

Wheat Outlook

June 6, 2025

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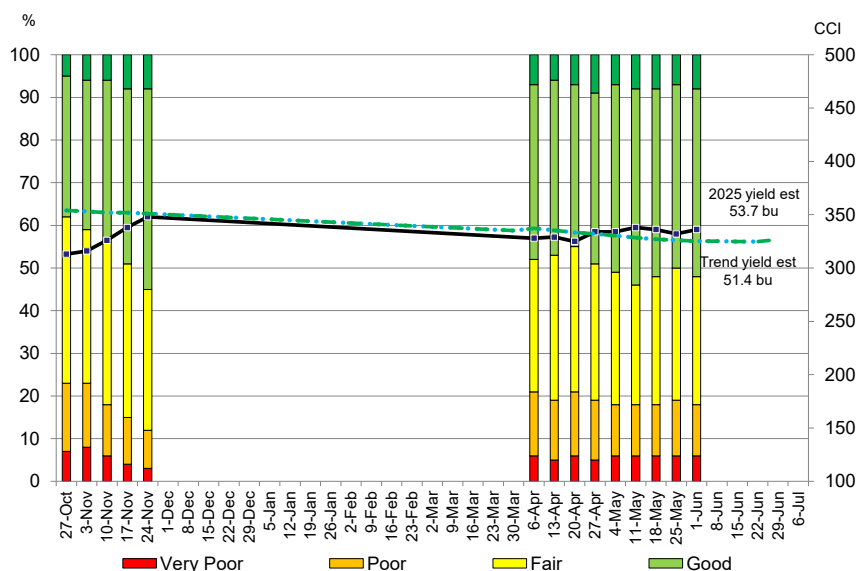
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Market Situation

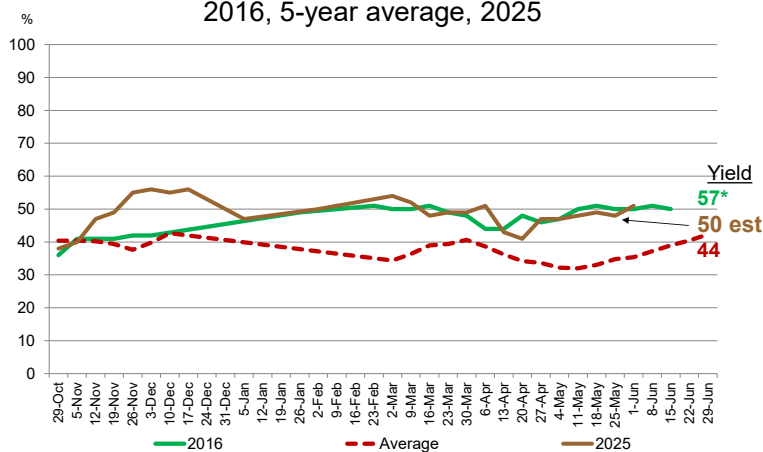
Crop Progress and Condition. The U.S. winter wheat crop condition index was back up 4 points this week to 336. The index average for this week of growing season is 325. The share of crop rated good and excellent was up 2 points, very poor and poor down 1.

2025 U.S. Winter Wheat Crop Condition Ratings, June 1



The share of wheat rated good and excellent in Kansas this week was up 3 points to 51%.

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



*Record high
USDA Crop Progress, June 2, 2025



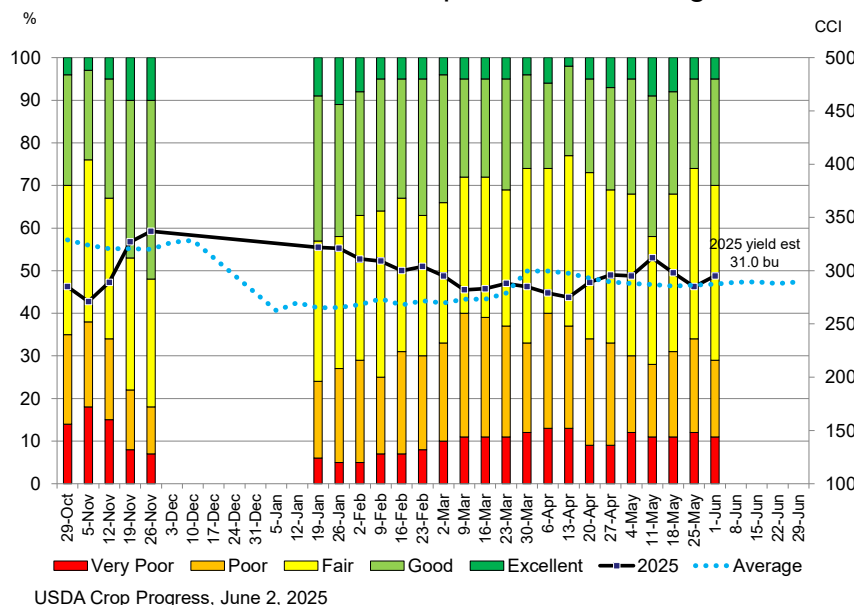
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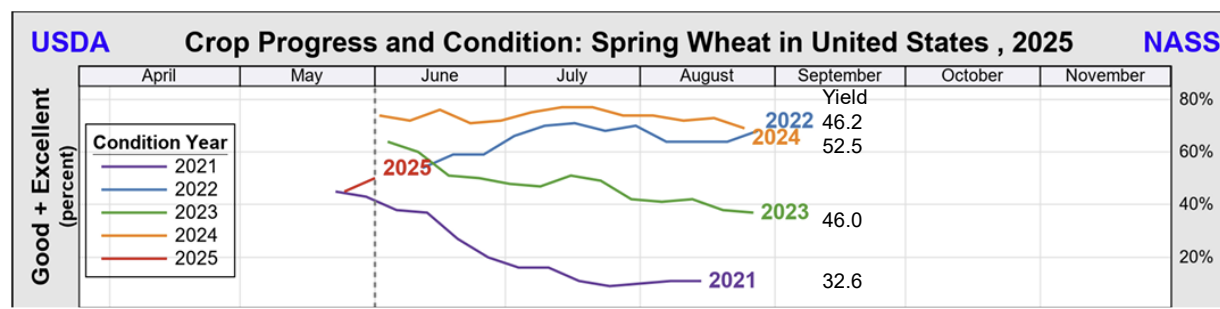
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The crop condition index for Texas wheat was up 10 points this week to 295. That is back above the 287-point average. The share of wheat rated very poor and poor was down 5 and good and excellent up 4. Texas wheat harvested is 25%.

2025 Texas Winter Wheat Crop Condition Ratings, June 1



Spring wheat planted is 95%, ahead of the 90% average. The share of crop rated good and excellent is 50%, up from 45% last week.



The GEOGLAM Crop Monitor as of May 28 shows wide areas of concern in major wheat producing areas. It has turned hot and dry in much of China's wheat growing area and dry across much of Europe. India is wrapping up harvest under favorable conditions.

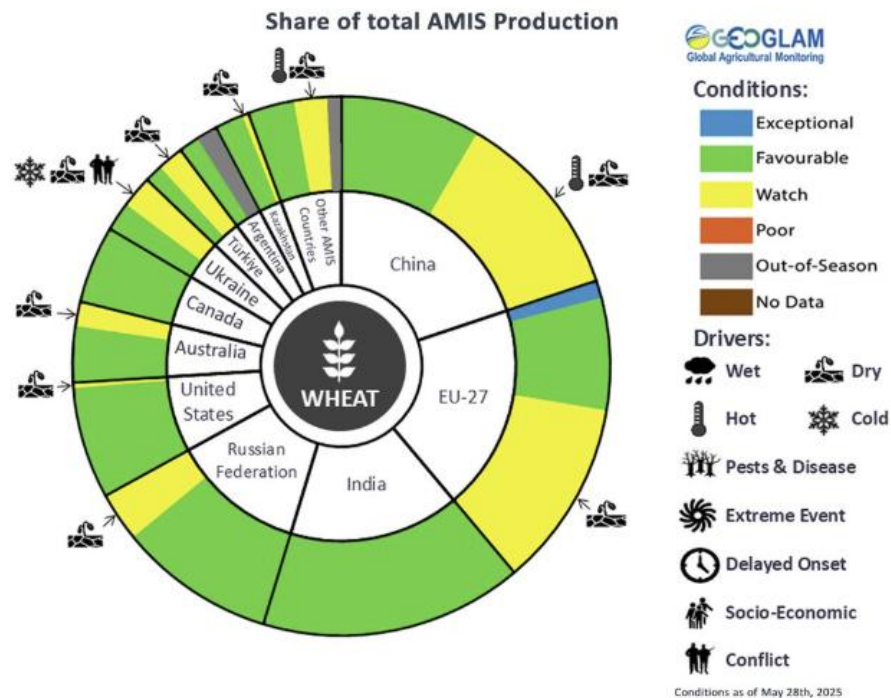
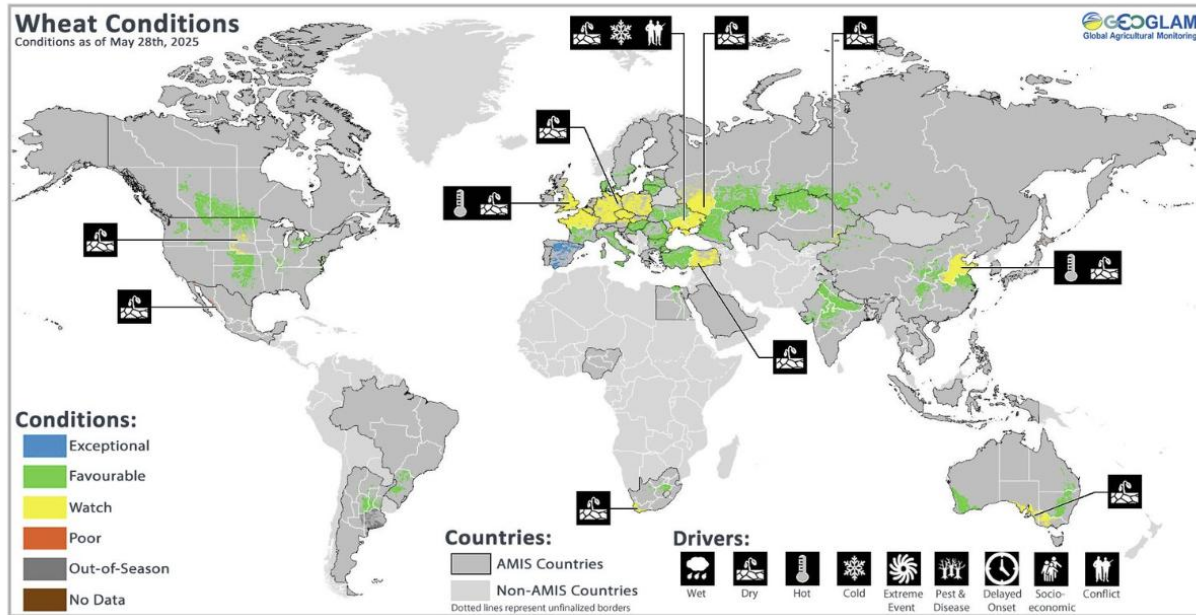
Wheat sowing is underway in the Southern Hemisphere. Conditions are favorable in Argentina. Rainfall has been below average in most of South Australia and western New South Wales.

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Wheat Conditions



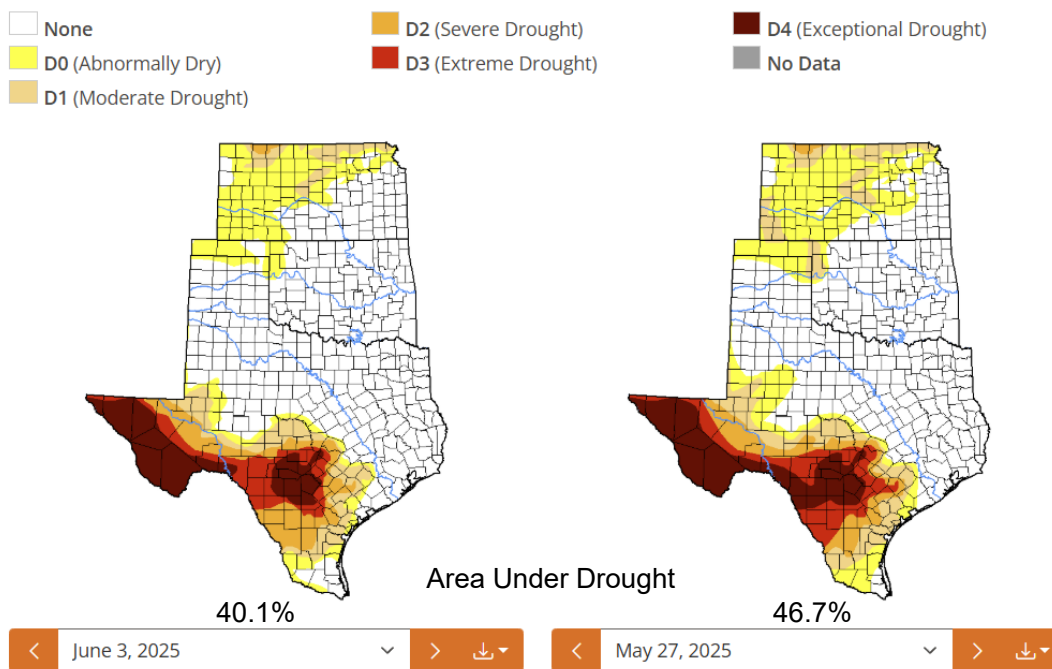
<https://www.cropmonitor.org/>

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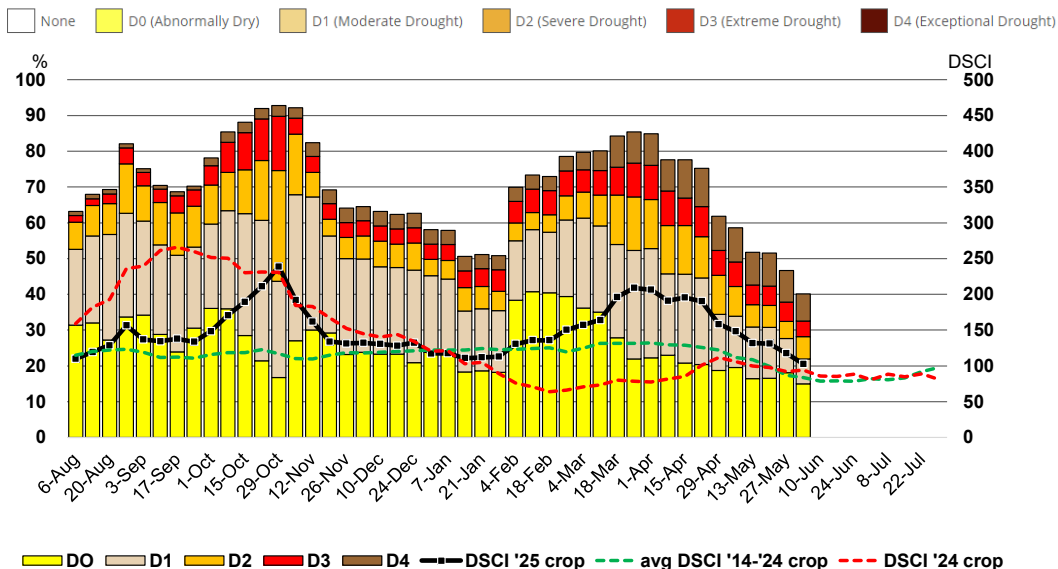
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Weather. The area of the Southern Plains experiencing drought conditions fell another 7 points this week to 40%. The drought index was down 15 points to 103. The index average is 84 and stood at 94 last year.



Southern Plains Drought Monitor June 3, 2025

Drought Classification



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

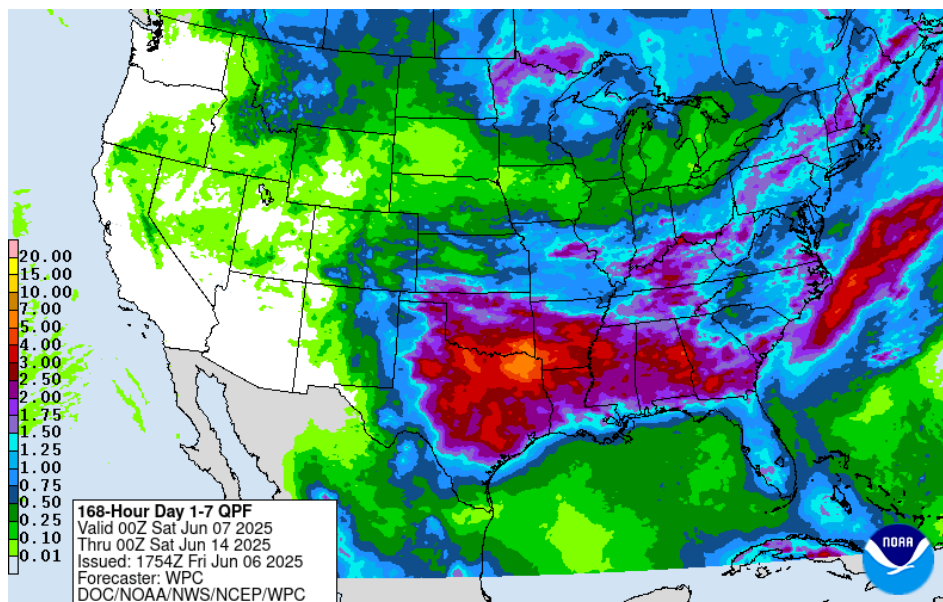
Drought Monitor, 6/5/2025, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

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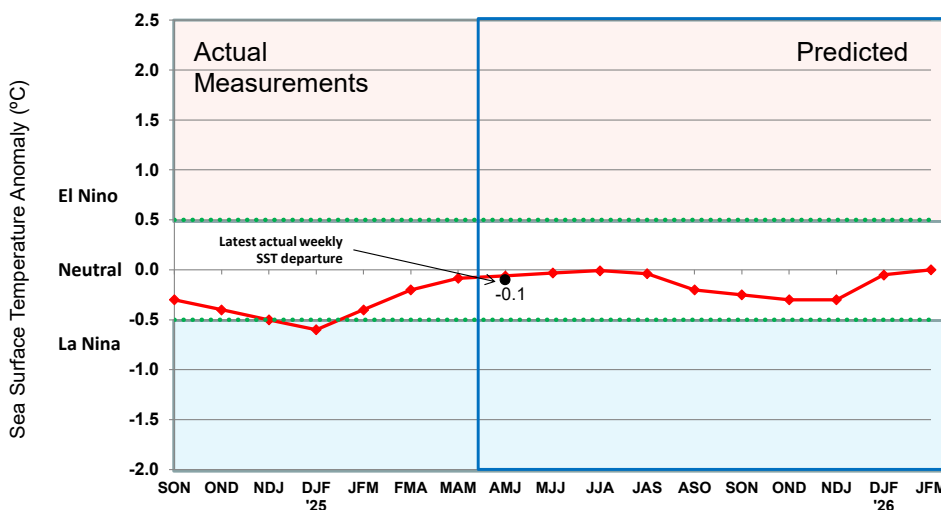
Not great wheat cutting weather in the forecast for the Southern Plains the next 7 days (6/7-6/14/2025). Widespread rainfall is expected across the region. Heavy rain is forecast for virtually all of Oklahoma (flood watch in effect for much of state through Saturday afternoon) and in Texas, east of line from Amarillo to Lubbock to Del Rio.



This week's ENSO update from the Climate Prediction Center shows a temperature departure from normal of -0.1°C . Neutral conditions are forecast for this summer and the fall and winter of 2025/26.

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. Most models favor ENSO-neutral to prevail through the Northern Hemisphere fall and winter 2025-26.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, June 2, 2025

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

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

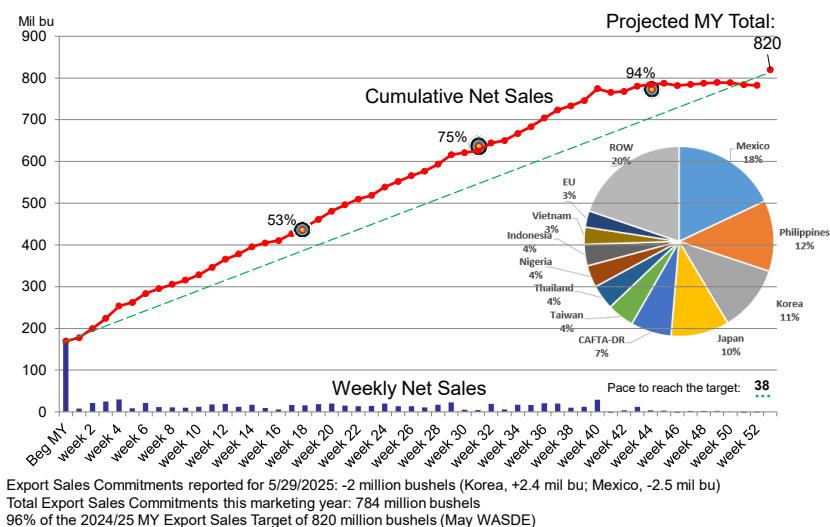
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Grain Use. With only the last few days of the marketing year to report, all wheat export sales are about 38 million bushels short of the 820-million bushel target. The week of May 29 saw net sales cancellations of 2 million bushels. Korea was the top buyer of the week at 2.4 million bushels. Mexico cancelled orders for 2.5 million bushels.

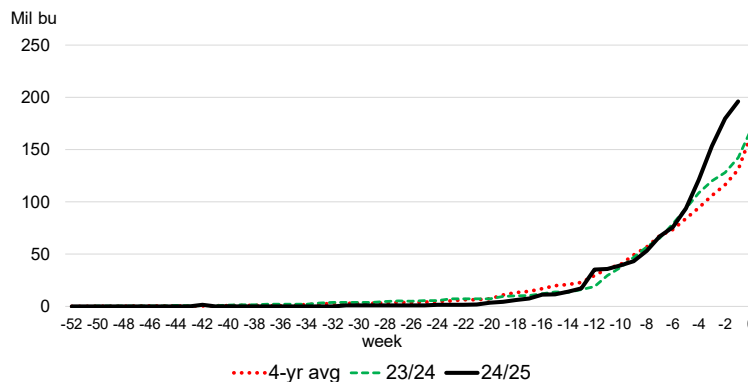
2024/25 U.S. All Wheat Export Sales Commitments



USDA, Foreign Agricultural Service: 6/5/2025

Wheat sales commitments for the new crop stand at 196 million bushels. Last year at this time we had new crop sales of 142 million bushels. The 4-year average is 131 million bushels. The top buyer of 2025/2026 wheat this week was Nigeria at 4.8 million bushels. Mexico offset the sales cancellation above by buying 4 million bushels of new crop wheat.

All Wheat Export Sales Commitments Next Marketing Year



New Crop Export Sales Commitments reported for 5/29/2025: 16 million bushels (Nigeria, +4.8 mil bu; Mexico, +4.0 mil bu)
Total Export Sales Commitments next marketing year: 196 million bushels
25% of the 2025/26 MY Export Sales Target of 800 million bushels (May WASDE)

USDA, Foreign Agricultural Service: 6/5/2025

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Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
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
May 21	5.41	4.37	-1.04	6.21	0.81	-1.84
May 29	5.32	4.28	-1.03	6.17	0.85	-1.89
June 5	5.43	4.39	-1.03	6.36	0.94	-1.97
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. Speculators in Kansas City hard red winter wheat, corn, and soybeans held fewer bets for prices to go up this week (fewer long contracts) and took on more bets that prices would go down (more short contracts). Traders got out of both sides of the market in Chicago soft red winter wheat, more so on short side of the market.

	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
5/6/2025	119,875	227,412	(107,537)	536.00	62,450	120,588	(58,138)	538.00
5/13/2025	126,006	244,106	(118,100)	517.25	60,167	122,856	(62,689)	511.75
5/20/2025	127,701	227,327	(99,626)	546.00	61,905	121,108	(59,203)	536.25
5/27/2025	115,201	213,956	(98,755)	528.50	58,709	118,443	(59,734)	524.50
6/3/2025	112,261	209,335	(97,074)	536.00	58,339	118,610	(60,271)	536.75
Change	(2,940)	(4,621)	1,681	7.50	(370)	167	(537)	12.25

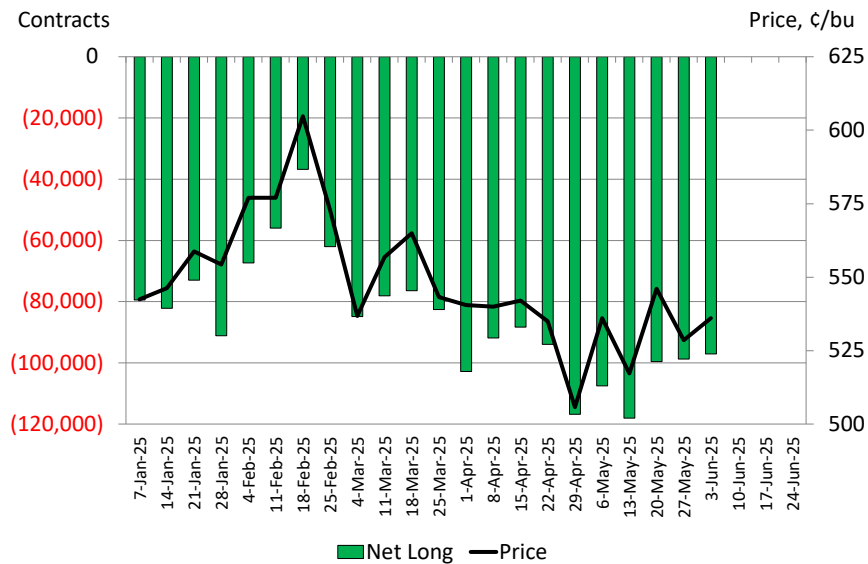
	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
5/6/2025	376,617	260,718	115,899	455.50	177,646	128,261	49,385	1041.25
5/13/2025	341,178	323,072	18,106	442.50	188,820	123,642	65,178	1072.50
5/20/2025	342,329	353,881	(11,552)	454.50	180,039	132,126	47,913	1053.00
5/27/2025	324,377	344,710	(20,333)	459.50	195,013	122,452	72,561	1062.50
6/3/2025	317,410	398,469	(81,059)	438.50	191,916	131,969	59,947	1040.75
Change	(6,967)	53,759	(60,726)	(21.00)	(3,097)	9,517	(12,614)	(21.75)

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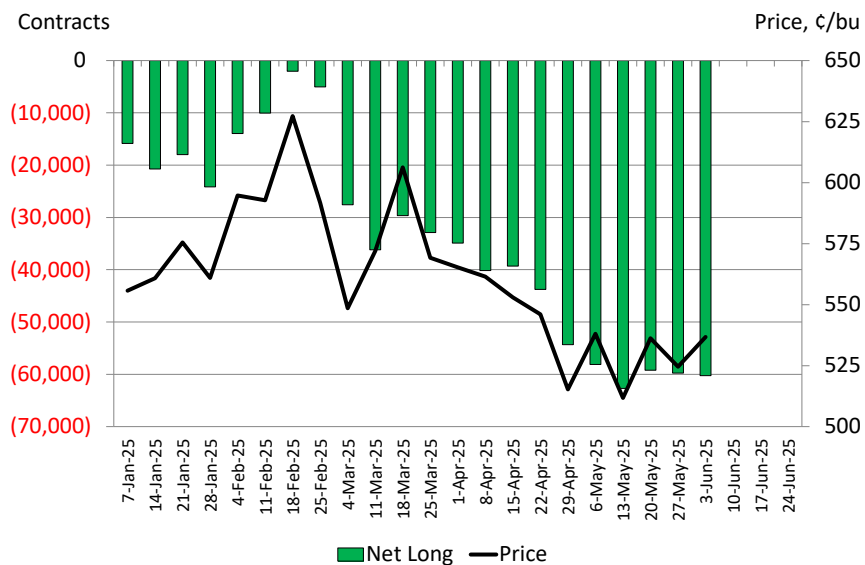
Non-commercial Investment in CBOT Wheat, 6/3/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in KC Wheat, 6/3/2025



CFTC Legacy Report, Futures Only

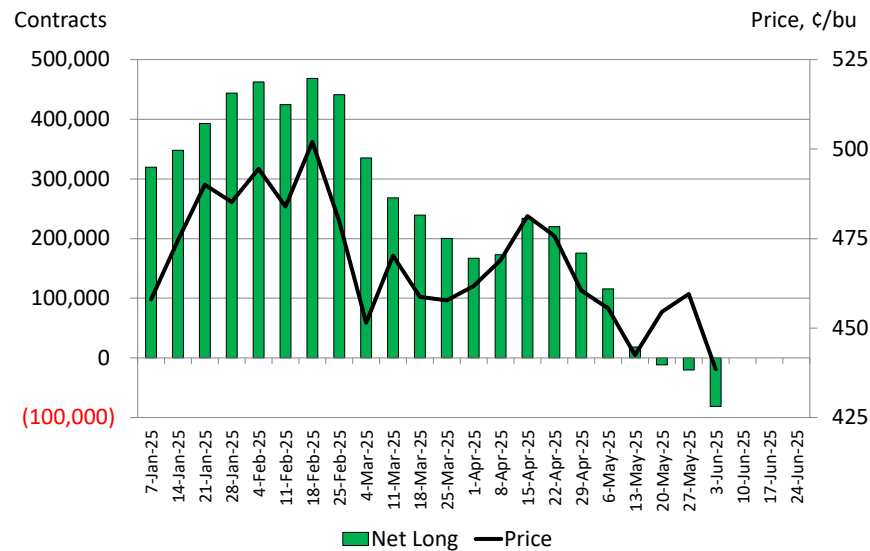
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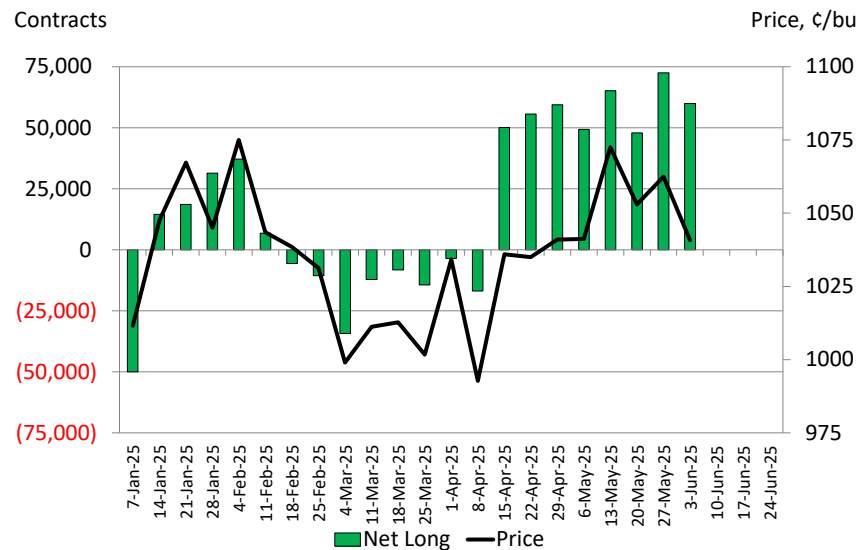
Non-commercial Investment in Corn, 6/3/2025



CFTC Legacy Report, Futures Only

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

Non-commercial Investment in Soybeans, 6/3/2025



CFTC Legacy Report, Futures Only

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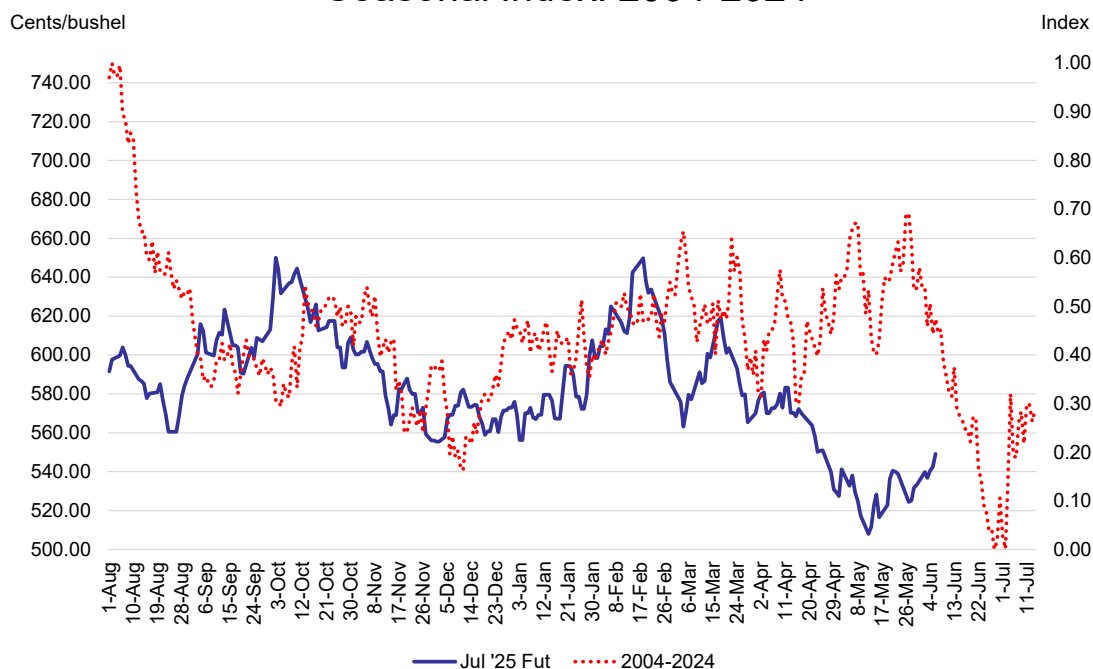
For June 3, based on whether the net long number (long contracts held minus short contracts held) is positive or negative and whether that net long number increased or decreased compared to the week before, speculators were:

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

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



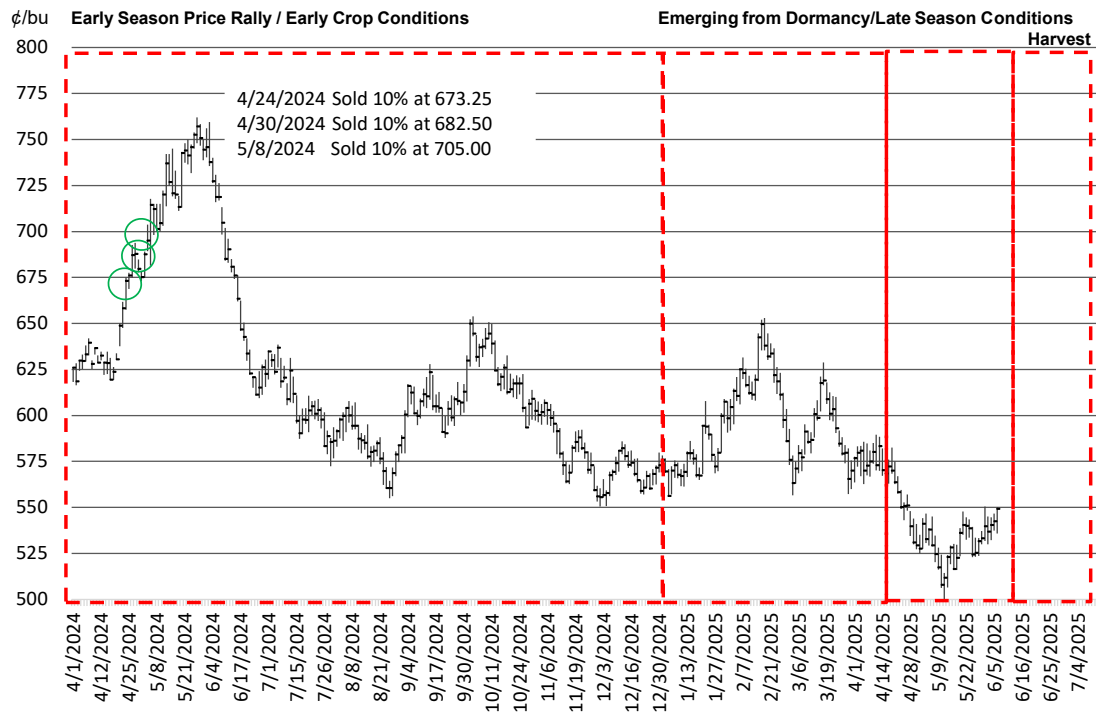
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Wheat Marketing Plan. For the 2025 wheat crop, I am 30% sold. With strong contraseasonal price movement, I failed to get more wheat priced March to May. May yet have late season opportunities on the 2025 crop and have my eye on the first sales of 2026.

July 2025 KC Wheat and Marketing Plan



Upcoming Reports/Events

June 10	Short-term Energy Outlook
June 11	Consumer Price Index
June 12	WASDE Crop Production
June 17-18	FOMC, Federal Reserve
June 20	Cattle on Feed
June 26	Hogs and Pigs
June 30	Acreage Grain Stocks

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