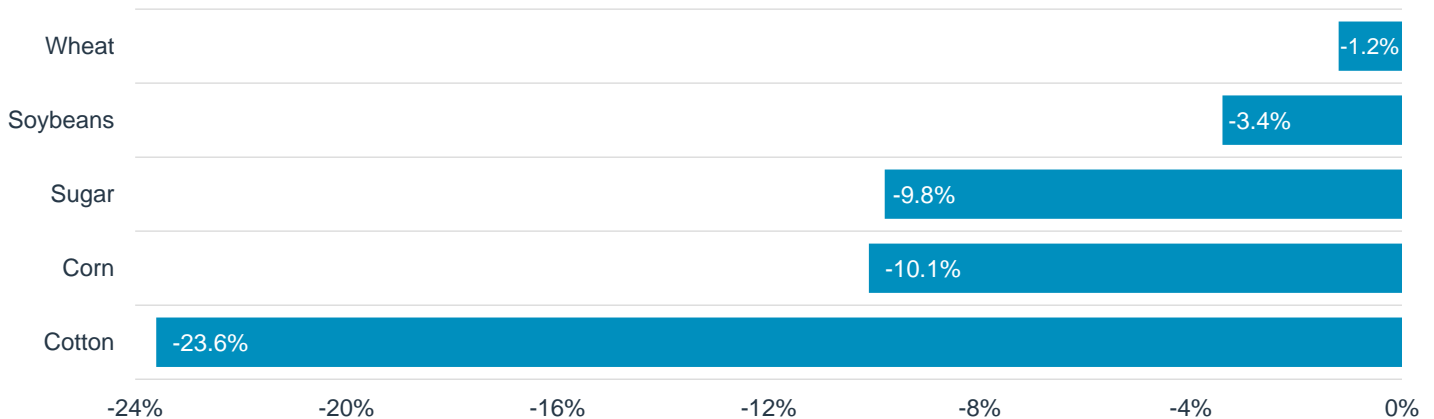


# Agricultural commodity market review

Marketing communication | As of 30 June 2024

*Agricultural commodity prices saw declines in Q2 2024. Grain and oilseed prices were supported through May, but saw gains erased thereafter. Sugar traded down due to maximized output in Brazil and cotton decreased on higher global supply projections.*

## Commodity price movements



Performance data shown represent past performance and does not predict or guarantee future results. Quarter-over-quarter change calculated using front month contract price.  
Source: Macrobond, Nuveen Natural Capital analysis.

## Market review

• Agricultural commodity prices experienced downward pressure in Q2 2024. Grain and oilseed prices were supported through May by adverse growing conditions and acreage reductions in key producing regions, but saw gains erased as weather improved and demand indicators lagged. Sugar traded down due to maximized sugar output in Brazil and cotton decreased on higher global supply projections.

• Crop input costs decreased slightly in the second quarter and have remained relatively stable year over year thanks to ample supplies and a decrease in farmer demand due to declining commodity prices. Margins for most row crop producers will likely return to, or be slightly below, long-term averages in 2024 given lower crop pricing and higher interest rates on operating loans. Annual cropland appreciation is also expected to return to long-term averages along with farm income following three years of strong capital returns.

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- Corn (-10.1%) and soybean (-3.4%) prices decreased in Q2 2024 as favorable weather prevailed in the U.S. through the early growing season and projected supplies in 2024 - 2025 remain high. Year-to-date, spot corn and soybean prices have decreased 15.7% and 11.1%, respectively. Despite support in the first half of the quarter from dry conditions in the Black Sea region and disease affecting Argentina's crop, corn prices decreased in June as U.S. crop conditions remained positive and USDA increased the U.S. planted area estimate by 1.4 million acres to 91.4 million. Like corn, soybeans saw downward pressure from excellent U.S. crop conditions and expanded acreage, in addition to abundant global supplies and projected stockpiles. The June WASDE report estimated 2023 - 2024 global soybean production at 395.9 million metric tons, an increase of 4.6% year-over-year. Additionally, the report projected 2024 - 2025 production of 422.1 million metric tons and ending stocks of 127.9 million metric tons, an increase of 6.6% and 15.2% over 2023 - 2024, respectively.

- Wheat prices ended Q2 2024 down 1.2% following a rally in May driven by hot and dry conditions in the Black Sea region and excess moisture in central and northern Europe. Concerns over the condition of Russian and Ukrainian crops were countered by Turkey implementing an import ban and an influx of grain from the U.S. winter wheat harvest, which USDA estimates will be 3.8% higher year-over-year at 1.3 billion bushels. Support for prices could emerge in the near-term if Russian production estimates reduce further, which is currently estimated to be 9.3% smaller than the crop harvested in 2023.

- Cotton prices saw a marked decrease of 23.6% over the second quarter as indications for increased supplies in 2024 - 2025 emerged. In May, the USDA released their first projections for U.S. and global production, showing a 33.3% and 4.6% increase year over year, respectively. As a result, global ending stocks are expected to increase 3.1%. Sugar prices decreased 9.4% over the quarter as 2024 - 2025 global production is forecast to increase 2.5 million tons to 186.0 million tons. In April, the Brazilian sugarcane and bioenergy association, UNICA, reported that Brazilian sugar output rose 25.7% year over year to 42.4 million metric tons. In the same month, Brazil's crop agency, CONAB, projected 2024 - 2025 production to increase 1.3% to a record 46.9 million metric tons due to an increase in area. USDA projects global 2024 - 2025 ending

stocks to fall to a thirteen-year low of 38.3 million metric tons, which could support prices along with weather risk in Brazil, India, and Thailand.

- U.S. almond shipments from August 2023 through the end of June were 5.6% above the same period a year prior, led by a 6.4% increase in exports. In the California Almond Board's June position report, unsold inventory for the current crop year is 337.5 million pounds, 35.7% less than the same point in 2023 and a welcome sign ahead of what is expected to be a strong harvest. Shortly after quarter-end, USDA's objective yield measurement of 2.8 billion pounds provided the industry with a better indication of the potential crop size. The estimate was below industry expectations and represents a 7% decrease relative to the previous estimate in May. The lower-than-expected estimate, a reduced carry-in and continued sales and shipment strength could push pricing higher. Year-to-date U.S. pistachio shipments totaled 974.4 million pounds at the end of May, a 41.9% increase year over year and a positive development following a record harvest in 2023. 2024 is expected to be an "off-year" of production due to alternate bearing, and differences in crop development across the state have made a California harvest below one billion pounds possible, which will further support pricing if realized.

- The wine grape market is moderating after several years of active contracting by wineries. This is due to the large crop in 2023 and a decline in wine consumption across certain categories and price points. However, an increase in interest from winemakers in recent weeks has provided optimism and could be the result of buyers estimating their own crop yields and needs. The growing season has been favorable thus far in California thanks to adequate soil moisture and mostly seasonal conditions. Crop development is progressing normally, which is welcome after the cool and delayed season in 2023.

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