

Wheat Outlook

May 9, 2025

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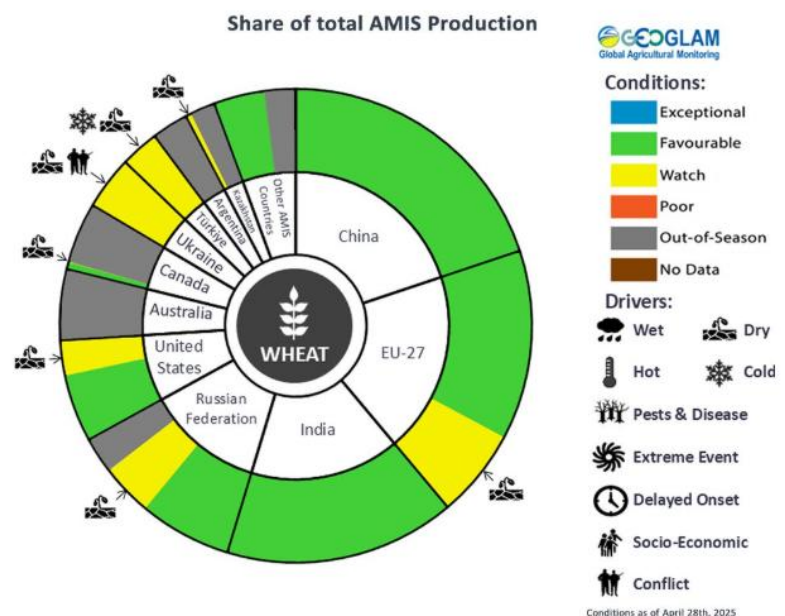
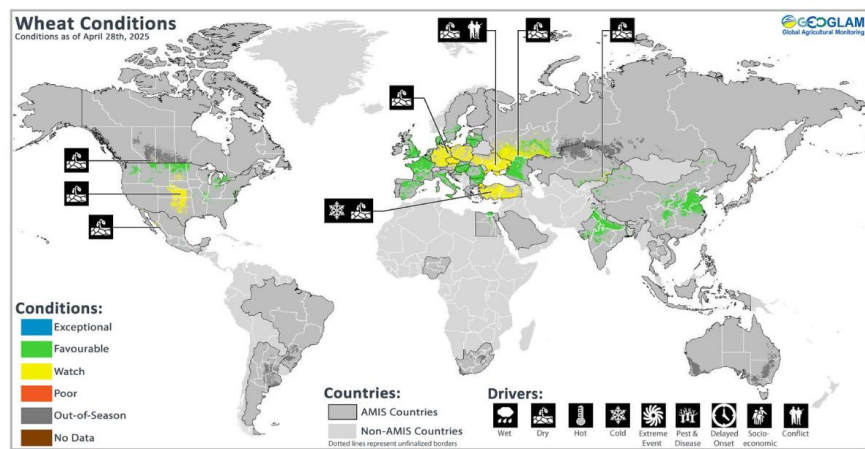
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Market Situation

Crop Progress and Condition. The GEOGLAM Crop Monitor for April shows favorable conditions for wheat in India and China. Conditions are mixed in Russia and Europe with additional rainfall needed from Germany to Ukraine. Turkey is dry. Conditions in Southern Russia have improved since March but dryness still impacts the Volga and Central Region. Much of the U.S. Southern Plains were still in the watch category due to drought as well.



<https://www.cropmonitor.org/>

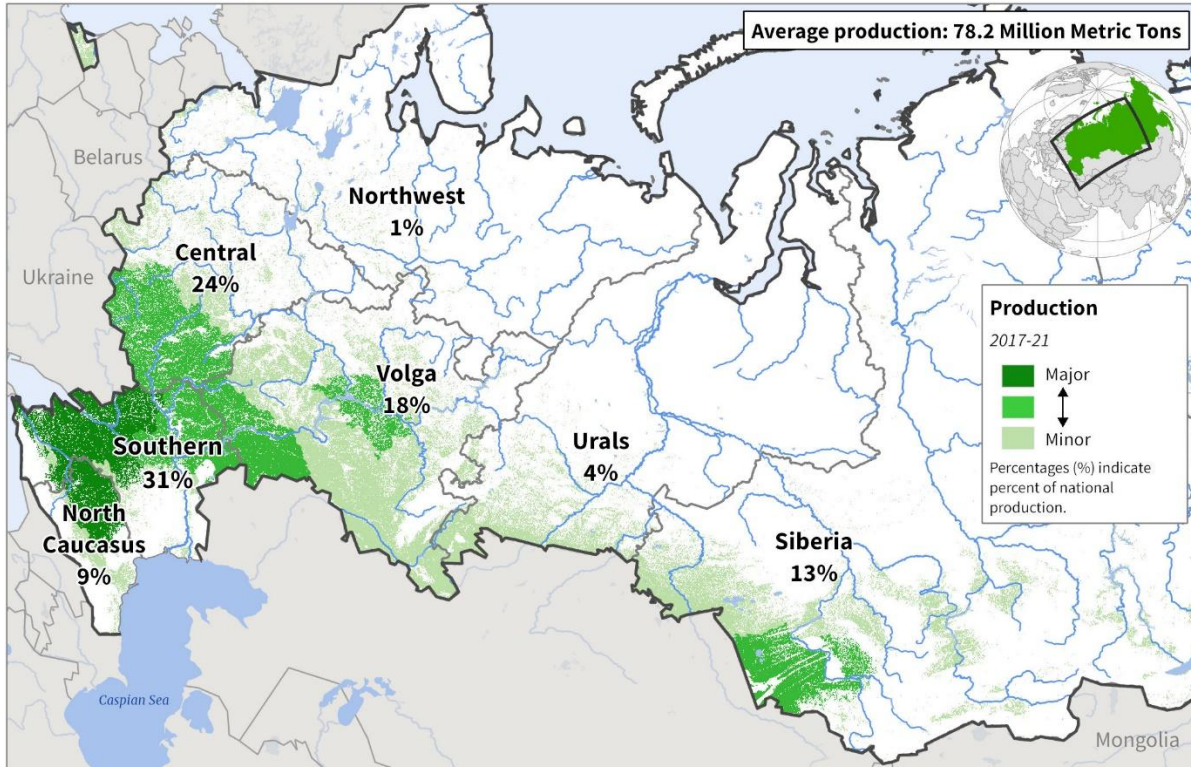
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The Volga and Central regions of Russia account for about 40% of total wheat production.

Russia: Wheat Production



USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Sources: Rosstat, Average Crop Production 2017-2021;
GFSAD 30 m crop cover (2015)

[https://ipad.fas.usda.gov/rssiws/al/crop_production_maps/Russia/Russia Total Wheat.jpg](https://ipad.fas.usda.gov/rssiws/al/crop_production_maps/Russia/Russia%20Total%20Wheat.jpg)

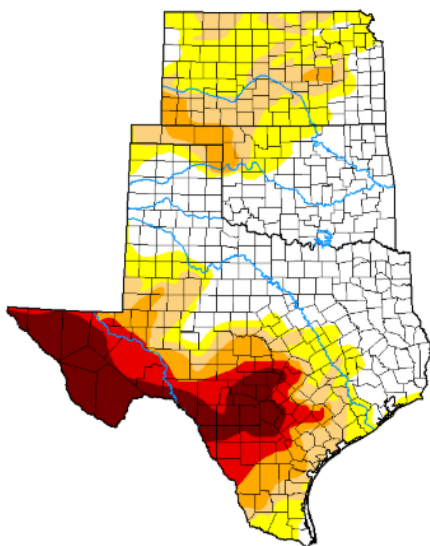
Weather. The area of the Southern Plains experiencing drought conditions fell this week from 62% to 59%. The drought index was down 10 points to 148. The index average is 112 and stood at 106 last year.

Rain has moved out of the 7-day forecast (5/9-5/16/2025) for the Southern Plains.

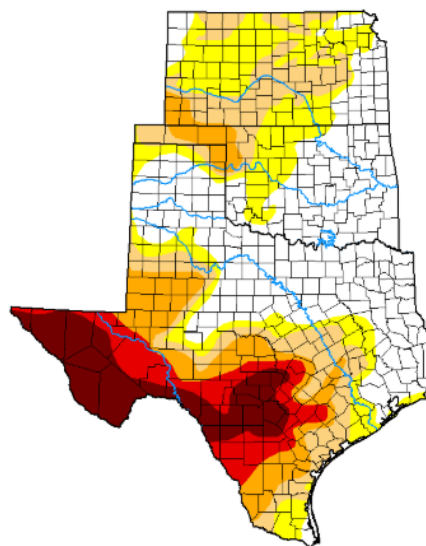
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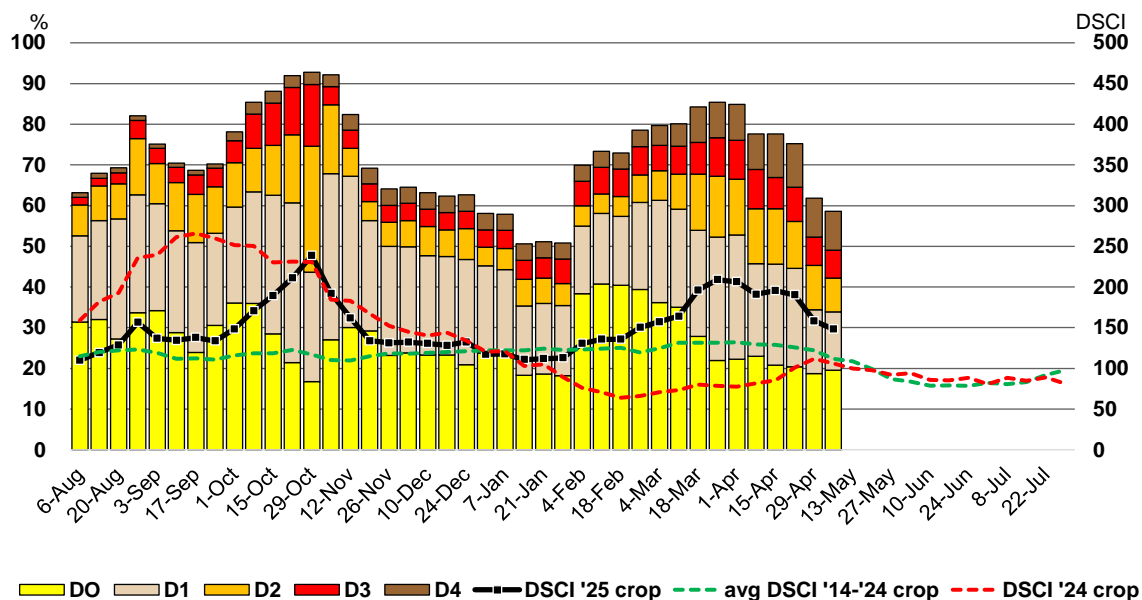
< April 29, 2025



Southern Plains Drought Monitor 5/6/2025

Drought Classification

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



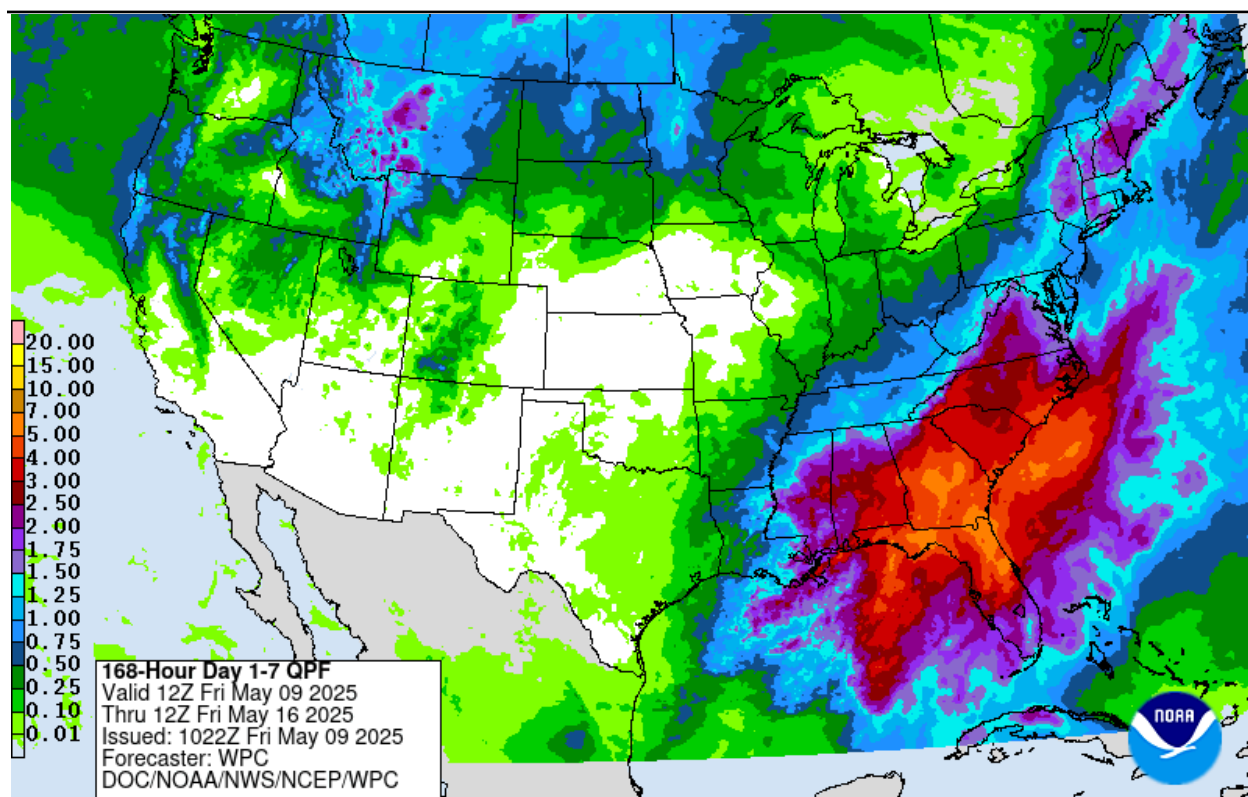
Drought Severity and Coverage Index (DSCI) = $(D0 \times 1) + (D1 \times 2) + (D2 \times 3) + (D3 \times 4) + (D4 \times 5)$;
min 0--no drought conditions reported; max 500--100% under exceptional drought conditions

Drought Monitor, 5/8/2025, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

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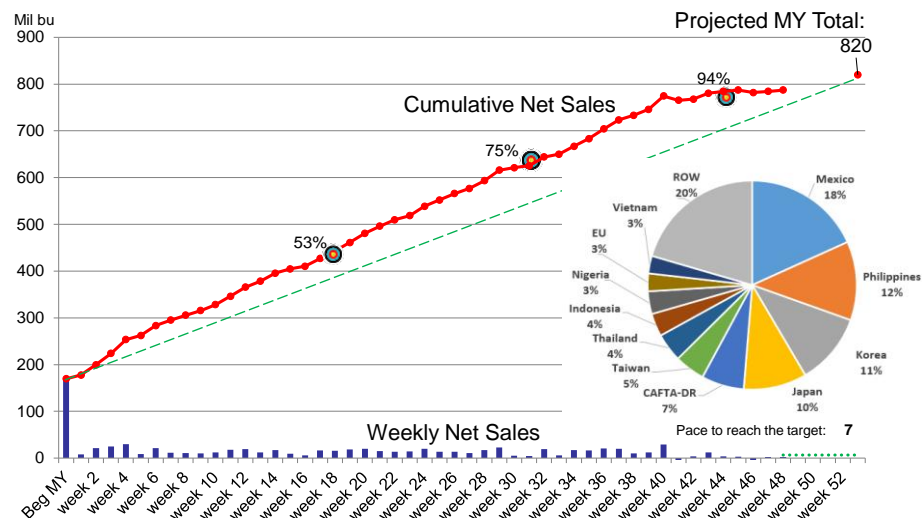
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Grain Use. Weekly export sales for the week of May 1 were 3 million bushels. The top buyer for the week was Mexico at 1.4 million bushels. Sales to date account for 97% of the 820-million-bushel target.

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



Export Sales Commitments reported for 5/1/2025: 3 million bushels (Mexico, 1.4 mil bu)
Total Export Sales Commitments this marketing year: 794 million bushels
97% of the 2024/25 MY Export Sales Target of 820 million bushels (April WASDE)

USDA, Foreign Agricultural Service: 5/8/2025

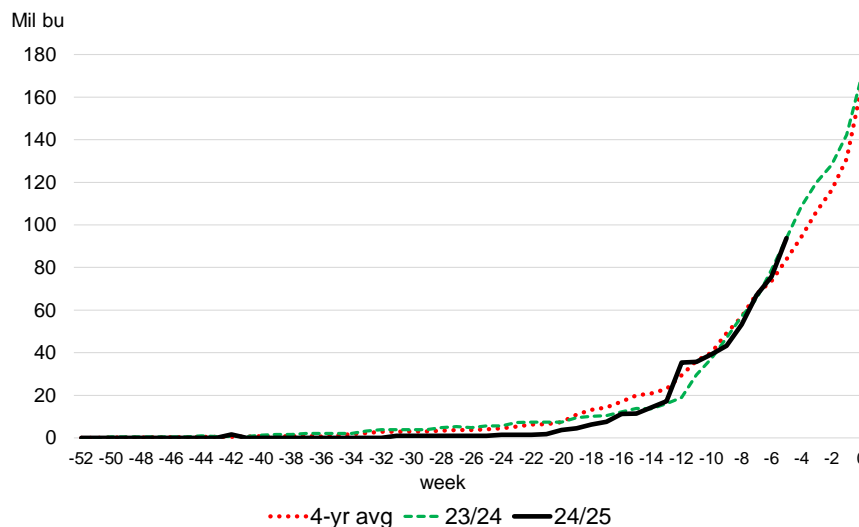
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Current wheat sales for the next marketing year are on par with year ago and above average.

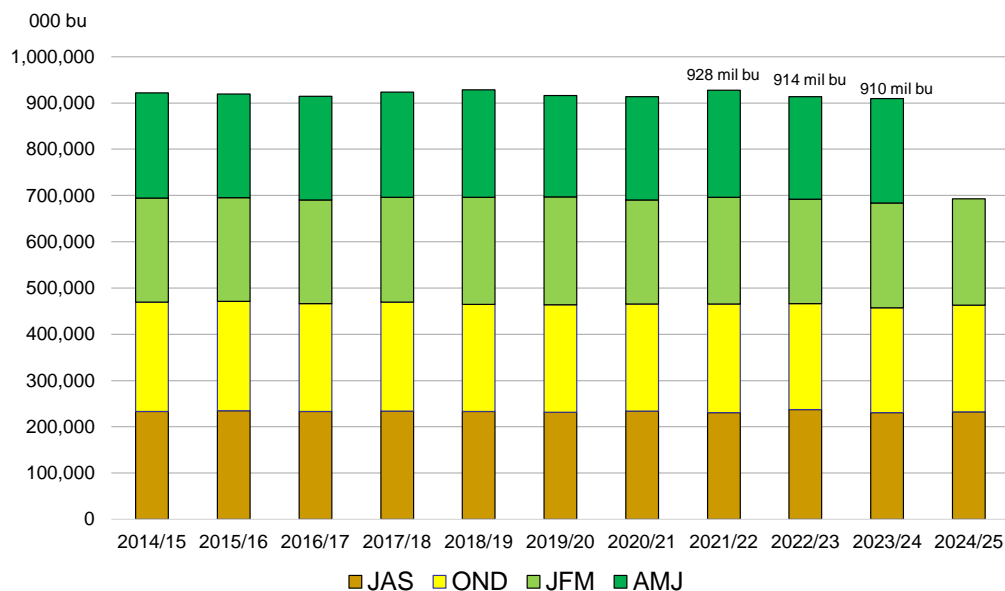
All Wheat Export Sales Commitments Next Marketing Year



USDA, Foreign Agricultural Service: 5/8/2025

The Flour Milling Products report for May shows 229.6 million bushels of wheat ground for flour in the January to March quarter. For the marketing year to date, wheat for flour is up 9 million bushels compared to 2023/24.

All Wheat Ground for Flour



USDA, Flour Milling Products, May 1, 2025

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Cash Wheat Prices, \$/bu.

| | Nearby KC Futures | Avg TX cash elevator | basis | Houston Port | basis | Elevator to Export Spread |
|-------------|----------------------|-------------------------|-------|-----------------|-------|------------------------------|
| 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 | | | |
| May 8 | 5.25 | 4.21 | -1.04 | 6.05 | 0.80 | -1.84 |
| 10-year avg | | | -0.32 | | 0.82 | -1.14 |

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

Commitment of Traders. The primary driver of speculators' net long positions going lower this week in corn and soybeans were getting out of bets for higher prices (fewer long positions held). These traders also added to bets that prices would go down (increase in short positions held).

Net longs were higher in Chicago wheat. Traders increased the number of long contracts held and lowered the number of short positions. Net longs were down in Kansas City wheat on traders adding to positions on the short side of the market and are at a record low level.

For May 6, 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,
- more bearish KC hard red winter wheat,
- less bullish corn, and
- less bullish soybeans.

| | Wheat--SRW | | | | Wheat--HRW | | | |
|-----------|------------|---------|-----------|--------|------------|---------|----------|--------|
| | Long | Short | Net Long | Price | Long | Short | Net Long | Price |
| 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 |
| 5/6/2025 | 119,875 | 227,412 | (107,537) | 536.00 | 62,450 | 120,588 | (58,138) | 538.00 |
| Change | 5,135 | (4,136) | 9,271 | 30.25 | 213 | 4,006 | (3,793) | 22.75 |

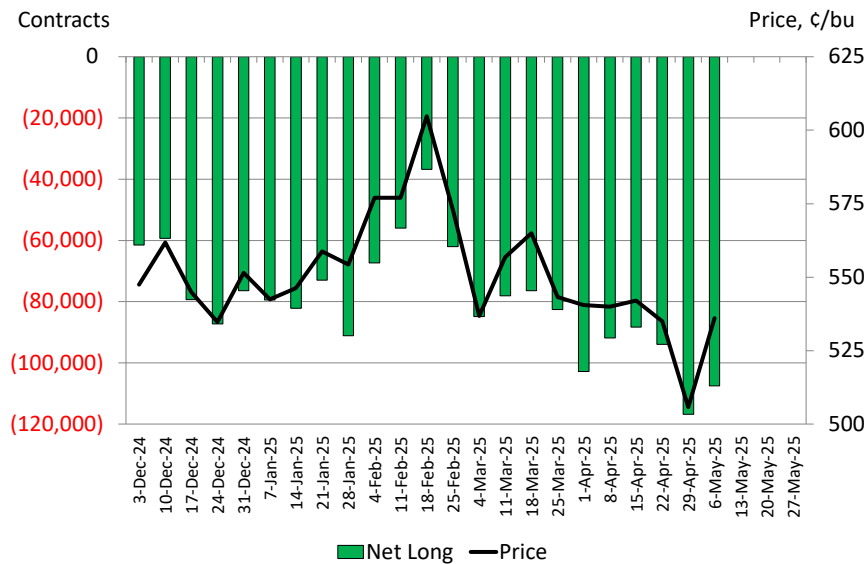
| | Corn | | | | Soybeans | | | |
|-----------|----------|---------|----------|--------|----------|---------|----------|---------|
| | Long | Short | Net Long | Price | Long | Short | Net Long | Price |
| 4/8/2025 | 418,031 | 245,149 | 172,882 | 469.00 | 162,286 | 179,134 | (16,848) | 992.75 |
| 4/15/2025 | 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 |
| 5/6/2025 | 376,617 | 260,718 | 115,899 | 455.50 | 177,646 | 128,261 | 49,385 | 1041.25 |
| Change | (35,419) | 24,111 | (59,530) | (5.00) | (6,521) | 3,567 | (10,088) | 0.25 |

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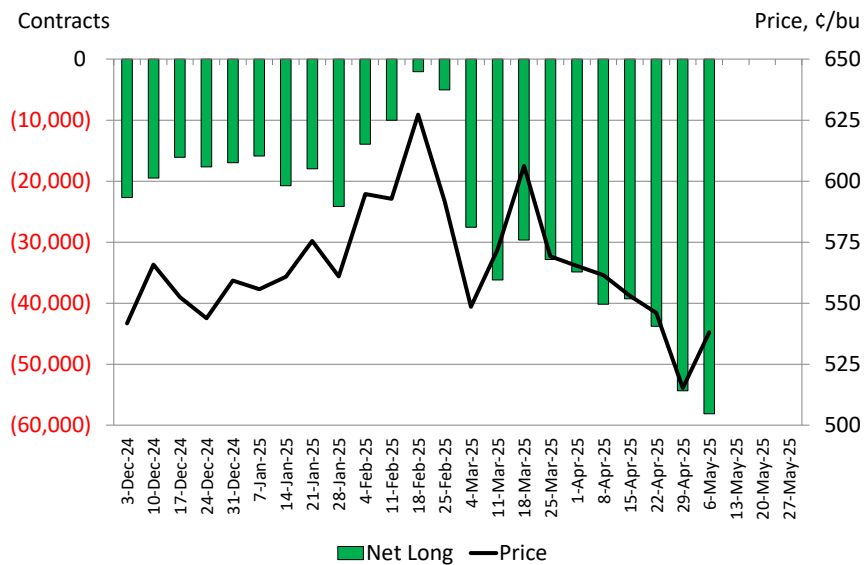
Non-commercial Investment in CBOT Wheat, 5/6/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in KC Wheat, 5/6/2025



CFTC Legacy Report, Futures Only

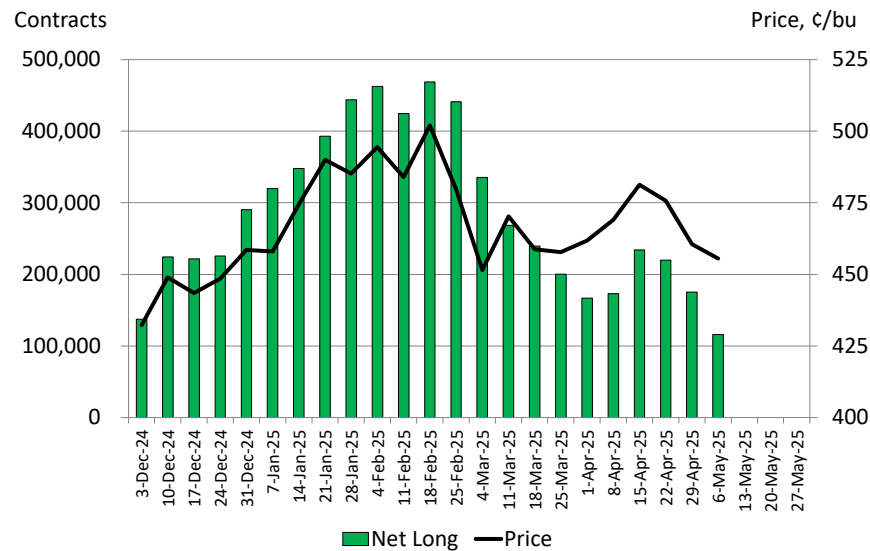
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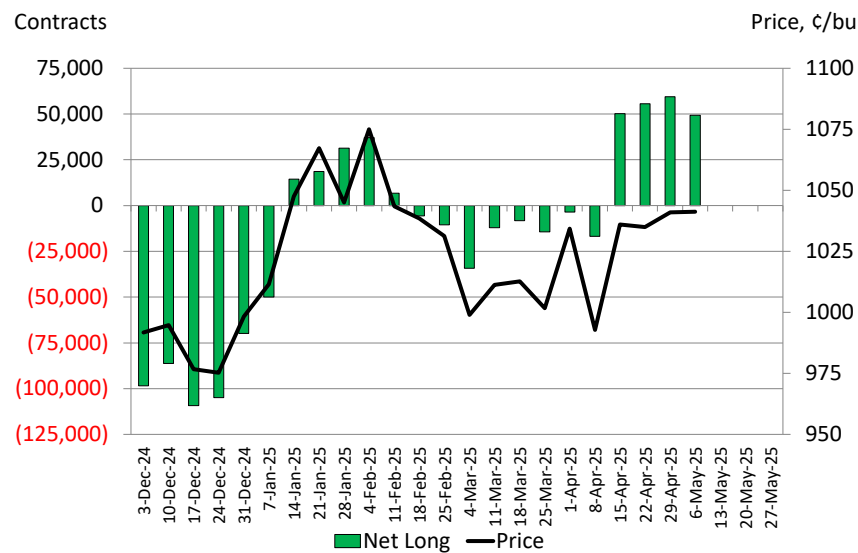
Non-commercial Investment in Corn, 5/6/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in Soybeans, 5/6/2025



CFTC Legacy Report, Futures Only

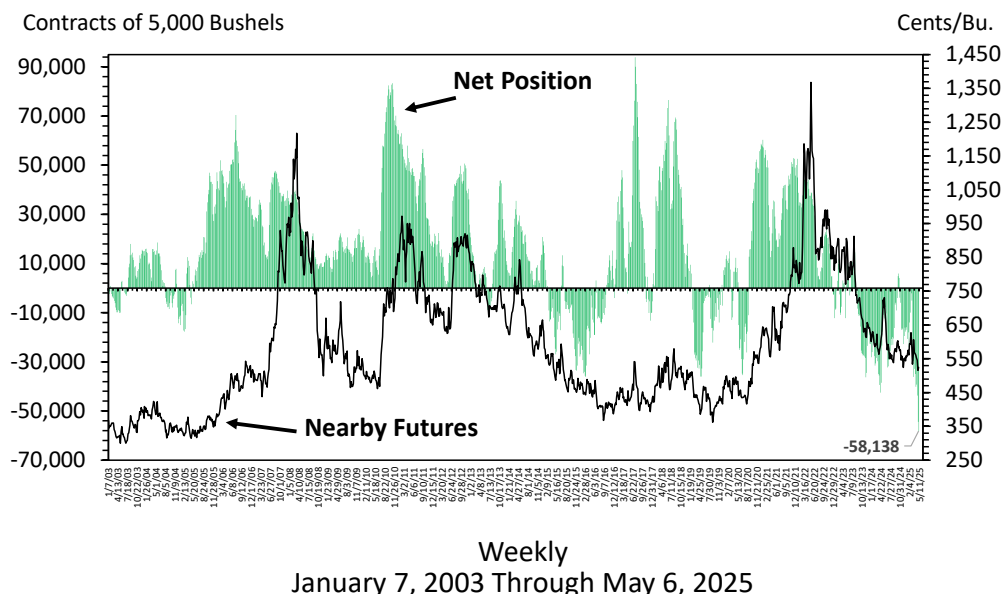
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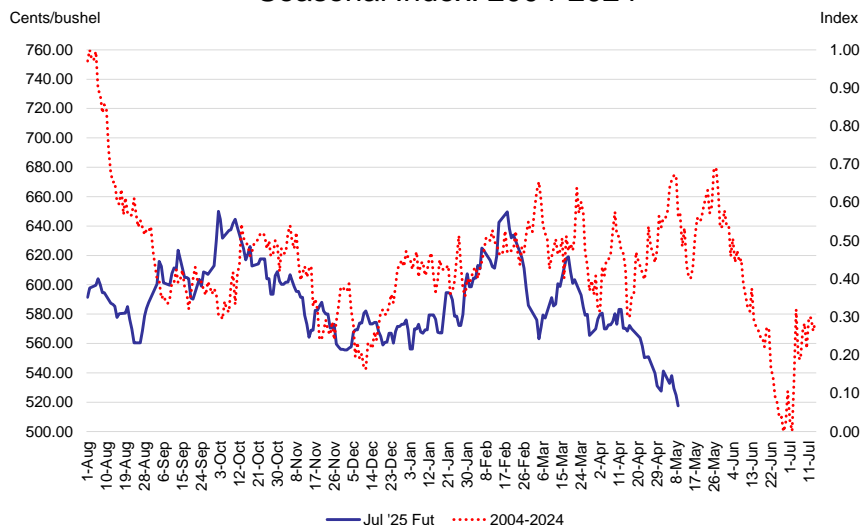
KCBT Wheat Commitment of Traders (Futures Only) Reportable Non-Commercial Positions and Nearby Futures Prices



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



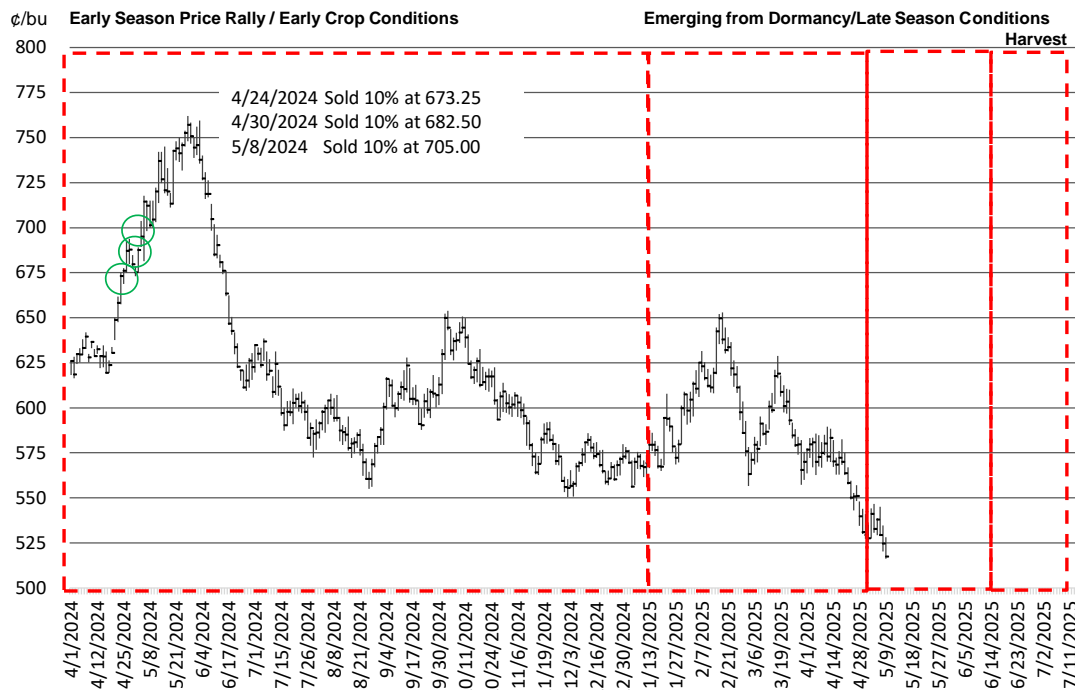
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Wheat Marketing Plan. For the 2025 wheat crop, I am 30% sold. With strong counter-seasonal price movement, I failed to get more wheat priced March to May (at least to this point).

July 2025 KC Wheat and Marketing Plan



Upcoming Reports/Events

| | |
|------------|---|
| 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 17-18 | FOMC, Federal Reserve |
| June 26 | Hogs and Pigs |
| June 30 | Acreage Grain Stocks |

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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

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