

Wheat Outlook

May 5, 2025

Volume 34, Number 32

Today's Newsletter

Market Situation

Crop Progress and
Condition 1

Weather 3

Grain Use 5

Cash Grain Prices 6

Commitment of
Traders 7

Marketing Strategies

Seasonal Index 10

Marketing Plan 10

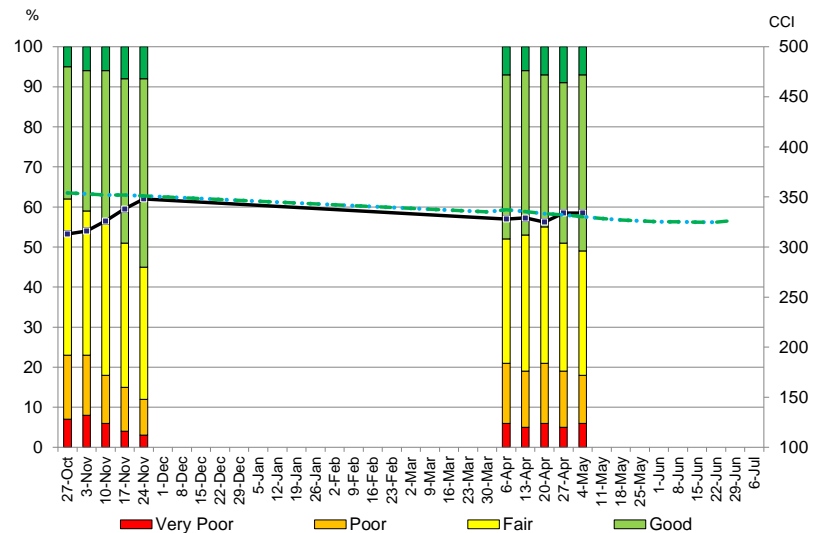
Upcoming Reports/
Events 11



Market Situation

Crop Progress and Condition. The share of the U.S. winter wheat crop rated good and excellent was up 2% this week while the share rated very poor and poor was down 1%. The crop condition index held steady at 334. The national average for this week of the growing season is 330 and normally shows a slight decline.

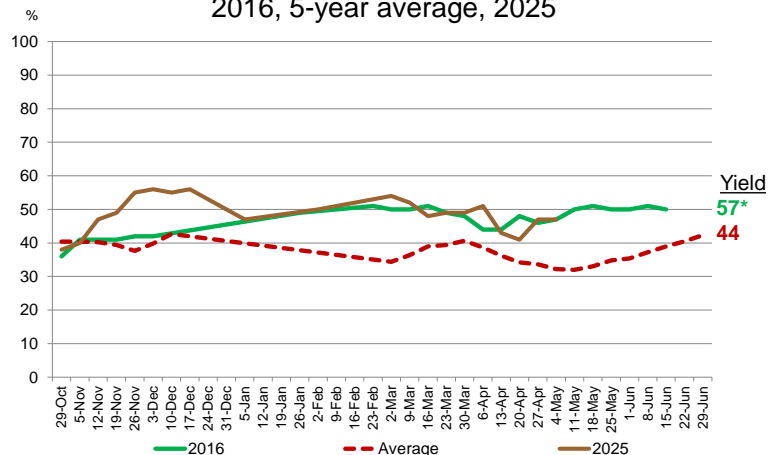
2025 U.S. Winter Wheat Crop Condition Ratings, May 4



USDA Crop Progress, May 5, 2025

The share of wheat rated good and excellent in Kansas this week is 47%. That measure of crop condition is on par with the record setting wheat yield in 2016.

Kansas Winter Wheat Crop Condition Ratings
Percent Good and Excellent
2016, 5-year average, 2025



*Record high
USDA Crop Progress, May 5, 2025

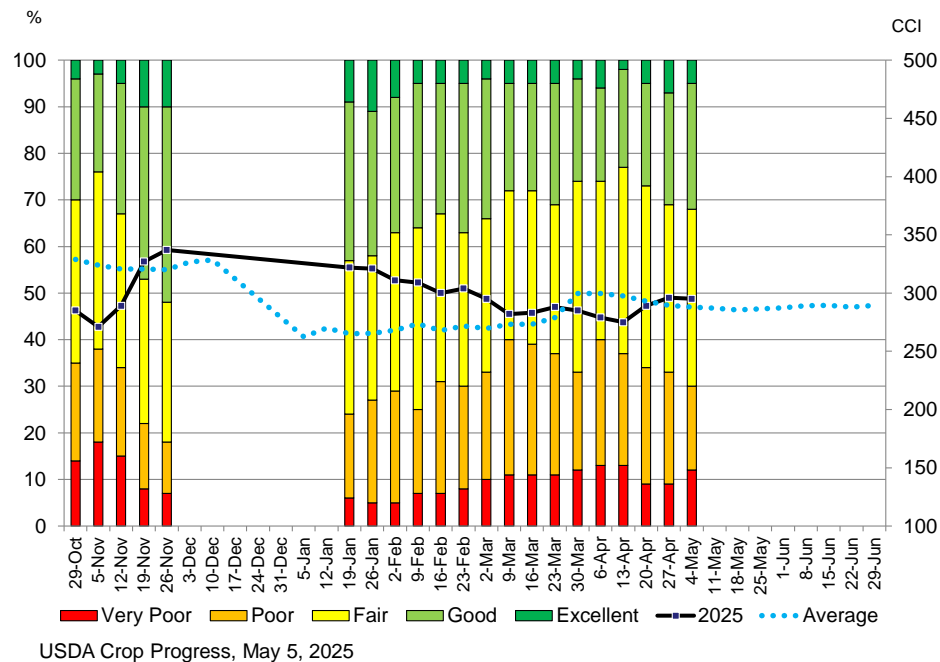
Wheat Outlook

May 5, 2025

Volume 34, Number 32

The crop condition index for Texas wheat this week is 295, just above the 288-point average. The share of wheat rated very poor and poor was down 3% and good and excellent up 1%.

2025 Texas Winter Wheat Crop Condition Ratings, May 4



The weighted Southern Plains wheat crop index held steady at 325.

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
February 2	339	317	311	346	332
March 2	344	296	295	359*	330
March 10	337	323	282	359*	330
March 16	331	310	283	356	324
March 23	334	302	288	363	326
March 30	334	301	285	371	326
April 6	335	324	279	361	329
April 13	326	327	275	349	322
April 20	317	320	289	336	316
April 27	333	326	296	323	325
May 4	329	330	295	337	325
Change	-4	+4	-1	+14	+0

*End of February

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

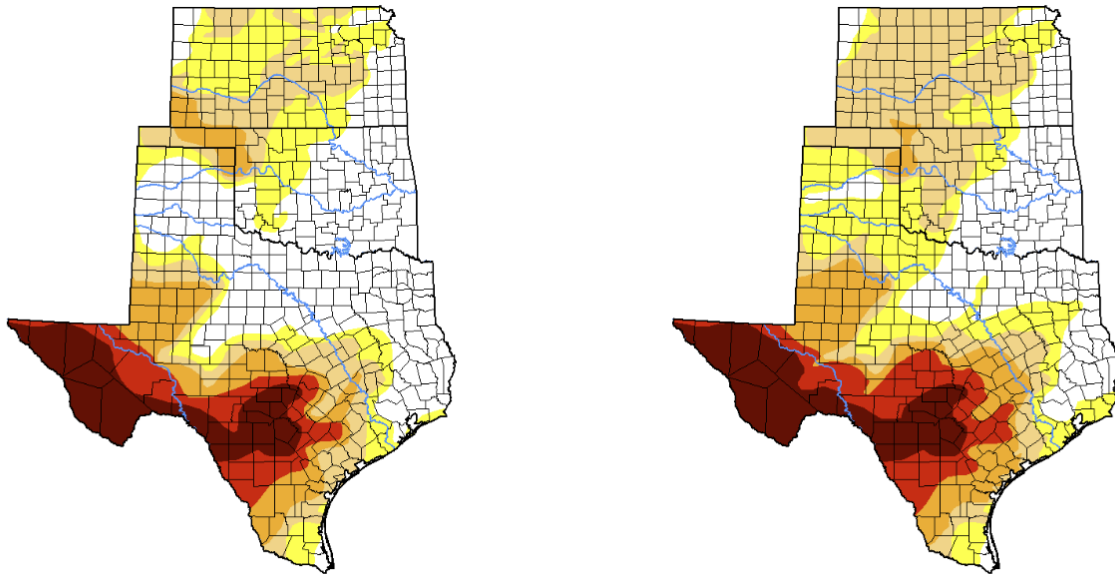
Wheat Outlook

May 5, 2025

Volume 34, Number 32

Spring wheat planted is 44%, ahead of the 34% average.

Weather. The area of the Southern Plains experiencing drought conditions fell this week from 75% to 62%. Improvement was seen in the Texas Panhandle and much of Oklahoma and Kansas. The drought index was down 32 points to 158. The area rated 'extreme' and 'exceptional' in Southwest Texas decreased from 19% of the total area to 17%.



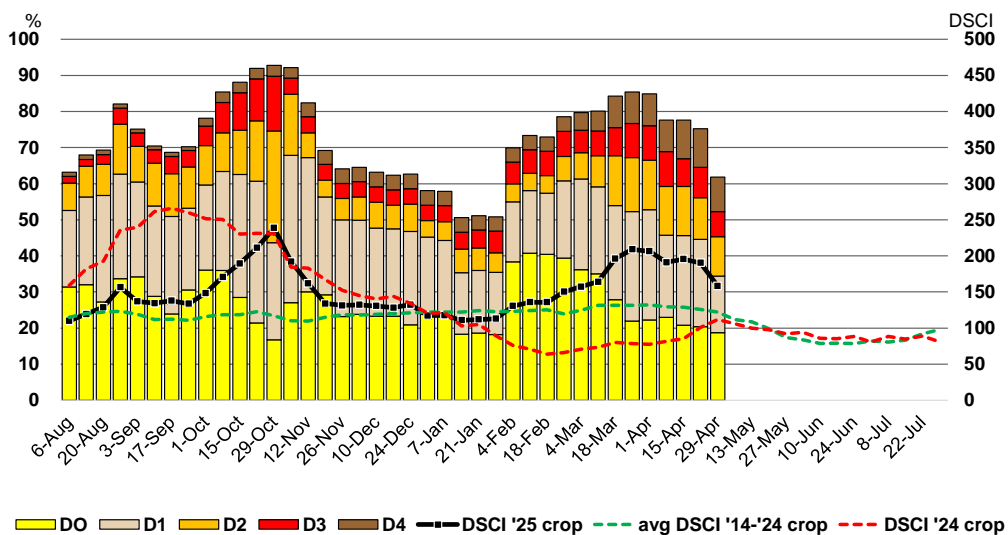
< April 29, 2025 > ⬇

< April 22, 2025 > ⬇

Southern Plains Drought Monitor 4/29/2025

Drought Classification

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



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

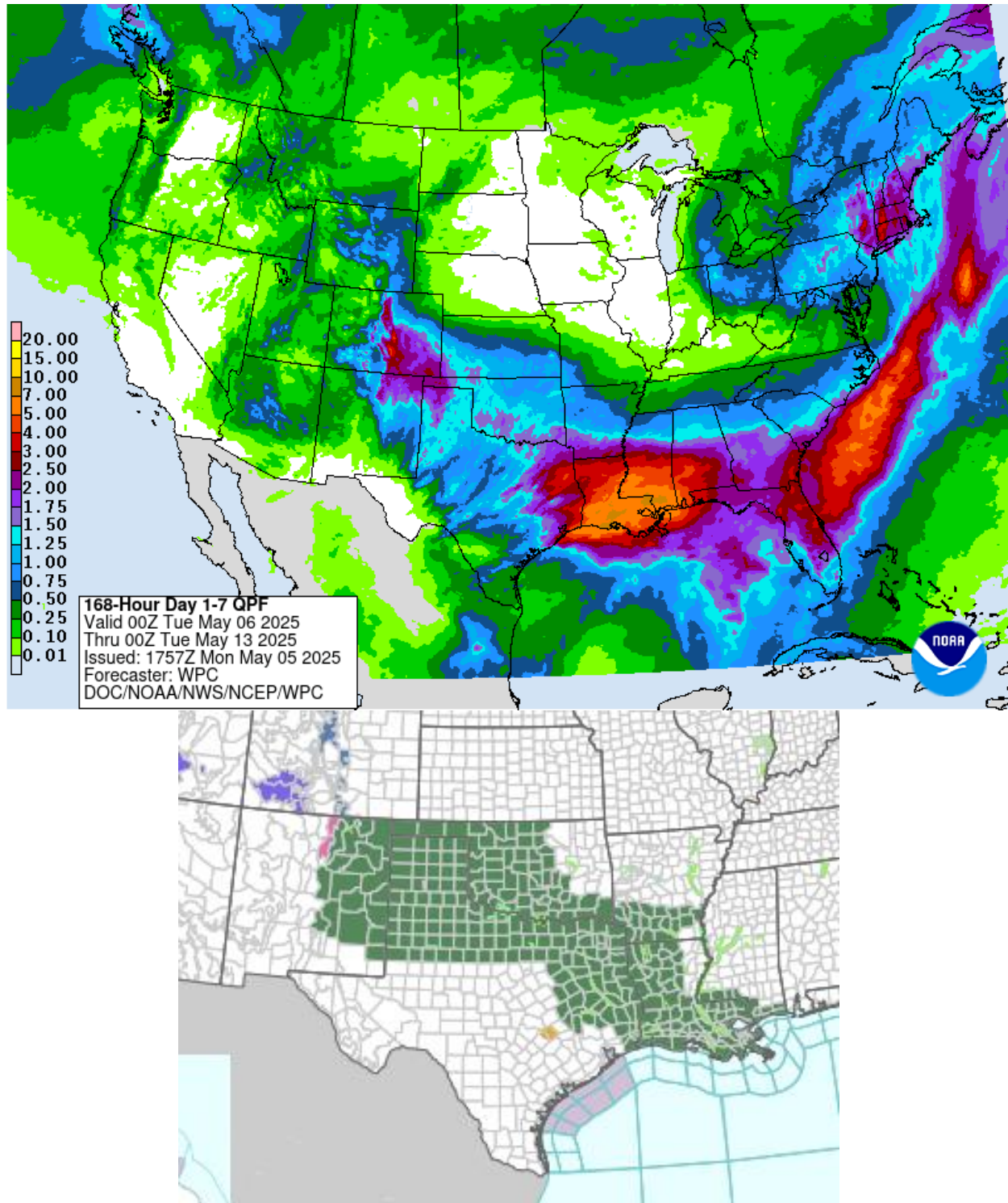
Drought Monitor, 5/1/2025, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

Wheat Outlook

May 5, 2025

Volume 34, Number 32

Widespread precipitation is again in the forecast for most of the Southern Plains the next 7 days (5/6-5/13/2025). The intensity of rainfall in the forecast has raised the potential for flash flooding today and Tuesday.



Wheat Outlook

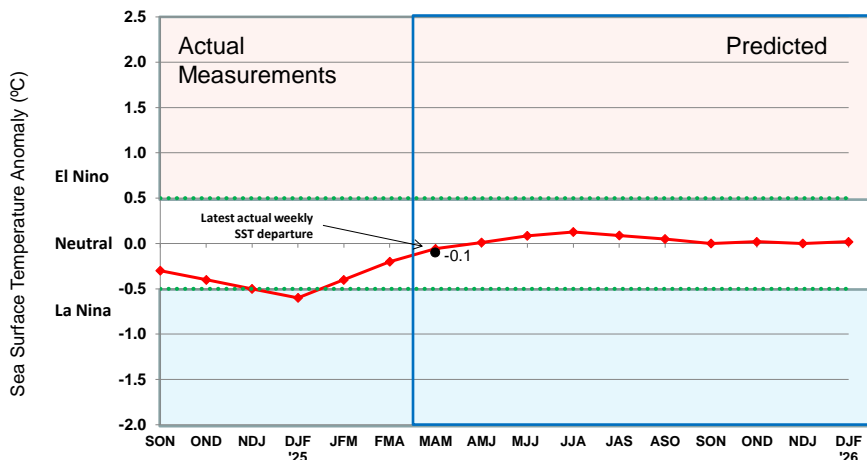
May 5, 2025

Volume 34, Number 32

This week's ENSO update from the Climate Prediction Center shows a temperature departure from normal of -0.1°C. The average temperature departure from normal for February/March/April was -0.2°C. Neutral conditions are forecast to last through the summer.

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

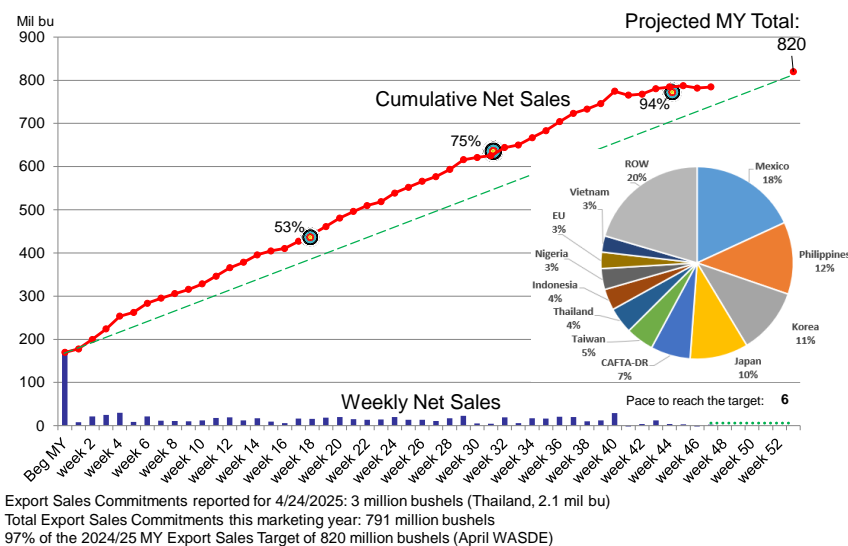
CPC: ENSO-neutral is favored during the Northern Hemisphere summer, with a greater than 50% chance through August-October 2025.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, May 5, 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. Weekly export sales for the week of April 24 were 3 million bushels. The top buyer for the week was Thailand at 2.1 million bushels. Sales to date account for 97% of the 820-million-bushel target. Current wheat sales for the next marketing year are on pace with year ago and average levels.

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



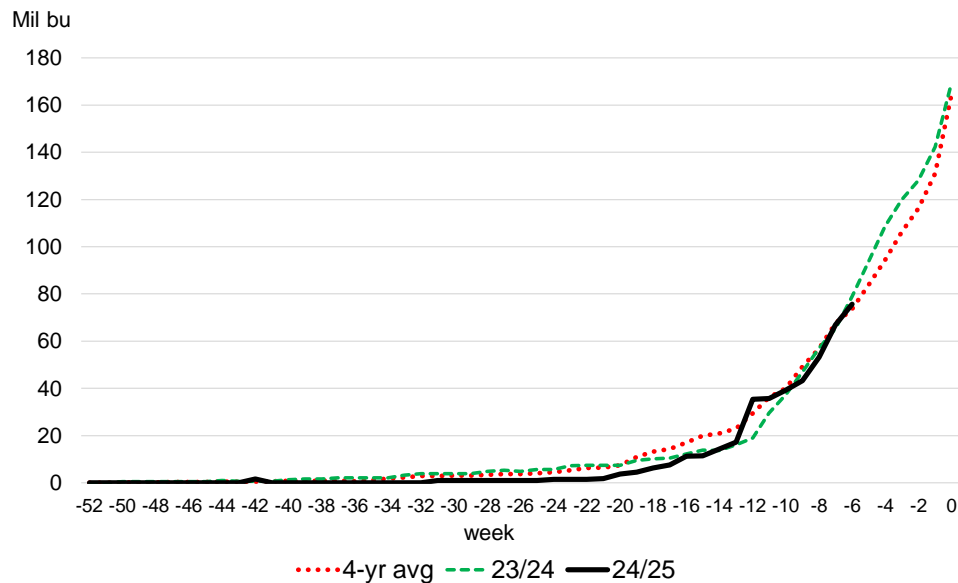
USDA, Foreign Agricultural Service: 5/1/2025

Wheat Outlook

May 5, 2025

Volume 34, Number 32

All Wheat Export Sales Commitments Next Marketing Year



USDA, Foreign Agricultural Service: 5/1/2025

Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
April 3	5.69	4.65	-1.04	6.24	0.55	-1.59
April 10	5.58	4.55	-1.03	6.43	0.85	-1.88
April 17	5.58	4.54	-1.03	6.43	0.86	-1.89
April 24	5.38	4.33	-1.04	6.23	0.85	-1.90
May 1	5.28	4.21	-1.07			
10-year avg			-0.45		0.75	-1.20

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

Wheat Outlook

May 5, 2025

Volume 34, Number 32

Commitment of Traders. Speculators in the wheat markets last week primarily increased the number of bets they held for prices to go lower (short contracts). The number of net long positions held declined along with the price.

Net longs were down in corn as well but for a different reason. Here, traders got out of their bets for prices to go up (long contracts held). Net longs in soybeans were higher as traders exited both sides of the market, more shorts than longs.

For April 29, 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 bullish soybeans.

	Wheat--SRW					Wheat--HRW			
	Long	Short	Net Long	Price		Long	Short	Net Long	Price
4/1/2025	119,598	222,398	(102,800)	540.50		60,579	95,461	(34,882)	565.25
4/8/2025	119,544	211,468	(91,924)	540.00		60,702	100,886	(40,184)	561.50
4/15/2025	116,030	204,356	(88,326)	542.00		61,931	101,220	(39,289)	553.00
4/22/2025	114,514	208,483	(93,969)	535.00		60,461	104,231	(43,770)	546.00
4/29/2025	114,740	231,548	(116,808)	505.75		62,237	116,582	(54,345)	515.25
Change	226	23,065	(22,839)	(29.25)		1,776	12,351	(10,575)	(30.75)

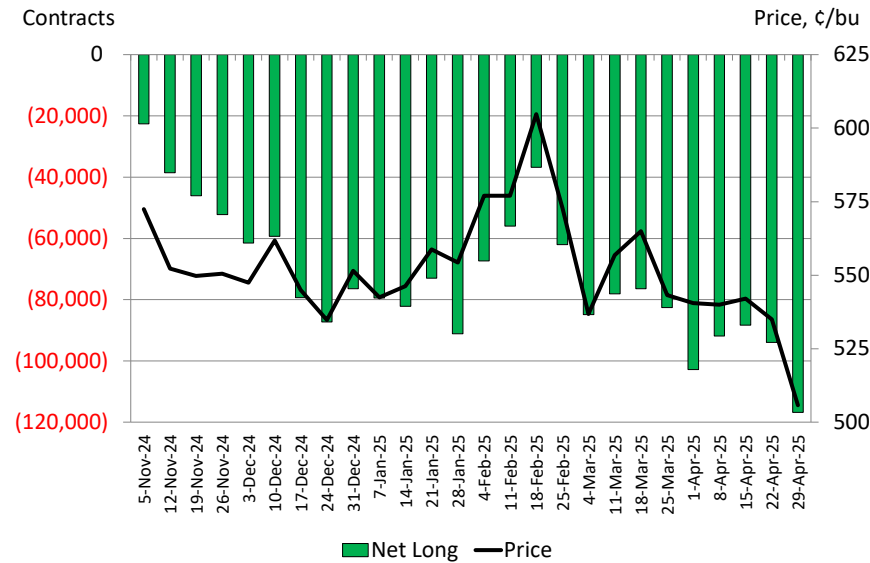
	Corn					Soybeans			
	Long	Short	Net Long	Price		Long	Short	Net Long	Price
4/1/2025	412,771	245,902	166,869	461.75		158,653	162,165	(3,512)	1034.25
4/8/2025	418,031	245,149	172,882	469.00		162,286	179,134	(16,848)	992.75
4/15/2025	438,836	204,654	234,182	481.25		182,824	132,663	50,161	1036.00
4/22/2025	450,712	230,869	219,843	475.75		191,535	135,851	55,684	1035.00
4/29/2025	412,036	236,607	175,429	460.50		184,167	124,694	59,473	1041.00
Change	(38,676)	5,738	(44,414)	(15.25)		(7,368)	(11,157)	3,789	6.00

Wheat Outlook

May 5, 2025

Volume 34, Number 32

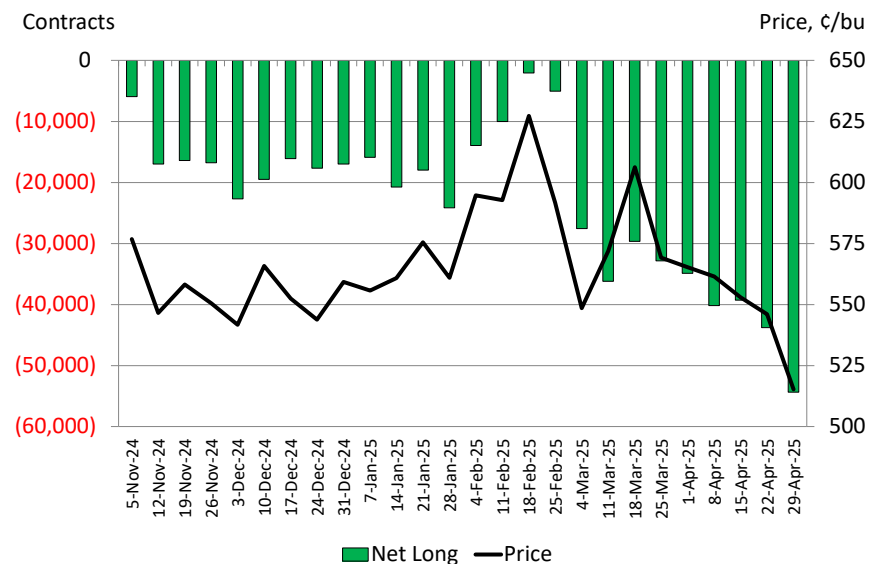
Non-commercial Investment in CBOT Wheat, 4/29/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in KC Wheat, 4/29/2025



CFTC Legacy Report, Futures Only

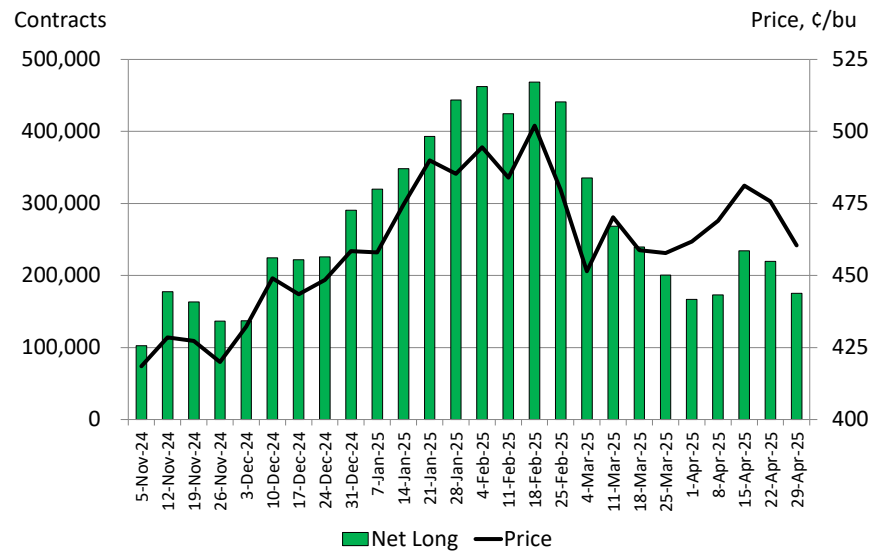
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Wheat Outlook

May 5, 2025

Volume 34, Number 32

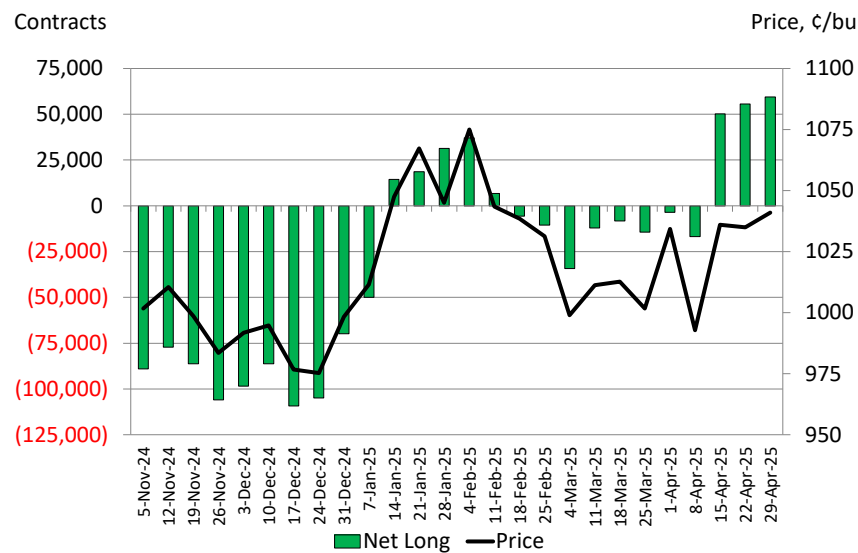
Non-commercial Investment in Corn, 4/29/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in Soybeans, 4/29/2025



CFTC Legacy Report, Futures Only

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

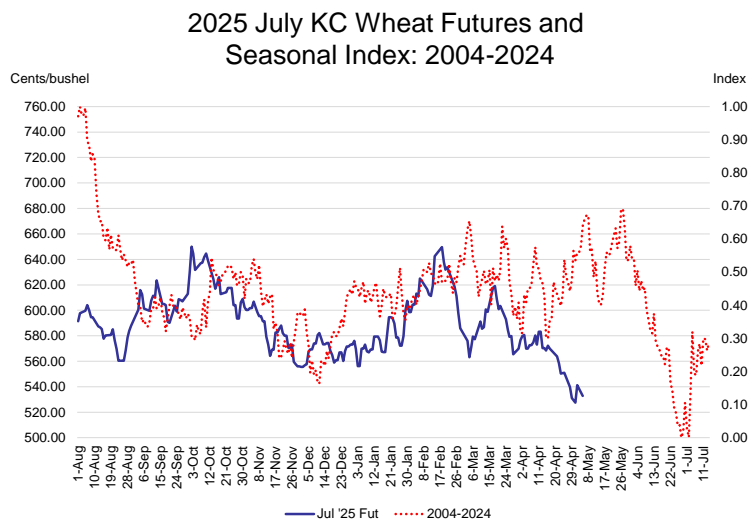
Wheat Outlook

May 5, 2025

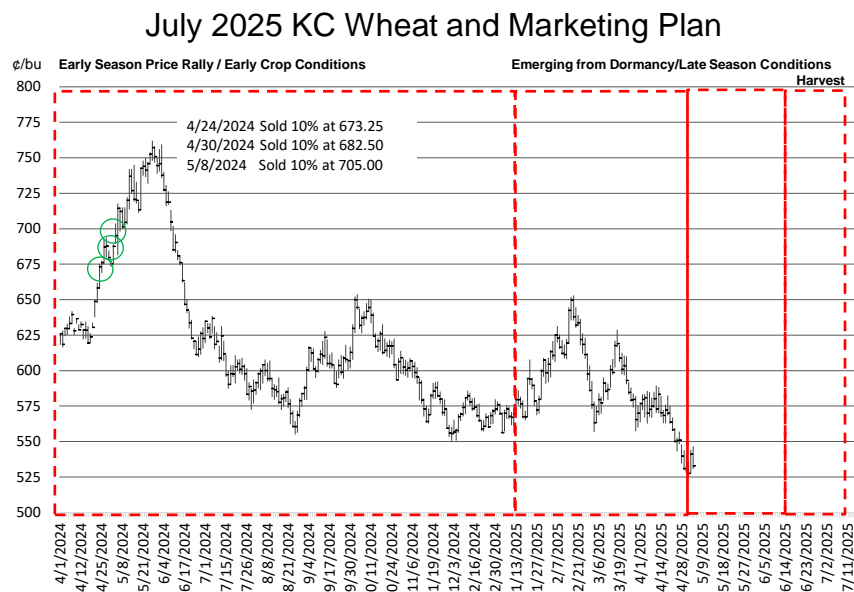
Volume 34, Number 32

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. Waiting for late-seasonal price moves, I missed several what appear now to be good marketing opportunities.



Wheat Outlook

May 5, 2025

Volume 34, Number 32

Upcoming Reports/Events

May 6-7	Federal Open Market Committee, Federal Reserve
May 6	Short-term Energy Outlook
May 12	WASDE Crop Production
May 13	Consumer Price Index
May 23	Cattle on Feed Chickens and Eggs
May 26	Memorial Day Holiday
May 29	GDP, 1 st Quarter 2025 (Second Estimate)
June 6	May Employment Situation
June 26	Hogs and Pigs
June 30	Acreage Grain Stocks

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