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Wheat Flags

Influence on wheat prices

Improving Weather For US Corn



Russian Wheat Production



Concerns of a COVID-19 Second Wave



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Although still choppy, price movements have been less volatile in comparison to previous weeks with a lack of fresh news to drive the markets.

Currently, global weather is relatively benign with no significant issues. The hot/dry forecasts that had been supporting US corn have faded away with more favourable cooler temperatures and rain now being seen. Any previous concerns seem to have been wiped away with improving crop conditions now leading to thoughts of higher yields.

Previous concerns for downside in Russian wheat production have also subsided after initial reports that yields in the south were disappointing, yields in the Volga and Central FD are proving to be better than expected. It is thought improvements will continue in these regions which will offset reductions for spring wheat which has been impacted by hot/dry conditions. IKAR, one of the leading agricultural consultancies in Moscow, raised their forecast for Russia's 2020 wheat crop by 1.5million tonnes from 76.5m to 78m due to high yielding regions.

Here in the UK, barley harvest is well under way with winter barley nearing completion in the South. It's hardly felt like harvest though with no real pressure on logistics and thin trade. This might change when harvest picks up pace for the bigger area of spring barley as export demand at the right price is difficult to find with limited demand.

Traders continue to battle with the unknown demand factor versus the smaller EU wheat crop. For the time being, there does not seem to be a strong argument for the market to move very far in either direction. In the long run, however, in the absence of any southern hemisphere weather issue, any upside in wheat will be limited by the strong global supplies in corn and soybeans.

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