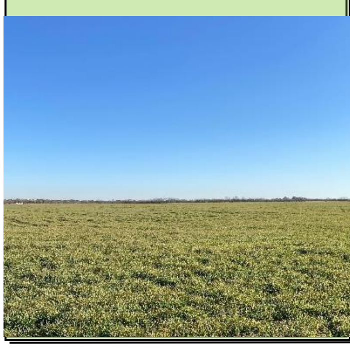
Wheat Outlook

March 13, 2025
Volume 34, Number 18

Today's Newsletter



Market Situation

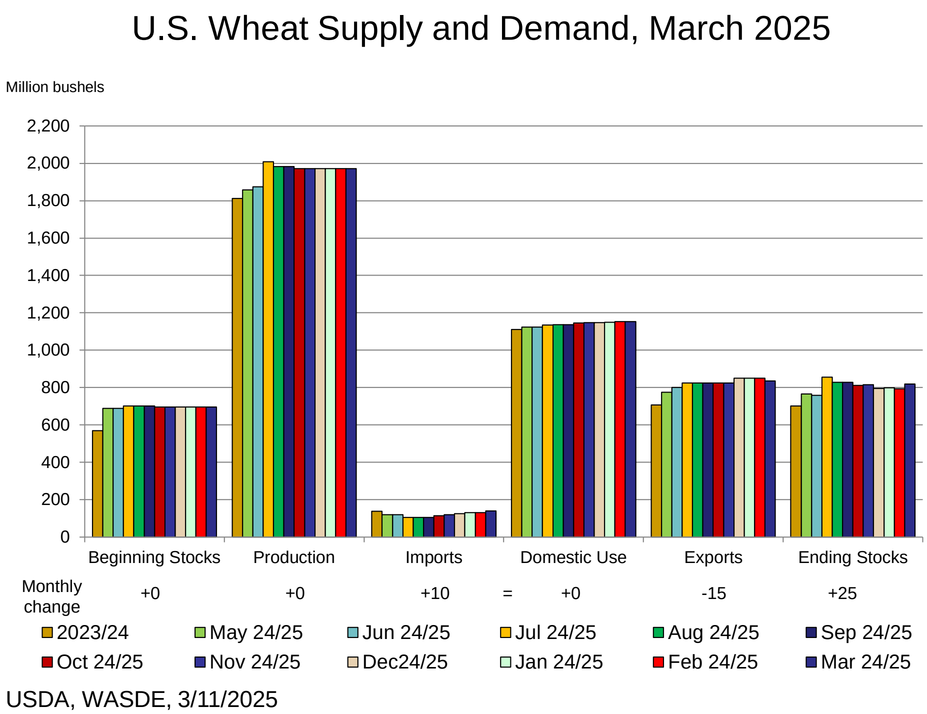
WASDE. U.S. wheat ending stocks were revised higher in the March World Agricultural Supply and Demand Estimates. USDA raised estimated imports by 10 million bushels and lowered the export projection by 15 million bushels.

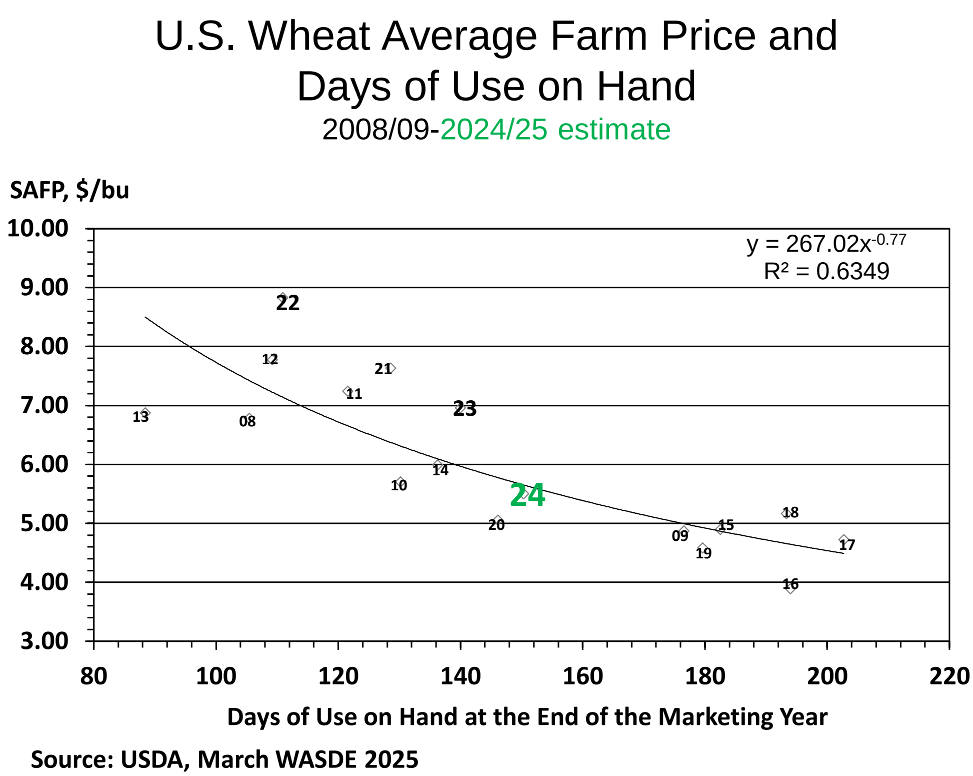
These changes raised ending stocks by 25 million bushels and estimated days of use on hand at the end of the marketing year from a 144.6-day supply last month to 150.3. The season average farm price went down a nickel to $5.50.

US WHEAT SUPPLY AND USE			March		
			2024/25	February to March	
AREA			3/11/2025	Net Δ	% Δ
	Planted	mil acres	46.1	0.0	0.0%
	Harvested	mil acres	38.5	0.0	0.0%
	Percent Harvested		83.5%	0.0	0.0%
YIELD	Harvested acre	bu/ac	51.2	0.0	0.0%
SUPPLY					
	Beginning stocks	mil bu	696	0.0	0.0%
	Production	mil bu	1,971	0.0	0.0%
	Imports	mil bu	140	10.0	7.7%
	Total Supply	mil bu	2,808	10.0	0.4%
DEMAND					
	Food	mil bu	970	0.0	0.0%
	Seed	mil bu	64	0.0	0.0%
	Feed and residual	mil bu	120	0.0	0.0%
	Total Domestic Use	mil bu	1,154	0.0	0.0%
	Exports	mil bu	835	(15.0)	-1.8%
	Total Use	mil bu	1,989	(15.0)	-0.7%
	Ending stocks	mil bu	819	25.0	3.1%
	Stocks to Use ratio	percent	41.2%	1.6%	3.9%
	Days of Use on hand	days	150.3	5.7	3.9%
PRICE	Average farm price	$/bu	$ 5.50	(0.05)	-0.9%
	Reference Price	$/bu	$ 5.50	0.00	0.0%
	PLC Payment	$/bu	$ -	0.00	0.0%

While still the tightest since 2015/16, world wheat days of use on hand increased this month on a 5.45 mmt (200 million bushel) increase in supply and only a 2.93 mmt (108 million bushel) increase in use. Ending stocks increased 2.52 mmt (93 million bushels) and days of use on hand at the end of the marketing year up about a day to a 117.7-day supply.

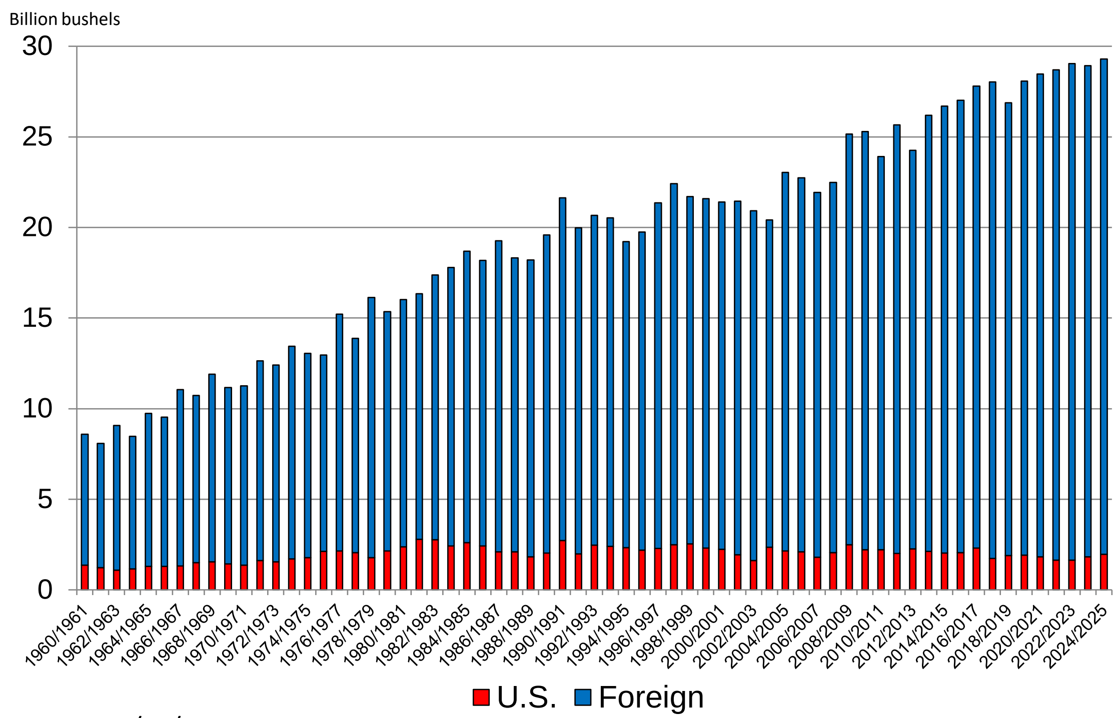
Wheat production estimates were up this month in Australia, Ukraine, and Argentina.


U.S. Wheat Supply and Demand, March 2025
Million bushels
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Beginning Stocks
Production
Imports
Domestic Use
Exports
Ending Stocks
Monthly change
+0
+0
+10
=
+0
-15
+25
2023/24
May 24/25
Jun 24/25
Jul 24/25
Aug 24/25
Sep 24/25
Oct 24/25
Nov 24/25
Dec24/25
Jan 24/25
Feb 24/25
Mar 24/25
USDA, WASDE, 3/11/2025

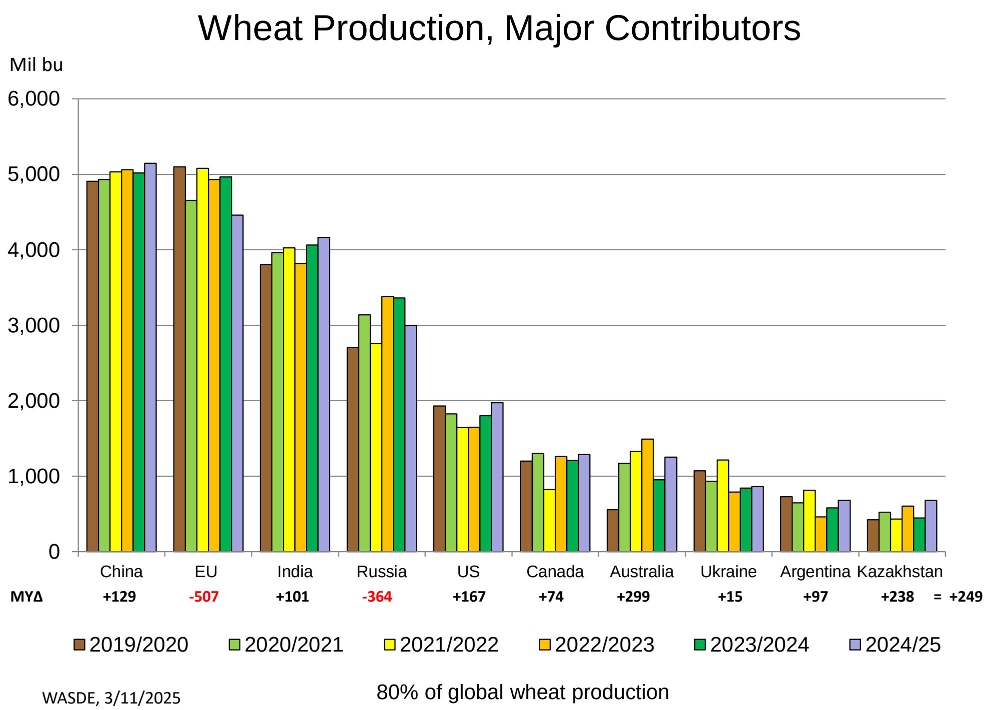

U.S. Wheat Average Farm Price and Days of Use on Hand
2008/09-2024/25 estimate
SAFP, $/bu
10.00
9.00
8.00
7.00
6.00
5.00
4.00
3.00
y = 267.02x^-0.77
R² = 0.6349
22
12
21
11
23
13
08
14
10
24
20
18
15
09
19
17
16
80
100
120
140
160
180
200
220
Days of Use on Hand at the End of the Marketing Year
Source: USDA, March WASDE 2025

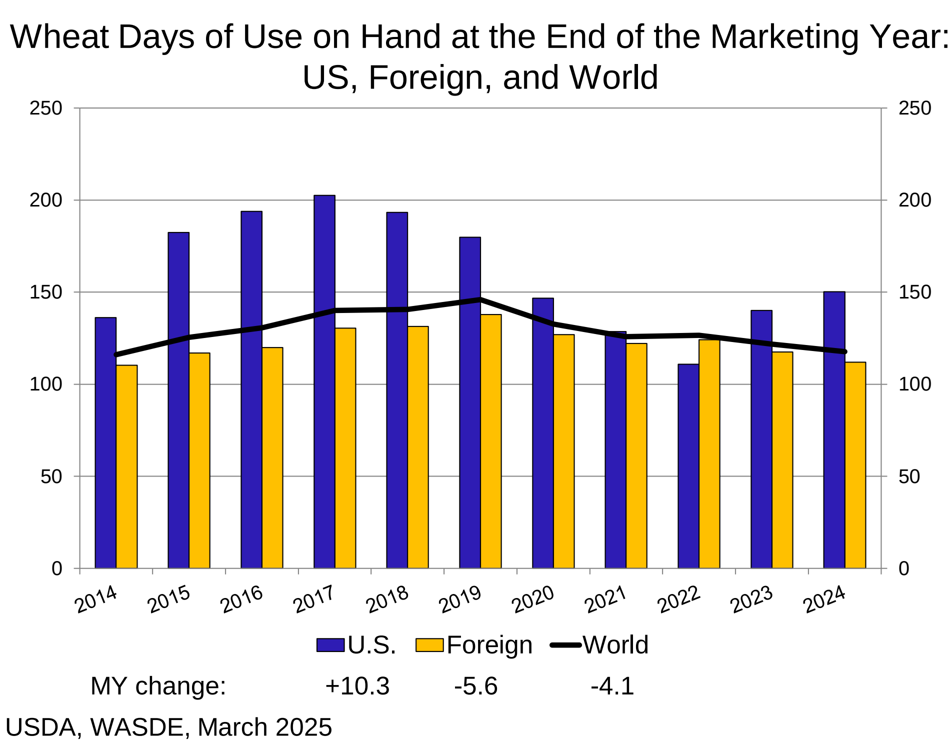
WORLD	WHEAT	MMT								
Marketing Year		Beginning Stocks	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days on hand
2014/15		197.70	730.41	159.38	132.37	700.51	164.22	222.76	0.3180	116.1
2015/16		222.76	738.14	169.78	141.27	713.11	172.58	244.99	0.3436	125.4
2016/17		244.99	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
2024/25	February	267.49	793.79	204.81	153.50	803.72	208.99	257.56	0.3205	117.0
2024/25	March	269.50	797.23	202.70	154.85	806.65	208.07	260.08	0.3224	117.7
	Net Change	2.01	3.44	(2.11)	1.35	2.93	(0.92)	2.52	0.0020	0.72
	% Change	0.75%	0.43%	-1.03%	0.88%	0.36%	-0.44%	0.98%	0.61%	0.61%

World Wheat Production



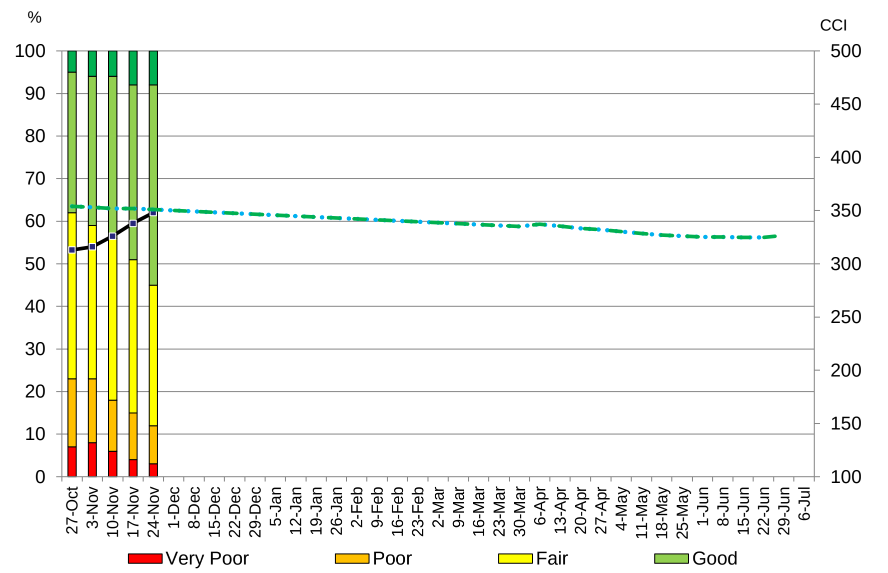
WASDE 3/11/2025


Wheat Production, Major Contributors
Mil bu
6,000
5,000
4,000
3,000
2,000
1,000
0
China
EU
India
Russia
US
Canada
Australia
Ukraine
Argentina
Kazakhstan
MYΔ
+129
-507
+101
-364
+167
+74
+299
+15
+97
+238
= +249
2019/2020
2020/2021
2021/2022
2022/2023
2023/2024
2024/25
WASDE, 3/11/2025
80% of global wheat production


Wheat Days of Use on Hand at the End of the Marketing Year: US, Foreign, and World
250
200
150
100
50
0
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
U.S.
Foreign
World
MY change:
+10.3
-5.6
-4.1
USDA, WASDE, March 2025

Crop Progress. National winter wheat condition ratings will resume on April 7. 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

Condition ratings were updated this week for Kansas, Oklahoma, and Texas. The share of crop rated good and excellent in Kansas went down from 54% last week to 52%. Texas wheat rated good and excellent is 28%, down from 34%. Oklahoma wheat conditions improved with the wheat rated good and excellent now 46%, up from 35%.

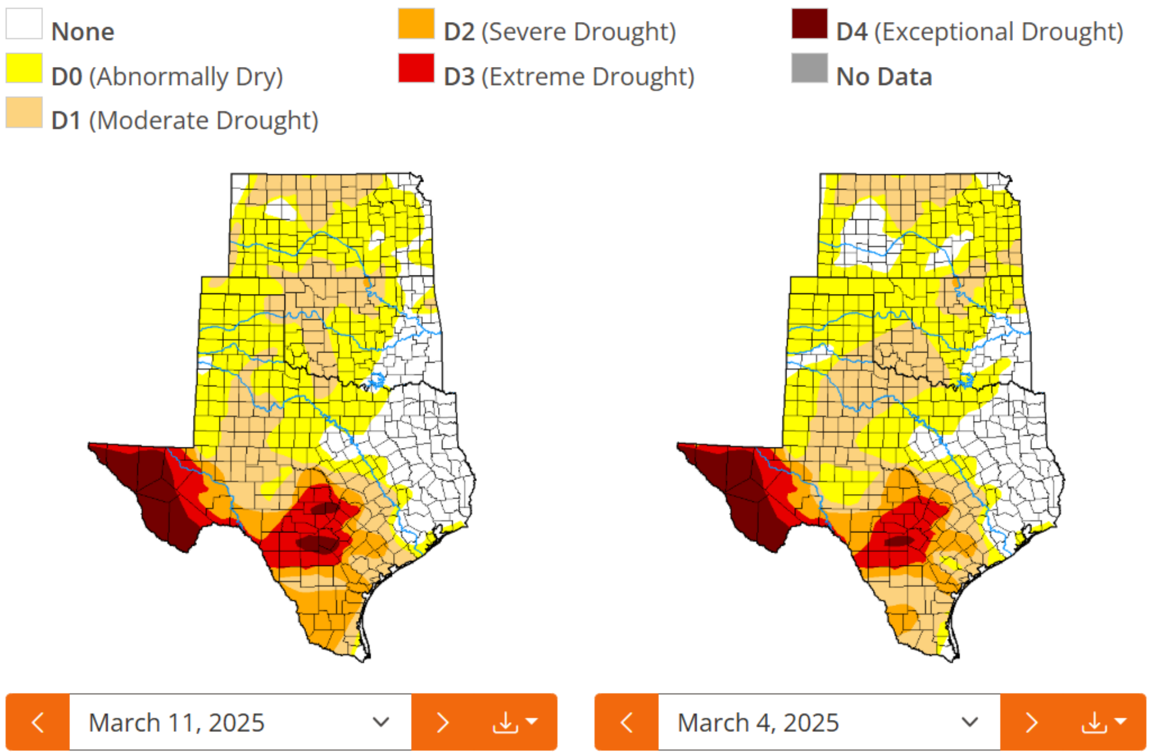
2025 Southern Plains Weighted Wheat Crop Condition Index
100% very poor = 100; 100% excellent = 500

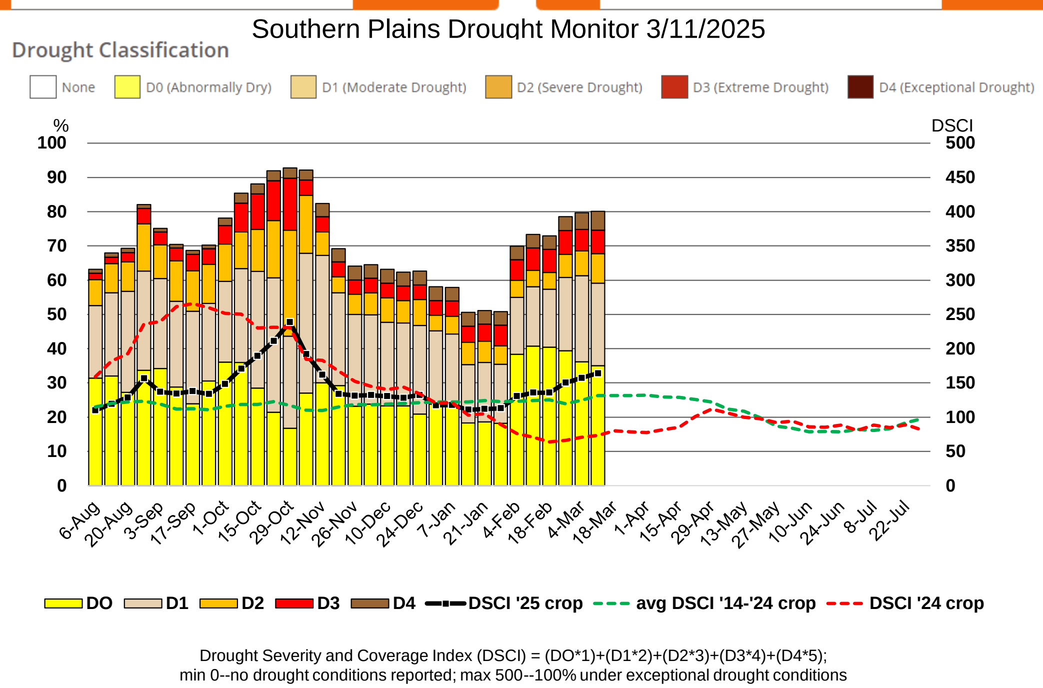
	Kansas, 55%	Oklahoma, 18%	Texas, 14%	Colorado, 13%	Index
October 27	317	285	285	321	307
November 3	316	302	271	335	310
November 10	337	305	289	331	324
November 17	343	320	327	356	338
November 24	349	336	337	364	347
December 1	348				
December 8	350				
December 15	351				
December 31	333			362	
January 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
March 10	337	323	282	359*	330

*End of February

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

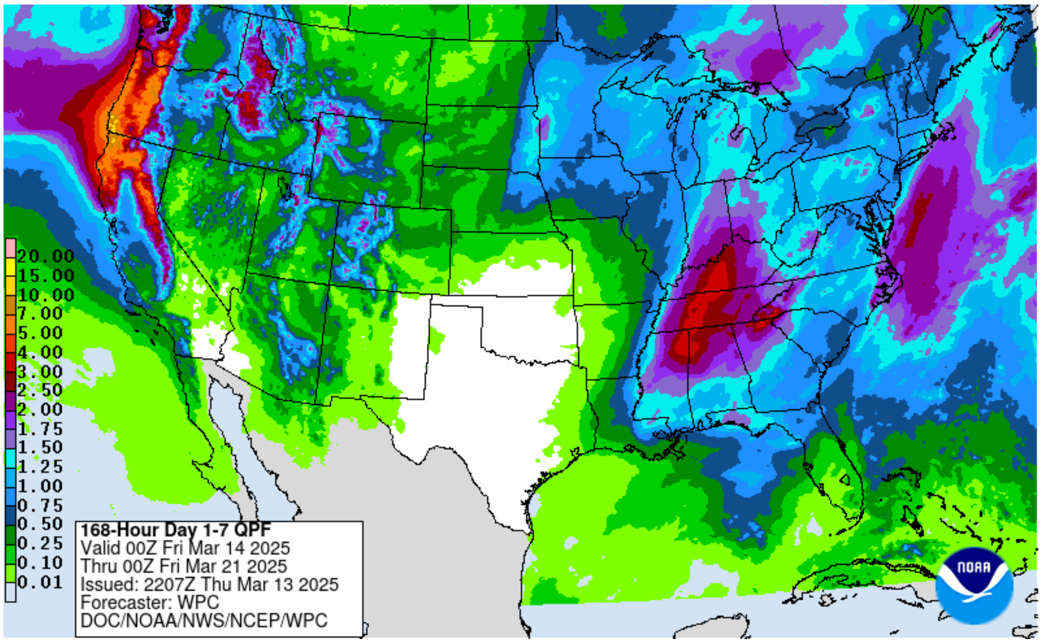
<u>Weather.</u> The area of the Southern Plains experiencing drought conditions held steady at about 80% this week but the drought severity index increased 7 points from 157 to 164. The reading last year at this time was 74. The average for this week of wheat growing season is 132.





Drought Monitor, 3/13/2025, Southern Plains Climate Hub, http://droughtmonitor.unl.edu/

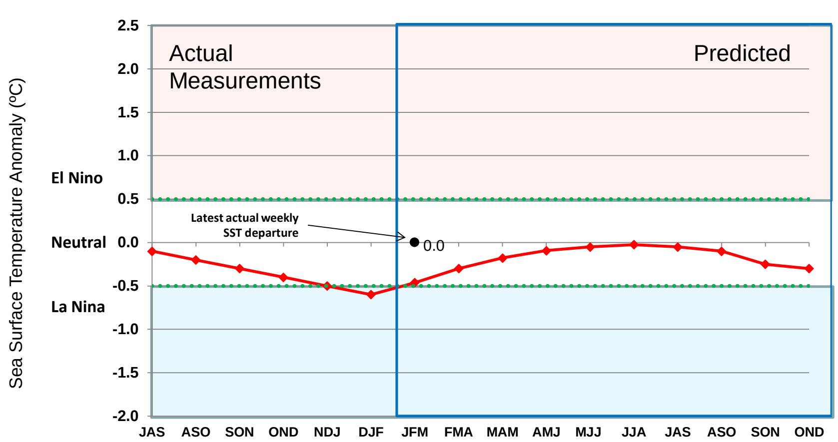
Not only is there little in the way of precipitation over most of the Southern Plains in the 7-day forecast (3/14-3/21/2025), but a high wind warning with blowing dust is in effect through Friday evening (3 /14).



La Nina conditions are now present but we are past the low point of this current cycle. The current sea surface temperature departure from normal this week is -0.0°C. This La Nina is forecast to continue through February-April then transition back to neutral March-May.

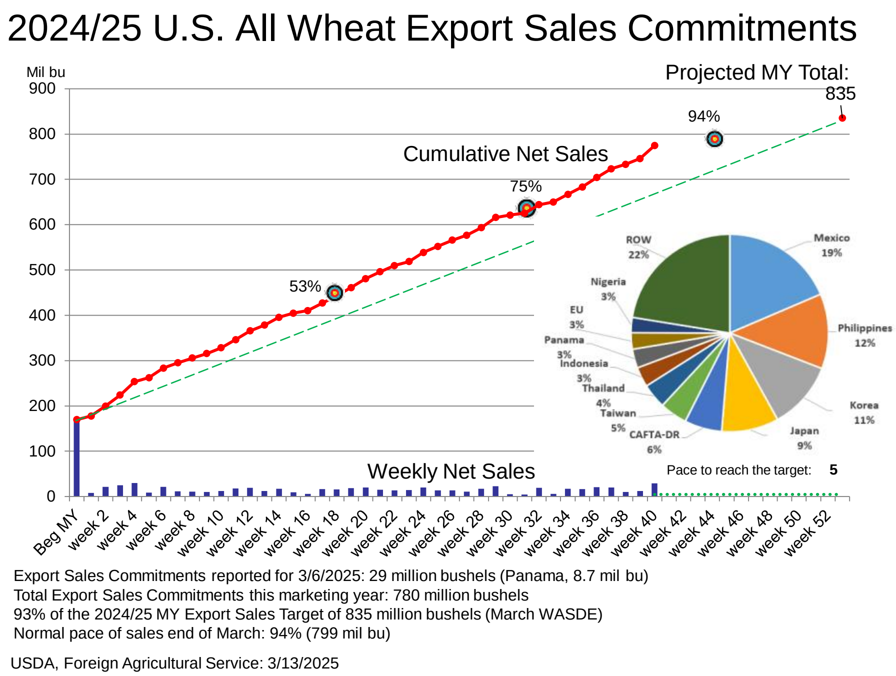
Oceanic Nino Index (ONI)
ENSO Alert System Status: La Nina Advisory

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 10, 2025
http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/
Australian Bureau of Meteorology, http://www.bom.gov.au/climate/enso/

Grain Use. All wheat exports for the week of March 6 totaled 29 million bushels, about a third of that to Panama. The total for the year is now at 780 million bushels, 93% of the lowered projected total for the year of 835 million bushels.



Cash Wheat Prices, $/bu.

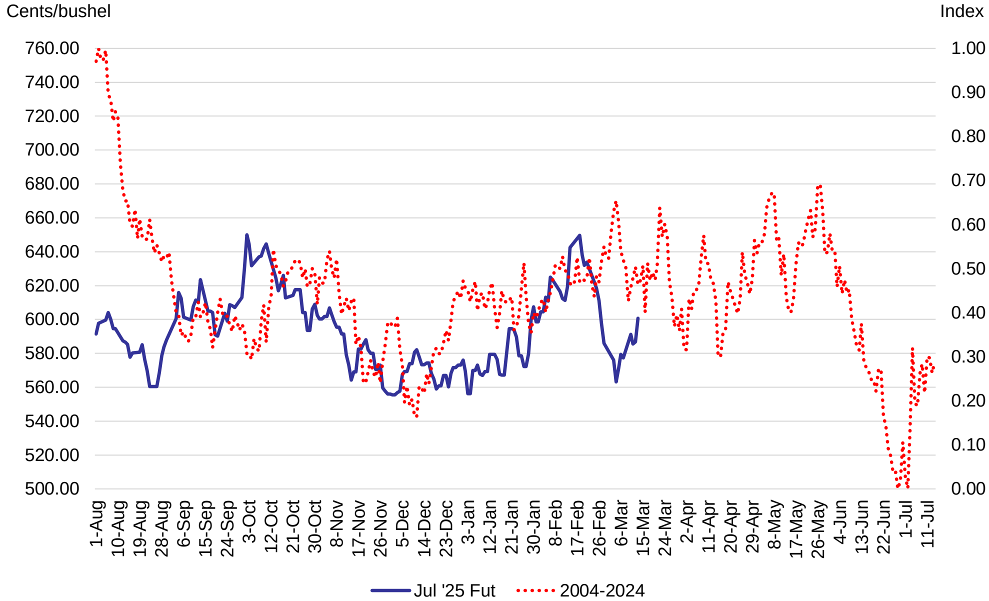
	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
February 13	5.98	5.04	-0.95			
February 20	6.08	5.13	-0.95			
February 27	5.71	4.77	-0.95			
March 6	5.66	4.60	-1.06			
March 13	5.88	4.85	-1.03			
10-year avg			-0.45		0.75	-1.20

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

Marketing Strategies

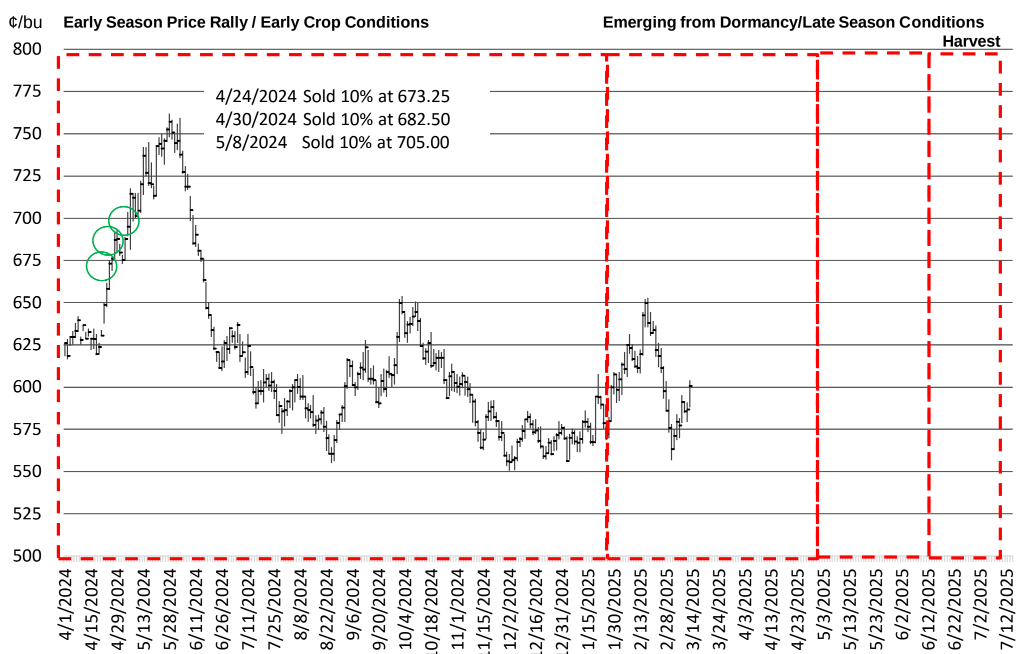
Seasonal Index. The seasonal index for the July Kansas City Wheat futures contract shows prices typically declining from August to the end of the calendar year. Prices tend to trend upwards in late-winter associated with crop condition concerns, topping out in February/March as the crop breaks dormancy.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

July 2025 KC Wheat and Marketing Plan



Upcoming Reports/Events

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

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