PopulAItion

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A calm benchmark is not a secure supply

The 2026 grain shock is a change in who can insure, finance, certify, permit and pay for a tonne. The headline price does not yet show it; the next stress is likelier to appear first in finance, specification and policy.

THE EXECUTIVE JUDGEMENT

The grain market is trading the barrel better than the cargo. The evidence does not show a generalised shortage of tonnes: the FAO food price index fell in October, Chicago wheat sits near $6 a bushel and Euronext wheat has eased towards €220 a tonne (both futures prices, before the Abu Dhabi talks). But a tonne moves only when several gates open together: a hull is insured, a farm or elevator is financed, a buyer's specification is certified, a state's export and stock rules permit the sale and a payment channel clears. Each gate is held by a party rarely named in the coverage, and the record measures almost none of them directly. Our judgement is that the pressure is uneven rather than universal. It falls hardest on rice, on particular grades and origins, and on buyers who lack finance. It will show first in basis, quality premia, tender awards and policy notices, not in the screen price. The central uncertainty is which gate binds first. That can be checked, and the calendar of checks is short: Indian sowing through late November, the Abu Dhabi outcome, Ukrainian spring credit after New Year and fertiliser quota utilisation from December.

> *Route volume tells us what can move this month. Credit tells us what will be planted and held in the spring.*

The gates that headlines rarely name

Most coverage asks whether there is enough grain. The more useful question is who can move it. Consider the Black Sea. Russian agencies have claimed strikes on vessels they say carried military or dual-use cargo near Odesa. These are unverified military claims that do not identify grain cargoes, and repeated reports derive from the same official statements. An underwriter nonetheless prices war risk whether or not each claim is true, so deterrence can operate without a single verified grain loss. The same pattern appears in India, where stock, ethanol and export instruments run on different clocks, and in Russia, where a fertiliser ceiling matters only if it binds a particular product. A change at any one gate can stall a transaction that every headline still describes as permitted. The parties who hold these gates (underwriters, lenders, certifiers, state desks, correspondent banks) rarely appear in the coverage, which is why they matter more than their visibility suggests. One finding concerns the evidence itself. The record contains no Black Sea or Gulf war-risk premium series, no grade distribution, no Indian stock denominator, no positioning data and no grain freight series. That is a limit on what can be measured today, and it is also revealing: the decisive variables sit with parties who do not publish.

Sources 14, 37, 38, 39, 40, 41

The Black Sea problem is a balance-sheet problem

The National Bank of Ukraine (NBU) estimates that the port blockade will cost Ukraine $4.6bn in agricultural export revenue for July–December 2026. This is a scenario estimate of lost revenue, not a quantity of grain removed from world supply. The September export flow by rail and Danube of 2.7 Mt is one month's observation, not a proven capacity ceiling. And the projected 2.7 Mt smaller 2027 grain-and-oilseed harvest is a projection, not an observation. The sentence that carries the most weight is the NBU's warning that producer financing is adequate only until New Year. Route volume tells us what can move this month. Credit tells us what will be planted and held in spring. Blockade delays sales, delay ties up working capital and storage degrades, so a farm short of cash may be unable to buy seed, fuel and fertiliser in March. Supply destruction in grain is always booked late, and this is how a transport problem can become a planting problem before any price signal appears. A buyer relying on Ukrainian origin for the first half of 2027 should therefore ask whether spring finance is committed and whether alternative-route netbacks cover inland costs. Contracts for delivery in spring may carry the highest non-performance risk. No lender or guarantee is identified in the record, and whether one will appear is unknown.

Sources 07, 41, 46

This also changes how the sea gatekeeper's leverage should be read. Part of that leverage rests on the alternative land-and-river route staying under-financed. The question is whether someone can finance the bypass, not whether the bypass can carry the full pre-war volume. A public guarantee, lender or advance-purchase arrangement could raise the value of Ukraine's outside option without any navy changing position. No such instrument is in the record, and one month of rail and Danube recovery is thin evidence. One credible dissent goes further and argues that blockade power corrodes itself: each exercise of the lever builds the substitute for it, so a conditional corridor would not be a permanent basis premium. We would not bet on that yet. Subsidies can end, revenue losses remain large and sea routes may reshape trade. But the two readings predict different things,

and the tests are observable: several consecutive months of Ukrainian rail and Danube tonnage, EU transit rules for Ukrainian grain and investment in Danube ports. If tonnage builds and netbacks stay positive, the war-risk premium should decay. If not, the premium is durable and any deal is a quota with threats.

Sources 21, 41

> *Route volume tells us what can move this month. Credit tells us what will be planted and held in the spring.*

Abundant tonnage, scarce millable wheat

A benchmark is a broad specification at a broad delivery point. A miller buys a particular grade, from a particular origin, in a particular week. Australian wheat illustrates the gap. Production prospects were reported as relatively high and the crop avoided the feared heat shock, but the same source warned that excess rain in eastern Australia could have materially degraded quality. No downgrade is confirmed. If a meaningful share of the eastern crop misses milling specification, millers would compete for qualifying lots, the milling premium would widen while total tonnage stays ample, and downgraded grain would move to feed at a discount. The market is not short wheat. It may be short millable wheat. In Argentina, hail damaged about 16,000 hectares in Córdoba and Santa Fe, with frost and Fusarium risks, which adds a second origin where grade, not area, is what matters; hectares affected are not tonnes lost. This mechanism has not been observed: the record has no grade distribution, no completed tender failure and no milling-versus-feed spread. If receival classifications show normal grades, the premium may reflect freight, protein demand or origin restrictions instead, and the story becomes benign. The practical advice is to specify grade, origin and delivery window in contracts and to hedge delivery structure (basis, freight, war-risk and grade clauses) as well as price direction. A milling-to-feed spread that widens without a freight or protein explanation is the signal to act on.

Sources 09, 33, 42, 43, 44

There is a longer-range possibility behind this. If testing and lot traceability become cheap enough, grade becomes a tradeable attribute and the authority to define grain quality shifts towards whoever sets and certifies the test. The market would then separate into a verified premium tier and a cheap feed tier, with mills securing verified lots and exporters without testing losing the premium. This is a hypothesis, and its factual footing is unsupported for grain: the only demonstrated certification in the record concerns paddy methane, not grain quality, and there is no verified-grade price series. But it changes what a customer should invest in. A finance-led market rewards credit lines; a certification-led market rewards testing, traceability and specification design. The discriminating observables are a published spread between verified milling-grade and feed-grade wheat, tender specifications that require grade certificates and warehouse-receipt schemes with enforceable claims.

Source 43

A calm price is partly a roll-call of who can still bid

A benchmark is a clearing price among buyers who can bid. Buyers short of dollars, letters of credit or payment channels can drop out without anyone banning trade, and their absence can make the price look reassuring while local food access worsens. Grain supply is not the same as food access. This is the quietest and crudest of the market's buffers: suppressed demand, working by exclusion. We do not claim it is driving prices. The record does not show a named importer cancelling a purchase for lack of finance, and the Sudan source documents a humanitarian funding shortage, not a grain-tender effect. Nor should every lower purchase be read as distress, since good harvests and stock releases also cut imports. The claim is narrower and more useful: a soft benchmark cannot certify that a particular importer is secure. Exclusion leaves fingerprints: announced tender volumes exceeding awarded volumes, local-currency staple prices diverging from dollar benchmarks, and ration cuts. For exporters, a widening origin discount alongside falling award volumes would signal excluded demand rather than healthy clearance. Iran is one test of payment access. FATF countermeasures, US sanctions on its rail sector and an announced $30bn import-financing package make settlement, not supply, a plausible constraint, although Tehran denies any shortage of staples and no Iranian grain payment refusal is on record. Against this stands a competing reading, the benchmark as an informed equilibrium. A calm price is not proof that traders have overlooked the risk. Yet it is an equilibrium taken over a population partly shut out, so it should be read neither as adequacy nor as mispricing. There is no positioning, options or matched physical-offer data to support a mispricing thesis. The sensible response is to trade basis and grade, and to watch tender awards.

Sources 11, 19, 22, 24, 48, 50, 52, 53, 54

India: where policy can become the shock

India is a swing supplier of rice, and it runs on three clocks that do not consult each other. The fast stock clock is the Food Corporation of India (FCI)'s weekly wheat offer, doubled to 1.99 lakh tonnes, with prices falling at its sales in most major growing states. The medium sowing clock is the rabi programme: on 30 October wheat sowing stood at 19,000 hectares against 3.34 lakh hectares a year earlier, and the 46% shortfall in total rabi area covers all rabi crops. The main wheat window only begins in early November, so these are early-season counts, not harvest losses. The slow political clock is the 2027 state elections and the ethanol programme. Stock is being released, sowing lags, an exporters' federation warns that restriction may return, and elections loom. Restriction would come from the alignment of these clocks, and the trigger is likelier to be narrative than a crop threshold: stock disposal and broken-rice inflation visibly diverging, or official language shifting from catching up to shortfall. That is why the 15–20-day window flagged by the Indian Council of Agricultural Research is the most decision-relevant date in this report. Its importance lies in the decision it triggers, not in the 30 October percentage. Sowing that stays far below last year's same-date progress through late November would push officials towards a choice between excess stocks and food shortage.

Sources 03, 10, 28, 32, 34, 45

The sequence that follows is conditional, and each step is observable. Broken-rice prices have risen, and rice prices reached a 29-month high in October, with Thai and Vietnamese export offers up about $30 a tonne since July and Indian and Pakistani offers up about $20. The exporters' federation has warned that restrictions on broken rice may return. That is a trade-body warning, not a notice from the Directorate General of Foreign Trade (DGFT), and it is not a general rice-export ban. India's total rice exports in the cited year were 21.57 Mt, of which broken

rice is only a subset. If broken rice were restricted, feed demand could move towards maize, poultry producers who are already petitioning for duty-free maize imports might be granted permission, and India would export less rice while importing more feed grain. The chain is plausible, but a petition is not an import, and the net feed effect of ethanol is unmeasured because distillery co-products may return usable feed. India importing maize does not appear to be something the CBOT corn curve currently prices. Millers front-running a restriction, visible in accelerating broken-rice wholesale prices, would be an early sign. Because the loop is driven by protection and early buying, it can run ahead of crop evidence, and policy itself becomes part of the supply shock. Importers who fear disappearing supply buy earlier, and export offers thin even if the underlying loss is modest. The order of checks is the DGFT, then FCI sale policy, then maize import permissions. A rice contract should state whether it is exposed to broken-rice restriction.

Sources 18, 25, 29, 35

Is the crisis synchronised, or only the coverage?

The Super El Niño is exceptional: the Niño3.4 index reached 3.11°C on 18 September, and a peak near 4°C is projected for late December. Argentine hail, Indian sowing delay, Black Sea logistics and Hormuz energy costs all arrive together. If they were truly simultaneous across suppliers that normally offset one another, the risk would be systemic and reserves, routes and finance would need designing for correlated failure. But a climate indicator is not a yield estimate. Australian prospects are relatively high, French sowing was reported 84% complete by 2 November, ahead of the five-year average, and the Argentine damage is localised. Weather risk is not a single global blanket; it has winners and losers within the same season. Our judgement is that the synchrony so far lies in the reporting and in the policy reaction, not yet in the physical crop. El Niño may prove a risk multiplier concentrated on rice and on specific origins and grades. Rice and the policy response are where the correlated-shock view has merit. The test is crop-by-crop: official revisions in two or more major exporters in the same season, or a second exporter adopting controls within weeks of the first. Until then, price specific stresses, not a cascade. That caution is the useful counterweight to alarm.

Sources 12, 27, 32, 42, 43, 44

Energy, fertiliser and the demand that may not come

Hormuz is not a uniform freight surcharge. A cargo bound for a port inside the Persian Gulf cannot route around Africa, so Gulf-bound cargo faces direct access and insurance constraints. Other voyages feel indirect effects through fuel, bunker costs and insurance-pool strain, and UN reporting shows developing economies bearing the heaviest fuel-price pass-through. Energy costs plausibly reach grain through fuel, fertiliser and insurance, but no grain freight or war-risk series exists to size either channel. A Qatari proposal to reopen the strait in exchange for nuclear inspections would, if adopted, trim the cost floor. It would not repair the Black Sea, the Indian sowing window or a product-level fertiliser constraint. The fertiliser channel needs the same discipline. Russia's export quotas of more than 18.8 Mt for 1 December–31 May, against 20 Mt for the prior June–November period, are a change in permitted aggregate volume, not evidence of a 6% fall in global supply. The risk is timing: if the allocation for one nitrogen or compound product is exhausted before the northern spring application window, buyers without an alternative source could delay or cut applications, and the yield effect would appear

months later, after the price signal has faded. Whether the quota binds is unknown. The signals are product-level utilisation and a documented denied or delayed order. Whether the quota is renewed in May 2027, and on what terms, matters for the longer horizon, since repeated tightening could encourage buyers to build alternatives.

Sources 05, 14, 15, 16, 19, 20, 47, 51

One counterweight cuts against the consensus that demand is firm. The IMF has warned of slowing global growth, and Chinese demand is the obvious place for that to show. If Chinese import demand disappoints through 2027, the Indian-maize-import story and the Argentine maize stress would both be absorbed more cheaply, and the sign on feed-complex trades would reverse. This is a dormant dissent: the record holds no Chinese import, auction or feed-use series. But it is the one demand-side brake in this analysis, and it is cheap to monitor through customs grain and oilseed volumes and reserve auction results. Anyone holding a bullish feed-complex view should know what would defeat it.

Source 50

The talks pay off asymmetrically

The Abu Dhabi talks, scheduled for 10 November, had not taken place on the as-of date, so everything here is expectation. The payoff looks asymmetric. A failed or indefinite round is more likely to reprice wheat sharply upward than a success is to pull it down, because ports reopen over months while insurers, lenders and alternative routes adjust slowly, and a conditioned corridor would lock in a basis premium. This describes the shape of the payoff, not an error in the market. The benchmark's reaction to any announced framework is itself informative: if Euronext fails to fall on good news, the deal may not be what the market believed. The futures screen may be the wrong instrument for a risk held in basis and clauses. A contract for Odesa-linked delivery should carry war-risk and force majeure terms.

Sources 01, 02, 26, 31

What institutions say and what they do

The French mission on strategic grain stocks is an assessment, not a purchase. Whether it adds demand or only shifts expectations depends on whether it becomes buying, designation, options or release rules. Institutional signals matter in proportion to their physical counterpart, so track formal instruments rather than statements of intent. A speculative view holds that authority over defining grain is itself fragmenting, among reserve studies, verifiers, trade bodies and underwriters. That is visible in direction, not yet in market effect.

Source 04

02 / THE GARDEN OF FORKING PATHS

The Garden of Forking Paths

Conditional futures, not forecasts or probabilities. Each path is fully set out, with its assumption, alternative, consequences and breakpoints, in Inside the Garden.

PATH	LIGHTS UP WHEN...	GOES DARK WHEN...	CONNECTS TO	STATUS
India restricts broken rice and the feed chain moves to maize PATH-04	A DGFT notification specifying broken rice or rice generally, with scope and effective date.	Co-product feed from distilleries substituting for grain in feed formulas.	PATH-03 · PATH-06 · PATH-09	DEVELOPING
Millable wheat splits from the benchmark PATH-03	Completed mill tenders for a specified grade failing on schedule from normal eligible origins despite adequate aggregate offers.	Normal grade distributions in harvest classifications through the marketing season.	PATH-04 · PATH-07	DEVELOPING
The pre-talks discount unwinds PATH-01	A published war-risk premium for Odesa loadings rising after talks.	An unconditioned corridor agreement with published insurance terms.	PATH-02 · PATH-03	DEVELOPING
The finance cliff replaces the sea gate PATH-02	An enacted guarantee or lender disbursement for Ukrainian spring inputs (visible in drawdowns).	Sustained farm credit disbursement through spring.	PATH-01 · PATH-07	DEVELOPING
Excluded buyers set the clearing price PATH-05	Documented cancellation of a grain purchase for lack of letters of credit or foreign exchange, with an eligible supplier available.	Tenders clearing on schedule with deliveries holding up despite soft benchmarks.	PATH-01 · PATH-06	DEVELOPING
The fertiliser window closes before the quota does PATH-07	A documented denied or delayed order attributable to exhausted allocation before a window closes.	Utilisation well below the ceiling for the relevant products.	PATH-02 · PATH-03 · PATH-06	DEVELOPING
Synchronised stress across suppliers PATH-06	Official revisions reducing wheat or rice output estimates for two or more major exporters for the same season.	Australian and French crops holding.	PATH-04 · PATH-07 · PATH-08	CONTESTED

PATH	LIGHTS UP WHEN...	GOES DARK WHEN...	CONNECTS TO	STATUS
Benign drift PATH-11	Indian wheat area near prior-year same-date levels by early December.	Any of the cascade or grade-split paths confirmed by official data.	PATH-04 · PATH-06 · PATH-07	DEVELOPING
Verification becomes the new gate PATH-10	A verified-grade spread persisting across several harvest cycles without freight or protein explanation.	Grade verification remaining a niche service with no spread.	PATH-03 · PATH-09	SPECULATIVE
Reserve study becomes reserve buying PATH-08	Tenders or inventory increases attributable to a reserve decision.	The mission reporting no new purchase need.	PATH-09 · PATH-10	SPECULATIVE
Brazil's soy overhang arrives on the dry-out, or is held by currency PATH-09	Brazilian export registrations rising sharply once fields dry while farm sales remain low (implying holding).	Sales pace recovering promptly after the rain ends.	PATH-04 · PATH-05	SPECULATIVE

Lights up when evidence would support the path. **Goes dark when** evidence would weaken it.

Executive watchpoints: the calendar of decisions

Events, decisions and market signals that could change the analysis.

01 Weekly Indian rabi sowing through the ICAR window in mid to late November, against same-date progress last year, then a DGFT notice naming commodity and scope.

WHY IT MATTERS Sowing still far behind, or a notice covering broken rice, would move the feed chain and tighten rice supply at the margin. Catch-up by early December favours benign drift.

02 A maize import tender, duty waiver or permission for India's feed sector, and FCI sale policy.

WHY IT MATTERS A permission converts a petition into demand. FCI releases easing prices without export controls would weaken the chain.

03 Euronext wheat's reaction to the Abu Dhabi outcome, any published Odesa war-risk premium, and Ukrainian monthly rail and Danube tonnage against the September 2.7 Mt.

WHY IT MATTERS A benchmark that does not fall on a framework, or a corridor revocable by Moscow, points to durable basis risk. Several months of rising tonnage with positive netbacks points to a decaying lever.

04 Ukrainian farm credit and input purchases after New Year, with farm-gate prices relative to export parity.

WHY IT MATTERS A guarantee or disbursement cushions 2027 and weakens the sea gate's leverage. Deferred purchases and forced selling point to the finance cliff.

05 Australian receival classifications by region and grade, and a matched milling-to-feed differential at a named port.

WHY IT MATTERS Rising lower-grade shares and a spread without a freight or protein explanation would support the grade split. Normal distributions return the story to the benign reading.

06 Tender announcements against awards for named importers, local-currency staple prices against dollar benchmarks, and procurement cuts attributed to funding.

WHY IT MATTERS Persistent gaps indicate excluded demand behind a calm price. Tenders clearing on schedule favour the buffering reading.

07 Russian fertiliser quota utilisation by product from December, and any documented denied or delayed order before a spring window.

WHY IT MATTERS A product at its ceiling before March makes the channel concrete. Utilisation well below the ceiling makes it precautionary.

08 Official crop revisions by country, and Chinese customs grain and oilseed import volumes.

WHY IT MATTERS Revisions pointing the same way in two or more exporters would support synchronised stress. Divergence points to regional stress. Weak Chinese imports would absorb the feed-complex stress.

Sources 01, 02, 41, 45

PART TWO

The full intelligence

Read selectively. The executive reading gives the essential conclusions; this file preserves the competing readings, the possibilities worth taking seriously, the further insights, the analysis in full, the open questions and the limits of the evidence.

01 Competing interpretations

02 Possibilities worth taking seriously

03 Further insights

04 The analysis in full

05 Open questions

06 What this analysis does not cover

07 Inside the Garden

08 Sources and references

Competing interpretations

DIS-01 COMPETING INTERPRETATION

The market may not be signalling a global shortage; it may be signalling a delivery-structure problem. The governing question is not whether global tonnage is adequate but whether the specific grade, origin, delivery week and financing a particular buyer needs can be met. A calm world benchmark can coexist with severe local and grade-specific stress. On this reading, the prevailing focus on price direction misreads where the constraint lies.

> *The market may be roughly right about quantity (total tonnes are not collapsing) and blind about delivery.*

> *The market is not short wheat; it may be short millable wheat.*

> *Abundant tonnage, scarce millable wheat. Cheap feed, expensive bread.*

WHAT IT IMPLIES Under this reading, the lead question is the grade and delivery split, and buyers should look to specification, basis and freight rather than the headline index. Under a price-direction reading, the lead question would be aggregate supply risk. The two imply different hedging advice: hedge the delivery, or hedge the direction.

WHAT WOULD TELL THEM APART

- Australian receival classifications by region and grade
- Matched milling-versus-feed wheat differential at a named port and week
- Completed mill tenders for specified grades against normal origins

Sources 29, 35, 43

DIS-02 COMPETING INTERPRETATION

One reading holds that the crisis is synchronised: El Niño, Black Sea logistics, Indian sowing and Hormuz energy costs coincide across major suppliers, so the risk is correlated. The opposing view is that intense regional weather coverage is not correlated global loss. Australia is holding up, France is ahead of its average sowing, and the damage in Argentina is localised. The dissent is that the synchrony lies in the reporting and the policy reaction, not yet in the physical crop.

> *All four appearing simultaneously and in different geographic regions generates correlated risk.*

> *Weather risk is not a single global blanket; it has winners and losers, often within the same season.*

WHAT IT IMPLIES If the synchrony is real, the risk is systemic, and reserves, routes and finance must be designed for correlated failure. If it is driven by coverage, the appropriate response is to watch crop-by-crop revisions rather than price a generalised cascade.

WHAT WOULD TELL THEM APART

- Crop-specific official revisions by country
- Observed damage converted to affected yield
- Weekly Indian sowing against same-date progress

Sources 12, 27, 32, 42, 43, 44

DIS-03 COMPETING INTERPRETATION

The constraint is not the tonne but its certification. Verification, traceability and specification-setting are the binding gates, and technology that makes certified grain cheap to produce shifts power towards whoever sets the test. This dissent holds that the market will separate into a verified premium tier and a cheap feed tier, and that measurement is a lever the prevailing analysis has not examined.

> *The binding constraint is not only tonnage, port access or weather. It is the cost of certifying that a tonne is what the buyer needs, in the place and on the date it is needed.*

> *The definitional authority over grain quality and compliance shifts from the Ministry of Agriculture to the certifiers.*

WHAT IT IMPLIES A certification-led market implies that the customer should invest in testing, traceability and specification design. A finance-led market implies investment in credit lines. The two readings reorder which gate to act on first.

WHAT WOULD TELL THEM APART

- A published spread between verified milling-grade and feed-grade wheat
- Tender specifications requiring grade certificates
- Warehouse-receipt schemes with custodians and enforceable claims

DIS-04 COMPETING INTERPRETATION

Blockade and corridor power may be self-corroding. The leverage a gatekeeper exerts depends on repeated credibility, and each exercise builds the substitute. On this view the corridor the market treats as a negotiating bargain is less durable than the conventional treatment of Moscow's lever implies. Alternative routes and financing, once built, become standing capacity with their own interests.

> *The very act of using the corridor as leverage simultaneously builds the substitute for that leverage.*

> *Power exercised repeatedly depreciates through exercise.*

WHAT IT IMPLIES If the lever decays, a conditional corridor is not a permanent basis premium, and the price of Black Sea risk should fall as alternatives mature. If it persists, the premium is durable and the deal is a quota with threats. The two imply different basis and war-risk trajectories.

WHAT WOULD TELL THEM APART

- Ukrainian rail and Danube tonnage over several consecutive months
- EU transit rules for Ukrainian grain
- Expansion or equity transactions at Danube ports

Sources 21, 41

DIS-05 COMPETING INTERPRETATION

The benchmark may be an informed equilibrium rather than a blind spot, but an equilibrium over a population that is partly excluded. A low price therefore reflects both netted risk and absent buyers, so reading it as proof of adequacy or as mispricing is an error. The dissent targets two inferences: that calm prices signal ample global supply, and that traders are underpricing structural risk.

> *A calm benchmark is not proof that traders have overlooked the risk.*

> *The calmest number in this entire file (soft wheat, a falling FAO index) is doing the most work in everyone's narrative.*

WHAT IT IMPLIES If the benchmark is an informed equilibrium, the customer should not trade a mispricing thesis but should trade basis and grade. If it is mispriced, a long position on the pipeline would be warranted. The evidence needed to choose is positioning and physical offers, which the record lacks.

WHAT WOULD TELL THEM APART

- Dated futures curves and options-implied volatility against matched export offers
- Exchange positioning data
- Tender awards versus announcements

DIS-06 COMPETING INTERPRETATION

Reserves and alignment may be reshaping the authority to define grain. A study, a verifier, a trade body and an underwriter each now define parts of grain's movement, so the system may be fragmenting in authority as well as in routes. The extent of this is speculative, but the direction is visible in the record.

> *Grain is exiting the nominal status of 'commodity', not because any government declared anything, but because no single institution has the authority to define it.*

> *Every tonne Paris holds for 'crisis' is a tonne the market stops holding for circulation.*

WHAT IT IMPLIES If authority is fragmenting, the customer needs governance-level monitoring (who may define compliance) in addition to market monitoring. If not, the institutional signals are noise until a physical act follows.

WHAT WOULD TELL THEM APART

- Mission recommendation and budget authority
- Tender or inventory changes
- Adoption of any new certification or release rule

DIS-07 COMPETING INTERPRETATION

The demand-side counterweight may be China. Slower Chinese growth and tight liquidity would weaken feed and oilseed demand, absorbing the Indian and Argentine maize stress more cheaply and undermining the bullish rice-and-maize consensus. Its evidential base in the record is thin, so this is a dormant but directionally important dissent.

> *If Chinese import demand disappoints through 2027, the Indian-maize-import bullishness and the Argentine maize stress both get absorbed more cheaply.*

WHAT IT IMPLIES Weak Chinese import demand would reverse the sign on feed-complex trades and make the maize-import story less consequential for global price levels.

WHAT WOULD TELL THEM APART

- Chinese customs grain and oilseed import volumes
- Official reserve auction results
- Feed formulation data

DIS-08 COMPETING INTERPRETATION

Narrative and regulatory intent may be decisive for India's export policy even where the physical crop does not justify restriction. Officials act on how the public and the trade read stock and price, so a broken-rice restriction could be taken without a formal shortfall. No such notice has been issued.

> *What that precedent taught all officials was not 'shortfall leads to embargo' but 'recognition of shortfall leads to embargo'.*

WHAT IT IMPLIES Under this reading the relevant trigger is a narrative discontinuity (price-stock divergence, ministerial language) rather than a crop estimate, so monitoring official language matters as much as sowing data.

WHAT WOULD TELL THEM APART

- DGFT notification specifying commodity and scope
- Official language shifting from catching up to shortfall
- FCI sale policy changes

Source 34

Possibilities worth taking seriously

HYP-01 HYPOTHESIS

Ukraine's bargaining power over Odesa-linked access depends on whether its alternative route can be financed. A public guarantee, lender or advance-purchase arrangement could change the outside option even while the sea remains contested.

MECHANISM Credit extended for planting and storage lowers the forced-sale pressure that gives the sea gatekeeper leverage, reducing the value of the blockade to Russia.

PROMPTED BY A financing or guarantee arrangement for Ukrainian spring inputs or alternative-route handling.

WHAT FOLLOWS A weaker lever shifts the deal towards conditional resumption; farm-gate prices may recover relative to export parity; the basis premium falls. Adverse case: subsidy dependence and fiscal limits restore the sea-gate's power.

STILL HYPOTHETICAL Whether any enacted instrument exists; whether it would be large enough.

WHY IT MATTERS It is the most direct test of whether the blockade's leverage is durable, and it points the customer to finance rather than summit news.

TESTS

- Enacted guarantee or credit drawdown
- Farm-gate netbacks after transport
- Input purchases through spring 2027

HYP-02 HYPOTHESIS

Specification, grade verification and traceability may be becoming binding gates. A verified tonne would trade at a premium, and certifiers would gain influence over what counts as grain, separating a premium tier from a cheap feed tier.

MECHANISM Lower-cost testing and lot traceability make grade a tradeable attribute; buyers pay for certified lots and discount uncertified ones.

PROMPTED BY Growth in grade-certification requirements and in grade-specific spreads.

WHAT FOLLOWS Mills secure verified grades; feed buyers absorb downgraded lots; verification platforms become gatekeepers; exporters without testing lose the premium.

STILL HYPOTHETICAL Whether certification is used for grain at the relevant scale and whether it moves prices.

WHY IT MATTERS It converts the quality caveat into a structural claim about power in the grain system and about what a customer should specify in contracts.

TESTS

- Published milling-versus-feed spread
- Tender specifications requiring certificates
- Warehouse-receipt schemes with enforceable claims

Source 43

HYP-03 HYPOTHESIS

Hormuz-related energy and insurance costs may affect grain differently by destination: Gulf-bound cargo faces direct access costs, while distant buyers feel a fuel-cost pass-through that is likely smaller and slower.

MECHANISM Direct exposure for voyages that must transit or enter the Gulf; indirect fuel and insurance pool effects elsewhere.

PROMPTED BY A destination-differentiated freight and insurance premium on grain voyages.

WHAT FOLLOWS Importers in the Gulf and Iran face direct costs; East African and South Asian importers face fuel and freight pass-through; a Qatari-brokered reopening would trim the cost floor but not the supply ceiling.

STILL HYPOTHETICAL The size and direction of any freight premium by route.

WHY IT MATTERS It prevents an overbroad surcharge claim and tells the customer which contracts are exposed.

TESTS

- Broker quotes for matched Gulf-bound and non-Gulf grain routes
- Completed voyages with fuel and war-risk separately identified

Sources 06, 19, 23

HYP-04 HYPOTHESIS

Payment and correspondent-banking access, not supply, may be the binding constraint on grain sales to sanctioned or FATF-listed destinations such as Iran.

MECHANISM FATF countermeasures and sanctions reduce bank willingness to clear payments, so buyers lack a settlement path regardless of supplier availability.

PROMPTED BY Iran's grain demand is constrained by payment channel access.

WHAT FOLLOWS Iranian import demand may shift to rail and barter or to third-country intermediaries; the global price effect would be limited unless Iran is a large marginal buyer; Iran's import-financing announcement may be a rationing signal.

STILL HYPOTHETICAL Whether a grain payment has been refused, and the size of Iranian grain demand.

WHY IT MATTERS It locates a demand exclusion in finance, not weather, and tells the customer where to look for an excluded buyer.

TESTS

- Correspondent-bank refusal of a grain payment
- Iranian buying enquiries in the physical market
- Iranian grain tender awards

Sources 22, 24, 48

HYP-05 HYPOTHESIS

India's ethanol feedstock demand may be partly offset by usable co-products and by flexible procurement rules, so a one-for-one reduction of feed grain overstates the net feed loss.

MECHANISM Co-product feed and procurement flexibility reduce net displacement; the state may adjust feedstock mix rather than starve the programme.

PROMPTED BY Distillery co-products returning usable feed, and feedstock rules changing.

WHAT FOLLOWS A broken-rice restriction would bite less on feed; maize import pressure may be smaller; the trade-off moves to another feedstock or sector.

STILL HYPOTHETICAL The usable quantity of co-products and their nutritional suitability in India.

WHY IT MATTERS It conditions the strength of the food-feed-fuel competition argument and the scale of the maize-import scenario.

TESTS

- Distillery feedstock and co-product output
- Feed-mill inclusion rates and prices
- Official feedstock allocation rules

Source 13

HYP-06 HYPOTHESIS

A strategic-reserve study may change expectations and the interpretive framework for importers and exporters before any physical grain is bought, and the chosen form (purchase, designation, options or release rules) determines whether the effect is demand or signal.

MECHANISM Announced reserve intent changes buyer behaviour through precaution; the design (purchase, designation, options or rules) sets the physical effect.

PROMPTED BY A French or EU reserve decision that changes market behaviour.

WHAT FOLLOWS Purchases would add demand for a grade or delivery period; designation would change access in an emergency only; release rules could dampen panic buying.

STILL HYPOTHETICAL Whether any reserve decision will be taken, and in what form.

WHY IT MATTERS It separates signal from physical demand and tells the customer which reserve decision would be a real market event.

TESTS

- Mission recommendation and budget authority
- Tenders or inventory changes
- Release-rule adoption

Source 04

HYP-07 HYPOTHESIS

The correlated-shock thesis may be partly a product of coverage: intense regional weather reporting may look like synchronous global failure while crop-by-crop revisions show more limited losses.

MECHANISM Several regional stresses are reported together, creating an impression of a single systemic shock; the actual yield impact per region is smaller and uneven.

PROMPTED BY Simultaneous global crop losses across major exporters.

WHAT FOLLOWS The cascade path requires synchrony; if synchrony is coverage-driven, the cascade weakens and crop-by-crop monitoring becomes the correct posture.

STILL HYPOTHETICAL The size of the aggregated yield effect.

WHY IT MATTERS It prevents the report from presenting correlated weather coverage as correlated loss.

TESTS

- Official crop revisions by country
- Observed damage converted to affected yield

- Weekly Indian sowing against same-date progress

Sources 12, 27, 42, 43, 44

HYP-08 HYPOTHESIS

Brazil's soy and maize selling may be constrained by farm finance, currency and biofuel policy as well as weather, so the overhang could be policy-blocked rather than weather-blocked, and the soyoil anomaly may reflect weakening mandate politics.

MECHANISM A firm real and high carry make unsold grain costly to hold or sell; farmers hold into a stronger currency; biofuel mandate changes alter the soyoil floor.

PROMPTED BY Brazilian farm sales slow for financial and currency reasons alongside weather.

WHAT FOLLOWS Delayed sales produce a wave of offers when fields dry; a weaker or stronger real changes Brazilian origin competitiveness; US mandate changes reshape soyoil.

STILL HYPOTHETICAL The share of selling delayed for financial or currency reasons.

WHY IT MATTERS It tests whether the soy 'black week' is a timing problem or a financing and currency problem.

TESTS

- Paranaguá basis
- BRL exchange rate
- Export registrations versus farmer deliveries
- US biodiesel mandate statements

Sources 08, 36, 49, 53

HYP-09 HYPOTHESIS

Institutional time-sensitivity, not crisis exposure, may determine which systems adapt fastest: physically fast reserve systems and discursively slow ones, versus rule-fast systems that accumulate stock slowly.

MECHANISM Institutional design determines how quickly a state moves from announcement to physical stock and from discussion to rule change.

PROMPTED BY Divergent adaptation speeds across national grain systems.

WHAT FOLLOWS The 2026 crisis tests which buffer clock runs faster; the answer shifts the distribution of influence over grain flows after 2027.

STILL HYPOTHETICAL The comparative speed of physical adaptation across systems.

WHY IT MATTERS It frames a long-duration comparison, but its evidence is thin and it should not be used to rank systems.

TESTS

- Reserve auction and release data
- Official procurement timelines
- Rule-change dates

Sources 04, 28, 34

Further insights

TRS-12 FURTHER INSIGHT

Sowing progress in France (84% of soft wheat sown by 2 November, ahead of the five-year average) is a neglected counter-signal to a picture in which every crop window seems to be failing. It is progress, not yield or final acreage.

> *That is sowing progress, not final acreage, yield or a guarantee of a good French harvest.*

WHY IT MATTERS It supplies a balancing observation that a crop-failure framing overlooks, and guards against a one-directional reading.

TRS-17 FURTHER INSIGHT

Measurement and sensing of stored grain is a plausible loss channel only where it is documented. The Mitti Labs item is a paddy-methane credit scheme, and the Zhytomyr substation claim is a military statement that does not show grain loss. Neither is evidence of storage risk.

> *Neither item is evidence of storage risk.*

WHY IT MATTERS It corrects a tempting link. The underlying question (grid-dependent drying and aeration in an energy crisis) remains a legitimate hypothesis, but it needs facility-level documentation.

TRS-29 FURTHER INSIGHT

The 'Bharat Rice' label is itself a redistribution of who counts as a recipient and a stock-holder, not only a distribution scheme. Renaming a rationing system can change its statistical frame and the obligations on private holders.

> *This is the politics of name: it does not describe distribution — it is distribution.*

WHY IT MATTERS It shows how state categories shape market information, a point compatible with the stock-declaration observation and useful to the governance argument.

TRS-38 FURTHER INSIGHT

Gene editing and regulation of GM crops are the most durable political constraints in the set, because they are political rather than physical. A regulatory change could produce a step change over a decade, but it cannot affect the 2026–27 crop.

> *This is the most durable constraint in the set. It is political, not physical.*

WHY IT MATTERS It supplies a long-horizon contrast that stops the short-term analysis from implying that technology will rescue the near-term crop.

TRS-39 FURTHER INSIGHT

Human-scale constraint can be read as a decision: what a farmer, a loan officer, a crew member or a grain buyer must decide this week. Imagining these decisions makes visible the gap between national totals and actionable options.

> *They are how the forecast becomes real.*

> *The market has learned to count in zeros.*

WHY IT MATTERS It makes the argument legible to a general reader without inventing evidence, provided each scene is clearly labelled as illustrative.

The analysis in full

KJ-01 JUDGEMENT / INFERENCE

The Black Sea shock is a finance and access shock before it is a volume shock

The most consequential transmission from the Black Sea blockade to 2027 supply runs through the balance sheets of Ukrainian producers and elevators, not through the sea lanes alone. The National Bank of Ukraine (NBU) figure of $4.6 billion in agricultural export revenue lost for July–December 2026 is a scenario estimate of revenue, not a quantity of grain removed from world supply. The 2.7 Mt September export flow is one month's observation, not a demonstrated capacity ceiling. The projected 2.7 Mt smaller 2027 grain-and-oilseed harvest combines storage degradation and inability to ship, and it is a projection. What carries the strongest causal weight is the NBU's statement that producer financing is adequate only until New Year. Working capital decides who keeps grain, who buys inputs in March and who plants at all. A route that moves tonnes can still leave farms short of cash, so route volume and farm credit must be read together.

MECHANISM Blockade reduces export receipts and delays sales. Delay ties up working capital and raises storage losses. A shortfall of finance restricts seed, fuel and fertiliser purchases and planting. The resulting reduction in next season's area or input intensity would appear as a 2027 harvest shortfall that is not yet observed.

IMPLICATIONS A buyer dependent on Ukrainian origin for H1 2027 should ask two questions: whether the origin's spring finance is committed, and whether its alternative-route netbacks cover inland costs. Route tonnage alone is not sufficient evidence of supply. Contracts for March–May delivery from Ukrainian origin are the most exposed to non-performance if spring finance is not secured.

EVIDENCE LIMITS The NBU estimate is the single source for the scenario figures. No lender is identified in the record. The 2027 shortfall is a projection. Ukrainian route capacity is not established. Whether any guarantee or lender will appear is unknown.

Sources 07, 41, 46

KJ-02 JUDGEMENT / INFERENCE

The market is trading the barrel better than the individual cargo

The headline benchmarks are a reasonable guide to aggregate availability at the level of broad wheat and maize, and the evidence does not show a generalised shortage of tonnes. But a benchmark is a broad specification at a broad delivery point. For a particular grade, origin and delivery week, the relevant price is the delivered cost of a qualifying lot, which may be rising while the benchmark is calm. Australian wheat carries a quality caveat that could make milling wheat scarcer than total output suggests. Argentine hail damage is origin-specific and grade-relevant. The disciplined claim, given that no positioning or physical-offer data support a charge of mispricing, is that the market may be roughly right about quantity and blind about delivery. The places to watch for stress are basis, quality premia and failed grade-specific tenders.

MECHANISM Benchmark contracts settle on broad specifications. A specification-narrow buyer competes for qualifying lots, and the premium for those lots widens while the benchmark does not reflect the narrowing.

IMPLICATIONS Specify grade, origin and delivery window explicitly in contracts. Hedge the delivery structure (basis, freight, war-risk and grade clauses) as well as the price direction. A widening milling-to-feed spread, verified by receival data, is the signal to act on.

EVIDENCE LIMITS No grade distribution, classification data or completed mill tender is in the record. A widening premium could reflect freight, protein demand or origin restrictions. The evidence supports a possibility of grade stress, not its occurrence.

Sources 09, 33, 43, 44

KJ-03 JUDGEMENT / HYPOTHESIS

A calm price is partly a product of who can still bid

A low or stable benchmark does not prove that global grain is abundant or that access is secure. Buyers excluded by lack of foreign exchange, credit or payment channels reduce effective demand, and the remaining bidders clear the market at a calm price. The mechanism is coherent and its fingerprints are observable: announced versus awarded tender volumes, cancellations, divergence between local-currency staple prices and dollar benchmarks, and ration cuts. The record does not show that such exclusion has occurred at scale, so the judgement is about what a calm price can and cannot tell a reader, not a claim that exclusion is driving prices.

MECHANISM Financing conditions (high yields, import-bill pressure, payment restrictions) remove marginal buyers. Their withdrawal lowers the clearing price. Food access deteriorates in the excluded countries while the benchmark stays calm.

IMPLICATIONS Do not treat a soft benchmark as evidence that a particular importer or humanitarian buyer is secure. Track tender awards and local staple prices for named buyers. For exporters, a widening origin discount with falling award volumes is a sign of excluded demand rather than of healthy clearance.

EVIDENCE LIMITS No named importer or agency is shown to have cancelled grain purchases for lack of finance. The Sudan source supports humanitarian funding shortage, not a grain-tender effect. Iran's grain-demand scale is unverified.

Sources 11, 19, 24, 48, 50, 52, 53

KJ-04 JUDGEMENT / INFERENCE

The energy channel is destination-specific, and its size is unmeasured

Hormuz-linked energy costs can reach grain through insurance, fuel, fertiliser and freight, but the channel is not a uniform surcharge. Gulf-bound cargoes face direct access and insurance constraints that cannot be avoided by rerouting around Africa. Other voyages face indirect costs whose size the record does not establish. Developing economies bear the heaviest fuel pass-through, which affects their import bills more than the benchmark. The most important reversal is a reopening of the strait under the Qatari proposal. It would trim the cost floor but would not repair the Black Sea, the Indian monsoon window or a product-level fertiliser binding.

MECHANISM Insurance premia and rerouting raise voyage costs for Gulf-bound cargo. Fuel and fertiliser cost increases raise farm and handling costs. Import bills rise for fuel-dependent importers, reducing their capacity to buy.

IMPLICATIONS Separate freight exposure by destination. For Gulf-bound contracts, war-risk and access clauses matter most. For distant buyers, the energy effect is mainly on fuel and finance costs. A reopened strait lowers costs but does not restore volume that is blocked by other gates.

EVIDENCE LIMITS No grain freight, war-risk or insurance series is in the record. The mine and tanker reports come largely from state and regional outlets. The Hormuz throughput figure is unverified.

Sources 05, 16, 19, 20, 51

KJ-05 JUDGEMENT / INFERENCE

India's export and stock decisions are the most likely source of a sharp rice and feed move

India is the marginal supplier whose policy is most likely to convert weather and cost pressure into a visible world price move. Rice is the most exposed market: the record shows rising broken-rice prices, higher rice-export offers, a 29-month high in rice prices, and a warning from the exporters' federation that restriction on 100% broken rice may return. The likeliest sequence is a restriction on broken rice, followed by feed demand moving toward maize and by stock releases or import permissions. The judgement is conditional on the rabi window and on the state's choice of instruments. No DGFT notice exists in the record, so the restriction is a reasoned possibility rather than an event.

MECHANISM Domestic price pressure and electoral timing push the state toward protective measures. A broken-rice restriction removes a swing supplier's marginal tonnes and shifts feed demand. Substitution pressure transfers to maize and other feeds. The sequence can run faster than crop evidence if the state reads the narrative first.

IMPLICATIONS Watch the DGFT first, then FCI sale policy and maize import permissions. A rice contract should specify whether it is exposed to broken-rice restriction. A feed buyer should consider maize and feed-grade wheat substitution. The sowing window through late November is the decisive near-term date.

EVIDENCE LIMITS The restriction scope (broken rice or all rice) is unknown. Absolute stock levels are missing. The 2021–22 precedent is unverified. Co-product offset from ethanol is unmeasured, which could soften the substitution chain.

Sources 18, 28, 29, 32, 34, 35, 45

KJ-06 JUDGEMENT / HYPOTHESIS

The Russian fertiliser ceiling is a timing risk whose size depends on product-level binding

The quota is not evidence of a 6% fall in global nitrogen or compound supply. Its relevance is that it overlaps the northern spring input window, and a product-level binding before an application window would deny inputs at a critical time. This is a plausible but unverified channel, and its importance rests on utilisation data that the record does not contain.

MECHANISM An aggregate ceiling constrains product allocation. A product that is exhausted or delayed in the relevant window forces buyers to delay, reduce or substitute applications. Missed windows reduce yield or change crop choice months later.

IMPLICATIONS For buyers in the spring window, ask suppliers for product-specific allocation status and for alternative sources. For risk monitoring, the signal is a documented denied or delayed order tied to exhausted allocation before a window closes.

EVIDENCE LIMITS Quota allocation rules and utilisation are absent. The Gulf urea and ammonia export capacity is not measured. Whether the quota binds is unknown.

Sources 14, 15, 47

KJ-07 JUDGEMENT / INFERENCE

The relevant evidence arrives on a calendar, and the customer should plan around it

Most of the decisions that will determine H1 2027 supply are being made now in a limited number of places: Indian rabi sowing, Ukrainian banks' credit committees, Australian grade classification, Russian allocation desks, the Abu Dhabi talks and the DGFT. Their signals are observable within weeks to months. The customer's advantage lies in monitoring these decision points rather than in a directional price view.

MECHANISM Decisions taken now set the physical and financial conditions of spring and summer supply. Their effects appear in benchmarks, basis and physical offers with a lag. Monitoring the decisions yields earlier information than the screen.

IMPLICATIONS Build a watch calendar keyed to the ICAR window (mid to late November), the Abu Dhabi outcome and any follow-up within 72 hours, the first weekly Indian sowing reads, Australian receival classifications in the harvest season, quota utilisation reports from December onward, and any DGFT notice.

EVIDENCE LIMITS The calendar depends on official data publication and on the outcome of talks. Some observables (war-risk premia, farm credit) may not be published.

Sources 01, 02, 41, 45

KJ-08 JUDGEMENT / INFERENCE

Talks outcomes are asymmetric, and the market's reaction is a test of the deal

The payoff from the Abu Dhabi outcome is asymmetric. A failed or indefinite round is more likely to produce a sharp upward repricing in wheat than a successful round is to produce a large decline, because a successful deal would reopen ports slowly while insurers, lenders and alternative routes adjust over months. This is a statement about payoff shape, not about market error. The benchmark's reaction to any announced framework is itself informative: a benchmark that does not fall on good news may be signalling doubt that the news will translate into flows.

MECHANISM Ports reopen over months, not days. Insurance terms and farm credit lag. A conditioned corridor locks in a basis premium. A failed round removes the expectation of resumption and reprices risk quickly.

IMPLICATIONS Hedge delivery and basis rather than only direction. A contract for Odesa-linked delivery should carry war-risk and force majeure terms. The futures screen may be the wrong instrument for a risk held in basis and clauses.

EVIDENCE LIMITS No positioning, options-implied volatility or physical-offer data. The Abu Dhabi talks had not yet taken place on the as-of date, so all statements about outcomes are expectations.

Sources 01, 02, 26, 31

ARG-01 ARGUMENT / INFERENCE

The terms of grain movement are set at gates that headlines rarely name

Grain moves only when several gates open at once: a hull is insured, a farmer or elevator is financed to hold and plant, a buyer's specification is certified, a state's export and stock rule permits the sale, and a payment channel clears. The central insight is that these gates, not the summit or the monsoon alone, decide much of what reaches a buyer. The record supports the mechanism at each gate but measures almost none of them directly. The Black Sea case shows the chain most clearly. Russian strike claims against vessels near Odesa are unverified military statements that do not identify grain cargoes, yet an underwriter prices war risk whether or not each claim is true, so a deterrence effect can operate without verifying any strike. Finance is the gate that converts a transport interruption into a production constraint. The NBU's warning that producer financing is adequate only until New Year, and that spring could bring acute shortage, identifies the point at which a route problem becomes a planting problem. The alternative land-and-river route can move grain, but a route that moves grain while the farm loses margin does not secure next season's crop. Whoever finances the bypass therefore holds part of the lever that the sea gatekeeper appears to hold. The same pattern appears in India, where the state's stock, ethanol and export instruments sit in different ministries on different clocks, and in Russia, where a fertiliser ceiling's effect depends on allocation and product-level binding rather than the headline volume. The point is not that one gate dominates. It is that each is held by a different party, and a change at any single gate can stop a transaction that every headline still describes as permitted.

ARG-02 ARGUMENT / INFERENCE

A large harvest can coexist with scarce grade-specific supply

National tonnage is not the unit a buyer trades. Australian wheat production prospects were reported as relatively high and the crop avoided the feared heat shock, but the same source warned that excess rain in eastern Australia could have materially degraded quality. That is how a grade split could matter. If a meaningful share of the eastern crop fails a milling specification, millers compete for qualifying lots from unaffected origins, the milling premium rises while total tonnage stays ample, and downgraded grain may move to feed at a discount. This is a mechanism, not an observed event. The record contains no grade distribution, no completed tender failure and no milling-versus-feed spread. The grade split also connects to the feed complex. Downgraded wheat could displace maize in feed, which is the same feed complex in which India's possible broken-rice restriction would bite, so the two shocks are not independent. An abundant wheat harvest and a policy-driven maize squeeze may partly offset each other in feed, while the milling market tightens on its own. Argentine hail damage on about 16,000 hectares, with frost and Fusarium risk, is a further grade-relevant concern, because damage that reduces protein or test weight matters more to a miller than a national area figure. The synthesis is that the benchmark can show comfort while a specific buyer, origin and delivery week shows stress.

ARG-03 ARGUMENT / HYPOTHESIS

Calm prices may be produced partly by exclusion of buyers

A benchmark is a clearing price among the buyers who can bid. Buyers without foreign exchange, letters of credit or credit lines can withdraw demand without anyone banning trade, and their withdrawal lowers the observed price while local food access worsens. The mechanism is coherent: a high-rate world with an energy shock makes import finance expensive for the marginal developing-economy buyer, whose constraint is dollars, fuel bills and bond yields rather than the wheat price. The evidence for this is largely indirect. The Sudan humanitarian report documents funding shortage and depleted relief warehouses, but it does not document a cancelled grain tender or a global price effect. The Iranian case is a more specific test. FATF countermeasures, sanctions on Iran's rail sector and an announced $30bn import-financing package make payment access, not supply alone, a plausible constraint on Iranian grain demand. The essential discipline is to refuse to treat any lower purchase as distress. Falling import volumes can reflect good domestic harvests, stock releases or changed schedules. The claim is therefore that a calm benchmark is compatible with excluded demand, not that it is caused by it. The same point applies to the market as a whole. A benchmark can be an informed equilibrium that nets risk, offsets and demand adjustment, but that equilibrium is struck among a population partly shut out of the market. A calm price is then a distorted signal, because the excluded are not counted in its denominator.

ARG-04 ARGUMENT / INFERENCE

The energy channel is real but must be split by destination and by cost type

The Hormuz crisis reaches grain through several channels with different geographies and clocks, and the key correction is to stop treating them as one surcharge. A cargo bound for a port inside the Persian Gulf cannot route around Africa to avoid the strait, so Gulf-bound grain and fertiliser face direct access and insurance costs. Other voyages face indirect effects through fuel prices, bunker costs and insurance pool strain. UNCTAD's finding that developing economies absorb the heaviest fuel-price pass-through supports the indirect channel for importers, but it does not establish a grain freight premium. The fertiliser channel is plausible: nitrogen is gas-based, and energy shocks raise production and transport costs. The Russian fertiliser quota and Kazakhstan's extension of its petrol and diesel export ban show producer states rationing supply to protect domestic users, which can change the cost base for other buyers. The Qatari proposal to reopen the strait as part of a plan for nuclear inspections is the most important possible reversal. Reopening would trim the energy and insurance cost floor, but it would not restore Ukrainian routes, change the Indian rabi window or repair a product-specific fertiliser binding. The integrated reading is that the energy channel raises costs and narrows options for particular destinations, and its size must be measured route by route.

ARG-05 ARGUMENT / INFERENCE

India is the marginal decision-maker, and its policy can become the shock

India is the single most consequential node for rice and a major one for wheat and maize, and its decisions run on clocks that do not coordinate. The fast stock clock is the FCI's weekly offer of 1.99 lakh tonnes and the falling prices in most states. The medium sowing clock is the rabi programme, where the 30 October gap is an early-season observation and the ICAR window of 15–20 days is the key near-term test. The slow political clock is the 2027 state elections, the ethanol programme and the broken-rice precedent. These clocks can align. When stock disposal, broken-rice inflation and sowing delay diverge visibly, officials face a choice between excess stocks and food shortage, and the trigger for restriction may be narrative rather than a crop threshold. Front-running by domestic millers ahead of a possible restriction would be an early behaviour to watch. The policy shock can also propagate through a substitution chain. A broken-rice restriction shifts feed demand toward maize, poultry producers petition for duty-free imports, and a shift to net maize importing becomes conceivable. Three cautions limit this. The restriction under discussion is a trade-body warning about 100% broken rice, not a government notice, and it is not a rice-export ban in general. A petition is not an import. And the net feed effect of ethanol is unmeasured because co-products may return usable feed. The integrated reading is that India's export policy is the likeliest source of a sharp world rice and feed move, and that the sequence that would indicate it is observable in order: sowing progress, stock disclosure, DGFT notice, maize import permission.

ARG-06 ARGUMENT / INFERENCE

Fertiliser risk is a timing and product-binding risk, not an annual tonnage cut

The fertiliser argument holds in a narrower form than the headline suggests. The quota is a ceiling on permitted aggregate volume, not evidence of a 6% fall in global supply, Russian exports or grain output. Its market significance lies in timing and product specificity. The December–May period overlaps the northern spring input window, and a quota that binds for one product before an application window can deny a farmer the input at the moment it matters. Once a planting or application window passes, a later price fall cannot restore the missed input, so the effect appears in yields or crop choice months later. Two conditions must both hold for a fertiliser shock to become a supply shock: the quota must bind for the relevant product, and the buyer must have no alternative source on time. Neither condition is established. The value of the argument lies in naming the window, the product and the evidence that would show a binding denial (utilisation data and missed orders). One reading adds a longer horizon: the real leverage lies in whether the quota is renewed in May 2027, and on what predictable terms, because repeated tightening encourages buyers to build alternatives.

ARG-07 ARGUMENT / INFERENCE

The weather picture is a set of uneven regional and crop-specific stresses, not a single synchronised loss

The Super El Niño is an exceptional anomaly (Niño3.4 reached 3.11°C on 18 September) with a peak near 4°C projected for late December, and it is a planetary forcing that no grain technology will cancel. But a climate indicator is not a yield estimate, and the record's regional evidence is uneven. Argentina has hail damage on about 16,000 ha, a final outcome described as open, and frost and disease risk. Australia's production prospects are relatively high, with the quality caveat already discussed. Sowing in France was reported 84% complete by 2 November, ahead of the five-year average, which is progress rather than yield but a balancing observation. Indian rabi sowing is well behind last year, but its harvest effect depends on recovery. The integrated reading is that El Niño is a risk multiplier concentrated on rice and on specific origins and grades, and that treating it as one uniform yield shock conflates a climate signal with a crop outcome. The strongest counter-reading is that several regional stresses in the same season are, in aggregate, a correlated shock. That view has merit for rice and for the policy reaction, but the record does not show the physical crops moving together.

ARG-08 ARGUMENT / HYPOTHESIS

Oilseed and feed signals diverge through timing, currency and policy rather than through a single fundamental

The soybean complex is the clearest divergence from the upward narrative. Soybeans fell about $15 in a week, with soyoil falling alongside, and reporting tied the move to the US harvest, oil price moves and the Brazilian real. Brazilian producers prioritised planting over selling in heavy rain, so unsold grain may arrive when fields dry, making timing rather than quantity the issue. Two further links are plausible but unestablished. A firm real and high carry may make farmers hold unsold soy, so policy and currency can block sales as well as weather. The soyoil fall while crude stays elevated is inconsistent with a simple biofuel floor, and it needs checking against mandate politics and Indonesian supply. The Argentine question of where export dollars are held also bears on whether farmers sell. The integrated reading is that the oilseed complex is governed more by when grain is sold, and in which currency, than by whether it exists.

ARG-09 ARGUMENT / INFERENCE

Policy can be a reversible shock in one place and a durable structural change in another

A governance reading separates two kinds of institutional change. Reserve studies, stock declarations and alternative corridors are signals whose market effect depends on whether they become physical acts. The French mission is an assessment, not a purchase, and its eventual form (purchase, designation, options or rules) determines whether it adds demand or only changes expectations. Infrastructure built for a blockade may persist, but persistence is a ratchet with conditions rather than an automatic path dependence. The integrated reading is that the market signal from institutions is strongest where a decision has a physical counterpart, and weakest where it is discourse. A customer should therefore track formal instruments rather than statements of intent.

Open questions

UQ-01 OPEN QUESTION

Will India's wheat sowing catch up to the normal same-date pace during the ICAR window, and if not, will the state move from stock disposal to protective measures?

UQ-02 OPEN QUESTION

What are India's absolute central-pool wheat and rice stocks, and what cover ratio do they represent against buffer norms?

UQ-03 OPEN QUESTION

How much usable feed do Indian distilleries return as co-products, and how do feed mills substitute them for whole maize or broken rice?

UQ-04 OPEN QUESTION

Will the Indian restriction, if issued, cover broken rice only or rice exports generally, and will it be a DGFT notification?

UQ-05 OPEN QUESTION

What are the Australian receival grade distributions in the eastern regions, and do matched milling-versus-feed spreads widen beyond freight and protein explanations?

UQ-06 OPEN QUESTION

Who holds the Argentine export dollars that did not reach central-bank reserves, and are farmers holding grain as a currency hedge?

UQ-07 OPEN QUESTION

Is any Black Sea war-risk premium moving, and what do underwriters require before covering Odesa-linked loadings?

UQ-08 OPEN QUESTION

Who finances Ukrainian producers and elevators through spring 2027, and will any guarantee or lender be enacted?

UQ-09 OPEN QUESTION

Does the Russian fertiliser quota bind for any specific product before a spring application window, and are there documented denied or delayed orders?

UQ-10 OPEN QUESTION

Does the Abu Dhabi outcome produce an unconditioned, insured corridor, a conditional one, or no framework, and how do Euronext and basis respond to the announcement?

UQ-11 OPEN QUESTION

Are Gulf-bound grain freight rates and war-risk premia higher than non-Gulf routes after controlling for fuel, and by how much?

UQ-12 OPEN QUESTION

Do Iranian grain purchases move through any payment channel, and if so at what discount or with what delay?

UQ-13 OPEN QUESTION

Is the French strategic-reserve mission's eventual recommendation a purchase, a designation, an options arrangement or a release-rule change?

UQ-14 OPEN QUESTION

Are the Brazilian soy sales delayed by farm finance and currency as well as by rain, and does the overhang clear as fields dry?

UQ-15 OPEN QUESTION

Does China's import demand for grain and oilseeds weaken through 2027, and does that weakness offset the rice and maize stress?

UQ-16 OPEN QUESTION

Does the Fitch BMI rice path reflect an error, a contract convention or a genuine forecast decline?

What this analysis does not cover

GAP-01 COVERAGE LIMIT

Weather and crop-specific yield evidence (El Niño effects by crop and stage)

MISSING EVIDENCE Official crop revisions by country and crop, observed damage converted to affected yield and harvestable area, and the crop-stage timing of the El Niño effects for wheat, rice and maize.

WHY IT MATTERS The analysis can describe the climate indicator and the regional stresses, but cannot state a global yield loss. Claims about synchronised loss remain contested.

GAP-02 COVERAGE LIMIT

Grade and quality data

MISSING EVIDENCE Australian receival classifications by region and grade, Argentine grade losses, matched milling-versus-feed spreads, and completed mill tender specifications.

WHY IT MATTERS The grade split is a tested possibility with its breakpoints, not an observed downgrade.

GAP-03 COVERAGE LIMIT

Finance and credit

MISSING EVIDENCE Identity of the Ukrainian spring lenders, any guarantee programme, Argentine and Brazilian farm credit and sales-by-finance data, and importer letter-of-credit availability.

WHY IT MATTERS The finance mechanisms are presented as mechanisms with unmeasured magnitude. No lender-level claim is made.

GAP-04 COVERAGE LIMIT

Demand side, notably China

MISSING EVIDENCE Chinese grain and oilseed import volumes, reserve auction results, hog-herd and feed-formulation data, and any official demand estimate.

WHY IT MATTERS The demand-side counterweight cannot be assessed. Without these data, China cannot be treated as either a bullish or bearish swing.

GAP-05 COVERAGE LIMIT

Comparative institutional buffer capacity (China and others)

MISSING EVIDENCE Verifiable reserve quantities, local-government finances behind agricultural subsidies, and comparative adaptation metrics.

WHY IT MATTERS Comparisons of buffer speed remain hypotheses, with no ranking of systems.

GAP-06 COVERAGE LIMIT

Argentine export dollars and farm selling behaviour

MISSING EVIDENCE Export registrations, farmer deliveries against the Rosario crop estimate, and the holders of the roughly $35bn that did not reach central-bank reserves.

WHY IT MATTERS The Argentine hold-the-grain indicator is unverified and is framed as a question.

GAP-07 COVERAGE LIMIT

US policy and biofuel mandates after the midterms

MISSING EVIDENCE Any change in US biodiesel mandates, Farm Bill direction, or subsidy architecture after the midterms.

WHY IT MATTERS The soyoil and US-origin premium effects remain speculative. The midterms are a source of policy uncertainty whose direction is not asserted.

GAP-08 COVERAGE LIMIT

Freight, war-risk and insurance

MISSING EVIDENCE Black Sea and Gulf war-risk premia, grain freight series for matched routes, and completed voyage data with cancellations.

WHY IT MATTERS The insurance gate is the most consequential unmeasured gate. Its authority is clear; its pricing is unpublished.

GAP-09 COVERAGE LIMIT

Indian stock levels

MISSING EVIDENCE Absolute central-pool wheat and rice stocks, cover ratios against buffer norms, and procurement volumes for the year.

WHY IT MATTERS Every India thesis lacks its denominator. The likelihood of restriction and the meaning of FCI sales cannot be scaled.

GAP-10 COVERAGE LIMIT

Fertiliser allocation and utilisation

MISSING EVIDENCE Quota allocation rules by producer and product, shipments by product and destination, and Gulf urea and ammonia export capacity.

WHY IT MATTERS The fertiliser channel is presented as timing risk with the binding condition unresolved.

GAP-11 COVERAGE LIMIT

Ethanol co-products and feed-mill practice in India

MISSING EVIDENCE Distillery feedstock and co-product volumes, nutritional suitability and feed-mill inclusion rates.

WHY IT MATTERS The food-feed-fuel offset is unquantified. Neither one-for-one displacement nor full offset can be assumed.

GAP-12 COVERAGE LIMIT

Sea-route and Danube capacity and tariffs

MISSING EVIDENCE Route-specific monthly grain tonnage by commodity, port and rail tariffs, border queues and transshipment capacity.

WHY IT MATTERS Route capacity is not established. The September 2.7 Mt is one observation.

GAP-13 COVERAGE LIMIT

Price and positioning data

MISSING EVIDENCE Options-implied volatility, exchange positioning, matched physical export offers and basis series.

WHY IT MATTERS No claim of crowded positioning or mispricing can be made. The payoff asymmetry is a shape argument only.

GAP-14 COVERAGE LIMIT

Fitch BMI rice forecast source and contract definitions

MISSING EVIDENCE The original Fitch document, contract basis and unit definitions, and AMIS and USDA tables with season and paddy-or-milled basis.

WHY IT MATTERS The Fitch Q4-to-Q1 path is unverified and is not used as a market signal.

GAP-15 COVERAGE LIMIT

Humanitarian and aid procurement

MISSING EVIDENCE WFP procurement plans, tender awards and cancellations, ration levels, and delivery data for named countries.

WHY IT MATTERS The access argument remains a mechanism; no named humanitarian grain purchase is reported as cancelled.

GAP-16 COVERAGE LIMIT

Iranian grain import demand and payment channels

MISSING EVIDENCE Iranian grain tender data, import volumes, correspondent-bank refusals and any sanctioned-destination payment solution.

WHY IT MATTERS The Iran payment gate is a hypothesis; the 8–10 Mt import figure is unverified and is not relied on.

GAP-17 COVERAGE LIMIT

Global demand and macro conditions as they affect grain (beyond bond yields)

MISSING EVIDENCE Import-bill data for named developing economies, currency moves for key importers, and local staple price series.

WHY IT MATTERS Affordability claims rest on the UNCTAD finding and bond yields, not on country-level evidence.

GAP-18 COVERAGE LIMIT

Weather of the Brazilian safrinha and the Brazilian crop calendar

MISSING EVIDENCE Safrinha planting and harvest progress, cold-snap damage assessments for Mato Grosso do Sul, and revised Brazilian output estimates.

WHY IT MATTERS Brazilian maize risk is limited to a warning. No Brazilian maize loss is reported.

THE FULL INTELLIGENCE

Inside the Garden

Every path in full: assumption, alternative, consequences, early indicators, breakpoints, weakening signals and connected paths.

These are the assumptions that hold this judgement together and the observable changes that would break it. The paths are ordered by decision weight. The Indian feed-substitution chain is the most concrete, with the nearest observable tests. The grade split shows where delivery stress could appear while the benchmark stays calm. The pre-talks discount and the Ukrainian finance cliff are two ways the Black Sea could reprice: one through headlines, one through balance sheets. Excluded buyers and the closing fertiliser window follow. Synchronised stress comes next and remains contested, because it needs official crop revisions to confirm it. Benign drift is a genuine fork, not a footnote, and every other path is in effect a wager against it. The speculative paths close the Garden. Each path is a conditional pathway with breakpoints and weakening signals, not a forecast and not an odds table.

PATH-04 DEVELOPING

India restricts broken rice and the feed chain moves to maize

ASSUMPTION

India's policy moves on rice, wheat and maize are separate, and any broken-rice restriction is a contained event with a limited feed effect.

THE ALTERNATIVE

If a DGFT restriction on broken rice, or a stock-driven narrative of shortage, pushes feed demand towards maize and prompts maize import permissions, India could move towards net maize importing while rice-export supply tightens at the margin. An exporters' federation has called a broken-rice restriction possible, with prices above $360/t, but no DGFT notice has been found. The poultry industry's duty-free maize request is a petition, not an authorisation.

WHAT FOLLOWS

- Broken-rice prices keep rising. Either the state moves on exports, or stock declarations become the information step ahead of a restriction; their policy meaning is not yet established.
- Poultry and feed buyers seek maize and duty-free imports; the petition becomes a permission only if granted.
- Indian maize demand rises and rice-export supply tightens. World rice prices would respond and regional feed prices move, with the sequence possibly running ahead of crop evidence.

EARLY INDICATORS

- Millers and feed compounders front-running restriction, visible as accelerating broken-rice WPI and wholesale price rises.
- Official language shifting from catching up to shortfall.
- Stock disclosure data becoming public or being used in official statements.

BREAKPOINTS

- A DGFT notification specifying broken rice or rice generally, with scope and effective date.
- A maize import tender, duty waiver or import permission granted to the feed sector.
- Weekly Indian sowing remaining far below prior-year same-date progress through late November (the ICAR window).

WHAT WEAKENS IT

- Co-product feed from distilleries substituting for grain in feed formulas.
- FCI releases or Bharat Rice distribution easing domestic prices without export controls.
- Sowing catch-up through November.

CONNECTED PATHS

PATH-03 · PATH-06 · PATH-09

PATH-03 DEVELOPING

Millable wheat splits from the benchmark

ASSUMPTION

Australian and other wheat tonnage is adequate, and the broad benchmark reflects the availability of wheat for the importing buyer.

THE ALTERNATIVE

If recent excess rain in eastern Australia has degraded a meaningful share of the crop below milling specifications, qualifying milling wheat would be scarcer than the national harvest implies. The milling premium would widen while the benchmark does not. The quality damage is a possibility, not a confirmed downgrade.

WHAT FOLLOWS

- Excess rain may have degraded quality in eastern Australia, and Argentine hail (about 16,000 ha affected in Córdoba and Santa Fe; hectares, not tonnes lost) could add some grade damage.
- Millers compete for qualifying lots; the milling premium widens and specification-narrow buyers face higher delivered cost or failed tenders.
- Downgraded grain would move to feed at a discount, displacing some feed maize and interacting with the Indian feed complex.

EARLY INDICATORS

- Australian receival classifications showing a rising share of lower grades in eastern regions.
- Widening milling-to-feed wheat spread at a named port for matched dates.
- Mill tenders for specified grades drawing fewer or higher-priced offers.

BREAKPOINTS

- Completed mill tenders for a specified grade failing on schedule from normal eligible origins despite adequate aggregate offers.
- A milling-to-feed differential widening without a matching freight or protein explanation.
- Verified grade downgrades in handler classifications for a defined region.

WHAT WEAKENS IT

- Normal grade distributions in harvest classifications through the marketing season.
- Mill tenders filling at normal delivered cost.

CONNECTED PATHS

PATH-04 · PATH-07

PATH-01 DEVELOPING

The pre-talks discount unwinds

ASSUMPTION

Wheat's soft tone into the Abu Dhabi talks of 10 November may reflect anticipatory trading and a netting of supply, offsets and risk, and the talks will produce either a modest decline or nothing decisive. Soft prices alone do not show that a peace dividend is already priced, or that positioning is crowded.

THE ALTERNATIVE

A failed or indefinite round, or a corridor conditioned on terms Moscow can reverse, would reprice the risk of Black Sea access quickly and upward. A deal that restores Ukrainian exports is more likely to be a conditional arrangement than a return to the pre-war corridor.

WHAT FOLLOWS

- Talks yield no framework, or a framework with reversible terms.
- Insurers and charterers treat the corridor as conditional, so war-risk and basis premia persist or widen. Underwriters price war risk whether or not individual strike claims are verified.
- Buyers who depended on Odesa-linked delivery seek substitute origins, widening the spread between Black Sea and other origins and lifting the wheat price at the margin.

EARLY INDICATORS

- Euronext wheat fails to fall on an announced framework.
- Ukrainian farm-gate prices move toward export parity or above it.
- Frequency of claimed strikes outside Odesa within 72 hours of the talks (reported as Russian military claims, so the count is a signal of tempo, not of cargo loss).

BREAKPOINTS

- A published war-risk premium for Odesa loadings rising after talks.
- Euronext moving decisively back above the €220/t level on a failed round.
- A written corridor framework that names a restricted set of vessels or conditions Moscow can revoke.

WHAT WEAKENS IT

- An unconditioned corridor agreement with published insurance terms.
- A sustained rise in Ukrainian monthly agricultural exports above September's 2.7 Mt, itself a single monthly flow carried by rail and Danube routes.

CONNECTED PATHS

PATH-02 · PATH-03

PATH-02 DEVELOPING

The finance cliff replaces the sea gate

ASSUMPTION

Ukraine's export potential and 2027 output depend mainly on the sea gate, and a sea reopening restores the pre-blockade system.

THE ALTERNATIVE

The binding constraint on Ukrainian supply may be producer financing. A guarantee or lender could relieve it without reopening the sea; if none appears, financing could fail by spring and the 2027 shortfall would arrive through planting and storage losses rather than through the port.

WHAT FOLLOWS

- The blockade scenario lowers export receipts (the National Bank of Ukraine estimates $4.6bn of agricultural revenue lost for July–December 2026) and delays sales; storage may degrade, though no loss is documented.
- Producer financing, which the central bank describes as adequate only until New Year, runs short, forcing distressed sales or reduced input purchases.
- Reduced spring planting or input intensity lowers the 2027 harvest; the central bank projects a 2.7 Mt smaller grain-and-oilseed crop, a projection rather than an observed loss. If a guarantee or lender appears, the effect is cushioned and the leverage of the sea gate weakens.

EARLY INDICATORS

- Ukrainian farm-gate prices below export parity despite the blockade (forced selling).
- Route-specific monthly tonnage by commodity showing rising rail and Danube volumes.
- Reports of farm arrears or input purchase deferrals in Ukrainian spring planning.

BREAKPOINTS

- An enacted guarantee or lender disbursement for Ukrainian spring inputs (visible in drawdowns).
- Route-specific grain tonnage rising for several consecutive months with netbacks positive after inland costs.
- Farm-level input purchase data showing a shortfall versus prior years by the spring window.

WHAT WEAKENS IT

- Sustained farm credit disbursement through spring.
- Netbacks positive and input purchases normal despite continued sea disruption.

CONNECTED PATHS

PATH-01 · PATH-07

PATH-05 DEVELOPING

Excluded buyers set the clearing price

ASSUMPTION

A soft benchmark reflects ample supply and functioning buffers, so importers are secure and aid buyers can meet need.

THE ALTERNATIVE

Foreign exchange, credit and payment constraints could remove a meaningful set of marginal buyers, so that benchmark prices clear among a narrower and more solvent population while local food access deteriorates. Whether such exclusion moves world prices is not shown.

WHAT FOLLOWS

- Multi-year-high global bond yields, energy import bills and payment restrictions tighten finance for developing-economy buyers.
- Tenders are cancelled or awarded in smaller volumes; buyers draw down reserves or cut rations.
- Benchmarks stay calm while the excluded countries could face higher local staple prices and rising food insecurity, neither of which benchmarks register.

EARLY INDICATORS

- Announced tender volumes exceeding awarded volumes for named importers.
- Divergence between local-currency staple prices and dollar benchmarks in the same country.
- Reduction in ration sizes or delivery schedules in humanitarian procurement reports.

BREAKPOINTS

- Documented cancellation of a grain purchase for lack of letters of credit or foreign exchange, with an eligible supplier available.
- A correspondent-bank refusal of a grain payment to a sanctioned or FATF-listed destination.
- WFP or equivalent procurement plans cut for named countries with reasons attributed to funding.

WHAT WEAKENS IT

- Tenders clearing on schedule with deliveries holding up despite soft benchmarks.
- Local staple prices falling in line with exchange rates.

CONNECTED PATHS

PATH-01 · PATH-06

PATH-07 DEVELOPING

The fertiliser window closes before the quota does

ASSUMPTION

The 1 December–31 May Russian export quota, at more than 18.8 Mt against 20 Mt for the prior June–November period, is a ceiling, and any tightening is a small proportional change in global supply.

THE ALTERNATIVE

The quota could bind for a specific product before a spring application window, with importers unable to secure that product elsewhere in time, so that farmers reduce or delay application. Whether it binds is unknown.

WHAT FOLLOWS

- Allocation under the aggregate ceiling is exhausted for a particular nitrogen or compound product before the northern spring window.
- Buyers delay or reduce applications; some substitute other products at higher cost.
- Yields and crop choices shift in 2027, and the effect appears after the price signal has faded.

EARLY INDICATORS

- Quota utilisation reports showing a product approaching its allocation before March.
- Importer or cooperative reports of denied or delayed orders.
- Rising product-specific fertiliser prices in tenders relative to other nutrients.

BREAKPOINTS

- A documented denied or delayed order attributable to exhausted allocation before a window closes.
- Customs data showing product-level export volumes at the quota ceiling before May 2027.
- Non-renewal of the quota in May 2027 or a shift to nitrogen-heavy products, which would reverse the channel.

WHAT WEAKENS IT

- Utilisation well below the ceiling for the relevant products.
- Alternative supply arriving on schedule from other origins.

CONNECTED PATHS

PATH-02 · PATH-03 · PATH-06

PATH-06 CONTESTED

Synchronised stress across suppliers

ASSUMPTION

Regional weather and logistics stresses are separate events, and they do not all coincide in the same delivery window with the same severity.

THE ALTERNATIVE

If El Niño damage, a final Indian shortfall, Black Sea logistics constraint and fertiliser tightening coincided in one season, suppliers that normally compensate for one another would be stressed simultaneously. The step from correlated regional weather stories to correlated physical crop losses is not yet supported, which is why the path is contested.

WHAT FOLLOWS

- Regional stresses (Argentine hail, Indian rabi delay, rice pressure in Asia) would occur together with logistic constraint in the Black Sea.
- Official crop revisions would confirm yield loss in more than one major supplier, and policy responses (restriction, reserves) would amplify each other.
- Importers buy earlier and hold stock, and the price signal sharpens beyond the physical shortfall.

EARLY INDICATORS

- Crop revisions by country pointing in the same direction within the same months.
- Rising importer stocks and early tendering by several large buyers at once.
- Policy measures announced within a short period by multiple exporters.

BREAKPOINTS

- Official revisions reducing wheat or rice output estimates for two or more major exporters for the same season.
- Observed damage converted into affected harvestable area and yield for the named suppliers.
- A second major exporter adopting export controls within weeks of the first.

WHAT WEAKENS IT

- Australian and French crops holding.
- Argentine hail confined to the affected hectares with no national revision.

CONNECTED PATHS

PATH-04 · PATH-07 · PATH-08

PATH-11 DEVELOPING

Benign drift

ASSUMPTION

The market's soft benchmarks and partial adaptation continue, with rice tighter than wheat but no generalised rally.

THE ALTERNATIVE

Indian sowing catches up, Australian grades hold, Ukrainian routes and finance stabilise, and fertiliser products clear on schedule, so the pressures do not coincide and the market settles at moderate levels with localised premia.

WHAT FOLLOWS

- Indian rabi progress recovers in late November and early December.
- Route tonnage, farm credit and input purchases hold through spring.
- Quality and fertiliser constraints stay local, and benchmarks remain volatile without a sustained rally.

EARLY INDICATORS

- Weekly Indian wheat sowing area rising rapidly after mid-November.
- Normal grade distributions in Australian receival data.
- Ukrainian route tonnage rising for several consecutive months.

BREAKPOINTS

- Indian wheat area near prior-year same-date levels by early December.
- Quota utilisation below ceiling for relevant products through spring.

WHAT WEAKENS IT

- Any of the cascade or grade-split paths confirmed by official data.

CONNECTED PATHS

PATH-04 · PATH-06 · PATH-07

PATH-10 **SPECULATIVE**

Verification becomes the new gate

ASSUMPTION

Technology such as sensors, yield forecasting and electrolytic fertiliser is a long-horizon development with negligible effect on the 2026–27 crop.

THE ALTERNATIVE

If cheap grade verification and traceability become standard, verified tonnes would trade at a premium and certifiers would gain influence over what counts as grain, separating a premium tier from a cheap feed tier.

WHAT FOLLOWS

- Testing and lot traceability become low-cost relative to a milling premium.
- Buyers specify certificates; verified grades trade at a premium and unverified grades at a discount.
- Verification bodies gain power over eligibility and risk allocation, shifting the chokepoint into the data layer.

EARLY INDICATORS

- Tender specifications requiring grade test certificates.
- Published spreads between verified milling-grade and feed-grade wheat.
- Warehouse-receipt schemes with custodians and enforceable claims.

BREAKPOINTS

- A verified-grade spread persisting across several harvest cycles without freight or protein explanation.
- An enforceable warehouse-receipt or lot-traceability scheme in an origin country with a custodian.

WHAT WEAKENS IT

- Grade verification remaining a niche service with no spread.
- Only paddy-methane style measurement schemes extending, with no grain application.

CONNECTED PATHS

PATH-03 · PATH-09

PATH-08 **SPECULATIVE**

Reserve study becomes reserve buying

ASSUMPTION

The French strategic-reserve mission is an assessment with no immediate market effect, and reserves are a slow or nominal development.

THE ALTERNATIVE

If the mission recommends and the government authorises purchases or designation of stocks, and other importers follow, precautionary demand would be added to the market for specific grades and delivery periods. The mission is today only an assessment; no purchase, budget or EU-wide decision exists.

WHAT FOLLOWS

- The mission recommends a reserve form and budget authority is granted.
- Purchases or contracted options add demand for specific grades and delivery windows; designation changes access in emergencies only.
- Other importers review their own stock policies, and precautionary buying extends beyond France.

EARLY INDICATORS

- Publication of the mission's findings and any budget or procurement authority.
- Tender announcements by a state reserve agency.
- Release-rule adoption without purchases (a signal form, not a demand form).

BREAKPOINTS

- Tenders or inventory increases attributable to a reserve decision.
- A budget authority for physical purchase enacted by the government.
- Designation of existing stocks with explicit release rules.

WHAT WEAKENS IT

- The mission reporting no new purchase need.
- Reserve policy confined to designation of existing stocks with no new demand.

CONNECTED PATHS

PATH-09 · PATH-10

PATH-09 **SPECULATIVE**

Brazil's soy overhang arrives on the dry-out, or is held by currency

ASSUMPTION

The Brazilian soy slowdown is a rain-driven timing problem, and unsold grain will clear quickly once fields dry.

THE ALTERNATIVE

If farm finance, a firm real and biofuel-mandate uncertainty lead farmers to keep unsold soy, the overhang would be policy- or currency-blocked and clear slowly or in a delayed wave.

WHAT FOLLOWS

- Rain slows harvest logistics and sales; planting for 2026/27 is prioritised.
- A firm real and high carry shape the cost of holding grain, and farmers may defer sales.
- When fields dry, the overhang arrives as a wave of offers, or is held longer if currency or mandate policy shifts.

EARLY INDICATORS

- Paranaguá basis weakening into the dry season.
- Weekly sales pace reported by Cepea-type indicators rising or staying low despite dry weather.
- BRL direction and US biodiesel mandate announcements.

BREAKPOINTS

- Brazilian export registrations rising sharply once fields dry while farm sales remain low (implying holding).
- A formal US biodiesel mandate change moving the soyoil floor.

WHAT WEAKENS IT

- Sales pace recovering promptly after the rain ends.
- Stable soyoil relative to crude without mandate changes.

CONNECTED PATHS

PATH-04 · PATH-05

THE FULL INTELLIGENCE

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