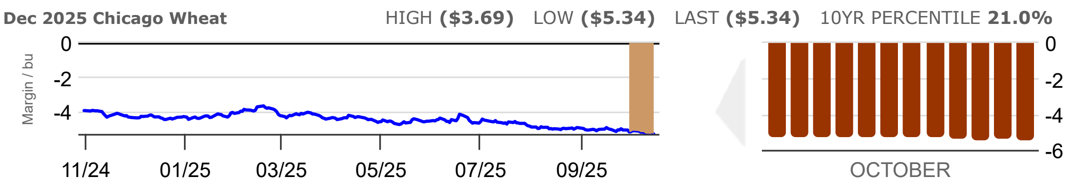
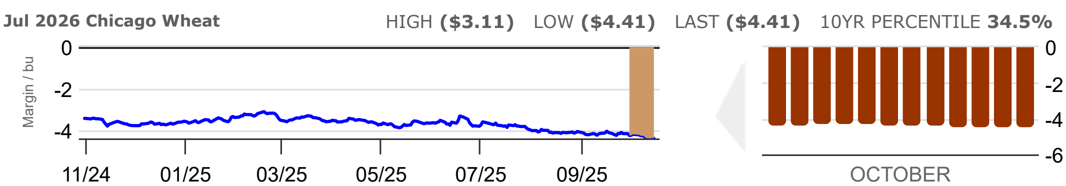
Chicago Wheat Margin Watch: October

Chicago wheat futures traded lower through the first half of October as importer demand remains absent, and planting of winter varieties continue in the US. With the US Government shut down, government data including the weekly crop progress, WASDE, and FAS export reports from the U.S. Department of Agriculture will not be available - so farmers and other market-watchers are turning to private polling for information. Wheat inspections for this marketing year are ahead 17 percent of where they were at this time last year, pegged at 444,138 million tons, below the estimate for the week. The abundance of wheat supply in the hands of exporters will maintain price pressure on world wheat values. Canadian production estimated to reach a record of 40 MMTs with Russian exporters staying strong as large Southern Hemisphere supplies are expected to enter the market in Dec/Jan. Argentina’s wheat crop is rated at 93 percent good/excellent, with export production likely to surpass the US export program, and reach up to 29 MMTs. Market attention will focus on forward export sales, harvest progress, production estimates for major exporters and winter wheat plantings in the coming weeks. Our clients are considering adjustments to hedge positions to allow for price appreciation should they occur.



The estimated yield for the Dec 2025 crop is 81 bushels per acre and the non-land operating cost is $523 per acre. Land cost for Dec 2025 is estimated at $275 per acre [1]. Basis for the Dec 2025 crop is estimated at $-0.45 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 [1]. Basis for the Jul 2026 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.