

Wheat Outlook

June 24, 2025

Volume 34, Number 44

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Market Situation

WASDE. Recent trends in comparative stocks to use ratios for U.S. and world wheat are increasing for the U.S. (days of use on hand at the end of the marketing year going up) and decreasing for world wheat (days of use on hand going down). In the June WASDE, both got tighter.

No changes were made to estimated U.S. wheat supplies for the 2025/2026 marketing year. Domestic use totals were unchanged but USDA raised projected exports by 25 million bushels. This raised total use and lowered the ending stock estimate. Days of use on hand at the end of the marketing year went down from a 172.0-day supply last month to 165.2.

The season average farm price increased 10 cents to \$5.40. This price would generate a 16 cent PLC payment for the 2025/26 marketing year.

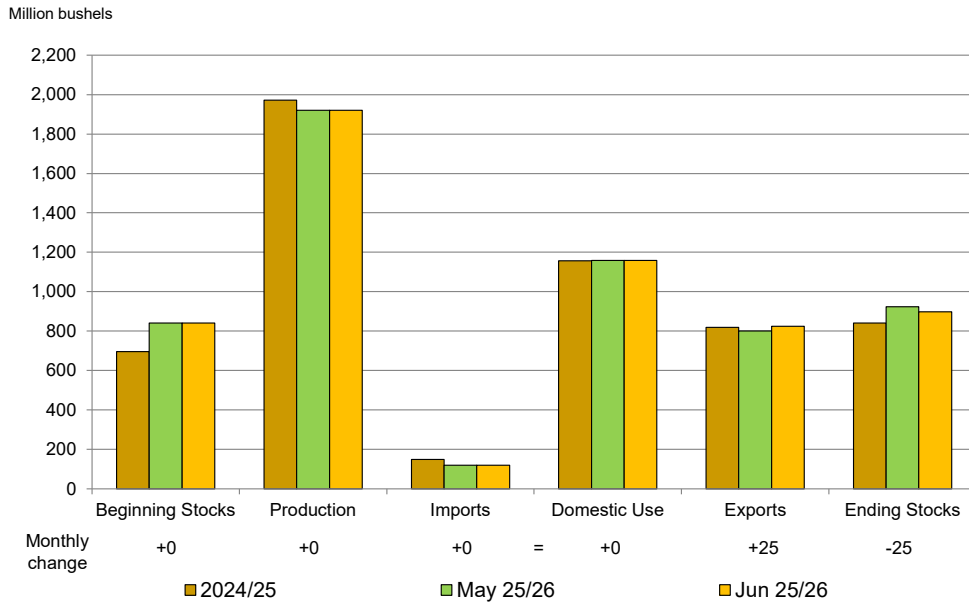
US WHEAT SUPPLY AND USE			June		
AREA			2025/26	May to June	
			6/12/2025	Net Δ	% Δ
	Planted	mil acres	45.4	0.0	0.00%
	Harvested	mil acres	37.2	0.0	0.00%
	Percent Harvested		81.9%	0.0%	0.00%
YIELD	Harvested acre	bu/ac	51.6	0.0	0.00%
SUPPLY					
	Beginning stocks	mil bu	841	0.0	0.00%
	Production	mil bu	1,921	0.0	0.00%
	Imports	mil bu	120	0.0	0.00%
	Total Supply	mil bu	2,882	0.0	0.00%
DEMAND					
	Food	mil bu	977	0.0	0.00%
	Seed	mil bu	62	0.0	0.00%
	Feed and residual	mil bu	120	0.0	0.00%
	Total Domestic Use	mil bu	1,159	0.0	0.00%
	Exports	mil bu	825	25.0	3.13%
	Total Use	mil bu	1,984	25.0	1.28%
	Ending stocks	mil bu	898	(25.0)	-2.71%
	Stocks to Use ratio	percent	45.3%	-1.9%	-3.93%
	Days of Use on hand	days	165.2	(6.8)	-3.93%
PRICE					
	Average farm price	\$/bu	5.40	0.10	1.89%
	Reference Price	\$/bu	5.56	0.00	0.00%
	PLC Payment	\$/bu	0.16	-0.10	

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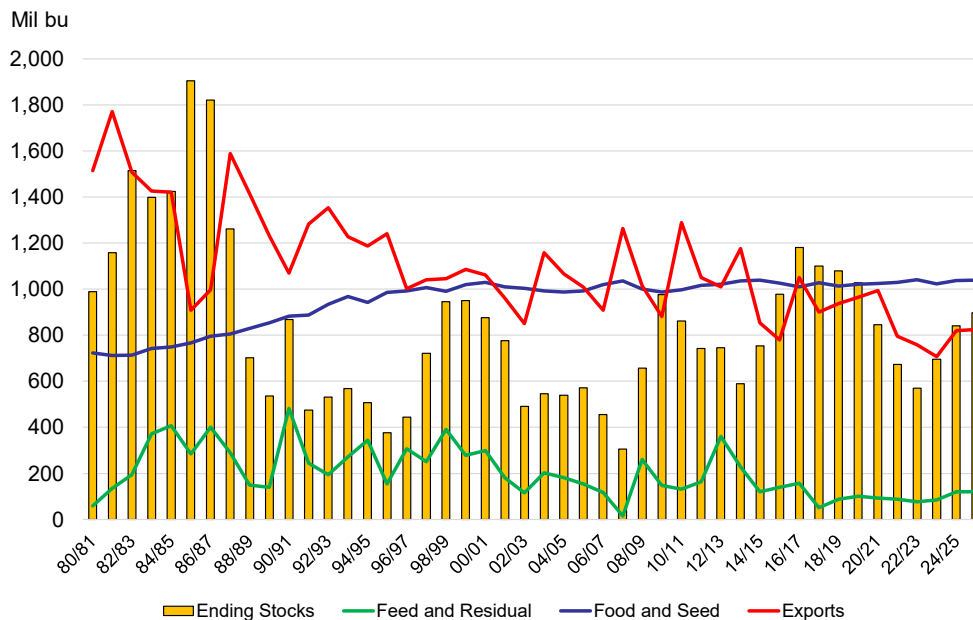
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U.S. Wheat Supply and Demand, June 2025



USDA, WASDE, 6/12/2025

U.S. Wheat Use, WASDE June 2025



USDA, WASDE, 6/12/2025

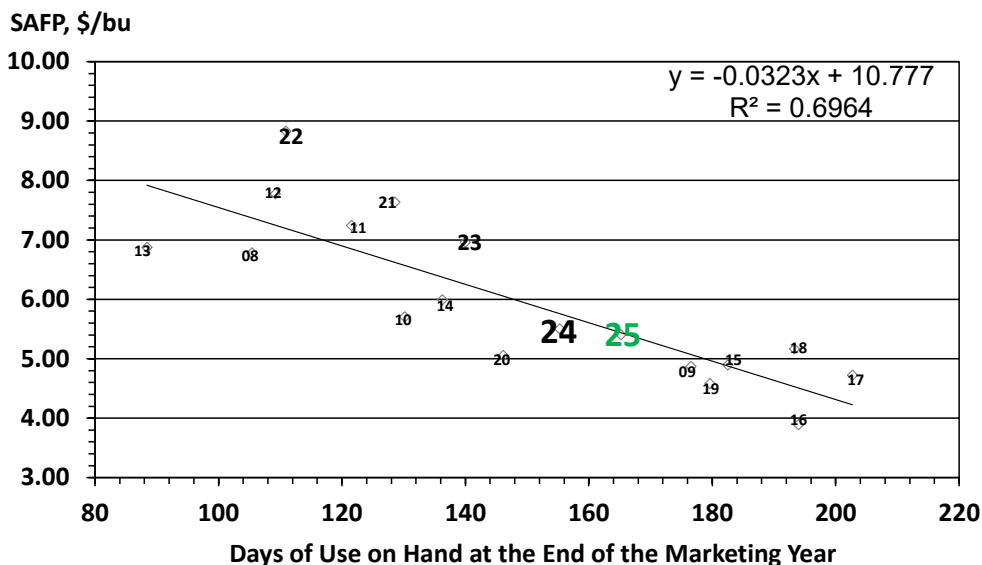
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U.S. Wheat Average Farm Price and Days of Use on Hand

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



World wheat production for the 2025/26 marketing year is projected at a record high 808.59 mmt (29.7 bil bu). World wheat supply and demand fundamentals got tighter this month with a decrease in beginning stocks lowering the new crop wheat supply by 1.2 mmt (43 mil bu). Total use was up 1.8 mmt (66 mil bu). World wheat ending stocks decreased by about 3.0 mmt (109 mil bu) and days of use on hand at the end of the marketing year went down by 1.6 to a 118.4-day supply. That is the lowest since the 2014/2015 marketing year.

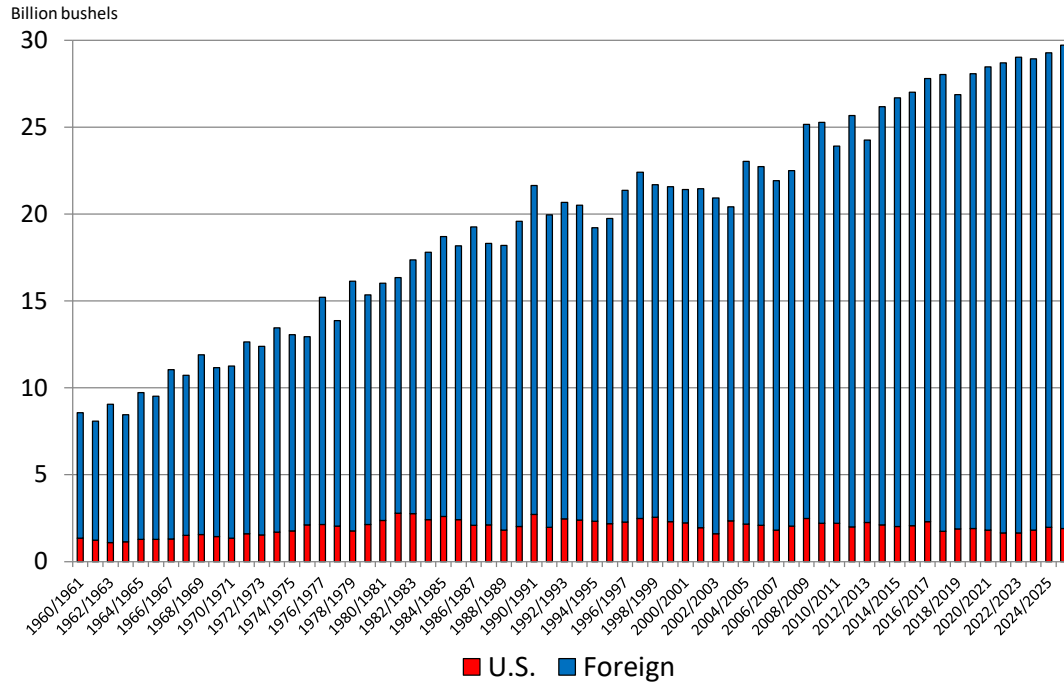
WORLD WHEAT		MMT								
Marketing Year		Beginning Stocks	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days on hand
2014/15		197.70	730.41	159.38	132.37	700.51	164.22	222.76	0.3180	116.1
2015/16		222.76	738.14	169.78	141.27	713.11	172.58	244.99	0.3436	125.4
2016/17		244.99	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	808.00	212.99	265.73	0.3289	120.0
2025/26	June	263.98	808.59	210.93	155.80	809.80	214.33	262.76	0.3245	118.4
	Net Change	(1.23)	0.07	1.28	0.35	1.80	1.34	(2.97)	(0.00)	(1.61)
	% Change	-0.46%	0.01%	0.61%	0.23%	0.22%	0.63%	-1.12%	-1.34%	-1.34%

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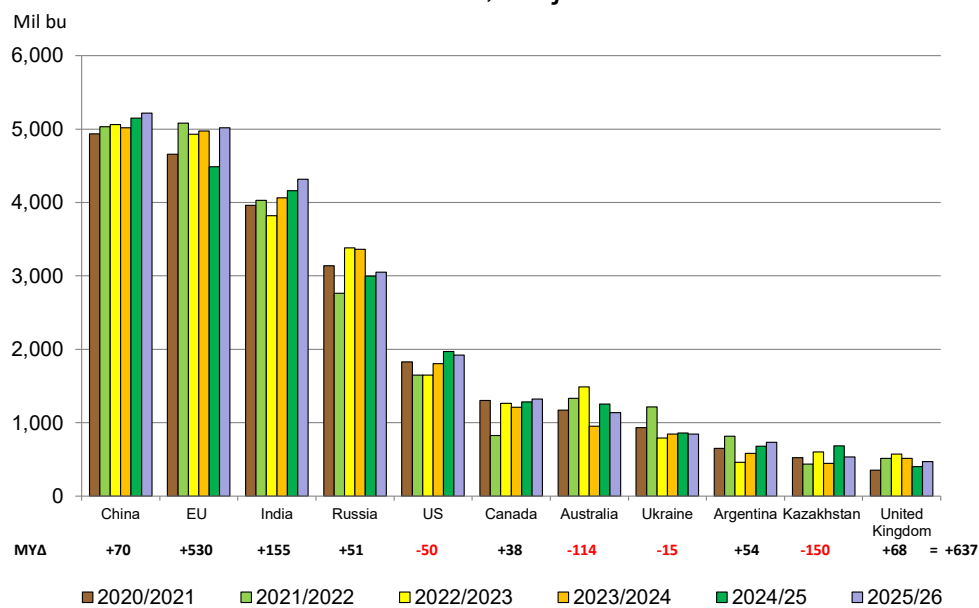
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World Wheat Production



Wheat Production, Major Contributors



WASDE, June 2025

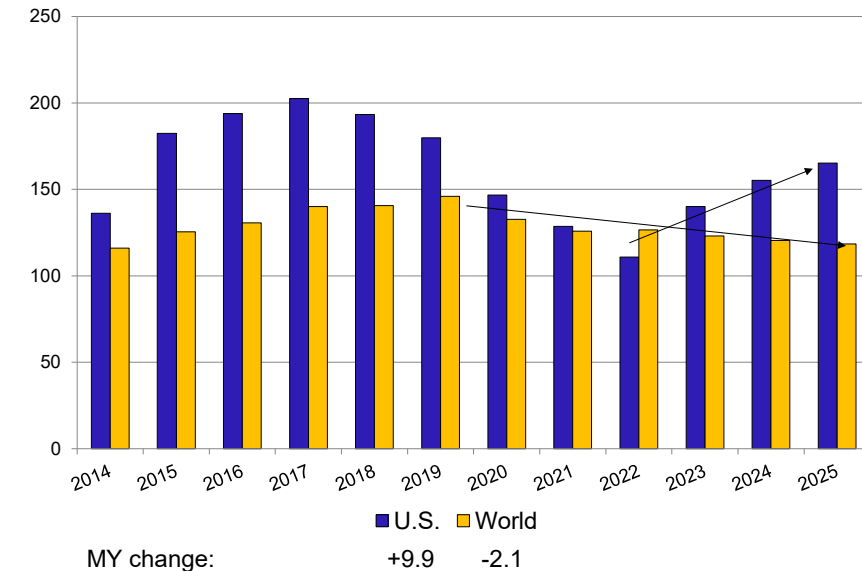
83% of global wheat production

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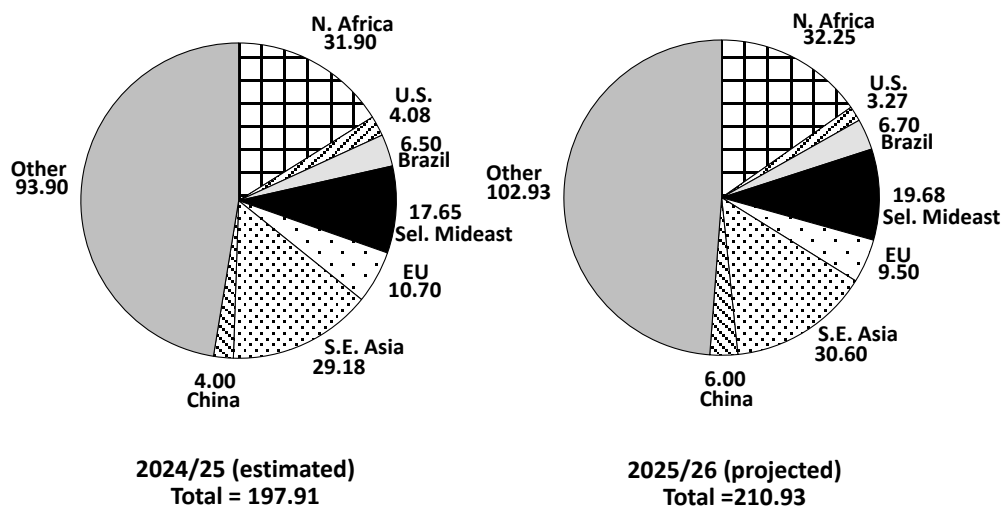
Wheat Days of Use on Hand at the End of the Marketing Year: US and World



USDA, WASDE, June 2025

The turmoil and tension in the Middle East draws attention to the importance of that region to the world wheat trade. USDA's "Select Mideast" category includes Lebanon, Iraq, Iran, Israel, Jordan, Kuwait, Saudi Arabia, Yemen, United Arab Emirates, and Oman. This region accounts for about 9% of world wheat imports.

Wheat: Major Importers 2024/25 and 2025/26 (million metric tons)



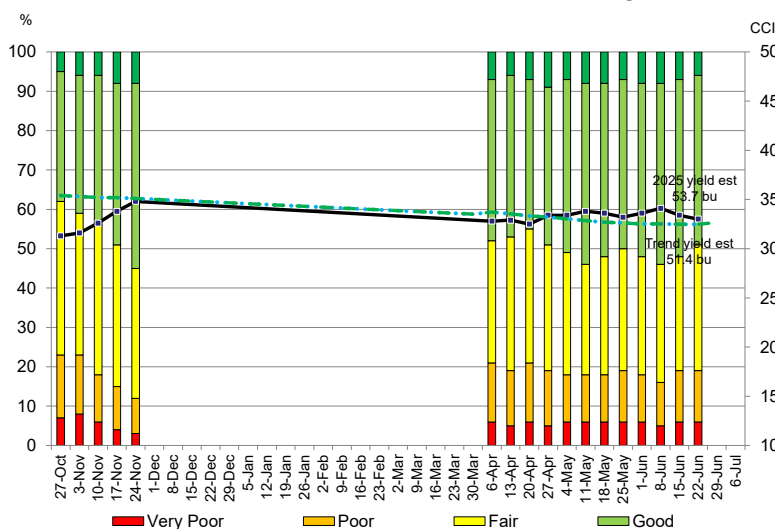
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Crop Progress and Condition. The U.S. winter wheat crop condition index was down another 4 points this week to 330. The index average for this week of growing season is 325. The share of crop rated good and excellent was down 3 points, very poor and poor unchanged. Nationwide, 19% of the crop has been harvested.

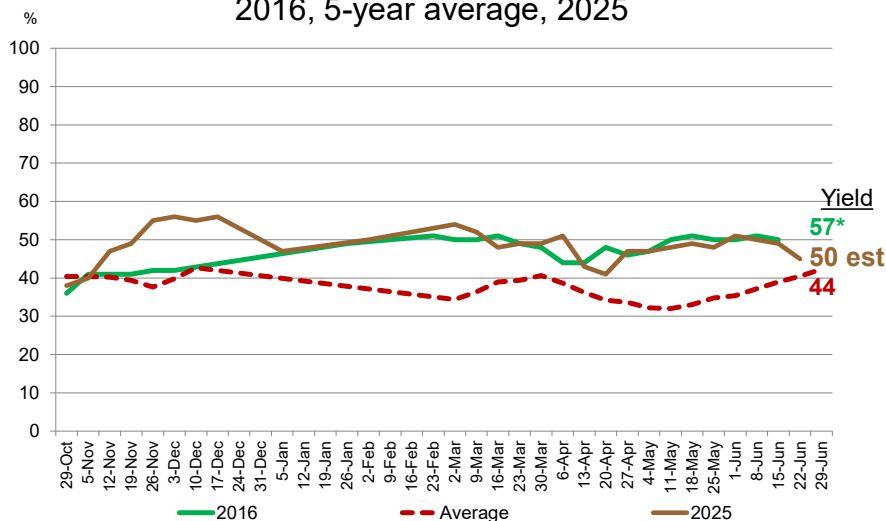
2025 U.S. Winter Wheat Crop Condition Ratings, June 22



USDA Crop Progress, June 23, 2025

The share of wheat rated good and excellent in Kansas this week was down 4 points to 45%, down near the 41% average as harvest is progressing (20%).

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



*Record high
USDA Crop Progress, June 23, 2025

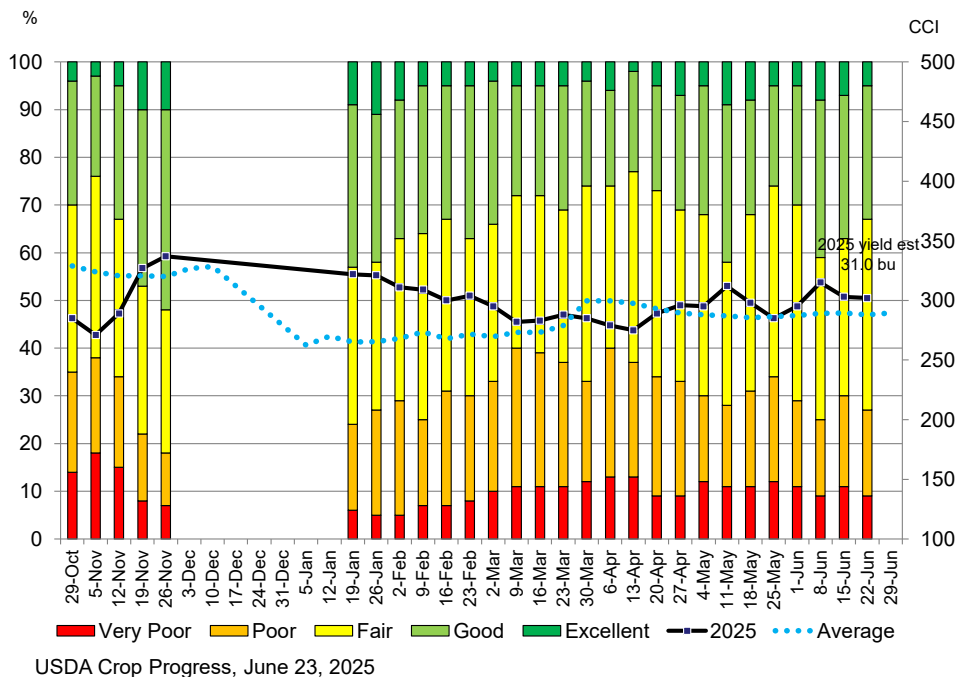
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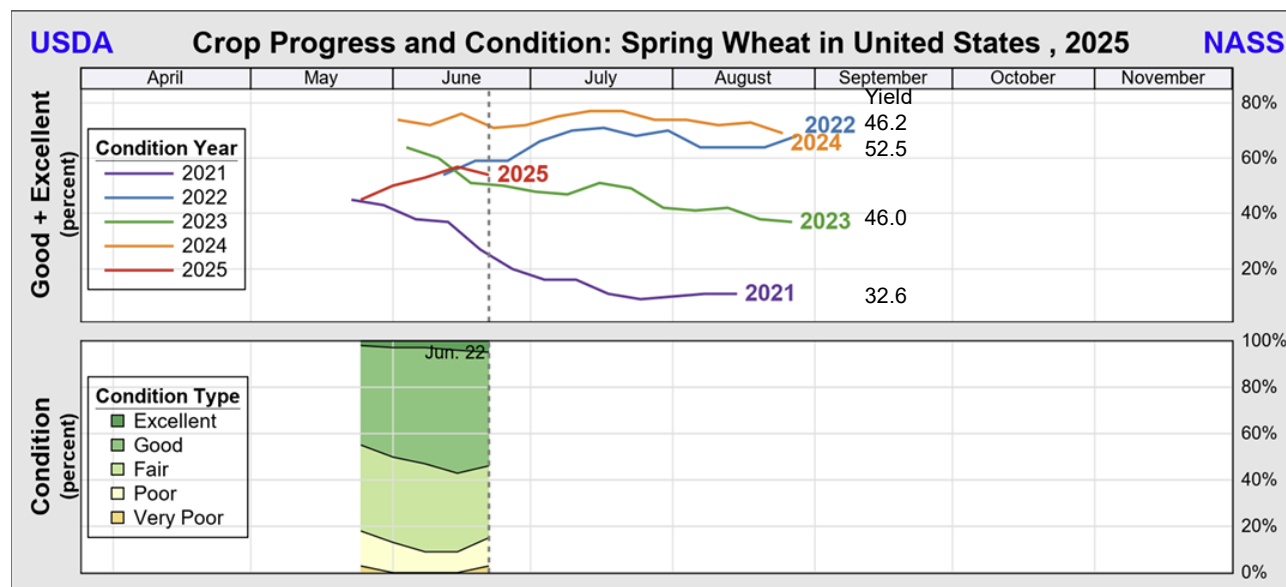
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The crop condition index for Texas wheat is leveling off with 70% of the crop in the bin. The index stands at 302, down from 315 two weeks ago but still above the average of 288.

2025 Texas Winter Wheat Crop Condition Ratings, June 22



Spring wheat rated good and excellent is 54%, down from 57% last week.

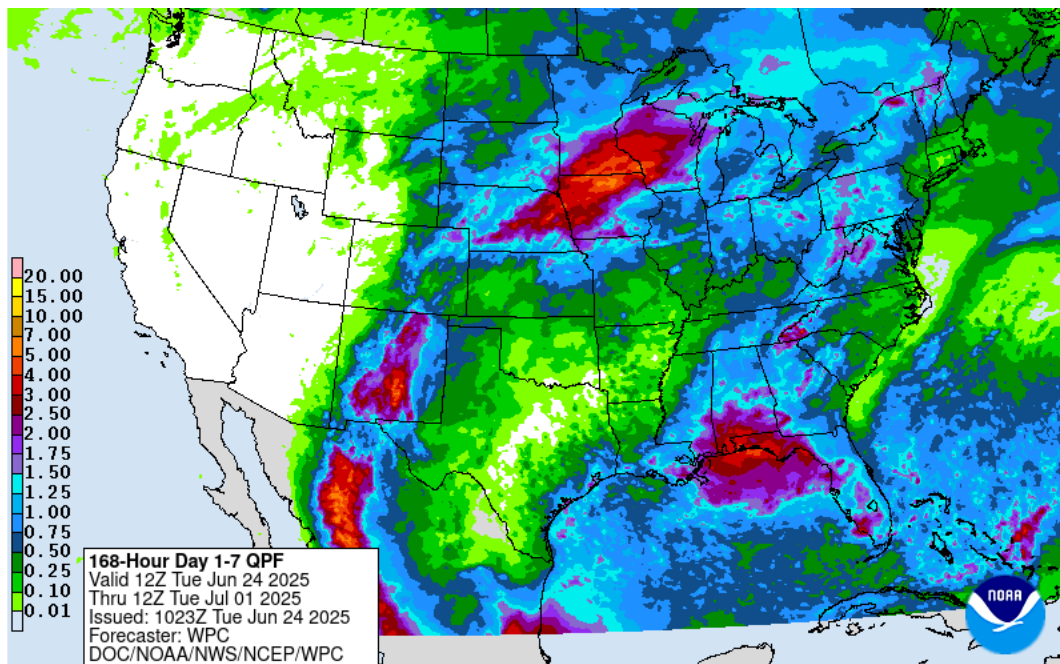


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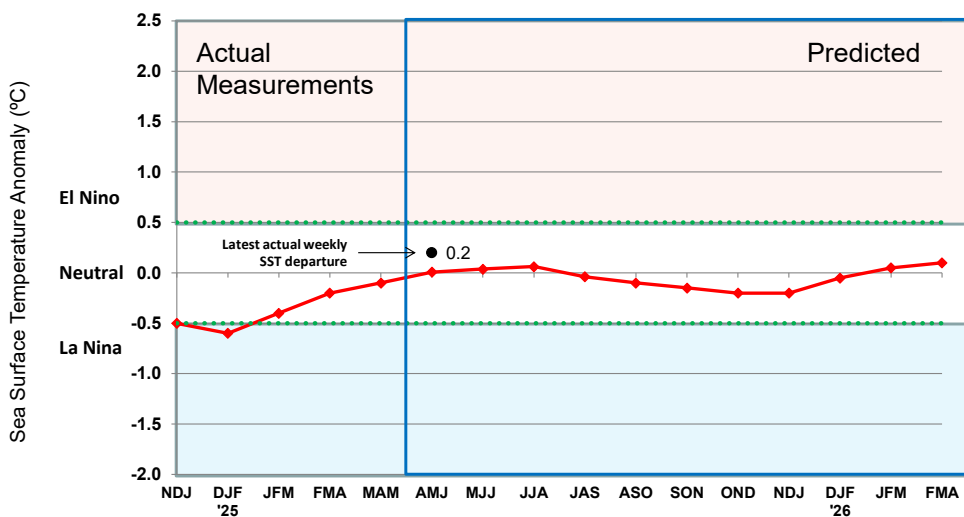
Weather. The precipitation forecast for the Southern Plains the next 7 days (6/24-7/1/2025) shows relatively light amounts of rainfall widespread across the region.



This week's ENSO update from the Climate Prediction Center shows a temperature departure from normal of $+0.2^{\circ}\text{C}$. Neutral conditions are forecast for this summer and the fall and most likely winter of 2025/26.

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

CPC: ENSO-Neutral is likely in the Northern Hemisphere summer 2025 (82% chance in June-August) and may continue into winter 2025-26, though confidence is lower (48% chance of Neutral and 41% chance of La Niña in November-January).



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, June 23, 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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Cash Wheat Prices, \$/bu.

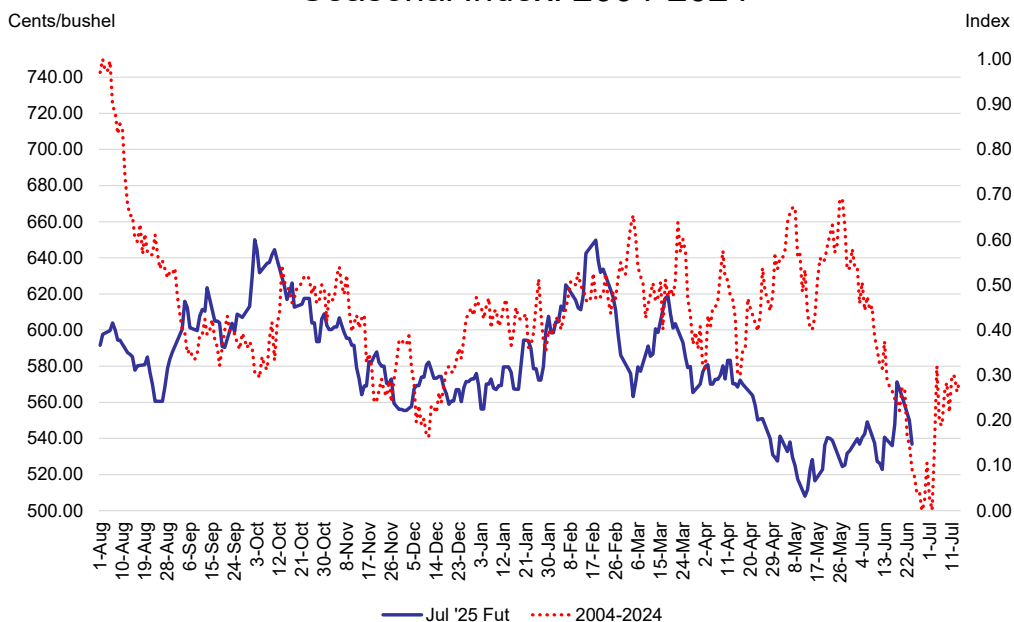
	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
May 21	5.41	4.37	-1.04	6.21	0.81	-1.84
May 29	5.32	4.28	-1.03	6.17	0.85	-1.89
June 5	5.43	4.39	-1.03	6.36	0.94	-1.97
June 12	5.23	4.62	-0.91			
June 20	5.63	4.76	-0.88			
10-year avg			-0.32		0.82	-1.14

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

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



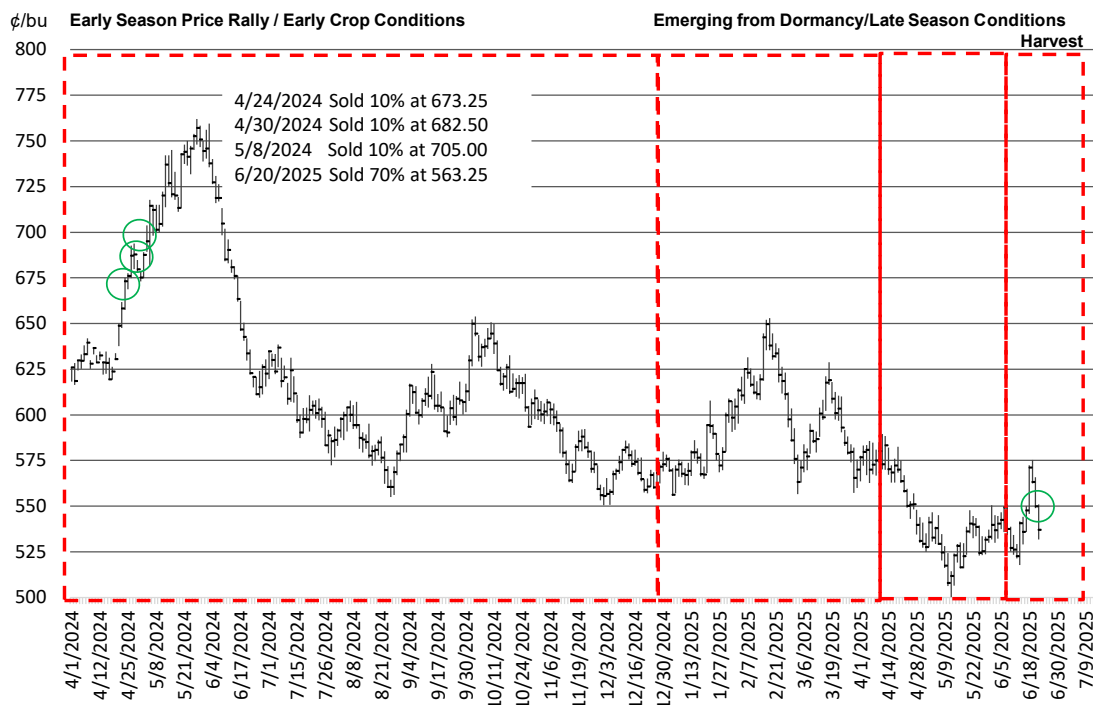
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Wheat Marketing Plan. With harvest completed on June 20, I exited all my hedges and sold the 2025 wheat crop. My average futures price was 600.35.

July 2025 KC Wheat and Marketing Plan



With recent price strength, I hedged the first 20% of the 2026 crop. My goal was to get 20% sold at 625 or better. In this biofuel era (since 2006), the price at expiration of the July Kansas City wheat contract has closed below 625 in 12 of those 19 years (about 2/3rds of the time).

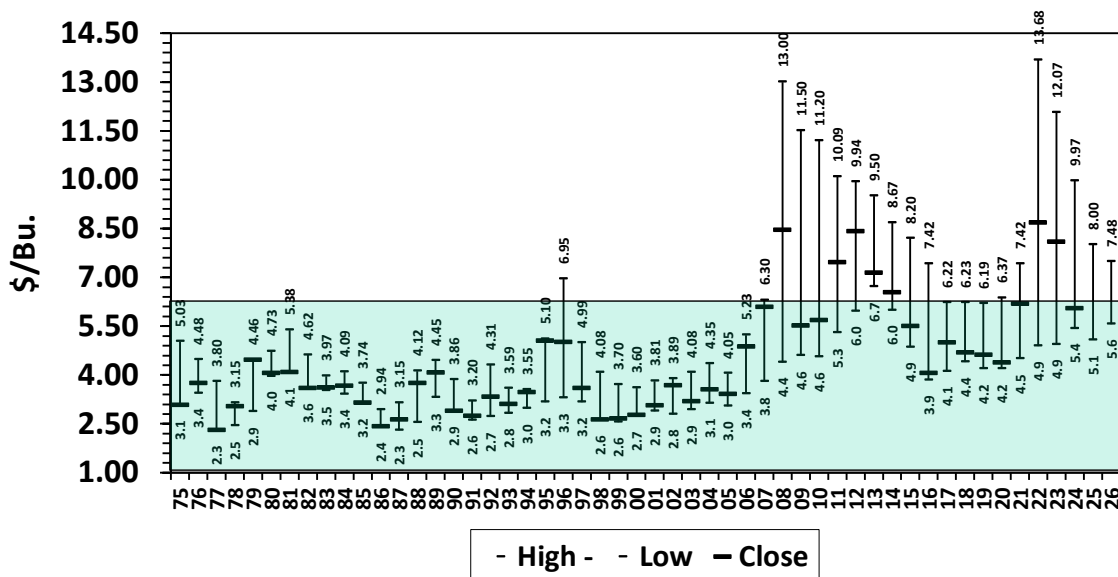
I sold 10% on the move above 625 at the close of 644. I sold another 10% on the break catching 625 on the way down. I would be glad for these to be the worst sales of the 2026 crop.

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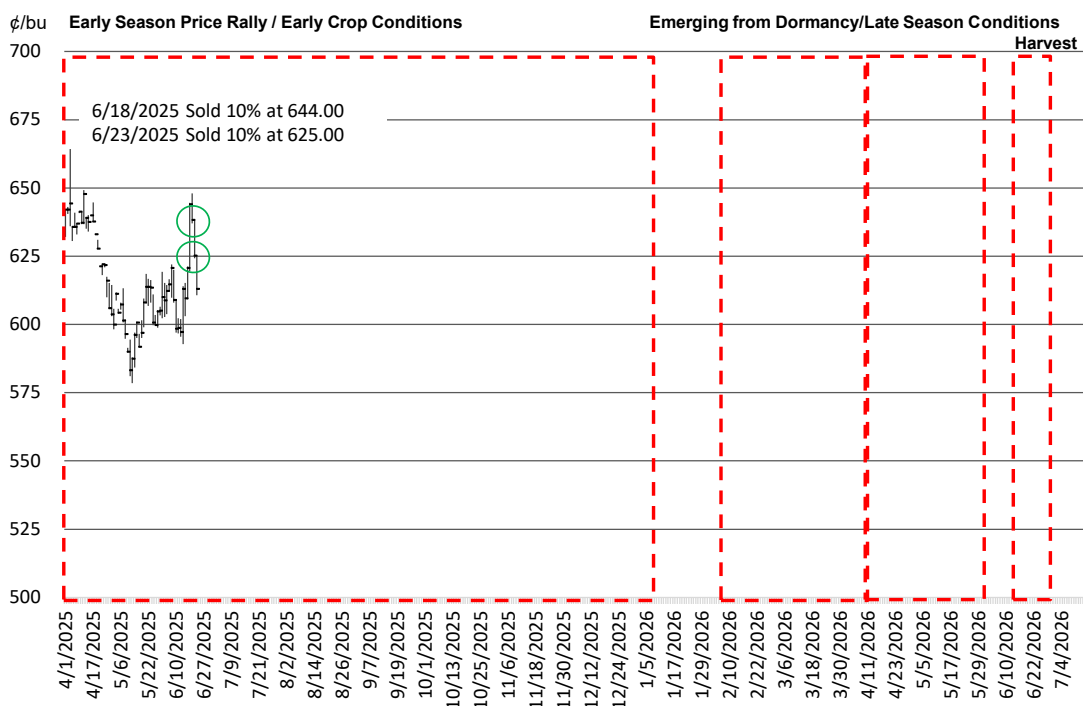
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July KCBT Wheat Prices High, Low, Close 1975 - 2026



July 2026 KC Wheat and Marketing Plan



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Upcoming Reports/Events

June 26	Hogs and Pigs GDP, 1 st Quarter 2025 (Third Estimate)
June 30	Acreage Grain Stocks
July 3	Employment Situation--June
July 11	Crop Production WASDE
July 15	Consumer Price Index
July 21	Chickens and Eggs
July 25	Cattle on Feed
July 29-30	Federal Reserve Federal Open Market Committee
July 30	GDP, 2 nd Quarter 2025 (Advance Estimate)

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