WHEAT

Table of contents:

OCTOBER 2025

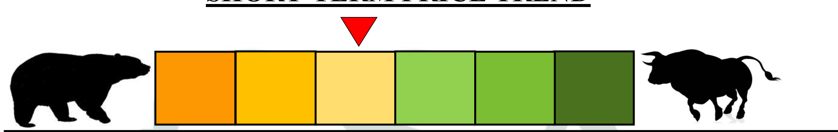
Grain Market Outlook

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

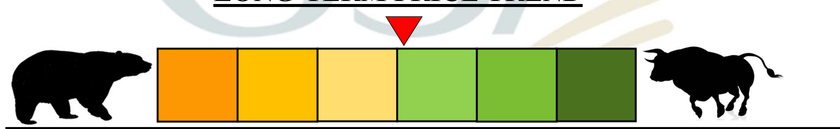
1. Bearish And Bullish Factors

October month generally marks the end of the major harvesting season for the spring-wheat crop in the Northern Hemisphere. While harvesting of the winter-wheat crop kicks off in the Southern Hemisphere. Generally, conditions in the South are favourable. South Africa's harvesting season began October month, with producer deliveries up until the 17th of October being 336% higher than the previous season, and 62% higher than the five-year average. A major concern in the local market is that producers are not able to deliver wheat to local silo's because imported wheat have filled up silo space.

SHORT-TERM PRICE TREND



LONG-TERM PRICE TREND



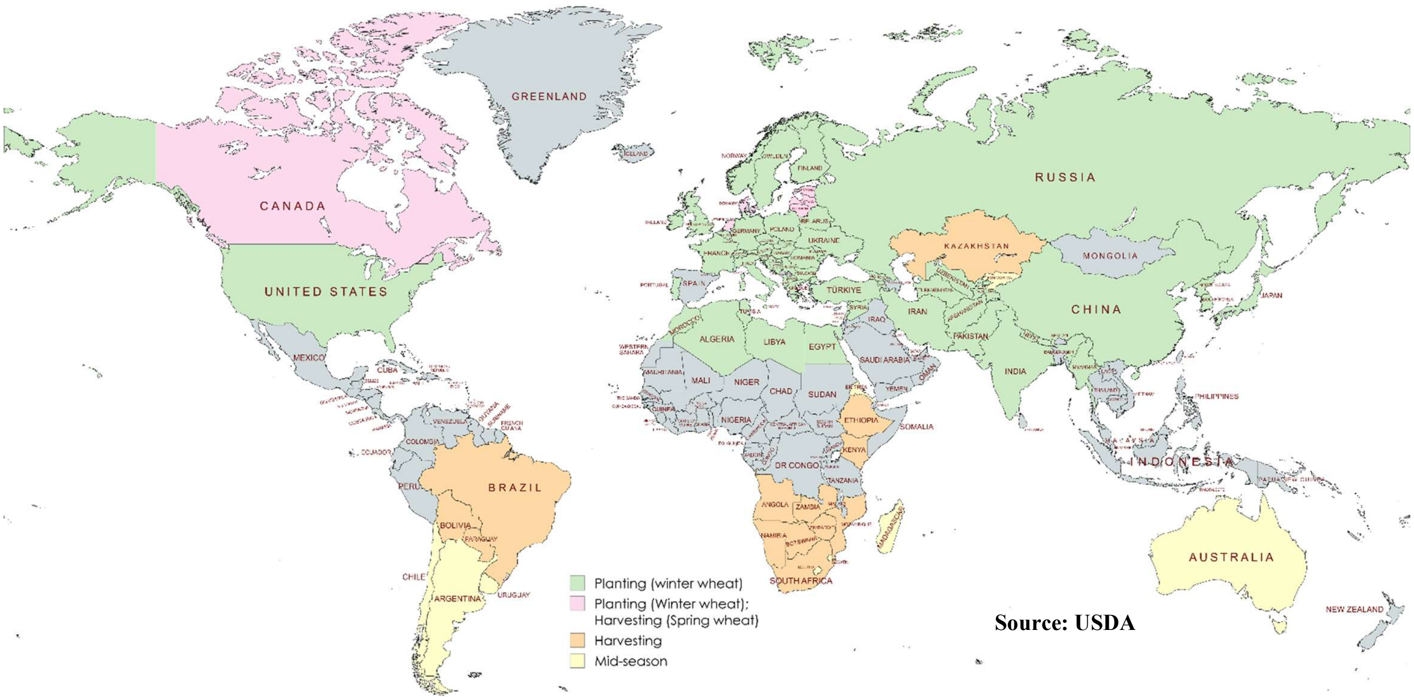
Bearish Factors

- Harvesting in the global view added to adequate supplies, couples with accelerated competition put pressure on global wheat prices in September.
- Crop expectations in Australia and Argentina is also adding pressure to global wheat prices.
- Russian wheat export duties have been adjusted to zero, adding to more easily accessible stocks in the global market.
- Local prices are under pressure due to stocks build-up at various silo locations.

Bullish Factors

- Drought conditions in parts of the US, Ukraine and Russian Federation could affect yields in these countries and also add support to global prices.

2. World Wheat Production



Source: USDA

A. World Production Conditions

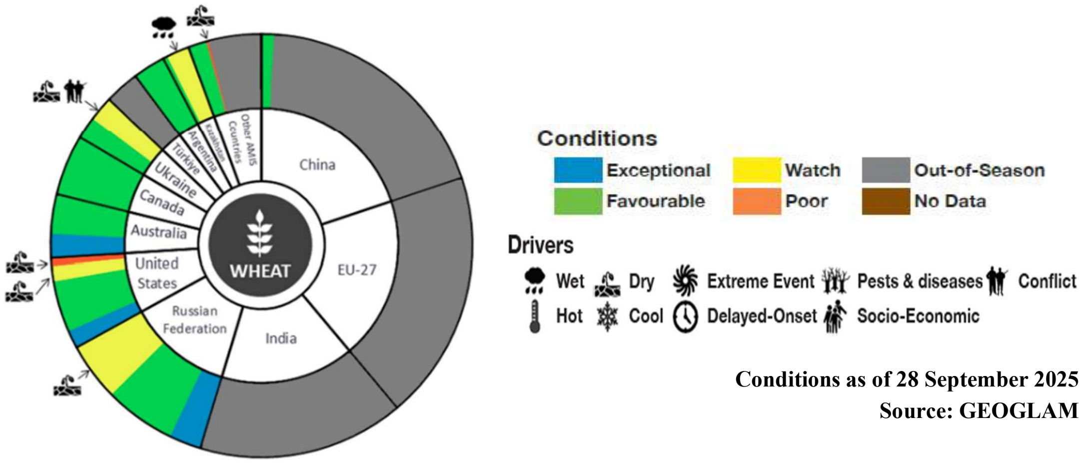
In the Northern Hemisphere, harvesting of the spring planted crop is coming to an end while planting of the winter wheat crop begins. In the Southern Hemisphere conditions remain generally favourable.

B. Comments on El Niño

The status of the El Niño–Southern Oscillation (ENSO) is active. This will likely be a weak-strength and short-lived ENSO event. La Niña conditions are expected to develop during October to December 2025 (53 to 58% chance, according to the NOAA CPC/IRI).

C. Crop Conditions Commentary

Russian Federation	The spring-wheat crop is being harvested a bit slower than normal due to excessive rainfall. However, above average yields are still expected in some parts of the country. Planting of the winter-wheat crop is ongoing with mixed conditions due to drought.
Ukraine	Planting is starting with extremely dry conditions in the main producing areas. This could lead to a delayed planting schedule.
Kazakhstan	The spring-wheat crop is being harvested with delays bought on by excessive rainfall.
China	Harvesting of the spring-wheat crop is wrapping up with generally favourable conditions.
United States	Harvesting of the spring-wheat crop is wrapping up with above average yields in the Eastern region and below average in the Northern plains. Planting of the winter-wheat crop is commencing with generally favourable conditions, except for some areas experiencing low soil moisture.
Canada	The spring-wheat crop harvesting is commencing with above average, as well as average yields. Planting of the winter-wheat crop is kicking off.
Australia	Timely and sufficient rainfall could result in average to above average yields in the country.
Argentina	Conditions are generally favourable for the majority of the crop. Harvesting is kicking off in the Northern region.



Conditions as of 28 September 2025
Source: GEOGLAM

3. World Supply- and Demand

3.1. World Agricultural Supply and Demand (FAO-AMIS) OCTOBER 2025/2026 Overview

Beginning stocks **Ending stocks**

World:

317.9 mil. tons 320.3 mil. tons

Stock-to-use percentage: 28.50%; three-year-average: 28.51%

Argentina:

4.0 mil. tons 2.5 mil. tons

Stock-to-use percentage: 10.6%; three-year-average: 16.60%

Australia:

4.68 mil. tons 5.54 mil. tons

Stock-to-use percentage: 14.4%; three-year-average: 12.08%

European Union:

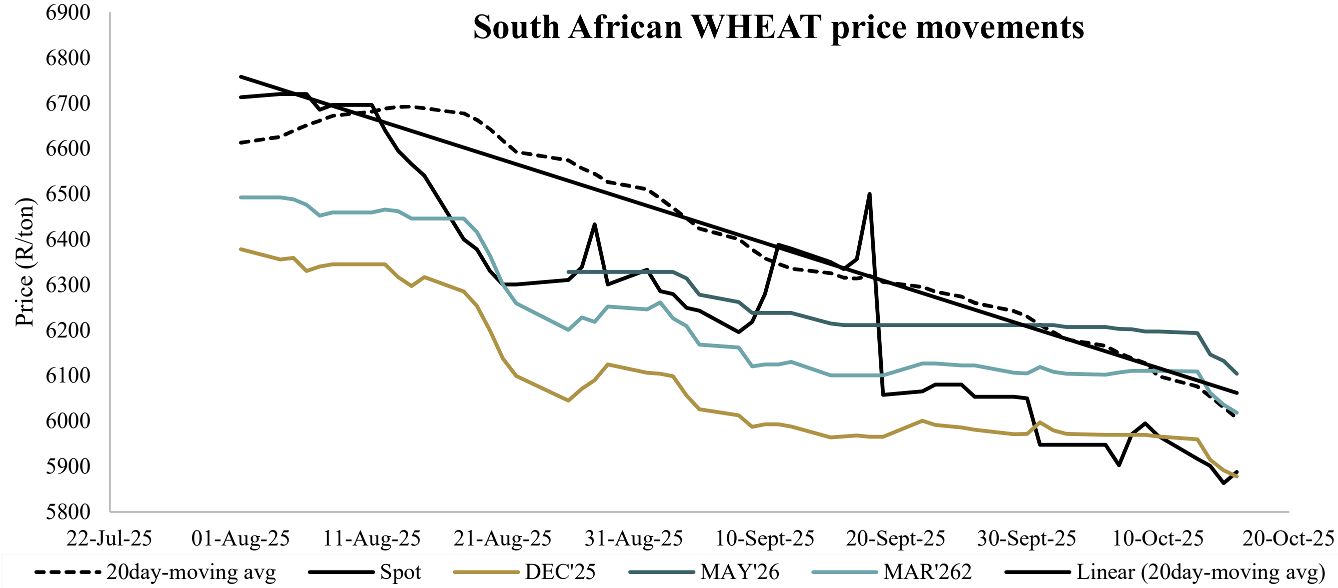
20% normal level

8.92 mil. tons 8.28 mil. tons

Stock-to-use percentage: 5.4%; three-year-average: 7.33%

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.

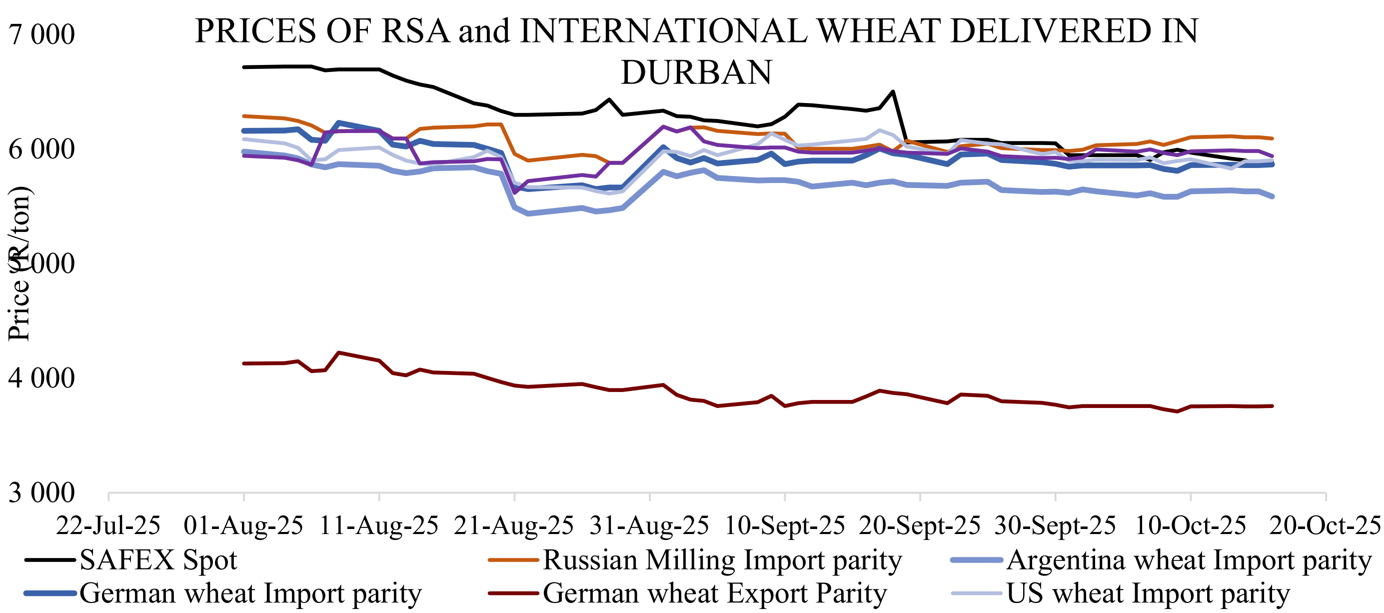
4. Monthly Wheat Contract Price Movements



<u>Comments on market movements for wheat contracts:</u>

Since August local wheat prices traded with a strong downward trend. Spot month prices fell from R6 713/ton in August to R5 878/ton on 16 October. Price pressure increased as the local harvest was coming in. Producers are concerned with large quantities of imported wheat taking up the space of the local gravest in silo locations.

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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