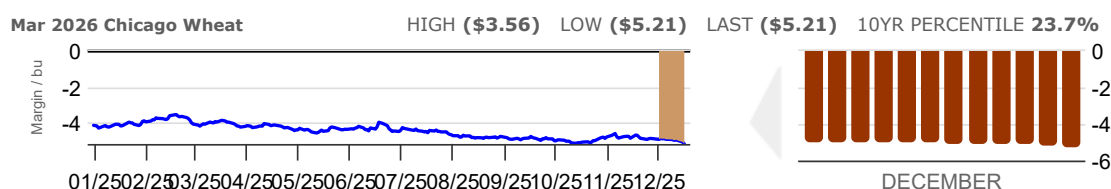
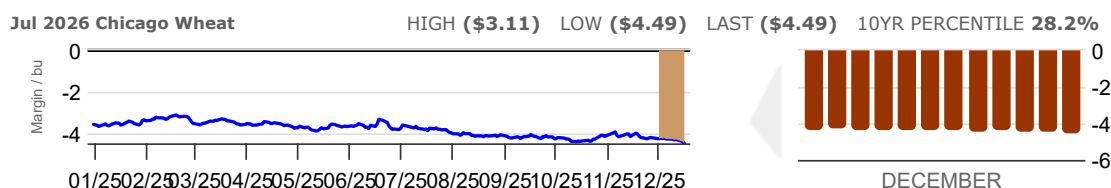


Chicago wheat futures traded lower through the first half of December amid global oversupply while favorable South American weather for Brazilian and Argentine Crops is expected. The US Secretary of Agriculture announced \$11B in aid for US row-crop farmers, a one-time payment by February 28th. USDA released its monthly WASDE report on Dec 10th. USDA made no changes to the domestic balance sheet for wheat this month, with ending stocks still projected at 901M bushels which was above the analysts' average pre-report estimate of 893M bushels and on the high end of the range of estimates. Global wheat supplies are projected to increase 7.5 MMT to 1,097.8 MMT on larger production from several main exporting countries. Canada's wheat output was raised 3 MMT to a record 40M on the final 2025/26 production forecast from Stats Canada. Argentina was increased 2 MMT to a record 24M on widespread favorable conditions throughout the growing season, especially in Buenos Aires, the largest wheat producing region. The EU wheat crop was raised 1.7 MMT to 144M on updated official government statistics for several countries within the bloc. Wheat production in both Australia and Russia also increased 1 MMT from November to 37M and 87.5M, respectively. World wheat ending stocks were raised 3.4 MMT to 274.9M, above analysts' average pre-report estimate of 272.6 MMT and on the high end of the range of expectations. This is the largest stocks level since 2020/21. Market attention is focused on export sales, crop conditions, and a large Southern Hemisphere harvest. Our clients continue monitoring the market for opportunities to add forward coverage in new-crop positions.



The estimated yield for the Mar 2026 crop is 81 bushels per acre and the non-land operating cost is \$523 per acre. Land cost for Mar 2026 is estimated at \$275 per acre¹. Basis for the Mar 2026 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 acre¹. 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.

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