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By **Al Kluis**
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Corn 2026/2027 (billion bushels)

Planted Acres	95.3 million	Harvested Acres	87.71 million
Yield (bushels per acre)	Trend Line Yield 183	Lower Yield 180	Higher Yield 186
Beginning Stocks	2.127	2.127	2.127
Production	16.051	15.788	16.314
Imports	0.025	0.025	0.025
Total Supply	18.203	17.94	18.466
Feed and Residual	6.3	6.3	6.3
Food, Seed, Industrial	7.2	7.2	7.2
Domestic Total Use	13.5	13.5	13.5
Exports	3.3	3.3	3.3
Total Use	16.8	16.8	16.8
Ending Stocks	1.403	1.14	1.666
Stocks-to-Use Ratio	8.35%	6.78%	9.92%

The Link Between Fundamentals and Price

Wild-card factors are also at play this crop year.

Farmers challenge me with great questions every time I talk at a growers' meeting. Most recently, it was at an annual meeting in southwest Minnesota: "How can you project higher prices by 2027 or 2028?"

I had gotten the same question from an Illinois farmer when I spoke on the Successful Farming® Main Stage at the 2026 Commodity Classic in San Antonio, so I had an answer ready.

To start with, I put in some work before I make any projection. I do long-term chart studies, chart retracements, and calculate seasonal odds based on patterns I have been monitoring for the last three decades. I've been updating my charts and tracking grain cycles for over four decades.

I also do not ignore fundamentals. My team of advisors helps me update spreadsheets every week, looking at three supply-and-demand scenarios during the growing season. And yes, even in these volatile times, fundamentals still matter; the key is to be aware of the ending stocks number. It boils down to this: When ending stocks increase, prices usually decrease. When ending stocks decrease, prices usually increase.

After trading for over 40 years, I have learned and seen that when fundamentals are really bearish, prices are often at or close to major lows.

Let's look at corn with the three different scenarios I track.

Corn Scenarios

The most recent USDA reports for this year project a planted corn crop of 95.3 million acres, and I predict 92% of that (87.71 million acres) will be harvested for grain. With strong domestic demand and improving exports, and my estimate of an average national yield of 183 bushels per acre (bpa), my ending stocks number comes out at 1.403 billion bushels. This would result in an average farm price of \$4.15 per bushel.

I then use two yield scenarios for corn: three bushels higher (186 national bpa) and three bushels lower (180 national bpa). The three-bushel increase in average U.S. corn yield takes ending stocks up to 1.666 billion bushels; I project this would take the U.S. average farm price below \$3.80 per bushel. The yield of 180 bushels takes ending stocks down to — WOW — 1.14 billion bushels. That is a recipe for \$5.80 corn futures.

I do not rule out a fourth scenario — one I have not even thought of yet. A year ago, I did not see war with Iran developing, and now it is one of the main factors I try to work with when developing a marketing plan.

Soybean Scenarios

For soybeans, I use the same methodology. I use the USDA estimate of 84.7 million planted acres and my estimate of 83.853 million harvested acres. If I estimate a yield of 51 bpa, then ending stocks are very close to this year's estimate at 347 million bushels. This would result in an average farm price of \$10.30 per bushel.

A two-bpa increase (53 national bpa) takes ending stocks to a very burdensome 514 million bushels. A national yield of 49 bpa drops ending stocks to 179 million bushels. That low ending stocks number could rally soybean futures to over \$14 per bushel — or more.

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(continued)



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Soybeans 2026/2027 (billion bushels)			
Planted Acres	84.7 million	Harvested Acres	83.853 million
Yield (bushels per acre)	Trend Line Yield 51	Lower Yield 49	Higher Yield 53
Beginning Stocks	0.35	0.35	0.35
Production	4.277	4.109	4.444
Imports	0.025	0.025	0.025
Total Supply	4.652	4.484	4.819
Crush	2.65	2.65	2.65
Exports	1.55	1.55	1.55
Seed	0.075	0.075	0.075
Residual	0.03	0.03	0.03
Total Use	4.305	4.305	4.305
Ending Stocks	0.347	0.179	0.514
Stocks-to-Use Ratio	8.05%	4.15%	11.94%

this useful. It's not so important that the exact ending stocks numbers are correct, but they give me an idea for how ending stocks trending toward or away from these estimates are likely to impact prices.

Wild Cards

Doing the ending stocks projections is standard fundamental analysis. However, for the 2026/2027 crop year, we have a lot of wild cards that make fundamental analysis a lot more challenging:

1. War ... and fertilizer prices. With fertilizer prices in the U.S. increasing by 20–50%, will farmers change planting intentions? Will they plant less corn and more soybeans? With high fertilizer prices, will farmers have more prevent plant acres? U.S. farmers are better positioned than farmers in South America, where fertilizer prices have as much as doubled in some countries and may even not be available next year.

2. Stockpiling. The just-in-time mentality is changing. Food and fertilizer are now viewed as essential strategic reserves. Many food companies and food-importing countries may be stockpiling not only fuel but also fertilizer and food. Expect large grain, oilseeds, and meat exports to continue until the importers build larger stockpiles.

3. A strong or super El Niño weather forecast. This early forecast suggests the United States will have trend-line-or-better corn and soybean yields. However, it also suggests dry weather and the potential for smaller crops in Indonesia, China, Europe, and South America next year. In future USDA supply-and-demand reports, I will be watching very closely for any reduction in global ending stocks.

When grain fundamentals are confusing and overlapping, like this, I pull out my long-term charts to look at the big picture. Going back to 1986, grain prices have usually been low and in the bottoming process in the years ending in 6. Most recently, corn and soybean prices put in major lows in 2006 and 2016. I think this will work again as I look at the price outlook for 2026/2027.

What can you do with all this information? Here are some strategies for you to use:

- **Be a seasonal seller of cash grain from May–early July.**
- **Have 20–30% of the new-crop corn and soybeans sold ahead, using a combination of hedges and puts.** I may use more puts on a May/June rally, but I am very hesitant to put on more hedges or cash contracts.

- **Avoid selling grain August–October.**

Final Thoughts

After the last six months of a quiet trading-range market, get ready for some increased volatility. My spreadsheets show a three-bushel change in the national yield for corn can result in a \$1-per-bushel change in price. For soybeans, a two-bpa change in national yield could give you a \$3 change in price. And we won't know the national average until later in the season. Can you accurately forecast your yield as you wrap up planting in May? Neither can the USDA.

Plan to use your bins to hold this year's grain later in the marketing year. The last several years, I have had 60–90% of the cash corn and soybeans sold by January. Next year, I will likely be holding 60–80% into May and June. I think my long-term bullish outlook will work next year. •

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