



YEARS

U.S. WHEAT
ASSOCIATES

World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released June 11, 2020, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.

01

Major Exporters

02

Import Demand

03

U.S. Situation by Class

04

Outlook



Highlights of USDA's 2020/21 Supply and Demand Estimates

2020/21 global wheat production to jump to record of 773 MMT

- Wheat production in Australia to jump 71% from last year to 26.0 MMT as beneficial precipitation pulls the country out of a three-year drought
- Ukrainian wheat production to fall 9% from last year to 26.5 MMT on overly dry spring weather
- U.S. wheat production to decrease 2% from last year to 51.1 MMT as lower yields are expected to offset increased harvested area

Global consumption forecast at 753 MMT, the highest on record

- Egyptian domestic consumption to reach a record 20.8 MMT, up 5% from the 5-year average
- Domestic consumption in China to reach a record 130 MMT, up 7% from the 5-year average
- U.S. domestic consumption to decrease to 30.6 MMT, down 3% from last year

World wheat trade to jump to record 189 MMT, up 2% year-over-year

- Exports from Argentina to rebound 7% from last year to 14.5 MMT
- Australian wheat exports to jump 85% from 2019/20 to 17.0 MMT
- U.S. 2020/21 exports to fall to 25.9 MMT, 2% below the 2019/20 estimate of 26.3 MMT



Highlights of USDA's 2020/21 Supply and Demand Estimates

World beginning stocks jumped 6% from 2019/20 to 296 MMT, 14% greater than the 5-year average

- Record Chinese beginning stocks of 151 MMT are 34% higher than the 5-year average and make up 51% of the global total
- European Union (EU) beginning stocks increased 3% from last year to 12.3 MMT
- U.S. 2020/21 beginning stocks dropped 9% year-over-year to 26.7 MMT, but still make up 43% of all major exporter beginning stocks

Global ending stocks projected at record 316 MMT, 7% higher than last year and 16% greater than the 5-year average

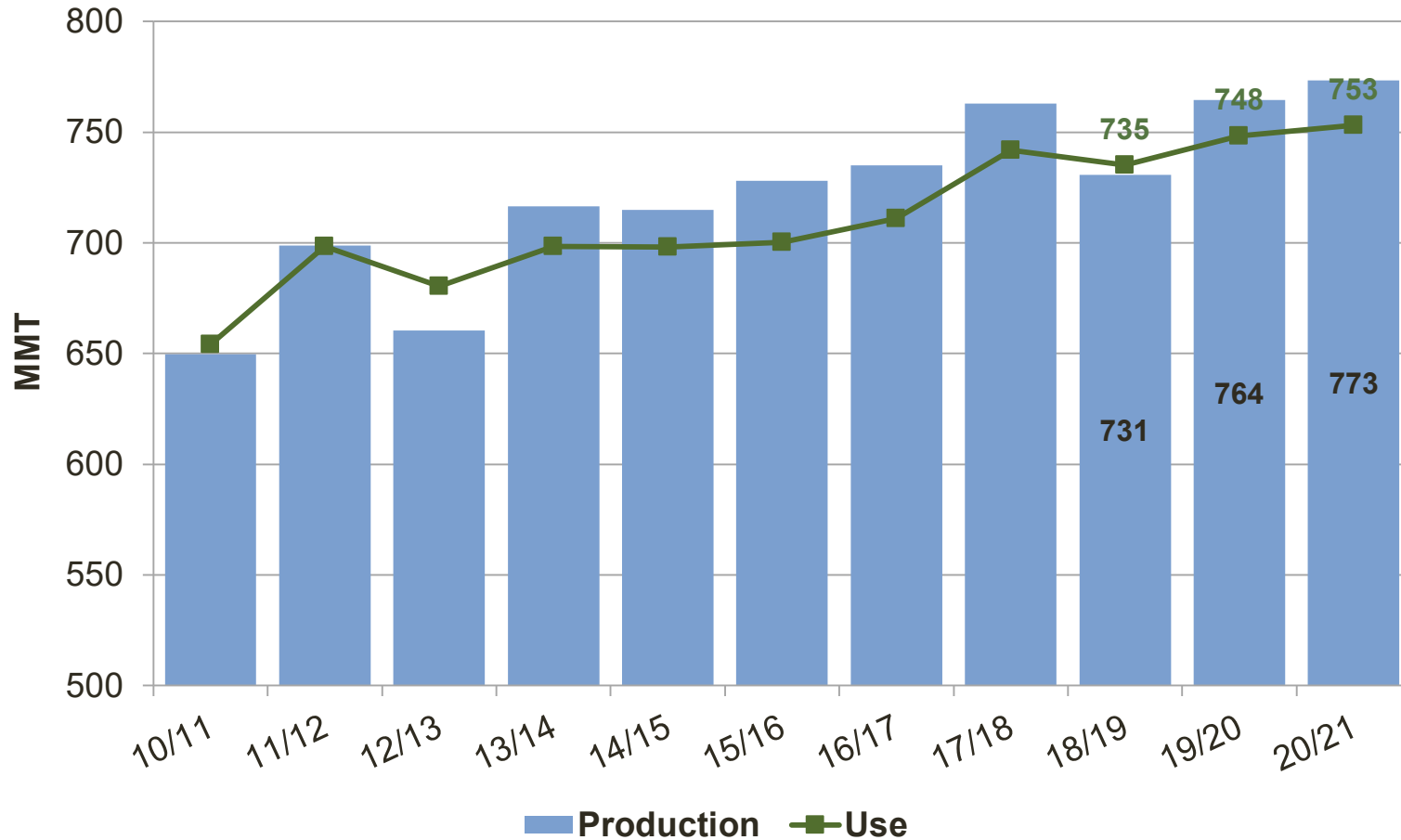
- Projected Australian ending stocks to jump 61% from 2019/20 to 5.69 MMT
- Expected Chinese ending stocks to reach a record 162 MMT, 7% greater than last year and 28% more than the 5-year average
- U.S. ending stocks are expected to decrease 6% from last year to 25.2 MMT, the lowest in 6 years

U.S. wheat farm gate price to remain stable year-over-year*

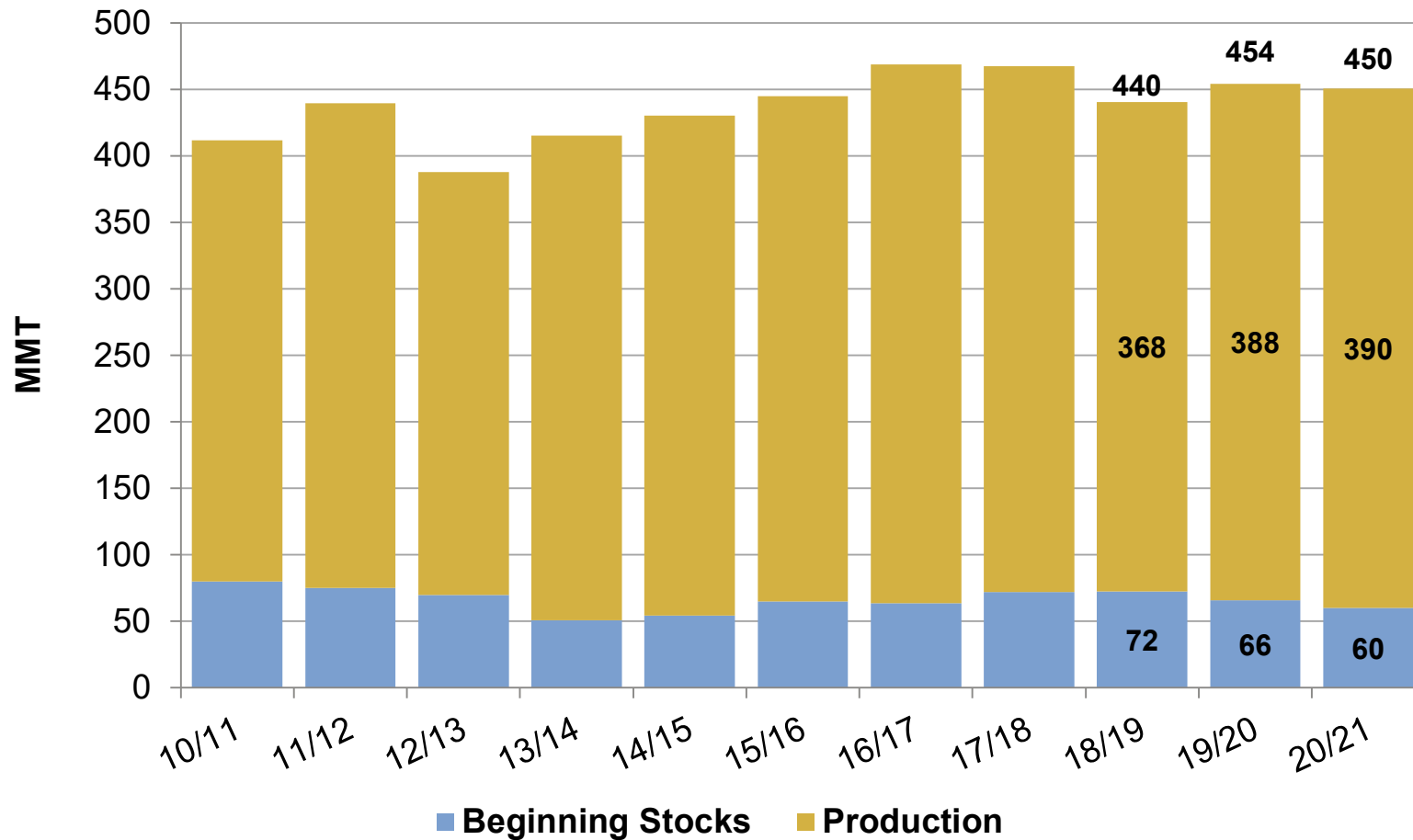
- The average farm gate price of wheat in 2020/21 is forecast to hold steady at \$4.60/bu (\$169/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

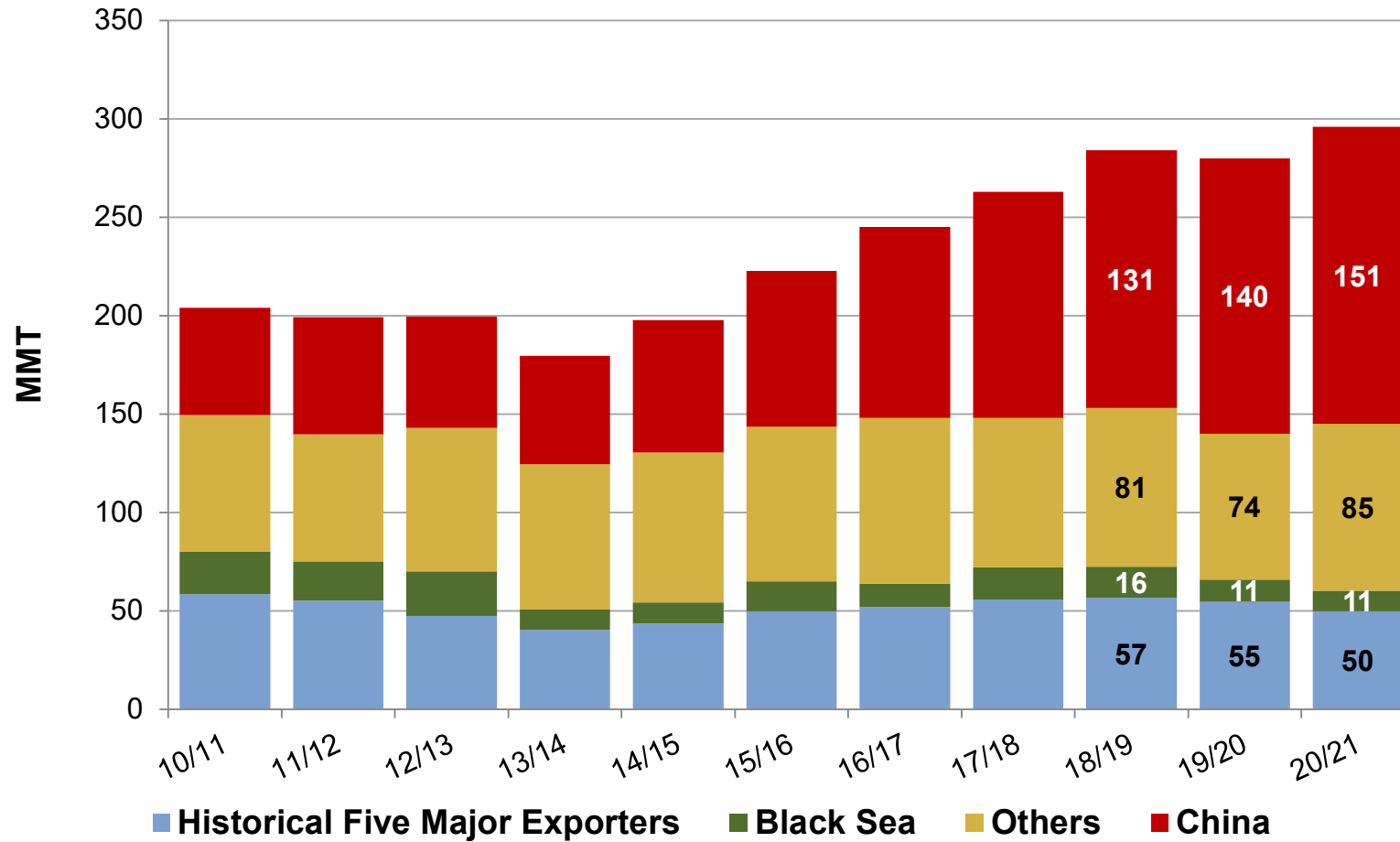


World Wheat Supply and Demand (MMT)

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
SUPPLY:			
Beginning Stocks	284	280	296
Production	731	764	773
Supply Total	1015	1044	1069
Ending Stocks	280	296	316
TRADE:			
Exports/Imports	174	186	189
DEMAND:			
Food & Seed	596	606	617
Feed & Residual	140	142	136
Use Total	735	748	753



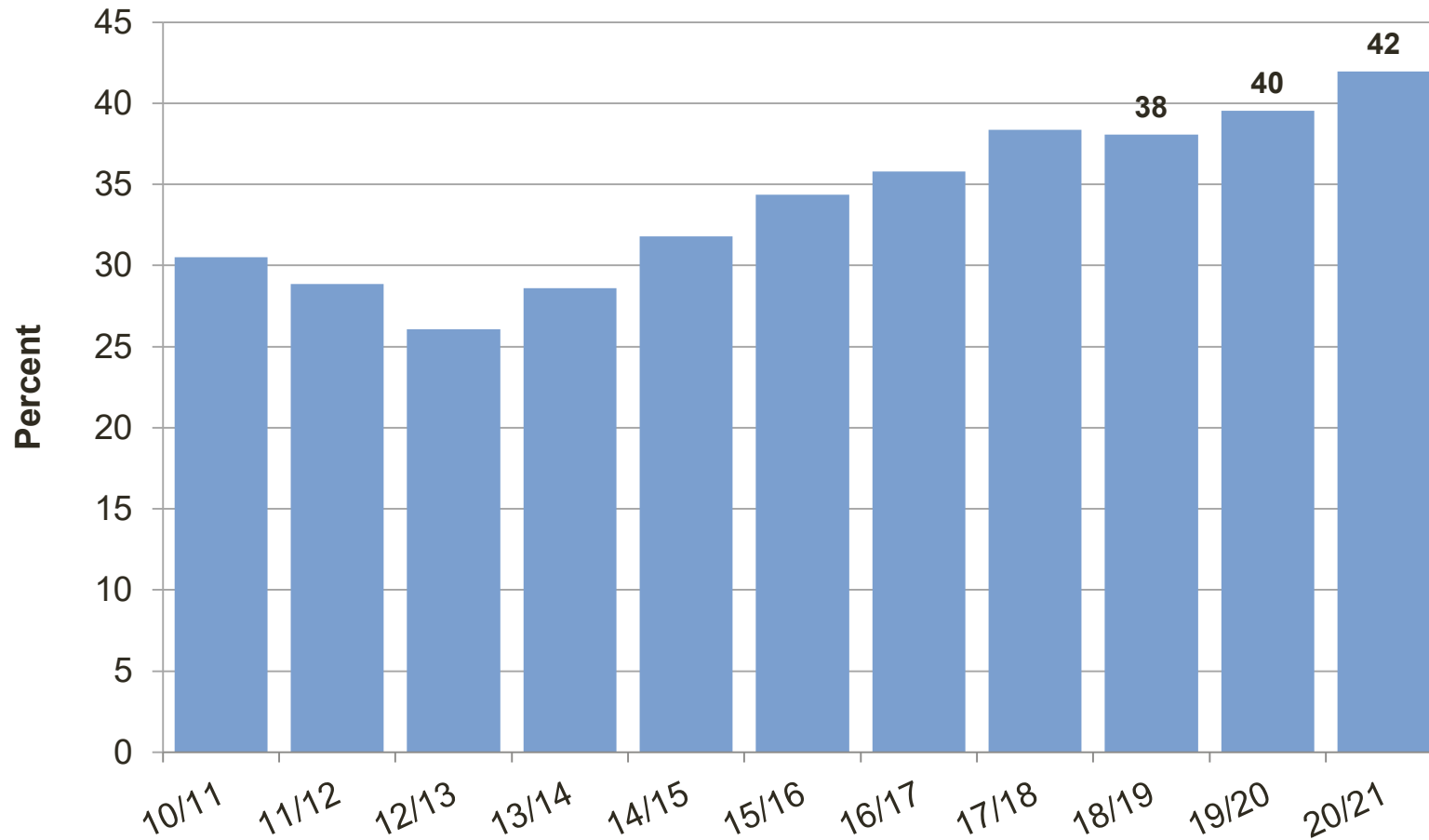
World Beginning Stocks



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



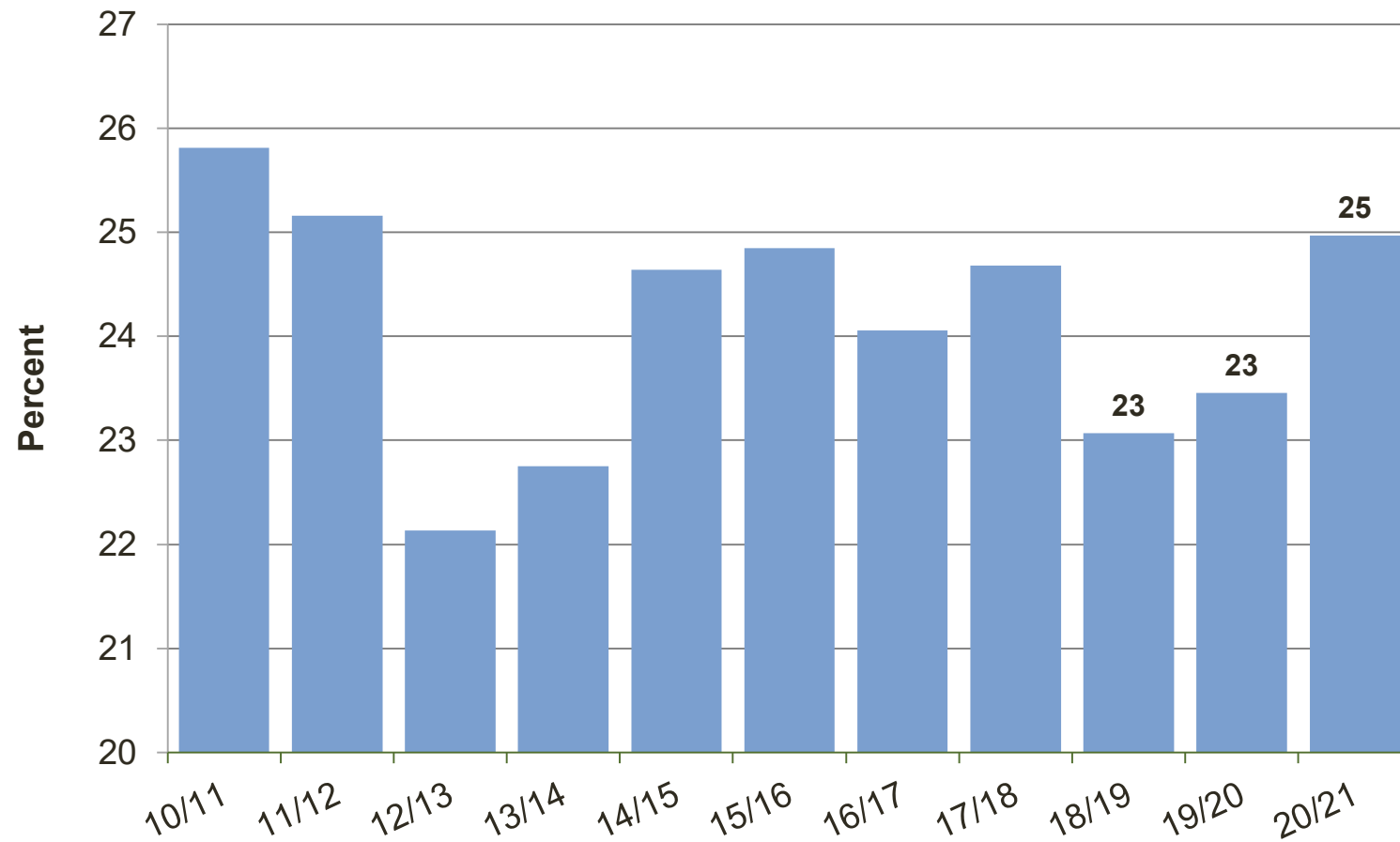
Global Stocks*-to-Use Ratio



*Ending stocks



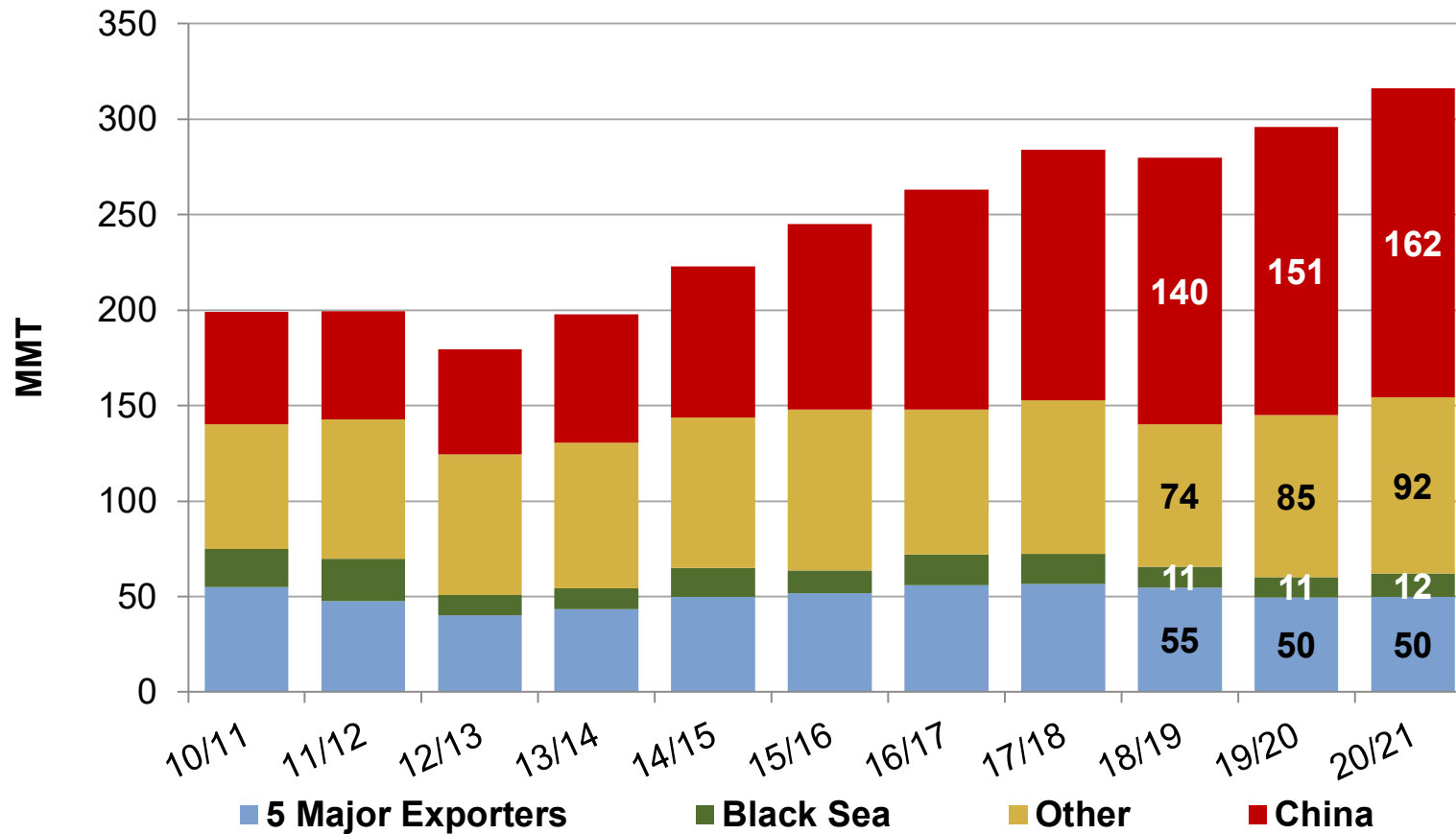
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



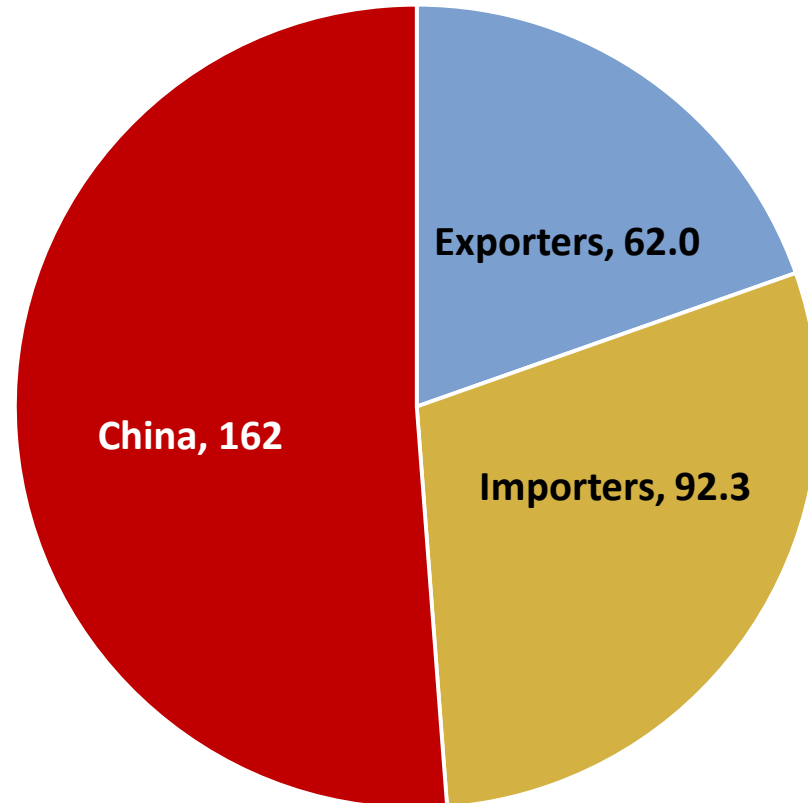
World Ending Stocks



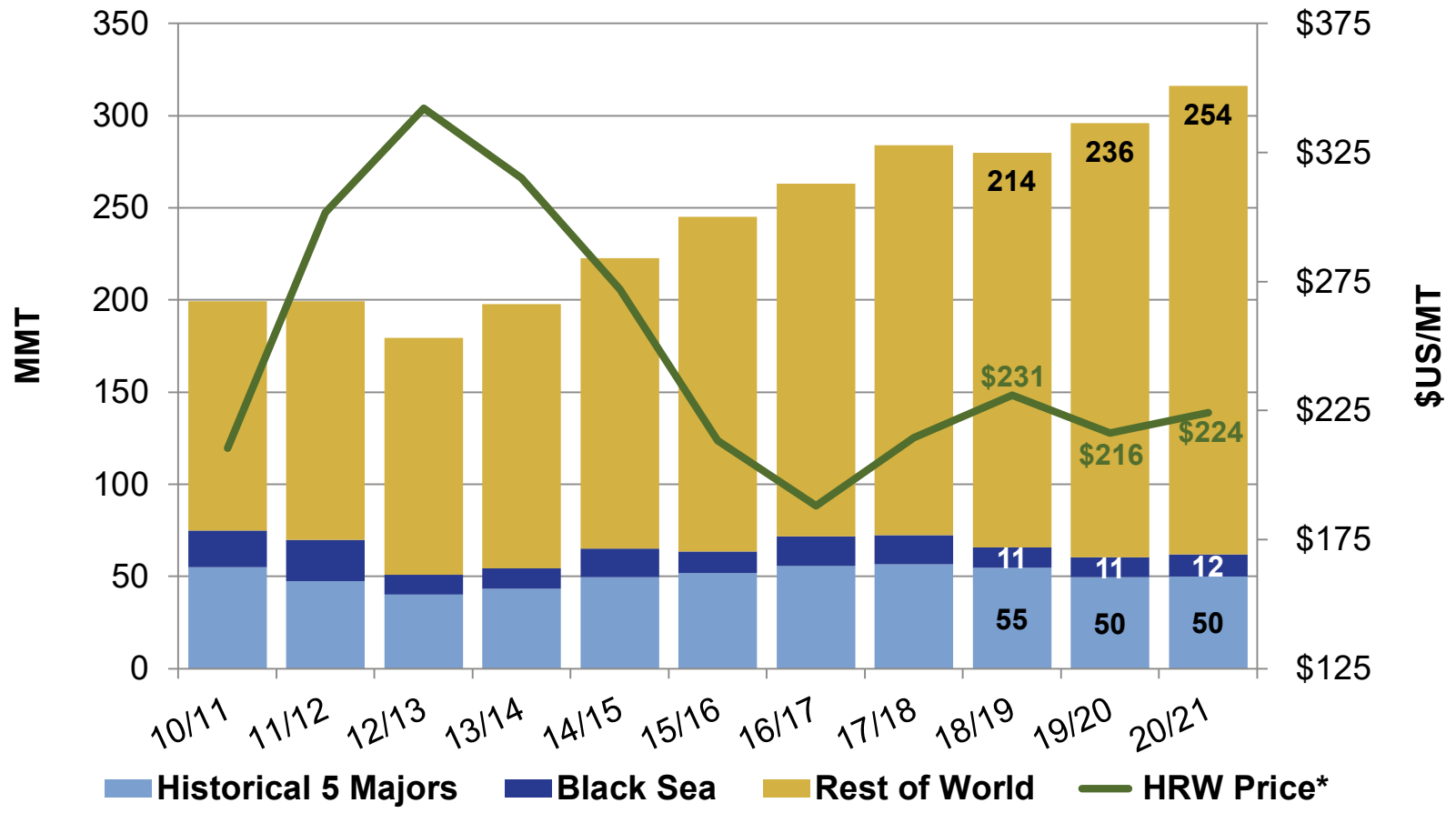
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World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, June 5, 2020

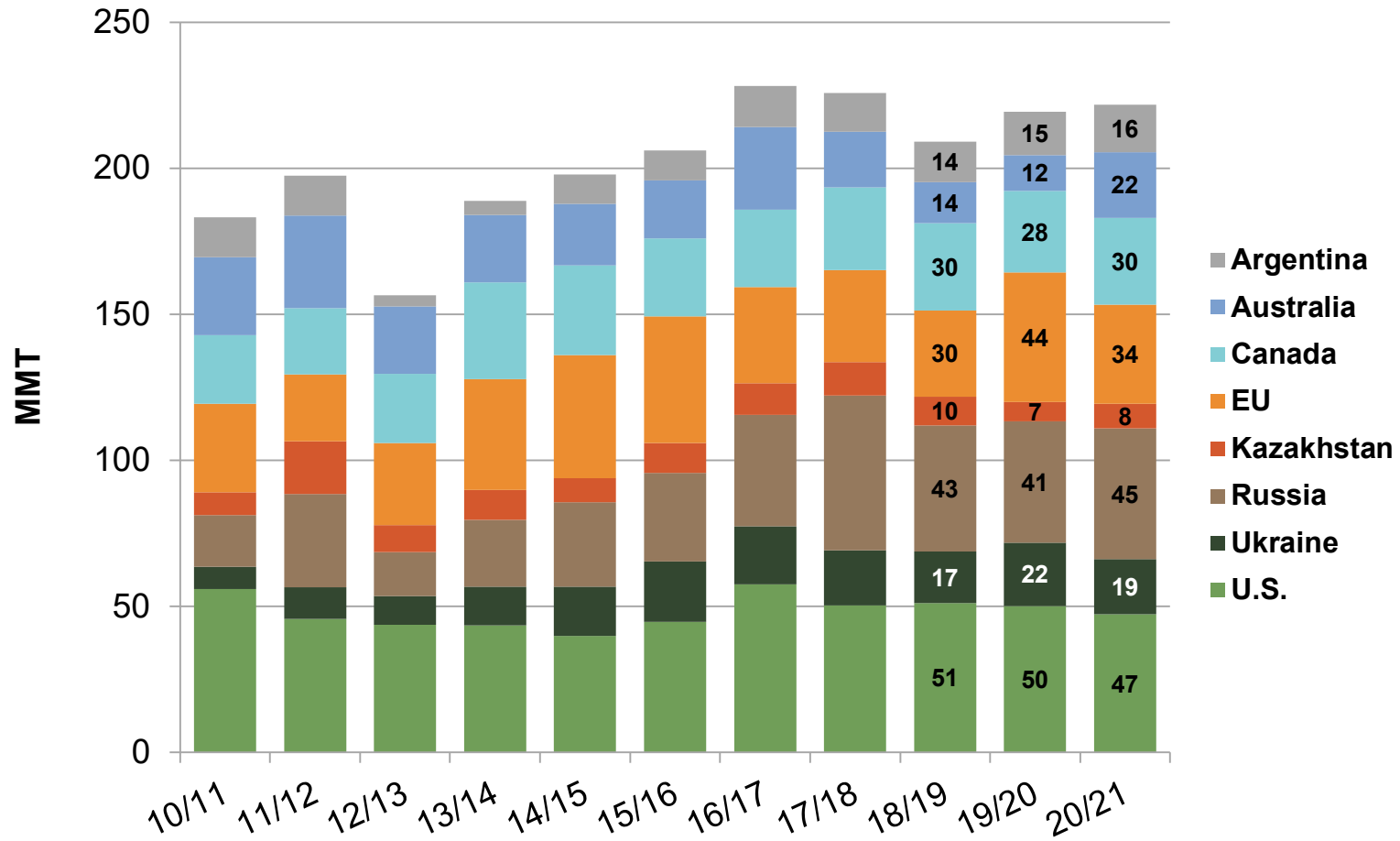




01

Major Exporters

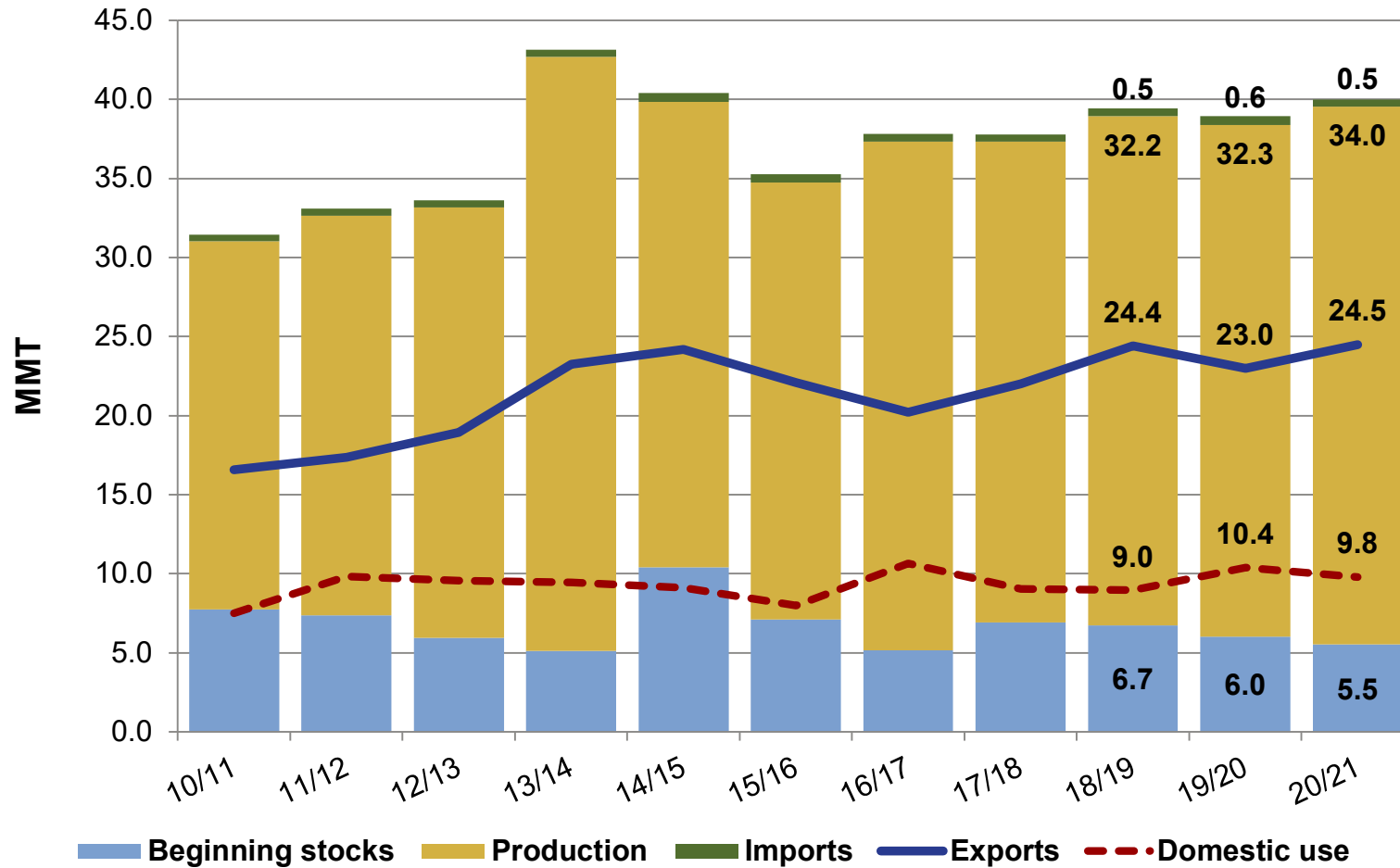
Exportable Supplies in Top Exporting Countries



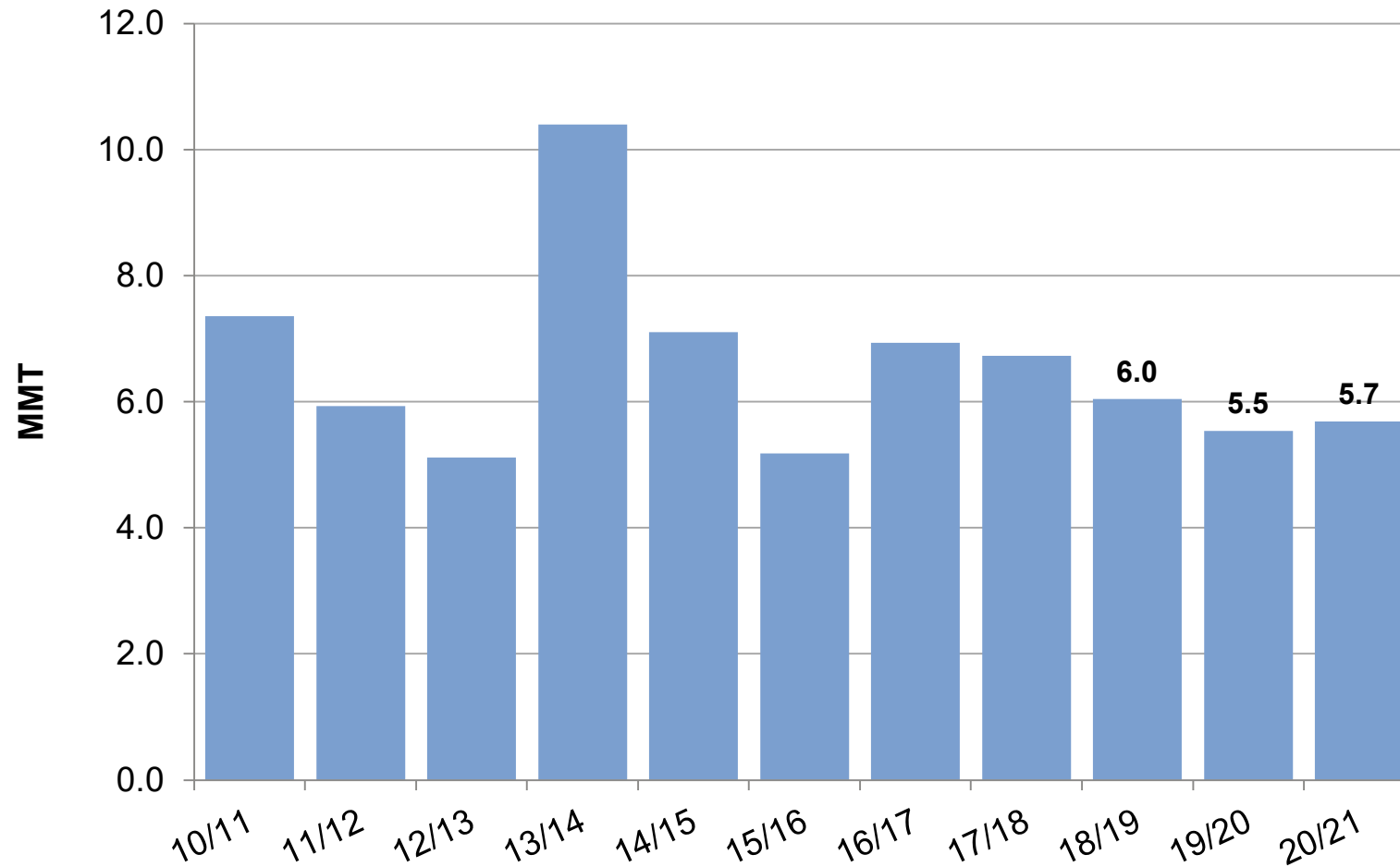
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



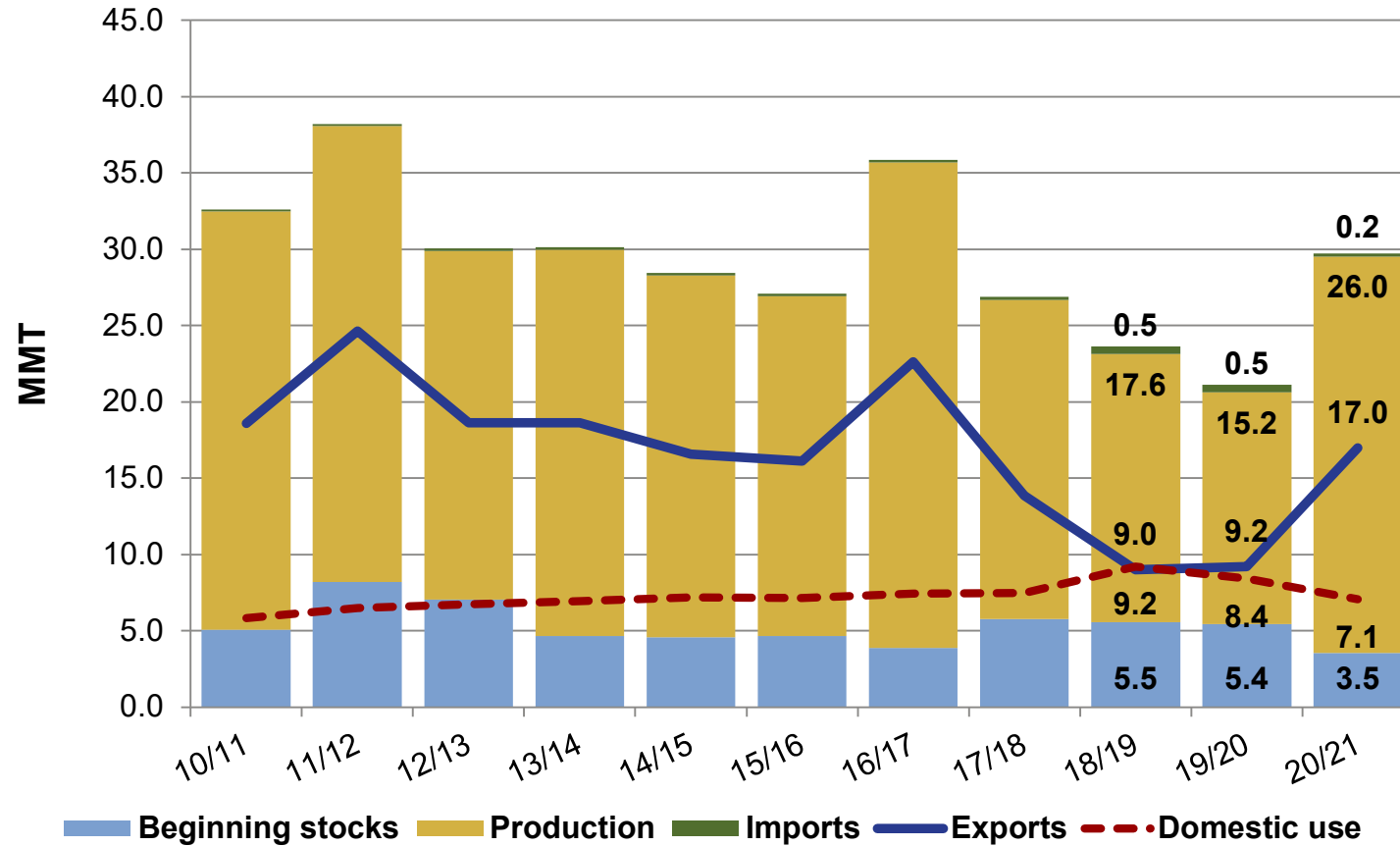
Canada Situation



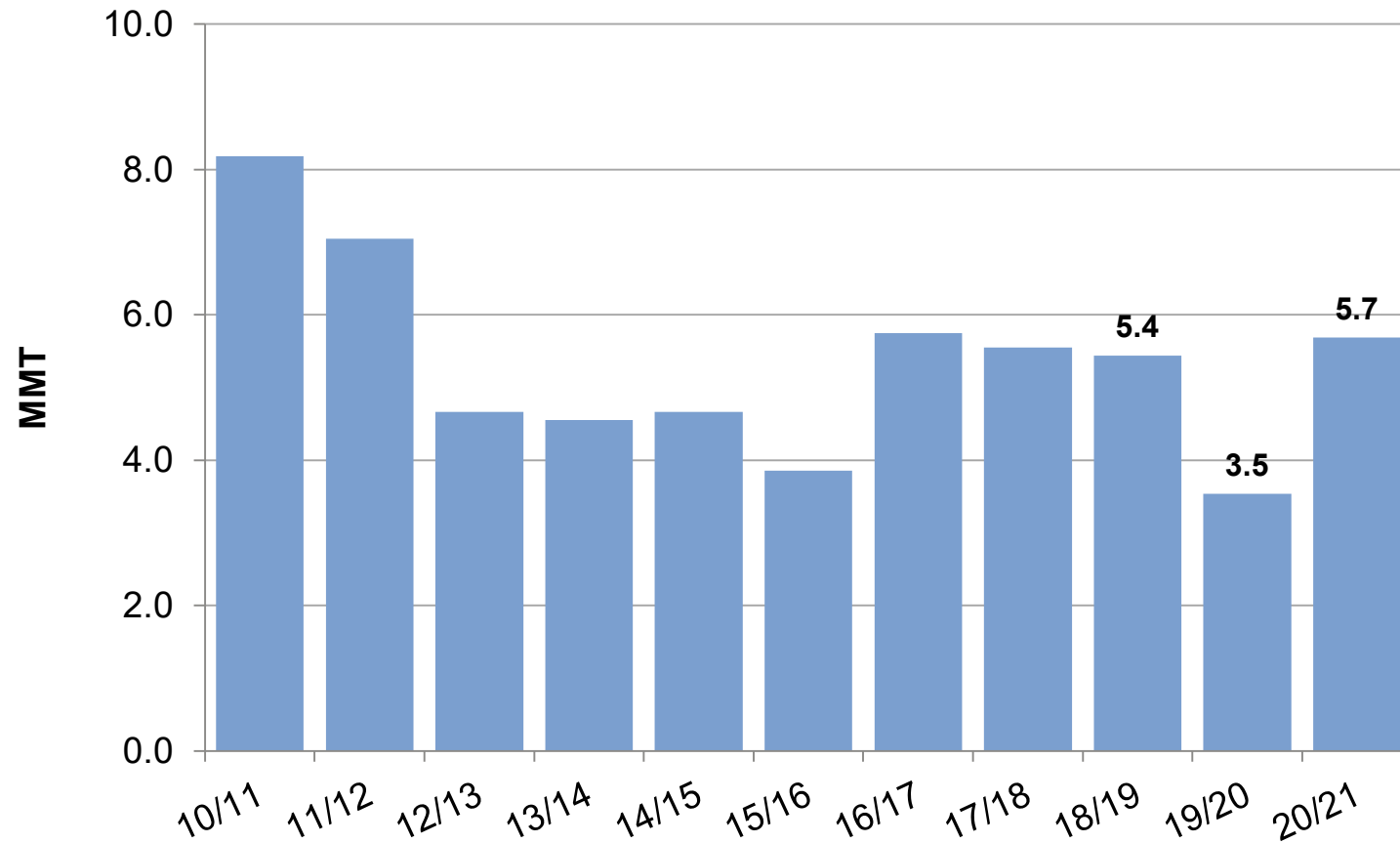
Canada Ending Stocks



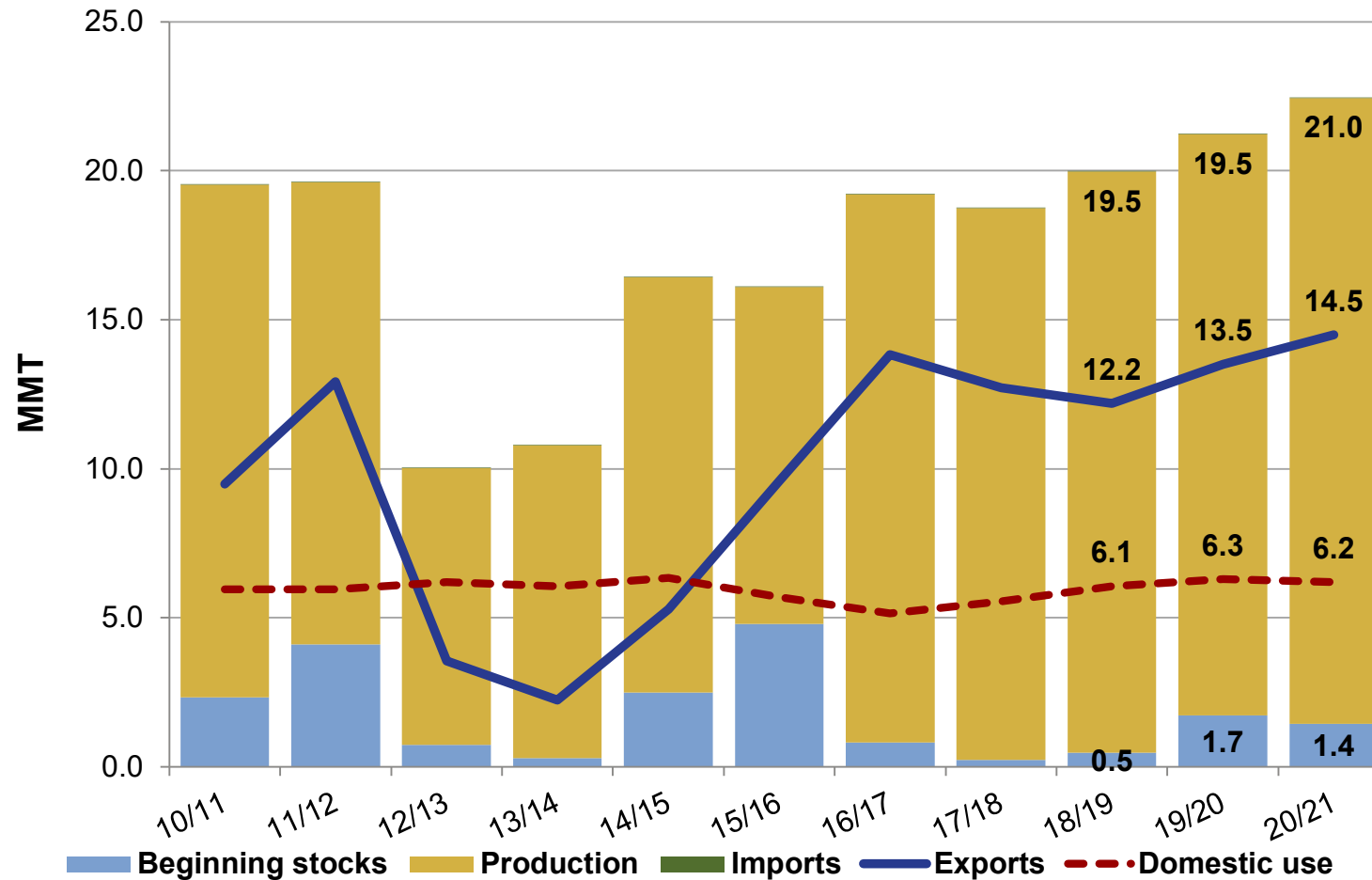
Australia Situation



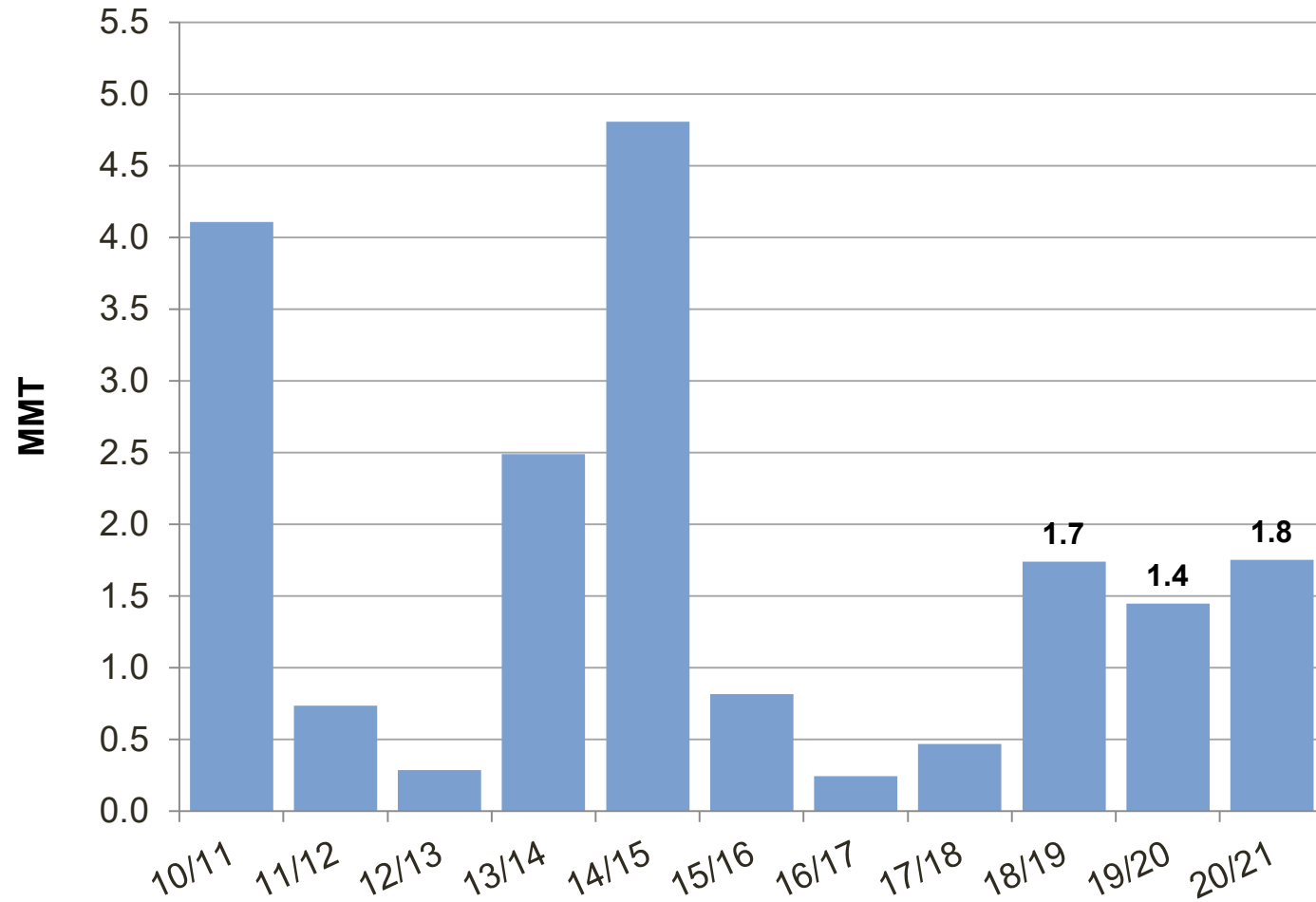
Australia Ending Stocks



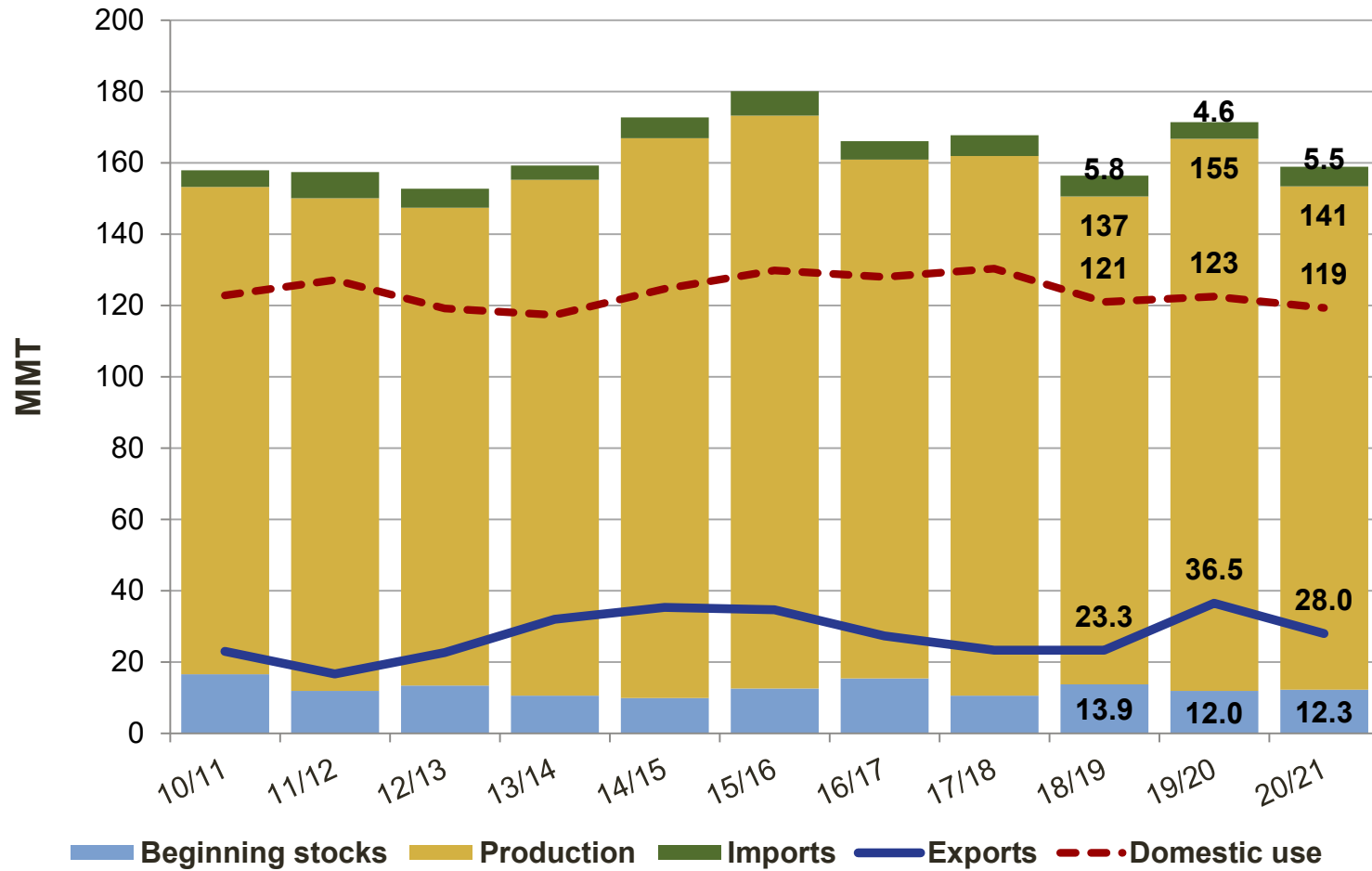
Argentina Situation



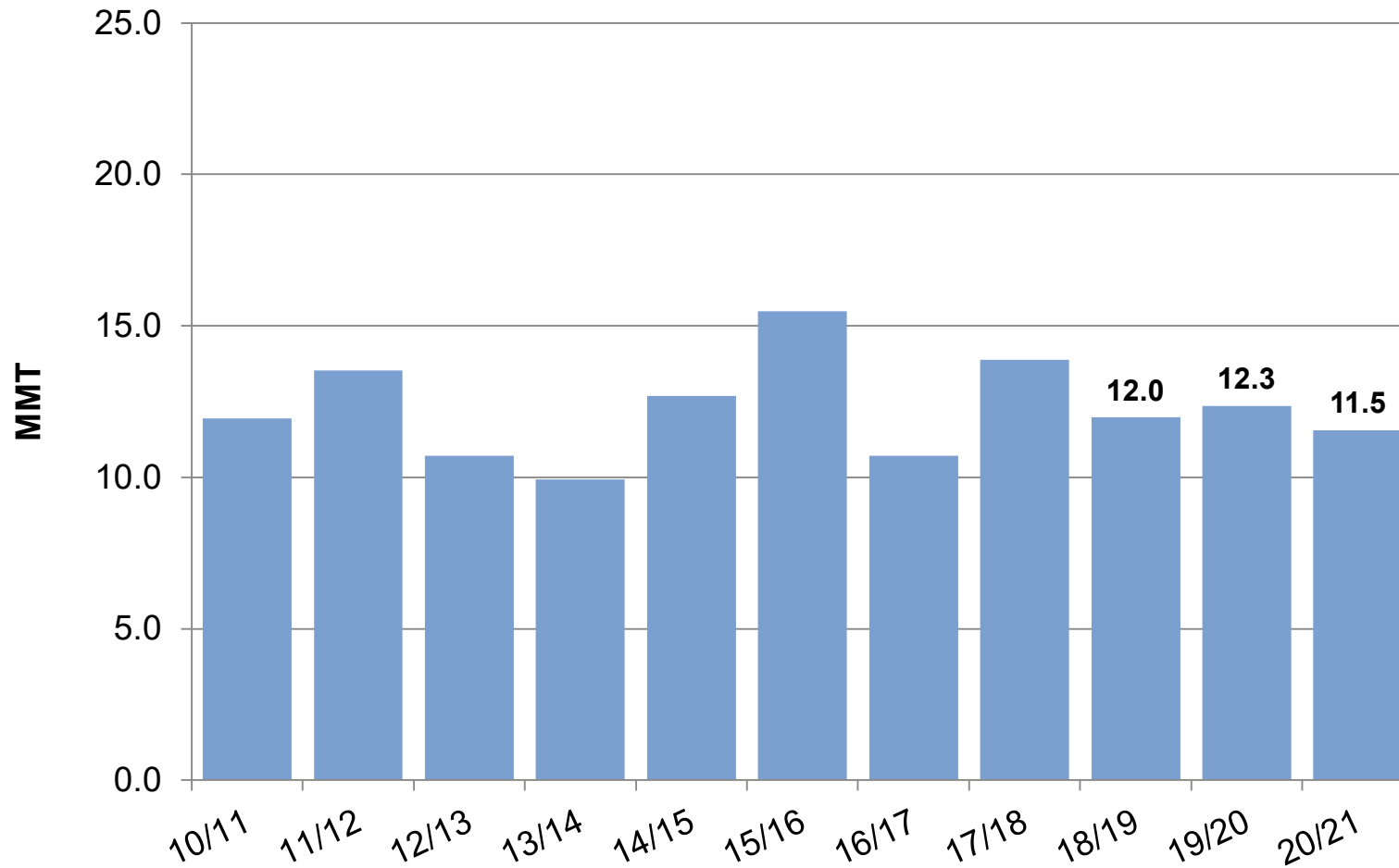
Argentina Ending Stocks



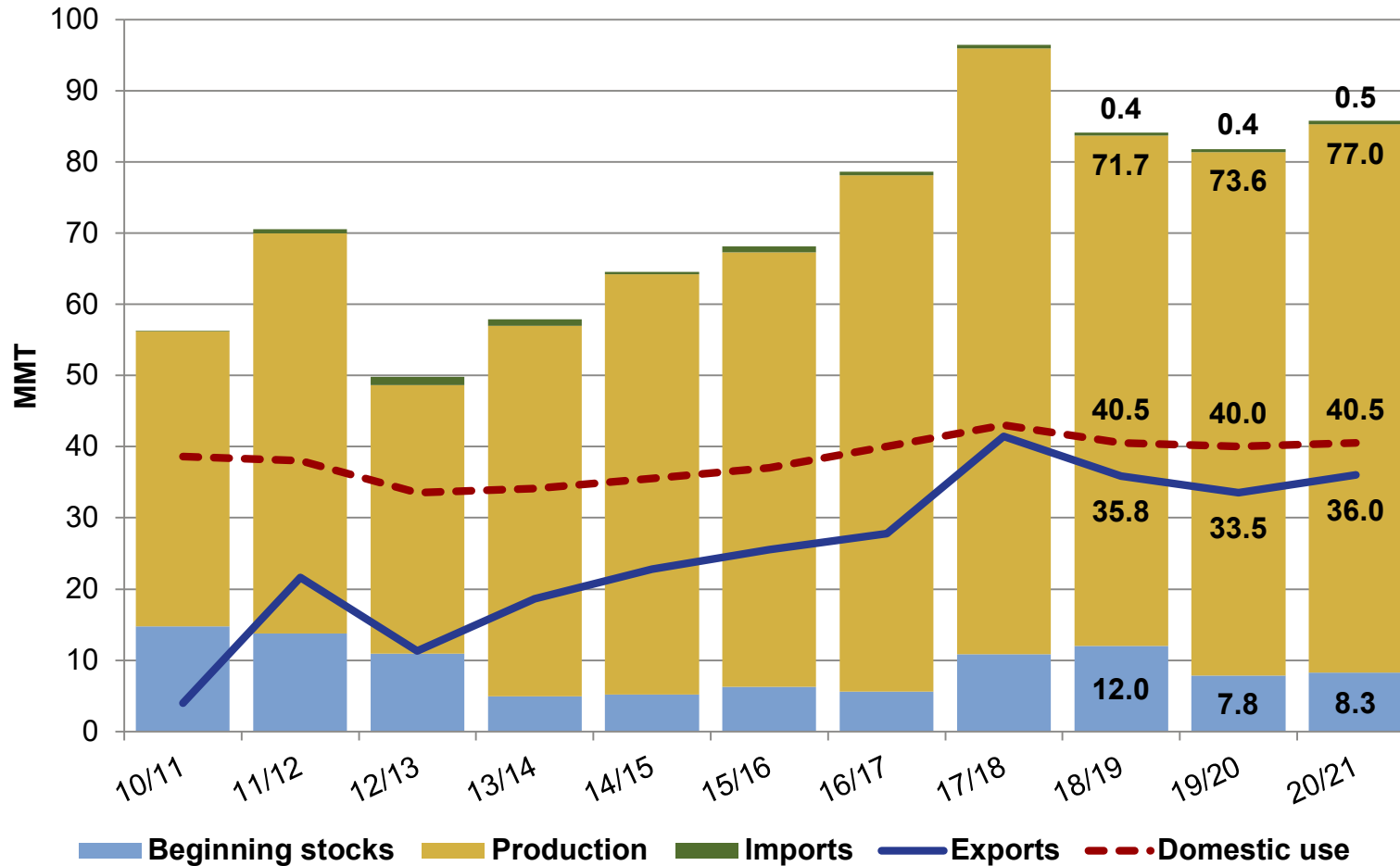
EU Situation



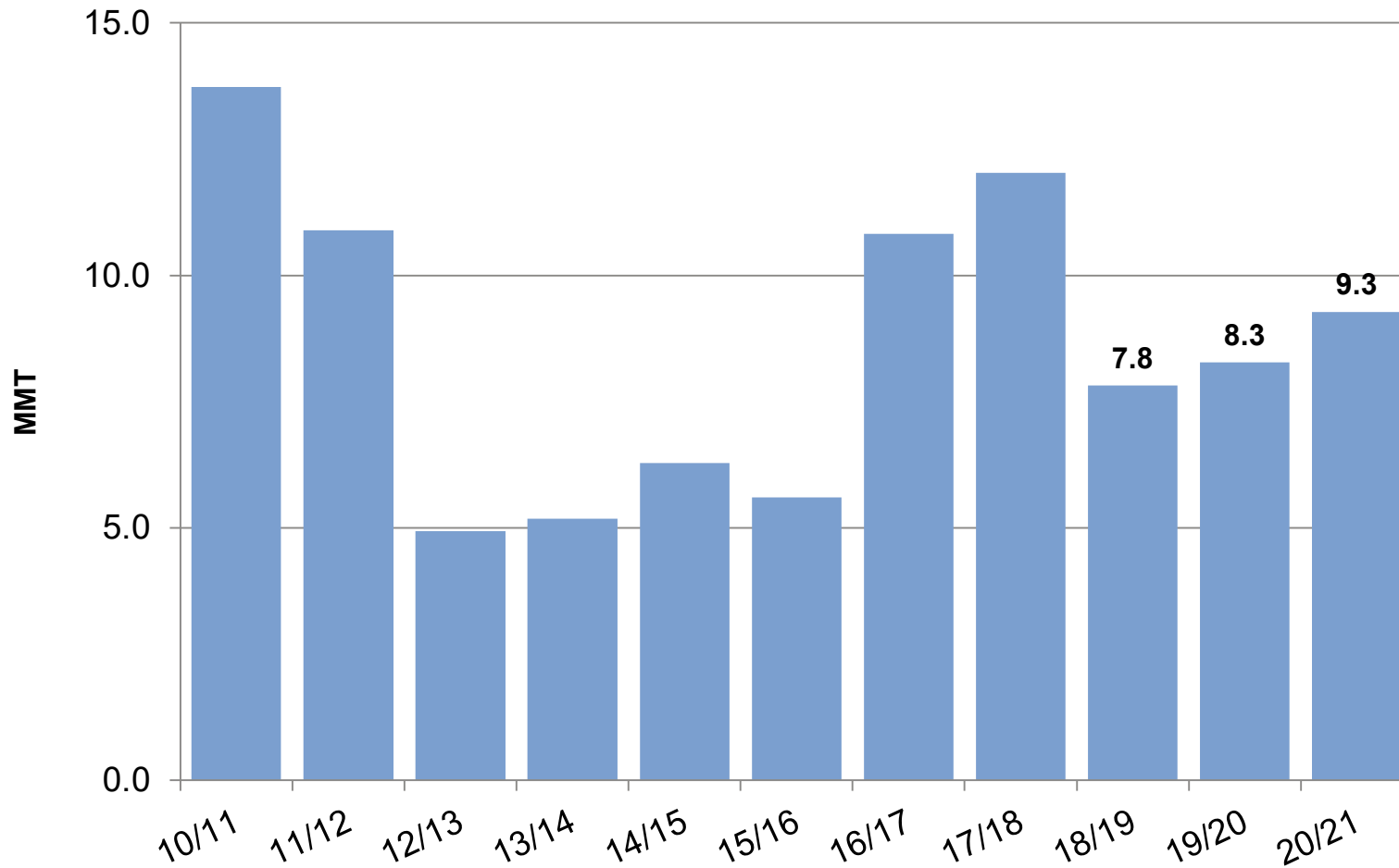
EU Ending Stocks



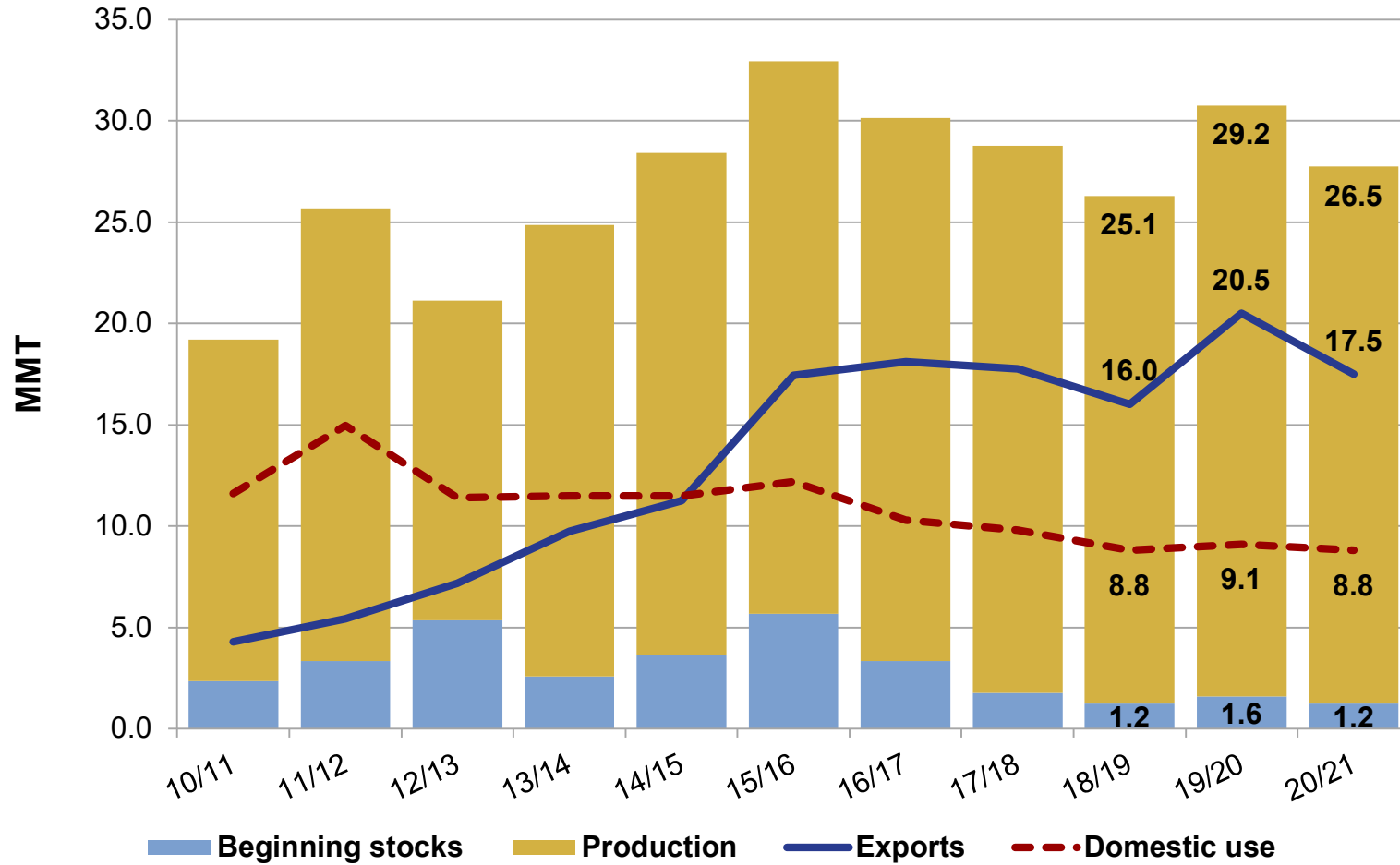
Russia Situation



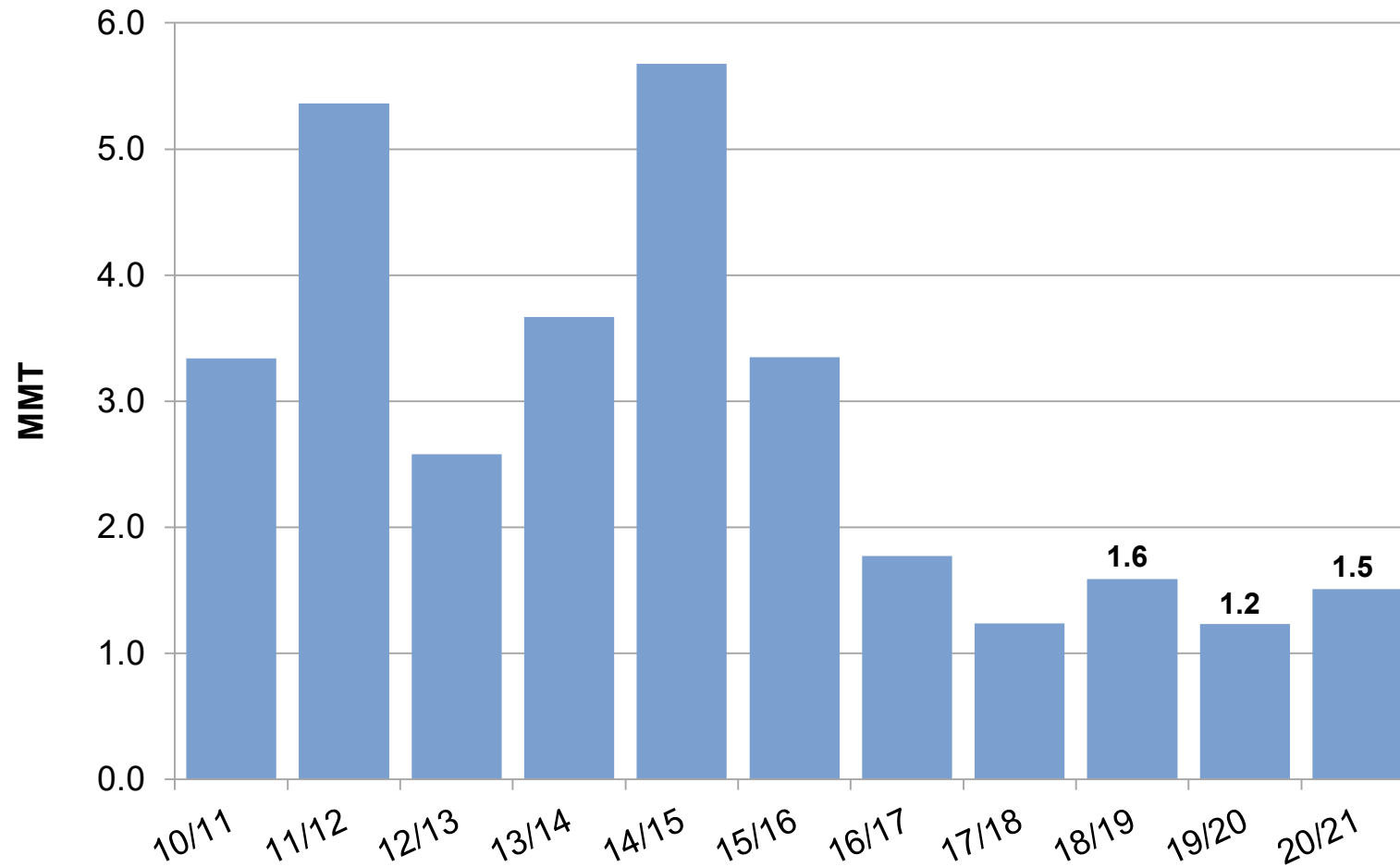
Russia Ending Stocks



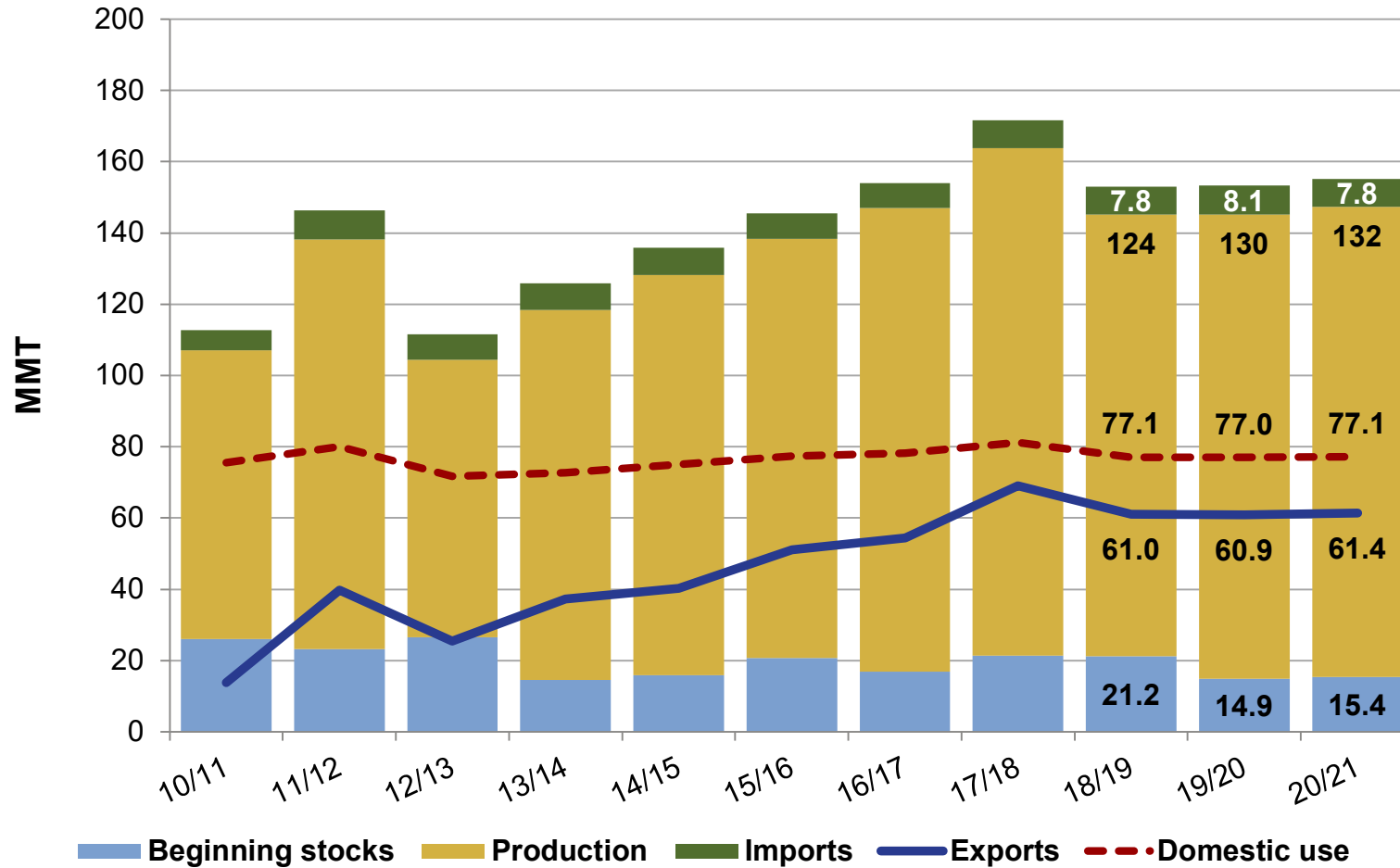
Ukraine Situation



Ukraine Ending Stocks



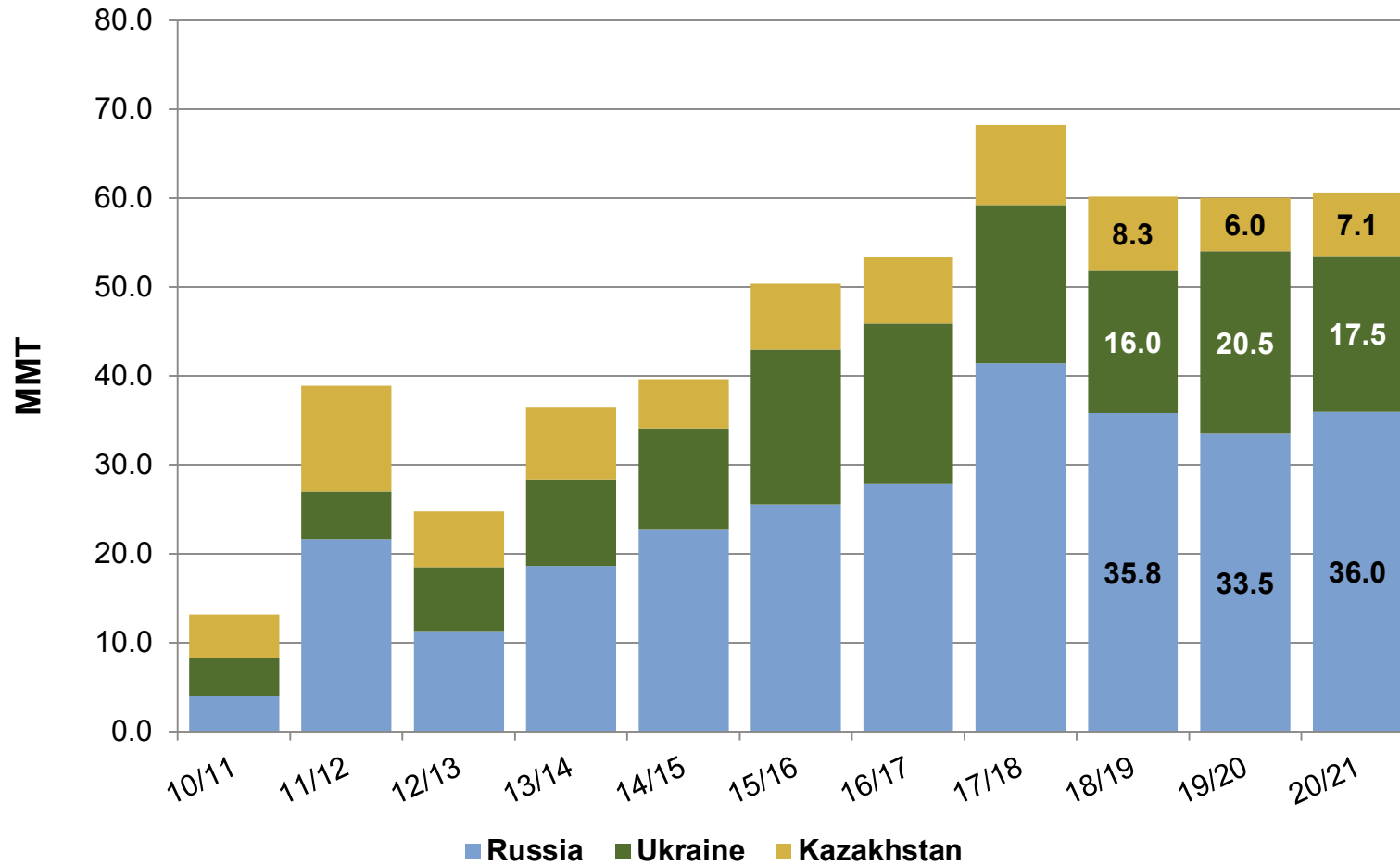
Black Sea Region Situation



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



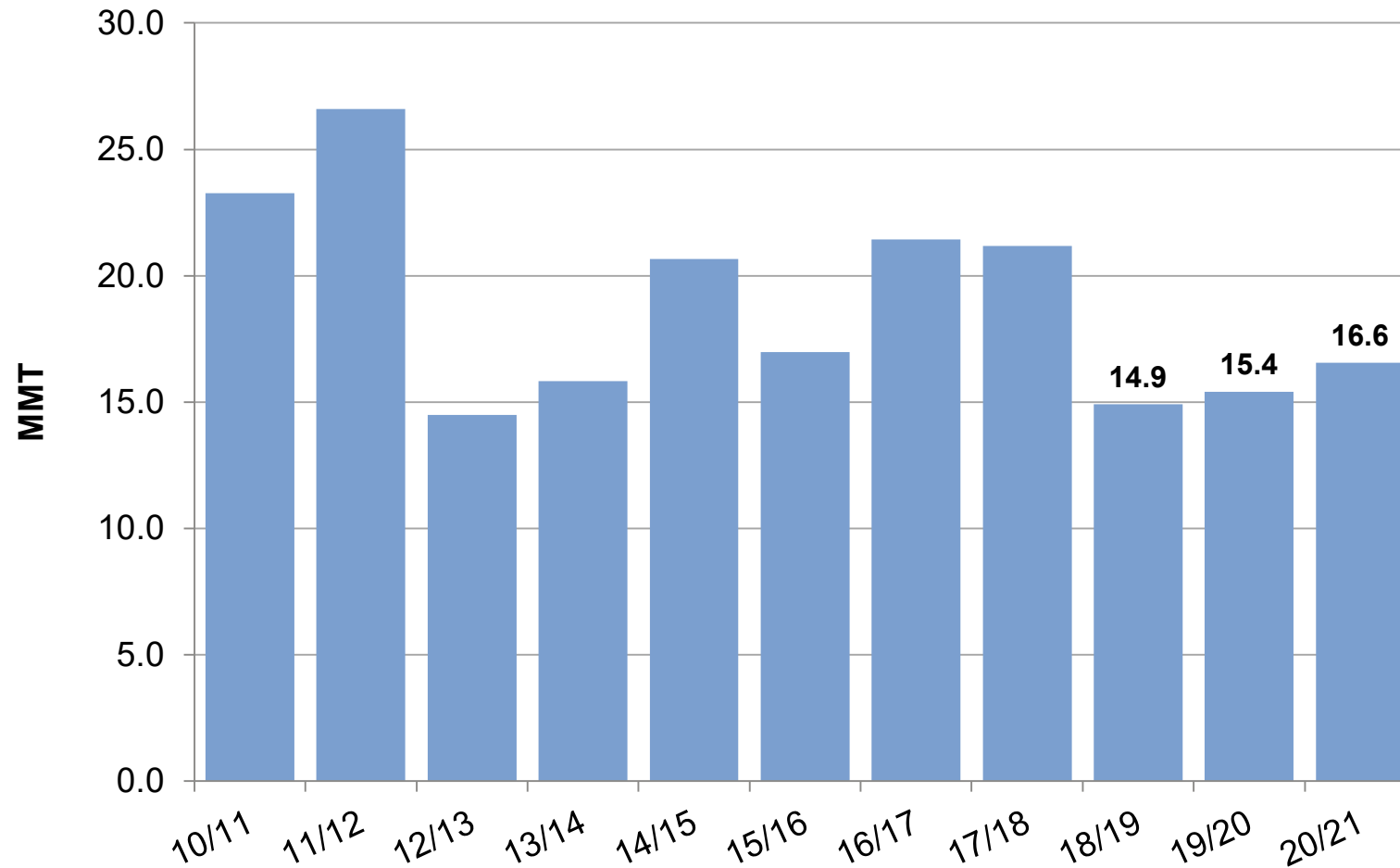
Black Sea Exports



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



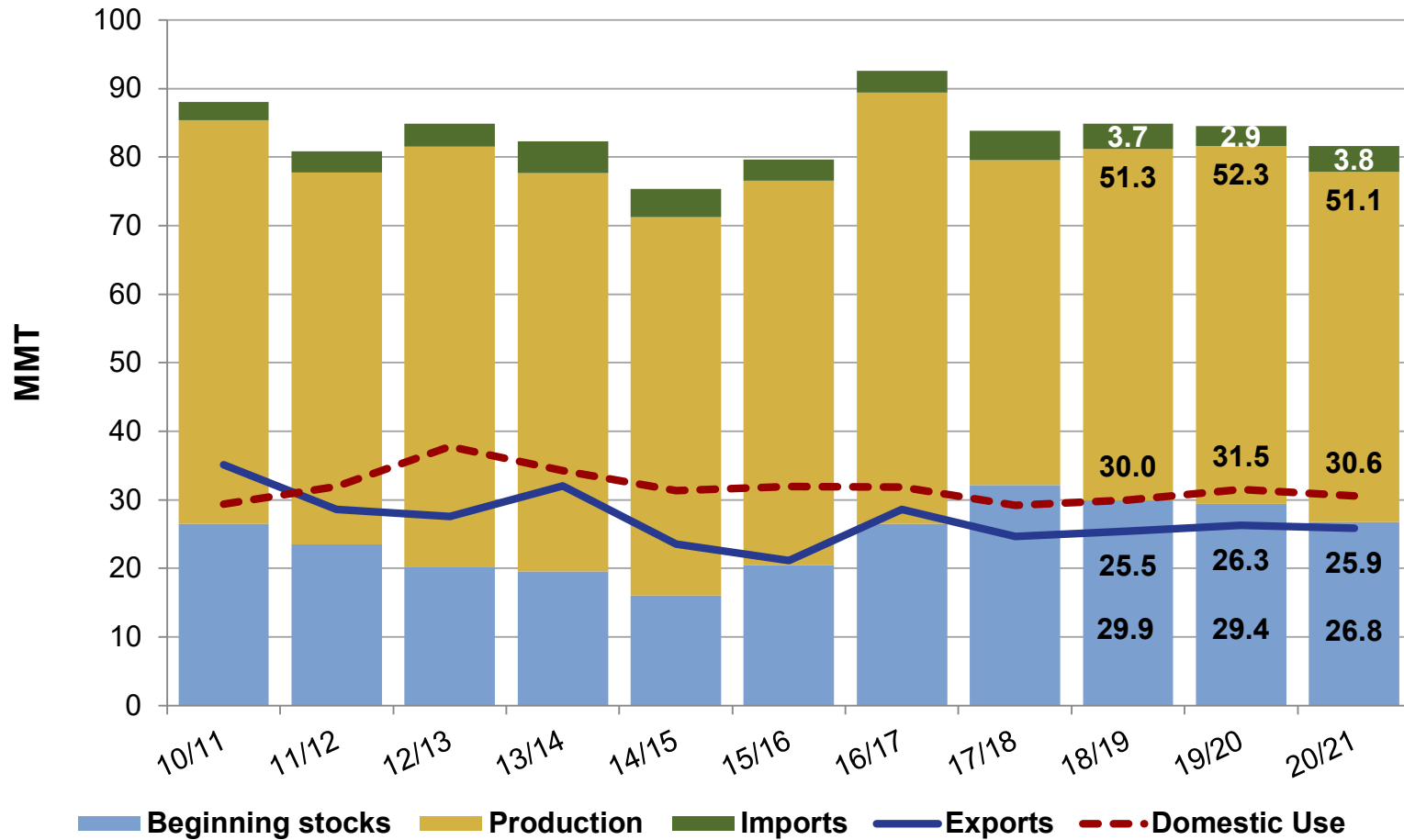
Black Sea Ending Stocks



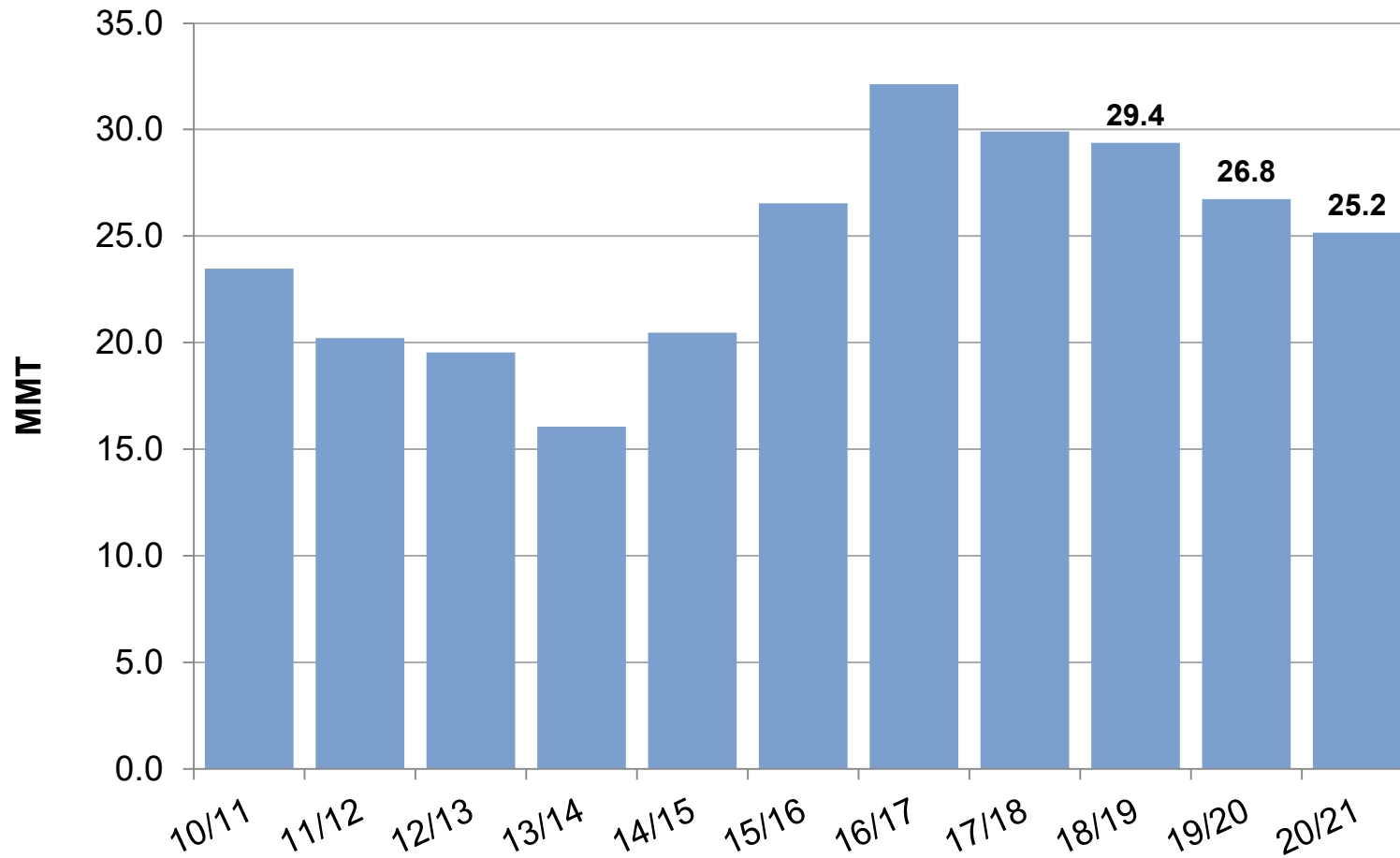
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U.S. Situation



U.S. Ending Stocks

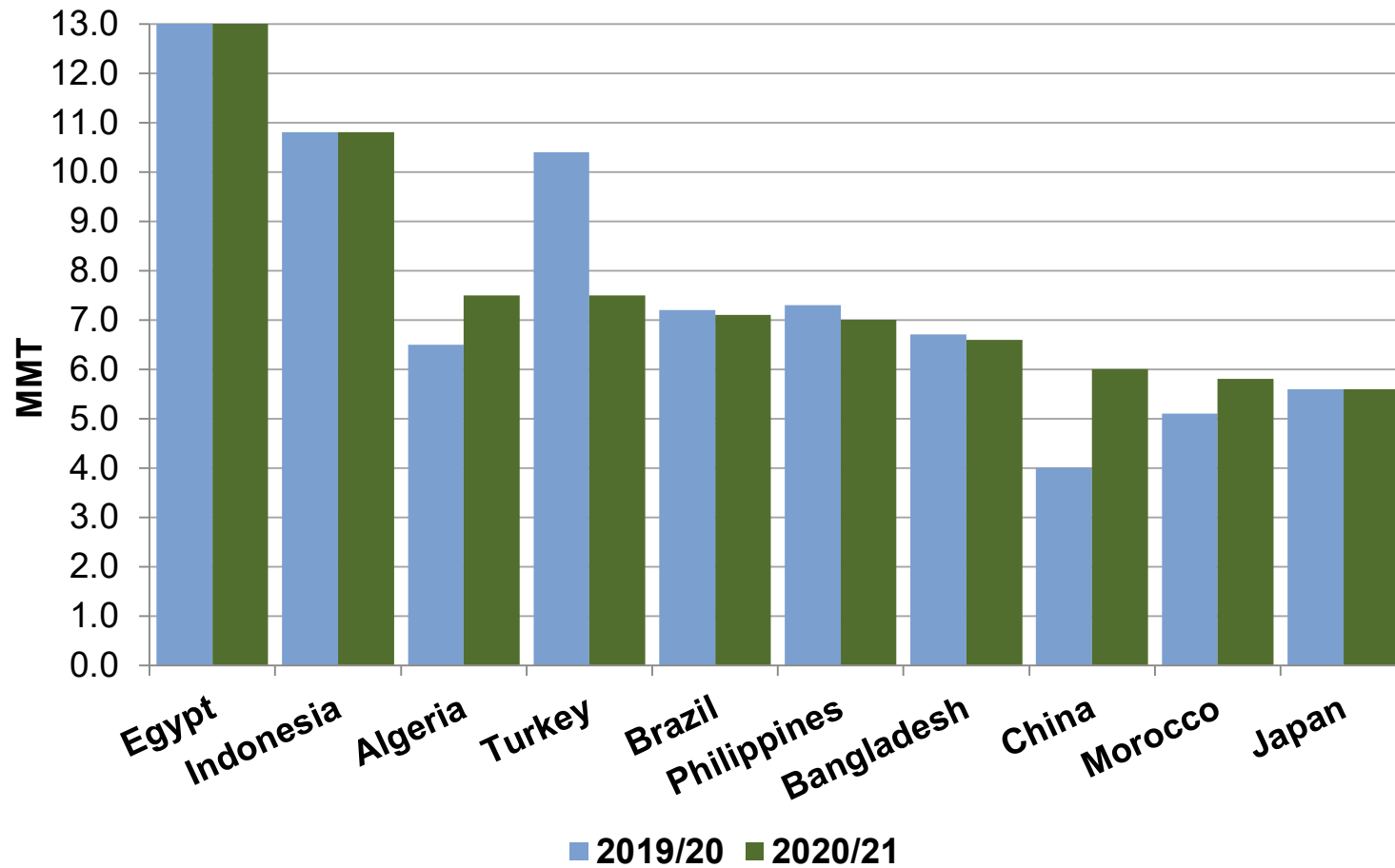




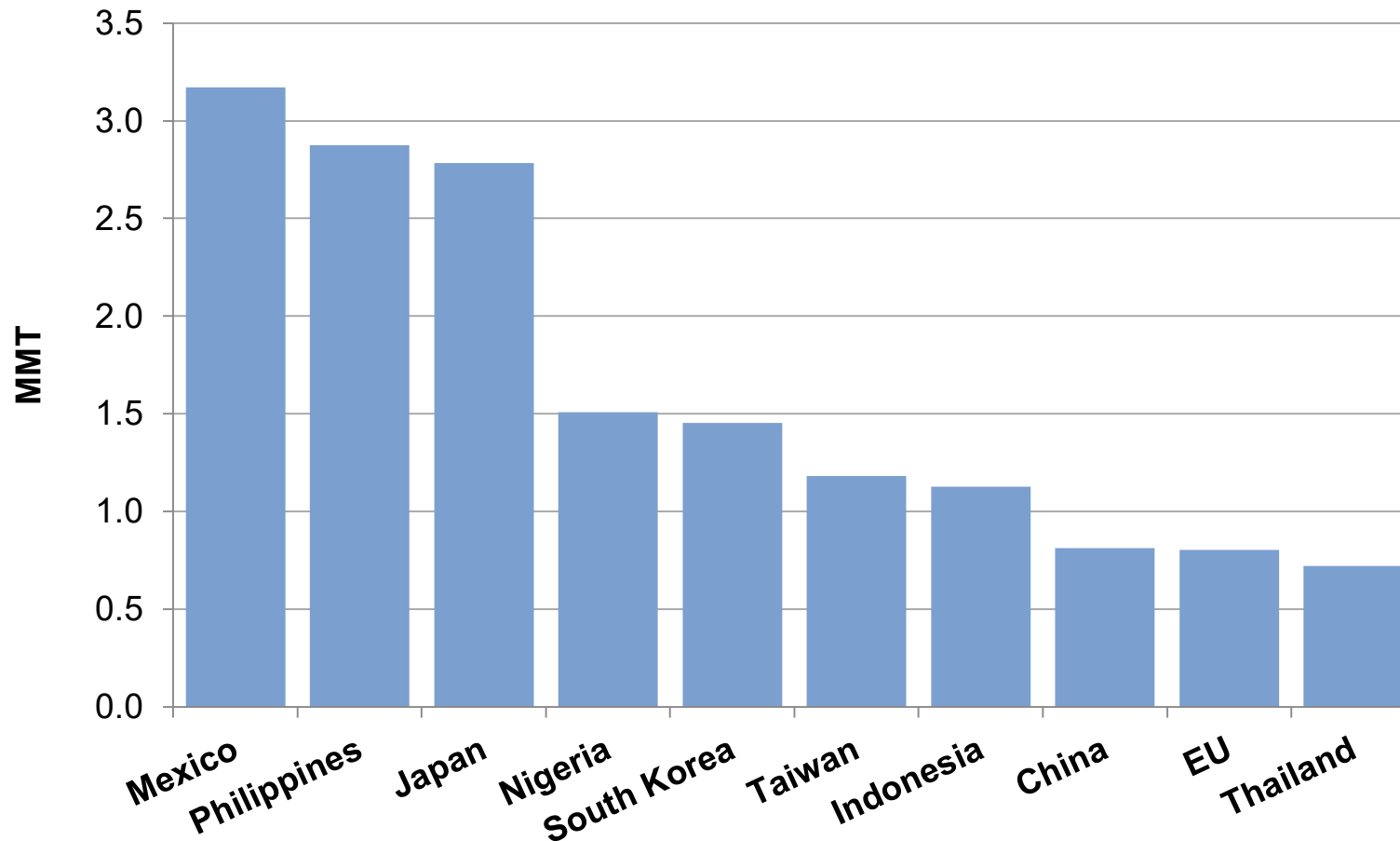
02

Import Demand

Major World Wheat Importers



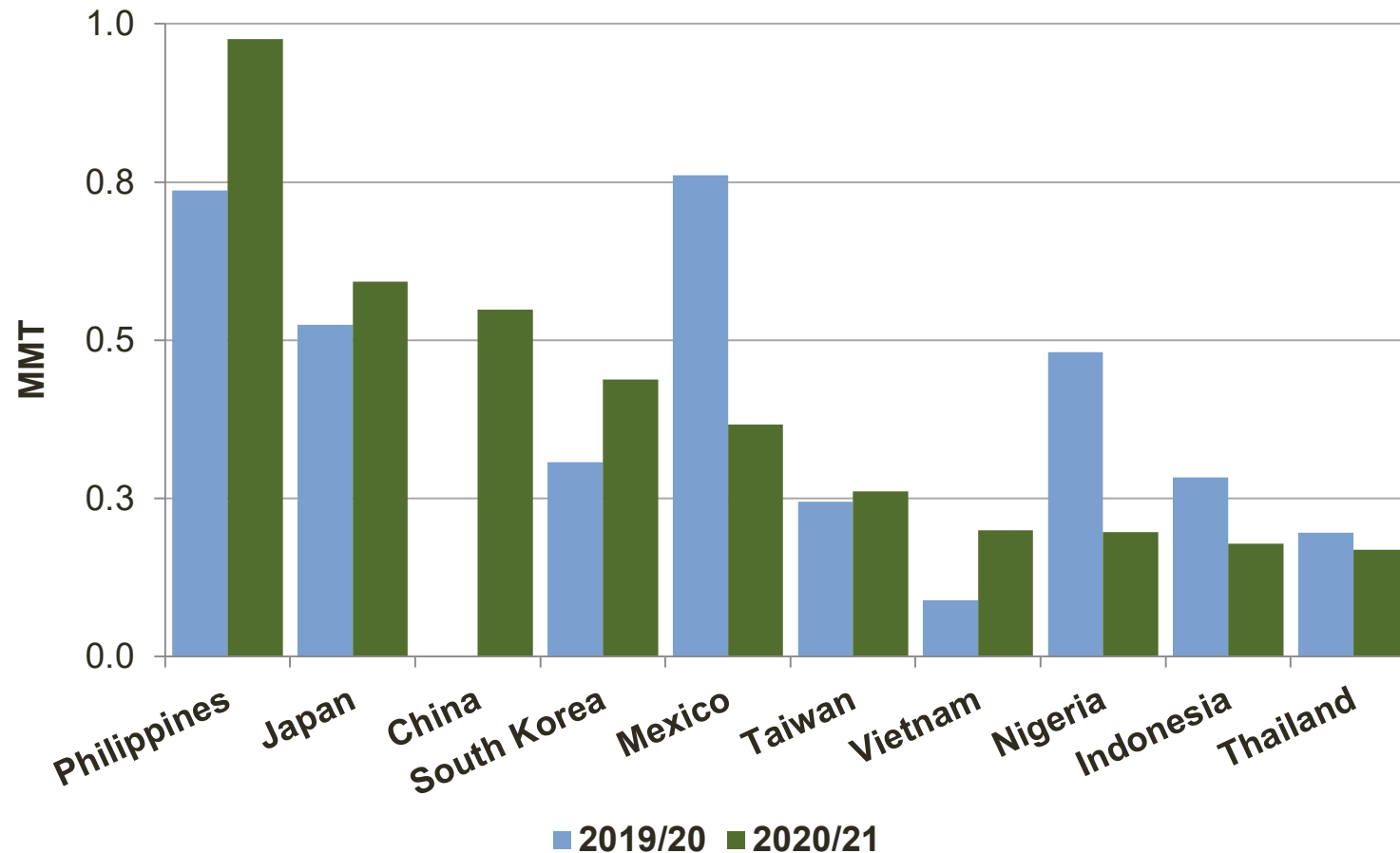
Top 10 Customers for U.S. Wheat (5-year average)



Source: USDA FAS export sales data as of May 31, 2020



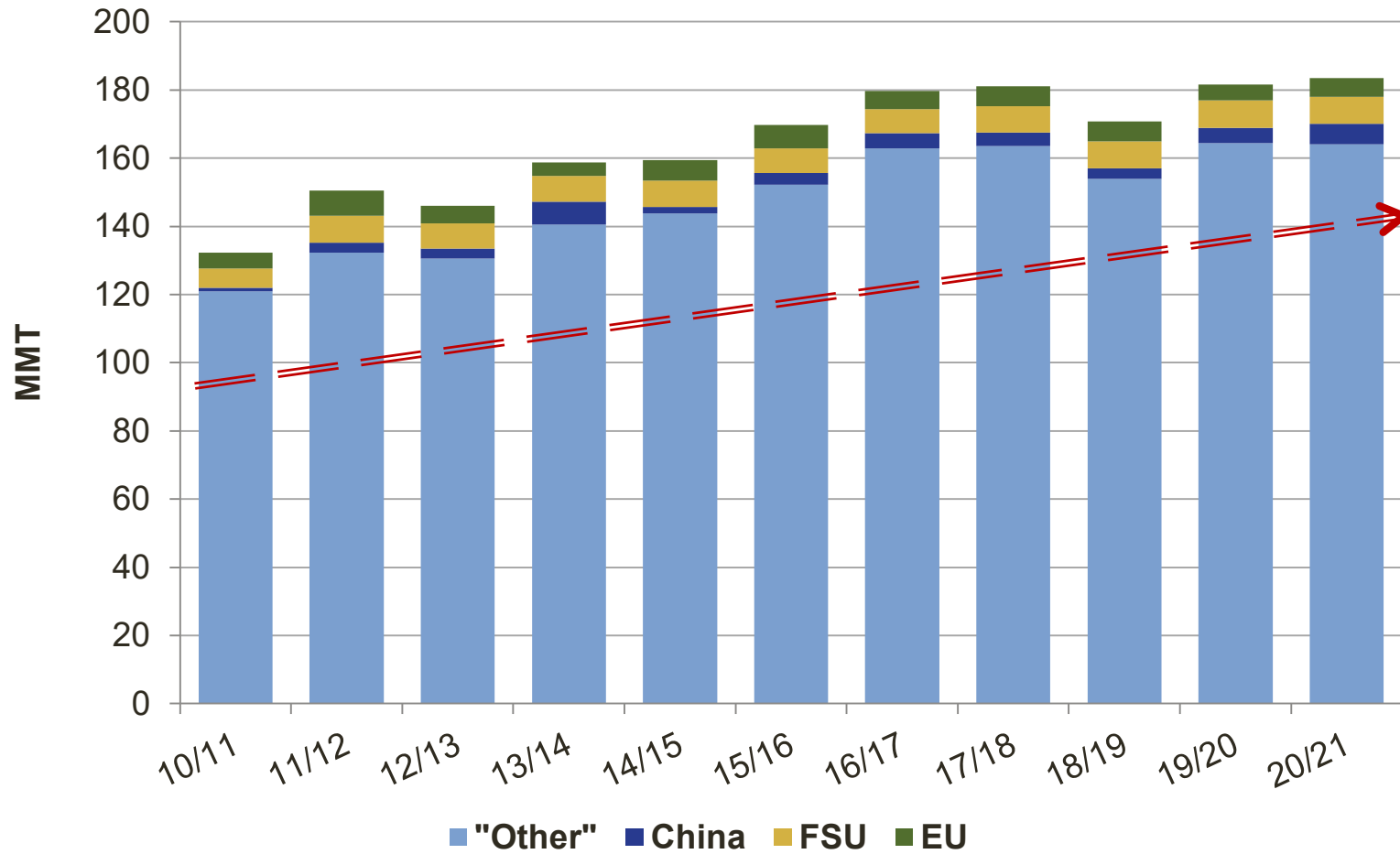
Top 10 Customers for U.S. Wheat (year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of June 4, 2020



World Wheat Imports

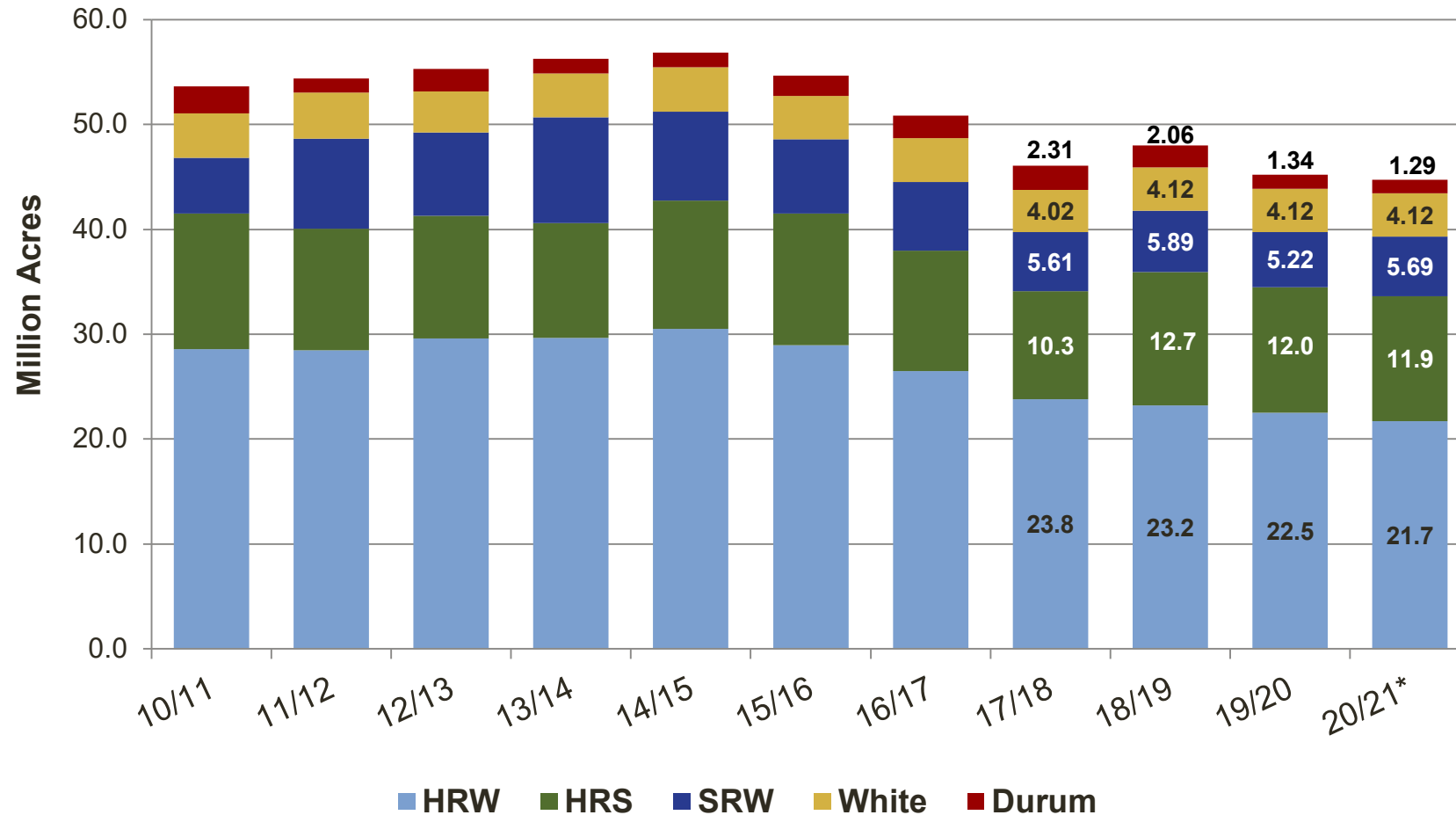




03

U.S. Situation by Class

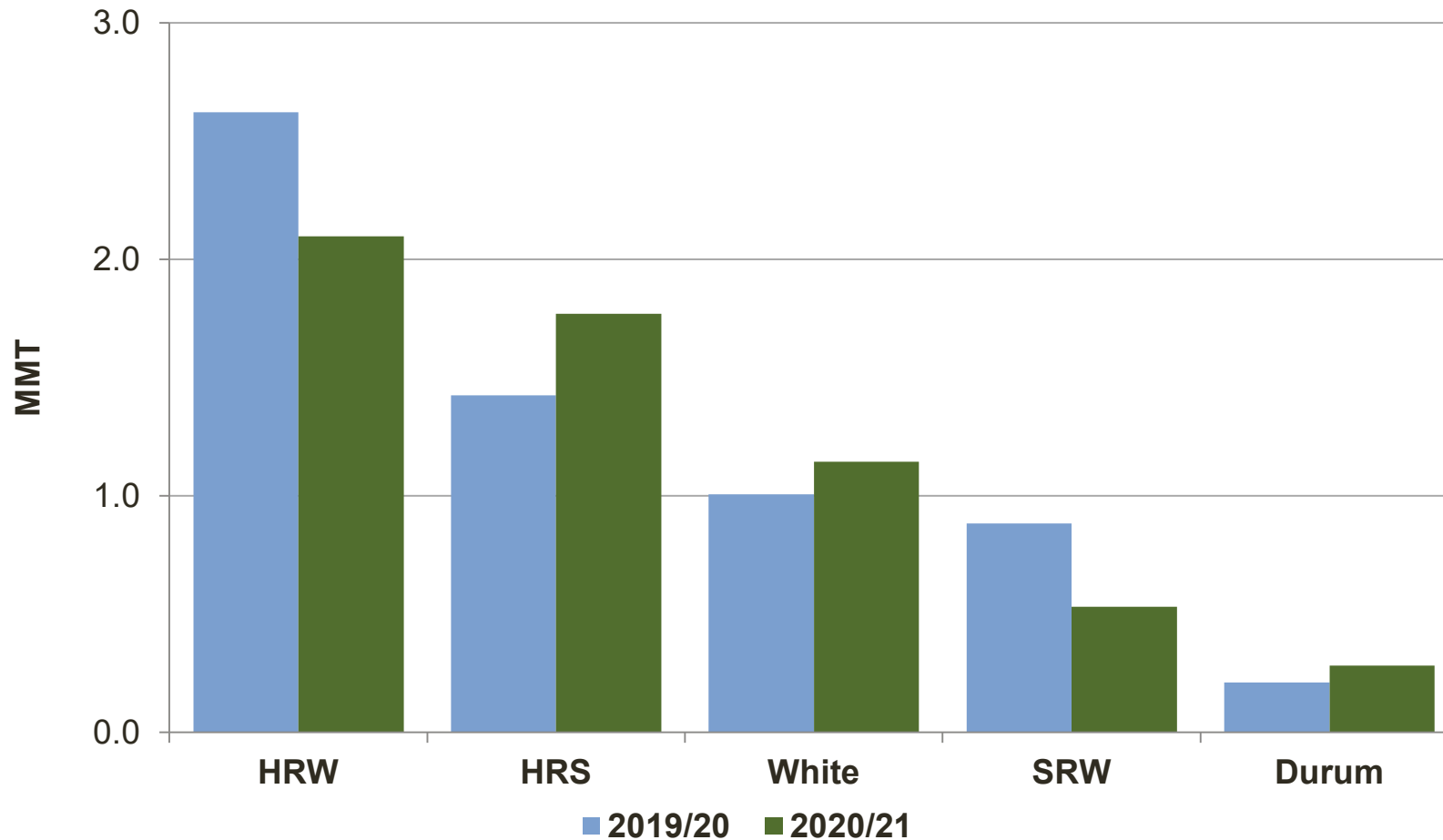
U.S. Wheat Planted Area



*Source: March 2020 USDA Prospective Plantings Report

U.S. Wheat Sales by Class

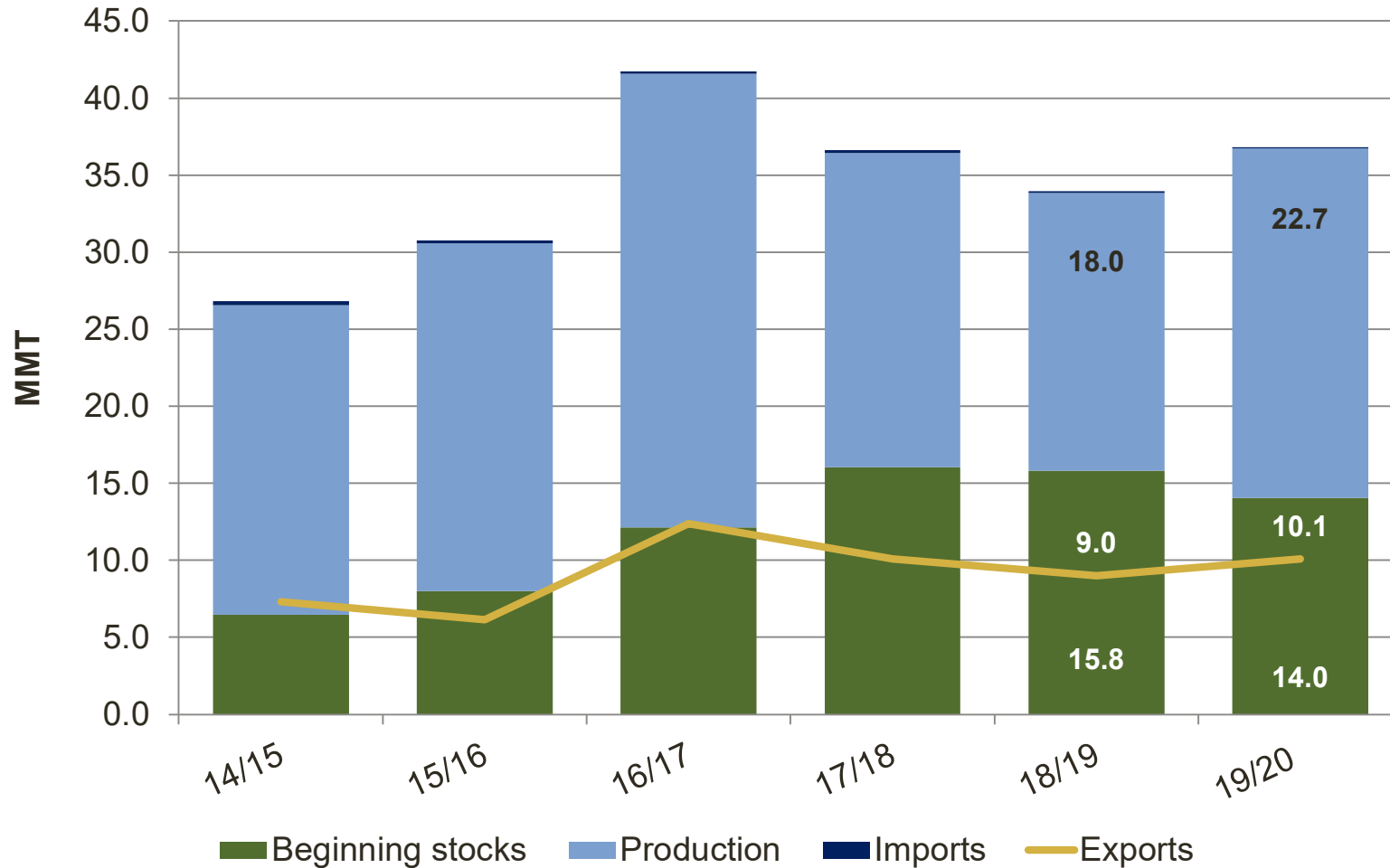
(year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of June 4, 2020



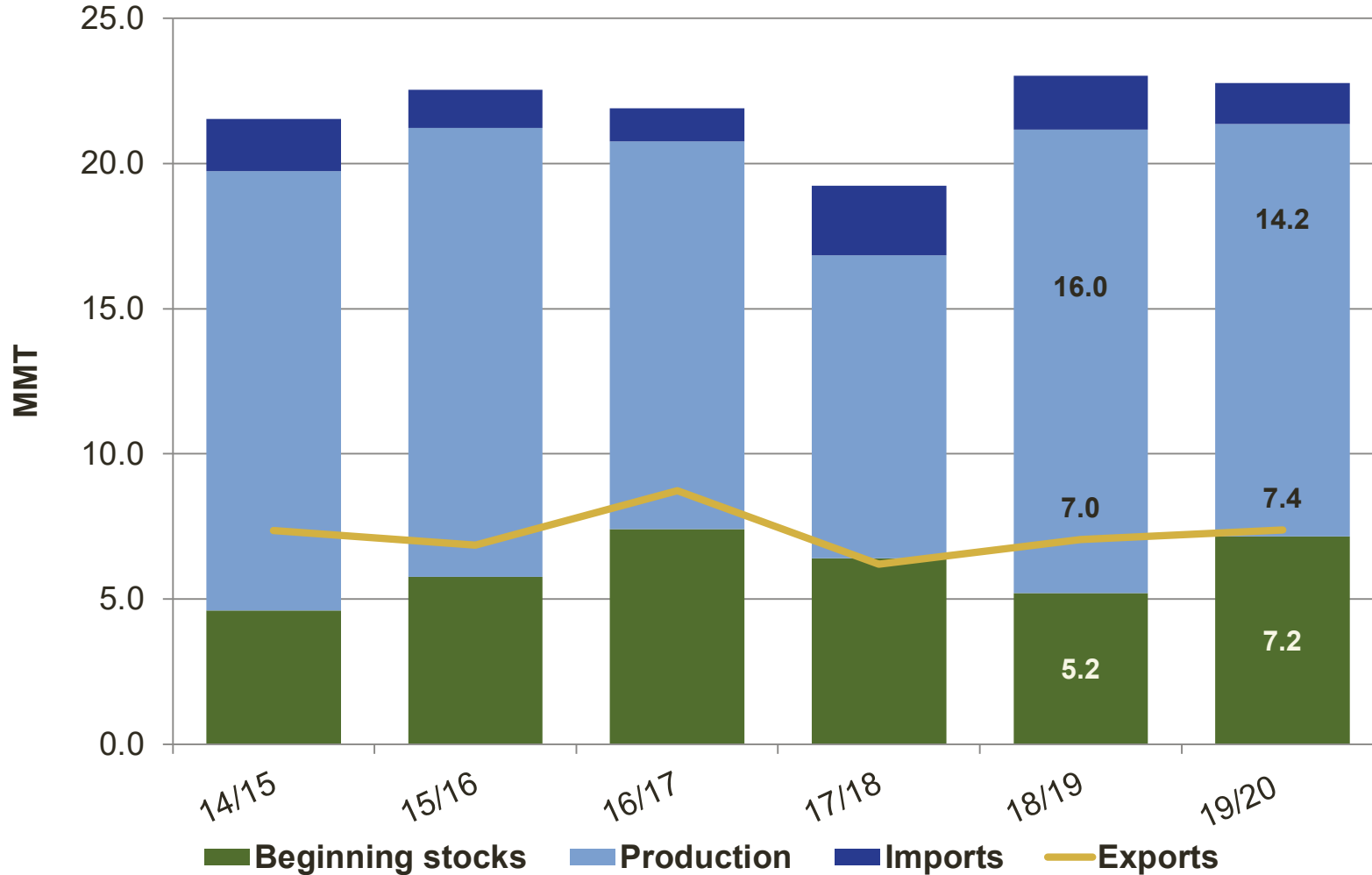
U.S. Hard Red Winter



Class information for 2020/21 will be published in the July 2020 USDA WASDE report



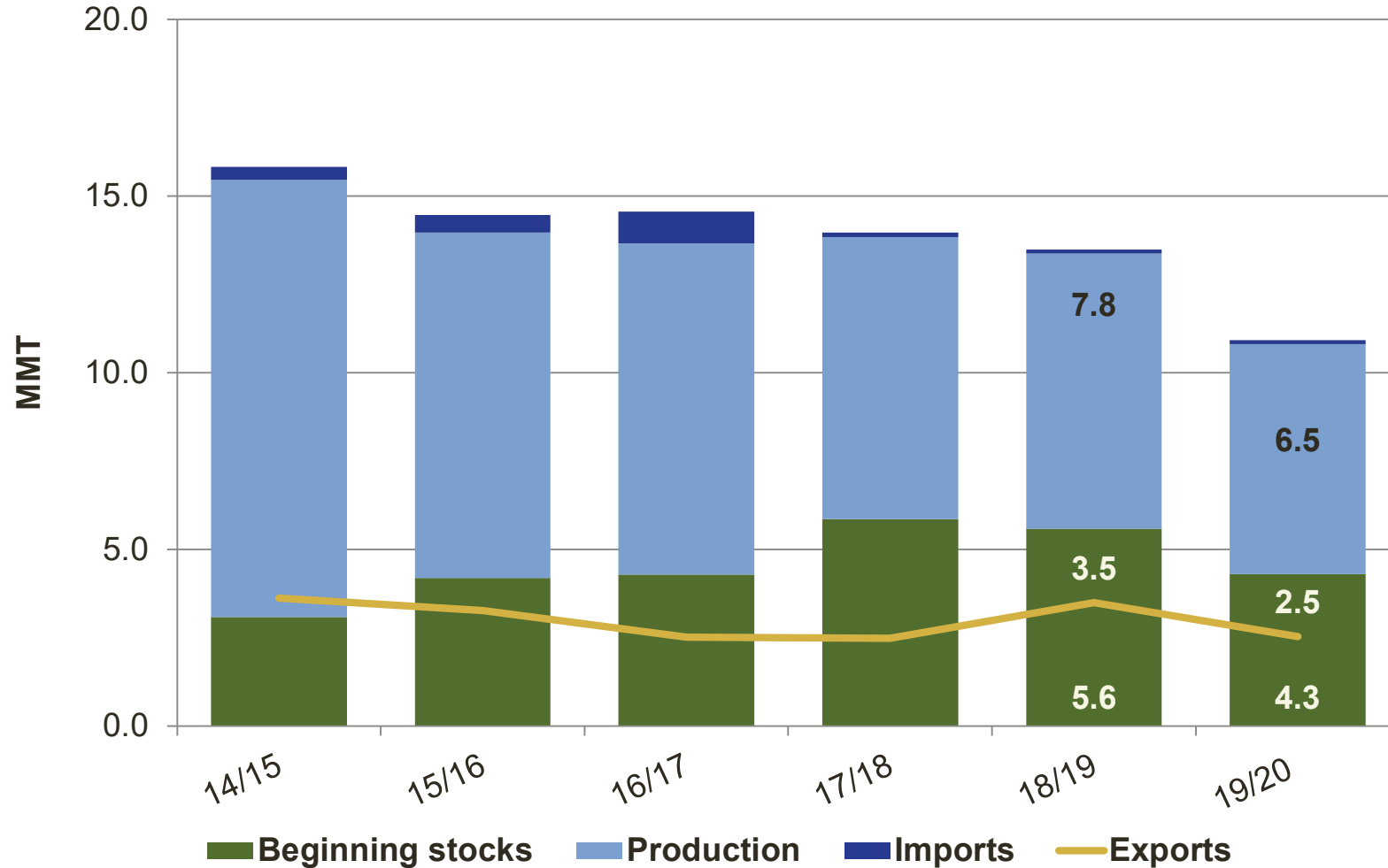
U.S. Hard Red Spring



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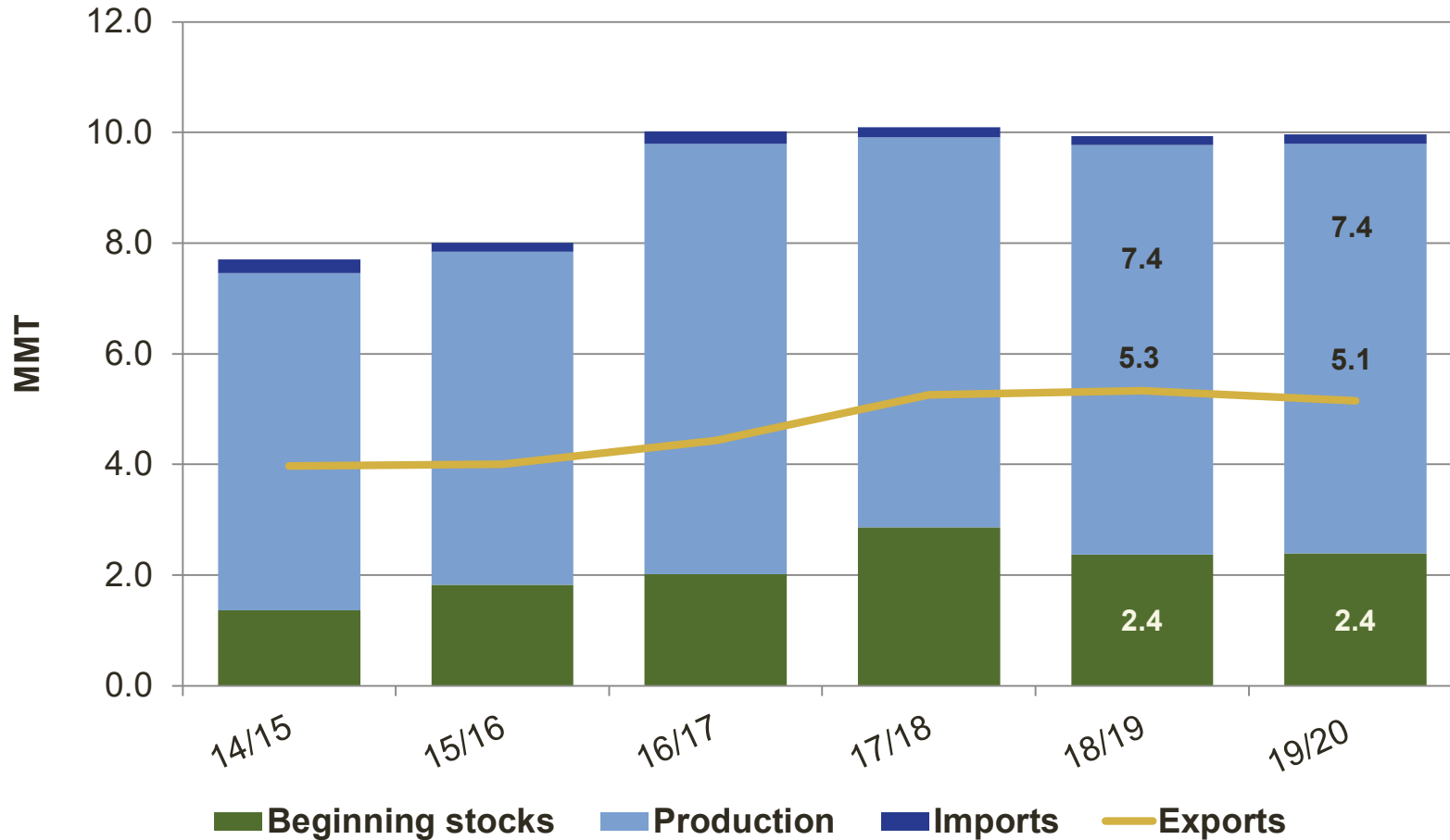
U.S. Soft Red Winter



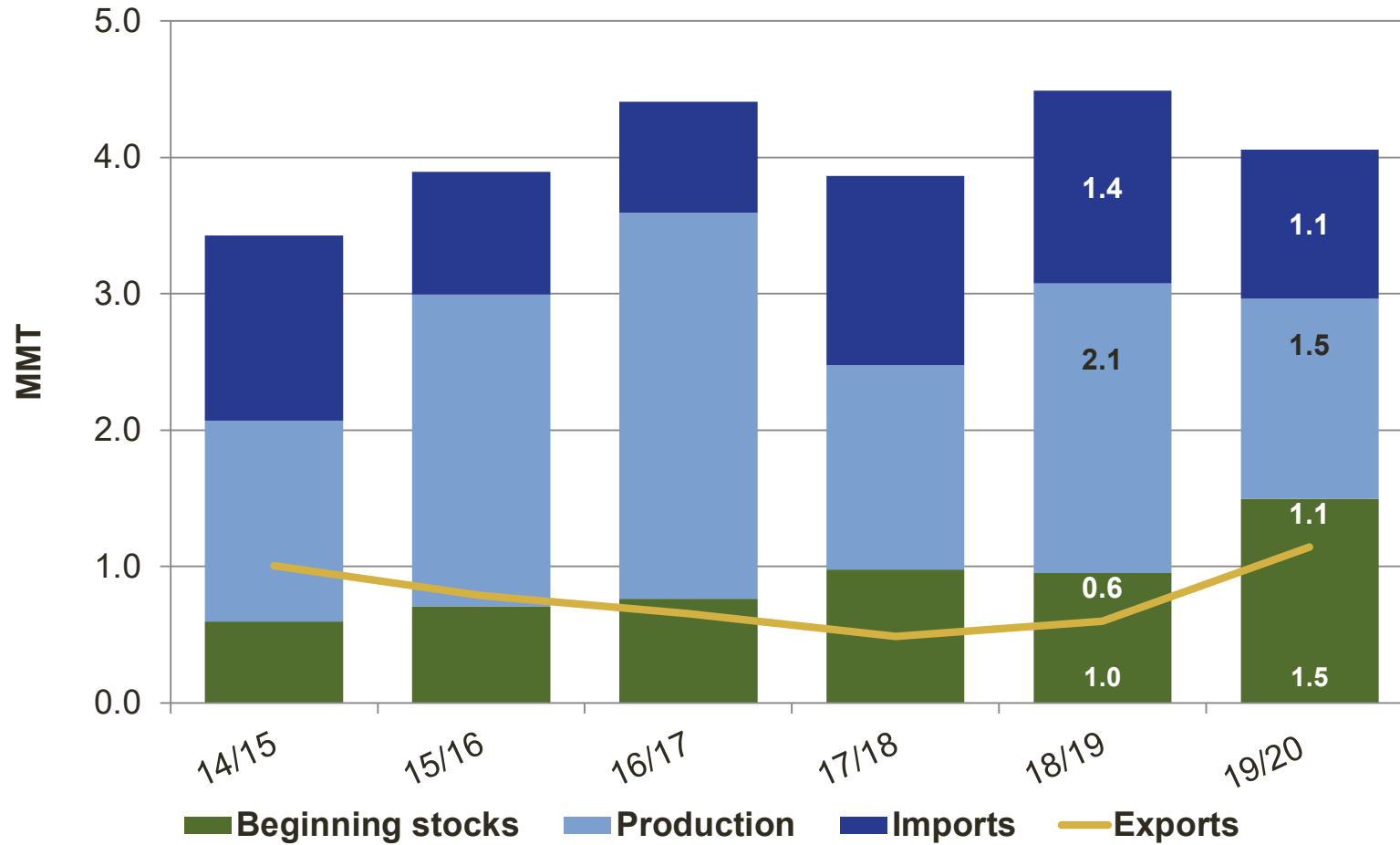
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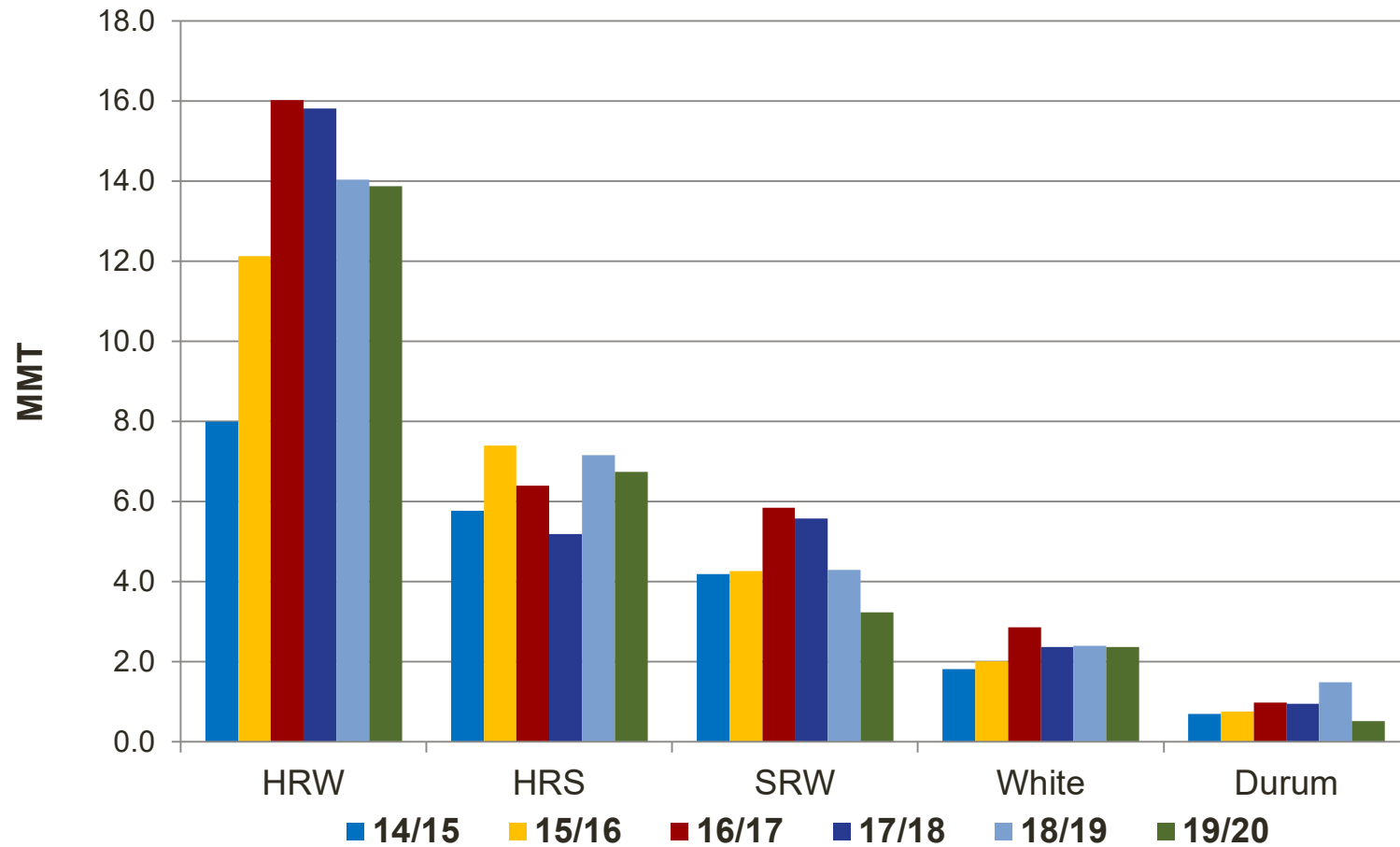
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



Class information for 2020/21 will be published in the July 2020 USDA WASDE report



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	8.65	5.69	5.14
Exports	9.0	10.1	7.05	7.38	3.48	2.53
Use Total	19.9	22.9	15.9	16.0	9.17	7.67
Ending Stocks	14.0	13.9	7.16	6.75	4.30	3.24
Stocks-to-Use	70%	61%	45%	42%	47%	42%

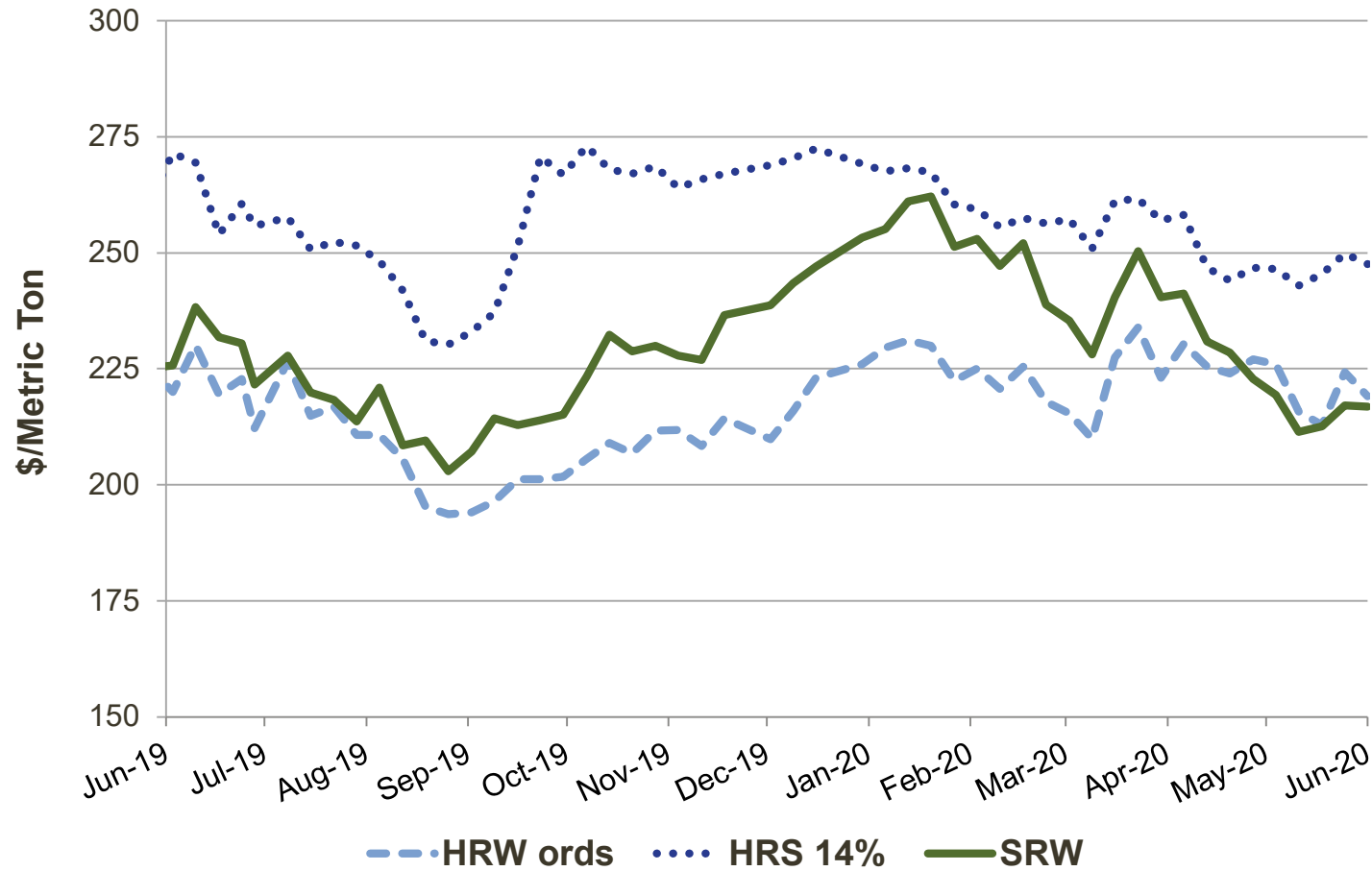


U.S. Wheat Supply and Demand (MMT)

	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	9.96	4.49	4.06	84.9	84.5
Domestic Use	2.20	2.45	2.40	2.40	30.0	31.5
Exports	5.33	5.14	0.60	1.14	25.5	26.3
Use Total	7.54	7.59	2.99	3.54	55.5	57.8
Ending Stocks	2.40	2.37	1.50	0.52	29.4	26.8
Stocks-to-Use	32%	31%	50%	15%	53%	46%



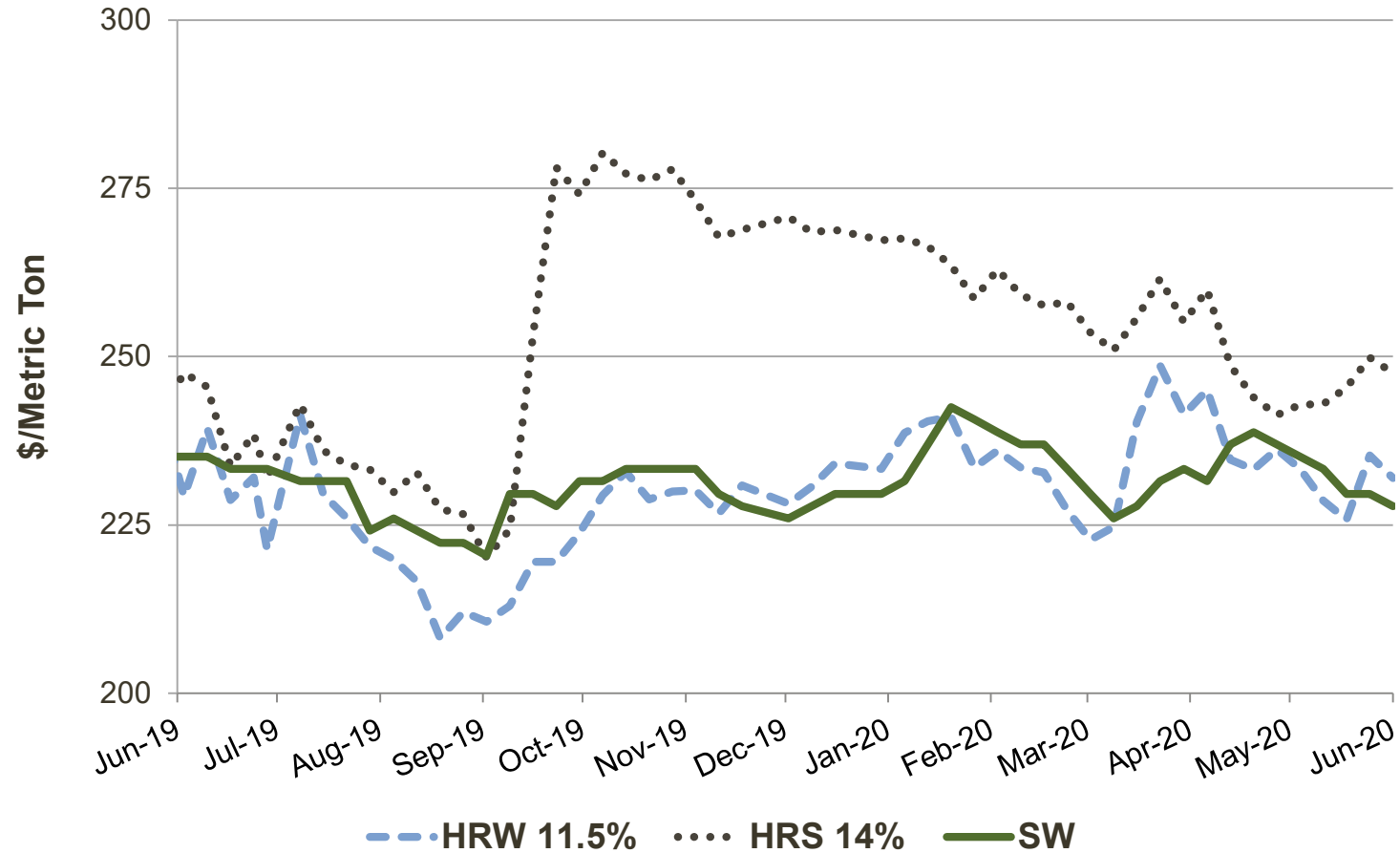
U.S. FOB Gulf Prices



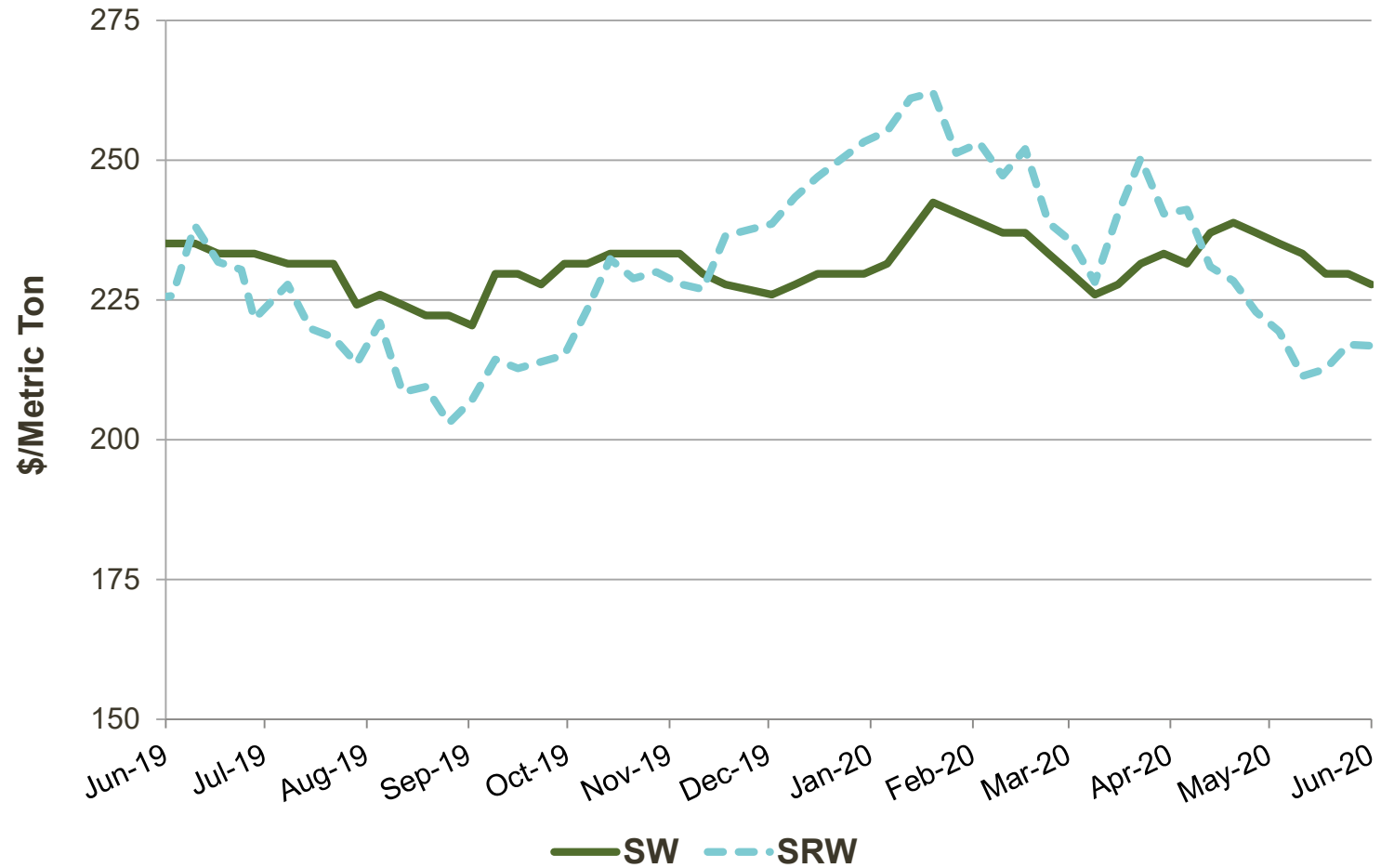
Source: U.S. Wheat Associates Price Report, June 5, 2020



U.S. FOB PNW Prices



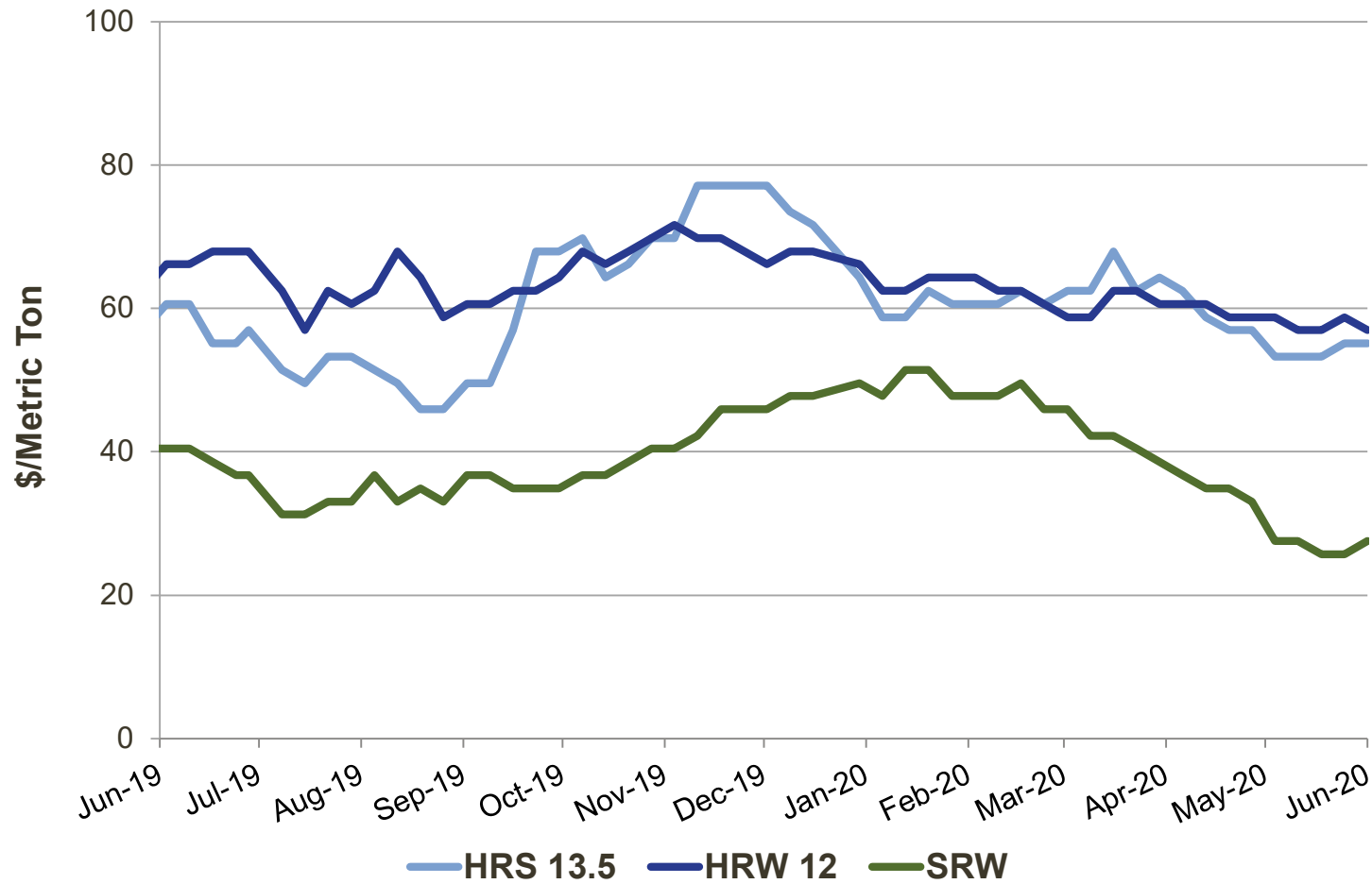
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, June 5, 2020



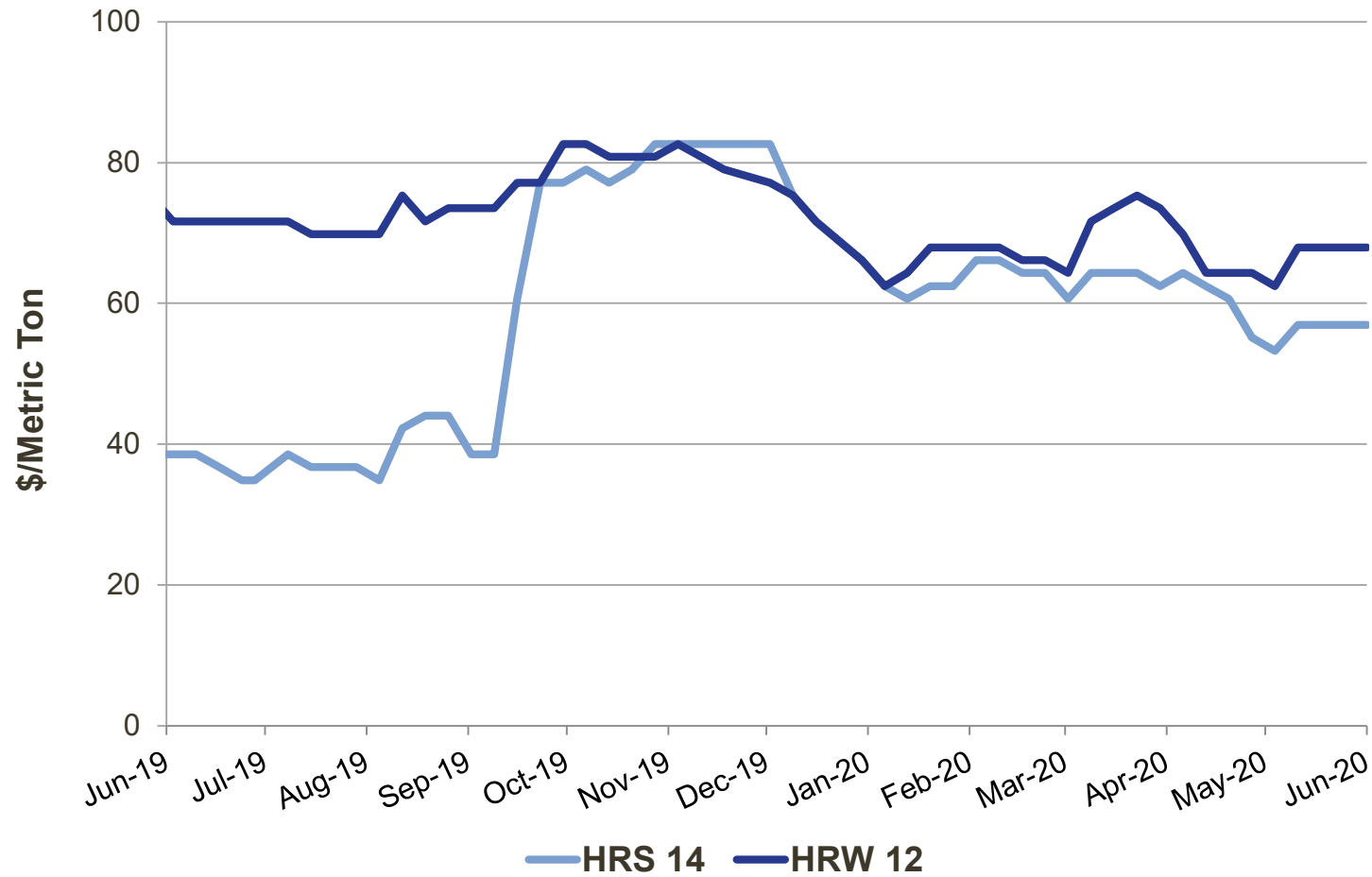
U.S. Gulf Basis Prices



Source: U.S. Wheat Associates Price Report, June 5, 2020



U.S. PNW Basis Prices



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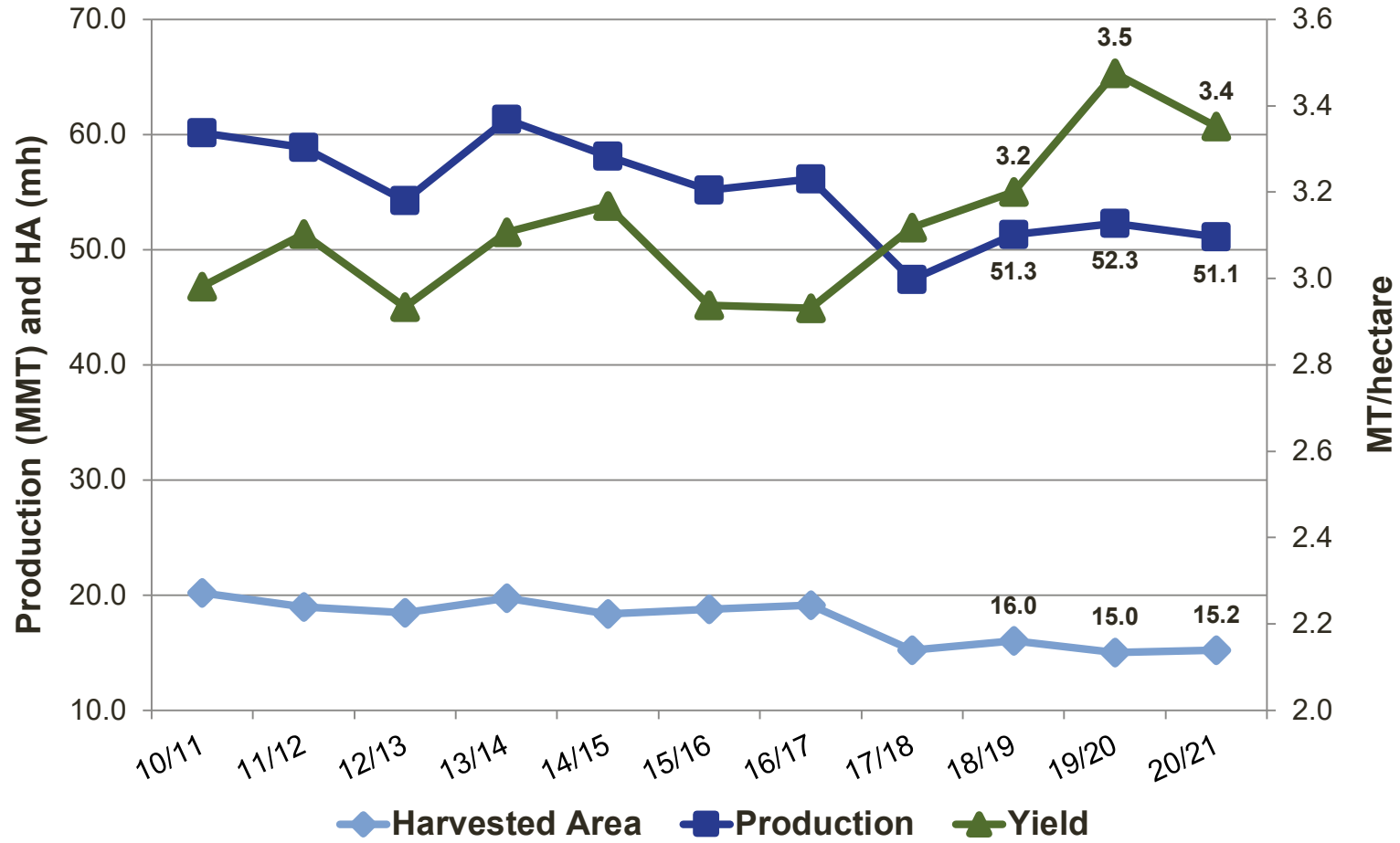


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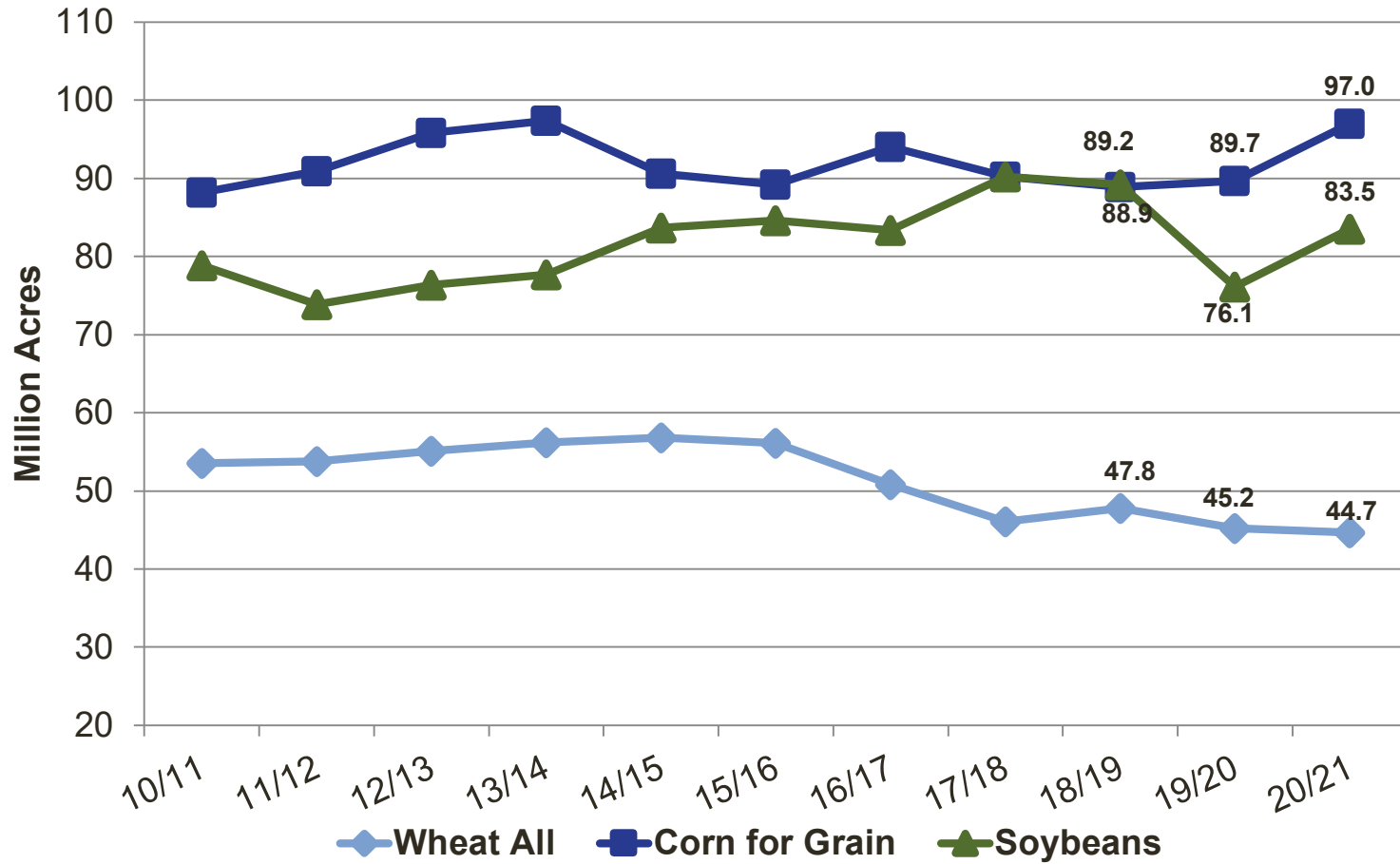
Outlook



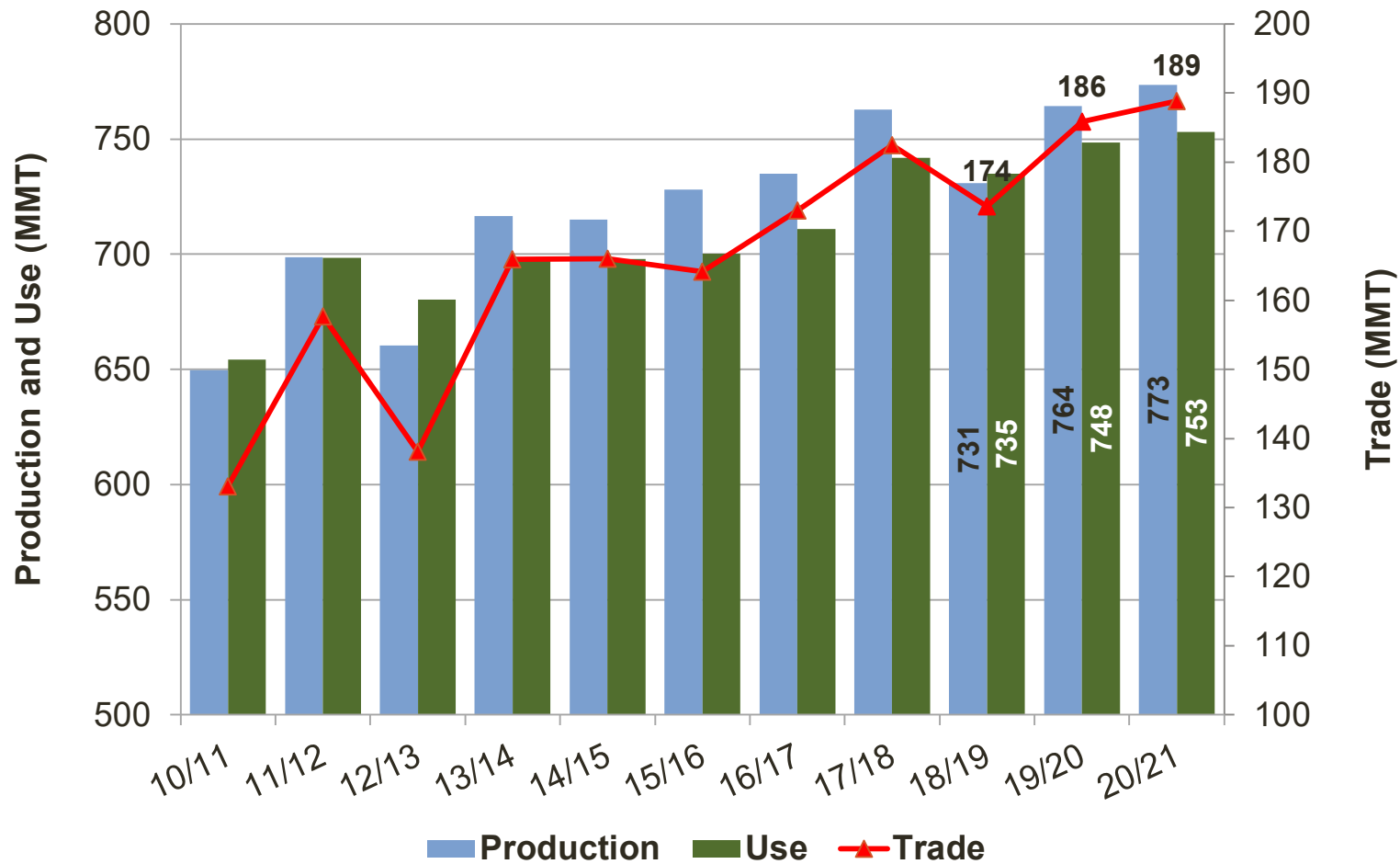
U.S. Wheat Production, Area and Yield



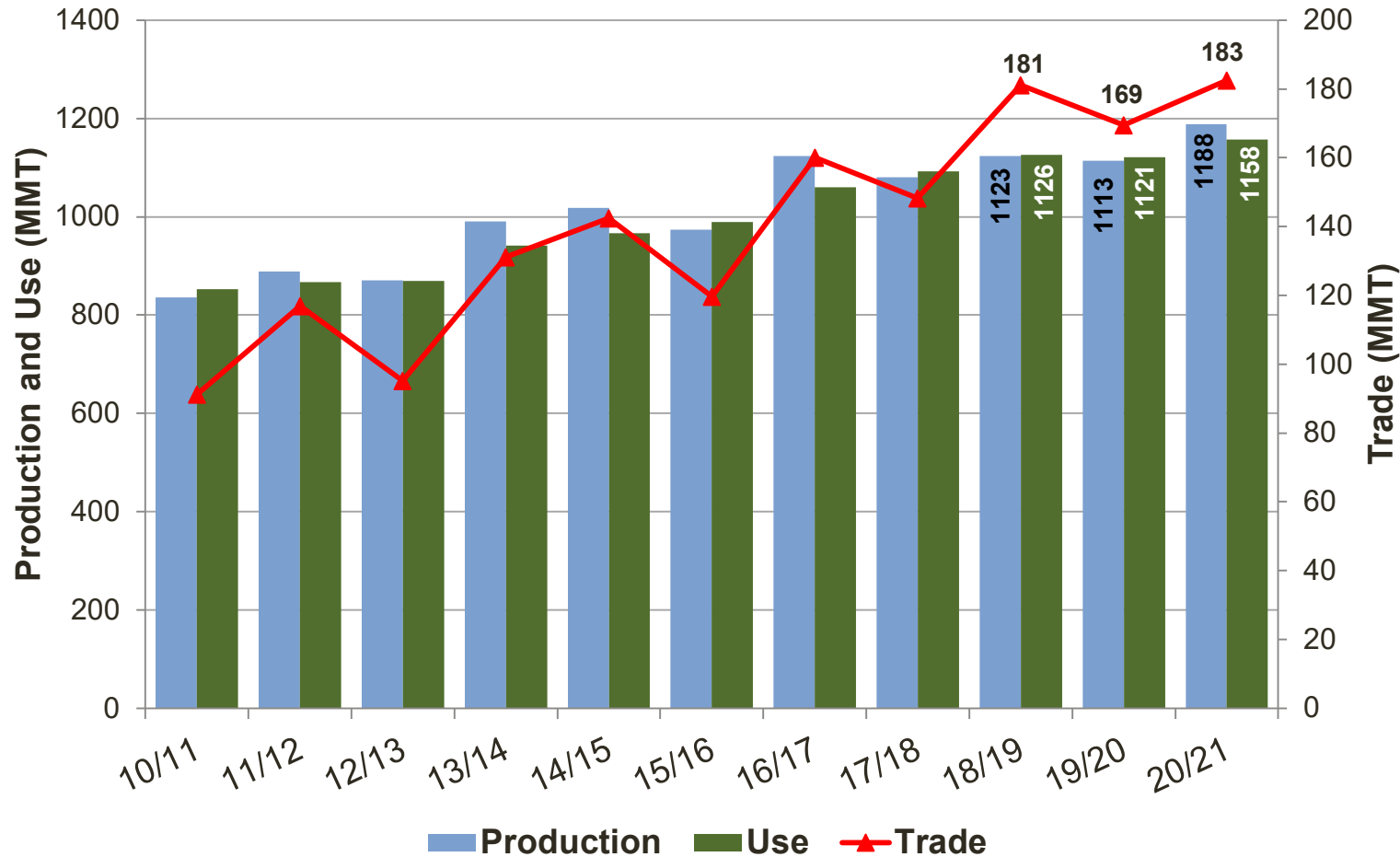
U.S. Crop Planted Area Comparison



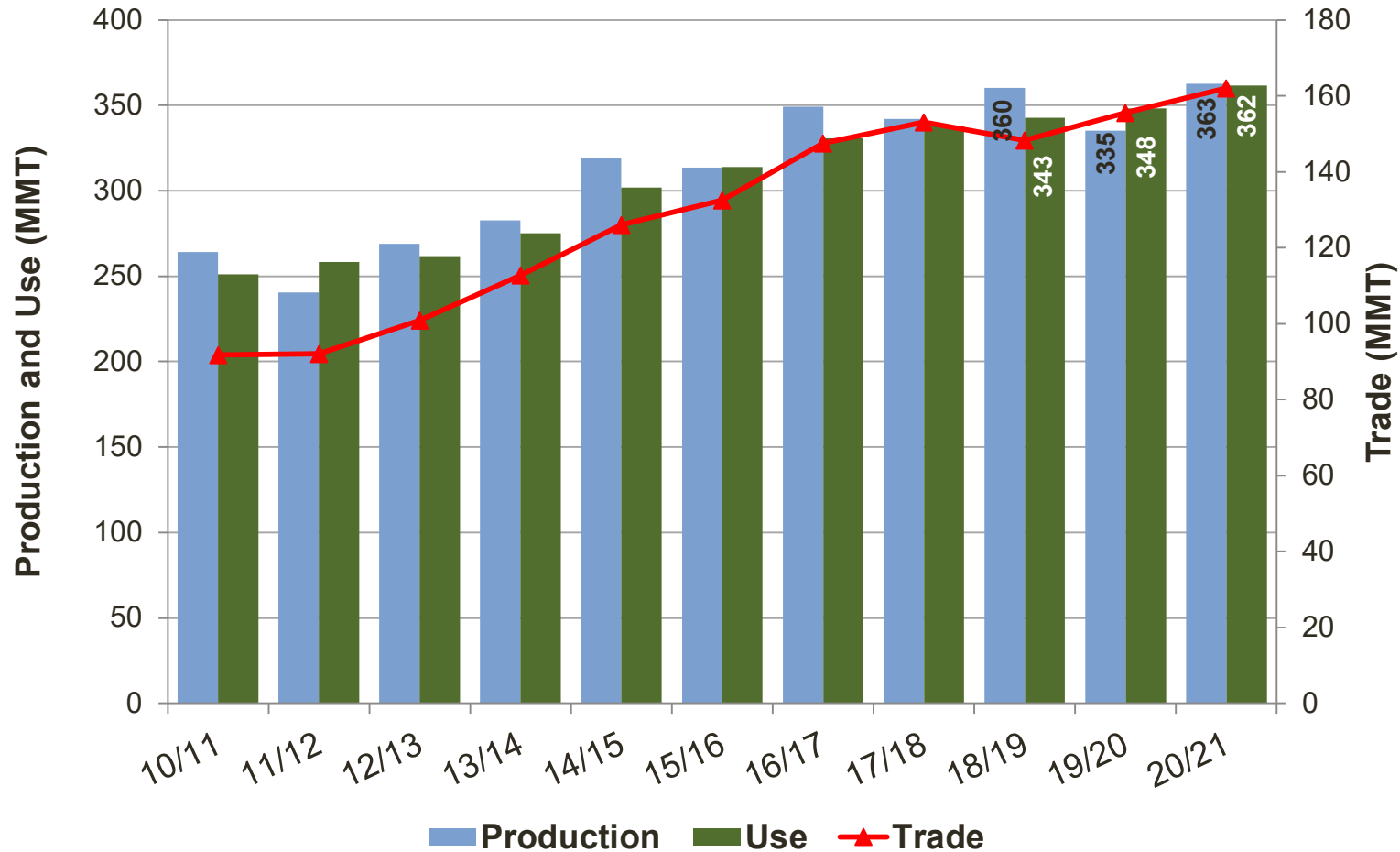
World Wheat Production, Use and Trade



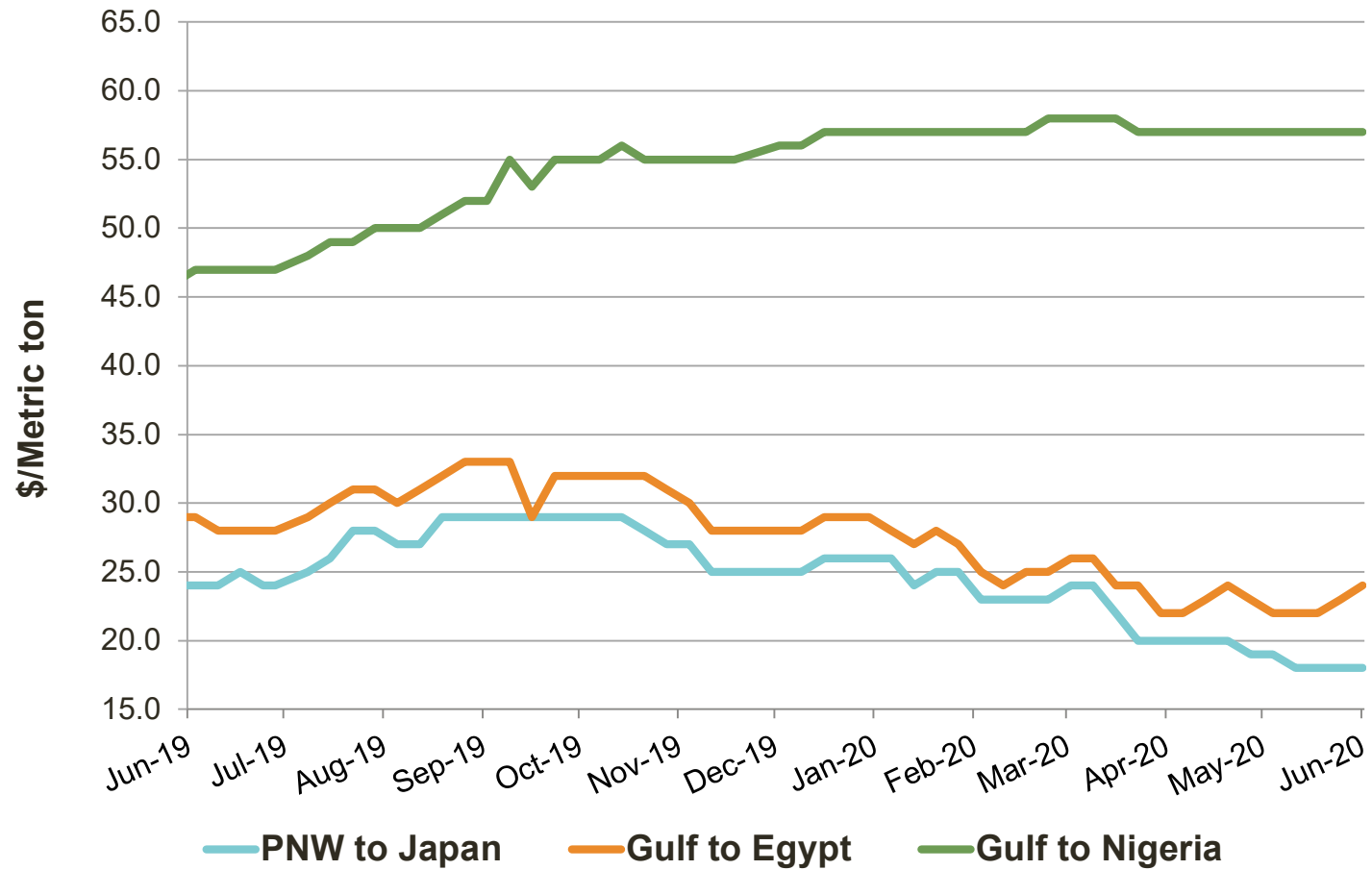
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



Source: U.S. Wheat Associates Price Report, June 5, 2020



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World consumption and trade both forecast to reach record levels

- Total global wheat consumption to reach an all-time high of 753 MMT
- Total global trade to reach a record 189 MMT, 2% greater than last year
- U.S. 2020/21 domestic consumption to decrease to 30.6 MMT, down 3% from last year



THANK YOU



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