

WHEAT



APRIL 2025
Grain Market Outlook

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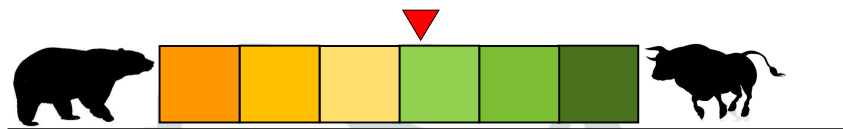
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This report was compiled by the applied economics team of Grain SA. If you would like any further information, or to be added to the monthly contact list, please feel free to contact Heleen (heleen@grainsa.co.za) or Strelza (strelza@grainsa.co.za)

1. Bearish and bullish factors

Globally, the Northern Hemisphere is being watched for the condition of the 2025 winter wheat crop. Generally, conditions are favourable except for some areas experiencing drought in the EU, US and Russia. However, the International Grains Council (IGC) still expects global wheat production to increase slightly in 2025.

SHORT-TERM PRICE TREND



LONG-TERM PRICE TREND



Bearish factors:

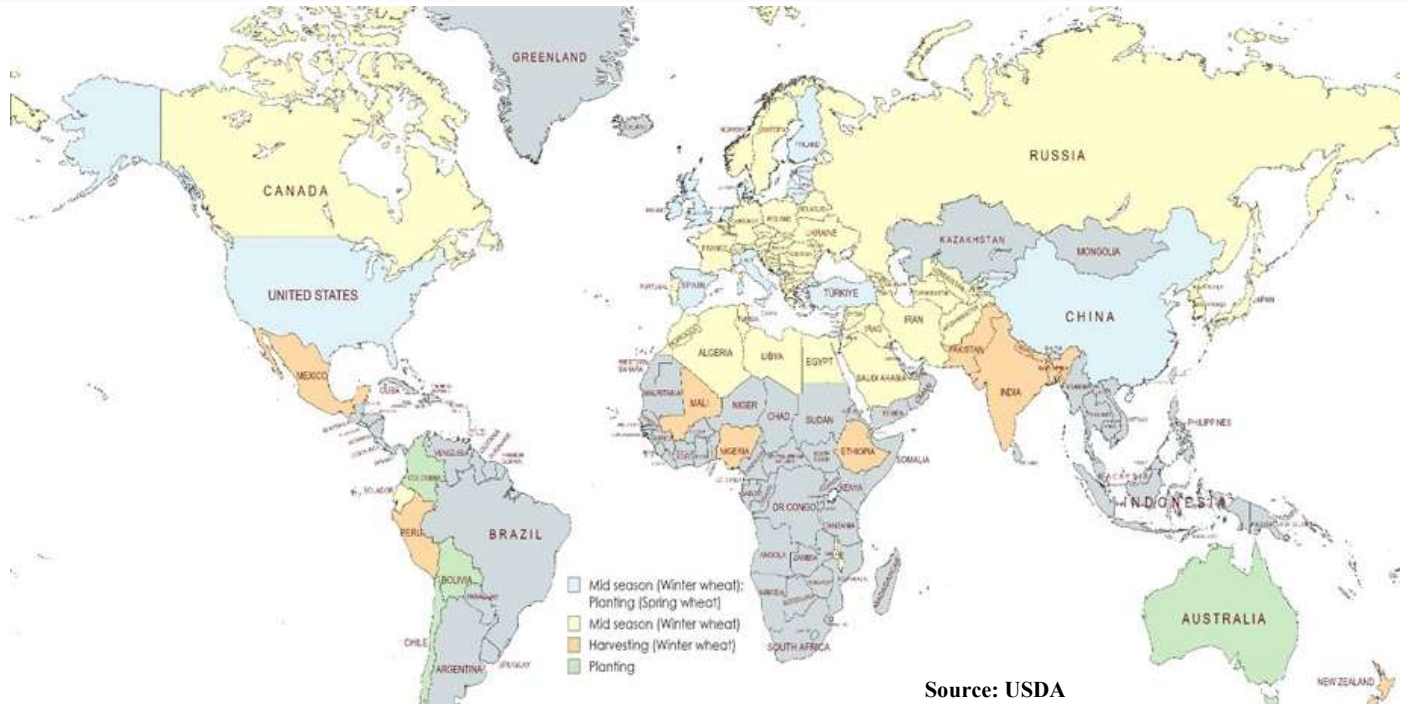
- Total commitments for US wheat were up 13% compared to the same period last year and accumulated exports were also up 13%. Despite tariff fears, global demand still remains strong.
- The US is currently busy planting the 2025 spring wheat crop. As of April 20th, wheat plantings were well ahead of the five-year average as well as the previous season.

Bullish factors:

- Highly volatile weather across the Great Plains and into a part of the Midwest in recent weeks has raised some production concerns for winter wheat.
- Drought conditions in some major producing countries offers support to global wheat prices.



2. World wheat production

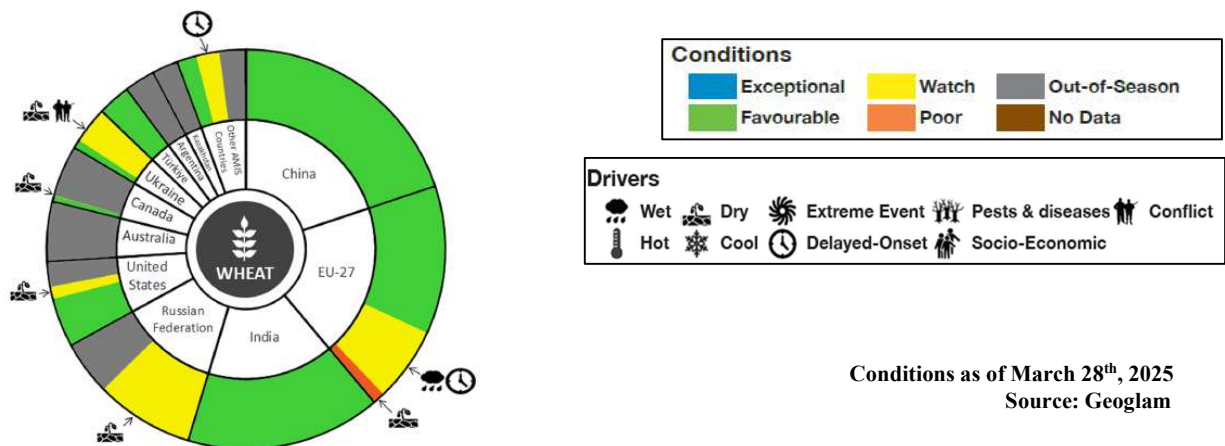


2. World production conditions

Winter wheat is coming out of dormancy in the northern hemisphere under mixed conditions.

Comments on El Niño: The El Niño Oscillation (ENSO) have been in a La Niña phase since late March. Forecasts currently estimate a 65% chance of ENSO-neutral conditions until October 2025, according to the IRI¹.

¹International Research Institute for Climate and Society



European Union: Winter wheat is still generally under favourable conditions. Potential yields are eroded in Bulgaria and Romania due to prolonged dry weather.

Türkiye: Despite crop growth being delayed by dry and cool weather, conditions remain generally favourable.

Russia: Dry and warm weather caused the winter wheat to break dormancy multiple weeks early. This led to drier than normal conditions for the crops.

Ukraine: Negatively affected soil moisture is putting potential yields at risk. A warm winter cause the winter wheat to resume vegetation earlier than normal.

Kazakhstan: Winter wheat is breaking dormancy.

China: Winter wheat is under favourable conditions and with a larger planted area than normal.



India: Harvesting is taking place under favourable conditions.

United States: Above-average temperatures led winter wheat to start emerging. The southern plains are experiencing drought conditions.

Canada: Winter wheat remains dormant.

3. World supply- and demand

3.1. World Agricultural Supply and Demand (WASDE) APRIL 2024/2025 Overview

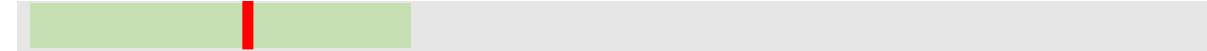
Beginning stocks

269.06 mil. tons

World:

Ending stocks

260.70 mil. tons



Stock-to-use percentage: 32.4%; three-year-average: 33.54%

4.54 mil. tons

Argentina:

4.44 mil. tons

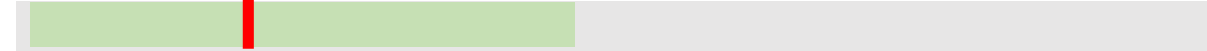


Stock-to-use percentage: 62.1%; three-year-average: 61.48%

2.91 mil. tons

Australia:

3.72 mil. tons



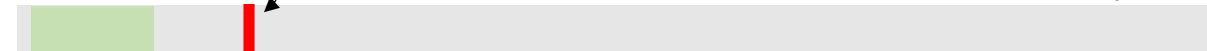
Stock-to-use percentage: 46.5%; three-year-average: 46.14%

15.82 mil. tons

20% normal level

European Union:

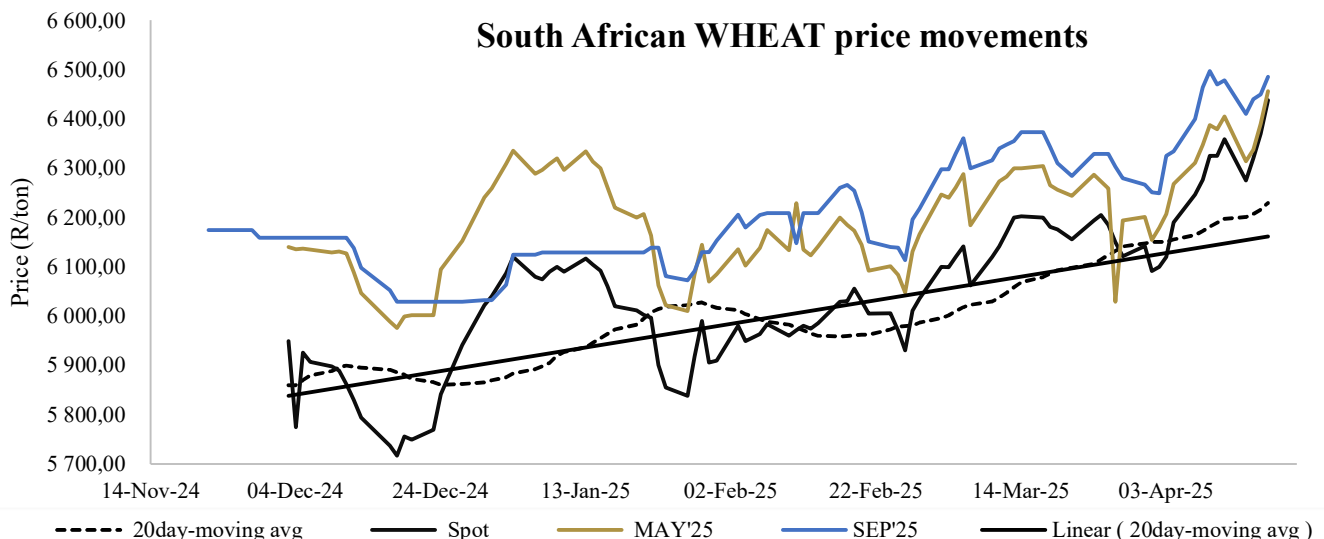
11.29 mil. tons



Stock-to-use percentage: 10.3%; three-year-average: 13.09%

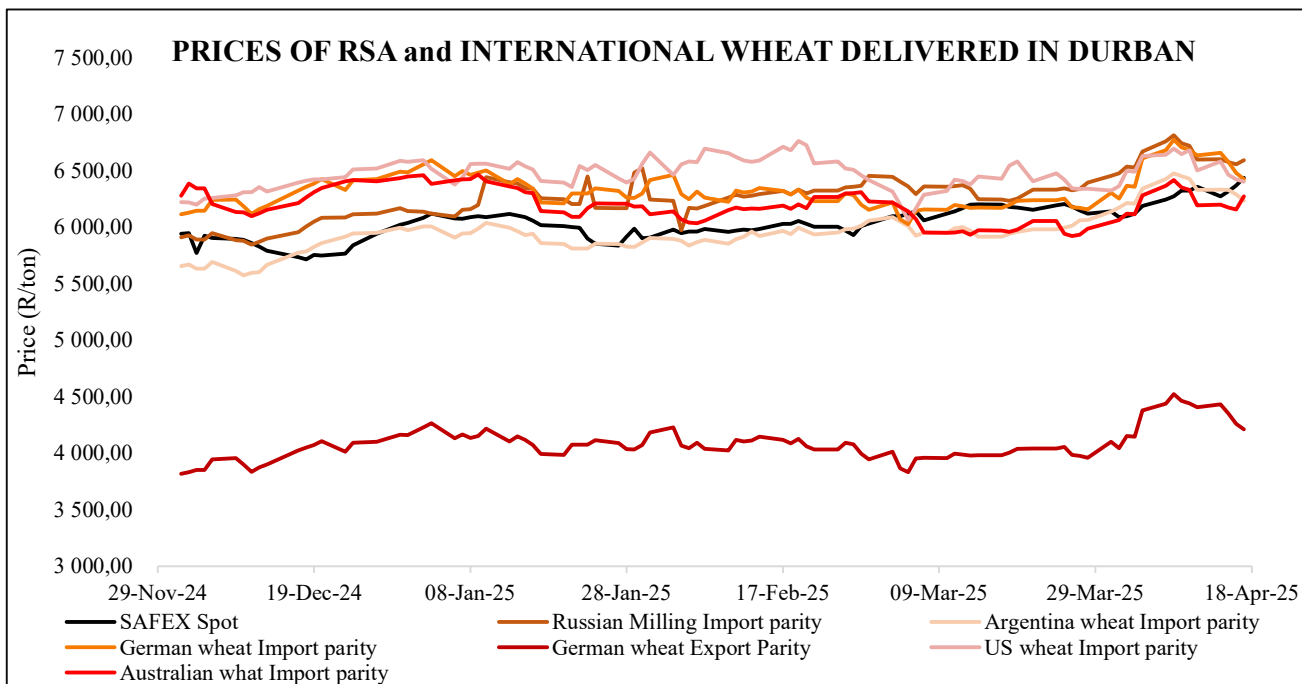
Below the normal stock-to-use level prices tend to react sharply in the market environment. By comparing current year stock-to-use percentages to the norm, an indication can be concluded regarding the direction of price trends.

4. Monthly contract price movements



South African wheat prices have been trading with a general upward trend since the start of 2025, bringing much needed support to local wheat producers. Looking ahead, May'25 and Sep'25 contracts trade higher than cash markets.

4.1. Import- and export parity movements



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Best regards,

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