2026 Fall MPC Averaging Program

Counter-Seasonal Rallies: Counter-seasonal grain price rallies can be an emotional wrecking ball for farmers. During counter-seasonal years, prices rise sharply, often making new highs during the months when we usually expect declines and seasonal lows. In percentage terms, the rally we've seen in corn prices from July 1st thru the recent high is the 4th greatest for the same time period across all years since 1990. Profitable sales made earlier in the summer feel like mistakes when prices go so much higher in late-summer. Selling bushels at new highs just ahead of harvest should feel good, but fear of missing out on even higher prices drives more bushels into storage instead. Over the span of a farmer's career, the discipline of selling grain proactively at profitable prices is important for generating consistent income. However, the emotional impact of an intense counter-seasonal rally can destroy years of confidence in forward marketing.

Minimum Price Contracts (MPC): I am not a fan of re-owning sales by buying futures or "lifting hedges" because it eliminates existing protection against falling prices. Cogdill Farm Supply does not offer these types of contracts. As an alternative, we do offer minimum price contracts (MPC), which allow you to participate in an ongoing rally, while maintaining a price floor, in exchange for fee. With an MPC, if prices rally, you can re-price the contract and add the gains to the original sale; if grain prices fall, the farmer will still be paid the original contract value minus the MPC service fee. FWIW, I consider MPC's to be a hedge against seller's remorse.

Is it a good idea to pay hard-earned capital to stay in the market, whether you use a MPC or any other means? Owning a hammer doesn't mean you're driving nails every day, but you should still have one in your toolbox for when the need arises. You could go your entire farming career, and get along just fine marketing grain without using MPC's, or re-owning sales by any other means. However, there are some situations where the cost vs benefit of staying in the market is favorable, but it basically just boils down to two scenarios:

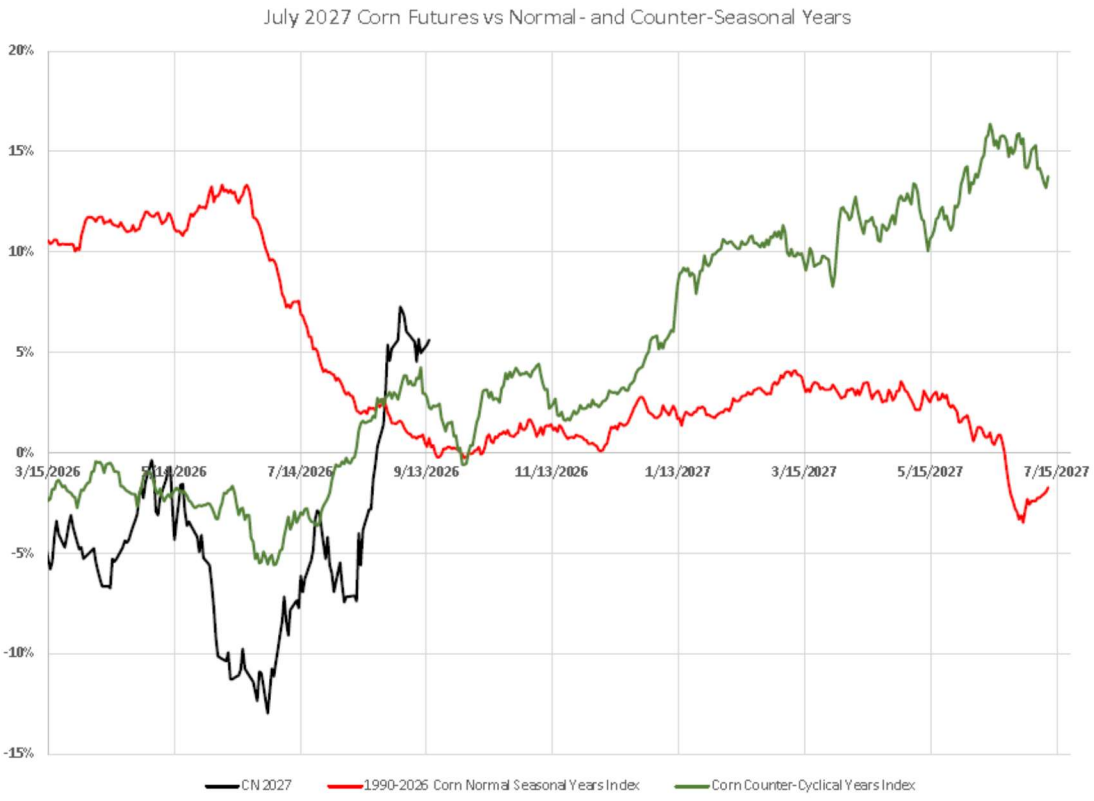
- You contracted a portion of your soon-to-be-harvested grain earlier this summer, but your production will be lower than expected, so you want to cover sales in case you are short on bushels to fulfill contracts, or:
- Market or supply/demand conditions have changed from expectations earlier in the season, so you believe investing in more time in the market will be profitable.

In other words, you either "need to" or "want to" stay in the market. The bottom line for me is that I would rather use a MPC instead of off-farm storage, or re-owning futures because of the price floor. If being comfortable with using MPCs to buy time in the market will give you the confidence to make forward sales pre-harvest, then they are worth your consideration. You don't have to cover all of your sales. Give yourself a budget, or just do half or less. Don't forget that

you're still probably long in the bin, long in the field, and long next year's crop, so you'll still be a winner either way if the market rallies.

2025 MPC Results: Last year, just before the 2025 harvest, I encouraged MPC's for marketing the remaining bushels of 2024 corn, and for new-crop corn and soybeans as an alternative to storage. Of the MPC's executed, most were for corn, based on March 2026 futures, and expired February 20th. The average service fee paid for the corn MPC's was just over 16 cents, and the average strike price was $4.37. While a few cashed out for a small net gain before expiration, most of the corn MPC's expired out of the money on February 20th, which was unfortunately less than two weeks from the beginning of the spring rally due to the Iran war. It would seem the corn MPC's "failed". But, they had cost less than storage would have cost, provided the protection of a price floor, and enabled several farmers to take money for their corn much sooner than they could have if they left it in storage. A much smaller number of soybean MPC's were executed. This isn't surprising given that the average cost of a soybean MPC was over 40 cents last year. Despite the higher fee, soybean MPC's had a much higher rate of return; the average net gain on soybean MPC's was 76 cents, with some earning more than $1.00/bushel after fees. Of course, past performance is no guarantee of future results.

2026 Fall MPC Averaging Program: We are offering a new program this year for customers who are interested in using a MPC to market leftover old-crop bushels, or are interested in converting an existing contract to a MPC before harvest, but want a simpler way to get started. Similar to our averaging contract for selling grain, the Fall MPC Averaging program allows you to "average into" the MPC at a known cost, during the time period that has historically been the seasonal best time to cover pre-harvest sales with upside protection. The two price charts below show the comparison of price tendencies for "normal seasonal" marketing years versus "counter-seasonal years" (i.e. similar to this year) for both corn and soybeans.


July 2027 Corn Futures vs Normal- and Counter-Seasonal Years
20%
15%
10%
5%
0%
-5%
-10%
-15%
3/15/2026
5/14/2026
7/14/2026
9/13/2026
11/13/2026
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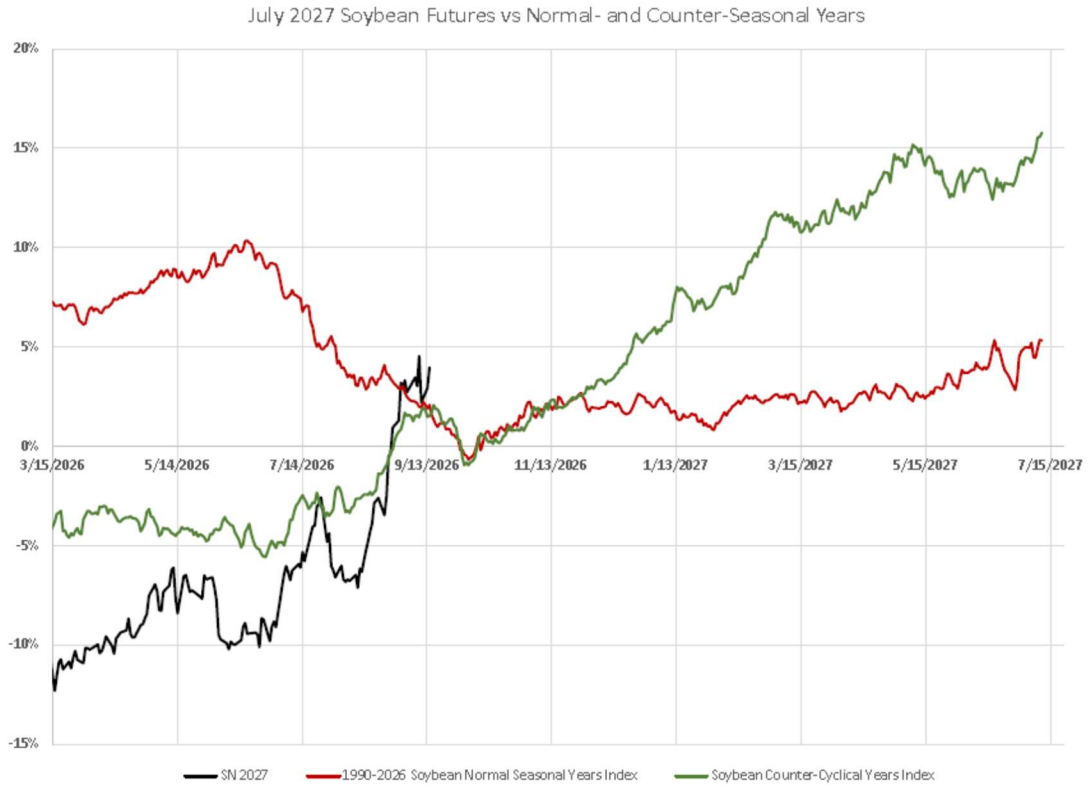
CN 2027
1990-2026 Corn Normal Seasonal Years Index
Corn Counter-Cyclical Years Index


July 2027 Soybean Futures vs Normal- and Counter-Seasonal Years
20%
15%
10%
5%
0%
-5%
-10%
-15%
3/15/2026
5/14/2026
7/14/2026
9/13/2026
11/13/2026
1/13/2027
3/15/2027
5/15/2027
7/15/2027
SN 2027
1990-2026 Soybean Normal Seasonal Years Index
Soybean Counter-Cyclical Years Index

As shown in the charts, during normal seasonal years, corn and soybean prices tend to peak around mid-June, decline steadily into the end of September, and then recover after harvest. In the case of counter-seasonal years, corn and soybean prices tend to decline into late-June, rally sharply thereafter, reaching a peak just ahead of the September WASDE report, then correcting downward again until the beginning of October. Compared to normal seasonal years, counter-seasonal years more often see larger price gains after harvest, reaching a price peak later the next spring. It's important to keep in mind that these charts are built using the average of several years. Therefore, while counter-seasonal marketing years have more often experienced post-harvest rallies in the past, not every counter-seasonal year matches the pattern. Given all the unusual geopolitical and weather occurrences colliding this year, it's really anybody's guess what will happen. I've included two tables (below) with the statistics on counter-seasonal vs normal seasonal marketing years, and the propensity for post-harvest rallies.

Corn Crop Year	JUL/AUG Price Change	SEP WASDE Stocks/Use %	Post-Harvest Corn Price Gain	Date of Post-Harvest Max
2010 Crop	36%	8.3	54.9%	10-Jun
2011 Crop	30%	5.3	8.6%	7-Nov
2012 Crop	29%	6.5	1.6%	11-Oct
2026 Crop	23%	9.7		
1997 Crop	19%	9.2	13.9%	22-Oct
2002 Crop	16%	7.5	1.3%	7-Oct
1991 Crop	16%	14.3	6.3%	9-Mar
2022 Crop	15%	8.5	3.3%	13-Oct
2001 Crop	13%	13.9	1.6%	8-Oct
1985 Crop	12%	8.5	57.1%	17-May
2007 Crop	10%	13.1	88.4%	18-Jun
1999 Crop	10%	19.2	9.3%	3-May
2003 Crop	10%	10.7	41.7%	8-Apr
2018 Crop	6%	11.7	17.5%	17-Jun
2020 Crop	5%	17.1	86.3%	7-May
2005 Crop	4%	19.4	13.2%	17-May
2023 Crop	3%	15.4	3.3%	18-Oct
2025 Crop	2%	13.1	7.4%	4-May
2024 Crop	1%	13.7	13.4%	18-Feb
1993 Crop	1%	16.6	22.3%	14-Jan
2006 Crop	0%	10.2	55.9%	22-Feb
2009 Crop	0%	12.6	19.6%	8-Jan
2013 Crop	0%	14.6	10.8%	29-Apr
2019 Crop	-1%	15.5	2.4%	16-Oct
2017 Crop	-2%	16.4	6.9%	23-May
2021 Crop	-3%	9.5	47.6%	29-Apr
2000 Crop	-4%	22.6	9.8%	29-Dec
1994 Crop	-5%	19.8	19.3%	19-Jun
1996 Crop	-6%	7.8	0.1%	1-Apr
2016 Crop	-6%	16.5	9.3%	15-Feb
2015 Crop	-7%	11.6	6.5%	17-Jun
2004 Crop	-9%	11.3	2.1%	20-Jun
2014 Crop	-11%	14.7	22.2%	26-Dec
1998 Crop	-11%	20.8	7.0%	13-Oct
1990 Crop	-13%	17.0	9.1%	13-Mar
1992 Crop	-14%	22.7	2.4%	13-Apr
2008 Crop	-18%	8.1	-7.0%	3-Oct

Soybean Crop Year	JUL/AUG Price Change	SEP WASDE Stocks/Use %	Post-Harvest Soybean Price Gain	Date of Post-Harvest Max
2010 Crop	25%	10.6%	32.6%	9-Feb
2012 Crop	23%	4.3%	4.4%	12-Jun
2003 Crop	22%	5.1%	61.3%	22-Mar
1991 Crop	19%	13.2%	1.6%	9-Jun
2020 Crop	16%	10.4%	62.2%	12-May
1999 Crop	15%	17.1%	11.5%	4-May
2026 Crop	15%	6.8%		
2002 Crop	13%	5.9%	17.5%	14-May
2007 Crop	13%	7.3%	55.6%	3-Mar
2013 Crop	12%	4.8%	22.3%	22-May
1997 Crop	11%	11.0%	15.2%	7-Nov
2011 Crop	11%	5.2%	23.1%	30-Apr
1985 Crop	11%	14.3%	23.8%	25-Apr
2001 Crop	10%	9.0%	8.1%	5-Jun
2000 Crop	8%	13.0%	1.4%	19-Dec
1996 Crop	8%	7.0%	14.9%	7-May
2022 Crop	7%	4.5%	9.1%	21-Feb
1993 Crop	6%	10.8%	13.3%	23-May
2023 Crop	4%	5.2%	6.4%	13-Nov
2018 Crop	4%	19.8%	5.8%	12-Dec
2025 Crop	3%	6.9%	15.8%	12-Mar
2009 Crop	3%	7.0%	17.4%	16-Dec
2005 Crop	3%	6.9%	8.4%	4-Jan
2017 Crop	2%	11.0%	8.9%	5-Mar
2019 Crop	0%	15.9%	3.1%	1-Jan
2021 Crop	-2%	4.2%	37.4%	9-Jun
1990 Crop	-3%	10.6%	3.5%	9-Oct
2015 Crop	-3%	12.1%	31.5%	10-Jun
2006 Crop	-4%	17.4%	44.3%	18-Jun
2024 Crop	-4%	12.5%	-0.8%	3-Oct
1994 Crop	-4%	17.6%	5.7%	20-Jun
2004 Crop	-5%	6.9%	32.2%	20-Jun
2014 Crop	-5%	13.3%	13.1%	11-Nov
1998 Crop	-8%	18.4%	10.0%	30-Nov
1992 Crop	-9%	15.3%	10.6%	23-Jun
2016 Crop	-11%	9.0%	11.2%	18-Jan
2008 Crop	-15%	4.6%	13.6%	11-Jun

Program Details: If you want to enroll bushels in the Fall MPC Averaging program, the grain must be contracted and priced no later than September 25th. The 2026 Fall MPC Averaging program will run five days from September 28th until October 2nd. The only choices you need to make to get started are: 1) how many bushels to enroll (when in doubt, do less), and 2) how much time to buy (i.e. which base futures option). The following table shows the service fees for the different options you can choose.

Corn		Cost per Bushel	
Base Futures	Expiration Date	Cents/Bushel	% (approx)
DEC 2026	11/20/2026	20	3.7%
MARCH 2027	2/19/2027	29	5.3%
MAY 2027	4/23/2027	35	6.3%
JULY 2027	6/25/2027	41	7.3%

Soybeans		Cost per Bushel	
Base Futures	Expiration Date	Cents/Bushel	% (approx)
JAN 2027	12/24/2026	45	3.4%
MARCH 2027	2/19/2027	56	4.2%
MAY 2027	4/23/2027	65	4.8%
JULY 2027	6/25/2027	72	5.3%

For example, if you want to cover a 500 bushel soybean sale through April 23rd, the service fee will be $325 (i.e. 65 cents/bushel). For this example, the reference futures price (a.k.a. strike price) will be the average strike price for a 60-cent May option over the period from September 28th through October 2nd. After enrolling bushels in the program, the only remaining choice you will need to make is when to execute the MPC option and cash out. The program has a 500 bushel minimum for each MPC contract, and bushels must be enrolled by September 25th to participate. If you are interested in enrolling bushels, give me a call at: 712-269-5849.