

Chicago wheat futures traded on either side of unchanged during the last half of October as export demand picked up and winter wheat planting progressed across the northern half of the U.S. USDA indicated the winter wheat crop was 77 percent planted through October 29, up 9 points from the previous week. Fifty-three percent of the crop had emerged through last Sunday. The crop was rated 47 percent good/excellent. This was well above last year's 28 percent rating but below the long-term average of 53 percent. All wheat export shipments continue to lag the historical pace needed to meet USDA's annual forecast. Outstanding export sales, on the other hand, have picked up recently and are closer to average for this point in the marketing year after spending much of the past several months at 10-year lows. Contributing to the uptick in sales has been renewed buying interest from China, Japan, and Mexico. Global markets remain disjointed. EU supplies are large while ending stocks are projected to remain relatively low in Canada and Australia. Indian wheat prices continued to surge and reached 8-month highs. Continued increases could put pressure on Indian officials to lower their 40 percent wheat import tariff. Ukraine reportedly suspended the use of its new Black Sea grain corridor due to what it sees as military risks. The Russian ruble continued to rise, causing interior wheat prices to rise and trimming profits for Russian exporters. Despite the increase, Russia continues to dominate world trade into North Africa and the Middle East. A sharp decline in Aussie export potential has supported nearby board prices. Market attention will remain focused on signs of continued export demand and developments in the Black Sea region. Our clients continue to lean on flexible strategies with low delta to provide protection against lower prices while maintaining the opportunity to participate in higher prices if they develop.



The estimated yield for the Dec 2023 crop is 80 bushels per acre and the non-land operating cost is \$485 per acre. Land cost for Dec 2023 is estimated at \$292 per acre¹. Basis for the Dec 2023 crop is estimated at \$-0.2 per bushel.



The estimated yield for the Jul 2024 crop is 81 bushels per acre and the estimated operating cost is \$493 per acre. Land cost for Jul 2024 is estimated at \$292 per acre¹. Basis for the Jul 2024 crop is estimated at \$-0.45 per bushel.

¹ 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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