

Wheat Outlook

May 12, 2026

Volume 35, Number 30

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Market Situation

WASDE and Crop Production. Drought impacts in the hard red winter wheat crop were a primary factor in tighter wheat supplies for the 2026/27 U.S. wheat crop reported in the May WASDE.

The Crop Production report shows the winter wheat yield down from 53.1 bushels per acre last year to 44.0 bushels. Production is down from 1.401 billion bushels to 1.047 billion.

Combined with fewer acres planted for 2026 is a low harvested percentage, 75.1. The all-wheat yield is estimated at 47.5 bushels. This results in a 1.561 billion bushel wheat crop, down from 1.985 billion bushels in 2025.

Use estimates for the 2026/27 marketing year are lower than last year with a reduction in feed and exports. Ending stocks are lower by 173 million bushels to 762 million. Days of use on hand fall to a 148.4-day supply and the season average farm price higher by \$1.50 per bushel to \$6.50.

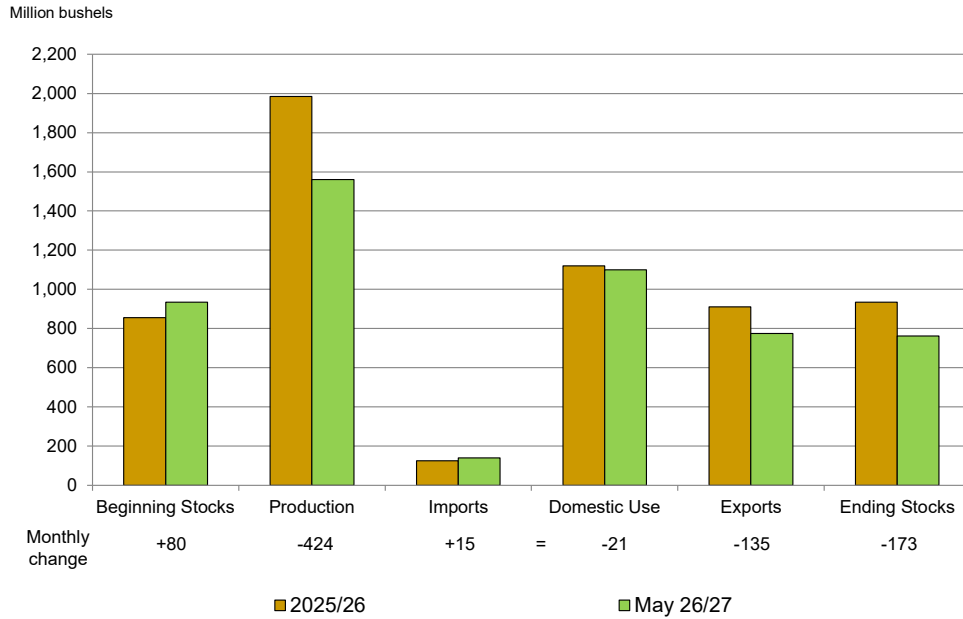
US WHEAT SUPPLY AND USE						
			2025/26	2026/27	May	
				5/12/2026	2024/25 to May 25/26	
AREA					Net Δ	% Δ
	Planted	mil acres	45.3	43.8	(1.5)	-3.3%
	Harvested	mil acres	37.2	32.9	(4.3)	-11.6%
	Percent Harvested		82.1%	75.1%	-7.0%	-8.5%
YIELD	Harvested acre	bu/ac	53.3	47.5	(5.8)	-10.9%
SUPPLY						
	Beginning stocks	mil bu	855	935	80.0	9.4%
	Production	mil bu	1,985	1,561	(424.0)	-21.4%
	Imports	mil bu	125	140	15.0	12.0%
	Total Supply	mil bu	2,964	2,636	(328.0)	-11.1%
DEMAND						
	Food	mil bu	960	960	0.0	0.0%
	Seed	mil bu	60	59	(1.0)	-1.7%
	Feed and residual	mil bu	100	80	(20.0)	-20.0%
	Total Domestic Use	mil bu	1,120	1,099	(21.0)	-1.9%
	Exports	mil bu	910	775	(135.0)	-14.8%
	Total Use	mil bu	2,030	1,874	(156.0)	-7.7%
	Ending stocks	mil bu	935	762	(173.0)	-18.5%
	Stocks to Use ratio	percent	46.1%	40.7%	-5.4%	-11.7%
	Days of Use on hand	days	168.1	148.4	(19.7)	-11.7%
PRICE						
	Average farm price	\$/bu	\$ 5.00	6.50	1.50	30.0%
	Reference Price	\$/bu	\$ 6.35	6.35	0.00	0.0%
	PLC Payment	\$/bu	\$ 1.35	\$ -	(1.35)	-100.0%

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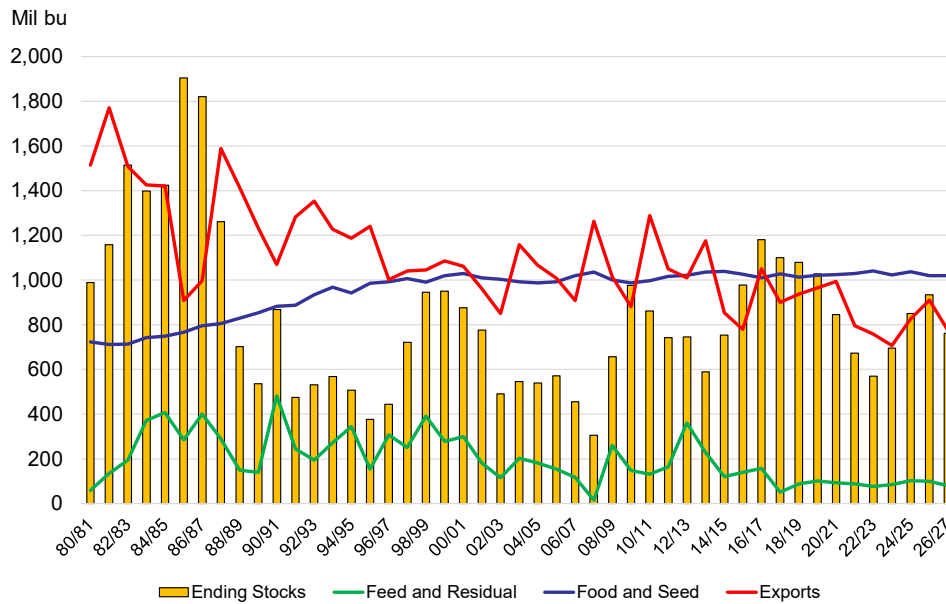
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U.S. Wheat Supply and Demand, May 2026



USDA, WASDE, 5/12/2026

U.S. Wheat Use, WASDE May 2026



USDA, WASDE, 5/12/2026

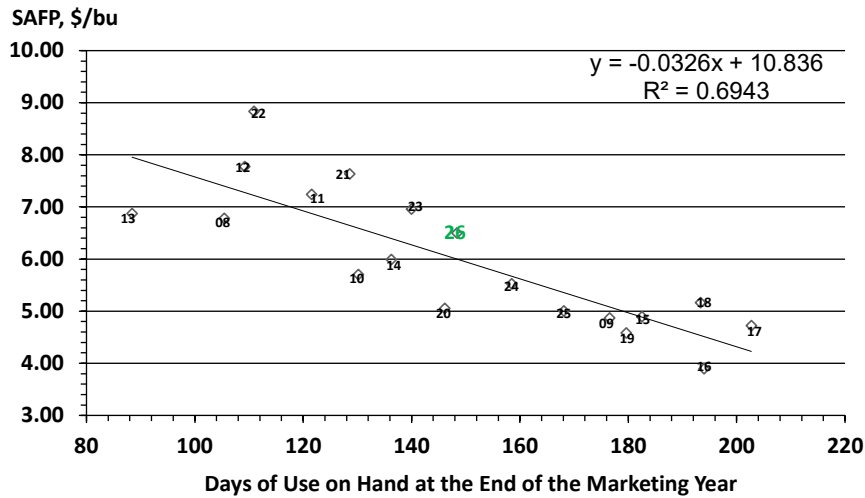
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U.S. Wheat Average Farm Price and Days of Use on Hand

2008/09-2025/26, 2026/27 estimate



Source: USDA, WASDE May 2026

World wheat production is estimated to be down about 25 mmt in 2026/27 but offsetting this to a large degree is an increase in beginning stocks of 20 mmt. This leaves total supply down 4 mmt (164 mil bu) while use stays about steady. A 4 mmt reduction in ending stocks lowers world days of use on hand at the end of the marketing year back down to a 121.9-day supply. This follows an increase last year with the record world wheat crop of a 123.8-day supply.

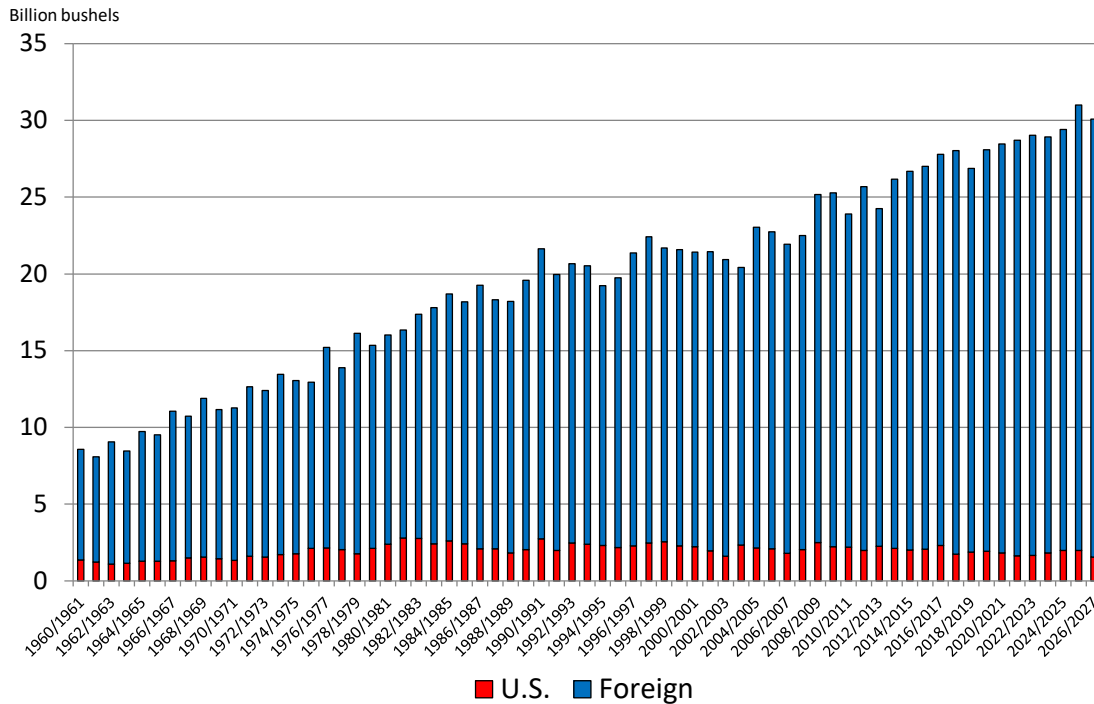
WORLD WHEAT Marketing Year	MMT									
	Beginning Stoc	Production	Imports	Feed Use	Total Use	Exports	Ending Stocks	Stocks to Use	Days on hand	
2014/15	197.70	730.41	159.38	132.37	700.51	164.22	222.76	0.3180	116.1	
2015/16	222.76	738.14	169.78	141.27	713.11	172.58	244.99	0.3436	125.4	
2016/17	244.99	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	274.64	791.53	222.82	159.14	796.88	222.24	269.29	0.3228	123.3	
2024/25	269.65	799.33	201.05	156.34	809.88	210.46	259.09	0.3199	116.8	
2025/26	258.89	843.84	218.34	168.09	823.52	223.68	279.21	0.3390	123.8	
2026/27	279.21	819.06	207.31	160.92	823.23	211.70	275.04	0.3341	121.9	
May										
Net Change	20.32	(24.78)	(11.03)	(7.17)	(0.29)	(11.98)	(4.17)	(0.00)	(1.81)	
% Change	7.85%	-2.94%	-5.05%	-4.27%	-0.04%	-5.36%	-1.49%	-1.46%	-1.46%	

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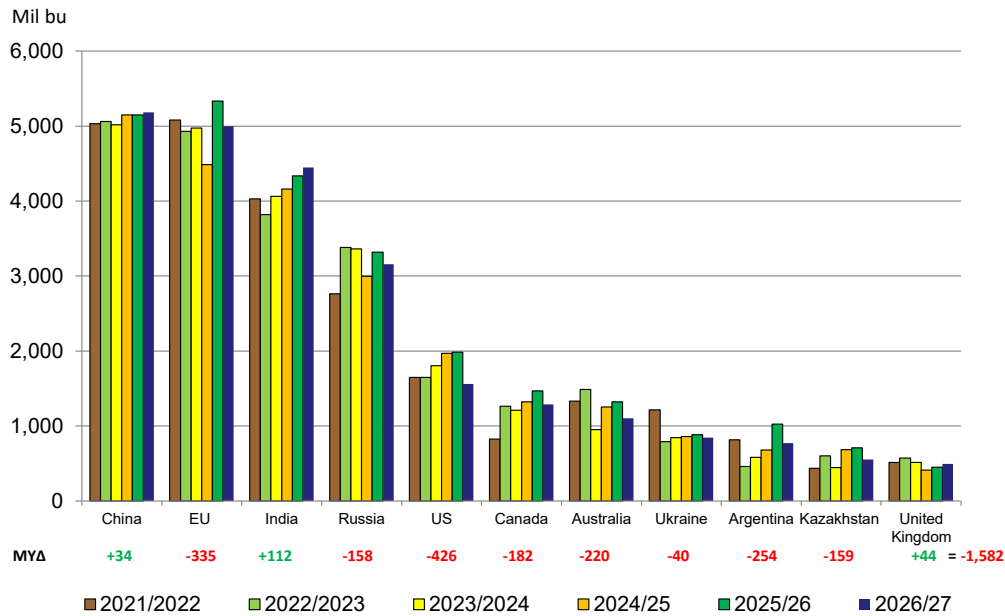
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World Wheat Production



WASDE May 2026

Wheat Production, Major Contributors, Marketing Year



WASDE, May 2026

84% of global wheat production

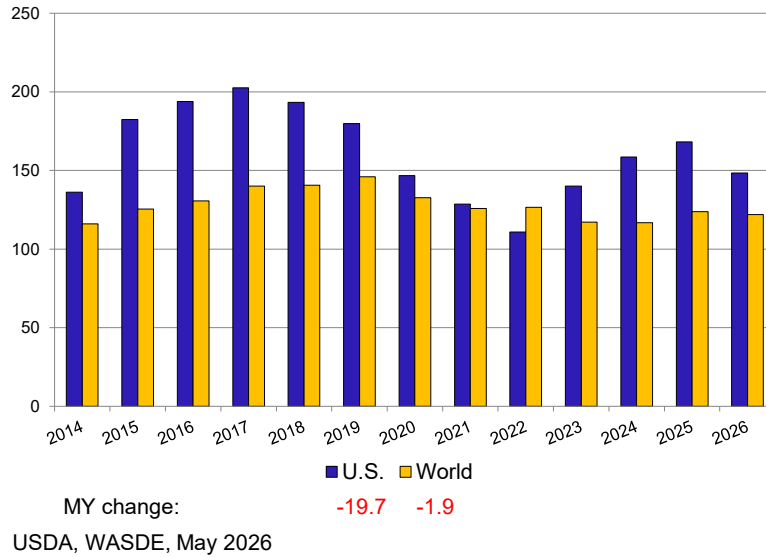
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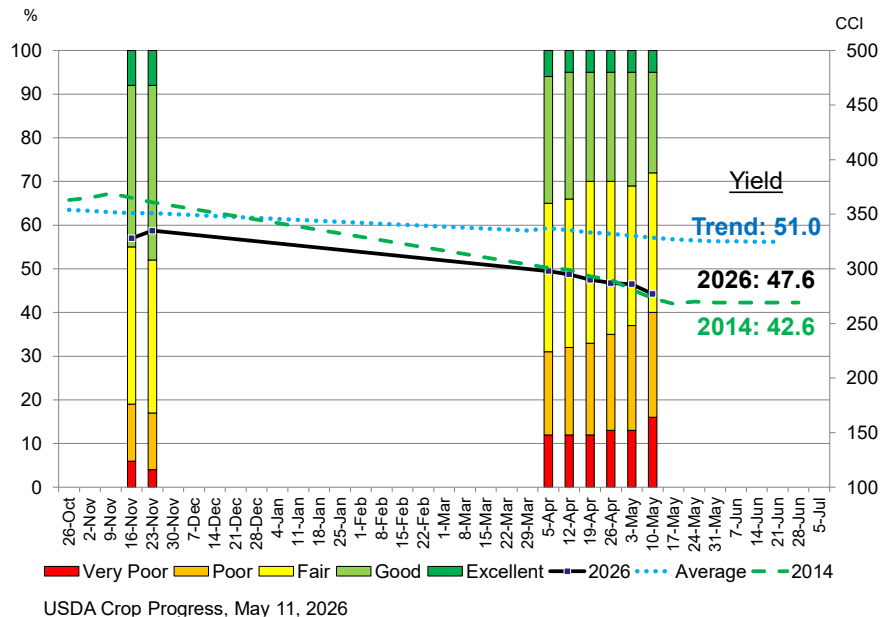


Wheat Days of Use on Hand at the End of the Marketing Year:
US and World



Crop Progress and Condition. The condition score for the U.S. winter wheat crop worsened again this week. The share of crop rated very poor and poor increased 3%; good decreased 3%. That lowered the crop condition index 9 points to 277. The index average for this week of the growing season is 328. The index is currently tracking close to that of 2014, a year when the yield was 42.6 bushels per acre. USDA’s estimate today for the 2026 winter wheat crop is 47.6.

2026 U.S. Winter Wheat Crop Condition Ratings, May 3



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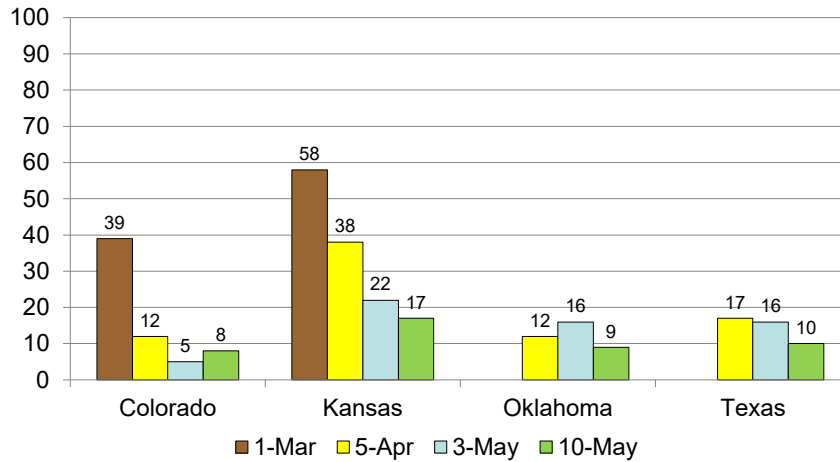
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Across the Southern Plains, the share of crop rated good and excellent was up 3 points this week in Colorado (8%), down 5 in Kansas (17%), down 7 Oklahoma (9%), and down 6 in Texas (10%).

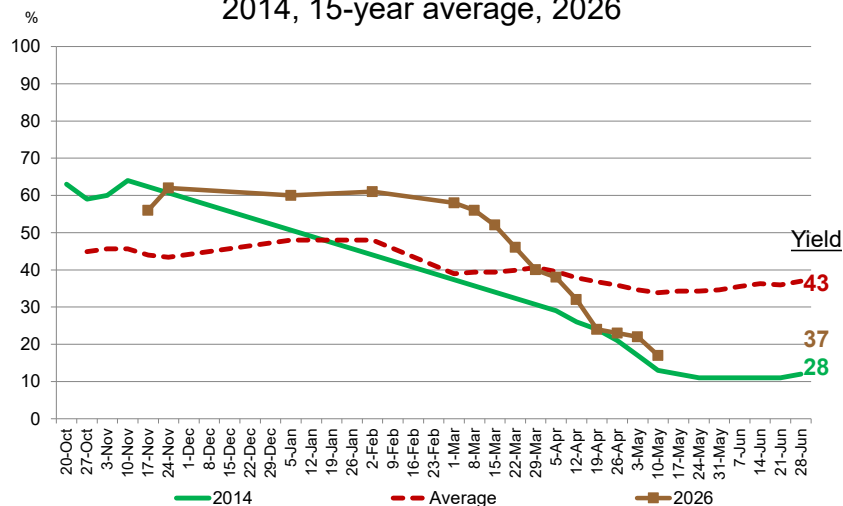
% of 2026 Winter Wheat Rated Good and Excellent
(states accounting for about 43% of winter wheat production)



USDA. NASS. Crop Progress. May 11, 2026

With the drop off in good and excellent ratings, the Kansas wheat crop is tracking along 2014 as well. The final yield that year was 28 bushels per acre. USDA estimates the 2026 Kansas wheat crop at 37 bushels. This week is the Wheat Quality Council Hard Winter Wheat Tour. It will report yield and production estimates when the tour wraps up May 14.

Kansas Winter Wheat Crop Condition Ratings
Percent Good and Excellent
2014, 15-year average, 2026



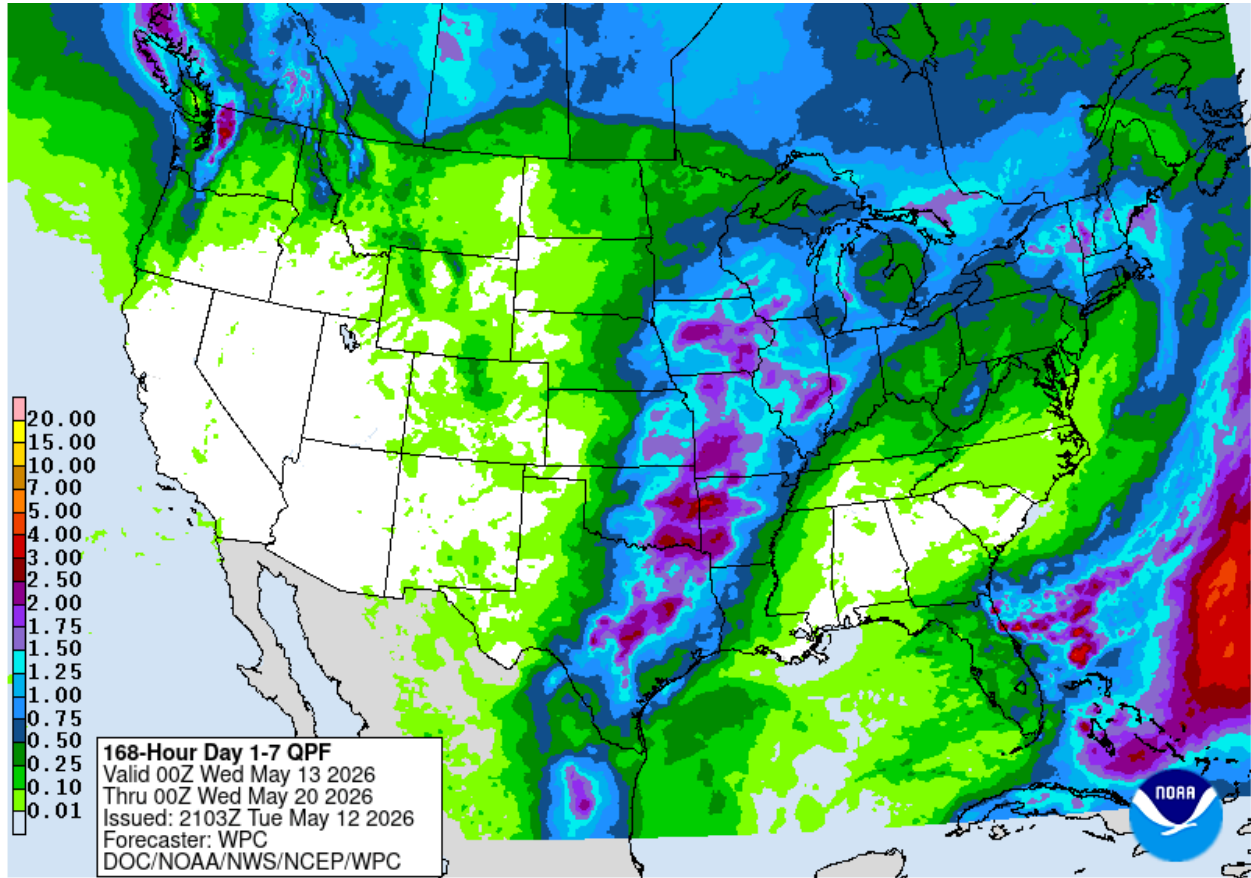
USDA Crop Progress, May 11, 2026

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Weather. Precipitation amounts pick up towards the end of the next 7-day forecast (5/13-5/20) for the eastern half of Kansas, Oklahoma, and Texas. West of I-35 is mostly dry.



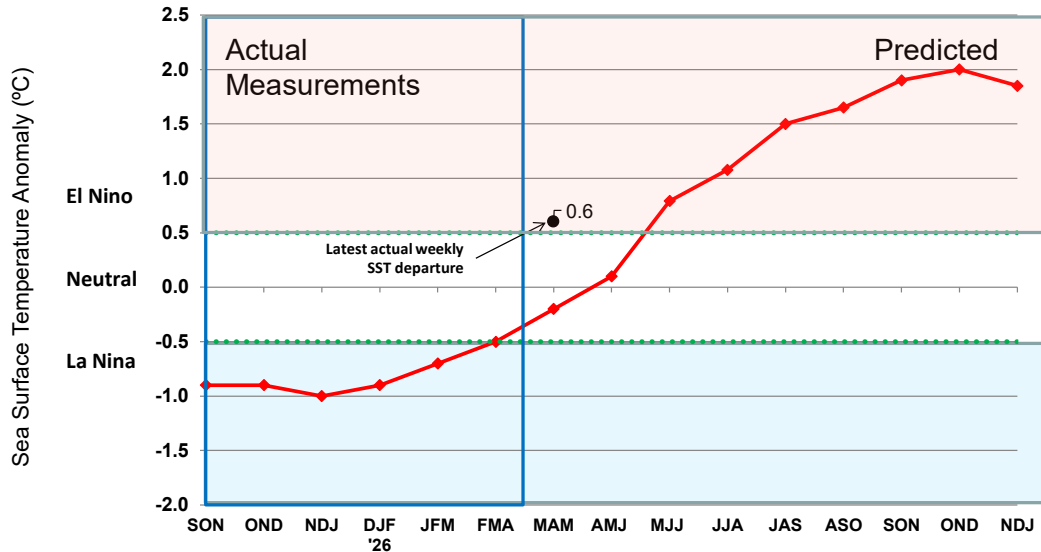
The ENSO update for May 11 from the Climate Prediction Center shows the sea surface temperature departure from normal this week of +0.6°C. El Nino conditions are now forecast to emerge by the end of July (80% chance) and persist through at least the end of 2026.

The current forecast shows the temperature deviation in the upcoming El Nino event topping out at about 2.0°C. That would be the second strongest El Nino event since 2000, behind only 2015/16 (the winter wheat yield in 2016 was a record high 55.3 bushels per acre .

Oceanic Niño Index (ONI)

ENSO Alert System Status: Final La Niña Advisory/El Niño Watch

CPC: ENSO-neutral conditions favored through April-June 2026 (80% chance). In May-July 2026, El Niño is likely to emerge (61% chance) and persist through at least the end of 2026.

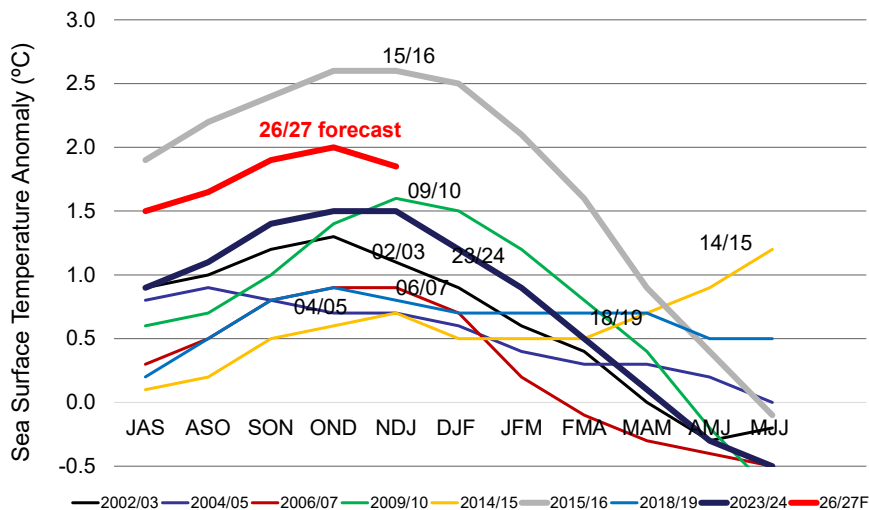


El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, May 11, 2026

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

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

El Niño Winters since 2000



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Cash Wheat Prices, \$/bu.

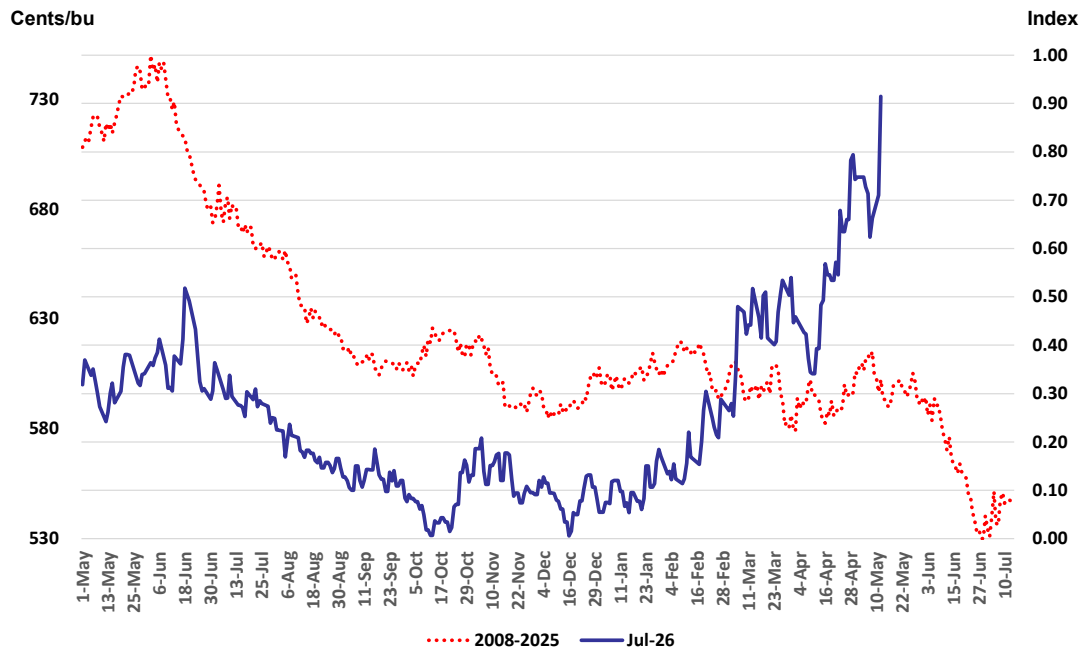
	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
April 9	5.91	4.97	-0.94			
April 16	6.43	5.49	-0.94			
April 23	6.67	5.73	-0.94			
April 30	6.78	5.90	-0.88			
May 7	6.68	5.77	-0.90			
10-year avg			-0.46		0.71	1.17

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 the spring before the crop is planted to the end of the calendar year. Better pricing opportunities often come in late-winter to spring associated with early crop condition concerns (February/March) followed by late-season weather risk (April/May) before the seasonal price decline into harvest.

**July 2026 KC Wheat Futures and
18-year July KC Wheat Seasonal Index: 2008-2025**



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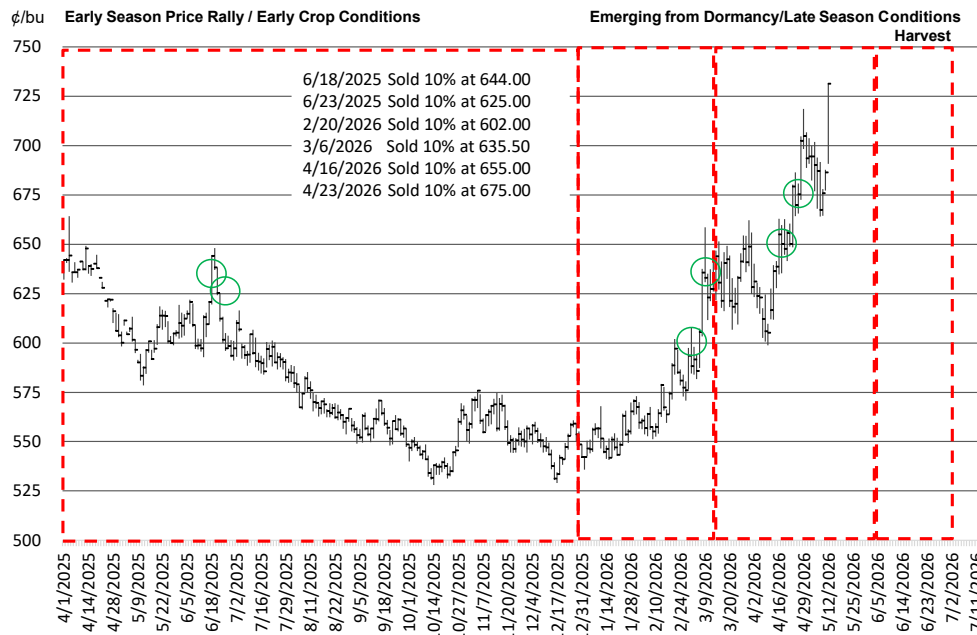
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Wheat Marketing Plan. I had taken advantage of this runup in prices to get 60% sold on 2026 wheat and 30% sold on 2027. Prices surged higher again today following the poor ratings in Monday's Crop Progress and tightening of supplies in the May WASDE.

July 2026 KC Wheat and Marketing Plan



Upcoming Reports/Events

May 12	WASDE, 1 st official estimates for the 2026/27 marketing year Crop Production Short-term Energy Outlook Consumer Price Index
May 19	Chickens and Eggs
May 22	Cattle on Feed
June 16-17	Federal Open Market Committee, Federal Reserve
June 25	Hogs and Pigs
June 30	Acreage Grain Stocks

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