

2026 REPORTS

95 Million Acres (With an Asterisk)

By Marc Rosenbohm

REPORT SNAPSHOT

Situation: In the March 31 Prospective Plantings report, the USDA estimates farmers intend to plant 95.3 million acres of corn, down 3.45 million from the latest 2025 figures but 1.3 million higher than we had forecast in February. However, the potential for revision is significant.

Outlook: I forecast corn cash prices to average \$4.30/bu. in Q2, with nearby futures trading largely sideways in the \$4.50/bu. to \$4.90/bu. range. Factors supporting this forecast include a moderate length to the Iran conflict, average South American weather for the rest of the second-crop corn season, and average U.S. planting conditions.

Impact: For the duration of the Iran conflict, continue to monitor crop markets closely, as there could be favorable pricing opportunities amid the volatility.

.....

Corn markets are likely to remain stable with the potential for higher prices over the year ahead. The

prospect of fewer acres than last year supports the expectation of a slight reduction in total U.S. supplies in the 2026/27 marketing year. However, final acres, yields and demand still face considerable uncertainty due to weather and the Iran conflict's effect on energy, fertilizer and U.S. export demand.

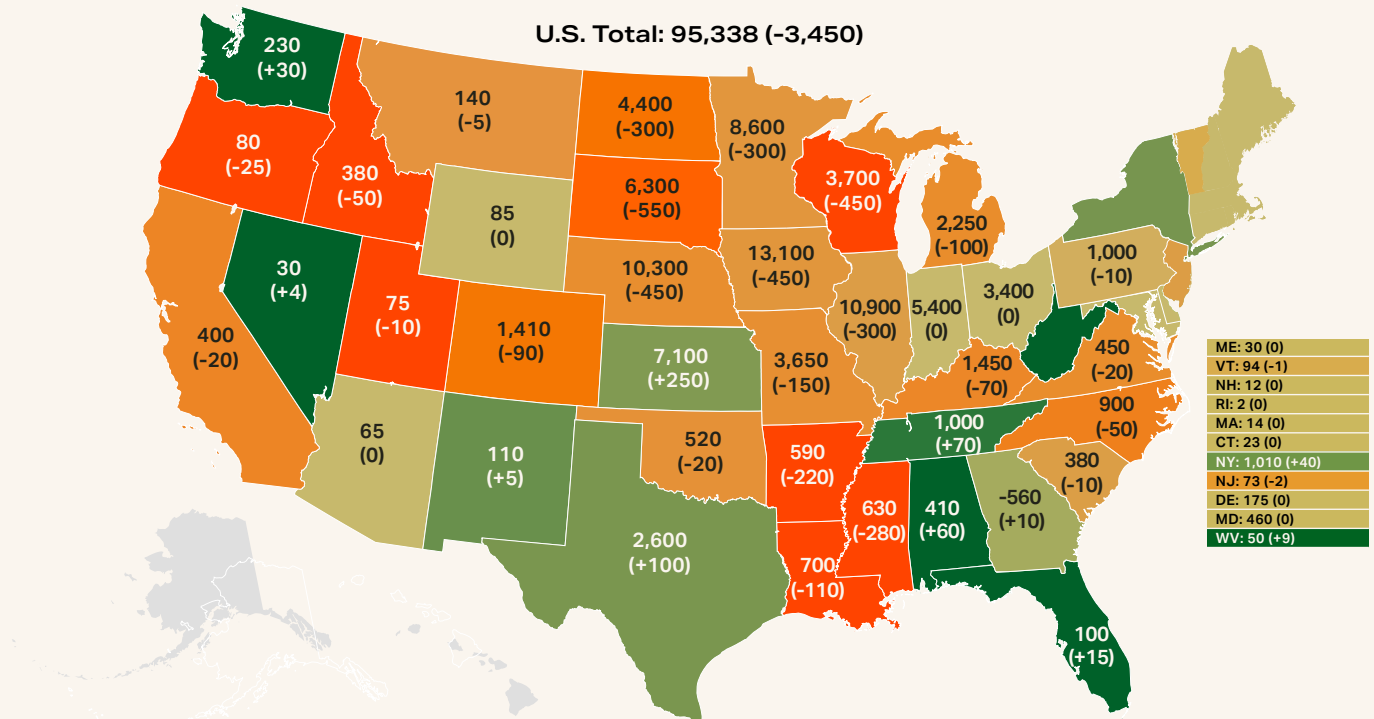
FEWER CORN ACRES, BUT MORE THAN EXPECTED

In the March 31 Prospective Plantings report, the USDA estimates farmers intend to plant 95.3 million acres of corn, down 3.45 million from the latest 2025 figures but 1.3 million higher than we had forecast in February. Much of the western corn belt and northern Plains states have estimates of 300,000 to 550,000 fewer corn acres.

While the USDA estimates farmers intend to plant about 95.3 million acres, spring weather will have the last say in what is achievable.

2026 Intended Corn Acres Above Expectations

Acres in Thousands (Change From Last Year)



Sources: USDA 2026 Prospective Plantings, Terrain

Following last year's surprise later-season acreage revision, the potential for revision is significant this year as well for at least four reasons:

- Normal statistical uncertainty. Over the past 20 years, the 90% confidence interval of the prospective plantings estimates relative to final acreage is 4.2%. That equates to a range of 4 million acres this year, or between 93.3 million and 97.3 million acres. Final corn area at either end of this range could have a significant impact on prices.
- Lowest response rate. This year's survey had the lowest response rate ever at 36.7%, down from 44.3% last year. This means the USDA is left to infer what more farmers intend to plant from a smaller sample and may mean the interval calculated above is even wider.
- Potential reductions. There has been considerable discussion about whether the Iran conflict's

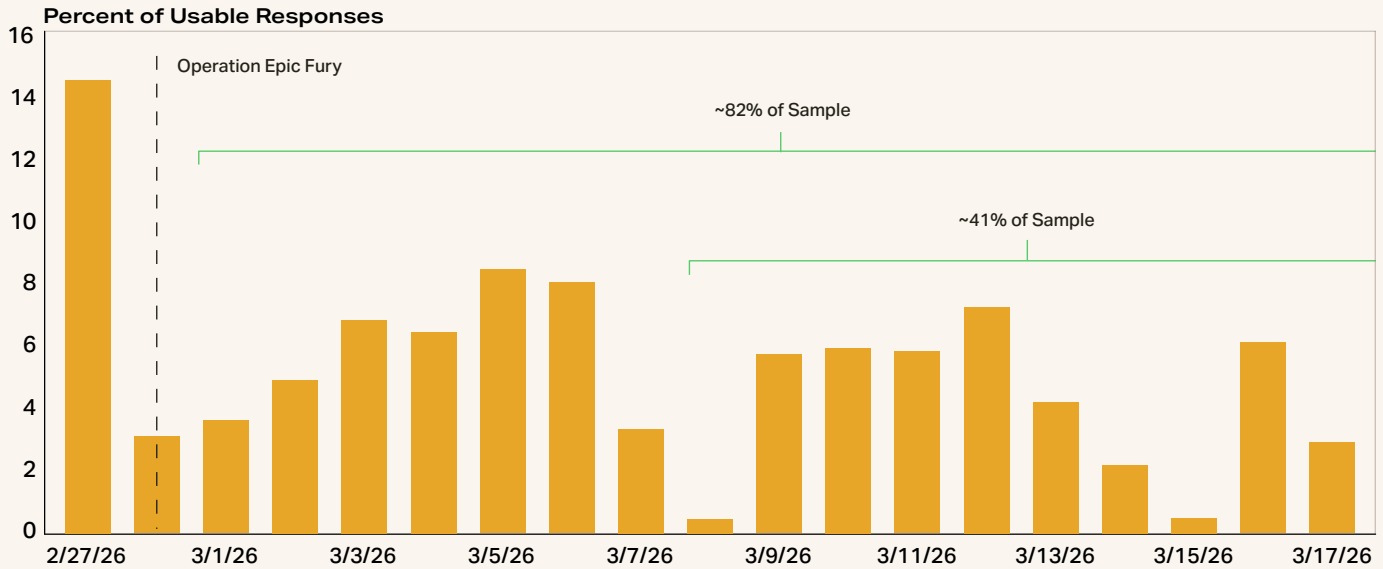
influence on fuel, fertilizer, and possibly other input costs will impact planting. The majority of the Prospective Plantings report survey responses this year came after the conflict started, and about 41% of them were during or after the second week of the conflict – after the initial fuel and fertilizer effects were reflected in market prices. While some of these responses may have captured early switching, decisions made after the survey was completed could shift more acres.

- Weather. While the USDA estimates farmers intend to plant about 95.3 million acres, spring weather will have the last say in what is achievable.

Although a few of these factors are present every year, the ongoing Iran conflict and response rate decline are unique to 2026 and could mean another year of surprises in the June Acreage report or in later-season revisions.

Most Usable Ag Survey Responses Collected After Conflict Began

USDA March Ag Survey for the Prospective Plantings Report



Sources: USDA NASS, Terrain

EPIC FURY OF MARGIN VOLATILITY

Operation Epic Fury in Iran has caused significant increases in input costs, most notably nitrogen fertilizer and fuel. For the average farm, I estimate these higher costs have added about \$35/ac. to overall production costs as of March 31. Farms using more fertilizer or fuel than the national average (due to higher yields, for example) will likely see cost increases higher than this.

The current margin indicator has changed little overall since the Iran conflict began.

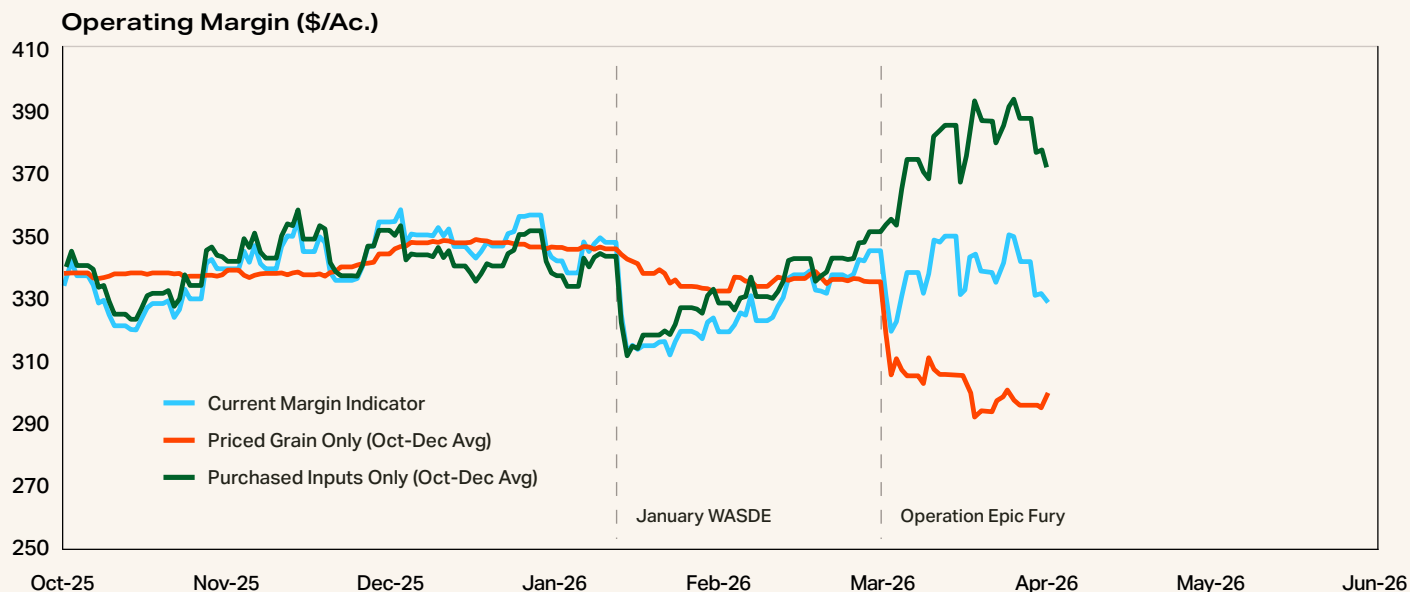
Farmers who bought all their inputs before March 1 but sold none of their expected production could be seeing operating margins that are about \$40/ac. higher now than they were projected to be before the Iran conflict began due to the increase in corn prices. For those in this situation, consider downside price protection to manage risk and help capture this higher margin level.

The current margin indicator has changed little overall since the Iran conflict began. This suggests that corn futures prices have risen proportionally to the change in average per-acre cost (which has resulted from higher input costs).

The current margin indicator is the estimated operating margin of an average farm today if inputs were purchased now and average expected prices were received for expected production. Looking ahead, I expect corn futures prices to continue to be heavily influenced by the effects of the Iran conflict and their duration.

For the duration of the Iran conflict, continue to monitor crop markets closely, as there could be favorable pricing opportunities amid the volatility.

Corn Projected Operating Margin Indicator



Note: Data as of April 1, 2026.
Sources: USDA, ProphetX, Terrain

A reasonably quick resolution of the Iran conflict in a few weeks' time likely limits the longer-term overall inflationary impact of energy prices on ag inputs but does little to ease fertilizer prices for the 2026 crop.

A more prolonged conflict could mean input prices remain elevated; other downstream energy-related inputs (such as chemicals) eventually see higher prices at the farm gate; and the potential for fertilizer shortages to affect the supply prospects of subsequent crops, not just corn. For the duration of the Iran conflict, continue to monitor crop markets closely, as there could be favorable pricing opportunities amid the volatility.

ETHANOL AND EXPORTS

For the current 2025/26 marketing year, ethanol use and exports continue to be strong.

While ethanol margins are supportive, I forecast corn use for ethanol to be 5.51 billion bushels this year, about 1.6% below the USDA's estimate, based on consumption through February and normal patterns ahead.

Corn export commitments through March 26 (week 29) are record large at 2.757 billion bushels, exceeding the prior record in the 2020/21 marketing year by 6.5%. This leaves the potential for exports to reach 3.3 billion to 3.4 billion bushels if both sales and shipments continue to be strong.

Rising gasoline prices, both in key competitor Brazil and other countries, could pull more corn, sugar, or other grain feedstocks into ethanol production, reducing either exportable supplies or expected ending stocks in some countries. Either of these suggest higher grain prices worldwide are possible if energy and gasoline prices remain elevated.

The risks to Brazil's second-crop corn production are primarily from weather. Fertilizer availability is a much lower concern for the current season. Fuel prices and availability are two factors to watch that can influence the feasibility of farm operation and long-distance transportation as crops make their way to export.

I forecast corn cash prices to average \$4.30/bu. in Q2.

PRICE FORECASTS

I continue to forecast the 2025/26 season average corn price at \$4.15/bu., as 50% to 60% of the crop has likely already been marketed at prices averaging between \$3.90/bu. and \$4.10/bu. Commitment of Traders' data suggest a significant amount of corn was sold in the first half of March as prices moved higher.

Better-than-expected weather or a resolution to the Iran conflict could push prices lower.

I forecast corn cash prices to average \$4.30/bu. in Q2, with nearby futures trading largely sideways in the \$4.50/bu. to \$4.90/bu. range. Factors supporting this forecast include a moderate length to the Iran conflict, average South American weather for the rest of the second-crop corn season, and average U.S. planting conditions.

Volatility will remain higher until the Iran conflict ends. Better-than-expected weather or a resolution to the Iran conflict could push prices lower.

NAVIGATING THE VOLATILITY

Over the next quarter, several factors warrant a close watch:

- Margins. Through much of March, margins moved as fast as the headlines did. Depending on when you

purchased inputs, consider if putting a floor under the current market prices makes sense for your operation. However, I believe the current balance of risks skew toward higher prices, so consider strategies that will position your farm to be able to capture higher prices if they materialize.

- Iran conflict. Both input and crop prices will change based on how long the conflict is expected to last. This volatility could offer opportunities to market more old-crop grain or a portion of anticipated 2026 production.
- Fertilizer supply situation. In an extreme case, shortages of fertilizers could impact the prospect of supplies of other grains, including rice and wheat, which could push corn prices higher. In the same extreme case, governments' intervention in trade, either limiting exports or procuring/stocking food grains, could magnify price moves.
- U.S. planting weather. Weather over the next two months will help determine whether we meet, exceed or fall short of the 95.3 million intended corn acres, with a corresponding price response.



ABOUT THE AUTHOR



Marc Rosenbohm is Terrain’s senior grain and oilseed analyst. He previously held research and economist positions at the University of Missouri’s Food and Agricultural Policy Research Institute and the World Agricultural Economic and Environmental Services in Columbia, MO. Marc brings experience in modeling, projections, forecasts, scenario analysis and outlooks for a wide range of U.S. and global crop markets. He grew up on his family’s corn, soybean and hog farm in northwest Missouri.

ABOUT TERRAIN

Terrain’s expert analysts distill vast amounts of data to deliver exclusive insight and confident forecasting for a more resilient agricultural economy. Terrain is an exclusive offering of AgCountry Farm Credit Services, American AgCredit, Farm Credit Services of America and Frontier Farm Credit.



Disclaimer: While the information contained in this report is accurate to the best of our knowledge, it is presented “as is,” with no guarantee of completeness, accuracy, or timeliness, and without warranty of any kind, express or implied. None of the contents in this report should be considered to constitute investment, legal, accounting, tax, or other advice of any kind. In no event will Terrain or its affiliated Associations and their respective agents and employees be liable to you or anyone else for any decision made or action taken in reliance on the information in this report.

