

# Wheat Outlook

March 7, 2025

Volume 34, Number 16

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## Market Situation

**Agricultural Outlook Forum.** The outlook for U.S. wheat in the 2025/26 marketing year is little changed from the 2024/25 crop in the projections presented at the Agricultural Outlook Forum last week.

Planted acres of 47 million is up from 46.1 million in 2024, right around the average planted since 2017 of 46.6. However, the percent harvested is down slightly resulting in a small decrease in harvested acres. The average wheat yield of 50.1 bushels per acre is on par with the trendline yield of 50.0 bushels. Production is down 45 million bushels compared to 2024, wheat imports are down 20 million bushels, but with higher beginning stocks (+98 mil bu), the wheat supply is up by 32 million bushels.

USDA made no changes to the use categories: domestic use 1.154 billion bushels and exports 850 million bushels. With no changes to total use, ending stocks are up 32 million bushels, days of use on hand increase from a 144.6-day supply to 150.4 days, and the season average farm price decreased from \$5.55 to \$5.50 per bushel. That price is below the 2025 PLC reference price of \$5.56 which would generate 6 cent per bushel PLC payment.

US WHEAT SUPPLY AND USE			USDA Outlook Forum		
AREA			2025/26	2024/25 to 2025/26	
			2/27/2025	Net Δ	% Δ
	Planted	mil acres	47.0	0.9	1.95%
	Harvested	mil acres	38.4	-0.1	-0.26%
	Percent Harvested		81.7%	0.0	-2.17%
YIELD	Harvested acre	bu/ac	50.1	-1.1	-2.15%
SUPPLY					
	Beginning stocks	mil bu	794	98.0	14.08%
	Production	mil bu	1,926	-45.0	-2.28%
	Imports	mil bu	110	-20.0	-15.38%
	Total Supply	mil bu	2,830	32.0	1.14%
DEMAND					
	Food	mil bu	1,034	64.0	6.60%
	Seed	mil bu		-64.0	
	Feed and residual	mil bu	120	0.0	0.00%
	Total Domestic Use	mil bu	1,154	0.0	0.00%
	Exports	mil bu	850	0.0	0.00%
	Total Use	mil bu	2,004	0.0	0.00%
	Ending stocks	mil bu	826	32.0	4.03%
	Stocks to Use ratio	percent	41.2%	1.6%	4.03%
	Days of Use on hand	days	150.4	5.8	4.03%
PRICE					
	Average farm price	\$/bu	\$ 5.50	-0.05	-0.90%
	Reference Price	\$/bu	\$ 5.56	0.06	1.09%
	PLC Payment	\$/bu	\$ 0.06	0.06	

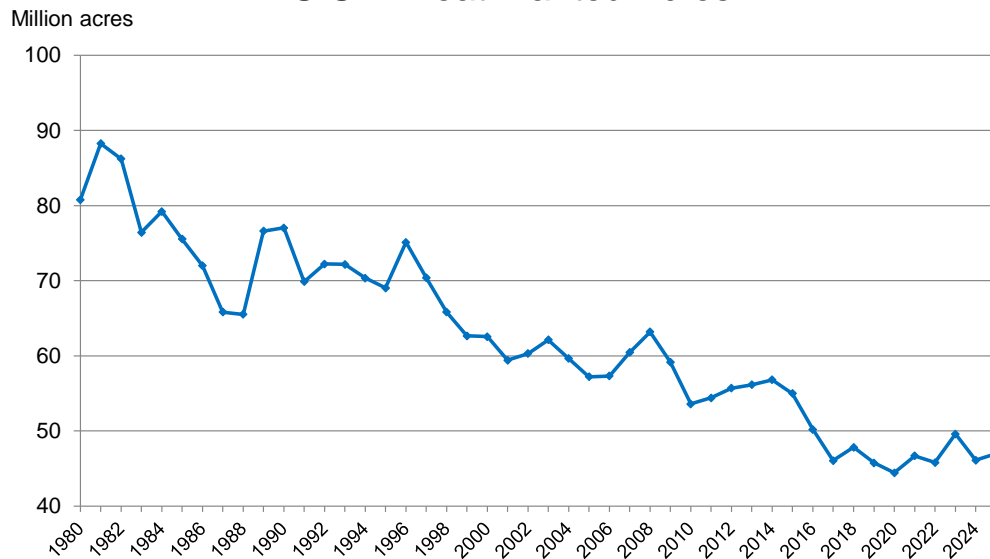


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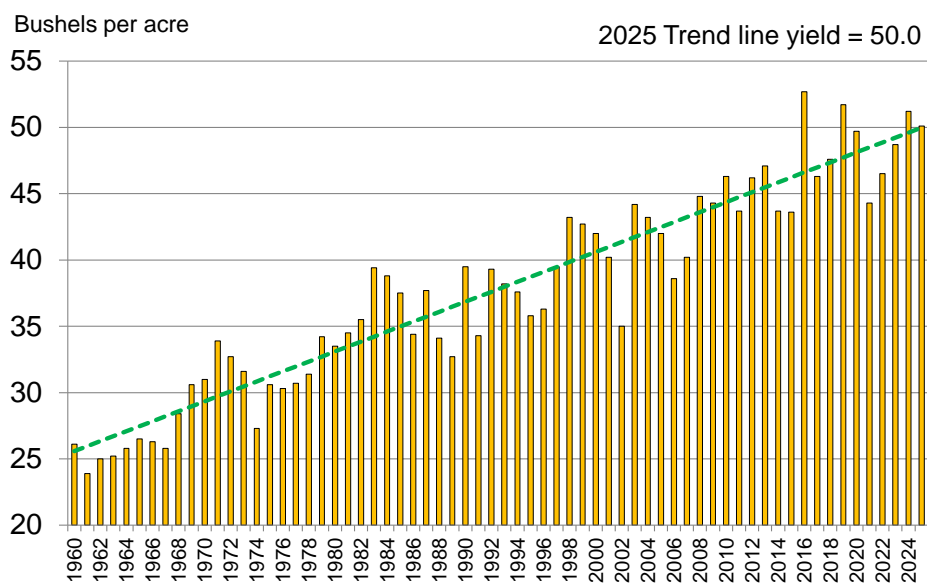
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## U.S. Wheat Planted Acres



USDA, WASDE and Agricultural Outlook Forum, February 2025

## US Average Wheat Yield



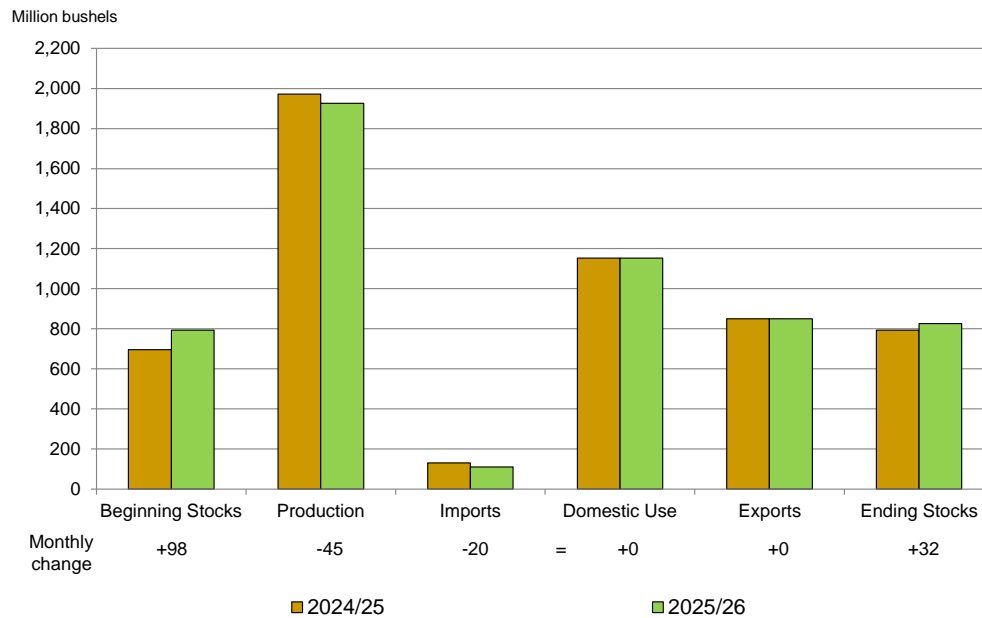
USDA, WASDE and Agricultural Outlook Forum, February 2025

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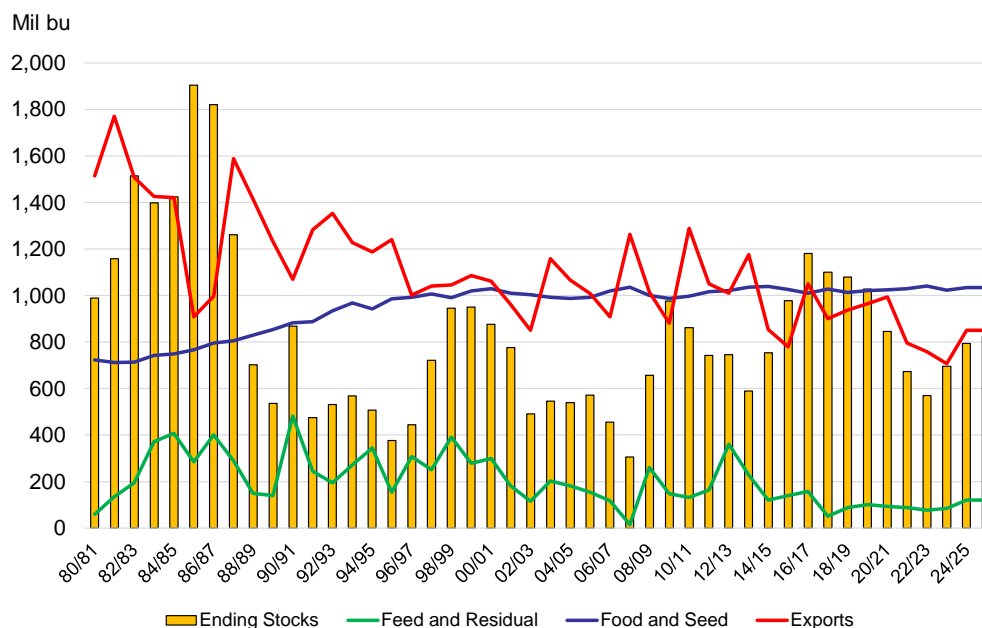
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## U.S. Wheat Supply and Demand 2024/25 (February WASDE) and 2025/26 (Agricultural Outlook Conference)



USDA, WASDE and Agricultural Outlook Forum, February 2025

## U.S. Wheat Use, February 2025 and 2025/26 projections



USDA, WASDE, 2/11/2025 and Agricultural Outlook Forum

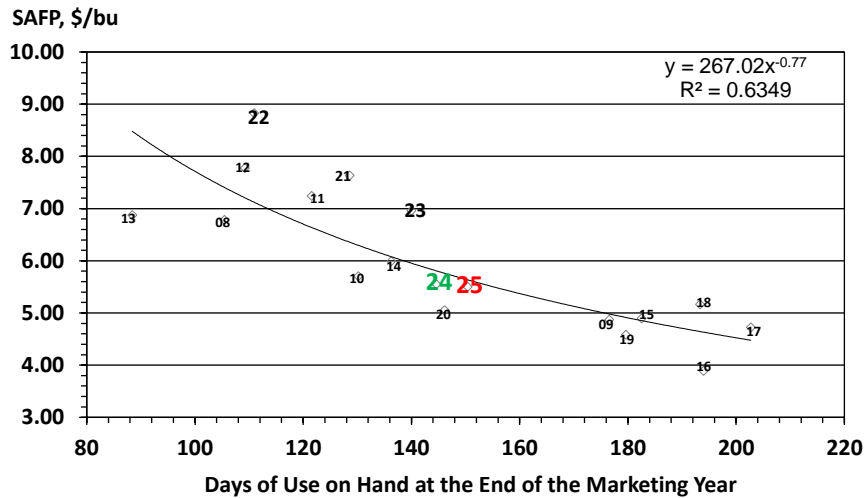
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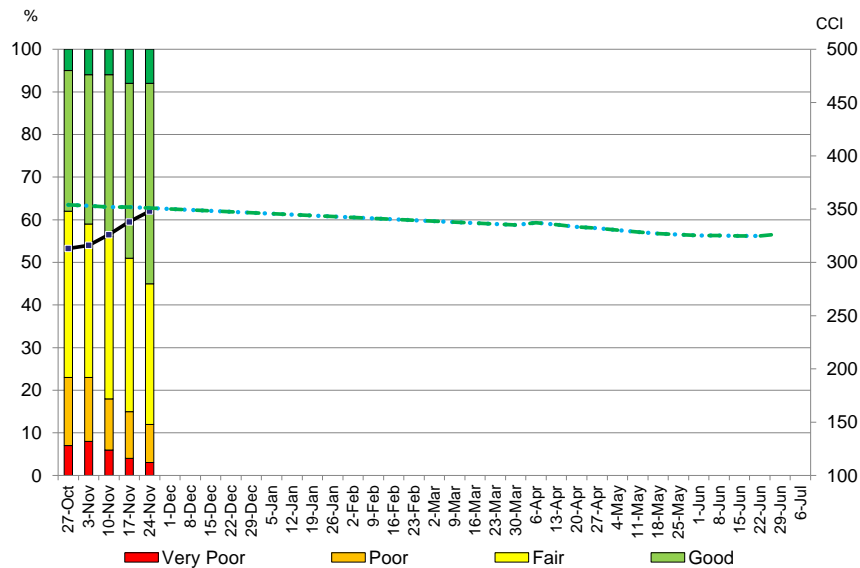
## U.S. Wheat Average Farm Price and Days of Use on Hand

2008/09-2024/25 estimate, 2025/26 projection



**Crop Progress.** National winter wheat condition ratings will resume in about a month. Conditions were improving in late-November, and typically the crop condition index shows some decline from spring through harvest.

## 2025 U.S. Winter Wheat Crop Condition Ratings



USDA Crop Progress, November 25, 2024

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Condition ratings have been released for the Southern Plains (about 25% of total winter wheat production). In late October the Southern Plains Index was 307. That improved to 347 by November 24. As of March 3, the index is 330. There is considerable divergence between the northern and southern areas of these plains states. The share of crop rated good and excellent in Kansas and Colorado is 54% and 67%. Texas and Oklahoma wheat rated good and excellent is 34% and 35%.

### 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				
December 31	333			362	
January 19			322		
January 26			321		
February 2	339	317	311	346	332
February 9			309		
February 16			300		
February 23		307	304		
March 2	344	296	295	359	330

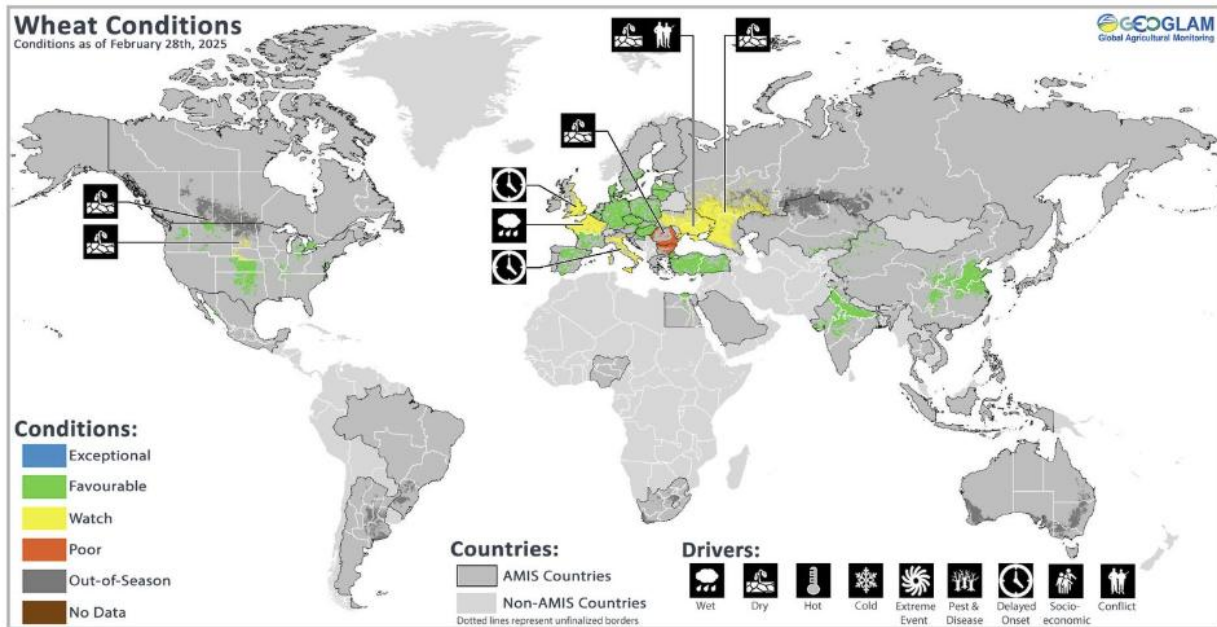
Southern Plains accounts for about 25% of national winter wheat production

Wheat in the GEOGLAM Crop Monitor released for late-February shows a mix of crop growing conditions ([GEOGLAM Crop Monitor](#)). Conditions are mostly favorable in two of the top wheat producing countries of the world, China and India. Much of Europe is favorable except for the southeast where persistent drought is lowering yield potential. Dryness is also a concern for Ukraine and Southern Russia. This puts the crop in a 'watch' category ahead of emergence from dormancy this spring.

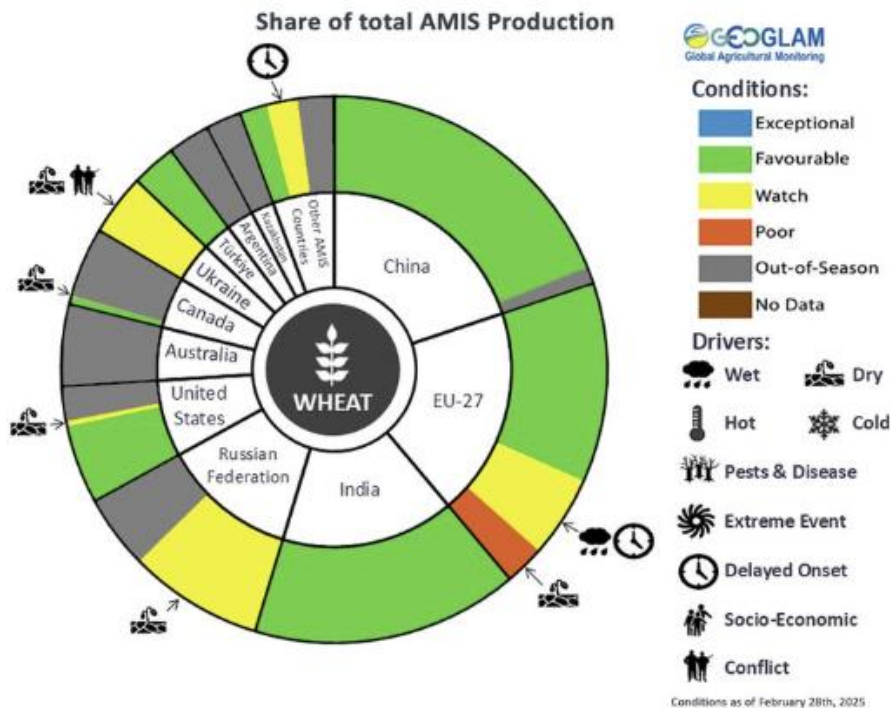
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Wheat crop conditions over main growing areas are based upon a combination of national and regional crop analyst inputs along with earth observation data. Where crops are in other than favourable conditions the climatic drivers responsible for those conditions are displayed.

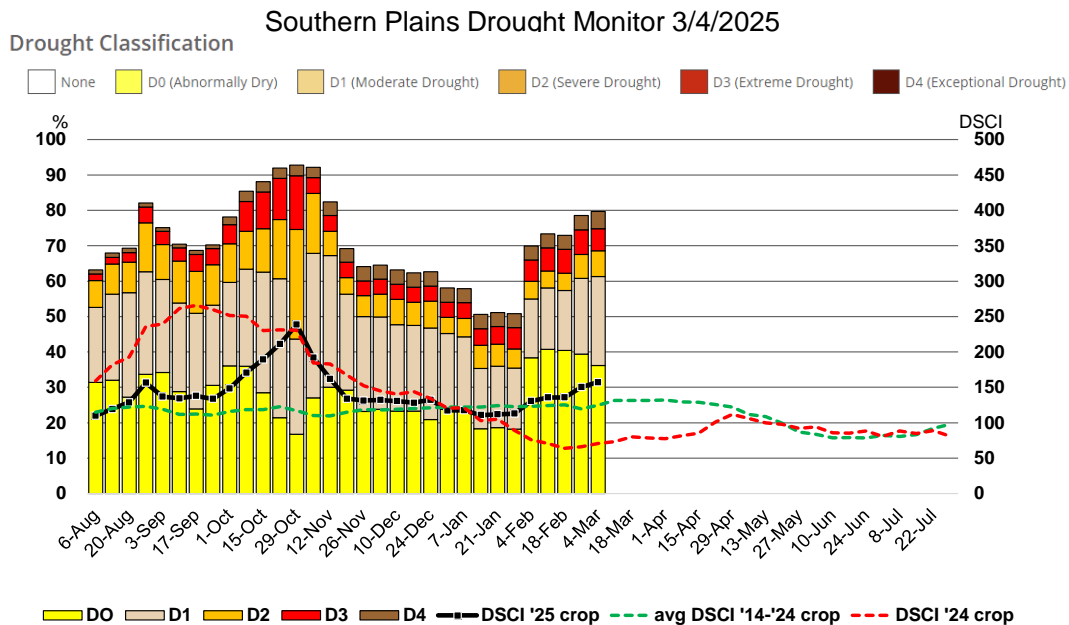
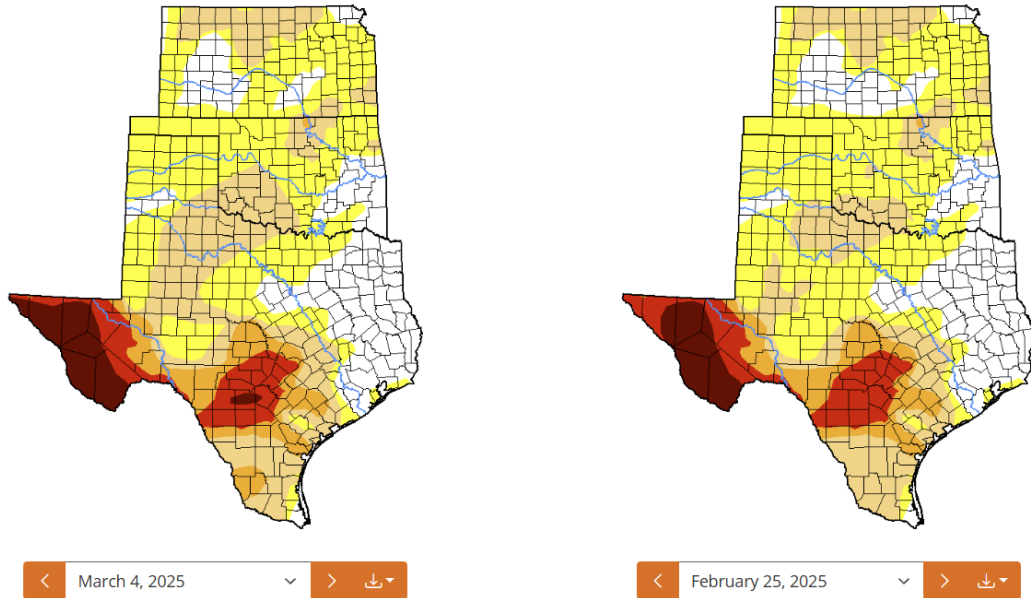


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**Weather.** Drought conditions continue to worsen in the Southern Plains with “moderate drought” expanding across southwest Oklahoma and the Texas Rolling Plains. Portions of South Central Texas are again in the “exceptional” drought category and “severe” conditions emerging in South Texas. The drought severity index is up 22 points over the last two weeks, now 157. The reading last year at this time was 71. The average for this week of wheat growing season is 125.



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, 3/6/2025, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

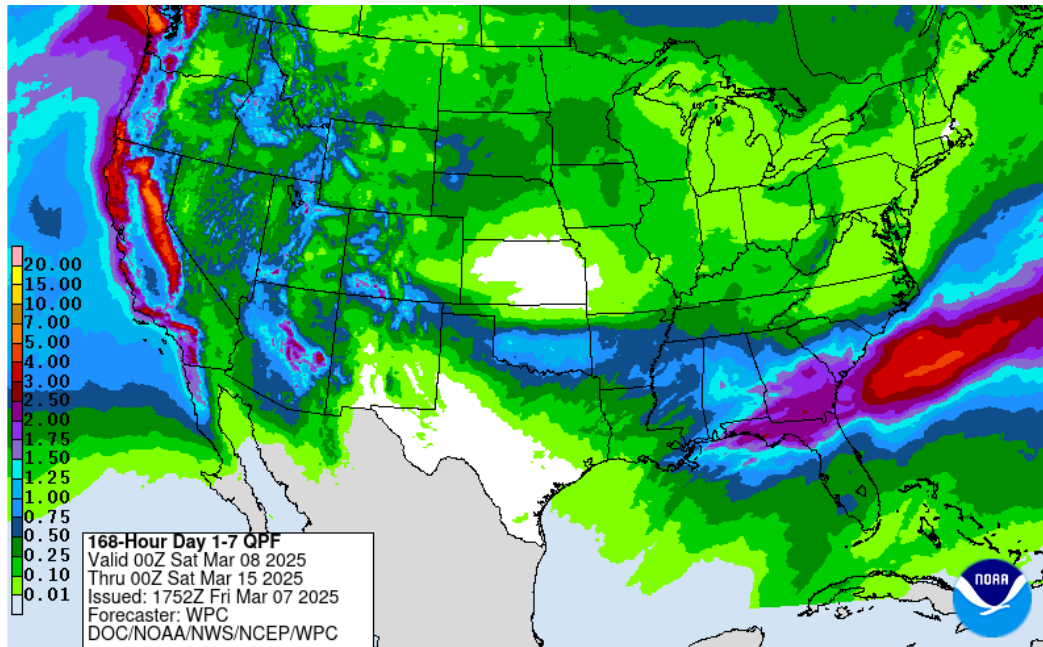


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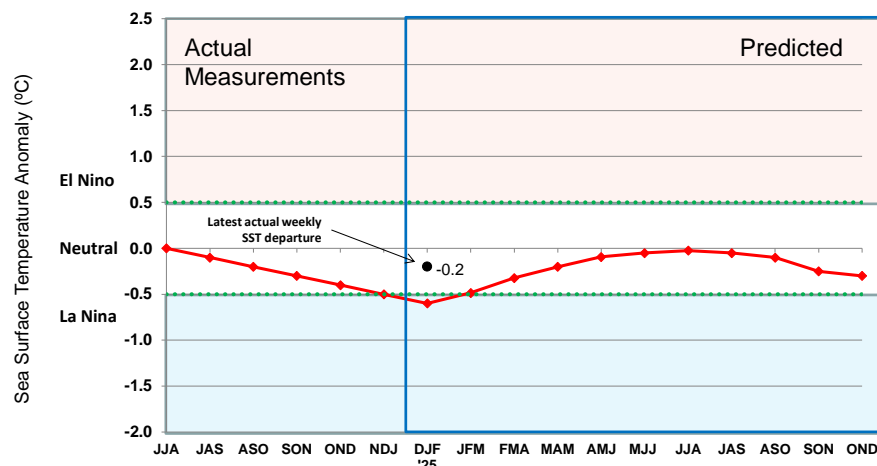
The seven-day precipitation forecast (3/8-3/15/2025) shows moisture from the Texas and Oklahoma Panhandles across most of Oklahoma and North Texas. That could start as heavy snow tonight (Friday) through Saturday.



La Nina conditions are now present. The current sea surface temperature departure from normal this week is  $-0.2^{\circ}\text{C}$ . 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, March 3, 2025

[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/>



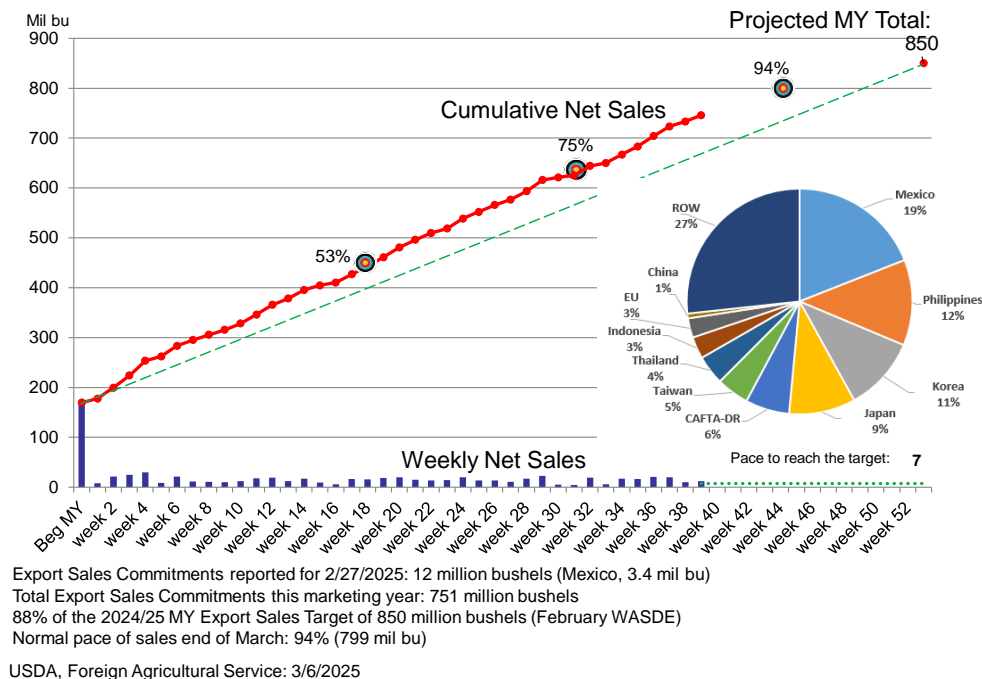
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**Grain Use.** All wheat exports for the week of February 27 totaled 12 million bushels, 3.4 million of that to Mexico, the number one customer for U.S. wheat exports.

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



On Tuesday (March 4), President Trump announced a 25% tariff on imports from Canada and Mexico. Tariffs on imports from China were increased an additional 10% from the 10% tariff imposed in early February.

Canadian Prime Minister Justin Trudeau said his country would respond with 25% tariffs on \$30 billion worth of products but has not offered specifics.

Mexican President Claudia Sheinbaum stated that Mexico would impose tariffs of 25% on imports from the U.S. A statement with specifics is expected Sunday.

China has reciprocated by placing a 15% tariff on wheat, corn, and cotton and 10% on sorghum and soybeans (along with other food and agricultural products).

Then on Thursday (March 6), President Trump postponed until April 2 tariffs on products from Mexico and Canada on anything covered in the US-Mexico-Canada Trade Agreement, negotiated in the first Trump administration. Under the USMCA almost all agricultural products were tariff free.

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For more on these developments, see:

- “Canada and Mexico Tariffs Take Effect, China Hits Back at US Ag”, University of Illinois, Farm Policy News, [Home - Farm Policy News](#).
- “Here’s What to Know About Trump’s Tariffs”, New York Times, <https://www.nytimes.com/article/trump-tariffs-canada-mexico-china.html>).
- “Trump Pares Back Canada, Mexico Tariffs in Latest Whipsaw on Trade”, Wall Street Journal, [https://www.wsj.com/economy/trade/trump-pares-back-canada-mexico-tariffs-in-latest-whipsaw-on-trade-5eb75f88?mod=series\\_tariffstrade](https://www.wsj.com/economy/trade/trump-pares-back-canada-mexico-tariffs-in-latest-whipsaw-on-trade-5eb75f88?mod=series_tariffstrade).
- “United States-Mexico-Canada Trade Fact Sheet: Strengthening North American Trade in Agriculture”, Office of the United States Trade Representative, <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/fact-sheets/strengthening>.

## Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
February 6	6.08	5.13	-0.95			
February 13	5.98	5.04	-0.95			
February 20	6.08	5.13	-0.95			
February 27	5.71	4.77	-0.95			
March 6	5.66	4.60	-1.06			
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.** Net longs were sharply lower this week in positions reported for grain speculators. Traders added to bets for lower prices (increased the number of short contracts held) in Chicago wheat, Kansas City wheat, and soybeans. Net longs were down in corn as well but due to traders getting out of bets for higher prices (decreasing the number of long contracts held).

For March 4, 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,
- less bullish corn, and
- more bearish soybeans.

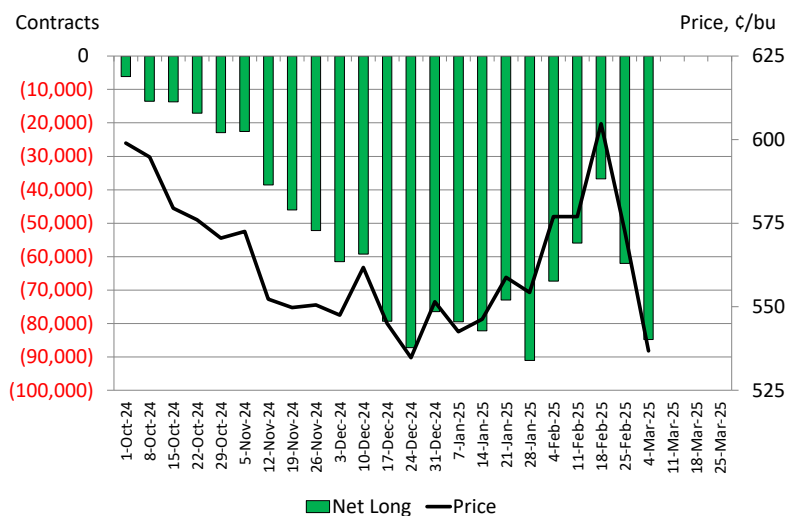
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	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
2/4/2025	130,876	198,231	(67,355)	577.00	69,771	83,735	(13,964)	594.75
2/11/2025	132,148	188,089	(55,941)	577.00	63,312	73,342	(10,030)	592.75
2/18/2025	127,440	164,212	(36,772)	604.75	58,070	60,119	(2,049)	627.25
2/25/2025	109,657	171,708	(62,051)	572.75	51,278	56,328	(5,050)	591.75
3/4/2025	<u>116,367</u>	<u>201,209</u>	<u>(84,842)</u>	<u>536.75</u>	<u>50,098</u>	<u>77,673</u>	<u>(27,575)</u>	<u>548.50</u>
Change	6,710	29,501	(22,791)	(36.00)	(1,180)	21,345	(22,525)	(43.25)

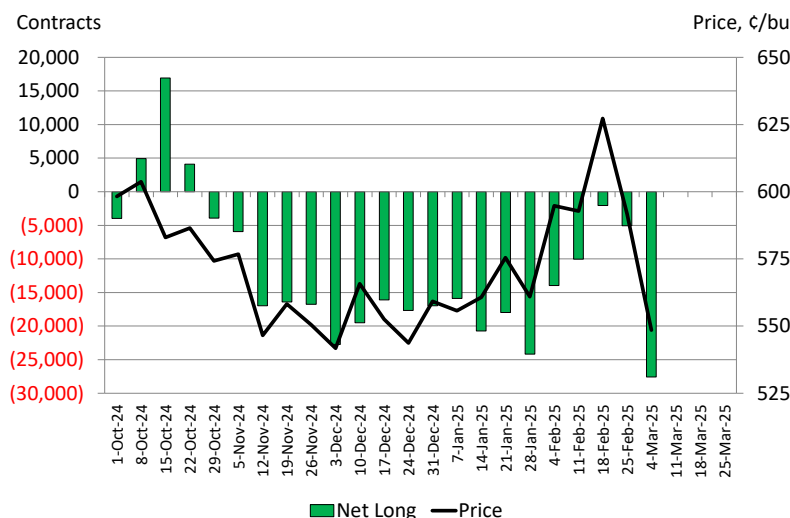
## Non-commercial Investment in CBOT Wheat, 3/4/2025



CFTC Legacy Report, Futures Only

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

## Non-commercial Investment in KC Wheat, 3/4/2025



CFTC Legacy Report, Futures Only

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

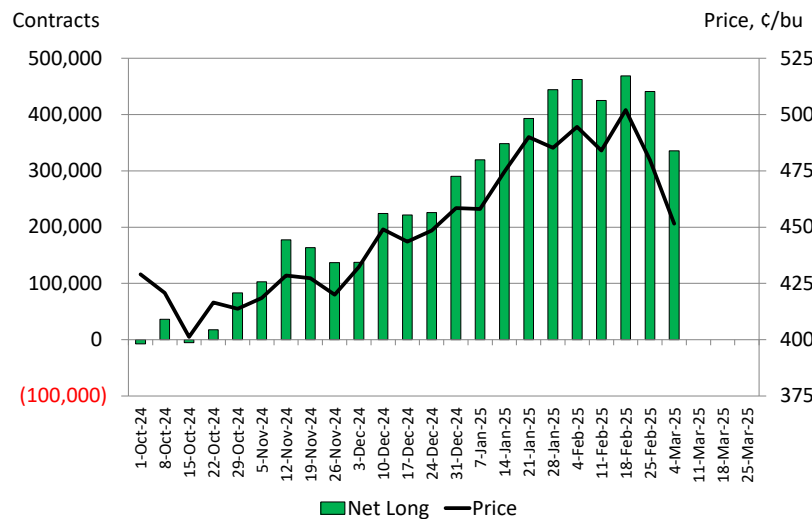
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	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
2/4/2025	626,001	163,620	462,381	494.50	182,119	144,953	37,166	1075.00
2/11/2025	586,274	161,505	424,769	484.00	170,362	163,581	6,781	1043.50
2/18/2025	627,494	158,770	468,724	502.00	166,913	172,555	(5,642)	1038.50
2/25/2025	597,706	156,545	441,161	479.75	160,652	171,202	(10,550)	1031.25
3/4/2025	492,878	157,440	335,438	451.50	161,354	195,637	(34,283)	999.00
Change	(104,828)	895	(105,723)	(28.25)	702	24,435	(23,733)	(32.25)

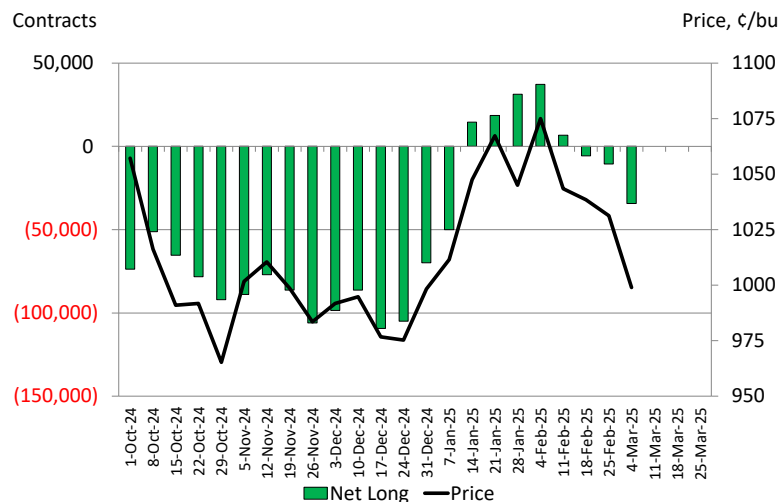
## Non-commercial Investment in Corn, 3/4/2025



CFTC Legacy Report, Futures Only

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

## Non-commercial Investment in Soybeans, 3/4/2025



CFTC Legacy Report, Futures Only

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

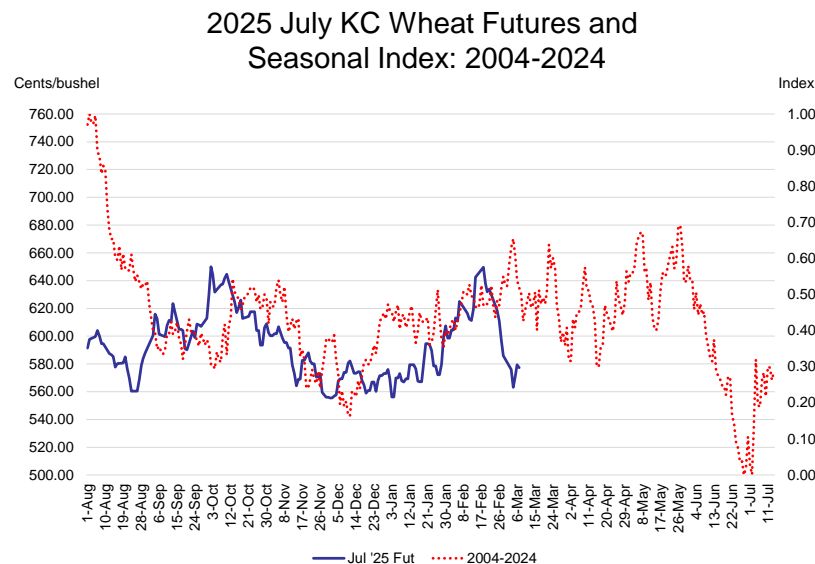
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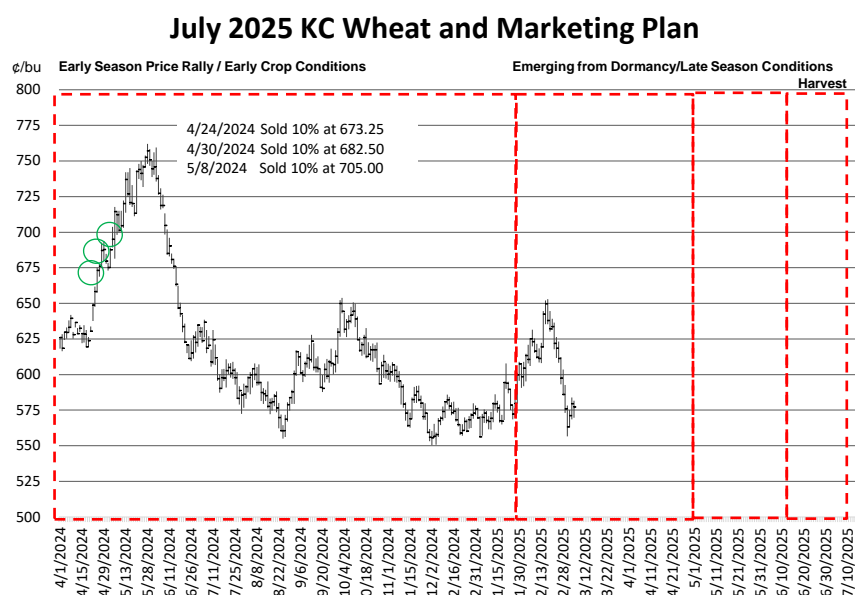
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## Marketing Strategies

**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.



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



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## Upcoming Reports/Events

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

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