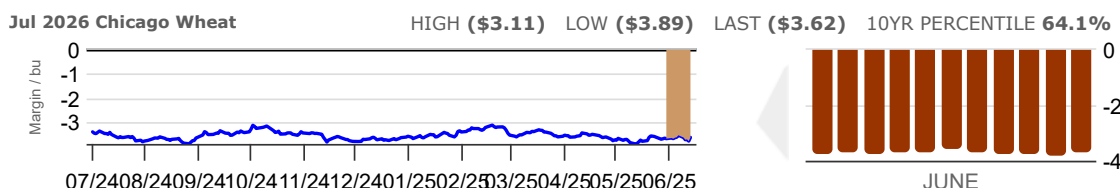


Chicago wheat futures ended the first half of June largely unchanged as an abundance of global winter wheat supplies has provided resistance to any attempt for a rally. USDA indicated 53 percent of the spring crop was rated good/excellent through the week ending June 8. This was up from the previous week but 8 points below the 5-year average. Fifty-four percent of the winter wheat crop was rated good/excellent, up 2 points from the previous week. Harvest is underway, with 4 percent complete compared to the 5-year average of 7 percent. The Kansas wheat harvest will begin in the next week, some 7-10 days later than normal due to slow maturation. USDA on June 12 released its monthly WASDE report. For wheat, the domestic 2025/26 balance sheet called for larger supplies, unchanged domestic use, higher exports, and lower ending stocks. Supplies were raised minimally on higher output. Exports were raised by 25 million bushels to 825 million on strong early season sales, especially for Hard Red Winter wheat. Ending stocks were lowered by 25 million bushels to 898 million. This would be 7 percent higher than a year ago and below the average pre-report estimate of 916 million bushels (868 to 948 million range). The global wheat outlook called for reduced supplies, higher trade, and lower ending stocks. Lower beginning stocks in Russia more than offset higher production for the EU and India. Projected ending stocks were lowered by 3.0 million tons to 262.8 million, slightly lower than the average pre-report estimate of 265.1 million metric tons. Most of this reduction took place in Russia, Iraq, and Turkey. USDA will release its quarterly Grain Stocks report at the end of the month, providing insight into indicated disappearance levels over the past 3 months. Our clients continue monitoring opportunities to extend new-crop coverage with flexible strategies that will allow for potential margin improvement over time.



The estimated yield for the Jul 2025 crop is 81 bushels per acre and the non-land operating cost is \$523 per acre. Land cost for Jul 2025 is estimated at \$275 per acre <sup>1</sup>. Basis for the Jul 2025 crop is estimated at \$-0.5 per bushel.



The estimated yield for the Jul 2026 crop is 84 bushels per acre and the estimated operating cost is \$484 per acre. Land cost for Jul 2026 is estimated at \$300 per acre <sup>1</sup>. Basis for the Jul 2026 crop is estimated at \$-0.45 per bushel.

<sup>1</sup> The Chicago Wheat Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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