



# Wheat & Small Grain Outlook

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A close-up photograph of several wheat stalks, showing the golden-brown grain and the long, thin awns. The image is slightly blurred, giving it a soft, natural feel.

**DO WE TAKE UNNECESSARY RISKS?**







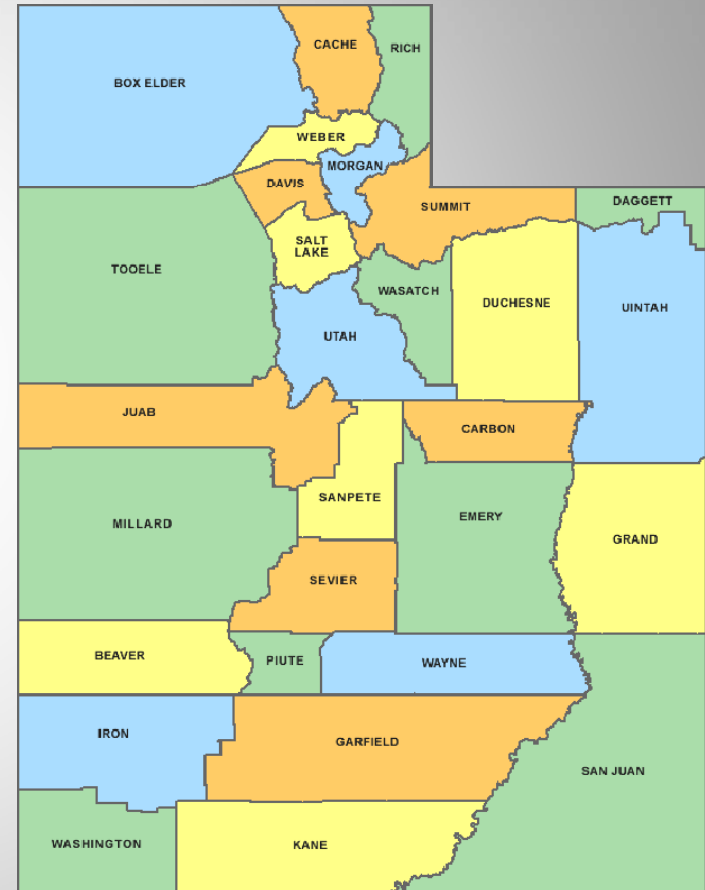


# Wheat Economic Impact

Total Acres                      144,000 acres  
Avg. Yield                              50 bu/acre  
Production                              7,120,000 bu.

Value @ \$6.60/bu.

**\$46,992,000**



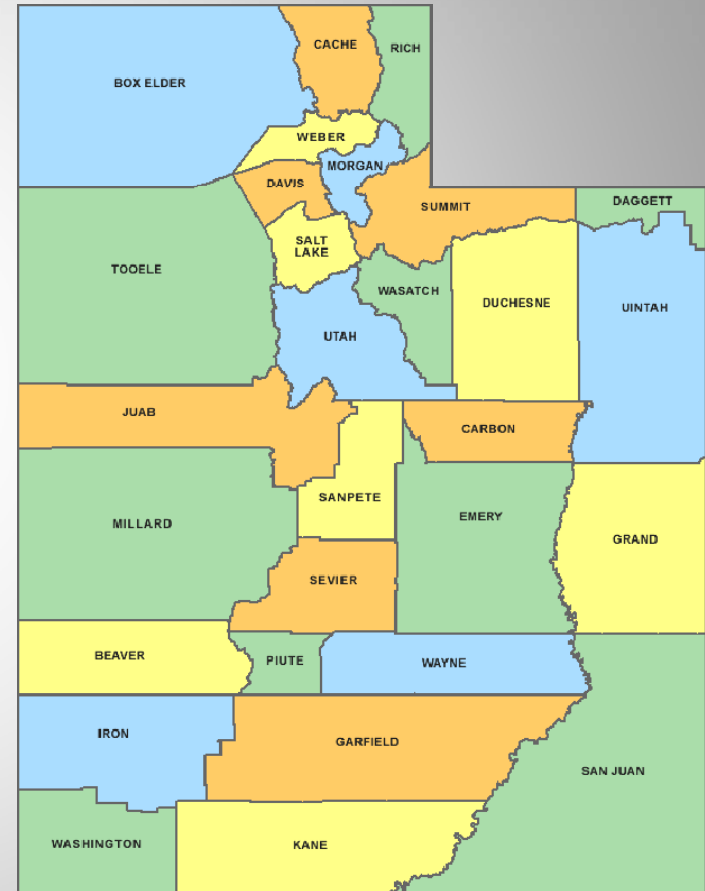
**UtahStateUniversity**  
COOPERATIVE EXTENSION

# Barley Economic Impact

Total Acres 22,000 acres  
Avg. Yield 100 bu/acre  
Production 2,220,000 bu.

Value @ \$5.50/bu.

**\$12,210,000**



**UtahState**University  
COOPERATIVE EXTENSION



# Wheat

Will wheat be bullish?



# Dashboard

Total Use is down 364 million bushels over previous year.

Exports are down 350 million bushels.

Ending Stocks are up 51 million bushels from January 2011.

Weaker Corn Prices will Put Pressure on Wheat



A close-up photograph of several wheat stalks, showing the intricate details of the grain and the long, thin awns. The lighting is soft and natural, highlighting the texture of the wheat.

# **LE CHOSE CHANGE**

**(THE THINGS CHANGE)**

# Dashboard

[Federal Reserve](#) said that it expects to keep U.S. [interest rates](#) low into late 2014, eroding the appeal of the dollar and boosting demand for commodities

[Jim Gerlach](#) A/C Trading Co



# Bench Mark Ratios

- For wheat, *Stocks to Use* under 20% typically leads to stronger prices
- For corn, a comparable number is under 12%

# Wheat Dashboard

## Stocks to Use

January 2012 --- 41%

January 2011 --- 33%

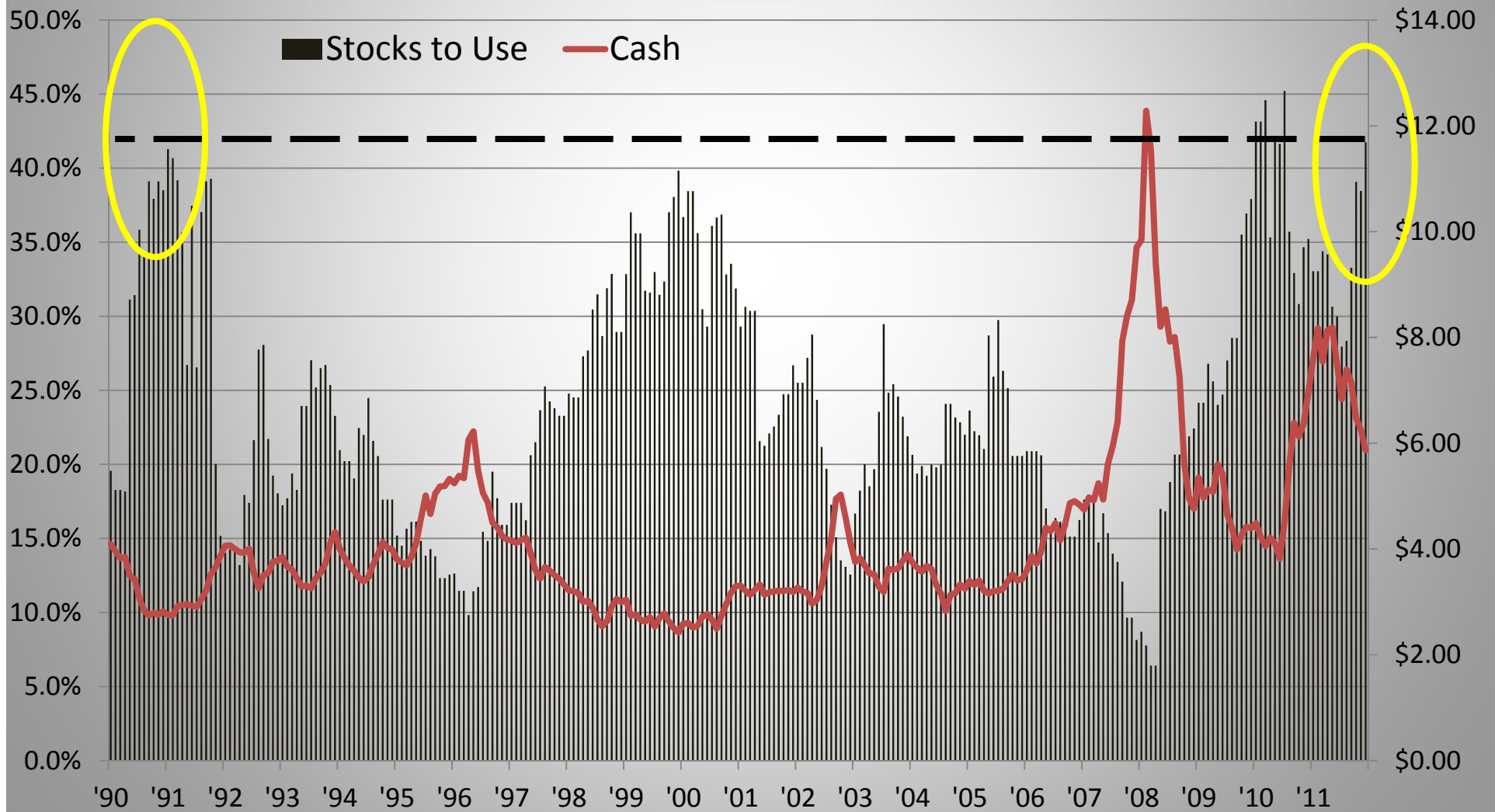
Abundant Global  
Supplies



# The Technical's

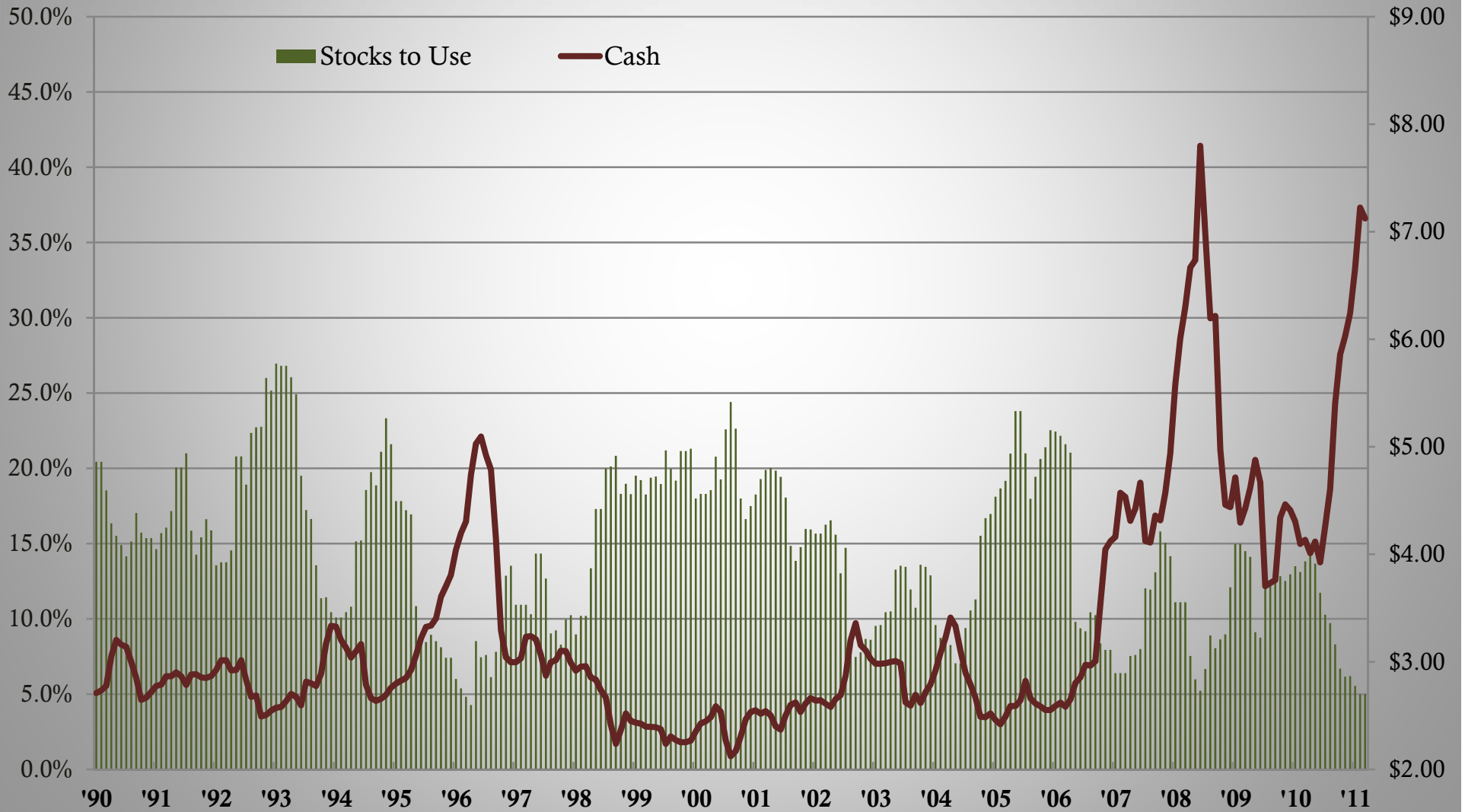


# Wheat Stocks to Use

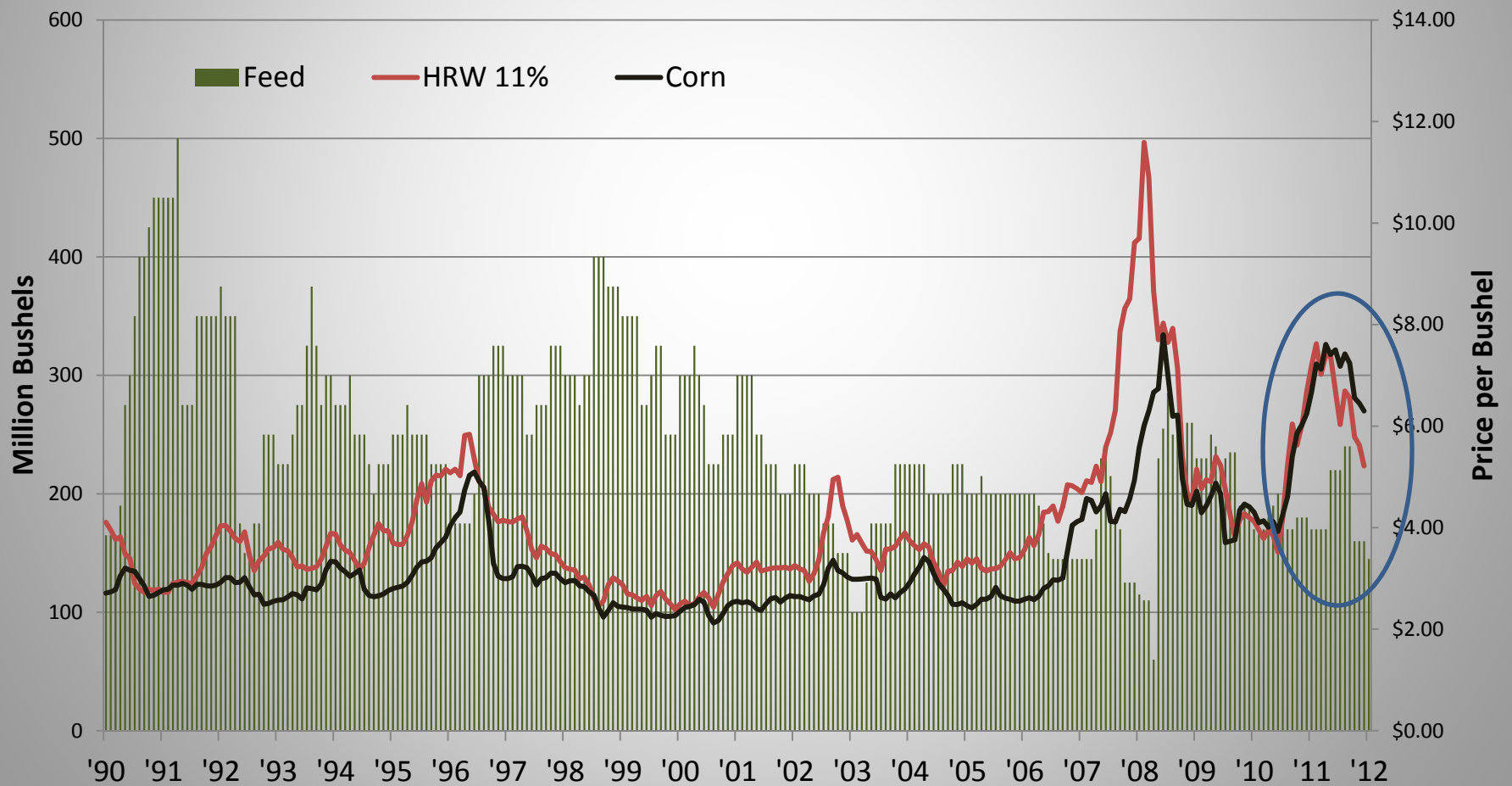




# Corn Stocks to Use

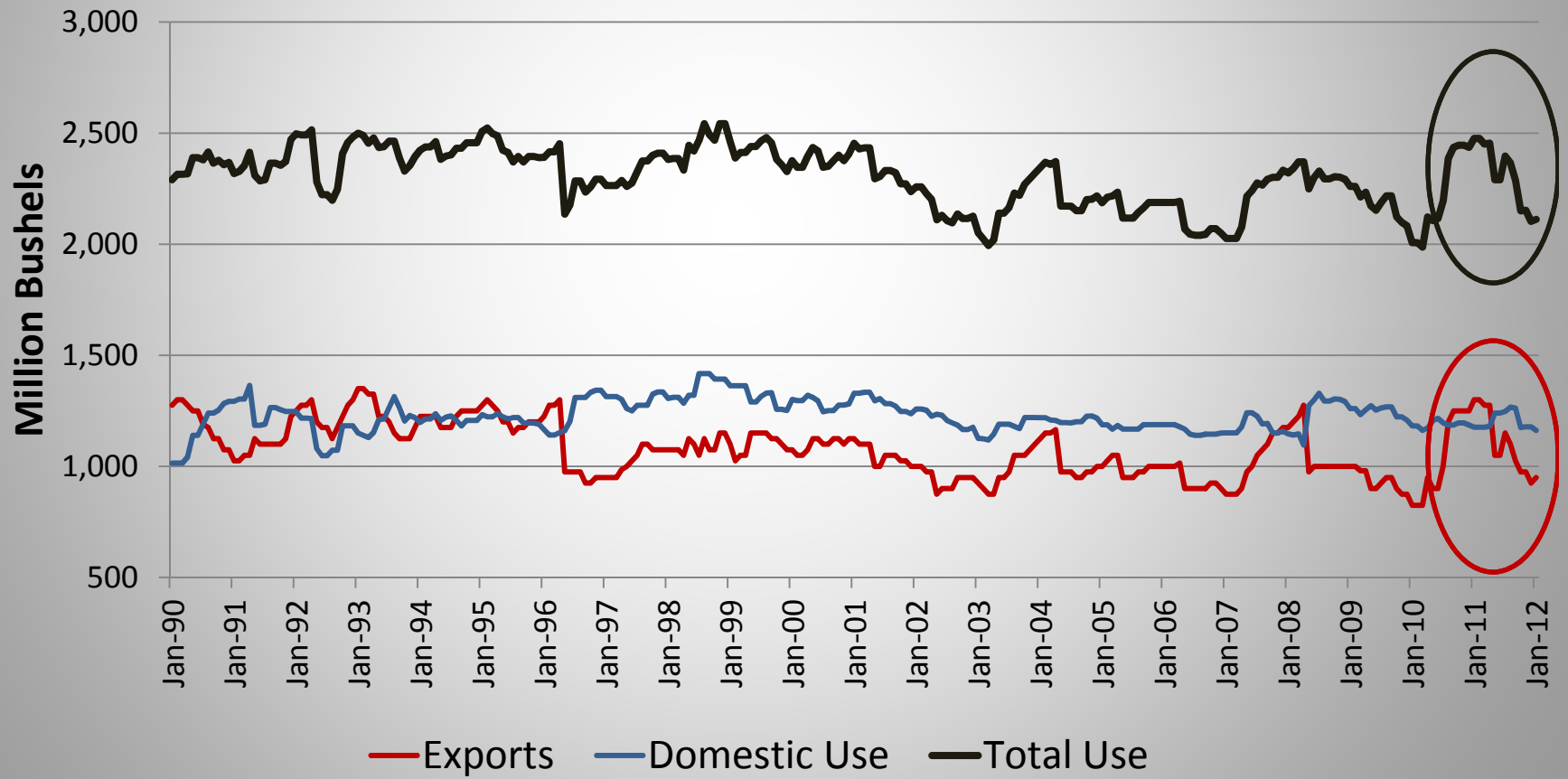


# Feed Wheat



# Exports Are Important

## Wheat Exports, Domestic Use and Total Use



# Enterprise Budget for Irrigated Soft White Wheat

<b>Receipts</b>	<b>Quantity per acre</b>	<b>Unit</b>	<b>Price per unit</b>	<b>Value per acre</b>	<b>Total</b>
<b>Soft White Wheat</b>	<b>115</b>	<b>Bu.</b>	<b>\$6.50</b>	<b>\$698.50</b>	
<b>Receipts</b>					<b>\$698.50</b>
<b>Inputs and Services</b>					<b>315.94</b>
<b>Field Operations</b>					<b>134.87</b>
<b>Interest on Operating Capital</b>					<b>4.18</b>
<b>Total Input, Services and Field Operation Costs</b>					<b>460.29</b>
<b>Net Returns</b>					<b>\$238.21</b>
<b>Operating Cost Breakeven per Bushel</b>					<b>\$4.18</b>

# Break Even Analysis

## Irrigated Soft White Wheat

Yield (Bu/Ac)	Input, Services and Field Operating Costs -- \$ per Acre				
	\$420.29	\$440.29	\$460.29	\$480.29	\$500.29
80	\$5.25	\$5.50	\$5.75	\$6.00	\$6.25
90	\$4.67	\$4.89	\$5.11	\$5.34	\$5.56
100	\$4.20	\$4.40	\$4.60	\$4.80	\$5.00
110	\$3.82	\$4.00	\$4.18	\$4.37	\$4.55
120	\$3.50	\$3.67	\$3.84	\$4.00	\$4.17
130	\$3.23	\$3.39	\$3.54	\$3.69	\$3.85
140	\$3.00	\$3.14	\$3.29	\$3.43	\$3.57

# Net Returns Above Operating Costs

## Irrigated Soft White Wheat

Price \$/Bu	Yield -- bu per Acre				
	80	95	110	125	140
\$4.85	-\$72	\$0	\$73	\$146	\$219
\$5.35	-\$32	\$48	\$128	\$208	\$289
\$5.85	\$8	\$95	\$183	\$271	\$359
\$6.35	\$48	\$143	\$238	\$333	\$429
\$6.85	\$88	\$190	\$293	\$396	\$499
\$7.35	\$128	\$238	\$348	\$458	\$569
\$7.85	\$168	\$285	\$403	\$521	\$639

# Enterprise Budget for Dryland Hard Red Winter Wheat

	Quantity per acre	Unit	Price per unit	Value per acre	Total
<b>Receipts</b>					
HRW Wheat +\$15 Gvt. Pmt	35	Bu.	\$5.87	\$220.45	
<b>Receipts</b>					\$220.45
<b>Inputs and Services</b>					74.84
<b>Field Operations</b>					66.20
<b>Interest on Operating Capital</b>					2.25
<b>Total Input, Services and Field Operation Costs</b>					151.93
<b>Operating Cost Breakeven per Bushel</b>					\$4.34
<b>Net Returns</b>					\$43.51

# Break Even Analysis

## Dryland Hard Red Winter Wheat

Yield (Bu/Ac)	Total Costs -- \$ per Acre				
	\$136.94	\$156.94	\$176.94	\$196.94	\$216.94
25	\$5.48	\$6.28	\$7.08	\$7.88	\$8.68
30	\$4.56	\$5.23	\$5.90	\$6.56	\$7.23
35	\$3.91	\$4.48	\$5.06	\$5.63	\$6.20
40	\$3.42	\$3.92	\$4.42	\$4.92	\$5.42
45	\$3.04	\$3.49	\$3.93	\$4.38	\$4.82



# Net Returns Above Operating Costs

Dryland Hard Red Winter Wheat

Price \$/bu.	Yield -- bu per Acre				
	25	30	35	40	45
<b>\$4.37</b>	-\$43	-\$21	\$1	\$23	\$45
<b>\$4.87</b>	-\$30	-\$6	\$19	\$43	\$67
<b>\$5.37</b>	-\$18	\$9	\$36	\$63	\$90
<b>\$5.87</b>	-\$5	\$24	\$54	\$83	\$112
<b>\$6.37</b>	\$7	\$39	\$71	\$103	\$135
<b>\$6.87</b>	\$20	\$54	\$89	\$123	\$157
<b>\$7.37</b>	\$32	\$69	\$106	\$143	\$180

# Enterprise Budget for Spring Barley (the pleasant surprise!)

Receipts	Quantity per acre	Unit	Price per unit	Value per acre	Total
Barley	125	Bu.	\$5.50	\$687.50	
<b>Receipts</b>					<b>\$687.50</b>
<b>Inputs and Services</b>					<b>188.73</b>
<b>Field Operations</b>					<b>143.12</b>
<b>Interest on Operating Capital</b>					<b>5.66</b>
<b>Total Input, Services and Field Operation Costs</b>					<b>337.52</b>
<b>Operating Cost Breakeven per Bushel</b>					<b>\$2.70</b>
<b>Net Returns</b>					<b>\$349.98</b>

# Break Even Analysis

## Spring Barley

Yield (Bu/Ac)	Input, Services and Field Operating Costs -- \$ per Acre				
	\$297.52	\$317.52	\$337.52	\$357.52	\$377.52
95	\$3.13	\$3.34	\$3.55	\$3.76	\$3.97
105	\$2.83	\$3.02	\$3.21	\$3.40	\$3.60
115	\$2.59	\$2.76	\$2.93	\$3.11	\$3.28
125	\$2.38	\$2.54	\$2.70	\$2.86	\$3.02
135	\$2.20	\$2.35	\$2.50	\$2.65	\$2.80

# Net Returns Above Operating Costs

## Spring Barley

Price \$/Bu	Yield -- bu per Acre				
	95	110	125	140	155
\$4.00	-\$80	-\$20	\$40	\$100	\$160
\$4.50	-\$33	\$35	\$102	\$170	\$237
\$5.00	\$15	\$90	\$165	\$240	\$315
\$5.50	\$62	\$145	\$227	\$310	\$392
\$6.00	\$110	\$200	\$290	\$380	\$470
\$6.50	\$157	\$255	\$352	\$450	\$547
\$7.00	\$205	\$310	\$415	\$520	\$625

I'M UNCERTAIN ABOUT  
THE UNCERTAINTY OF  
THE ECONOMY. THIS,  
I AM CERTAIN OF...



pww.cartoons@gmail.com

**BALDINGER**

People's Weekly World  
2/16/2008



Thank You!

Questions

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