

## Wheat Prices Spike as US Sees War, Adverse Weather Hurting Crops

By Megan Durisin and Michael Hirtzer

(Bloomberg) -- From war to extreme weather, the world's wheat crops are under threat, a view that's being bolstered by a US report.

Production in Ukraine, one of the biggest growers, will fall by one-third compared to last year, according to a U.S. Department of Agriculture forecast. Other major producers are battling drought, floods and heatwaves. In all, global stockpiles in the coming season will dwindle to a six-year low.

The smaller wheat harvests and a slow start to the US planting season is risking more food inflation ahead. Hunger is already on the rise in many parts of the globe.

In Chicago, wheat futures popped as much as 3.6% after the report, which contains the USDA's first global outlook for the coming season. Corn and soybeans also rose. Spring wheat futures in Minneapolis jumped nearly 3%. They'd already touched the highest since 2008 earlier as excessive rains in parts of North America cause severe planting delays.

In addition to the war's impact, adverse weather in North America having a significant impact on wheat crops. US farmers will abandon the most winter-wheat in two decades because of drought gripping states like Texas and Oklahoma, the USDA said.

A plunge in US winter wheat production "was indisputably bullish," said Charlie Sernatinger, head of global grains at ED&F Man Capital Markets Inc.

With Ukraine out of play, world markets are looking to other countries to fill the gaps. India has emerged as a major exporter in the past year, yet its stockpiles are forecast to drop to a five-year low. That accounted for much of the cut to world reserves. Brazil and Argentina are expected to export record amounts of grain.

Meanwhile, Russian agricultural trade is booming, despite the war. The country is expected to regain its rank as the world's top wheat seller, overtaking the EU.

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[CROP SURVEY: Preview of WASDE With Analysts' Estimates \(Table\)](#)

[Wheat Crops Almost Everywhere Are Coming Under Threat](#)

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To contact the reporters on this story:

Megan Durisin in London at [mdurisin1@bloomberg.net](mailto:mdurisin1@bloomberg.net);

Michael Hirtzer in Chicago at [mhirtzer@bloomberg.net](mailto:mhirtzer@bloomberg.net)

To contact the editors responsible for this story:

David Marino at [dmario4@bloomberg.net](mailto:dmario4@bloomberg.net)

Lydia Mulvany