



World Wheat Supply and Demand Situation

January 2017

Major data source: USDA World Agricultural Supply and Demand Estimates released January 12, 2017. Projections will change over the course of the year depending on weather and other developments.



The world's most reliable choice.

Highlights of USDA's 2016/17 Supply and Demand Estimates

1. 2016/17 global wheat production to reach new record of 753 MMT

- Global supplies estimate to reach new record of 993 MMT; up 4% from the 2015/16 record
- Wheat production for Argentina estimated at 15.0 MMT, 33% greater than 2015/16 and 24% above the 5-year average
- US wheat production estimated at 62.9 MMT, 12% above the prior year

2. Consumption forecast at 740 MMT, the fourth consecutive record high, up 4% from 2015/16 due to increased feed wheat use

- Canadian feed wheat consumption to climb 90% year over year to 5.00 MMT
- Feed wheat usage expected to reach 1.50 MMT in Vietnam, more than double the 5-year average
- U.S. feed wheat usage to rise 48% year over year to 6.12 MMT

3. World wheat trade projected at 178 MMT, 11% above 5-year average

- Argentine exports to fall to 8.60 MMT, down 10% from 2015/16; still 28% above the 5-year average
- Indian imports to reach 3.70 MMT, highest import volume since 2006/07
- US exports to reach 26.5 MMT, up 26% from 2015/16



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Highlights of USDA's 2016/17 Supply and Demand Estimates (Continued)

4. World beginning stocks estimated at record 240 MMT, up 11% year over year

- Beginning stocks in Argentina estimated at 616,000 MT in 2016/17, down 87% from 2015/16
- U.S. beginning stocks rose to an estimated 26.5 MMT, 30% above 2015/16 levels

5. Global ending stocks projected at record 253 MMT, 5% higher than 2015/16, if realized

- Estimated Chinese ending stocks of 112 MMT account for 44% of global ending stocks, 60% greater than the 5-year average
- Endings stocks in Canada projected at 6.16 MMT, up 19% year over year, if realized
- U.S. ending stocks to grow 22% year over year to 32.3 MMT

6. U.S. farm gate average price forecast 22% lower in 2016/17

- Projected average range: **\$3.75 to \$3.85/bushel (\$138-\$141/MT)***

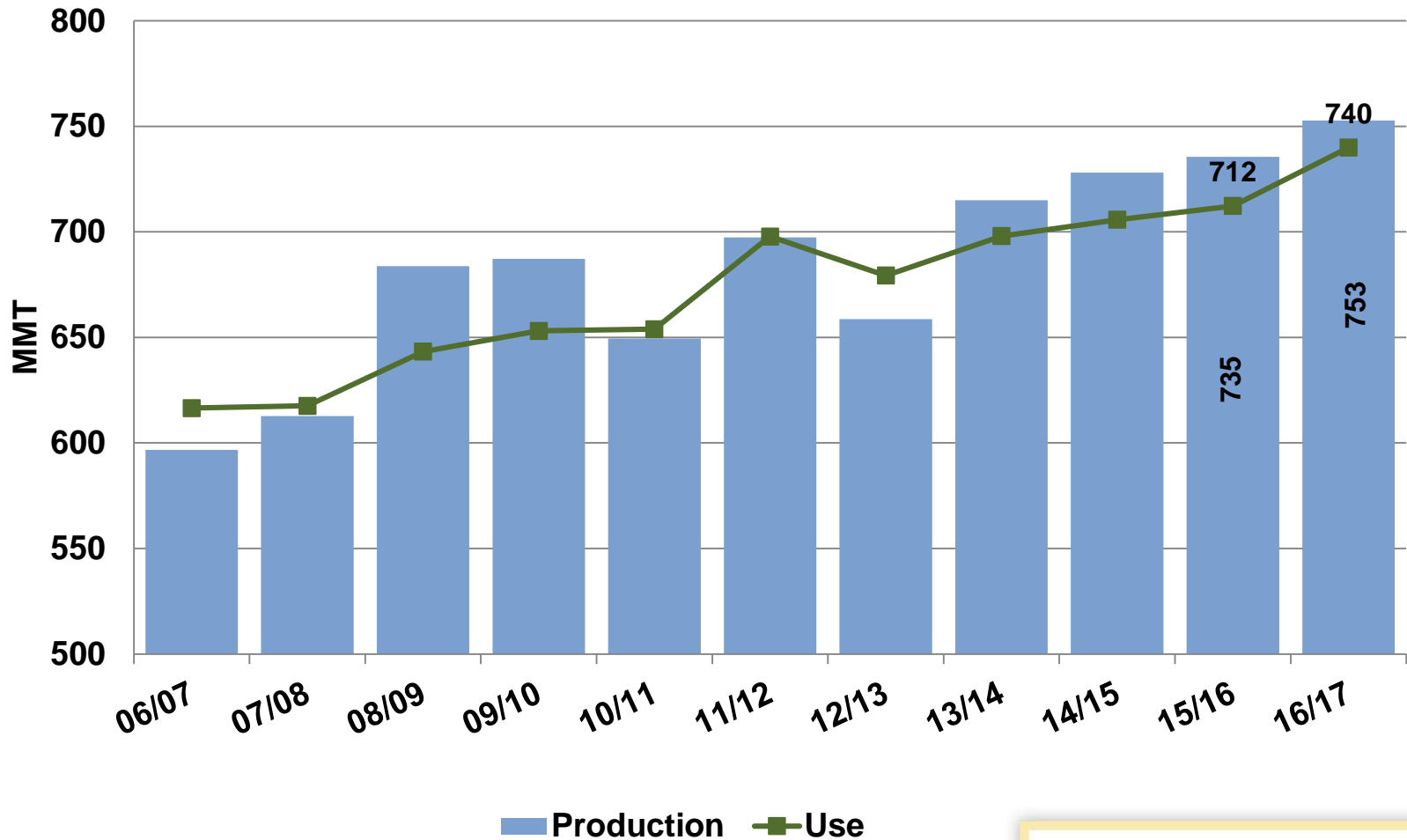
**Average U.S. farm gate price, marketing year weighted average*



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

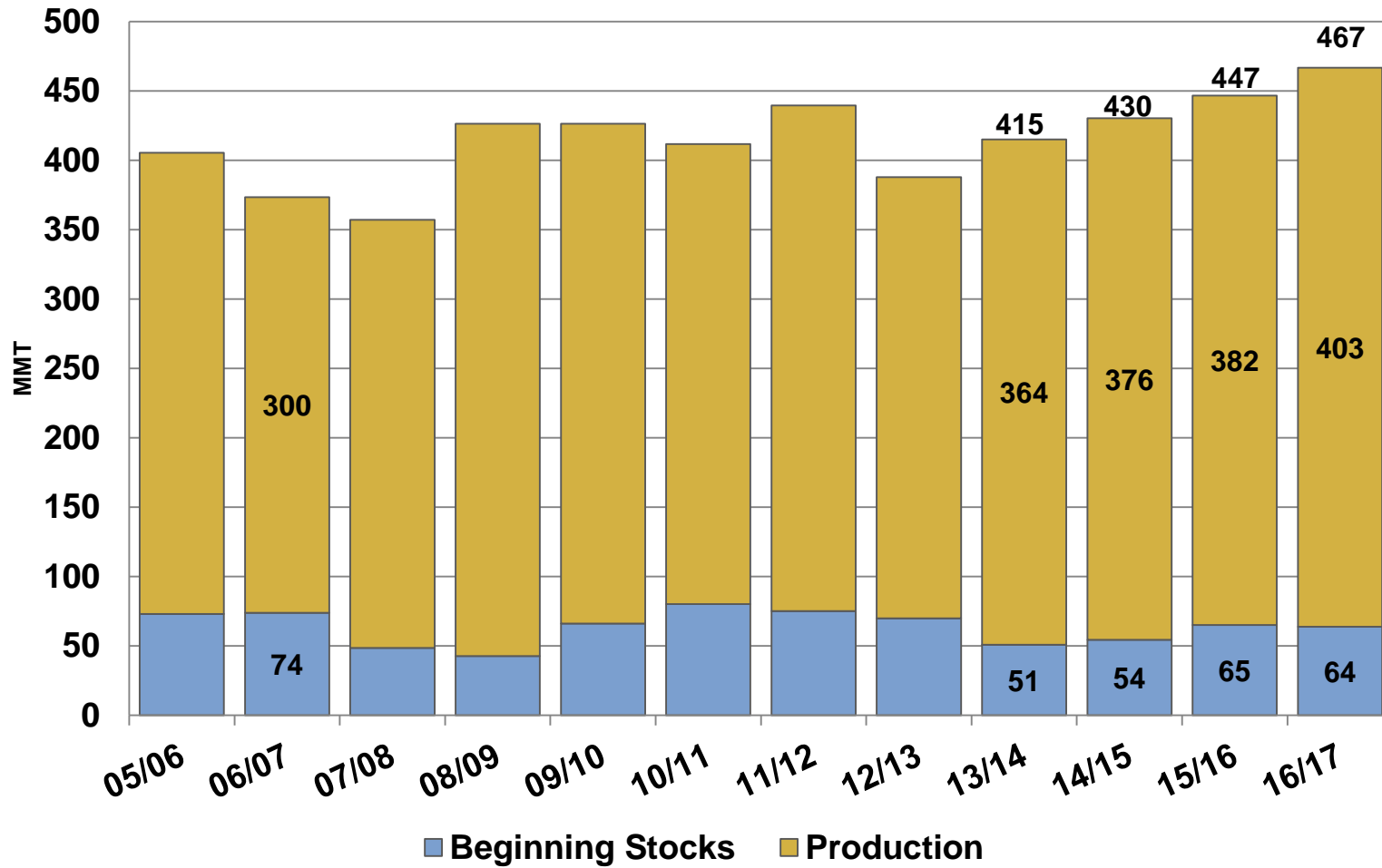
World Production and Use



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Supplies in Top Exporting Countries*



*Includes U.S., Canada, Australia, Argentina, EU-27, Russia, Ukraine and Kazakhstan



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

World Wheat Supply and Demand

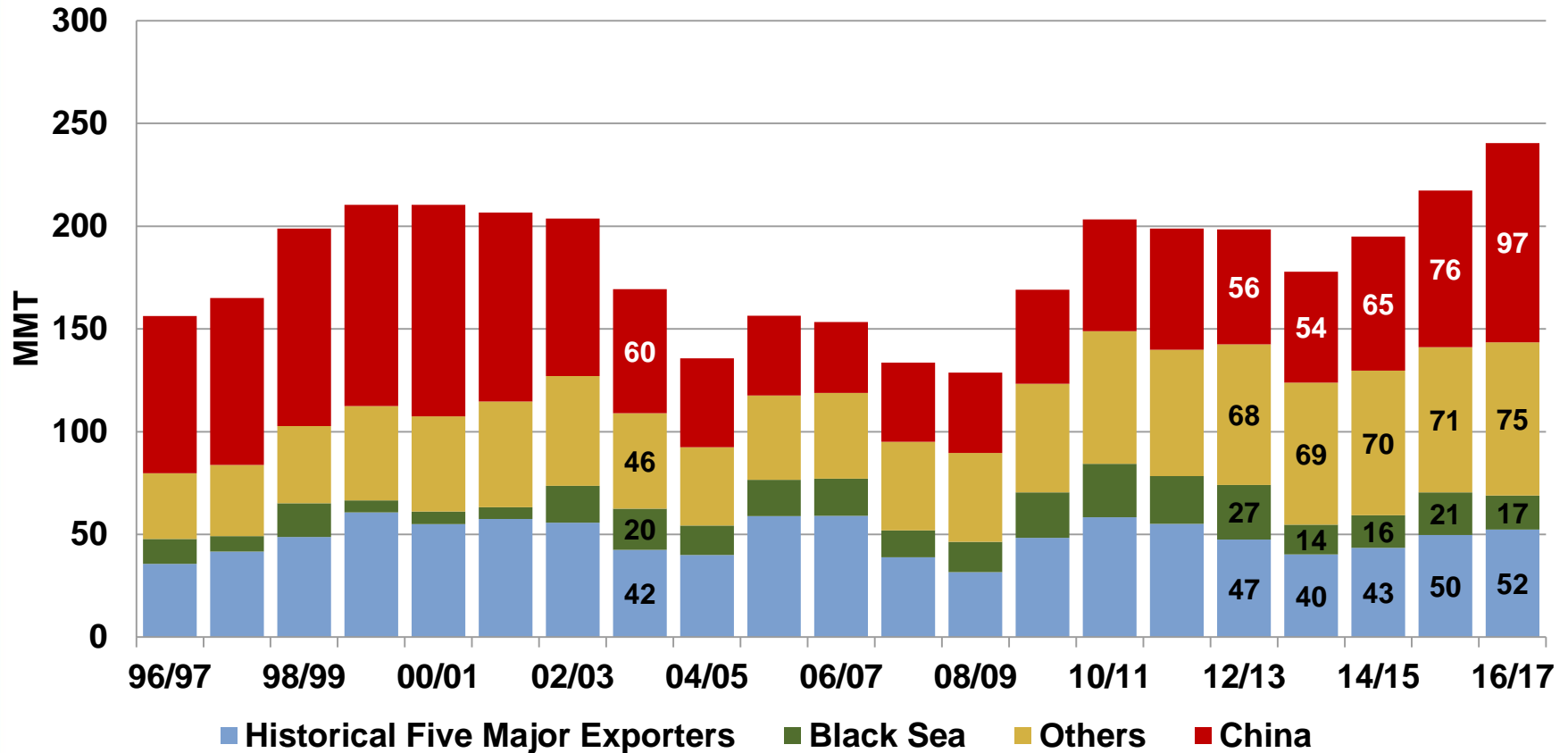
		14/15	15/16 <i>MMT</i>	16/17
SUPPLY:	Beginning Stocks	195	217	240
	Production	728	735	753
	Supply Total	923	953	993
TRADE:	Exports/Imports	164	173	178
DEMAND	Food & Seed	574	574	592
	Feed & Residual	132	139	148
	Use Total	706	712	740
	ENDING STOCKS:	217	240	253



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

World Beginning Stocks



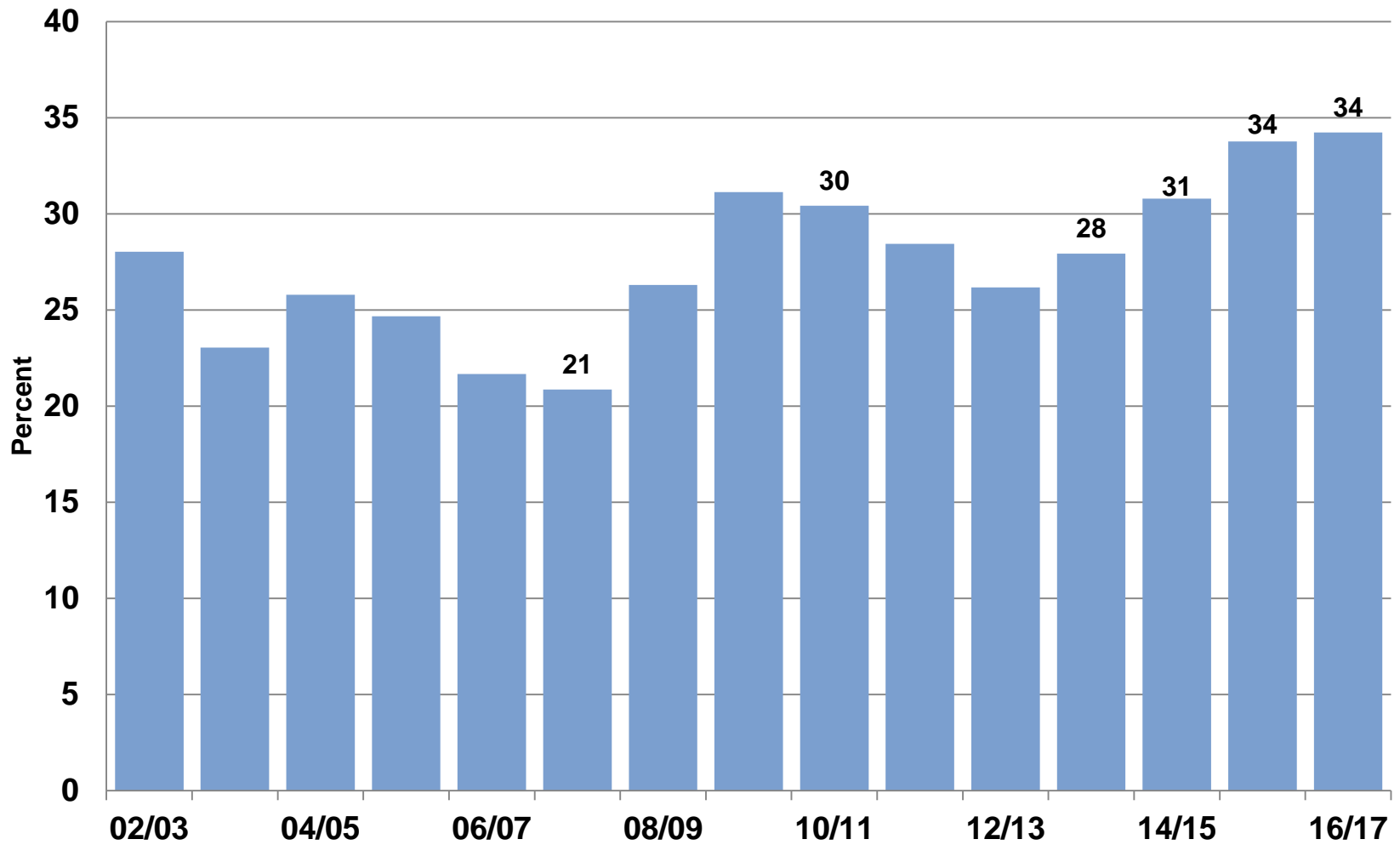
*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.
Black Sea includes Russia, Ukraine and Kazakhstan.*



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Global Stocks*-to-Use Ratio



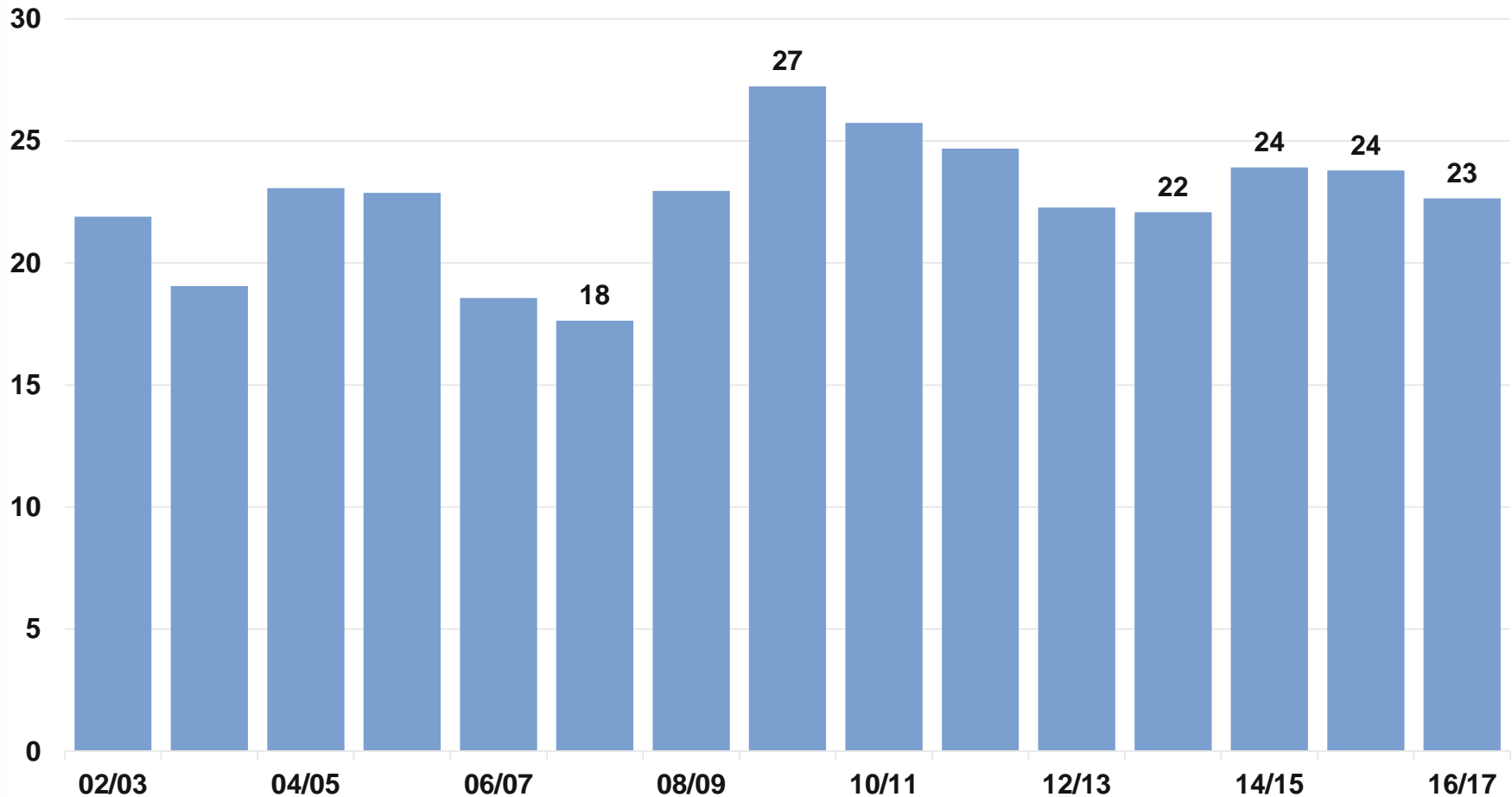
**Ending stocks*



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Global Stocks*-to-Use Ratio w/o China



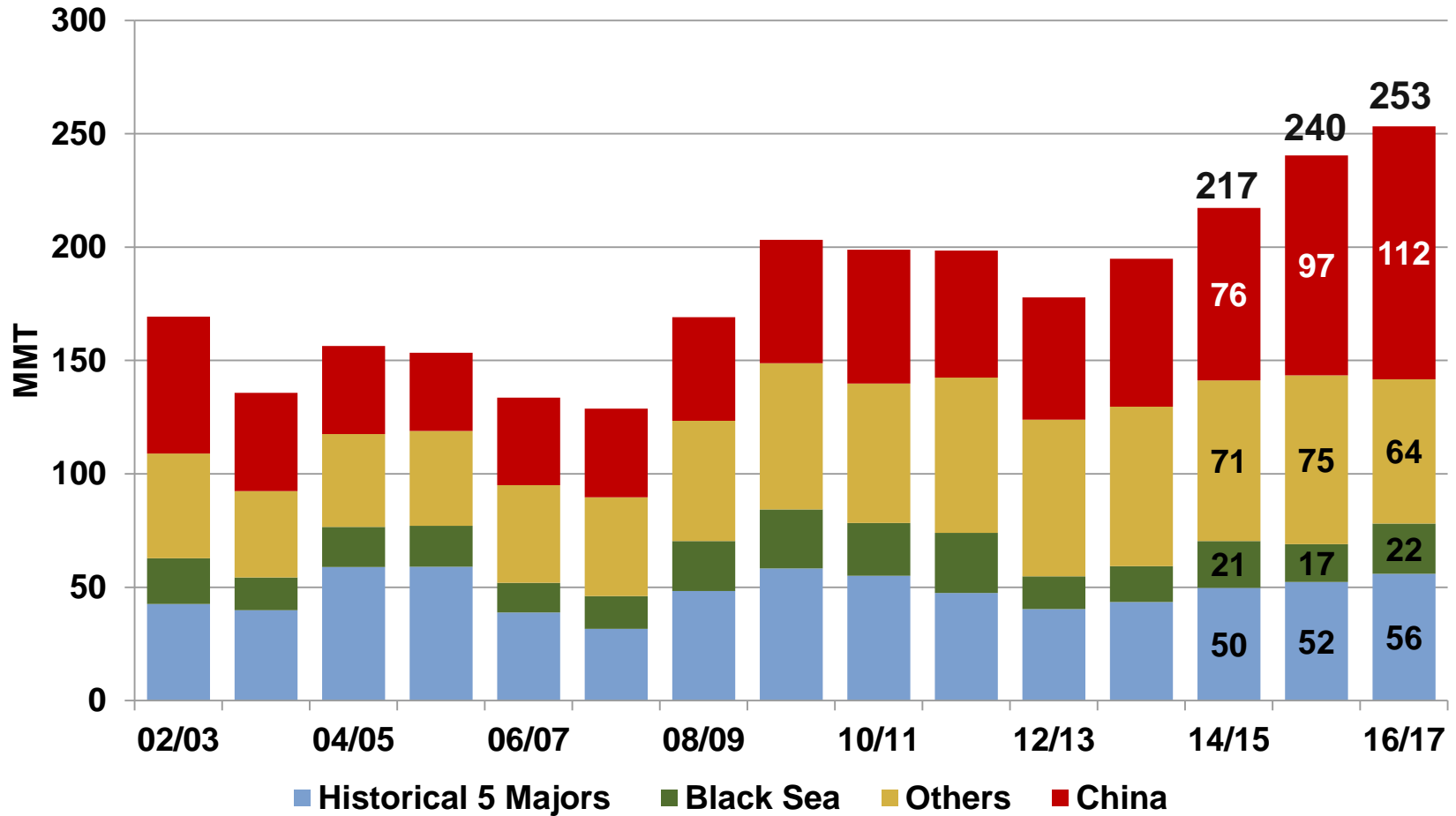
**Ending stocks*



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

World Ending Stocks



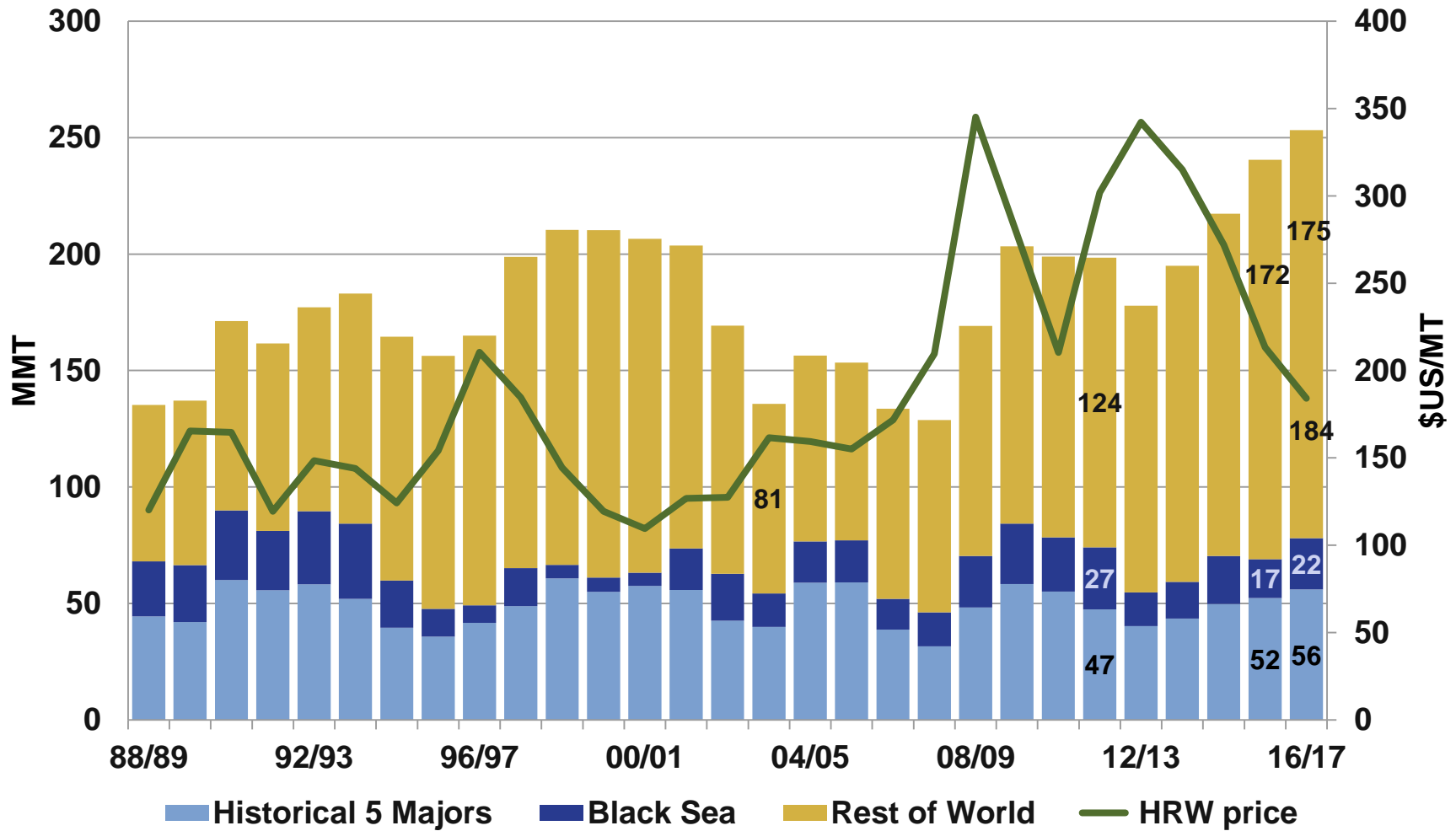
*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.
Black Sea includes Russia, Ukraine and Kazakhstan.*



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Global Ending Stocks and Price



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

World and U.S. Wheat Supply and Demand

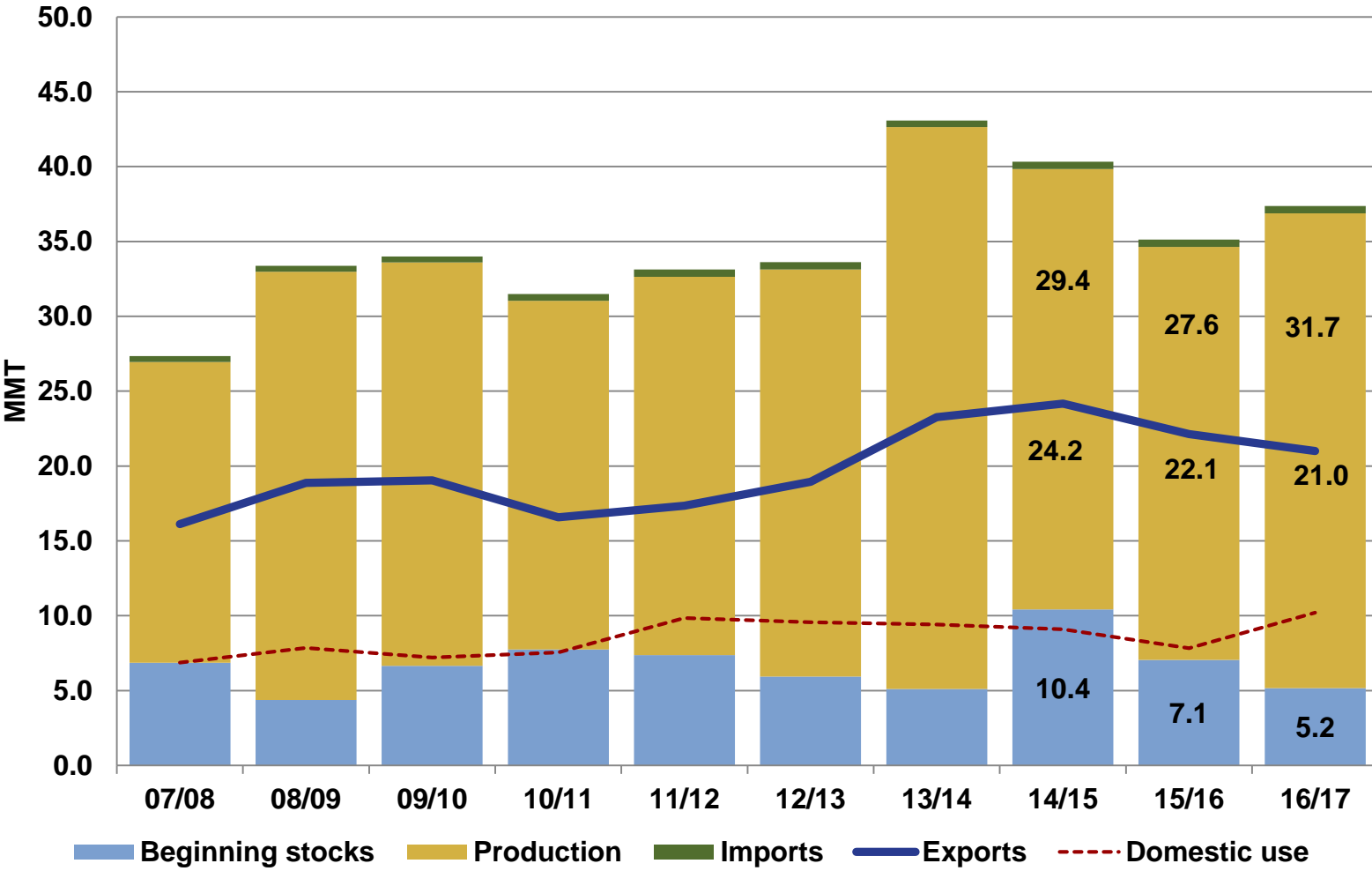
- **Major Exporters**
- **Import Demand**
- **U.S. Situation by Class**
- **Outlook**



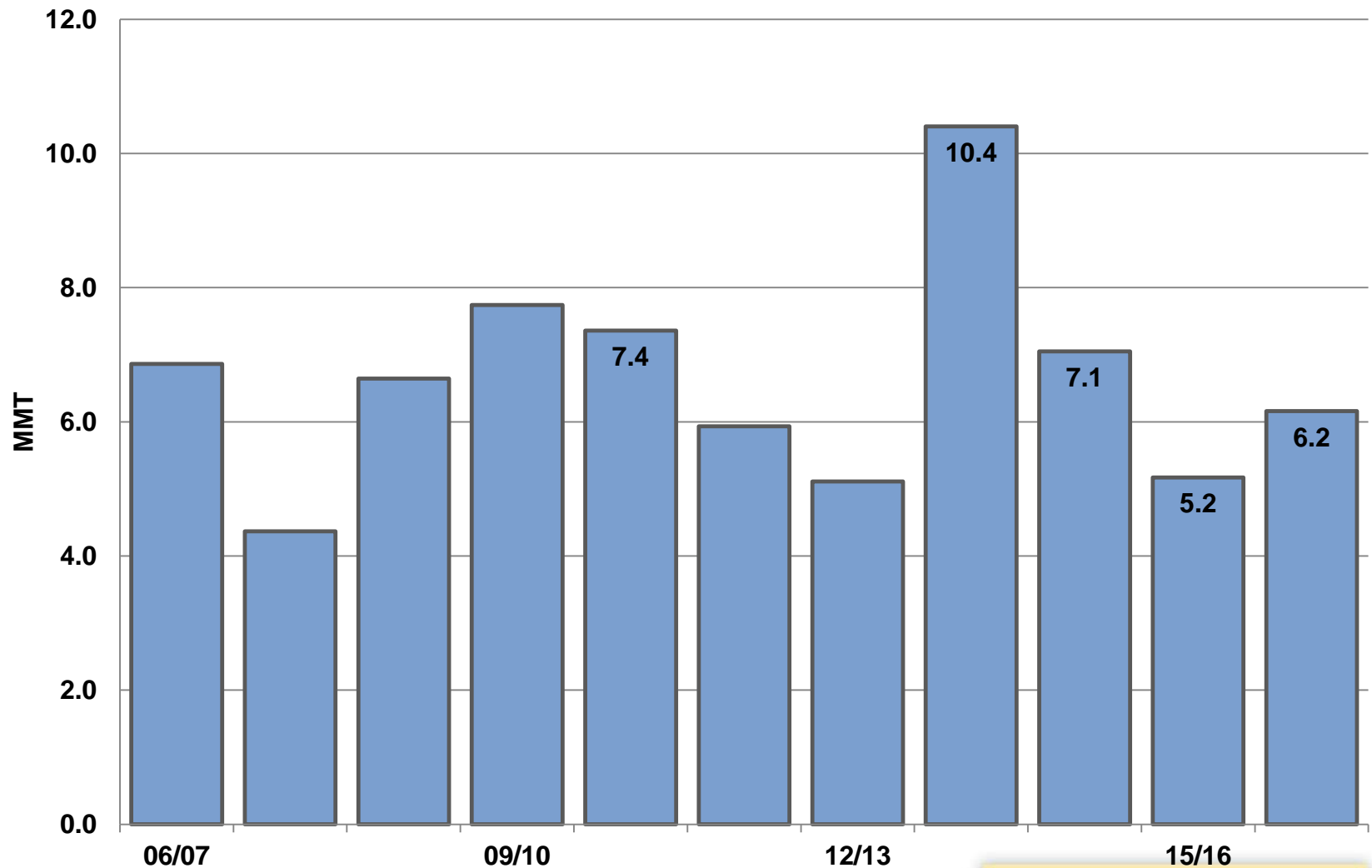
U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Canada Situation



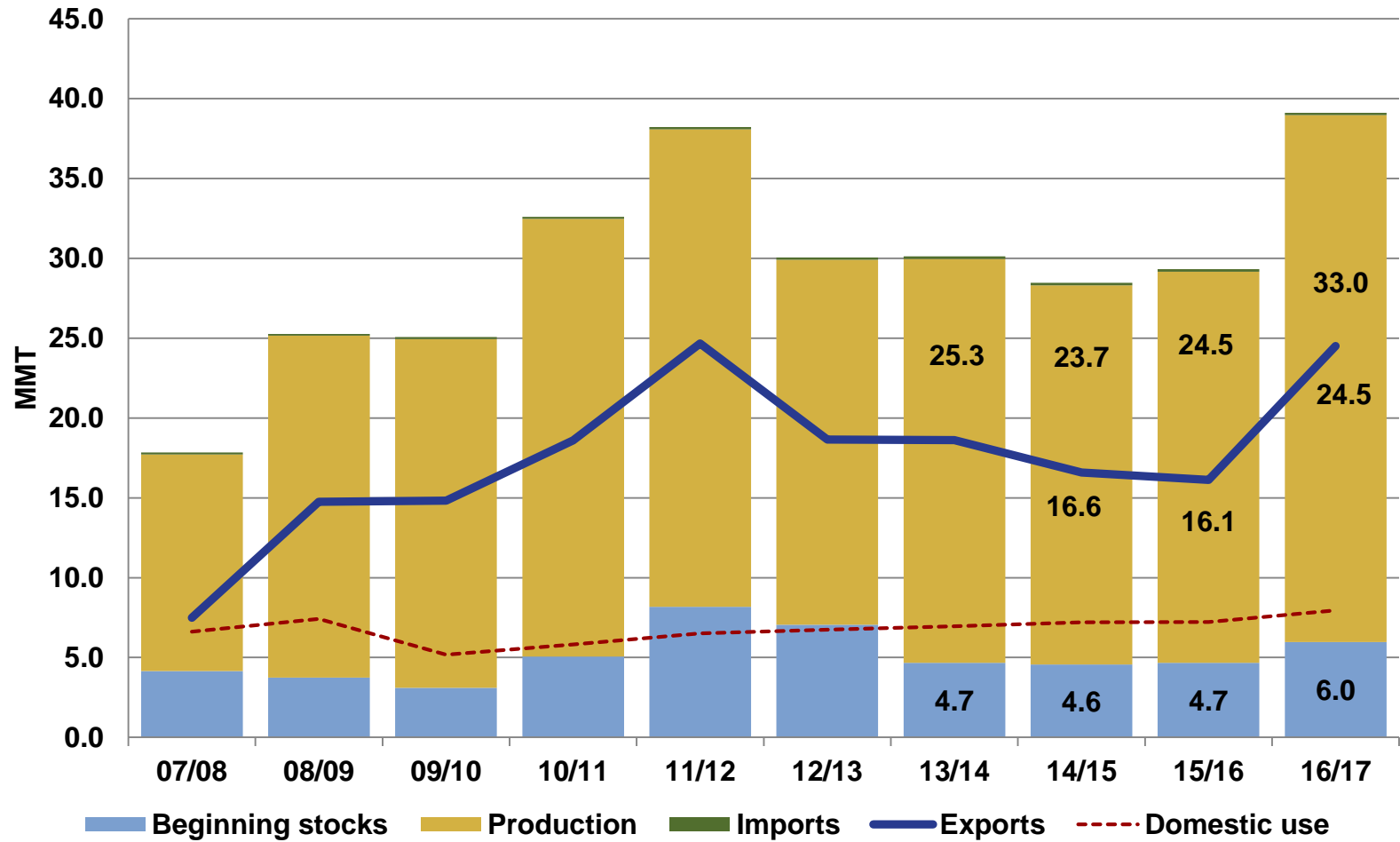
Canada Ending Stocks



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

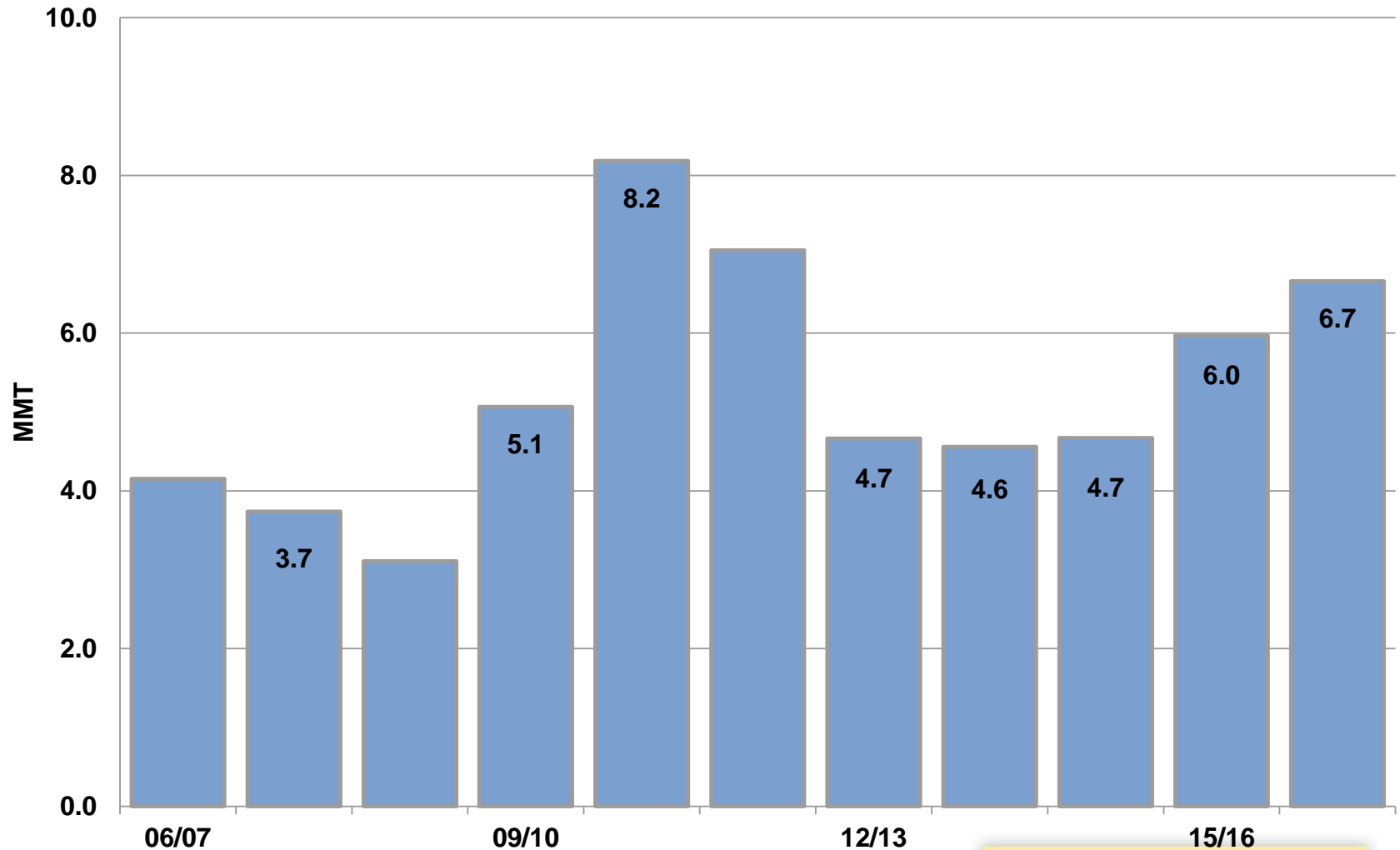
Australia Situation



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

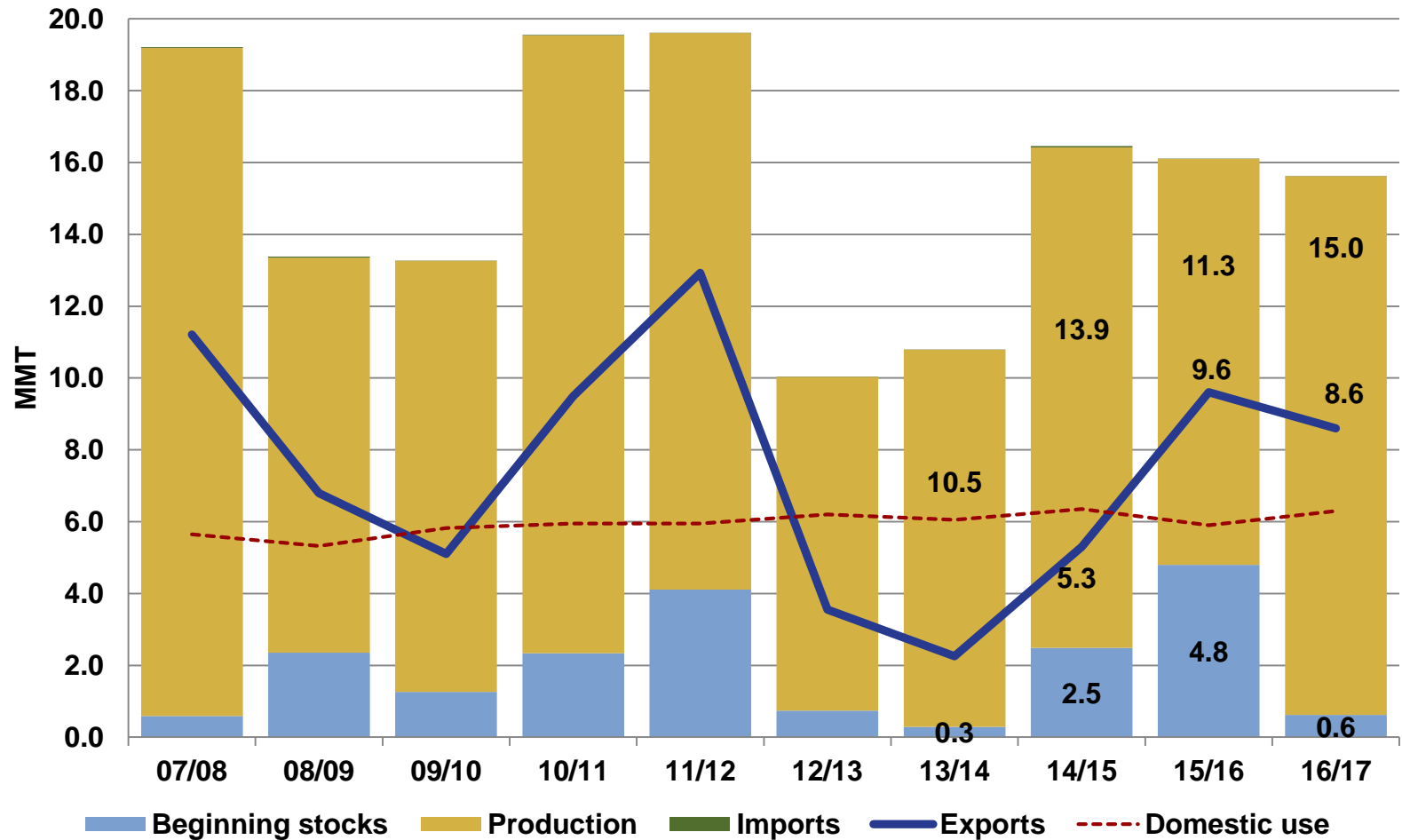
Australia Ending Stocks



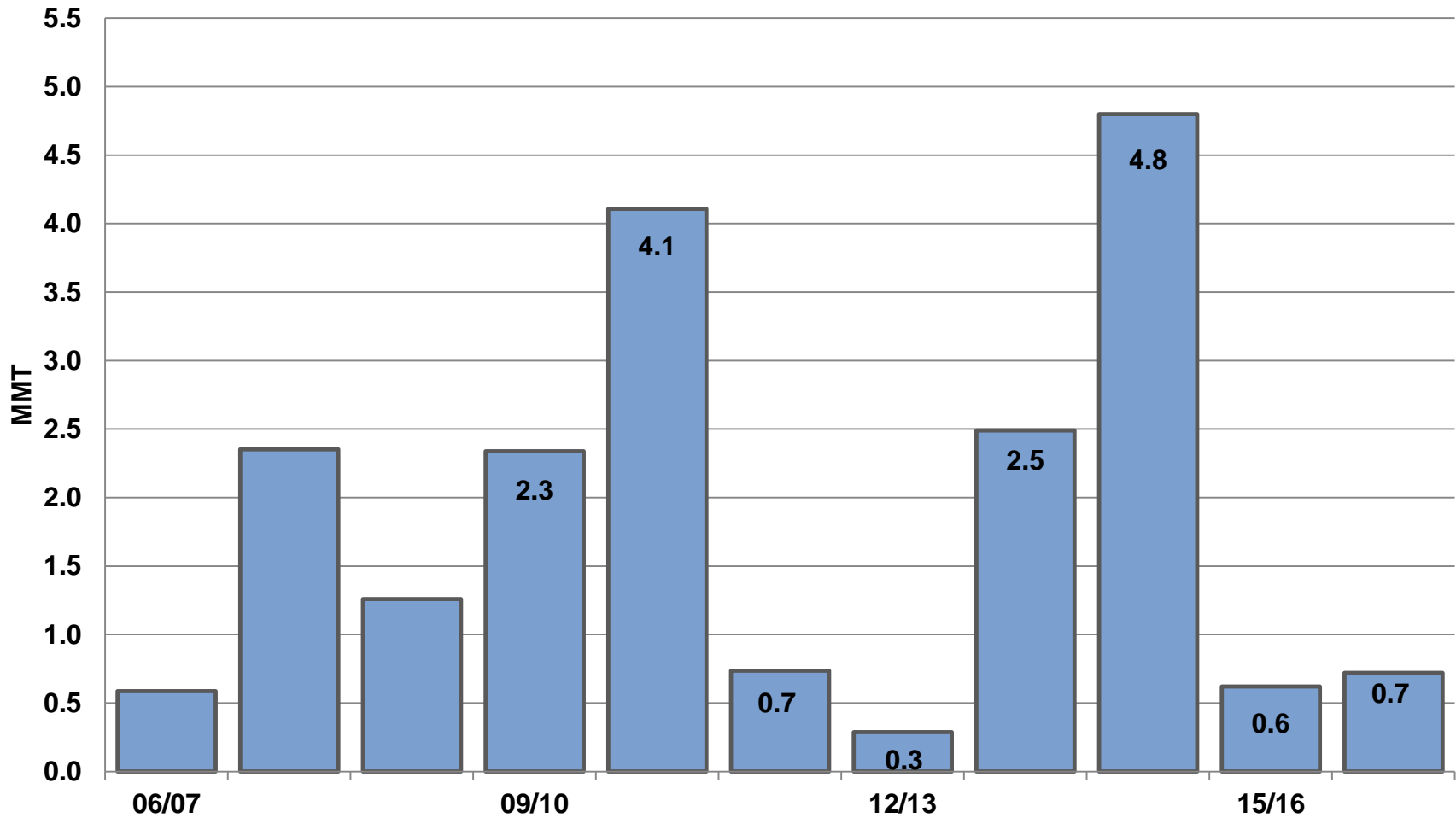
**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Argentina Situation



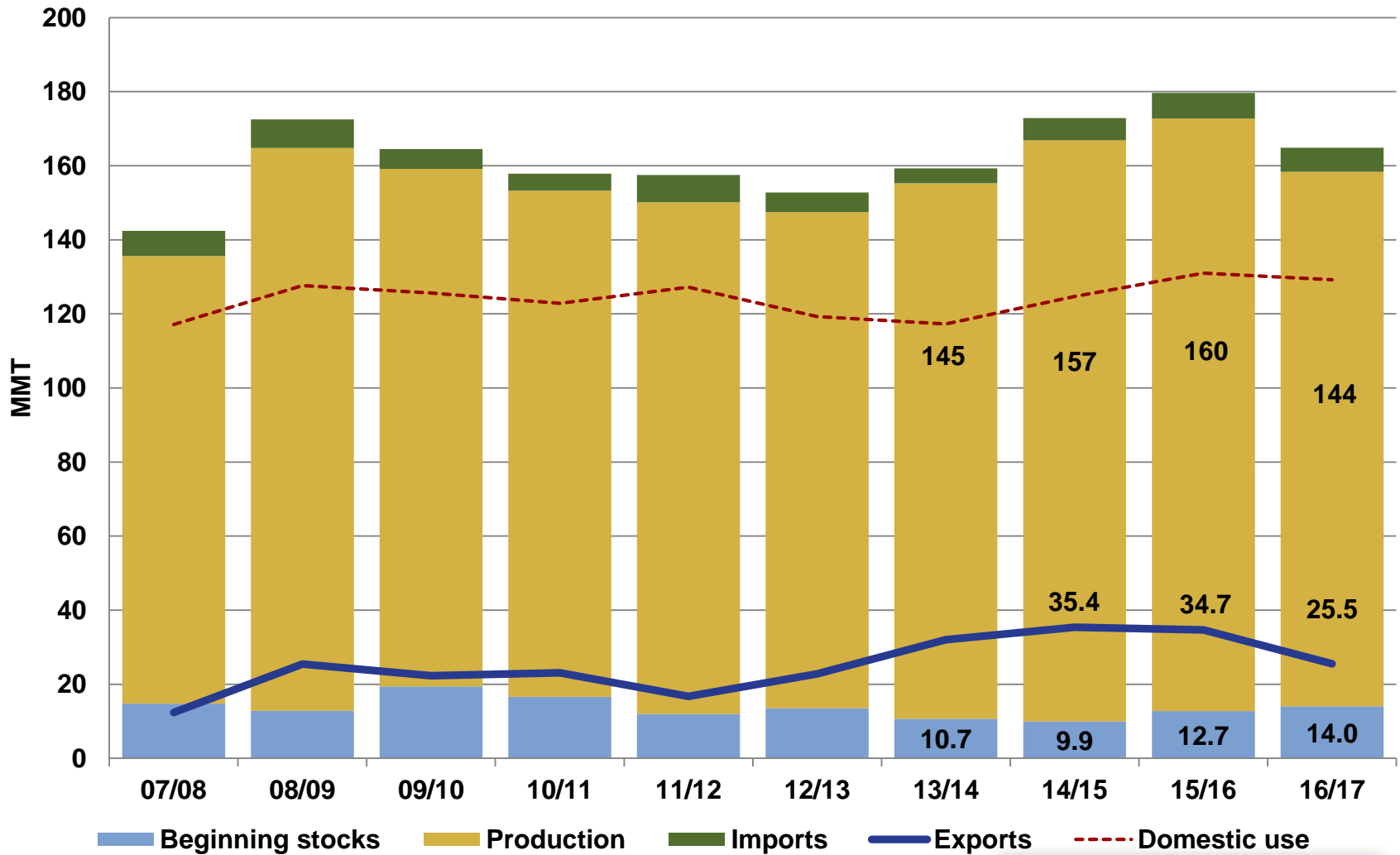
Argentina Ending Stocks



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

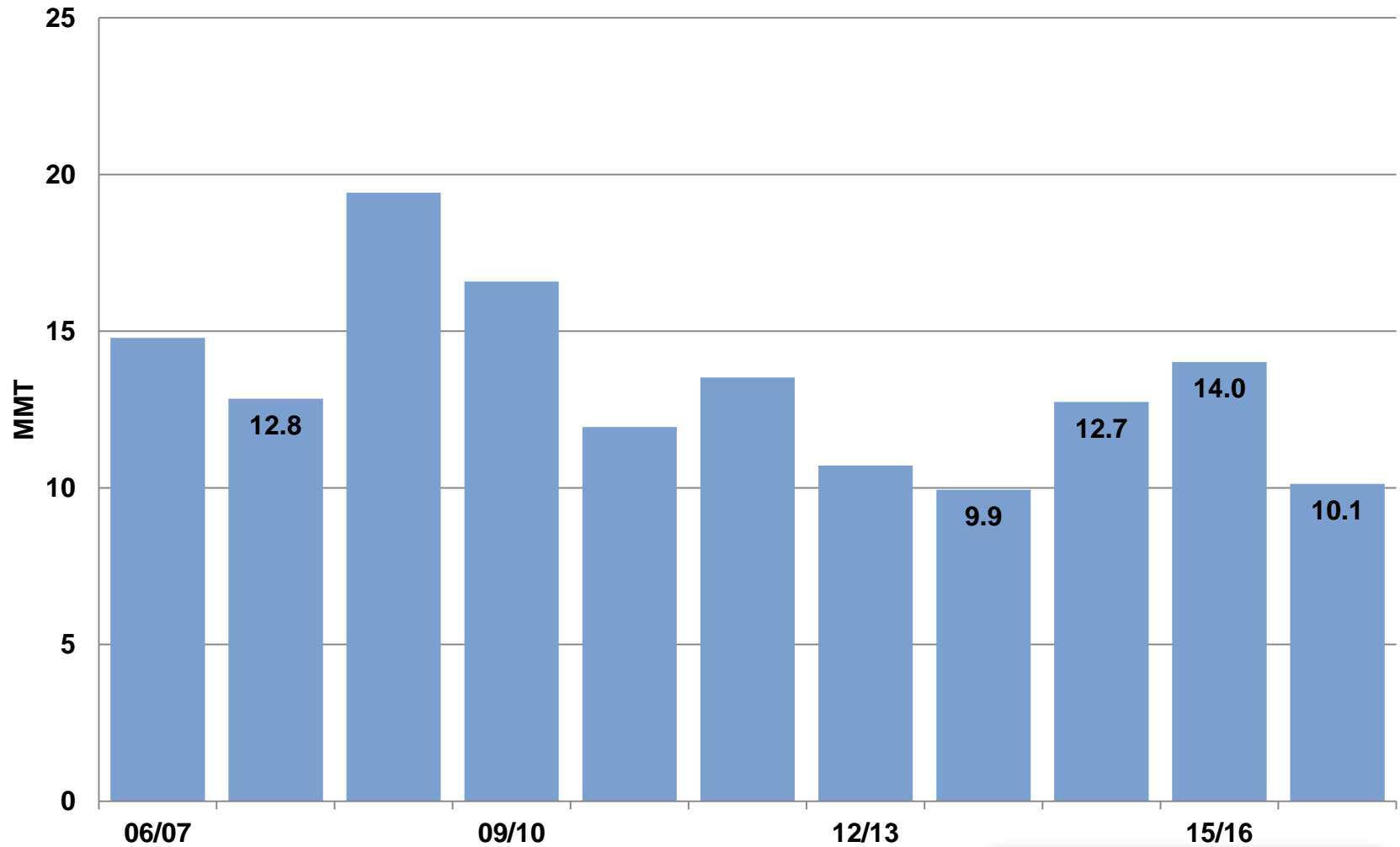
EU-27 Situation



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

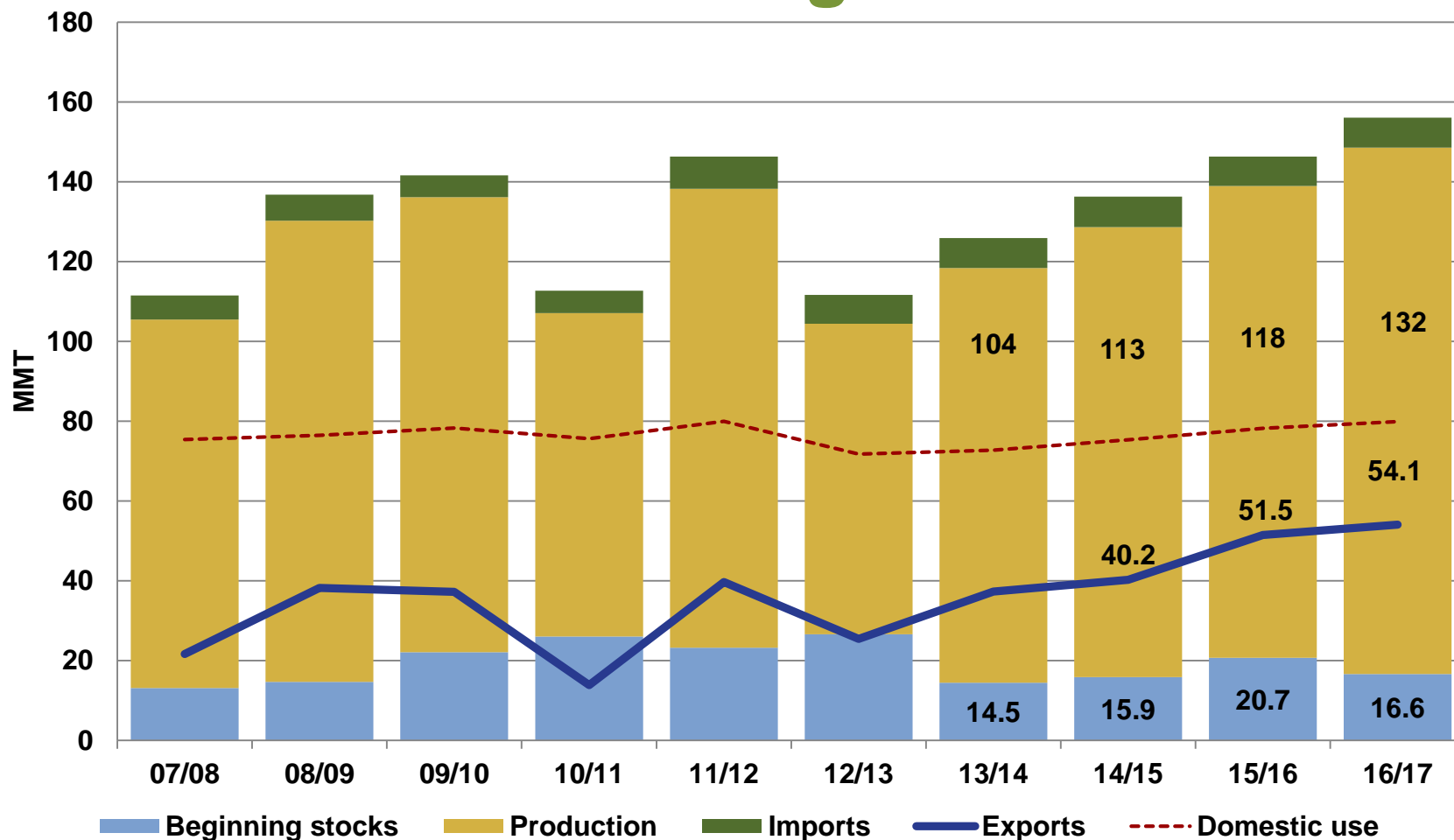
EU-27 Ending Stocks



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Black Sea Region Situation



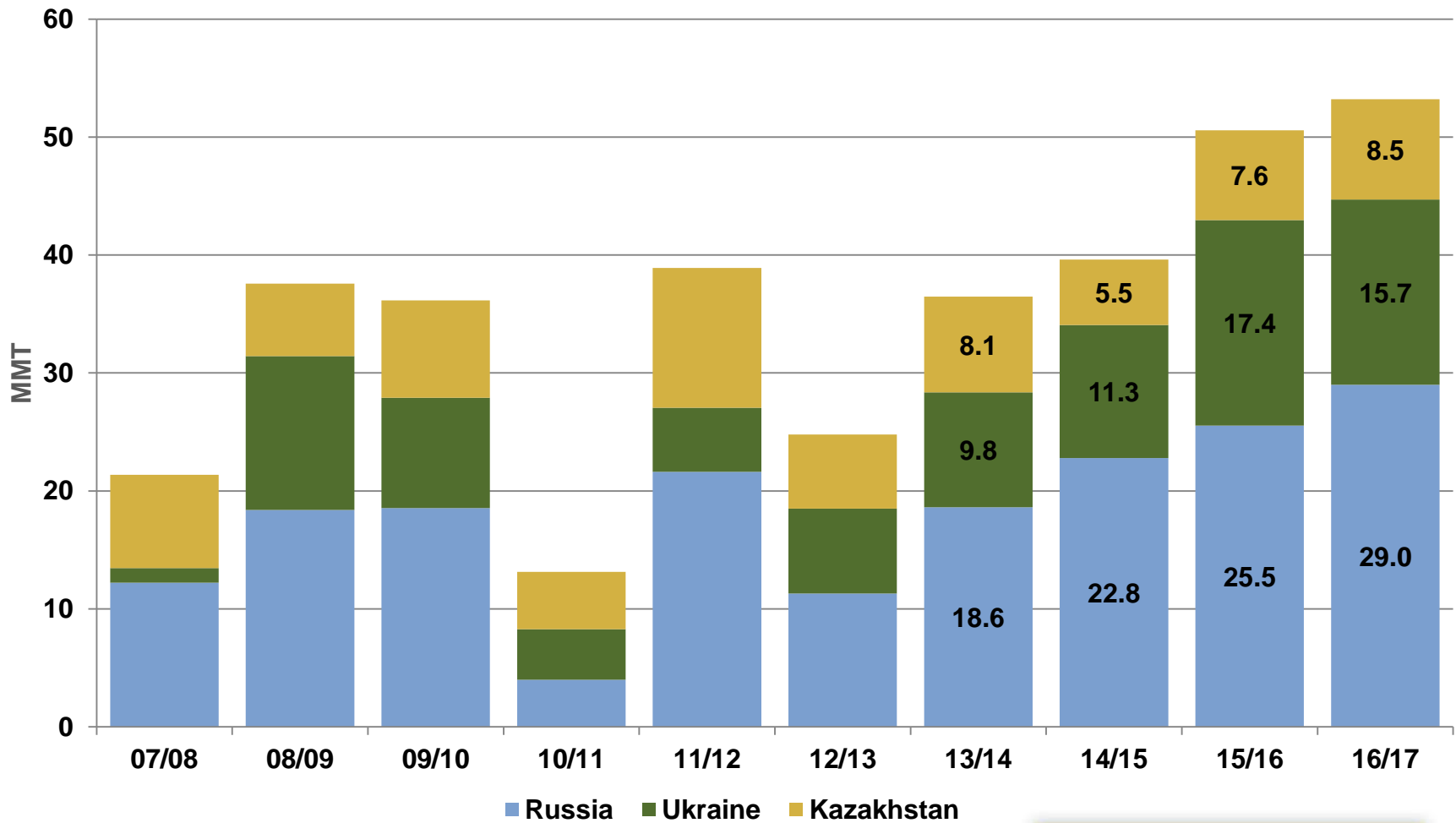
- **Russia, Ukraine and Kazakhstan** are the most important wheat producers in the Black Sea Region.



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

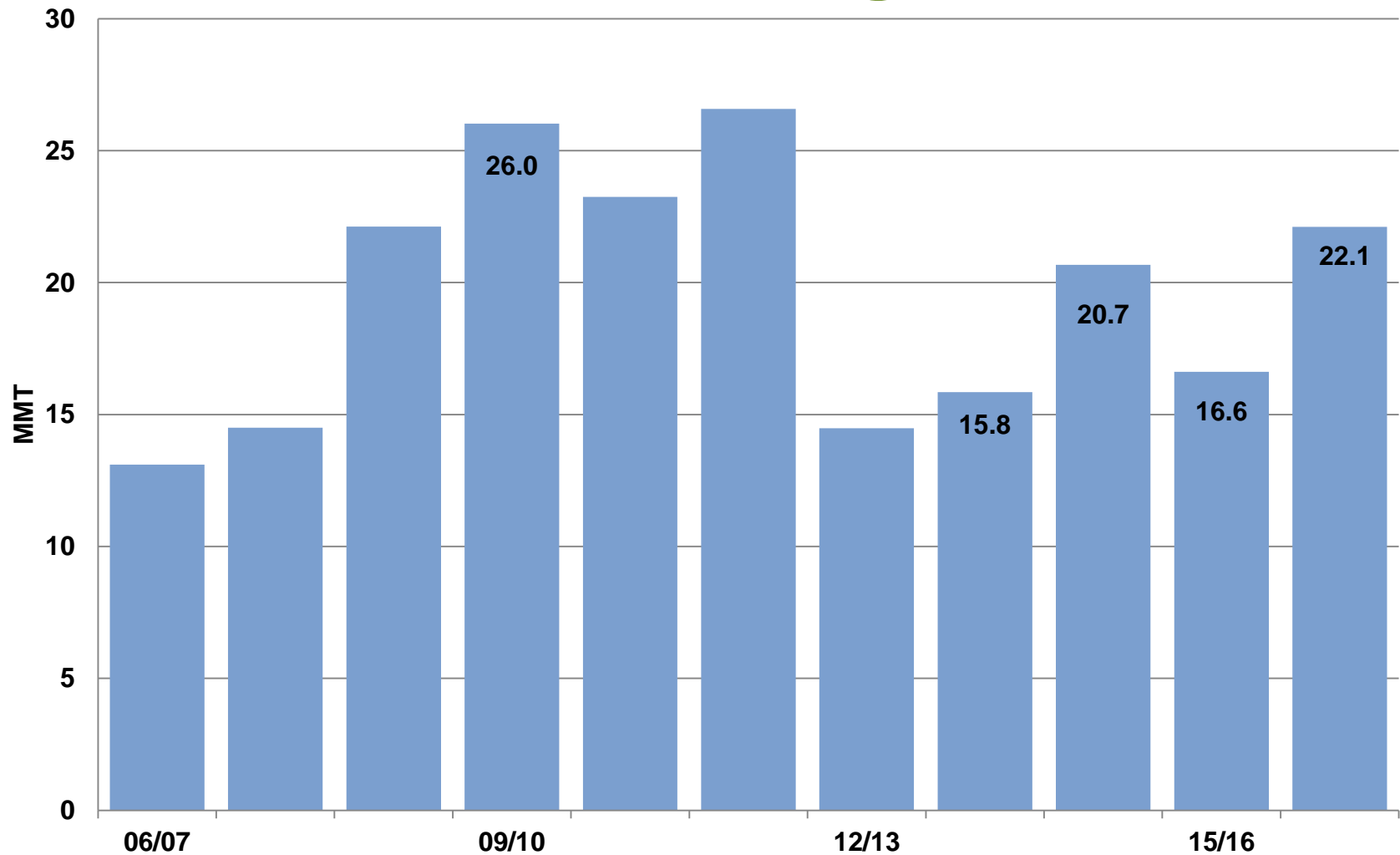
Black Sea Exports



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

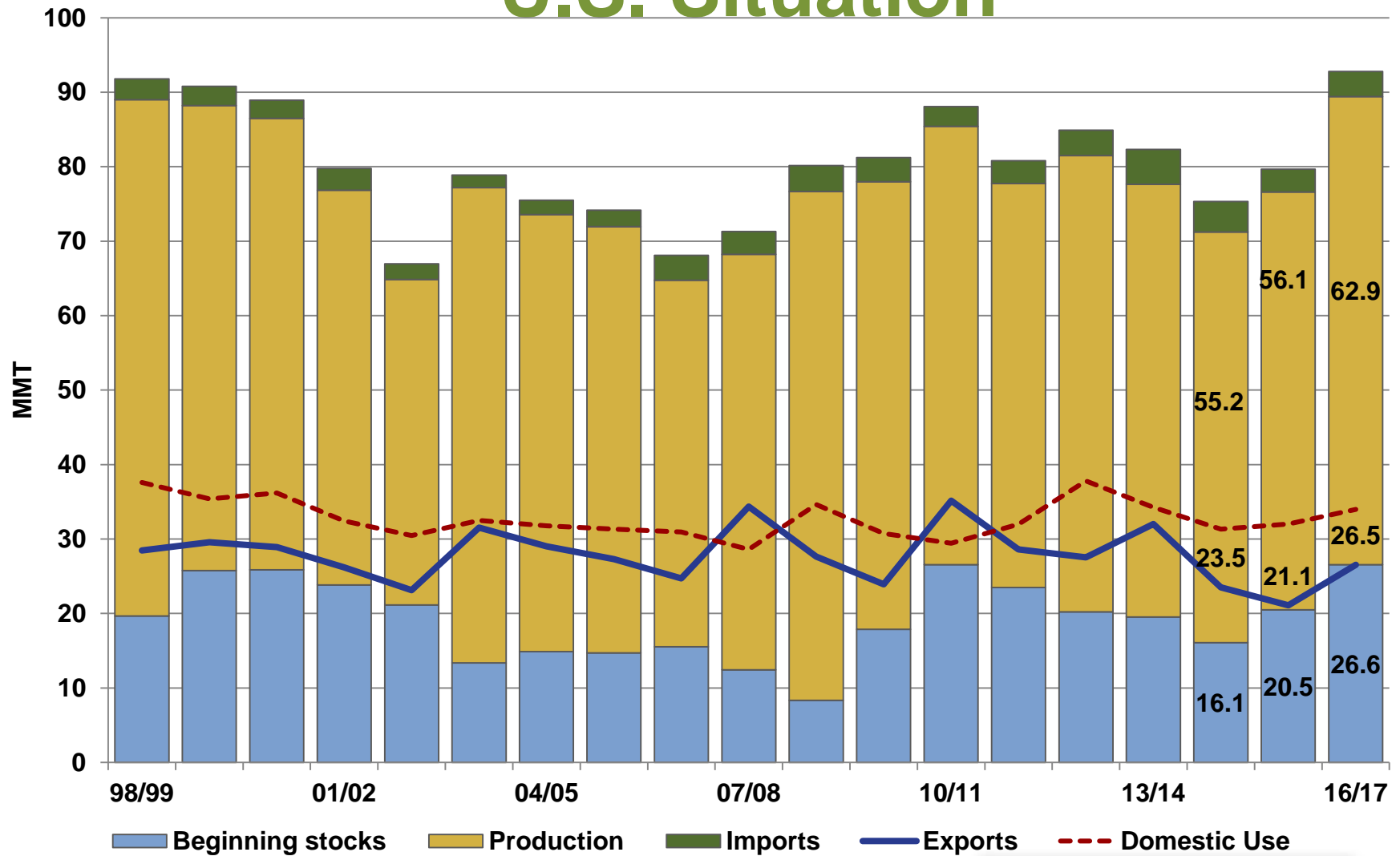
Black Sea Ending Stocks



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

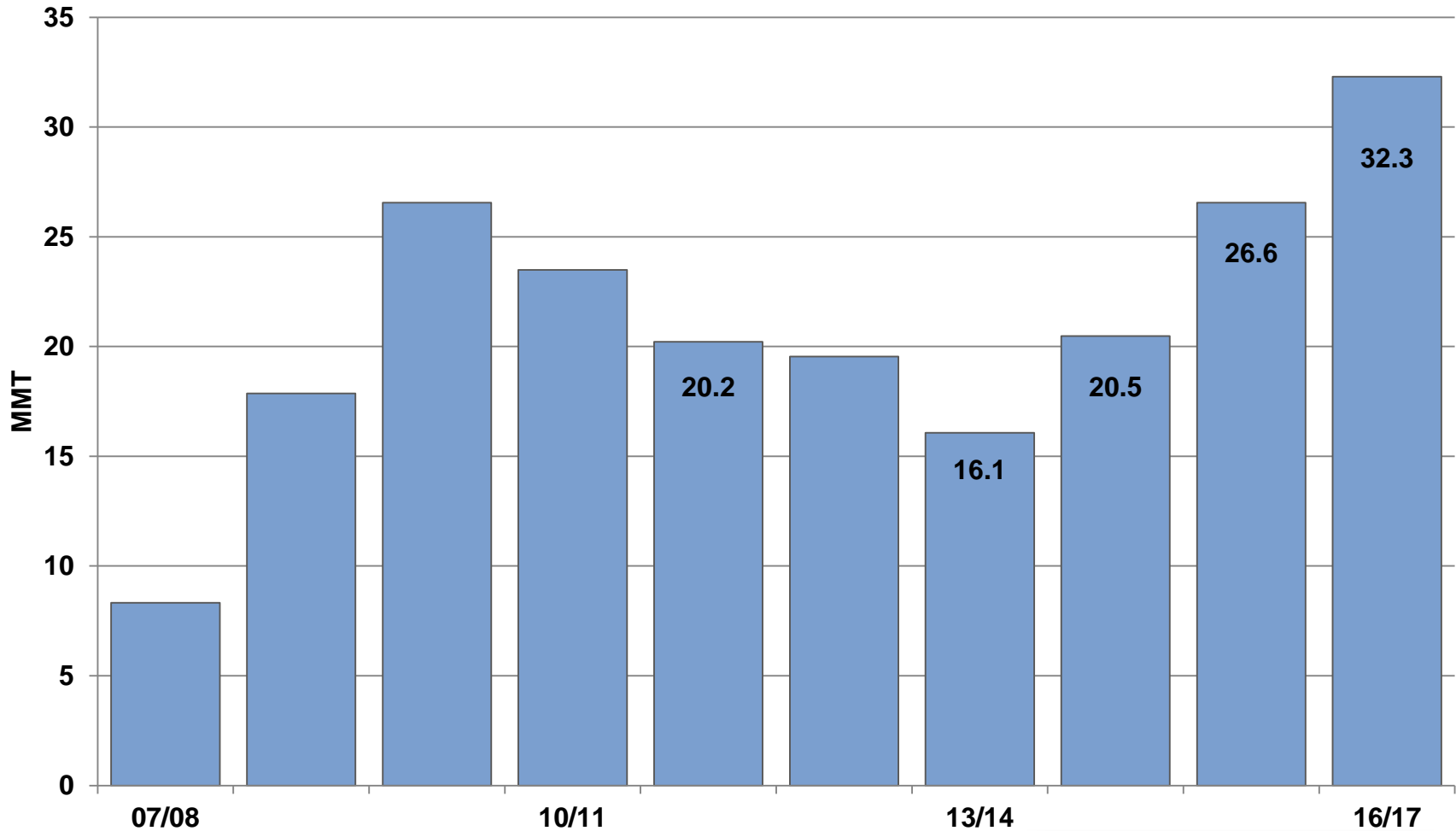
U.S. Situation



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

U.S. Ending Stocks



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

World and U.S. Wheat Supply and Demand

- Major Exporters
- **Import Demand**
- U.S. Situation by Class
- Outlook

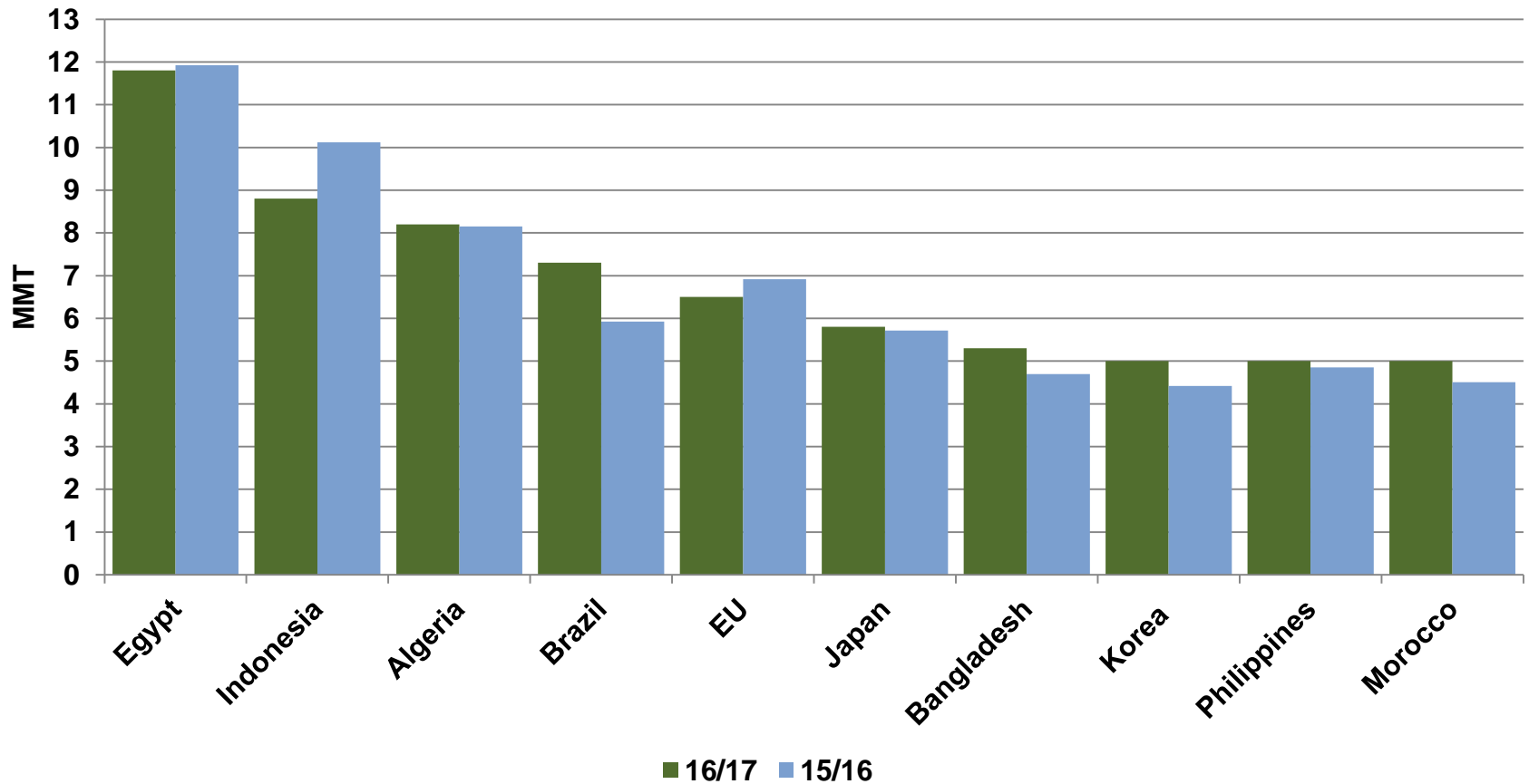


U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Major World Wheat Importers

(from all origins)

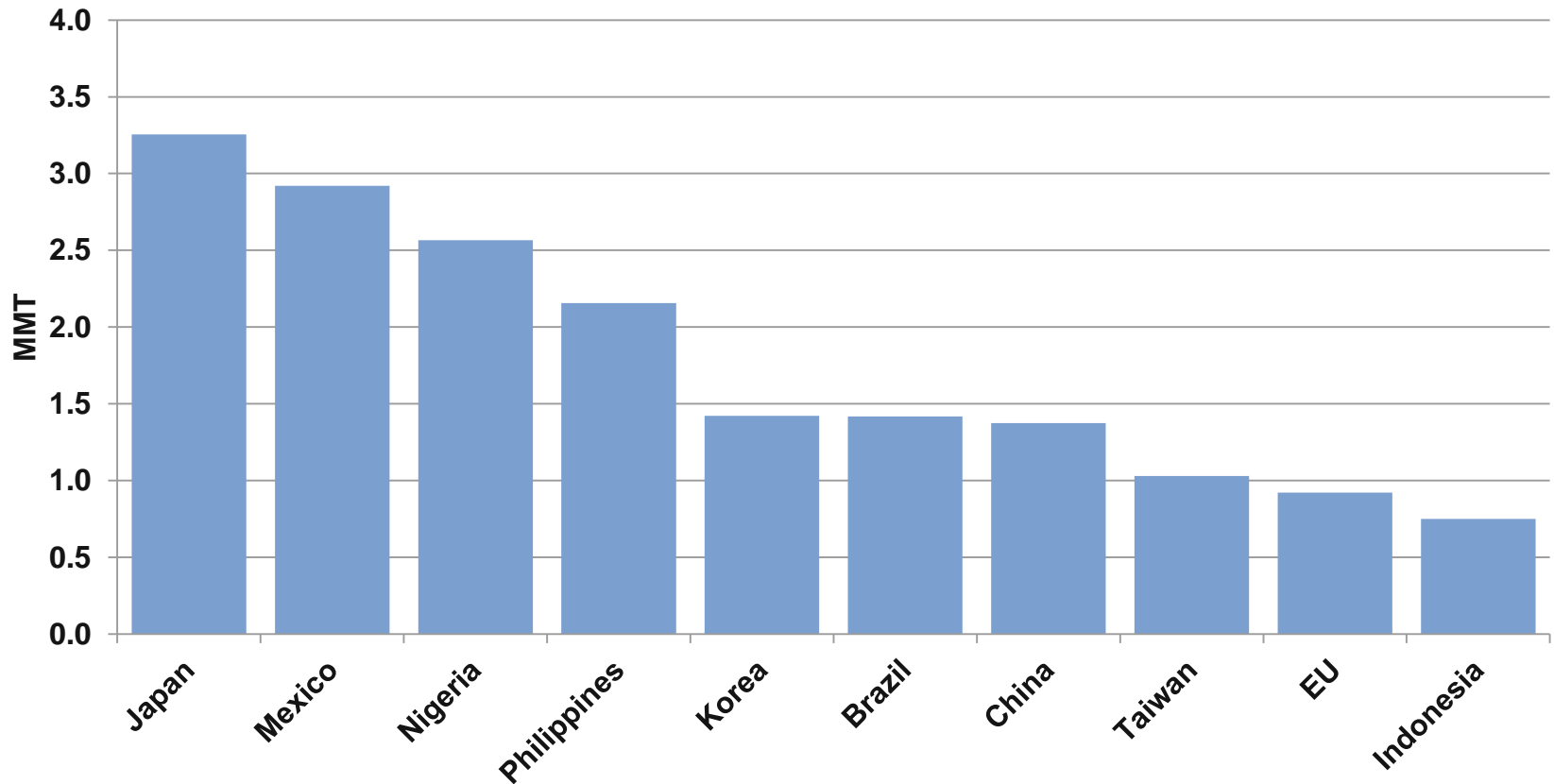


U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

Top 10 Customers for U.S. Wheat

5-year average

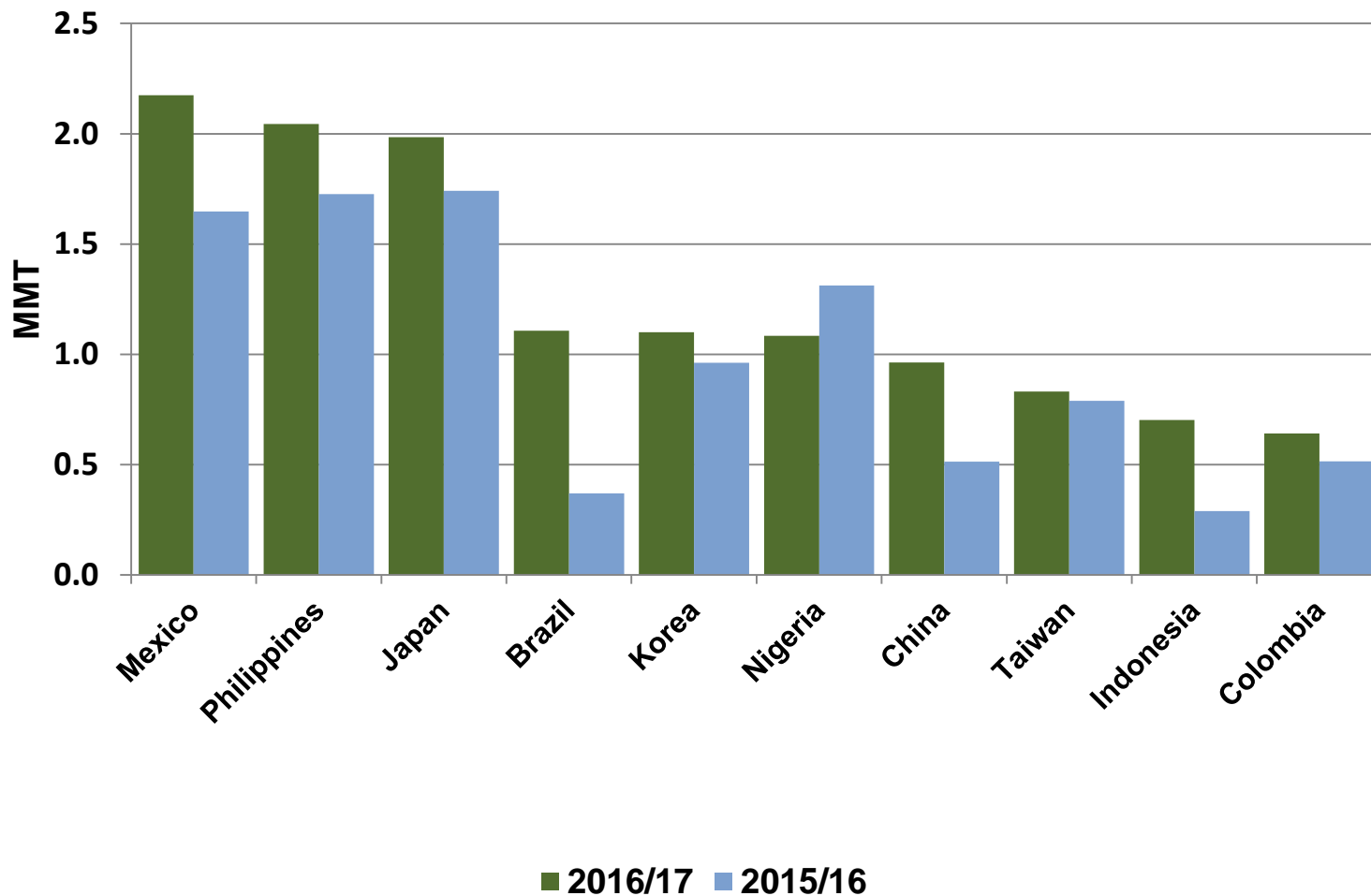


**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Top 10 Customers for U.S. Wheat

2016/17 vs. 2015/16



Source: USDA FAS export sales report January 12, 2017.

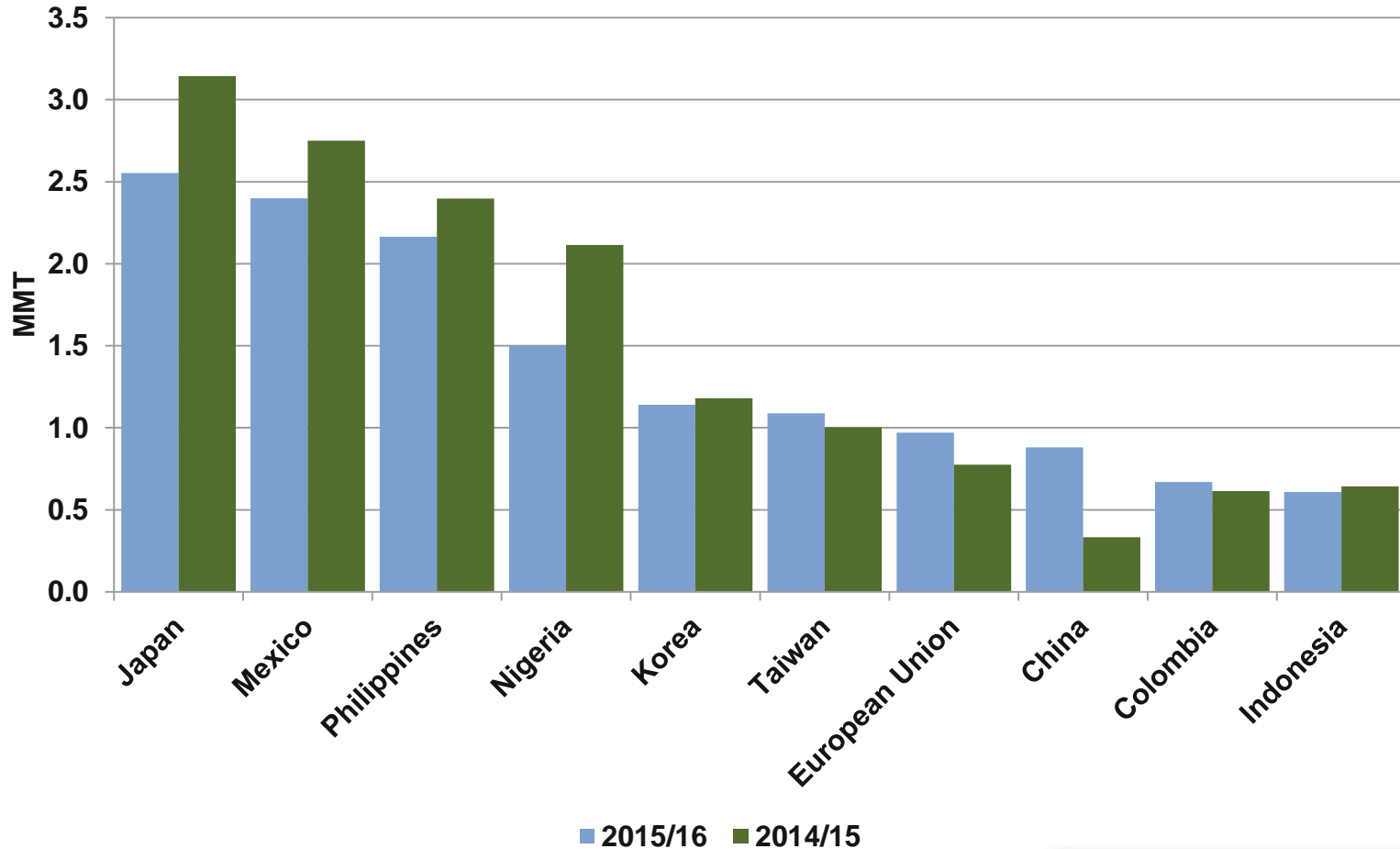


**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

Top 10 Customers for U.S. Wheat

2015/16 vs. 2014/15



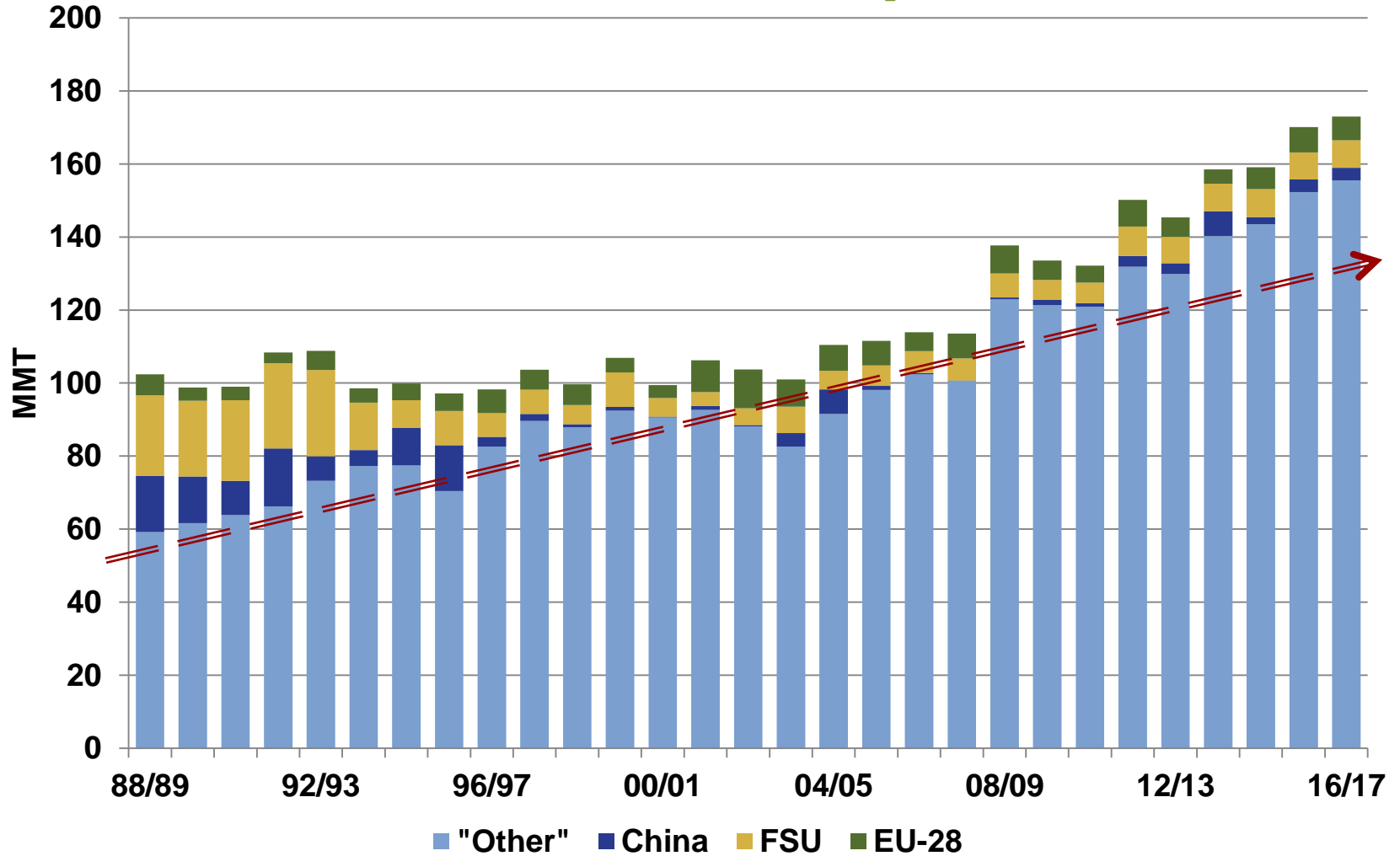
Source: USDA FAS export sales report January 12, 2017.



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

World Wheat Imports



Trend in "other" importers denoted (==>)



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

World and U.S. Wheat Supply and Demand

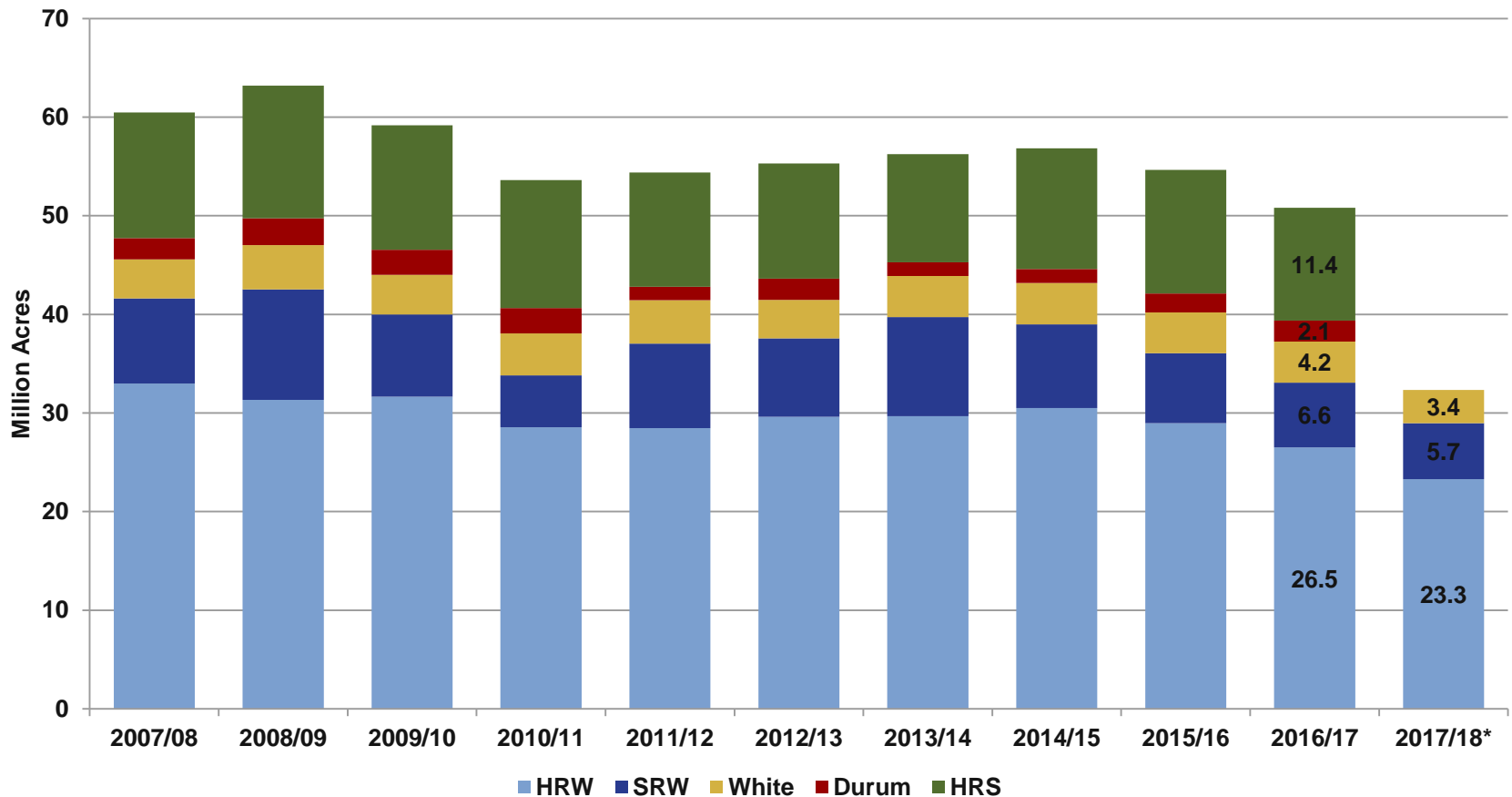
- Major Exporters
- Import Demand
- **U.S. Situation by Class**
- Outlook



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

U.S. Wheat Plantings by Class



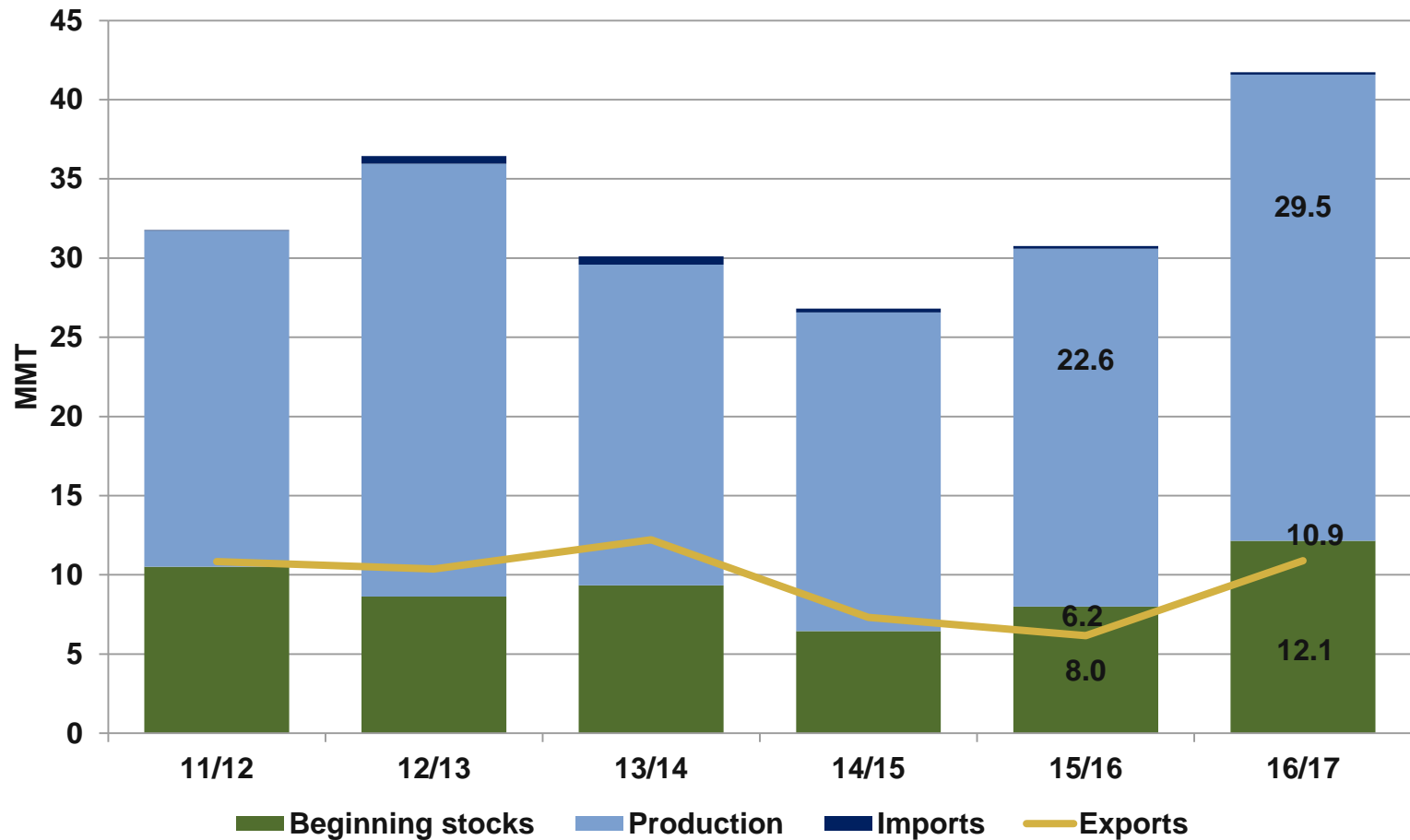
*Source: USDA Winter Wheat Seedings Report January 12, 2016



U.S. WHEAT ASSOCIATES

The world's most reliable choice.

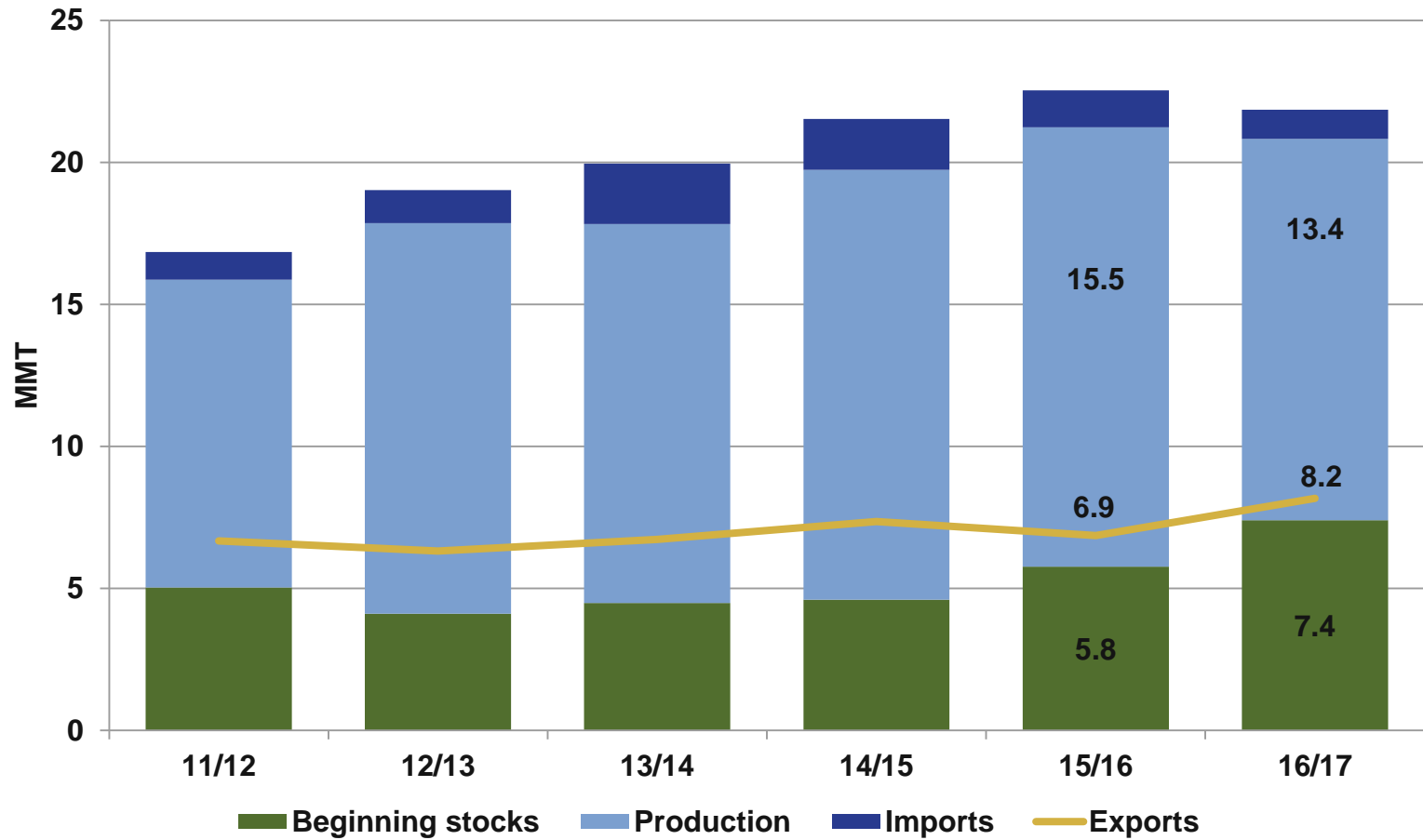
U.S. Hard Red Winter



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

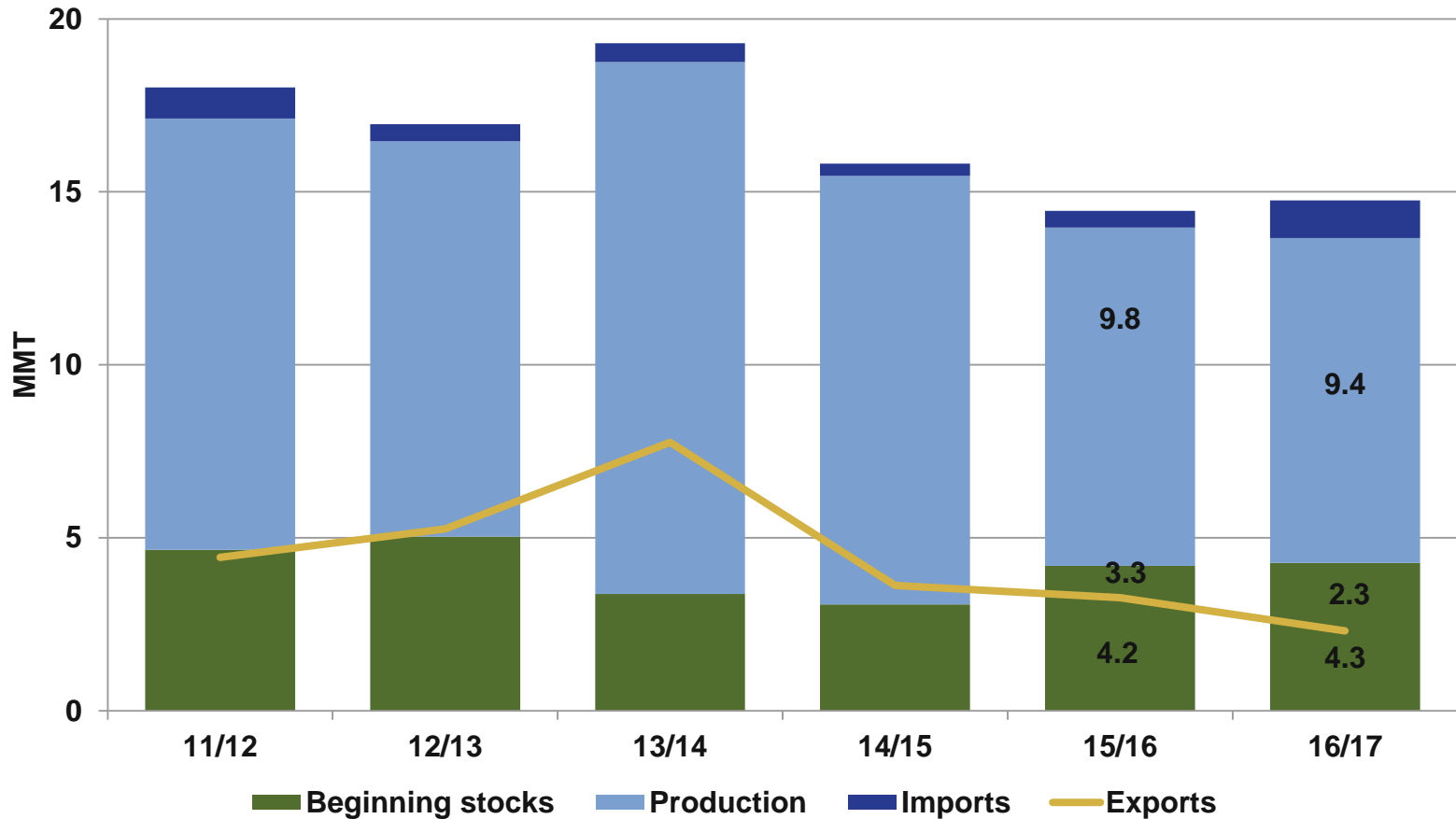
U.S. Hard Red Spring



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

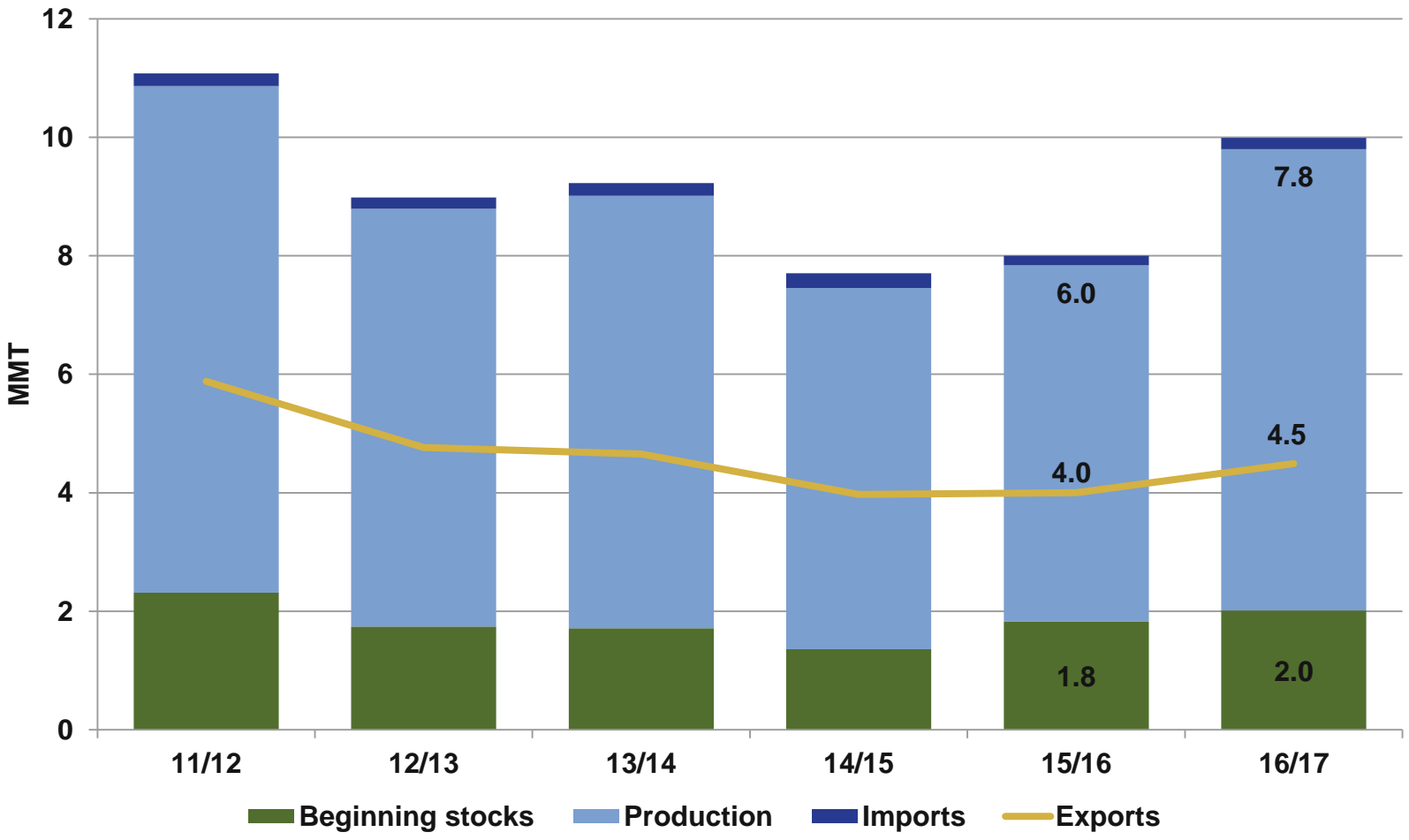
U.S. Soft Red Winter



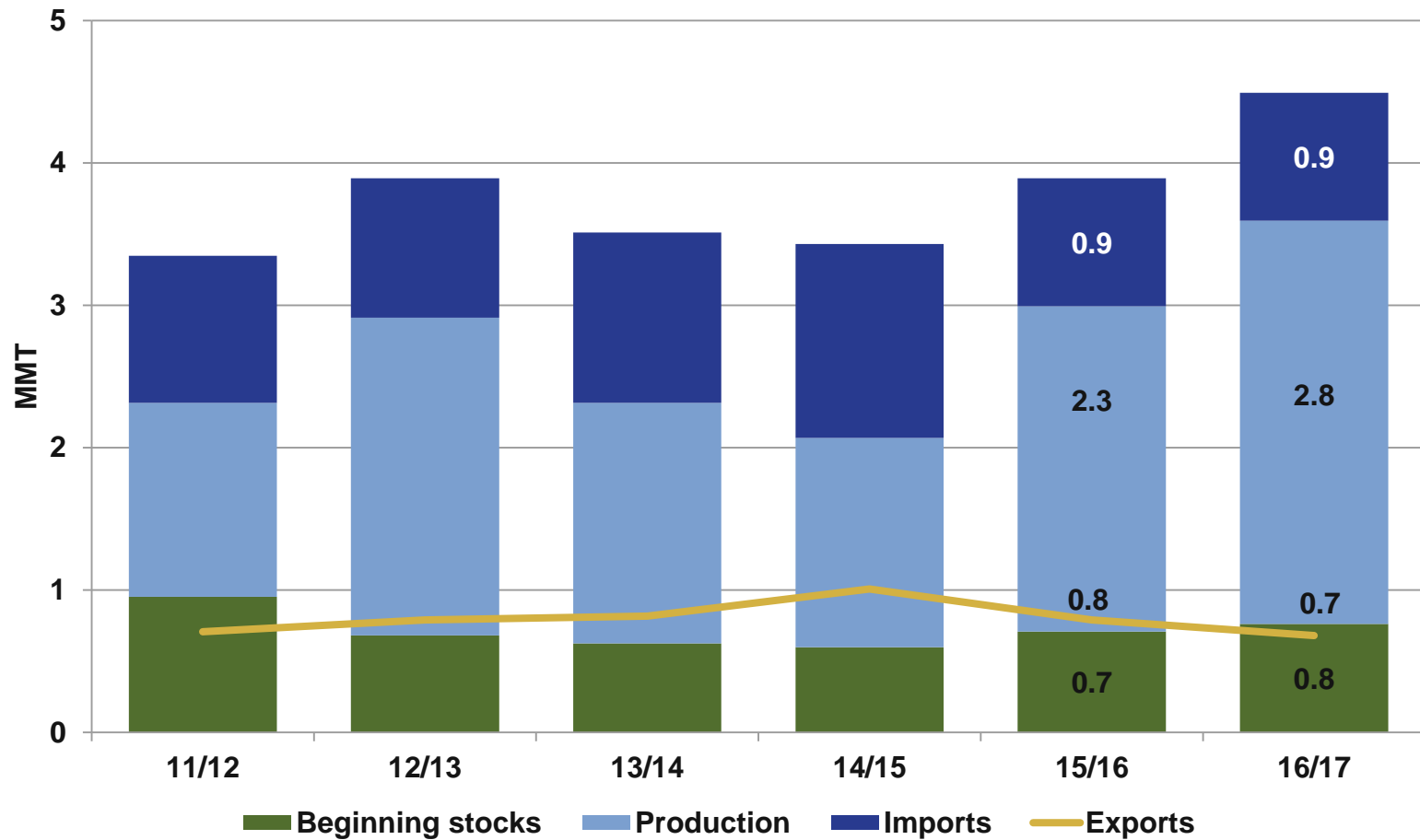
U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

U.S. White



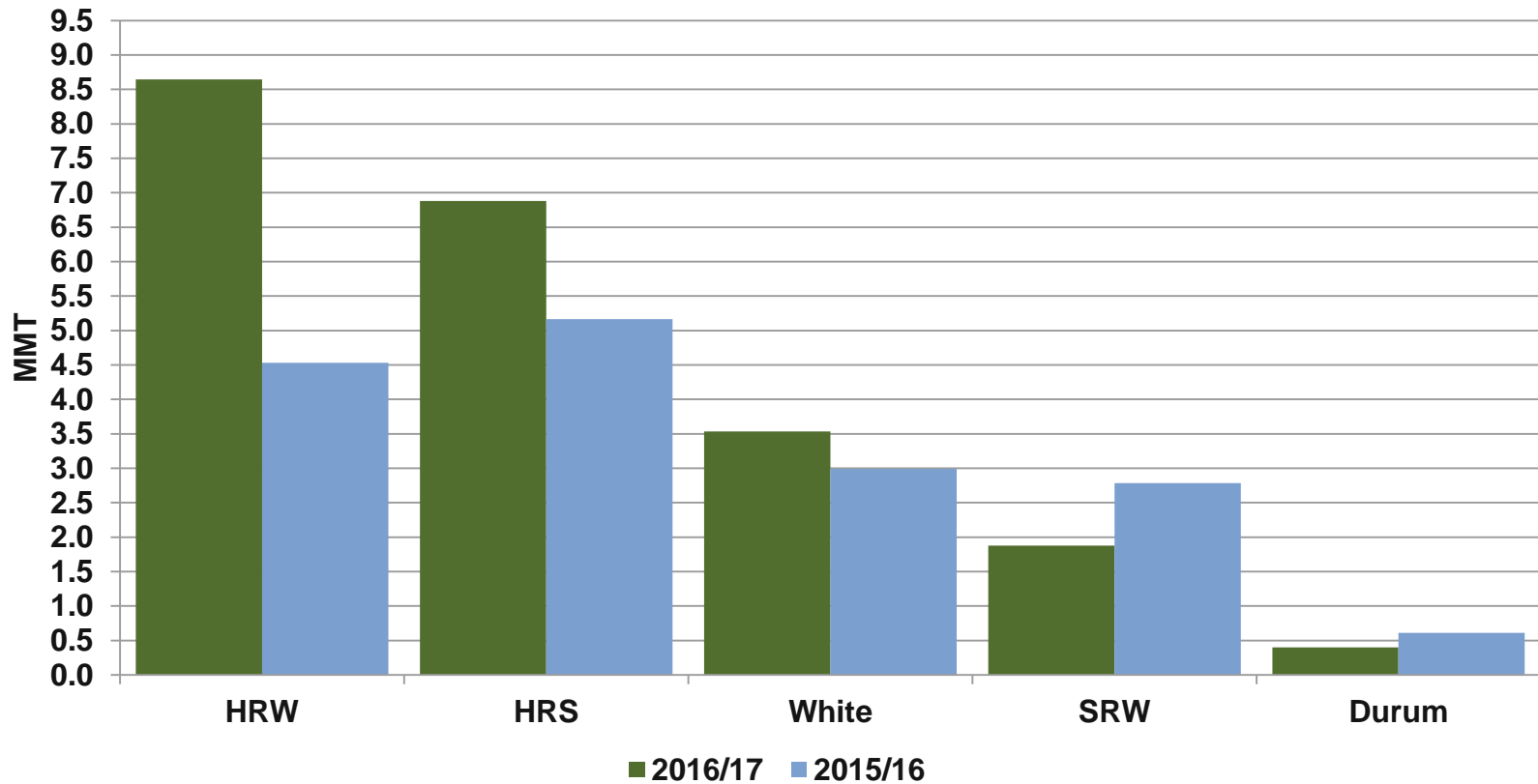
U.S. Durum



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

U.S. Wheat Sales by Class (year-to-date)



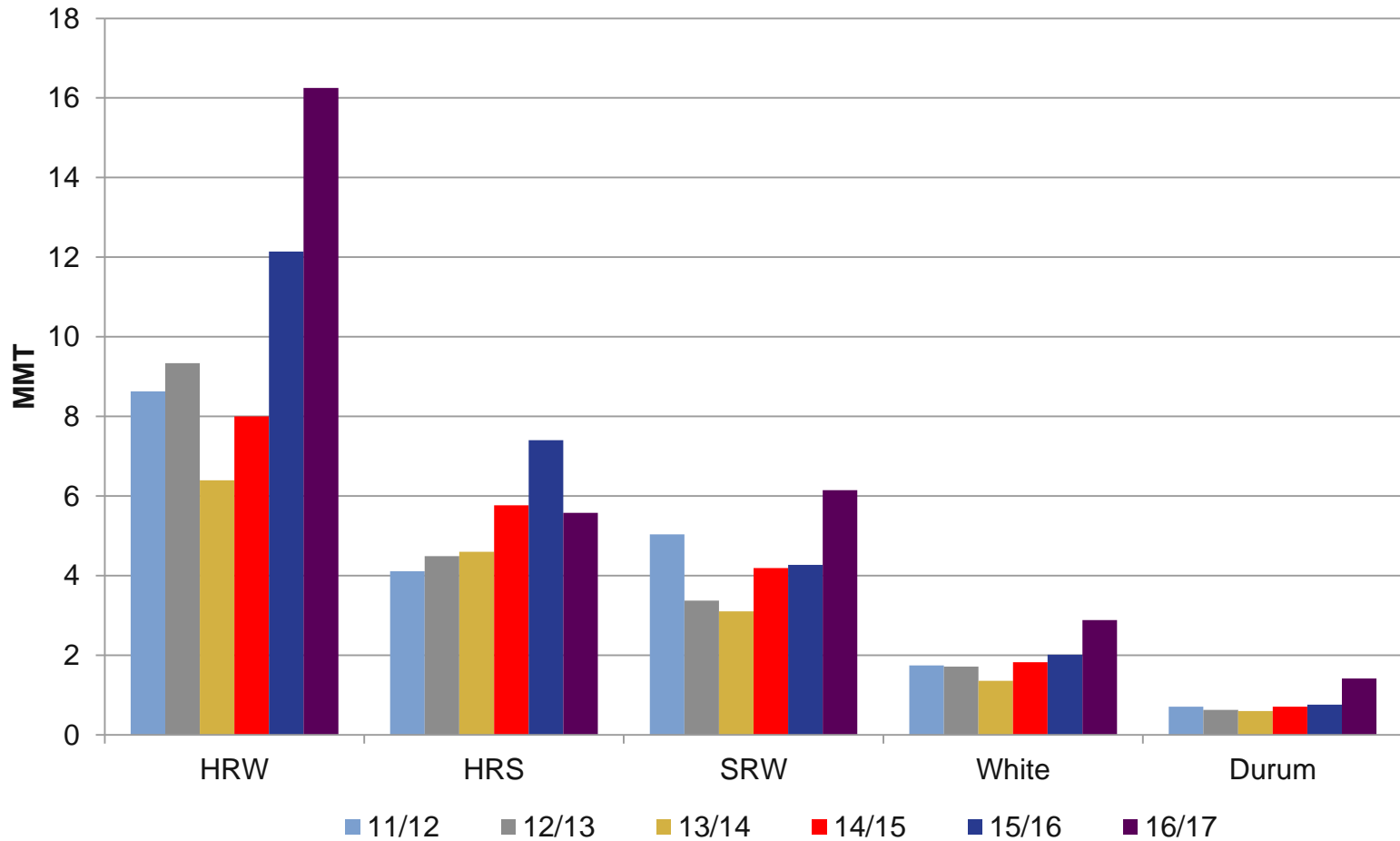
Source: USDA FAS export sales report January 12, 2017.



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

U.S. Wheat Ending Stocks by Class



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

U.S. Wheat Supply and Demand

	HRW		HRS		SRW	
	15/16	16/17	15/16	16/17	15/16	16/17
	MMT					
Beginning Stocks	8.0	12.1	5.8	7.4	4.2	4.3
Production	22.6	29.5	15.5	13.4	9.8	9.4
Imports	<u>0.2</u>	<u>0.1</u>	<u>1.3</u>	<u>1.0</u>	<u>0.5</u>	<u>1.1</u>
Supply Total	30.8	41.7	22.5	21.9	14.5	14.8
Domestic Use	12.5	14.6	8.3	8.1	6.9	6.3
Exports	<u>6.2</u>	<u>10.9</u>	<u>6.9</u>	<u>8.2</u>	<u>3.3</u>	<u>2.3</u>
Use Total	18.6	25.5	15.1	16.3	10.2	8.6
Ending Stocks	12.1	16.2	7.4	5.6	4.3	6.2
Stocks-to-Use	65%	64%	49%	34%	42%	72%



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

U.S. Wheat Supply and Demand

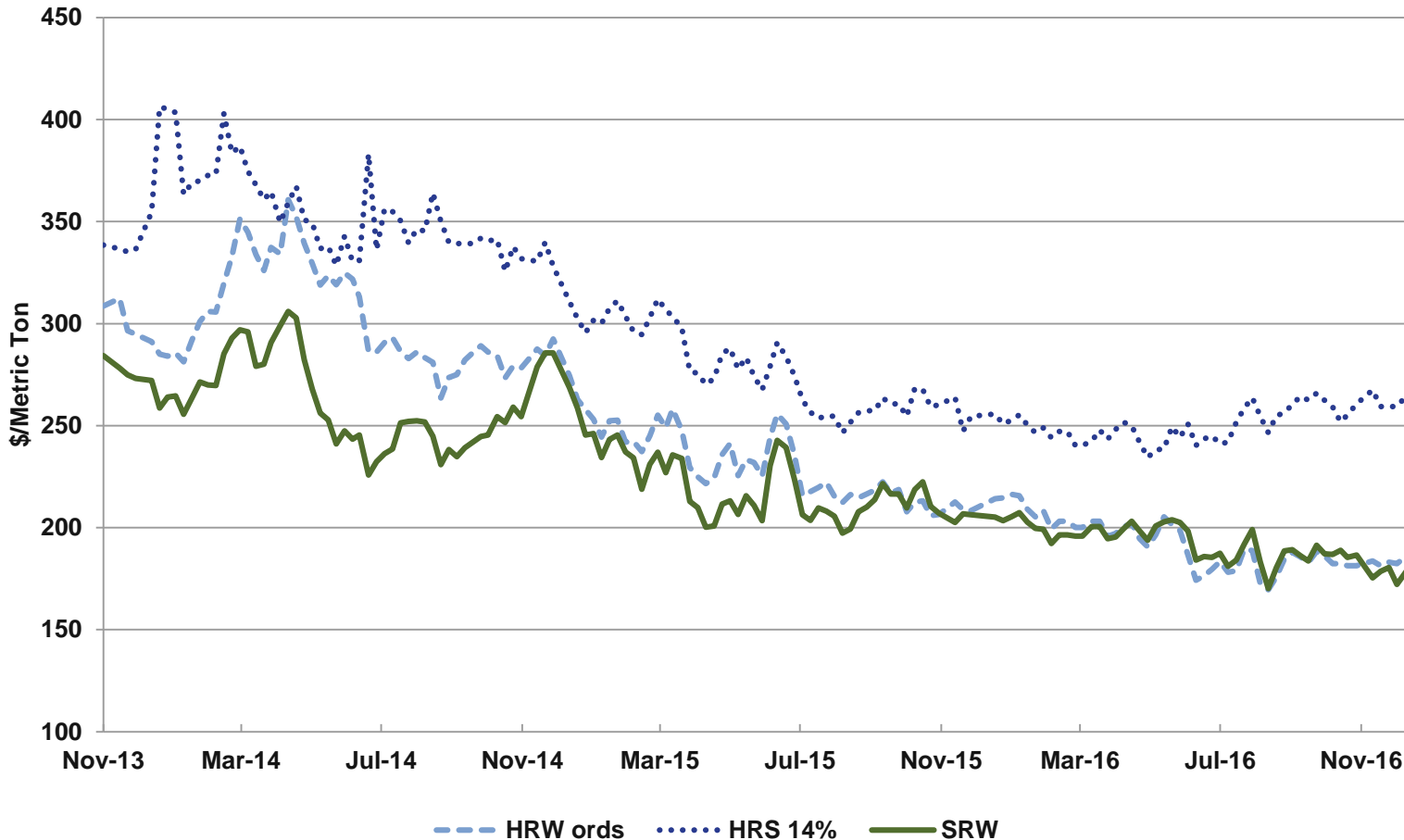
	White		Durum		Total	
	15/16	16/17	15/16	16/17	15/16	16/17
	MMT					
Beginning Stocks	1.8	2.0	0.7	0.8	20.5	26.6
Production	6.0	7.8	2.3	2.8	56.1	62.9
Imports	<u>0.2</u>	<u>0.2</u>	<u>0.9</u>	<u>0.9</u>	<u>3.1</u>	<u>3.3</u>
Supply Total	8.0	10.0	3.9	4.5	79.7	92.8
Domestic Use	2.0	2.6	2.3	2.4	32.0	34.0
Exports	<u>4.0</u>	<u>4.5</u>	<u>0.8</u>	<u>0.7</u>	<u>21.1</u>	<u>26.5</u>
Use Total	6.0	7.1	3.2	3.1	53.1	60.5
Ending Stocks	2.0	2.9	0.8	1.4	26.6	32.3
Stocks-to-Use	34%	41%	24%	46%	50%	53%



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

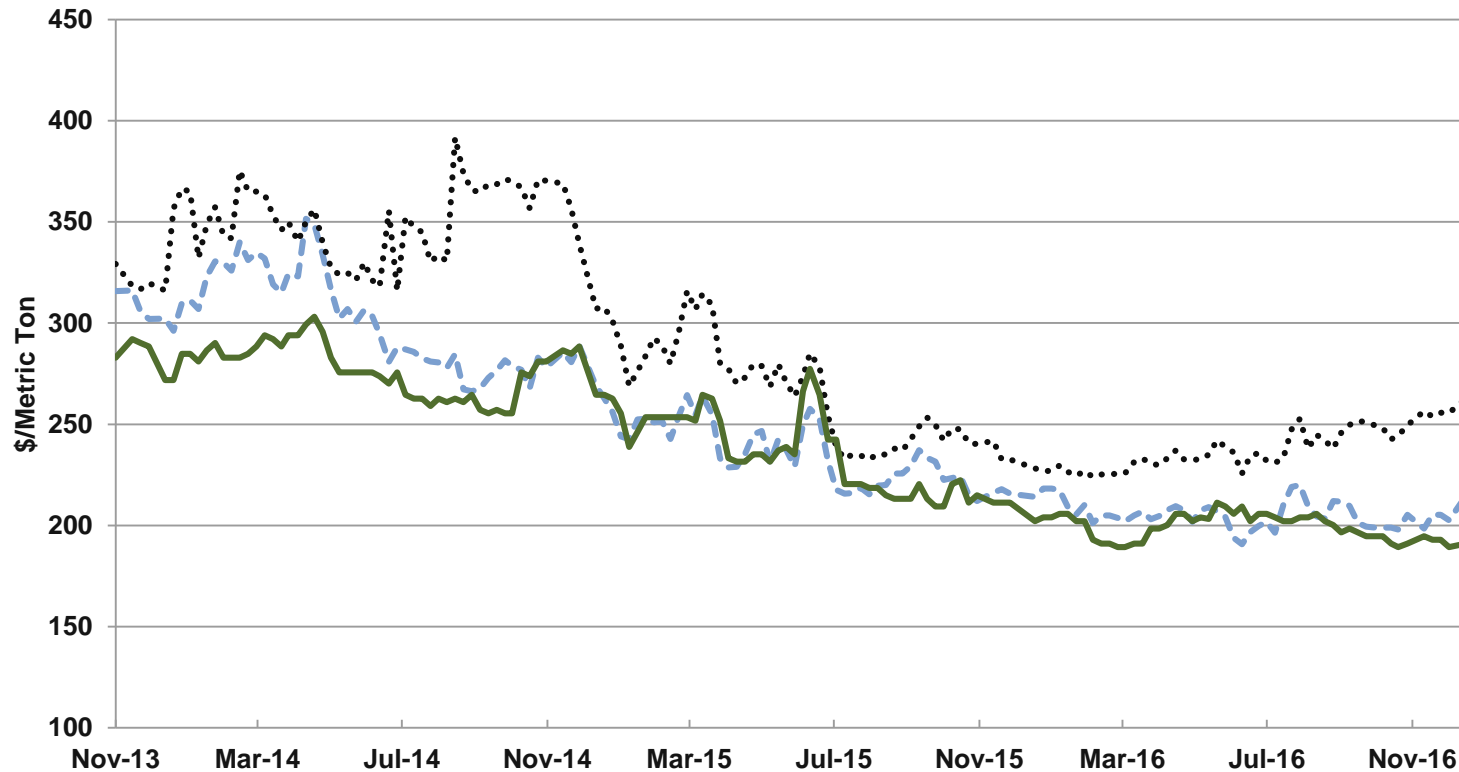
U.S. FOB Gulf Prices



**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

U.S. FOB PNW Prices



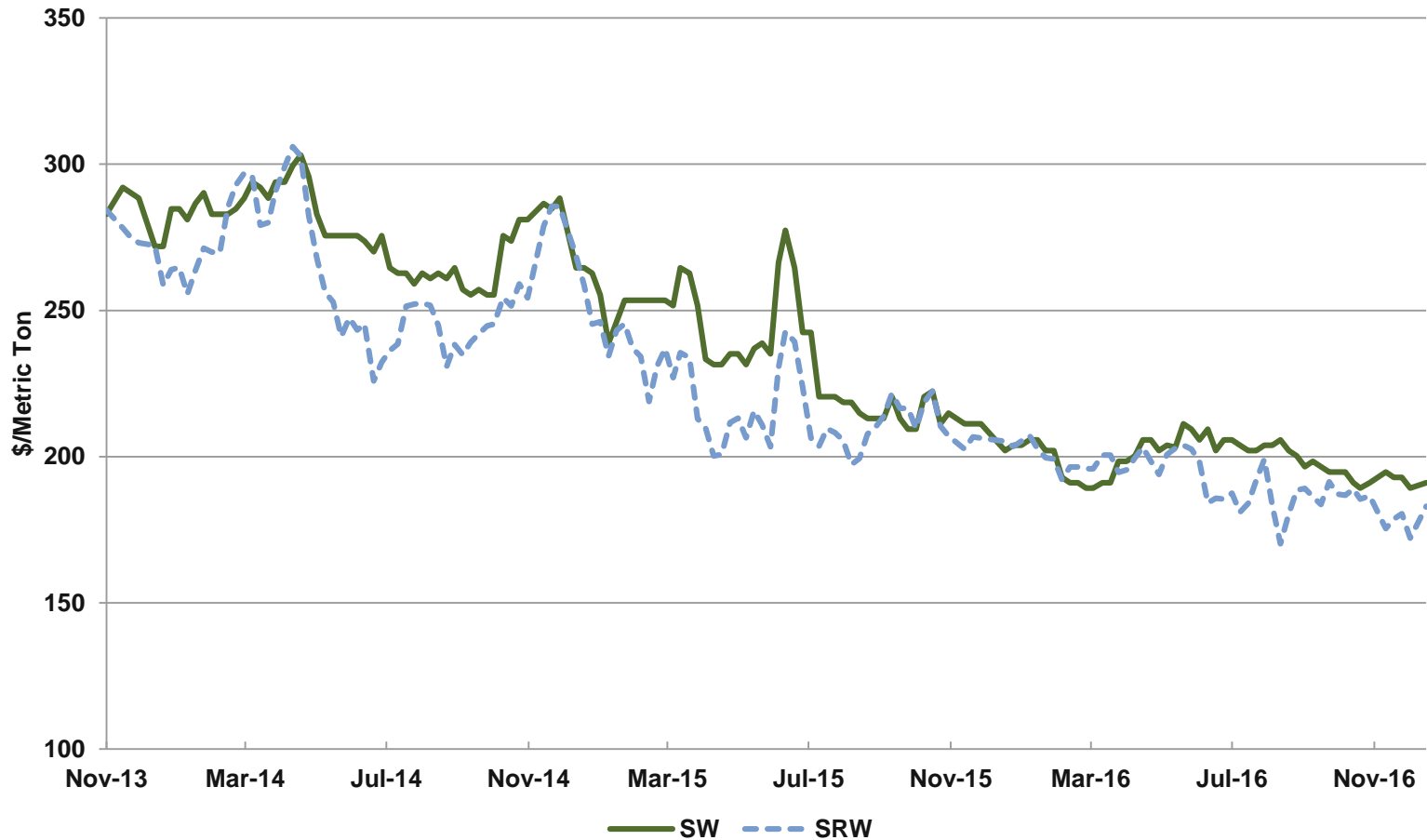
--- HRW 11.5% HRS 14% — SW



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

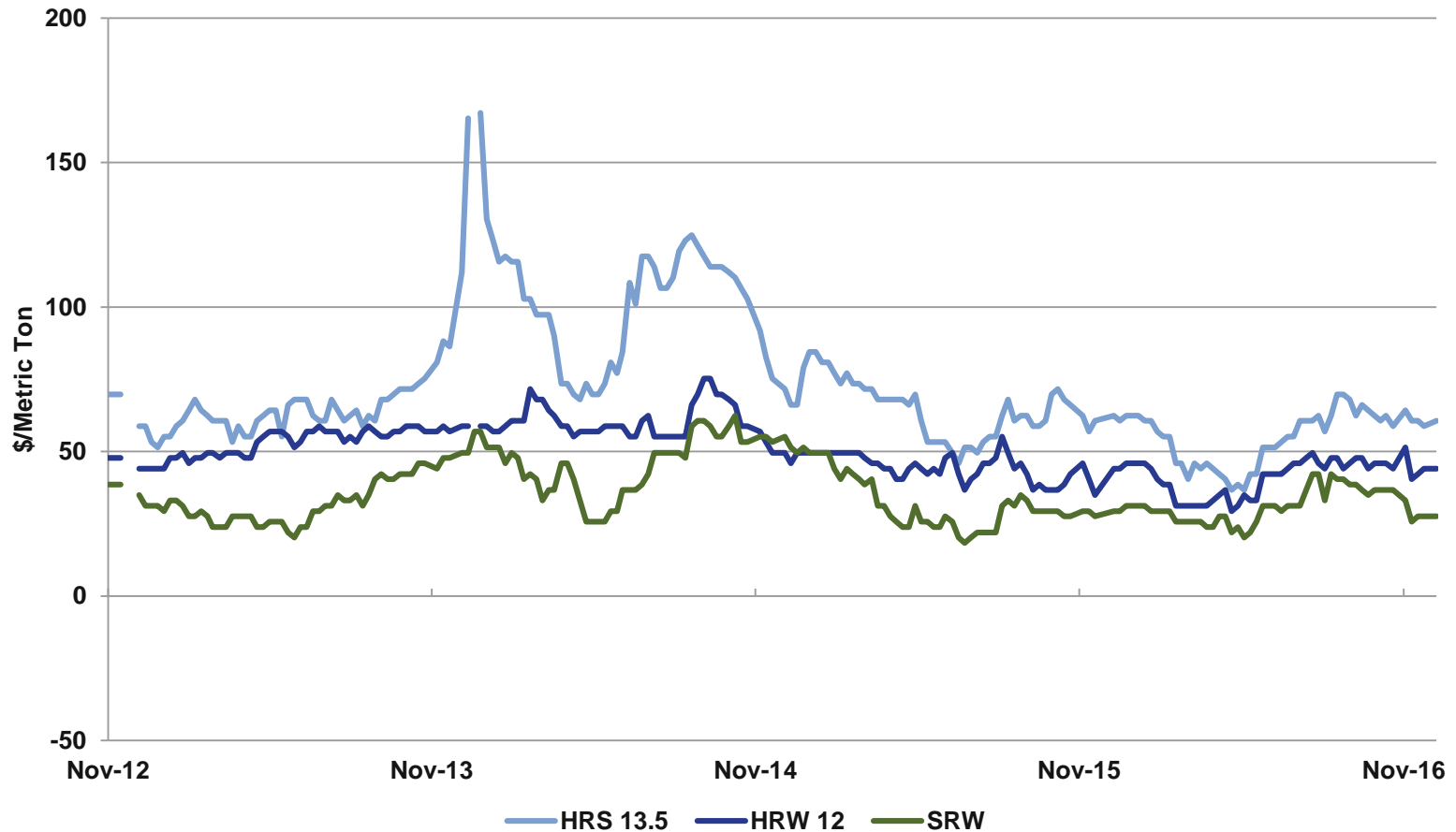
SRW and Soft White Prices



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

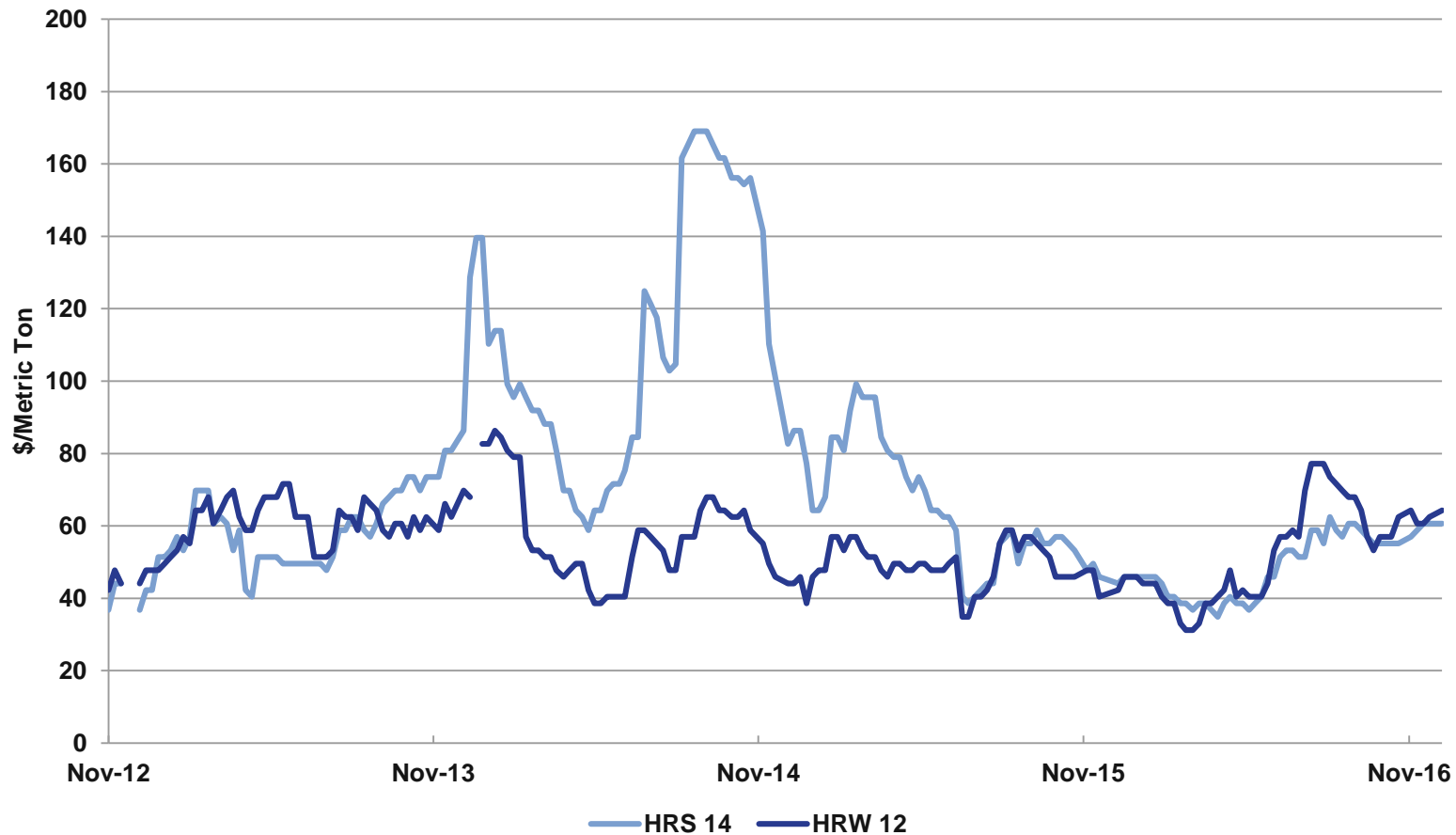
U.S. Gulf Basis Prices



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

U.S. PNW Basis Prices



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

World and U.S. Wheat Supply and Demand

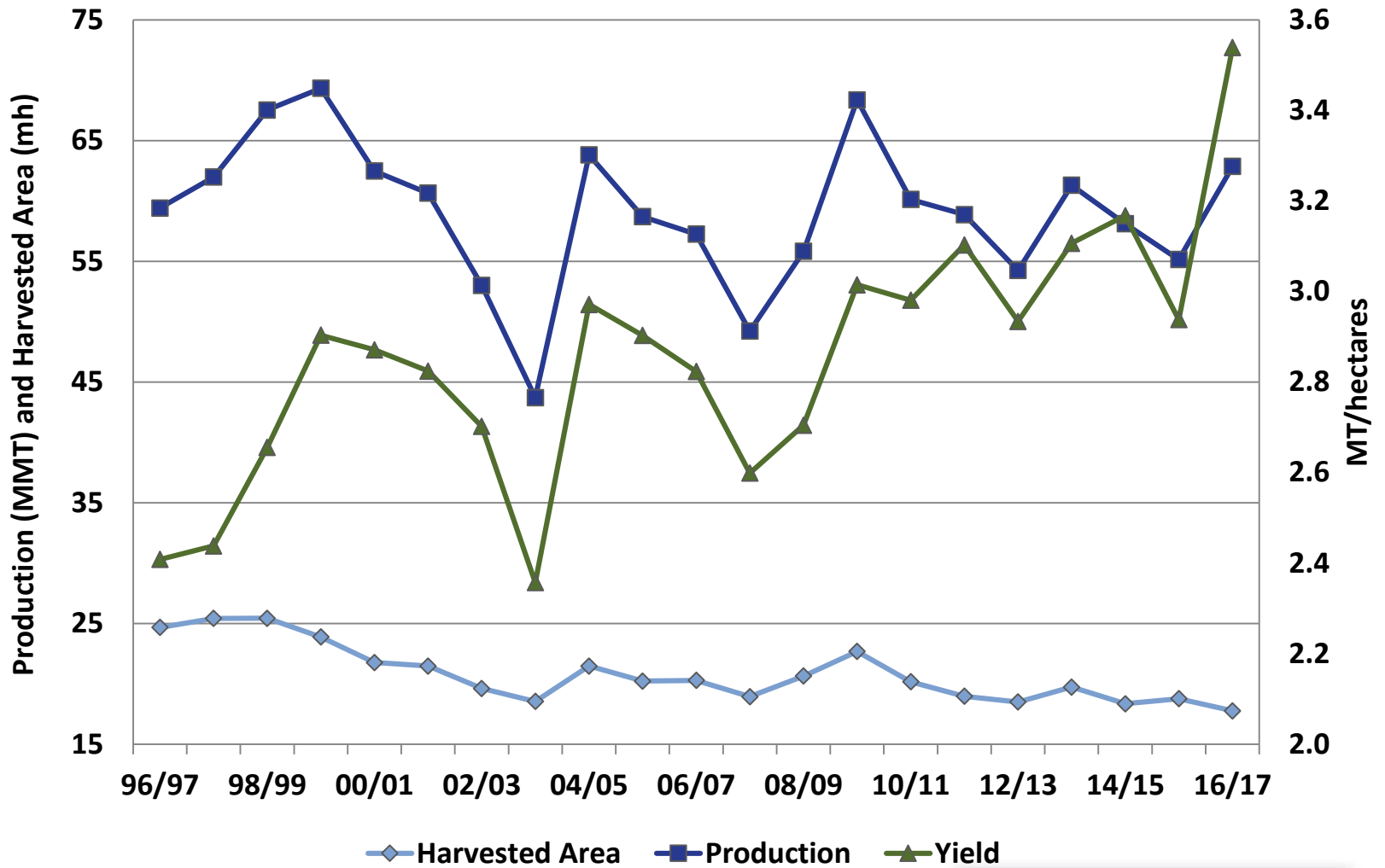
- Major Exporters
- Import Demand
- U.S. Situation by Class
- **Outlook**



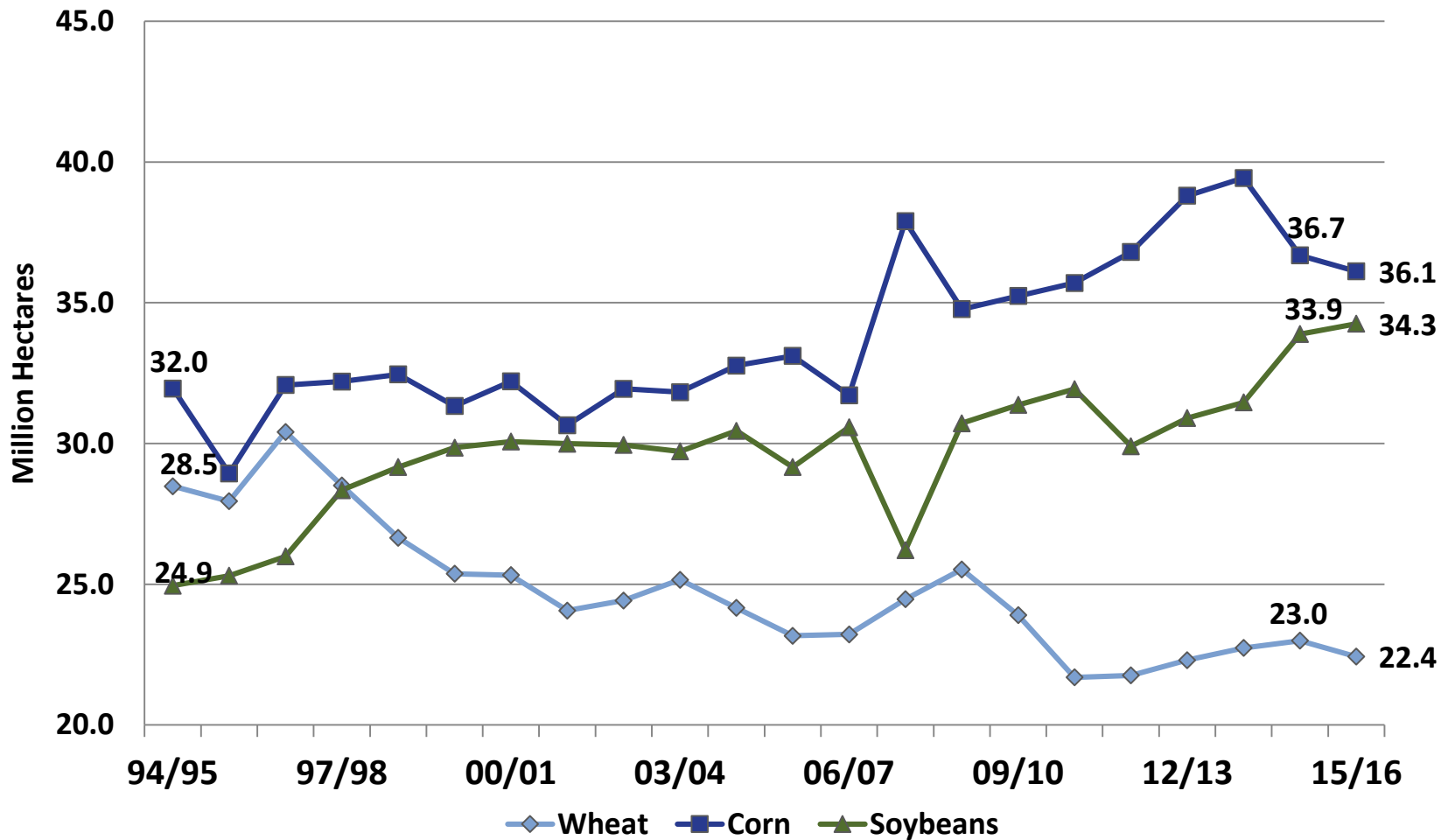
U.S. WHEAT
ASSOCIATES

The world's most reliable choice.

U.S. Wheat Area and Production

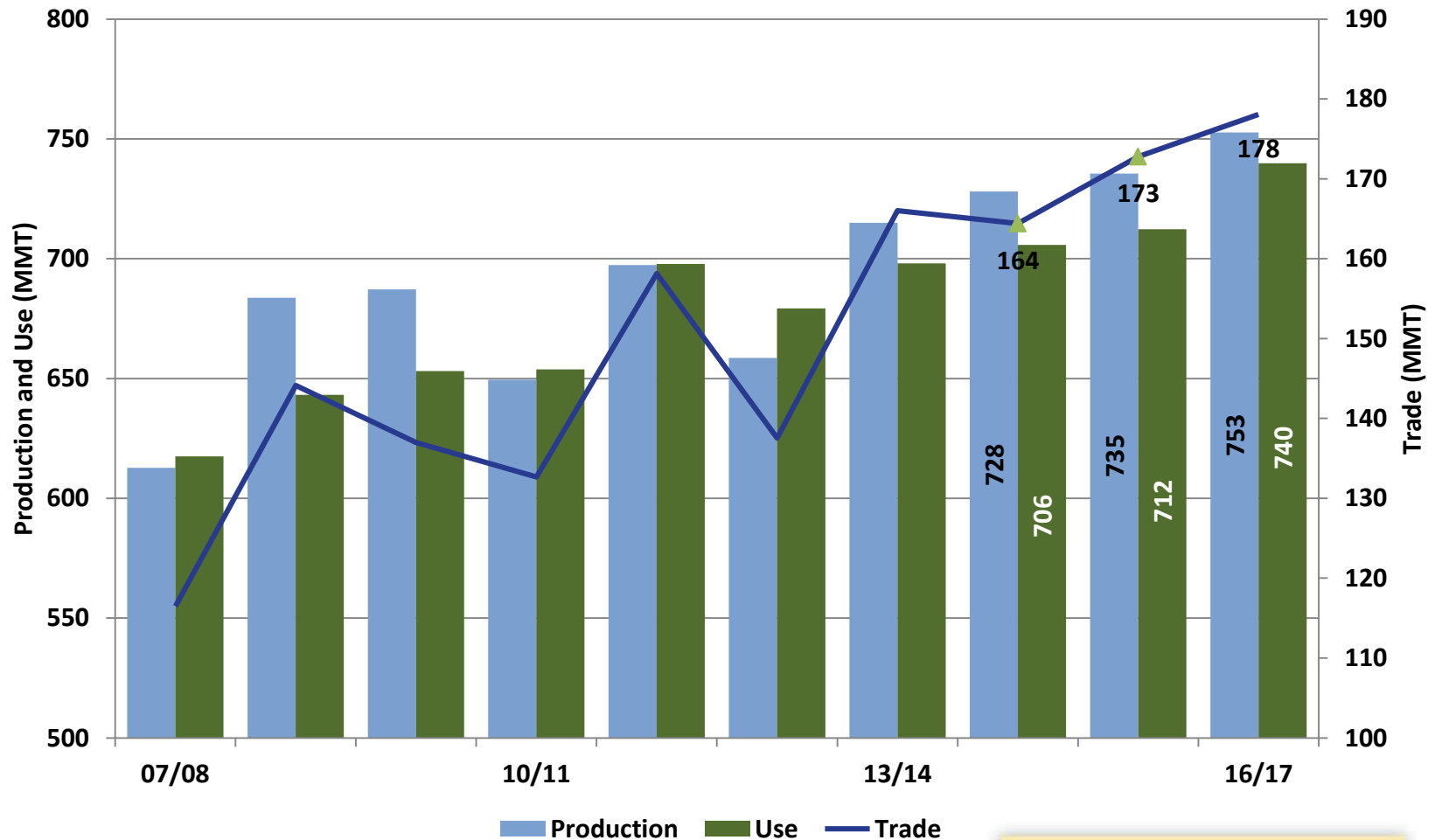


U.S. Crop Planted Area Comparison



*Source: USDA Acreage Report, June 30, 2015

World Wheat Production, Use and Trade

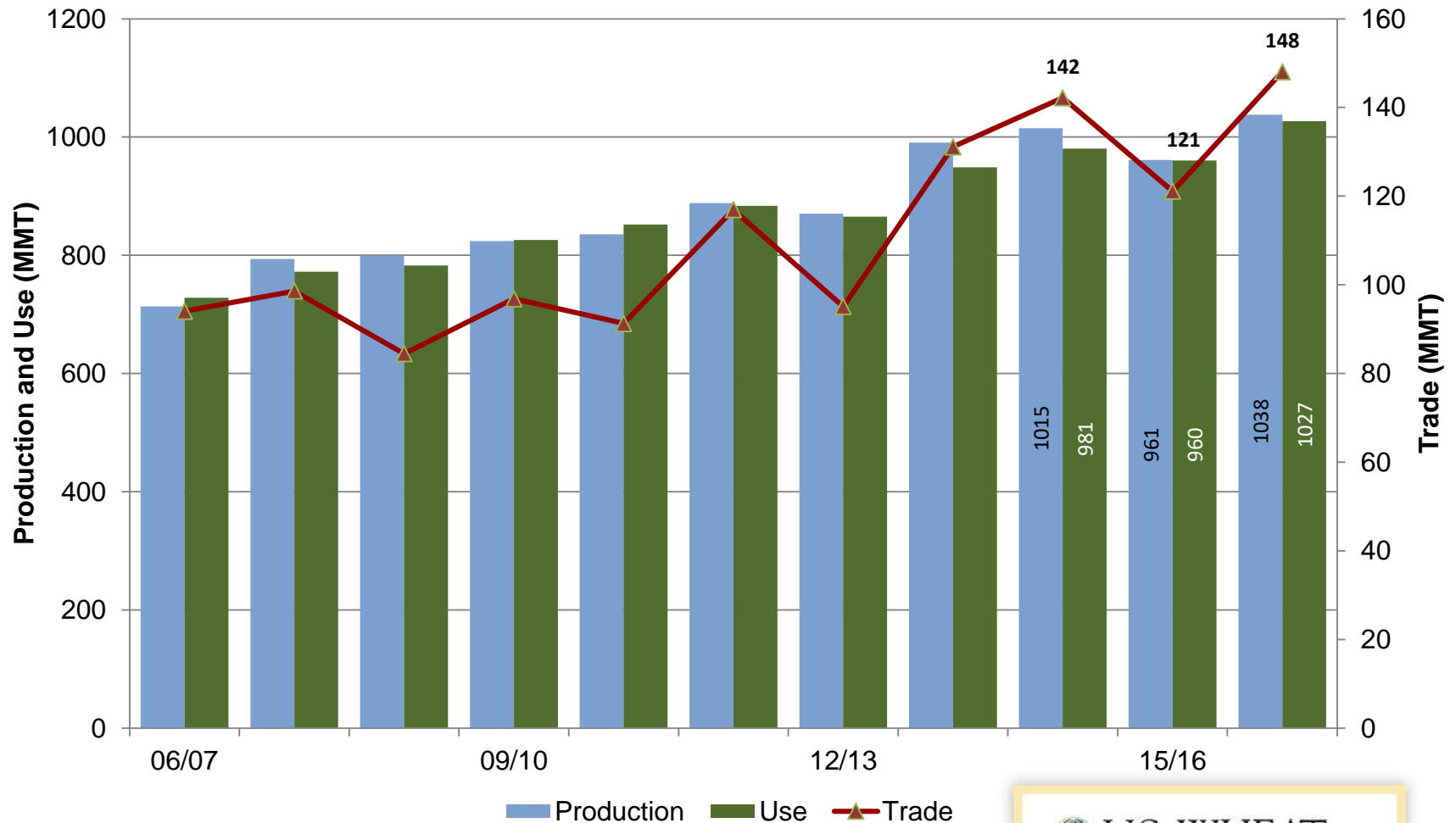


**U.S. WHEAT
ASSOCIATES**

The world's most reliable choice.

World Corn

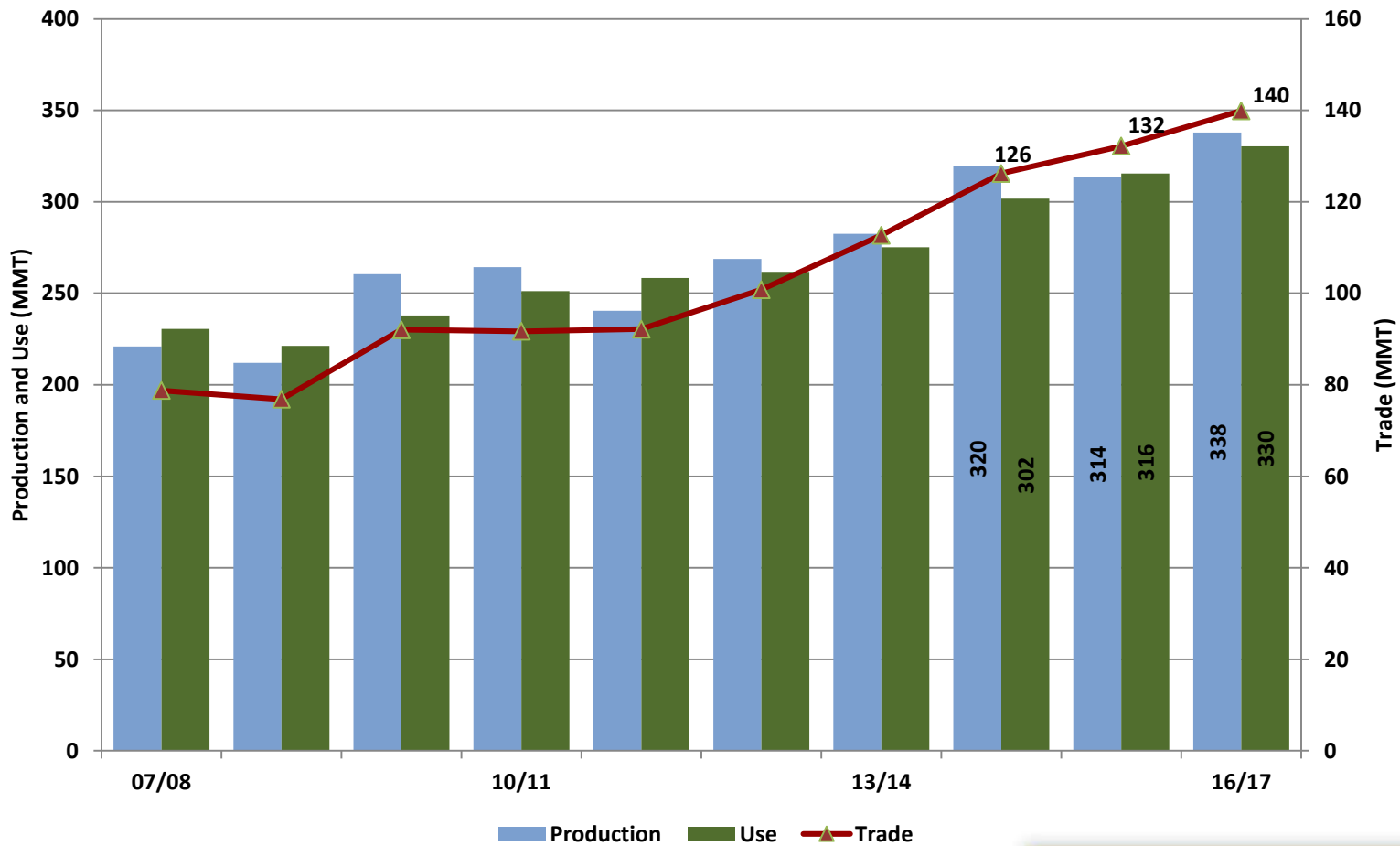
Production, Use and Trade



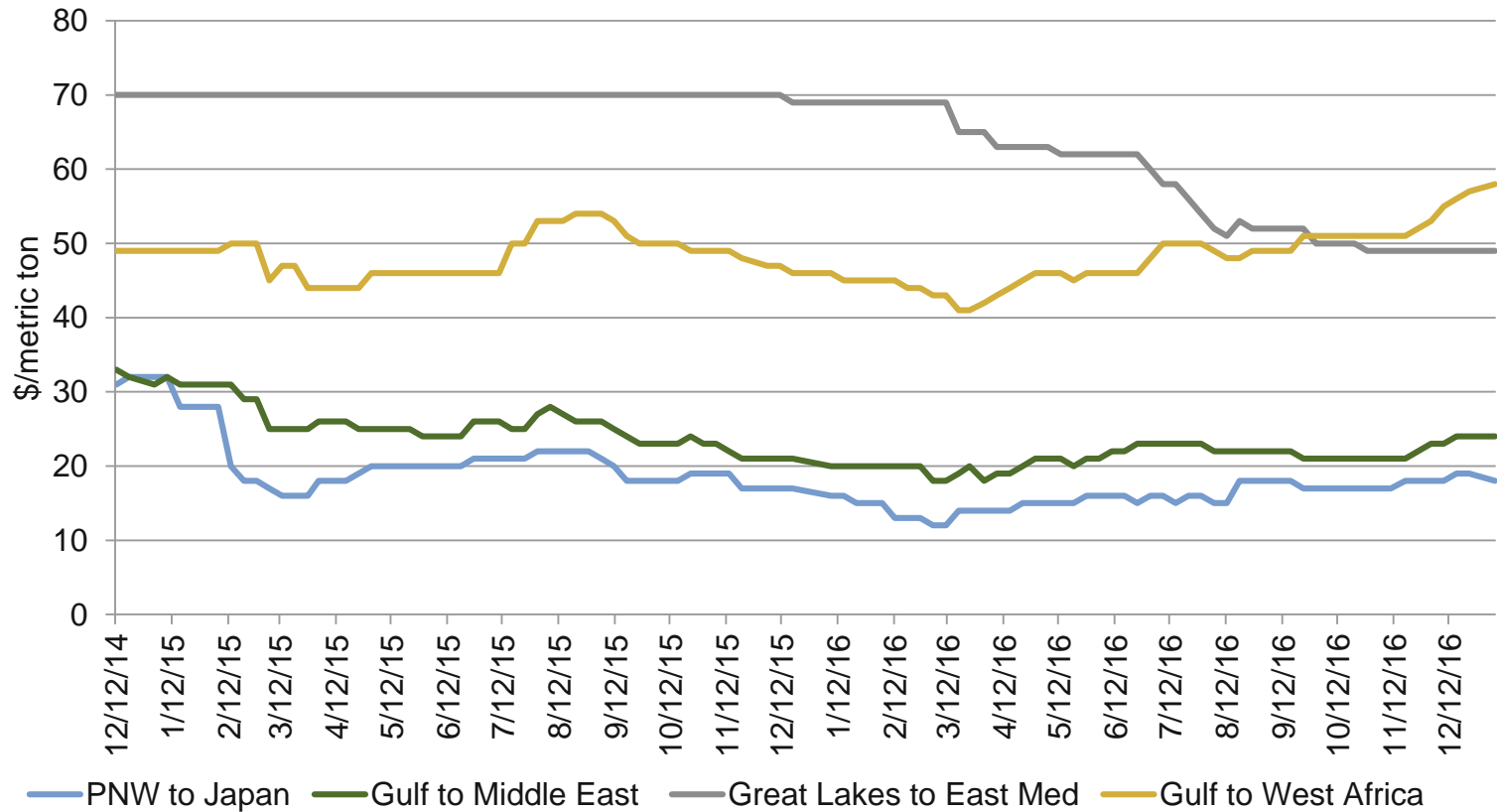
U.S. WHEAT ASSOCIATES

The world's most reliable choice.

World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



Summary

- **Global production at 753 MMT, fourth consecutive record high, if realized**
 - Russian wheat production to increase to 72.5 MMT up 19% from 2015/16
 - Wheat production in Argentina expected to climb 33% year over year to 15.0 MMT
- **Global ending stocks to rise to a record 253 up 5% from 2015/16**
 - Ending stocks in Russia to climb to 10.6 MMT, up 89% from 2015/16
 - US ending stocks to be largest since 1987/88 at 32.3 MMT
- **World consumption and trade expected to grow in 2016/17**
 - Australian exports estimated at 24.5 MMT, up 52% year over year
 - US exports to reach 26.5 MMT up 26% from 2015/16, on par with the 5-year average



U.S. WHEAT
ASSOCIATES

The world's most reliable choice.