July 22, 2025

CROP TALK MARKET UPDATE

Provided by

Lance Wilson, Grain Marketing Advisor
Integrity Consulting Company

SPRING WHEAT TOUR

With winter wheat harvest reaching the 75% mark, we will now turn to the Wheat Quality Council spring wheat tour. The tour gets underway on Tuesday, July 22nd, and will culminate on Thursday, July 24th. There hasn't been much news in the spring wheat market, and focus has been on weather models and crop condition ratings. And with crop ratings improving last week and rain over the northern states the past couple of days, we have seen spring wheat prices under pressure.

The table below is from Monday's USDA Crop Progress/Conditions report. Two weeks ago, the USDA bumped spring wheat good/excellent ratings 4% to 54%, and on Monday, good/excellent ratings dropped 2% to 52%. The range of good/excellent ratings from states is wide and indicates that not all conditions are good; for instance, Montana is only rated 7% good with 0% excellent. Farmers across Montana, Washington, and northwestern North Dakota will confirm that it has been a tough year with poor rainfall and stands that have already been zeroed out or well below average yields. On the upper end, we have Minnesota rated 87% good/excellent, South Dakota at 70%, and North Dakota at 67%. The USDA estimated an average spring wheat yield of 51.7 bushels per acre in the July 11th Crop Production report, and while there is some really good wheat across the Dakotas and Minnesota, will it be enough to keep the average high with the states that have suffered drought conditions for this growing season?

Spring Wheat Condition – Selected States: Week Ending July 20, 2025
[These 6 States planted 100% of the 2024 spring wheat acreage]

State	Very poor	Poor	Fair	Good	Excellent
	(percent)	(percent)	(percent)	(percent)	(percent)
Idaho	1	13	30	52	4
Minnesota	-	3	10	82	5
Montana	8	33	52	7	-
North Dakota	2	4	27	61	6
South Dakota	1	4	25	57	13
Washington	6	32	41	19	2
6 States	3	13	32	47	5
Previous week	1	12	33	49	5
Previous year	1	4	18	65	12

- Represents zero.

Source: USDA, National Agricultural Statistics Service, Crop Progress Report, July 21, 2025.

The last uptick in the December Hard Red Spring wheat market came on July 10th, the day before the July WASDE report, with a high of $6.57. Prices have been on a sharp decline since the little uptick and a bigger decline since the July 3rd high of $6.73. The hold above previous swing lows is a sign of support. If the low established on Monday, July 21st, is wave 3 or C, we would look for wave 4 projections and possible target price zones. The first price zone would be around $6.33, which is the 38.2% Fib retracement and a 61.8% alternate price projection, which is 61.8% of the wave 2 or B projected off the wave 3 or C low. The second price zone consists of the 100% alternate price projection of the wave 2 or B measured off the wave 3 or C low, along with 50% of the move from the June 20th high to the July 21st low, and the 61.8% move down from the July 3rd high to the July 21st low.

Source: E-signal, Dynamic Trader, July 22, 2025.

The charts do not confirm a turn to higher prices at this time, and the spring wheat tour may not provide any bullish news to fuel a rally. The tour in the past has held to the eastern part of the state and even drifted into the northern edge of South Dakota. This year, the tour will be cutting out the southern edge of North Dakota and will not dip into South Dakota, as the amount of spring wheat in those areas is down this year. Instead, the tour will travel to the western edge of Minnesota. This means that the tour will avoid the drought-stressed areas in the northwestern corner of North Dakota and will not pass into eastern Montana. This will give an elevated tour average, but even last year the tour posted an estimated average yield of 53.8 bushels/acre on 257 fields, and the final average for the state was 59 bushels.

There is good reason for the Wheat Quality Council to focus on North Dakota for the spring wheat tour. North Dakota was reported as planting 5 million acres of spring wheat, which is 49.8% of the 10.045 million acres planted. Montana has the second-highest spring wheat acreage at 2.3 million acres, which is 23% of the U.S. spring wheat area. As previously stated, North Dakota had an average of 59 bushels per acre in 2024, while Montana posted an average yield of 26 bushels. This goes to show the weight that North Dakota has on average yields, as the national average came in at 52.5 bushels. The tour gives a snapshot of what the spring wheat yields may be, no matter how jaded it may feel that it is focused on the best wheat in the region. All spring wheat producers are hoping for a significant rally in prices, just like all producers of any commodity, but with good conditions across much of North Dakota, Minnesota, and South Dakota, a rally may be hard to come by. Technically, there is the potential for a rally into the end of August, but with current fundamental data and looking at historical data, this rally may be limited. The carry in the market is not bullish, and we could see prices drop through current contract lows. While we are all living on hope for higher prices, now is the time to draw a line in the sand to hedge against lower prices using puts, selling futures at the low, or selling cash wheat because there is potential for spring wheat prices to drop to new lows, and if you just sell and want to stay engaged in the market, look at calls or buy futures to protect against higher prices.

Until next time,

Lance Wilson
Integrity Consulting Company
Grain Marketing Advisor
e wilson59602@mt.net
c. 406 231 5044
6350 Sleeping Giant View, Helena, MT 59602