FALL OUTLOOK

OCTOBER 21, 2026

MARKETING OUTLOOK: GLOBAL AG COMPLEX

BULLISH FACTORS :

- Strong El Niño raising drought risks for Australian wheat, Indian rice/wheat, and SE Asian palm oil
- Black Sea port and shipping attacks restricting grain exports and adding freight/war premium
- Hormuz restrictions keeping oil and fertilizer costs elevated
- Higher energy and fertilizer prices raising farm input costs
- Regional weather and production risks leaving less global supply cushion
- Potential for a larger-than-normal spring rally as El Niño, energy, and fertilizer costs impact the 2027 crop

BEARISH FACTORS

- Potential Black Sea resolution reopening grain export flows
- Potential Hormuz/Iran resolution lowering oil and fertilizer costs
- Larger U.S. corn and soybean crops and stocks from the October WASDE
- Comfortable global wheat and corn stocks providing a buffer
- Ongoing Northern Hemisphere harvest pressure
- Possible favorable South American soy/corn moisture under El Niño
- Macro demand risks from slower growth and trade uncertainty

MARKETING DIRECTIVES

- Fundamentals are more bullish than bearish this year.
- Risk-on year — stay active; do not store and forget.
- Political risk (Black Sea, Hormuz) is too unpredictable to sit on the sidelines.

FALL / WINTER

- Expect harvest pressure to ease in November.
- Market should start to rally, creating a good window for cash-flow sales and to move toward a more comfortable risk exposure in the coming months.

KEY FACTORS TO WATCH

- Political climate (Black Sea, Hormuz)
- Strength of El Niño

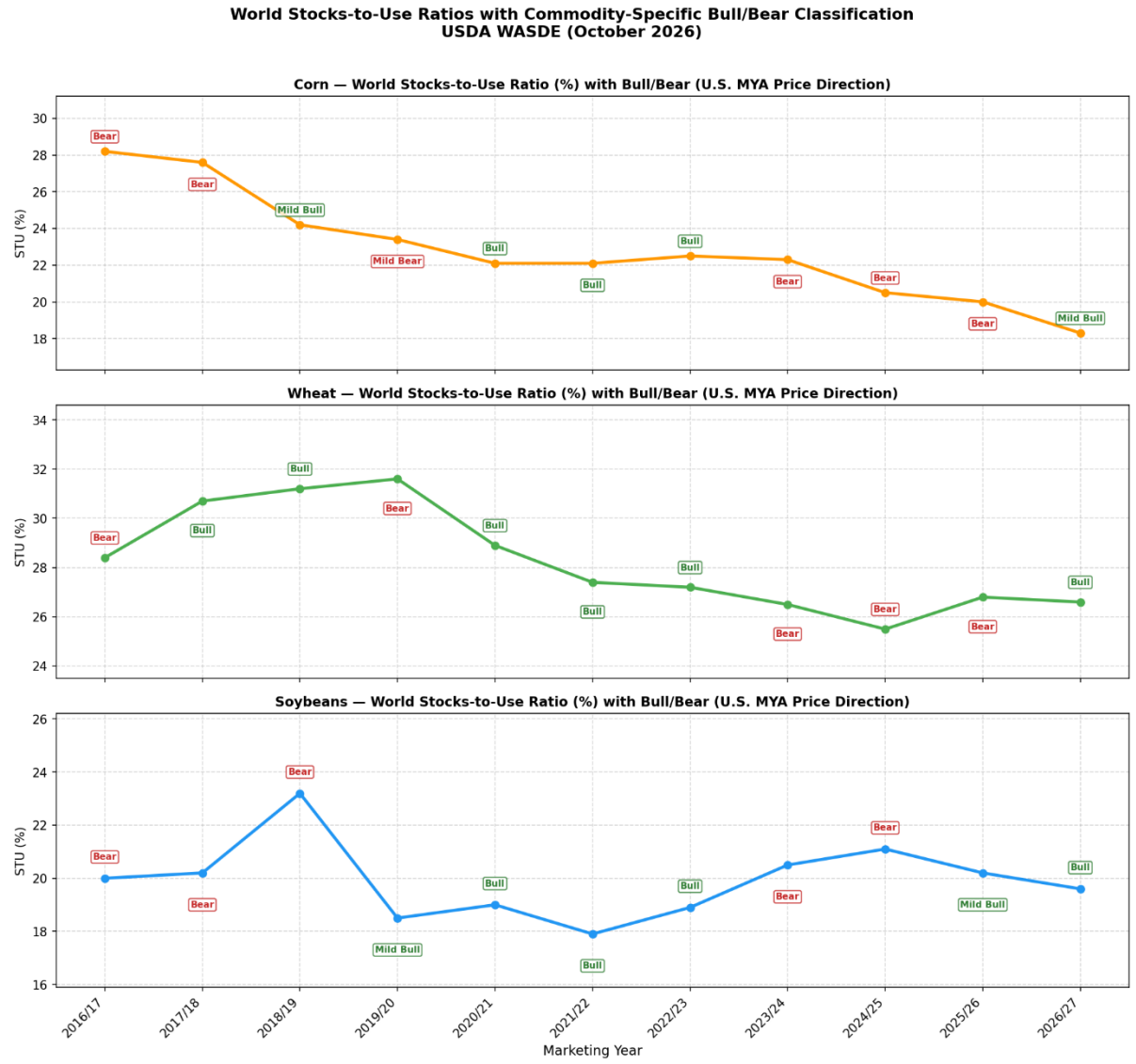
LATE WINTER / SPRING

- Expect fundamentals to start kicking in and the market to rally.
- Upside scenario: market retests July and August highs (confidence currently low).

PRICE POTENTIAL MOST TO LEAST IN NEXT 90 DAYS

- **Wheat** — Upside ~$1.00/bu. Has pulled back the most and is set up for a quality rally once harvest pressure eases. If conditions deteriorate in key global winter wheat areas (e.g. India), upside could extend to $2–3/bu.
- **Canola** — Upside ~$1.00/bu. Realistic path to 850 on futures, supported by record crush and China access. Near-term limited by large production and harvest pressure.
- **Barley** — Upside ~50 cents/bu. Modest later feed rally expected. Near-term range-bound due to better production and feed wheat competition.
- **Yellow Peas** — Least remaining upside. Already rallied ~$1.50/bu in the last 60 days. Fundamentals remain supportive, but most of the near-term move has already occurred. Best used for cash flow.

Global stocks-to-use is the number I watch first. Production and yield tell you how big the crop is, and ending stocks tell you what's left over, but neither one tells you if the market is actually tight. A big crop can still leave you short if demand is strong, and a smaller crop can be comfortable if use is weak. Stocks-to-use is the only number that puts supply and demand together and shows how much inventory is sitting relative to what the market needs. That's why price cares more about the ratio than the tonnage.



30,000-FOOT TECHNICAL VIEW

The ag complex is in a corrective, risk-off phase. Funds are liquidating length after the earlier risk-on rally, momentum indicators are weak to oversold, and price is below key moving averages. Harvest pressure is the main near-term driver.

Wheat is the most oversold and best positioned for a bounce. Corn is the weakest. Oilseeds are more resilient but lack strong upside momentum. Yellow peas have already completed their major move.

Bottom line: Defensive setup. Favor patience and selective buying of weakness (especially wheat) once harvest pressure eases, rather than chasing strength.

MARKETING OUTLOOK: WHEAT

MARKET OUTLOOK:

- Neutral to mildly bullish
- Global ending stocks ~276 MMT; exportable supply tighter
- Black Sea logistical constraints remain supportive
- Intense El Niño is a medium-term risk (mainly Southern Hemisphere / 2027)
- Near-term pressure from Prairie harvest and softer U.S. balance sheet
- Rally more likely once harvest pressure eases

MARKETING POSITION:

- Mode: Professional speculator (grain stored)
- **Primary target:**

HRS: $9.00–9.50/bu
CPS: $8.00–8.50/bu
White: $6.50–8.00/bu

- Spreads: Watch the Kansas to Minneapolis spread — it is currently inverted.

MARKET OBJECTIVE:

- **Current Opportunity:** Poor, some elevators are posting premiums.
- **Future Opportunity:** Optimistic the market will rally back up toward $9.50 HRS

BACKUP

If the market fails to reach the objective: Do nothing until at least December. By then a fuller picture will be available

NOTE ON WHEAT POTENTIAL

If this El Niño is as strong as some forecasts suggest, there could be a significant spring rally. $12 HRS would not be out of the question. Although that is a very low-probability outcome, the setup exists.
On the flip side, a significant volume of wheat is currently land-locked in Russia. If that grain were to reach the world market, it would put substantial downward pressure on prices.
Of all the crops, wheat has the highest upside potential — and the highest risk-management requirement.

MARKETING OUTLOOK: CANOLA

MARKET OUTLOOK:

- Neutral in the near term
- Large production (~22 MMT, near record), though below some earlier expectations
- Record domestic crush (~13.7–13.9 MMT) and improved China access provide support
- El Niño impact on Indonesian palm oil
- Strong biofuel demand
- Political risk is highest with canola (China and USA)

MARKETING POSITION:

- Mode: Professional speculator (grain stored)
- **Primary target: 850 futures**

MARKET OBJECTIVE:

- **Current Opportunity:** Poor
- **Future Opportunity:** Optimistic the market will rally back up to the 850 range in the coming months.
- Basis is currently wide and expected to narrow.

BACKUP

If the market fails to reach the objective: Do nothing until at least December. By then a fuller picture will be available. If cash is needed, look for sales at 800+.

NOTE ON OTHER OIL SEEDS

- **Soybeans**: Neutral to mildly supportive. U.S. stocks-to-use is relatively tight (~6.9% after the October WASDE), with record domestic crush and solid biofuel demand providing a floor. Canadian production is recovering (~7.5 MMT), but large global supplies (especially South America) and export competition limit upside. Near-term price action is likely range-bound, with better opportunities later if crush margins stay strong or South American weather risks emerge.

- **Flax**: Neutral to slightly soft. Canadian production is down (~386,000 tonnes) from last year's large crop, but higher carry-in keeps total supplies comfortable. Exports face stiff competition from Black Sea origins (Russia/Kazakhstan), and Chinese port stocks are elevated. Prices have been supported by harvest delays, but rallies are likely to be modest and short-lived. Best treated as a cash-flow or opportunistic sale rather than a hold for significant upside.

MARKETING OUTLOOK: BARLEY

MARKET OUTLOOK:

- Bearish to neutral in the near term. Expect a range-bound market.
- Better-than-expected production of barley. Watch for poor-quality feed wheat competing in feedlots (not yet confirmed as a major factor).
- Global corn stocks-to-use is ~18% (not extremely tight historically). U.S. corn stocks-to-use is tighter at ~11.3% after the October WASDE.
- Canadian dollar is weak — good for exports and bad for imports.

MARKETING POSITION:

- Mode: Professional speculator (grain stored)
- **Primary target: $330/mt ($7.18/bu) delivered Lethbridge (stretch target). Near-term upside is more limited (~50 cents). Local elevator opportunities around $6/bu delivered.**

MARKET OBJECTIVE:

- **Current Opportunity:**

Feed: Very little

Malt: Very little premium compared to feed, yet still worth submitting samples.

- **Future Opportunity:**

Feed: Expect the market to rally about 50 cents.

Export: Canadian barley exports are forecast at ~3.0–3.5 Mt — smaller than last year's strong levels but still solid. Tighter supplies versus last year should help keep prices supported.

BACKUP

If the market fails to reach the objective: If cash is needed, sell barley — it has the least near-term upside potential (~50 cents). Wait to see what elevators do in November–December.

NOTE ON CORN

Global corn stocks-to-use is ~18%; U.S. is tighter at ~11.3%. This supports the broader feed complex but is not extremely tight globally.

For barley, corn provides an indirect floor — especially with a weak Canadian dollar — but local factors (better production and potential feed wheat) matter more near term. A firm corn market supports a modest later barley feed rally (~50 cents). If corn weakens, barley has less support and is more likely to stay range-bound.

MARKETING OUTLOOK: YELLOW PEAS

MARKET OUTLOOK:

- The most bullish of all pulses. Expect prices to remain strong in the coming months.
- India did not receive a good monsoon.
- Protein market is strong.
- Canadian production is lower than previous years.

MARKETING POSITION:

• Mode: Professional speculator (grain stored)
• Significant rally has already happened — up $1.50 per bushel since August.
• **Primary target: $9.50–10.00 spot or further out.**
• Priority: Use yellow peas as a cash-flow crop. The price has increased the most, and the potential to increase further is less compared to other crops.

MARKET OBJECTIVE:

• **Current Opportunity**: $9.50–$10.00/bu. Best used for cash flow at these levels.
• **Future Opportunity**: Limited. Potential remains, but the ability of other pulses to act as substitutes is likely to cap further upside.

BACKUP

If the market fails to reach the objective: For cash flow, yellow peas are the best opportunity right now. Wait until spring or late winter to see what El Niño does.

NOTE ON OTHER PULSES

Lentils and chickpeas have less clear near-term bullish fundamentals than yellow peas. Canadian production is down (lentils ~27% lower, chickpeas ~17% lower per StatsCan), but large old-crop carryovers offset much of that reduction, leaving supplies closer to neutral or only mildly tighter. The broader pulse complex is firm (driven heavily by yellow peas and India's monsoon shortfall), which provides support and limits downside. However, the upside over the next 6 months is more limited than for yellow peas. Analysts note that the bigger potential for lentils (especially reds) and related pulses is further out, once India's rabi (winter) crop production is clearer and any tariff decisions are known.