



World Wheat Supply and Demand Situation

April 2017

Major data source: USDA World Agricultural Supply and Demand Estimates released April 11, 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 993 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

- European Union (EU) feed wheat consumption to fall 3% year over year to 57.0 MMT
- Ukraine domestic consumption to decrease to 10.8 MMT, down 11% from 2015/16, if realized
- U.S. feed wheat usage to rise 25% year over year to 5.17 MMT

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

- Canadian exports to fall to 20.0 MMT, 10% below 2015/16
- Exports from Kazakhstan will fall 8% year over year to 7.00 MMT
- 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)

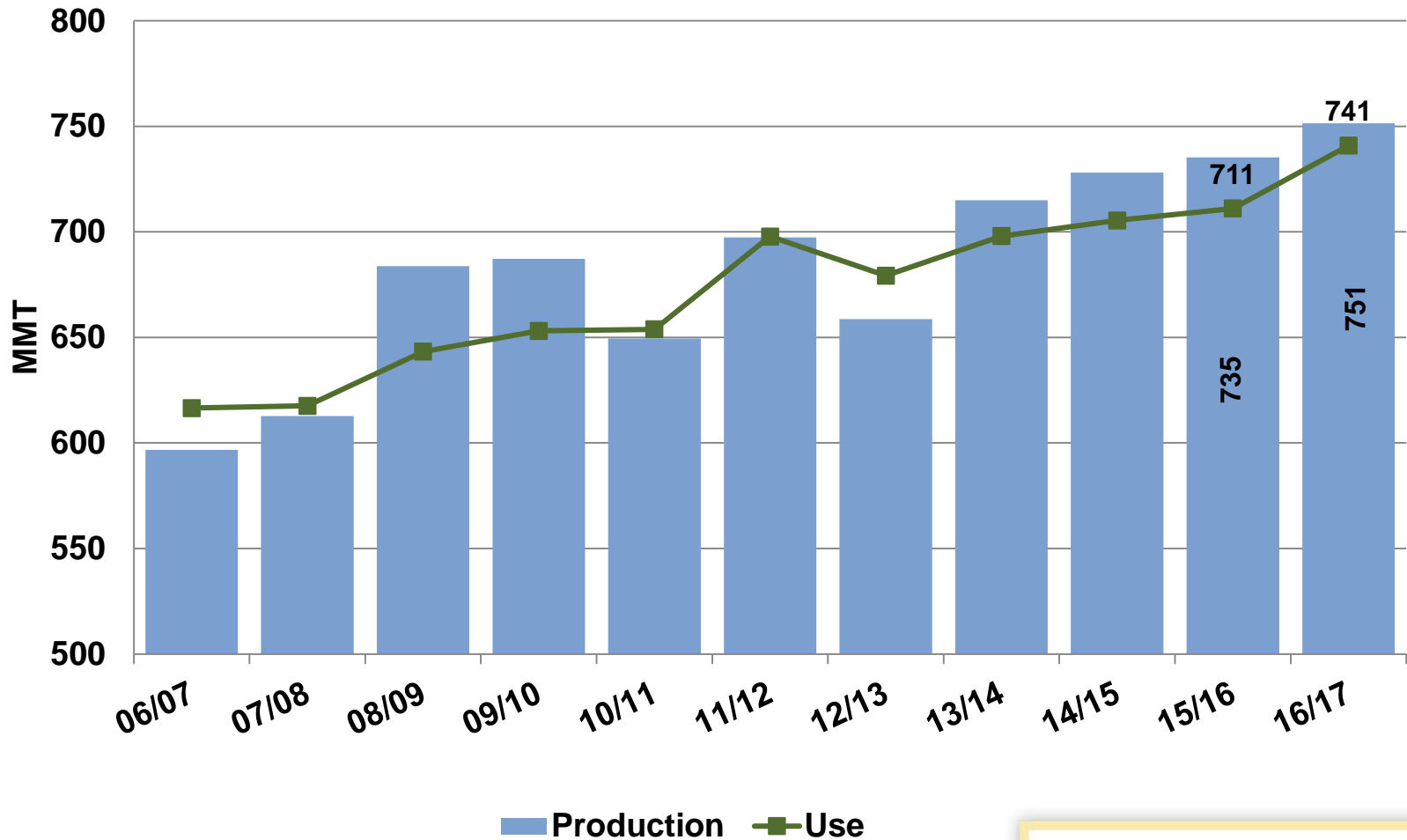
4. **World beginning stocks estimated at record 242 MMT, up 11% year over year**
 - Beginning stocks in the EU rose to 15.1 MMT, up 19% year over year
 - U.S. beginning stocks rose to an estimated 26.5 MMT, 30% above 2015/16 levels
5. **Global ending stocks projected at record 252 MMT, 4% higher than 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 Ukraine projected at 2.07 MMT, down 38% year over year, if realized
 - U.S. ending stocks to grow 19% year over year to 31.5 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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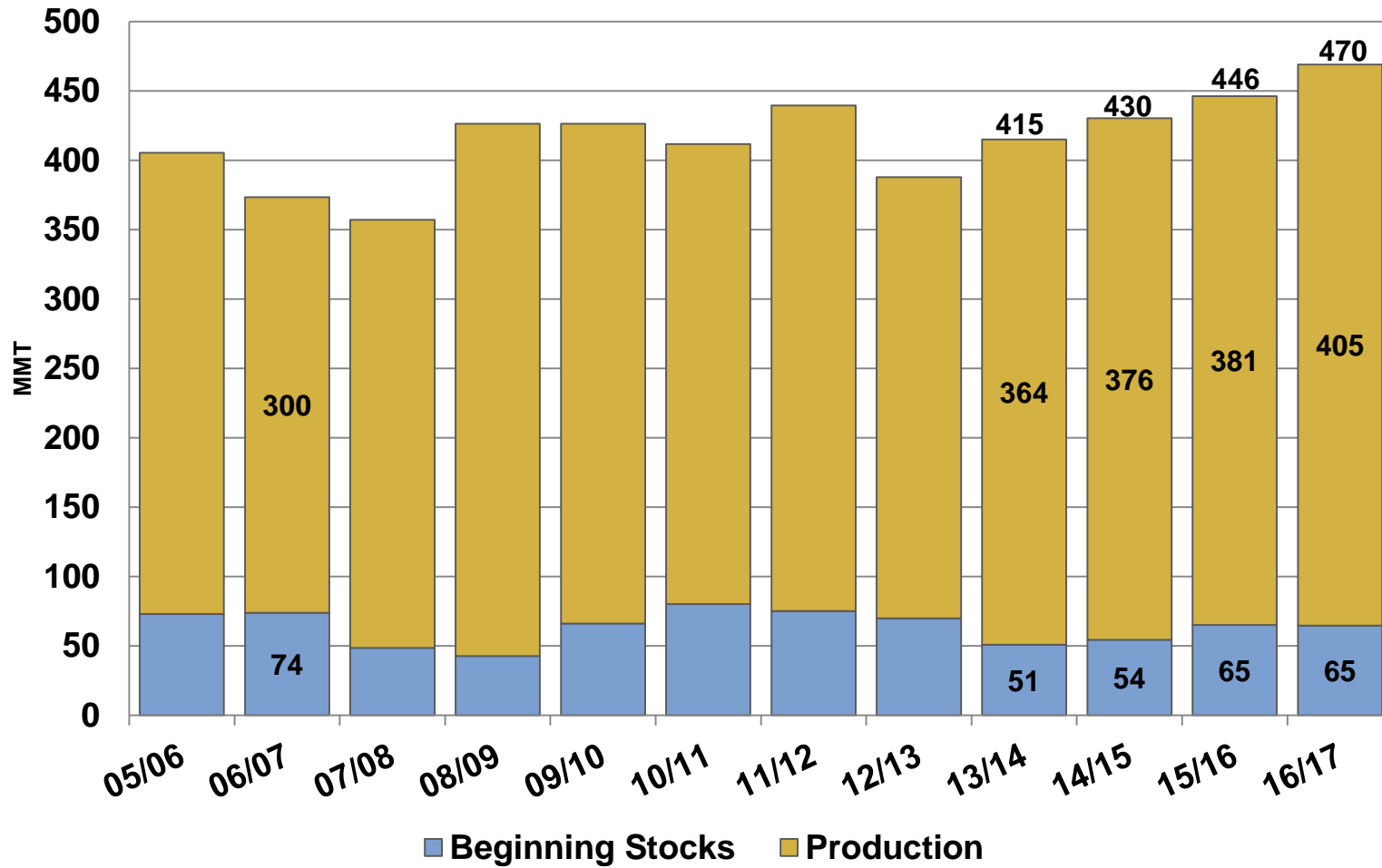
World Production and Use



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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

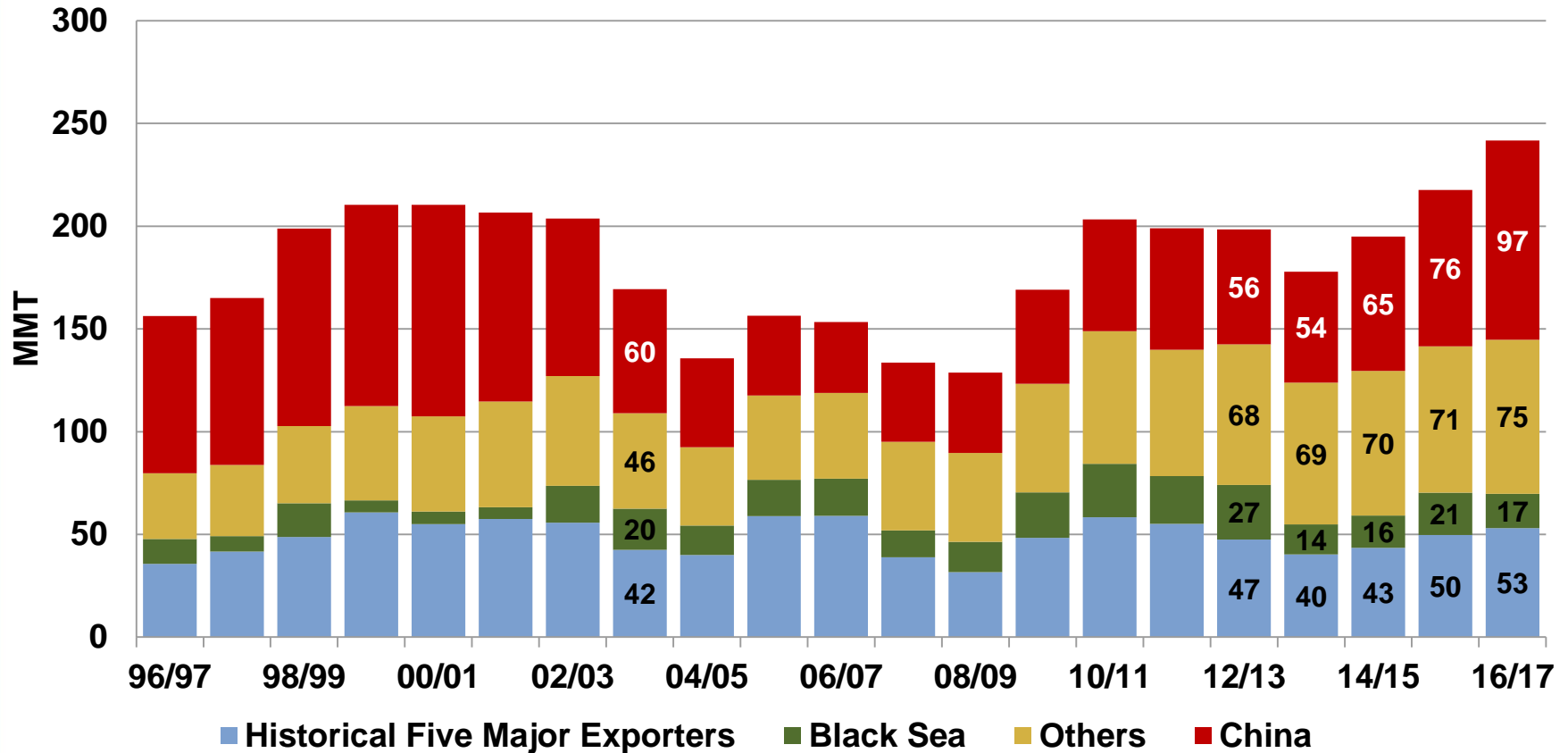
		14/15	15/16	16/17
			<i>MMT</i>	
SUPPLY:	Beginning Stocks	195	218	242
	Production	728	735	751
	Supply Total	923	953	993
TRADE:	Exports/Imports	164	173	181
DEMAND	Food & Seed	574	575	594
	Feed & Residual	132	137	147
	Use Total	705	711	741
	ENDING STOCKS:	218	242	252



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World Beginning Stocks



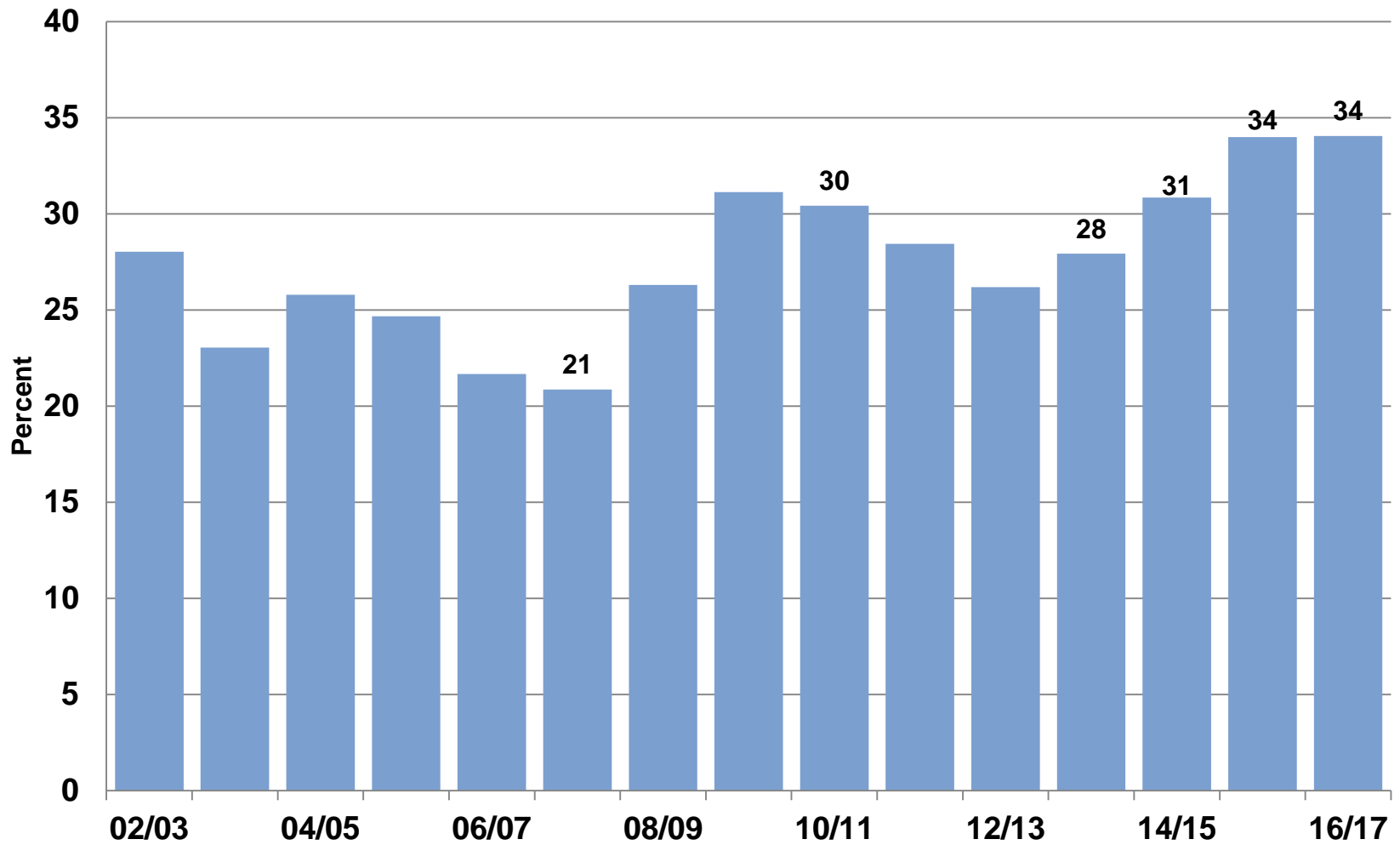
*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.
Black Sea includes Russia, Ukraine and Kazakhstan.*



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Global Stocks*-to-Use Ratio



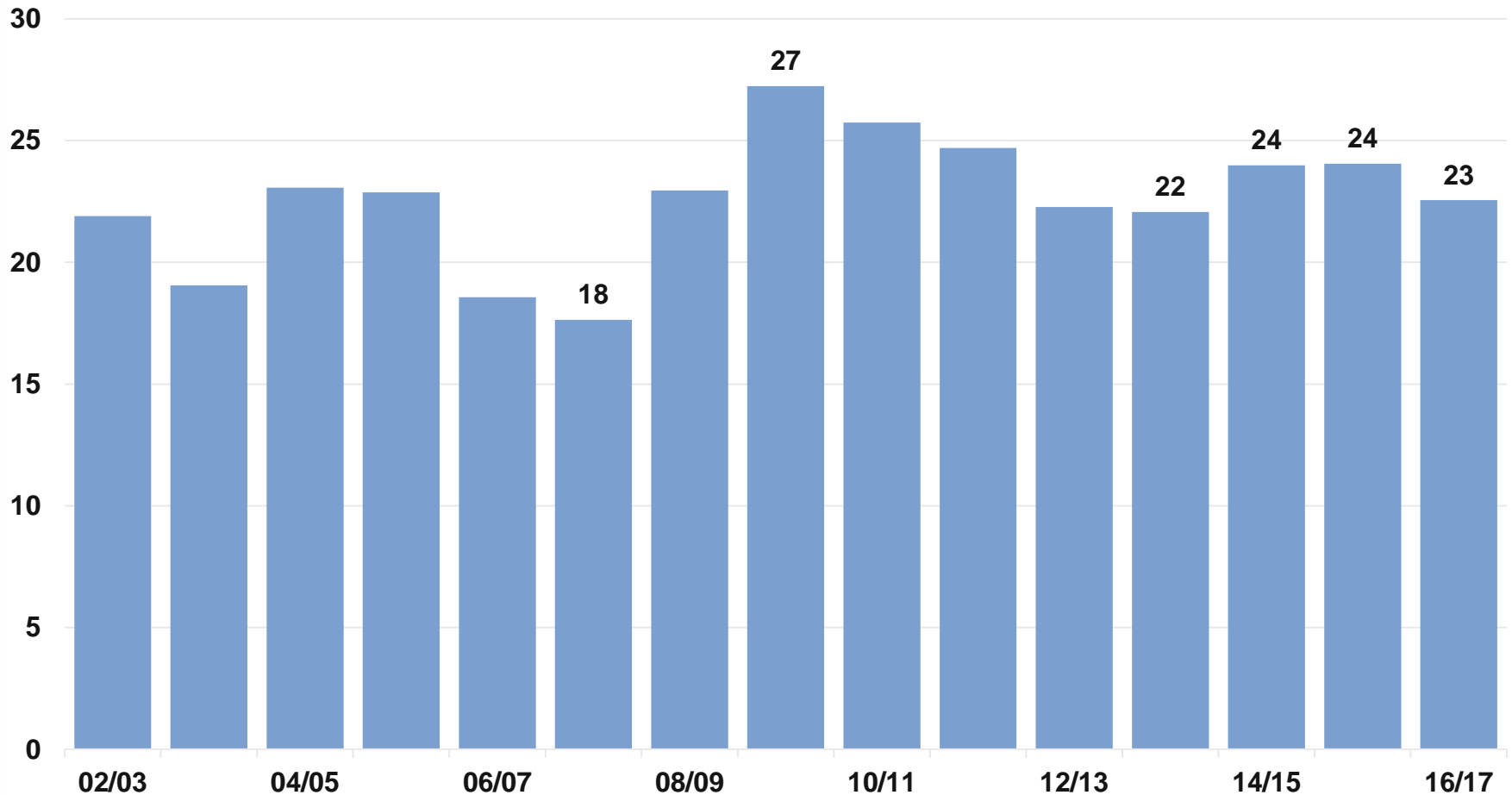
**Ending stocks*



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



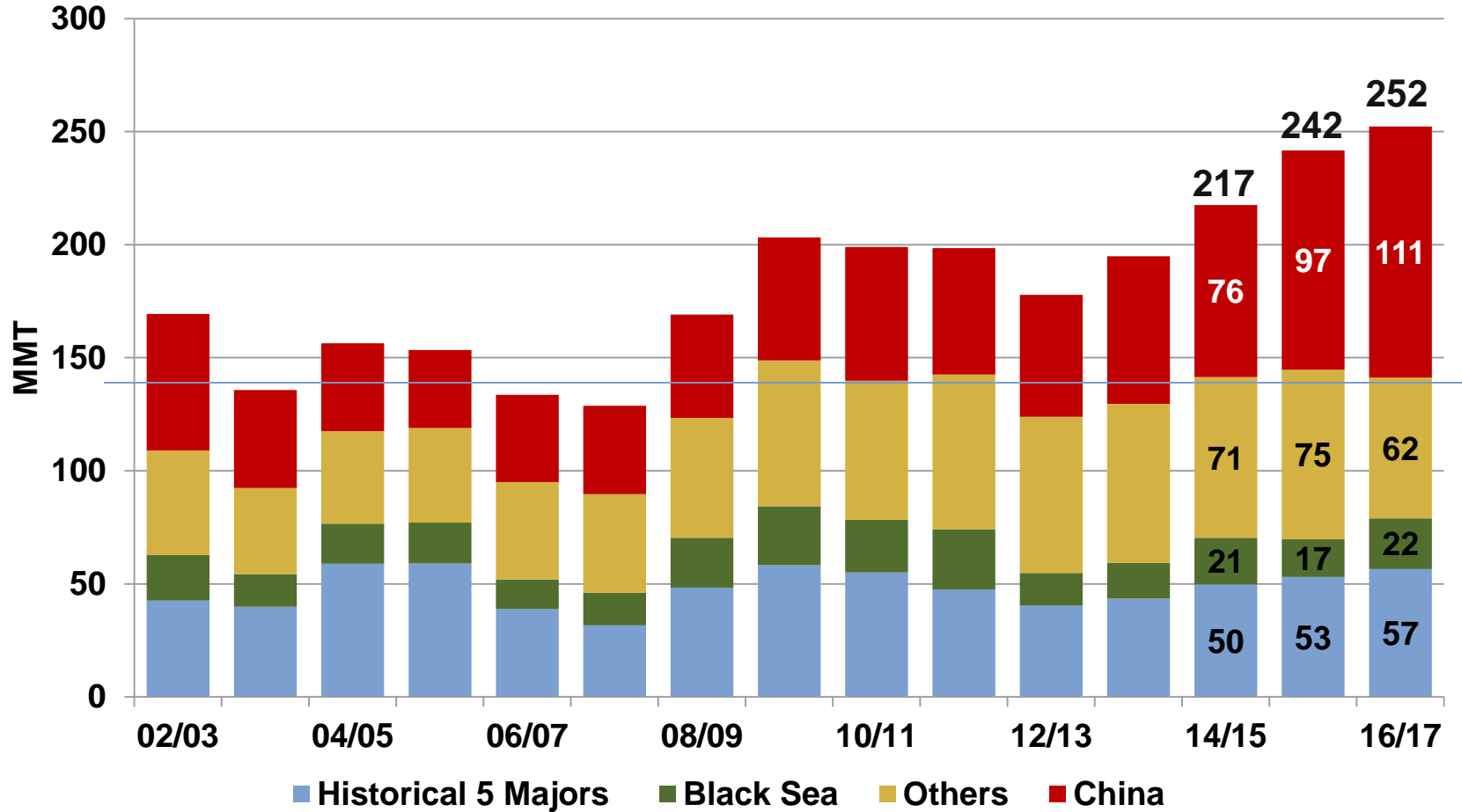
**Ending stocks*



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World Ending Stocks



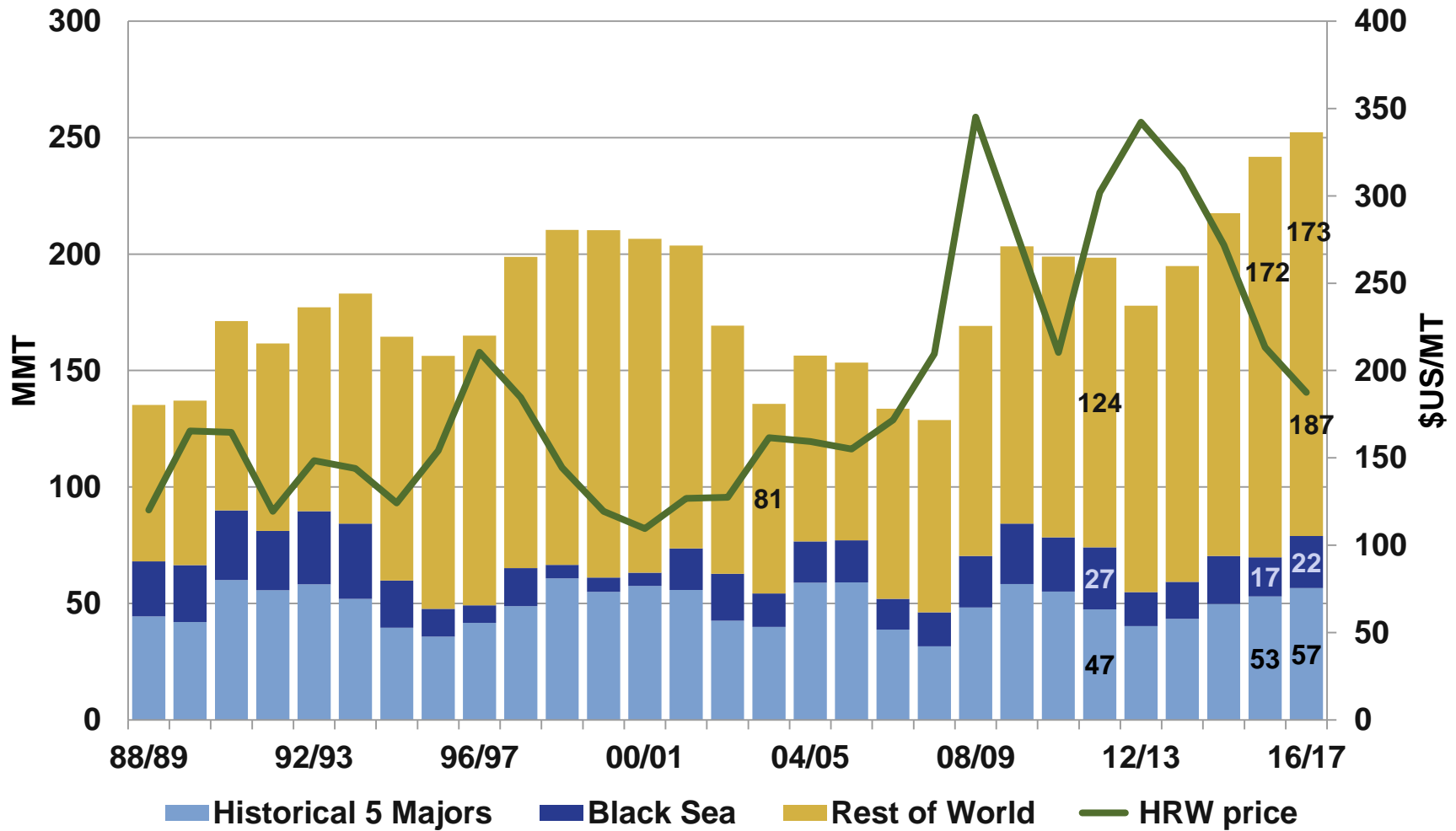
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Global Ending Stocks and Price



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World and U.S. Wheat Supply and Demand

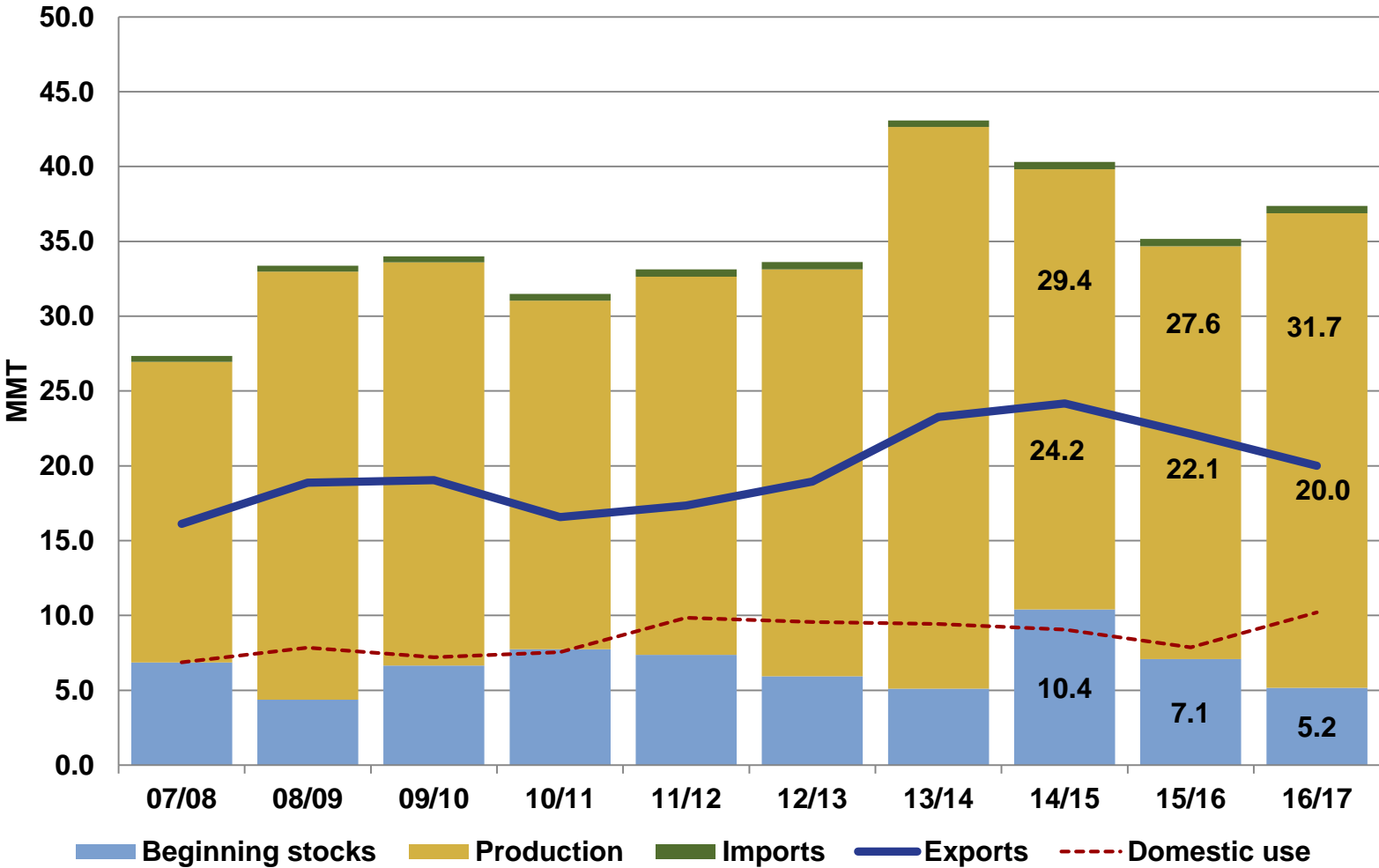
- **Major Exporters**
- **Import Demand**
- **U.S. Situation by Class**
- **Outlook**



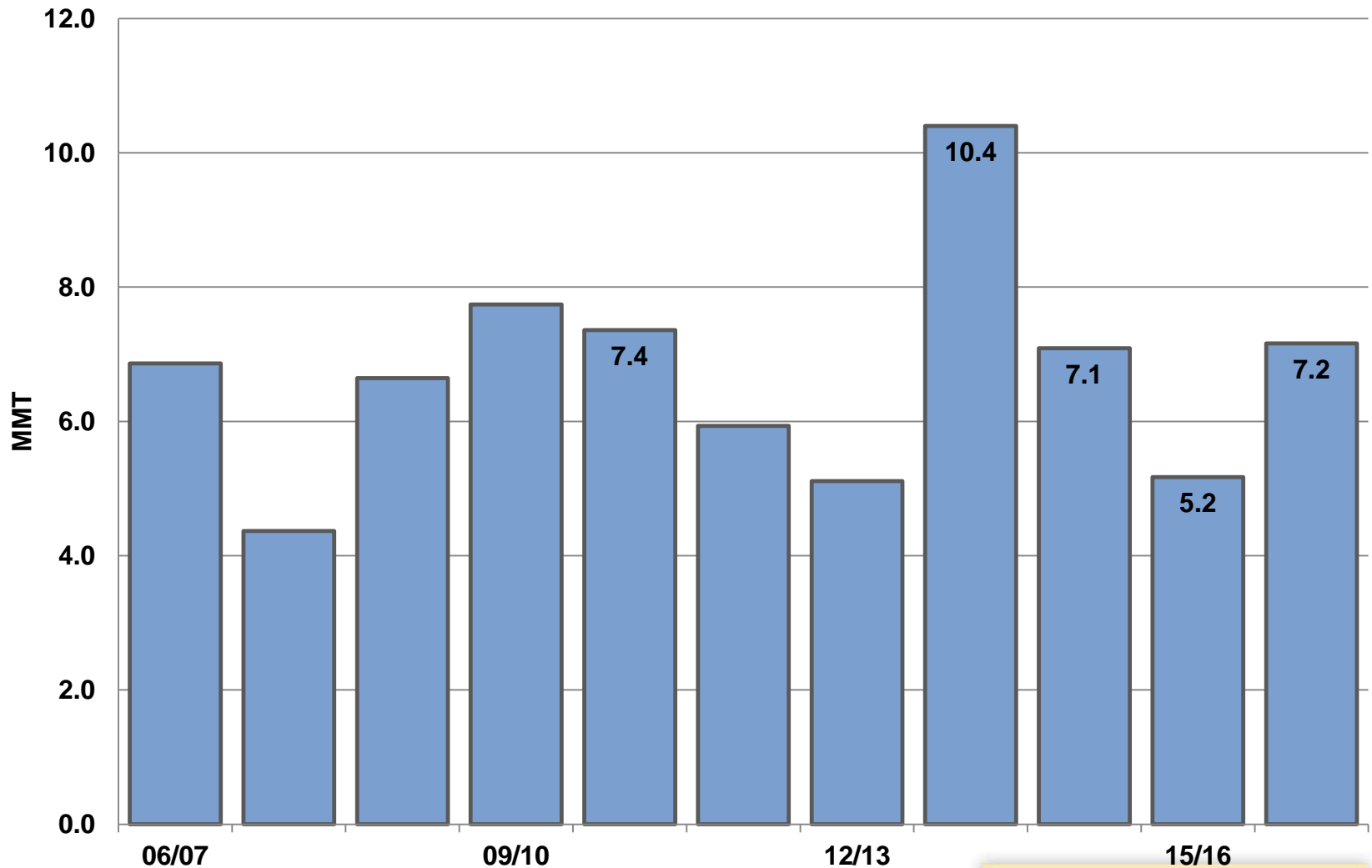
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Canada Situation



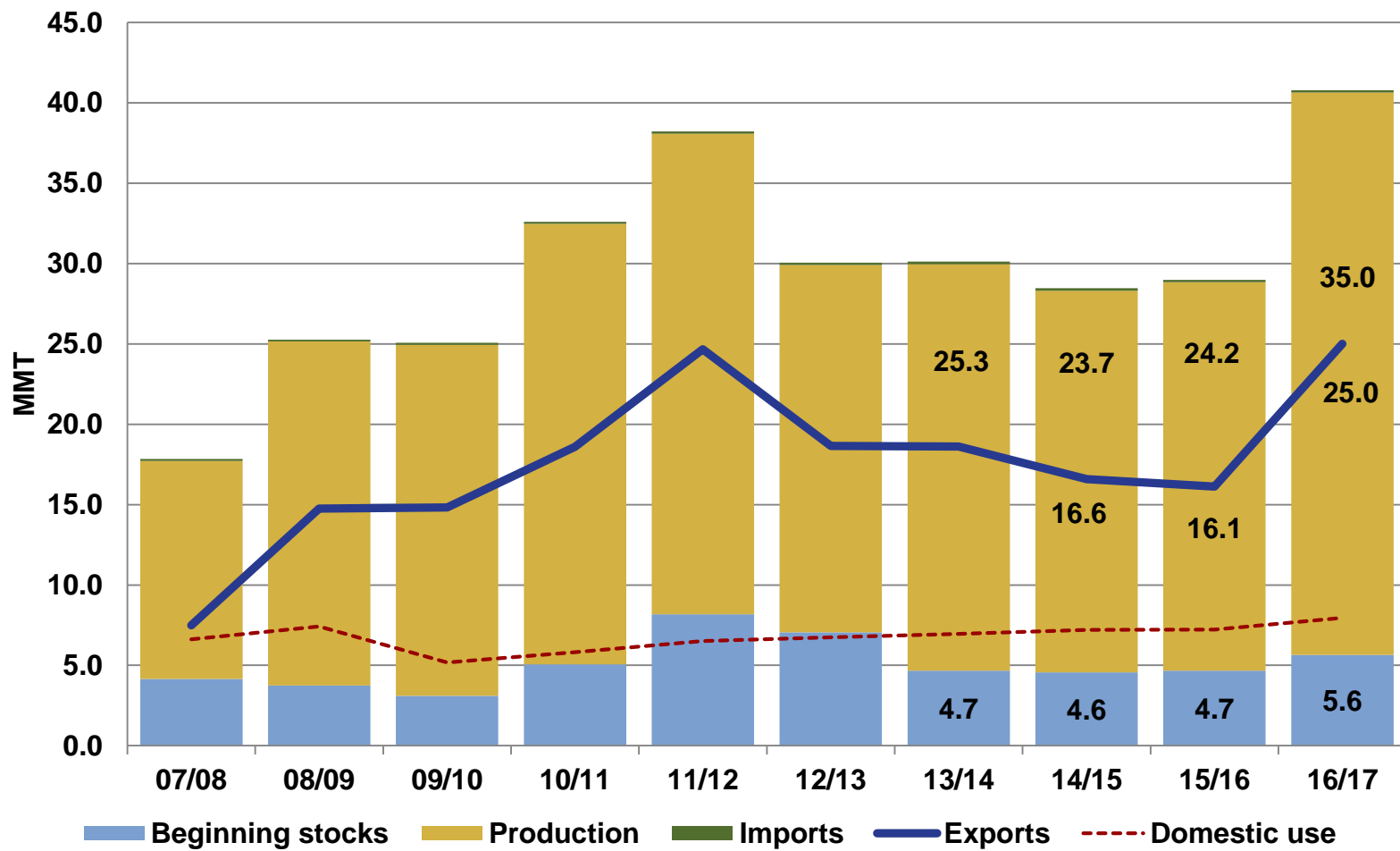
Canada Ending Stocks



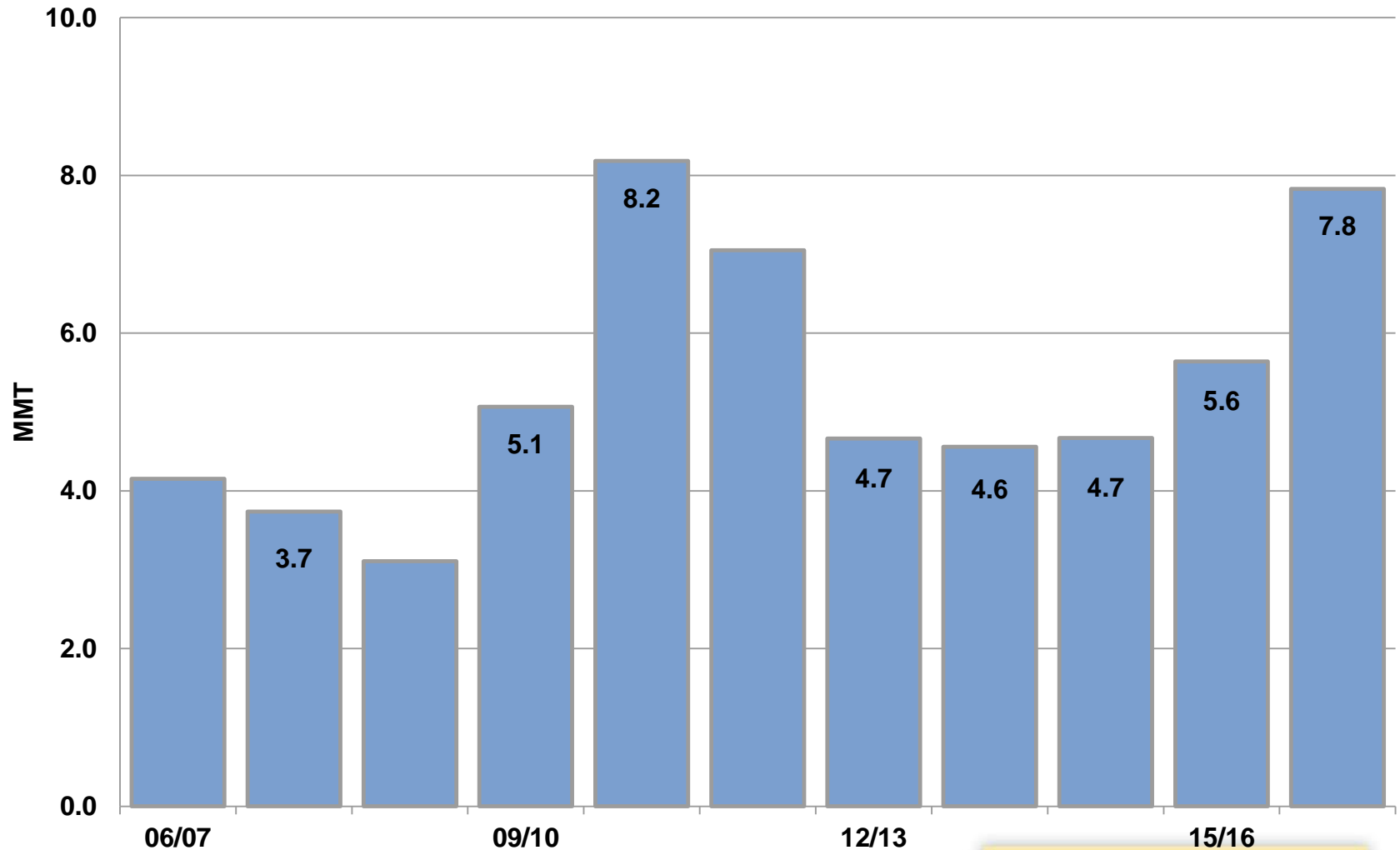
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Australia Situation



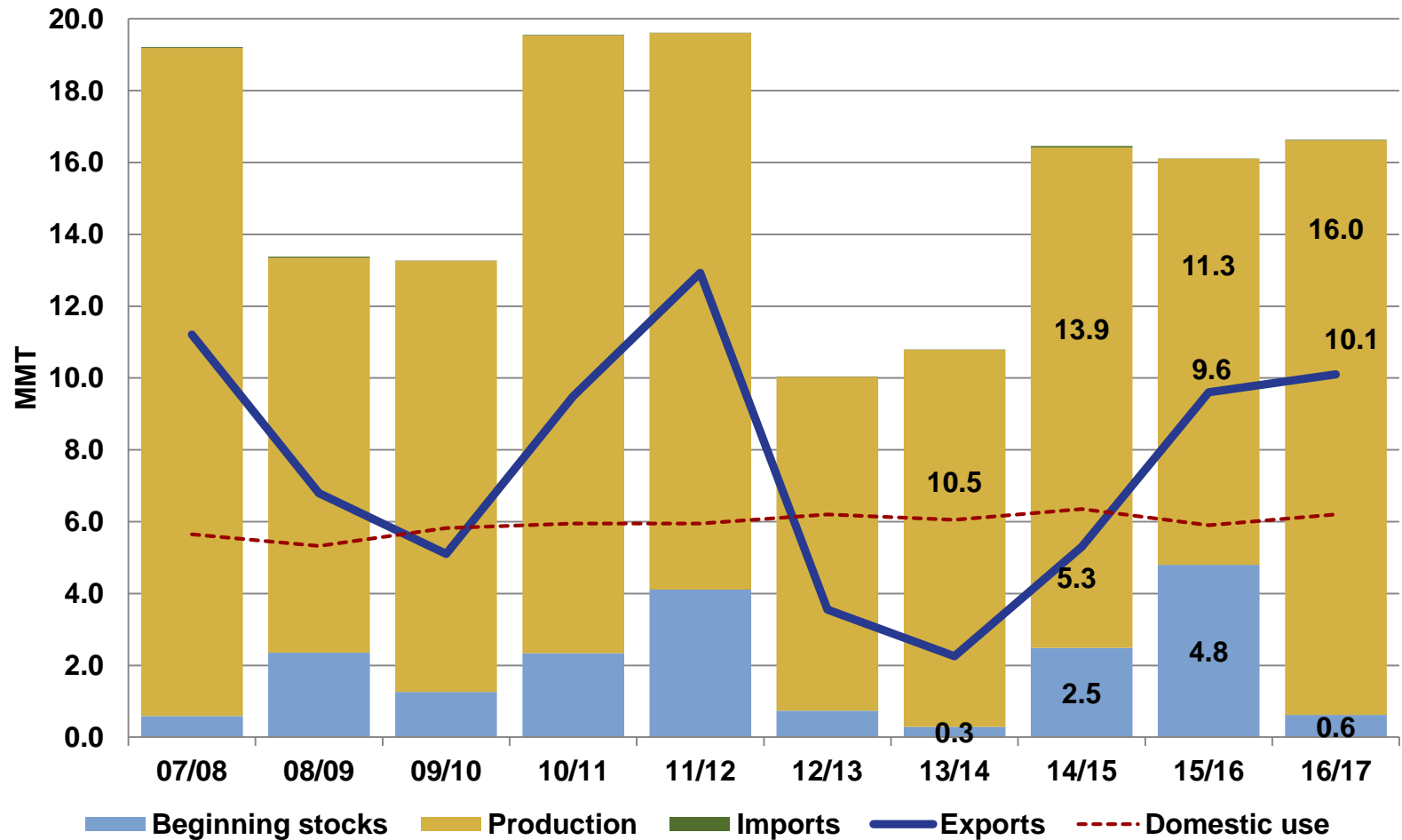
Australia Ending Stocks



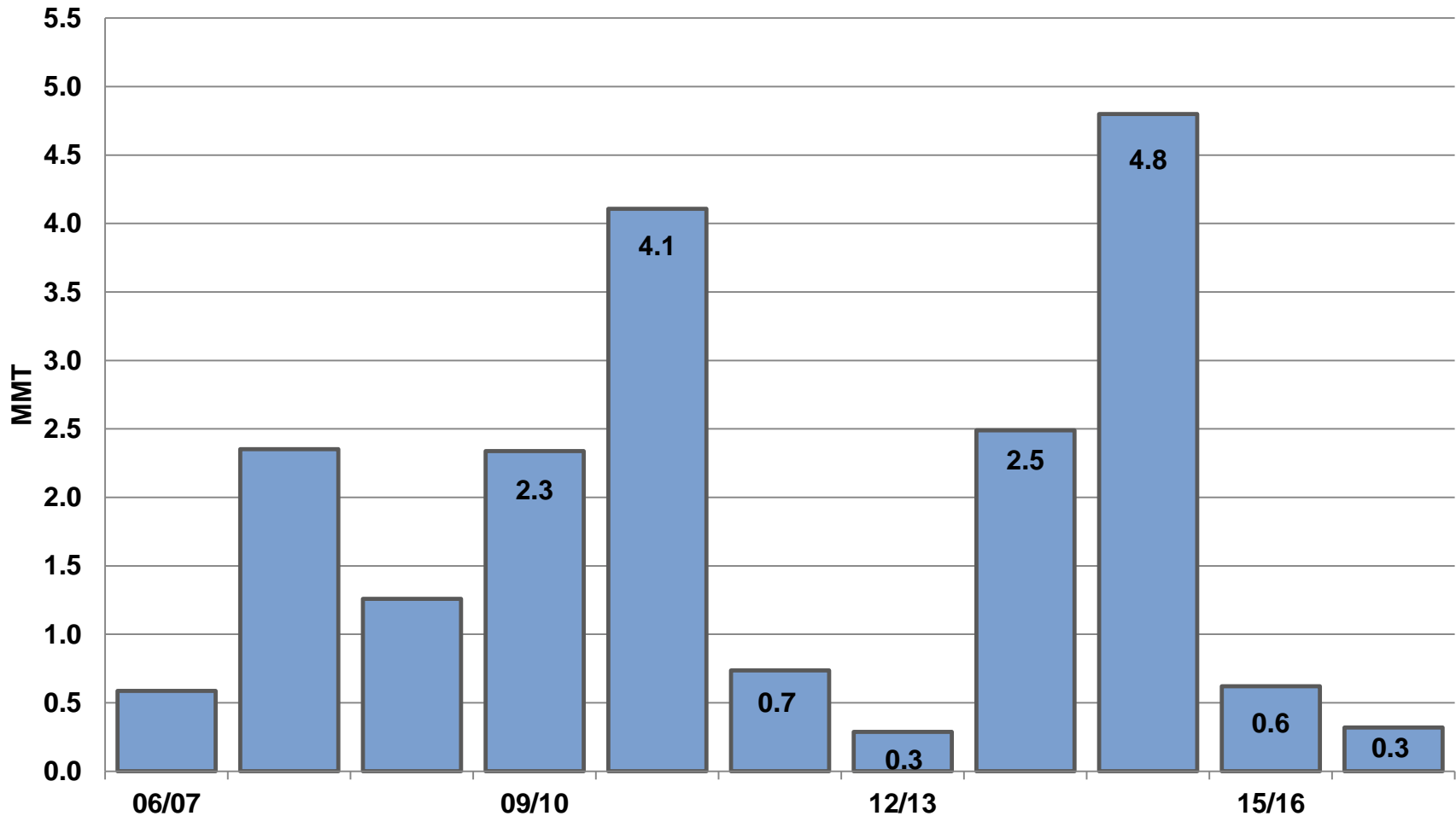
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Argentina Situation



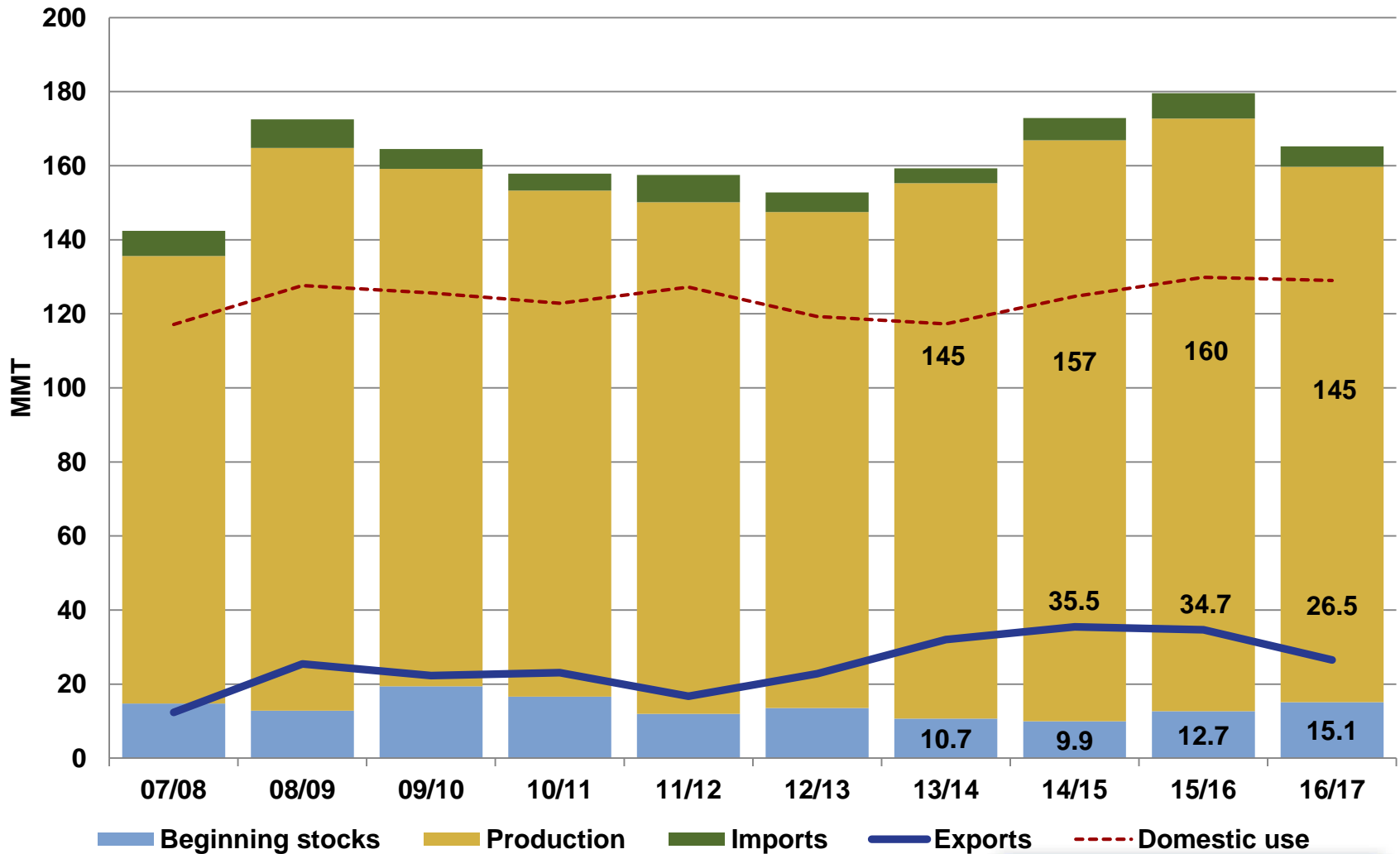
Argentina Ending Stocks



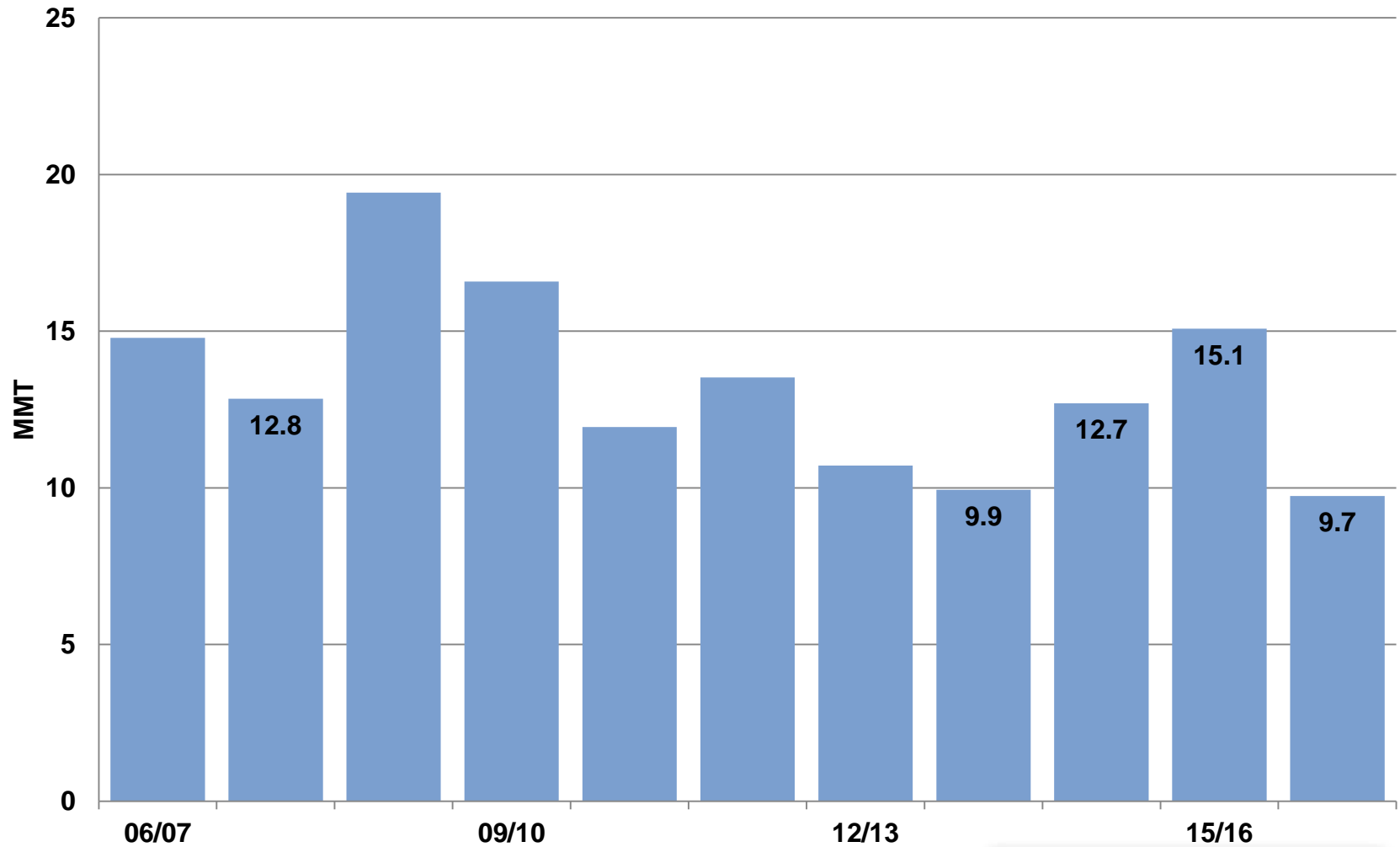
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EU-27 Situation



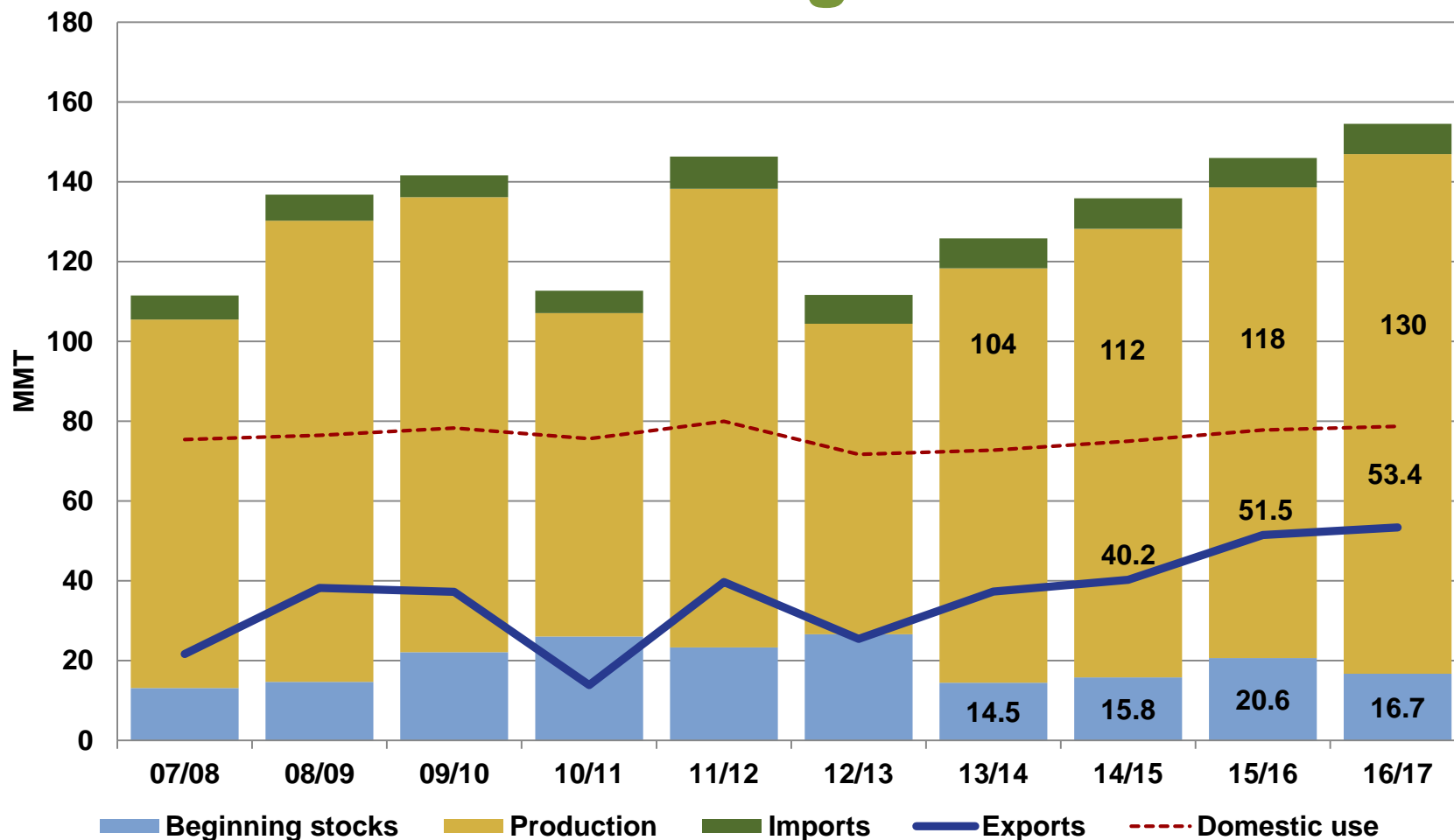
EU-27 Ending Stocks



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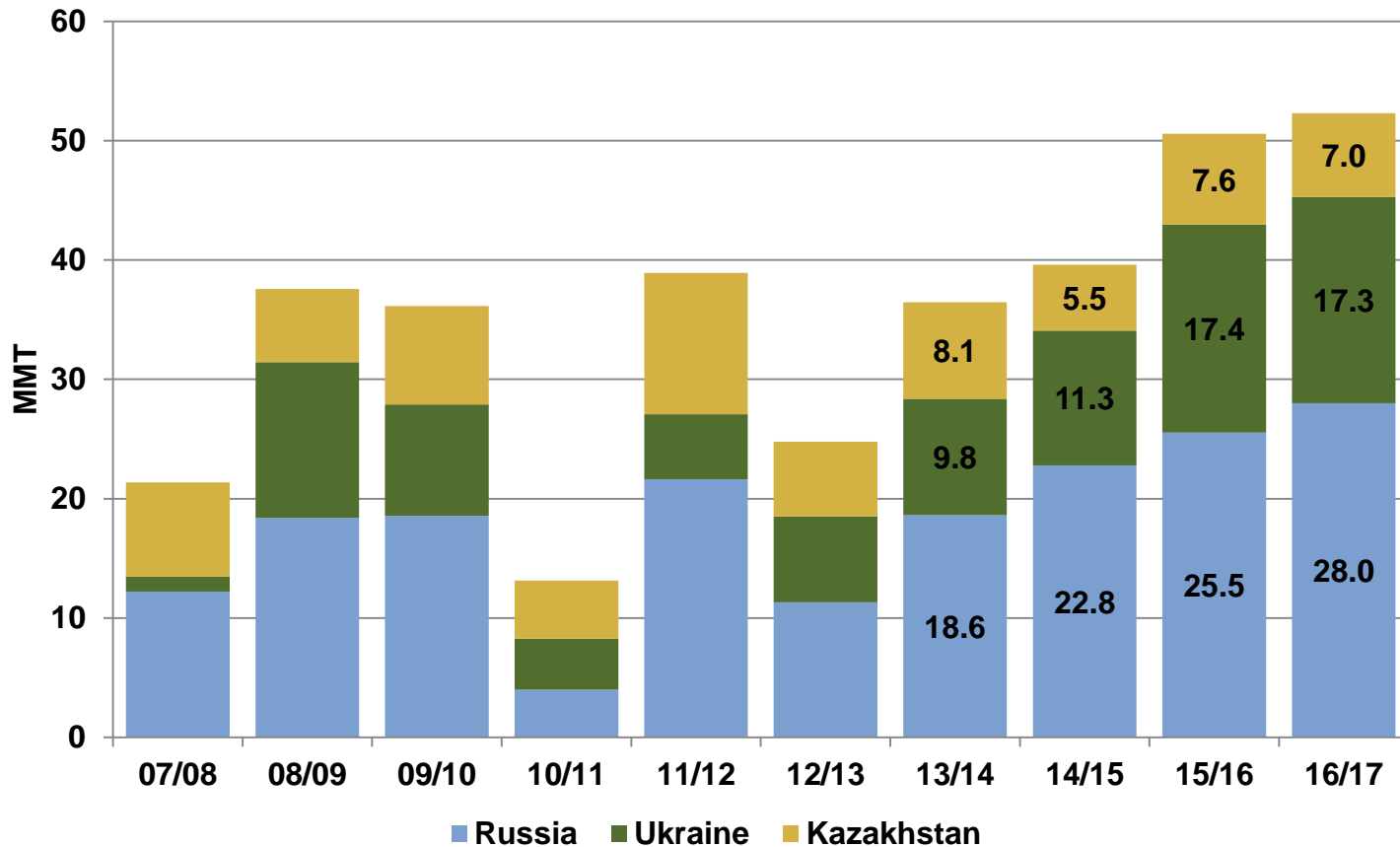
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Black Sea Region Situation



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

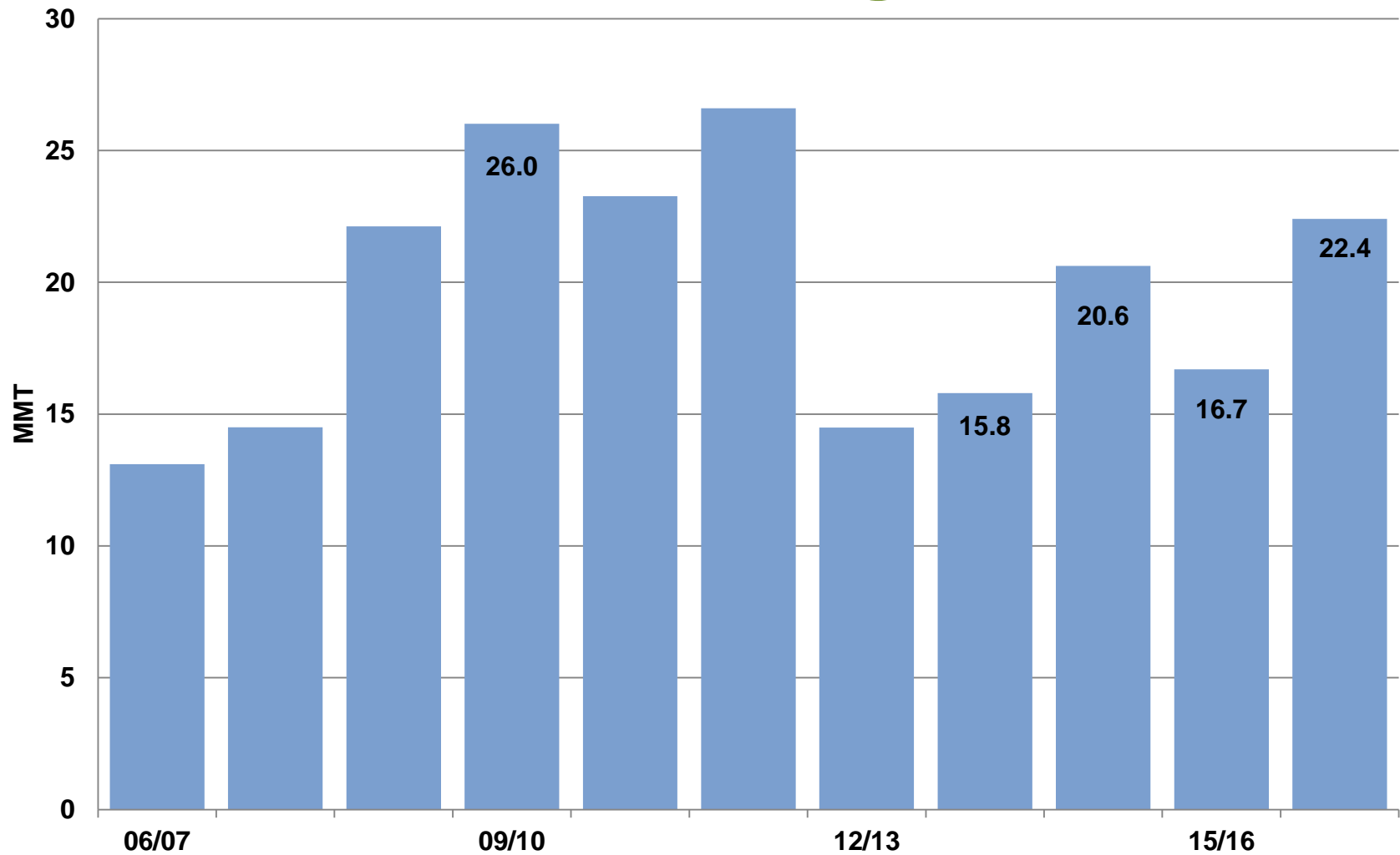
Black Sea Exports



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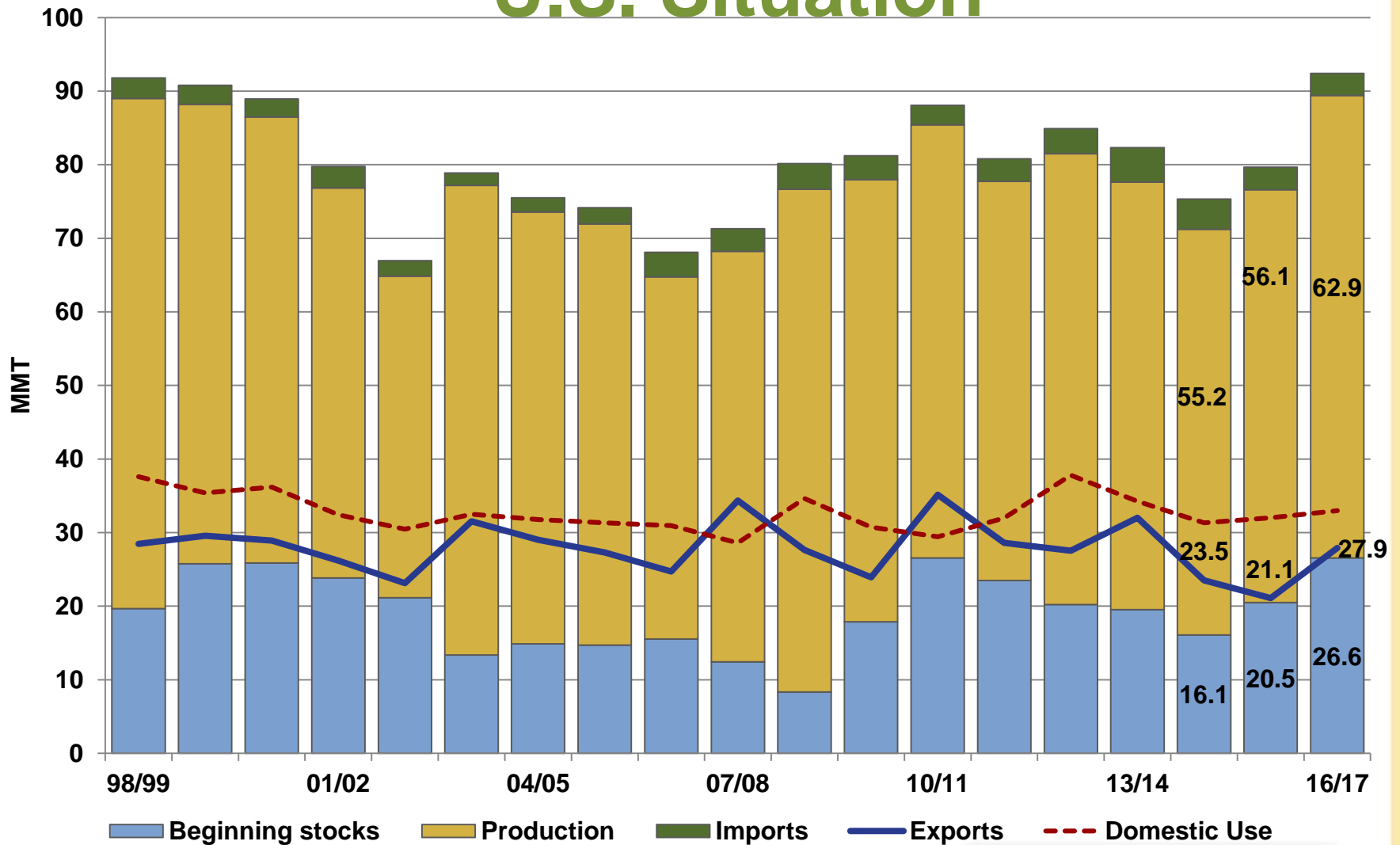
Black Sea Ending Stocks



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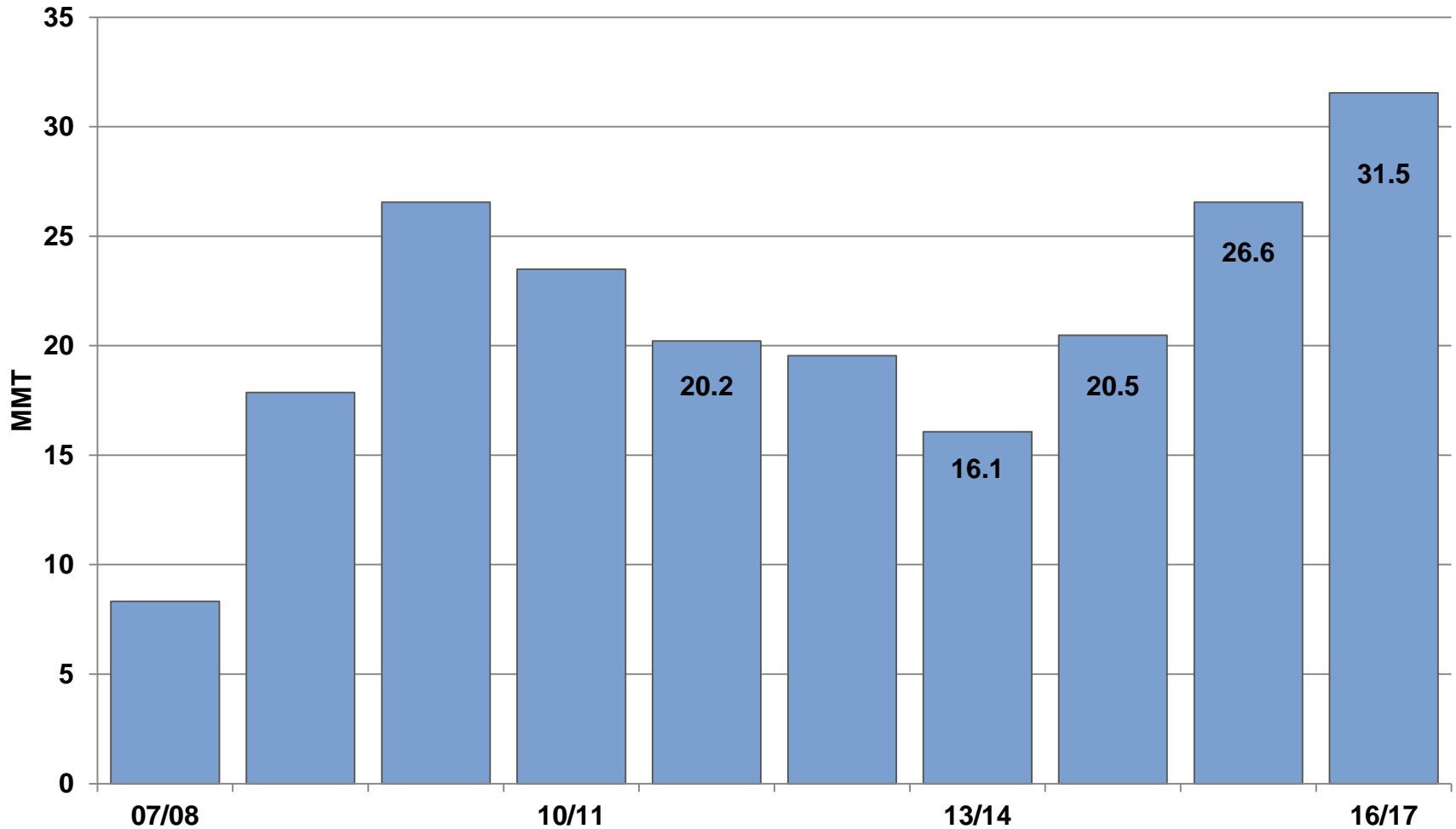
U.S. Situation



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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

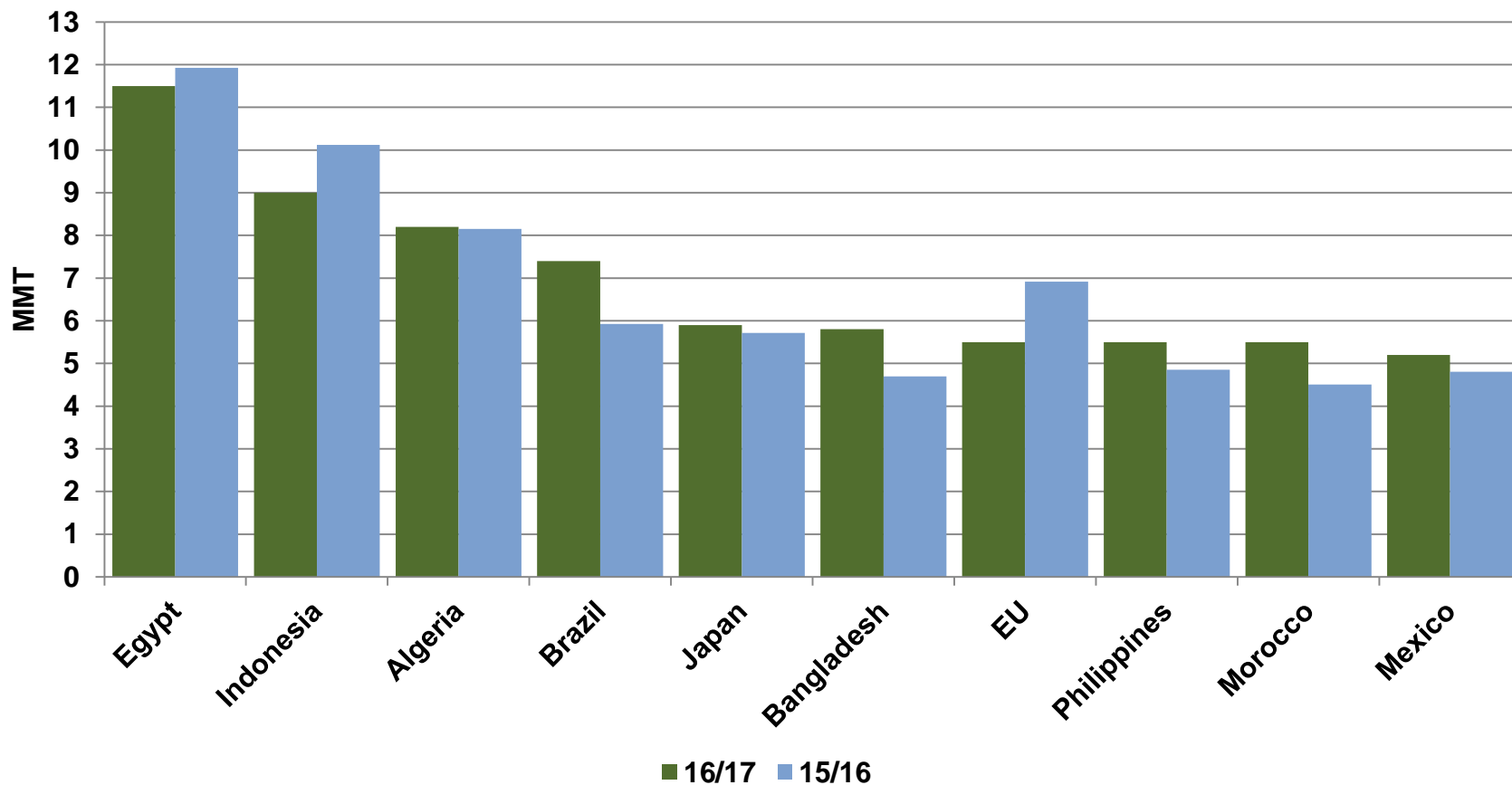


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Major World Wheat Importers

(from all origins)

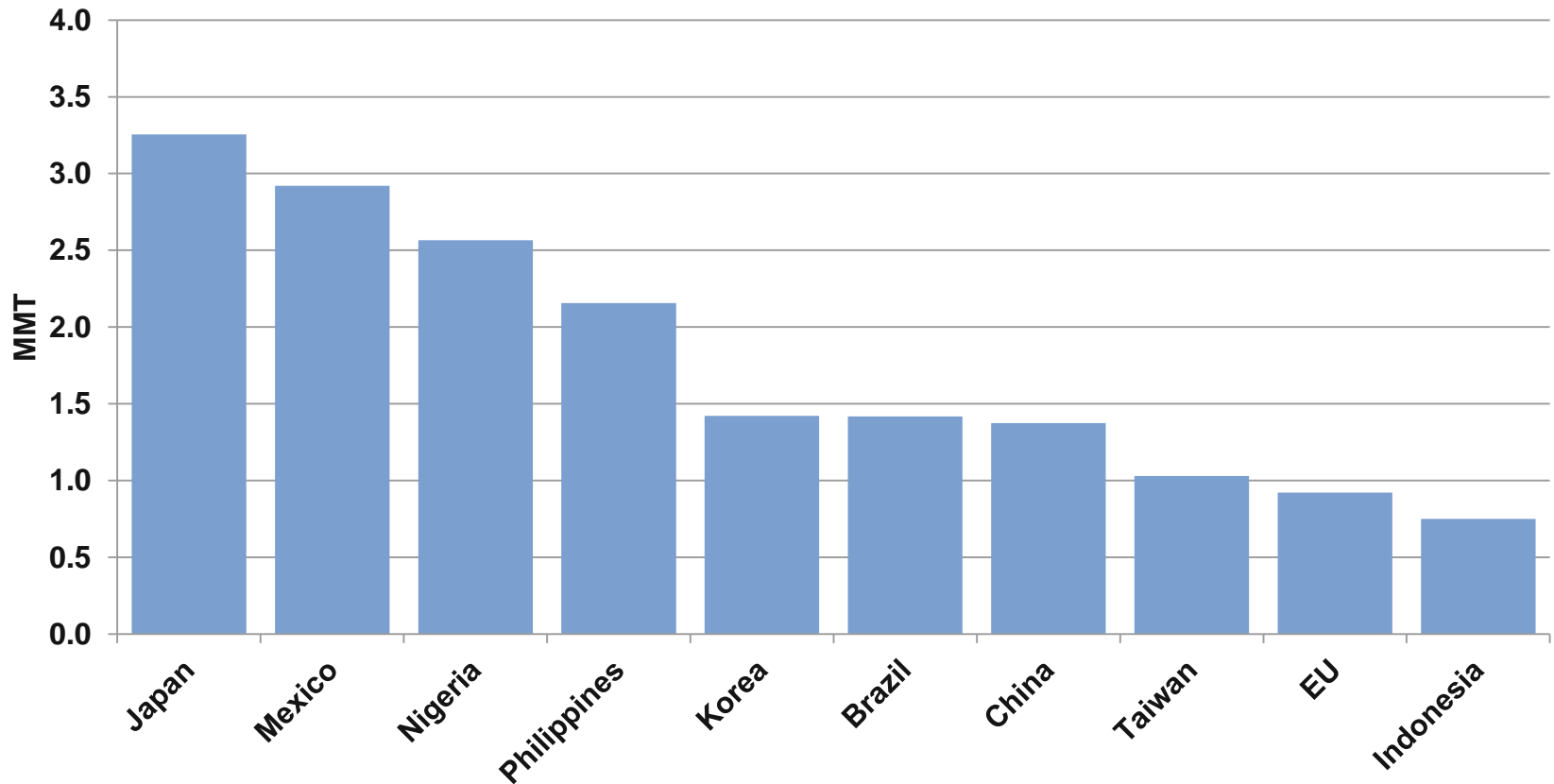


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Top 10 Customers for U.S. Wheat

5-year average

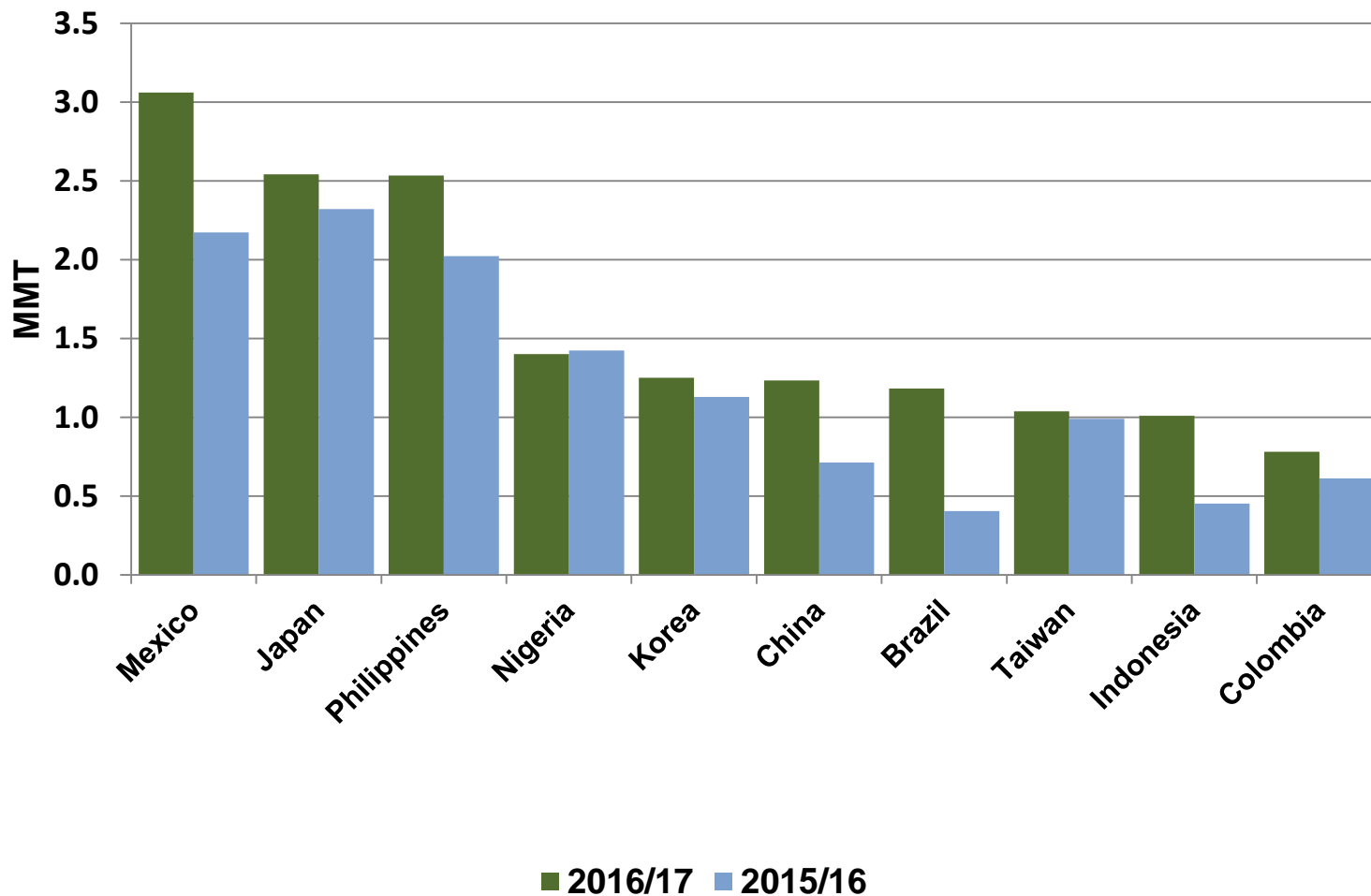


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Top 10 Customers for U.S. Wheat

2016/17 vs. 2015/16



Source: USDA FAS export sales report April 6, 2017.

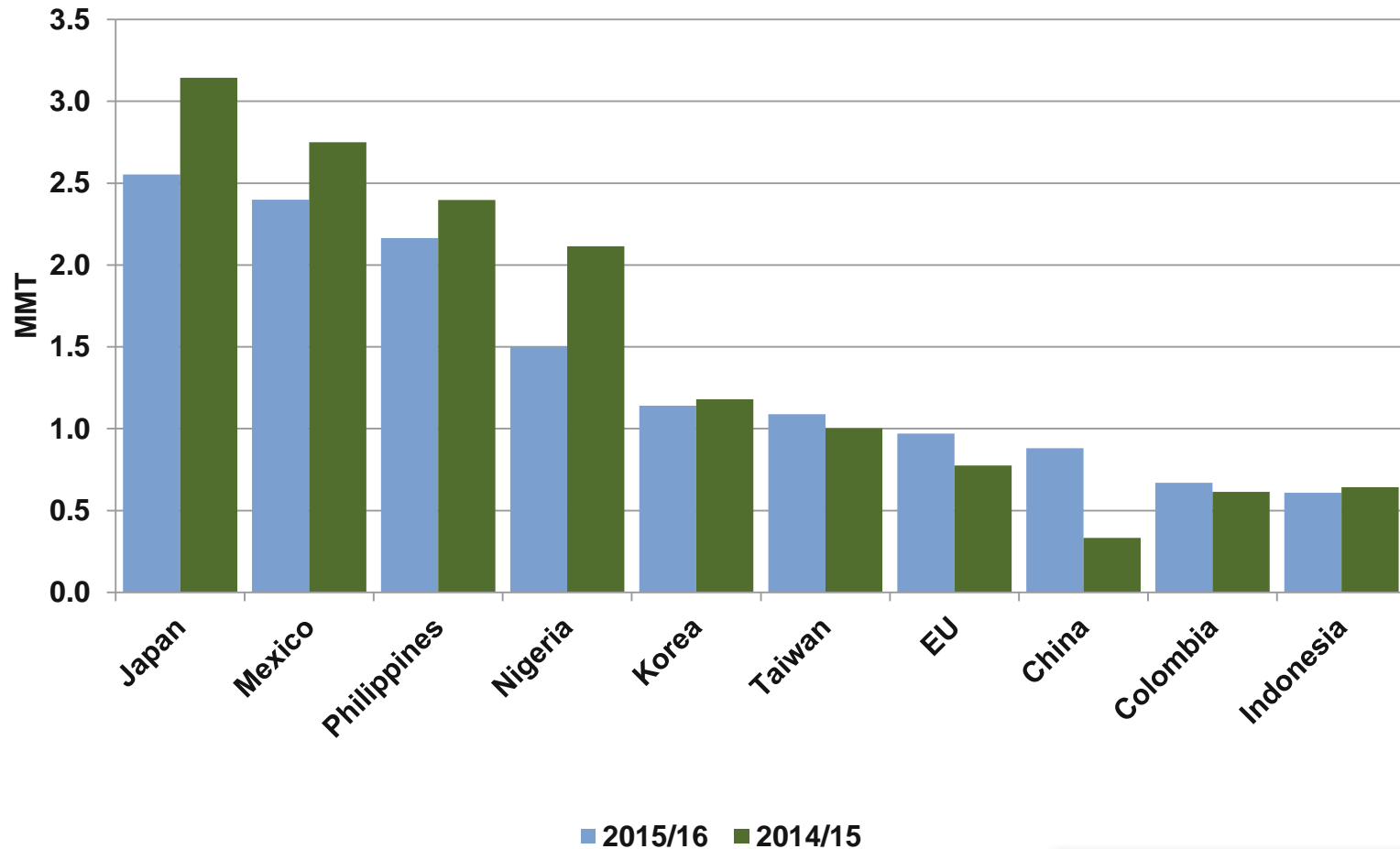


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Top 10 Customers for U.S. Wheat

2015/16 vs. 2014/15



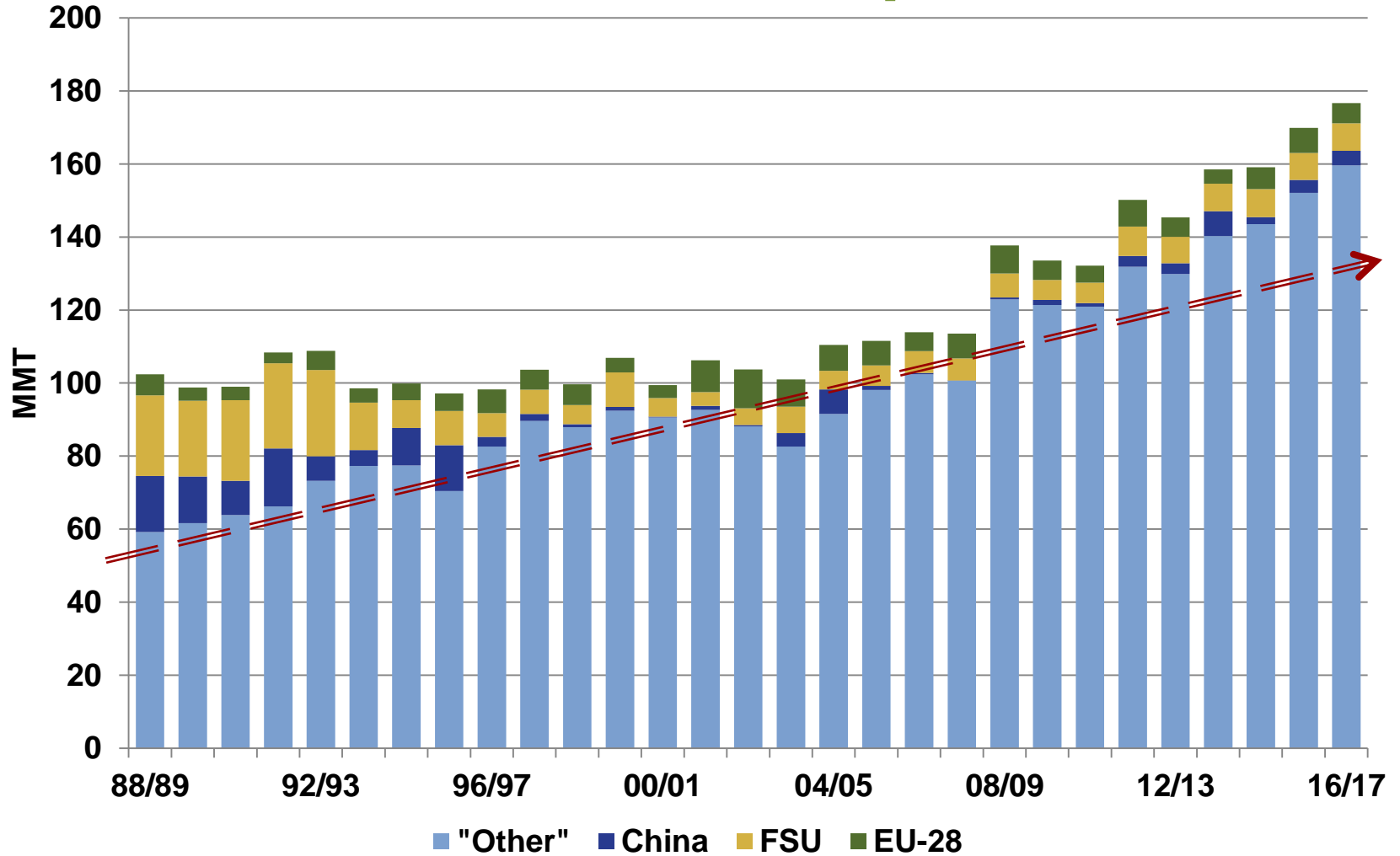
Source: USDA FAS export sales report April 6, 2017.



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World Wheat Imports



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



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World and U.S. Wheat Supply and Demand

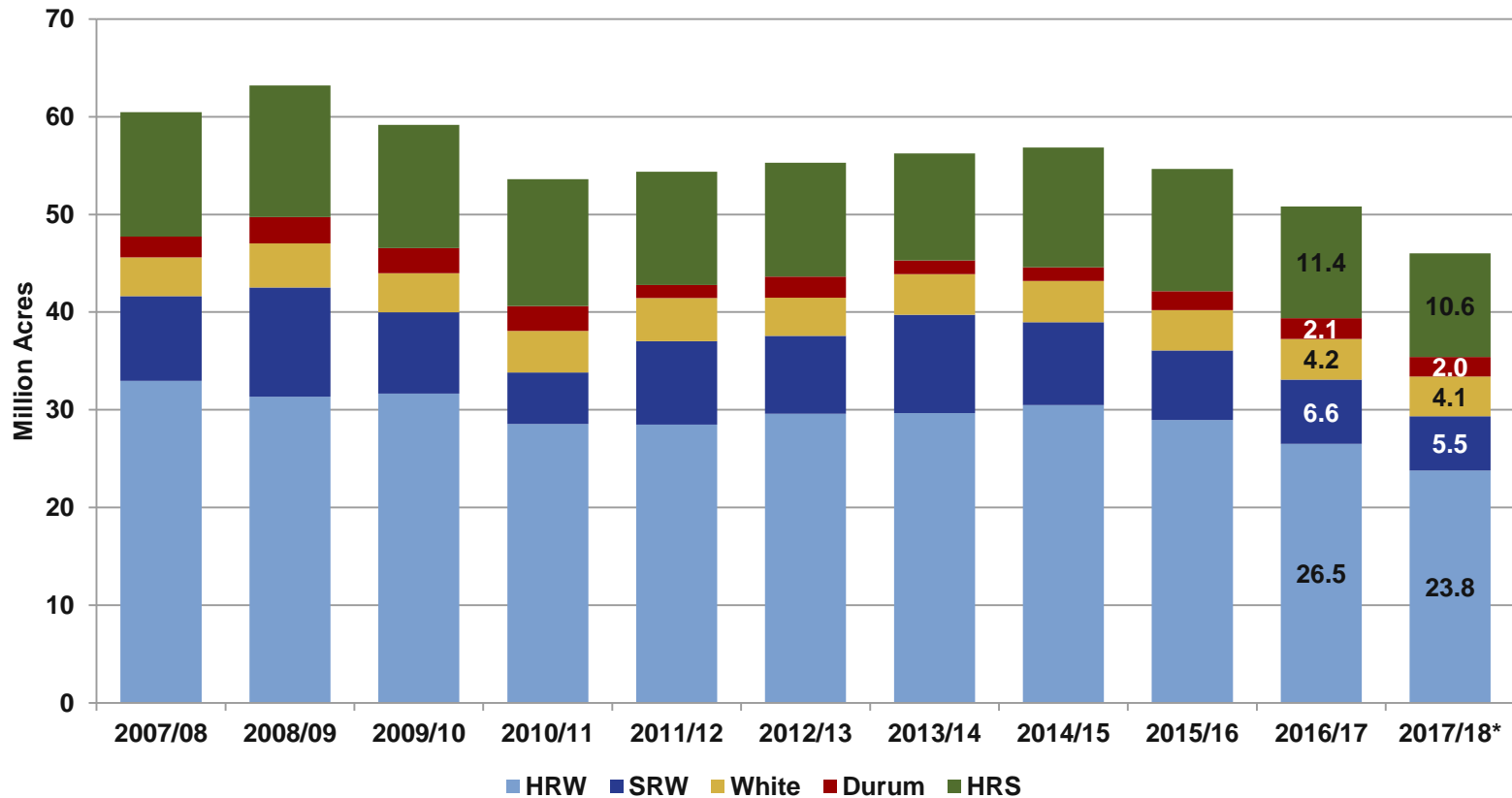
- Major Exporters
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- **U.S. Situation by Class**
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U.S. Wheat Plantings by Class



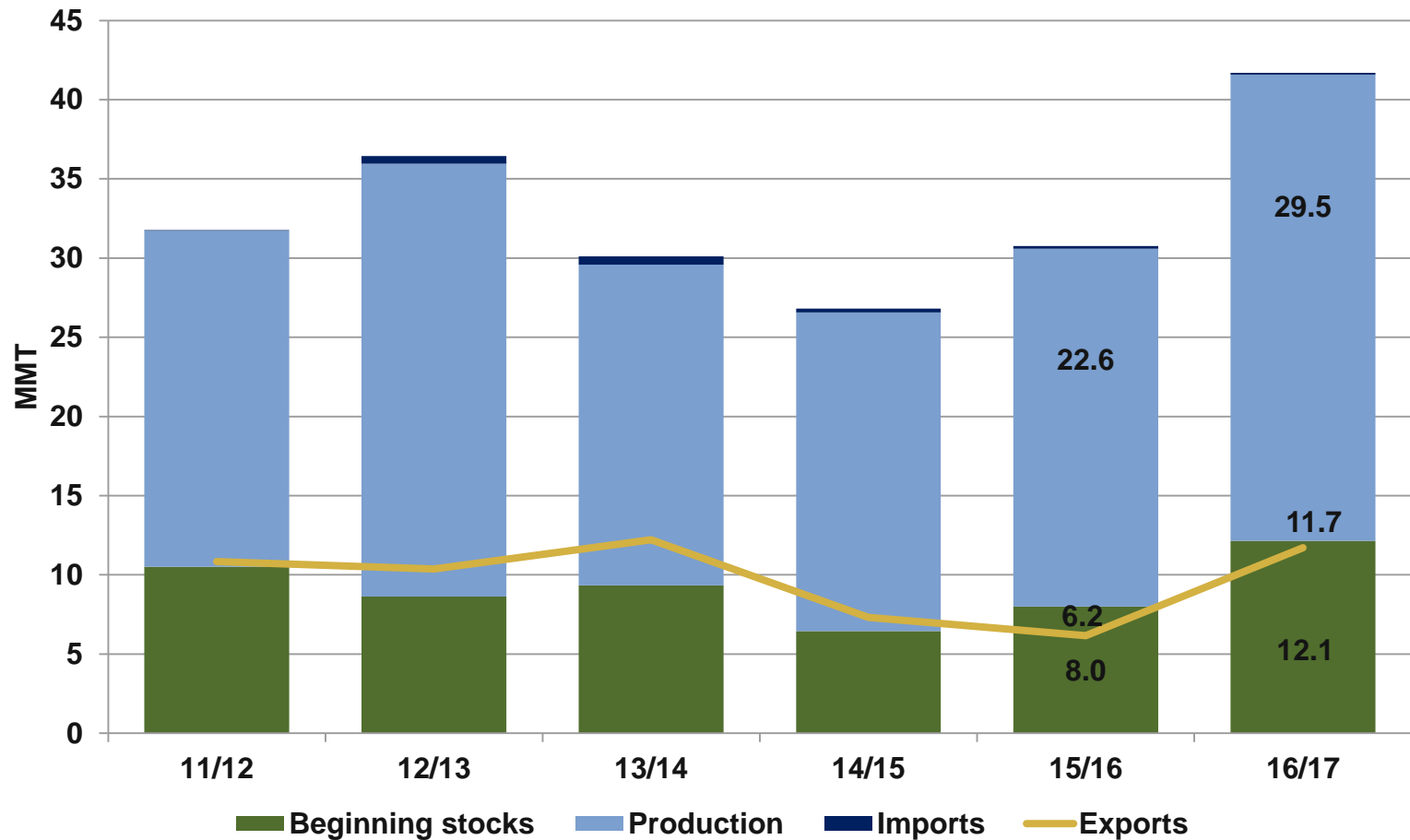
*Source: USDA Prospective Plantings Report, March 31, 2017



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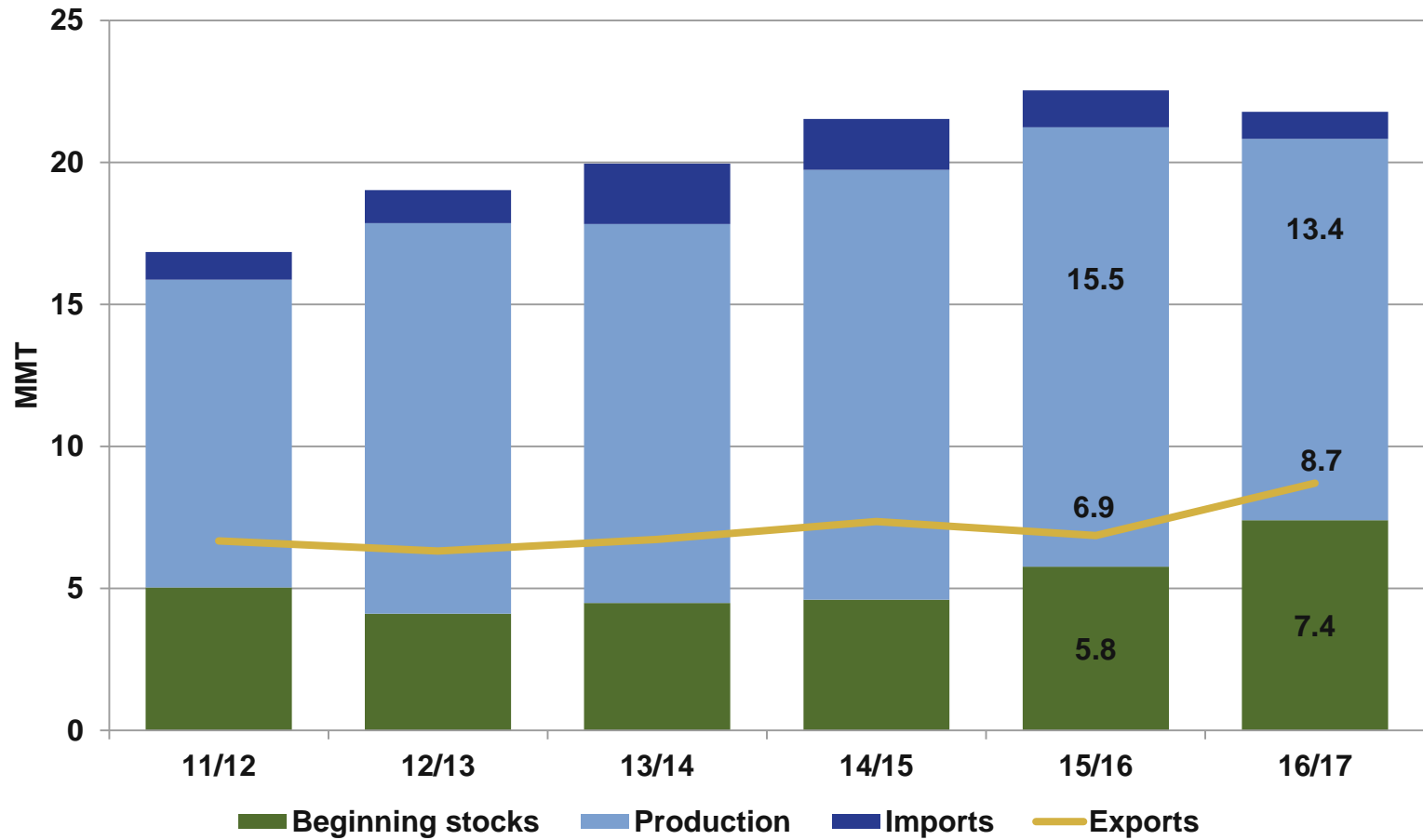
U.S. Hard Red Winter



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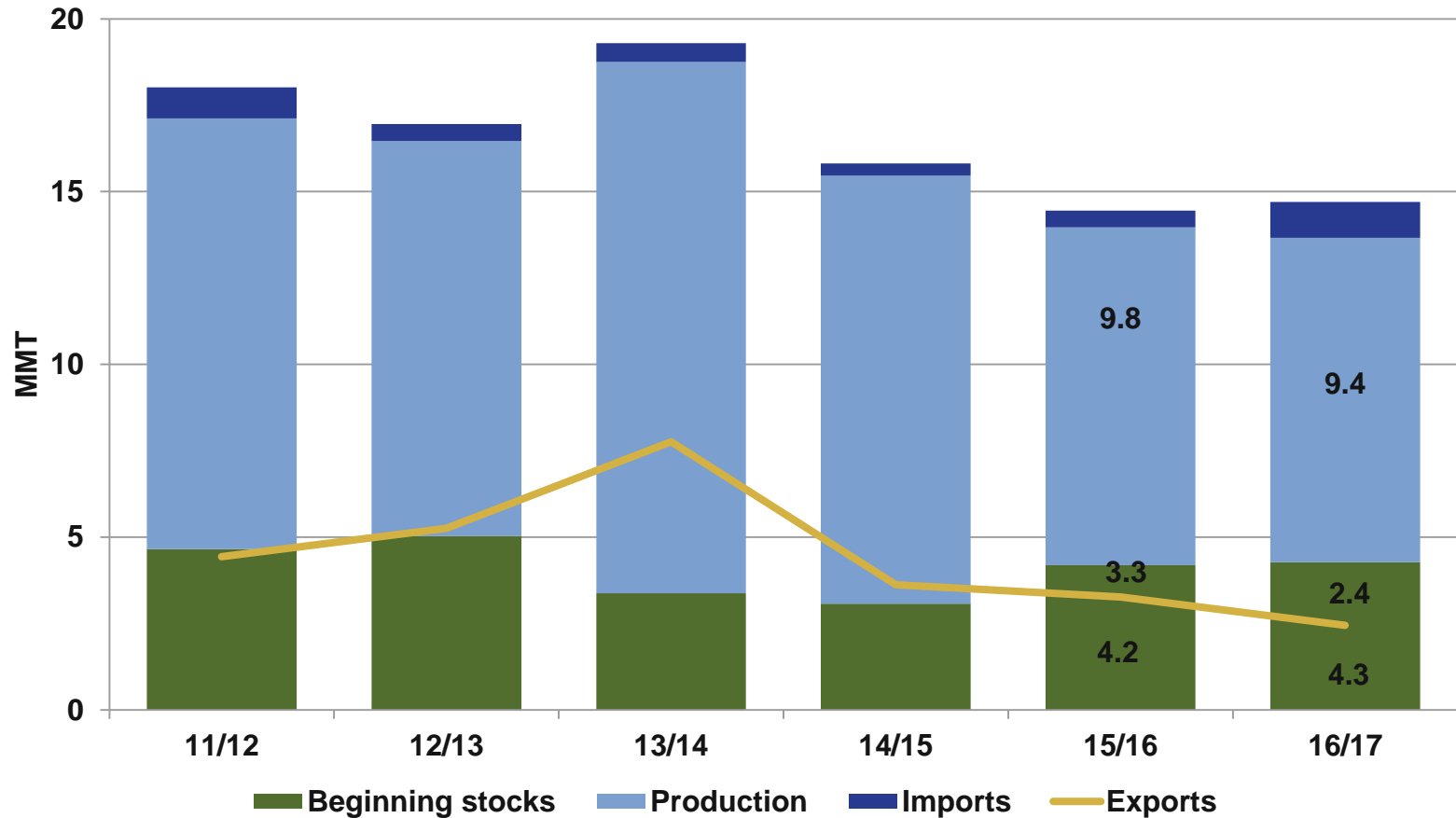
U.S. Hard Red Spring



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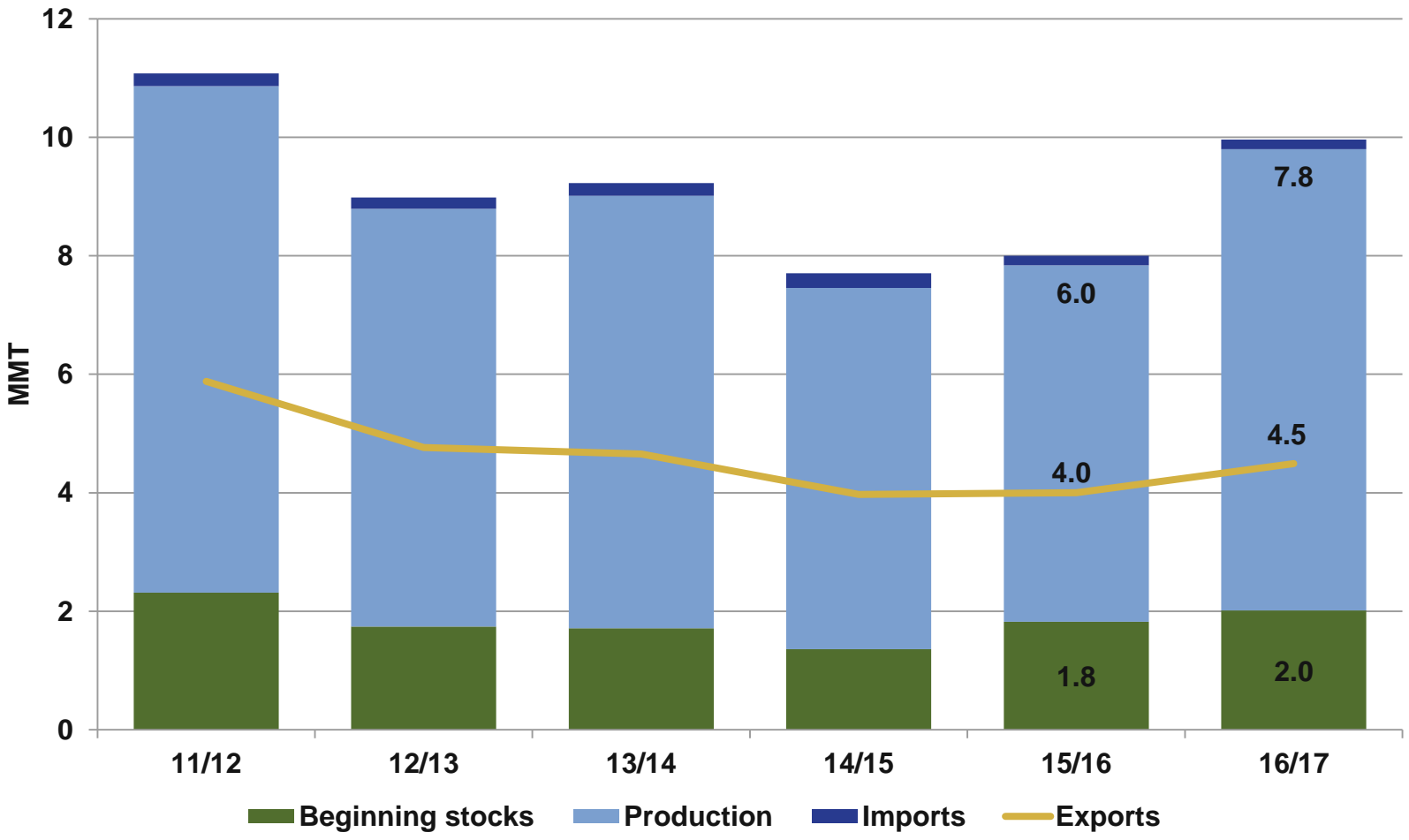
U.S. Soft Red Winter



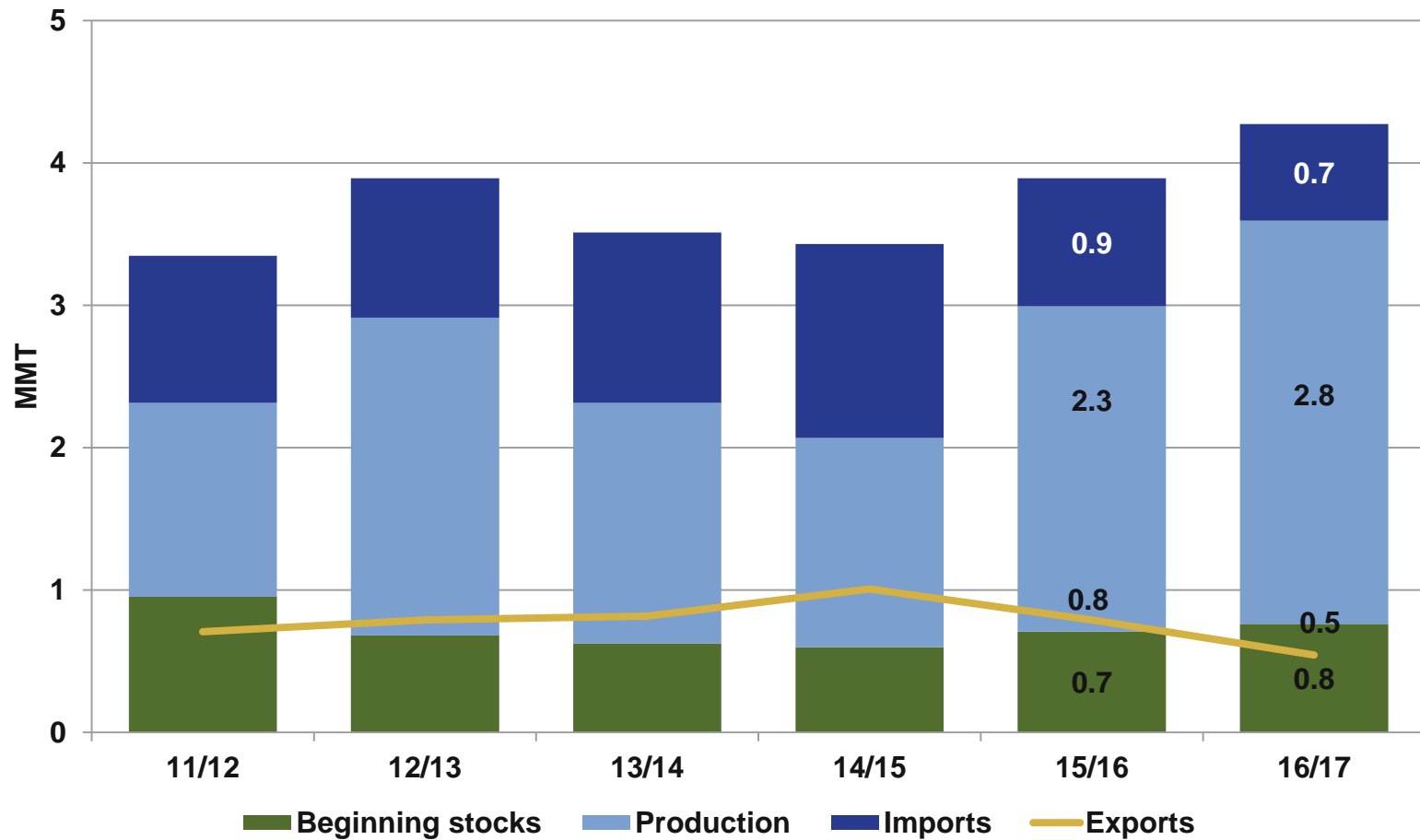
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U.S. White



U.S. Durum

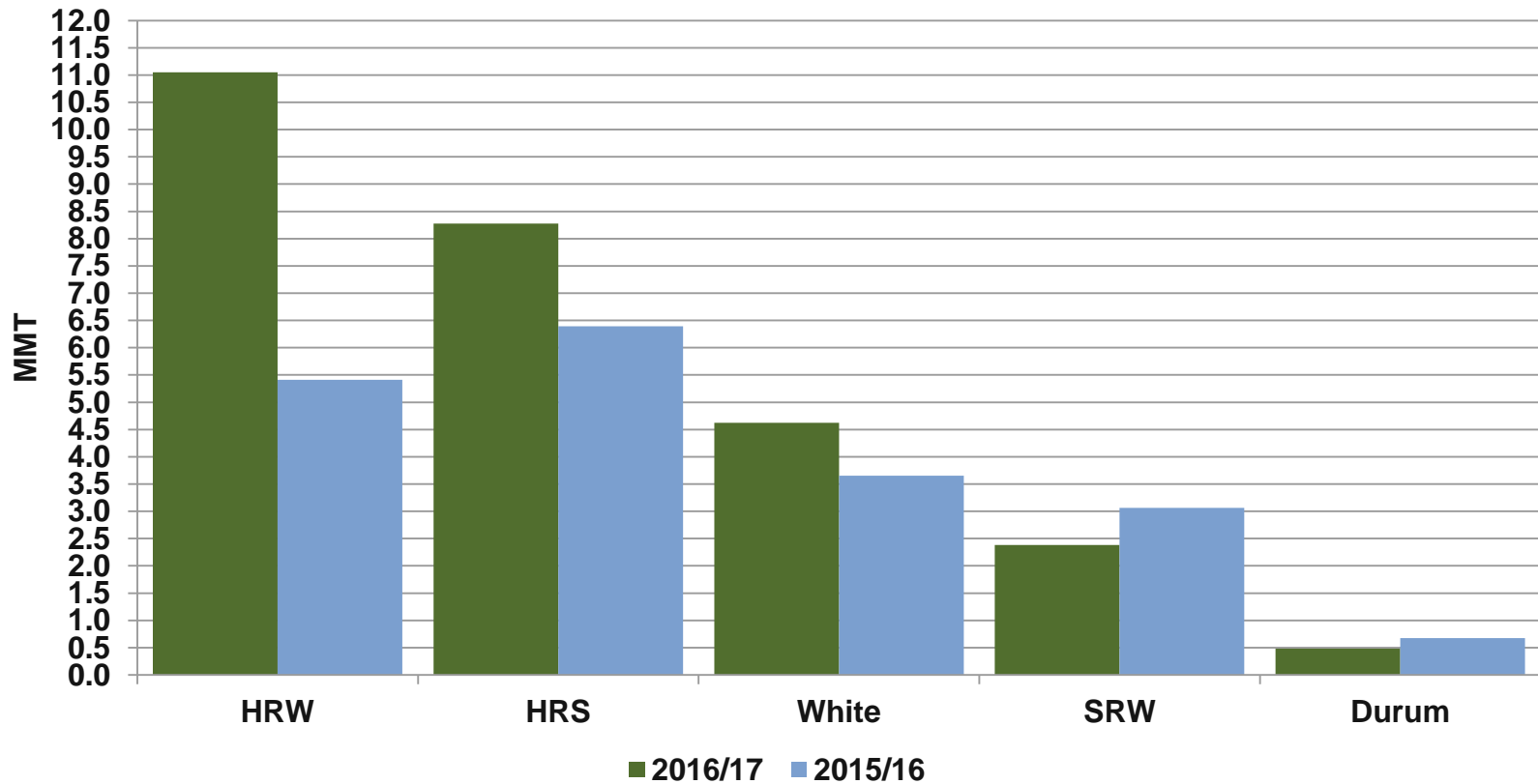


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U.S. Wheat Sales by Class

(year-to-date)



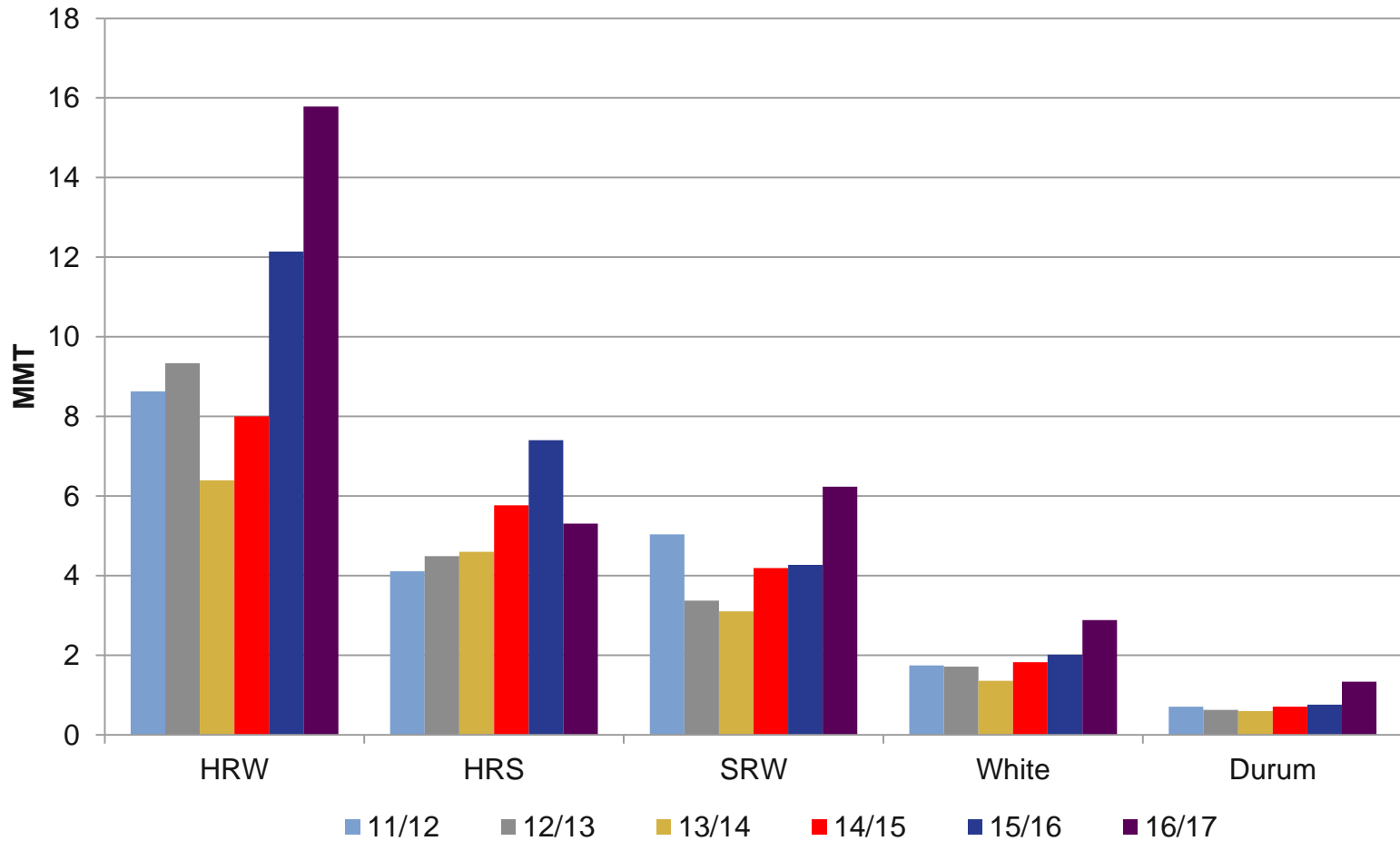
Source: USDA FAS export sales report April 6, 2017.



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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>1.0</u>
Supply Total	30.8	41.7	22.5	21.8	14.5	14.7
Domestic Use	12.5	14.2	8.3	7.8	6.9	6.0
Exports	<u>6.2</u>	<u>11.7</u>	<u>6.9</u>	<u>8.7</u>	<u>3.3</u>	<u>2.4</u>
Use Total	18.6	25.9	15.1	16.5	10.2	8.5
Ending Stocks	12.1	15.8	7.4	5.3	4.3	6.2
Stocks-to-Use	65%	61%	49%	32%	42%	74%



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U.S. Wheat Supply and Demand

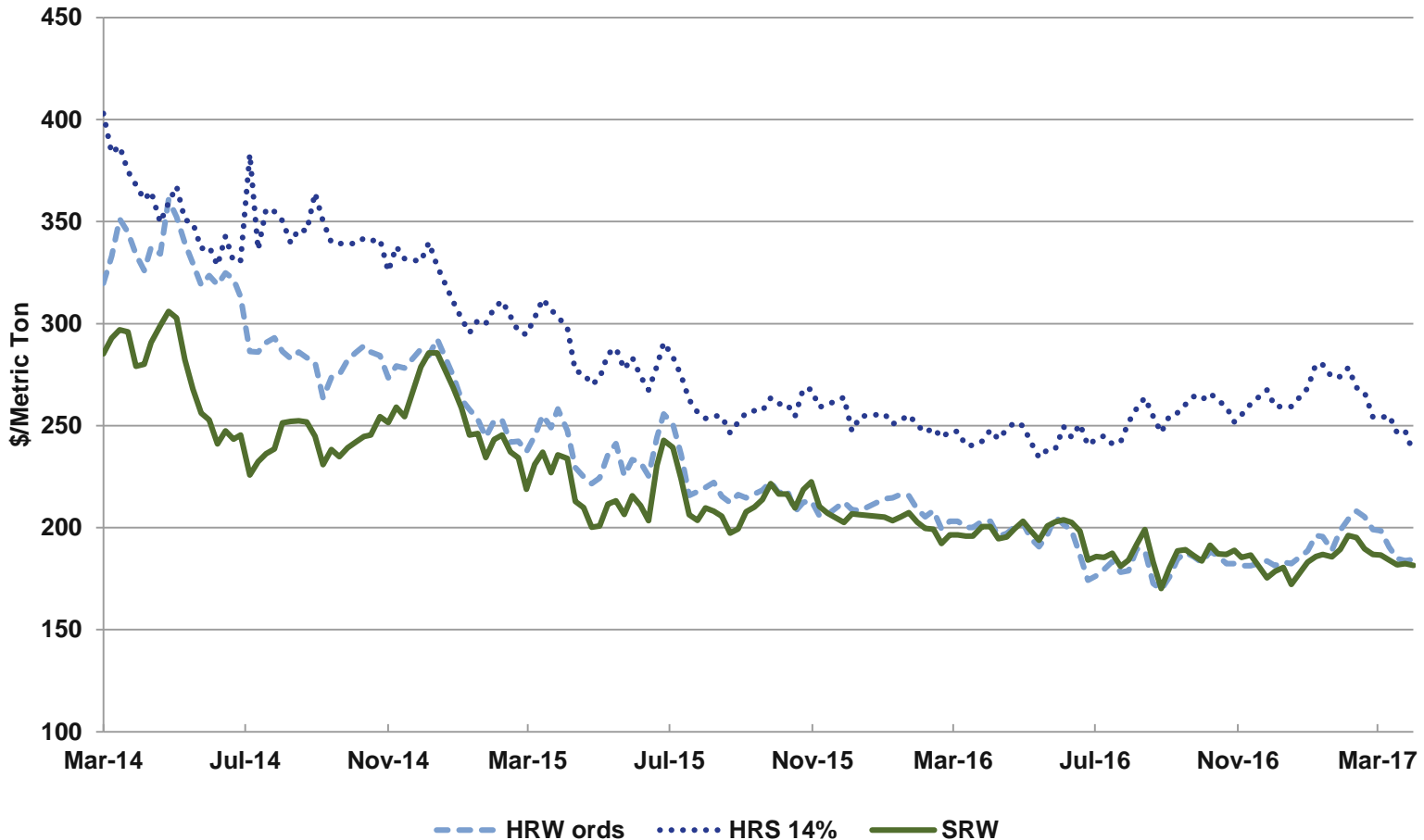
	White		Durum		Total	
	15/16	16/17	15/16	16/17	15/16	16/17
	MMT					
Beginning Stocks	1.8	2.0	0.7	0.8	20.5	26.6
Production	6.0	7.8	2.3	2.8	56.1	62.9
Imports	<u>0.2</u>	<u>0.2</u>	<u>0.9</u>	<u>0.7</u>	<u>3.1</u>	<u>2.9</u>
Supply Total	8.0	10.0	3.9	4.3	79.7	92.4
Domestic Use	2.0	2.6	2.3	2.4	32.0	33.0
Exports	<u>4.0</u>	<u>4.5</u>	<u>0.8</u>	<u>0.5</u>	<u>21.1</u>	<u>27.9</u>
Use Total	6.0	7.1	3.2	2.9	53.1	60.9
Ending Stocks	2.0	2.9	0.8	1.3	26.6	31.5
Stocks-to-Use	34%	41%	24%	45%	50%	52%



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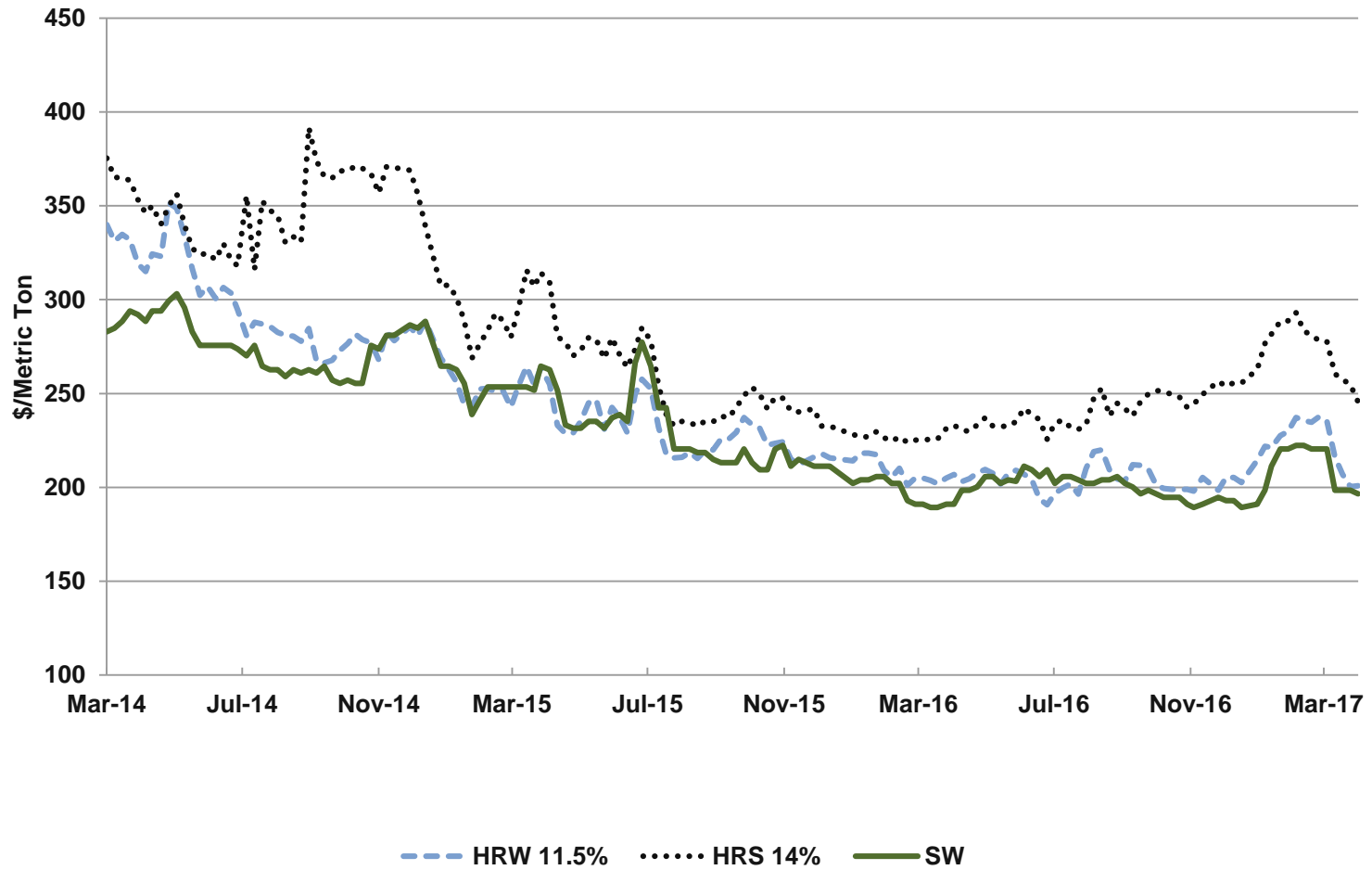
U.S. FOB Gulf Prices



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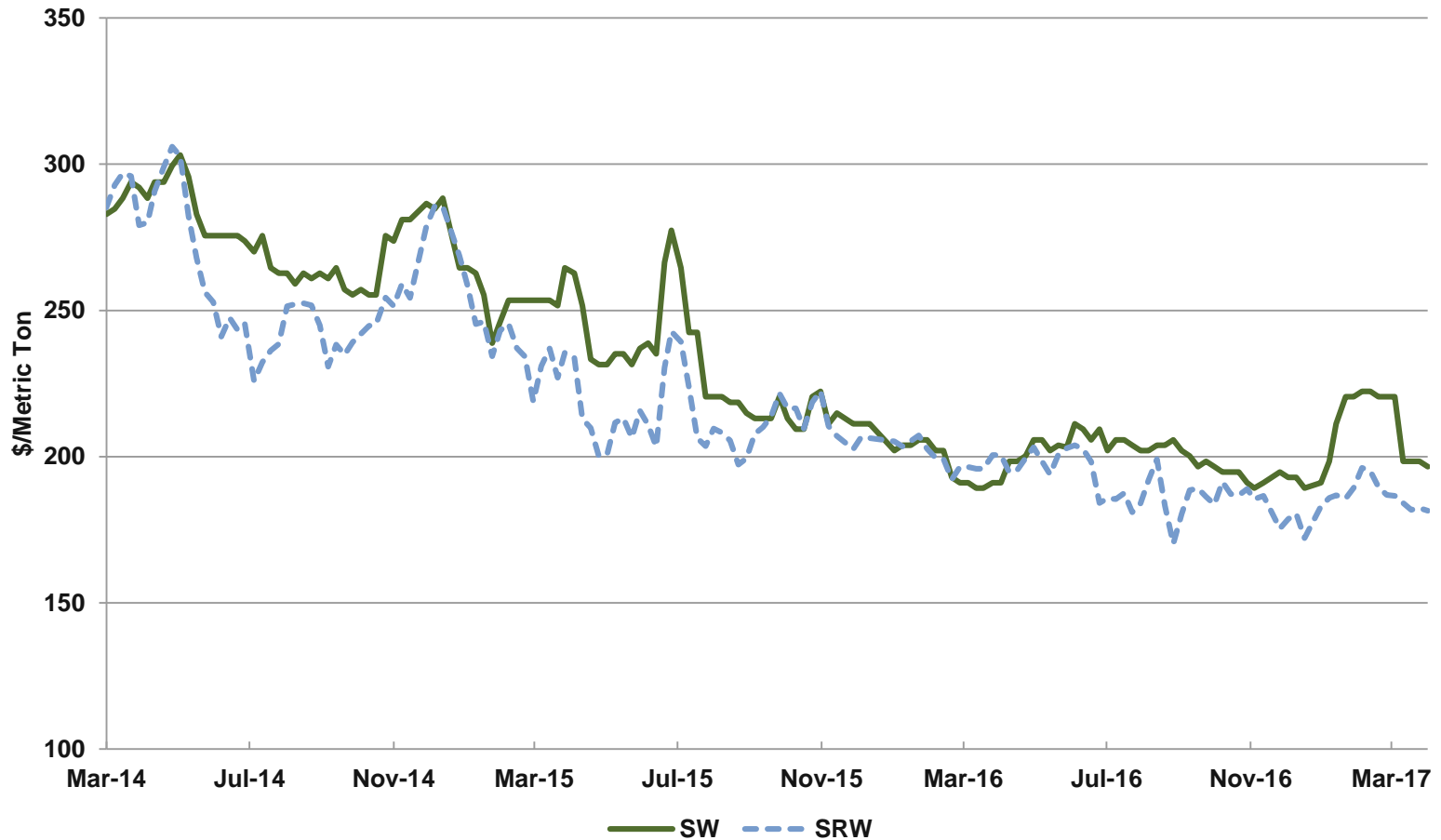
U.S. FOB PNW Prices



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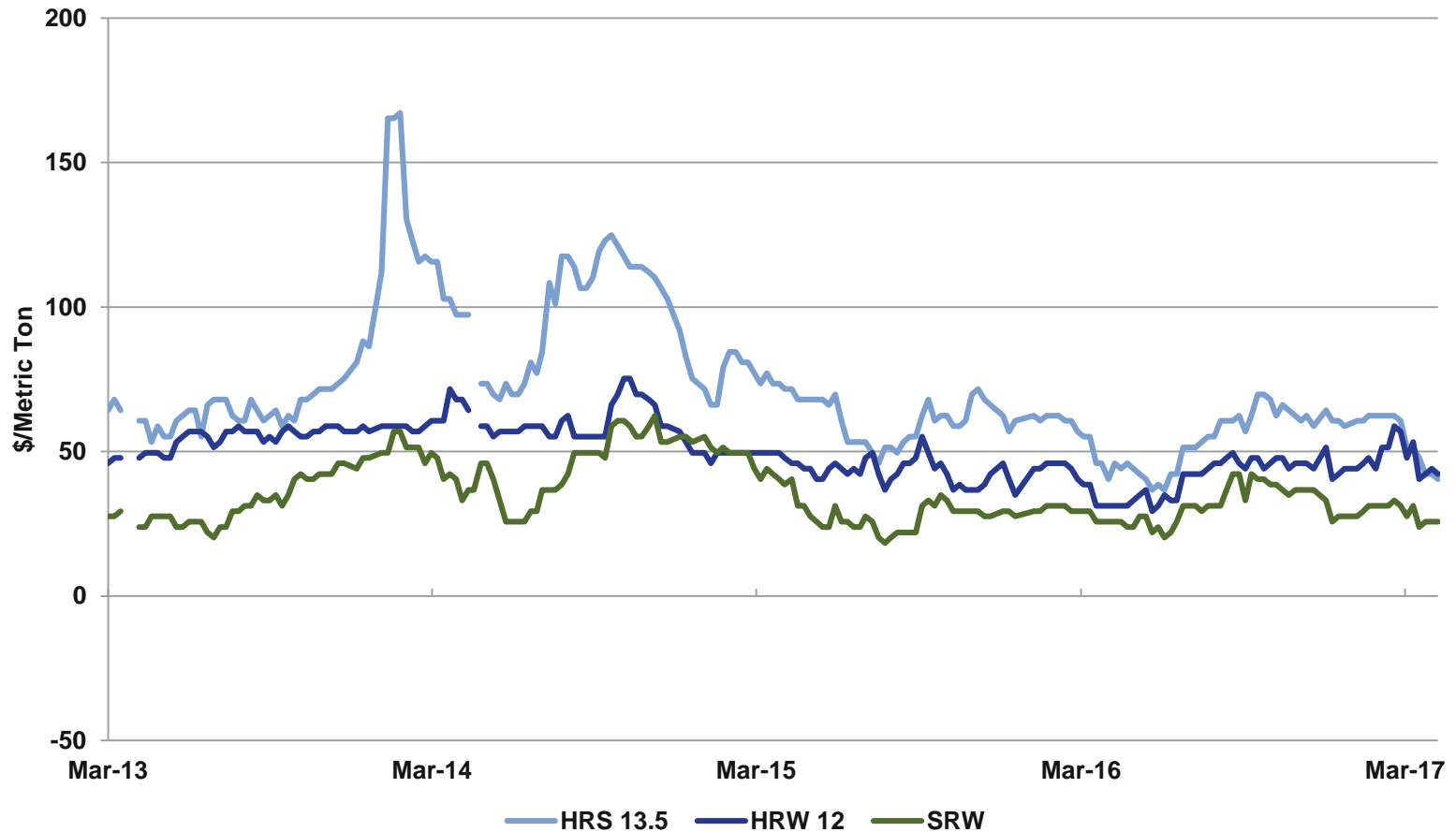
SRW and Soft White Prices



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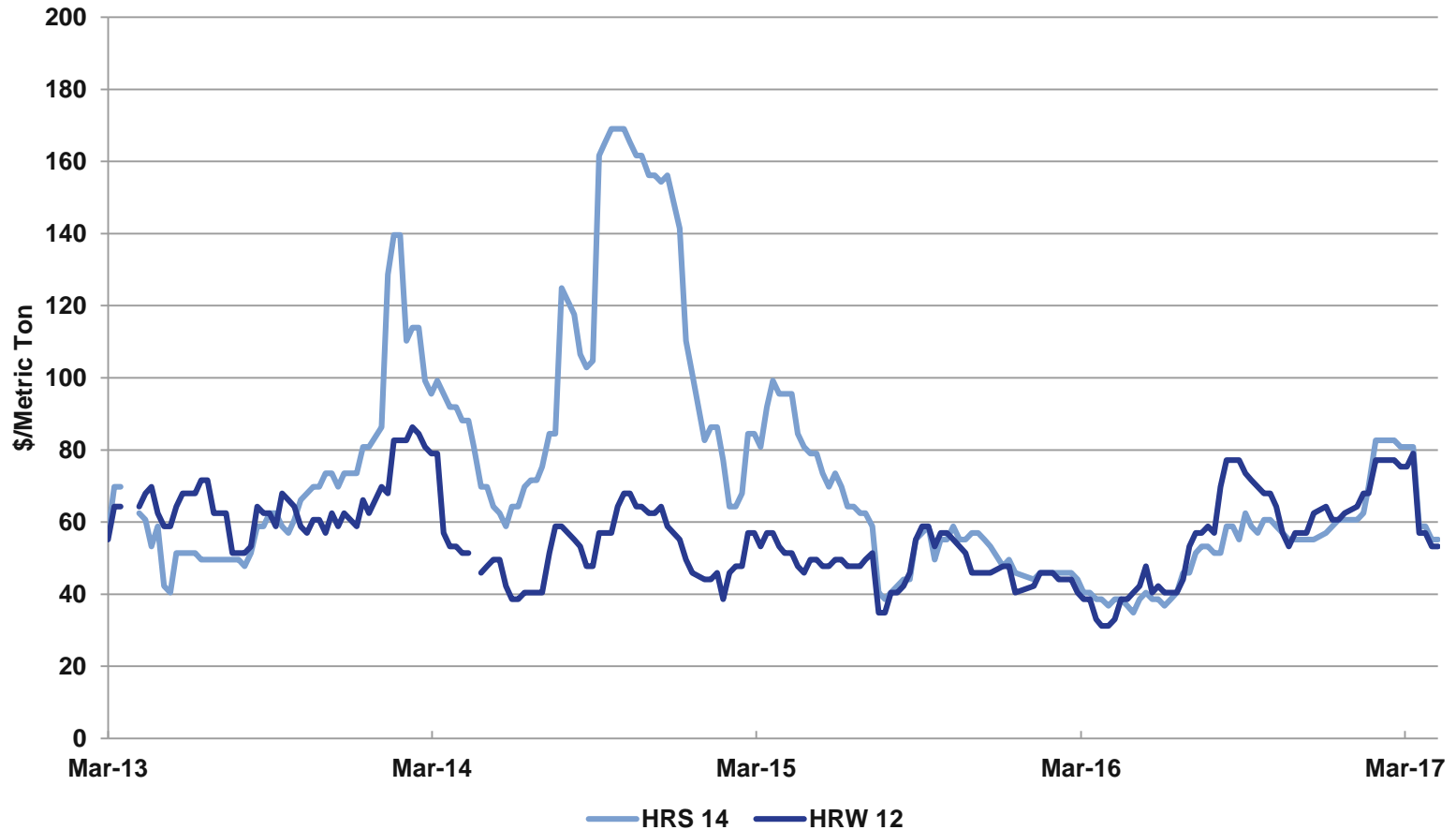
U.S. Gulf Basis Prices



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U.S. PNW Basis Prices



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World and U.S. Wheat Supply and Demand

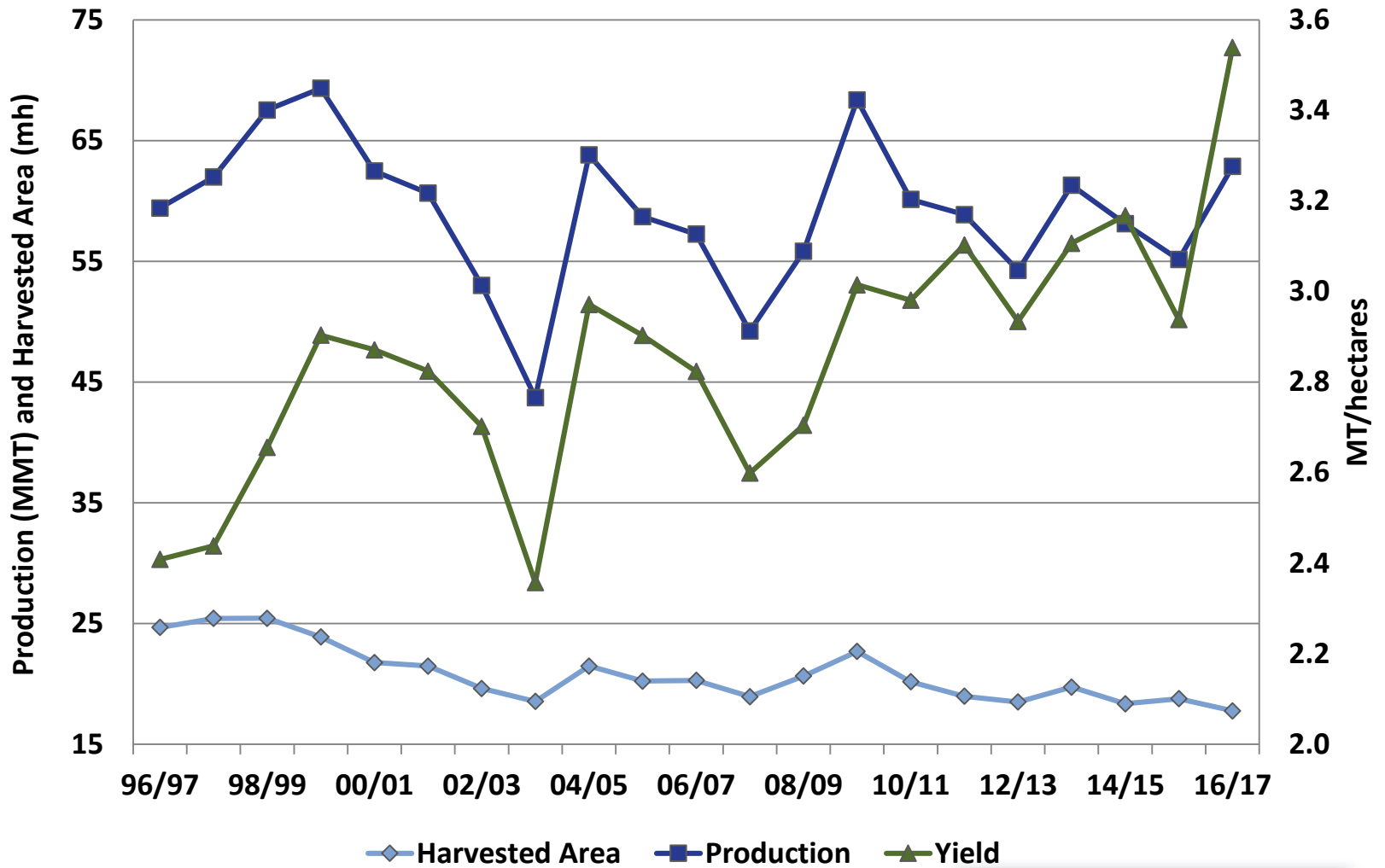
- Major Exporters
- Import Demand
- U.S. Situation by Class
- **Outlook**



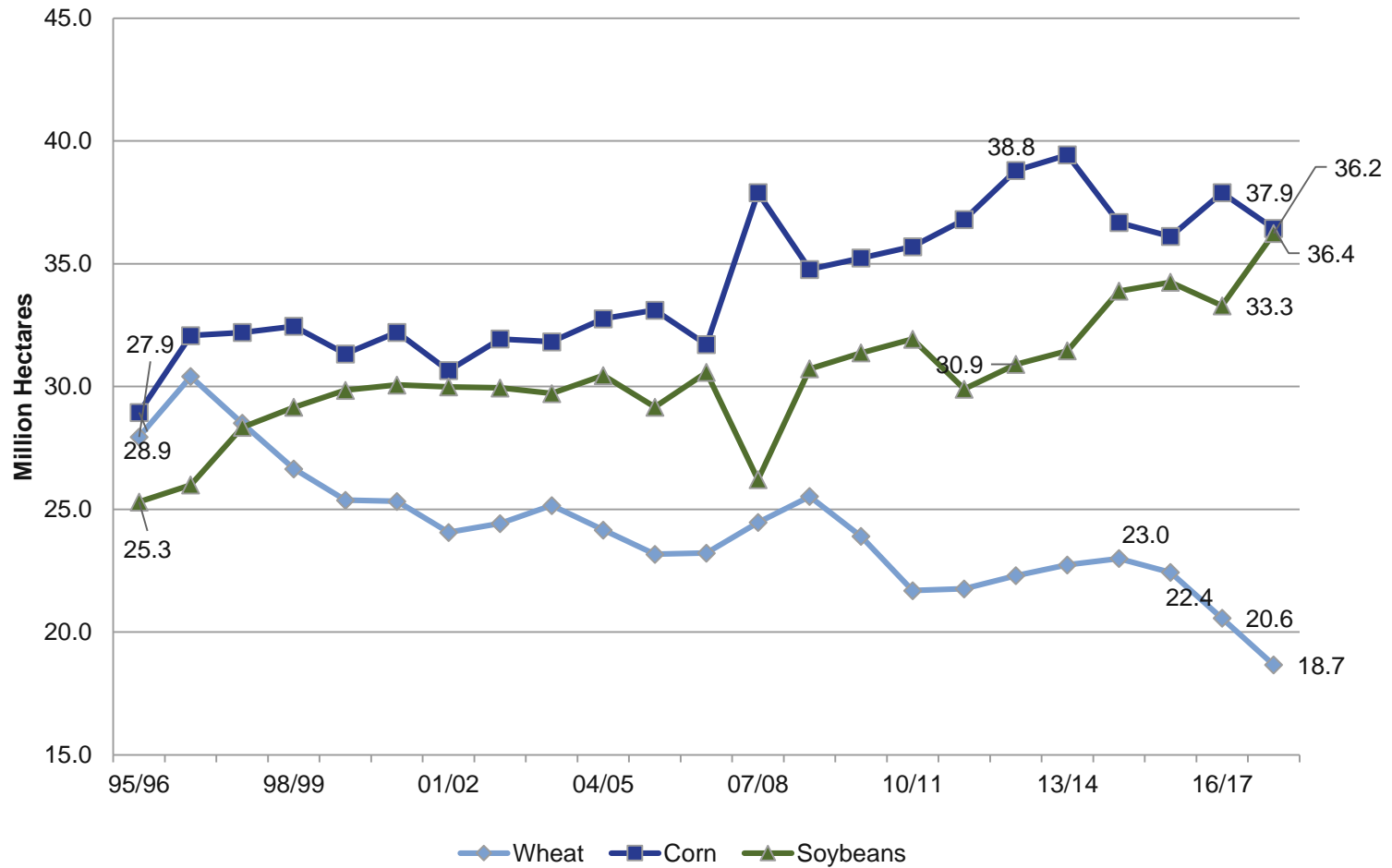
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U.S. Wheat Area and Production



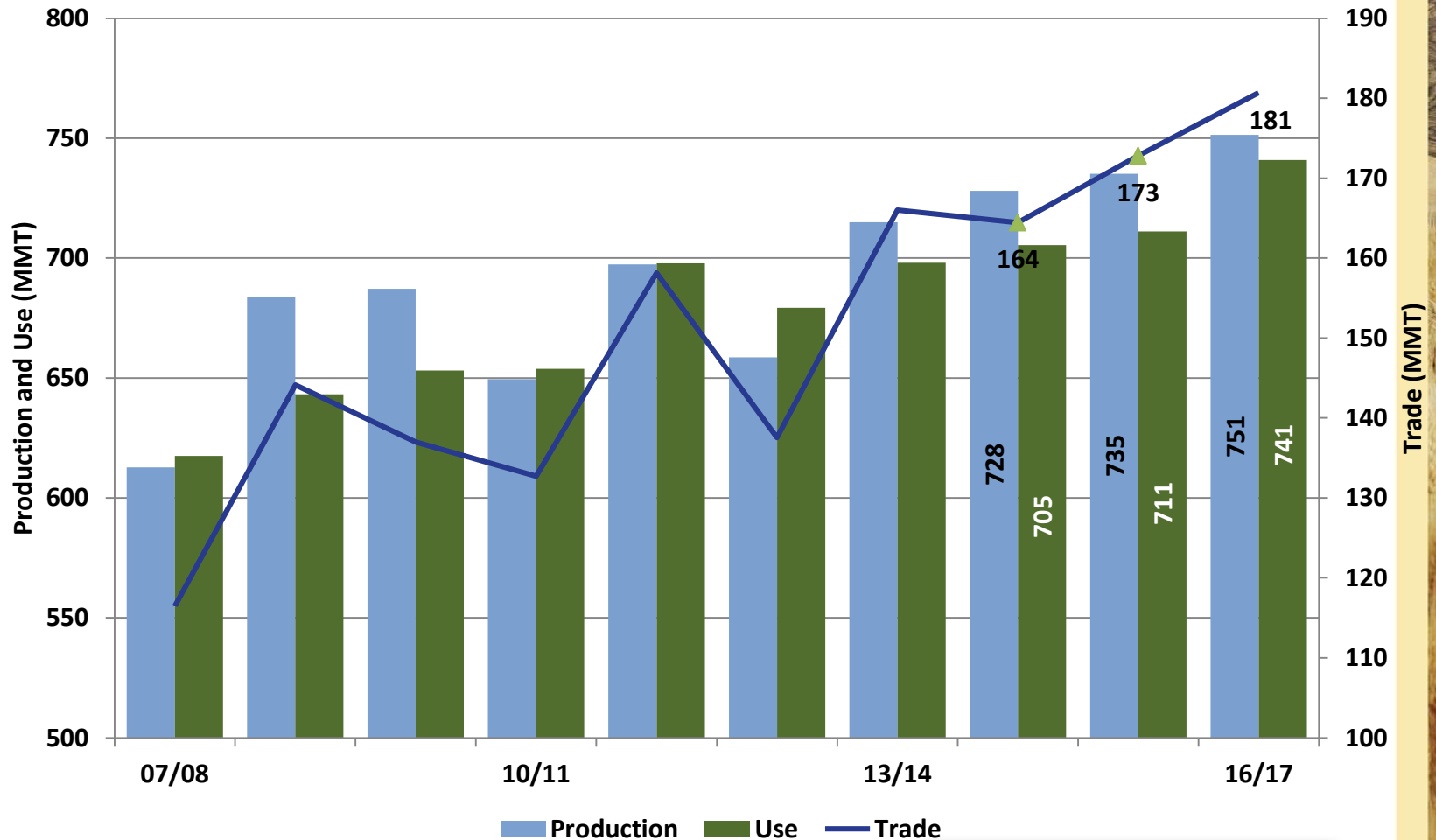
U.S. Crop Planted Area Comparison



*Source: USDA Prospective Plantings report, March 31, 2017

World Wheat

Production, Use and Trade

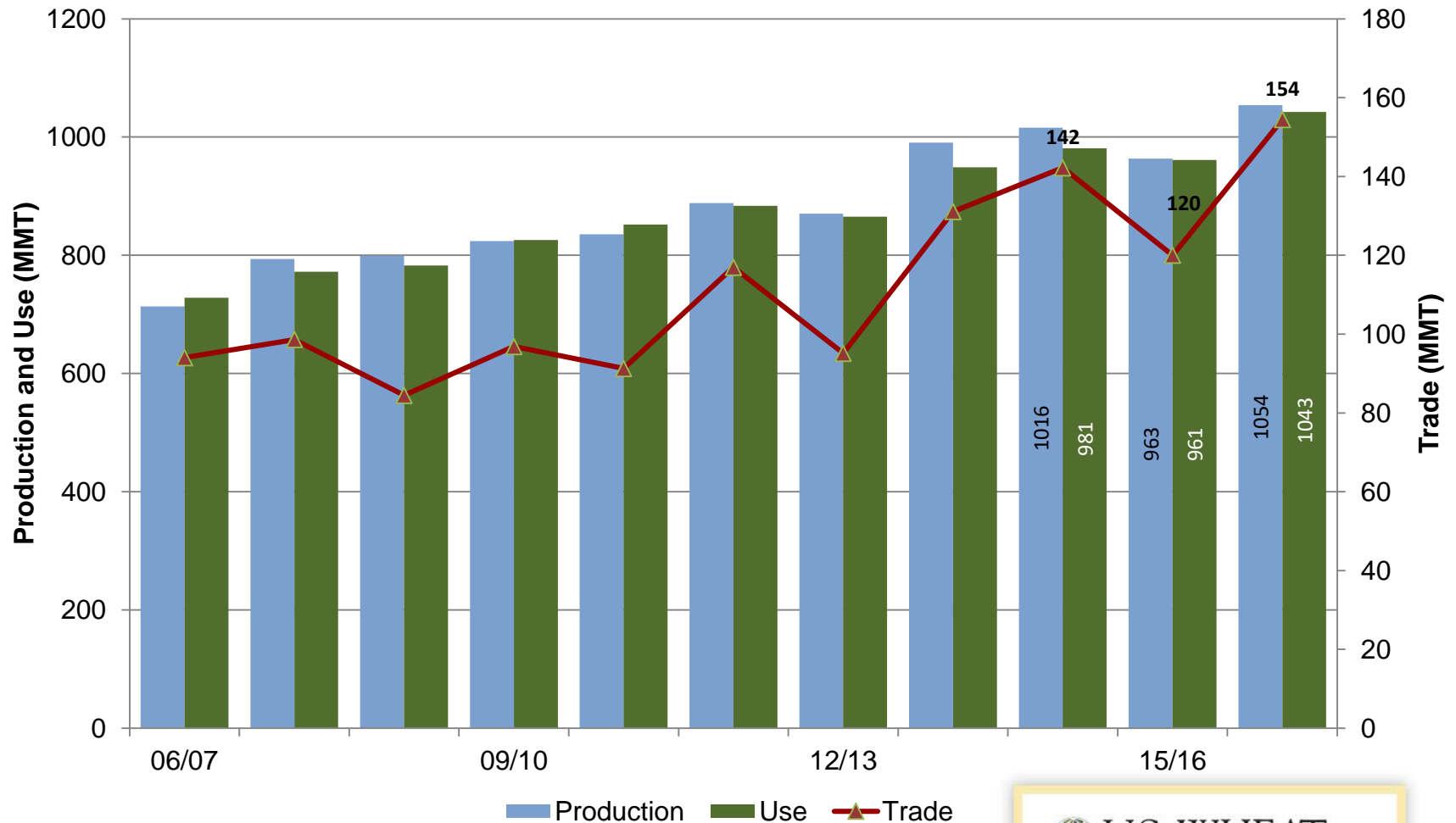


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World Corn

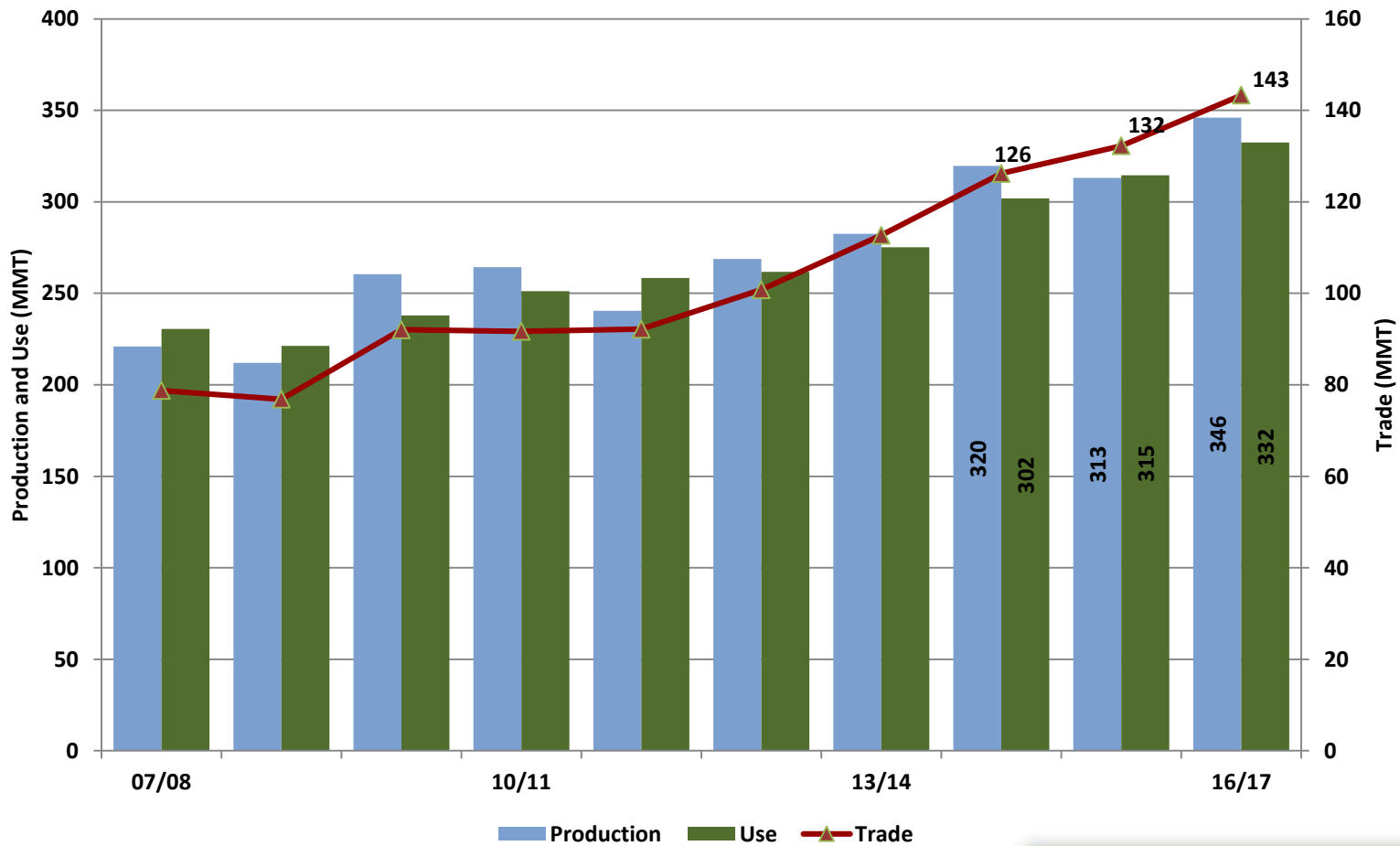
Production, Use and Trade



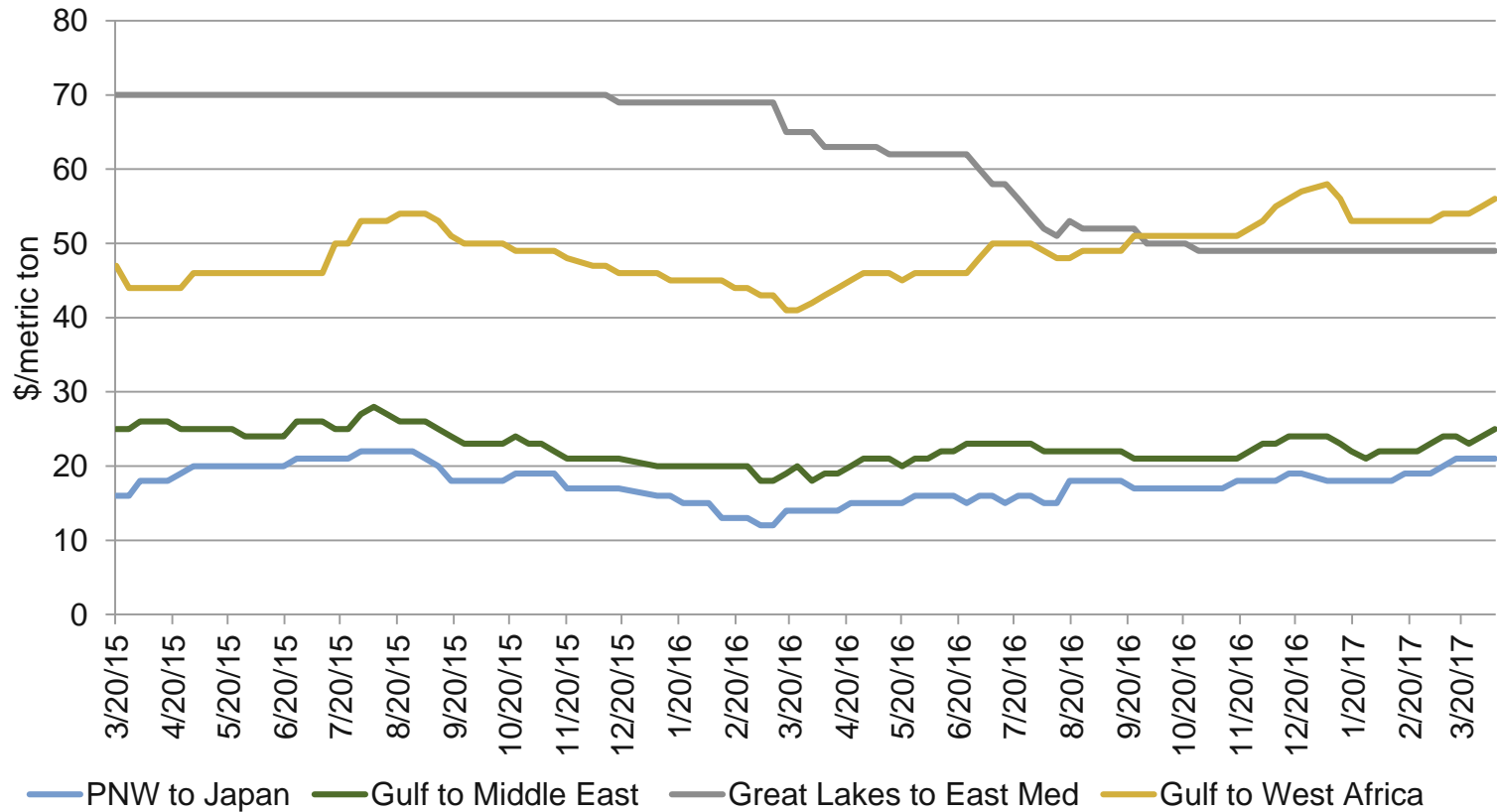
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World Soybeans Production, Use and Trade



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 252 MMT up 4% from 2015/16**
 - Ending stocks in Canada to rise to 7.16 MMT, up 38% from 2015/16 if realized
 - US ending stocks to be largest since 1987/88 at 31.5 MMT
- **World consumption and trade expected to grow in 2016/17**
 - EU exports estimated at 26.5 MMT, down 24% 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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