



World Wheat Supply and Demand Situation

March 2017

Major data source: USDA World Agricultural Supply and Demand Estimates released March 9, 2017. Projections will change over the course of the year depending on weather and other developments.



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

1. 2016/17 global wheat production to reach new record of 751 MMT

- Global supplies estimate to reach new record of 991 MMT; up 4% from the 2015/16 record
- Wheat production for Australia estimated at a record high 35.0 MMT, up 45% year over year
- Argentina wheat production estimated at 16.0 MMT, 42% above 2015/16

2. Consumption forecast at 741 MMT, the fourth consecutive record high, up 4% from 2015/16

- Chinese feed wheat consumption to climb 52% year over year to 16.0 MMT
- Feed wheat usage expected to reach 2.80 MMT in Vietnam, compared to the 5-year average of 640,000 MT
- U.S. feed wheat usage to rise 48% year over year to 6.12 MMT

3. World wheat trade projected at 181 MMT, 13% above 5-year average

- Canadian exports to fall to 20.5 MMT, 7% below 2015/16
- Indian imports to reach 5.50 MMT, the largest since 2006/07
- US exports to reach 27.9 MMT, up 32% from 2015/16 and 5% above the 5-year average



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

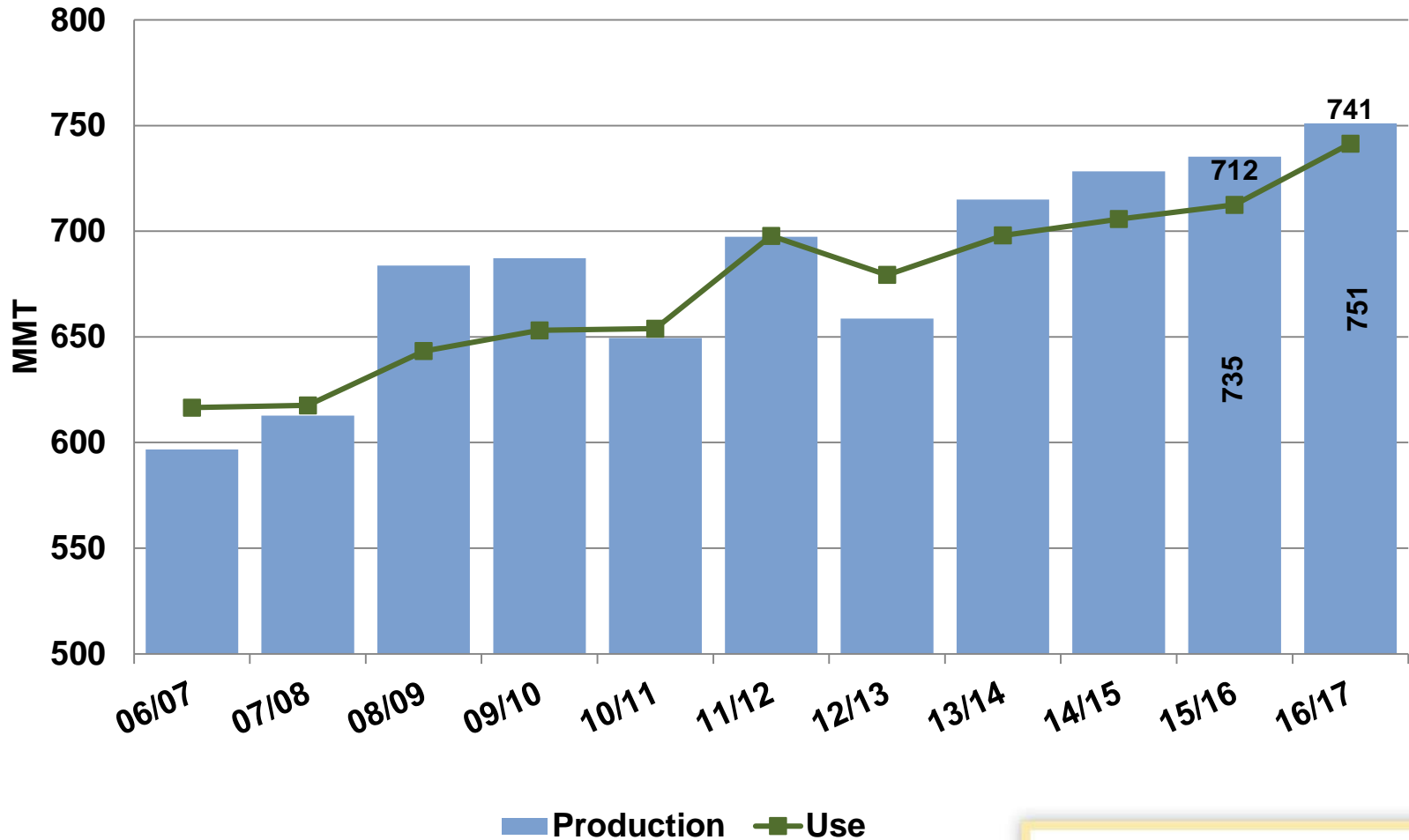
4. **World beginning stocks estimated at record 240 MMT, up 10% year over year**
 - Beginning stocks in Australia rose to 5.64 MMT, up 21% year over year
 - U.S. beginning stocks rose to an estimated 26.5 MMT, 30% above 2015/16 levels
5. **Global ending stocks projected at record 250 MMT, 4% higher than 2015/16, if realized**
 - Estimated Chinese ending stocks of 111 MMT account for 44% of global ending stocks, 59% greater than the 5-year average
 - Endings stocks in Australia projected at 7.33 MMT, up 30% year over year, if realized
 - U.S. ending stocks to grow 16% year over year to 30.7 MMT
6. **U.S. farm gate average price forecast 21% lower in 2016/17**
 - Projected average range: **\$3.80 to \$3.90/bushel (\$140-\$143/MT)***
**Average U.S. farm gate price, marketing year weighted average*



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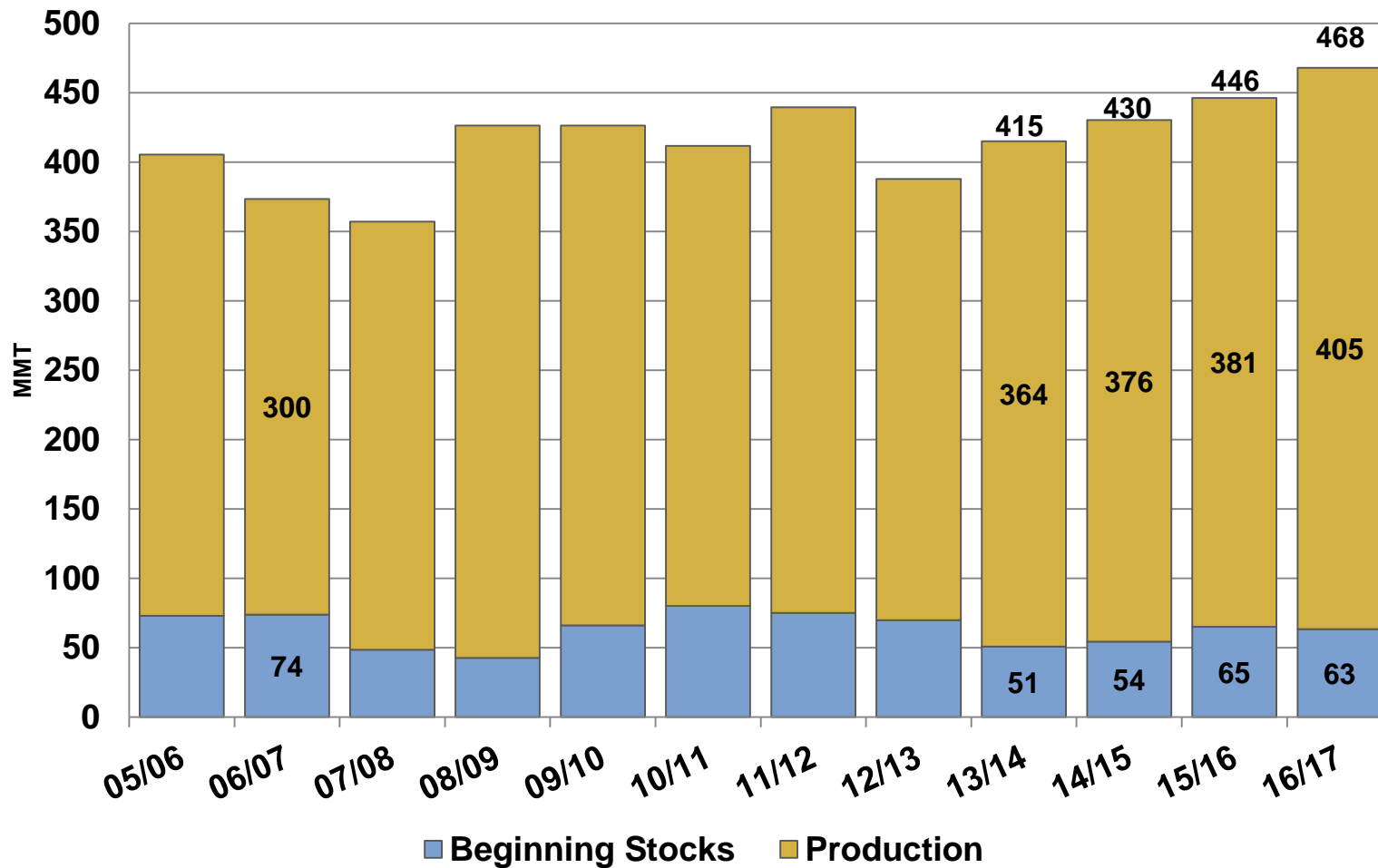
World Production and Use



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Supplies in Top Exporting Countries*



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



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World Wheat Supply and Demand

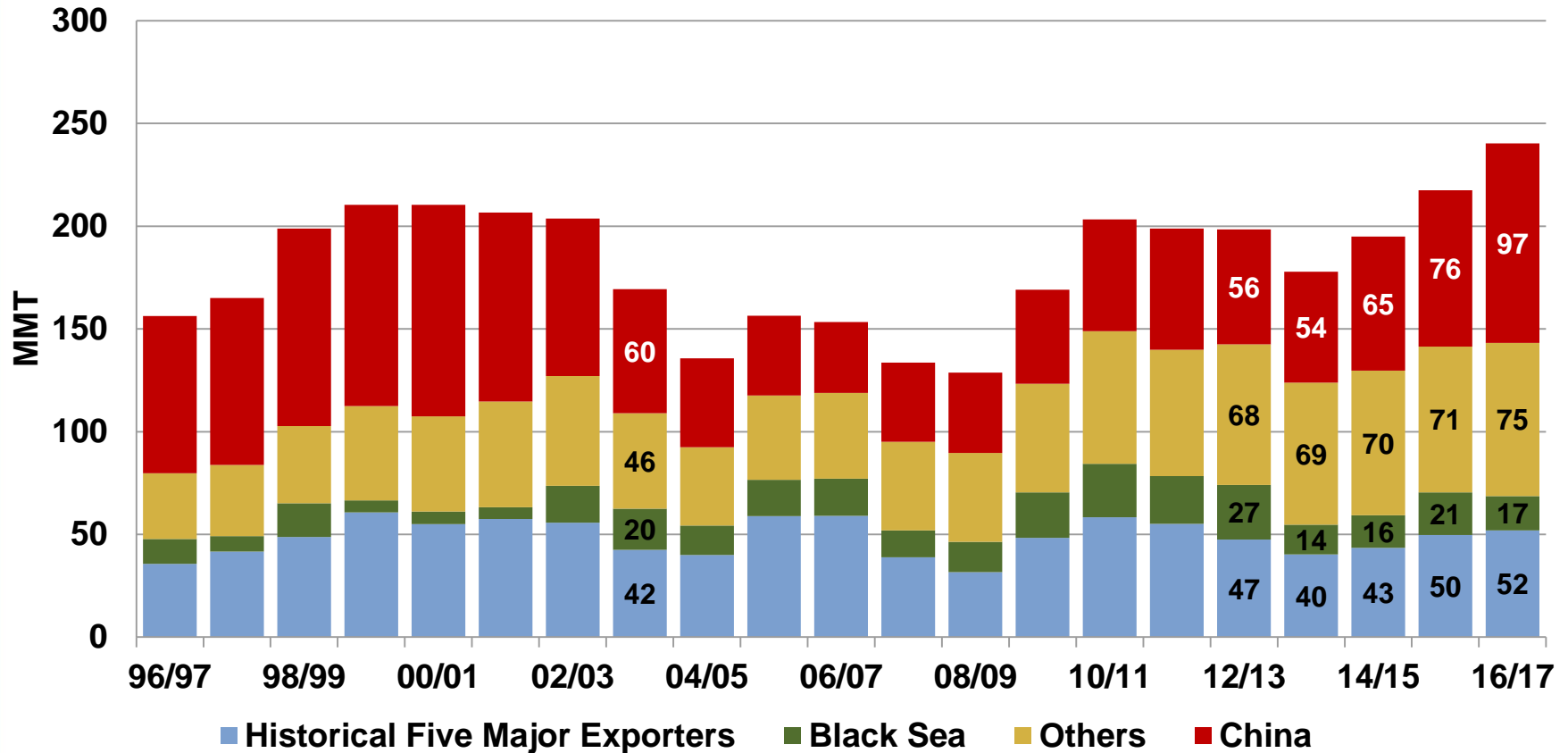
		14/15	15/16 <i>MMT</i>	16/17
SUPPLY:	Beginning Stocks	195	218	240
	Production	728	735	751
	Supply Total	923	953	991
TRADE:	Exports/Imports	164	173	181
DEMAND	Food & Seed	574	574	593
	Feed & Residual	132	139	148
	Use Total	706	712	741
	ENDING STOCKS:	218	240	250



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World Beginning Stocks



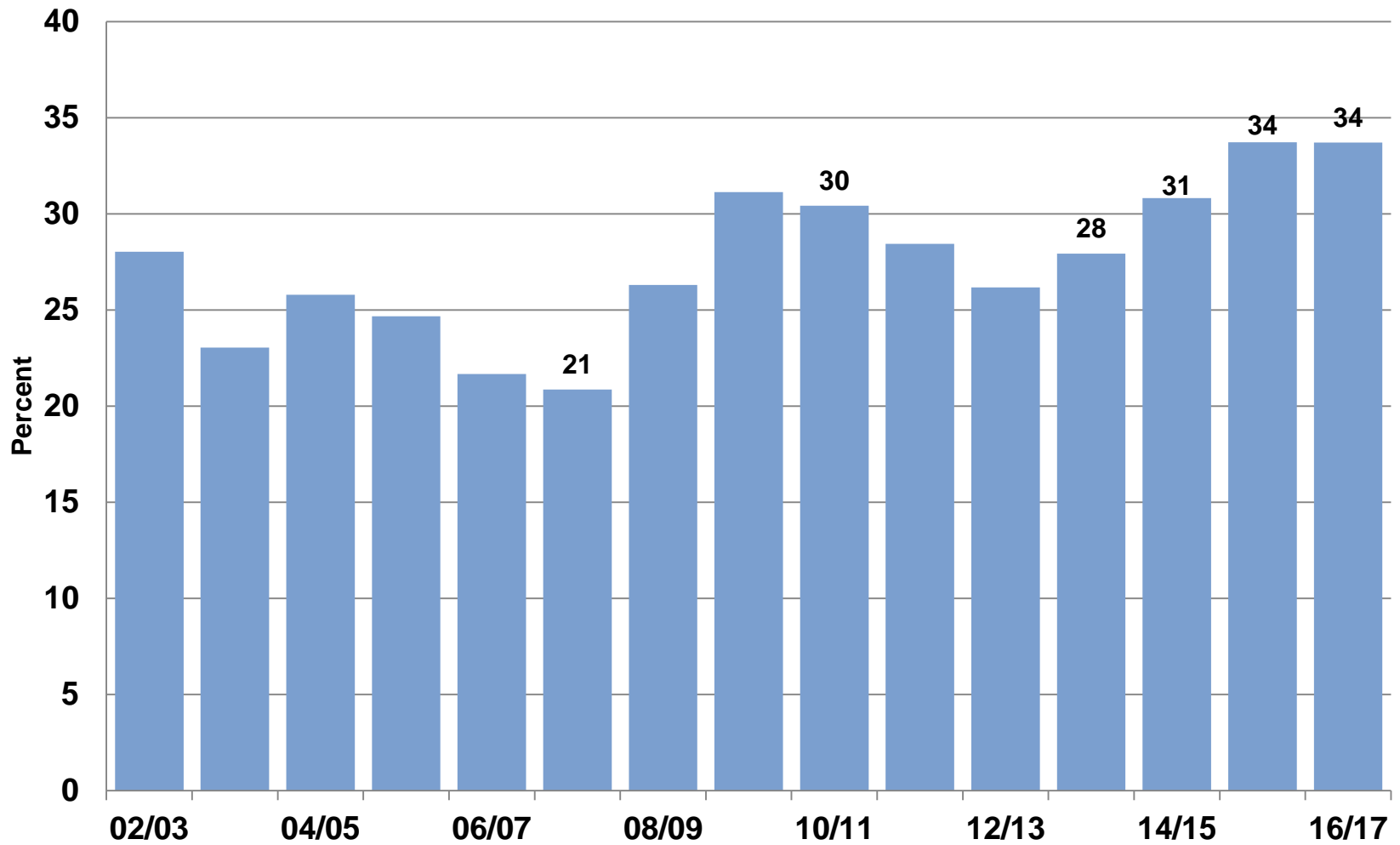
*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.
Black Sea includes Russia, Ukraine and Kazakhstan.*



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Global Stocks*-to-Use Ratio



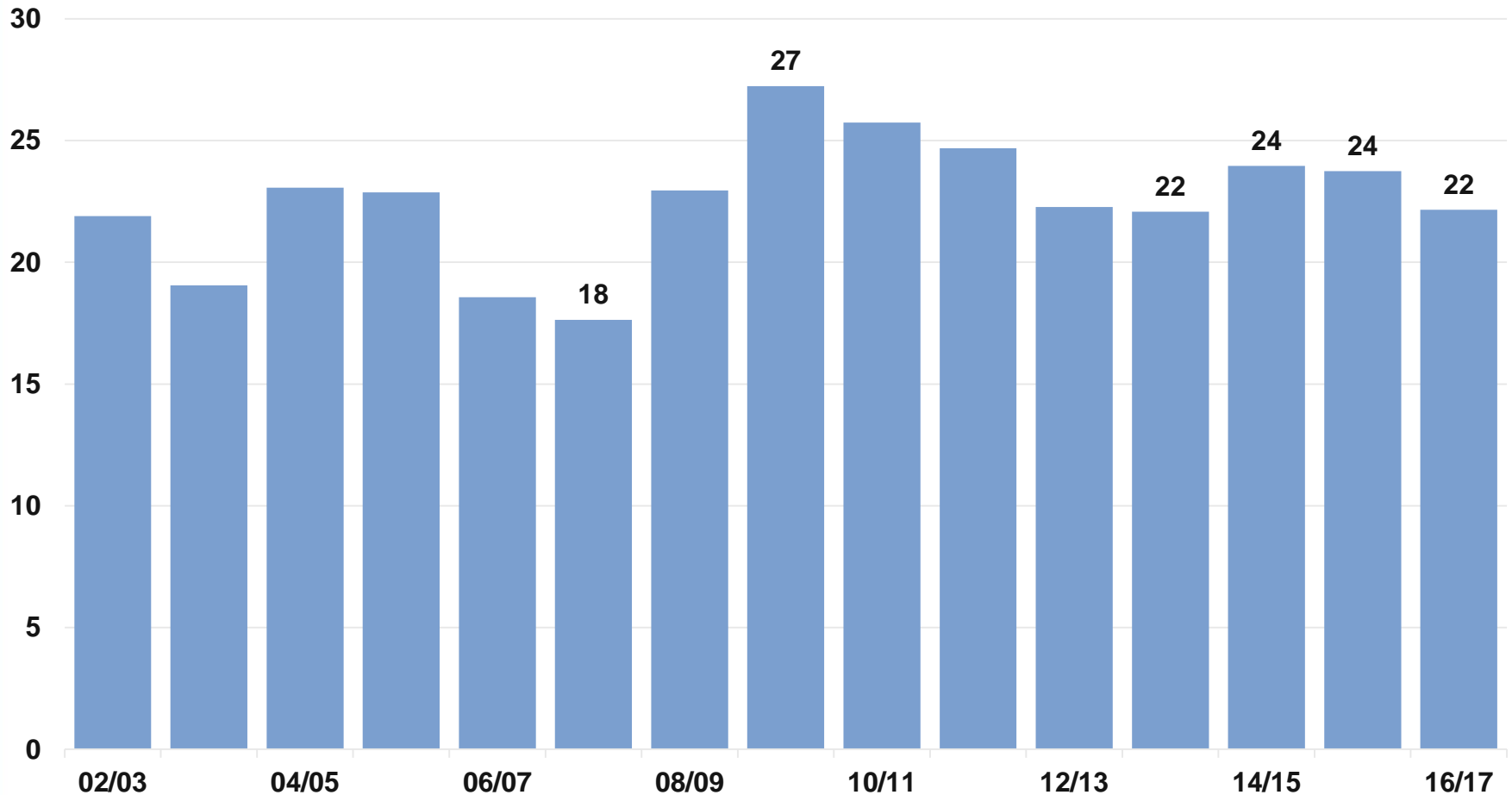
**Ending stocks*



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



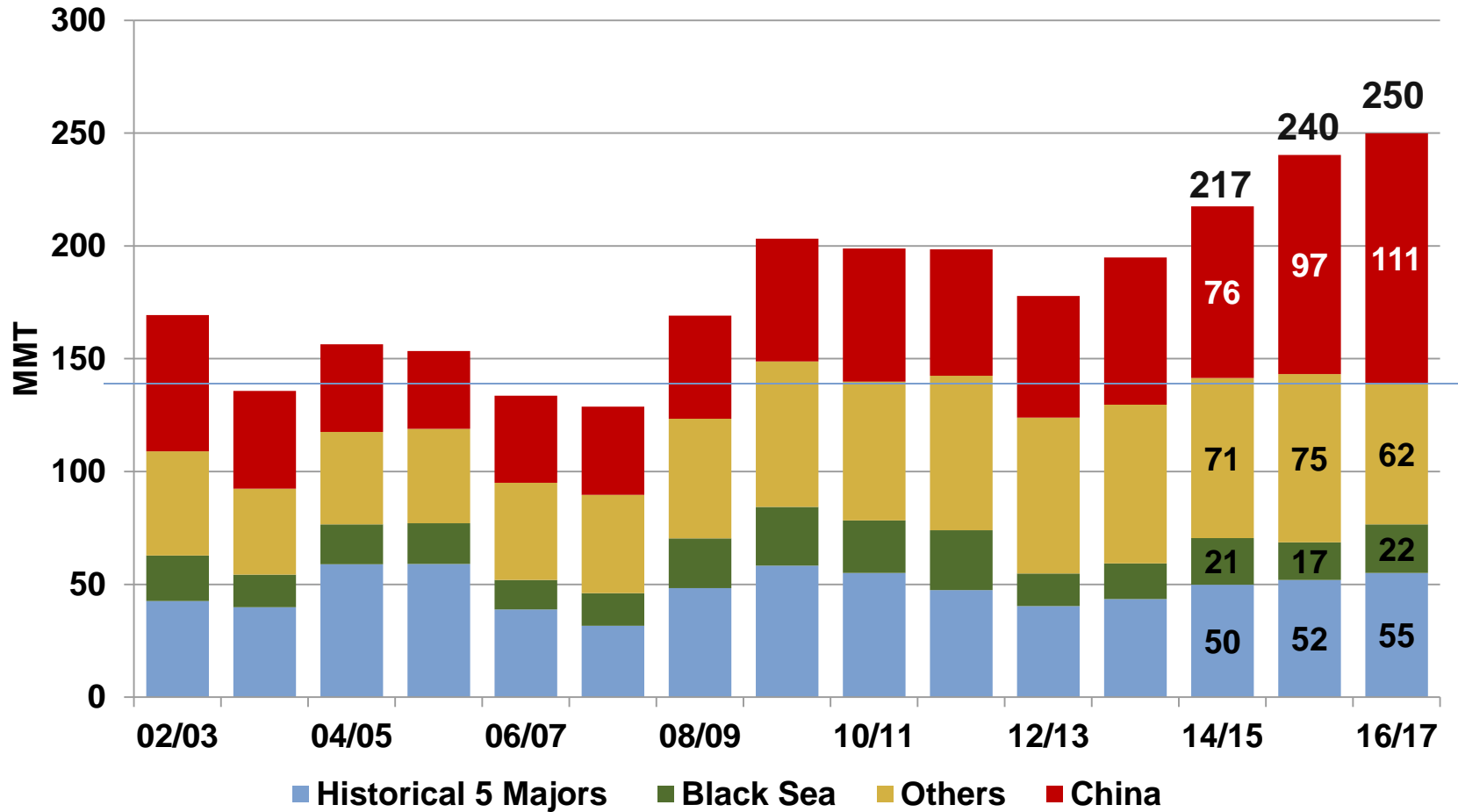
**Ending stocks*



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World Ending Stocks



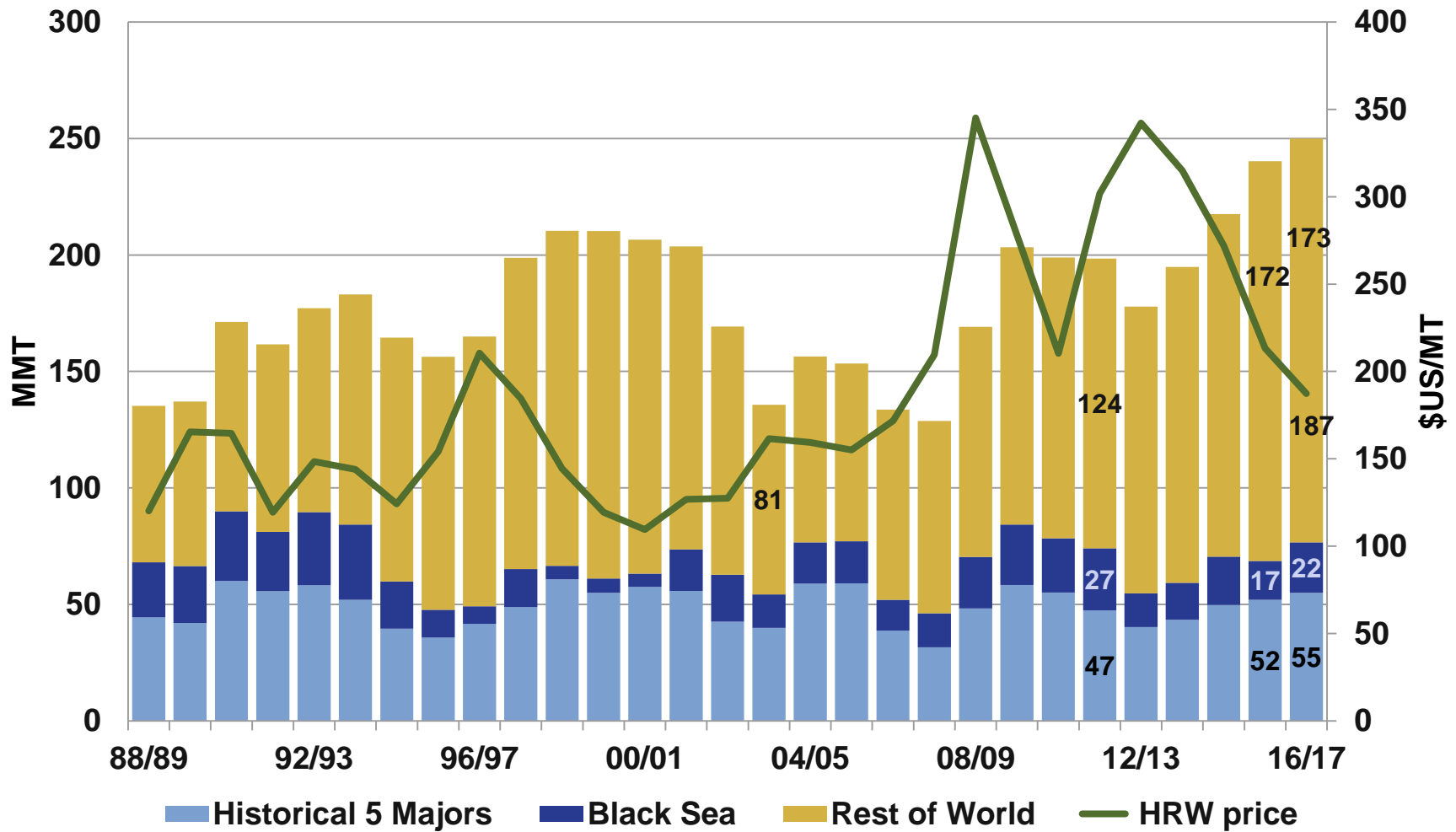
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Global Ending Stocks and Price



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World and U.S. Wheat Supply and Demand

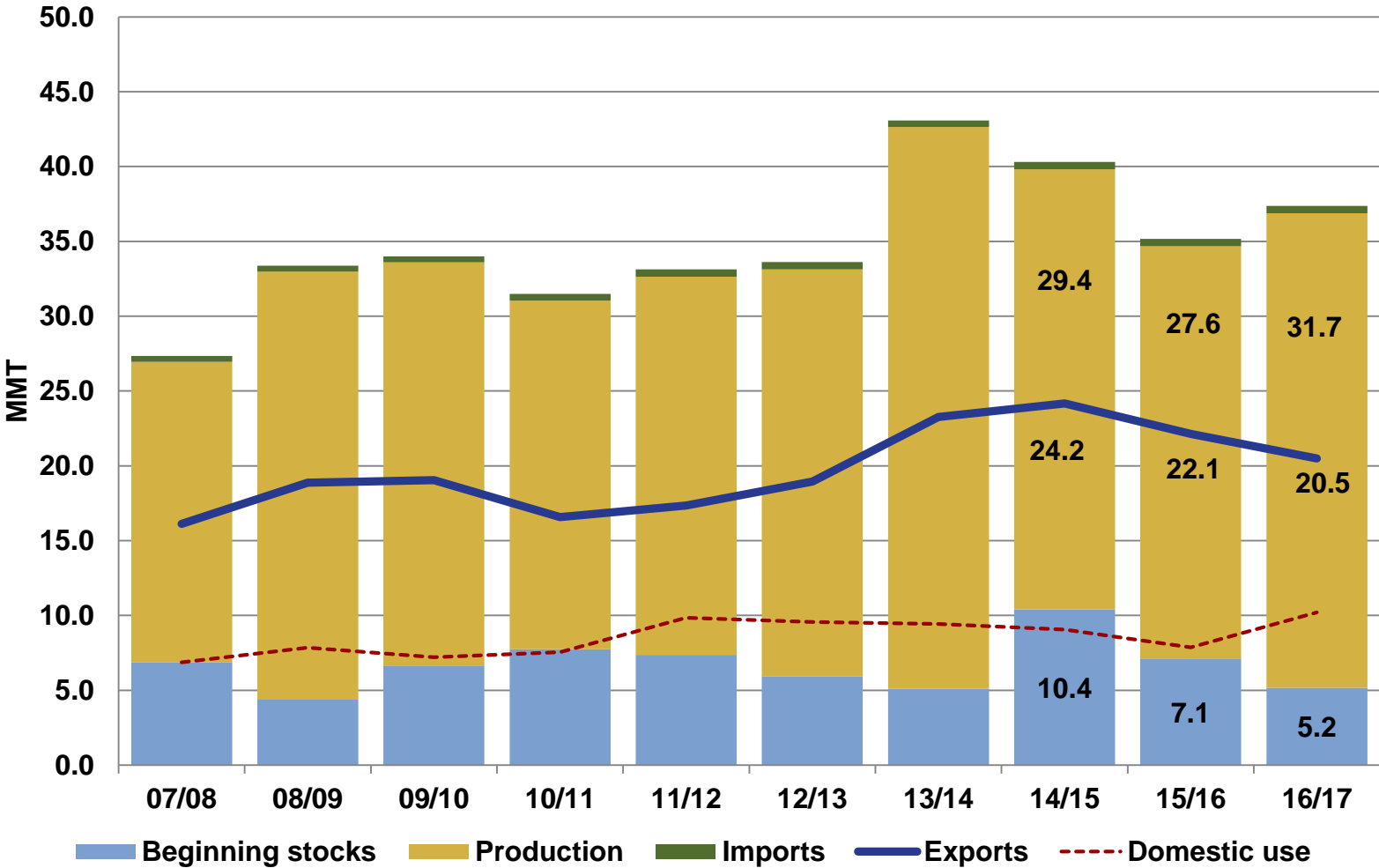
- **Major Exporters**
- **Import Demand**
- **U.S. Situation by Class**
- **Outlook**



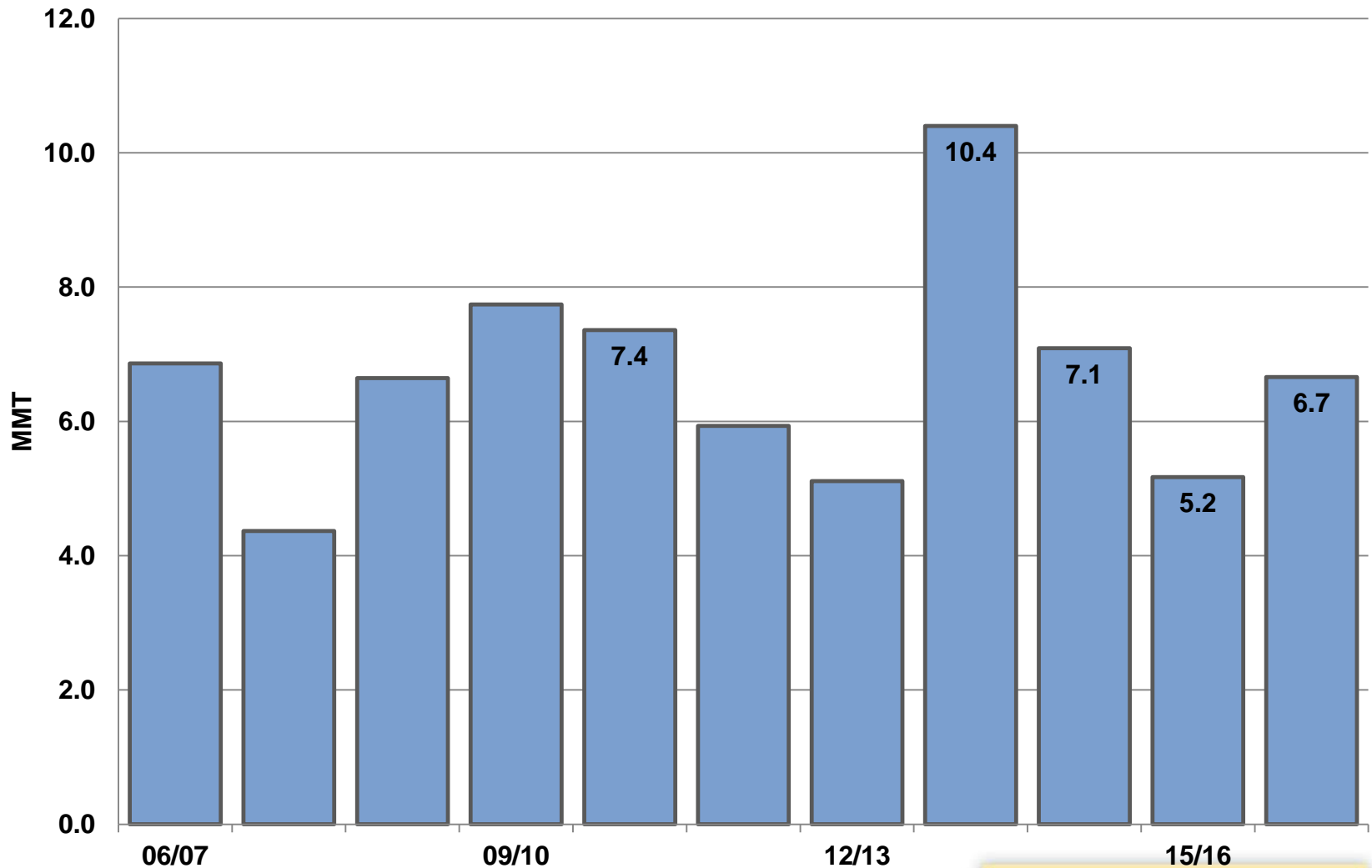
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Canada Situation



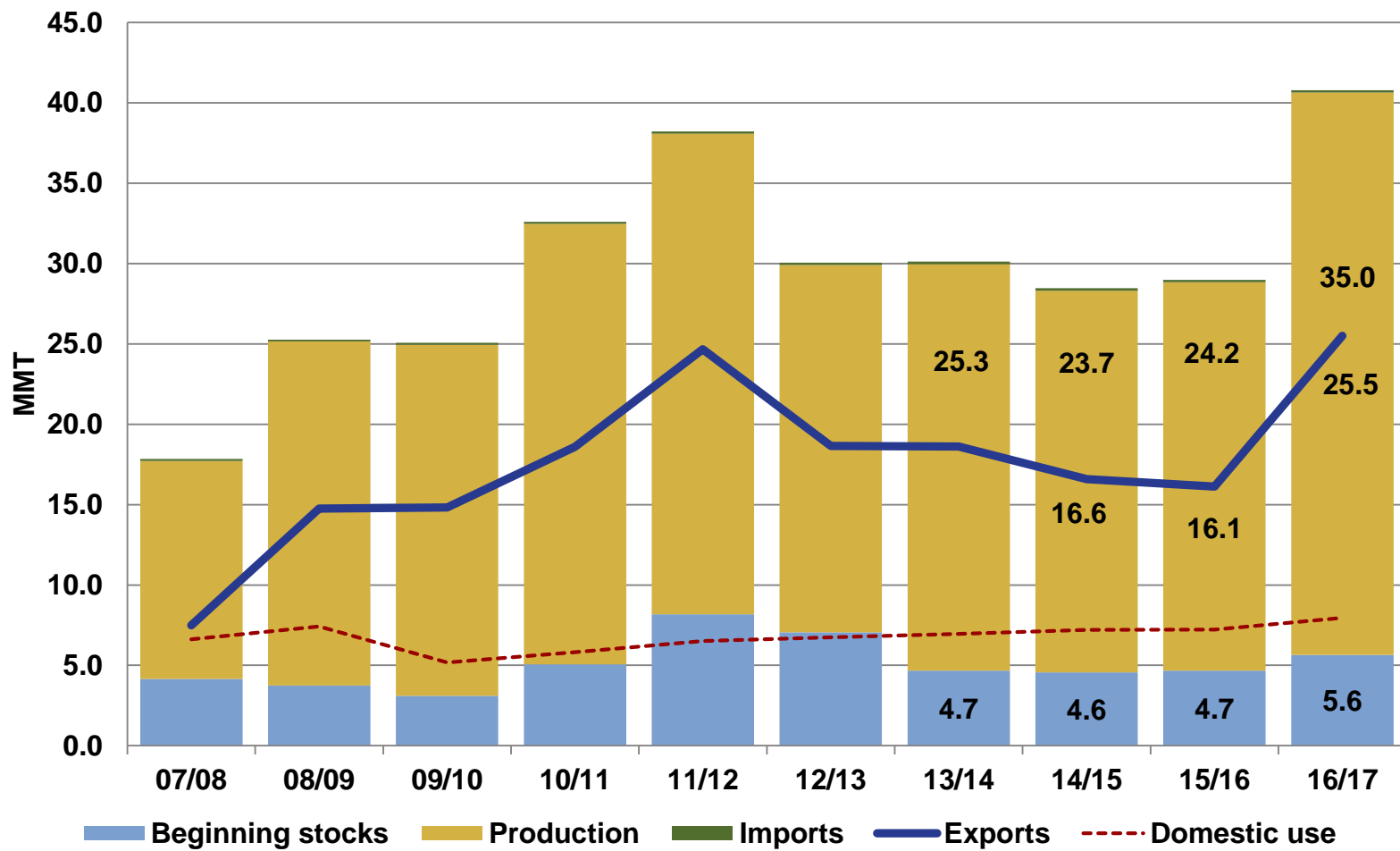
Canada Ending Stocks



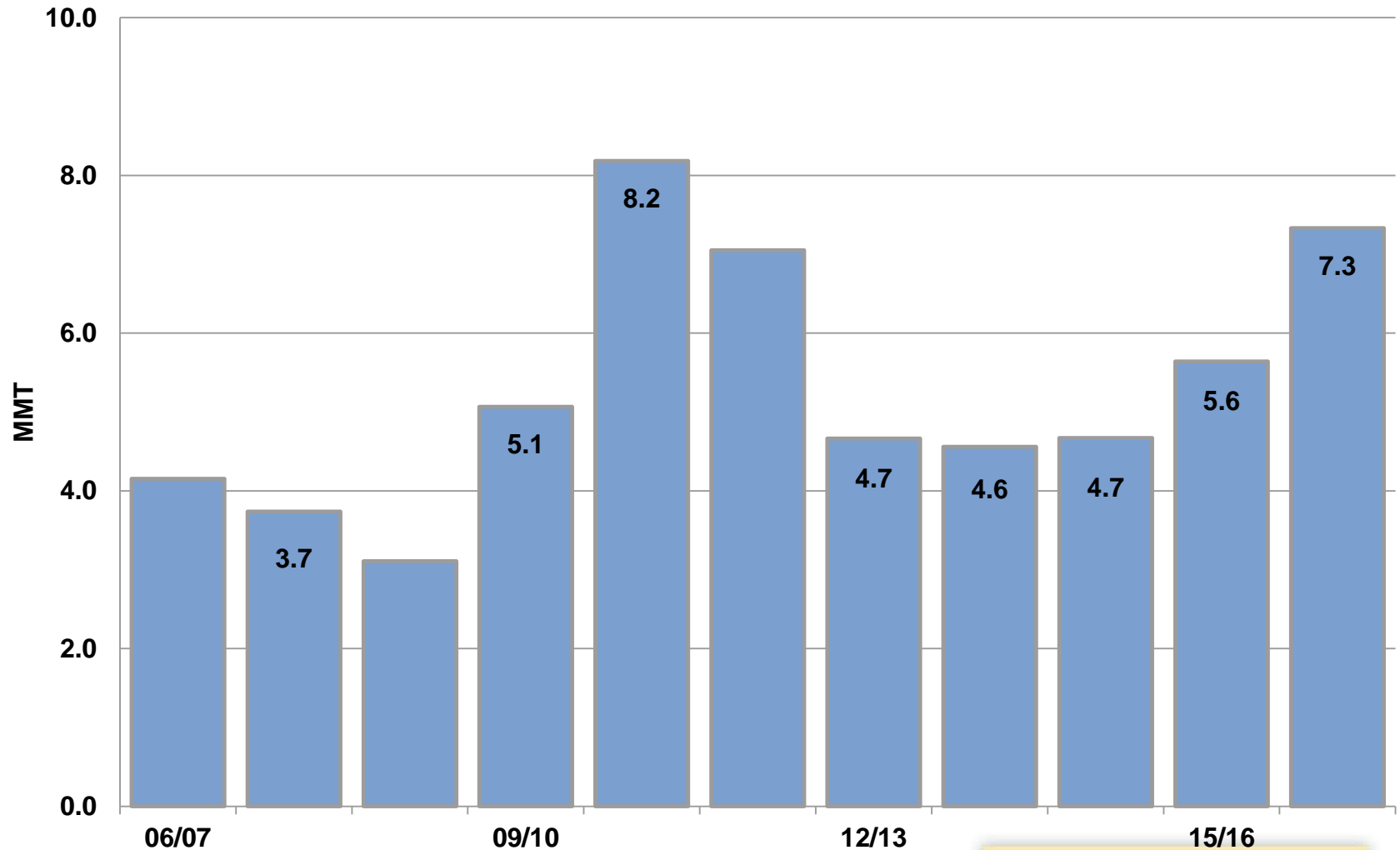
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Australia Situation



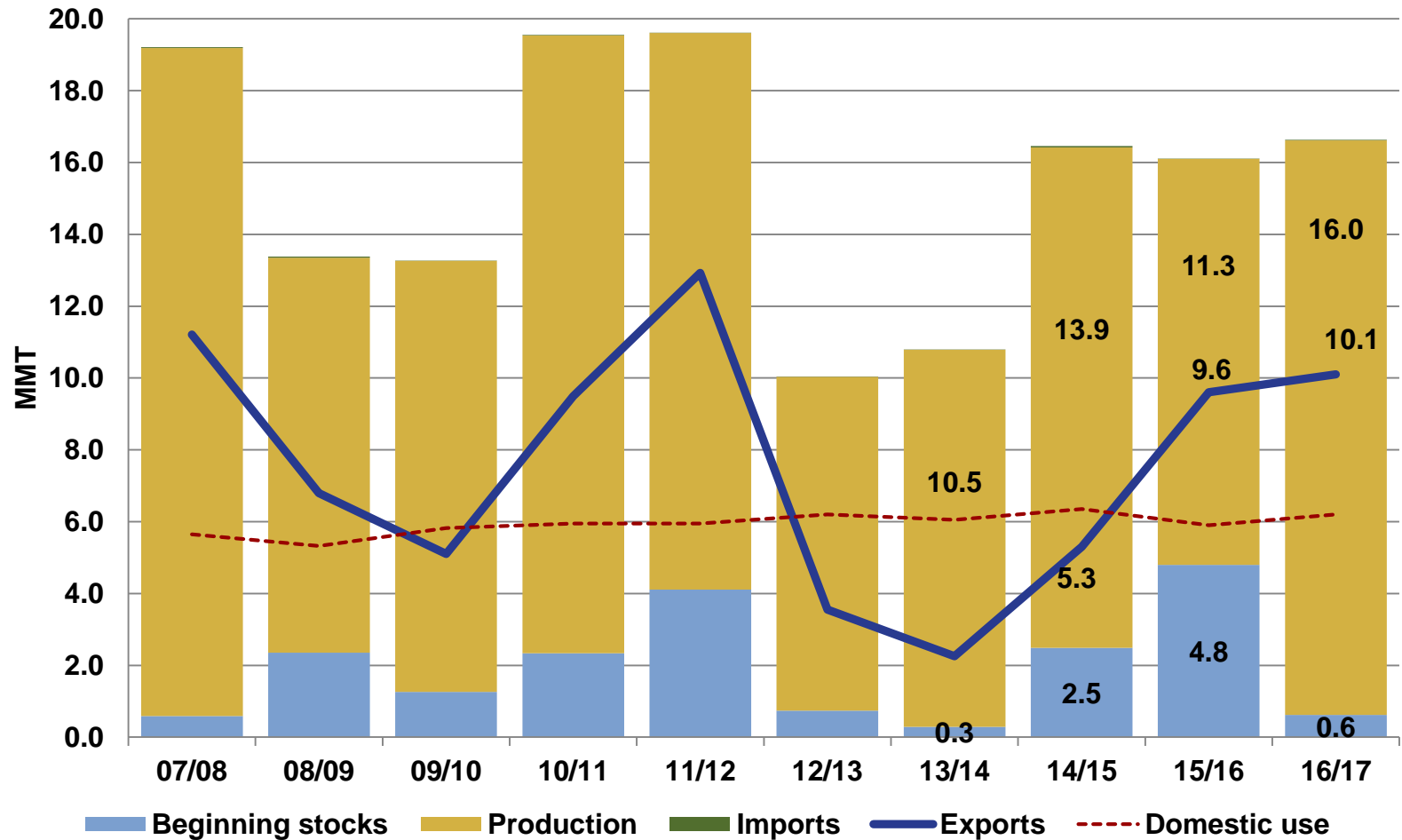
Australia Ending Stocks



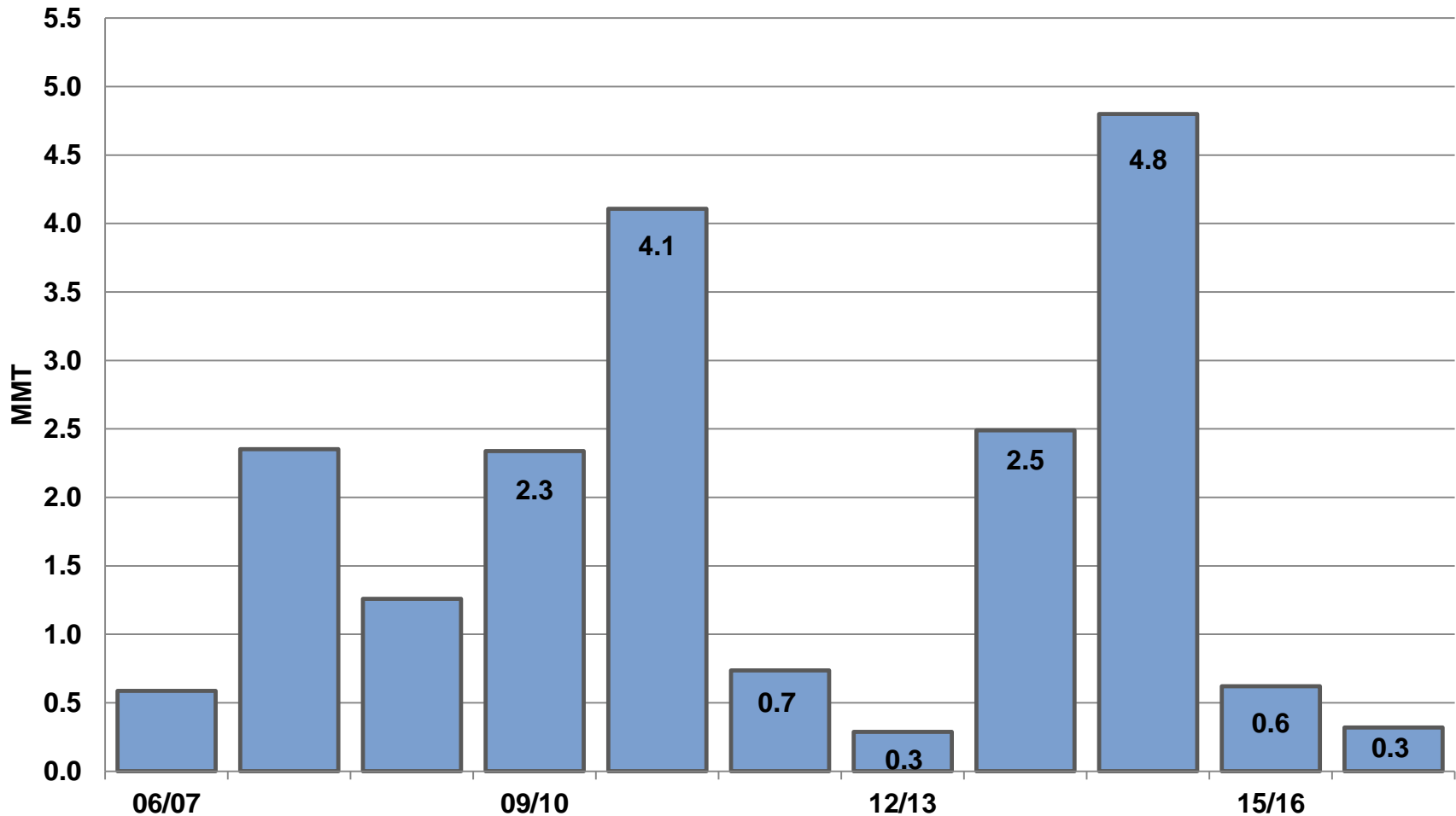
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Argentina Situation



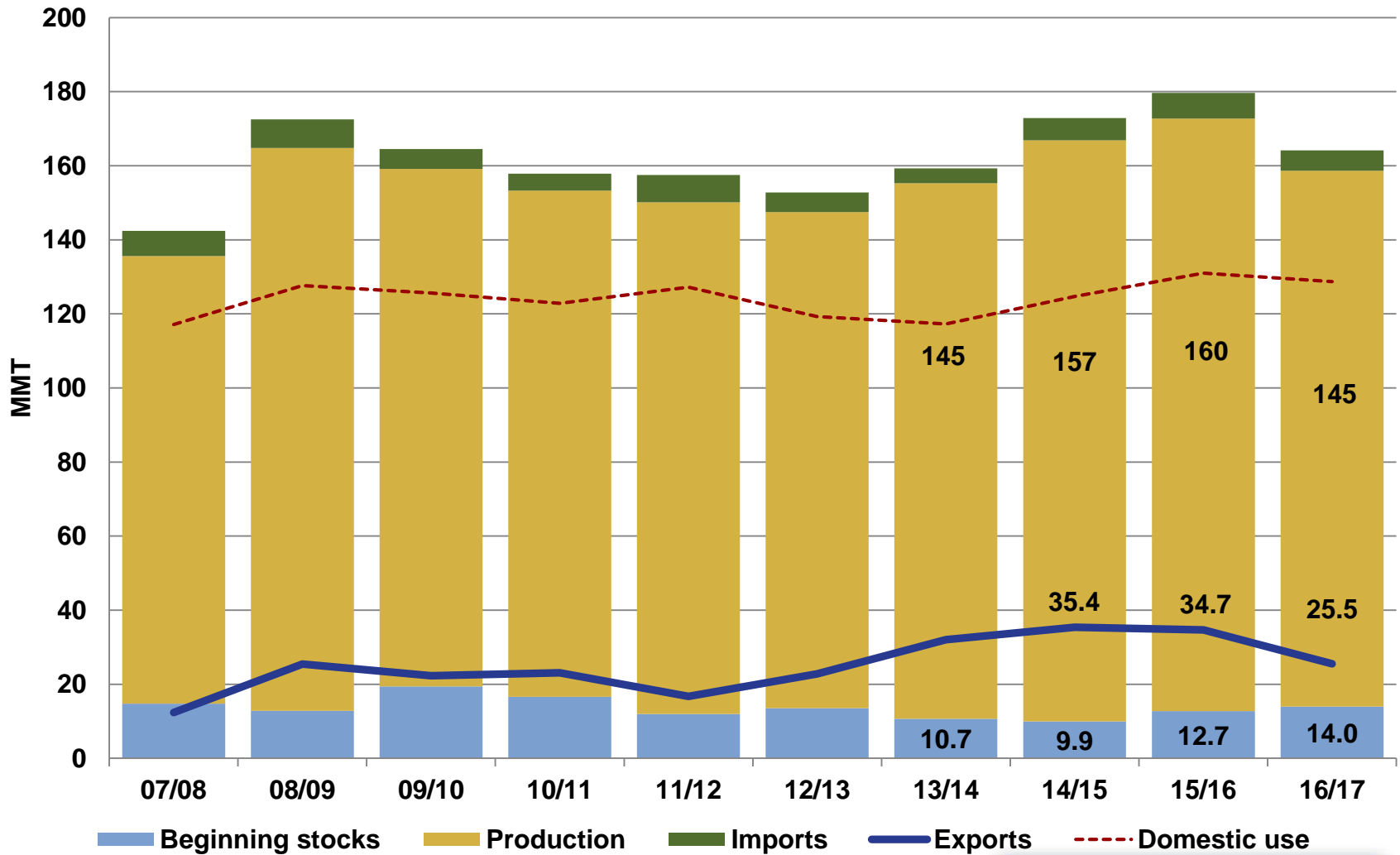
Argentina Ending Stocks



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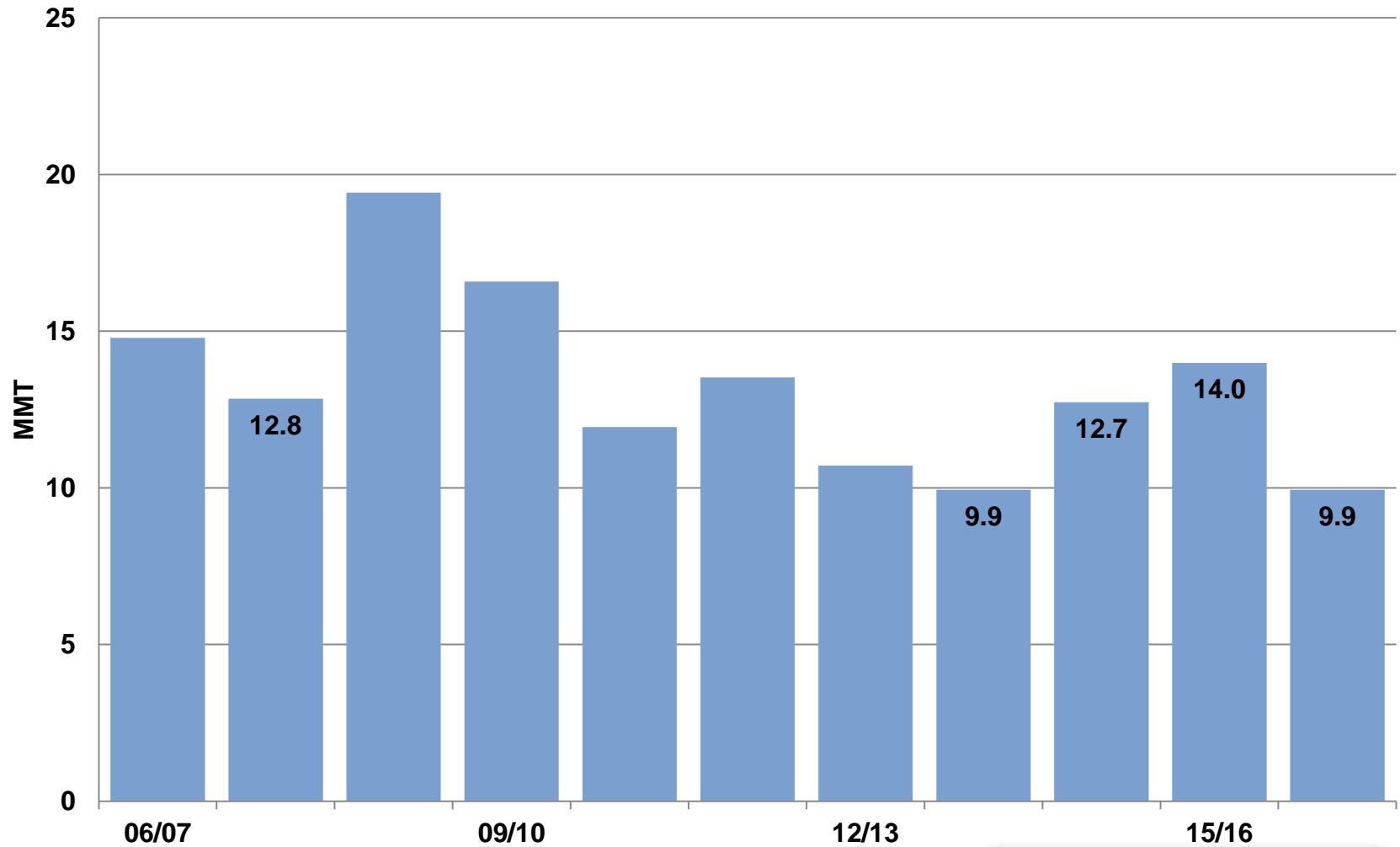
EU-27 Situation



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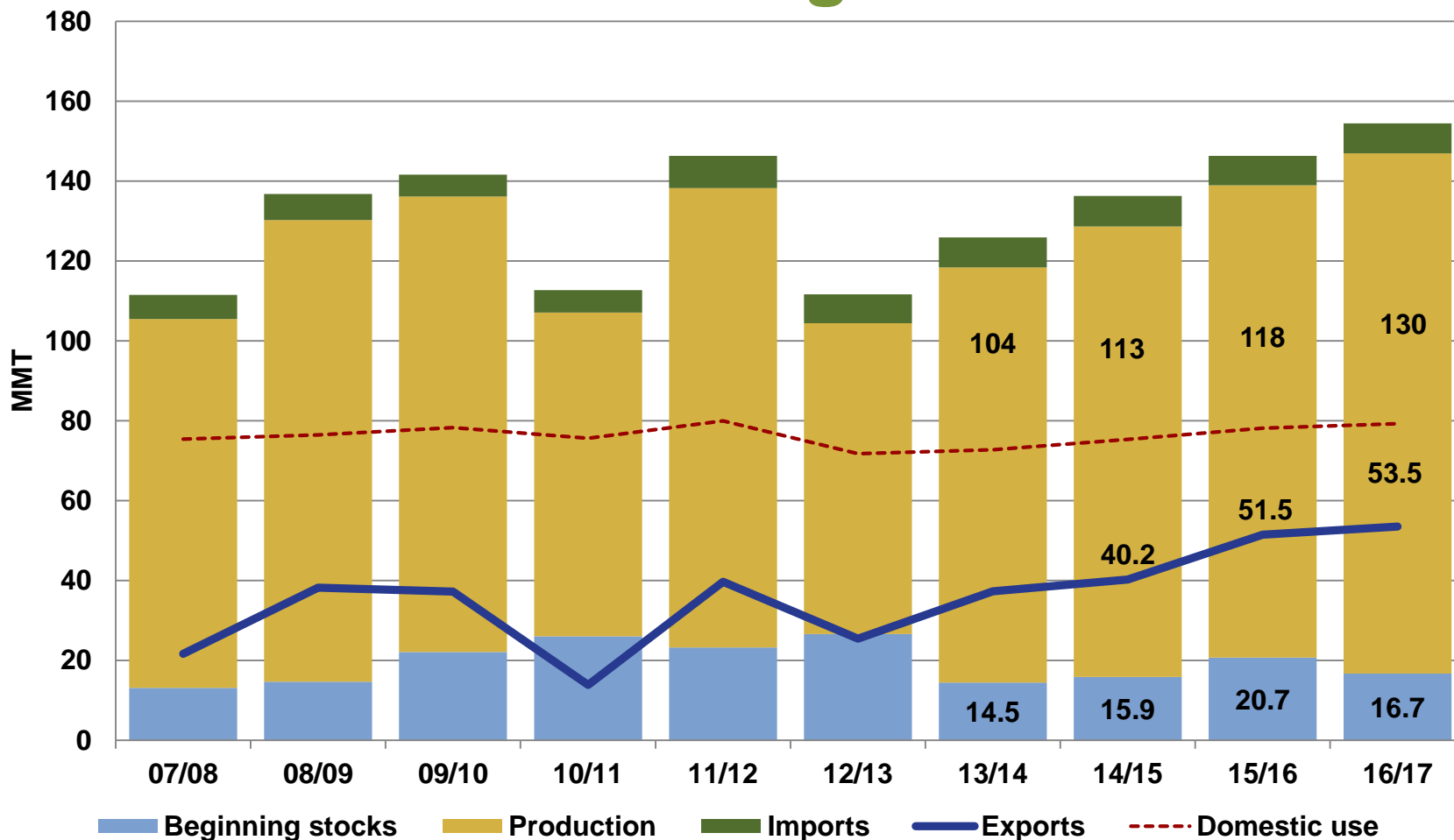
EU-27 Ending Stocks



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Black Sea Region Situation



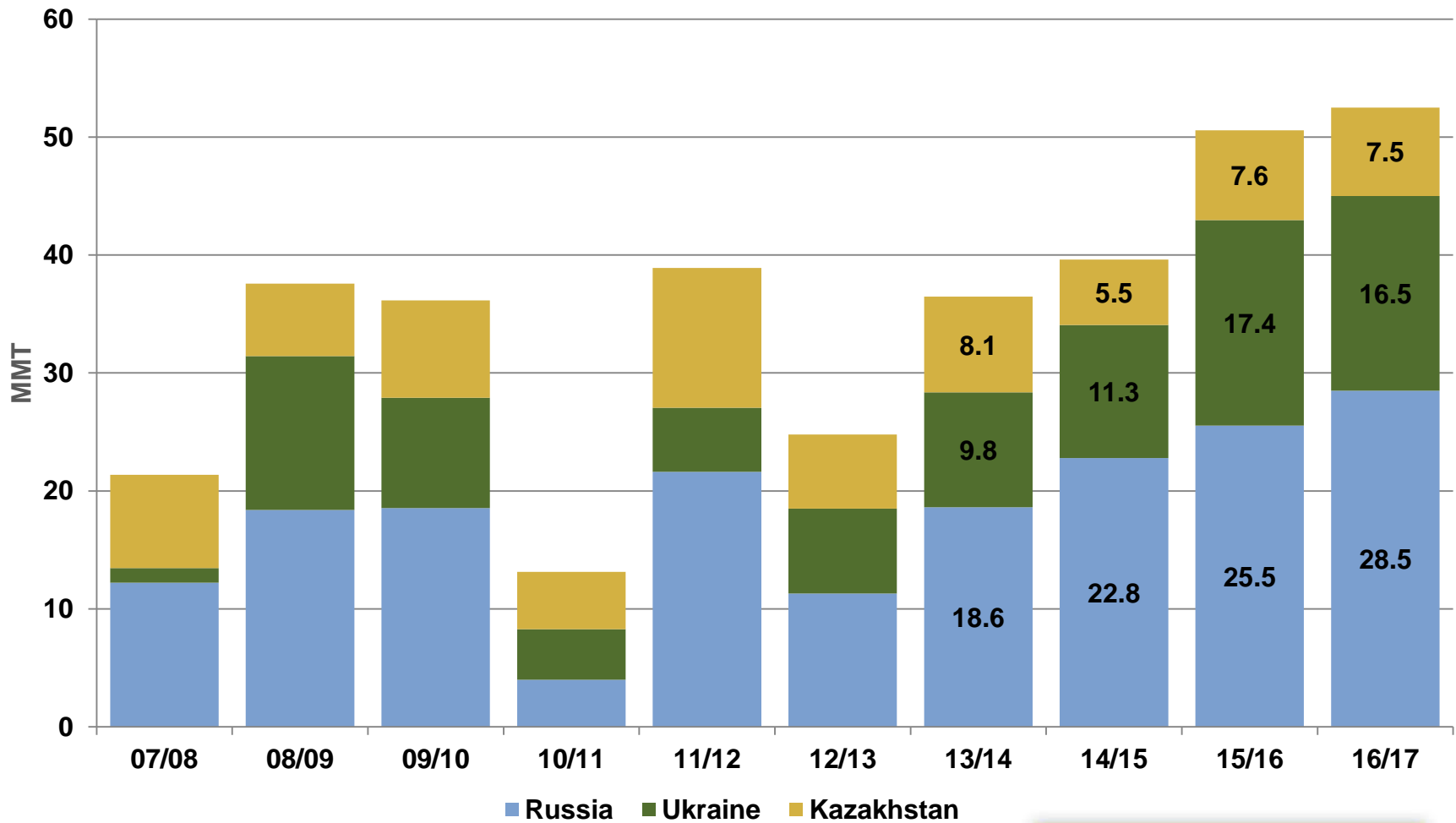
- **Russia, Ukraine and Kazakhstan** are the most important wheat producers in the Black Sea Region.



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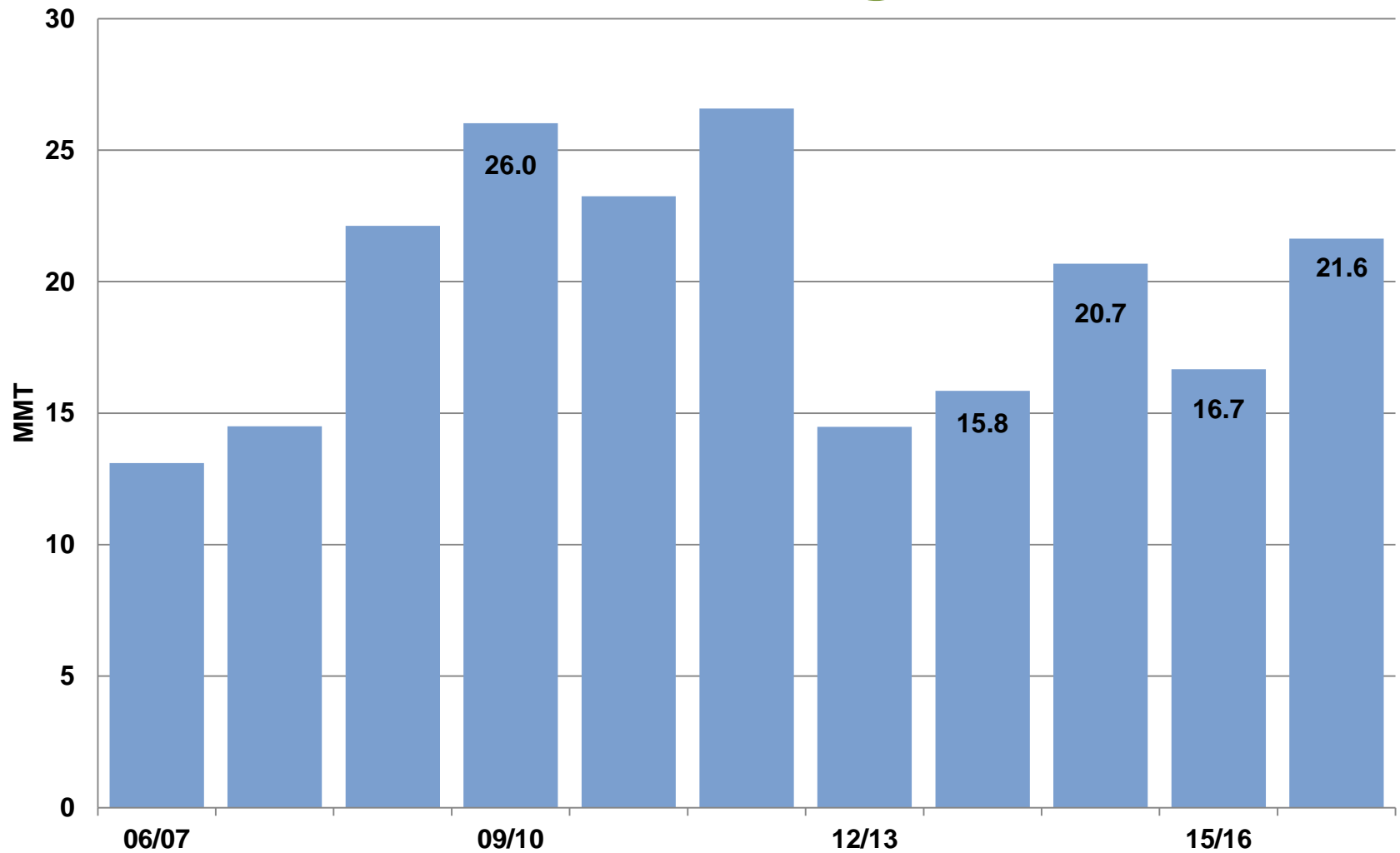
Black Sea Exports



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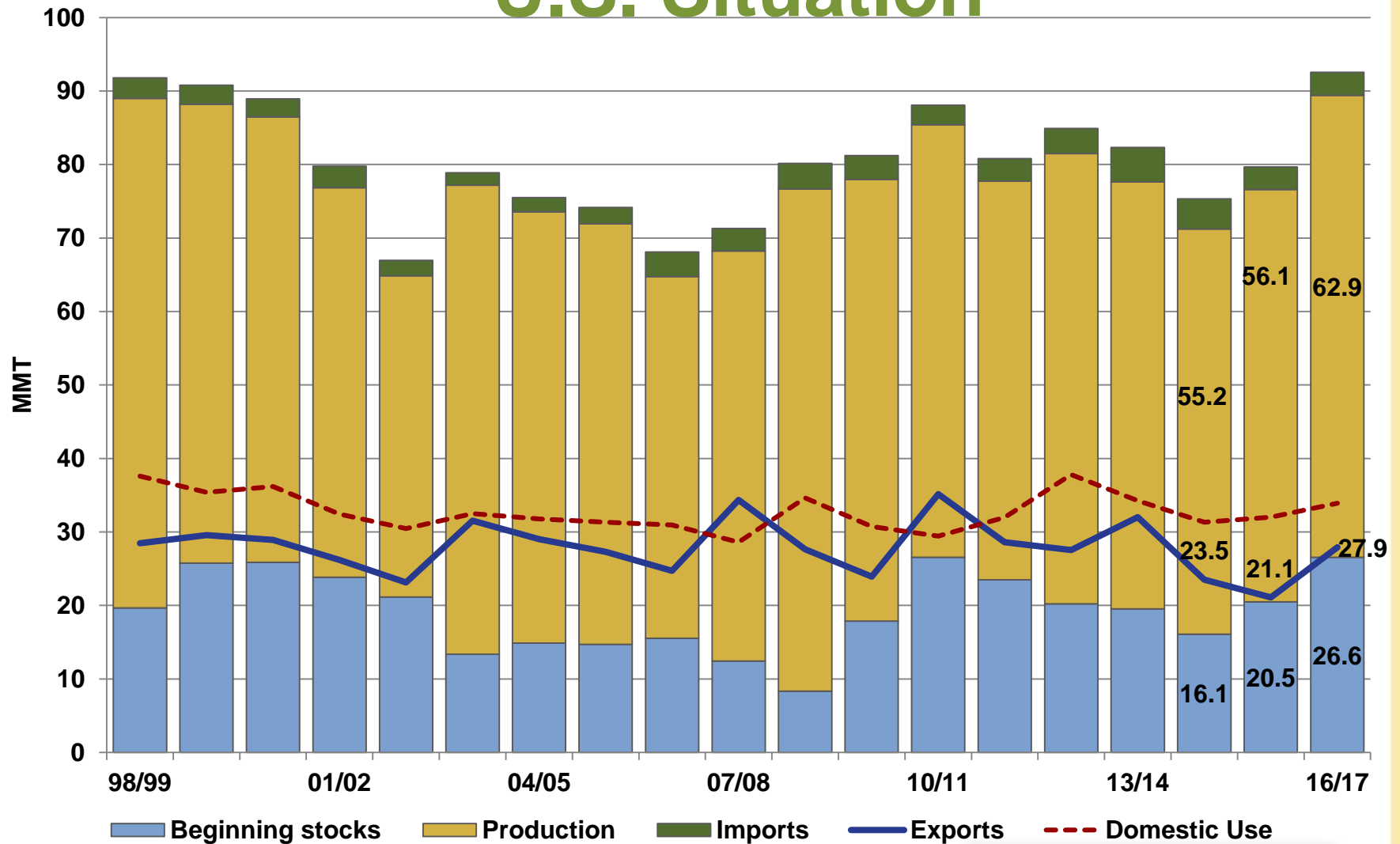
Black Sea Ending Stocks



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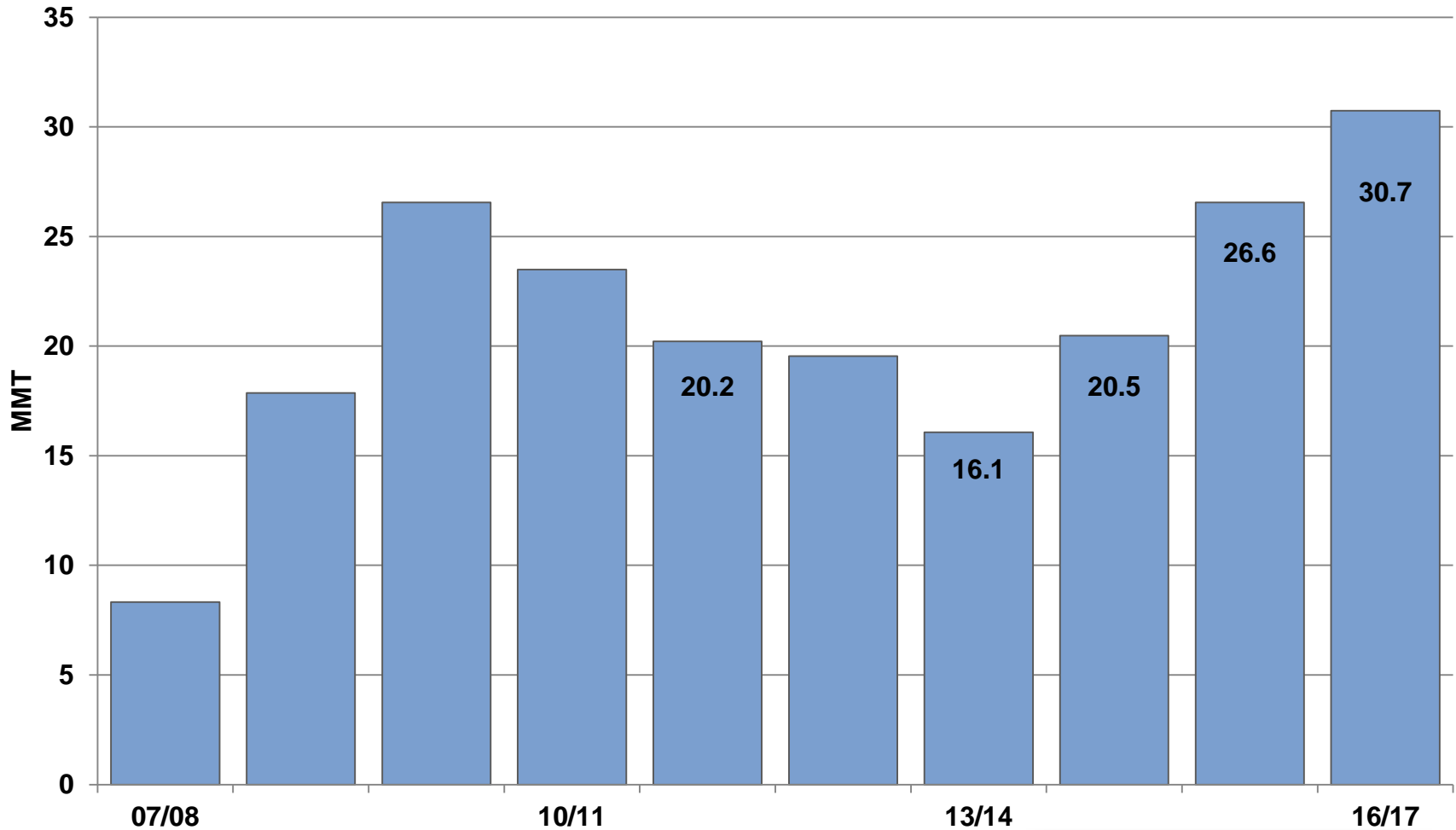
U.S. Situation



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U.S. Ending Stocks



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World and U.S. Wheat Supply and Demand

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

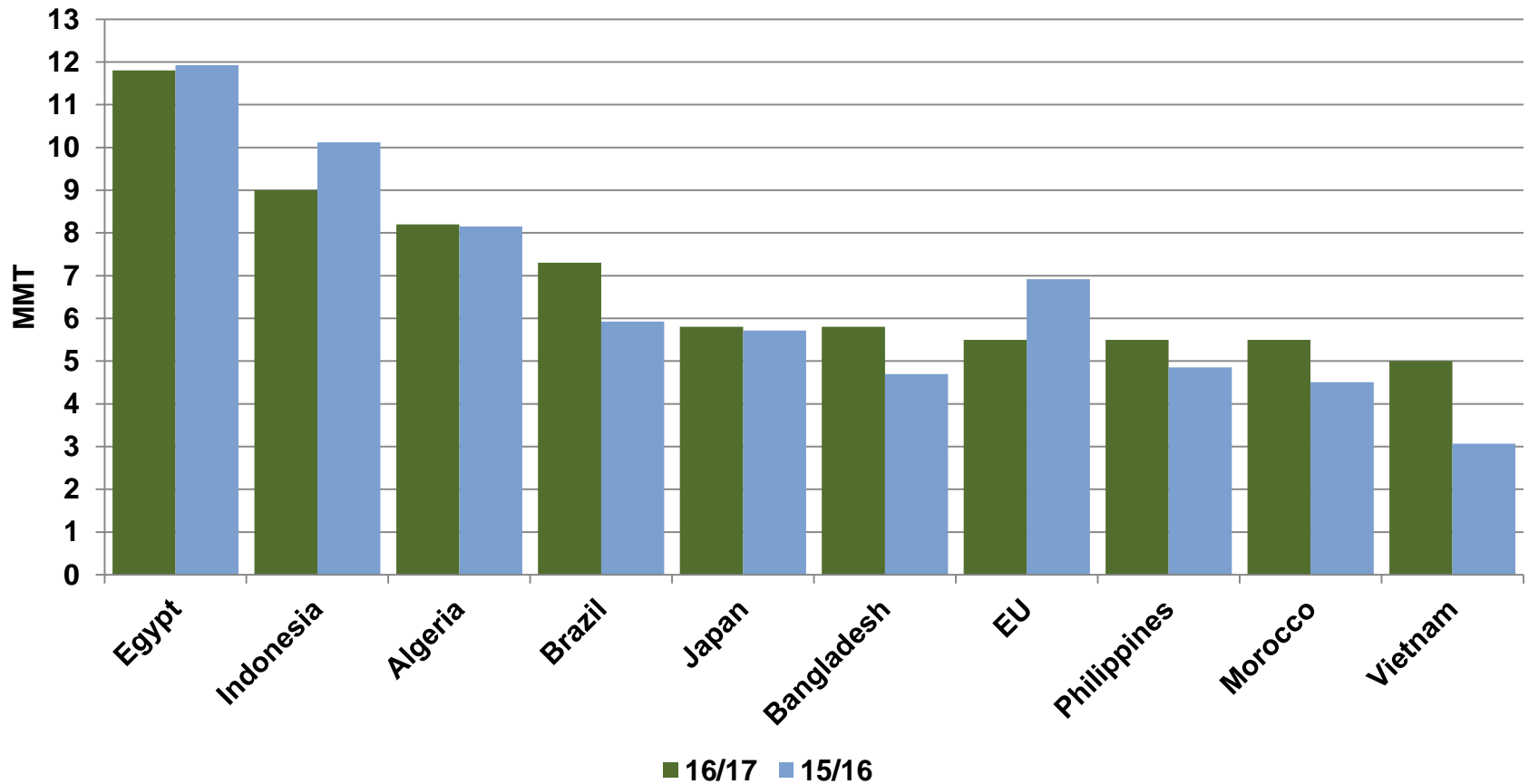


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Major World Wheat Importers

(from all origins)

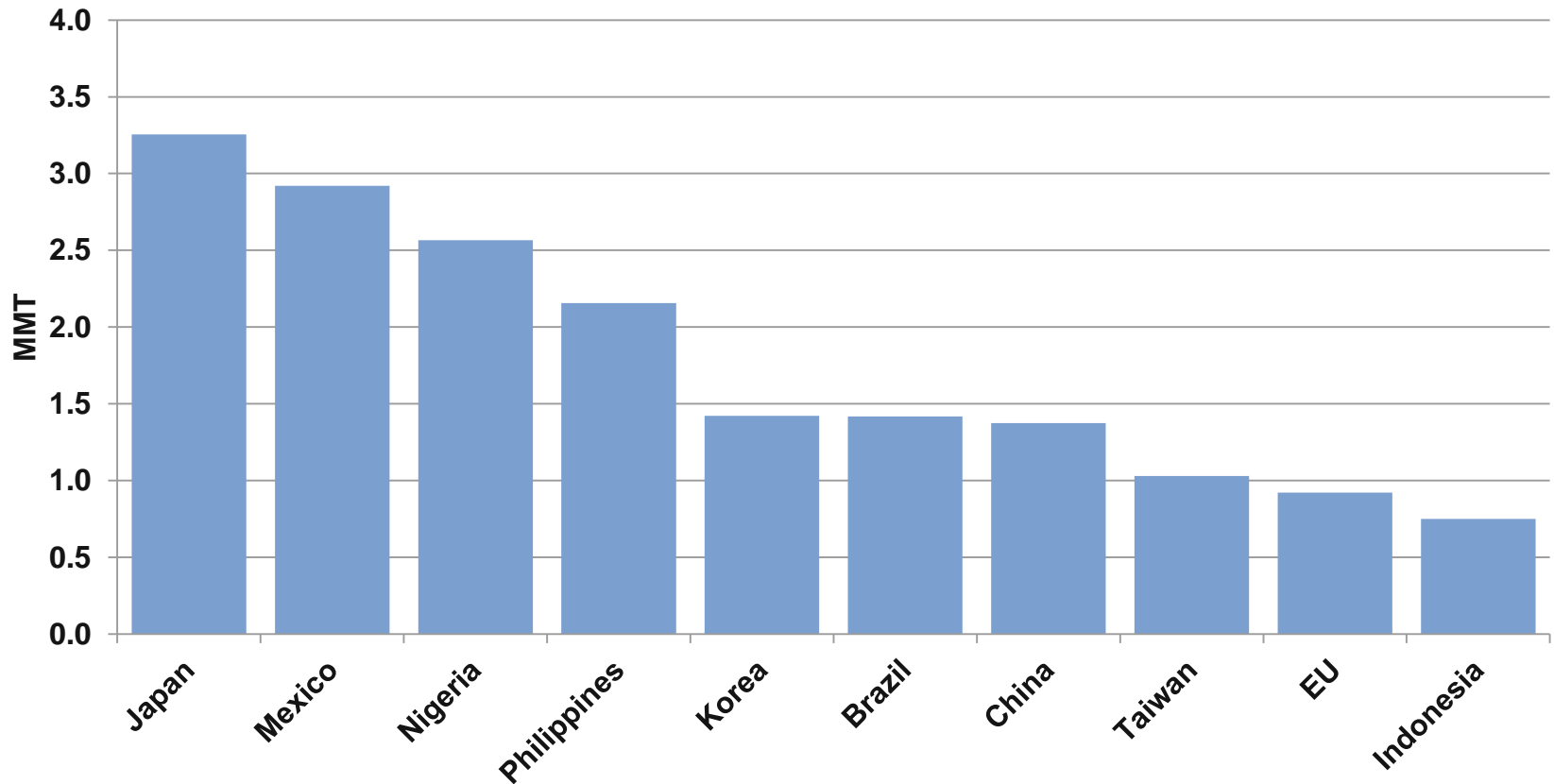


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Top 10 Customers for U.S. Wheat

5-year average

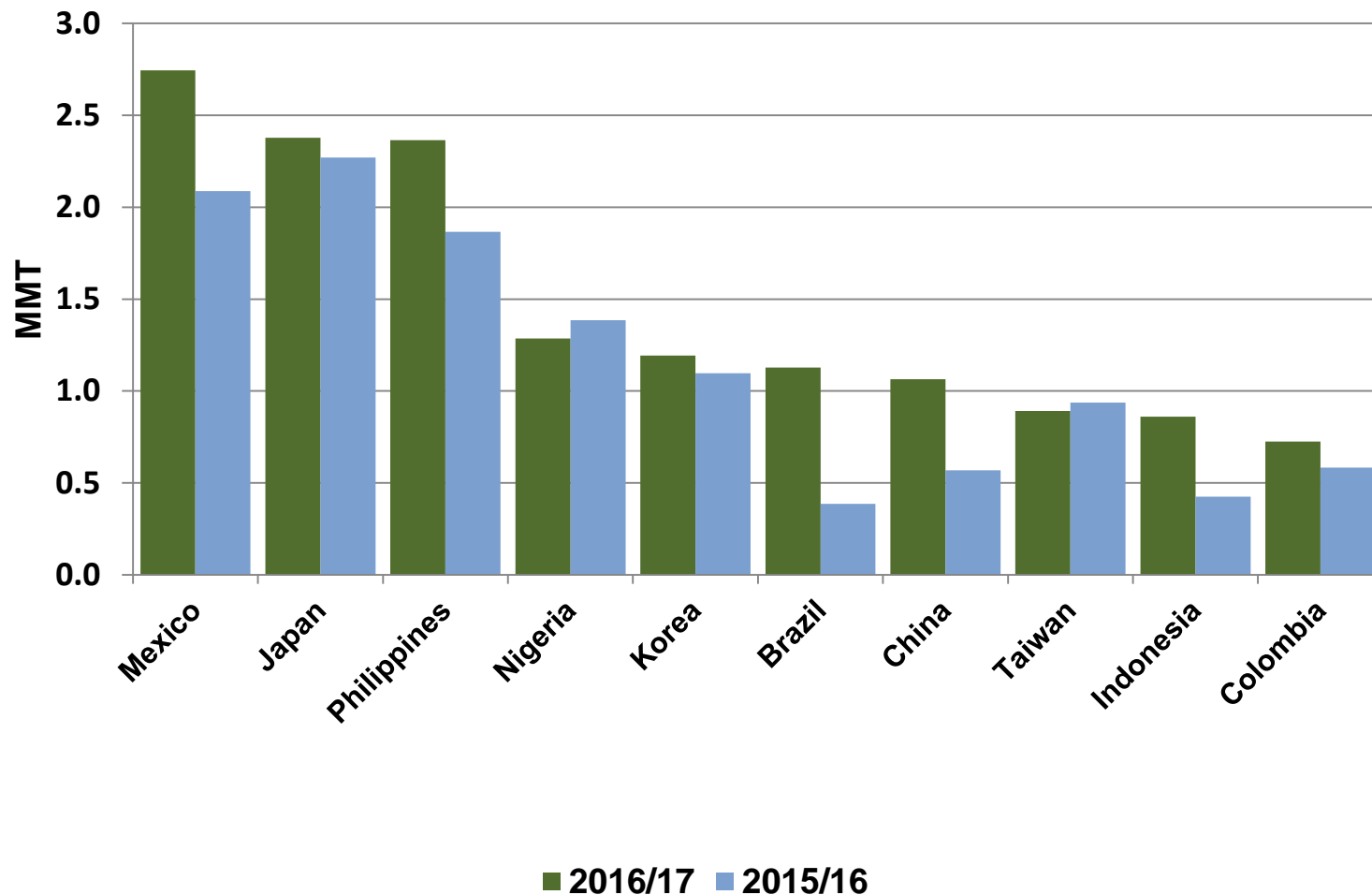


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Top 10 Customers for U.S. Wheat

2016/17 vs. 2015/16



Source: USDA FAS export sales report March 9, 2017.

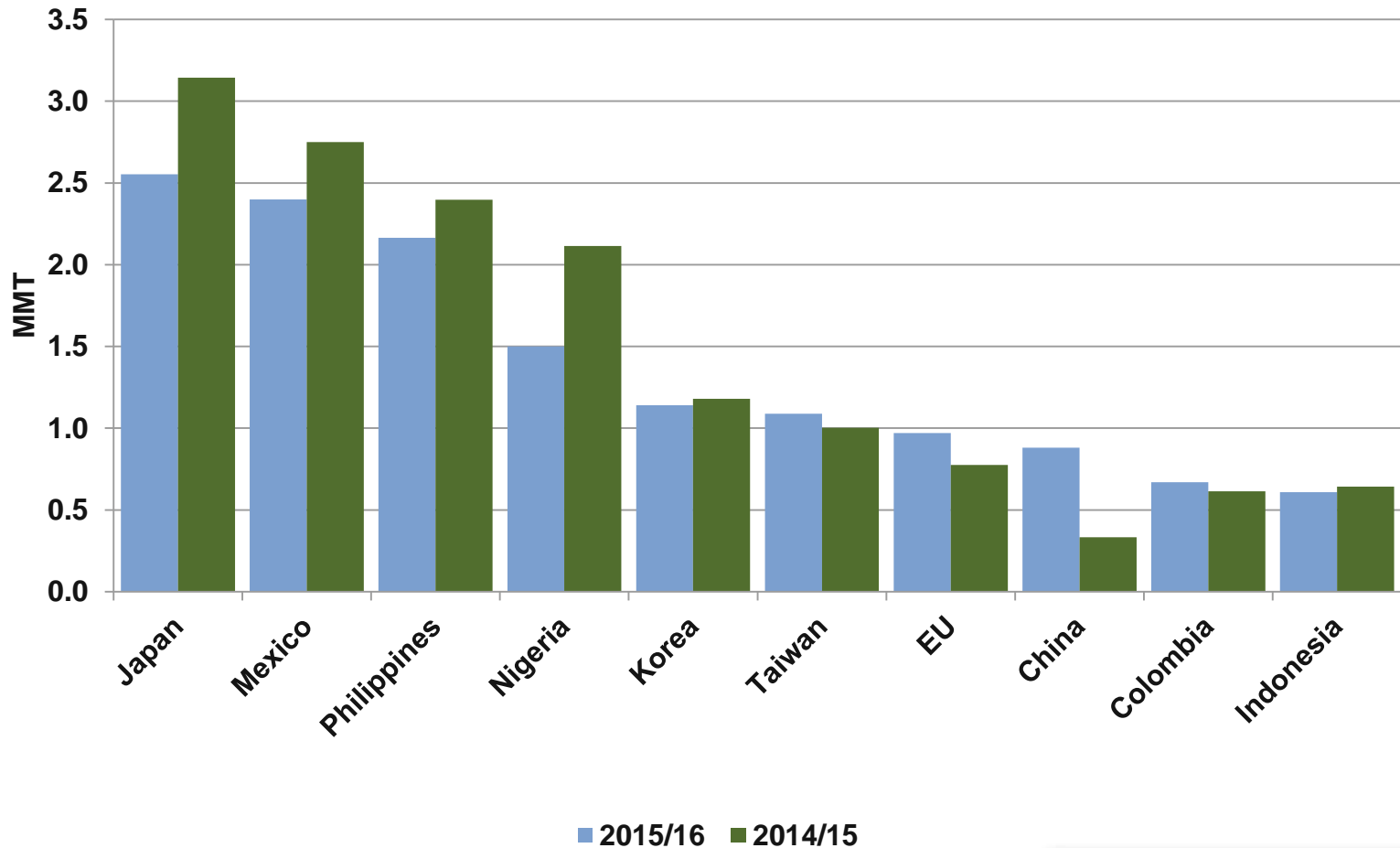


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Top 10 Customers for U.S. Wheat

2015/16 vs. 2014/15



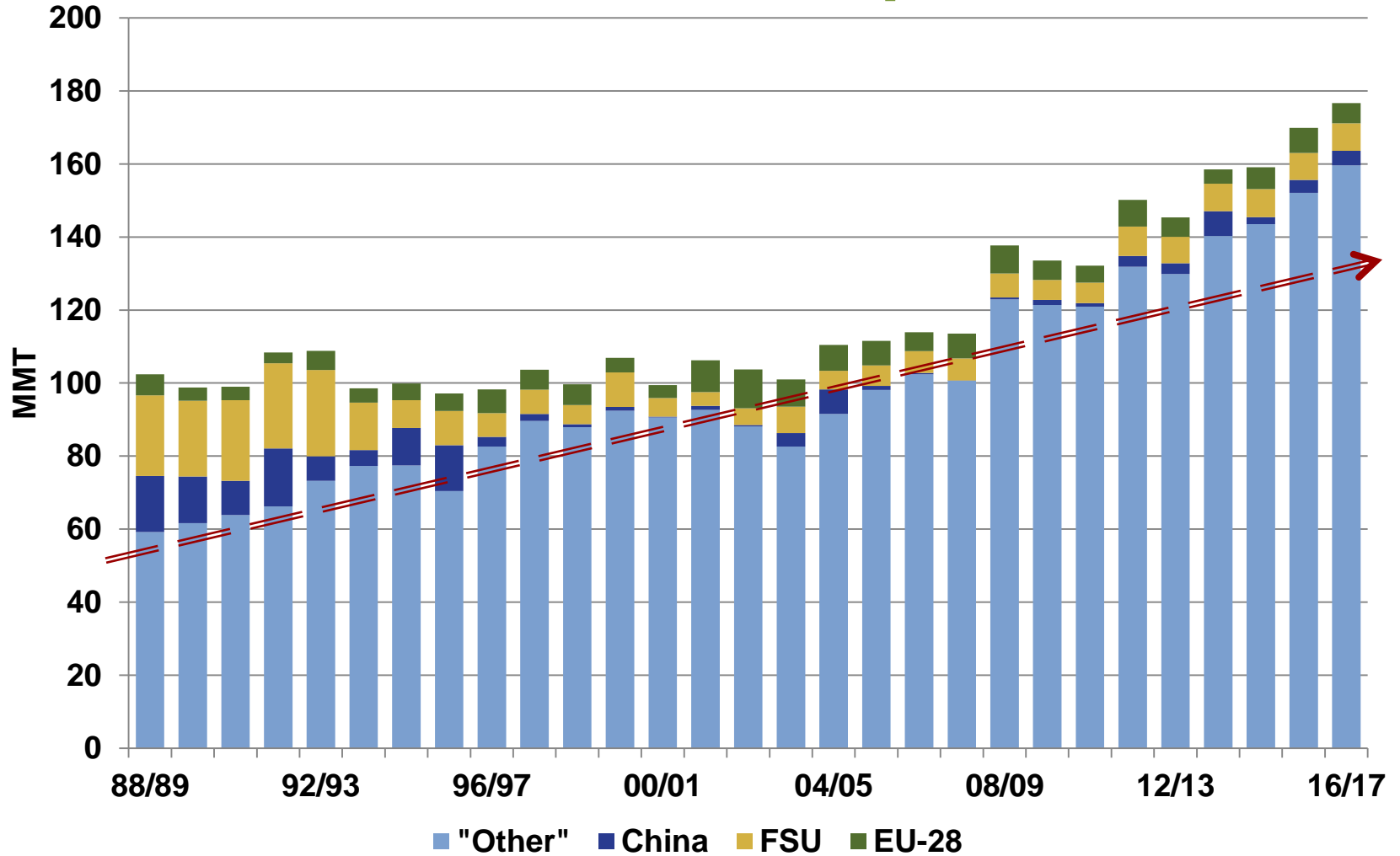
Source: USDA FAS export sales report March 9, 2017.



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World Wheat Imports



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



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World and U.S. Wheat Supply and Demand

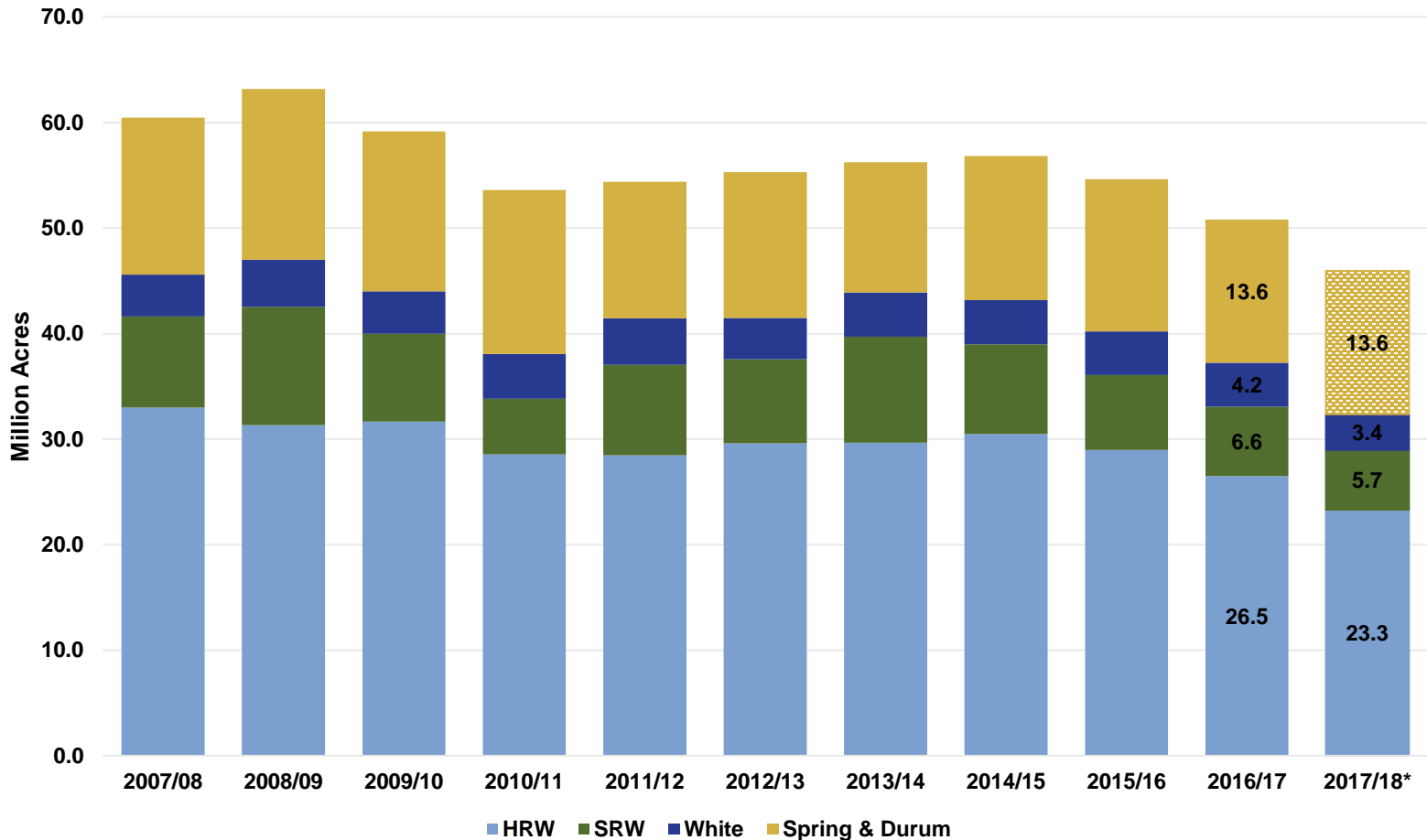
- Major Exporters
- Import Demand
- **U.S. Situation by Class**
- Outlook



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U.S. Wheat Plantings by Class



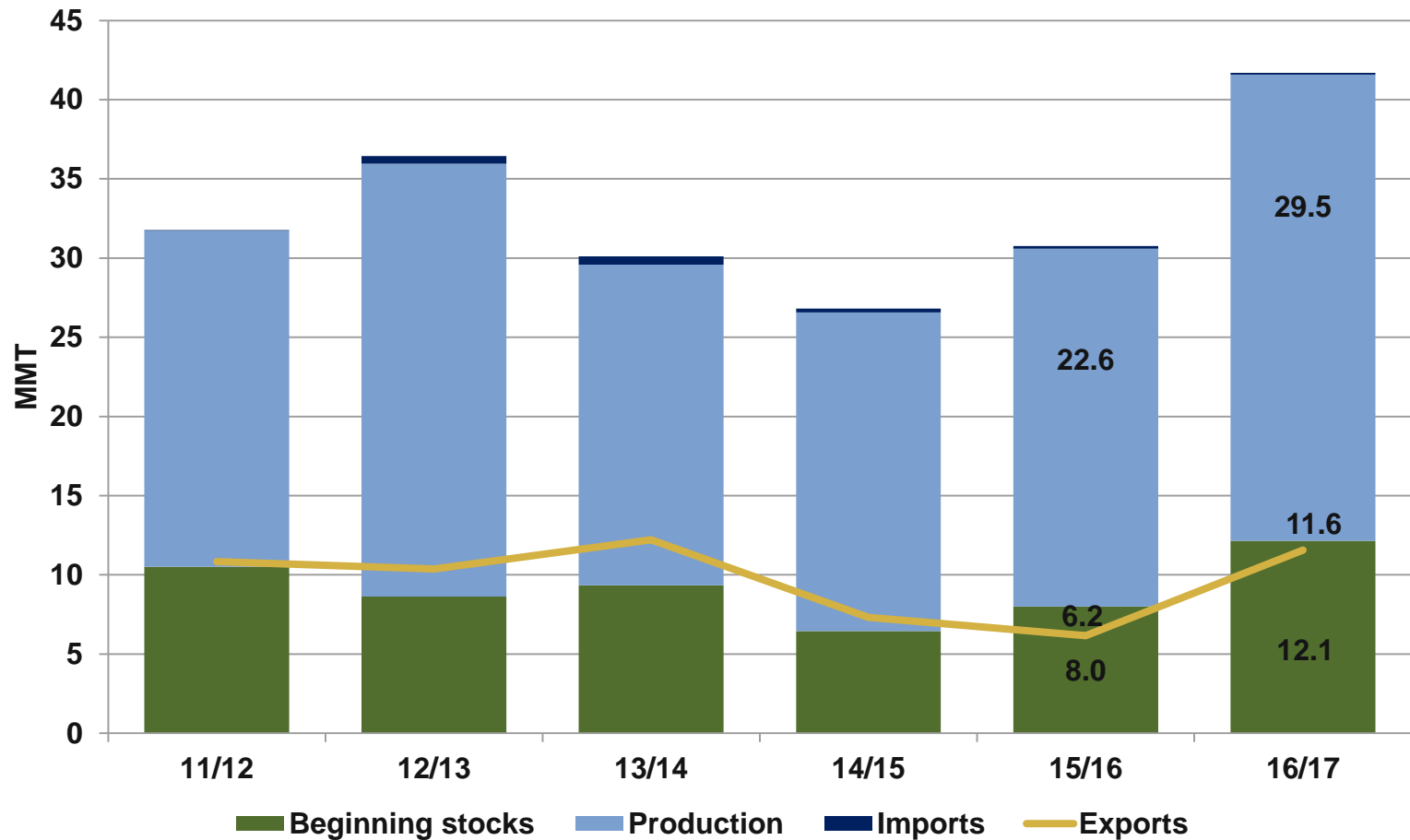
*Source: USDA Winter Wheat Seedings Report January 12, 2016
2017 USDA Grain and Oilseeds Outlook, February 23-24, 2017



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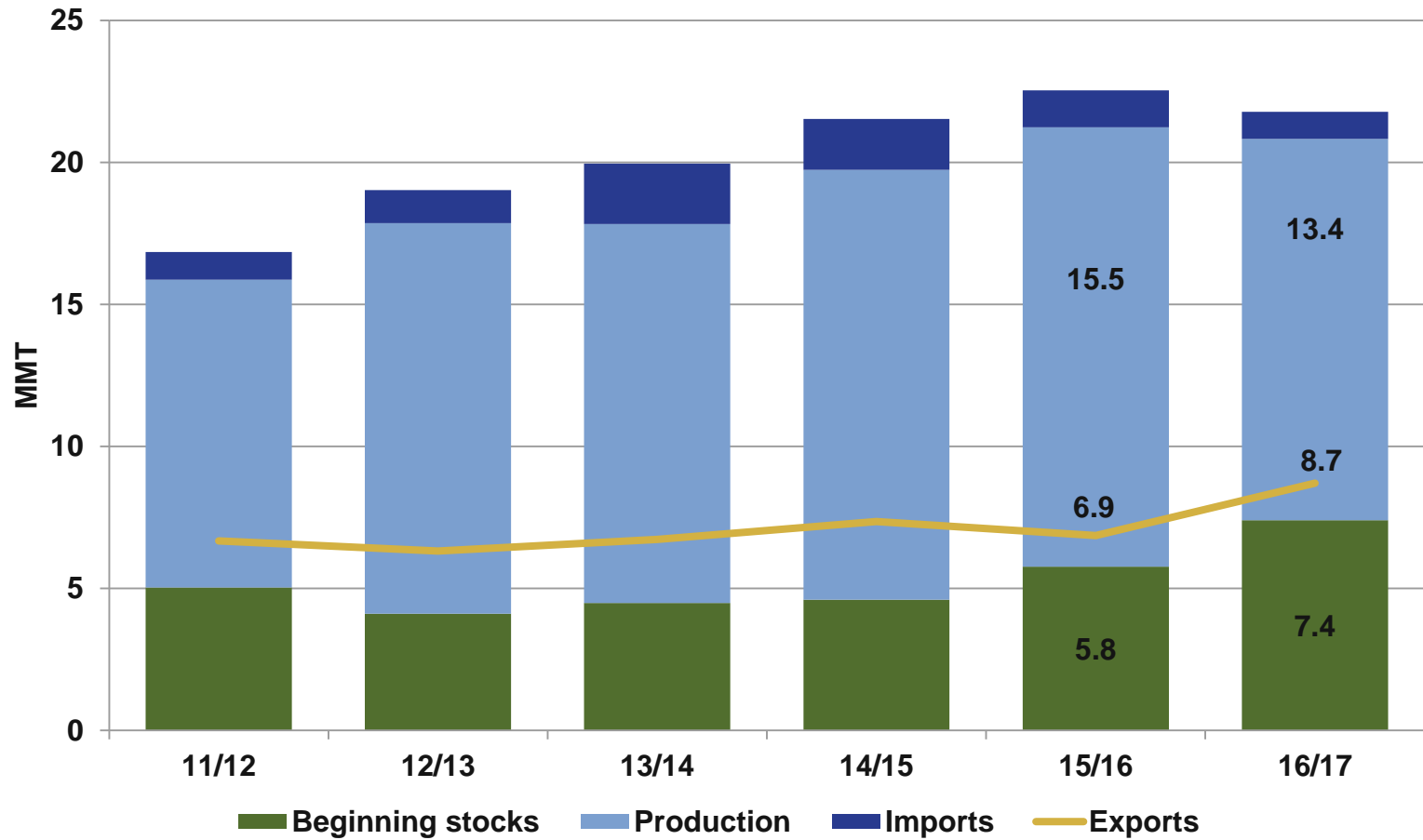
U.S. Hard Red Winter



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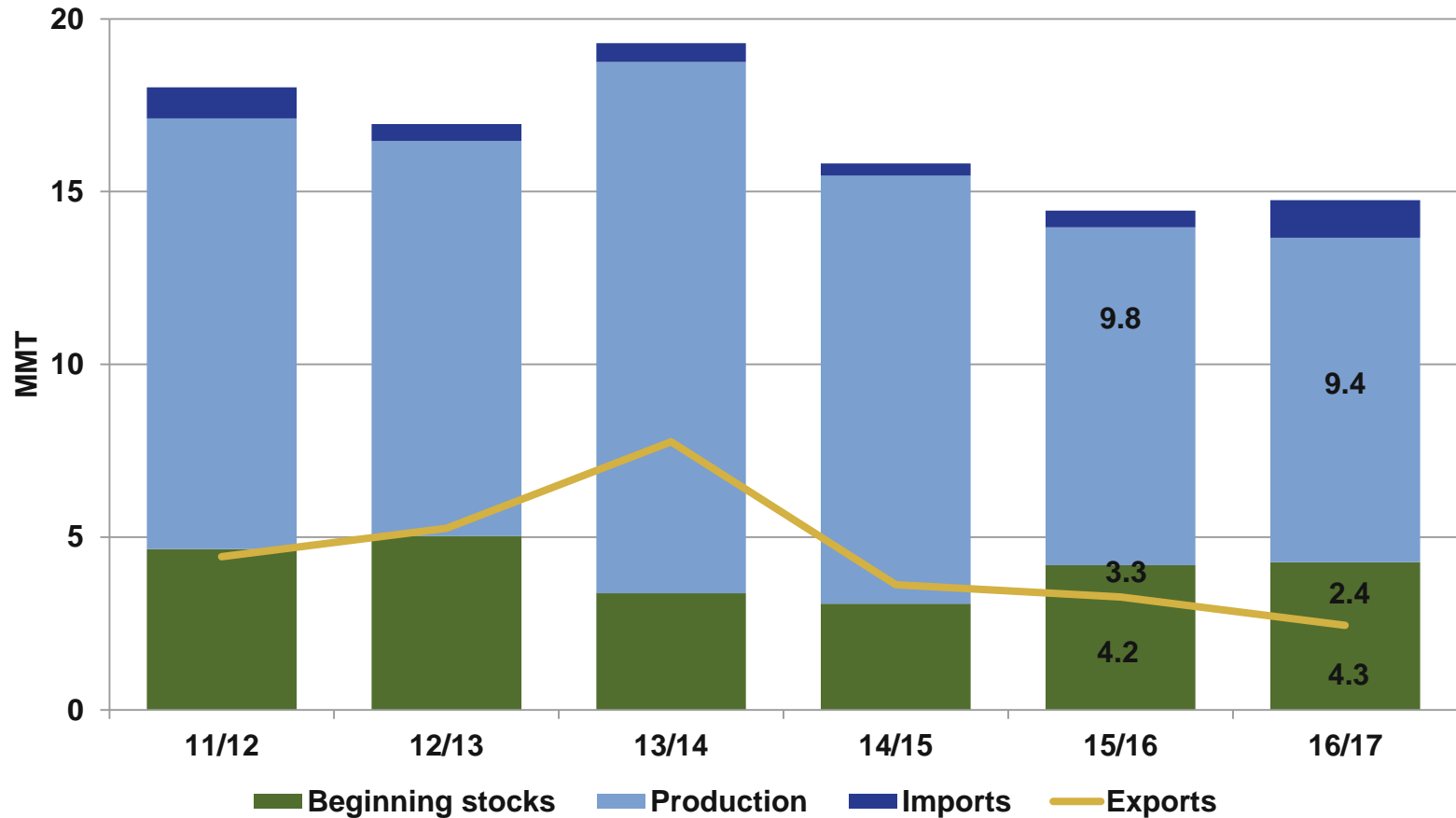
U.S. Hard Red Spring



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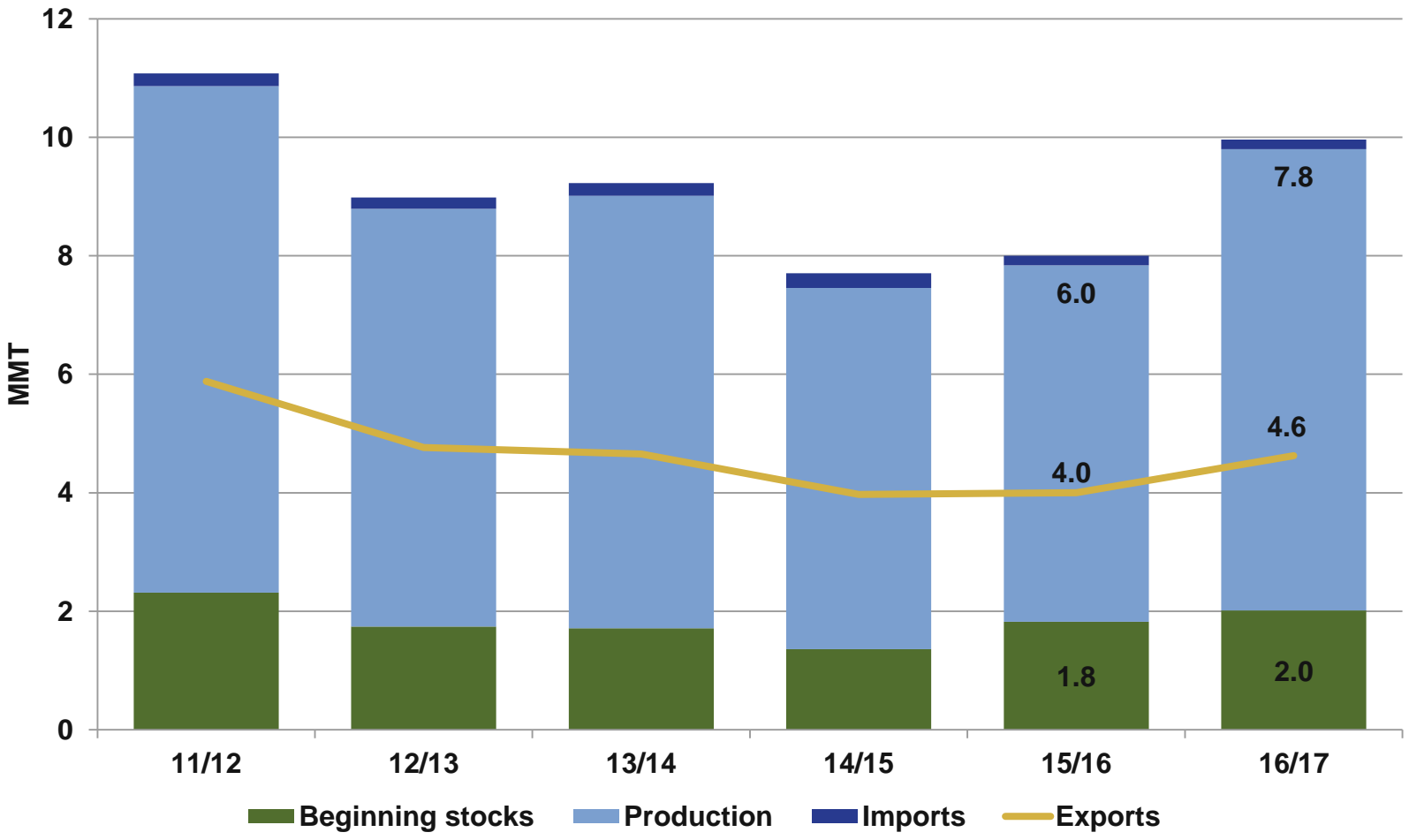
U.S. Soft Red Winter



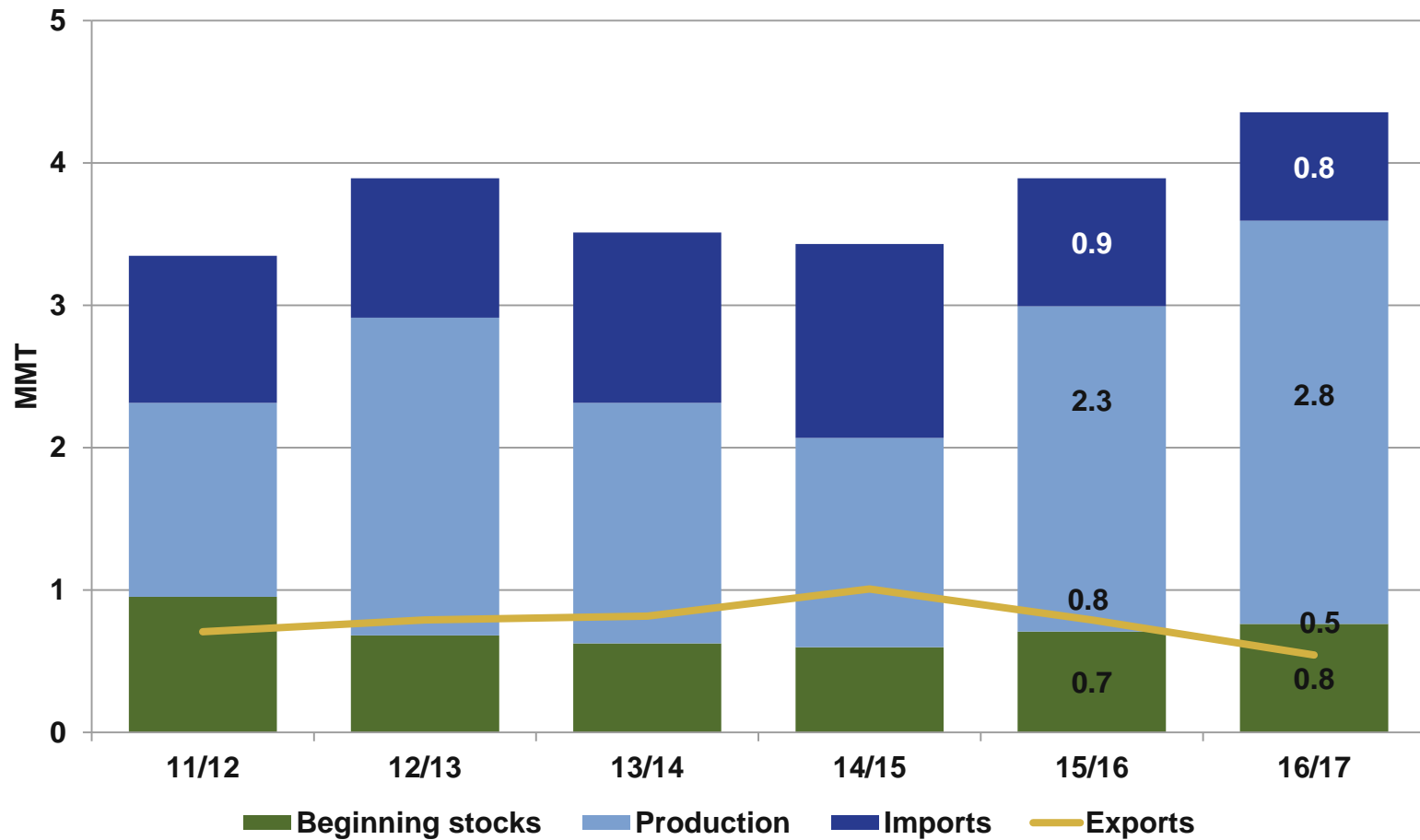
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U.S. White



U.S. Durum

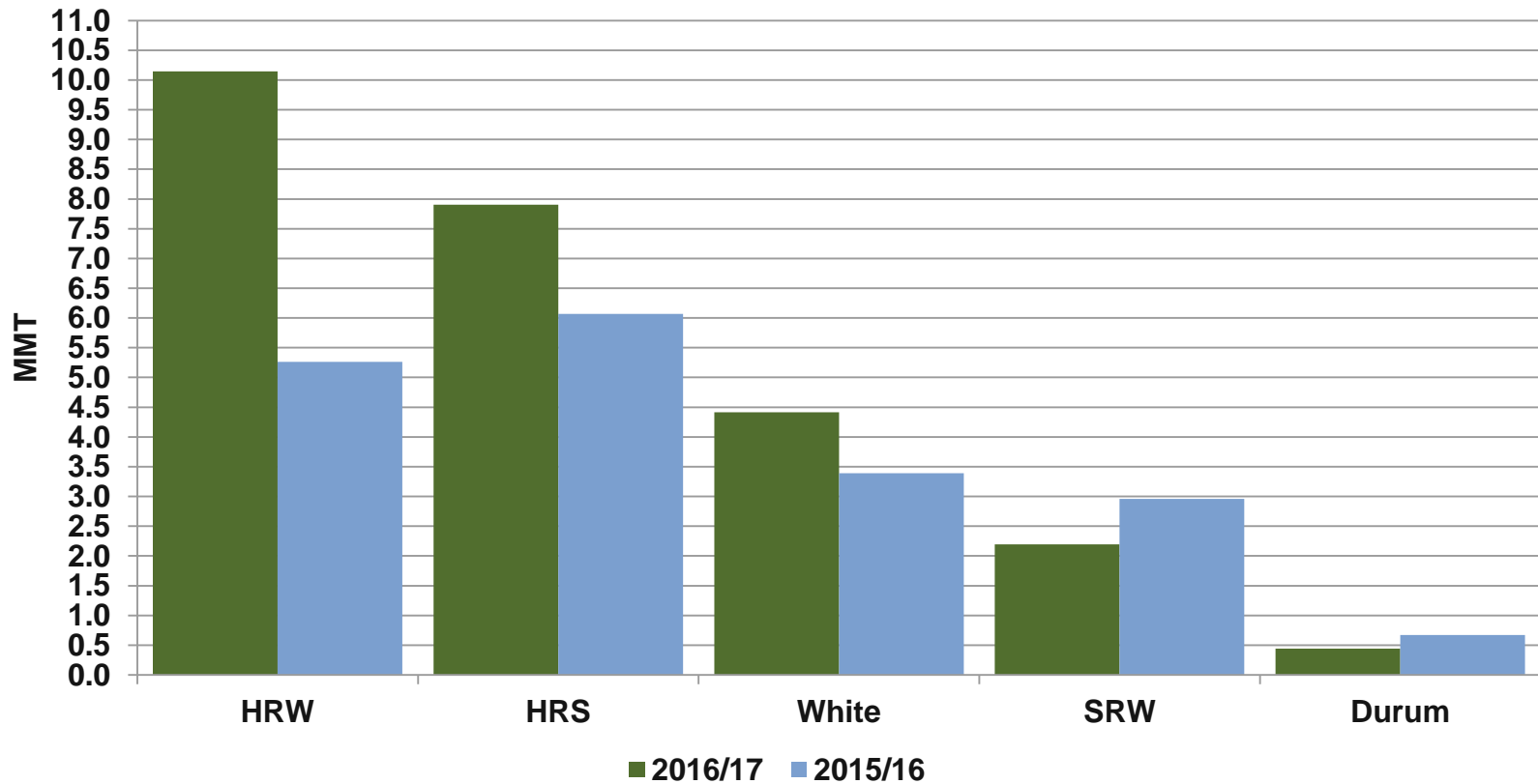


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U.S. Wheat Sales by Class

(year-to-date)



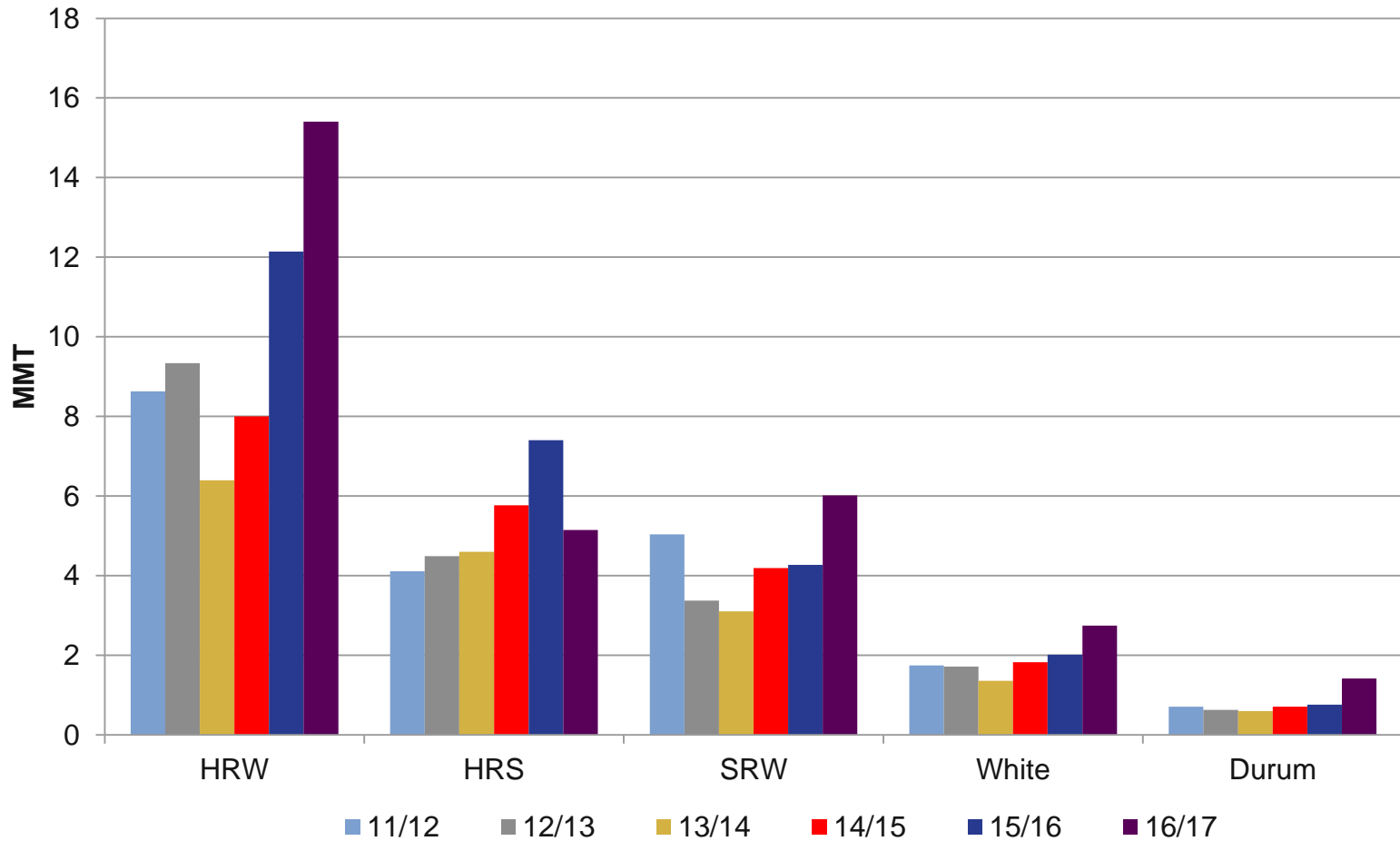
Source: USDA FAS export sales report March 9, 2017.



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U.S. Wheat Ending Stocks by Class



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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	21.8	14.5	14.8
Domestic Use	12.5	14.7	8.3	7.9	6.9	6.3
Exports	<u>6.2</u>	<u>11.6</u>	<u>6.9</u>	<u>8.7</u>	<u>3.3</u>	<u>2.4</u>
Use Total	18.6	26.3	15.1	16.6	10.2	8.7
Ending Stocks	12.1	15.4	7.4	5.1	4.3	6.0
Stocks-to-Use	65%	59%	49%	31%	42%	69%



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U.S. Wheat Supply and Demand

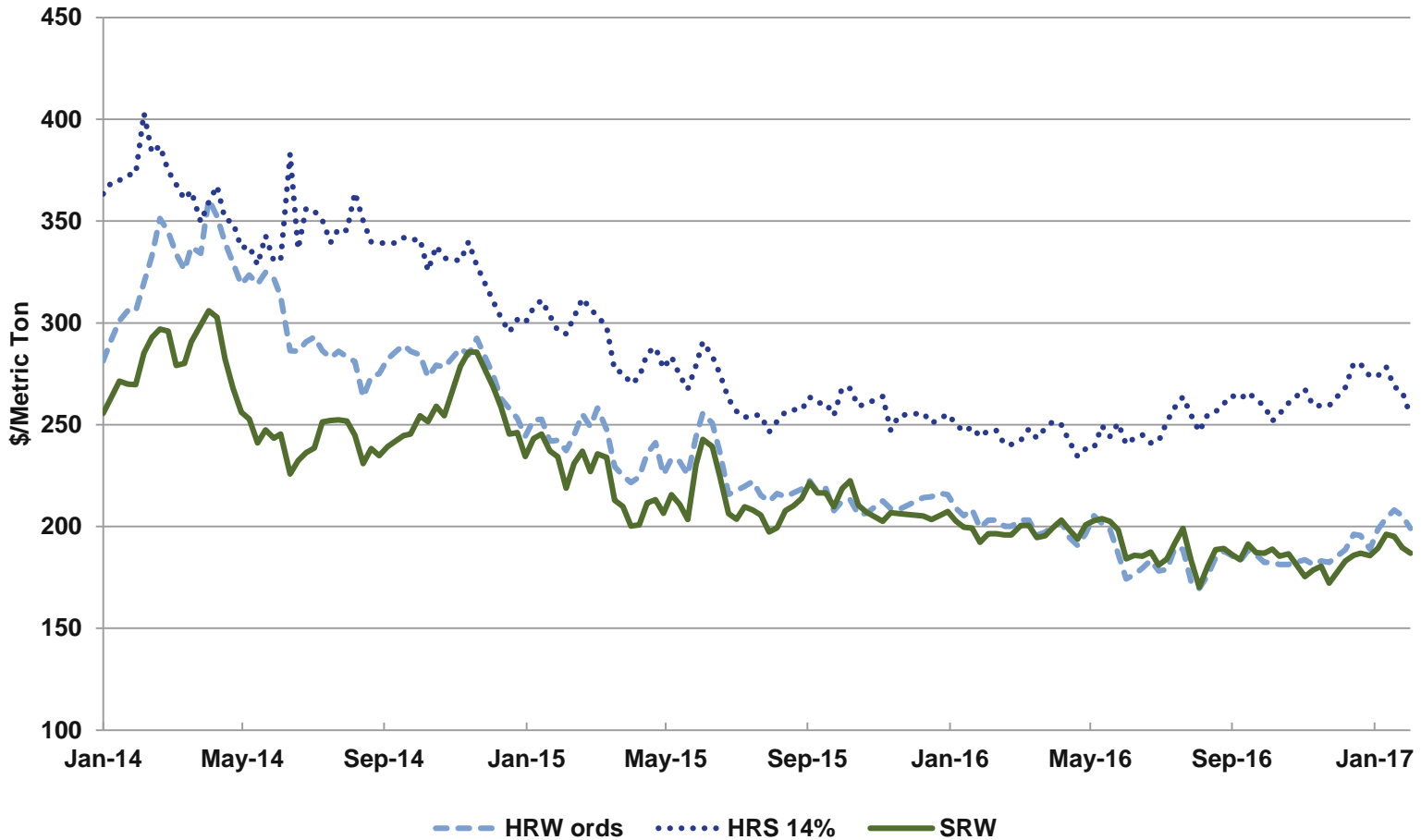
	White		Durum		Total	
	15/16	16/17	15/16	16/17	15/16	16/17
	MMT					
Beginning Stocks	1.8	2.0	0.7	0.8	20.5	26.6
Production	6.0	7.8	2.3	2.8	56.1	62.9
Imports	<u>0.2</u>	<u>0.2</u>	<u>0.9</u>	<u>0.8</u>	<u>3.1</u>	<u>3.1</u>
Supply Total	8.0	10.0	3.9	4.4	79.7	92.5
Domestic Use	2.0	2.6	2.3	2.4	32.0	33.9
Exports	<u>4.0</u>	<u>4.6</u>	<u>0.8</u>	<u>0.5</u>	<u>21.1</u>	<u>27.9</u>
Use Total	6.0	7.2	3.2	2.9	53.1	61.8
Ending Stocks	2.0	2.7	0.8	1.4	26.6	30.7
Stocks-to-Use	34%	38%	24%	48%	50%	50%



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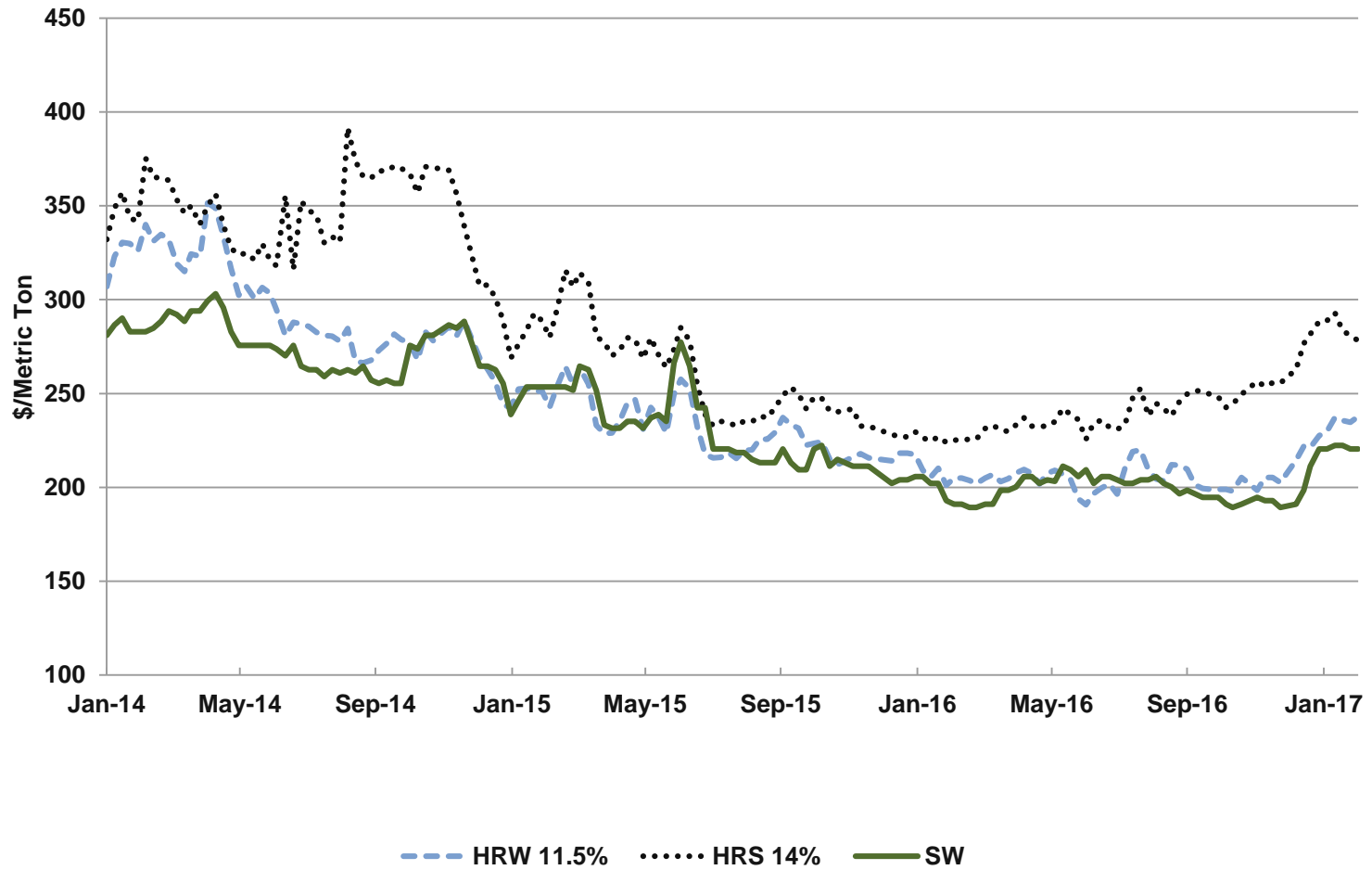
U.S. FOB Gulf Prices



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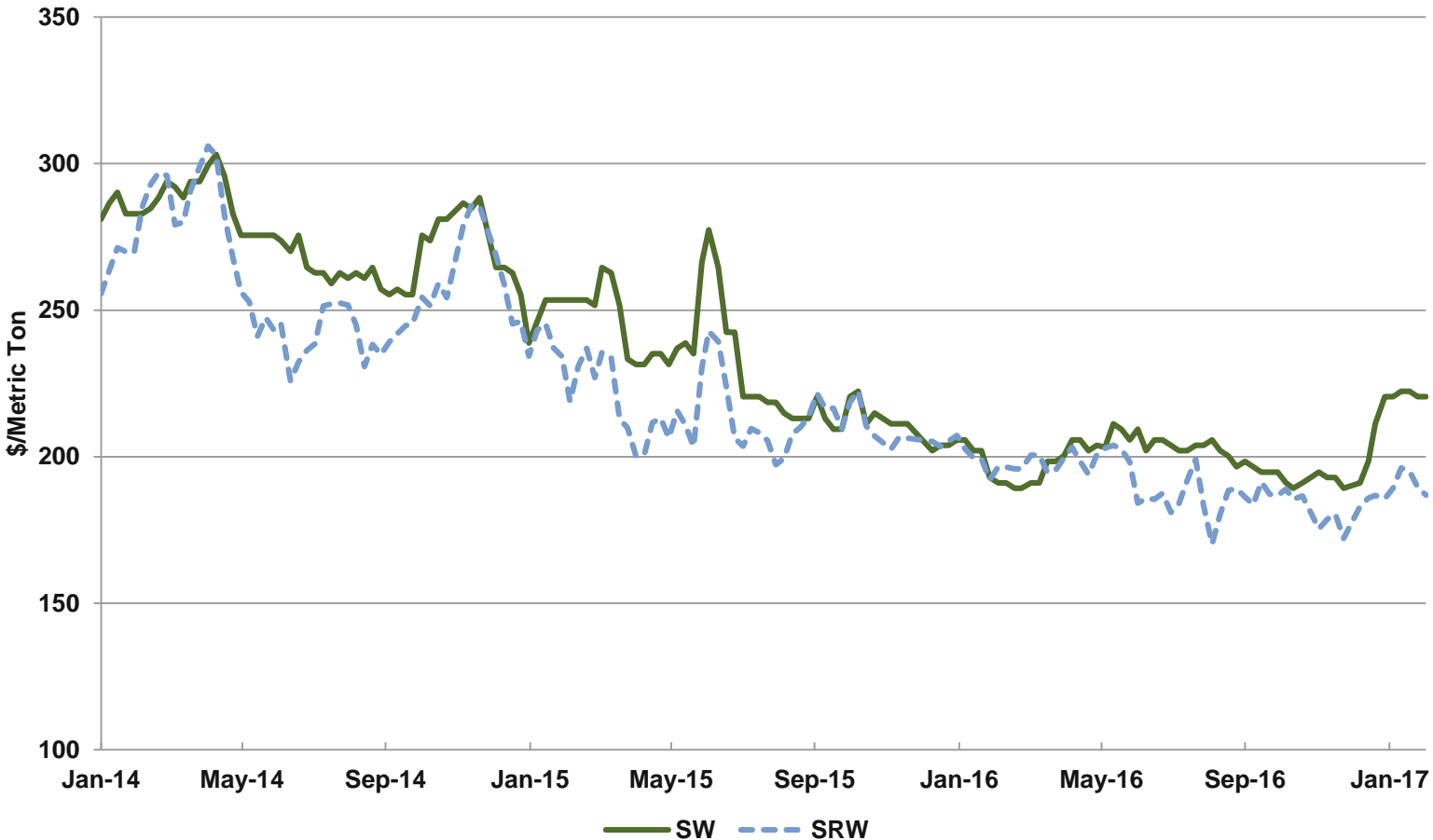
U.S. FOB PNW Prices



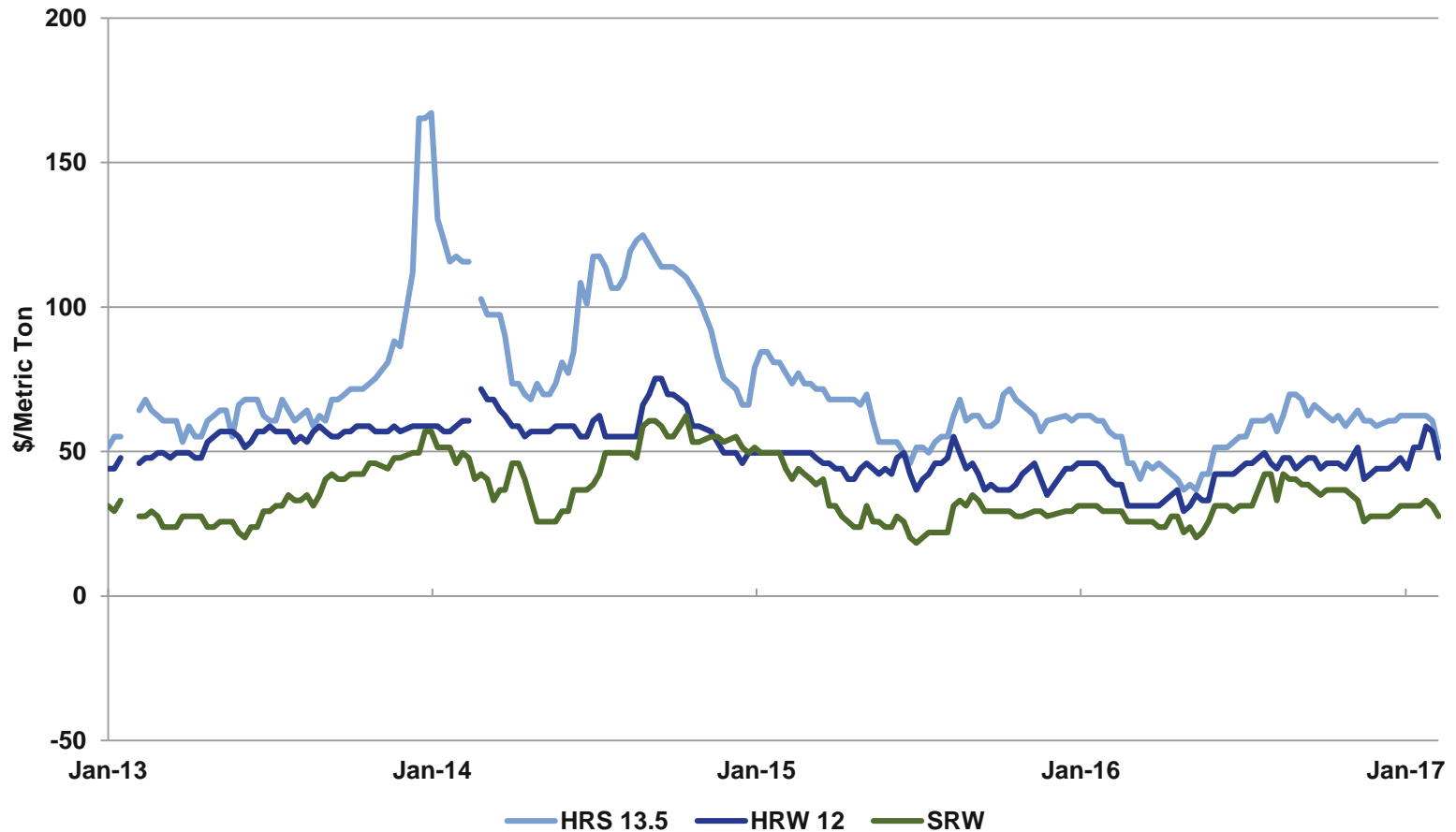
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SRW and Soft White Prices



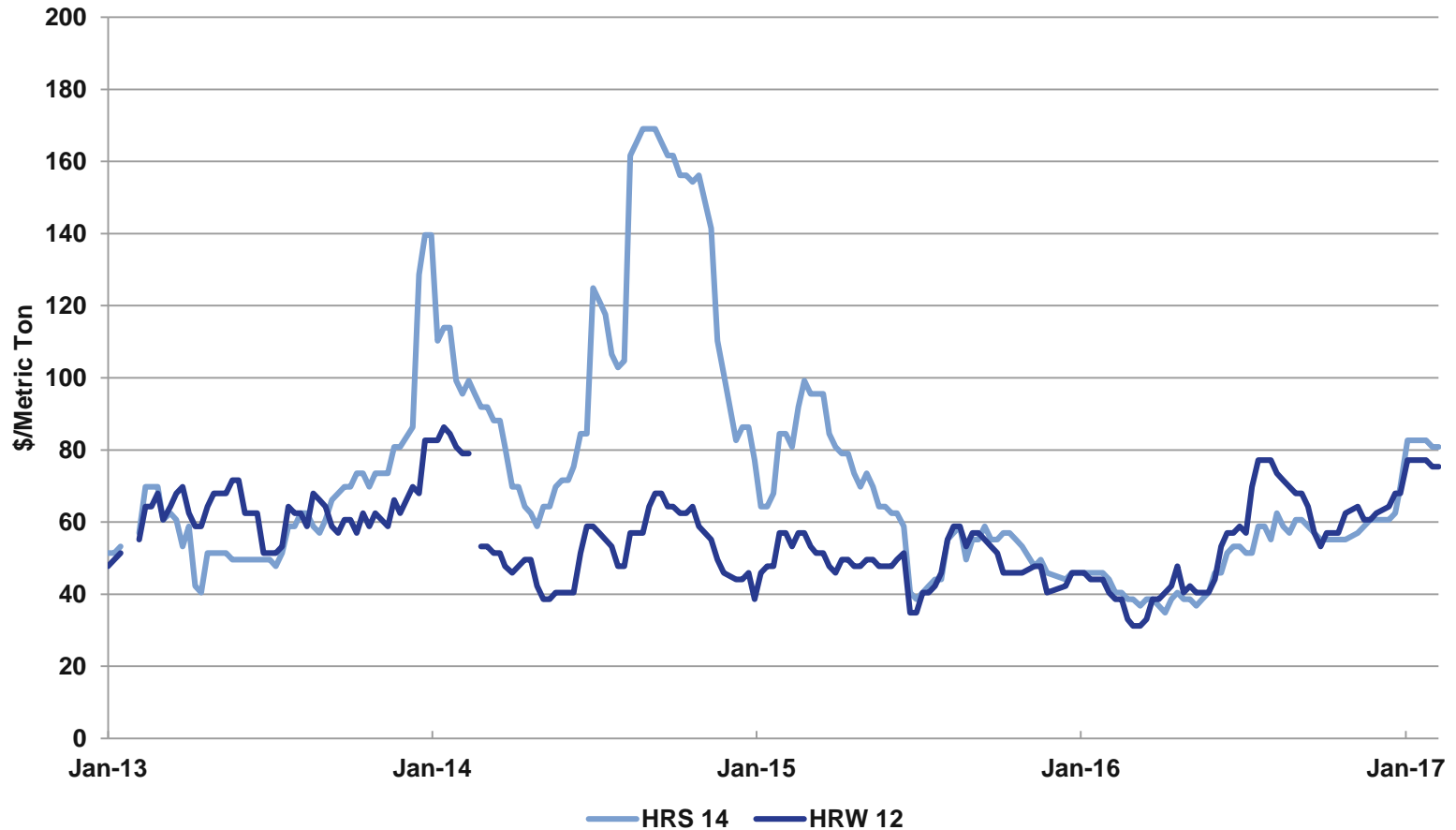
U.S. Gulf Basis Prices



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U.S. PNW Basis Prices



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World and U.S. Wheat Supply and Demand

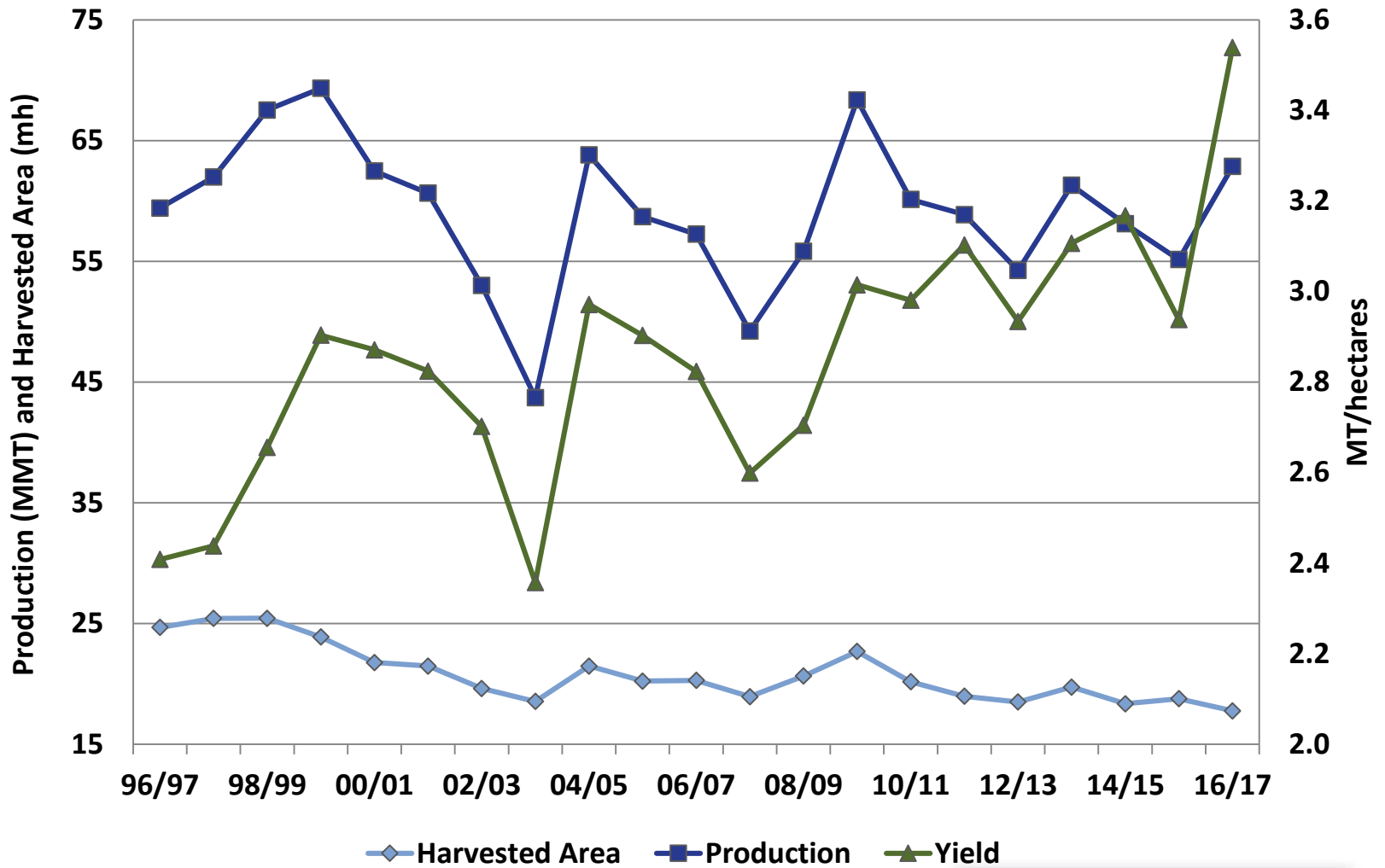
- Major Exporters
- Import Demand
- U.S. Situation by Class
- **Outlook**



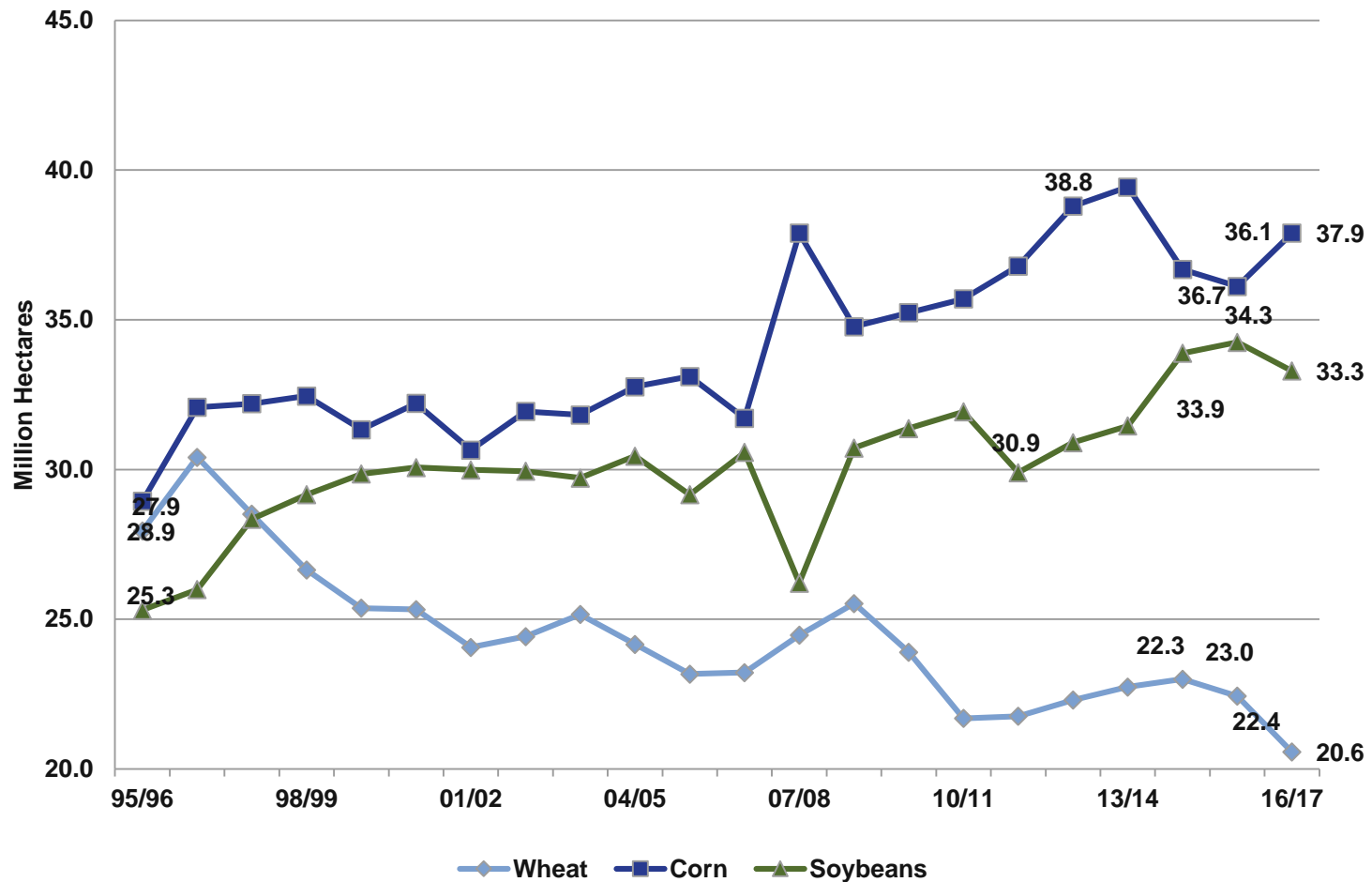
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U.S. Wheat Area and Production

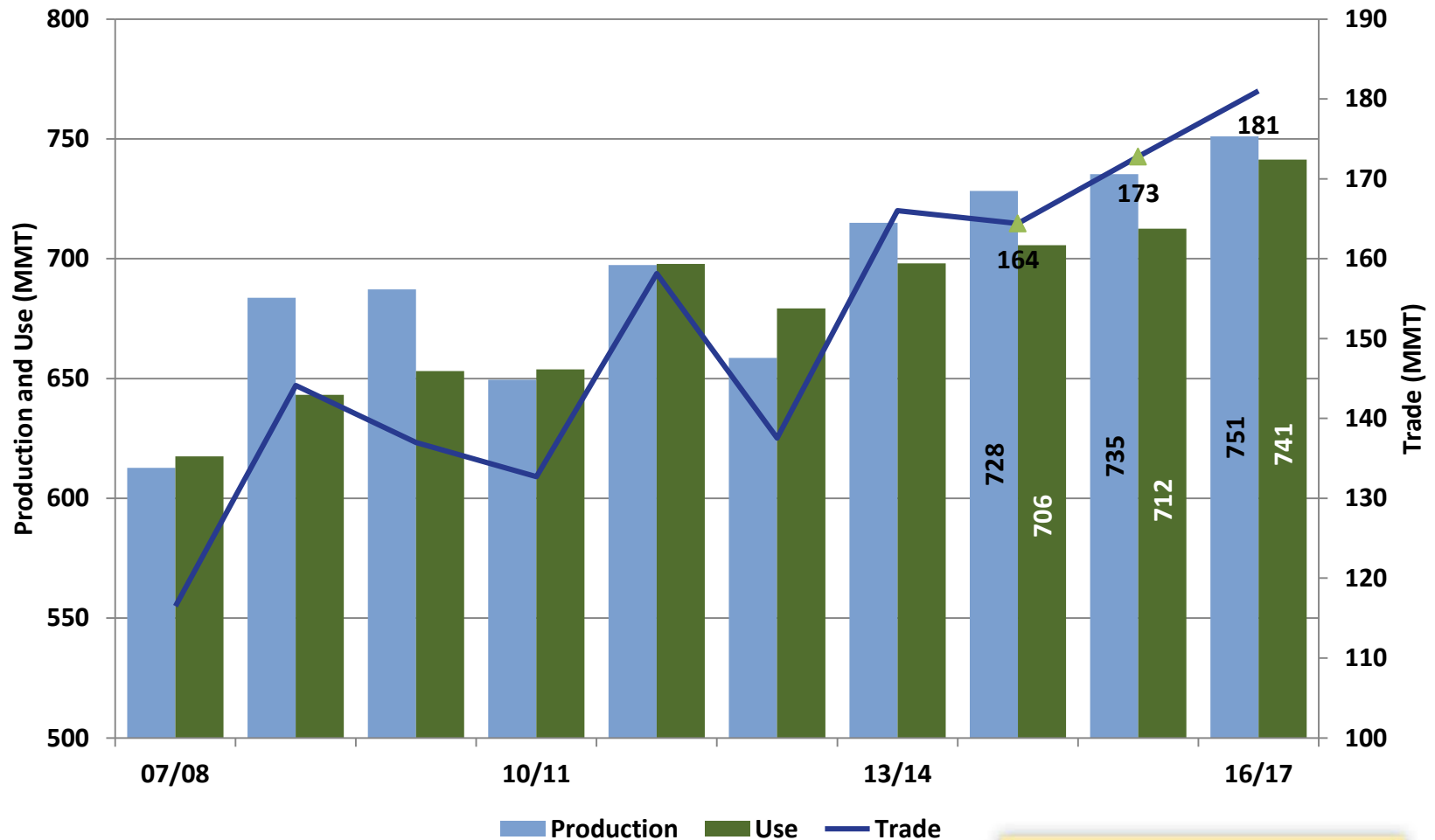


U.S. Crop Planted Area Comparison



*Source: USDA Acreage Report, June 30, 2016

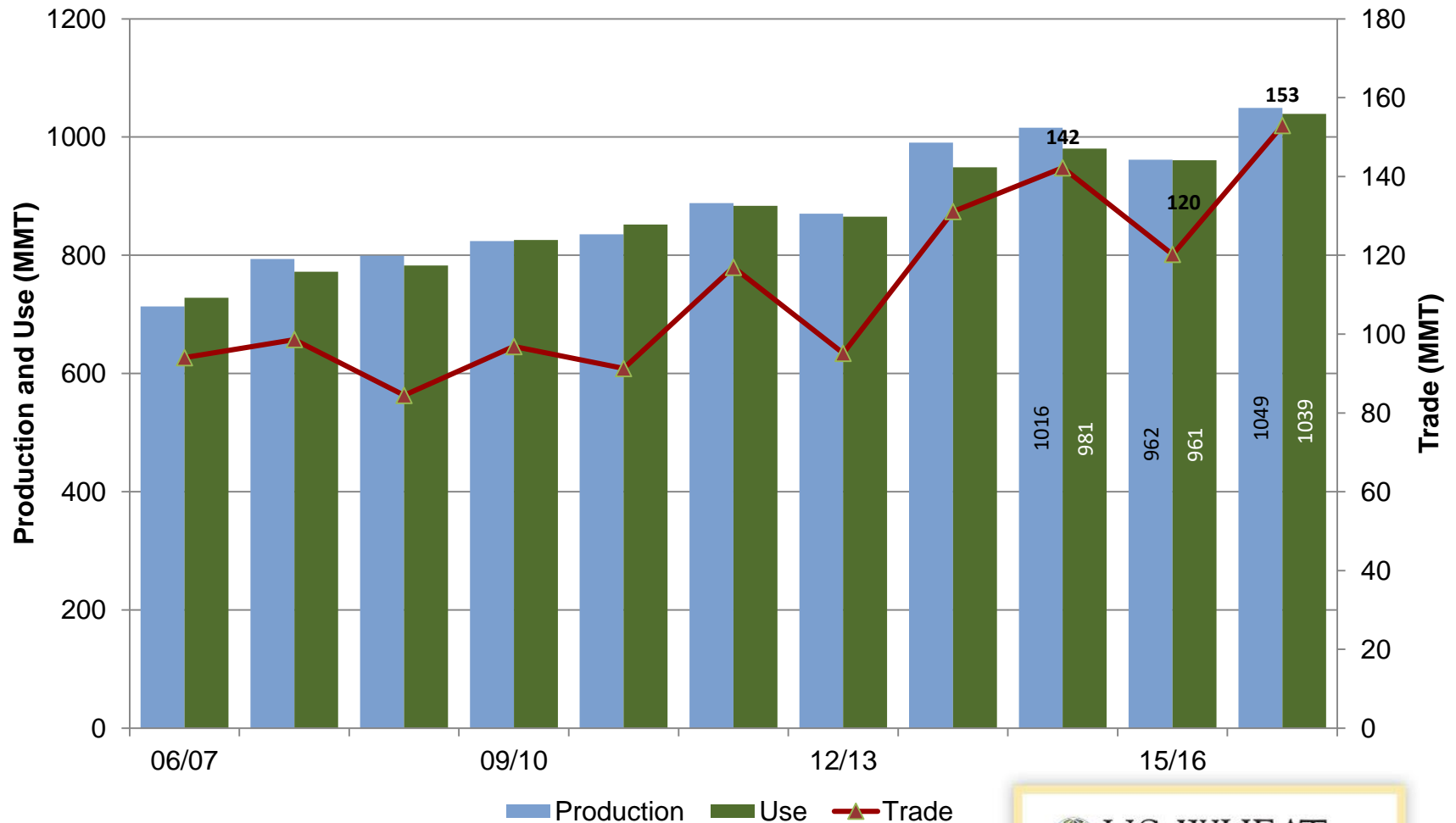
World Wheat Production, Use and Trade



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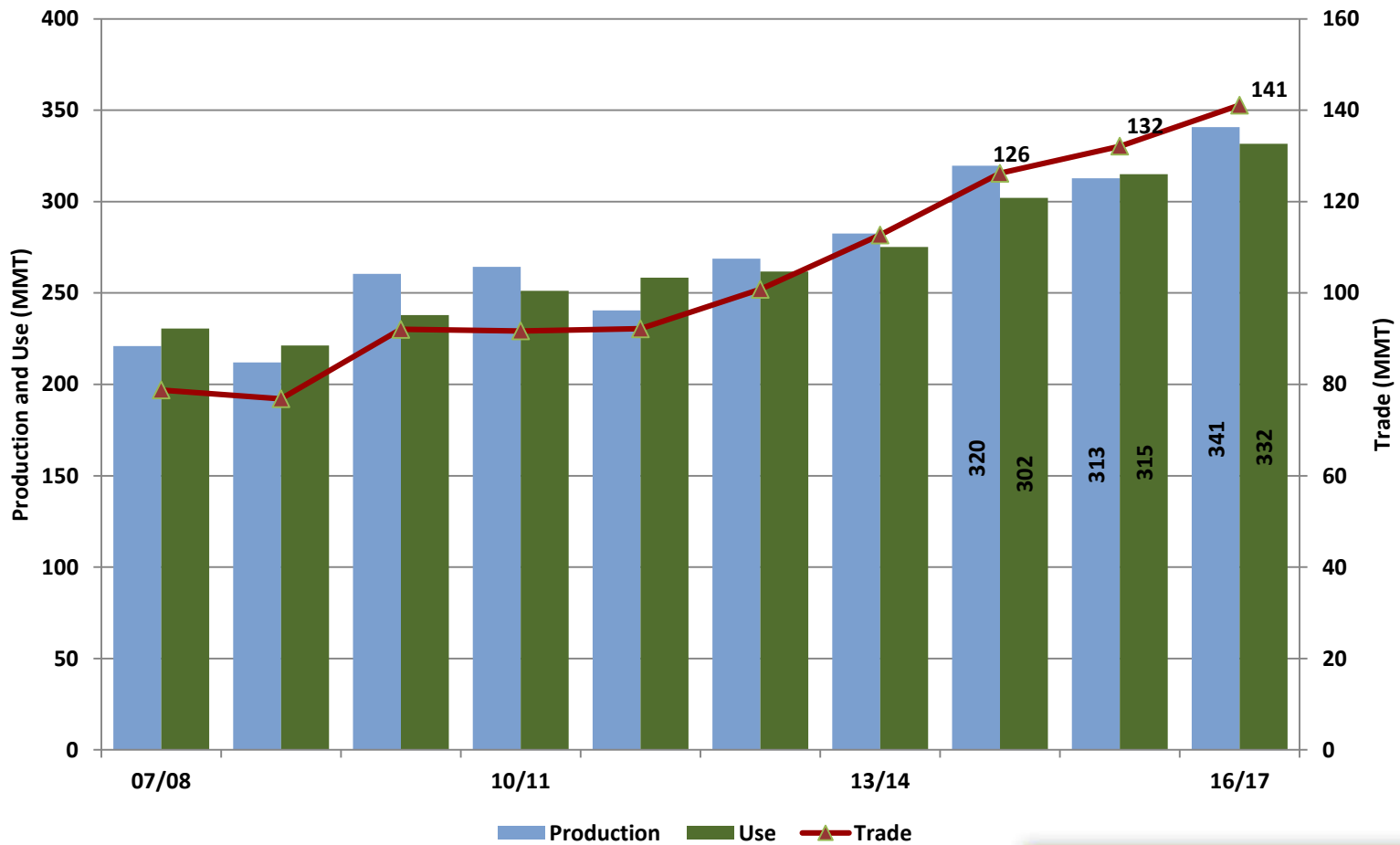
World Corn Production, Use and Trade



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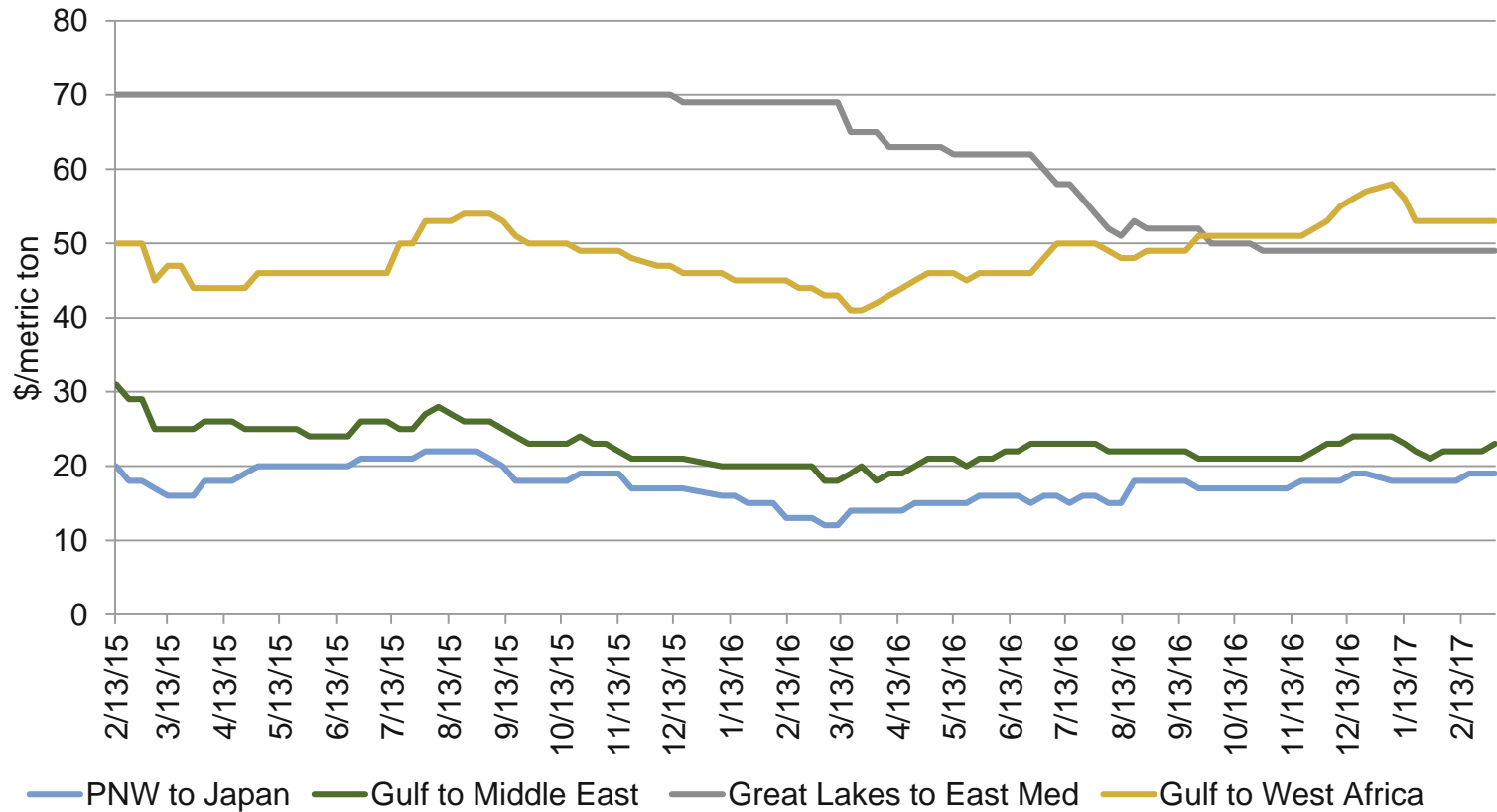
World Soybeans Production, Use and Trade



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Ocean Freight Rates for Grains



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Summary

- **Global production at 751 MMT, fourth consecutive record high, if realized**
 - Argentina wheat production increased to 16.0 MMT, 32% above the 5-year average
 - Wheat production in Australia expected to exceed 5-year average by 39% at 35.0 MMT
- **Global ending stocks to rise to a record 250 MMT up 4% from 2015/16**
 - Ending stocks in the EU to fall to 9.94 MMT, down 29% from 2015/16 if realized
 - US ending stocks to be largest since 1987/88 at 30.7 MMT
- **World consumption and trade expected to grow in 2016/17**
 - Argentine exports estimated at 10.1 MMT, up 5% year over year
 - US exports to reach 27.9 MMT up 32% from 2015/16, 5% above the 5-year average



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