

Wheat Outlook

January 13, 2025
Volume 34, Number 4

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Cattle grazing wheat pasture, Randall County, Texas

Market Situation

WASDE. Only minor changes to the supply and demand balance sheets for wheat in the January WASDE.

U.S. wheat ending stocks increased by 3 million bushels on a small increase in imports and slightly higher seed use. Estimated days of use on hand at the end of the marketing year increased from 145.2-day supply last month to 145.6. The season average farm price decreased 5 cents to \$5.55.

World wheat ending stocks increased 0.9 mmt (35 mil bu) with a small increase in production and a small decrease in use. Days on hand at the end of the marketing year are estimated at a 117.8 day supply, up from 117.3 last month. This is the tightest supply to use condition for wheat since the 116.1 day carryover in 2014/15.

World wheat production of 793.24 mmt (29.147 bil bu) is a record high.

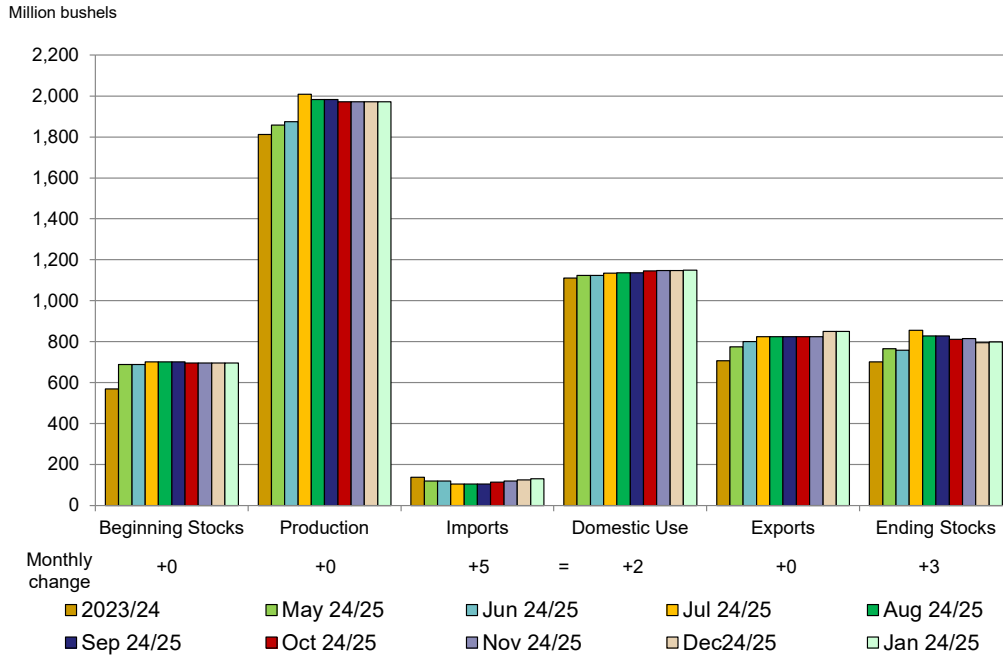
US WHEAT SUPPLY AND USE			January		
AREA			2024/25	Dec to Jan	
			1/10/2025	Net Change	% Change
	Planted	mil acres	46.1	0.0	0.00%
	Harvested	mil acres	38.5	0.0	0.00%
	Percent Harvested		83.5%	0.0%	0.00%
YIELD	Harvested acre	bu/ac	51.2	0.0	0.00%
SUPPLY					
	Beginning stocks	mil bu	696	0.0	0.00%
	Production	mil bu	1,971	0.0	0.00%
	Imports	mil bu	130	5.0	4.00%
	Total Supply	mil bu	2,798	5.0	0.18%
DEMAND					
	Food	mil bu	966	0.0	0.00%
	Seed	mil bu	64	2.0	3.23%
	Feed and residual	mil bu	120	0.0	0.00%
	Total Domestic Use	mil bu	1,150	2.0	0.17%
	Exports	mil bu	850	0.0	0.00%
	Total Use	mil bu	2,000	2.0	0.10%
	Ending stocks	mil bu	798	3.0	0.38%
	Stocks to Use ratio	percent	39.9%	0.1%	0.28%
	Days of Use on hand	days	145.6	0.4	0.28%
PRICE					
	Average farm price	\$/bu	\$ 5.55	-0.05	-0.89%
	Reference Price	\$/bu	\$ 5.50	0.00	0.00%
	PLC Payment	\$/bu	\$ -	0.00	

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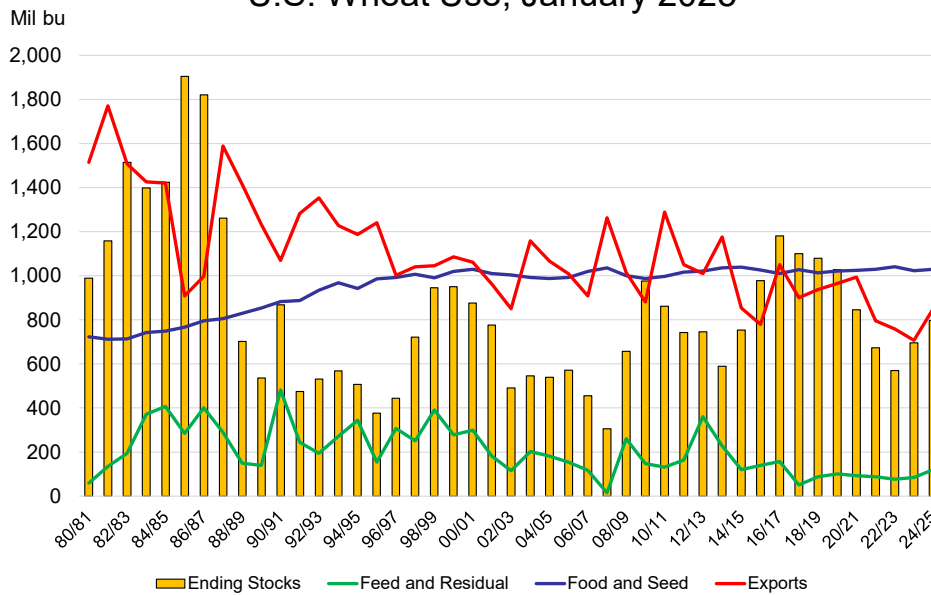


U.S. Wheat Supply and Demand, January 2025



USDA, WASDE, 1/10/2025

U.S. Wheat Use, January 2025



USDA, WASDE, 1/10/2025

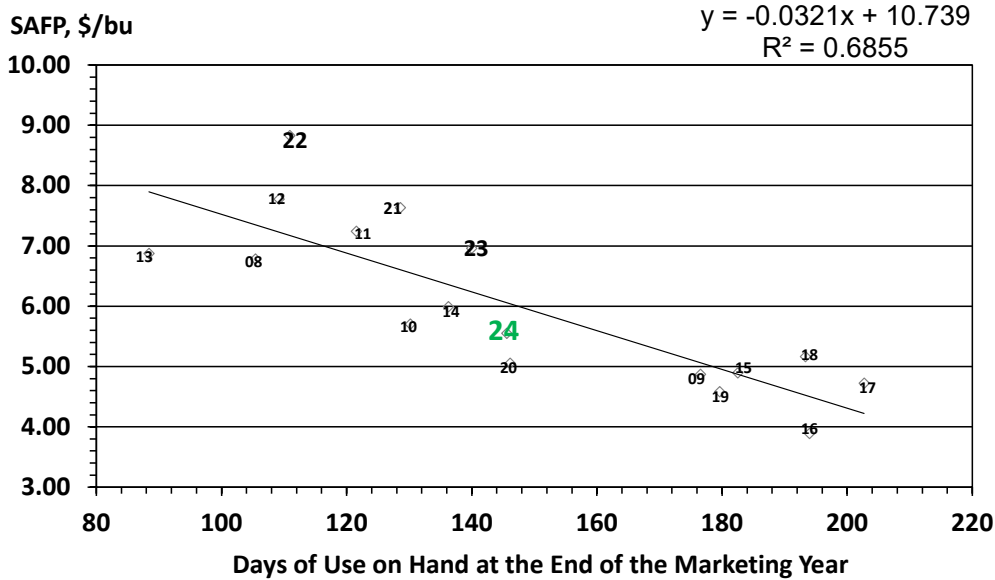
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Nominal U.S. Wheat Average Farm Price and Days of Use on Hand

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



Source: USDA, January WASDE 2025

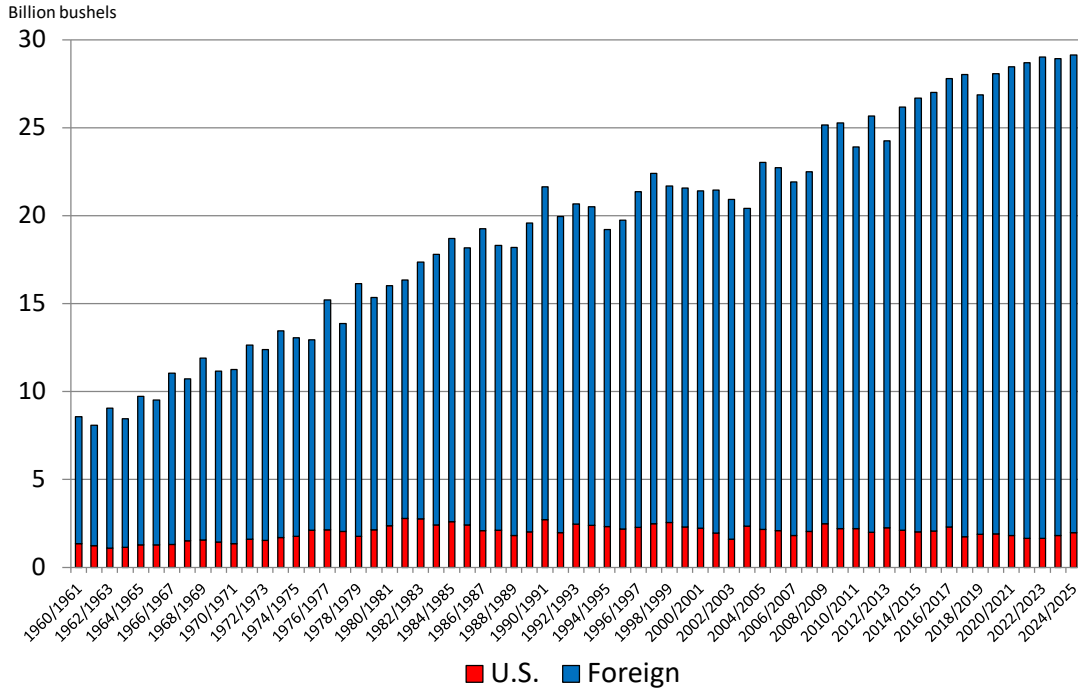
WORLD WHEAT		MMT								
Marketing Year		Beginning Stocks	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days on hand
2014/15		197.70	730.41	159.38	132.37	700.51	164.22	222.76	0.3180	116.1
2015/16		222.76	738.14	169.78	141.27	713.11	172.58	244.99	0.3436	125.4
2016/17		244.99	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
2024/25	December	267.41	792.95	209.55	152.60	802.47	213.65	257.88	0.3214	117.3
2024/25	January	267.47	793.24	208.48	152.70	801.89	212.00	258.82	0.3228	117.8
	Net Change	0.06	0.29	(1.07)	0.10	(0.58)	(1.65)	0.94	0.00	0.51
	% Change	0.02%	0.04%	-0.51%	0.07%	-0.07%	-0.77%	0.36%	0.44%	0.44%

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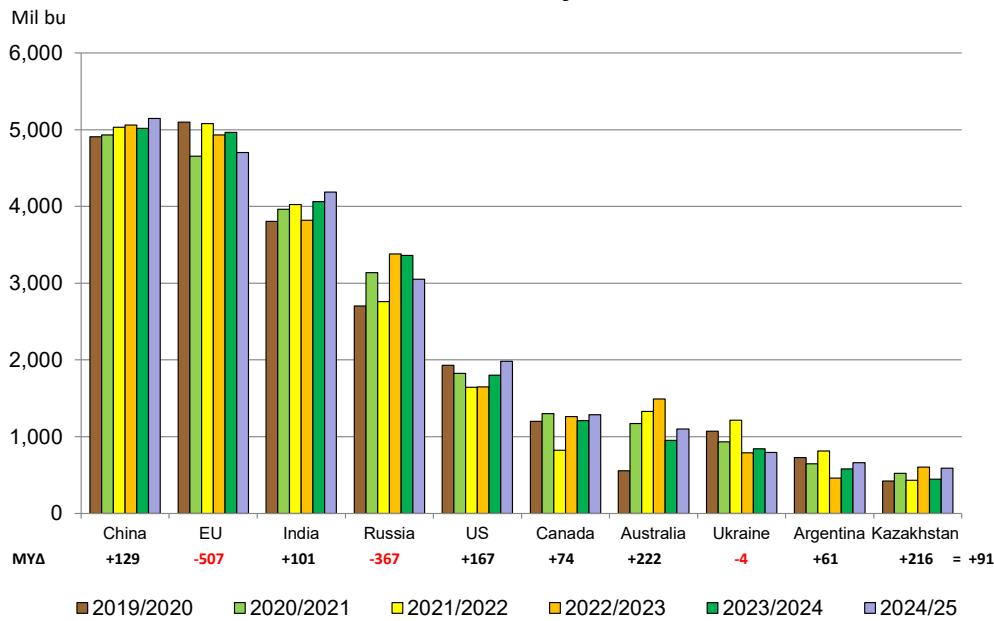


World Wheat Production



WASDE 1/10/2025

Wheat Production, Major Contributors



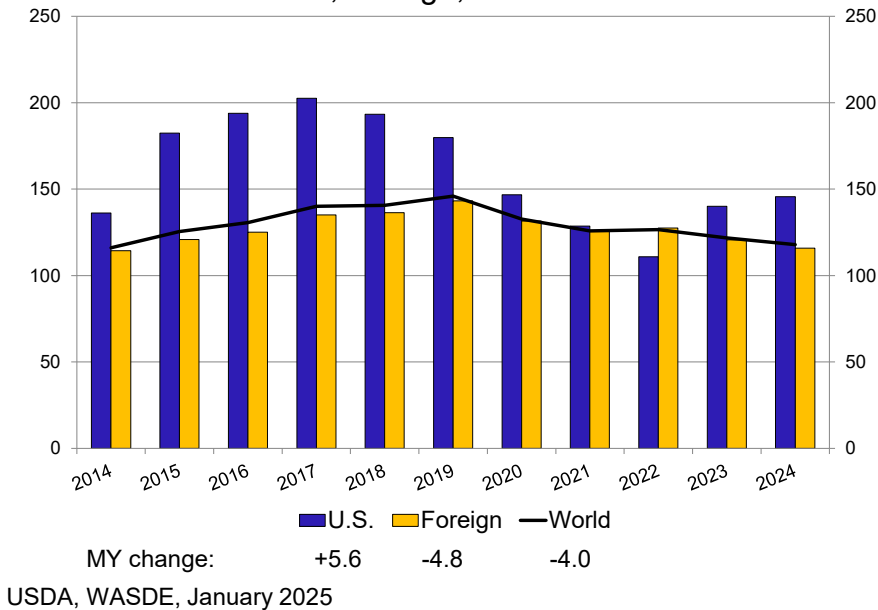
WASDE, 1/10/2025

80% of global wheat production

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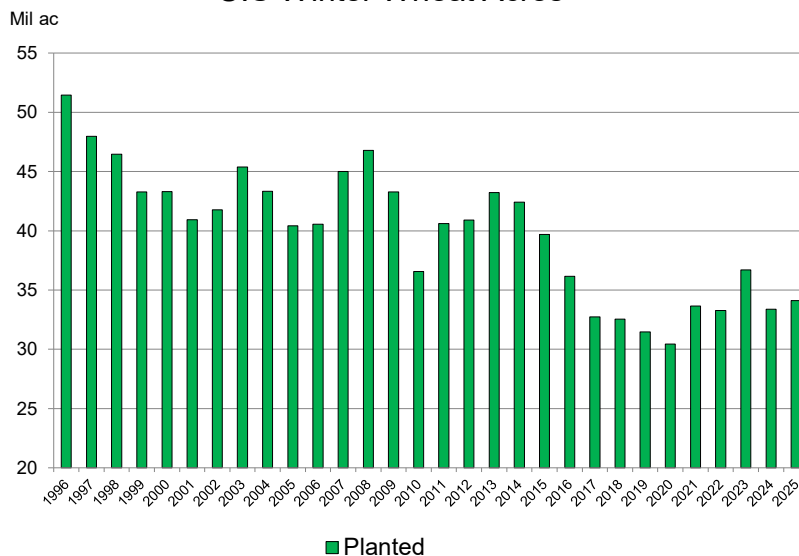
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Wheat Days of Use on Hand at the End of the Marketing Year:
US, Foreign, and World



Winter Wheat and Canola Seedings. Winter wheat acres for 2025 are reported as 34.115 million, up from 33.390 million acres in 2024. Winter wheat acres in the Southern Plains are unchanged from a year ago with Kansas down 200,000, Oklahoma down 100,000, Texas up 300,000, and Colorado unchanged.

U.S Winter Wheat Acres

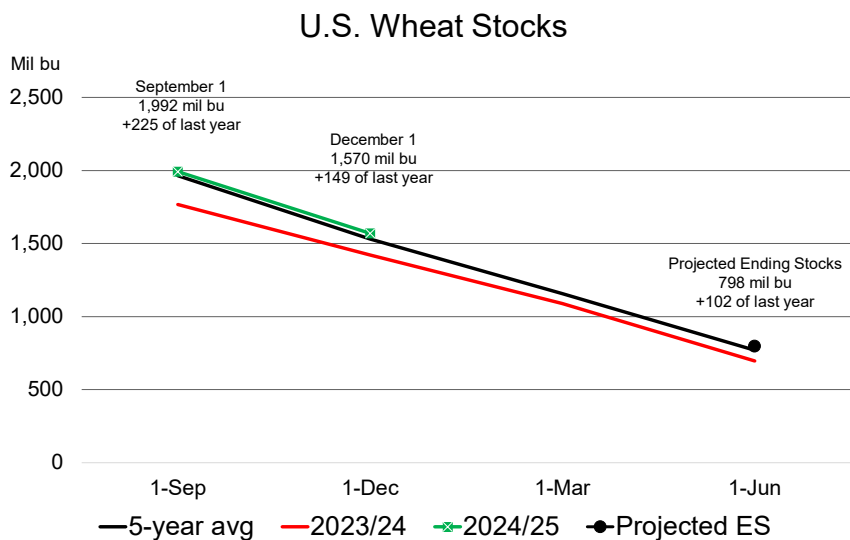


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Grain Stocks. All wheat in all positions on December 1 was 1.569 billion bushels, up 149 million bushels compared to a year ago. The current ending stock estimate is 102 million bushels above ending stocks in the 2023/24 marketing year.



USDA, NASS: January 10, 2025

Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
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			
January 10	5.52	4.57	-0.95			
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. Speculator positioning ahead of the WASDE report last week shows traders mixed in the wheat markets, more bullish corn and soybeans. Net longs were down slightly in Chicago wheat with increases in short contracts held greater than the increase in longs. It was the opposite in Kansas City wheat where net longs were up (less negative) with a decrease in short positions exceeding the decrease in longs.

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	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	136,258	212,722	(76,464)	551.50	76,119	93,108	(16,989)	559.25
1/7/2025	138,397	217,871	(79,474)	542.50	75,914	91,786	(15,872)	555.75
Change	2,139	5,149	(3,010)	(9.00)	(205)	(1,322)	1,117	(3.50)

Net longs were up in corn with traders adding to longs and getting out of short positions. Soybean traders did not add to their long holdings but exited their bets for lower prices, the short side of the market.

	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	493,433	202,918	290,515	458.50	161,103	231,021	(69,918)	998.25
1/7/2025	506,413	186,600	319,813	458.00	160,940	210,941	(50,001)	1011.50
Change	12,980	(16,318)	29,298	(0.50)	(163)	(20,080)	19,917	13.25

For January 7, 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:

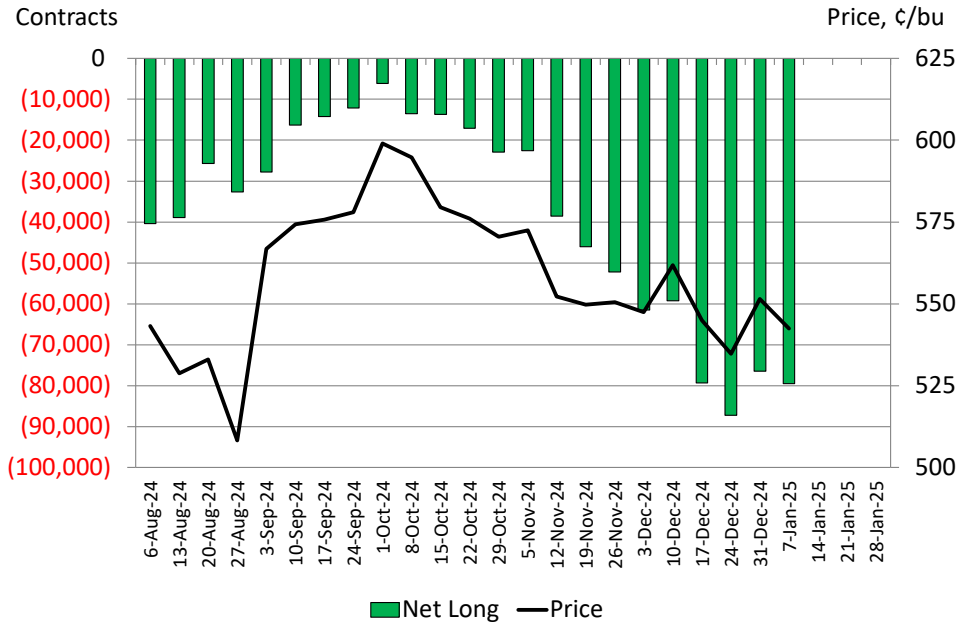
- more bearish Chicago soft red winter wheat,
- less bearish KC hard red winter wheat,
- more bullish corn, and
- less bearish soybeans.

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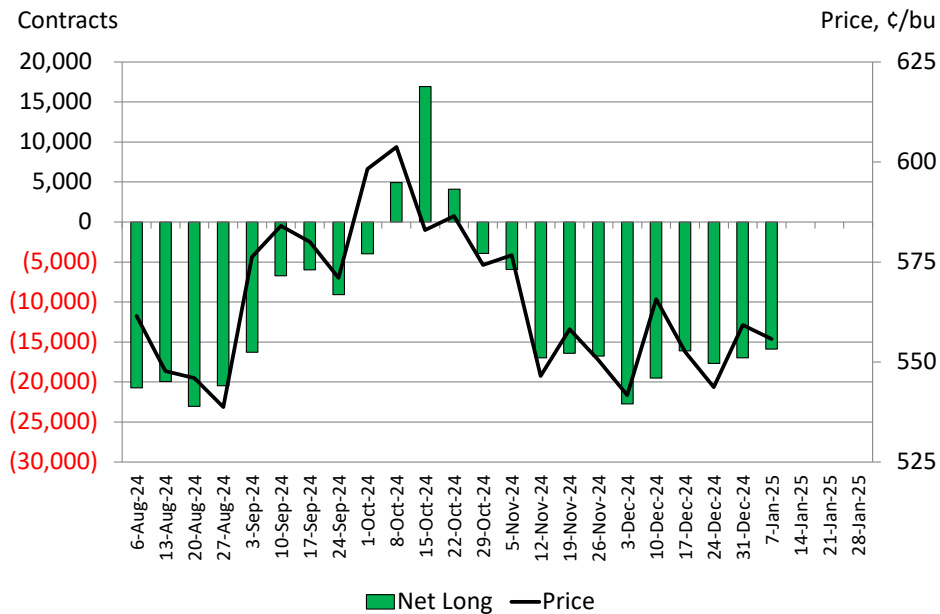


Non-commercial Investment in CBOT Wheat, 1/7/2025



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

Non-commercial Investment in KC Wheat, 1/7/2025



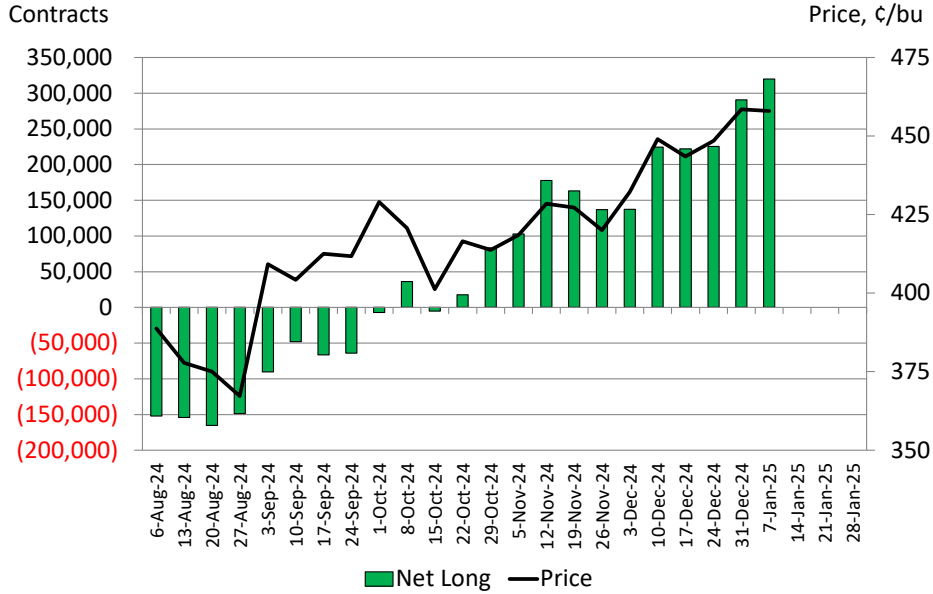
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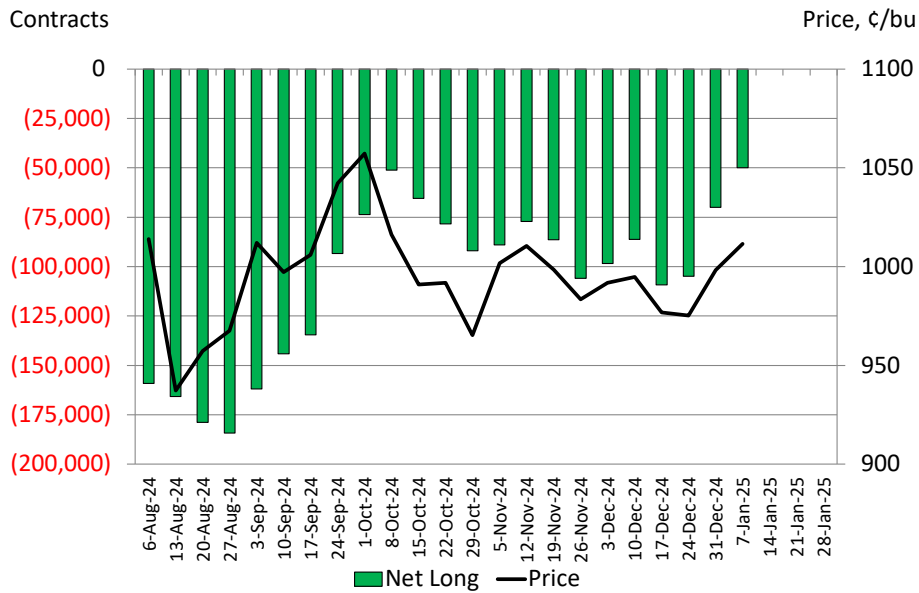


Non-commercial Investment in Corn, 1/7/2025



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

Non-commercial Investment in Soybeans, 1/7/2025



CFTC Legacy Report, Futures Only
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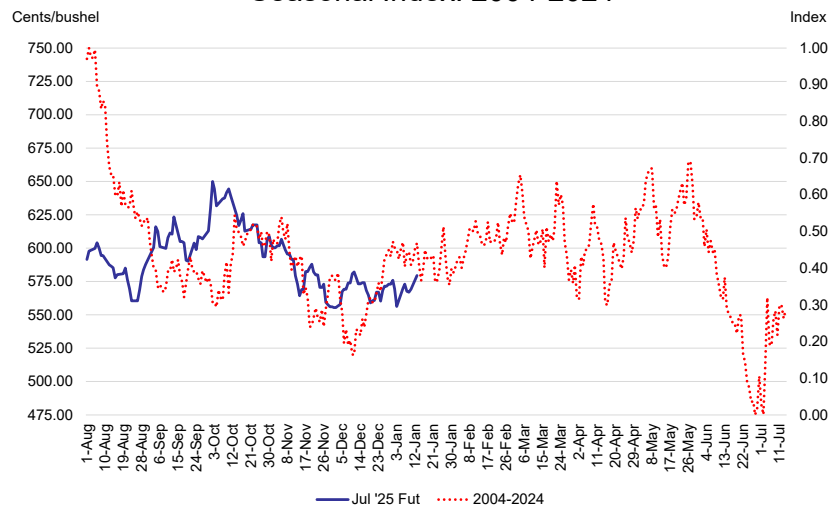
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Marketing Strategies

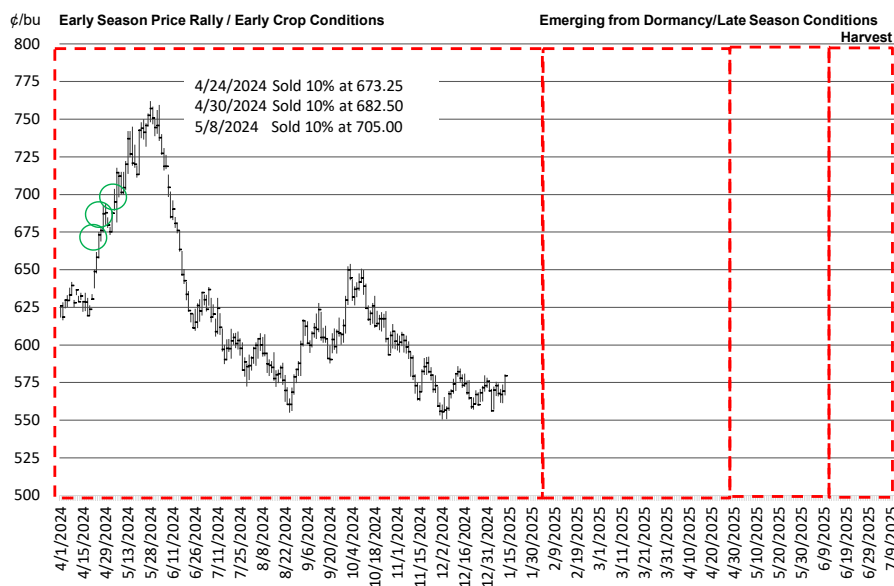
Seasonal Index. The seasonal index for the July Kansas City Wheat futures contract shows prices typically declining from August to the end of the calendar year. Prices tend to trend upwards in late-winter associated with crop condition concerns, topping out in February/March as the crop breaks dormancy. 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 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

January 15	Consumer Price Index
January 24	Cattle on Feed
February 11	WASDE Crop Production
February 12-13	Master Marketer: Building a Marketing Plan: Feed Grains, Amarillo
February 27-28	USDA Ag Outlook Forum 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

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