



U.S. WHEAT
ASSOCIATES

World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released November 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 a record 772 MMT

- Production in Russia to reach 83.5 MMT, the second highest on record
- Argentinian production to fall 9% from last year to 18.0 MMT on persistent dryness
- U.S. production to decrease 5% from last year to 49.7 MMT on lower yields and decreased planted area

Global consumption forecast at 753 MMT, the highest on record

- Chinese domestic consumption to reach a record 131 MMT, up 8% from the 5-year average
- Domestic consumption in Brazil to reach a record 12.2 MMT, up 2% from the 5-year average
- U.S. domestic consumption to increase to 30.7 MMT, up slightly from last year

World wheat trade slightly below last year's record at 191 MMT

- Russian exports to jump 14% from 2019/20 to 39.5 MMT
- Exports from Argentina to fall 7% from 2019/20 to 12.5 MMT
- 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 5% year-over-year to 28.0 MMT

Global ending stocks projected at a record 320 MMT, 6% more than last year and 15% more than the 5-year average

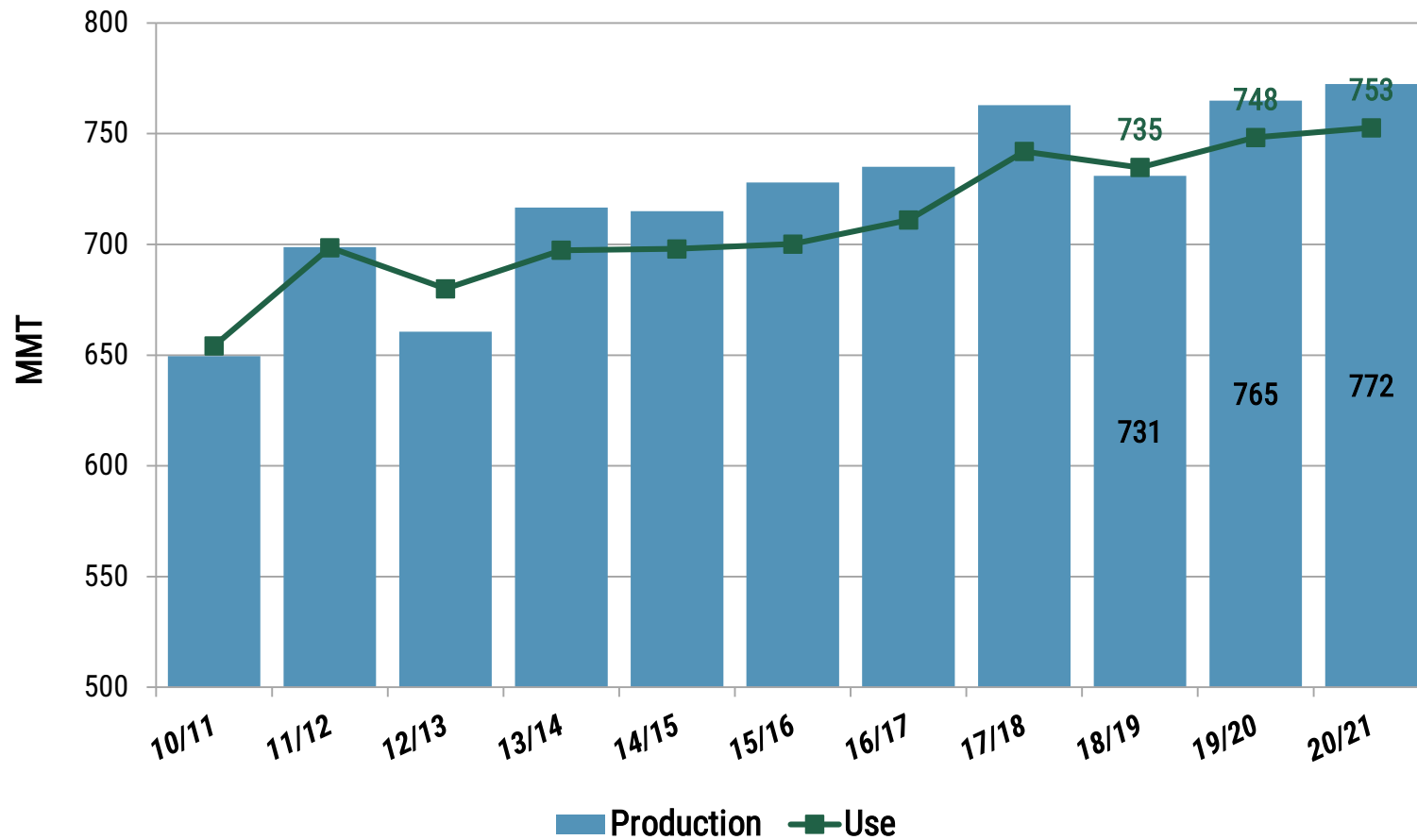
- Expected Chinese ending stocks to reach a record 164 MMT, 8% more than last year
- U.S. ending stocks are expected to drop 15% from last year to 23.9 MMT, the lowest in 6 years

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

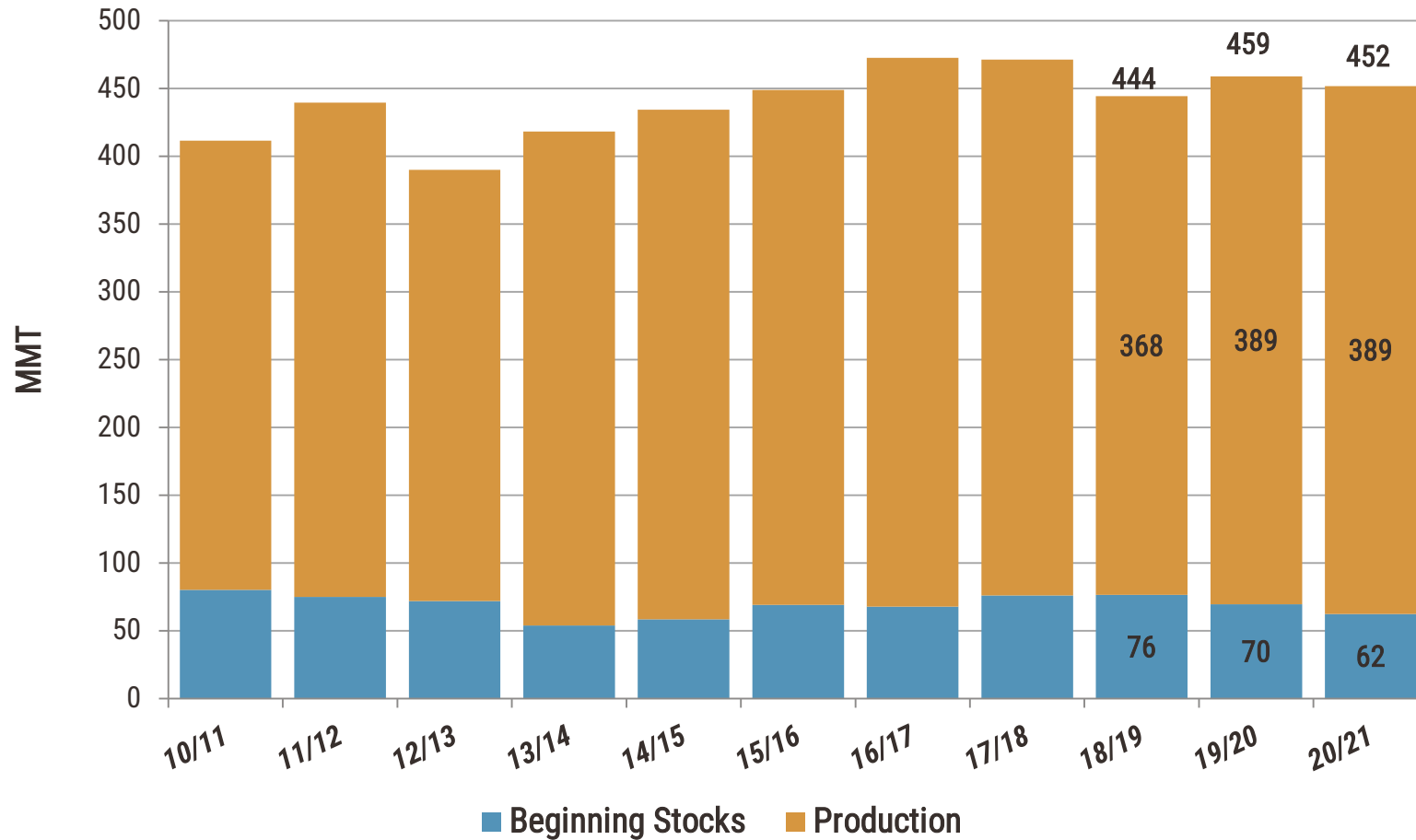
- The average farm gate price of U.S. wheat in 2020/21 is forecast to increase to \$4.70/bu (\$173/MT), 3% above last year's \$4.58/bu (\$168/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

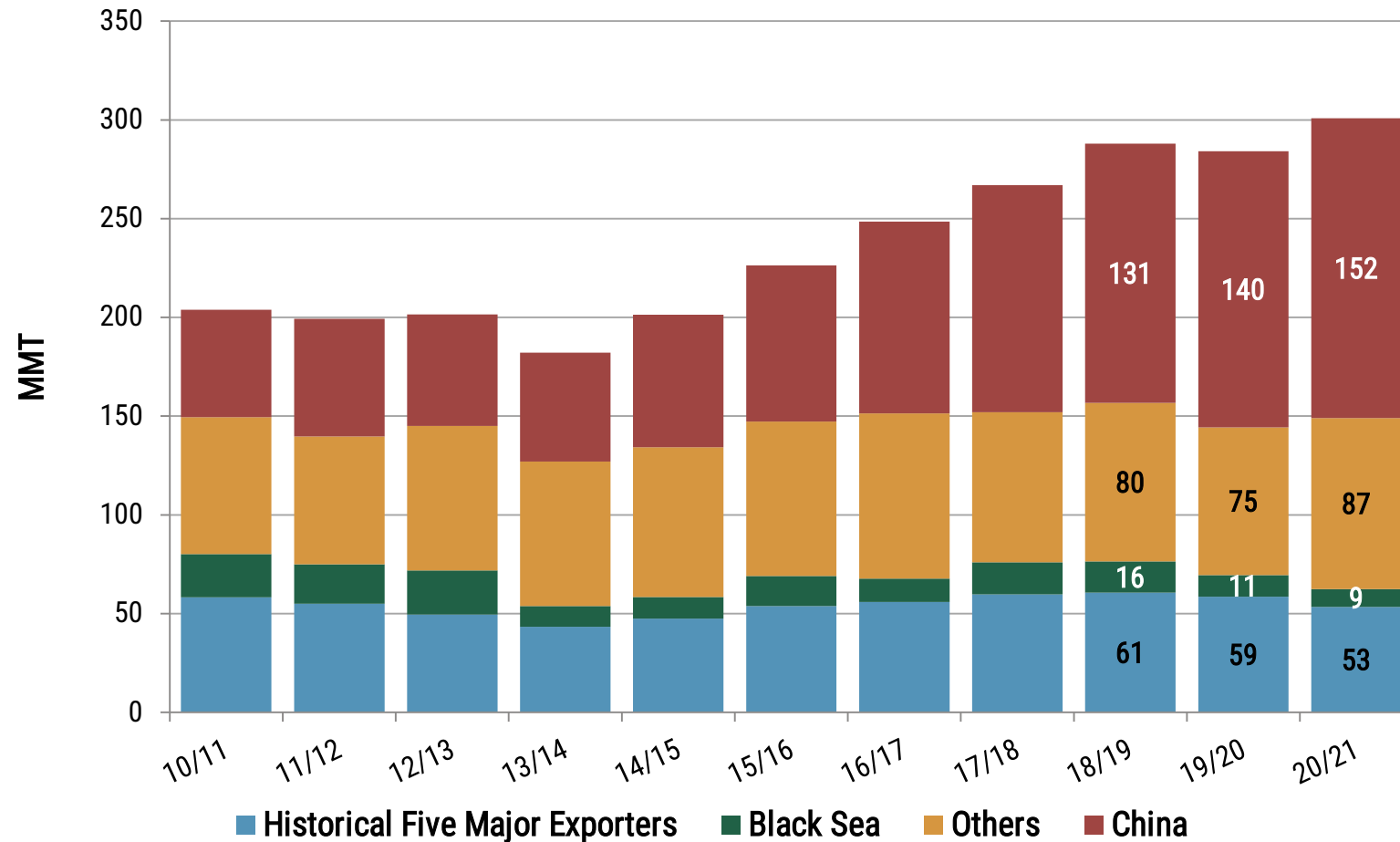


World Wheat Supply and Demand (MMT)

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
SUPPLY:			
Beginning Stocks	288	284	301
Production	731	765	772
Supply Total	1019	1049	1073
Ending Stocks	284	301	320
TRADE:			
Exports/Imports	174	192	191
DEMAND:			
Food & Seed	596	609	616
Feed & Residual	139	139	137
Use Total	735	748	753



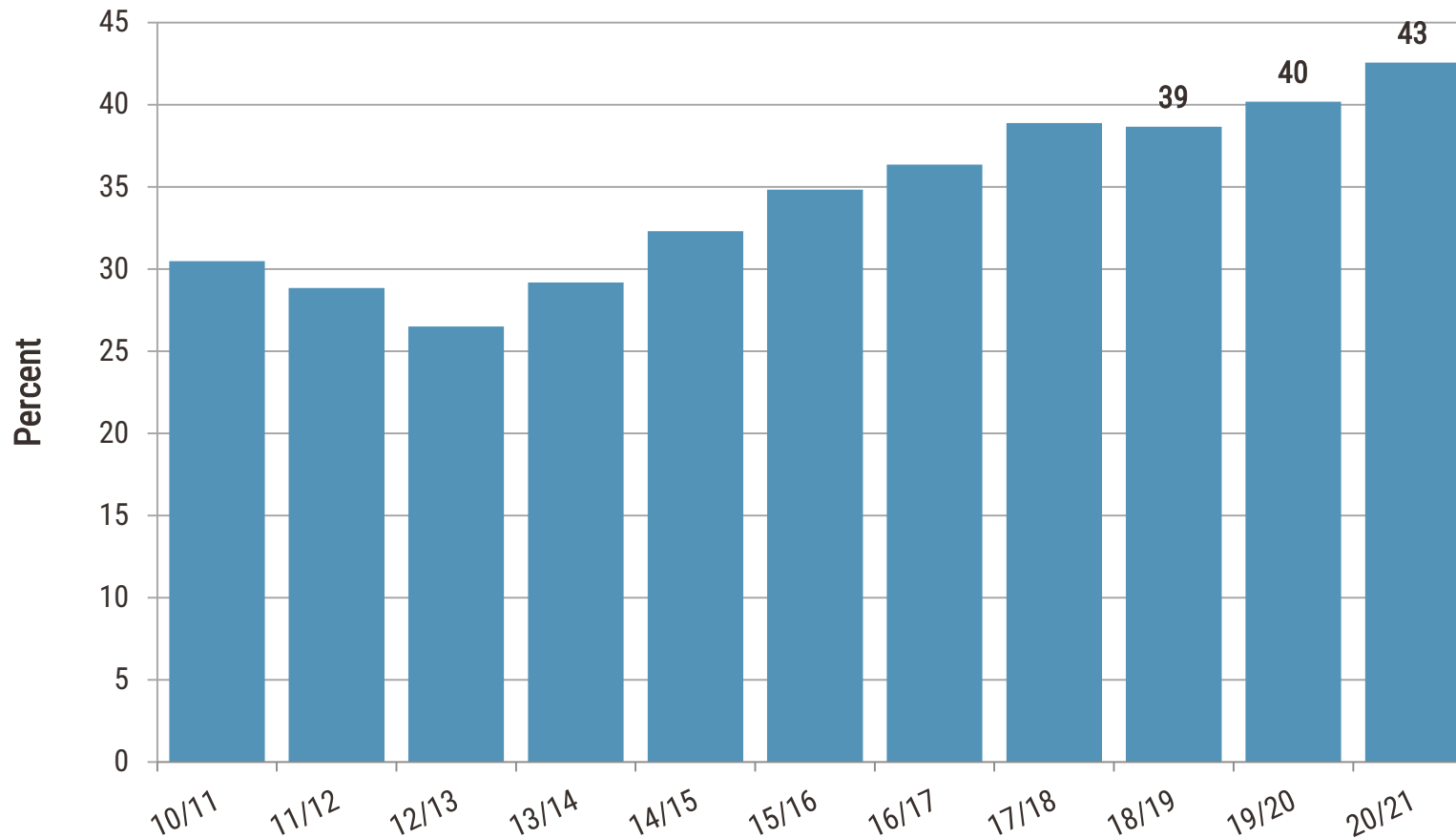
World Beginning Stocks



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



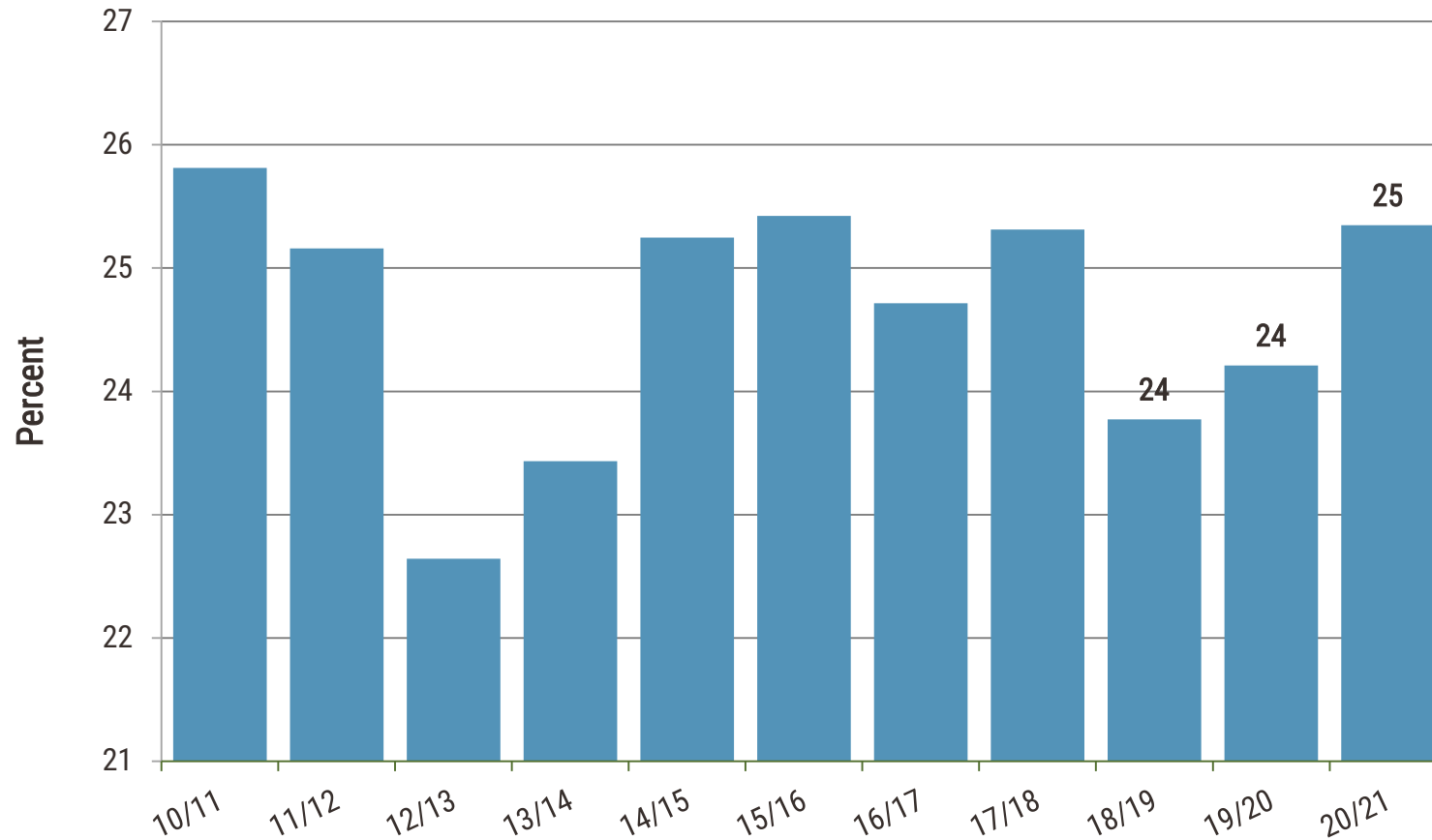
Global Stocks*-to-Use Ratio



*Ending stocks



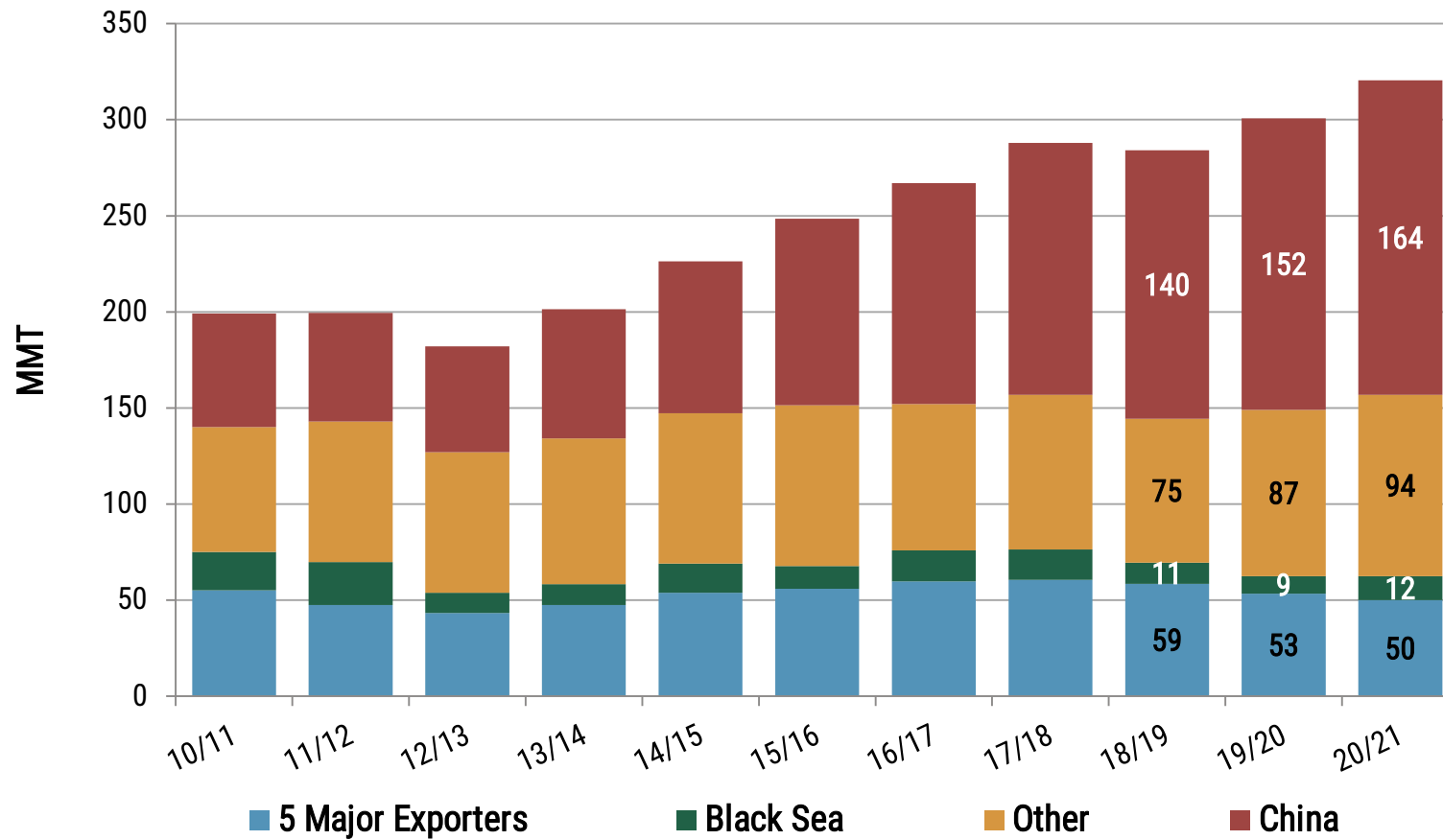
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



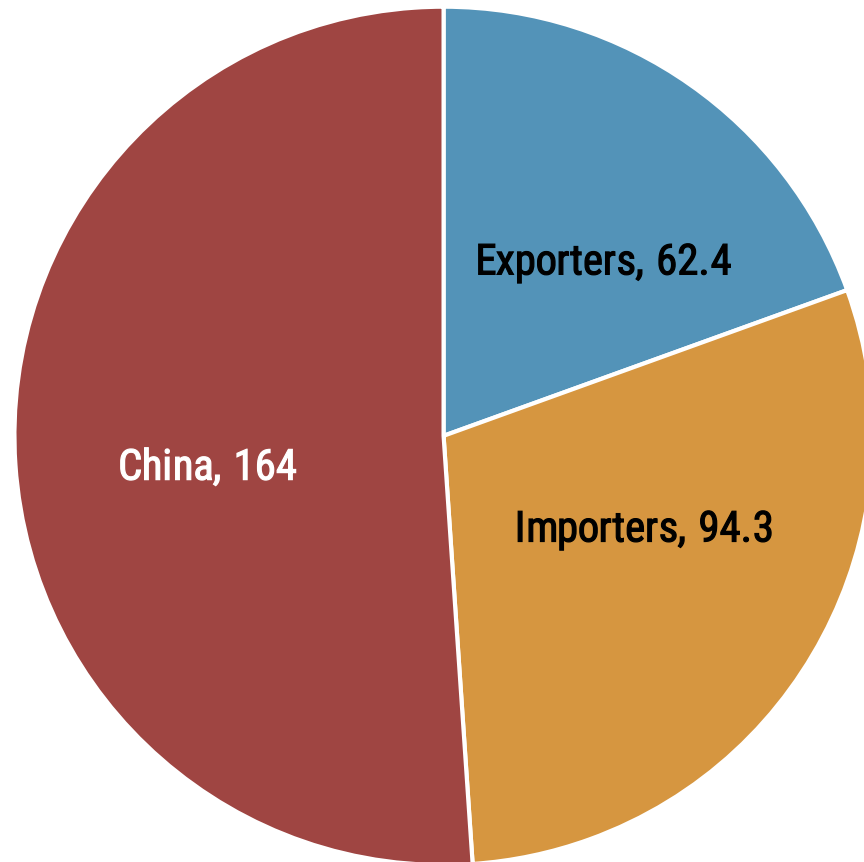
World Ending Stocks



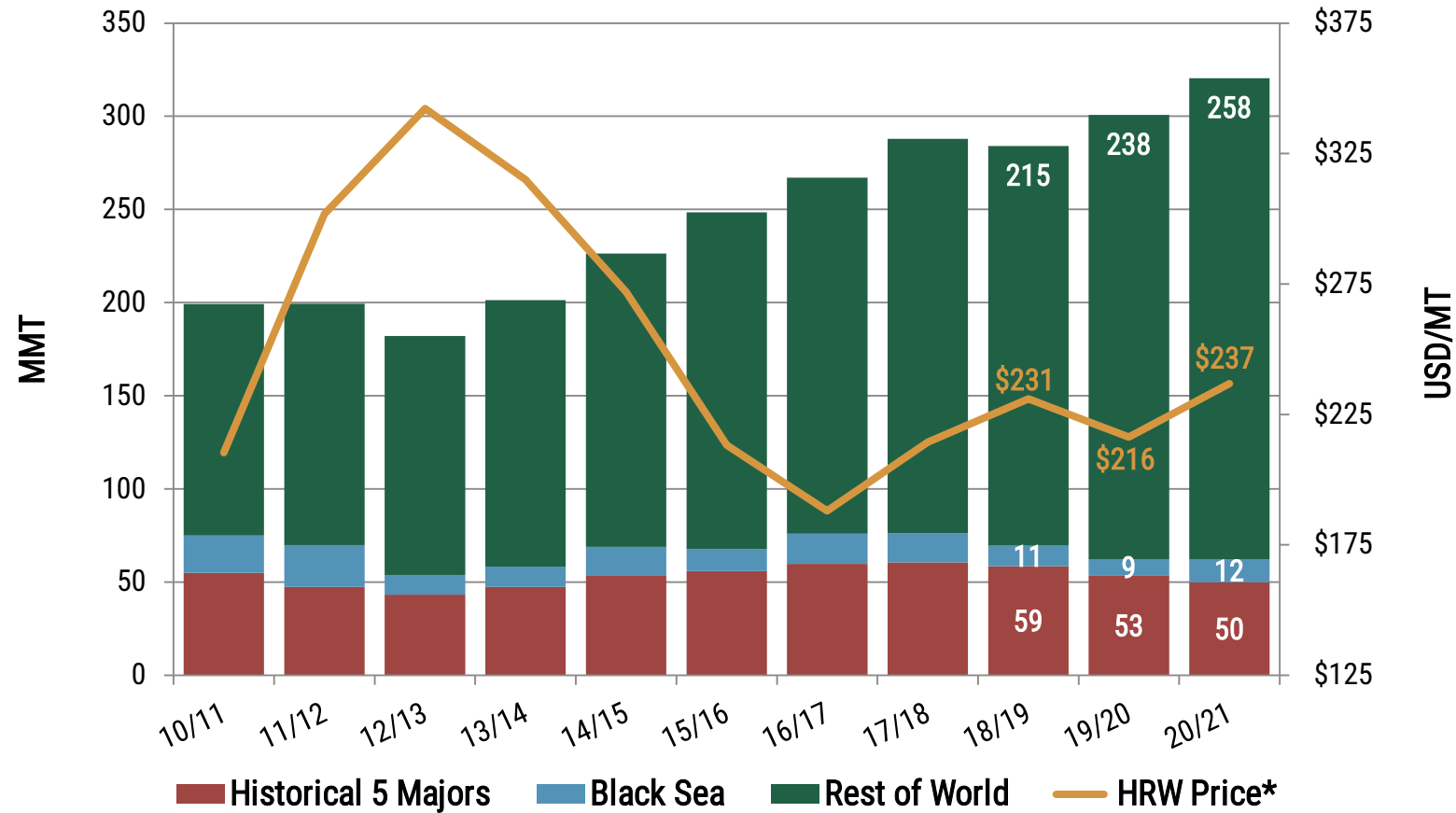
Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.



World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, November 6, 2020

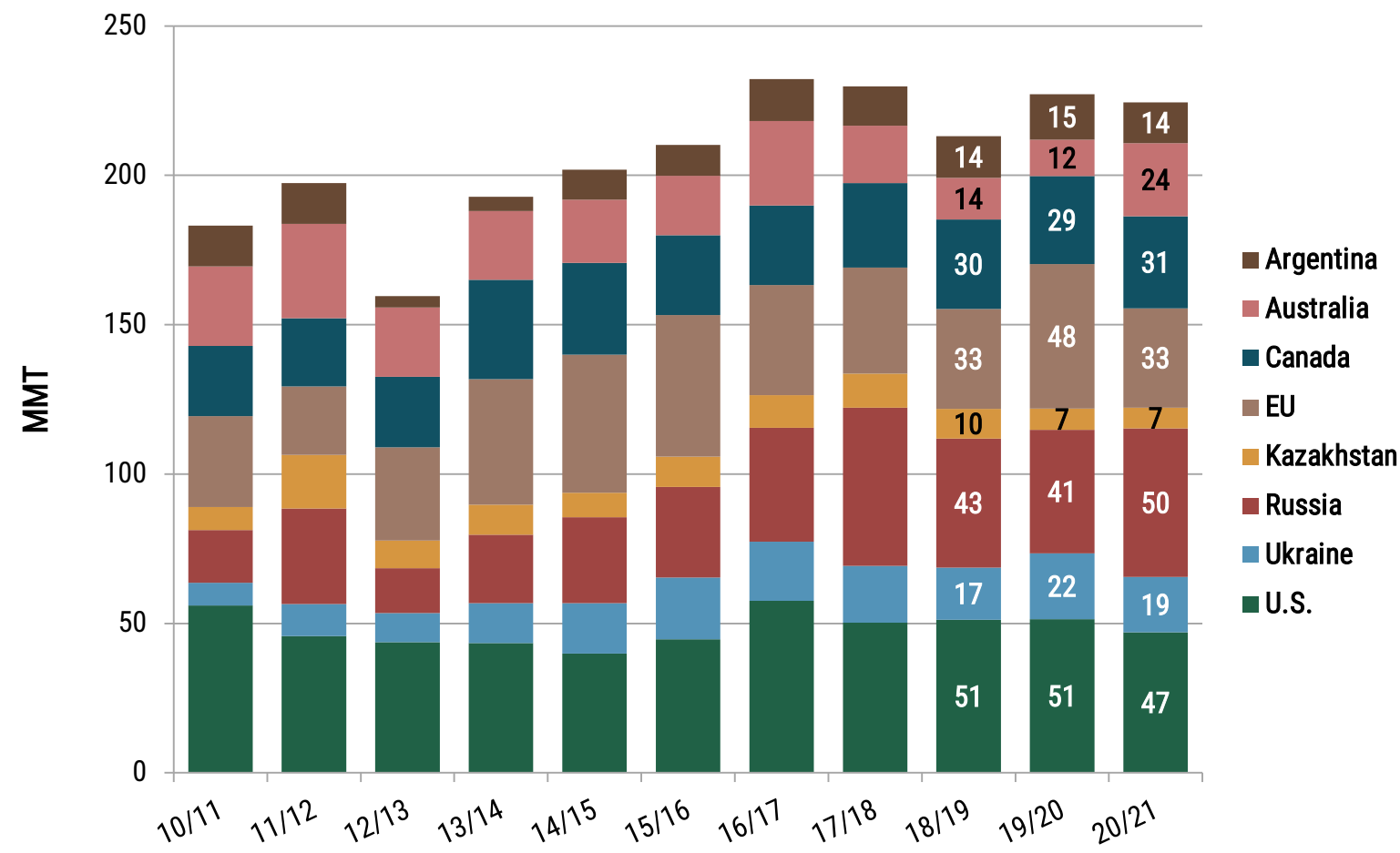




01

Major Exporters

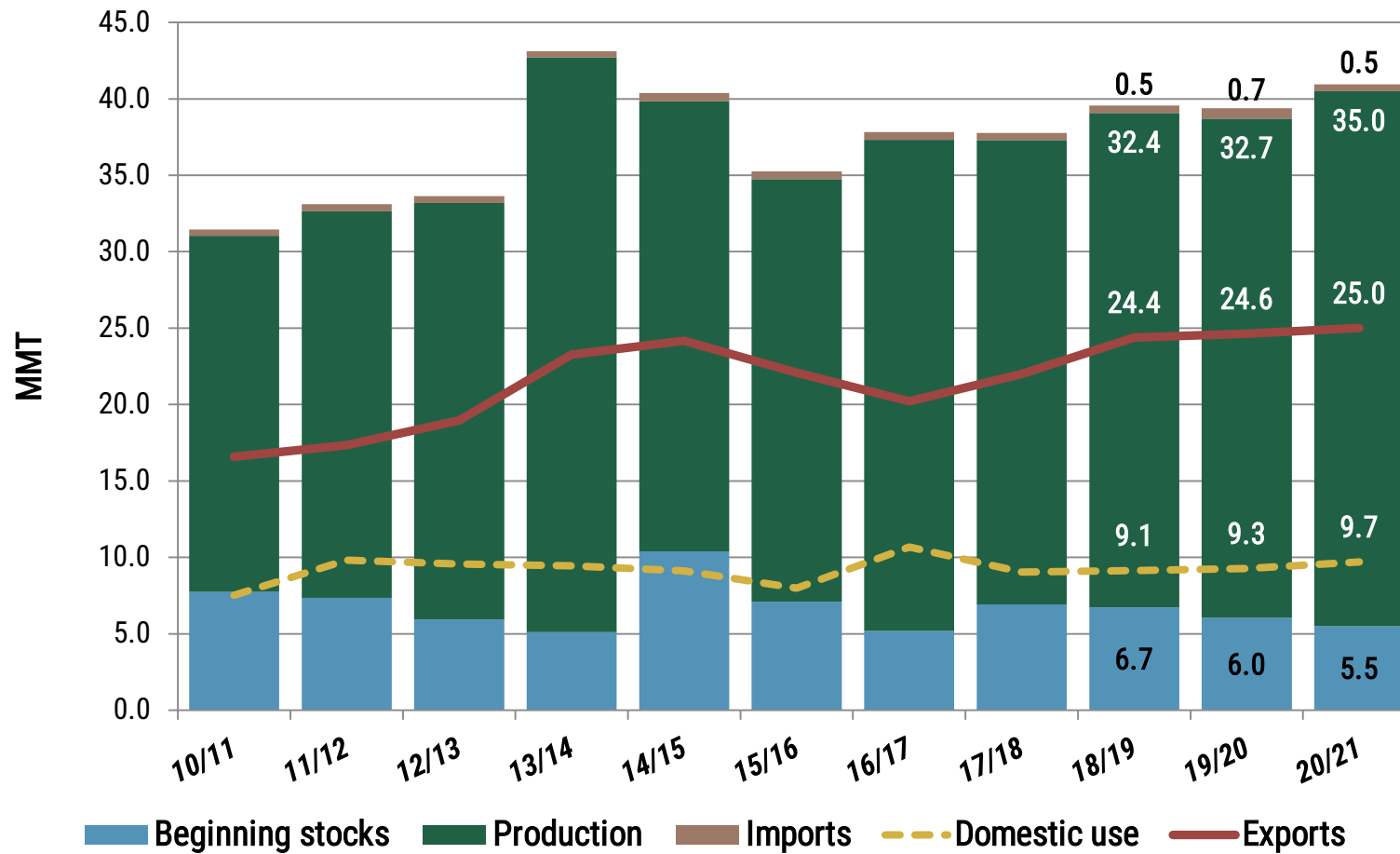
Exportable Supplies in Top Exporting Countries



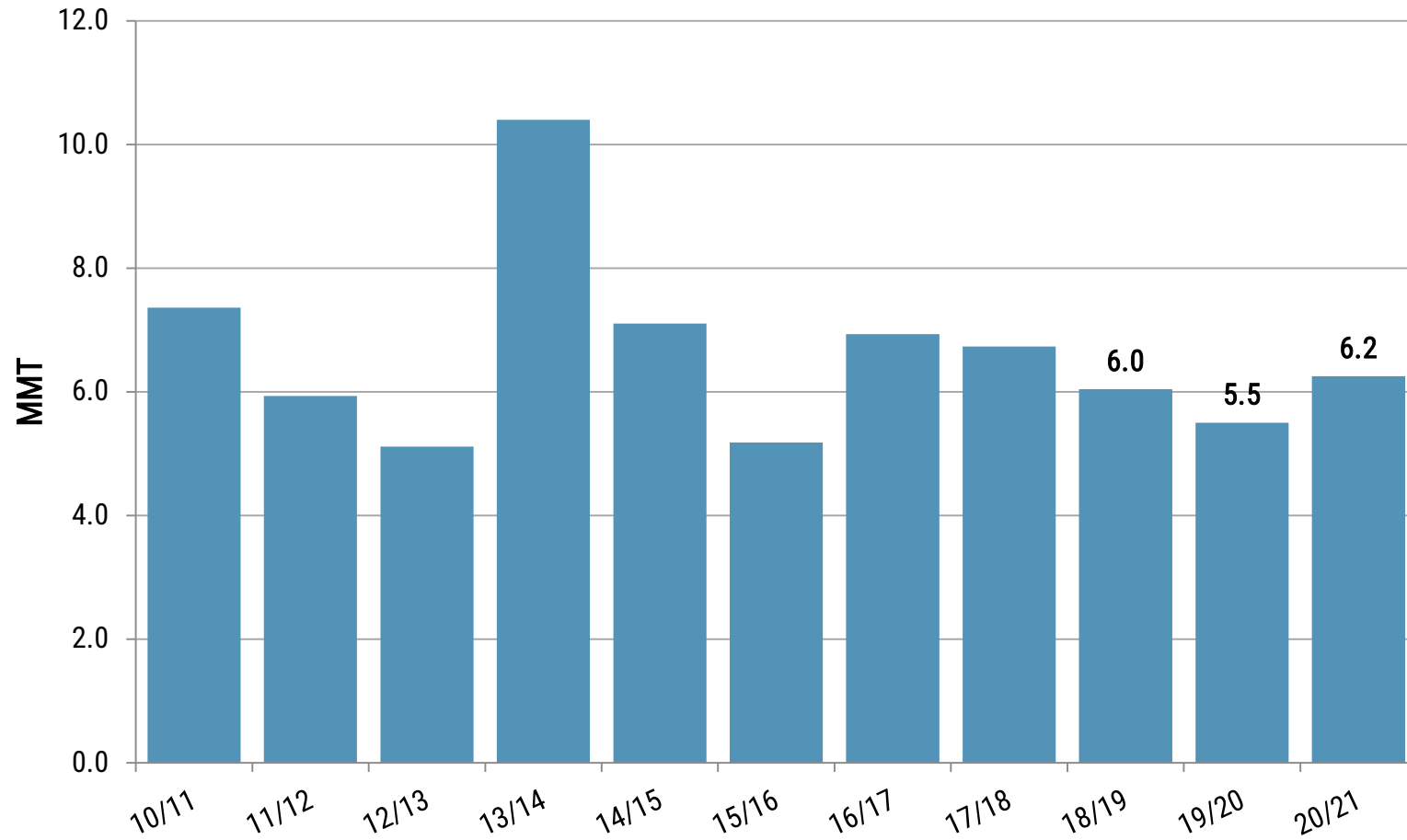
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



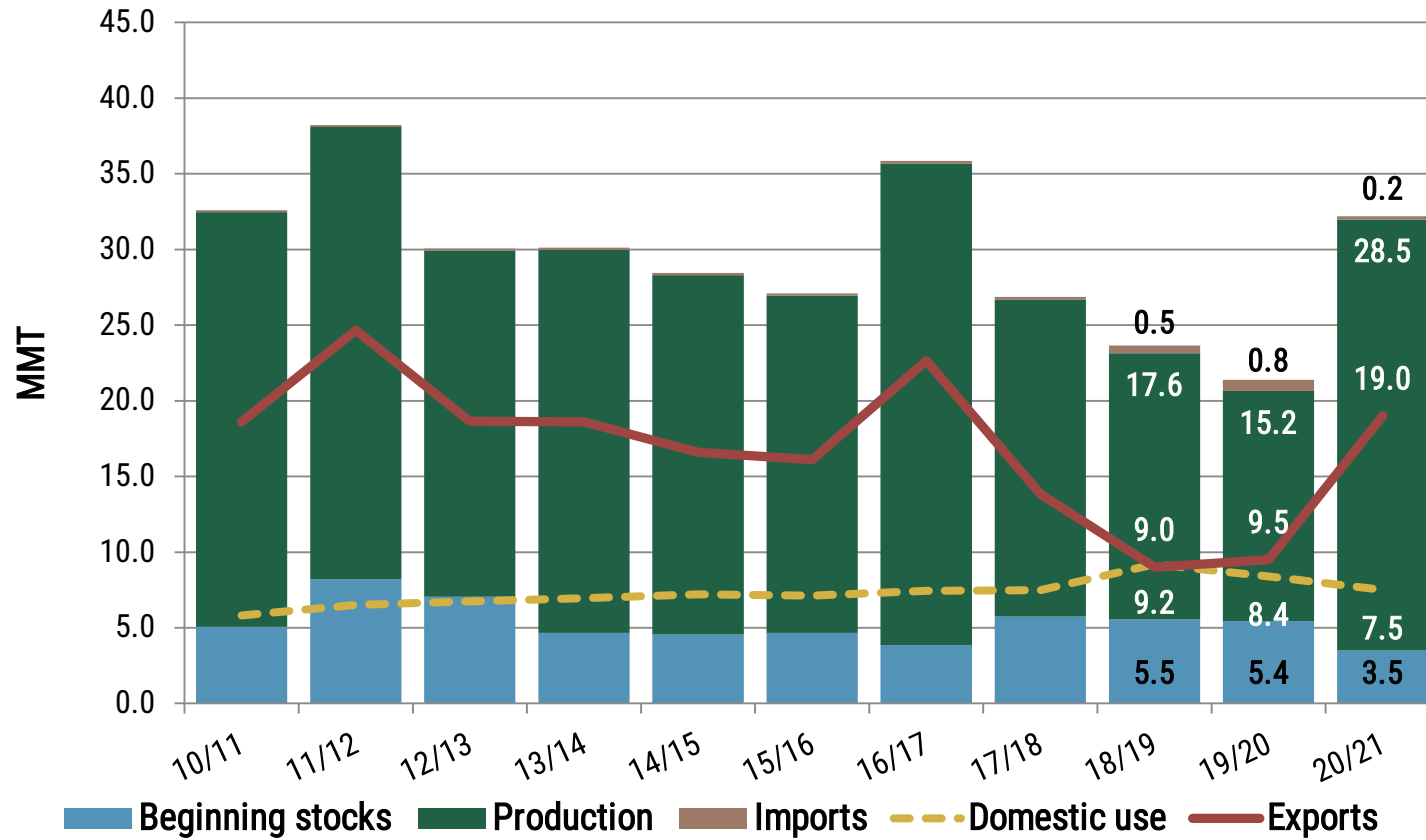
Canada Situation



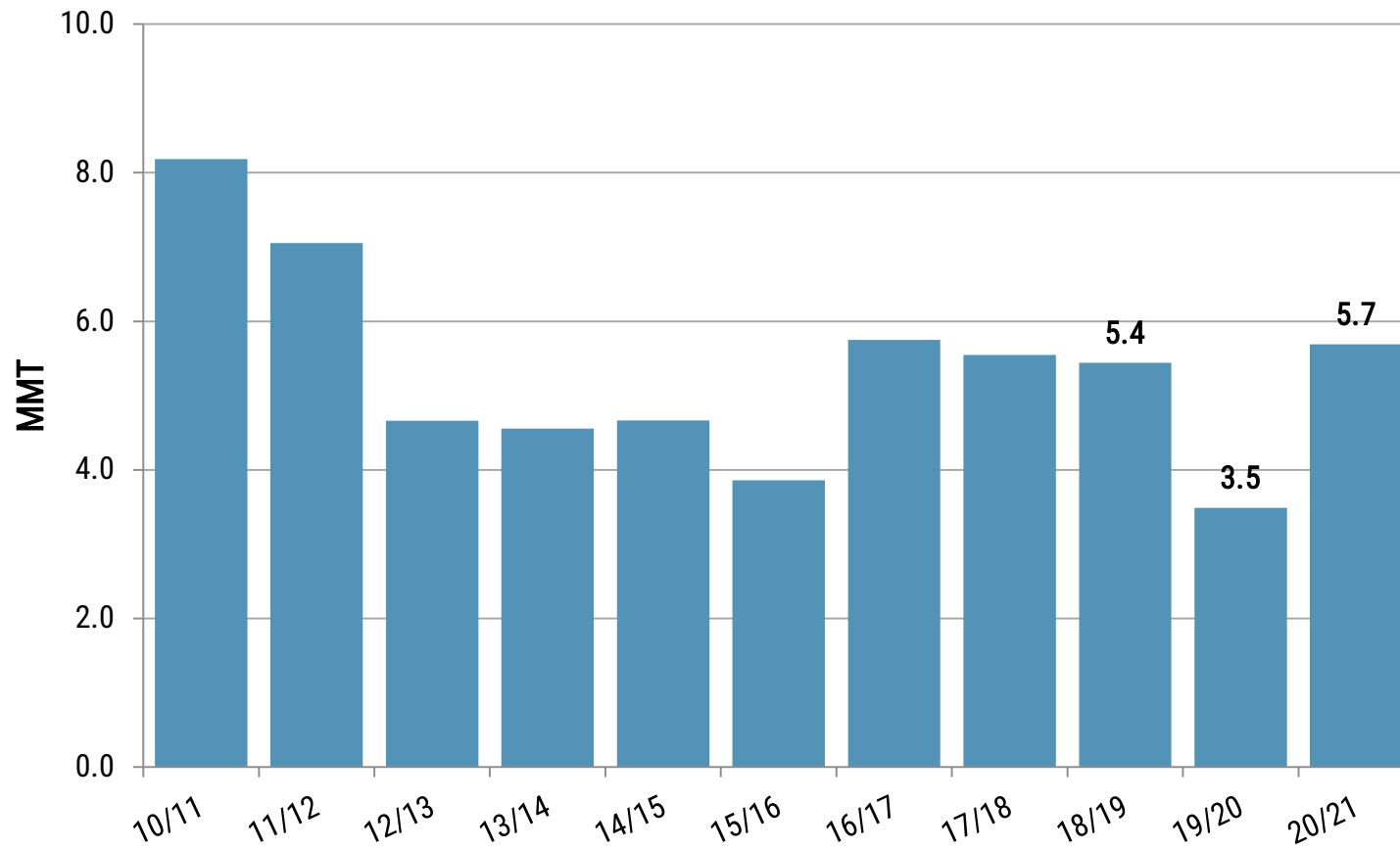
Canada Ending Stocks



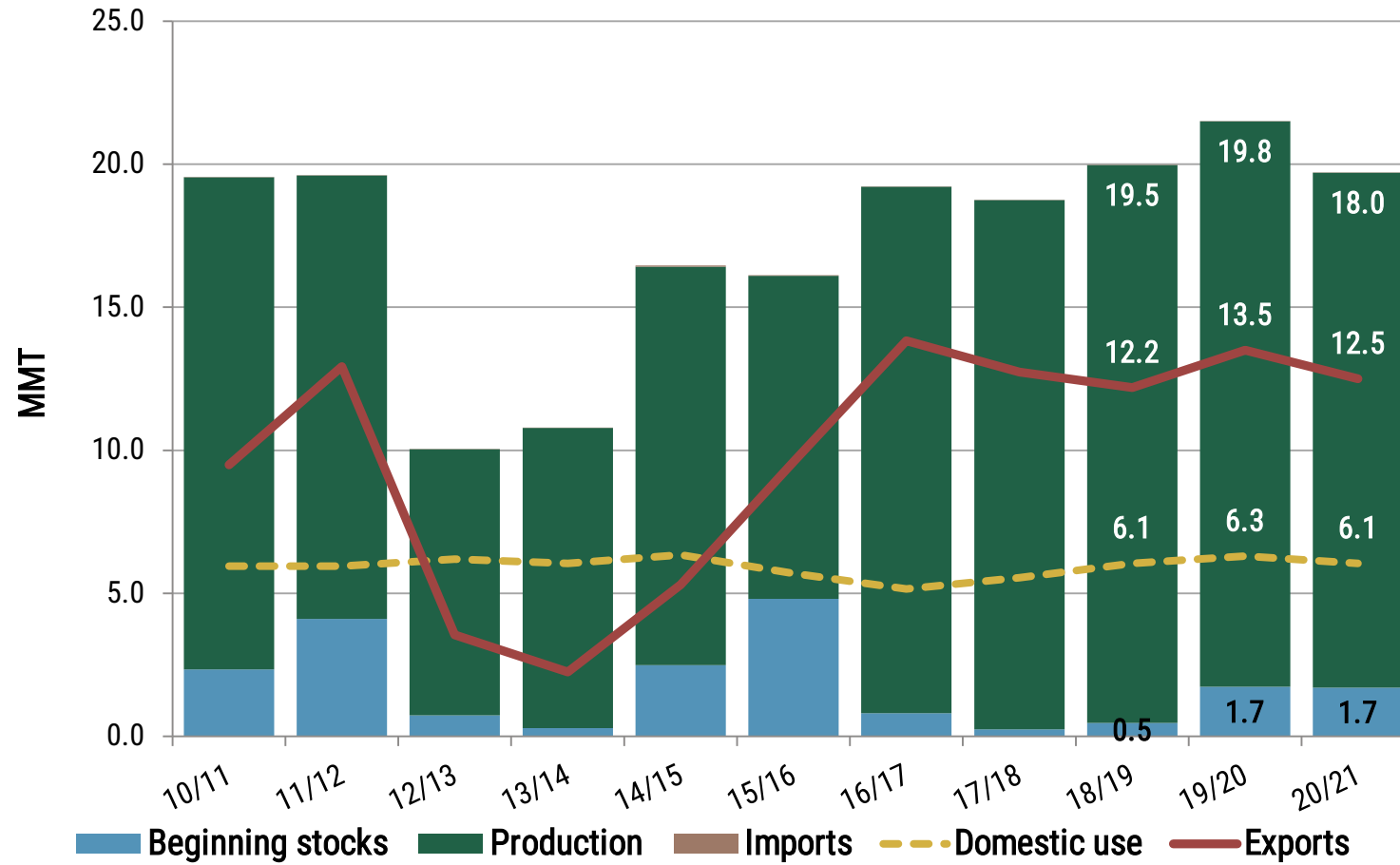
Australia Situation



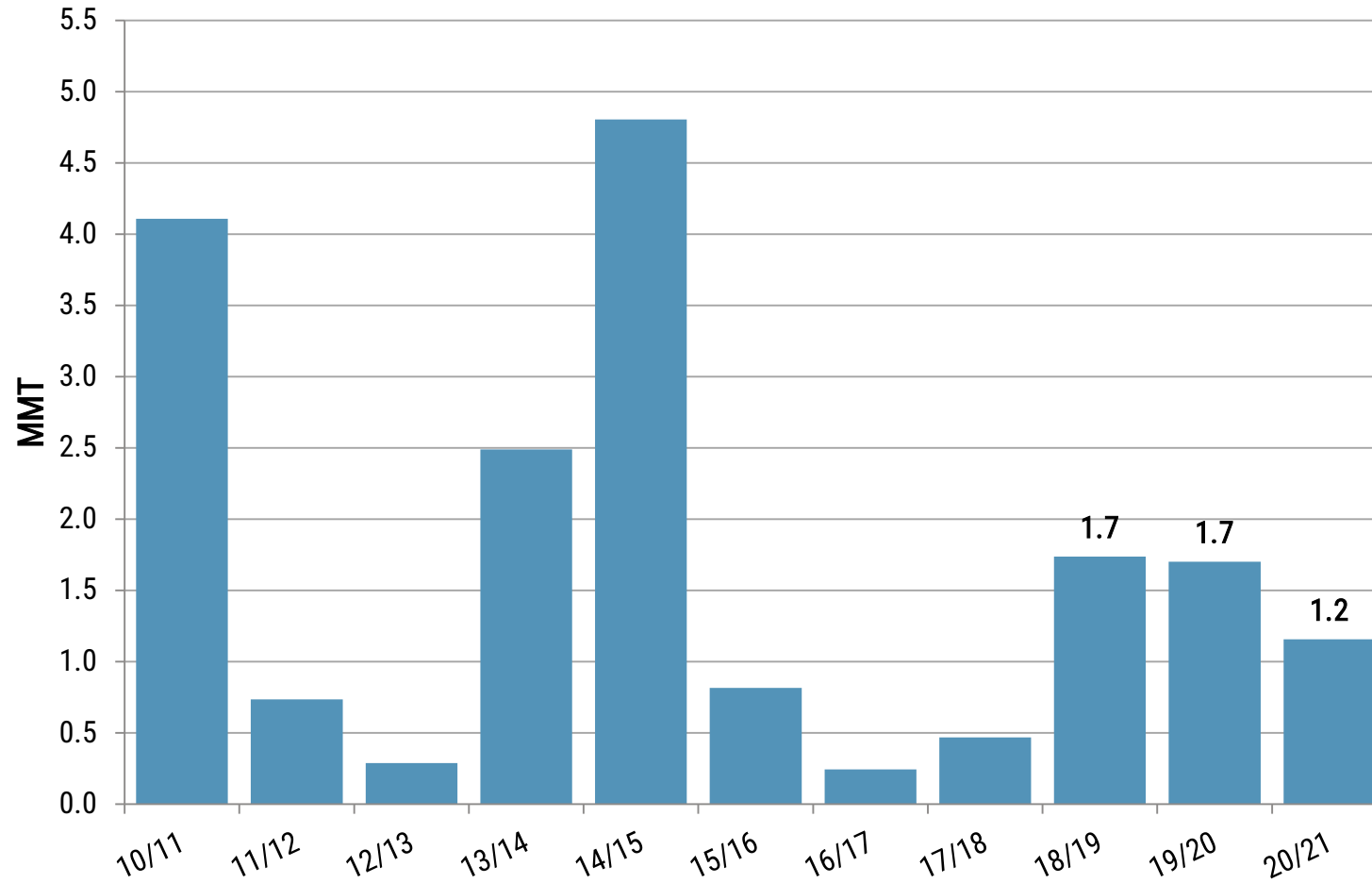
Australia Ending Stocks



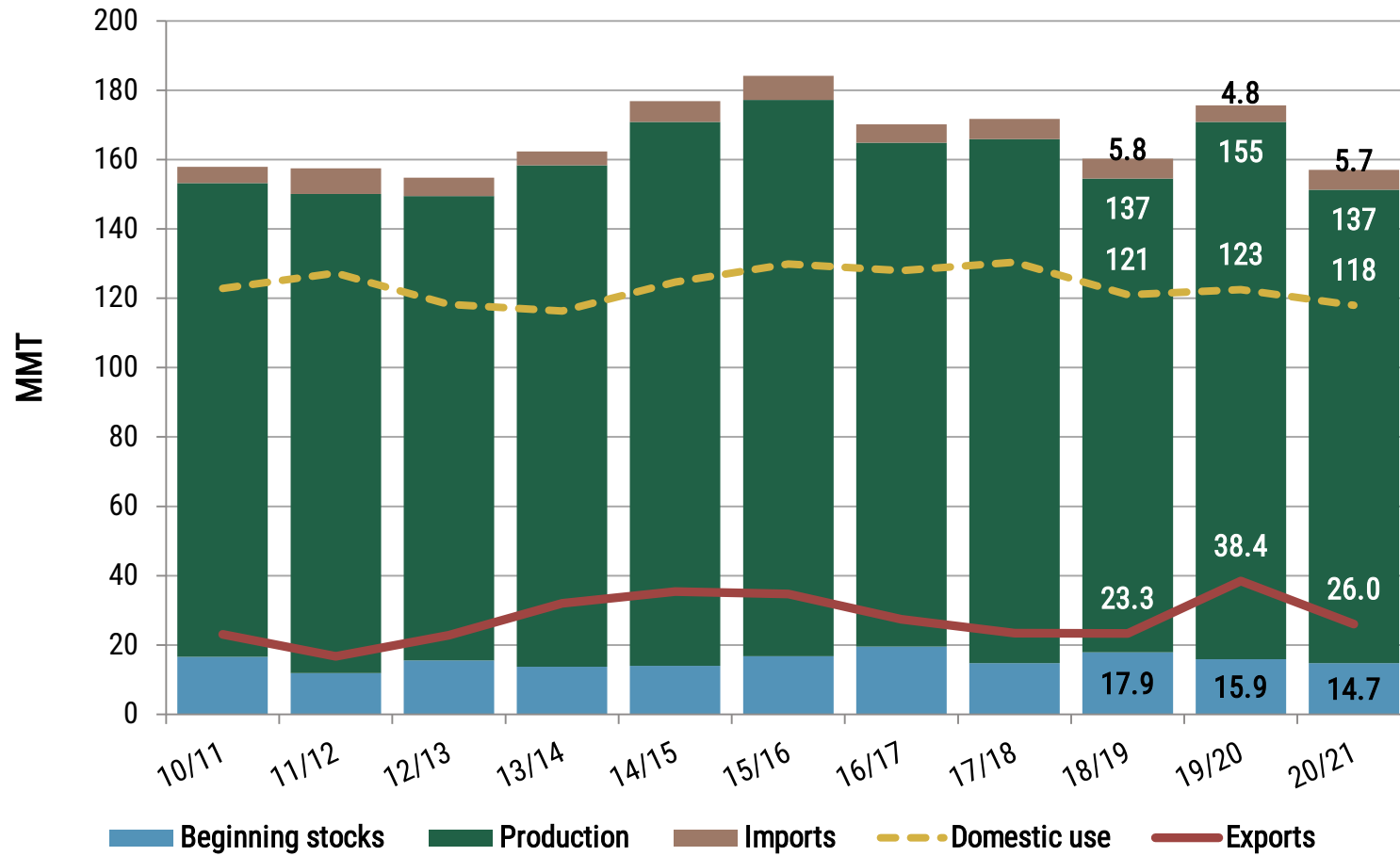
Argentina Situation



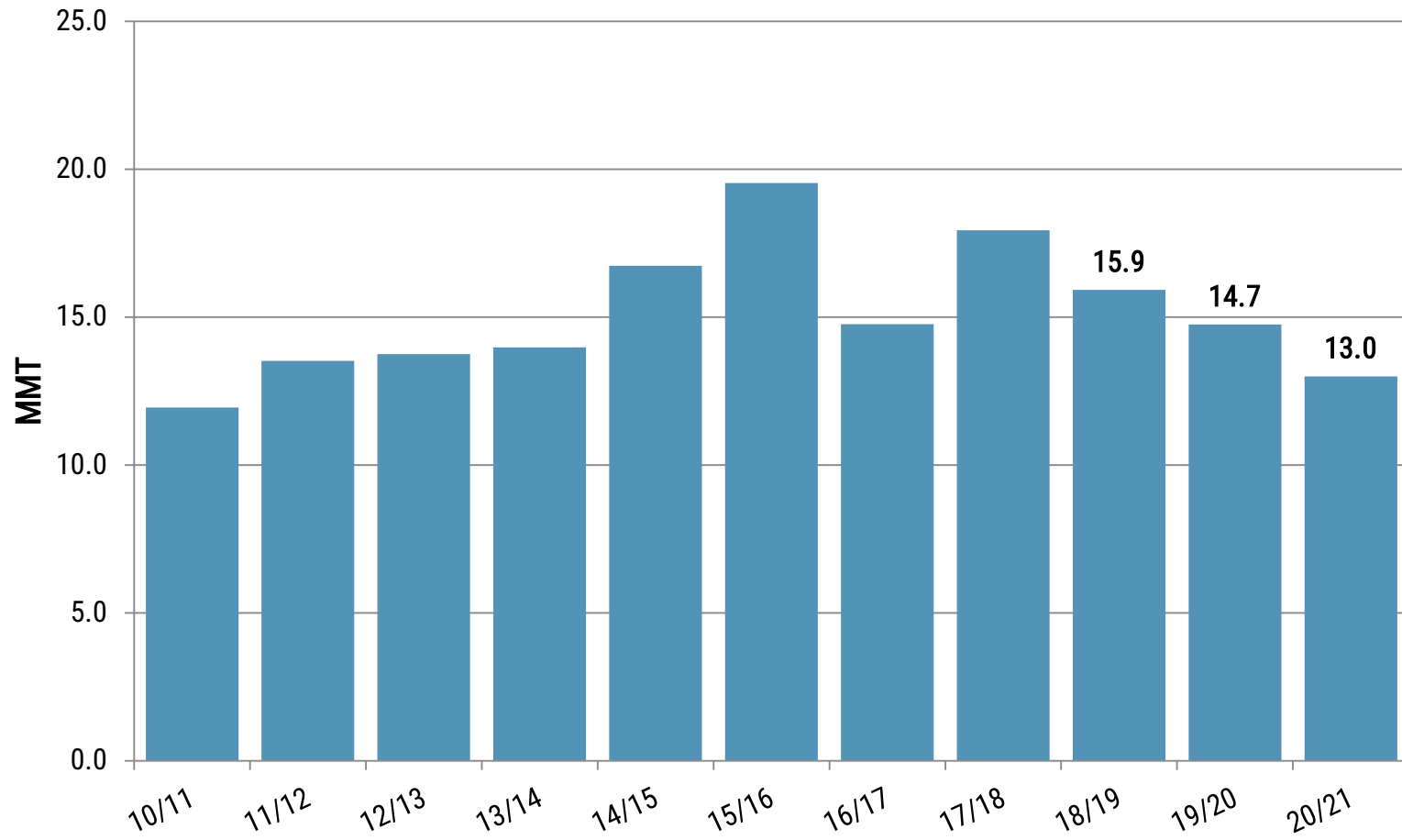
Argentina Ending Stocks



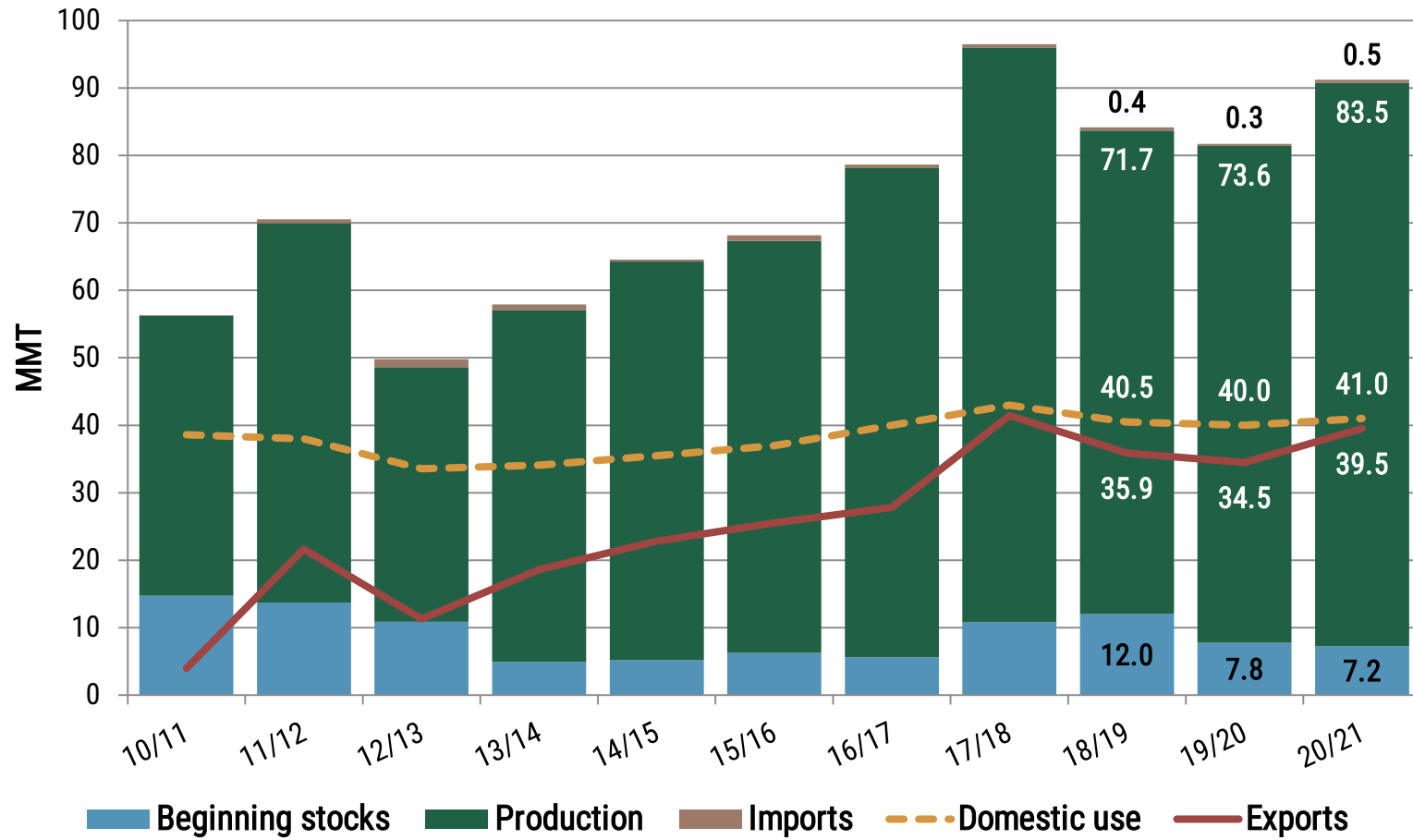
EU Situation



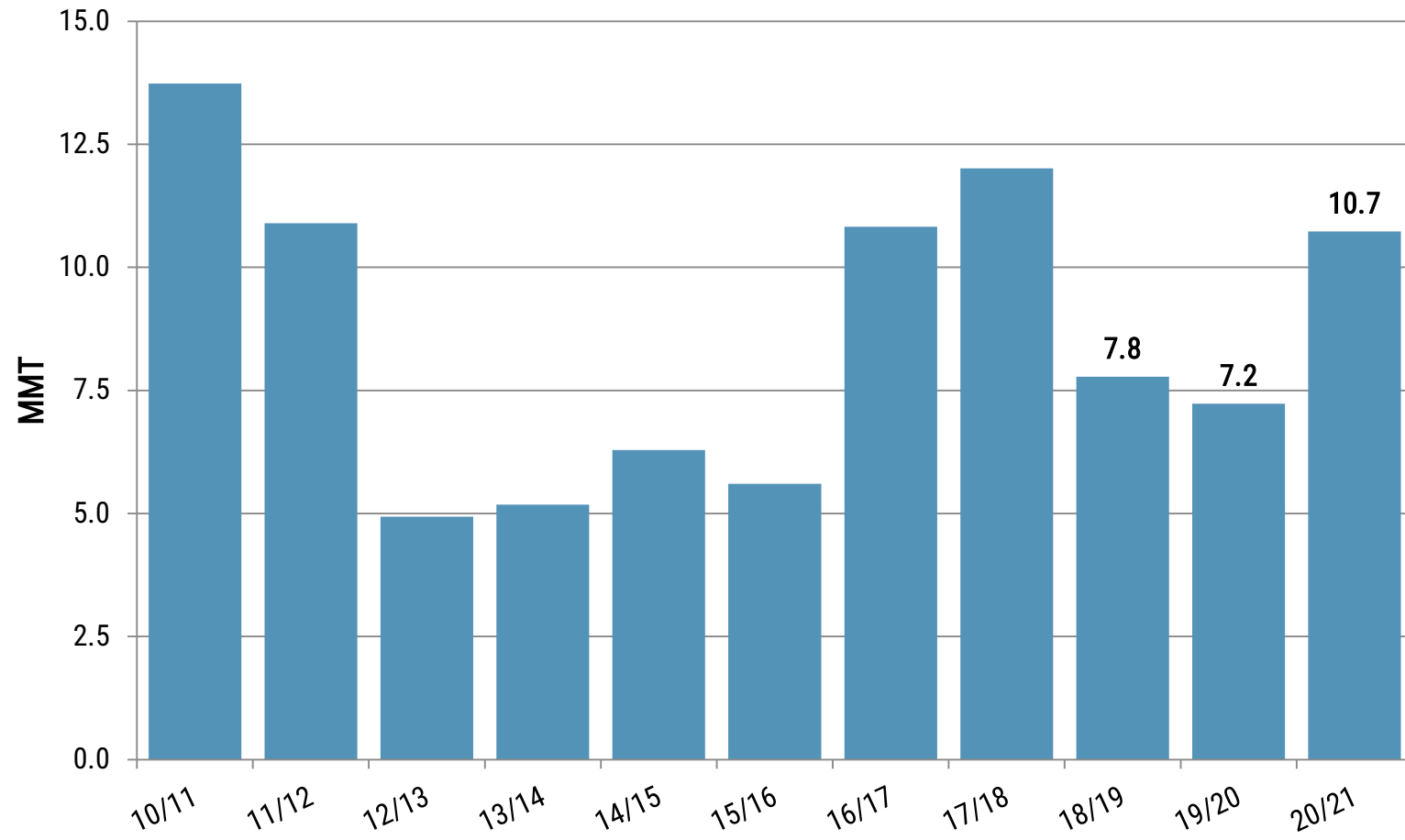
EU Ending Stocks



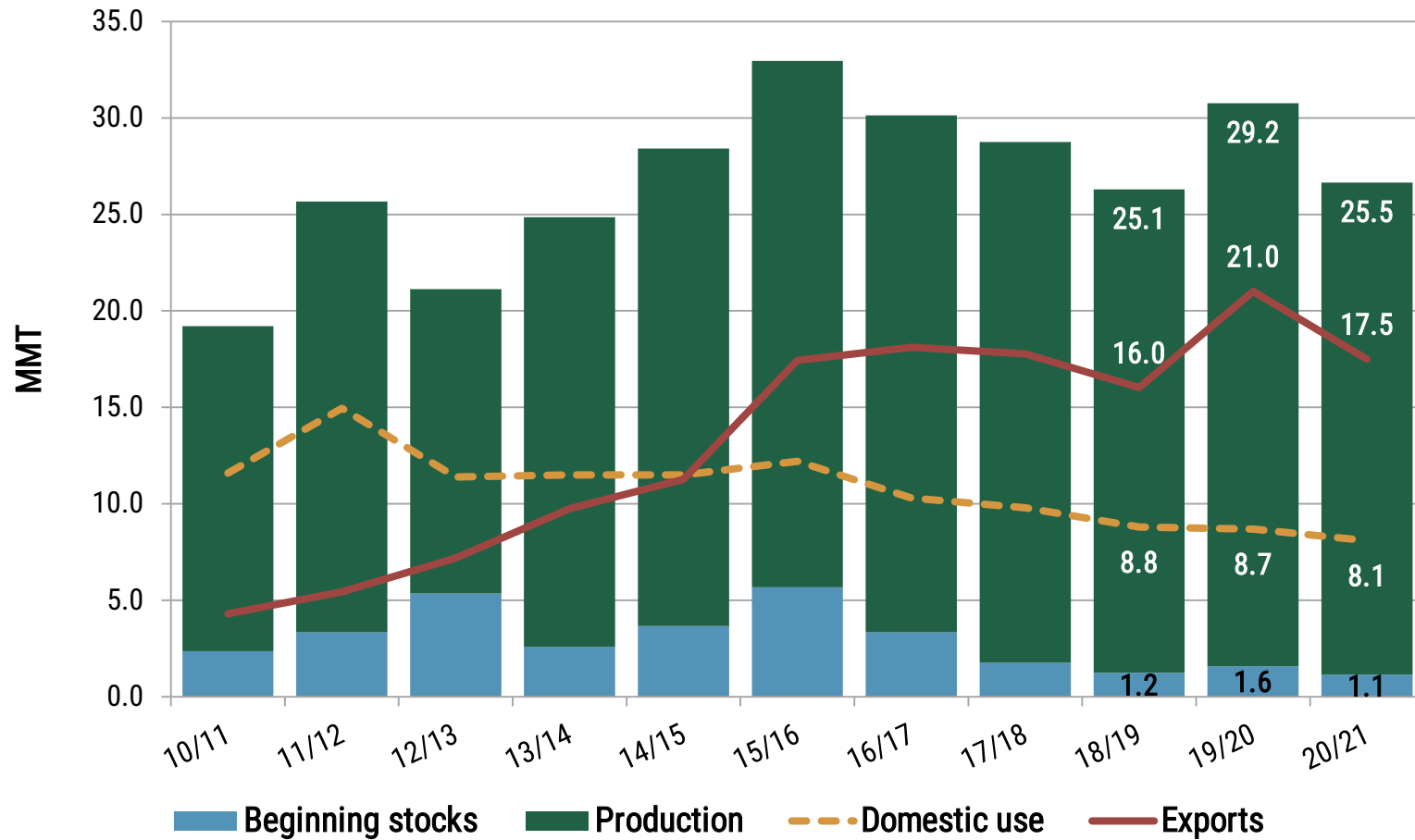
Russia Situation



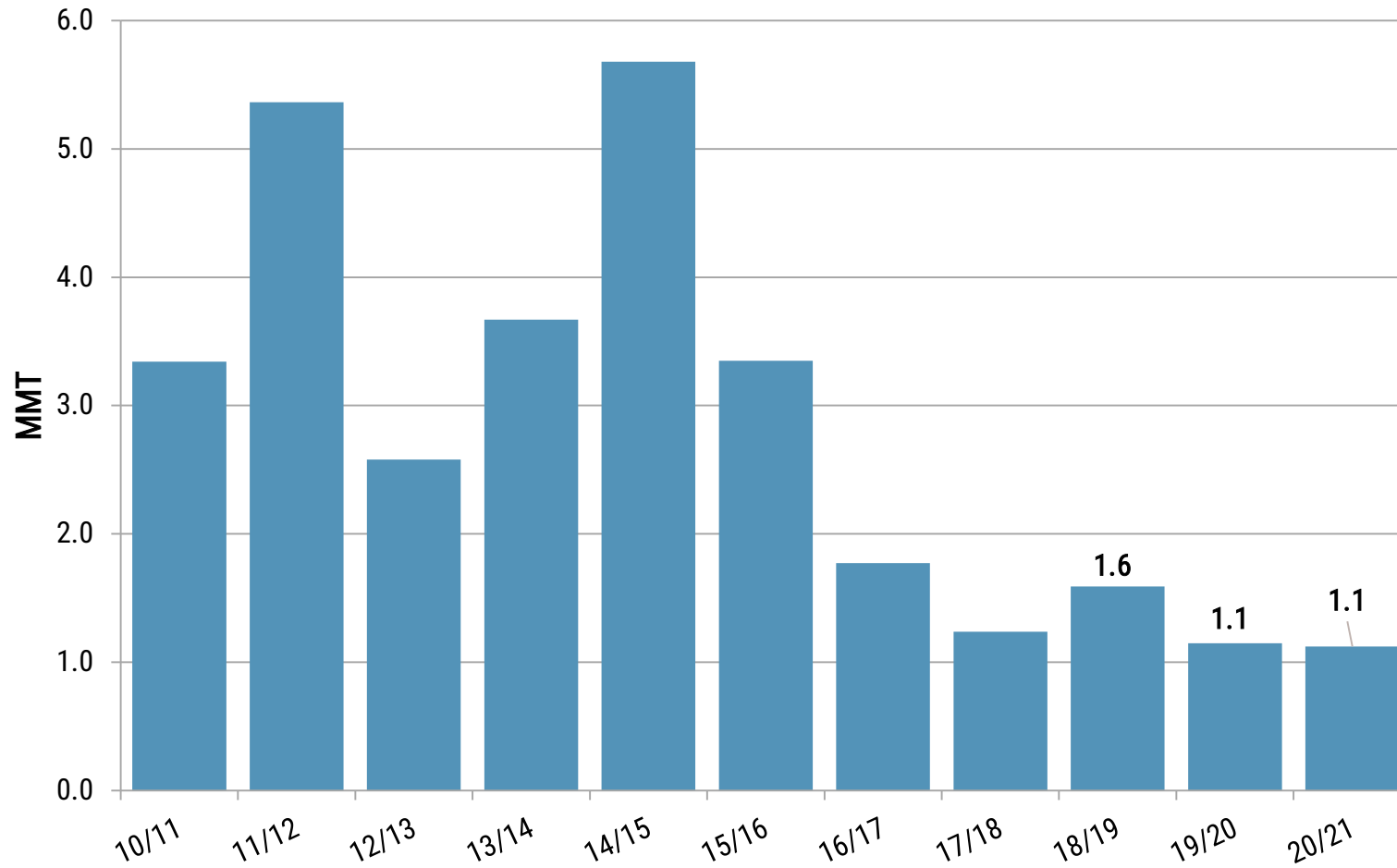
Russia Ending Stocks



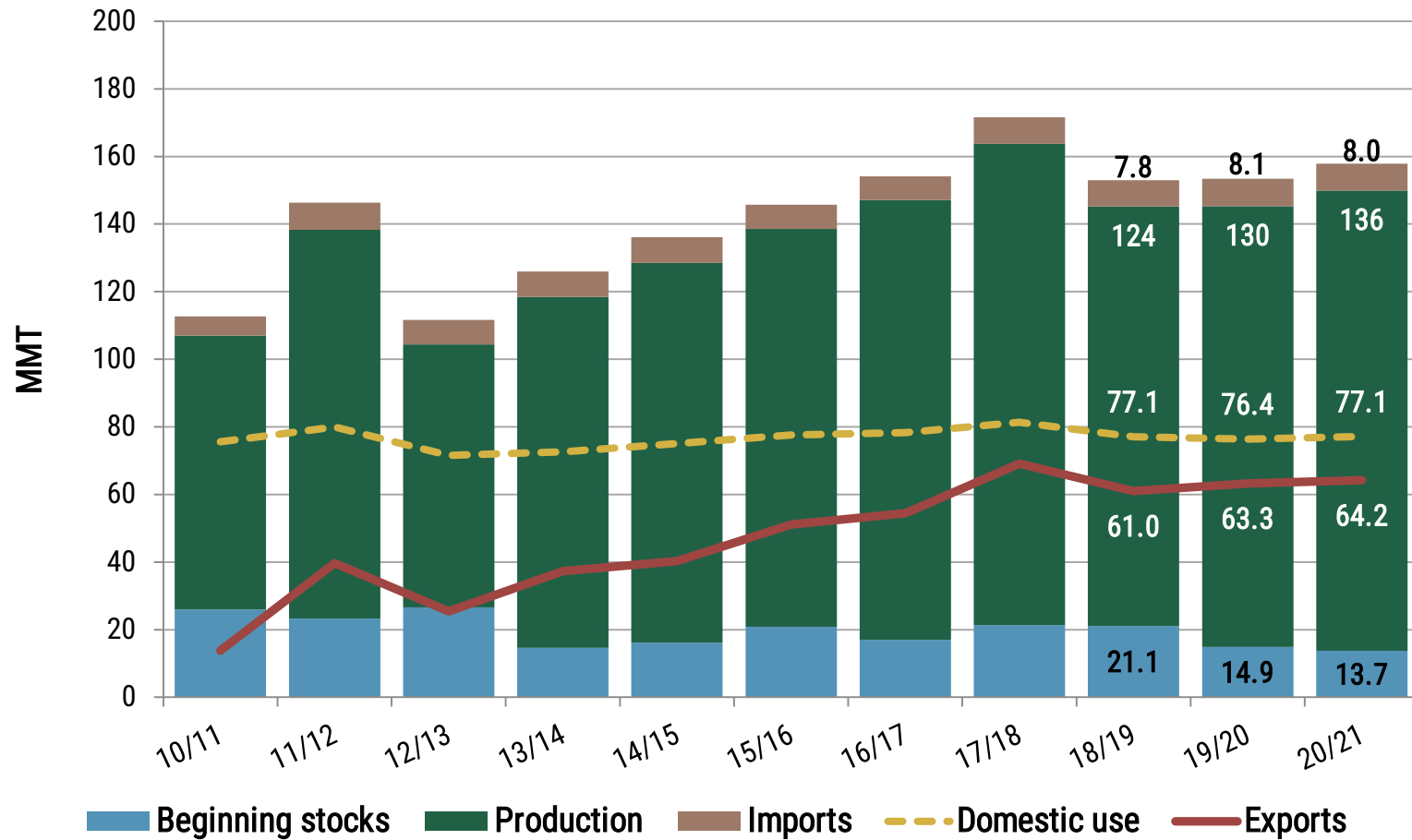
Ukraine Situation



Ukraine Ending Stocks

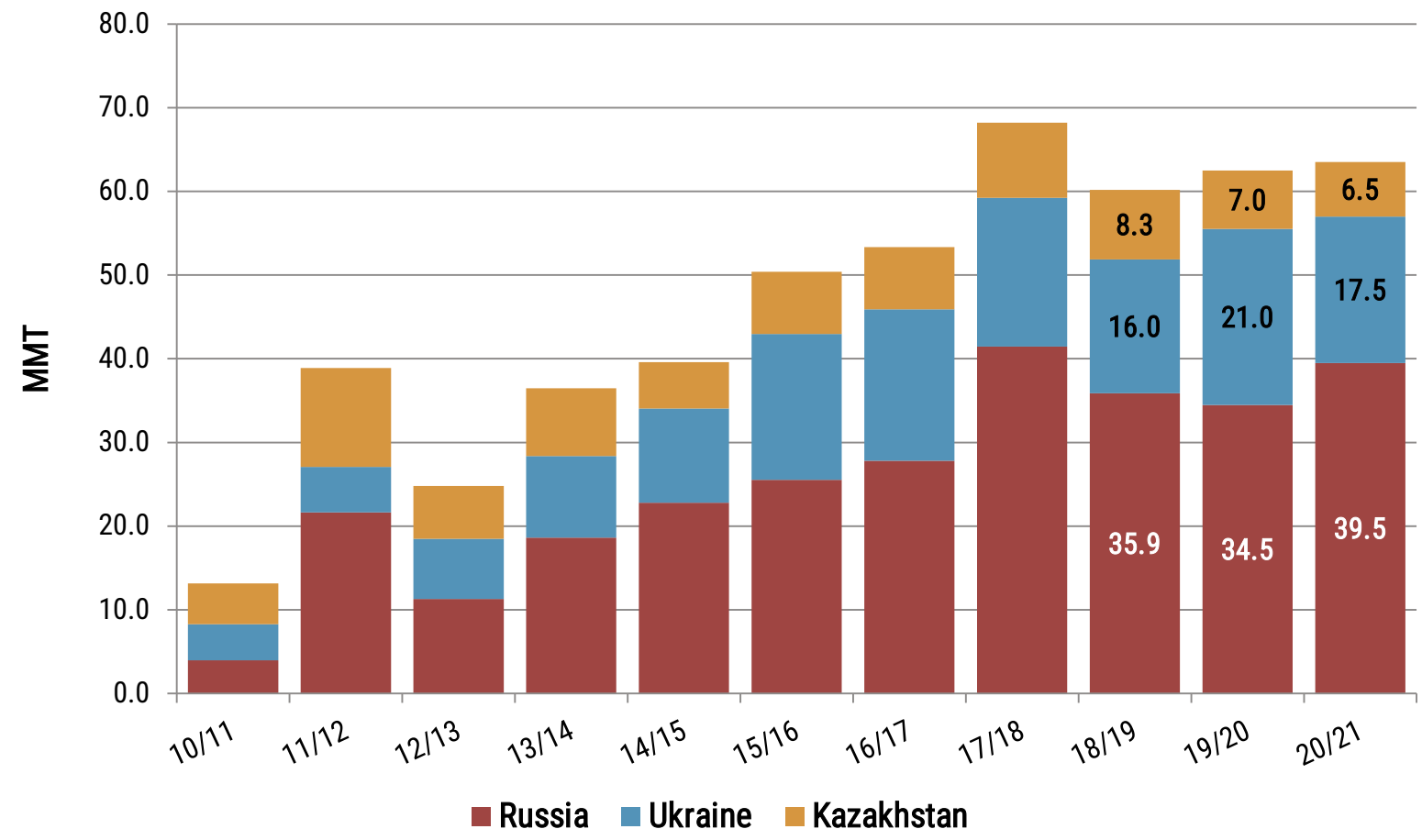


Black Sea Region Situation



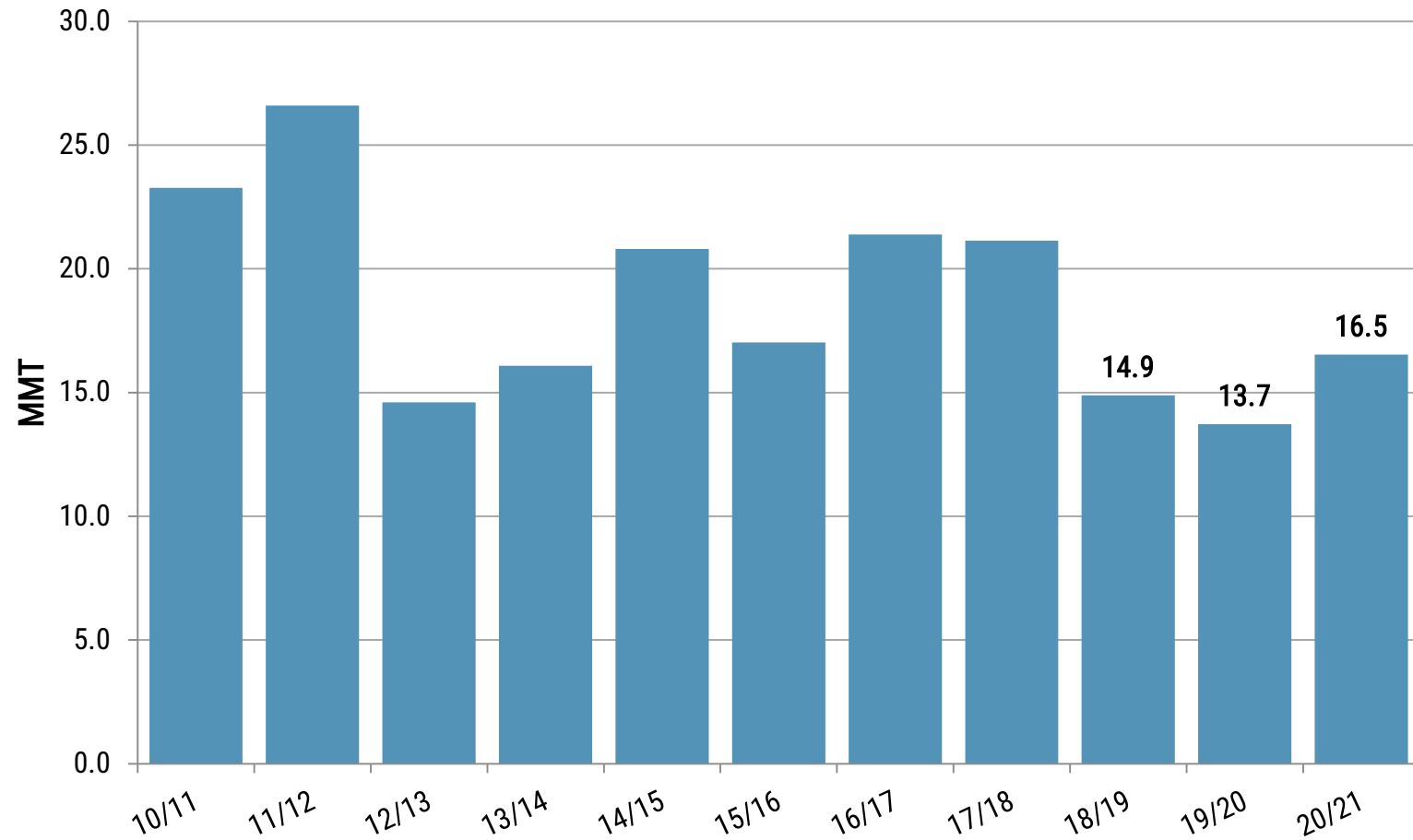
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports



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

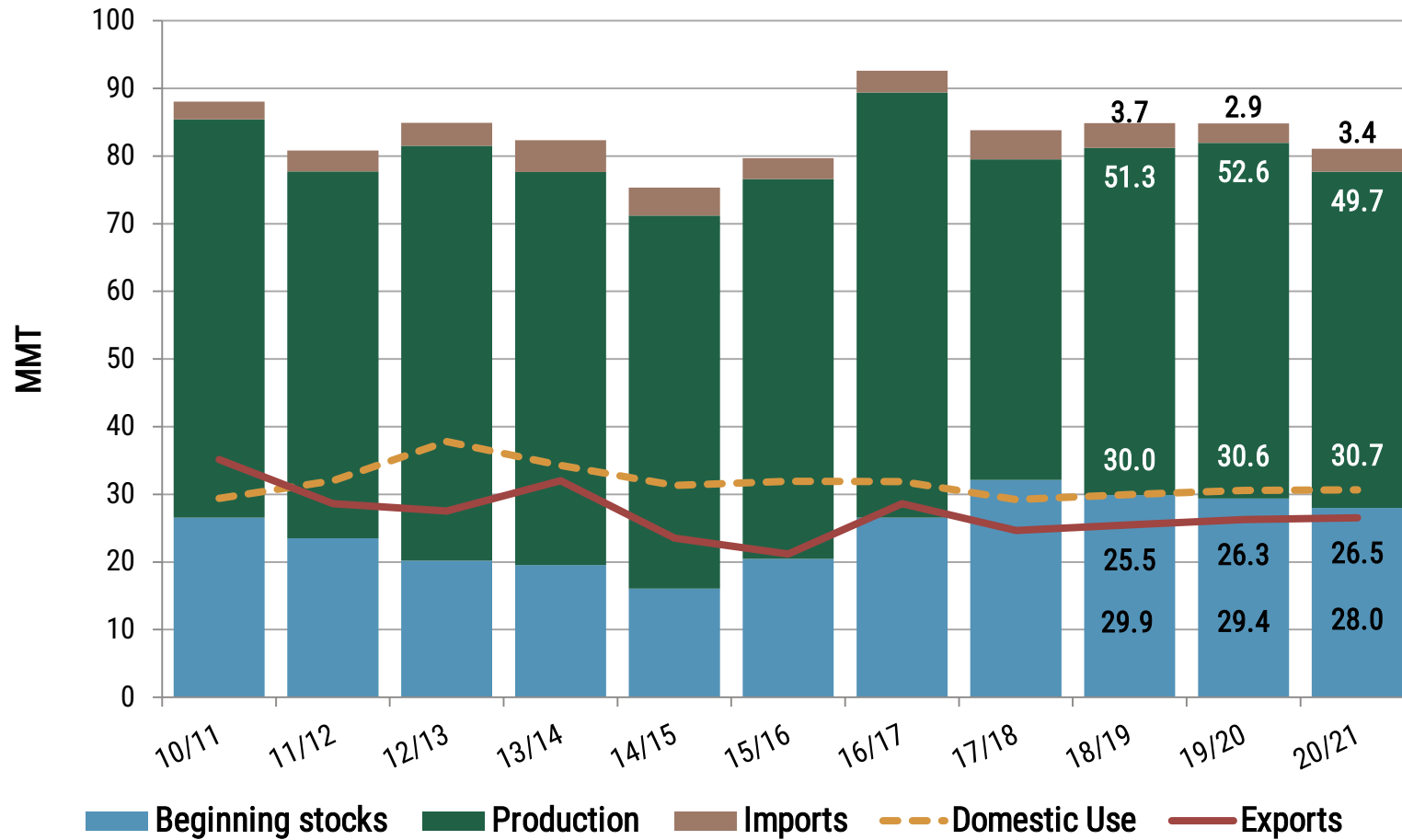
Black Sea Ending Stocks



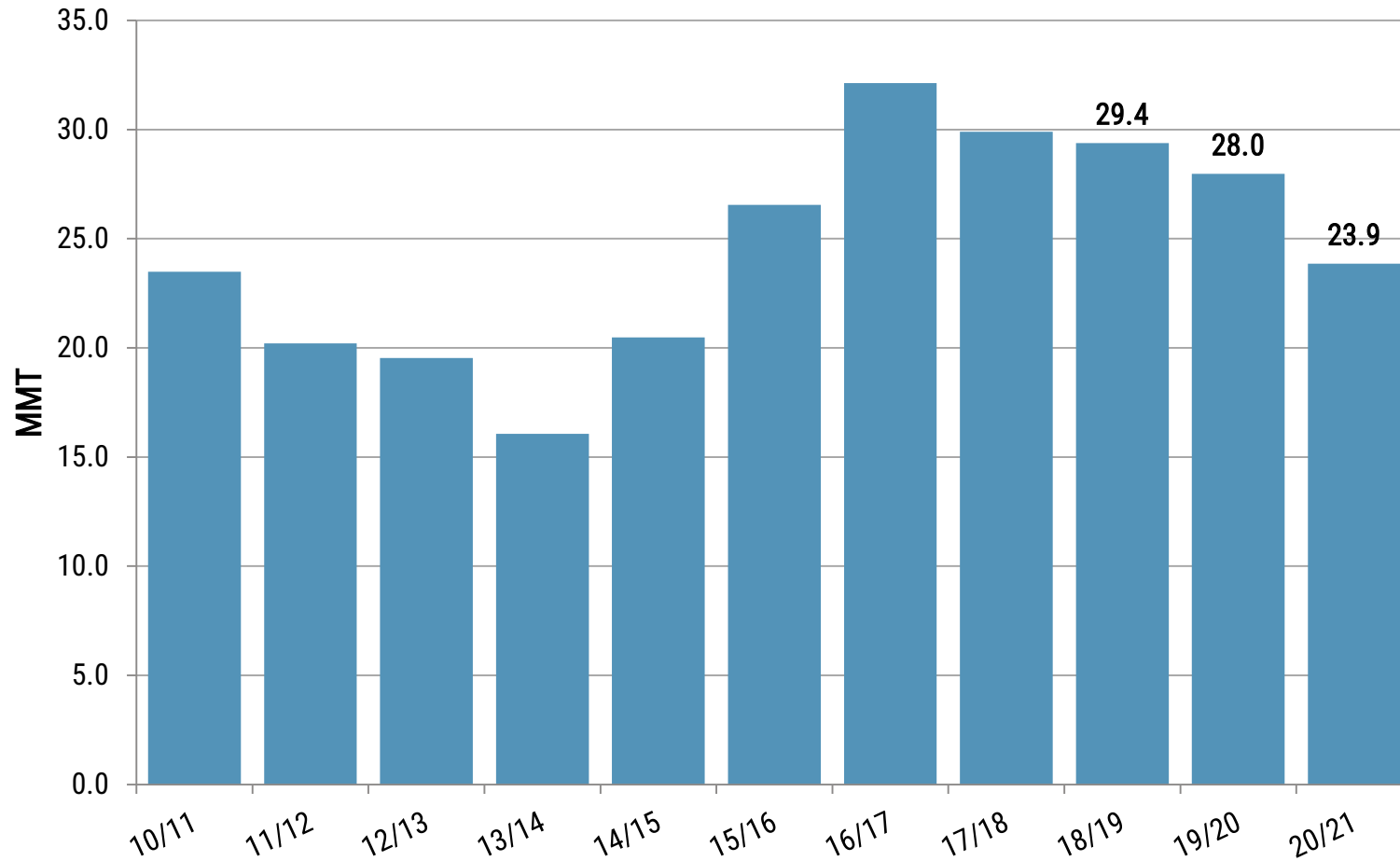
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U.S. Situation



U.S. Ending Stocks

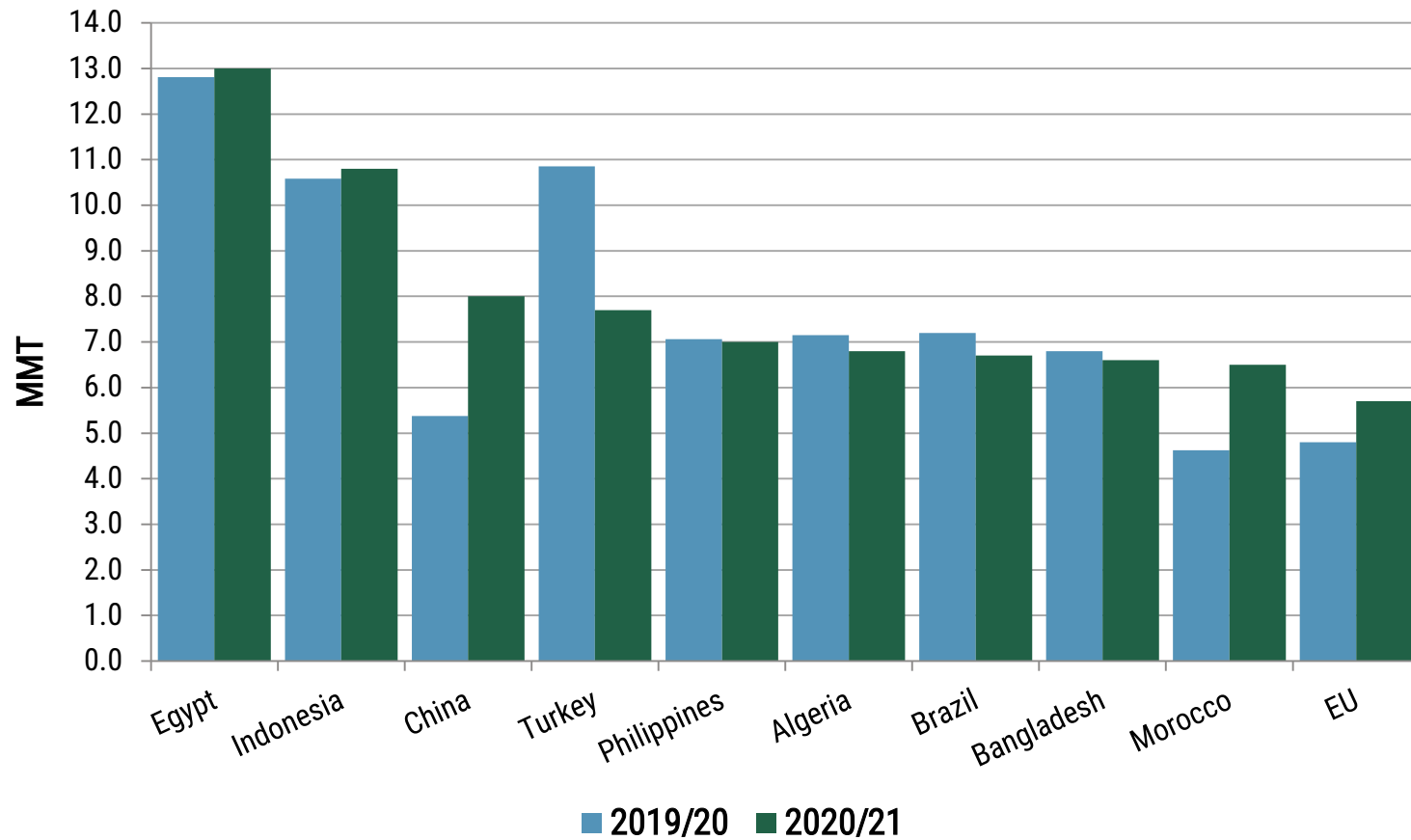




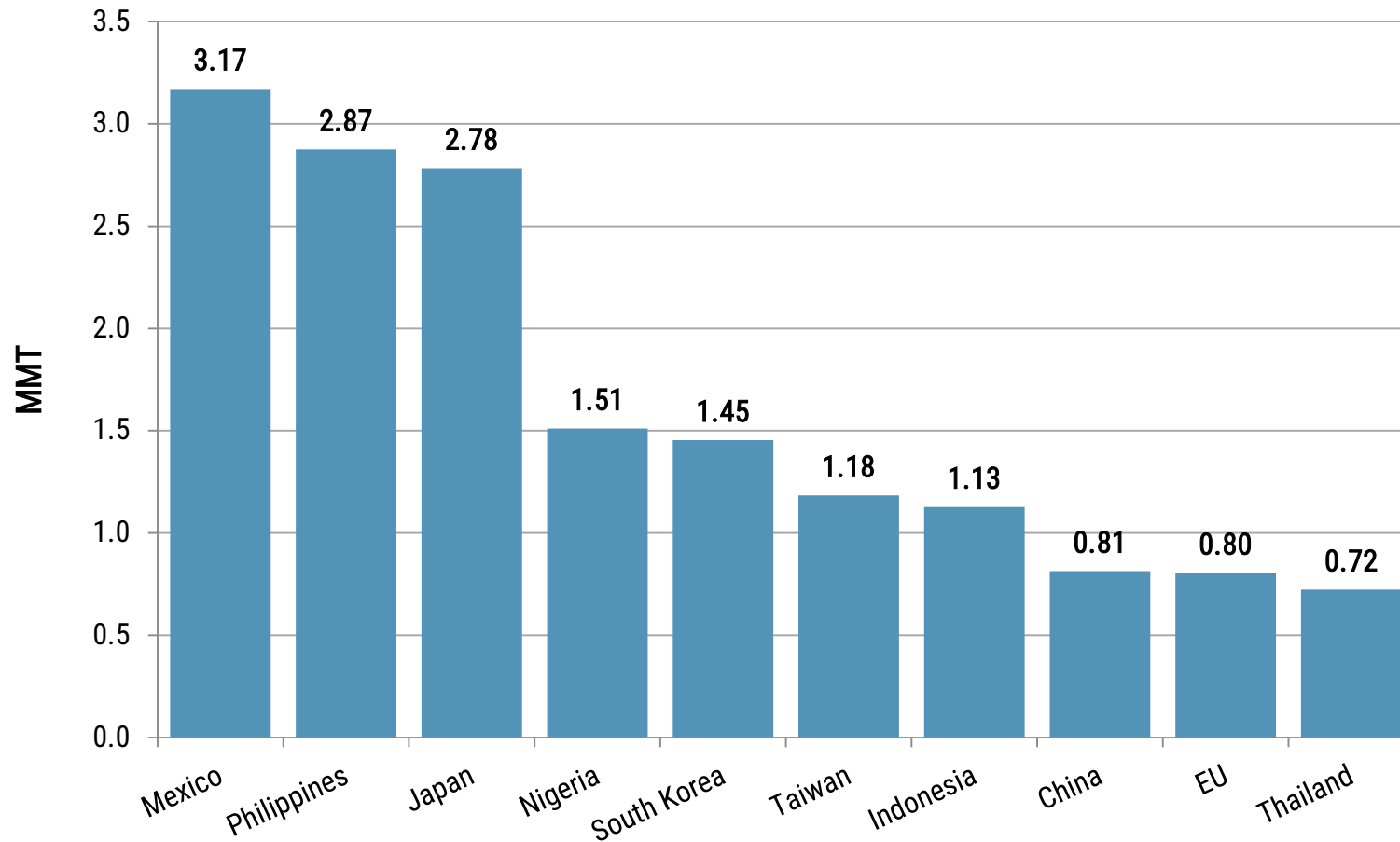
02

Import Demand

Major World Wheat Importers



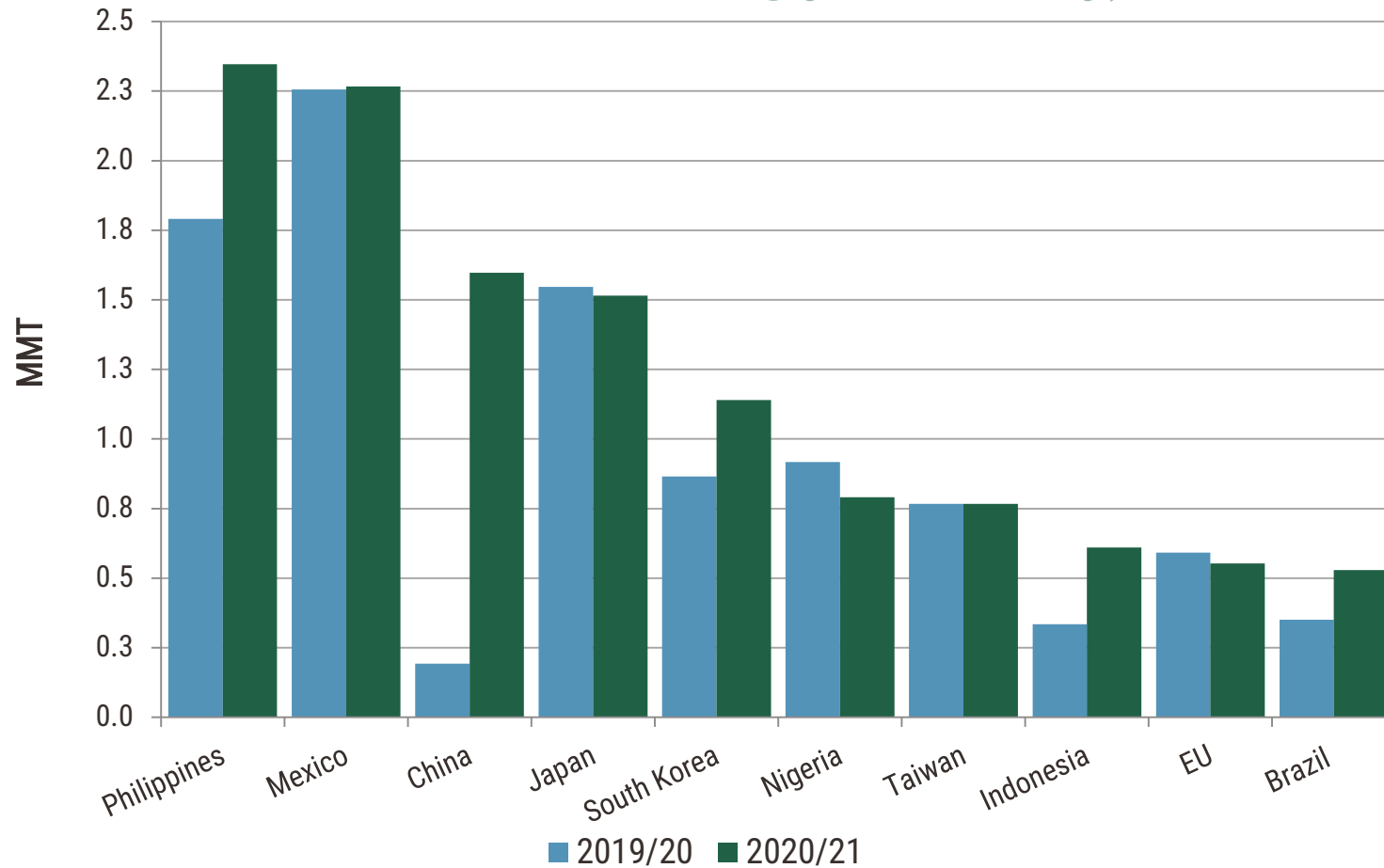
Top 10 Customers for U.S. Wheat (5-year average)



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



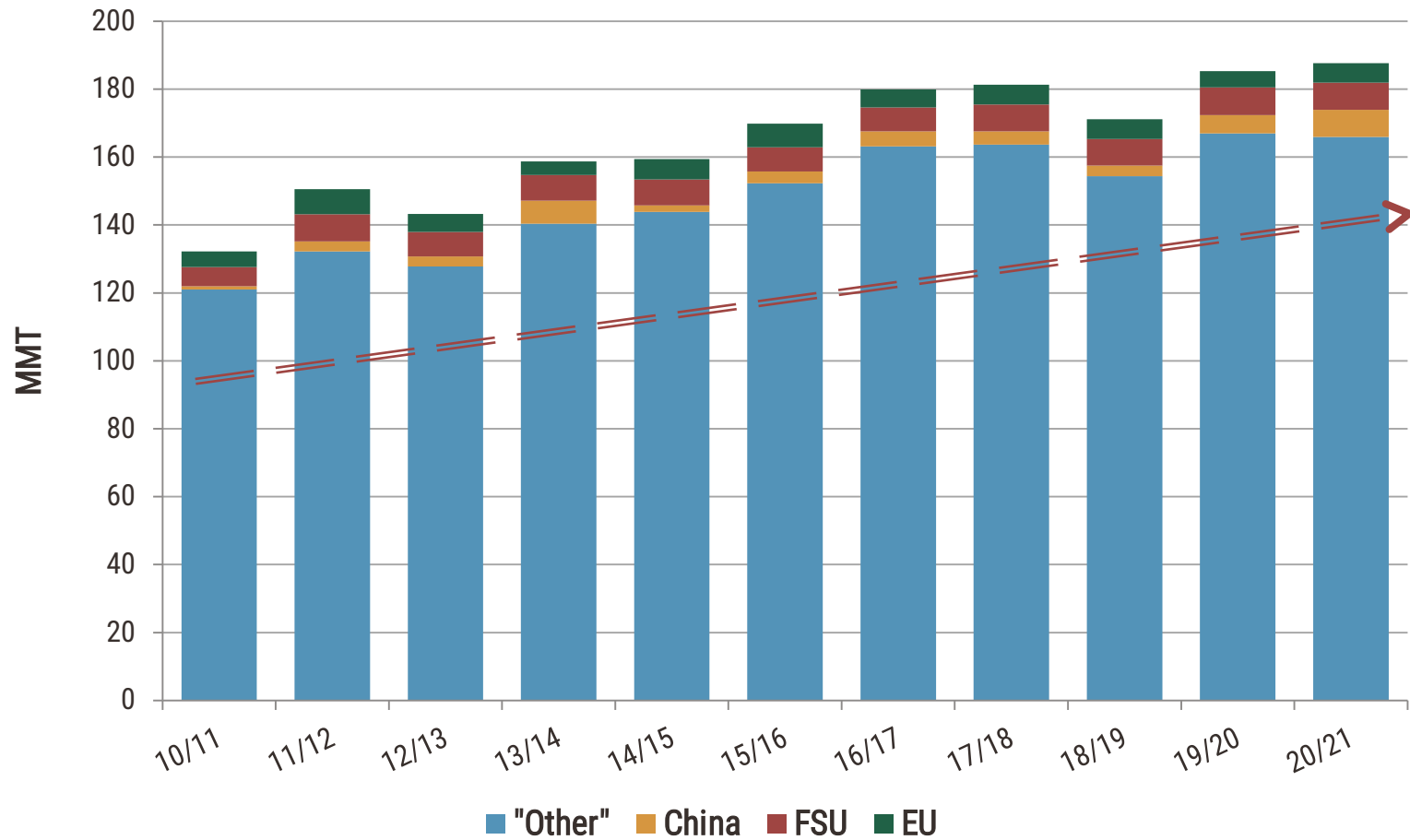
Top 10 Customers for U.S. Wheat (year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of October 29, 2020



World Wheat Imports

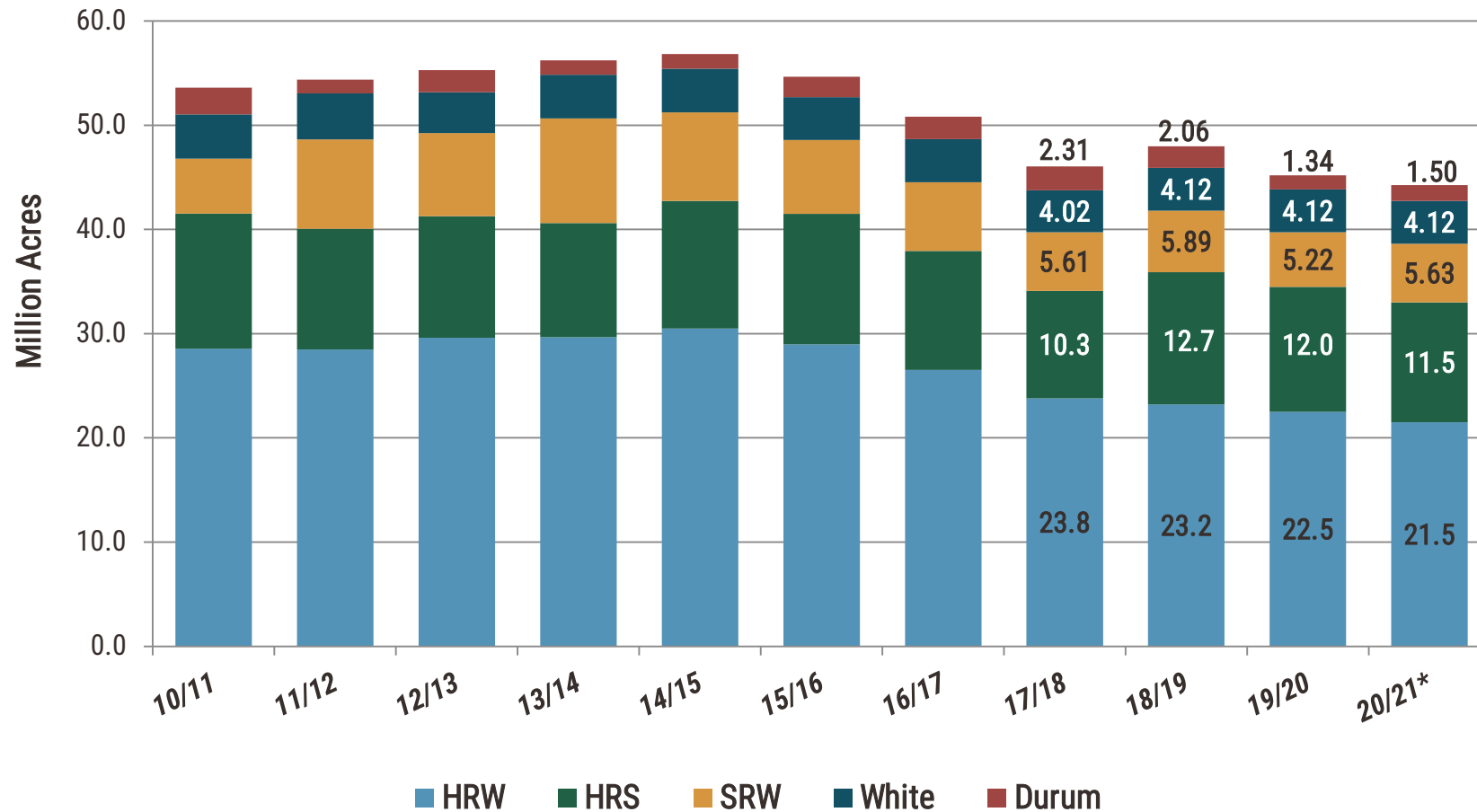




03

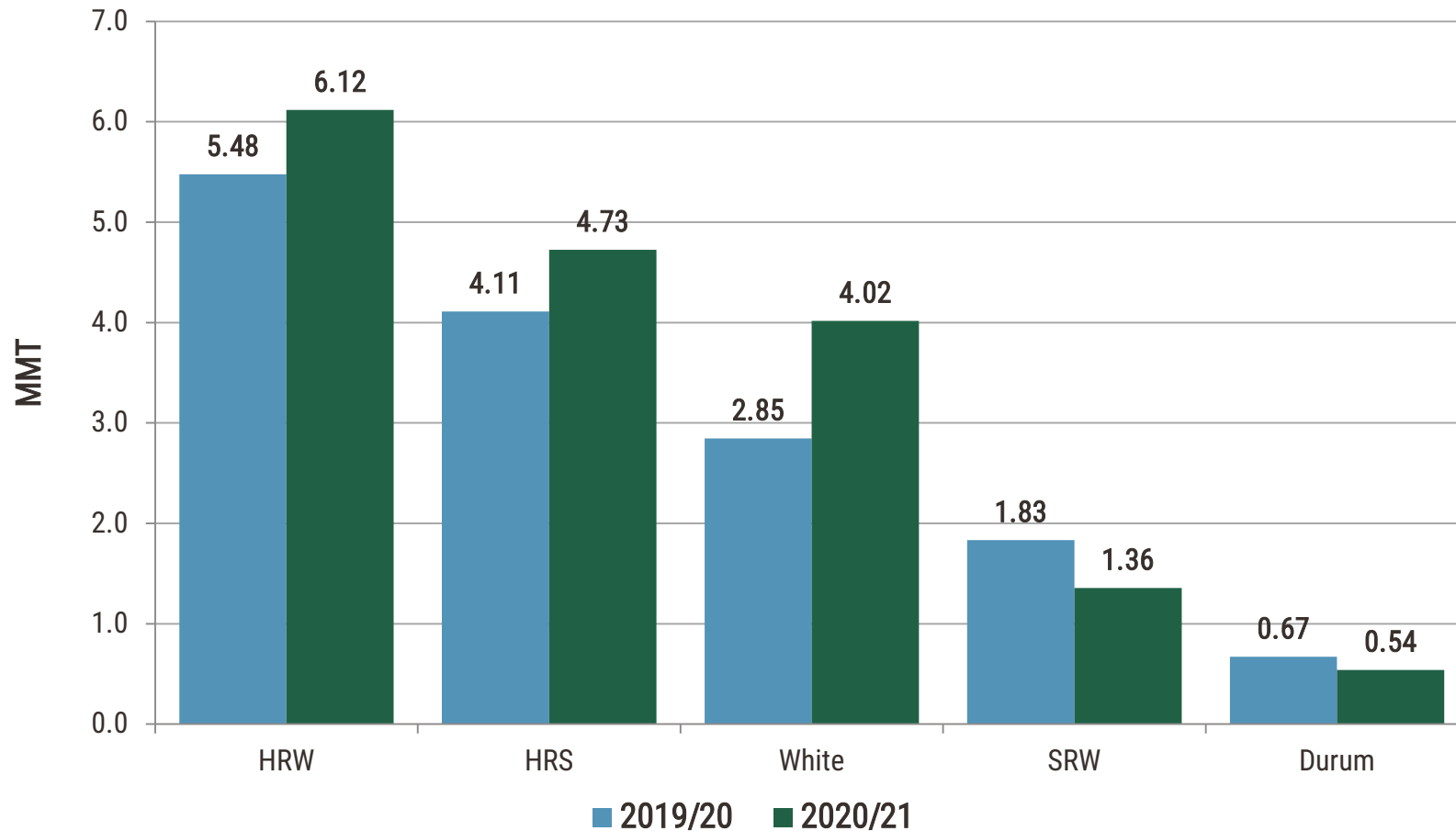
U.S. Situation by Class

U.S. Wheat Planted Area



*Source: June 2020 USDA Acreage Report

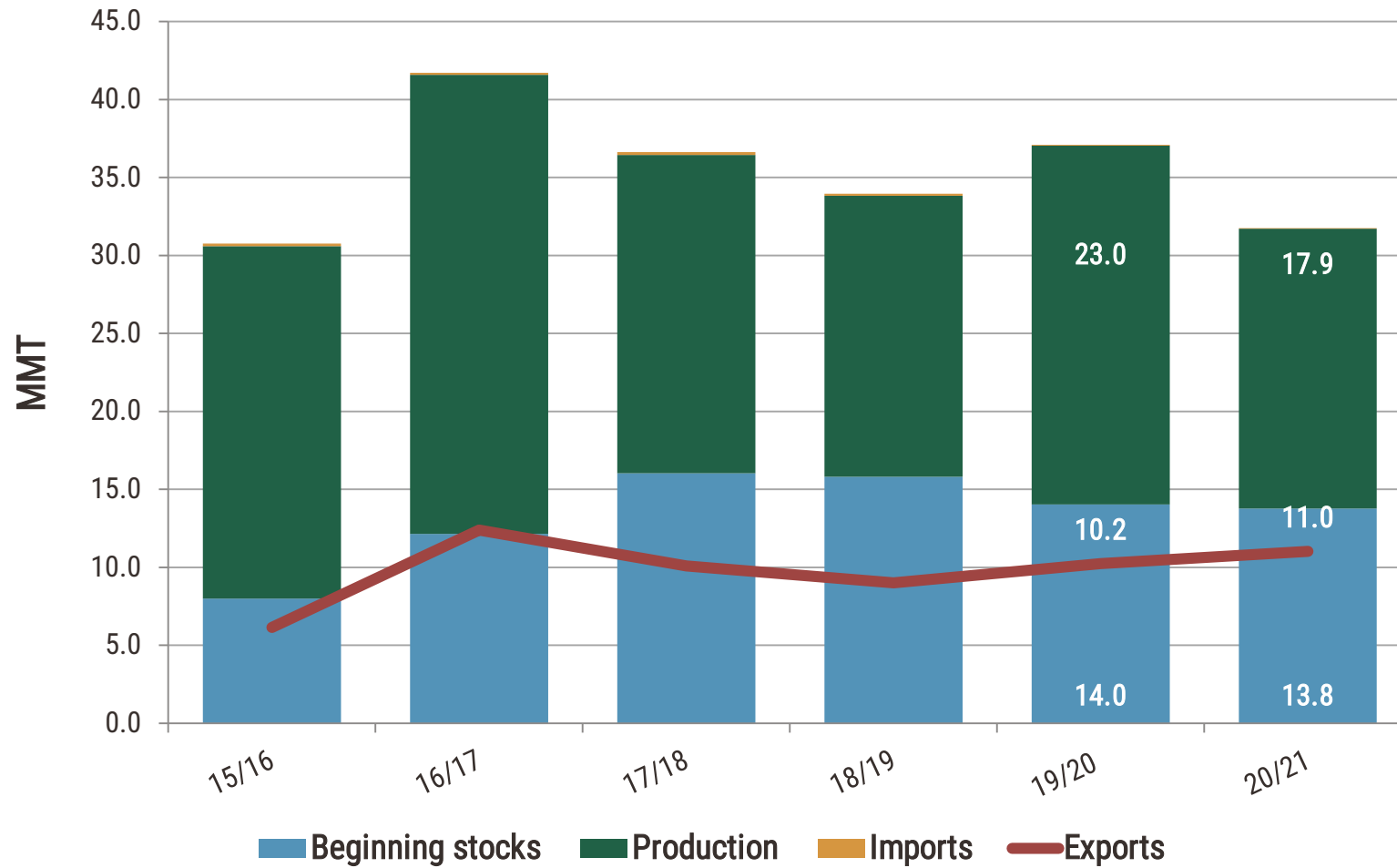
U.S. Wheat Sales by Class (year-to-date sales for current marketing year delivery)



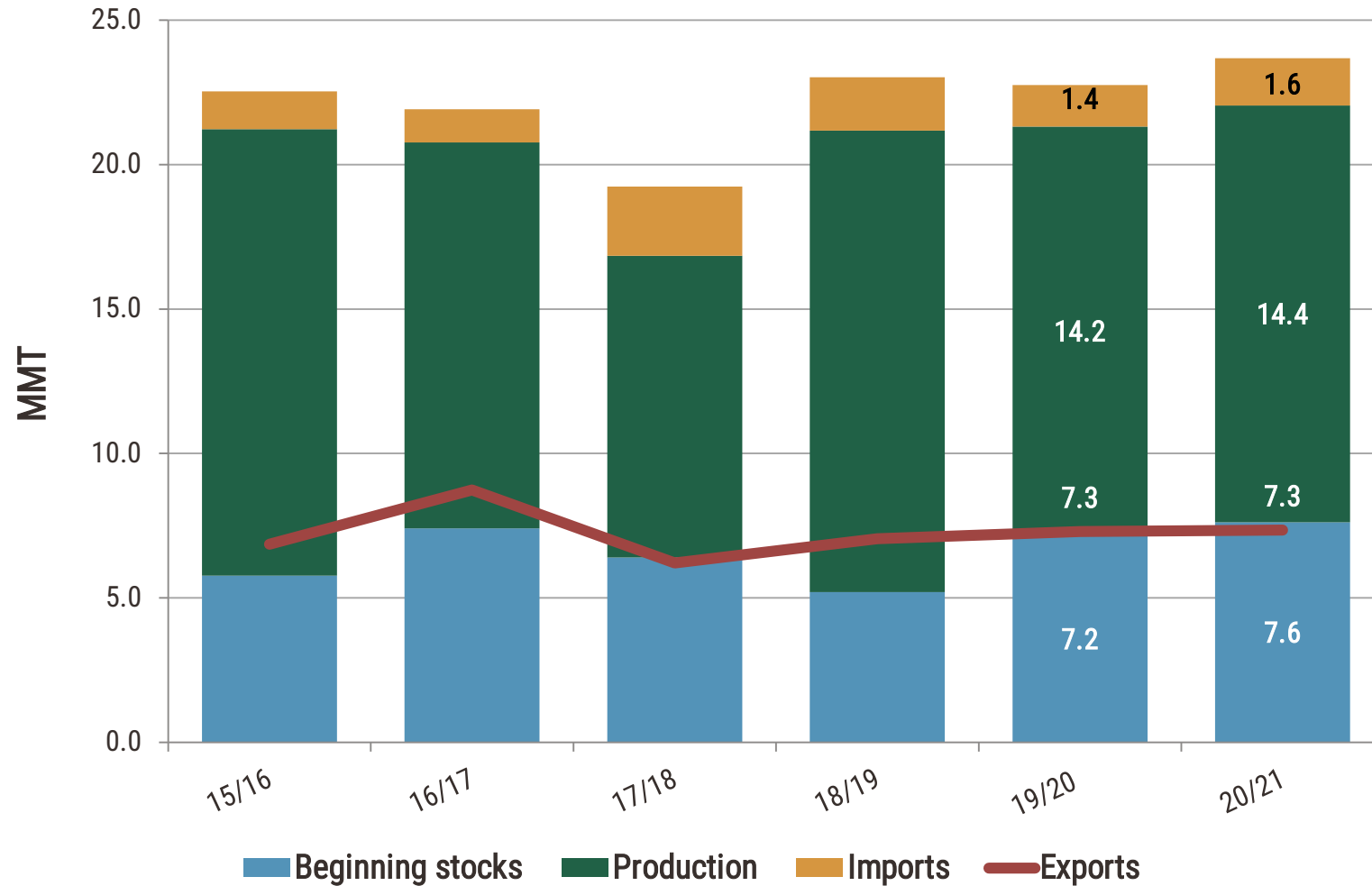
Source: USDA FAS export sales data as of October 29, 2020



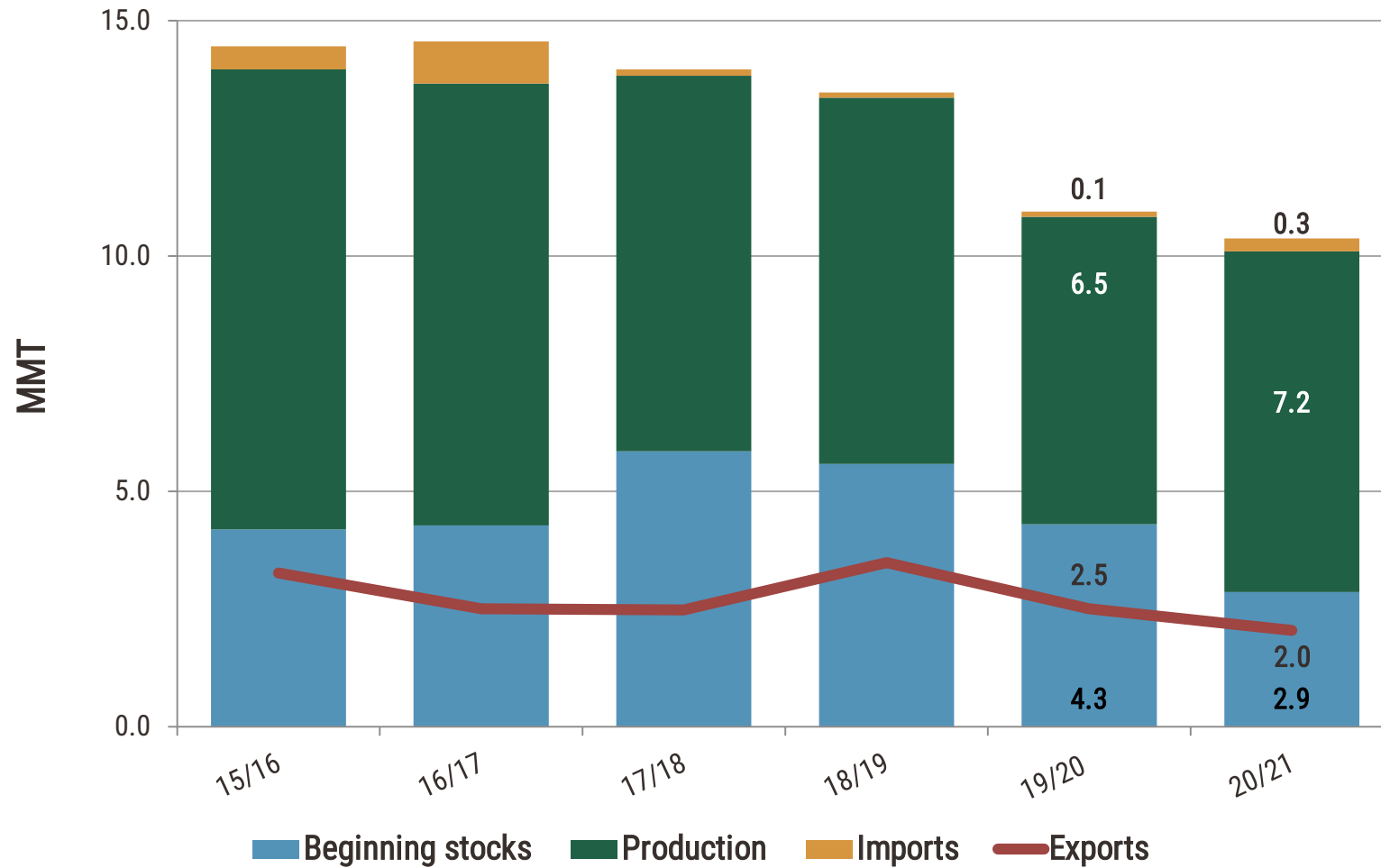
U.S. Hard Red Winter



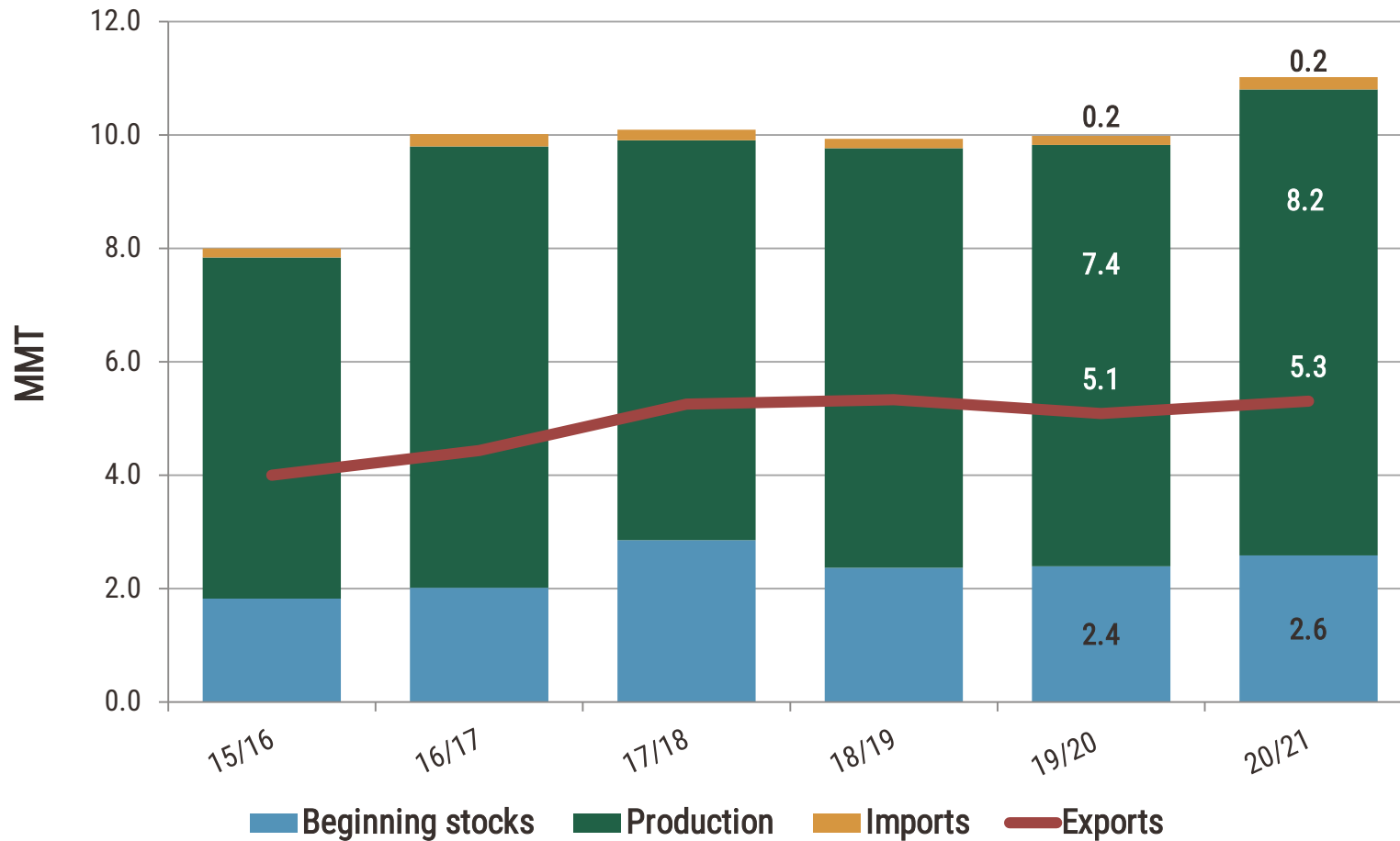
U.S. Hard Red Spring



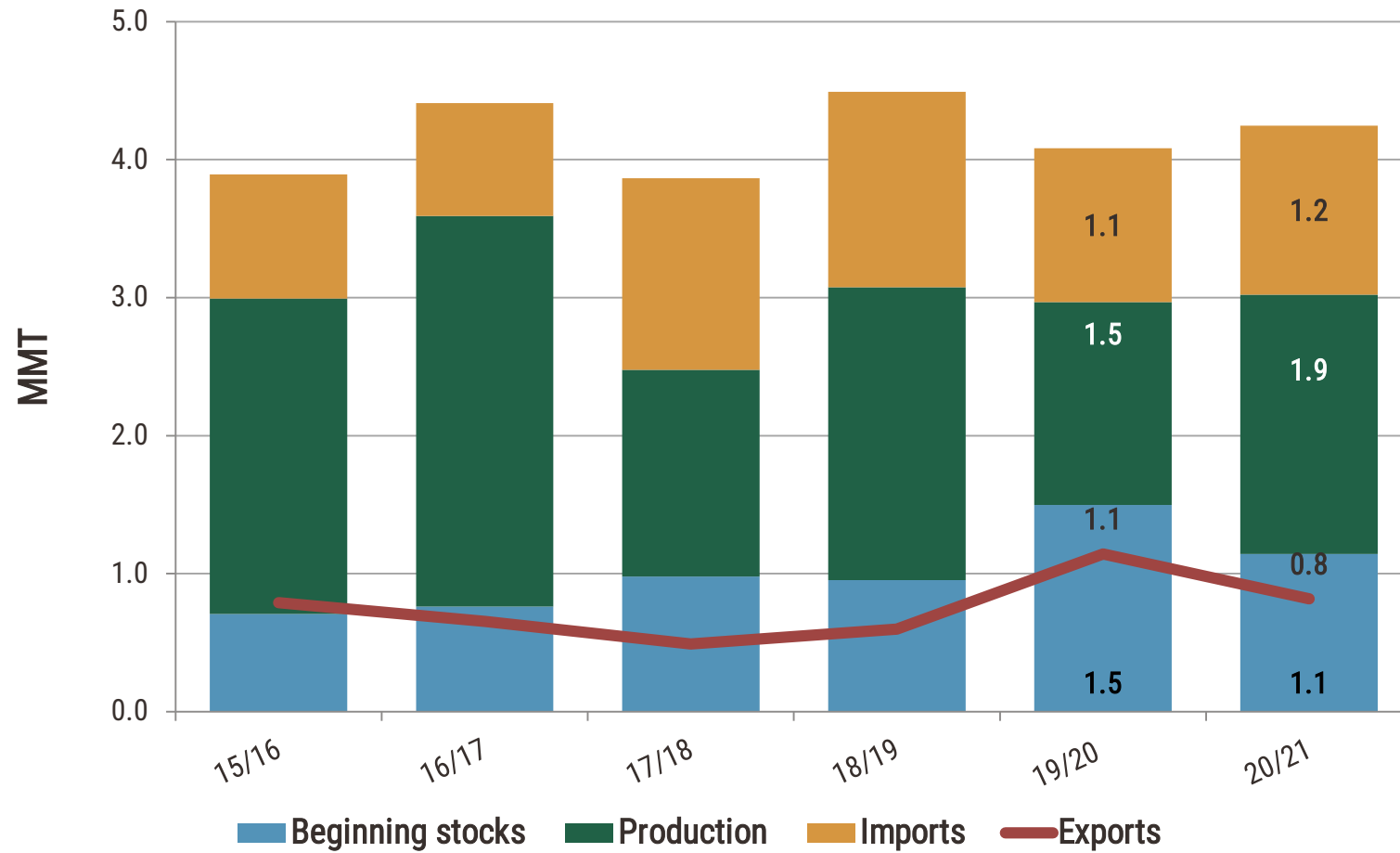
U.S. Soft Red Winter



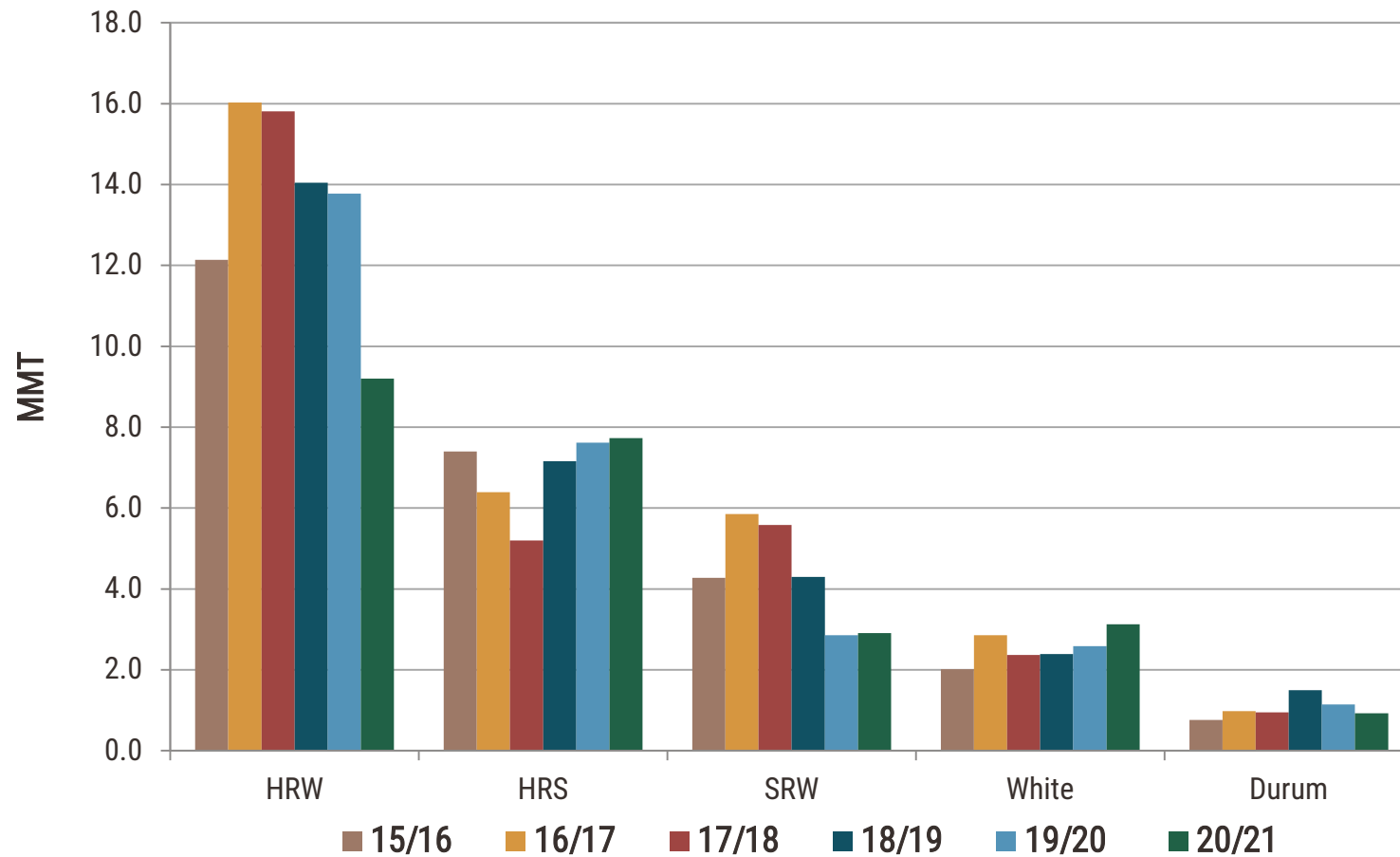
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



U.S. Wheat Supply and Demand (MMT)

	HRW		HRS		SRW	
	19/20	20/21	19/20	20/21	19/20	20/21
Beginning Stocks	14.0	13.8	7.16	7.62	4.30	2.86
Production	23.0	17.9	14.2	14.4	6.53	7.24
Supply Total	37.1	31.8	22.8	23.7	10.94	10.4
Domestic Use	13.1	11.5	7.84	8.63	5.55	5.44
Exports	10.2	11.0	7.29	7.35	2.50	2.04
Use Total	23.3	22.6	15.1	16.0	8.08	7.48
Ending Stocks	13.8	9.2	7.62	7.73	2.86	2.91
Stocks-to-Use	59%	41%	50%	48%	35%	39%

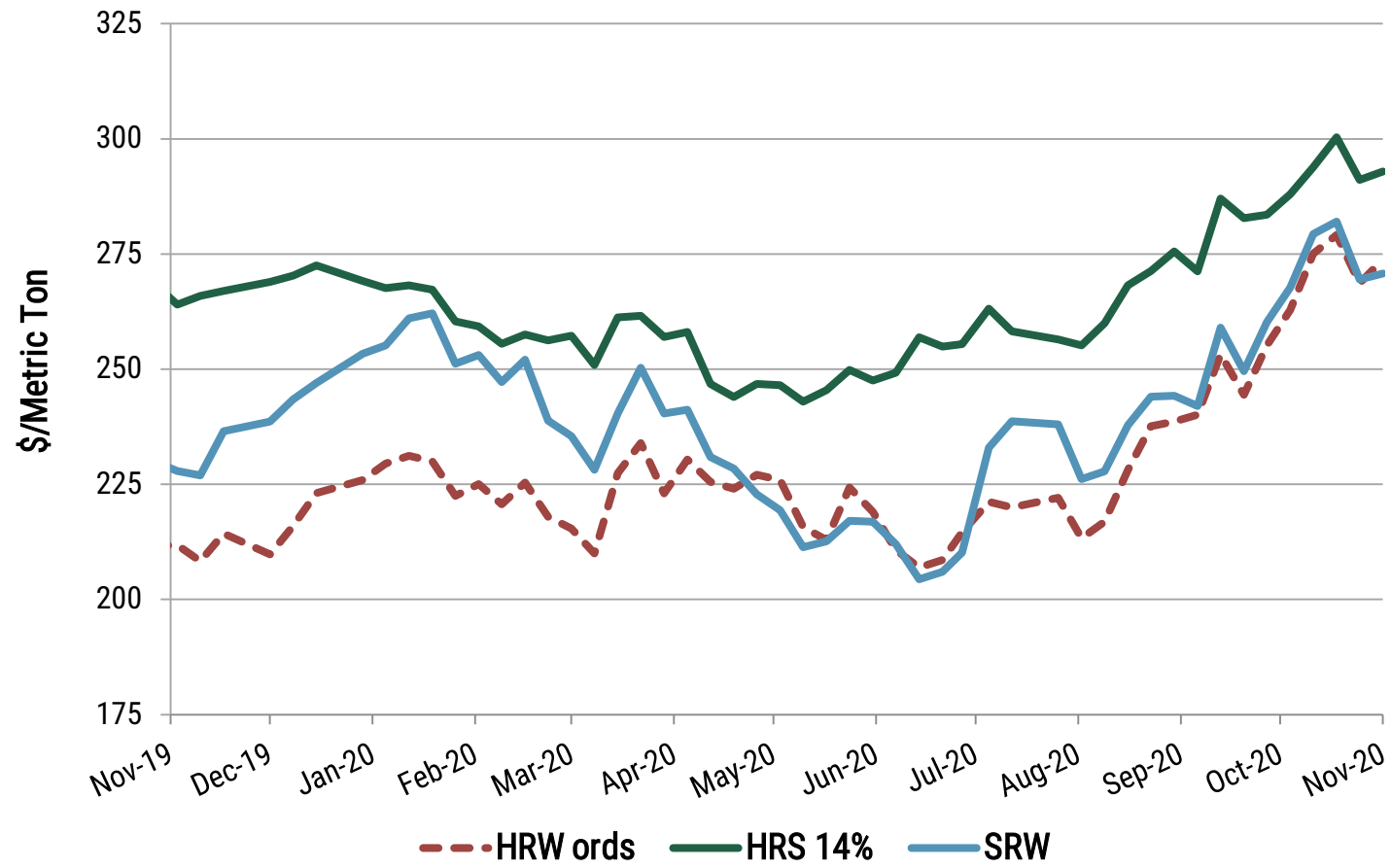


U.S. Wheat Supply and Demand (MMT)

	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	1.14	29.4	28.0
Production	7.43	8.22	1.47	1.88	52.6	49.7
Supply Total	10.0	11.02	4.08	4.25	84.8	81.1
Domestic Use	2.31	2.59	1.80	2.50	30.6	30.7
Exports	5.09	5.31	1.14	0.82	26.3	26.5
Use Total	7.40	7.89	2.94	3.32	56.9	57.2
Ending Stocks	2.59	3.13	1.14	0.93	28.0	23.9
Stocks-to-Use	35%	40%	39%	28%	49%	42%

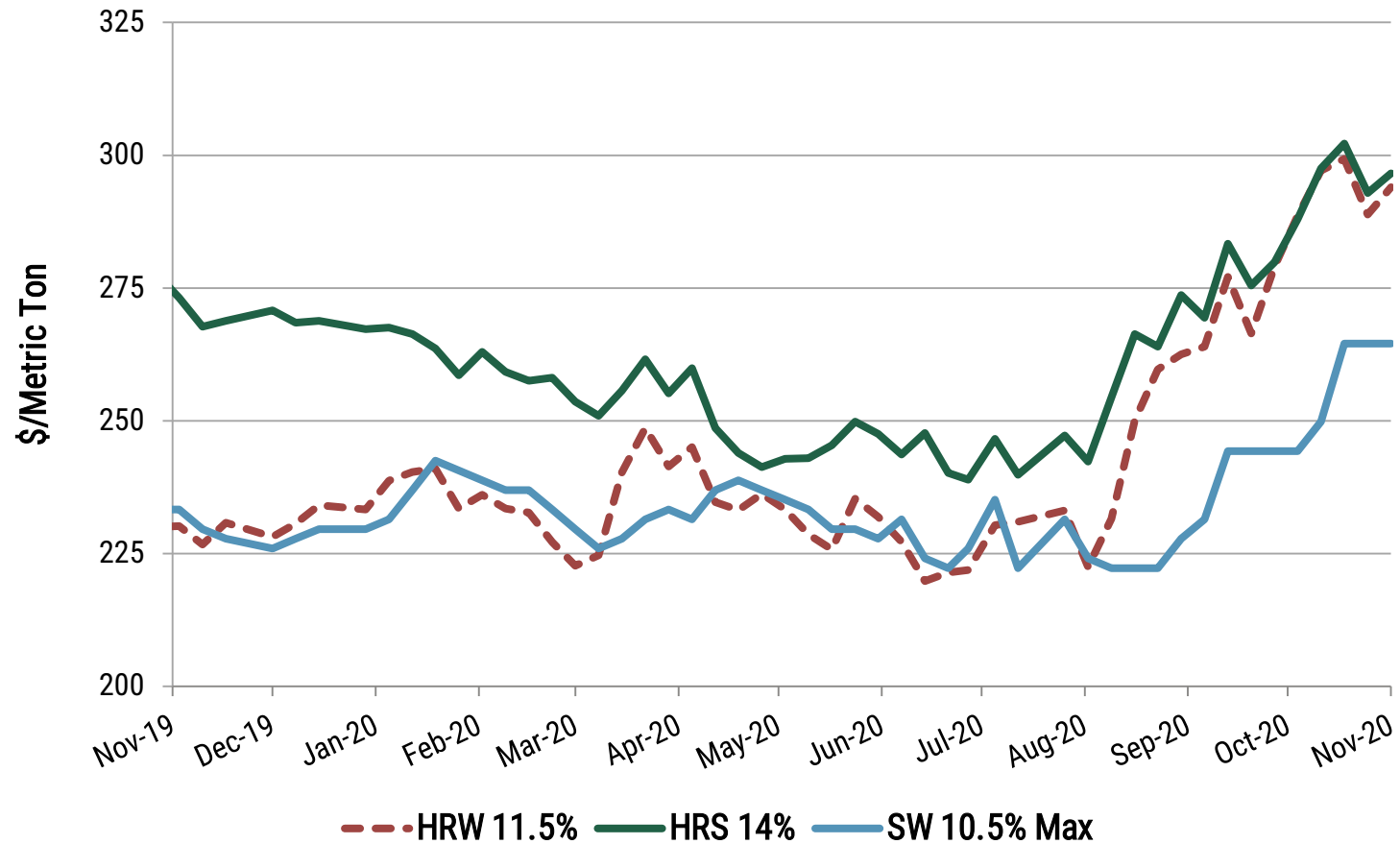


U.S. FOB Gulf Prices



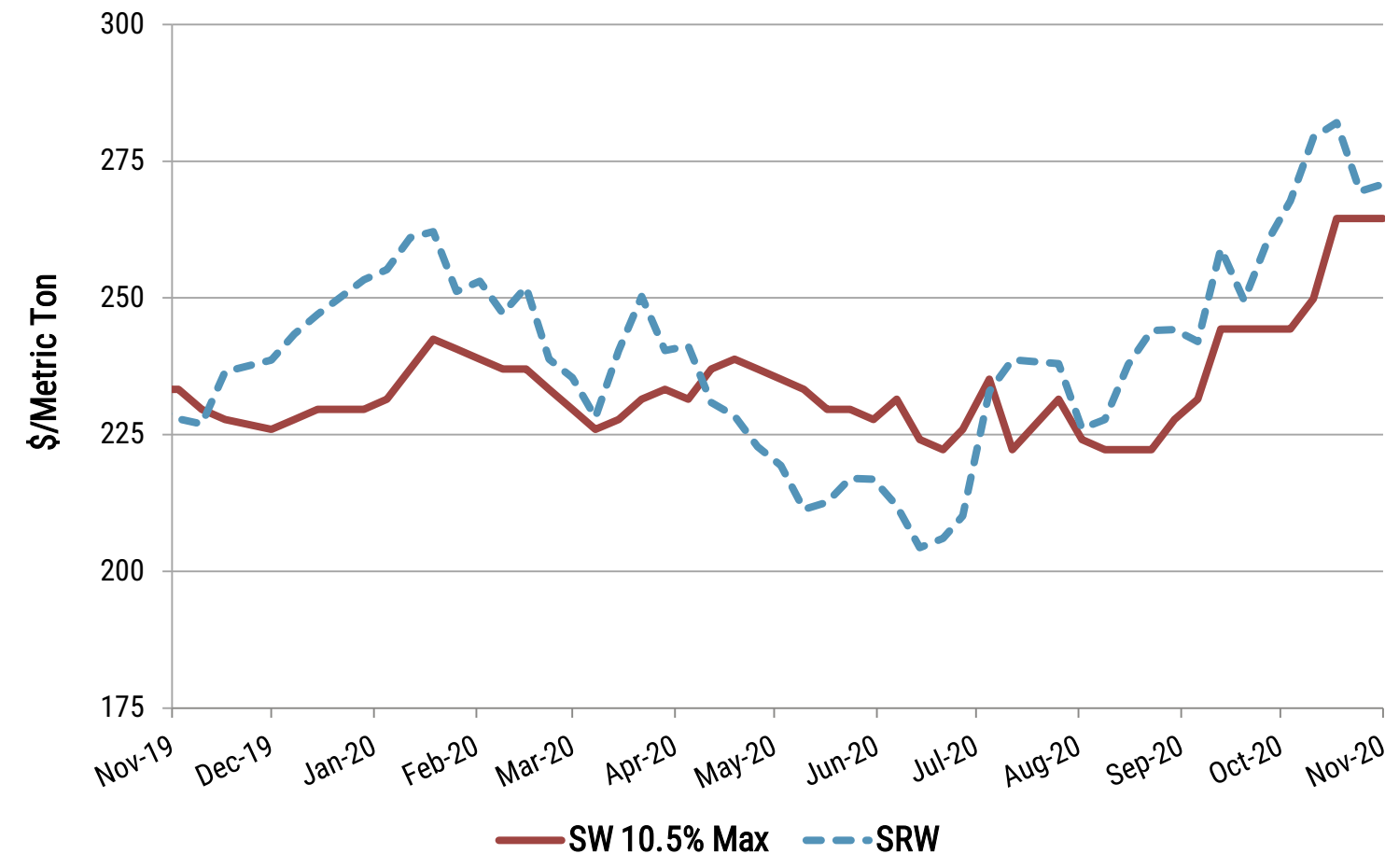
Source: U.S. Wheat Associates Price Report, November 6, 2020

U.S. FOB PNW Prices



Source: U.S. Wheat Associates Price Report, November 6, 2020

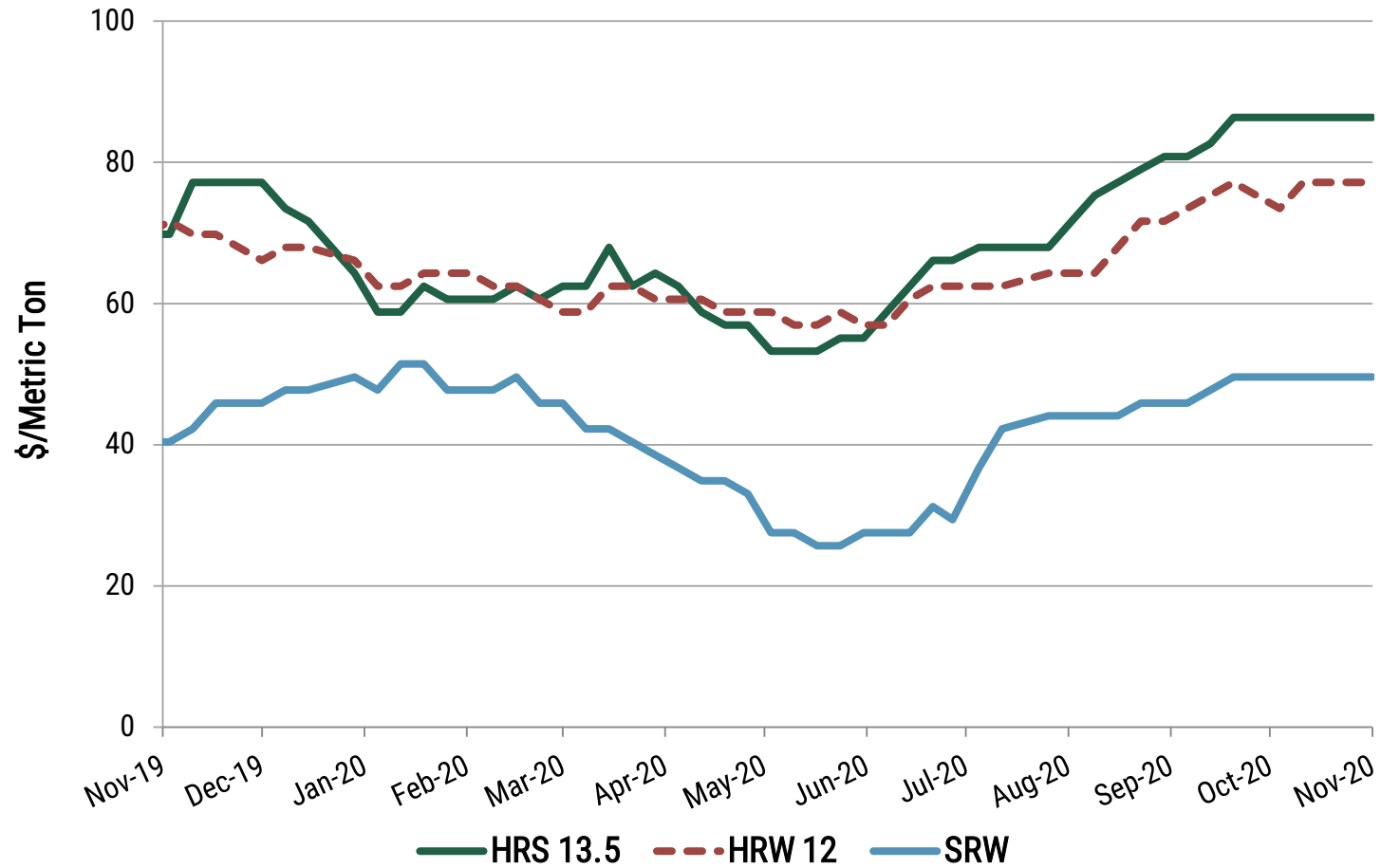
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, November 6, 2020



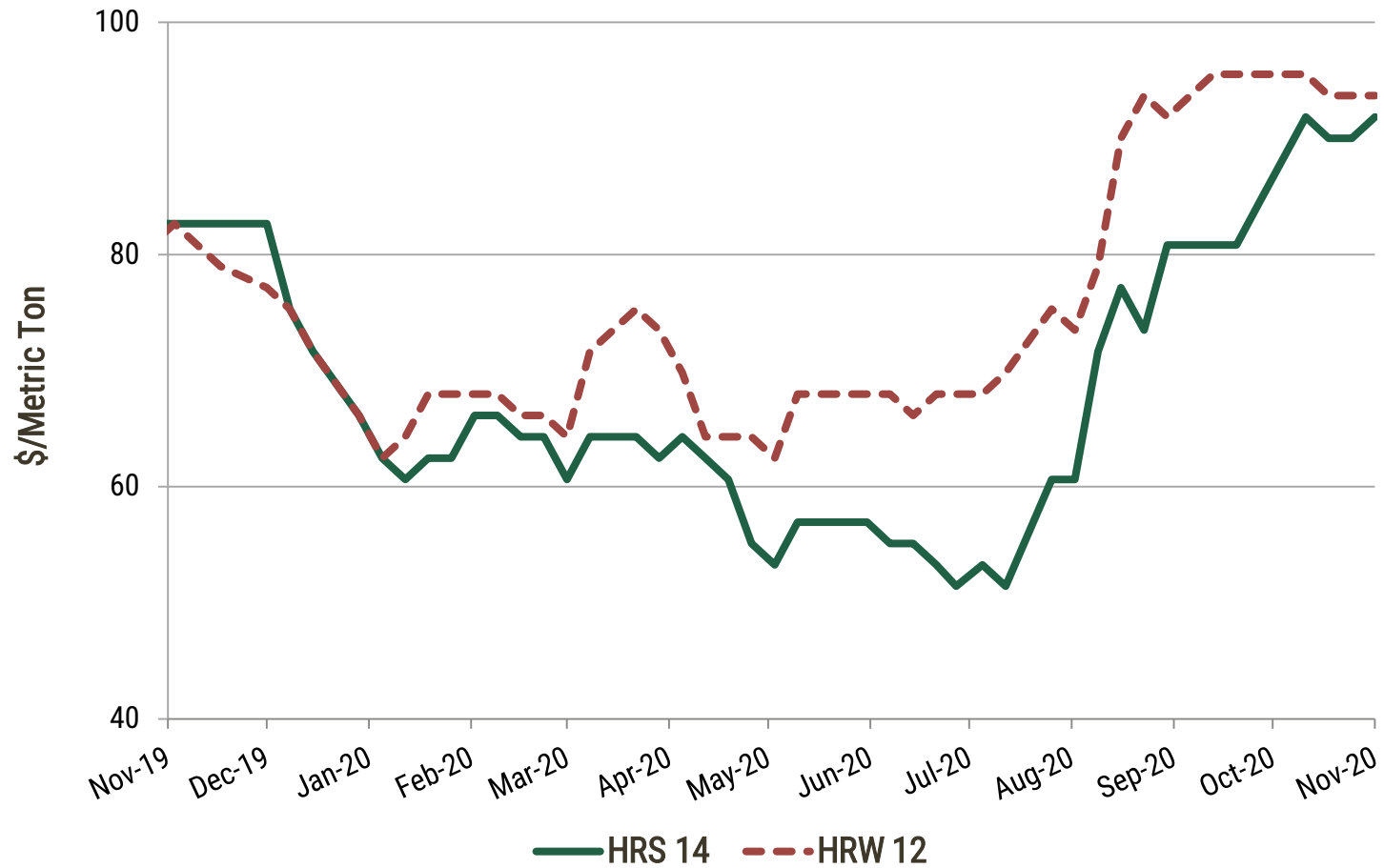
U.S. Gulf Export Basis



Source: U.S. Wheat Associates Price Report, November 6, 2020



U.S. PNW Export Basis



Source: U.S. Wheat Associates Price Report, November 6, 2020



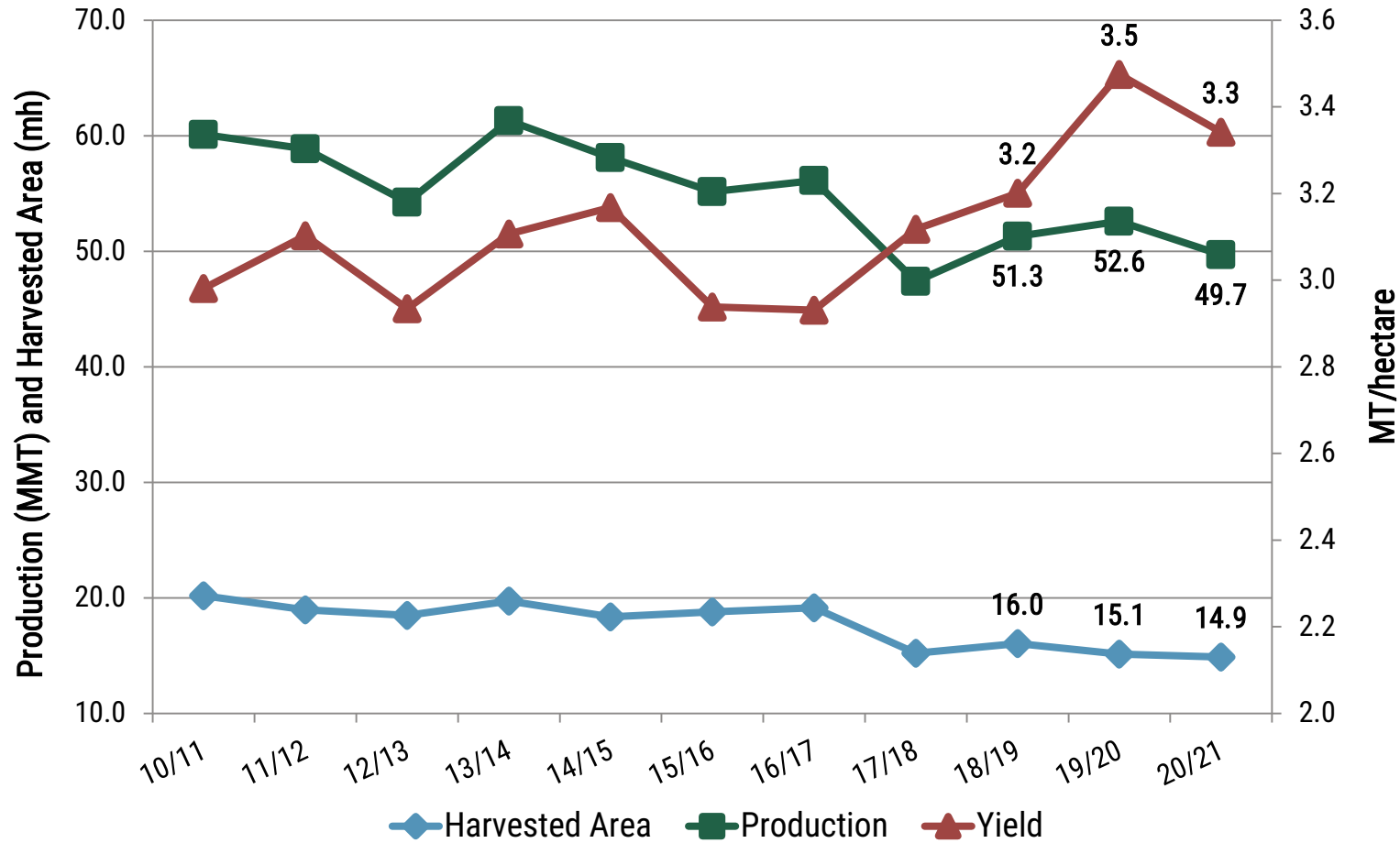


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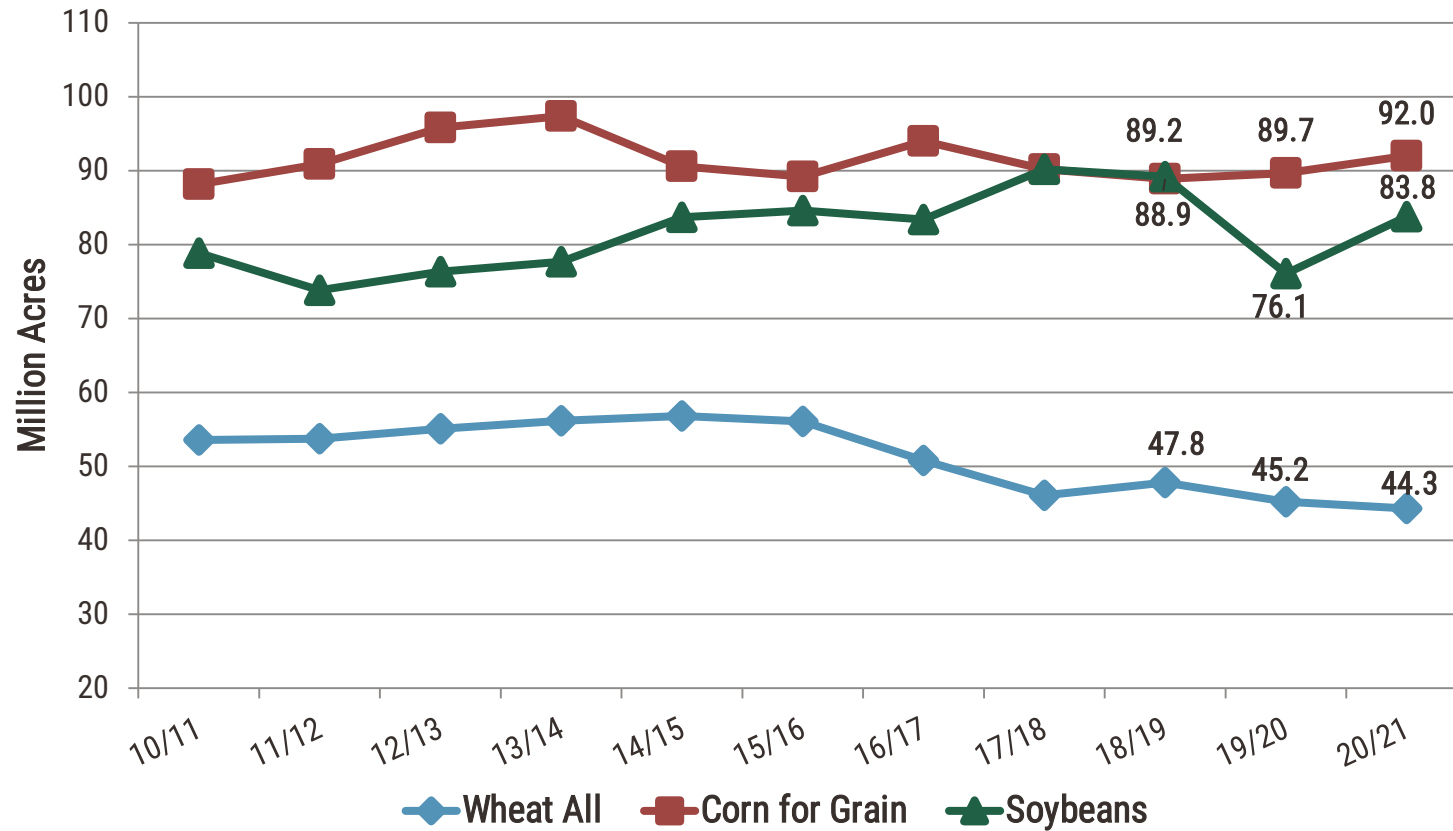
Outlook



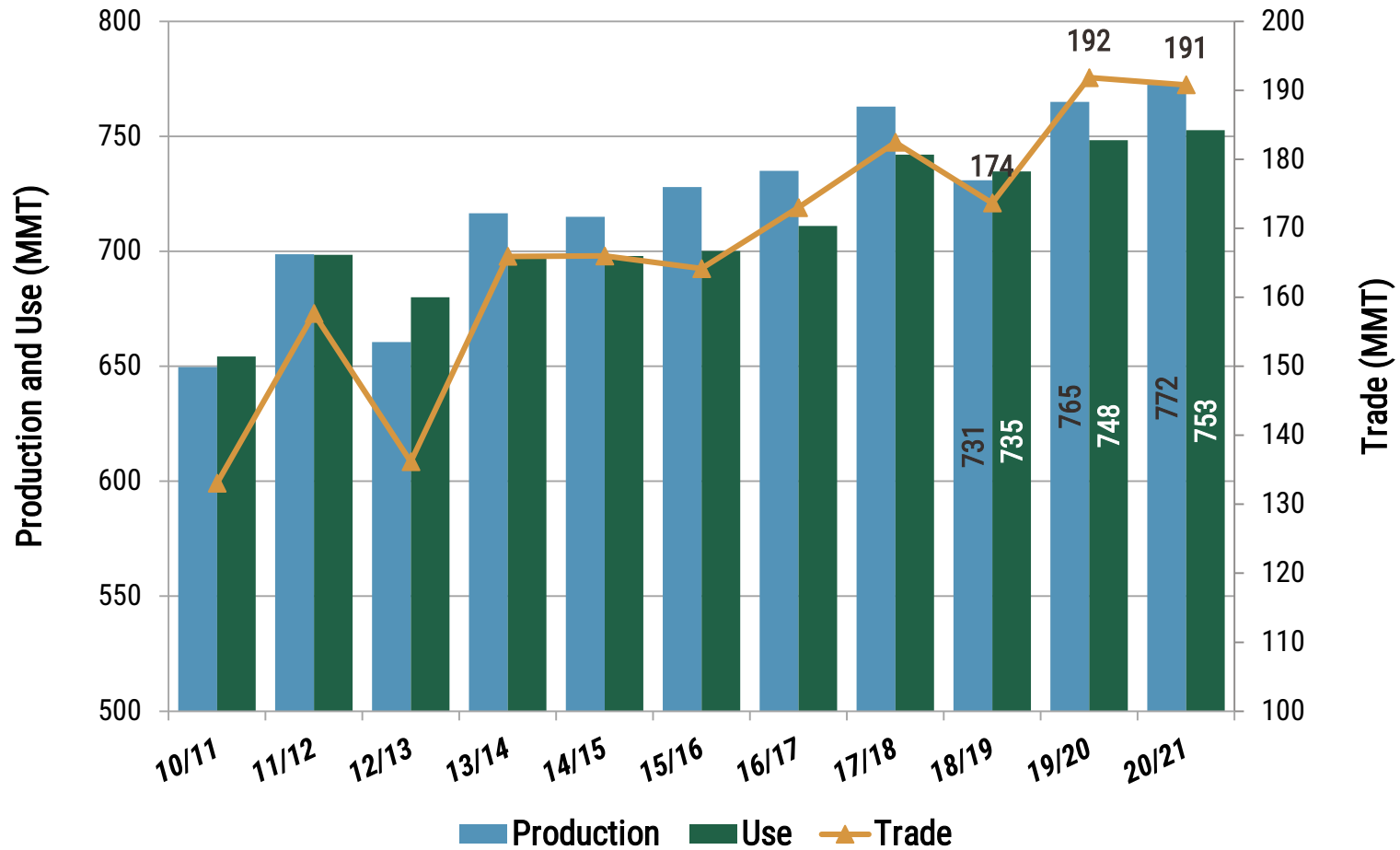
U.S. Wheat Production, Area and Yield



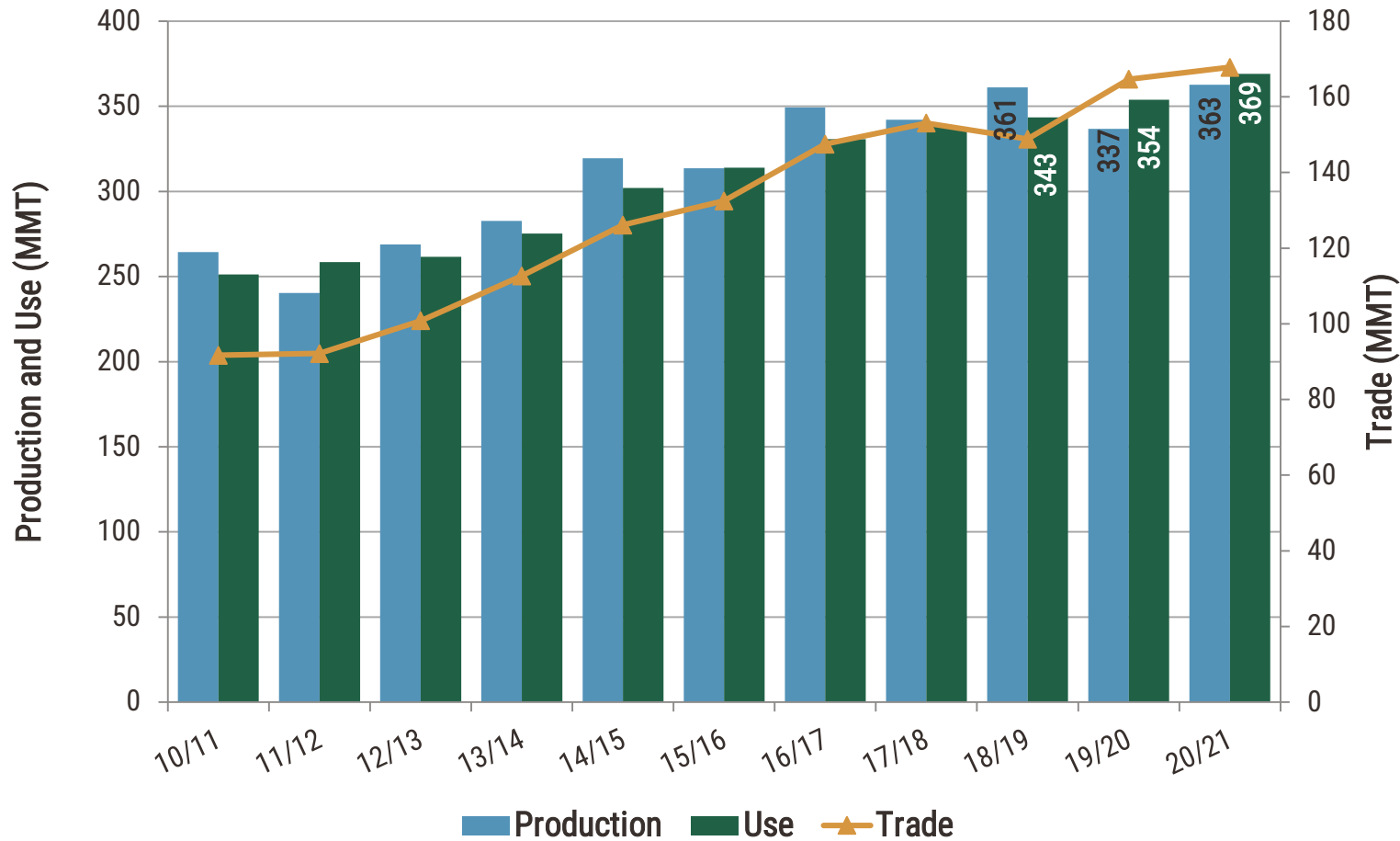
U.S. Crop Planted Area Comparison



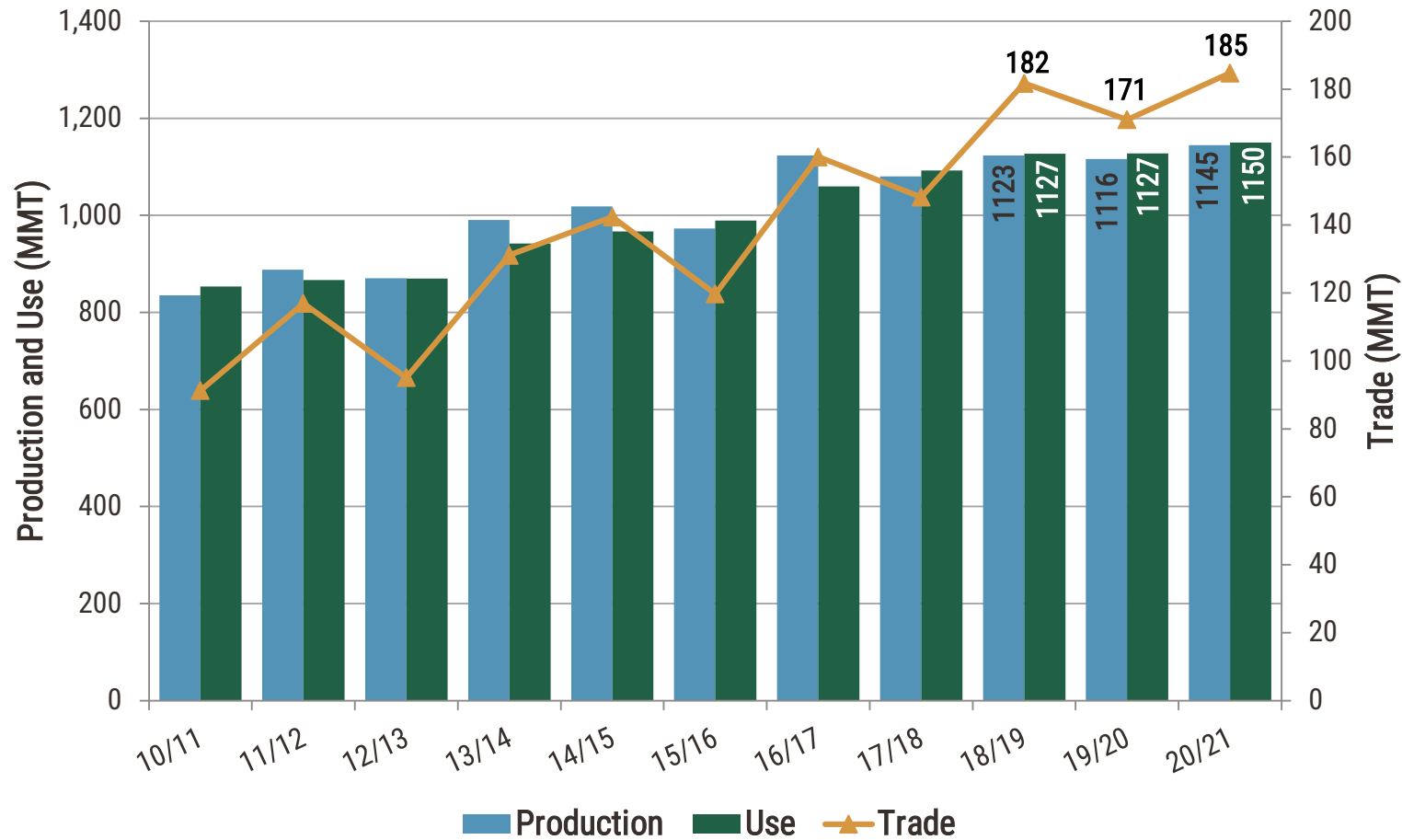
World Wheat Production, Use and Trade



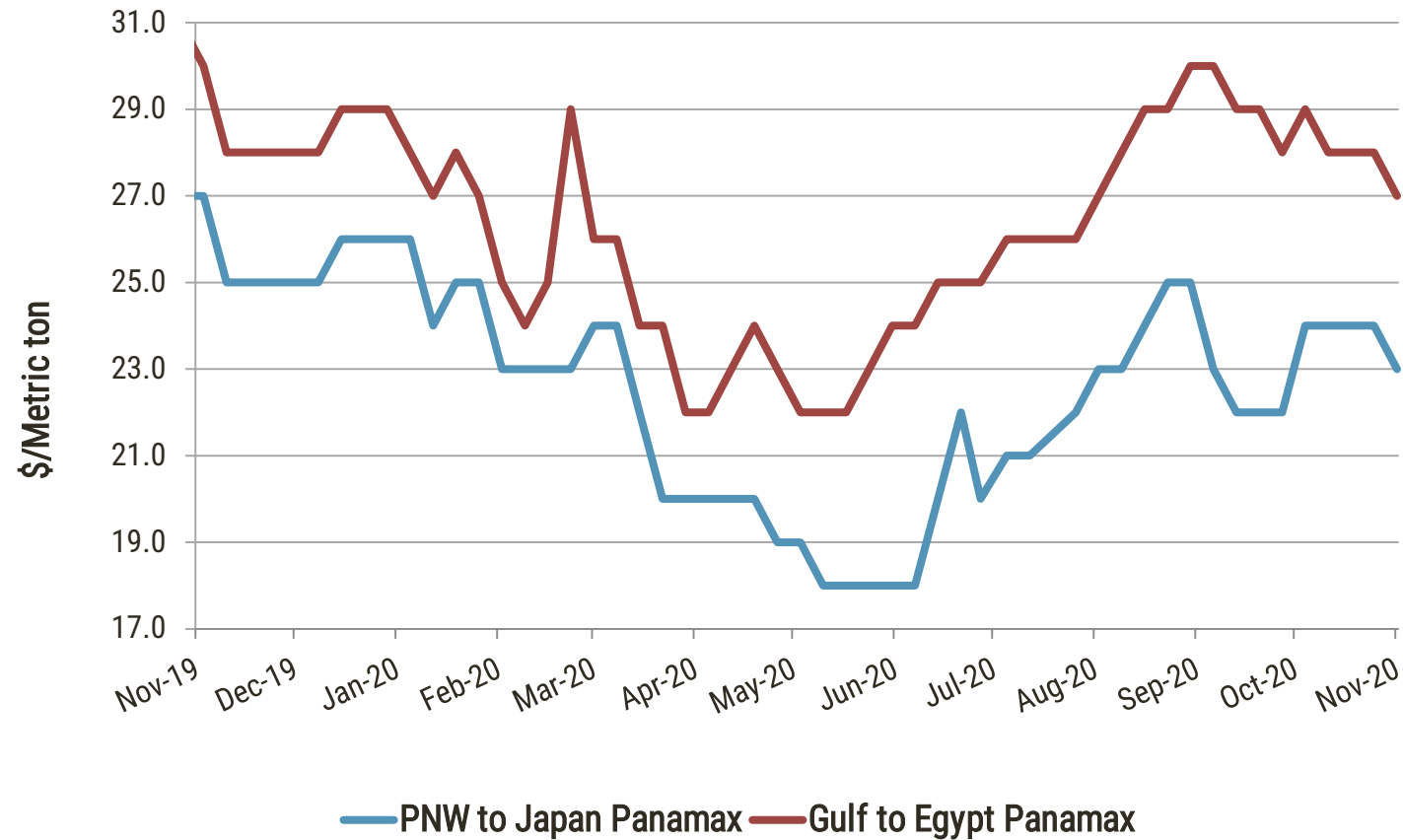
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



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- Expected Chinese ending stocks to reach a record 164 MMT, 8% more than last year
- U.S. ending stocks are expected to drop 15% from last year to 23.9 MMT, the lowest in 6 years

World consumption to reach a record 753 MMT in 2020/21

- Total global trade to fall slightly from last year's record to 191 MMT, still 5% more than the 5-year average
- U.S. 2020/21 domestic consumption to remain stable year-over-year at 30.7 MMT



THANK YOU



**U.S. WHEAT
ASSOCIATES**