



U.S. WHEAT
ASSOCIATES

World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released August 12, 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 a record 766 MMT

- European Union (EU) production to fall 12% on the year to 135 MMT on persistent dryness
- Australian production to jump 71% from last year to 26.0 MMT as beneficial rains pull the country out of a three-year drought
- U.S. production to decrease 4% from last year to 50.0 MMT on lower yields and decreased planted area

Global consumption forecast at 750 MMT, the highest on record

- Egyptian domestic consumption to reach 20.8 MMT, 5% more than the 5-year average
- Domestic consumption in Brazil to reach 12.2 MMT, up 1% from last year
- U.S. domestic consumption to increase to 30.2 MMT, up 1% from 2019/20

World wheat trade to fall 1% from last year's record to 188 MMT

- EU exports to fall 33% on the year to 25.5 MMT, 13% below the 5-year average
- Ukrainian exports to fall 15% on the year to 18.0 MMT on persistent dryness
- U.S. 2020/21 exports to reach 26.5 MMT, 1% more than 2019/20 and 5% more than the 5-year average



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

World beginning stocks jumped 6% from 2019/20 to 301 MMT, 14% more than the 5-year average

- Indian beginning stocks reached 24.0 MMT, the highest since the 2013/14 record
- Chinese beginning stocks jumped 8% on the year to a record 152 MMT
- U.S. 2020/21 beginning stocks dropped 3% year-over-year to 28.4 MMT

Global ending stocks projected at a record 317 MMT, 5% more than last year and 14% more than the 5-year average

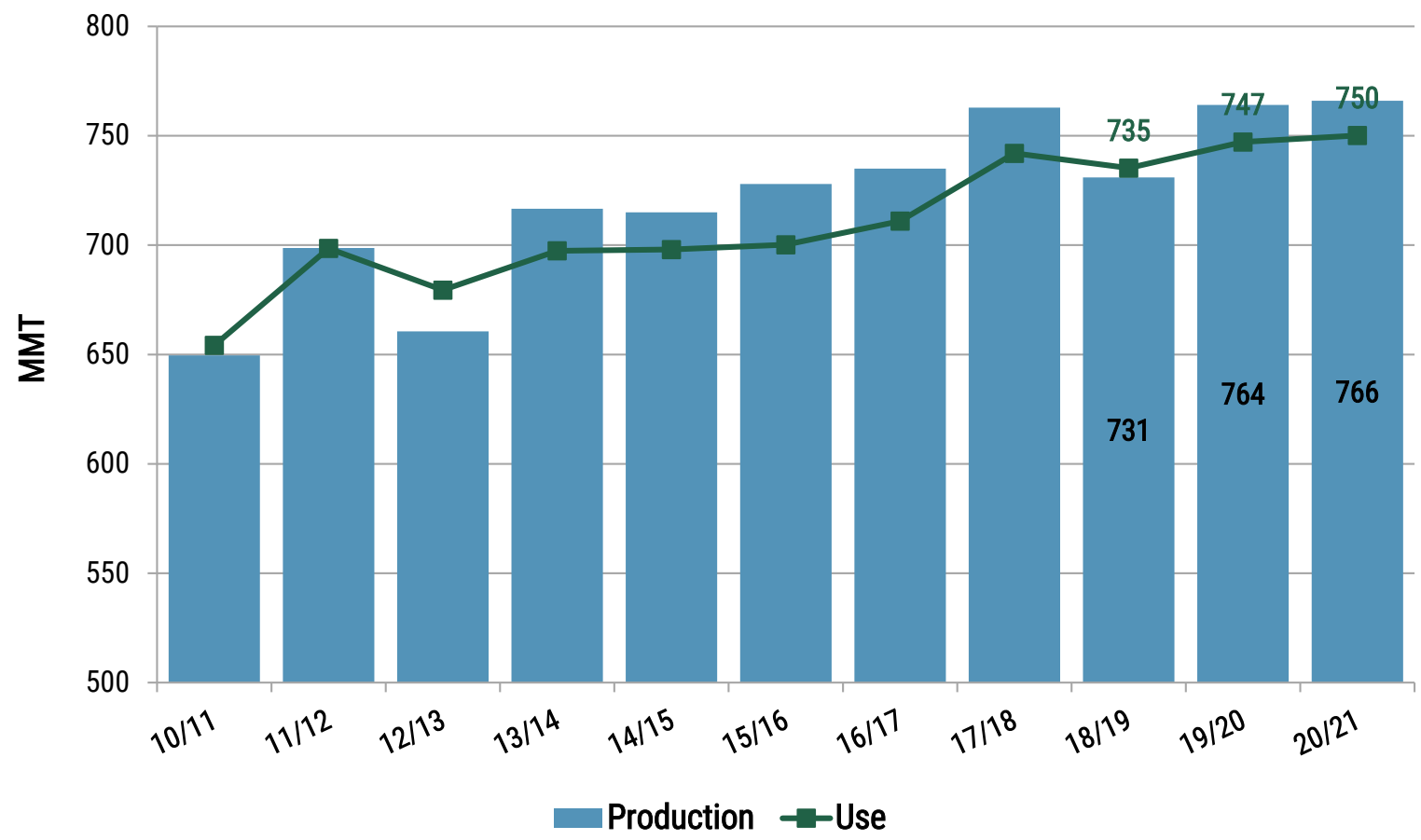
- Expected Indian ending stocks to reach a record 30.7 MMT, nearly 2X the 5-year average
- U.S. ending stocks are expected to decrease 11% to 25.2 MMT, the lowest in 6 years

U.S. wheat farm gate price to decrease slightly from last year

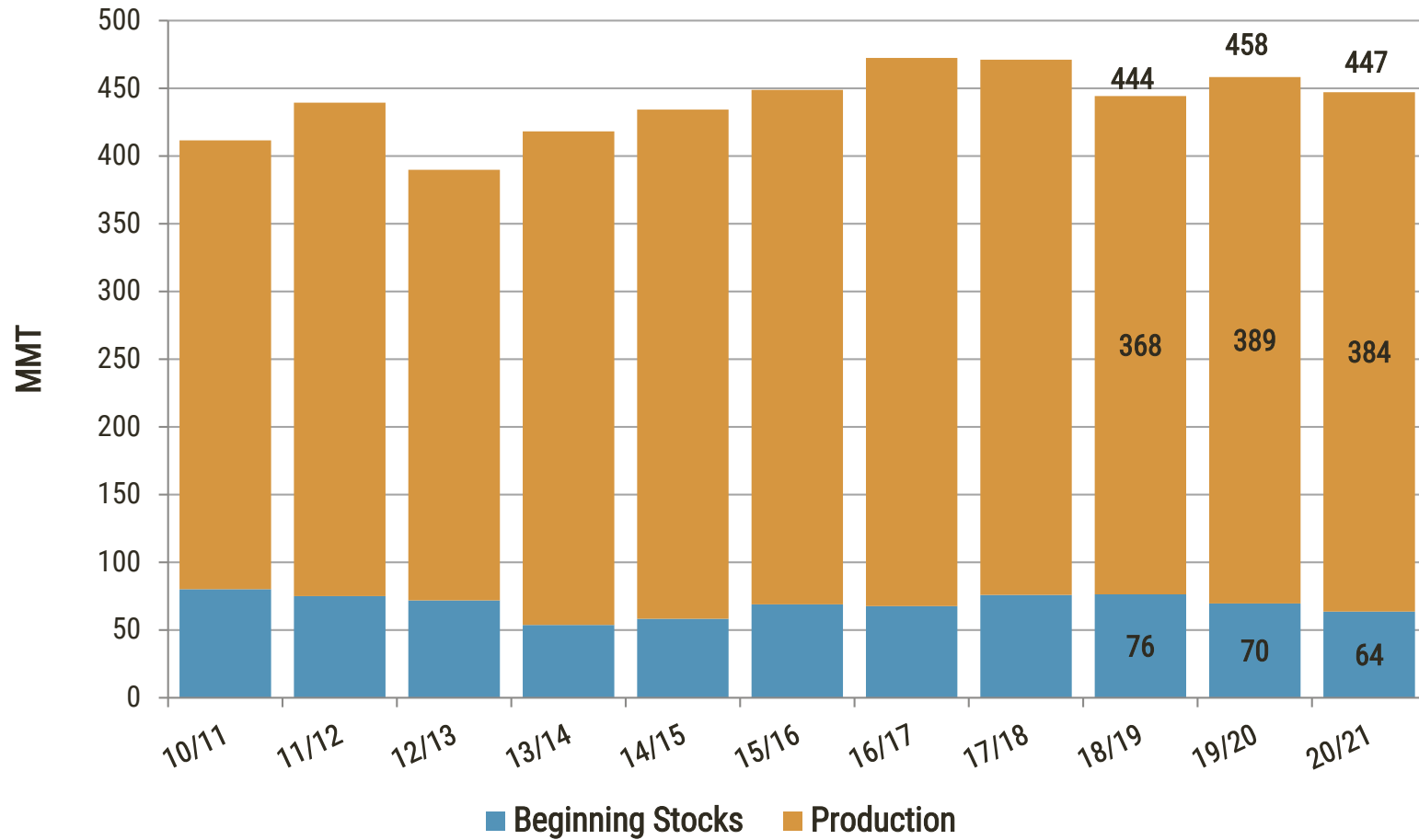
- The average U.S. wheat farm gate price in 2020/21 is forecast to fall to \$4.50/bu (\$165/MT), 2% below last year's \$4.58/bu (\$168/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

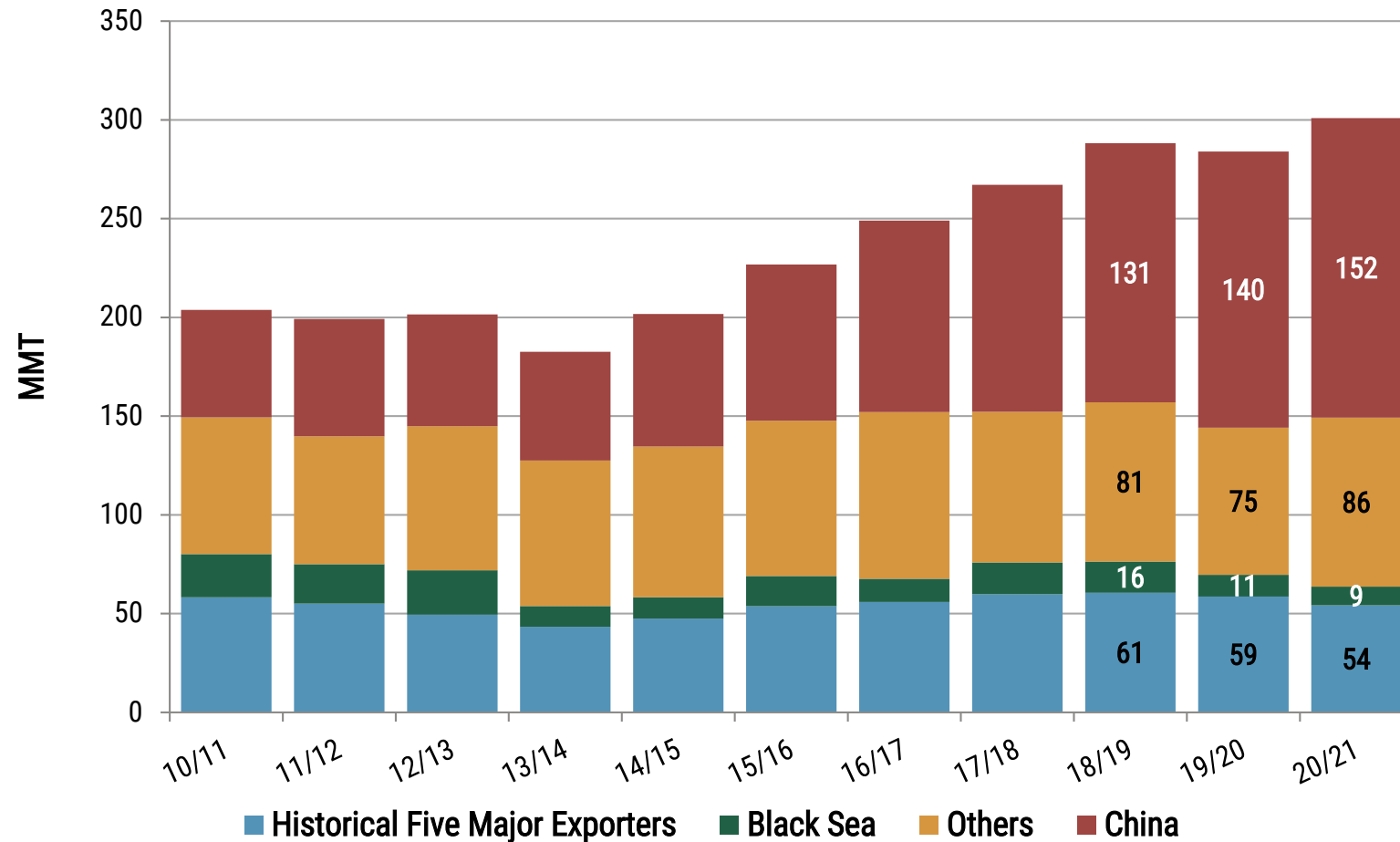


World Wheat Supply and Demand (MMT)

		<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
SUPPLY:	Beginning Stocks	288	284	301
	Production	731	764	766
	Supply Total	1019	1048	1067
	Ending Stocks	284	301	317
TRADE:	Exports/Imports	174	190	188
DEMAND:	Food & Seed	596	608	616
	Feed & Residual	140	139	134
	Use Total	735	747	750



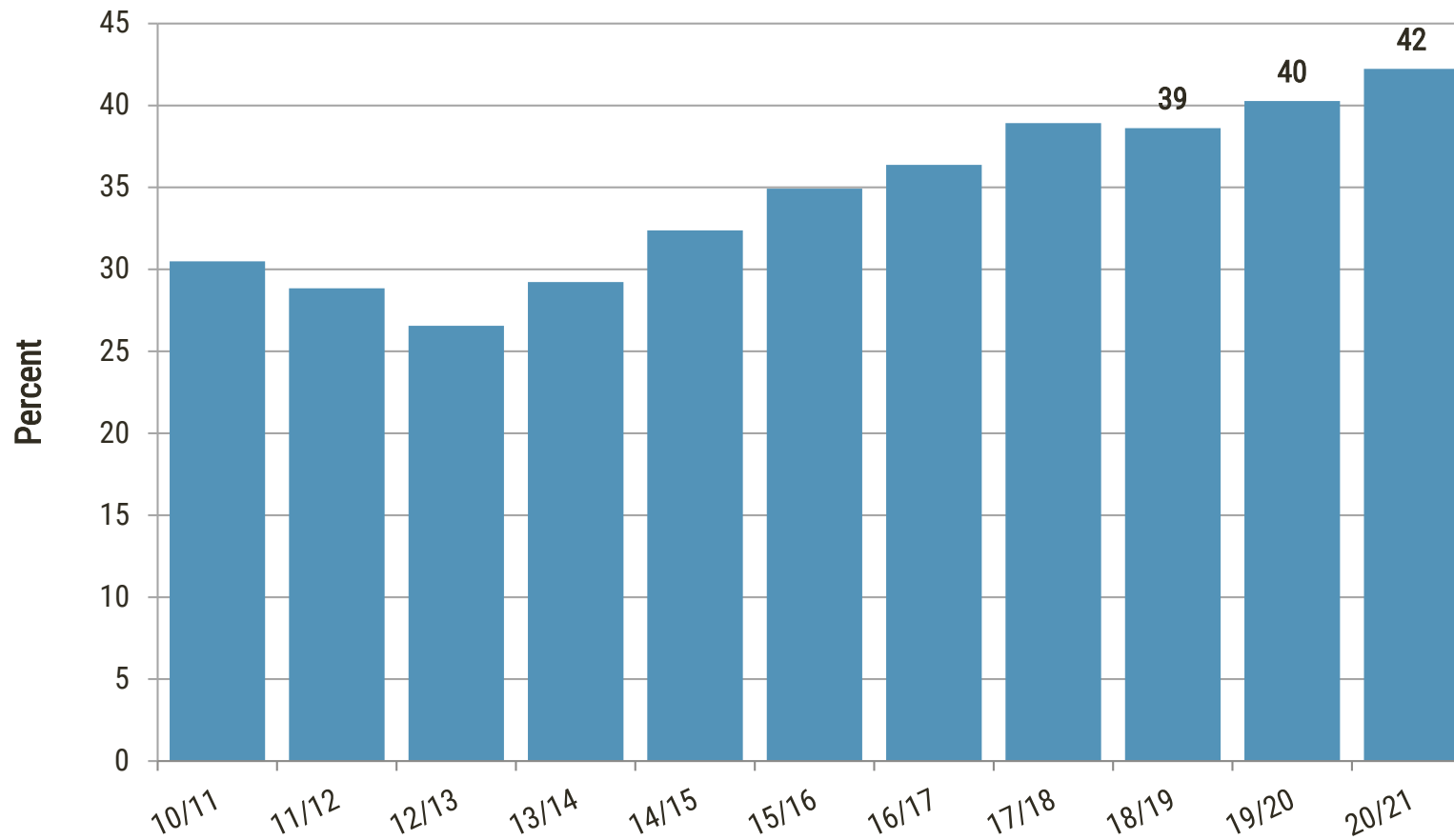
World Beginning Stocks



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



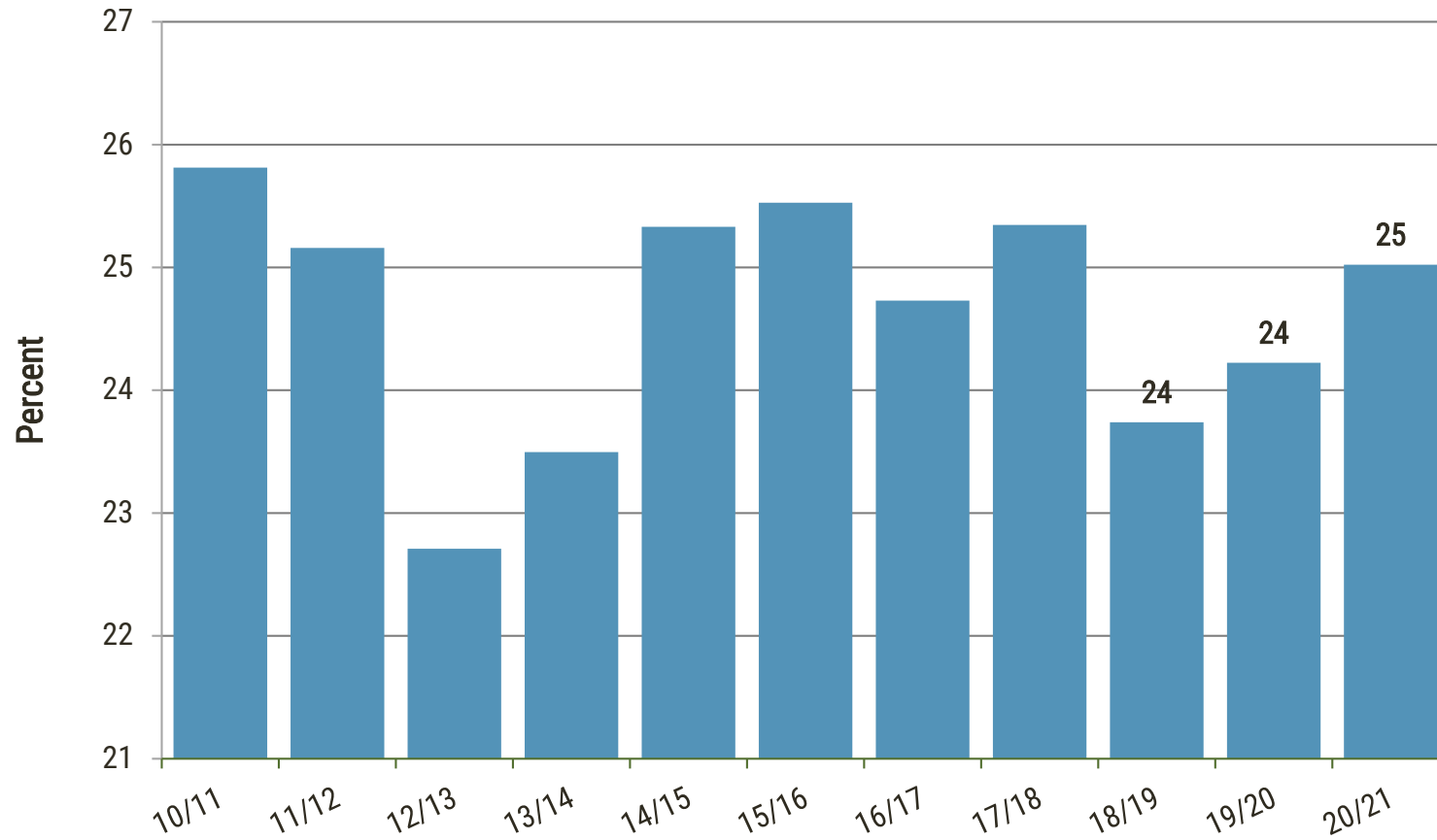
Global Stocks*-to-Use Ratio



*Ending stocks



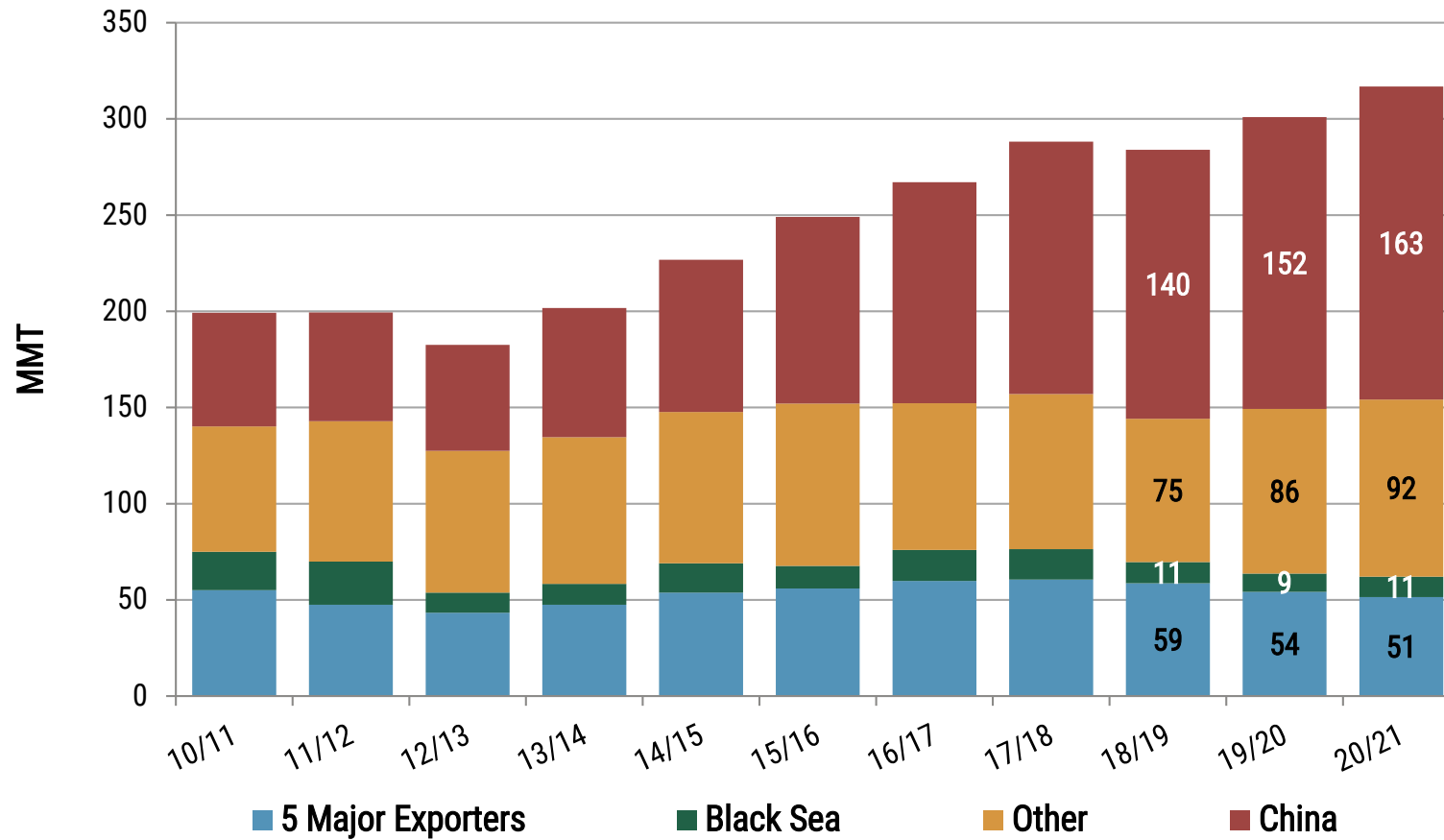
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



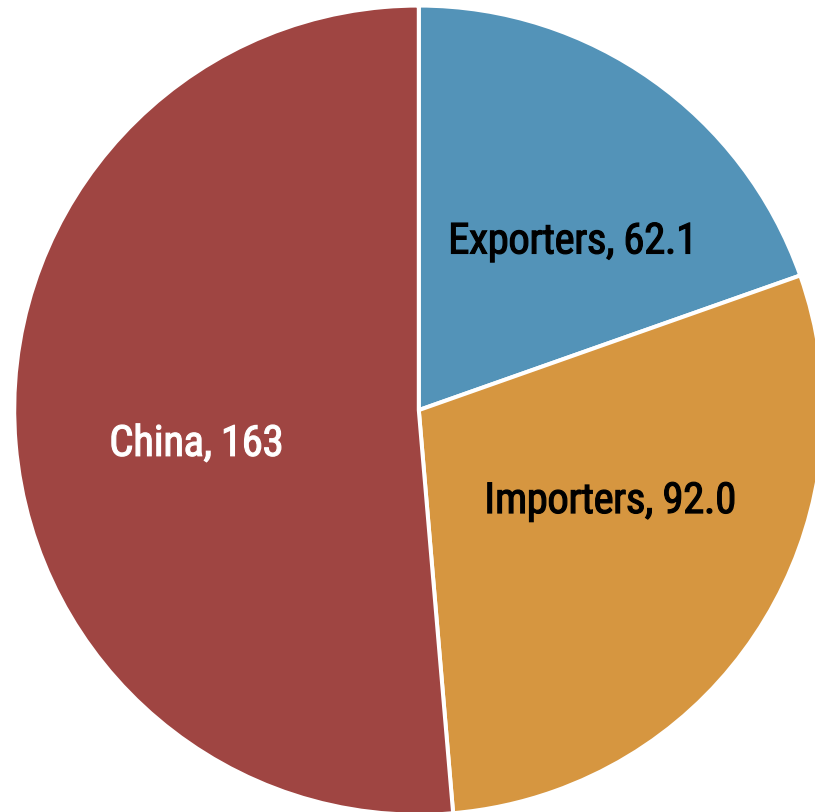
World Ending Stocks



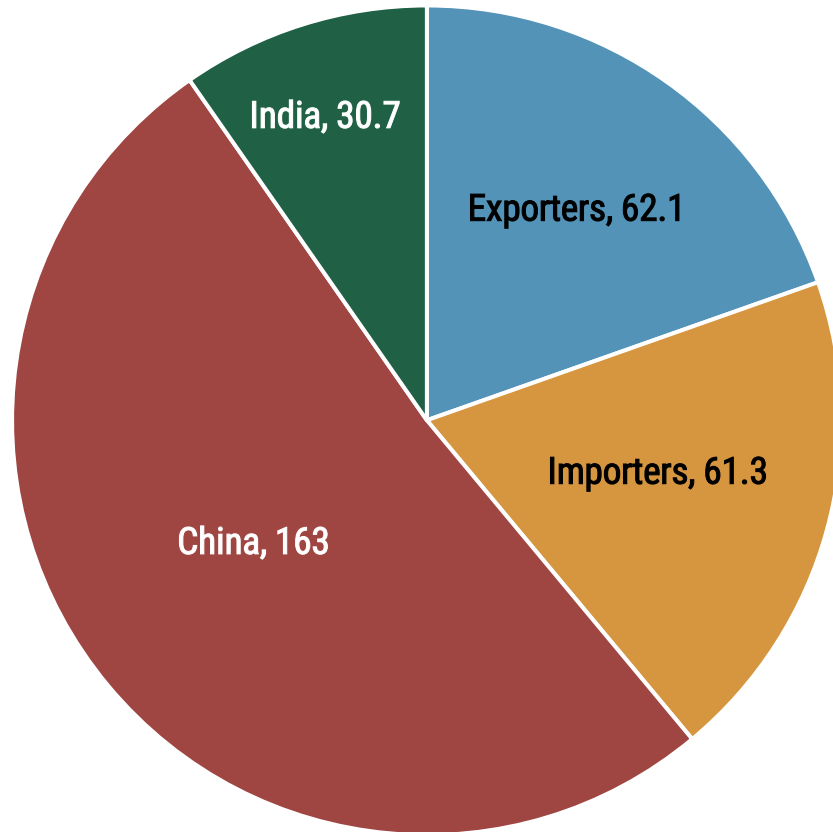
Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.



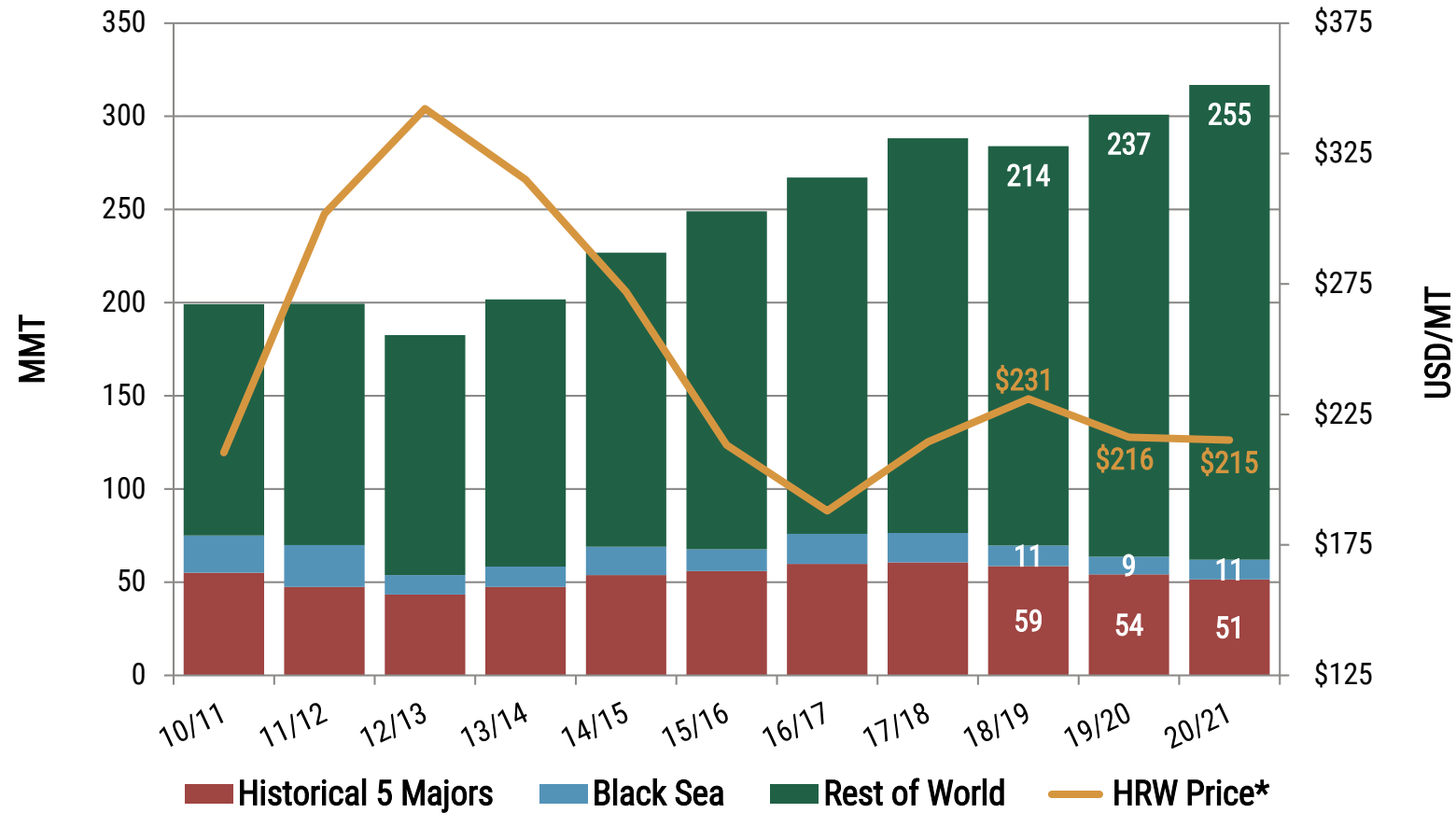
World Ending Stocks by Position (MMT)



World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, August 7, 2020

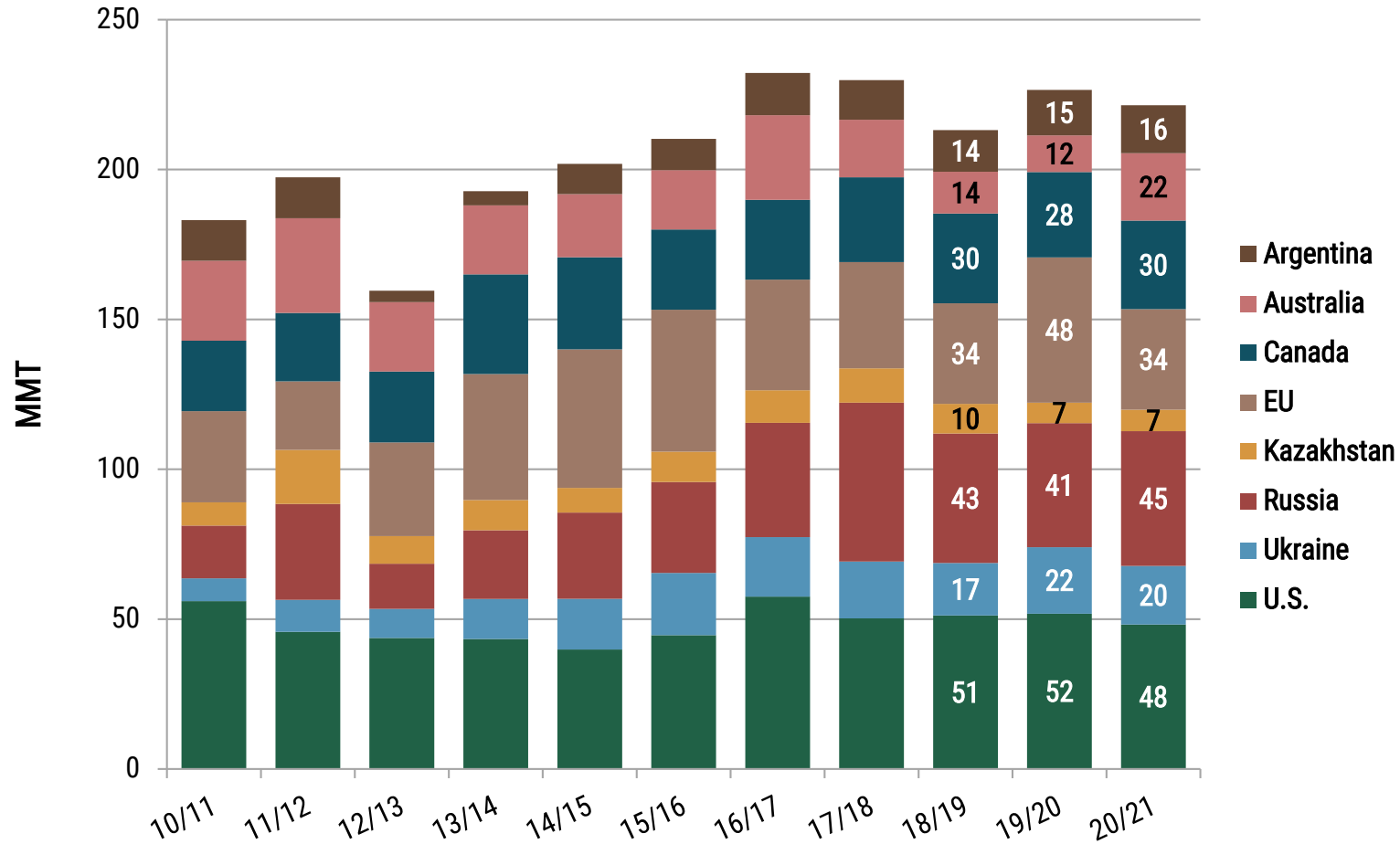




01

Major Exporters

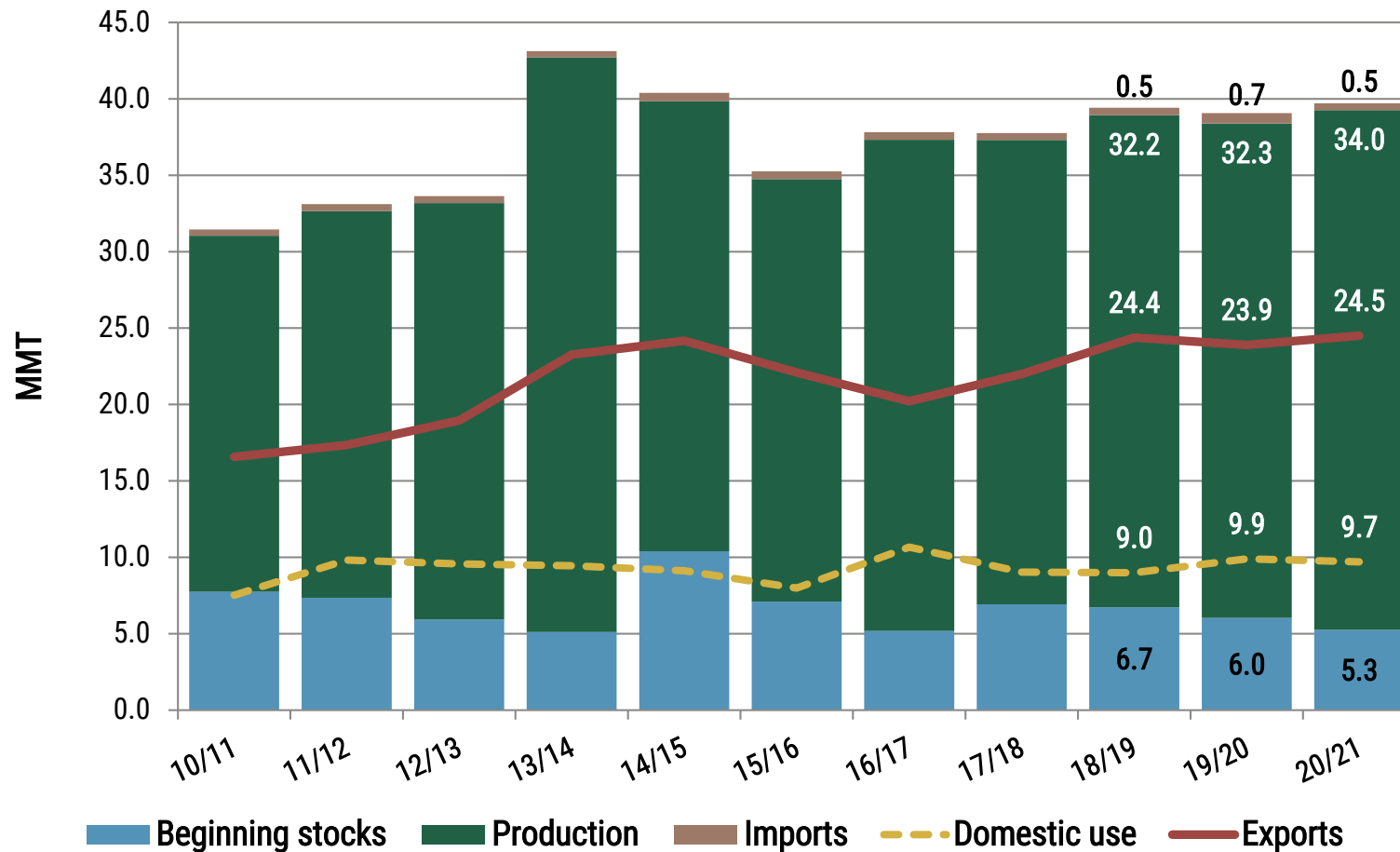
Exportable Supplies in Top Exporting Countries



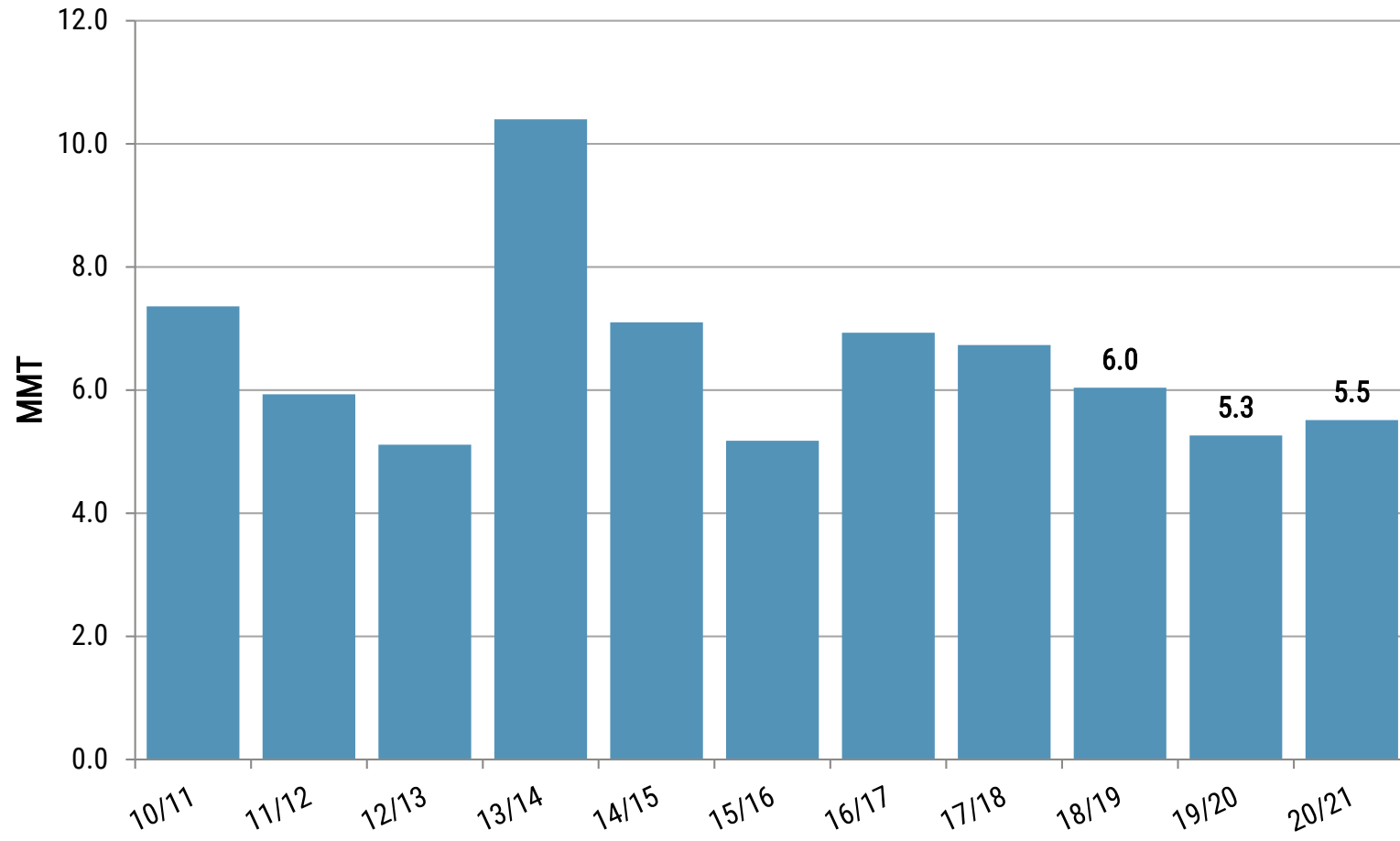
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



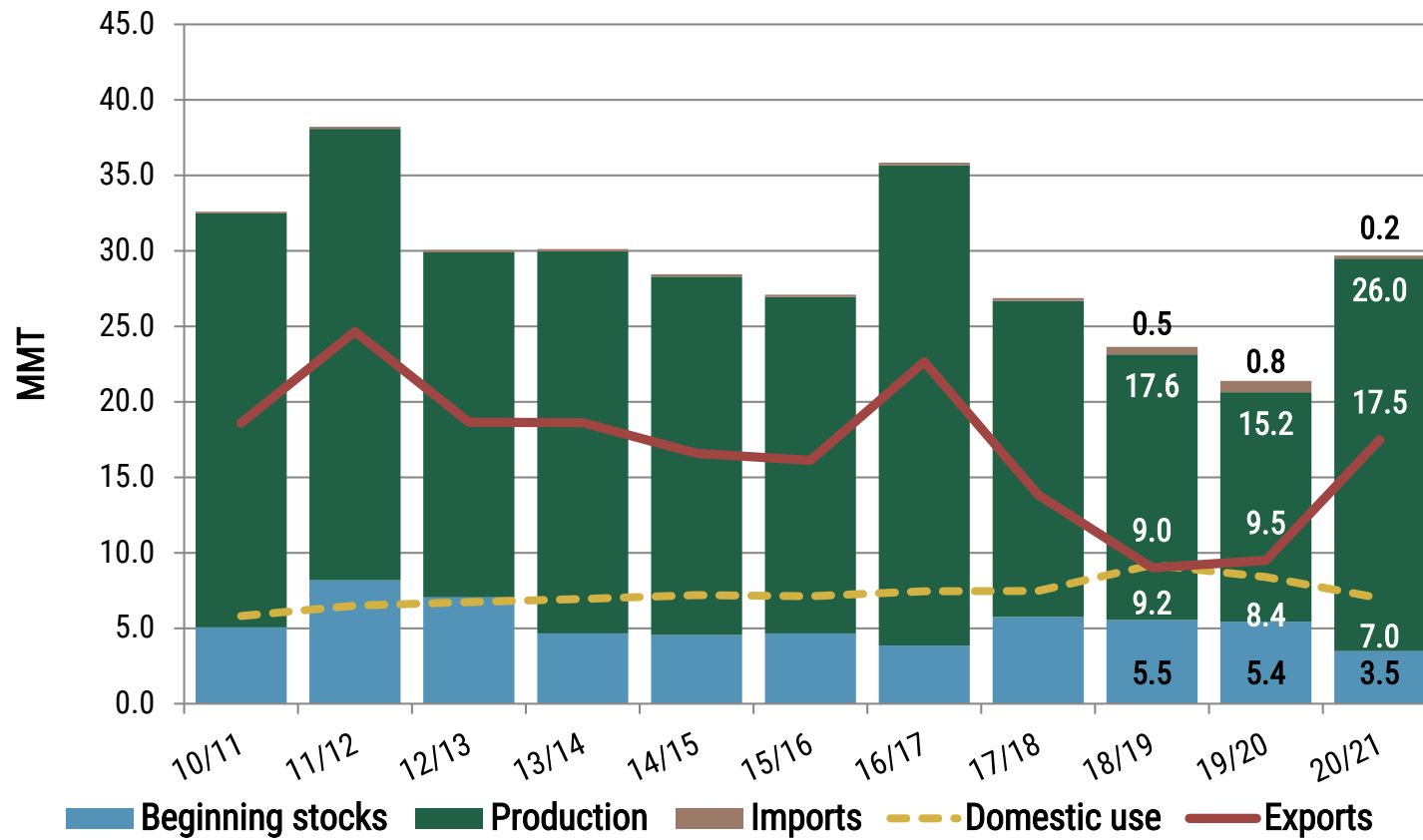
Canada Situation



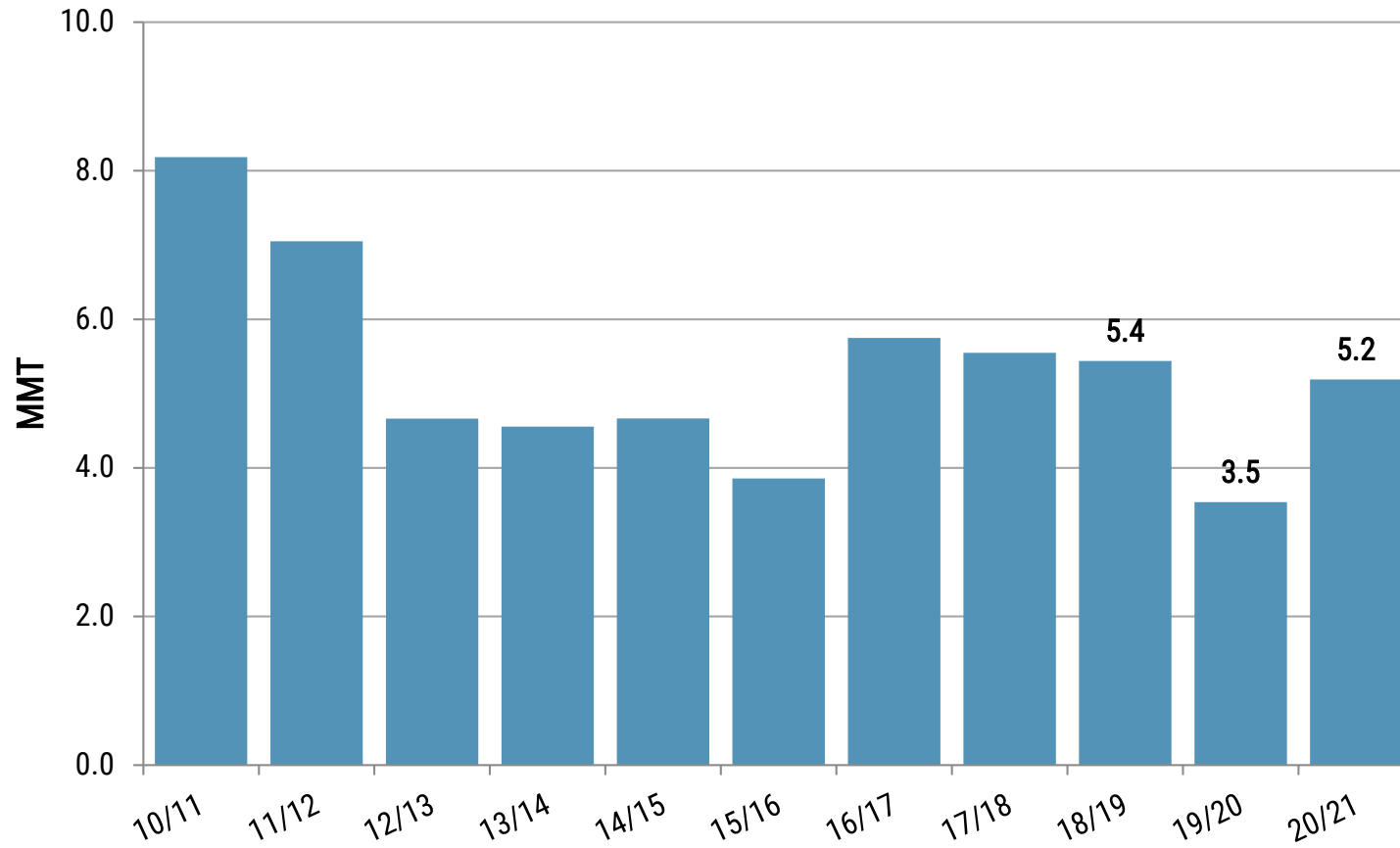
Canada Ending Stocks



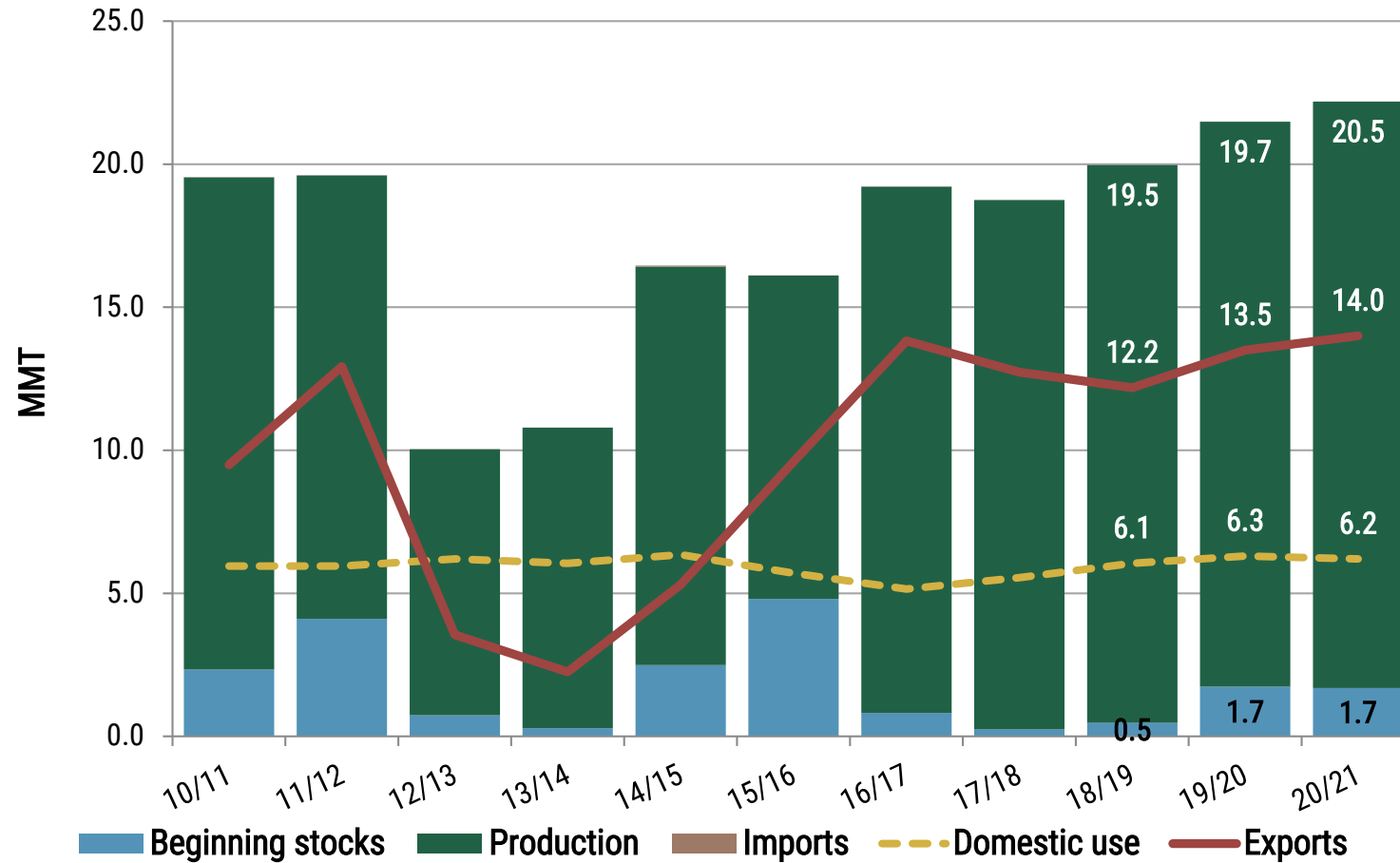
Australia Situation



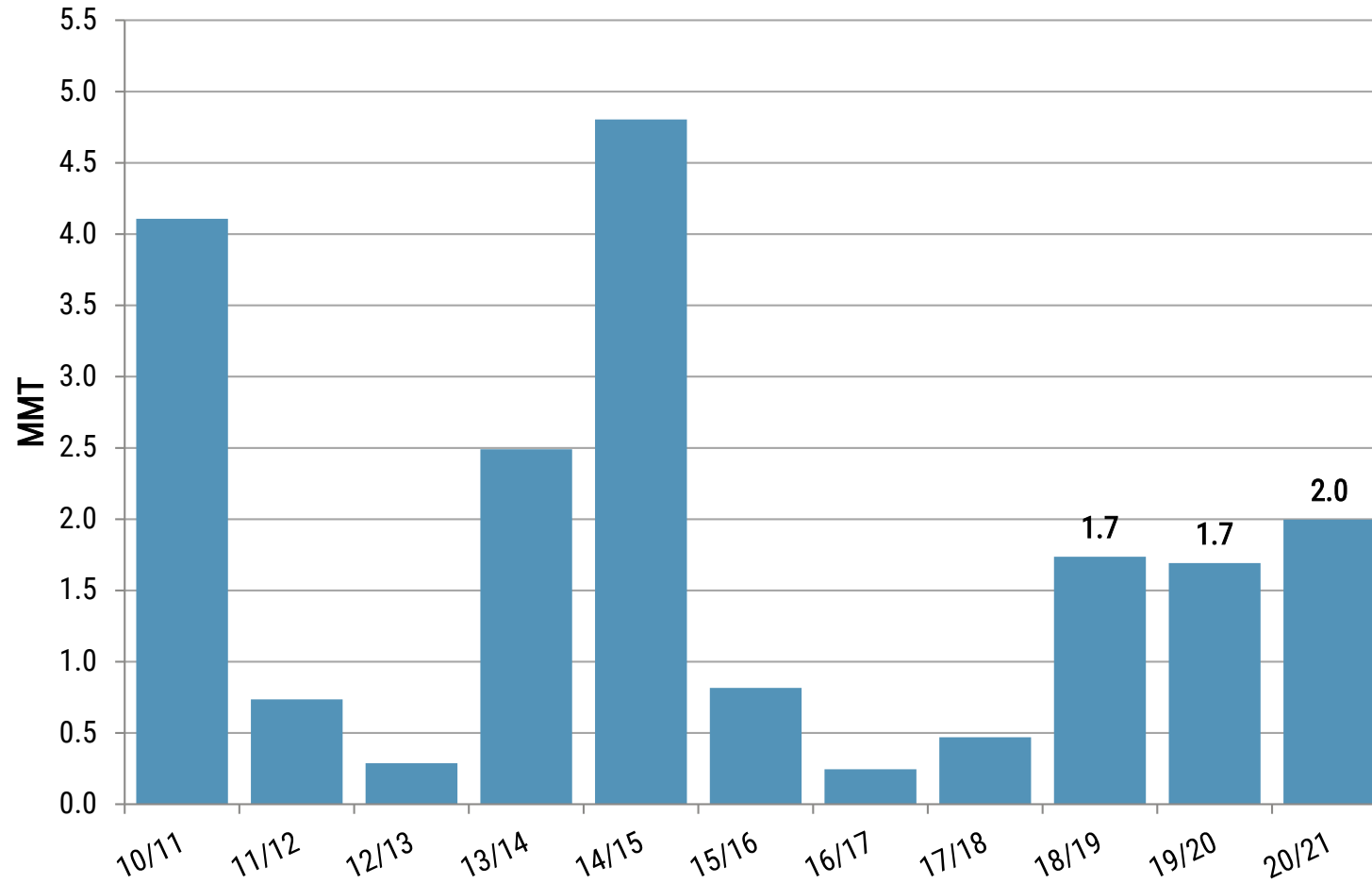
Australia Ending Stocks



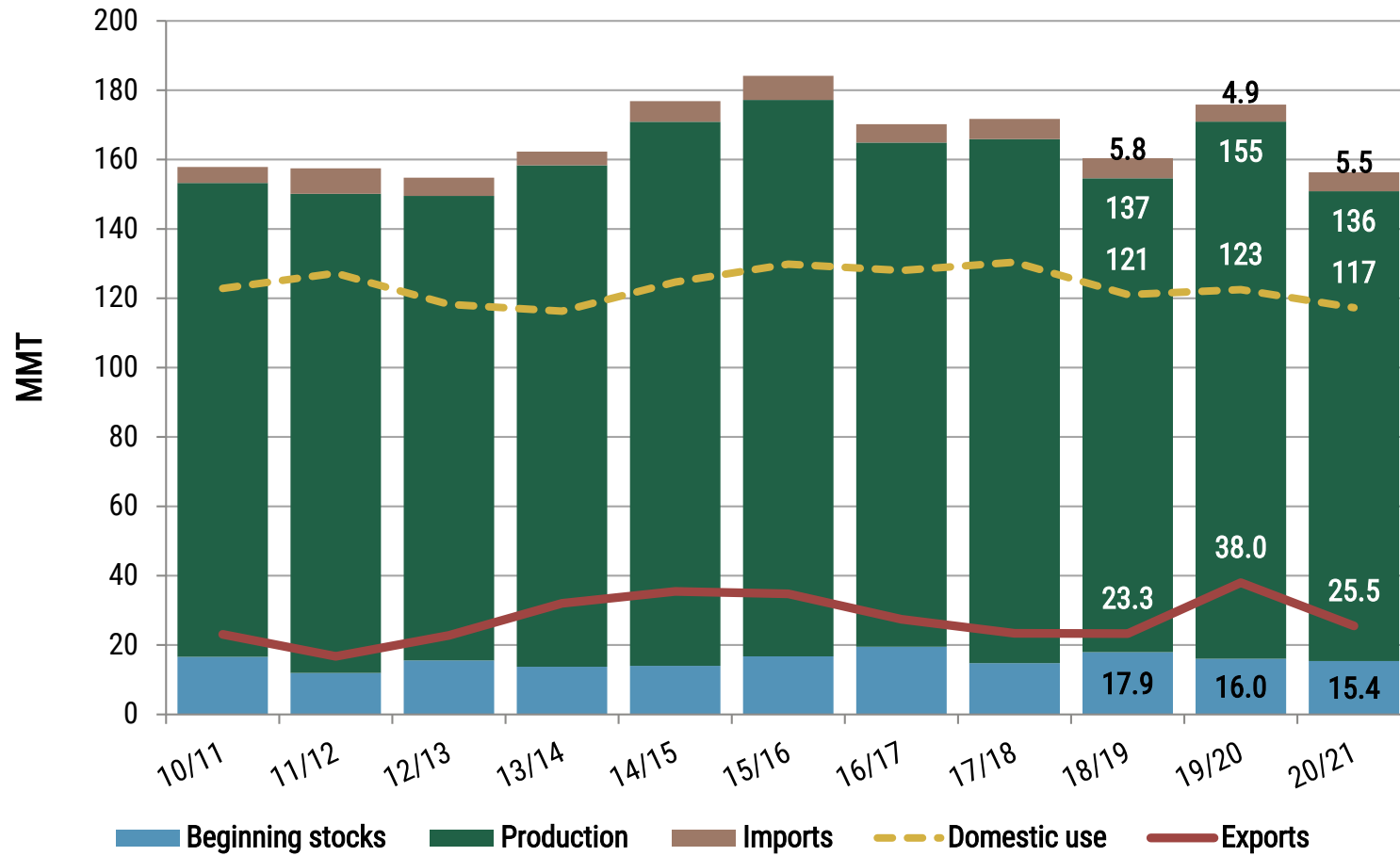
Argentina Situation



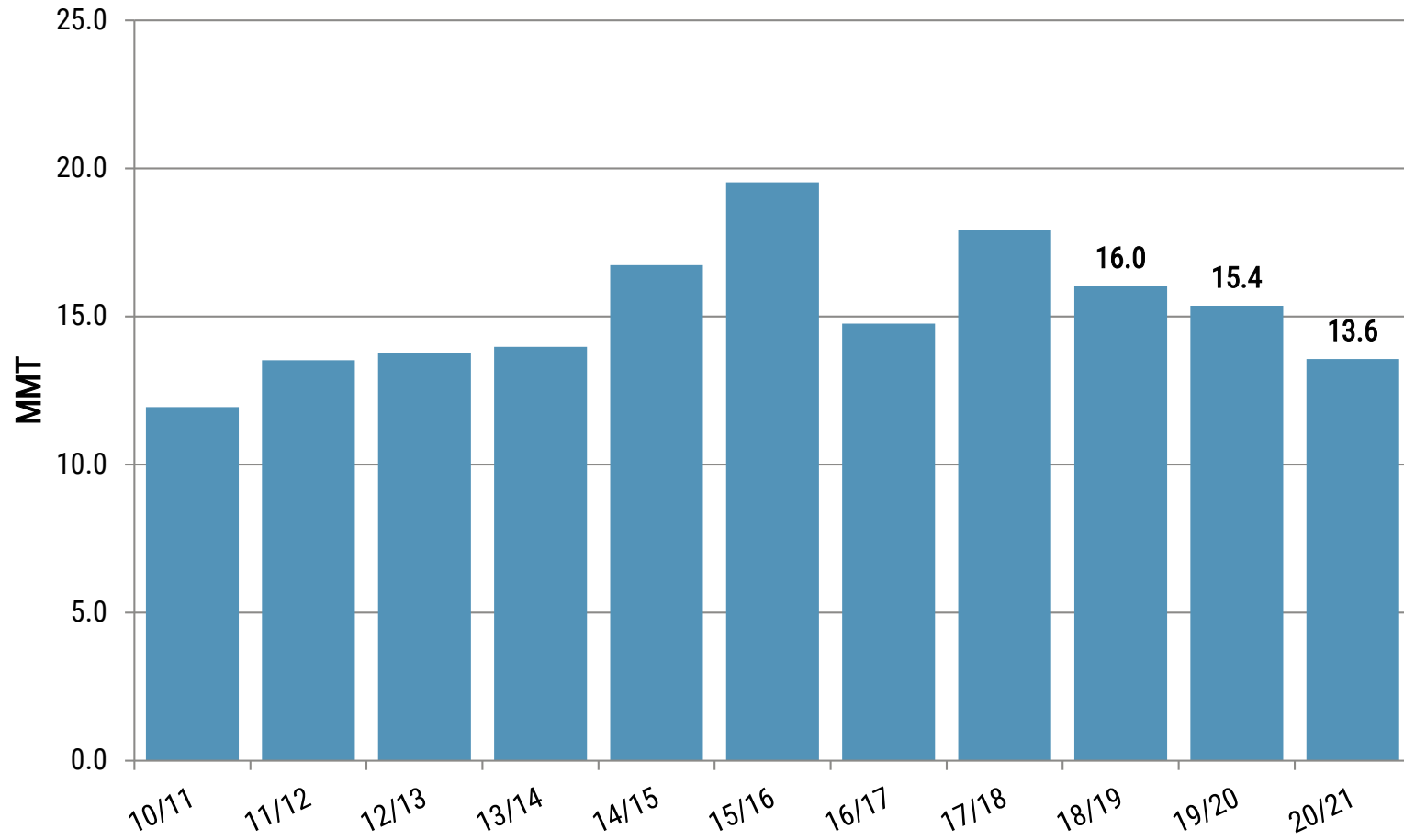
Argentina Ending Stocks



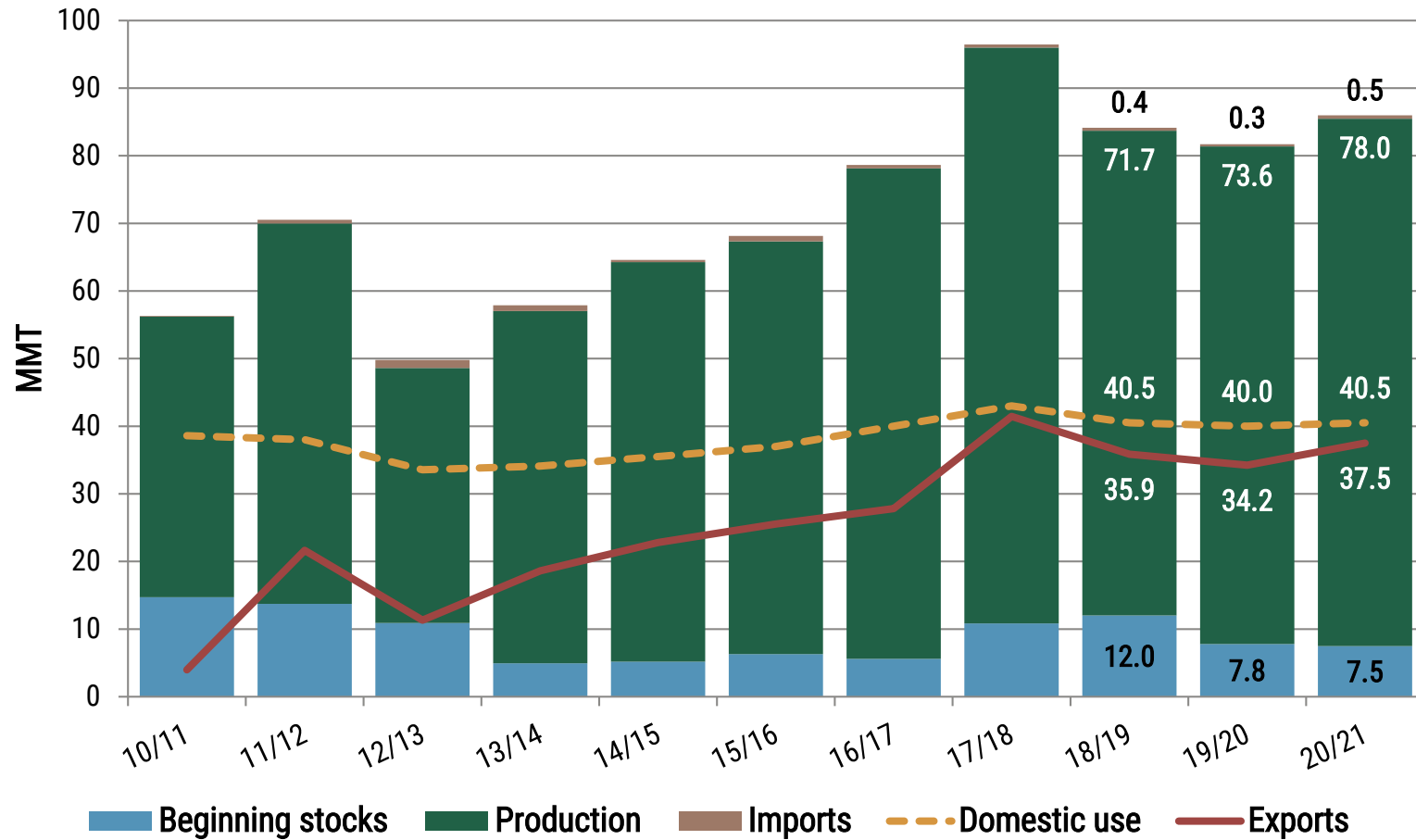
EU Situation



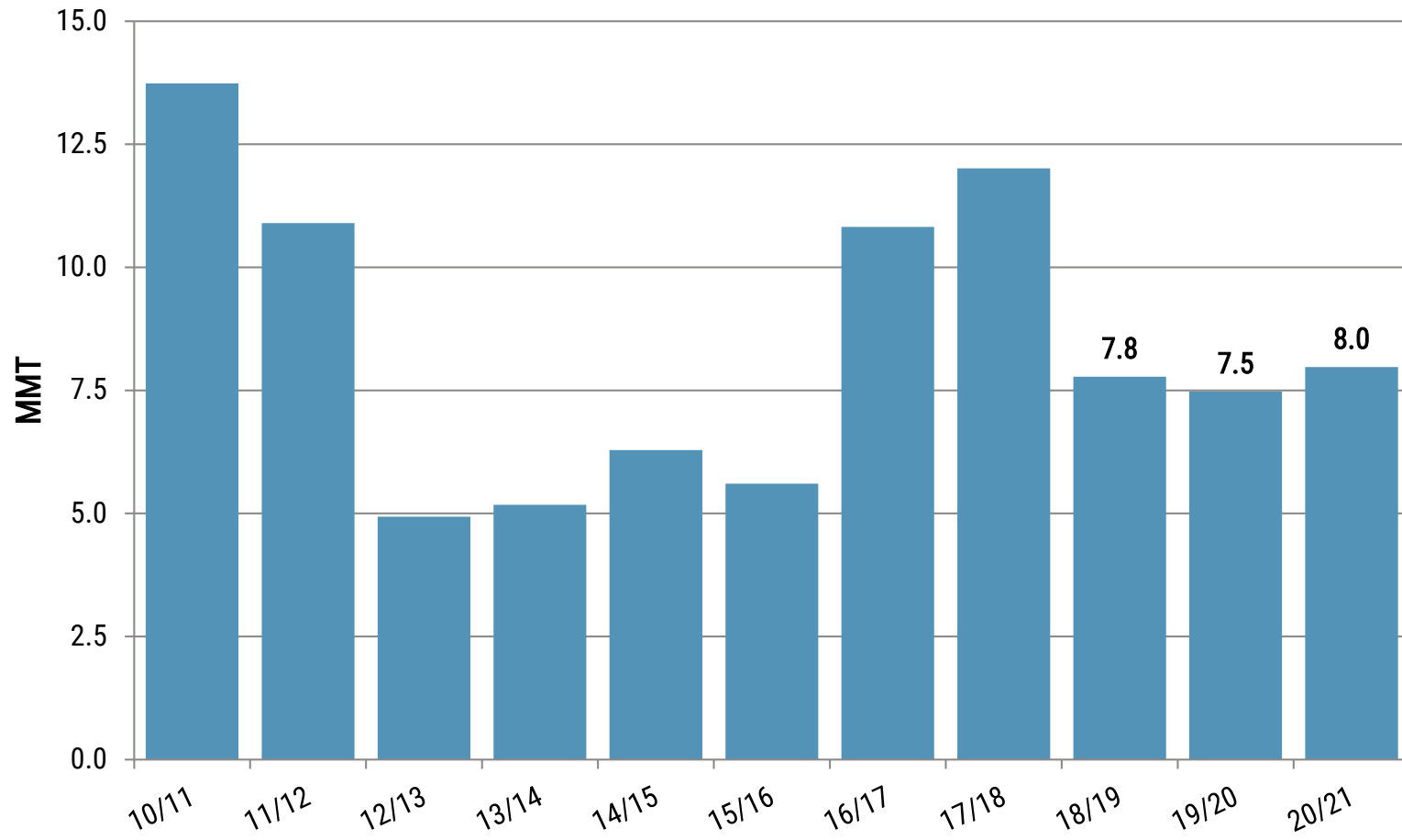
EU Ending Stocks



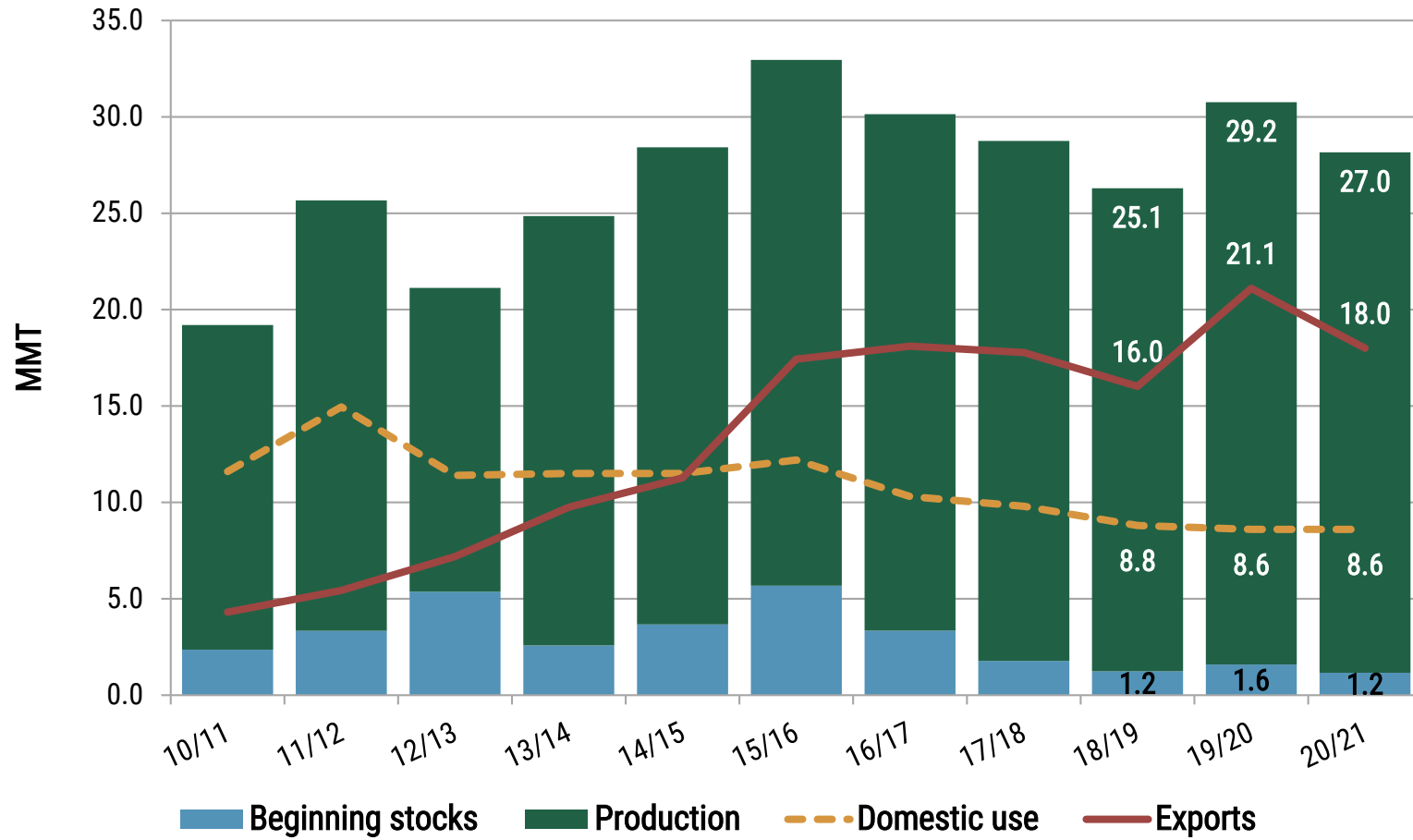
Russia Situation



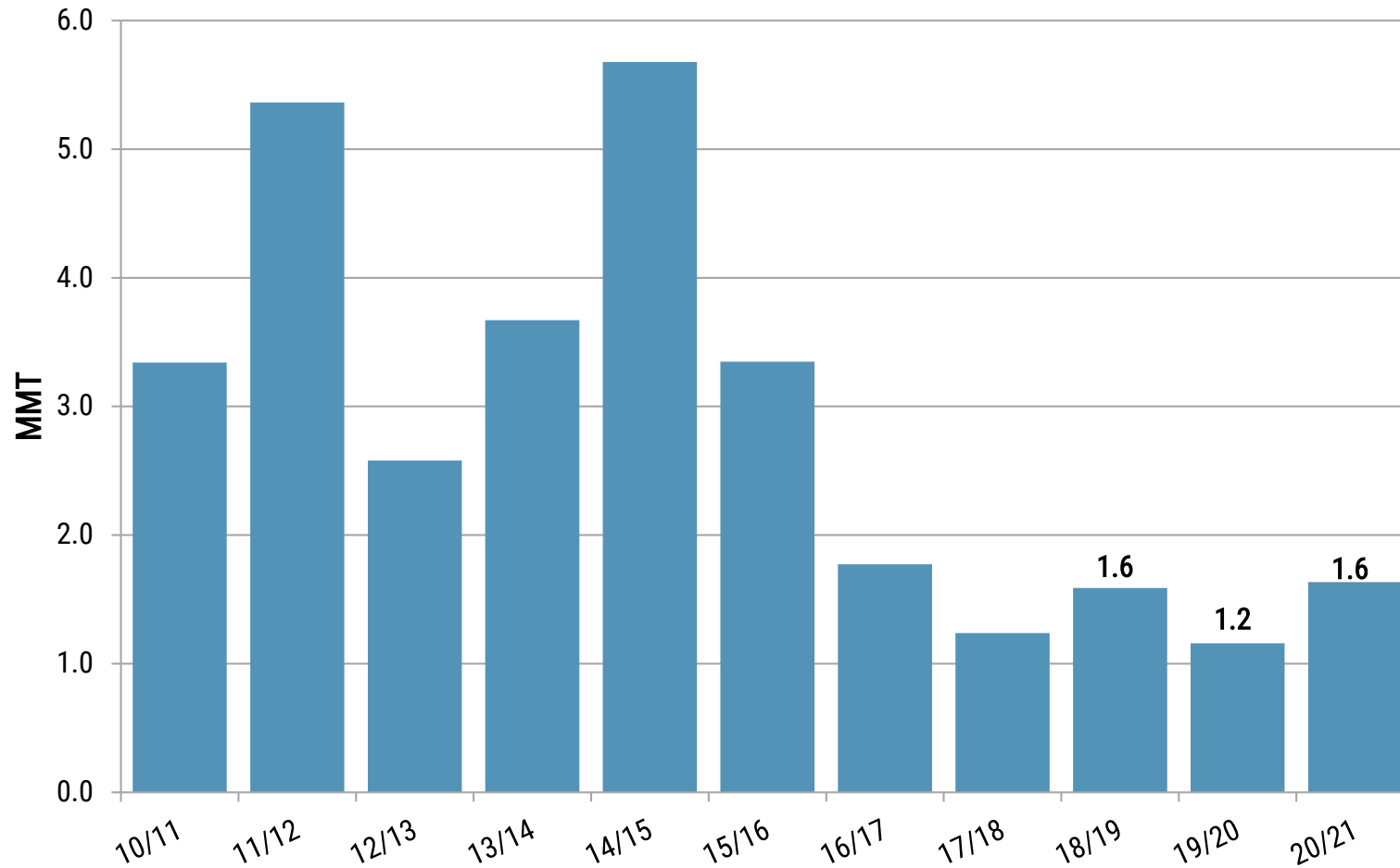
Russia Ending Stocks



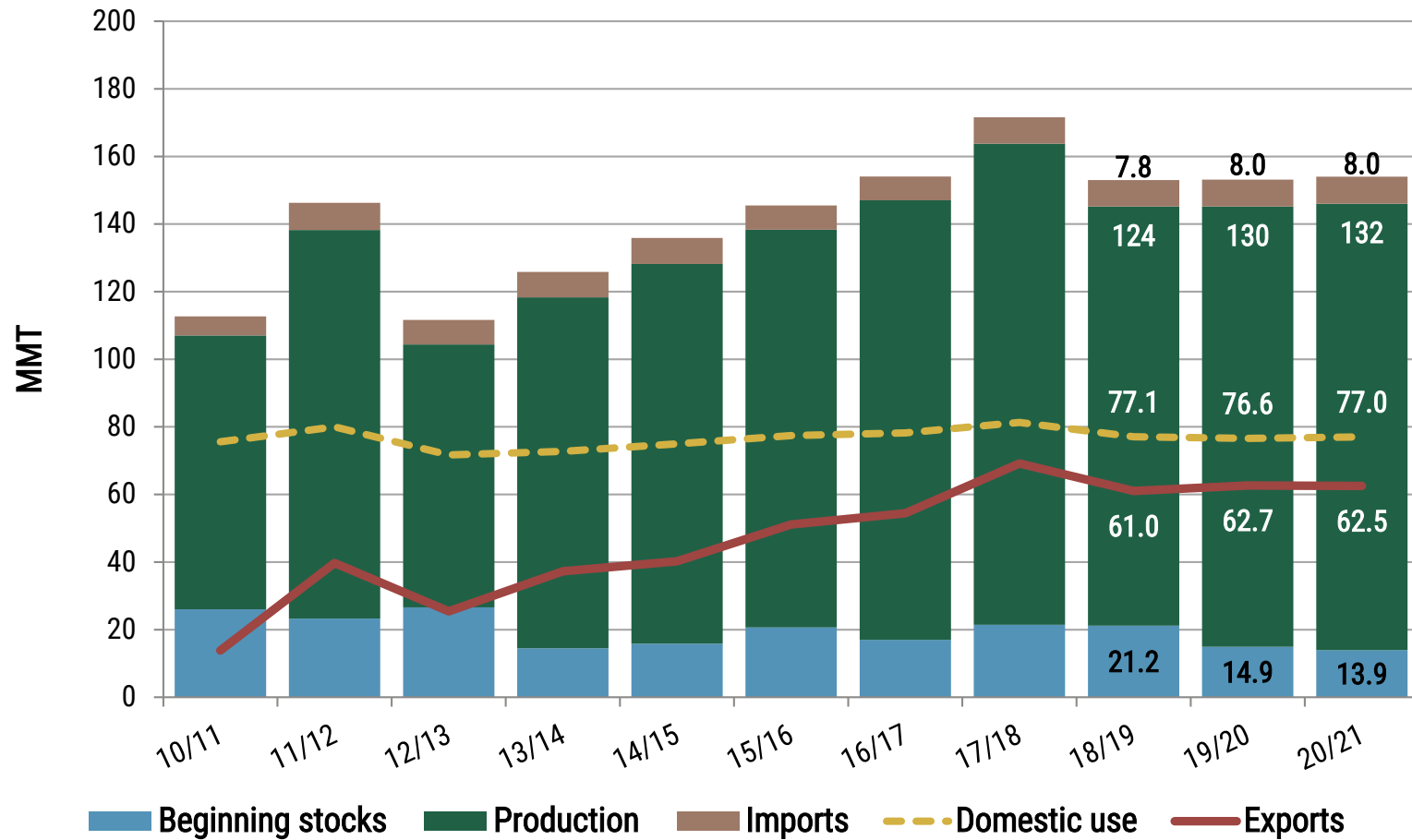
Ukraine Situation



Ukraine Ending Stocks

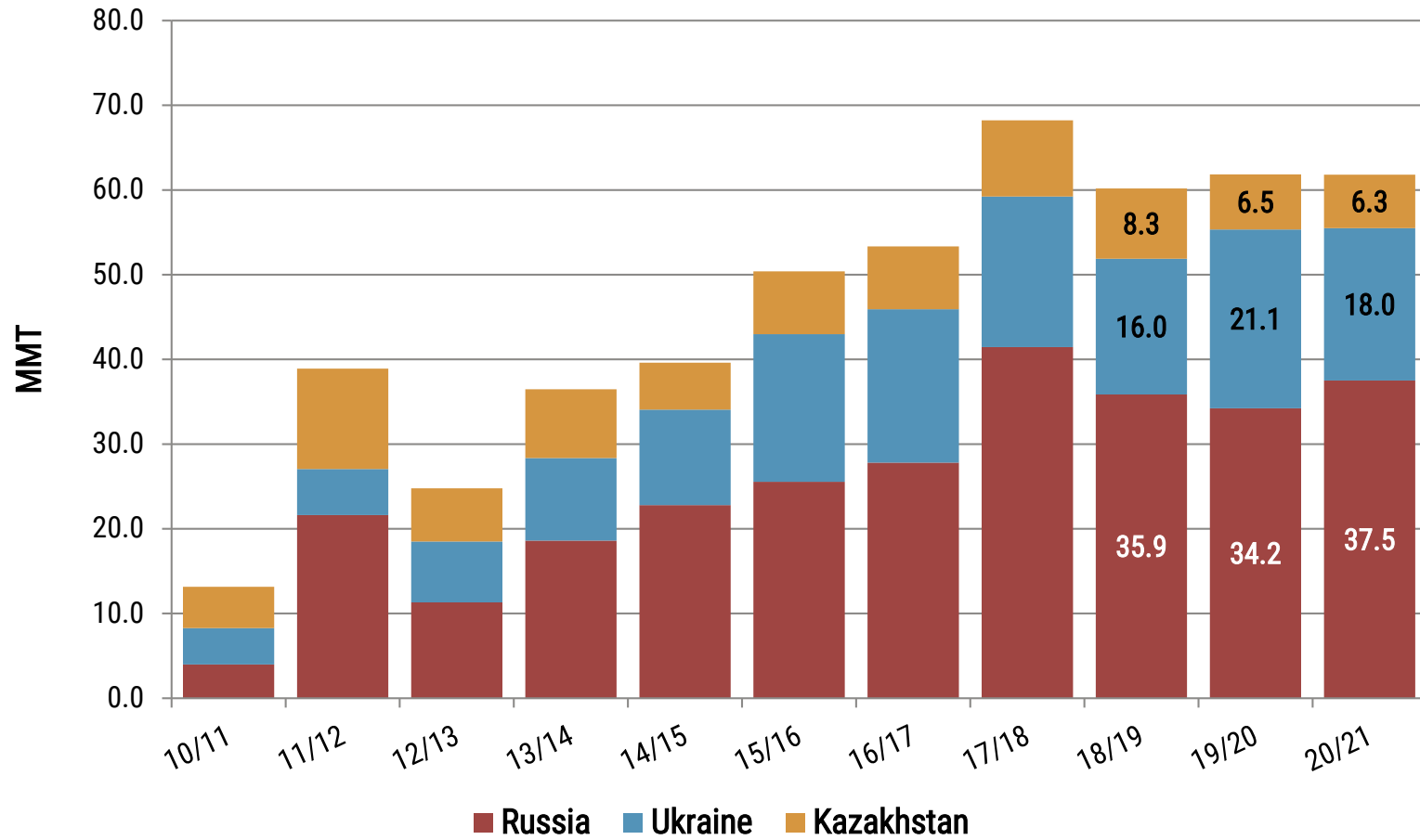


Black Sea Region Situation



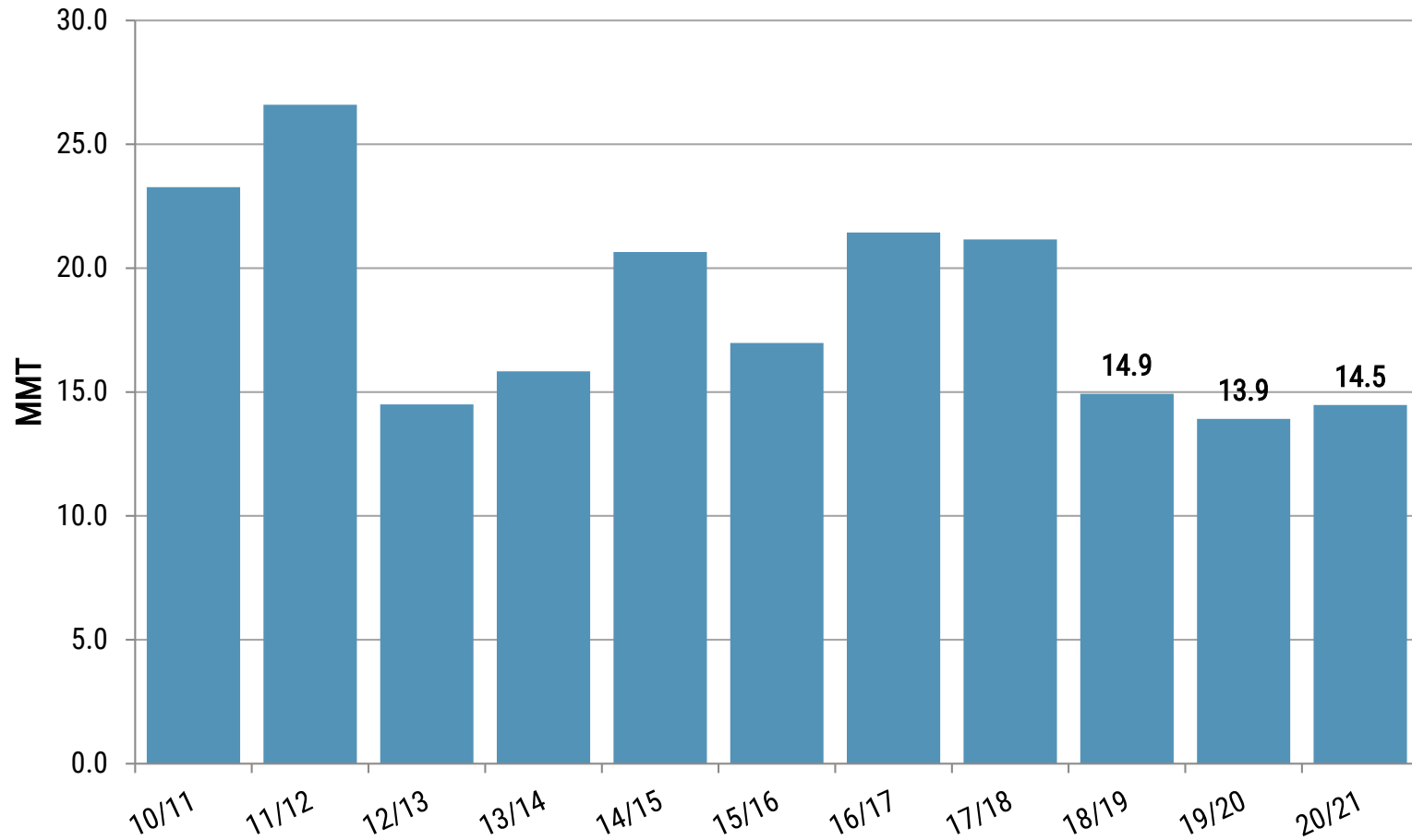
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports



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

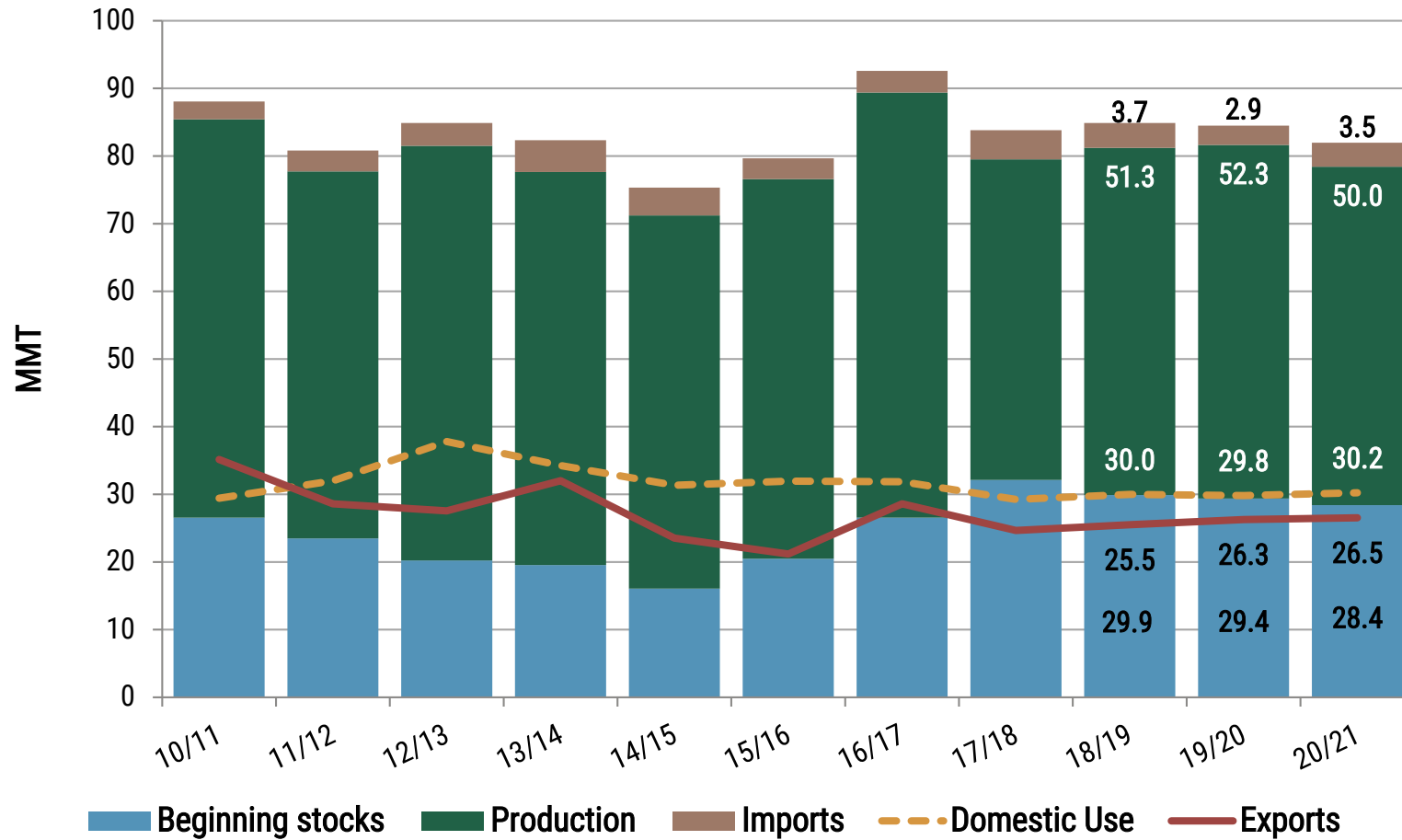
Black Sea Ending Stocks



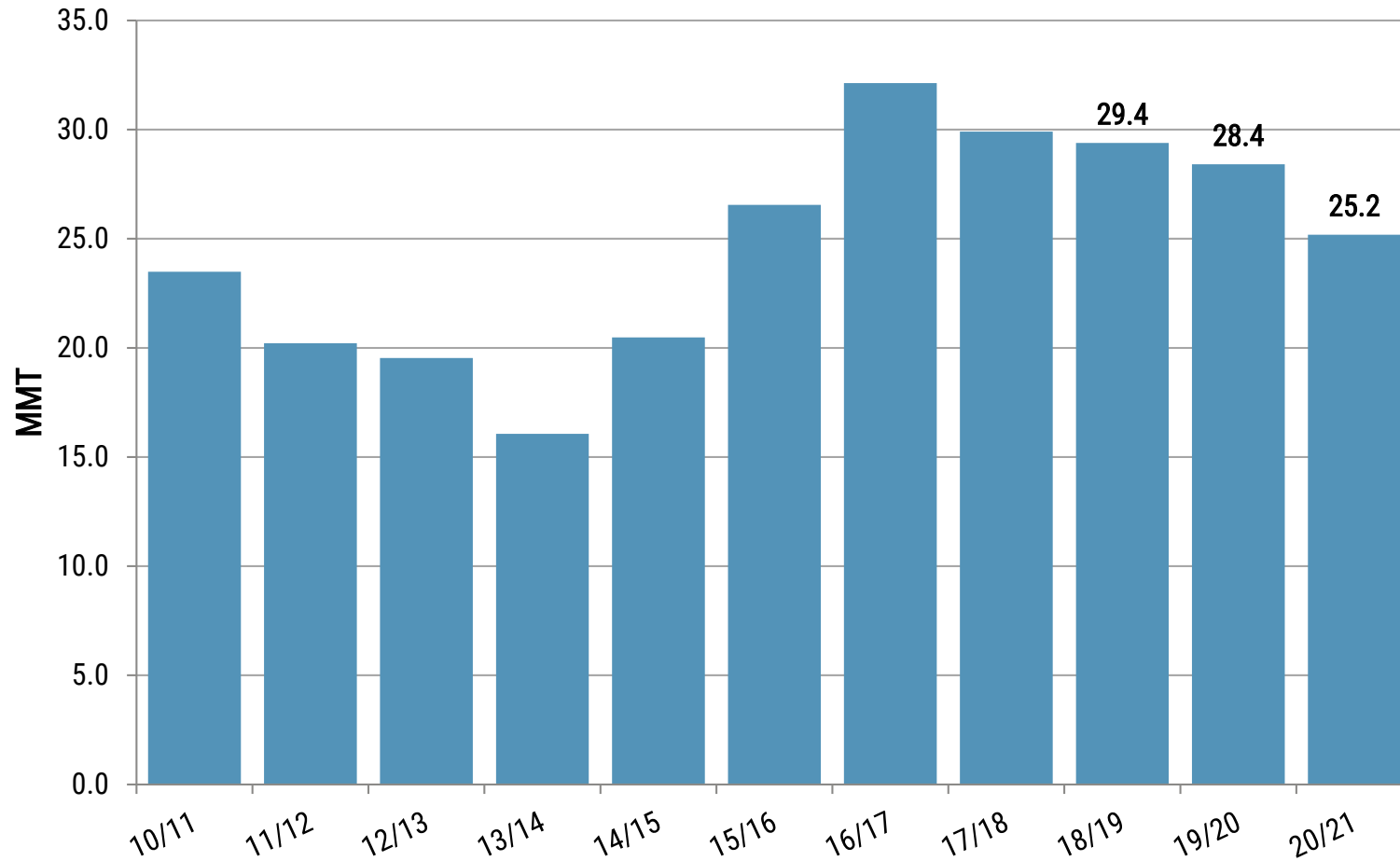
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.



U.S. Situation



U.S. Ending Stocks

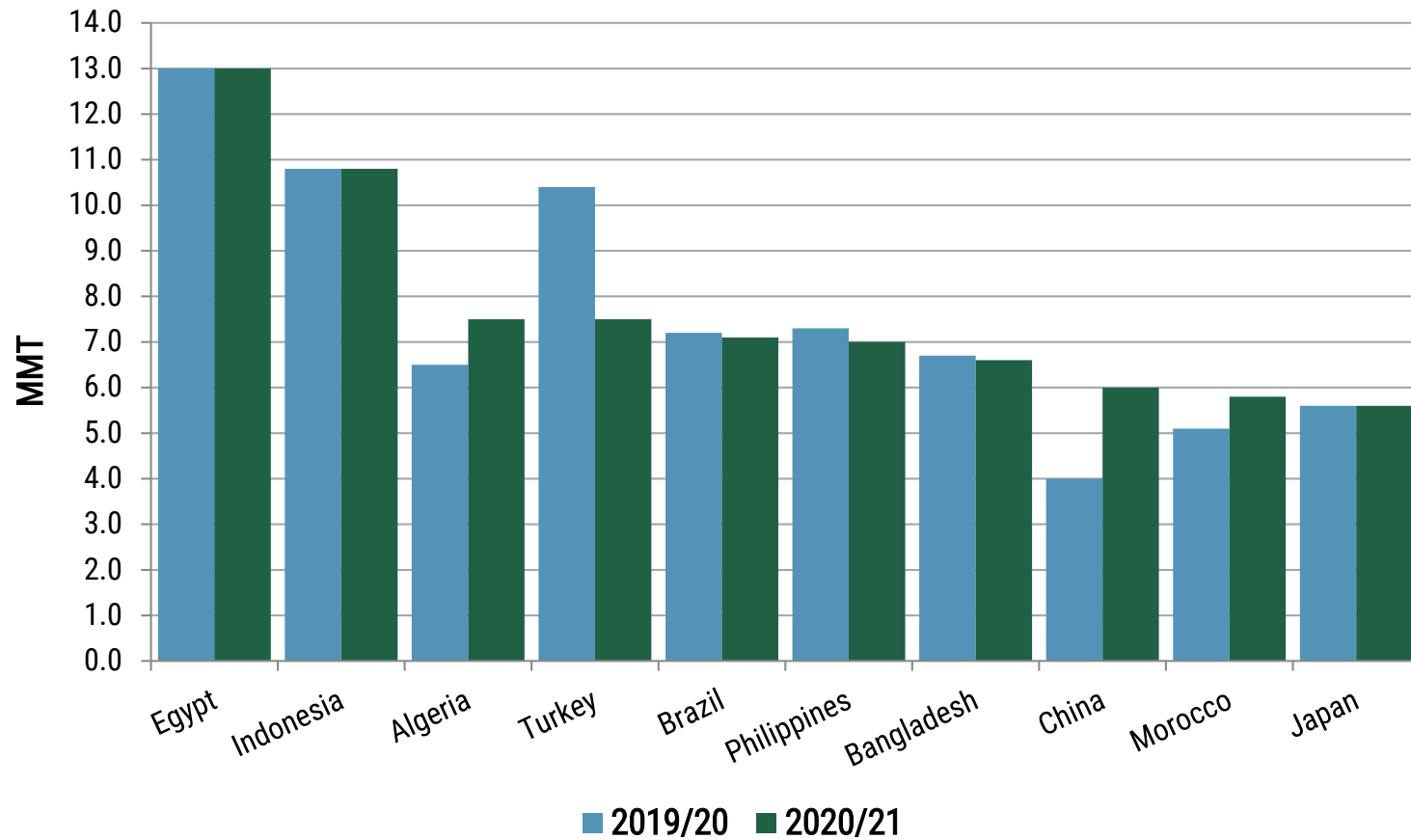




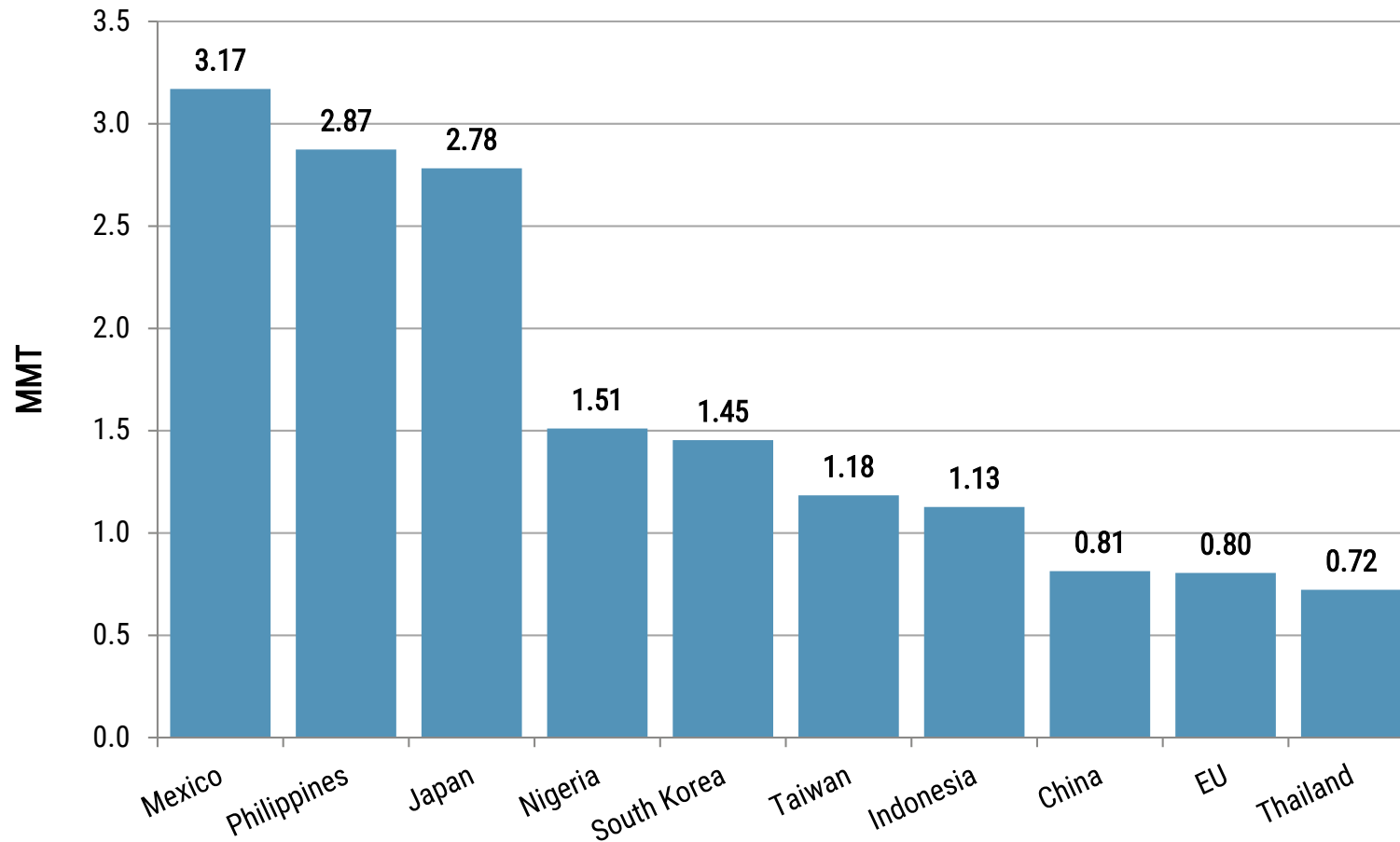
02

Import Demand

Major World Wheat Importers



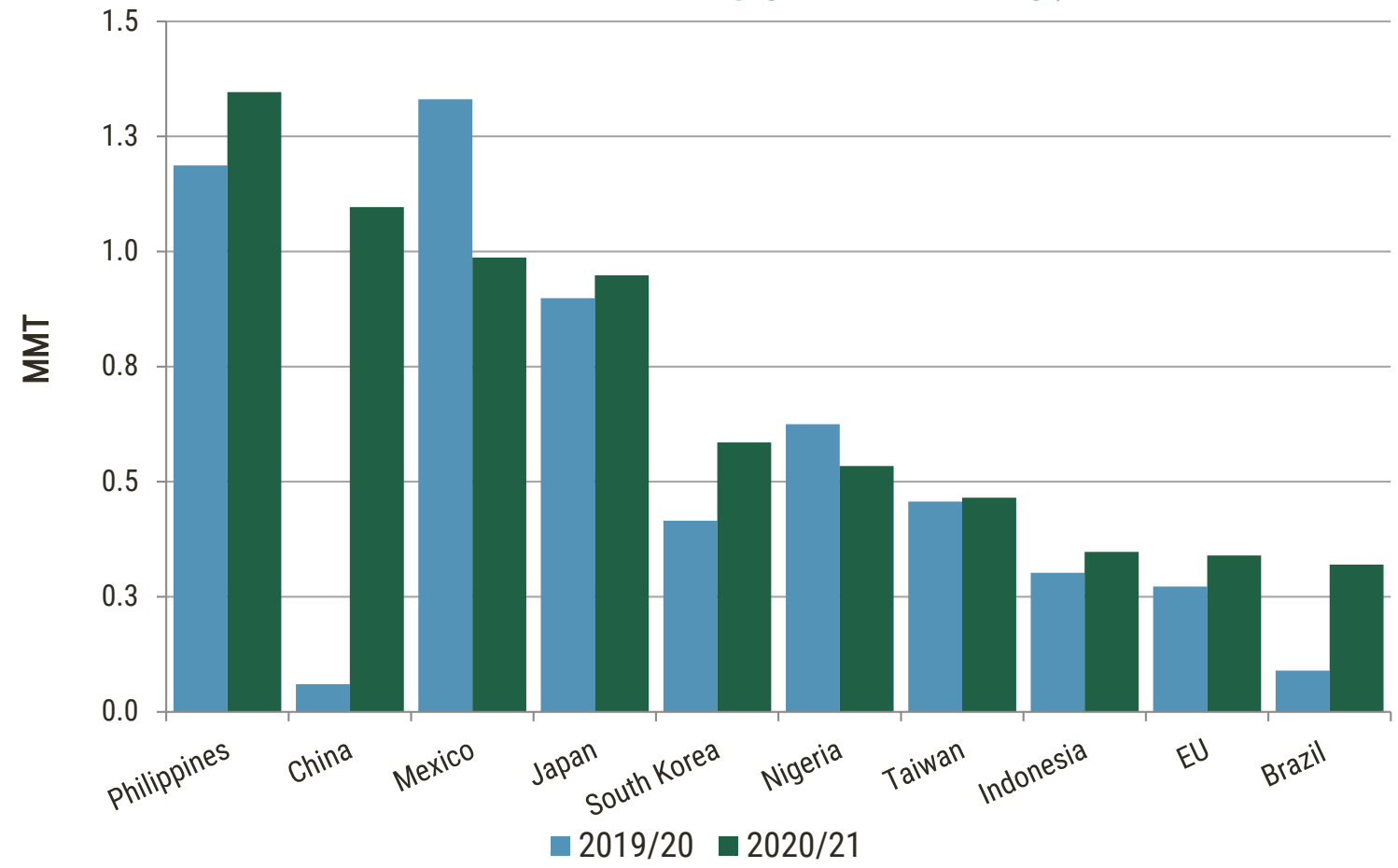
Top 10 Customers for U.S. Wheat (5-year average)



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



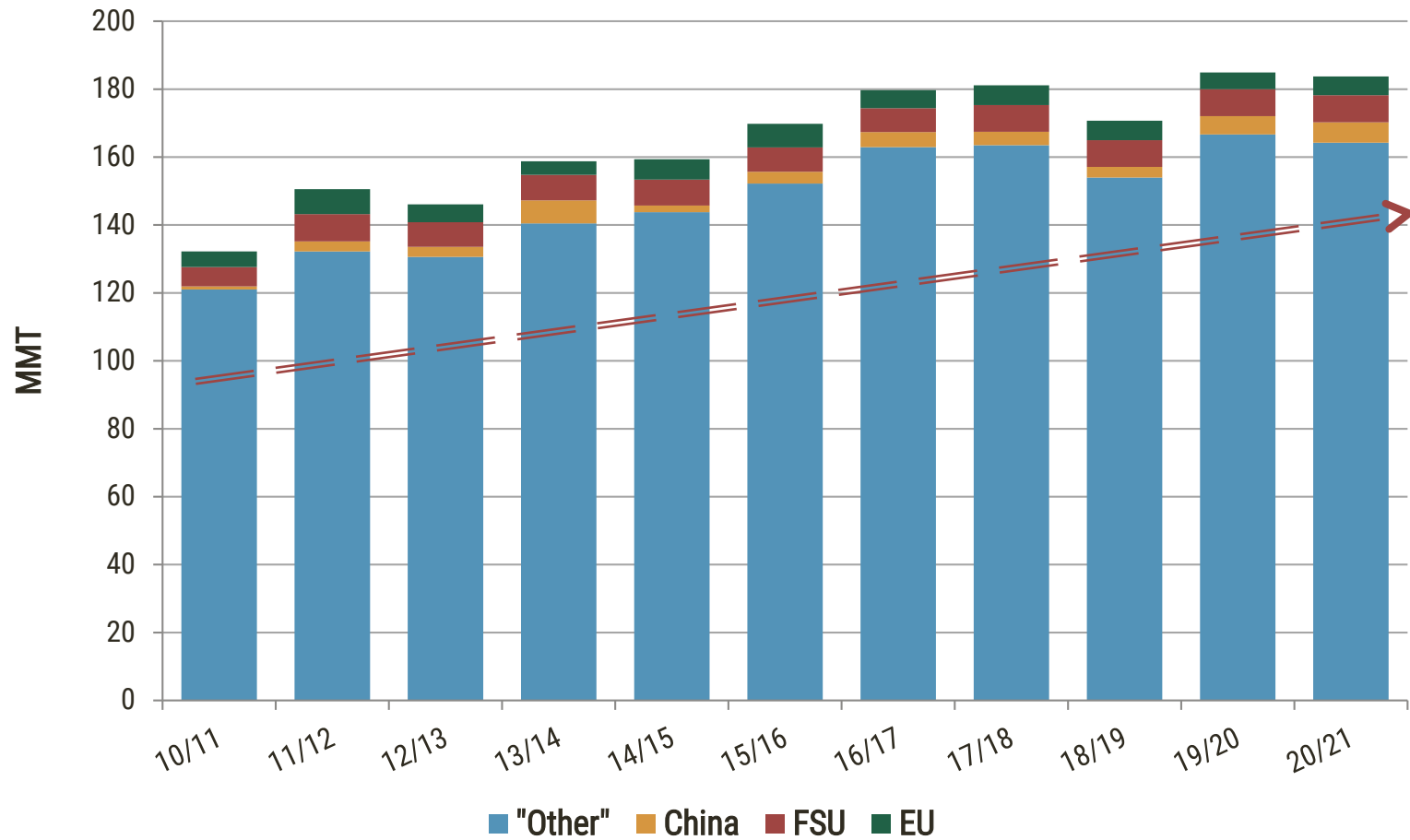
Top 10 Customers for U.S. Wheat (year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of July 30, 2020



World Wheat Imports

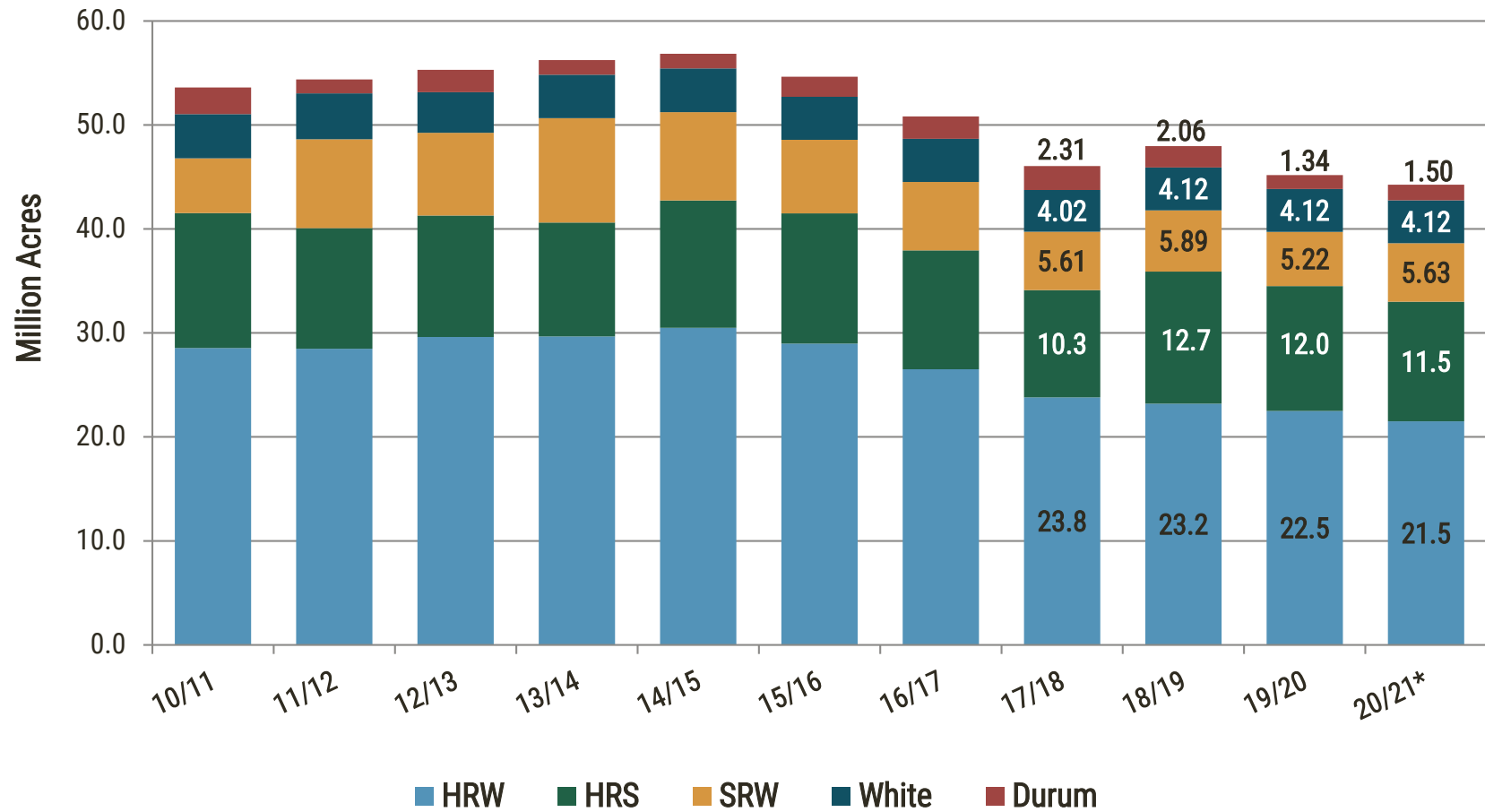




03

U.S. Situation by Class

U.S. Wheat Planted Area

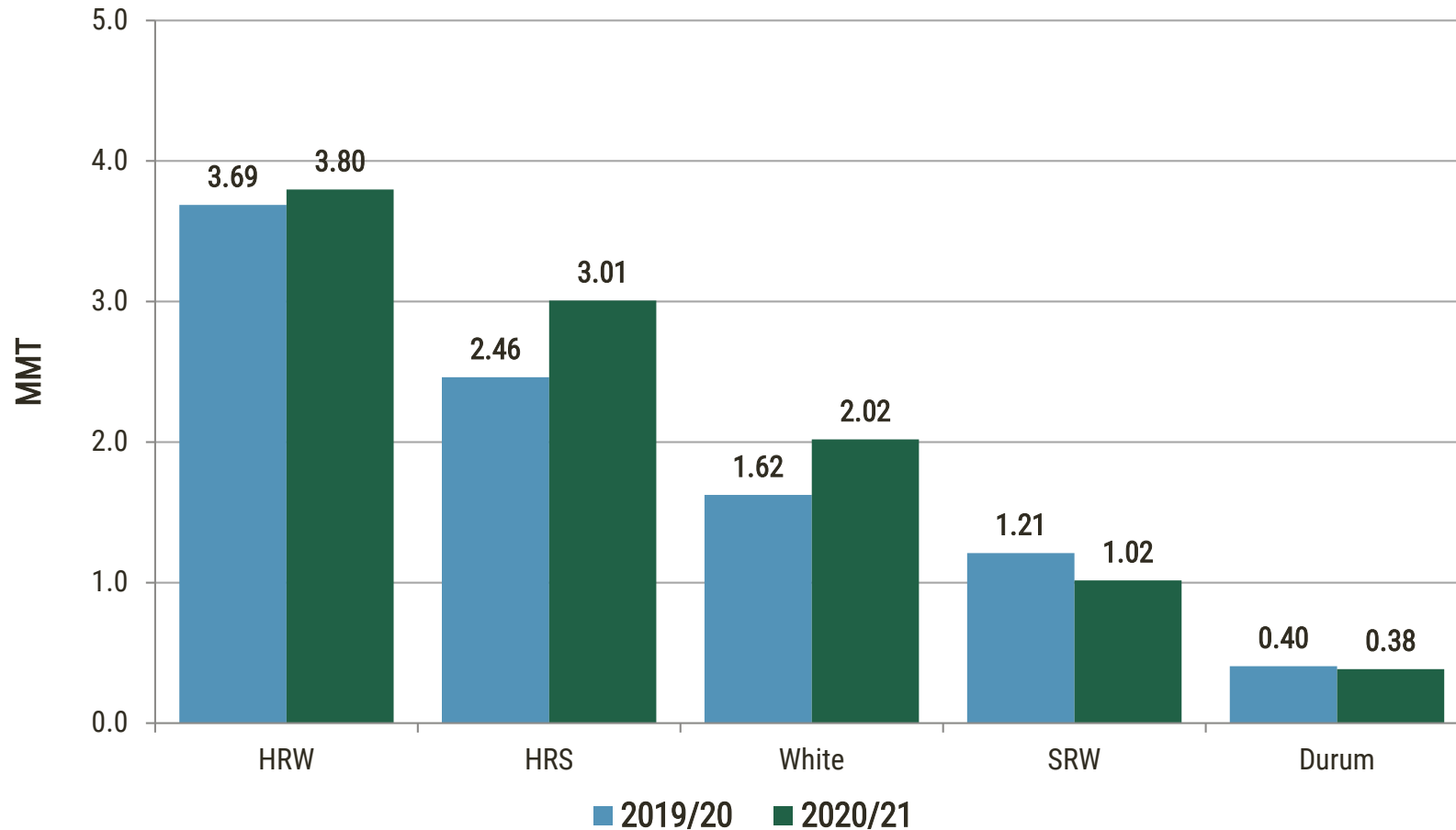


*Source: June 2020 USDA Acreage Report



U.S. Wheat Sales by Class

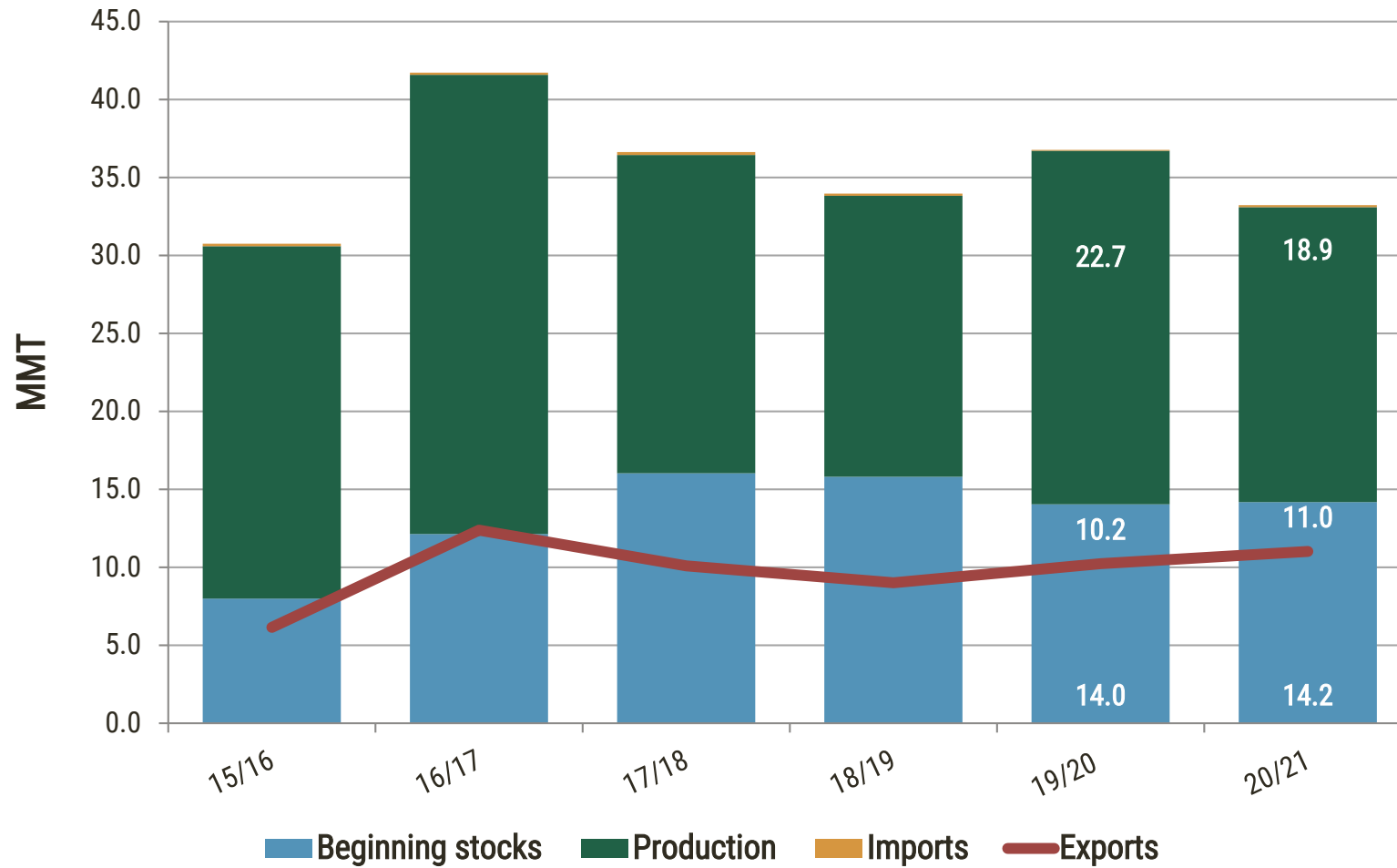
(year-to-date sales for current marketing year delivery)



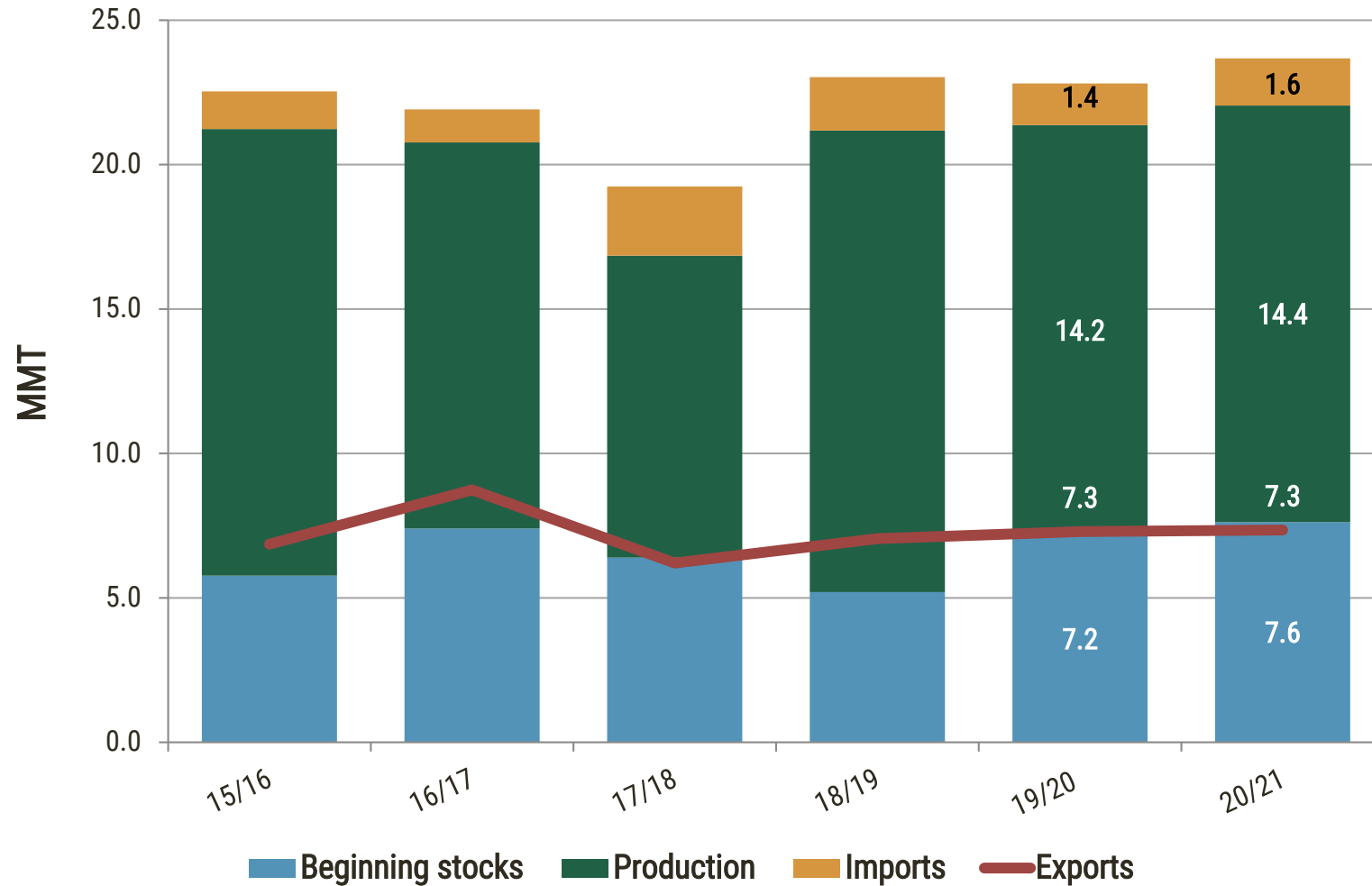
Source: USDA FAS export sales data as of July 30, 2020



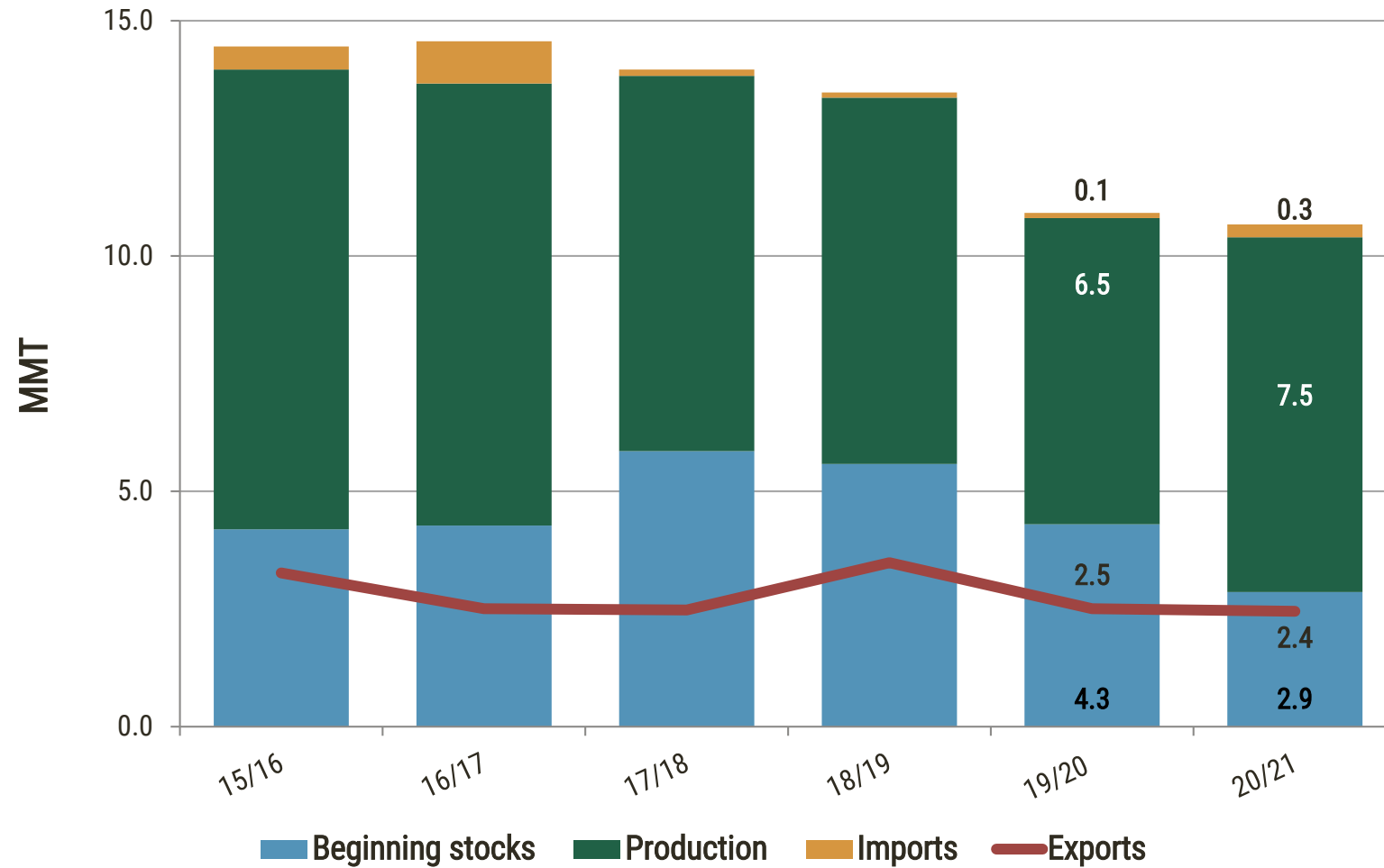
U.S. Hard Red Winter



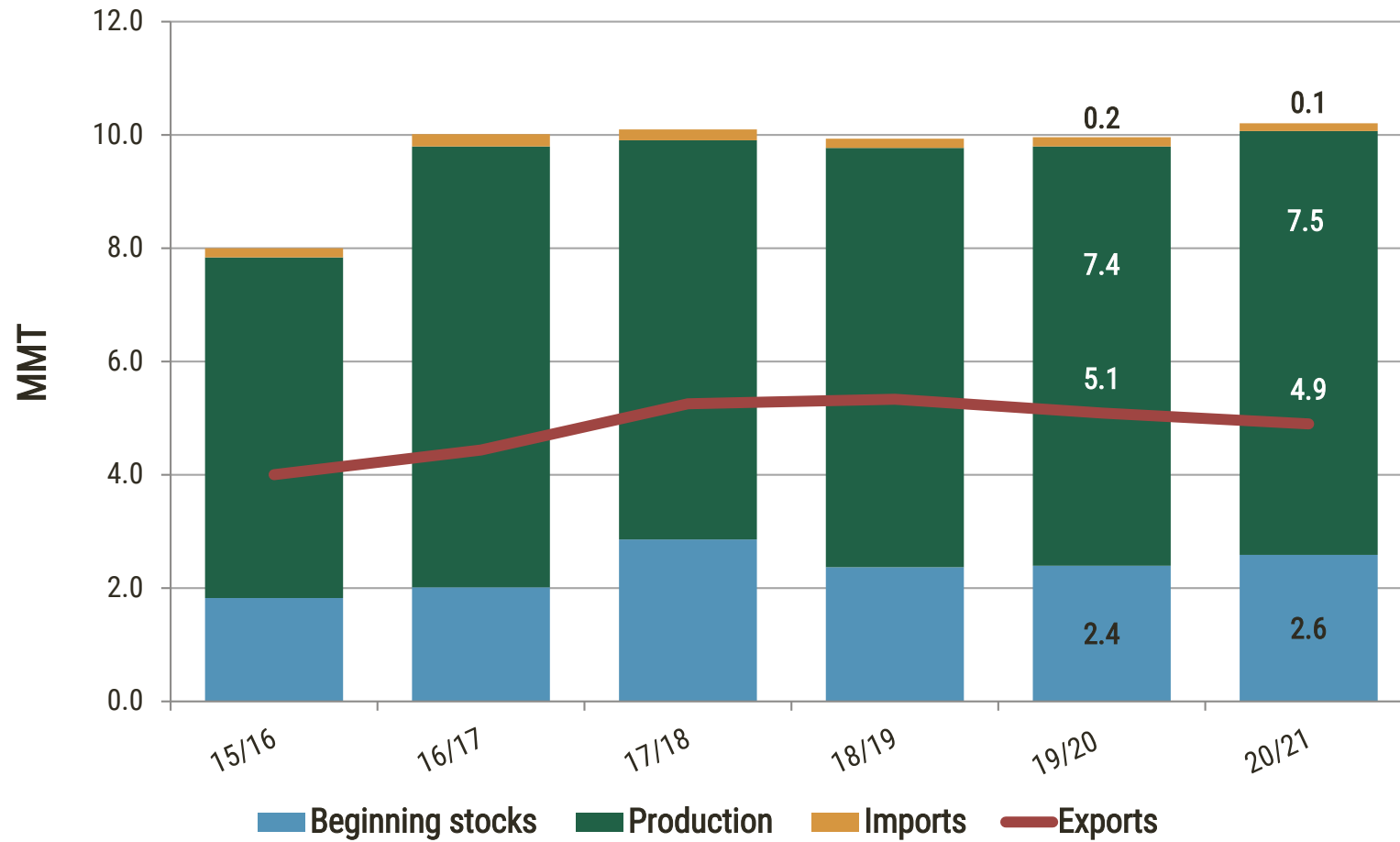
U.S. Hard Red Spring



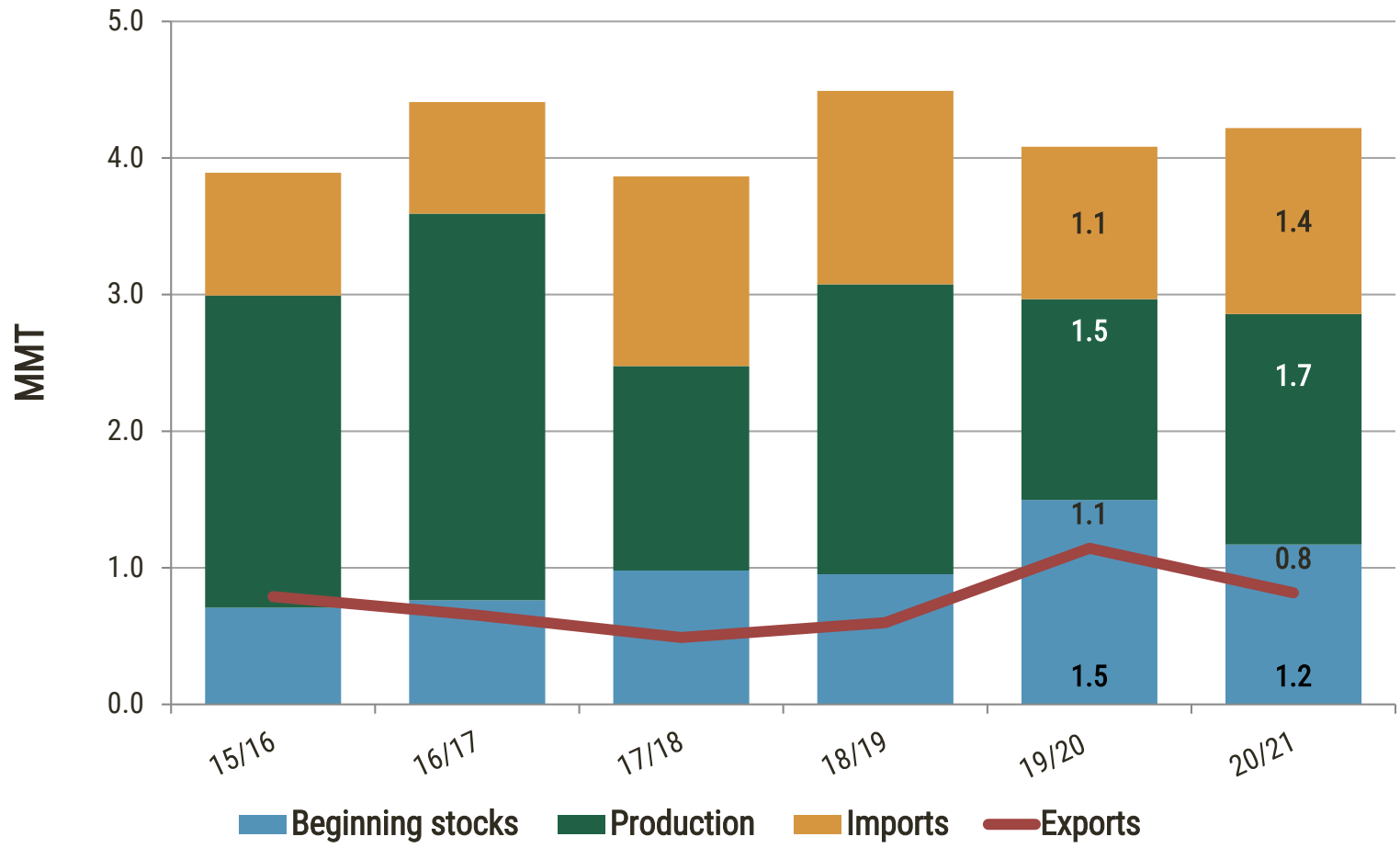
U.S. Soft Red Winter



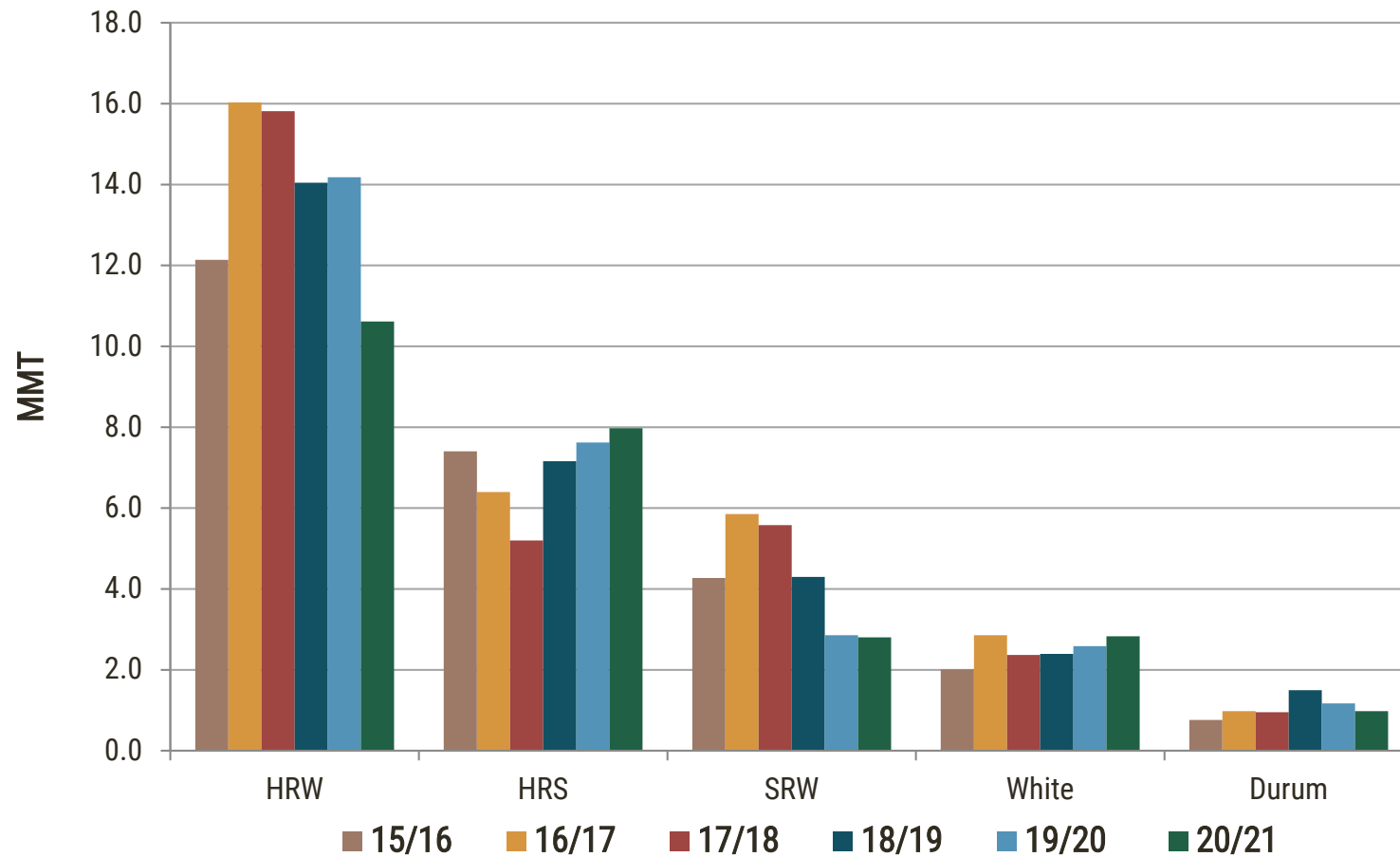
U.S. White



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	18.9	14.2	14.4	6.50	7.54
Supply Total	36.8	33.2	22.8	23.7	10.91	10.7
Domestic Use	12.4	11.6	7.87	8.36	5.55	5.42
Exports	10.2	11.0	7.29	7.35	2.50	2.45
Use Total	22.6	22.6	15.2	15.7	8.06	7.87
Ending Stocks	14.2	10.6	7.62	7.97	2.86	2.80
Stocks-to-Use	63%	47%	50%	51%	35%	36%

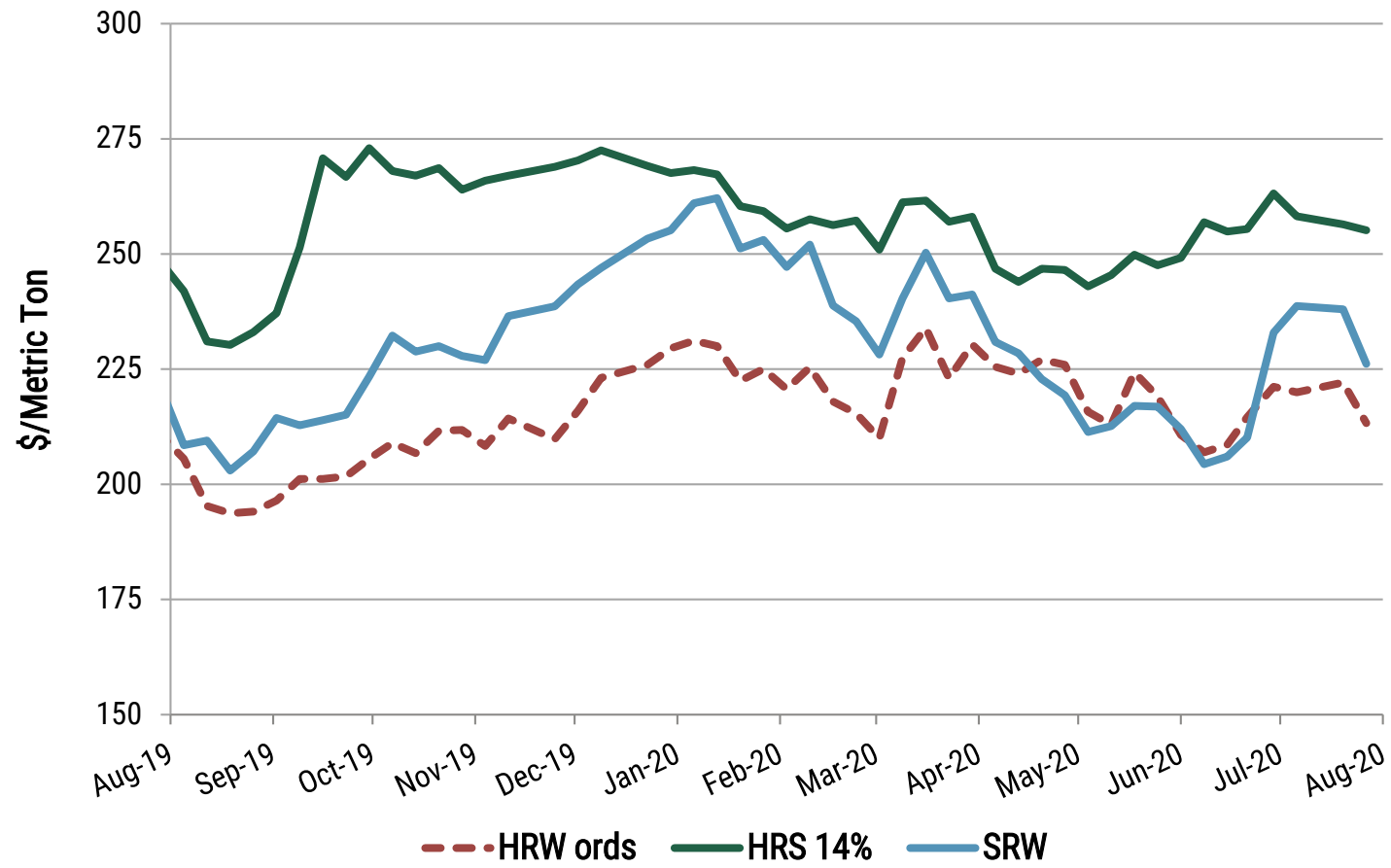


U.S. Wheat Supply and Demand (MMT)

	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	7.46	1.47	1.69	52.3	50.0
Supply Total	10.0	10.18	4.08	4.22	84.5	81.9
Domestic Use	2.29	2.45	1.77	2.42	29.8	30.2
Exports	5.09	4.90	1.14	0.82	26.3	26.5
Use Total	7.38	7.35	2.91	3.24	56.1	56.8
Ending Stocks	2.59	2.83	1.17	0.98	28.4	25.2
Stocks-to-Use	35%	39%	40%	30%	51%	44%



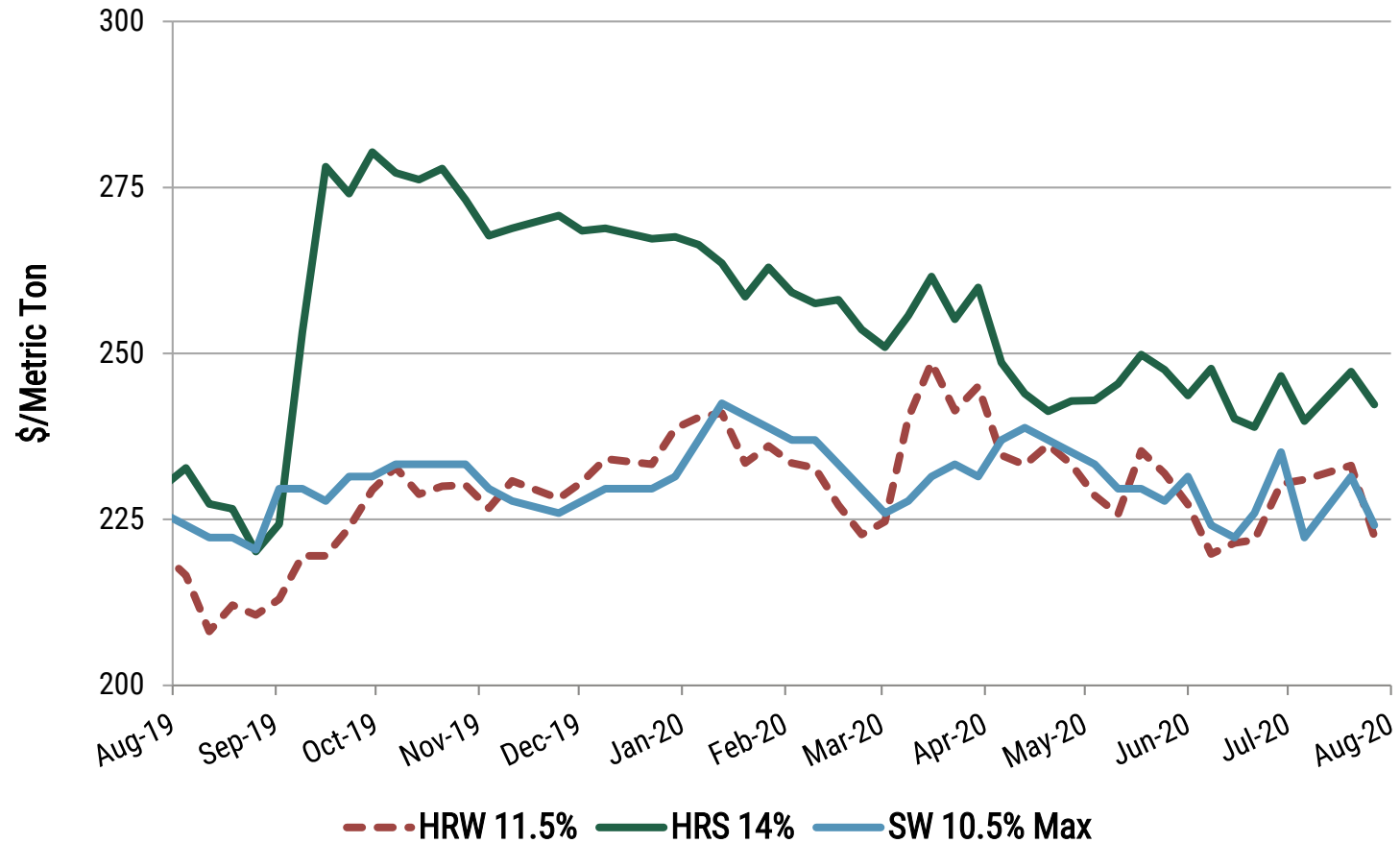
U.S. FOB Gulf Prices



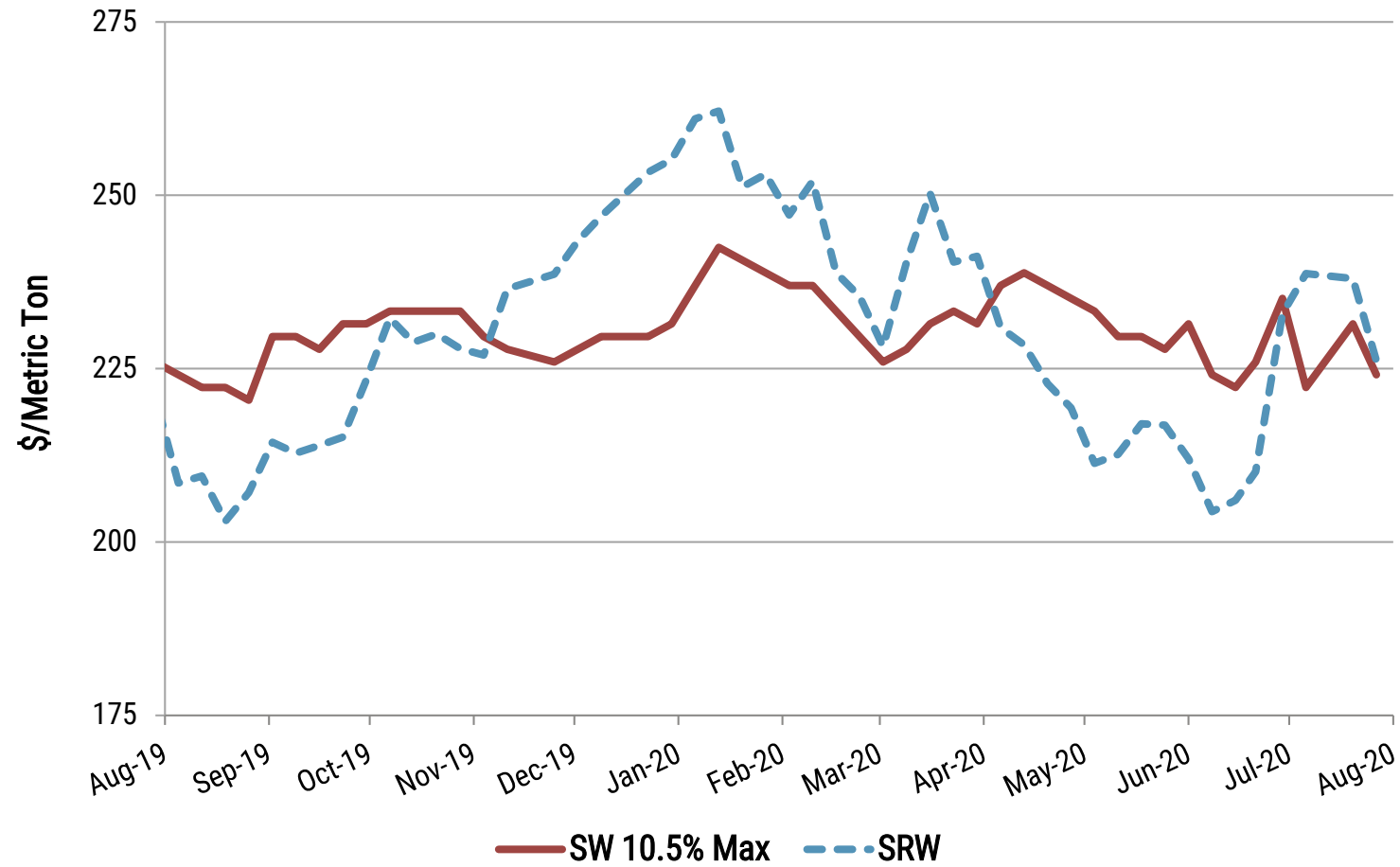
Source: U.S. Wheat Associates Price Report, August 7, 2020



U.S. FOB PNW Prices



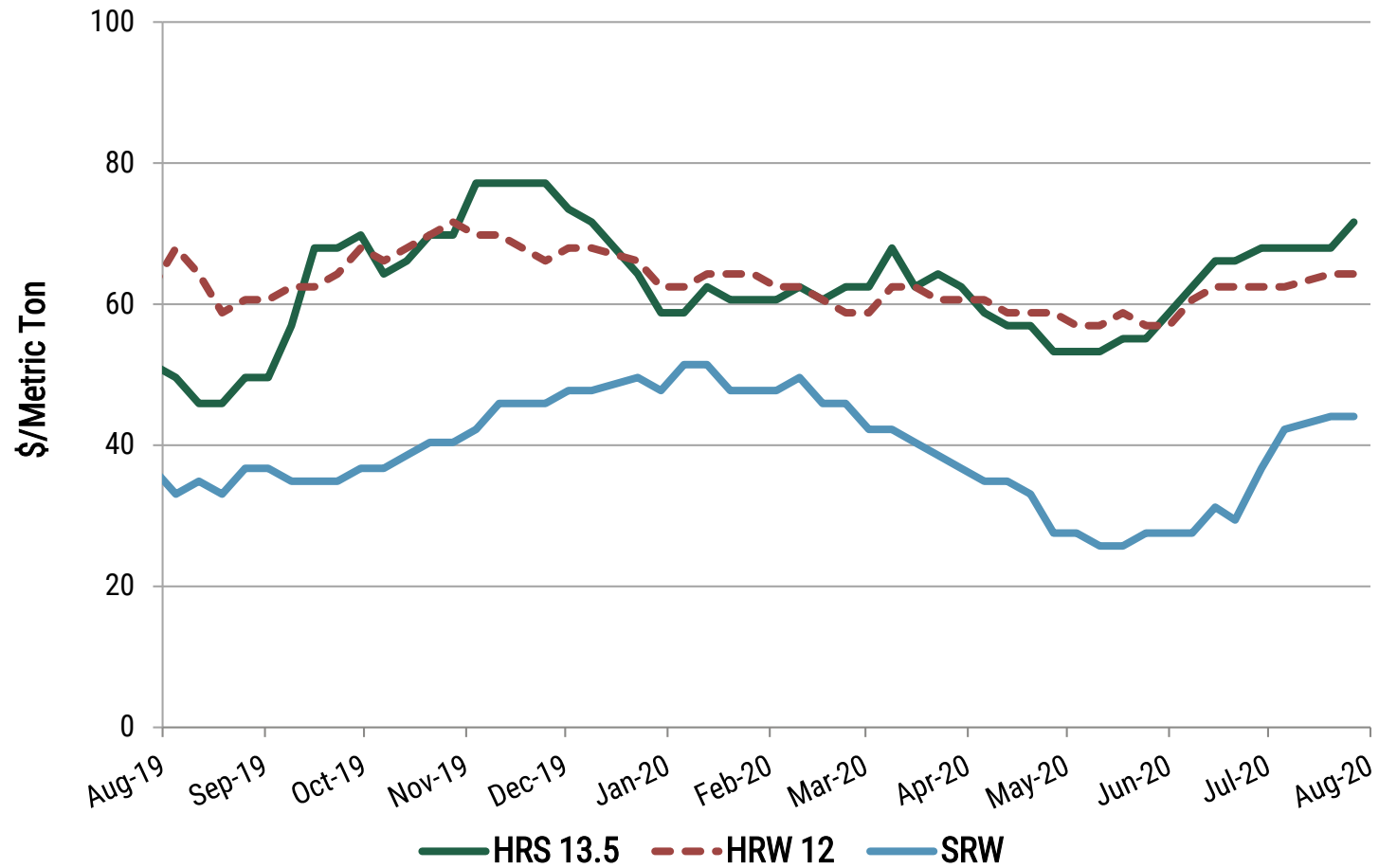
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, August 7, 2020



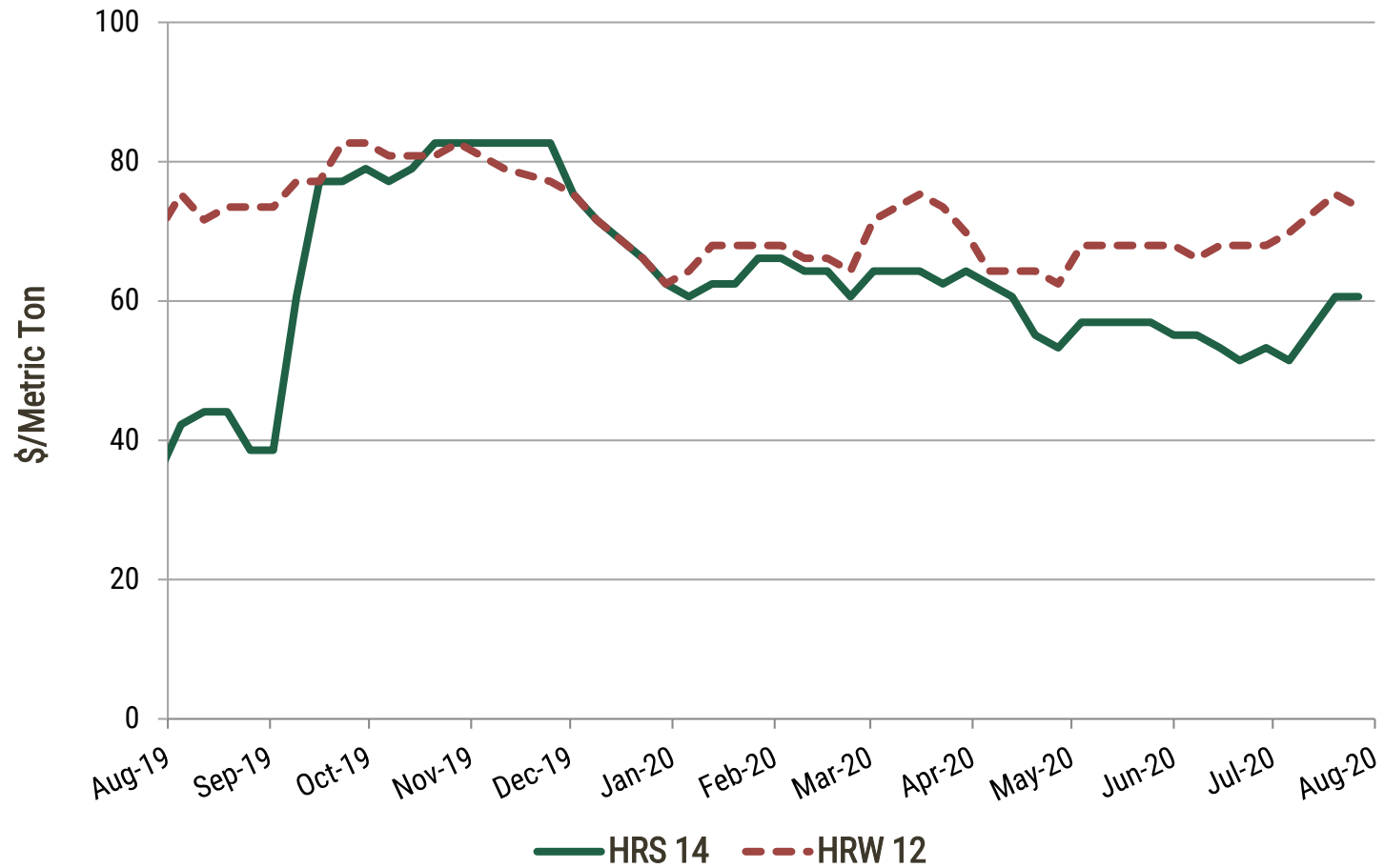
U.S. Gulf Export Basis



Source: U.S. Wheat Associates Price Report, August 7, 2020



U.S. PNW Export Basis



Source: U.S. Wheat Associates Price Report, August 7, 2020



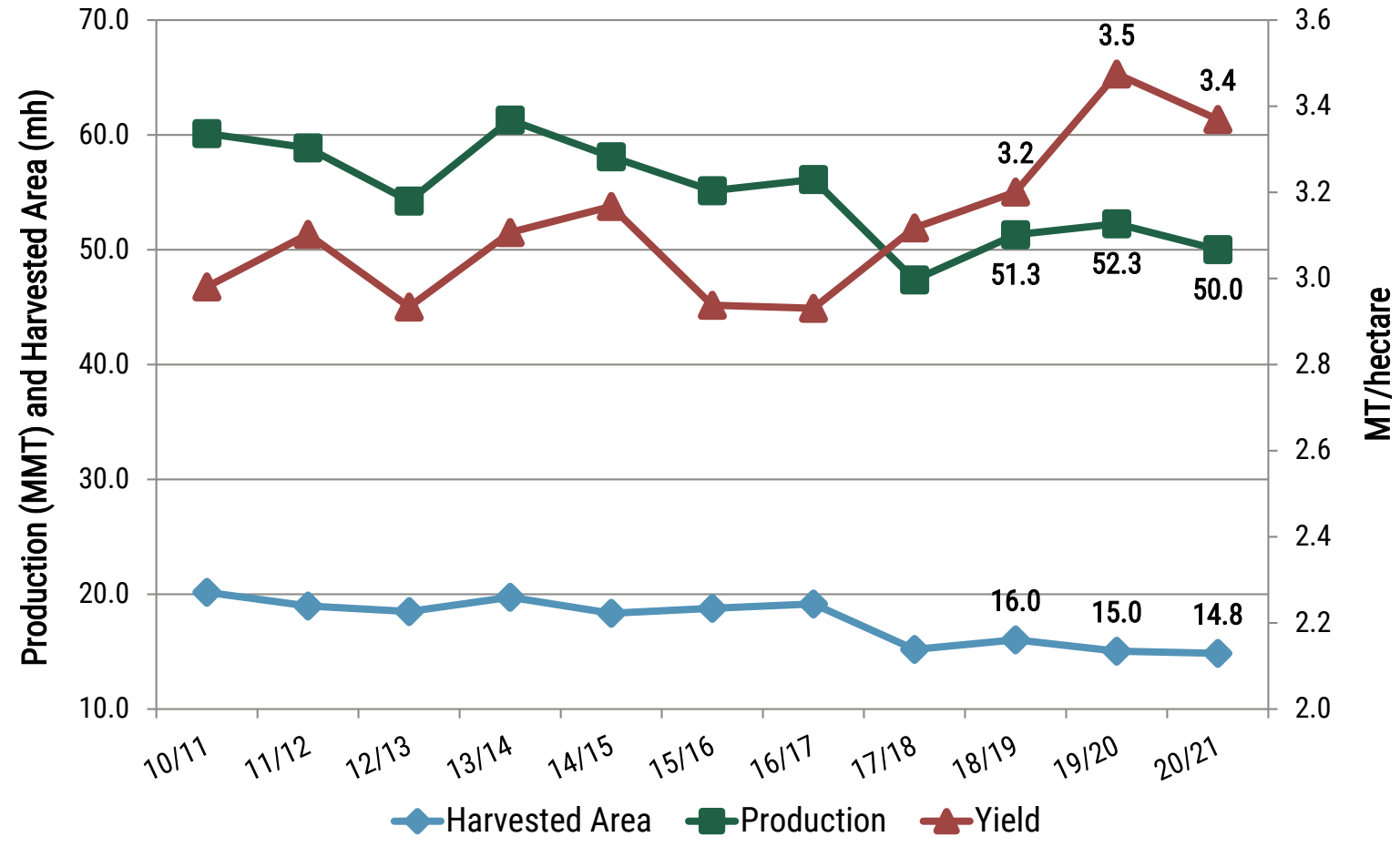


04

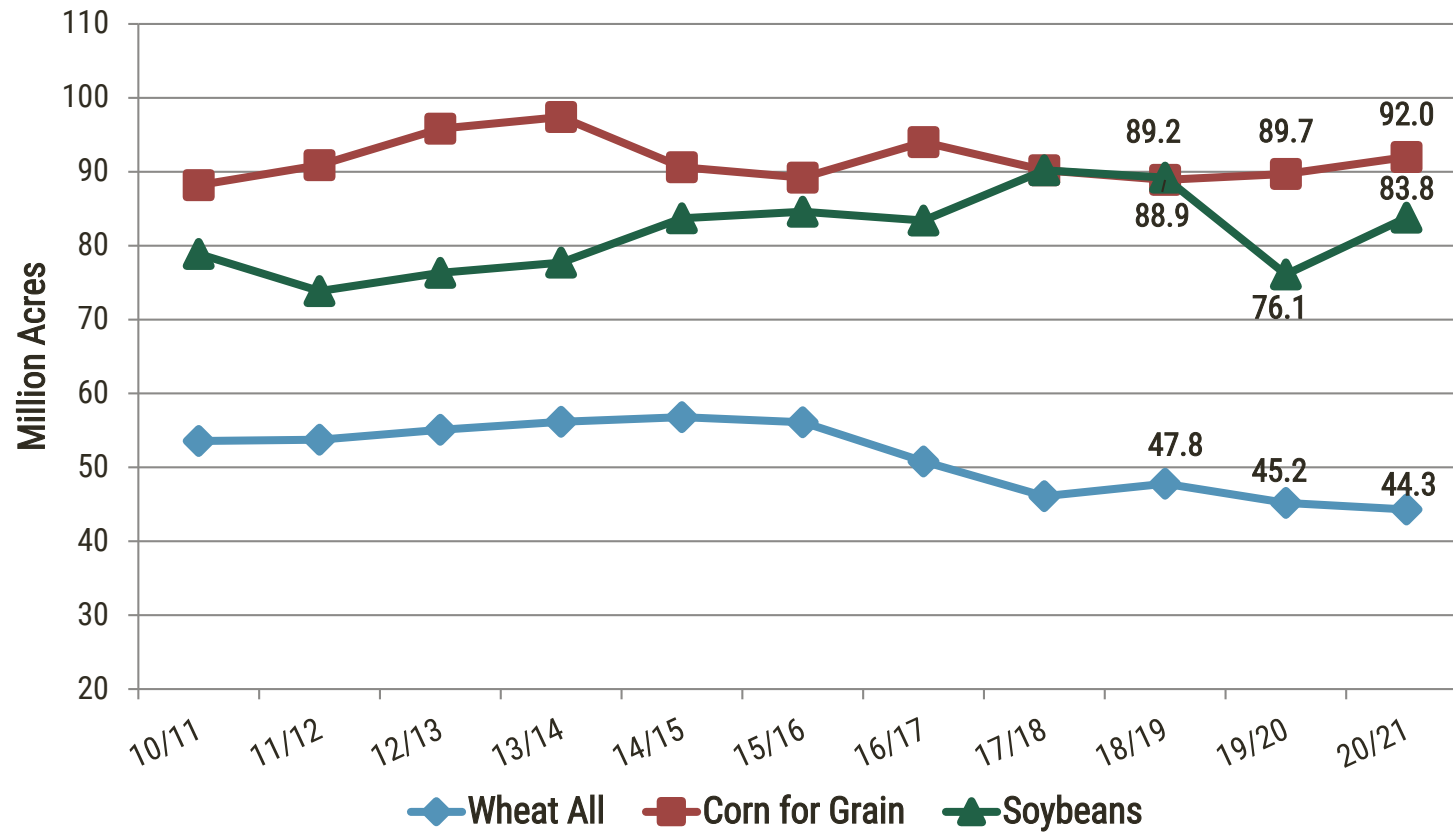
Outlook



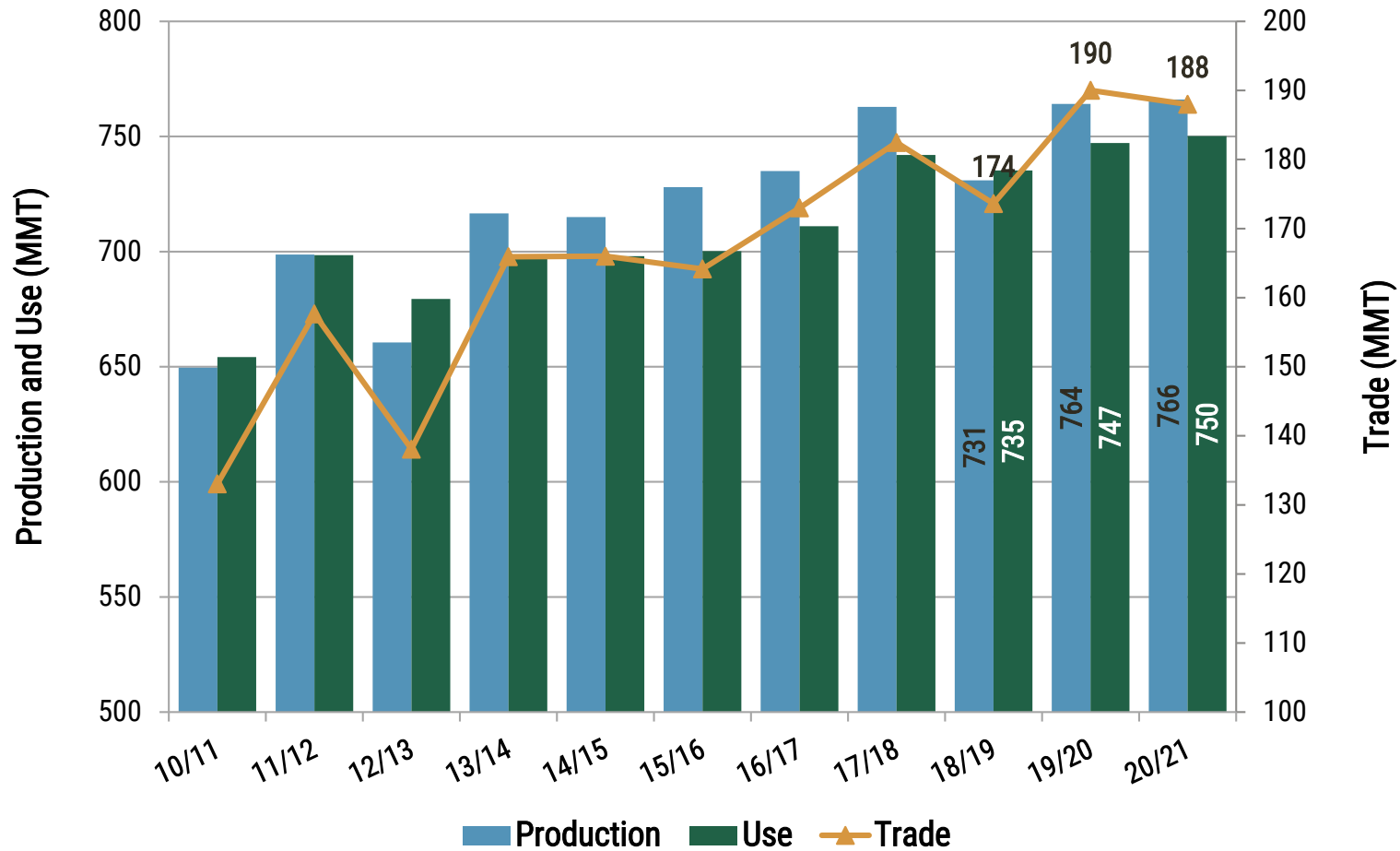
U.S. Wheat Production, Area and Yield



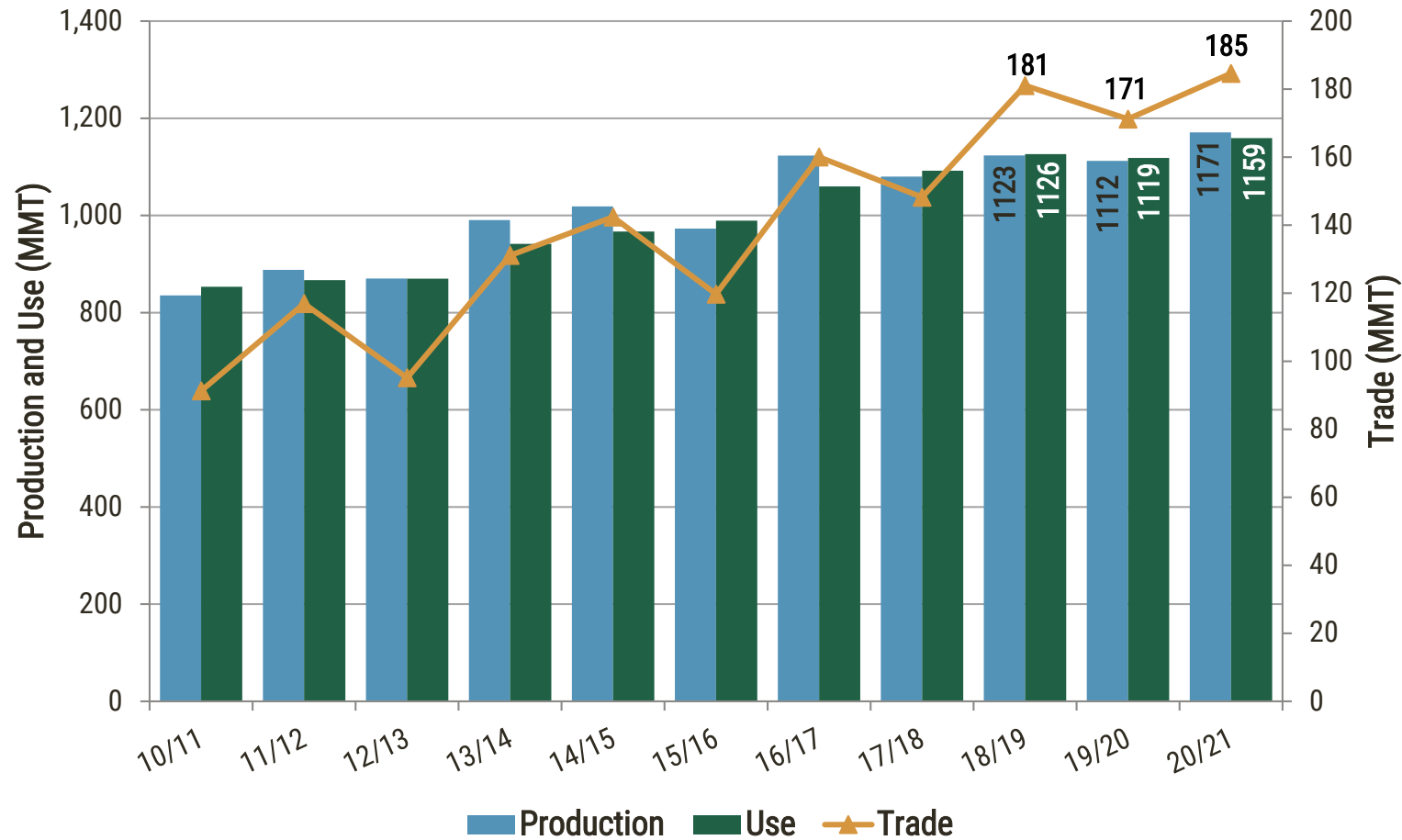
U.S. Crop Planted Area Comparison



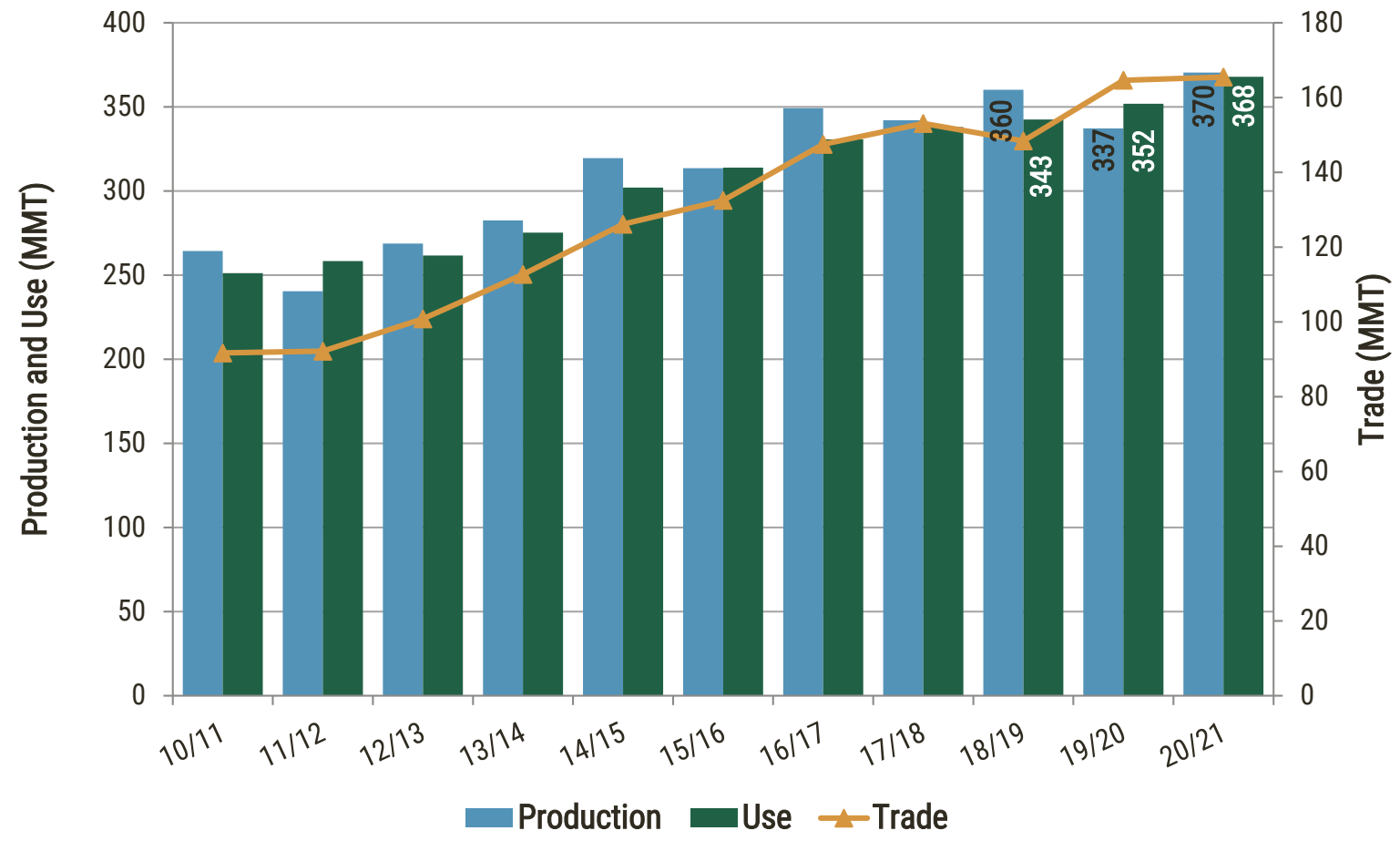
World Wheat Production, Use and Trade



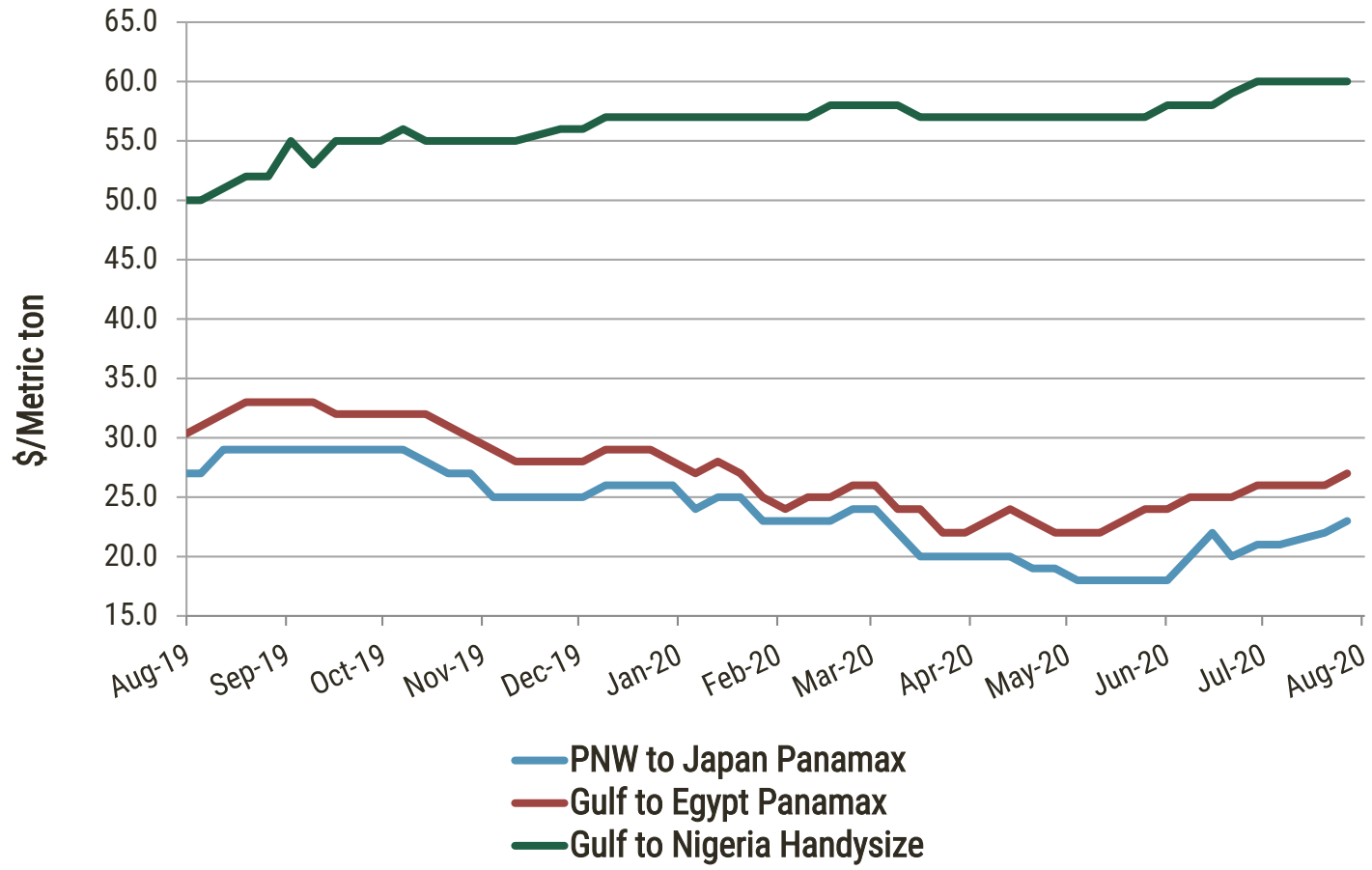
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



Source: U.S. Wheat Associates Price Report, August 7, 2020



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

2020/21 global wheat production to jump to a record 766 MMT

- EU production to fall 12% on the year to 135 MMT on persistent dryness
- Australian production to jump 71% from last year to 26.0 MMT as beneficial rains pull the country out of a three-year drought
- U.S. production to decrease 4% from last year to 50.0 MMT on lower yields and decreased planted area

Global ending stocks projected at a record 317 MMT, 5% higher than last year and 14% more than the 5-year average

- Expected Indian ending stocks to reach a record 30.7 MMT, nearly 2X the 5-year average
- U.S. ending stocks are expected to decrease 11% from last year to 25.2 MMT, the lowest in 6 years

World consumption to reach a record 750 MMT in 2020/21

- Total global trade to fall slightly from last year's record to 188 MMT, still 4% more than the 5-year average
- U.S. 2020/21 domestic consumption to increase 1% from last year to 30.2 MMT



THANK YOU



**U.S. WHEAT
ASSOCIATES**