

Wheat Outlook

May 16, 2025

Volume 34, Number 36

Today's Newsletter

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Market Situation

WASDE. The May World Agricultural Supply and Demand Estimates call for an increase in U.S. wheat ending stocks. The production forecast is lower than 2024/25 with a decrease in acres. Imports are down as well. An increase in beginning stocks results in a 64 million bushel increase in supply. Total use is lower with a decrease in exports and domestic use little changed. Estimated days of use on hand at the end of the marketing year increase from a 155.3-day supply last year to 172.0. The season average farm price is projected lower by 20 cents to \$5.30. The 2025/26 PLC reference price for wheat is \$5.56.

US WHEAT SUPPLY AND USE			May		
			2025/26	2024/25 to May 25/26	
AREA			5/12/2025	Net Δ	% Δ
	Planted	mil acres	45.4	(0.7)	-1.5%
	Harvested	mil acres	37.2	(1.3)	-3.4%
	Percent Harvested		81.9%	(0.0)	-1.9%
YIELD	Harvested acre	bu/ac	51.6	0.4	0.8%
SUPPLY					
	Beginning stocks	mil bu	841	145.0	20.8%
	Production	mil bu	1,921	(50.0)	-2.5%
	Imports	mil bu	120	(30.0)	-20.0%
	Total Supply	mil bu	2,882	64.0	2.3%
DEMAND					
	Food	mil bu	977	2.0	0.2%
	Seed	mil bu	62	0.0	0.0%
	Feed and residual	mil bu	120	0.0	0.0%
	Total Domestic Use	mil bu	1,159	2.0	0.2%
	Exports	mil bu	800	(20.0)	-2.4%
	Total Use	mil bu	1,959	(18.0)	-0.9%
	Ending stocks	mil bu	923	82.0	9.8%
	Stocks to Use ratio	percent	47.1%	0.0	10.8%
	Days of Use on hand	days	172.0	16.7	10.8%
PRICE					
	Average farm price	\$/bu	5.30	(0.20)	-3.6%
	Reference Price	\$/bu	5.56	0.06	1.1%
	PLC Payment	\$/bu	0.26	0.26	

World wheat days of use on hand for 2025/26 is about steady with 2024/25, a 120.0-day supply. World wheat supplies are up 4.9 mmt (180 million bushels) and use is up 4.4 mmt (161 million bushels) raising ending stocks 0.5 mmt (19 million bushels). Wheat production is forecast to set another all-time record high at 808.52 mmt (29.708 billion bushels).

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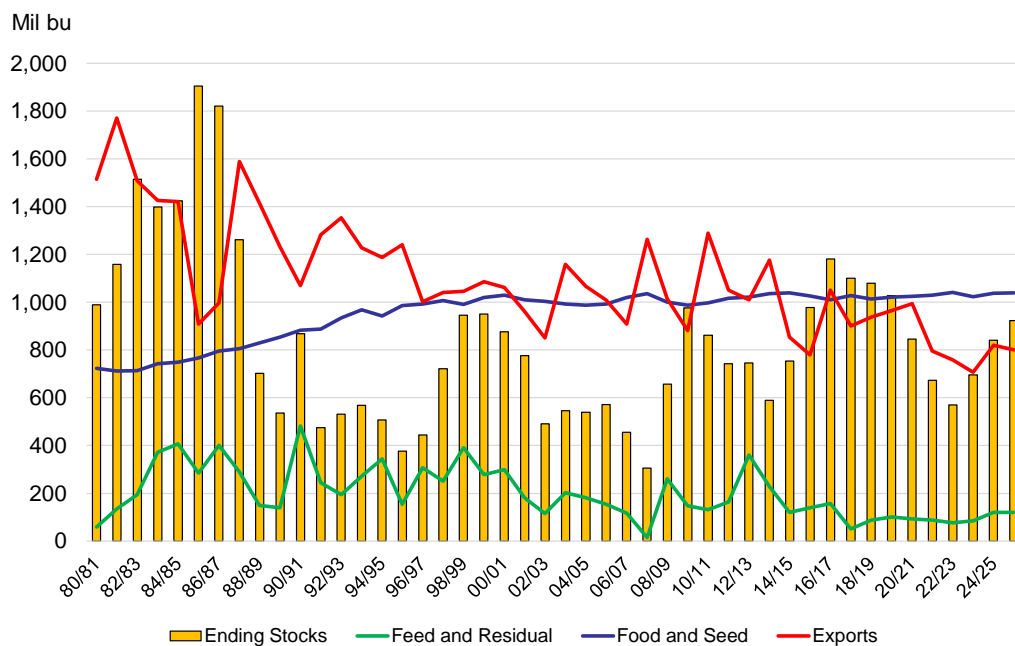
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U.S. Wheat Supply and Demand, May 2025



USDA, WASDE, 5/12/2025

U.S. Wheat Use, WASDE May 2025



USDA, WASDE, 5/12/2025

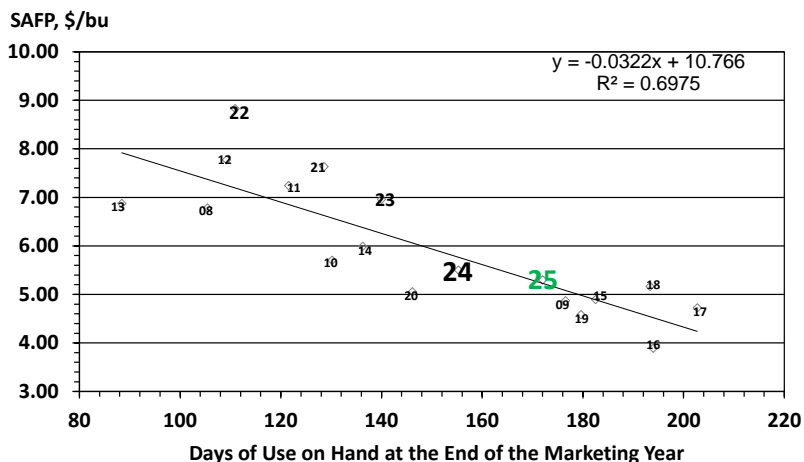
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U.S. Wheat Average Farm Price and Days of Use on Hand

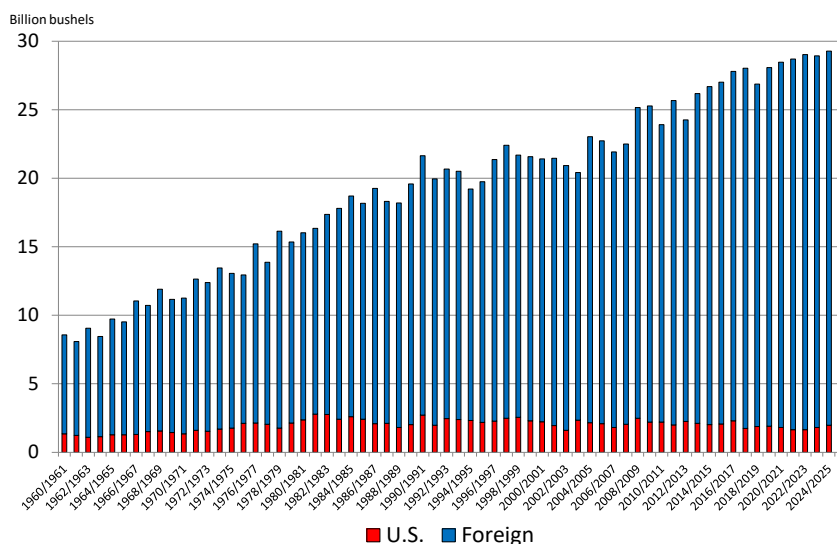
2008/09-2024/25, 2025/26 estimate



Source: USDA, May 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	274.98	791.95	223.05	159.24	797.82	222.22	269.11	0.3228	123.1	
2024/25	269.11	799.71	198.06	154.28	803.62	206.12	265.21	0.3300	120.5	
2025/26	May	265.21	808.52	209.65	155.45	808	212.99	0.3289	120.0	
	Net Change	(3.90)	8.81	11.59	1.17	4.38	6.87	0.52	(0.0011)	(0.4)
	% Change	-1.45%	1.10%	5.85%	0.76%	0.55%	3.33%	0.20%	-0.35%	-0.35%

World Wheat Production



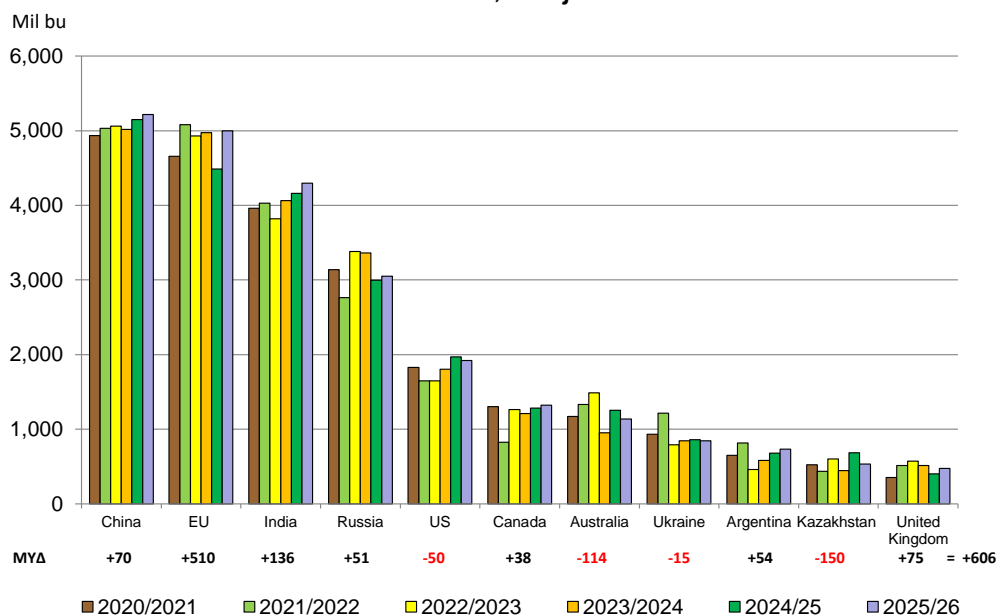
WASDE May 2025

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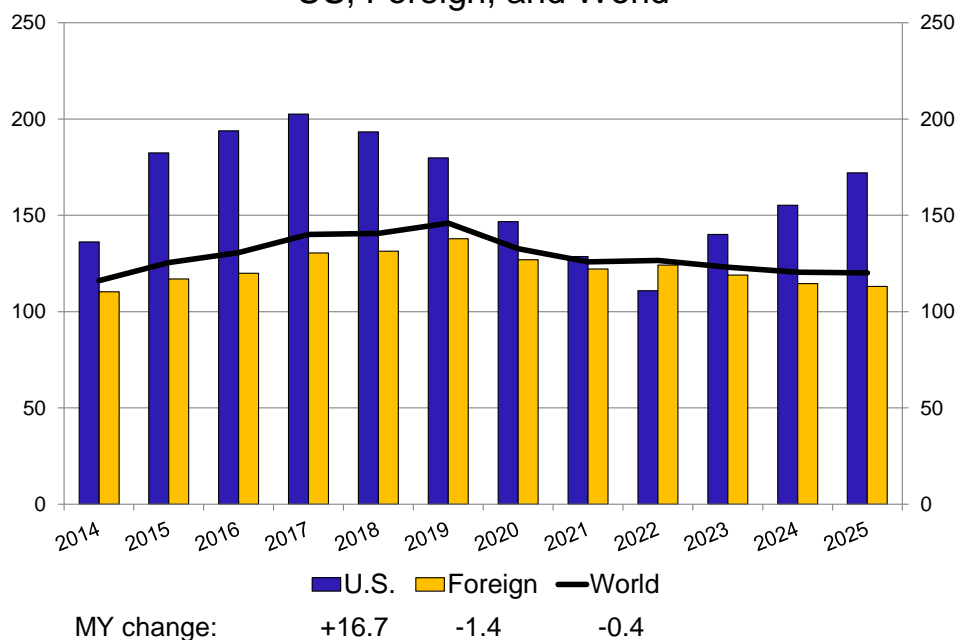
Wheat Production, Major Contributors



WASDE, May 2025

83% of global wheat production

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



USDA, WASDE, May 2025

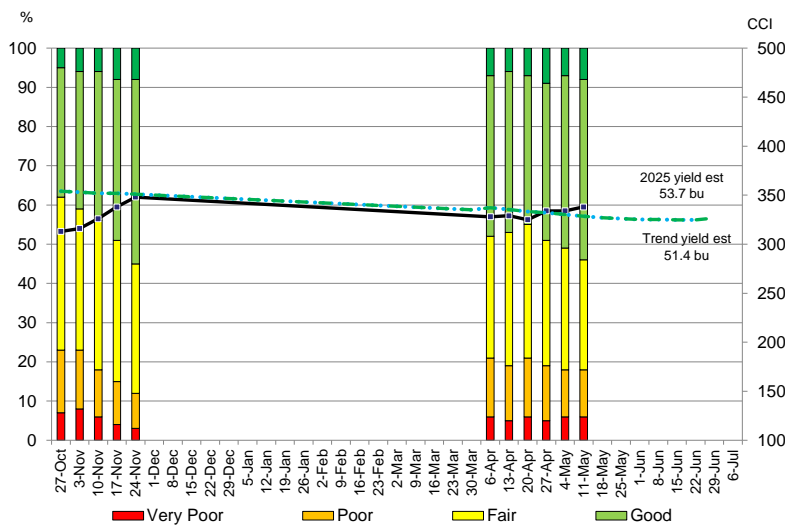
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Crop Progress and Condition. The share of the U.S. winter wheat crop rated good and excellent was up 3% this week while the share rated very poor and poor held steady. The crop condition index increased 4 points to 338. The national average for this week of the growing season is 328 and normally shows a slight decline from here to harvest. USDA's winter wheat yield estimate is 53.7 bushels per acre, up from 51.7 bushels per acre last year.

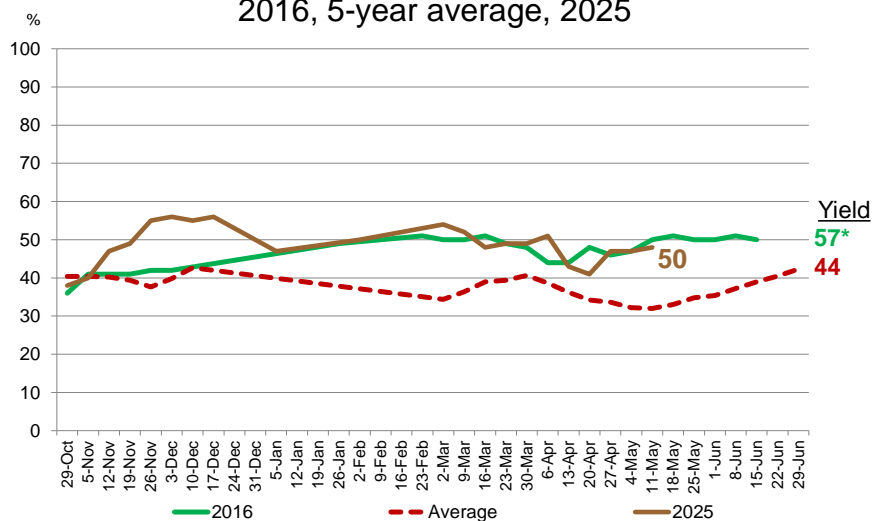
2025 U.S. Winter Wheat Crop Condition Ratings, May 11



USDA Crop Progress, May 12, 2025

The share of wheat rated good and excellent in Kansas this week is 48%. USDA's estimate of the Kansas wheat yield is 50 bushels per acre.

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



*Record high
USDA Crop Progress, May 12, 2025

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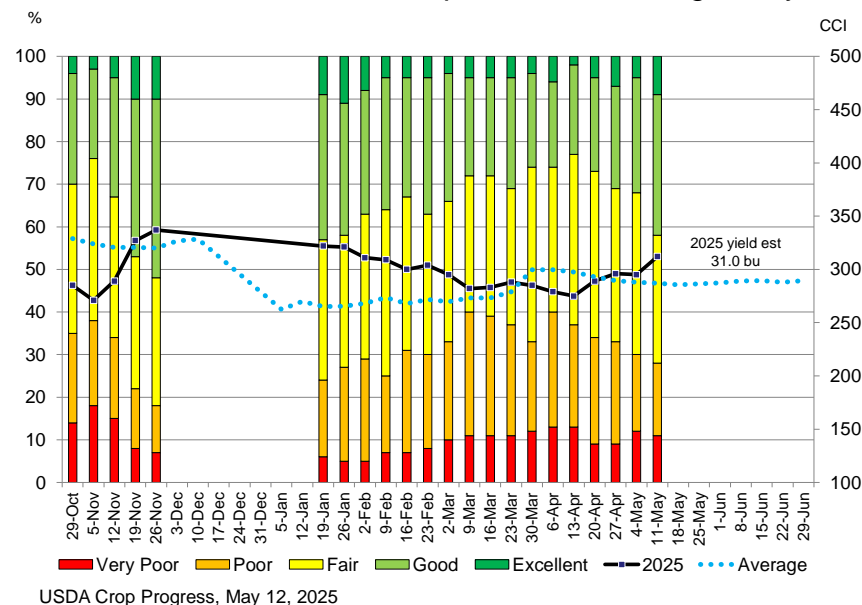
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With 6.9 million acres harvested, the Kansas wheat crop would total 345 million bushels. The Wheat Quality Council's Kansas Wheat Tour this week estimated an average yield of 53 bushels per acre and total production of 338.5 million bushels (<https://kswheat.com/wheat-tour-2025-day-3>). Both of these estimates are higher than the production total in 2024 of 307.45 million bushels.

The crop condition index for Texas wheat this week is 312, up from 295 last week and above the 287-point average. The share of wheat rated very poor and poor was down 2% and good and excellent up 10%. USDA estimates a Texas wheat yield of 31.0 bushels per acre and total production of 71.3 million bushels. That is down from an 80.6 million bushel crop last year. The yield estimate is the same as 2024 but harvested acres are down 300,000.

2025 Texas Winter Wheat Crop Condition Ratings, May 11



Oklahoma's wheat yield for 2025 is estimated at 39.0 bushels per acre, up from 38.0 last year.

The average yield in Colorado is 38.0 bushels, up from 35.0 in 2024.

USDA estimates total winter wheat production of 1.382 million bushels off of 25.718 million acres. In 2024, production totaled 1.349 million bushels and area harvested 26.103 million.

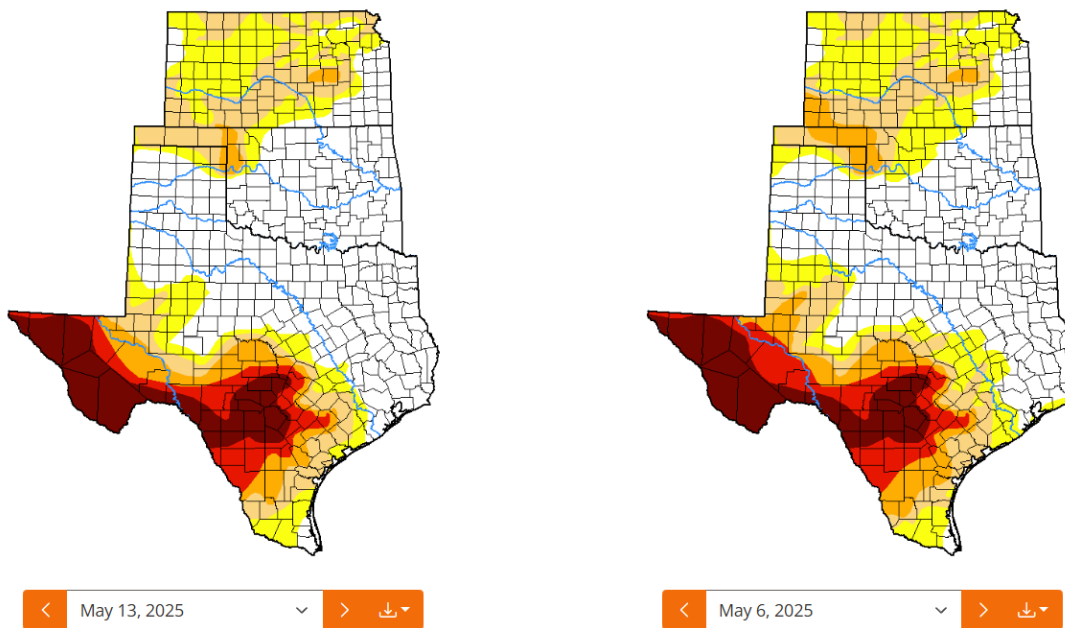
Spring wheat planted is 66%, ahead of the 49% average.

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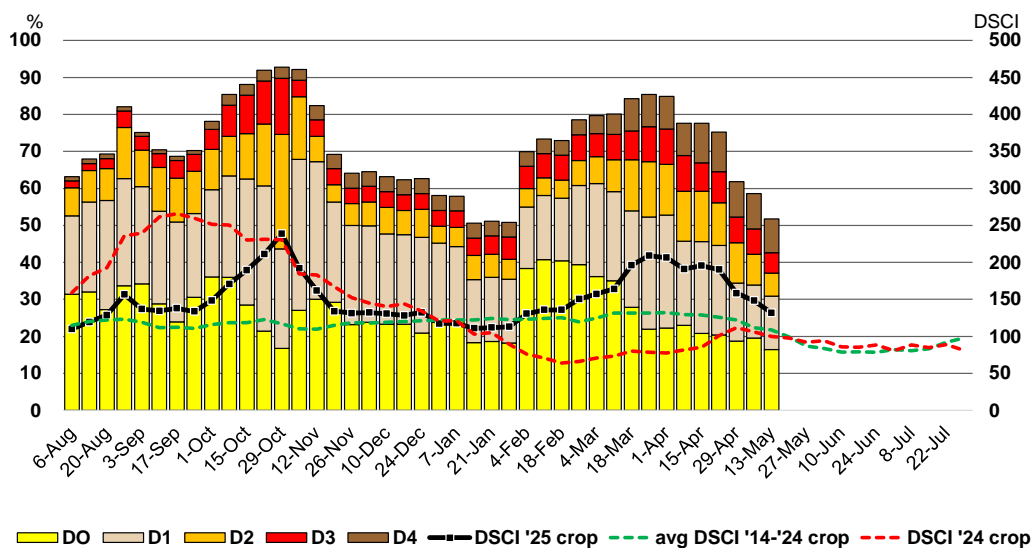
Weather. The area of the Southern Plains experiencing drought conditions fell this week from 59% to 52%. The drought index was down 16 points to 132. The index average is 108 and stood at 100 last year.



Southern Plains Drought Monitor 5/13/2025

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*1)+(D1*2)+(D2*3)+(D3*4)+(D4*5);
min 0--no drought conditions reported; max 500--100% under exceptional drought conditions

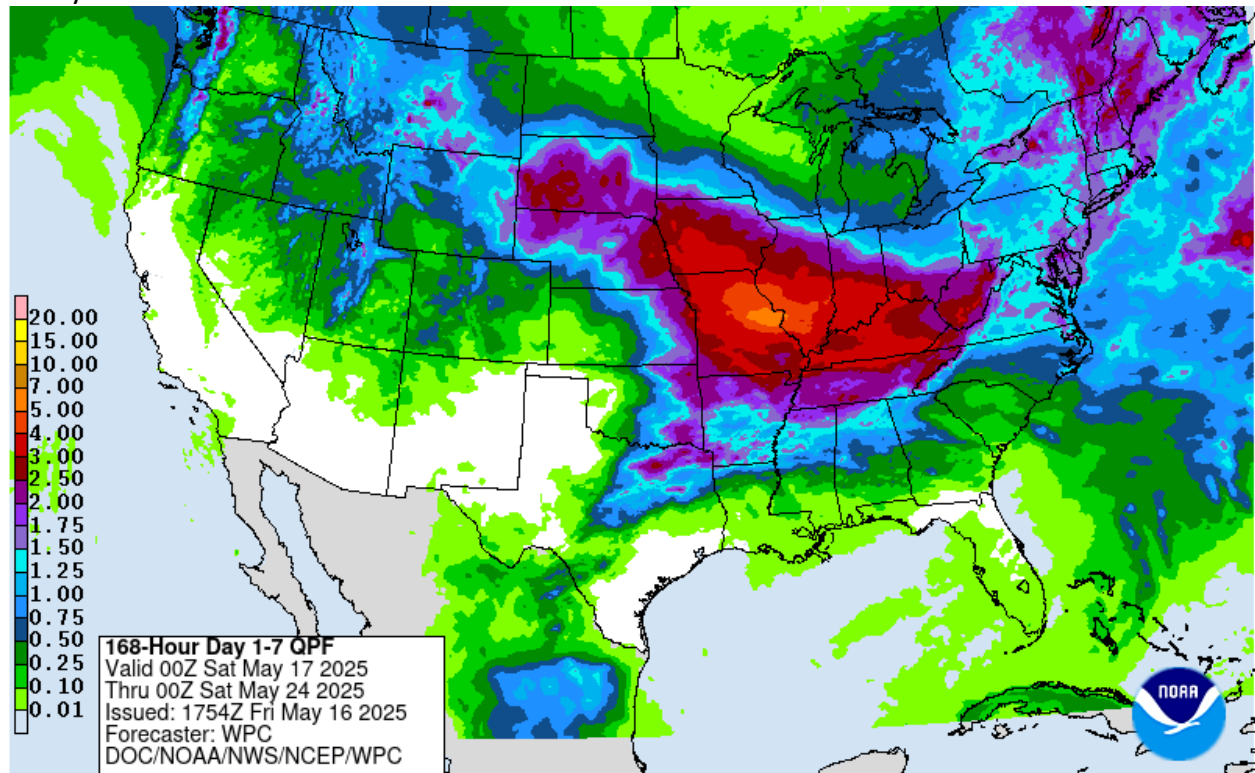
Drought Monitor, 5/15/2025, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

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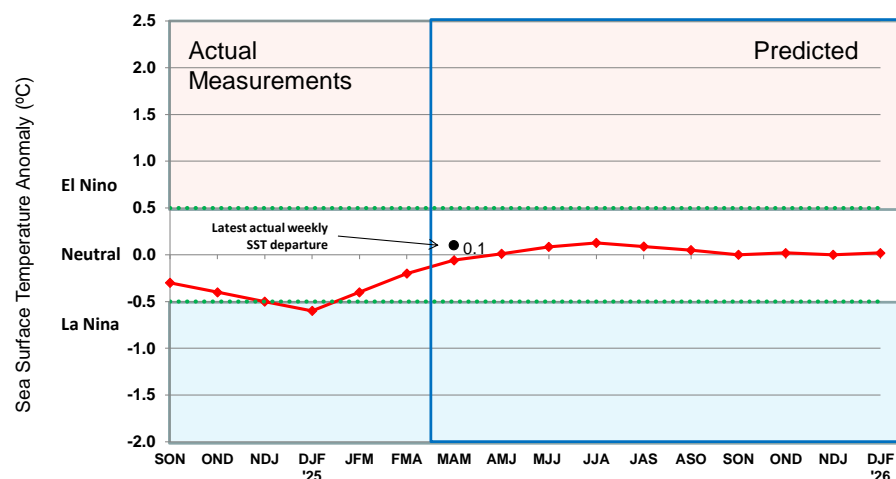
Precipitation the next 7-days (5/17-5/24/2025) favors the eastern half of the Southern Plains. Heavy rain is in the forecast for a wide swath of the Corn Belt.



This week's ENSO update from the Climate Prediction Center shows a temperature departure from normal of +0.1°C. Neutral conditions are forecast to last through the summer.

Oceanic Nino Index (ONI) ENSO Alert System Status: Not Active

CPC: ENSO-neutral is favored through the Northern Hemisphere summer 2025 (74% chance during June-August), with chances exceeding 50% through August-October 2025.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, May 12, 2025

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

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

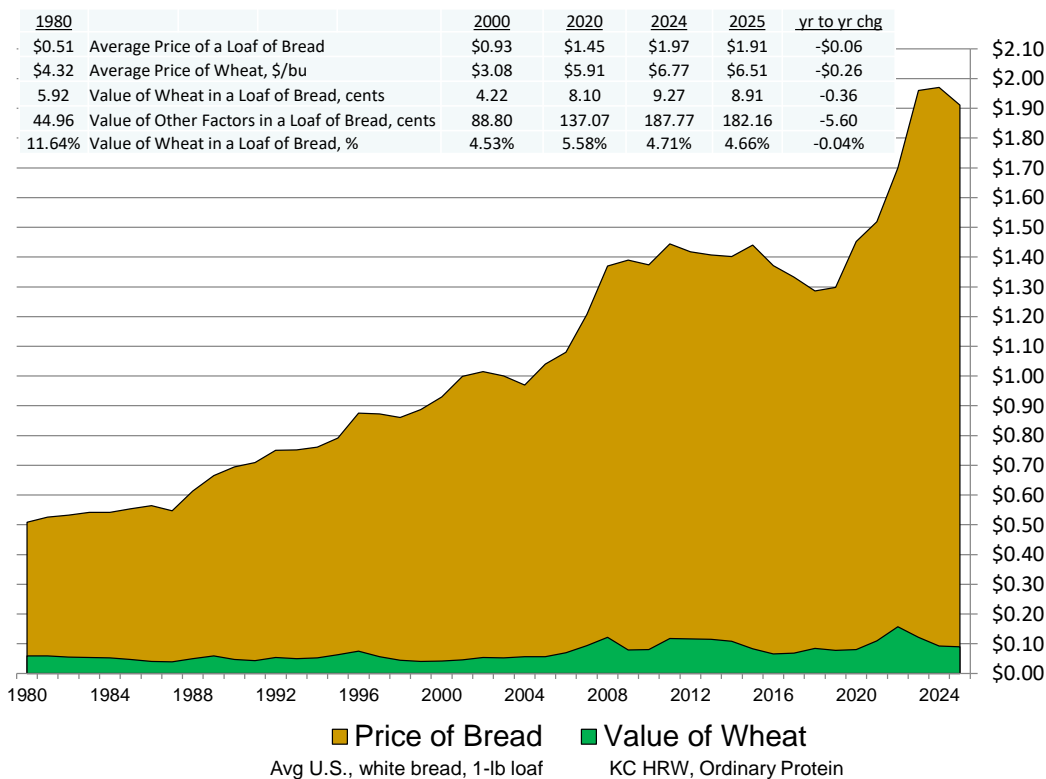
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Grain Use. The price of bread this month was \$1.91 for a one-pound loaf, up from \$1.88 in March. So far this year, bread has averaged \$1.91 compared to \$1.97 in 2024. The price of wheat this calendar year is down 26 cents per bushel compared to 2024. The value of wheat in a loaf of bread is 8.91 cents, down from 9.27 cents last year. As a share of total value, that is about 5%.

Value of Wheat in a Loaf of Bread



5/13/2025: Bureau of Labor Statistics and USDA NASS Wheat Data Tables

Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
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
May 15	5.28	4.25	-1.04	6.03	0.75	-1.78
10-year avg			-0.32		0.82	-1.14

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

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Commitment of Traders. Speculators' net long positions were lower this week in Chicago wheat, Kansas City wheat, and corn. Traders added to bets that prices would go lower (added to short contracts held) in all three markets while getting out of bets for higher prices (fewer long contracts held) in KC wheat and corn. KC wheat pushed this negative net long number further into record territory.

In soybeans, these traders added long contracts to their holdings and held fewer short positions.

	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
5/13/2025	<u>126,006</u>	<u>244,106</u>	<u>(118,100)</u>	<u>517.25</u>		<u>60,167</u>	<u>122,856</u>	<u>(62,689)</u>	<u>511.75</u>
Change	6,131	16,694	(10,563)	(18.75)		(2,283)	2,268	(4,551)	(26.25)

	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
5/13/2025	<u>341,178</u>	<u>323,072</u>	<u>18,106</u>	<u>442.50</u>		<u>188,820</u>	<u>123,642</u>	<u>65,178</u>	<u>1072.50</u>
Change	(35,439)	62,354	(97,793)	(13.00)		11,174	(4,619)	15,793	31.25

For May 13, 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:

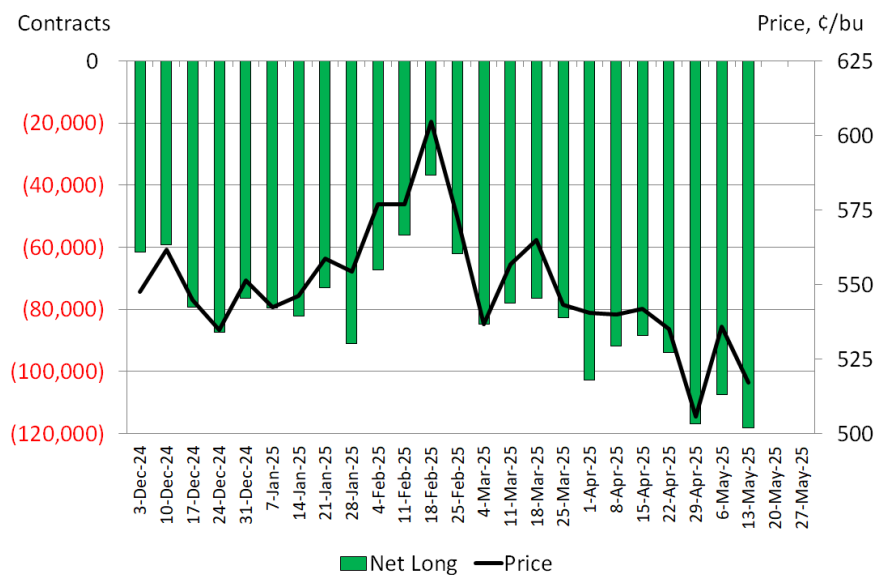
- more bearish Chicago soft red winter wheat,
- more bearish KC hard red winter wheat,
- less bullish corn, and
- more bullish soybeans.

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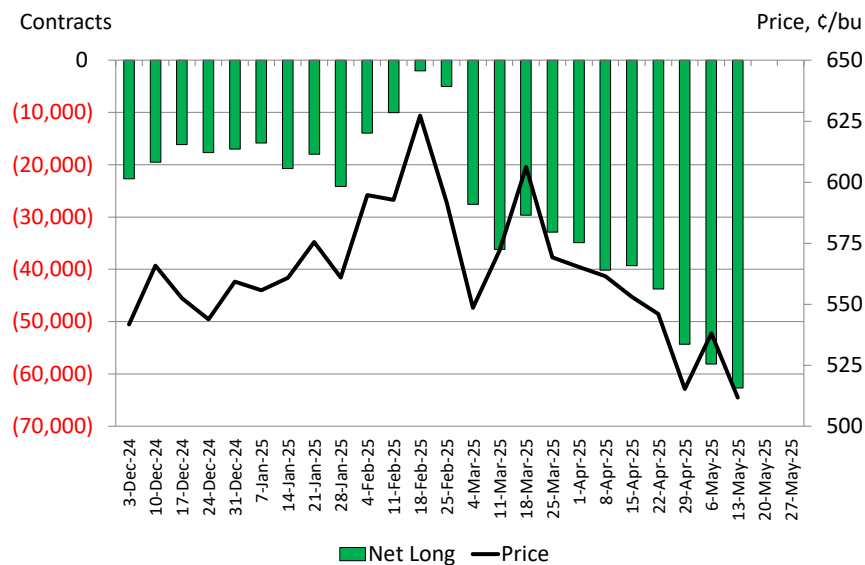
Non-commercial Investment in CBOT Wheat, 5/13/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in KC Wheat, 5/13/2025



CFTC Legacy Report, Futures Only

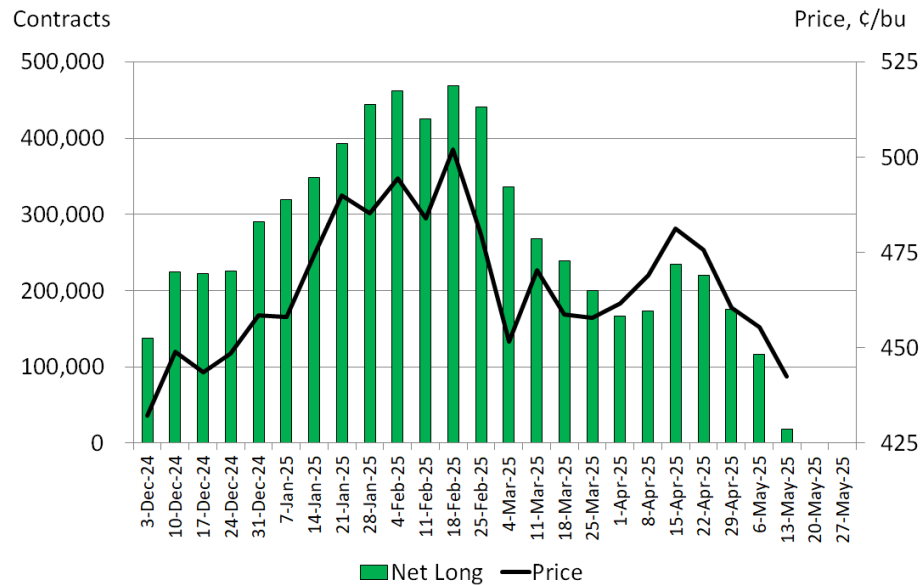
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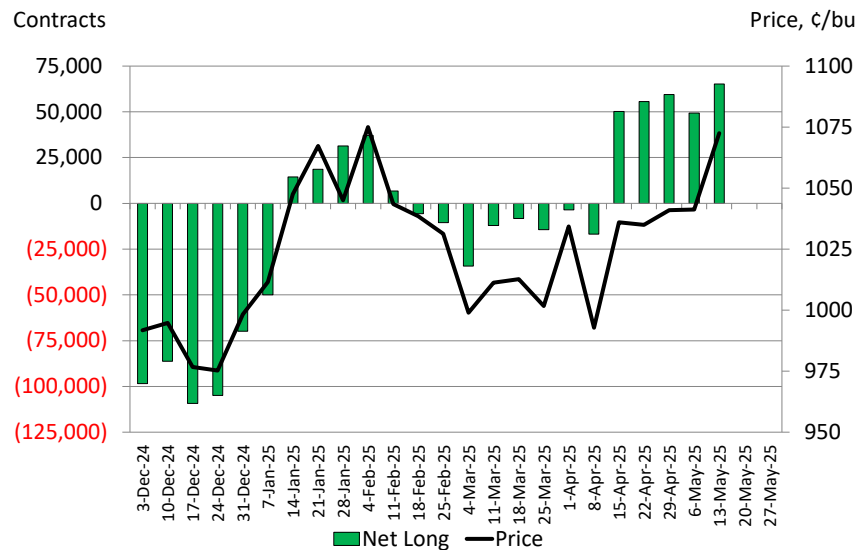
Non-commercial Investment in Corn, 5/13/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in Soybeans, 5/13/2025



CFTC Legacy Report, Futures Only

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

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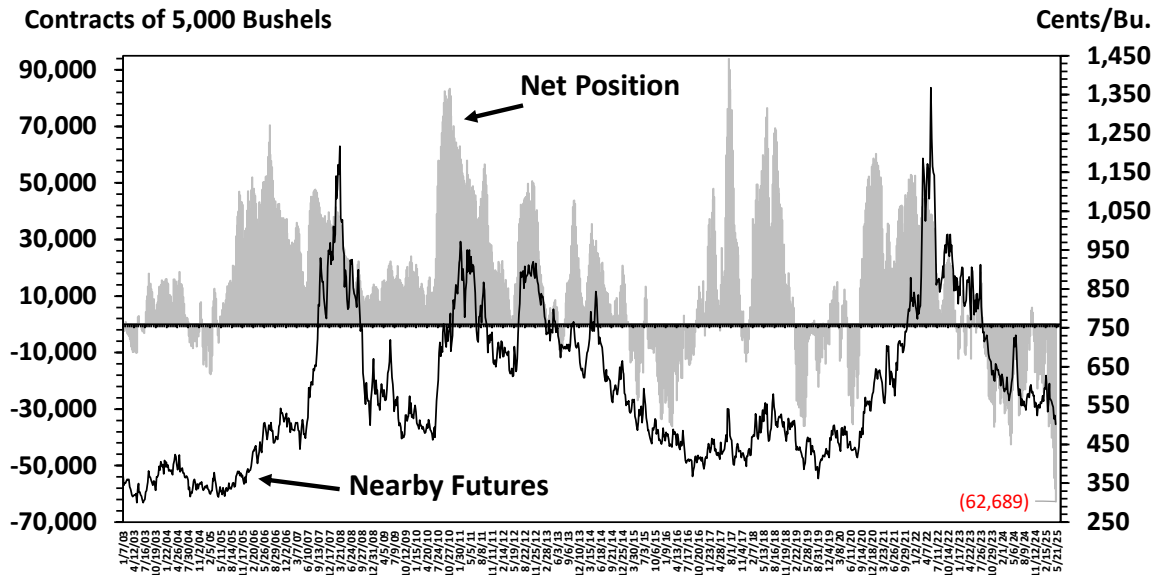
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KCBT Wheat

Commitment of Traders (Futures Only)

Reportable Non-Commercial Positions and Nearby Futures Prices



Weekly
January 7, 2003 Through May 13, 2025

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.

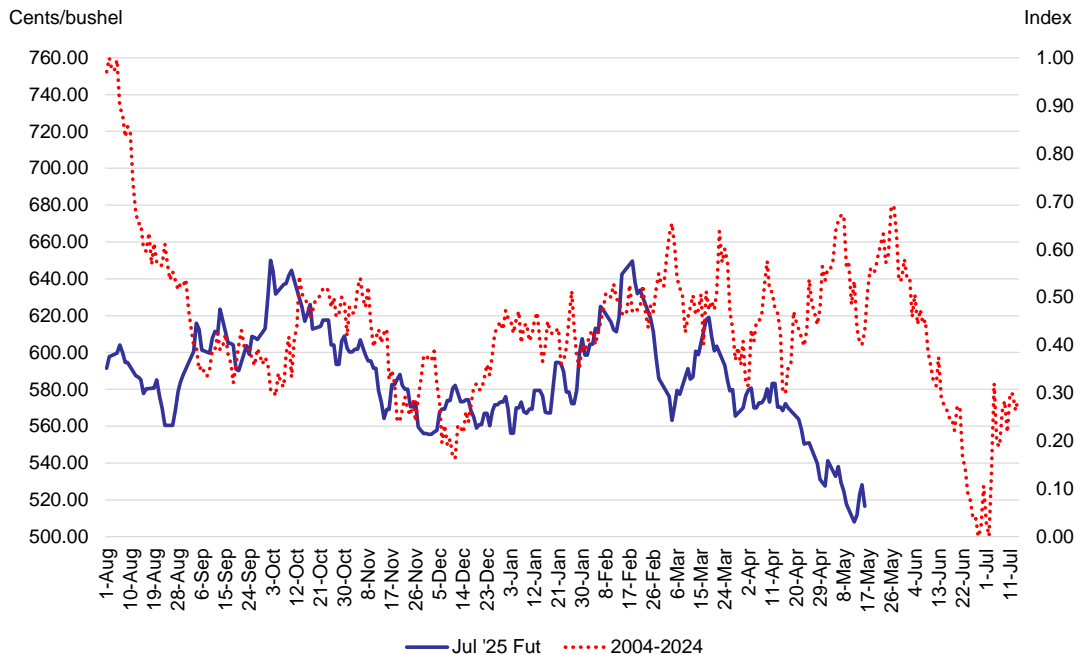
Wheat Marketing Plan. For the 2025 wheat crop, I am 30% sold. With strong counter-seasonal price movement, I failed to get more wheat priced March to May (at least to this point).

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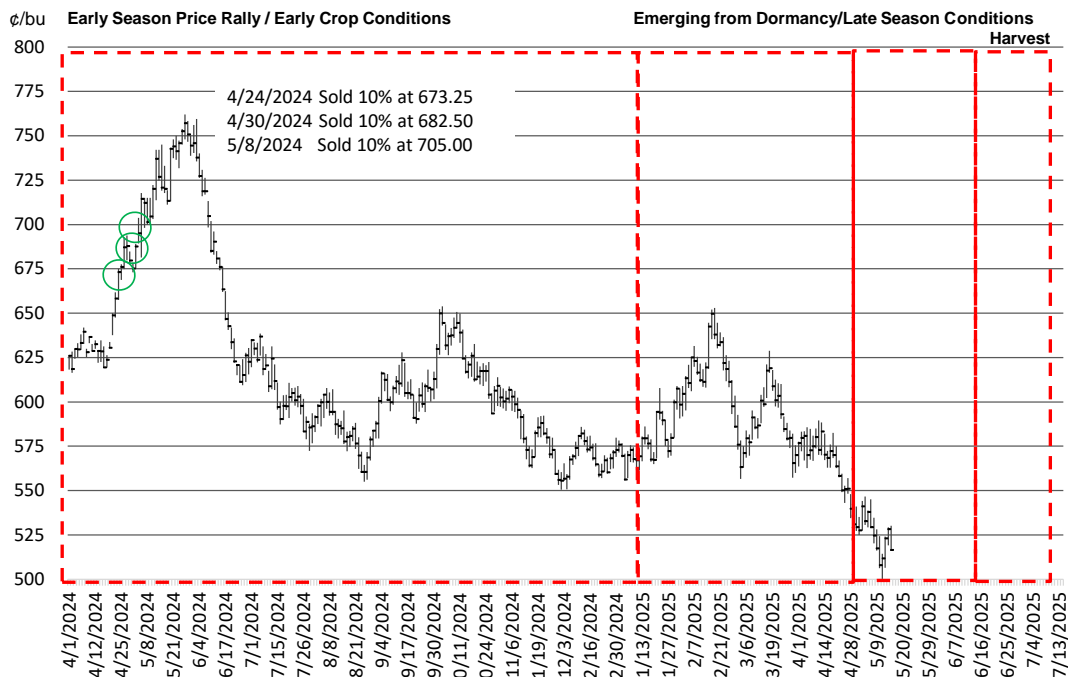
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2025 July KC Wheat Futures and Seasonal Index: 2004-2024



July 2025 KC Wheat and Marketing Plan



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Upcoming Reports/Events

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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