



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 March 9, 2021, 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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U.S. Situation by Class

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Outlook



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

2020/21 global wheat production reached a record 777 MMT

- Production in Russia reached 85.4 MMT, the highest on record
- Australian production more than doubled last year's output at 33.0 MMT
- U.S. production fell 5% from last year to 49.7 MMT on lower yields and decreased planted area

Global consumption forecast at 776 MMT, the highest on record

- Chinese domestic consumption to reach a record 145 MMT, up 19% from the 5-year average on increased feed use due to higher domestic corn prices
- Domestic consumption in Brazil to reach 12.2 MMT, up 2% from the 5-year average
- U.S. domestic consumption to increase to 31.4 MMT, up 3% from last year

World wheat trade to reach a record 198 MMT, up 9% from the 5-year average

- Russian exports to jump 13% from 2019/20 to 39.0 MMT, despite recent export taxes
- Exports from Australia to reach 22.0 MMT in 2020/21, more than double last year's volume
- U.S. 2020/21 exports to reach 26.8 MMT, 2% more than last year and 6% more than the 5-year average, if realized



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 a record 24.7 MMT, 45% more than last year
- 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 301 MMT, up 9% from the 5-year average

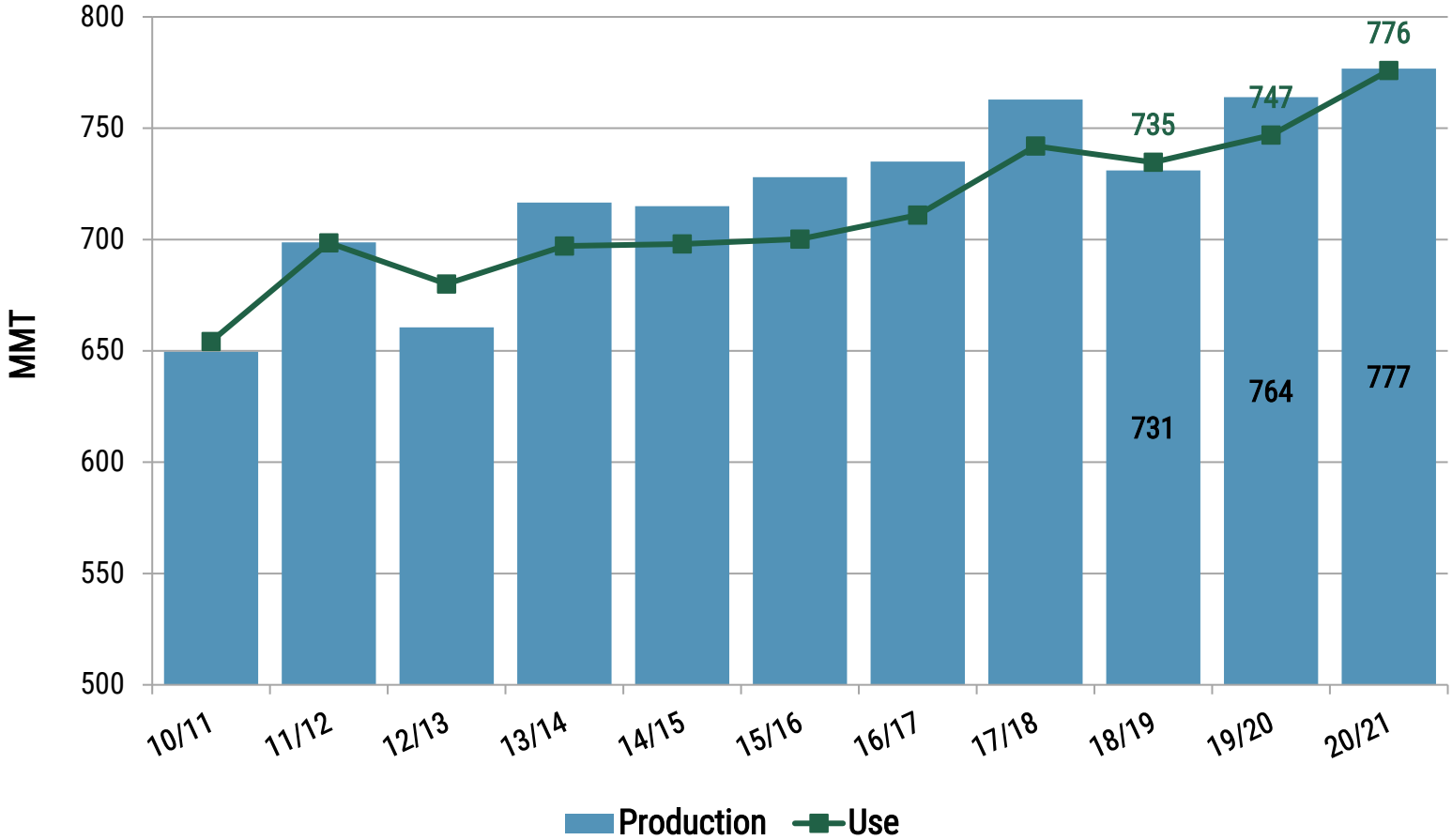
- Indian ending stocks to jump to a record 27.5 MMT, up 11% from last year, if realized
- Expected Chinese ending stocks to reach a record 150 MMT, 18% more than the 5-year average
- U.S. ending stocks are expected to drop 19% from last year to 22.8 MMT, the lowest in 6 years

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

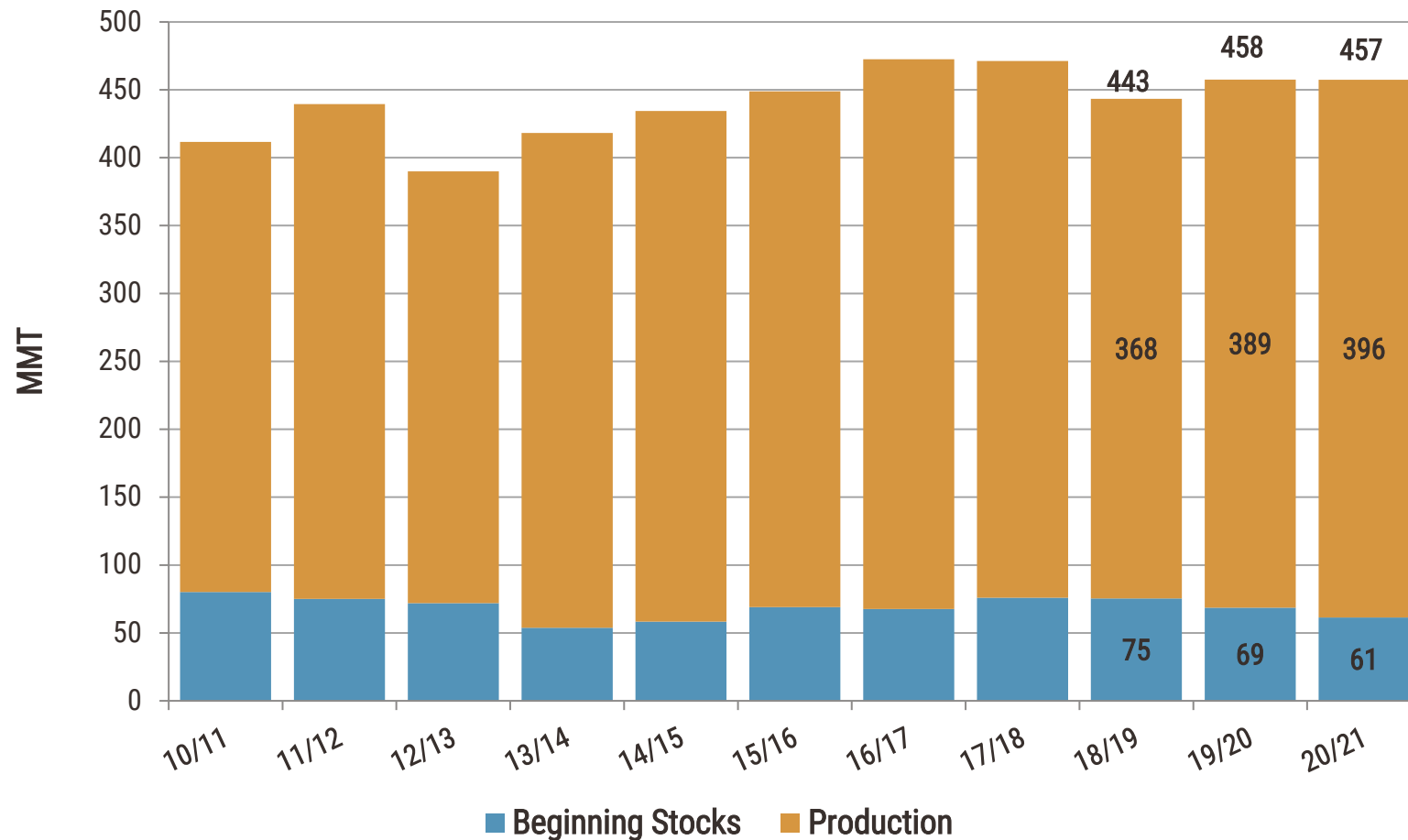
- The average farm gate price of U.S. wheat in 2020/21 is forecast to increase to \$5.00/bu (\$184/MT), up 9% from last year's \$4.58/bu (\$168/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

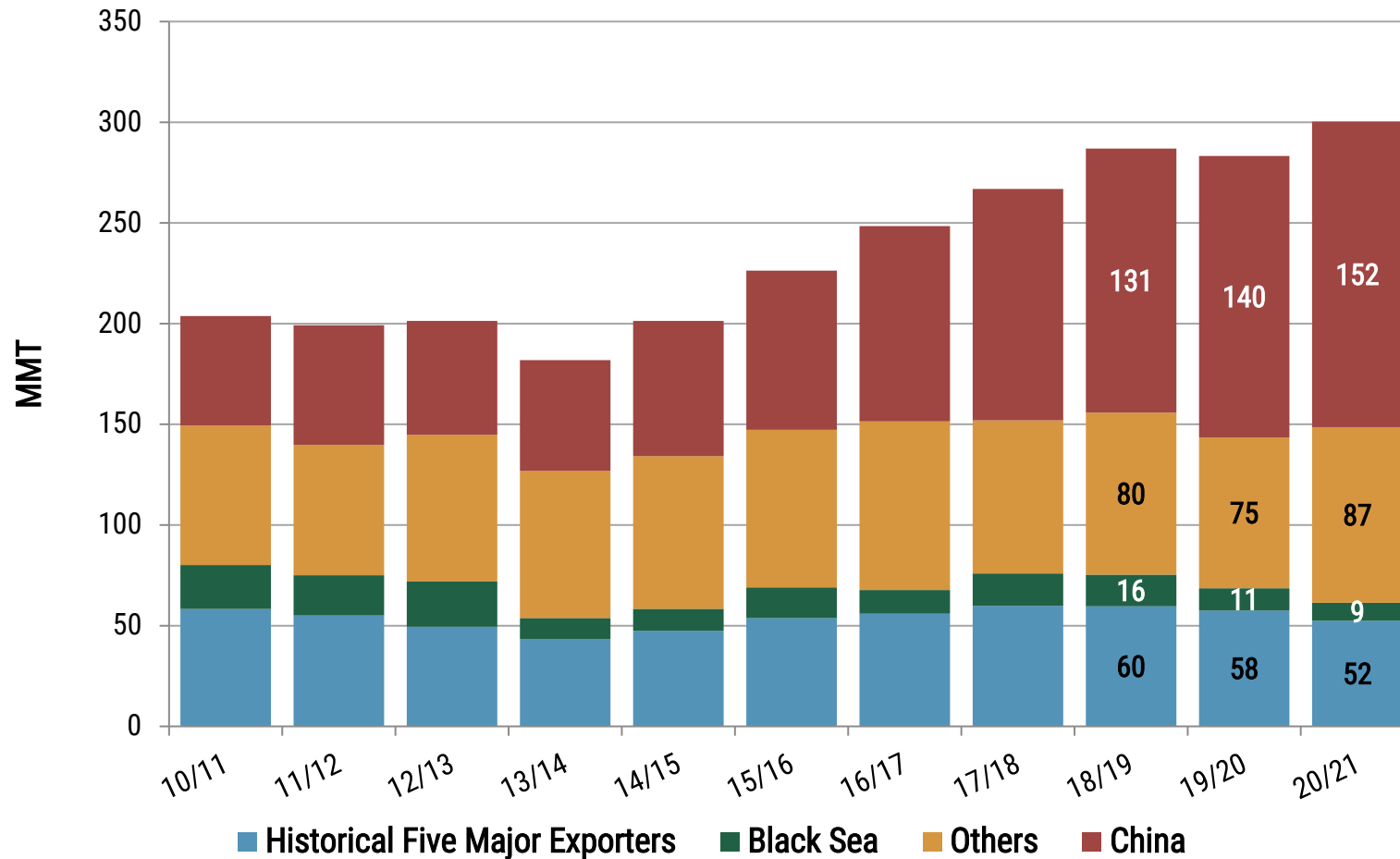


World Wheat Supply and Demand (MMT)

		<u>18/19</u>	-	<u>19/20</u>	-	<u>20/21</u>
SUPPLY:	Beginning Stocks	287		283		300
	Production	731		764		777
	Supply Total	1018		1047		1077
	Ending Stocks	283		300		301
TRADE:	Exports/Imports	174		192		198
DEMAND:	Food & Seed	596		608		623
	Feed & Residual	139		139		153
	Use Total	735		747		776



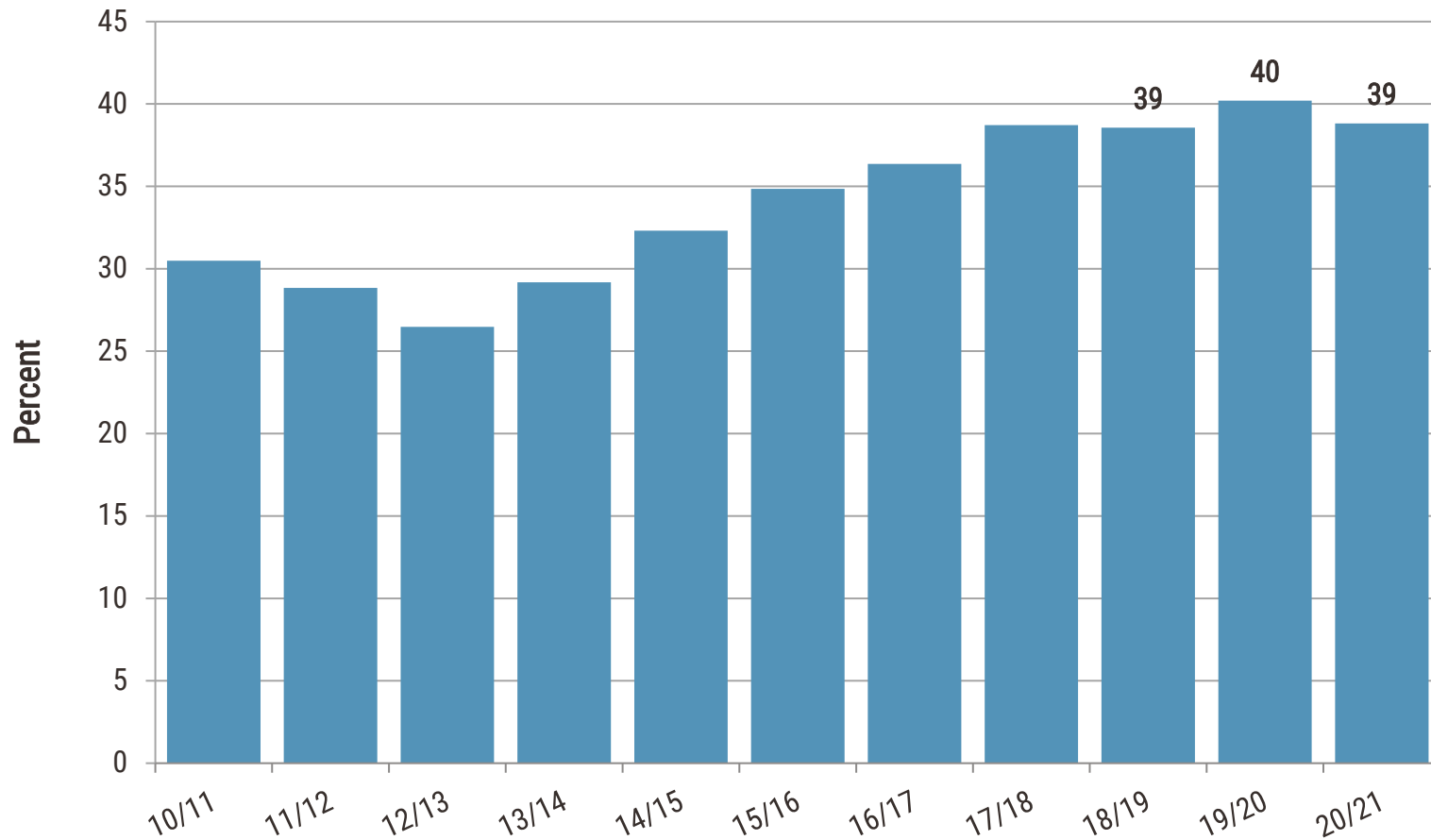
World Beginning Stocks



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



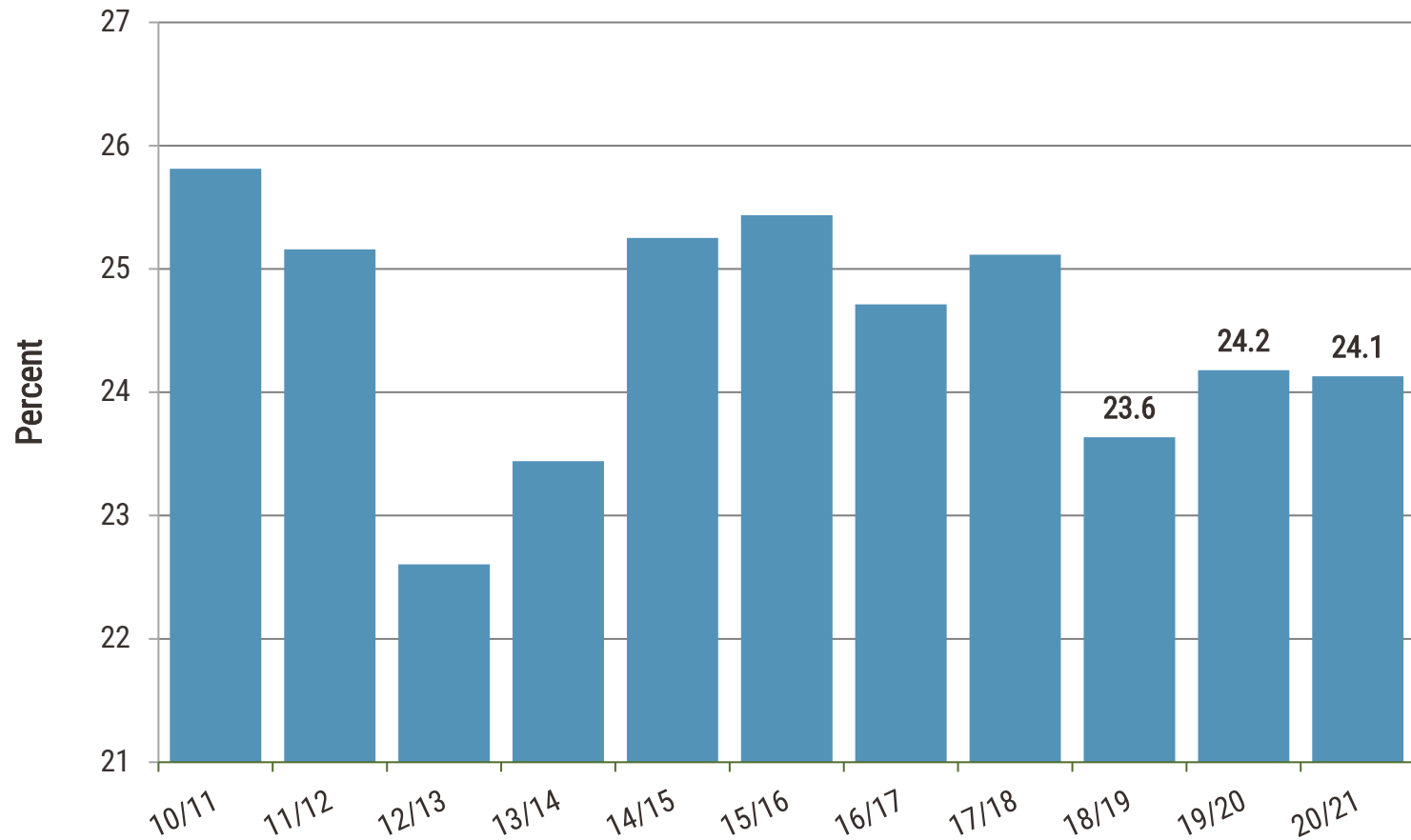
Global Stocks-to-Use Ratio*



**Ending stocks*



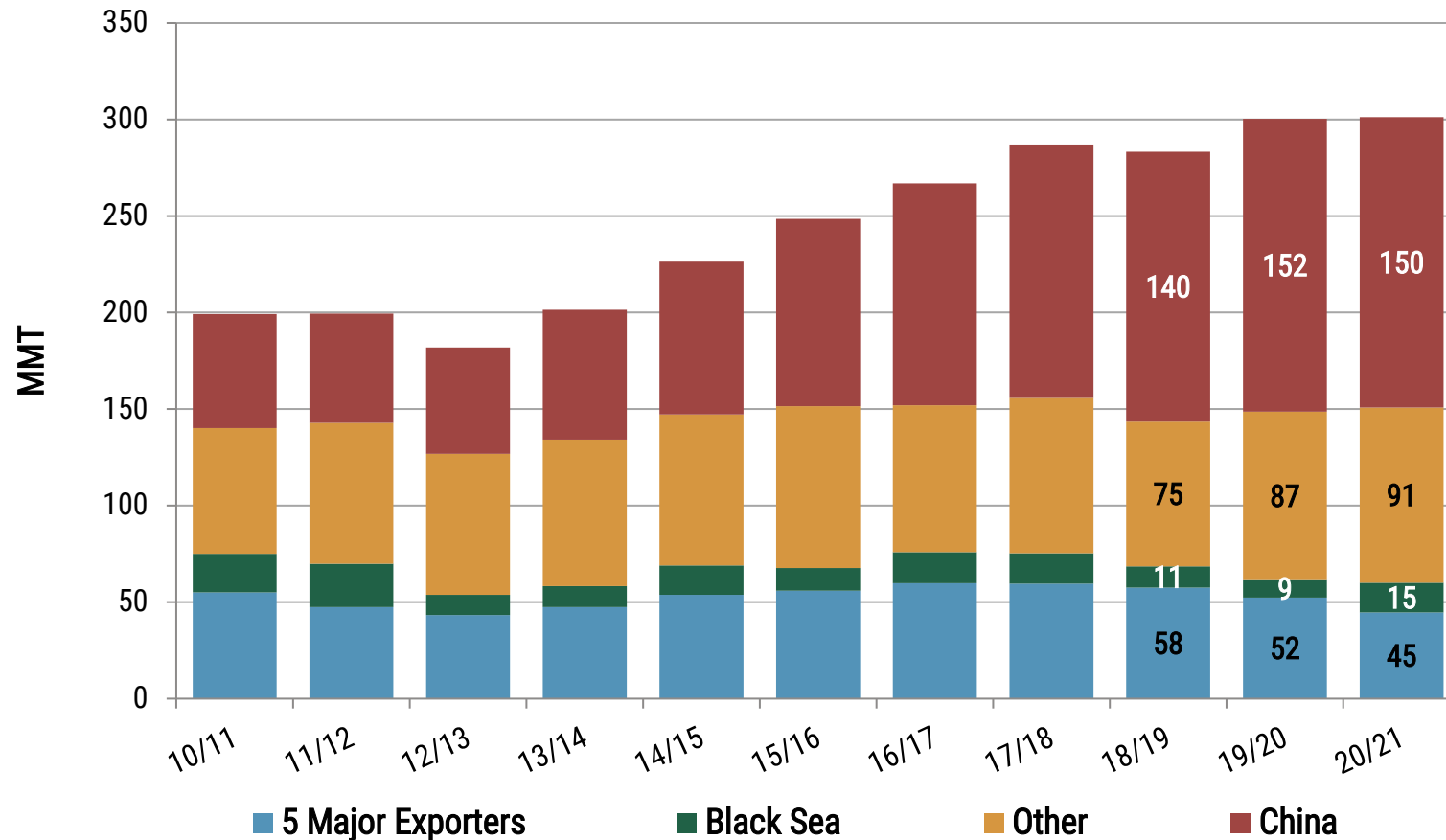
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



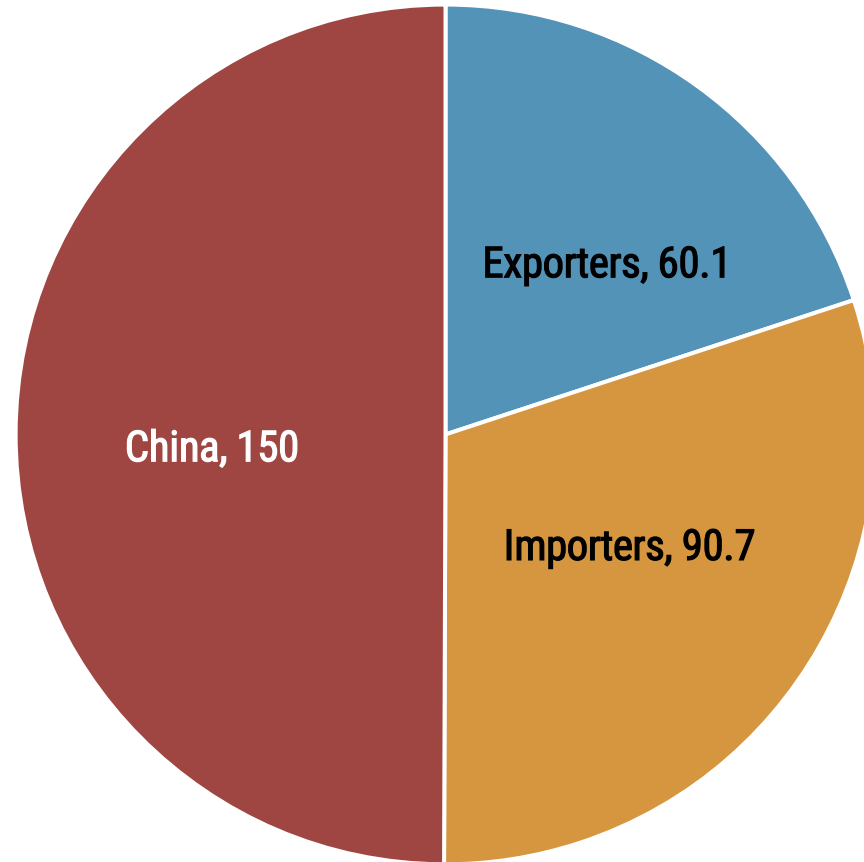
World Ending Stocks



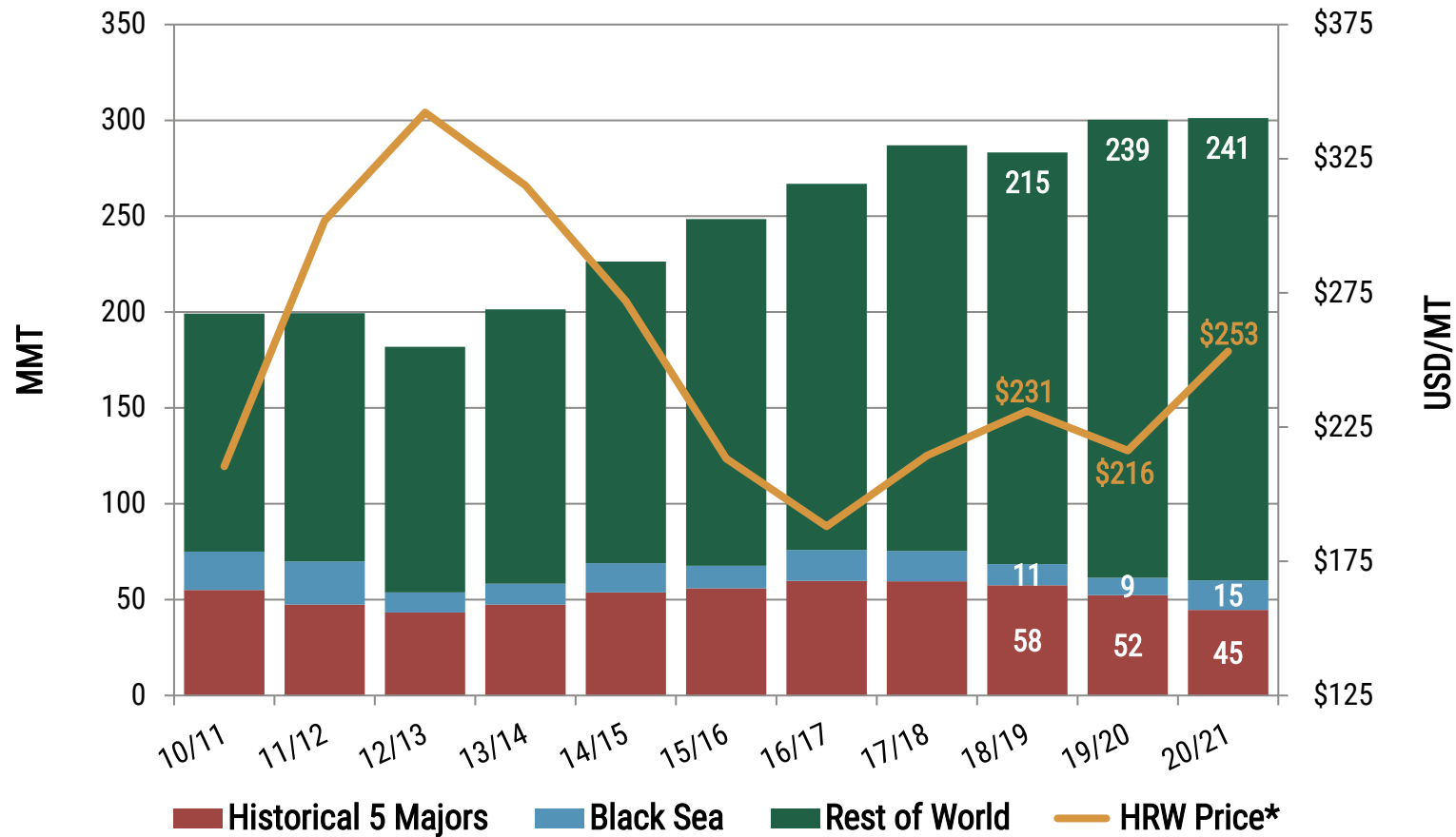
Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.



World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, March 5, 2021

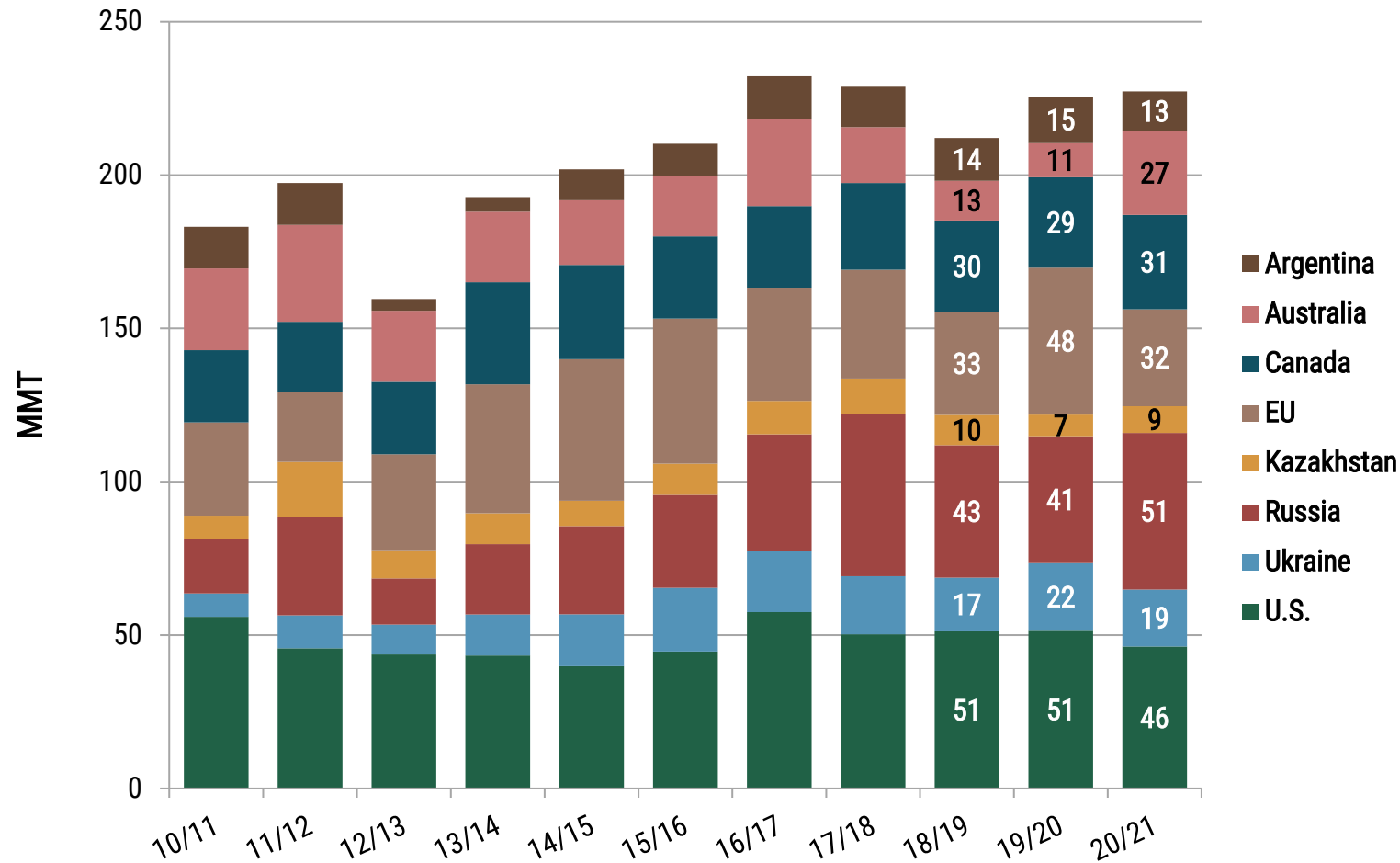




01

Major Exporters

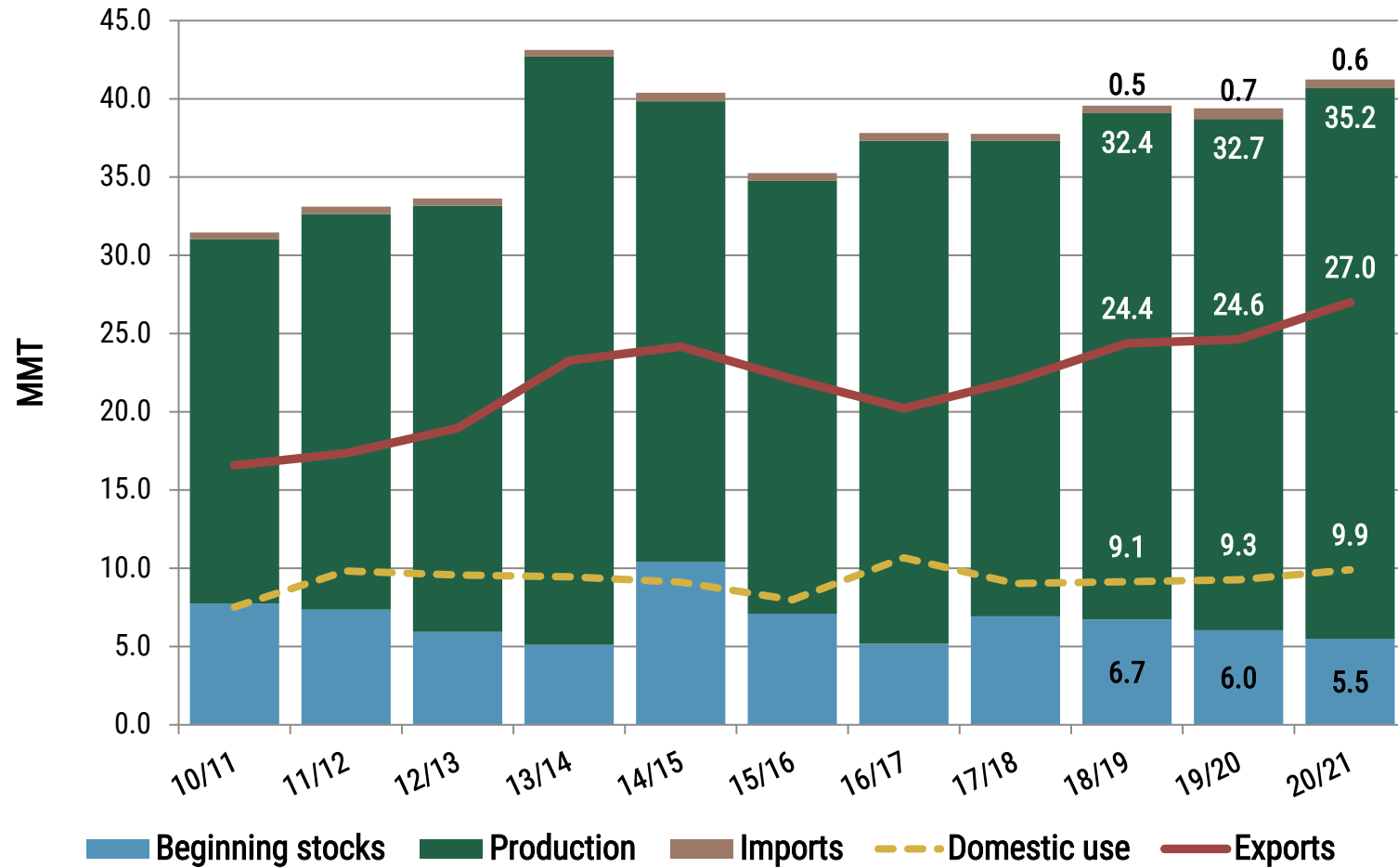
Exportable Supplies in Top Exporting Countries



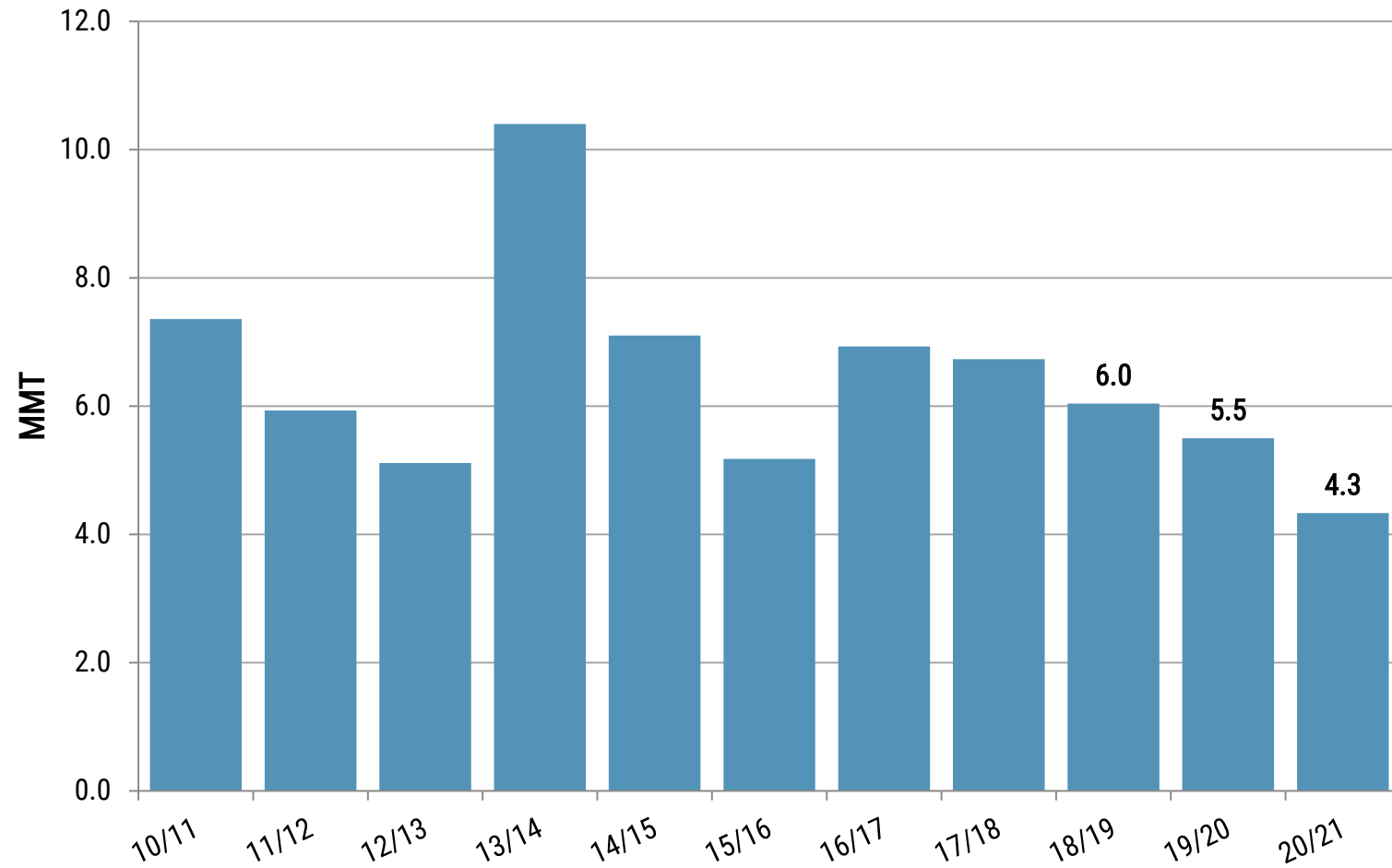
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



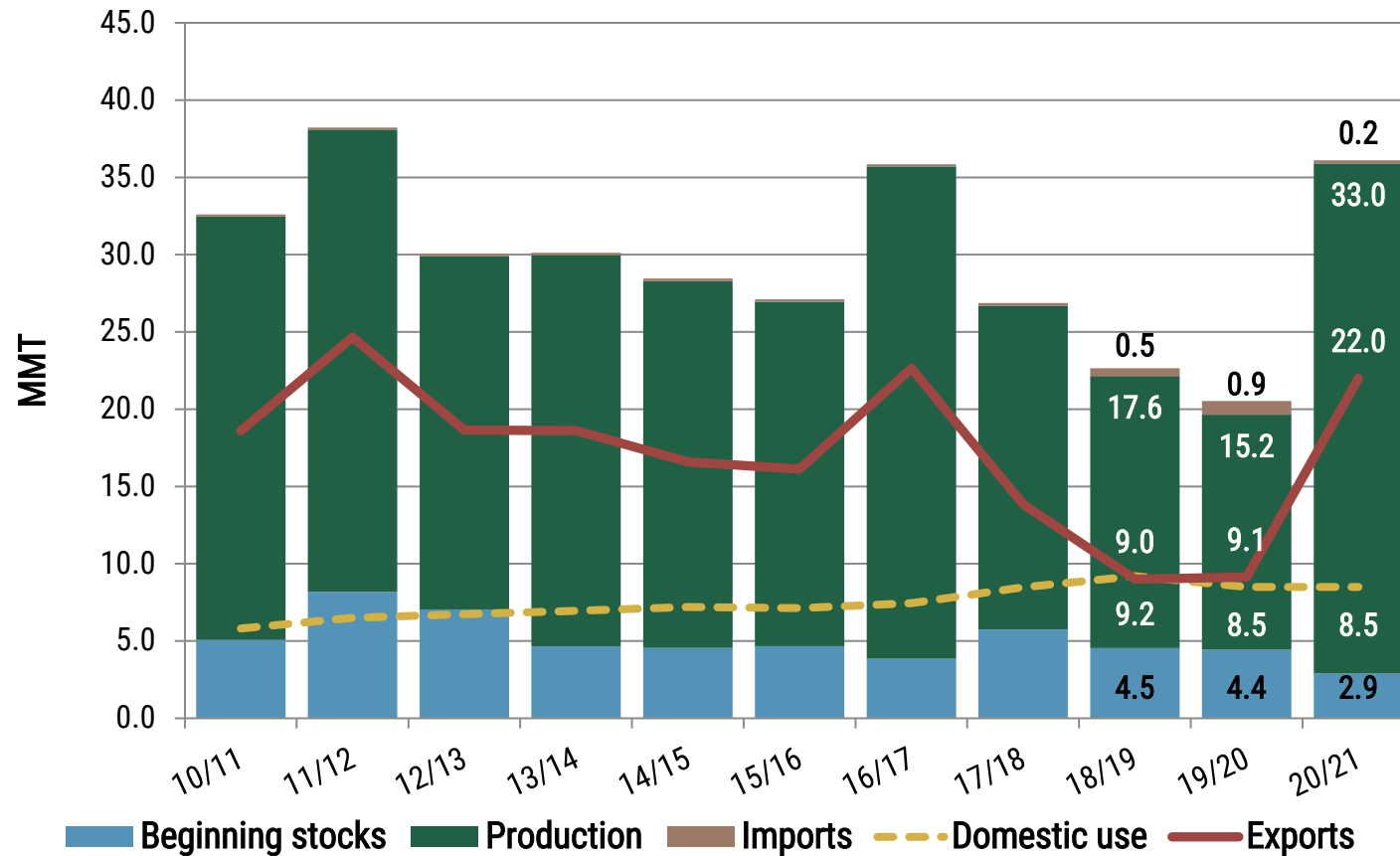
Canada Situation



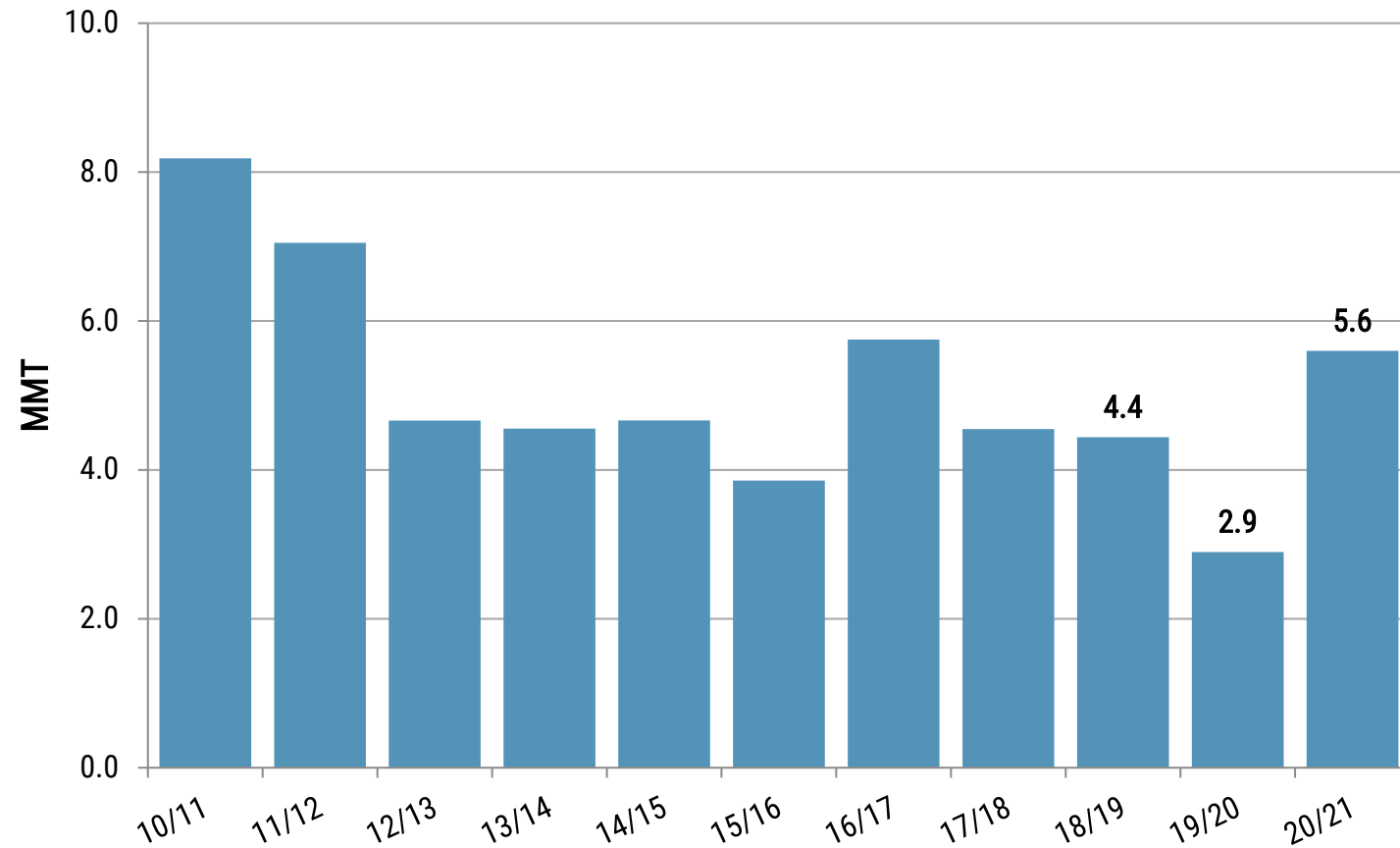
Canada Ending Stocks



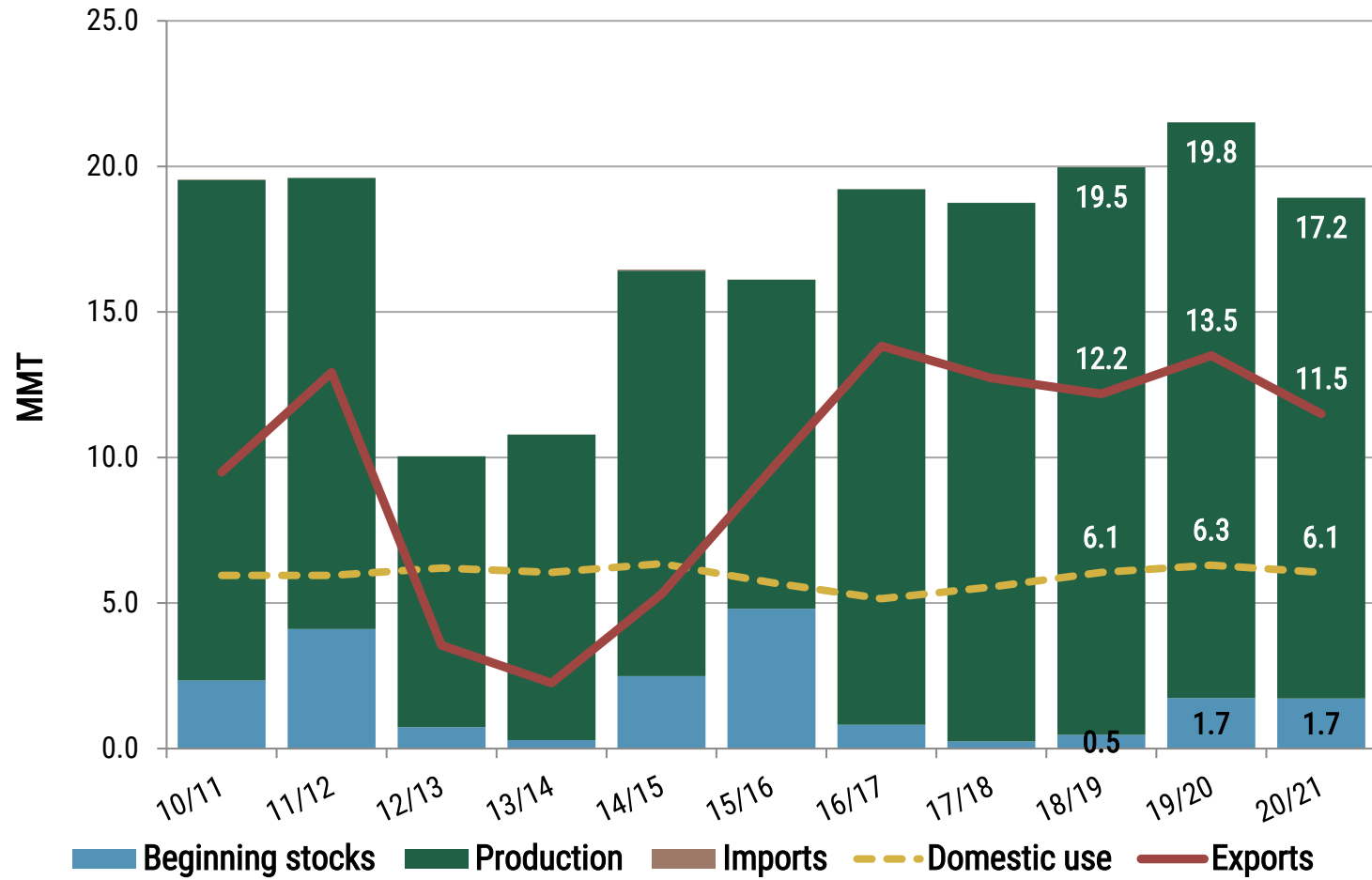
Australia Situation



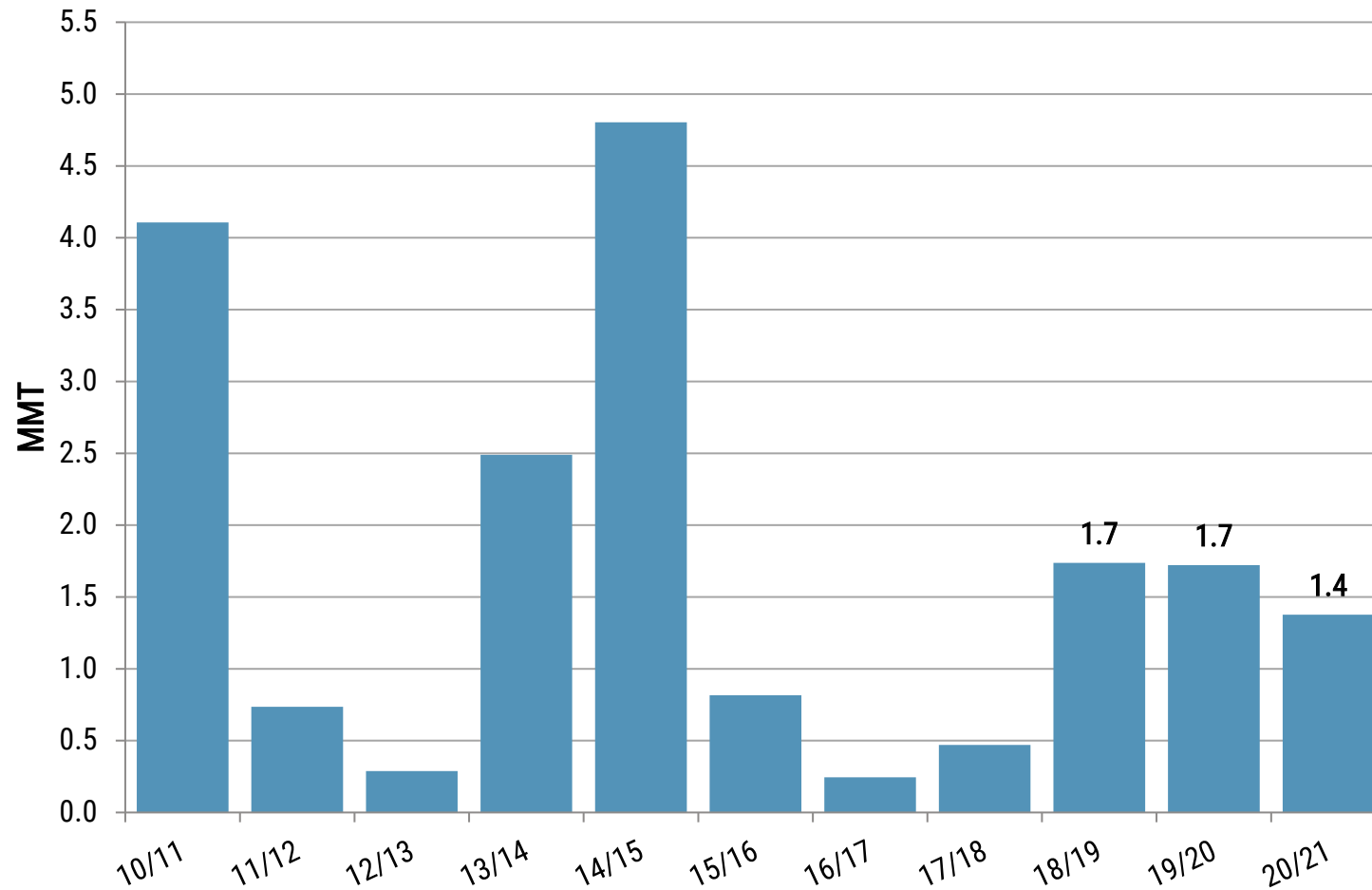
Australia Ending Stocks



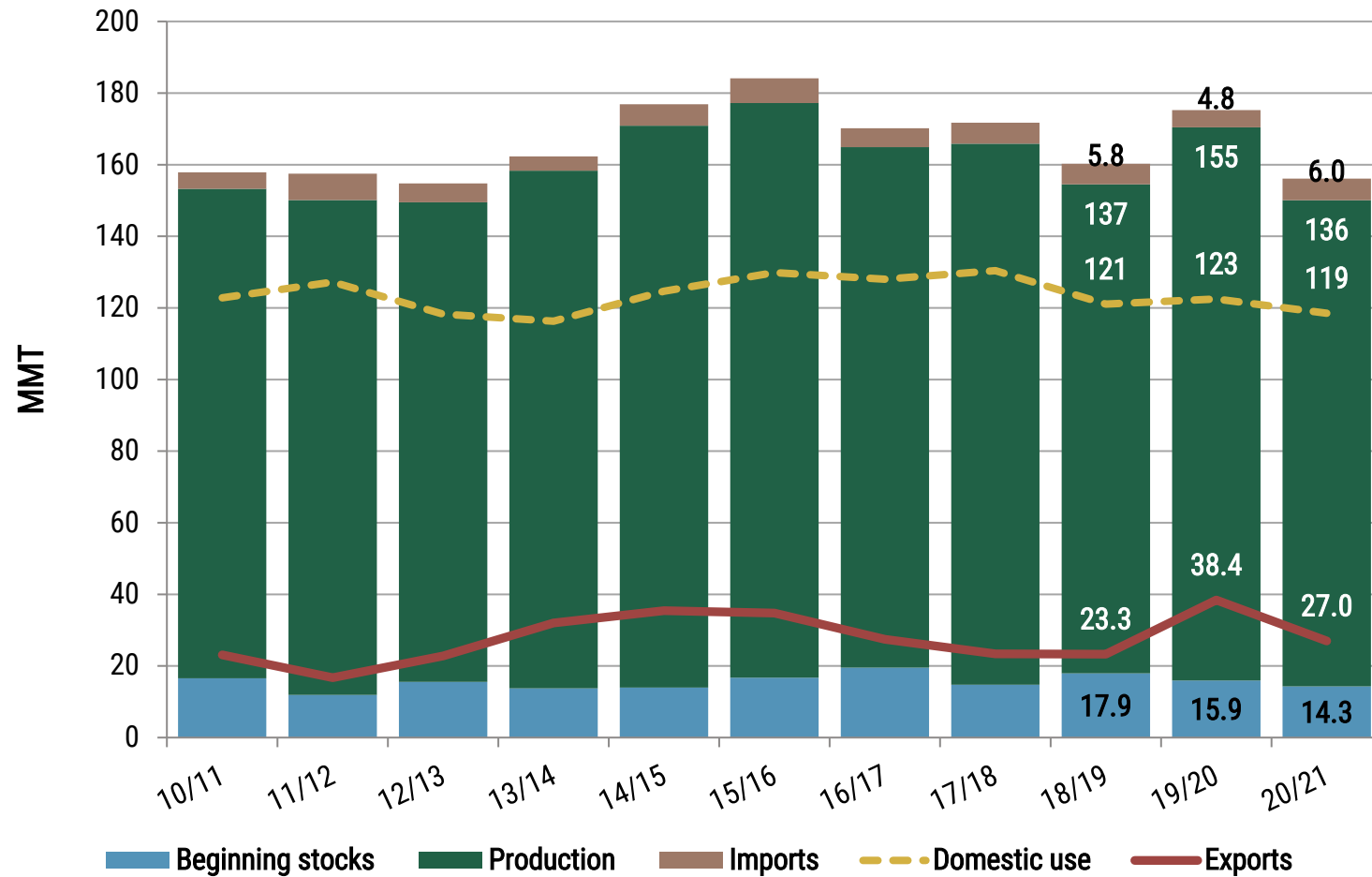
Argentina Situation



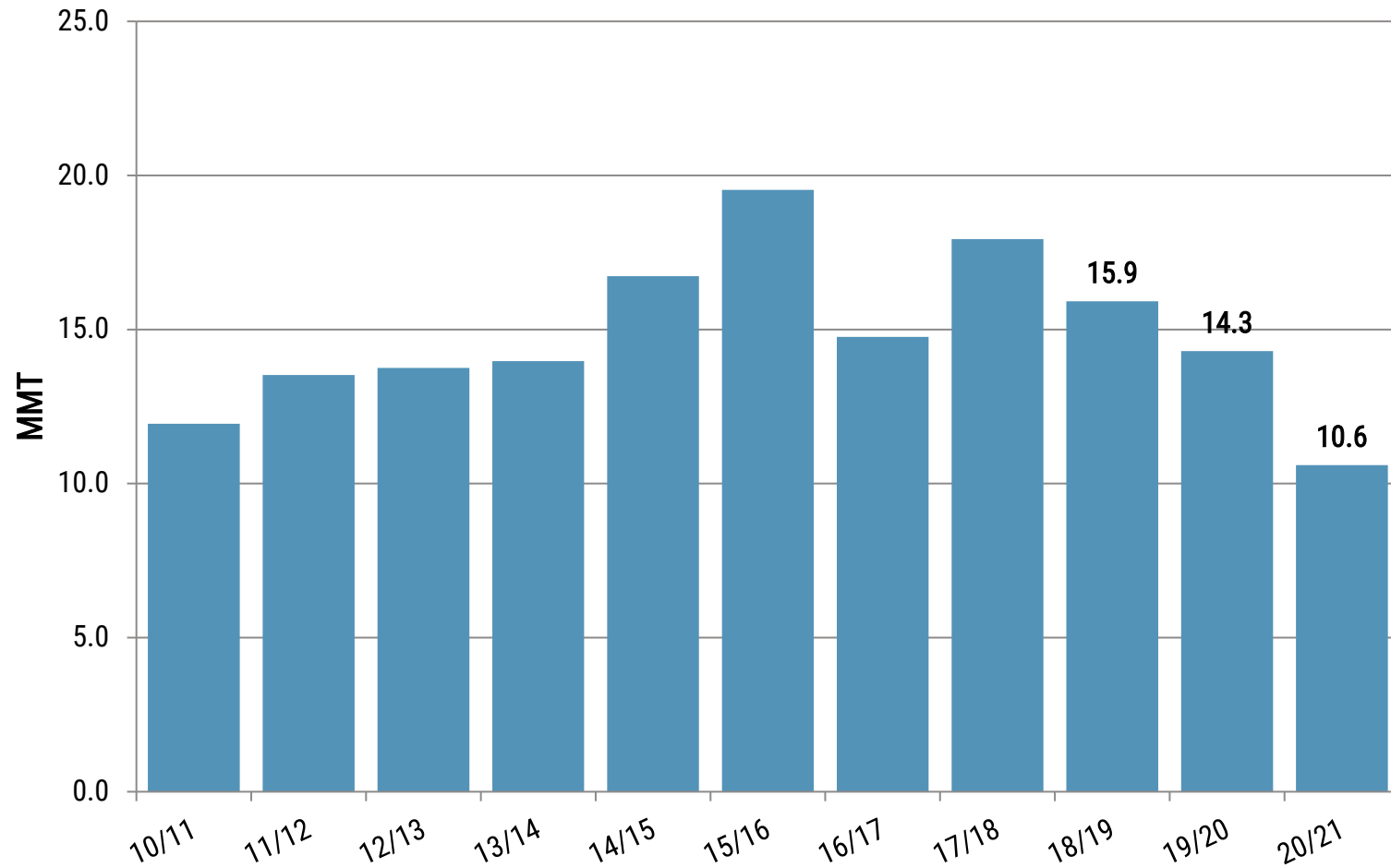
Argentina Ending Stocks



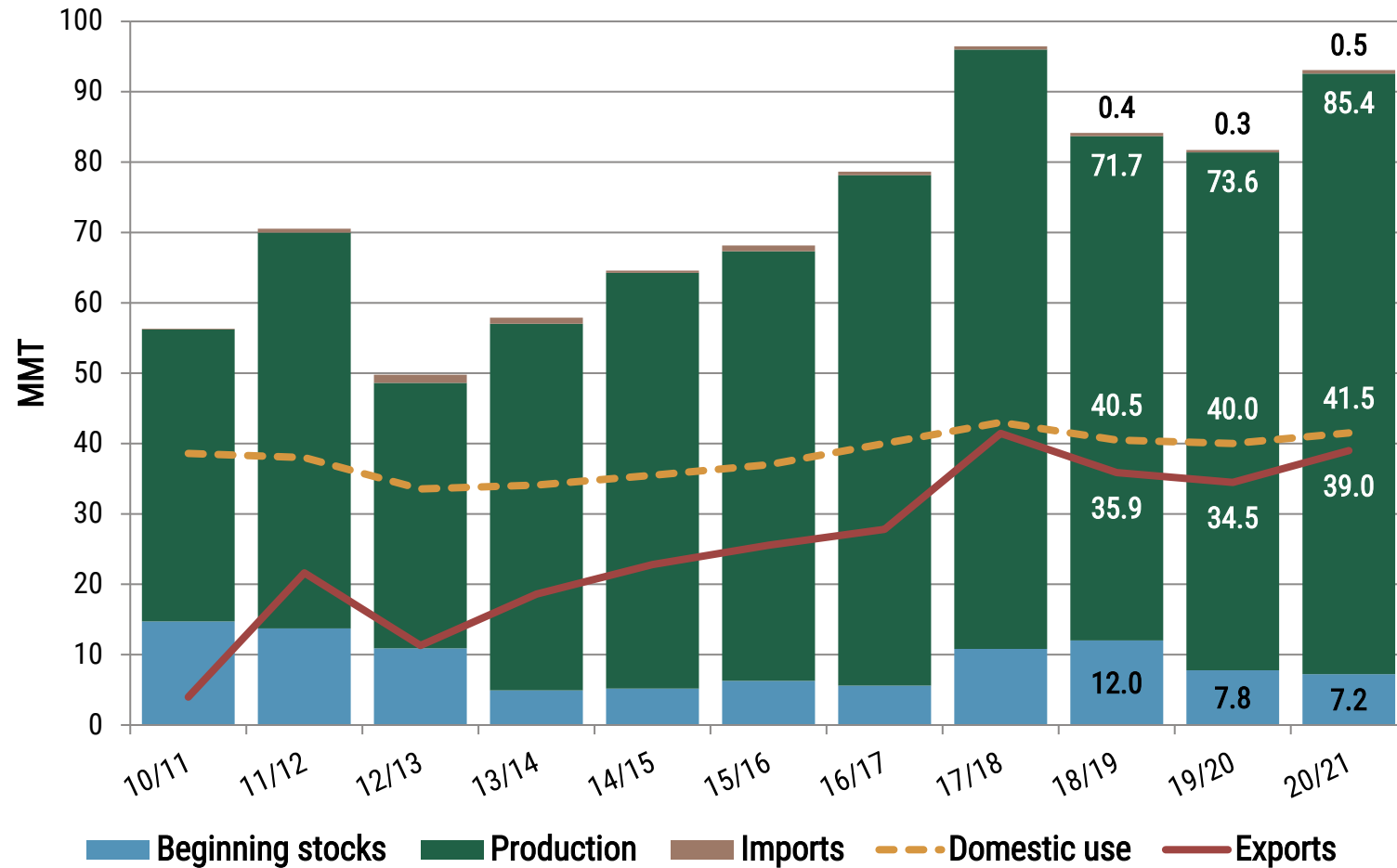
EU +UK Situation



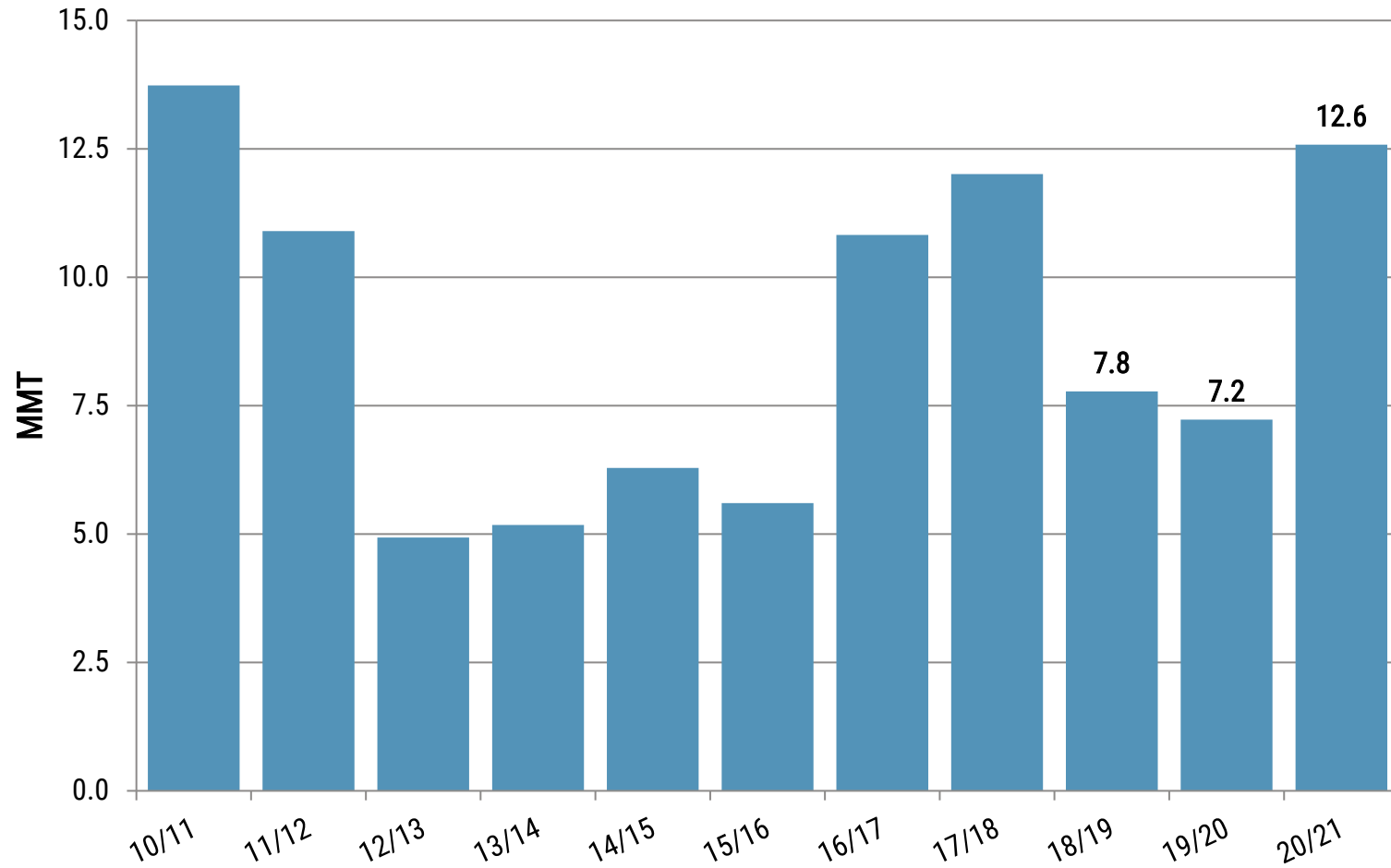
EU Ending Stocks



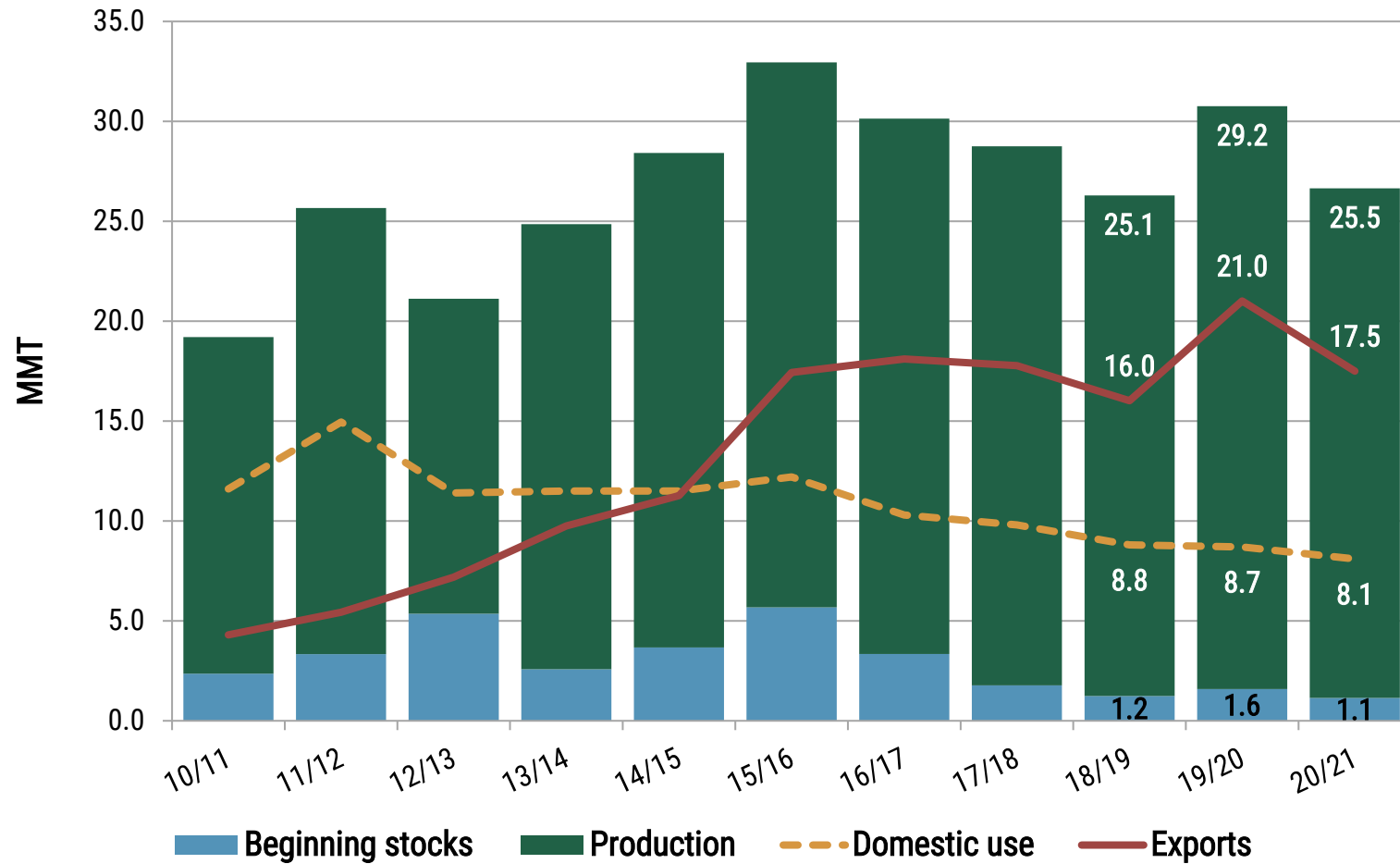
Russia Situation



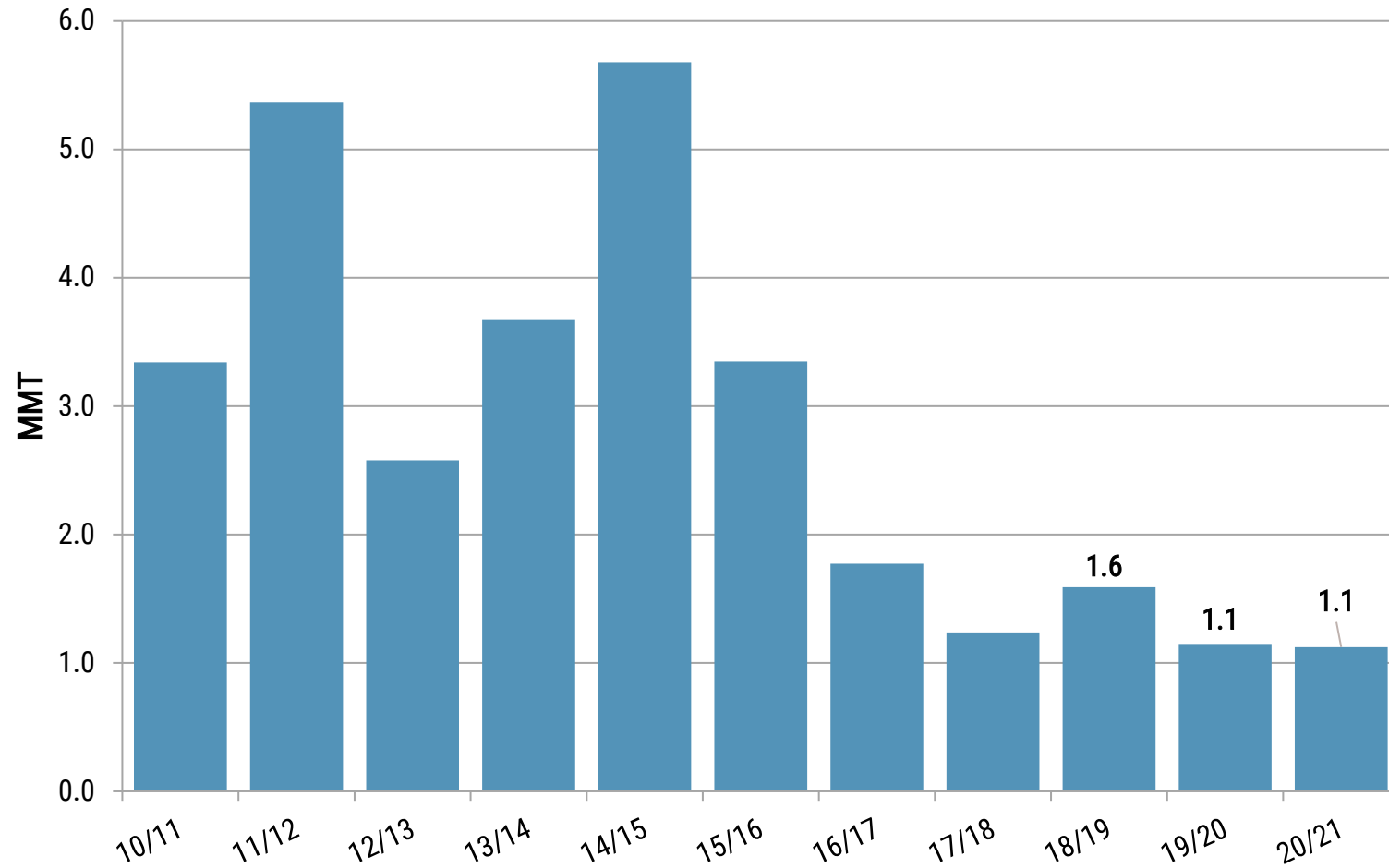
Russia Ending Stocks



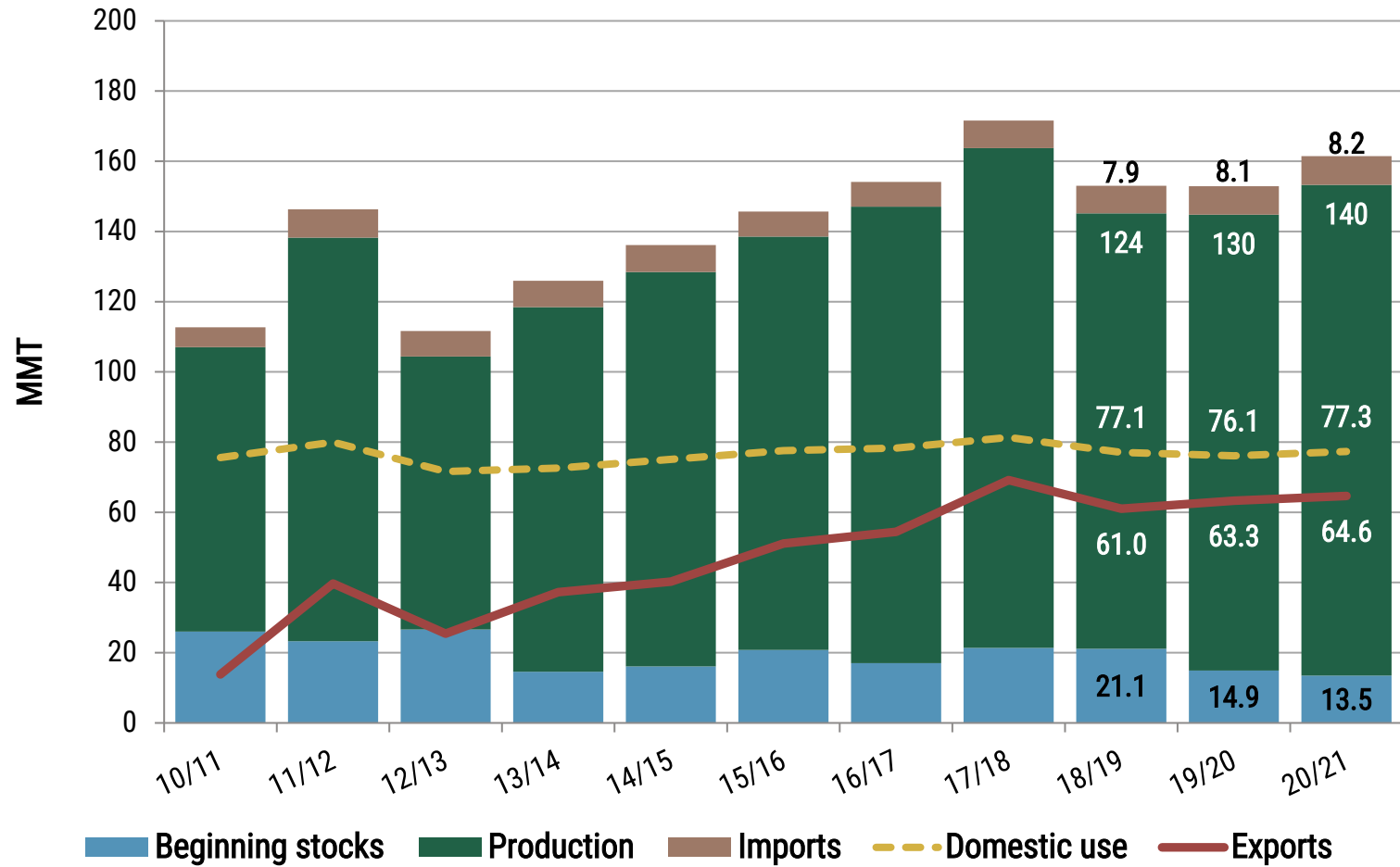
Ukraine Situation



Ukraine Ending Stocks

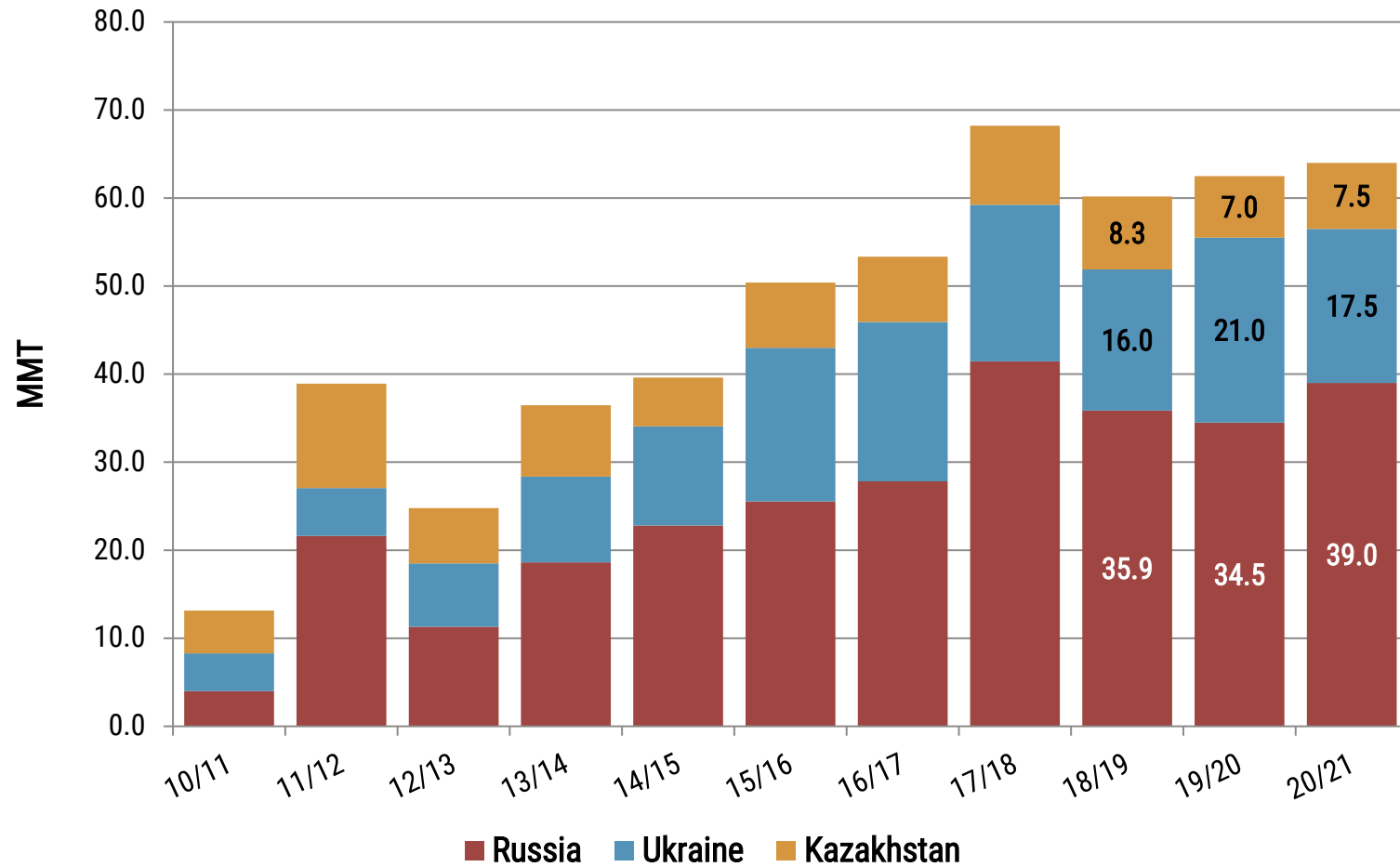


Black Sea Region Situation



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

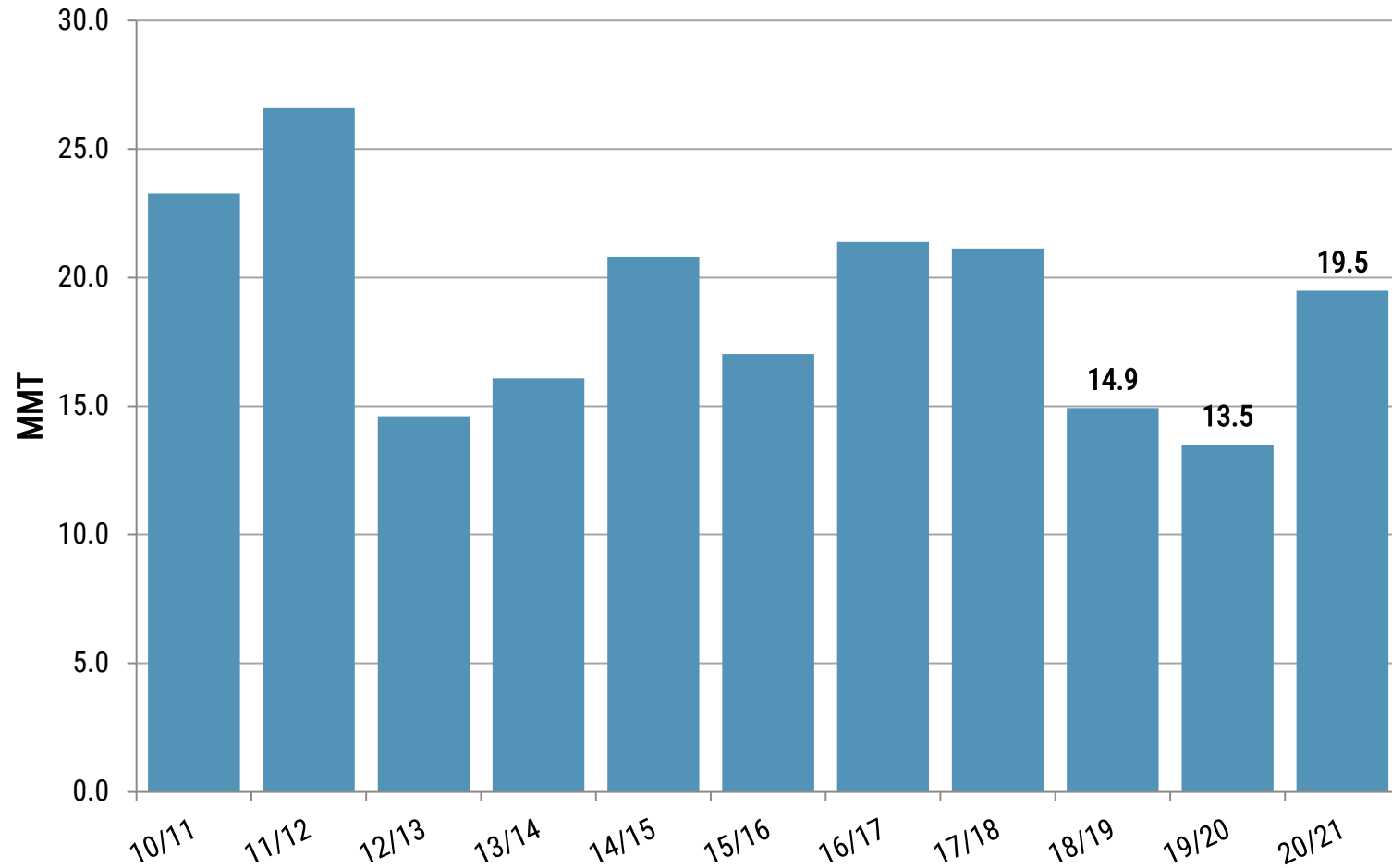
Black Sea Exports



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



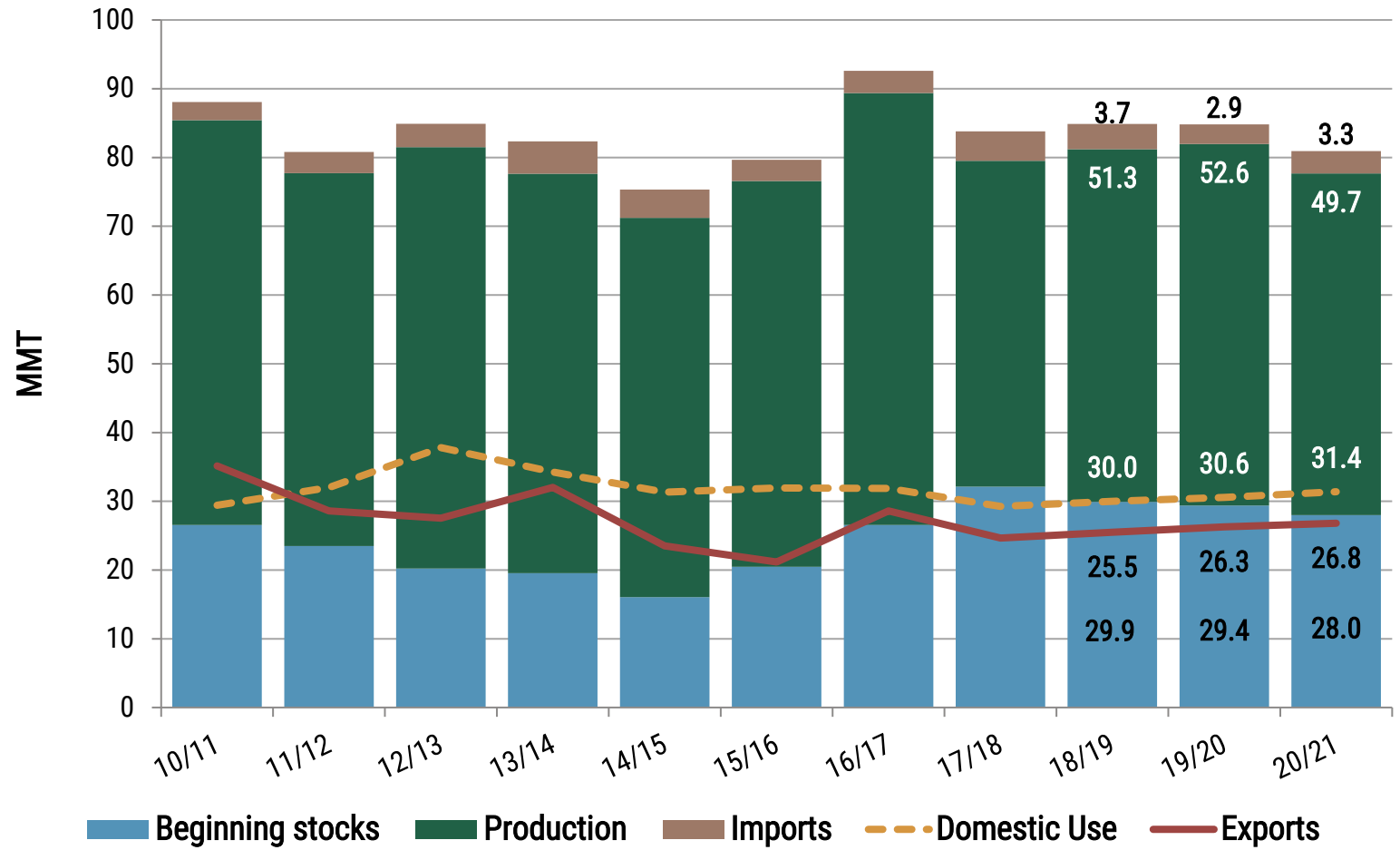
Black Sea Ending Stocks



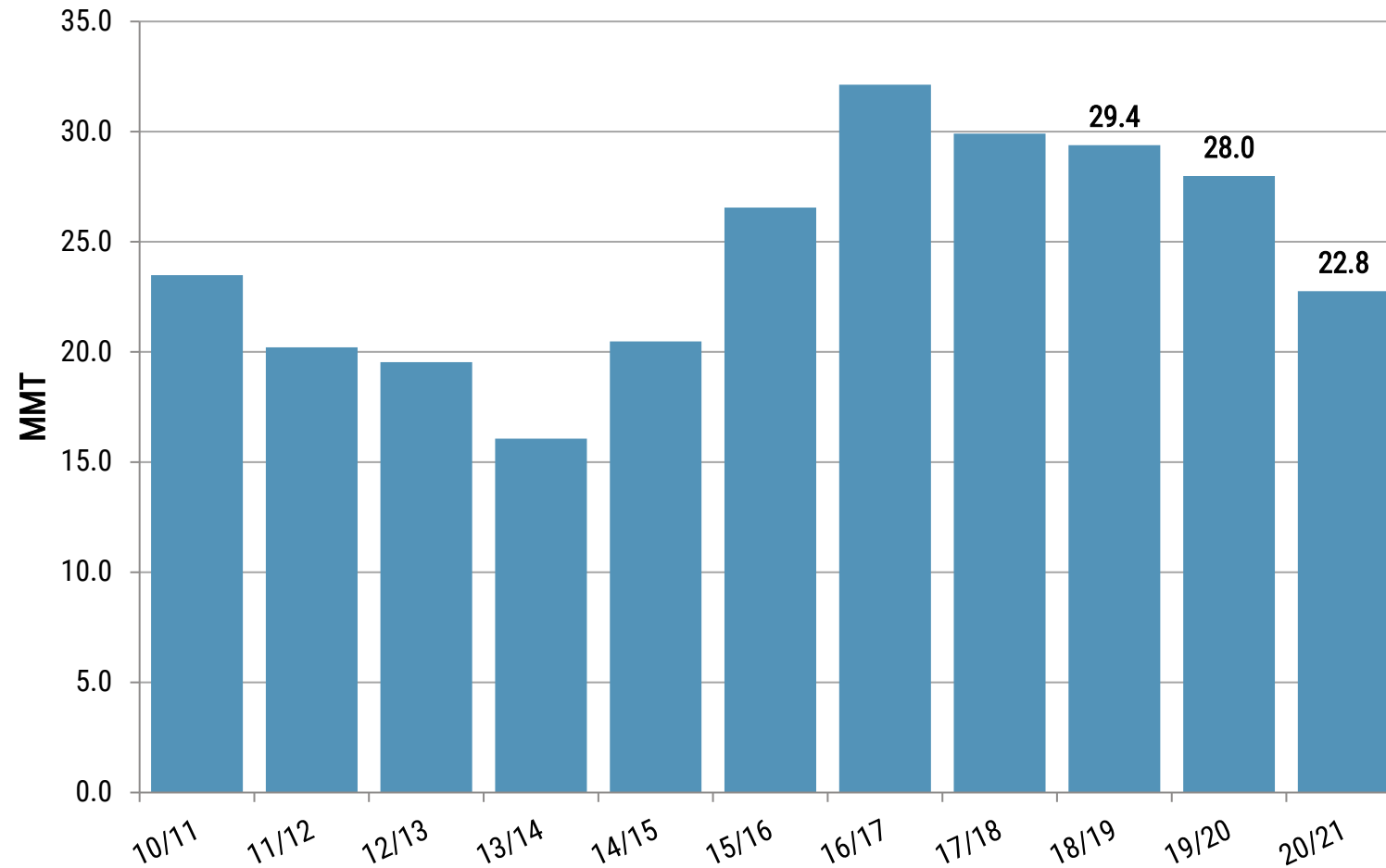
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U.S. Situation



U.S. Ending Stocks

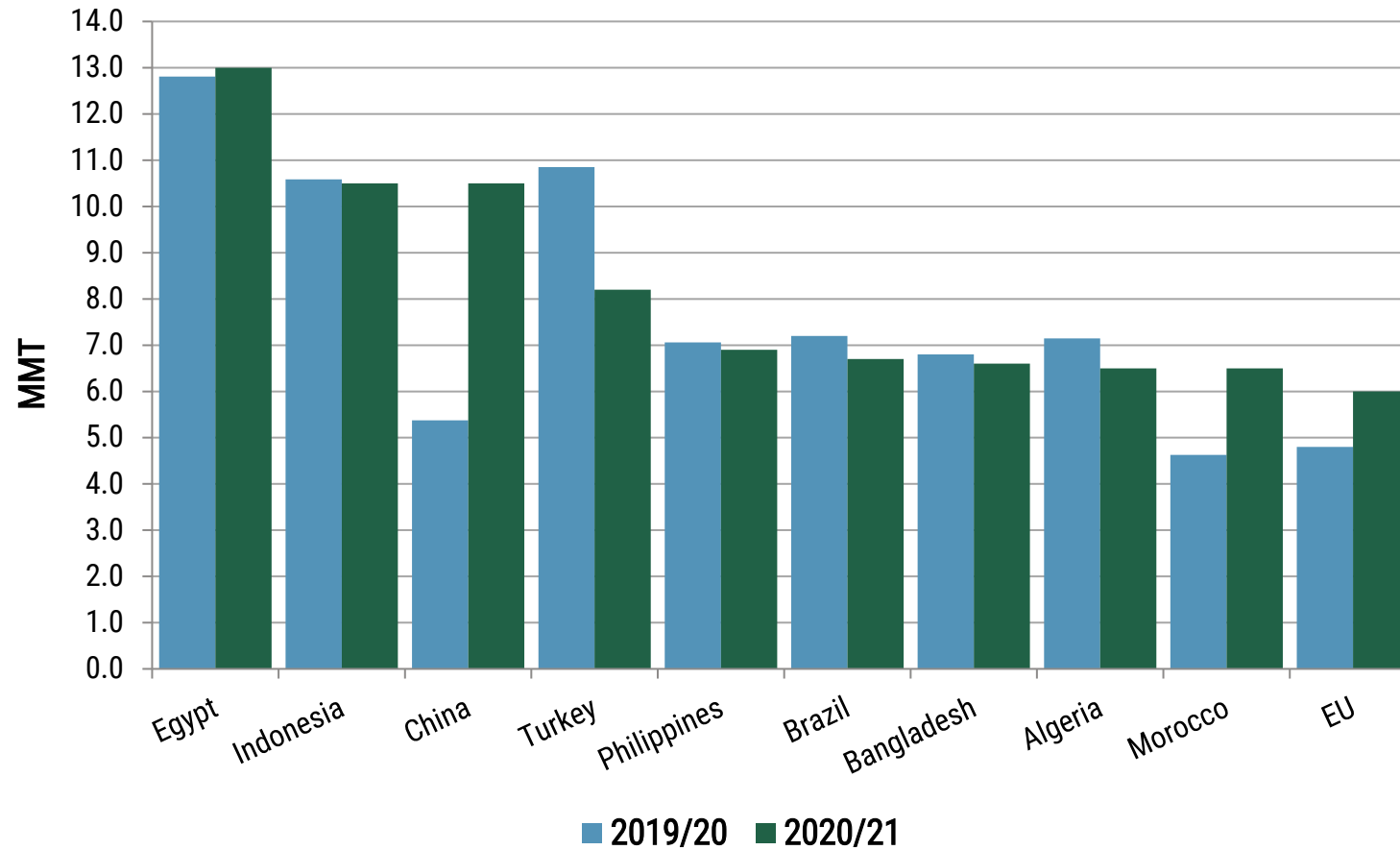




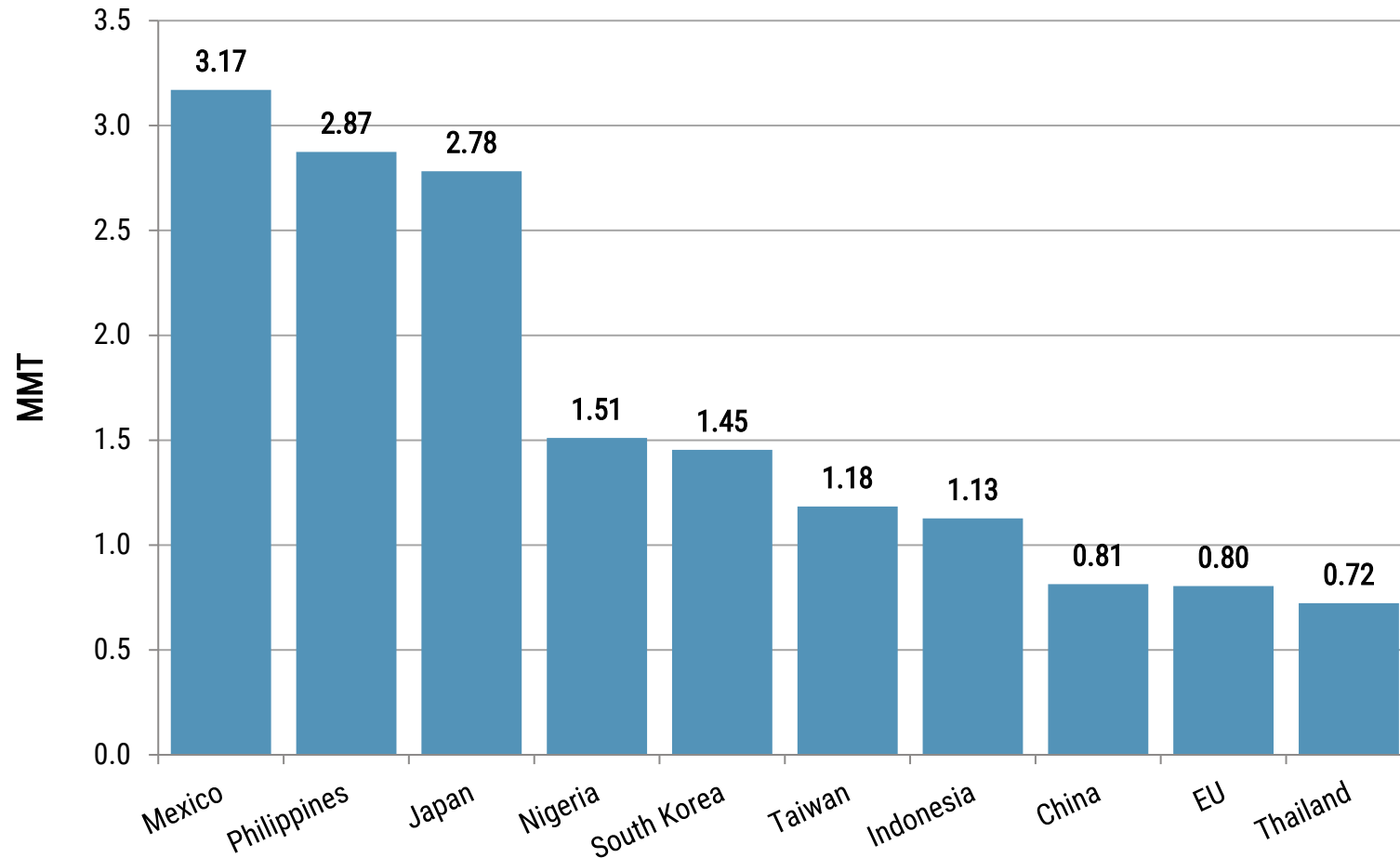
02

Import Demand

Major World Wheat Importers



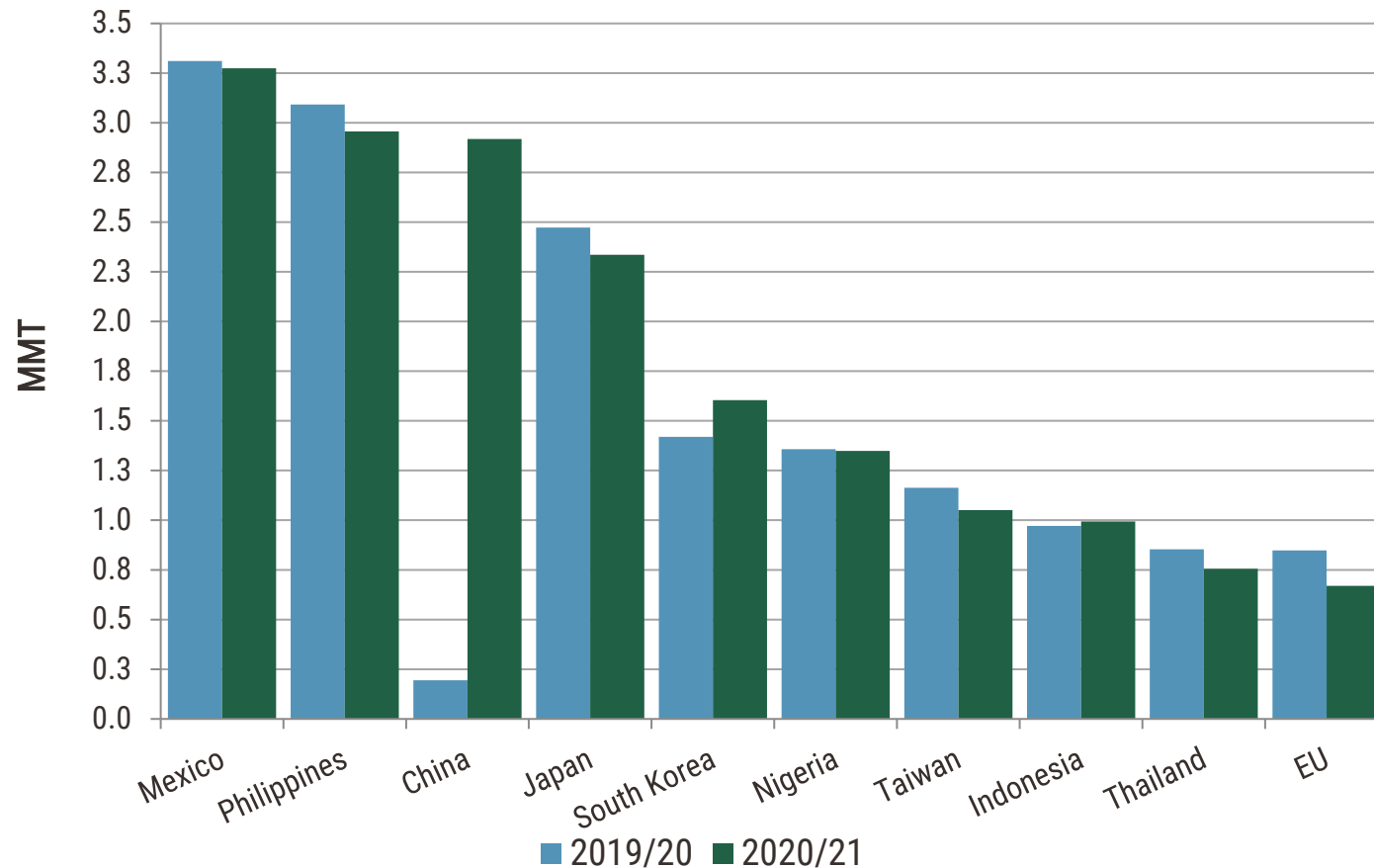
Top 10 Customers for U.S. Wheat (5-year average)



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

Top 10 Customers for U.S. Wheat

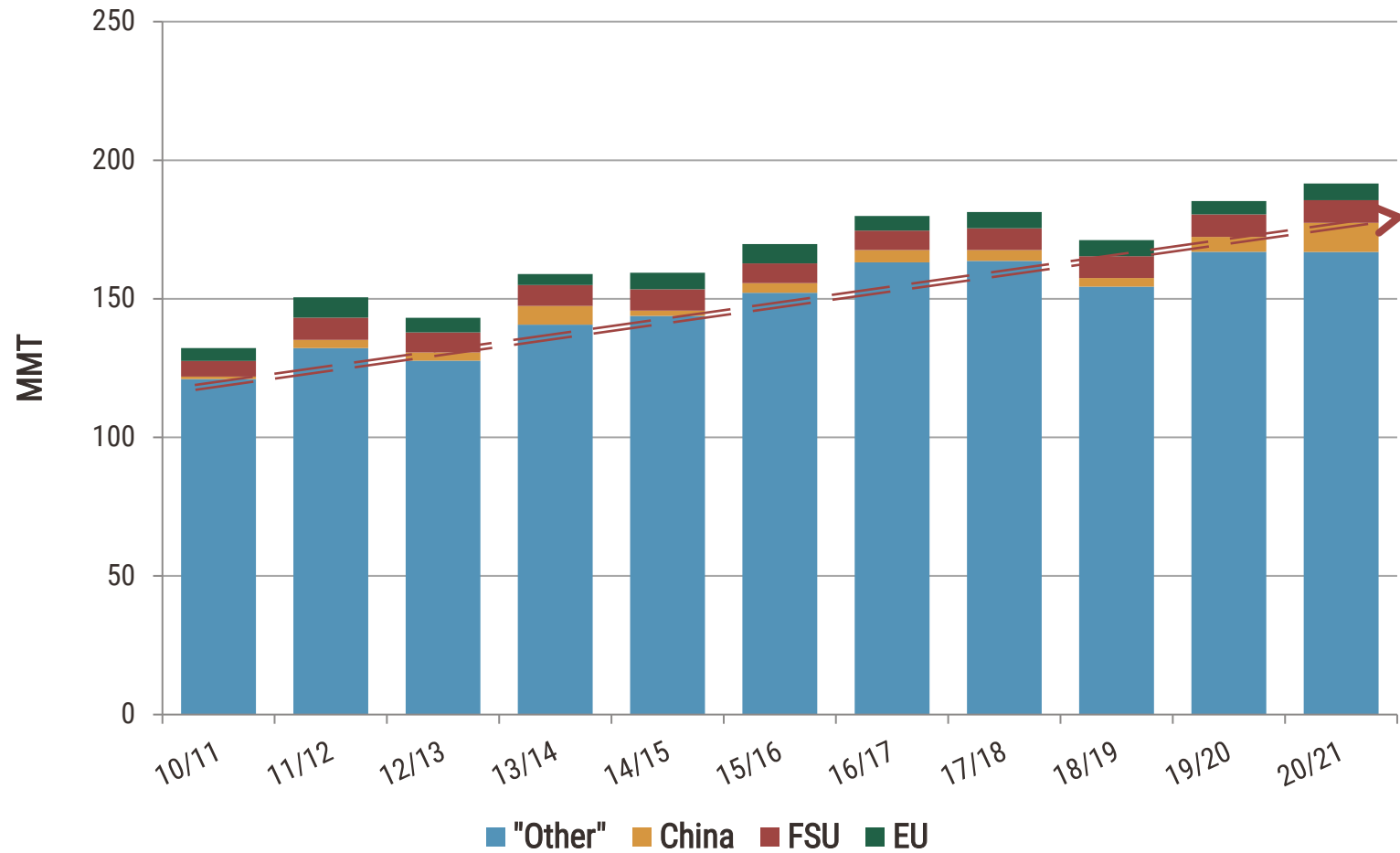
(year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of March 4, 2021



World Wheat Imports

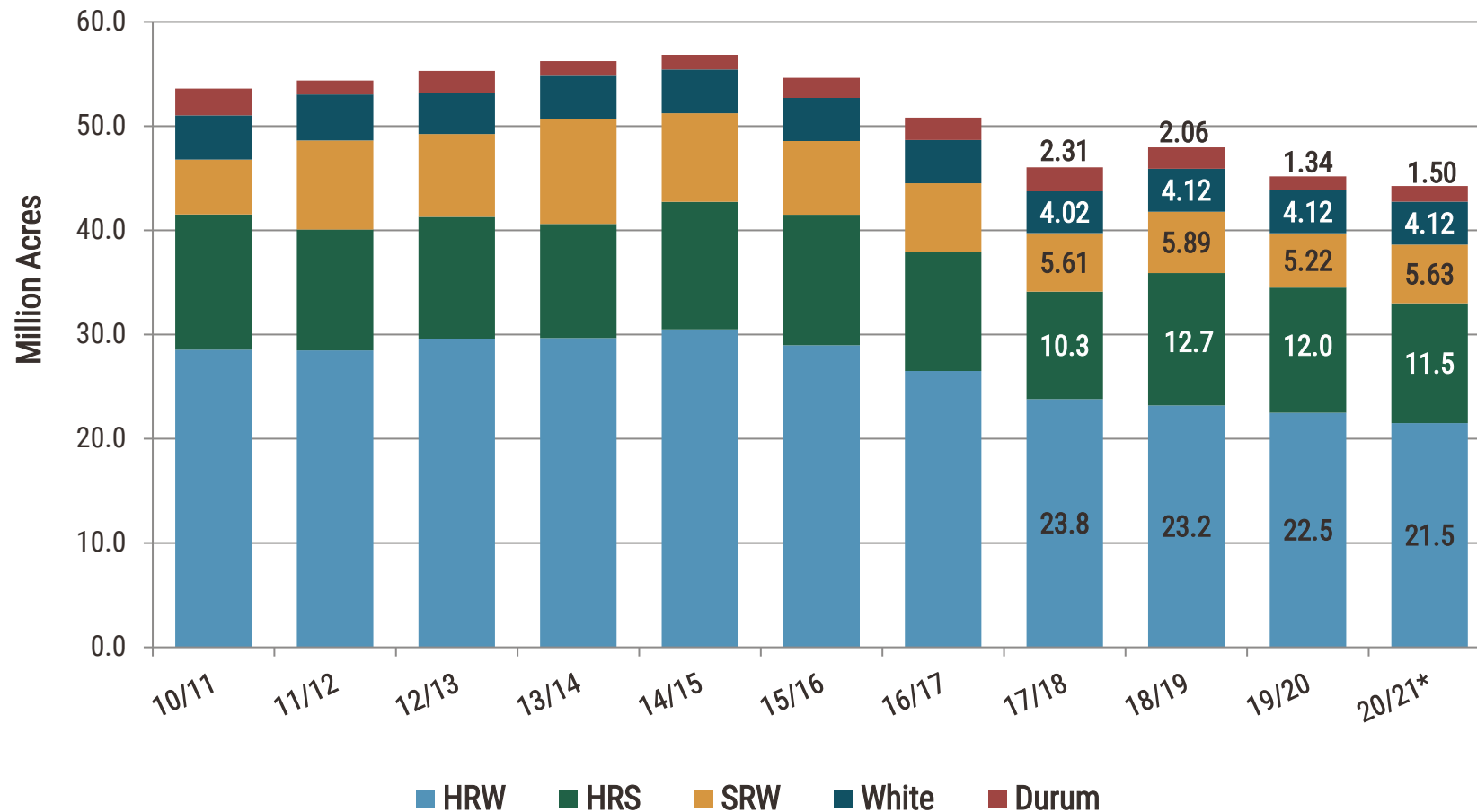




03

*U.S. Situation by
Class*

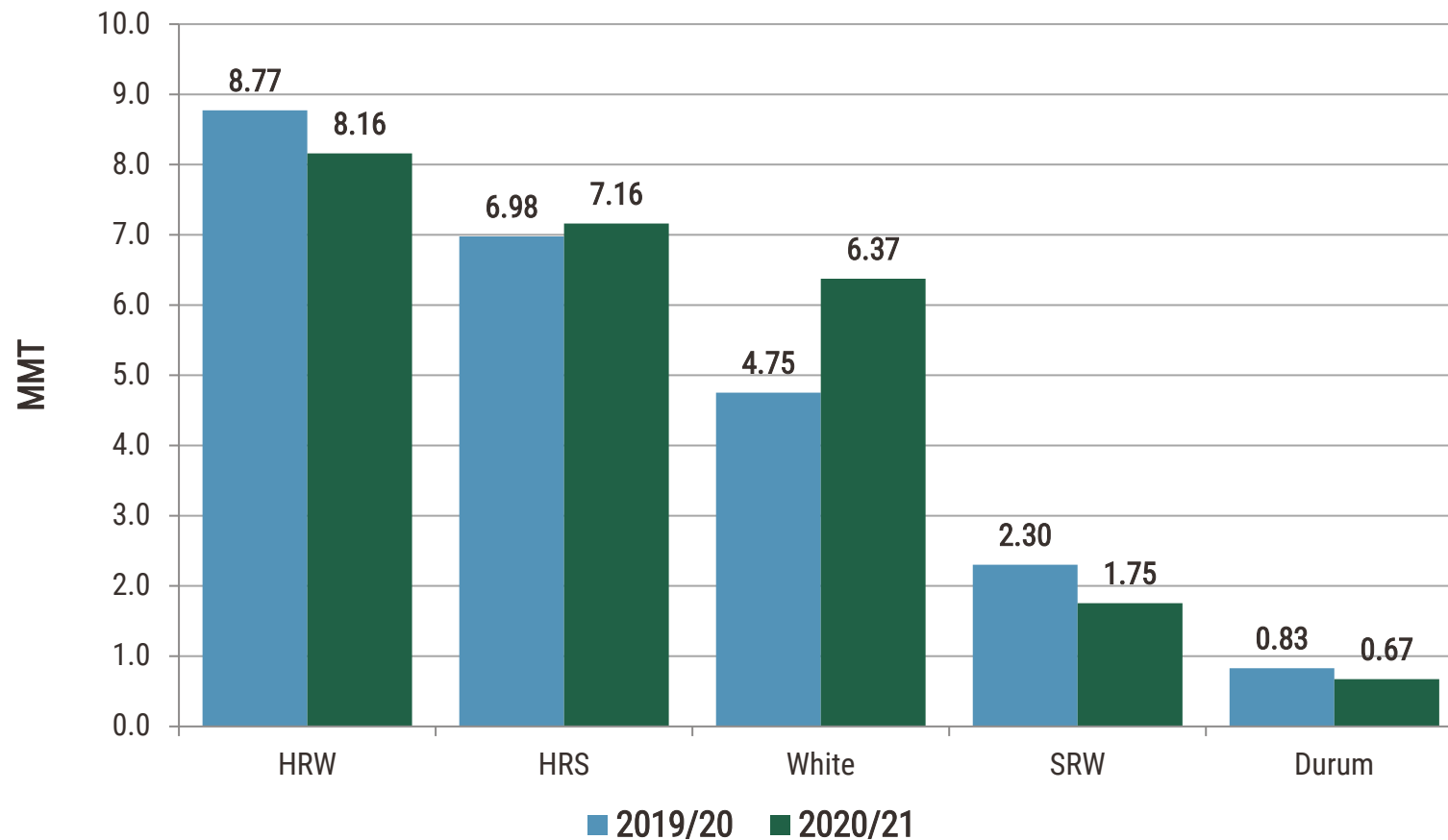
U.S. Wheat Planted Area



*Source: June 2020 USDA Acreage Report

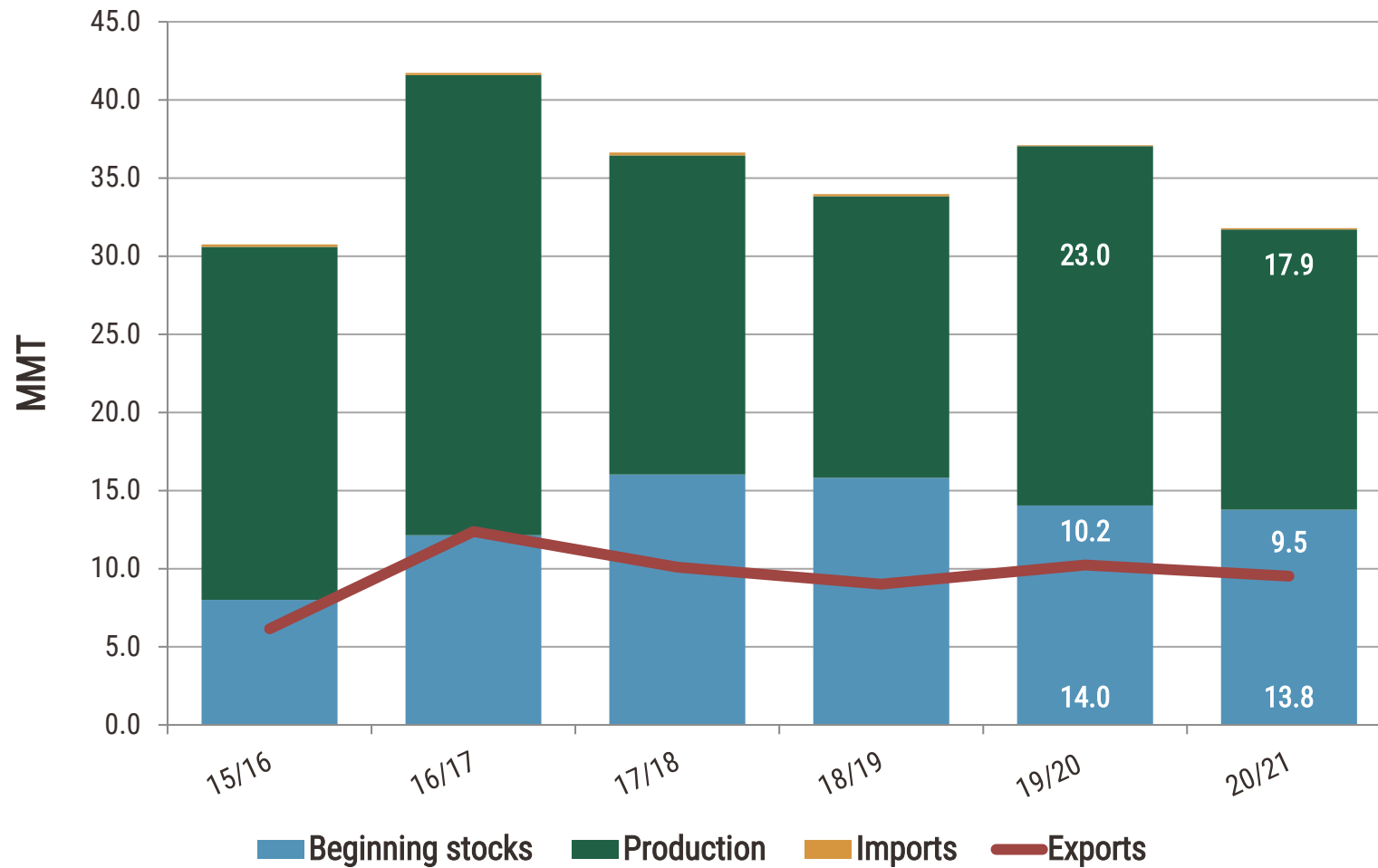
U.S. Wheat Sales by Class

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

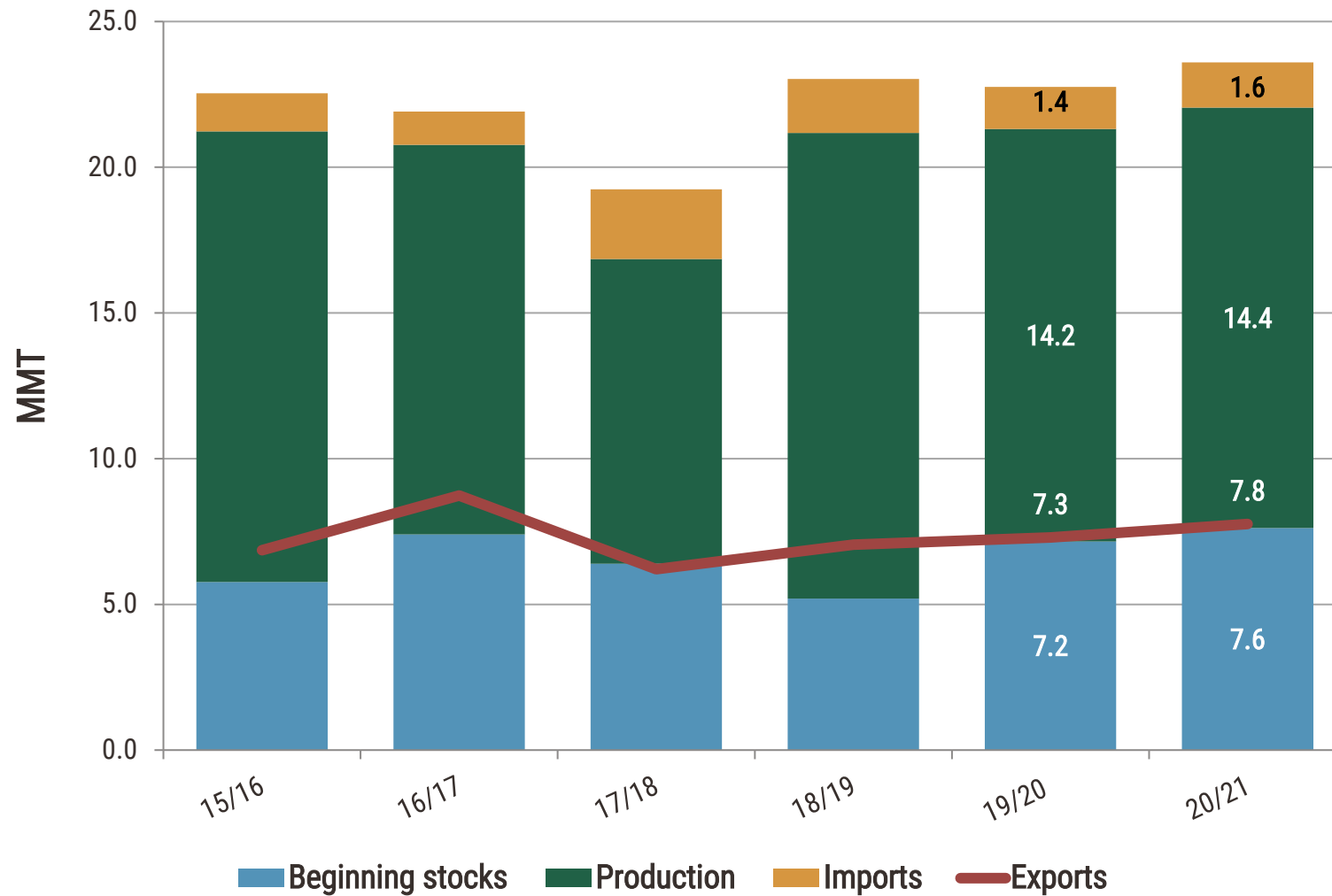


Source: USDA FAS export sales data as of March 4, 2021

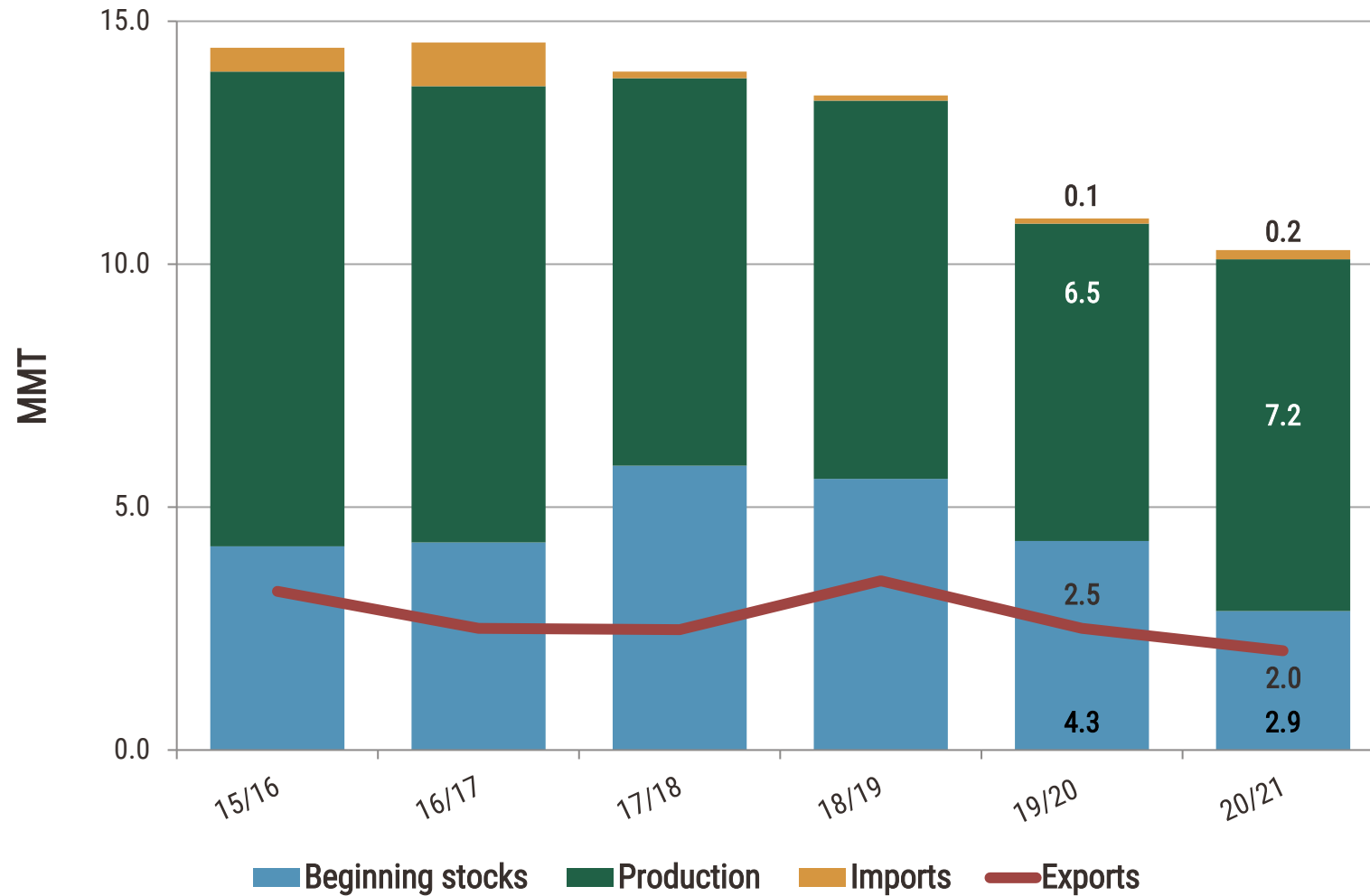
U.S. Hard Red Winter



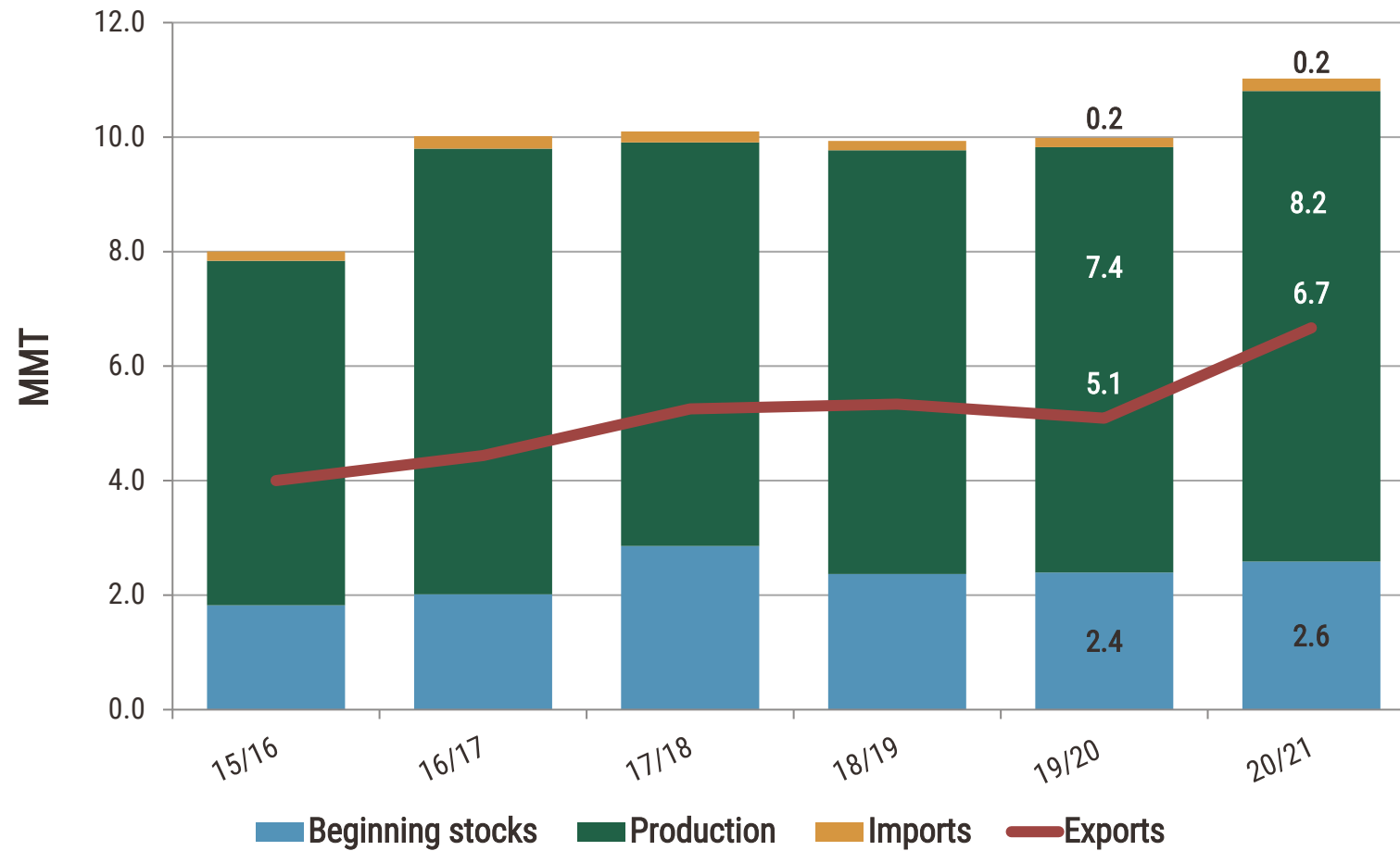
U.S. Hard Red Spring



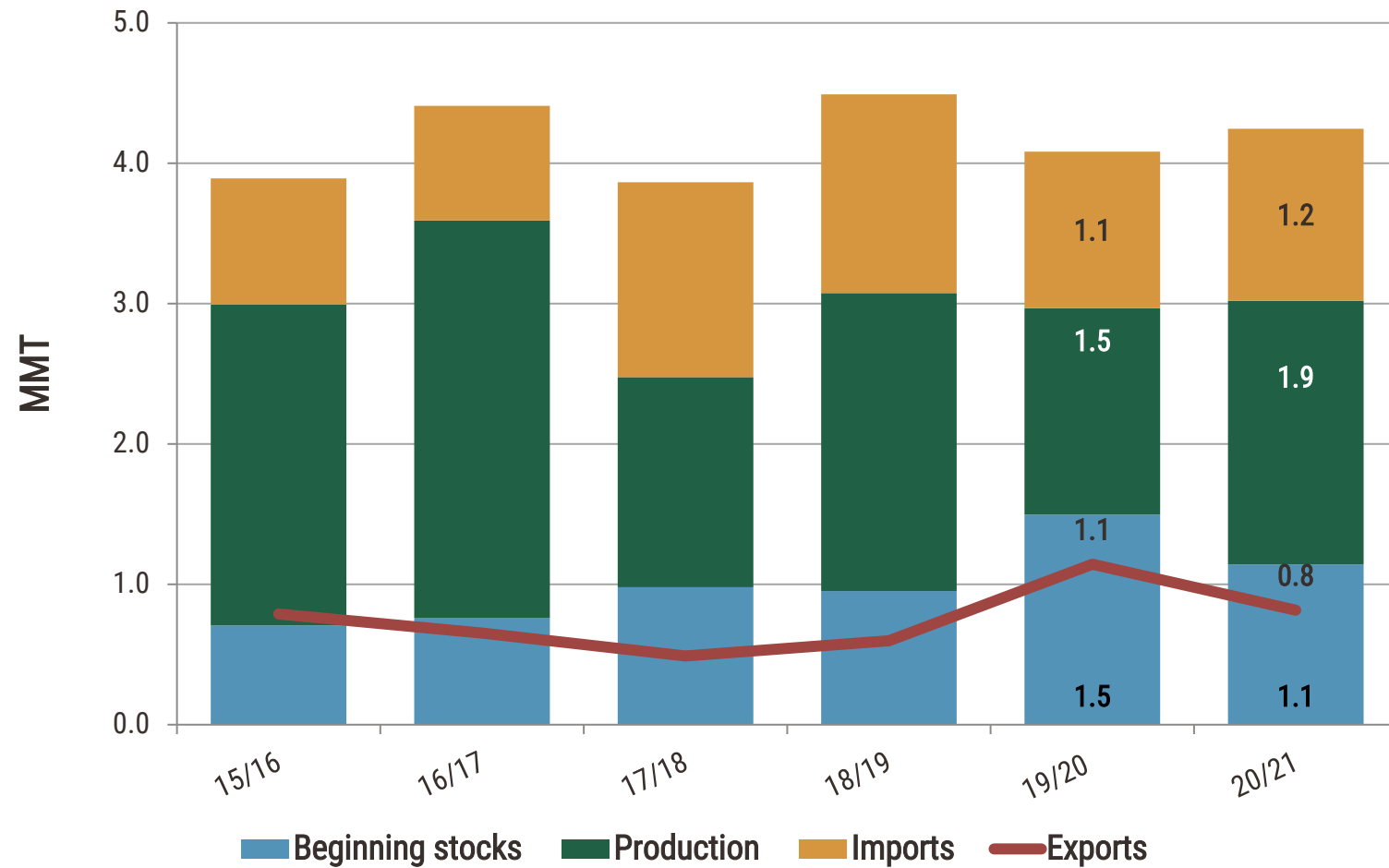
U.S. Soft Red Winter



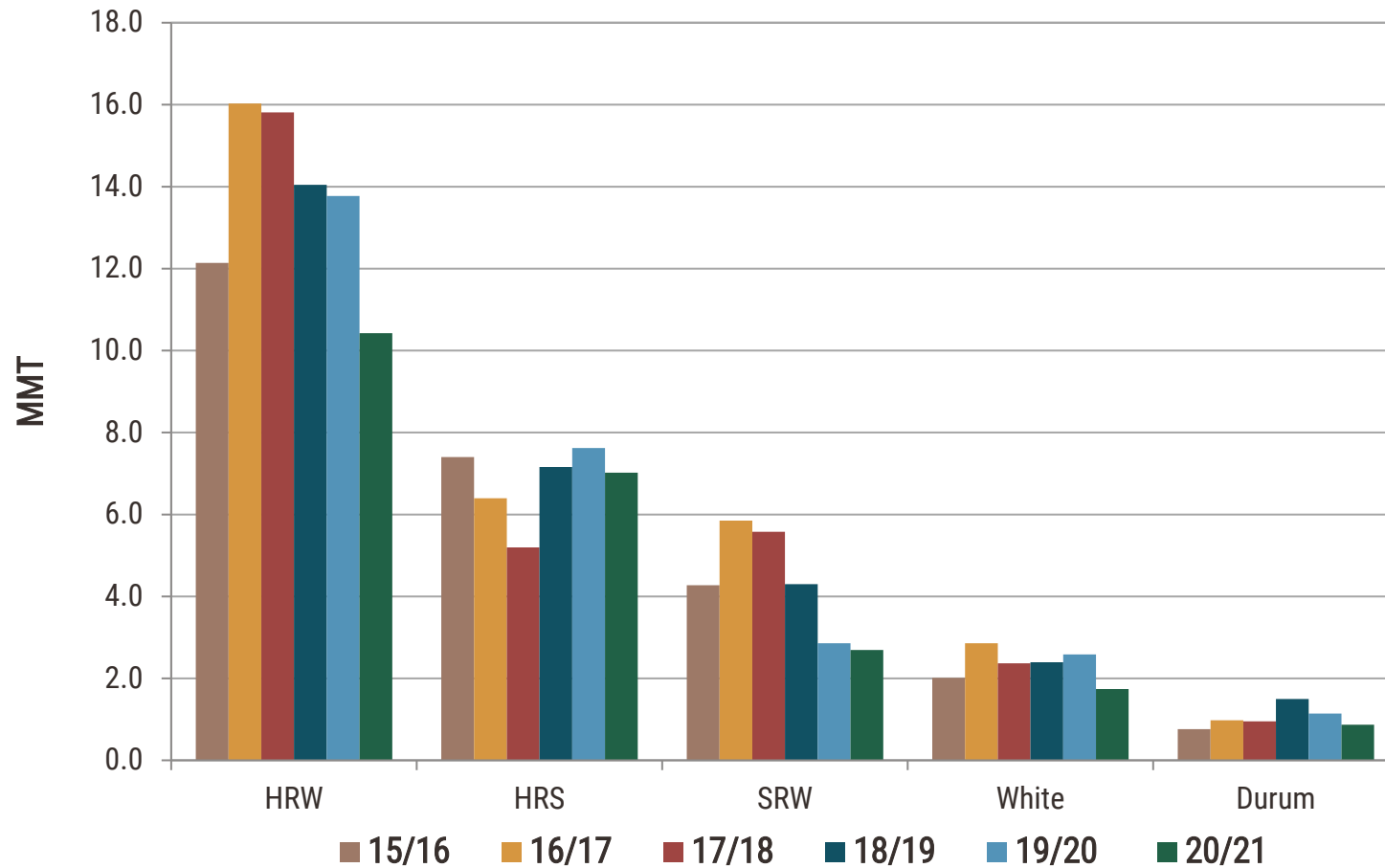
U.S. White



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	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	23.6	10.94	10.3
Domestic Use	13.1	11.8	7.84	8.82	5.55	5.55
Exports	10.2	9.5	7.29	7.76	2.50	2.04
Use Total	23.3	21.4	15.1	16.6	8.08	7.59
Ending Stocks	13.8	10.4	7.62	7.02	2.86	2.69
Stocks-to-Use	59%	49%	50%	42%	35%	35%

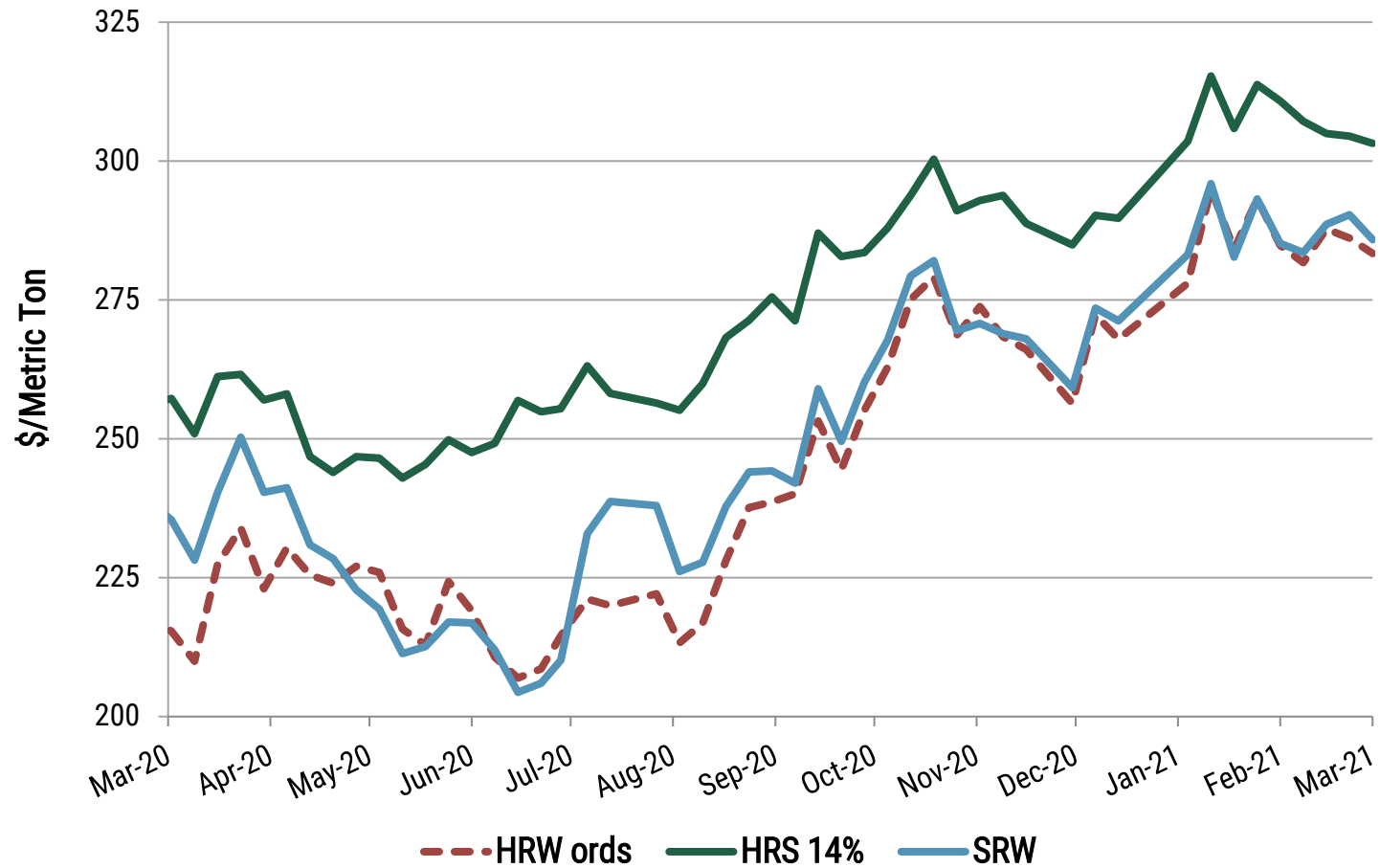


U.S. Wheat Supply and Demand (MMT)

	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	1.14	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	80.9
Domestic Use	2.31	2.61	1.80	2.56	30.6	31.4
Exports	5.09	6.67	1.14	0.82	26.3	26.8
Use Total	7.40	9.28	2.94	3.37	56.9	58.2
Ending Stocks	2.59	1.74	1.14	0.87	28.0	22.8
Stocks-to-Use	35%	19%	39%	26%	49%	39%

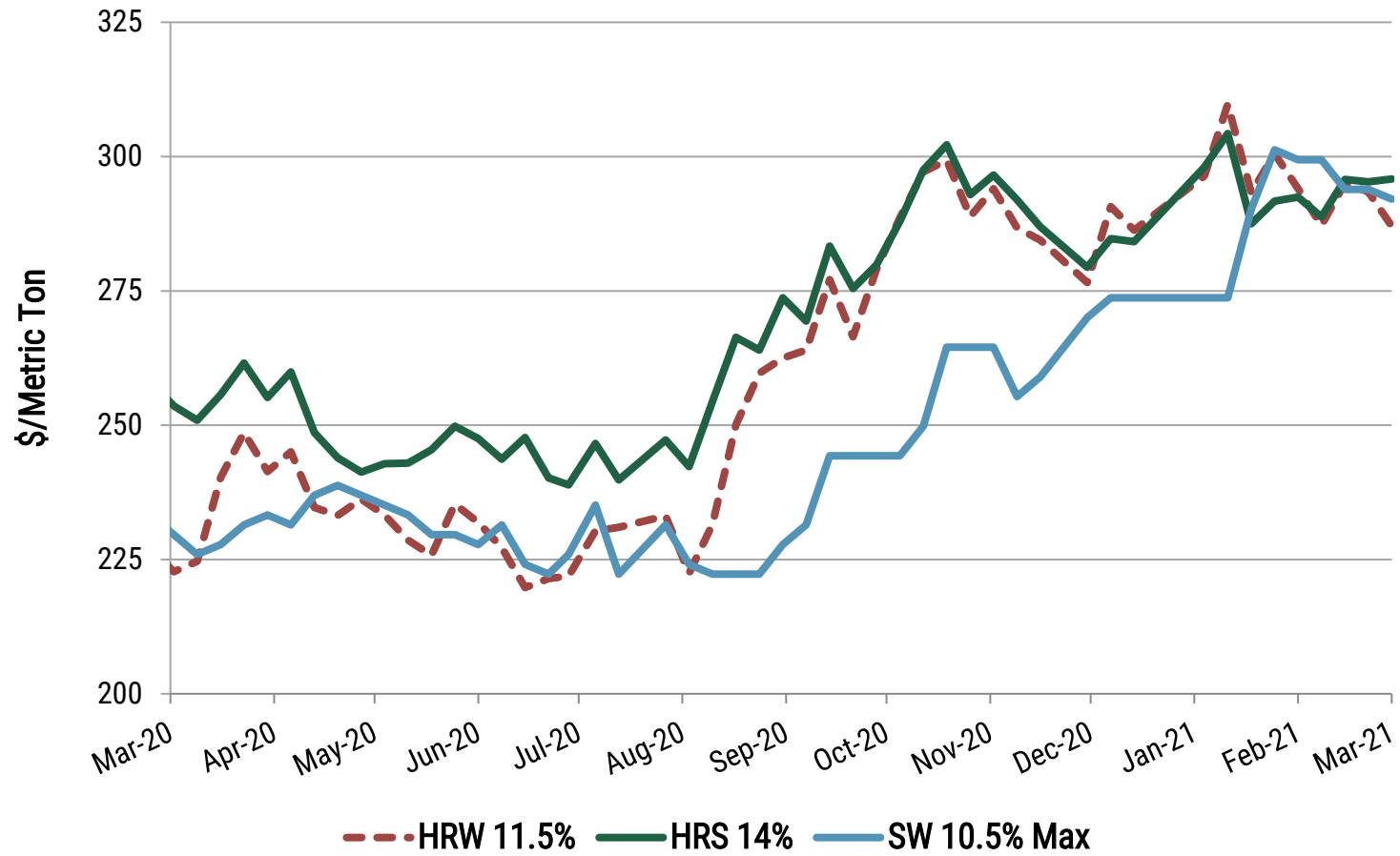


U.S. FOB Gulf Prices

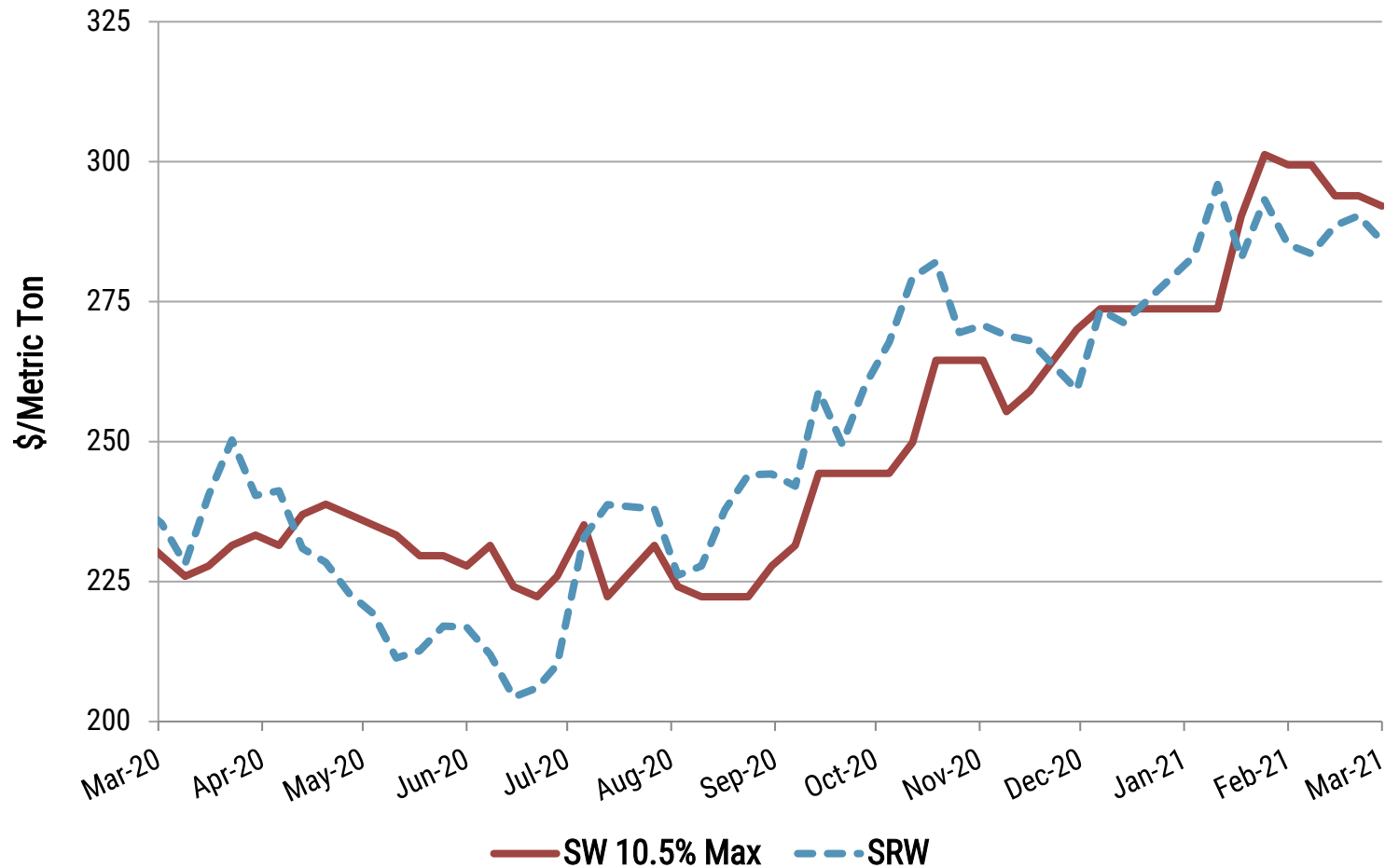


Source: U.S. Wheat Associates Price Report, March 5, 2021

U.S. FOB PNW Prices



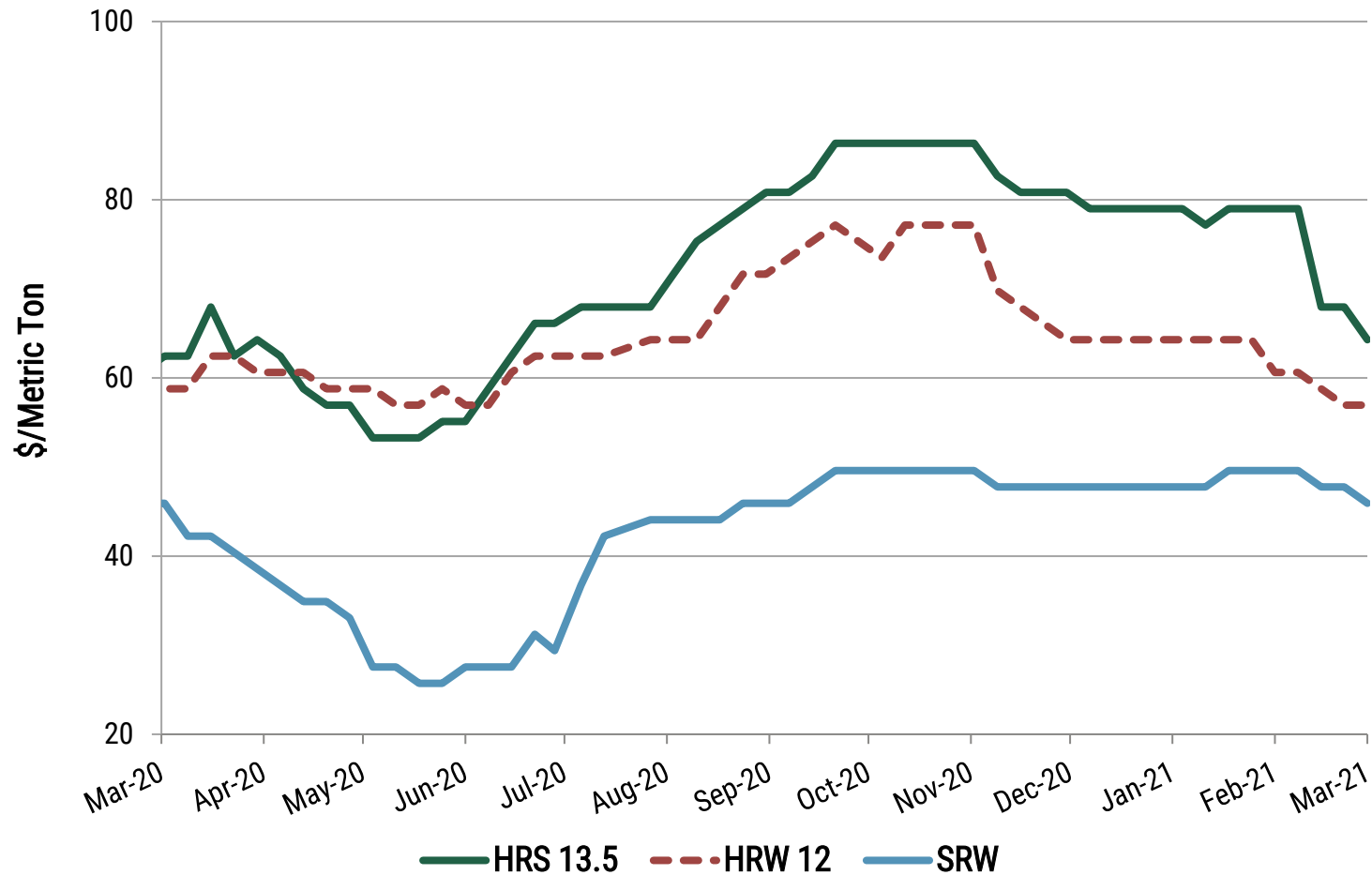
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, March 5, 2021



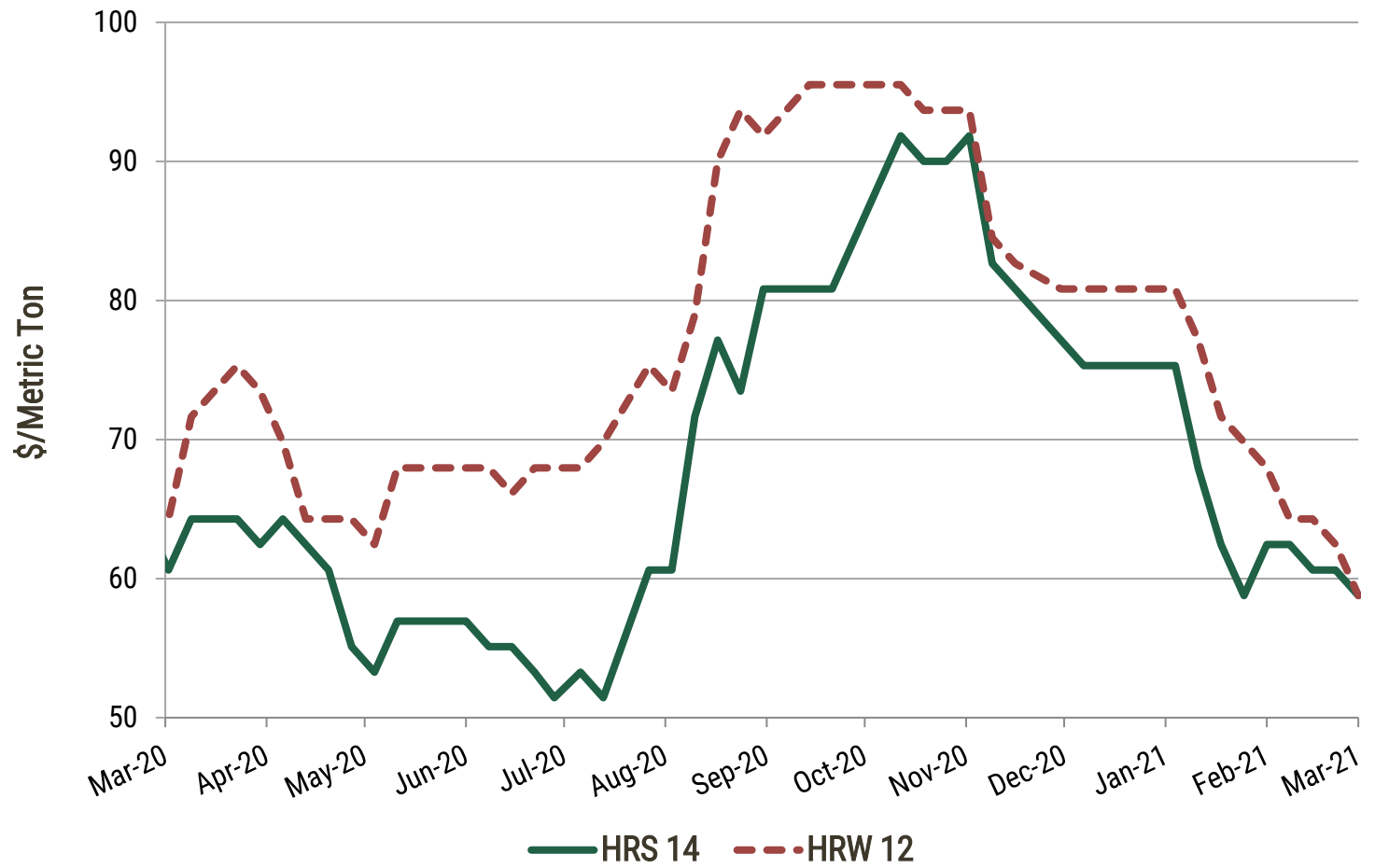
U.S. Gulf Export Basis



Source: U.S. Wheat Associates Price Report, March 5, 2021



U.S. PNW Export Basis



Source: U.S. Wheat Associates Price Report, March 5, 2021



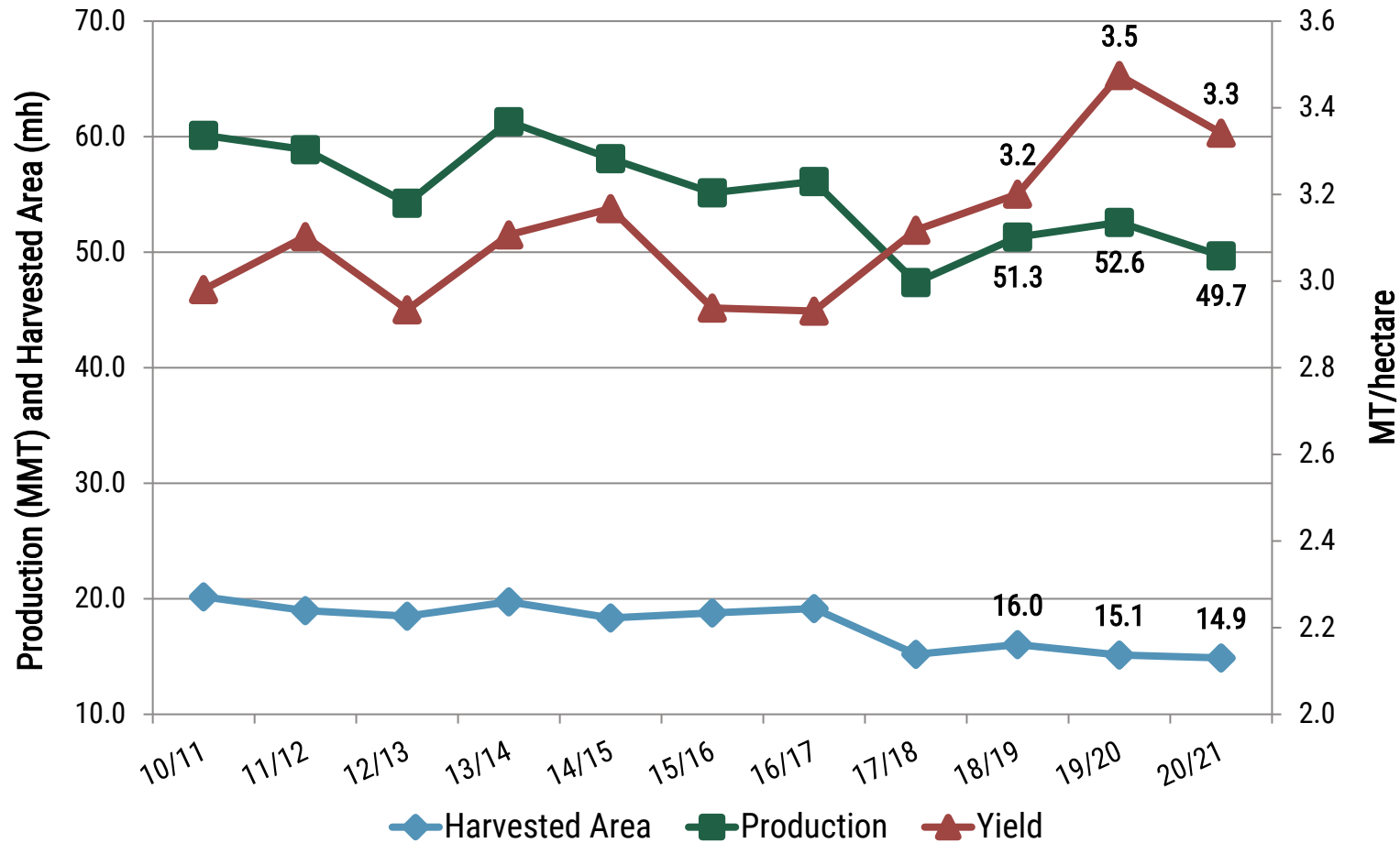


04

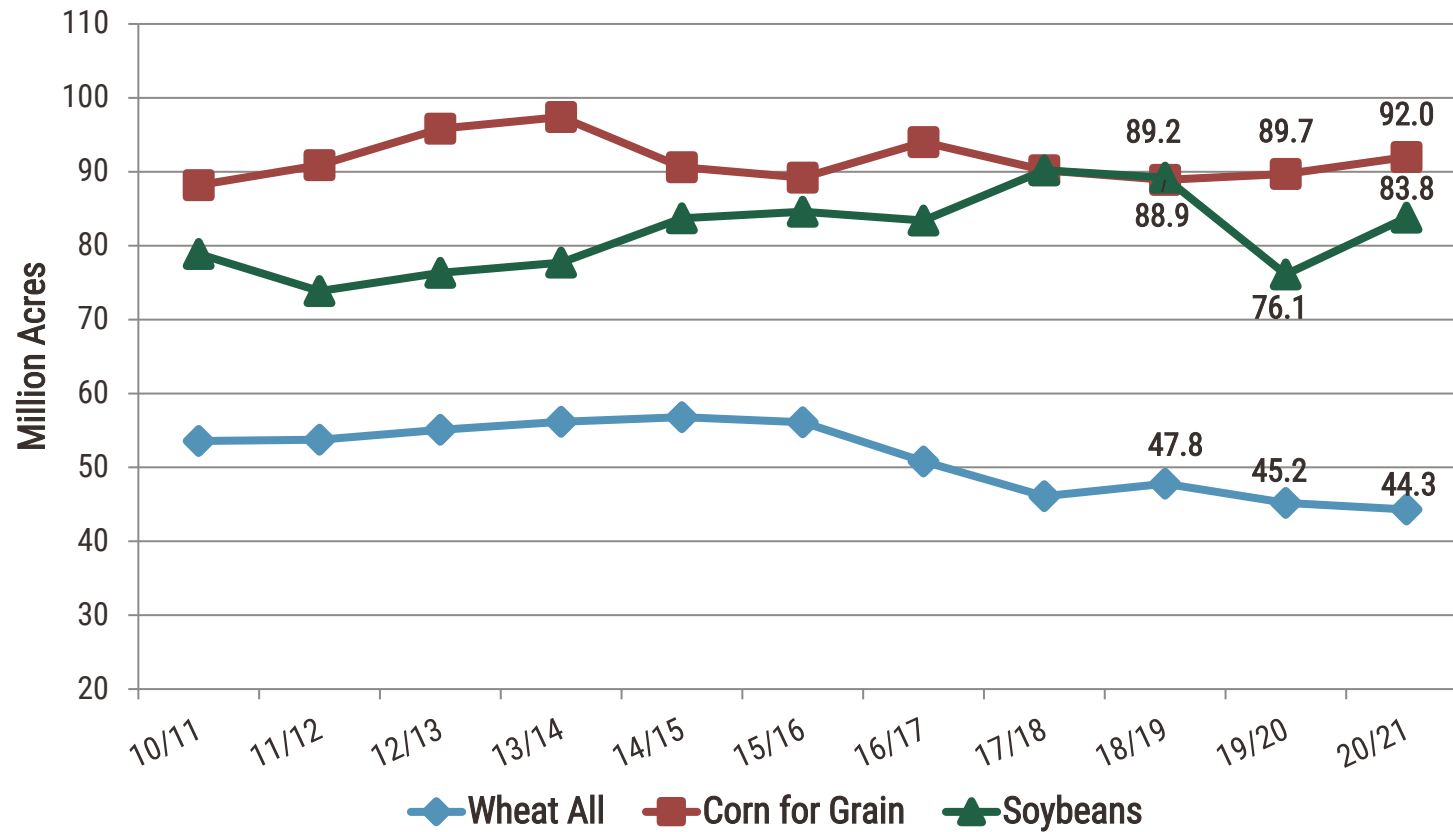
Outlook



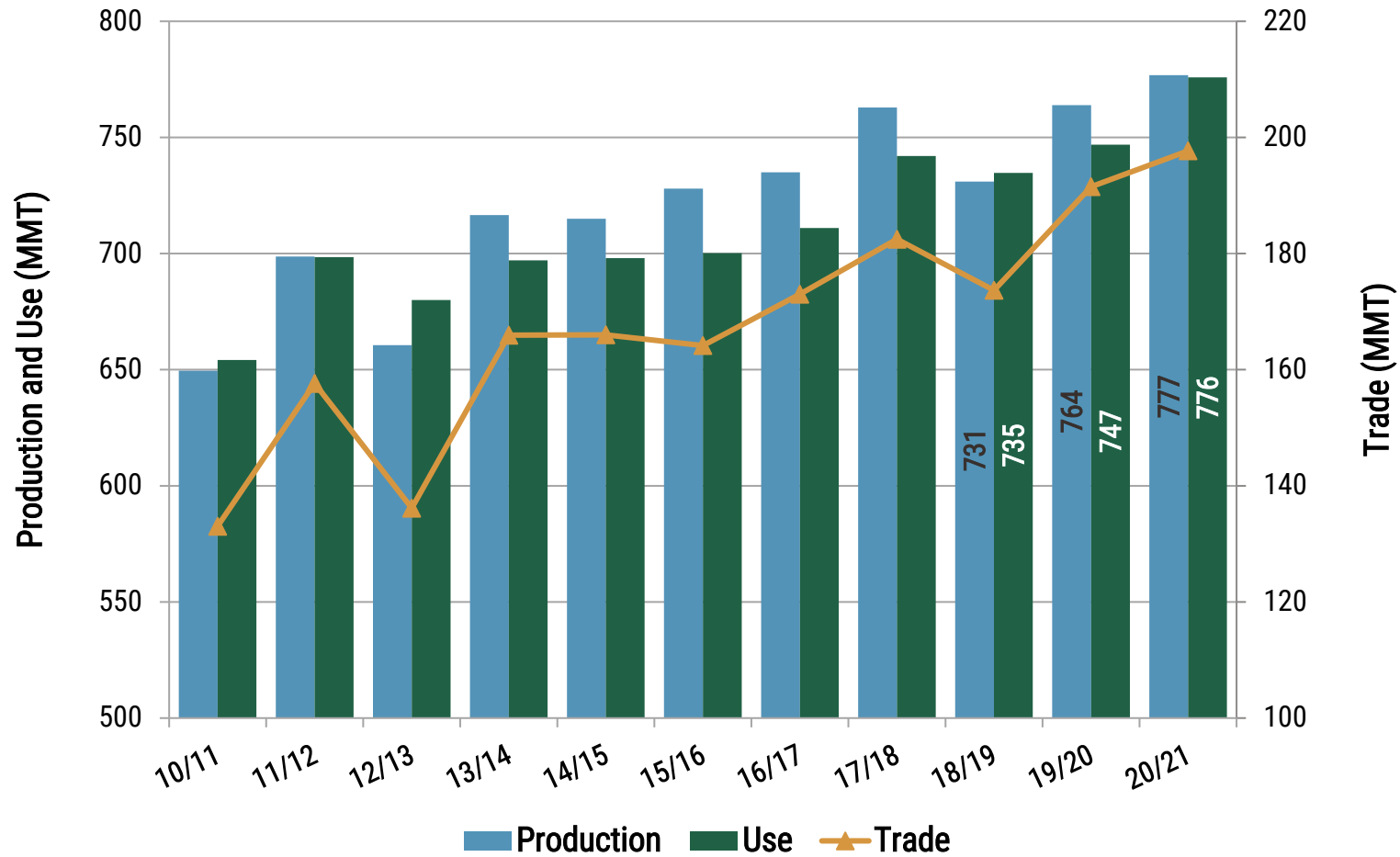
U.S. Wheat Production, Area and Yield



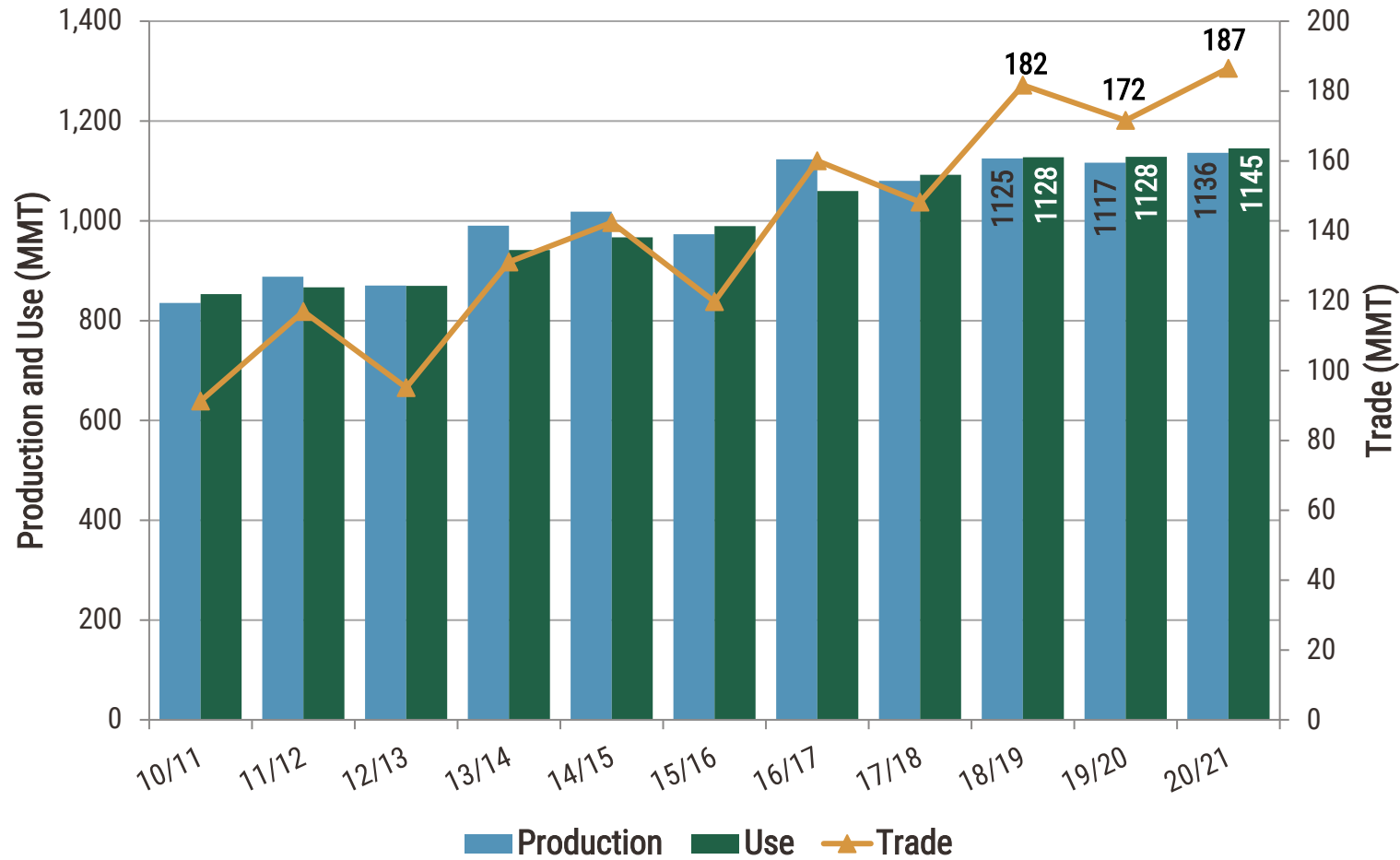
U.S. Crop Planted Area Comparison



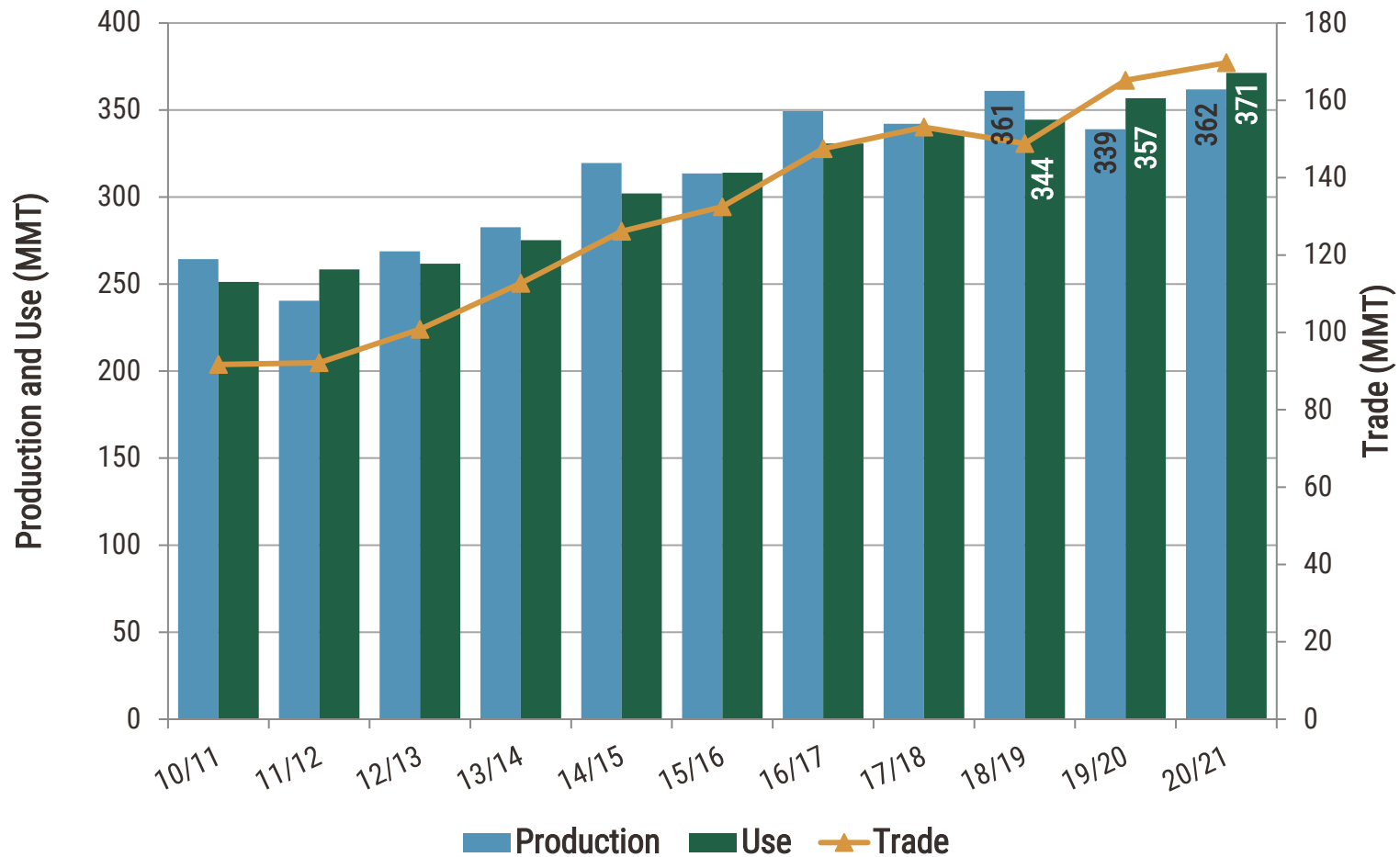
World Wheat Production, Use and Trade



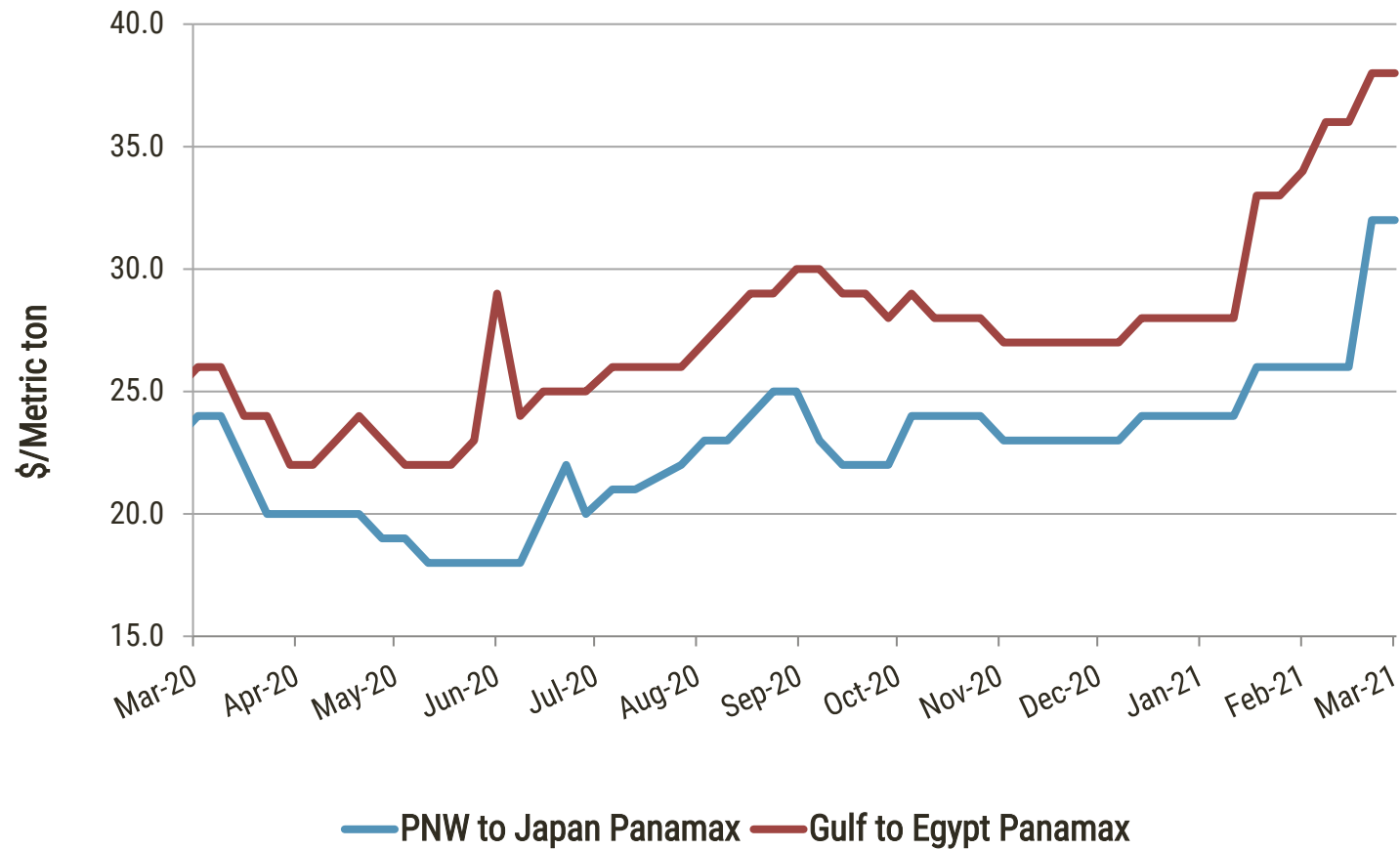
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



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World consumption to reach a record 776 MMT in 2020/21

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THANK YOU



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