

Wheat Outlook

February 21, 2025

Volume 34, Number 14

Today's Newsletter

Market Situation

WASDE 1

Weather 5

Cash Grain Prices 7

Commitment of Traders 7

Marketing Strategies

Seasonal Index 10

Marketing Plan 11

Upcoming Reports/ Events 11



Market Situation

WASDE. Only minor changes to the supply and demand tables for U.S. and world wheat in the February *World Agricultural Supply and Demand Estimates*. Food use was up 4 million bushels in the U.S. With no changes to supply, that lowered the ending stock estimate a like amount.

The updated days of use on hand at the end of the marketing year estimate is a 144.6-day supply, down from 145.6 in January.

US WHEAT SUPPLY AND USE			February		
AREA			2024/25	Jan to Feb	
			2/11/2025	Net Δ	% Δ
	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	0.0	0.00%
	Total Supply	mil bu	2,798	0.0	0.00%
DEMAND					
	Food	mil bu	970	4.0	0.41%
	Seed	mil bu	64	0.0	0.00%
	Feed and residual	mil bu	120	0.0	0.00%
	Total Domestic Use	mil bu	1,154	4.0	0.35%
	Exports	mil bu	850	0.0	0.00%
	Total Use	mil bu	2,004	4.0	0.20%
	Ending stocks	mil bu	794	-4.0	-0.50%
	Stocks to Use ratio	percent	39.6%	-0.3%	-0.70%
	Days of Use on hand	days	144.6	-1.0	-0.70%
PRICE	Average farm price	\$/bu	\$ 5.55	0.00	0.00%
	Reference Price	\$/bu	\$ 5.50	0.00	0.00%
	PLC Payment	\$/bu	\$ -	0.00	

World wheat production was up this month on small increases in Argentina and Kazakhstan (0.6 mmt or about 20 million bushels).

Use was up this month by 1.8 mmt (67 million bushels). These combined to lower ending stocks by 1.3 mmt (46 million bushels).

Days of use on hand at the end of the marketing year fell from a 117.8-day supply last month to 117.0. This is the tightest world wheat supply to use ratio since 2014/15.

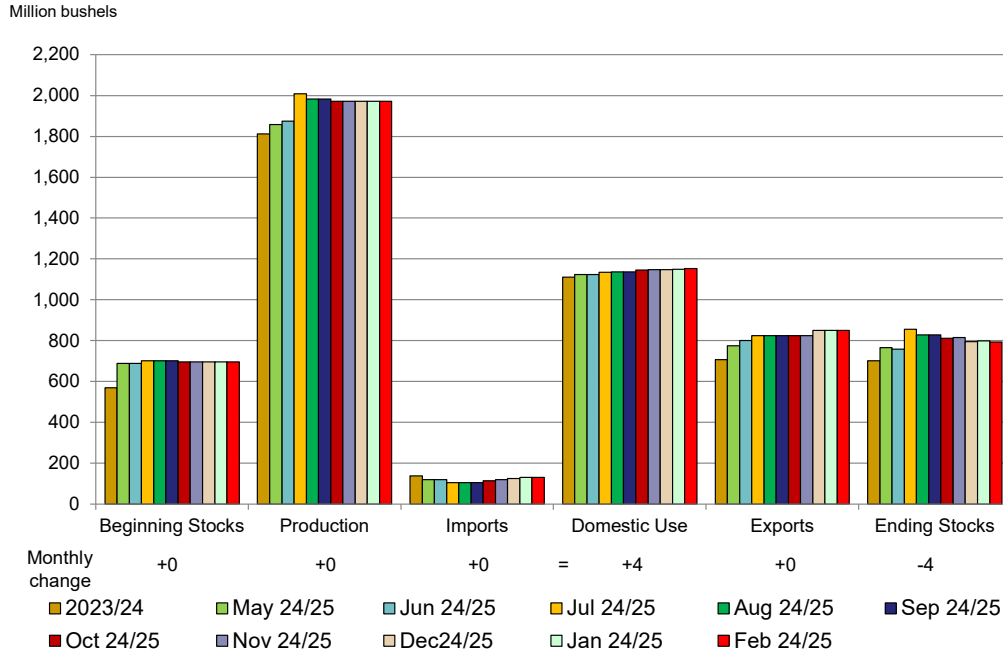
Wheat Outlook

February 21, 2025

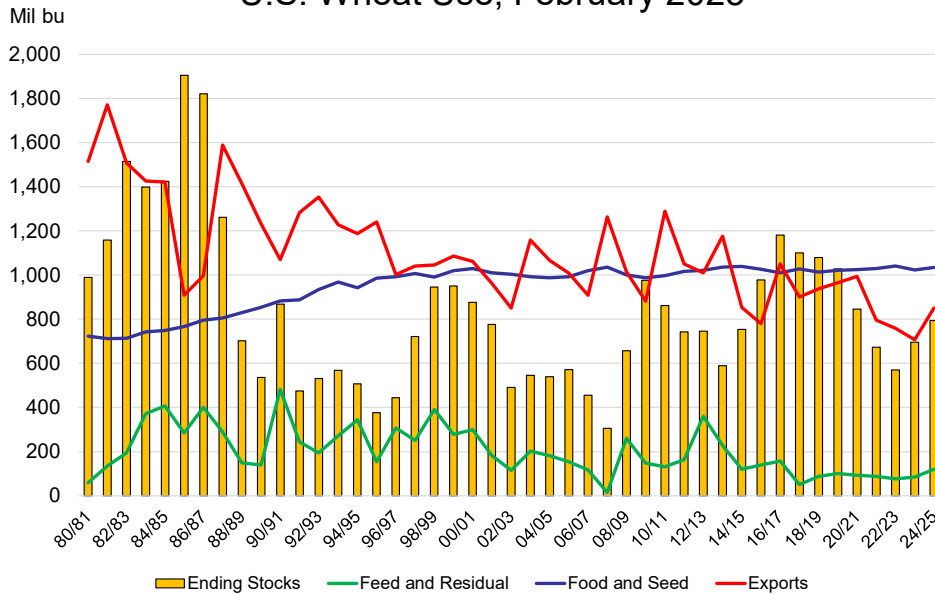
Volume 34, Number 14



U.S. Wheat Supply and Demand, February 2025



U.S. Wheat Use, February 2025



Wheat Outlook

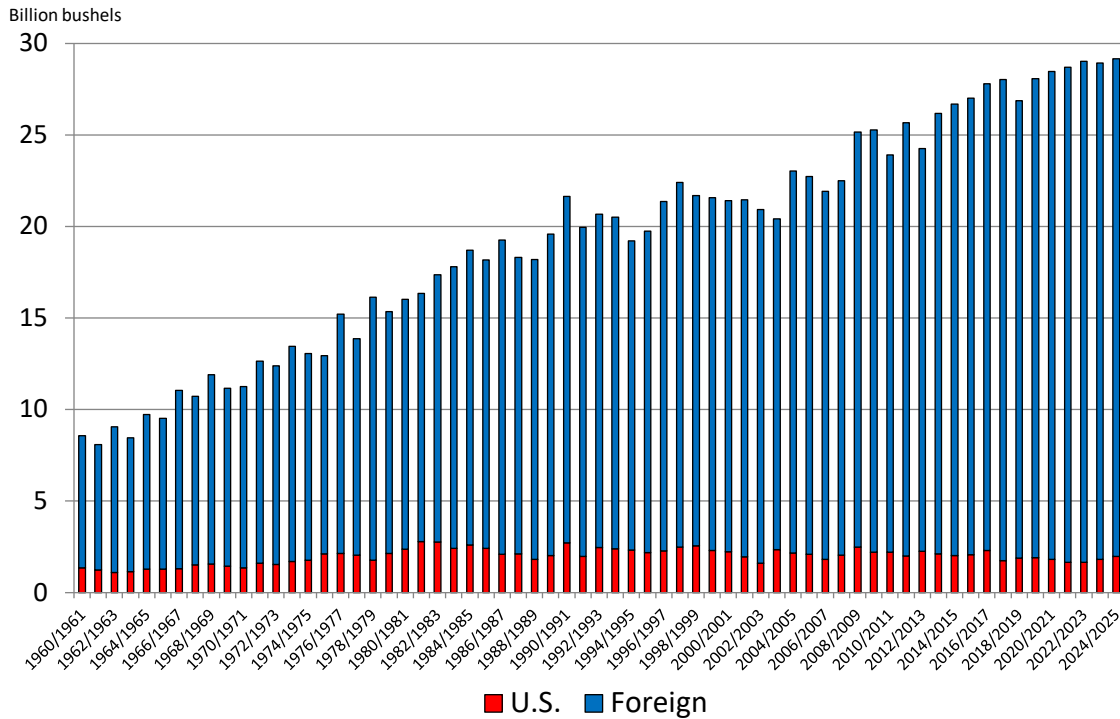
February 21, 2025

Volume 34, Number 14



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
2024/25	February	267.49	793.79	204.81	153.50	803.72	208.99	257.56	0.3205	117.0
	Net Change	0.02	0.55	(3.67)	0.80	1.83	(3.01)	(1.26)	(0.0023)	(0.84)
	% Change	0.01%	0.07%	-1.76%	0.52%	0.23%	-1.42%	-0.49%	-0.71%	-0.71%

World Wheat Production



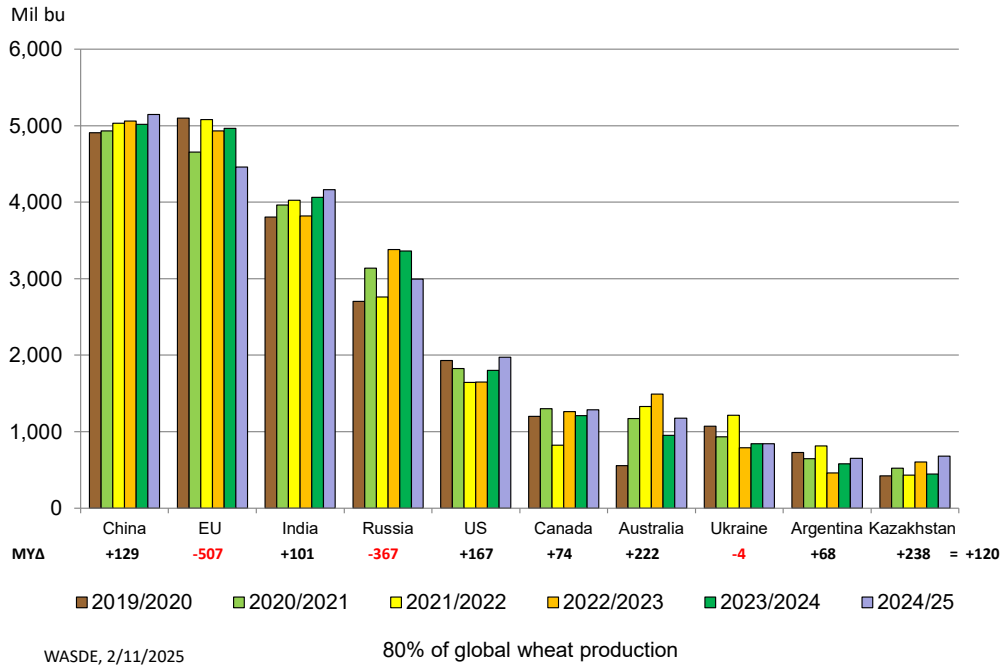
WASDE 2/11/2025

Wheat Outlook

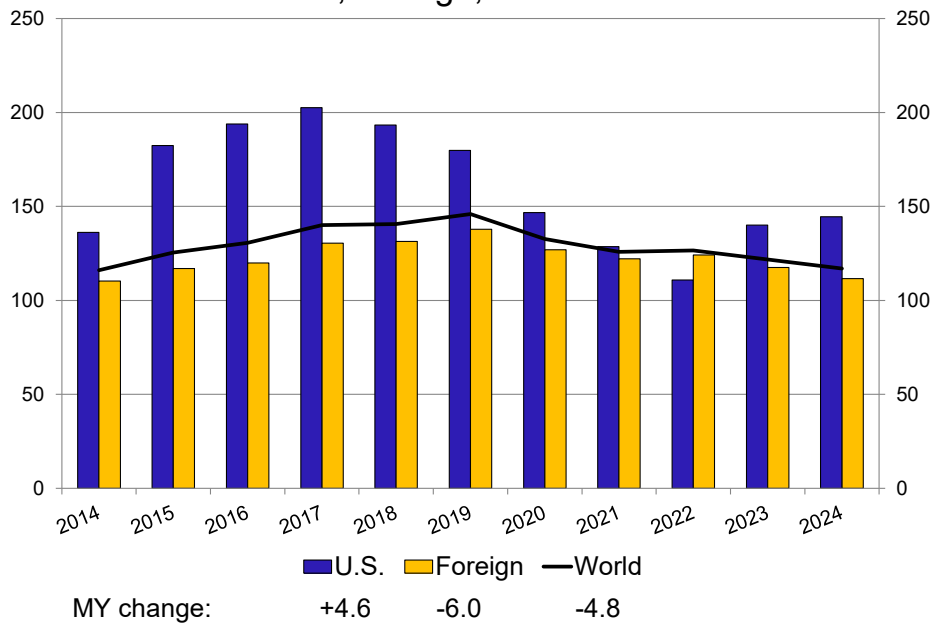
February 21, 2025

Volume 34, Number 14

Wheat Production, Major Contributors



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



USDA, WASDE, February 2025

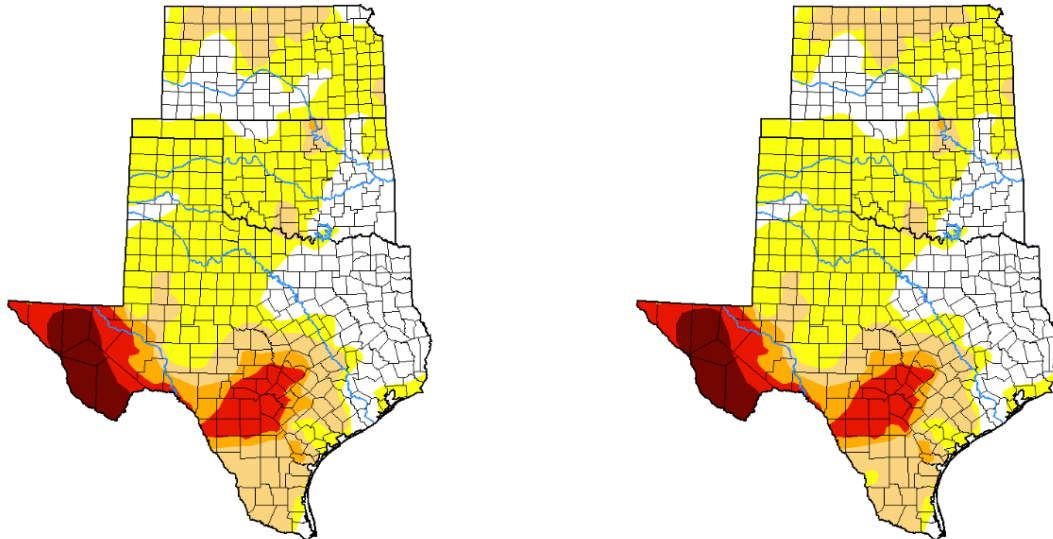
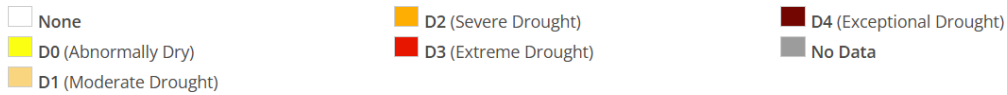
Wheat Outlook

February 21, 2025

Volume 34, Number 14

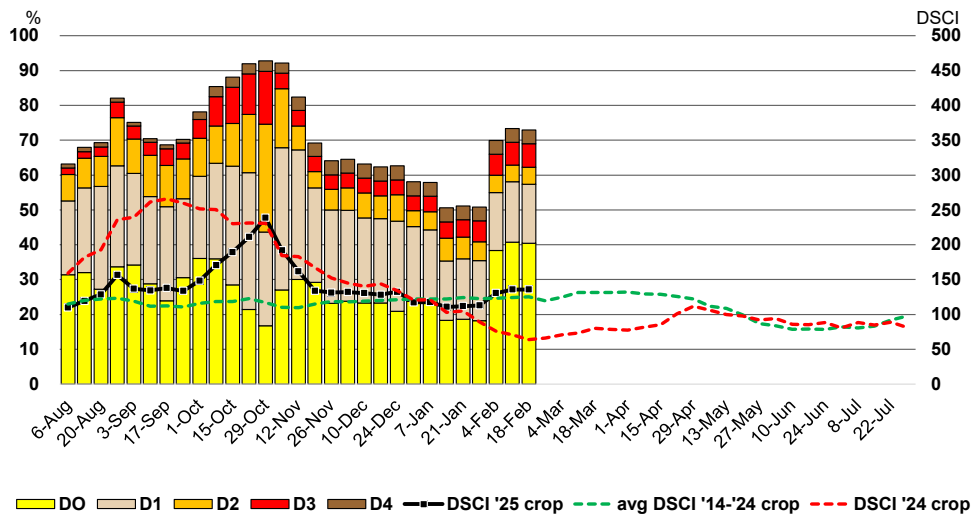
Weather. After a sharp increase two weeks ago, the area of the Southern Plains under drought conditions has levelled off at about 73 percent. The drought severity index of 136 is just above the five-year average of 125. Last year at this time the index was 64.

Drought Classification



Southern Plains Drought Monitor 2/18/2025

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

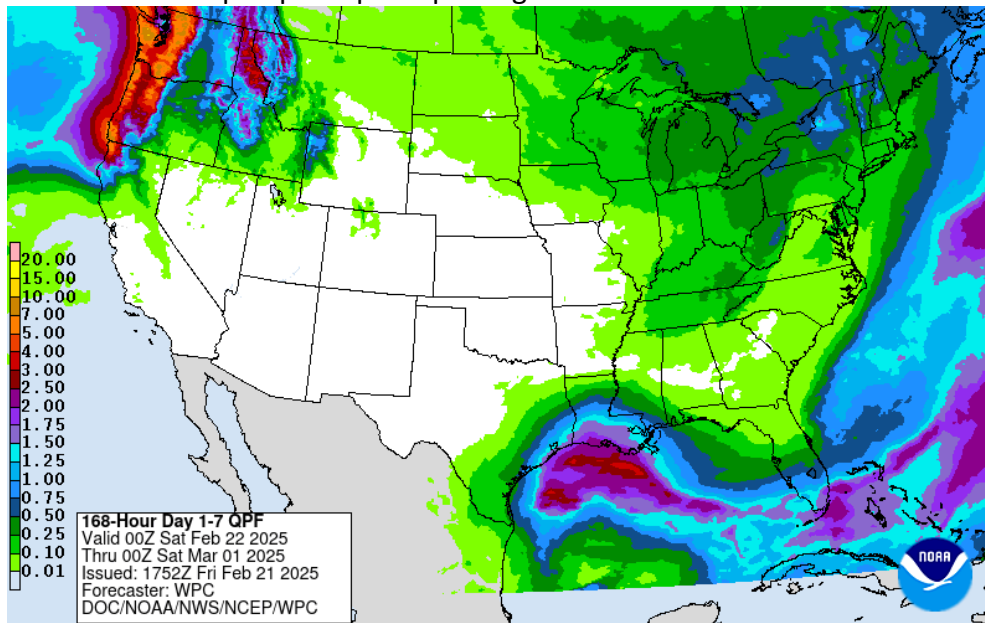
Drought Monitor, 2/20/2025, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

Wheat Outlook

February 21, 2025

Volume 34, Number 14

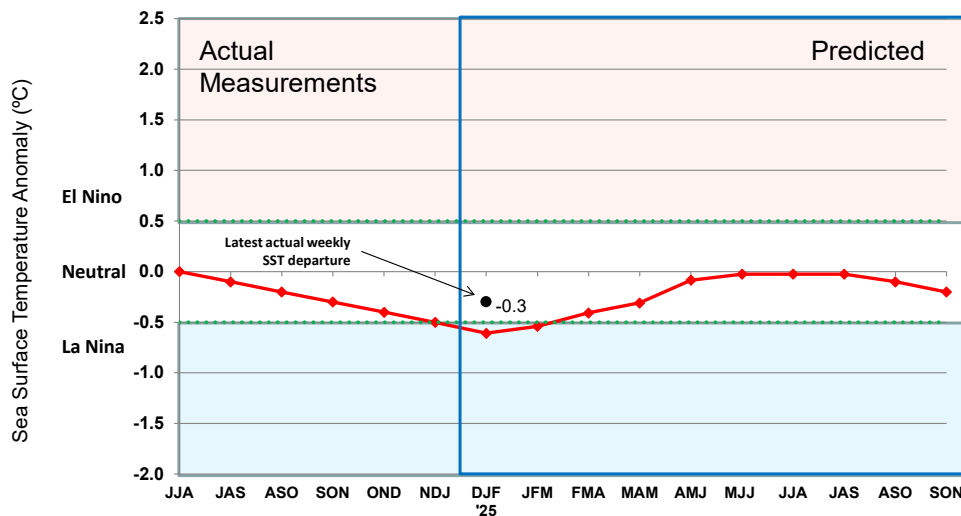
The seven-day precipitation forecast (2/22-3/1/2025) shows dry conditions across most of the Southern Plains. Moisture prospects pick up along the coast.



La Nina conditions are now present. The current sea surface temperature departure from normal this week is -0.3°C . This La Nina is forecast to continue through February-April then transition back to neutral March-May.

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

CPC: La Niña conditions are expected to persist in the near term, with a transition to ENSO-neutral likely during March-May 2025 (66% chance).



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, February 18, 2025

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

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

Wheat Outlook

February 21, 2025

Volume 34, Number 14



Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
January 23	5.71	4.75	-0.96			
January 30	5.88	4.91	-0.97			
February 6	6.08	5.13	-0.95			
February 13	5.98	5.04	-0.95			
February 20	6.08	5.13	-0.95			
10-year avg			-0.45		0.75	-1.20

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

Commitment of Traders. With nearby prices at their highest levels since last October, speculators in Chicago and Kansas City wheat lightened up on bets for lower prices (reduced holdings of short contracts). Net longs were up 19,169 and 7,981 contracts. They also lowered the number of long contracts held.

	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
1/21/2025	138,911	211,920	(73,009)	558.75	76,279	94,246	(17,967)	575.50
1/28/2025	133,872	224,983	(91,111)	554.25	73,431	97,581	(24,150)	561.00
2/4/2025	130,876	198,231	(67,355)	577.00	69,771	83,735	(13,964)	594.75
2/11/2025	132,148	188,089	(55,941)	577.00	63,312	73,342	(10,030)	592.75
2/18/2025	127,440	164,212	(36,772)	604.75	58,070	60,119	(2,049)	627.25
Change	(4,708)	(23,877)	19,169	27.75	(5,242)	(13,223)	7,981	34.50

Corn traders added to bets for higher prices by 41,220 contracts. By also getting out of 2,735 short contracts, net longs were higher by 43,955. Net longs in soybeans were down as these traders got out of long contracts and added to short holdings.

	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
1/21/2025	587,335	194,412	392,923	490.00	187,255	168,706	18,549	1067.25
1/28/2025	617,299	173,424	443,875	485.25	182,713	151,362	31,351	1045.00
2/4/2025	626,001	163,620	462,381	494.50	182,119	144,953	37,166	1075.00
2/11/2025	586,274	161,505	424,769	484.00	170,362	163,581	6,781	1043.50
2/18/2025	627,494	158,770	468,724	502.00	166,913	172,555	(5,642)	1038.50
Change	41,220	(2,735)	43,955	18.00	(3,449)	8,974	(12,423)	(5.00)

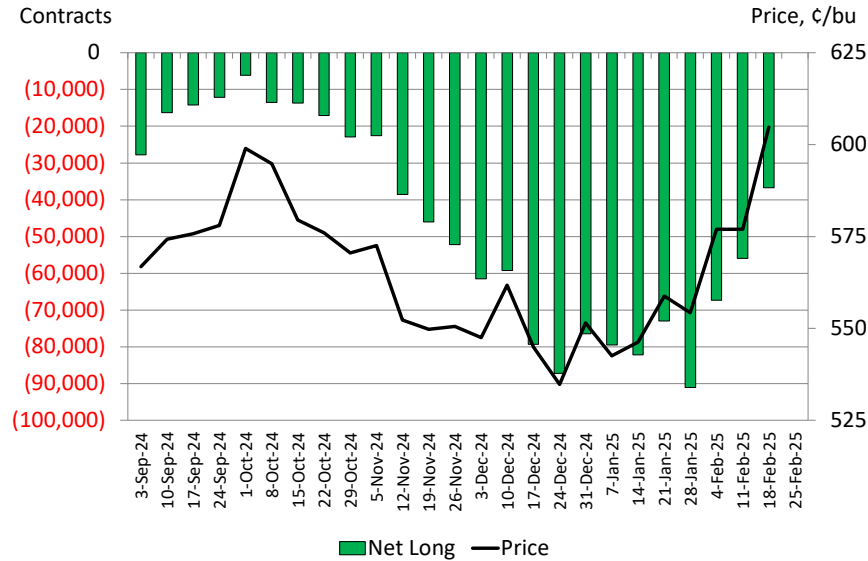
Wheat Outlook

February 21, 2025

Volume 34, Number 14



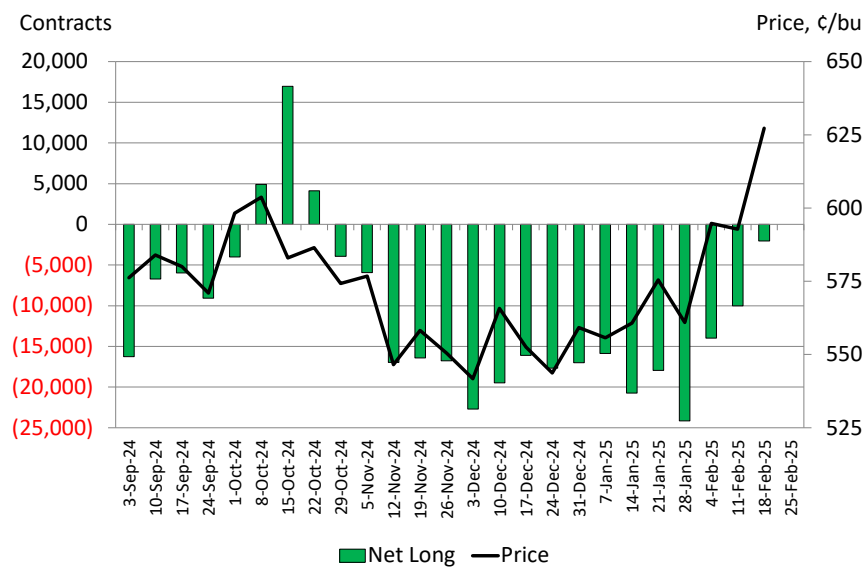
Non-commercial Investment in CBOT Wheat, 2/18/2025



CFTC Legacy Report, Futures Only

<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

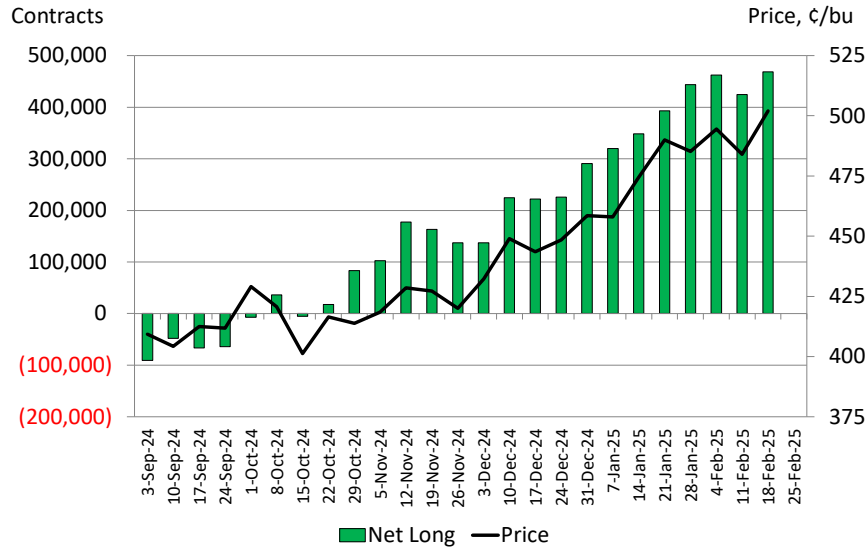
Non-commercial Investment in KC Wheat, 2/18/2025



CFTC Legacy Report, Futures Only

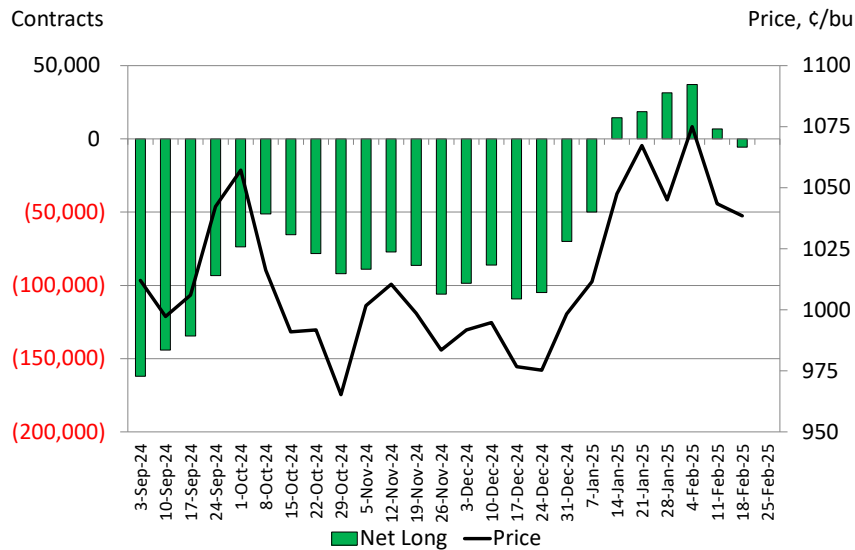
<https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm>

Non-commercial Investment in Corn, 2/18/2025



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

Non-commercial Investment in Soybeans, 2/18/2025



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

Wheat Outlook

February 21, 2025

Volume 34, Number 14

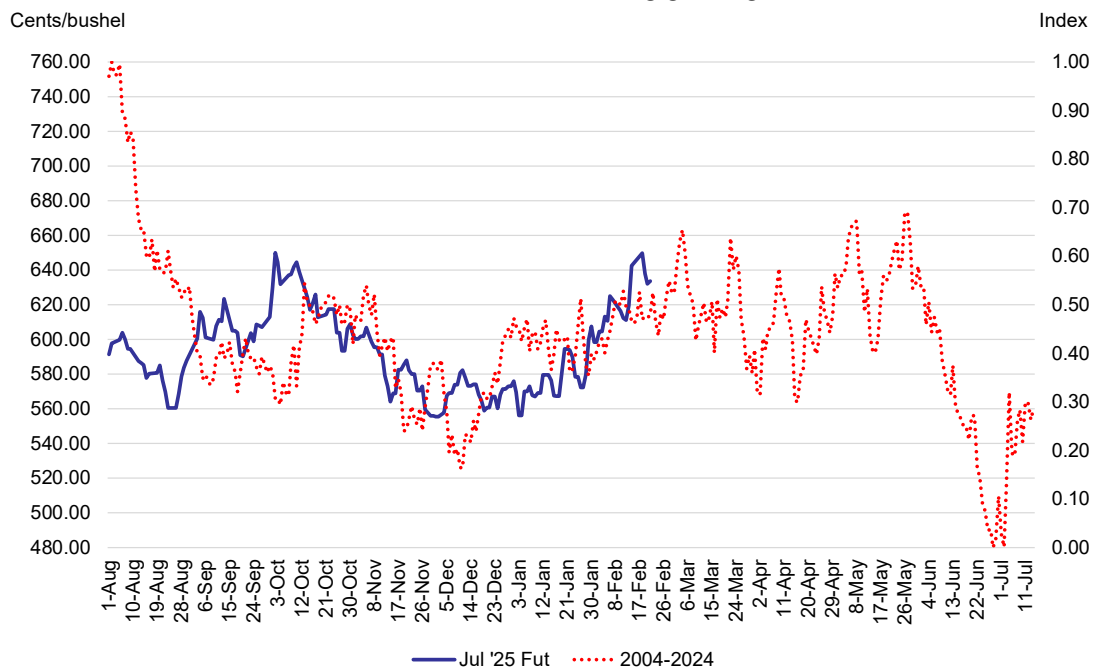
For February 18, based on whether the net long number (long contracts held minus short contracts held) is positive or negative and whether that net long number increased or decreased compared to the week before, speculators were:

- less bearish Chicago soft red winter wheat,
- less bearish KC hard red winter wheat,
- more 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



Wheat Outlook

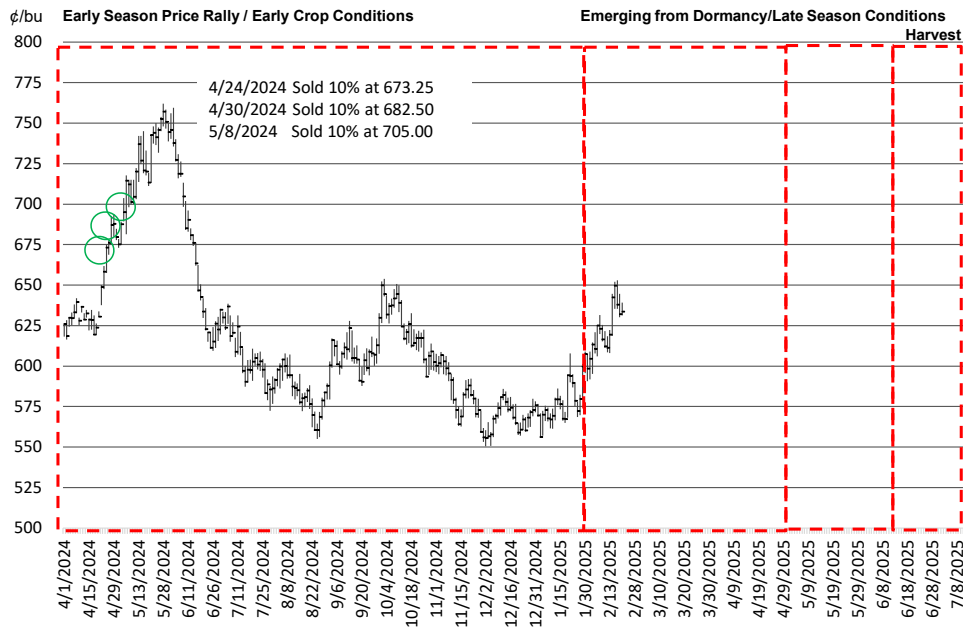
February 21, 2025

Volume 34, Number 14



Wheat Marketing Plan. For the 2025 wheat crop, I am 30% sold entering into the time frame when I look to add to sales.

July 2025 KC Wheat and Marketing Plan



Upcoming Reports/Events

February 24	Chickens and Eggs
February 27-28	USDA Ag Outlook Forum Master Marketer: Building a Marketing Plan: Cotton, Lubbock
March 7	February Employment Situation, Bureau of Labor Statistics
March 11	Crop Production WASDE
March 12	Consumer Price Index, Bureau of Labor Statistics
March 18-19	Federal Open Market Committee, Federal Reserve
March 21	Cattle on Feed
March 25-26	Master Marketer: Building a Marketing Plan: Feed Grains, Waco
March 27	Hogs and Pigs
March 31	Prospective Plantings Grain Stocks
April 23-24	Master Marketer: Building a Marketing Plan: Grain, Cotton, Livestock, Weslaco

Wheat Outlook

February 21, 2025

Volume 34, Number 14

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