# Market Vantage

June 2026

## Wheat Outlook

### Upside:

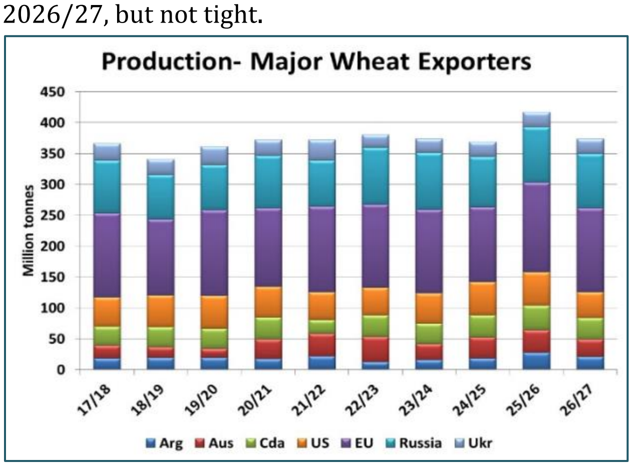
- ✓ StatsCan showed record April exports, keeping 2025/26 shipments near last year's record pace. Strong farmer deliveries and buyers offering 'specials' point to further good late-season movement.
- ✓ MGE futures are cheap relative to KC and Chicago, which may buffer some downside risk.
- ✓ USDA pegged US winter wheat production at just 1.03 bln bu, and the all-wheat crop may be the lowest in 50 years.

### Downside:

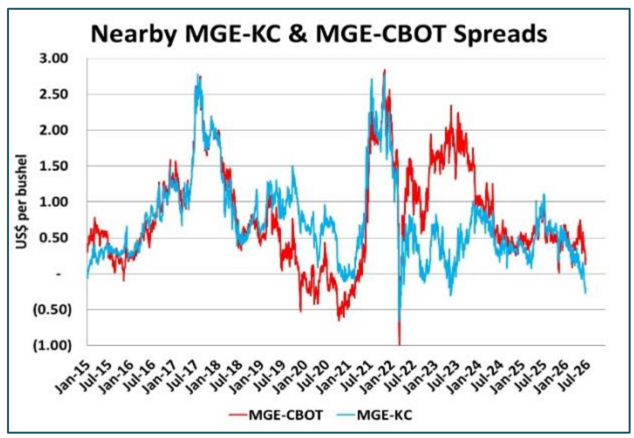
- ✓ Favorable conditions in western Canada and the northern US are lifting spring wheat yield estimates.
- ✓ EU and Black Sea production will be lower in 2026, but estimates are creeping higher and a larger old-crop carryin limits the supply drop.
- ✓ Australia has been receiving beneficial rain.
- ✓ Funds have been heavy sellers of wheat in recent weeks.

### Key Notes:

- ✓ USDA's latest world numbers trimmed 2.0 mln tonnes from Australia (28.0 mln) while adding 2.0 mln to Russia (88.0 mln) and 0.5 mln to Ukraine (23.5 mln). Across the major exporters in total, production will run up to 40 mln tonnes below last year's huge crop but close to the 5-year average, and Russia, Australia and Canada could still be revised higher. Global supplies will be smaller in 2026/27, but not tight.




- ✓ Most of western Canada received beneficial rain in recent weeks (with a few pockets of extreme weather causing localized damage). As a result, we bumped our Canadian non-durum wheat yield up to 56.5 bu/acre, with an upward bias if conditions stay favorable.
- ✓ While all US wheat futures have been under pressure, MGE hard red spring has declined more than Kansas City and Chicago. The MGE discount to KC is approaching its lowest in over a decade, and the premium to Chicago has narrowed to near parity, an area that has often provided support. Favorable North American conditions justify some MGE weakness, but the move may be getting overdone.




### Bottom Line:

- ✓ The market has stabilized, but with improving crops narrowing the production gap, we don't expect much upside near-term.
- ✓ The seasonal trend points lower over the next two months, although much of the sharp selloff may already be past, suggesting sideways-to-modestly-lower trade.
- ✓ The June 30 StatsCan and USDA reports are the next key fundamental catalysts.

## *Wheat Price Indications (US$/mt)*

| Type | Location | This week | Week Ago | 4 Wks Ago | Year Ago |
|---|---|---|---|---|---|
| CWRS | Alberta Avg | 210 | 207 | 225 | 236 |
| CPS | Alberta Avg | 202 | 197 | 214 | 212 |
| Feed | Alberta Avg | 185 | 187 | 194 | 181 |
| DNS 14% | Portland | 252 | 249 | 277 | 265 |
| HRS 14% | N Dak Avg | 199 | 196 | 221 | 211 |
| Soft 12% | Black Sea | 242 | 242 | 239 | 238 |
| H1 | W Aust | 269 | 269 | 285 | 242 |

# Barley Outlook

## Upside:

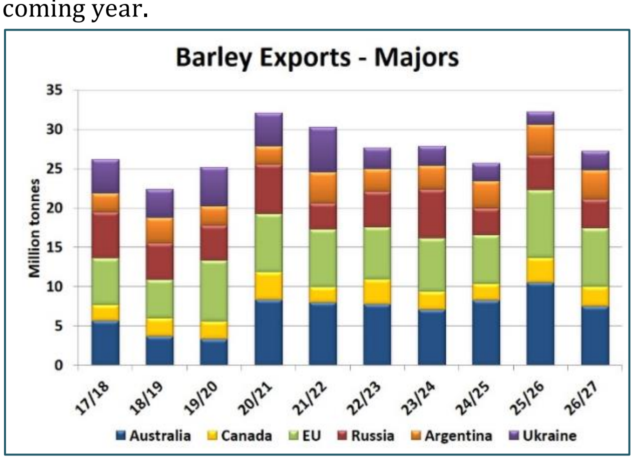
- ✓ Canadian barley exports rose to 436,200 tonnes in April, the strongest year-to-date pace since 2020/21.
- ✓ USDA forecasts lower global barley trade in 2026/27 on smaller exporter crops, a supportive backdrop.
- ✓ Old-crop supplies are tightening as Canadian ending stocks fall below recent years.

## Downside:

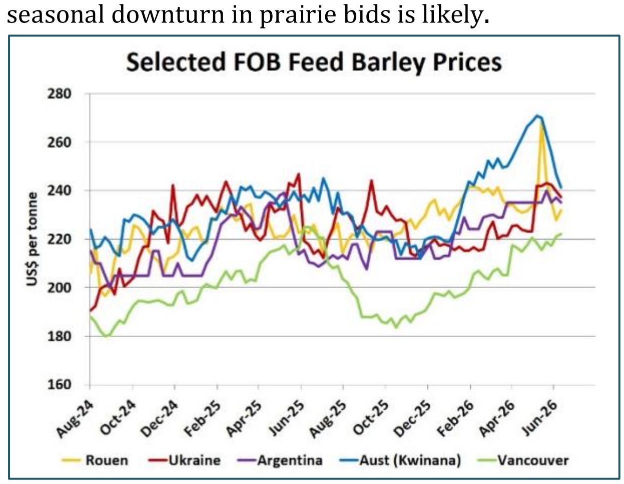
- ✓ Early season crop conditions are favorable across much of western Canada.
- ✓ Cheaper corn relative to barley has caused us to trim the 2025/26 feed-use estimate.
- ✓ Australia exported a record 1.53 mln tonnes of barley in April, and overseas feed barley prices have turned lower.
- ✓ Falling Chinese domestic wheat and barley prices are an added drag.

## Key Notes:

- ✓ USDA expects global barley exports to fall in 2026/27 after a very strong 2025/26. Trade among the major exporters is forecast to drop 5.4 mln tonnes (15%), led by a 3.0 mln tonne decline in Australia and 1.2 mln less from the EU, with Canada down an estimated 0.5–0.7 mln. The pullback reflects smaller crops rather than weak demand, which should be price-supportive in the coming year.




- ✓ The premium for feed barley relative to imported corn prices in western Canada widened out in May and June, which may shift more feed demand toward corn and away from barley. As a result, we've trimmed the full-year feed use estimate for barley, now at 5.45 mln tonnes, offset by more imported corn, which we're forecasting at 1.60 mln tonnes (for the west). A late-season increase in corn imports would fit the same pattern as 2024/25, when a similar move in the barley/corn price spread occurred. Even though we reduced barley domestic feed use in the S&D, 2025/26 ending stocks could still end up at a snug sub-1.0 mln tonnes.
- ✓ Feed barley prices among key exporters have turned lower, led by a sharp pullback in an overheated Australian market. Canadian prairie bids (the basis for the FOB Vancouver price shown below) have been undervalued in 2025/26, but that price advantage has steadily narrowed. With overseas values falling and Canadian bids firming, upside looks limited and a seasonal downturn in prairie bids is likely.




## Bottom Line:

- ✓ Movement has slowed seasonally and prairie bids are set to soften over the next couple of months.

✓ Lower Canadian ending stocks mean a solid 2026 crop is needed to rebuild supplies; bigger acreage and good early yield prospects currently point that way.
✓ Smaller crops among major exporters should keep the global outlook snug and support a postharvest rebound, with Chinese demand the key swing factor.

### Barley Price Indications (US$/mt)

| Type | Location | This week | Week Ago | 4 Wks Ago | Year Ago |
|---|---|---|---|---|---|
| Feed | Alberta Avg | 191 | 193 | 190 | 194 |
| Malting | Alberta Avg | 198 | 199 | 206 | 207 |
| Feed | N Dak Avg | 156 | 156 | 156 | 148 |
| Feed | W Aust | 220 | 225 | 247 | 227 |
| Malting | W Aust | 220 | 225 | 243 | 221 |
| Feed | Creil, FR | 230 | 230 | 235 | 228 |
| Spr Malt | Creil, FR | 250 | 251 | 263 | 274 |
| Feed | Ukraine | 235 | 238 | 240 | 195 |

# Durum Outlook

## Upside:

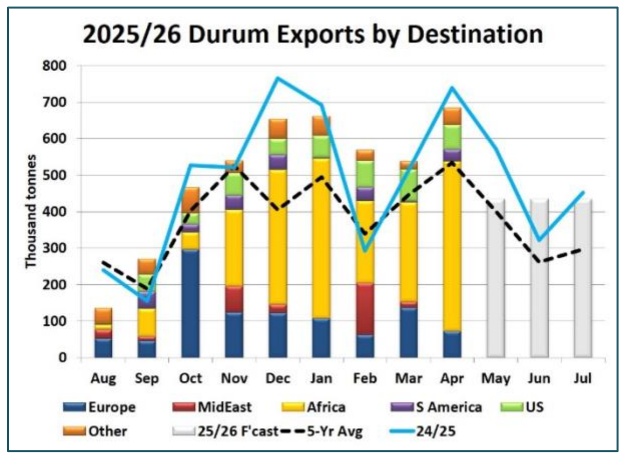
✓ Canadian durum exports hit a 2025/26 high of ~685,000 tonnes in April, lifting our full-year forecast to a record 5.83 mln tonnes.
✓ Farmer deliveries and elevator shipments remain above average even as exports slow seasonally.
✓ Supplies of higher-quality durum are tightening, lending support to old-crop bids.

## Downside:

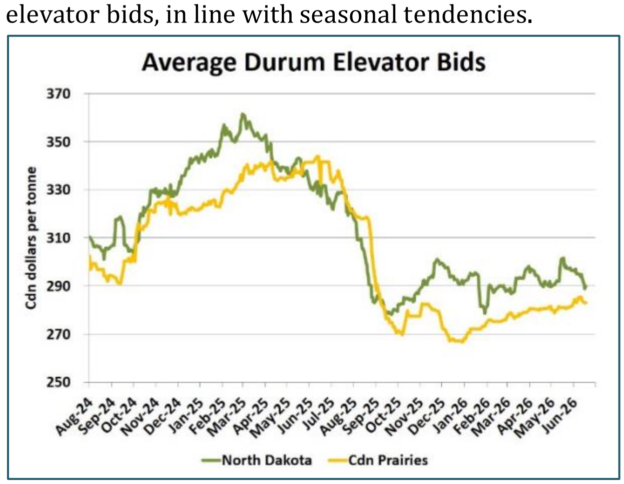
✓ Early season conditions are favorable across most western Canadian durum growing areas.
✓ Morocco's import pace is expected to slow as its own crop comes in larger.
✓ The US–Canada durum bid spread has narrowed and could pressure prairie prices.
✓ USDA raised its 2025/26 durum import estimate, adding to ending stocks.

## Key Notes:

✓ StatsCan pegged April durum exports at 684,900 tonnes, the highest of the year, with Algeria (302,800 tonnes) and Morocco (146,000 tonnes) the top destinations. That lifts year-to-date exports to 4.52 mln tonnes, ahead of last year's record pace. We've raised our full-year forecast another 100,000 tonnes to a record 5.83 mln tonnes.




✓ For most of 2025/26, US elevator bids for durum have been well above Canadian values and encouraged solid durum trade from Canada into the US, especially in the second half of the marketing year. Recently, US bids have dropped and are now at the lowest level since mid-March. The narrower spread will tend to discourage Canadian exports into the US as the marketing year winds down and could add more pressure to Canadian elevator bids, in line with seasonal tendencies.



## Bottom Line:

- ✓ Old-crop durum is coasting through the final weeks of 2025/26 with no clear catalyst, though tightening high-quality supplies are supportive.
- ✓ StatsCan's June 30 acreage report will be watched closely. We expect fewer 2026 acres, but strong early conditions could keep supplies comfortable.
- ✓ An expected decline in export demand is the bigger concern, likely capping upside for 2026/27 prices.

### *Durum Price Indications (US$/mt)*

| Type | Location | This week | Week Ago | 4 Wks Ago | Year Ago |
|---|---|---|---|---|---|
| 1/2 Durum | Prairie Avg | 201 | 205 | 204 | 250 |
| Durum | N Dakota | 206 | 211 | 217 | 242 |
| 1 CWAD 13 | Vancouver | 272 | 274 | 276 | 302 |
| 1 CWAD 13 | St Lawrence | 287 | 290 | 294 | 319 |
| Durum | La Pallice, Fr | 300 | 276 | 294 | 339 |
| Durum 13.5% | Central Italy | 298 | 296 | 298 | 339 |
| Durum | Turkey | 332 | 339 | 334 | 327 |