

Wheat Outlook

May 18, 2026

Volume 35, Number 32

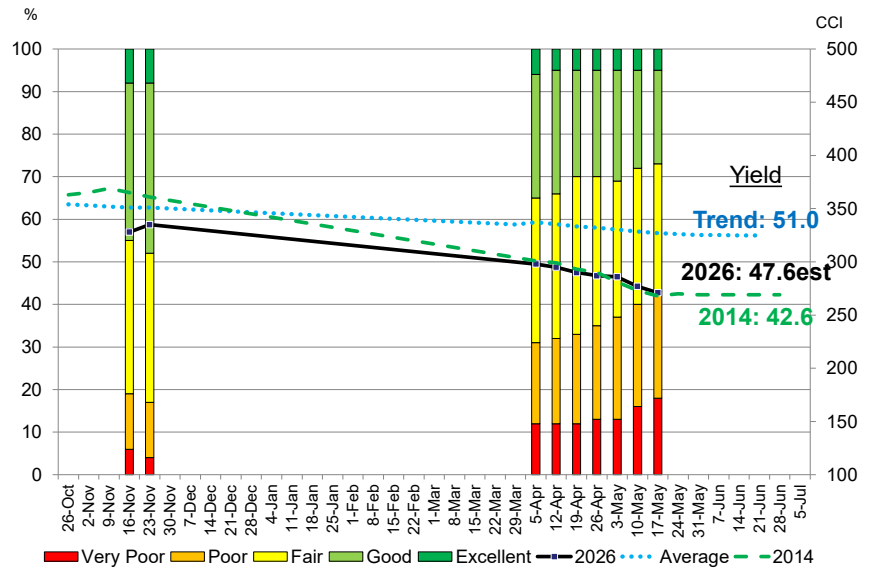
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Market Situation

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 1%. That lowered the crop condition index 6 points to 271. The index average for this week of the growing season is 327. 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 17



USDA Crop Progress, May 18, 2026

Across the Southern Plains, the share of crop rated good and excellent was down 1 point this week in Colorado (7%), down 2 in Kansas (15%), up 3 Oklahoma (12%), and unchanged in Texas (10%).

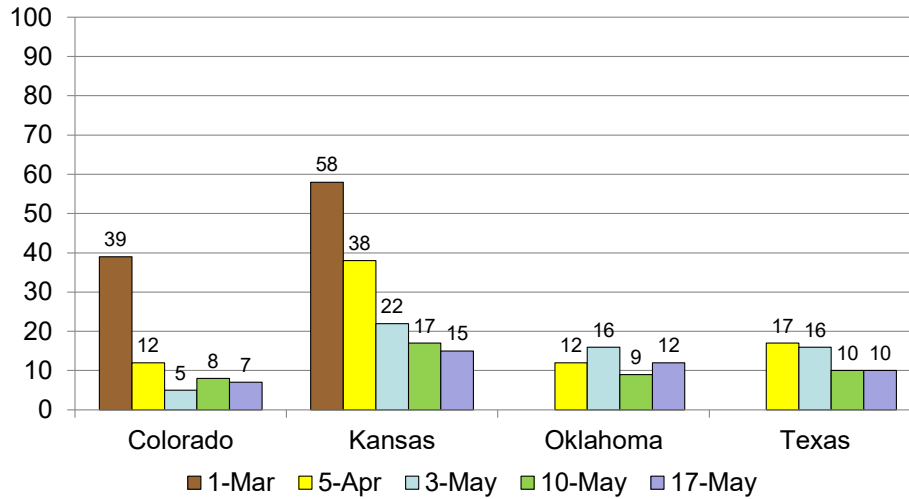
With the drop off in good and excellent ratings, the Kansas wheat crop is tracking along 2014 as well. The final yield that year was 28 bushels per acre. USDA estimates the 2026 Kansas wheat crop at 37 bushels.

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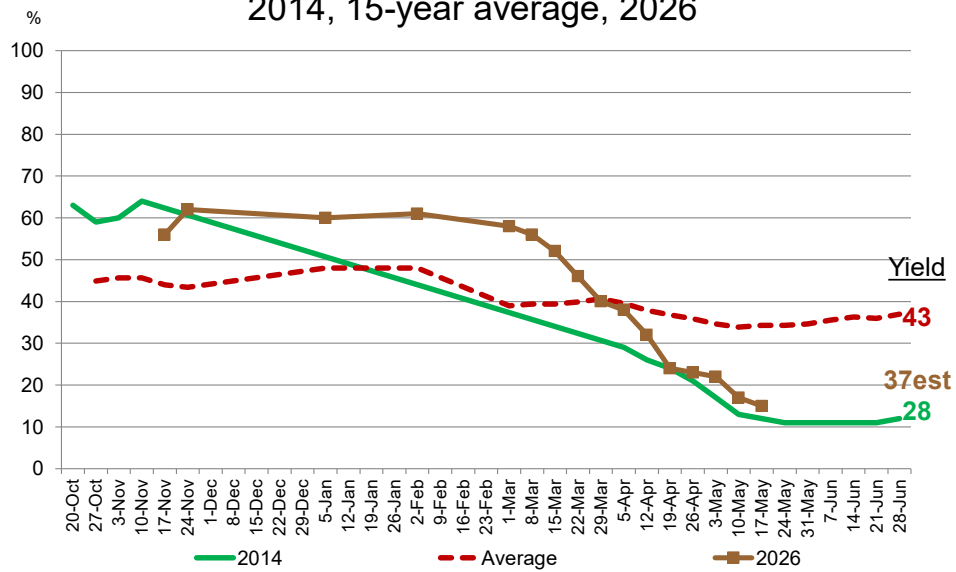
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% of 2026 Winter Wheat Rated Good and Excellent
(states accounting for about 43% of winter wheat production)



USDA, NASS, Crop Progress, May 18, 2026

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



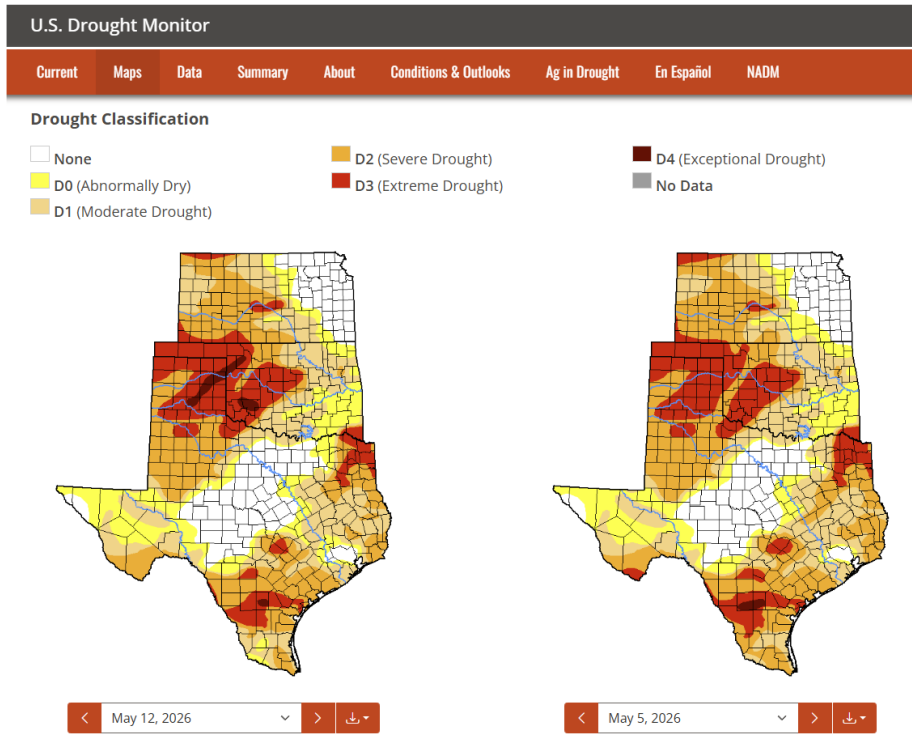
USDA Crop Progress, May 18, 2026

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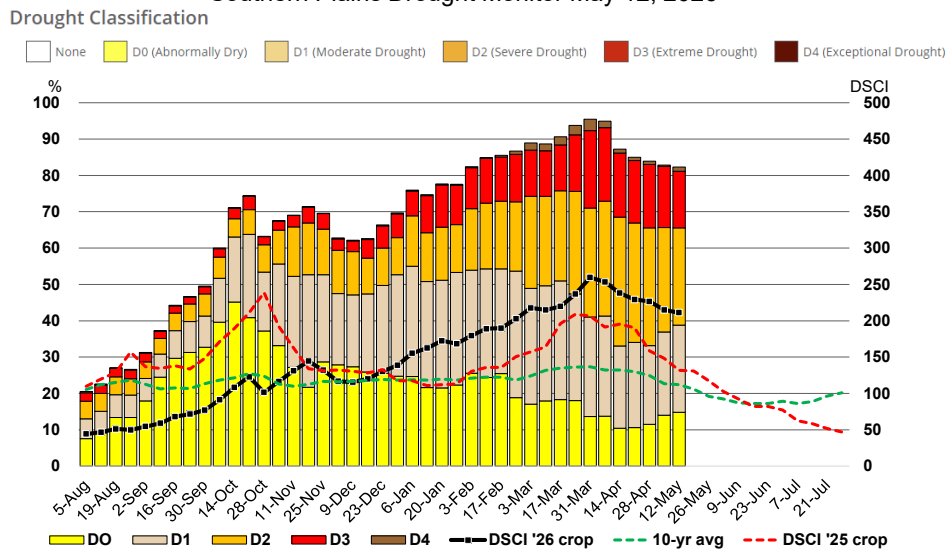
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Weather. The drought monitor for the Southern Plains Climate Hub May 12 shows intensifying conditions in western Oklahoma and the Texas Panhandle. Overall, drought coverage and the drought severity index were down slightly.



Southern Plains Drought Monitor May 12, 2026



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

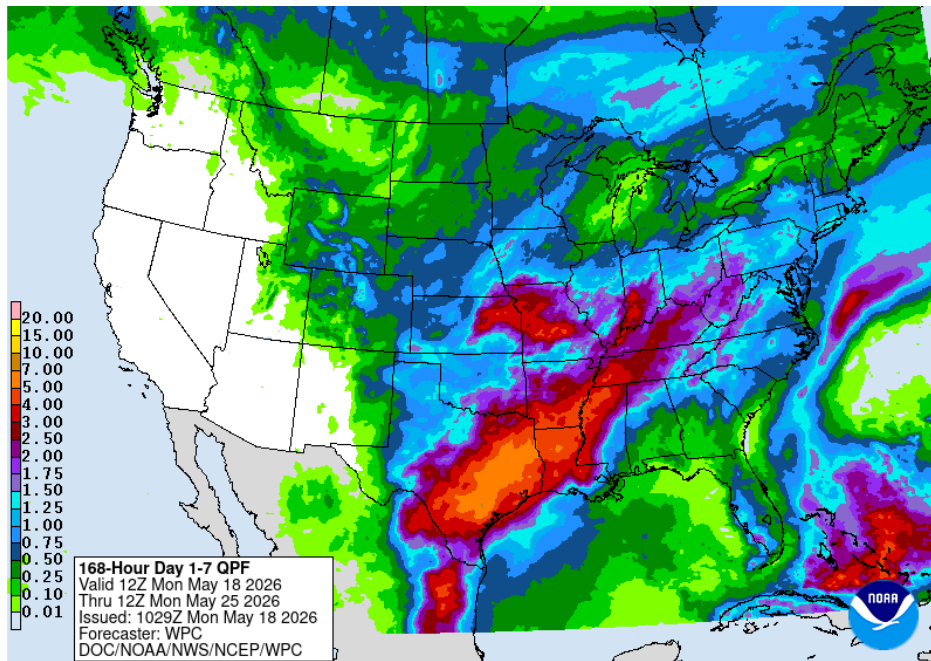
Drought Monitor, 5/14/2026, Southern Plains Climate Hub, <http://droughtmonitor.unl.edu/>

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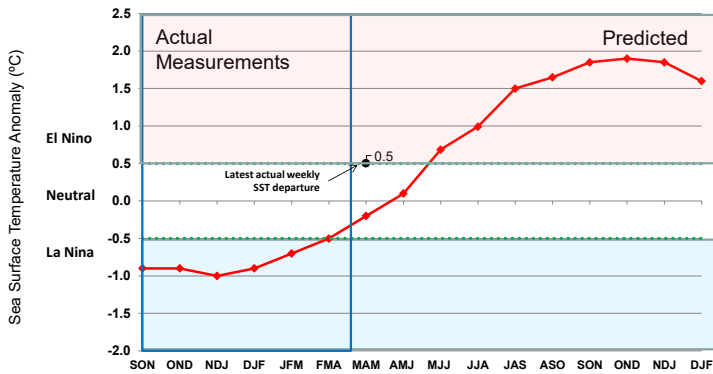
From the National Weather Service office in Amarillo, extremely critical fire weather conditions continue today and tonight across the Texas and Oklahoma Panhandles. Precipitation is in the forecast for the entire Southern Plains region over the next 7-days (5/18-5/25).



The ENSO update for May 18 from the Climate Prediction Center shows the sea surface temperature departure from normal this week of +0.5°C. El Niño conditions are now forecast to emerge by the end of July (82% chance) and continue through winter 2026-27.

Oceanic Niño Index (ONI) ENSO Alert System Status: **El Niño Watch**

CPC: El Niño is likely to emerge soon (82% chance in May-July 2026) and continue through Northern Hemisphere winter 2026-27 (96% chance in December 2026 – February 2027).

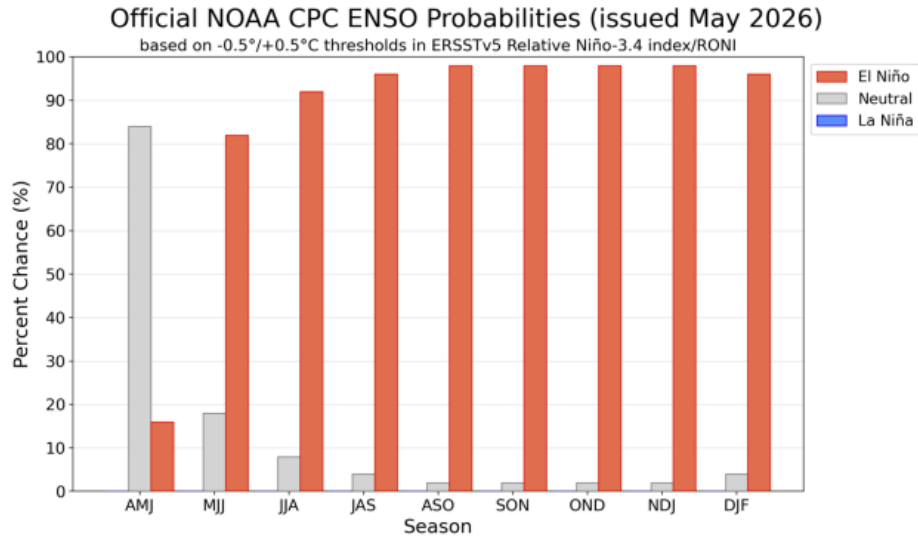


El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, May 18, 2026
http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/
Australian Bureau of Meteorology, <http://www.bom.gov.au/climate/enso/>

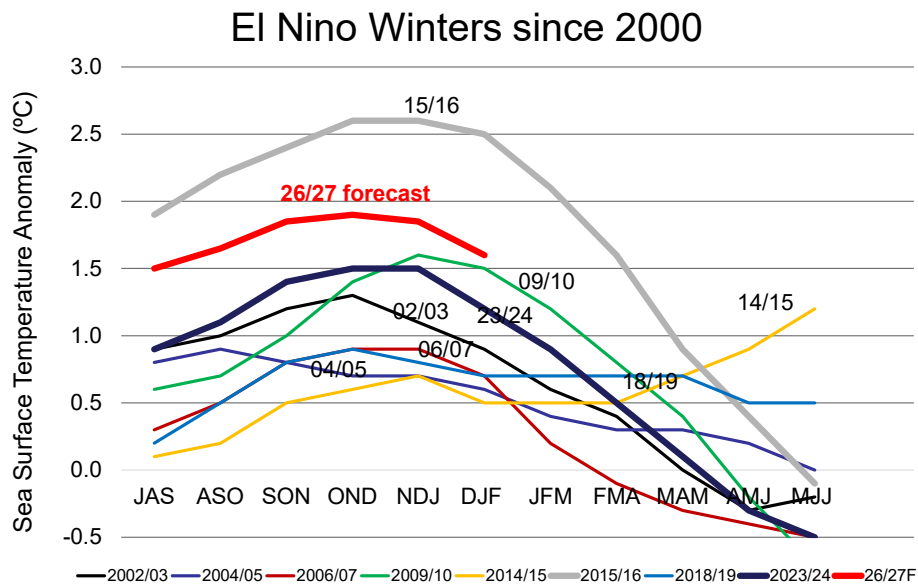
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The current forecast shows the temperature deviation in the upcoming El Niño event topping out just below 2.0°C . That would be the second strongest El Niño event since 2000, behind only 2015/16 (the winter wheat yield in 2016 was a record high 55.3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



El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, May 11, 2026
http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/

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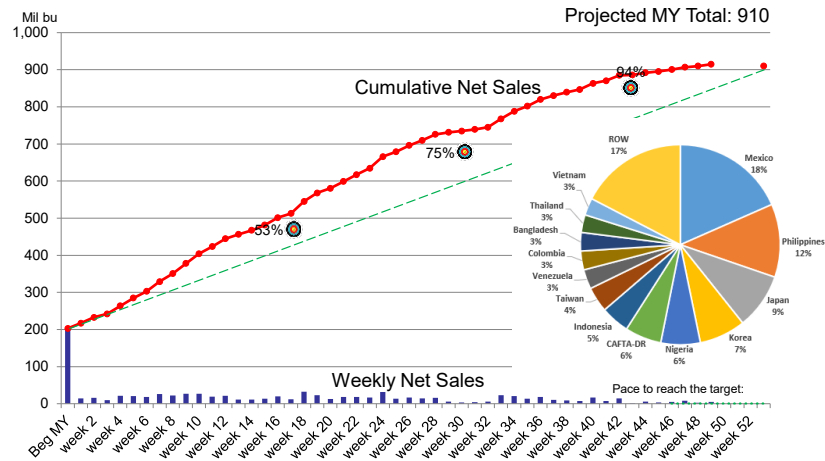
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Grain Use. USDA raised its wheat export sales estimate for the 2025/26 marketing year from 900 million bushels to 910 million bushels in the May WASDE. With sales of 5 million bushels the week of May 7, the total to date stands at 915 million bushels, 101% of the export sales target.

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

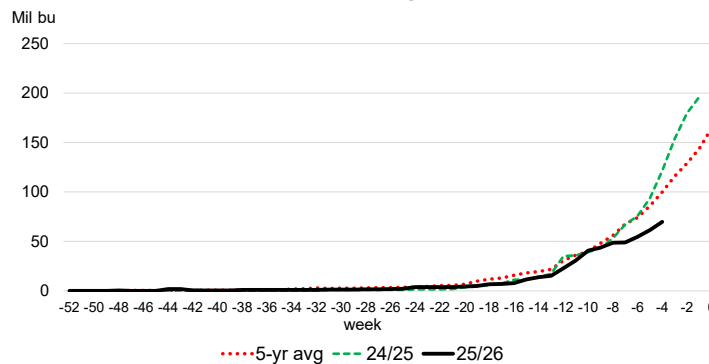


Net Export Sales Commitments reported for 5/7/2026: 5 million bushels (Indonesia, 2.6 million bushels)
 Total Export Sales Commitments this marketing year: 915 million bushels
 101% of the 2025/26 MY Export Sales Target of 910 million bushels (May WASDE)

USDA, Foreign Agricultural Service: 5/14/2026

Wheat export sales for the 2026/27 marketing year now total 69.8 million bushels. That is about 60% of the 121 million bushels on the books this time last year. USDA's wheat export total for the new crop year is 775 million bushels.

All Wheat Export Sales Commitments Next Marketing Year



New Crop Export Sales Commitments reported for 4/23/2026: 5.8 million bushels
 Total Export Sales Commitments next marketing year: 55 million bushels

USDA, Foreign Agricultural Service: 5/14/2026/2026

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Cash Wheat Prices, \$/bu.

	Nearby KC Futures	Avg TX cash elevator	basis	Houston Port	basis	Elevator to Export Spread
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			
May 14	7.05	6.19	-0.87			
10-year avg			-0.46		0.71	1.17

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

Commitment of Traders. For May 12, speculator positioning in the wheat, corn, and soybean markets again showed a mixed market outlook.

Wheat prices were sharply higher on May 12. Traders in Chicago soft red winter wheat added to long contracts held (bets for higher prices) but also added to bets for lower prices (short contracts held), just by a lower amount. In Kansas City hard red winter wheat, traders also added to bets on both sides of the market, but more on short side.

Net longs were down in both corn and soybeans this week. Traders held fewer longs in both cases. They increased short holding in corn, also held fewer shorts in soybeans.

	Wheat--SRW				Wheat--HRW			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
4/7/2026	138,222	156,929	(18,707)	598.00	84,688	81,110	3,578	607.50
4/14/2026	128,989	147,355	(18,366)	592.00	70,212	67,104	3,108	622.75
4/21/2026	121,024	146,561	(25,537)	605.00	77,590	63,252	14,338	643.50
4/28/2026	132,336	131,470	866	649.00	76,758	64,118	12,640	696.75
5/5/2026	128,830	145,498	(16,668)	627.25	80,681	66,310	14,371	690.00
5/12/2026	134,577	148,998	(14,421)	679.00	80,757	66,532	14,225	731.25
change	5,747	3,500	2,247	51.75	76	222	(146)	41.25

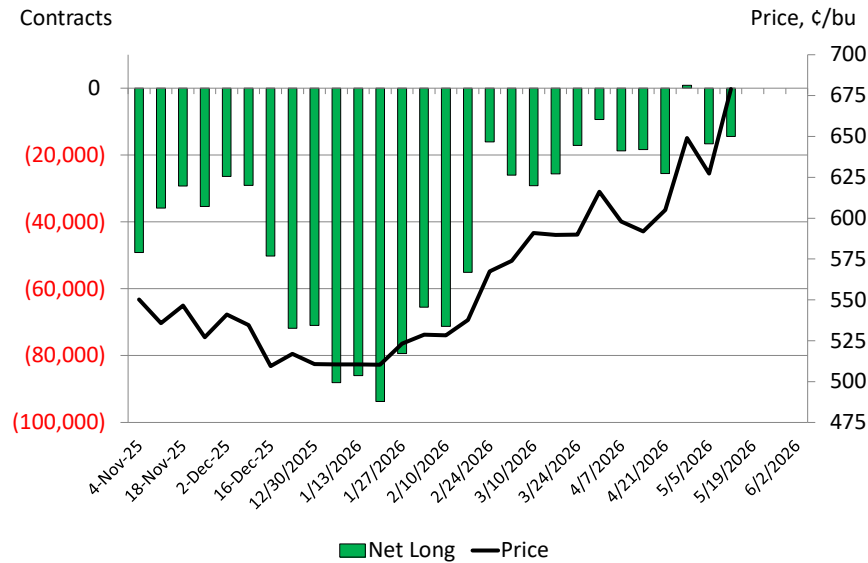
	Corn				Soybeans			
	Long	Short	Net Long	Price	Long	Short	Net Long	Price
4/7/2026	459,961	169,142	290,819	449.00	283,509	75,050	208,459	1158.25
4/14/2026	459,043	210,162	248,881	443.00	277,797	76,075	201,722	1158.00
4/21/2026	480,510	216,778	263,732	453.75	286,201	75,055	211,146	1174.50
4/28/2026	529,281	188,541	340,740	465.25	259,218	65,279	193,939	1173.00
5/5/2026	601,877	168,493	433,384	480.00	303,880	71,682	232,198	1211.50
5/12/2026	570,798	187,261	383,537	480.00	289,786	65,784	224,002	1226.75
change	(31,079)	18,768	(49,847)	0.00	(14,094)	(5,898)	(8,196)	15.25

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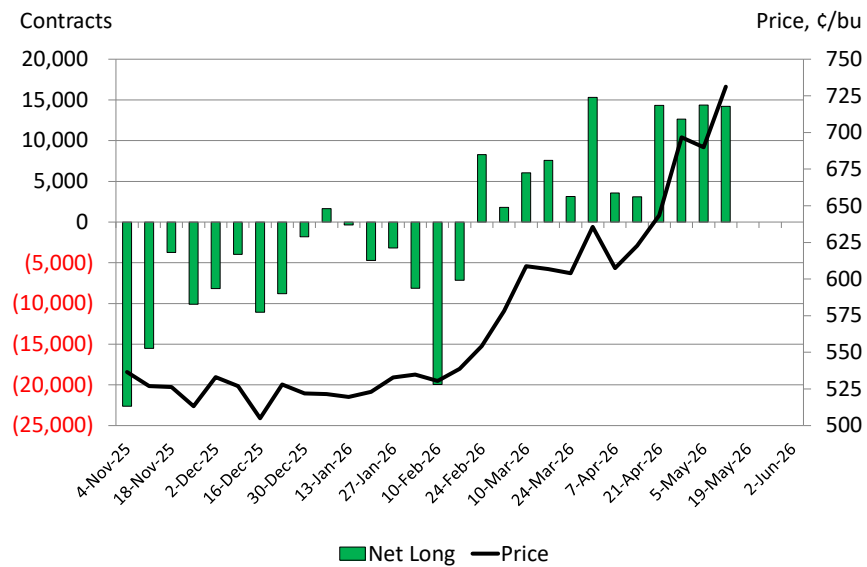
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Non-commercial Investment in CBOT Wheat, 5/12/2026



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

Non-commercial Investment in KC Wheat, 5/12/2026



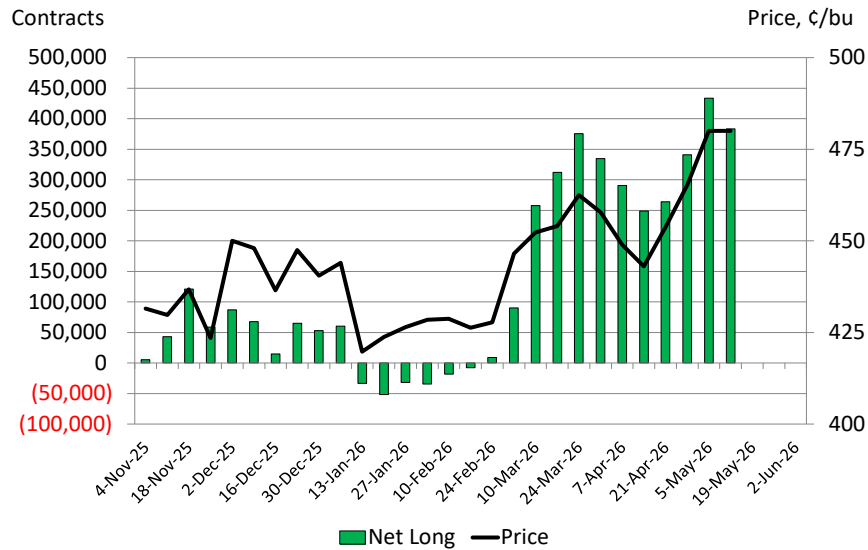
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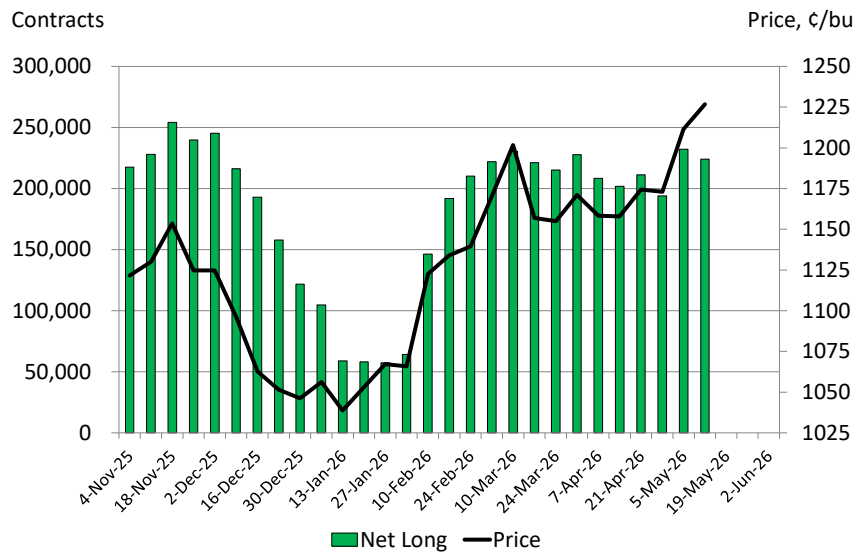
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Non-commercial Investment in Corn, 5/12/2026



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

Non-commercial Investment in Soybeans, 4/28/2026



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

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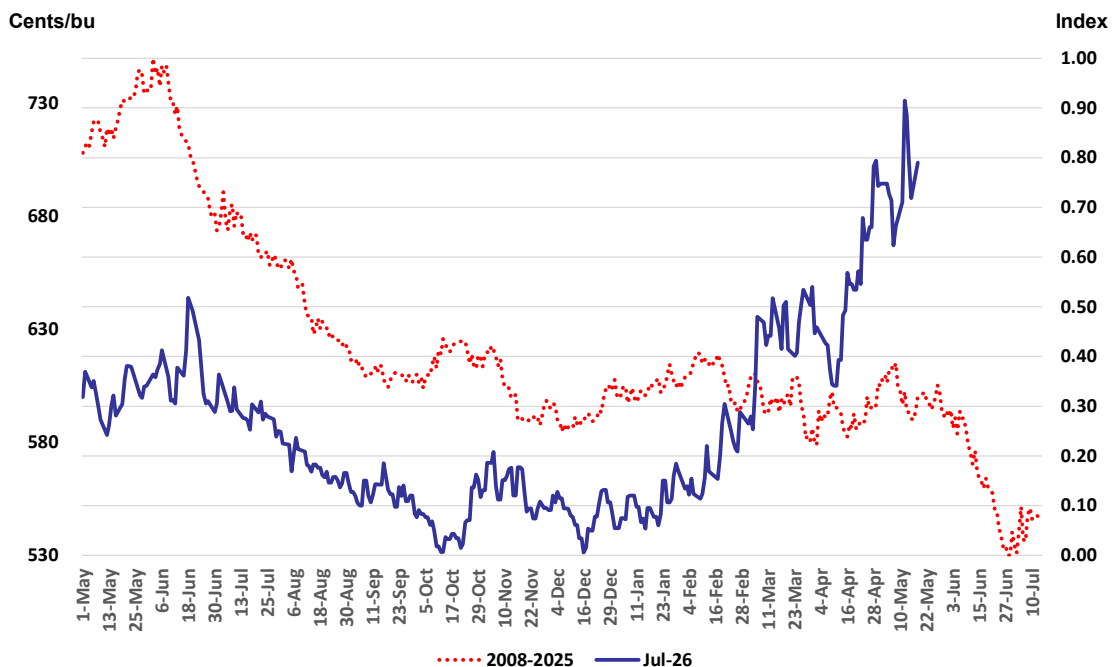
For May 12, based on whether the net long number (long contracts held minus short contracts held) is positive or negative and whether that net long number increased or decreased compared to the week before, speculators were:

- less bearish Chicago soft red winter wheat,
- less bullish KC hard red winter wheat,
- less bullish 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 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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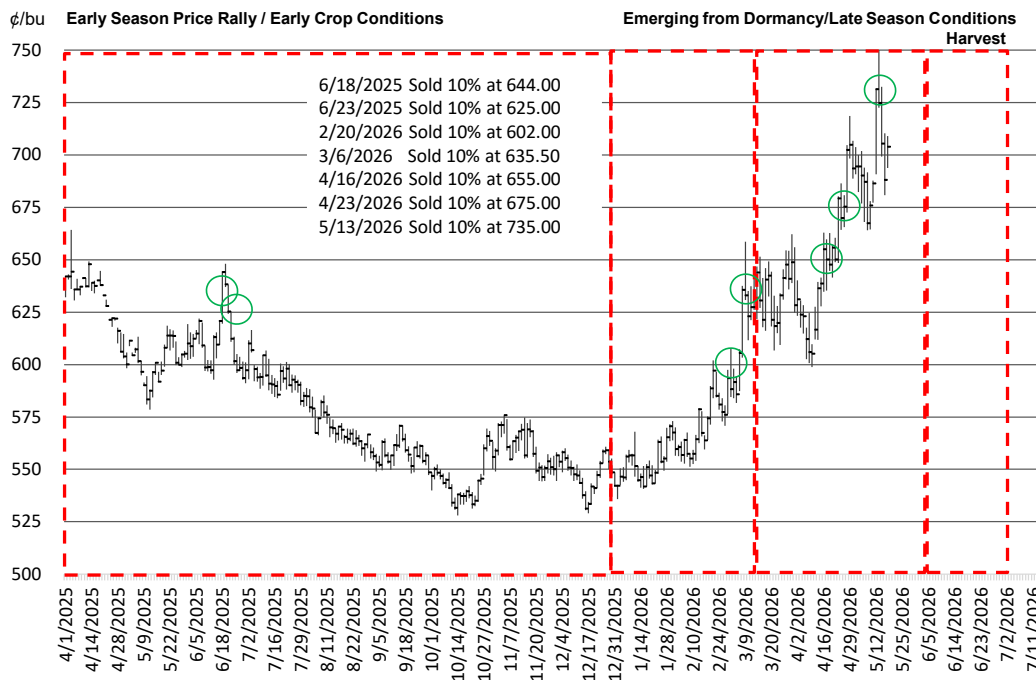
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Wheat Marketing Plan. My wheat sales for 2026 have reached 70% on this most recent runup in prices. This is about the level of production I have protected with crop insurance and the limit of what I am willing to price before harvest.

July 2026 KC Wheat and Marketing Plan



Upcoming Reports/Events

May 19	Chickens and Eggs
May 22	Cattle on Feed
May 28	GDP (Second Estimate), 1 st Quarter 2026
June 5	Employment Situation, May 2026
June 10	Consumer Price Index
June 11	WASDE Crop Production Producer Price Index
June 16-17	Federal Open Market Committee, Federal Reserve
June 25	Hogs and Pigs GDP (Third Estimate), 1 st Quarter 2026
June 30	Acreage Grain Stocks

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