

Wheat Outlook

June 12, 2024

Volume 33, Number 38

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Market Situation

WASDE and Crop Production. U.S. wheat ending stocks were lowered in the June WASDE as a 17 million bushel increase in supply was offset by a 25 million bushel increase in exports.

Today's Crop Production report raised the yield estimate for the 2024 winter wheat crop from 50.7 bushels per acre last month to 51.4 bushels. Colorado's yield was lowered 3 bushels to 41 while Kansas increased from 38 to 40 and Oklahoma from 37 to 38. Texas' wheat yield was unchanged at 34.

The all-wheat yield for the supply and demand balance sheet was a half a bushel higher at 49.4. The modest decrease in ending stocks was enough to lower estimated days of use on hand at the end of the marketing year to a 143.8-day supply. The estimated season average farm price was higher by 50 cents to \$6.50.

US WHEAT SUPPLY AND USE			June		
			2024/25 6/12/2024	May to June Net Δ % Δ	
AREA					
	Planted	mil acres	47.5	0.0	0.00%
	Harvested	mil acres	38.0	0.0	0.00%
	Percent Harvested		80.0%	0.0%	0.00%
YIELD	Harvested acre	bu/ac	49.4	0.5	1.02%
SUPPLY					
	Beginning stocks	mil bu	688	0.0	0.00%
	Production	mil bu	1,875	17.0	0.91%
	Imports	mil bu	120	0.0	0.00%
	Total Supply	mil bu	2,682	17.0	0.64%
DEMAND					
	Food	mil bu	962	0.0	0.00%
	Seed	mil bu	62	0.0	0.00%
	Feed and residual	mil bu	100	0.0	0.00%
	Total Domestic Use	mil bu	1,124	0.0	0.00%
	Exports	mil bu	800	25.0	3.23%
	Total Use	mil bu	1,924	25.0	1.32%
	Ending stocks	mil bu	758	(8.0)	-1.04%
	Stocks to Use ratio	percent	39.4%	-0.9%	-2.33%
	Days of Use on hand	days	143.8	(3.4)	-2.33%
PRICE					
	Average farm price	\$/bu	6.50	0.50	8.33%
	Reference Price	\$/bu	5.50	0.00	0.00%
	PLC Payment	\$/bu	0.00	0.00	

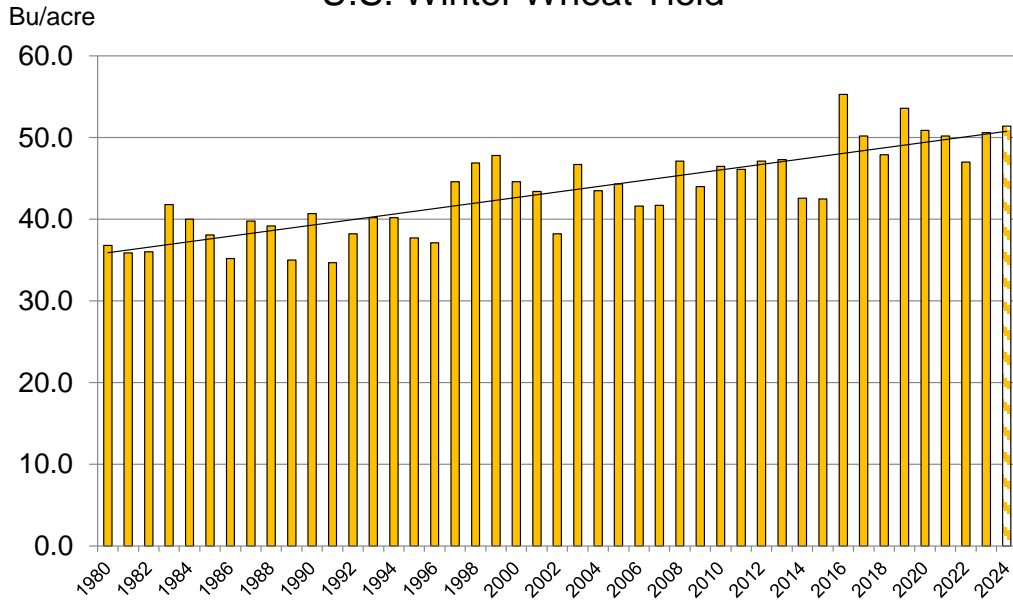
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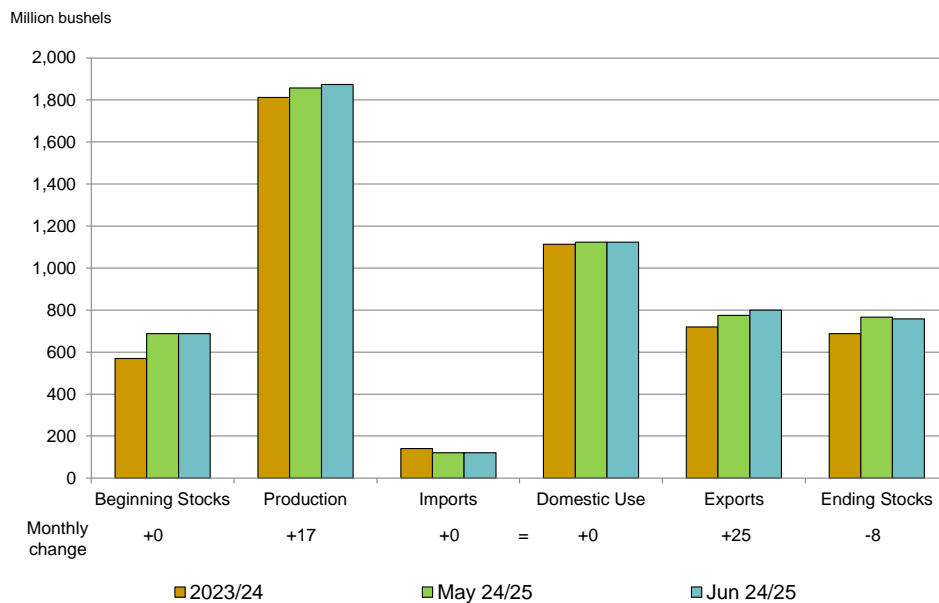


U.S. Winter Wheat Yield



USDA, June Crop Production 2024

U.S. Wheat Supply and Demand, June 2024



USDA, WASDE, 6/12/2024

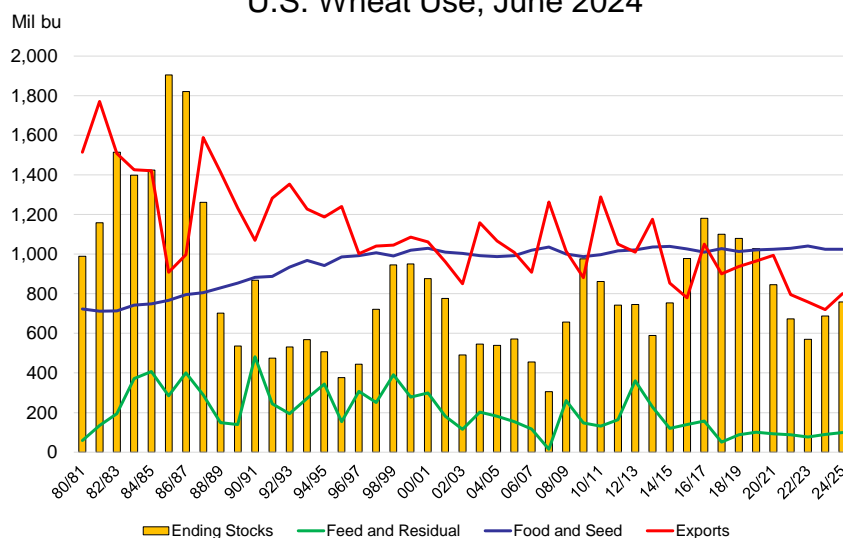
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U.S. Wheat Use, June 2024



USDA, WASDE, 6/12/2024

The primary feature of the world wheat situation was the lower production number for Russia. Compared to the May estimate, Russian wheat production is down 5 mmt (184 mil bu) and exports down 4 mmt (147 mil bu).

The decrease in world wheat production was offset somewhat by an increase in beginning stocks and lower use. Ending stocks were down 1.3 mmt (about 49 million bushels) and days of use on hand unchanged at a 115.4 day supply. While days of use for wheat has gone up the last two years in the U.S., days on hand for the world less China are still the lowest since 2007/08.

The revised world wheat production estimate of 790.75 mmt (29.055 billion bushels) is still an all-time record high.

WORLD WHEAT	Marketing Year	MMT									
		Beginning Stoc	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days on hand	
	2013/14	179.53	716.60	158.76	127.41	691.26	165.93	197.70	0.2860	104.4	
	2014/15	197.70	730.41	159.38	132.37	700.51	164.22	222.76	0.3180	116.1	
	2015/16	222.76	738.14	169.78	141.27	713.11	172.58	244.99	0.3436	125.4	
	2016/17	244.99	756.31	179.67	147.49	734.50	183.49	262.99	0.3580	130.7	
	2017/18	262.99	763.05	181.13	146.48	740.59	182.47	284.10	0.3836	140.0	
	2018/19	286.98	730.90	171.12	139.20	734.72	173.67	283.16	0.3854	140.7	
	2019/20	280.77	762.33	187.39	139.22	748.31	194.88	299.22	0.3999	145.9	
	2020/21	299.66	774.41	194.80	163.70	787.74	203.35	286.33	0.3635	132.7	
	2021/22	283.86	780.05	199.93	160.19	791.16	202.77	272.75	0.3447	125.8	
	2022/23	273.26	789.20	212.06	154.91	791.42	220.66	271.04	0.3425	125.0	
	2023/24	271.04	787.59	217.20	158.50	799.08	218.95	259.56	0.3228	118.6	
	2024/25	May	257.80	798.19	209.42	151.76	802.37	216.00	0.3161	115.4	
		June	259.56	790.75	207.08	147.71	798.04	212.81	0.3161	115.4	
		Net Change	1.76	(7.44)	(2.34)	(4.05)	(4.33)	(3.19)	(1.34)	0.00	0.01
		% Change	0.68%	-0.93%	-1.12%	-2.67%	-0.54%	-1.48%	-0.53%	0.01%	0.01%

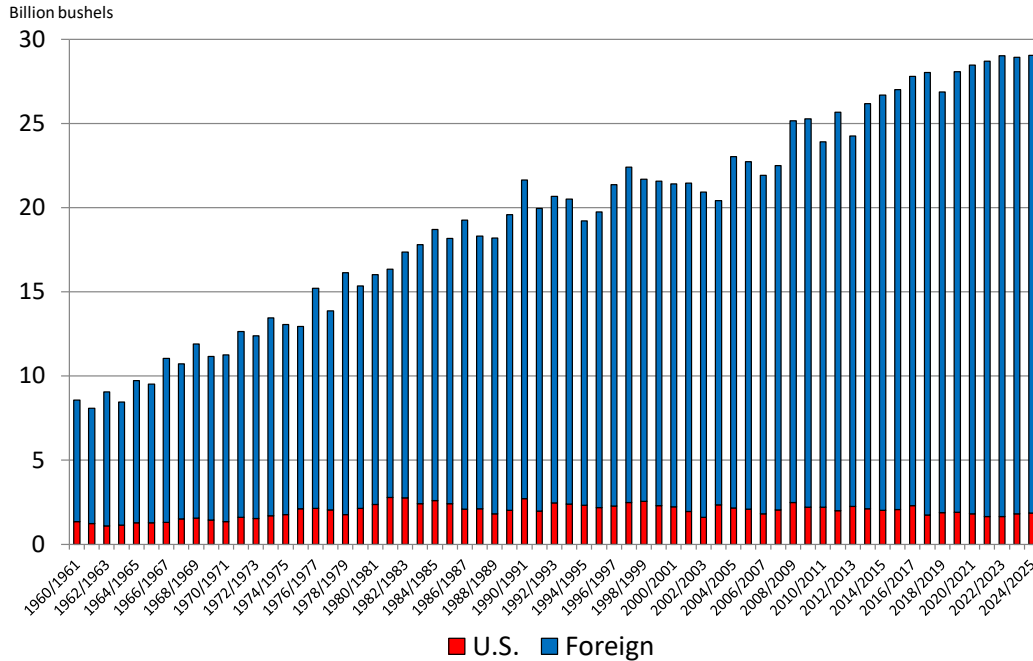
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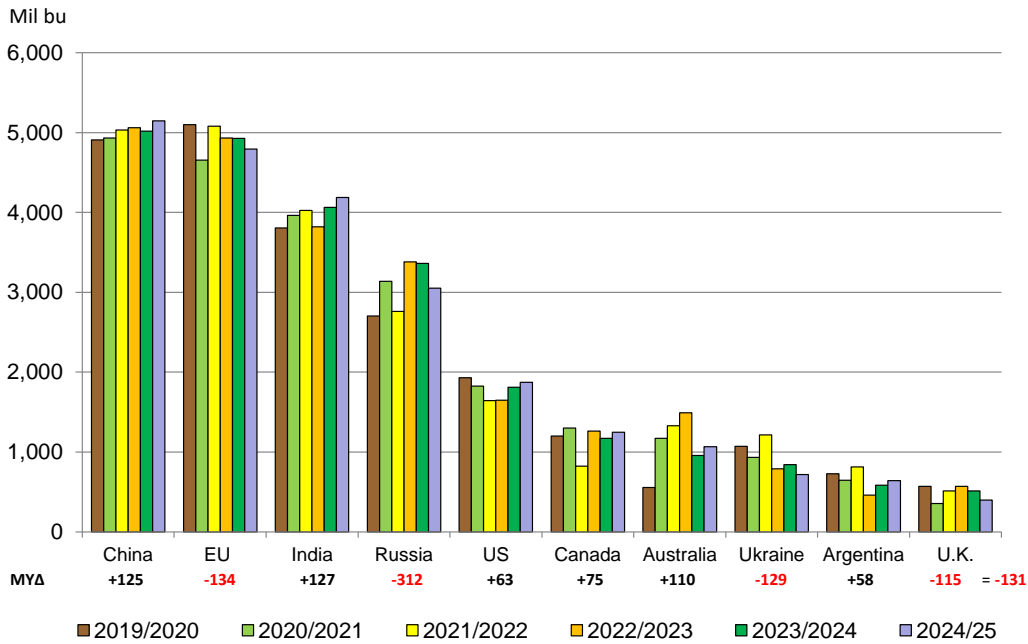


World Wheat Production



WASDE 6/12/2024

Wheat Production, Major Contributors



MYA

China +125 EU -134 India +127 Russia -312 US +63 Canada +75 Australia +110 Ukraine -129 Argentina +58 U.K. -115 = -131

WASDE, 6/12/2024

80% of global wheat production

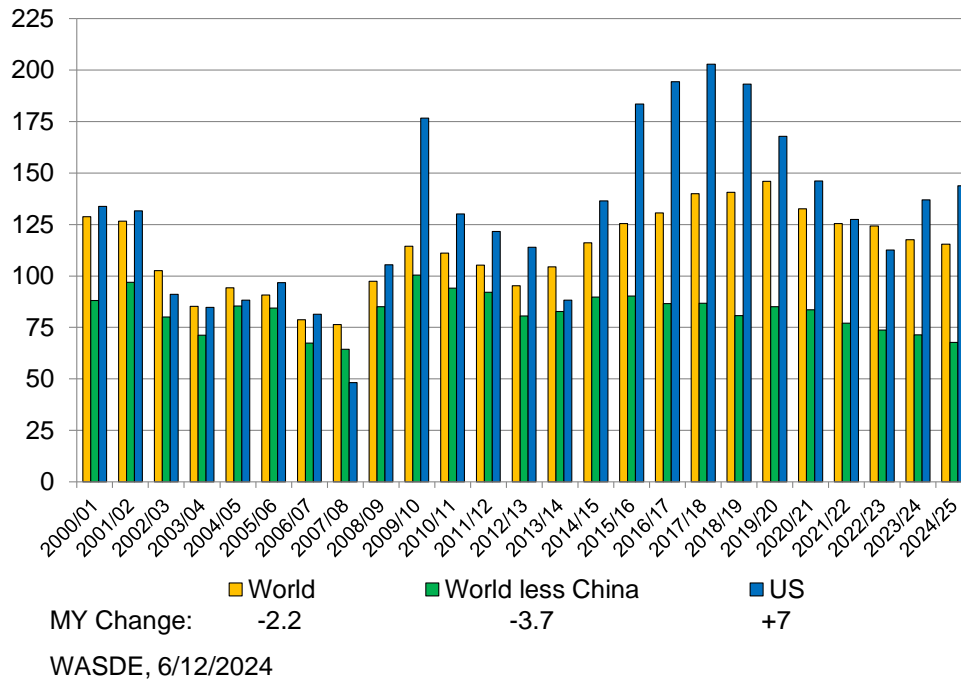
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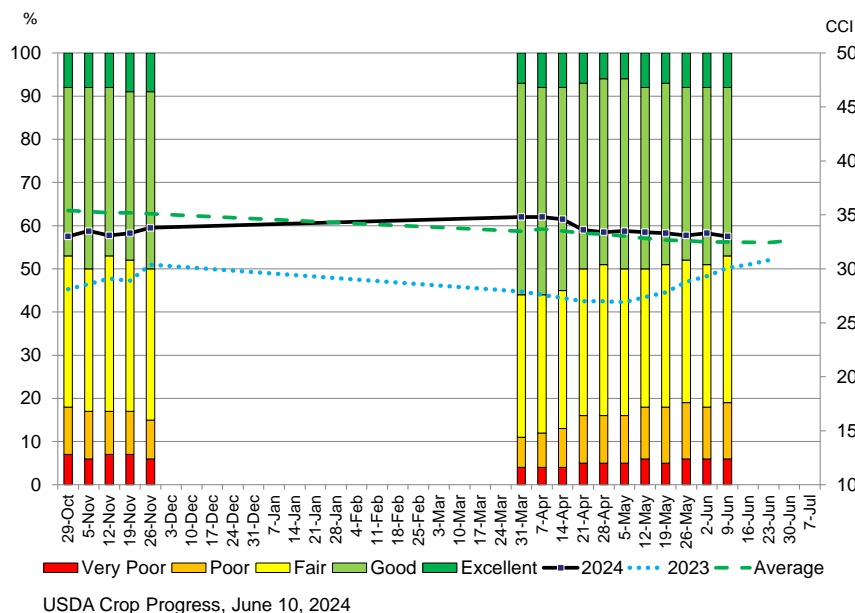


World Wheat: Days of Use on Hand



Crop Progress and Condition. The condition index for U.S. winter wheat was down 3 points this week to 330. The share rated very poor and poor was up 1% while wheat rated good and excellent was down 2%. The average crop condition index for this week is 325. The index last year was 301.

2024 U.S. Winter Wheat Crop Condition Ratings, June 9



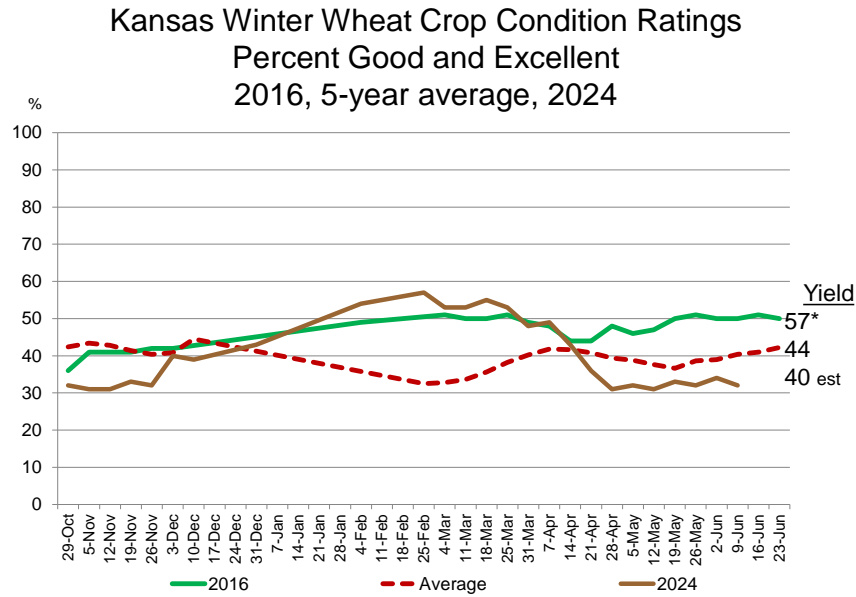
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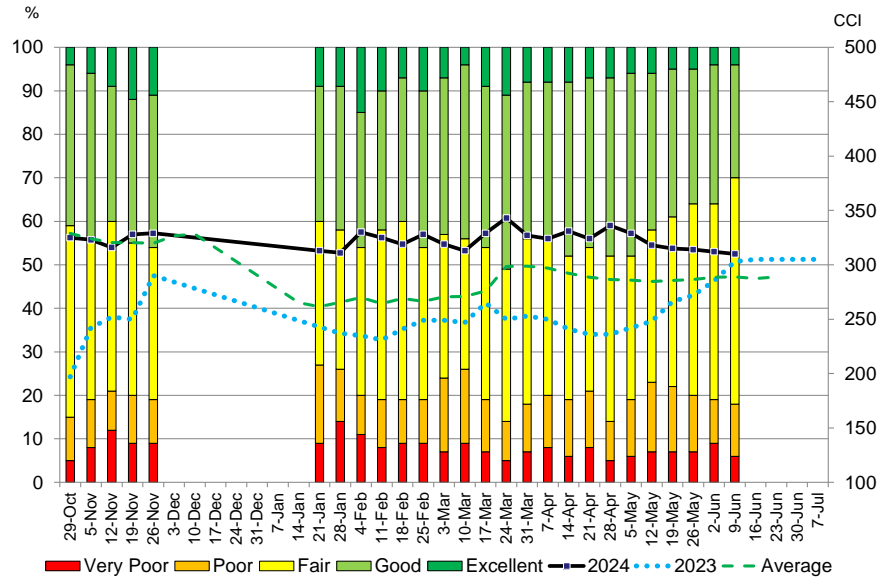
The share of Kansas wheat rated good and excellent was back down 2 points this week to 32%.



*Record high
USDA Crop Progress, June 10, 2024

The condition rating of the Texas wheat crop was down slightly this week. Wheat rated very poor and poor was down 1% while wheat rated good and excellent was down 6%. We are closing out the season with an index still above average and about where it closed last year. The crop condition index this week is 310, average is 289. The reading last year was 303. Texas wheat harvested is 47%, ahead of the 5-year average of 39%.

2024 Texas Winter Wheat Crop Condition Ratings, June 9



USDA Crop Progress, June 10, 2024

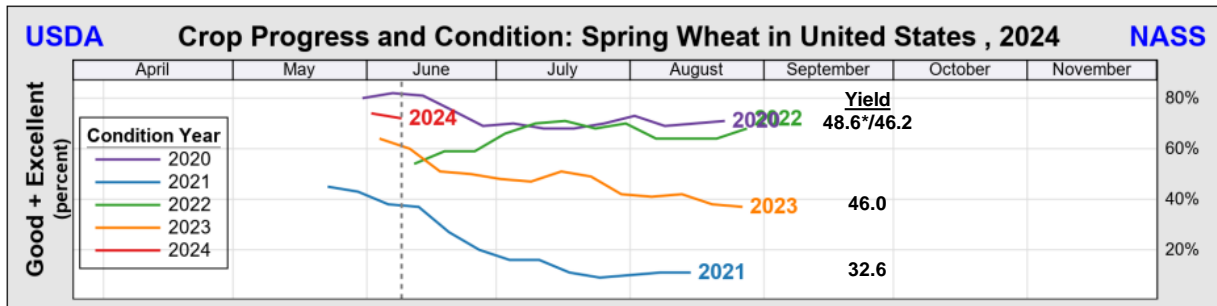
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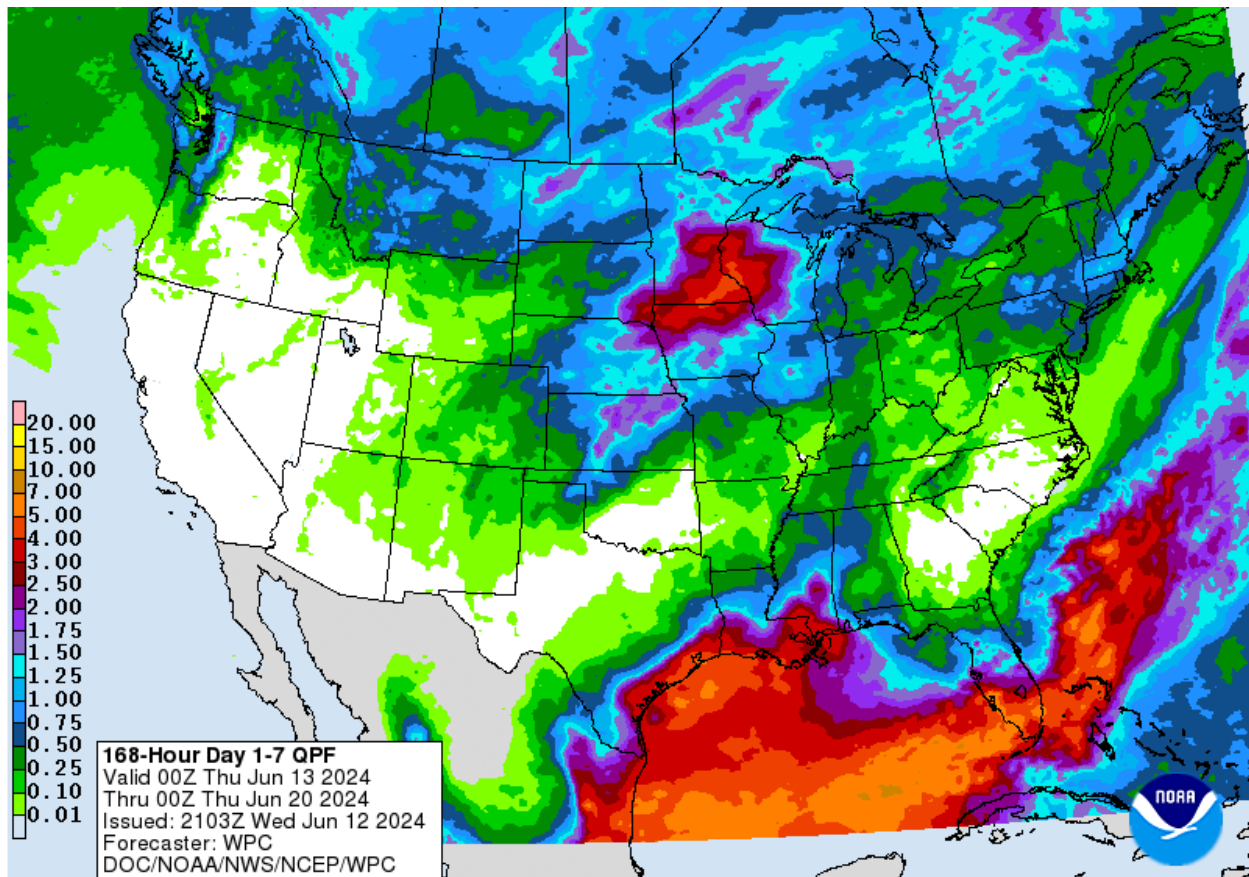
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Oklahoma's wheat crop is 57% good and excellent (56% last week) and 48% harvested, 31 points above normal. Colorado wheat rated good and excellent this week is 45% (46% last week).

Condition ratings for the spring wheat crop are off to a strong start: 72% good and excellent. This is just below the starting point of the 2020 crop when we set a record high spring wheat yield of 48.6 bushels per acre.



Weather. Moisture prospects for the Southern Plains the next 7 days (6/13-6/20/2024) are highest for much of Kansas and northern Oklahoma and along the coast.

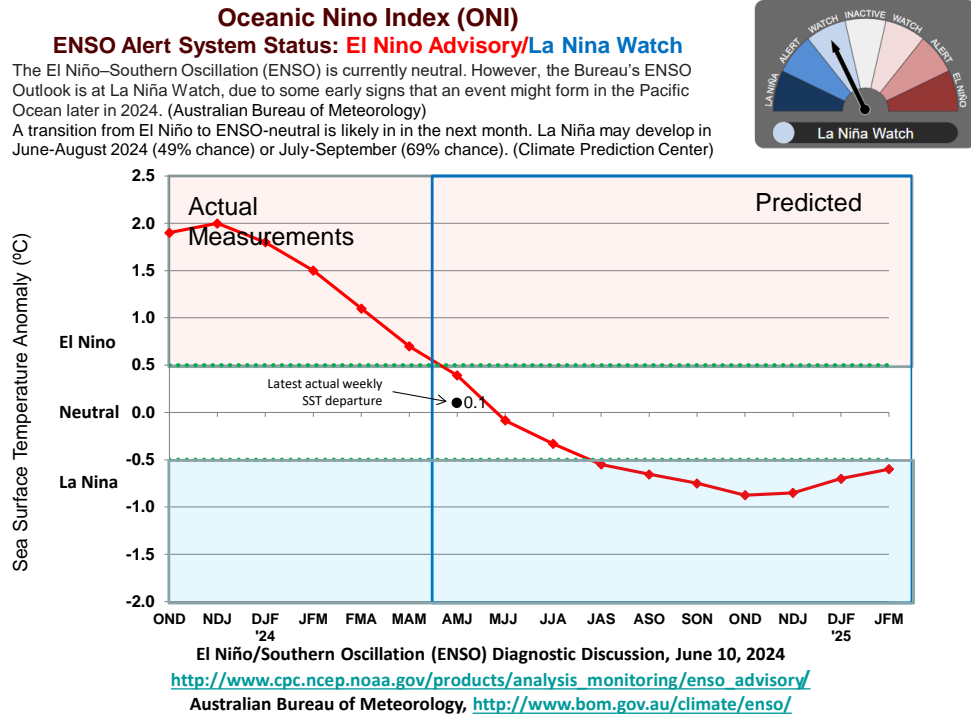


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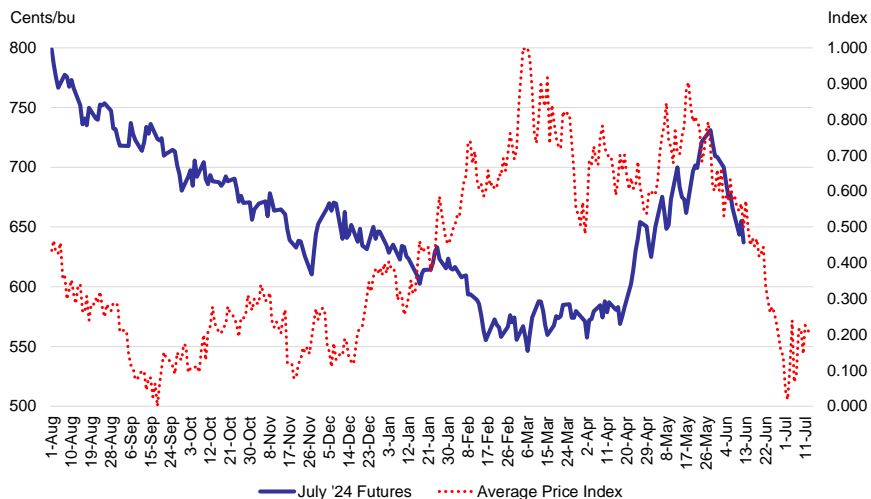
“The El Niño–Southern Oscillation (ENSO) is currently neutral (Australian Bureau of Meteorology, 5/28/2024). The U.S. Climate Prediction Center puts the likelihood of La Niña by July/August/September at 69%. This week’s eastern Pacific, sea surface temperature departure from normal is +0.1° C.



Marketing Strategies

Seasonal Index. The seasonal price pattern of the July Kansas City wheat contract shows pricing opportunities associated with the crop condition in February/March as the crop breaks dormancy and April/May with late-season weather risk.

2024 July KC Wheat futures and average daily price index, 2004-2023



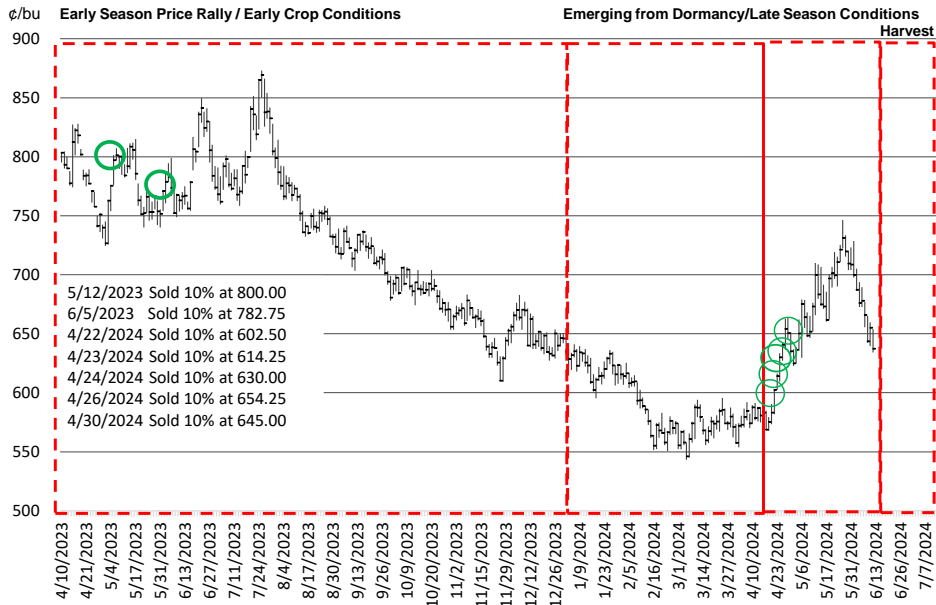
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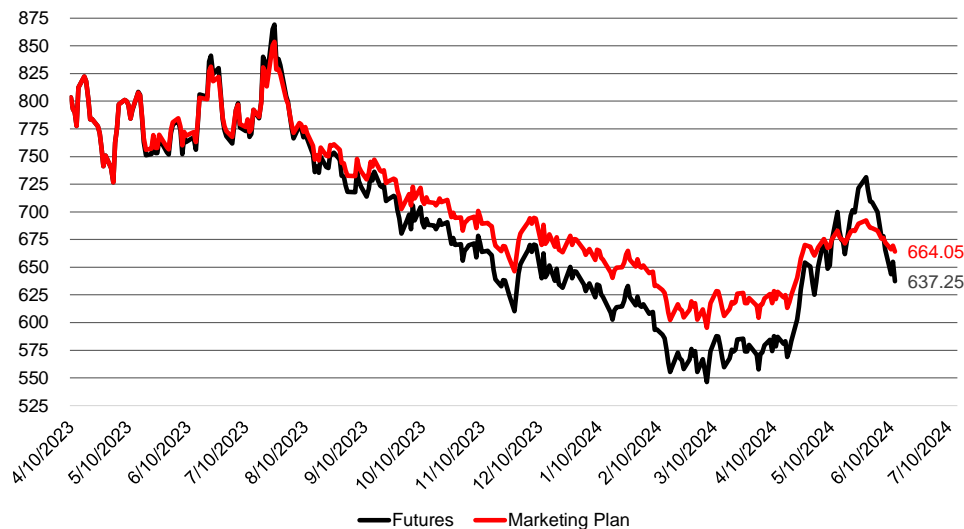
Wheat Marketing Plan. I am 70% priced on the 2024 wheat crop. I still have 30% to price with harvest fast approaching.

July 2024 KC Wheat and Marketing Plan



As of the close today (637.25) my net marketing plan price for 2024 wheat (70% sold, 30% open) is 664.05. I am 30% sold for 2025.

2024 July KC Wheat Closing Futures Price and Current Marketing Plan Price



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Upcoming Reports/Events

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June 24	Chickens and Eggs
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June 28	Acreage Grain Stocks
July 9	Short-term Energy Outlook
July 12	Crop Production WASDE

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