



## **GLOBAL WHEAT REPORTS**

- Australian farmers, following their largest ever wheat crop in 2020, are seeing the cost of farm inputs such as fertilizer and machinery climb higher, and supplies may not be available say many growers. Farmers are betting on back-to-back bumper crops. The Australian Bureau of Agricultural and Resource Economics and Sciences predicts wheat production for 2021/22 to be 25.0 MMT, down 25 percent from 2020/21.
- Russia's complicated export tax is throwing a wrench in traders' ability to sell Russian wheat for future delivery. The current flat tax will change to a floating tax this summer and will be assessed once cargos sail, not when they are sold, making it risky to book advance sales of Russian wheat. Analysts warn that the uncertainty could lead to a higher risk premium on Russian wheat.
- IKAR, A Russian consultancy forecast Russia's wheat crop in 2021/22 to be 79.8 MMT compared to 78.0 MMT in 2020/21. Exports are predicted at 39.5 MMT.
- The European Commission forecast production of common wheat in the European Union at 126.7 MMT for 2021/22 compared to 117.1 MMT in 2020/21. The Commission expects exports to reach 30.0 MMT.
- FranceAgriMer estimates that France's soft wheat crop is 87 percent rated good or excellent. The updated rating is a decline from the previous week but an improvement to the 63 percent good or excellent rating reported last year.
- An executive with COFCO, China's state affiliated trading company, this week said that French wheat would be more competitive in the Chinese market if it were higher quality wheat, reported Reuters. The lower-protein wheat commonly grown in France is similar to domestic Chinese wheat. France sold a record amount of wheat to China in 2020, 2.5 MMT.



## **Baltic and U.S. Dollar Indices**

- The Baltic Dry Index (BDI) , an assessment of the average cost to ship raw materials such as grains, coal and iron ore, dropped nearly 5 percent on the week to end at 2,172.
- The U.S. Dollar Index increased from last week's 91.93 to close at 92.76.