

Chicago wheat futures traded lower in the second half of March as Russian exporters returned to the global marketplace and no major supply issues have arisen in the domestic winter wheat crop. The March Grain Stocks and Prospective Plantings reports were released March 31. The reports were bearish for the wheat complex. Wheat stocks on March 1 were pegged at 1.314 billion bushels, 100 million above the trade's average guess. Of the three main principal crops, wheat was the only crop to exceed estimates. All wheat acres were 1.4 million over trade estimates at 46.4 million acres. This was 5 percent higher than a year ago but the 4th lowest all wheat planted acres since records began in 1919. The U.S. Plains typically experience dryness into mid-April, but soil moisture reserves appear adequate. Crop ratings in Kansas are pegged at 50 percent good/excellent and the Illinois crop is rated 70 percent good/excellent. All wheat export sales are running at 93 percent of the USDA forecast compared, right at the 10-year average for this point in the year. The export shipment rate is running 56 million bushels behind the pace needed to meet the USDA forecast. Outstanding export sales of new crop wheat have been above average for this point in the year. Market focus will remain on weather to determine price direction into harvest. Our clients are remaining patient and evaluating potential adjustments to capture equity and employ more flexible strategies should the market continue to break.



The estimated yield for the May 2021 crop is 75 bushels per acre and the non-land operating cost is \$376 per acre. Land cost for May 2021 is estimated at \$166 per acre¹. Basis for the May 2021 crop is estimated at \$-0.45 per bushel.



The estimated yield for the Jul 2021 crop is 75 bushels per acre and the estimated operating cost is \$376 per acre. Land cost for Jul 2021 is estimated at \$166 per acre¹. Basis for the Jul 2021 crop is estimated at \$-0.28 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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