

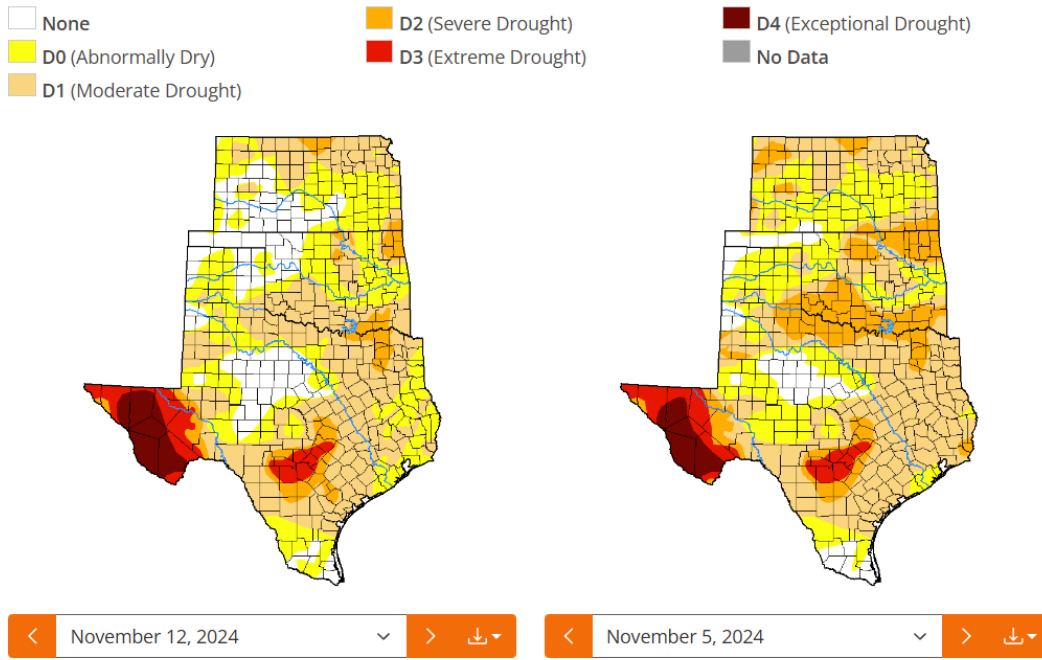


# Wheat Outlook

November 15, 2024

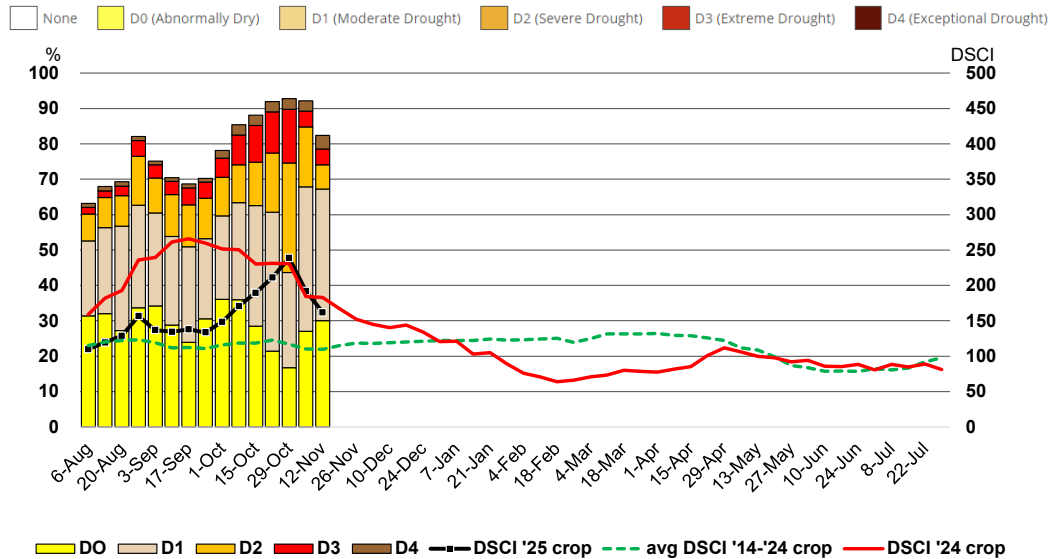
Volume 33, Number 70

**Weather.** The drought monitor for the Southern Plains Climate Hub shows the area impacted by drought down 10 points to 82%. The index this week is 162, down 30. The index last year was at this time was 183. The average index for this week of the crop year is 109.



Southern Plains Drought Monitor 11/12/2024

### Drought Classification



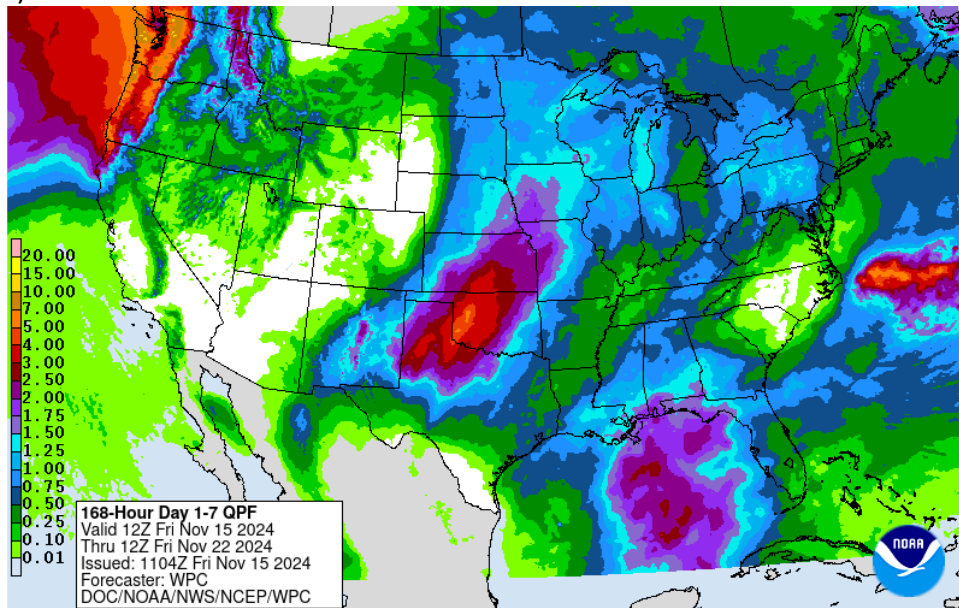
Drought Severity and Coverage Index (DSCI) = (D0\*1)+(D1\*2)+(D2\*3)+(D3\*4)+(D4\*5);  
min 0--no drought conditions reported; max 500--100% under exceptional drought conditions

Drought Monitor, 11/14/2024, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

# Wheat Outlook

November 15, 2024  
Volume 33, Number 70

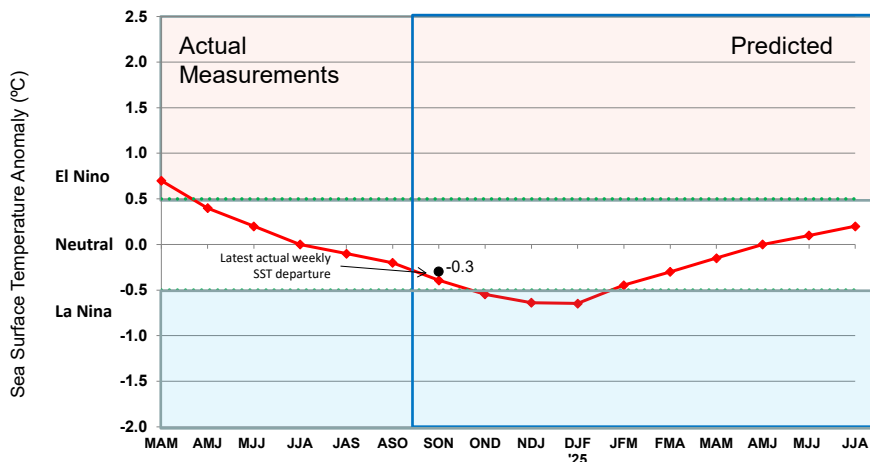
For the third week in a row, broad coverage of significant rainfall is in the 7-day forecast (11/15-11/22/2024) for much of the Southern Plains.



Sea surface temperatures in the eastern Pacific are running  $-0.3^{\circ}\text{C}$  below normal this week. The Oceanic Niño Index is currently neutral with a forecast for La Niña conditions to develop in the current September-November period. But forecast models to date continue to 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 (60% chance) and expected to persist through January-March 2025.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, November 11, 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/>

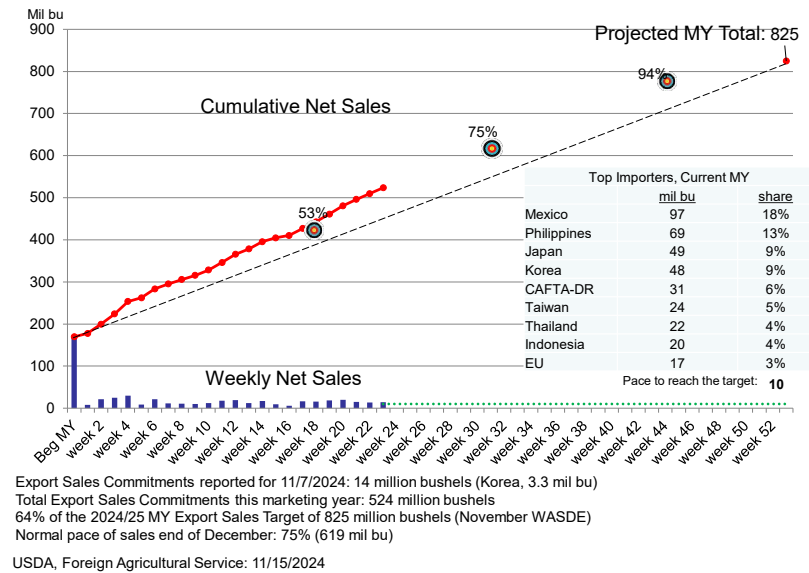
# Wheat Outlook

November 15, 2024

Volume 33, Number 70

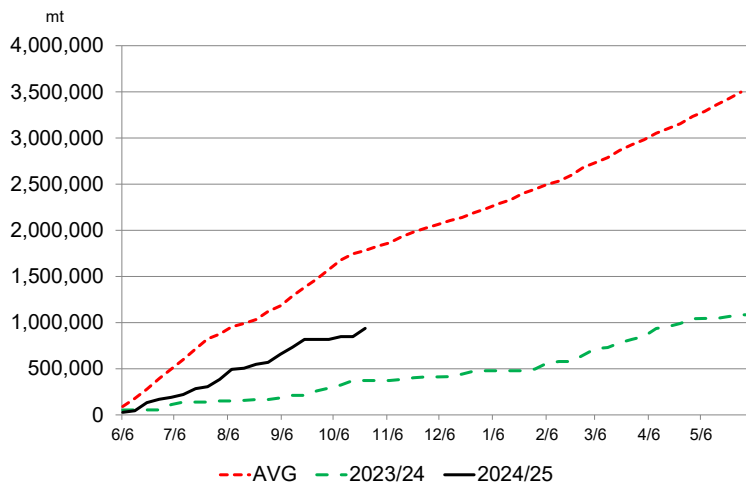
**Grain Use.** All wheat export sales continue on a strong pace to reach USDA’s marketing year projection. Sales for the week of November 7 were 14 million bushels, 3.3 million to Korea. That brings the total for the marketing year to 524 million bushels, 64% of the 825 million bushel target. Normally, 75% of the marketing year total is on the books by the end of December.

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



Wheat exported out of the Gulf so far this marketing year is ahead of last year but still about half of average. Wheat by rail to Mexico is up.

## Wheat Inspected for Export, Texas Gulf

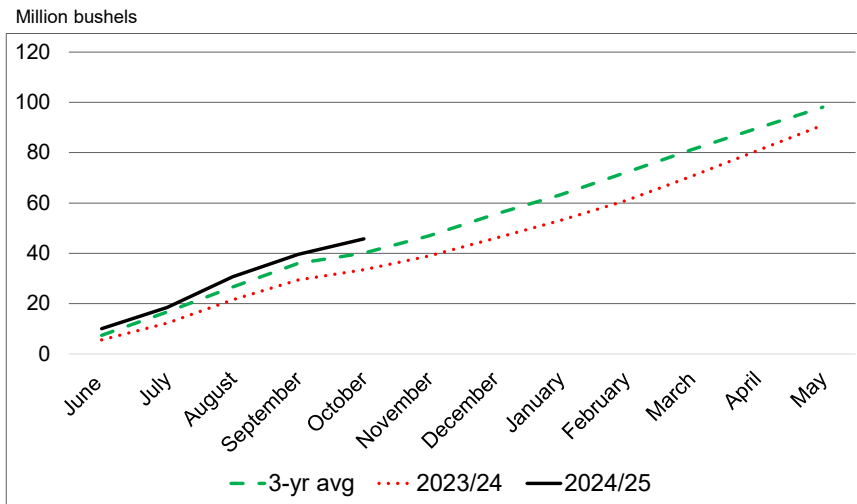


# Wheat Outlook

November 15, 2024

Volume 33, Number 70

## U.S. Wheat Exported by Rail to Mexico



U.S. Dept. of Agriculture, Agricultural Marketing Service. *Grain Exported by Rail, Monthly*. November 14, 2024

## Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
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			
November 14	5.33	4.40	-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.** The Commitment of Traders report for November 12 generally showed a more bearish outlook in the wheat markets and more bullish positioning in corn and soybeans.

The major feature in both Chicago wheat and Kansas City wheat was the increase in short positions added by speculative traders (taking on bets for lower prices). Net longs went down by 15,988 and 11,024.

Net longs were strongly higher in corn (+74,998) more from traders getting out of short positions than a significant increase in long contracts held. In soybeans, long contracts held increased and short contracts held decreased increasing net longs by 11,870.

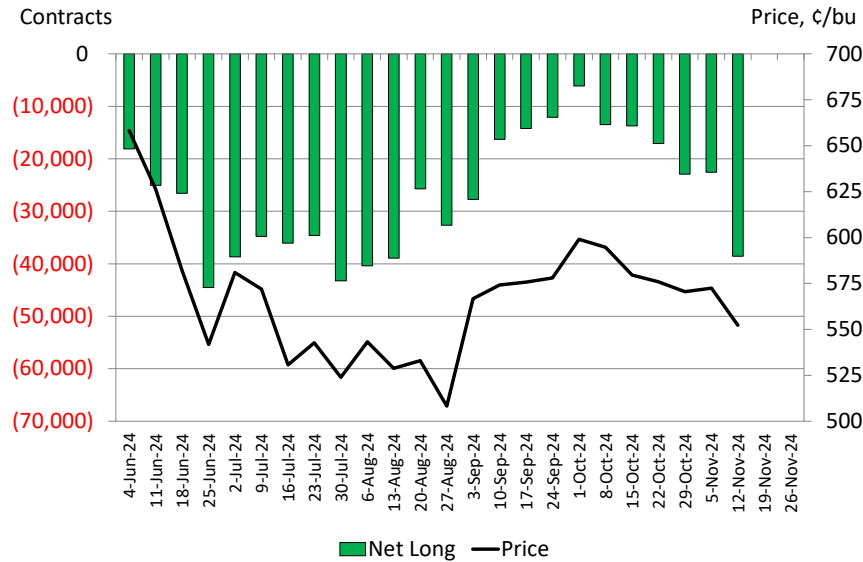
# Wheat Outlook

November 15, 2024

Volume 33, Number 70

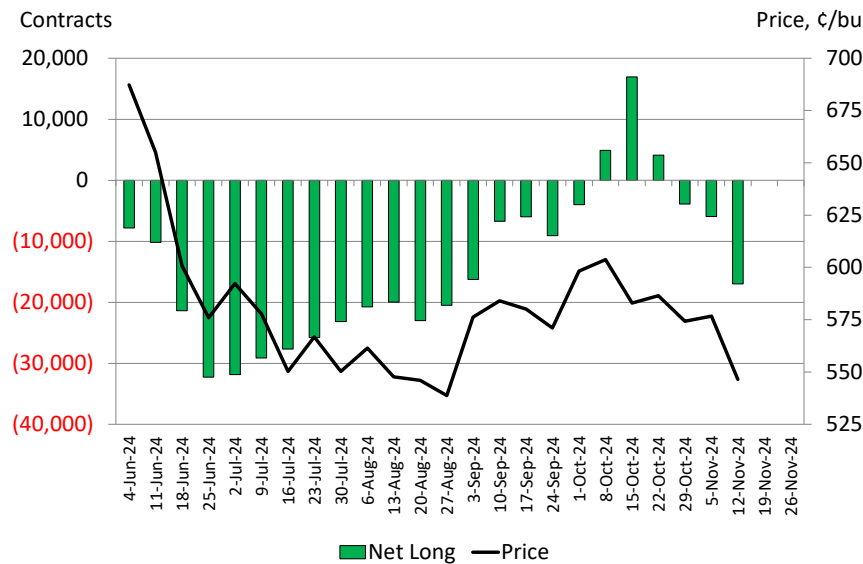


## Non-commercial Investment in CBOT Wheat, 11/12/2024



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

## Non-commercial Investment in KC Wheat, 11/12/2024



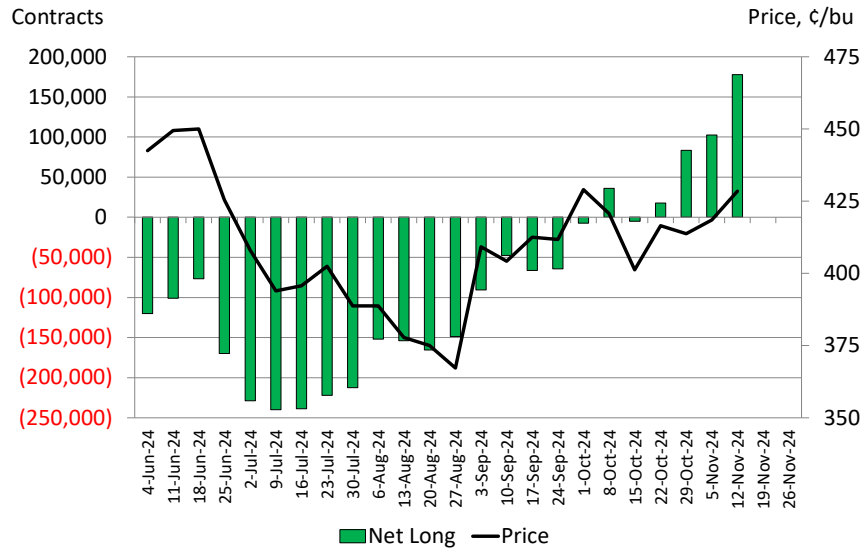
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November 15, 2024

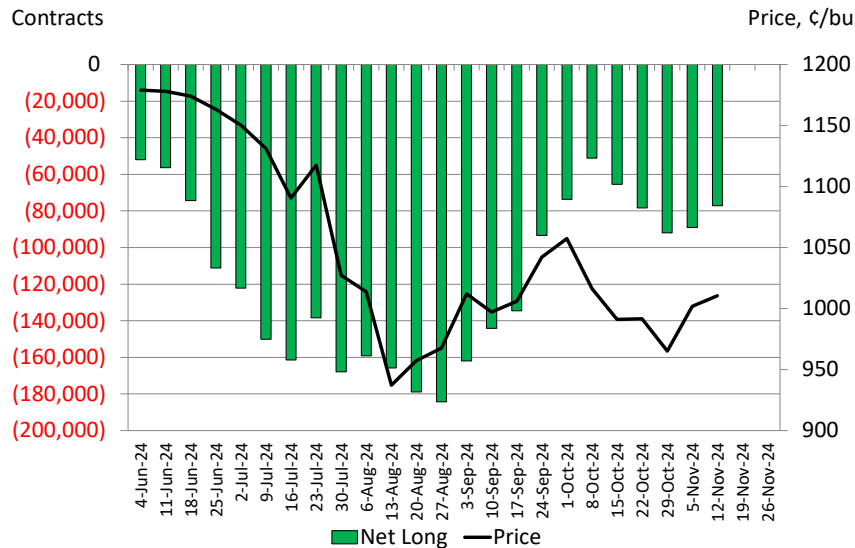
Volume 33, Number 70

## Non-commercial Investment in Corn, 11/12/2024



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

## Non-commercial Investment in Soybeans, 11/12/2024



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

# Wheat Outlook

November 15, 2024

Volume 33, Number 70



	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
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
11/12/2024	105,967	144,496	(38,529)	552.25	63,586	80,560	(16,974)	546.50
Change	1,256	17,244	(15,988)	(20.25)	(1,014)	10,010	(11,024)	(30.25)

	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
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
11/12/2024	434,784	257,138	177,646	428.50	161,342	238,455	(77,113)	1010.50
Change	11,907	(63,091)	74,998	10.00	10,310	(1,560)	11,870	8.75

For November 12, 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:

- more bearish Chicago soft red winter wheat,
- more bearish KC hard red winter wheat,
- more bullish 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.

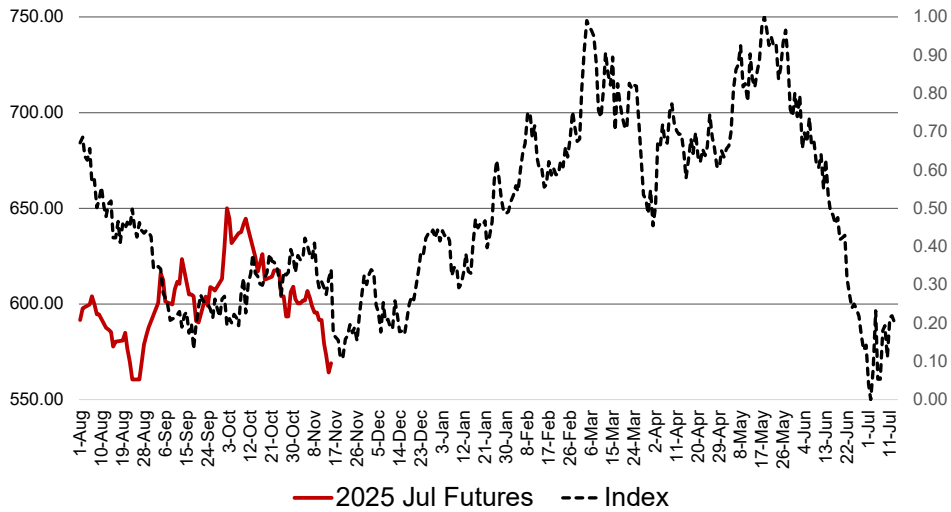


# Wheat Outlook

November 15, 2024

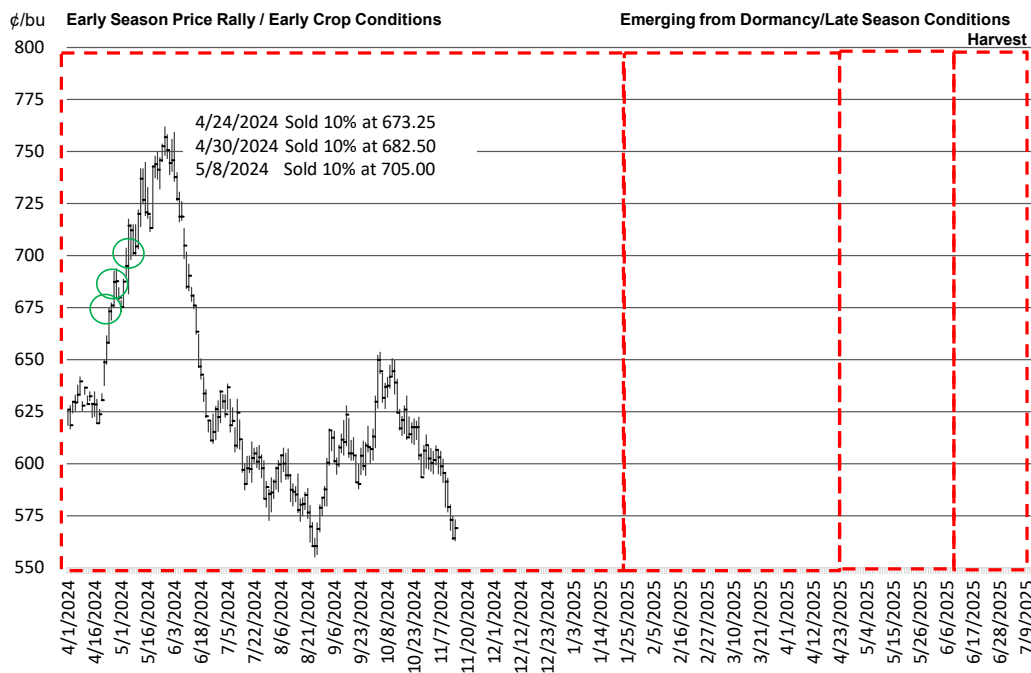
Volume 33, Number 70

### 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



# Wheat Outlook

November 15, 2024

Volume 33, Number 70



## Upcoming Reports/Events

November 22	Cattle on Feed Chickens and Eggs
November 27	3 <sup>rd</sup> Quarter GDP (second estimate), Bureau of Economic Analysis
December 6	Employment Situation, November 2024
December 10	Crop Production WASDE Short-term Energy Outlook, Energy Information Administration
December 11	Consumer Price Index, Bureau of Labor Statistics
December 17-18	Federal Open Market Committee, Federal Reserve
December 23	Hogs and Pigs
January 5-11	The Executive Program for Agricultural Producers (TEPAP) San Antonio, Texas

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