

World Wheat Supply and Demand Situation

April 2019

Major data source: USDA World Agricultural Supply and Demand Estimates released April 9, 2019, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.



Highlights of USDA's 2018/19 Supply and Demand Estimates

1. 2018/19 global wheat production to fall for first time in 5 years

- Global wheat production to fall to 733 MMT, down 4% from 2017/18
- Wheat production in the European Union (EU) to fall to 138 MMT, 9% below the 5-year average
- U.S. wheat production estimated at 51.3 MMT, 8% above 2017/18 levels, but 8% below the 5-year average

2. Global consumption forecast at 739 MMT, slightly below the 2017/18 record, but 2% above the 5-year average

- EU feed wheat consumption expected to drop 8% from last year to 51 MMT
- Brazil's domestic consumption to total 12.1 MMT, 6% above the 5-year average
- U.S. domestic consumption expected to reach 29.8 MMT, up slightly from 2017/18, but 6% below the 5-year average, if realized

3. World wheat trade to fall 2% from 178 MMT in 2017/18, still 3% above the 5-year average, if realized

- Exports from the EU to increase 3% over last year's 23.2 MMT to 24.0 MMT
- U.S. 2018/19 exports to increase to 25.7 MMT, up 5% from 2017/18, if realized



Highlights of USDA's 2018/19 Supply and Demand Estimates

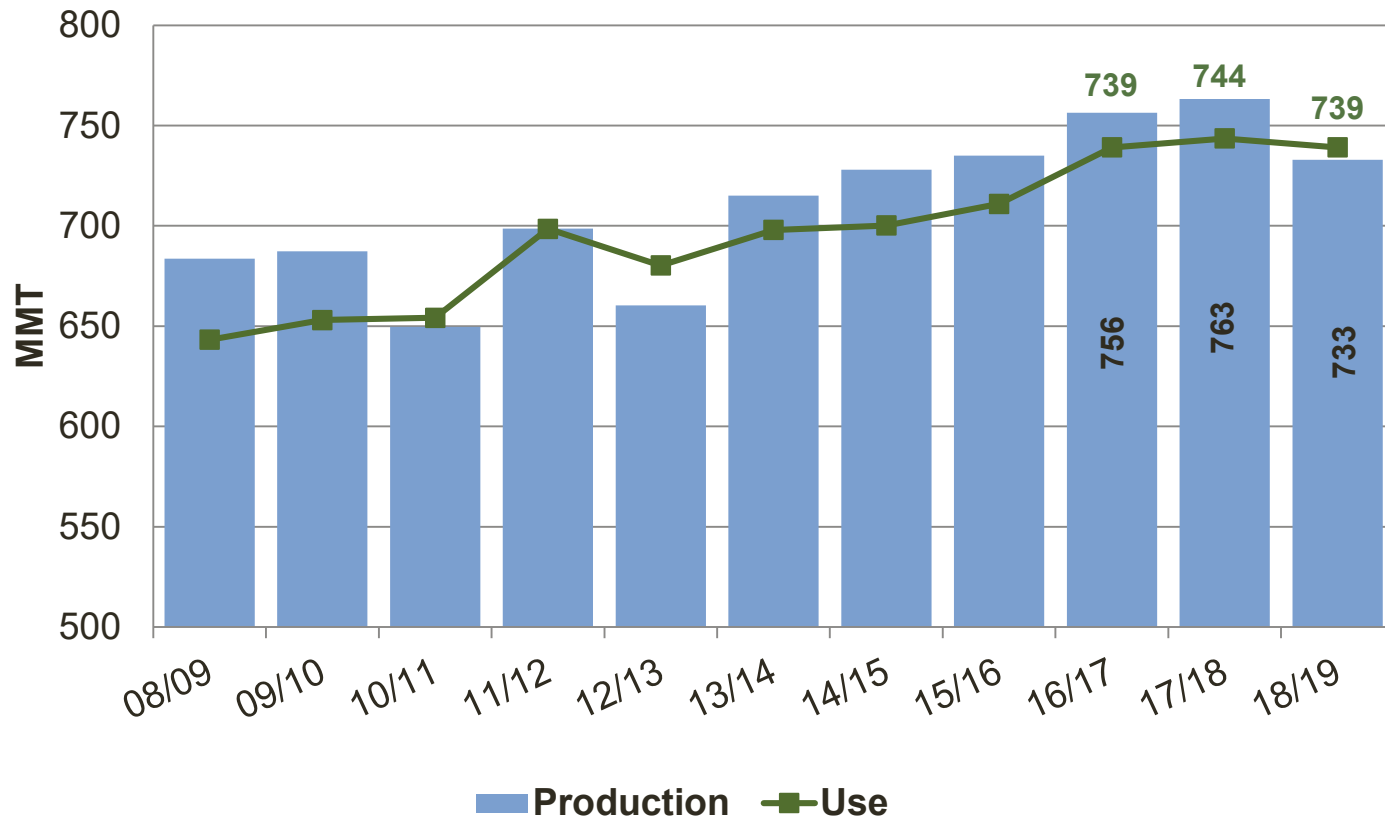
4. **World beginning stocks estimated at record 282 MMT, 7% higher than last year and 27% higher than the 5-year average**
 - India's beginning stocks are expected to total 12.3 MMT, up 35% year over year
 - U.S. beginning stocks estimated at 29.9 MMT, 7% below 2017/18 levels, but 30% above the 5-year average

5. **Global ending stocks projected at 276 MMT, 2% below last year, but 14% above the 5-year average**
 - Estimated Chinese ending stocks of 140 MMT account for 50% of global ending stocks and will rise 43% above the 5-year average, if realized
 - U.S. ending stocks expected to total 29.6 MMT, slightly below last year, but 18% above the 5-year average, if realized

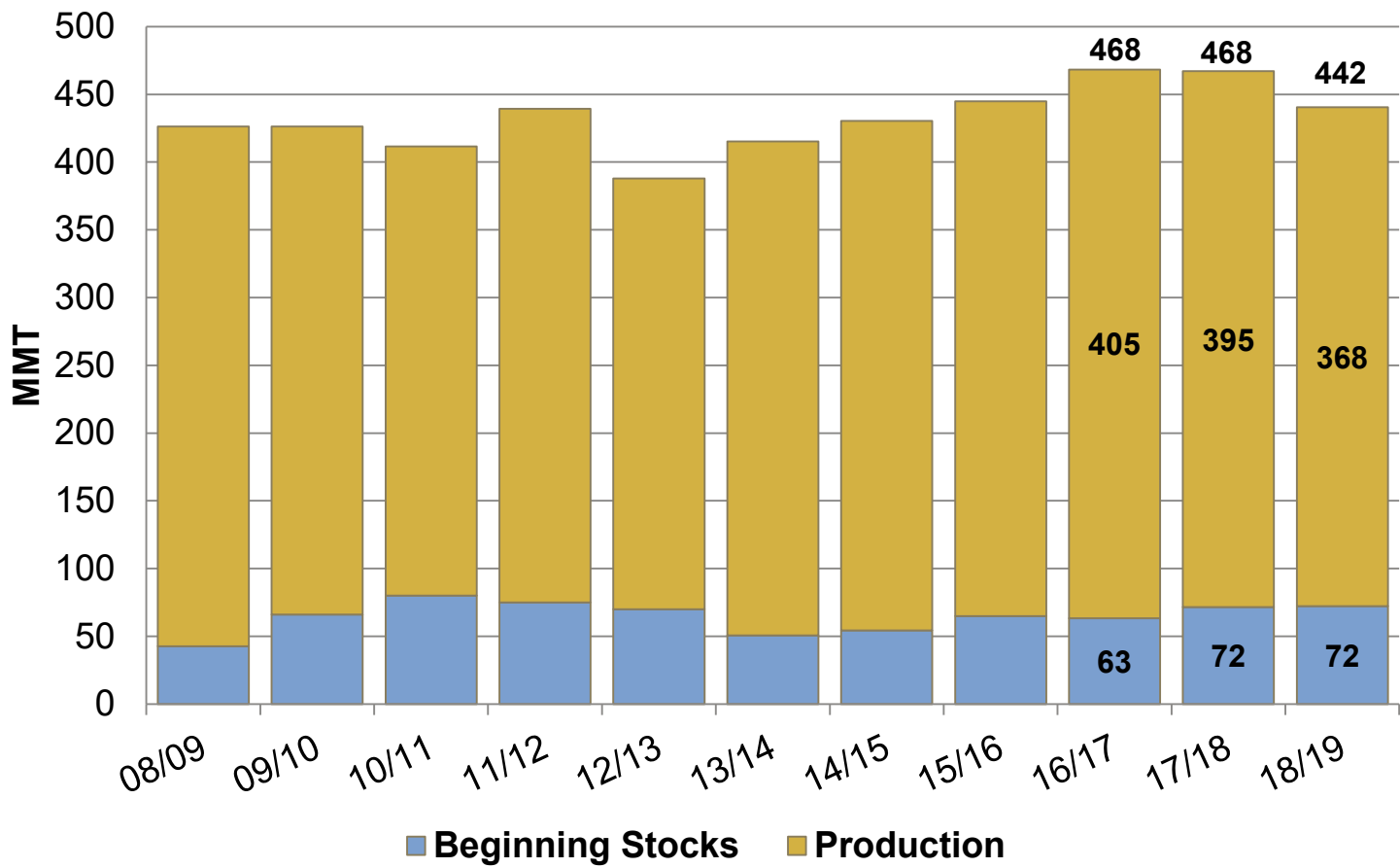
6. **U.S. farm gate average price forecast 10% higher in 2018/19**
 - Projected average range: \$5.15 to \$5.25/bushel (\$189-\$193/MT)*
**Average U.S. farm gate price, marketing year weighted average*



World Production and Use



Supplies in Top Exporting Countries*



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

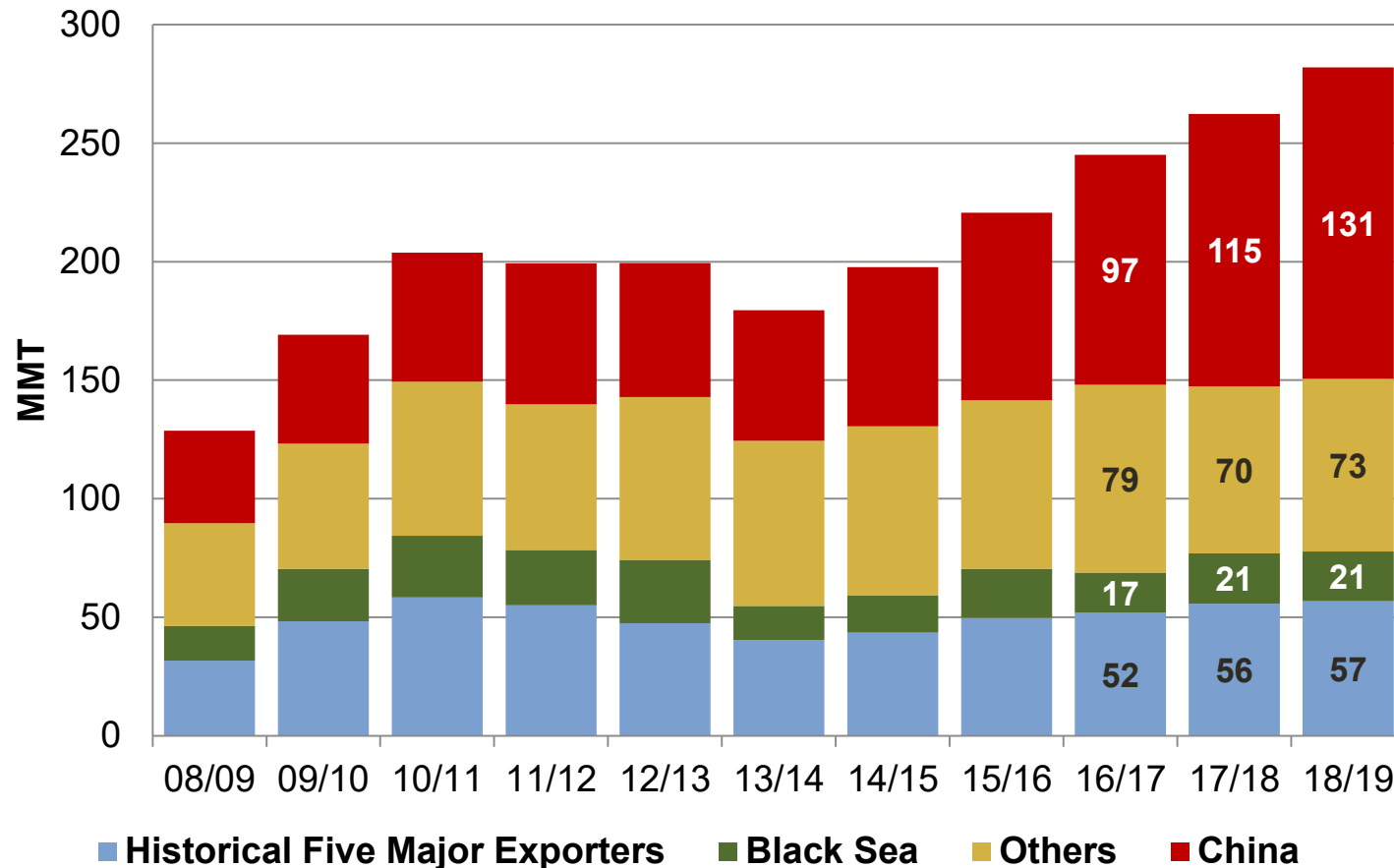


World Wheat Supply and Demand

		16/17	17/18	18/19
			<i>MMT</i>	
SUPPLY:	Beginning Stocks	245	262	282
	Production	756	763	733
	Supply Total	1001	1026	1015
TRADE:	Exports/Imports	183	181	178
DEMAND	Food & Seed	592	597	600
	Feed & Residual	147	147	140
	Use Total	739	744	739
	ENDING STOCKS:	262	282	276

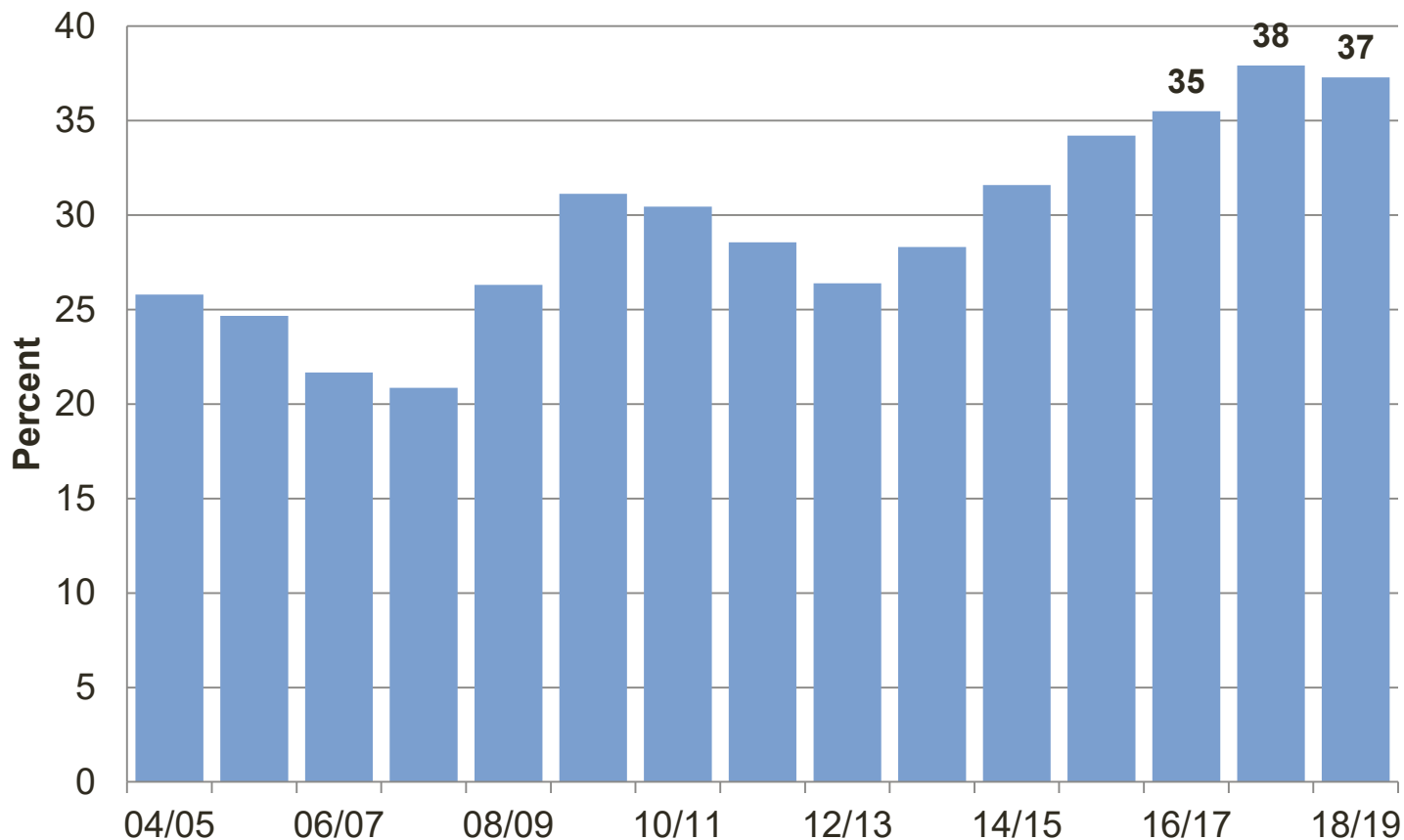


World Beginning Stocks



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

Global Stocks*-to-Use Ratio



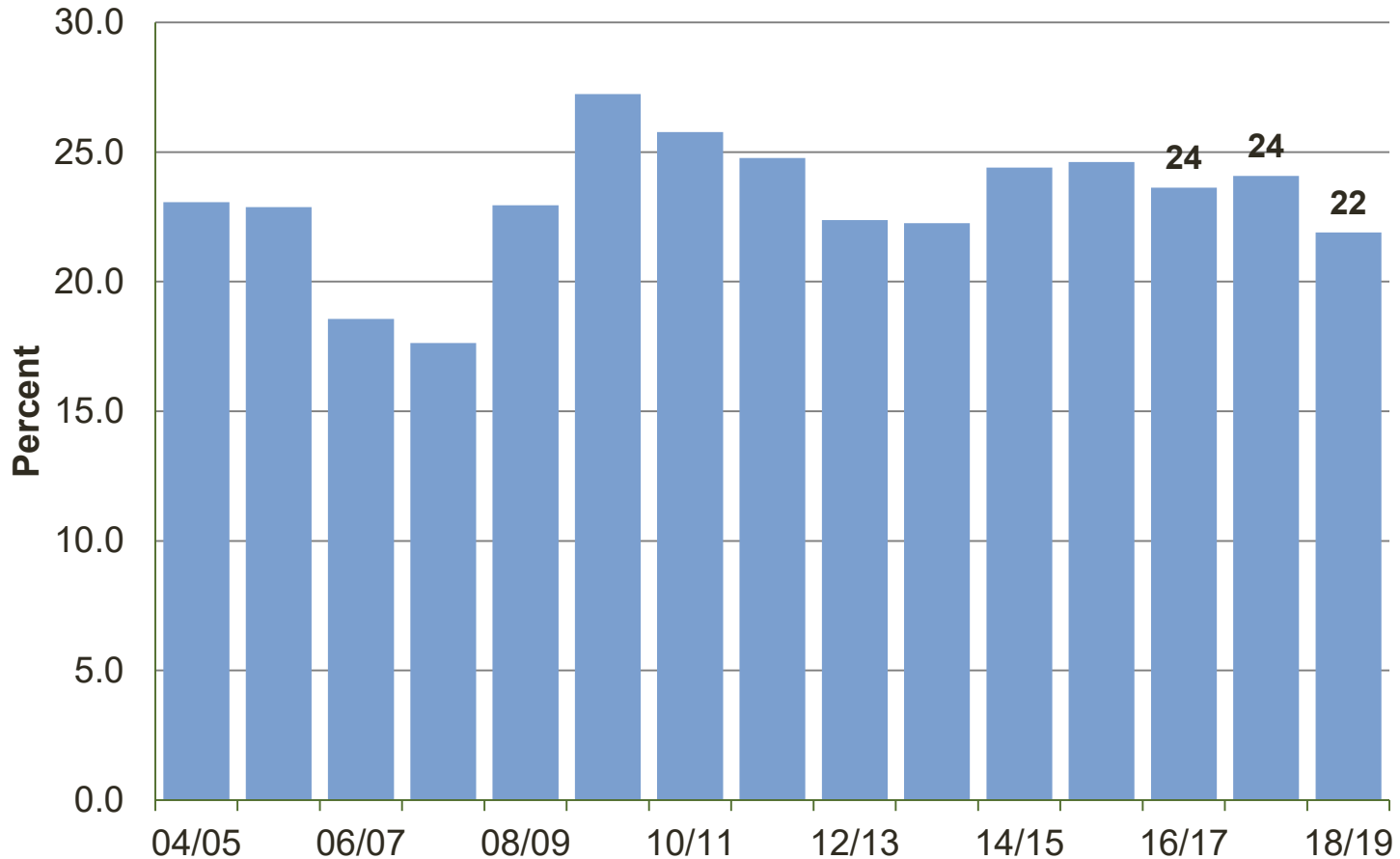
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

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



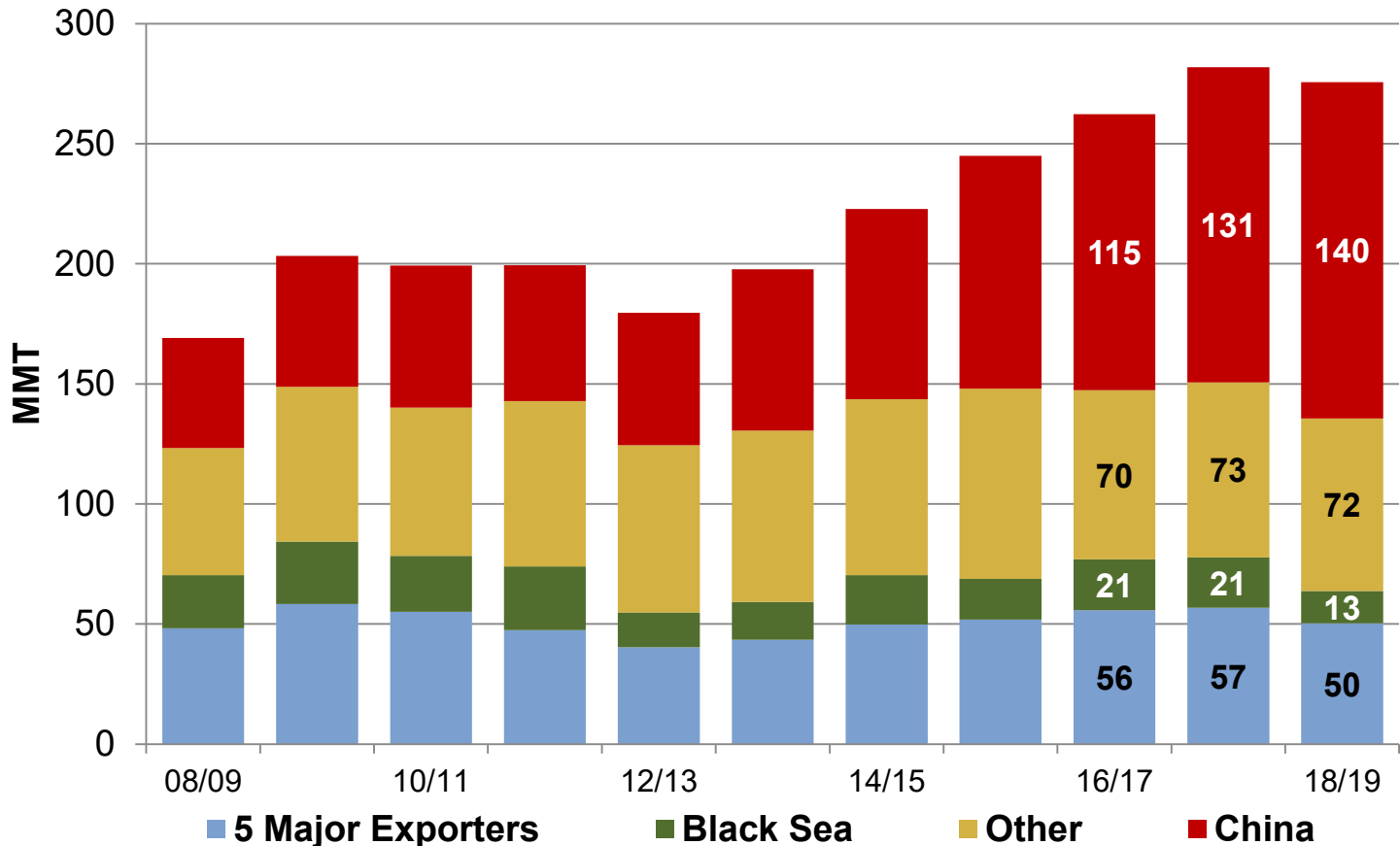
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

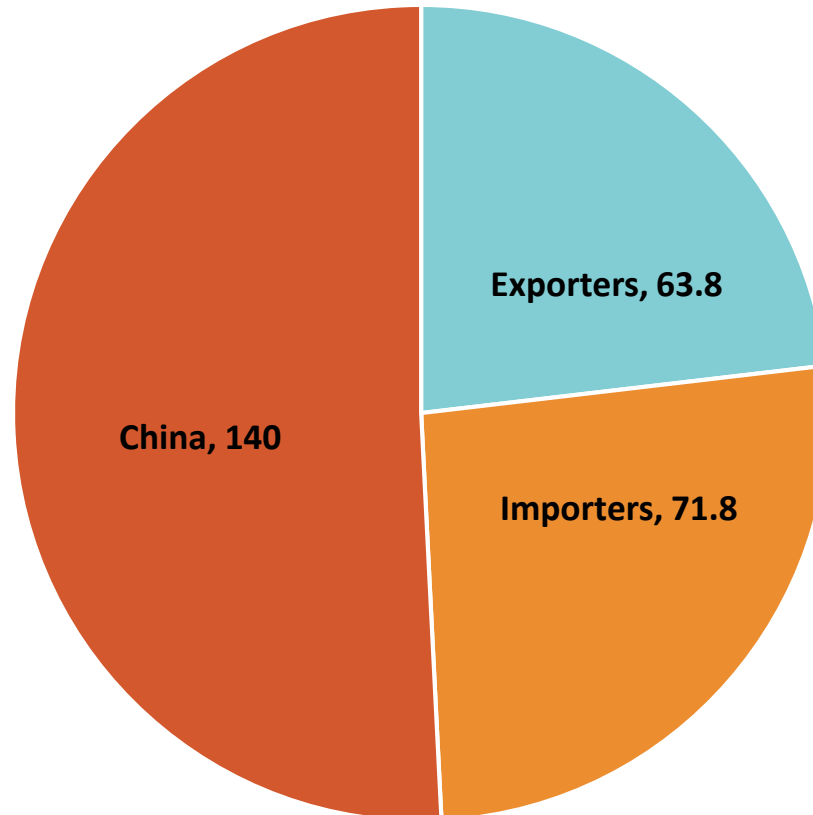
World Ending Stocks



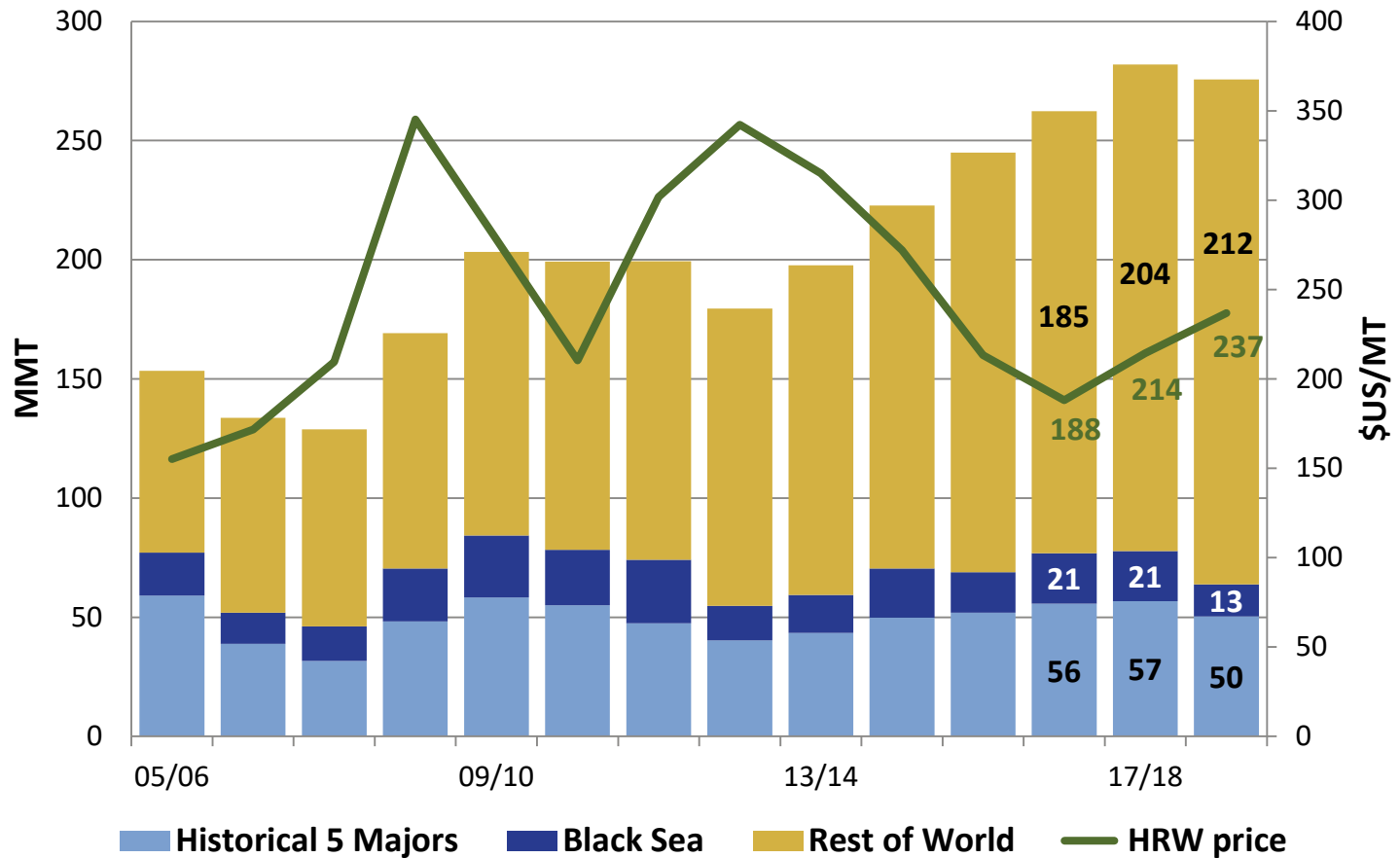
Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27. Black Sea includes Russia, Ukraine and Kazakhstan.

World Ending Stocks by Position

(million metric tons)



Global Ending Stocks and Price





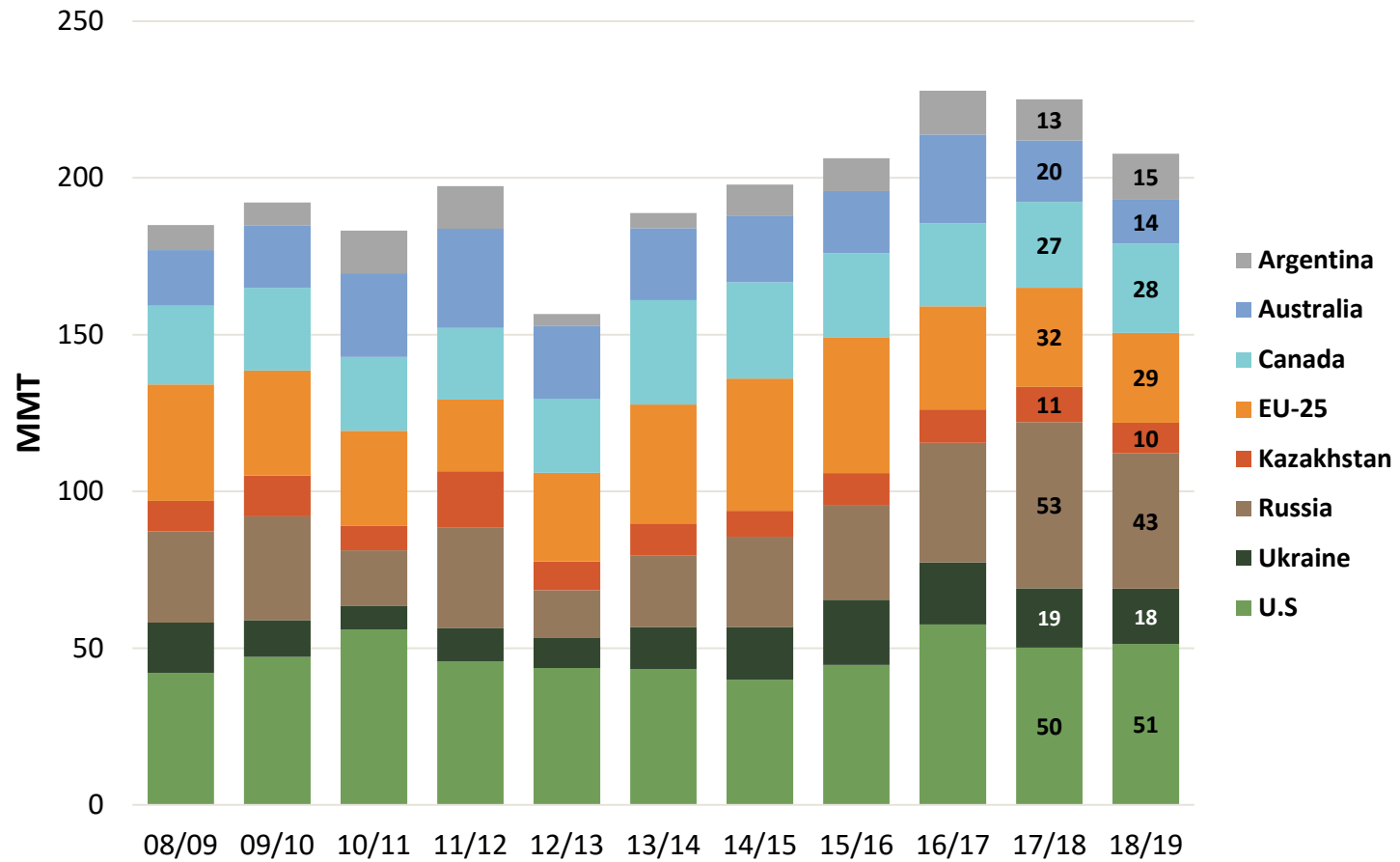
Major Exporters

Import Demand

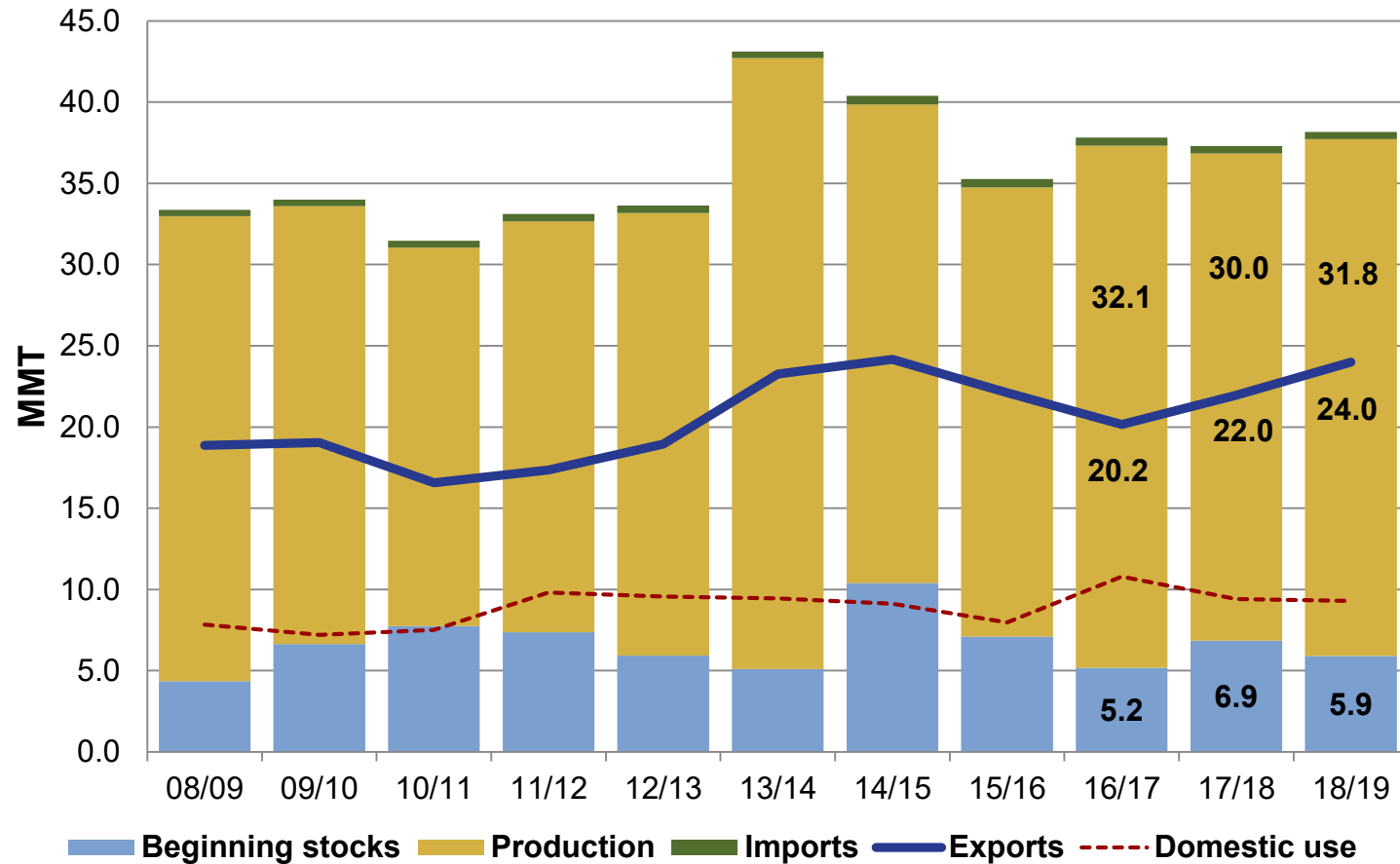
U.S. Situation by Class

Outlook

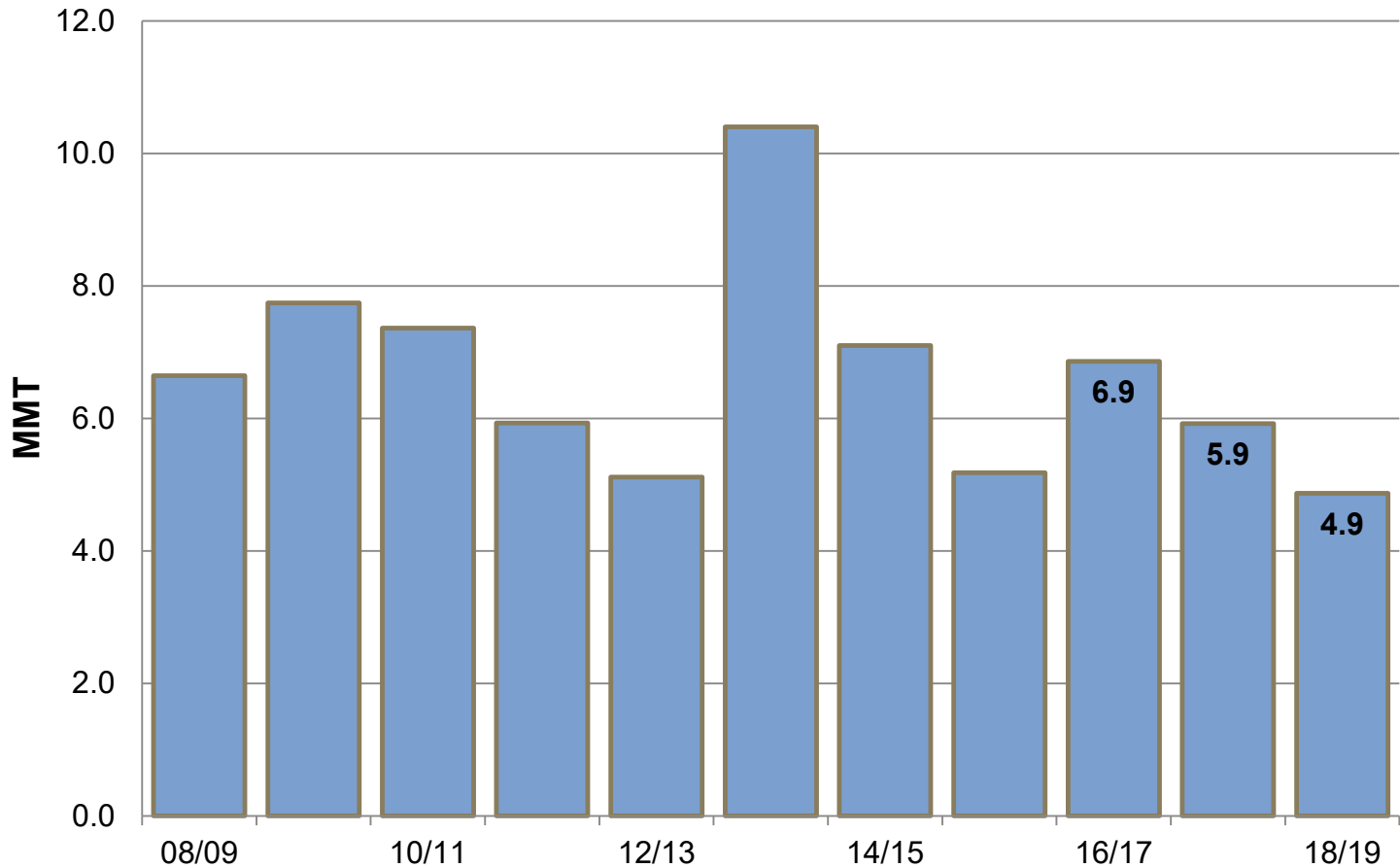
Exportable Supplies in Top Exporting Countries



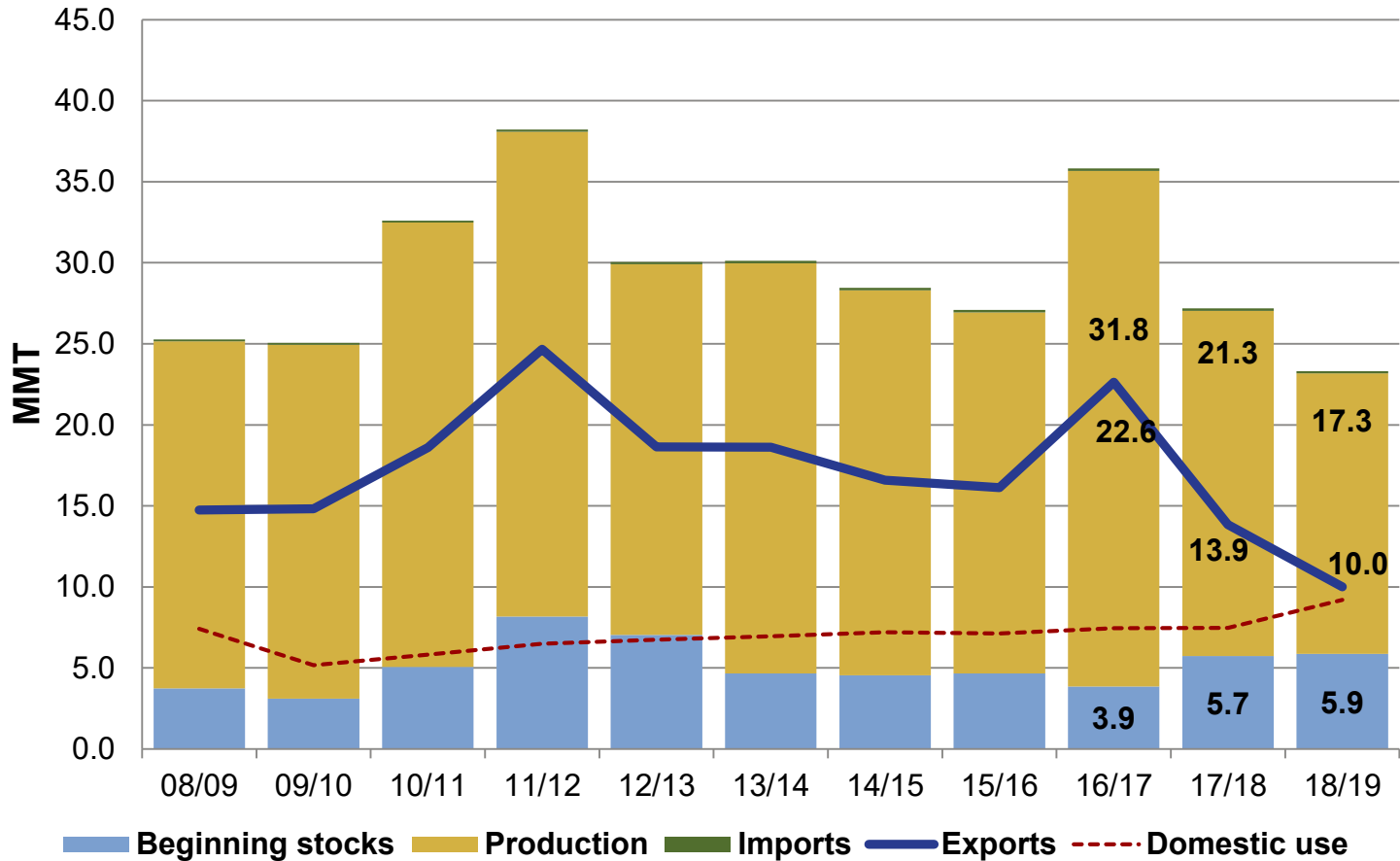
Canada Situation



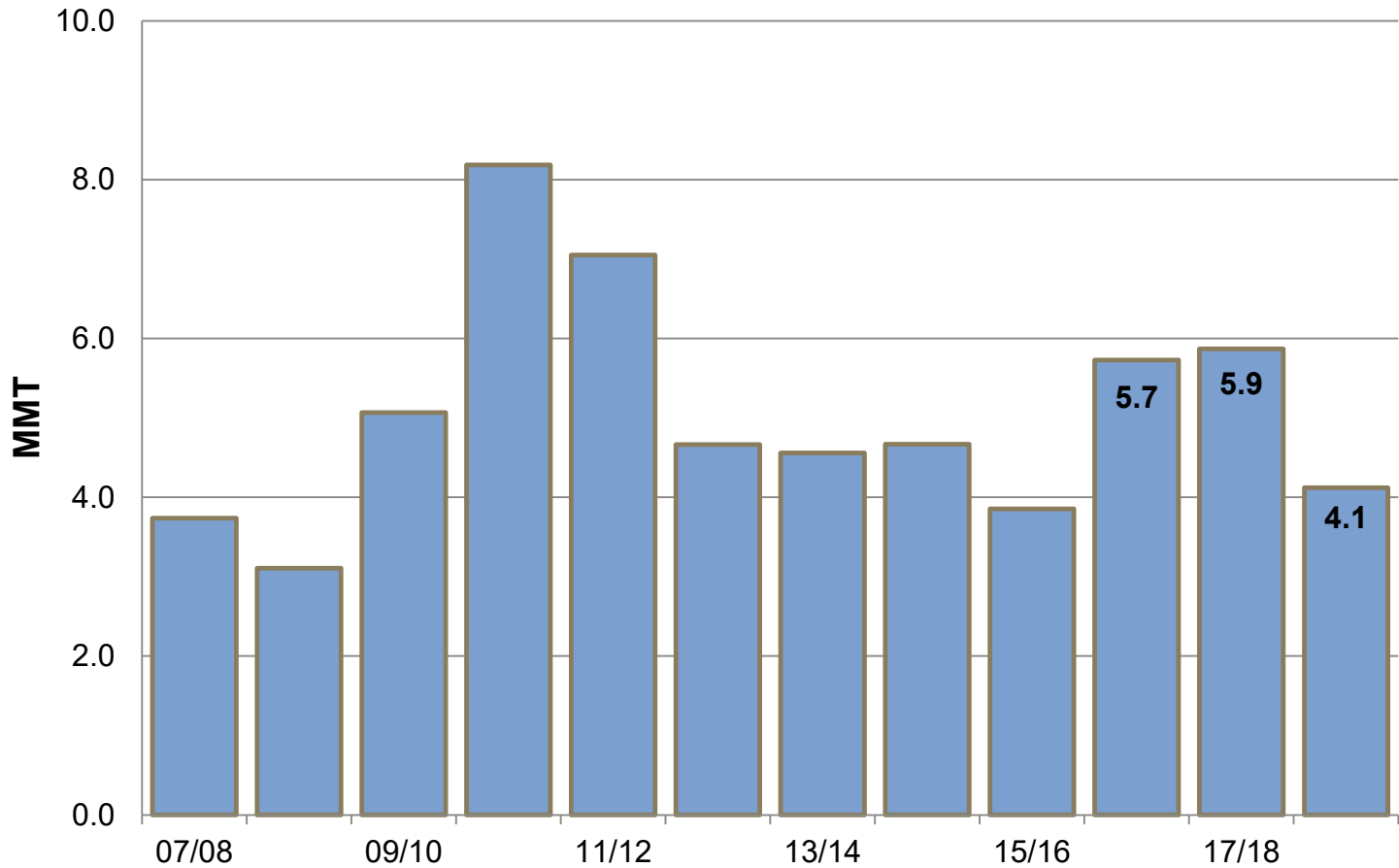
Canada Ending Stocks



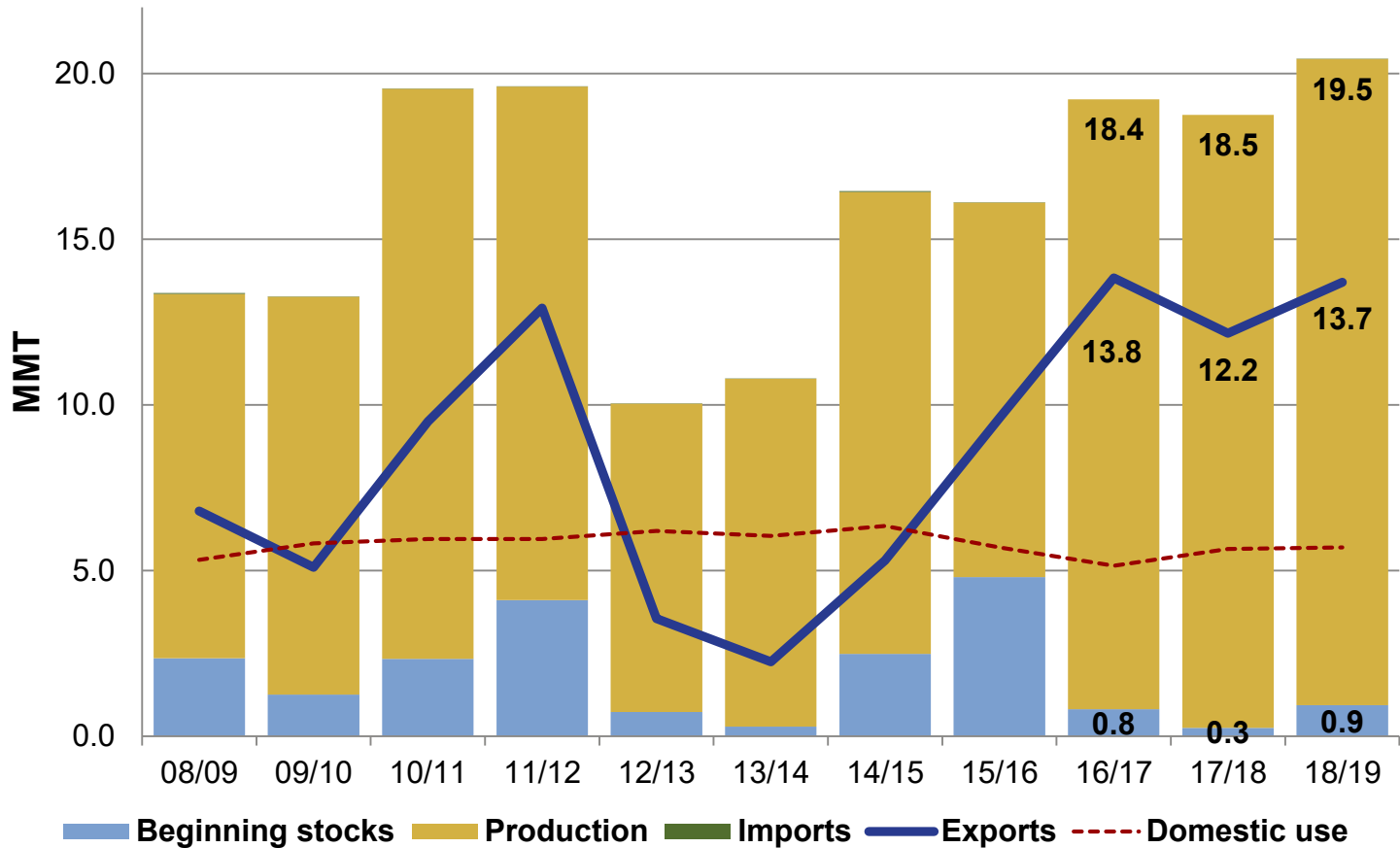
Australia Situation



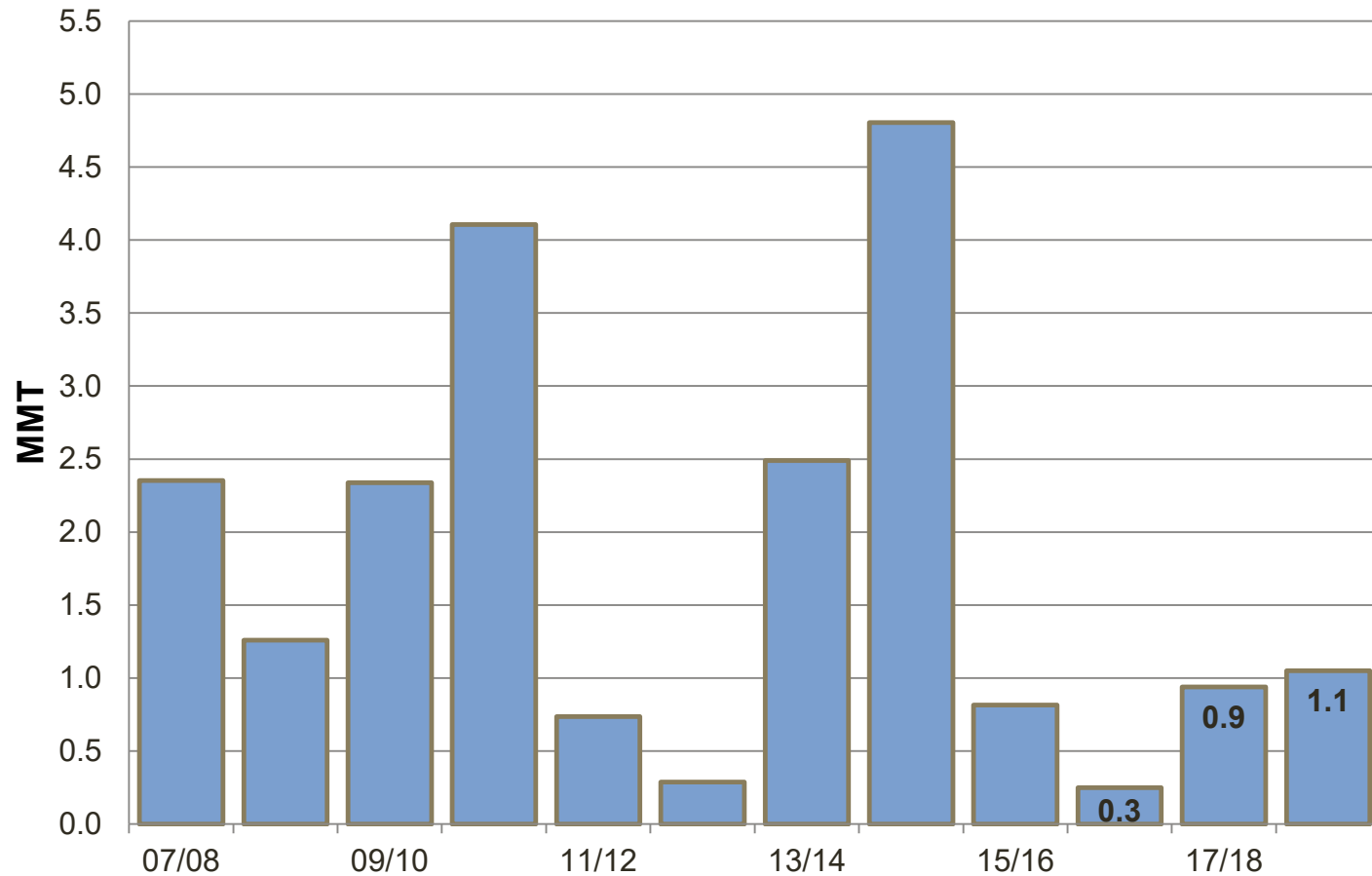
Australia Ending Stocks



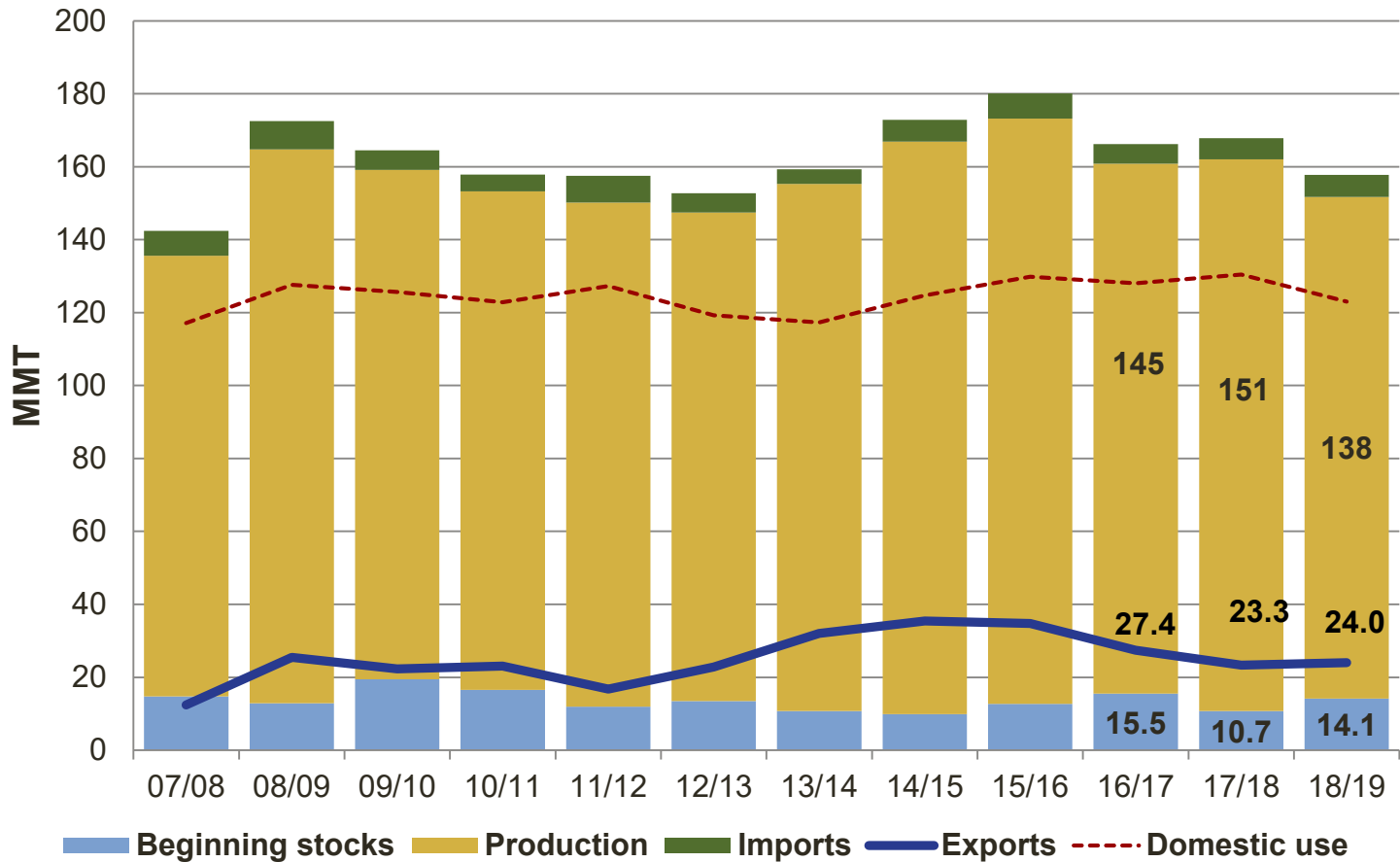
Argentina Situation



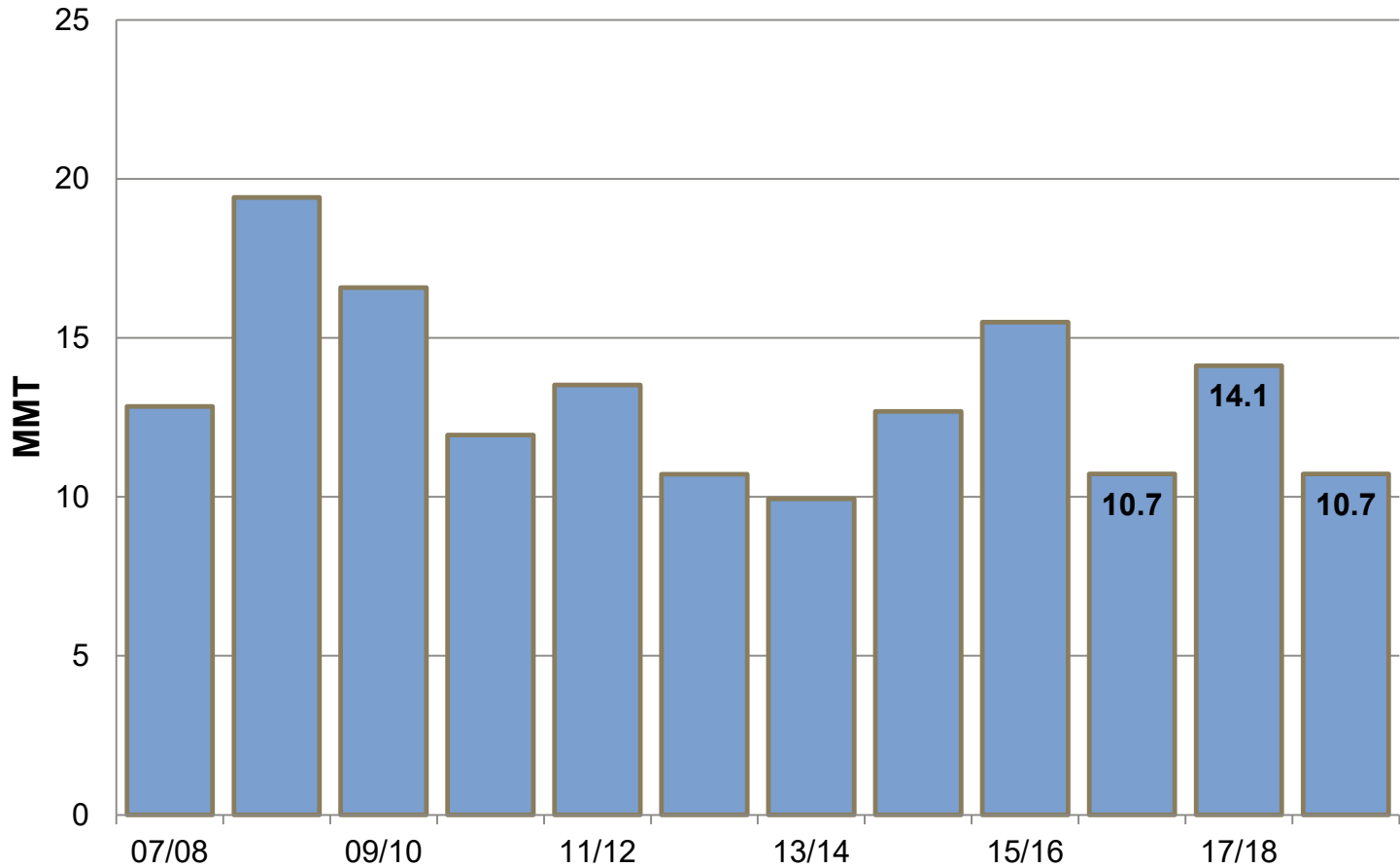
Argentina Ending Stocks



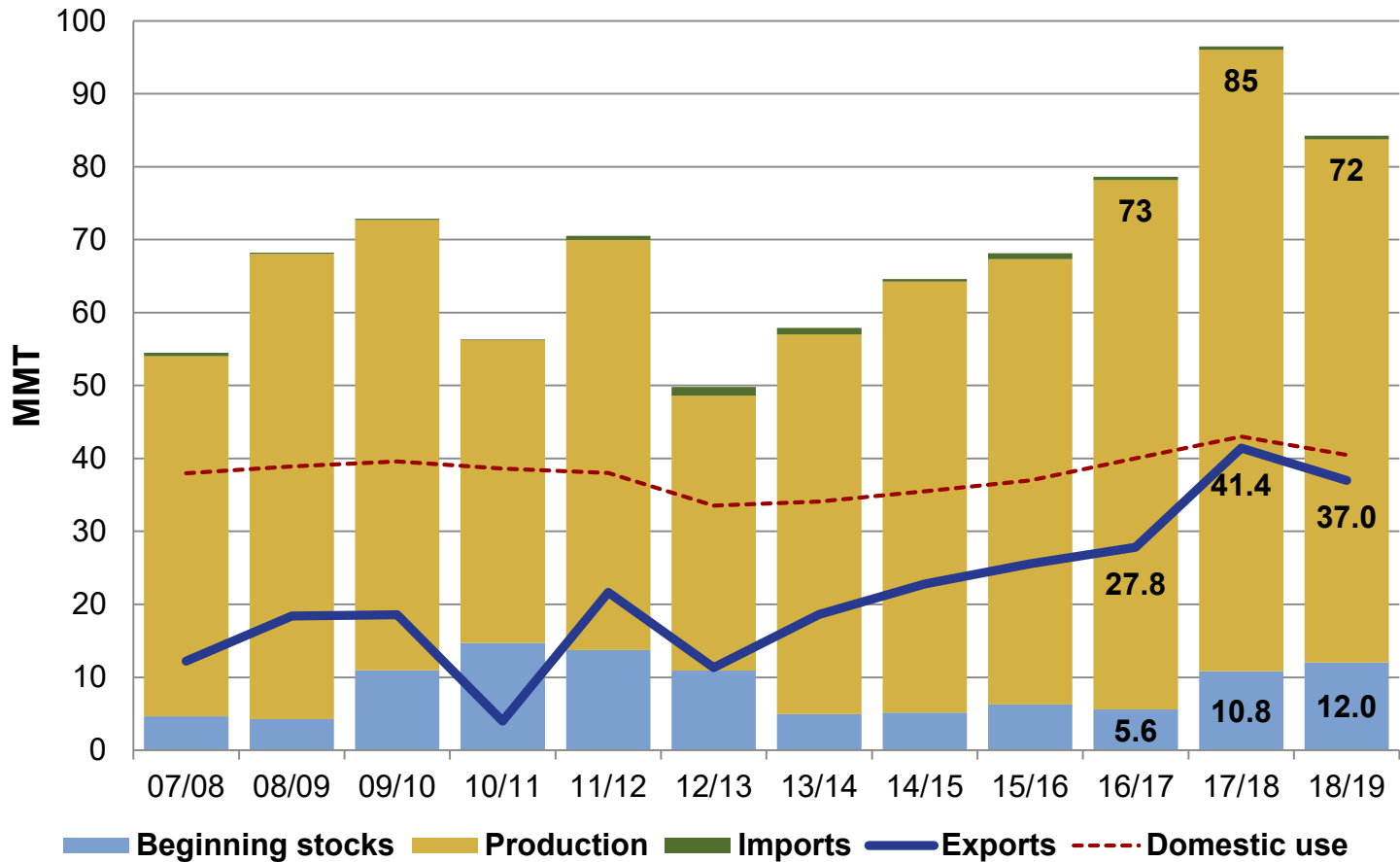
EU- 27 Situation



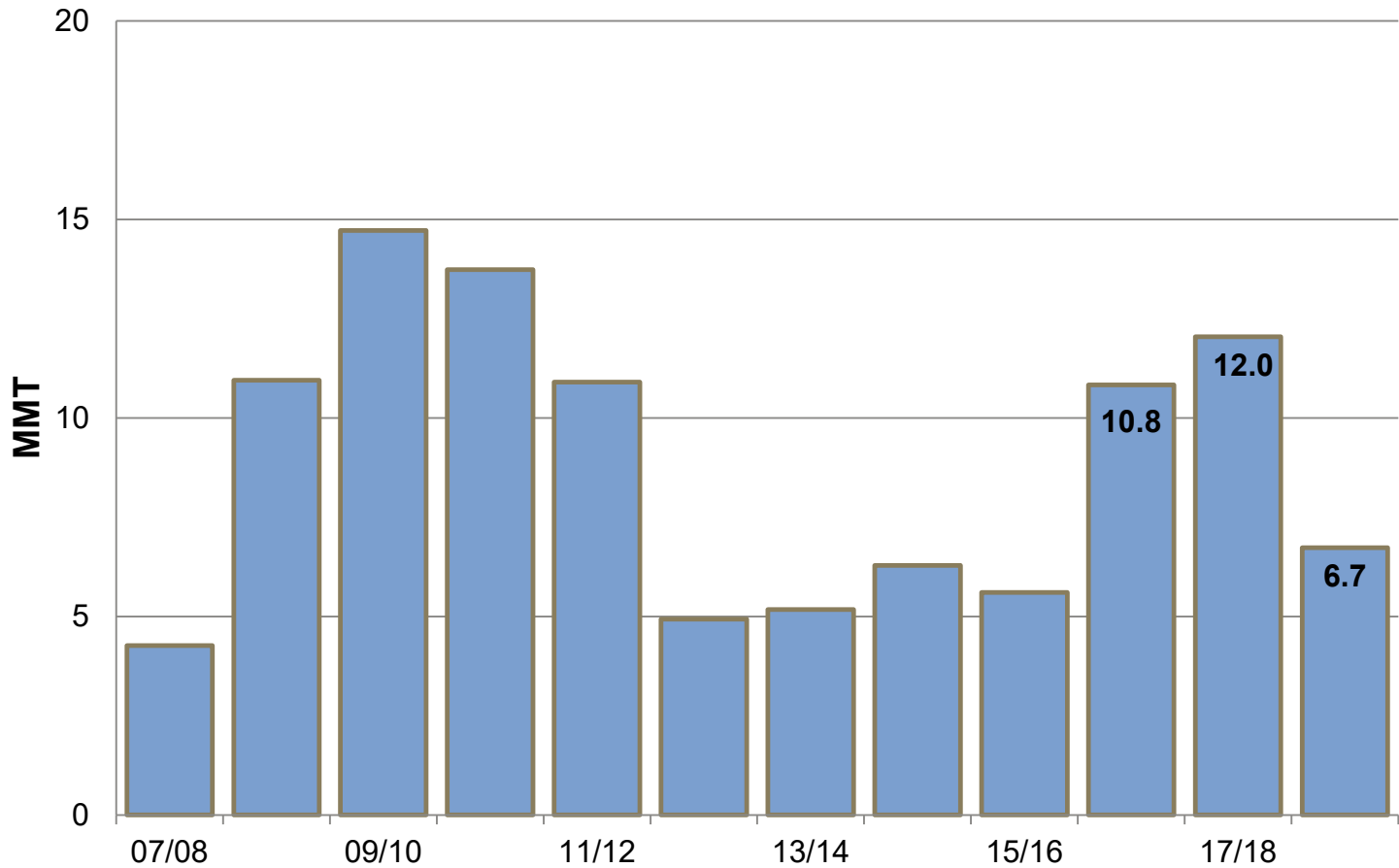
EU-27 Ending Stocks



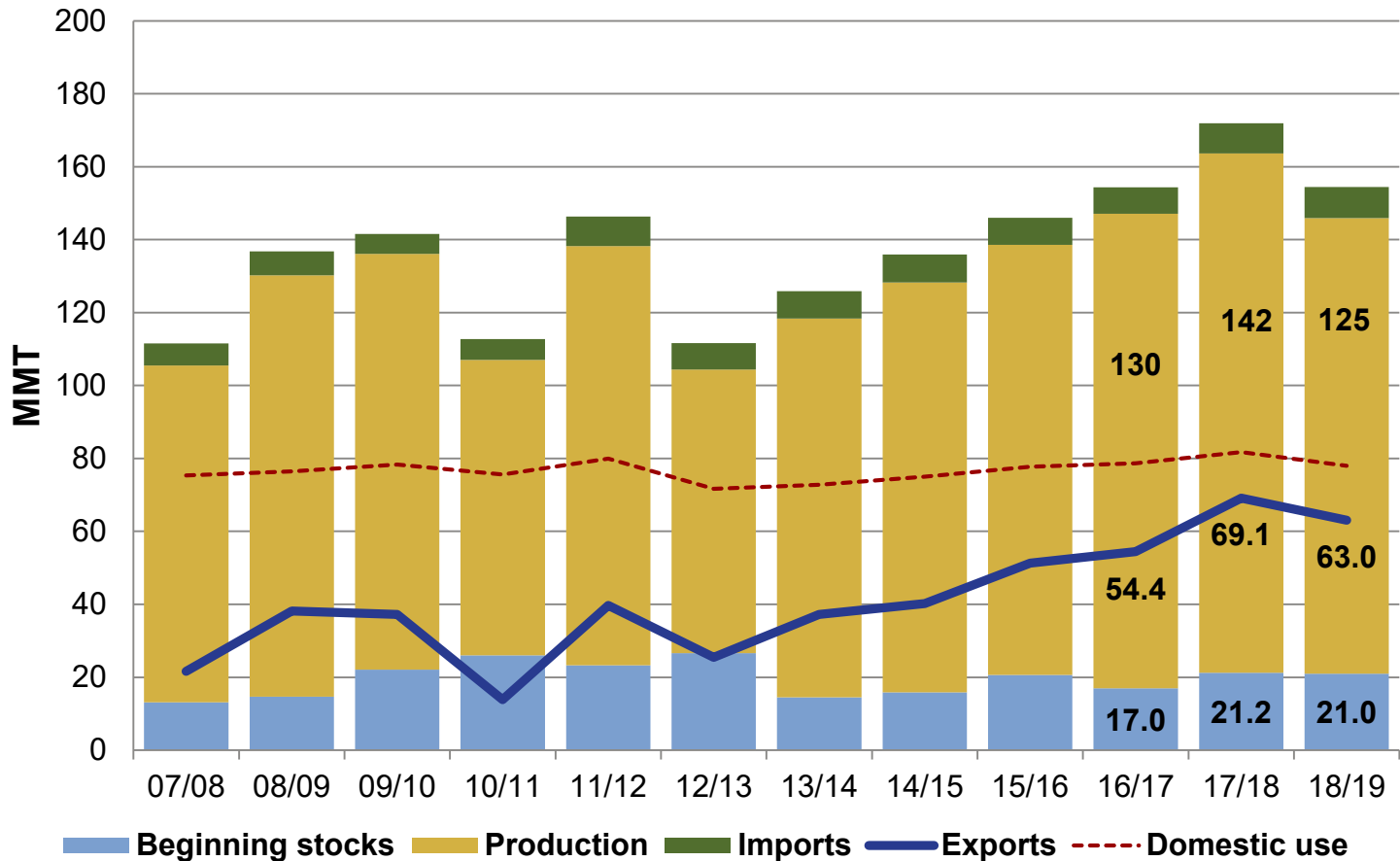
Russia Situation



Russia Ending Stocks

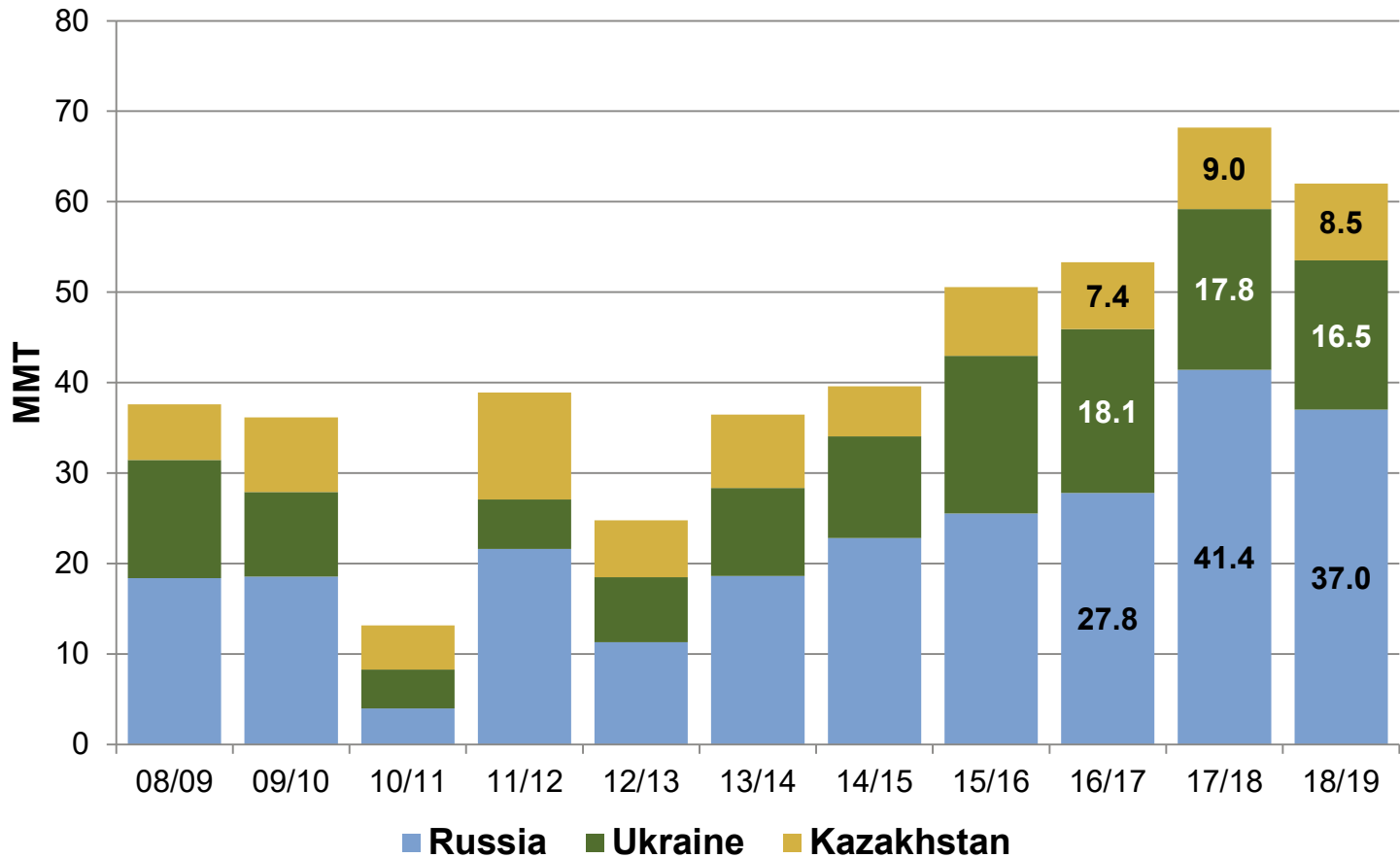


Black Sea Region Situation

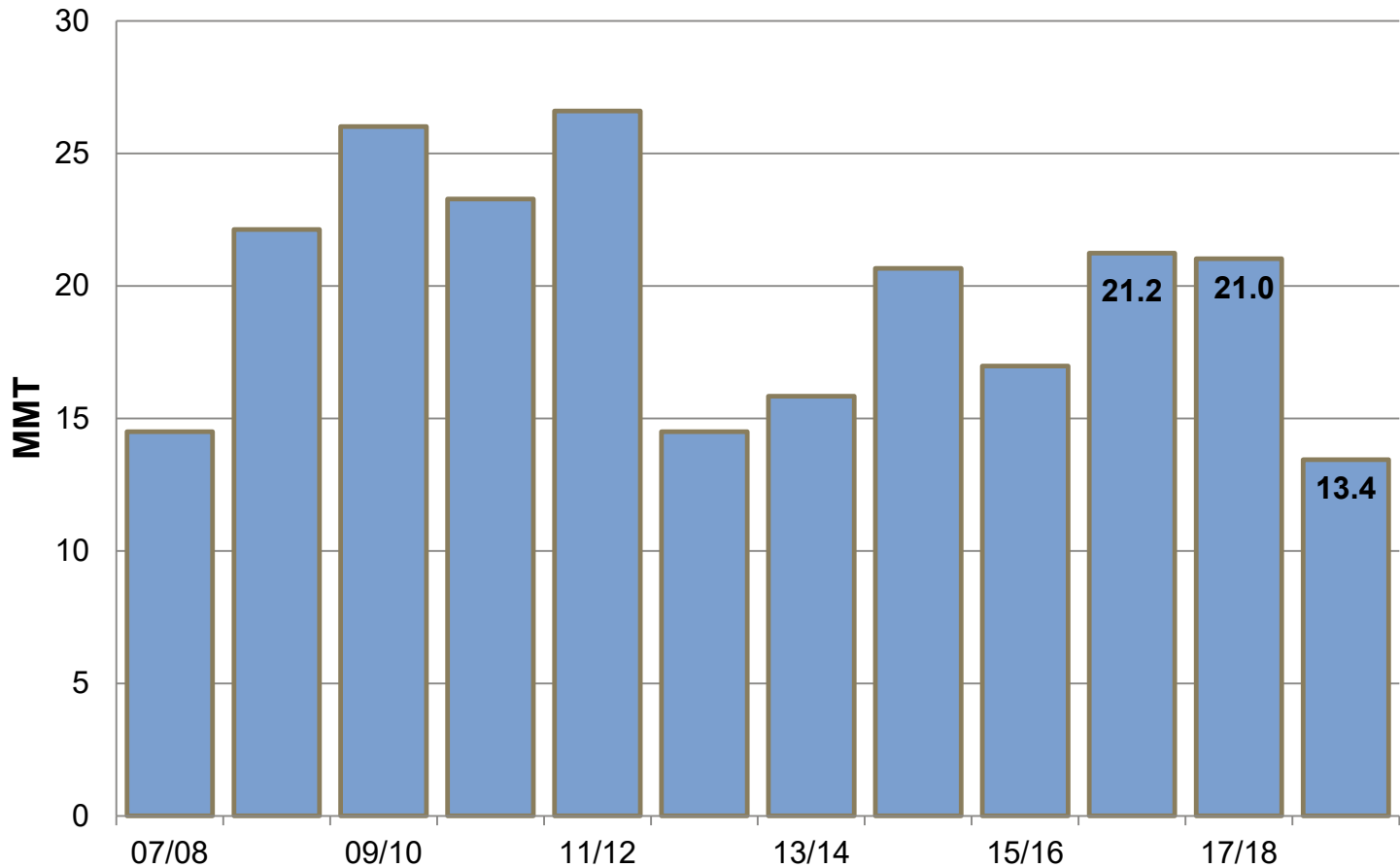


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

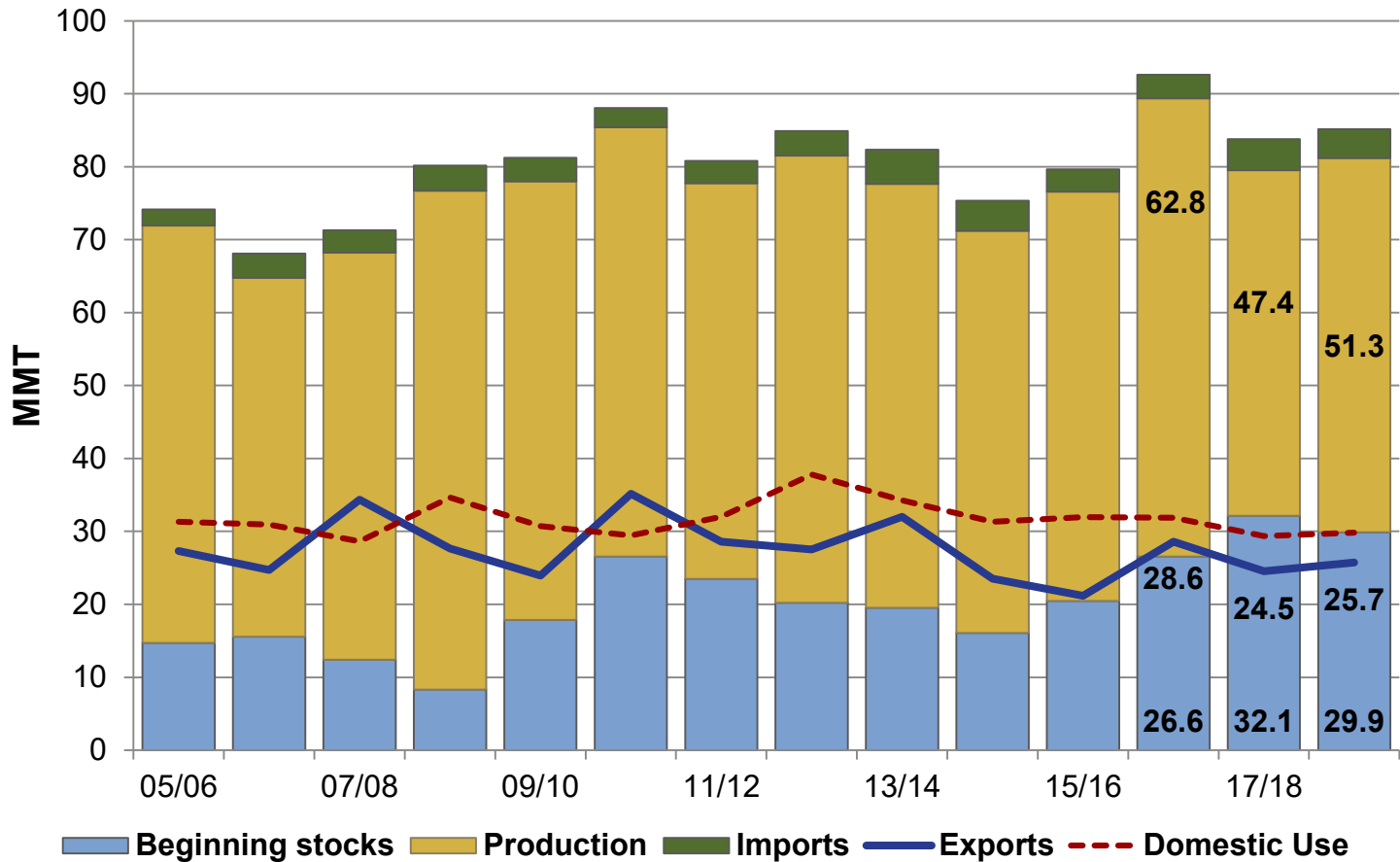
Black Sea Exports



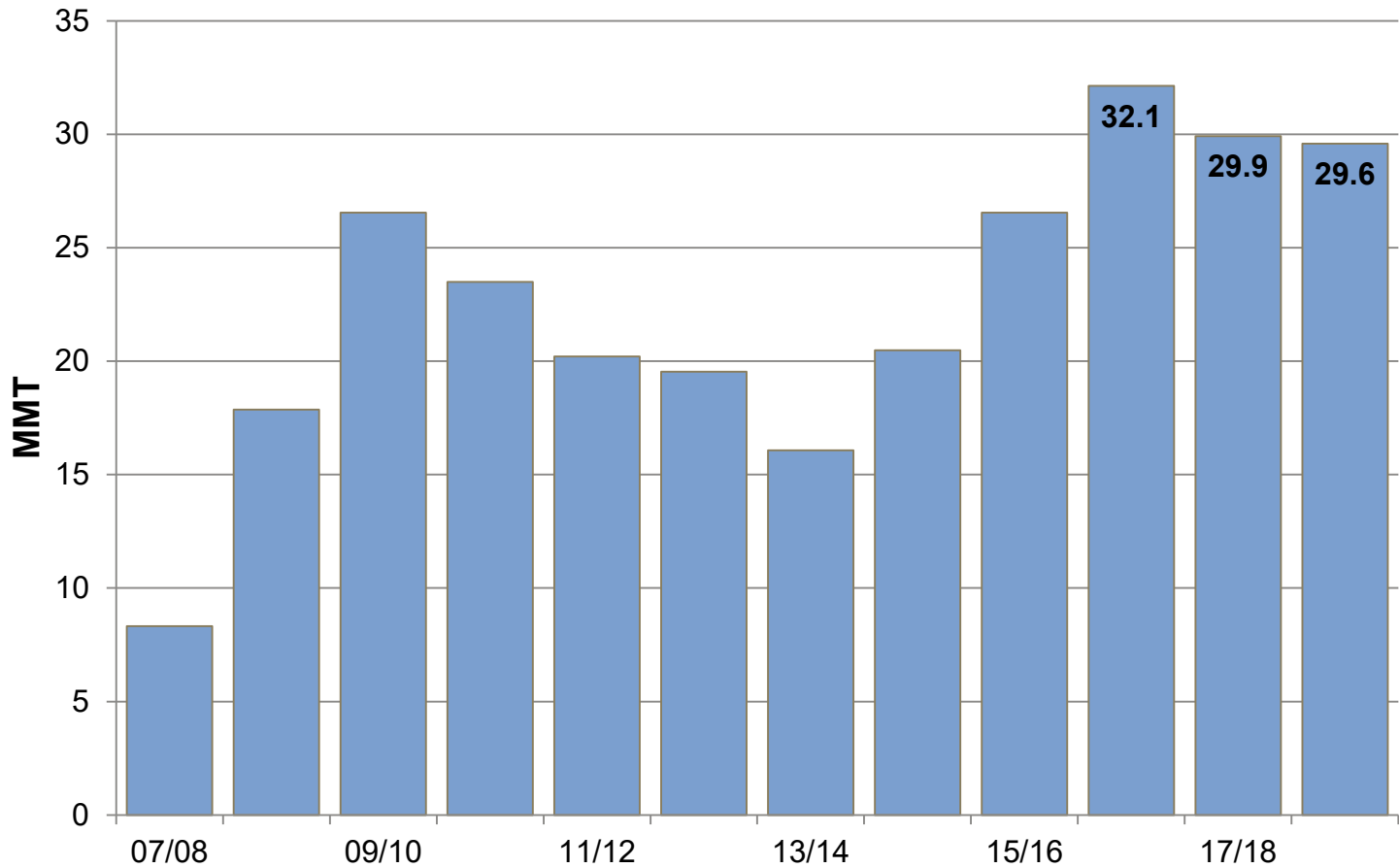
Black Sea Ending Stocks



U.S. Situation



U.S. Ending Stocks





Major Exporters

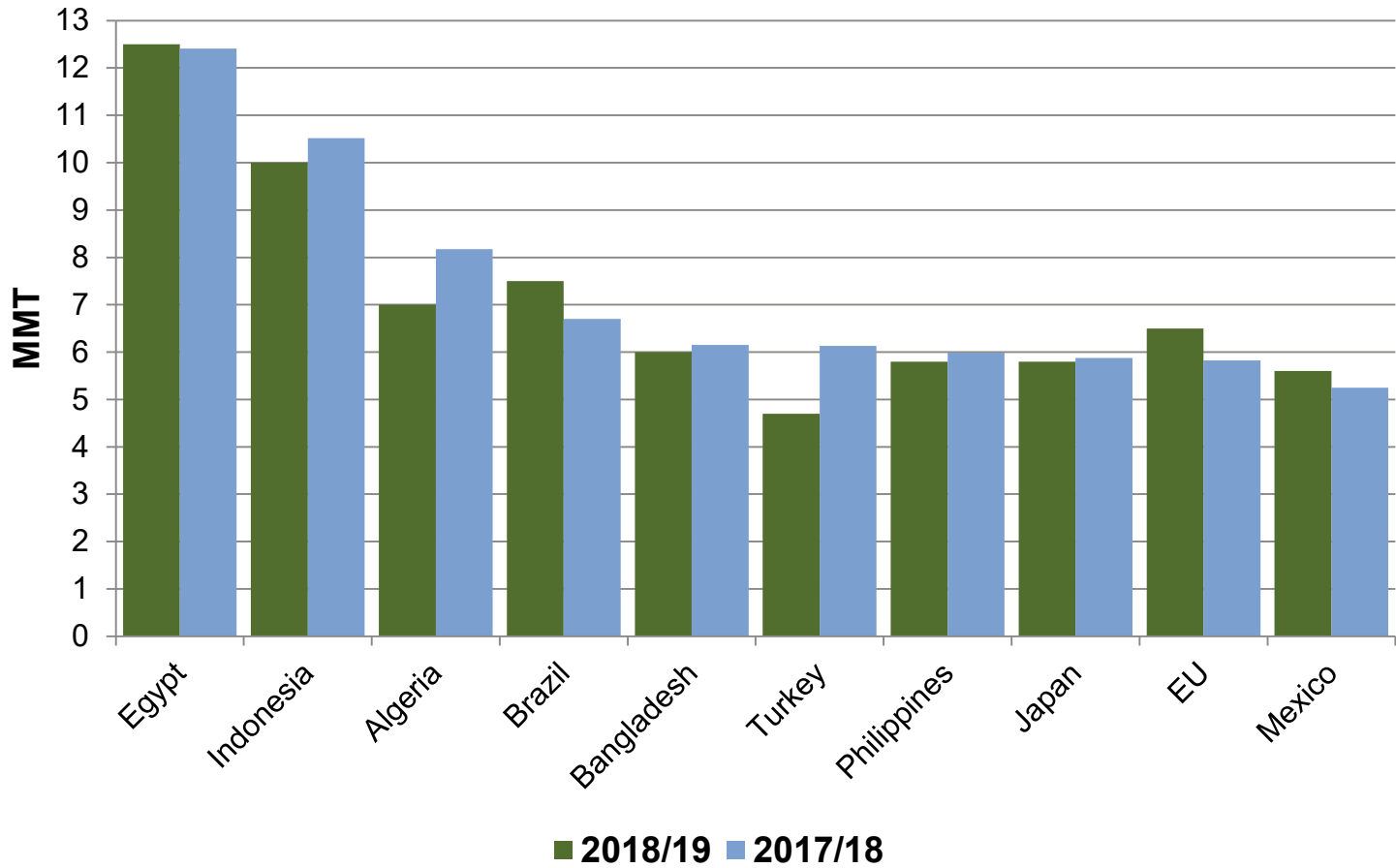
Import Demand

U.S. Situation by Class

Outlook

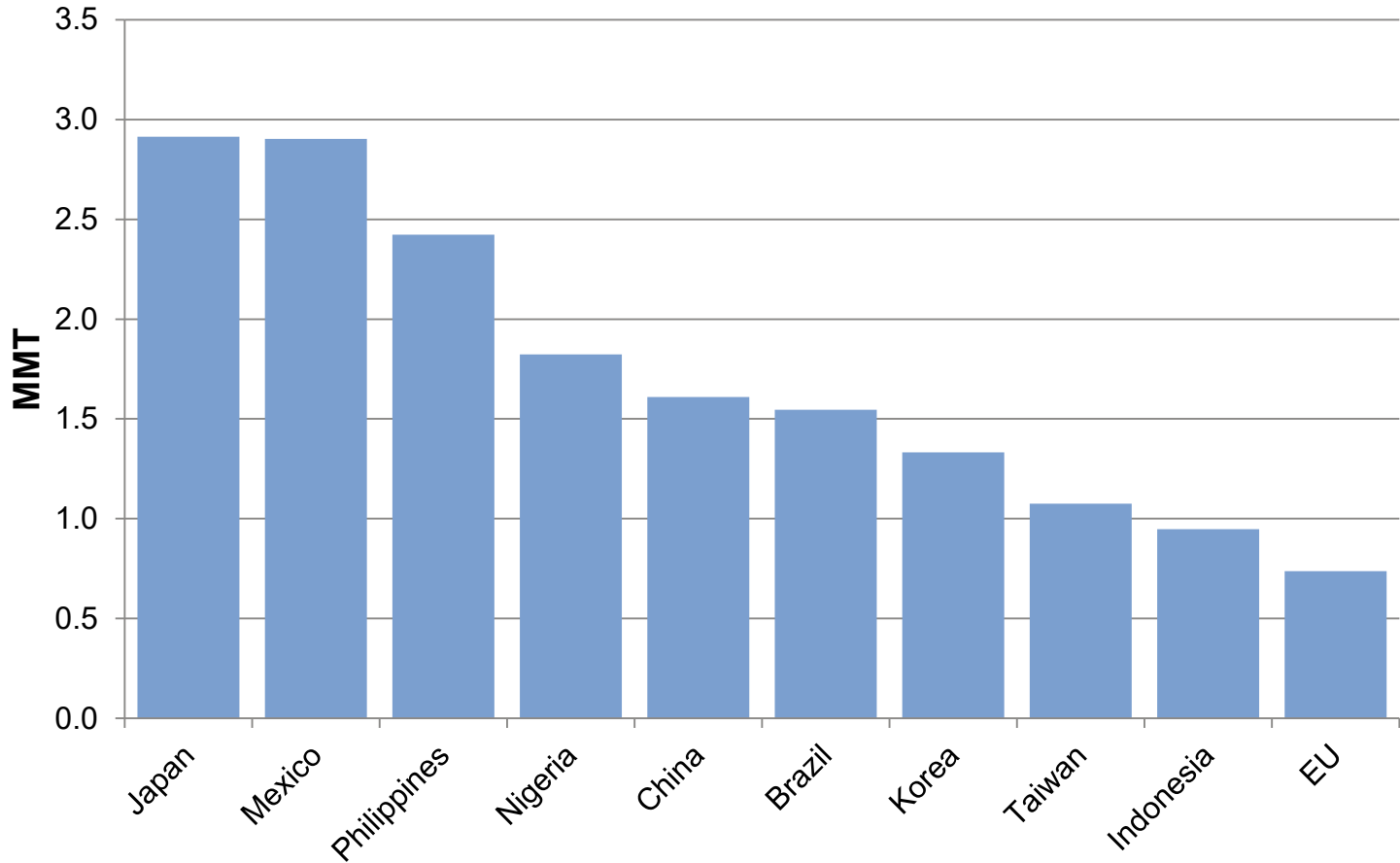
Major World Wheat Importers

(from all origins)



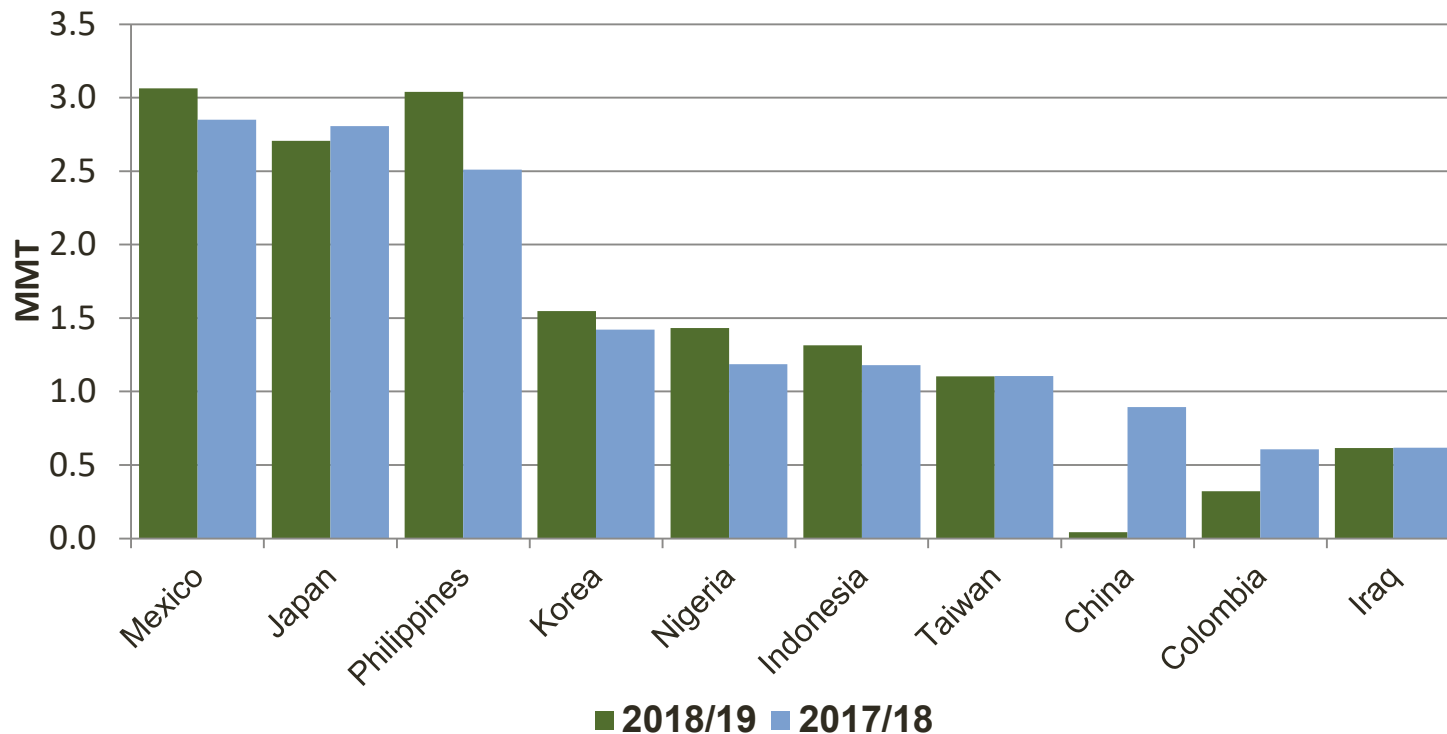
Top 10 Customers for U.S. Wheat

5-year average



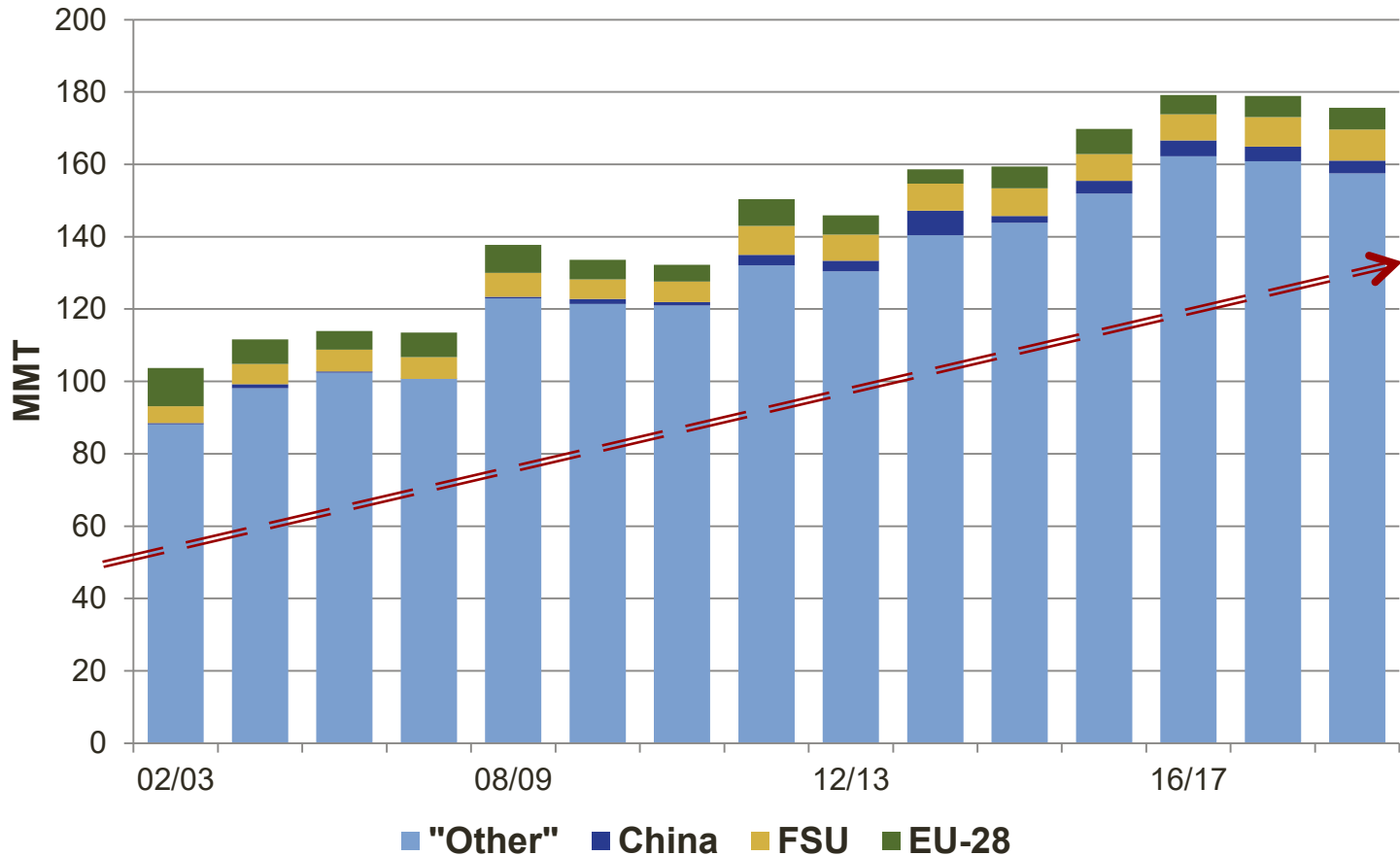
Top 10 Customers for U.S. Wheat

Year-to-date



Source: USDA FAS export sales data as of April 4, 2019

World Wheat Imports



Trend in "other" importers denoted (—▶)



Major Exporters

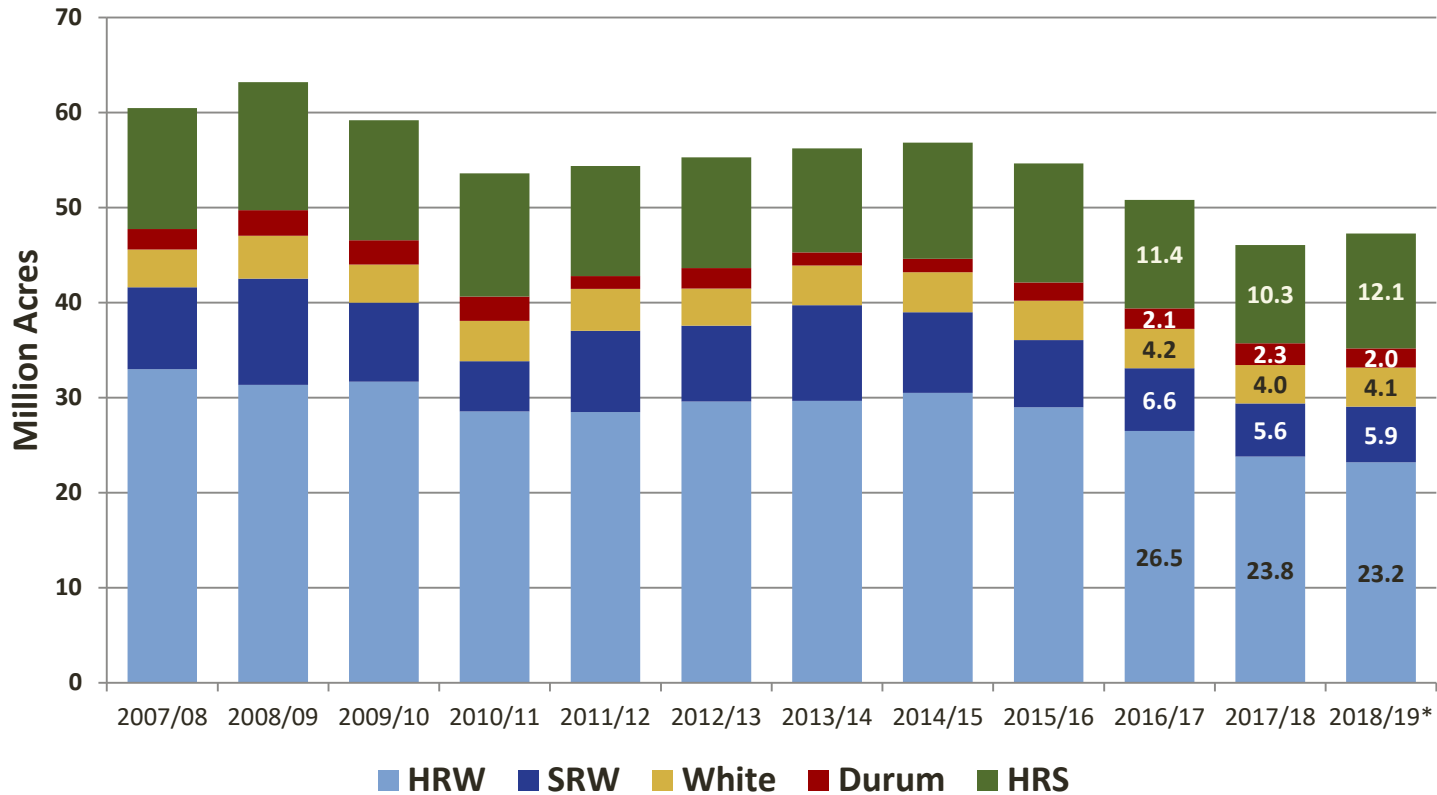
Import Demand

U.S. Situation by Class

Outlook

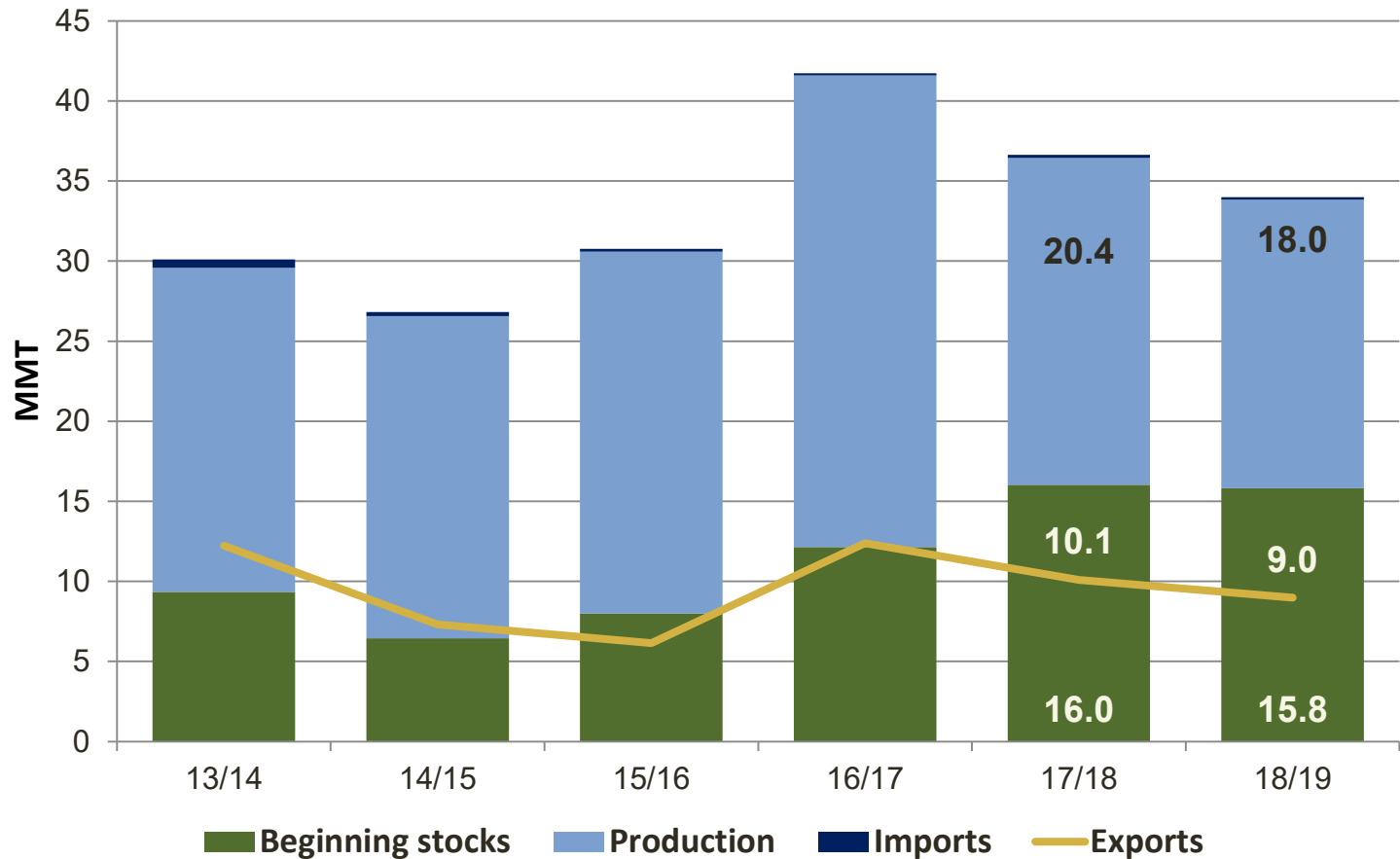
U.S. Wheat Plantings by Class

U.S. Wheat Plantings by Class

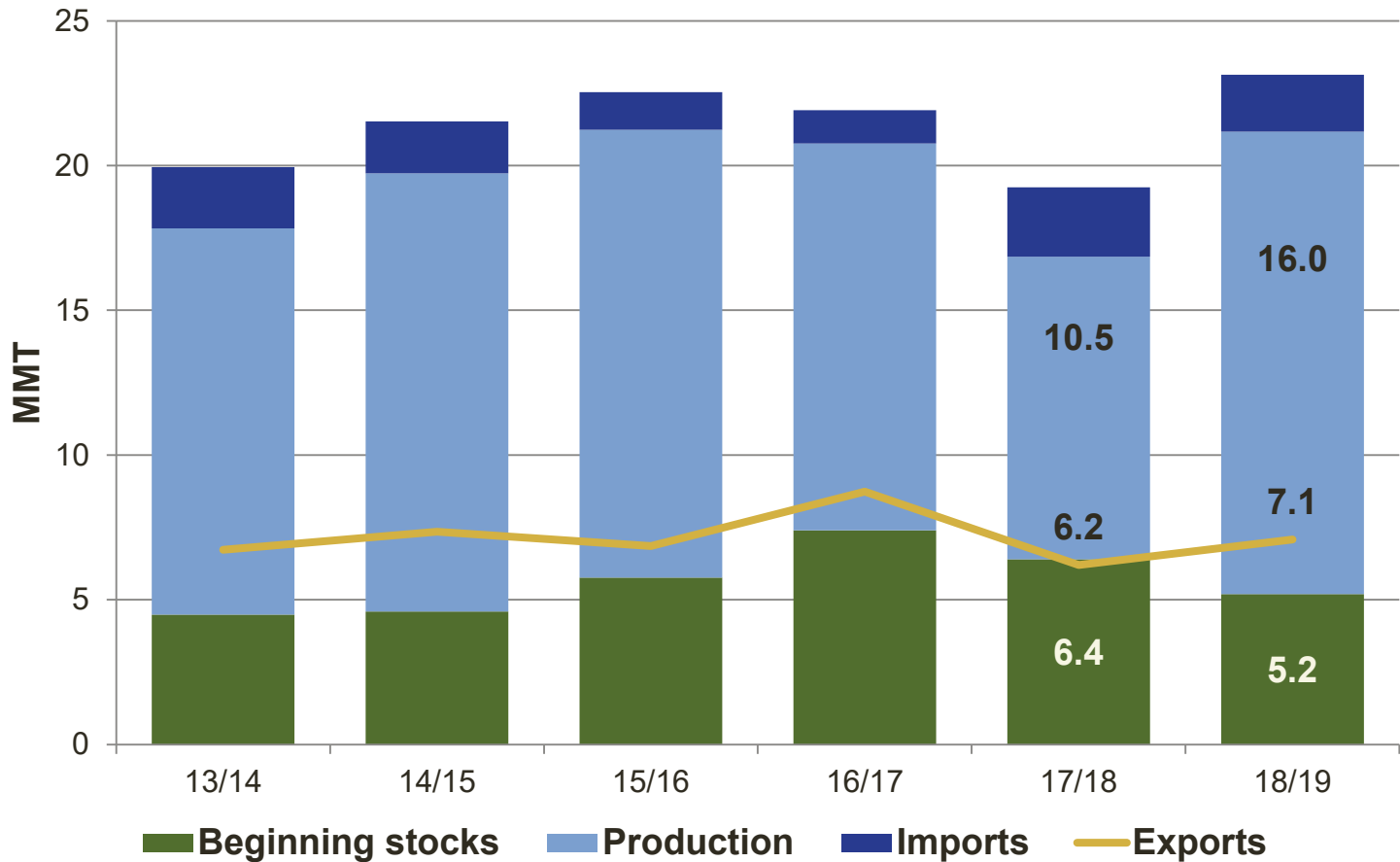


*Source: USDA Prospective Plantings Report, March 29, 2019

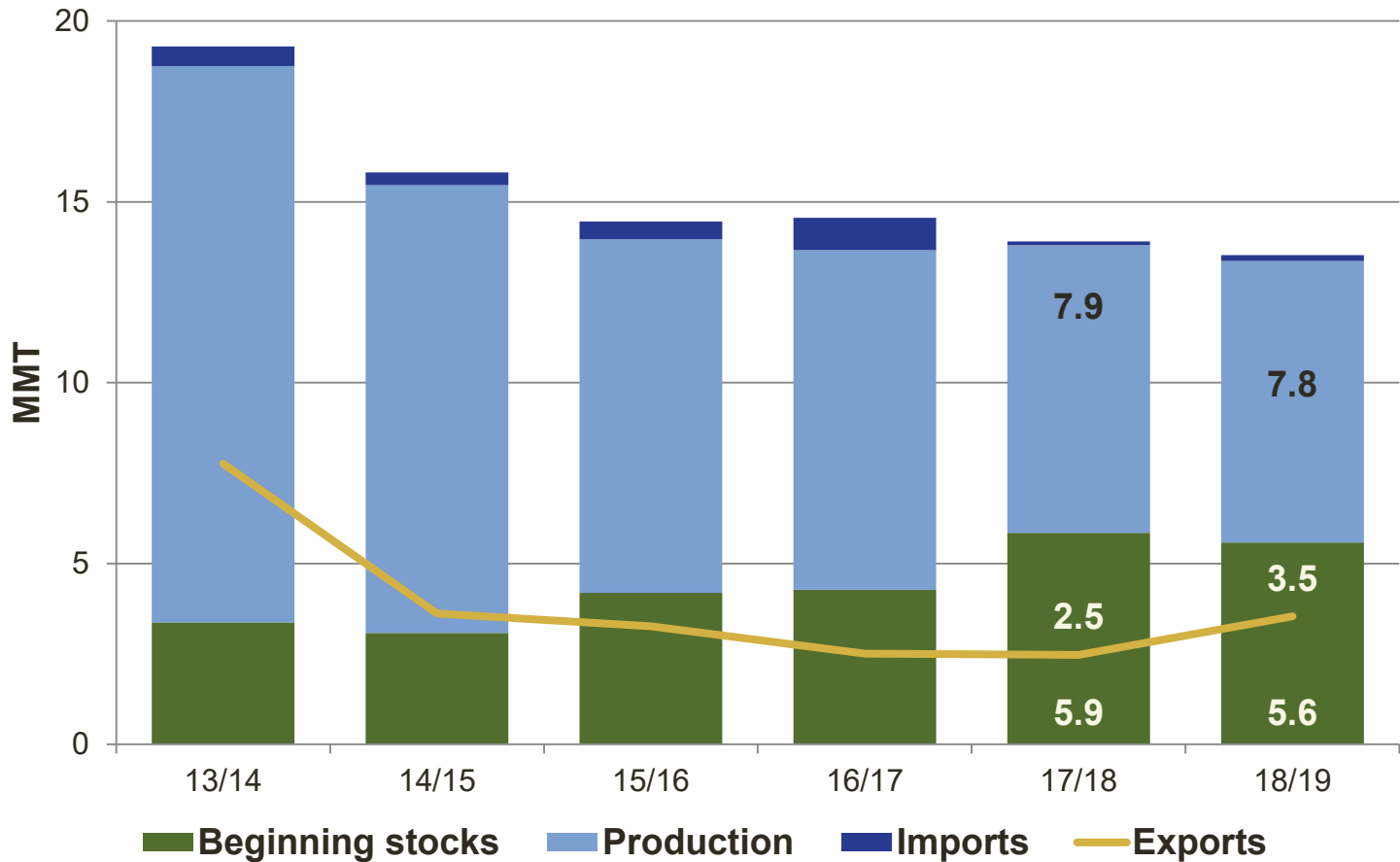
U.S. Hard Red Winter



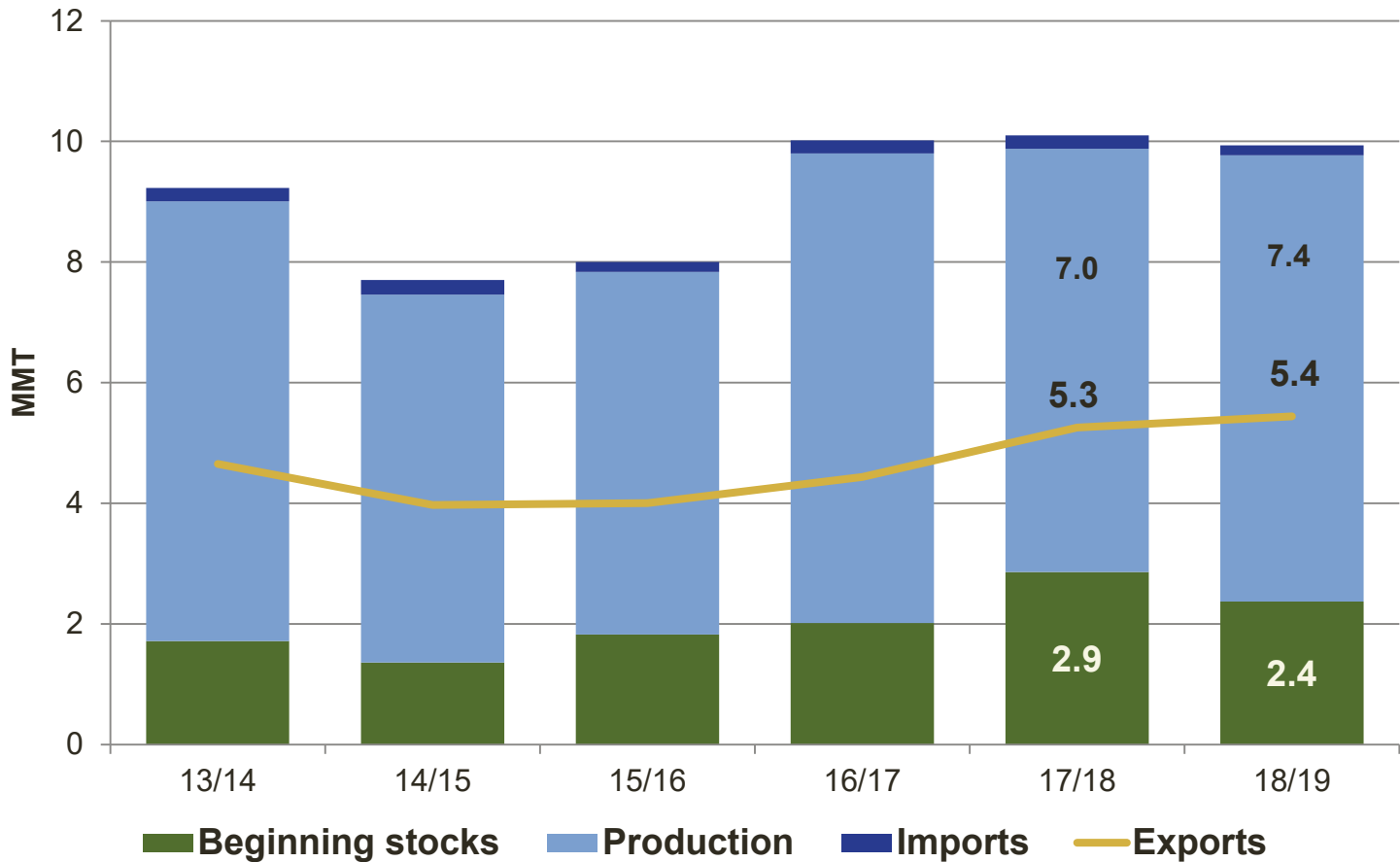
U.S. Hard Red Spring



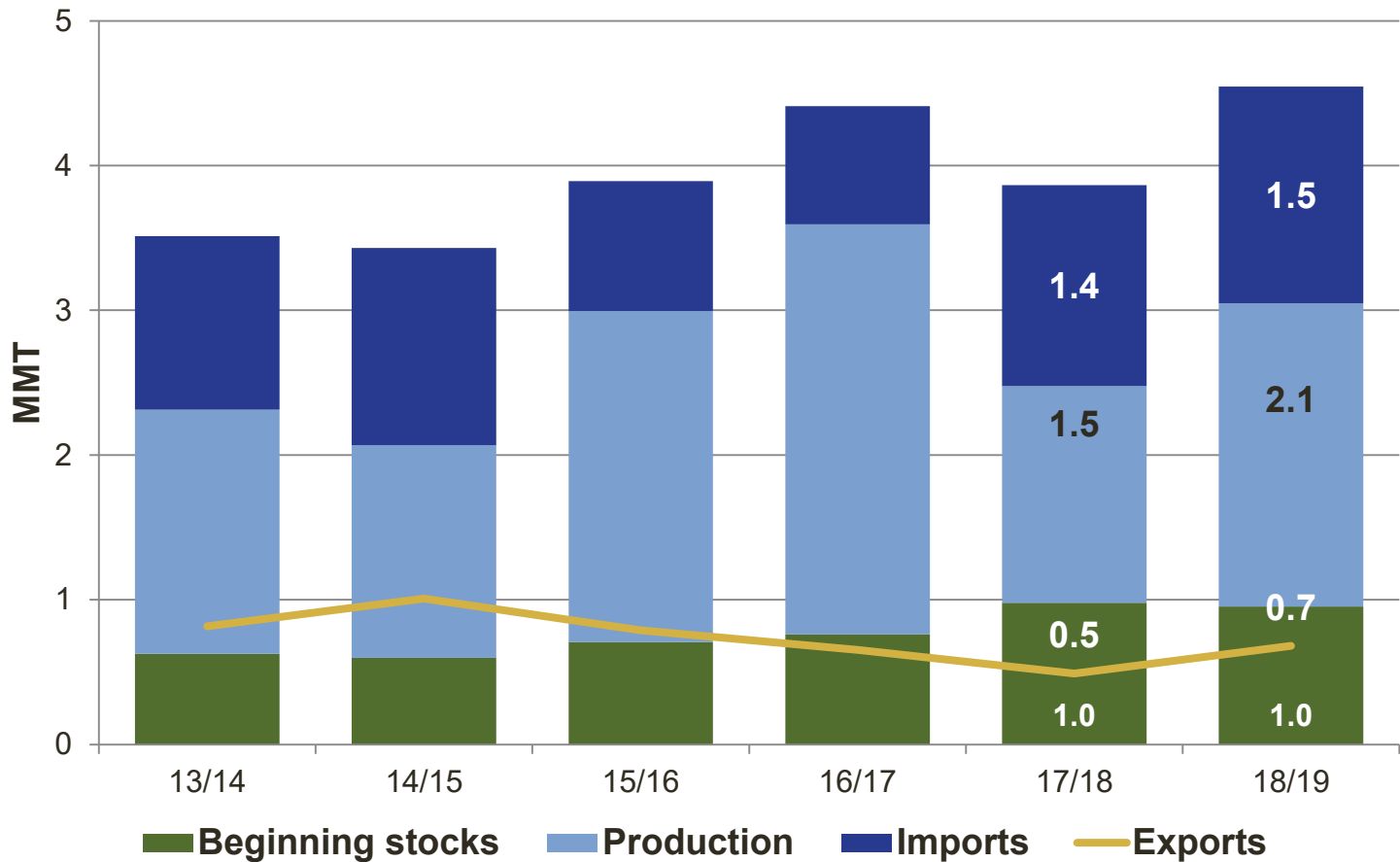
U.S. Soft Red Winter



U.S. White

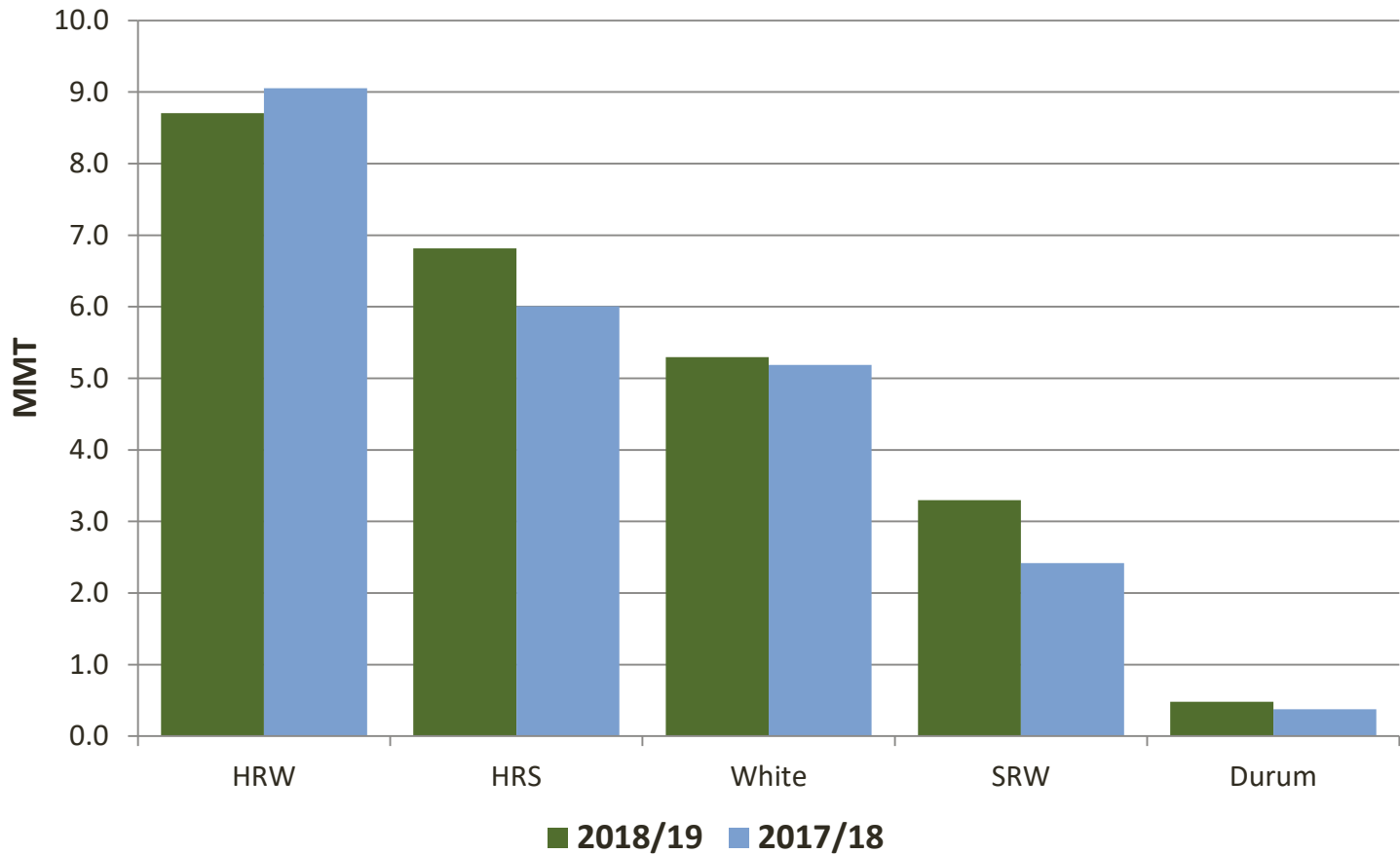


U.S. Durum



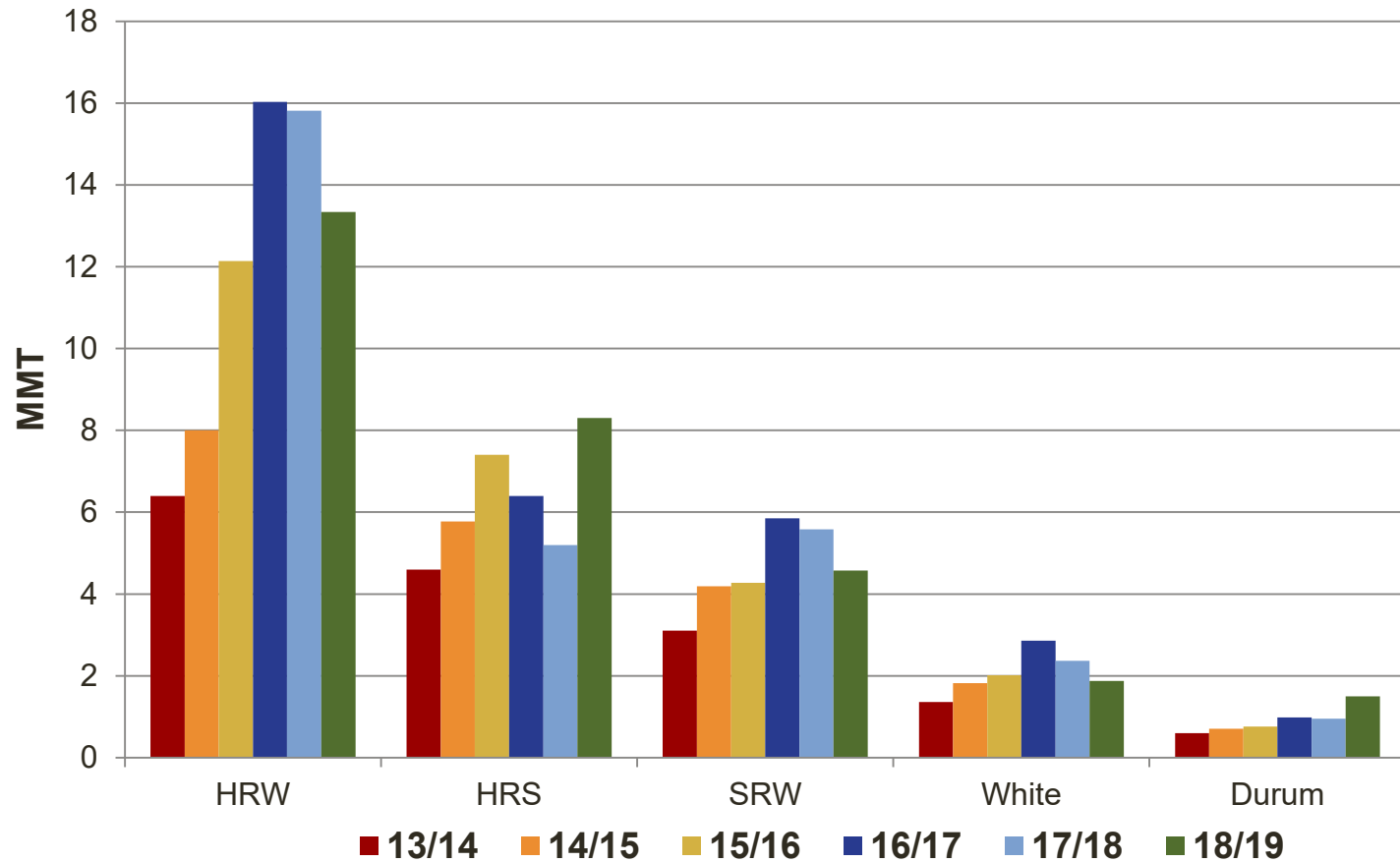
U.S. Wheat Sales by Class

(year-to-date)



Source: USDA FAS export sales data as of April 4, 2019

U.S. Wheat Ending Stocks by Class



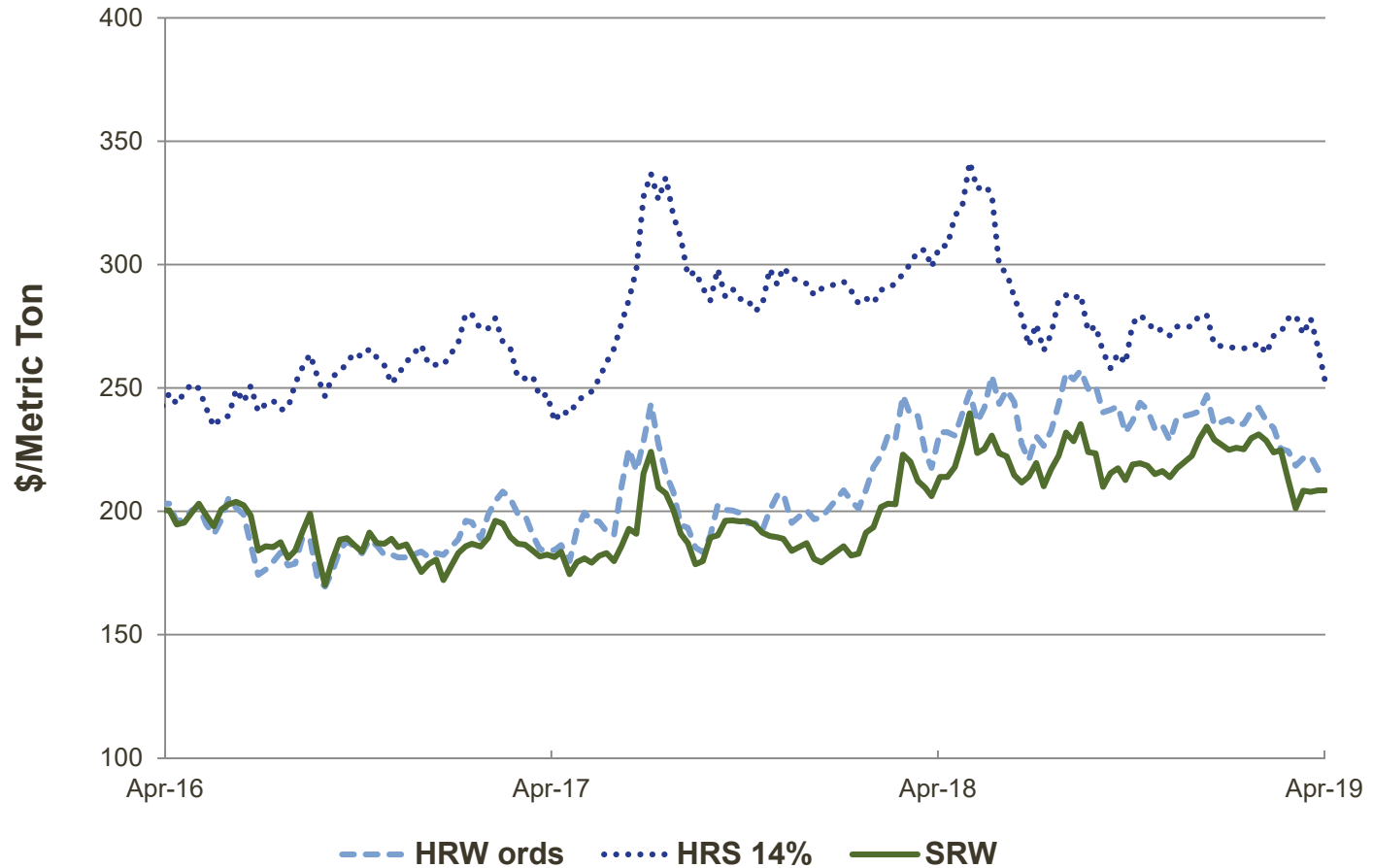
U.S. Wheat Supply and Demand

	HRW		HRS		SRW	
	17/18	18/19	17/18	18/19	17/18	18/19
	MMT					
Beginning Stocks	16.0	15.8	6.4	5.2	5.9	5.6
Production	20.4	18.0	10.5	16.0	8.0	7.8
Imports	<u>0.2</u>	<u>0.2</u>	<u>2.4</u>	<u>2.0</u>	<u>0.1</u>	<u>0.2</u>
Supply Total	36.6	34.0	19.2	23.1	14.0	13.5
Domestic Use	10.7	11.7	7.8	7.8	5.9	5.4
Exports	<u>10.1</u>	<u>9.0</u>	<u>6.2</u>	<u>7.1</u>	<u>2.5</u>	<u>3.5</u>
Use Total	20.8	20.7	14.0	14.9	8.4	9.0
Ending Stocks	15.8	13.3	5.2	8.3	5.6	4.6
Stocks-to-Use	76%	65%	37%	56%	67%	51%

U.S. Wheat Supply and Demand

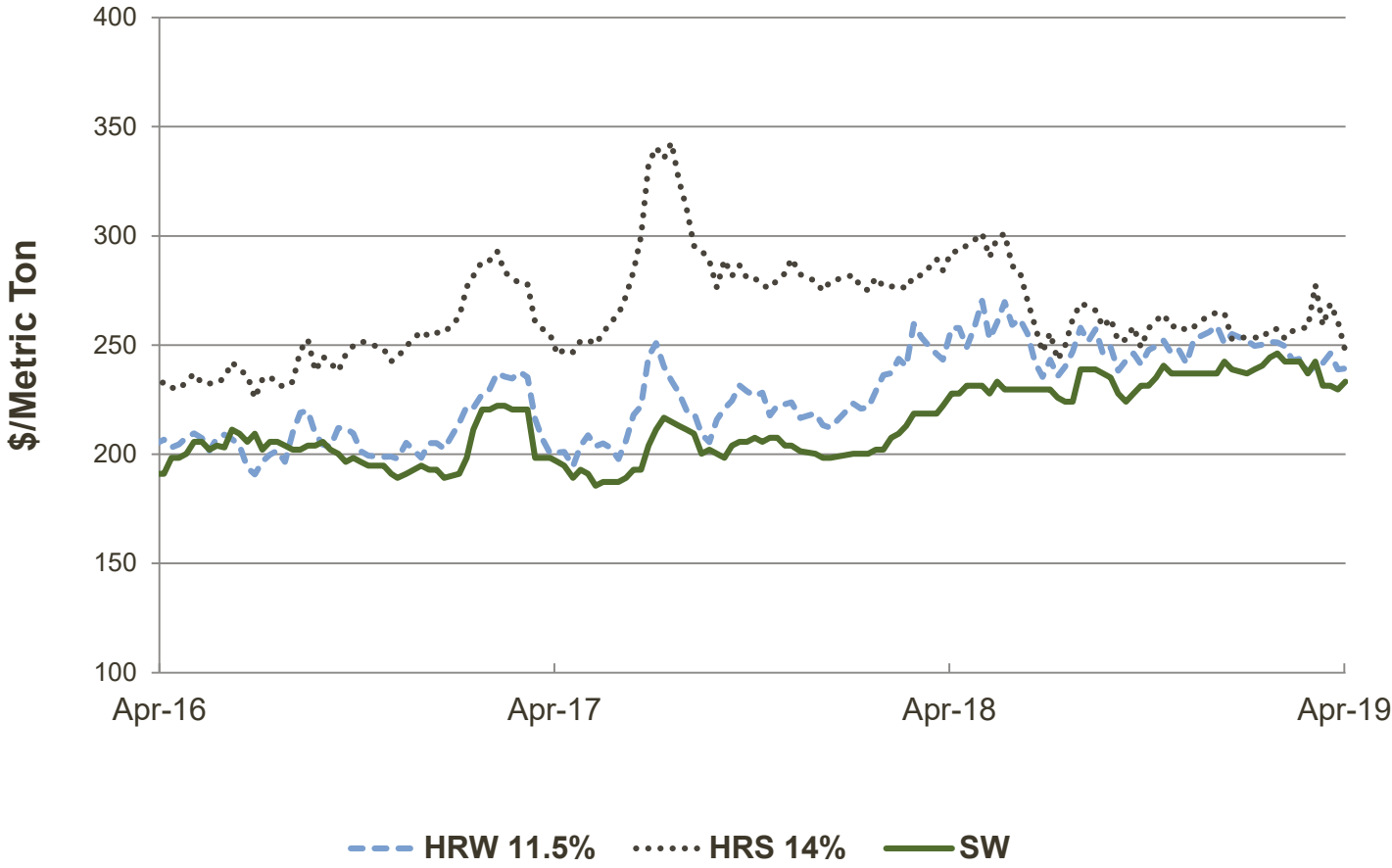
	White		Durum		Total	
	17/18	18/19	17/18	18/19	17/18	18/19
	MMT					
Beginning Stocks	2.9	2.4	1.0	1.0	32.1	29.9
Production	7.0	7.4	1.5	2.1	47.4	51.3
Imports	<u>0.2</u>	<u>0.2</u>	<u>1.4</u>	<u>1.5</u>	<u>4.3</u>	<u>3.9</u>
Supply Total	10.1	9.9	3.9	4.5	83.8	85.1
Domestic Use	2.5	2.6	2.4	2.4	29.4	29.9
Exports	<u>5.3</u>	<u>5.4</u>	<u>0.5</u>	<u>0.7</u>	<u>24.5</u>	<u>25.7</u>
Use Total	7.7	8.1	2.9	3.0	53.9	55.6
Ending Stocks	2.4	1.9	1.0	1.5	29.9	29.6
Stocks-to-Use	31%	23%	33%	49%	56%	53%

U.S. FOB Gulf Prices



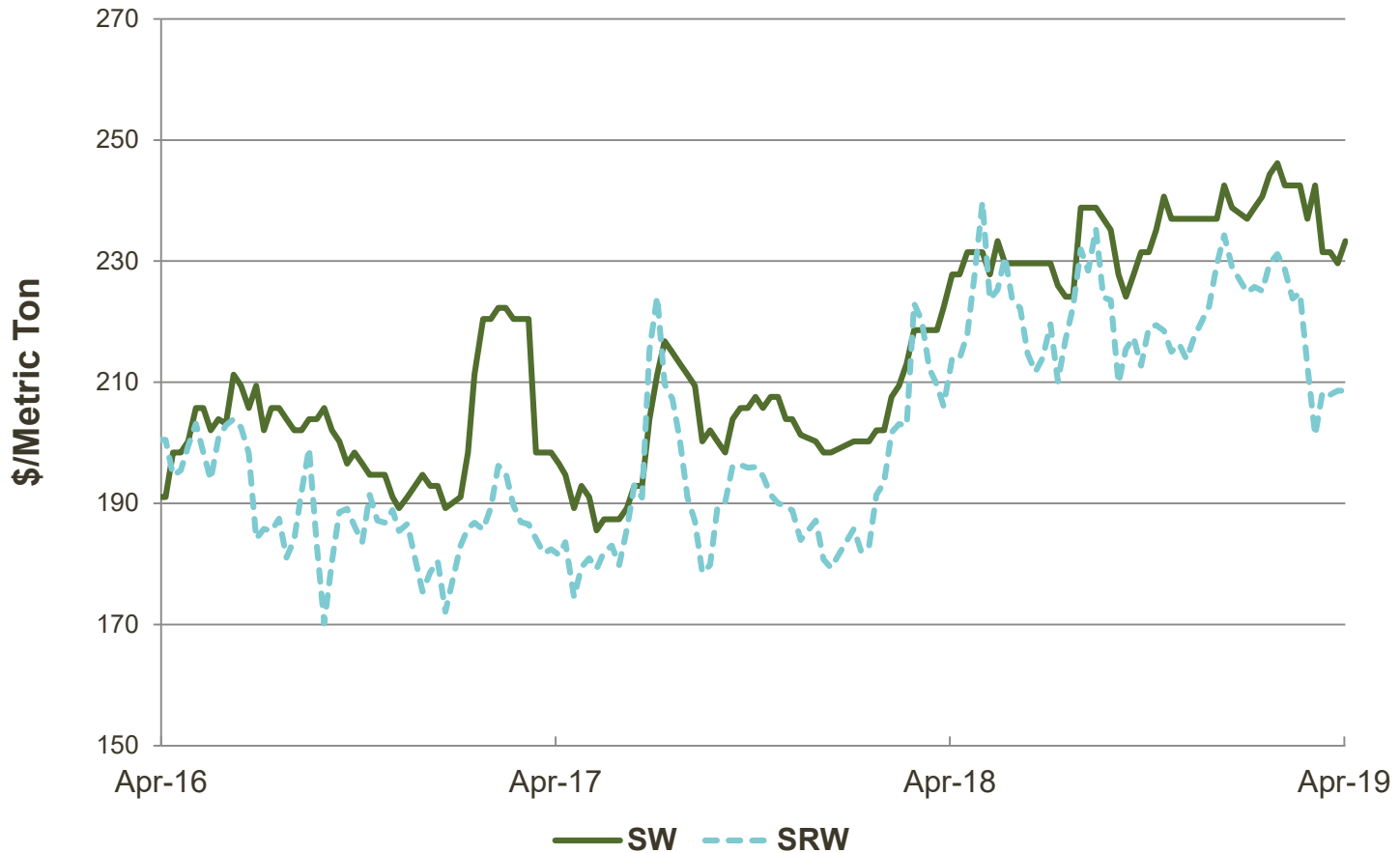
*Source: U.S. Wheat Associates Price Report, April 5, 2019

U.S. FOB PNW Prices



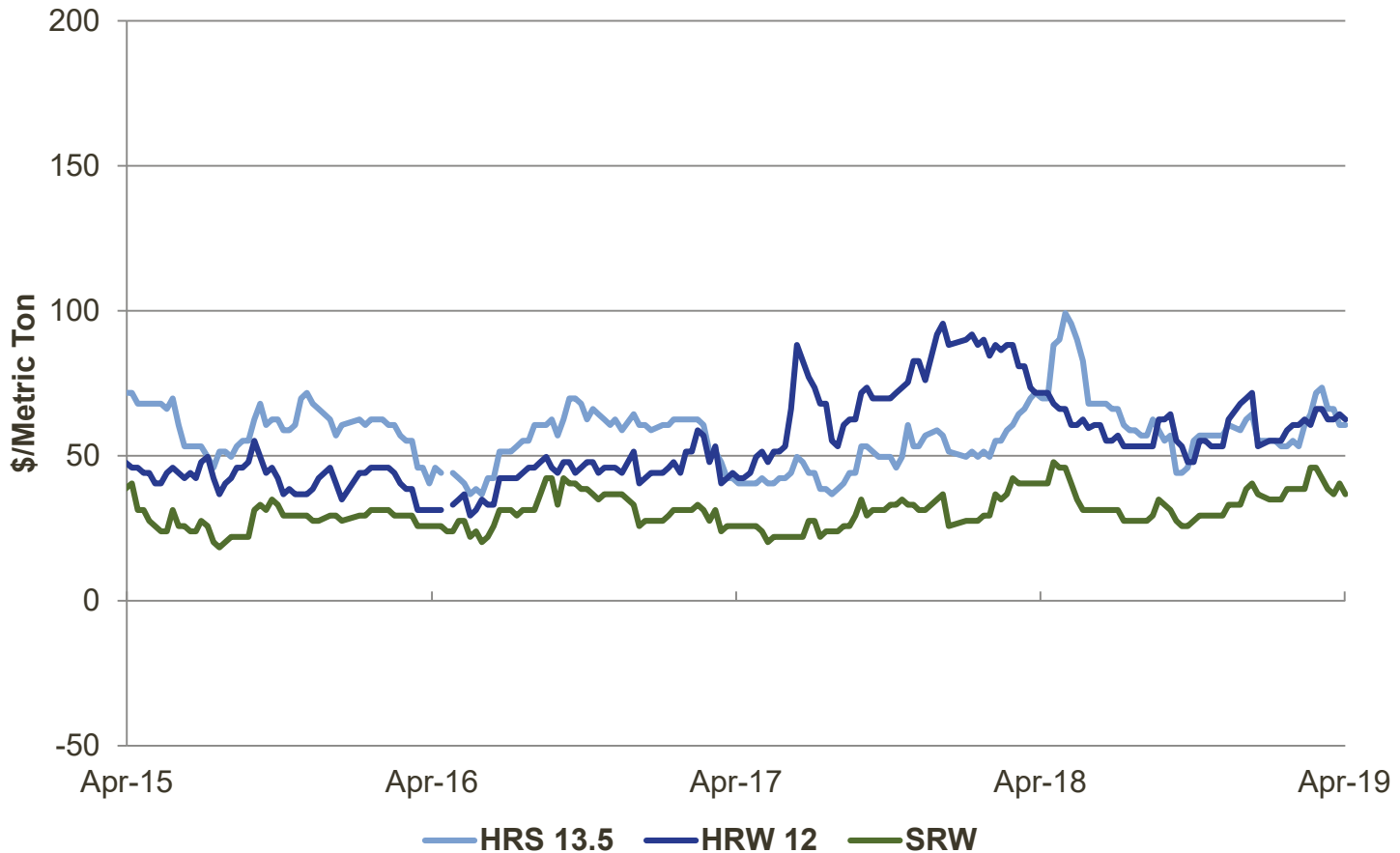
*Source: U.S. Wheat Associates Price Report, April 5, 2019

SRW and Soft White Prices



**Source: U.S. Wheat Associates Price Report, April 5, 2019*

U.S. Gulf Basis Prices



**Source: U.S. Wheat Associates Price Report, April 5, 2019*

U.S. PNW Basis Prices



**Source: U.S. Wheat Associates Price Report, April 5, 2019*



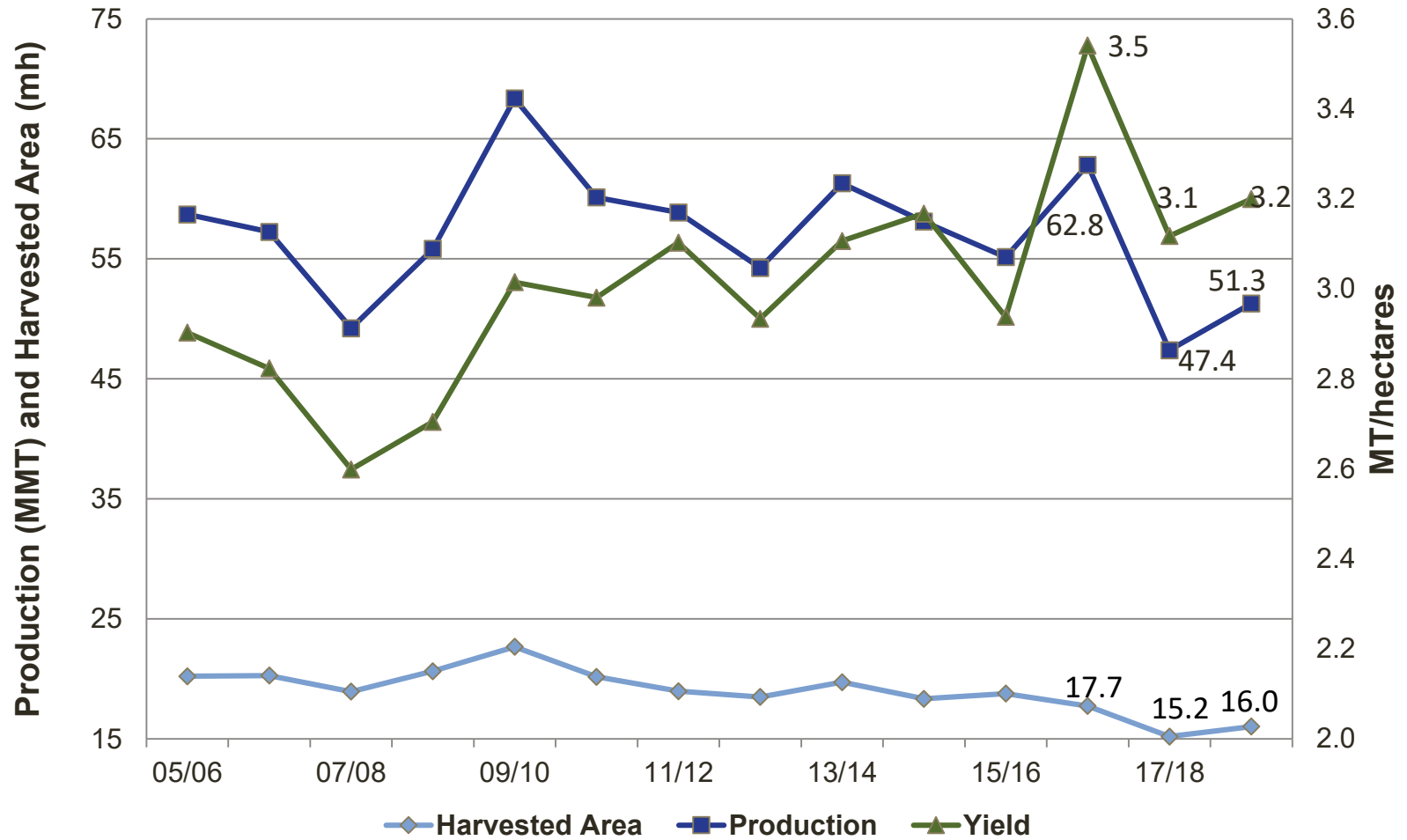
Major Exporters

Import Demand

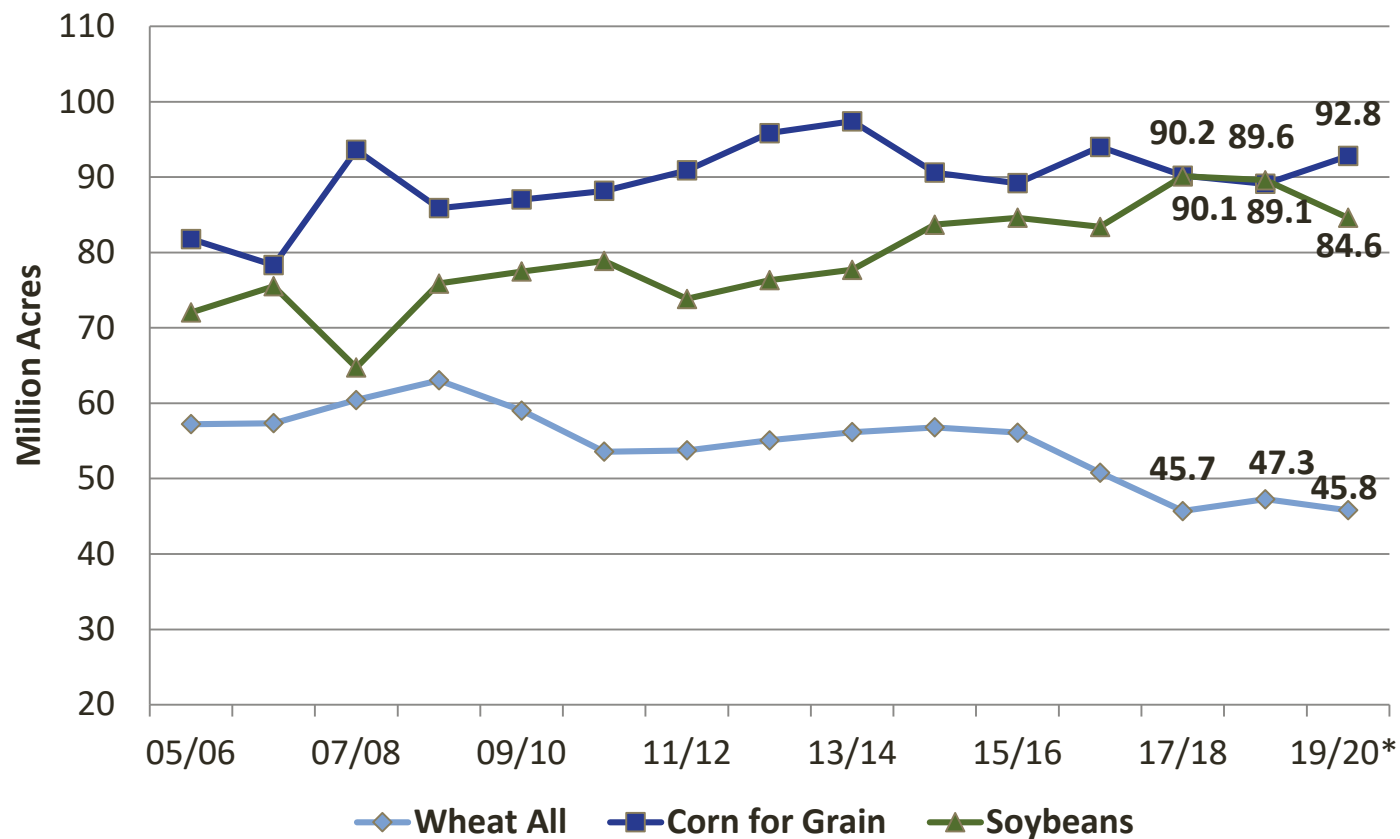
U.S. Situation by Class

Outlook

U.S. Wheat Area and Production



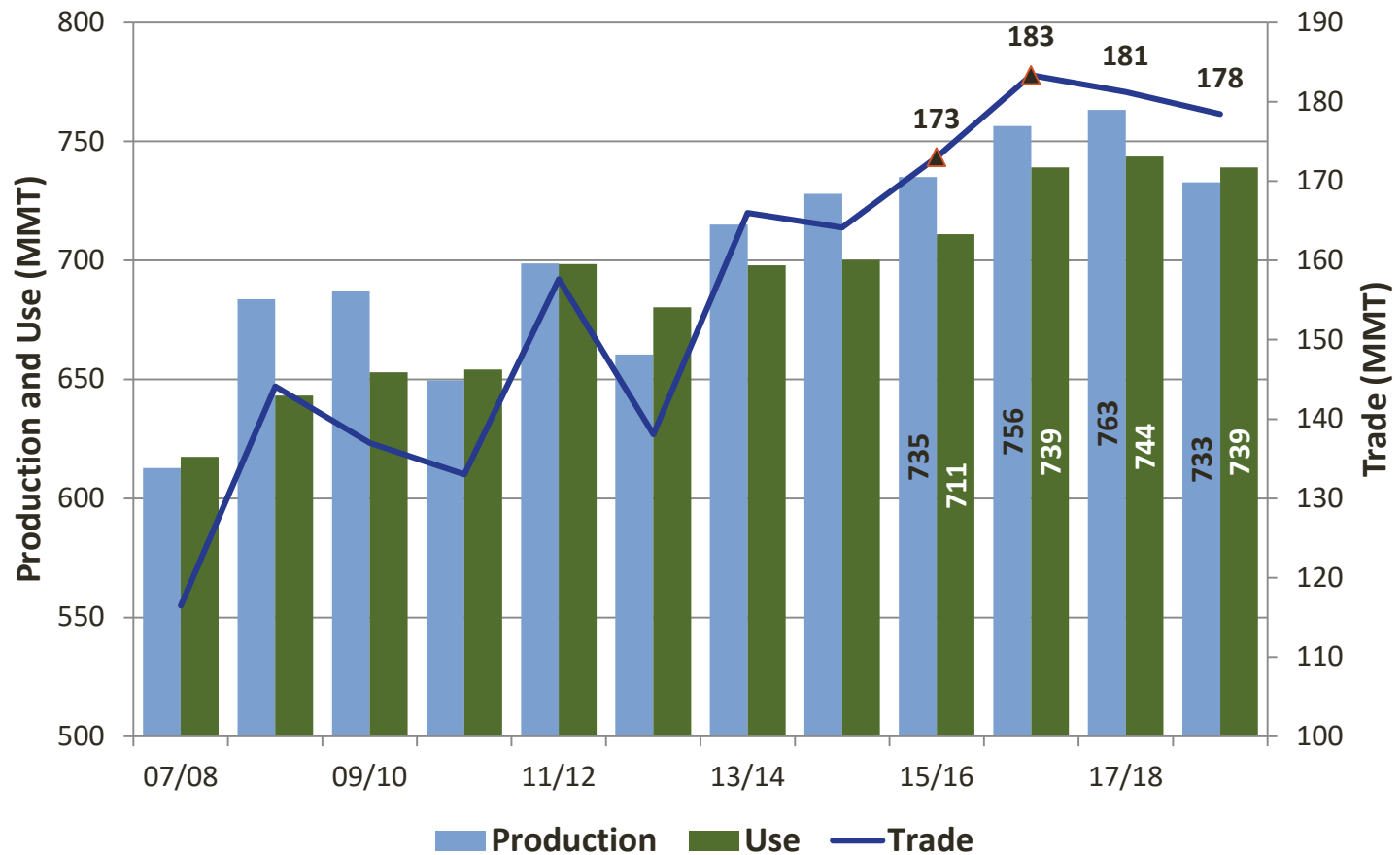
U.S. Crop Planted Area Comparison



*Source: USDA Prospective Planting Report, March 29, 2019

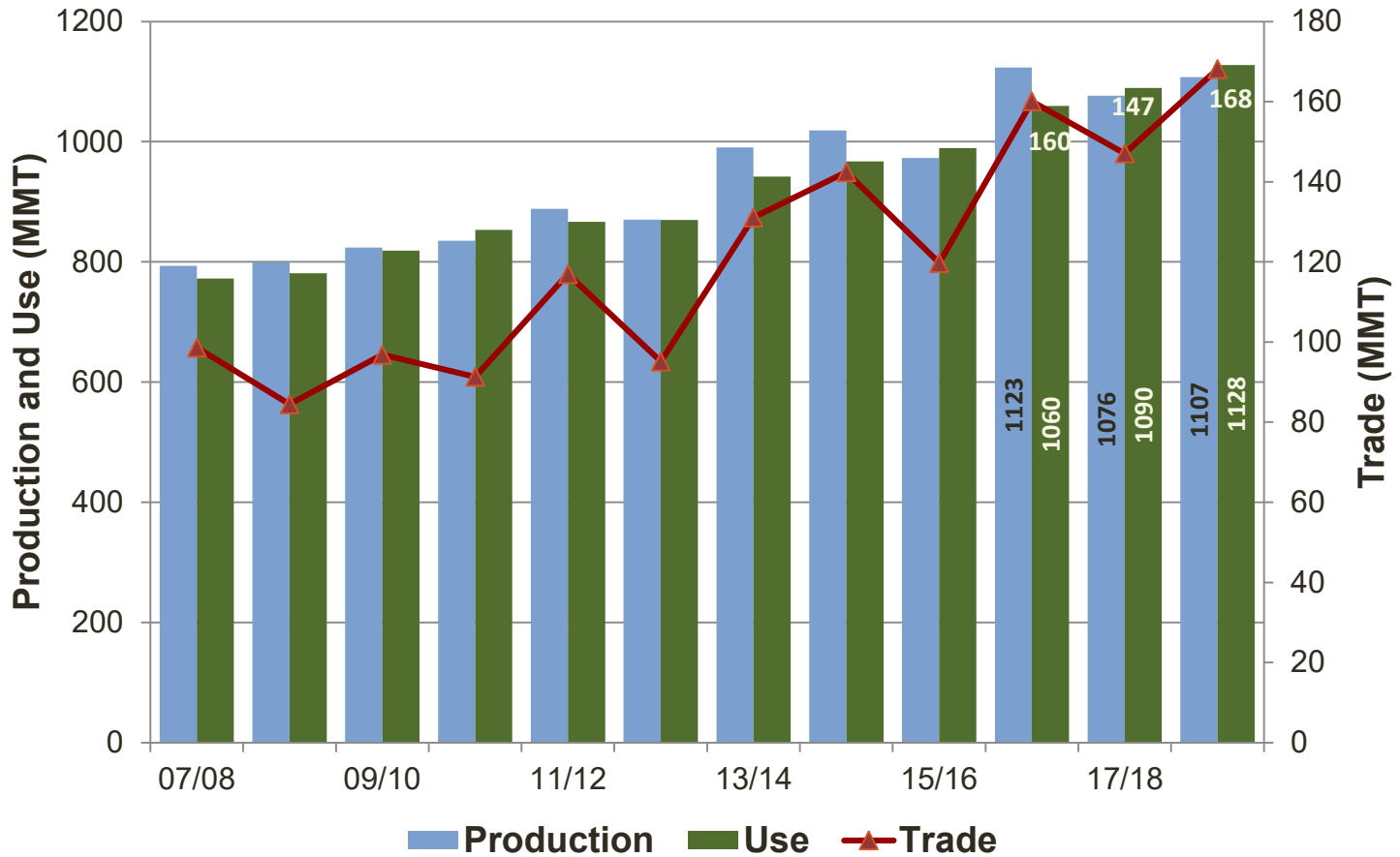
World Wheat

Production, Use and Trade



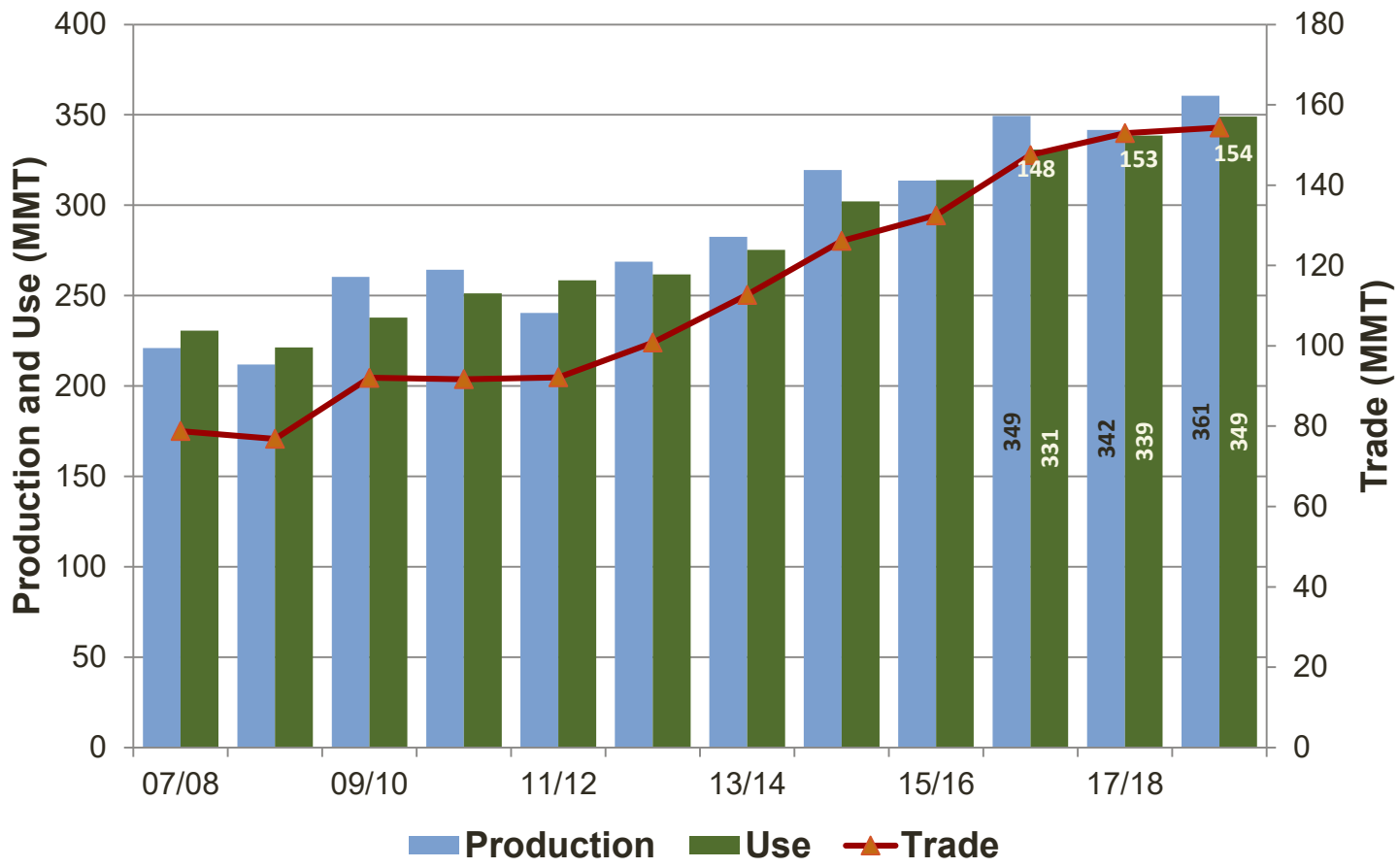
World Corn

Production, Use and Trade

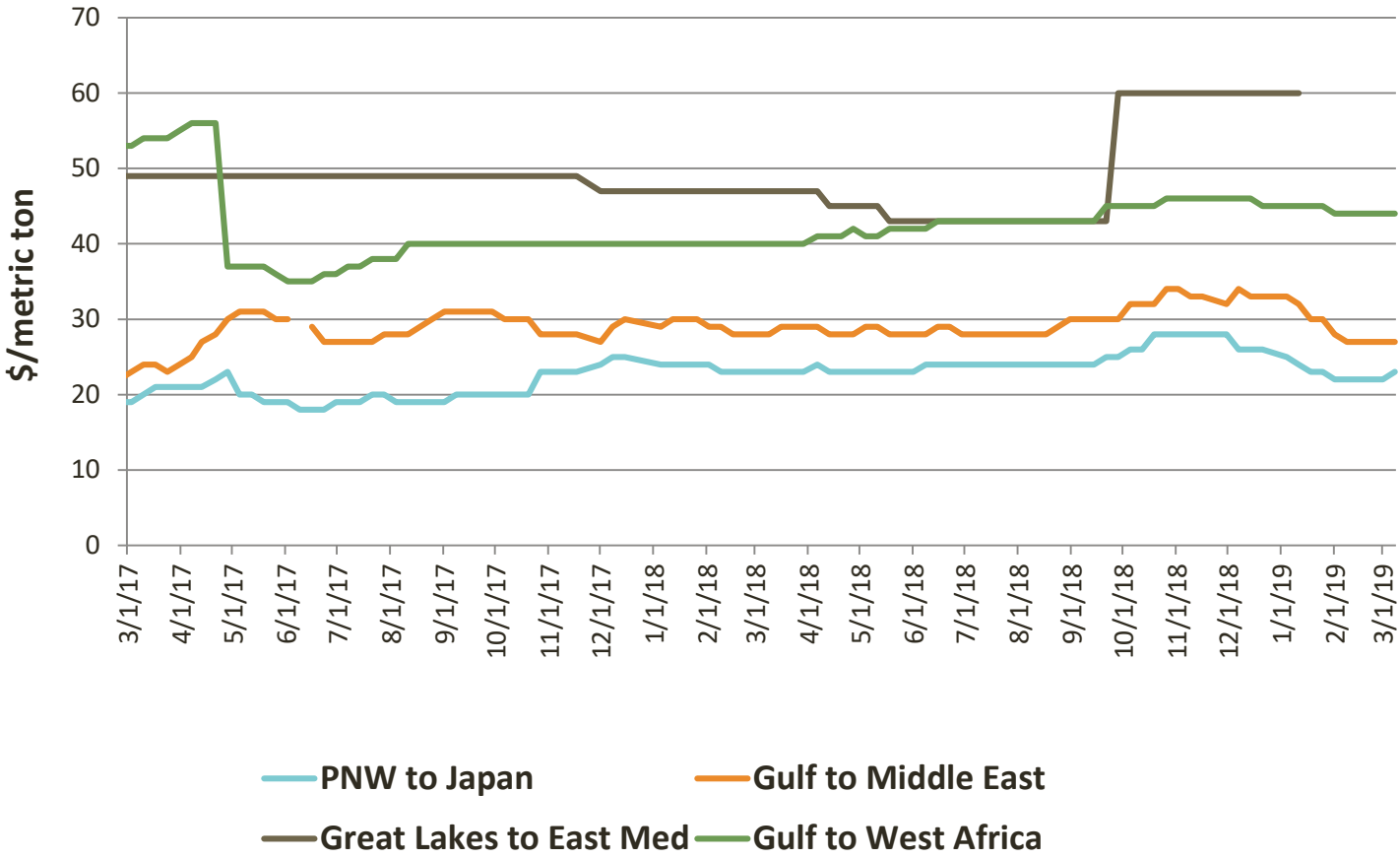


World Soybeans

Production, Use and Trade



Ocean Freight Rates for Grains



*Source: U.S. Wheat Associates Price Report, April 5, 2019

Summary

- **Global production to fall for first time in 5 years**
 - Chinese wheat production to fall to 131 MMT, 2% below 2017/18
 - Russian wheat production to fall to 71.7 MMT, 16% below last year
 - EU wheat production to fall 9% year over year to 138 MMT
 - Wheat production in the United States to reach 51.3 MMT, up 8% from 2017/18, if realized
- **Global ending stocks to reach 276 MMT, 14% above the 5-year average, if realized**
 - Estimated Chinese ending stocks of 140 MMT are 7% higher than last year and 43% above the 5-year average, if realized
 - U.S. ending stocks to total 29.6 MMT, down 1% from 2017/18, but 18% above the 5-year average
- **World consumption and trade expected to fall slightly below 2017/18; but will both exceed their 5-year average by 3%**
 - EU total domestic consumption to fall 6% from last year to 123 MMT
 - Chinese domestic consumption to reach 125 MMT, 3% above last year and 5% above the 5-year average, if realized
 - U.S. 2018/19 exports revised down from 26.3 MMT in February to 25.7 MMT in March, up 5% year over year, if realized