



U.S. WHEAT  
ASSOCIATES

*Dependable People. Reliable Wheat.*

## *World Wheat Supply and Demand Situation*

Major data source: USDA World Agricultural Supply and Demand Estimates released January 12, 2021, 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 Wheat S&D Estimates*

## **2020/21 global wheat production to jump to a record 773 MMT**

- Production in Russia reached 85.3 MMT, the highest on record
- Argentinian production to fall 11% from last year to 17.5 MMT on persistent dryness
- U.S. production fell 5% from last year to 49.7 MMT on lower yields and decreased planted area

## **Global consumption forecast at 760 MMT, the highest on record**

- Chinese domestic consumption to reach a record 135 MMT, up 11% from the 5-year average on increased feed use due to higher domestic corn prices
- Domestic consumption in Indonesia to reach 10.6 MMT, up 3% from last year
- U.S. domestic consumption to increase to 31.4 MMT, up 3% from last year

## **World wheat trade to reach a record 194 MMT, up 1% from last year**

- Russian exports to jump 13% from 2019/20 to 39.0 MMT
- Exports from Australia to reach 20.0 MMT on a rebound in production
- U.S. 2020/21 exports to reach 26.8 MMT, 2% more than last year and 6% more than the 5-year average



# *Highlights of USDA's 2020/21 Wheat S&D Estimates*

## **World beginning stocks jumped 6% from 2019/20 to 300 MMT, 14% more than the 5-year average**

- Indian beginning stocks reached 24.7 MMT, the highest on 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 313 MMT, 4% more than last year and 13% more than the 5-year average**

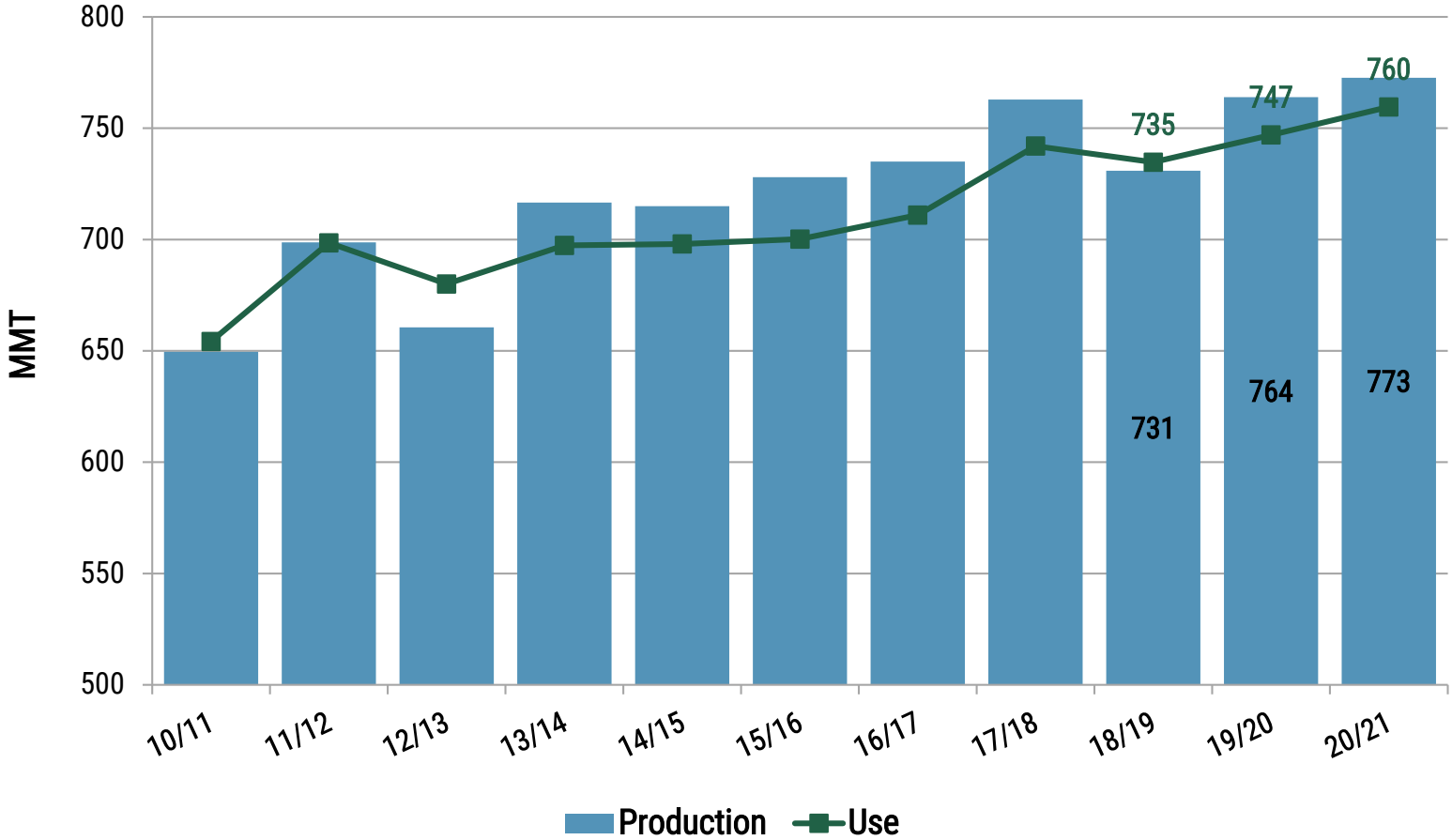
- Expected Chinese ending stocks to reach a record 160 MMT, 5% more than 2019/20
- U.S. ending stocks are expected to drop 19% from last year to 22.8 MMT, the lowest in 6 years

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

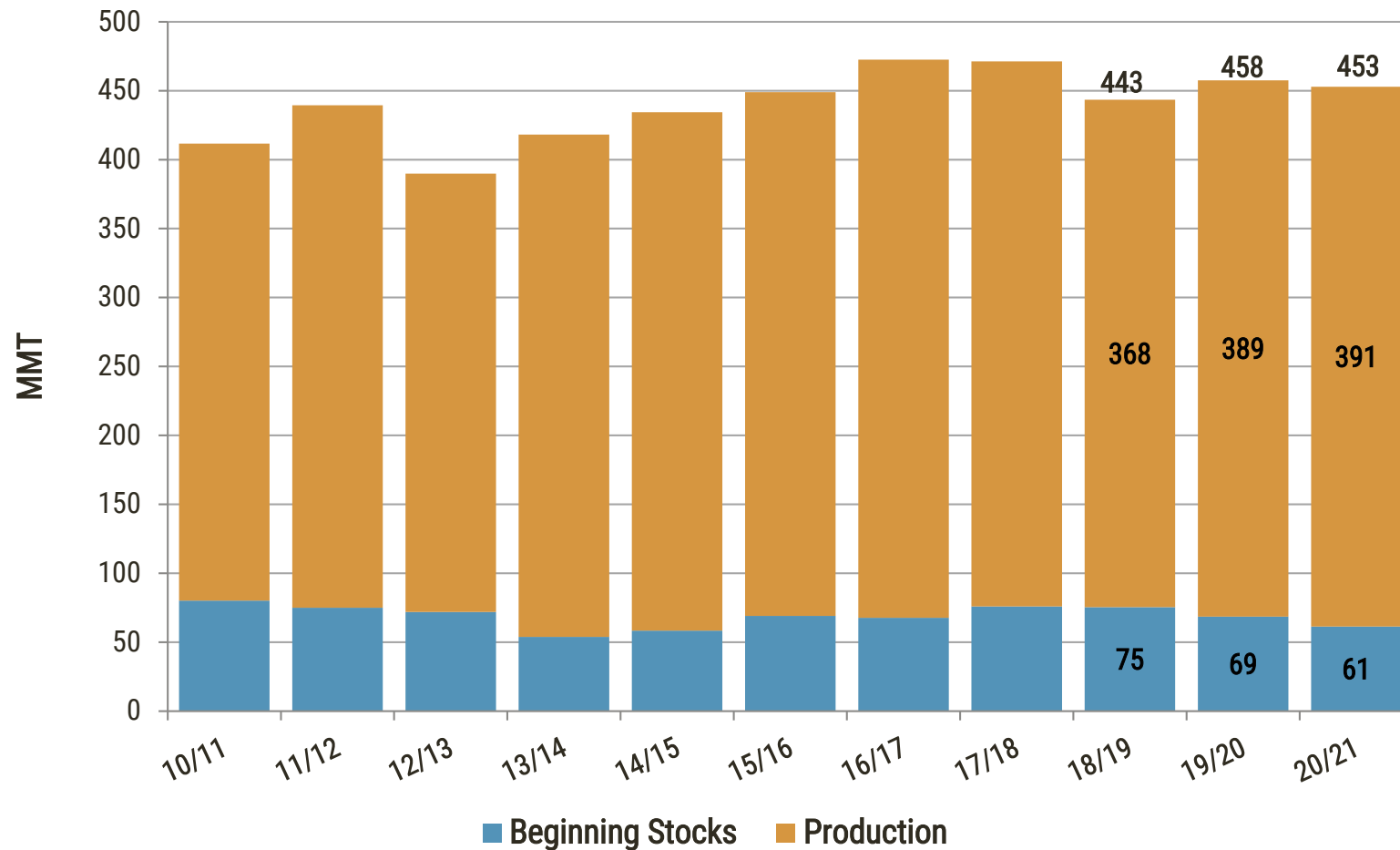
- The average farm gate price of U.S. wheat in 2020/21 is forecast to increase to \$4.85/bu (\$178/MT), 6% above last year's \$4.58/bu (\$168/MT)



# World Production and Use



# Supplies in Top Exporting Countries\*



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



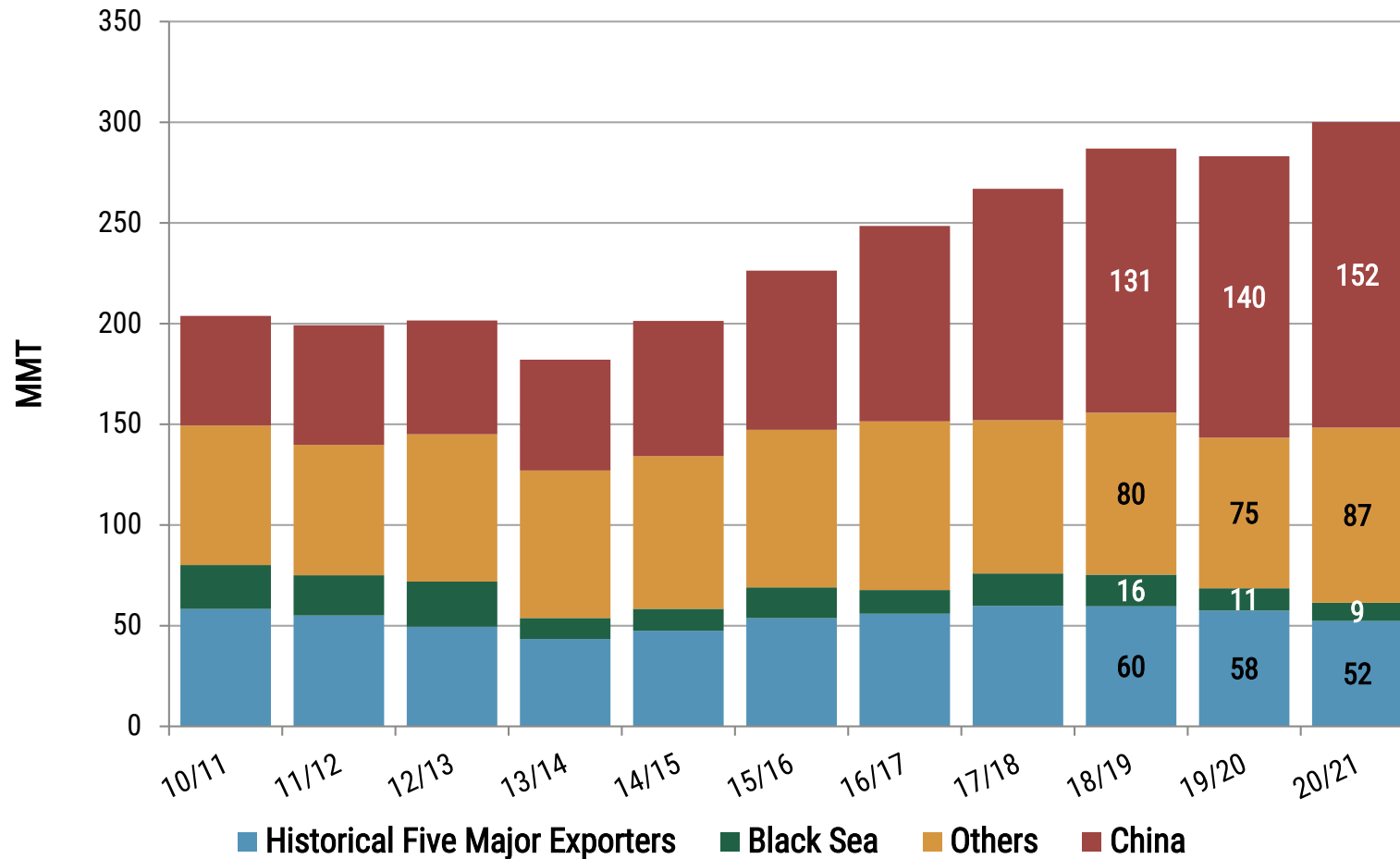


## *World Wheat Supply and Demand (MMT)*

	<u>18/19</u>	-	<u>19/20</u>	-	<u>20/21</u>
<b>SUPPLY:</b>					
Beginning Stocks	287		283		300
Production	731		764		773
Supply Total	1018		1047		1073
Ending Stocks	283		300		313
<b>TRADE:</b>					
Exports/Imports	174		191		194
<b>DEMAND:</b>					
Food & Seed	596		608		617
Feed & Residual	139		139		142
Use Total	735		747		760



# World Beginning Stocks

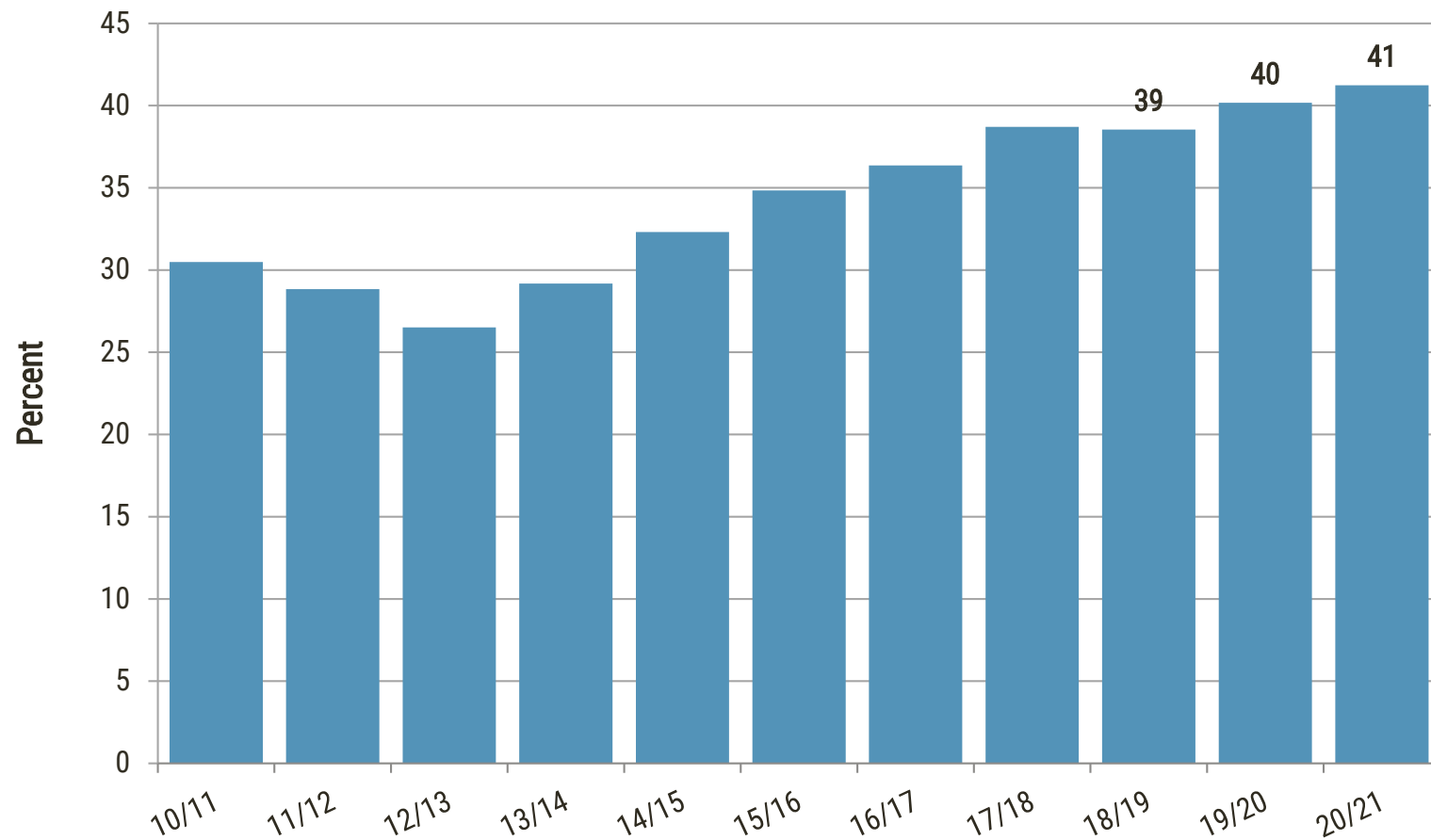


Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.



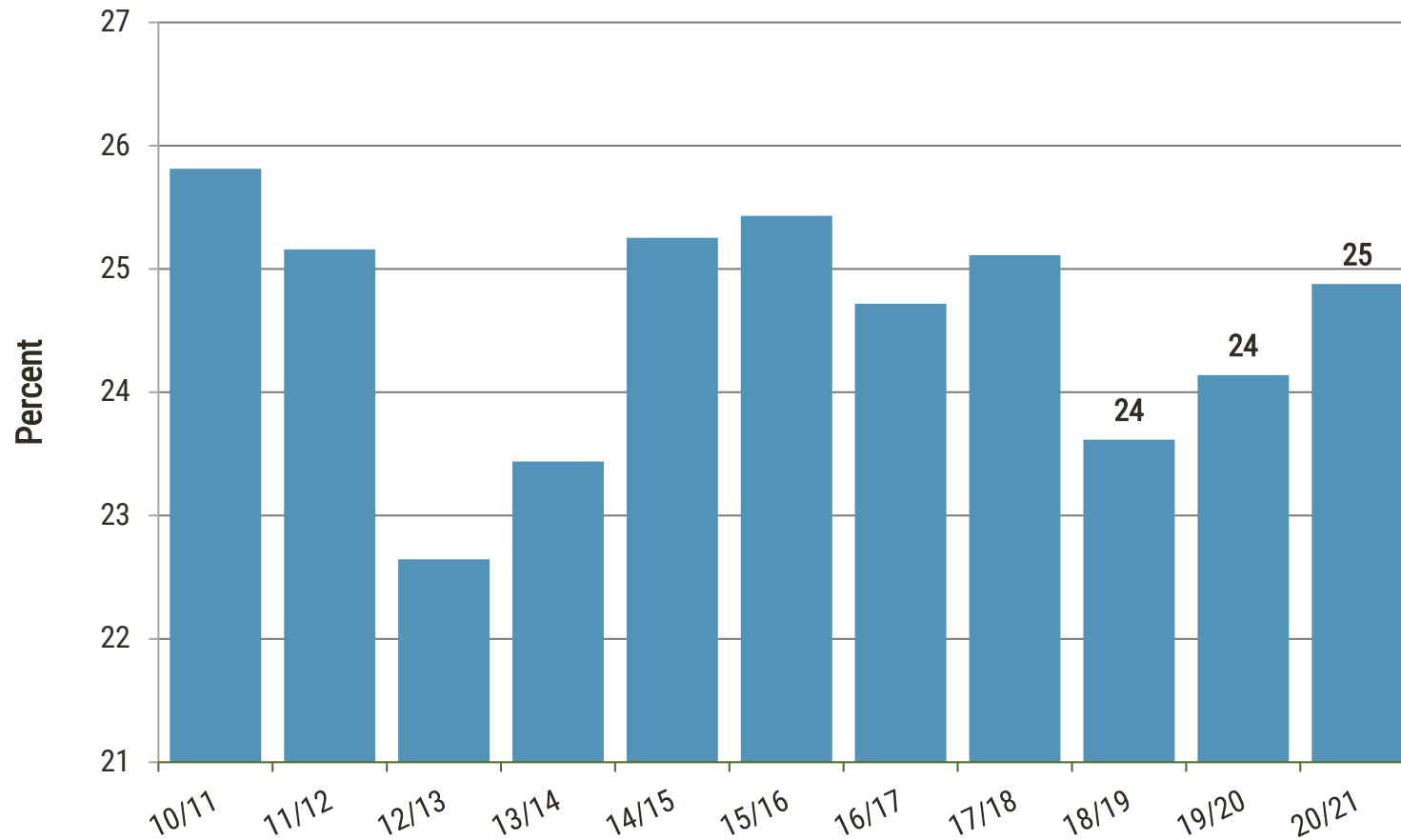


## *Global Stocks\*-to-Use Ratio*



*\*Ending stocks*

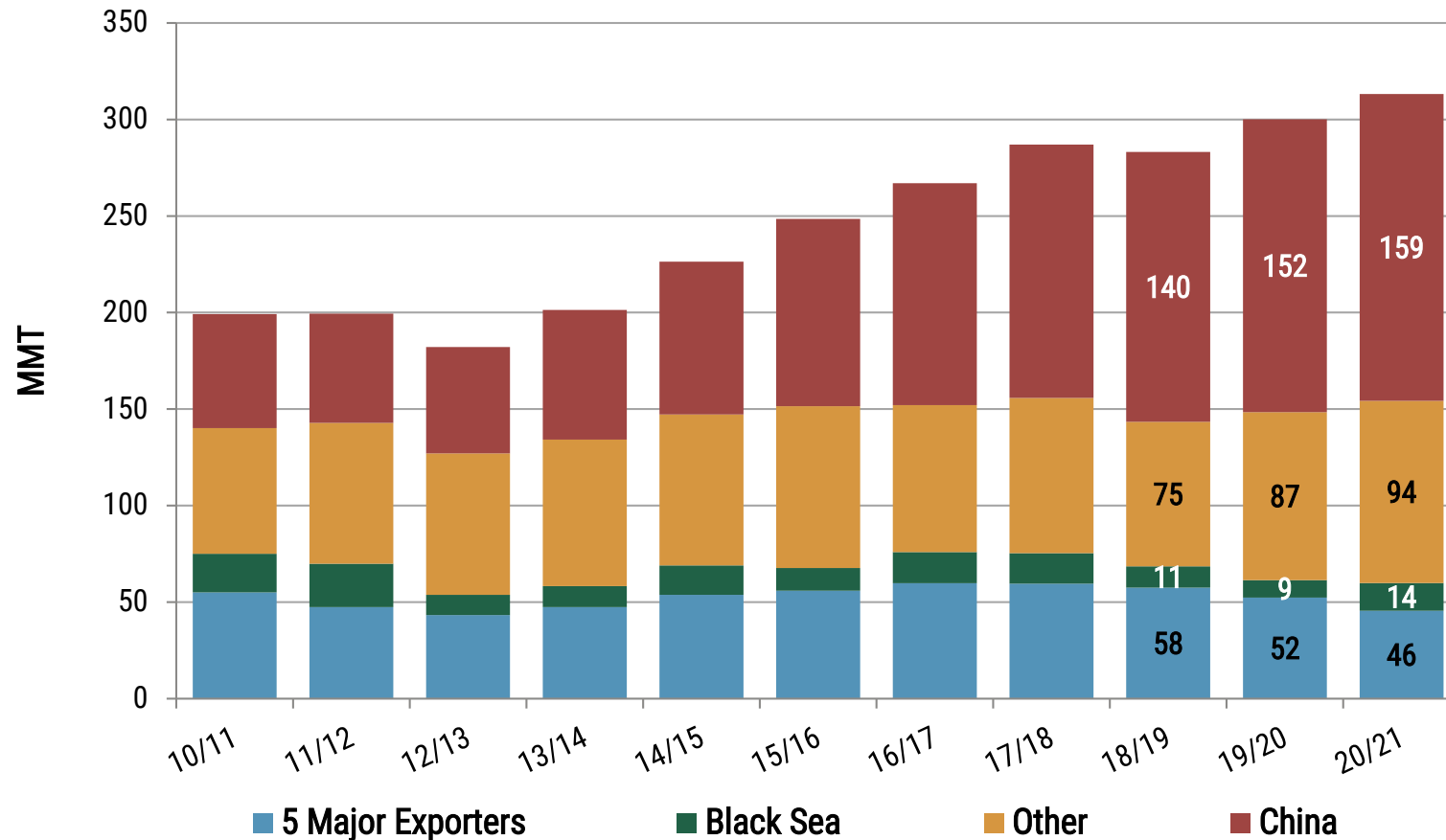
# Global Stocks\*-to-Use Ratio w/o China



\*Ending stocks



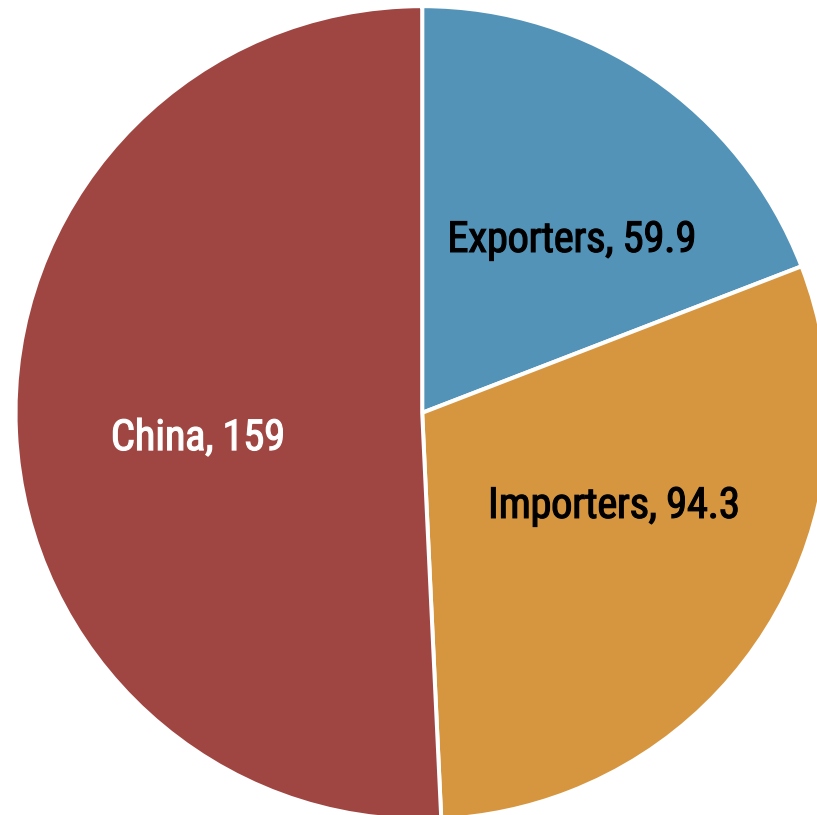
# World Ending Stocks



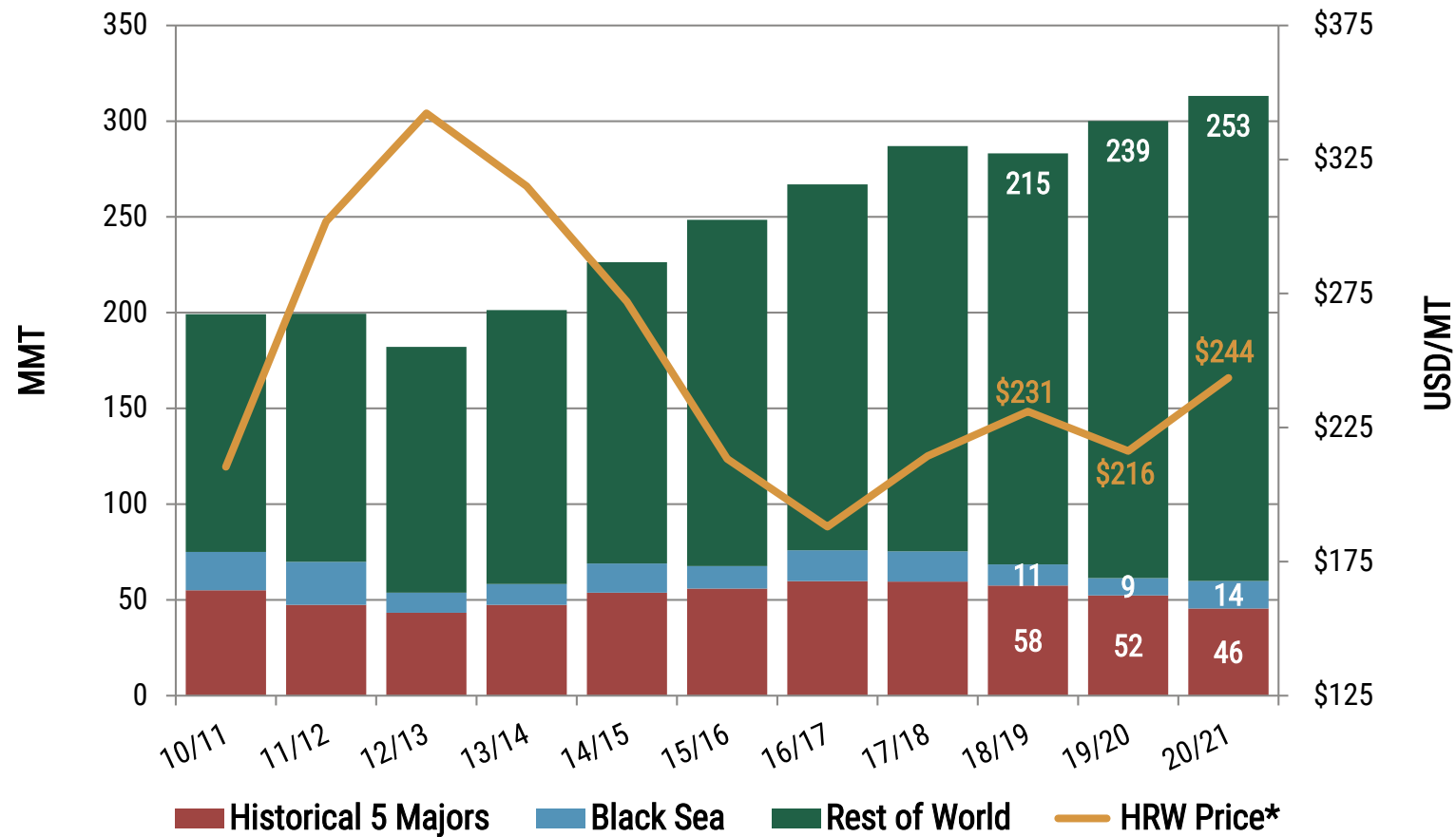
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## *World Ending Stocks by Position (MMT)*



# Global Ending Stocks and Price



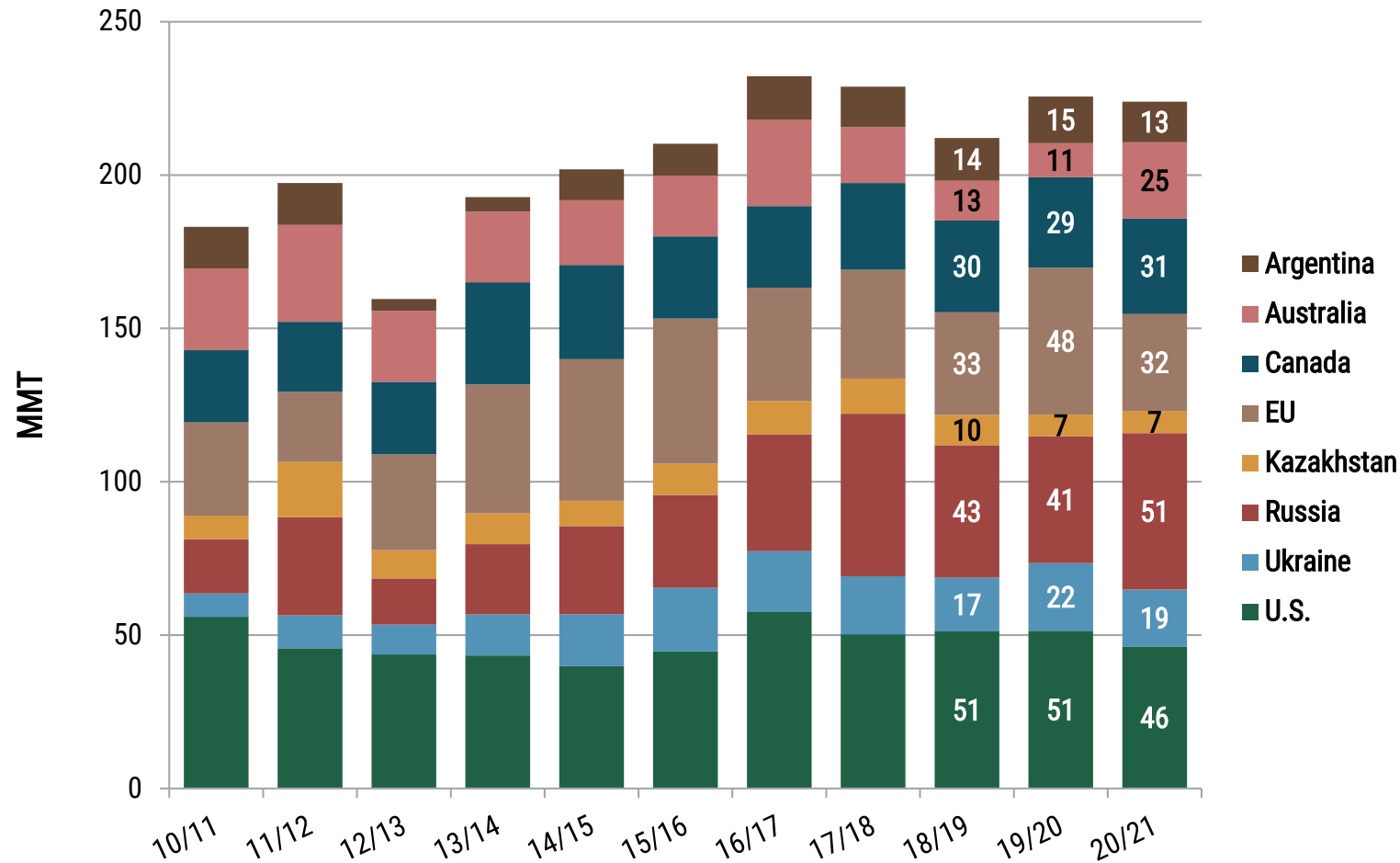
\*Source: U.S. Wheat Associates Price Report, January 8, 2021



01

*Major Exporters*

## Exportable Supplies in Top Exporting Countries

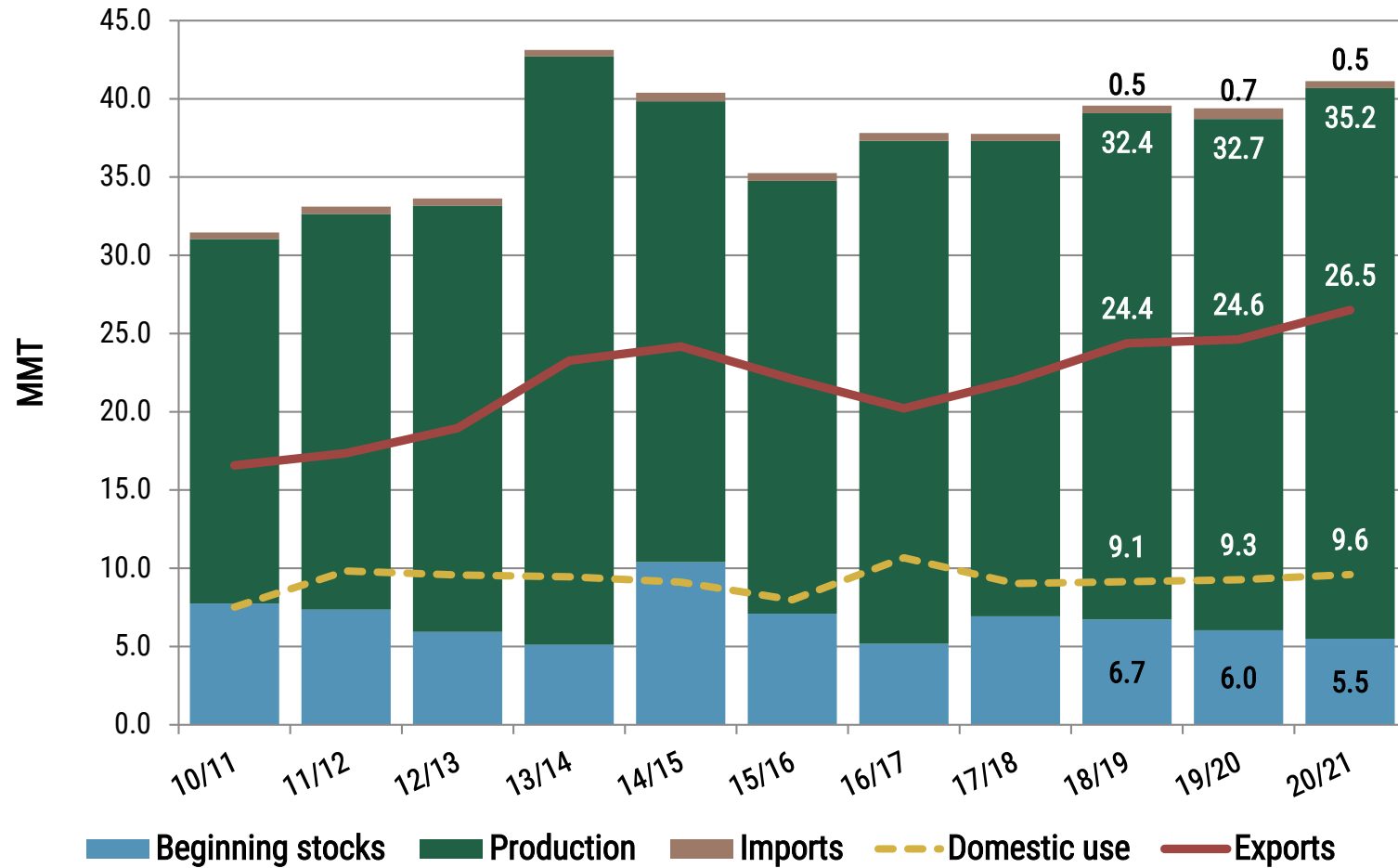


\*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption

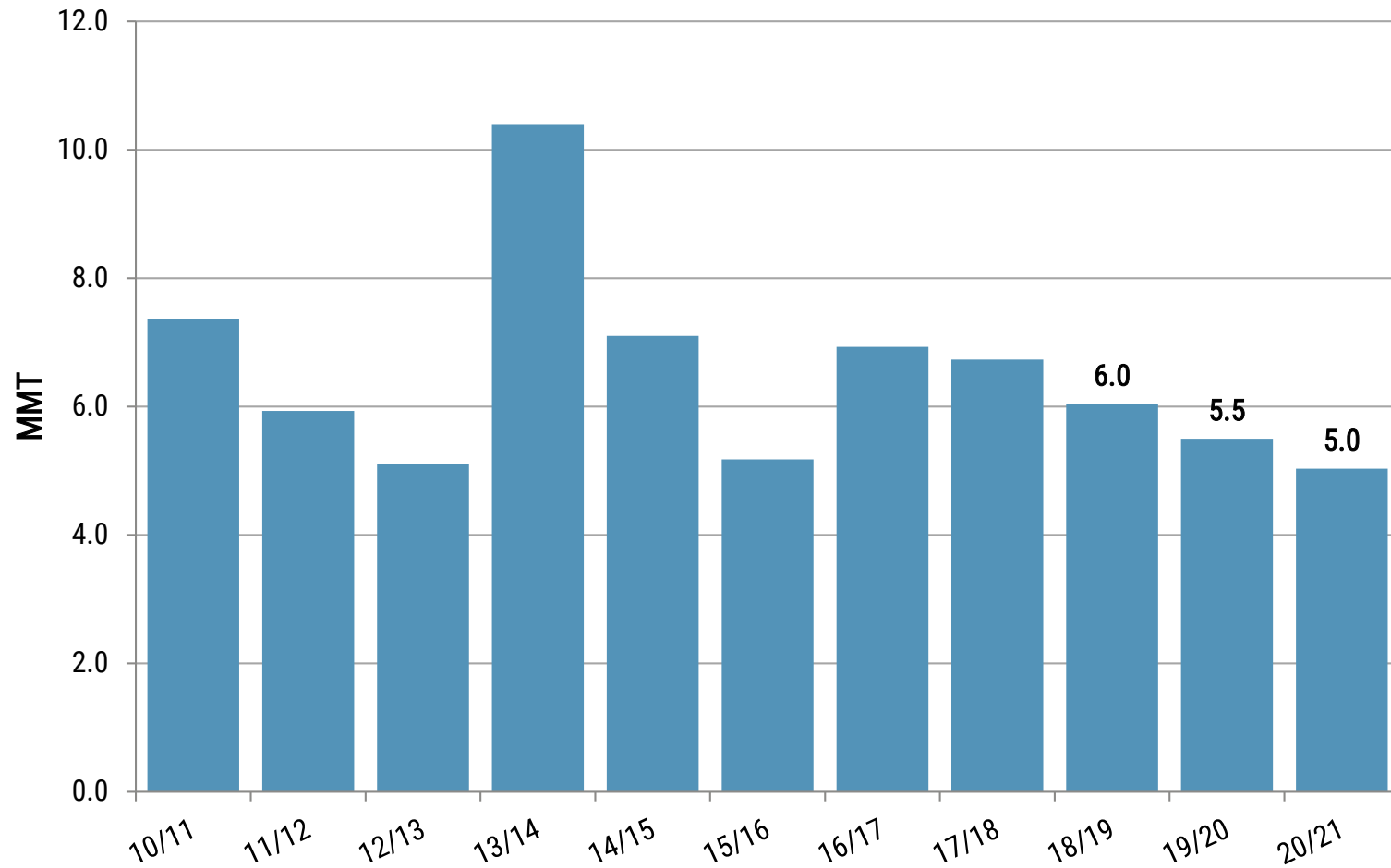




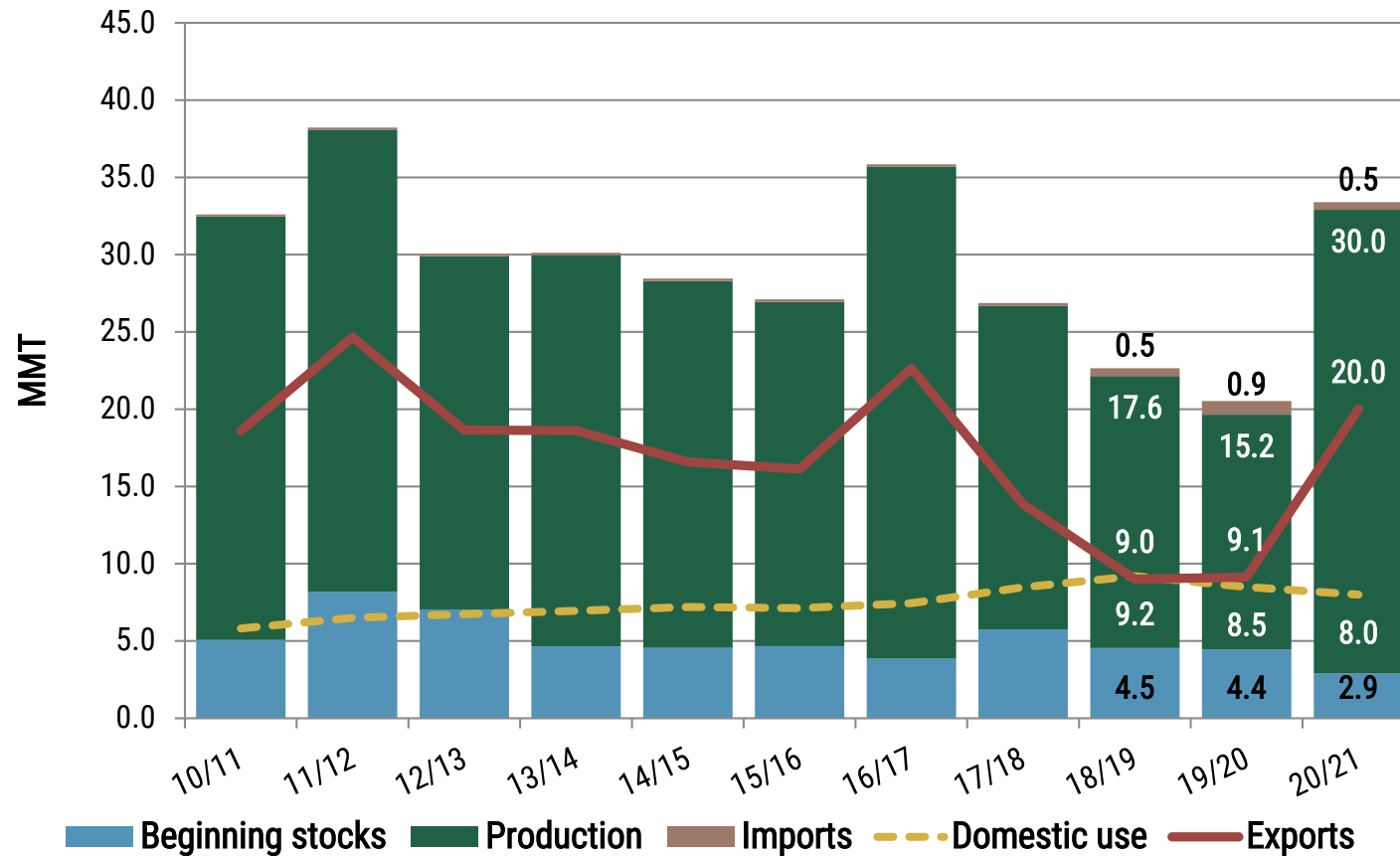
# Canada Situation



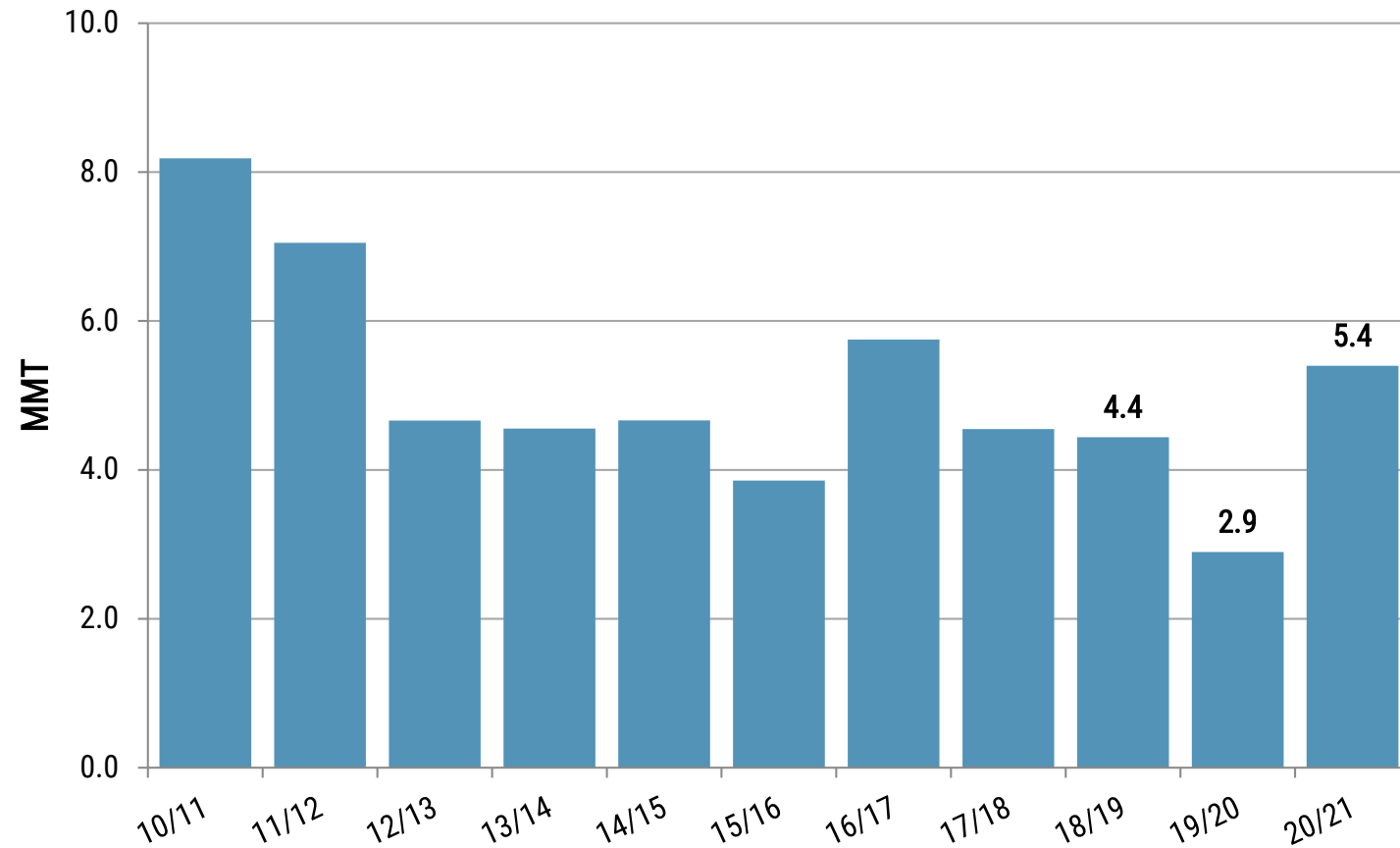
## *Canada Ending Stocks*



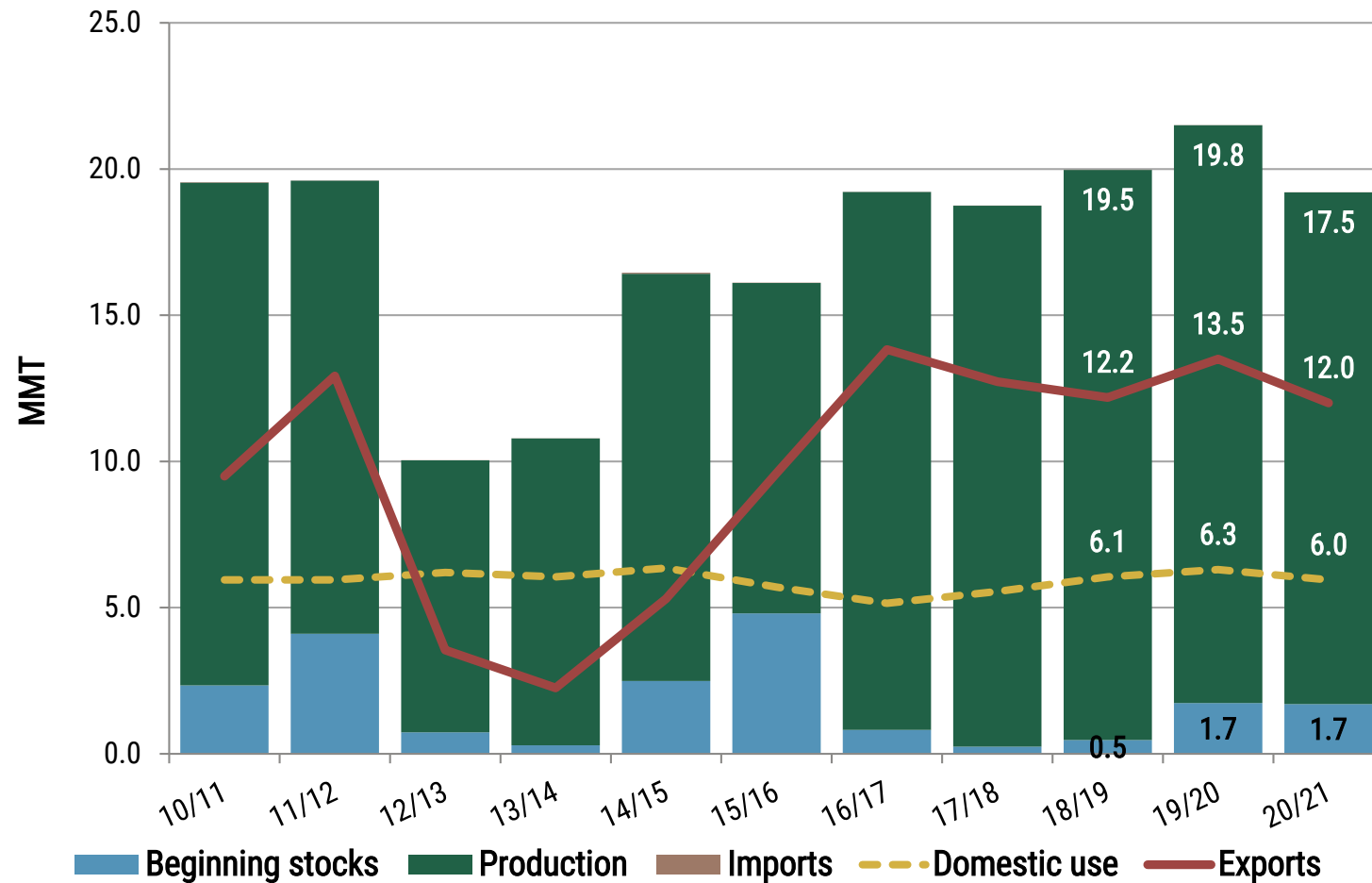
# Australia Situation



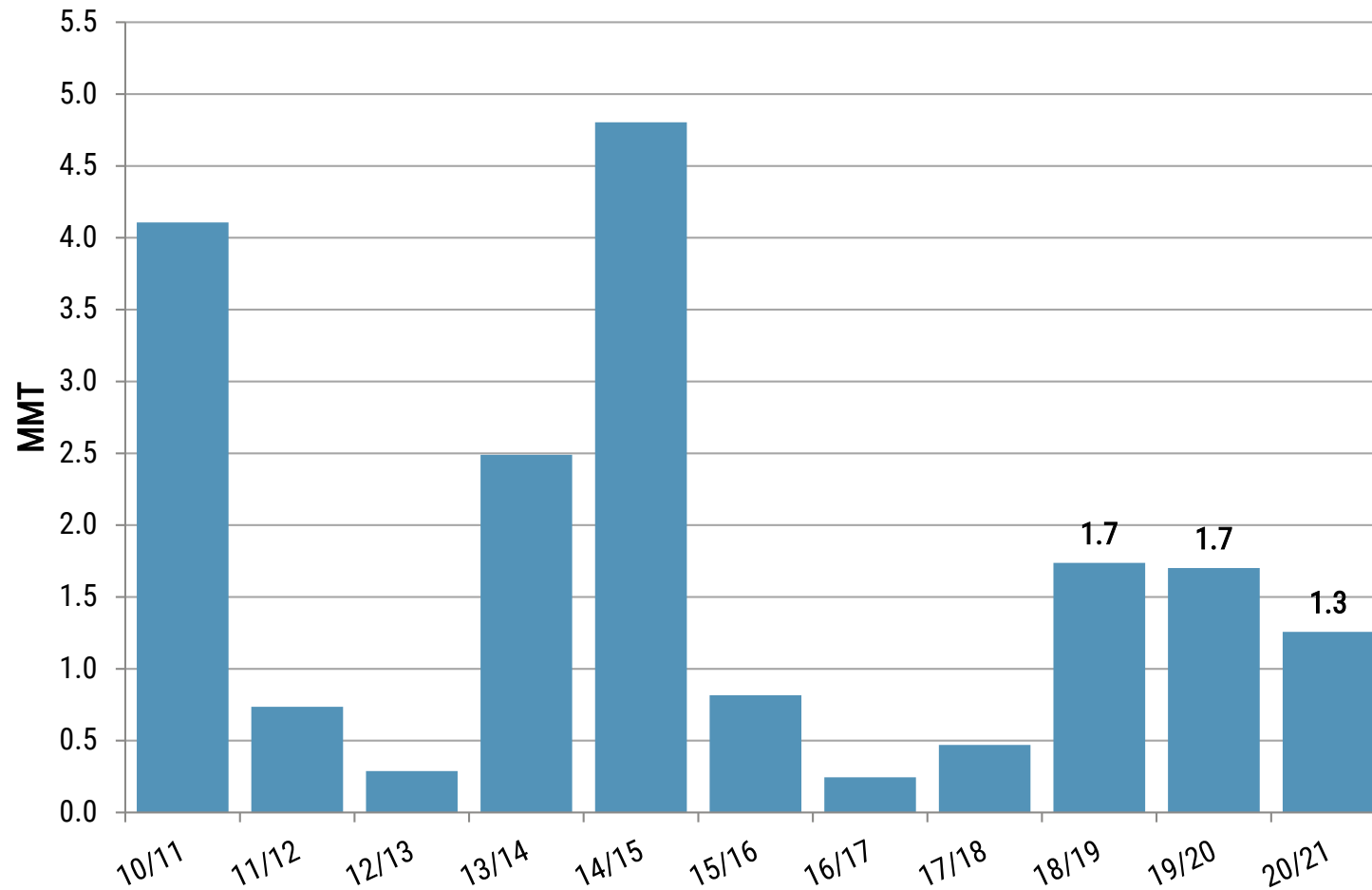
## *Australia Ending Stocks*



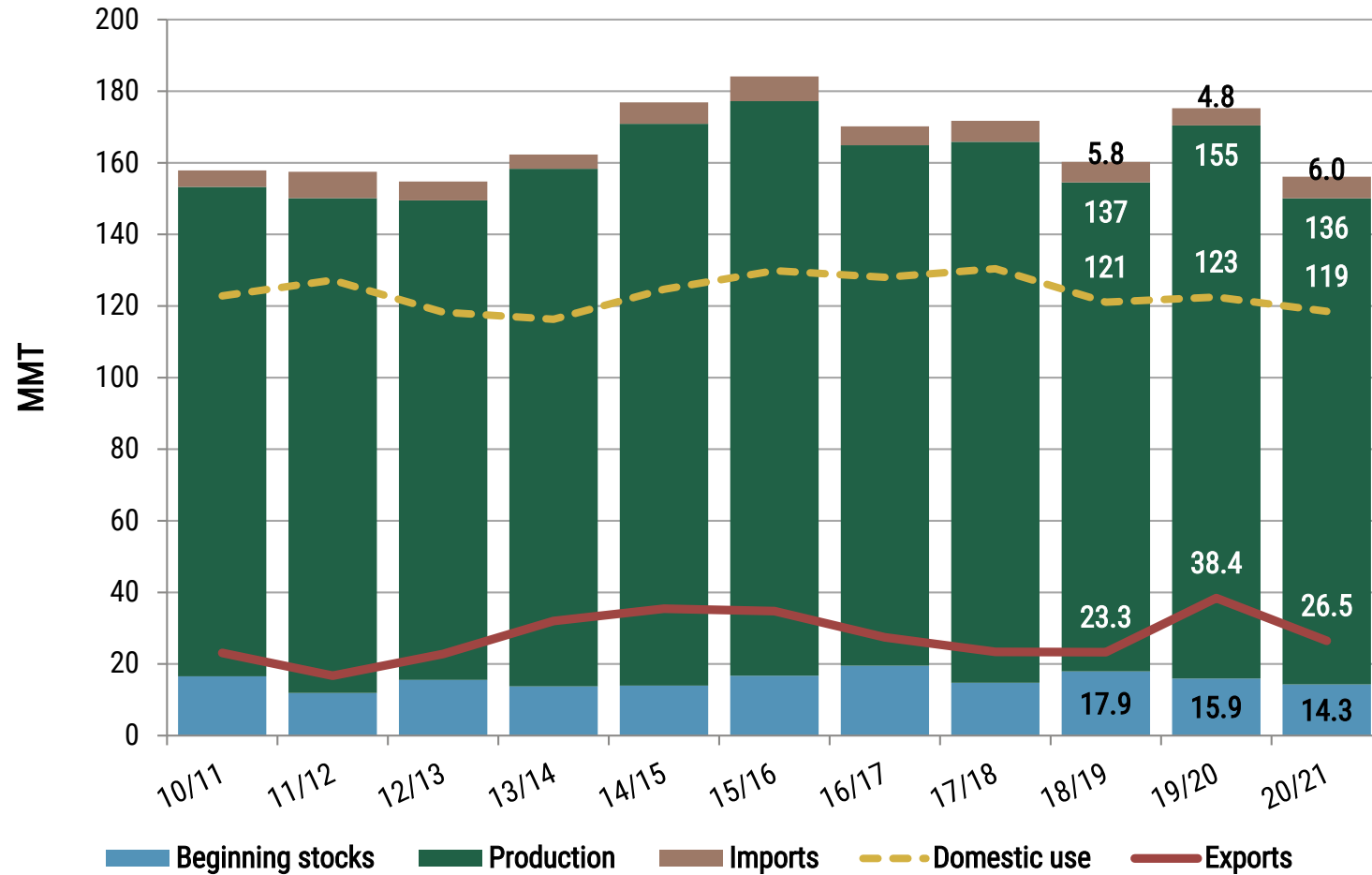
# Argentina Situation



## *Argentina Ending Stocks*

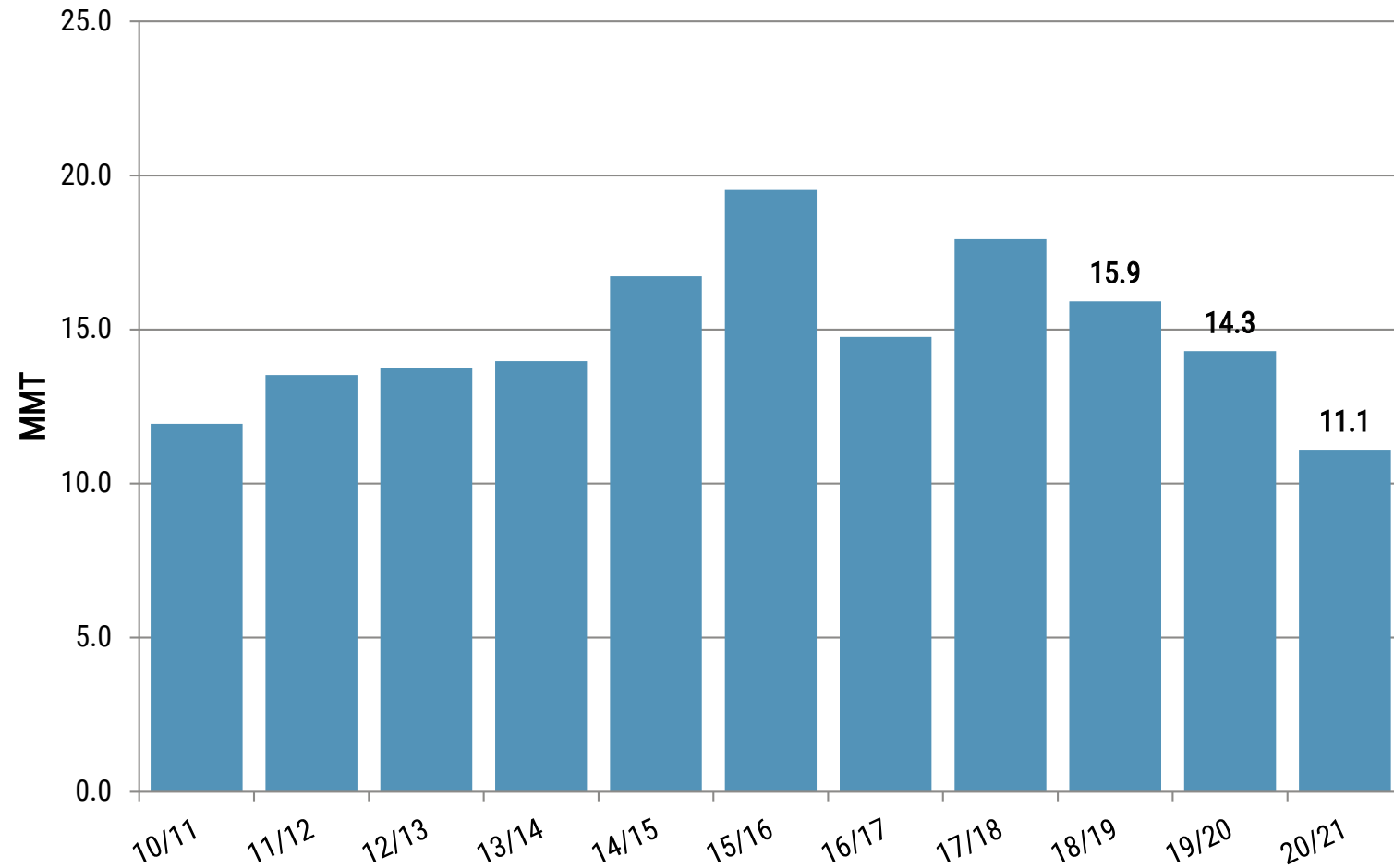


## EU +UK Situation

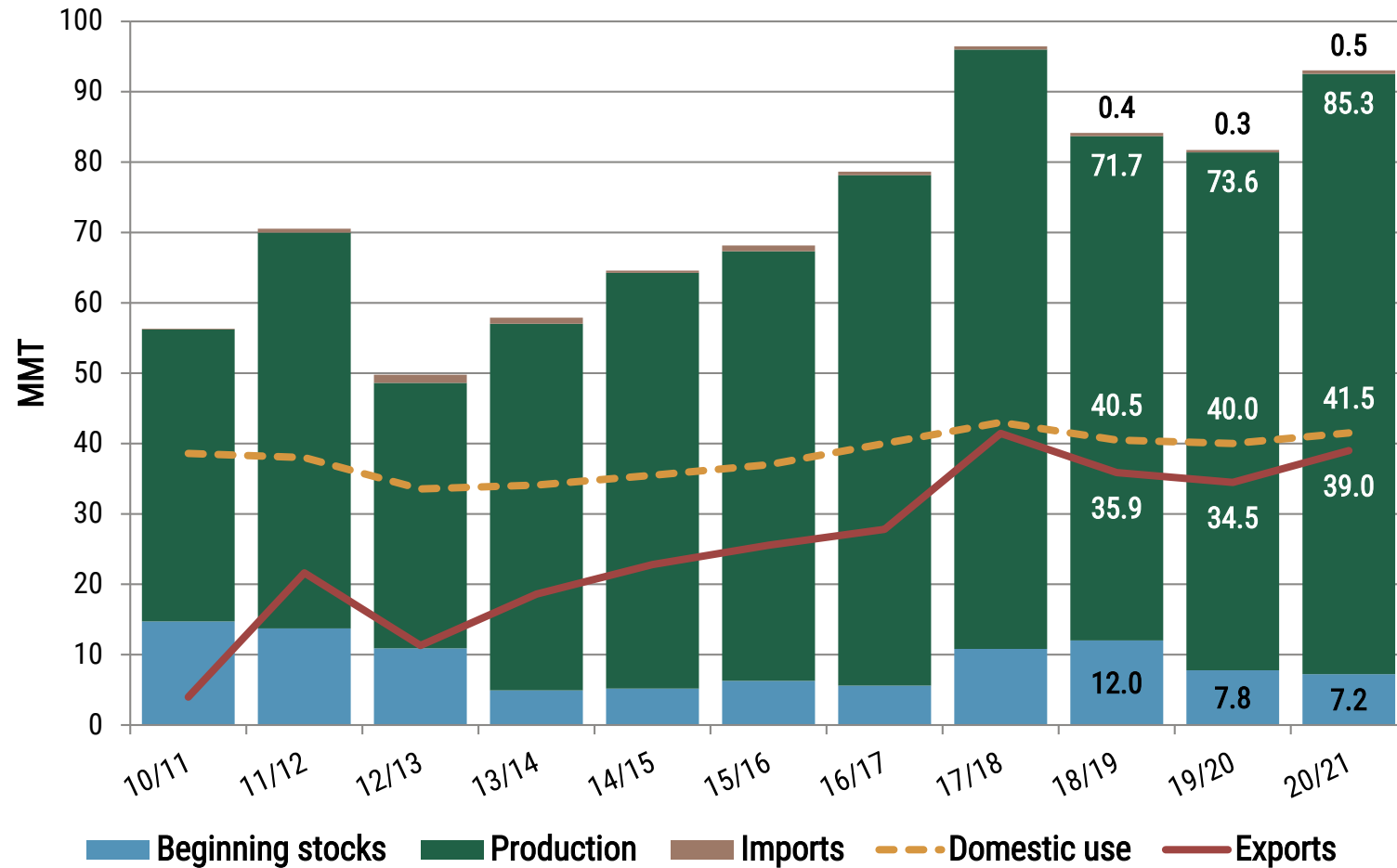




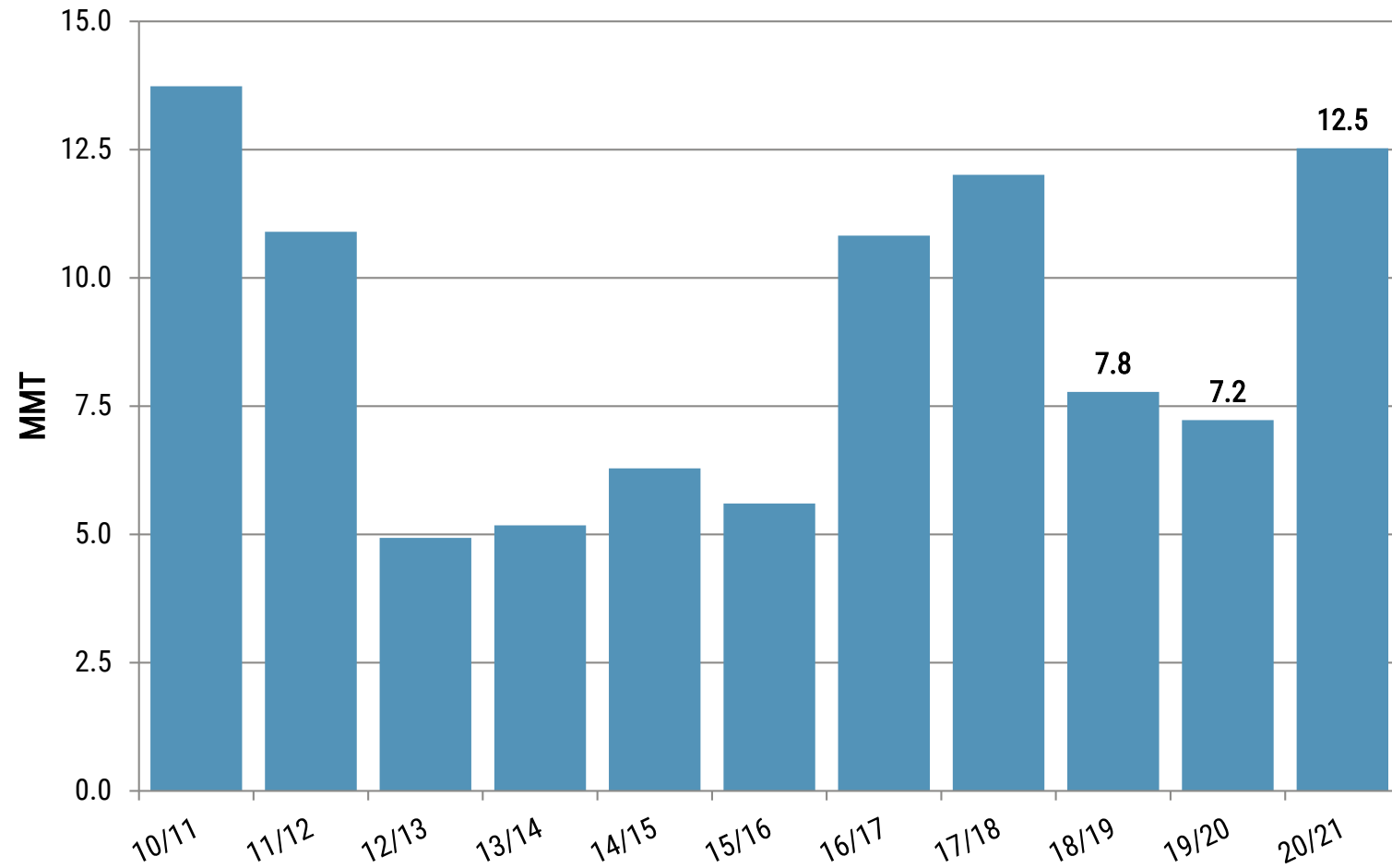
## *EU Ending Stocks*



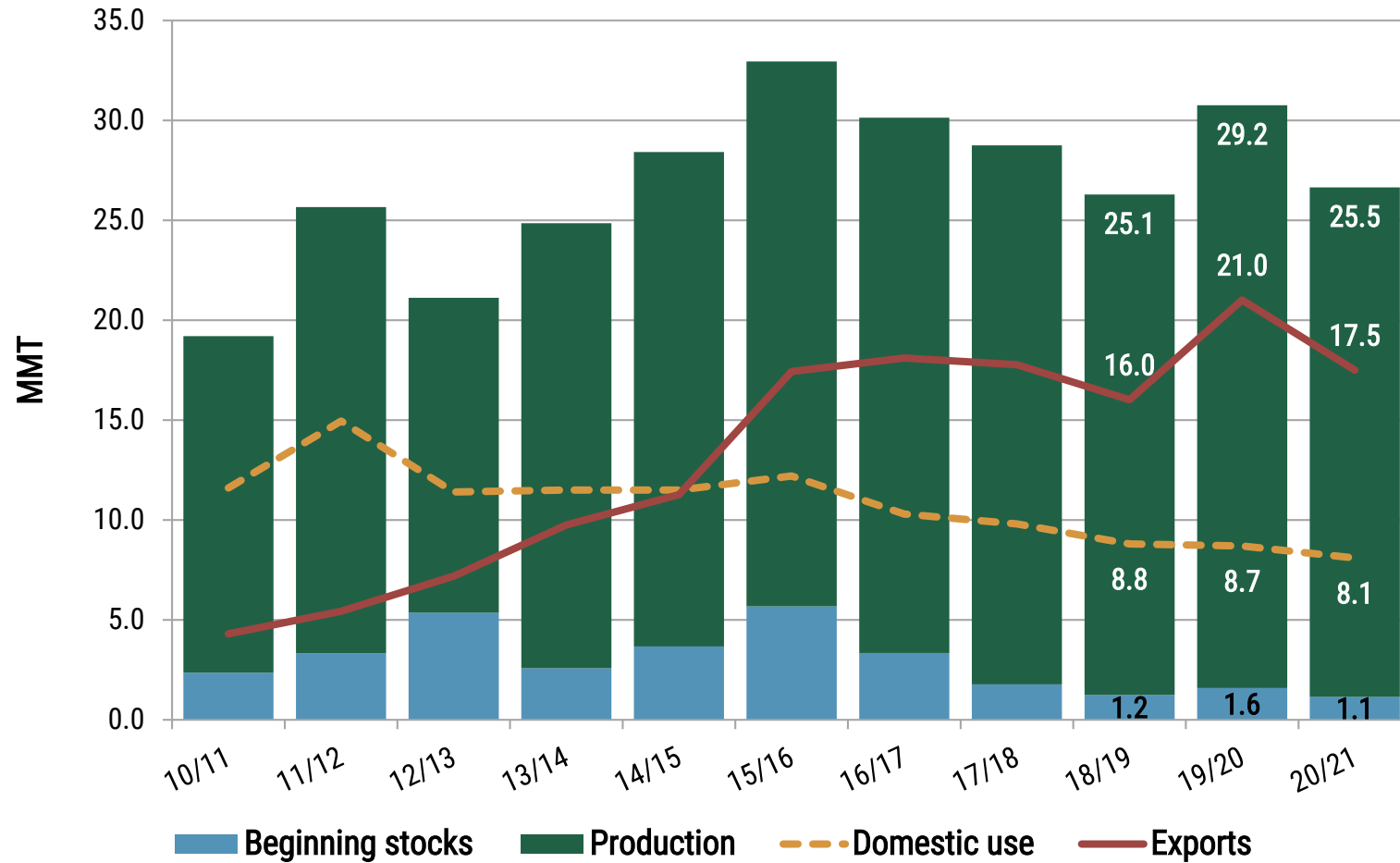
# Russia Situation



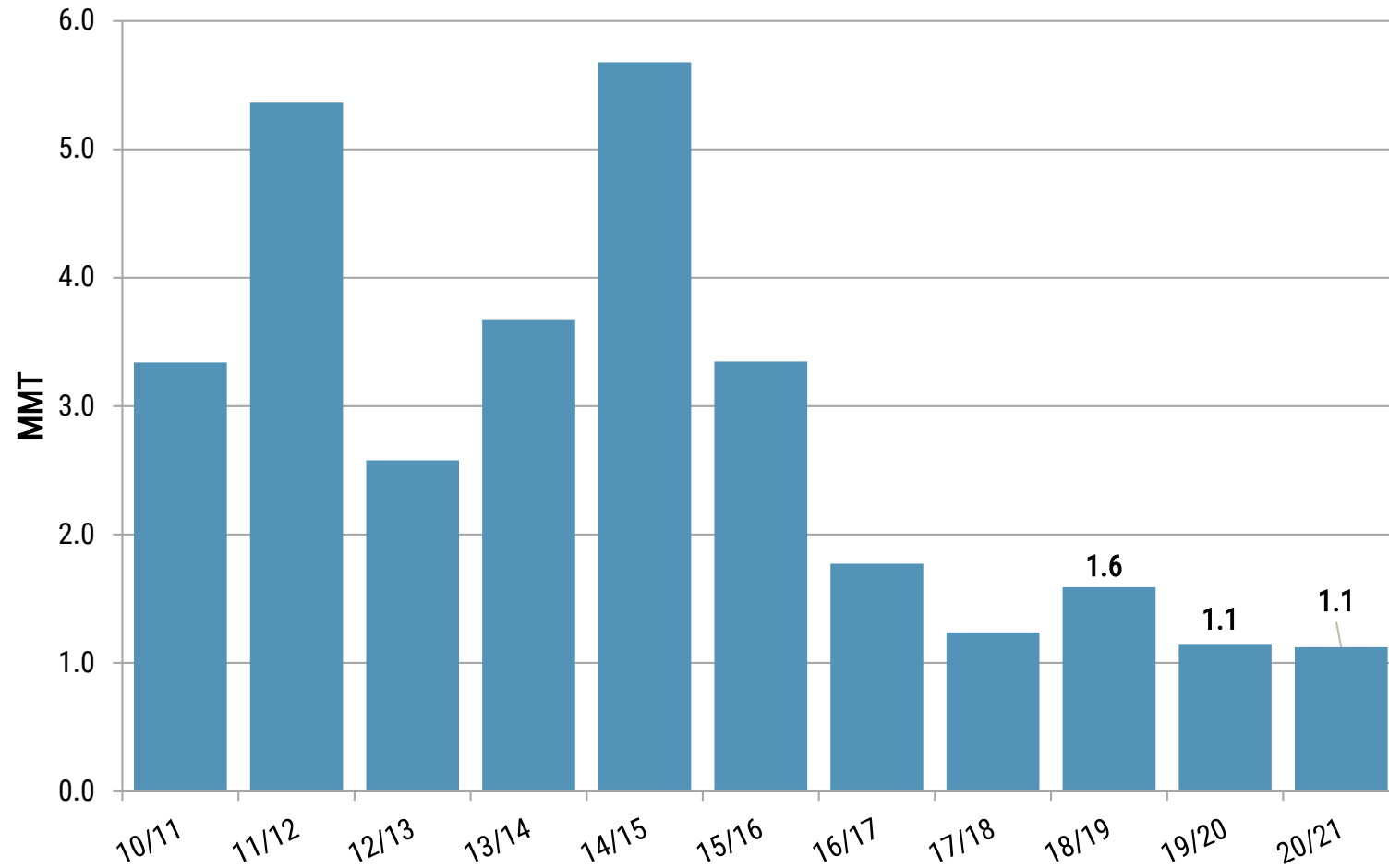
## *Russia Ending Stocks*



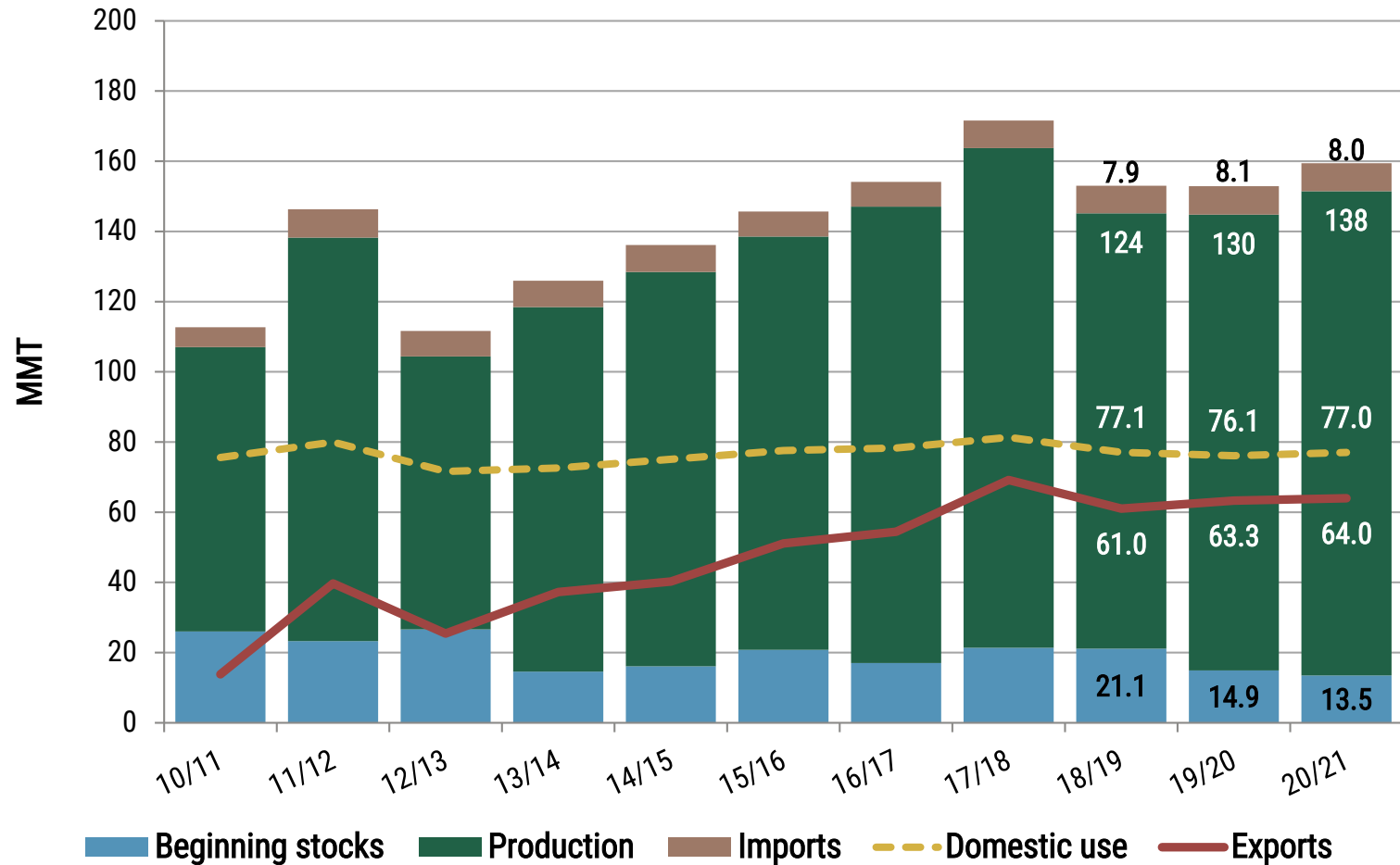
# Ukraine Situation



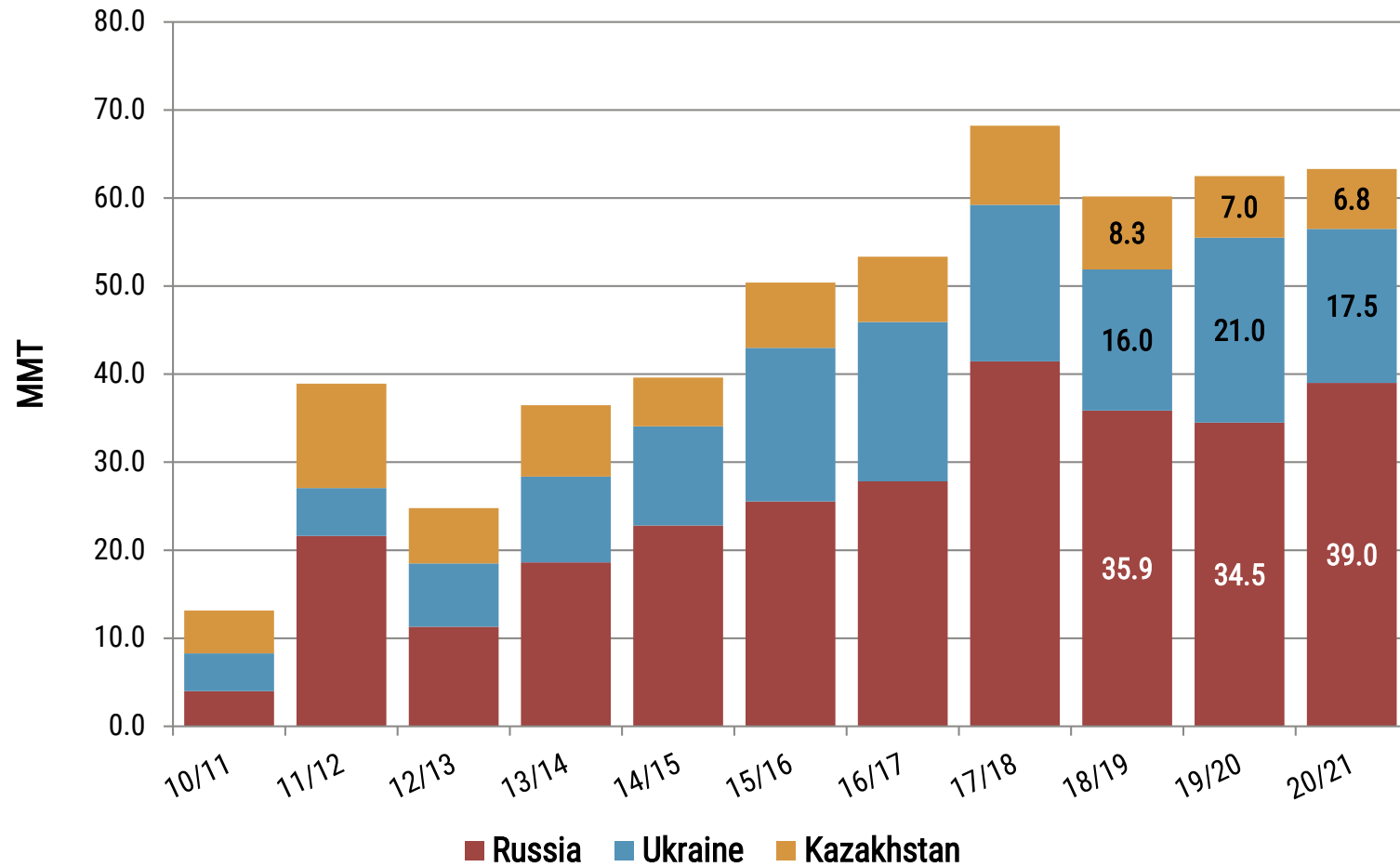
## *Ukraine Ending Stocks*



## Black Sea Region Situation



# Black Sea Exports

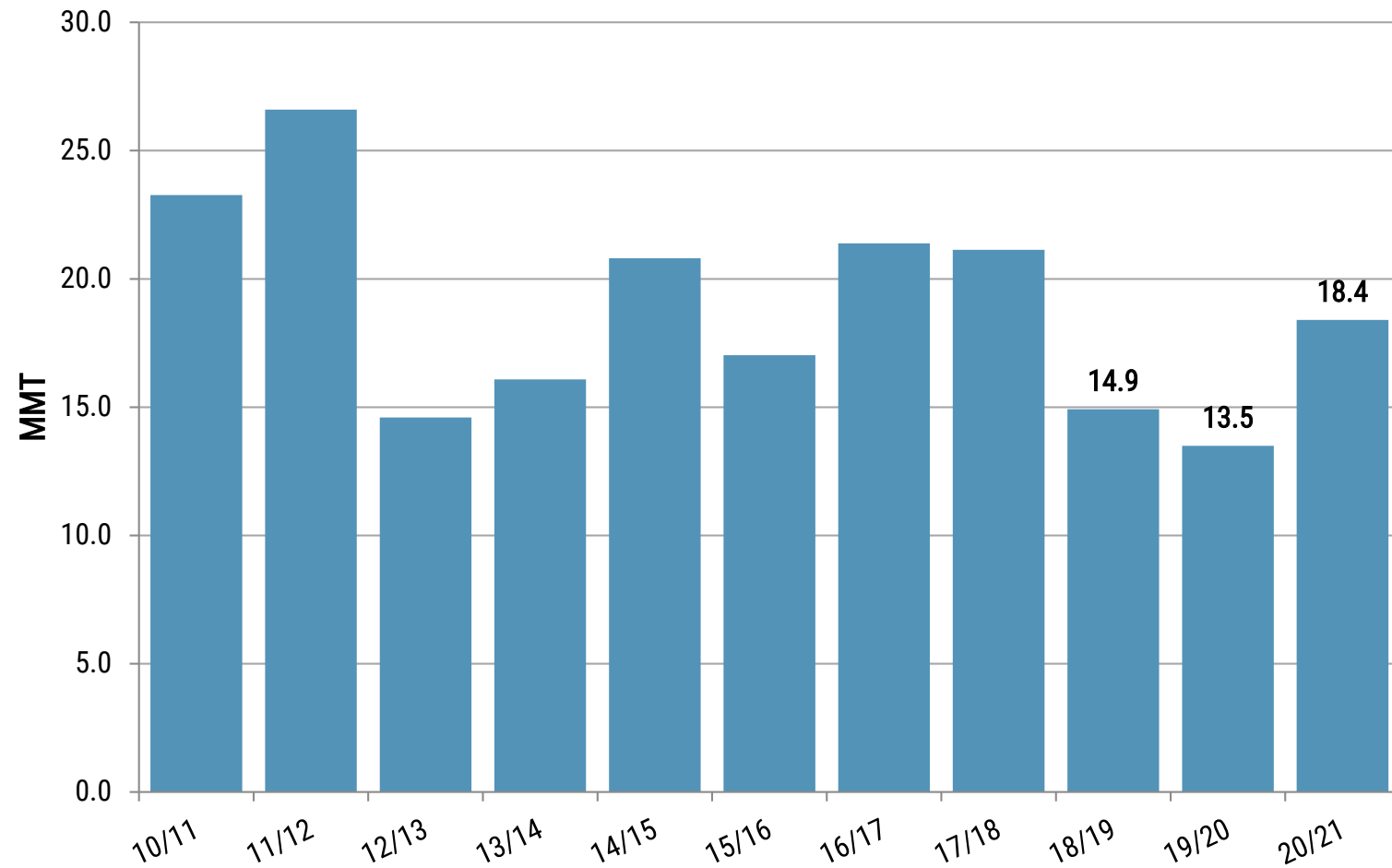


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.





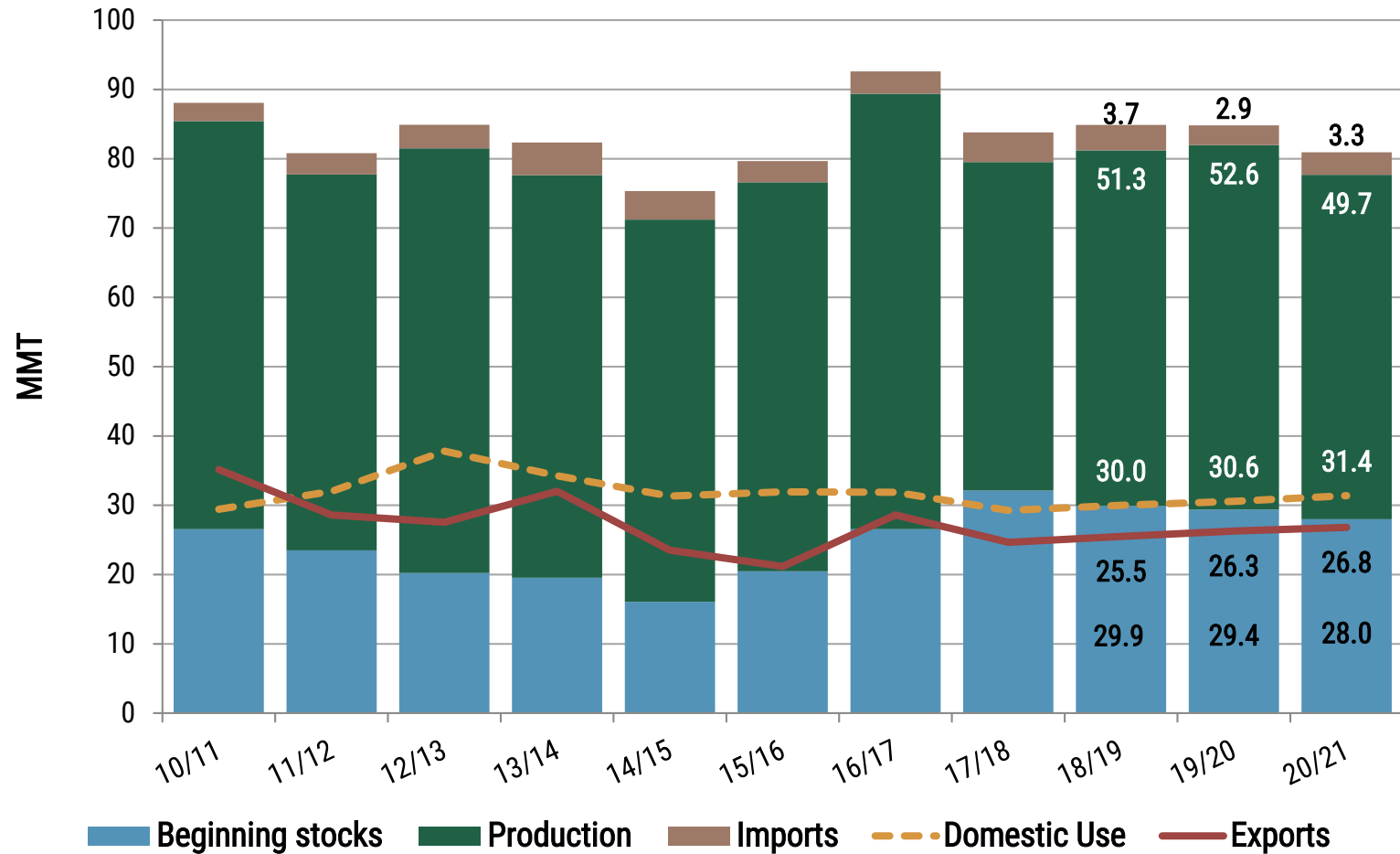
## *Black Sea Ending Stocks*



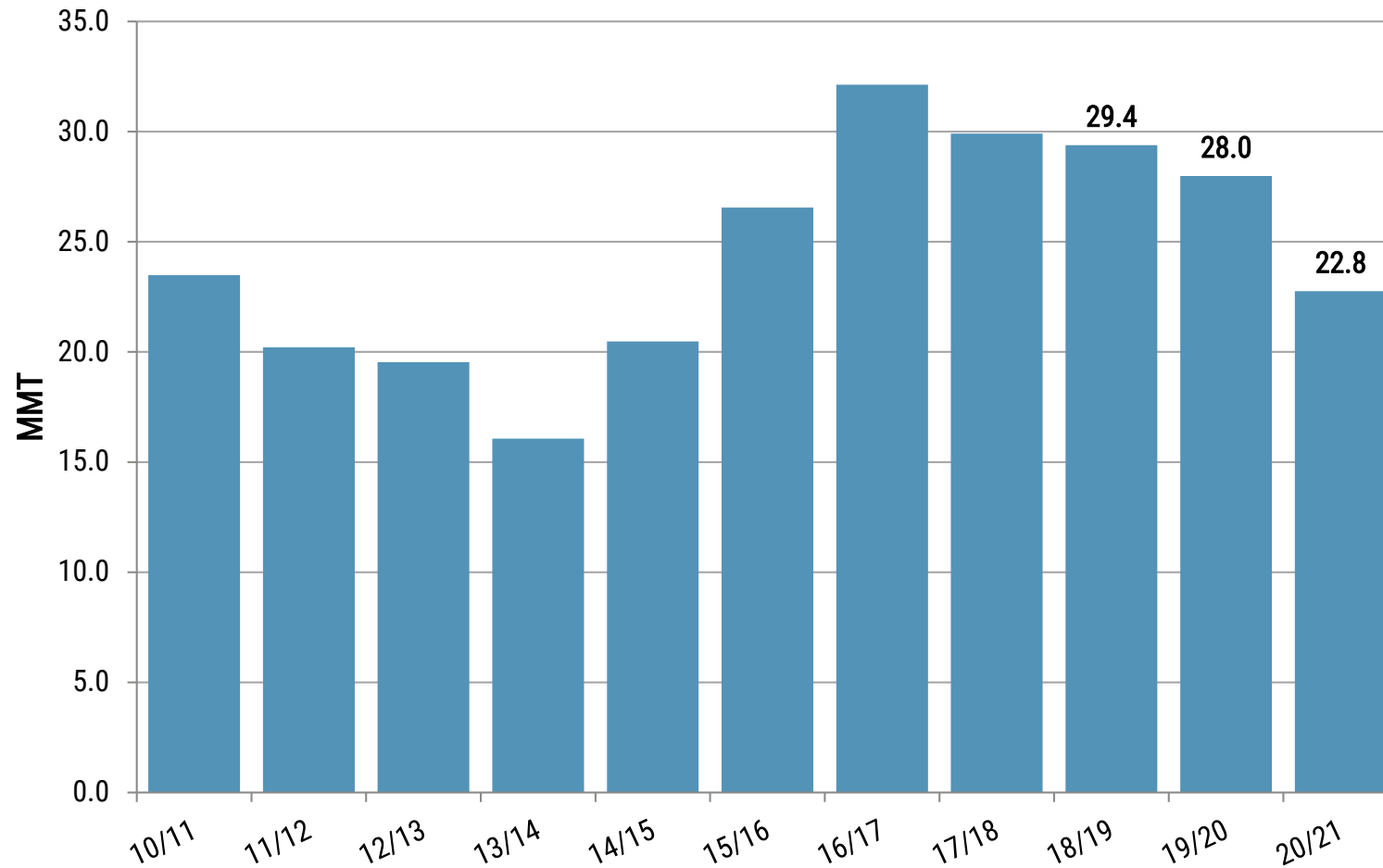
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# U.S. Situation



## *U.S. Ending Stocks*

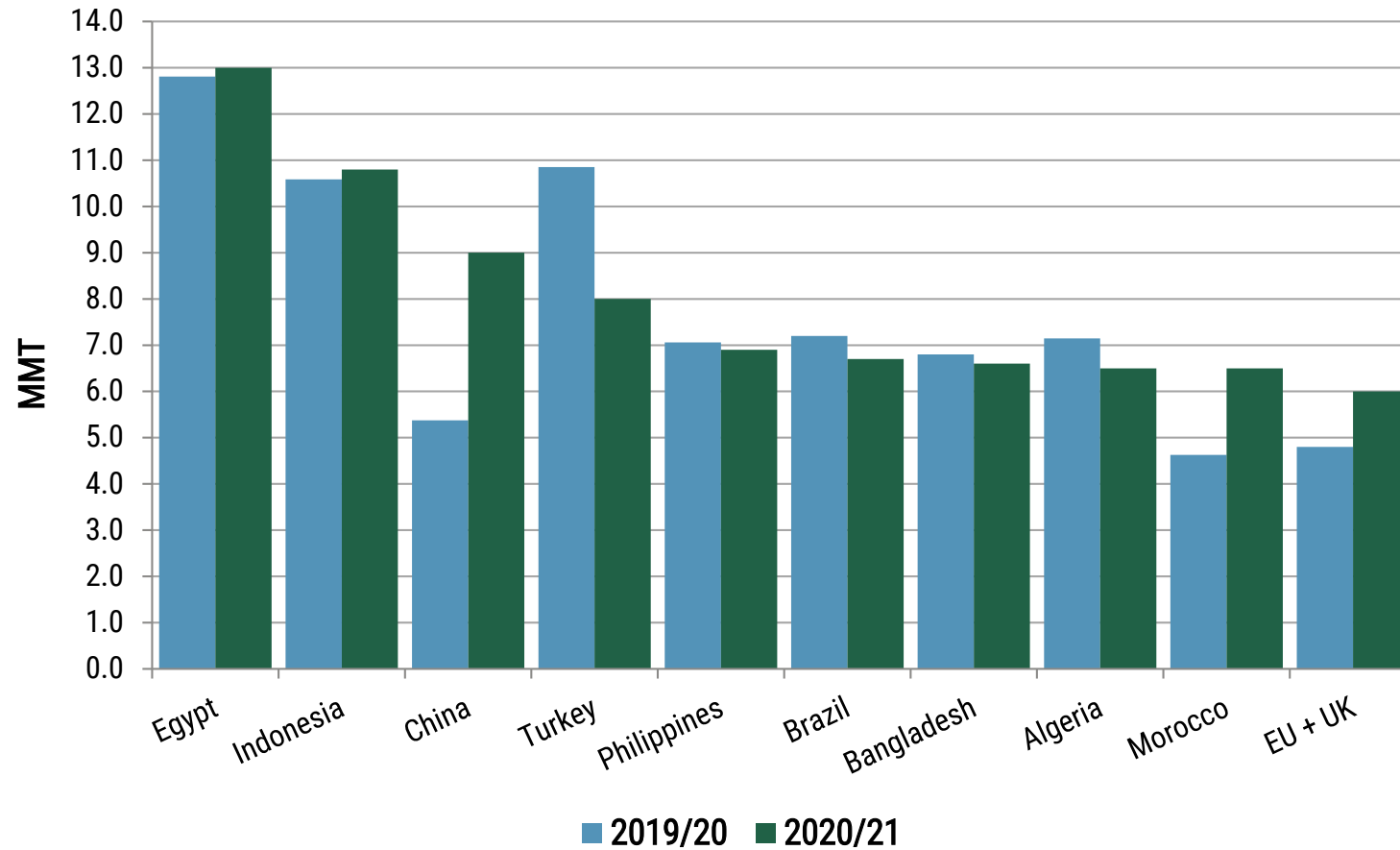




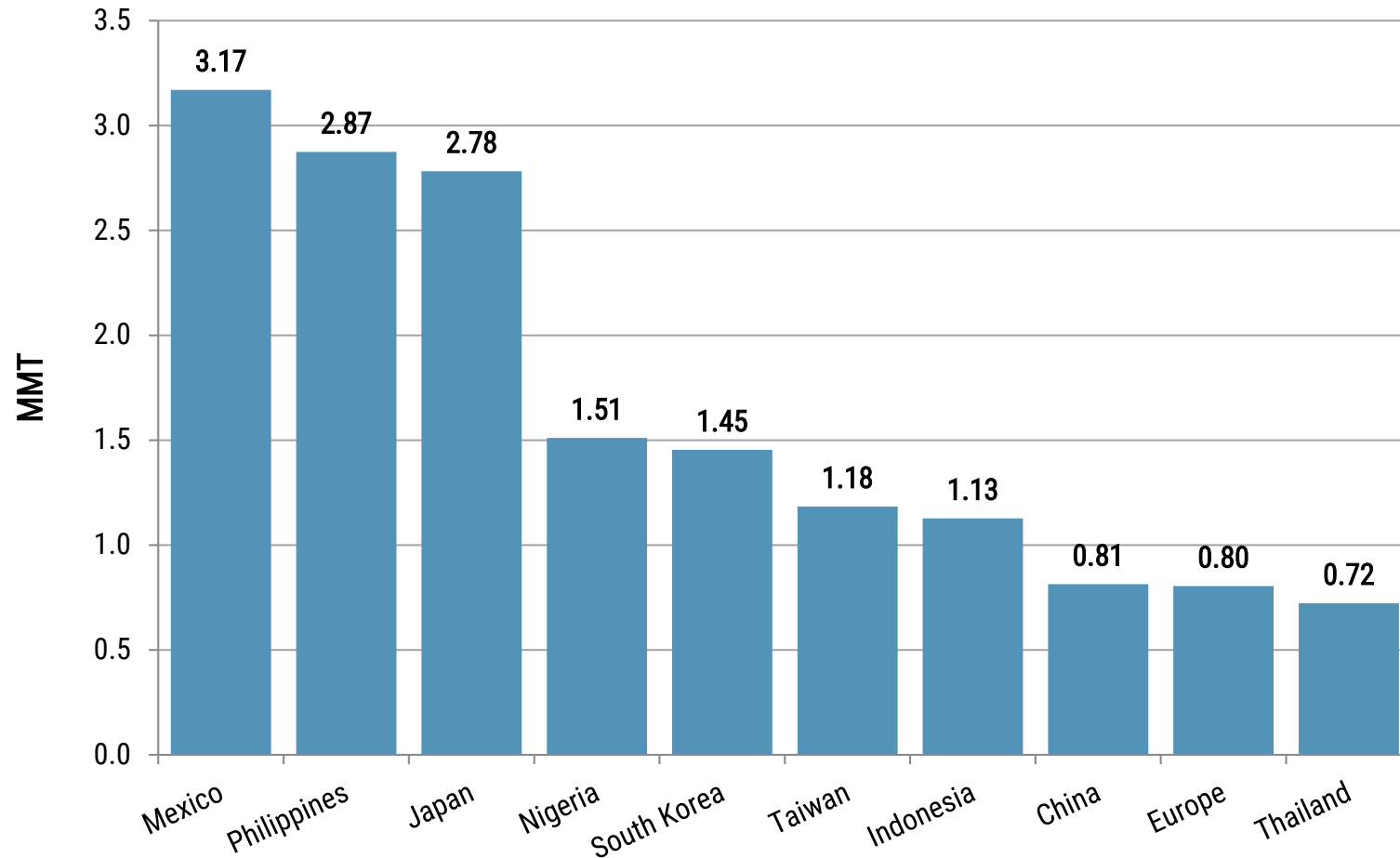
02

*Import Demand*

## Major World Wheat Importers



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

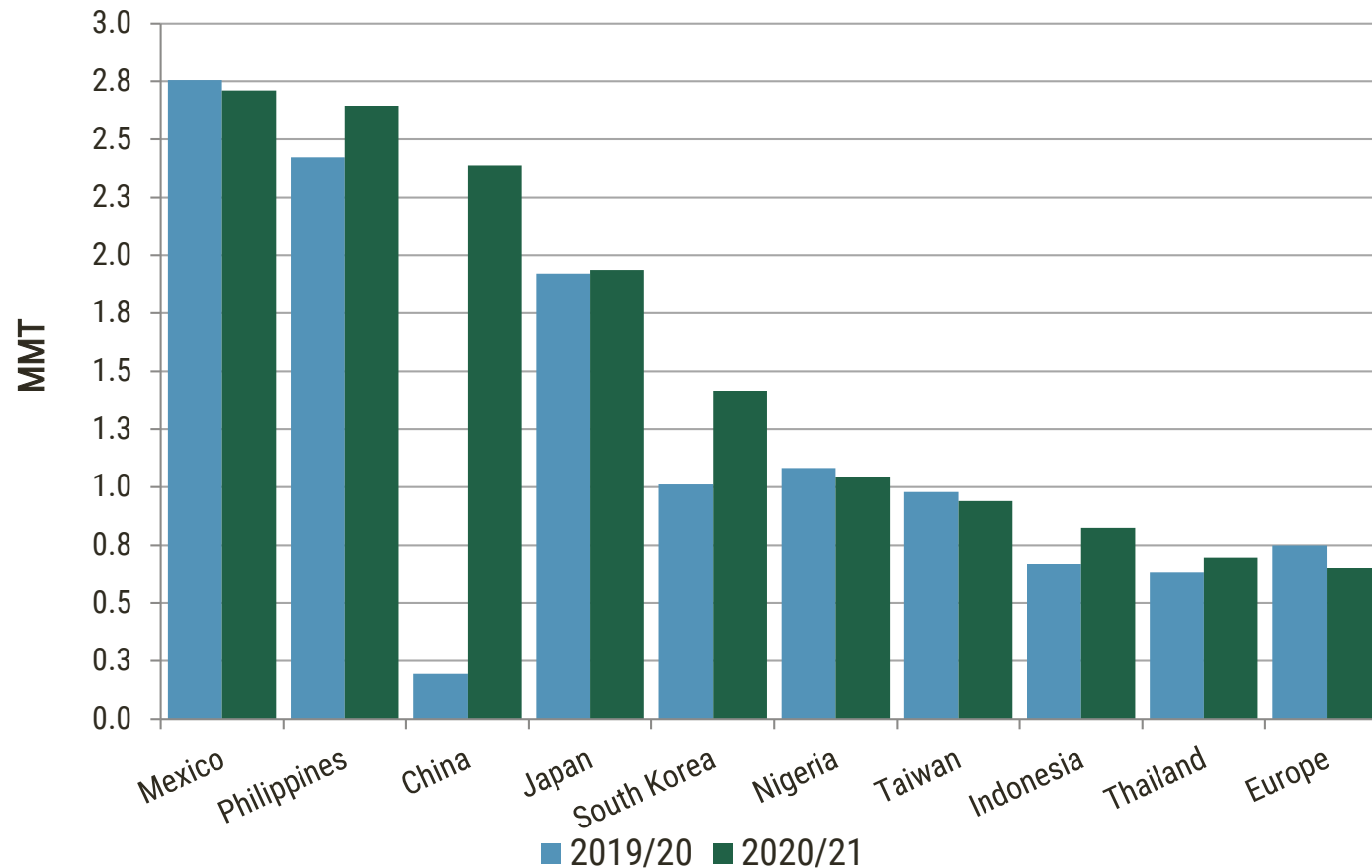


Source: USDA FAS export sales data as of May 31, 2020



## Top 10 Customers for U.S. Wheat

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

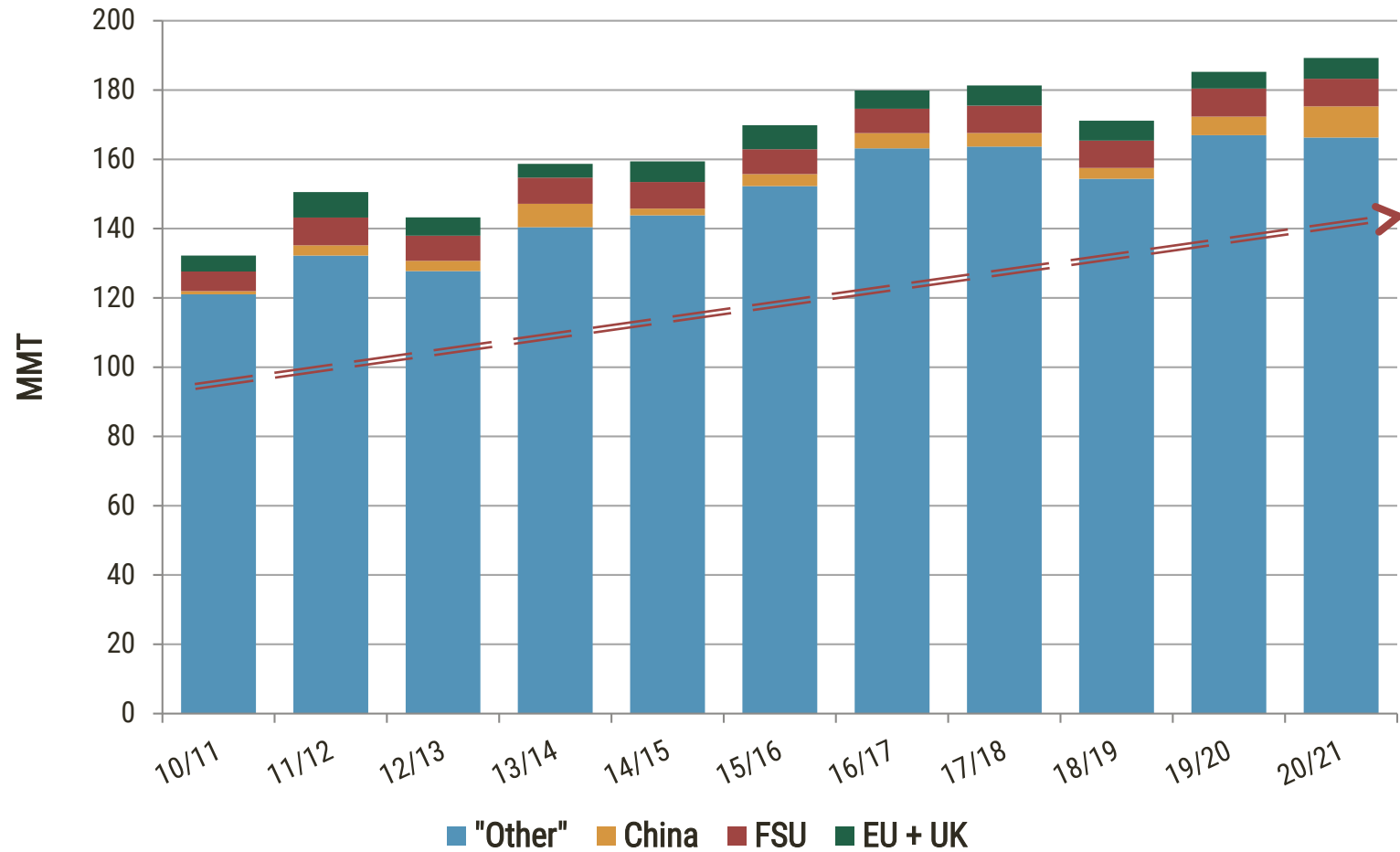


Source: USDA FAS export sales data as of December 31, 2020





# World Wheat Imports

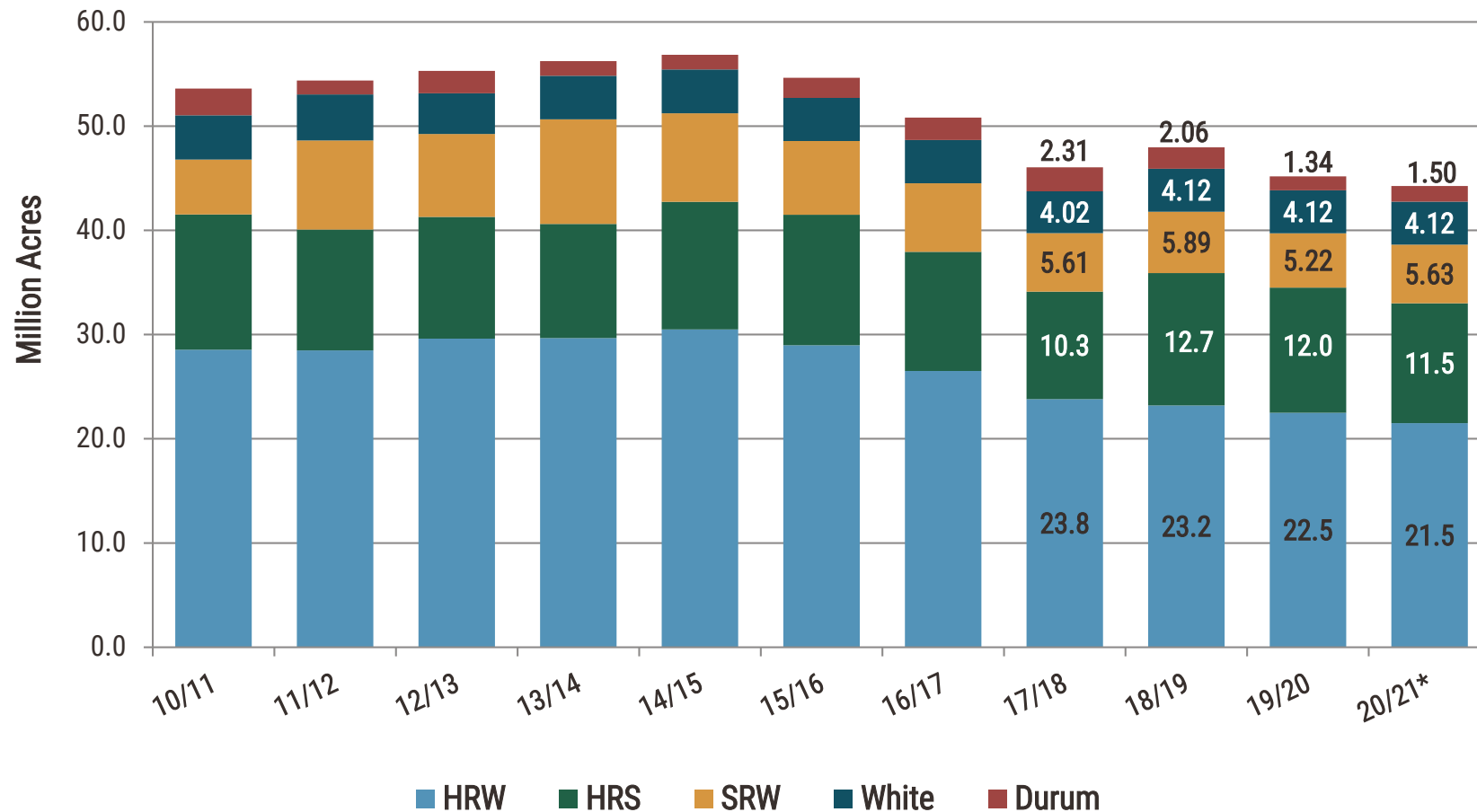




03

*U.S. Situation by  
Class*

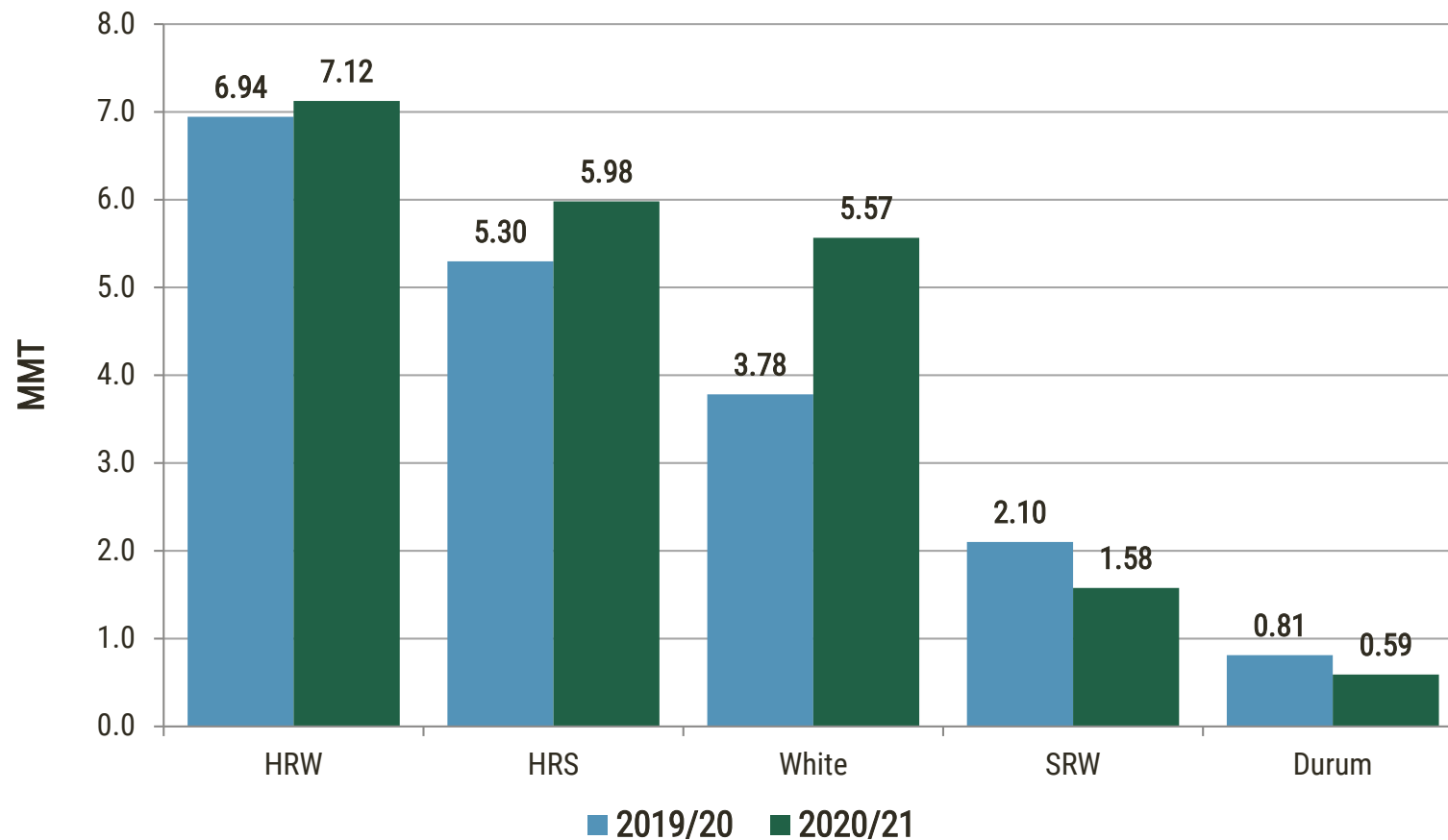
# U.S. Wheat Planted Area



\*Source: June 2020 USDA Acreage Report

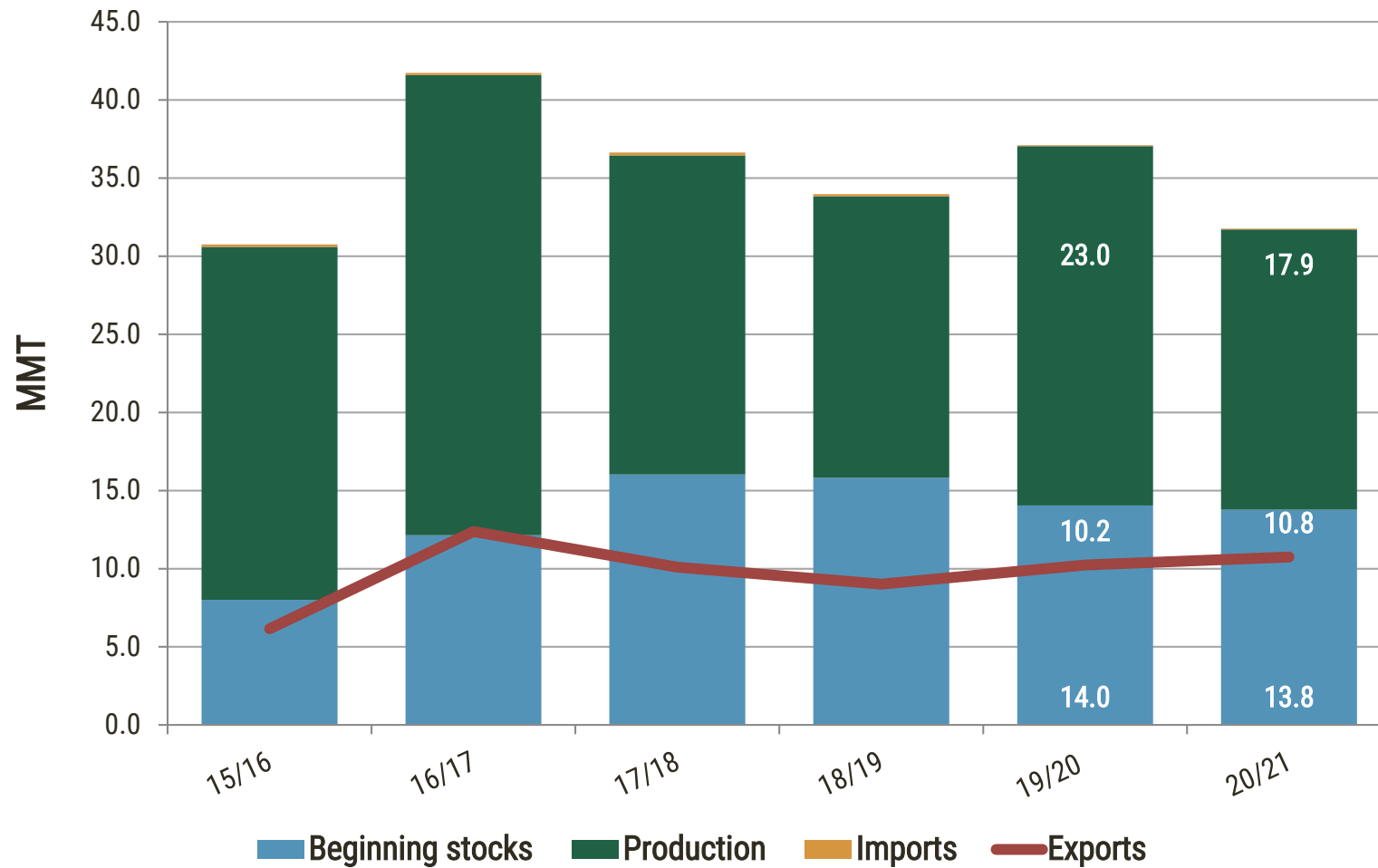
## *U.S. Wheat Sales by Class*

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

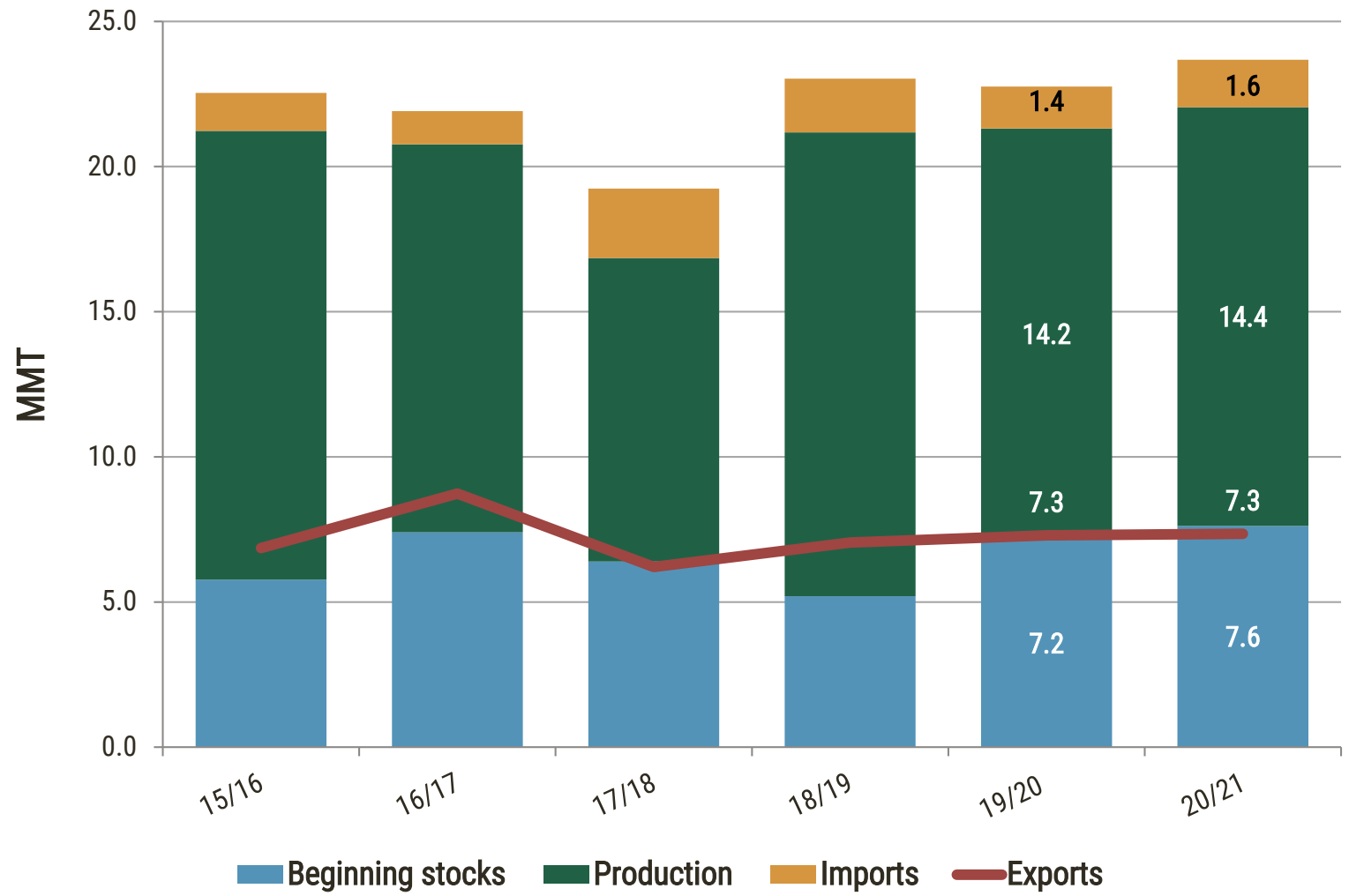


Source: USDA FAS export sales data as of December 31, 2020

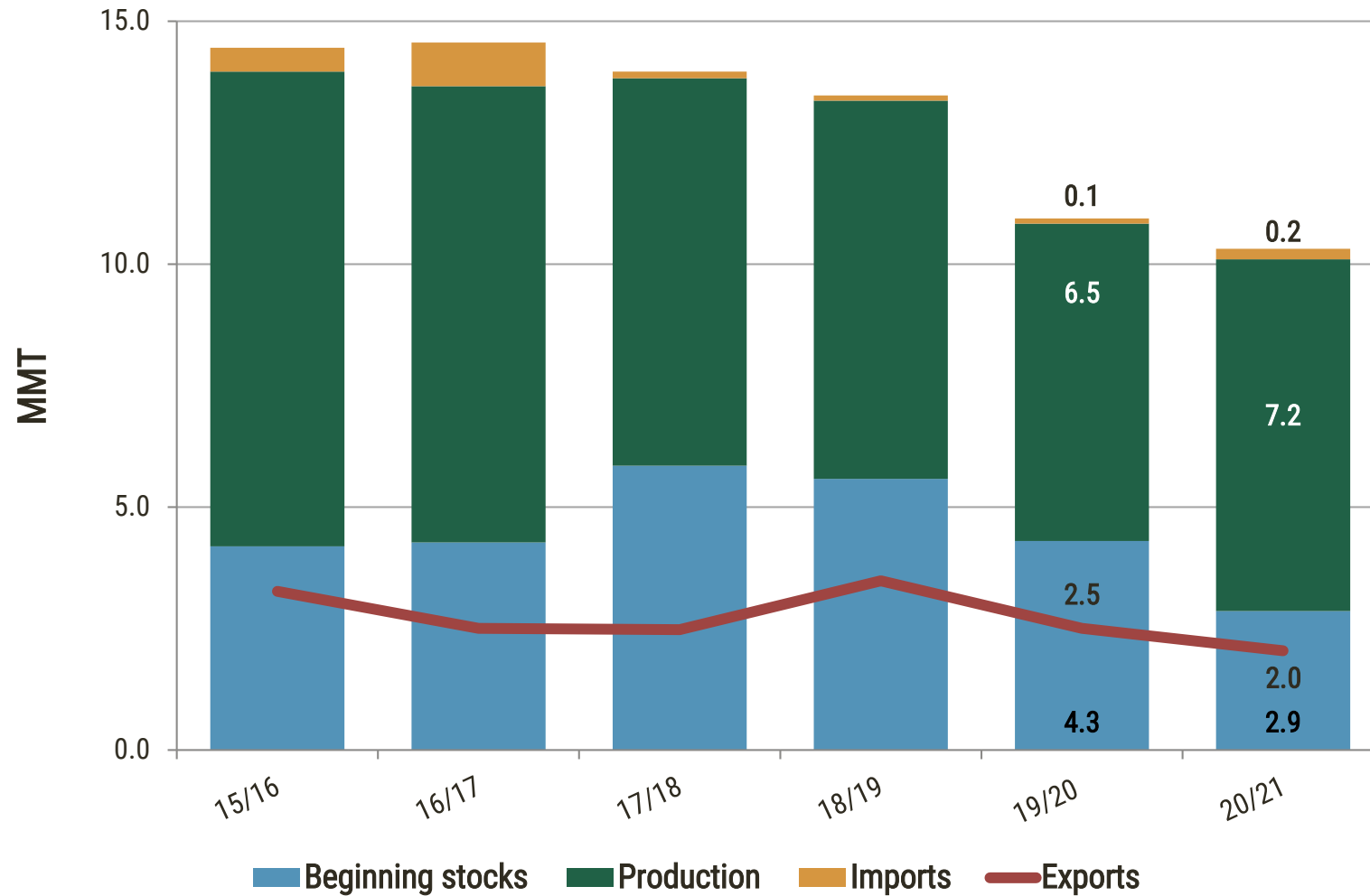
# U.S. Hard Red Winter



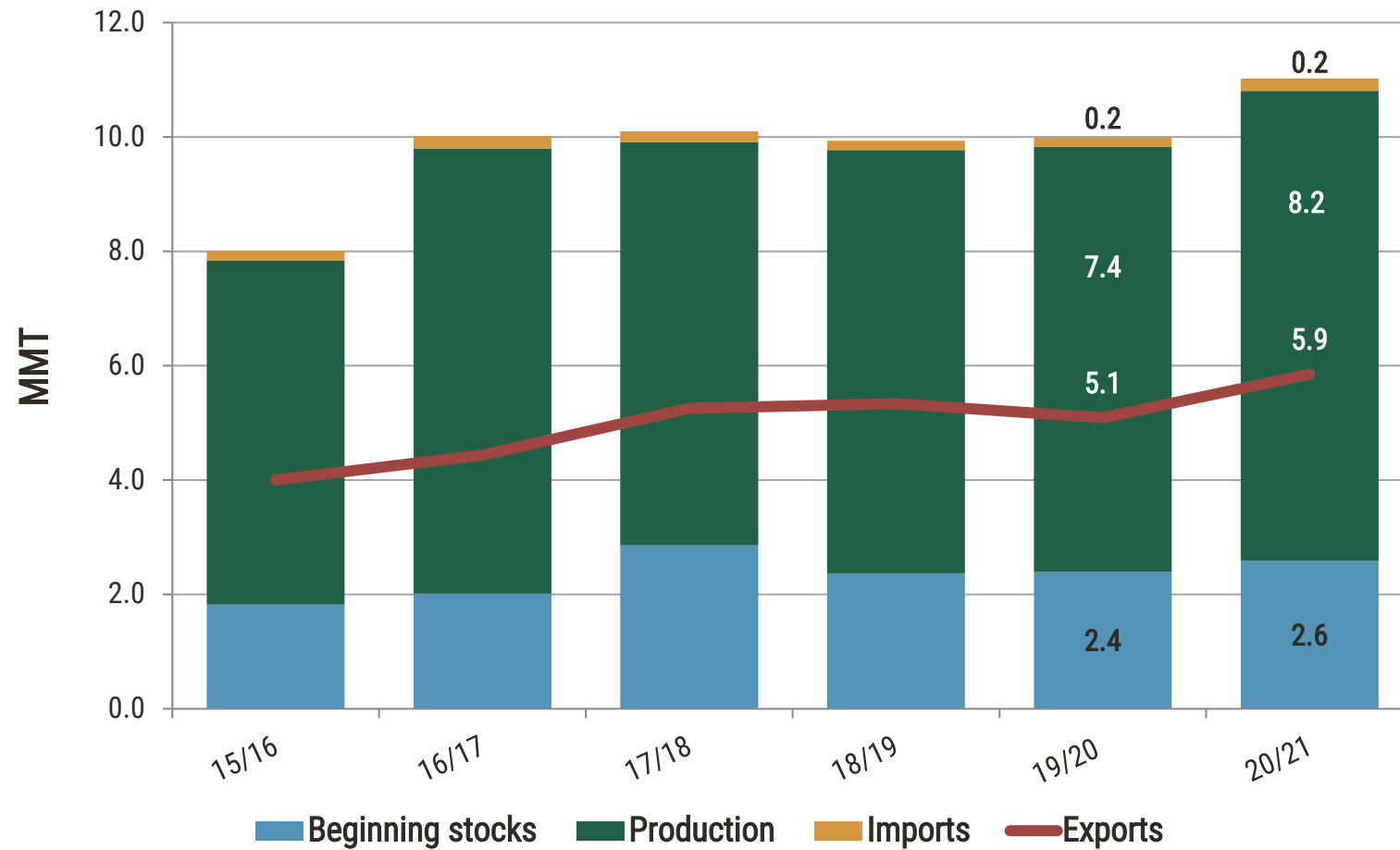
# U.S. Hard Red Spring



# U.S. Soft Red Winter

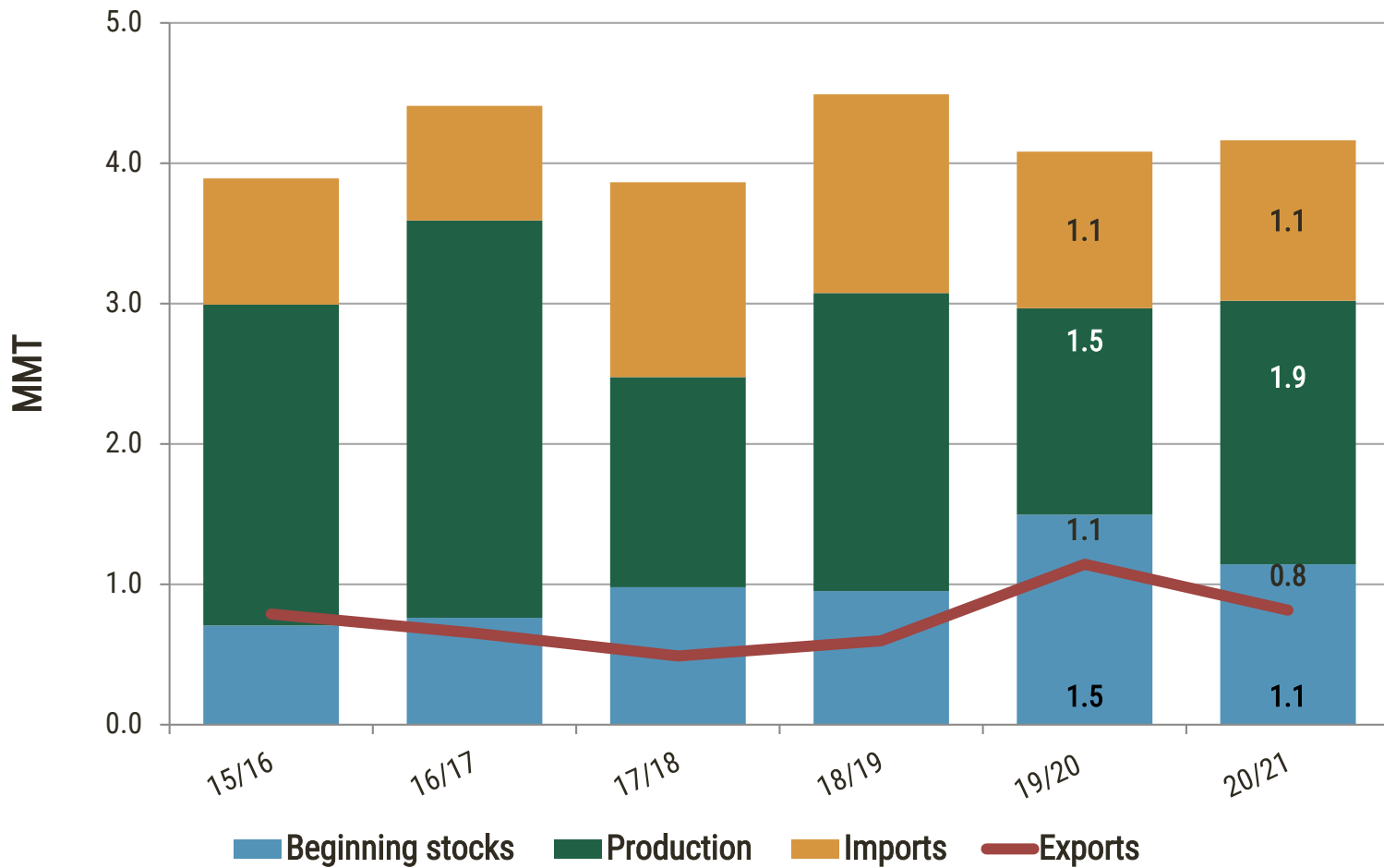


# U.S. White

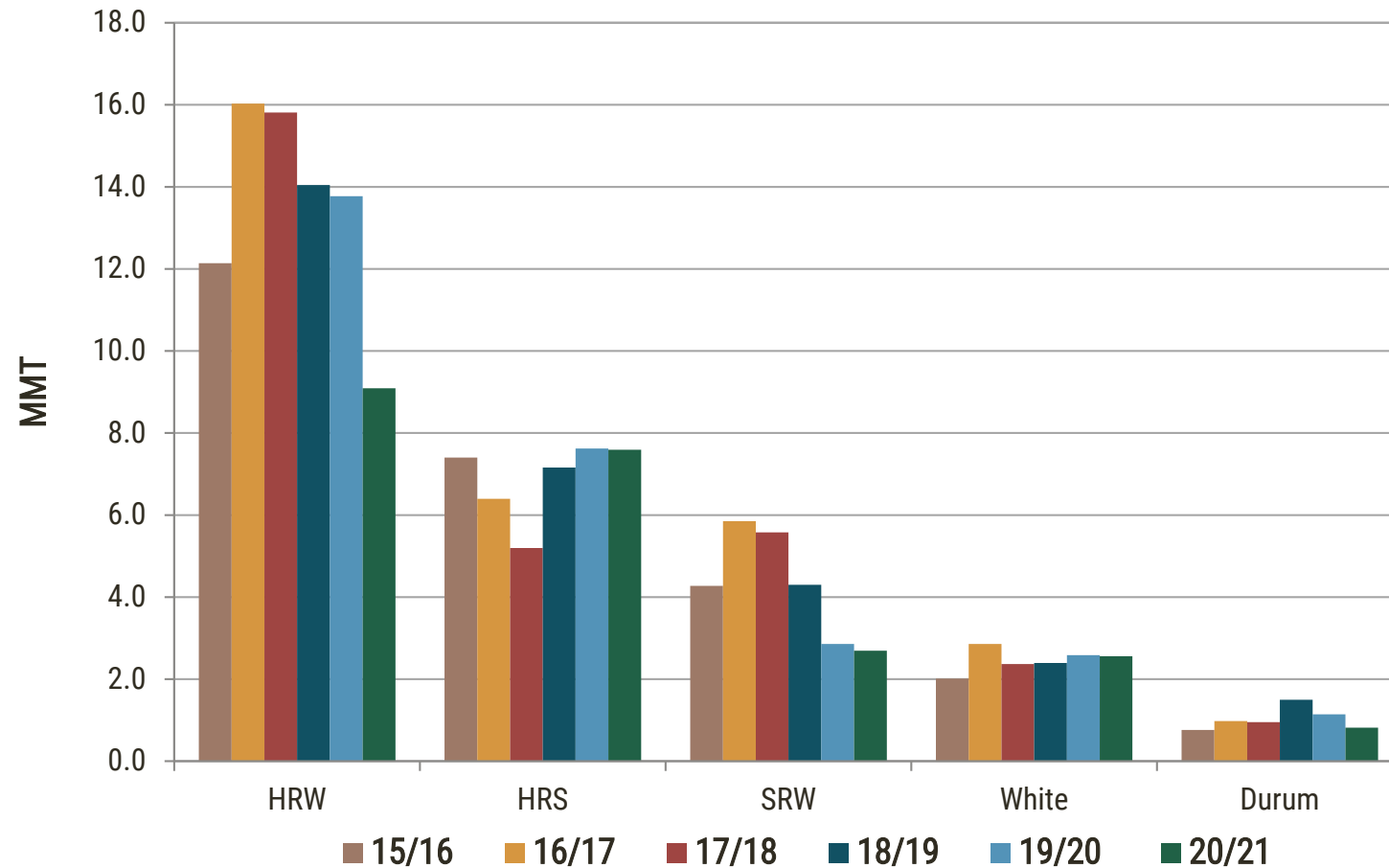




# U.S. Durum



## *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>
<b>Beginning Stocks</b>	14.0	13.8	7.16	7.62	4.30	2.86
<b>Production</b>	23.0	17.9	14.2	14.4	6.53	7.24
<b>Supply Total</b>	37.1	31.8	22.8	23.7	10.94	10.3
<b>Domestic Use</b>	13.1	11.9	7.84	8.74	5.55	5.58
<b>Exports</b>	10.2	10.8	7.29	7.35	2.50	2.04
<b>Use Total</b>	23.3	22.7	15.1	16.1	8.08	7.62
<b>Ending Stocks</b>	13.8	9.1	7.62	7.59	2.86	2.69
<b>Stocks-to-Use</b>	59%	40%	50%	47%	35%	35%

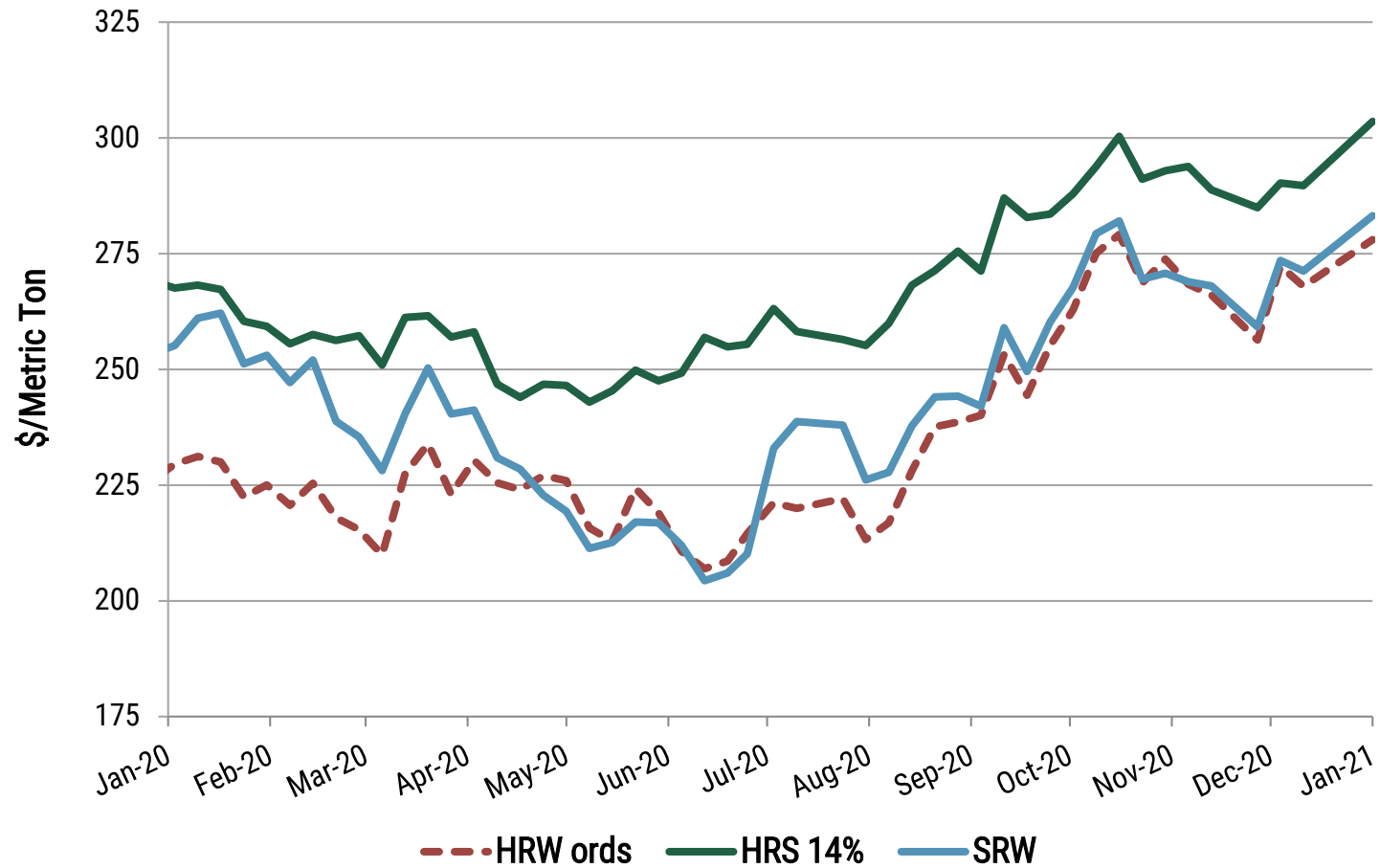


## *U.S. Wheat Supply and Demand (MMT)*

	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>
<b>Beginning Stocks</b>	2.40	2.59	1.50	1.14	29.4	28.0
<b>Production</b>	7.43	8.22	1.47	1.88	52.6	49.7
<b>Supply Total</b>	10.0	11.02	4.08	4.16	84.8	80.9
<b>Domestic Use</b>	2.31	2.61	1.80	2.53	30.6	31.4
<b>Exports</b>	5.09	5.85	1.14	0.82	26.3	26.8
<b>Use Total</b>	7.40	8.46	2.94	3.35	56.9	58.2
<b>Ending Stocks</b>	2.59	2.56	1.14	0.82	28.0	22.8
<b>Stocks-to-Use</b>	35%	30%	39%	24%	49%	39%



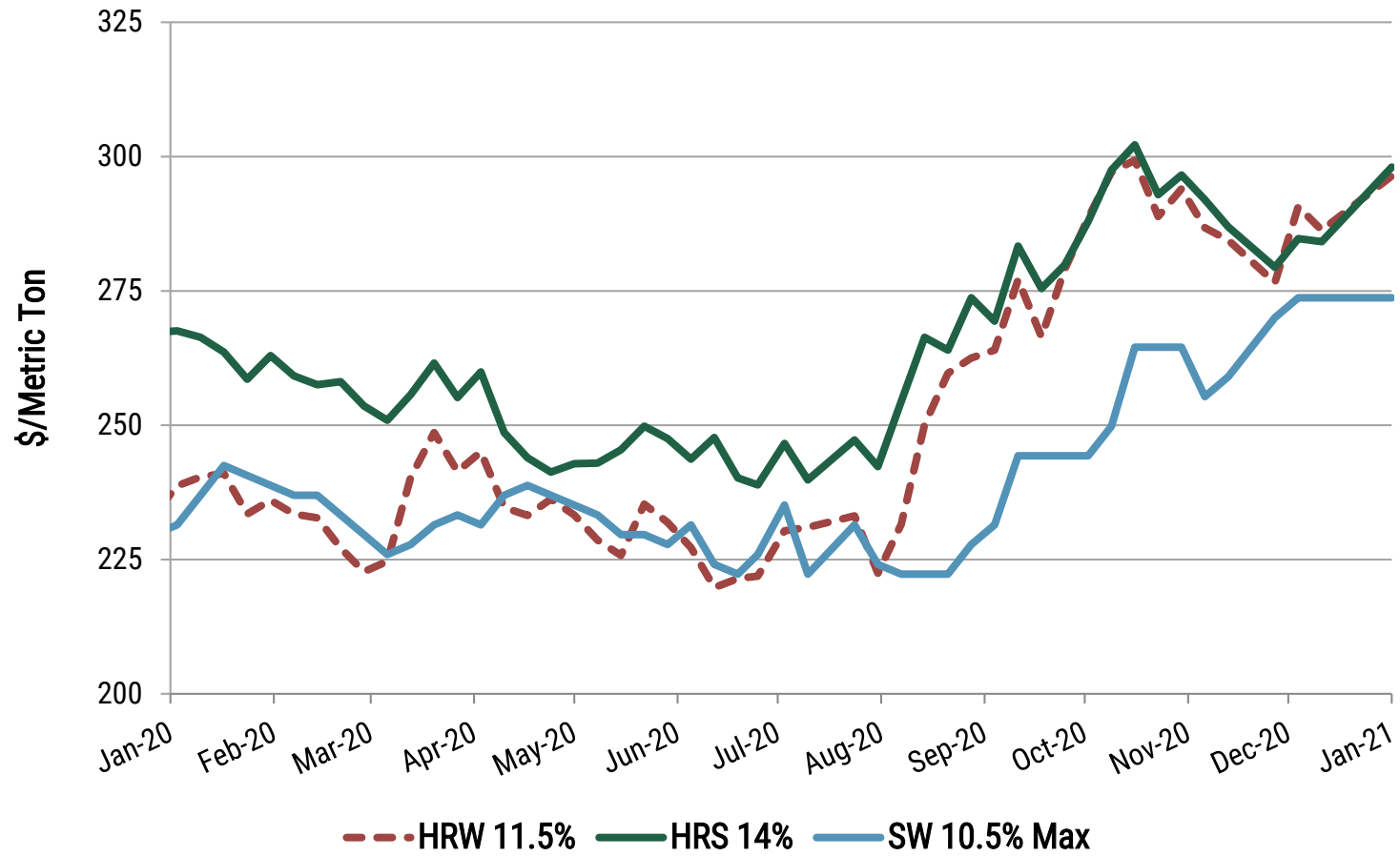
## U.S. FOB Gulf Prices



Source: U.S. Wheat Associates Price Report, January 8, 2021



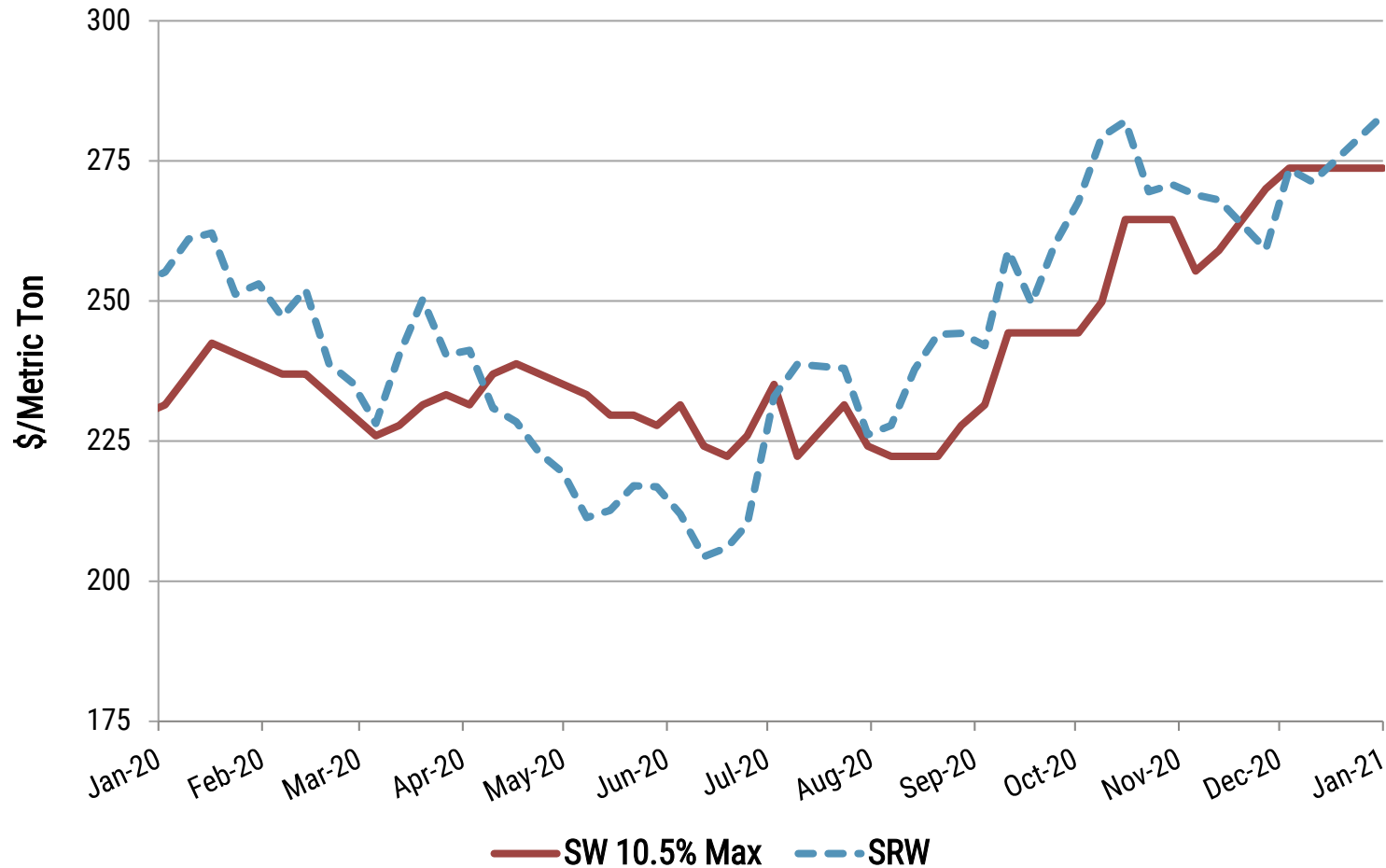
# U.S. FOB PNW Prices



Source: U.S. Wheat Associates Price Report, January 8, 2021



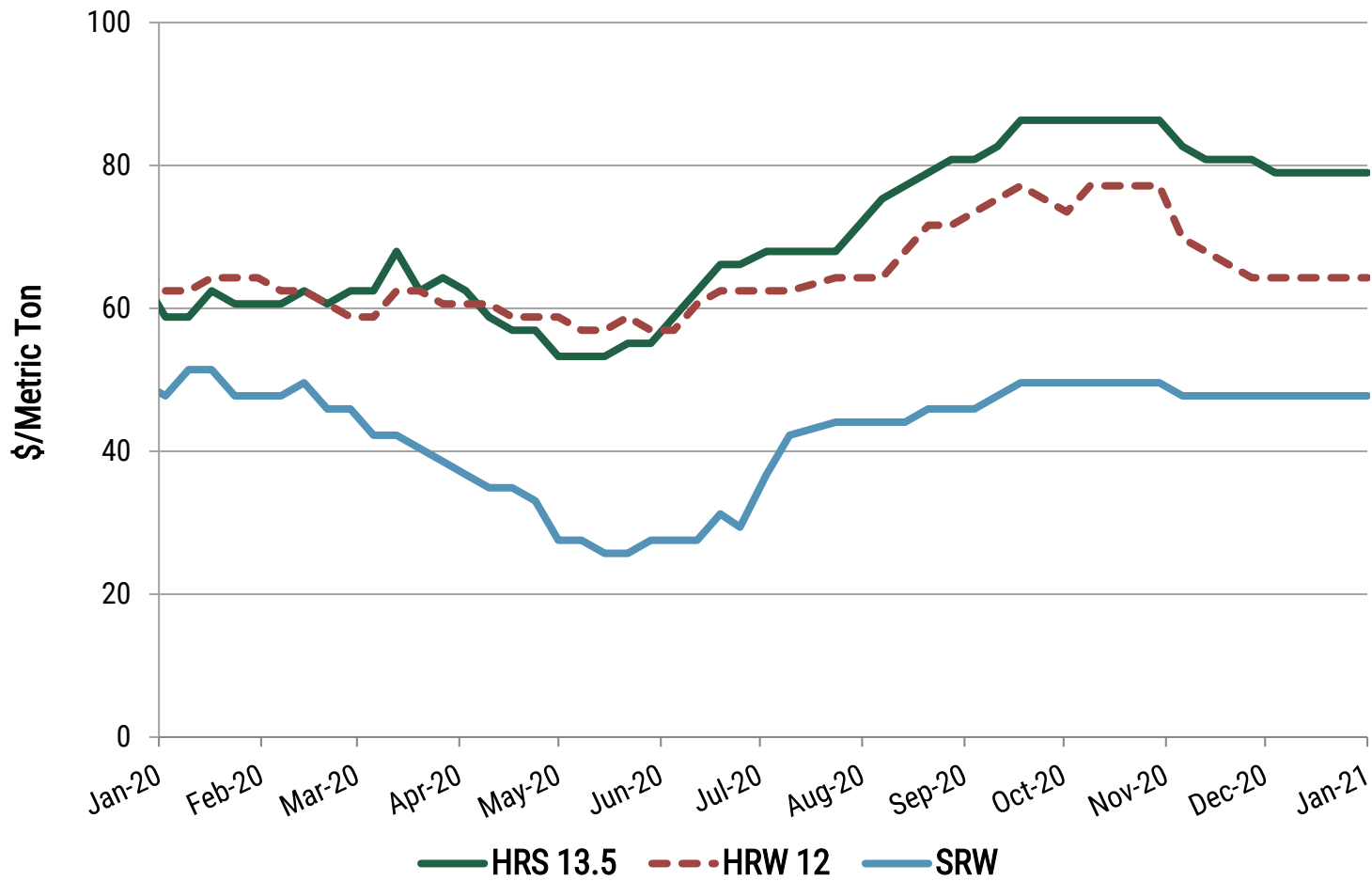
## U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, January 8, 2021



# U.S. Gulf Export Basis

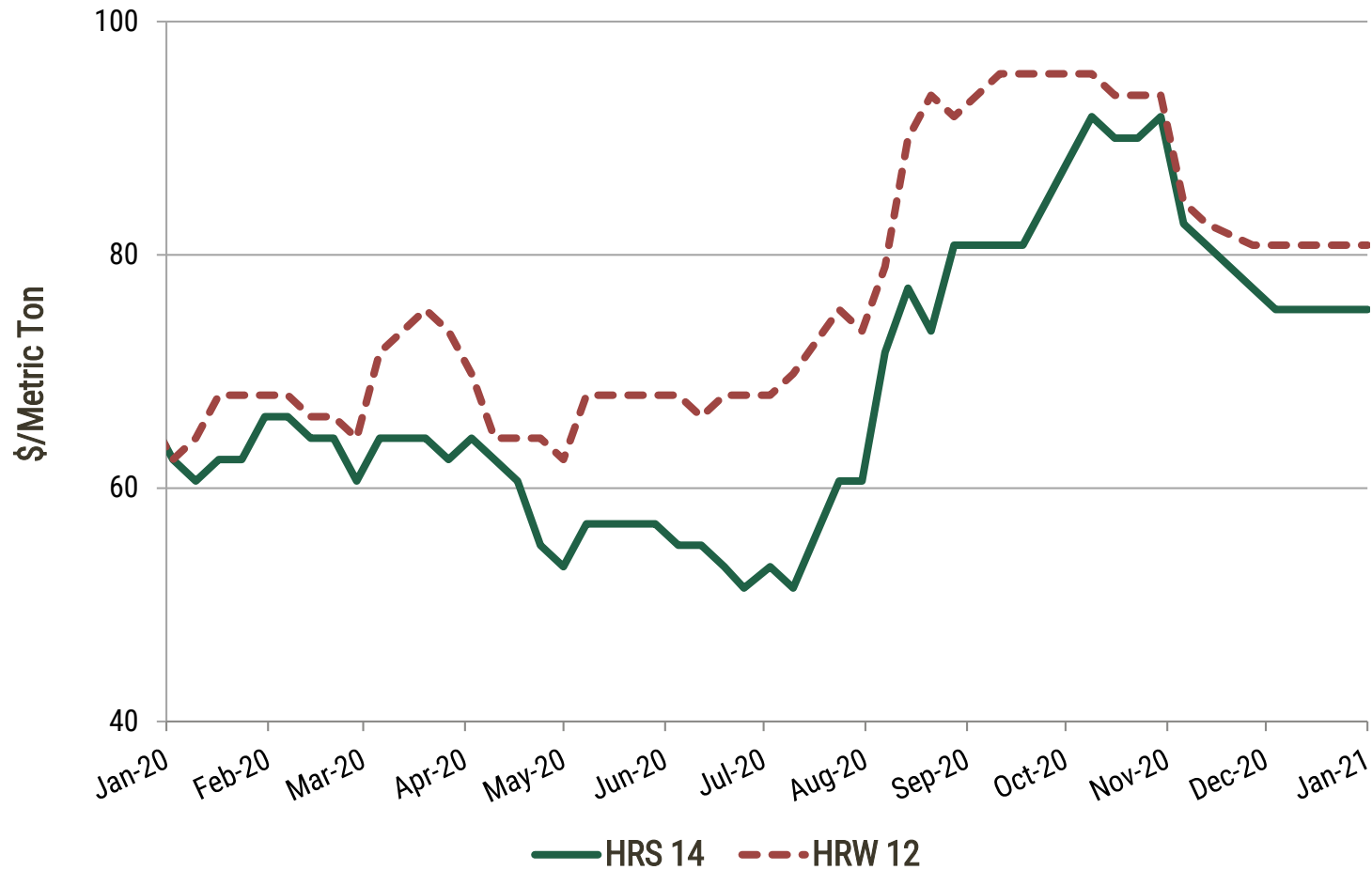


Source: U.S. Wheat Associates Price Report, January 8, 2021





# U.S. PNW Export Basis



Source: U.S. Wheat Associates Price Report, January 8, 2021



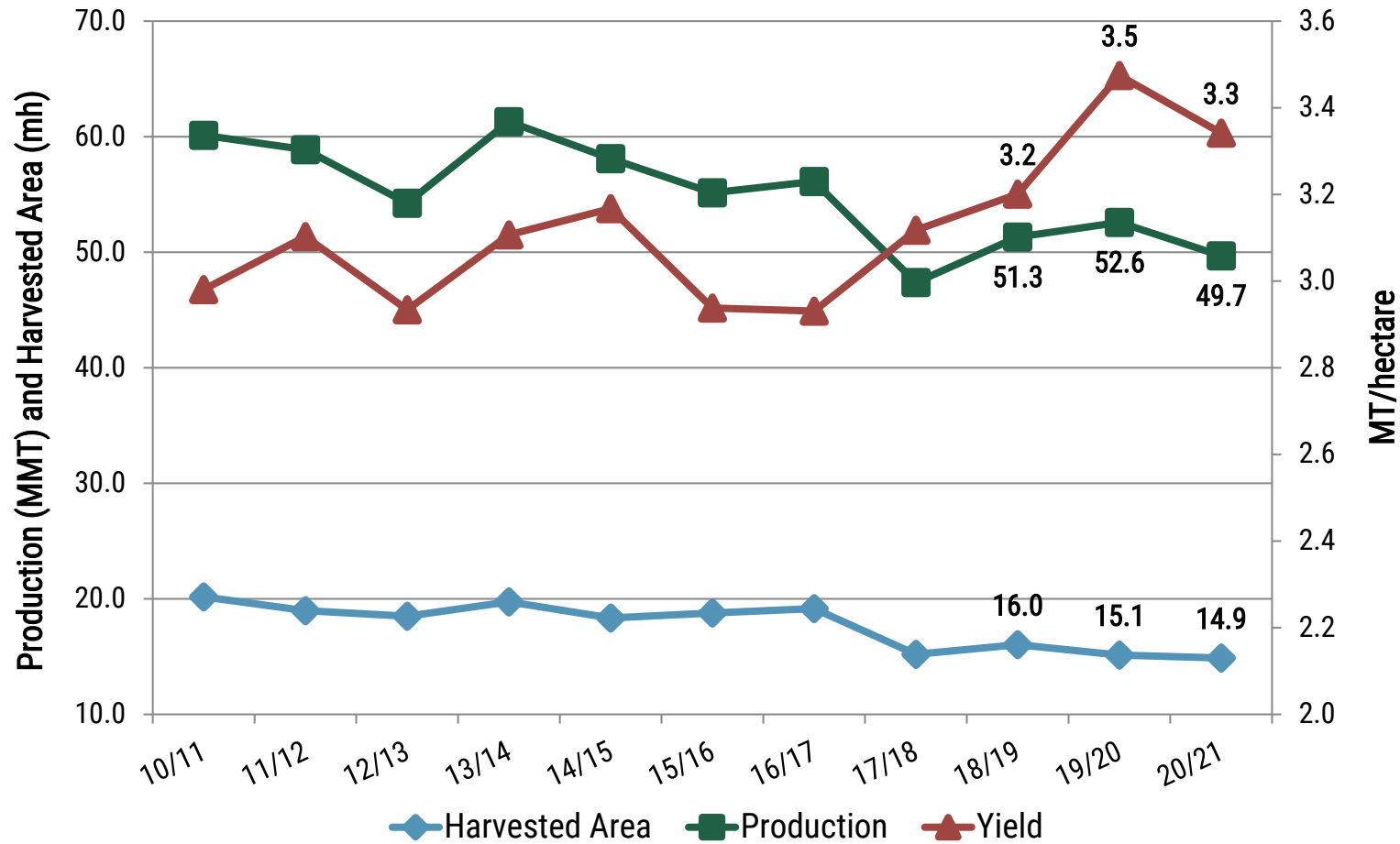


04

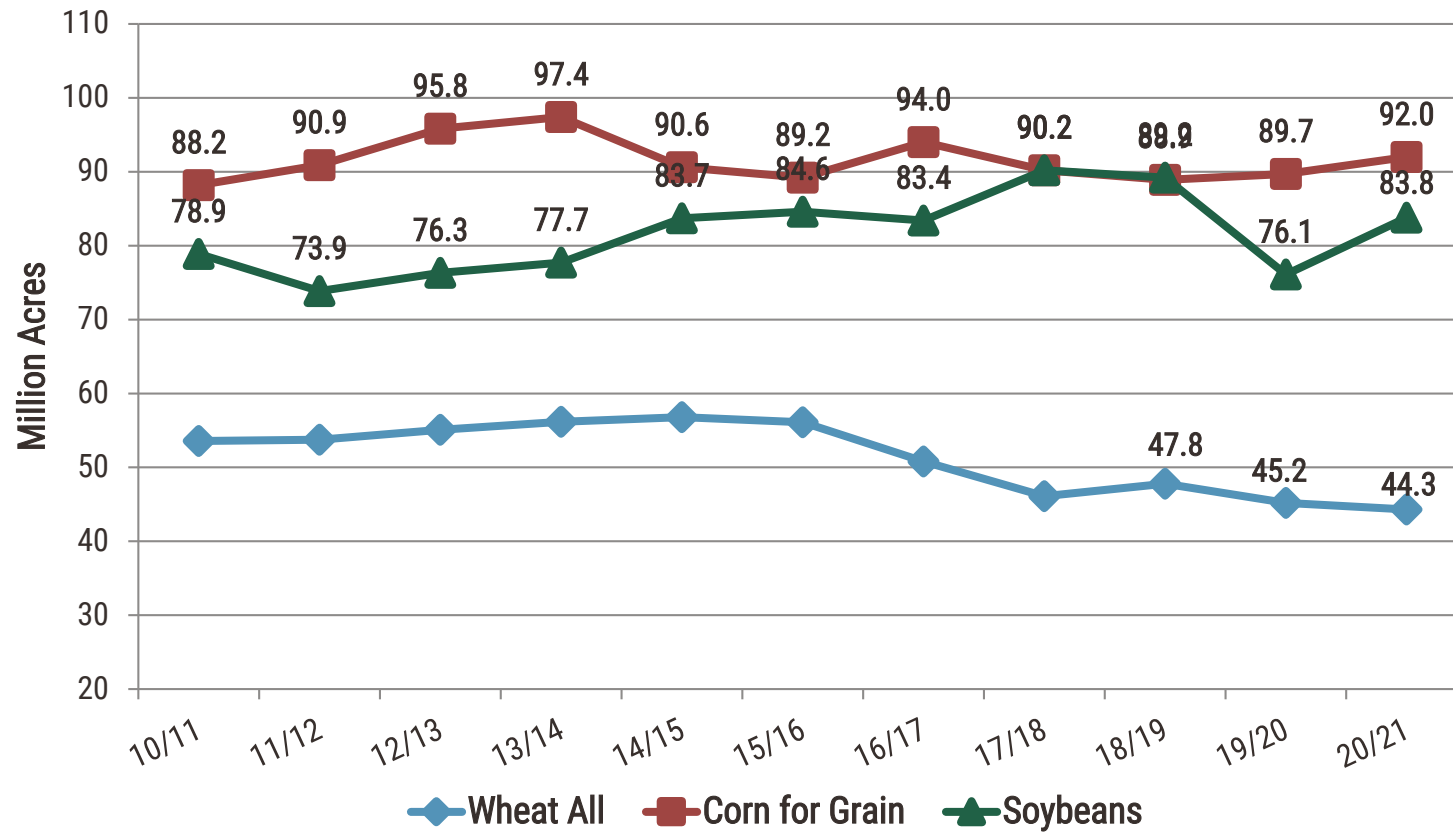
*Outlook*



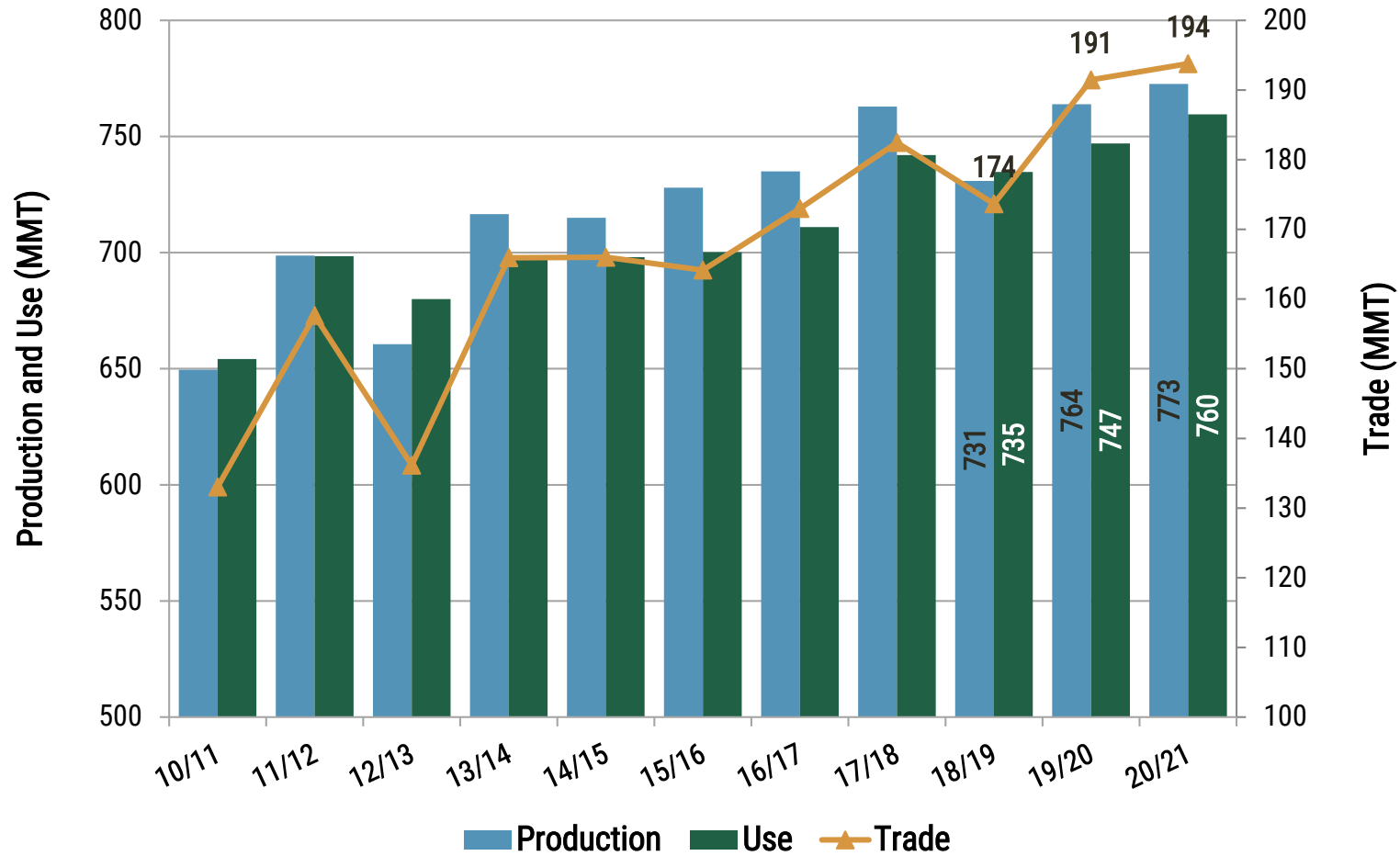
## U.S. Wheat Production, Area and Yield



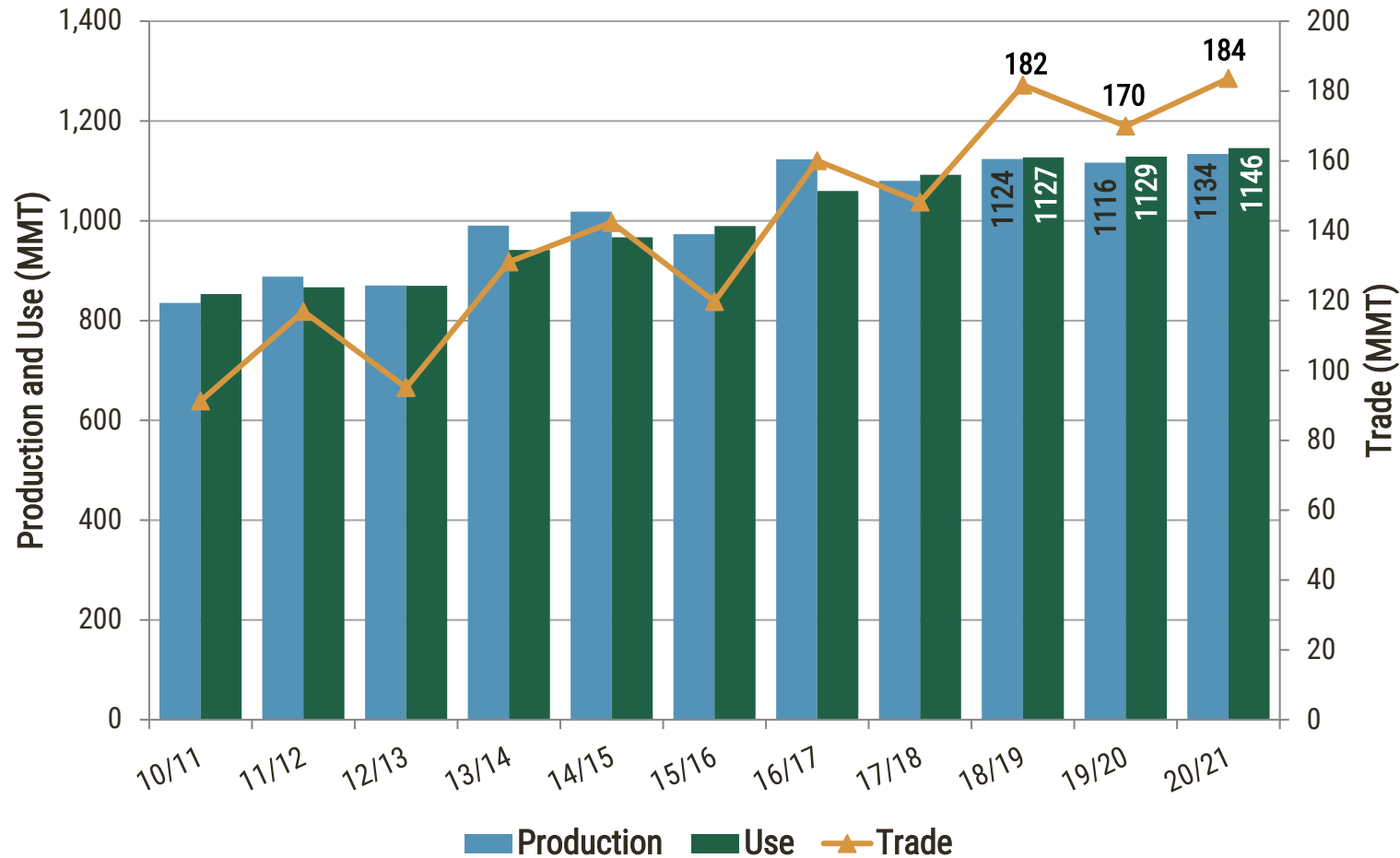
## U.S. Crop Planted Area Comparison



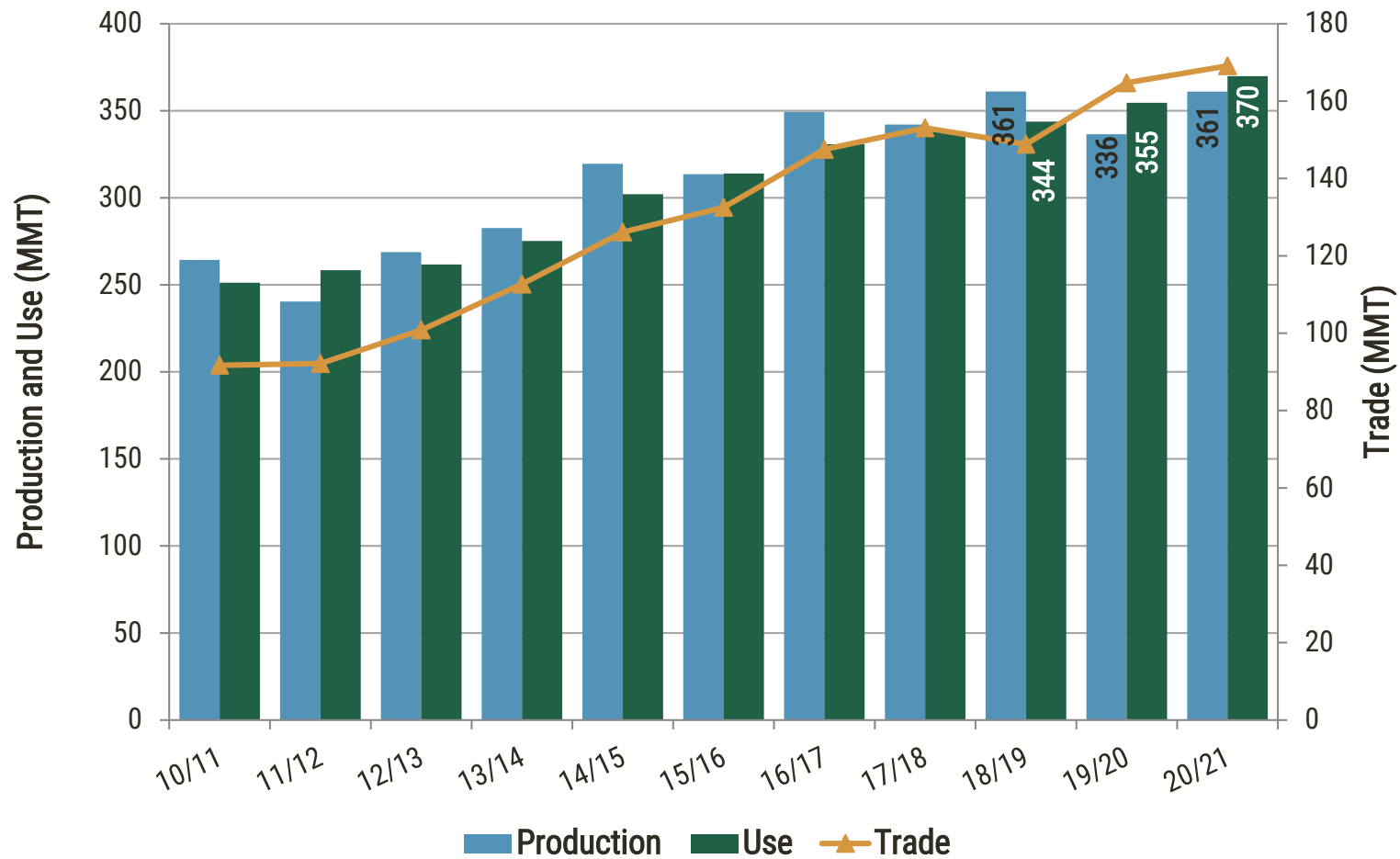
# World Wheat Production, Use and Trade



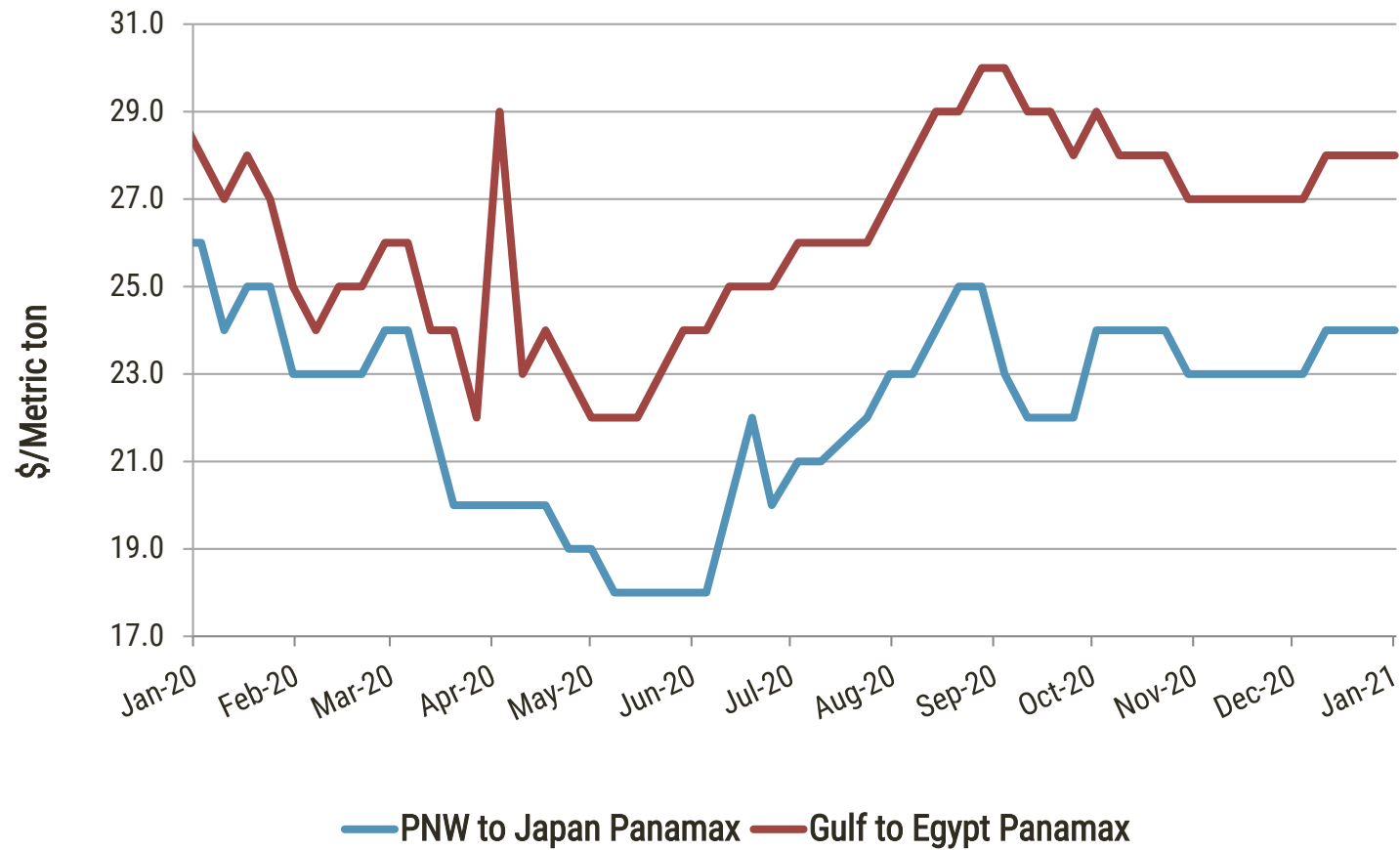
# World Corn Production, Use and Trade



## World Soybeans Production, Use and Trade



## Ocean Freight Rates for Grains





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- Total global trade to reach a record 194 MMT, 1% more than last year
- Chinese domestic consumption to reach a record 135 MMT, up 11% from the 5-year average on increased feed use due to higher domestic corn prices
- U.S. domestic consumption to increase to 31.4 MMT, up 3% from last year



***THANK YOU***



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***Dependable People. Reliable Wheat.***