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## THE MARKET INSIDER WEEKLY NEWSLETTER

by: Brian Hoops, President

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### WHEAT

#### ANALYSIS

For the week, Chicago wheat closed \$.23 1/4 lower; Kansas City wheat closed \$.28 1/2 lower and Minneapolis wheat \$.09 3/4 lower. Last week, exporters did not announce any export sales.

In the weekly export inspections report; U.S. wheat exports last week were poor at only 12.5 million bushels, down from the previous week's 21.6 million, well below last year's same-week exports of 32.3 million and were the lowest in 15 weeks. Over the final three full weeks of the year, wheat exports likely will need to average around 29 million bushels/week vs last year's 24.0 million/week average and the 17.8 million/week average over the last four weeks to reach the USDA's target. Cumulative export inspections of 861 million bushels are now up just 2.7% from last year's 839 million after being up nearly 10% in early March.

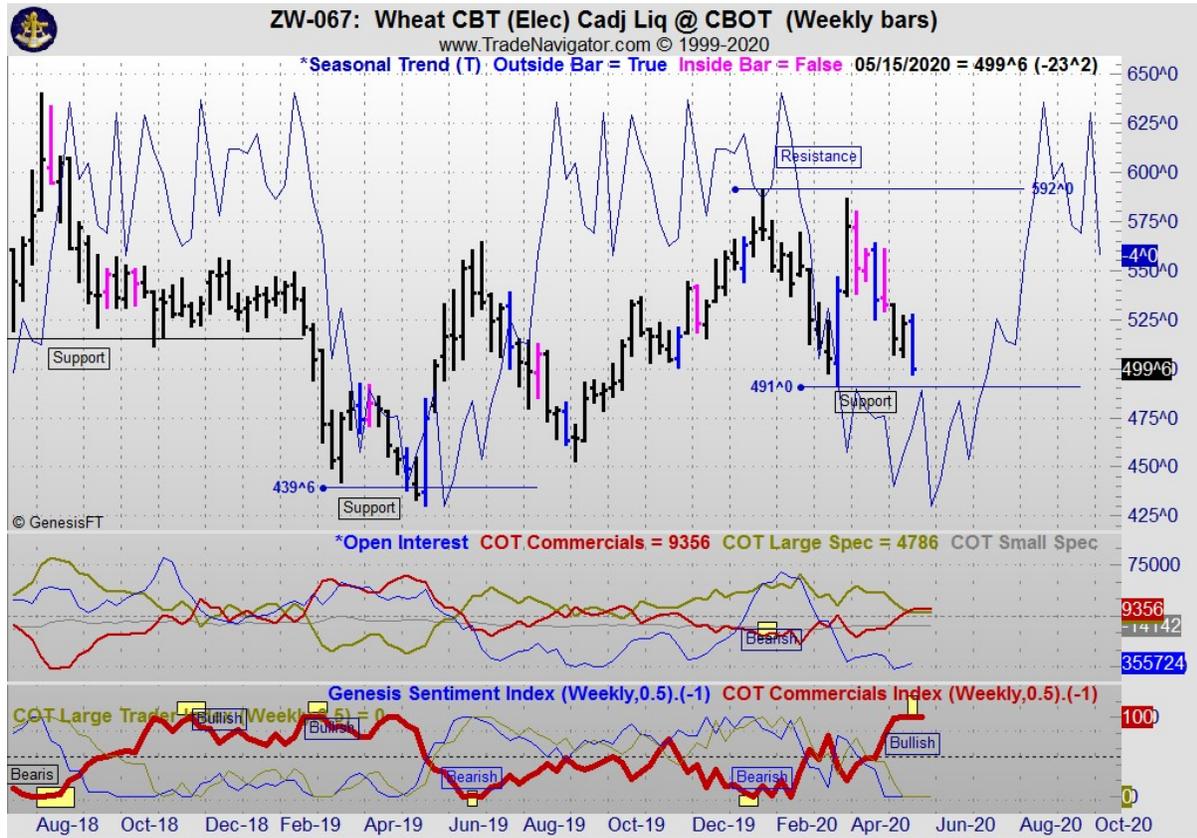
In the USDA weekly crop progress and conditions report; U.S. spring wheat planting moved to 42% complete vs 49% expected, 29% last week, 38% last year and 63% average. Key states of Minnesota is only 40% done vs. 67% average, North Dakota 27% vs. 56% average and South Dakota 75% vs. 78% average. Spring wheat emergence is 16% vs. 29% on average.

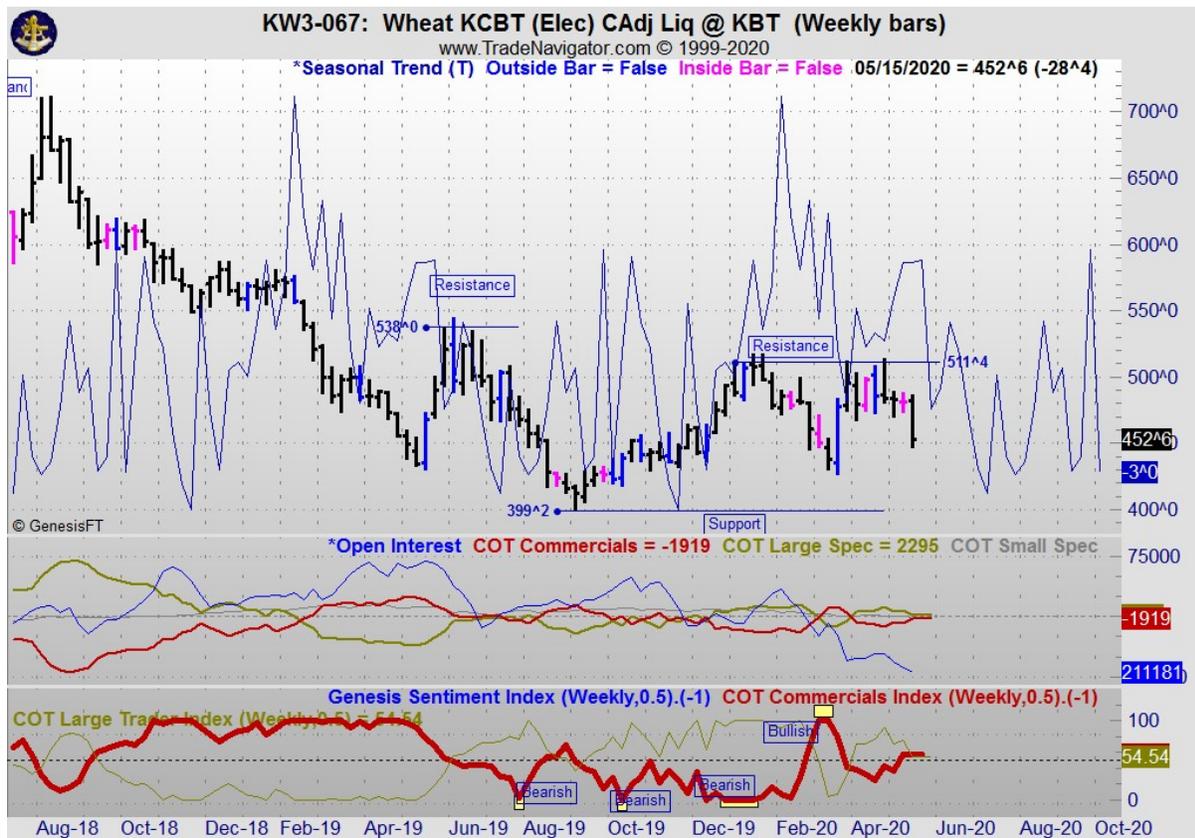
Winter wheat conditions dropped to 53% good/excellent vs 54% expected, 55% last week and 64% last year. Key states of Kansas fell 4% to 38% g/e; Oklahoma lost 8% to 56%, Texas gained 1% to 51% g/e, Nebraska was unchanged at 67%, Missouri lost 1% to 51%, while Illinois lost 3% to 65% and Indiana lost 1% to 66%. The HRW crop is 44% headed vs. 50% normally.

In the monthly supply/demand report; this was the first objective estimate of the 2020/21 winter wheat crop. The USDA estimated the all winter wheat crop at 1.255 bb, down slightly from last year's 1.304 bb. The USDA put the HRW crop at 733 mb, down from last year's 833 mb production and the SRW was estimated at 298 mb, up from last year's 239 mb. All wheat production was forecast at 1.866 bb using a yield of 49.5 bpa. The USDA forecast exports to fall to 950, down 20 mb from the current marketing year, leaving ending stocks at 909 mb and the stocks to usage ratio of 43.8%. SovEcon lowered their estimate of the Russian wheat crop to 81.2 mmts from 84.4 mmts previously due to dryness. This would still be up from last year's 73.6 mmt crop.

#### STRATEGY & OUTLOOK

HRW futures should gain against SRW as SRW supplies look to build as the SRW crop will be much larger than a year ago and HRW crop smaller. Frost in parts of western Kansas and dryness in the Texas/Oklahoma panhandle have taken off the top end of yields.





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