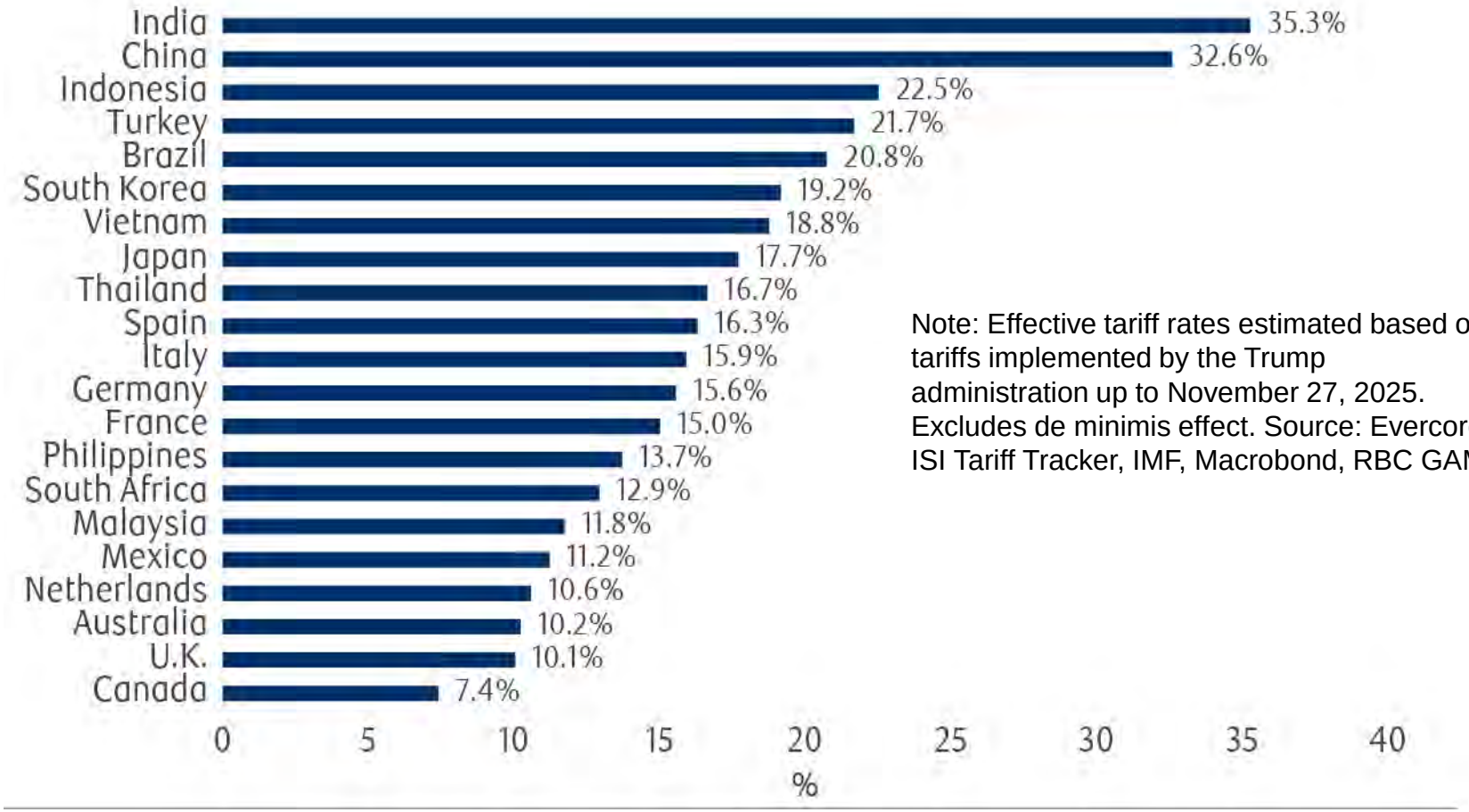
Global Economy: Headwinds & Tailwinds

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	ESTIMATE 2025	PROJECTIONS 2026	2027
World Output	**3.3**	**3.3**	**3.2**
Advanced Economies	**1.7**	**1.8**	**1.7**
United States	2.1	2.4	2.0
Euro Area	1.4	1.3	1.4
Germany	0.2	1.1	1.5
France	0.8	1.0	1.2
Italy	0.5	0.7	0.7
Spain	2.9	2.3	1.9
Japan	1.1	0.7	0.6
United Kingdom	1.4	1.3	1.5
Canada	1.6	1.6	1.9
Other Advanced Economies	1.8	2.0	2.1

Emerging Market and Developing Economies	4.4	4.2	4.1
Emerging and Developing Asia	5.4	5.0	4.8
China	5.0	4.5	4.0
India	7.3	6.4	6.4
Emerging and Developing Europe	2.0	2.3	2.4
Russia	0.6	0.8	1.0
Latin America and the Caribbean	2.4	2.2	2.7
Brazil	2.5	1.6	2.3
Mexico	0.6	1.5	2.1
Middle East and Central Asia	3.7	3.9	4.0
Saudi Arabia	4.3	4.5	3.6
Sub-Saharan Africa	4.4	4.6	4.6
Nigeria	4.2	4.4	4.1
South Africa	1.3	1.4	1.5
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.1	4.1
Low-Income Developing Countries	4.6	5.1	5.1

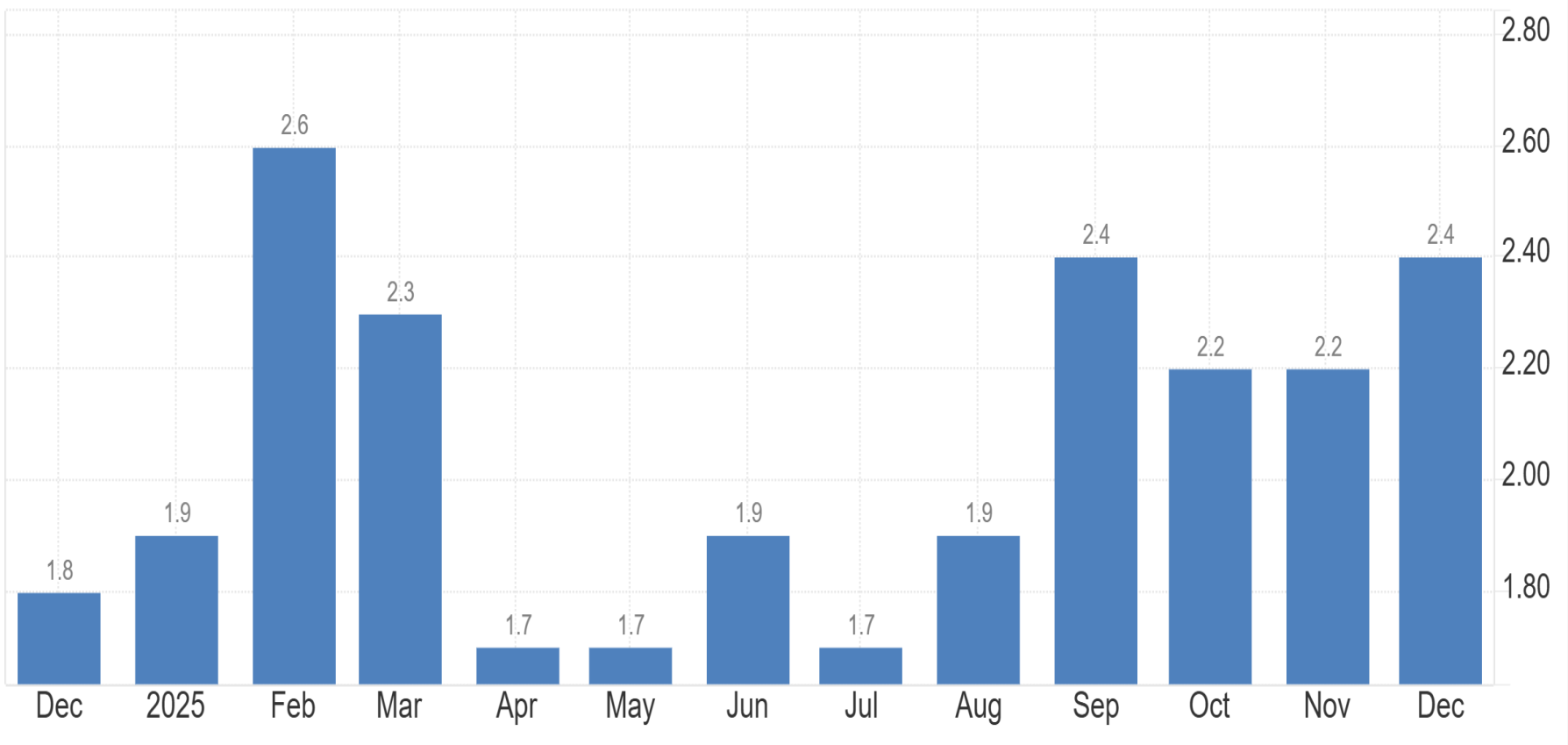
Effective Tariff Rates by Country



Note: Effective tariff rates estimated based on tariffs implemented by the Trump administration up to November 27, 2025. Excludes de minimis effect. Source: Evercore ISI Tariff Tracker, IMF, Macrobond, RBC GAM

The *de minimis* exemption (Section 321) for most commercial shipments, meaning goods valued at or under US$800 are no longer automatically exempt from duties and taxes.

Canadian Inflation rate



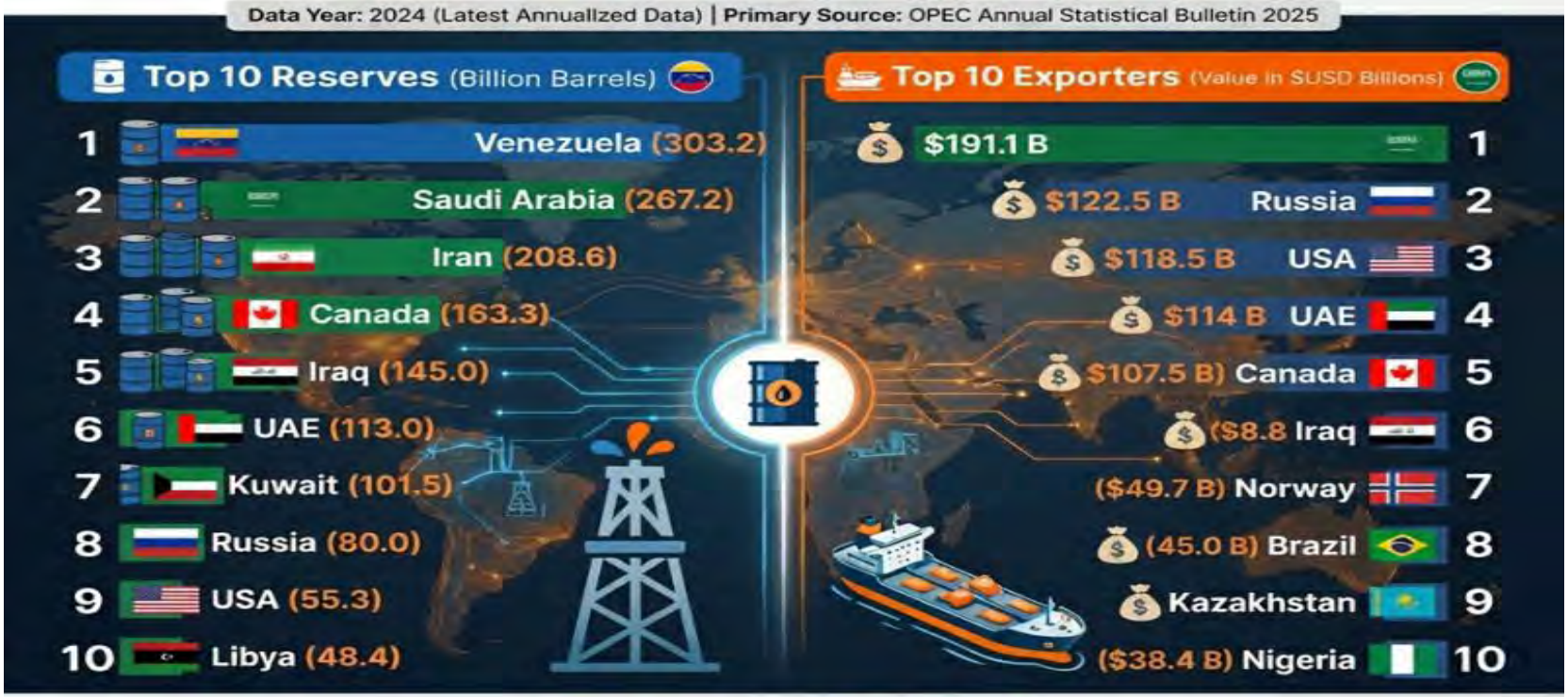
Canadian Dollar


Oil & Gas

The Global Oil Balance: Reserves vs. Revenue (2025)

Who holds the oil vs. who sells it?

Data Year: 2024 (Latest Annualized Data) | **Primary Source:** OPEC Annual Statistical Bulletin 2025



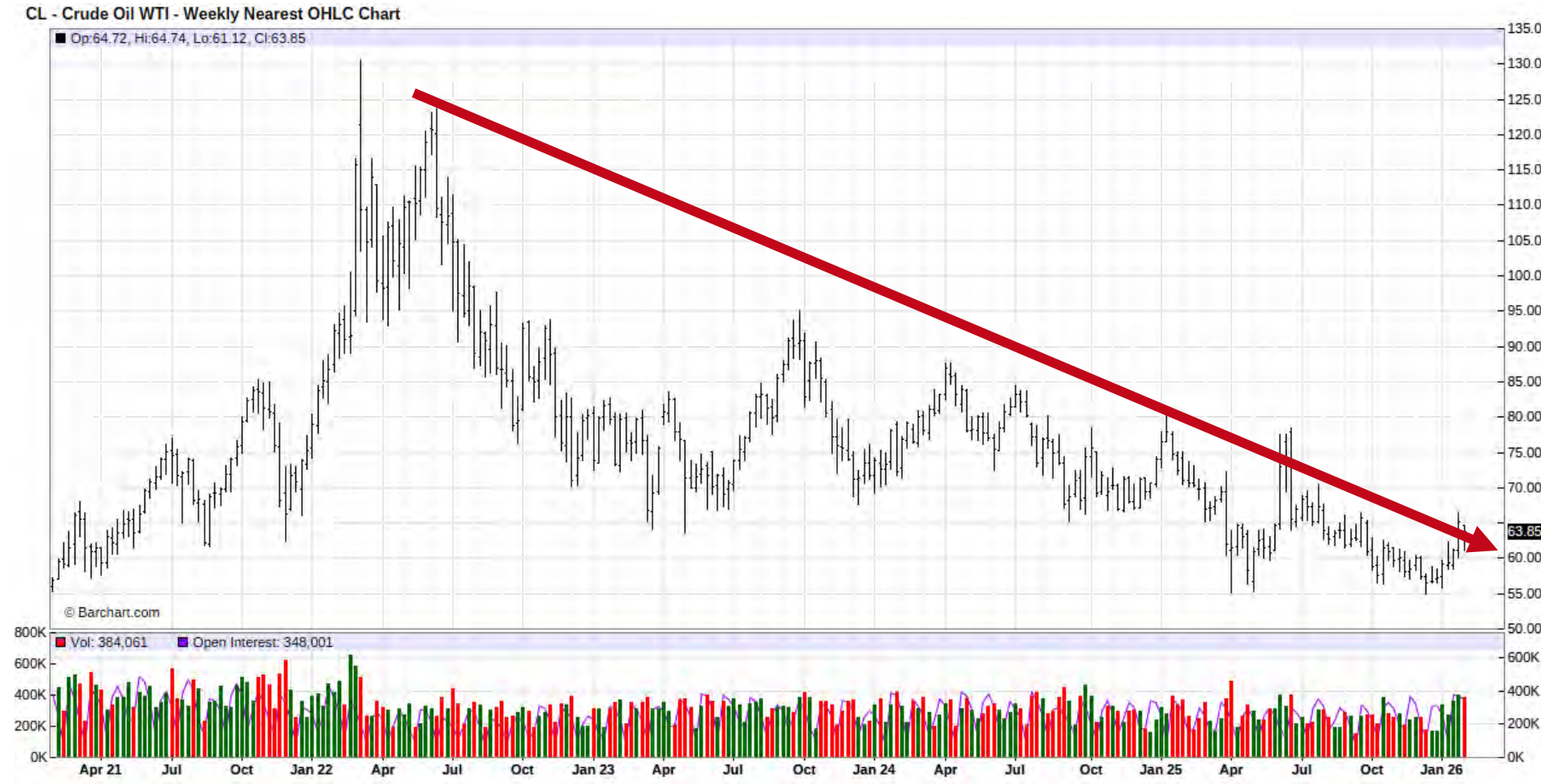
Key Insights

- **The Production Gap:** **Venezuela** holds the world's #1 reserves (303.2 Bn barrels) but doesn't even rank in the Top 10 for exports, highlighting that infrastructure matters more than geology.
- **The New Giants:** Non-OPEC nations are surging—**The USA (#3)** and **Canada (#S)** are now top-tier exporters, challenging traditional Middle Eastern dominance.
- **Efficiency Winner:** **Norway (#7)** and **Brazil (#8)** maximize their output efficientiy, ranking as top exporters despite having smaller proven reserves than countries like Kuwait or Libya.

Source: OPEC Annual Statistical Bulletin 2025 (2024 Data) & ITC Trade Map.

intact360 Industries Private Limited

WTI – March 2026 Futures

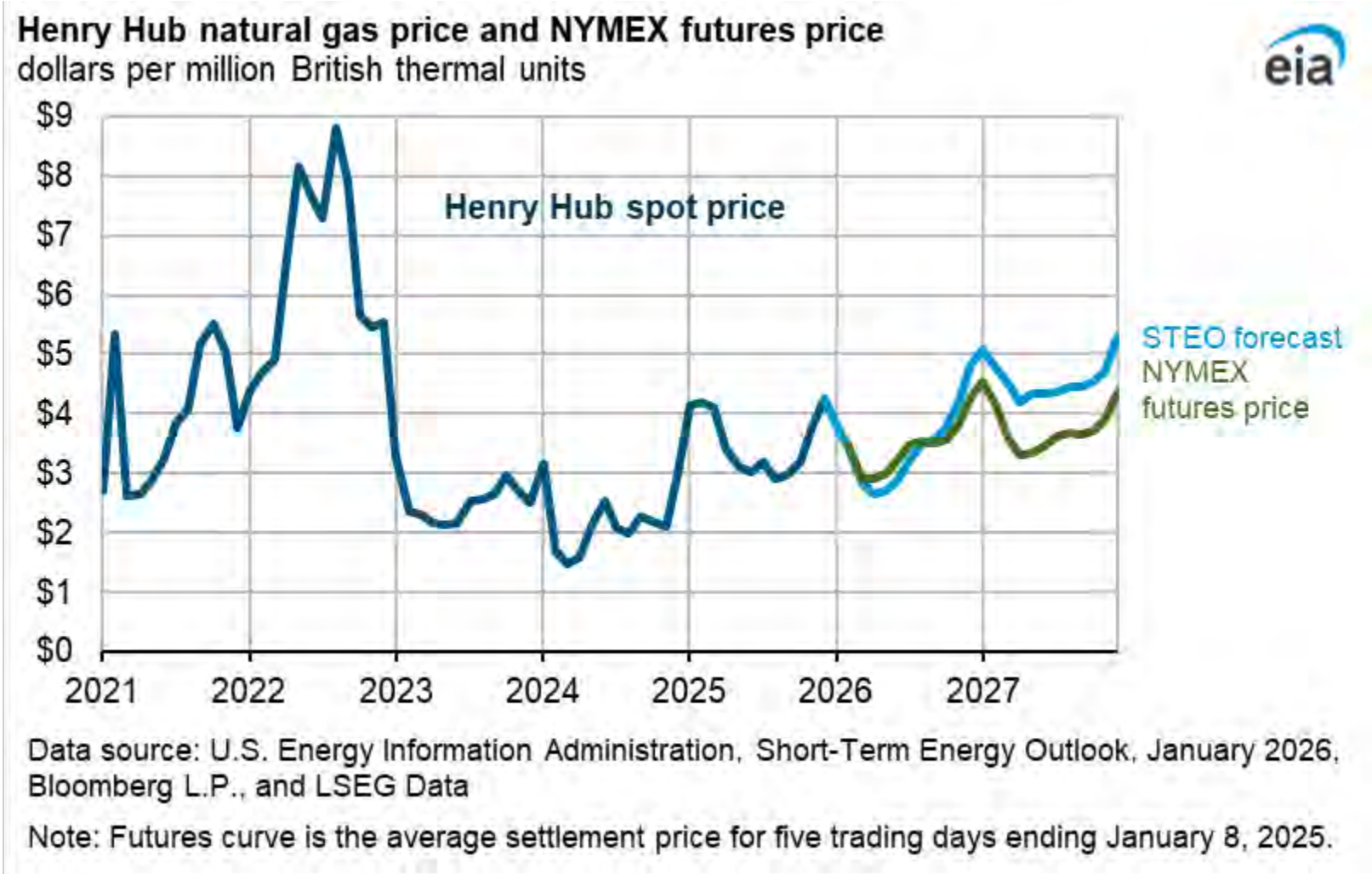


Oil

- **Global oil prices.**
  - Expect oil prices will decline in 2026, as global oil production exceeds global oil demand, causing oil inventories to rise.
  - Global inventories continue increasing into 2027, albeit at a slower pace.
  - Forecast the Brent crude oil price will average $56 per barrel (b) in 2026, 19% less than in 2025, then average $54/b in 2027.
- **Global oil production.**
  - We expect global production of liquid fuels will increase by 1.4 million barrels per day (b/d) in 2026 and 0.5 million b/d in 2027.
  - Global liquid fuels production growth in 2026 is driven by crude oil production growth in OPEC+, while production growth in 2027 is driven by countries outside of OPEC+, primarily in South America.
  - Our forecast assumes existing sanctions on Venezuela remain in place through 2027.

Natural Gas

- **Natural gas prices.**
  - Expect the spot price of natural gas at Henry Hub to average just under $3.50 per million British thermal units (MMBtu) in 2026, down 2% from 2025, and average $4.60/MMBtu in 2027.
  - Natural gas prices increase in our forecast because growth in demand—led by expanding liquefied natural gas exports and more natural gas consumption in the electric power sector—will outpace production growth.


Henry Hub natural gas price and NYMEX futures price
dollars per million British thermal units
eia
$9
$8
$7
$6
$5
$4
$3
$2
$1
$0
2021
2022
2023
2024
2025
2026
2027
Henry Hub spot price
STEO forecast
NYMEX
futures price
Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2026, Bloomberg L.P., and LSEG Data
Note: Futures curve is the average settlement price for five trading days ending January 8, 2025.

US Agriculture Subsidy Program

- For 2026, the primary U.S. agriculture subsidy is the $12 billion **Farmer Bridge Assistance (FBA) Program**, a one-time payment for 2025 crop year losses due to high costs, with $11 billion for row crops and $1 billion for specialty crops/sugar, providing immediate relief before new reference prices kick in from the "One Big Beautiful Bill Act" (OBBBA) later in 2026.
- While a new Farm Bill is unlikely, proposals for ongoing support focus on smaller bills addressing organic growth, climate-smart practices, and specific farm viability issues, as the FBA offers short-term bridging aid.

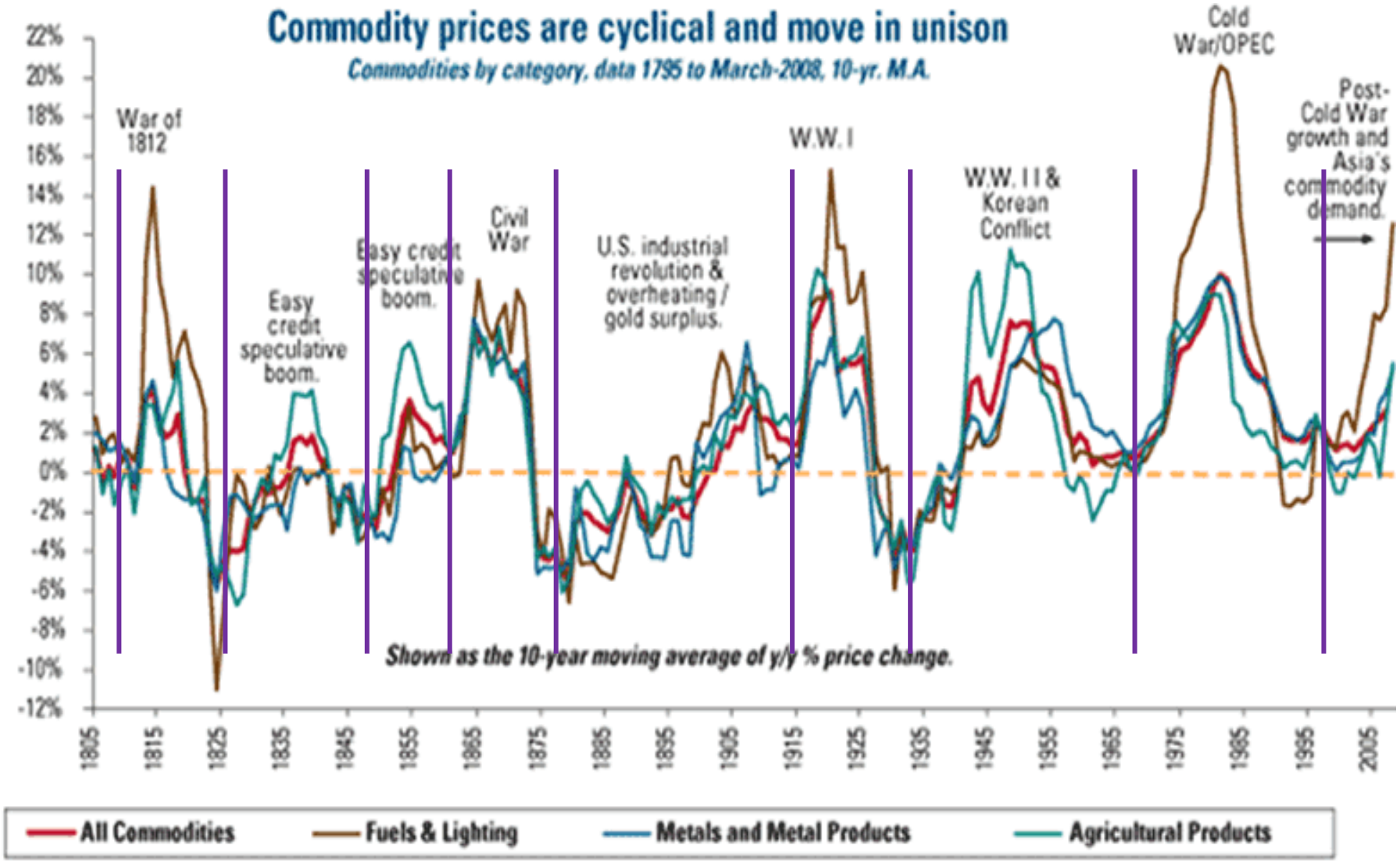
US Agriculture Subsidy Program

- Key Details of the 2026 Farmer Bridge Assistance (FBA) Program:
  - Purpose: To provide relief from high input costs and market volatility from the 2025 crop year.
  - Funding: $12 billion total ($11 billion for row crops, $1 billion for others).
  - Nature: A one-time, non-repayable subsidy, not a loan.
  - Timeline: Payments began rolling out by late February 2026 for eligible farmers.
  - Eligible Crops: Includes major row crops (corn, soybeans, wheat, cotton, etc.) and specialty crops/sugar.
  - Payment Rates: Varies by commodity (e.g., ~$44.36/acre for corn, $30.88/acre for soybeans).

US Agriculture Subsidy Program – Details

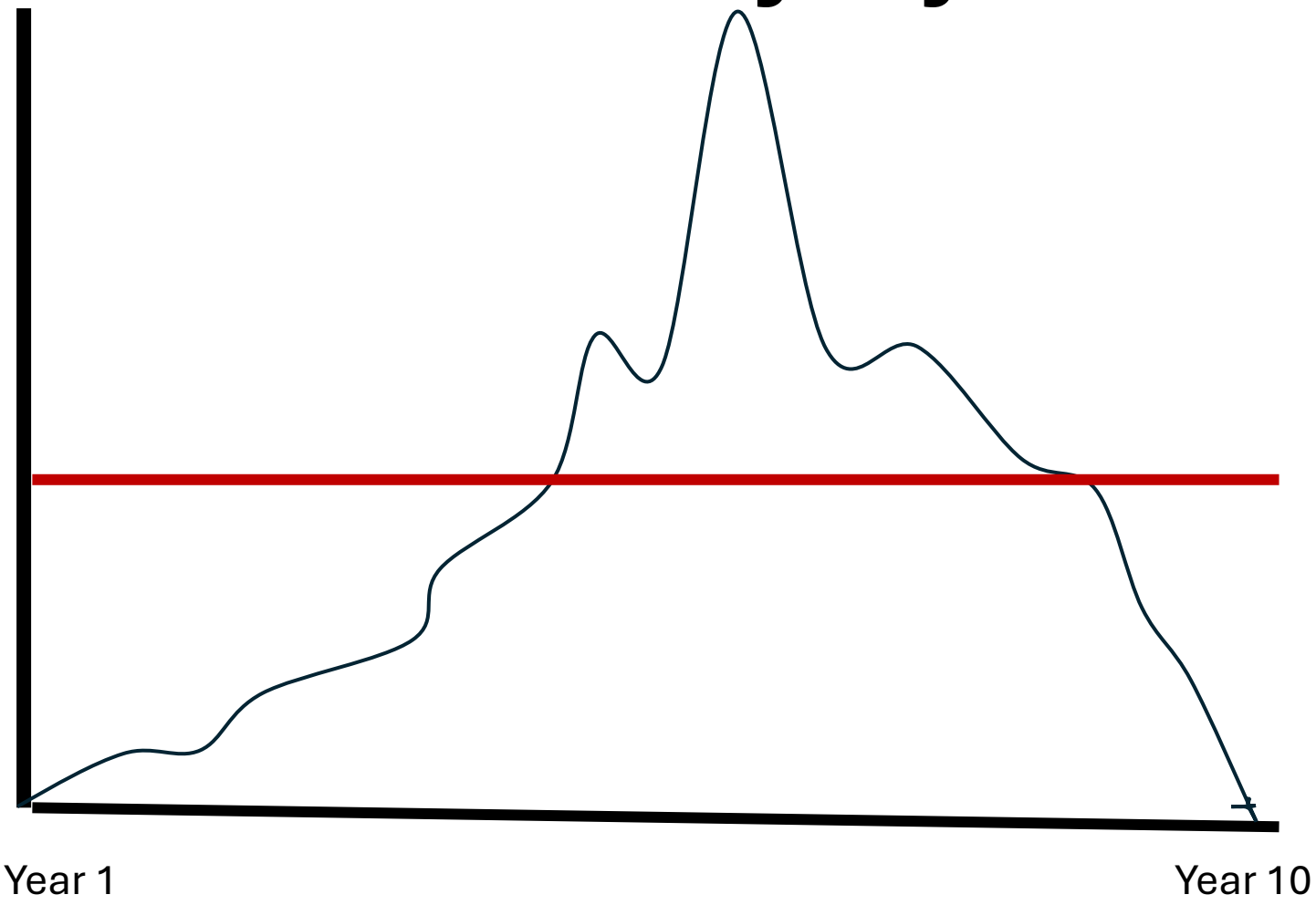
- Major 2026 Subsidy Programs
  - Farmer Bridge Assistance (FBA) Program: **A one-time $12 billion emergency relief package announced to combat high input costs and market disruptions.**
  - **Payment Rates: Approximately $44.36 per acre for corn, $30.88 for soybeans, $39.35 for wheat, and $117.35 for cotton.**
  - Eligibility: Farms with an average Adjusted Gross Income (AGI) below $900,000.
  - **Payment Caps:** Individual payment limits for the 2026 Bridge Assistance are set at **$155,000** per person or legal entity.
  - Disbursement: Pre-filled applications were issued in early February 2026, with most payments expected by February 28, 2026.
  - Crop Insurance Subsidy Increases: The OBBBA significantly boosted premium subsidies for high-level coverage options like the Supplemental Coverage Option (SCO) to 80% (up from 65% in 2024).
  - Base Acre Expansion: Farmers can add to their "base acres" in 2026—a rare opportunity—following the OBBBA's allocation of 30 million additional base acres nationwide.

Super Cycles



Source: Stifel Nicolaus & Co., Stifel Nicolaus format, data Historical Statistics of the United States, a U.S. Census publication, EIA, USDA. 2008E data point incorporated into the last 10-year moving average was March-2008 over March-2007.

Commodity Cycles



Canola Mar '26 (RSH26)

Agriculture Market Returns

PEAK TRADING RESEARCH

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	5-Year	10-Year
Corn	-11%	-14%	-8%	-8%	15%	39%	23%	-23%	-16%	-13%	2%	-2%
Chicago Wheat	-26%	-17%	0%	7%	10%	15%	-6%	-31%	-23%	-23%	-14%	-9%
Kansas Wheat	-28%	-19%	-9%	-11%	16%	27%	10%	-26%	-18%	-22%	-6%	-8%
Spring Wheat	5%	7%	-19%	-4%	-5%	61%	-6%	-25%	-25%	-16%	-2%	-3%
Matif Wheat	-20%	-13%	21%	-3%	21%	46%	32%	-35%	-13%	-24%	1%	1%
Soybeans	15%	-10%	-14%	-2%	35%	10%	34%	-5%	-21%	-3%	3%	4%
Soybean Meal	18%	-7%	-7%	-9%	34%	-7%	42%	-1%	-11%	-16%	1%	3%
Bean Oil	7%	-8%	-21%	19%	20%	49%	35%	-14%	-17%	15%	14%	9%
Canola Seeds	-3%	-2%	-3%	-11%	29%	95%	-7%	-19%	-14%	-8%	9%	6%
Matif Rapeseeds	10%	-10%	1%	12%	2%	92%	2%	-31%	14%	-2%	15%	9%
Palm Oil	39%	-1%	-27%	28%	46%	90%	6%	-6%	42%	-5%	25%	21%
Cattle	-4%	5%	4%	-1%	-9%	1%	3%	5%	15%	27%	10%	5%
Hogs	-1%	11%	-22%	-22%	5%	35%	23%	-26%	10%	18%	12%	3%
Cotton	8%	10%	-10%	-9%	9%	45%	-4%	-9%	-22%	-15%	-1%	0%
Sugar No. 11	22%	-26%	-29%	1%	13%	22%	10%	14%	-5%	-20%	4%	0%
White Sugar	28%	-23%	-13%	-2%	22%	16%	32%	16%	-7%	-4%	11%	7%
Arabica Coffee	-2%	-18%	-31%	12%	-9%	67%	-23%	17%	75%	21%	31%	11%
Robusta Coffee	33%	-21%	-10%	-17%	-6%	72%	-23%	78%	97%	-11%	42%	19%
NY Cocoa	-31%	-13%	17%	1%	2%	-7%	-4%	58%	263%	-38%	54%	25%
London Cocoa	-19%	-26%	23%	13%	-6%	1%	18%	75%	234%	-56%	54%	26%
Orange Juice	35%	-20%	-8%	-29%	15%	8%	61%	75%	68%	-53%	32%	15%
Oats	-11%	8%	5%	17%	36%	90%	-28%	-3%	-9%	-14%	7%	9%
Rice	-30%	7%	-2%	14%	26%	4%	11%	4%	-6%	-36%	-5%	-1%
Milk Class III	19%	-4%	-26%	21%	63%	-10%	2%	-44%	-6%	-23%	-16%	-1%

Data Source: Bloomberg, 1 Jan 2026. Calculated using roll-adjusted front-month futures prices. 5- and 10-year averages include 2025 data.

PURDUE UNIVERSITY

PURDUE EXTENSION
ID-166-W

2026 Purdue Crop Cost & Return Guide

September 2025 Estimates

Both product prices and input prices may have significantly changed since these estimates were prepared.

Table 1. Estimated per Acre Crop Budgets for Low, Average, and High Productivity Indiana Soils

	Crop Budgets for Three Yield Levels[1]														
	Low Productivity Soil					Average Productivity Soil					High Productivity Soil				
	Cont. Corn	Rot. Corn	Rot. Beans	Wheat	DC Beans	Cont. Corn	Rot. Corn	Rot. Beans	Wheat	DC Beans	Cont. Corn	Rot. Corn	Rot. Beans	Wheat	DC Beans
Expected yield per acre[2]	158	168	51	72	36	186	198	60	85	42	217	231	70	99	49
Harvest price[3]	$4.25	$4.25	$10.35	$5.25	$10.35	$4.25	$4.25	$10.35	$5.25	$10.35	$4.25	$4.25	$10.35	$5.25	$10.35
Market revenue	$672	$714	$528	$378	$373	$791	$842	$621	$446	$435	$922	$982	$725	$520	$507
Less variable costs[4]															
Fertilizer[5]	$221	$203	$81	$121	$56	$234	$216	$93	$148	$64	$248	$232	$107	$177	$74
Seed[6]	102	102	74	44	86	124	124	74	44	86	124	124	74	44	86
Pesticides[7]	115	110	70	45	63	115	110	70	45	63	115	110	70	45	63
Dryer fuel[8]	43	34	N/A	N/A	5	50	40	N/A	N/A	5	59	47	N/A	N/A	6
Machinery fuel @ $3.02	22	22	14	14	10	22	22	14	14	10	22	22	14	14	10
Machinery repairs[9]	45	45	40	40	40	45	45	40	40	40	45	45	40	40	40
Hauling[10]	17	18	5	8	4	20	21	6	9	4	23	24	7	10	5
Interest[11]	29	27	16	15	14	31	29	16	17	14	32	30	17	18	15
Insurance/misc.[12]	50	50	40	30	10	50	50	40	30	10	50	50	40	30	10
Total variable cost	$644	$611	$340	$317	$288	$691	$657	$353	$347	$296	$718	$684	$369	$378	$309
Contribution margin[13] (Revenue - variable costs) per acre	$28	$103	$188	$61	$85	$100	$185	$268	$99	$139	$204	$298	$356	$142	$198

[1]Estimated yields and costs are for yields with average management for three different soils representing low, average, and high productivity. The high productivity soils represent soils capable of producing corn and soybeans with yields about 20% higher than average soils. Low productivity soils represent soils capable of producing corn and soybeans with yields about 20% lower than the average soils.

[2]These yields assume average weather conditions and timely plant/harvest dates, except soybean double-crop yield, which is based on a July 1 planting date. Rotation corn, rotation soybean, and wheat yields for average soils are based on the long-run trends in state average yields reported by the Indiana office of the National Agricultural Statistics Service. Continuous corn yields are 94% of rotation corn yields. Double-crop soybean yields are 70% of full-season soybean yields. Continuous corn yields assume a chisel plow tillage system. Double-crop soybean yields apply to central and southern Indiana.

[3]Harvest corn price is December 2026 CME Group futures price less $0.25 basis. Harvest soybean price is November 2026 CME Group futures price less $0.35 basis. Harvest wheat price is July 2026 CME Group futures price less $.35 basis. Harvest prices were based on opening prices on September 8, 2025. These prices will change.

US Seeding Intentions

- As of January 2026, initial U.S. seeding intentions for the 2026 crop year reflect shifts driven by high input costs (particularly fertilizer) and evolving trade dynamics with major partners like China.
- **Key Crop Seeding Estimates for 2026**
  - According to the USDA's first official data and private analyst reports released in late 2025 and early 2026:
  - Winter Wheat: Total seeded area for the 2026 harvest is estimated at 32.99 million acres, a decrease of less than 1% from 2025.
  - Hard Red Winter (HRW): 23.5 million acres (down slightly).
  - Soft Red Winter (SRW): 6.14 million acres (up <1%).
  - White Winter: 3.36 million acres (down 5%).

US Seeding Intentions

- **Corn:** Early baseline projections suggest a decline to roughly 95 million acres, down from nearly 99 million in the previous year. Some economists expect this shift due to the high cost of nitrogen fertilizer.
- **Soybeans:** Forecasts generally point toward an increase, with some estimates reaching **85 million acres** (up from 81 million in 2025). A recent trade deal and renewed Chinese demand are expected to incentivize soybean planting.
- **Cotton:** Expected to remain relatively flat, with 60% of economists predicting plantings between **9 million and 10 million acres**.
- **Canola:** Initial 2026 estimates for Kansas and Oklahoma show a combined **29,000 acres**, an increase of 2,500 acres from 2025.

Western Canadian Land Values

Canadian Land Values

Provinces	Average % Change		
	Jan 2025 - June 2025 (6 months)	July 2024 - June 2025 (12 months)	Jan 2024 - Dec 2024 (12 months)
B.C.	0.0%	5.2%	11.3%
Alta.	6.6%	10.3%	7.1%
Sask.	6.0%	12.0%	13.1%
Man.	11.2%	14.4%	6.5%
Ont.	0.0%	1.8%	3.1%
Que.	2.6%	5.8%	7.7%
N.B.	9.4%	14.6%	9.0%
N.S.	1.0%	4.0%	5.3%
P.E.I.	2.3%	2.1%	1.4%
Canada	6.0%	10.4%	9.3%

Saskatchewan Farm land Value Per Acre