

Wheat Outlook

November 8, 2024

Volume 33, Number 68

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Market Situation

WASDE. Only minor changes to U.S. wheat in the November WASDE. Supply was up 5 million bushels on an increase in imports. Use was up 2 million bushels on an increase in food use. This increased ending stocks by 3 million bushels. Wheat days of use on hand at the end of the marketing year stands at a 150.8-day supply, up from 150.4 last month and 140.0 last year. The season average farm price is a dime lower to \$5.60.

US WHEAT SUPPLY AND USE			November		
AREA			2024/25 11/8/2024	Net Change Oct to Nov	% Change Oct to Nov
	Planted	mil acres	46.1	0.0	0.00%
	Harvested	mil acres	38.5	0.0	0.00%
	Percent Harvested		83.5%	0.00%	0.00%
YIELD	Harvested acre	bu/ac	51.2	0.0	0.00%
SUPPLY					
	Beginning stocks	mil bu	696	0.0	0.00%
	Production	mil bu	1,971	0.0	0.00%
	Imports	mil bu	120	5.0	4.35%
	Total Supply	mil bu	2,788	5.0	0.18%
DEMAND					
	Food	mil bu	966	2.0	0.21%
	Seed	mil bu	62	0.0	0.00%
	Feed and residual	mil bu	120	0.0	0.00%
	Total Domestic Use	mil bu	1,148	2.0	0.17%
	Exports	mil bu	825	0.0	0.00%
	Total Use	mil bu	1,973	2.0	0.10%
	Ending stocks	mil bu	815	3.0	0.37%
	Stocks to Use ratio	percent	41.3%	0.11%	0.27%
	Days of Use on hand	days	150.8	0.4	0.27%
PRICE					
	Average farm price	\$/bu	5.60	-0.10	-1.75%
	Reference Price	\$/bu	5.50		
	PLC Payment	\$/bu	0.00		

The changes were small to the world supply and demand sheet as well. Supply was up 0.7 mmt (26 mil bu) and use was up 0.9 mmt (32 mil bu). This lowered ending stocks by 0.2 mmt (6 mil bu).

World days of use on hand at the end of the marketing year are estimated at a 117.0-day supply, down from 117.2 last month and 121.8 last year.

The current measure of stocks to use for world wheat is the tightest since a 1160.1-day supply in 2014/2015.

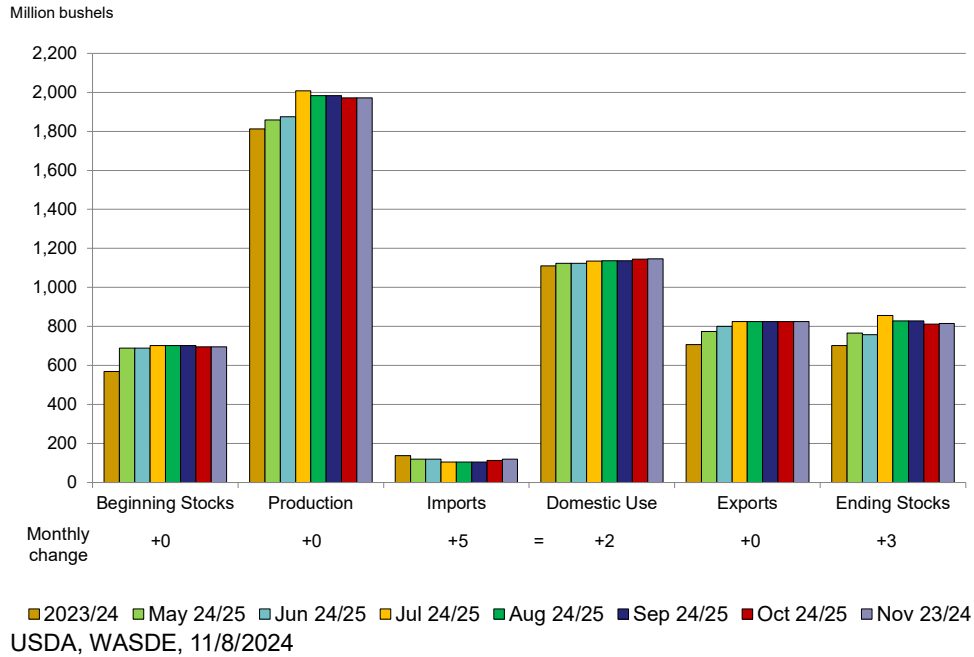


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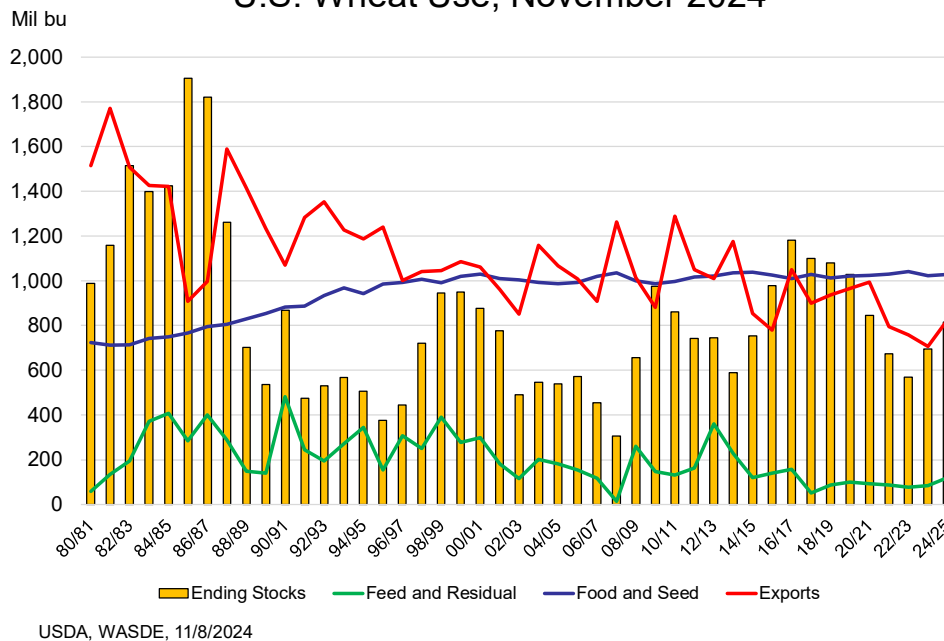
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U.S. Wheat Supply and Demand, November 2024



U.S. Wheat Use, November 2024



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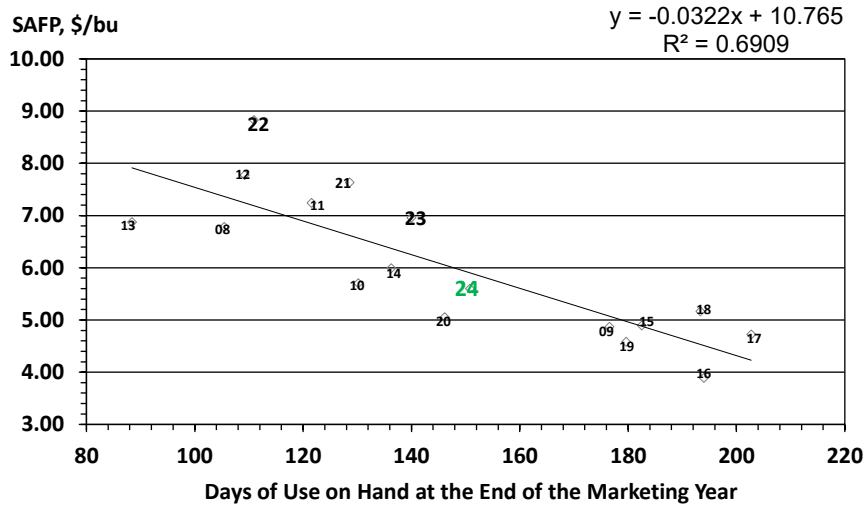
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Nominal U.S. Wheat Average Farm Price and Days of Use on Hand

2008/09-2022/23, 2023/24 projection



Source: USDA, November WASDE 2024

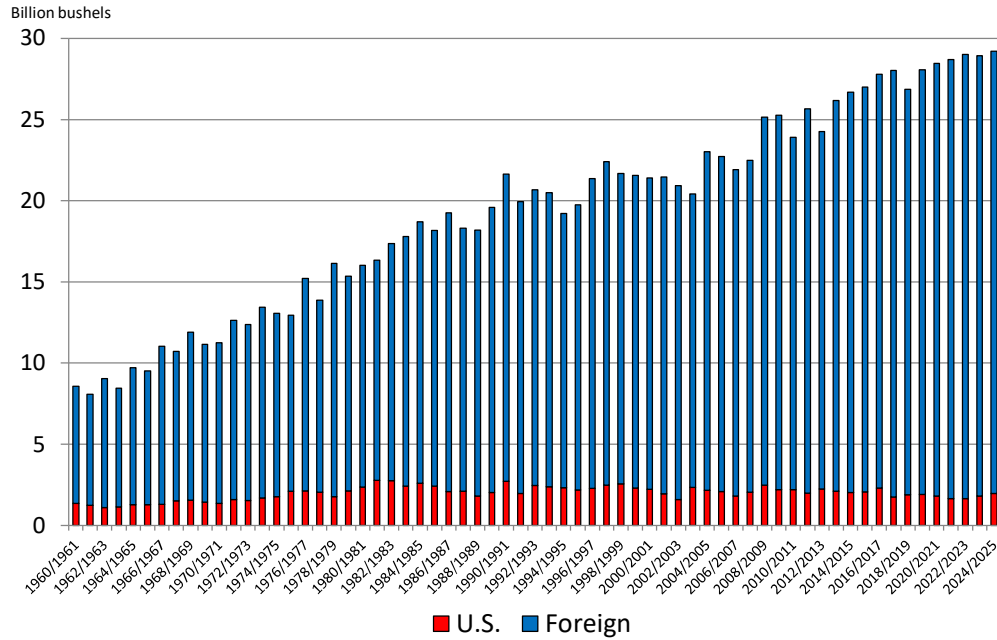
WORLD WHEAT		MMT								
Marketing Year		Beginning Stocks	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days on hand
2014/15		197.70	730.41	159.38	132.37	700.51	164.22	222.76	0.3180	116.1
2015/16		222.76	738.14	169.78	141.27	713.11	172.58	244.99	0.3436	125.4
2016/17		244.99	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		273.57	789.49	213.10	152.71	789.44	221.73	273.61	0.3466	126.5
2023/24		273.61	790.38	221.80	158.54	797.81	221.32	266.18	0.3228	121.8
2024/25	May	257.80	798.19	209.42	151.76	802.37	216.00	253.61	0.3161	115.4
2024/25	June	259.56	790.75	207.08	147.71	798.04	212.81	252.27	0.3161	115.4
2024/25	July	260.99	796.19	206.70	148.41	799.94	212.89	257.24	0.3216	117.4
2024/25	August	262.36	798.28	208.40	151.16	804.02	214.86	256.62	0.3192	116.5
2024/25	September	265.25	796.88	210.27	151.91	804.90	216.51	257.22	0.3196	116.6
2024/25	October	266.18	794.08	210.77	151.80	802.54	215.82	257.72	0.3211	117.2
2024/25	November	266.25	794.73	210.01	152.90	803.41	214.67	257.57	0.3206	117.0
	Net Change	0.07	0.65	(0.76)	1.10	0.87	(1.15)	(0.15)	(0.0005)	(0.20)
	% Change	0.03%	0.08%	-0.36%	0.72%	0.11%	-0.53%	-0.06%	-0.17%	-0.17%

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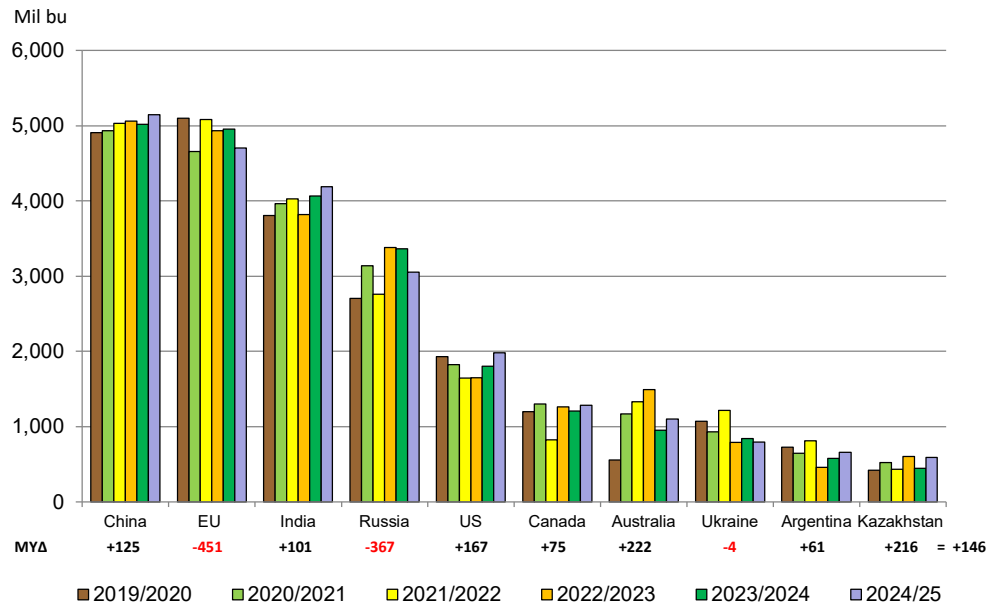
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World Wheat Production



WASDE 11/8/2024

Wheat Production, Major Contributors



WASDE, 11/8/2024

80% of global wheat production

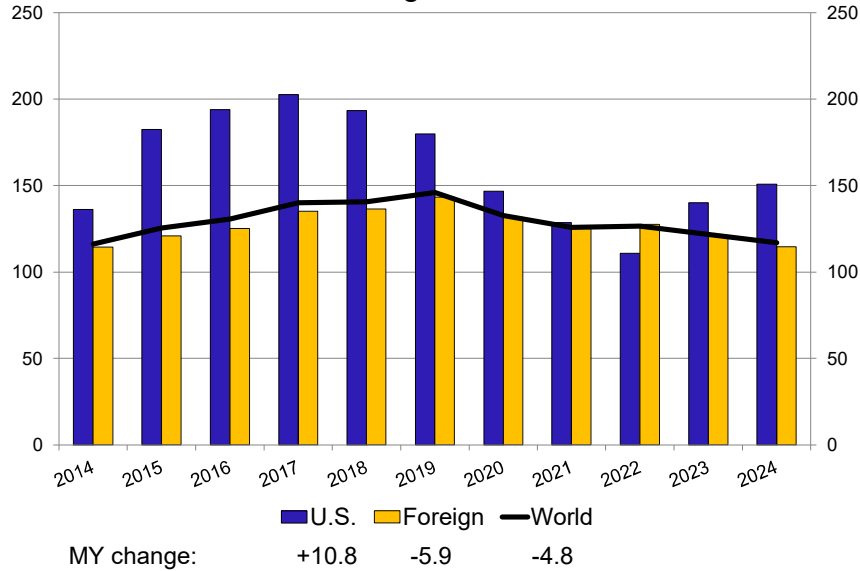
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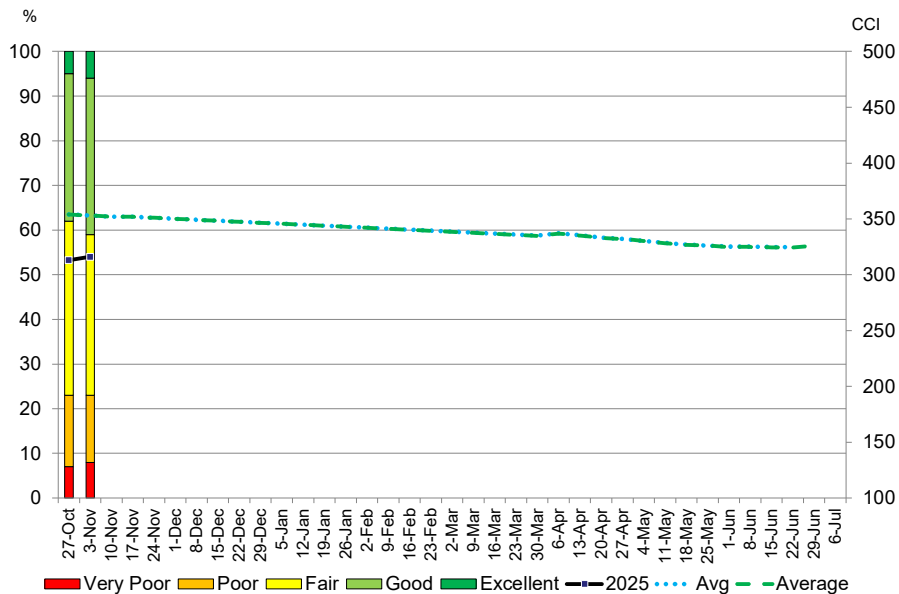
Wheat Days of Use on Hand at the End of the Marketing Year:
US, Foreign, and World



USDA, WASDE, November 2024

Crop Progress. The condition index for the 2025 U.S. winter wheat crop was up 3 points this week to 316, still well below the 353 average. The share of crop rated very poor and poor was unchanged at 23%. Wheat rated good and excellent increased 3% to 41.

2025 U.S. Winter Wheat Crop Condition Ratings, November 3



USDA Crop Progress, November 4, 2024

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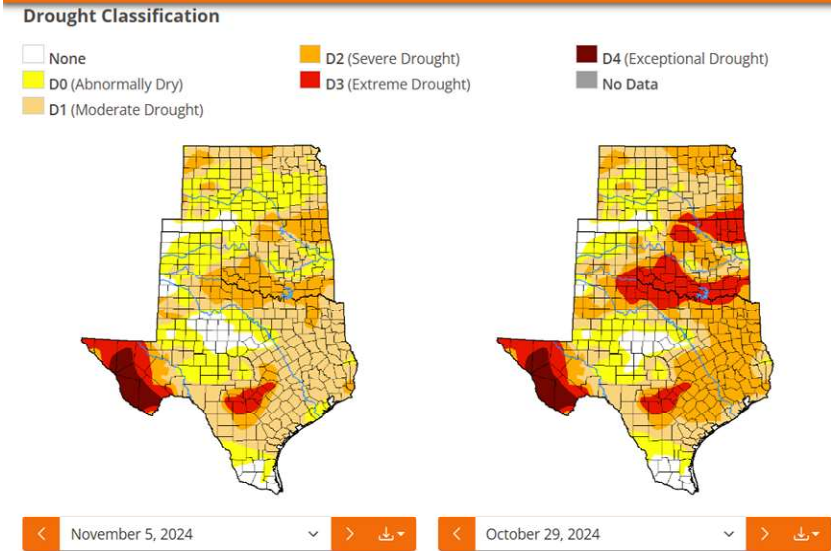
The composite crop condition index of wheat in the Southern Plains this week is 310, up from 307 last week. The condition index in Kansas was about steady, improved in Oklahoma and Colorado, lower in Texas. The index is weighted by average wheat production the last 3 years in Kansas, Oklahoma, Texas, and Colorado.

2025 Southern Plains Weighted Wheat Crop Condition Index
 100% very poor = 100; 100% excellent = 500

	Kansas, 55%	Oklahoma, 18%	Texas, 14%	Colorado, 13%	Index
October 27	317	285	285	321	307
November 3	316	302	271	335	310

Southern Plains accounts for about 25% of national winter wheat production

Weather. The drought monitor for the Southern Plains Climate Hub shows the area impacted by drought little changed this week, down from 93% last week to 92%, but the degree of intensity was down. The area rated D3 and D4, extreme and exceptional, was down 11 points. The index this week is 192, 184 last year, and 110 average.

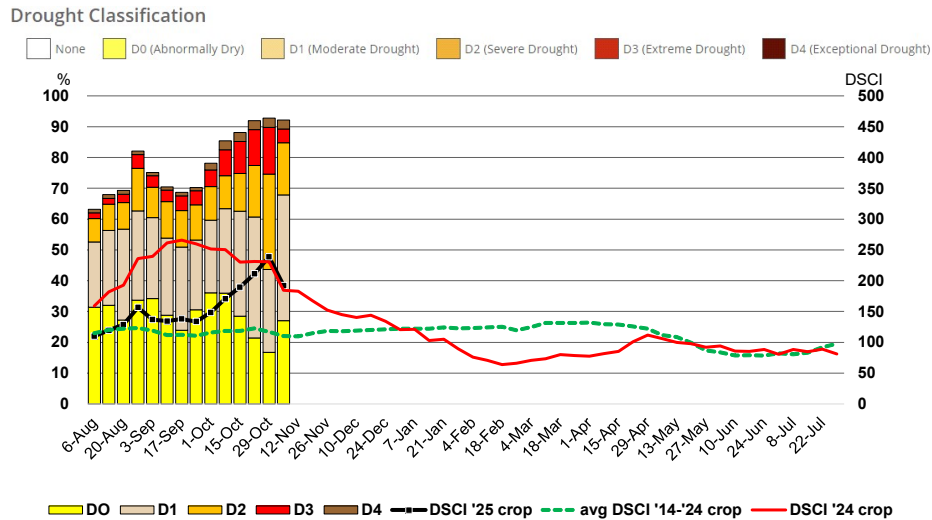


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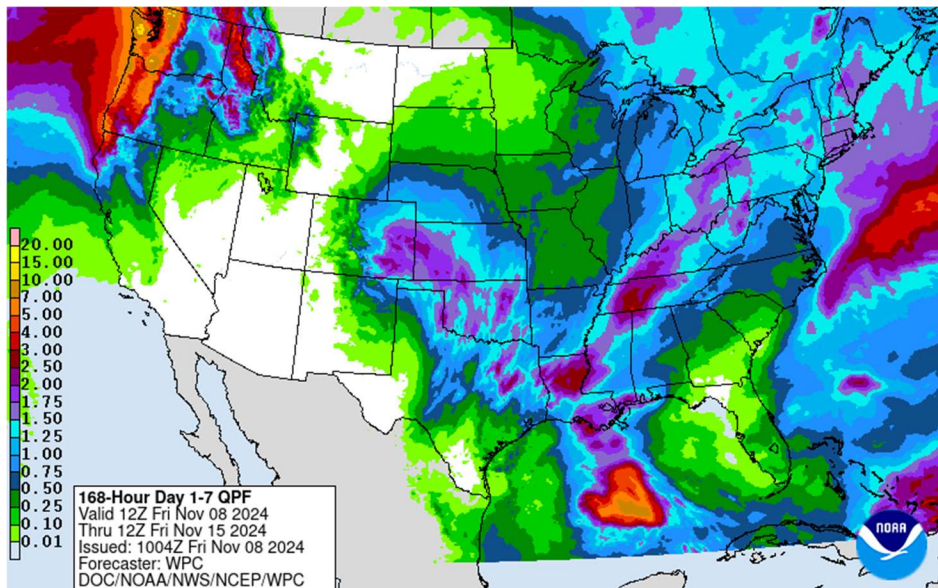
Southern Plains Drought Monitor 11/5/2024



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, 11/7/2024, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

Broad coverage of significant rainfall is in the forecast the next 7 days (11/08-11/15/2024) for much of the Southern Plains, light in the western and southern Texas Panhandle.



Sea surface temperatures in the eastern Pacific are running -0.2°C below normal this week. The Oceanic Nino Index is currently neutral with a forecast for La Nina conditions to develop in the current September-November period. But forecast models to date continue to show a La Nina that is relatively mild and short-lived.

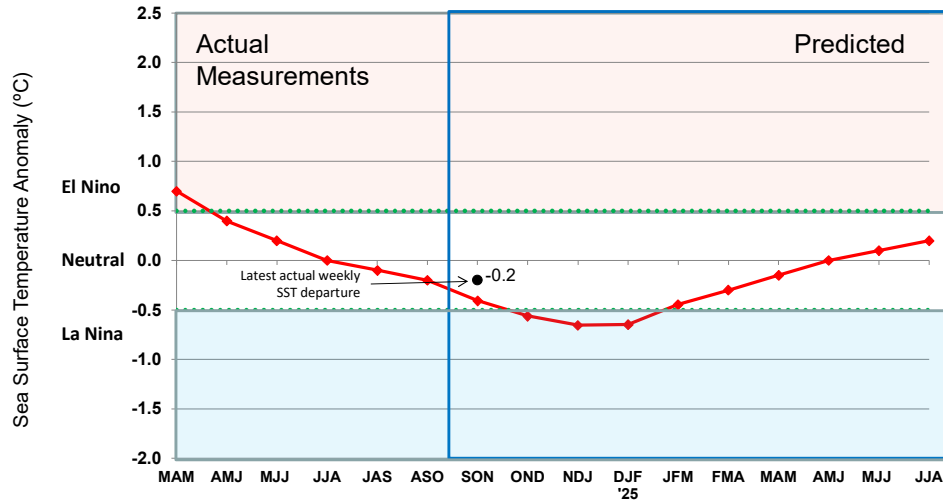
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Oceanic Nino Index (ONI) ENSO Alert System Status: La Niña Watch

CPC: ENSO-neutral conditions are present. La Niña favored to emerge in September-November (60% chance) and expected to persist through January-March 2025.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, November 4, 2024

http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/

Australian Bureau of Meteorology, <http://www.bom.gov.au/climate/enso/>

Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
October 10	6.11	5.18	-0.93			
October 17	5.96	5.03	-0.93			
October 24	5.87	4.94	-0.93			
October 31	5.69	4.76	-0.93			
November 7	5.69	4.76	-0.93			
10-year avg			-0.44		0.78	-1.22

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

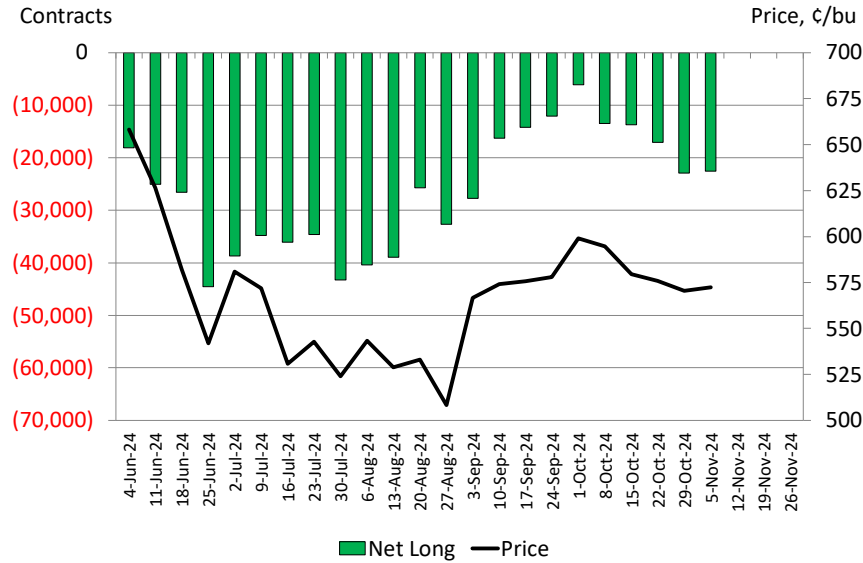
Commitment of Traders. A look across the grain markets this week in the Commitment of Traders report shows bullish momentum building in the corn market. Speculative traders have not been this net long the corn market since the summer of 2023. Net longs were also higher in soybeans this week as traders added to bets on both sides of the market, but added more long contracts than shorts. Chicago wheat saw about equal liquidation of longs and shorts. Kansas City wheat had a net increase in bets for lower prices.

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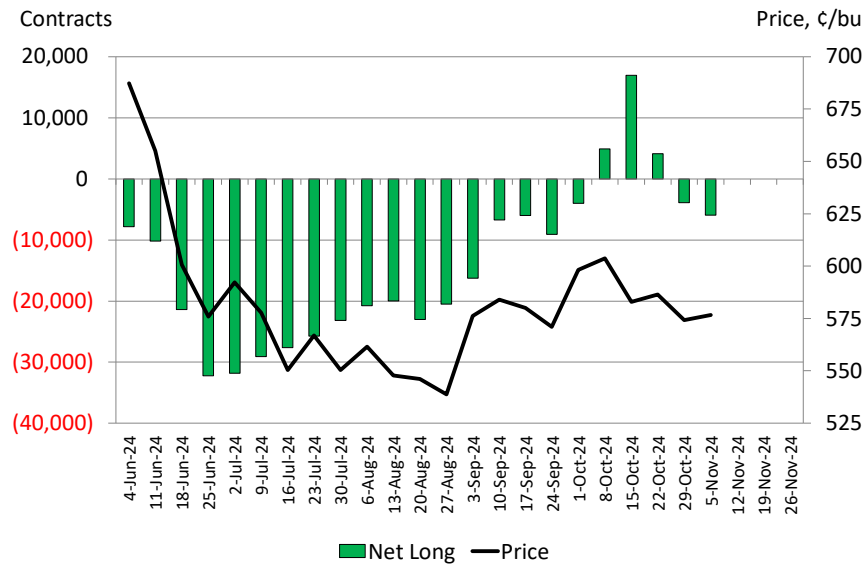
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Non-commercial Investment in CBOT Wheat, 11/5/2024



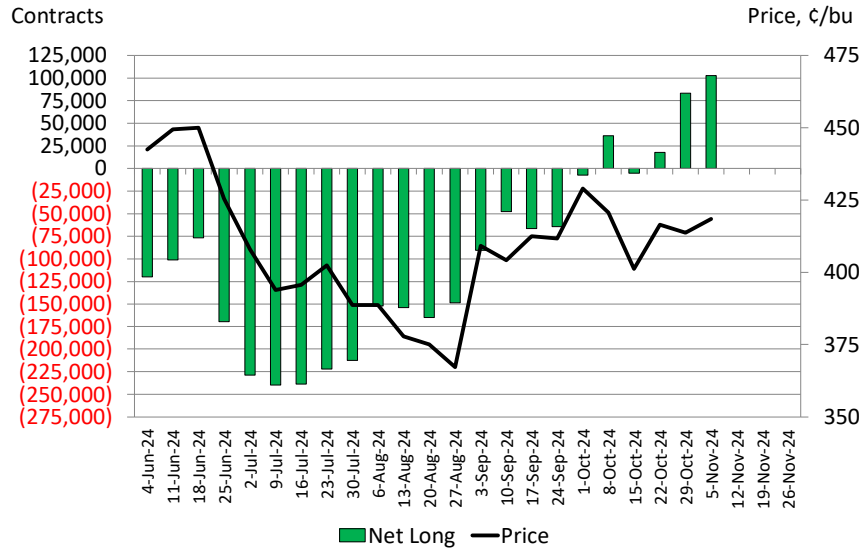
CFTC Legacy Report, Futures Only
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

Non-commercial Investment in KC Wheat, 11/5/2024



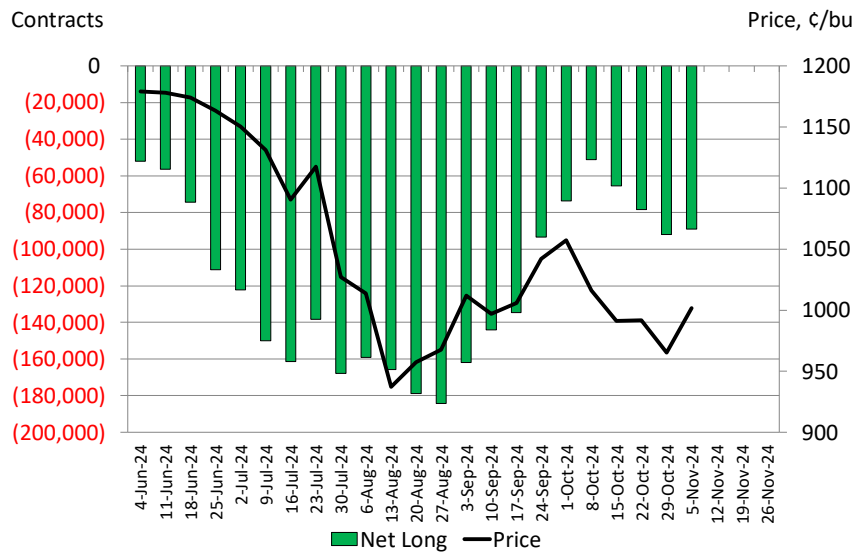
CFTC Legacy Report, Futures Only
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

Non-commercial Investment in Corn, 11/5/2024



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

Non-commercial Investment in Soybeans, 11/5/2024



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

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For November 5, 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,
- more bullish corn, and
- less bearish soybeans.

	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
10/8/2024	111,760	125,258	(13,498)	594.75	62,694	57,784	4,910	603.75
10/15/2024	108,406	122,120	(13,714)	579.50	61,430	44,487	16,943	583.00
10/22/2024	111,145	128,227	(17,082)	576.00	61,005	56,885	4,120	586.50
10/29/2024	106,934	129,825	(22,891)	570.50	63,615	67,535	(3,920)	574.25
11/5/2024	104,711	127,252	(22,541)	572.50	64,600	70,550	(5,950)	576.75
Change	(2,223)	(2,573)	350	2.00	985	3,015	(2,030)	2.50

	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
10/8/2024	323,640	287,569	36,071	420.75	144,361	195,547	(51,186)	1016.25
10/15/2024	333,139	338,291	(5,152)	401.25	154,755	220,134	(65,379)	991.00
10/22/2024	377,721	359,881	17,840	416.50	157,837	236,132	(78,295)	991.75
10/29/2024	405,262	321,958	83,304	413.75	145,891	237,951	(92,060)	965.25
11/5/2024	422,877	320,229	102,648	418.50	151,032	240,015	(88,983)	1001.75
Change	17,615	(1,729)	19,344	4.75	5,141	2,064	3,077	36.50

Marketing Strategies

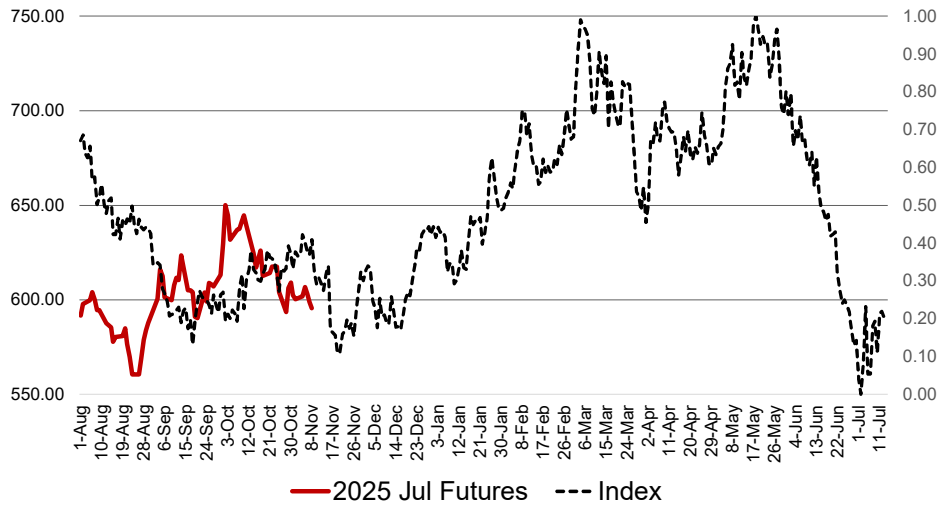
Seasonal Index. A chart of simple averages of prices over the growing season offers a picture of seasonal price tendencies. For the July Kansas City wheat contract, prices typically decline from August to the end of the calendar year. Prices tend to trend upwards in late-winter associated with crop condition 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.

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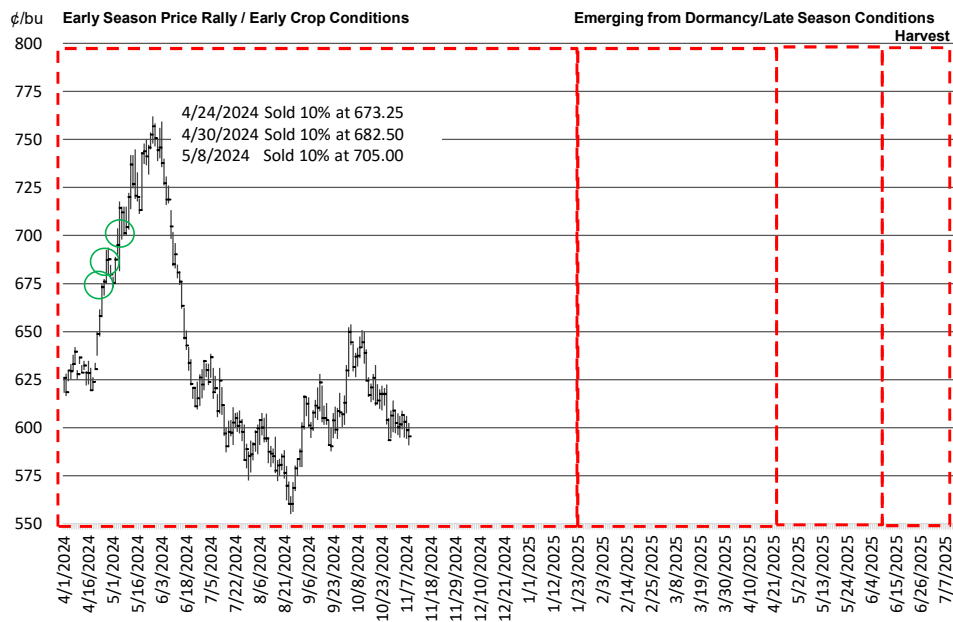
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July KC Wheat average price index 2004-2024



Wheat Marketing Plan. For the 2025 wheat crop, I am 30% sold.

July 2025 KC Wheat and Marketing Plan



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Upcoming Reports/Events

November 13	Short-term Energy Outlook, Energy Information Administration Consumer Price Index, Bureau of Labor Statistics
November 22	Cattle on Feed Chickens and Eggs
November 27	3 rd Quarter GDP (second estimate), Bureau of Economic Analysis
December 6	Employment Situation, November 2024
December 10	Crop Production WASDE
December 23	Hogs and Pigs
January 5-11	The Executive Program for Agricultural Producers (TEPAP) San Antonio, Texas

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