DELTA GRAIN MARKETING

OUTLOOK

February 2026

Independent Brokers. Smart Advice.

DELTA GRAIN OUTLOOK – *Monthly Analysis and Strategy*

Introduction

As we move past the summer holiday period and really start to plan for the crop year ahead (clearly this does not apply to summer croppers who have ploughed on regardless of the holidaymakers) many are being forced to confront a more difficult set of circumstances than for the previous few seasons.

It is not all doom and gloom, but a very hot and dry summer and a sombre long range weather forecast has us wondering about how the marketing year will develop. The international market has been weighed down by a large global production year, while the world's largest consumer(China) has been a more cautious buyer after a big crop of their own.

Prices have been under pressure, but in the past month we have started to see evidence of a gradual thawing of the market. Low prices are designed to stimulate demand, and we are starting to see that process in action. While offshore demand for wheat remains slower than normal, China have bought more that a million tonnes of barley pre month since November, and their appetite for Australian sorghum is solid at $350 Track or similar.

Internationally, it appears to us that the low price regime reflects the high level of carryover stocks but will continue to attract more buying from importing nations. As the market starts to focus on the new crop year over the coming months, we think it is likely that world grain values will start to lift, reflecting increasing production costs and possibly a smaller planting if those costs result in even small shifts to grazing land.

However, we do need to be careful not to call the bottom in prices too early, knowing that changes in long term trends can be volatile at the extremes and frequently give false y signals in the final throws of the change.

Wheat Outlook

INTERNATIONAL

Wheat Market Outlook – 2025/26

- This month's 2025/26 global wheat outlook is for slightly lower supplies, fractionally greater consumption, higher trade, and lower ending stocks.
- Supplies are projected to decline 0.6 million tons to 1,101.6 million on the combination of reduced beginning stocks and lower production.
- Argentina's wheat production is raised to a record 27.8 million tons, but this increase is more than offset by lower production for Turkey and Mongolia.
- Global 2025/26 consumption is raised 0.2 million tons to 824.1 million, on higher food, seed, and industrial use for several countries more than offsetting lower feed and residual use mostly for Canada and Turkey.
- World trade is 2.2 million tons higher at 222 million on greater exports for Argentina and Canada more than offsetting reduced EU exports.
- Argentina's exports are raised 2.0 million tons to a record 18.0 million on robust December and January shipments and highly competitive export prices.
- Projected 2025/26 global ending stocks are reduced 0.7 million tons to 277.5 million but remain at a 5-year high with significant year-to-year increases for all major exporters. *Source: USDA WASDE Report*

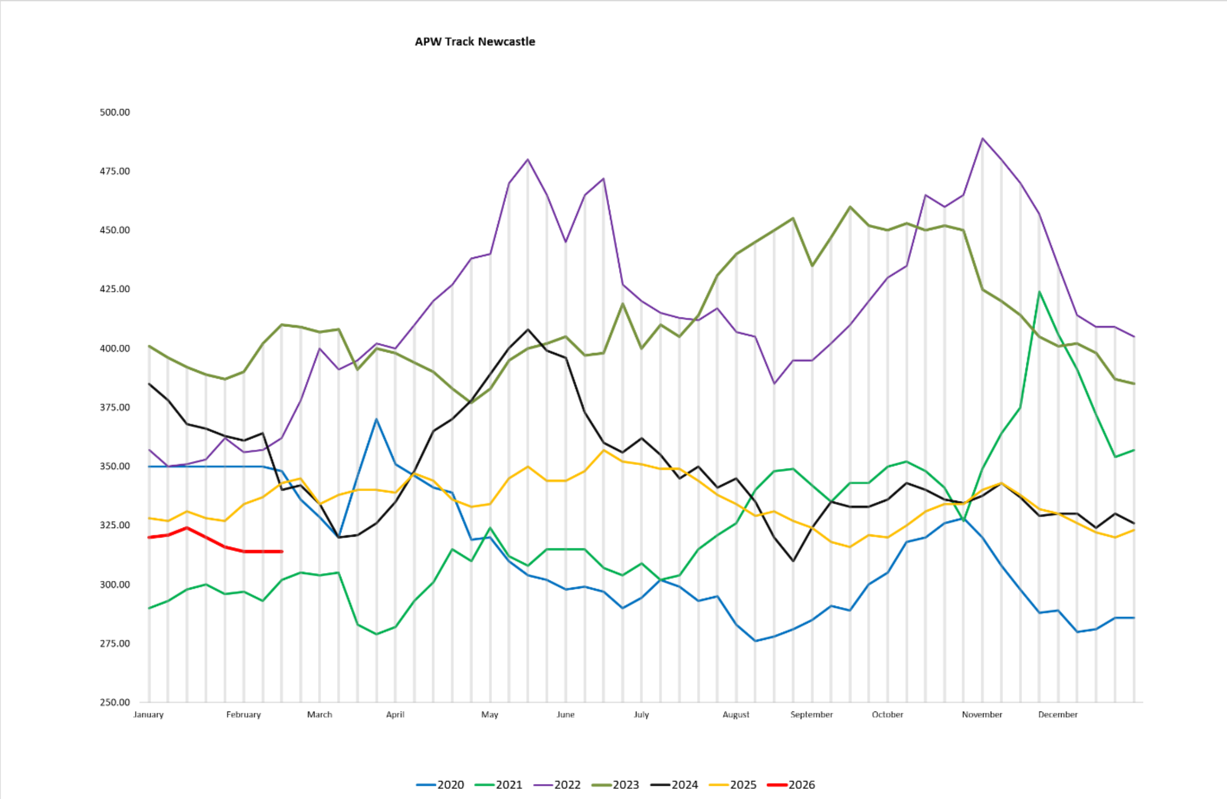
CHICAGO WHEAT FUTURES - WEEKLY CHART – looks like a bottom is forming

DOMESTIC

You could be forgiven for thinking that the domestic feed market has gone to sleep given the incredibly stable price action, with just a $10/t range in APW Track Newcastle since mid December. During the same period, domestic basis has softened about $20/tonne, meaning that the domestic market has not passed on the gains seen in the world wheat price. It would probably be more correct to explain the erosion in basis as saying that our domestic basis was so strong at harvest that we became uncompetitive for export and basis needed to retreat from that competiveness to return.

Our intelligence gained by speaking with the major exporters has revealed that demand has shifted away from South East Asia, where Canada, South America and even the US have been active sellers, and toward South and East Africa. We have noted many times over the past few years that the world's grain market is a finite and balanced system between exporters and importers, where origin and destination are interchangeable, with just the cost of freight being the chief variable. Eg We temporarily lose Vietnam to Canada, while picking up Africa who may have been a customer for Africa last season.

Central and Northern NSW and Queensland undoubtedly have a large exportable surplus, though Southern NSW including the Riverina and Victoria will likely be feeding rather than selling their wheat and barley. The question is whether those growers sitting on a few million tonnes of old crop stock will be willing to part with the majority of it prior to the end of the financial year, especially if the season continues to disappoint. Certainly the forecast rainfall of the most recent tropical low over the weekend did not yield anything like the rainfall that was forecast or expected. Sandbag sales went crazy last week, but Gold Coast council will have a better understanding of what we know about rainfall falling short of expectation.


APW Track Newcastle
500.00
475.00
450.00
425.00
400.00
375.00
350.00
325.00
300.00
275.00
250.00
January
February
March
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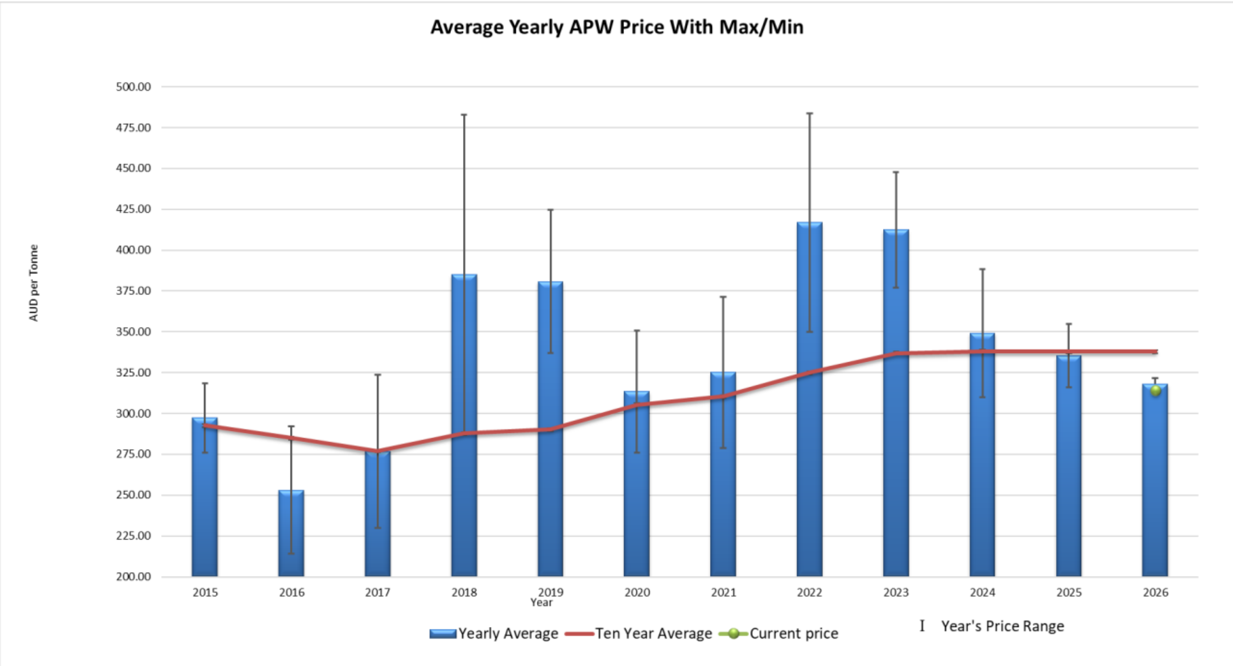
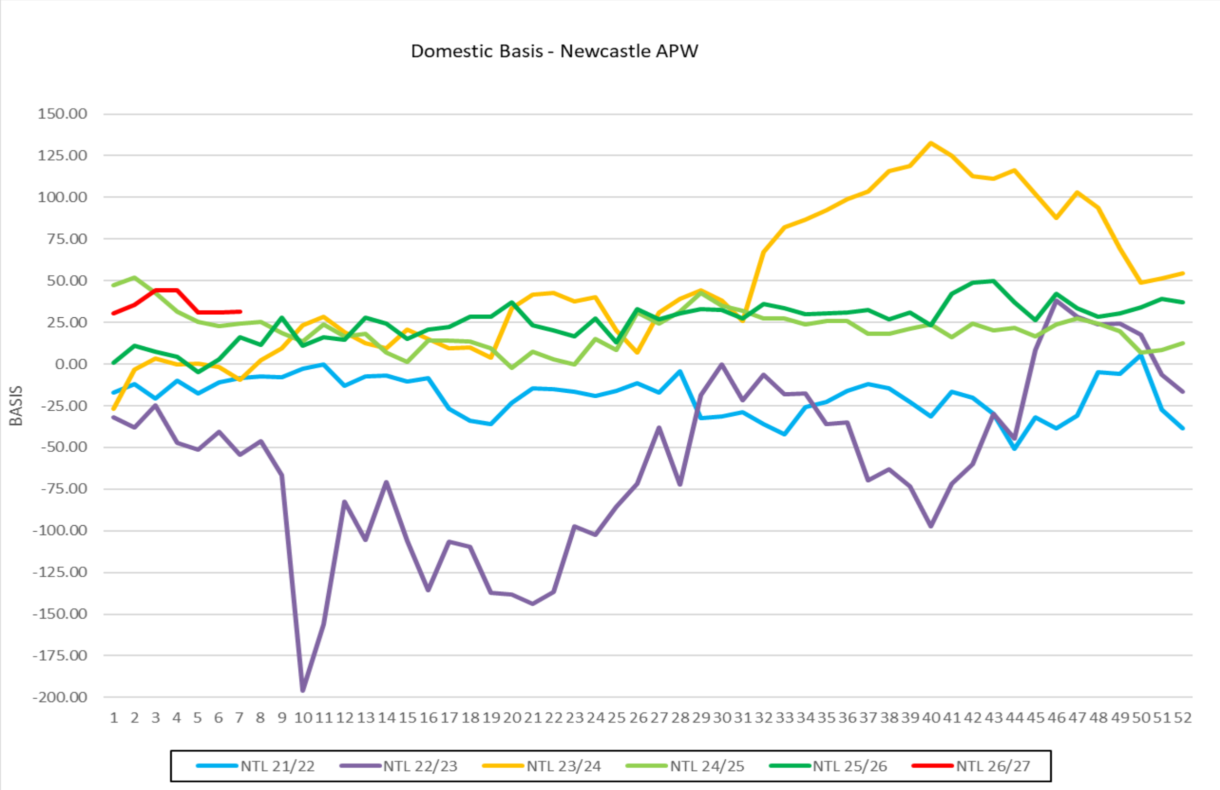
2022
2023
2024
2025
2026


Average Yearly APW Price With Max/Min
AUD per Tonne
500.00
475.00
450.00
425.00
400.00
375.00
350.00
325.00
300.00
275.00
250.00
225.00
200.00
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Year
Yearly Average
Ten Year Average
Current price
Year's Price Range

DOMESTIC BASIS – is stronger than normal despite a large carryover stock as domestic feed demand masks very weak international values.



Wheat Strategy

CENTRAL QLD

Demand has just started to pick up as feedlots look to cover summer requirements. Ex-farm bids are still over $300.00/mt but with the tightness in supply and a strengthening southern delivered market. Prices above $320 farm and $300 depot remain the short-term targets.

SQLD/NSW

There are already some ex-farm selling opportunities well above harvest values due to local feed demand, and while export business is slow, the need to keep trains and vessels moving should keep export demand firmer than international prices would indicate.

Growers tend to stop selling once the grain stops flowing from the paddock, but if there is no clear price direction over the next month, frustration will start to creep in. Cashflow selling is already starting to increase the level of selling interest and is likely to keep a lid on gains in the short term.

Pick some achievable targets in tranches for cashflow. but hold some volume for mid-year sales.

Canola Outlook

Global oilseeds

- U.S. 2025/26 soybean supply and use projections are unchanged this month.
- The season-average soybean price is projected unchanged at $10.20 per bushel.
- Global 2025/26 soybean supply and use forecasts include increased production, crush, Ending stocks.
- Production for Brazil is raised 2.0 million tons to 180.0 million on higher area and yield, reflecting beneficial weather throughout the season and state-level reporting.
- Soybean crush is raised for Brazil and Paraguay driven by higher global soybean meal demand, particularly for the EU based on import pace to date.
- Like the United States, growth in EU oilseed meal demand grew substantially in 2024/25 due to competitive prices.
- In 2025/26, the growth is expected to moderate with a higher share of rapeseed meal given the recovery of the crop this marketing year.
- China is reported to be considering buying more U.S. soybeans.
- Global soybean import demand is nearly unchanged from last month, so therefore if China bought more from the United States, global soybean exports will likely be shifted with more U.S. shipments to China and less to other markets.
- Global soybean ending stocks are increased 1.1 million tons to 125.5 million on higher stocks for Brazil.
- Another notable revision is higher 2025/26 palm oil production for Malaysia, up 0.5 million tons to 20.2 million.
- *Source: USDA WASDE Report*

U.S. soybean futures have staged a strong rally since our last report, driven largely by improving trade relations. Positive negotiations between the United States and China, as well as the United States and India, have underpinned sentiment. China has agreed to lift soybean purchases from an initial 12MMT to 20MMT, while India has reduced import tariffs on U.S. food and agricultural products, including soybean oil.

As a result, U.S. soybean futures have rallied around US$1/bu over the past month — an impressive move given a large South American crop is nearing harvest and set to enter the global pipeline. A weaker U.S. dollar has added further support, improving export competitiveness. In addition, financial assistance offered by the Trump administration in response to earlier retaliatory tariffs has helped stabilise farm incomes and sentiment.

The strength in soybeans has flowed through the broader vegetable oil complex. Canadian canola futures have gained approximately C$54/t and EU rapeseed futures around €40/t over the same period, largely tracking soybean momentum. In Canada’s case, additional support has come from renewed engagement with China following earlier tariff disputes. Canadian Prime Minister Mark Carney met with Xi Jinping, with discussions including tariff reductions on Chinese electric vehicles in exchange for a potential resumption of Chinese canola buying.

Seasonal trends may lend further support to canola prices; however, a sustained break above nearby resistance levels will likely require a fresh external catalyst. Conversely, broader geopolitical developments, trade policy shifts and changes to U.S. biofuel policy remain key downside risks that could quickly alter market direction.

MATIF MAY 25 WEEKLY DATA

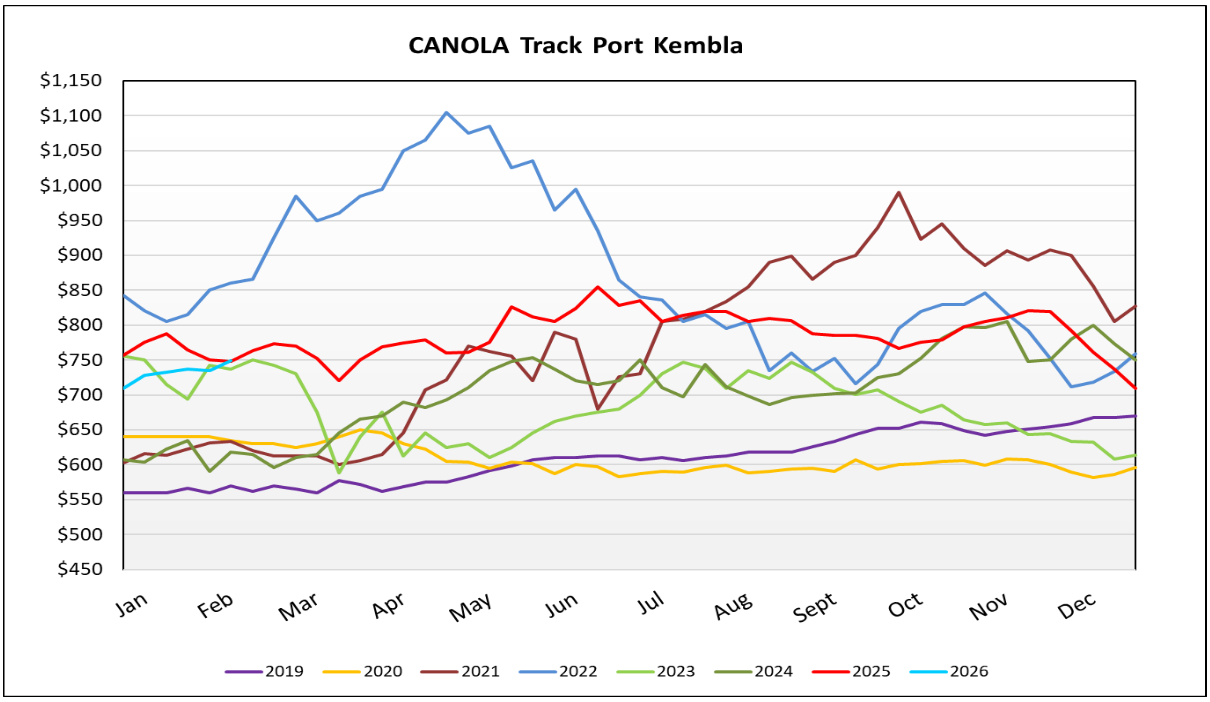
DOMESTIC

Back on home soil, Australian canola values have strengthened since our last report, peaking last week at $755 Port Kembla and $765 Melbourne track. The rally triggered solid grower selling, leaving relatively limited tonnage remaining in warehouse. The key question now is how much stock is truly left in the system — and what kind of winter crop we are likely to establish.

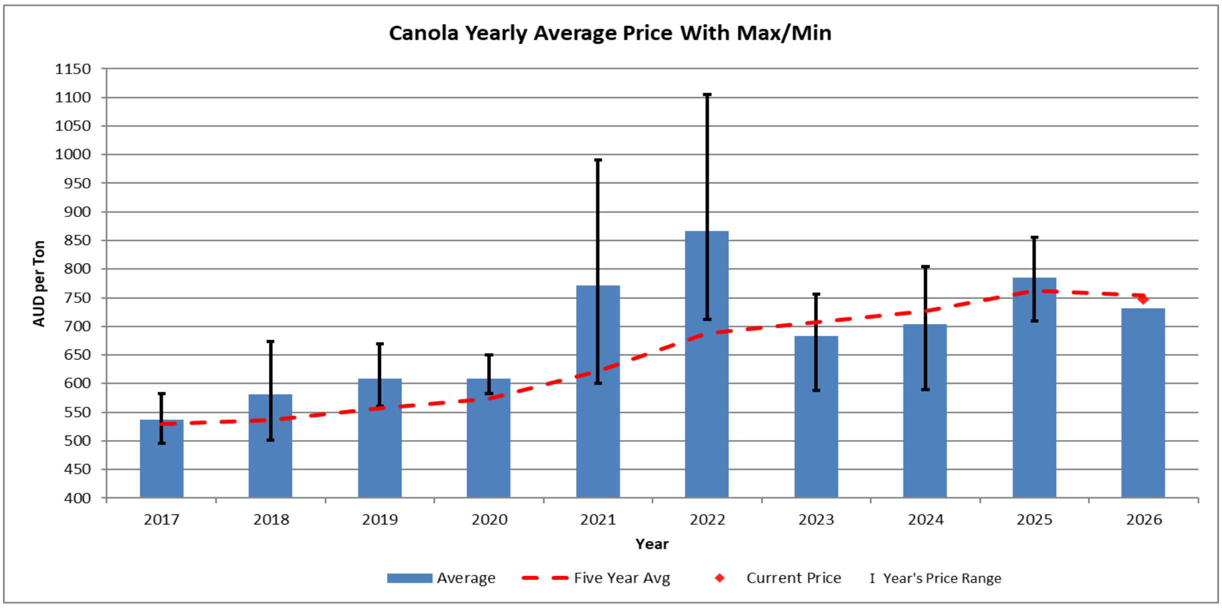
Seasonal conditions remain predominantly dry. While parts of eastern NSW have received some welcome rainfall recently, substantial follow-up rain will be required by late March, particularly west of Temora and Wagga, where meaningful totals have been scarce since September/October. Without a decent break across those areas, and into Victoria, canola plantings could be reduced, which would provide underlying support to prices.

Domestically, crushers continue to anchor the market as they secure coverage for the balance of the year. They have shown strength at preferred sites and are also bidding up for direct delivered tonnes where needed or available.

On the export front, nearby vessel programs appear largely complete for now. For growers still holding old crop, the focus may shift to clearing remaining stocks over the coming month, before reassessing new crop opportunities once planting intentions are confirmed.



Note: The current price of $747 Track Port Kembla has lifted off the low of $704 and sitting just on the 5 year average.



Canola Strategy

2025/26 CROP:

Following last month's suggestion of $750 track as a sales target which was achieved, we would now suggest holding and remaining stock for another push to this mark. Currently values are sitting at $740 PK and NCL. Sites closer to Wagga however are stronger again at $752 track PK equivalent, with slightly stronger bids in Melbourne zone at $758 track.

Given the dryer conditions in the western half of the cropping belt and south towards Victoria, holding may be an option, however those in eastern and northern sites should probably sell and look toward the new crop.

Barley Outlook

INTERNATIONAL

- This month's 2025/26 U.S. corn outlook is for greater exports and lower ending stocks.
- Exports are raised 100 million bushels to 3.3 billion reflecting sales and shipments to date. Export sales and inspection data imply total shipments during the September-January period will most likely exceed 1.3 billion bushels.
- With no supply changes and use rising, corn ending stocks are down 100 million bushels to 2.1 billion.
- The season-average corn price received by producers is unchanged at $4.10 per bushel.
- Global coarse grain production for 2025/26 is virtually unchanged at 1.590 billion tons.
- The 2025/26 foreign coarse grain supply and use outlook is essentially unchanged relative to last month.
- Foreign corn production is down fractionally as a decline for Mexico is mostly offset by an increase for the EU.
- Barley production is raised for Argentina but lowered for Turkey.
- Corn exports for 2025/26 are raised for the United States but lowered for Ukraine.
- Corn imports are higher for Iran, Mexico, Turkey, Lebanon, and Vietnam but lowered for the EU.
- Barley exports are raised for Argentina and Russia.
- Foreign corn ending stocks are higher reflecting increases for Ukraine and Iran partly offset by a decline for Mexico.
- Global corn stocks, at 289.0 million tons, are down 1.9 million.
  Source: USDA WASDE

INTERNATIONAL

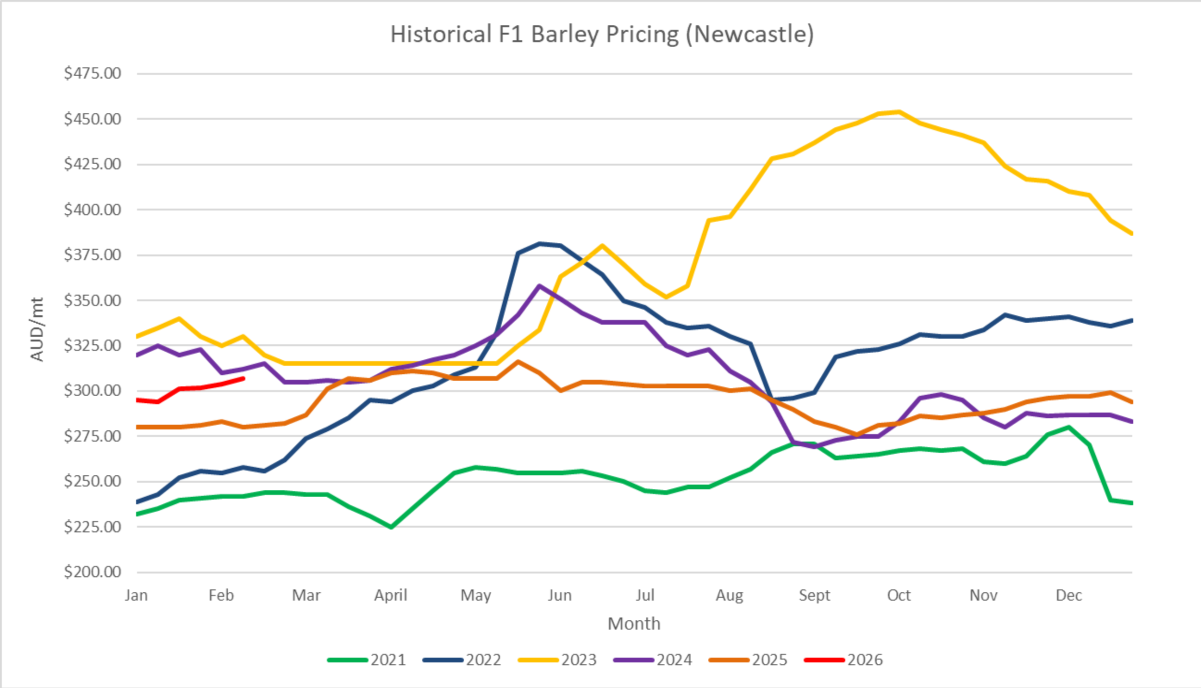
EU barley exports are currently on track to record the highest volume in over 10 years with increased sales to Saudi Arabia and China. Reduced competition from Black Sea exports due to significantly lower Ukrainian production is also helping to drive demand. Barley stocks remain tight and many growers are seeing feed barley prices well over both milling wheat and malt barley.

Canadian barley also seeing strong demand for exports as the European supplies tighten. Japan the main buyer of Canadian feed barley at present. US corn supply is seen as a major feed barley competitor for them domestically, but US prices are still not low enough to see feedlots switch.

Australian barley exports continue to outperform with a record 912,000mt exported in November predominately from WA, with similar volumes recorded for December and January China. Saudi Arabia and Kuwait the main destinations. Record imports predicted for China should promote further competition with domestic consumers for the foreseeable future. The return of the Middle East as a significant barley buyer is also a positive. With EU stocks tightening, we should see continues Middle East demand well into March and April.

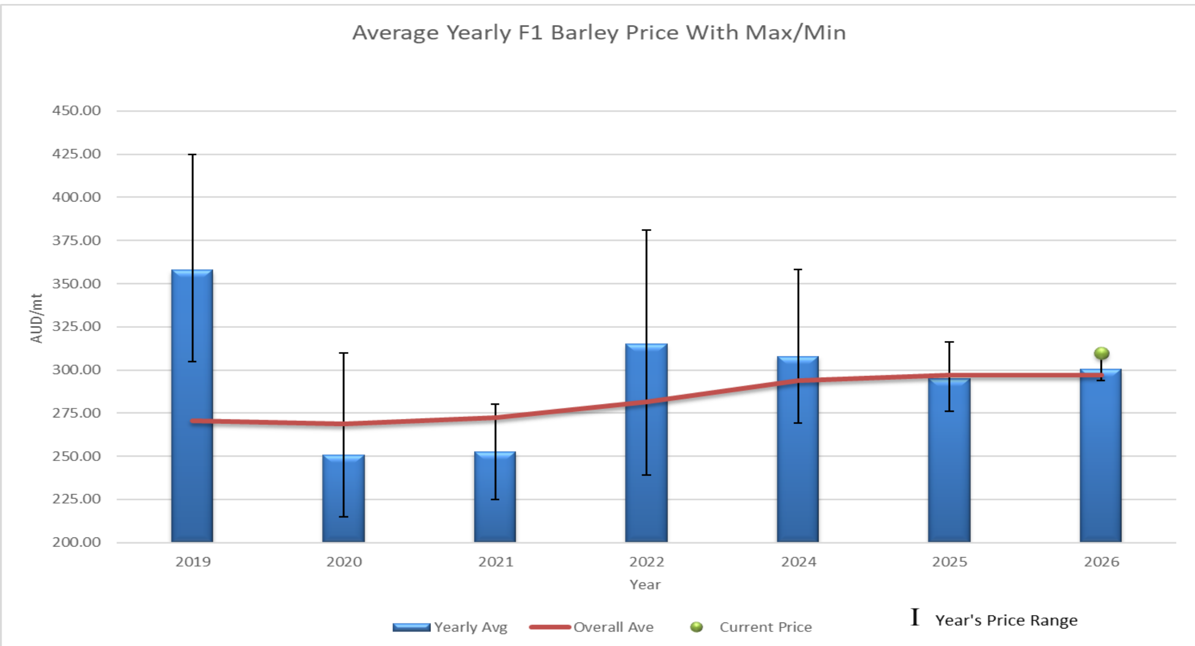
DOMESTIC

The current barley market is characterized by strong demand from both exporters and domestic feed homes. On the surface, supply should be ample, given the forecast record crop at 15.7 MMT, but the way the market is behaving, it seems that demand is currently not being met and therefore prices are likely to continue to move higher.



As we can see, values have started the year on a positive note with Track Newcastle bids around the $310.00/mt mark. To put this in context APW1 at the time of writing is around d $313.00/mt showing only a $3.00/mt premium. The spread to SFW1 into the biggest feed market on the East Coast the Darling Downs is also non-existent with barley now showing a premium in this market for March/April into certain homes.

Liverpool Plains feedlot demand also very strong for this time of the year. Ex-farm values well over $300 are being achieved with $312.00/mt the last sale made for Feb/March. Southern delivered homes are starting to lose some ground to the northern markets with bids still around the $300-$305.00/mt into Riverina feedlots. The demand push for now, certainly seems to be in the North of the State.



Values have made new highs in the northern zones and are pushing back up towards the highs we saw last year, all be it a lot quicker. This is comforting in a wheat market that is generally depressed and reflects the robust nature if the international and domestic feed complex this year.

Barley Strategy

Northern NSW growers are eying off $300 plus ex farm with trades already achieving this over the past two weeks. We think that growers should start to offer parcels into this market for the Autumn period. There is a lot of wheat unsold in the north, and this will start to compete heavily with barley if the spread continues to widen. Storage also a factor with barley generally a harder commodity to store.

Southern markets have flattened out over the last month and don't appear to be as short as the north. Weather continues to be the main driver of price, and the next few months will be important in determining price direction. Less of a sell signal in the south so maybe hold out until the season gives a clearer picture.

Sorghum Outlook

INTERNATIONAL

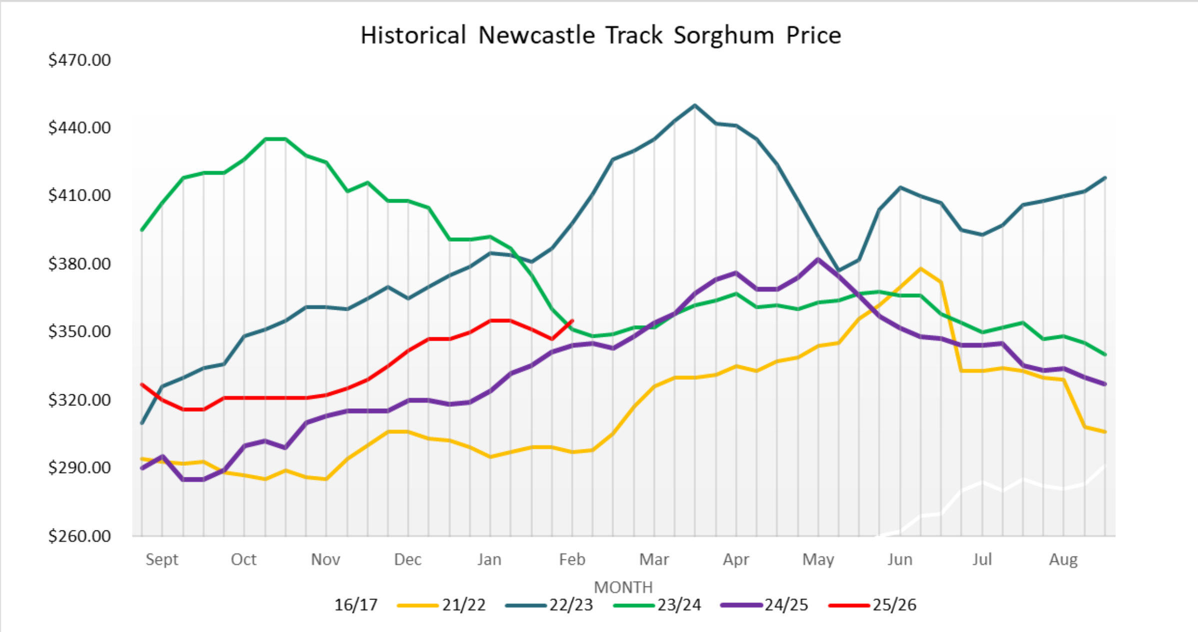
US exports have resumed to China but are still nowhere near the levels required to meet the latest USDA forecast of 6MMT. Almost 6 months into their marketing year the US have only shifted 1.5MMT. Too counteract the lack of exports they continue to increase domestic sorghum usage each month, but it still appears that they may be under reporting the number of carry-in stocks and this will. continue to put more pressure on prices as they try to "buy" exports.

US SORGHUM	2023/24	2024/25	2025/26	2025/26 pro	
		Est	Jan	Feb	
	Million Bushels				Mt
Area Planted (mil. acres)	7.2	6.3	6.6	6.6	
Area Harvested (mil.acres)	6.1	5.6	6	6	
Yield (bushels/acre)	52	61.3	72.6	72.6	
Beginning Stocks	24	33	40	40	1,082,837
Production	318	344	437	437	11,829,995
Imports	0	0	0	0	0
Supply Total	**342**	**377**	**477**	**477**	**12,912,832**
Feed & Residual	51	140	105	105	2,842,447
Food, Seed & Industrial	24	98	105	110	2,977,802
Domestic Demand Total	75	239	210	215	5,820,249
Exports	234	98	225	225	6,090,958
Use, Total	**309**	**336**	**435**	**440**	**11,911,207**
Ending Stocks	33	40	42	37	**1,001,624**
Avg.Farm Price ($/bu)	$4.93	$4.07	$3.70	$3.60	

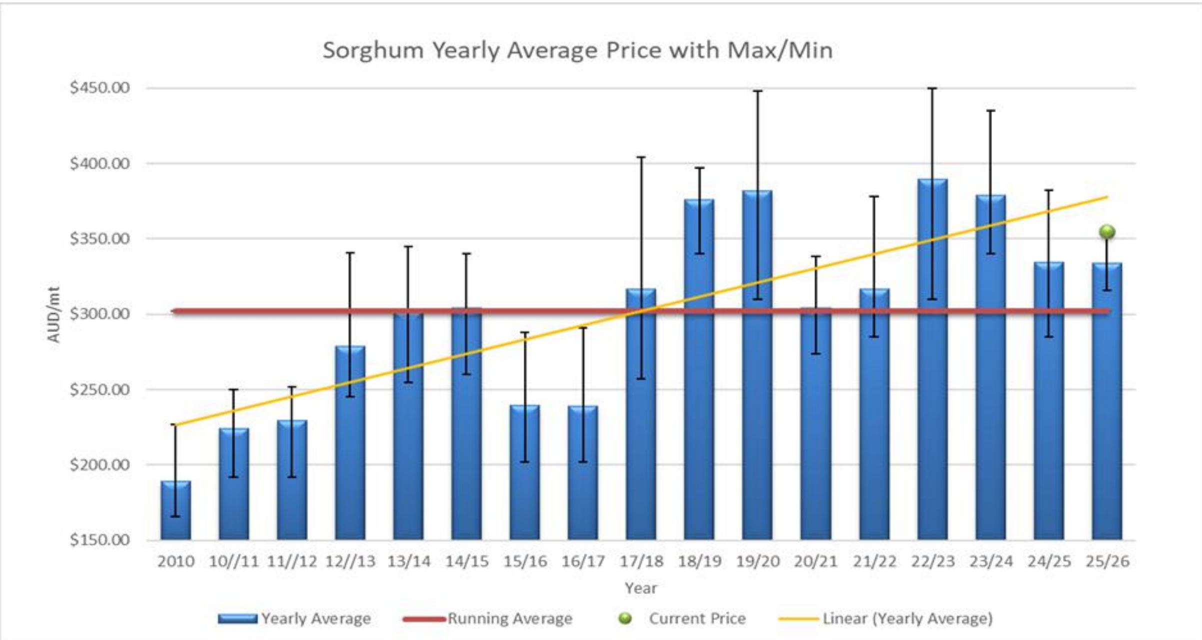
The wash up of low US exports is that we are still seeing strong demand from China for our sorghum with plenty of buyers especially into bulk vessels. South American sorghum also does not appear to be making too much headway into China although both Argentina and Brazil have more market access to the Middle Kingdom and this may bring more competition as the year progresses.

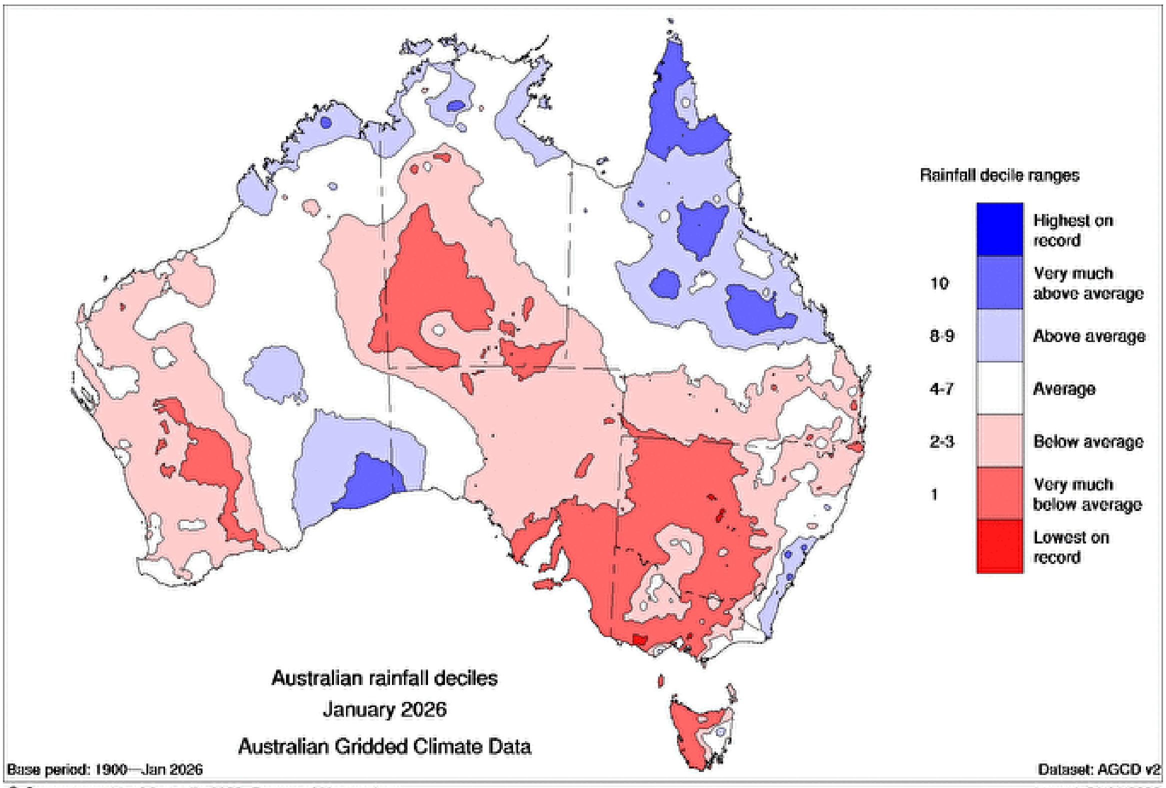
DOMESTIC

With demand at high levels due to the number of boats booked for the next 3 months, prices have continued an upward trajectory since the crop was planted back in Spring. The only pause in the trend has been the effect of the appreciating Aussie dollar since late January. This saw a dip in values but since then we have regained all of the move down and are heading back up to new highs.



Weather has also played a big part in keeping sorghum prices elevated over the past month. As we can see below, rainfall has been well below average over much of northern NSW during January. This combined with extremely high temperatures has put the potential yield of the later sorghum crop under pressure, particularly those crops that were flowering during the heat. These crops will be harvested over the coming months, and the consensus is that yields will be lower than expected. How far lower is yet to be determined, but the crop may end up below the 2MMT ABARES forecast in December.





© Commonwealth of Australia 2026, Bureau of Meteorology

Issued: 31/01/2026

Fortunately, rain did fall in Central Queensland and sorghum planting finished on time and with plenty of moisture to get establishment going. Although, it should be mentioned that the size of the plant may be lower than expected with some Growers opting to plant more Mung beans or carry moisture through to Late Autumn for wheat and chickpeas. Again, this is negative supply and positive price.

Values are now at new highs in Newcastle as the early harvest in Northern NSW starts to finish up. Early shipments appear to have some reasonable coverage at this point, but there is plenty of demand for the March/April/May slots and this is maintaining the premiums further out.

Sorghum Strategy

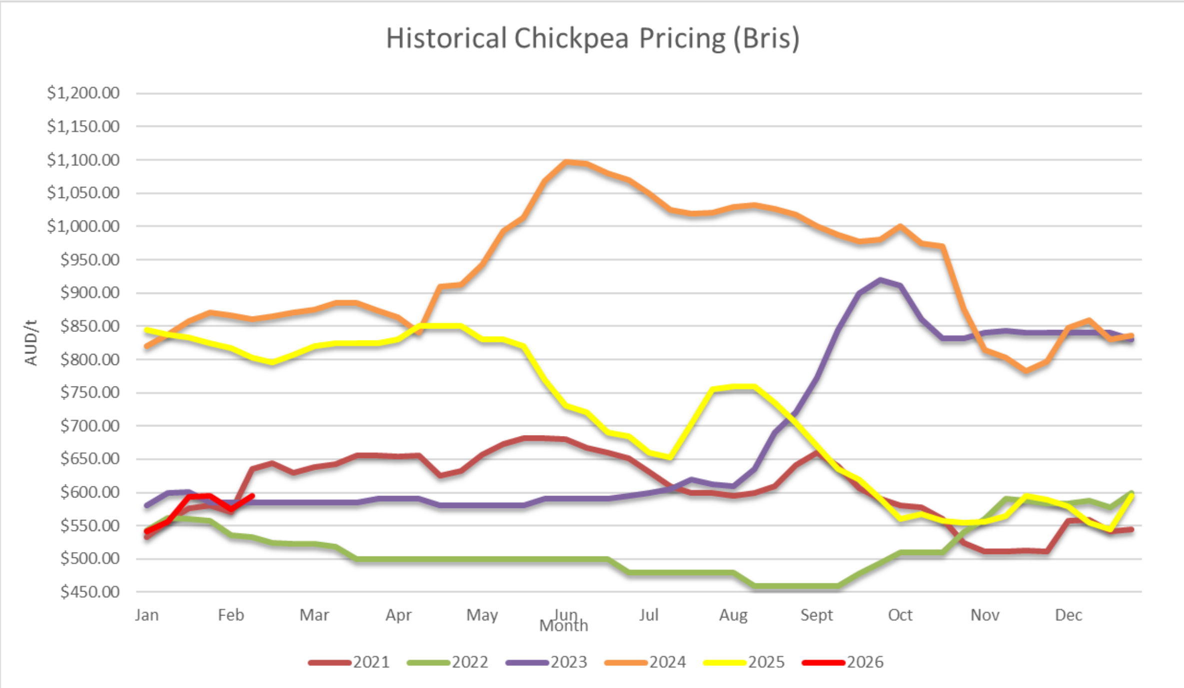
CENTRAL QUEENSLAND: The crop is in and up with a full profile and more rain forecast over the next week. Prices are good historically at around the $300 depot or farm level. Because CQ is the last harvested sorghum it may be worthwhile taking advantage of the current demand and look to get some forward sales on. 10% sales at a conservative yield forecast.

NNSW Sell as you go once harvesting in the north. Strong bids into Narrabri have driven the market. Deferred payment options giving $5-$7.00/mt premiums above the published bids. Liverpool Plains harvest are still 3-4 weeks away. Grower sales have dried up as the crops are wanting rain. Once production is certain more sales are warranted as demand seems to peak in March/April.

Chickpea Outlook

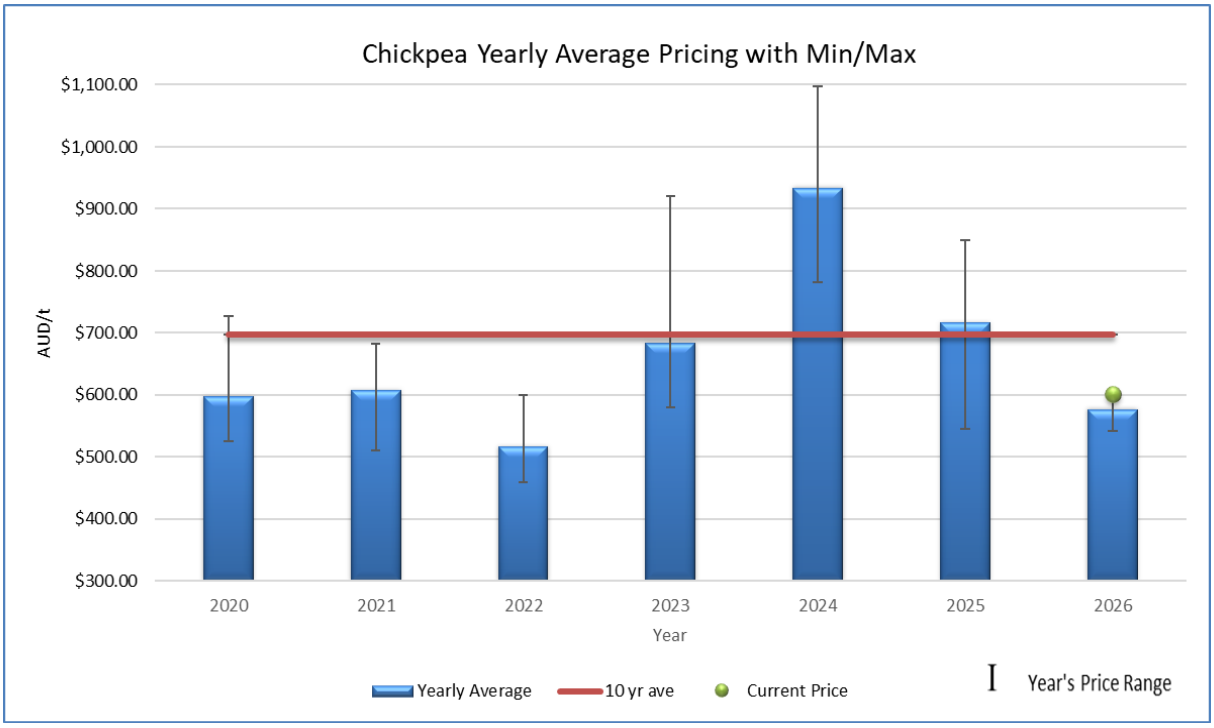
The forecast for hot and dry weather over much of the chickpea producing provinces in India combined with a "sticky" domestic market with limited offers from the Grower has managed to keep chickpea prices in decent territory over the past month.

The Indian story is only just developing and is a 180-degree turn around from most of the commentary coming out of the sub-continent over the last 6 months, which has been positive rainfall and crop size. The news coincided with a bump in prices last week and explains the extension of delivery months out beyond March 2026.



Unfortunately, the Aussie dollars' run against the greenback has tempered pricing somewhat and with the dollar over 71 cents at the time of writing any further upside potential is limited. The market seems to be in equilibrium at present around the $630 delivered Port.

The current chickpea market is characterised as being in a reasonably equilibrious state with pricing that is oscillating $5-$10.00/mt around the mean port price of $625.00/mt. Currency fluctuations are capping the upside potential at present while the reluctance of the grower to sell the remaining tonnages is keeping the downside risk under check. Delivery timeframes are being extended out further than initial forecast which is encouraging and reflect the uncertainty around the level of Indian demand heading into their harvest period. Current tariff of 10% is still in play and there appears to be no move to increase it at this stage.



As we can see prices remains well below the 10-year average but are hovering at the top of the range for the year so far. The expectation at this stage is that values will continue at these levels until we get a new story on either supply (lower than expected carryout) or demand (more Indian purchases) or currency change (sell off or continued appreciation).

Chickpea Strategy

The market is very much a "sell if you need the cash" type market. Prices have been relatively flat over the past few weeks, following the surge in values in mid-January as traders sought to fill their bulk vessels in Brisbane Zone.

We are inclined to wait for the next surge in demand, which usually occurs as buyers look to fill an order, most likely for containers now that bulk vessels have ceased in favour of sorghum.

India remains the X factor in this market and if they need to own more peas, if their crop is not going so well then we may break out to the upside at some point in the future. It is common for chickpea demand to be sporadic, it is the nature of the market.

Cotton Outlook

INTERNATIONAL:

- Changes to the 2025/26 U.S. cotton balance sheet are minimal this month with the export projection reduced 200,000 bales on lagging sales and ending stocks raised by the same amount for an ending stocks-to-use ratio of 32 percent.
- Production, beginning stocks, and mill use are unchanged.
- The projected 2025/26 season average upland farm price is lowered 1 cent to 60 cents per pound.
- In the 2025/26 world cotton balance sheet, production and ending stocks are raised while consumption and trade are reduced.

- The estimate of 2025/26 global production is raised 425,000 bales following increases for China and South Africa that are partially offset by reductions for Argentina and Mexico.
- Global consumption is lowered 200,000 bales with a 100,000-bale reduction for Pakistan and small reductions elsewhere.
- The estimate for world exports is reduced 60,000 bales as the changes in U.S. and Australian exports exactly offset, and small changes are made for several countries.
- Back-year revisions for Mali, Afghanistan, and Mexico result in a negligible decline in 2025/26 beginning stocks.
- With these changes, global-ending stocks for 2025/26 increase by almost 630,000 bales to 75.1 million, for an ending stocks-to-use ratio of 63 percent.
- *Source: USDA WASDE Report*

US COTTON FUTURES -weekly chart - 2 years of data

OPINION: Unfortunately, the USDA see a continuation of increased global stocks with a small decrease in the expectation of price in the US market from 61 to 60 cents per pound. Currently that is 4 cents/pound over the May futures value, which indicates that the USDA still sees downside ahead. The recent selloff from mid January was marked by decreasing volume and a breach of the relative strength indicators lowest levels, leading us to look for a change in trend. We have already seen 4 days of gains last week, but we will need to see the May contract breach 66 cents per bushel to give any sign of a break for this multi month downtrend.

The new crop is getting closer to completion, with broadly poor yields expected form dryland crops but at this early stage the market is hoping and expecting high quality irrigated crops given the dry and hot growing conditions through summer for most of the cropping zone. There will be a reduction in irrigated cotton area as some will be unable to provide the final watering given so little in crop rainfall has been received. Prices are the lowest we have seen for the season at a base of $510/bale, with price varying based on valley and gin. The position will surely improve with a good quality pick, but we really want to see a reversal of the downtrend to give some realistic hope of higher values by picking.

SUMMARY

A few small modifications to our January Outlook but for the most part, unchanged.

2026 looks set to be a more challenging marketing year when compared with the past few at least. Global grain markets have seen a sustained selloff over the past 2 years, but fortunately our local values have held relatively well with a rise in domestic basis. Local prices for most commodities are either flat or lower than they were at the start of 2025, with sorghum the only real exception.

Wheat has been very resilient against a falling US price, with basis holding very firm despite a very large 38Mmt crop on a national basis. Buyers report very tough trading conditions, where margins are close to zero but their logistics channels and forward commitments require them to keep grain moving. A level of base demand is good for growers in the short term, but it is not sustainable over a long period to have margins as tight as they are. The same goes for grower margins, which continue to be under pressure from the cost side, where yield is the only antidote. Not helpful in a dry year!

As we predicted through the harvest period, barley is very hard to buy in New South Wales, despite there being a record crop on a national level. Strong export demand in West Australia will help to draw down the trade surplus, but in the eastern states, mixed farmers are storing as much barley as they can, and the rest of the market is looking at hot weather and inclined to wait for higher prices. In our view, that is what both groups should be doing.

Canola is a thorn in our side, and while we were keen sellers right through the year, and especially early in the harvest window, by the time the southern crop was harvested, it was difficult to take a hefty discount. The market has taken back more than half that fall at the time of writing, so we have been inclined to cut and run, though there are now very few tonnes in growers hands. This may be of benefit for those left holding some stock, but more gains in the short term do not appear obvious.

Chickpeas can also be problematic to sell, but this week the market has sparked up and once again we have a myriad of buyers looking to purchase. We are keen to see a push above $600/t ex farm and hope we are not being too optimistic.

Finally, we are all too aware of the weather pundits, but we would rather see those as a reason for local price strength, while remaining optimistic for a normal season break in the Autumn.

As always, if you have any requests for more information on other crops or comments on our analysis, please do not hesitate to let us know.

All the best,
The Delta Grain Team

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