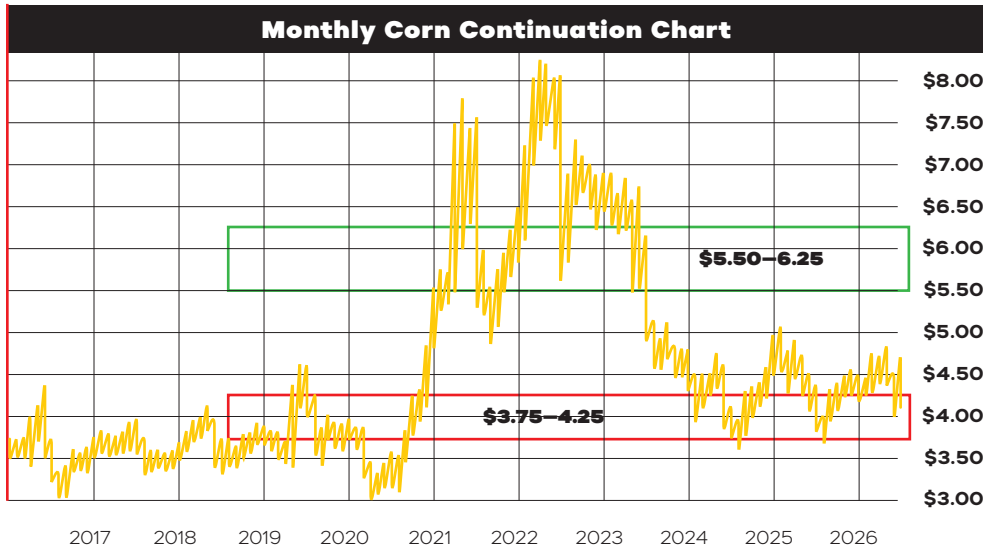


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By **Al Kluis**
Commodity trader, trading grain futures since 1976. Sign up for his daily and weekly reports at kluiscommodities.com.



This is the monthly continuation chart of CBOT corn. You can see the major lows in 2016 and 2020, and then the major highs in 2021 and 2022. The next major lows came August 2024 and 2025. The last major low came in late June 2026. One of the key time periods when I will consider more sales is November–December 2026. The plan this year is to hold on to at least 30–50% of my corn crop into May–July 2027. The red box is the expected low-price level, while the green box is for the highs.

The Tide Is Turning

Get ready for a demand-driven bull market.

A longtime Minnesota customer in line at the elevator called me to vent. “I have to deliver 50,000 bushels of corn in July and August that I sold last May,” he said. “First, the lines were super long, then they stopped taking grain on Fridays, and now they are only open from 8 a.m. till noon, Monday through Thursday. I get up at 4 a.m. to get in line, and I can only get two loads in each day! When will this change?”

When he finally gave me a chance to talk, I said, “When the farmers in your area are done selling, the lines will ease up.” He was not happy with my answer. “But next year, it will be different,” I said.

“Why?” he said. “And just don’t tell me I have to wait in these lines again.”

Four Key Factors

Things are changing that can move futures higher and lead to better basis levels in the western Corn Belt by next summer. Here are the four key factors — two global and two domestic — I am watching:

1. Global stockpiles of corn, soybeans, and wheat They are all trending lower. This began in May 2026 and has continued most months since. The key way to monitor this important number is to check out the monthly USDA World Agricultural Supply and Demand Estimates (WASDE) report that comes out about the 10th business day of each month. Next month’s

report is to be released at 11 a.m. CT on Friday, Oct. 9. It is basic economics that as supplies move lower, prices move higher.

2. Higher world fertilizer prices As a large customer from Brazil told me, “If you think fertilizer is expensive in the U.S., then you should try to pay for it with reals.” Higher fertilizer prices — or even no fertilizer available at any cost — will reduce planted corn acres in Brazil, and, depending on weather, is likely to reduce Brazil’s corn and soybean production next year. It is not a question of if it will happen, but a question of how much.

3. U.S. corn production Odds are good that with a reduction in U.S. corn acres and the national corn yield,

we will have fewer bushels to work with in the next marketing year. This will be especially true in the western Corn Belt.

4. U.S. corn exports Most of the corn exported into Mexico originates from unit trains that load out of the western Corn Belt. The wild card is how much corn China will import. If China books 200–300 million bushels, then a lot of that will move out of the Pacific Northwest. The trains moving to that region will compete with the trains going to Mexico. This will have a major impact on corn basis bids in the western Corn Belt. I am not guaranteeing shorter lines next summer, but I am confident you will have a much better cash basis.

Target Prices and Key Dates

How should this impact your marketing plan for next year? I am long-term bullish on futures and basis into the summer of 2027. But just hoping that →

your

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(continued)



Listen to Al Kluis' marketing insights on the Successful Farming podcast **the fourth Monday of each month.**

Monthly Soybean Continuation Chart



This is the monthly continuation chart of CBOT soybeans. You can see the major lows in 2016, 2018, 2019, and 2020, and then the major highs in 2021 and 2022. The next major lows came in 2024 and 2025. The last major low came in late June 2026. One of the key time periods when I will consider more sales is November–December 2026. The plan this year is to hold on to at least 30–50% of my soybean crop into May–July 2027. The red box is the expected low-price level, while the green box is for the highs.

Brazil, while central and northern Brazil turn hot and dry. Odds are good that total South American production of corn and soybeans will be less than that of 2026. If we end up with any major weather challenges, then it can really get volatile. Make sure you have a lot of flexibility, and plan to sell in smaller increments. If we get higher prices, then make sure you make marketing and financial decisions based on what works for your farm, not what you read on the internet. •

Note: The risk of loss in trading futures and/or options is substantial, and each investor and/or trader must consider whether this is a suitable investment. Past performance — whether actual or indicated by simulated historical tests of strategies — is not indicative of future results. Trading advice reflects good-faith judgment at a specific time and is subject to change without notice. There is no guarantee that the advice given will result in profitable trades. •

Al is right and getting bullish is not a marketing plan. I still see the chance for a harvest low this year — although that low is likely to be a lot higher than the lows made in 2024 and 2025. The corn and soybean futures markets appear to have put in major lows in late June 2026.

I cannot create one plan that is going to work for every farm. Because of the difference in regional basis patterns, the basic marketing plan I would write up for a farmer in eastern Illinois would be much different than the plan I would write out for a customer in southwest Minnesota. My initial plan is to set price targets using the July CBOT futures market.

This is my initial two-price plan for corn, using

July 2027 corn futures:

- **\$5.25**
- **\$5.78**

The key weeks I am watching in the corn market for a change of trend over the next six months:

- **Sept. 18, 2026**
- **Dec. 18, 2026**
- **Feb. 26, 2027**

Now, for soybeans. This is my initial two-price plan using July 2027 futures.

- **\$12.68**
- **\$14.18**

The key weeks I am watching in the soybean market for a change of trend over the next six months:

- **Sept. 18, 2026**
- **Nov. 27, 2026**
- **Feb. 26, 2027**

Final Thoughts

Demand-driven markets are more sustainable,

and usually more orderly, than weather-scare markets. In demand-driven markets, watch basis and futures alignment.

For example, I am watching the March–July 2027 corn spread. As of late July, the July contract is 15¢ over the March contract. If that spread narrows, then it is a positive signal. For soybeans, I am watching the January–March 2027 spread. At this time, March is trading 5¢ over January. If that spread inverts, then it is a positive signal.

Meanwhile, I am watching the global grain supply/demand reports and monitoring the weather forecasts in South America. During an El Niño, you usually have very wet conditions in Argentina and southern