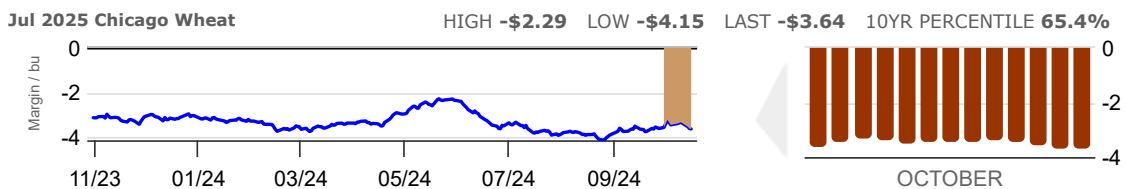


Chicago wheat futures traded on either side of unchanged before finishing the first half of October mostly lower. Planting continues to progress across the country. USDA indicated 64 percent of the winter wheat crop was planted through the week ending October 13. This was 13 percent ahead of the previous week but 2 points behind the 5-year average. USDA on October 11 released its monthly WASDE report. For wheat, the domestic 2024/25 balance sheet called for increases in demand and decreases in supply. On the supply side, beginning stocks and production were lowered, partially offset by increased imports. Production was forecast down 11 million bushels based on the Small Grains Annual Summary released on September 30. Imports were raised 10 million bushels based on the "strong pace of import for the first three months of the marketing year." On the demand side, domestic use was raised based on higher year-over-year feed use as indicated in the September 30 Grain Stocks report. Through all the shuffle, ending stocks were projected down 16 million bushels to 812 million bushels compared to 696 million bushels last year. The global balance sheet showed slightly lower supplies that were more than offset by lower expected demand. U.S. all wheat export shipments began their seasonal slowdown but remain largely on pace to meet USDA's annual forecast. Outstanding wheat export sales ticked higher last week, although remain significantly behind average for this point in the marketing year. The Russian government is actively discussing what can be done about domestic food inflation amid near record exports of wheat this crop year. Regional dryness in Australia is also causing concern for global wheat buyers. Market attention will remain focused on winter wheat planting progress and weather patterns in Argentina and Eastern Europe. Our clients are patiently evaluating adjustments on existing hedges. They are looking to maintain protection to lower prices while allowing for 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 acre<sup>1</sup>. Basis for the Dec 2024 crop is estimated at \$-0.37 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 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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