

Wheat Outlook

December 20, 2024
Volume 33, Number 76

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Cattle grazing wheat pasture, Randall County, Texas, 12/3/2024



Crop Progress and Condition. USDA has suspended national crop condition reports until next April but will provide updates on wheat conditions in selected states until then.

Kansas reported for December 15. Winter wheat rated very poor and poor was 10%, good and excellent 56%. The Kansas crop condition index is 351, up from 349 in late November.

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
November 10	337	305	289	331	324
November 17	343	320	327	356	338
November 24	349	336	337	364	347
December 1	348				
December 8	350				
December 15	351				

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

The GEOGLAM Crop Monitor for late-November reflects the favorable conditions of the U.S. winter wheat crop. China and India report favorable conditions as well.

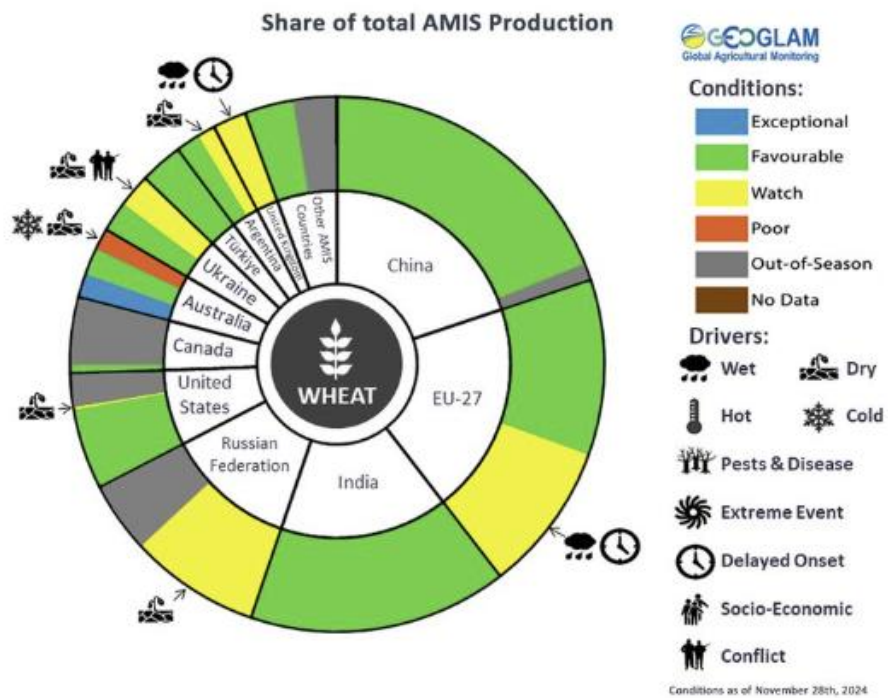
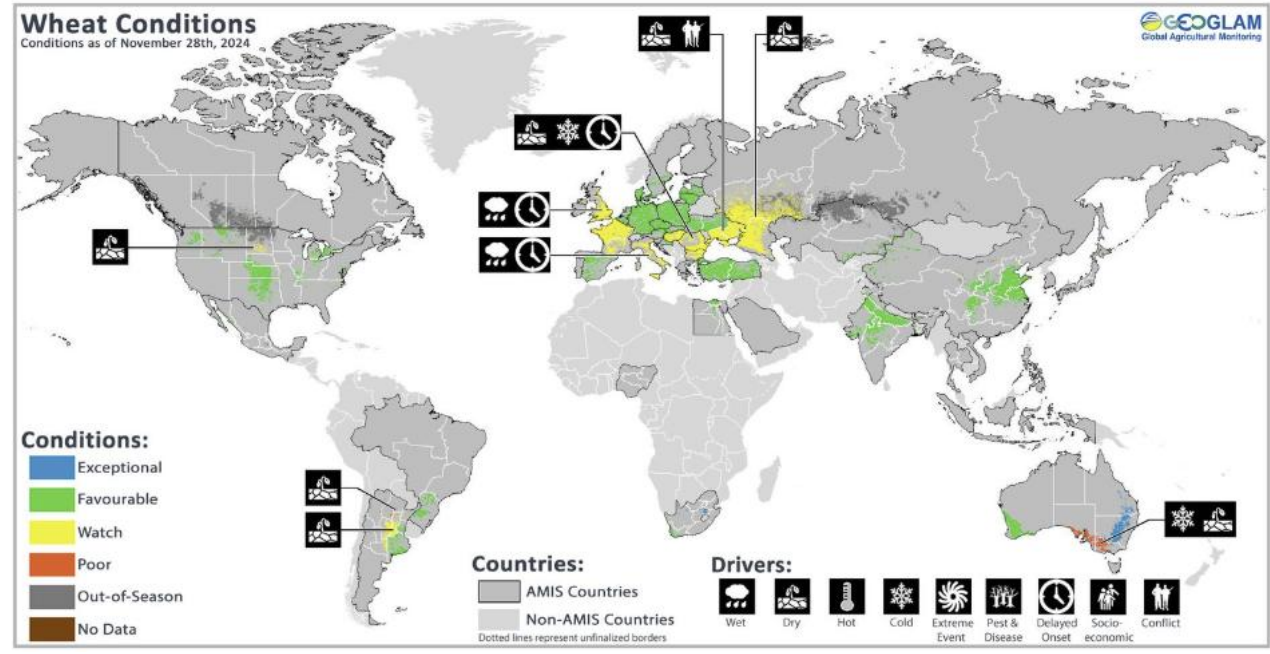
Areas of concern, the watch category, encompass all the Russian winter wheat area, western, southern, and eastern Europe.

With harvest underway, Australian conditions are mixed. In Argentina, lower yields are reported in the north with near average yields in the south and east.

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<https://www.cropmonitor.org/>

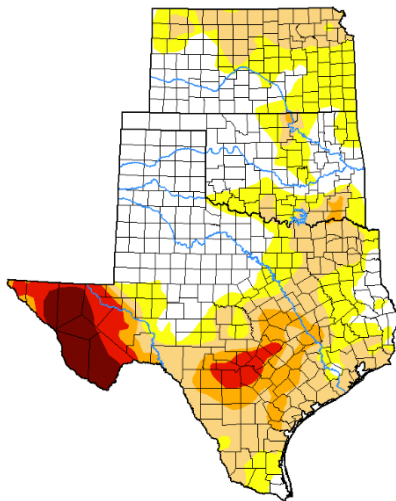
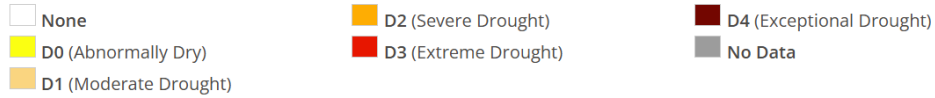
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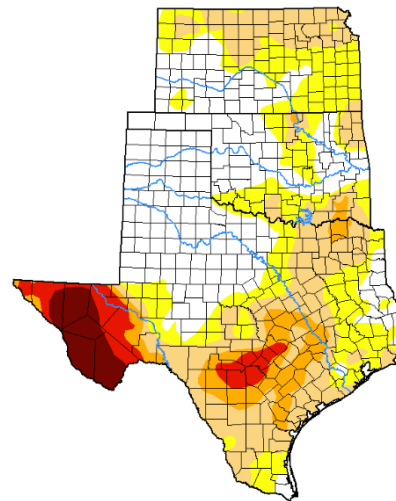
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Weather. The drought severity index for the Southern Plains Climate Hub shows conditions about the same as last year and near the 10-year average. For the week, the area impacted by drought is down from 63% to 62%. The index is down from 131 to 128.

Drought Classification



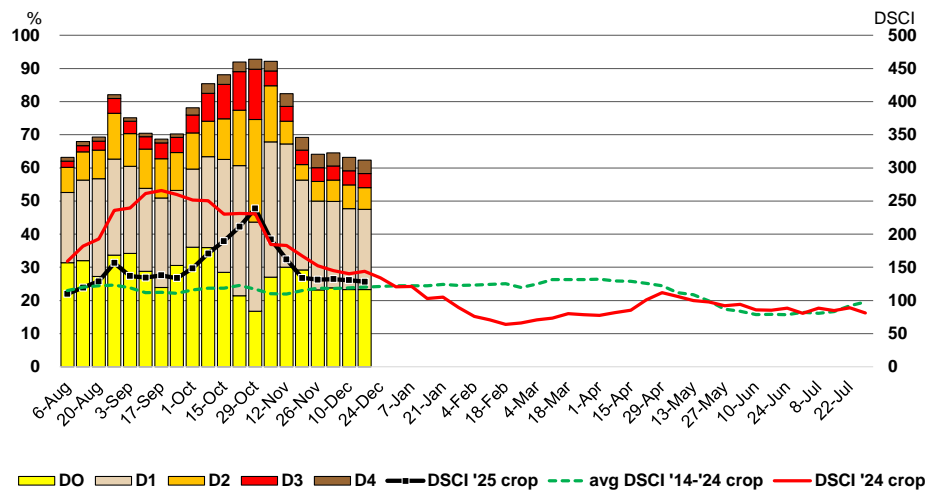
< December 17, 2024 > [Download]



< December 10, 2024 > [Download]

Southern Plains Drought Monitor 12/17/2024

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

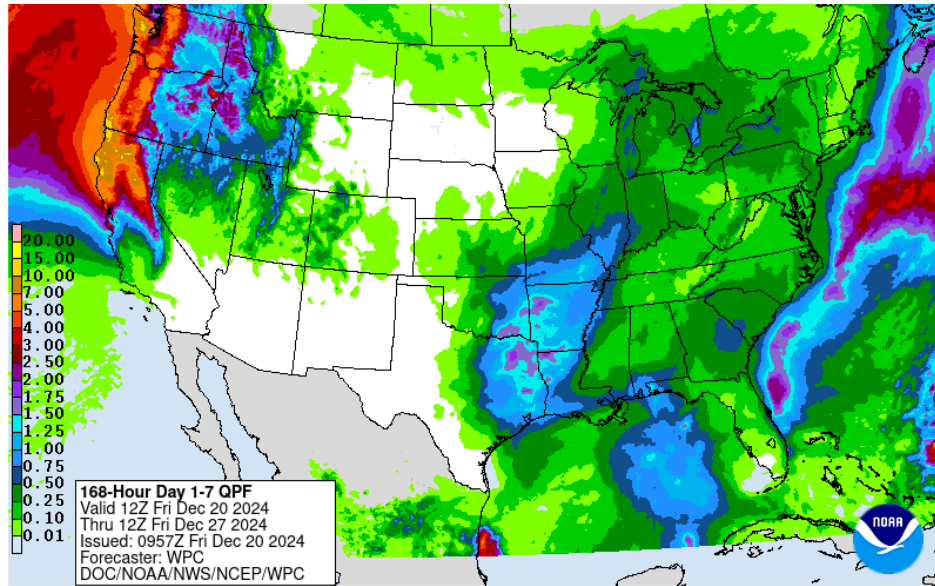
Drought Monitor, 12/19/2024, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

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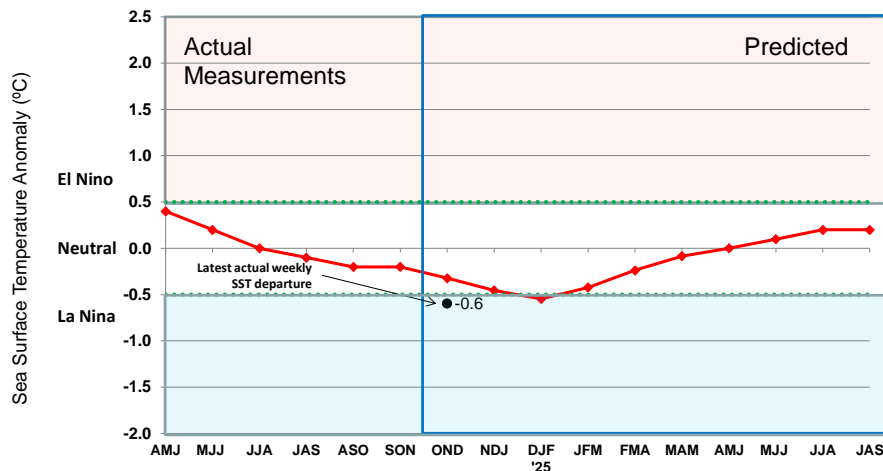
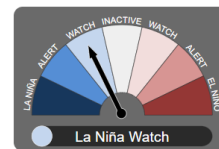
A dry week ahead is the forecast for most of Southern Plains wheat country the next 7-days (12/20-12/27/2024). The best moisture prospects are again in eastern regions of Oklahoma and Texas.



Sea surface temperatures in the eastern Pacific fell to -0.6°C below normal this week. The Oceanic Nino Index is currently neutral with a forecast for La Nina conditions to develop in the current November-January period. But forecast models to date continue to show a La Nina that is relatively mild and short-lived.

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

CPC: La Niña is most likely to emerge in November 2024-January 2015 (59% chance) and is expected to persist through January-March 2025.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, December 16, 2024

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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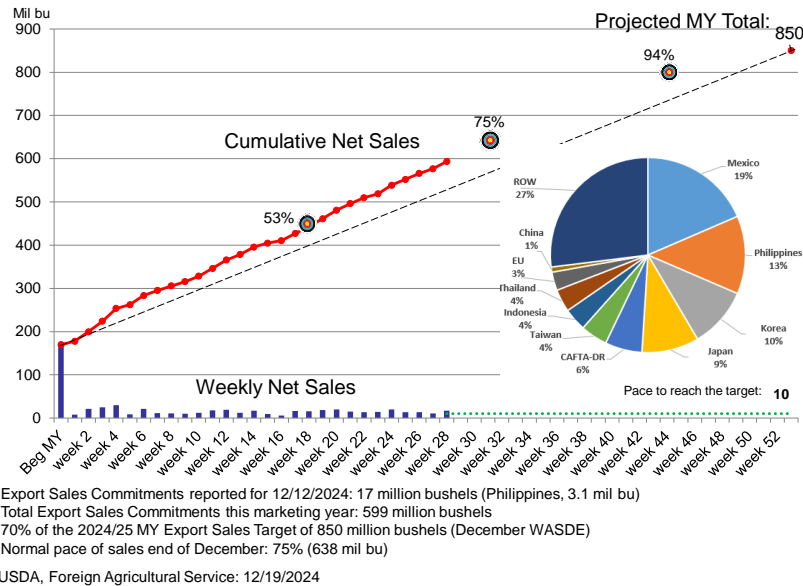
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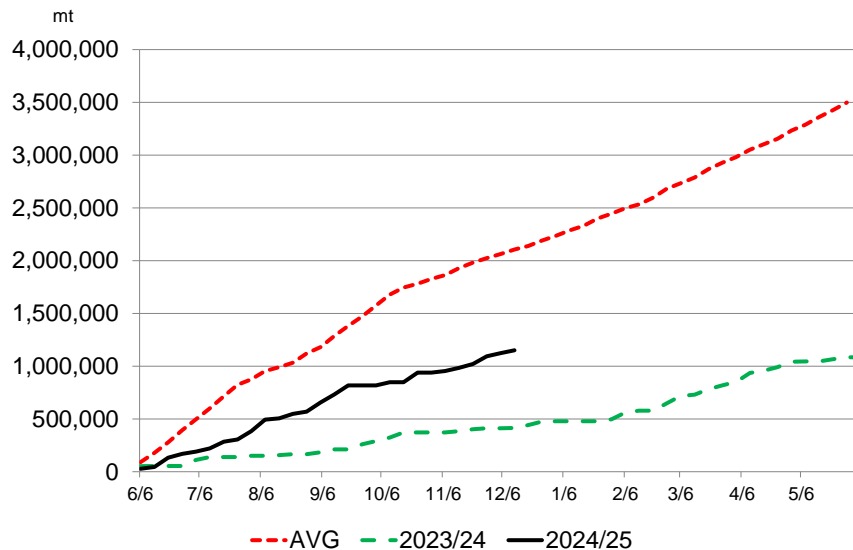
Grain Use. All wheat export sales continue on pace to reach USDA’s marketing year projection (revised upwards in December by 25 million bushels). Sales for the week of December 12 were 17 million bushels, 3.1 million bound for the Philippines. That brings the total for the marketing year to 599 million bushels, 70% of the 850 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 Texas Gulf so far this marketing year is more than double where we at this time last year but still just over half of average.

Wheat Inspected for Export, Texas Gulf



U.S. Dept. of Agriculture, Agricultural Marketing Service. Grain Transportation Report. December 19, 2024

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Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
November 14	5.33	4.40	-0.93			
November 21	5.56	4.62	-0.93			
December 5	5.53	4.49	-1.04			
December 12	5.63	4.69	-0.94			
December 19	5.43	4.49	-0.94			
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 dominant feature of changes in speculative traders market positions this week in Chicago wheat and soybeans was new selling. Traders added to bets for lower prices. Net longs were higher for Kansas City wheat with an increase in long contracts held and decrease in short positions held. In corn, the commodity with the most bullish trend of the four reported here over the last few months, net longs were down this week as traders exited both sides of the market, getting out of more longs than shorts.

	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
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
11/19/2024	116,397	162,436	(46,039)	549.75	68,406	84,820	(16,414)	558.25
11/26/2024	119,626	171,818	(52,192)	550.50	66,990	83,751	(16,761)	550.50
12/3/2024	125,216	186,753	(61,537)	547.50	68,706	91,418	(22,712)	541.75
12/10/2024	126,404	185,694	(59,290)	561.75	72,174	91,660	(19,486)	565.75
12/17/2024	<u>126,968</u>	<u>206,308</u>	<u>(79,340)</u>	<u>545.00</u>	<u>73,560</u>	<u>89,678</u>	<u>(16,118)</u>	<u>552.50</u>
Change	564	20,614	(20,050)	(16.75)	1,386	(1,982)	3,368	(13.25)

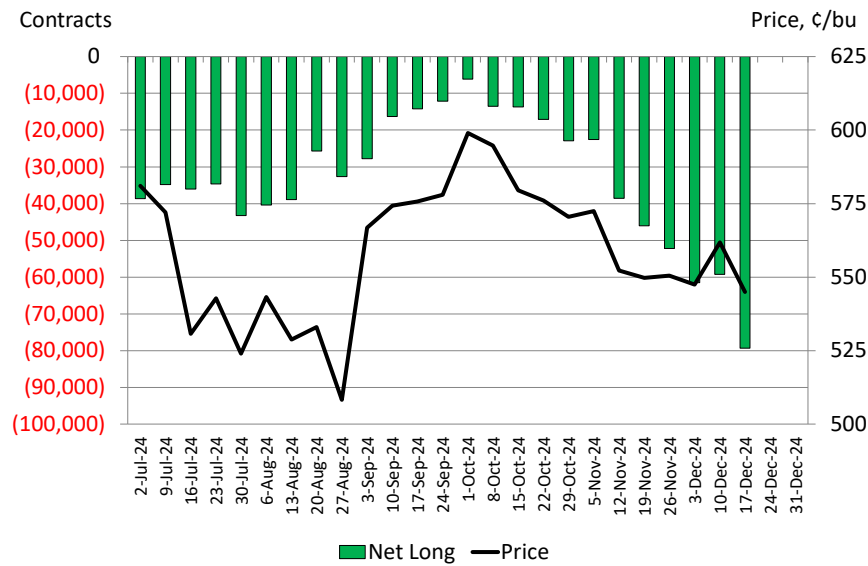
	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
11/5/2024	422,877	320,229	102,648	418.50	151,032	240,015	(88,983)	1001.75
11/12/2024	434,784	257,138	177,646	428.50	161,342	238,455	(77,113)	1010.50
11/19/2024	418,990	255,689	163,301	427.25	168,134	254,465	(86,331)	998.50
11/26/2024	399,710	262,841	136,869	420.00	159,925	265,862	(105,937)	983.50
12/3/2024	404,920	267,692	137,228	432.25	158,897	257,381	(98,484)	991.75
12/10/2024	465,806	241,383	224,423	449.00	160,946	247,162	(86,216)	994.75
12/17/2024	<u>454,635</u>	<u>232,787</u>	<u>221,848</u>	<u>443.50</u>	<u>156,034</u>	<u>262,363</u>	<u>(106,329)</u>	<u>976.75</u>
Change	(11,171)	(8,596)	(2,575)	(5.50)	(4,912)	15,201	(20,113)	(18.00)

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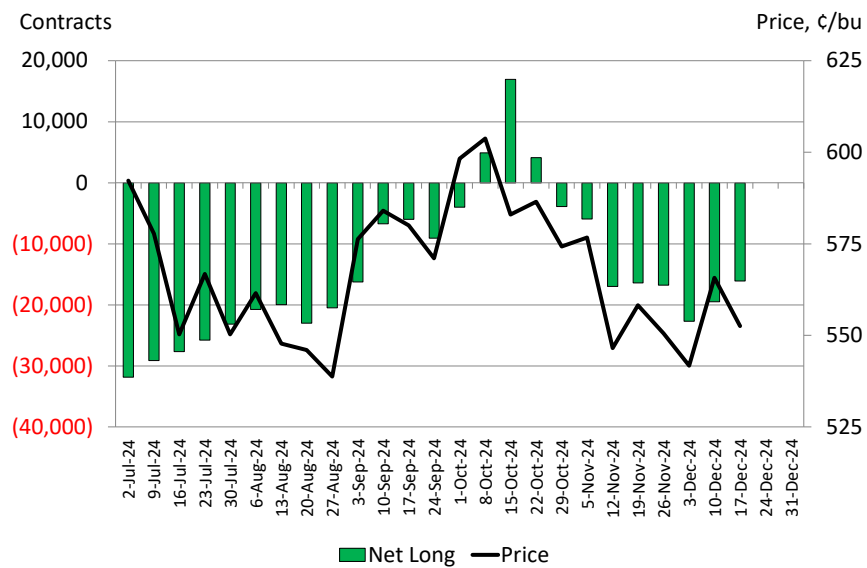
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Non-commercial Investment in CBOT Wheat, 12/17/2024



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

Non-commercial Investment in KC Wheat, 12/17/2024



CFTC Legacy Report, Futures Only
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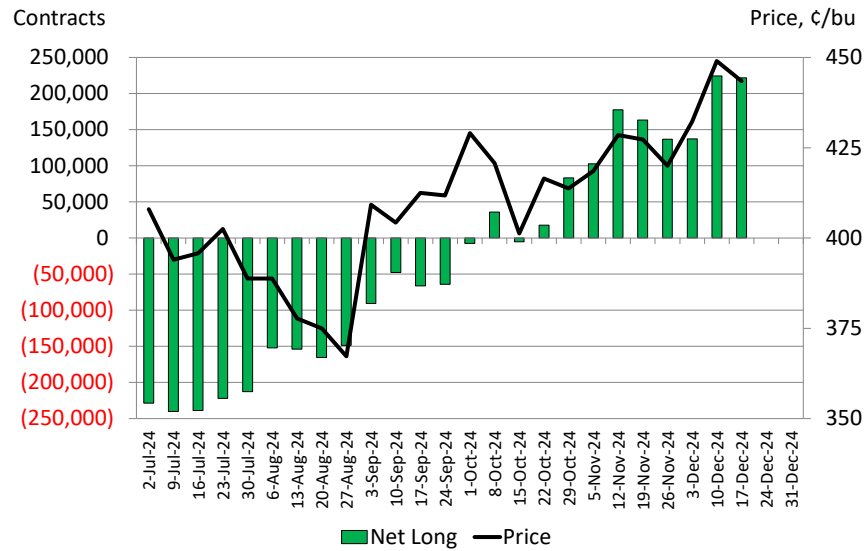
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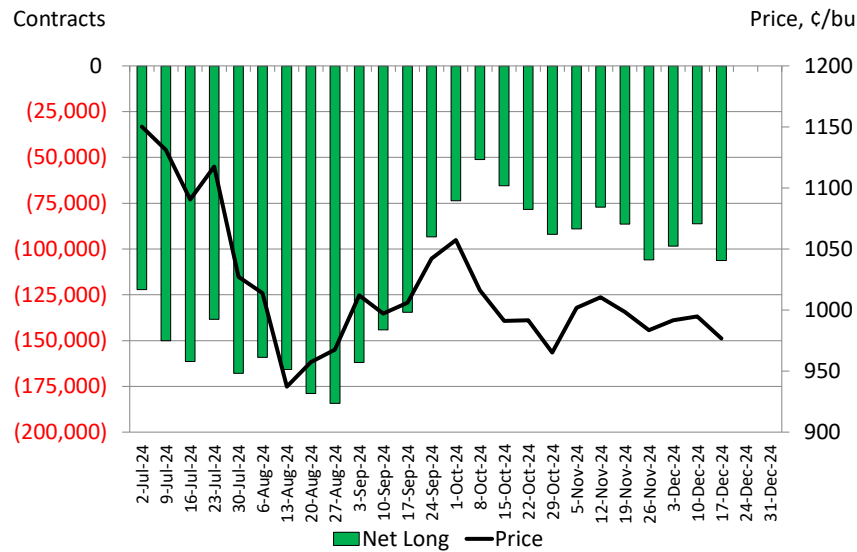


Non-commercial Investment in Corn, 12/17/2024



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

Non-commercial Investment in Soybeans, 12/17/2024



CFTC Legacy Report, Futures Only
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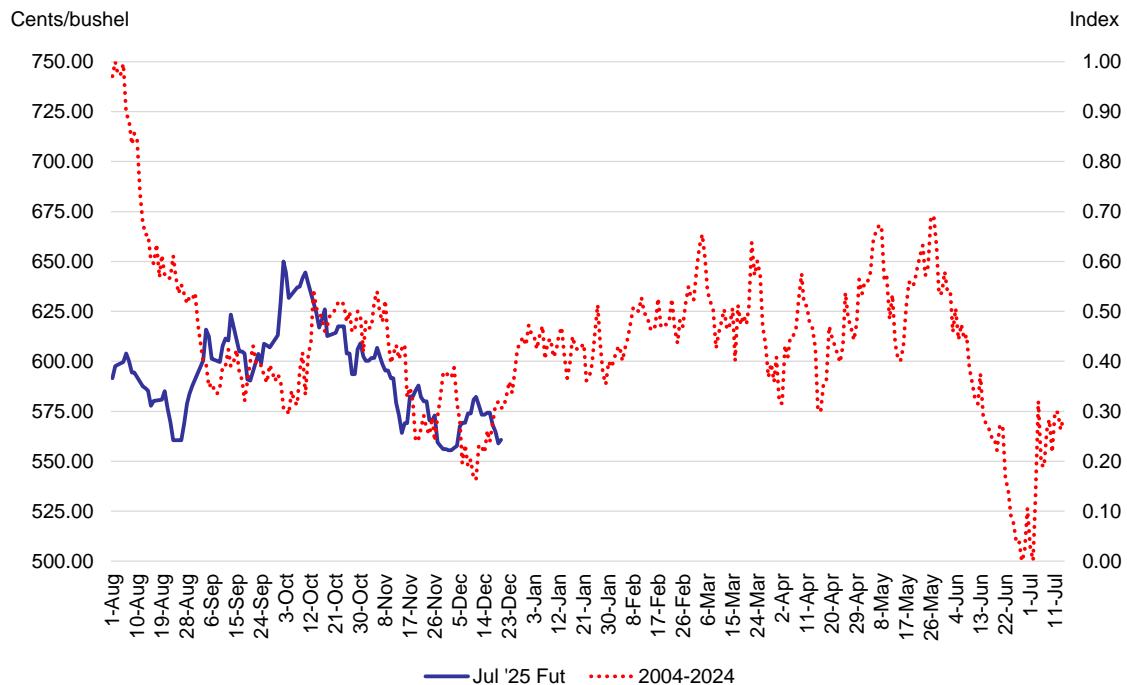
For December 17, based on whether the net long number (long contracts held minus short contracts held) is positive or negative and whether that net long number increased or decreased compared to the week before, speculators were:

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

Marketing Strategies

Seasonal Index. The seasonal index for the July Kansas City Wheat futures contract shows prices typically declining 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.

2025 July KC Wheat Futures and Seasonal Index: 2004-2024



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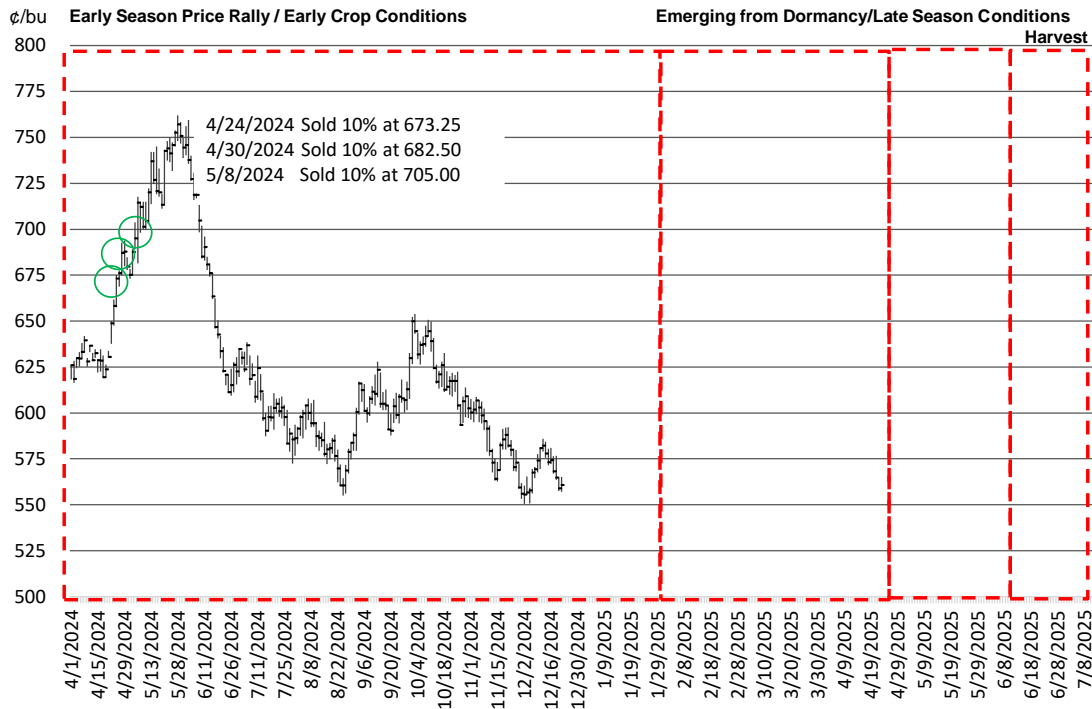
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Wheat Marketing Plan. For the 2025 wheat crop, I am 30% sold.

July 2025 KC Wheat and Marketing Plan



Upcoming Reports/Events

December 20	Cattle on Feed Chickens and Eggs
December 23	Hogs and Pigs
January 5-11	The Executive Program for Agricultural Producers (TEPAP) San Antonio, Texas
January 10	Crop Production WASDE Grain Stocks Winter Wheat/Canola Seedings December Employment Situation, Bureau of Labor Statistics
January 15	Consumer Price Index

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