



U.S. WHEAT
ASSOCIATES

World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released July 10, 2020, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.

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Major Exporters

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Import Demand

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U.S. Situation by Class

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Outlook



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

2020/21 global wheat production to jump to record 769 MMT

- Wheat production in the European Union (EU) to fall 10% on the year on persistent spring and summer dryness
- Russian wheat production to increase 4% from last year to 76.5 MMT
- U.S. wheat production to decrease 5% from last year to 49.6 MMT on lower yields and decreased planted area

Global consumption forecast at 752 MMT, the highest on record

- Indonesian domestic consumption to reach 10.4 MMT, 2% more than the 5-year average
- Domestic consumption in Brazil to reach 12.1 MMT, up 2% from the 5-year average
- U.S. domestic consumption to decrease to 30.3 MMT, up 2% from last year

World wheat trade to match last year's record of 188 MMT

- Exports from Russia to rebound 4% from last year to 36.0 MMT
- Ukrainian wheat exports to fall 15% on the year to 17.5 MMT on persistent dryness during the growing season
- 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 297 MMT, 14% greater than the 5-year average

- Indian beginning stocks reached 24.0 MMT, the highest since the 2013/14 record
- Australian beginning stocks dropped to 3.54 MMT, the lowest in more than 10 years
- U.S. 2020/21 beginning stocks dropped 3% year-over-year to 28.4 MMT

Global ending stocks projected at record 315 MMT, 7% higher than last year and 16% greater than the 5-year average

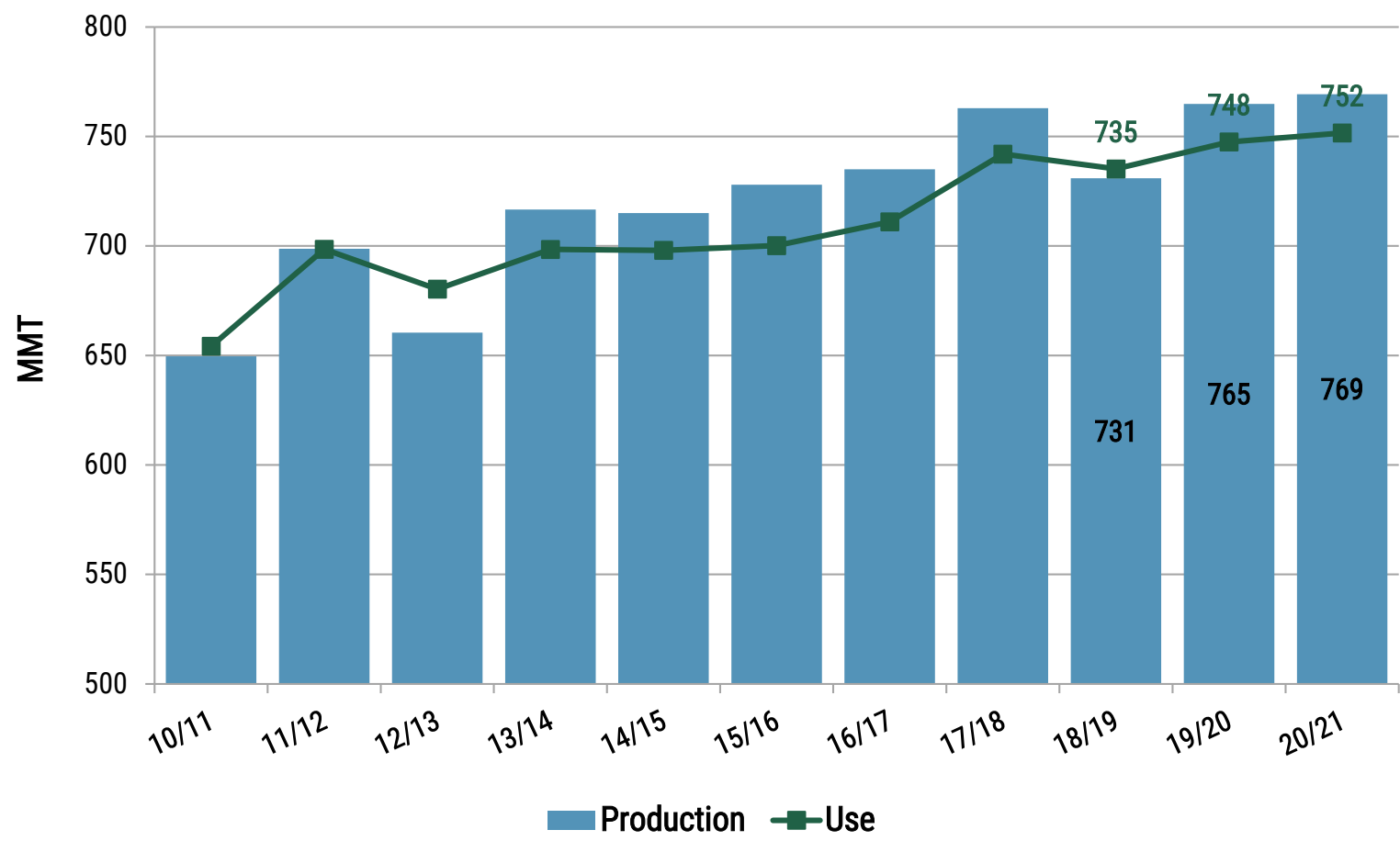
- Expected Chinese ending stocks to reach a record 162 MMT, 7% greater than last year and 28% more than the 5-year average
- U.S. ending stocks are expected to decrease 6% from last year to 25.2 MMT, the lowest in 6 years

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

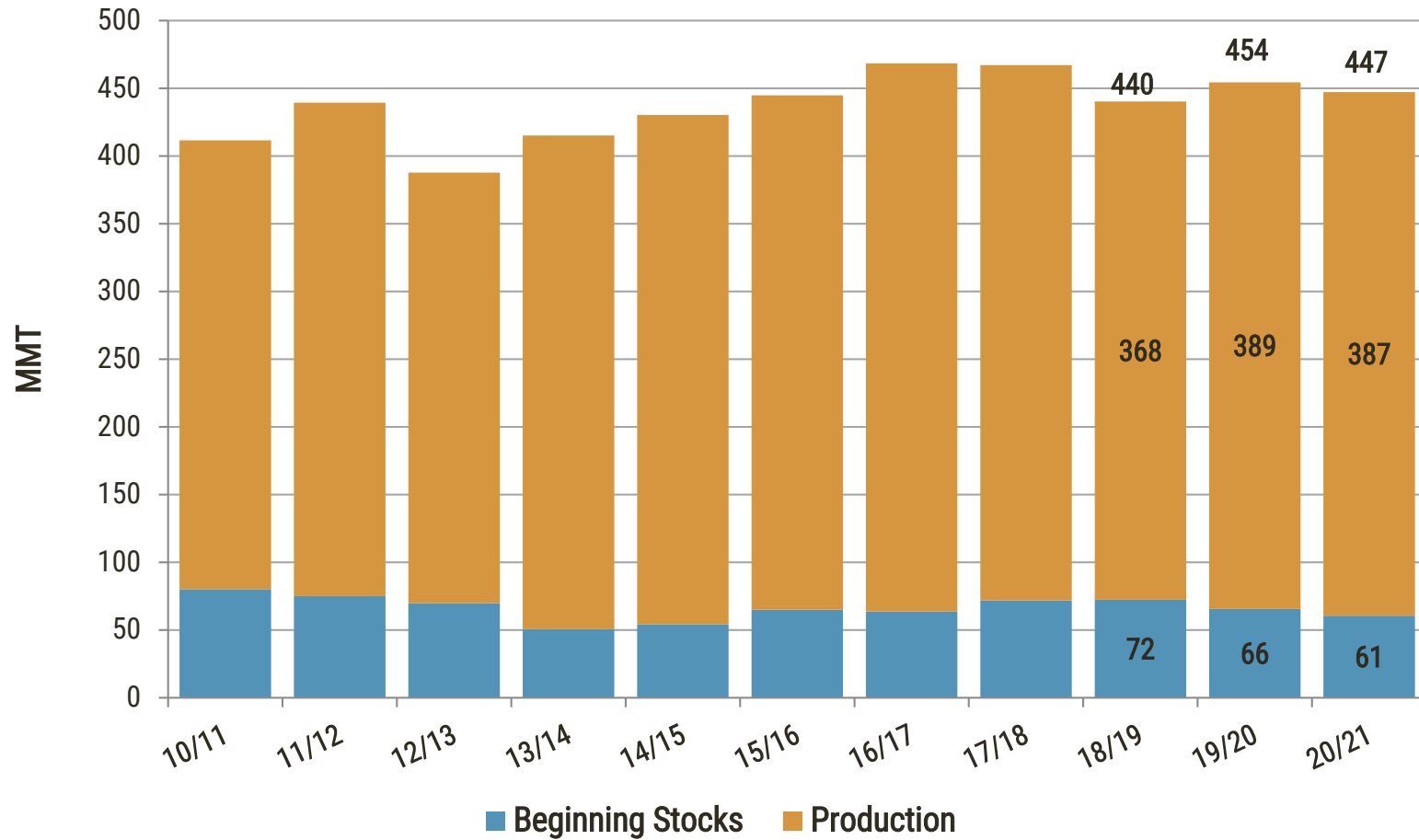
- The average farm gate price of wheat in 2020/21 is forecast to hold steady at \$4.60/bu (\$169/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

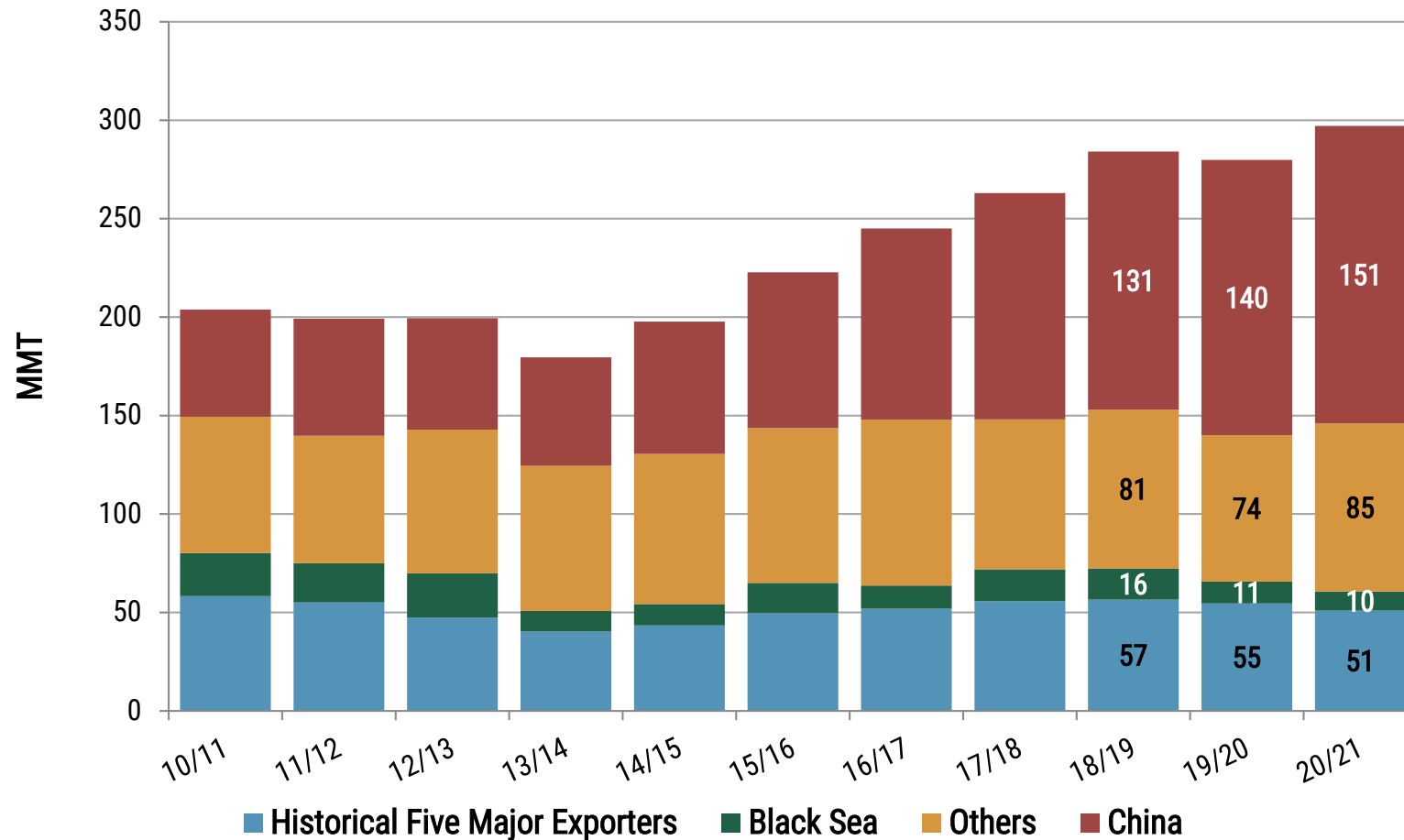


World Wheat Supply and Demand (MMT)

		<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
SUPPLY:	Beginning Stocks	284	280	297
	Production	731	765	769
	Supply Total	1015	1045	1066
	Ending Stocks	280	297	315
TRADE:	Exports/Imports	174	188	188
DEMAND:	Food & Seed	596	607	616
	Feed & Residual	140	140	135
	Use Total	735	748	752



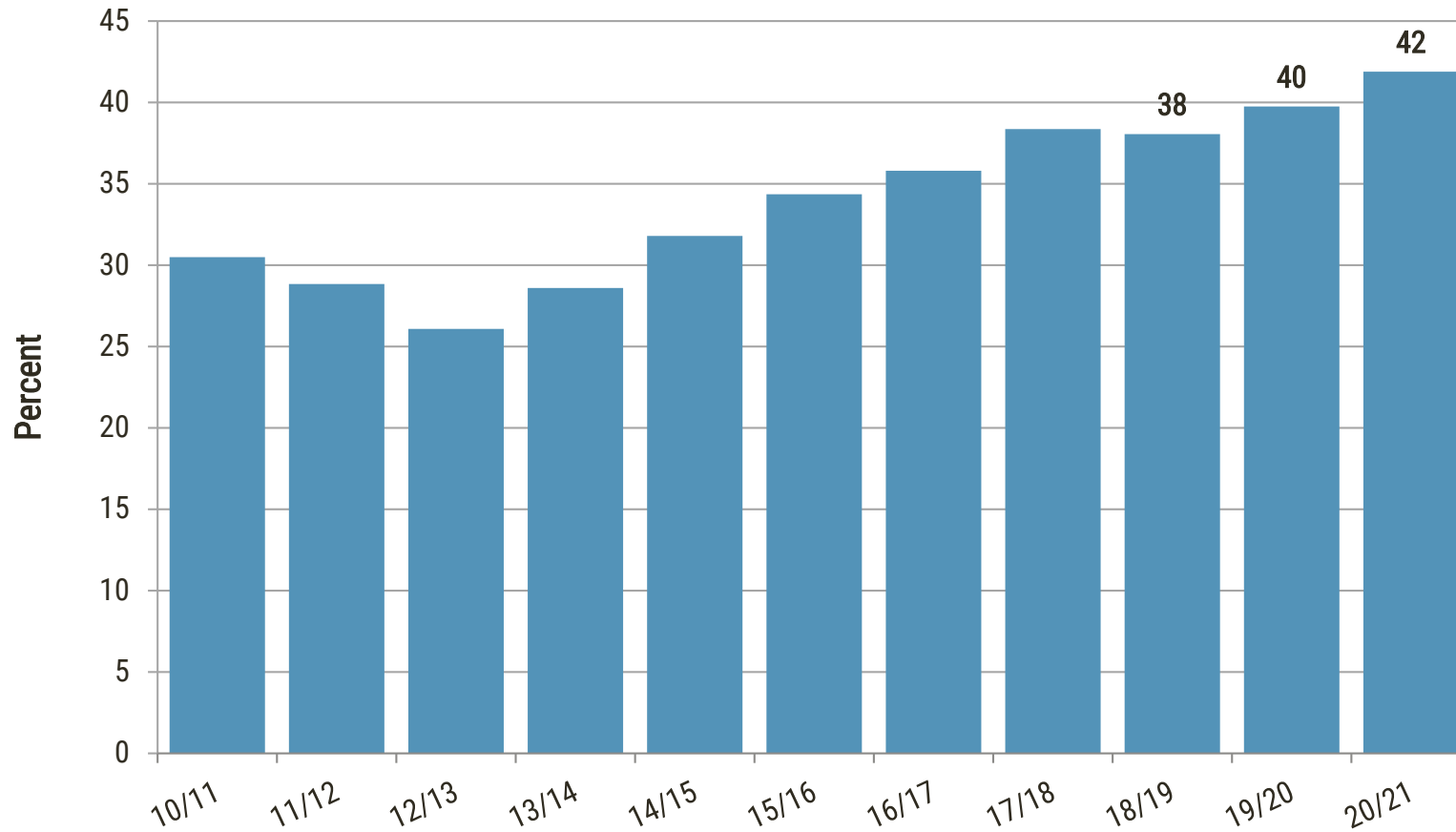
World Beginning Stocks



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



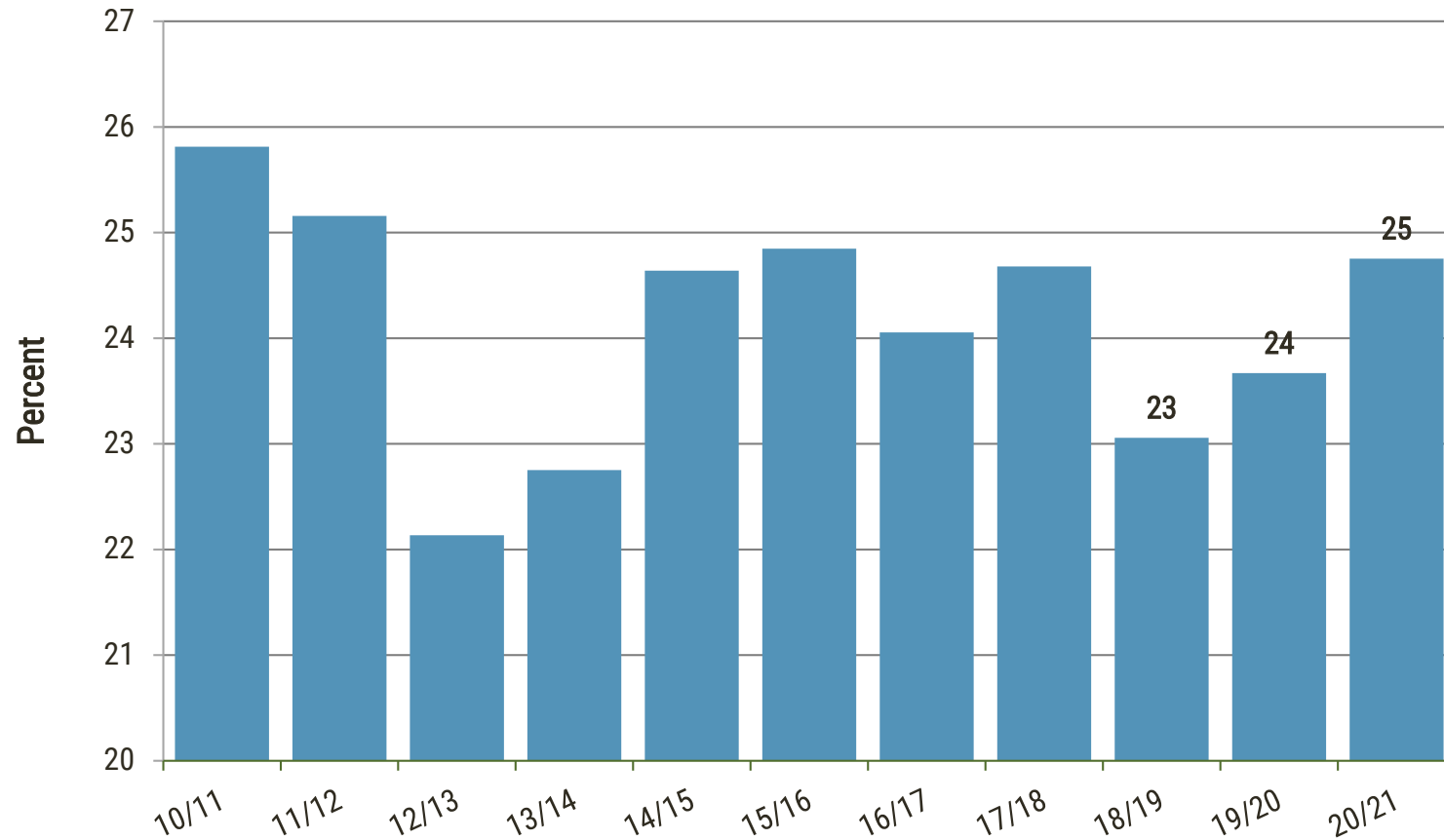
Global Stocks*-to-Use Ratio



*Ending stocks



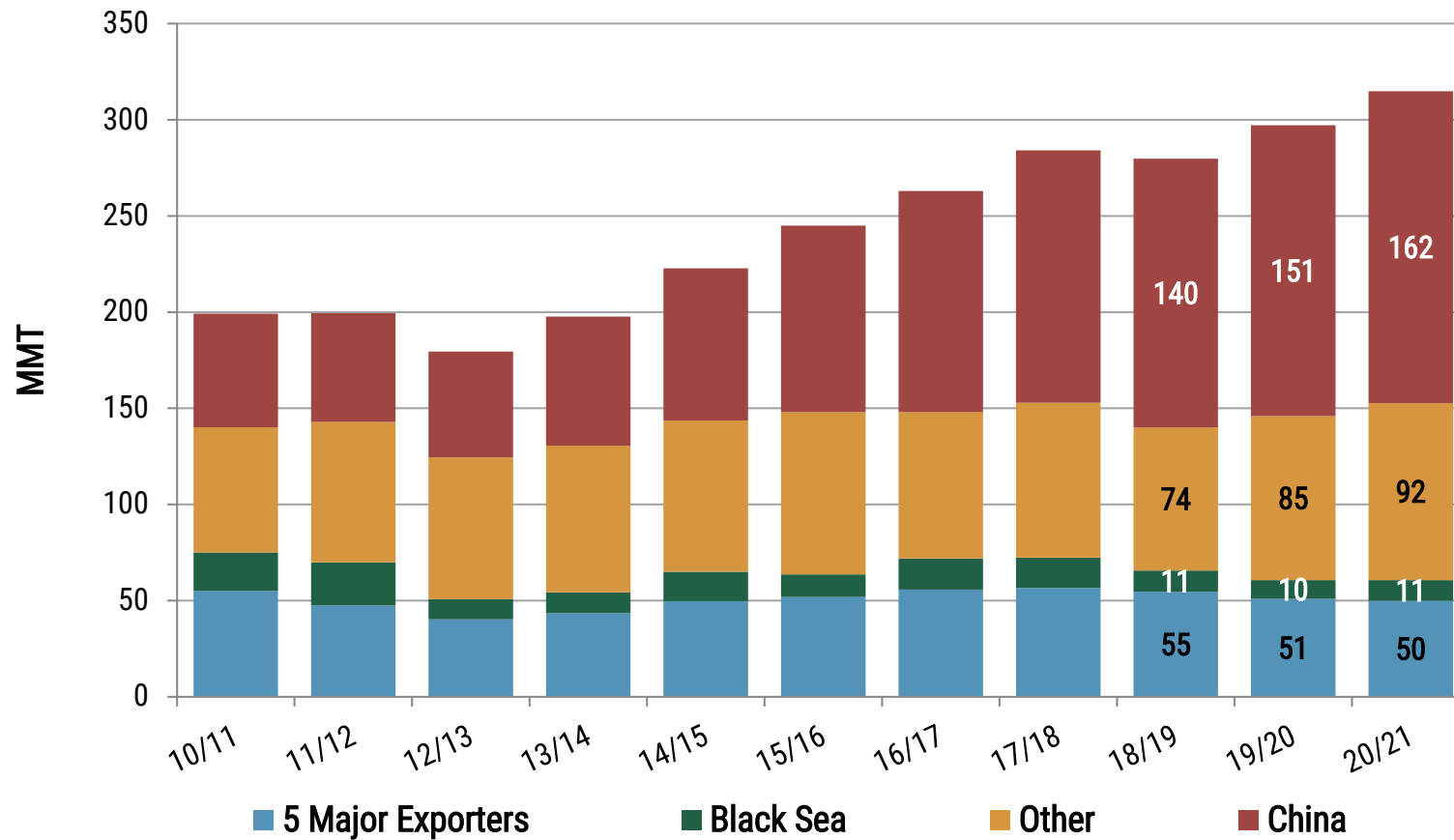
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



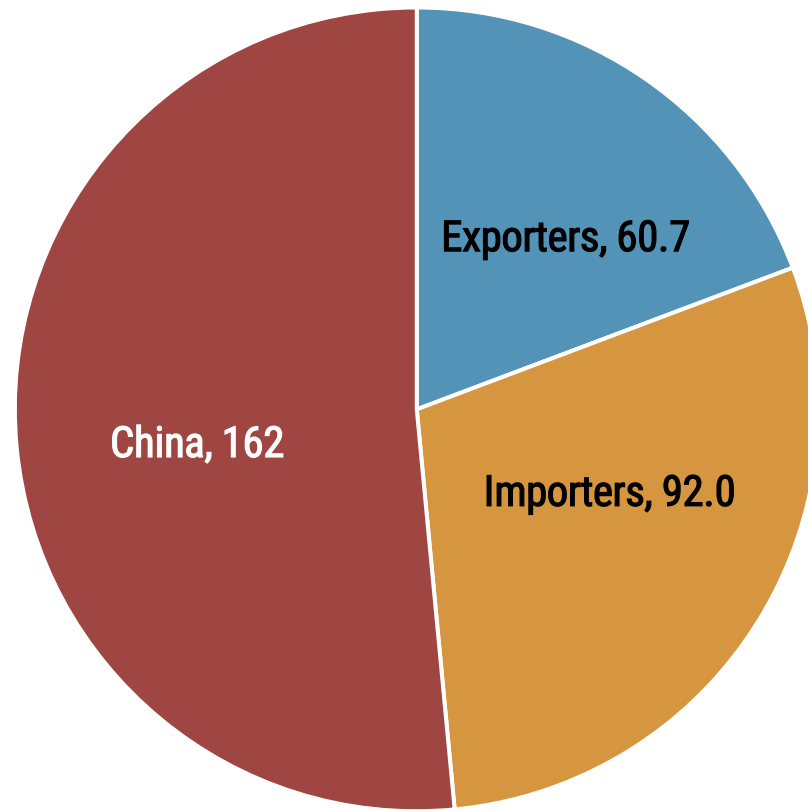
World Ending Stocks



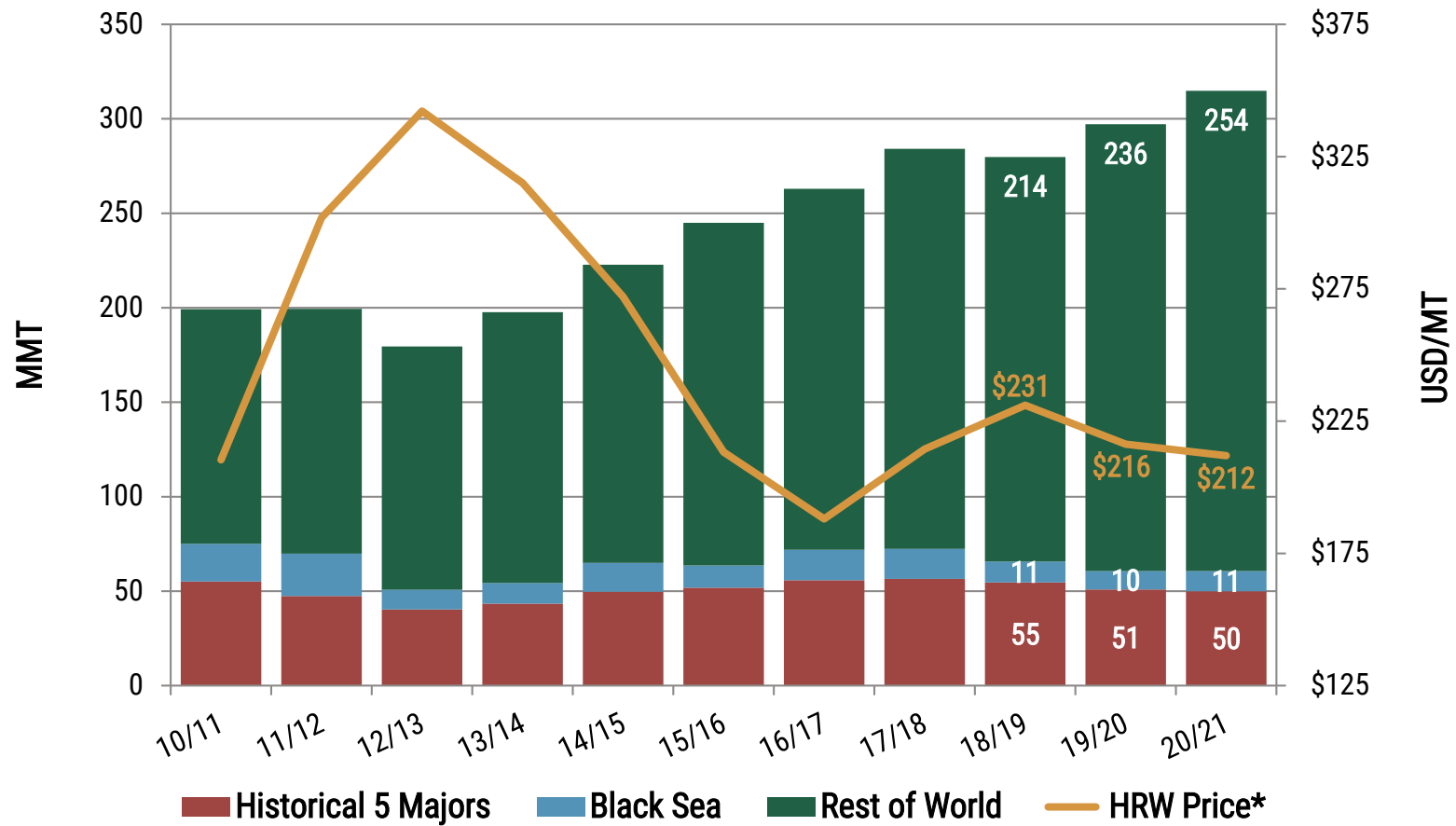
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World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, July 2, 2020

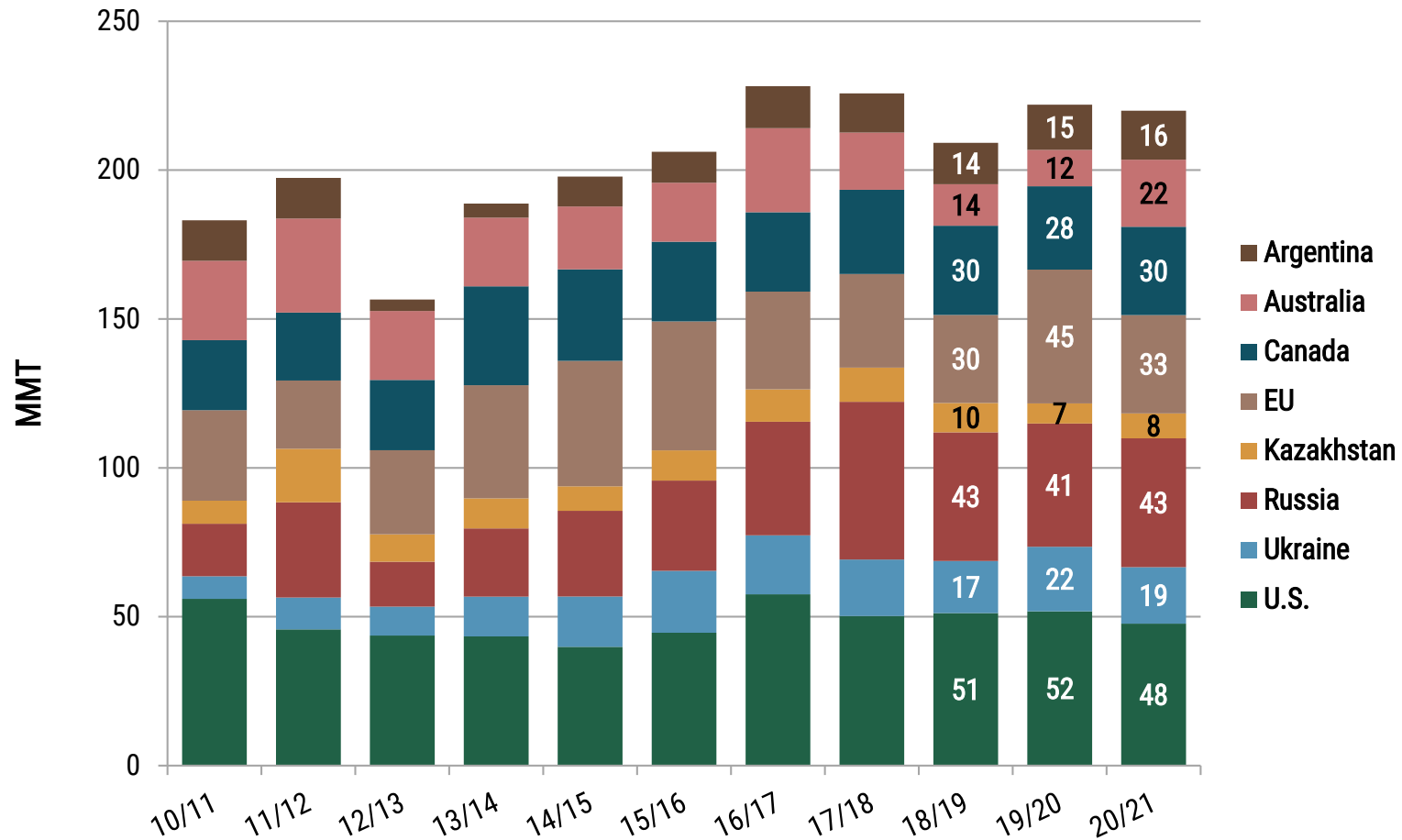




01

Major Exporters

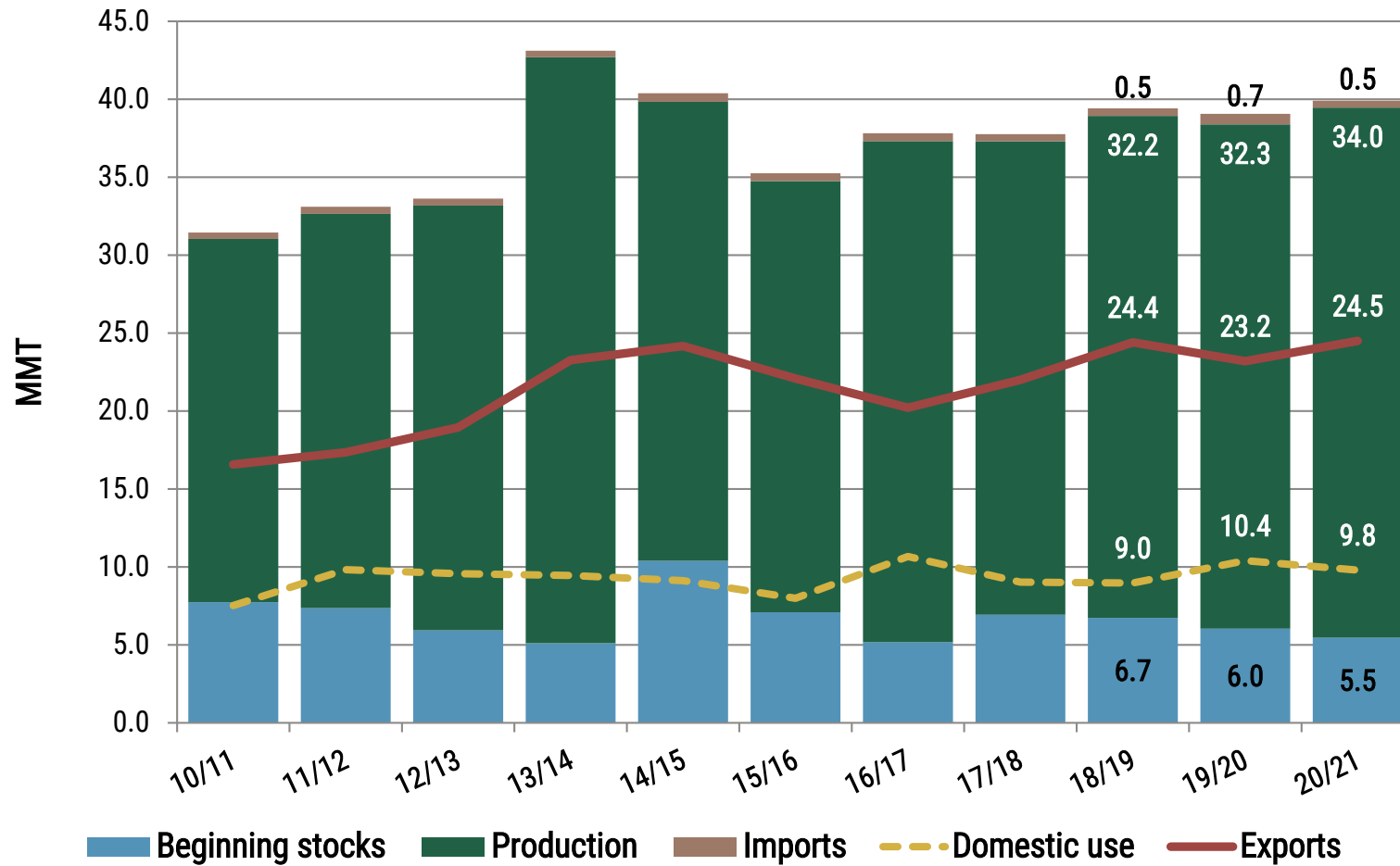
Exportable Supplies in Top Exporting Countries



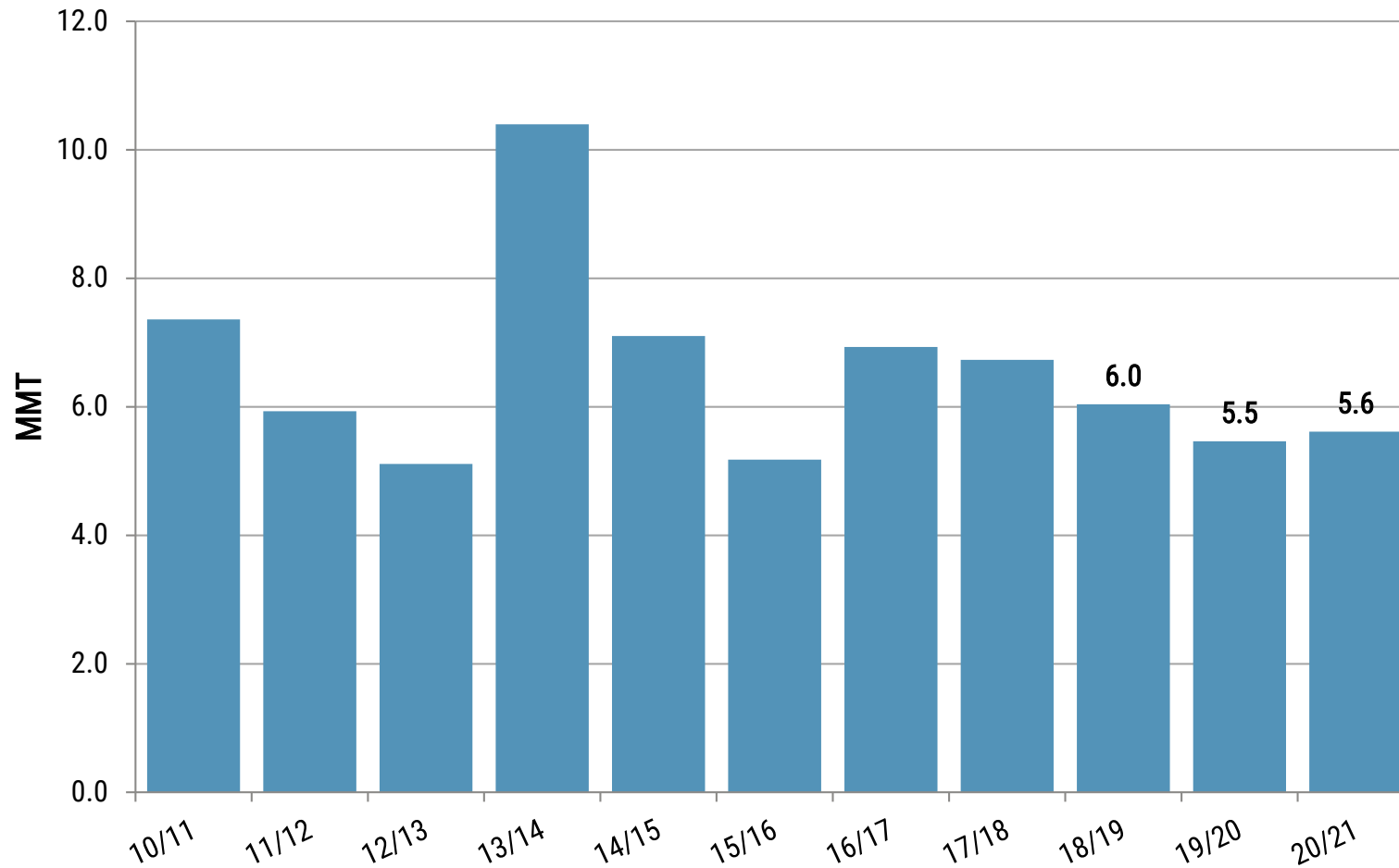
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



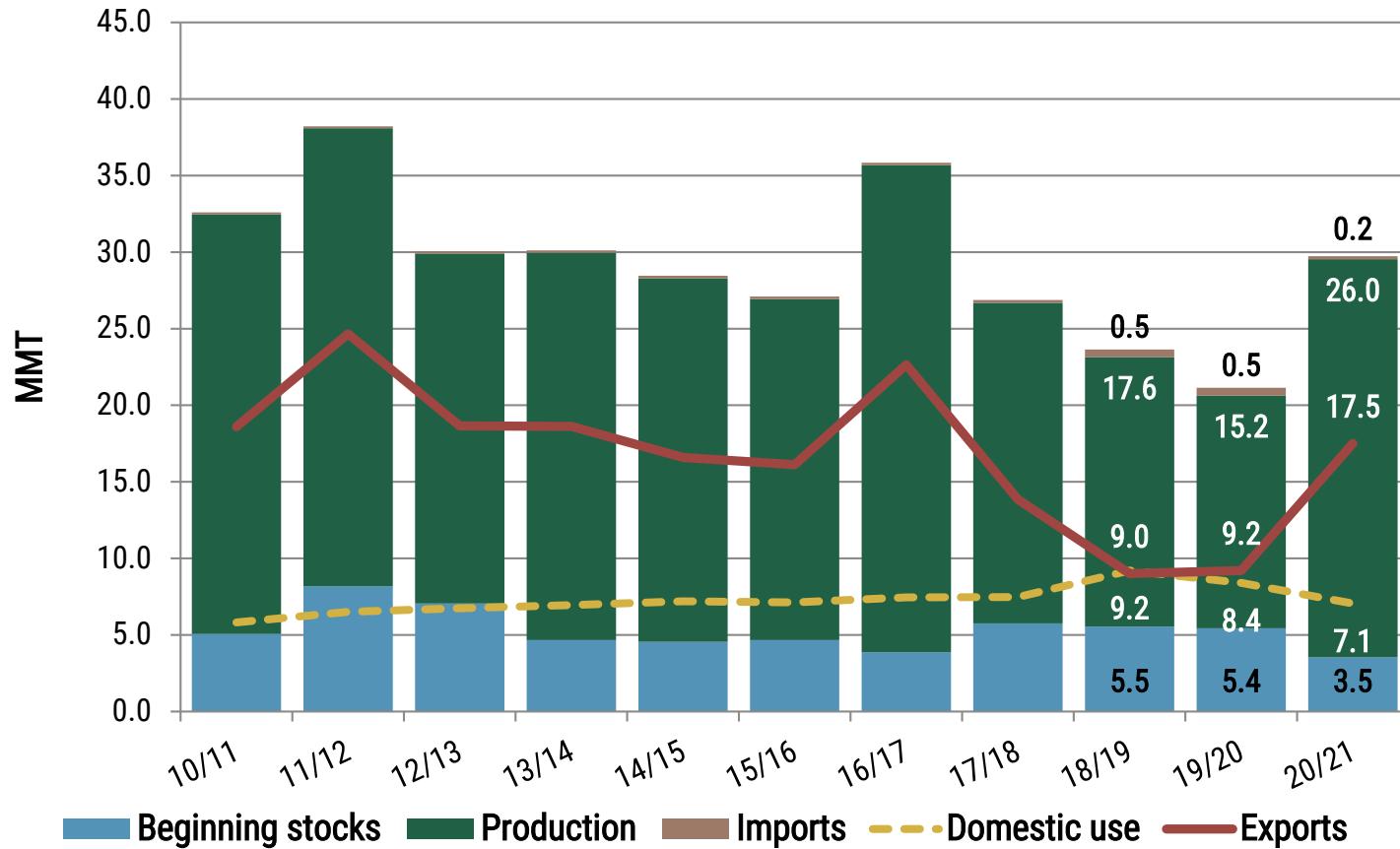
Canada Situation



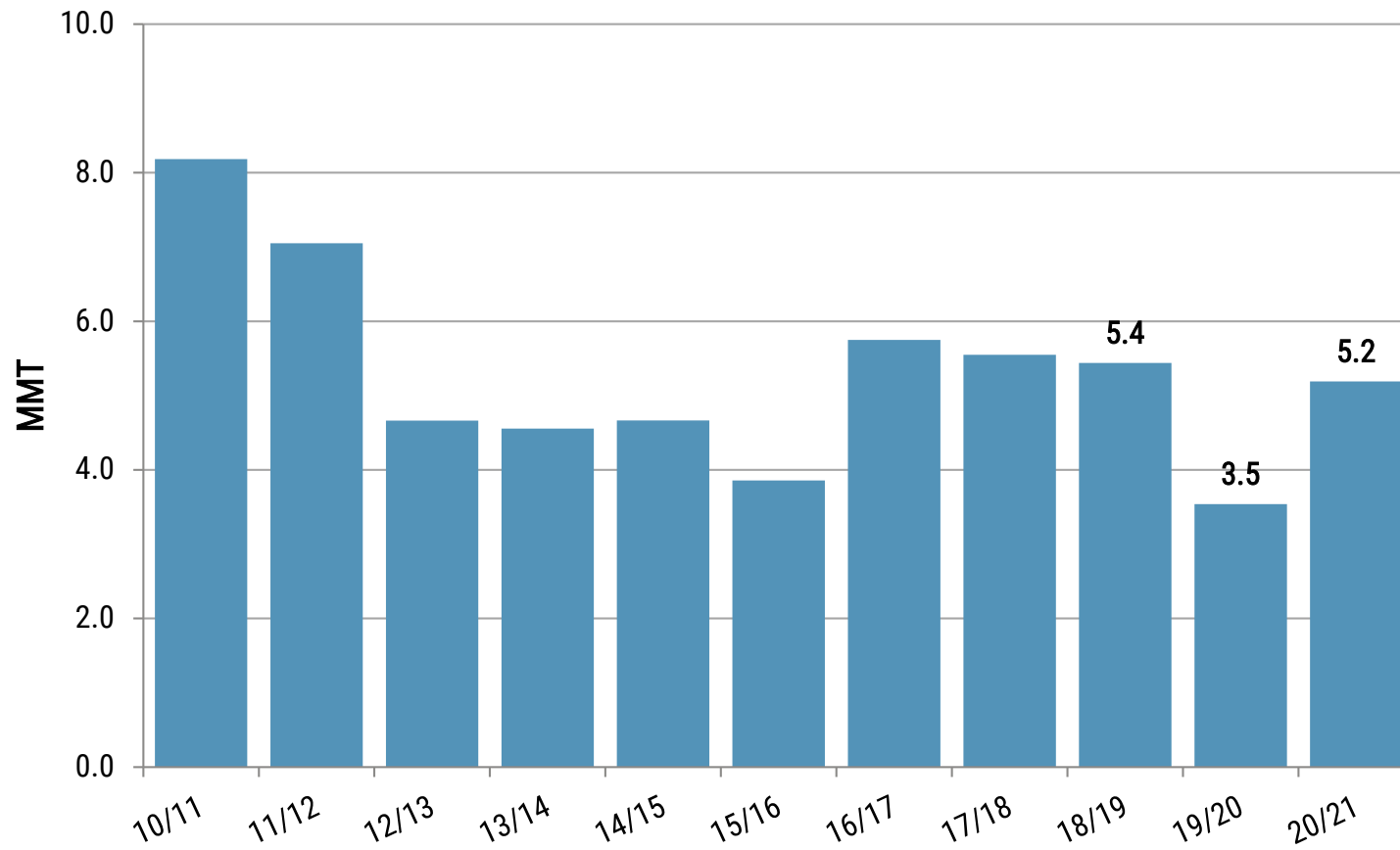
Canada Ending Stocks



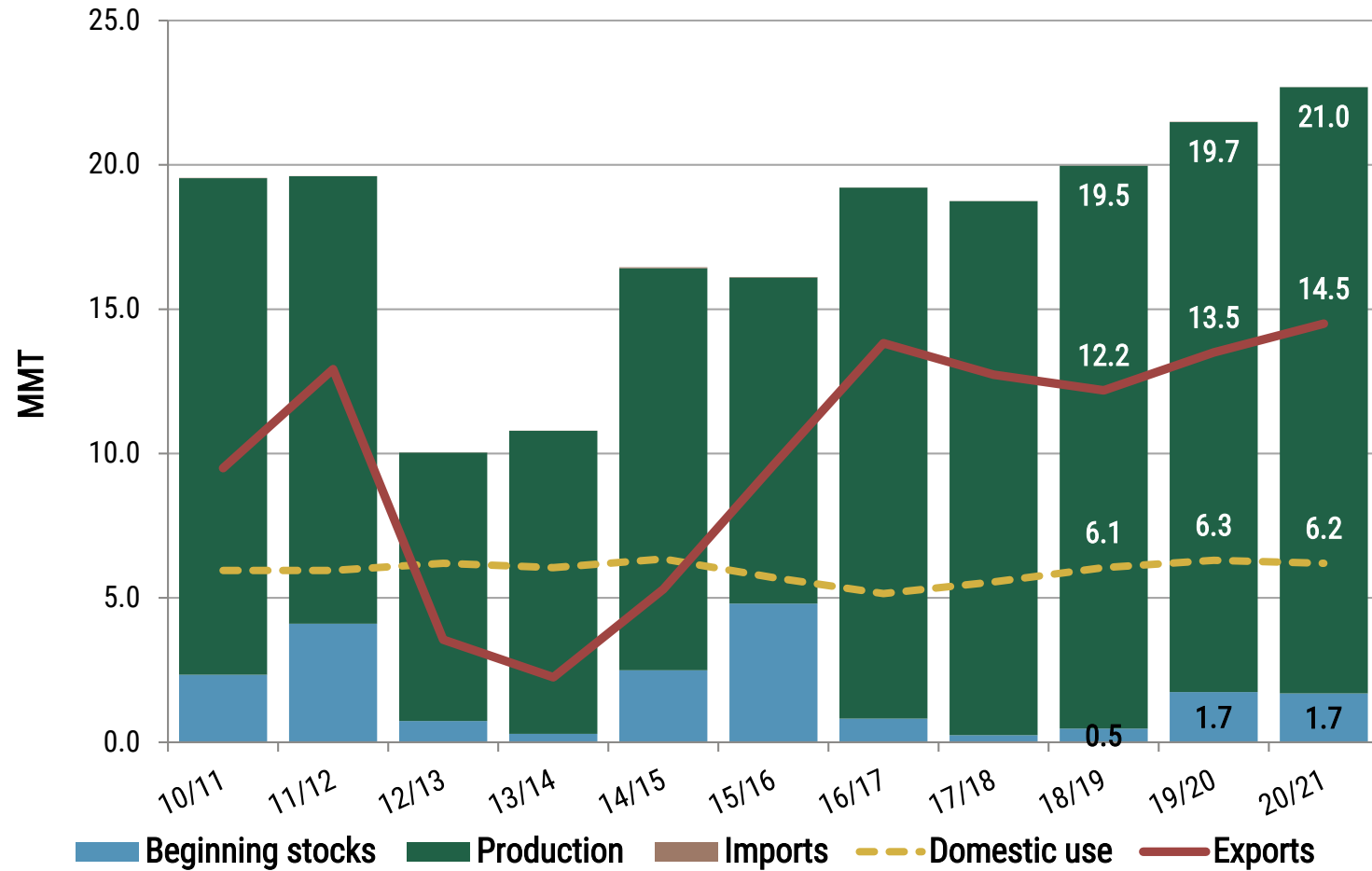
Australia Situation



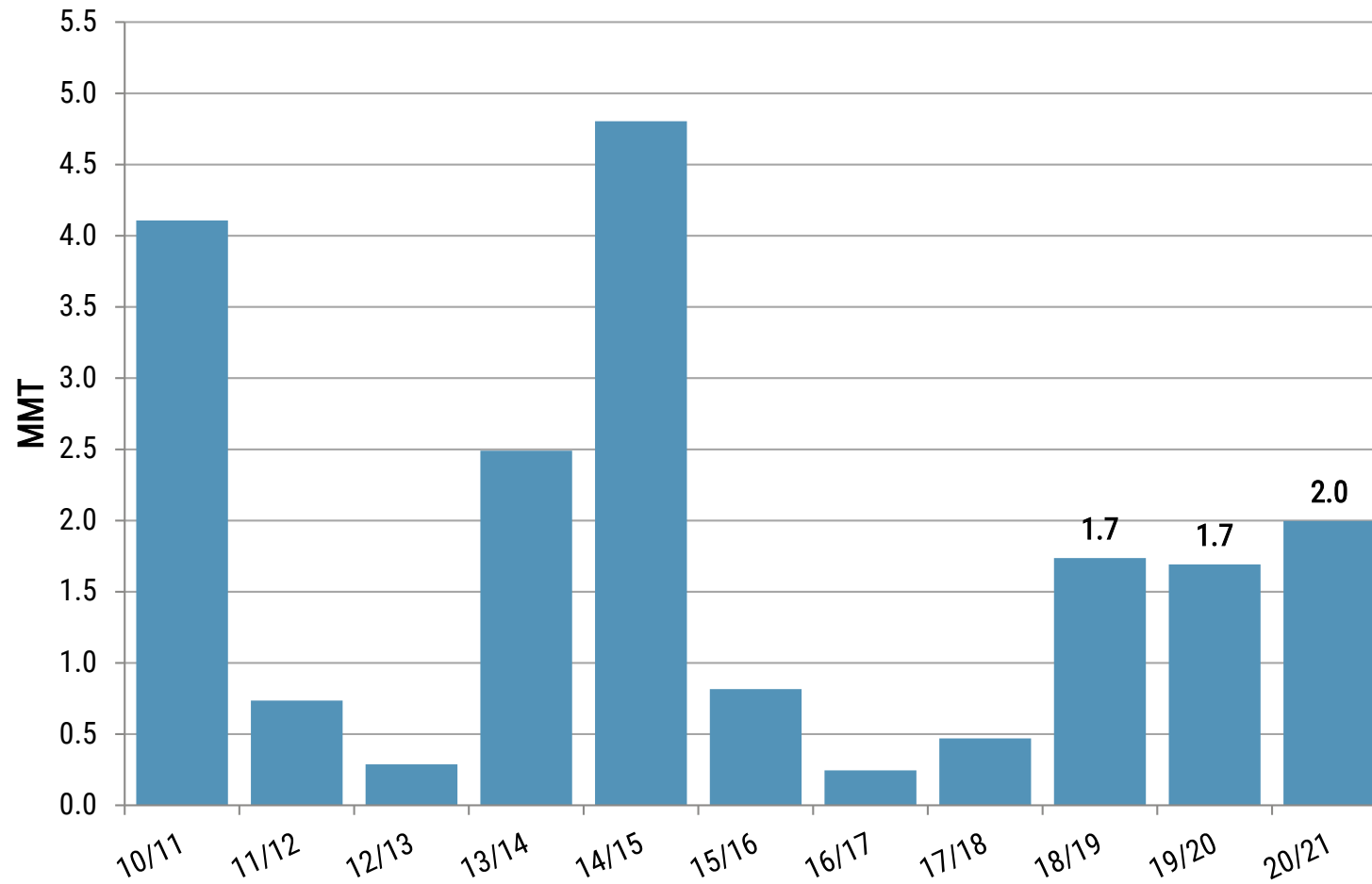
Australia Ending Stocks



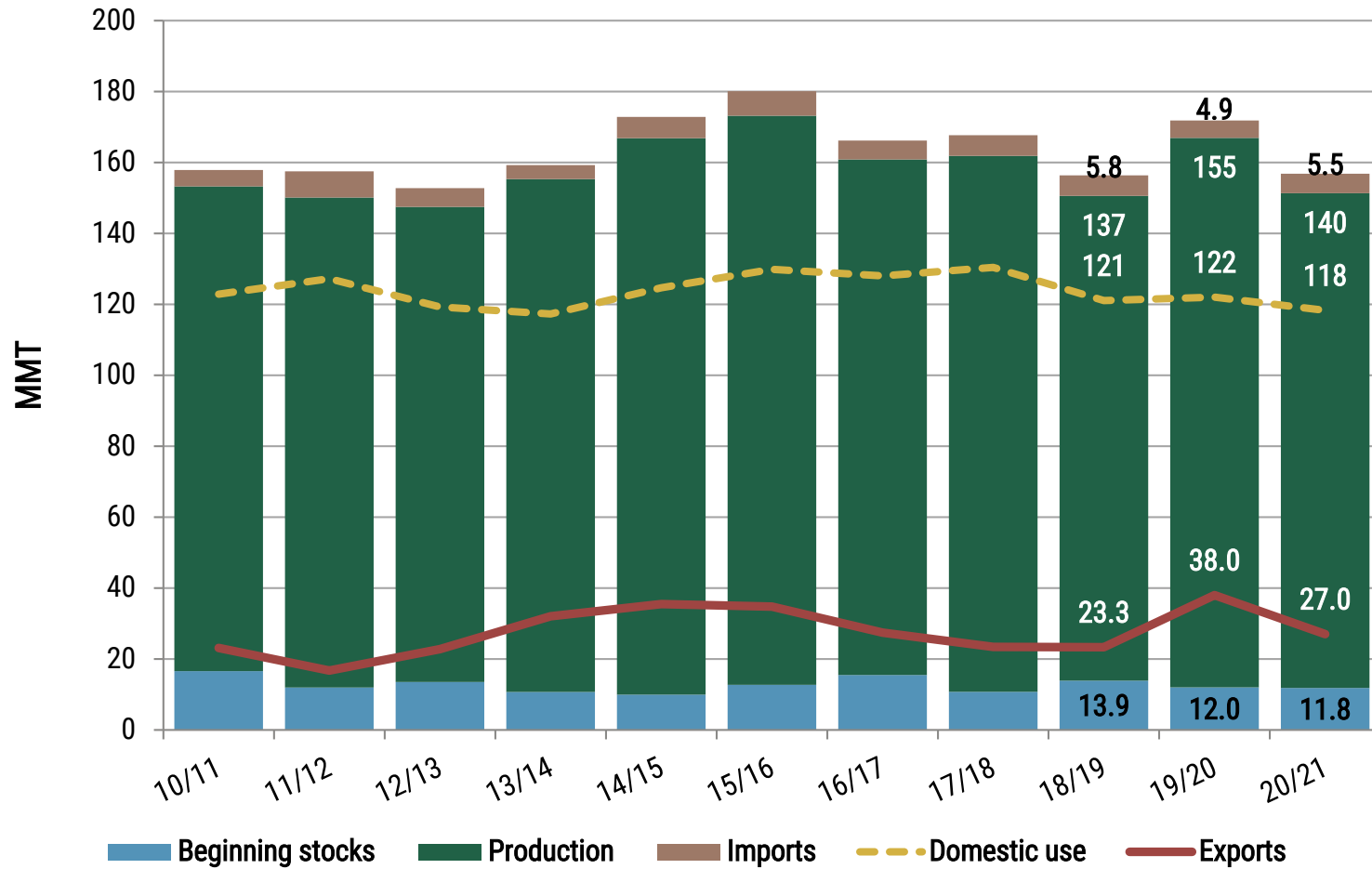
Argentina Situation



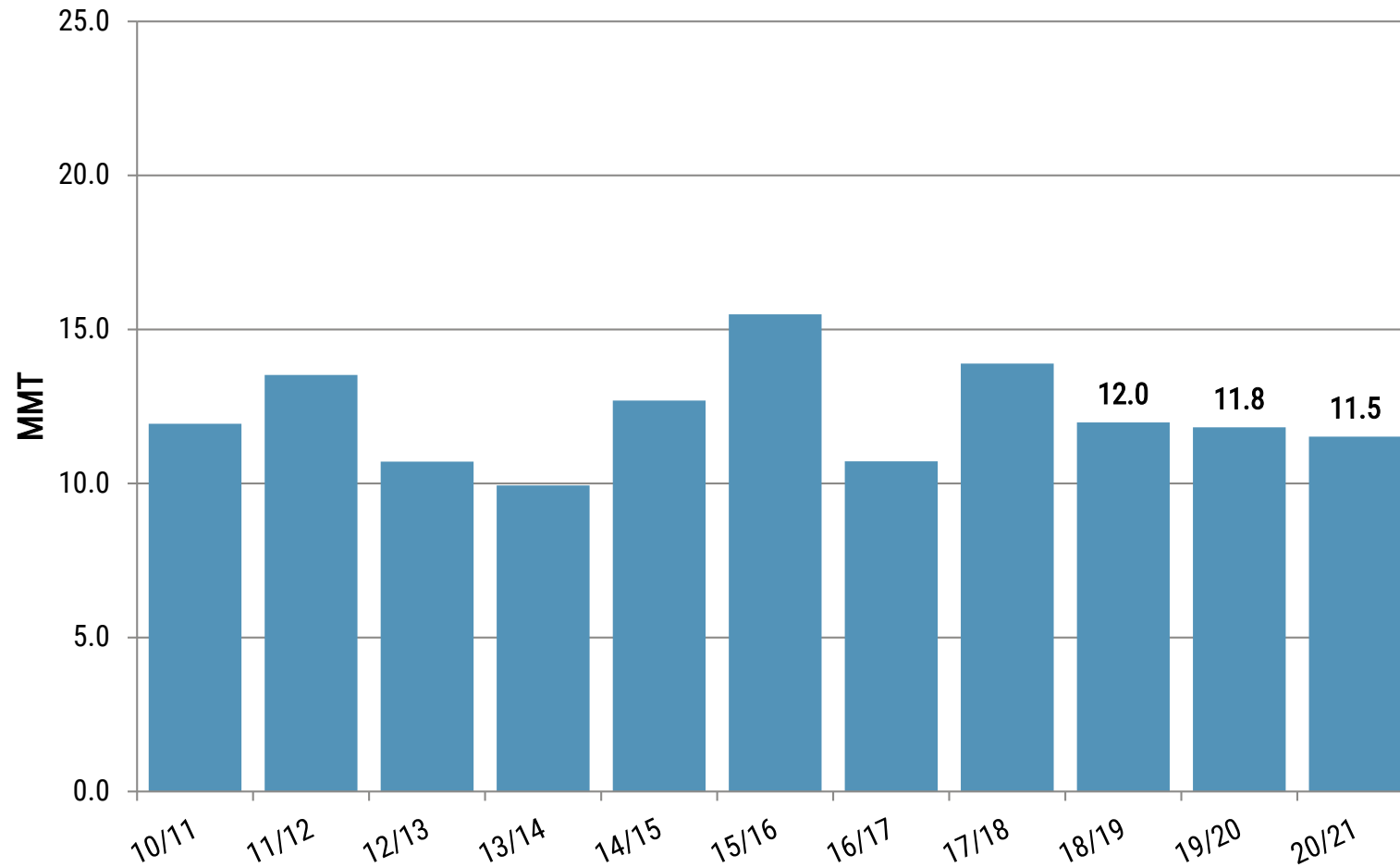
Argentina Ending Stocks



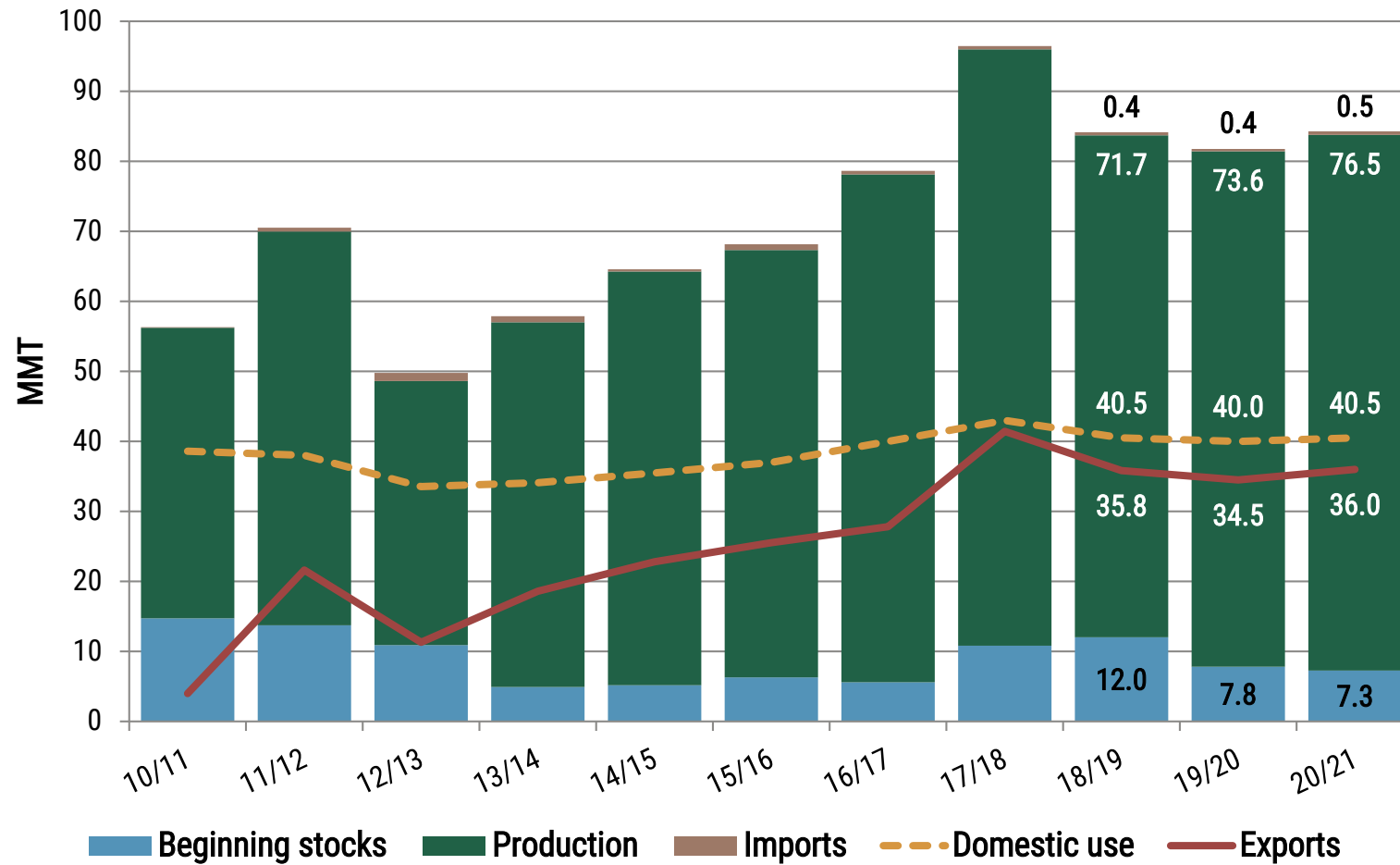
EU Situation



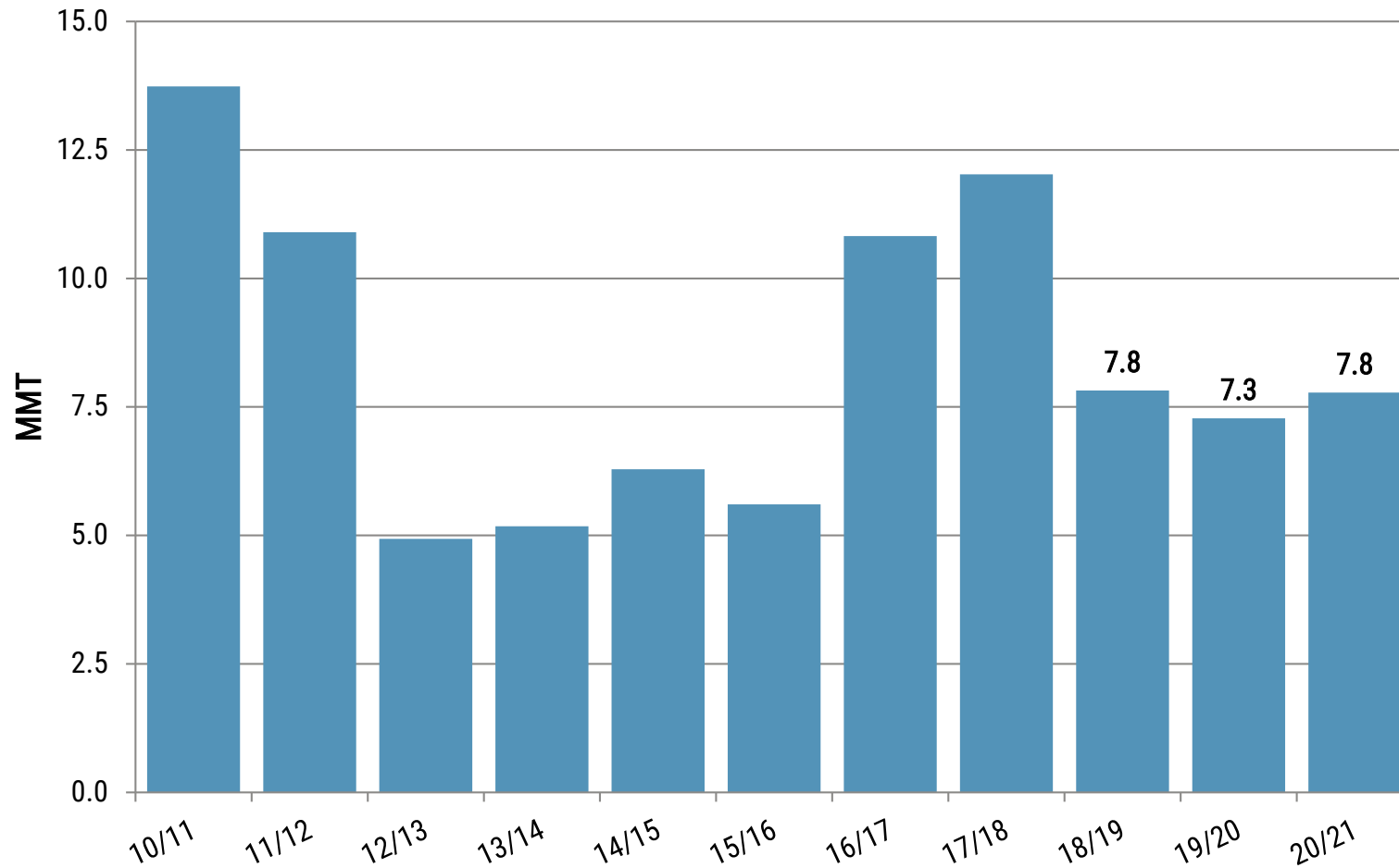
EU Ending Stocks



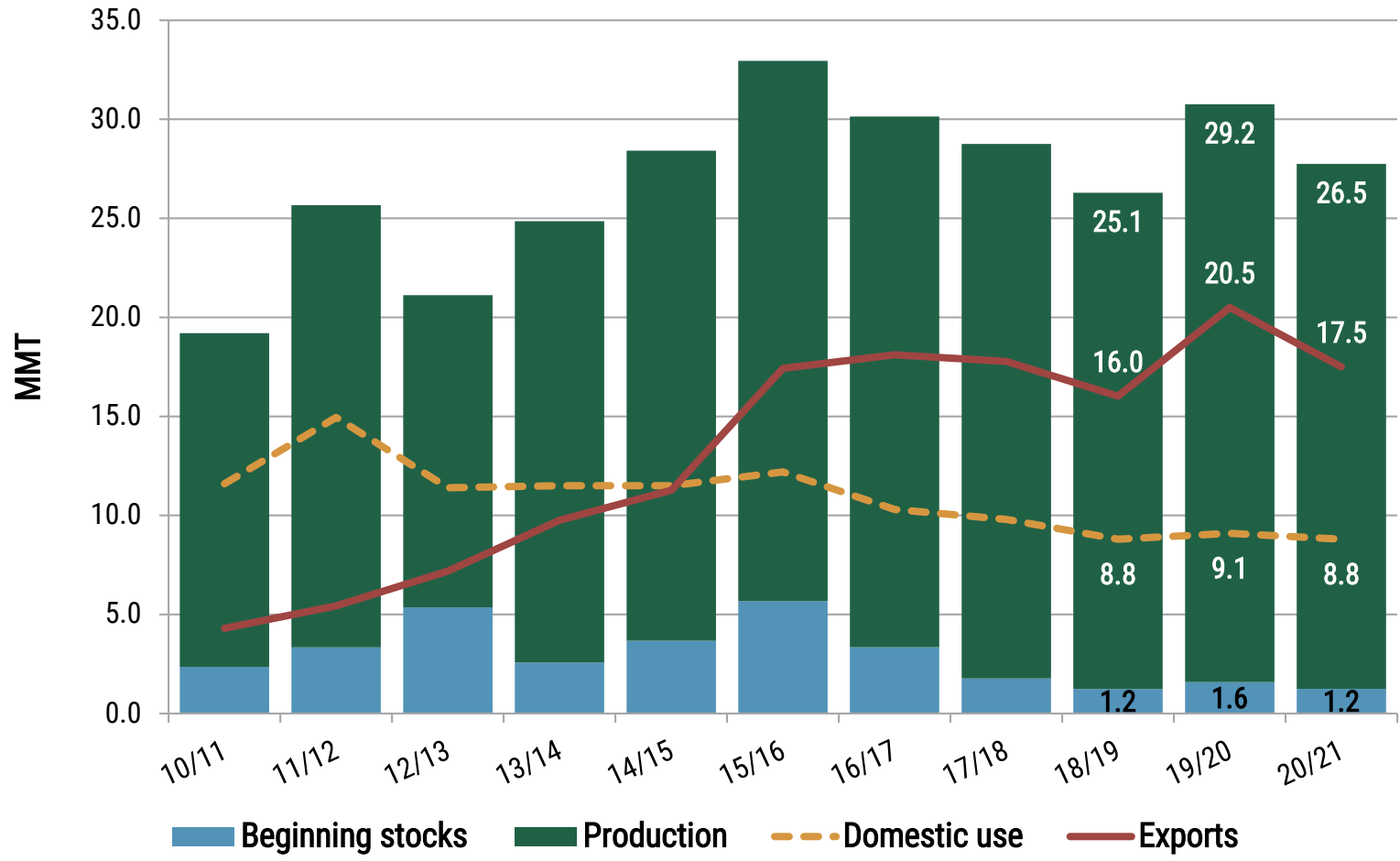
Russia Situation



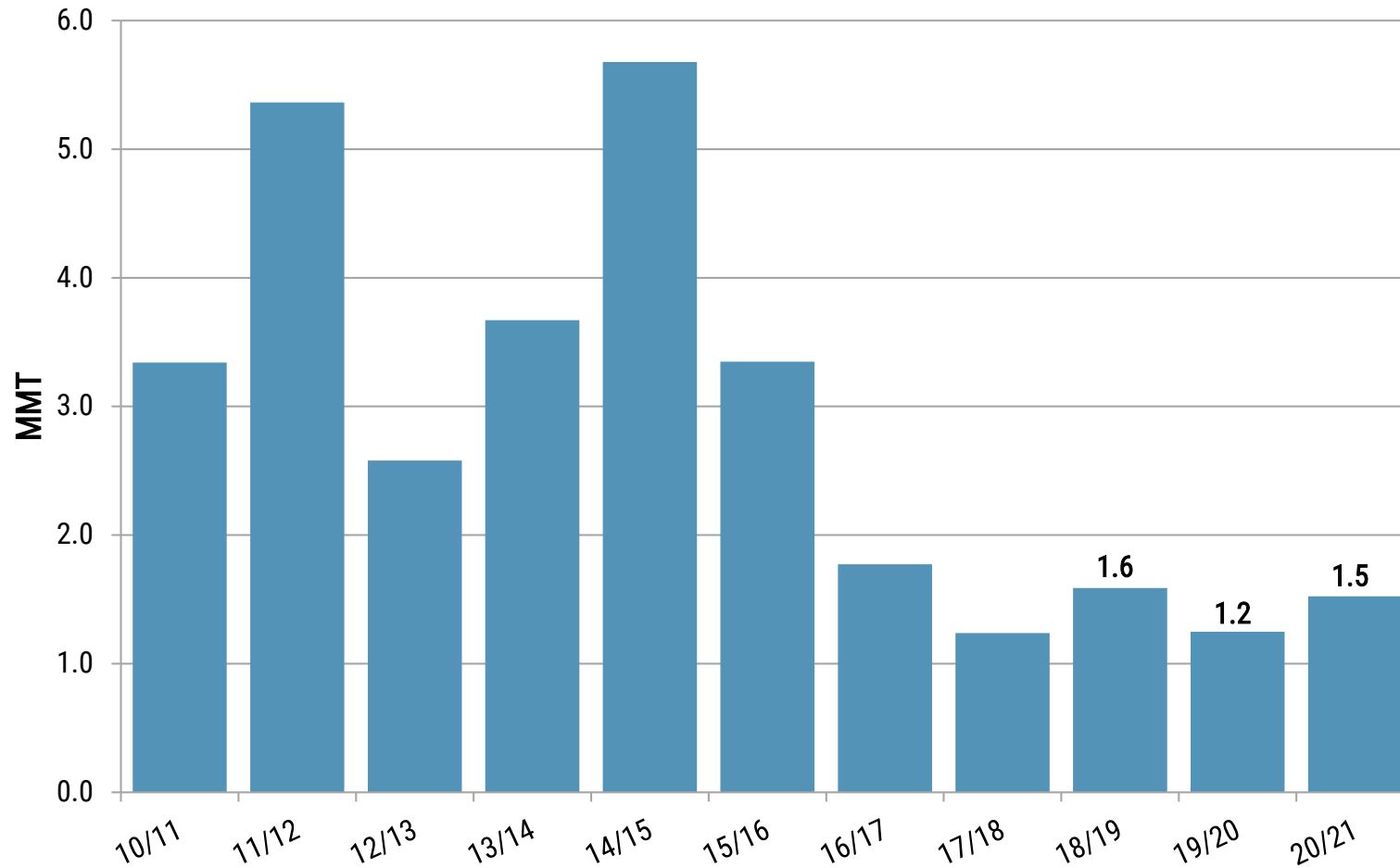
Russia Ending Stocks



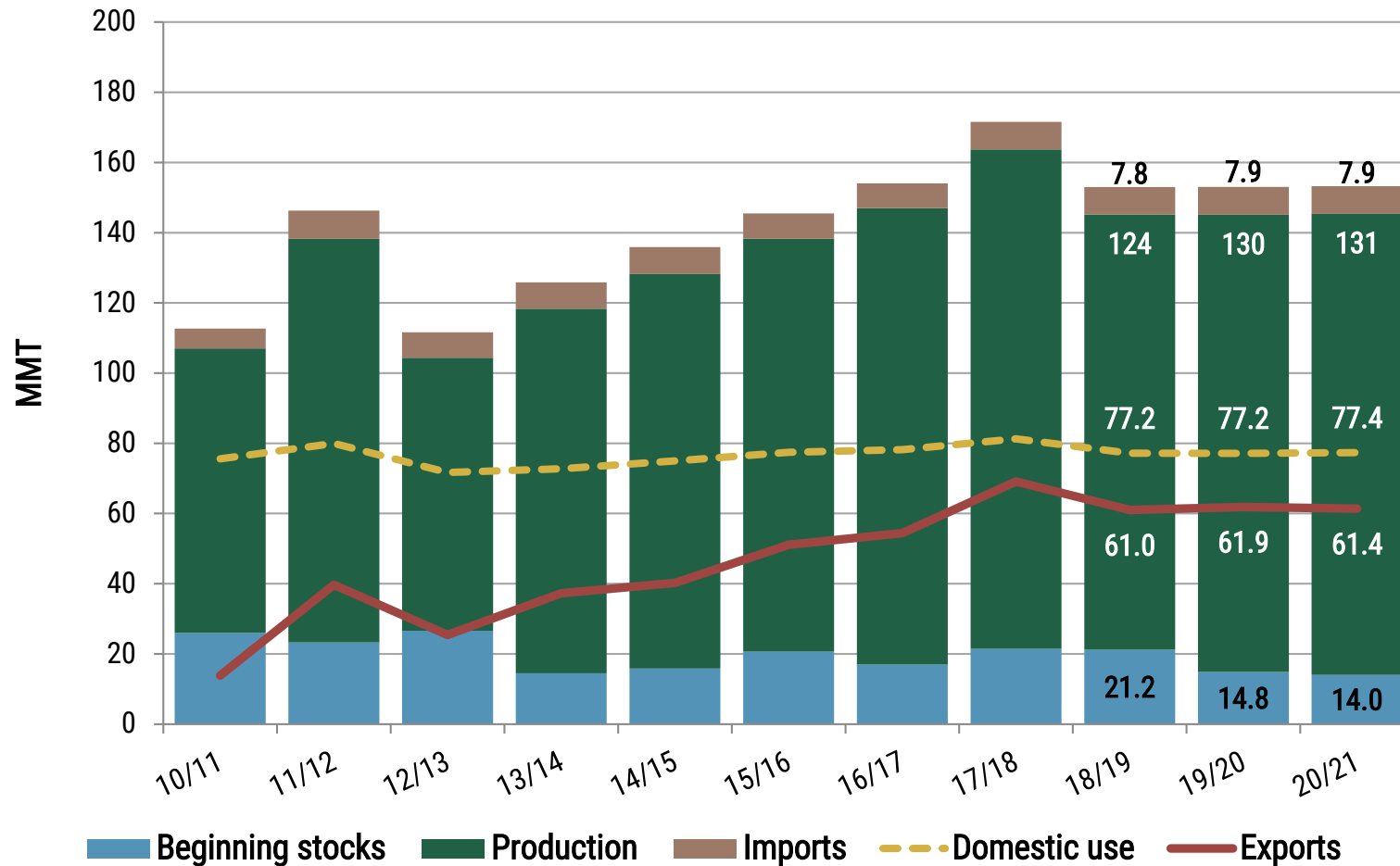
Ukraine Situation



Ukraine Ending Stocks

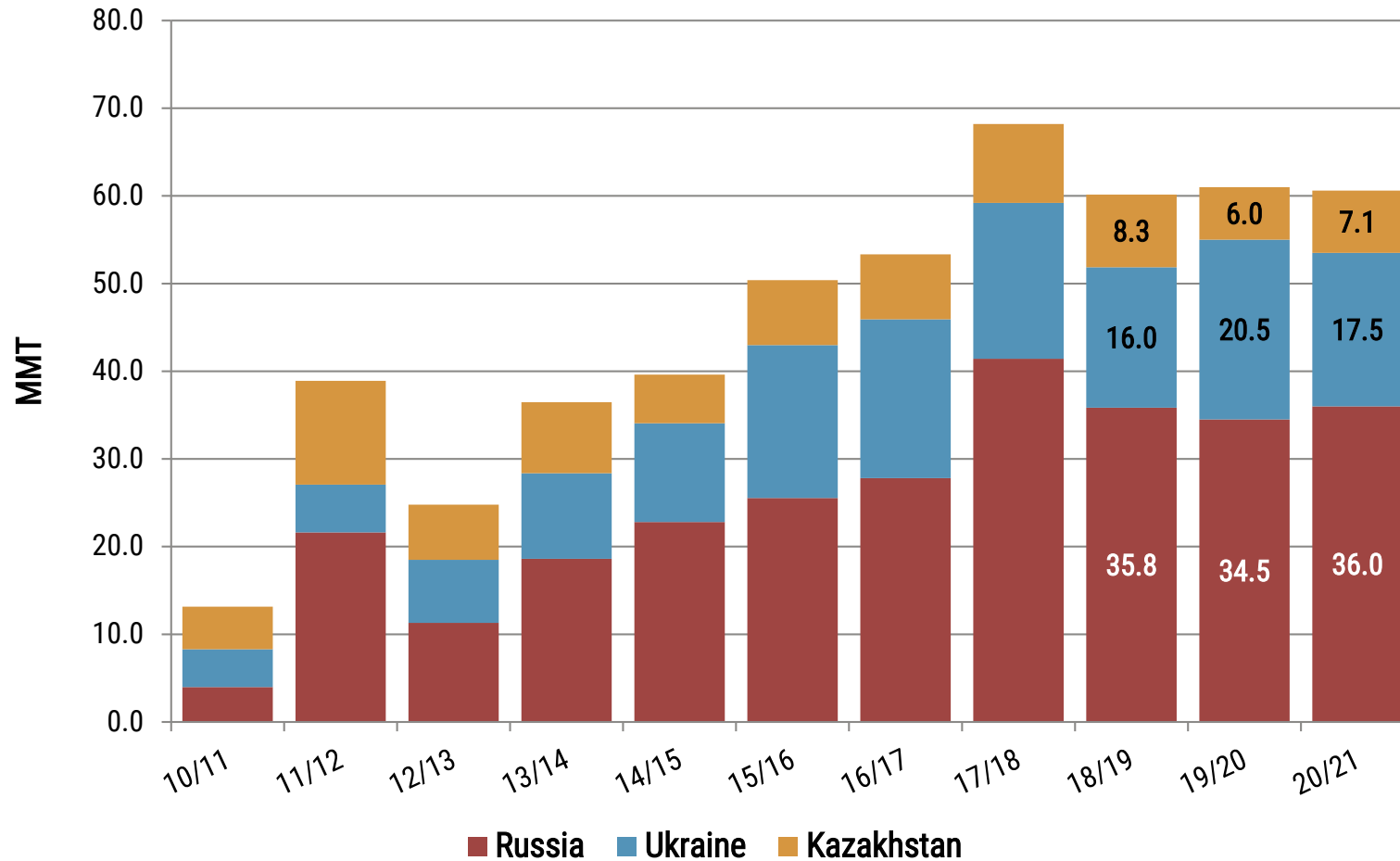


Black Sea Region Situation



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

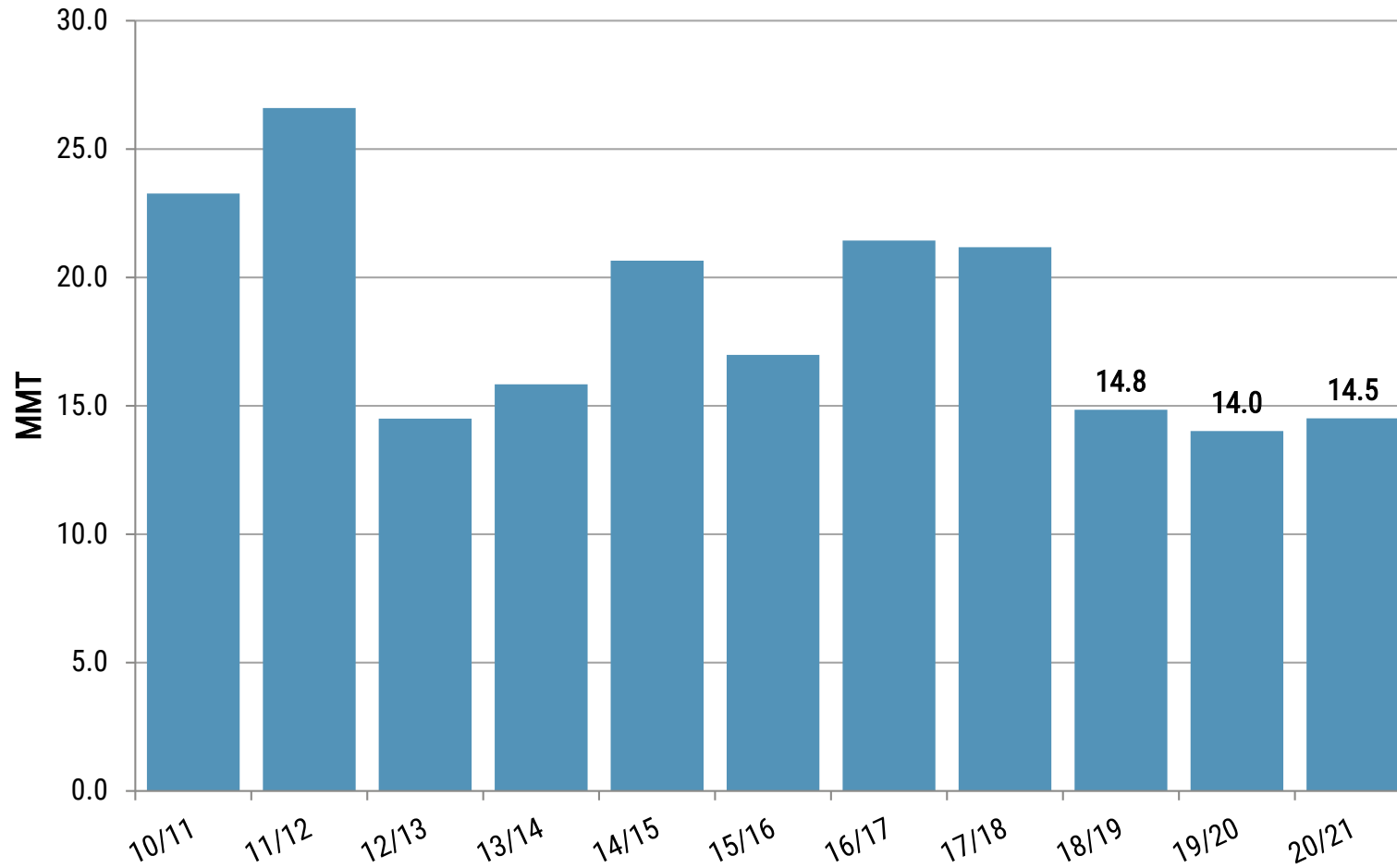
Black Sea Exports



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



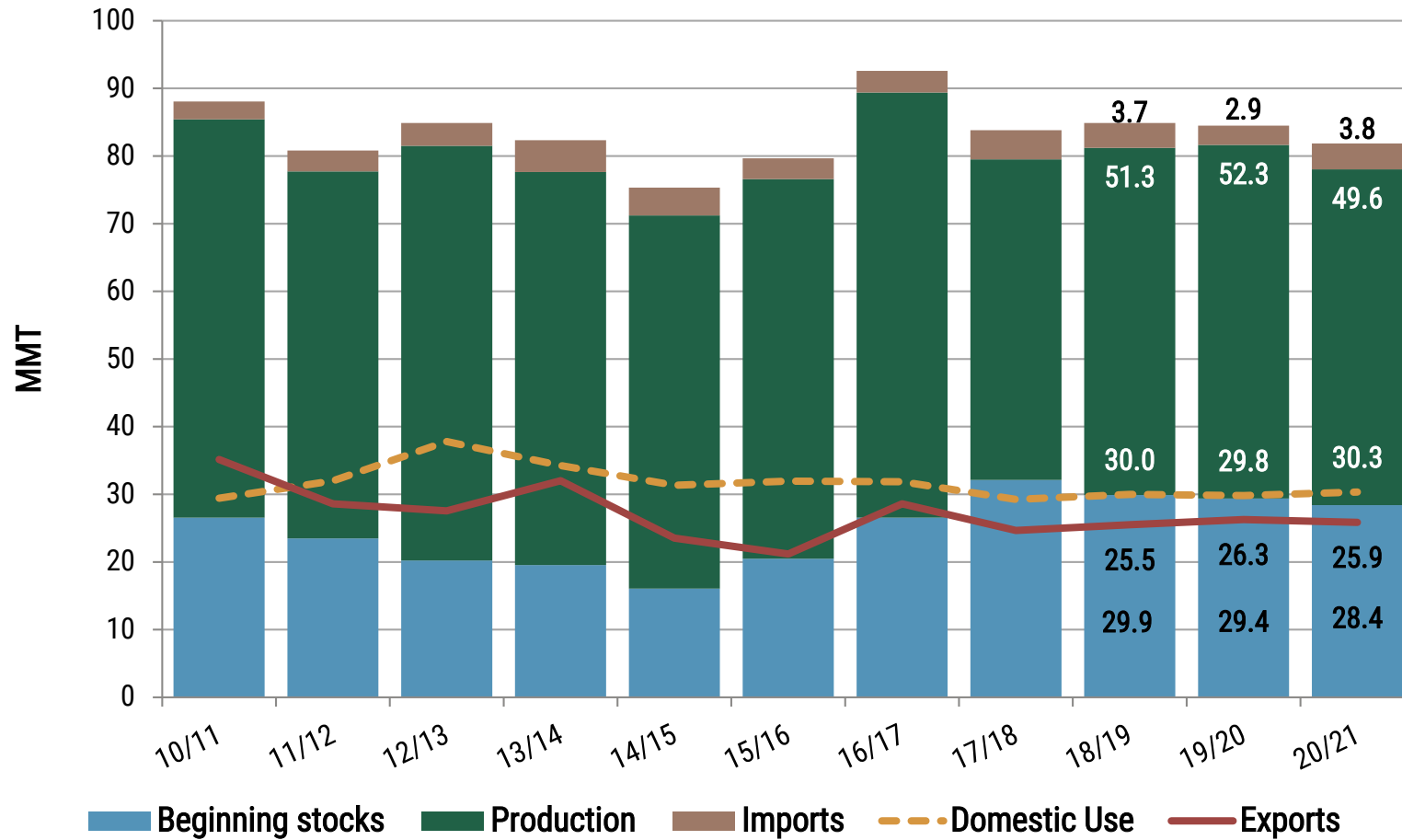
Black Sea Ending Stocks



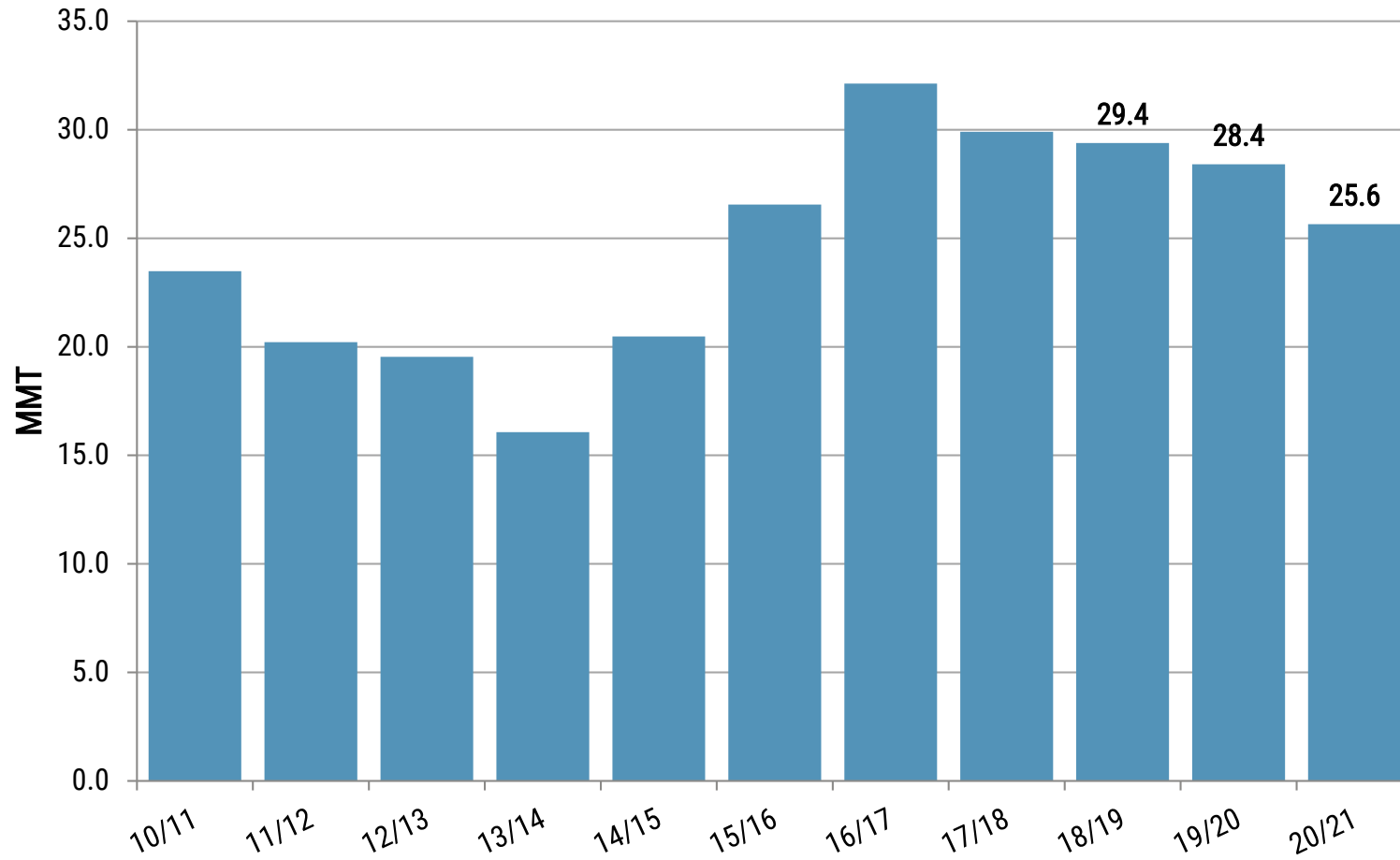
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U.S. Situation



U.S. Ending Stocks

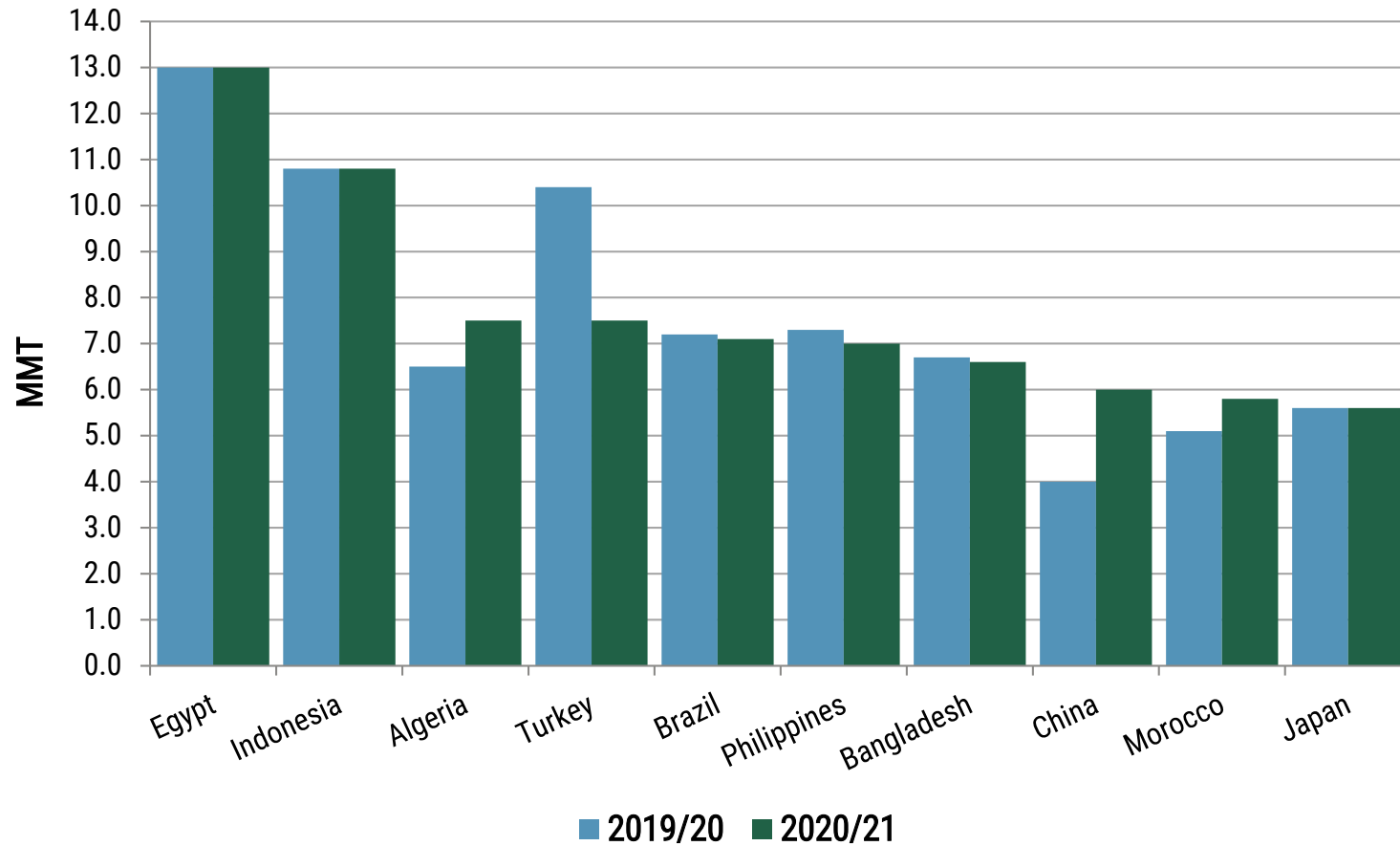




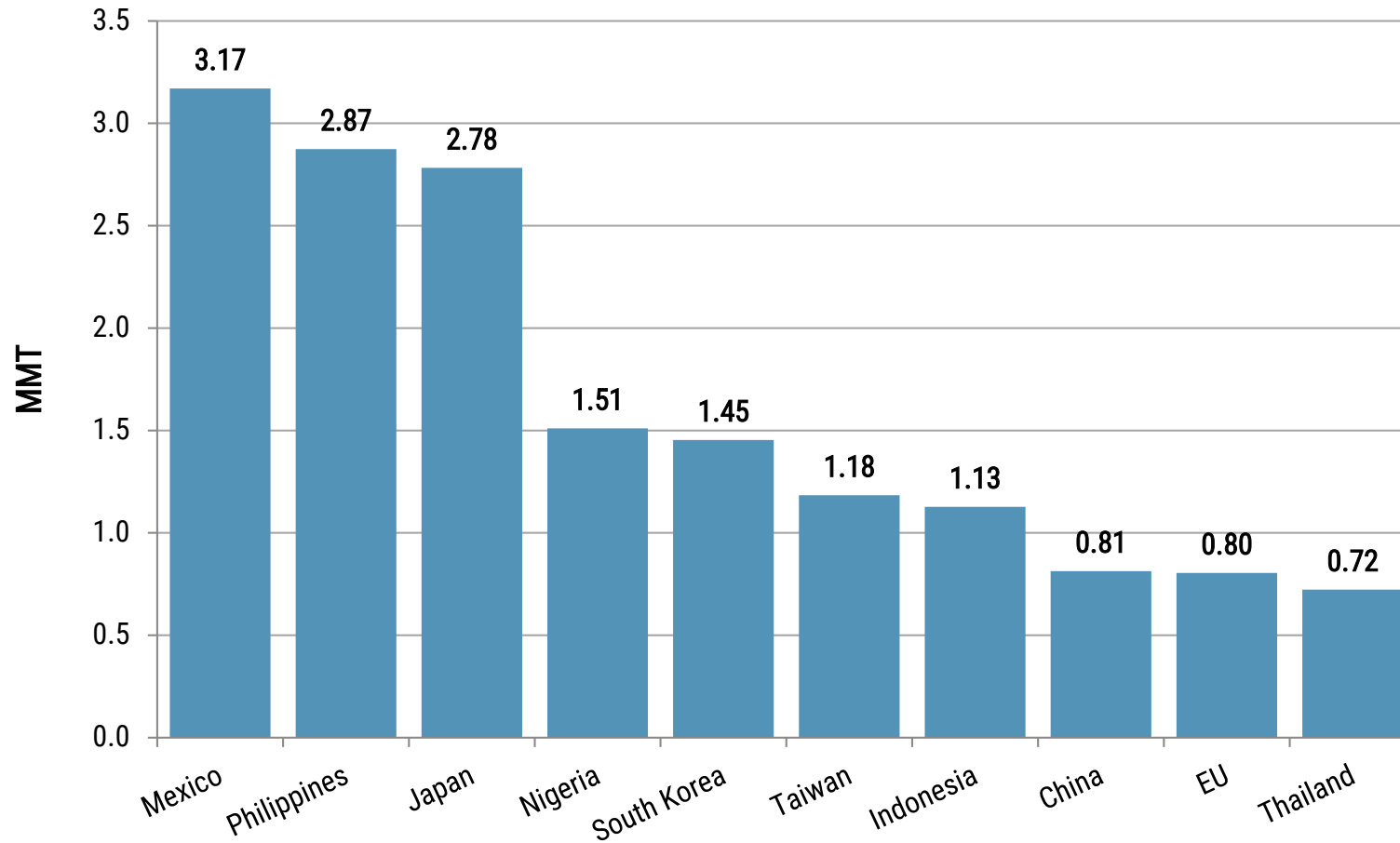
02

Import Demand

Major World Wheat Importers



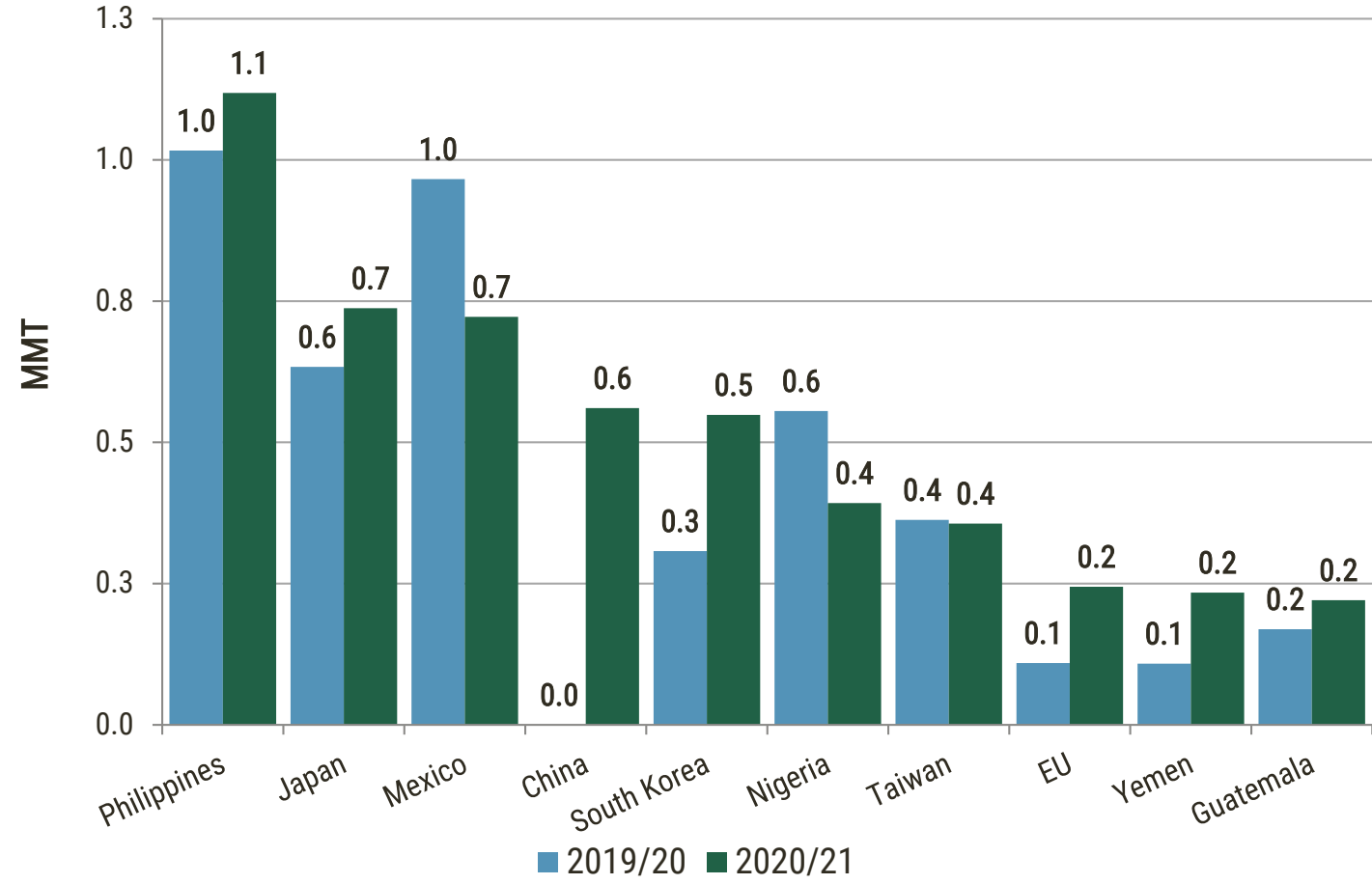
Top 10 Customers for U.S. Wheat (5-year average)



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



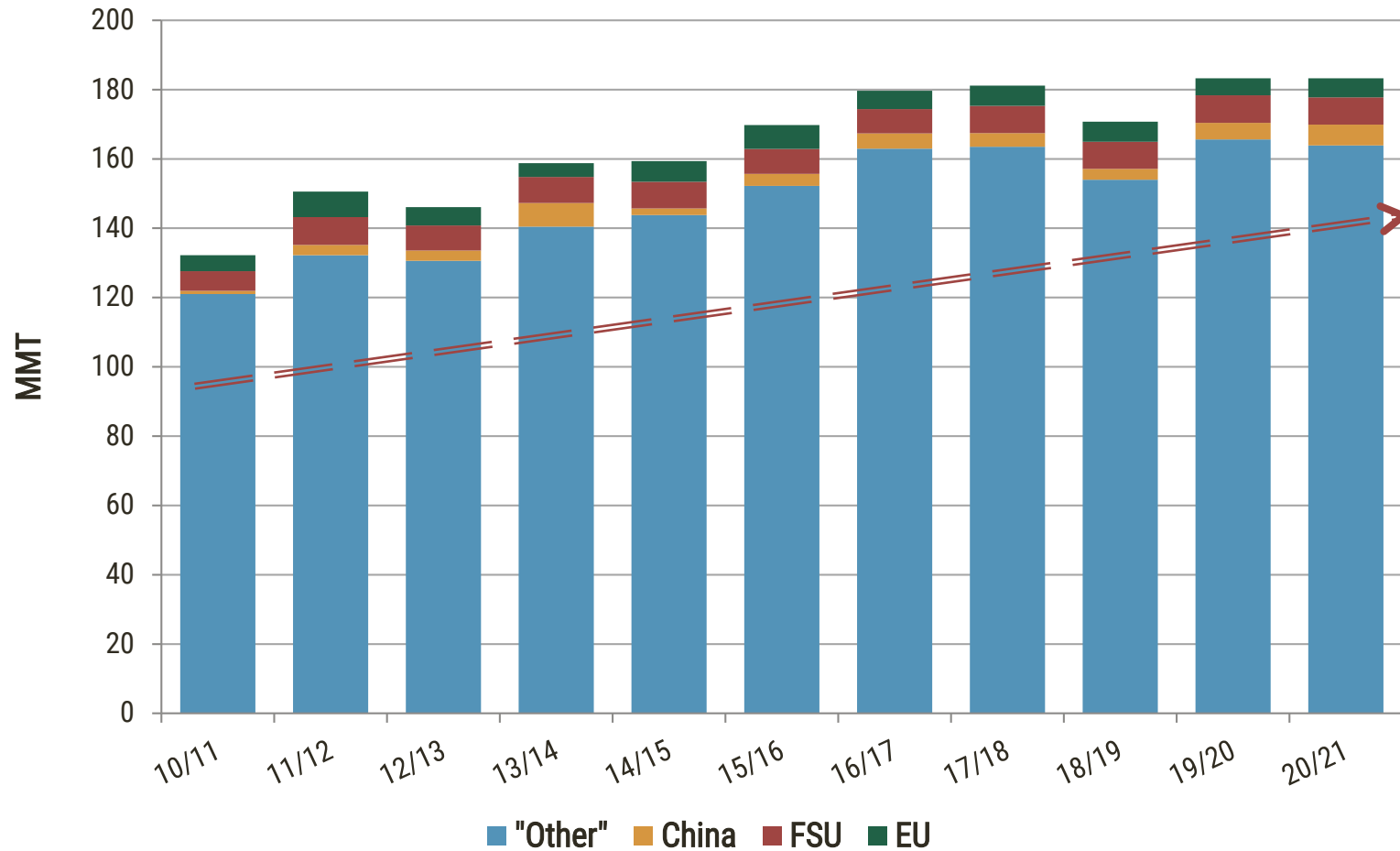
Top 10 Customers for U.S. Wheat (year-to-date sales for current marketing year delivery)



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



World Wheat Imports

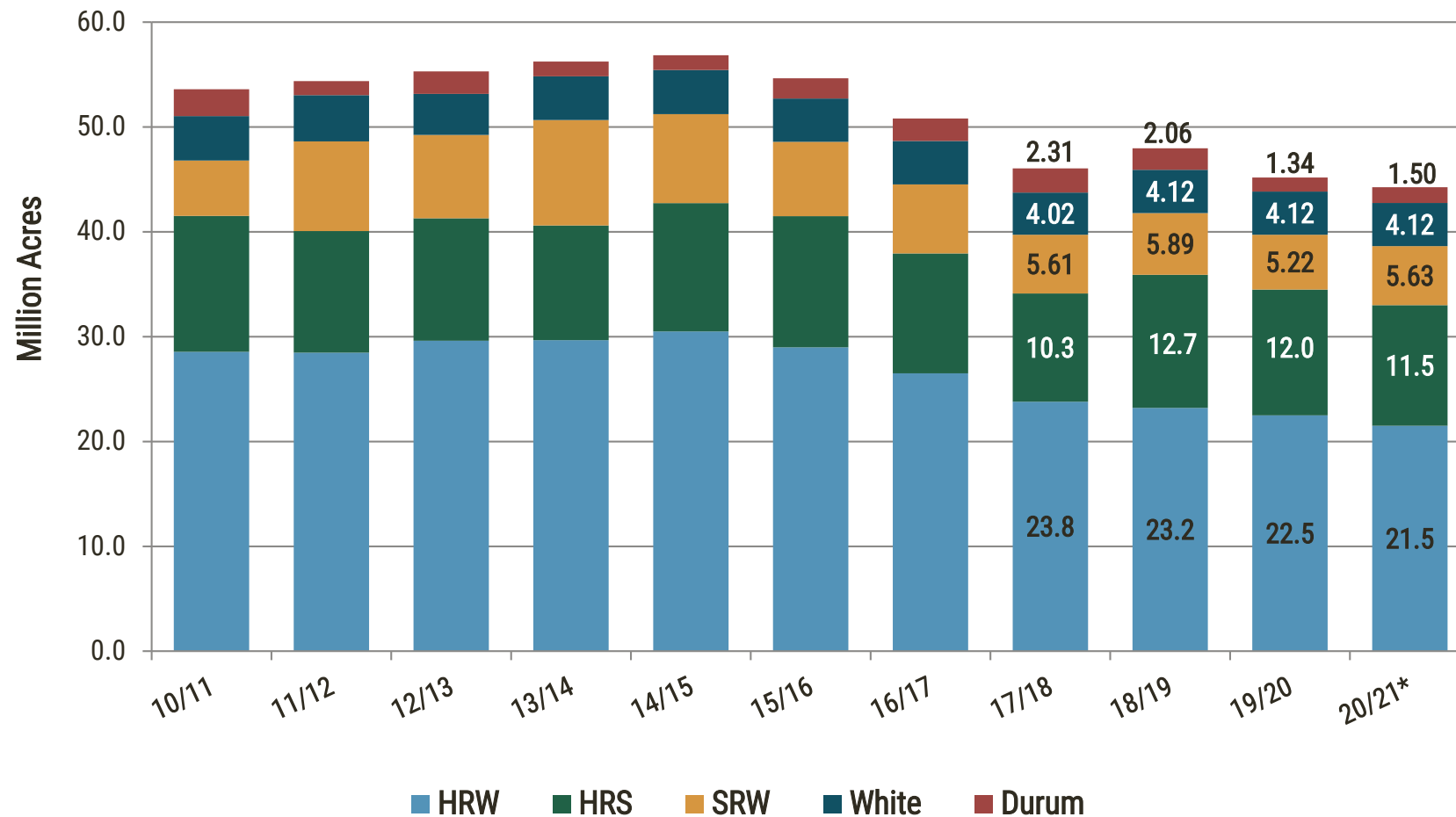




03

U.S. Situation by Class

U.S. Wheat Planted Area



*Source: June 2020 USDA Acreage Report



U.S. Wheat Sales by Class

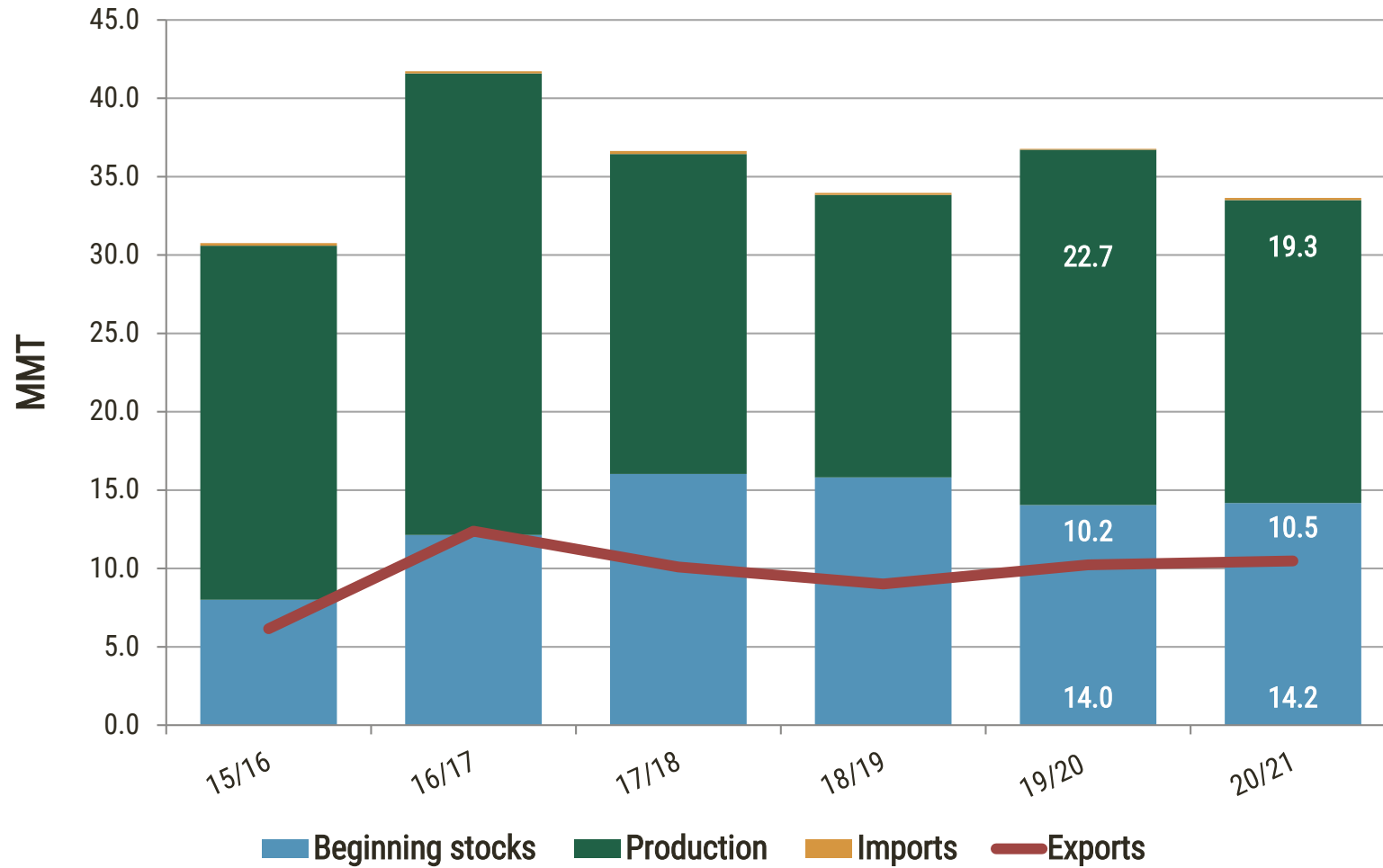
(year-to-date sales for current marketing year delivery)



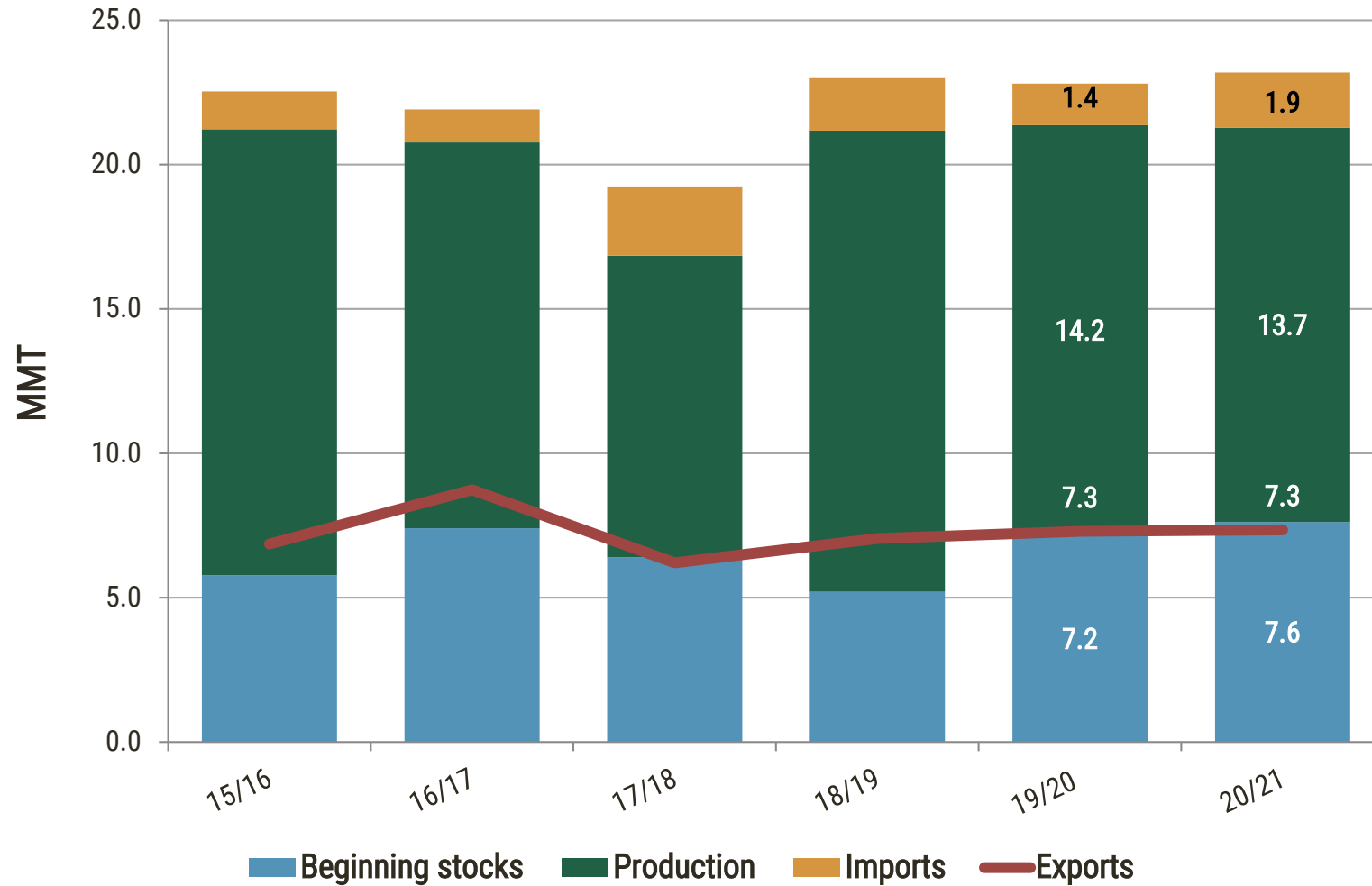
Source: USDA FAS export sales data as of July 2, 2020



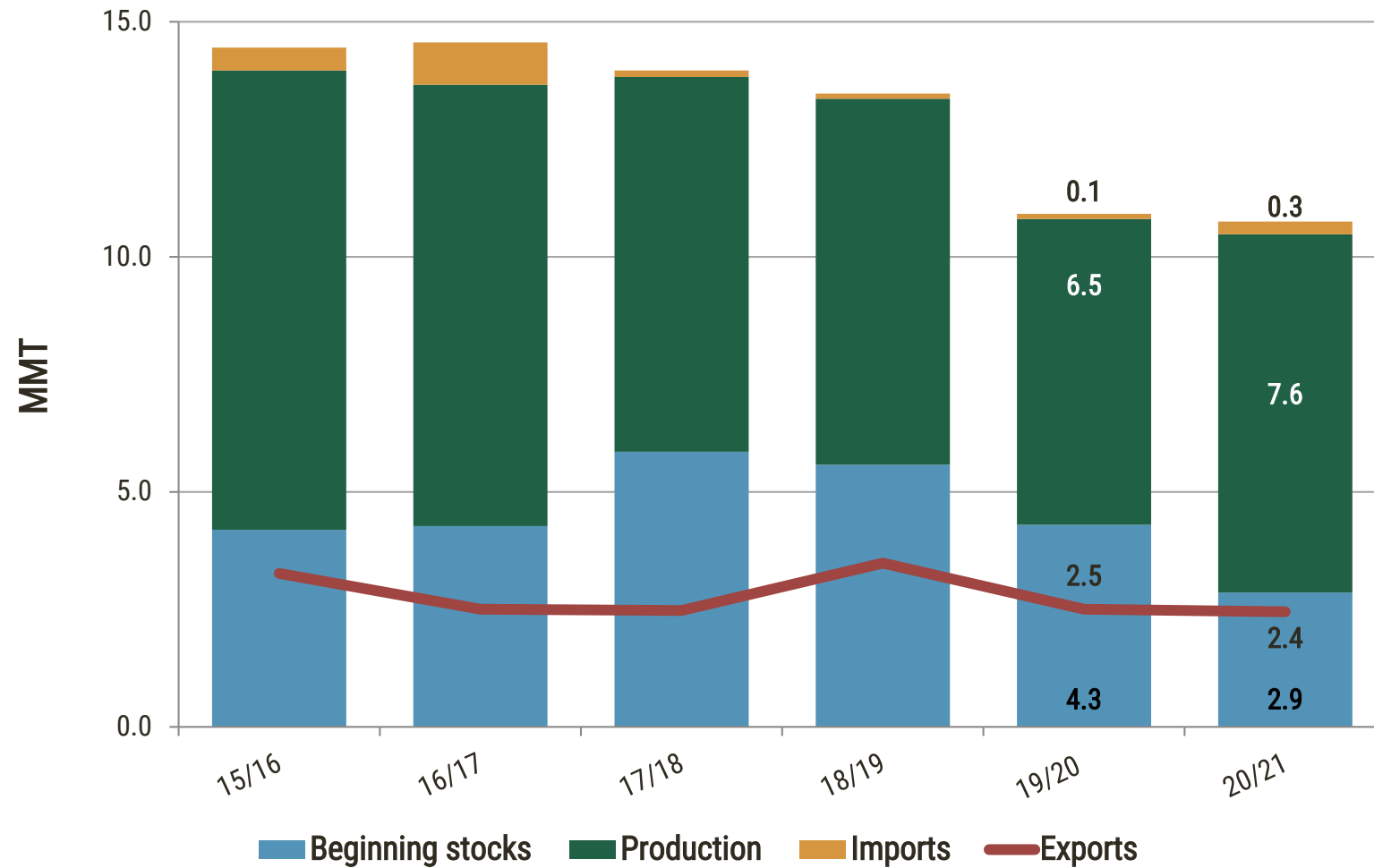
U.S. Hard Red Winter



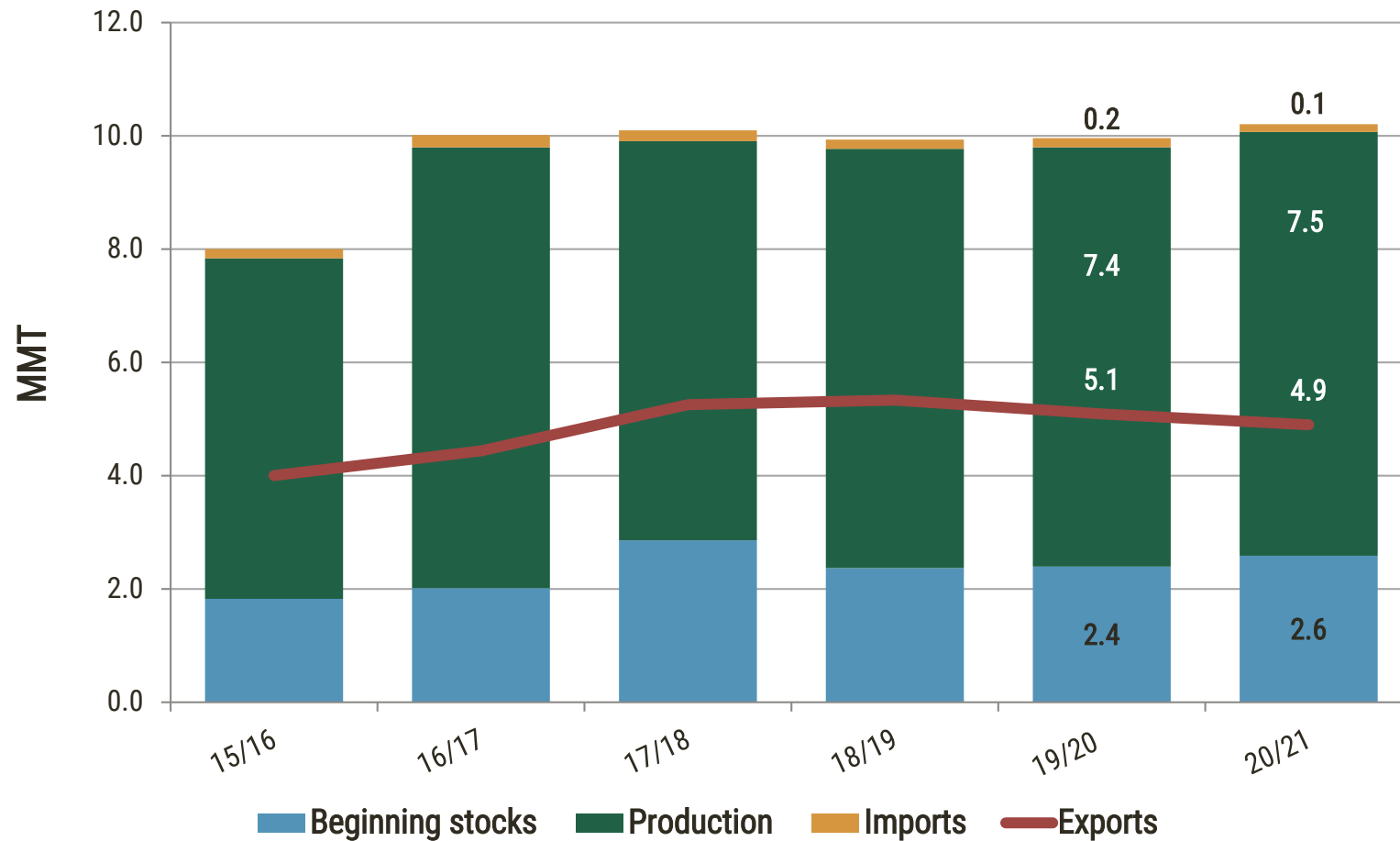
U.S. Hard Red Spring



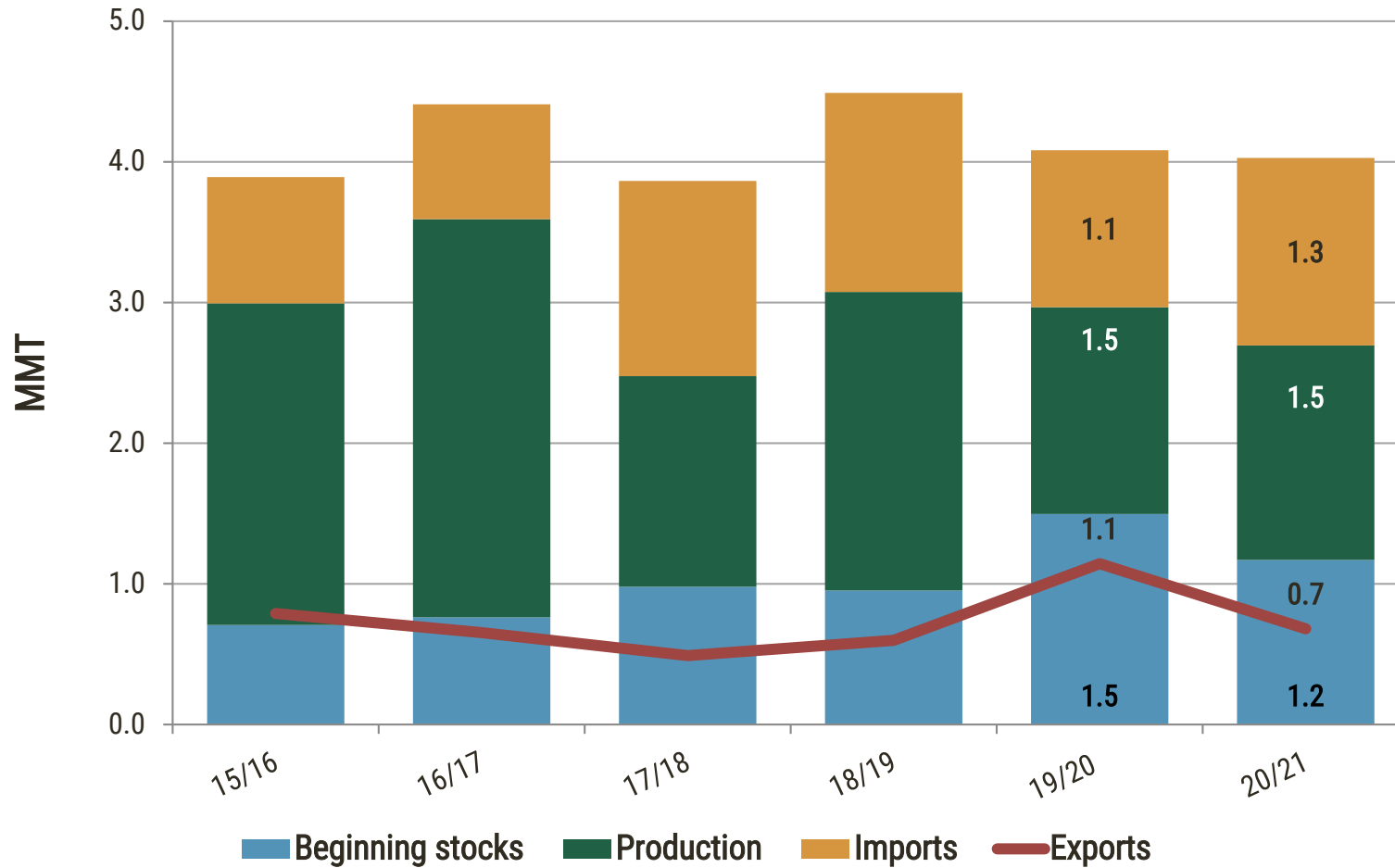
U.S. Soft Red Winter



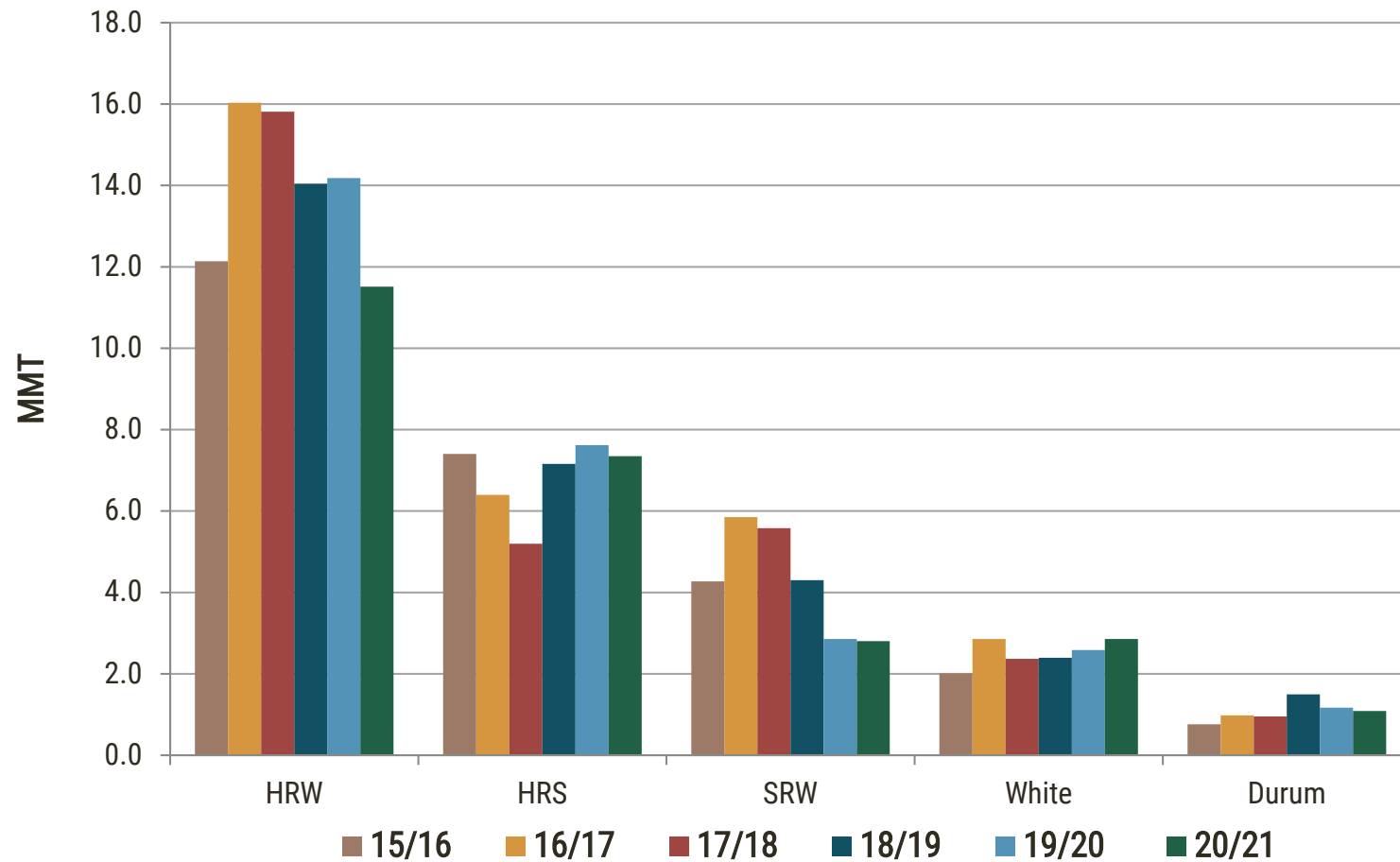
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



U.S. Wheat Supply and Demand (MMT)

	HRW		HRS		SRW	
	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>
Beginning Stocks	14.0	14.2	7.16	7.62	4.30	2.86
Production	22.7	19.3	14.2	13.7	6.50	7.62
Supply Total	36.8	33.6	22.8	23.2	10.91	10.8
Domestic Use	12.4	11.6	7.87	8.49	5.55	5.50
Exports	10.2	10.5	7.29	7.35	2.50	2.45
Use Total	22.6	22.1	15.2	15.8	8.06	7.95
Ending Stocks	14.2	11.5	7.62	7.35	2.86	2.80
Stocks-to-Use	63%	52%	50%	46%	35%	35%

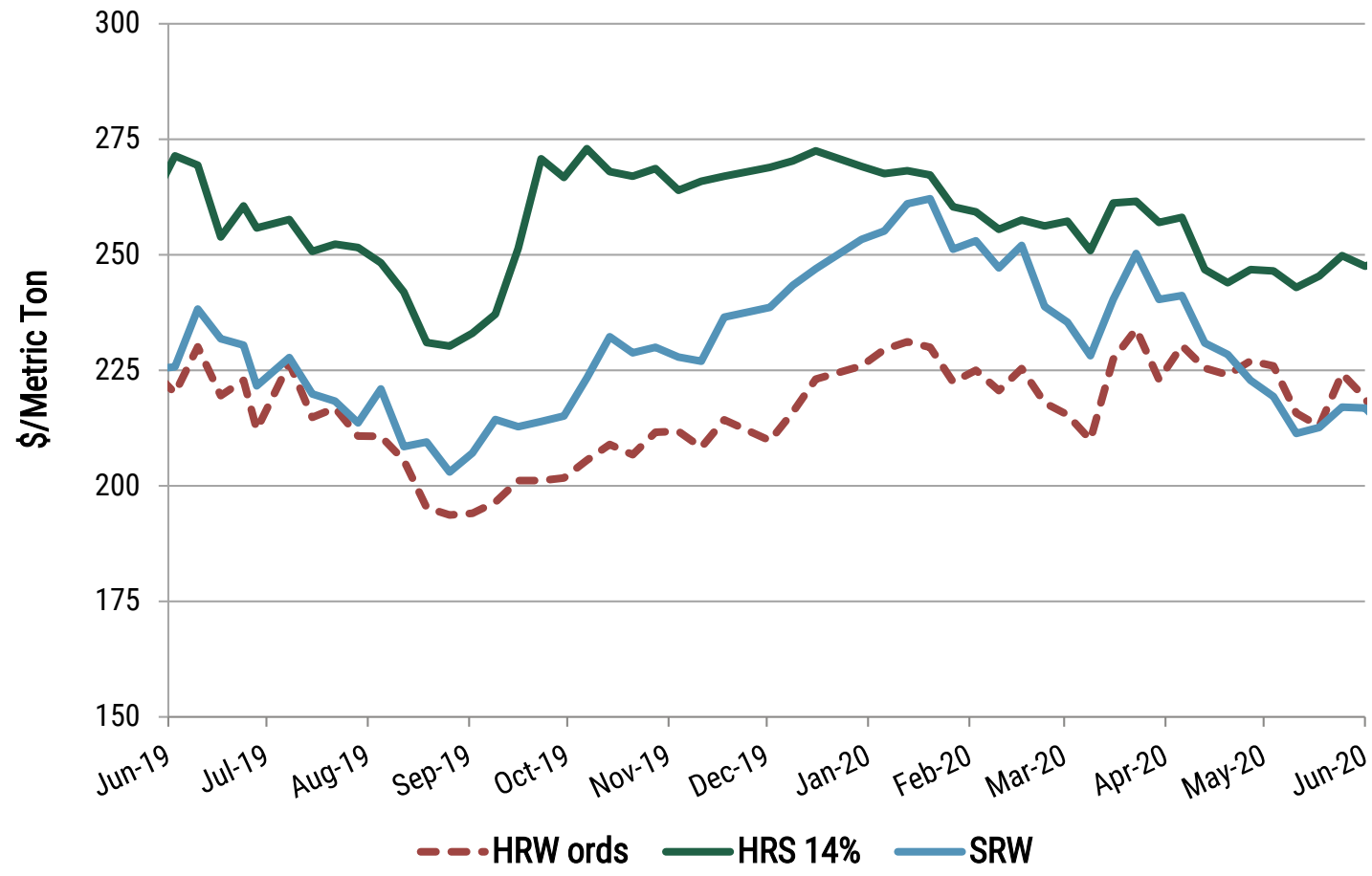


U.S. Wheat Supply and Demand (MMT)

	White		Durum		Total	
	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>
Beginning Stocks	2.40	2.59	1.50	1.17	29.4	28.4
Production	7.40	7.48	1.47	1.52	52.3	49.6
Supply Total	10.0	10.21	4.08	4.03	84.5	81.8
Domestic Use	2.29	2.45	1.77	2.26	29.8	30.3
Exports	5.09	4.90	1.14	0.68	26.3	25.9
Use Total	7.38	7.35	2.91	2.94	56.1	56.2
Ending Stocks	2.59	2.86	1.17	1.09	28.4	25.6
Stocks-to-Use	35%	39%	40%	37%	51%	46%



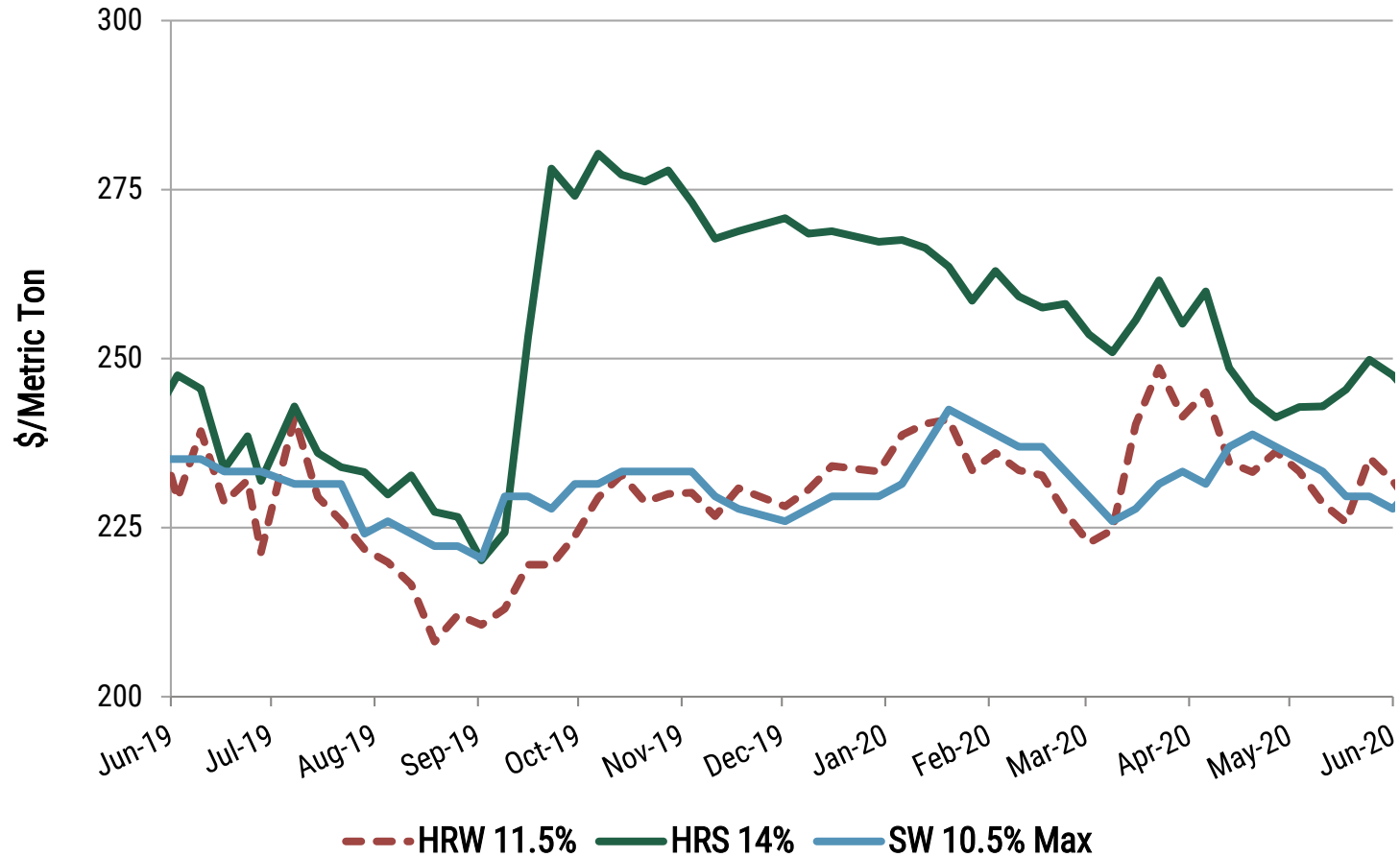
U.S. FOB Gulf Prices



Source: U.S. Wheat Associates Price Report, July 2, 2020



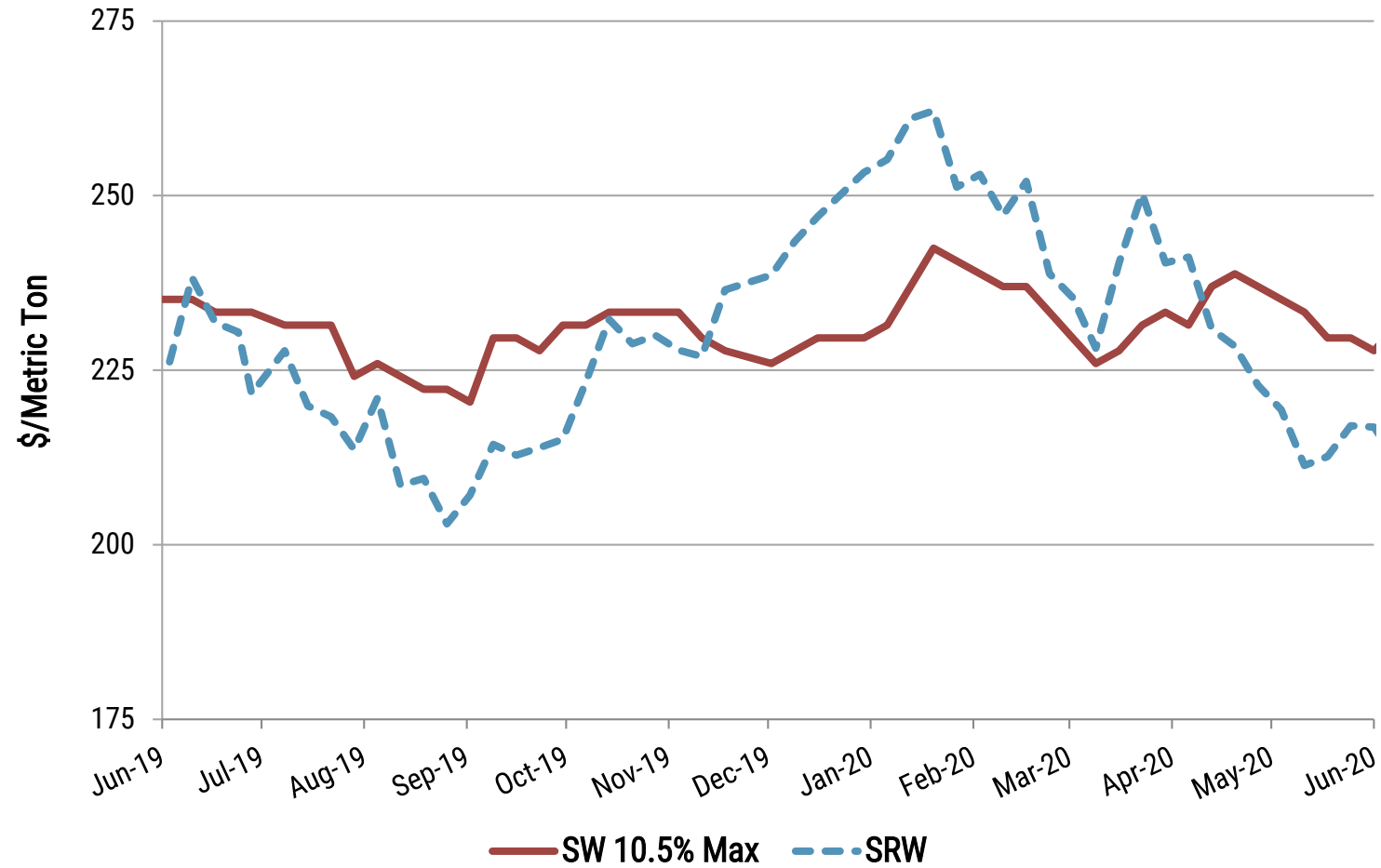
U.S. FOB PNW Prices



Source: U.S. Wheat Associates Price Report, July 2, 2020



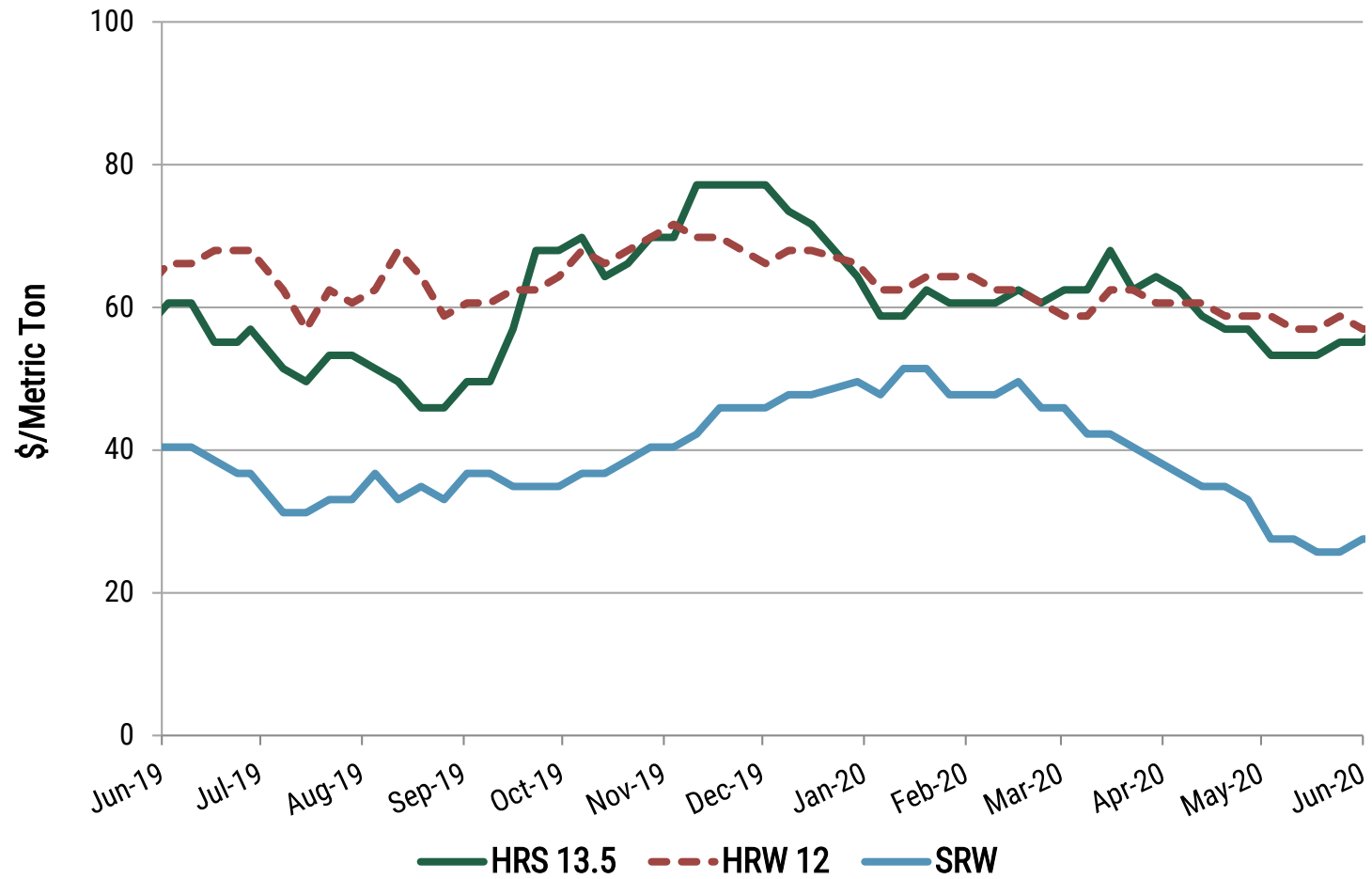
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, July 2, 2020



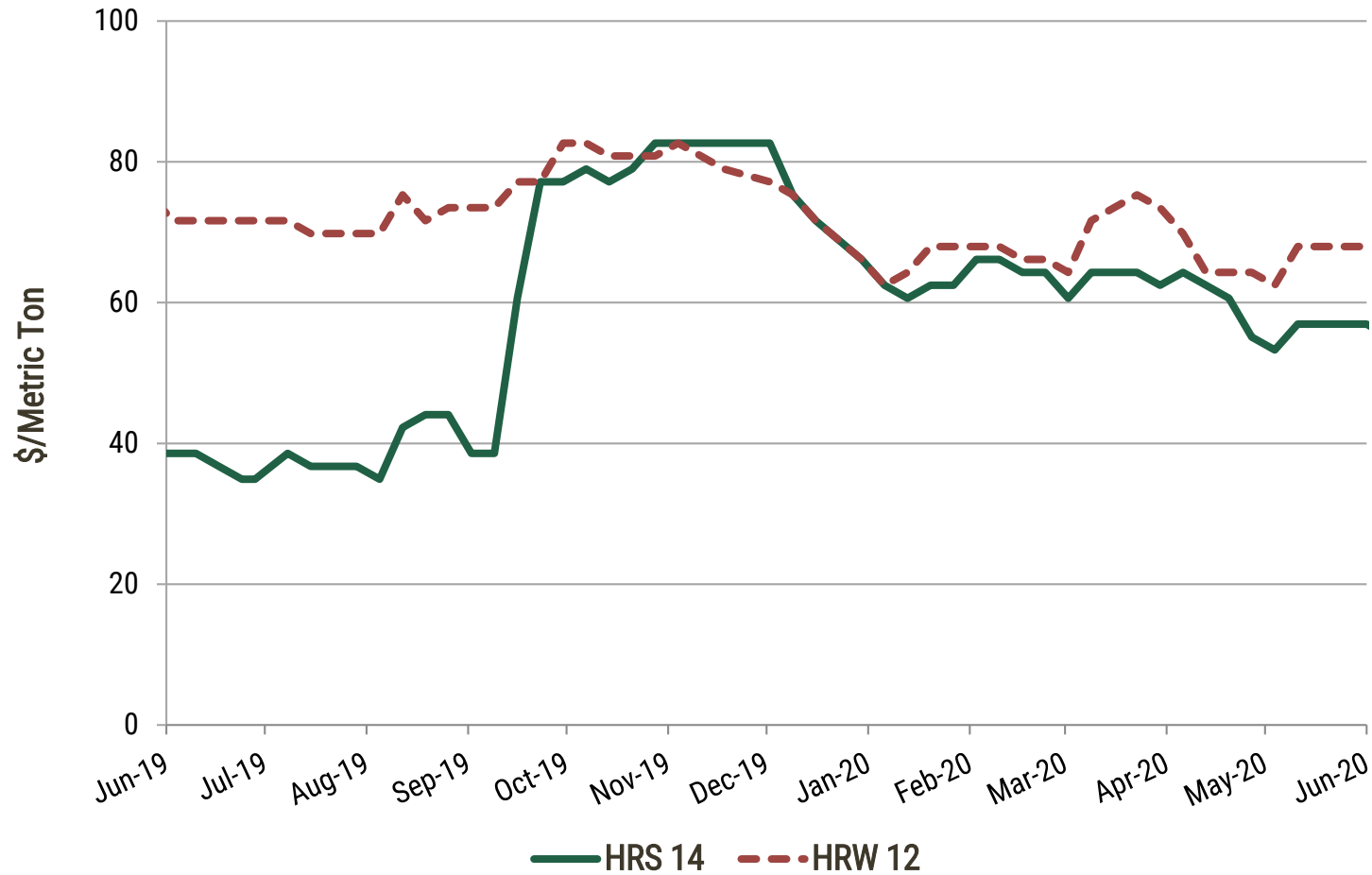
U.S. Gulf Basis Prices



Source: U.S. Wheat Associates Price Report, July 2, 2020



U.S. PNW Basis Prices



Source: U.S. Wheat Associates Price Report, July 2, 2020

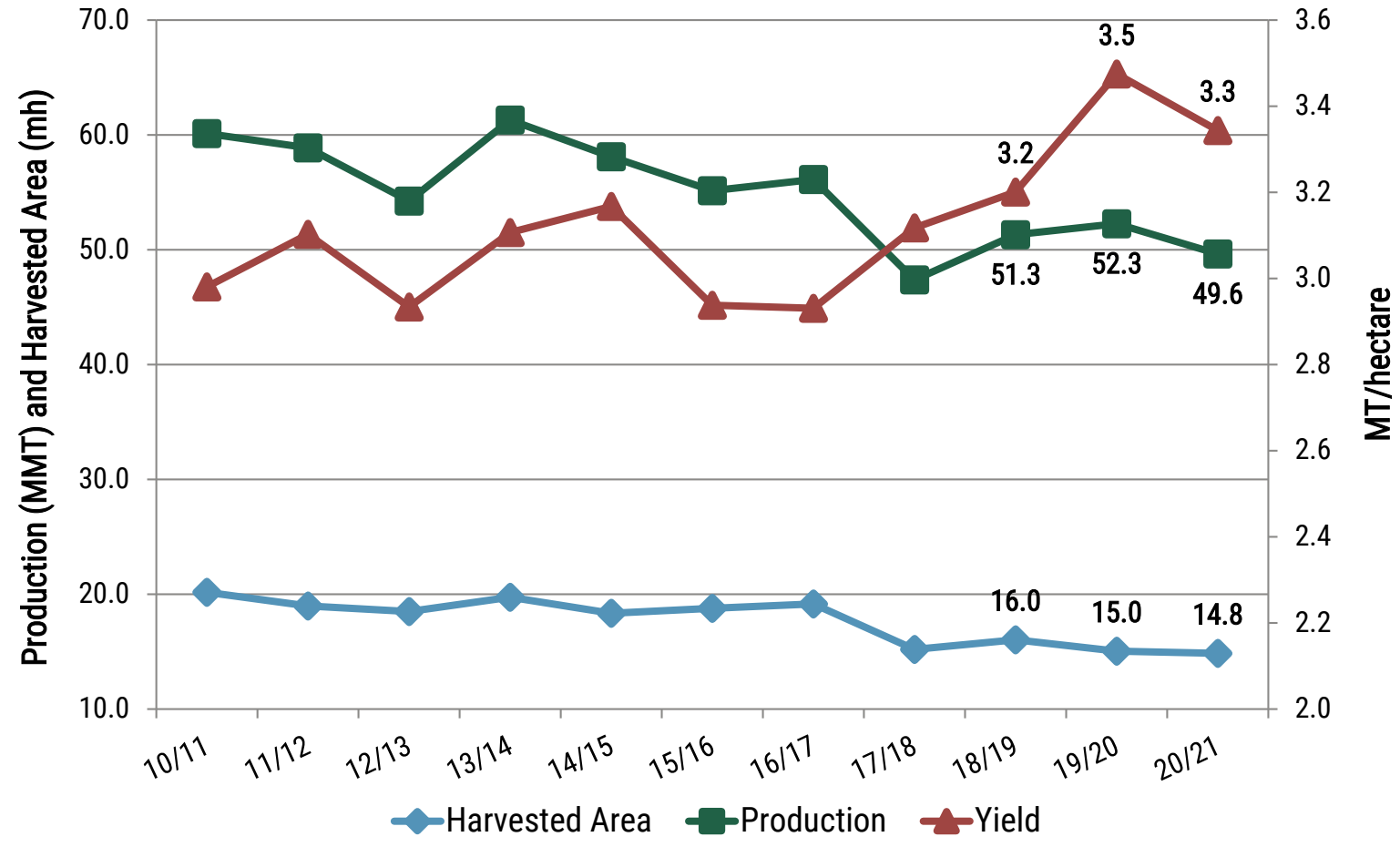


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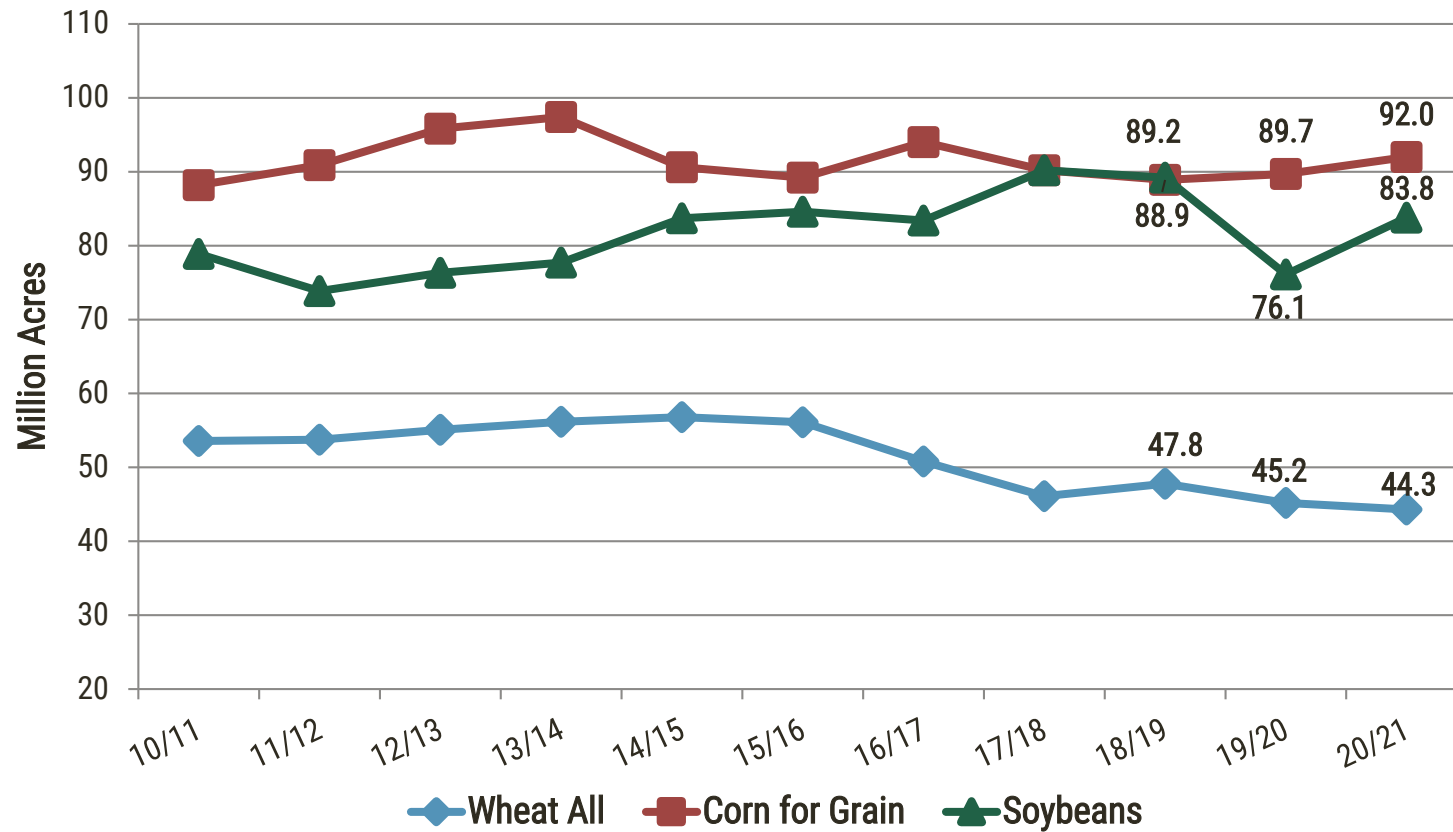
Outlook



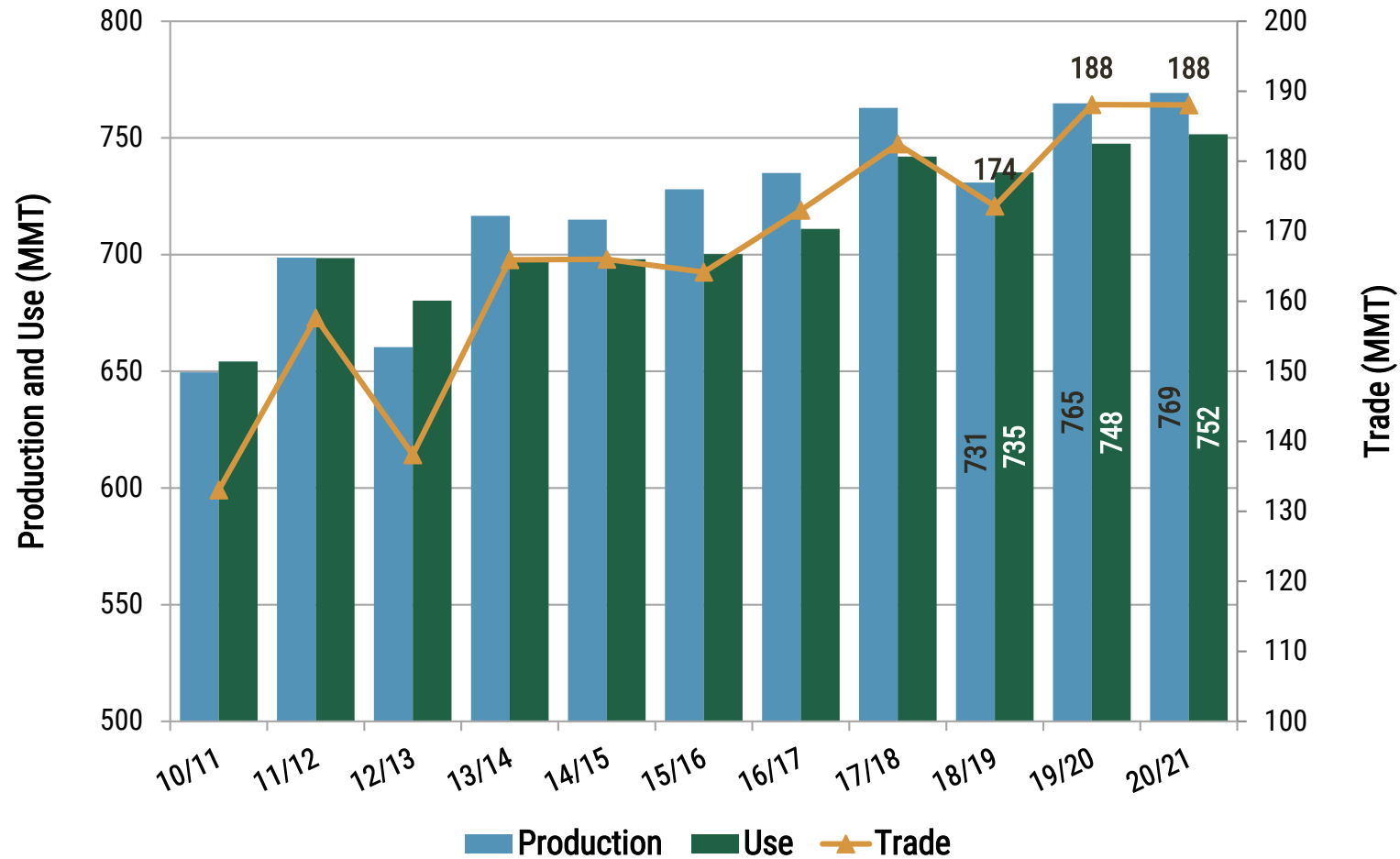
U.S. Wheat Production, Area and Yield



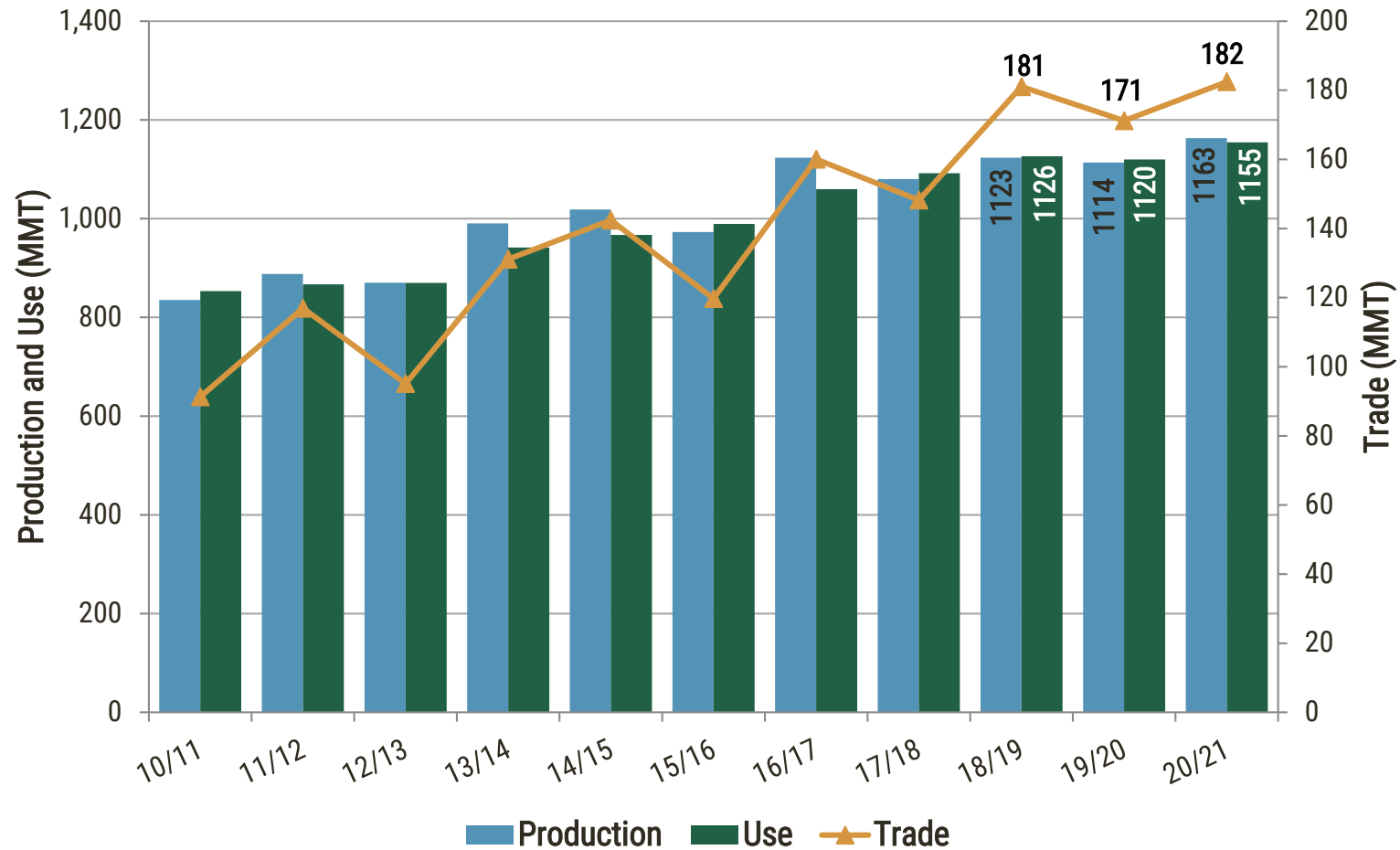
U.S. Crop Planted Area Comparison



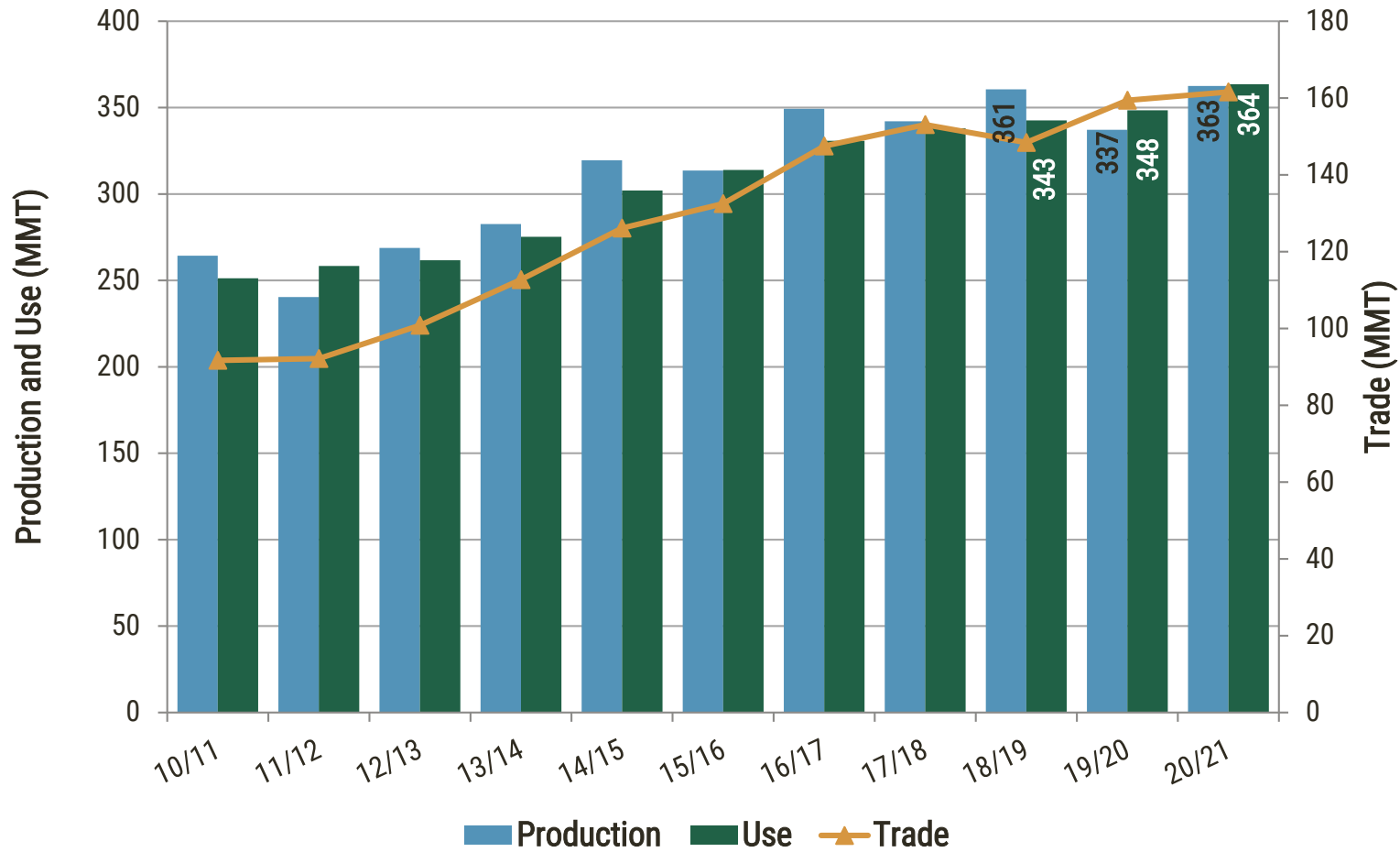
World Wheat Production, Use and Trade



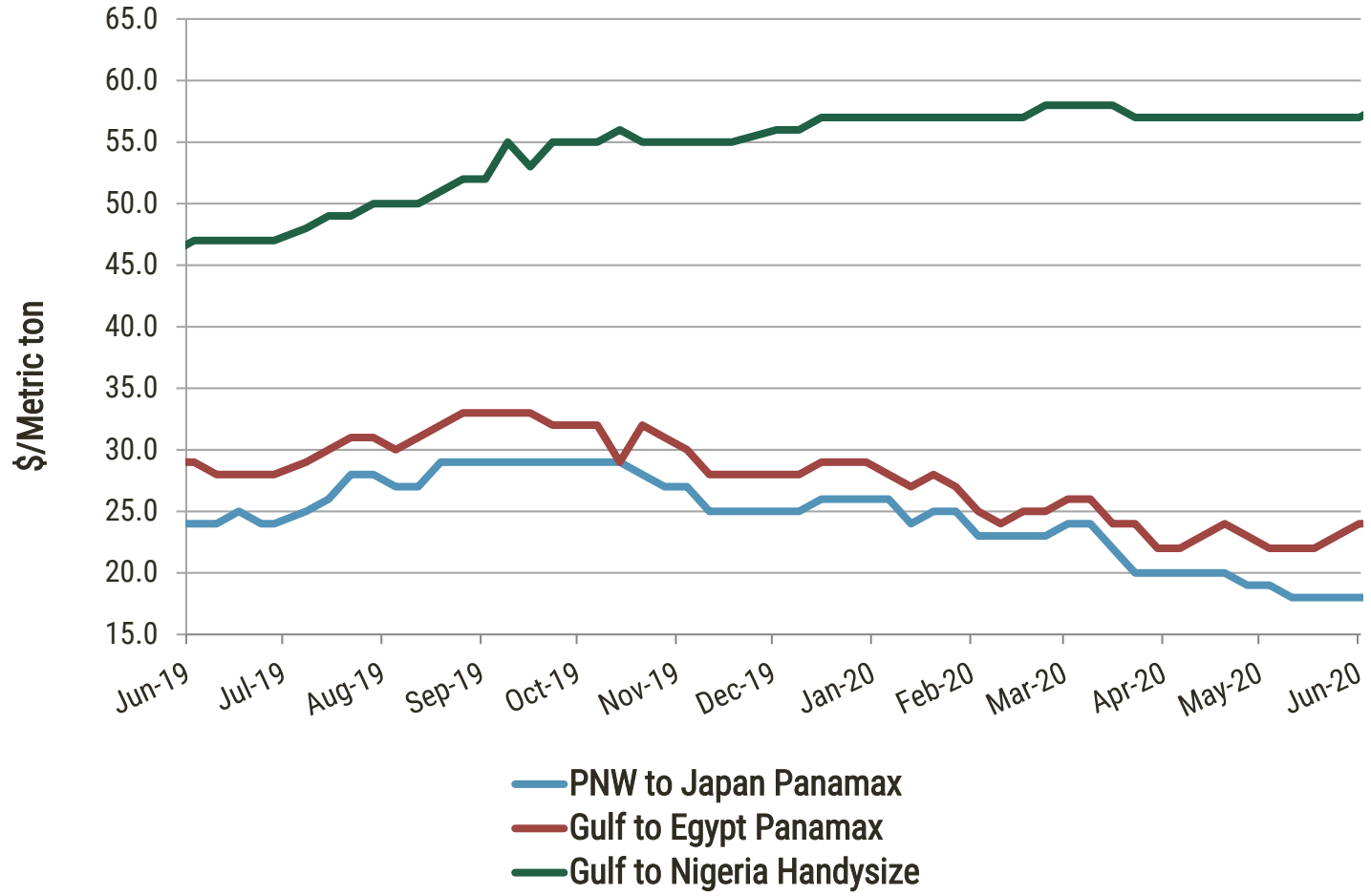
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



Source: U.S. Wheat Associates Price Report, July 2, 2020



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- U.S. ending stocks are expected to decrease 6% from last year to 25.2 MMT, the lowest in 6 years

World consumption and trade both forecast to reach record levels

- Total global wheat consumption to reach an all-time high of 752 MMT
- Total global trade to reach 188 MMT, in line with last year's record
- U.S. 2020/21 domestic consumption to increase 2% from last year to 30.3 MMT



THANK YOU



**U.S. WHEAT
ASSOCIATES**