BOCKEN TRADING

LLC

January 2026 Monthly Commentary

Was a mixed month with corn under pressure and wheat working higher. Beans were quietly firmer. Oil was up sizably while meal was lower. The USDA surprised the trade with a very bearish corn report. The trade was set up for a friendly report but the USDA raised both yield and area and Dec 1 stocks came in well above trade ideas. Corn lost 25 cents on report day. The bearish corn report weighed on everything but beans and wheat firmed the rest of the month. Oil stood out as an upside leader on leaks/rumors of biofuels policies. For the month, corn was down 13 cents. Wheat was up 30-31 in Chgo and KC with Mpls lagging, only up 4. Beans finished up 17 with meal down $6.00 and oil up 499 points.

The USDA raised the final corn yield to 186.5 bu/a vs expectations for 184 or lower. They raised harvested area by 1.3 mil acres with the crop up 269 milbus vs December. They raised feed use which partially offset the higher crop and 25/26 carryout was forecast at 2227 milbus vs 2029 in Dec and the average trade estimate of 1986 milbus. Dec 1 stocks came in at 13282 milbus vs the average guess of 12981 due to the larger crop. The break shut off producer selling and kept US the most competitive origin and sales continue to be strong. Futures have worked higher since, but rallies have been limited by the expanding balance sheet. Argentine crop ratings have been dropping on lack of rain, but there is still a wide range of ideas – 53-62 mmt with USDA at the low end. Brazil also has a wide range – 131-143 mmt with USDA also at the low end. Corn is likely stuck in a range for now unless a major crop issue comes up in SAm or unexpected demand materializes. We should start to feel some competition from SAm exports in the coming weeks (much later than originally expected). However, by that time, the focus may have shifted to US planting and expectations for a loss of 4-5 mil acres.

The bean report was also bearish, but not to the extent of corn. The USDA left the yield at 53 bu/a while most were expecting a slight reduction. They raised harvested area marginally. Dec 1 stocks were 30 milbus higher than trade ideas. 25/26 ending stocks were forecast at 350 milbus vs 290 in Dec with the USDA lowering exports to 1575 from 1635 previously. Beans worked higher after the report on slow producer selling, strength in the Brazilian real, better than expected US exports, strength in bean oil, and concerns about Argentine moisture. Coincidentally on the day of this writing, Trump tweeted about China buying 20 mmt US beans this crop year. The trade was pretty confident that the 12 mmt already done was it, so if this materializes, it would be a big deal. We had massive producer selling from both the US and SAm on the rally, but upside risks remain. The USDA likely overshot the low end of exports even without China returning. China returning (all other countries equal) could raise exports near 1880 (last year's level). Risks are more equally balanced at this point but there is a case for further upside if China returns in earnest. Trump is visiting China in April which may keep the trade on edge. We have also had a bit of guidance on biofuels policy which was generally supportive, but additional crucial details are awaited from the EPA. Crush should continue to be supported and meal offtake has been off the charts which supports beans in general.

Wheat continues to be quite bearish on paper. Dec 1 stocks came in bigger than expected as did winter wheat acres. World production and stocks go up every month, but futures aren't going down and charts look rather constructive. There are winterkill risks in the US as well as the EU/FSU. Black Sea values hang around $230 FOB and they usually set the tone. Argentine has massive supplies and is priced below corn – but it may be for a reason. Recent reports indicate it's not food grade quality, so it may be more of a factor in feed grains. US export sales have continued to be better than expected.

Regards,

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