

Wheat Outlook

January 3, 2025
Volume 34, Number 2

Today's Newsletter

Market Situation

Crop Progress and Condition 1

Weather 1

Grain Use 4

Cash Grain Prices 4

Commitment of Traders 4

Marketing Strategies

Seasonal Index 7

Marketing Plan 8

Upcoming Reports/ Events 8

Cattle grazing wheat pasture, Randall County, Texas



Market Situation

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 several weeks in December with the crop condition index showing improvement.

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

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: 117, 121, 122. For the week, the area impacted by drought is down from 63% to 58%.

Significant precipitation is in the forecast for much of the Southern Plains the next 7-days (1/4-1/11/2025). Heavy snow and sleet is expected through Sunday night from Kansas eastward.

Sea surface temperatures in the eastern Pacific took a big drop this week, down to -1.1°C below normal. 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, back to neutral March-May 2025.

Wheat Outlook

January 3, 2025

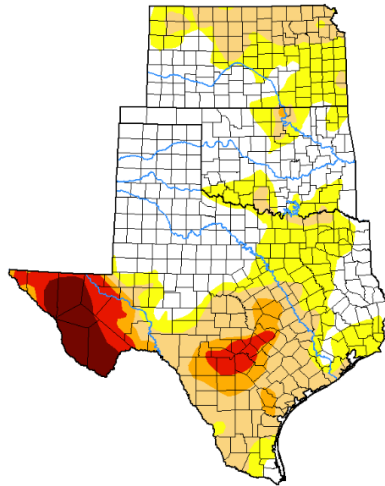
Volume 34, Number 2

U.S. Drought Monitor

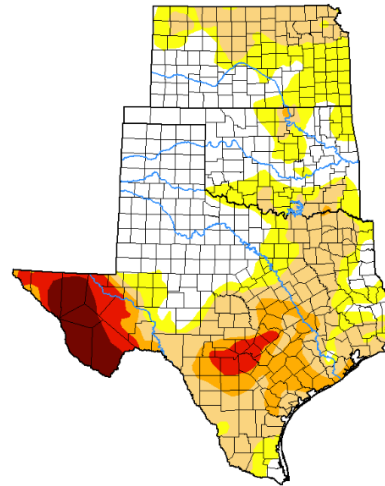
[Current](#)
[Maps](#)
[Data](#)
[Summary](#)
[About](#)
[Conditions & Outlooks](#)
[Ag in Drought](#)
[En Español](#)
[NADM](#)

Drought Classification

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data



< December 31, 2024 > [Download]

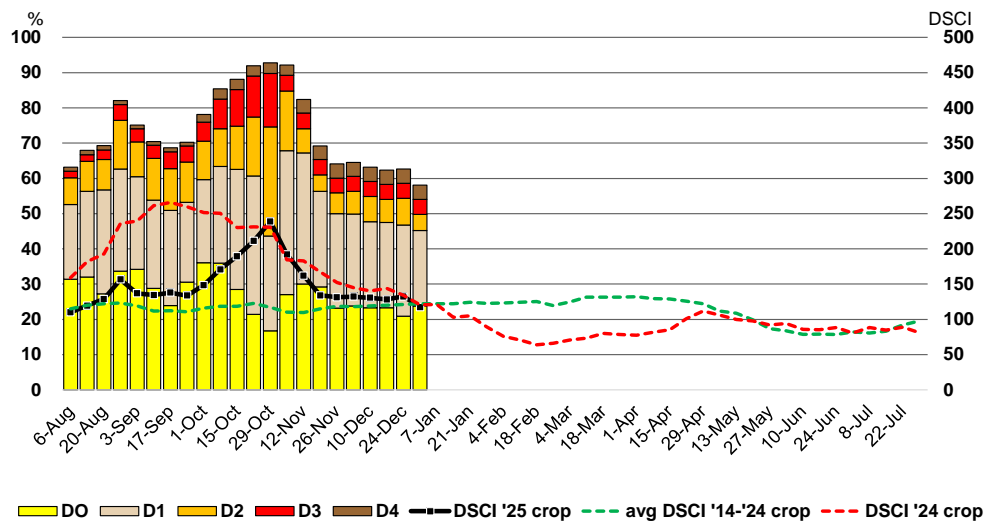


< December 24, 2024 > [Download]

Southern Plains Drought Monitor 12/31/2024

Drought Classification

■ None
 ■ D0 (Abnormally Dry)
 ■ D1 (Moderate Drought)
 ■ D2 (Severe Drought)
 ■ D3 (Extreme Drought)
 ■ D4 (Exceptional Drought)

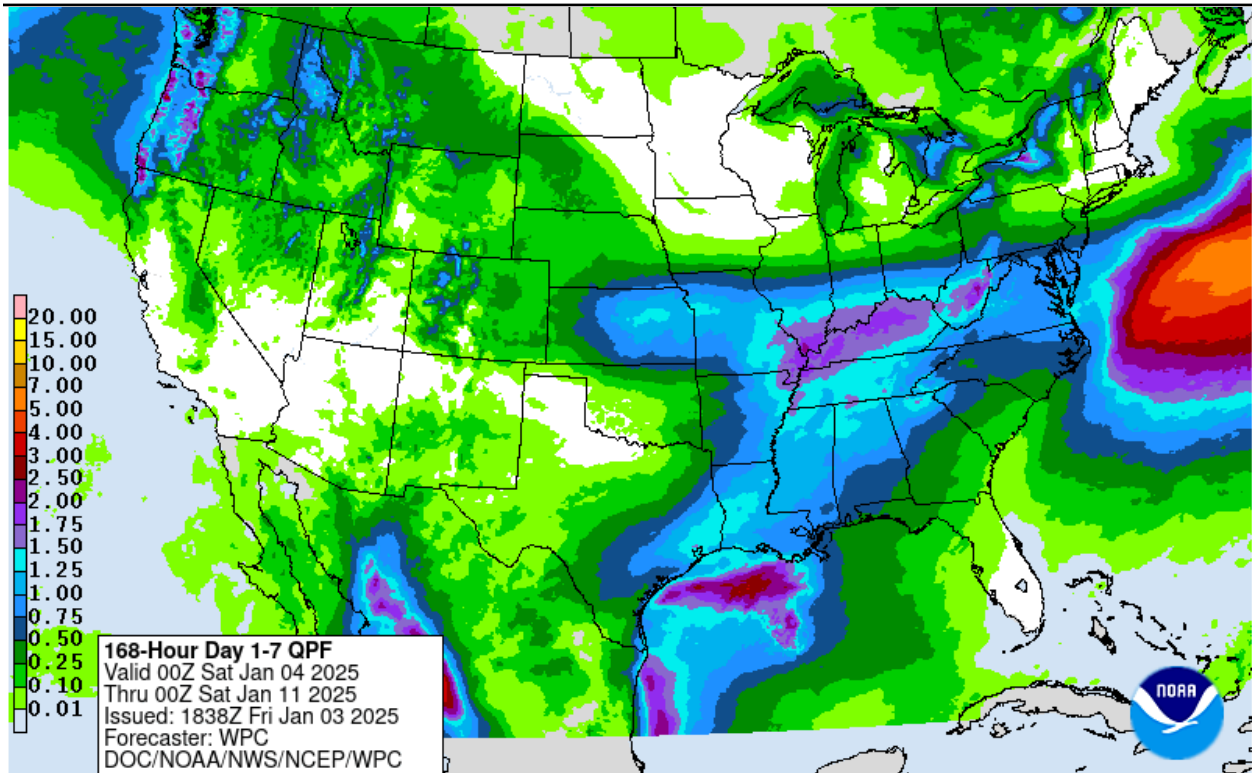


Drought Severity and Coverage Index (DSCI) = (D0*1)+(D1*2)+(D2*3)+(D3*4)+(D4*5);
 min 0--no drought conditions reported; max 500--100% under exceptional drought conditions

Drought Monitor, 1/2/2025, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

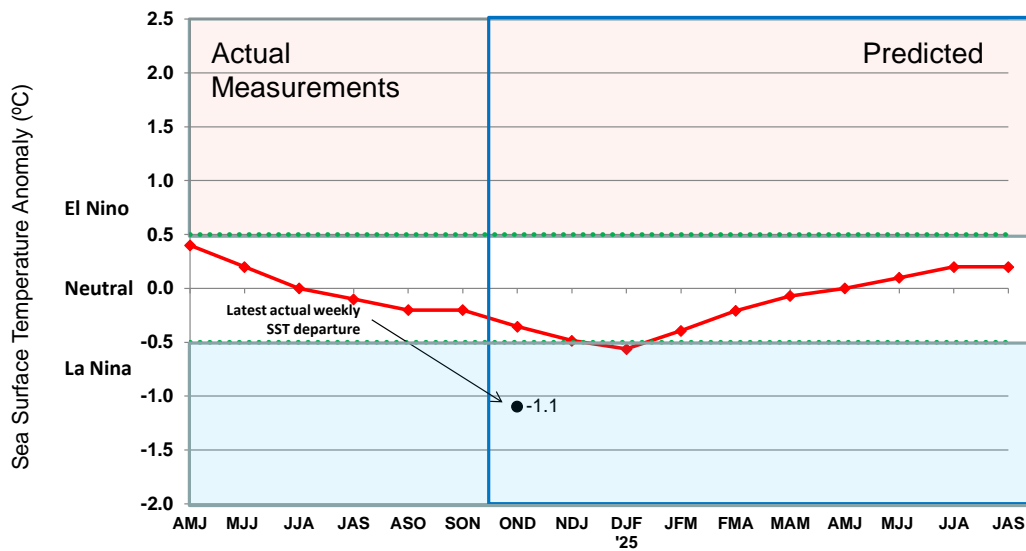
Wheat Outlook

January 3, 2025
Volume 34, Number 2



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

CPC: La Niña conditions are most likely to emerge in November 2024-January 2025 (59% chance), with a transition to ENSO-neutral most likely March-May 2025.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, December 30, 2024
http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/
 Australian Bureau of Meteorology, <http://www.bom.gov.au/climate/enso/>

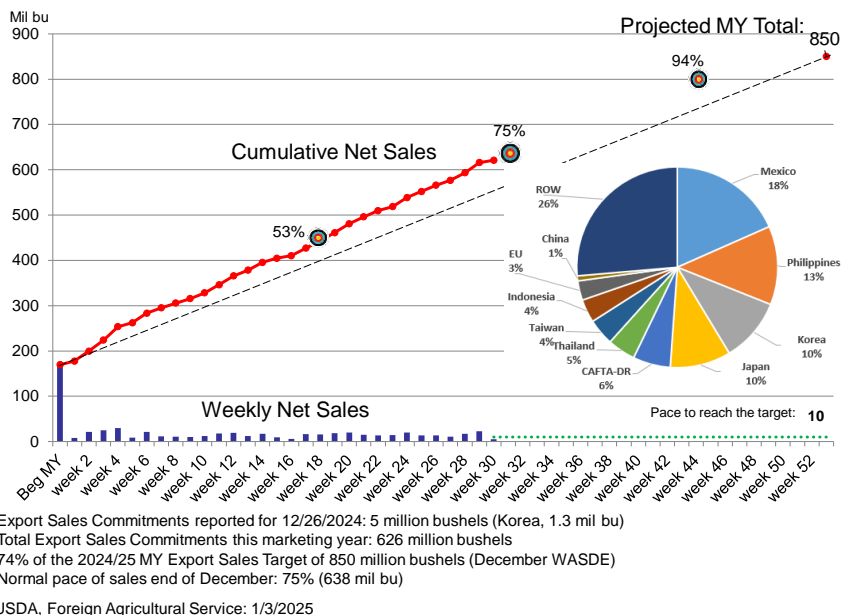
Wheat Outlook

January 3, 2025
Volume 34, Number 2



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 26 were 5 million bushels, 1.36 million bound for Korea. That brings the total for the marketing year to 626 million bushels, 74% 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



Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
December 5	5.53	4.49	-1.04			
December 12	5.63	4.69	-0.94			
December 19	5.43	4.49	-0.94			
December 26	5.52	4.57	-0.94			
January 2	5.52	4.58	-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. Due to the January 1 federal holiday, the Commitment of Traders report for December 31 is delayed until Monday, January 6. Prices last Tuesday were higher across the board.

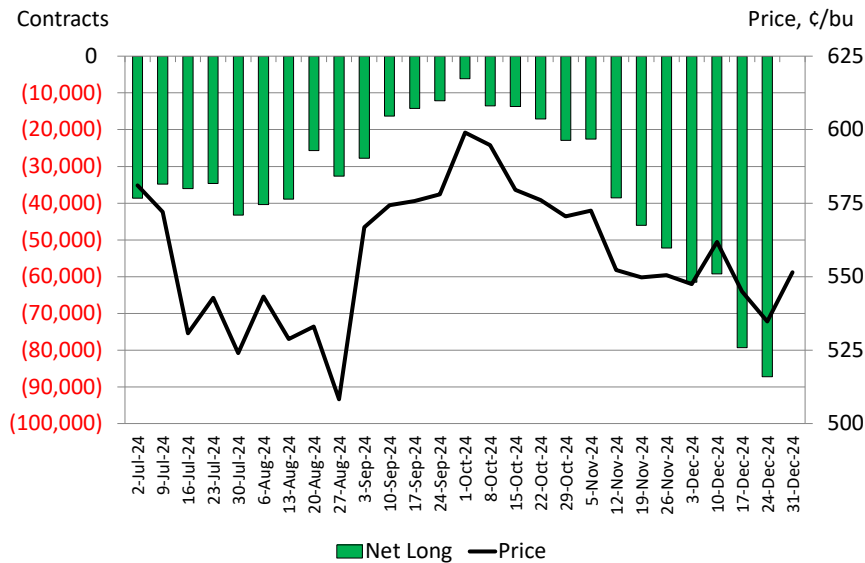
Wheat Outlook

January 3, 2025
Volume 34, Number 2

	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
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	126,968	206,308	(79,340)	545.00	73,560	89,678	(16,118)	552.50
12/24/2024	132,043	219,309	(87,266)	534.75	78,276	95,957	(17,681)	543.75
12/31/2024				551.50				559.25
Change				16.75				15.50

	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
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	454,635	232,787	221,848	443.50	156,034	265,363	(109,329)	976.75
12/24/2024	461,845	236,170	225,675	448.50	159,460	264,378	(104,918)	975.25
12/31/2024				458.50				998.25
Change				10.00				23.00

Non-commercial Investment in CBOT Wheat, 12/31/2024



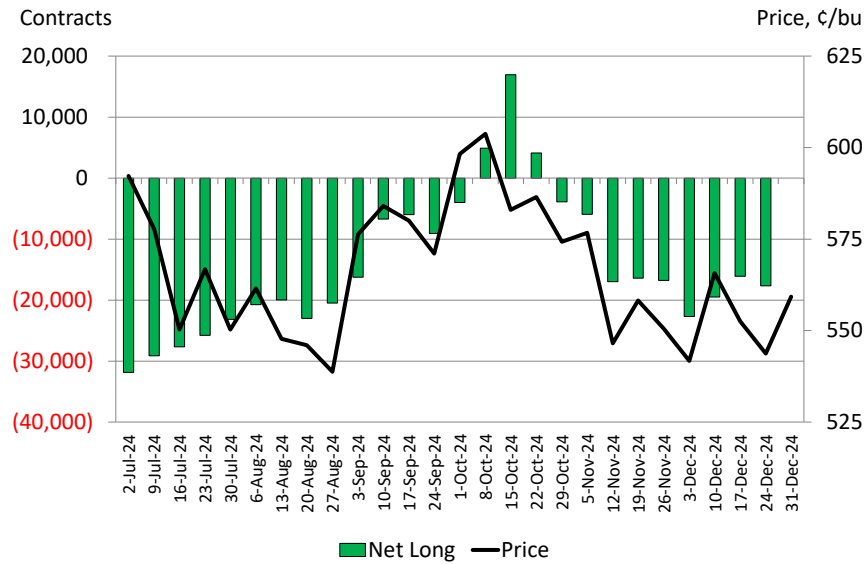
CFTC Legacy Report, Futures Only
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

Wheat Outlook

January 3, 2025
Volume 34, Number 2

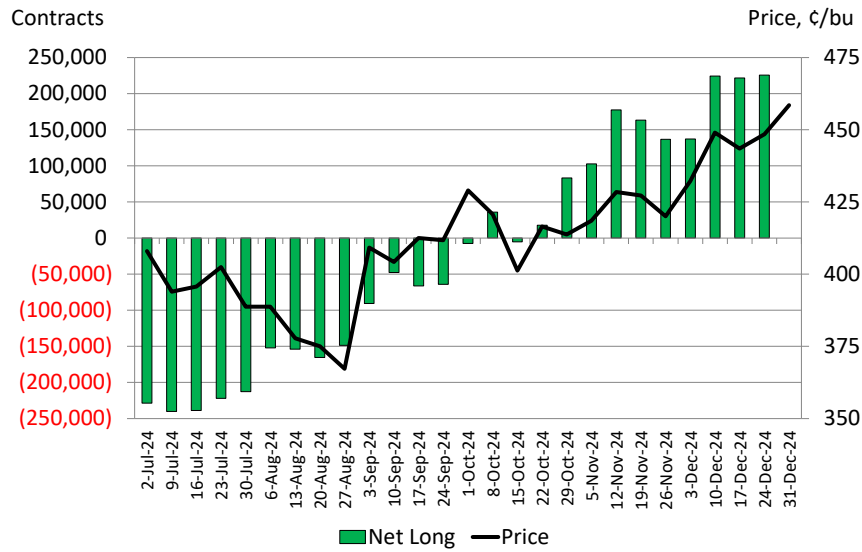


Non-commercial Investment in KC Wheat, 12/31/2024



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

Non-commercial Investment in Corn, 12/31/2024



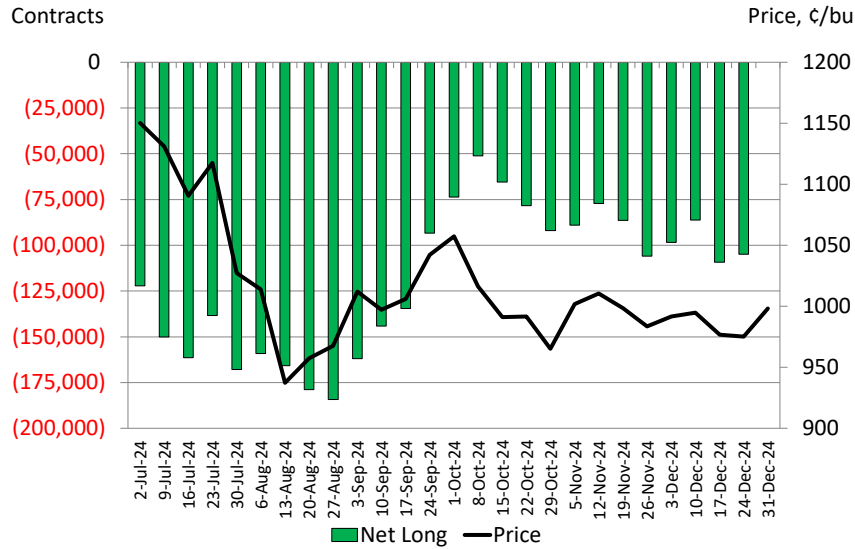
CFTC Legacy Report, Futures Only
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

Wheat Outlook

January 3, 2025
Volume 34, Number 2



Non-commercial Investment in Soybeans, 12/31/2024

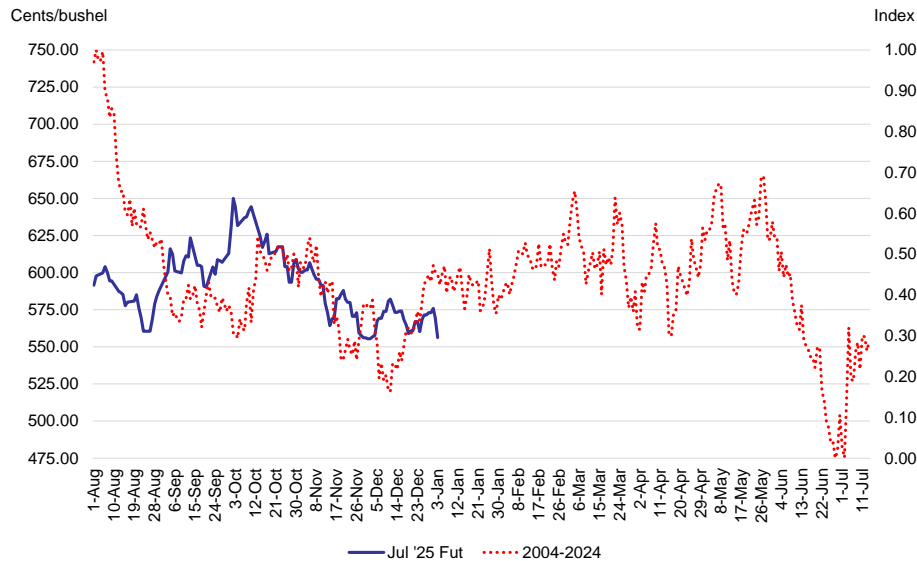


CFTC Legacy Report, Futures Only
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

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



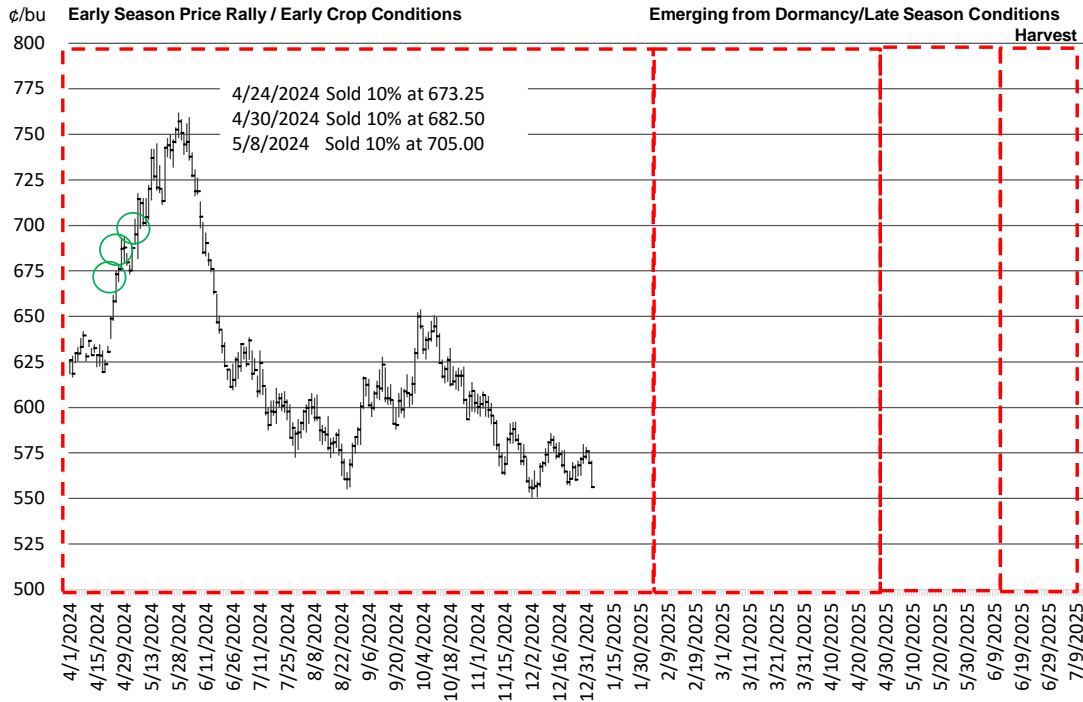
Wheat Outlook

January 3, 2025
Volume 34, Number 2



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

July 2025 KC Wheat and Marketing Plan



Upcoming Reports/Events

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
February 12-13	Master Marketer: Building a Marketing Plan: Feed Grains, Amarillo
February 27-28	Master Marketer: Building a Marketing Plan: Cotton, Lubbock
March 25-26	Master Marketer: Building a Marketing Plan: Grain, Waco
April 23-24	Master Marketer: Building a Marketing Plan: Grain, Cotton, Livestock, Weslaco

Wheat Outlook

January 3, 2025

Volume 34, Number 2

Mark Welch, Texas A&M AgriLife Extension Economist

600 John Kimbrough Blvd, Suite 330B

College Station, Texas 77843

Tel. (979)845-8011

Fax. (979)845-4906

JMWelch@tamu.edu

The opinions and recommendations expressed are solely those of the author and are intended for educational purposes only as part of the Texas A&M AgriLife Extension Service. The author and Texas A&M AgriLife Extension Service assume no liability for the use of this newsletter. The Texas A&M AgriLife Extension Service provides equal access in its programs, activities, education and employment, without regard to race, color, sex, religion, national origin, disability, age, genetic information, veteran status, sexual orientation or gender identity.

The Texas A&M University System, U.S. Department of Agriculture, and the County Commissioners Courts of Texas Cooperating