

# R.J.O'Brien Weekly Fundamental Wheat Outlook

## U.S. Winter Wheat Crop Conditions

November 20, 2001

Heading into the winter months, US winter wheat crop conditions have remained at historically poor levels throughout the fall. With the historical bias for final crop conditions to end lower than those seen in the fall growing season, there is some concern about yields for the 2002/03. However, the caveat of spring weather vs fall weather needs to be strongly heeded as this year's crop will be determined by the weather during April-June next year, not the current condition of the crop. Nonetheless, the impressively poor crop conditions warrant discussion.

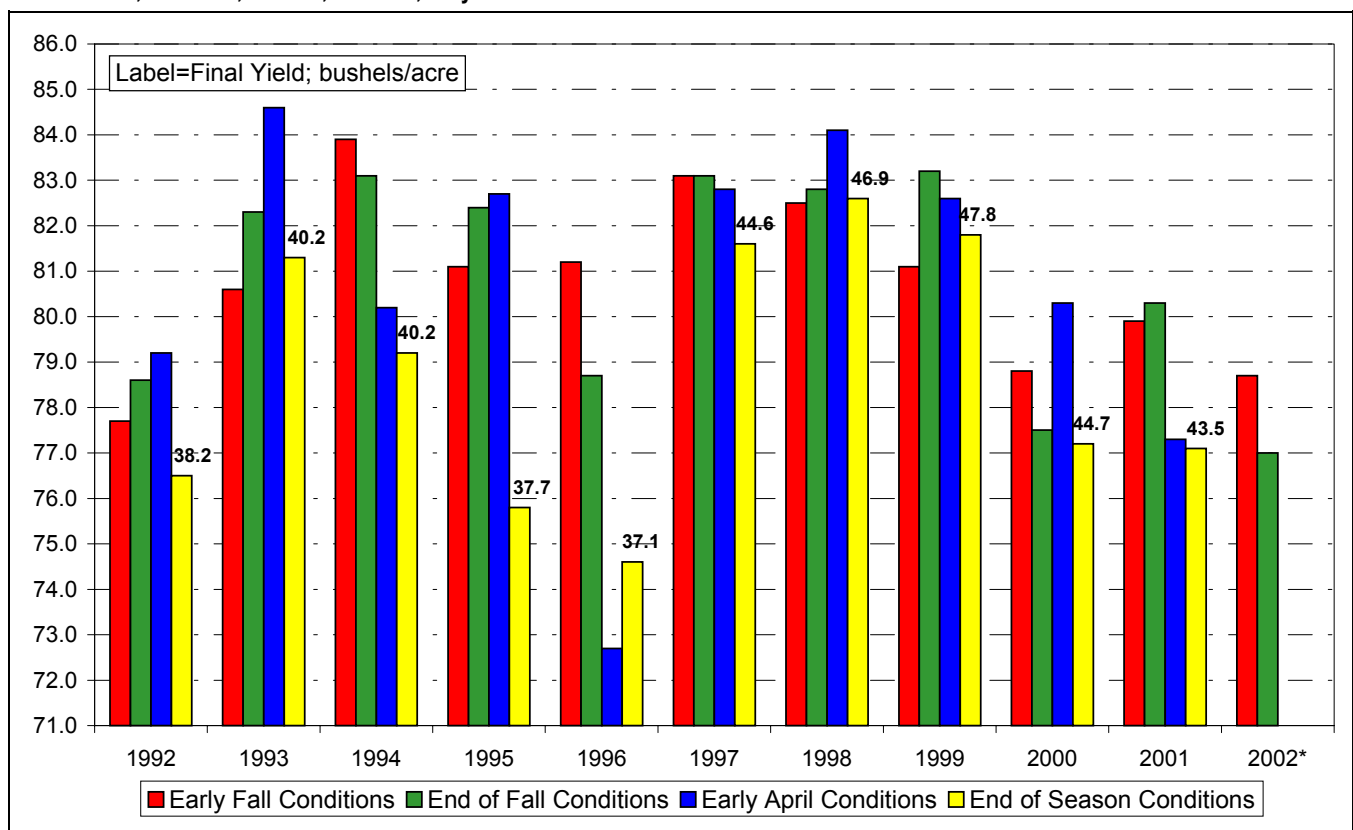
The chart below details the progression of US winter wheat crop conditions over the last 10 years from the initial fall rating through the final rating at harvest. The red bar provides a comparison of the condition rating index at the first conditions of the fall, typically in late October. This year's initial rating was slightly below that of the 2000/01 crop, and the lowest since the 1992/93 crop. Over the last several weeks, conditions have slipped further from the late October levels and are the lower than any late fall conditions that we have on record going back to the late 1980s.

We would note, though, that the late fall index we used for 2002 is as of November 18, while there will still be one more condition report next week for this fall. The decline in conditions recently is also noteworthy as 7 of the last 10 years saw conditions either improve or remain unchanged during the fall season.

Looking forward, it is evenly split between improved conditions and reduced conditions coming out of dormancy relative to late fall. However, all ten years since 1992 saw the final condition rating index at harvest lower than the late fall index. While final yields in recent years certainly have been stronger than anticipated relative to past low condition ratings, there still is a direct correlation between poor conditions and lower yields. With there being no cases of final conditions proving higher than late fall conditions in a decade, it is rather conceivable that the 2002/03 US winter wheat final yield will have difficulty surpassing the 44-45 bushels/acre seen in the last two years.

Randy Mittelstaedt

R.J. O'Brien US Winter Wheat Crop Condition Rating Index  
Excellent=95, Good=85, Fair=75, Poor=65, Very Poor=55



\* 2002 as of November 18

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