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Understanding the WASDE Report & Its Importance

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The [World Agricultural Supply and Demand Estimates](#) (WASDE) report is one of the most closely watched reports in agriculture. Published monthly by the U.S. Department of Agriculture (USDA) through its World Agricultural Outlook Board (WAOB), the report provides forecasts for both U.S. and global supply and demand across major agricultural commodities.

At its core, the WASDE serves as a balance sheet for agriculture – tracking production estimates, acreage, exports, imports, and ending stocks to paint a picture of where markets may be headed. Markets often react quickly to new estimates, especially during periods of uncertainty or shifting global dynamics. While no forecast is guaranteed, the WASDE serves as an important tool for producers making marketing, planting, and risk management decisions throughout the year.

May 2026 WASDE Forecasts

The USDA released its latest WASDE report on May 12, marking the first outlook for the 2026/27 marketing year.

Corn

The 2026/27 U.S. corn outlook points to a tighter U.S. and global balance sheet. The corn crop is projected at 16 billion bushels, down 6% from last year due to lower planted acreage and trend yields, partially offset by higher beginning stocks. Total U.S. corn use is projected to decline 2%, driven by lower feed use and exports. Ending stocks are expected to fall to 12.1% of use, while the season-average farm price is projected to rise to \$4.40 per bushel. U.S. corn exports are forecast to decline 5% year-over-year, though the U.S. share of global trade is expected to remain above recent historical averages.

Bottom Line: With supplies tightening and consumption continuing to outpace production, corn prices may strengthen heading into the 2026/27 crop year.

Soybeans

The 2026/27 soybean outlook reflects tighter conditions despite higher production. The soybean crop is projected at 4.44 billion bushels, supported by higher harvested acreage and trend yields. While total supplies are expected to increase modestly, demand is projected to rise more quickly, driven largely by expanded domestic crush and strong soybean oil demand tied to biofuels.

U.S. soybean exports are expected to rebound from last year's reduced levels, though global competition remains strong. Ending stocks are projected to decline to 310 million bushels,

with the season-average farm price rising to \$11.40 per bushel.

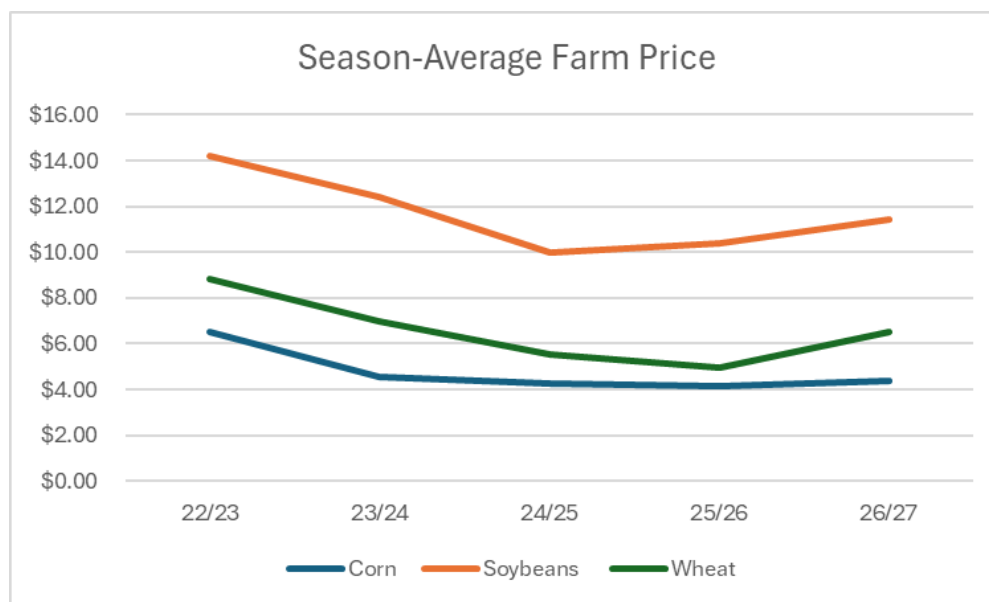
Bottom Line: Strengthening domestic demand and slightly tighter global stocks may provide firmer price support heading into the new marketing year.

Wheat

The 2026/27 wheat outlook also points to tighter U.S. and global supplies. U.S. all-wheat production is projected at 1.56 billion bushels, down sharply from last year due to reduced harvested acreage and lower yields. Despite larger beginning stocks, total wheat supplies are forecast to be lower. Domestic use is expected to decline slightly, while exports fall on reduced exportable supplies.

Ending stocks are projected to drop 18% to 762 million bushels, pushing the season-average farm price up to \$6.50 per bushel.

Bottom Line: With production declining across several major exporting countries, tighter global supplies could support higher wheat prices entering the 2026/27 crop year.



Higher Crop Prices, Harder Policy Questions

The May WASDE arrives at a pivotal moment for farm policy. USDA forecasts point to firmer commodity prices for corn, soybeans, and wheat as global supplies tighten. On paper, stronger prices could ease some pressure on farm income and shift the tone of policy discussions in Washington.

However, higher commodity prices do not necessarily mean financial stability on the farm. Producers continue facing elevated input costs, including unsustainably high diesel, fuel, and

fertilizer prices, alongside broader uncertainty tied to global conflict and trade tensions. Ongoing concerns surrounding trade and instability involving Iran continue to create volatility across energy and fertilizer markets – both critical to agriculture.

That reality may complicate future policy debates. While some lawmakers may point to improving commodity prices as evidence that the farm economy is stabilizing, the underlying cost structure remains unsustainably high. Profitability, not just crop prices, remains the central concern.

If forecasts unfold as predicted, this tension may shape upcoming negotiations surrounding the farm bill and additional calls for ad-hoc assistance. At the same time, policy decisions may continue influencing demand outlooks. The House recently passed a bill on year-round E15, a move closely watched by corn producers as lawmakers weigh efforts to expand domestic ethanol demand amid tightening global supplies. If the bill is ultimately passed by the Senate, it could certainly have implications for domestic corn use.

About the Author:

Eden Lambert is a passionate and dedicated young professional with a strong commitment to advocating for agriculture and rural America. As a proud native of rural Texas, she has a deep appreciation for the agricultural industry and the essential role it plays in sustaining communities worldwide. Before joining Torrey Advisory Group, Eden was a graduate research assistant at the Agricultural and Food Policy Center (AFPC) at Texas A&M University. There, her research centered on legislation affecting the affordability of various crop insurance options for producers. Additionally, Eden gained valuable experience as a government affairs intern for the National Council of Farmer Cooperatives (NCFC), where she aided in advancing the interests of farmer cooperatives on a federal level. Eden is a proud Texas Aggie, having earned both her Bachelor's and Master of Science in Agricultural Economics from Texas A&M University in College Station