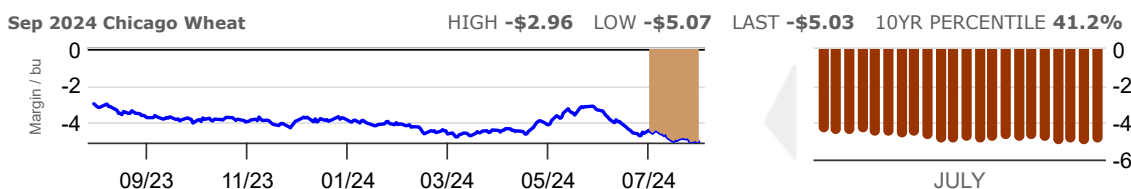
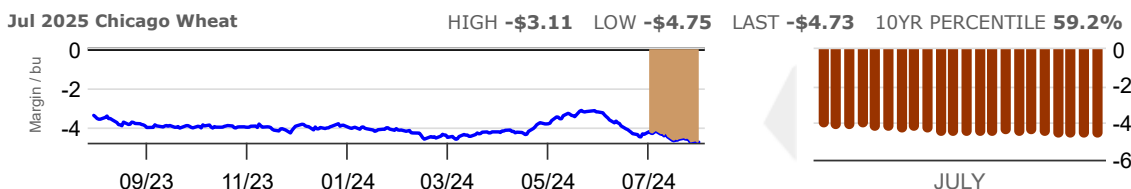


Chicago wheat futures traded on either side of unchanged in the last half of July but finished the month near contract lows. Domestically, supply appears ample while issues abound worldwide. Twenty-four percent of the winter wheat area in the U.S. was affected by drought through the week ending July 30. This was below last year's reading of 49 percent for the same timeframe. Meanwhile, 15 percent of U.S. spring wheat area was affected by drought. Domestic winter wheat harvest remains ahead of schedule and spring wheat ratings remain elevated. USDA indicated 82 percent of the winter wheat harvest was complete through the week ending July 28. This was 2 points ahead of the 5-year average. The spring wheat crop was rated 74 percent good/excellent. While this was down 3 points from the previous week, it was 20 percent higher than the 5-year average. Spring wheat crop conditions remain elevated in each of the major production states except Washington. All wheat export sales have slowed in recent weeks from highs set in late June. Export shipments are about 10 million bushels behind the historical pace needed to meet USDA's annual forecast. The export outlook for the U.S., Canada, and Australia is expected to improve on shrinking French and Black Sea production. French wheat crop ratings fell 2 percent with half of the crop rated good/excellent. This is the lowest rated French wheat crop since 2016. Germination issues in drought-stricken Argentina threaten yield potential. Market attention will remain focused on where displaced international demand is focused and the size of reductions in Black Sea production. Our clients are evaluating adjustments on existing hedges to lighten delta and reopen upside opportunity.



The estimated yield for the Sep 2024 crop is 81 bushels per acre and the non-land operating cost is \$523 per acre. Land cost for Sep 2024 is estimated at \$275 per acre¹. Basis for the Sep 2024 crop is estimated at \$-0.45 per bushel.



The estimated yield for the Jul 2025 crop is 81 bushels per acre and the estimated operating cost is \$523 per acre. Land cost for Jul 2025 is estimated at \$300 per acre¹. Basis for the Jul 2025 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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