

WHEAT



December 2025

Grain Market Outlook

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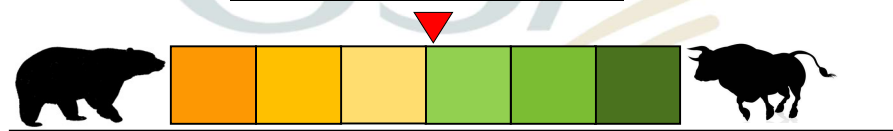
This report was compiled by the Applied Economics team of Grain SA. If you would like any further information or to be added to the monthly contact list, please feel free to contact the team at economist@grainsa.co.za

1. Bearish And Bullish Factors

SHORT-TERM PRICE TREND



LONG-TERM PRICE TREND



Bearish factors (price-negative)

Exceptionally high wheat yields in Australia, particularly in Western Australia and Queensland, boosting export availability.

Generally favourable winter wheat conditions across the EU, with sowing largely complete and crops entering dormancy in good shape.

Good harvest progress and solid yields in Argentina, adding Southern Hemisphere supply to global markets.

Adequate global wheat stocks following strong production outcomes in several exporting regions.

Bullish factors (price-supportive)

Mixed winter wheat conditions in the United States, with dryness in the Pacific Northwest and Great Plains raising early-season yield risks.

Expected reduction in total wheat sown area in the Russian Federation, limiting future export supply potential.

Ongoing conflict-related risks in Ukraine, which can still disrupt production, field access, and export logistics despite currently improved crop conditions.

Weather sensitivity during winter dormancy and spring green-up, where frost, drought, or excess moisture could quickly change yield prospects.



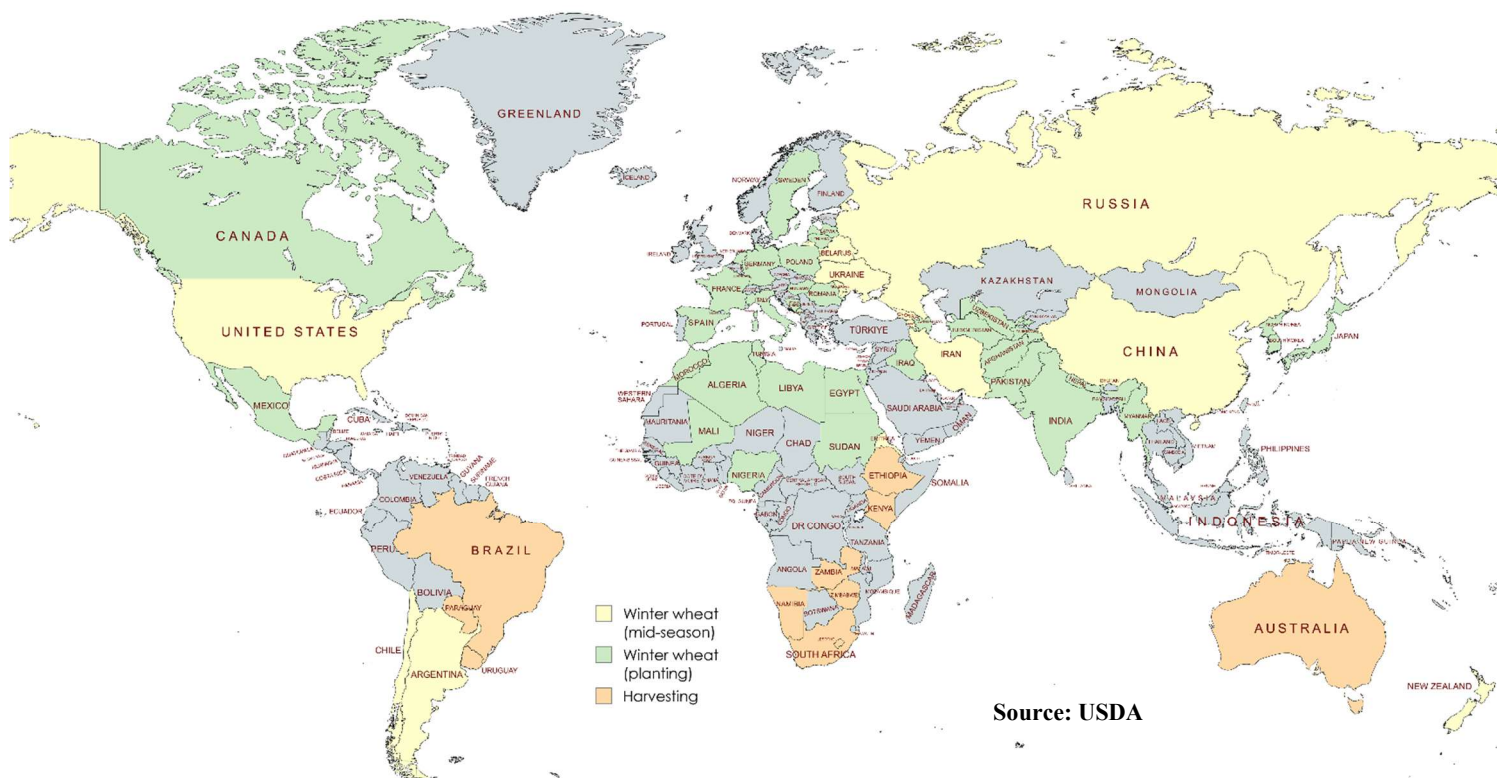
Bearish factors (price-negative)

Seasonal harvest pressure in Southern Hemisphere exporters, weighing on near-term prices.

Bullish factors (price-supportive)

Geopolitical and trade policy risks, especially around Black Sea exports, which continue to add a risk premium to wheat markets.

2. World Wheat Production



A. World Production Conditions

Harvesting is ongoing in the southern hemisphere as winter wheat prepares to enter dormancy in the northern hemisphere

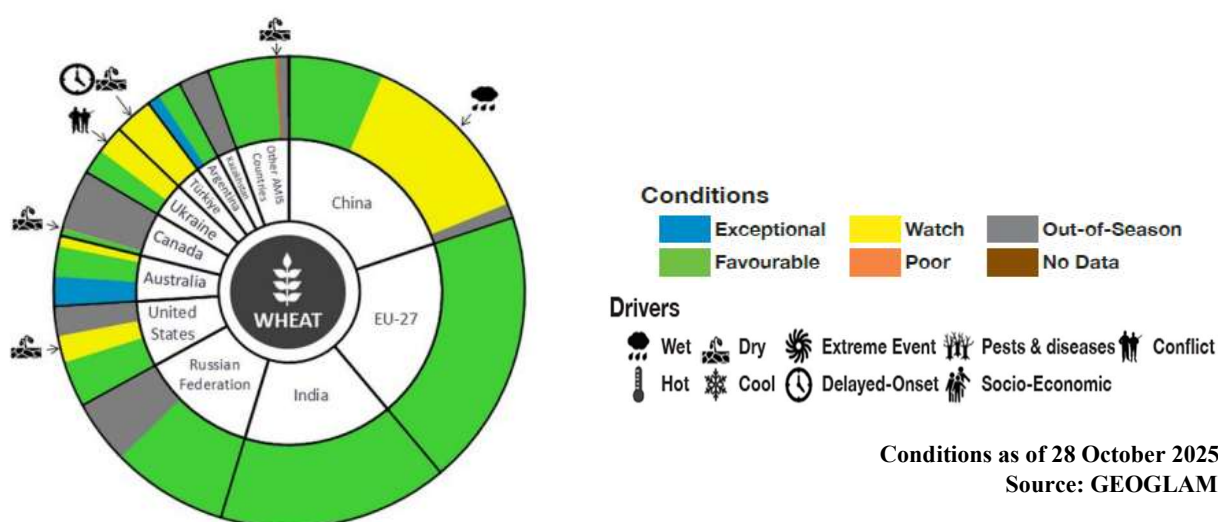
B. Comments on El Niño

The La Niña phase is currently present and is expected to persist in this stage until early 2026. ENSO neutral conditions are likely thereafter.



C. Crop Conditions Commentary

Country	Situation
United States	Winter wheat is under mixed conditions , with areas of dryness affecting the Pacific Northwest, Northern Great Plains, and Southern Great Plains, raising early-season production risks.
Canada	Winter wheat is under generally favourable conditions , though low soil moisture in some areas is being monitored.
China	Winter wheat sowing is progressing , but concerns remain in the North China Plain regarding total sown area due to earlier heavy rainfall and delayed autumn crop harvesting .
European Union	Sowing is mostly complete , with crops approaching winter dormancy under generally favourable conditions across most growing regions.
India	Wheat sowing is further advanced than last year , supported by favourable October rains and an earlier-than-normal planting window.
Ukraine	Winter wheat development is advancing , aided by recent warm weather and good soil moisture , improving early crop conditions.
Russian Federation	Winter wheat conditions remain generally favourable , though a reduction in total sown area compared to last year is expected.
Argentina	Wheat harvesting is progressing southward , with good overall yields reported despite some localised variability.
Australia	Harvesting is well underway , with exceptionally high yields expected , particularly in Western Australia and Queensland.



3. World Supply- and Demand

3.1. World Agricultural Supply and Demand (WASDE) NOVEMBER 2025/2026 Overview

Beginning stocks

260.03 mil. tons

World:

Ending stocks

274.87 mil. tons

Stock-to-use percentage: 33.4%; three-year-average: 33.12%

2.91 mil. tons

Argentina:

4.52 mil. tons

Stock-to-use percentage: 57.2%; three-year-average: 54.1%

3.96 mil. tons

Australia:

5.09 mil. tons

Stock-to-use percentage: 55.9%; three-year-average: 42.83%

11.71 mil. tons

20% normal level

European Union:

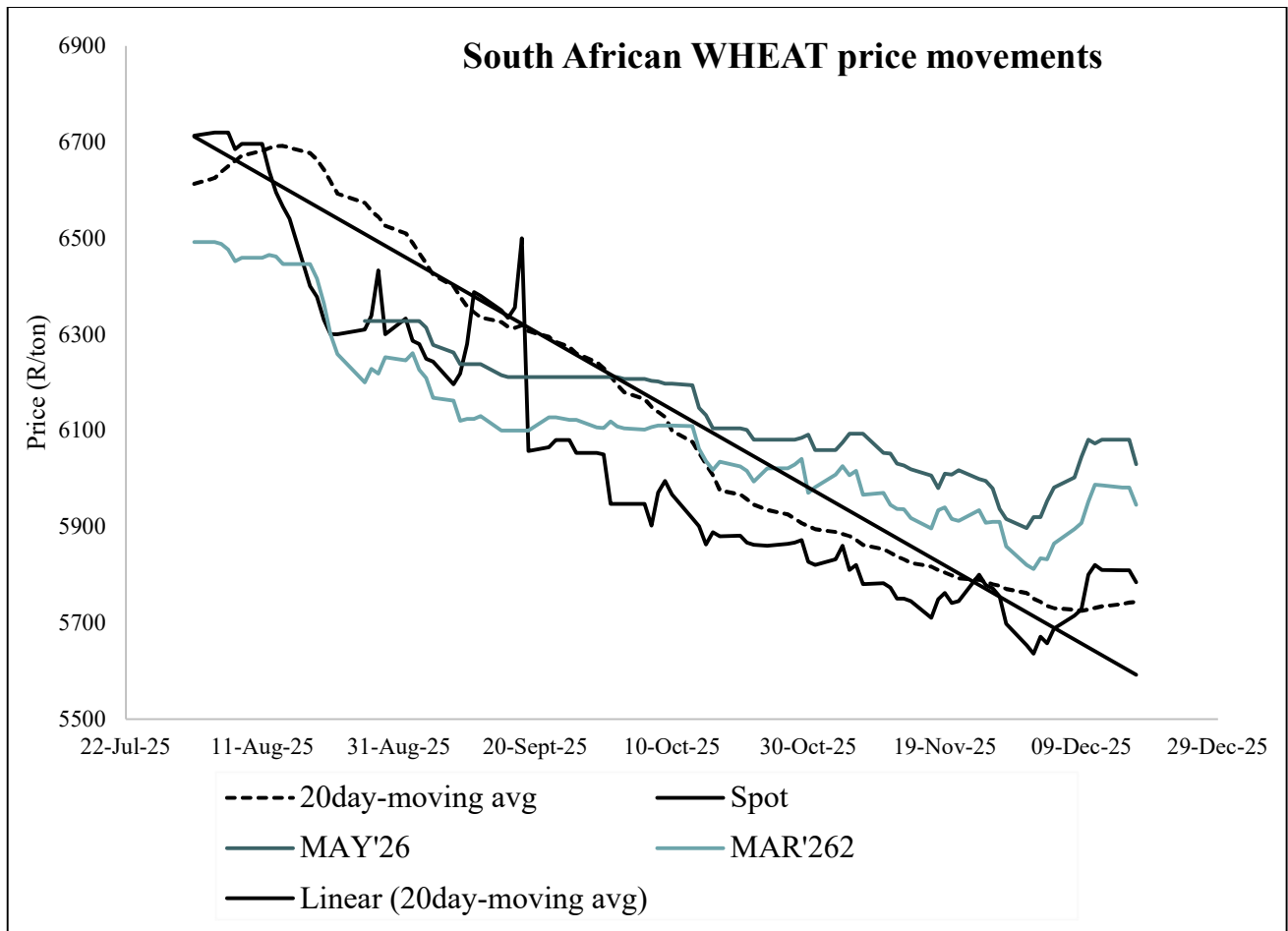
13.01 mil. tons

Stock-to-use percentage: 11.5%; three-year-average: 12.17%

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 Wheat Contract Price Movements

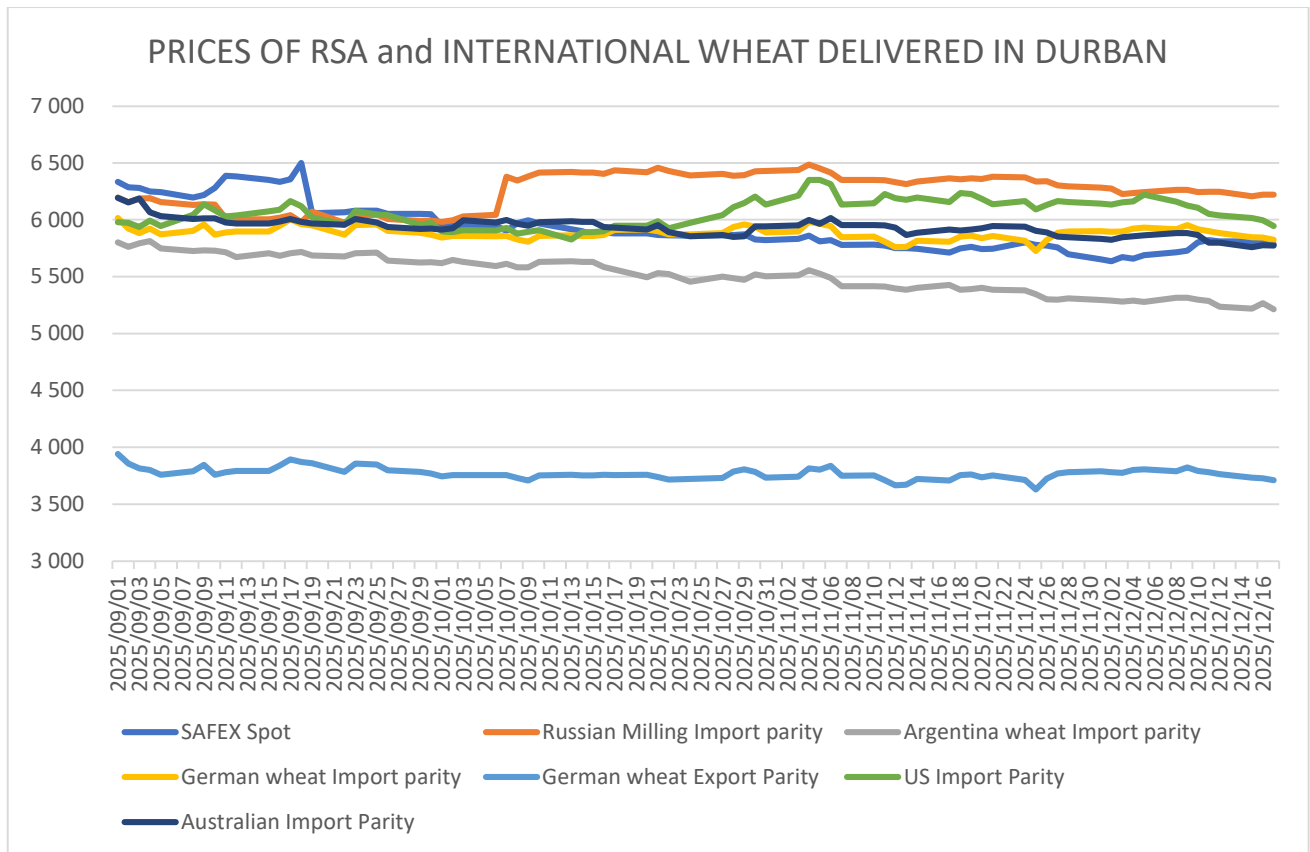


Comments on market movements for wheat contracts:

Since the end of August, local wheat prices have continued to trade with a strong downward trend. Spot month prices fell from R6 328/ton at the start of September to R5 773/ton on 11 November. Price pressure increased as the local harvest was coming in. By the end of November, wheat prices did manage to find some upward momentum, but this was short-lived as the price continued to decrease throughout December.



5. Import- And Export Parity Movements



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 the team at economist@grainsa.co.za.

Best regards,

Grain SA economy team

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