

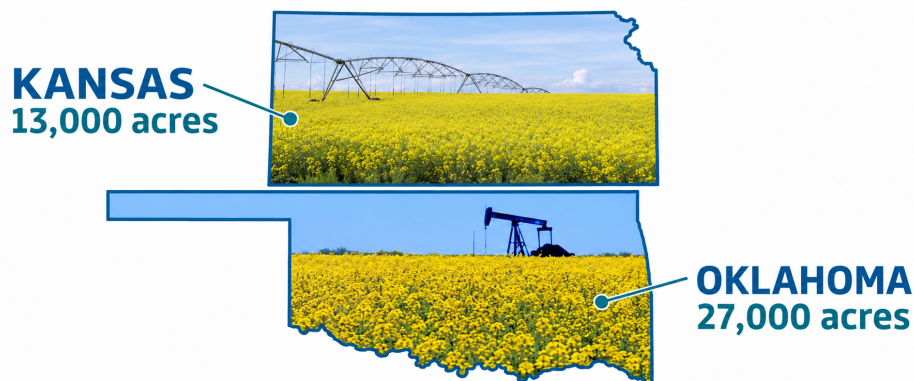
WINTER CANOLA / FALL 2026 DECISIONS, 2027 RETURNS

Winter Canola: More Acres. What Makes Them Pay?

Fuel policy could strengthen demand. The farmer still needs establishment moisture, a workable rotation and a delivered price that supports the 2027 margin.

Kansas and Oklahoma planted 40,000 acres for 2026: about 4% of a rotation-based 926,000-acre scenario. That scenario is an upper bound, not proven suitable acreage or a planting forecast. See page 3.

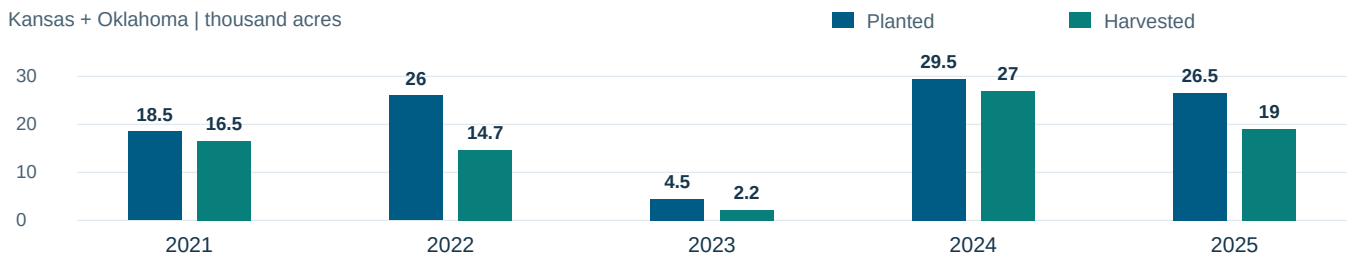
40,000 ACRES / THE 2026 TWO-STATE BASELINE



2026 planted-acre estimates [6,7], not fall 2026 seedings for harvest in 2027 or all U.S. winter-canola acres. Supplied photographs adapted with AI for illustration; not mapped crop coverage.

PLANTED ACRES DO NOT ALL REACH HARVEST

Kansas + Oklahoma | thousand acres



Source: USDA NASS Annual Summaries, latest edition in the supplied history package for each crop year. Harvested acreage is 49%-92% of planted acreage across these years. The reports do not establish the causes of the gaps.

ALUVIAL SIGNAL

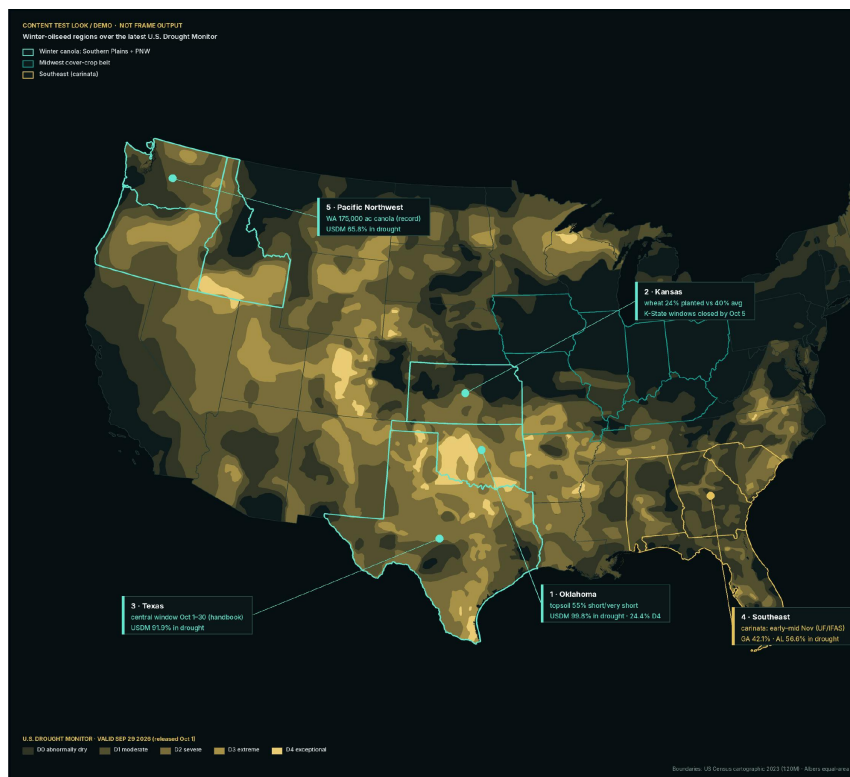
More planted acres create potential supply. Harvested acres, yield and delivered price determine whether that potential pays. Winter canola's recovery needs to survive both the growing season and the farm budget.



ESTABLISHMENT / MOISTURE AND TIMING COME FIRST

Establishment means threading the needle.

Planting date must align moisture for emergence with enough growing degree units (GDUs) to build roots and a rosette before winter. Waiting for rain can cost growing time; planting too early can produce excessive growth. The target is a developed, cold-acclimated stand. [2]



33-50%

ABOVE-NORMAL PRECIPITATION

Favorable odds, still below or near a coin toss. NOAA favors a wetter KS/OK winter. The usual baseline is about 33%; these odds do not mean drought is more likely. Winter moisture can still arrive too late for establishment.

NOAA: issued Sep 17, valid Dec 2026-Feb 2027; next seasonal update Oct 15. Drought map: Sep 29 baseline, not current field moisture. Seasonal outlooks do not resolve local establishment conditions. [1-3]

ALUVIAL SIGNAL

A favorable winter outlook does not establish a stand. Canola still needs rain in time to emerge, enough heat to develop a rosette and acclimation before damaging cold. Aluvial can connect those local conditions with the grower margin where the evidence supports it.



ROTATION / EVIDENCE OF USE, NOT PROOF OF EXPANSION

Canola already fits wheat rotations. The next acre still has to qualify.

The supplied crop-sequence analysis points to a wheat-based opportunity. It does not establish which additional fields can grow canola profitably.

97.4%

FOLLOWED WINTER WHEAT

85.4%

WHEAT-CANOLA-WHEAT

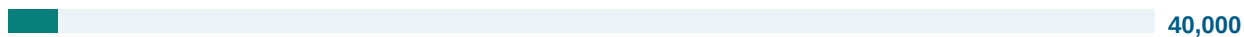
90.3%

CANOLA IN 1 OF 8 YEARS

Share of analyzed canola acres, KS + OK. 2,962 field-years / 116,298 acres, 2019-24. Satellite-derived crop associations; classification error and the selected sample limit inference.

HOW LARGE IS THE ROTATION-BASED SCENARIO?

2026 planted acres



17-county core / 1 in 4 years



61 history counties / 1 in 4 years



Scenario acreage applies historical wheat-on-wheat shares to the 2026 wheat base and a four-year canola cycle. It does not screen every field for drought, herbicide carryover, seed availability or insurance. Local agronomy and buyer terms still govern.

NASS CDL-CSB analysis / directional; not a field-level biophysical model. Calculations supplied in the Issue 04 methods and sources; underlying spatial analysis not independently reproduced here.

ALUVIAL SIGNAL

Rotation history identifies where to investigate. It does not turn every wheat acre into a canola acre. Expansion still needs a field that can establish, a workable crop sequence and a grower offer that competes with wheat.



GROWER ECONOMICS / PRICE, PRODUCTION AND CASH AT RISK

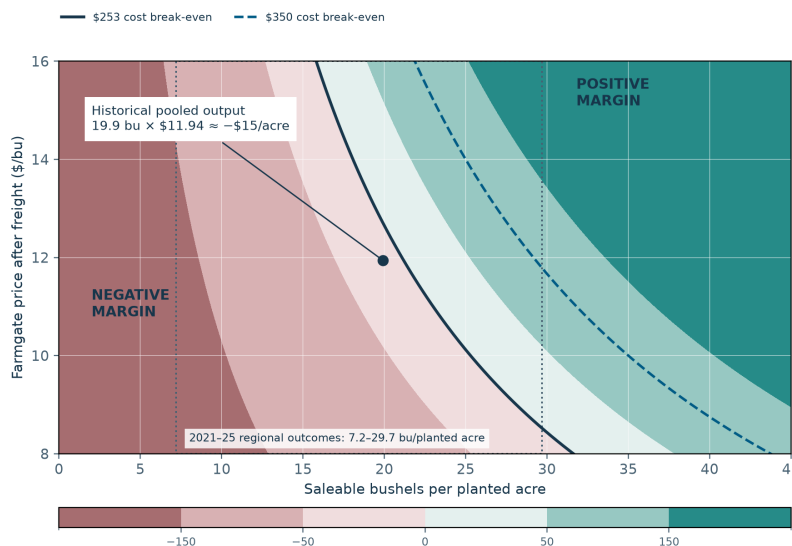
The bid pays on bushels. Costs start on planted acres.

Weather changes saleable bushels; freight changes the net bid. The risk chart holds costs constant. A separate K-State budget comparison asks whether canola competes with wheat.

ALUVIAL SIGNALS / GROWER ECONOMICS

Two uncertain inputs. One margin to protect.

Margin per planted acre = saleable bushels × farmgate price – cost per planted acre



PRICE → FARMGATE

\$12.85/bu delivered
– **\$0.91/bu freight**
= **\$11.94/bu net**

Illustration: 200 loaded miles,
\$5/mile, about 1,100 bu/load.
Quality deductions excluded.

COMPLETE CROP LOSS

Zero bushels means no grain
revenue at any price. Loss equals
costs incurred, less recoveries.
Avoided spring and harvest costs
must be removed from the budget.

The surface holds cost at \$253.
It is not a failure-cost forecast.

Margin bands (\$/planted acre) at a fixed \$253 cost
Scenario ranges, not probabilities or a 2027 forecast. Weather can affect both harvested share and yield; price may move with supply.
Historical range: supplied USDA NASS KS/OK 2021-25 production + planted acres (50 lb/bu). No additional acreage-loss deduction.
Cost: rounded OSU 2025 sample operating budget; excludes land. \$350 is illustrative. Bid: Scoular Goodland Crush, Oct 5, 2026.
Freight: planning assumption informed by USDA AMS Q2 2026. Actual costs, insurance, salvage and replacement-crop returns vary.

Break-even at \$11.94/bu net: **21.2 bu/planted acre** at \$253 cost; **29.3 bu** at \$350. Insurance, salvage, land and rotation effects require a separate farm-specific calculation.

Separate benchmark: canola trails wheat by \$80.70/acre.

K-State 2026 South-Central KS, middle yield: return over direct costs is -\$65.63 for canola versus +\$15.07 for continuous wheat. Different budget basis from the risk chart; excludes any next-wheat benefit.

ALUVIAL SIGNAL

To recruit more acres, confirm what reaches the grower: a stronger net bid, a contracted premium or shared establishment risk. Policy support matters when it improves that offer. At 19.9 bu/planted acre, each extra \$1/bu adds about \$20/acre before added costs.

EXPANSION / WHAT MUST CHANGE TO RECRUIT THE NEXT ACRE?

Make the value certain. Make the grower offer pay.

Policy can support demand. Expansion needs that value in a usable farm contract.

01

POLICY

Confirm the rules.

Resolve applicable obligations and credit treatment. Verify feedstock, fuel-pathway and practice eligibility for the relevant production year.

Buyer response: turn that value into an executable grower offer.

02

PRICE / PREMIUM

Close the margin gap.

State the base bid and any added premium. After freight, deductions and verification costs, the offer must compete with the alternative rotation.

Size it: dollars per planted acre, not just dollars per bushel.

03

CONTRACT

Allocate the risk.

Define delivery volume, quality, location and payment date. Specify failed-stand treatment, delivery shortfalls and any repayment obligations.

Enable planting: workable timing and financing.

WHAT WOULD IT TAKE? / ILLUSTRATIVE MARGIN GAP

\$50/acre gap ÷ 19.9 bu/planted acre = \$2.51/bu extra net value

Illustrative target, not an available premium. Add any new compliance costs.

Protect the downside: a delivery premium pays nothing on zero bushels. If establishment risk blocks planting, consider a defined acreage payment, establishment support or crop-failure relief in the delivery contract.

Requirements to test, not confirmed programs. RFS and 45Z support does not automatically accrue to growers [4,5]. Do not double count value already in the bid. Compare the full rotation and payment timing.

ALUVIAL SIGNAL

The landscape changes when policy value becomes a credible offer before planting: enough net return to compete, clear eligibility and an explicit allocation of crop-failure risk. More processing demand alone does not close the grower margin gap.

ALUVIAL WATCH / EVIDENCE THAT CHANGES THE DECISION

Bring the field, the rotation and the buyer into one decision.

Aluvial can connect weather, crop development, rotation fit, logistics and buyer economics. Growers can test it locally against their own herbicide history, delivered bids and the K-State or OSU budgets.

WHAT WOULD CHANGE THE READ?

Timely seed-zone moisture; a viable established stand; an executable buyer offer; a different next-crop penalty; or published policy terms that change processor demand. Any of these can change the opportunity. None is established by a regional map alone.

Bring one Decision: region + rotation + buyer.

Where does winter canola improve the full-cycle return?

aluvial.ai/goal-session

SOURCES AND SCOPE

[1] October 6 source package: regional maps, desk figures and program references.

[2] Oklahoma State: Winter Canola Planting Guide for the Southern Great Plains.

[3] U.S. Drought Monitor: September 29 map baseline; conditions can change.

[4] EPA: August 31, 2026 decisions on RFS small refinery exemptions.

[5] IRS Notice 2026-53, Internal Revenue Bulletin 2026-41.

[6] USDA NASS Kansas state overview: 2026 canola planted acreage.

[7] USDA NASS Oklahoma state overview: 2026 canola planted acreage.

SCOPE: Weather, bids and policy terms are dated by source and can change. Figures embedded in regional maps are attributed to the October 6 source package, not independently reverified here. Scenarios do not establish local yield, available premiums or farm profit.

ALUVIAL SIGNAL

A regional opportunity becomes investable only when biology, timing and the buyer work together. Aluvial tests those connections and the conditions that would reverse the decision, rather than treating an incentive or a map as proof of return.