

## Normal Weather to Keep Wheat under Pressure

Ample wheat supplies and a slight decrease in demand have alleviated most of the concerns about production. If the majority of the wheat crop experiences normal weather patterns, these markets are going to fight strong resistance.

The majority of the northern hemisphere wheat crops are in good condition. Crop conditions in Europe and the Black Sea region are generally rated as good. The planting of spring crops in the Ukraine has progressed nicely. The US Hard Red Winter wheat crop ratings indicate a slight deterioration over the course of last week. The worst conditions have been experienced in Texas, which rated 67% poor/very poor, and Oklahoma, which rated 50% poor/very poor. Kansas is rated 19% poor/very poor. Most of these areas have received beneficial rain fall. Additionally, rain is forecasted for many of these areas later in the week. It appears the cold temperatures of last week may result in a loss of 25 to 50 million bushels. However, the cool temperatures and light rains experienced since that event have been close to ideal for preventing further damage. Expect Hard Red Winter wheat crop conditions to improve over the course of the next few weeks. Normal weather from here forward will allow the condition of later crop to improve into harvest. The Soft Red Winter wheat crop is in good condition. The forecast for dry weather and warmer temperatures in Soft Red Winter wheat growing regions is welcome.

Spring wheat plantings are behind schedule. Extremely wet conditions in many areas and intermittent rains in areas that have seen some progress are going to will put spring wheat plantings well behind schedule. Washington at 30% planted and Idaho at 18% planted have completed about half of their normal progress. South Dakota may be a week behind. Montana, Minnesota and North Dakota are not behind as of yet, but do not expect much progress in these areas. Extremely, wet conditions in western Minnesota and North Dakota are going to need time and some help from Mother Nature to dry out. Many of these areas could receive rain through the weekend. Hopefully, those rains won't fall in the Red River Valley. Weather is expected to dry out once we get through the weekend.

Lower futures and a weaker dollar have improved the competitiveness of US wheat. However, export demand has also slowed. Iraq is in the market for at least 50,000 metric tons. Japan and Korea have also made some routine purchases. Egypt had been surprisingly absent until today. They are seeking 25 -60,000 metric tons for mid May delivery. This tender will be closely watched as traders gage how competitive US Soft wheat is in the export market.

Do you have a question about this article? For a personal response within 24 hours, please email [brian.henry@archerfinancials.com](mailto:brian.henry@archerfinancials.com).

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