

California Wheat

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Weekly Wheat Bulletin

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The Weekly Wheat Bulletin is designed to share quick, informal and reliable information about the state's wheat crop and disease conditions. Comments forwarded by Thursday morning of each week will be posted in the Bulletin for distribution Thursday evening. Archived copies of the 2007 Wheat Bulletin may be accessed on the California Wheat Commission website:

www.californiawheat.org

Comments:

6.12.07 – “Yields seem to be good to excellent on both HWW and HRW. Quality of the crop so far is also excellent, 62-65 lb test weight, overall protein average higher than normal on HWW and most HRW.

Most yields coming in above 3 ton/ac. Lots of 3.5-4.0 ton yields. Had field of Joaquin seed production make 324 short tons (4.5 short ton / acre) off of 72 acres, 12 plus pro” *Mike Holdsworth, Western Milling, Goshen, CA*

6.13.07 – “We have been collecting samples of the Sacramento Valley wheat crop. The samples we have tested so far have falling numbers well over 300 seconds and are very sound in appearance. Test weights also appear to be high (well over 60+lbs/bu).

Northeastern Fresno County and Eastern Merced County is seeing high test weights, protein variations. No actual data to report.

We will pick up samples in the San Joaquin Valley next week.

Imperial Valley harvest is approximately 80%-85% complete. Bard/Winterhaven (far eastern side of Imperial County) is approximately 40% complete.” *Bonnie Fernandez, Executive Director, California Wheat Commission*

Summer Job / Internship

The Commission has a position open for a summer intern. For more information contact Bonnie Fernandez, Executive Director or Cymantha Fredrickson, Assistant Director, phone (530) 661-1292.



Durst Farms, Yolo County, 07 Harvest

Prices soar as world wheat supply tightens

by Joe Sowers, USW Market Analyst,
6/14/07

As the Northern Hemisphere begins harvesting its wheat, futures prices typically begin falling. Yet prices this week rose to 11-year highs in the U.S. and to all-time records in the European Union spurred by untimely rains in the U.S. Southern Plains and sustained drought in the Black Sea region.

USDA's June 11 World Agricultural Supply and Demand Estimates (WASDE) revised 2007/08 world production down by 6.7 MMT from last month and estimated the world will now produce 10 MMT less wheat than it will use. With stocks and exportable supplies at multi-decade lows, just about any supply disturbance will spark price volatility.

The WASDE revised down estimates of production from the Black Sea region by 7 MMT from last month due to pre-harvest drought in southern Ukraine and lower spring wheat plantings in Russia. Black Sea region export estimates declined 5 MMT in anticipation that the Ukraine government will try to keep domestic prices stable by limiting exports.

While the report forecasts lower exports from Canada, Argentina and the EU-27, it estimates U.S. exports will increase by 2.5 MMT in 2007/08 and that is likely to make U.S. harvest news a major near-term focus for wheat markets. This week, in fact, speculative and technical trading helped push prices up with weather news from the U.S. Southern

Plains, even though harvest is only five percent completed and it is still too early to assess any impact on yield and quality from the wet conditions.

World supplies have fallen to their lowest level since 1977/78. Among major exporters, the European Union took advantage of high prices last year to liquidate high intervention stocks and Australia currently has a stock of 3 MMT compared to nearly 10 MMT at this point last year. World stocks currently comprise only 18 percent of world consumption – the lowest that ratio has been since USDA started recording the data nearly 50 years ago – leaving little buffer to compensate for poor weather.

