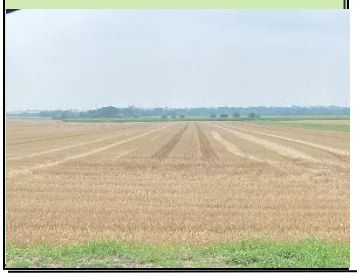
Wheat Outlook

September 26, 2025
Volume 34, Number 66

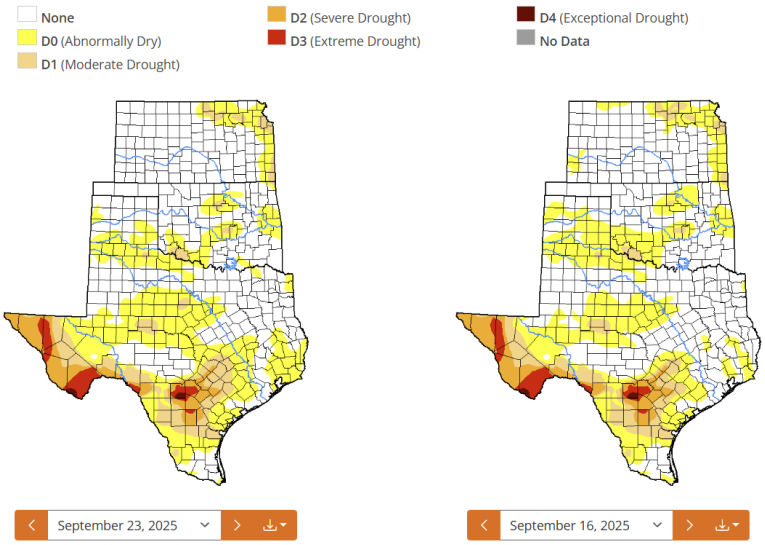
Today's Newsletter



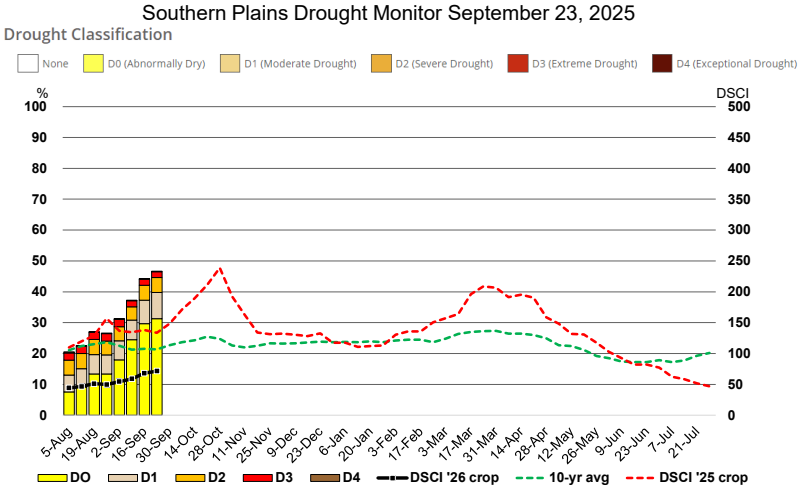
Market Situation

Crop Condition and Progress. The 2025 spring wheat crop harvest has reached 96% in this week's Crop Progress report. Winter wheat planted is 20%.

Weather. With winter wheat planting underway, the drought severity index for the Southern Plains is on the rise (which is normal for early fall). For the Southern Plains Climate Hub, 47% is under drought (up from 44% last week). The Drought Severity Index this week is 71, up 3 points from last week but still below 134 at this time last year and the 107-point average.



Southern Plains Drought Monitor September 23, 2025

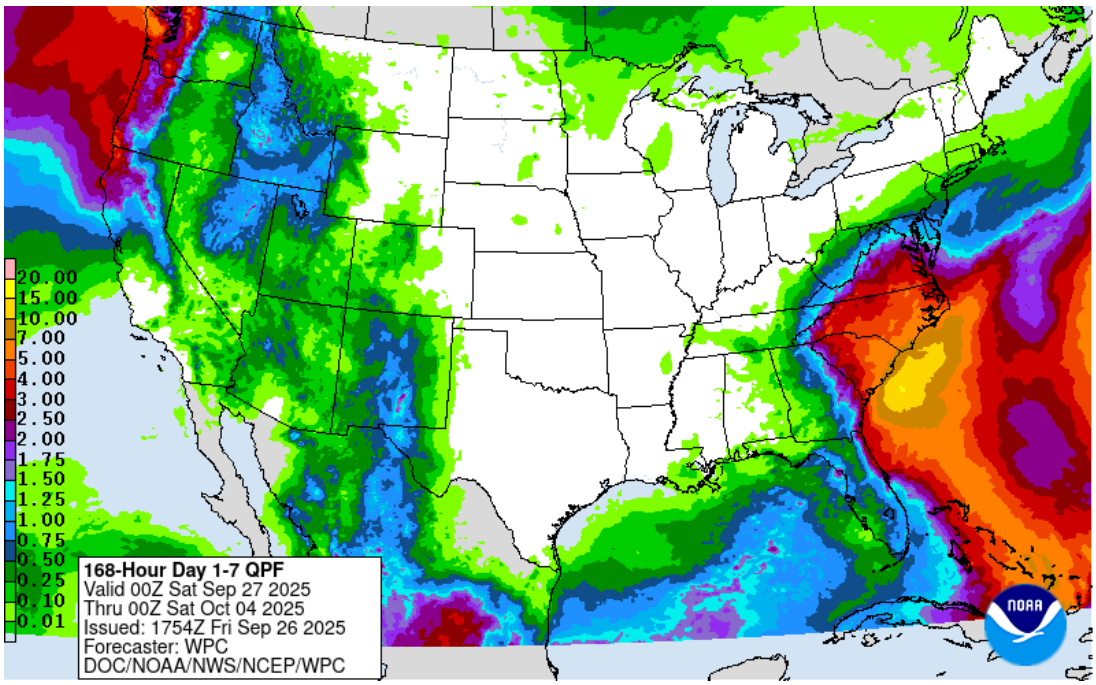


Drought Severity and Coverage Index (DSCI) = (DO*1)+(D1*2)+(D2*3)+(D3*4)+(D4*5);
min 0--no drought conditions reported; max 500--100% under exceptional drought conditions

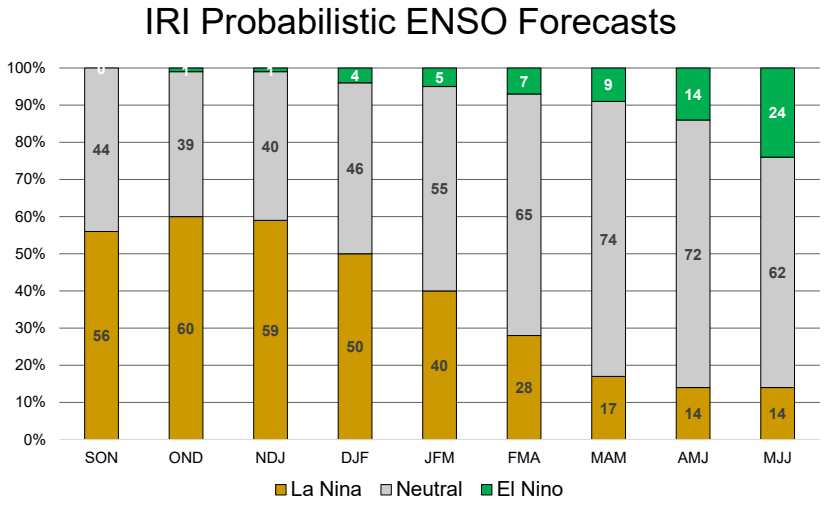
Drought Monitor, 9/25/2025, Southern Plains Climate Hub, http://droughtmonitor.unl.edu/

See today's Feed Grain Outlook for a more detailed look at drought in the Mississippi River Basin, which covers a large proportion of the soft red winter wheat growing areas.

Not much rain in the forecast for the Southern Plains over the next 7 days (9/27-10/04/2025). Tropical weather systems are forecast to generate heavy rainfall along the Eastern Seaboard.



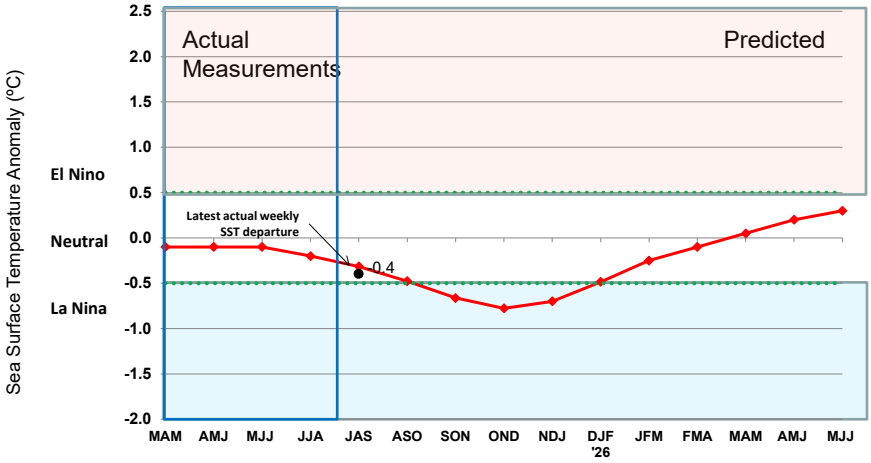
The ENSO alert status is a La Nina Watch. The sea surface temperature departure from normal this week is -0.4°C. Temperature deviations are forecast to move cooler by late fall with the greatest likelihood to now enter La Nina territory.



International Research Institute for Climate and Society, September 19, 2025
https://iri.columbia.edu/our-expertise/climate/enso/

Oceanic Nino Index (ONI)
ENSO Alert System Status: La Niña Watch

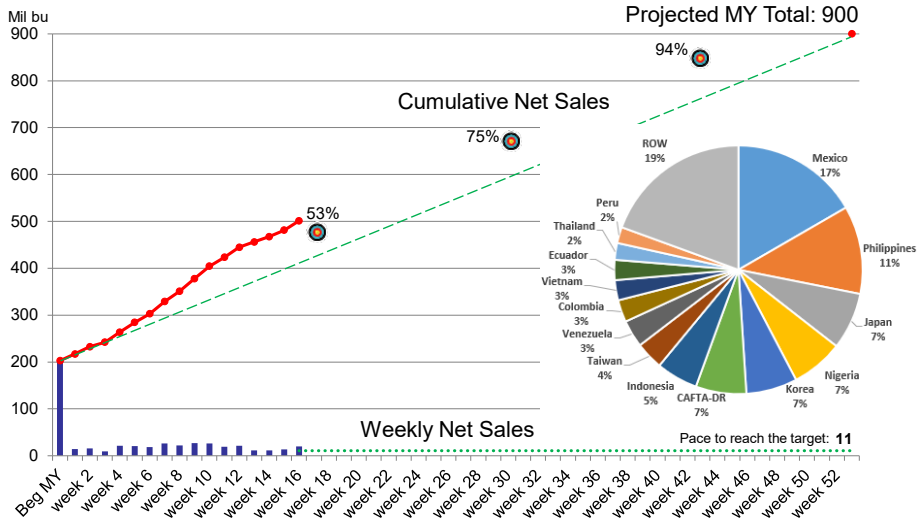
CPC: A transition from ENSO-neutral to La Niña is likely in the next couple of months, with a 71% chance of La Niña during October - December 2025. Thereafter, La Niña is favored but chances decrease to 54% in December 2025 - February 2026.



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, September 22, 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. All wheat export sales continue on a strong pace early in this marketing year. USDA raised the marketing year projection in the September WASDE by 25 million bushels to 900 million. Sales for the week of September 18 were 20 million bushels with the Philippines the top buyer for the second week in a row. The marketing year total to date is 501 million bushels, 56% of the projected target. We normally have 53% on the books by the end of September.

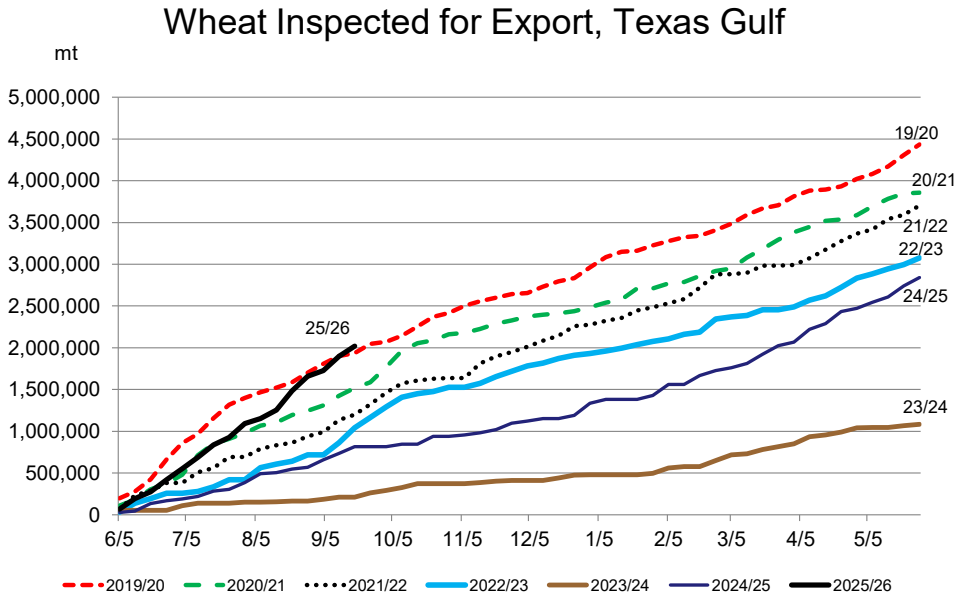
2025/26 U.S. All Wheat Export Sales Commitments



Export Sales Commitments reported for 9/18/2025: 20 million bushels (Philippines, 4.3 mil bu)
Total Export Sales Commitments this marketing year: 501 million bushels
56% of the 2025/26 MY Export Sales Target of 900 million bushels (September WASDE)
Normal pace of sales: 53% by the end of September (477mil bu)

USDA, Foreign Agricultural Service: 9/25/2025

Wheat exports out of the Texas Gulf are now at their highest for this week in the marketing year since 2019/2020.



U.S. Dept. of Agriculture, Agricultural Marketing Service. *Grain Transportation Report.* September 25, 2025

Cash Wheat Prices, $/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
August 28	4.87	3.96	-0.91	5.86	0.99	-1.90
September 4	5.06	4.00	-1.07	5.76	0.70	-1.76
September 11	5.10	4.10	-1.00	5.80	0.70	-1.70
September 17	5.16	4.16	-1.00			
September 25	5.12	4.12	-1.00	5.82	0.70	-1.70
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 Commitment of Traders report for September 23 shows consistency across the board in adjustments to the positions of speculators in grains and soybeans. In both the soft red winter and hard red winter wheat contracts, traders added to both bets for higher prices (longs) and bets for lower prices (shorts) but more so on the short side pushing net longs deeper into negative territory. In corn and soybeans, traders lightened up on long contracts held and added to their short positions, also decreasing net longs. Also consistent with these trades were lower prices in all four contracts.

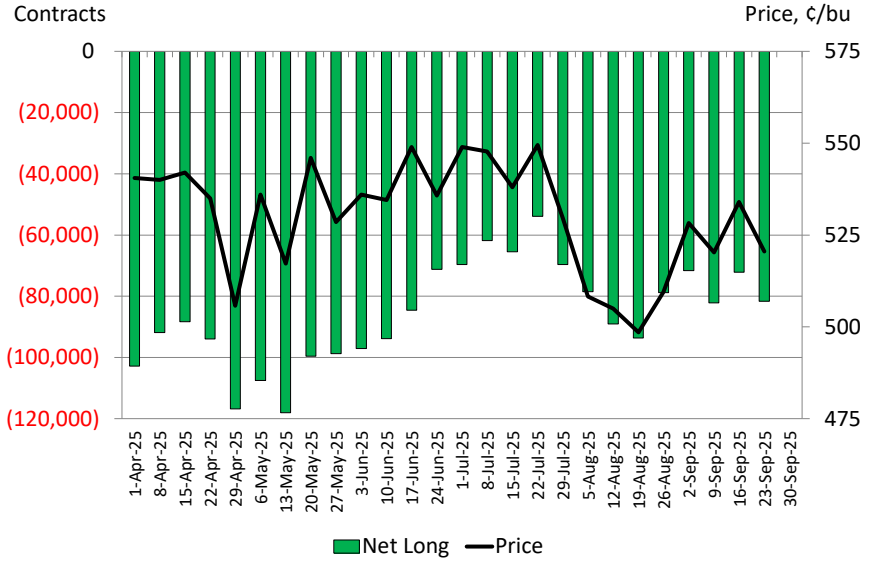
	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
8/26/2025	127,585	206,367	(78,782)	509.50	72,627	99,647	(27,020)	493.00
9/2/2025	126,625	198,261	(71,636)	528.25	73,352	107,062	(33,710)	511.25
9/9/2025	125,788	207,927	(82,139)	520.25	80,025	108,752	(28,727)	510.25
9/16/2025	127,443	199,602	(72,159)	534.00	83,459	112,879	(29,420)	523.50
9/23/2025	134,434	216,116	(81,682)	520.50	86,620	117,482	(30,862)	511.50
Change	6,991	16,514	(9,523)	(13.50)	3,161	4,603	(1,442)	(12.00)

	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
8/26/2025	337,007	407,947	(70,940)	387.50	153,775	135,586	18,189	1028.48
9/2/2025	350,610	403,065	(52,455)	423.00	157,352	135,932	21,420	1041.00
9/9/2025	344,492	398,736	(54,244)	419.75	153,365	145,042	8,323	1031.25
9/16/2025	346,750	382,919	(36,169)	429.50	167,351	146,164	21,187	1049.75
9/23/2025	335,577	386,763	(51,186)	426.25	165,944	160,196	5,748	1012.00
Change	(11,173)	3,844	(15,017)	(3.25)	(1,407)	14,032	(15,439)	(37.75)

For September 23, 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:

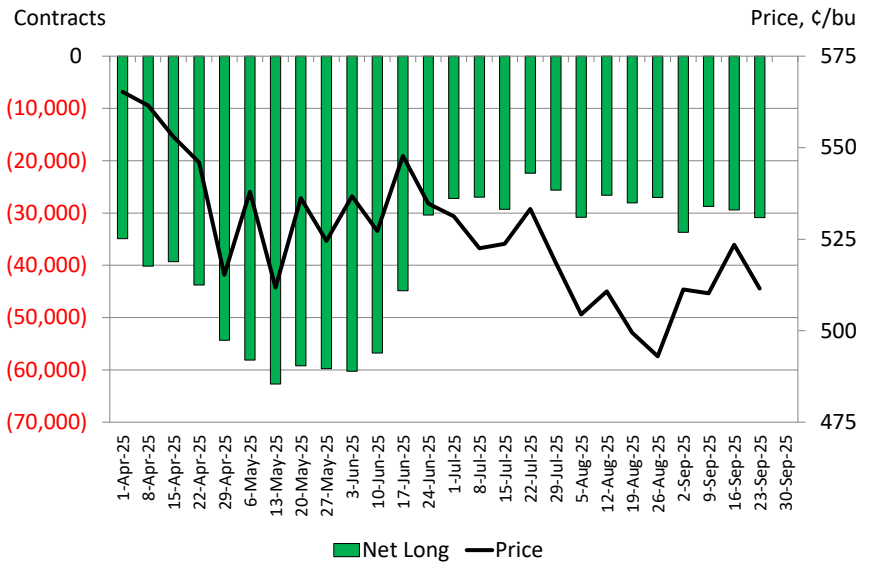
- more bearish Chicago soft red winter wheat,
- more bearish KC hard red winter wheat,
- more bearish corn, and
- less bullish soybeans.

Non-commercial Investment in CBOT Wheat, 9/23/2025



CFTC Legacy Report, Futures Only
https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm

Non-commercial Investment in KC Wheat, 9/23/2025



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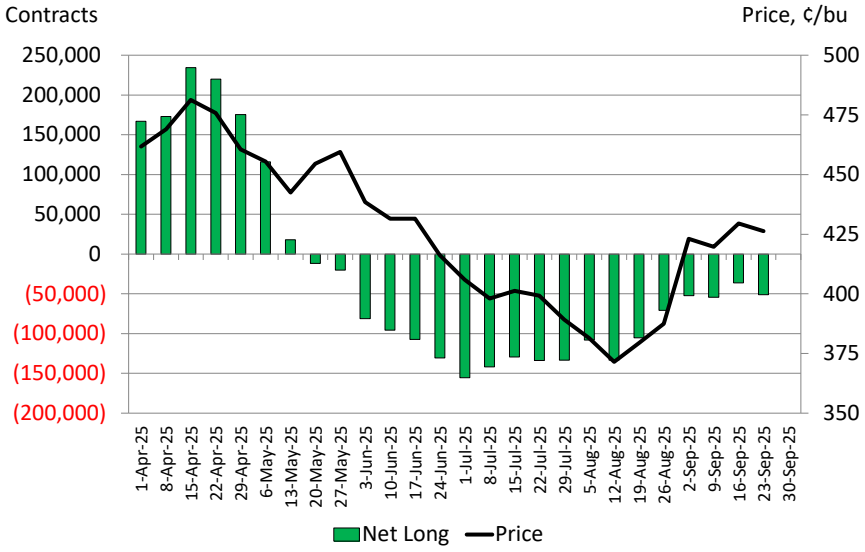
https://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm

Non-commercial Investment in Corn, 9/23/2025



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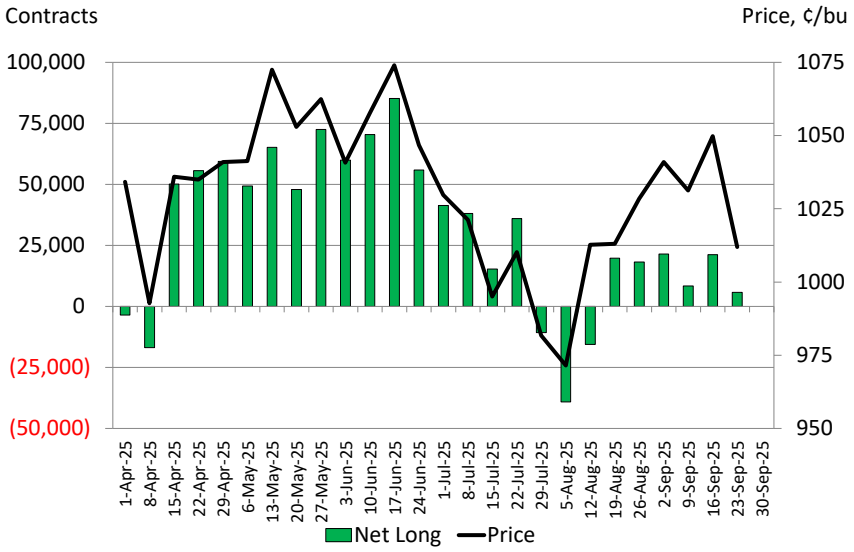
Non-commercial Investment in Soybeans, 9/23/2025



CFTC Legacy Report, Futures Only
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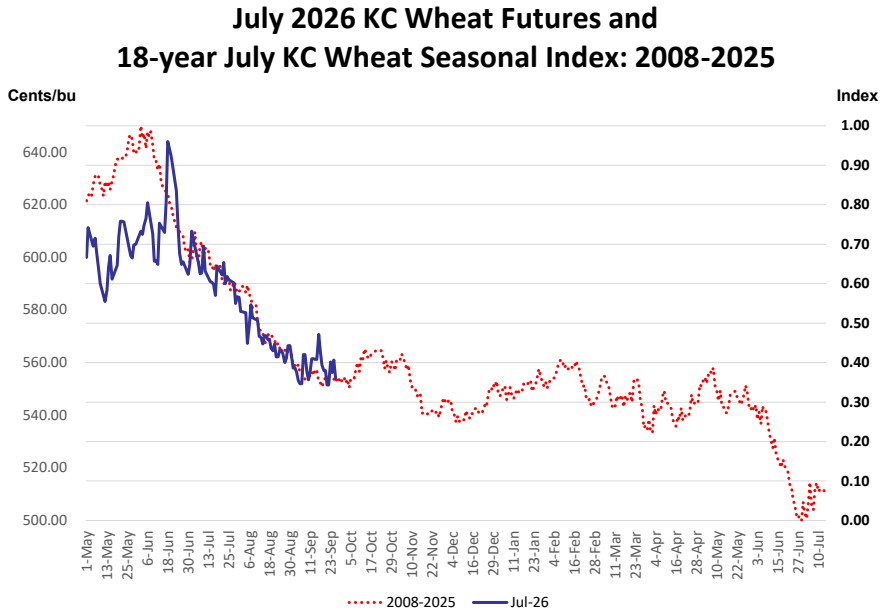
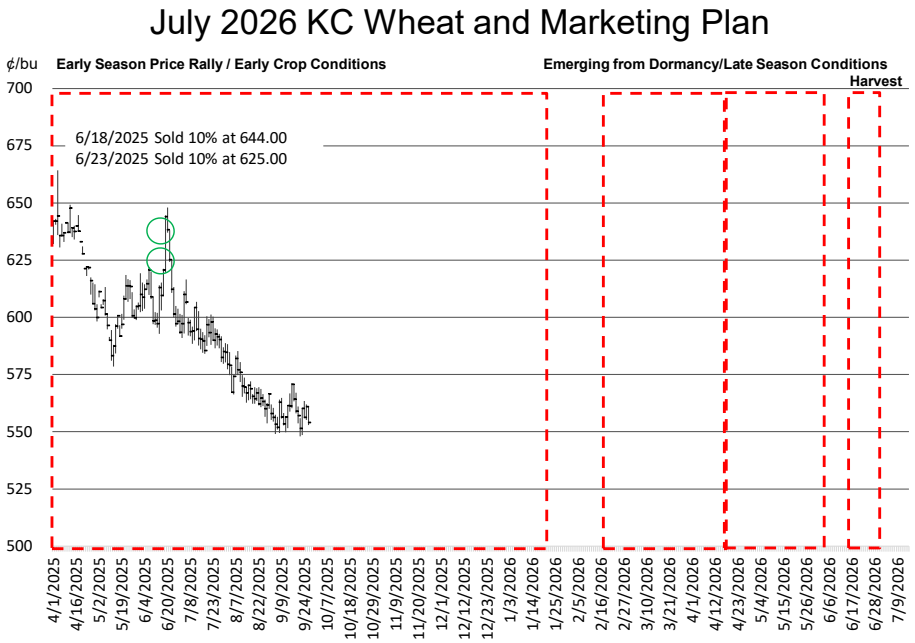
Marketing Strategies

Seasonal Index. The seasonal index for the July Kansas City Wheat futures contract shows prices typically declining from the spring before the crop is planted to the end of the calendar year. Better pricing opportunities often come in the spring associated with early crop condition concerns followed by late-season weather risk before the seasonal price decline into harvest.



Wheat Marketing Plan. I have hedged the first 20% of the 2026 crop.



Upcoming Reports/Events

September 30	Grain Stocks Small Grains Summary
October 3	September Employment Situation
October 7	Short-term Energy Outlook
October 9	WASDE Crop Production
October 15	Consumer Price Index, Bureau of Labor Statistics
October 22-23	Master Marketer Developing a Marketing Plan—2026, Wharton, Texas
October 30	Gross Domestic Product, 3rd Quarter 2025 (Advance Estimate)
November 12-13	Master Marketer Developing a Marketing Plan—2026, Weslaco, Texas
January 4-10	The Executive Program for Agricultural Producers, San Antonio

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