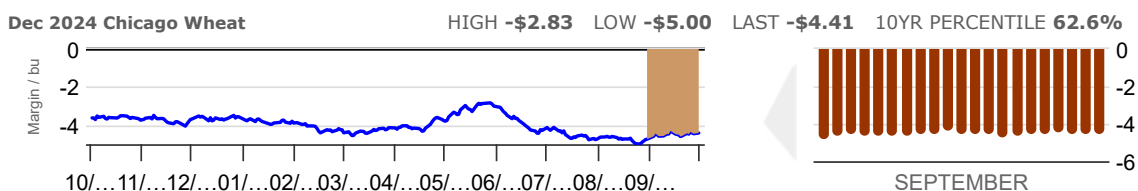


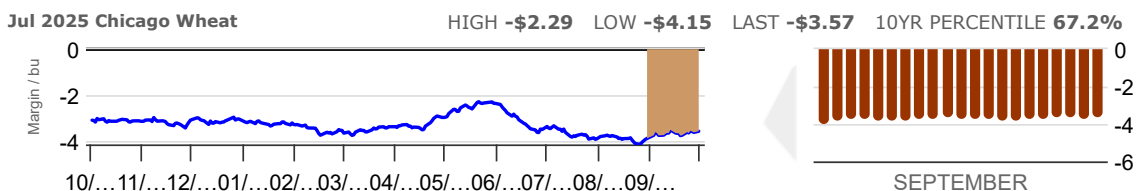
Chicago Wheat Margin Watch: September



Chicago wheat futures traded both higher and lower during the second half of September before finishing the month mostly unchanged. USDA on September 30 released its quarterly Grain Stocks report. All wheat stocks on September 1 totaled 1.99 billion bushels. This was 12 percent higher than a year ago and marginally higher than the average analyst pre-report estimate. The June-August indicated disappearance was 682 million bushels, some 12 percent higher than the same period a year earlier. Fifty percent of winter wheat production area was affected by drought through the week ending September 24. This reading is near the worst level since summer 2023. USDA indicated 39 percent of the U.S. winter wheat crop was planted through the week ending September 29. This was 14 percent ahead of the previous week and slightly ahead of the 5-year average. All wheat export shipments continued to post strong performances in recent weeks. The current pace of shipments is about 7 million bushels ahead of the historical pace needed to meet USDA's annual forecast. As sales have transitioned to shipments, outstanding export sales have fallen in recent weeks and are near 10-year lows for this point in the marketing year. Russian wheat remains the cheapest in the world and is serving as an anchor on rallies elsewhere. Crop conditions in Argentina continue to deteriorate and drought is harming germination and planting in the Black Sea region. Market attention will remain focused on winter wheat planting progress and weather patterns in Argentina and Eastern Europe. Our clients are evaluating adjustments on existing hedges to freshen up coverage on recent market strength. They are looking to roll up floors while maintaining upside opportunity.



The estimated yield for the Dec 2024 crop is 81 bushels per acre and the non-land operating cost is \$523 per acre. Land cost for Dec 2024 is estimated at \$275 per acre¹. Basis for the Dec 2024 crop is estimated at \$-0.4 per bushel.



The estimated yield for the Jul 2025 crop is 84 bushels per acre and the estimated operating cost is \$484 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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