

# Wheat Outlook

September 27, 2024  
Volume 33, Number 58

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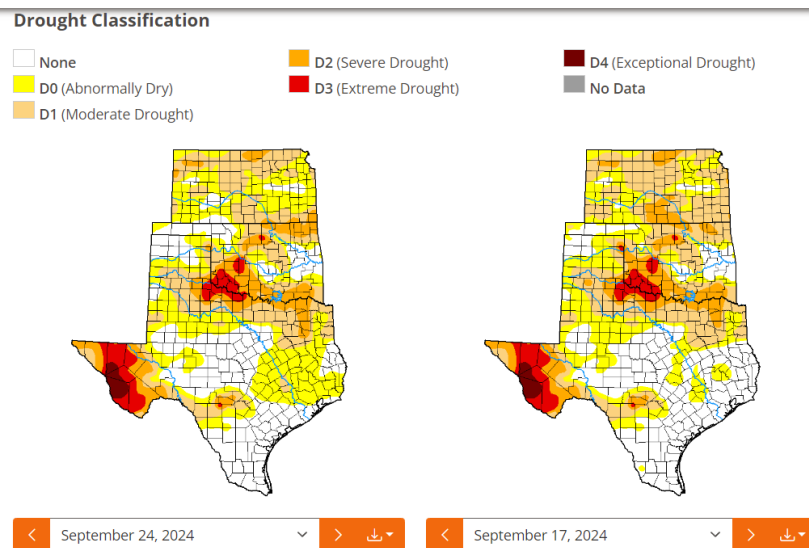
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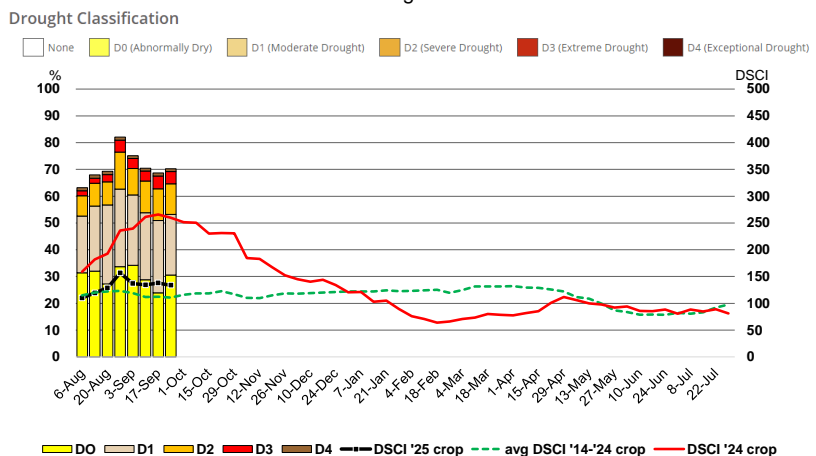
## Market Situation

**Crop Progress and Condition.** Spring wheat harvest is all but wrapped up for 2024 with 96% harvested as of September 22. Winter wheat planting nationwide on September 22 was 25%, right at the 5-year average. Texas reports 29%, Kansas 16%, Oklahoma 16%, and Colorado 47%.

**Weather.** The drought monitor for the Southern Plains Climate Hub was about steady this week. The area under drought increased from 69% to 70% but the severity index was down, from 138 to 134. The severity index average for this week of the growing season is 111. The index last year at this time was 260.



Southern Plains Drought Monitor 9/24/2024



Drought Severity and Coverage Index (DSCI) = (D0\*1)+(D1\*2)+(D2\*3)+(D3\*4)+(D4\*5);  
min 0--no drought conditions reported; max 500--100% under exceptional drought conditions

Drought Monitor, 9/26/2024, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

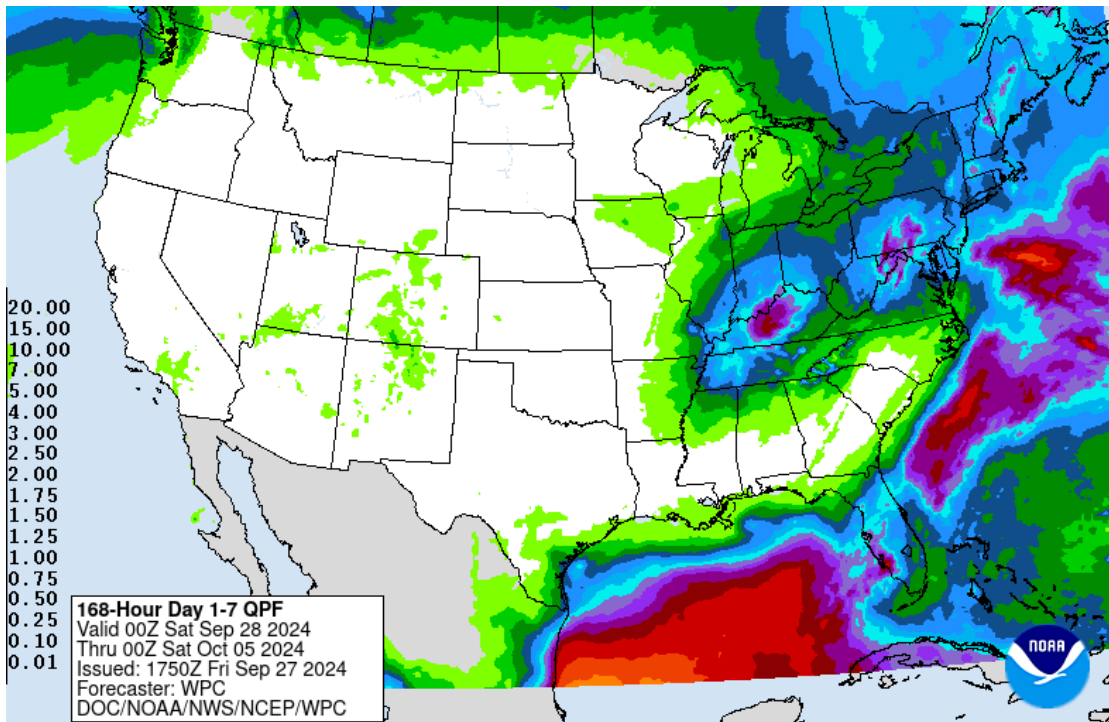


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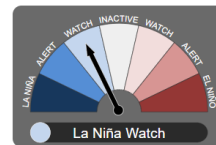
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About the only moisture on the 7-day precipitation forecast (9/28-10/5/2024) is associated with the remnants of Hurricane Helene.

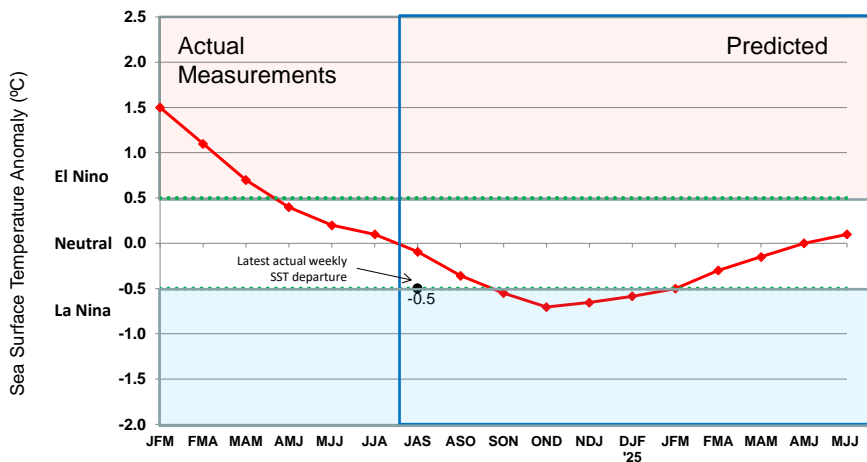


Sea surface temperatures in the eastern Pacific are running  $-0.5^{\circ}\text{C}$  below normal this week. The Oceanic Niño Index is currently neutral with a forecast for La Niña conditions to develop around September. But forecast models to date show a La Niña that is relatively mild and short-lived.

**Oceanic Niño Index (ONI)**  
ENSO Alert System Status: **La Niña Watch**



CPC: ENSO-neutral conditions are present. La Niña favored to emerge in September-November (71% chance) and expected to persist through January-March 2025.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, September 23, 2024  
[http://www.cpc.ncep.noaa.gov/products/analysis\\_monitoring/enso\\_advisory/](http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/)  
 Australian Bureau of Meteorology, <http://www.bom.gov.au/climate/enso/>

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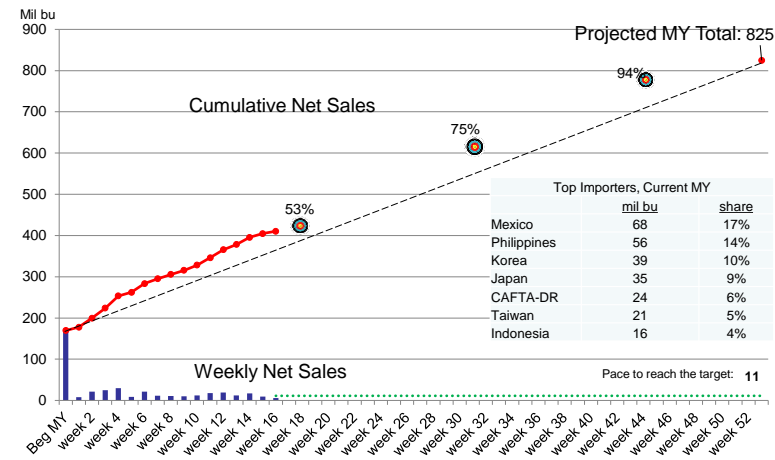
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**Grain Use.** All wheat export sales for the week of September 19 were 6 million bushels, half of that bound for Chile. Sales for the marketing year have reached 410 million bushels, about half of the 825 million bushel marketing year target. That is about where sales are normally by the end of September.

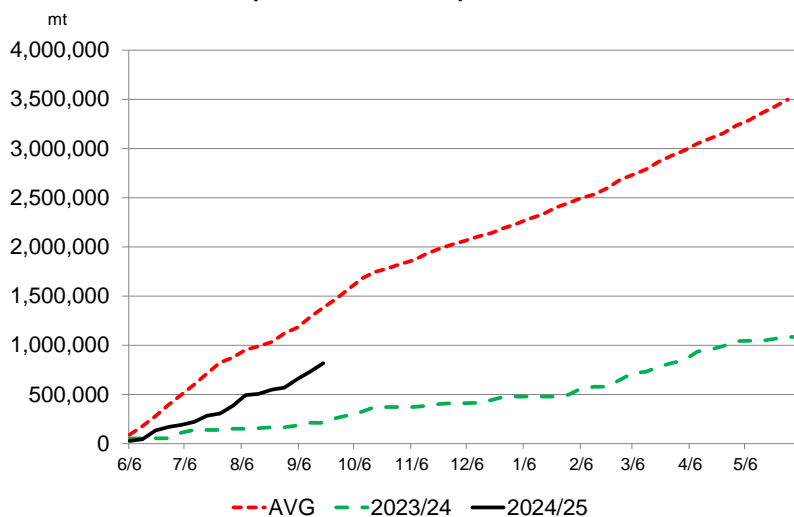
## 2024/25 U.S. All Wheat Export Sales Commitments



Export Sales Commitments reported for 9/19/2024: 6 million bushels (Chile, 3.1 mil bu)  
 Total Export Sales Commitments this marketing year: 410 million bushels  
 50% of the 2024/25 MY Export Sales Target of 825 million bushels (September WASDE)  
 Normal pace of sales end of September: 53% (437 mil bu)  
 USDA, Foreign Agricultural Service: 9/26/2024

Wheat exported out of the Texas Gulf as September 19 has reached 816,594 metric tons for the marketing year. That is about 4 times the level at this time last year but still just over half the 5-year average.

## Wheat Inspected for Export, Texas Gulf



U.S. Dept. of Agriculture, Agricultural Marketing Service. Grain Transportation Report. September 26, 2024

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## Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
August 29	5.46	4.61	-0.84			
September 5	5.89	4.94	-0.95			
September 12	5.86	4.93	-0.93			
September 19	5.65	4.72	-0.93			
September 26	5.79	4.87	-0.93			
10-year avg			-0.45		0.73	-1.18

USDA, AMS, Market News: TX cash = average (North, Central, and South Panhandle); Houston Port, DTN

**Commitment of Traders.** Net longs were higher this week (September 24) for Chicago wheat, corn and soybeans; lower for Kansas City wheat. In Chicago wheat and corn, traders exited positions on both sides of the market but ended up getting out of more bets for lower prices (shorts) than bets for higher prices (longs). In soybeans, traders added to long contracts held and lessened the number of short contracts in their portfolios. In Kansas City wheat, long contracts held went down and traders added to short holdings.

	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
7/30/2024	128,652	171,910	(43,258)	524.00	62,869	86,035	(23,166)	550.25
8/6/2024	122,142	162,527	(40,385)	543.25	62,762	83,499	(20,737)	561.50
8/13/2024	125,365	164,270	(38,905)	528.75	66,198	86,150	(19,952)	547.75
8/20/2024	134,387	160,093	(25,706)	533.00	66,359	89,381	(23,022)	546.00
8/27/2024	139,525	172,206	(32,681)	508.25	69,044	89,514	(20,470)	538.75
9/3/2024	134,551	162,293	(27,742)	566.75	69,930	86,201	(16,271)	576.25
9/10/2024	126,513	142,816	(16,303)	574.25	72,578	79,312	(6,734)	584.00
9/17/2024	124,164	138,353	(14,189)	575.75	69,804	75,792	(5,988)	580.00
9/24/2024	121,819	133,909	(12,090)	578.00	69,190	78,256	(9,066)	571.00
Change	(2,345)	(4,444)	2,099	2.25	(614)	2,464	(3,078)	(9.00)

	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
7/30/2024	308,633	521,075	(212,442)	388.75	111,578	279,478	(167,900)	1027.25
8/6/2024	320,403	472,372	(151,969)	388.75	111,259	270,387	(159,128)	1014.00
8/13/2024	328,996	483,001	(154,005)	377.75	118,322	284,045	(165,723)	937.25
8/20/2024	319,844	485,140	(165,296)	375.00	105,737	284,630	(178,893)	957.25
8/27/2024	317,652	466,186	(148,534)	367.25	108,772	293,038	(184,266)	967.50
9/3/2024	335,231	425,714	(90,483)	409.25	111,107	273,132	(162,025)	1012.00
9/10/2024	339,497	387,257	(47,760)	404.25	105,764	249,995	(144,231)	997.25
9/17/2024	337,834	404,129	(66,295)	412.50	111,373	246,011	(134,638)	1006.00
9/24/2024	326,166	390,388	(64,222)	411.75	118,946	212,377	(93,431)	1042.25
Change	(11,668)	(13,741)	2,073	(0.75)	7,573	(33,634)	41,207	36.25

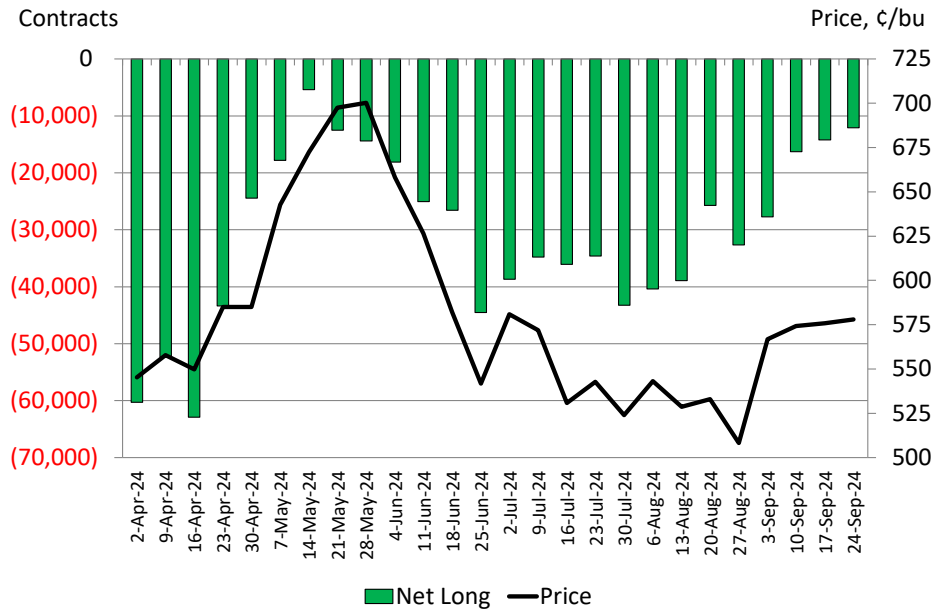
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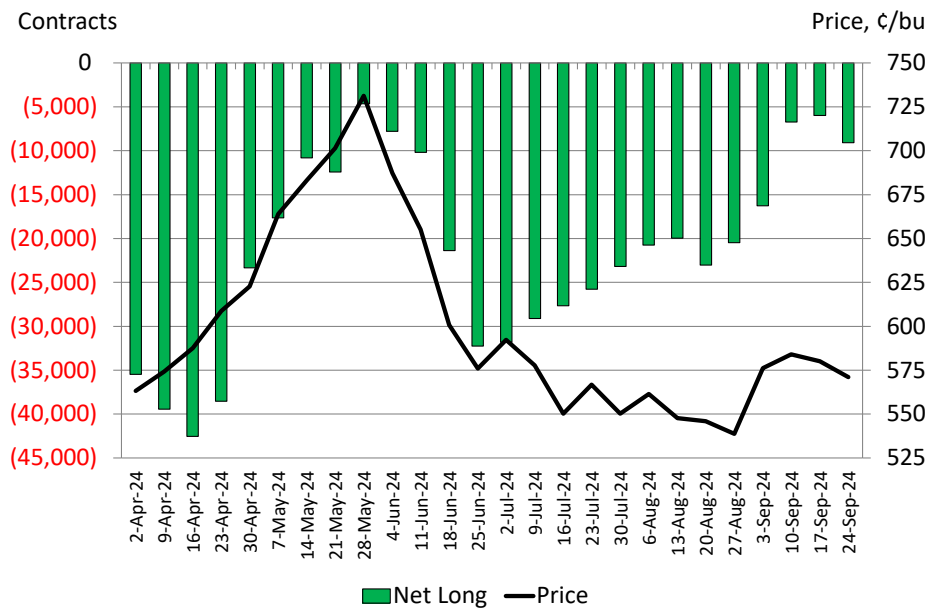
## Non-commercial Investment in CBOT Wheat, 9/24/2024



CFTC Legacy Report, Futures Only

<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

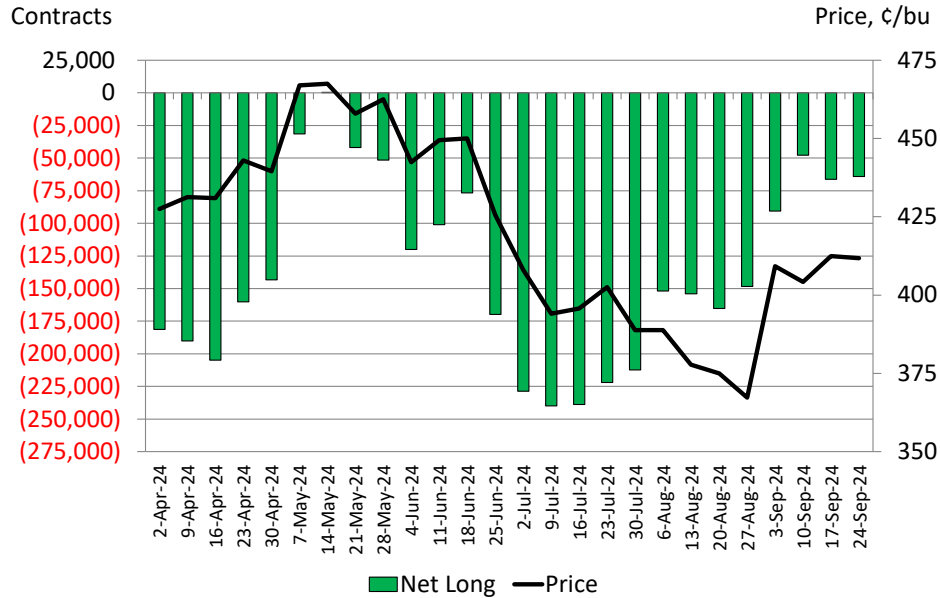
## Non-commercial Investment in KC Wheat, 9/24/2024



CFTC Legacy Report, Futures Only

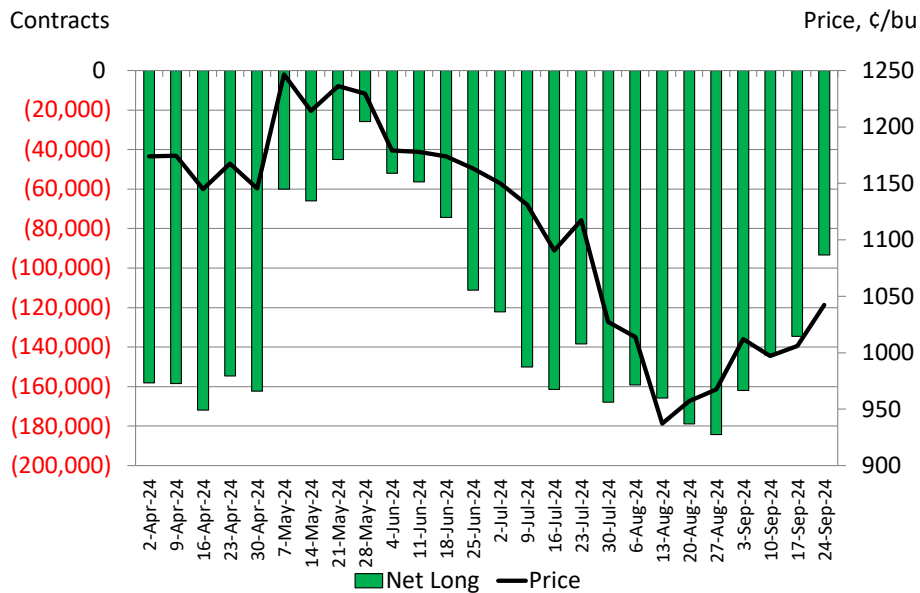
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

### Non-commercial Investment in Corn, 9/24/2024



CFTC Legacy Report, Futures Only  
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

### Non-commercial Investment in Soybeans, 9/24/2024



CFTC Legacy Report, Futures Only  
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

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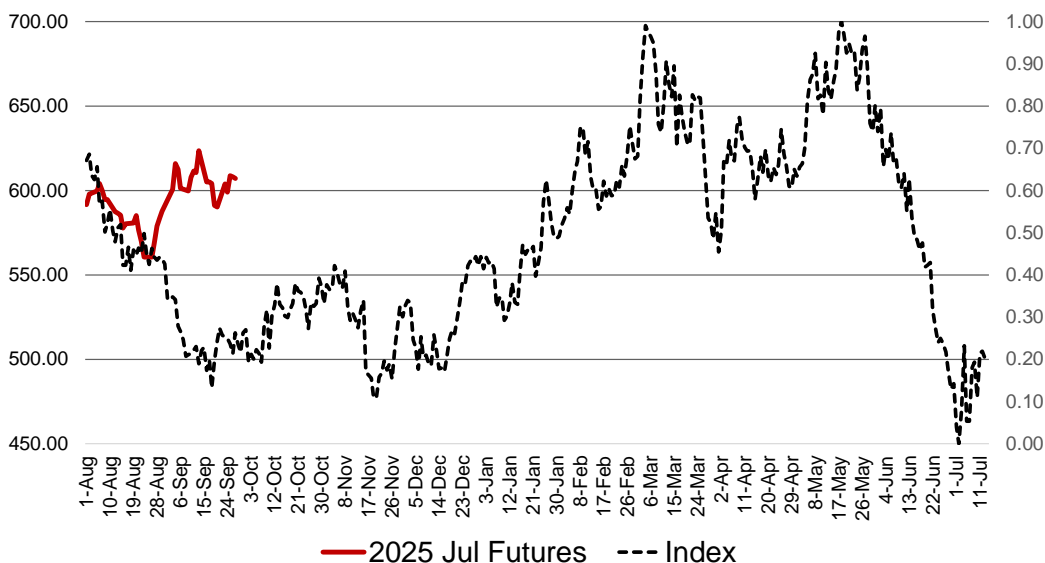
For September 24, based on whether the net long number (long contracts held minus short contracts held) is positive or negative and whether that net long number increased or decreased compared to the week before, speculators were:

- less bearish Chicago soft red winter wheat,
- more bearish KC hard red winter wheat,
- less bearish corn, and
- less bearish soybeans.

## Marketing Strategies

**Seasonal Index.** A chart of simple averages of prices over the growing season offers a picture of seasonal price tendencies. For the July Kansas City wheat contract, prices typically decline from August to the end of the calendar year. Prices tend to trend upwards in late-winter associated with crop condition concerns, topping out in February/March as the crop breaks dormancy. Another price rally in April/May is often associated with late-season weather risk before the seasonal price decline into harvest.

July KC Wheat average price index  
2004-2024



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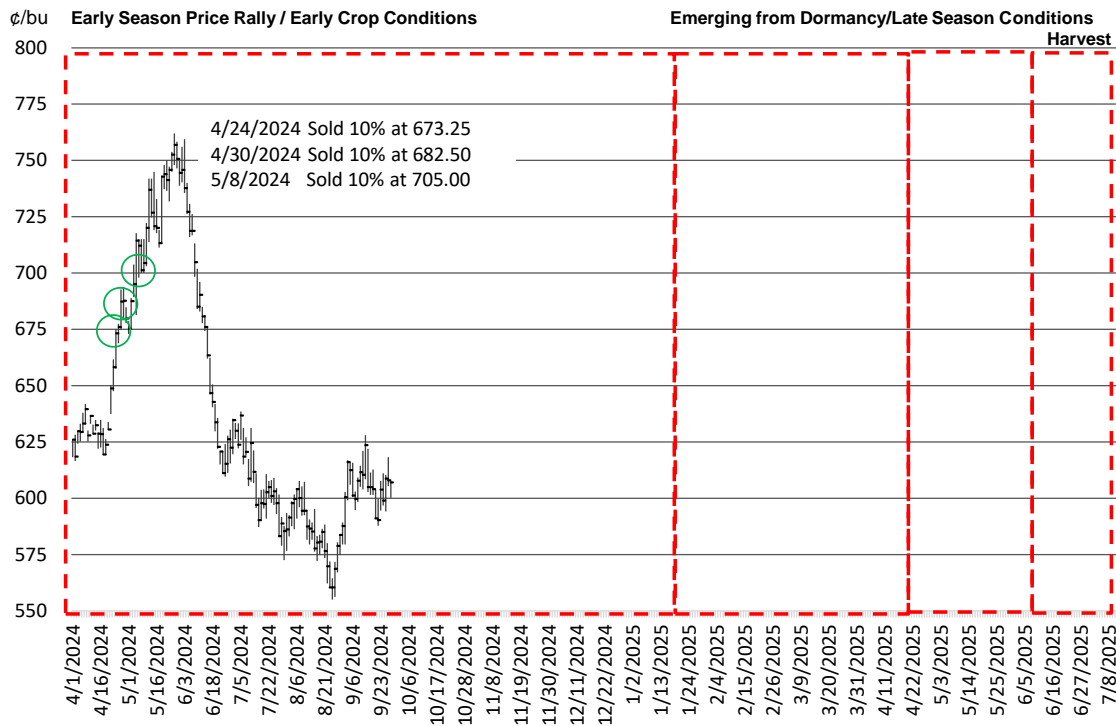
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**Wheat Marketing Plan.** For the 2025 wheat crop, I got to 30% sold on the price rally in May.

## July 2025 KC Wheat and Marketing Plan



### Upcoming Reports/Events

September 30	Grain Stocks Small Grains Summary
October 1-2	Master Marketer Marketing Plan Workshop, El Campo, Texas
October 4	September Employment Situation, Bureau of Labor Statistics
October 11	Crop Production WASDE
January 5-11	The Executive Program for Agricultural Producers (TEPAP) San Antonio, Texas



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