

WHEAT



MARCH 2025

Grain Market Outlook

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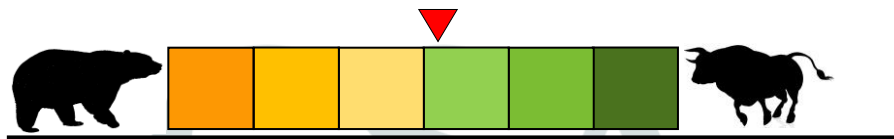
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This report was compiled by the applied economics team of Grain SA. If you would like any further information, or to be added to the monthly contact list, please feel free to contact Heleen (heleen@grainsa.co.za) or Strelza (strelza@grainsa.co.za)

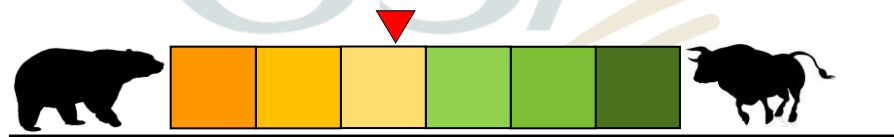
1. Bearish and bullish factors

Globally, the market is keeping a watchful eye on the production conditions in the Northern Hemisphere as some major producing countries are progressing through this year's crop. Conditions are generally favourable, expect for potential yield erosion in Bulgaria and Romania due to prolonged dry weather.

SHORT-TERM PRICE TREND



LONG-TERM PRICE TREND



Bearish factors:

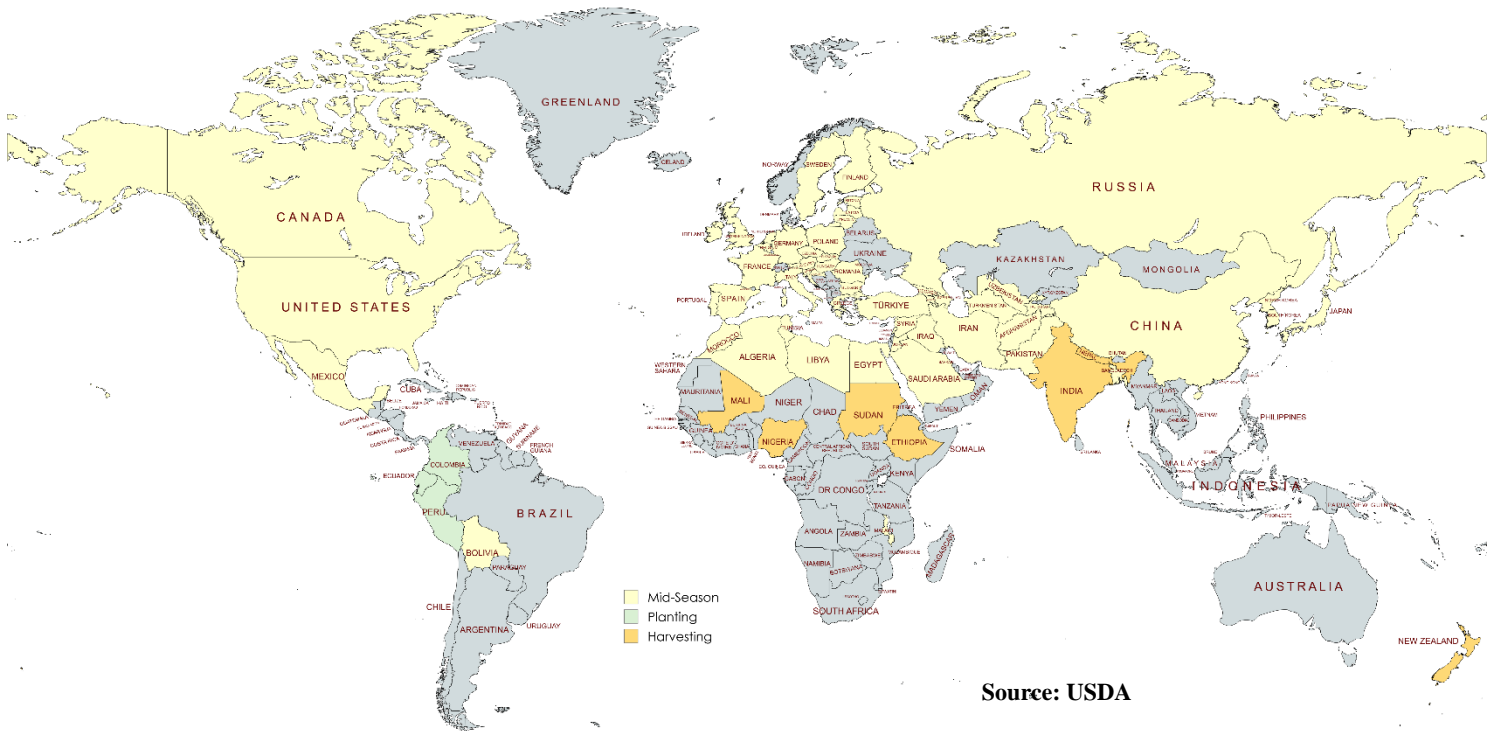
- In the latest USDA quarterly Grain Stocks report, the USDA indicated that stocks of wheat in the United States on 1 March were 14% higher than the previous month. The stocks are also the highest stocks since March 2021.

Bullish factors:

- The National Agricultural Statistics Service (NASS) of the US Department of Agriculture on March 31 projected area planted to all-wheat for harvest in 2025 at 18,4 million hectares, down 2% from the year before.
- In the longer term, a forecast decline in Australian wheat production by 16% in 2025/26 could be supportive of new crop wheat prices.
- According to the latest USDA Prospective Plantings report total wheat plantings for 2025 are estimated at 18.4 million hectares, down 2% from 2024.



2. World wheat production

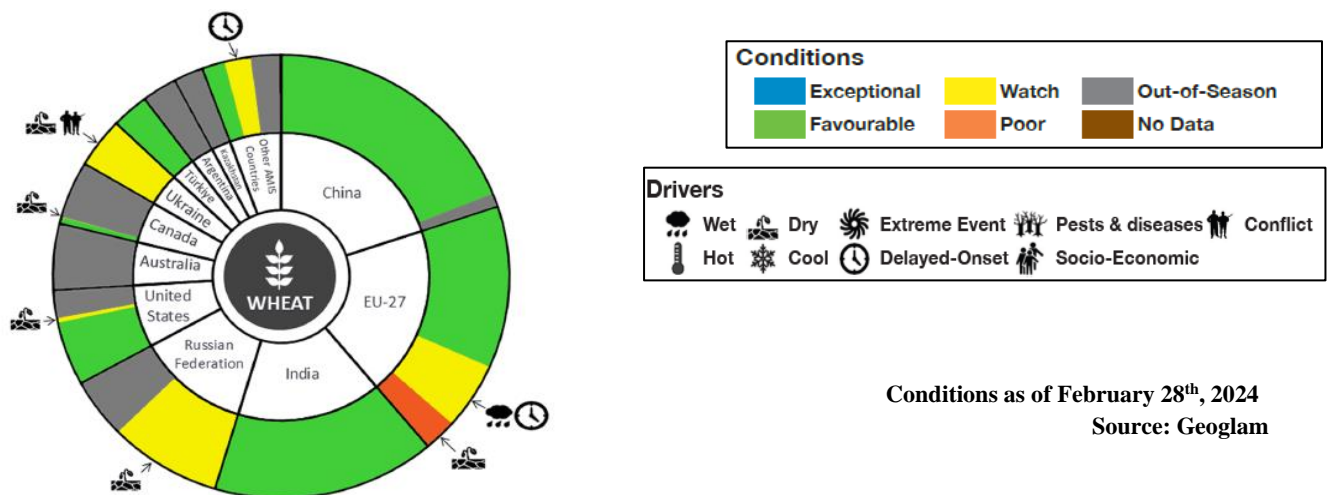


2. World production conditions

In the northern hemisphere, conditions remain mixed in Europe, the Russian Federation, Ukraine and parts of North America.

According to the CPI/IRI transition to ENSO-neutral is likely during March-May 2025 (66% chance) and neutral ENSO conditions are most likely through November 2025.

¹International Research Institute for Climate and Society



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

Türkiye: Despite the southeast experiencing dry weather, conditions remain generally favourable.

Russia: Winter wheat is dormant right now, but the low rainfall since the season started is worrying for its growth in spring

Ukraine: Soil moisture is negatively affected due to no snow cover and prolonged dryness.

Kazakhstan: Winter wheat is under favourable conditions and dormant.

China: Winter wheat is under favourable conditions and breaking dormancy.

India: The total area planted is bigger than the previous year and are under favourable conditions.

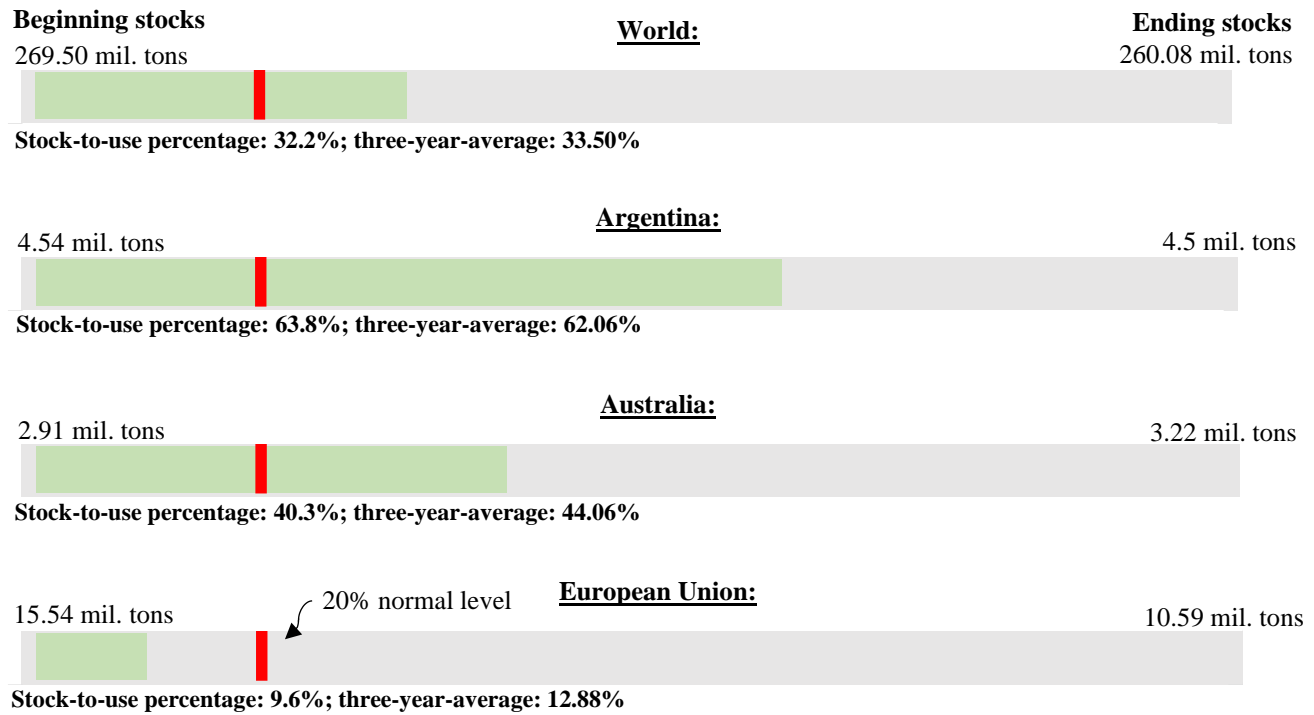


United States: Winter wheat remain dormant under generally favourable conditions.

Canada: Conditions remain stable. Prairies have reduced snowpack and low temperatures, leading to concern.

3. World supply- and demand

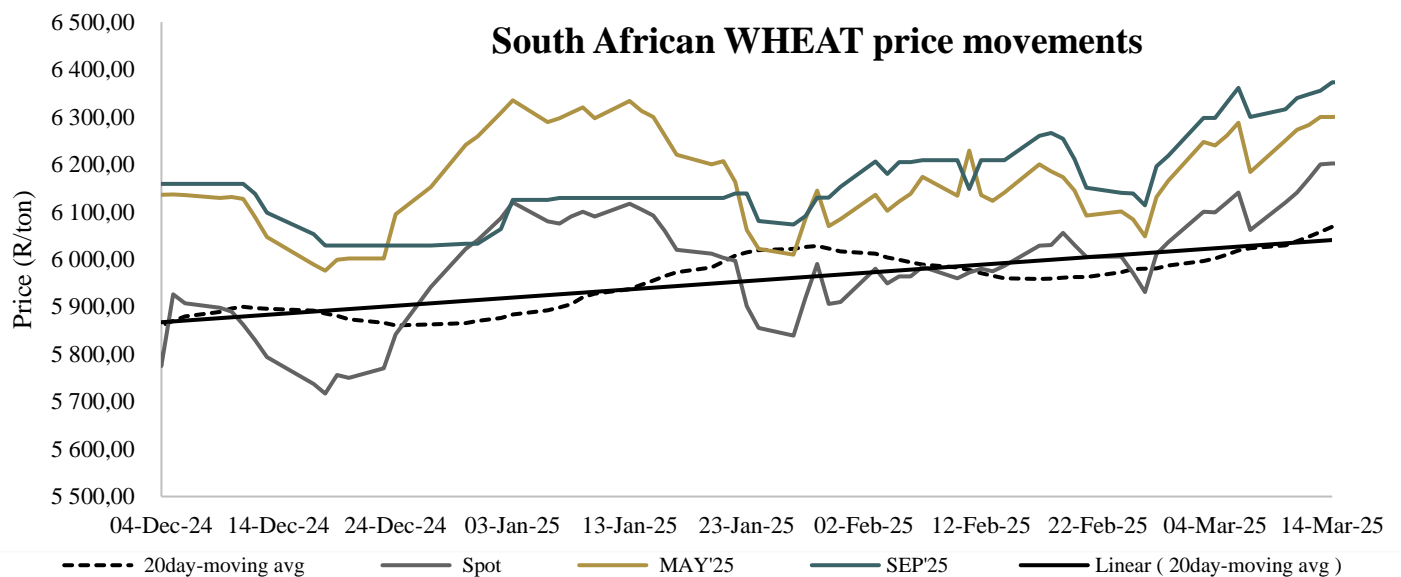
3.1. World Agricultural Supply and Demand (WASDE) MARCH 2024/2025 Overview



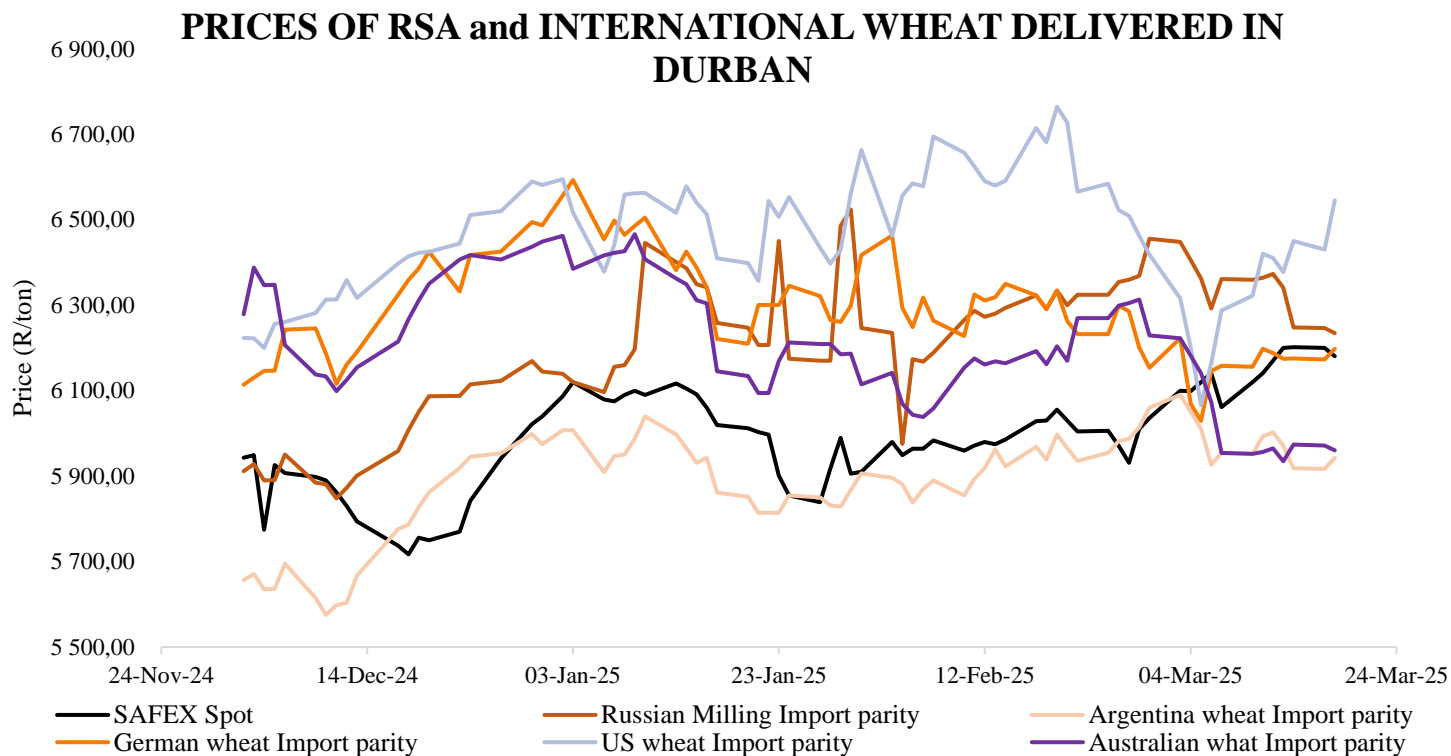
Below the normal stock-to-use level prices tend to react sharply in the market environment. By comparing current year stock-to-use percentages to the norm, an indication can be concluded regarding the direction of price trends.

4. Monthly contract price movements

South African wheat prices have been trading mostly sideways since December. Slight upward movements was seen at the beginning of March, however movements were still marginal.



4.1. Import- and export parity movements



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Best regards,

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