



February 2026 Monthly Commentary

It was a strong month all around lead by beans and oil. Ongoing hopes for considerably increased soybean oil use in biofuels and improving bio margins continued to provide support in oil and it was up 769 points for the month. Beans were caught flat footed when Trump announced China would be buying another 8 mmt US beans this crop year (on top of agreed upon 12 mmt). This set off a short overing rally which has turned into a long-building rally. An additional 8 mmt of exports to China could tighten the old crop balance sheet significantly. Beans rallied 93 cents in Feb. Meal came along for the ride – up \$23/ton for the month. Meal has been kind of shadowed by the oil/RVO news, but disappearance continues to be off the charts. Corn was the laggard but worked higher throughout the month to finish up 12. The low the day after the bearish Jan report has held. Wheat firmed on short covering/technicals/and tightening spreads along with Russian FOBs holding/edging higher. Chgo was up 45 cents with KC up 25 and Mpls up 22.

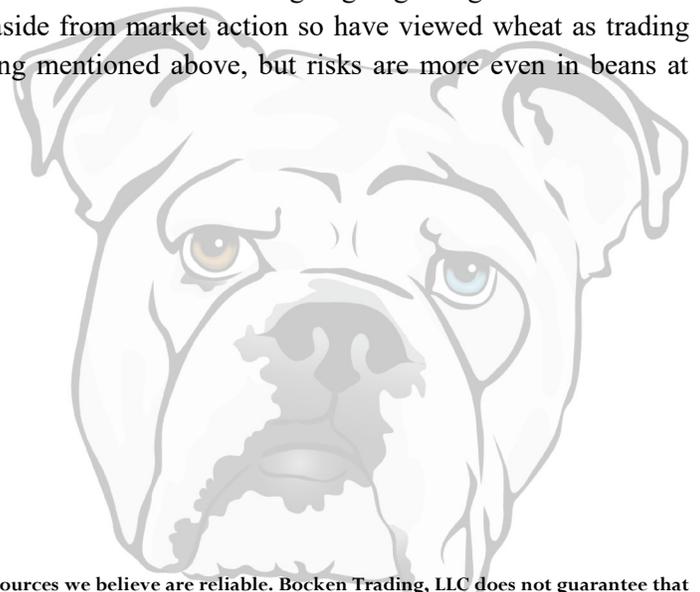
Markets have had big moves and structure has changed a lot in a short time with the bean complex long now and grain markets considerably less short. We have the added risk of the Iran conflict which is supporting energy markets and in turn soybean oil and soybeans. There is a risk that China backs out of the trade agreement due to Iran. However, as of now the meeting is still on at the end of Mch/early Apr with a pre-meeting mid-month in Paris. The possibility of the additional 8 mmt bean buying should keep the market from giving up. Also, Brazilian crop estimates are edging lower and southern areas are still in need of rain. Central and northern areas need to dry out for harvest (currently 11% below year ago) and crushers are said to be having difficulty sourcing quality beans. Argentina's crop seems to have stabilized with better moisture.

US acreage needs are now in play as beans may need to gain 5 or more mil acres this year (assuming US exports include 20 mmt to China. At the Outlook Conference, the USDA forecast 85.0 mil – up 3.8 mil from last year). They forecast corn acres at 94.0 mil, down 4.8 mil from last year. The new crop corn balance sheet can't afford any add'l losses (even with a trend yield), and new crop should be supported at current levels as a result.

Wheat remains the most bearish commodity on paper, but it hasn't paid to be short. Are funds going to go long in wheat also? It has been difficult to be short and there is no real reason to be long aside from market action so have viewed wheat as trading market. I remain cautiously friendly corn and beans given everything mentioned above, but risks are more even in beans at current levels with much depending on China.

Regards,

Megan Bocken
March 3, 2026



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