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Issues and Outlook for Agricultural Commodities

16th November 2026

Presented by:
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KANSAS STATE UNIVERSITY | Department of Grain Science and Industry

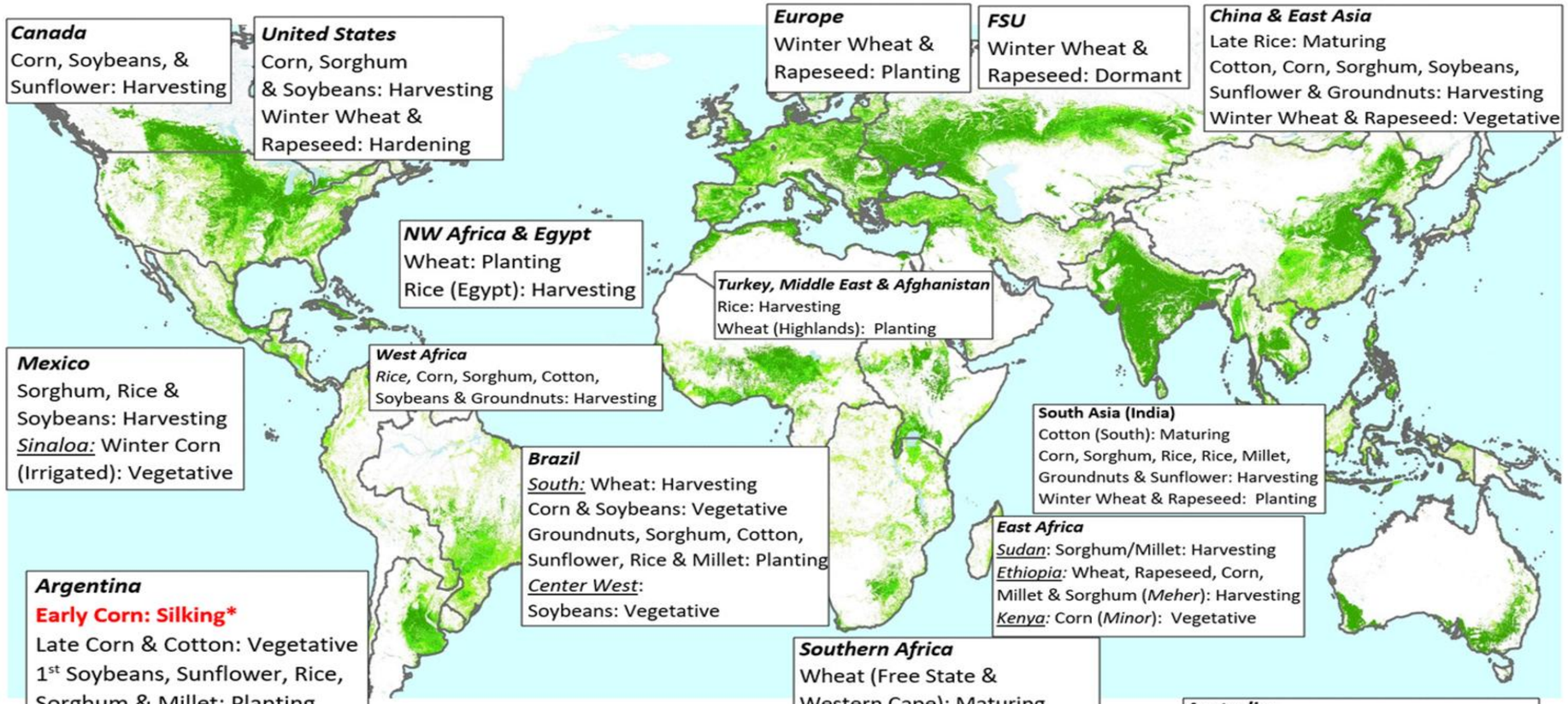
Weather & Climate

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Current Market Outlook & Issues

Weather – La Nina Impact

November Crop Calendar



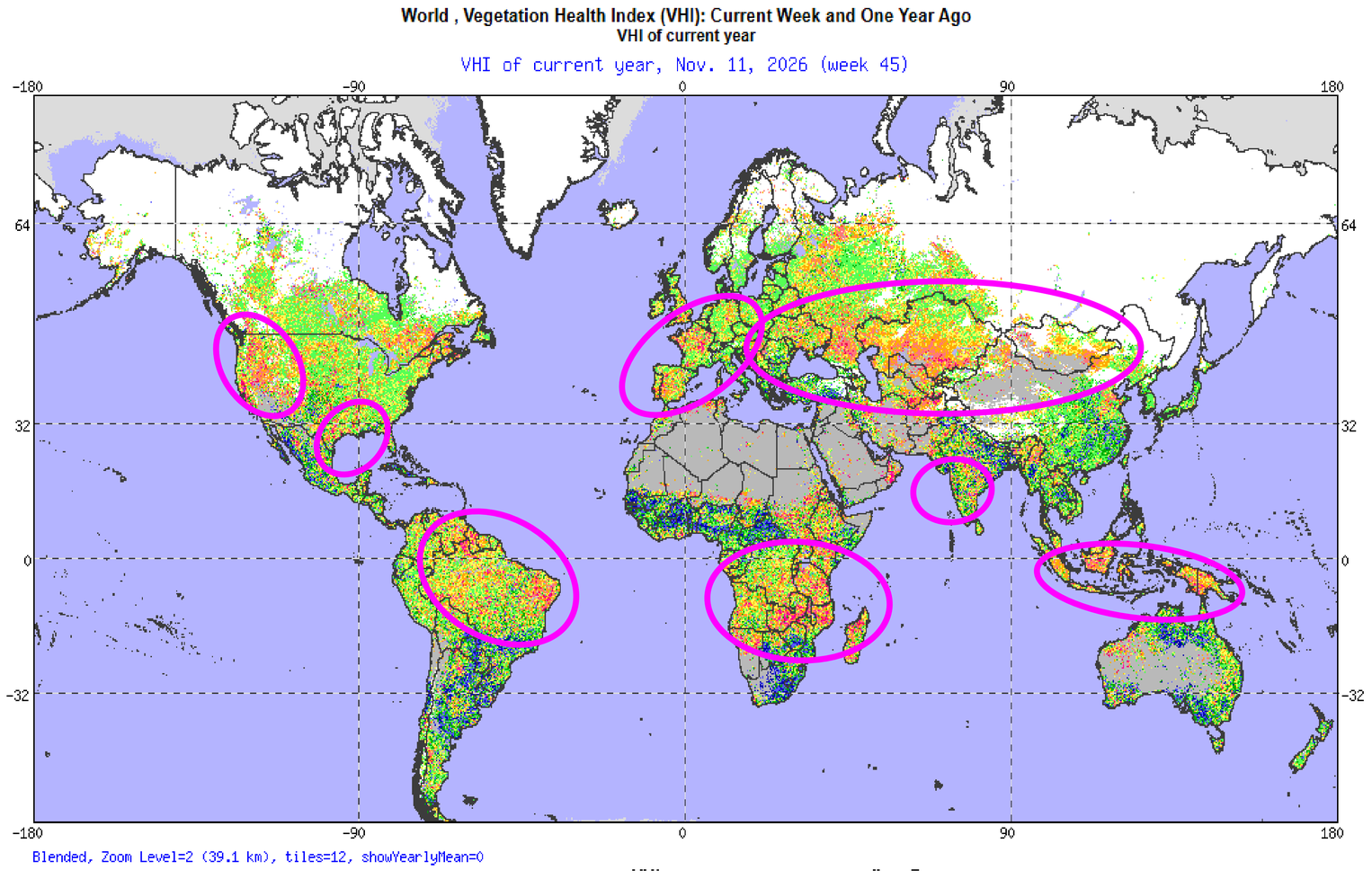
*Crop stage sensitive to moisture and temperature stresses.

USDA
U.S. Department of Agriculture (USDA)
Foreign Agricultural Service (FAS)
Office of Global Analysis (OGA
International Production Assessment Division (IPAD)

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Current Market Outlook & Issues

Weather – World Dry Weather and Drought Risk



- **[USDA/WAOB Joint Agricultural Weather Facility 10th November 2026]**

10th November 2026 International Weather and Crop Highlights and Summaries provided by USDA/WAOB

HIGHLIGHTS

- EUROPE: Dry but cold weather settled over much of Europe, though locally heavy rain persisted in southeastern portions of the continent.
- WESTERN FSU: A slow-moving cold front replaced abnormal warmth with sharply colder air as the week drew to a close, though precipitation was largely confined to parts of Russia.
- MIDDLE EAST: Widespread rain and snow expanded across the region, favoring winter grains but heightening quality concerns for Turkey's unharvested cotton.
- AUSTRALIA: Mostly sunny skies favored winter crop maturation, drydown, and harvesting following early-week showers in the south and east.
- SOUTH AFRICA: Some rainfall returned to central and eastern portions of the corn belt, while above-normal temperatures prevailed across much of the region.
- ARGENITINA: Widespread rainfall benefited most key production areas, with higher totals in parts of Córdoba, Santa Fe, and Buenos Aires provinces, while temperatures remained favorable for crop development.
- BRAZIL: Rainfall was limited across much of central Brazil, while southern states received heavier precipitation and temperatures averaged above normal across most agricultural regions.

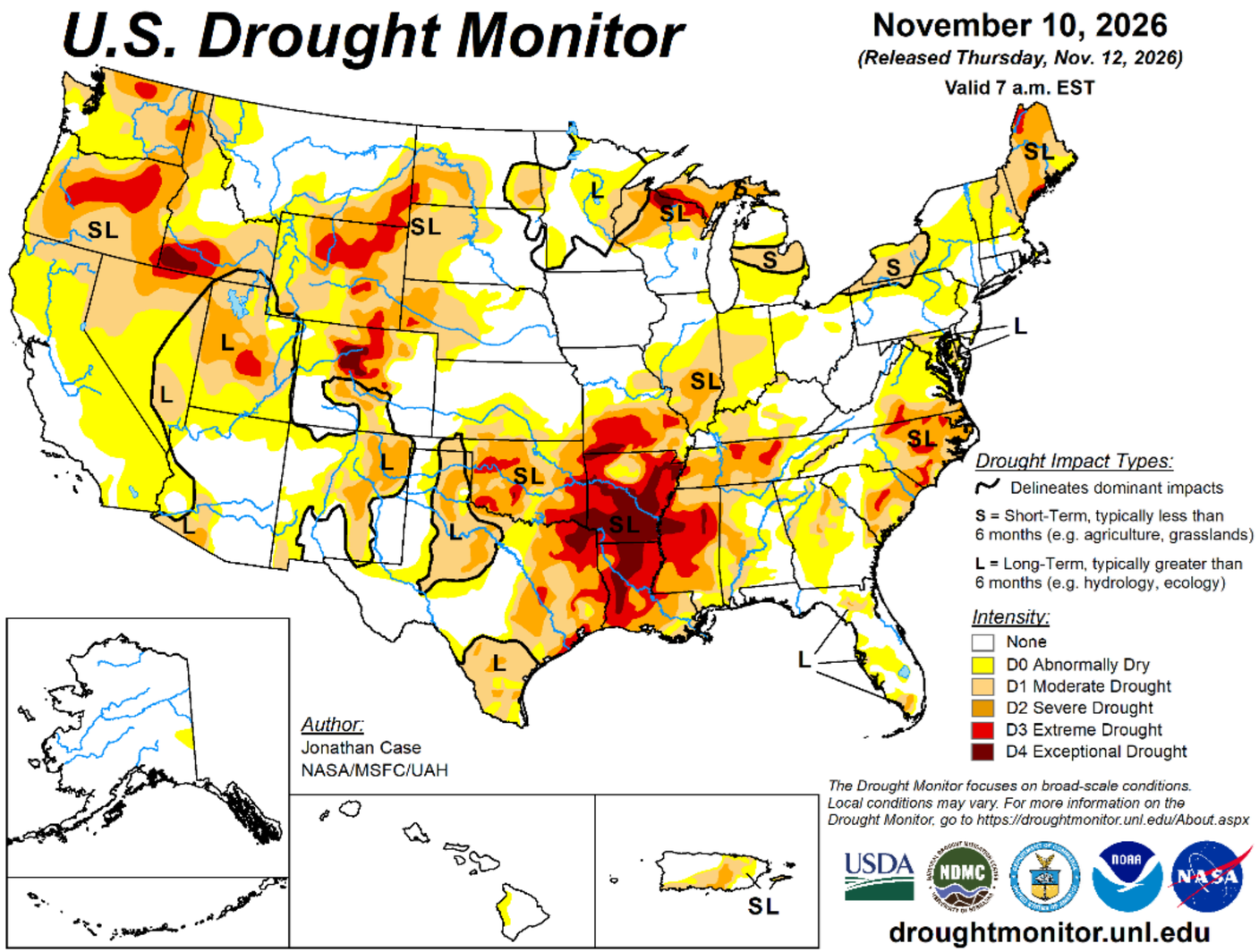
Source: USDA https://www.usda.gov/sites/default/files/documents/wwcb.pdf

Source: USDA - International | Drought.gov

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Current Market Outlook & Issues

Weather – U.S. Drought Monitor



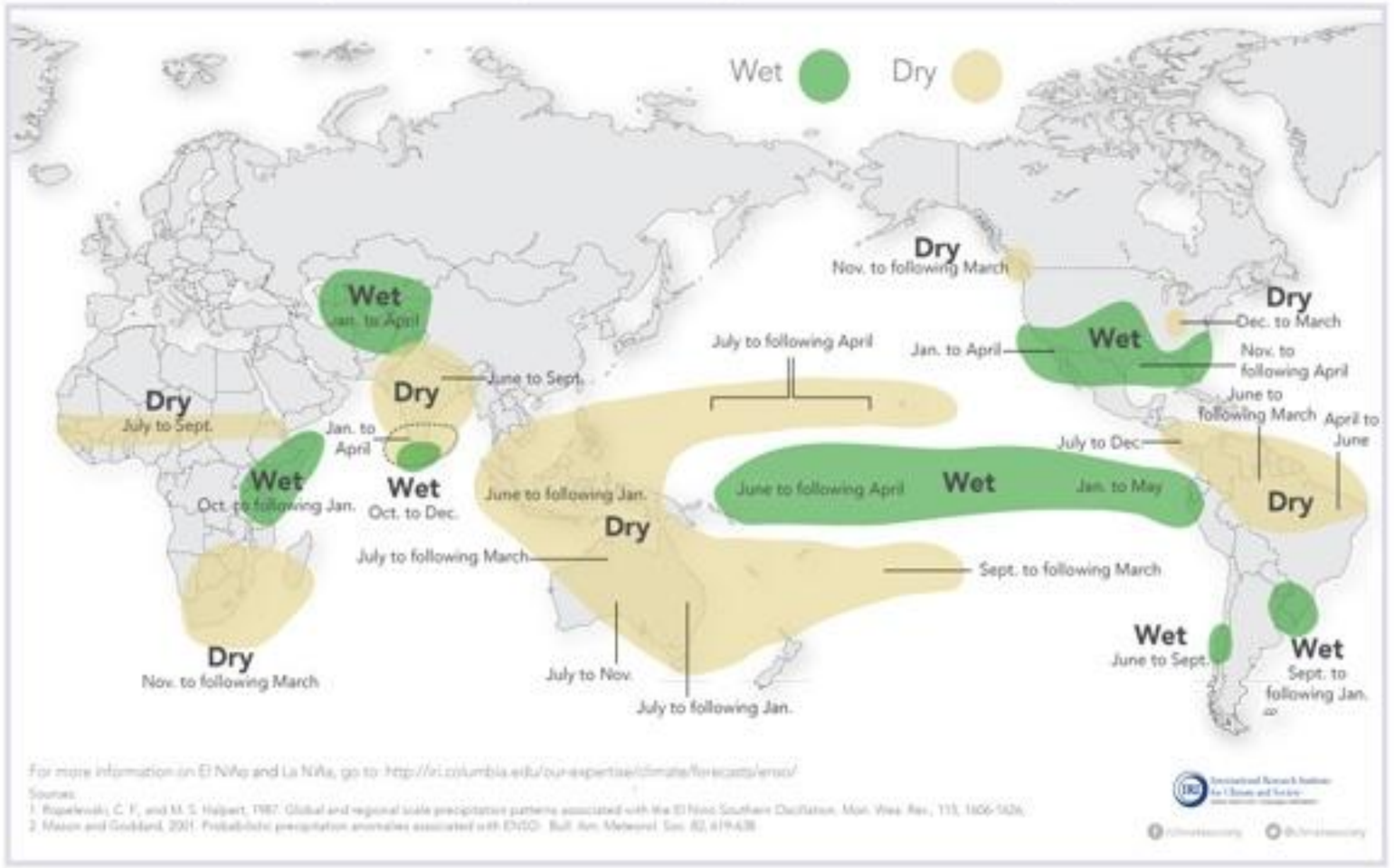
Agriculture Affected by Drought for Nov 10, 2026

Commodity	% Area Affected by Drought
Barley production	52
Corn production	21
Cotton production	61
Durum Wheat production	16
Peanut production	25
Rice production	83
Sorghum production	22
Soybean production	29
Spring Wheat production	33
Sugarbeet production	49
Sugarcane production	50
Sunflower production	44
Winter Wheat production	48

Source: USDA Current Map | U.S. Drought Monitor, Row Crops | U.S. Agricultural Commodities in Drought

Current Market Outlook & Issues

Weather – El Nino Impact



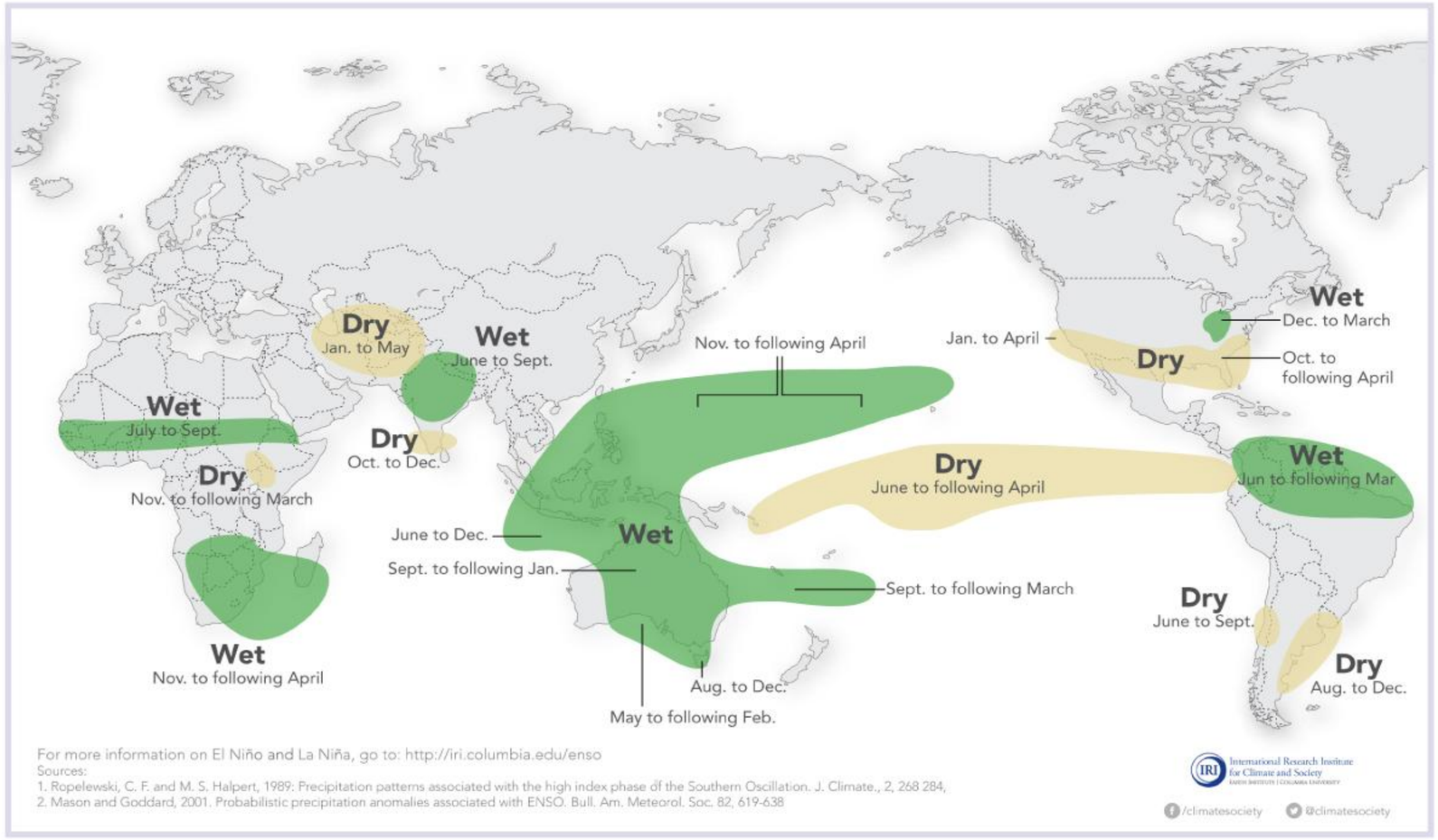
Source: USDA - https://iri.columbia.edu/our-expertise/climate/enso/why-do-we-care-about-el-nino-and-la-nina/

- **USDA/WAOB Joint Agricultural Weather Facility – 2nd December 2025**
- EUROPE: though warmer-than-normal conditions lingered in southeasternmost portions of the continent.
- MIDDLE EAST: Rain in western Turkey contrasted with
- increasingly dry conditions over Iran.
- NORTHWEST AFRICA: Dry weather in Morocco juxtaposed with additional showers from north-central Algeria into northern Tunisia.
- AUSTRALIA: Sunny skies prevailed over most of the country's primary winter crop areas, with cool temperatures in the west giving way to extreme heat in parts of eastern Australia.
- SOUTH AFRICA: Widespread warm and rainy weather
- continued, maintaining favorable moisture for much of the corn belt and coastal sugarcane regions of KwaZulu-Natal.
- ARGENTINA: Drier weather dominated the region, reducing moisture for summer crop germination.
- BRAZIL: Scattered showers persisted across most of the region; however, southern Brazil experienced limited moisture as summer grains and oilseeds began their reproductive stage.

Source: USDA
https://www.usda.gov/sites/default/files/documents/wwcb.pdf

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Weather – La Nina Impact



El Niño and La Niña are known to shift rainfall and temperature patterns around the world. The adjacent maps show typical El Niño and La Niña rainfall impacts.

Source: USDA - https://news.climate.columbia.edu/2016/04/28/learning-from-el-nino-as-la-nina-odds-rise/

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Macro Financial Issues Arising

The Value of a Dollar…

Current Market Outlook & Issues

U.S. Dollar Index



3 Year Weekly Chart

(16 November2026)

Source: U.S. Bureau of Labor Statistics

The US dollar index traded around **103.4** on Monday, hovering at its highest level since April 2025 as bets for more aggressive interest rate hikes by the Federal Reserve continued to strengthen.

These expectations were fueled by strong October inflation data and hawkish remarks from Fed officials, with some policymakers indicating that a larger 50-basis-point increase in December remains a possibility. Markets are currently pricing in a 92% probability of a 25-basis-point rate hike next month, while the likelihood of a larger 50-basis-point increase stands at 8%.

Traders are also anticipating four additional rate hikes by September next year. Meanwhile, investors are awaiting remarks from Fed Chair Kevin Warsh later in the day for further clues on the central bank's monetary policy outlook, alongside the release of the October FOMC meeting minutes on Wednesday.

Source: Trading View - https://tradingeconomics.com/united-states/currency

Current Market Outlook & Issues

Gold and Silver

Gold - Spot Cash – Nearby Monthly / Silver Spot Cash – Five Year Chart, Nearby Weekly





Source: Barchart - https://www.barchart.com/futures/quotes/ZSH21/interactive-chart

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Energy Complex

WTI, Brent, Natural Gas…

Current Market Overview, Outlook & Issues

Crude Oil Monthly / 10 Year History

WTI Crude Oil - Spot Cash Nearby Monthly / Brent Crude Oil Spot Cash – Nearby Weekly

US$88.46/barrel



US$95.74/barrel



Source: Barchart - https://www.barchart.com/futures/quotes/ZSH21/interactive-chart

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Current Market Overview, Outlook & Issues

Understanding Crude Oil Pricing

Market & Financial Terms

Spot Price: The price for a one-time, "on the spot" transaction for immediate delivery.

Futures Contract: A standardized financial agreement to buy or sell oil at a predetermined price on a specific future date. These are used by traders to hedge against price volatility.

The Spread: The difference in price between two different benchmarks (e.g., the Brent-WTI spread). Spreads fluctuate based on geopolitical tensions, transportation costs, and supply levels.

Under-recoveries: The difference between the cost of importing crude and the price at which state-run oil marketing companies (like IOC, BPCL, and HPCL) sell refined products to consumers.

Key Benchmarks & Pricing Terms

Brent Crude: The global benchmark for oil from the North Sea. It is the primary pricing reference for roughly two-thirds of the world's internationally traded crude, including oil from Europe, Africa, and the Middle East.

WTI (West Texas Intermediate): The benchmark for the U.S. oil market, sourced primarily from Texas. It is a "light, sweet" crude, meaning it has low density and low sulfur, making it easier to refine into gasoline.

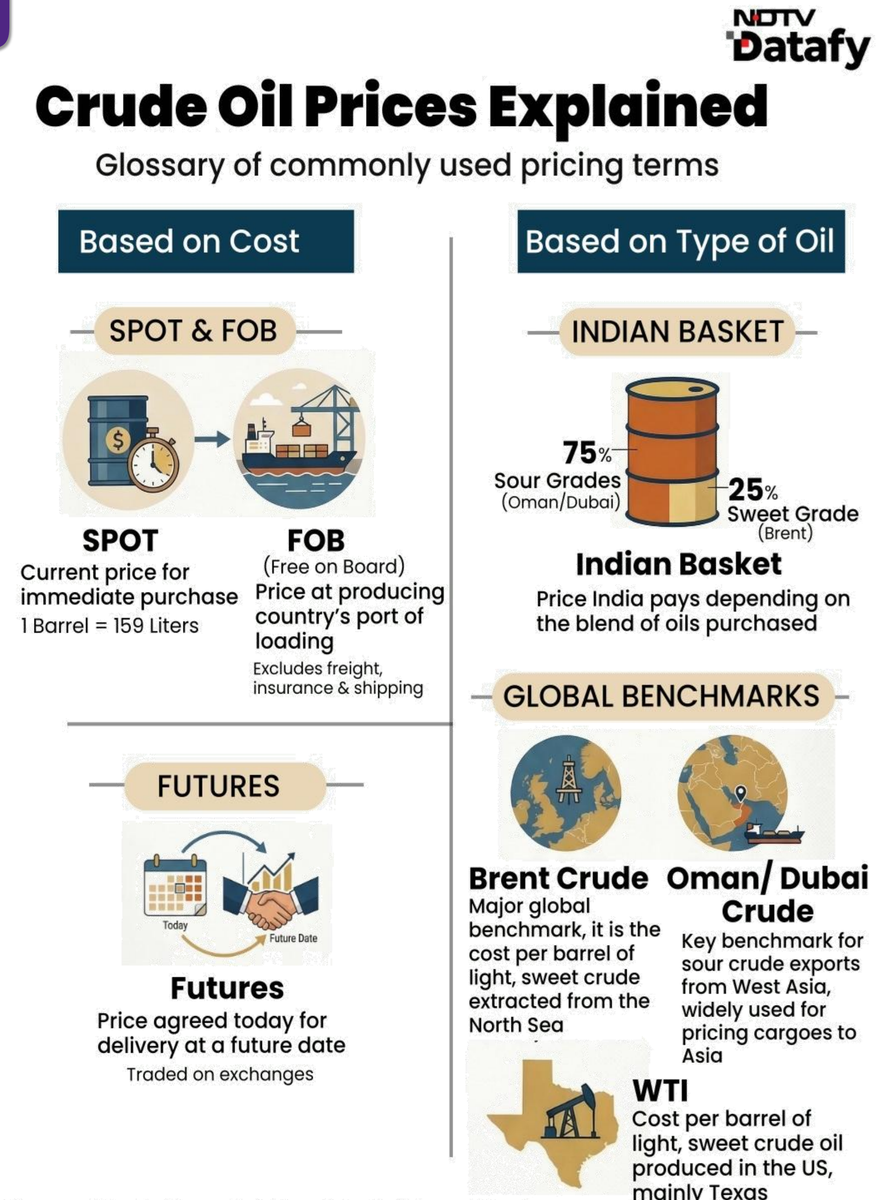
Oman & Dubai Crude: These serve as the main benchmarks for "heavy sour" oil from the Middle East. They are a major component of the Indian Basket because of India's heavy reliance on Middle Eastern imports.

Indian Basket (IB): A weighted average of Oman/Dubai (sour) and Brent Crude (sweet) prices. It reflects the actual mix of oil processed in Indian refineries. As of March 2026, the ratio was roughly 61% sour to 39% sweet.

Crude Oil Quality Terms

Sweet vs. Sour: "Sweet" crude contains less than 1% sulfur, making it cheaper to process. "Sour" crude has higher sulfur content and requires more expensive refining to remove impurities.

Light vs. Heavy: "Light" crude has low density (high API gravity), flows easily, and yields more high-value products like petrol and diesel. "Heavy" crude is dense, viscous, and more costly to refine.



Source: Media Reports | *Graphic: Subham Singh*

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Natural Gas

Natural Gas – Nearby Weekly

MMBTU / US$/Gallon 9 Nov 2026



Source: Barchart - https://www.barchart.com/futures/quotes/ZSH21/interactive-chart

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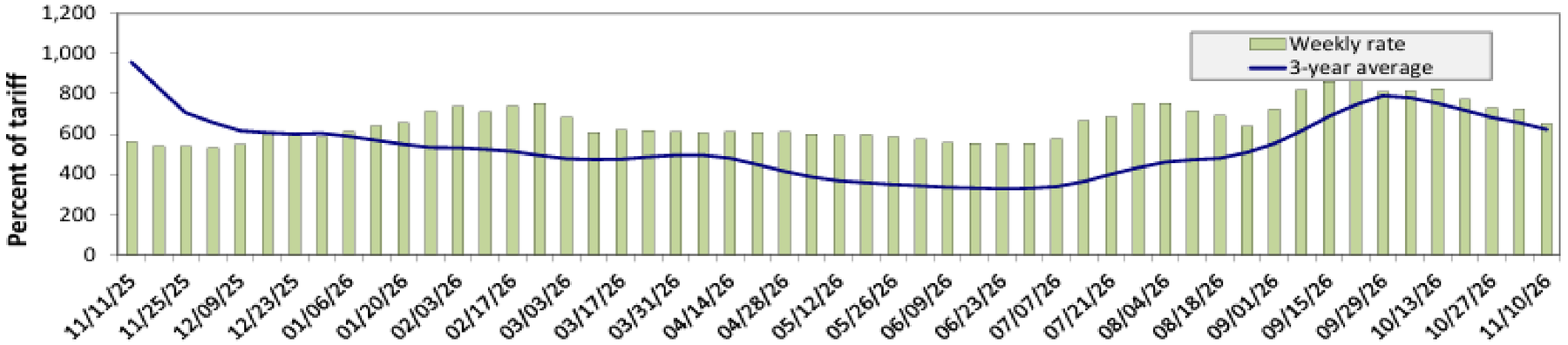
TRANSPORTATION

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Current Market Overview, Outlook & Issues

U.S. Transportation - Barges

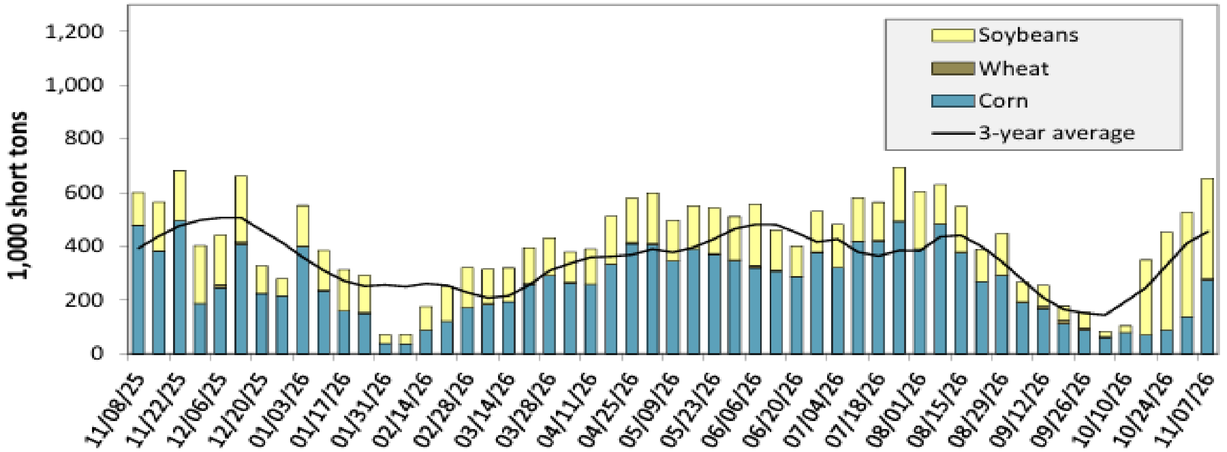
Figure 10. Illinois River barge freight rate



Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year average.
Source: USDA, Agricultural Marketing Service.

For the week ending November 10: 10 percent lower than the previous week; 16 percent higher than last year; and 5 percent higher than the 3-year average.

Figure 12. Barge movements on the Mississippi River (Locks 27-Granite City, IL)



Note: The 3-year average is a 4-week moving average.
Source: U.S. Army Corps of Engineers.

For the week ending November 7: 9 percent higher than last year and 43 percent higher than the 3-year average.

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Current Market Overview, Outlook & Issues

U.S. Transportation - Barges

Table 9. Weekly barge freight rates: southbound only

Measure	Date	Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Ohio River	Cairo-Memphis
Rate	11/10/2026	746	686	651	548	631	429
	11/3/2026	768	761	724	564	688	453
$/ton	11/10/2026	46.18	36.50	30.21	21.87	29.59	13.47
	11/3/2026	47.54	40.49	33.59	22.50	32.27	14.22
Measure	**Time Period**	**Twin Cities**	**Mid-Mississippi**	**Illinois River**	**St. Louis**	**Ohio River**	**Cairo-Memphis**
Current week % change from the same week	Last year	28	25	16	12	28	1
	3-year avg.	25	12	5	-1	4	-9
Rate	December	n/a	683	654	547	613	429
	February	n/a	n/a	630	525	571	425

Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year avg.; ton = 2,000 pounds; "n/a" = data not available. The per ton rate for Twin Cities assumes a base rate of $6.19 (Minneapolis, MN, to LaCrosse, WI). The per ton rate at Mid-Mississippi assumes a base rate of $5.32 (Savanna, IL, to Keithsburg, IL). The per ton rate on the Illinois River assumes a base rate of $4.64 (Havana, IL, to Hardin, IL). The per ton rate at St. Louis assumes a base rate of $3.99 (Grafton, IL, to Cape Girardeau, MO). The per ton rate on the Ohio River assumes a base rate of $4.69 (Silver Grove, KY, to Madison, IN). The per ton rate at Memphis-Cairo assumes a base rate of $3.14 (West Memphis, AR, to Memphis, TN). For more on base rate values along the various segments of the Mississippi River System, see AgTransport.

Source: USDA, Agricultural Marketing Service.

IL RIVER FREIGHT

	11/11/2026	11/12/2026
WK 11/8	625/675	650/675
WK 11/15	625/675	650/675
WK 11/22	625/675	650/675
WK 11/29	625/675	640/690
DEC	625/675	640/690
JAN	625/675	650/700
FEB	600/650	600/650
MAR	600/650	600/650
AMJJ	550/600	550/600

Current Market Overview, Outlook & Issues

U.S. Transportation - Barges

U.S. inland hopper barge fleet by the numbers

Inland barges in 2026	19,668
Average fleet age	17.6 years
Typical useful life	25–30 years
New barges built annually	410
Annual retirements	500–1,000
Projected fleet size by 2035	16,240

Source: Current Data LLC, 2026

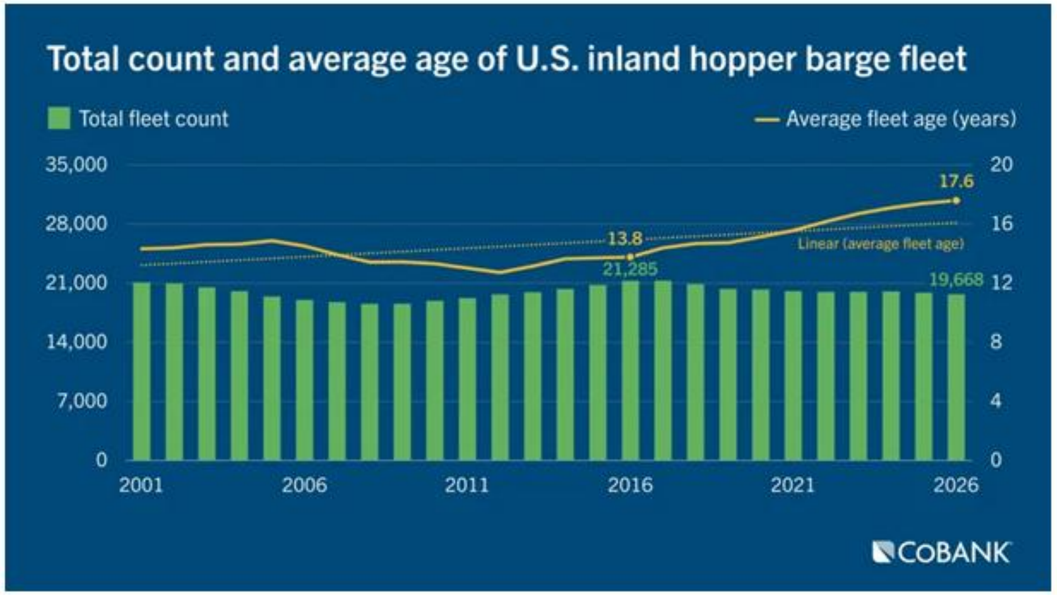
The U.S. inland hopper barge fleet numbers 19,668, down 1,617 barges or 7.6% in the last 10 years, according to Current Data LLC. The average age of the fleet, meanwhile, has risen to 17.6 years, up from 13.8 years in 2016.

With a quietly aging and shrinking inland hopper barge fleet, U.S. grain exports face a looming transportation bottleneck, with the most urgent issues emerging on the Mississippi River, the backbone of the U.S. grain export system. According to USDA's Agricultural Marketing Service, inland hopper barges transport roughly half of all U.S. corn and soybean exports and a third of wheat exports through the Mississippi Gulf region, making the inland waterways essential to maintaining U.S. competitiveness in global grain markets. Farmers and elevators in the Upper Midwest and river-adjacent grain-producing regions are likely most exposed because they rely heavily on barge access to reach Gulf export terminals

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Current Market Overview, Outlook & Issues

U.S. Transportation - Barges



Source: Current Data LLC, 2026



Source: U.S. Bureau of Labor Statistics

Key points

- The U.S. inland hopper barge fleet is aging rapidly. The average barge is approaching 17.6 years old, while the typical useful life is 25 to 30 years.
- Rising costs of steel, fiberglass, labor, and construction financing have pushed the price of a new inland hopper barge up to roughly $1 million or more, according to industry estimates, thereby discouraging fleet replacement.
- Replacement is not keeping pace with retirements. The industry is building about 410 new inland hopper barges a year while retiring 500 to 1,000.
- Alternatives are sparse. Railroads can absorb only a small portion of barge traffic, leaving agriculture heavily dependent on inland waterways.
- Higher barge costs could weaken farm-level prices. Rising freight costs tend to pressure basis levels and reduce farmer returns and could threaten U.S. export competitiveness

Ocean Freight

Blue Water Shipping…

Ocean Freight Overview

London Baltic Exchange – Dry Index



Source: Trading View - https://www.tradingview.com/chart/?symbol=INDEX%3ABDI

The Baltic Exchange

Dry Bulk Index – 2,891

5 Year Weekly – 13th Nov 2026

31st August 2026 - 2,891
1st November 2024 - 2948
13th February 2023 - 576
8th October 2021 - 5650
19th January 2021 - 1644

Annual Global Trade (2020-21)
Total Dry Bulk = 4.6 billion mts

Iron Ore = 1.504 bmts (33%)
Coal = 1.292 bmts (28%)

Grains & Oilseeds (17%)

Wheat	=	0.200 bmts
Corn	=	0.202 bmts
Soybeans	=	0.173 bmts
Rice	=	0.050 bmts
Other Grain	=	0.048 bmts
Other Seed	=	0.019 bmts
Meals	=	0.095 bmts
Total	=	**0.787 bmts**

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Ocean Freight Overview

London Baltic Exchange – Dry Index



Source: Investing.com https://www.investing.com/indices/baltic-dirty-tanker-chart

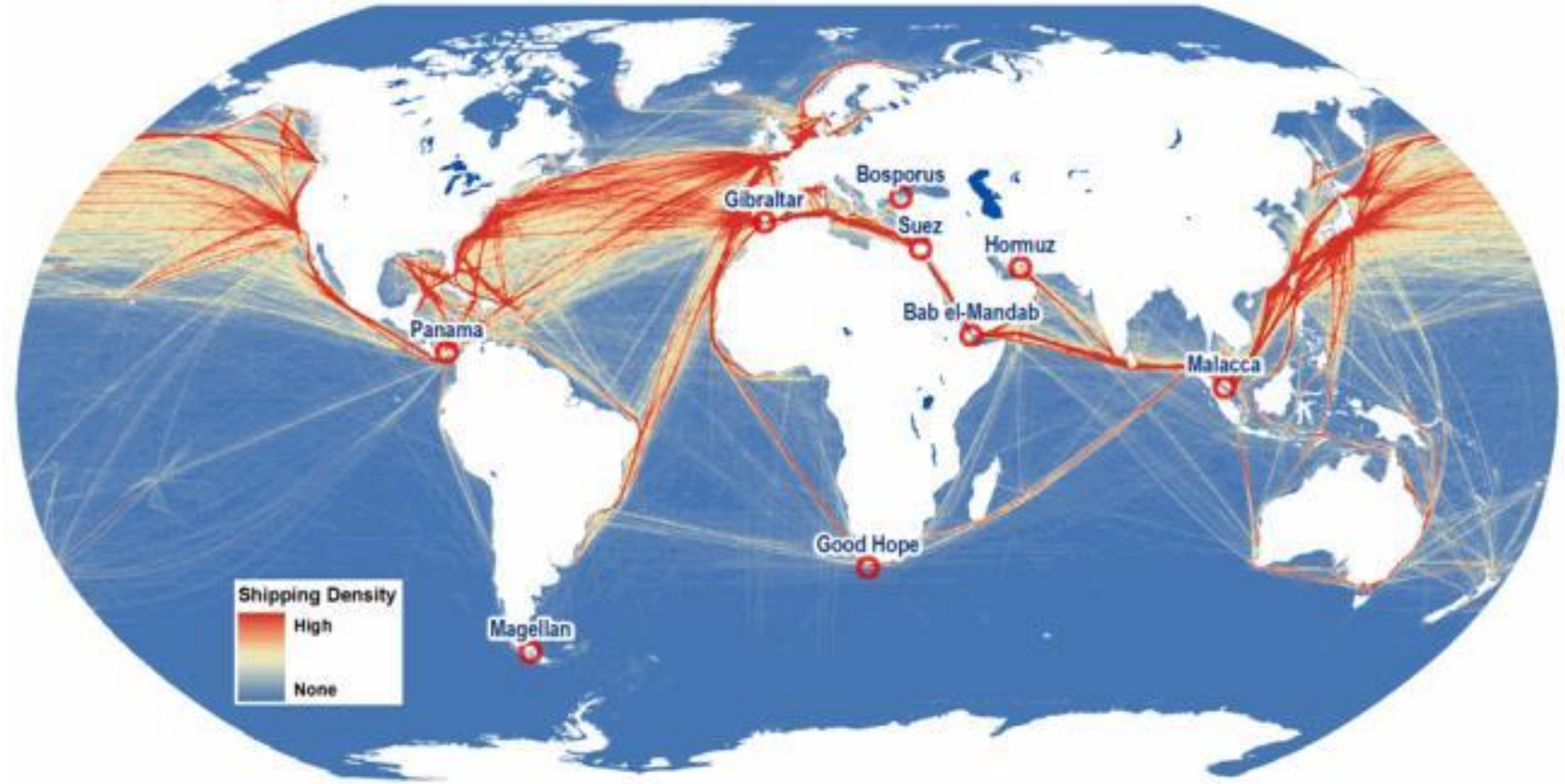
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International Logistics and Supply Chain Disruptions

Increased Risk and Transportation Costs…

Ocean Freight Overview

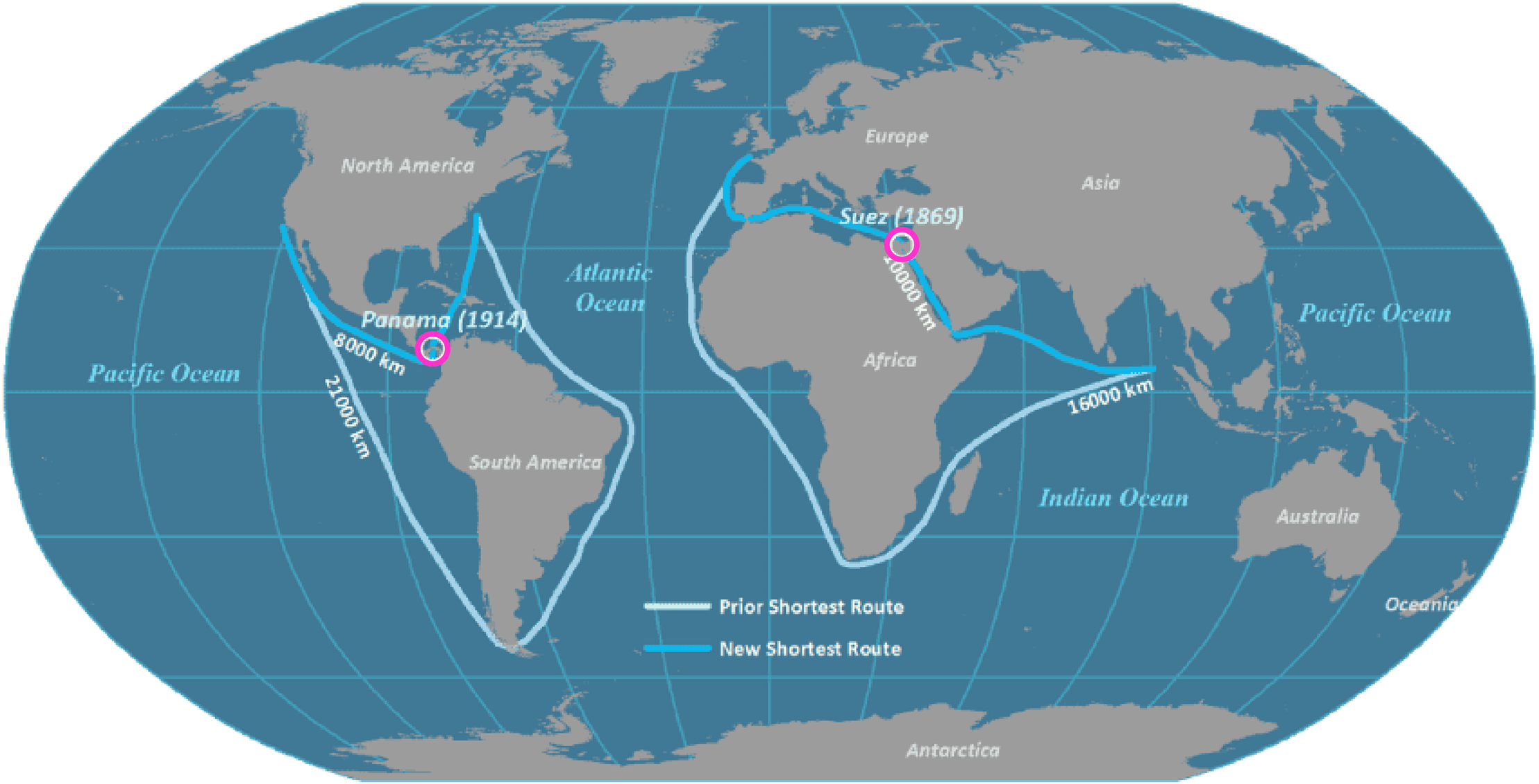
Global Shipping Routes



Source: https://www.seanews.com.tr/images/haberler/2015_09/153518/tradev1.jpg 06 September 2015

Ocean Freight Overview

International Logistics – Ocean Freight

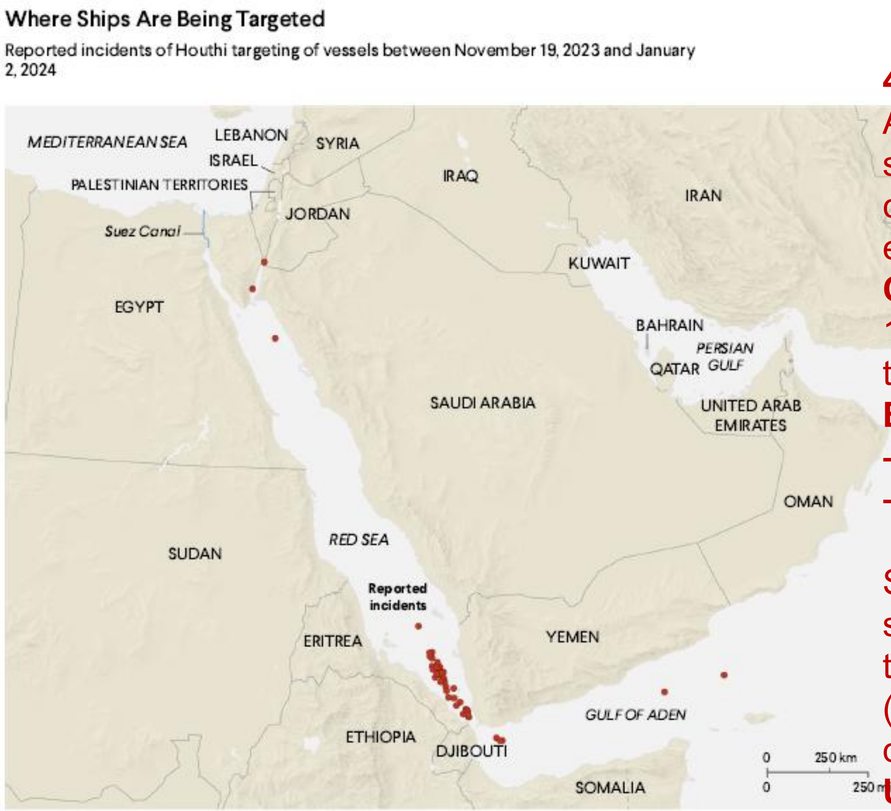


Source: Wonderful Engineering https://wonderfulengineering.com/panama-canal-ingenious-engineering/

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Current Market Overview, Outlook & Issues

Yemen – Houthi Attacks



Note: Incidents include attacks, approaches, business interruptions, and sightings.

40% of Asia – Europe Trade
A disruption in trade could send a ripple effect of higher costs across the world economy.
Container Traffic
1/3rd of all containers flows through the Suez Canal.
Energy
- 12% of seaborne crude oil
- 8% of LNG)

Shipping detours around the southern tip of Africa increase the distance from **8.5k nm** (26days) to **11.8k nm** (36 days) or by **39%; (over US$1million)**



Note: Distances and days are approximate.

- **Yemen** Since mid-November 2023, the Yemen-based, Iran-backed Houthi rebel group has attacked dozens of commercial ships in the Red Sea, with no signs of slowing down. An exodus of shipping companies from the region now threatens to scuttle supply chains and increase consumer prices just as global inflation begins to ebb.
- The United States has announced an international security initiative to protect commercial vessels, but some experts say the effort falls short of the necessary deterrence, and others worry a forceful response could propel the region into wider conflict..

Source: Global Conflict Tracker - https://www.cfr.org/global-conflict-tracker/conflict/war-yemen Disruption Monitor | PortWatch

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Geo-Political Issues

Today's primary drivers of commodity markets…

Current Market Outlook & Issues

Geo Political Risks – Western Hemisphere

- **USMCA** – Monroe Doctrine
- **Mexico** – Schedule renegotiation of USMCA (NAFTA) has begun
- **Canada** – Schedule renegotiation of USMCA (NAFTA) has been complicated by Canada
- **Venezuela** – U.S. intervention and change in leadership
- **Cuba** – Country on the edge of collapse

Current Market Outlook & Issues

Geo- Political Risks

- **Persian Gulf: Iran – Israel, U.S.** – Open Conflict
  - **Iraq –**
  - **Yemen –**
  - **Ethiopia – Eritrea**
  - **Afghanistan –**
- **Red Sea / Suez Canal**
  - **Yemen –**
  - **Ethiopia – Eritrea**
- **Russia - Ukraine**
- **China** – Belts & Roads Initiative
  - Regional
  - Taiwan
  - South China Sea and broader territory claims
- **North Korea –**
- **Sahel -** (Burkina Faso, Cameroon, Chad, The Gambia, Guinea Mauritania, Mali, Niger, Nigeria and Senegal) – U.S. has sent drones to Nigeria to

THANK YOU FOR YOUR ATTENTION

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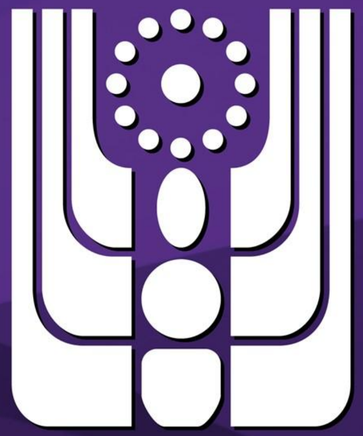
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