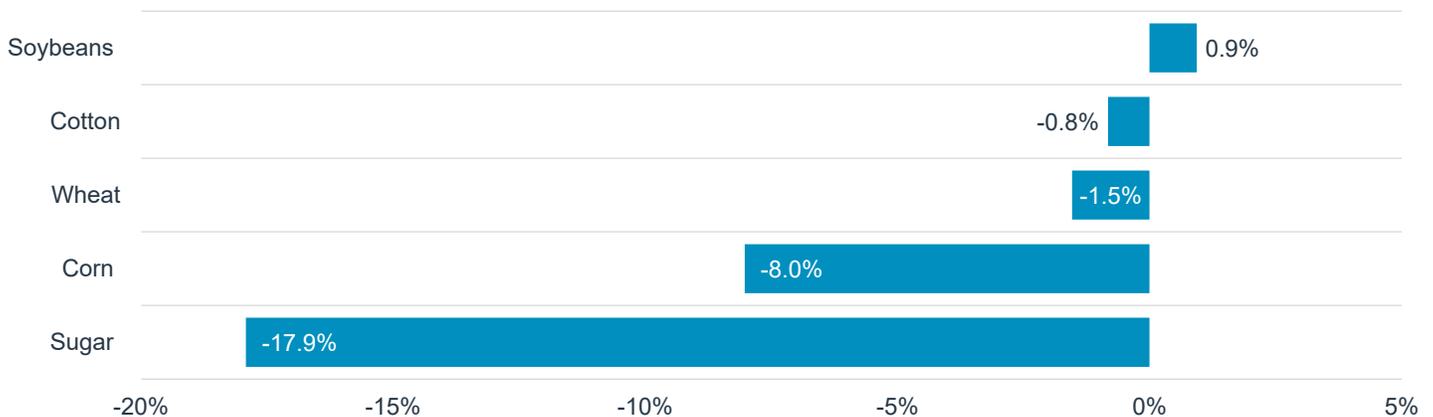


Agricultural commodity market review

Marketing communication | As of 30 June 2025

Agricultural commodity prices faced mixed pressures in Q2 2025. Corn and sugar prices declined considerably, wheat posted a modest reduction and ongoing market volatility kept prices for soybean and cotton largely rangebound. Fertilizer prices, particularly urea, increased as the late-quarter Israel-Iran conflict intensified supply pressures, finishing the quarter at elevated levels.

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 faced mixed pressures in Q2 2025. Corn and sugar prices declined considerably amid unfavorable supply-demand dynamics, with corn constrained by strong production projections and sugar weighed down by anemic demand. Wheat prices posted a modest reduction, while ongoing market volatility and variable weather conditions kept

prices for soybean and cotton largely rangebound. Fertilizer prices, particularly urea, increased as the late-quarter Israel-Iran conflict further intensified pre-existing supply pressures, finishing the quarter at elevated levels.

• Corn (-8%) and soybean (0.9%) prices saw differing movements in Q2 2025. Corn prices continued to soften despite projected global stocks-to-use ratios for the 2025 - 2026 crop year down 10% from their 2016 peak, as importers are

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increasingly operating with lower stocks amidst expanding global exports from Brazil, Argentina, Ukraine and South Africa. Bearish conditions stem from the prospect of a record corn crop in the U.S. driven by the most acres planted in over a decade, coupled with Brazil's second corn crop estimate, which continues to climb. Soybean prices remained mostly rangebound as any upside driven from favorable biofuel policies was subdued by higher production forecasts and volatile trade policy. In June, the EPA delivered a positive shock to the soybean oil market by proposing an increased Renewable Volume Obligation (RVO) for biomass-based diesel, from 3.4 billion gallons in 2025 to 5.6 billion in 2026, exceeding market expectations and driving a sharp rise in soybean oil prices. This upside pressure was offset by a strong global production outlook driven by an improving Brazilian soybean harvest and a strong 2025 - 2026 U.S. outlook with a brisk planting pace and adequate moisture across most of the Midwest.

- Wheat markets experienced ongoing volatility over Q2 2025 with prices softening -1.5%, amidst significant trade and geopolitical events combined with variable weather conditions. In the first half of Q2 2025, wheat prices softened in the wake of U.S. tariff announcements, before recovering following their mid-May pause. Prices remained buoyant over the remainder of the quarter as producing regions in France, Ukraine and Russia remain dry alongside quality concerns emerging for the U.S. Spring crop, combined with increasing geopolitical tensions with the Israel-Iran conflict. However, these upside pressures remained somewhat subdued following a de-escalation of the conflict and welcomed precipitation across the U.S. Southern Plains, Germany and Canada.

- Cotton prices moved sideways in the second quarter, falling slightly by 0.8%. The June WASDE indicated tighter ending stocks than expected, with 2025 - 2026 U.S. ending stocks lowered 17% to 4.3 million, resulting in an ending stocks-to-use ratio of 39%. Globally, USDA's recent report indicated that global ending stocks for 2025 - 2026 had been revised down by 1.6 million bales, reflecting the reduction in beginning stocks and lower production. Despite these somewhat bullish supply-side factors, prices remain subdued amidst market uncertainty alongside a strong Brazilian harvest, combined with sluggish textile demand and lackluster imports from China. Sugar prices decreased significantly over the quarter (-17.9%) as global supply prospects continued to improve alongside subdued global demand, FX volatility and speculators weighing on the market. Bearish sentiment reflected a well-supplied global market combined with higher production forecasts for Brazil and Asia, as well as an anticipated surplus in India, factors worsened by subdued demand from major importers China and Indonesia, adding to downward pricing pressure.

- Fertilizer prices broadly increased in Q2 2025, driven by tightening supply and geopolitical risk following the late-quarter onset of the Israel-Iran conflict. Supply factors pushed nitrogen and phosphate prices upward, although nitrogen moderated in mid-May amid reports of a partial resumption of China's urea exports. Potash mostly absorbed market turbulence due to ample supply and prices remained steady. Urea was particularly affected by the Israel-Iran conflict with the broader region responsible for approximately 45% of global exports and the added risk of Iran potentially closing the Strait of Hormuz where around 30% of urea exports transit through. As a result, NOLA urea prices increased by double-digit percentages, but the 60-day ceasefire announcement led to a partial correction. Despite this, fertilizer prices remain elevated compared to pre-conflict levels. Diesel prices remained steady over the quarter before also spiking in mid-June, but eased after the ceasefire and were rangebound as the quarter closed. While most producers in the Northern Hemisphere procured the bulk of their inputs before the second quarter volatility, input costs remain above historical averages. Given current crop prices, a year of tight margins for row crop producers is likely in 2025, potentially limiting appreciation for farmland producing exchange-traded commodities like corn and soybeans.

- Season-to-date (August 2024 to June 2025) U.S. almond shipments totaled 2.26 billion pounds, a minor decrease of 1.9% compared to the same period last year. Season-to-date export shipments accounted for 1.69 billion pounds, nearly equal to prior year's figures while domestic shipments are down 7% year on year. In May, the USDA released its subjective production estimate, pegging U.S. almond production 70 million pounds higher year over year at 2.8 billion pounds. Still, the industry remains optimistic amidst ongoing trade negotiations and prices remaining above \$2.00 per pound. U.S. pistachio shipments from September to June totaled 757.9 million pounds, a decrease of 22.2% relative to same prior year period, which is expected following the "off" production year in 2024 - 2025. An "on" year of pistachio production is expected for 2025 - 2026, with 2024 - 2025 shipments remaining on track which should help manage inventories and support prices for the current crop.

- The overall wine grape market continues to see a slowdown in contracting activity, driven by an oversupply from the large crop in 2023 and a decline in wine sales across certain varietals and price points. Like other industries, U.S. tariff policy and retaliation from other countries has created uncertainty within the market. However, with the decrease in production in 2024 and the industry continuing its rightsizing with unharvested vineyards and vineyard removal, supply may tighten and help support the market in 2025.

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