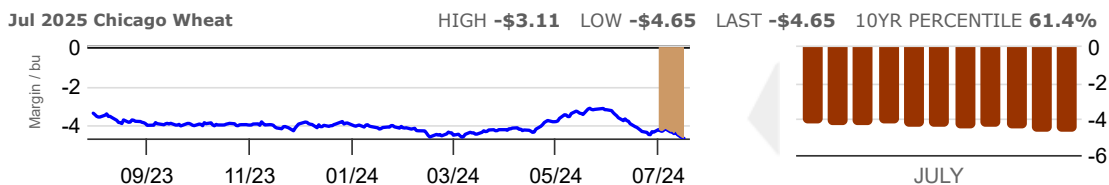


Chicago wheat futures fell throughout the first half of July amid a surprising upward revision in U.S. wheat production and as Russia and the EU battle for export market share. USDA indicated 77 percent of the spring wheat crop was rated good/excellent through the week ending July 14. This marked the highest rating of the crop year and the highest level for any week since June 2019. Seventy-one percent of the winter wheat crop was harvested. This was 8 percent ahead of a week ago and the quickest harvest pace for this point in the year since 2018. USDA on July 12 released its monthly WASDE report. For wheat, the domestic 2024/25 balance sheet called for larger supplies outweighing an increase in use, ultimately leading to higher ending stocks. Supplies were increased on both production as well as beginning stocks. Production was increased on both area and yields. Feed and residual use was increased by 10 million bushels to 110 million on larger supplies. The U.S. is expected to expand its share of world trade amid sharp falls in Black Sea production. Exports were also increased by 25 million bushels to 825 million. Outstanding wheat export sales are at their highest level since 2017 for this point in the market year. Projected ending stocks increased by 98 million bushels to 856 million. If realized, this would be slightly higher than the average pre-report estimate of 793 million bushels and mark a 5-year high. The global wheat outlook called for larger supplies, higher use, and larger ending stocks. Supplies were increased on higher production in the U.S., Pakistan, and Canada. Global trade was virtually unchanged from last month while food, seed, and industrial use was raised. Projected ending stocks were increased by 5 million metric tons to 257.2 million. This was slightly above the upper range of analysts' pre-report estimates (250 to 256 million). Market attention will remain focused on harvest progress across the country and continued export booking strength. 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 acre<sup>1</sup>. Basis for the Sep 2024 crop is estimated at \$-0.6 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 acre<sup>1</sup>. Basis for the Jul 2025 crop is estimated at \$-0.45 per bushel.

<sup>1</sup> 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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