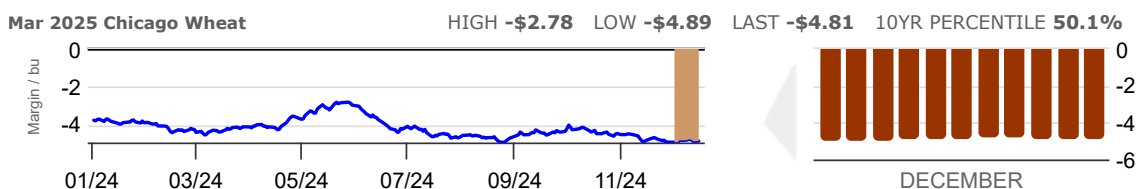
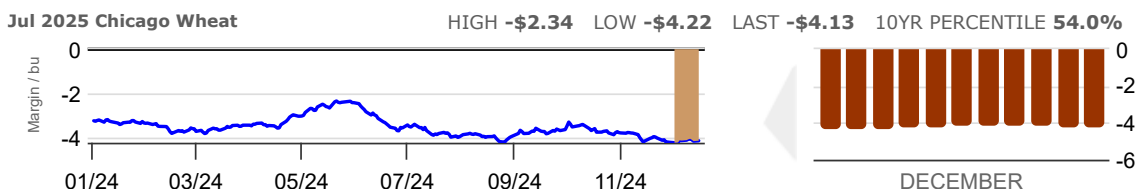


Chicago wheat futures finished the first half of December marginally higher but remain near contract lows. USDA on December 10 released its monthly WASDE report. For wheat, the domestic 2024/25 balance sheet called for both increased imports and exports, with slightly lower ending stocks. Imports were raised 5 million bushels to 125 million on a strong pace for hard red spring wheat. Exports were forecast up 25 million bushels from November to 850 million. White wheat exports were raised 15 million bushels to 210 million, on stronger than expected sales and shipments to East Asian markets. Exports for soft red winter wheat and hard red spring wheat were both raised 5 million bushels as well. Projected total U.S. wheat ending stocks were reduced 20 million bushels from last month to 795 million, still up 14% from last year. The global balance sheet called for lower production, down 1.8 million metric tons from November as production is forecast lower for the European Union, down 1.3 million metric tons to 121.3 million, on harvest data showing lower production for several member states. Brazil's crop is also forecast lower on updated harvest data. Projected global ending stocks were raised 0.3 million metric tons to 257.9 million, within range of pre-report estimates between 255.5 and 259.9 million, but still the lowest since 2015/16. Importer currency weakness is providing a headwind to demand. Argentine wheat is the world's cheapest origin as Aussie wheat continues to drift lower as harvest advances. 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 Mar 2025 crop is 81 bushels per acre and the non-land operating cost is \$523 per acre. Land cost for Mar 2025 is estimated at \$275 per acre¹. Basis for the Mar 2025 crop is estimated at \$-0.5 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 \$-0.5 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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