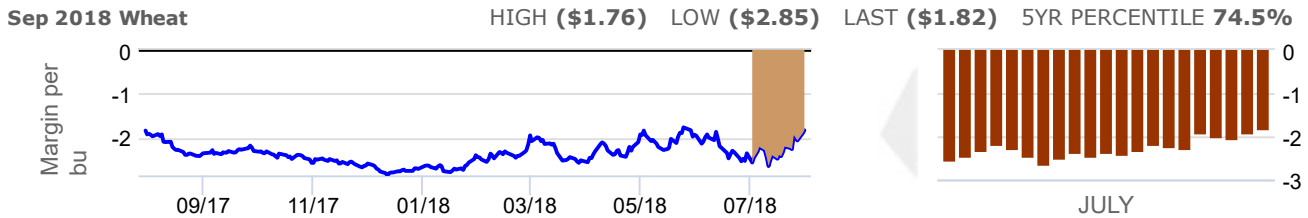


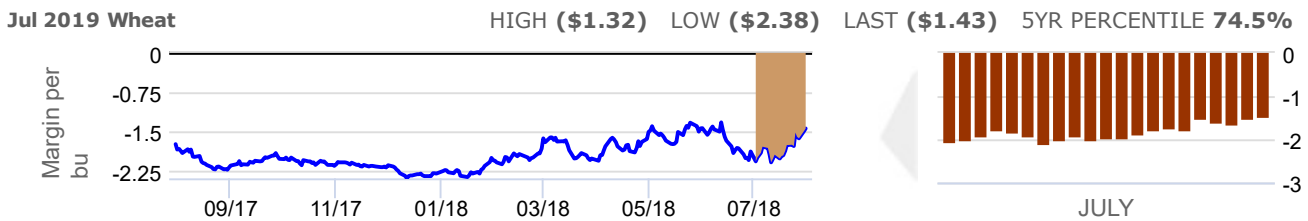
# Wheat Margin Watch: July



Wheat prices and margins were stronger the past two weeks as weather issues have drawn down global production projections. The E.U. and Russia are suffering the most. Russia's latest production estimate is close to 20 million metric tons below last year, while the E.U. is off 17 million from projections made in June. Back home the U.S. spring wheat conditions are off the charts with ratings hovering near 80% in the good and excellent categories. Countering these top shelf ratings, a recent Wheat Quality Council spring wheat crop tour found average yields at 41.1 bpa, while ahead of last year's 38.1, but notably short of their 5-year average of 45.4 bpa, bringing into question the robust conditions. The wheat market points to the August NASS yield projection to arbitrate the differences.



The estimated yield for the 2018 crop is 71 bushels per acre and the non-land operating cost is \$344 per acre. Land cost for 2018 is estimated at \$157 per acre<sup>1</sup>. Basis for the 2018 crop is estimated at \$-0.3 per bushel.



The estimated yield for the 2019 crop is 71 bushels per acre and the estimated operating cost is \$344 per acre. Land cost for 2019 is estimated at \$157 per acre<sup>1</sup>. Basis for the 2019 crop is estimated at \$-0.3 per bushel.

<sup>1</sup> The 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.

The information contained in this publication is taken from sources believed to be reliable, but is not guaranteed by Commodity & Ingredient Hedging, LLC, nor any affiliates, as to accuracy or completeness, and is intended for purposes of information and education only. Nothing therein should be considered as a solicitation to trade commodities or a trade recommendation by Commodity & Ingredient Hedging, LLC. All references to market conditions are current as of the date of the presentation. Futures and options trading involves the risk of loss. Past performance is not indicative of future results. Please visit [www.cihmarginwatch.com](http://www.cihmarginwatch.com) to subscribe to the CIH Margin Watch report.