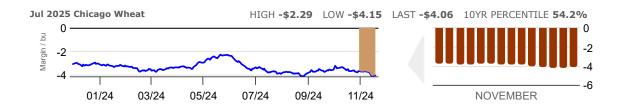
Chicago Wheat Margin Watch: November



Chicago wheat futures fell in the first half of November amidst a soaring U.S. dollar and improving soil moisture conditions across the U.S. Plains and across the Black Sea. Forty-four percent of the U.S. winter wheat crop was rated good/excellent in the latest USDA crop progress estimate. This was 3 points ahead of the previous week and only one point below the 5-year average. USDA on November 8 released its latest WASDE report. For wheat, the domestic 2024/25 balance sheet called for slightly larger supplies, use, and ending stocks. Supplies were increased on a slight uptick in Hard Red Spring wheat imports. Domestic food use was increased due to the latest Flour Milling Products report. Exports were unchanged, leading to ending stocks ticking higher by 3 million bushels to 815 million. This was nearly identical to the average pre-report estimate of 812 million bushels and, if realized, would be an increase of 17 percent from last year. The global balance sheet called for larger supplies, greater consumption, and lower ending stocks. Higher production in Kazakhstan is expected to more than offset reductions in Argentina, Brazil, Russia, and the EU. Decreases in ending stocks in Argentina, China, and Brazil slightly lowered global ending stocks from last month to 257.6 million metric tons. This was a big higher than the average pre-report estimate of 256.8 million metric tons but within the range of estimates (255.4 to 258.0 million range). Harvests continue to advance in Argentina and Australia. Market attention will remain focused on winter wheat condition ratings and the impact of the recent U.S. election on international trade flows. 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 ¹. 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 acre ¹. Basis for the Jul 2025 crop is estimated at \$-0.45 per bushel.

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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.