



# FLOUR FACTS

Information Provided by General Mills Foodservice  
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## Weekly Market Highlights

JANUARY 18, 2018

- Wheat futures prices are trading lower than we last reported. Friday's USDA report surprised the market by reporting no reduction in winter wheat acres and higher stocks than were expected.
- The USDA planted acres estimate, which came in above the high end of the range of market participants' estimates, quickly lead to a wheat sell-off and lower wheat futures prices.
- Futures were flat to higher in Wednesday's trading, possibly signaling an end to the trend lower.
- Focus has moved to the worsening dry growing conditions for the U.S. hard red winter wheat crop. The 90-day weather forecast is reportedly the worst we've seen in years. Growers are calling out dry conditions as a significantly higher concern than winterkill.
- Basis premiums are higher as producers are unwilling to part with wheat following the move lower in futures. If crop concerns continue, they could support higher prices, especially for flour made with winter wheat.

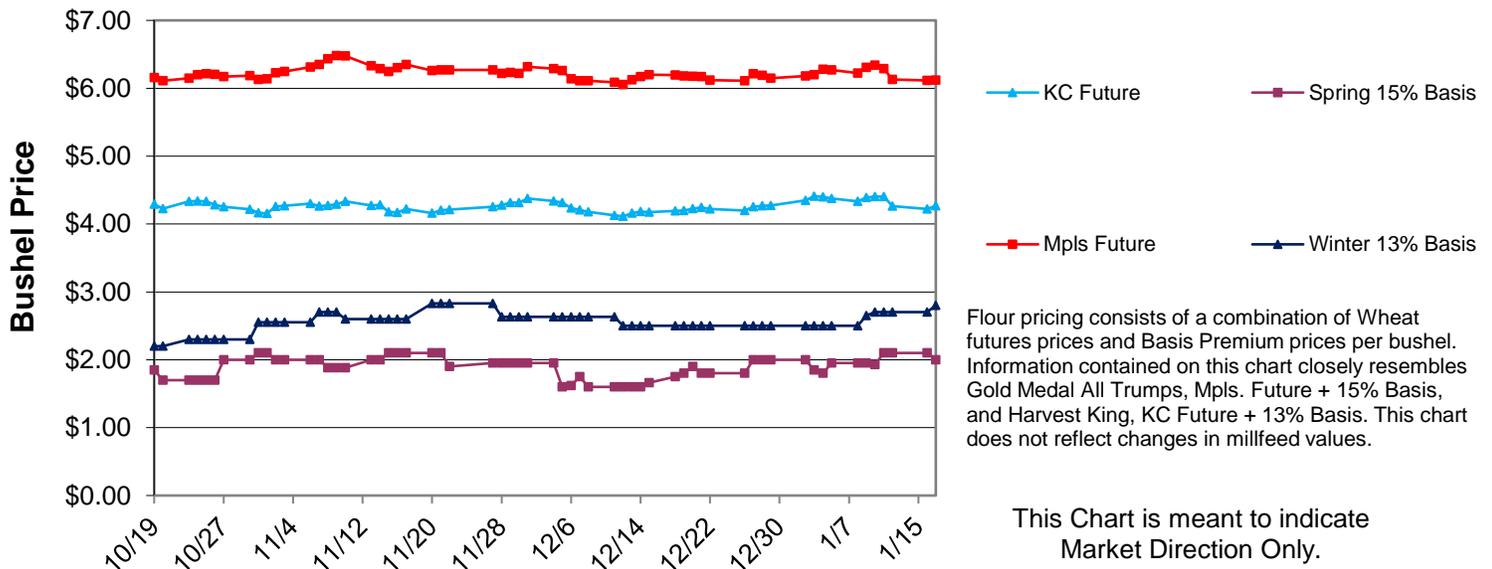
## Facts on Flour

### Soft Red Winter (SRW)

Soft Red Winter Wheat is grown in the eastern third of the United States. SRW is high yielding wheat, but relatively low in protein, usually about 10%. SRW is used for cakes, pastries, flat breads, crackers and snack foods. This fall-seeded wheat comprises about fourteen percent of U.S. wheat exports.

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## Futures & Basis Markets



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