

World Wheat Supply and Demand Situation

April 2020

Major data source: USDA World Agricultural Supply and Demand Estimates released April 9, 2020, 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 record high of 764 MMT**
 - Wheat production in Ukraine reached a record 29.2 MMT
 - Indian wheat production to reach a record 104 MMT in 2019/20, labor shortages could delay harvest progress
 - U.S. wheat production rose 2% from last year to 52.2 MMT
- **Global consumption forecast at 750 MMT, the highest on record**
 - Egyptian domestic consumption to reach a record 20.4 MMT, up 4% from the 5-year average
 - Domestic consumption in China to reach a record 126 MMT, up 5% from the 5-year average
 - U.S. domestic consumption to reach 31.3 MMT, up 4% year-over-year
- **World wheat trade to jump 5% year-over-year to 183 MMT**
 - Exports from Russia to fall 7% from last year to 33.5 MMT
 - Ukrainian wheat exports to reach a record 20.5 MMT, up 22% from last year
 - U.S. 2019/20 exports to increase to 26.8 MMT, 5% greater than last year and 9% greater than the 5-year average



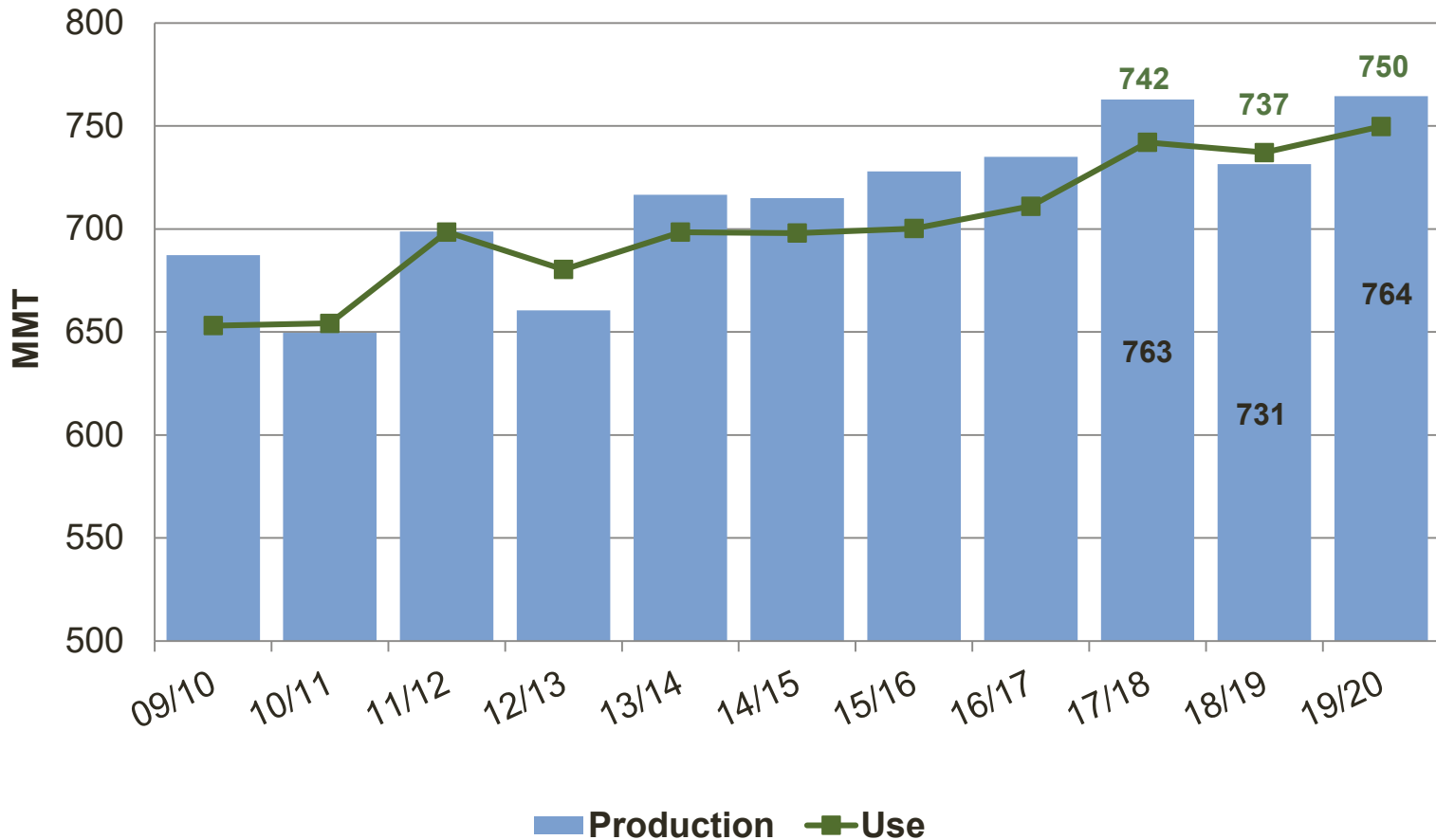
Highlights of USDA's 2019/20 Supply and Demand Estimates

- **World beginning stocks fell 2% year-over-year to 278 MMT, still 15% higher than the 5-year average of 242 MMT**
 - Chinese beginning stocks of 140 MMT are 43% higher than the 5-year average and make up 50% of the global total
 - Indian beginning stocks jumped 22% from last year to 17.0 MMT
 - U.S. 2019/20 beginning stocks of 29.4 MMT were down 2% from last year and accounted for 43% of total major exporter beginning stocks
- **Global ending stocks projected at 293 MMT, 5% higher than last year**
 - Projected Indian ending stocks of 24.0 MMT are 29% higher than last year and 67% higher than the 5-year average
 - Expected Chinese ending stocks to reach a record 150 MMT this year, 34% higher than the 5-year average
 - U.S. ending stocks are expected to fall 11% from last year to 26.4 MMT, the lowest in 5 years
- **U.S. average farm gate price to fall 11% from last year**
 - Projected average farm gate price to fall to \$4.60/bu* (\$169/MT) from last year's average of \$5.16/bu (\$190/MT)

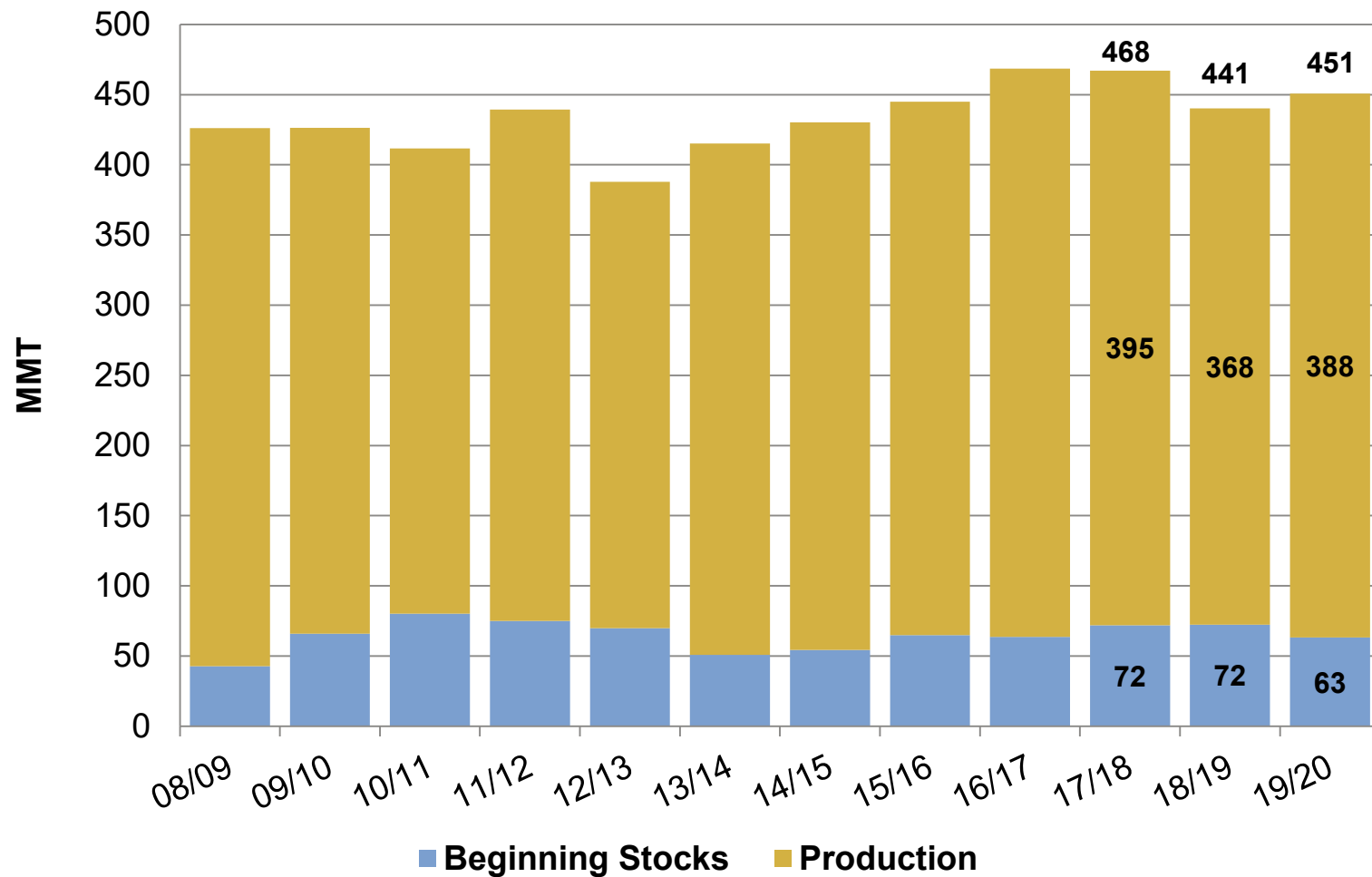
**Average U.S. farm gate price, marketing year weighted average*



World Production and Use



Supplies in Top Exporting Countries*



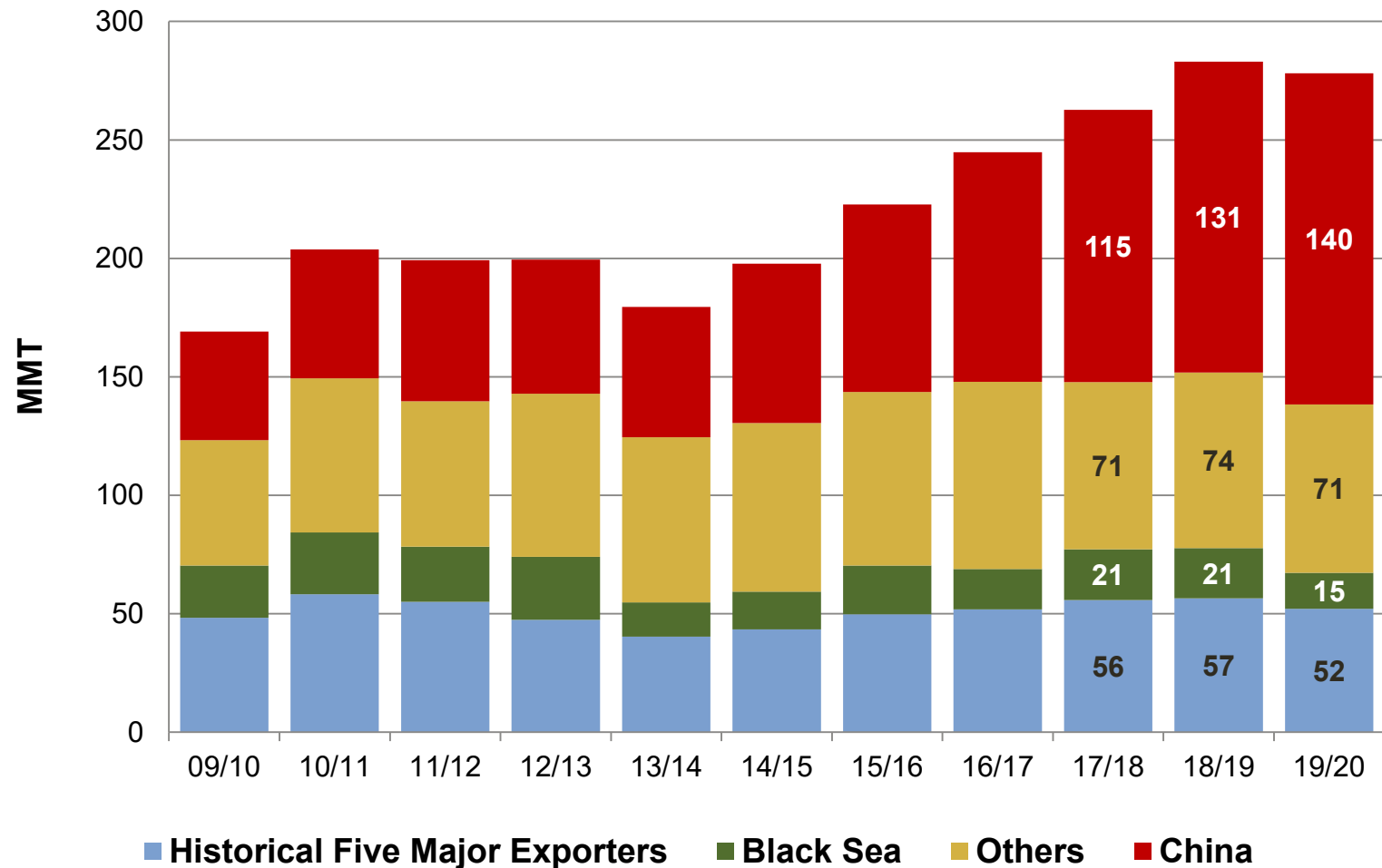
*Includes U.S., Canada, Australia, Argentina, EU, Russia, Ukraine and Kazakhstan

World Wheat Supply and Demand (MMT)

	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>
SUPPLY:			
Beginning Stocks	263	284	278
Production	763	731	764
Supply Total	1026	1015	1043
Ending Stocks	284	278	293
TRADE:			
Exports/Imports	182	174	183
DEMAND:			
Food & Seed	595	598	606
Feed & Residual	147	139	144
Use Total	742	737	750

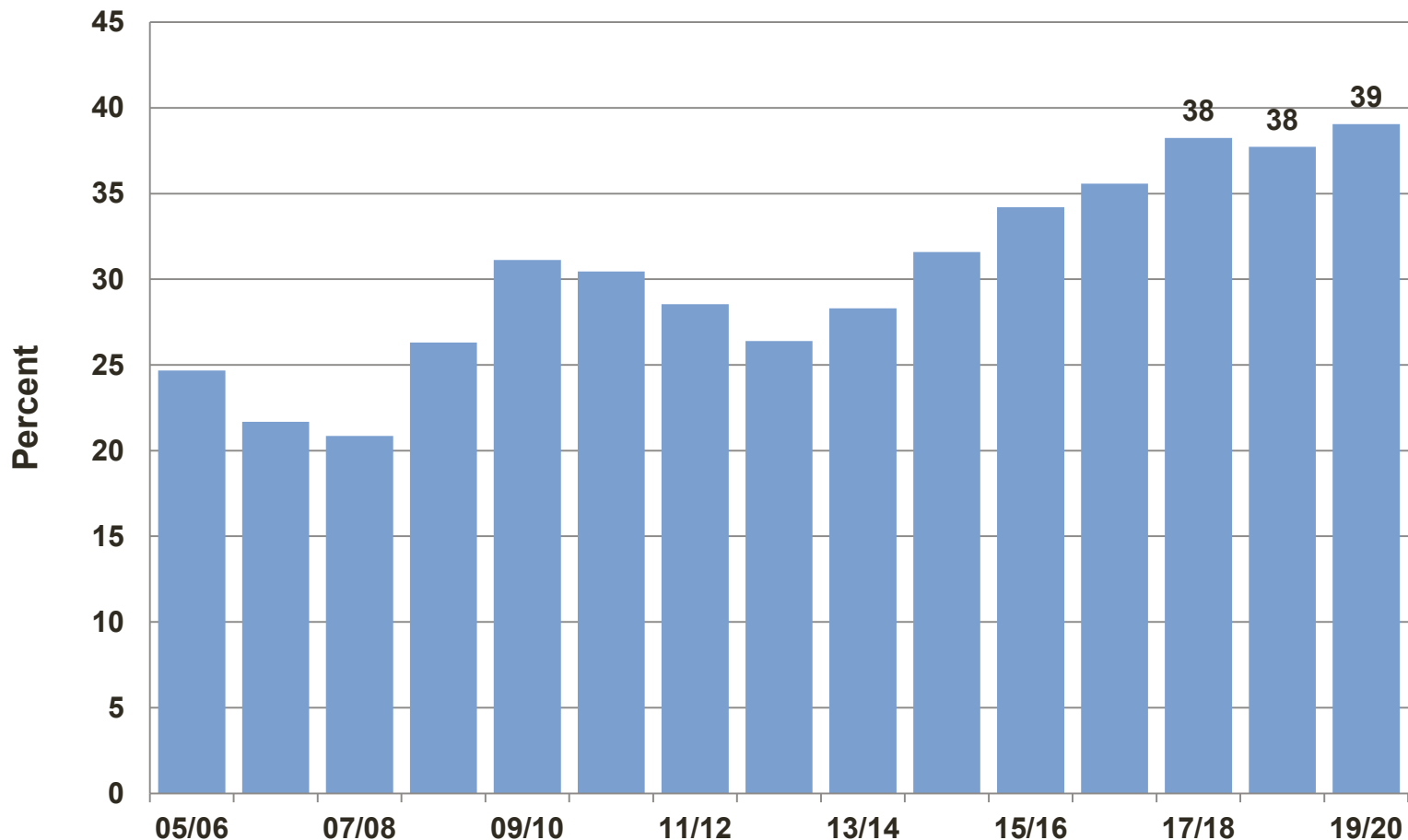


World Beginning Stocks



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

Global Stocks*-to-Use Ratio



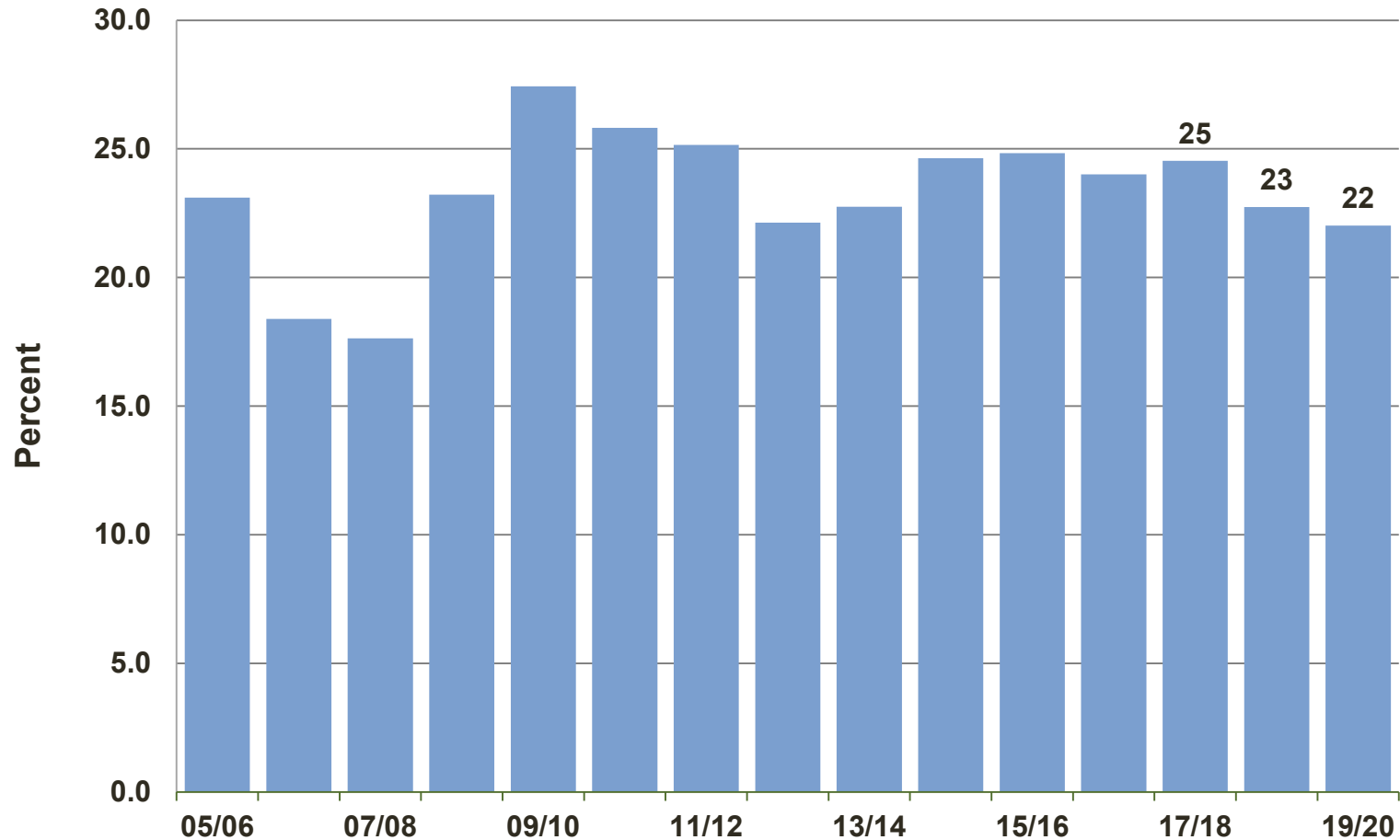
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

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



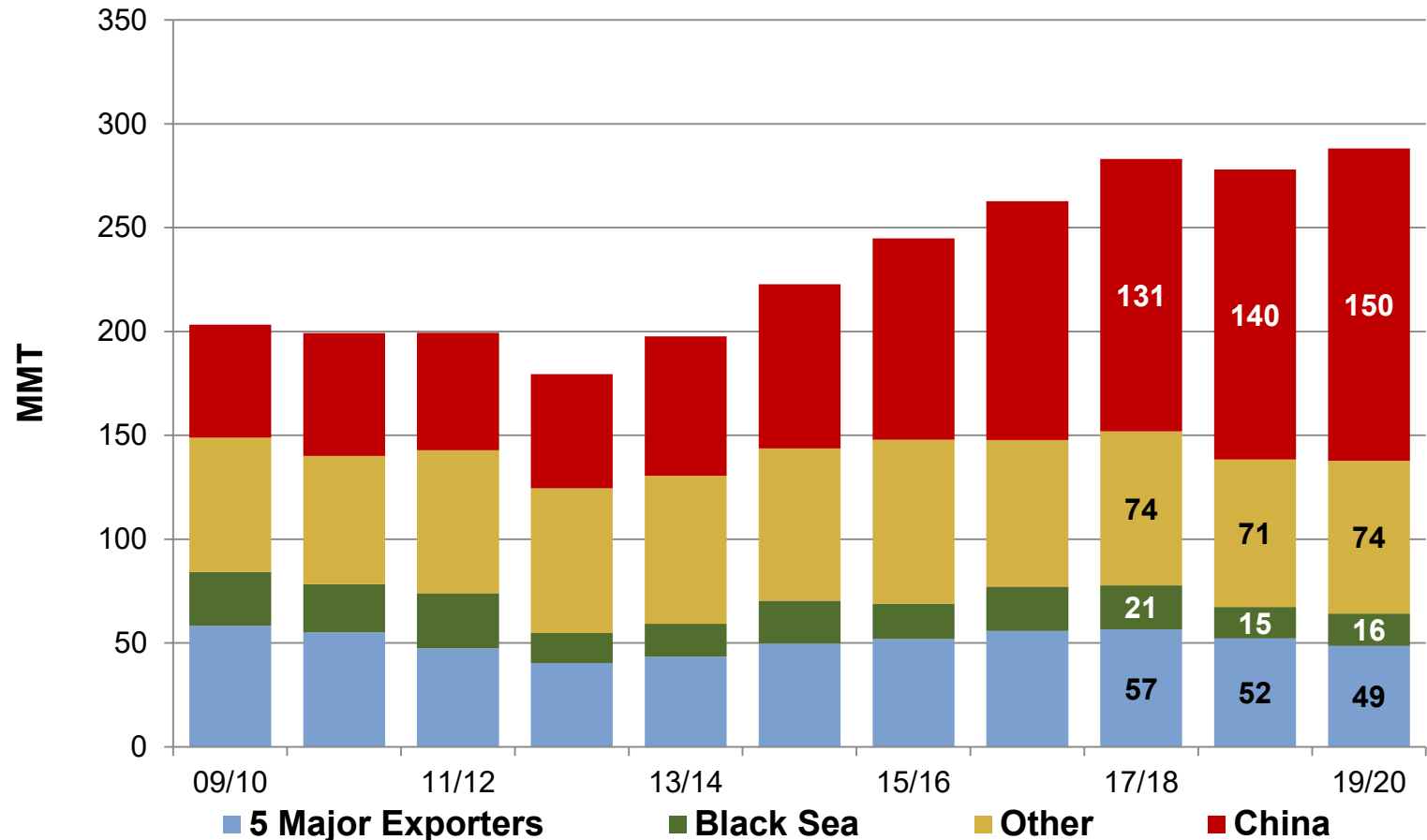
**Ending stocks*

Supply and Demand



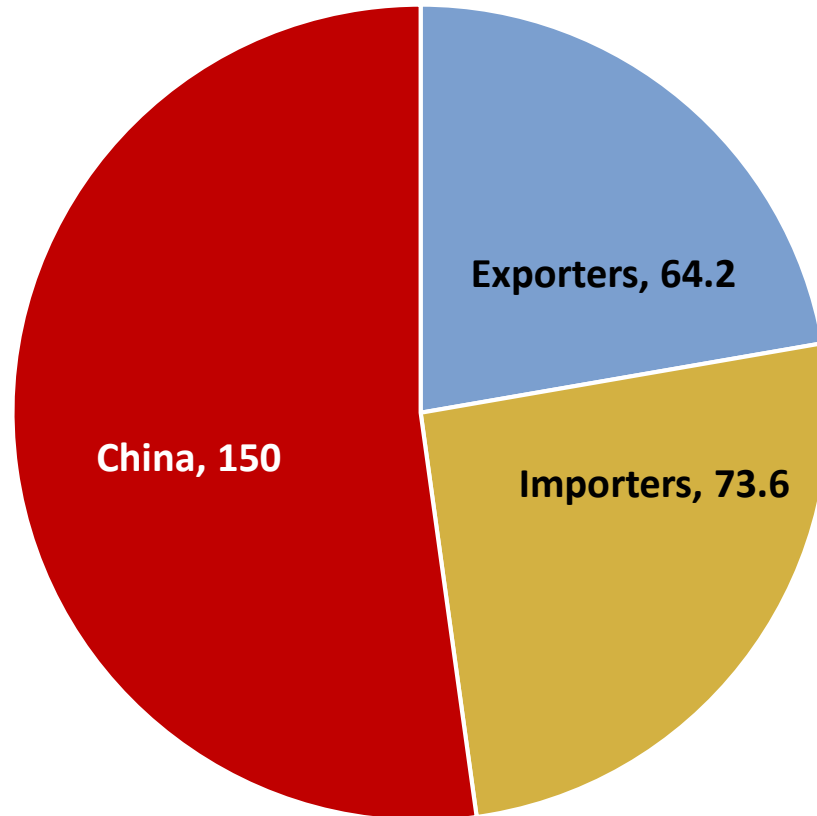
U.S. WHEAT
ASSOCIATES

World Ending Stocks

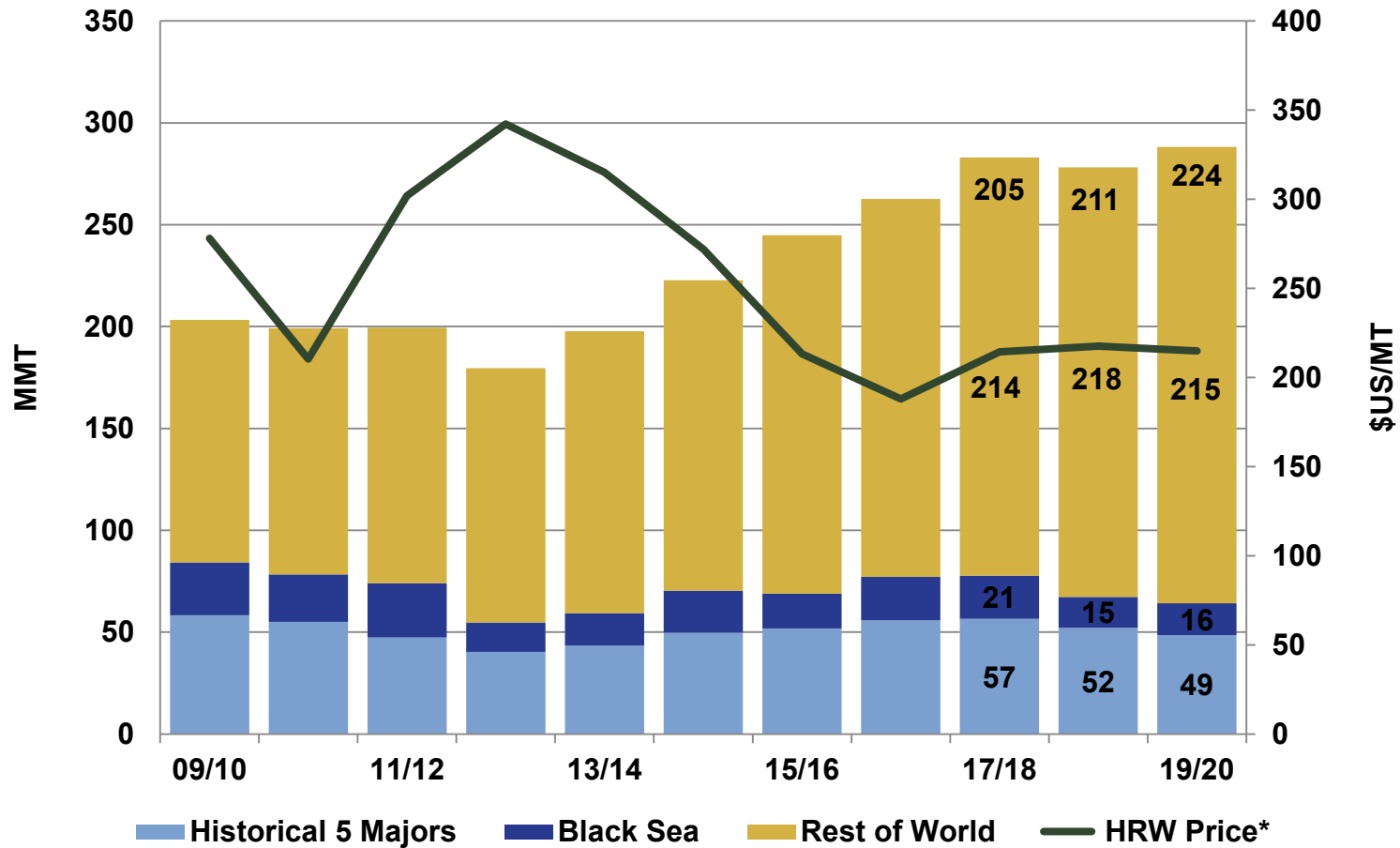


Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.

World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, April 3, 2020





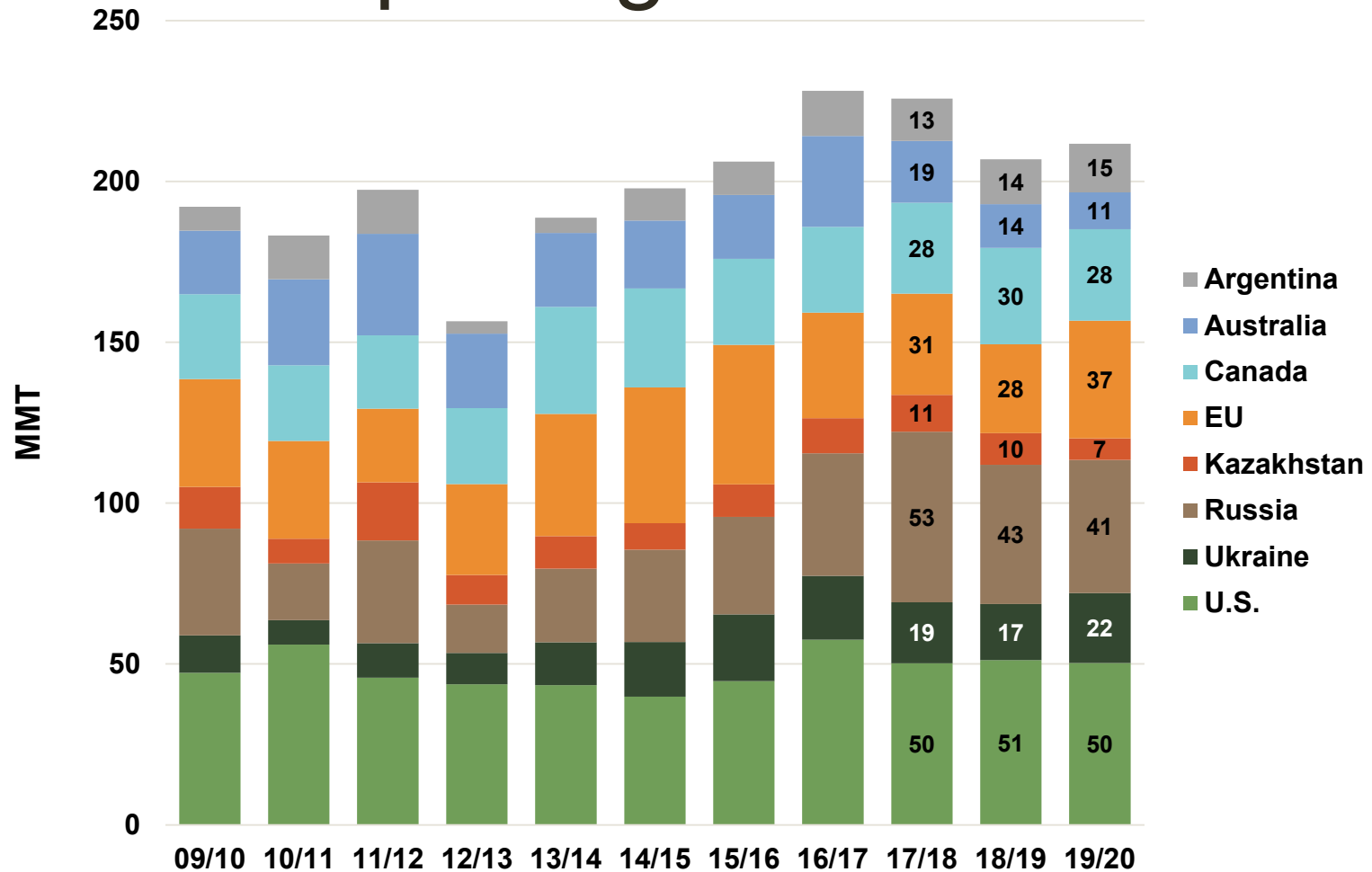
Major Exporters

Import Demand

U.S. Situation by Class

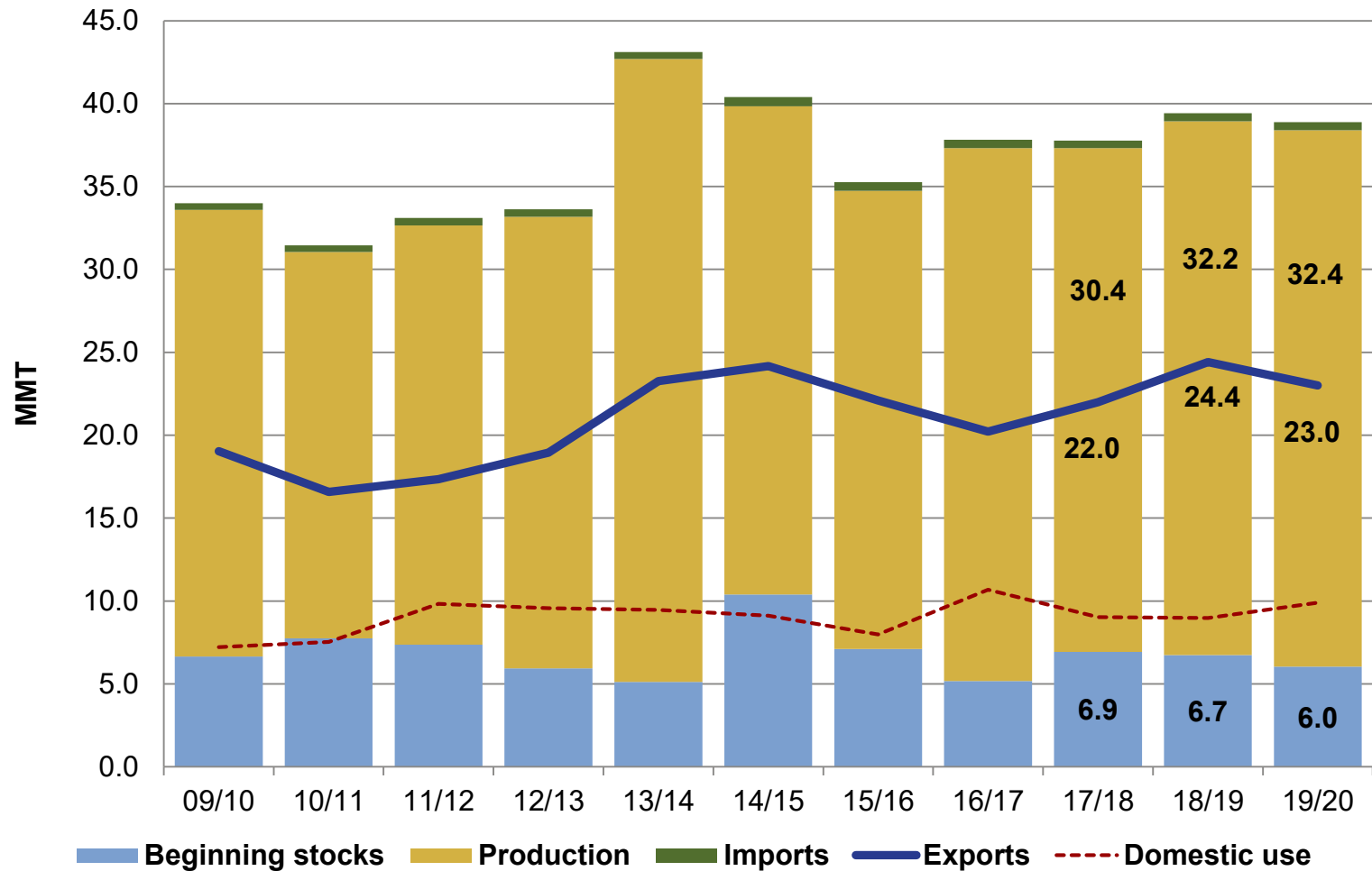
Outlook

Exportable Supplies in Top Exporting Countries

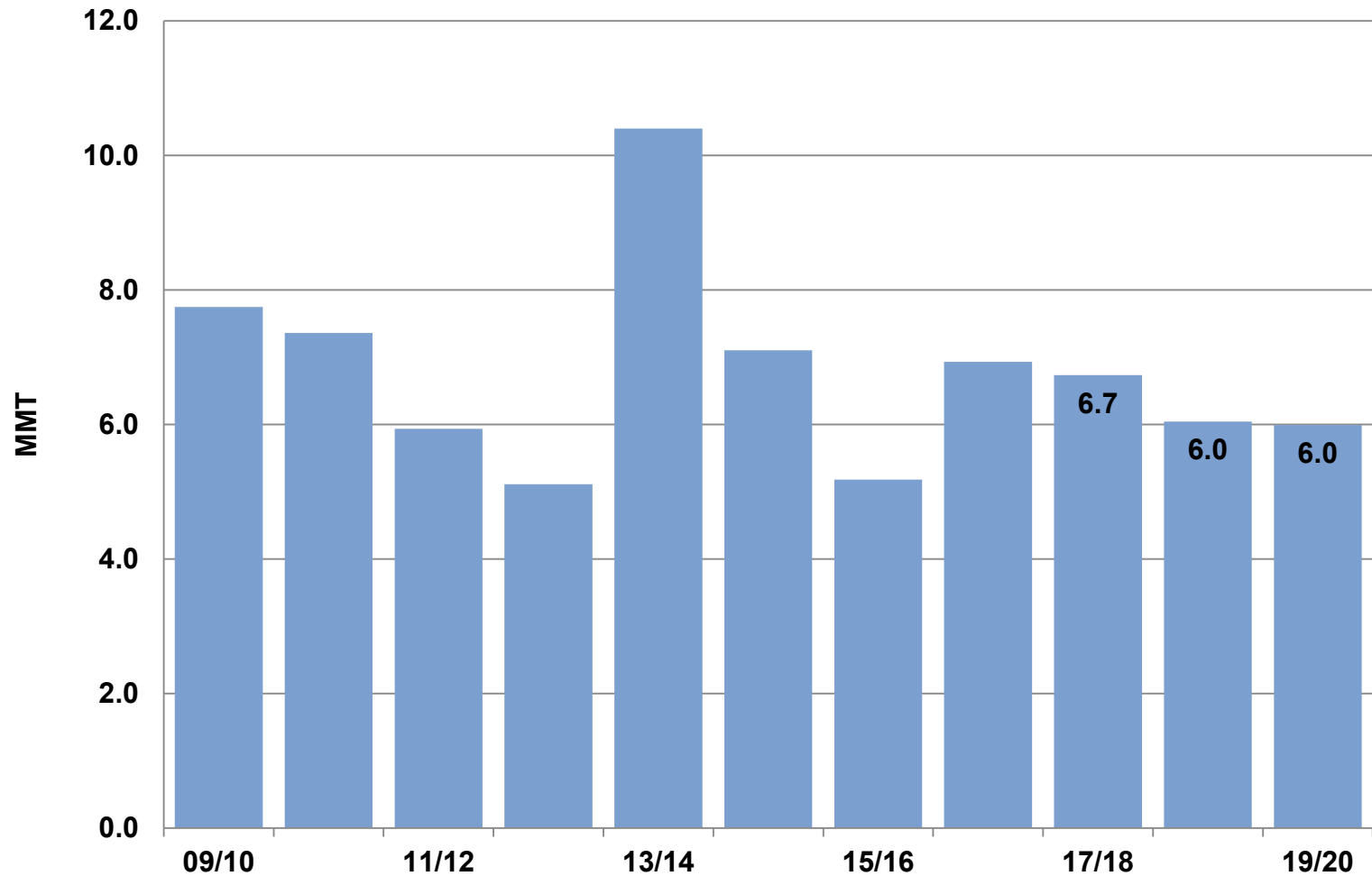


**Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption*

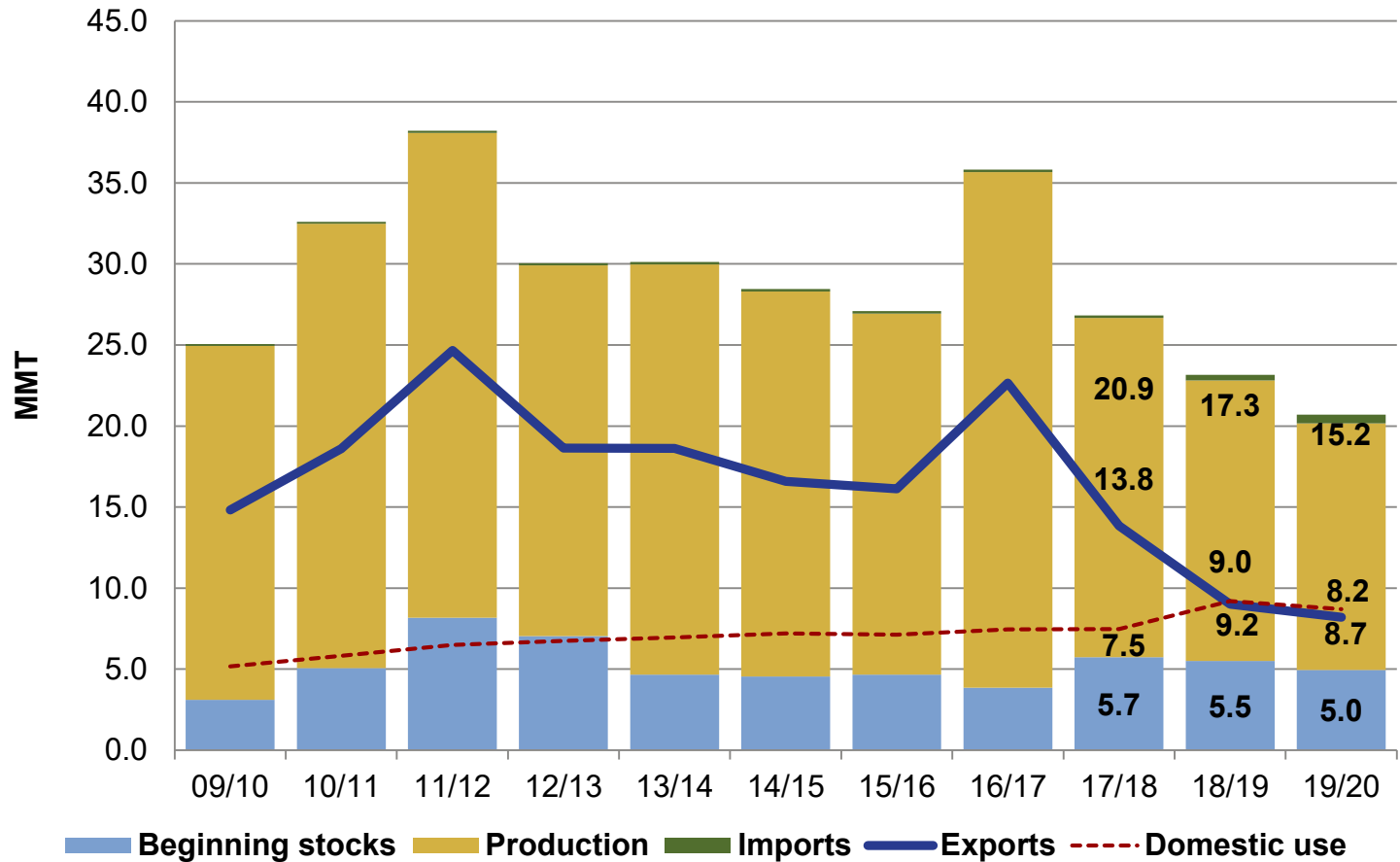
Canada Situation



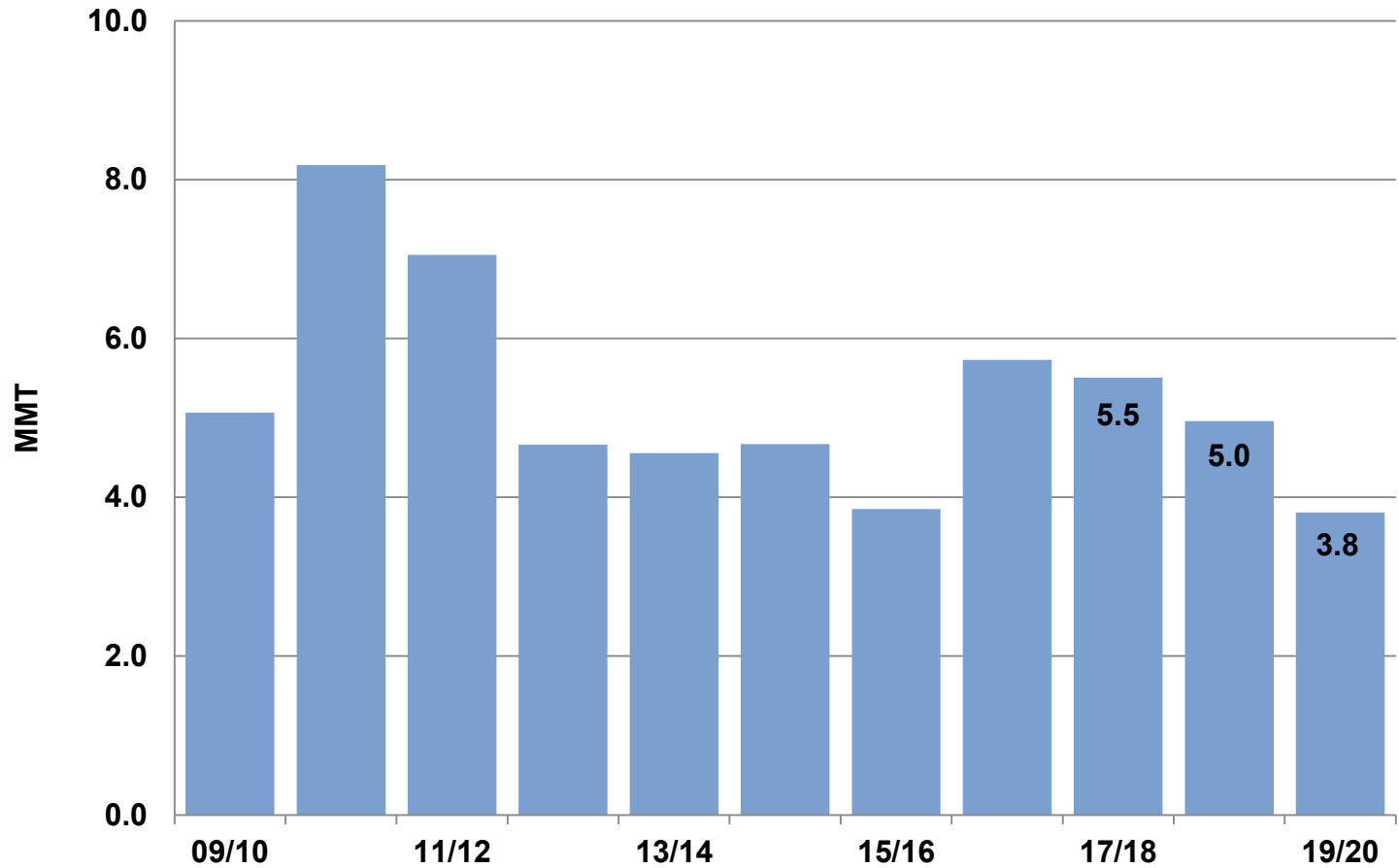
Canada Ending Stocks



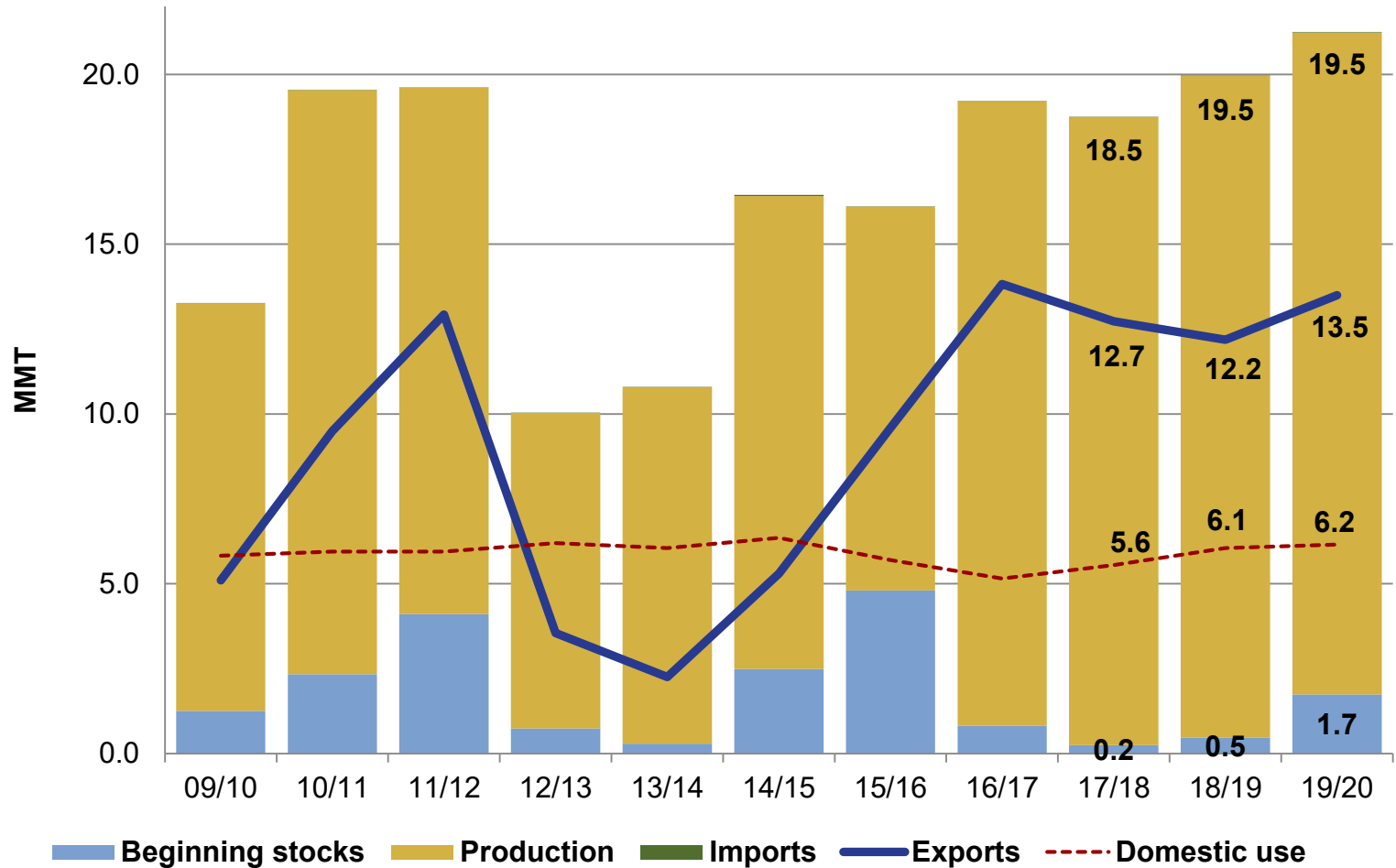
Australia Situation



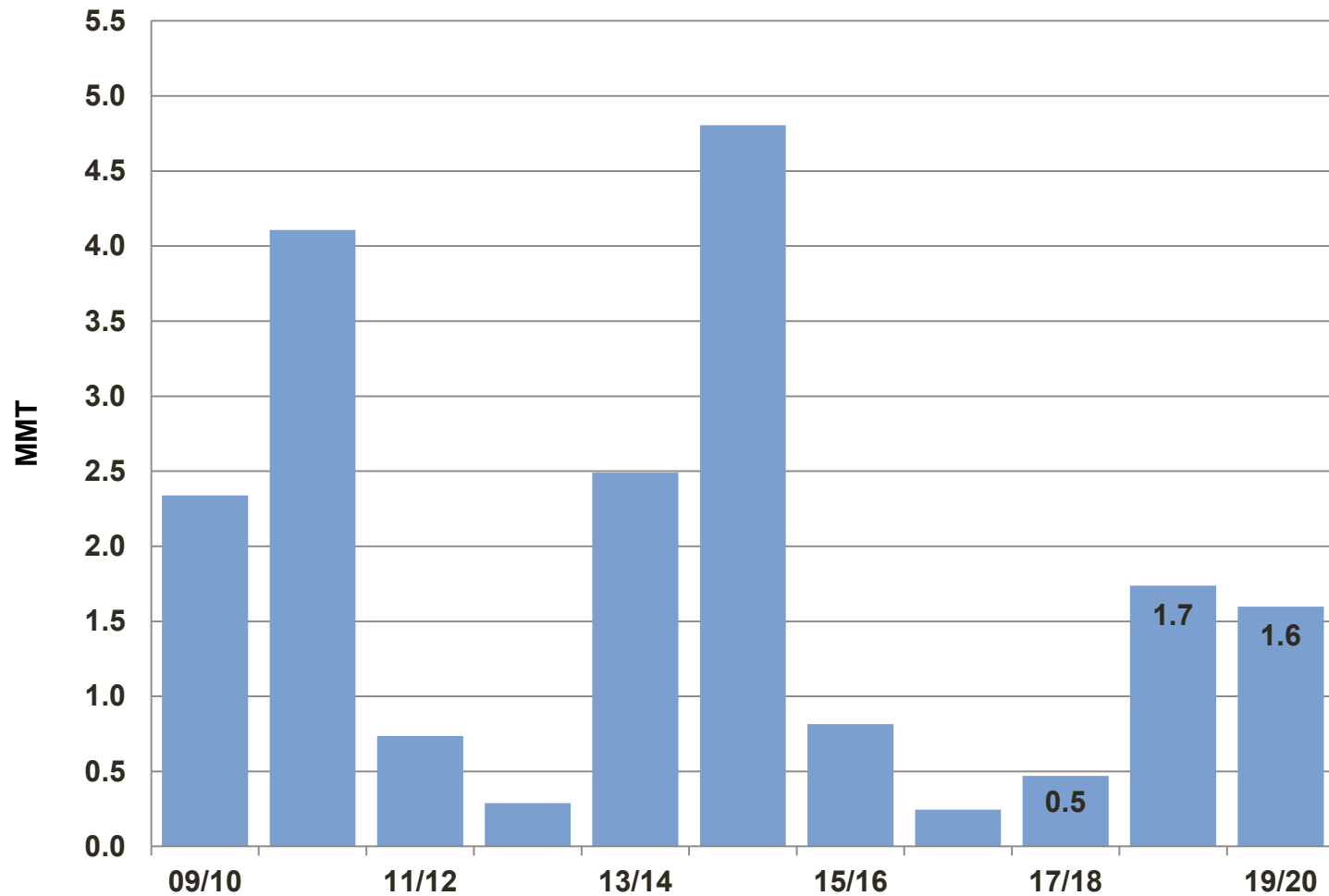
Australia Ending Stocks



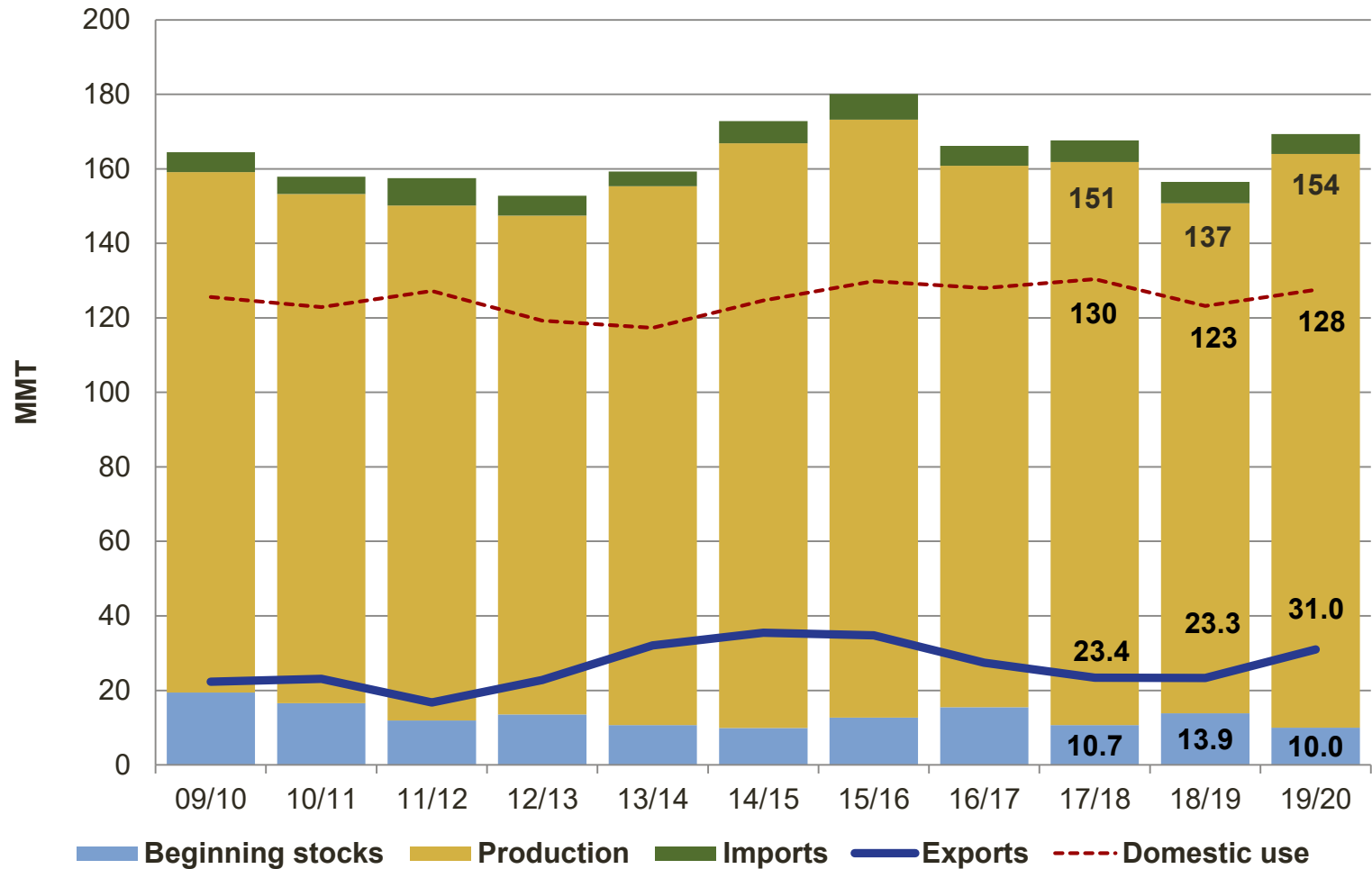
Argentina Situation



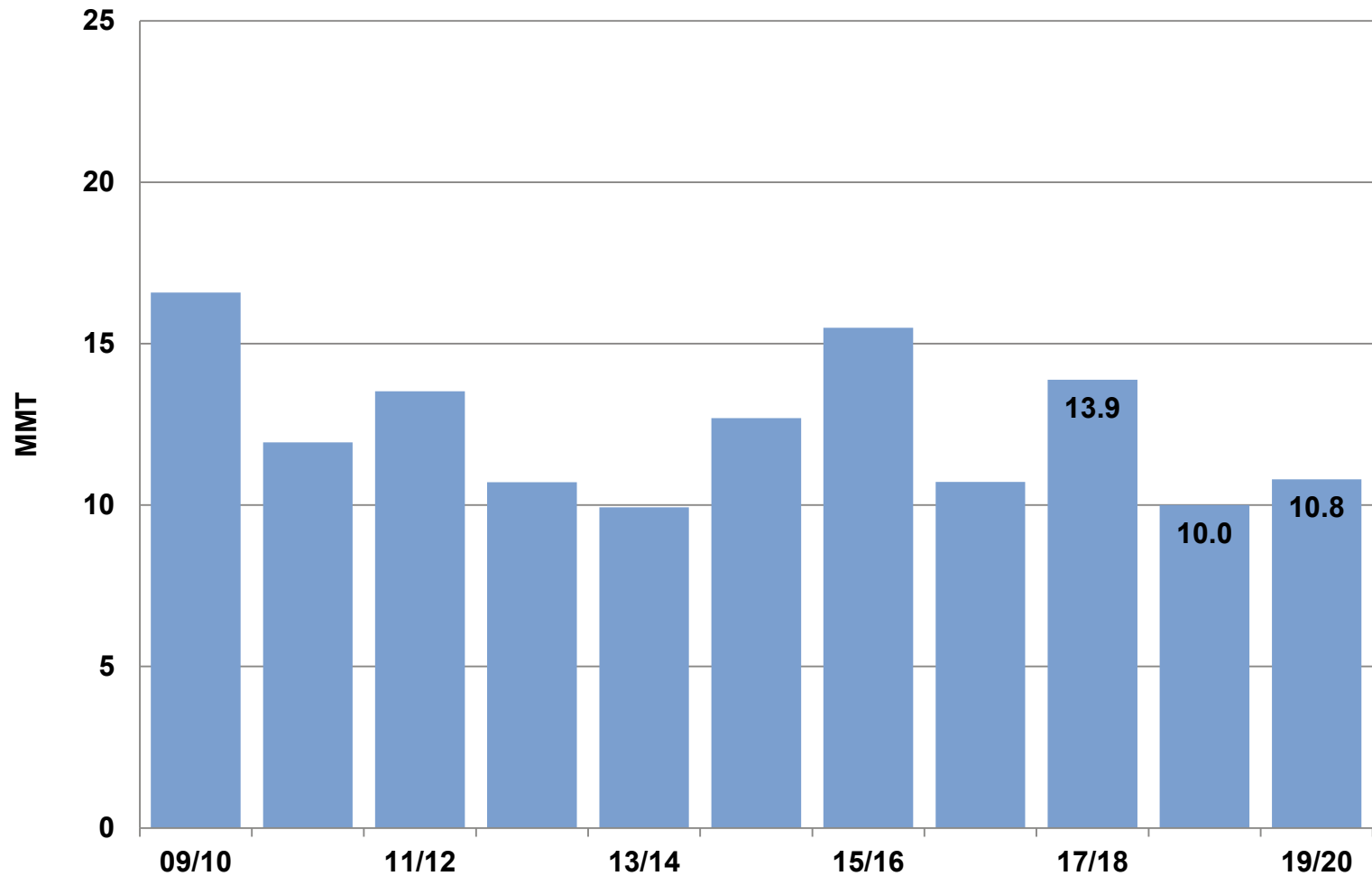
Argentina Ending Stocks



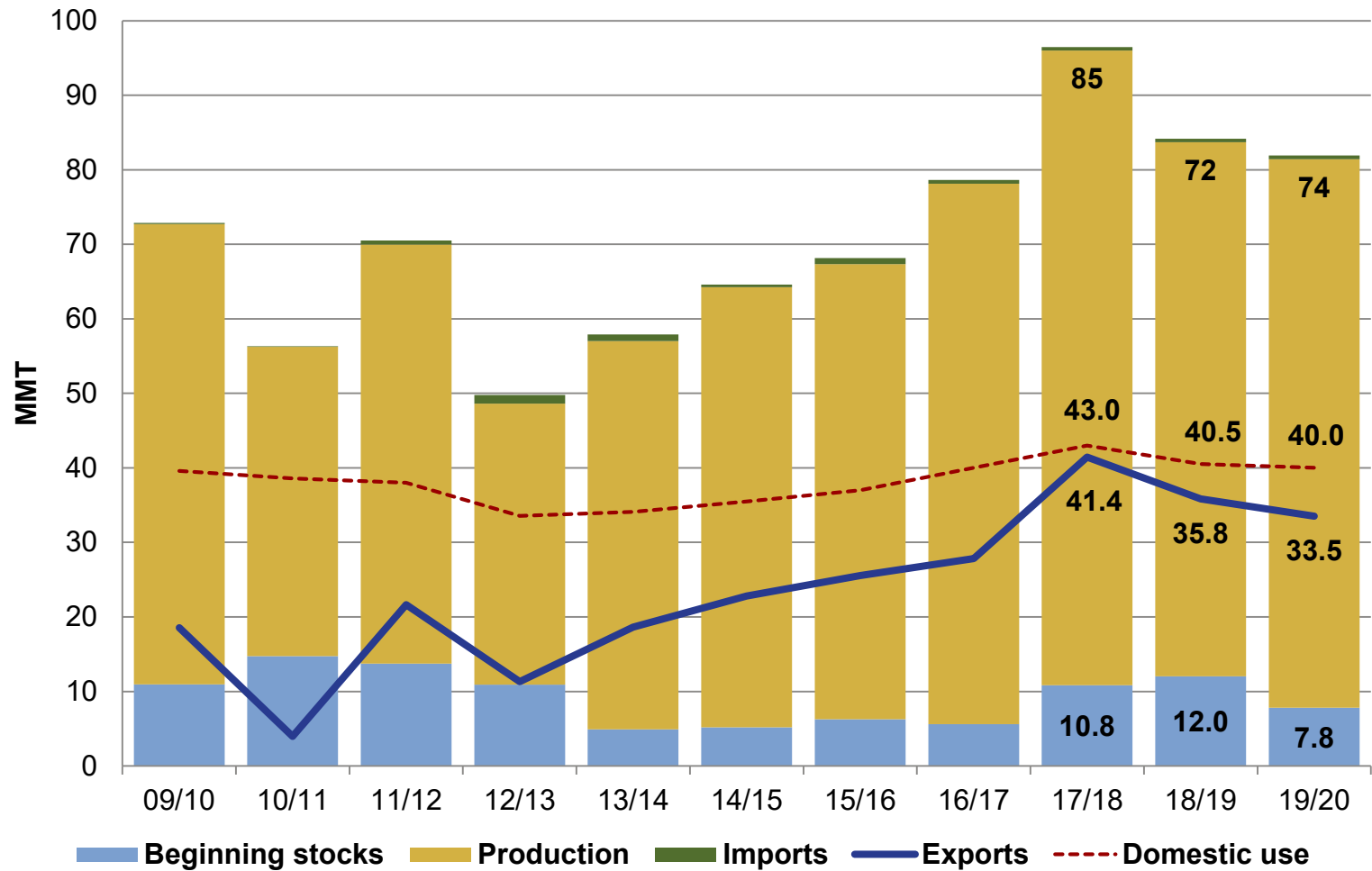
EU Situation



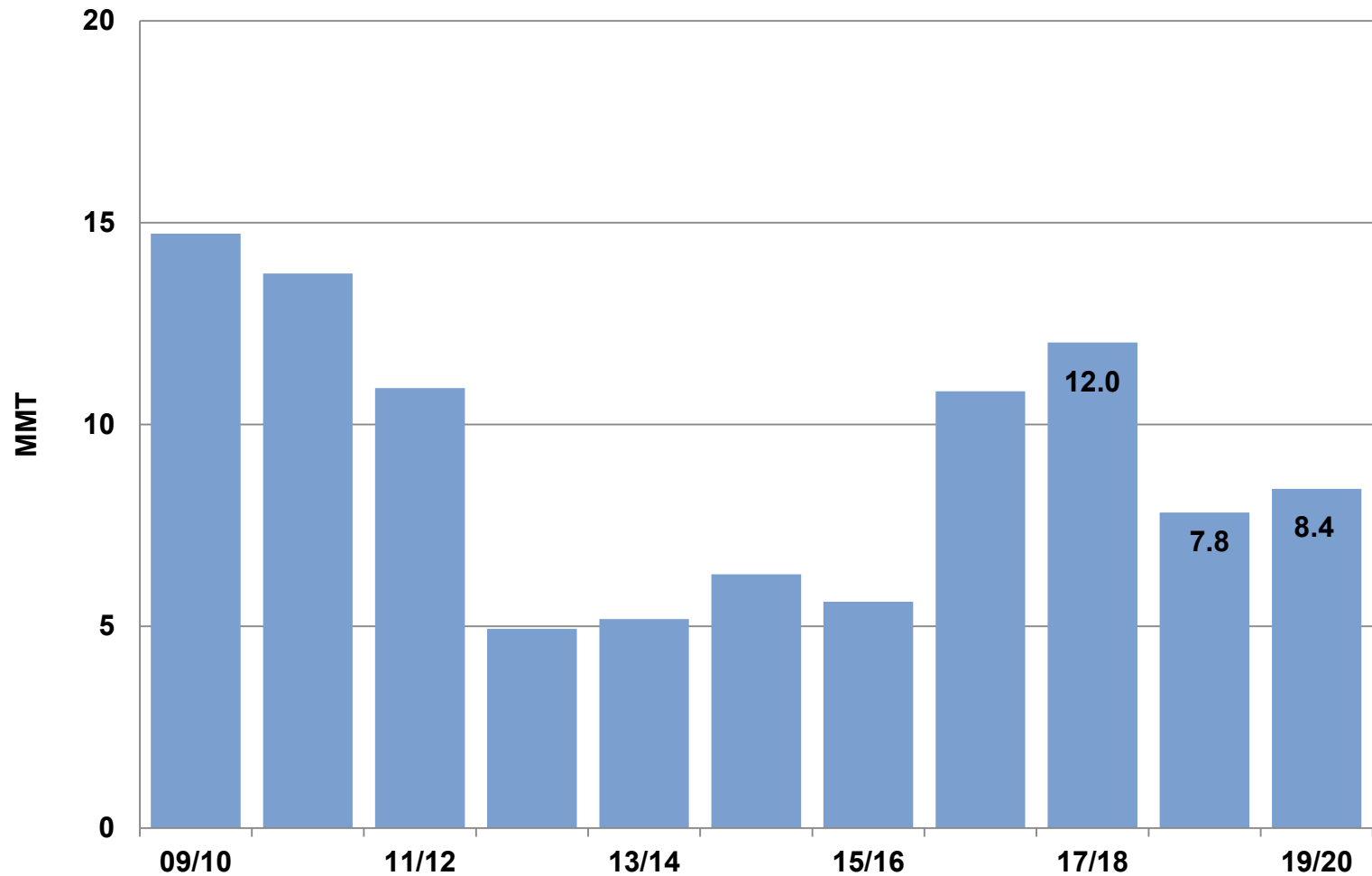
EU Ending Stocks



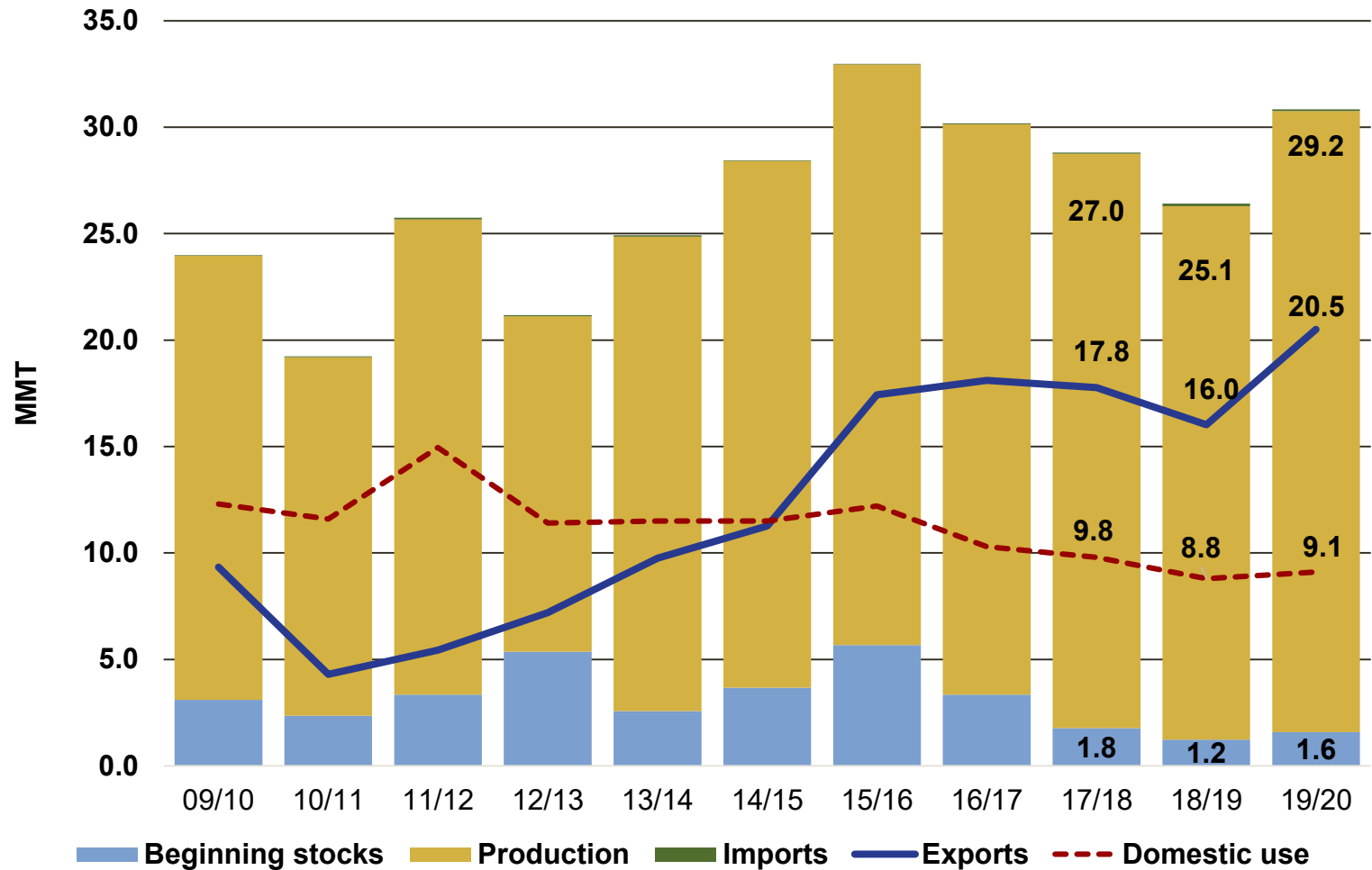
Russia Situation



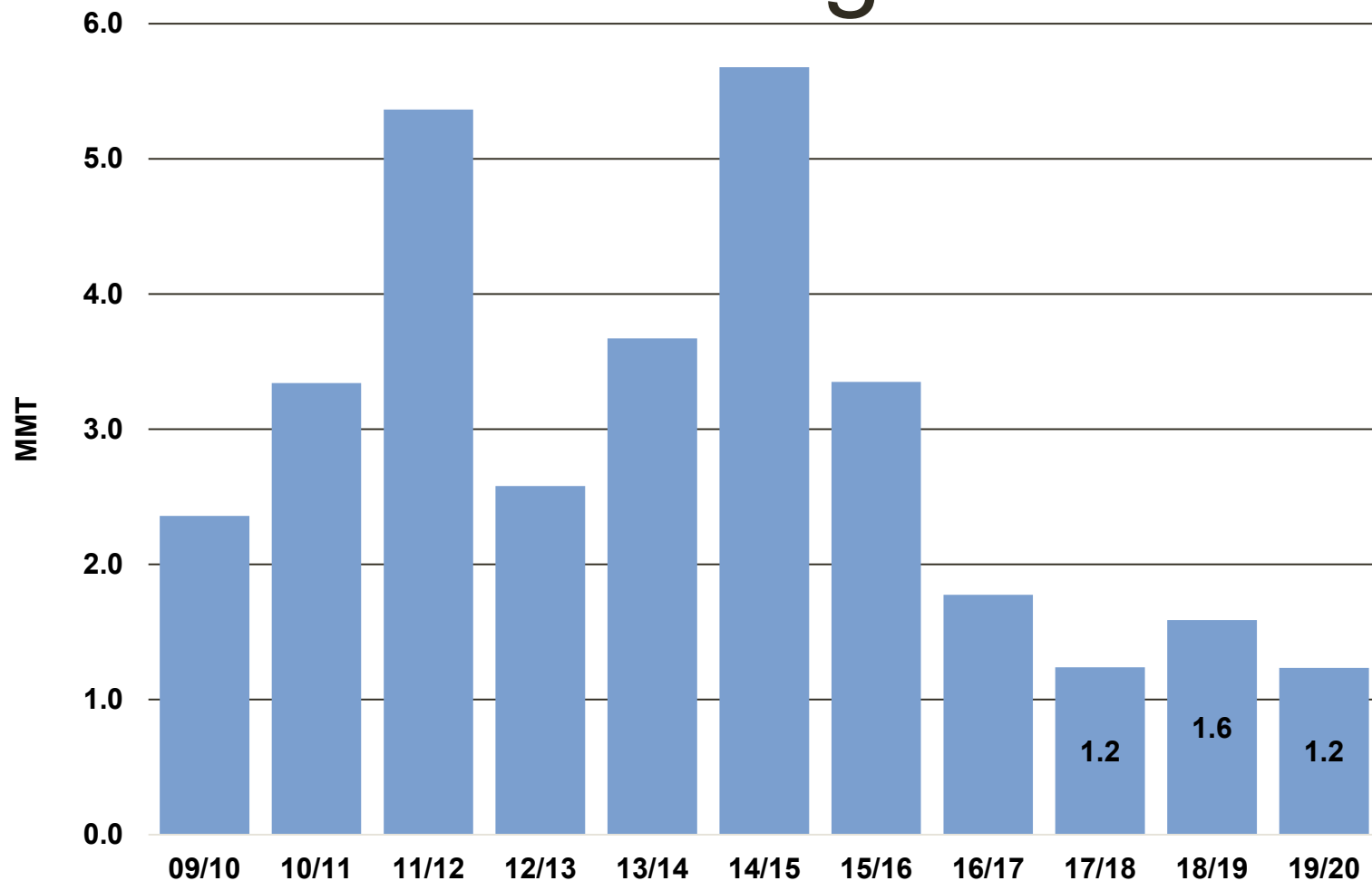
Russia Ending Stocks



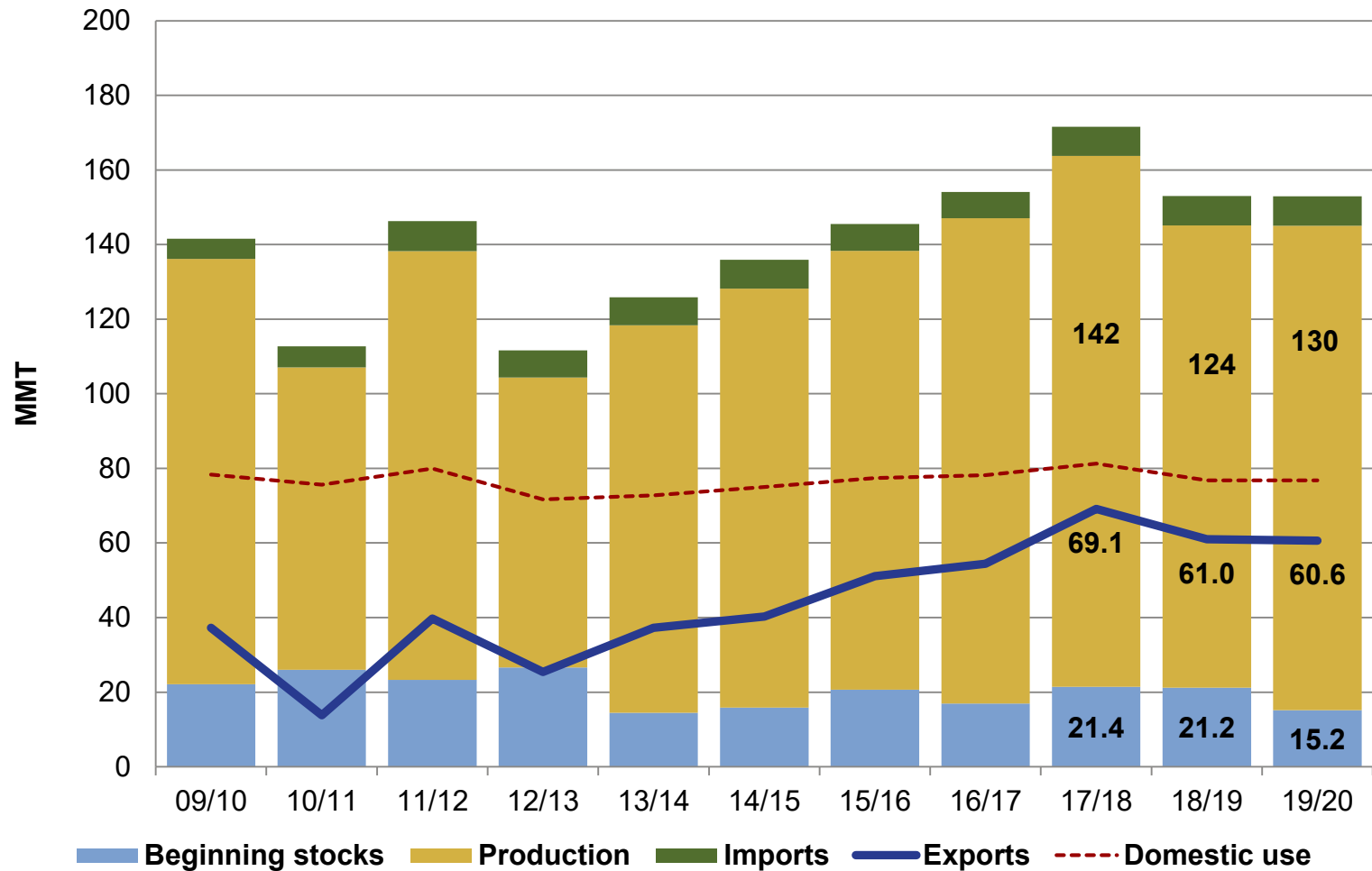
Ukraine Situation



Ukraine Ending Stocks

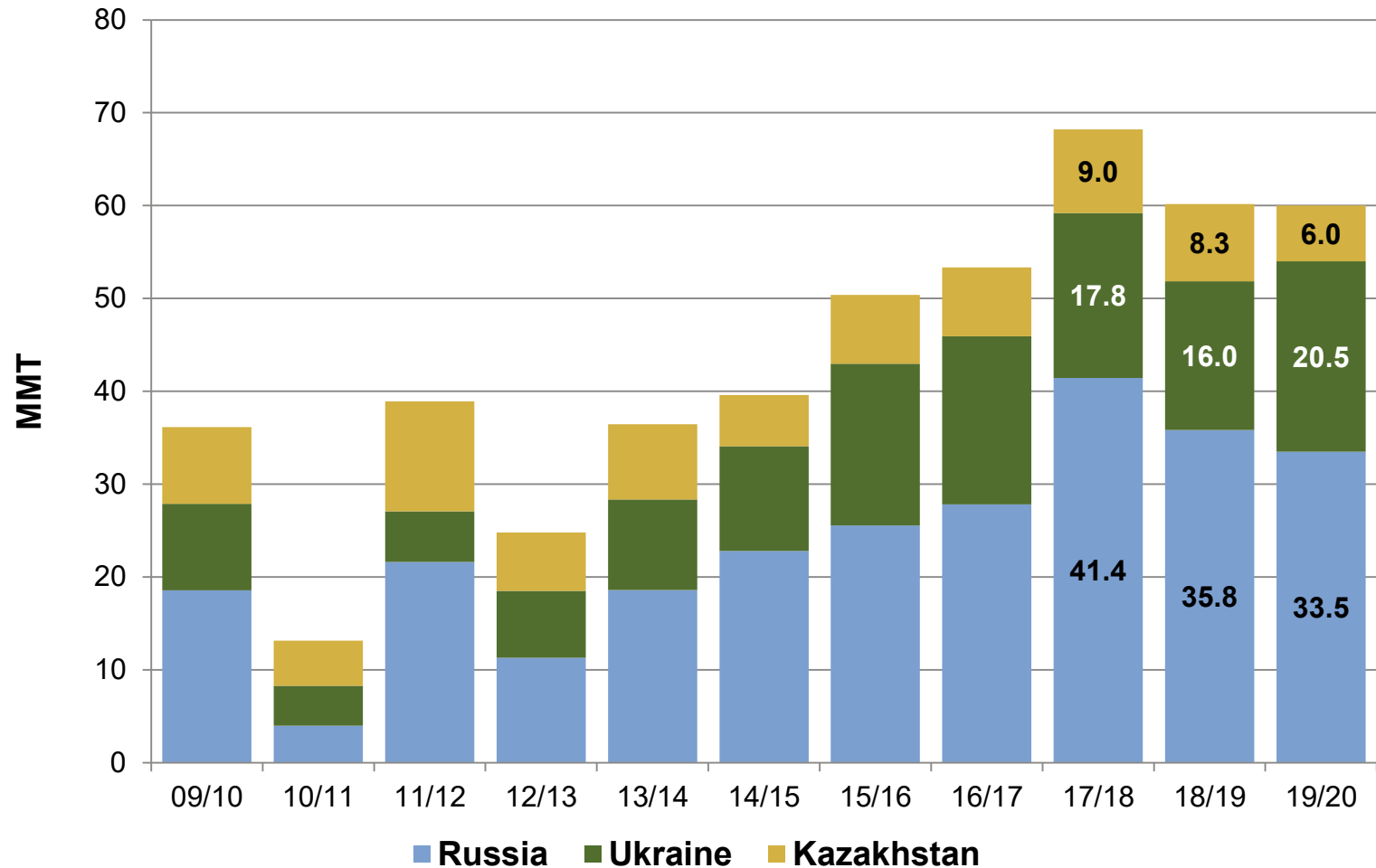


Black Sea Region Situation



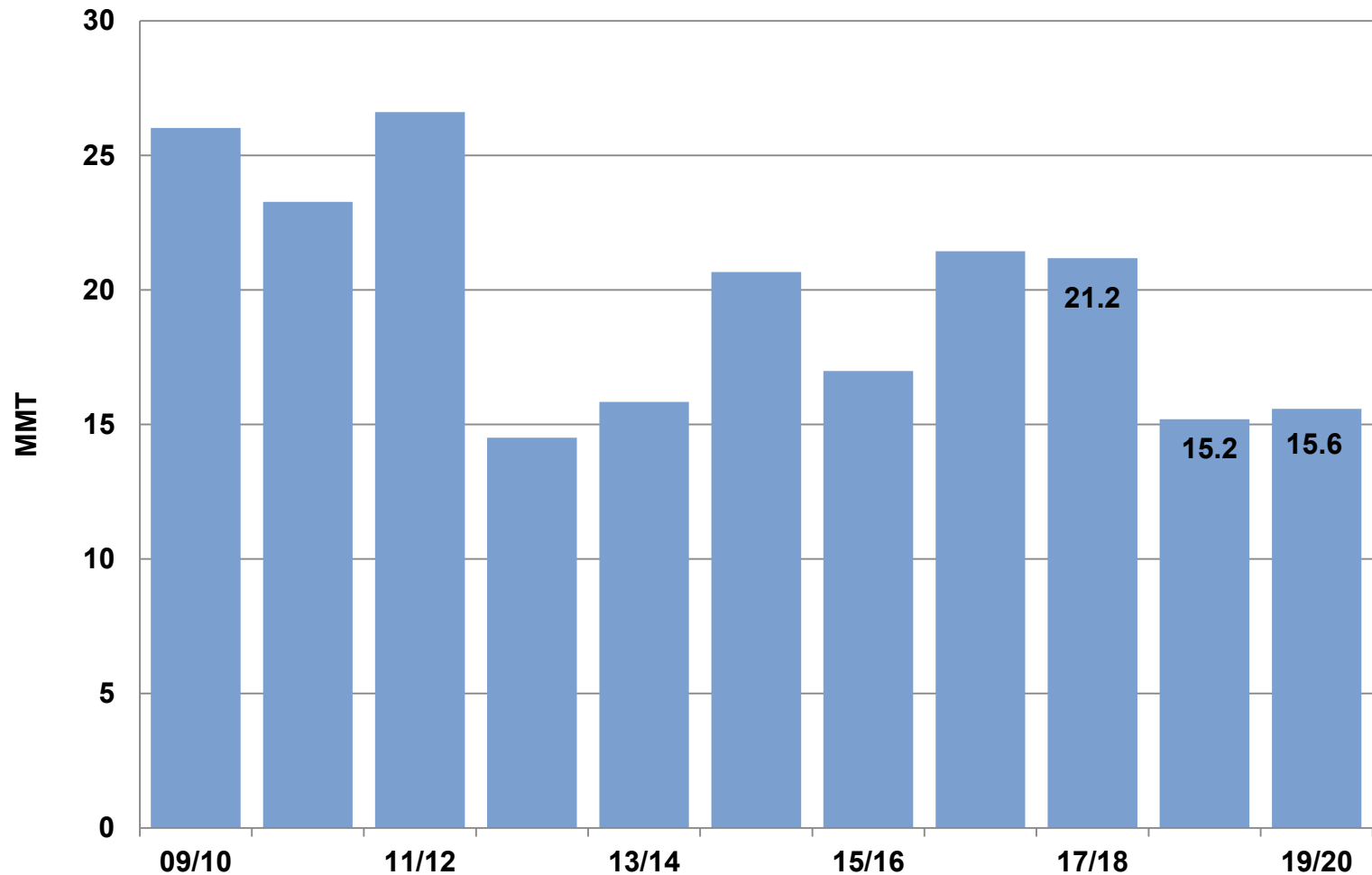
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports



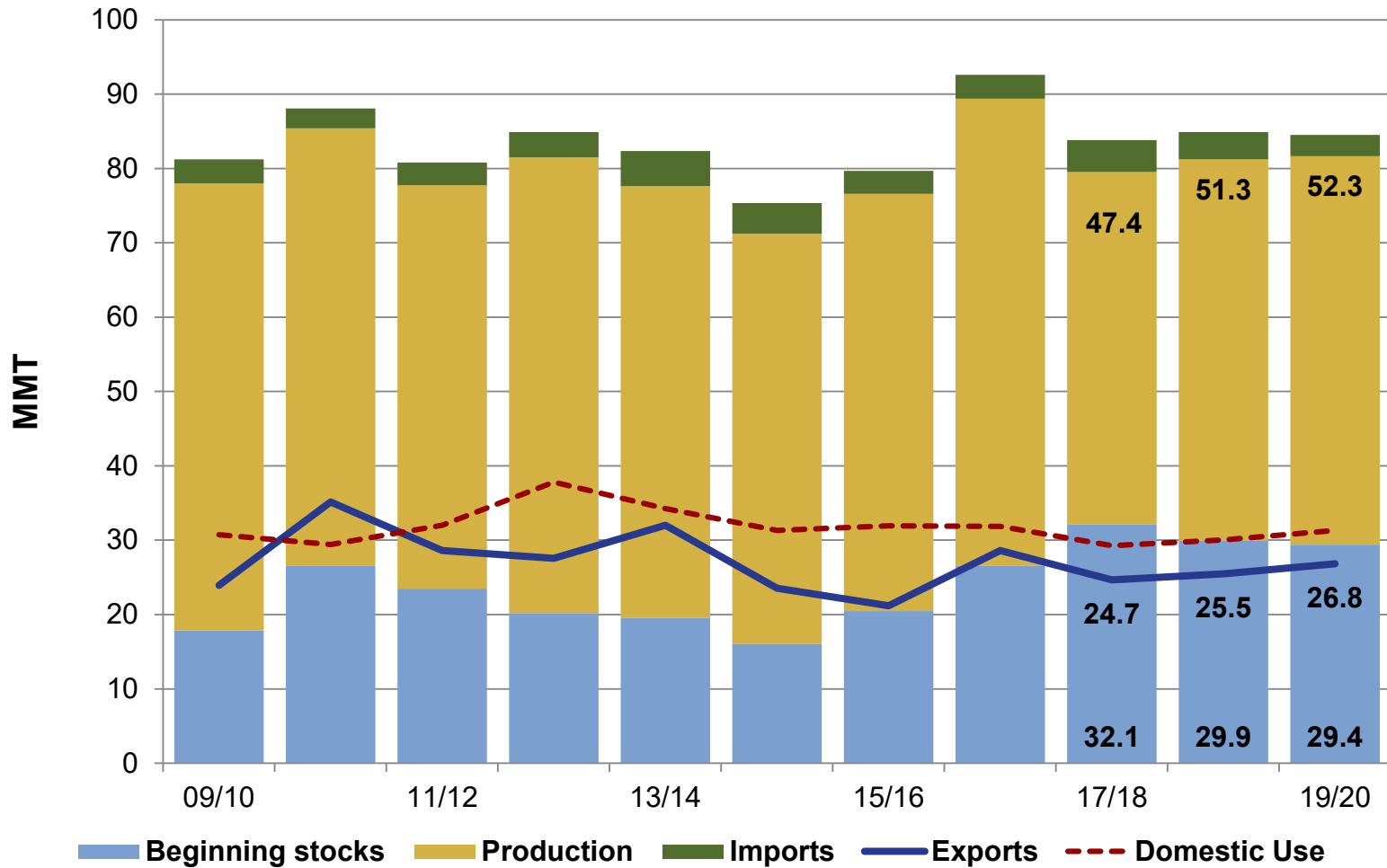
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Ending Stocks

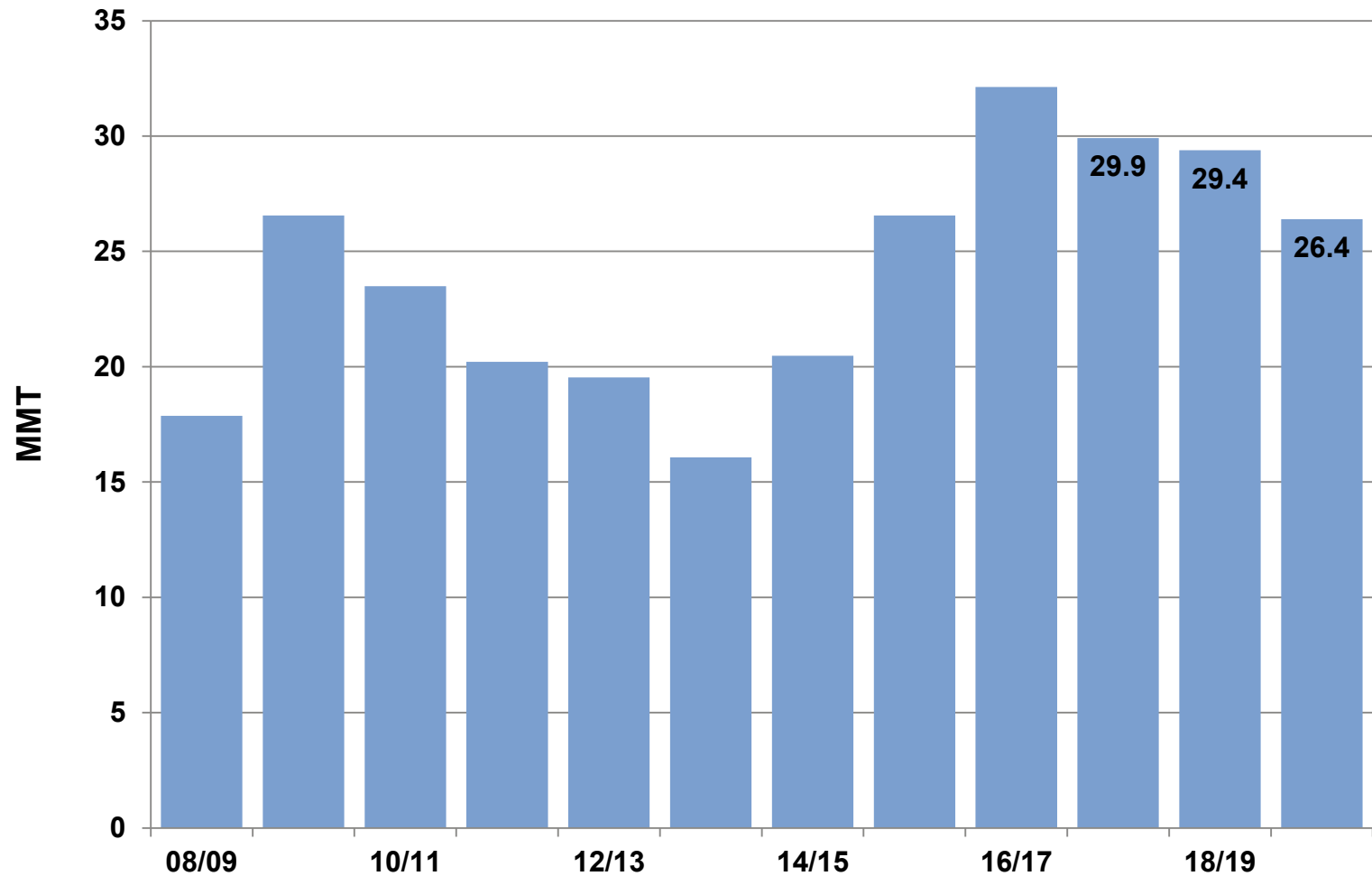


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

U.S. Situation



U.S. Ending Stocks





Major Exporters

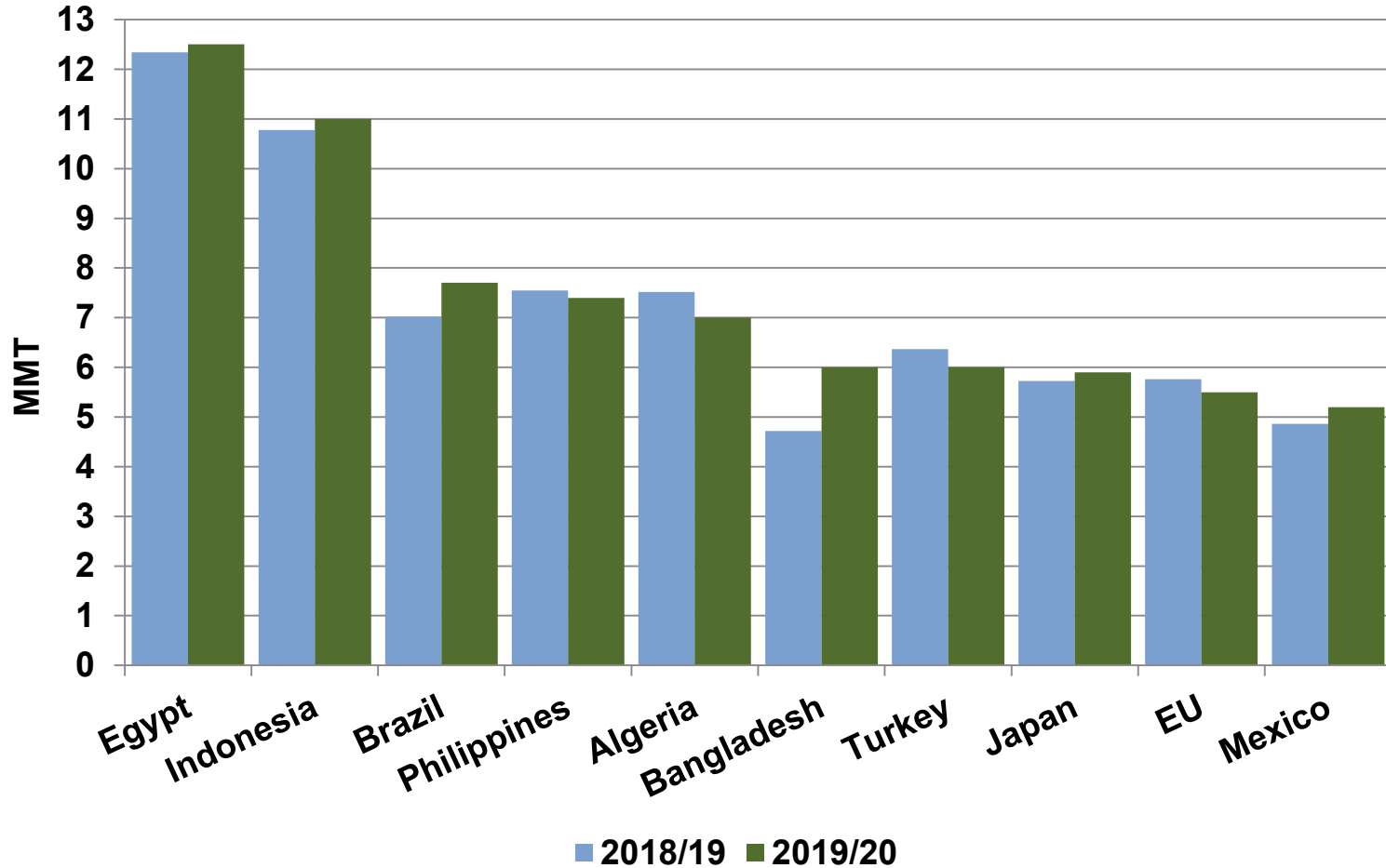
Import Demand

U.S. Situation by Class

Outlook

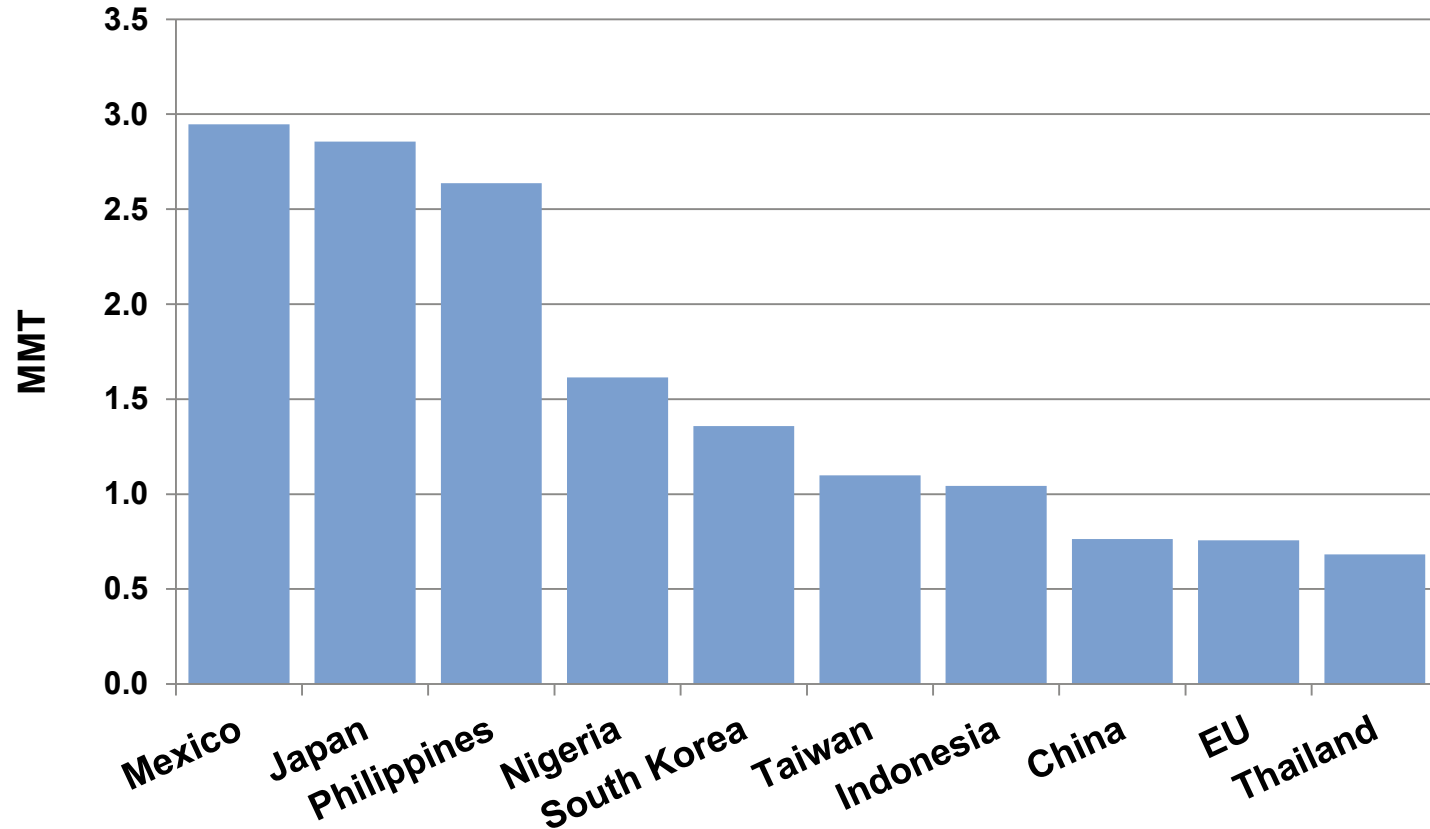
Major World Wheat Importers

(from all origins)



Top 10 Customers for U.S. Wheat

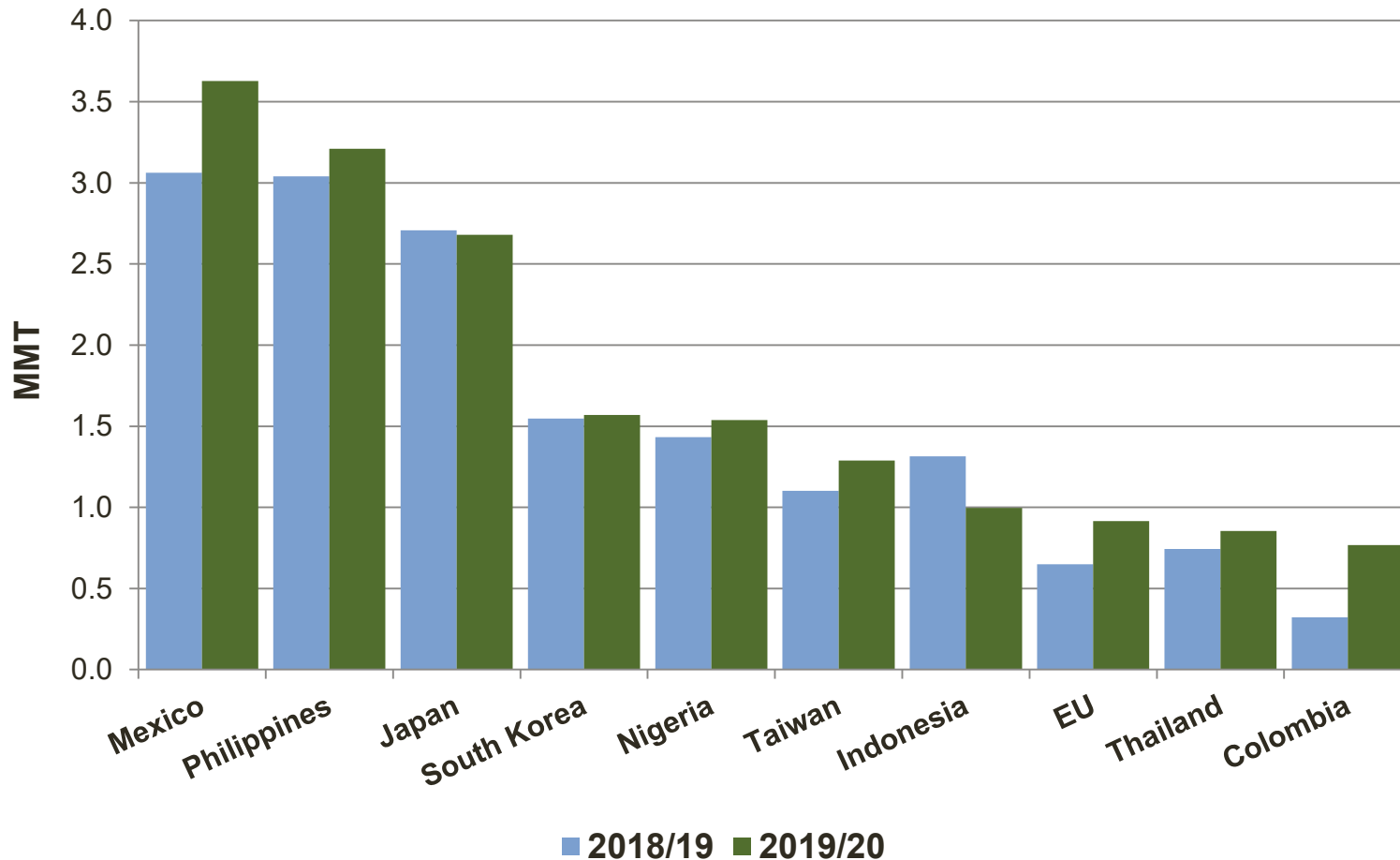
5-year average



Source: USDA FAS export sales data as of May 31, 2019

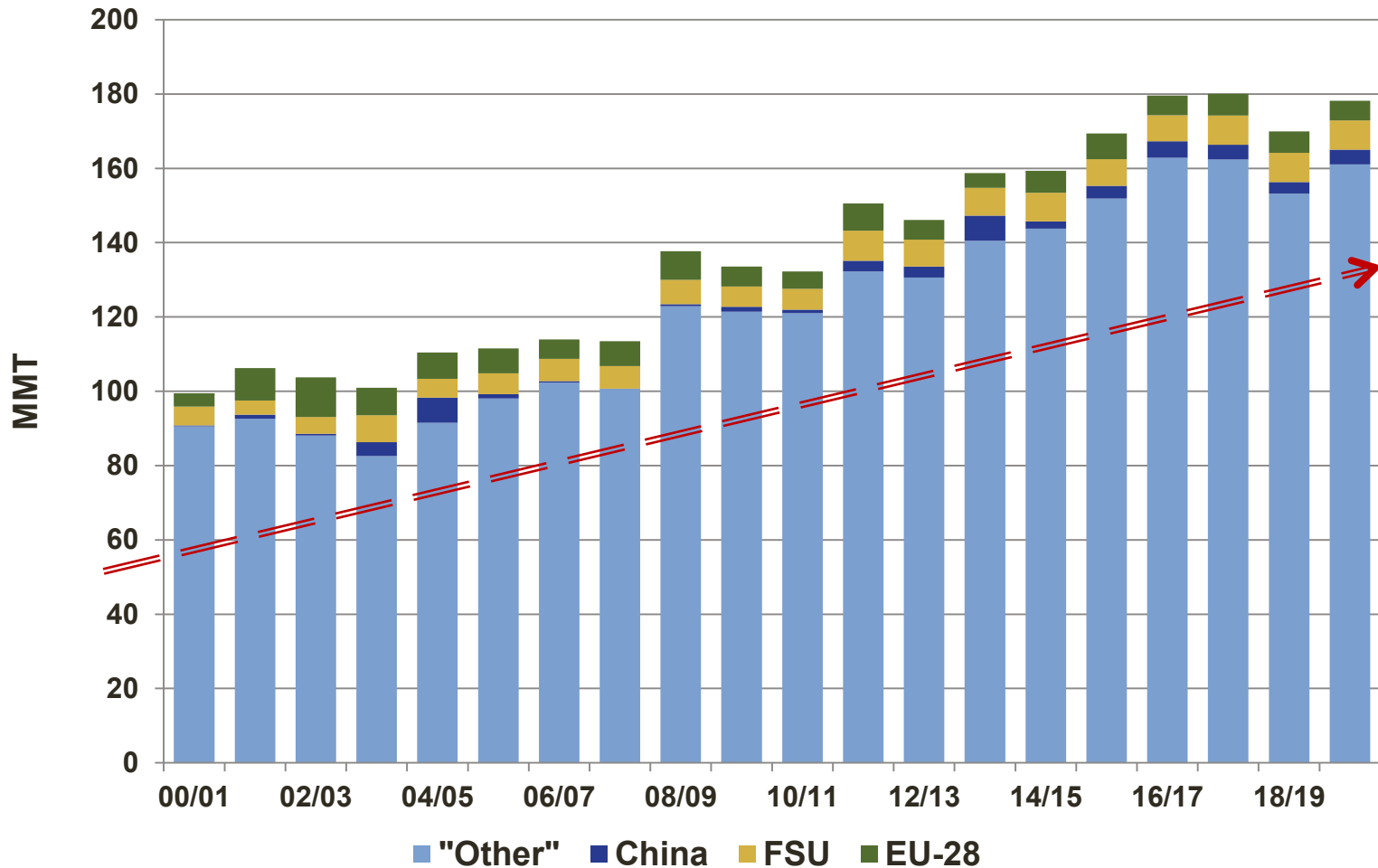
Top 10 Customers for U.S. Wheat

Year-to-date



Source: USDA FAS export sales data as of April 2, 2020

World Wheat Imports



Trend in "other" importers denoted (—>)



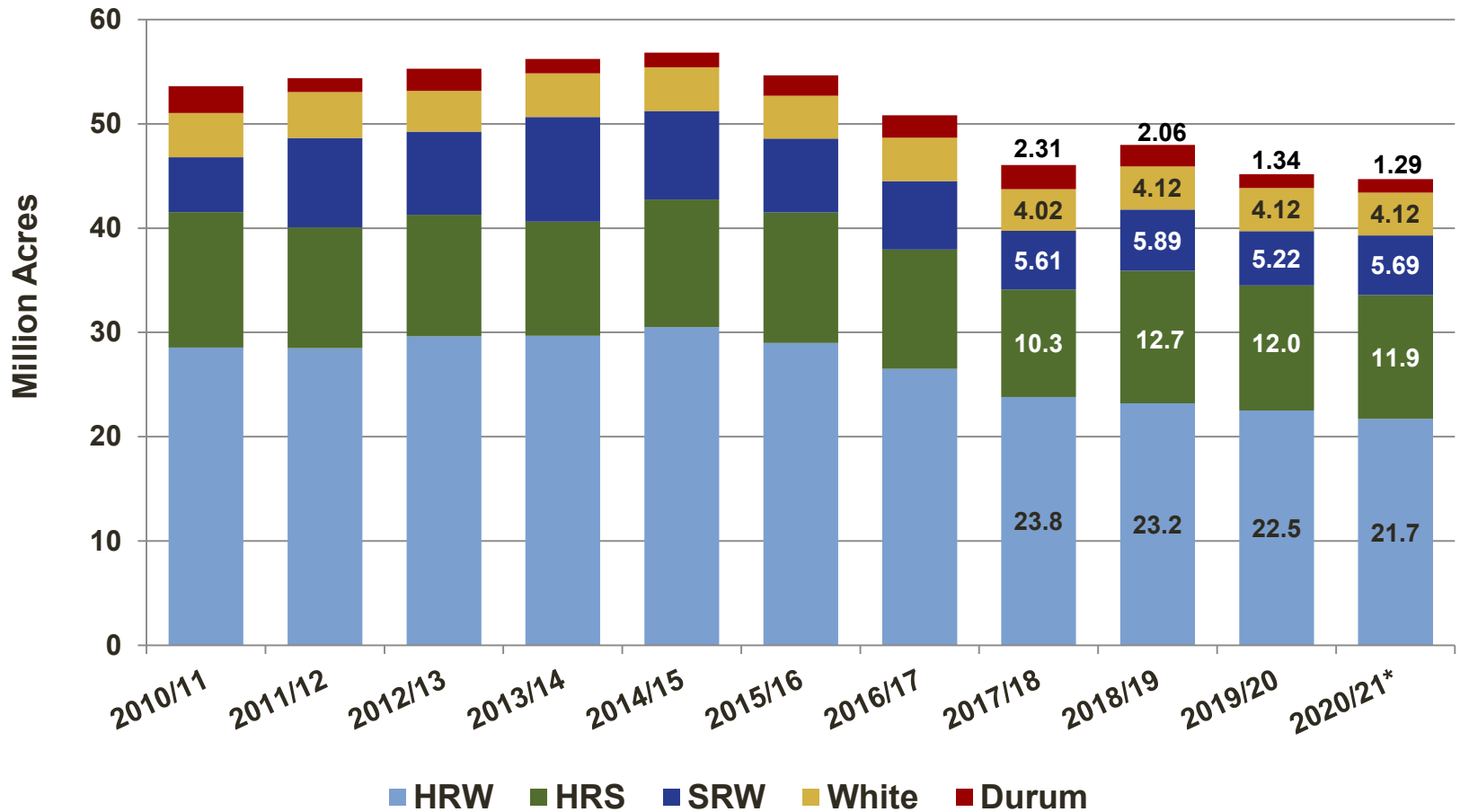
Major Exporters

Import Demand

U.S. Situation by Class

Outlook

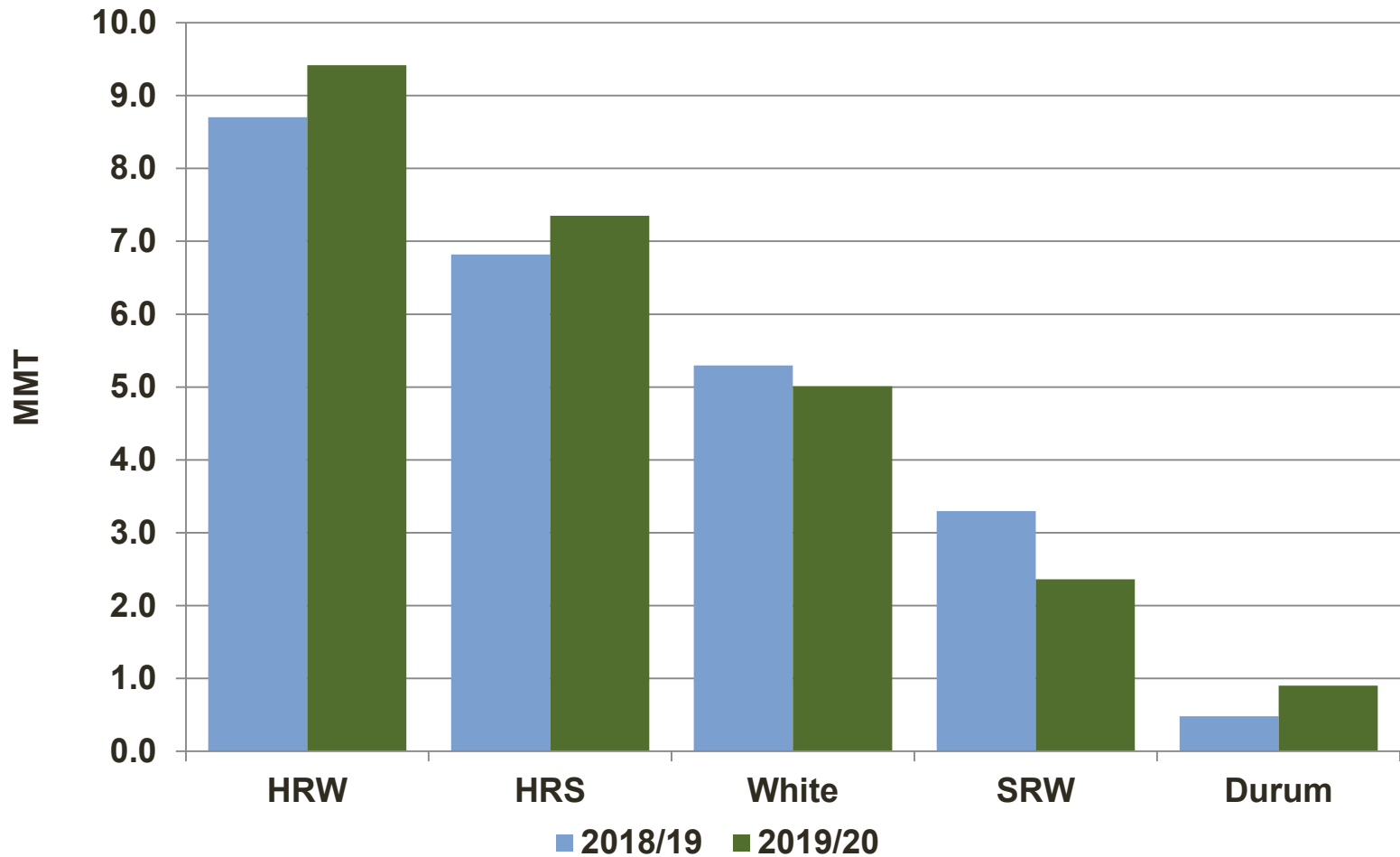
U.S. Wheat Planted Area



*Source: USDA March 2020 Prospective Plantings Report

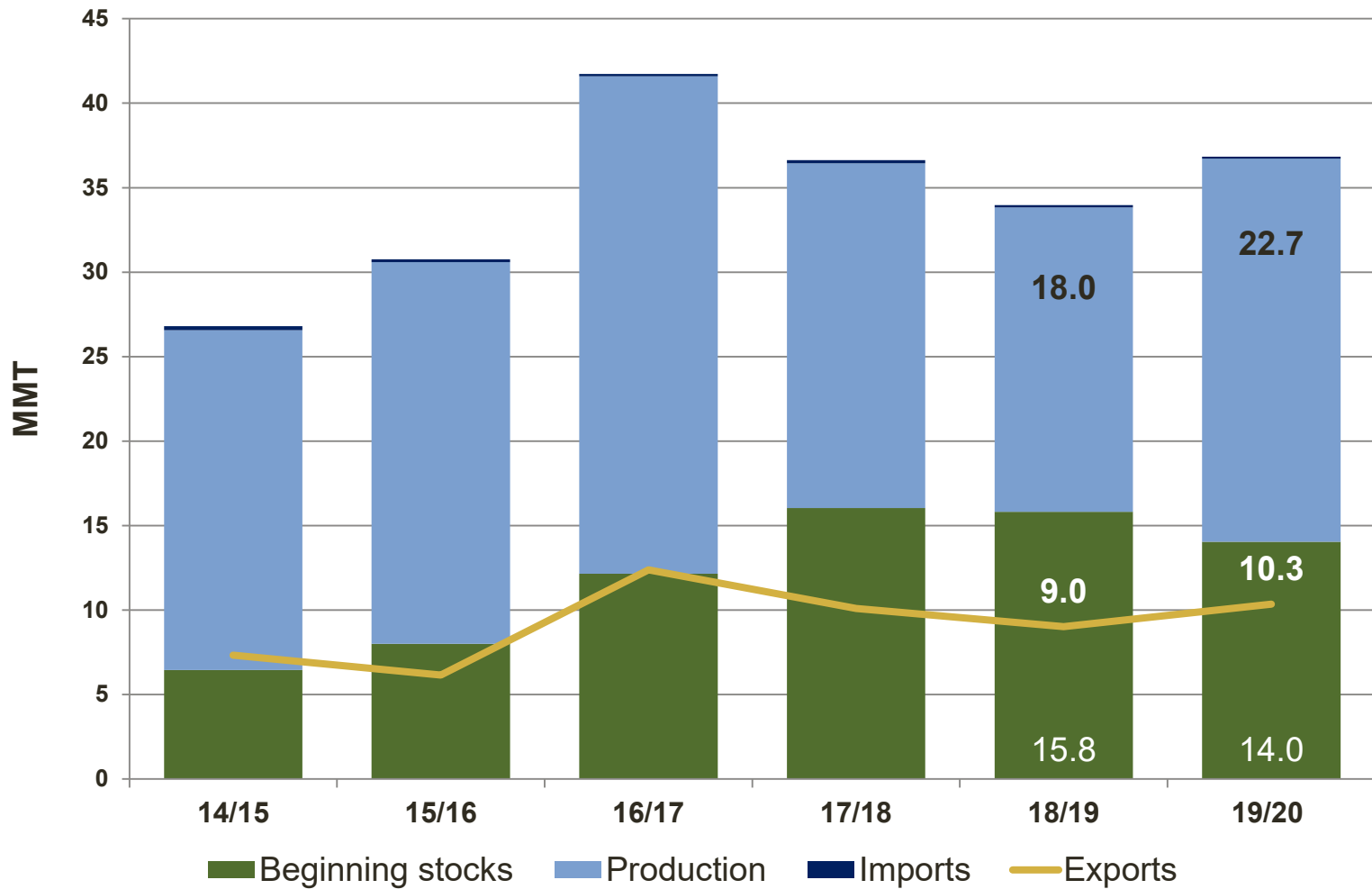
U.S. Wheat Sales by Class

(year-to-date)

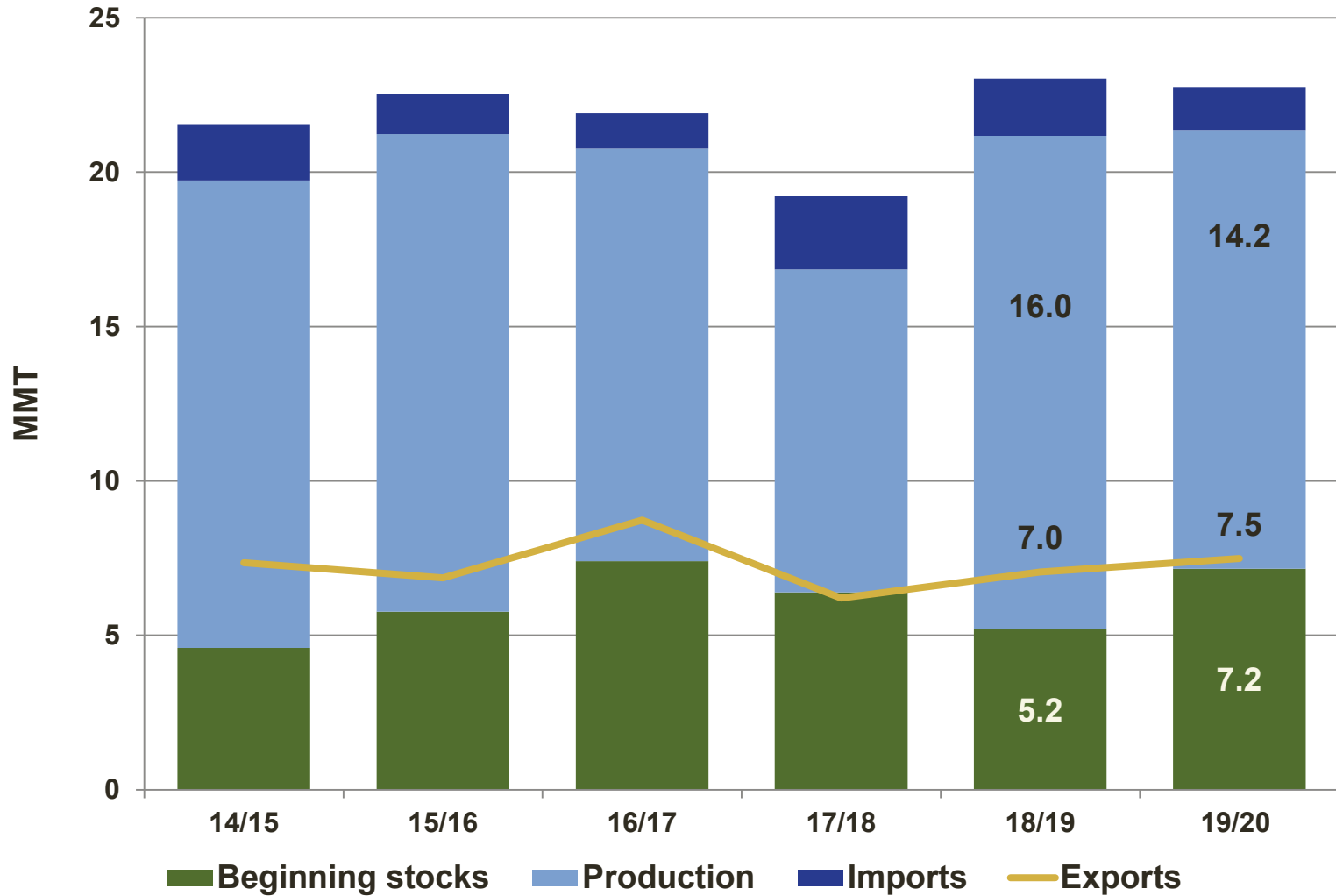


Source: USDA FAS export sales data as of April 2, 2020

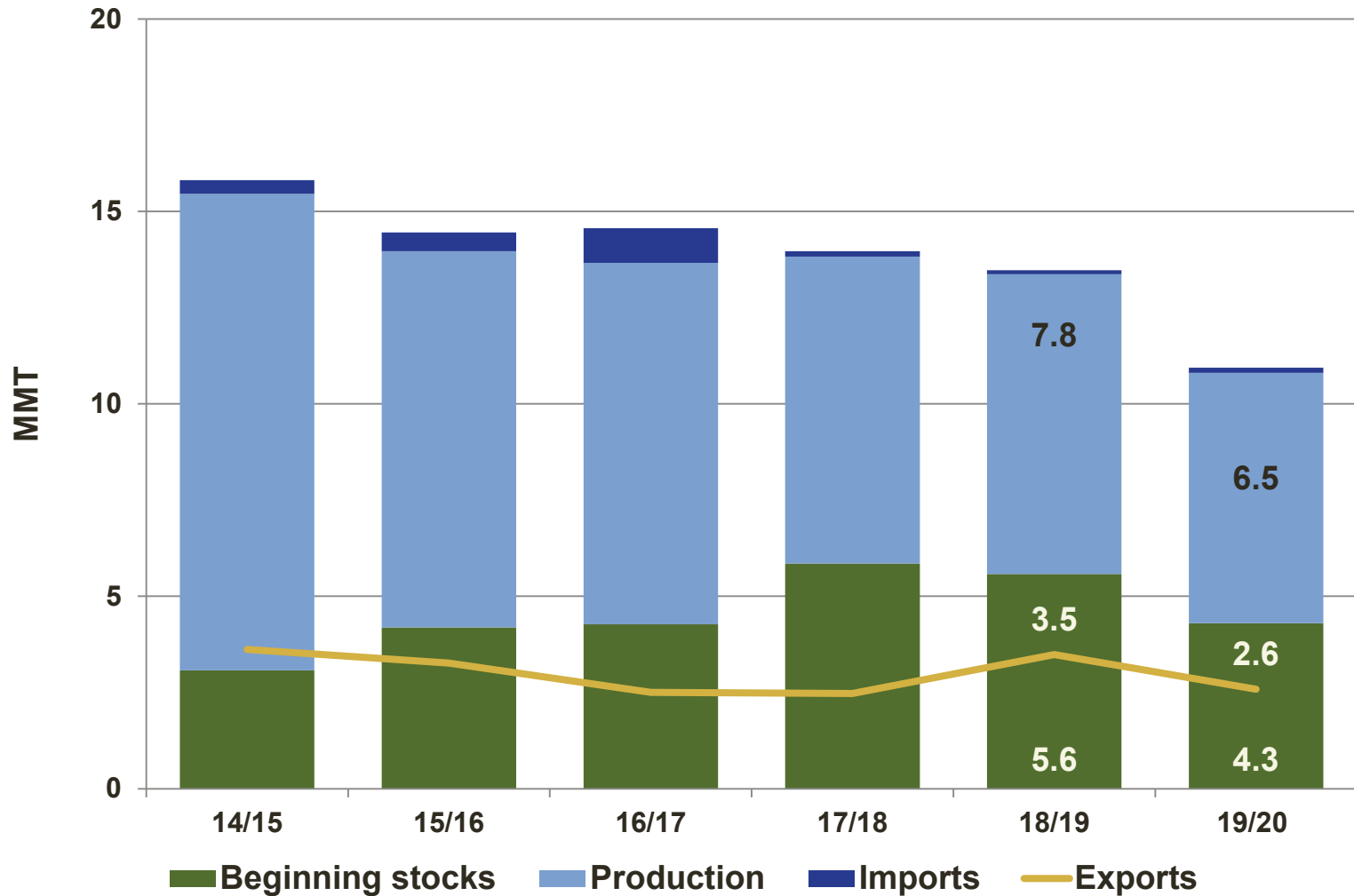
U.S. Hard Red Winter



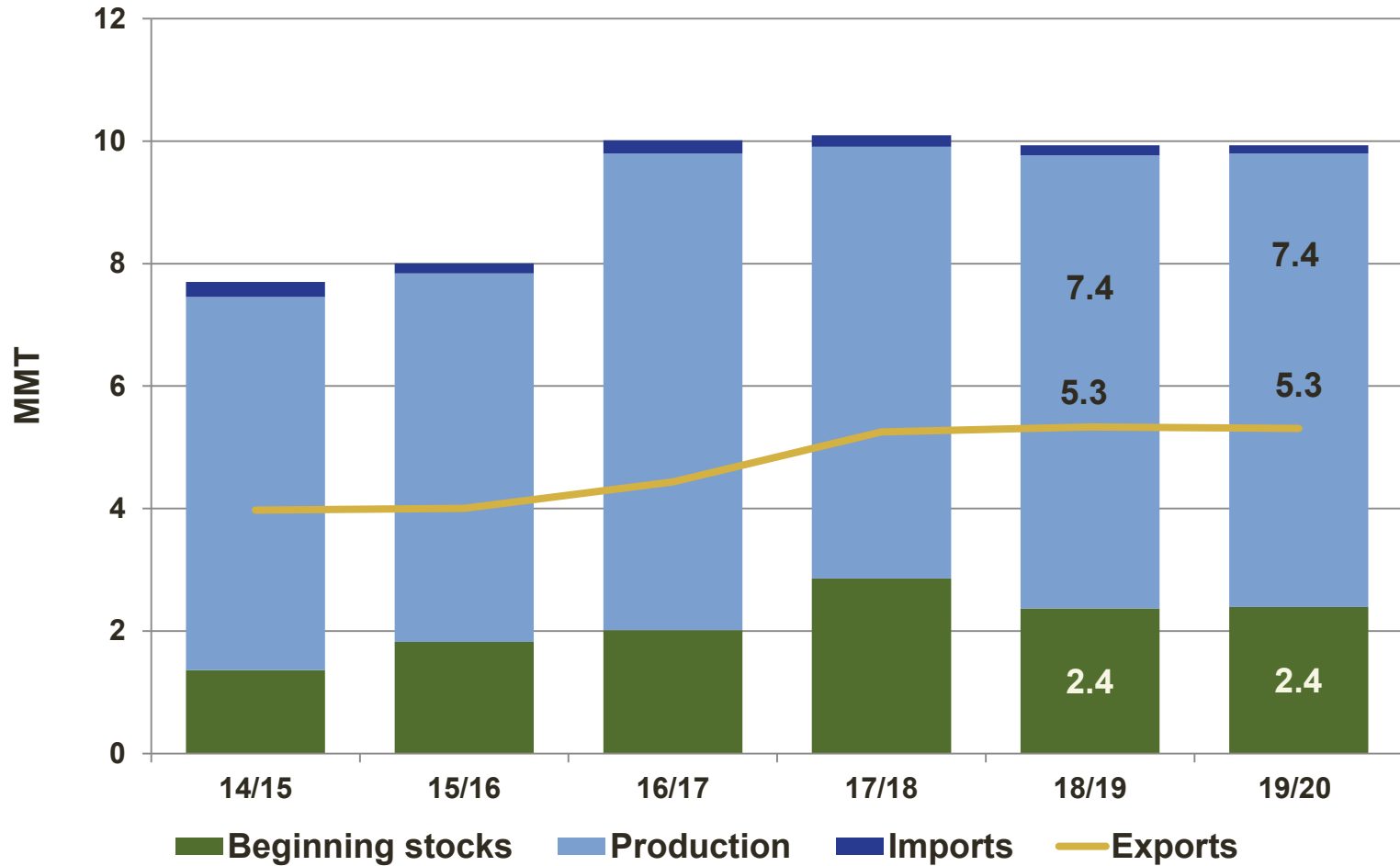
U.S. Hard Red Spring



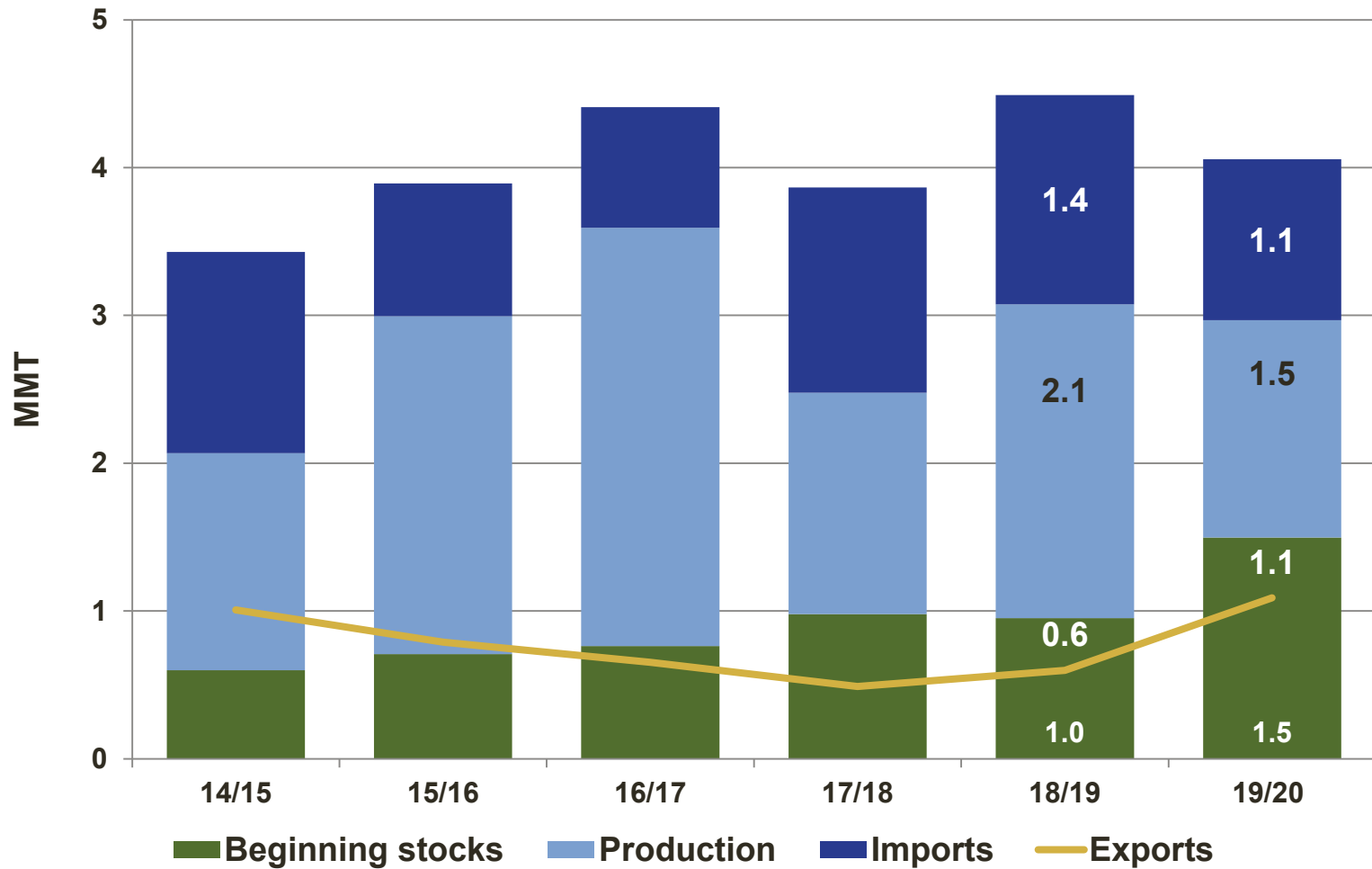
U.S. Soft Red Winter



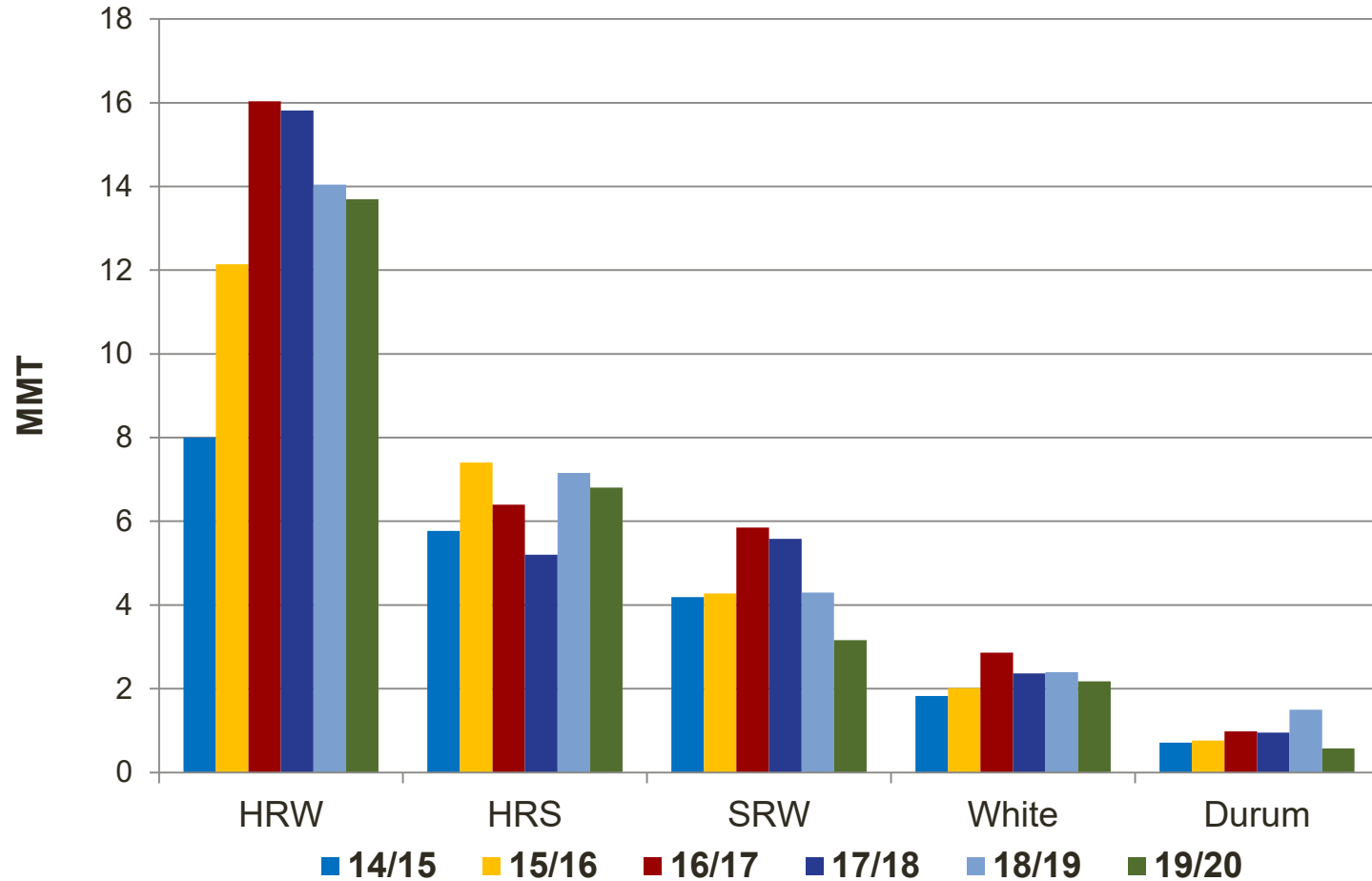
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



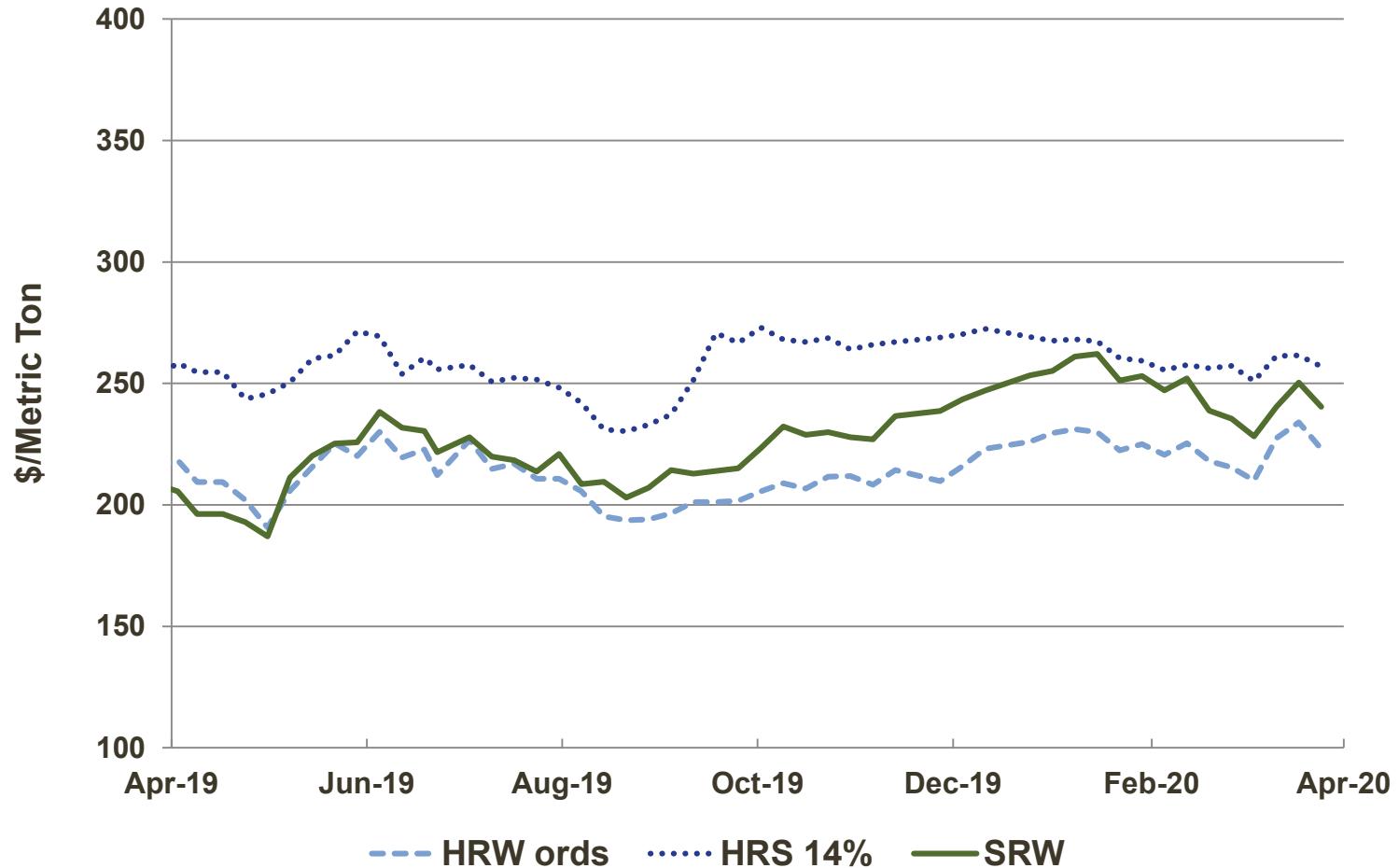
U.S. Wheat Supply and Demand (MMT)

	HRW		HRS		SRW	
	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>
Beginning Stocks	15.8	14.0	5.20	7.16	5.58	4.30
Production	18.0	22.7	16.0	14.2	7.78	6.50
Supply Total	34.0	36.8	23.0	22.8	13.47	10.9
Domestic Use	10.9	12.8	8.82	8.46	5.69	5.20
Exports	9.0	10.3	7.05	7.48	3.48	2.59
Use Total	19.9	23.1	15.9	15.9	9.17	7.78
Ending Stocks	14.0	13.7	7.16	6.80	4.30	3.16
Stocks-to-Use	70%	59%	45%	43%	47%	41%

U.S. Wheat Supply and Demand (MMT)

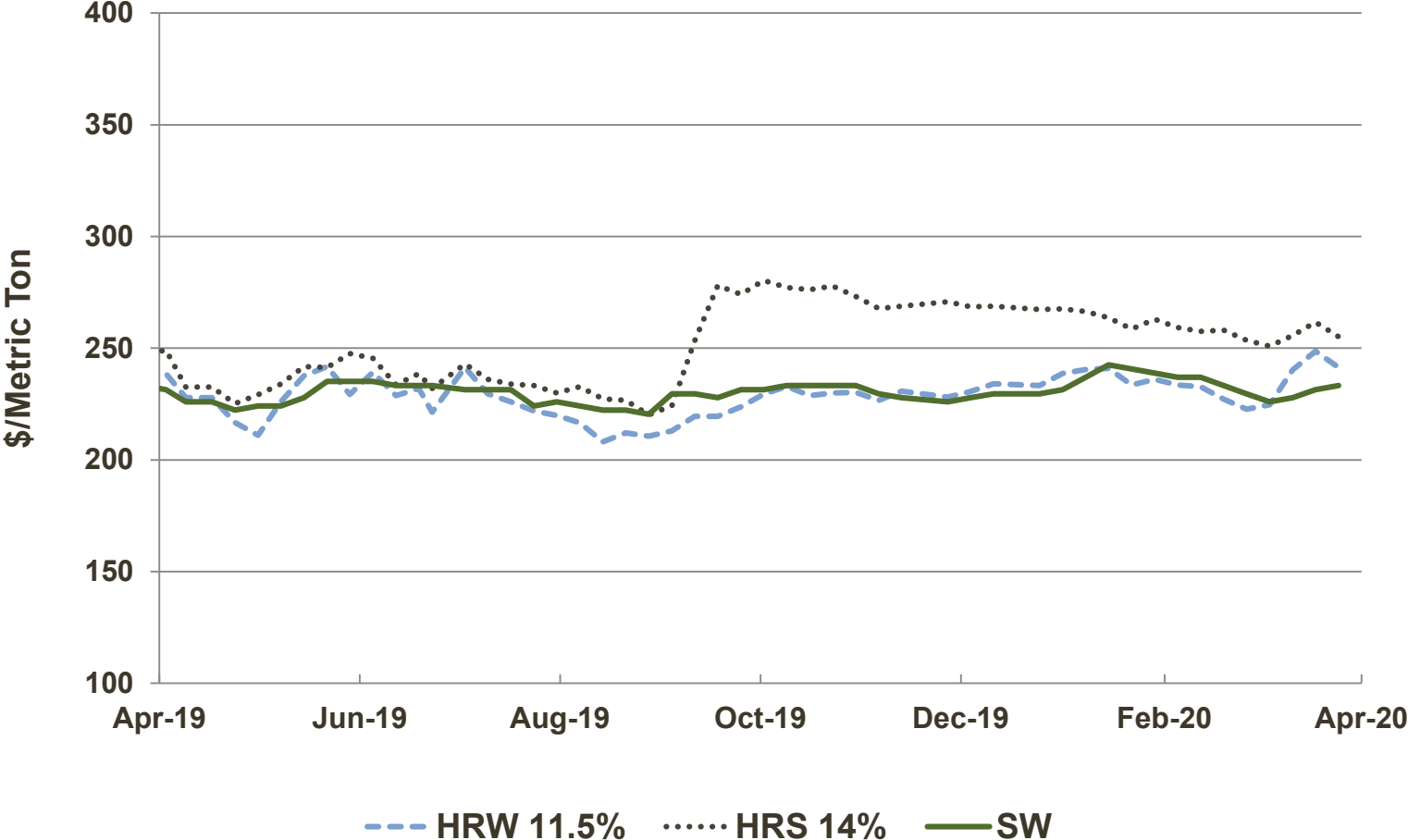
	White		Durum		Total	
	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>
Beginning Stocks	2.37	2.40	0.95	1.50	29.9	29.4
Production	7.40	7.40	2.12	1.47	51.3	52.3
Supply Total	9.9	9.93	4.49	4.06	84.9	84.5
Domestic Use	2.20	2.45	2.40	2.40	30.0	31.3
Exports	5.33	5.31	0.60	1.09	25.5	26.8
Use Total	7.54	7.76	2.99	3.48	55.5	58.1
Ending Stocks	2.40	2.18	1.50	0.57	29.4	26.4
Stocks-to-Use	32%	28%	50%	16%	53%	45%

U.S. FOB Gulf Prices



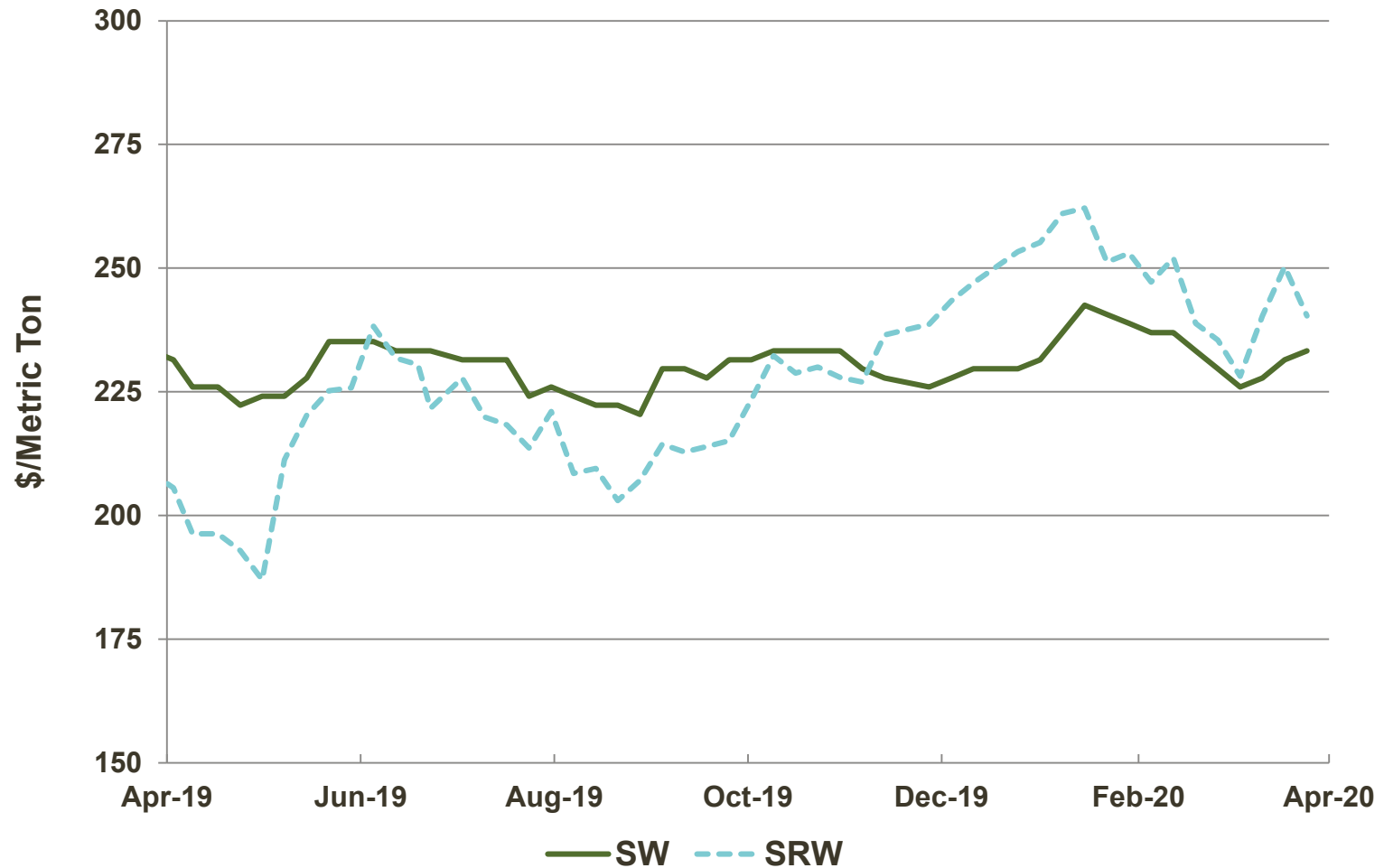
Source: U.S. Wheat Associates Price Report, April 3, 2020

U.S. FOB PNW Prices



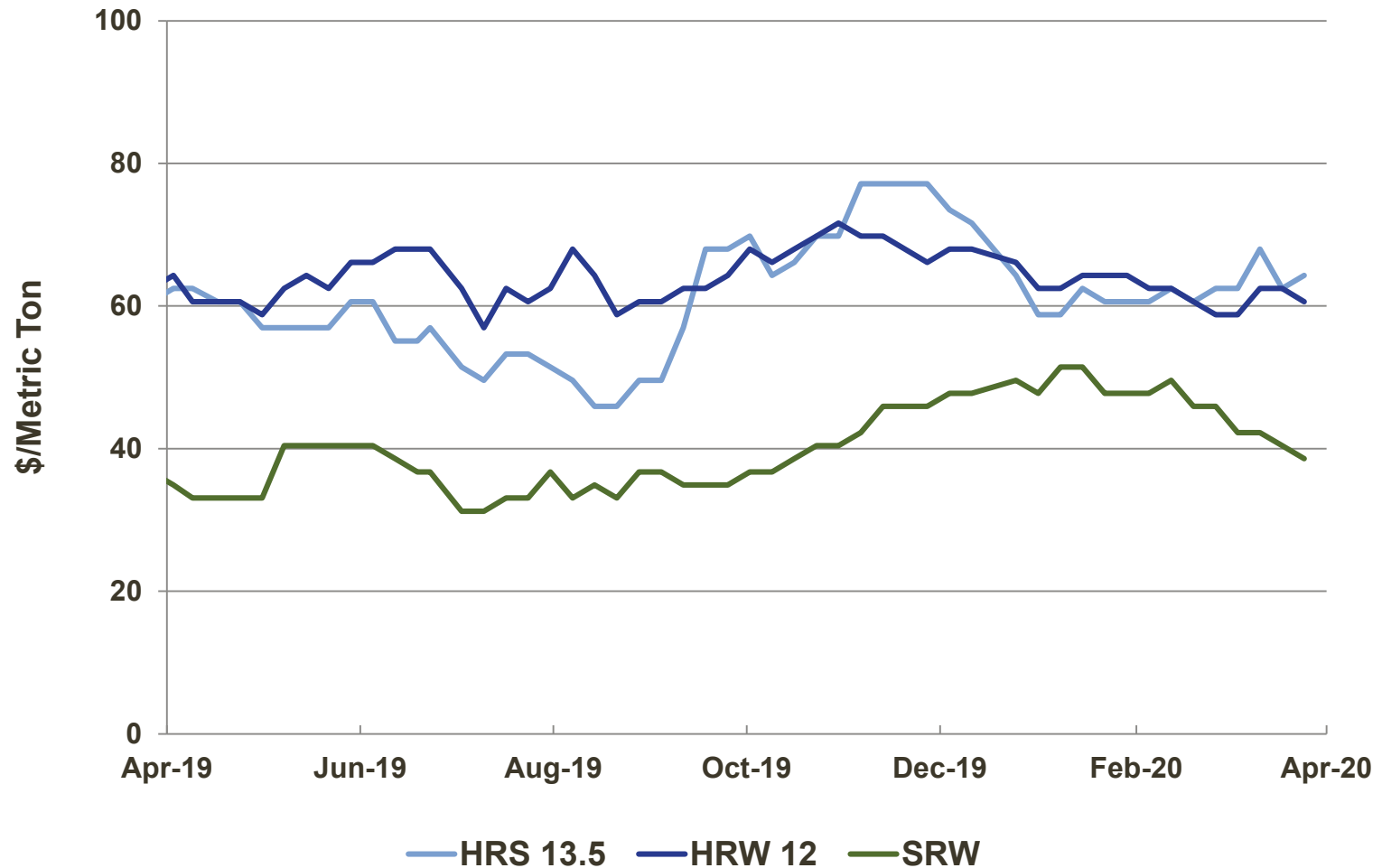
Source: U.S. Wheat Associates Price Report, April 3, 2020

Soft White and SRW Prices



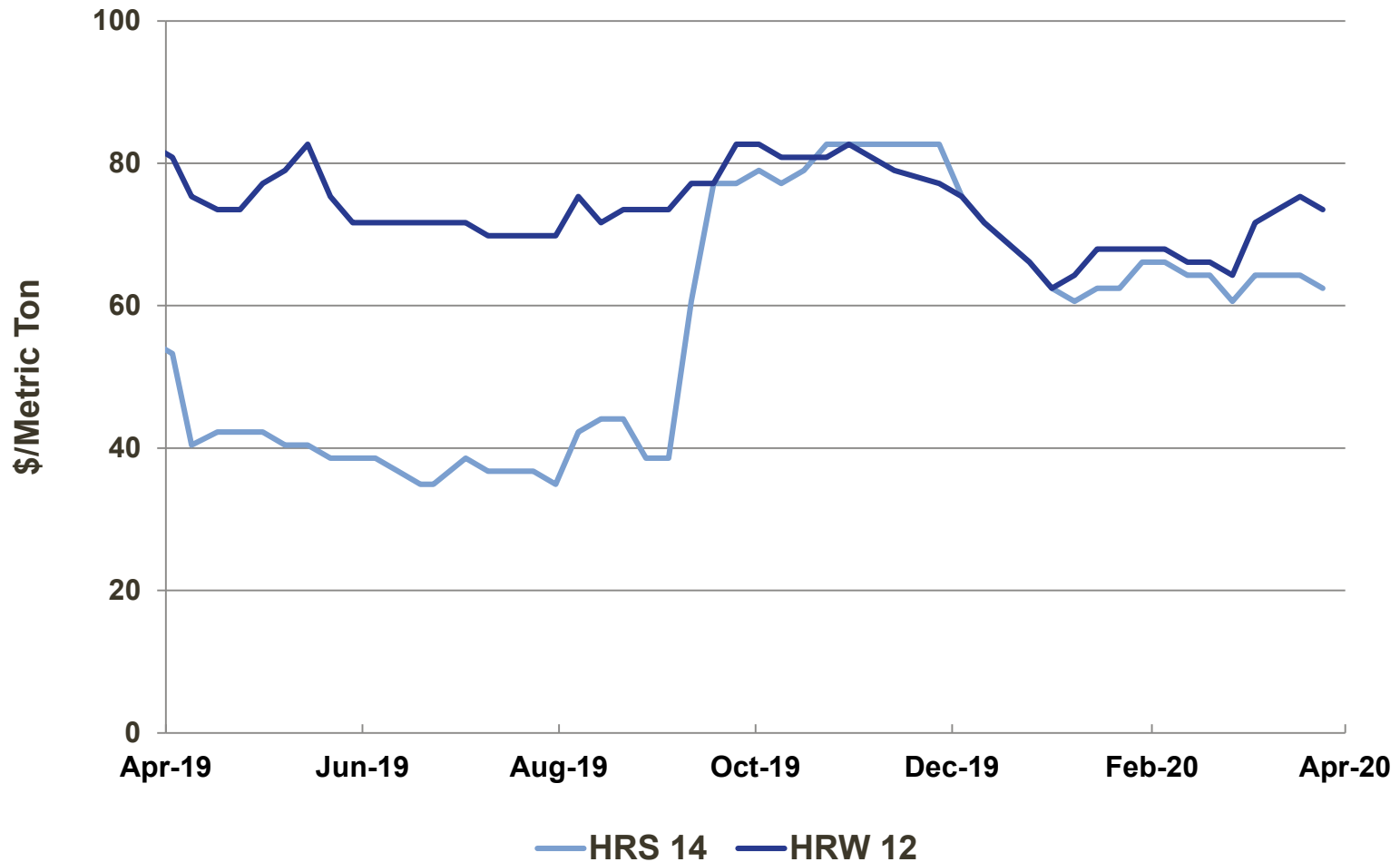
Source: U.S. Wheat Associates Price Report, April 3, 2020

U.S. Gulf Basis Prices



Source: U.S. Wheat Associates Price Report, April 3, 2020

U.S. PNW Basis Prices



Source: U.S. Wheat Associates Price Report, April 3, 2020



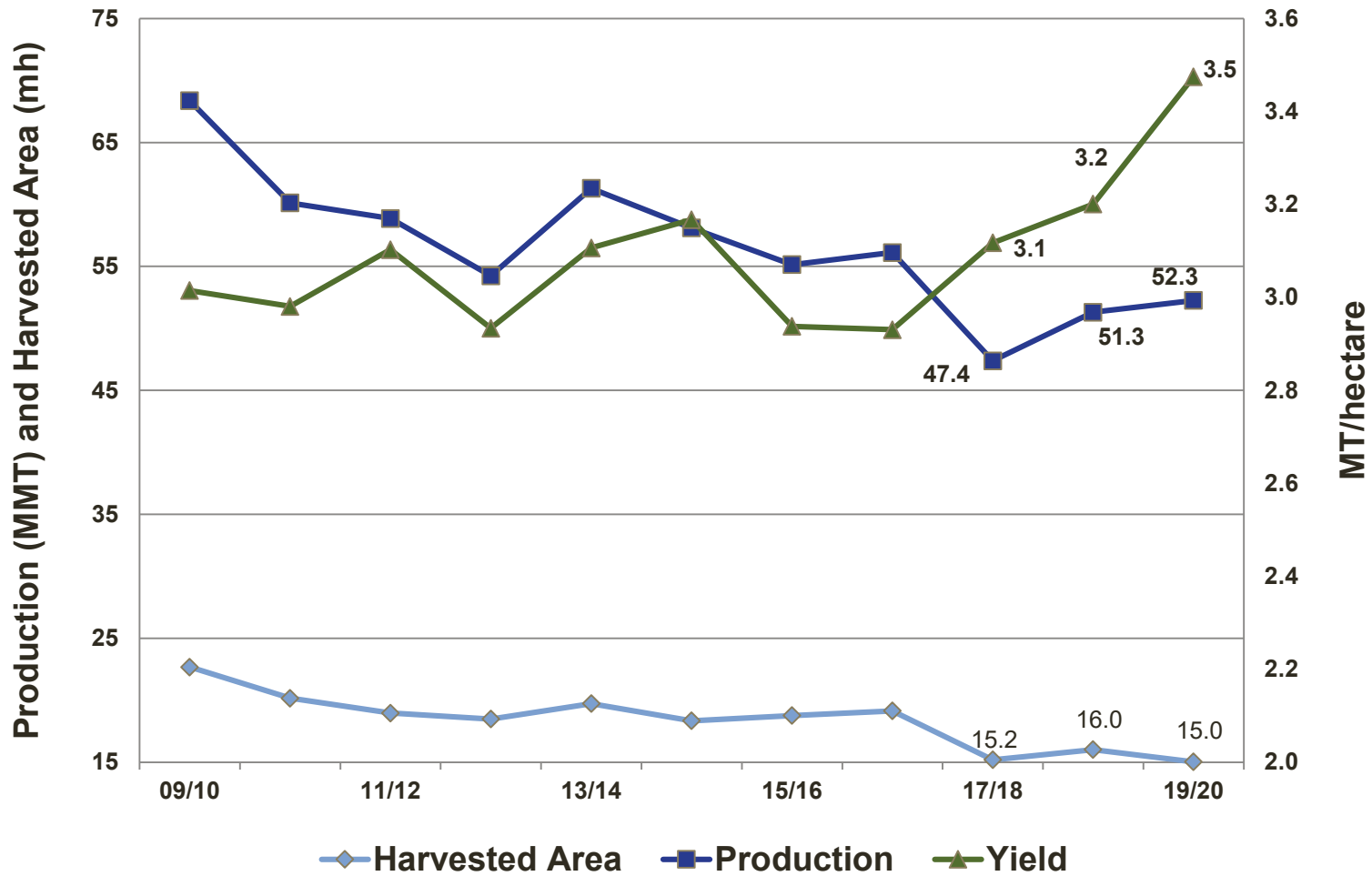
Major Exporters

Import Demand

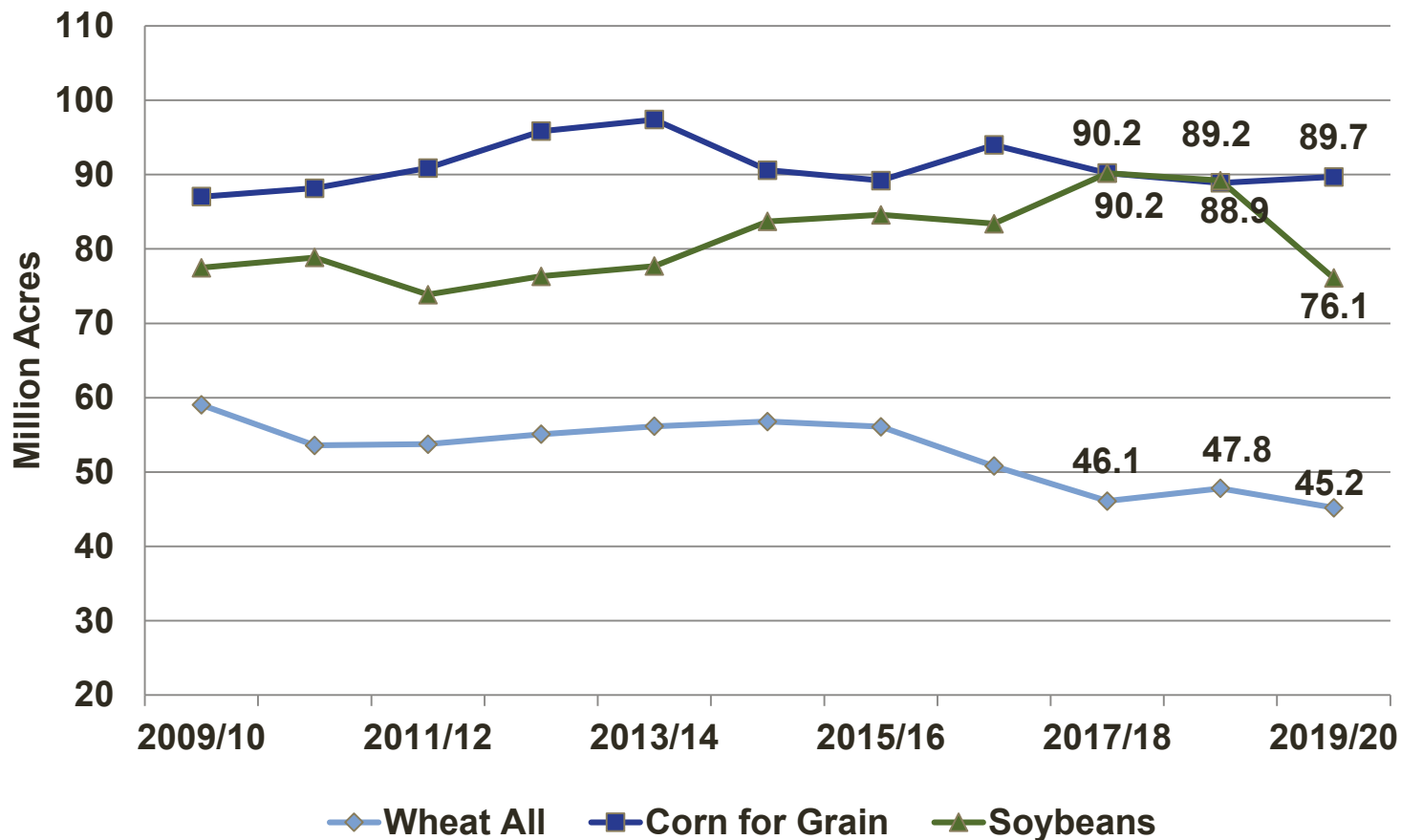
U.S. Situation by Class

Outlook

U.S. Wheat Production, Area and Yield

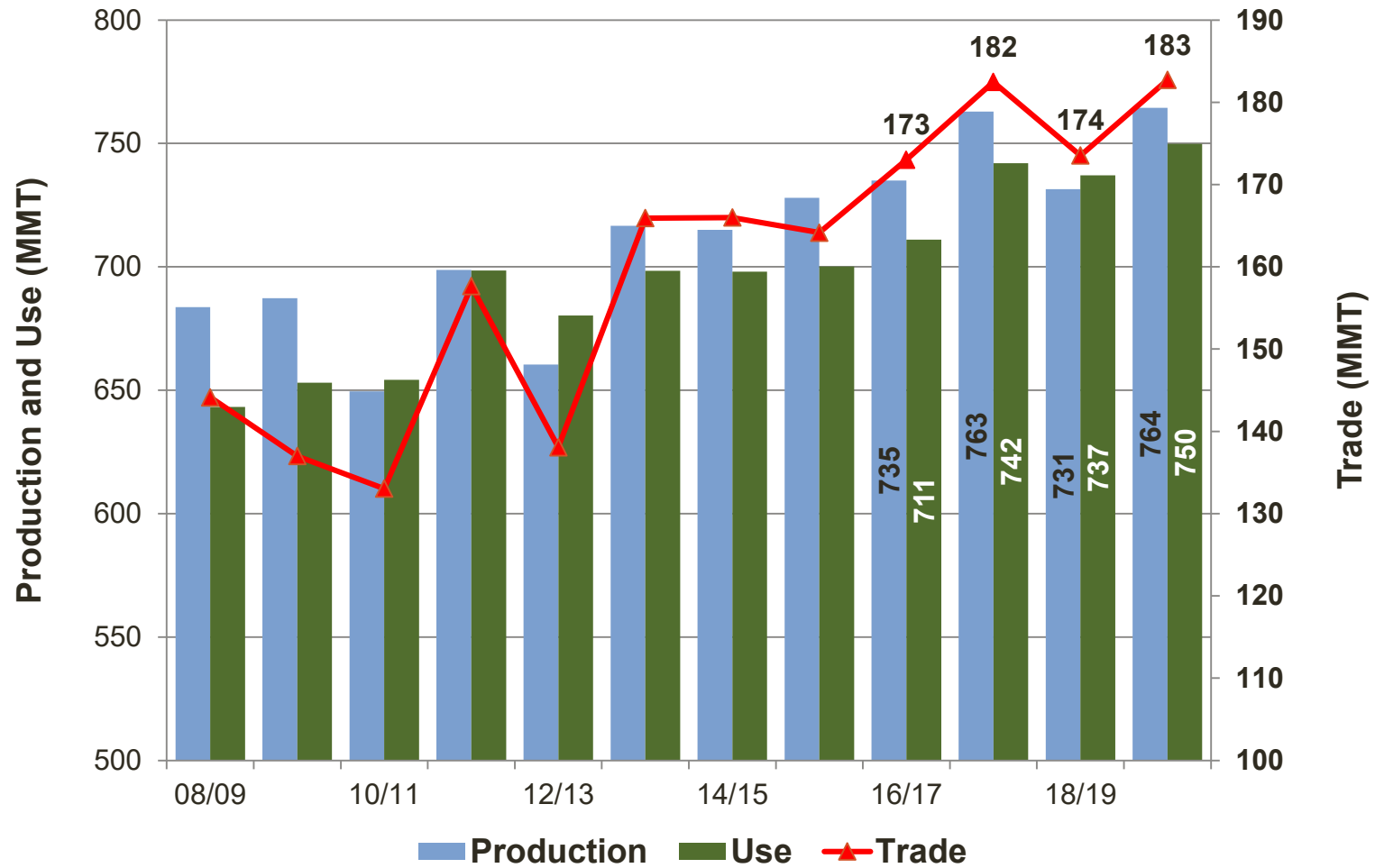


U.S. Crop Planted Area Comparison



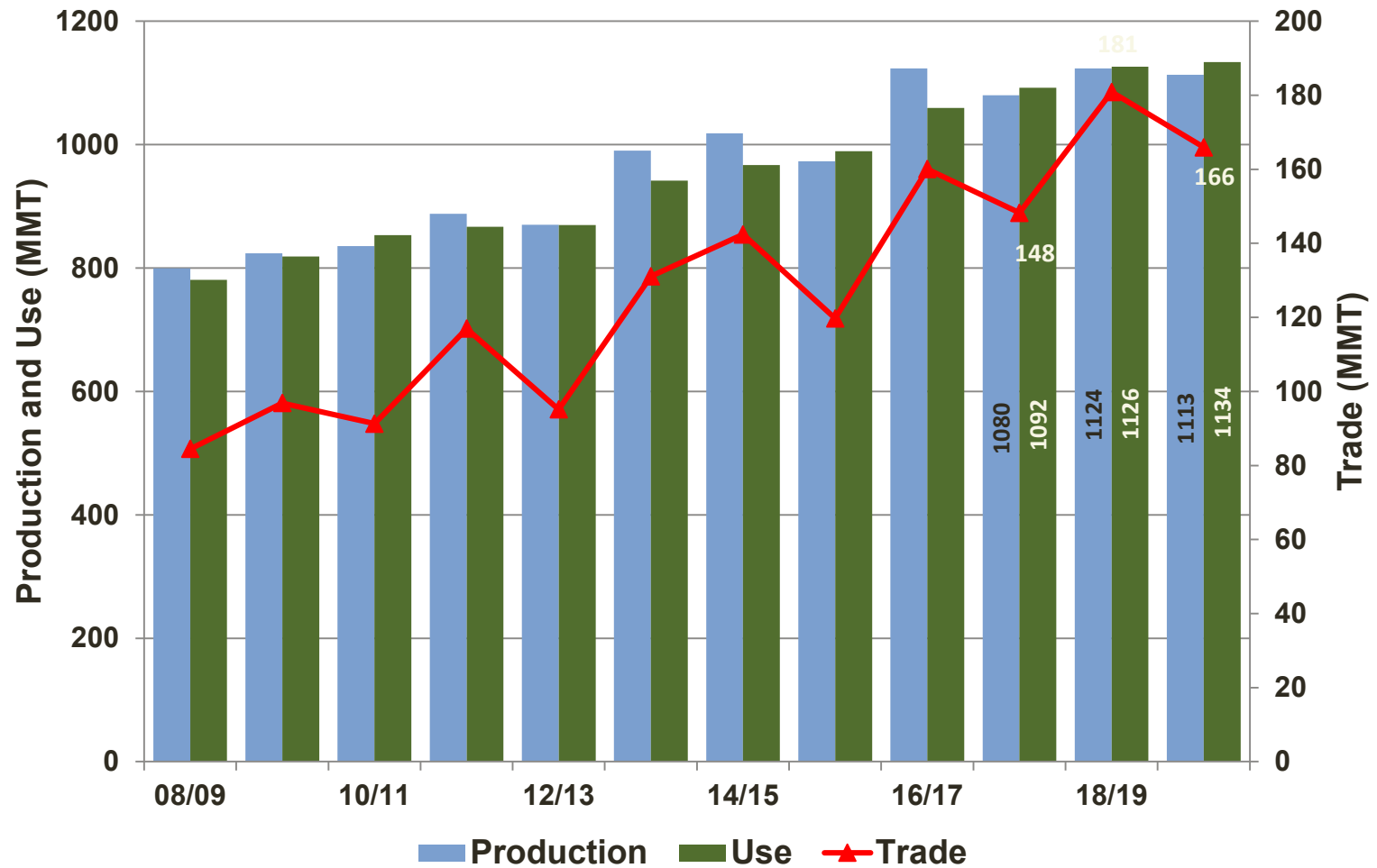
World Wheat

Production, Use and Trade



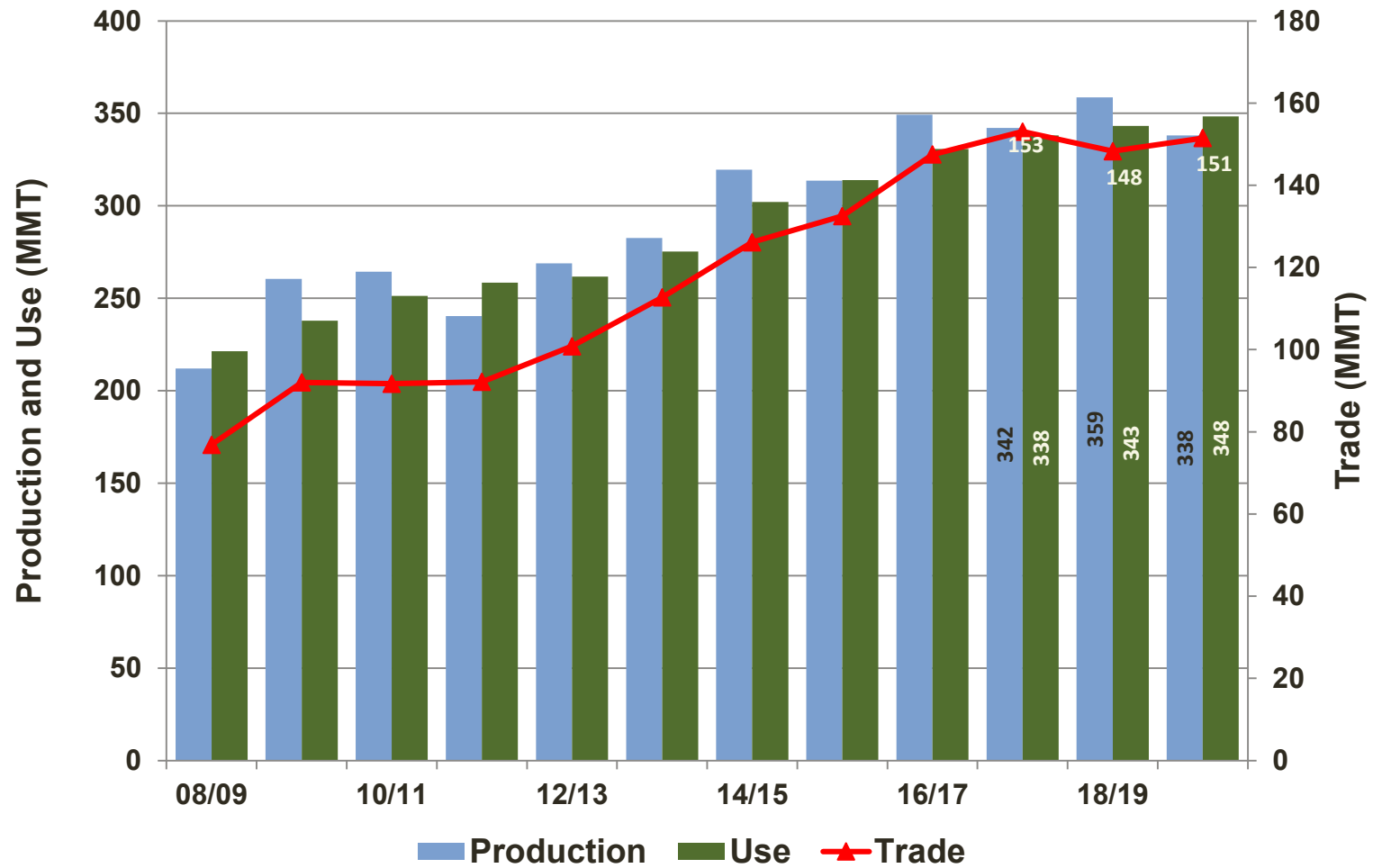
World Corn

Production, Use and Trade

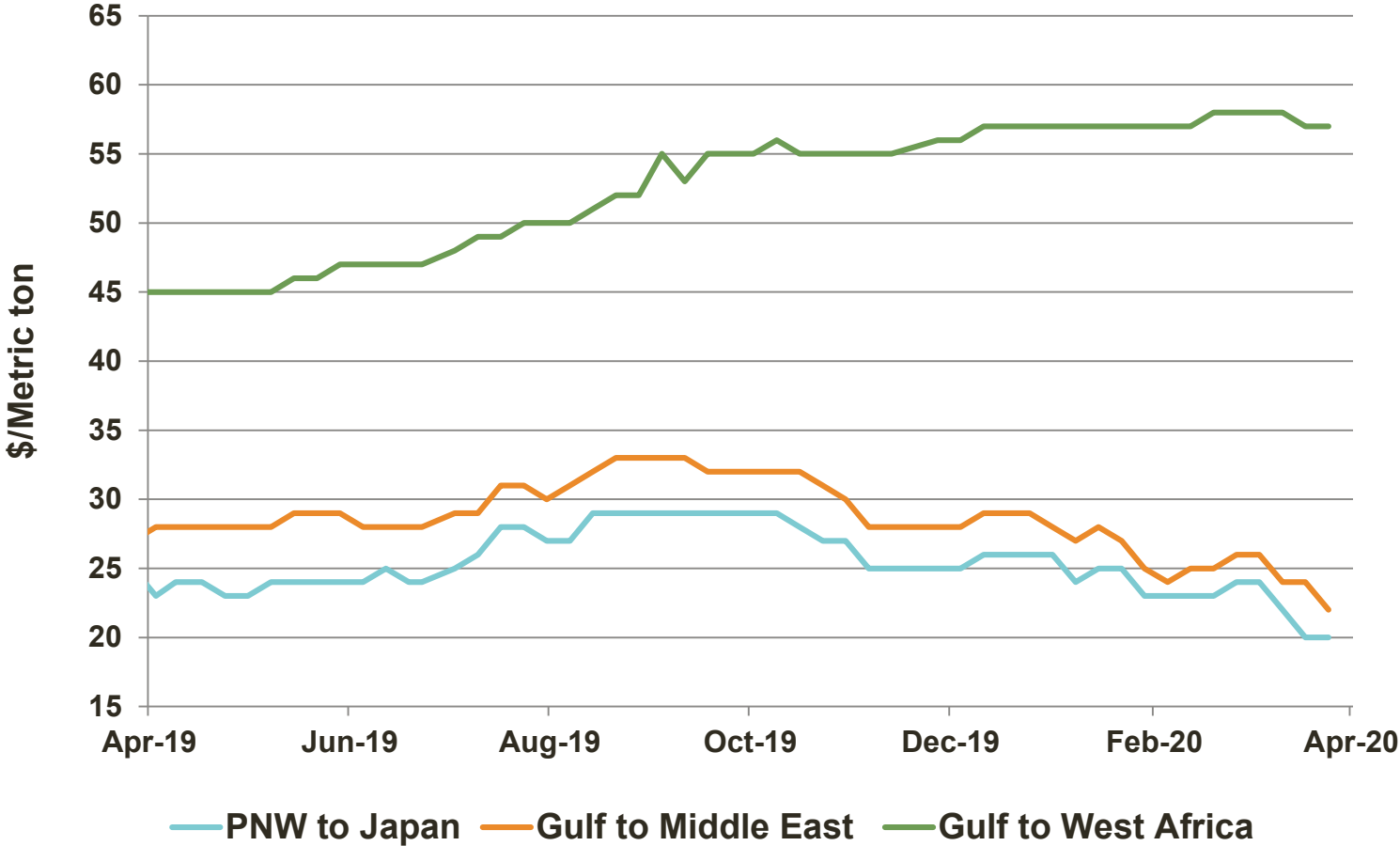


World Soybeans

Production, Use and Trade



Ocean Freight Rates for Grains



Source: U.S. Wheat Associates Price Report, April 3, 2020

Summary

- **Global production to reach a record 764 MMT**
 - Wheat production in Ukraine reached a record 29.2 MMT, up 14% from last year
 - Indian wheat production to reach a record 104 MMT in 2019/20, labor shortages could delay harvest progress
 - U.S. wheat production rose 2% from last year to 52.2 MMT
- **Global ending stocks to increase to 293 MMT, 5% above 2018/19**
 - Projected Indian ending stocks of 24.0 MMT are 29% higher than last year and 67% higher than the 5-year average
 - U.S. ending stocks are expected to fall 11% from last year to 26.4 MMT, the lowest in 5 years
- **World consumption and trade both expected to exceed 2018/19 levels**
 - Total global wheat consumption to reach an all-time high of 750 MMT, 2% higher than last year and 4% higher than the 5-year average
 - Total global trade to reach 183 MMT, 5% higher than 2018/19
 - U.S. 2019/20 domestic consumption to increase 4% year-over-year to 31.3 MMT and exports to increase 5% from 2018/19 to 26.8 MMT