

# World Wheat Supply and Demand Situation

June 2019

Major data source: USDA World  
Agricultural Supply and Demand  
Estimates released June 11, 2019,  
unless otherwise indicated. Projections  
will change over the course of the year  
depending on weather and other  
developments.



# Highlights of USDA's 2019/20 Supply and Demand Estimates

- **2019/20 global wheat production to jump to 10-year high of 781 MMT**
  - Wheat production in the European Union (EU) to rebound to 154 MMT, 2% higher than last year
  - Black Sea (Russia, Ukraine and Kazakhstan) production to reach 122 MMT
  - U.S. wheat production estimated at 51.8 MMT, 5% below the 5-year average of 54.5 MMT
- **Global consumption forecast at 763 MMT, the highest since 2009**
  - China's domestic consumption to reach 128 MMT, 2% above last year, if realized
  - EU domestic consumption to reach 128 MMT, up 4% from 2018/19
  - U.S. domestic consumption to total 32.0 MMT, up 4% from the 5-year average
- **World wheat trade to jump 5% year-over-year to 185 MMT, 4% above the 5-year average of 176 MMT**
  - Exports from the Ukraine to increase 17% over last year to 19.5 MMT in 2019/20
  - Exports from the EU expected to rebound 9% year-over-year to 26.5 MMT
  - U.S. 2018/19 exports to fall slightly below 2018/19 levels to 24.5 MMT



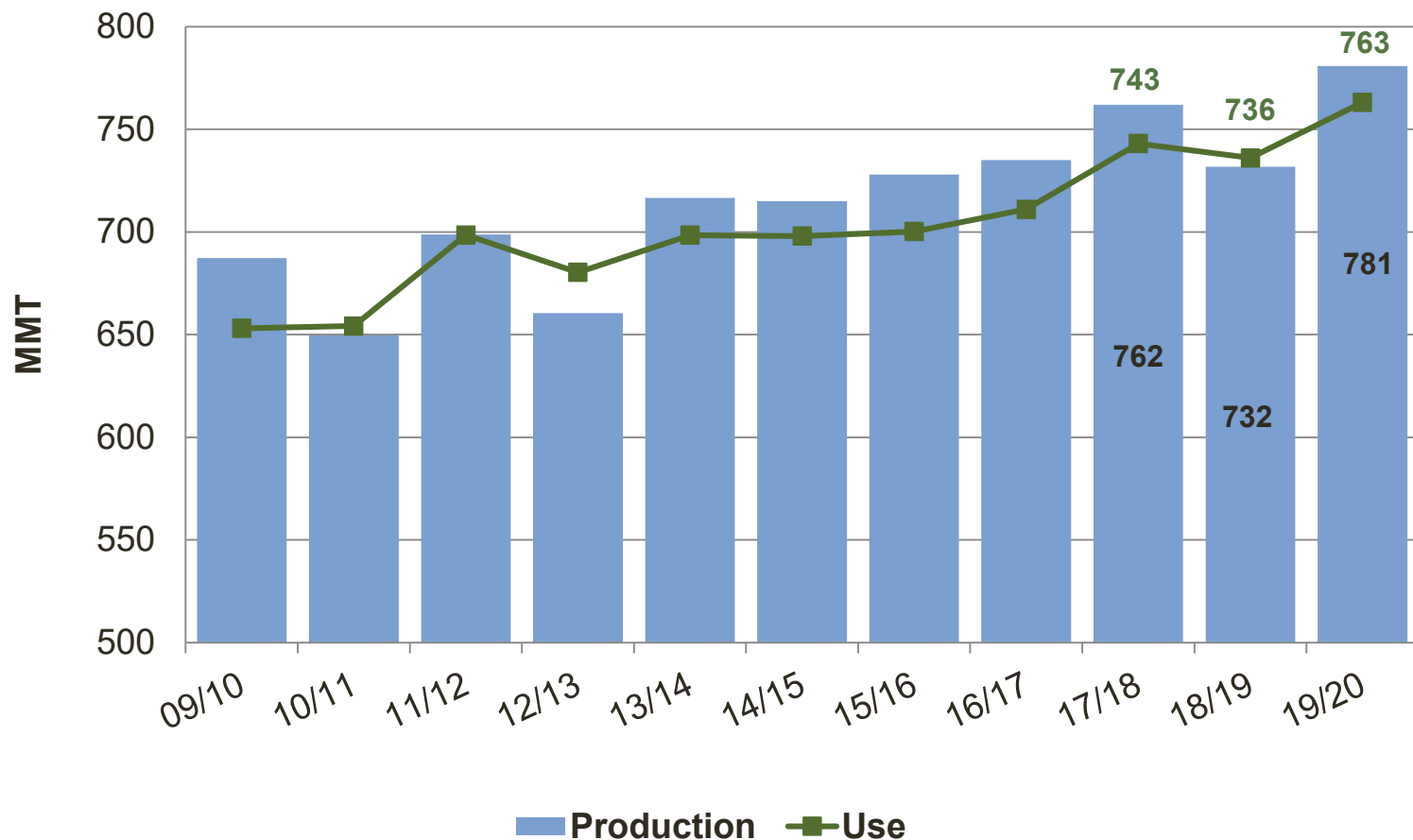
# Highlights of USDA's 2019/20 Supply and Demand Estimates

- **World beginning stocks to fall 2% year-over-year to 275 MMT, still 13% higher than the 5-year average of 241 MMT**
  - China's beginning stocks expected jump 43% over the 5-year average to 140 MMT
  - U.S. beginning stocks estimated at 30.0 MMT, 20% above the 5-year average of 25.0 MMT
- **Global ending stocks projected at 294 MMT, 6% higher than last year and 14% higher than the 5-year average**
  - Estimated Chinese ending stocks of 146 MMT are up 30% over the 5-year average and account for 50% of total global ending stocks
  - U.S. ending stocks expected to total 29.2 MMT, down 3% from 2018/19 but 5% above the 5-year average of 28.0 MMT
- **U.S. farm gate average price to fall to \$5.10/bu\* (\$187/MT) in 2019/20**
  - Projected average price would fall 2% below the 2018/19 average of \$5.20/bu\* (\$191/MT)

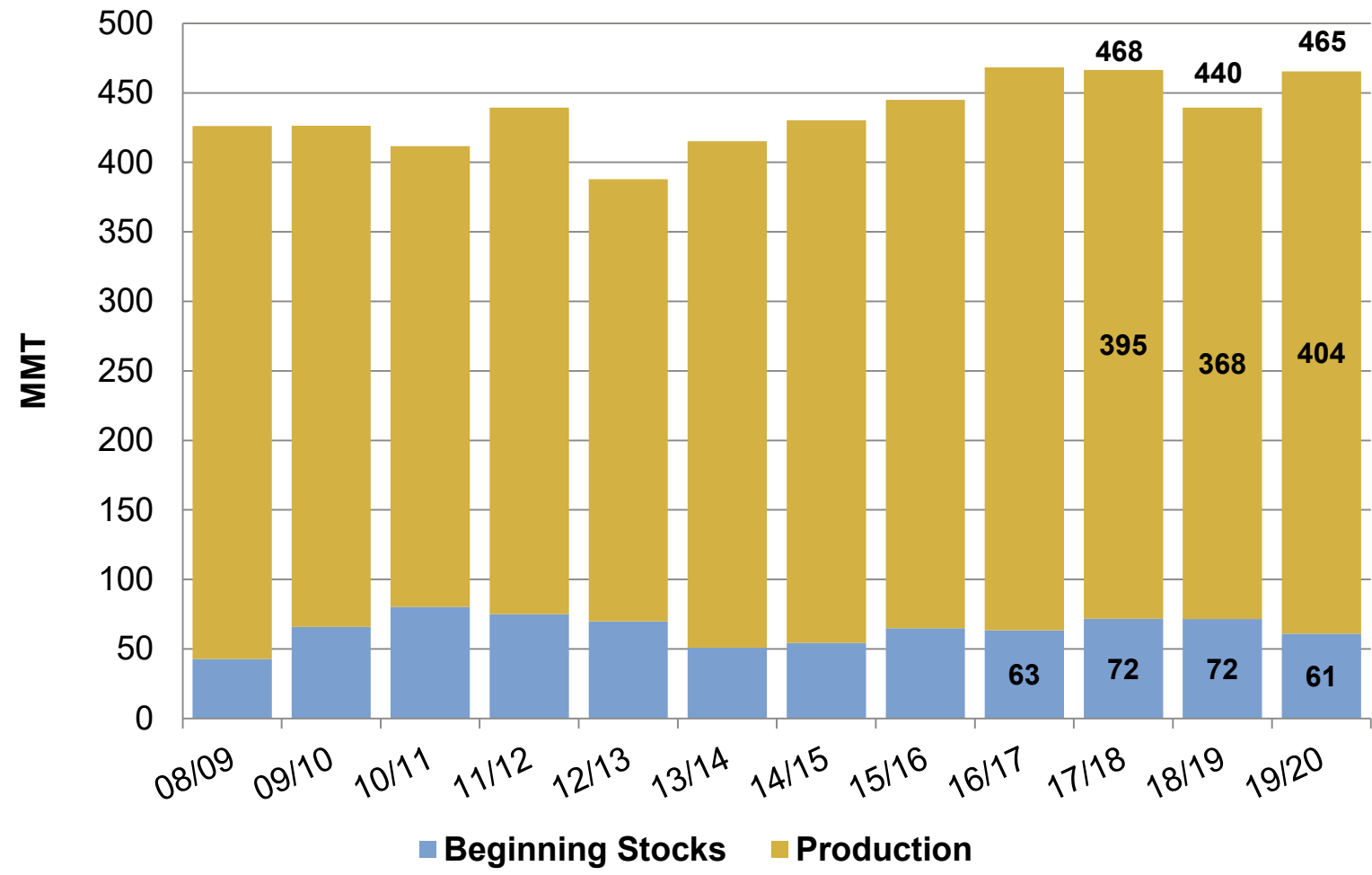
*\*Average U.S. farm gate price, marketing year weighted average*



# World Production and Use



# Supplies in Top Exporting Countries\*



\*Includes U.S., Canada, Australia, Argentina, EU-2, Russia, Ukraine and Kazakhstan

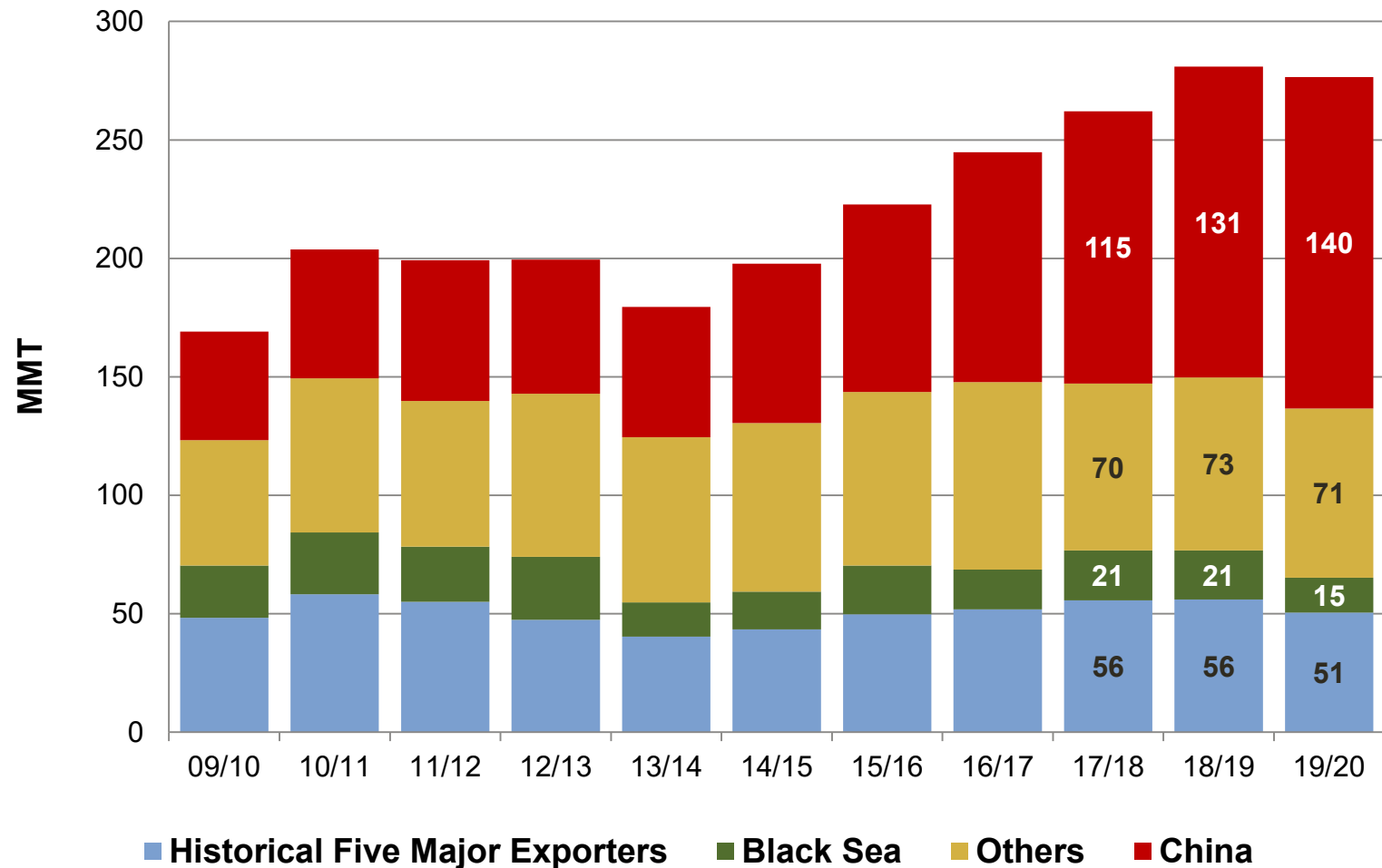


# World Wheat Supply and Demand (MMT)

		<u>17/18</u>	<u>18/19</u>	<u>19/20</u>
<b>SUPPLY:</b>	Beginning Stocks	262	281	277
	Production	762	732	781
	Supply Total	1024	1013	1057
	Ending Stocks	281	277	294
<b>TRADE:</b>	Exports/Imports	182	176	185
<b>DEMAND:</b>	Food & Seed	596	597	611
	Feed & Residual	147	139	153
	Use Total	743	736	763



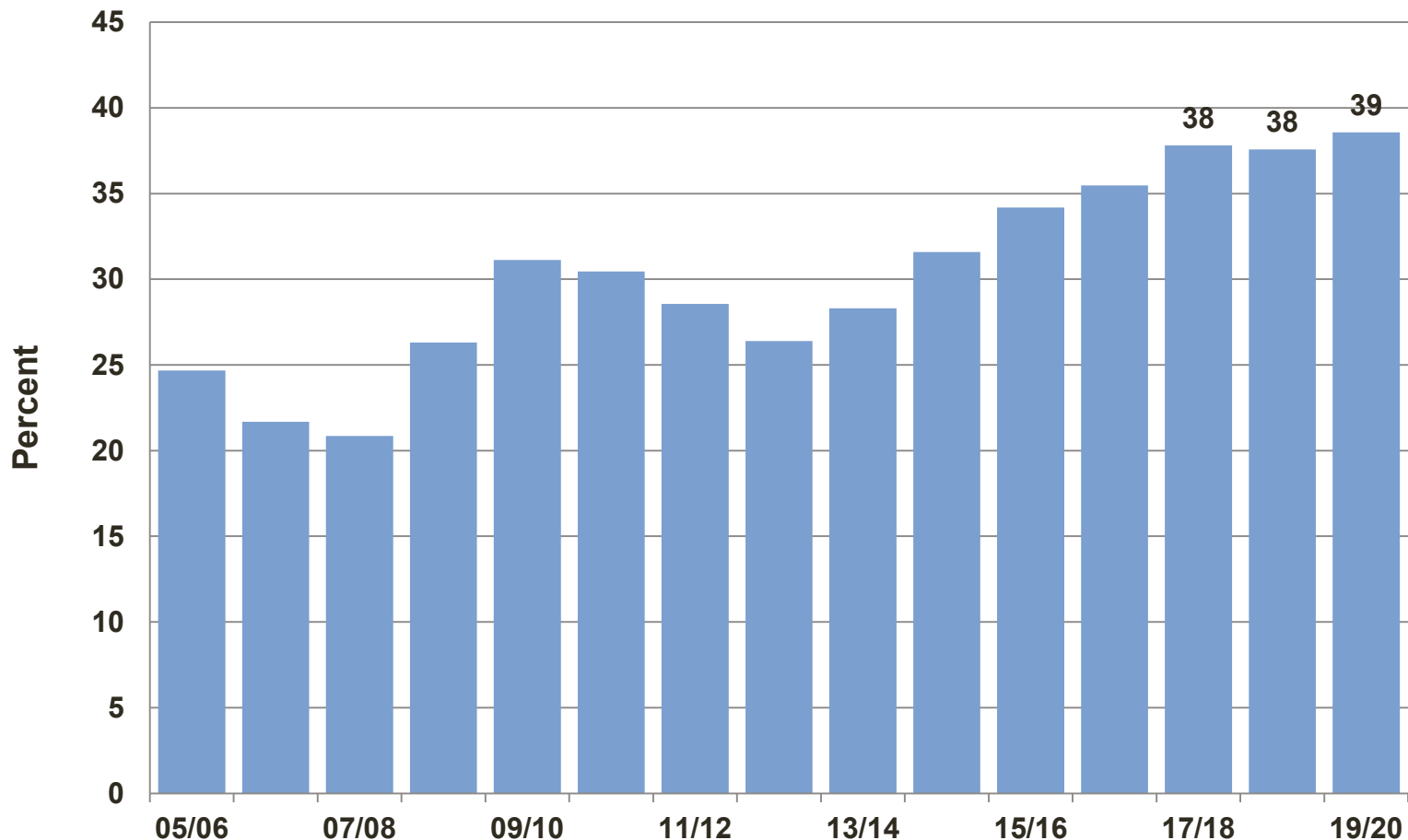
# World Beginning Stocks



*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*

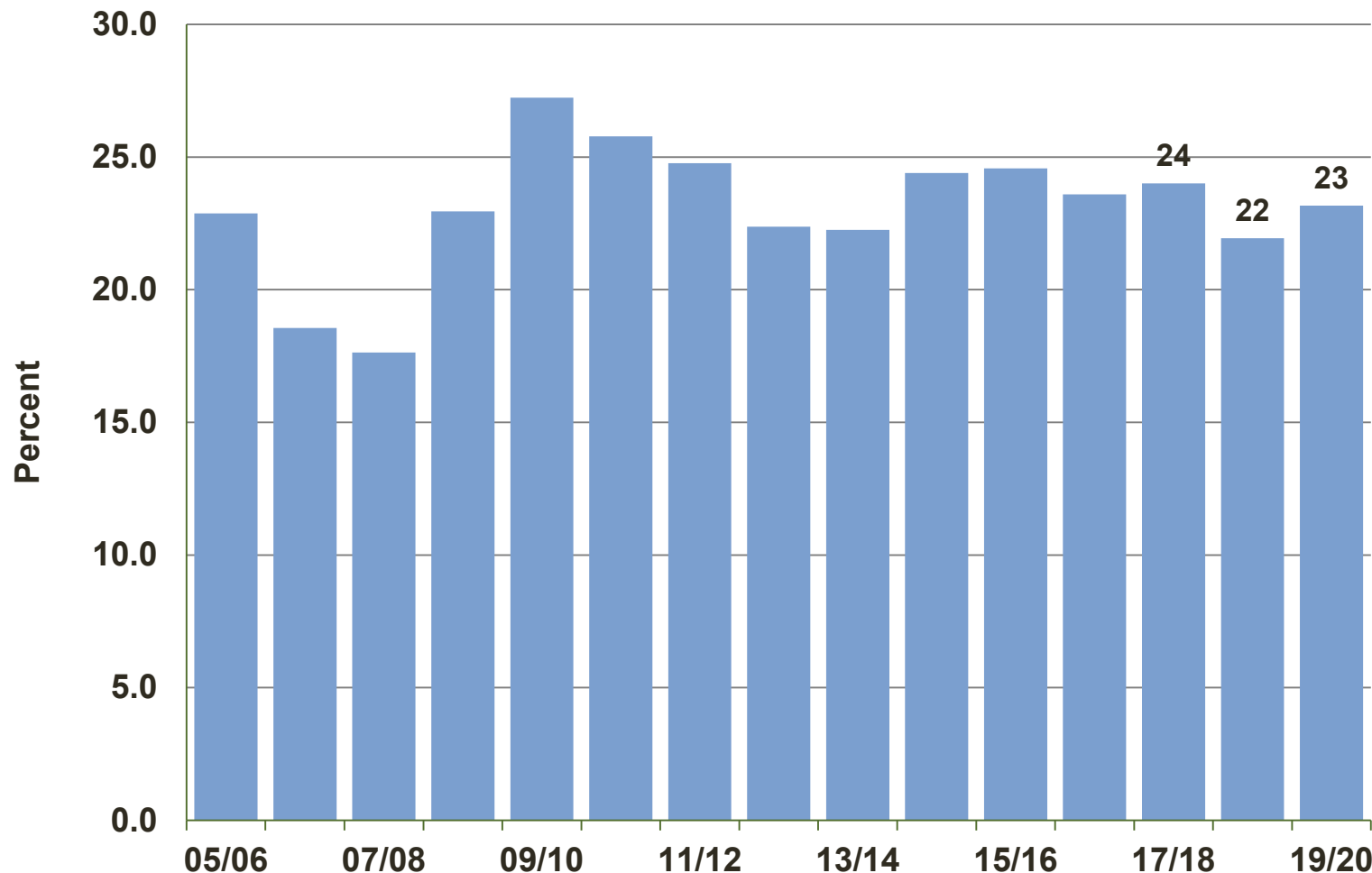
Supply and Demand



U.S. WHEAT  
ASSOCIATES



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



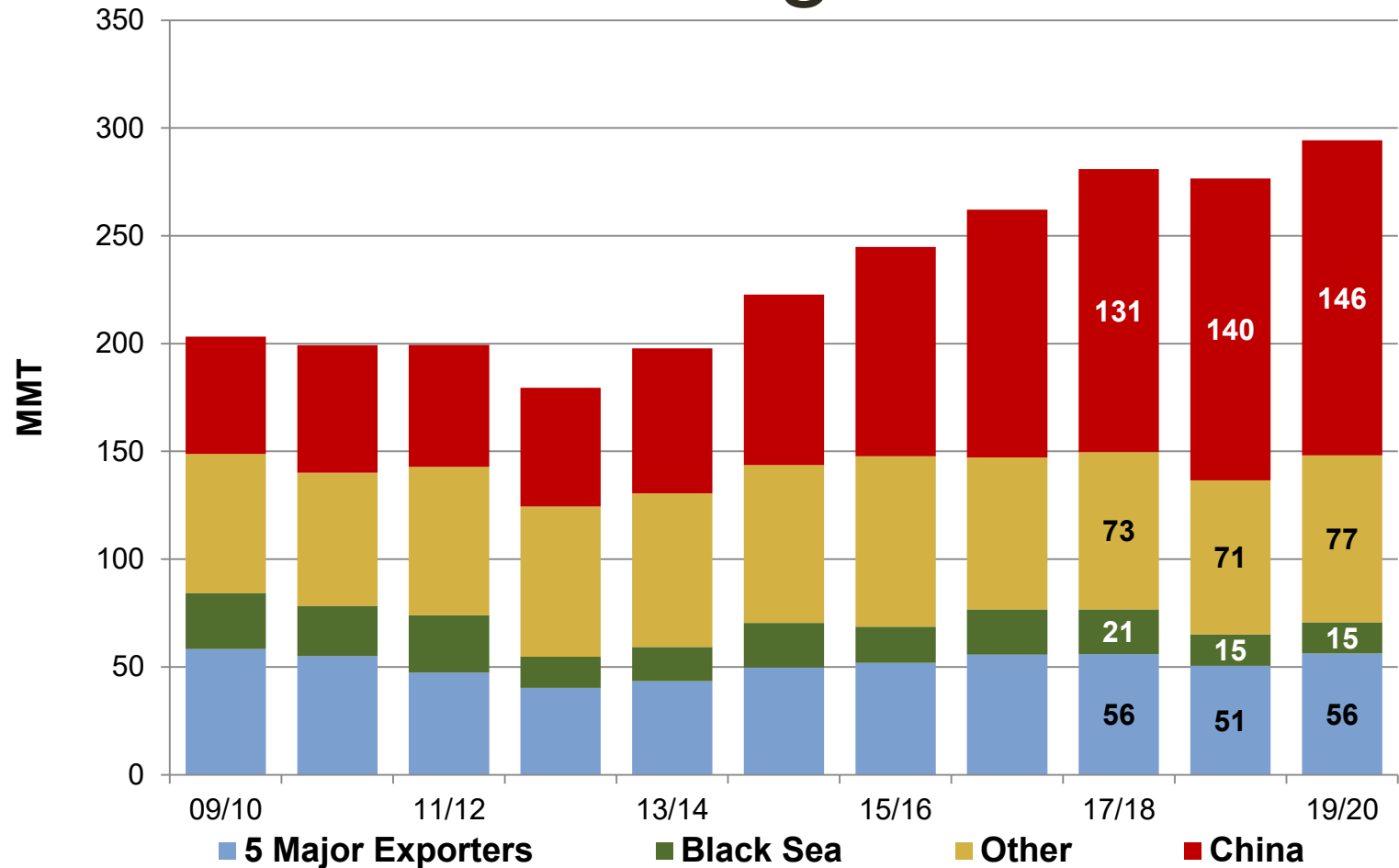
*\*Ending stocks*

Supply and Demand



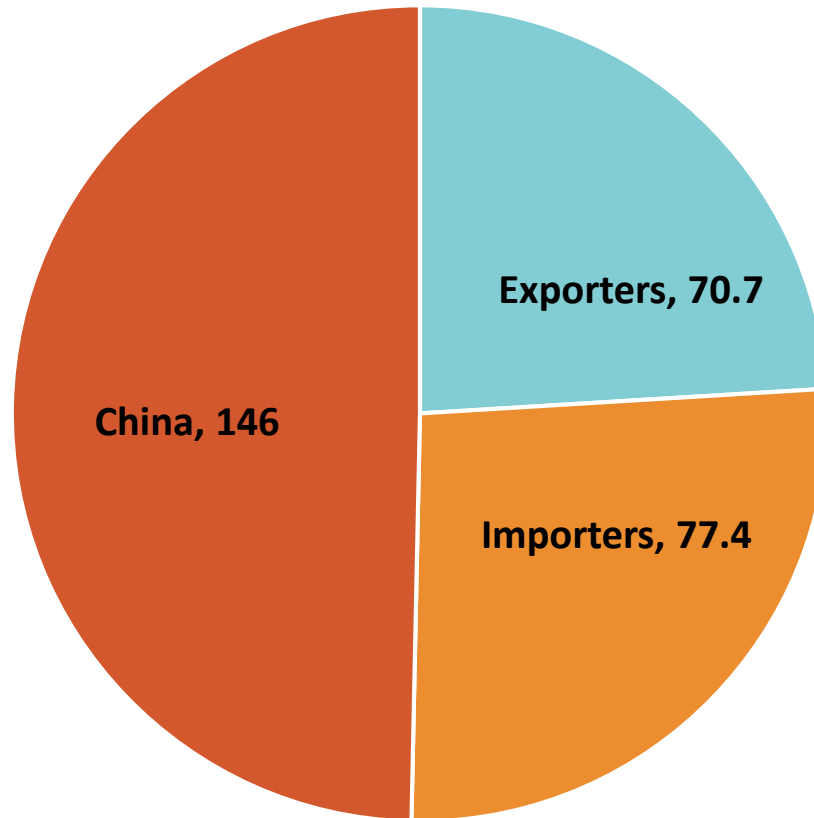
U.S. WHEAT  
ASSOCIATES

# World Ending Stocks

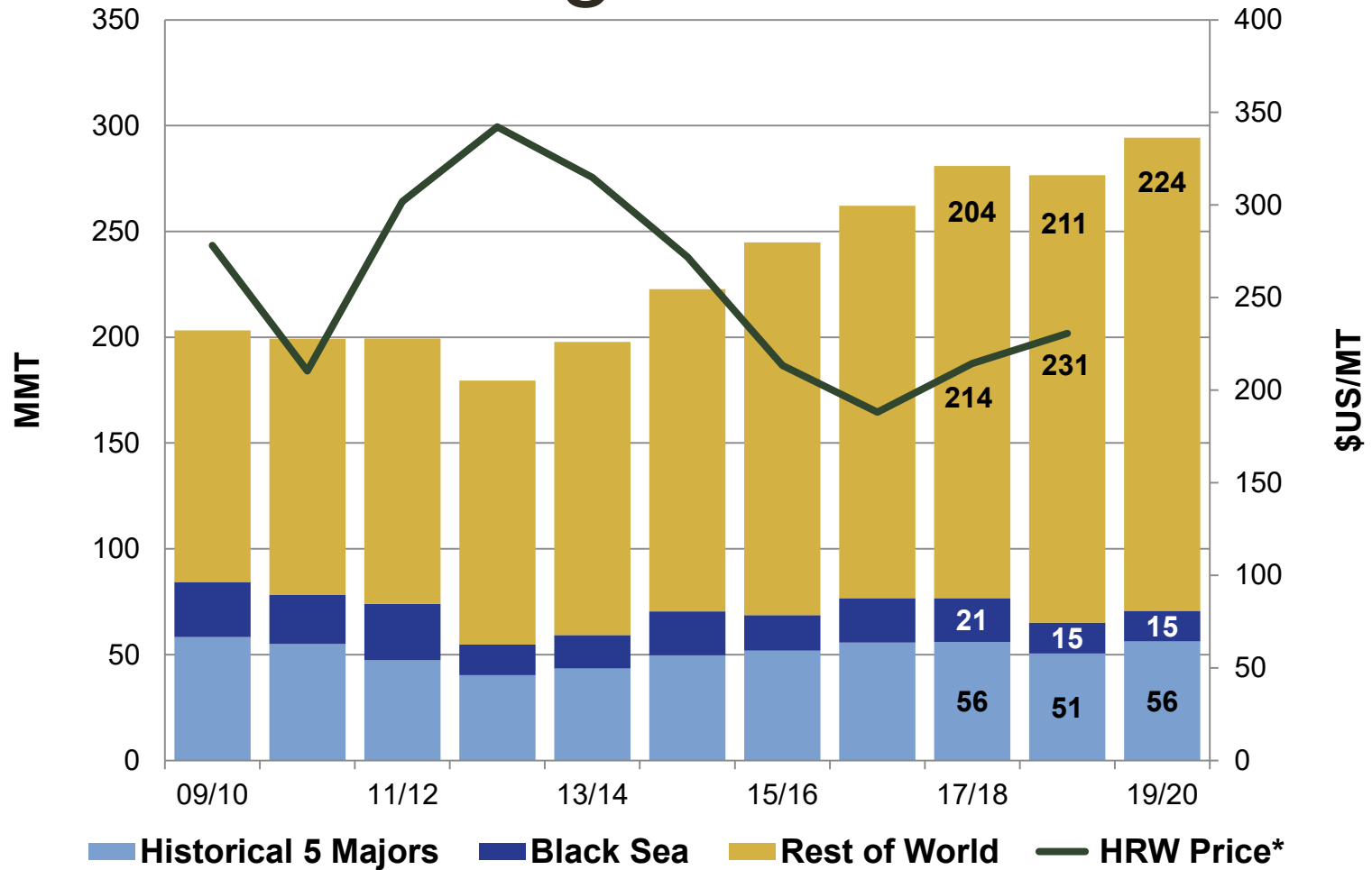


*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27. Black Sea includes Russia, Ukraine and Kazakhstan.*

# World Ending Stocks by Position (MMT)



# Global Ending Stocks and Price



\*Source: U.S. Wheat Associates Price Report, May 10, 2019





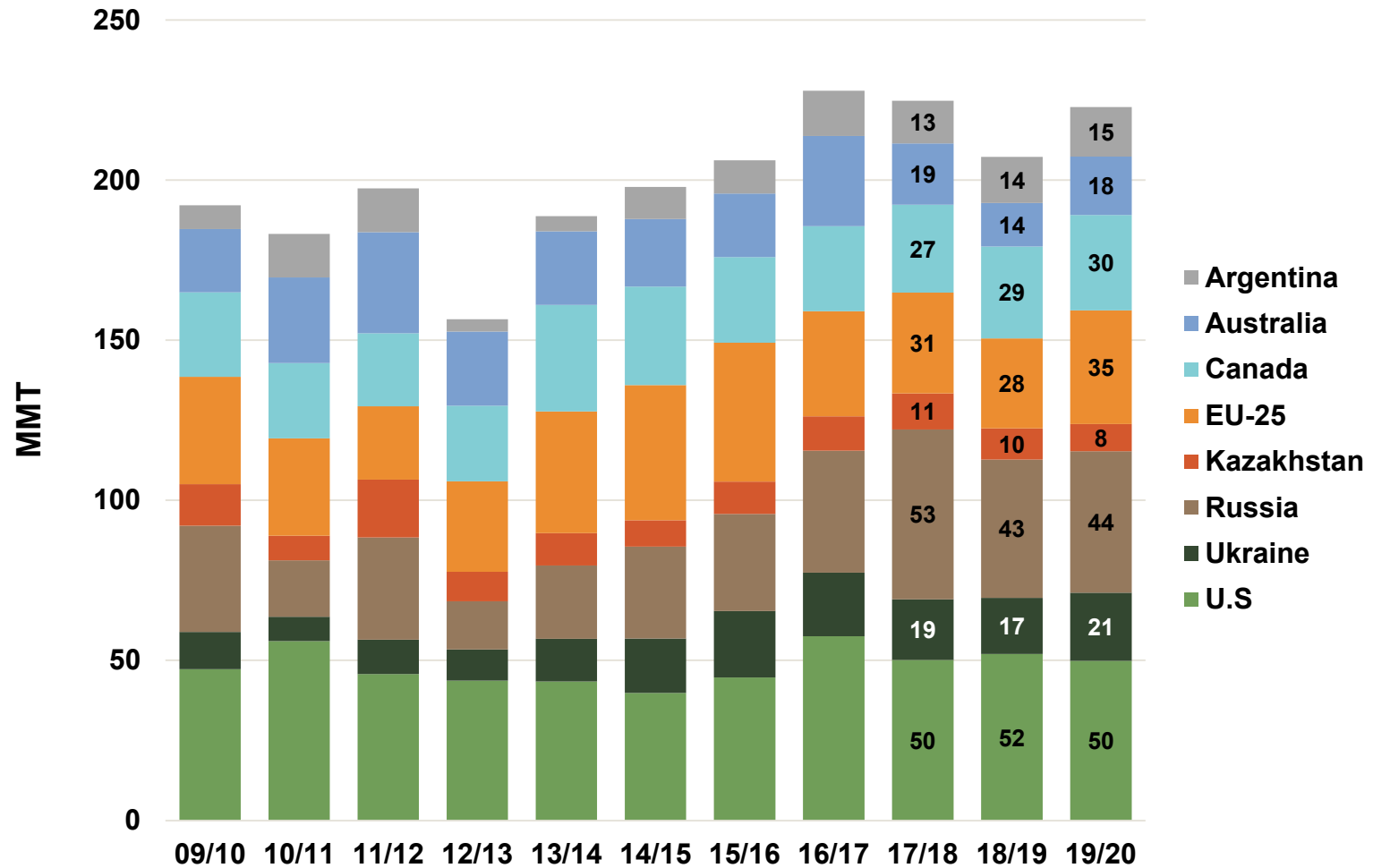
## Major Exporters

Import Demand

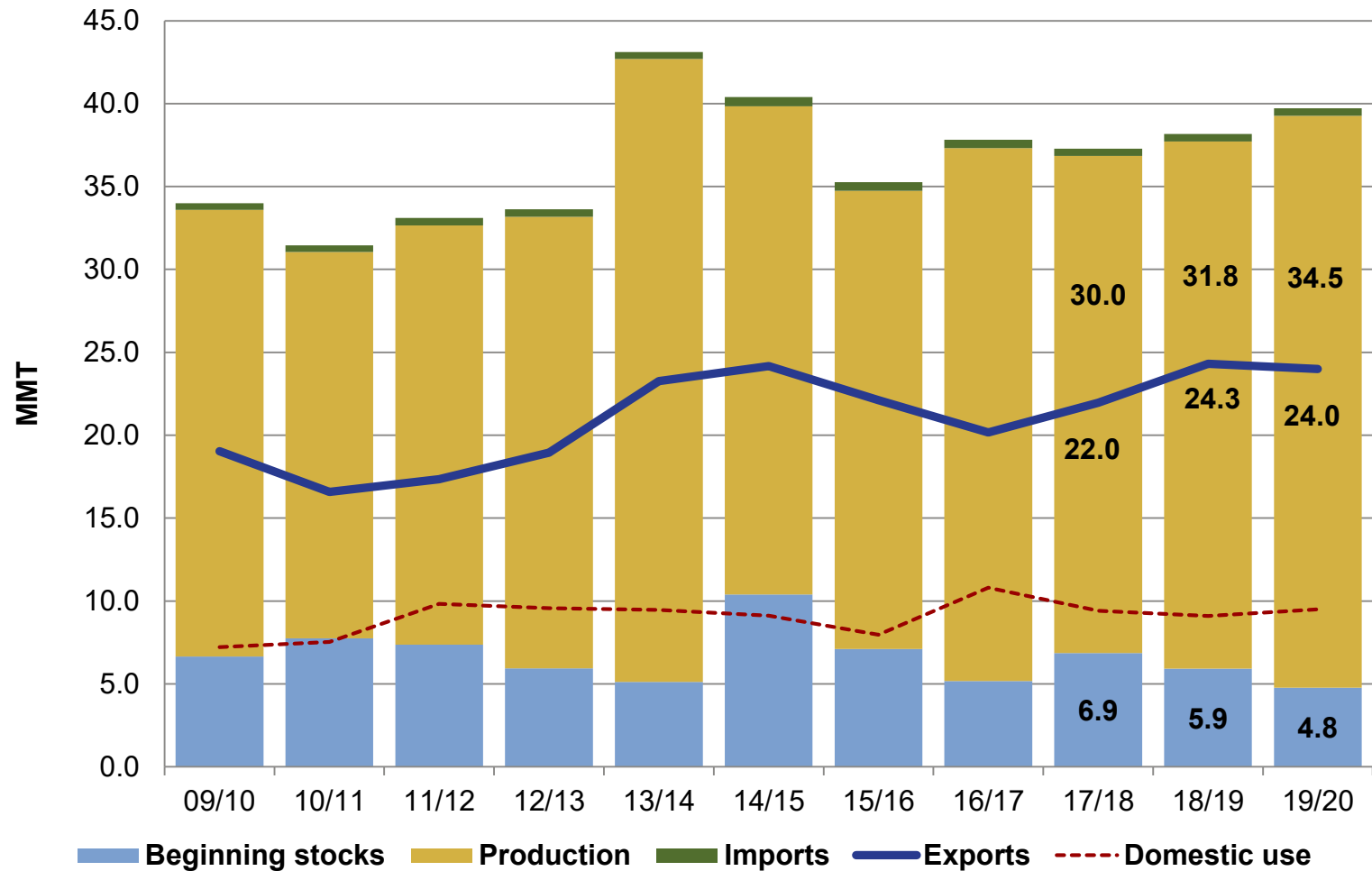
U.S. Situation by Class

Outlook

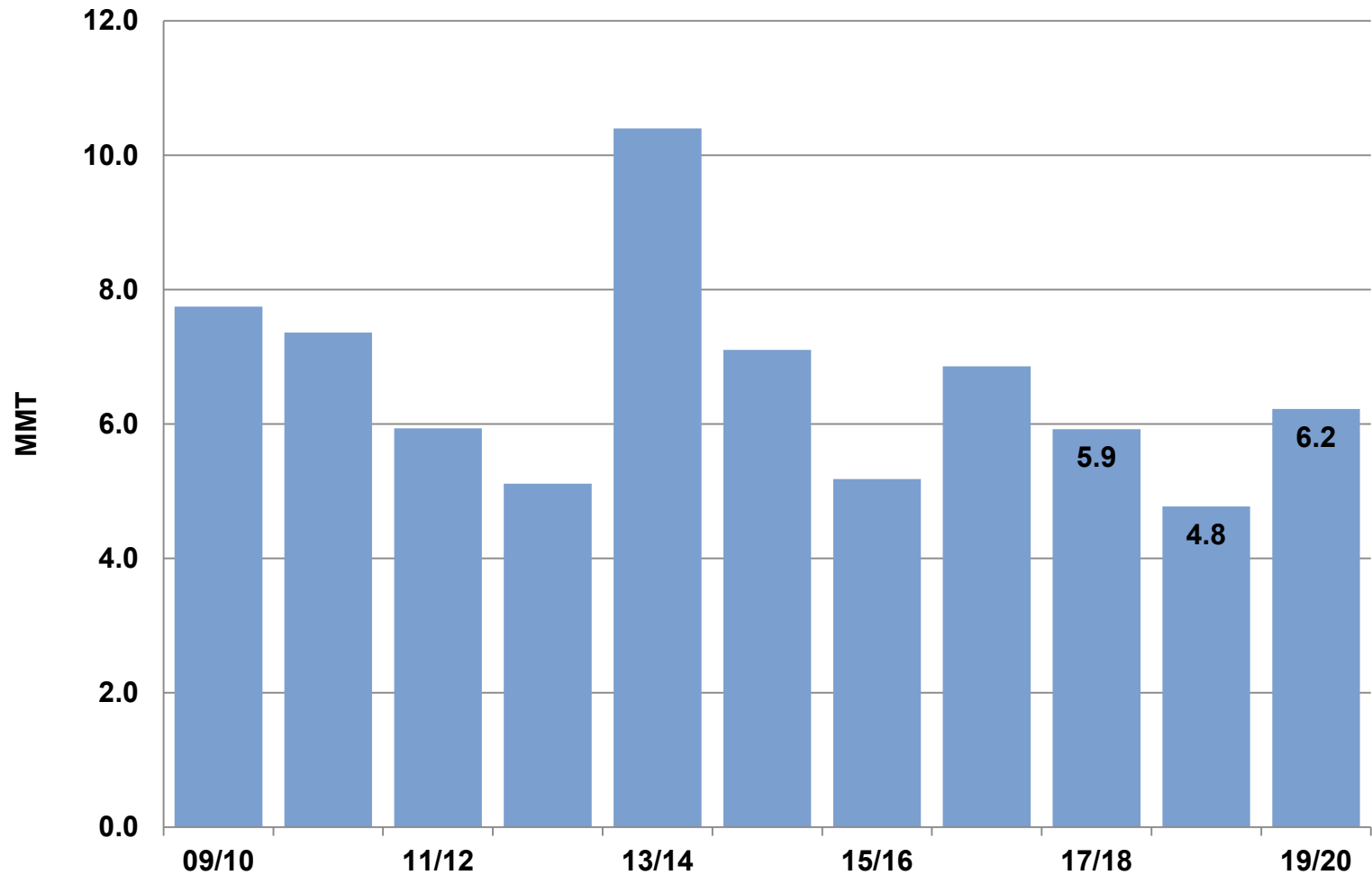
# Exportable Supplies in Top Exporting Countries



# Canada Situation

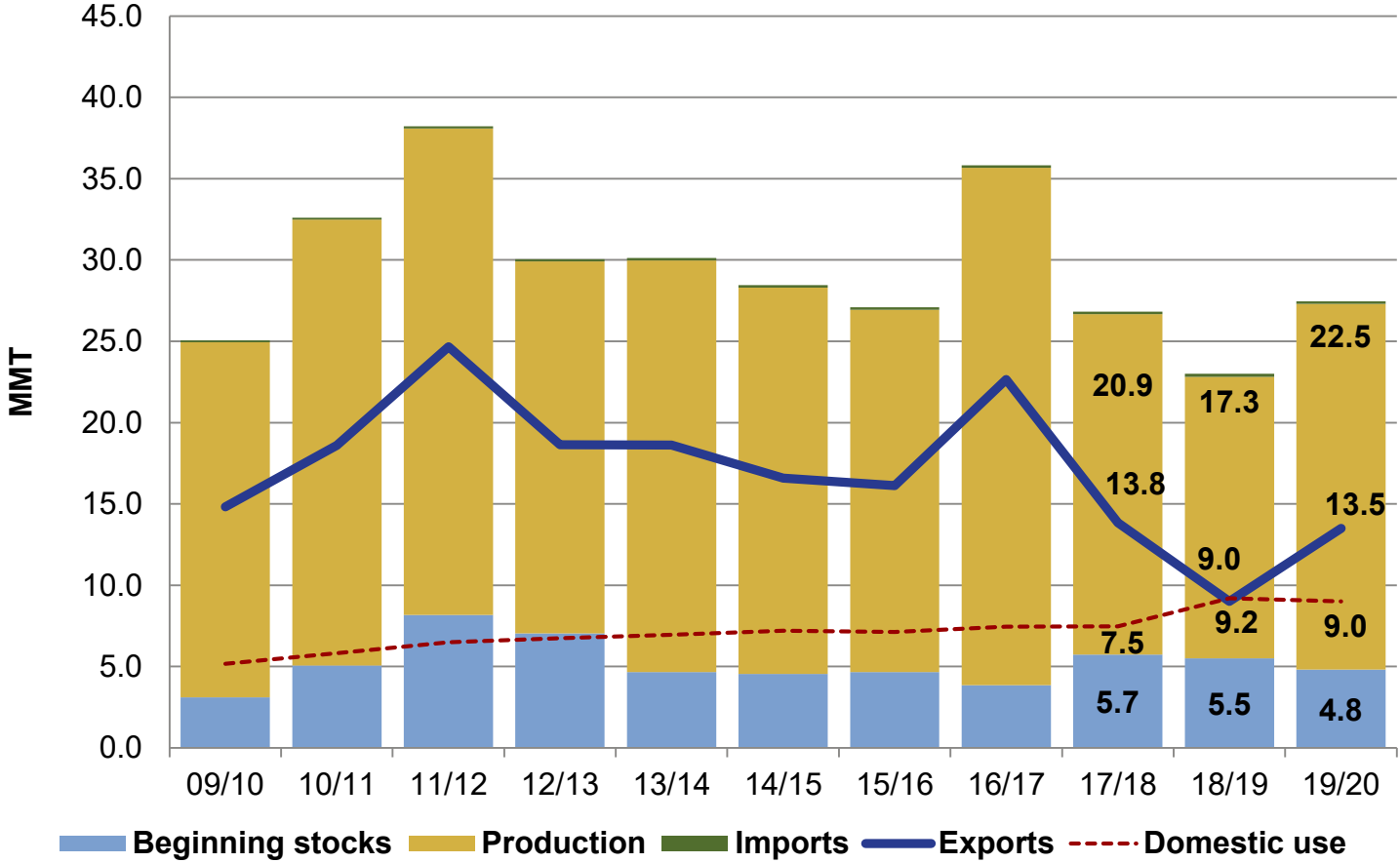


# Canada Ending Stocks

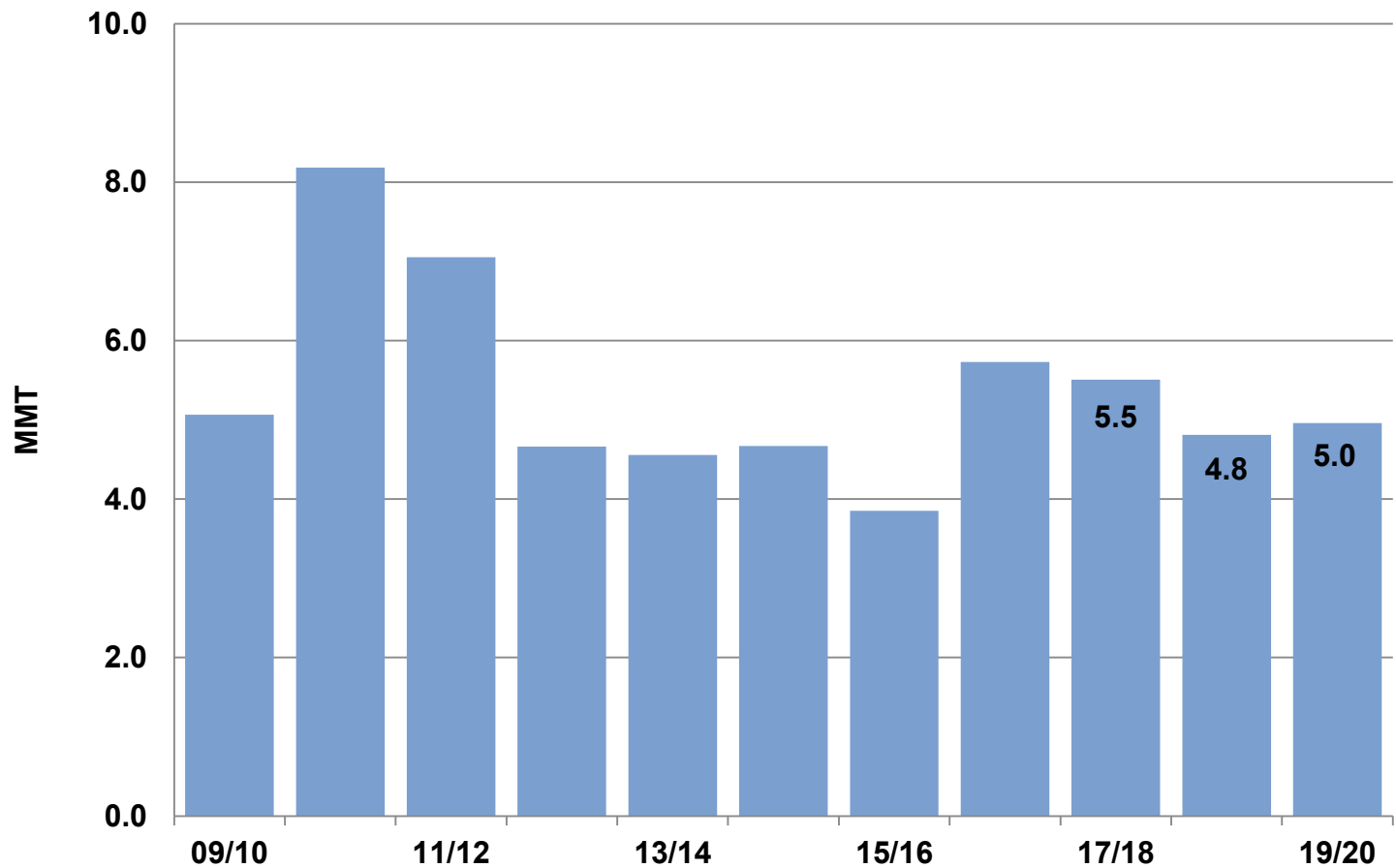




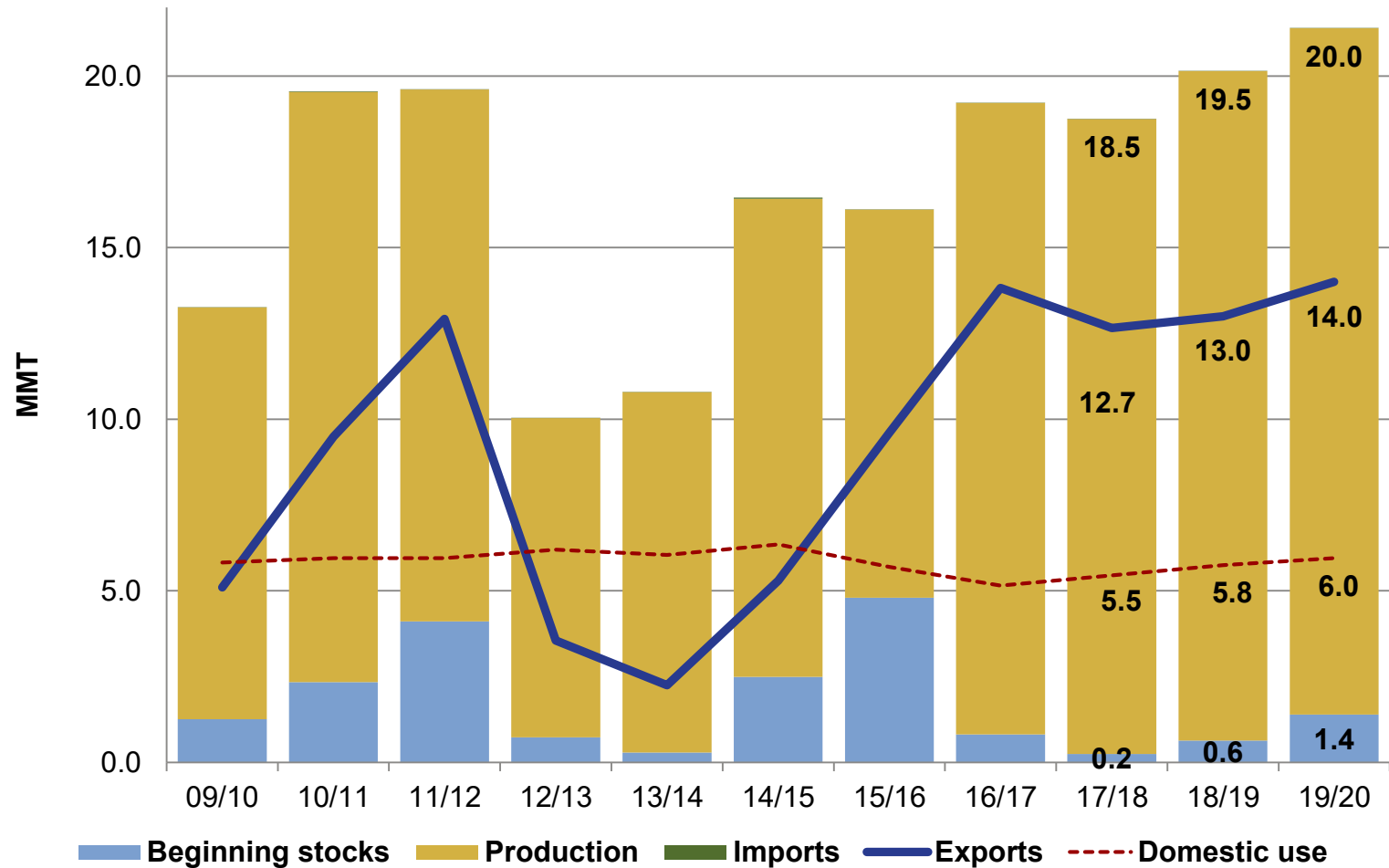
# Australia Situation



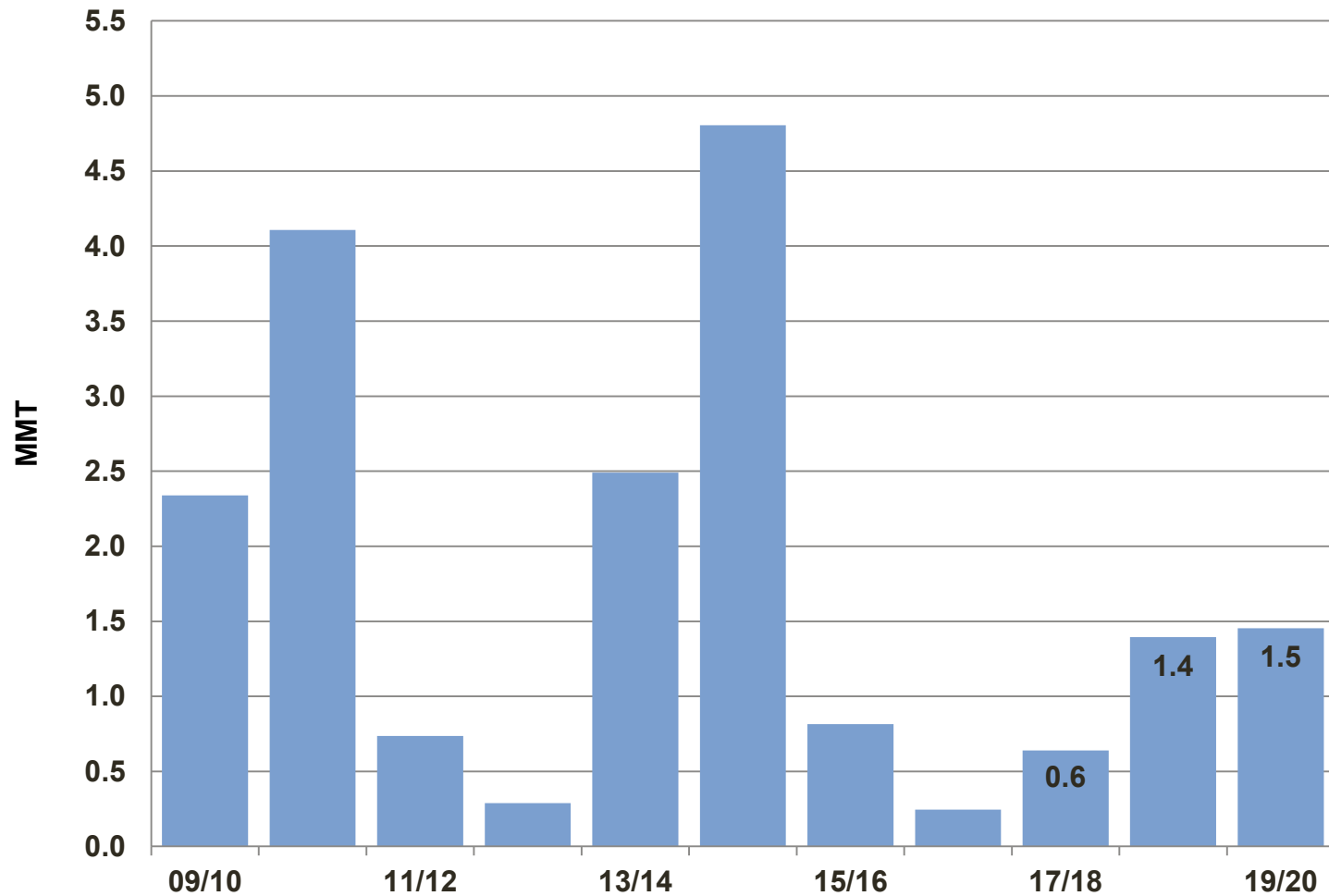
# Australia Ending Stocks



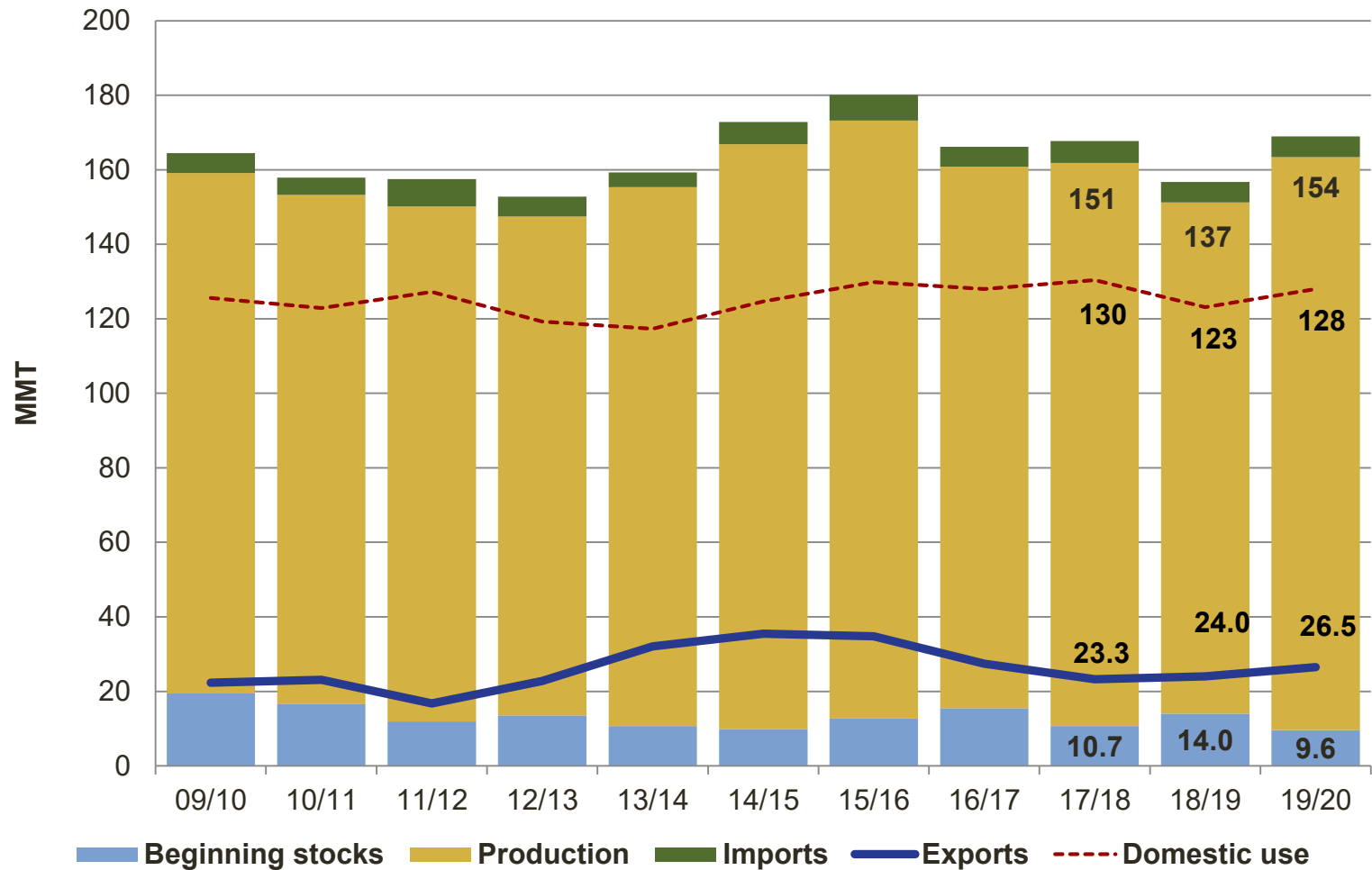
# Argentina Situation



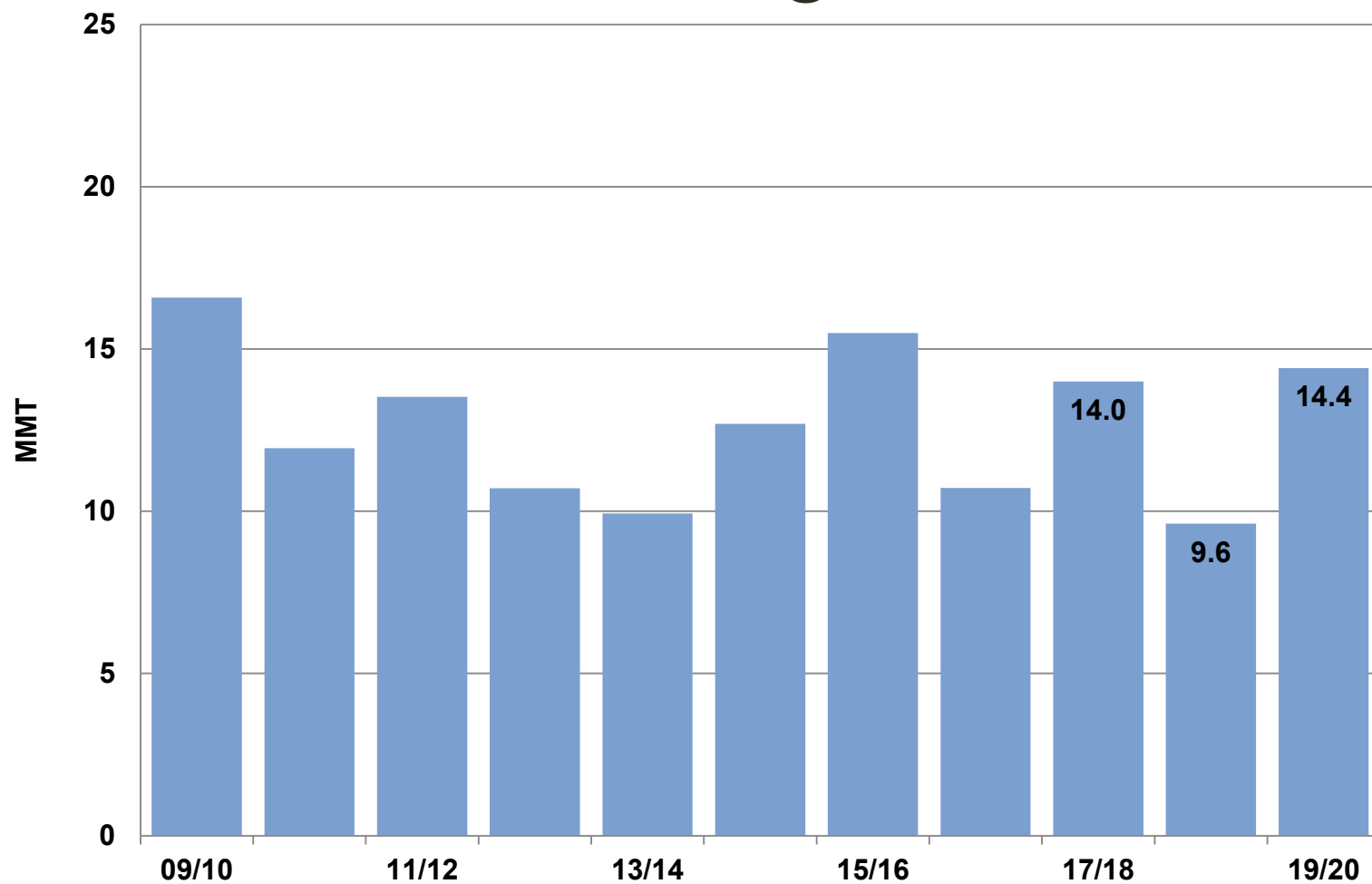
# Argentina Ending Stocks



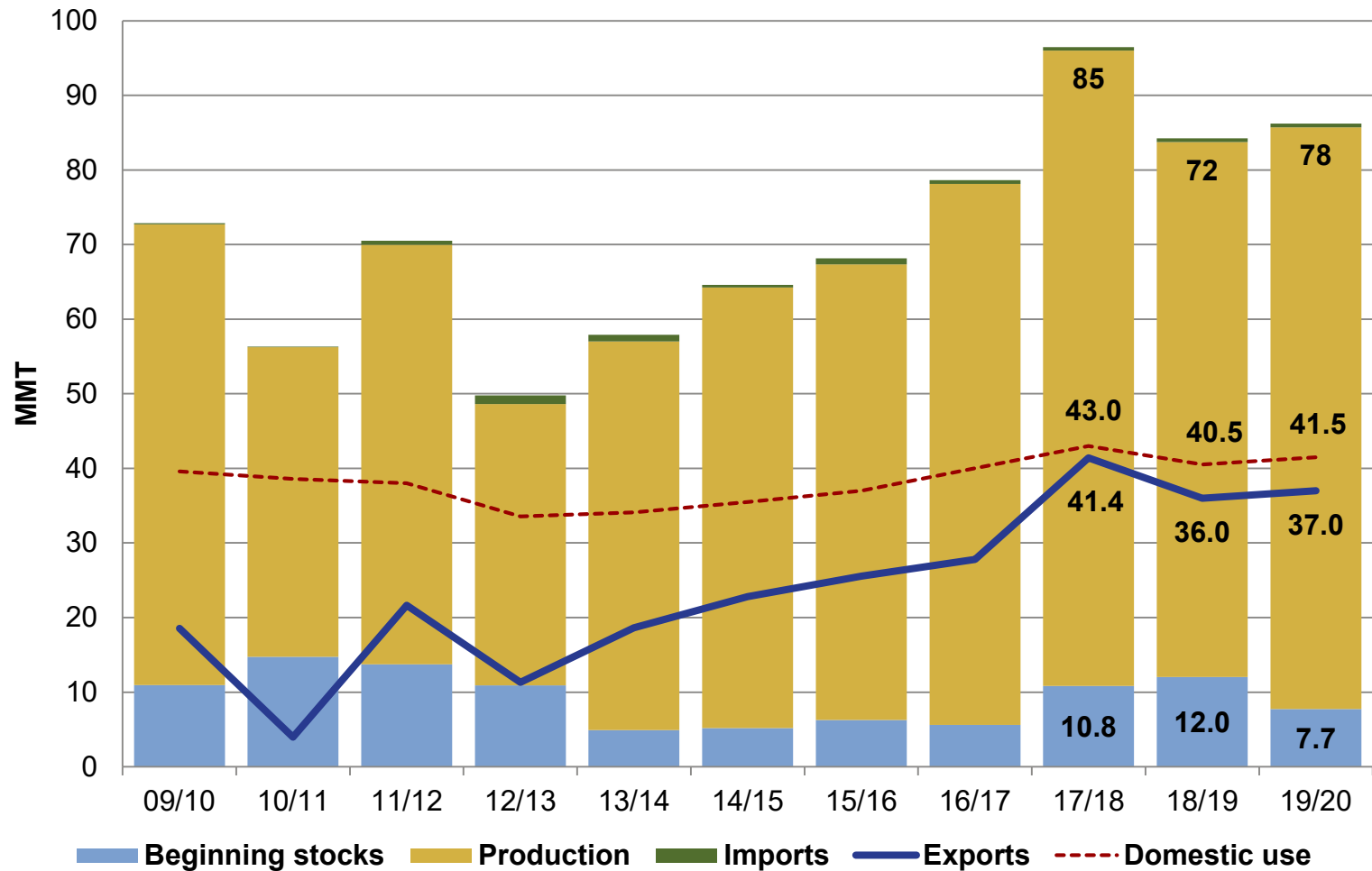
# EU- 28 Situation



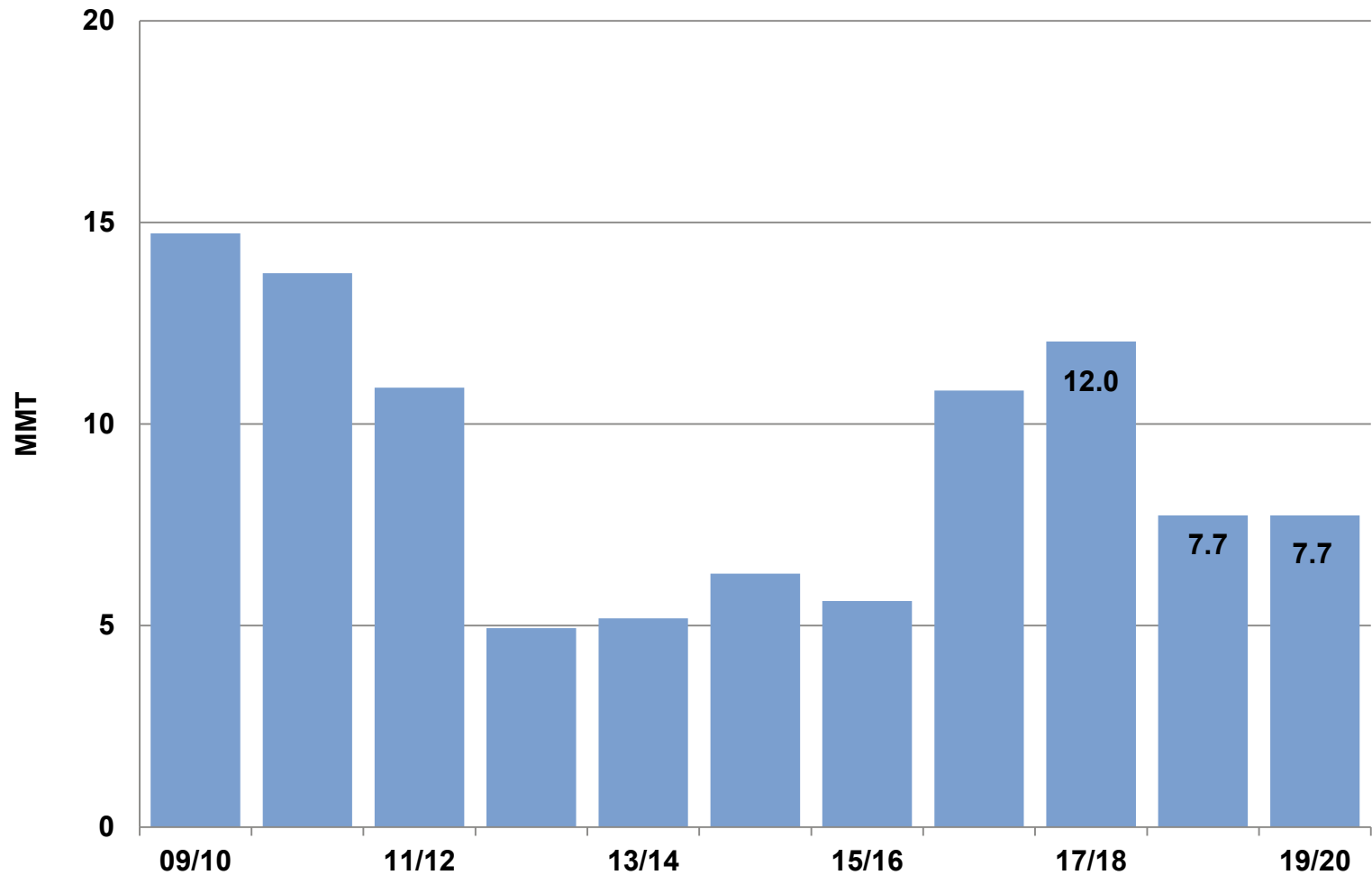
# EU-28 Ending Stocks



# Russia Situation

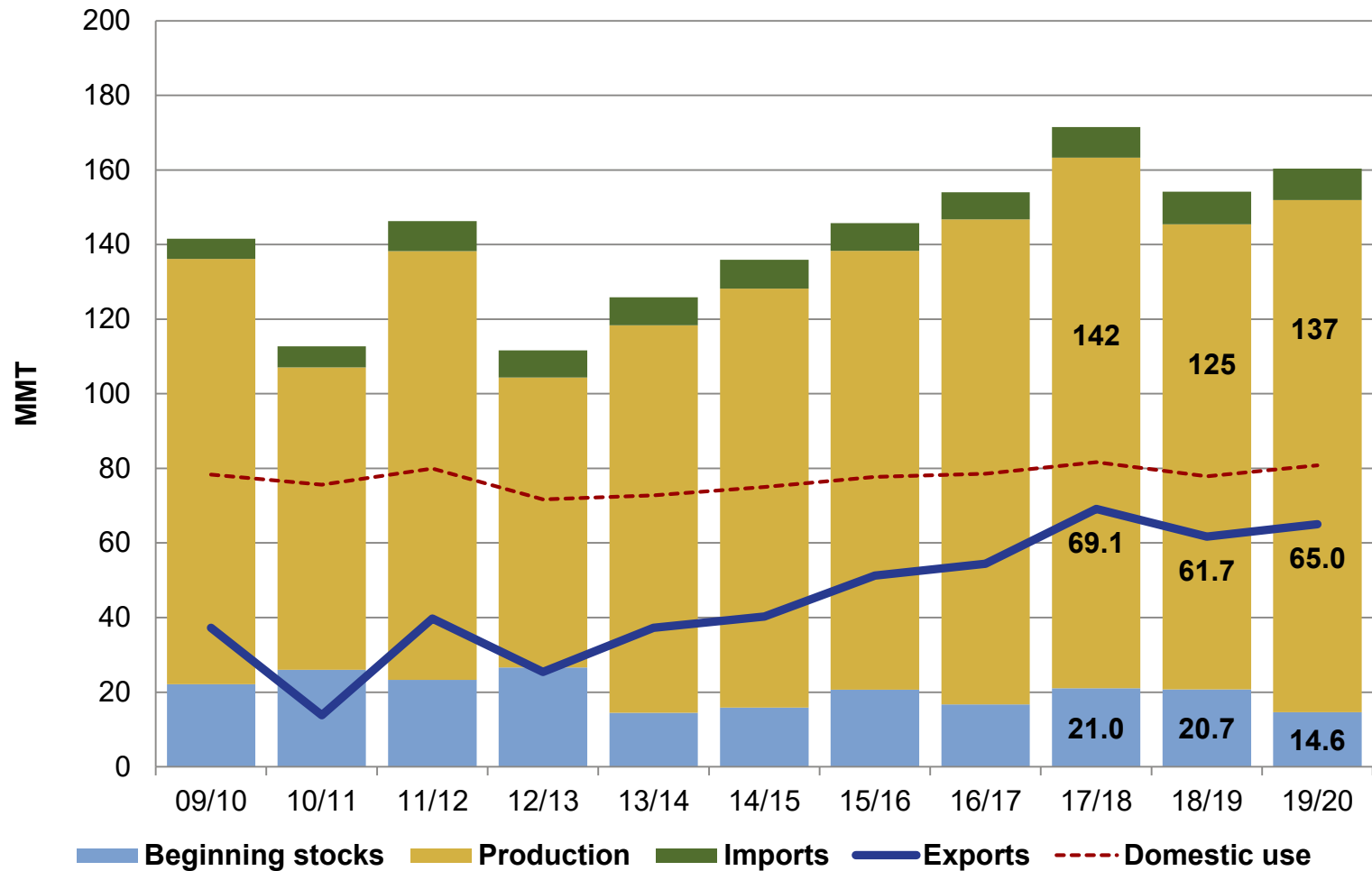


# Russia Ending Stocks



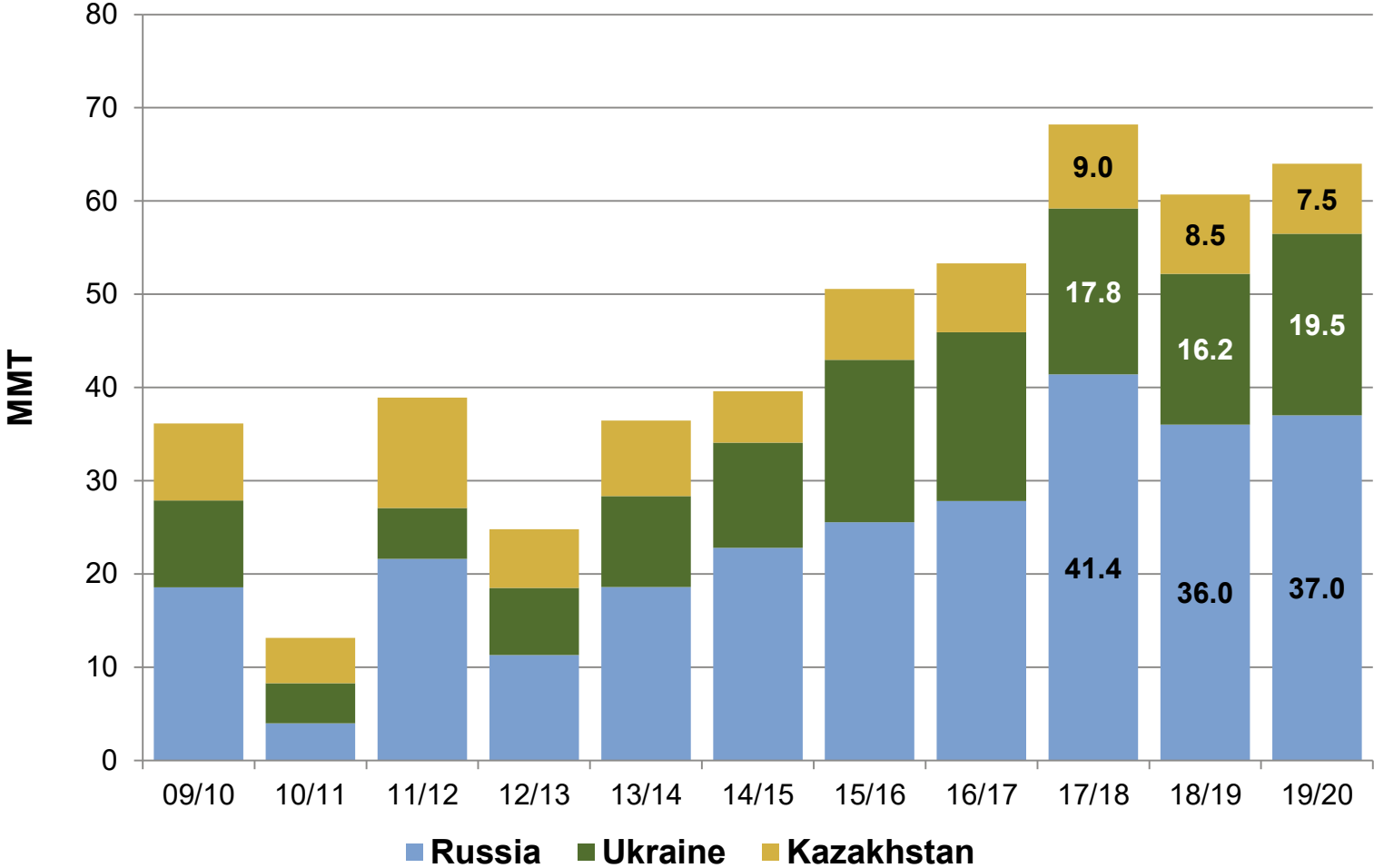


# Black Sea Region Situation

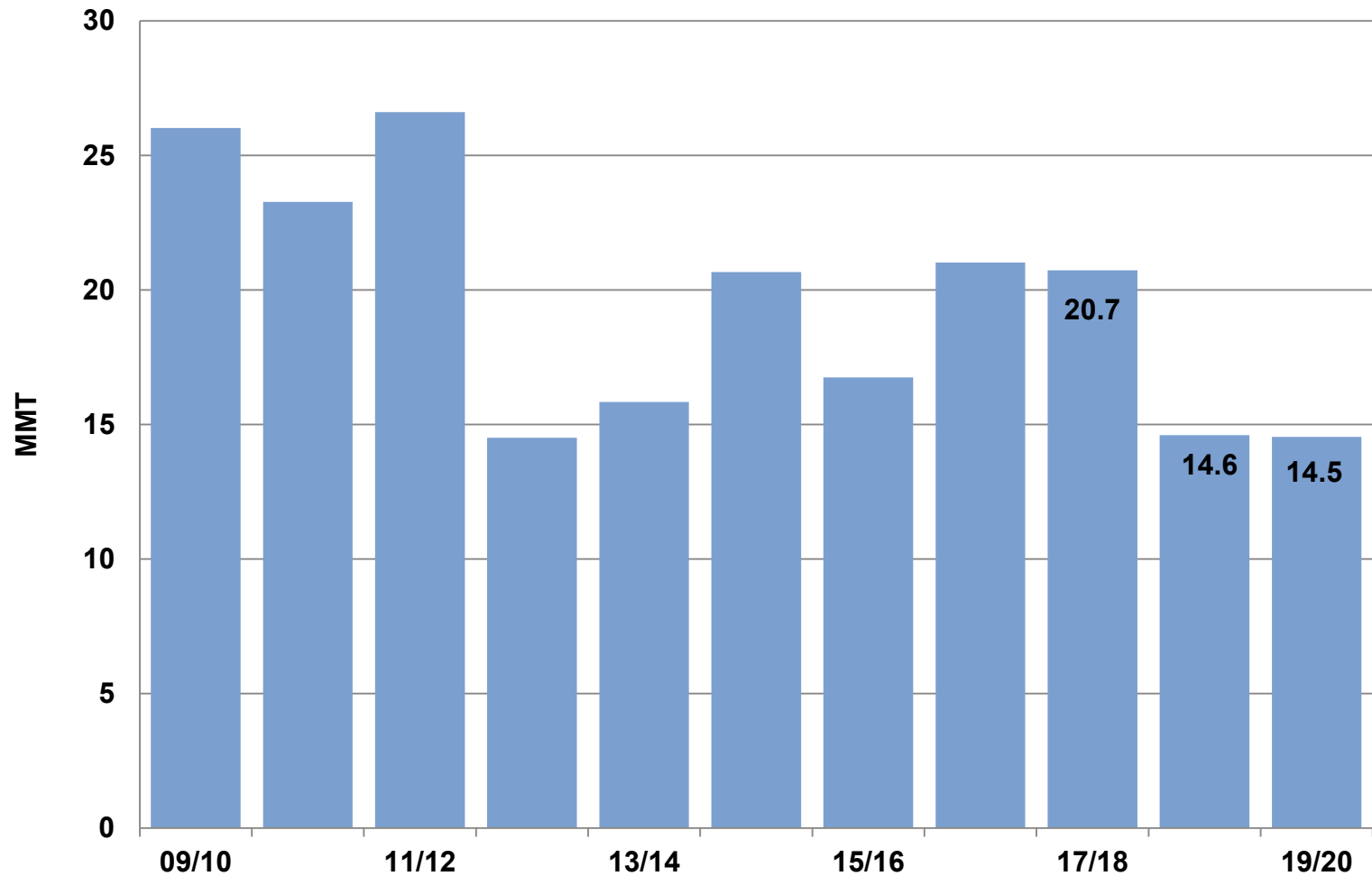


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

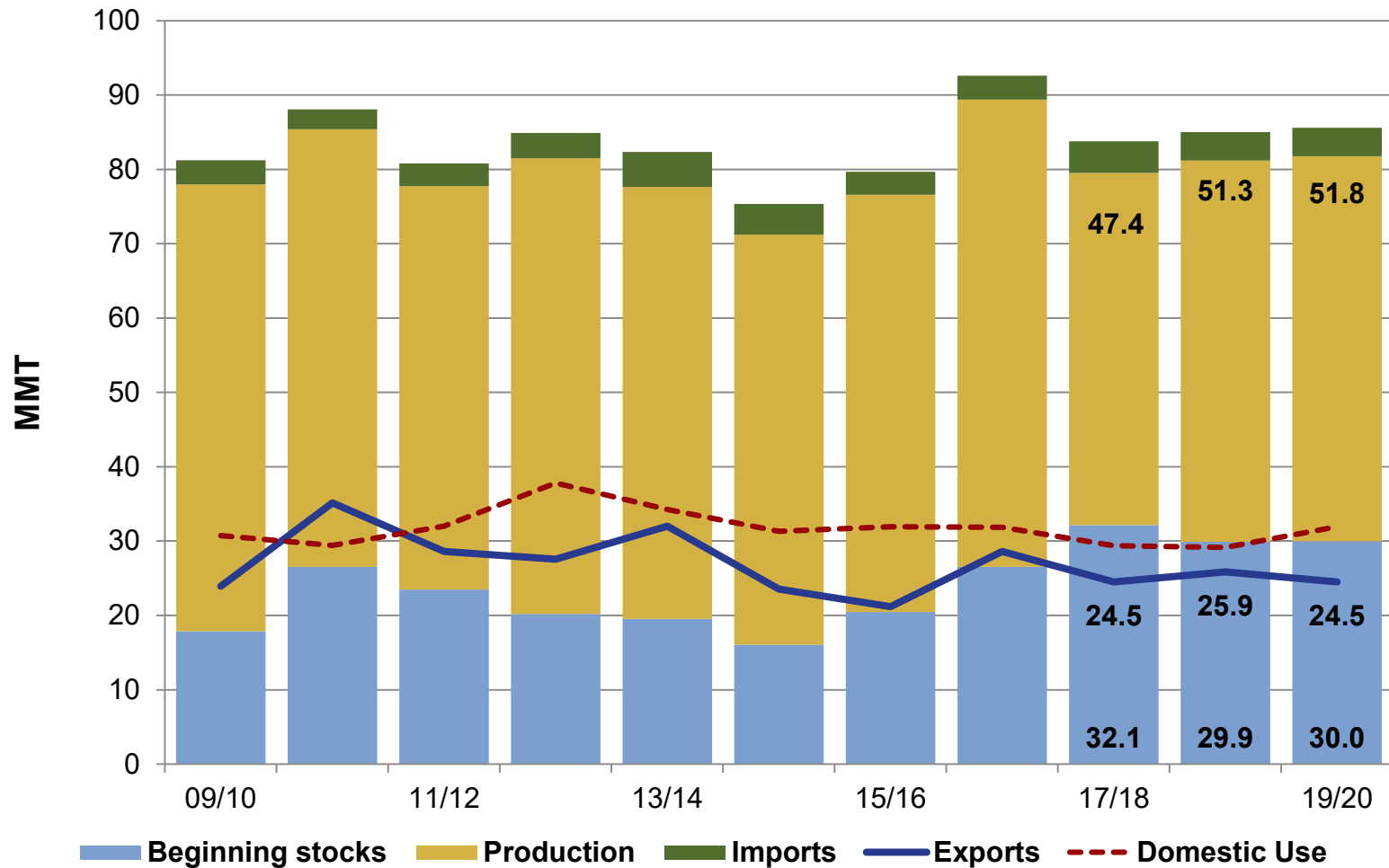
# Black Sea Exports



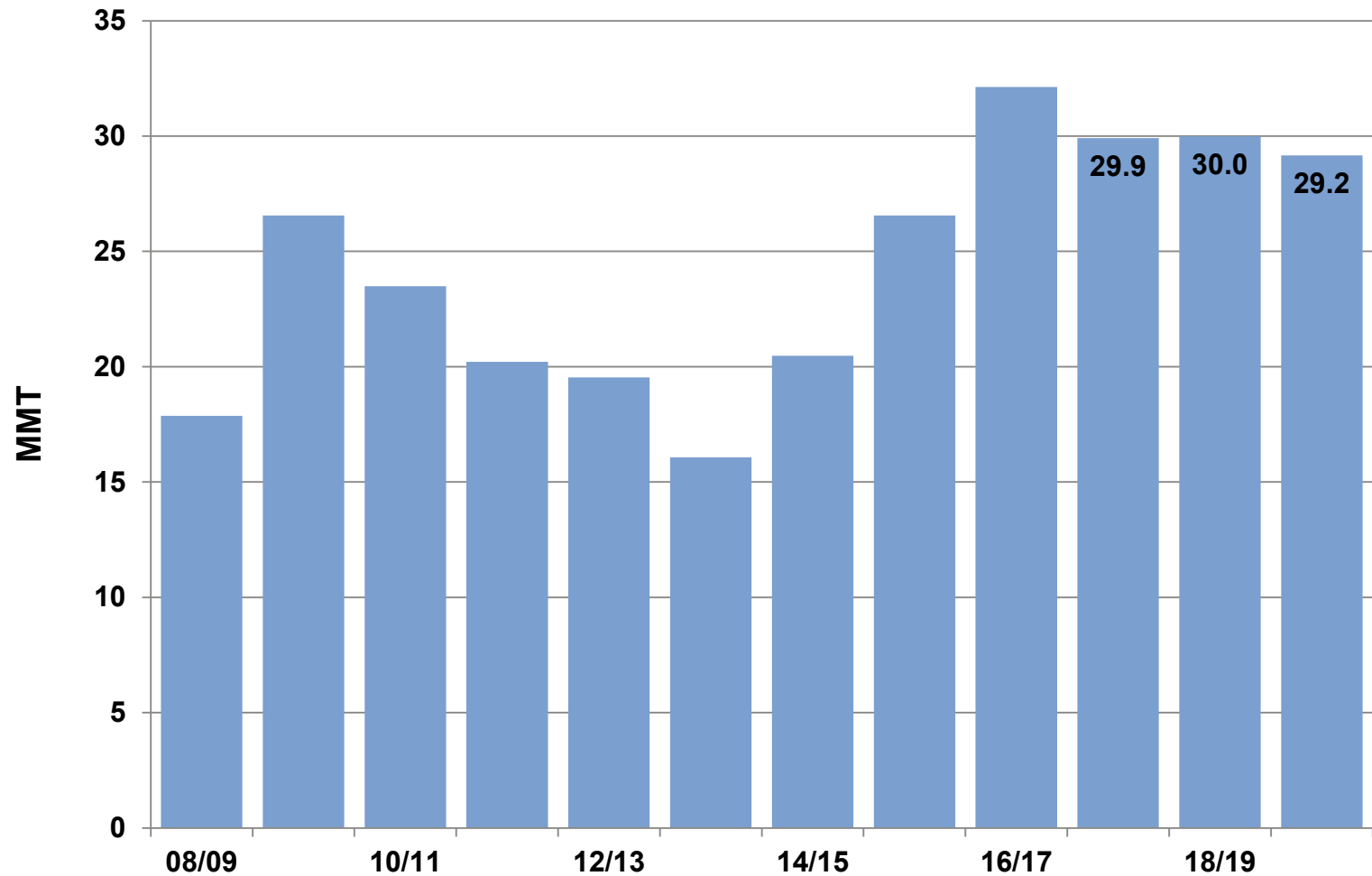
# Black Sea Ending Stocks



# U.S. Situation



# U.S. Ending Stocks





Major Exporters

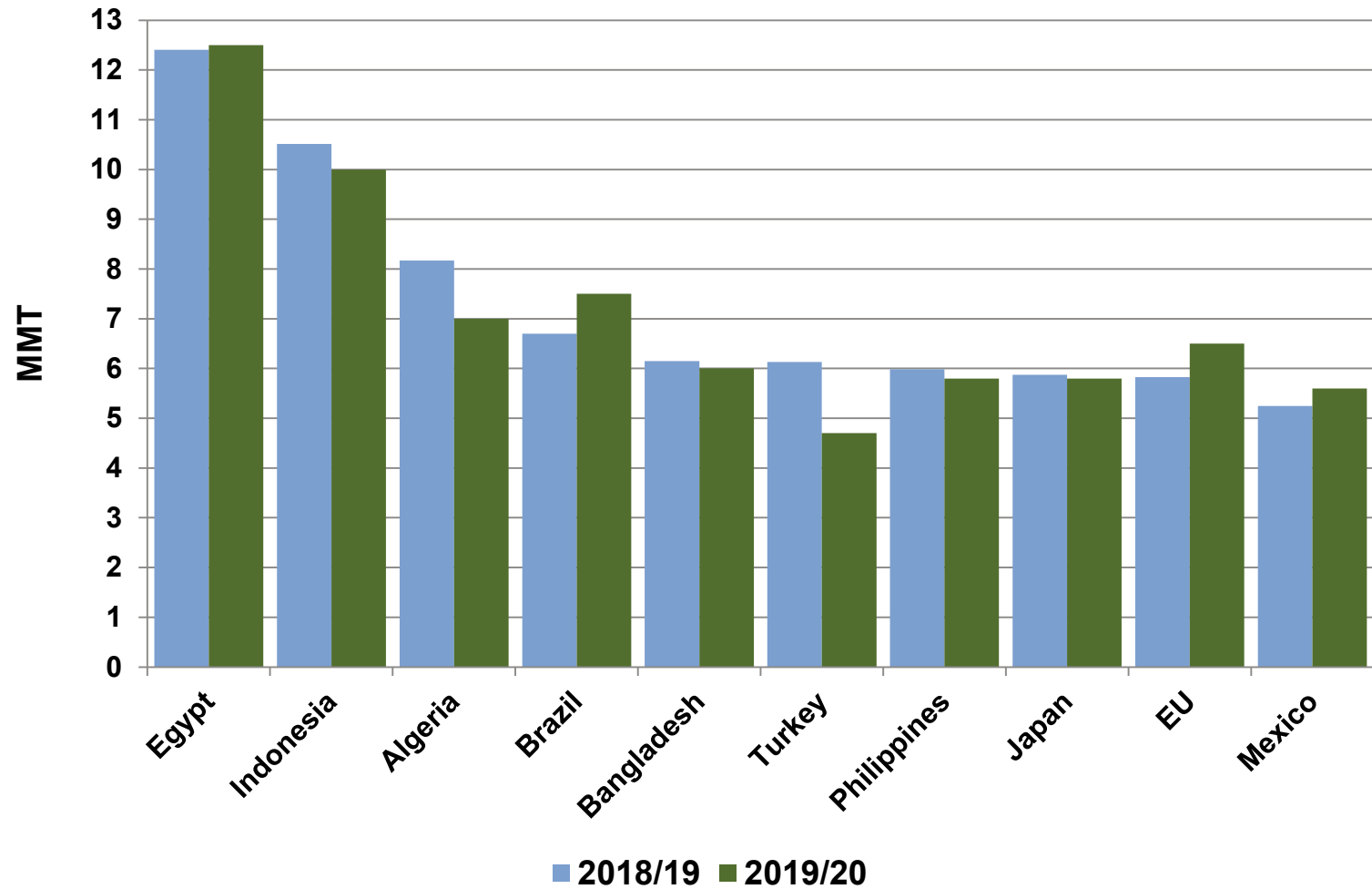
Import Demand

U.S. Situation by Class

Outlook

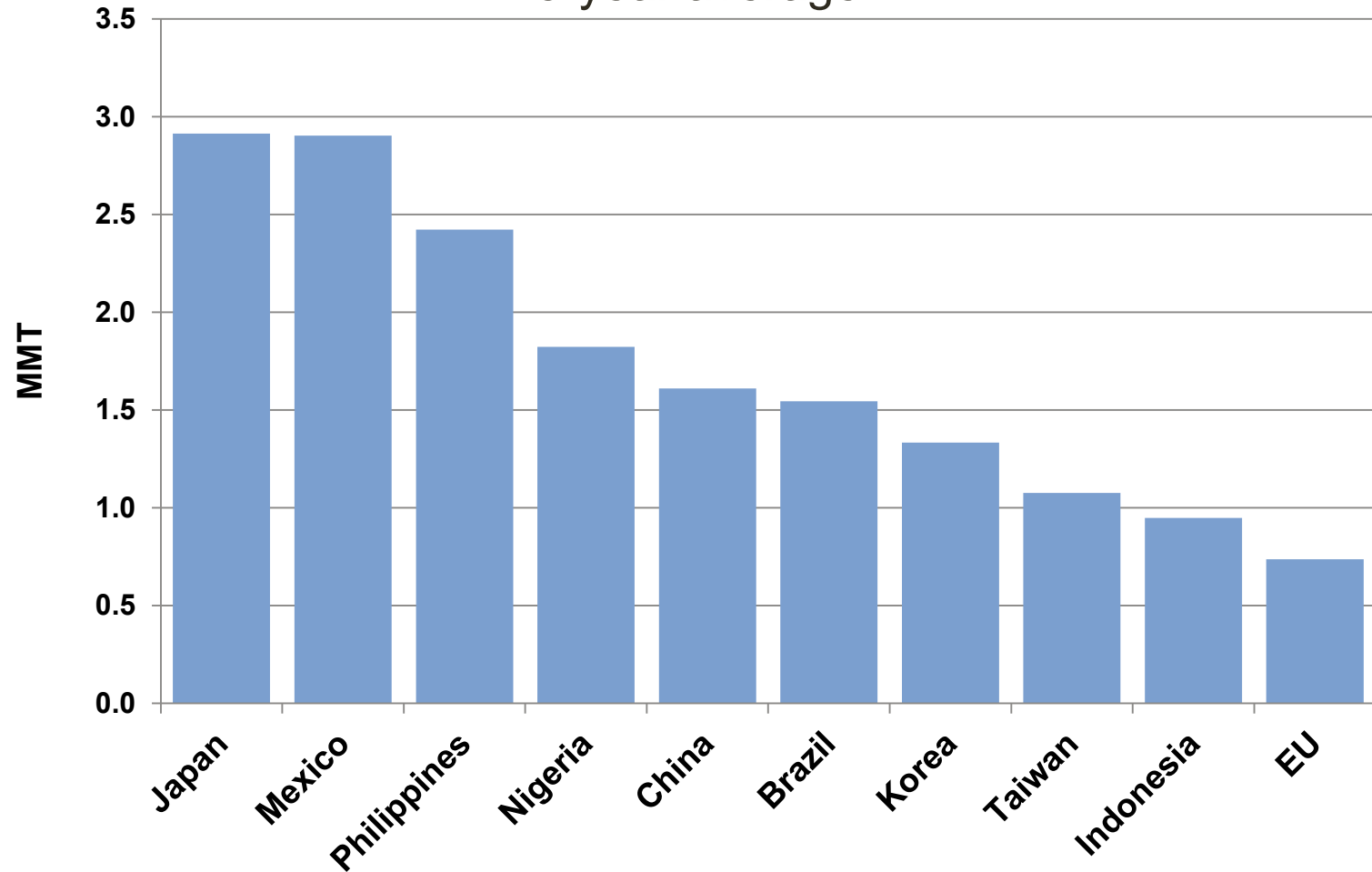
# Major World Wheat Importers

(from all origins)



# Top 10 Customers for U.S. Wheat

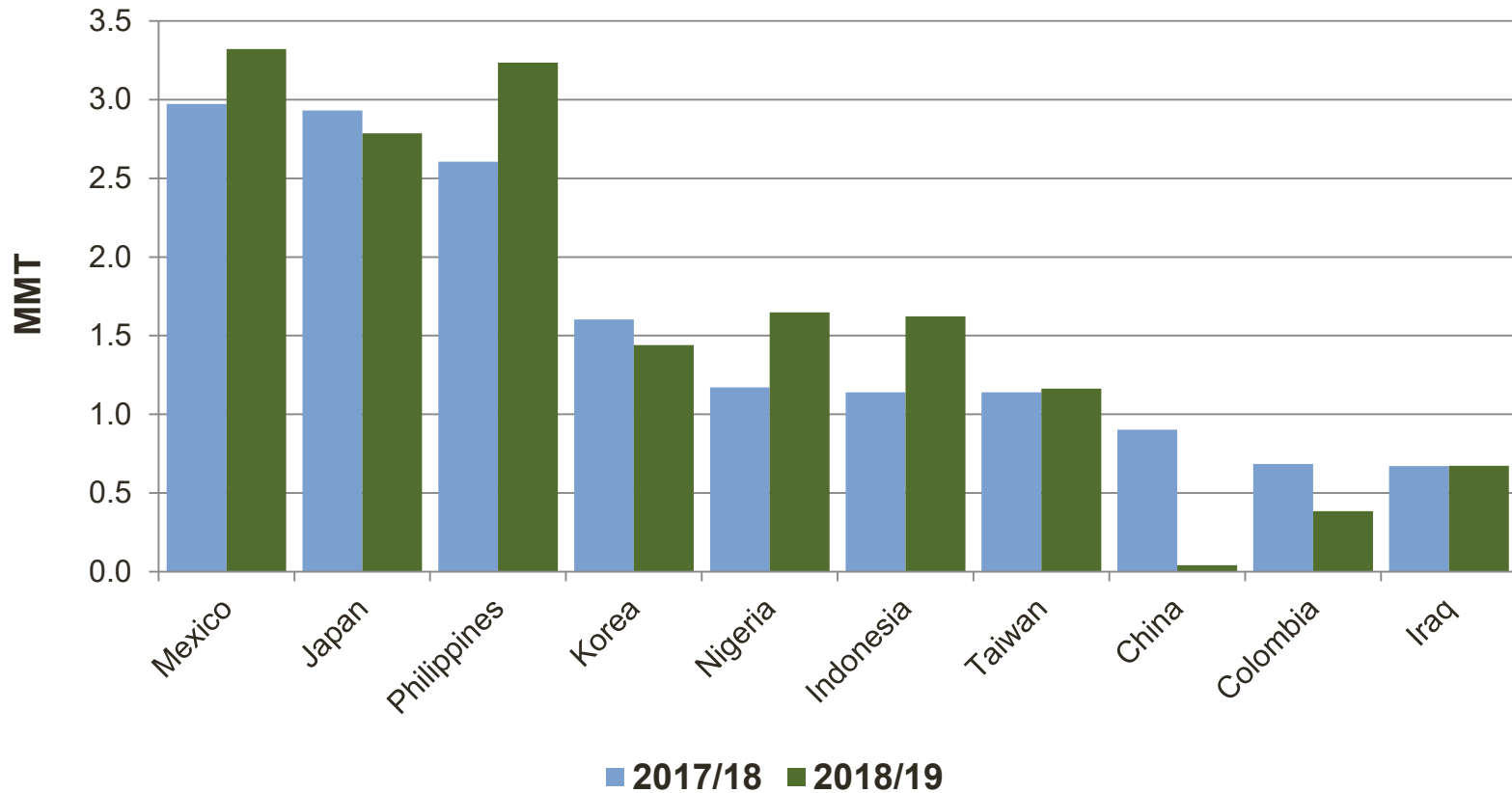
5-year average





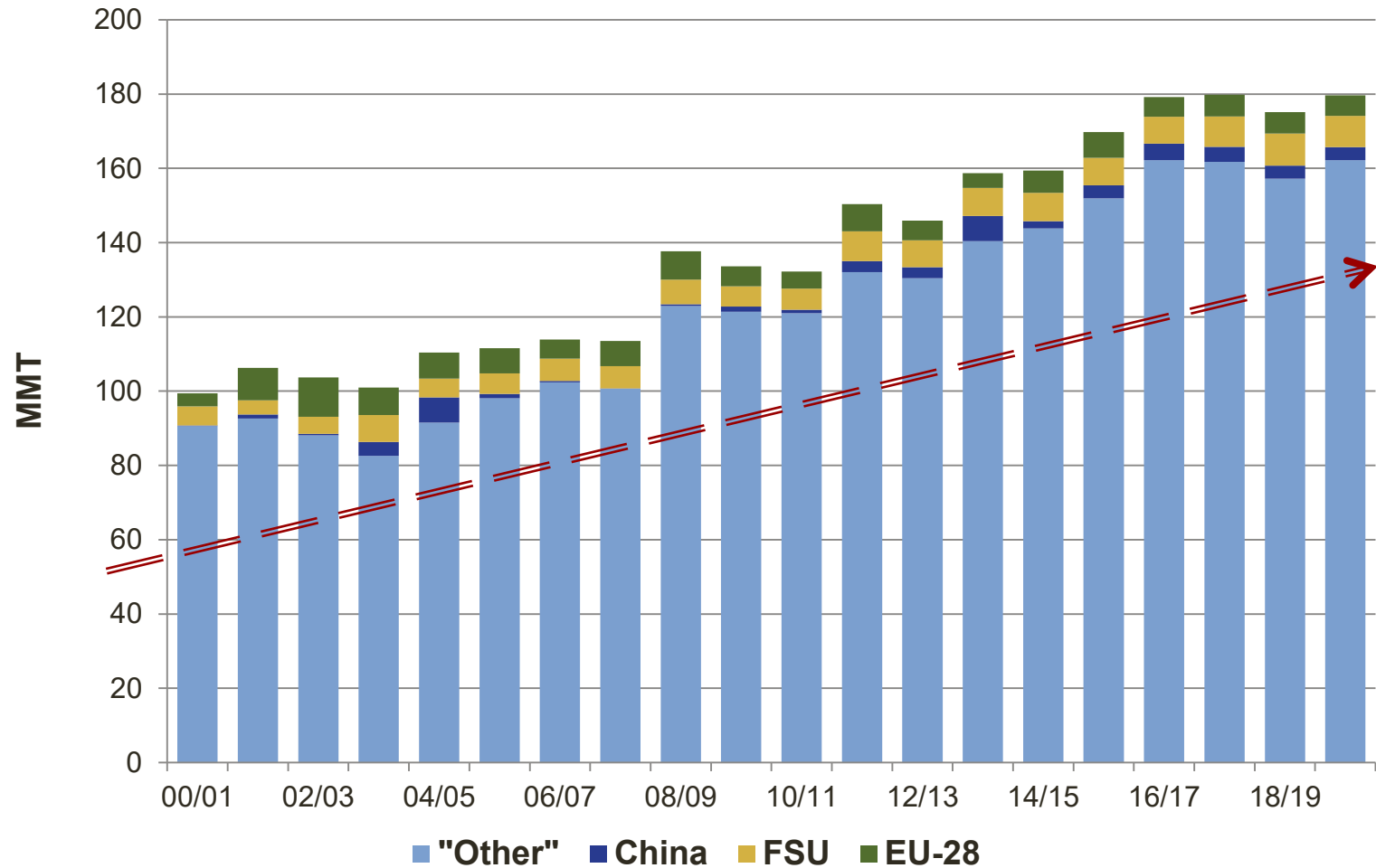
# Top 10 Customers for U.S. Wheat

Year-to-date



Source: USDA FAS export sales data as of May 30, 2019

# World Wheat Imports



Trend in "other" importers denoted ( —> )



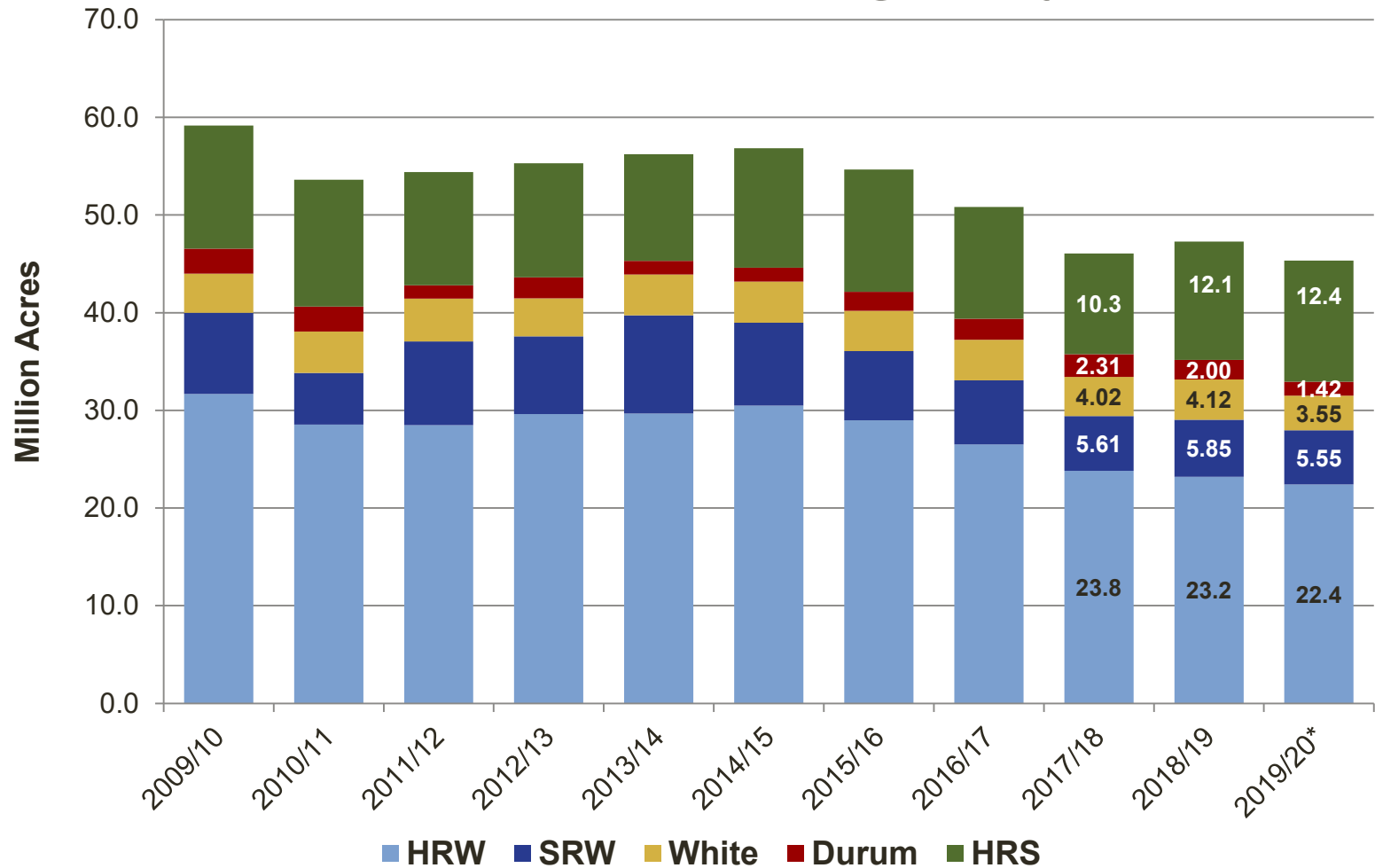
Major Exporters

Import Demand

U.S. Situation by Class

Outlook

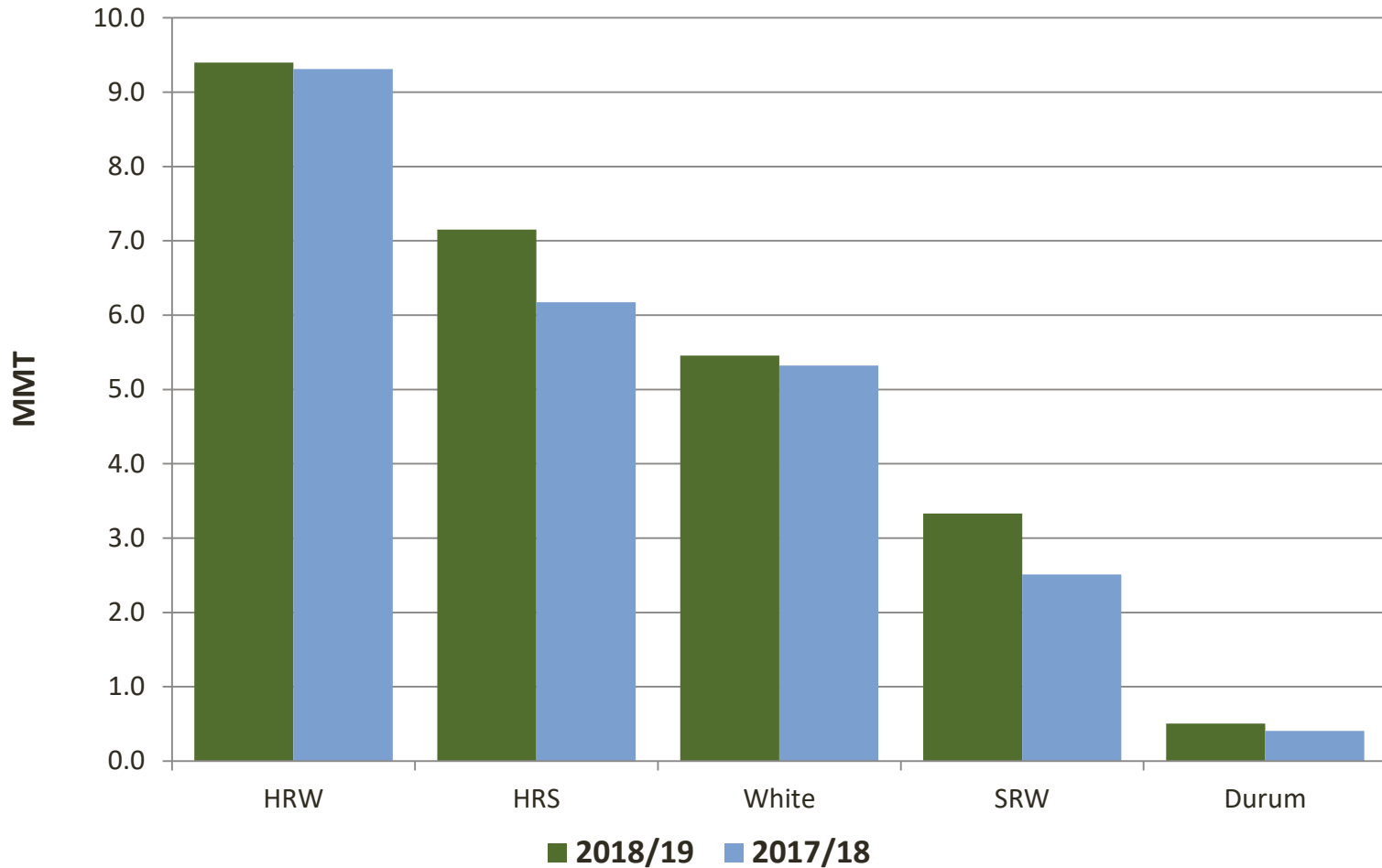
# U.S. Wheat Plantings by Class



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

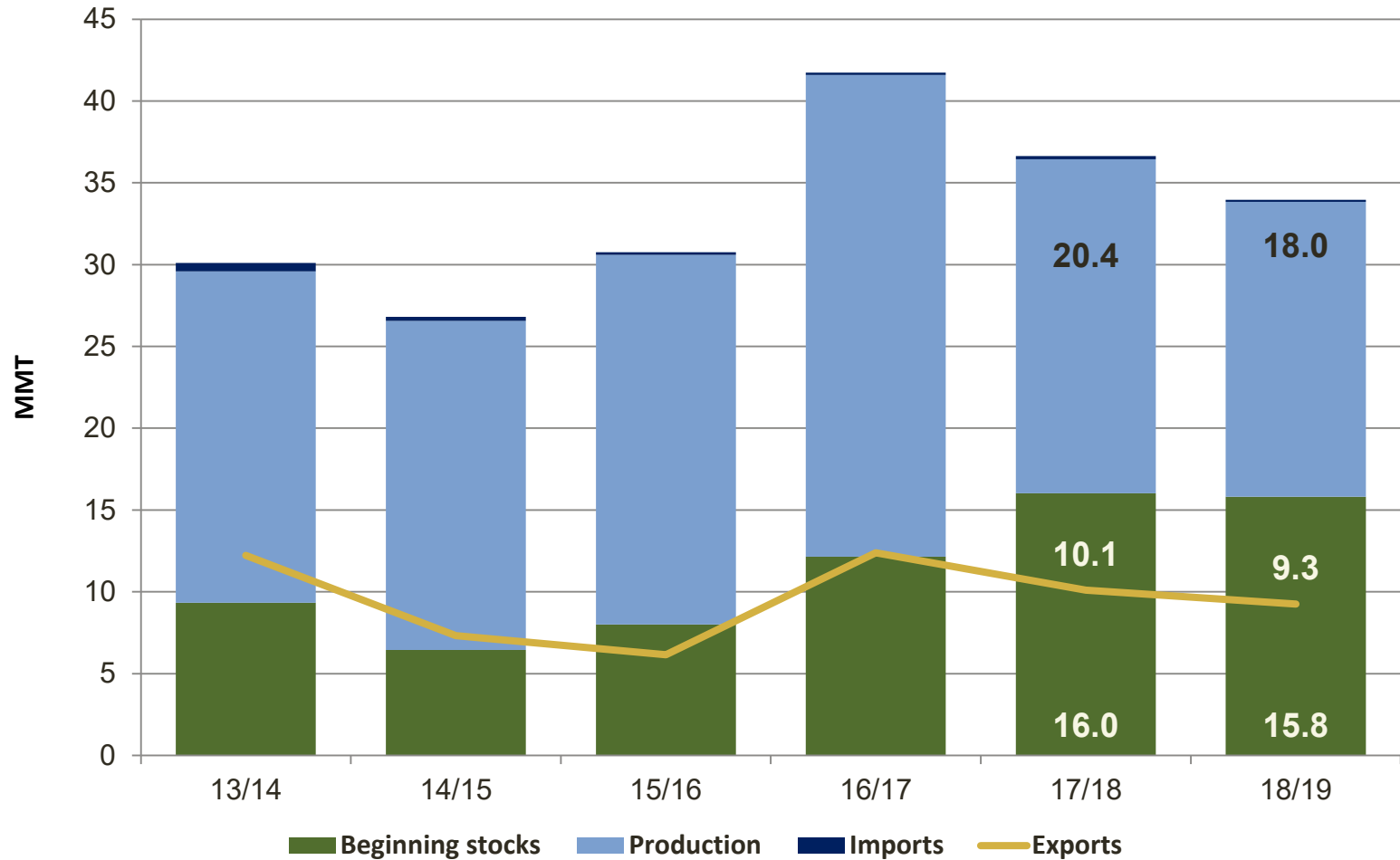
# U.S. Wheat Sales by Class

(year-to-date)

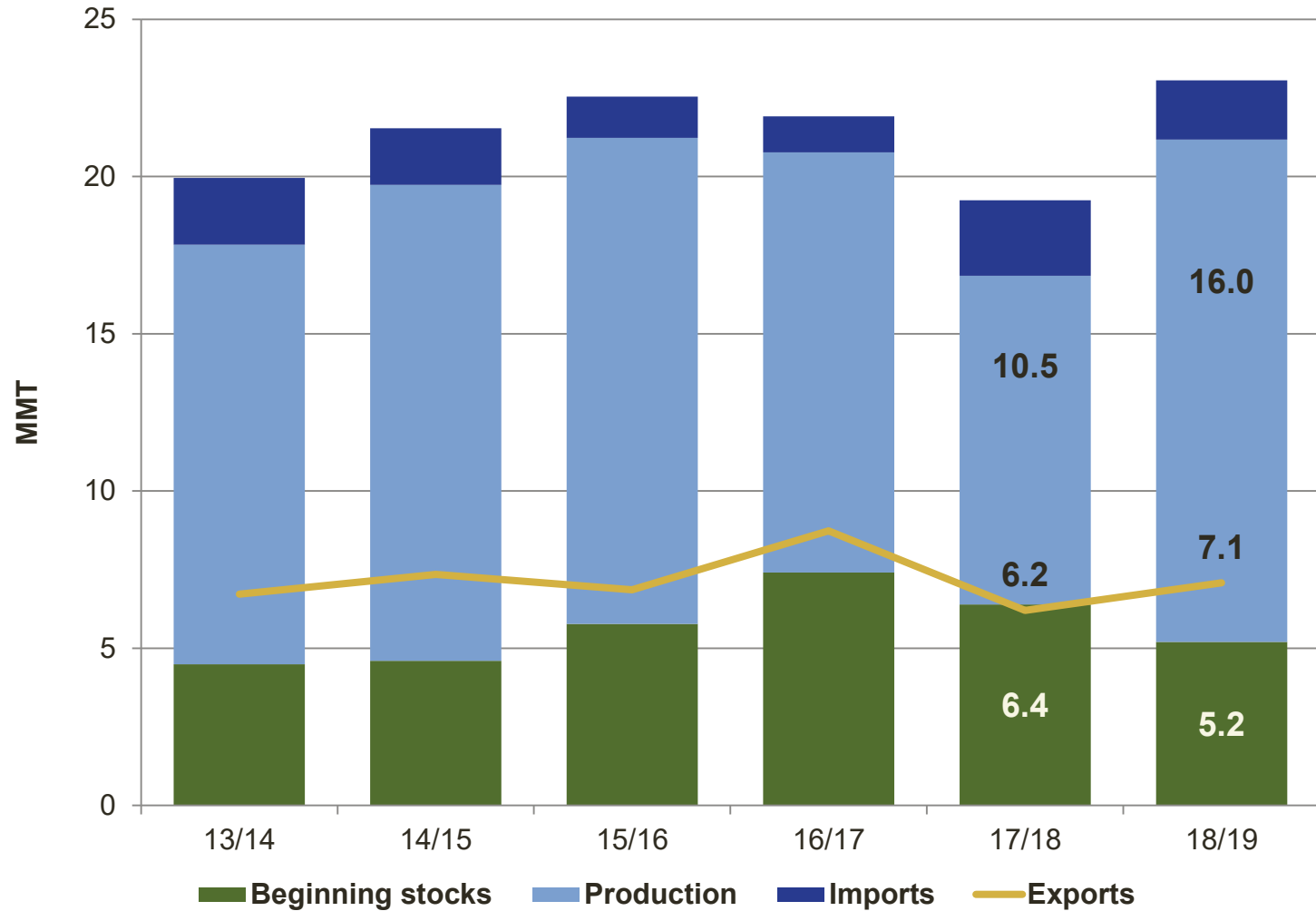


Source: *USDA FAS export sales data as of May 30, 2019*

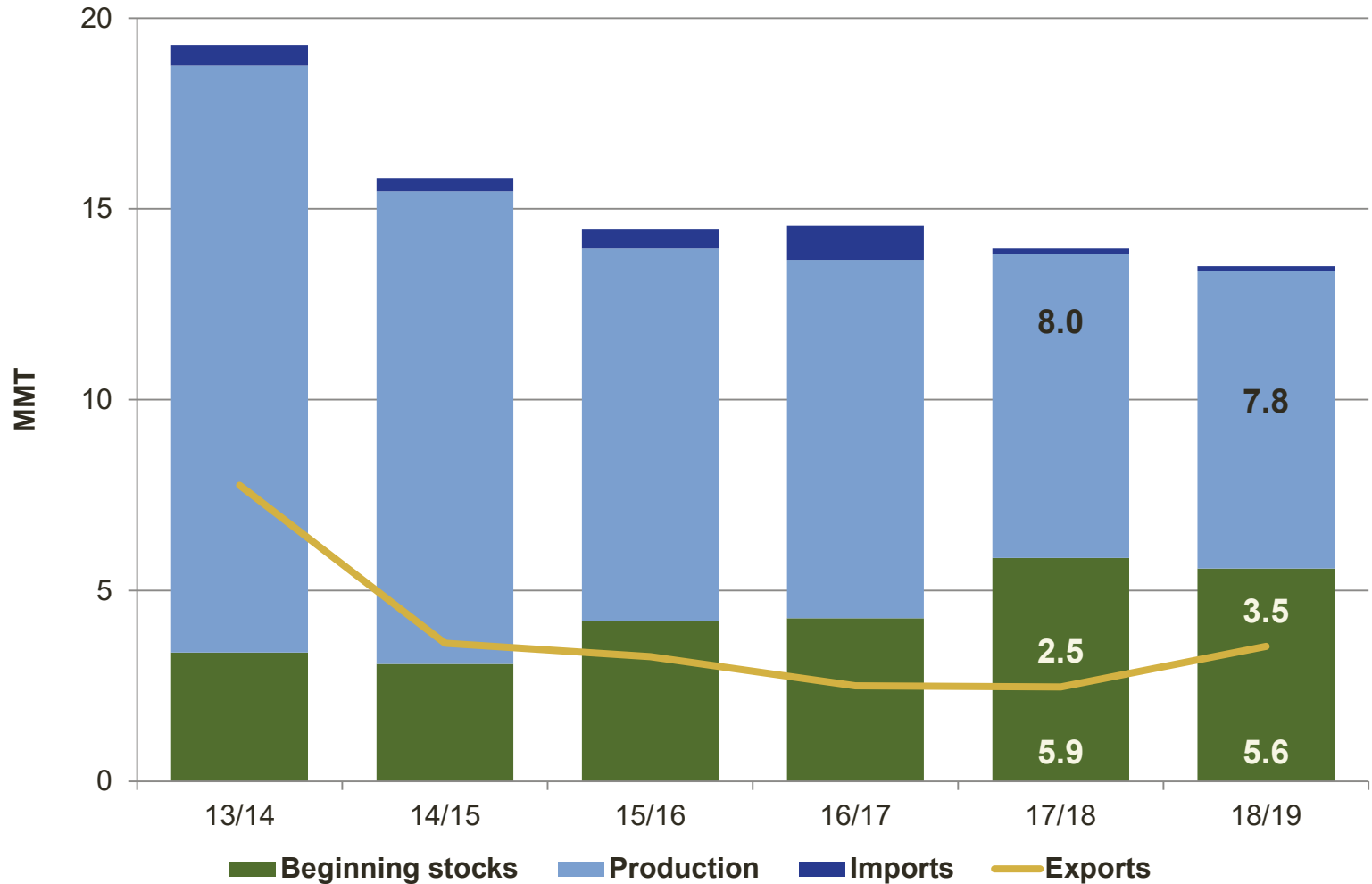
# U.S. Hard Red Winter



# U.S. Hard Red Spring

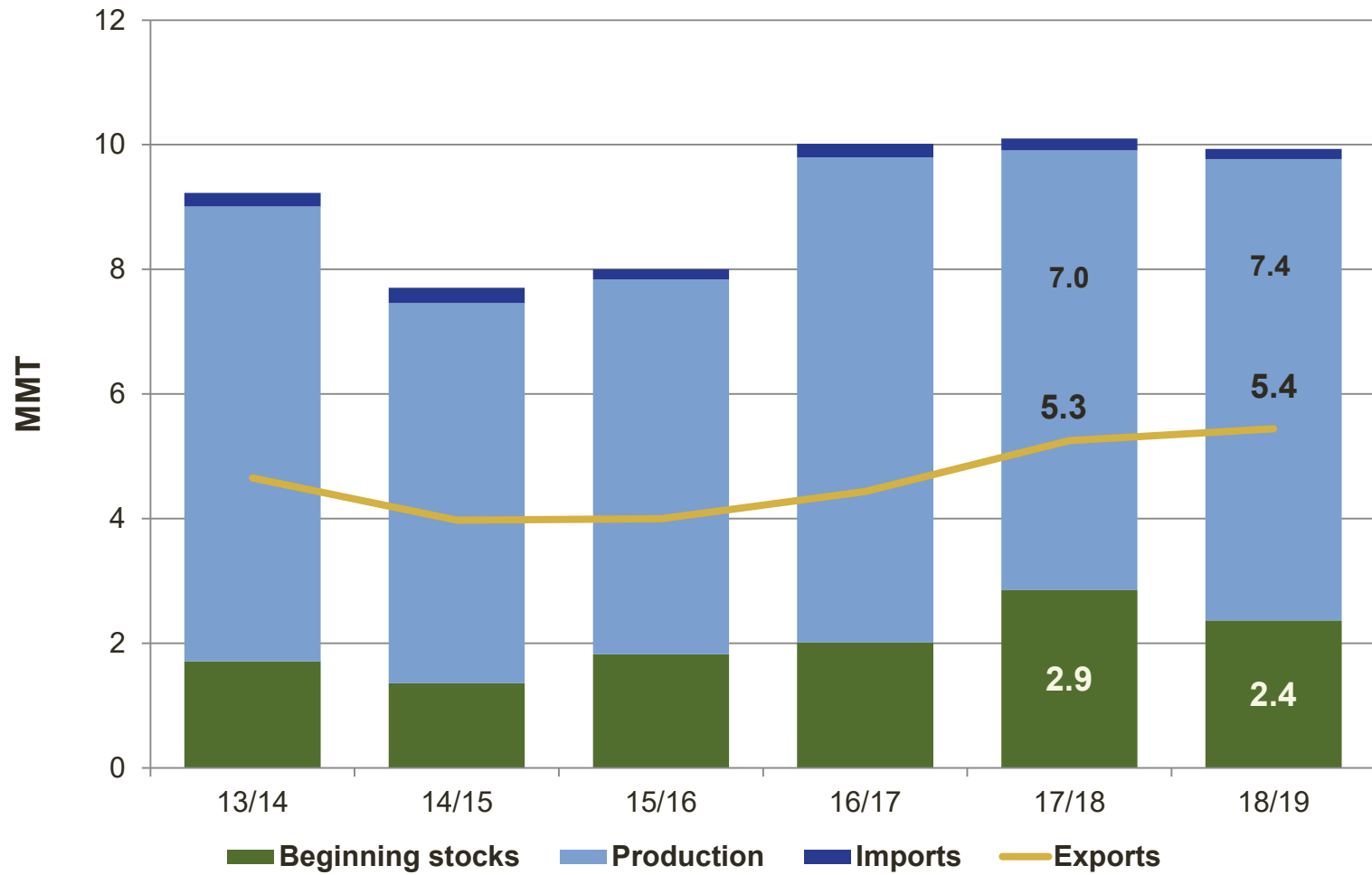


# U.S. Soft Red Winter

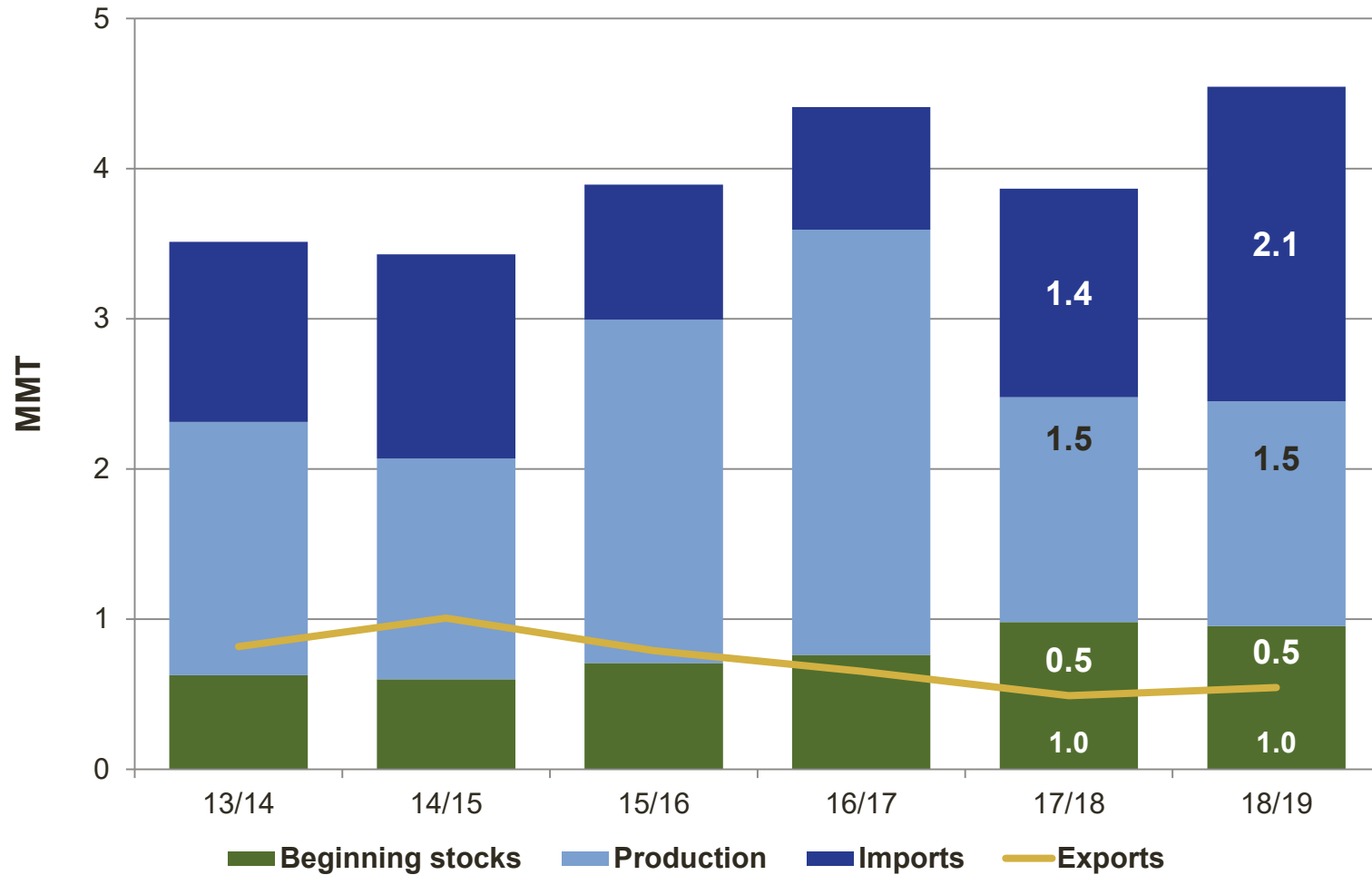




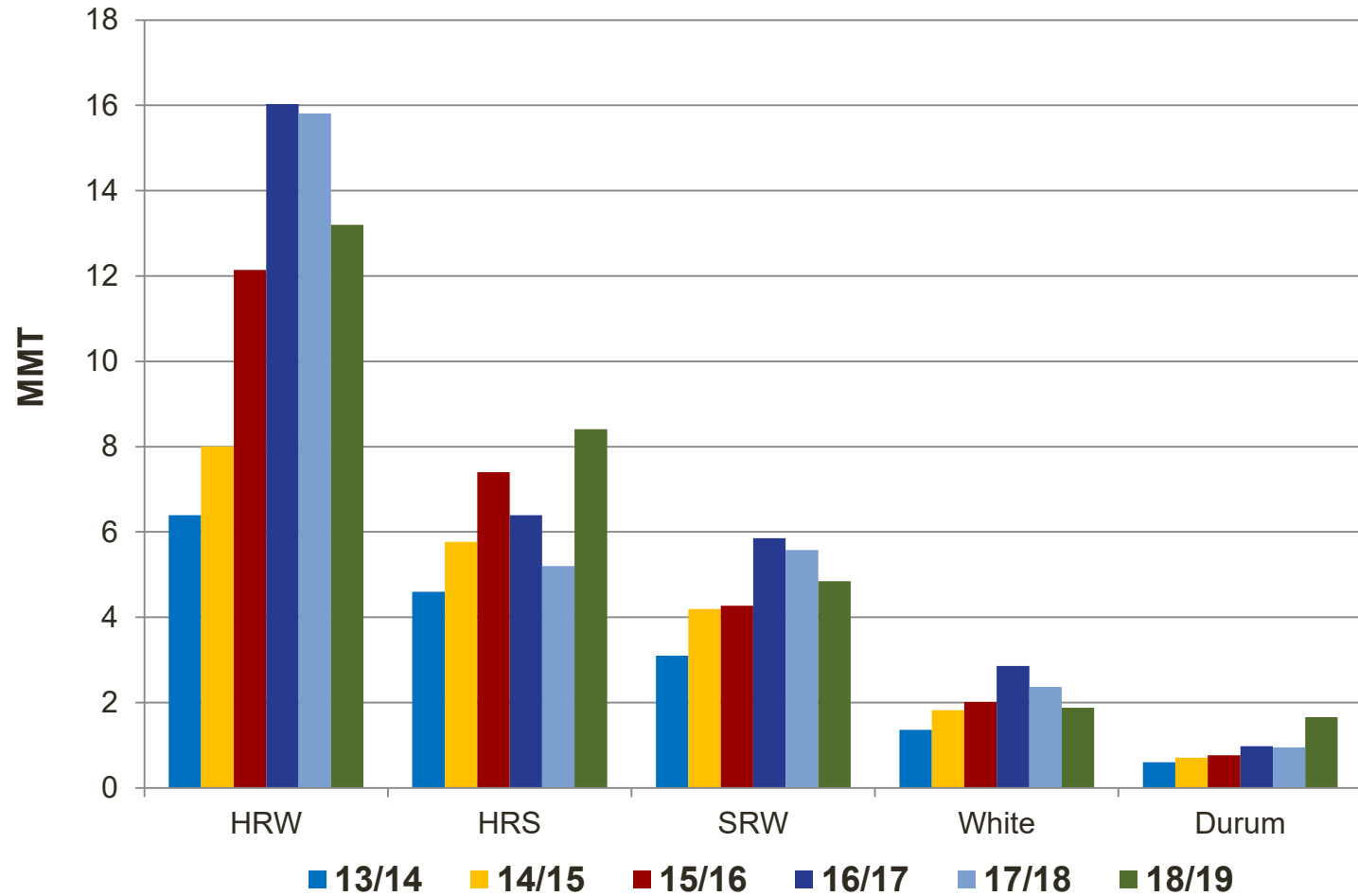
# U.S. White



# U.S. Durum



# U.S. Wheat Ending Stocks by Class



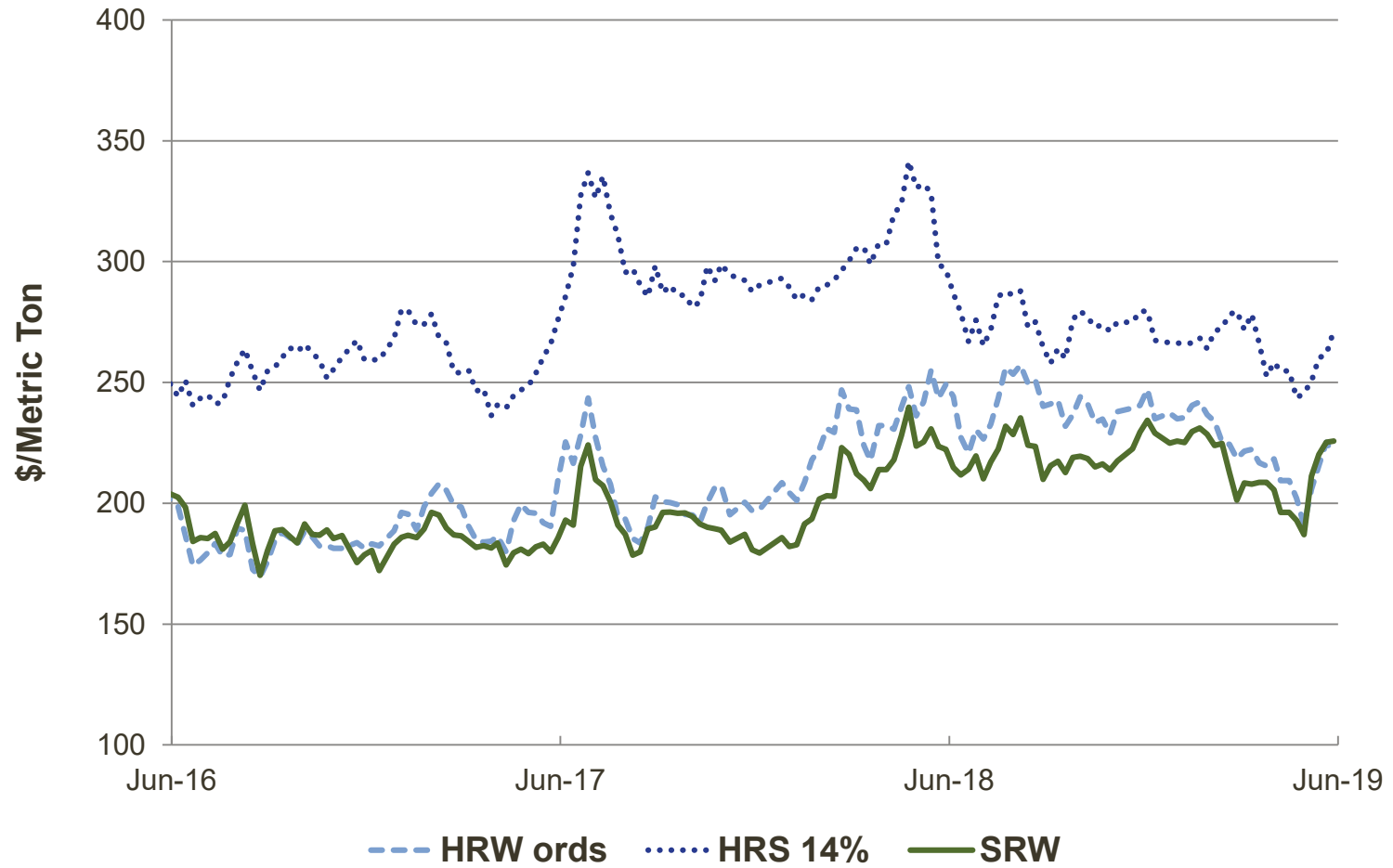
# U.S. Wheat Supply and Demand (MMT)

	HRW		HRS		SRW	
	<u>17/18</u>	<u>18/19</u>	<u>17/18</u>	<u>18/19</u>	<u>17/18</u>	<u>18/19</u>
<b>Beginning Stocks</b>	16.0	15.8	6.40	5.20	5.85	5.58
<b>Production</b>	20.4	18.0	10.5	16.0	7.97	7.78
<b>Supply Total</b>	36.6	34.0	19.2	23.1	13.96	13.50
<b>Domestic Use</b>	10.7	11.5	7.84	7.59	5.91	5.12
<b>Exports</b>	10.1	9.3	6.21	7.08	2.48	3.54
<b>Use Total</b>	20.8	20.8	14.0	14.7	8.38	8.65
<b>Ending Stocks</b>	15.8	13.2	5.20	8.41	5.58	4.84
<b>Stocks-to-Use</b>	76%	64%	37%	57%	67%	56%

# U.S. Wheat Supply and Demand (MMT)

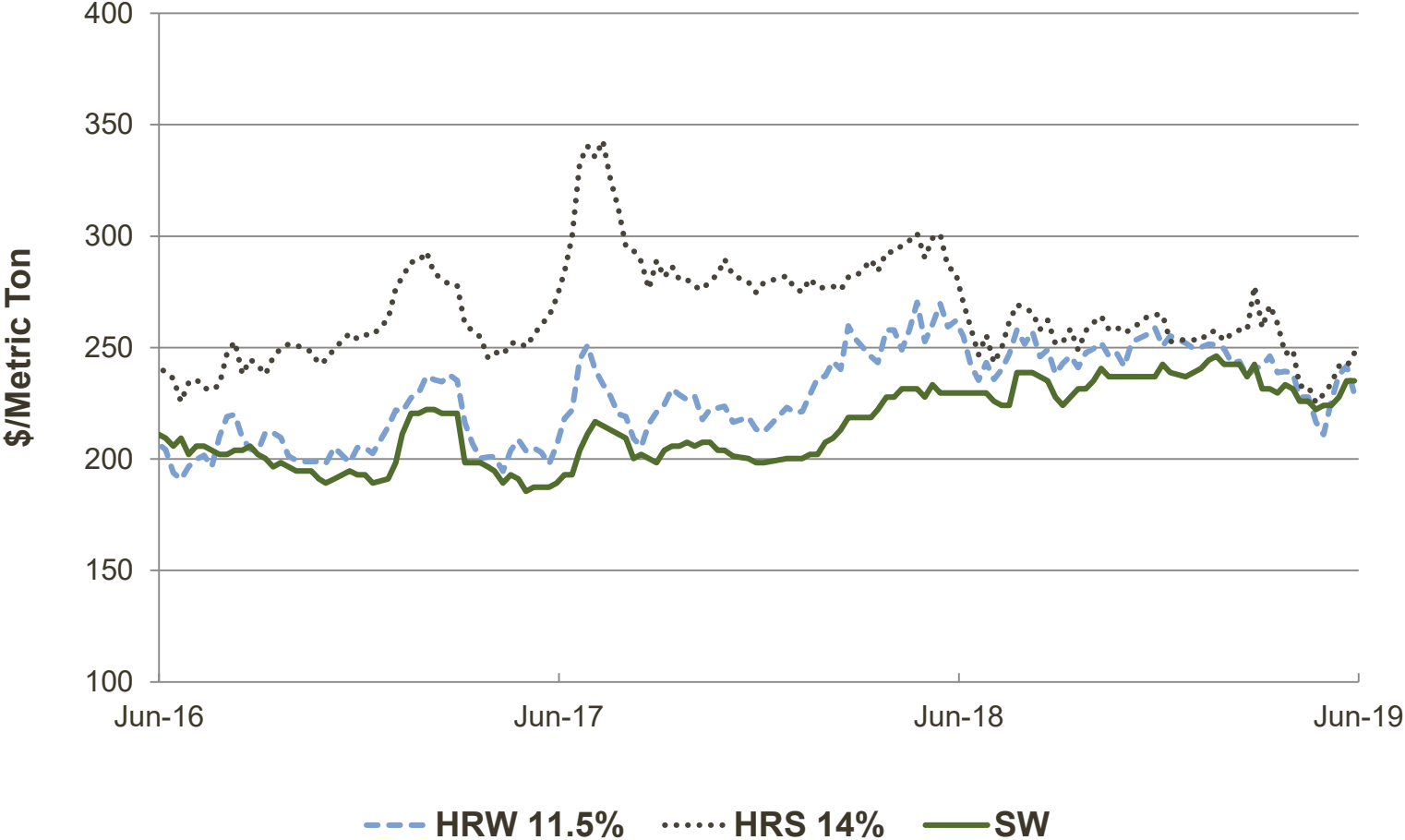
	White		Durum		Total	
	<u>17/18</u>	<u>18/19</u>	<u>17/18</u>	<u>18/19</u>	<u>17/18</u>	<u>18/19</u>
<b>Beginning Stocks</b>	2.86	2.37	0.98	0.95	32.1	29.9
<b>Production</b>	7.05	7.40	1.50	2.10	47.4	51.3
<b>Supply Total</b>	10.1	9.93	3.86	4.55	83.8	85.0
<b>Domestic Use</b>	2.48	2.61	2.45	2.34	29.4	29.2
<b>Exports</b>	5.25	5.44	0.49	0.54	24.5	25.9
<b>Use Total</b>	7.73	8.06	2.91	2.88	53.9	55.0
<b>Ending Stocks</b>	2.37	1.88	0.95	1.66	29.9	30.0
<b>Stocks-to-Use</b>	31%	23%	33%	58%	56%	55%

# U.S. FOB Gulf Prices



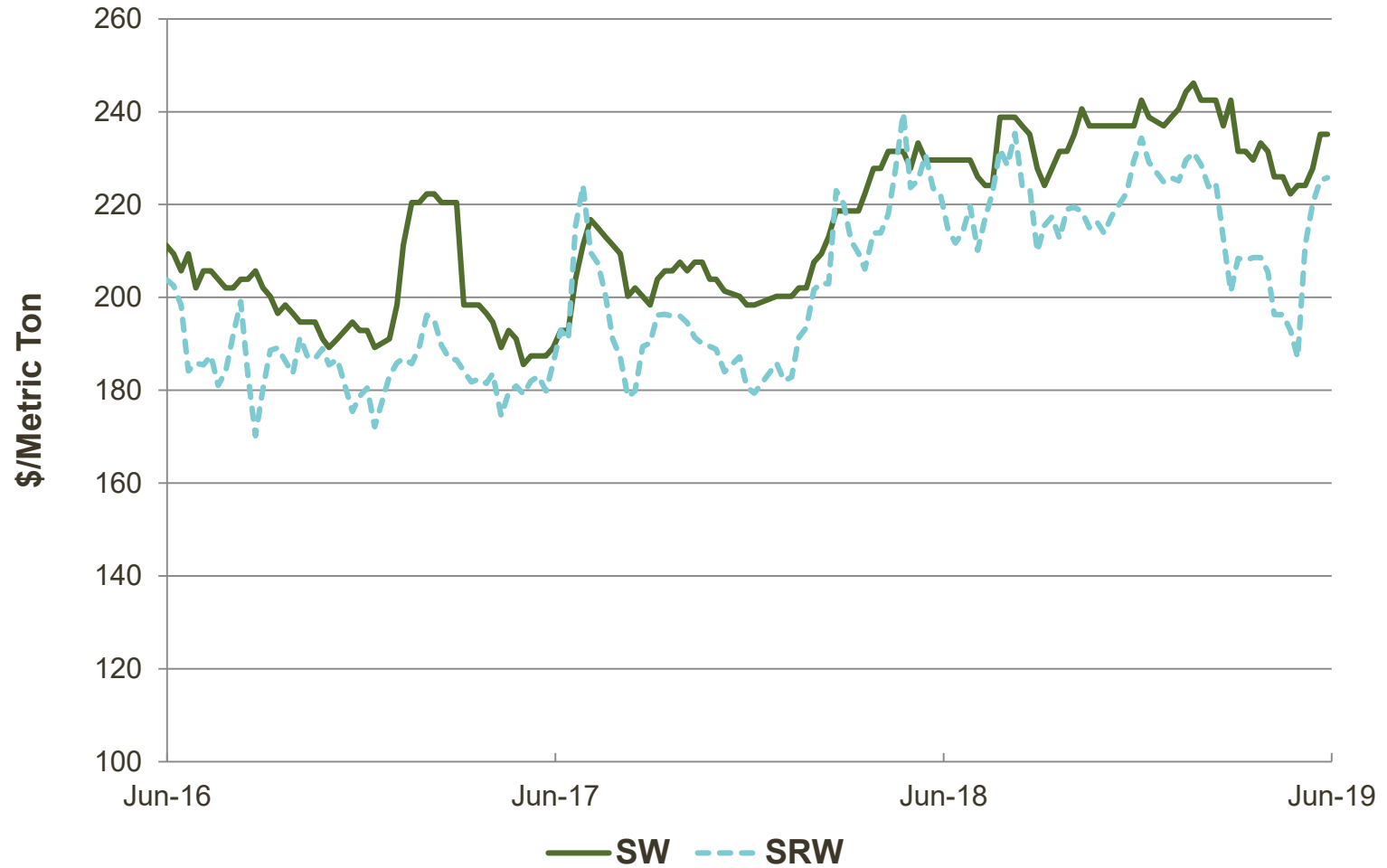
\*Source: U.S. Wheat Associates Price Report, June 7, 2019

# U.S. FOB PNW Prices



\*Source: U.S. Wheat Associates Price Report, June 7, 2019

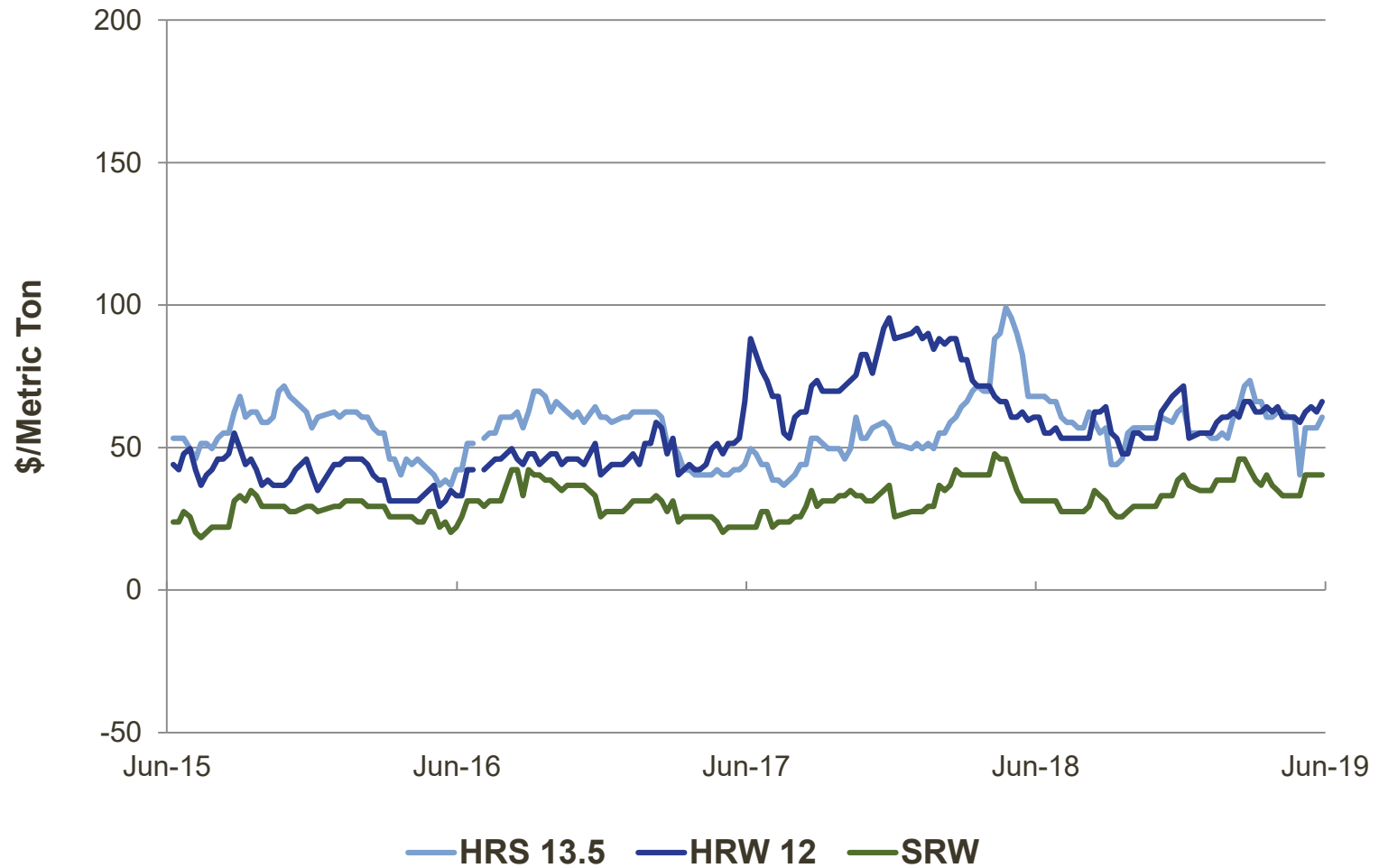
# SRW and Soft White Prices



*\*Source: U.S. Wheat Associates Price Report, June 7, 2019*

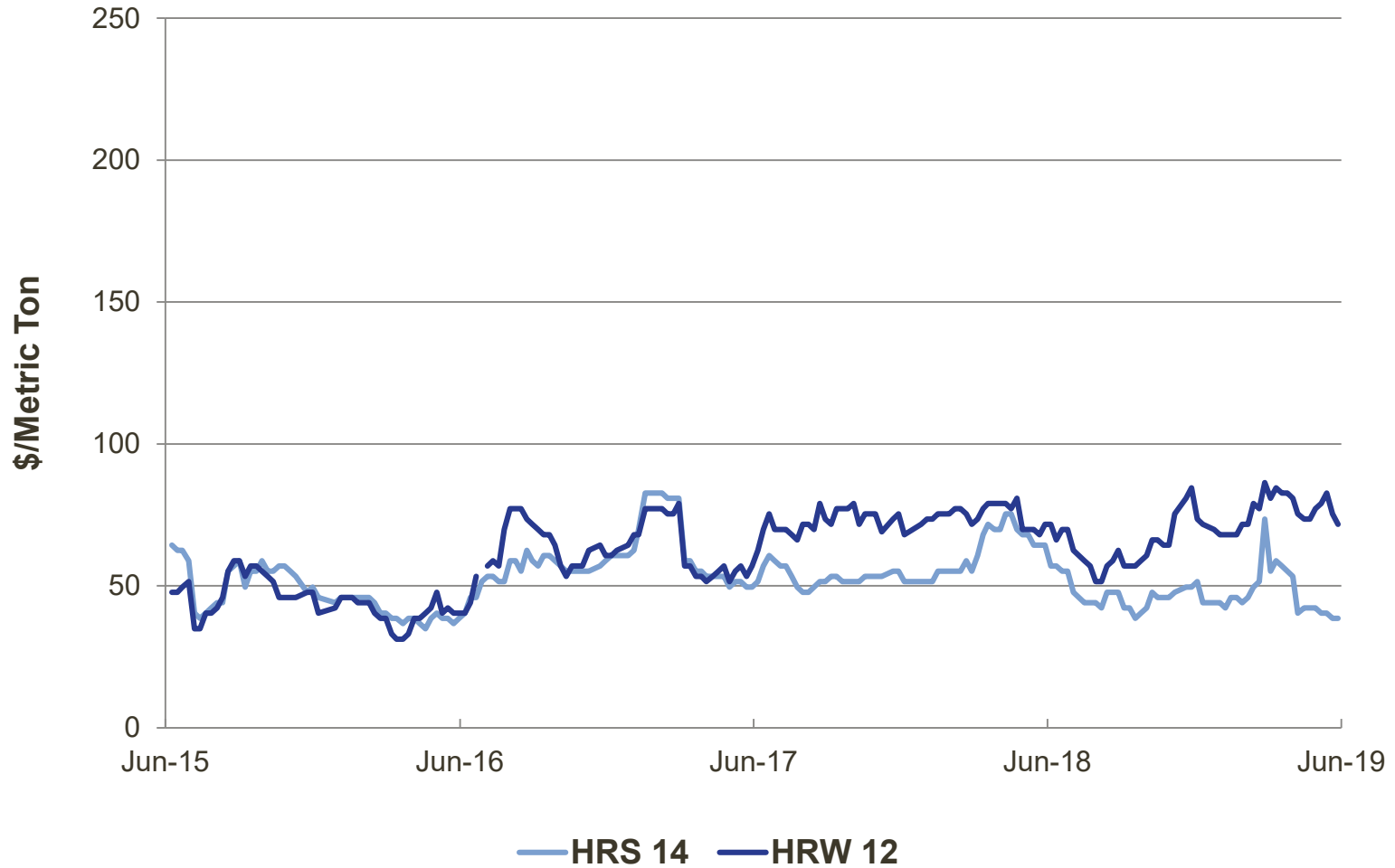


# U.S. Gulf Basis Prices



*\*Source: U.S. Wheat Associates Price Report, June 7, 2019*

# U.S. PNW Basis Prices



*\*Source: U.S. Wheat Associates Price Report, June 7, 2019*



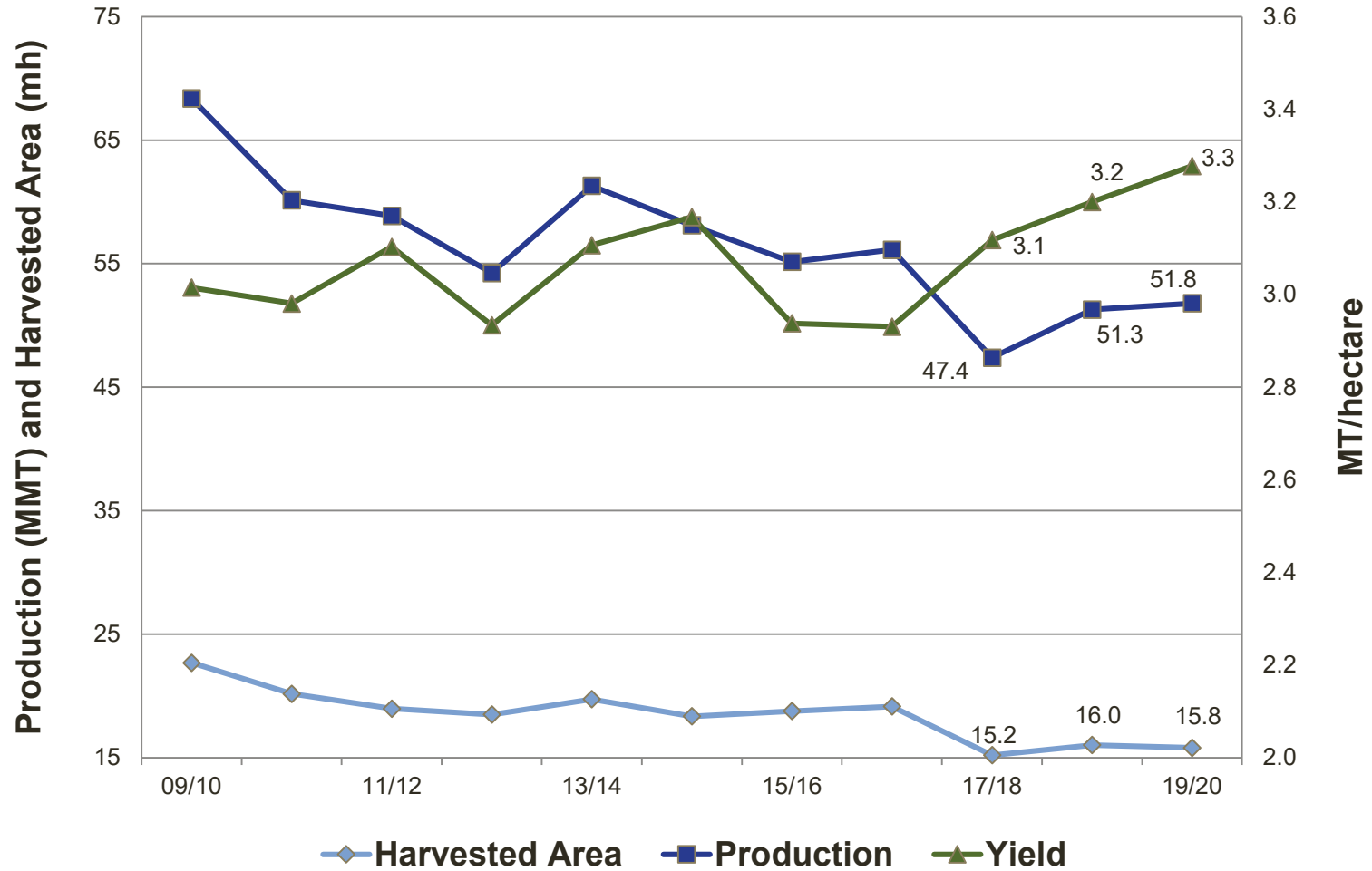
Major Exporters

Import Demand

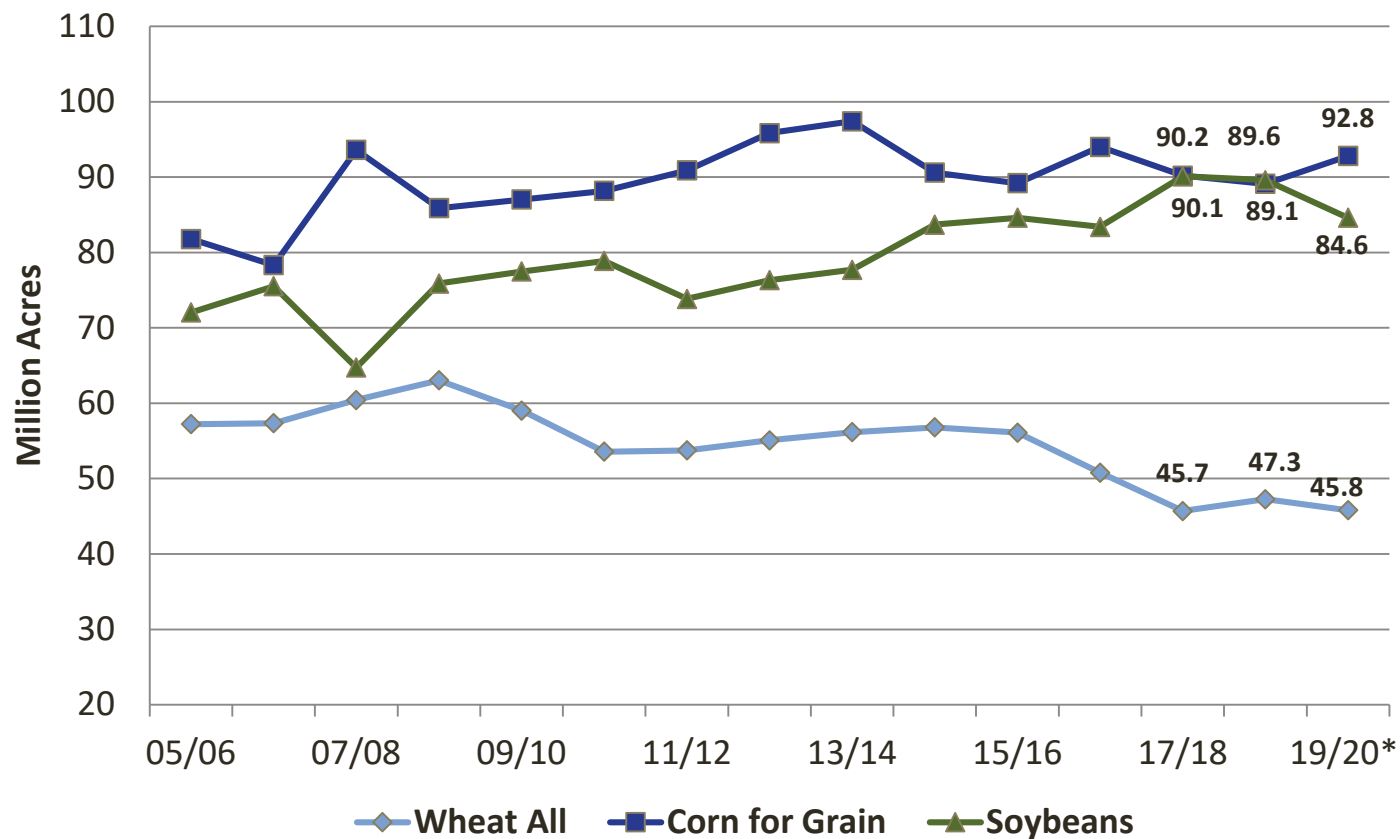
U.S. Situation by Class

Outlook

# U.S. Wheat Production, Area and Yield



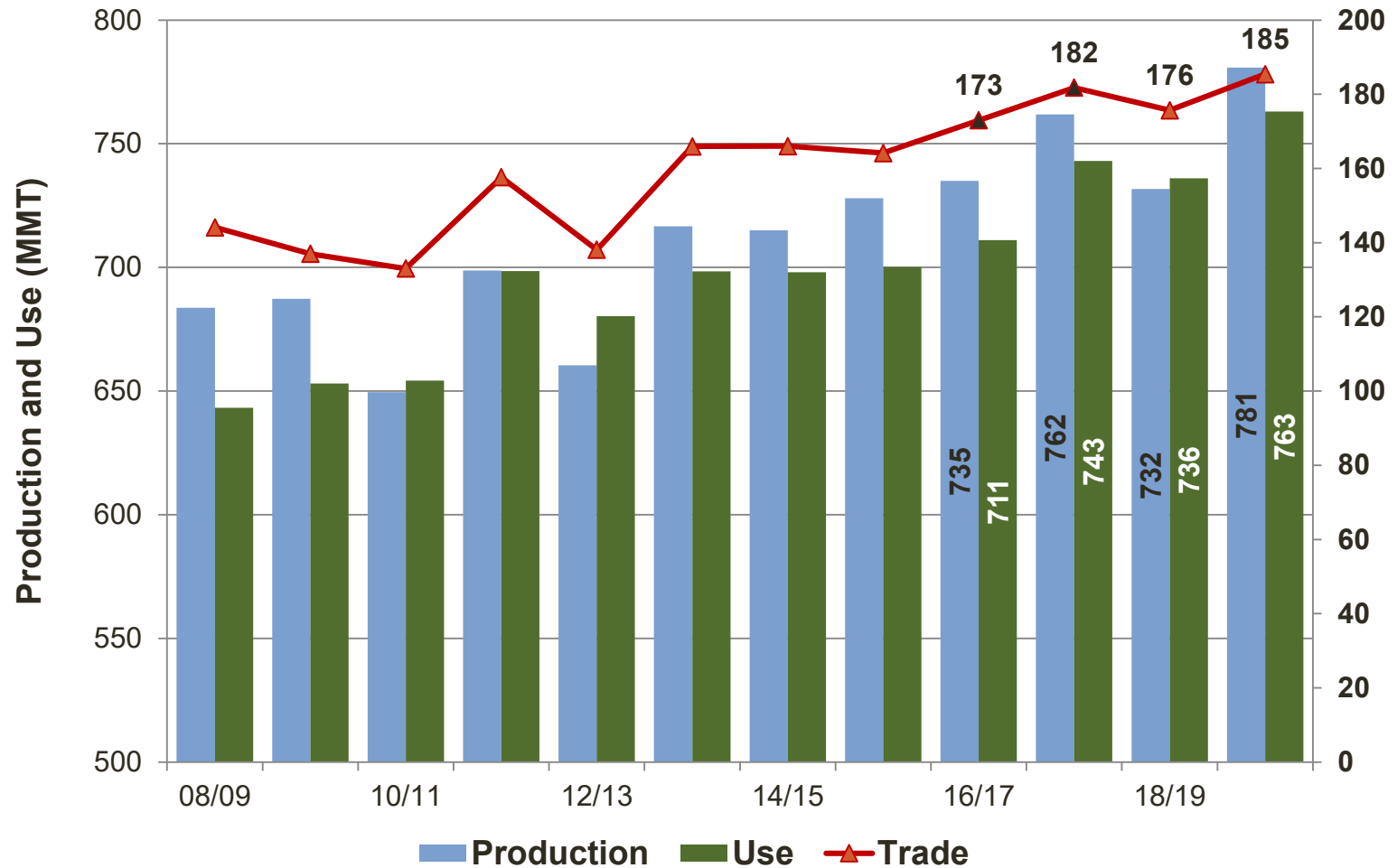
# U.S. Crop Planted Area Comparison



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

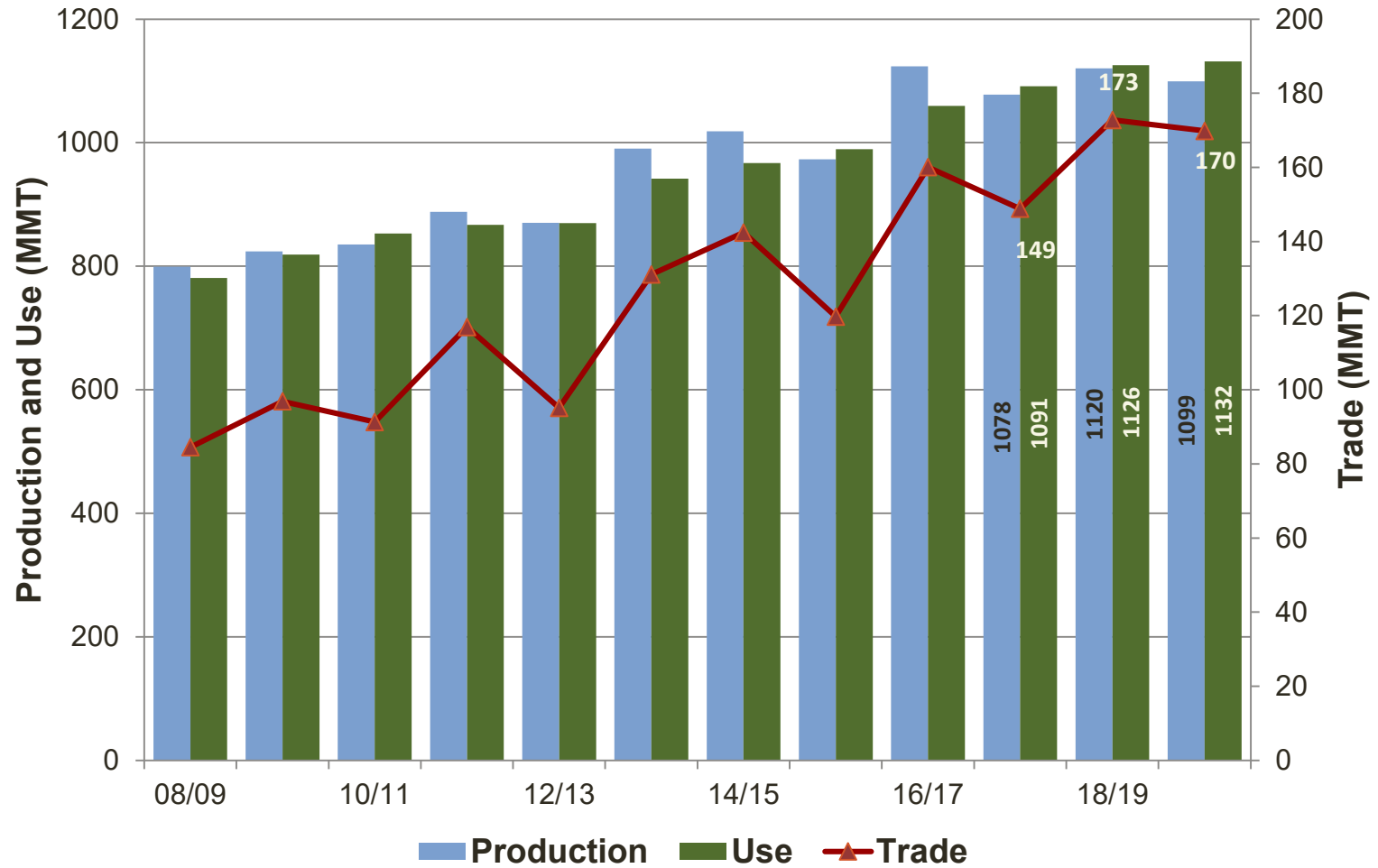
# World Wheat

## Production, Use and Trade



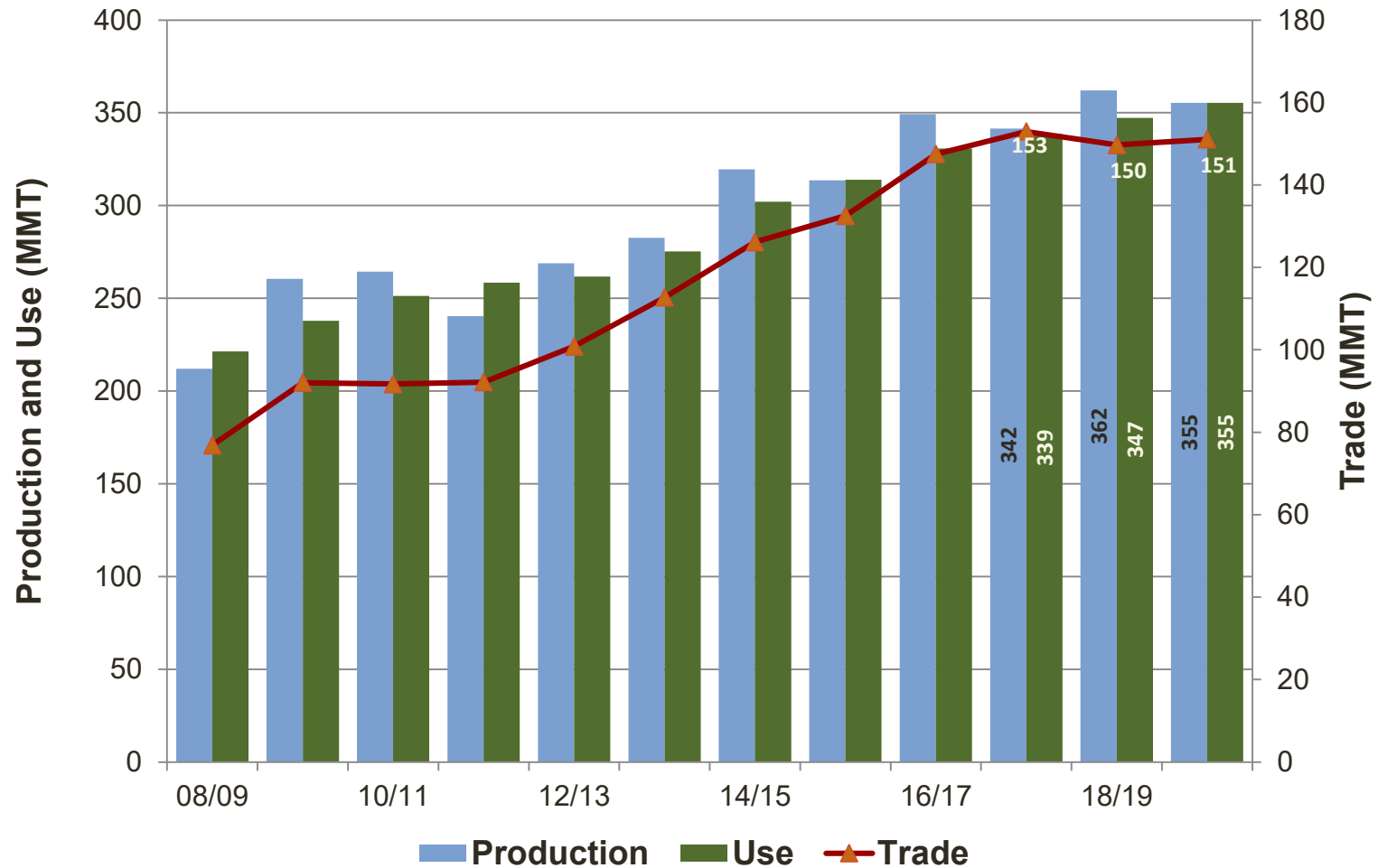
# World Corn

## Production, Use and Trade



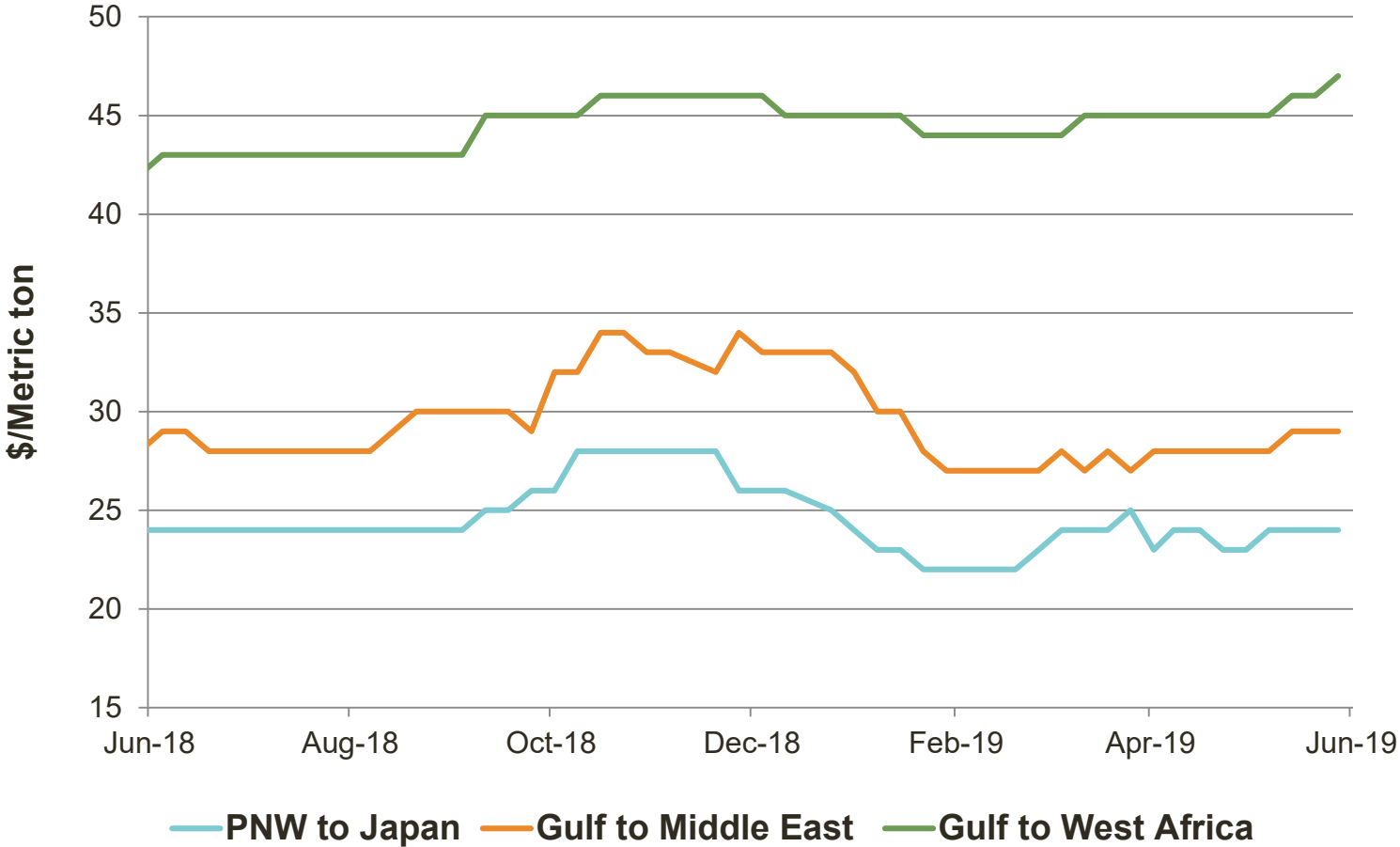
# World Soybeans

## Production, Use and Trade





# Ocean Freight Rates for Grains



*\*Source: U.S. Wheat Associates Price Report, June 7, 2019*

# Summary

- **Global production to increase 6% year-over-year to 781 MMT**
  - EU Wheat production to rebound after the 2018/19 drought to 154 MMT
  - Australian wheat production to rally after last year's devastating drought to 22.5 MMT
  - Black Sea wheat production to reach 122 MMT, 10% higher than 2018/19 levels
  - Wheat production in the United States to total 51.8 MMT, 5% below the 5-year average
- **Global ending stocks to rise to 294 MMT, 6% above 2018/19 levels and 14% higher than the 5-year average of 257 MMT**
  - Estimated Chinese ending stocks of 146 MMT are 4% higher than last year and 30% above the 5-year average of 112 MMT
  - U.S. ending stocks to total 29.2 MMT, slightly lower than last year but 5% above the 5-year average
- **World consumption and trade are both expected to exceed 2018/19 levels**
  - Total global trade to reach 185 MMT, 4% higher than 2018/19 and 5% above the 5-year average
  - Total global consumption to reach its highest level in 10 years at 763 MMT
  - U.S. 2019/20 domestic consumption to increase 9% year-over-year to 32.0 MMT while exports are expected to fall slightly below 2018/19 levels to 24.5 MMT