



FLOUR FACTS

Information Provided by General Mills Foodservice
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Weekly Market Highlights

APRIL 10, 2025

- Wheat futures have edged slightly higher this week on lack of precipitation in the plains and reports of hail damage on the Russian crop.
- Russian FOB export wheat offers have held steady at \$257/ton while Ukrainian offers have firmed a touch, up to \$245/ton.
- The USDA released its first crop progress report for the new crop on Monday with winter wheat rated 48% good/excellent vs. 56% a year ago.

Facts on Flour

Flour Pricing Components

Flour prices are influenced each day by three rather independent and potentially volatile components.

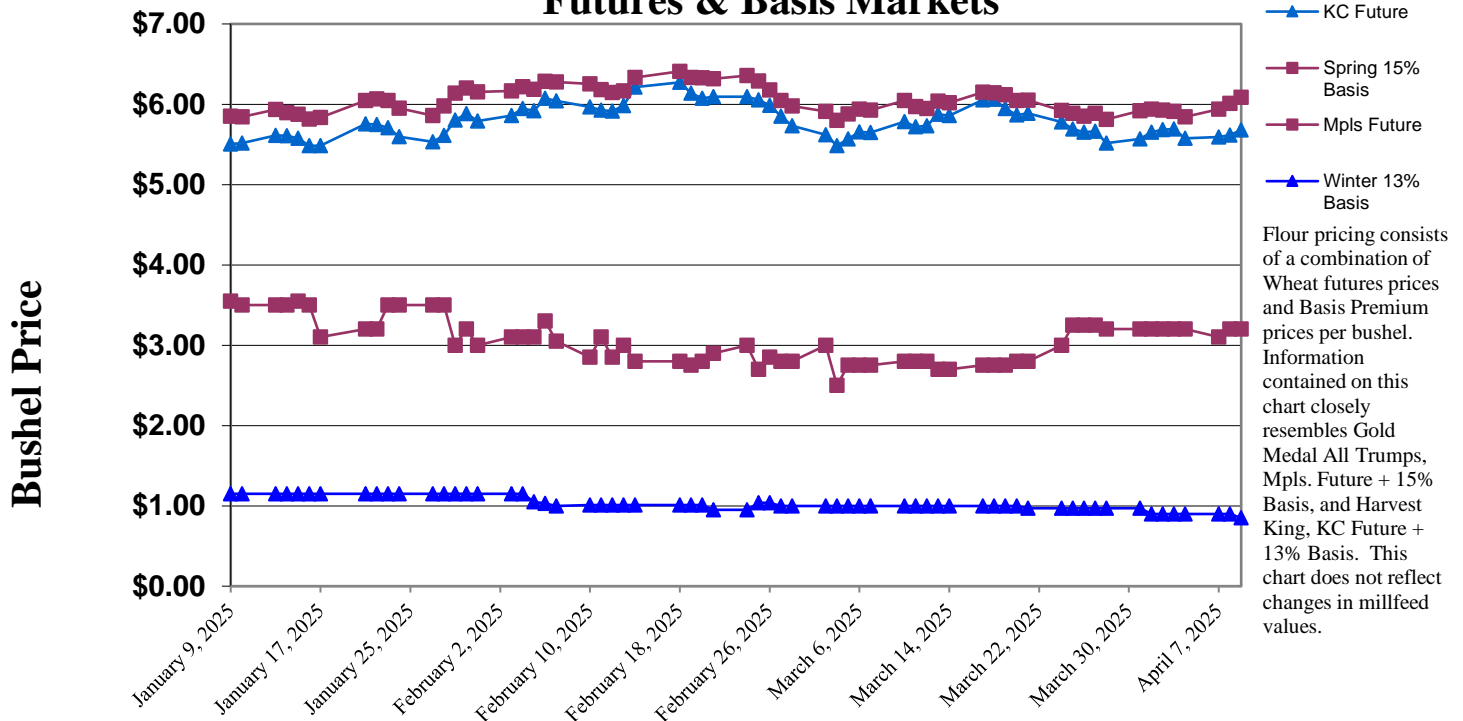
The first component, wheat future prices, forms the base from which actual wheat prices are derived. Futures are standardized, tradable contracts. Parties swap pieces of paper, obligating them to make or take delivery of wheat some time in the future.

The second component is cash basis. The basis serves to adjust the futures price to better represent the actual cost of delivering wheat to the mill. It also adjusts for the specific grades and quality the miller needs. The basis combined with the futures represent the actual price the miller pays to supply wheat to the mill.

The third component is millfeed. Because just under 80 percent of the wheat kernel can become flour, the flour mill must deal with a by-product referred to as millfeed or millrun. The price that mills receive for by-products is treated as a credit against the cost of the wheat and reduces the price of the flour to customers.

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Futures & Basis Markets



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