17,400
2026	\$4.58	\$27.48	\$27,480
Change	+58%	+\$10.08	+\$10,080

Cost per acre assumes 6 gallons of diesel per acre. Total reflects a 1,000-acre corn operation. Change is the year-over-year difference between 2025 and 2026.

Source: USDA Agricultural Marketing Service farm fuel price reports and NCGA economic analysis · September 2026.



While diesel may not be the largest expense on an operation’s expenditures, an extended period of negative returns and already-high costs for other inputs, every cent of additional cost matters to profit margins.

An Updated Fertilizer Lookout

Not a new conversation but a still-evolving one, the global and U.S. fertilizer markets remain a top concern for producers’ bottom lines and the future of the industry moving forward. NCGA has been vocal on concerns about fertilizer costs for a long period of time but the situation [ignited](#) following the closure of the [Strait of Hormuz](#). While nitrogen prices have moderated and phosphate prices have slowed their climb, it seems possible that the supply/demand issues plaguing the markets will persist. Here are three forces that will impact markets in the short and near term.

- **Sulfur Markets** - Sulfur is a major input to phosphate fertilizer production- it is also a byproduct of oil and gas refining and nearly a quarter of the world’s supply is produced in the Middle East. Prices have moved sharply upwards since the end of 2025 on the global market. For example, Mosaic has curtailed a significant portion of its U.S. production, citing soaring raw material costs after its average cost per long ton for the raw product jumped from \$306 in Q4 of 2025, to booking needs for Q3 of 2026 at \$705/long ton.

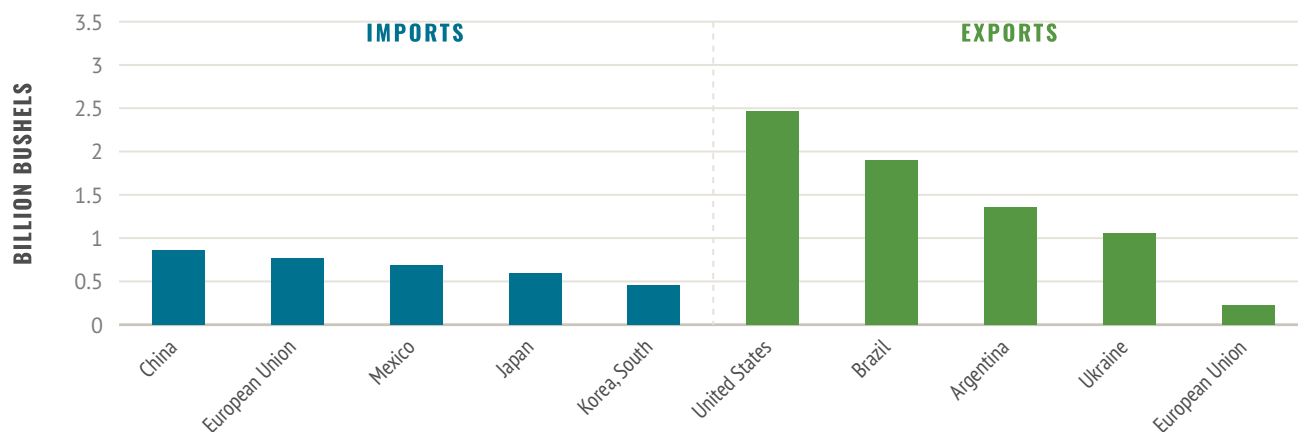
- **Demand** - The global fertilizer market has been operating under tight supply conditions for many years and different producers around the world are being hit by high prices but may respond differently. Farmers may be able to rely on 'banked' soil nutrients or reduce applications for one year, but this will vary wildly across operations and regions. Some countries will be able to tolerate high prices better than others. In the United States, multiple years of tough finances may have already led farmers to reduce applications in previous years, but recent firming corn prices may incentivize farmers to invest in fertility.
- **Policy** - The U.S. government recently suspended countervailing duties (CVD) on phosphate fertilizer imports from Morocco for eight months. As a result of the suspension, the United States received a shipment of triple-superphosphate in August 2026, its first since the duties were enacted in April 2021. While this is a positive development for the U.S. markets, uncertainty about the extension of the CVD and swirling tariff issues with other countries still endure.

Black Sea Situation and Its Impact on U.S. Export Opportunities

In 2022, Russia's further invasion of Ukraine sent wheat, corn, and fertilizer prices skyrocketing to record highs. Supply chains and markets have since adjusted, sending supplies through alternative routes or shifting sources. Recent escalation of tensions and the cumulative impacts of four years of disruption on the planting decisions and ability of farmers in the region have roiled markets once again.

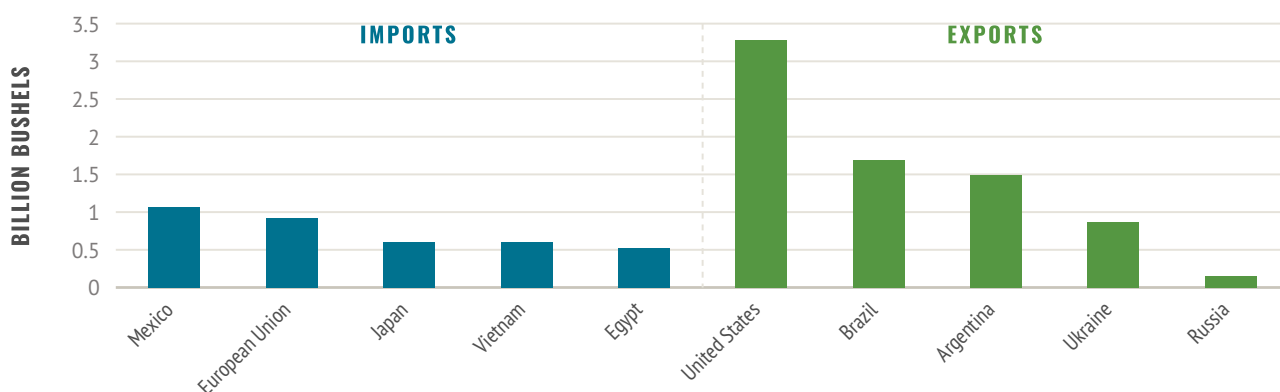
TOP 5 CORN IMPORTERS AND EXPORTERS, 2021/22

BILLION BUSHELS



TOP 5 CORN IMPORTERS AND EXPORTERS, FORECAST 26/27

BILLION BUSHELS



■ IMPORTS

■ EXPORTS

Source: USDA FAS · NCGA analysis



Ukraine is forecast to be the fourth largest corn exporter and the sixth largest wheat exporter in the world in 26/27 (a large portion of Ukraine's wheat exports are feed quality, competing with corn for the energy ration). Transporting Ukraine's exports through the Black Sea ports is by far the most efficient in both cost and time- if this option is unavailable due to attacks, grain must move overland (truck/rail) or to the Danube to be barged down through Romania. This is very expensive and adds to the delivered costs of Ukrainian supplies, even to regional neighbors like the EU.

Concerns over the Black Sea have reached U.S. corn prices, underpinning an already-robust export program. Lack of supplies- or lack of efficient delivery- could leave opportunity for U.S. supplies to fill this gap at a more competitive rate than typical.

Why It Matters: Higher corn prices are encouraging, but rising input costs and global risks continue to challenge farm profitability. As all of these factors evolve, NCGA will keep advocating for policies that support farmers' bottom lines, from strengthening durable demand opportunities for U.S. corn to addressing input cost pressures and ensuring a more resilient agricultural economy.



Gretchen Kuck

LEAD ECONOMIST

kuck@ncga.com