



Global Commodity Analytics & Consulting LLC



2026 SOYBEAN SPECIAL REPORT: ANALYSIS & RECOMMENDATIONS FOR WHAT PROMISES TO BE A HISTORICALLY VOLATILE YEAR

January 19, 2026

BUILDING A RISK-PLAN TO MANAGE LARGE SUPPLIES IN 2026—

Unless Domestic Bio-Fuel Policy Can Offset Higher Planted Acres & Expected Lower Chinese U.S. Soy Import, Excess Supplies Could Build To Levels Not Seen Since 2018 & 2019. This Is Why I Recommend Using This Current Retracement Rally In Soy To Get Hedges In Place. — As we



move into the final 10 days of January, SA weather-related production potential sees its peak for soybeans; if there is likely to be a La Nina-related weather issue in Brazil especially—one that could push production potential down—it is likely going to surface between now and the 1st week of February. So far, I don't see much in the way of

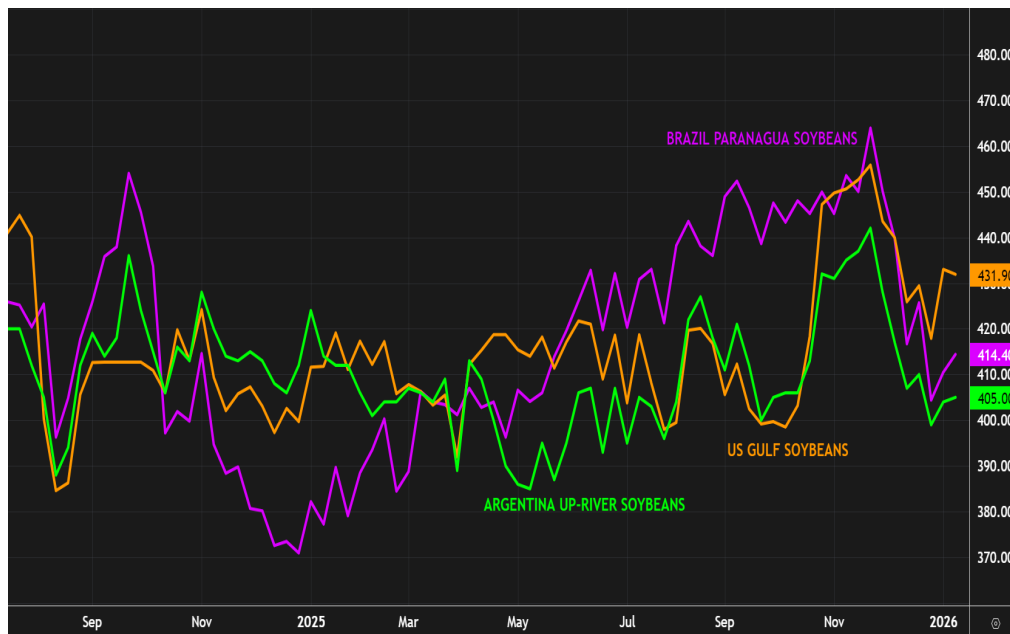
soy production losses due to weather, as you can see in the weather section toward the end of this special report. In fact, most of the research I've done over the past two weeks or so would suggest that, if anything, the continued La Nina pattern could actually bring rain to dry areas of northern Brazil, while delivering drier weather to a mostly saturated southern growing region. The situation looks ideal for a record-breaking crop unless an issue surfaces within the next 2 weeks. This puts the

Brazil Soy Production on the path toward USDA's 178 MMT. I am not willing to move up toward the 180 MMT levels that we saw in some private estimates last week; I am satisfied with a bigger acreage base and a yield of around 3.6 tons/hectare. As such, I recommend we move to lock-in profitable levels for the balance of our '25 soybeans, and also start to get over the 50% mark on '26 production



levels by the time we get to Valentine's Day—utilizing the new 2-month high in the Nov. Soybeans/Dec. Corn Ratio (see chart below).

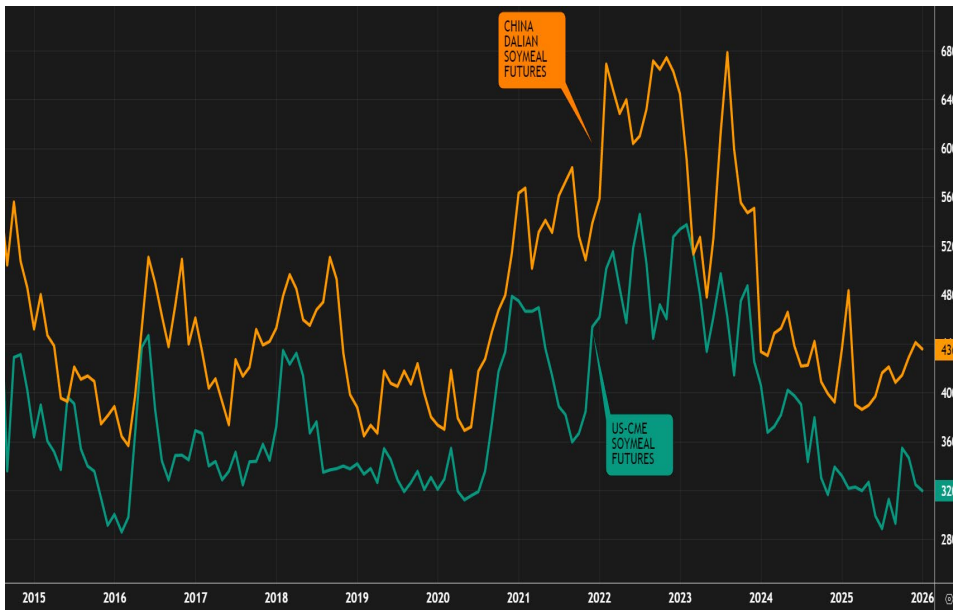
Could we see the Supreme Court decision help support the soy prices, if they were to deem Pres. Trump's tariffs outside of his power? Potentially, yes; but here again, we should know this in fairly short order I think. I am making a stand here at this point that nearly all of the



analysis and research I have done to-date continues to suggest that the US-China trade relationship, as it pertains to soybeans and other key agriculture products, is one that is unlikely to provide increased demand for US products. It is, in my view, not going to be as productive as the Phase 1 trade deal between the two countries back during Pres. Trump's first term. I have been watching the Chinese

Yuan appreciate against the US Dollar to a fresh 2+ year high; and this I think has been part of the function of why the soybeans have been able to rally after the USDA-WASDE Report, as well as the higher private trade estimates for Brazil's soy production. One of the key assumptions in this report, and the recommendations formed by the analysis in it, is that I see China being less responsive to US soybeans as the size of the SA crop swells; they are more likely to buy from the U.S. if they are pressured to do so by tightening supplies in Brazil in particular: especially with the recent

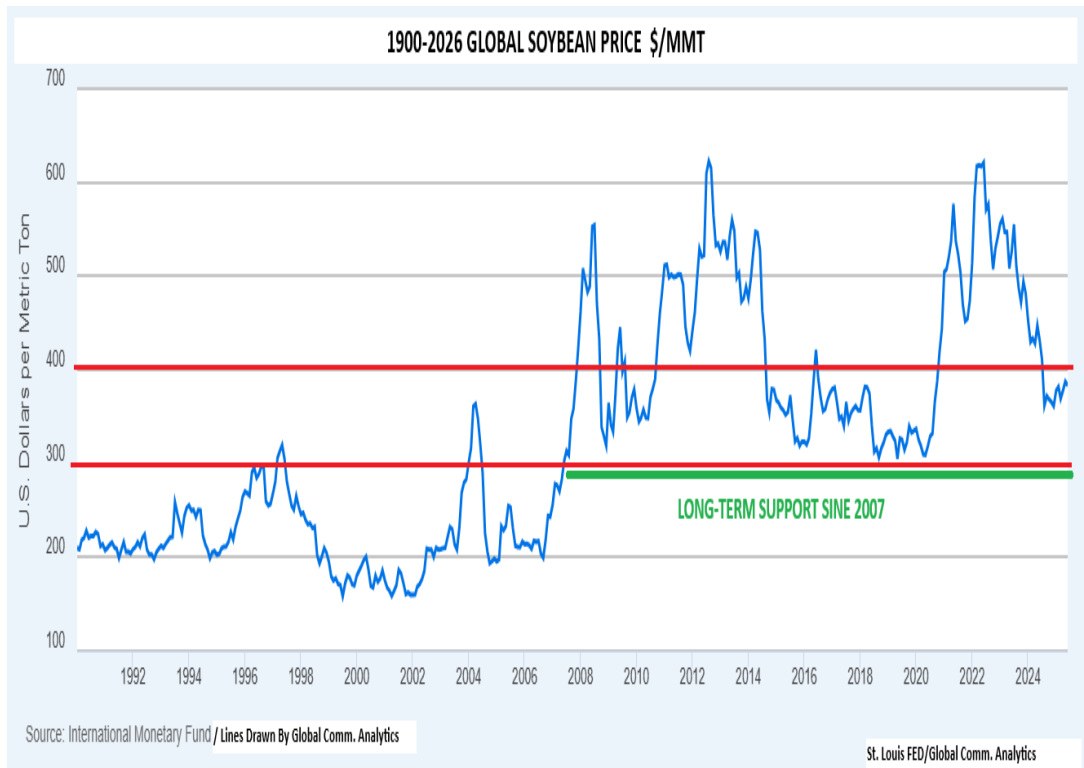
announcement by Pres. Trump that countries who trade heavily with Iran are likely to face 25% tariffs. This would place China and Brazil right in the cross-hairs of this higher tariff with the United States, making our soybeans even more expensive to China's buyers.



What About The Announcement Last Week That Pres. Trump's Administration Would Be Deciding Their Bio-Fuel Policy By Early March? Last week, newswires reported that President Trump's EPA would be working to formalize the U.S. biofuel policy; this policy is expected by the trade to be more demand-friendly for soy-based diesel vs. corn-based ethanol. This is key because the trade has already started to trade this mindset in the "buy soy-sell

corn" mindset that I've started to see develop. This is a 2nd major reason for the soy-led rally since the January WASDE report.

With this in mind, if we look at the Global Soybean Price Chart directly above, we see that at around \$400/MT, soybeans around the world are at the top-end of the historic price range when there isn't a significant weather-reducing production problem. So, the question becomes: can the US policy be enough to take prices back above the \$400/MT level and back above the historic trading range high level? I don't think so, given the current world stocks heading into 2026/27, and it becomes even more unlikely if my 2026/27 acreage number is correct, as you can see in the chart below.

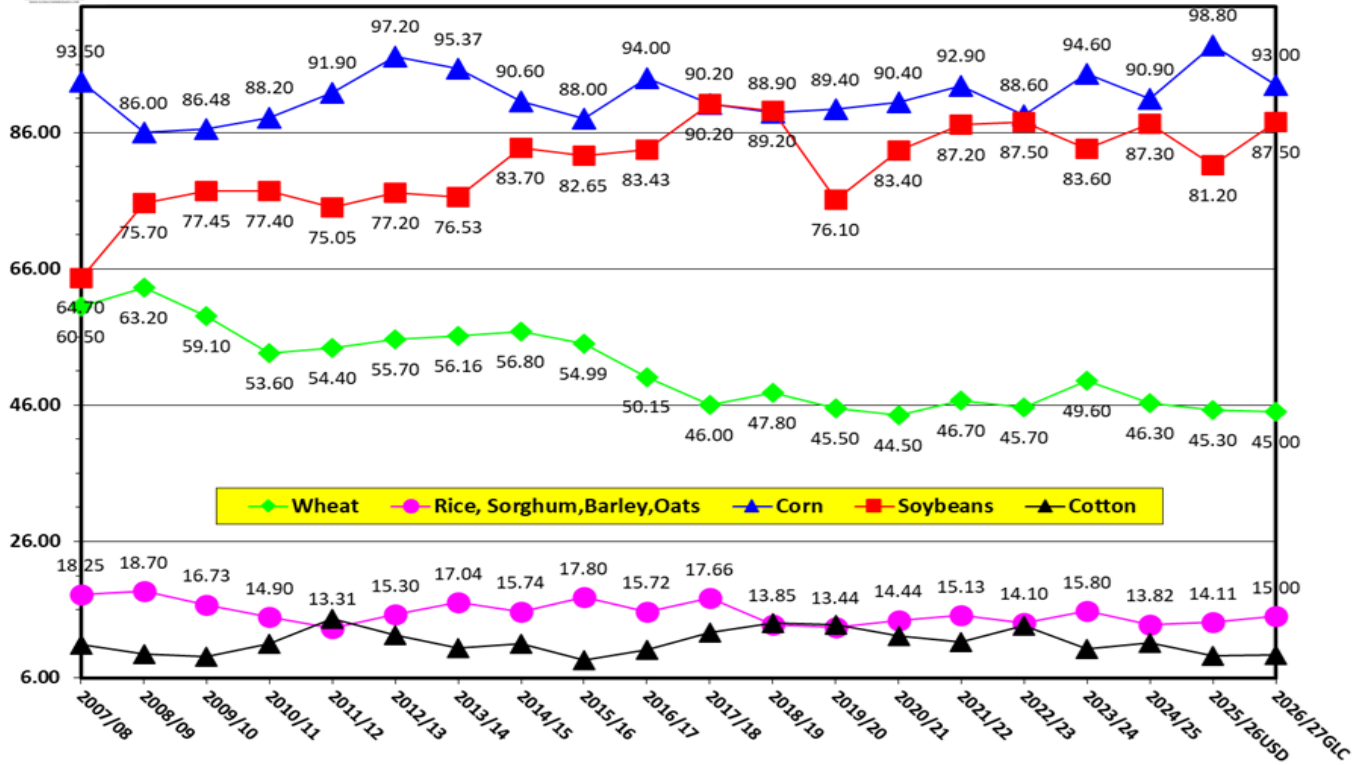


Source: International Monetary Fund / Lines Drawn By Global Comm. Analytics

St. Louis FED/Global Comm. Analytics



U.S. PLANTED ACRES MIL. ACRES SOURCE: USDA/Global Commodity Analytics 1.16.26



For 2026/27 U.S. Supply-Demand, Even w/Stronger Crush On Increased Bio-Fuel Production, Excess

Supplies Dominate The Ending Stocks If We Don't See A Yield-Reducing Weather Scenario Next Year.

Deciphering the potential 45Z RVO (biomass-based diesel) policy is no small task;

| 1.16.26 Global Commodity Analytics Estimates | 2024/25 | 2025/26 | 2026/27 | 2026/27 |
|---|-------------------------|------------|---------------|--------------|
| | USDA-WASDE | USDA-WASDE | USDA-BASELINE | Global Comm. |
| Soybeans | | | | |
| Area (mln acres): | [USDA Corn Acres Right] | | | |
| Planted | 90.900 | 98.800 | 95.000 | |
| Harvested | 87.3 | 81.2 | 85.0 | 87.5 |
| Yield, bushels per harvested acre | 86.2 | 80.4 | 84.2 | 86.8 |
| Supply (million bushels) | 50.7 | 53.0 | 53.0 | 53.5 |
| Beginning stocks, September 1 | 342 | 325 | 290 | 330 |
| Production | 4,374 | 4,262 | 4,465 | 4,644 |
| Imports | 29 | 20 | 20 | 20 |
| Total supply | 4,746 | 4,607 | 4,775 | 4,994 |
| Use (million bushels) | | | | |
| Crush | 2,445 | 2,570 | 2,640 | 2,750 |
| Seed and residual | 103 | 112 | 105 | 125 |
| Exports | 1,882 | 1,575 | 1,715 | 1,625 |
| Total use | 4,421 | 4,257 | 4,460 | 4,500 |
| Ending stocks, August 31 | | | | |
| Total Ending Stocks | 325 | 350 | 314 [+60] | 494 |
| Stocks-to-use ratio, percent | 7.4 | 8.2 | 7.0 | 11.0% |
| Prices (dollars per bushel) | | | | |
| Soybean price, farm | 10.00 | 10.20 | 10.30 | \$ 9.50 |
| Variable costs of production (dollars): | | | | |
| Per acre | 247 | 249 | 254 | 250 |
| Returns over variable costs (dollars per acre): | | | | |
| Net returns | 260.3 | 291.6 | 292.1 | \$ 258.25 |

yes, we have the 1BB Bill which has been codified in legislation funds for the 45Z program; but we have yet to see where the biodiesel can come from: both imports & domestic or not? In addition, California is its own wildcard when it comes to what it is likely to approve; and as it makes up a significant proportion of potential bio-based jet fuel, this adds another layer of complexity in the policy arena. For instance, the American Coalition for Ethanol stated that, “The rapid growth in renewable diesel capacity came largely from oil and gas refiners retrofitting older refineries to process fats, vegetable oils and greases into drop-in renewable diesel, most of it destined for the California market. Capacity exploded from just 700 million gallons in 2020 to 5 billion by 2025.” (1.14.26 Unfinished Business) As for the actual S/D, what could it mean if we saw a true jump to 5.61 Bln. Gallons, and about 50% used from imported fats? It would likely be around my 7% increase in Crush for 2026/27 of 2.75 Bln. Bu. vs. USDA’s 2.570 Bln. Bu. My simple math would suggest that if we were already at 5 Bln. Gal. as of 2025/26, then to move to 5.61 Bln. is a 12% increase: I’m giving the U.S. domestic market 7% of that 12% in my calculations. With this then factored-in, I think it’s reasonable to assume a continued higher soyoil-led market here in the soybeans is likely due to the futures market pricing-in to both the spreads as well as the flat-price an increase coming from Pres. Trump in early March. In addition, I see this issue potentially adding even more 2026 planted acres into soybeans depending upon what the administration does in early March. The last thing I’ll address on this policy topic is the potential for a historic build in soymeal stocks as we move through 2026 and toward 2028: what could that pose for the livestock industry? What could it pose for the corn? And what



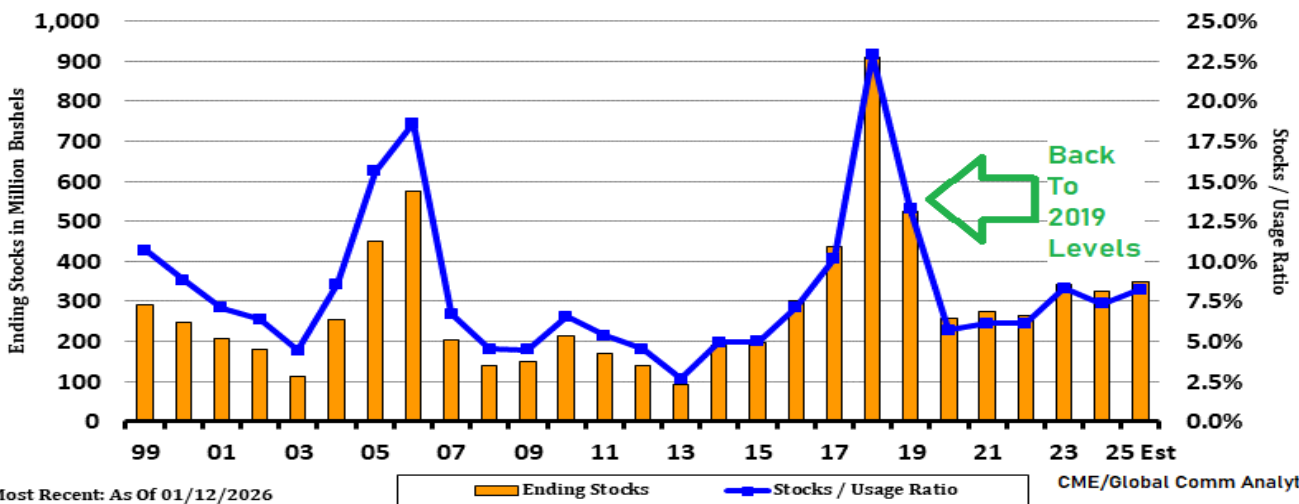
could that mean for spreads between the Meal & Oil? I’ll be looking at that in the coming weeks; in the meantime, I’ll leave you with this: Why else would Soyoil be making fresh 5-

Month Highs currently?

With U.S. 2026/27 Ending Stocks Pushing 500 Mln. Bu., What Could That Mean For World Stocks? — With the world soybean ending stocks figure of over 124 MMT already pushing a new modern-day record-high, we certainly don’t need to add any supplies to the balance sheet? However, this is what I project without significant weather issues within the next 2-3 weeks showing up in Brazil and/or continued drought issues here in the U.S. as we head into Springtime as seen on the 2 charts on the next page. For U.S. Ending Stocks, my 494 Mln. Bu. Projection takes us to the highest level of carryover since 2019; given my projected 178 MMT Brazil Crop & the size of the U.S., the World Stocks/Use Ratio moves to around 30.6%, 2nd only to 2018. With both U.S. and World ending

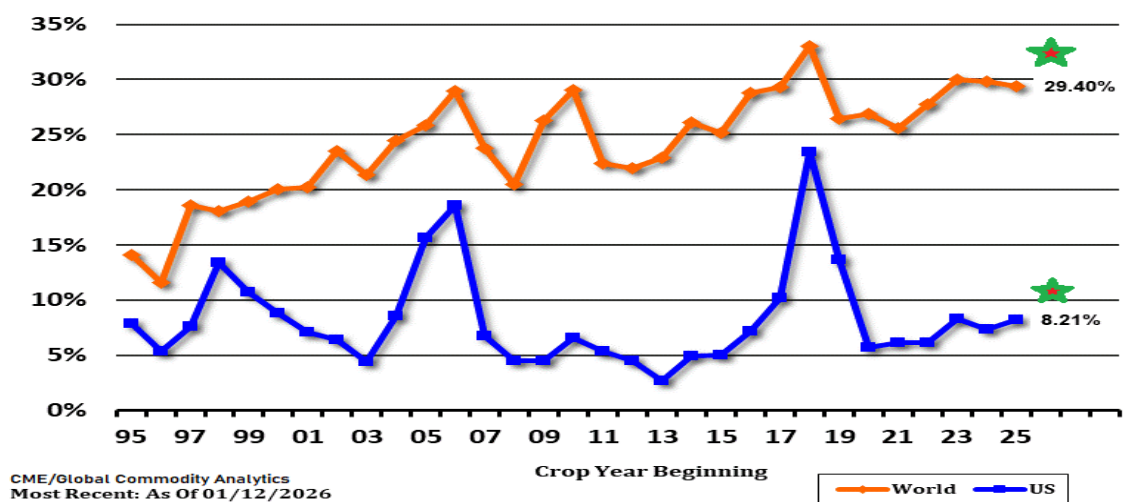


US Soybean Ending Stocks vs Stocks / Usage Ratio



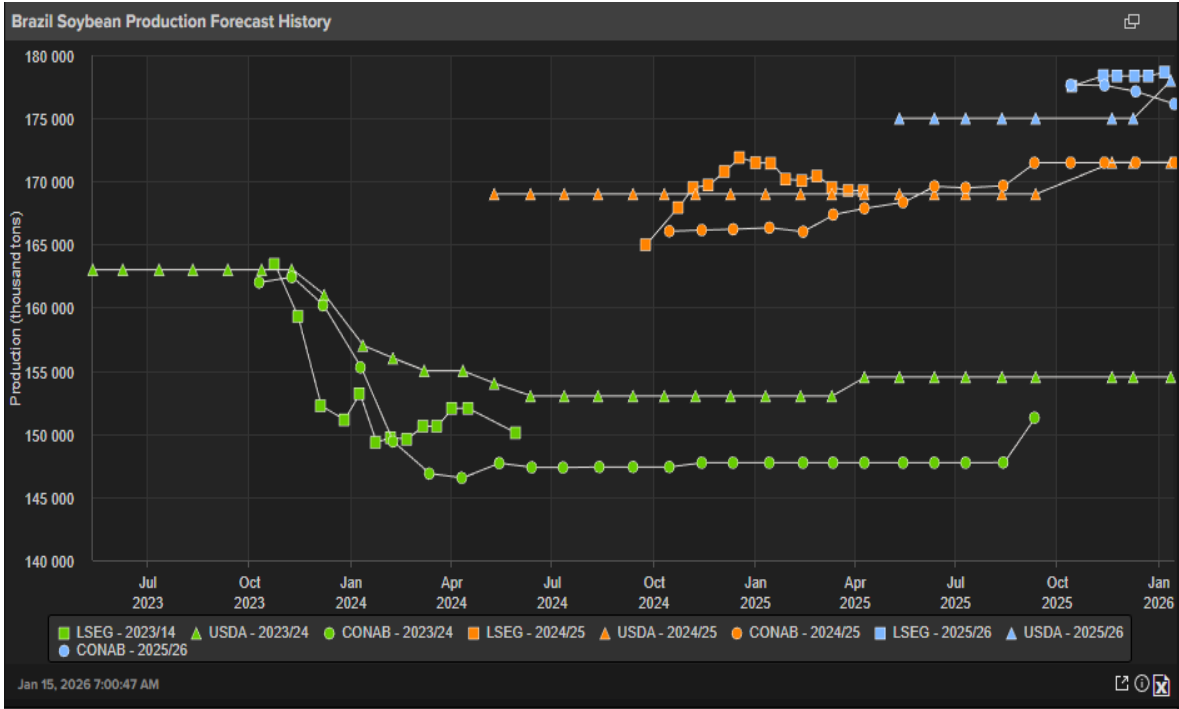
stocks at this level, my 2025/26 U.S. Avg. Price drops to \$9.50/Bu. This would be the lowest level also last seen in 2019 (\$8.57/bu).

Soybean Ending Stocks / Usage - World vs US

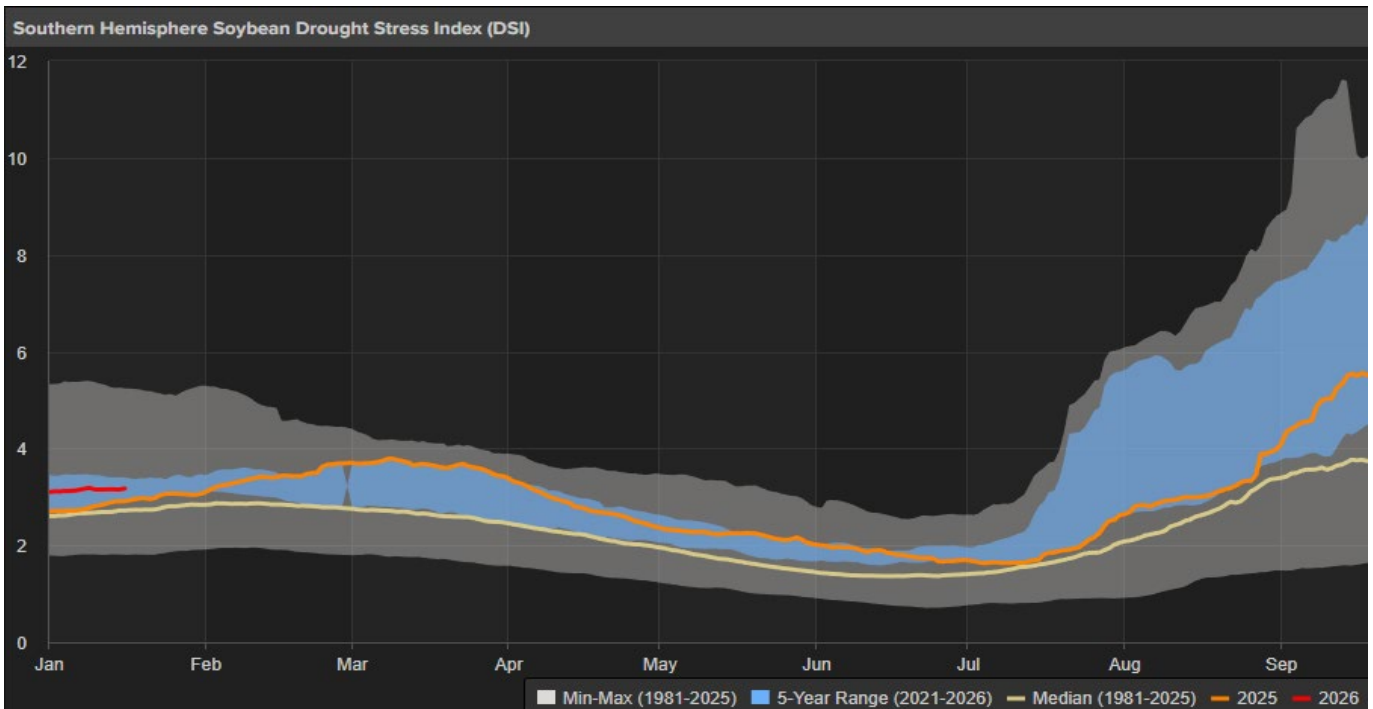


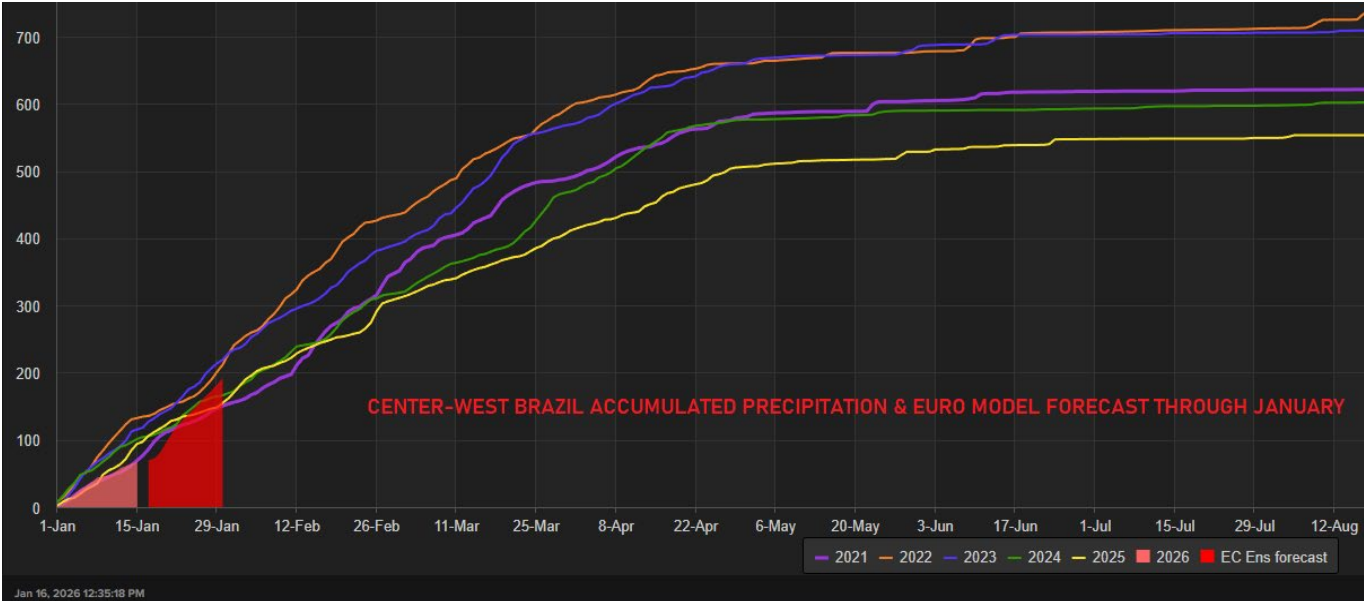
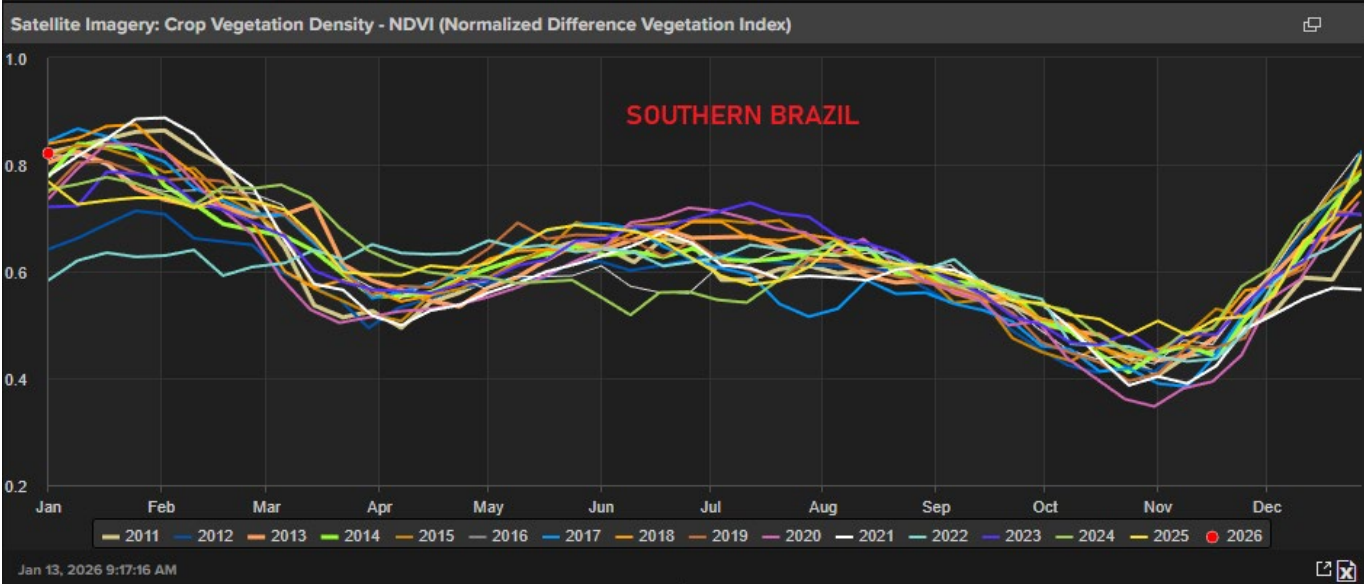
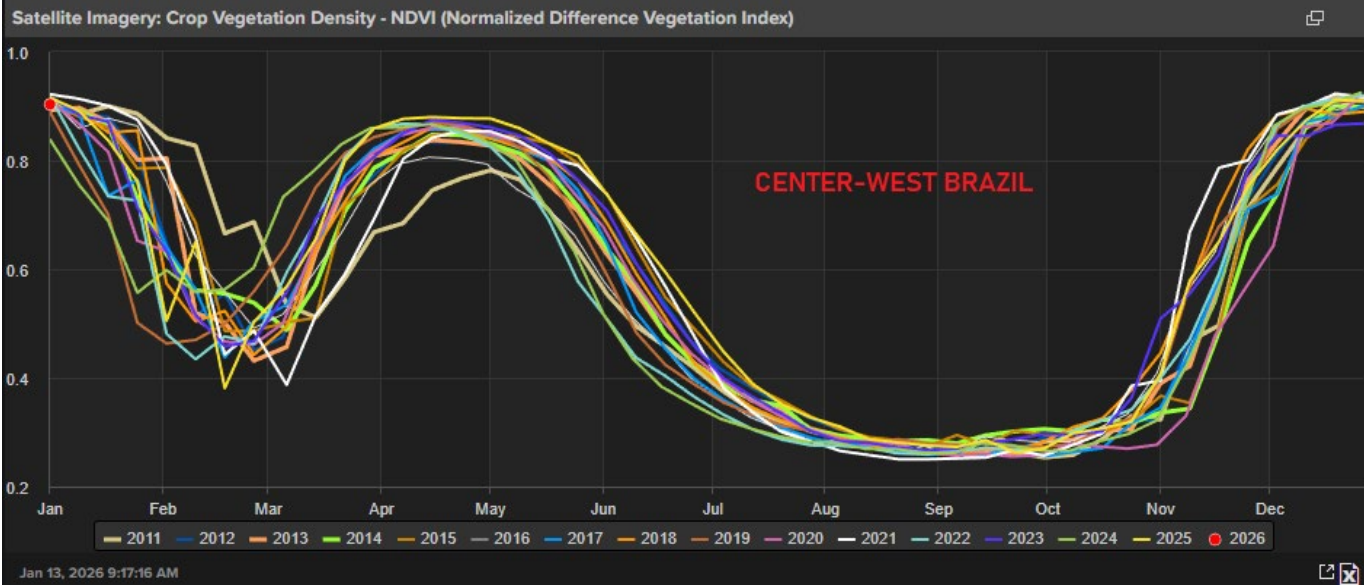
[BRAZIL SOYBEAN PRODUCTION FORECAST HISTORY-LSEG]

The Blue Dots Represent The 2025/26 Mktg. Year; I Am In The Middle of Forecasts at 178 MMT Currently—as of 1.15.26. I Will Update Again on 1.31.26



[KEY SOUTH AMERICA WEATHER GRAPHICS]





CURRENT PRICES V. SEASONALS & HEDGE RECOMMENDATIONS

(Note That Key Price & Seasonal Chart Are At The End of This Section)

A New Methodology For My Hedge Recommendations In 2026: Provide An Official Recommendation But Give Alternatives For You to Decide — Two major features in the hedge analysis have cropped-up with many of you: not only do you NOT want to do bought options, but you also have more of a desire to sell options... much like the elevators off you. However, while you don't have to be under margin threat with the elevators in many cases, you also can't be rewarded with the total option premium you would be afforded with selling them with me (This type of strategy is often called a price-plus or a cash-plus contract). I will continue to have an Official Hedge Percentage & Position In My Hedge Slide, but I also want you do be able to be aware of other possibilities.

My First Assumption: That \$12 November Futures Is Going To Be Difficult To Close Above On A Monthly Basis In The 2025/26 MY, And That The Best Chance For A Move To This Level Is Likely To Be Due to SA Weather, My Over-estimating Planted Acres, My Under-estimating Bio-Fuel Demand, and A U.S. Drought — With this in mind, the higher Nov. Futures can go now, the better; this is because it helps us improve our sales average on the remaining 20% of 2025 cash soybeans left to sell; it also helps get the Nov. price closer to that \$12 target—thus making potential call options we sell more valuable while simultaneously making potential put options we buy less expensive. It should—historically speaking—work in-favor of increasing volatility.

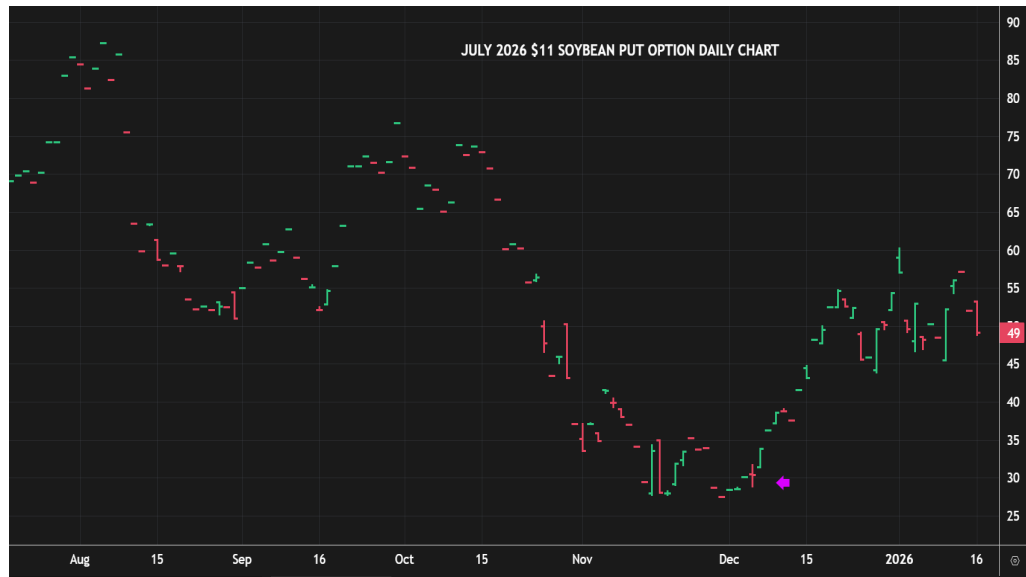
Note especially in the three price charts below how there are key trendlines of resistance in all three: the nearby March Futures, the May-July Spread, and the November Futures. These three charts are critical right now—that we see these trendlines violated and that then hopefully pushes Managed Money Funds back into the long-side of the soy complex. A move above all of these trendlines could I think give the market another 40-60 cent/bu. Rally to the upside: to major resistance of \$11/Bu. For both May & November Futures—NOTE THAT THE MAY-NOVEMBER SPREAD HAS TAKEN ALL OF THE PREMIUM OUT OF THE DEFERRED FUTURES & PUSHED IT BACK INTO THE NEARBY FUTURES... it has erased the carrying-charge in the market... which is typically price-supportive.

[IMPORTANT PRICE CHARTS]





With A “Hard” Low Being Found At The ~\$10.20 Level In Lead-Month Soy & ~\$10.55 In Nov. Futures, How I Recommend Hedging On A Rally To ~\$11.00 In Both Old-Crop & New-Crop — You can see by the Seasonal Charts & Heat Map at the end of this special report that the upside potential seems to be best during the month



of January; after that, we start to run a greater risk of weakening prices. I think this year fits well into this mindset, as the bio-fuel policy uncertainty and enough weather uncertainty, coupled with the new record-highs in precious metals, seems to give this market its best shot to outperforming the upcoming increase in supplies right here, right now.

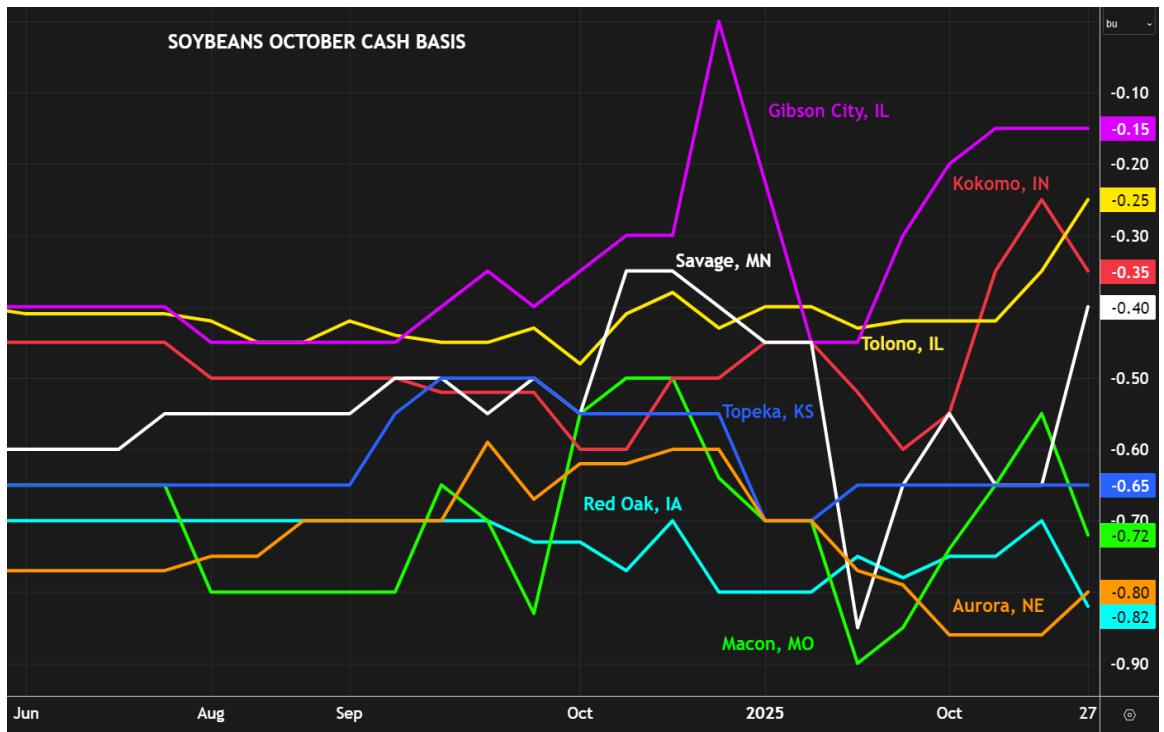
We've also recently seen some positive movement and momentum in the new-crop basis levels for October delivery in some key areas around the country, as seen by the October Basis Chart below. It is this chart that



we're going to need to split up the recommendations as to whether futures is better than cash or vice versa for hedging. My view-point on soybeans and corn are split right now when it comes to which market is likely to carry a premium: in corn, I think that the cash market will carry more of a premium, while in the futures, I think that the soy speculators are working more aggressively due to expected policy in-favor of the soybeans.

If We Can Manage To Get To ~\$11/Bu. By Valentine's Day, I Recommend Hedging To 100% of 2025 Cash Production & 75% of 2026 Cash/APH Production Levels — For 2026 in particular, I think a

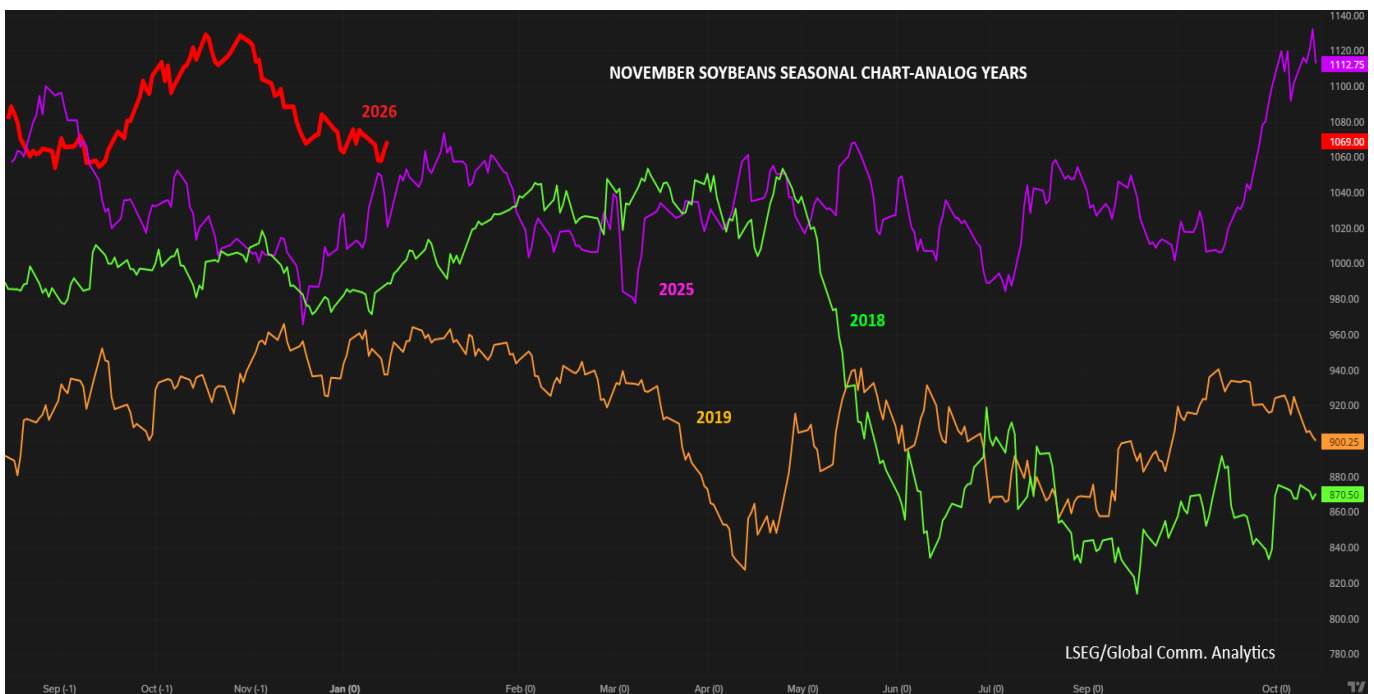
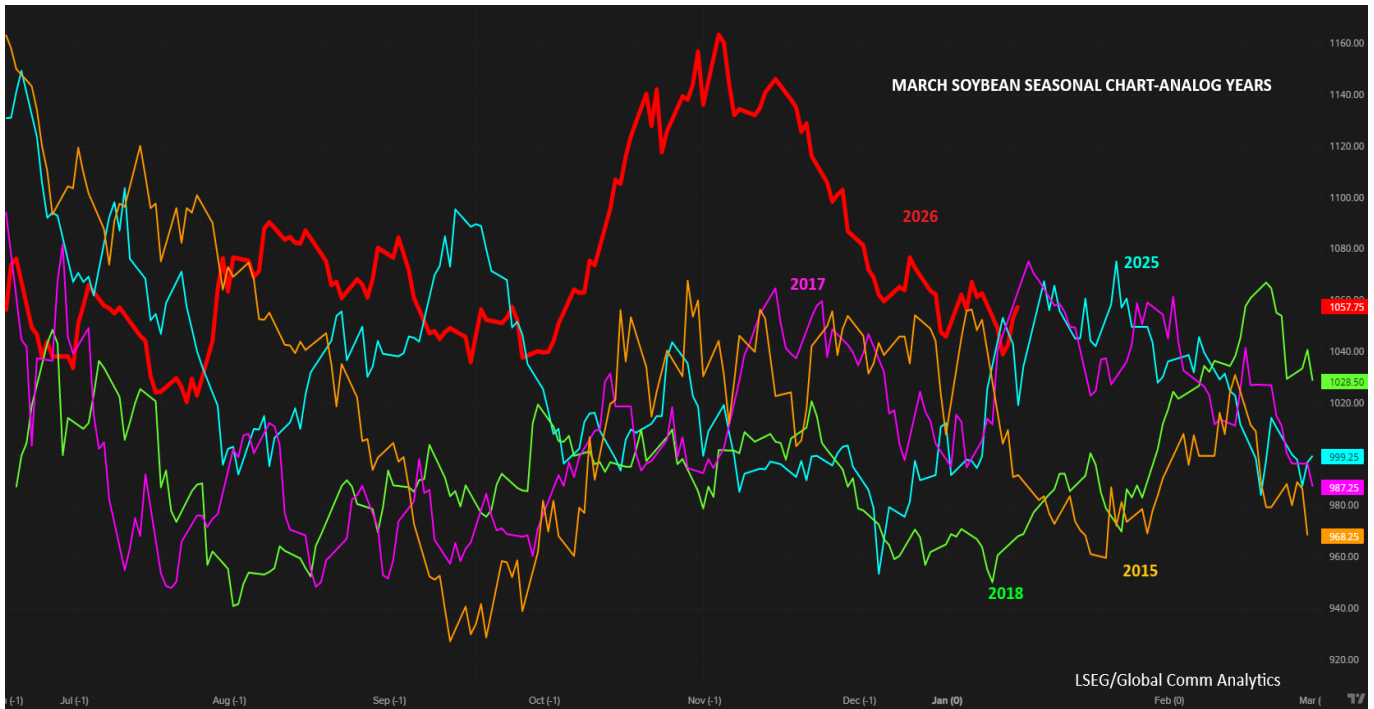
combination of Bought \$11 July Soybean Puts, Sold \$12 November Soybean Calls, & Cash-Forward or HTA-Related Cash Sales Is The Best Way To Spread Risk. I'd like to see the July \$11 Puts Fall Back toward their lows of ~\$.25/Bu., and the Nov. \$12 Calls rise back toward their highs of ~\$.35-.40 cents/Bu. On this potential rally back toward \$11.



On this potential rally back toward \$11.

As for another potential recommendation that I'll be looking at in more detail: I'll be looking to the spreads. Specifically, Buying Dec. Corn & Selling Nov. Soybeans and also Selling July Soybeans & Buying November Beans—this would likely be on the idea that we are going to see the market build carry back into the market by adding premium to the November at the expense of pulling it out of the July. We have in this report the May-November Spread, and I think this is a contender as well.

[IMPORTANT SEASONAL CHARTS]



If You Want To Be 100% Hedged In 2026 Soybeans At Your APH Level & Then Buy A \$12 November Soybean Call, I'll Always Right That Order — To me, given the times we live in and my

earlier analysis revolving around more commodity index fund-related buying coming into the Agr. Futures once the WTI & SRW Wheat find a price low (by the end of Q1 is still my thinking), the “Sell & Defend” Model of hedging is still the best when it comes to controlling costs.



It is my hope that you open yourselves up to a wide range of tools to manage your risk this year, whether it's in soybeans or cattle; in both, I see profitability—not a lot, but enough to get us through to 2027 [\$11 Nov. Futures -.40 cent basis = \$10.60 cash - .20 cent call = \$10.40 x 65 bu/acre yield = \$676/Acre Gross Revenue]. These are my working assumptions starting this year; I'll be in-touch with each of you to discuss on a one-on-one basis. --Mike

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