



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 April 9, 2021, unless otherwise indicated.
Projections will change over the course of the year depending on
weather and other developments.

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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 estimates in Ukraine were 25.5 MMT, down 5.7% from the 5-year average
- Production in the European Union reached 135.6 MMT down 9% from the 5-year average
- U.S. production fell 8% from last year to 49.7 MMT on lower yields and decreased planted area

Global consumption forecast at 781 MMT, up one percent from last month

- Chinese domestic consumption is up 19% compared to last year
- Domestic consumption in Mexico is 7.2 MMT, down 4% from the 5-year average
- U.S. domestic consumption to increase to 30.6 MMT, in line with the 5-year average

World wheat trade to reach a record 199 MMT, up 7% from the 5-year average

- Russian exports to jump 20% from 2019/20 to 40.0 MMT, despite recent export taxes
- Exports from Argentina to equal 10.5 MMT in 2020/21, 14% below the 5-year average
- U.S. 2020/21 exports to reach 27.0 MMT, 3% more than last year and 7% 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

- Chinese beginning stocks to reach a record 152 MMT, 8% more than last year
- Indian beginning stocks estimated at 24.7 MMT, would be 72% over the 5-year average
- U.S. 2020/21 beginning stocks to drop 1% on the 5-year average to 28.0 MMT

Global ending stocks projected at a record 296 MMT, up 7% from the 5-year average

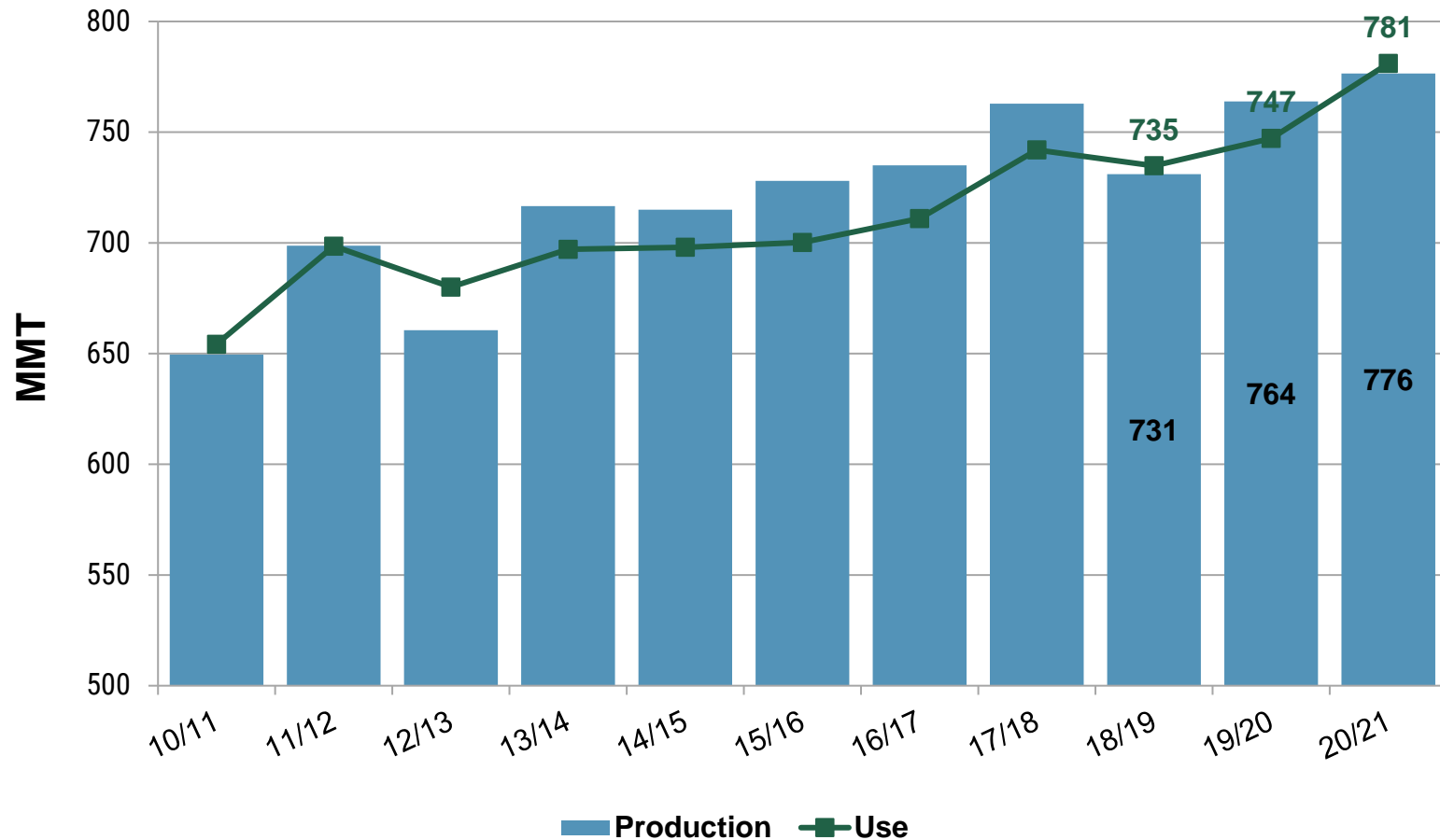
- Expected Chinese ending stocks to reach a record 145 MMT, 15% more than the 5-year average
- U.S. ending stocks are expected to drop 20% from the 5-year average to 23.1 MMT

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

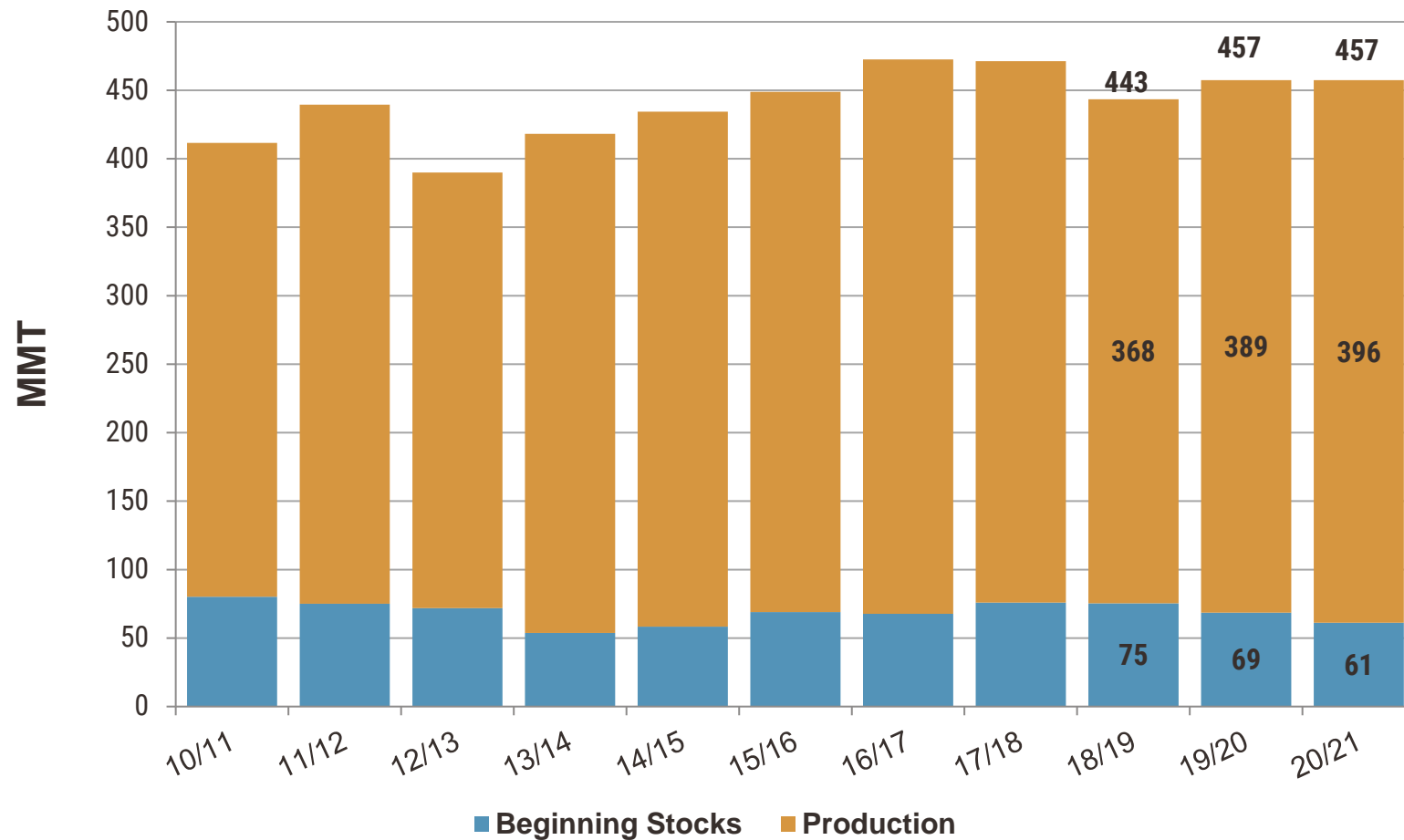
- The average farm gate price of U.S. wheat in 2020/21 is forecast to increase to \$5.00/bu (\$184/MT), up 9% from last year's \$4.58/bu (\$168/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

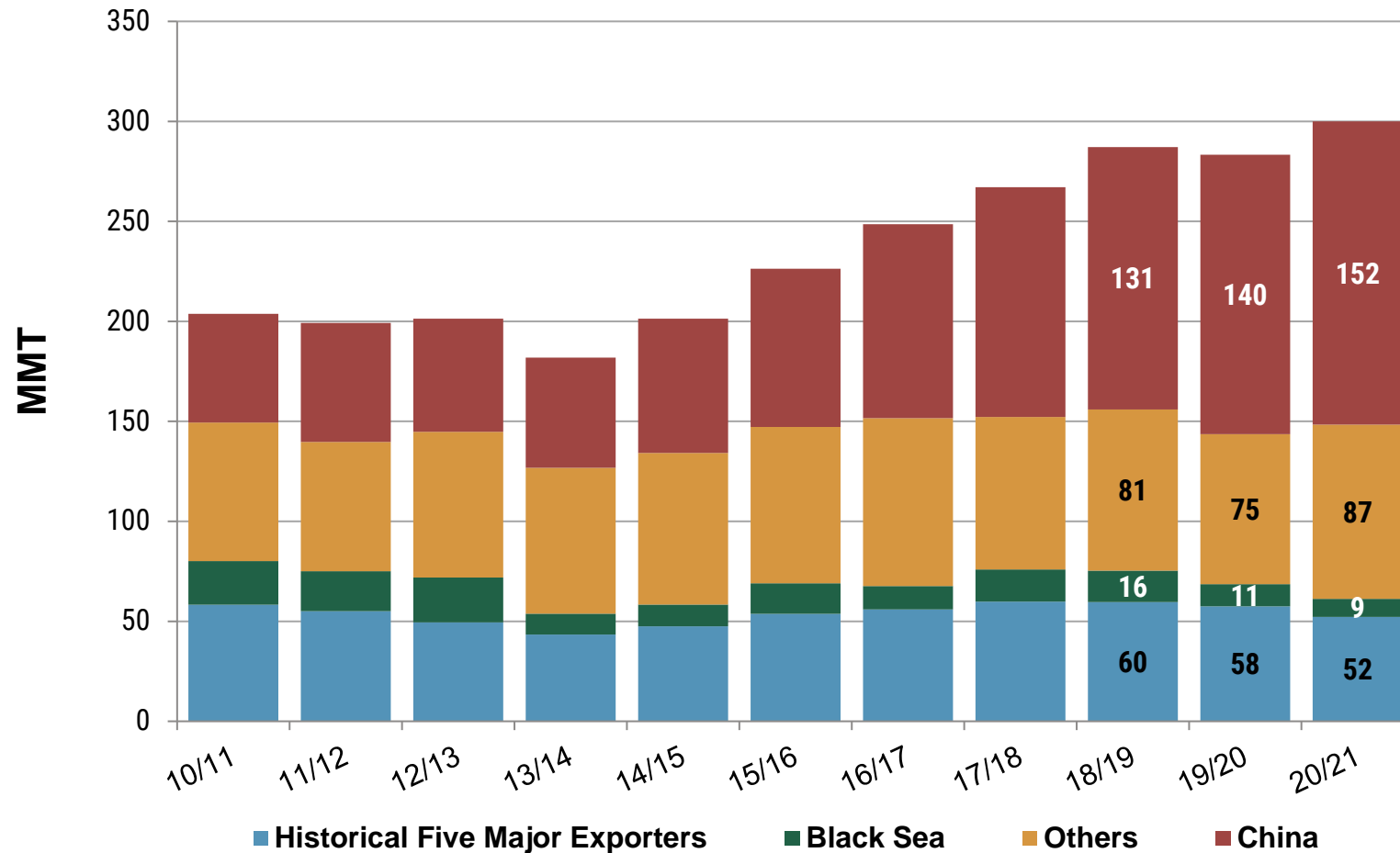


World Wheat Supply and Demand (MMT)

	<u>18/19</u>	-	<u>19/20</u>	-	<u>20/21</u>
SUPPLY:					
Beginning Stocks	287		283		300
Production	731		764		776
Supply Total	1018		1047		1077
Ending Stocks	283		300		296
TRADE:					
Exports/Imports	174		192		199
DEMAND:					
Food & Seed	596		608		624
Feed & Residual	139		139		157
Use Total	735		747		781



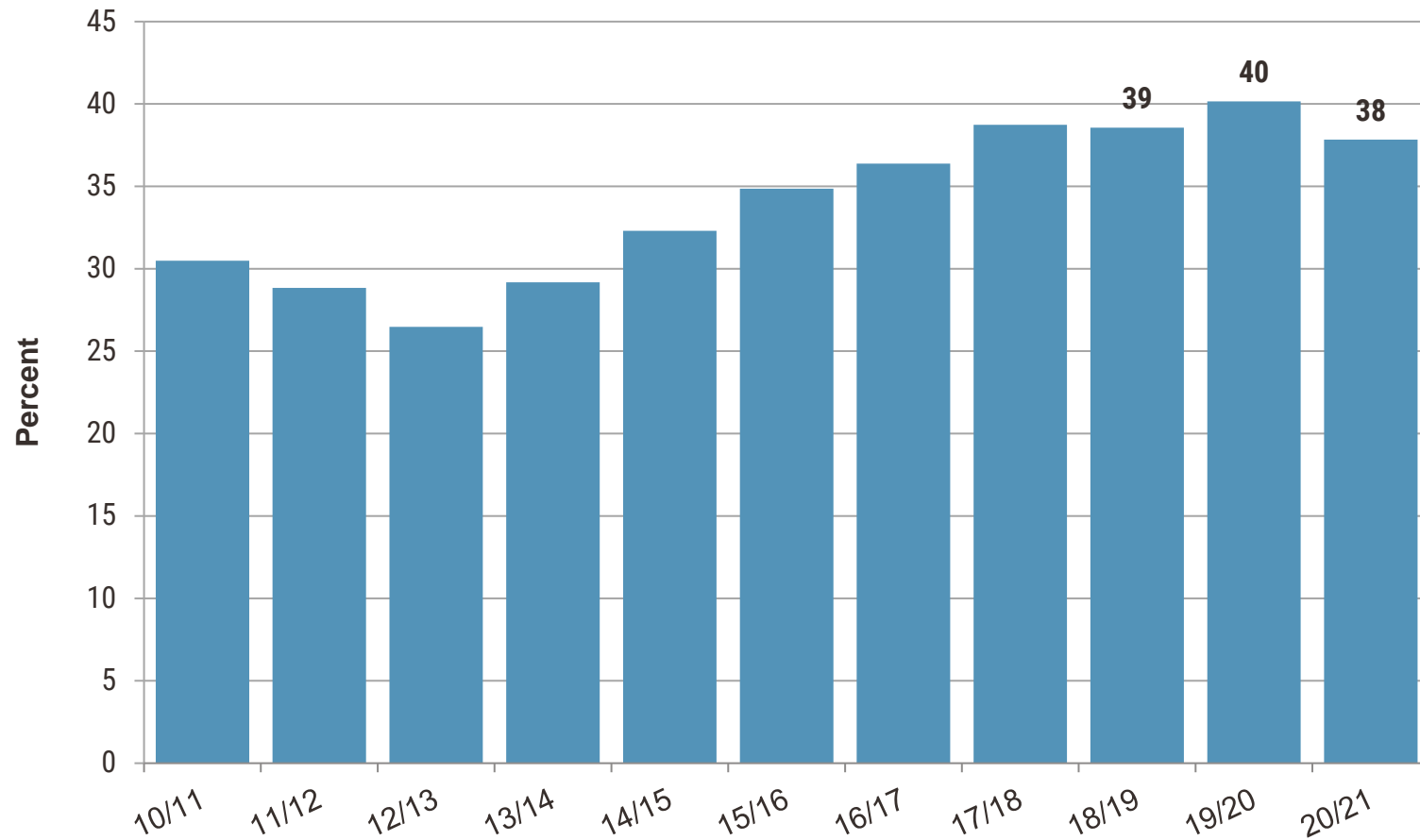
World Beginning Stocks



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



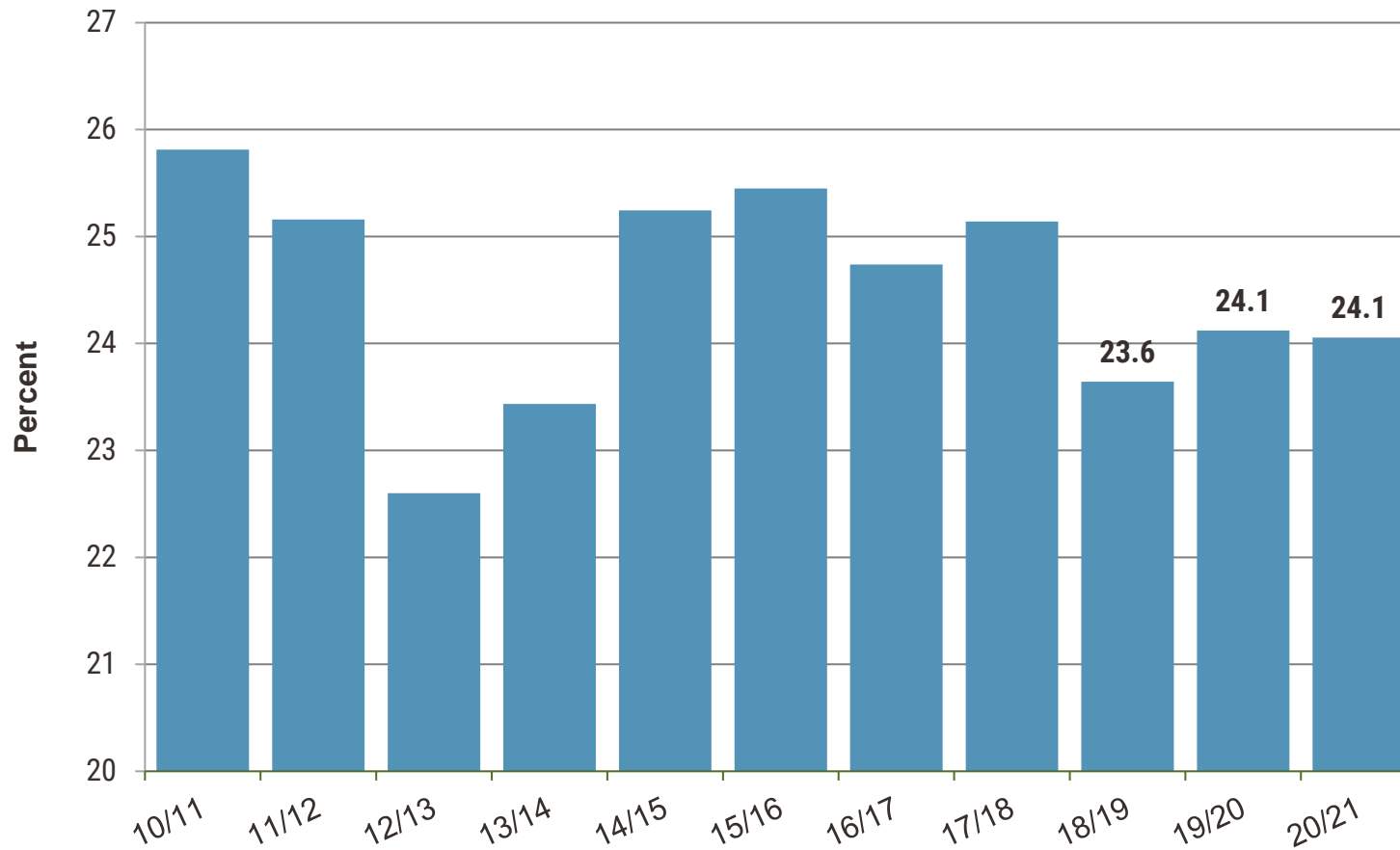
Global Stocks*-to-Use Ratio



*Ending stocks



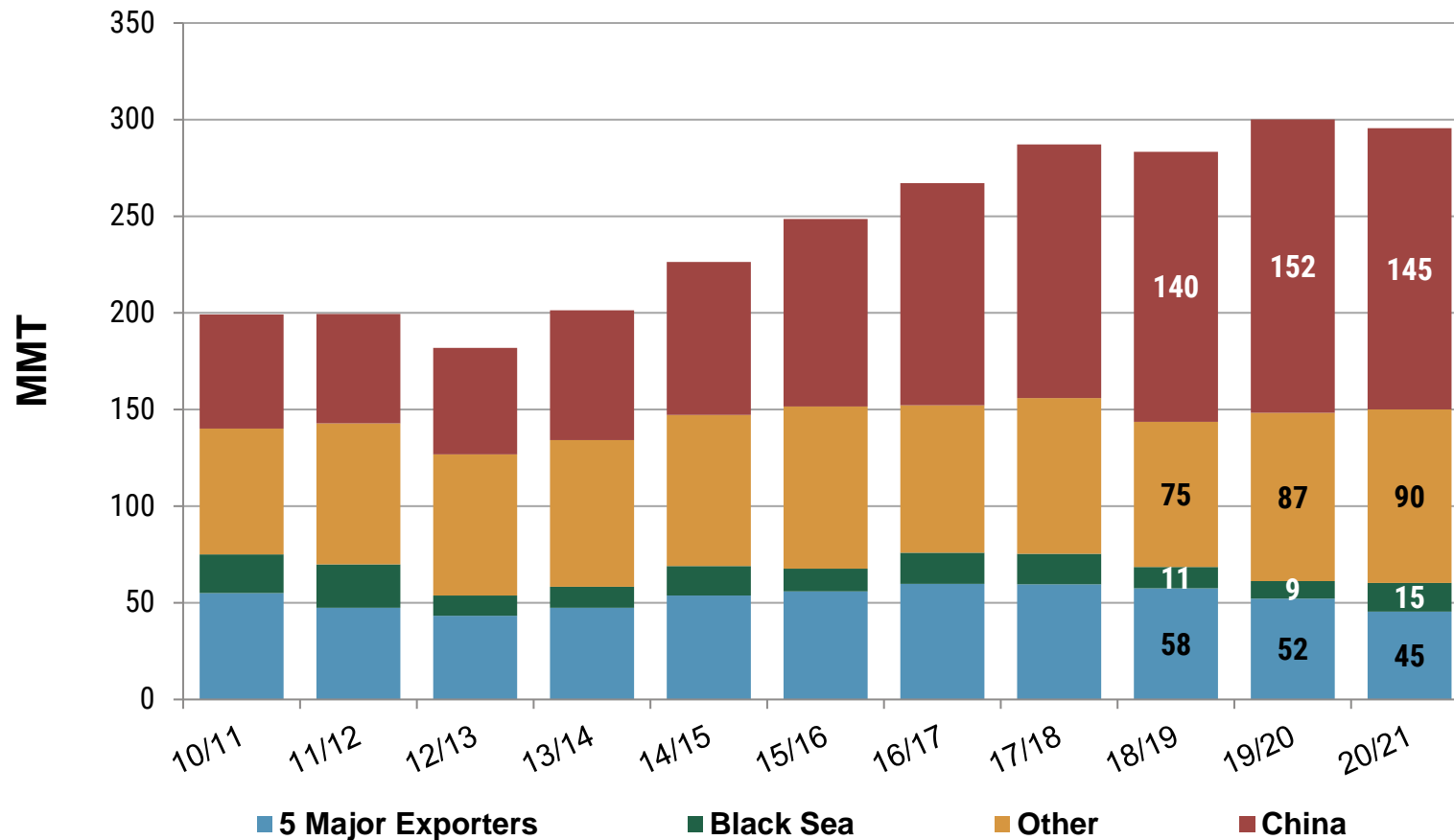
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



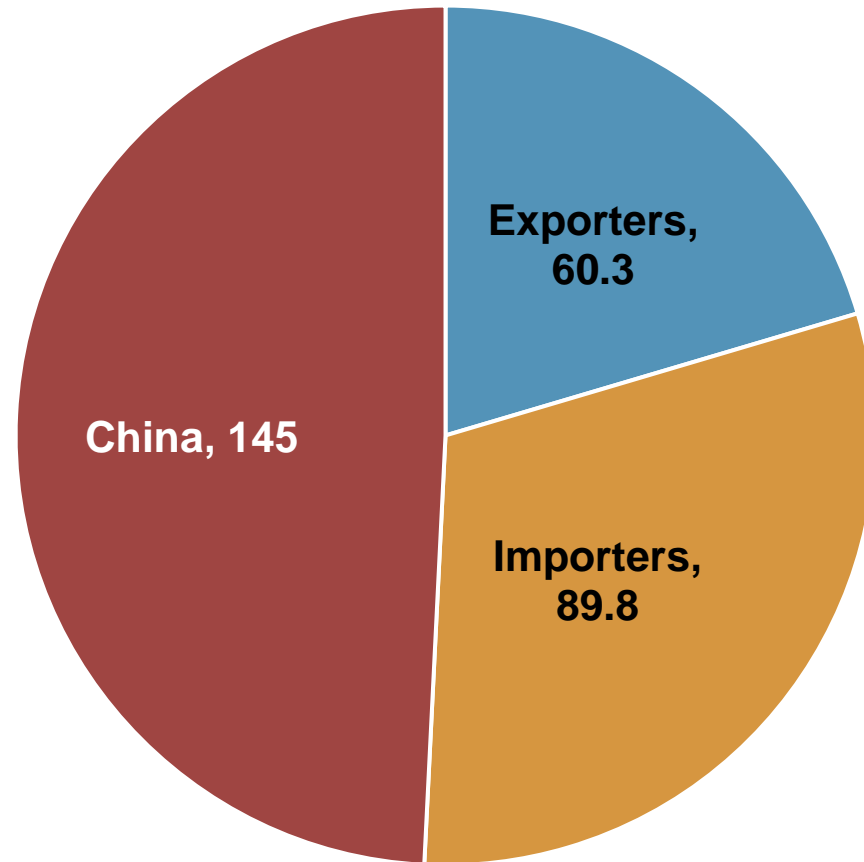
World Ending Stocks



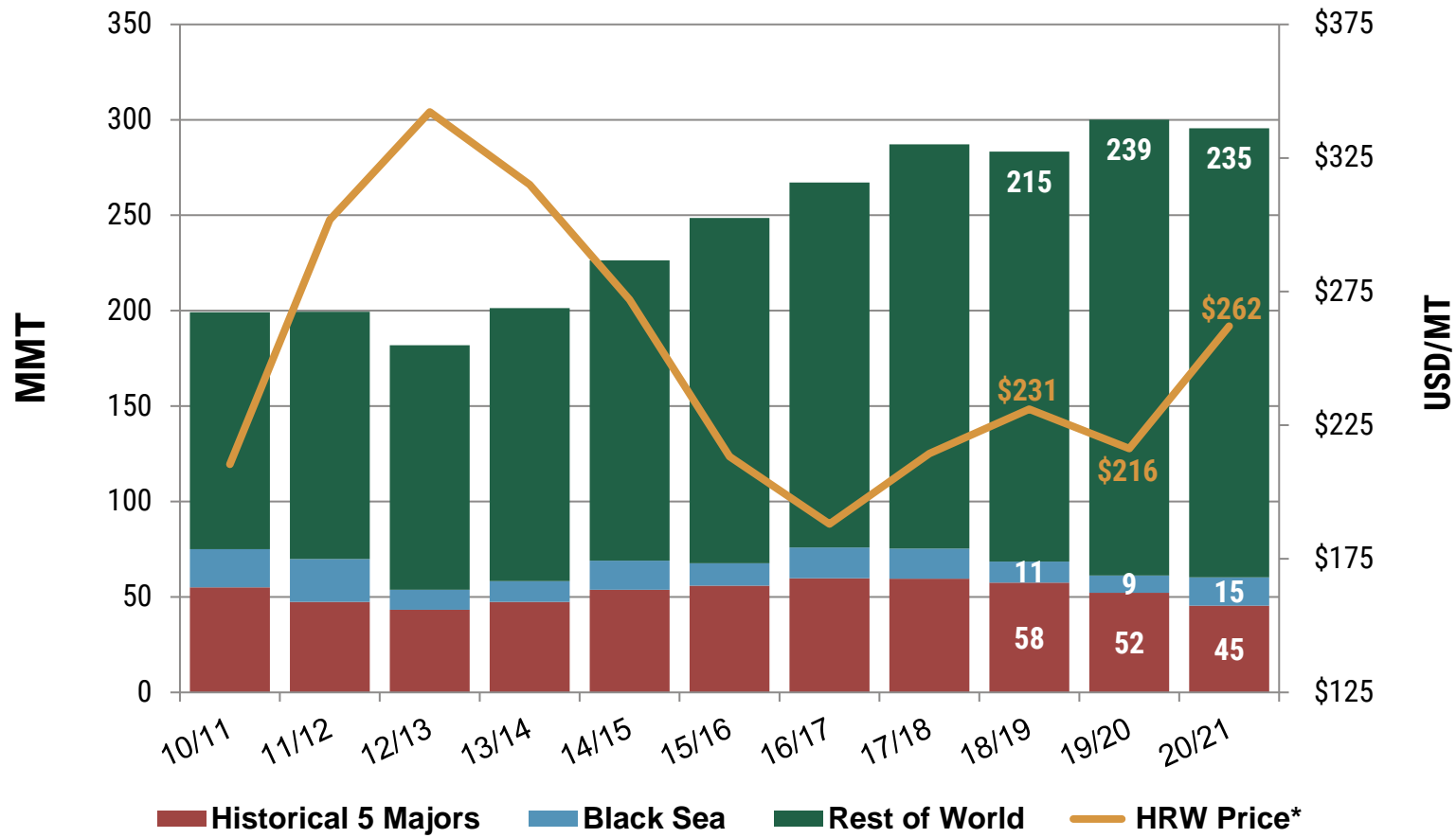
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World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, April 9, 2021

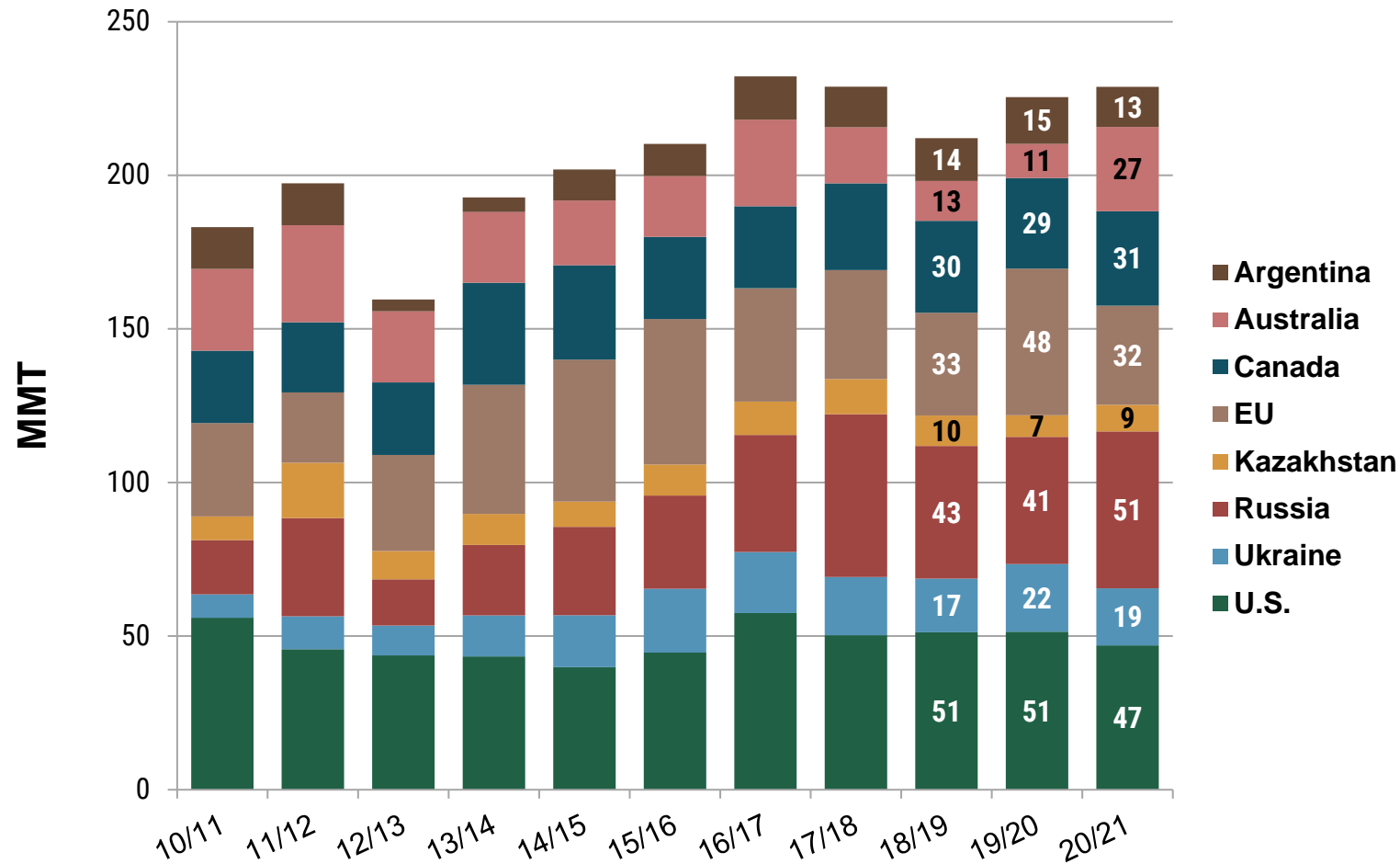




01

Major Exporters

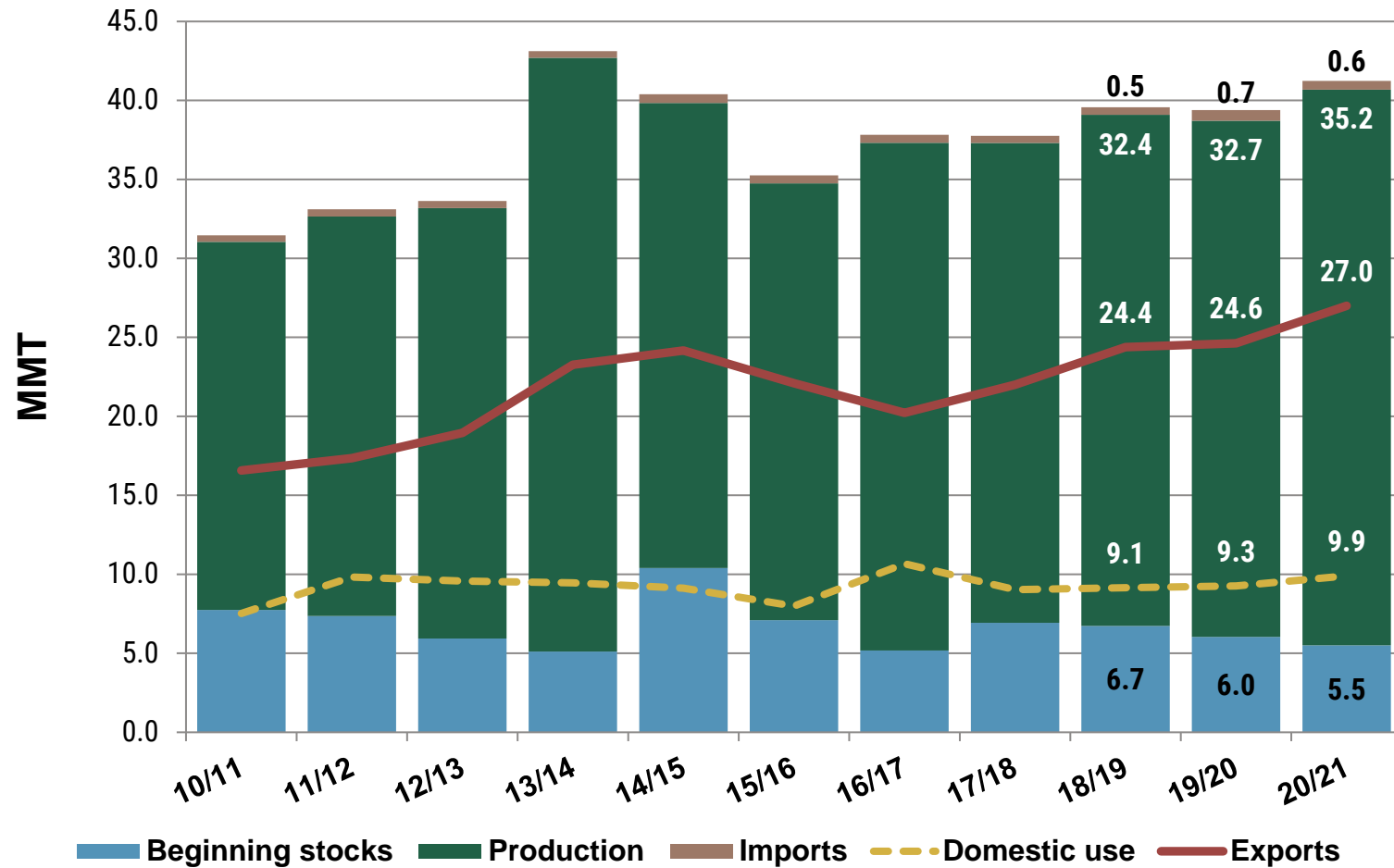
Exportable Supplies in Top Exporting Countries



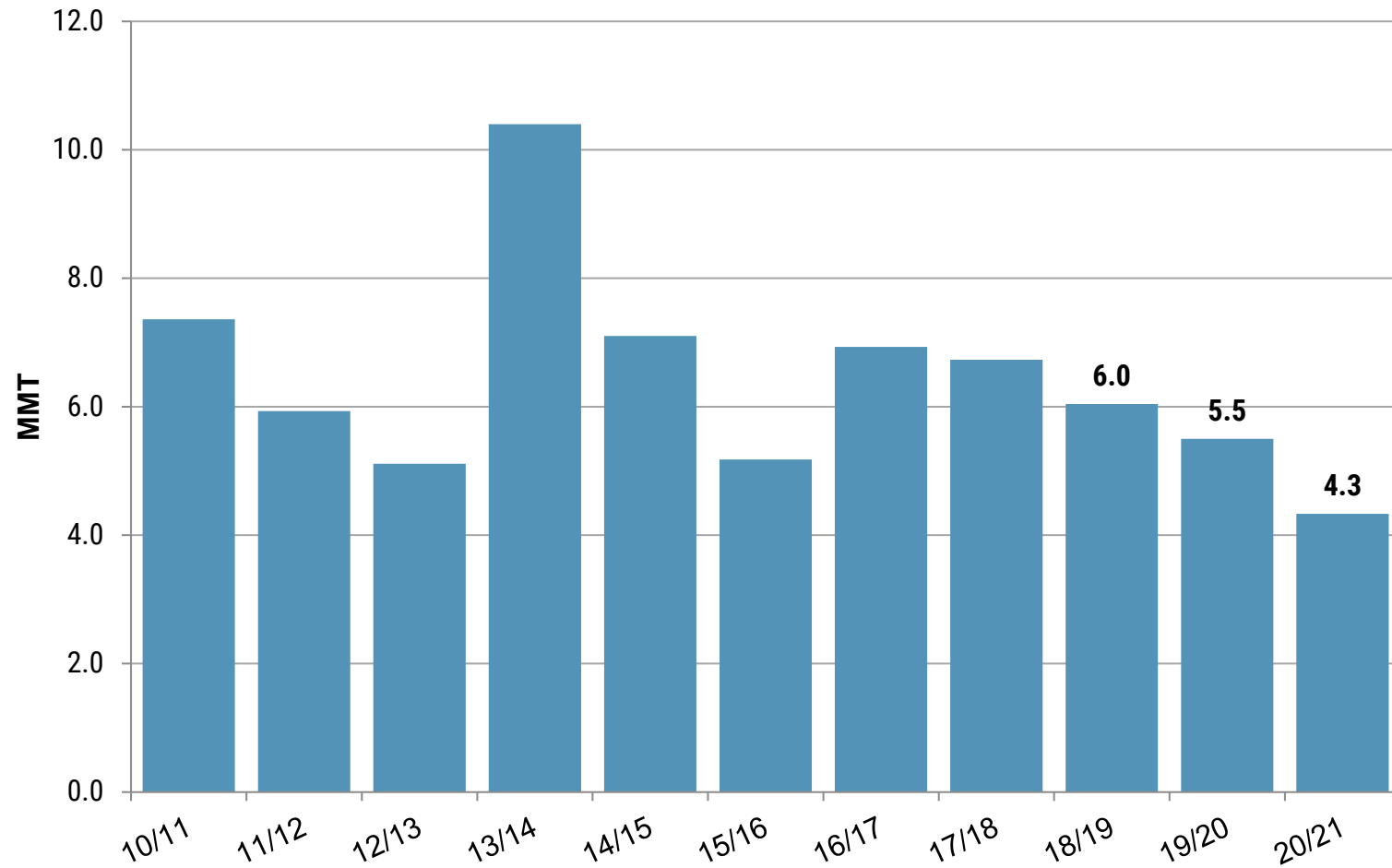
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



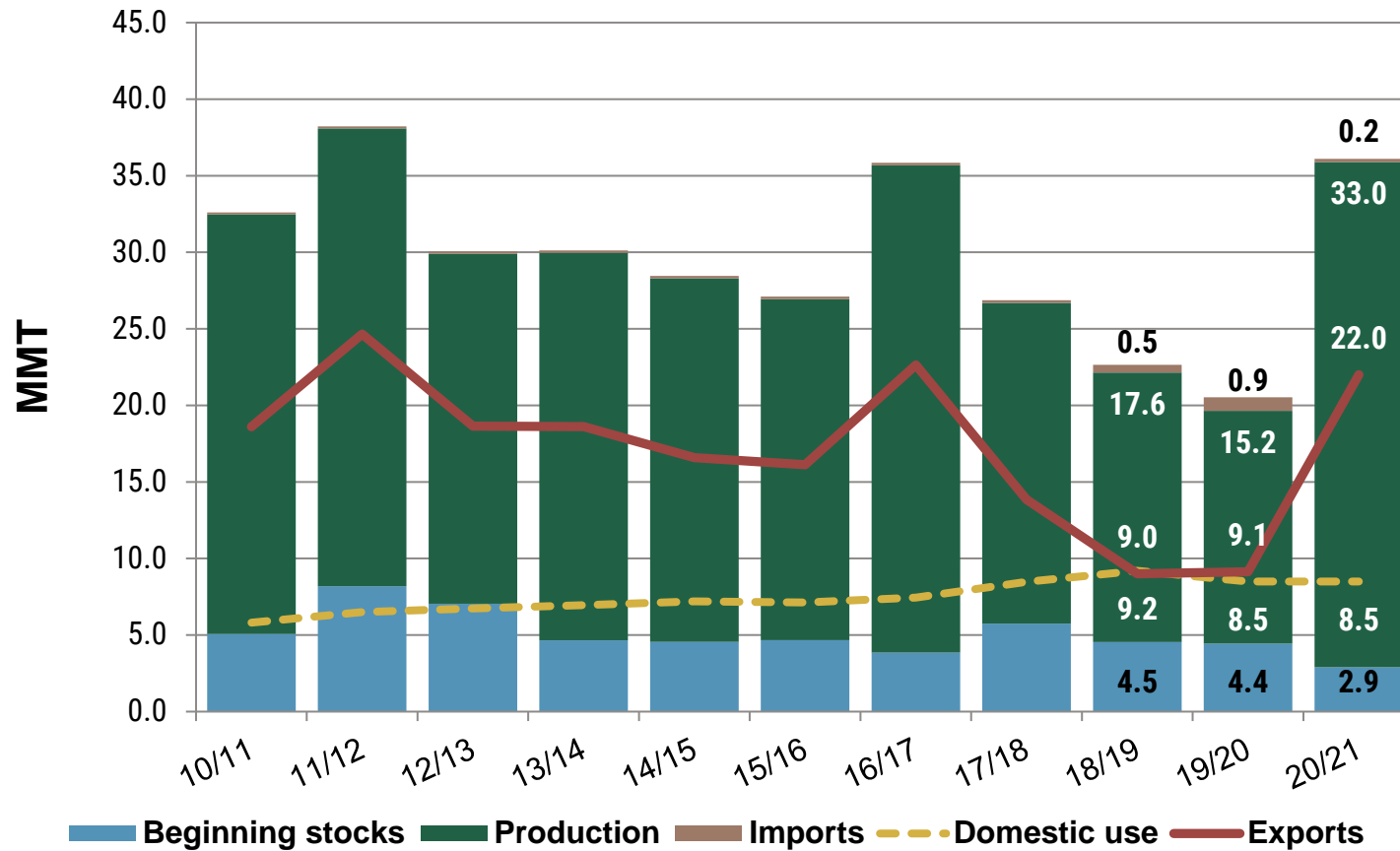
Canada Situation



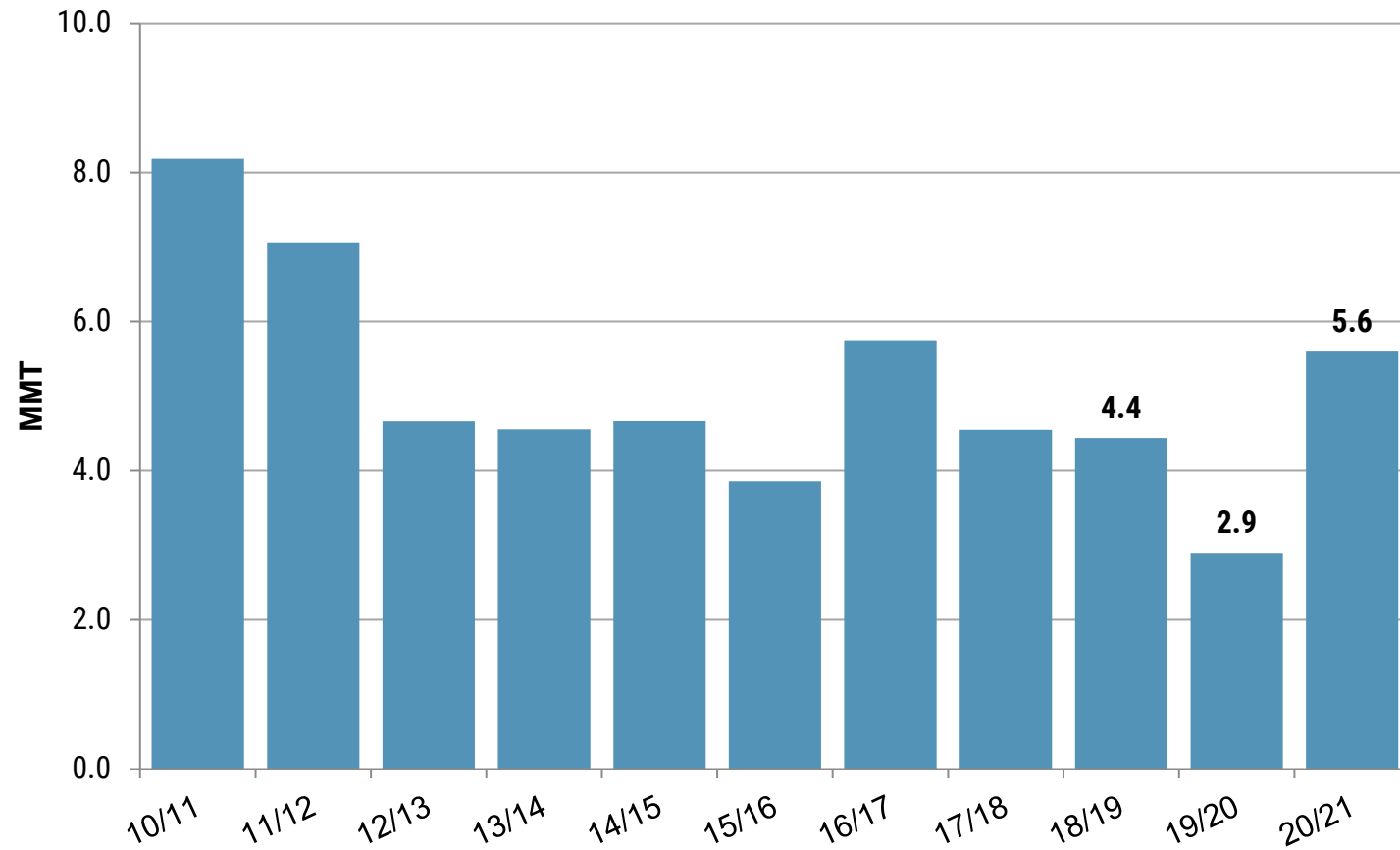
Canada Ending Stocks



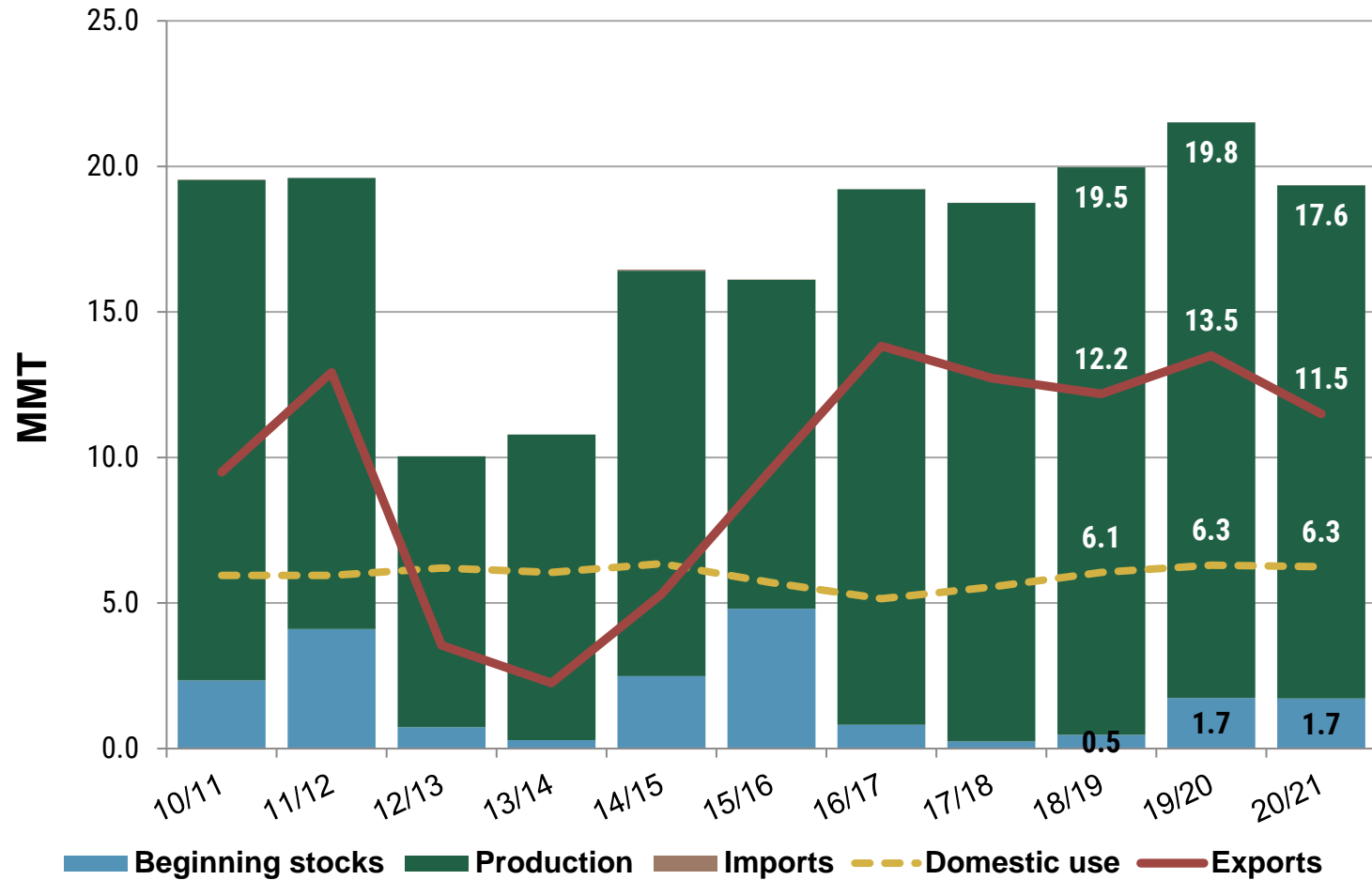
Australia Situation



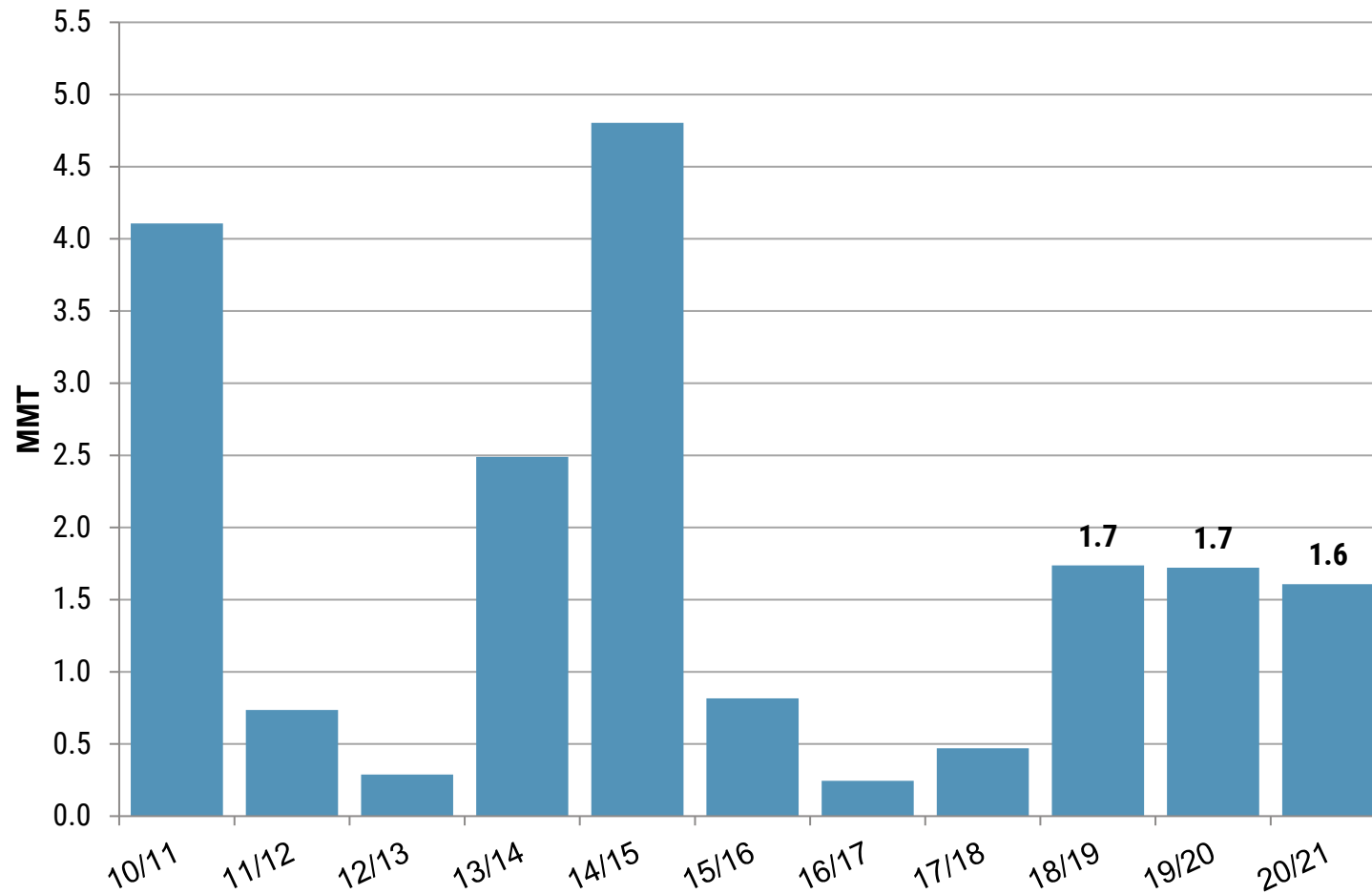
Australia Ending Stocks



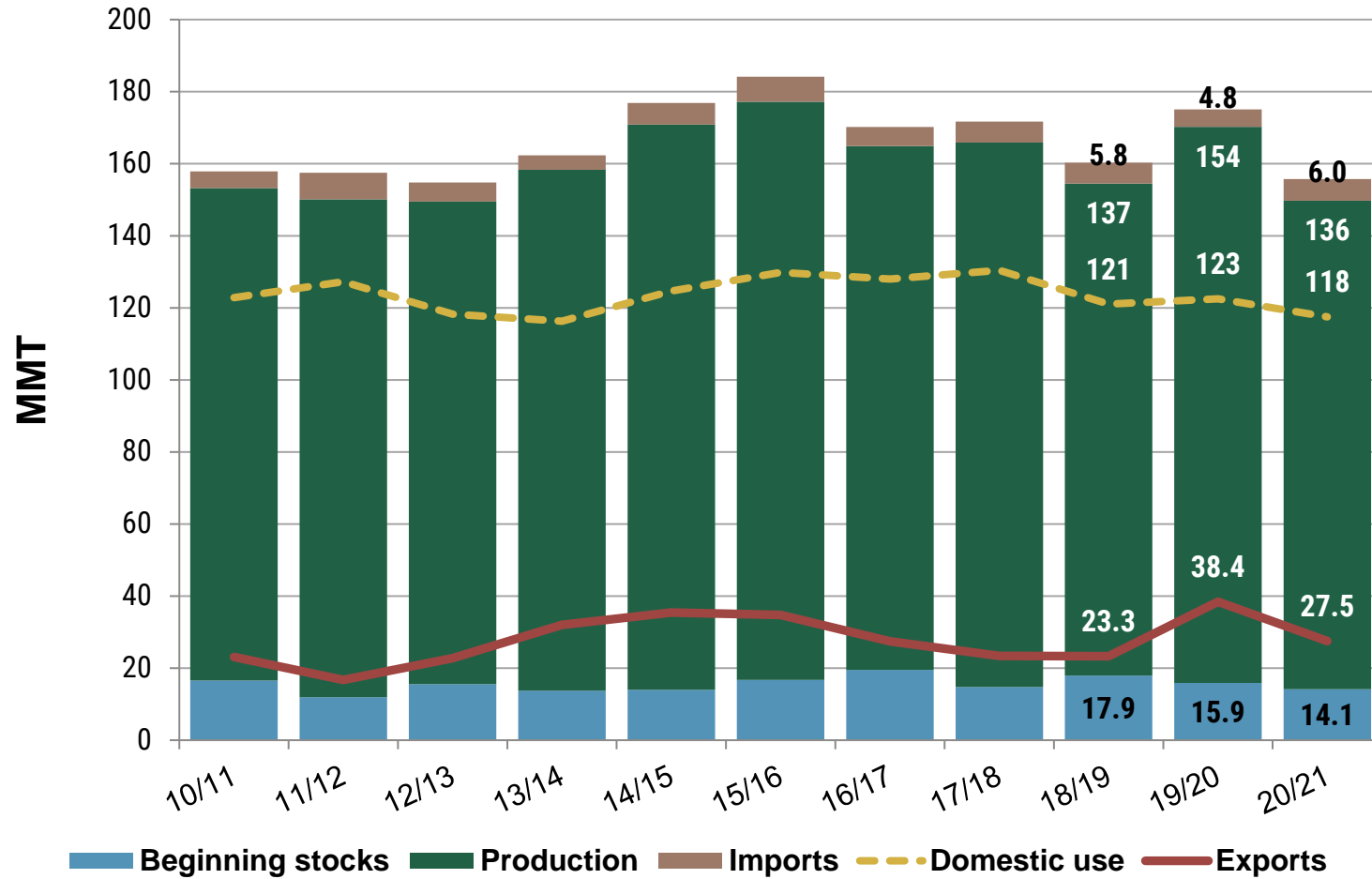
Argentina Situation



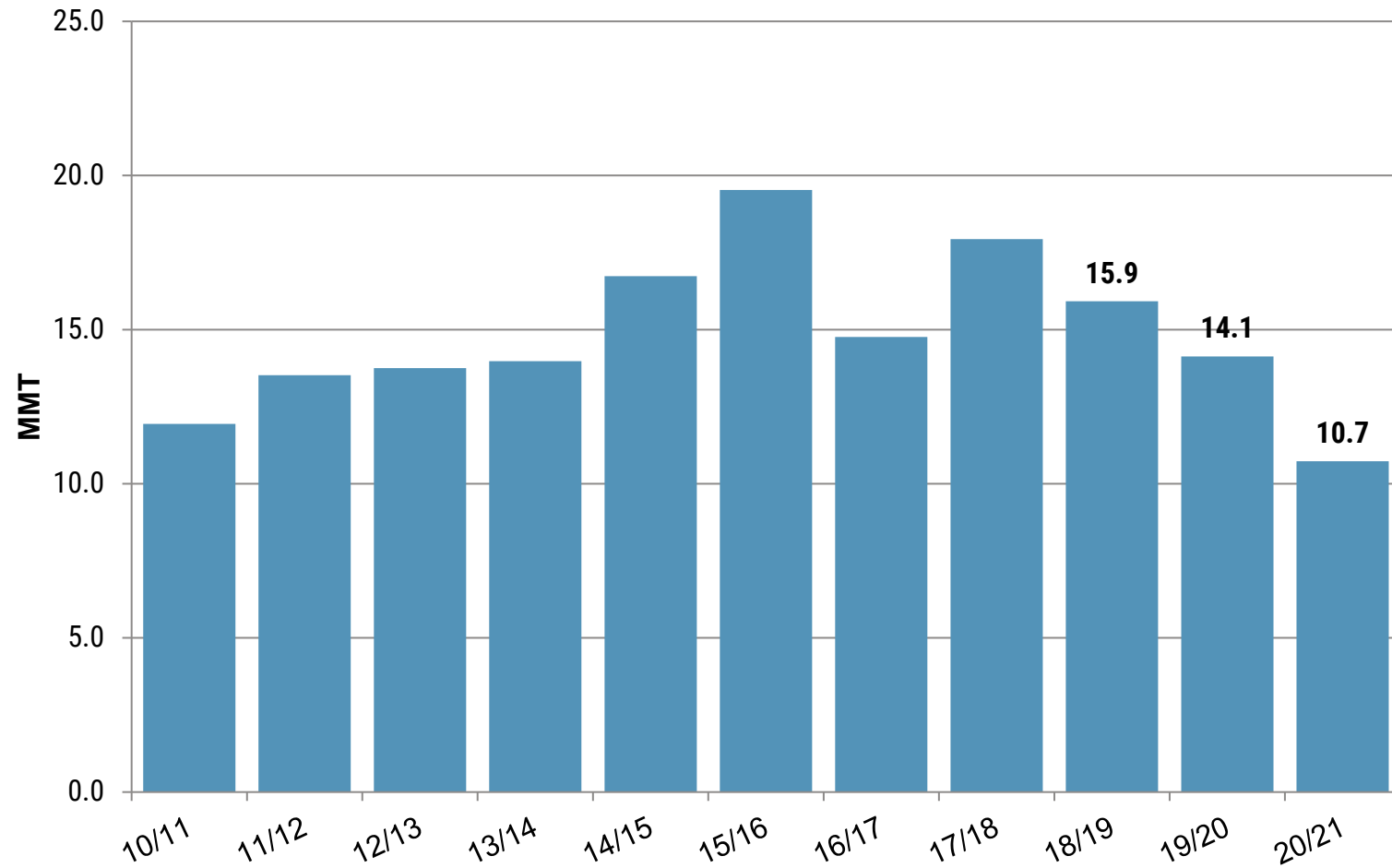
Argentina Ending Stocks



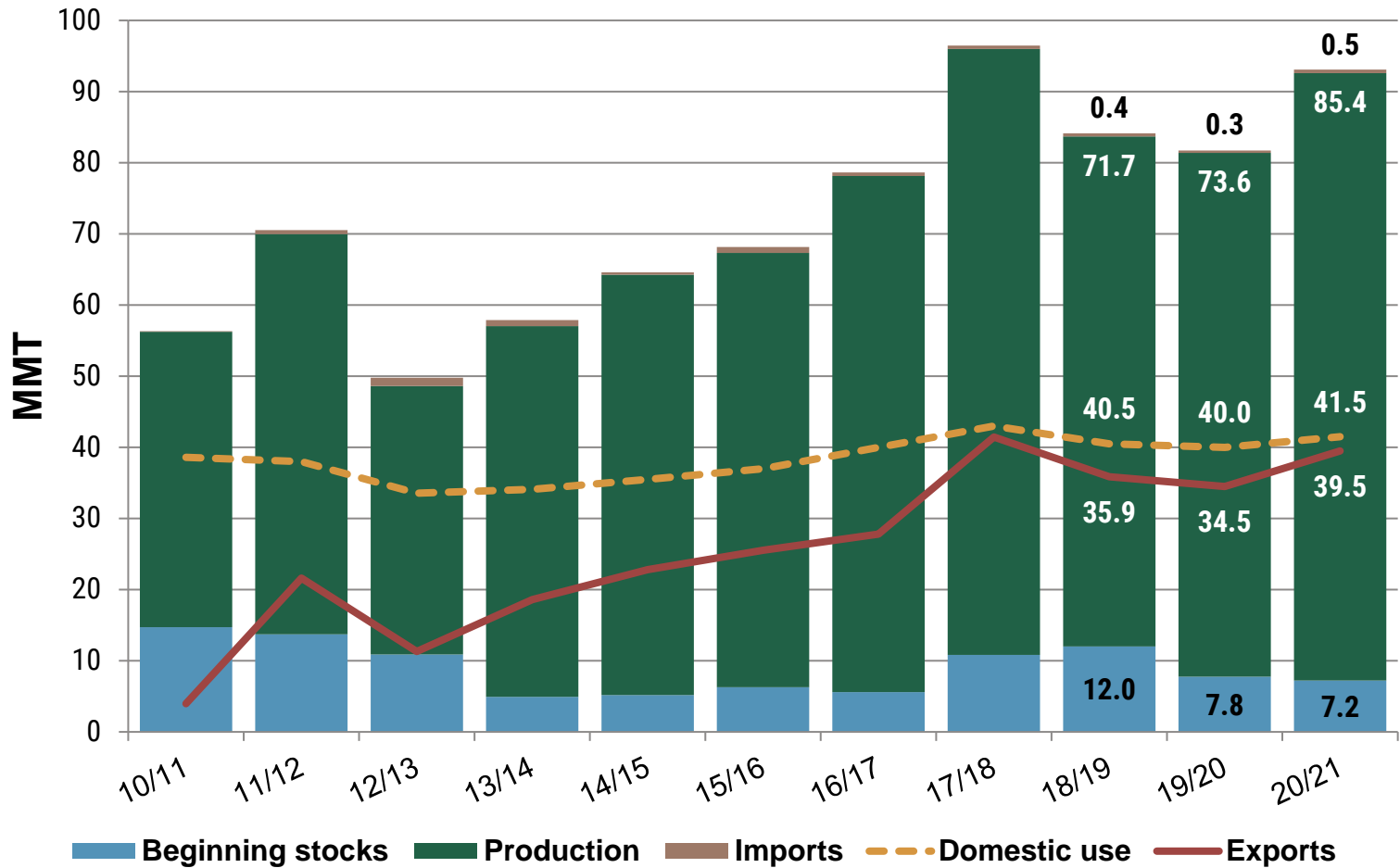
EU +UK Situation



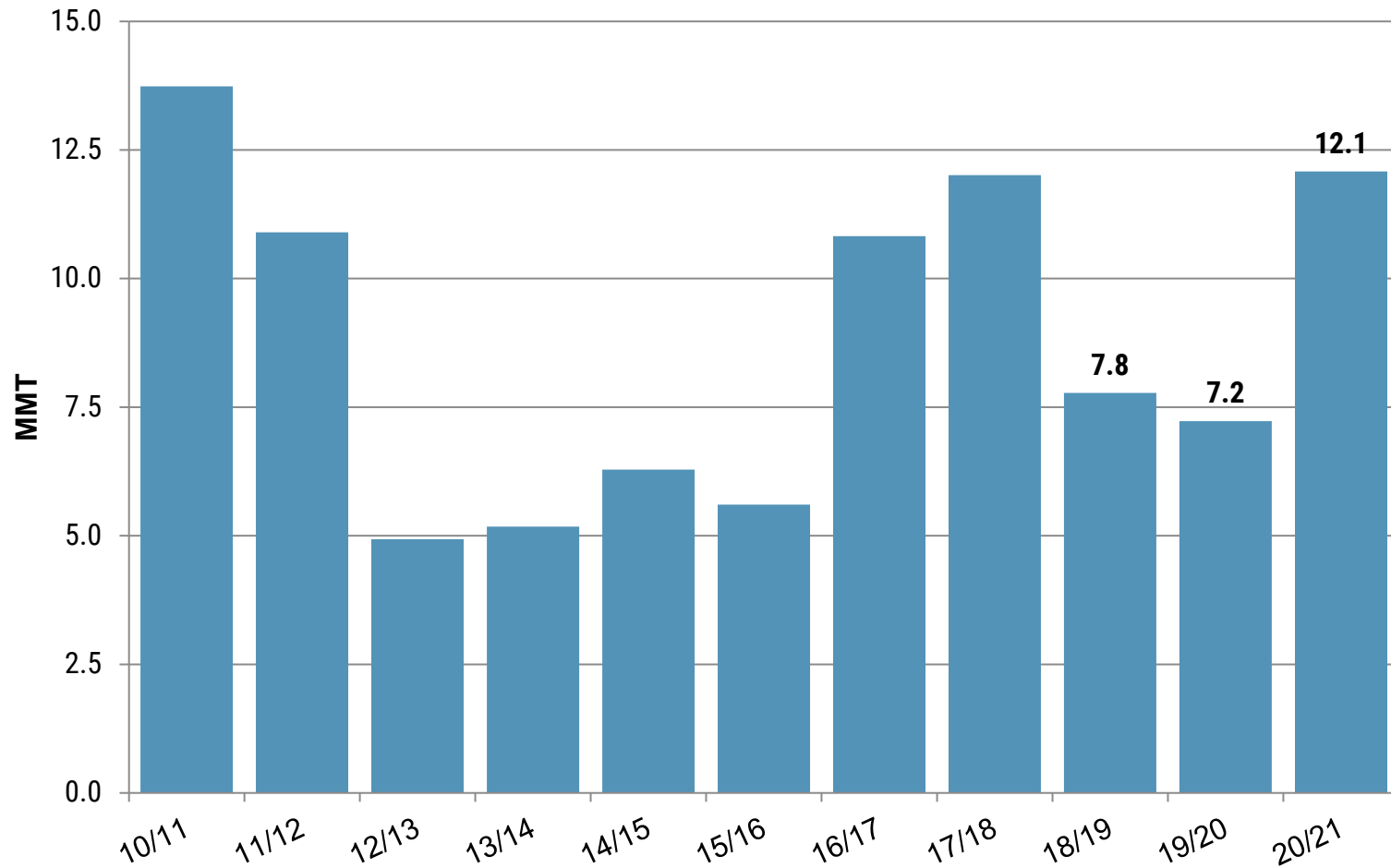
EU Ending Stocks



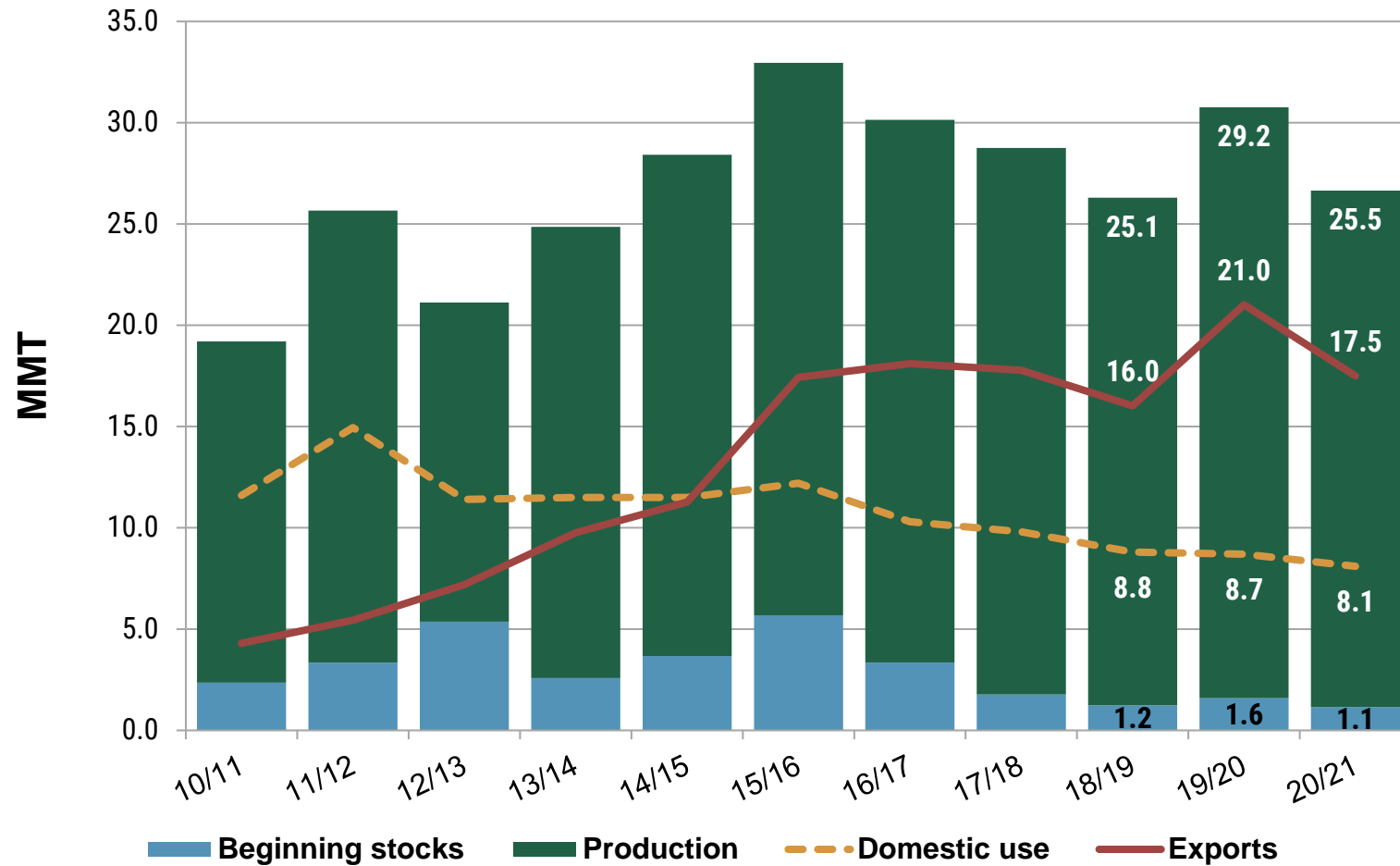
Russia Situation



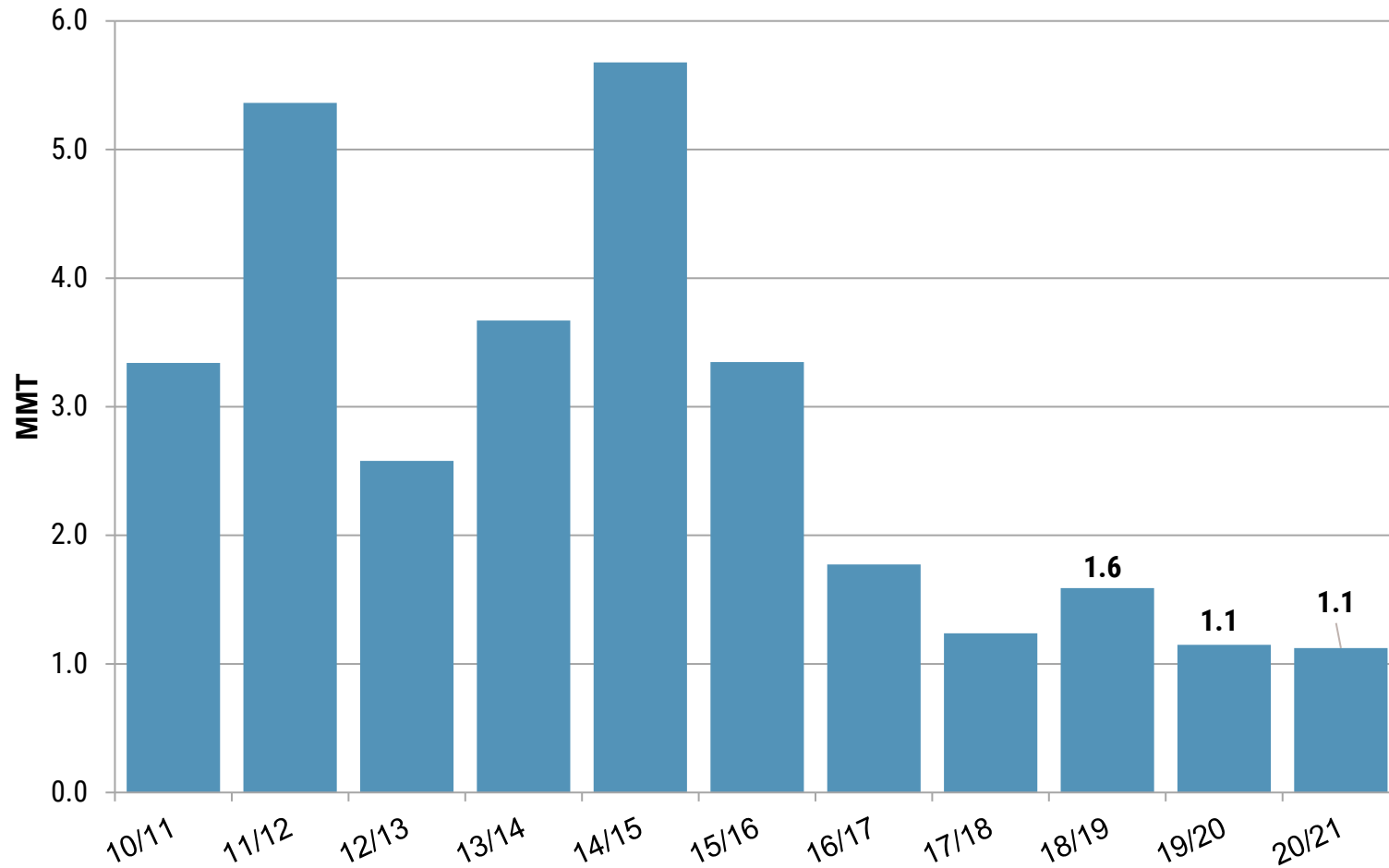
Russia Ending Stocks



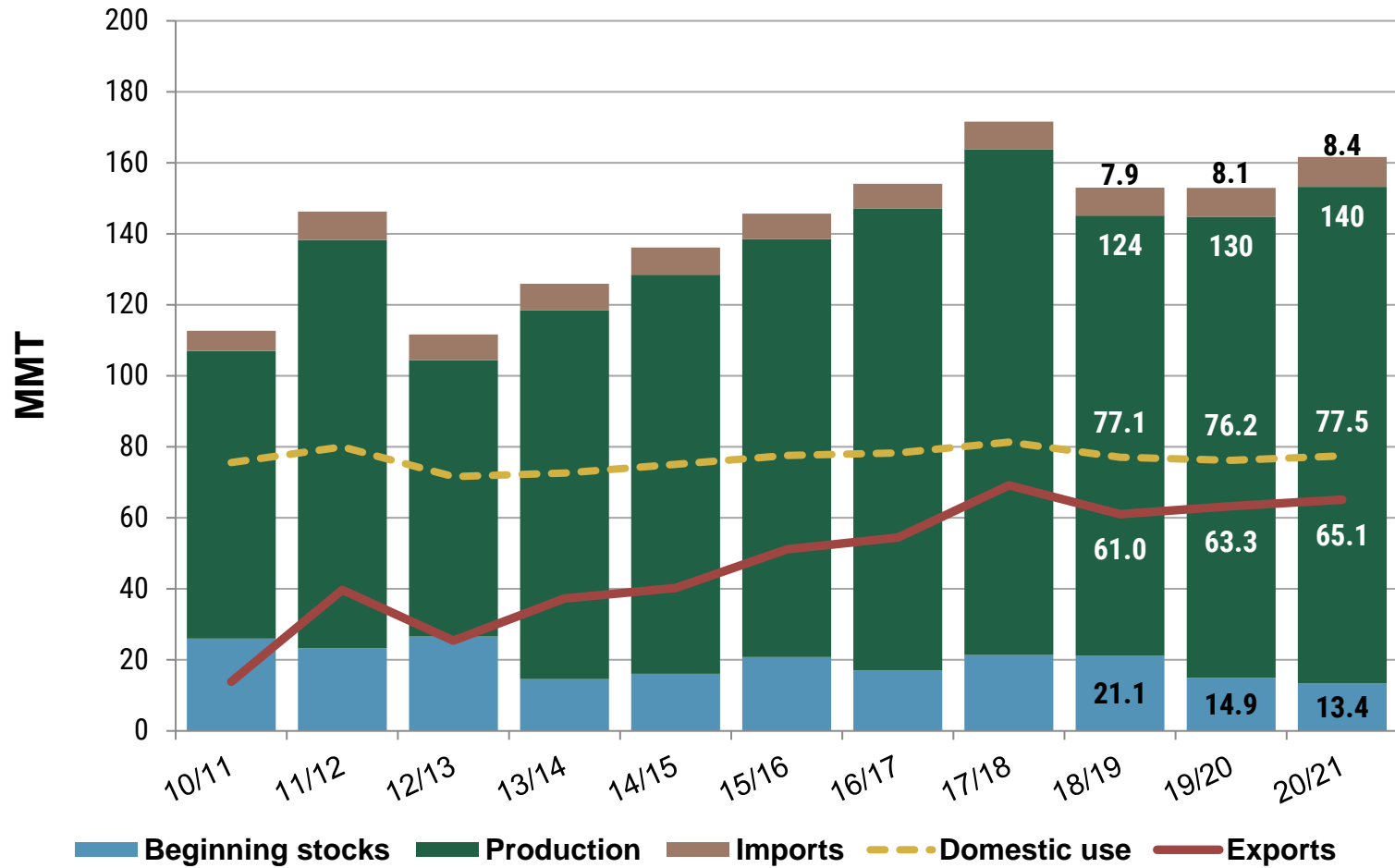
Ukraine Situation



Ukraine Ending Stocks

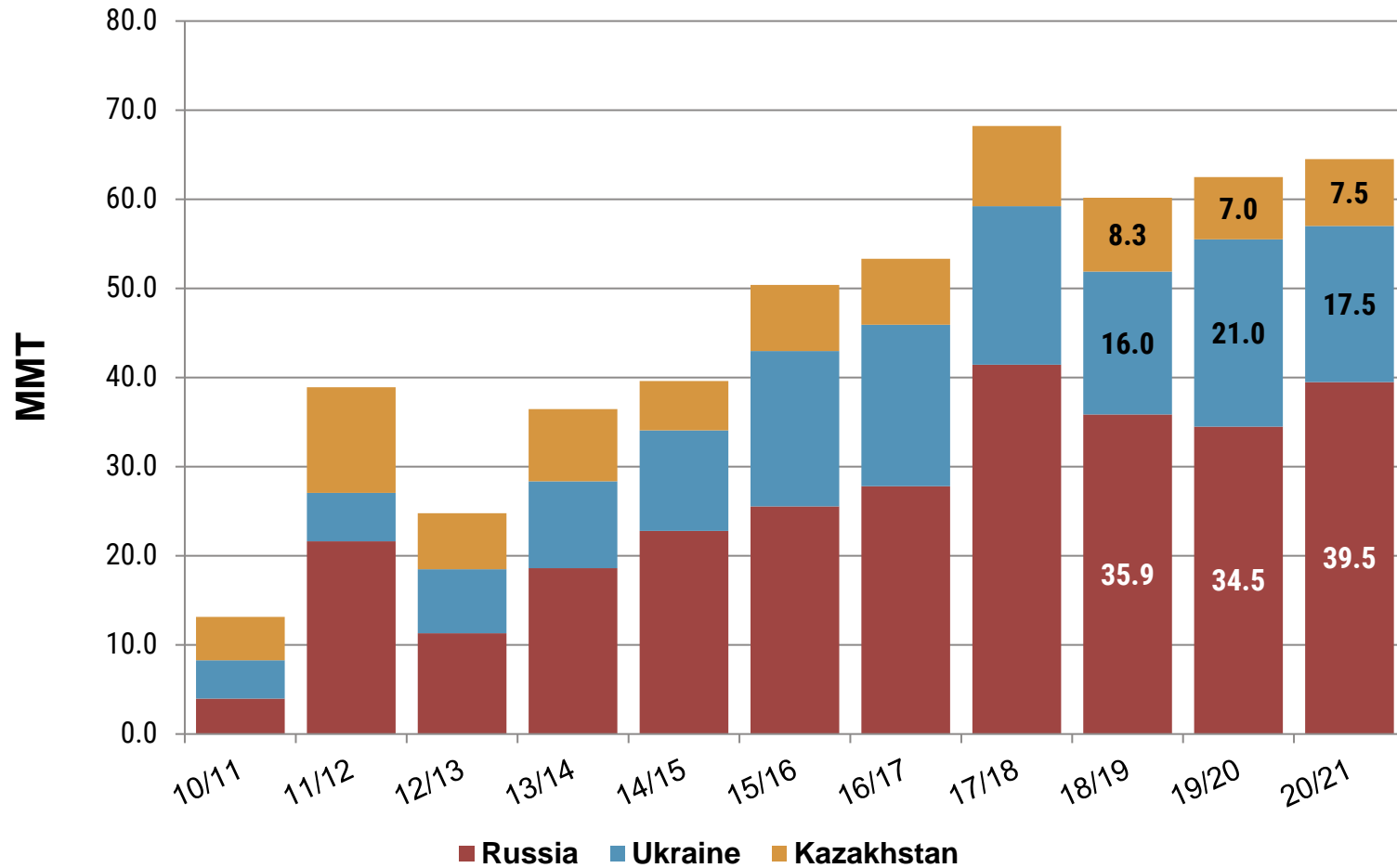


Black Sea Region Situation



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

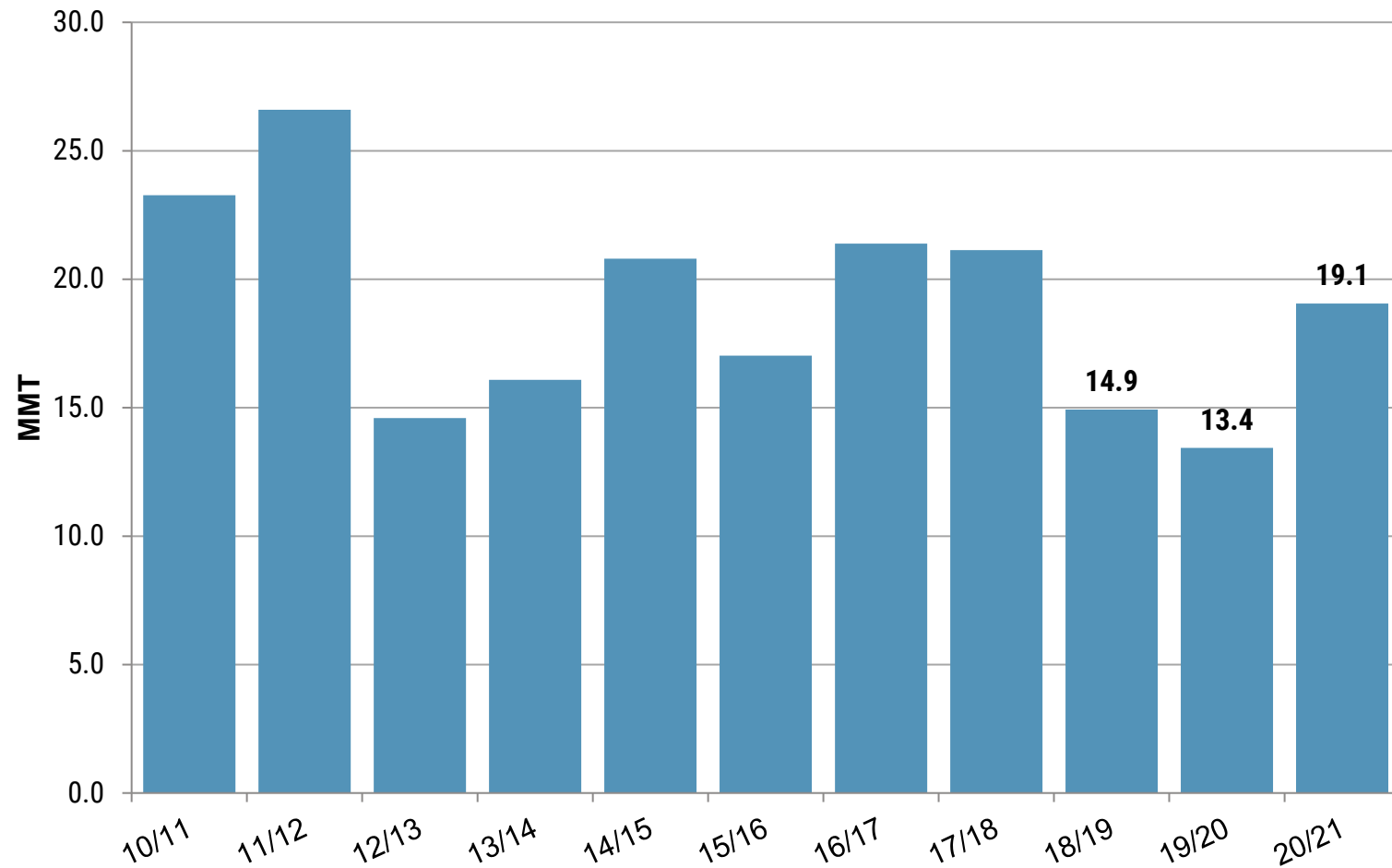
Black Sea Exports



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



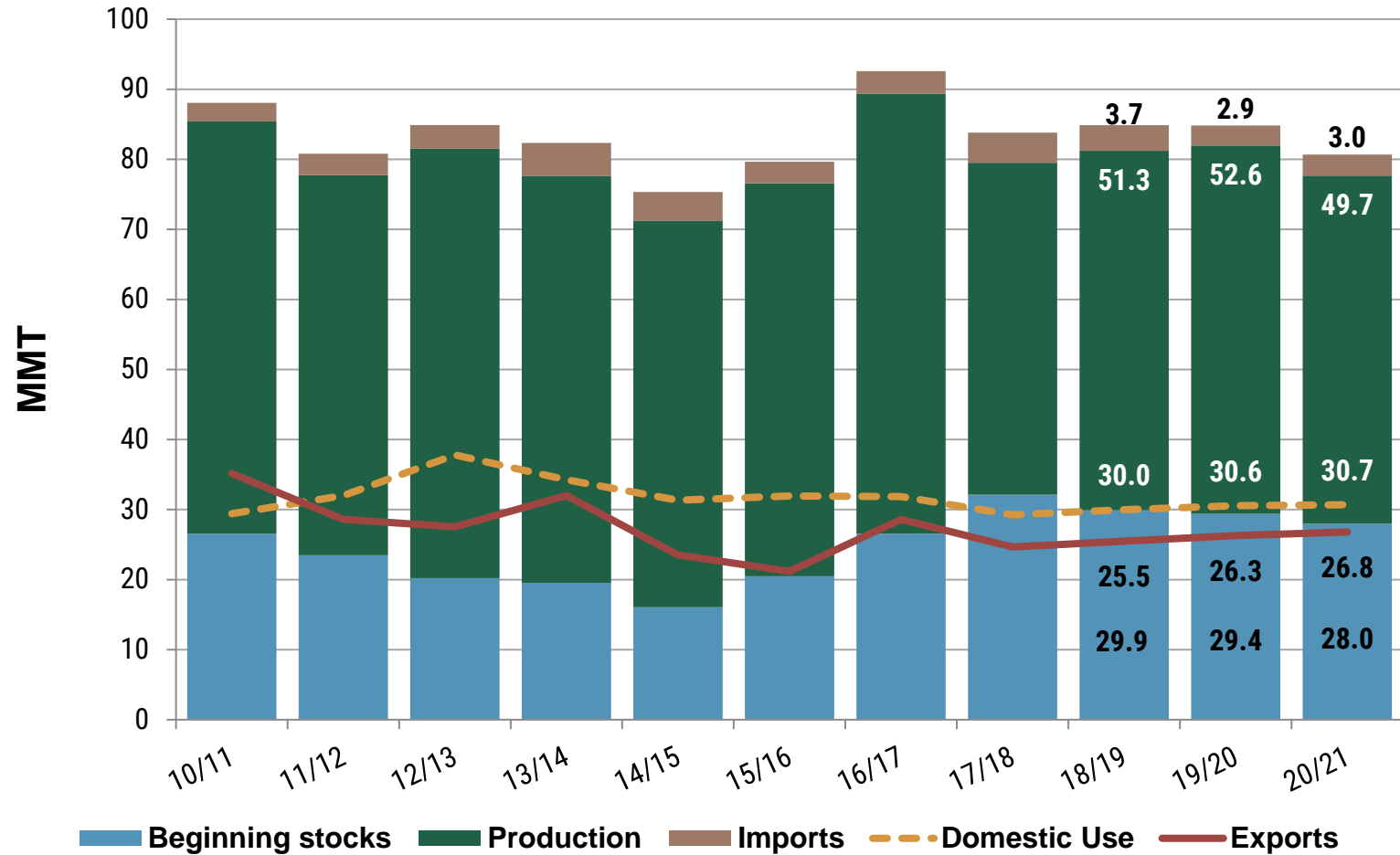
Black Sea Ending Stocks



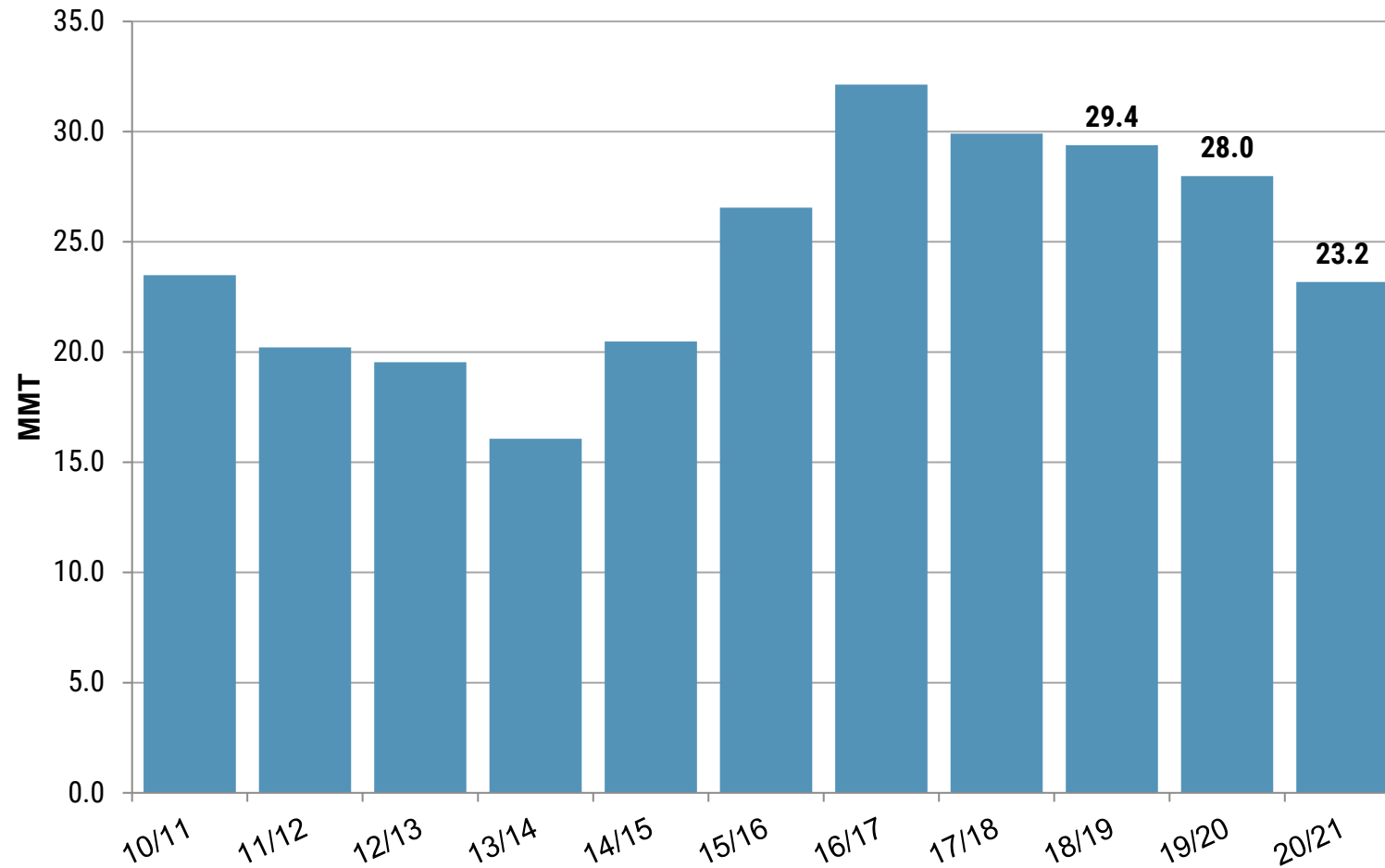
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U.S. Situation



U.S. Ending Stocks

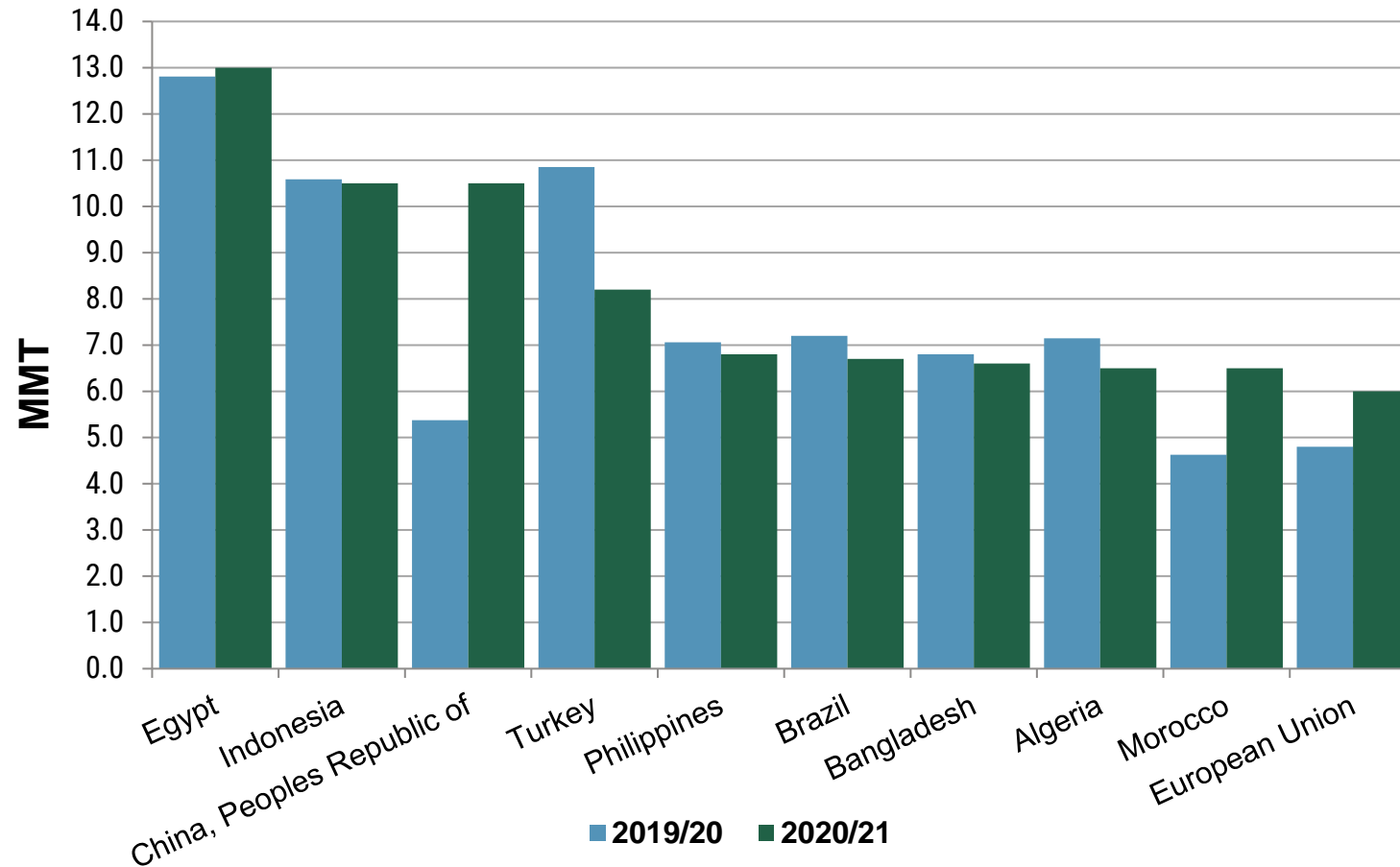




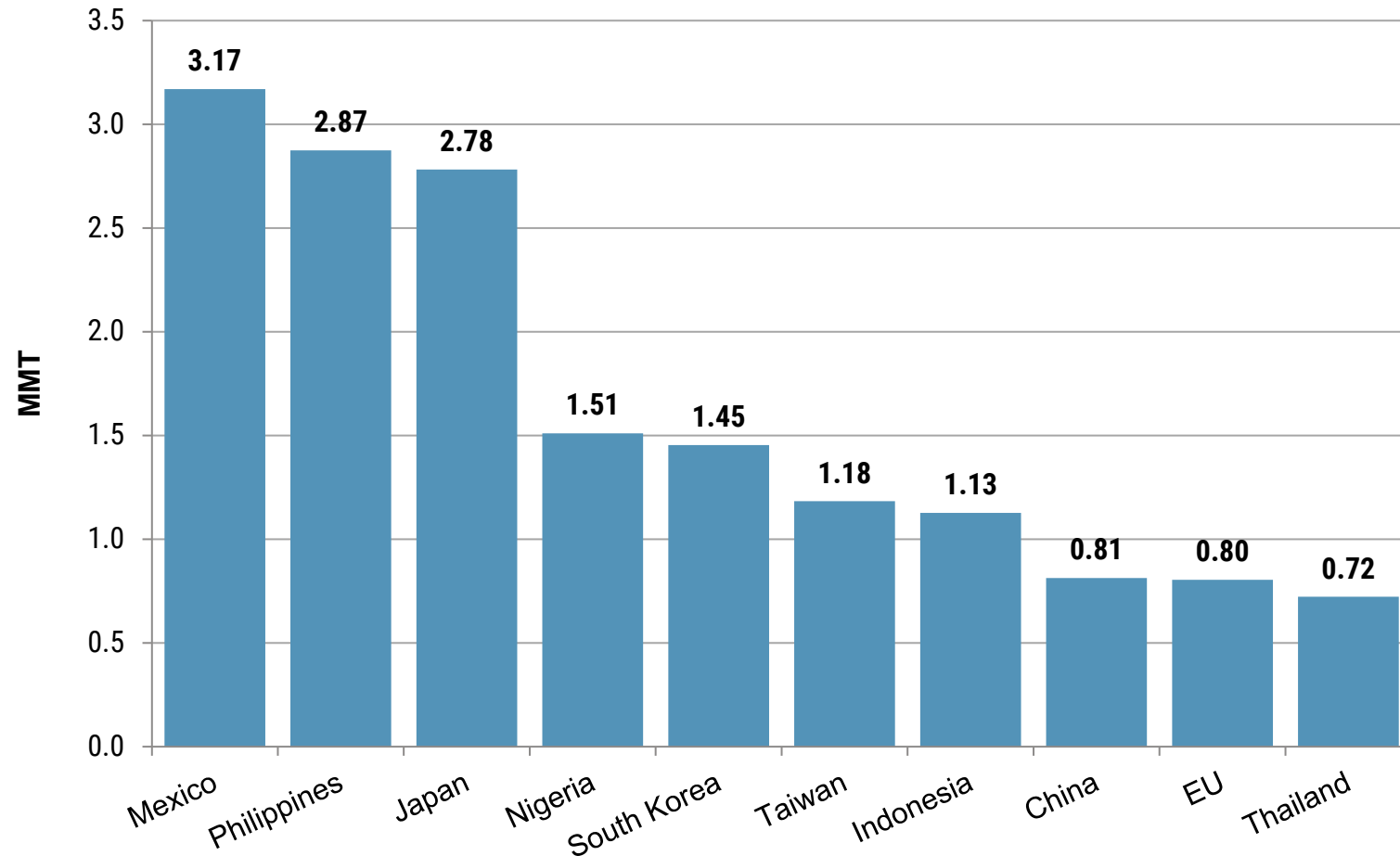
02

Import Demand

Major World Wheat Importers



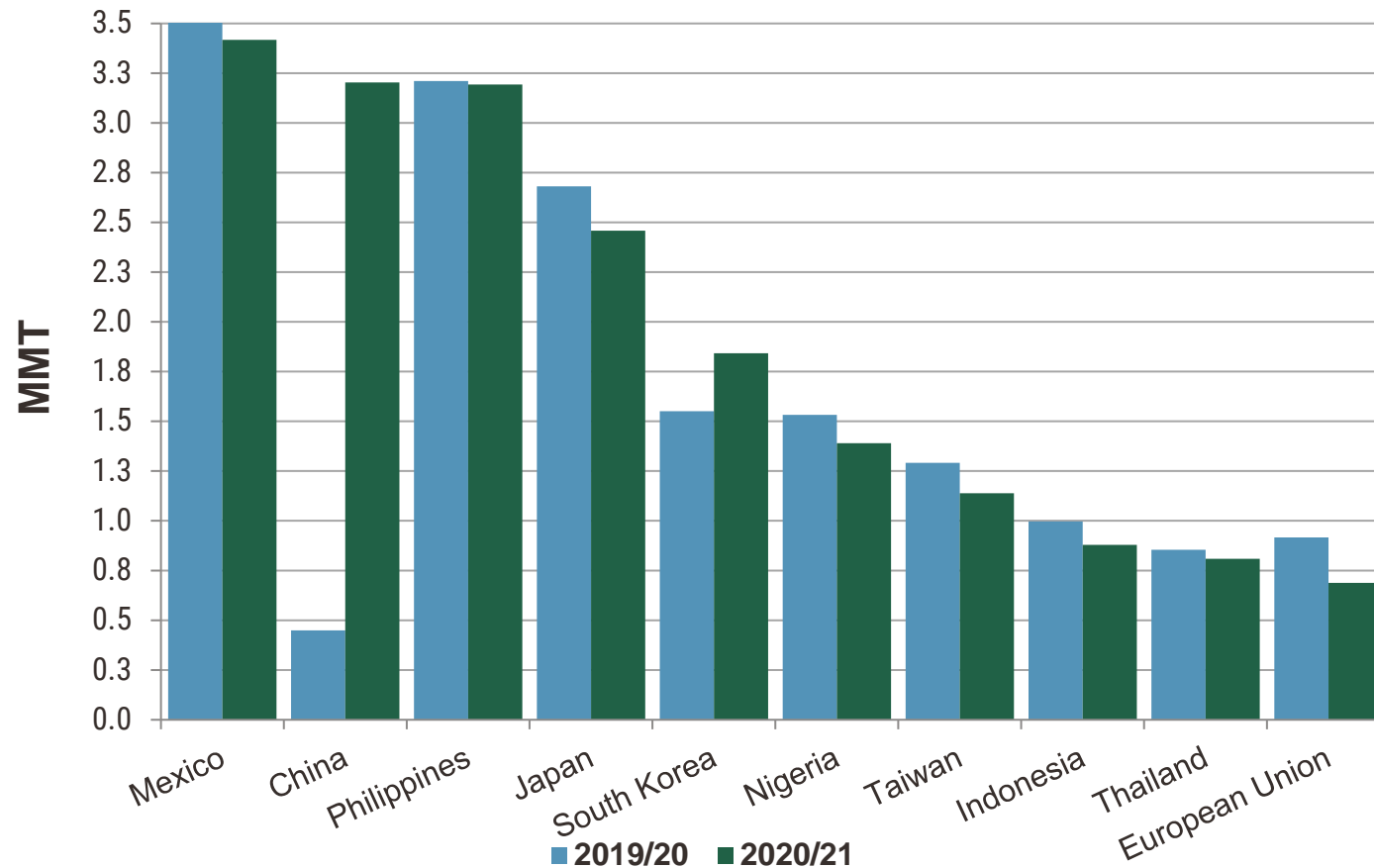
Top 10 Customers for U.S. Wheat (5-year average)



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

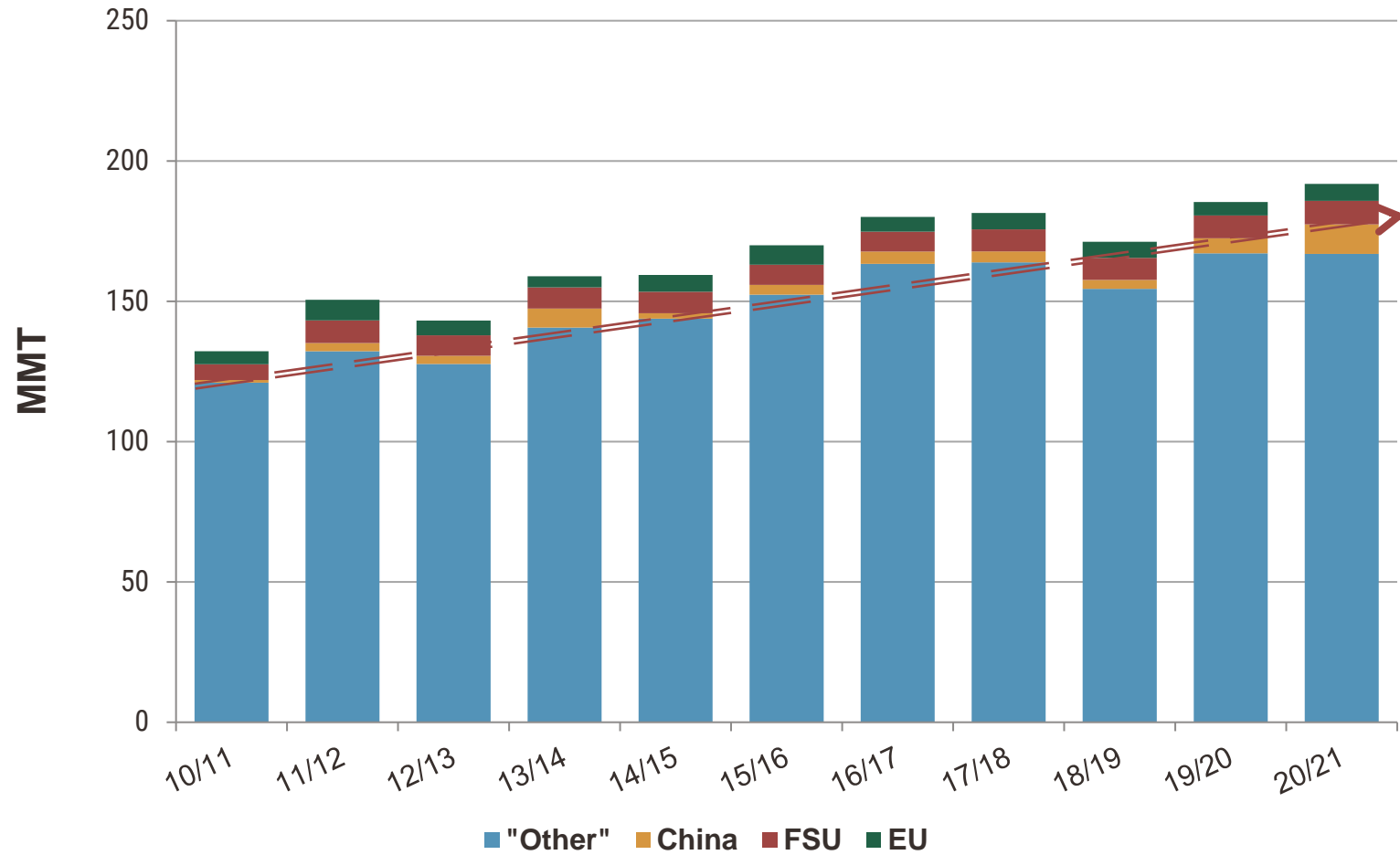


Top 10 Customers for U.S. Wheat (year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of April 9, 2021

World Wheat Imports

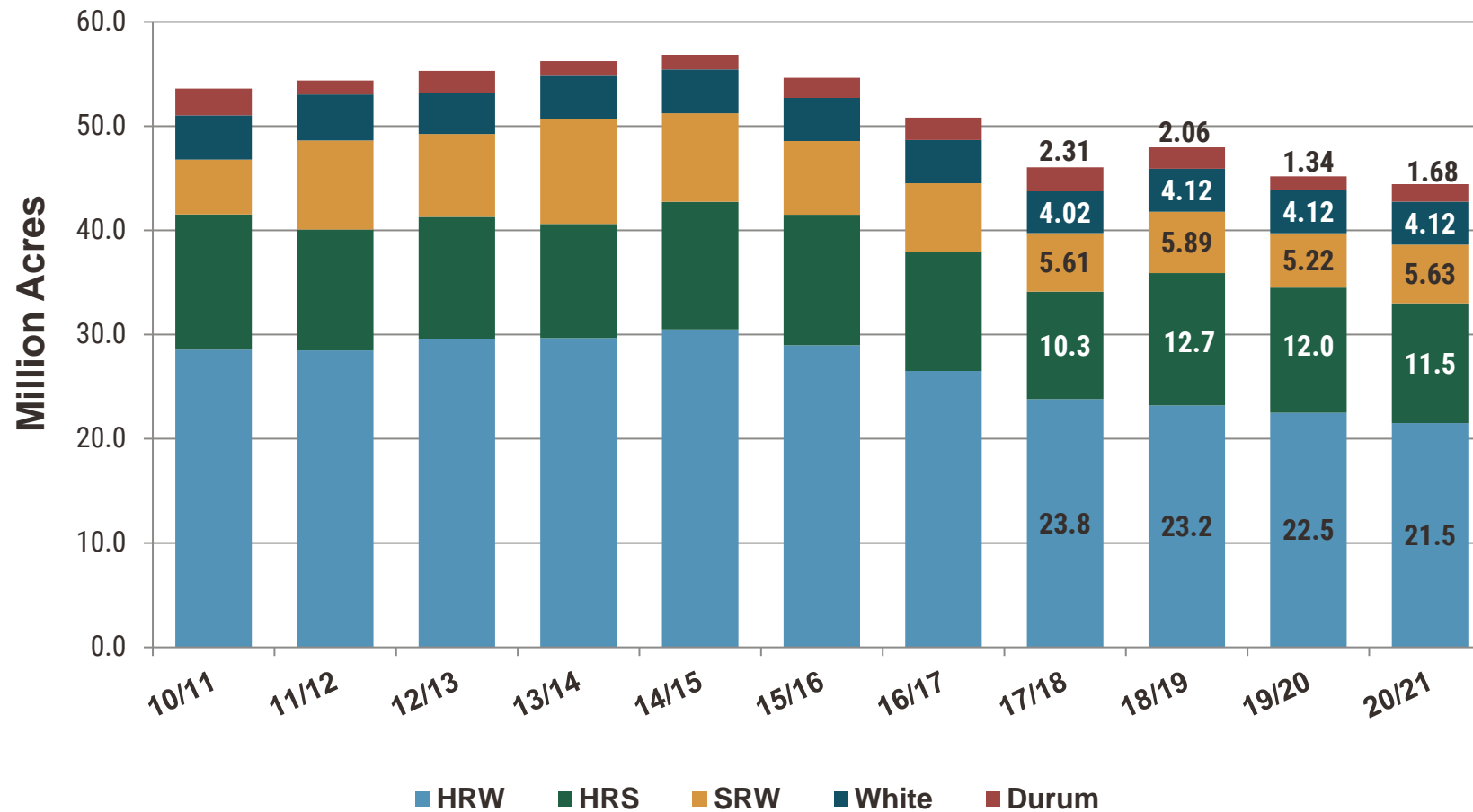




03

*U.S. Situation by
Class*

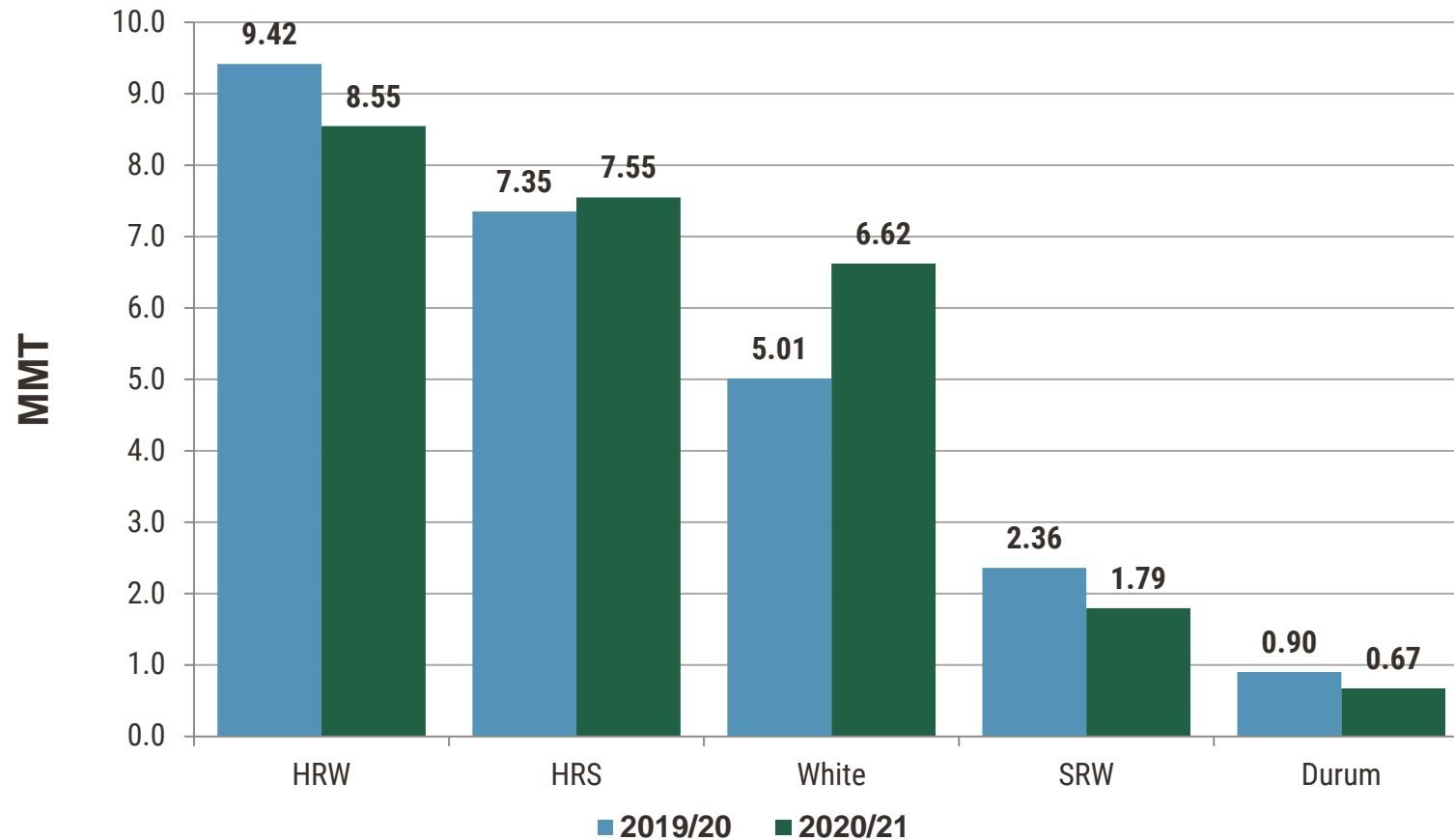
U.S. Wheat Planted Area



*Source: June 2020 USDA Acreage Report

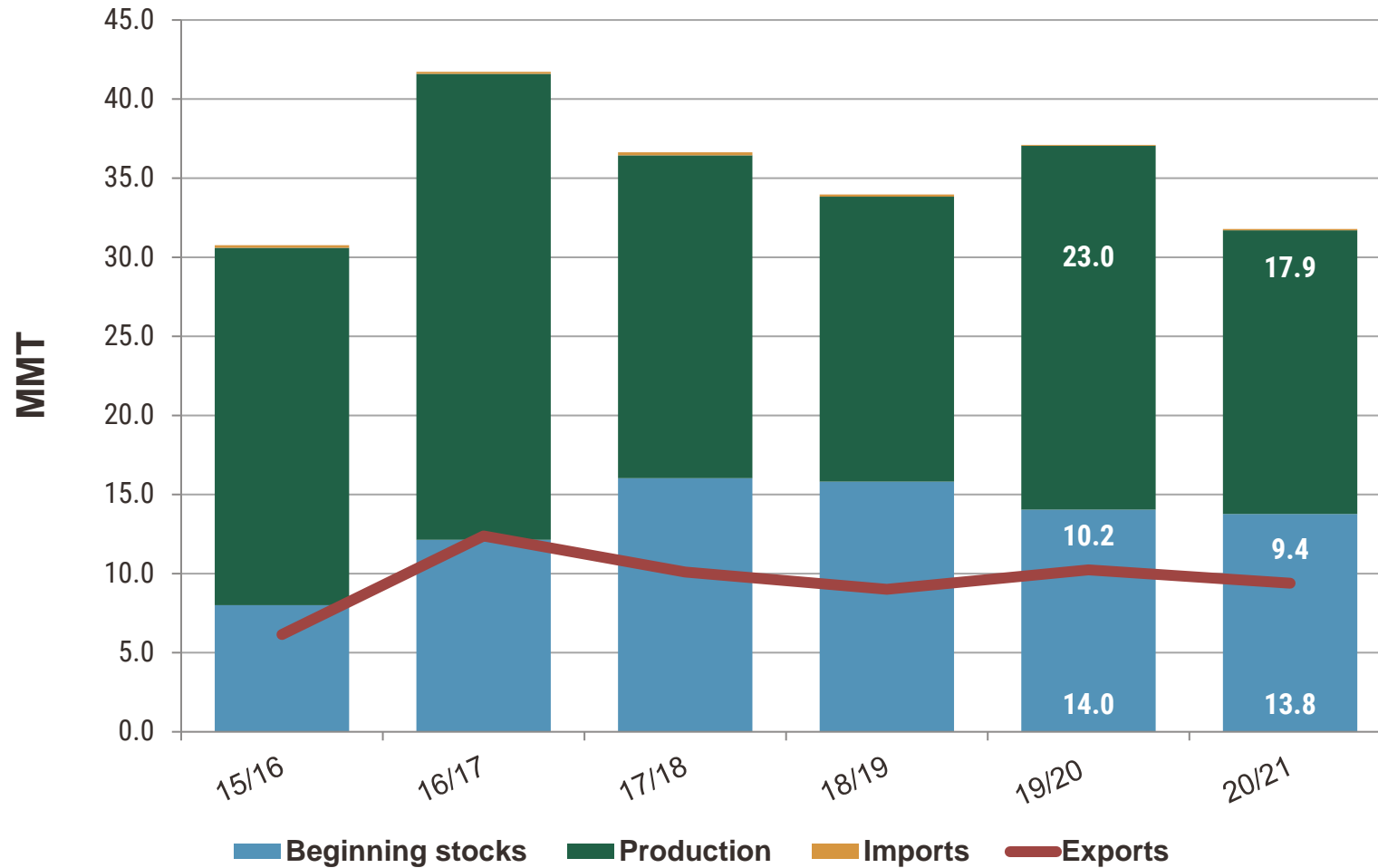
U.S. Wheat Sales by Class

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

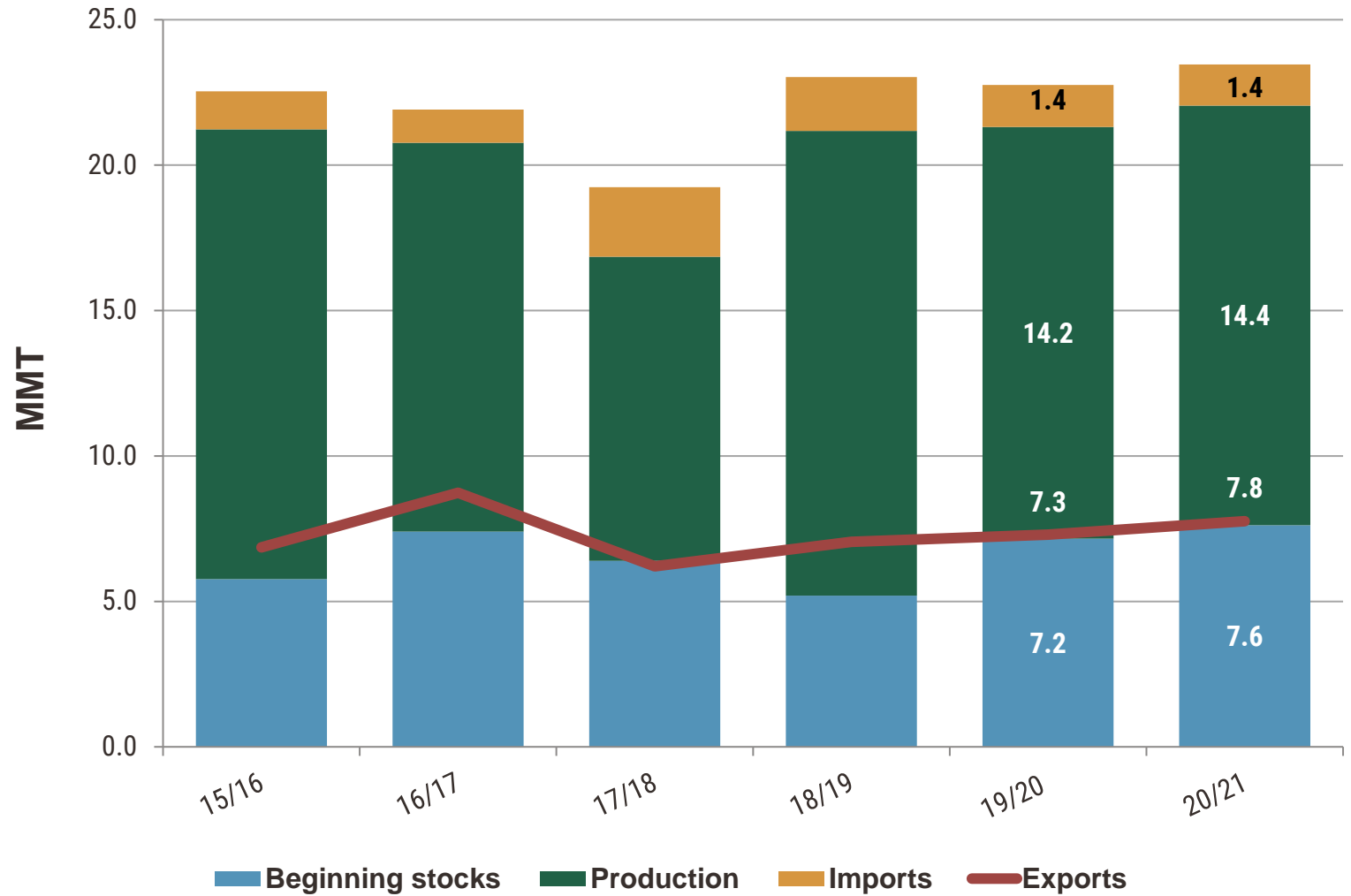


Source: USDA FAS export sales data as of April 9, 2021

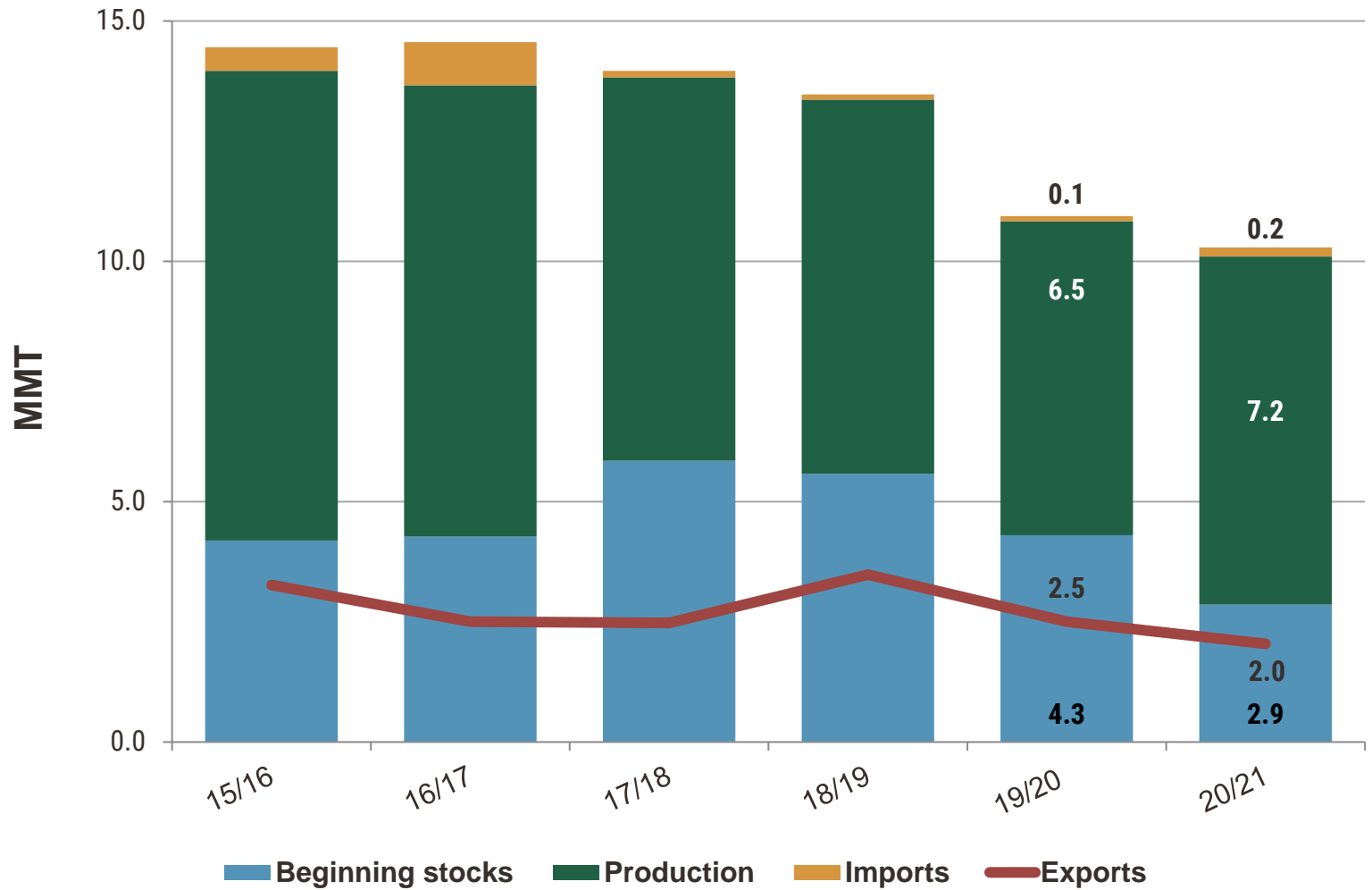
U.S. Hard Red Winter



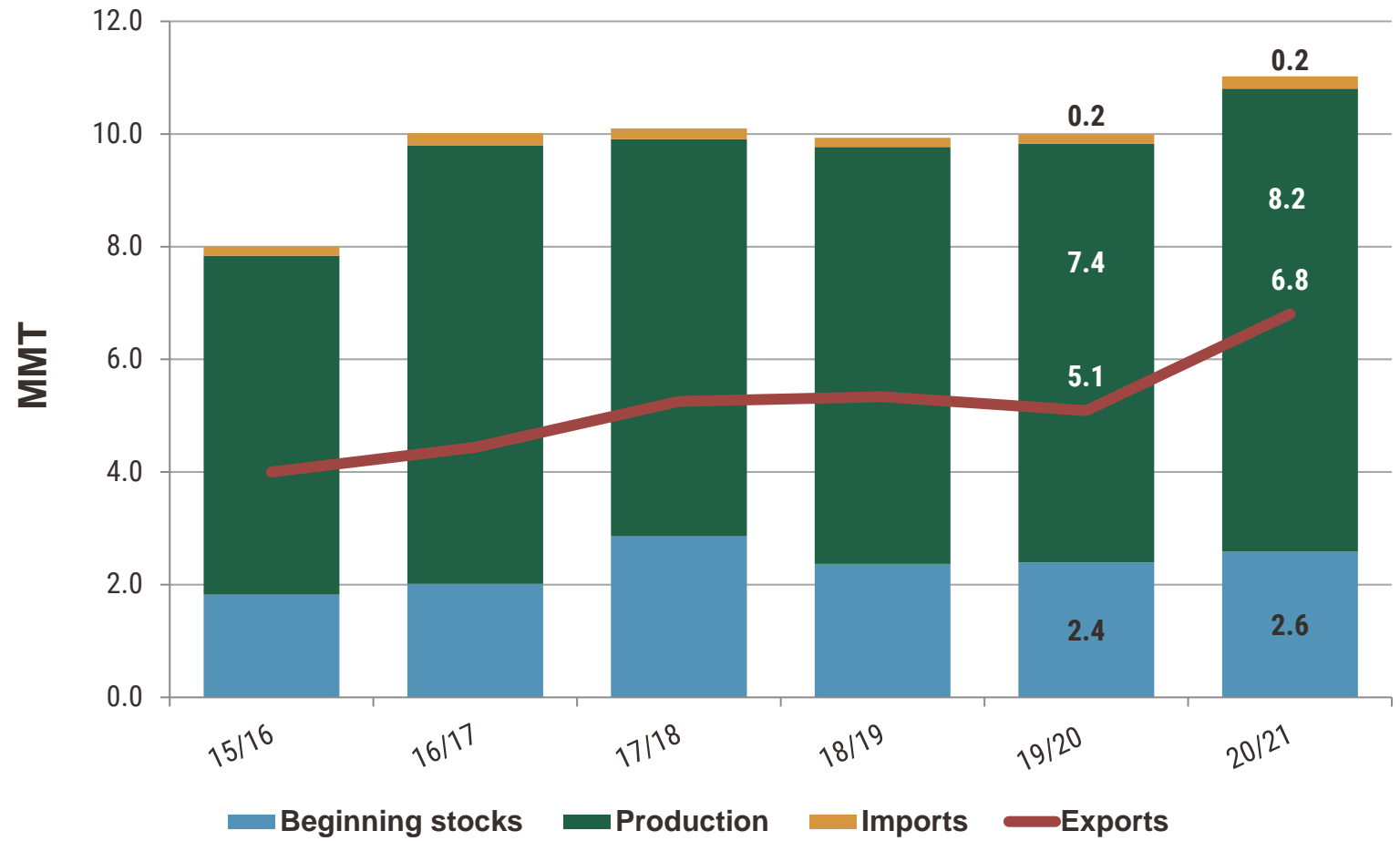
U.S. Hard Red Spring



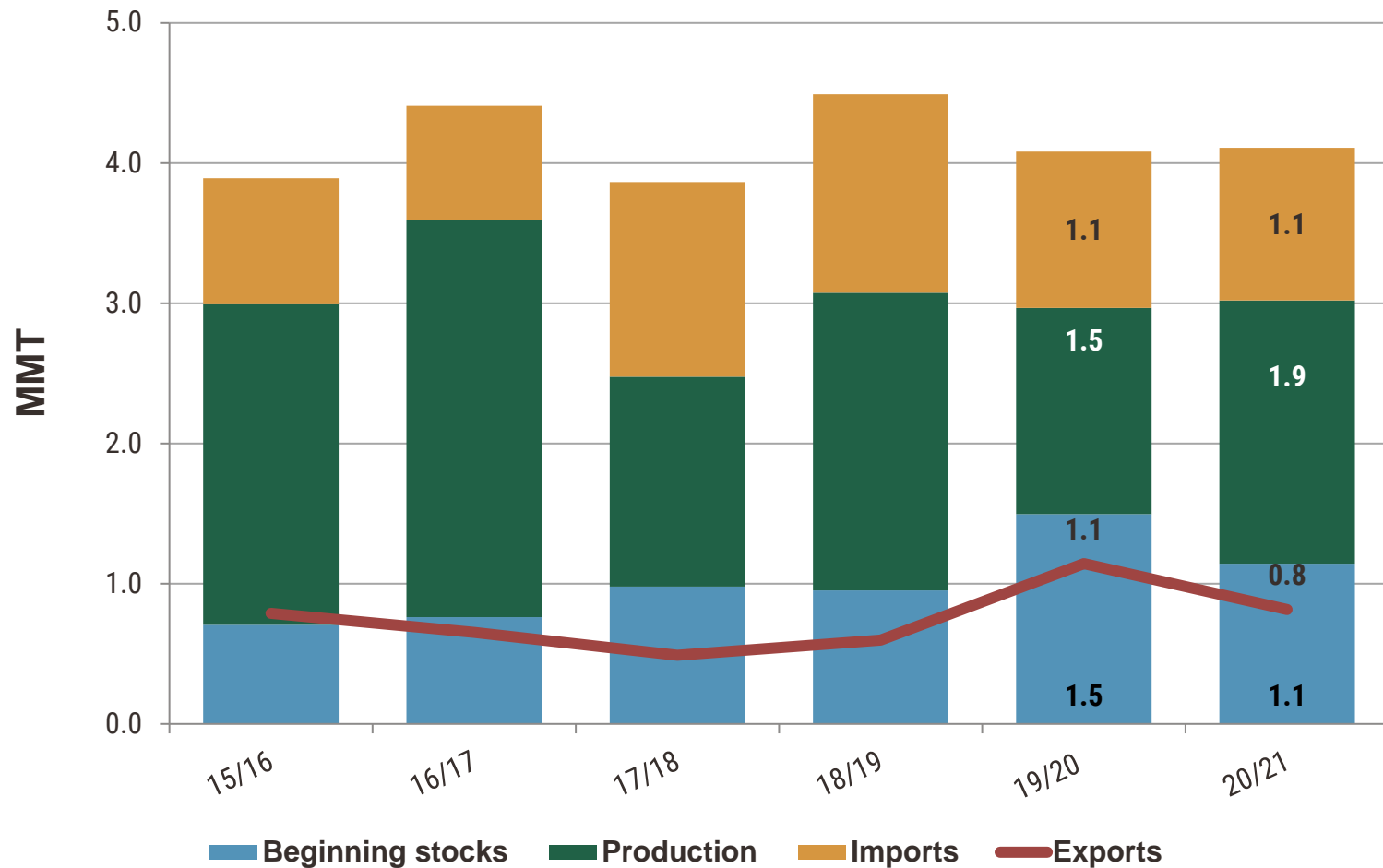
U.S. Soft Red Winter



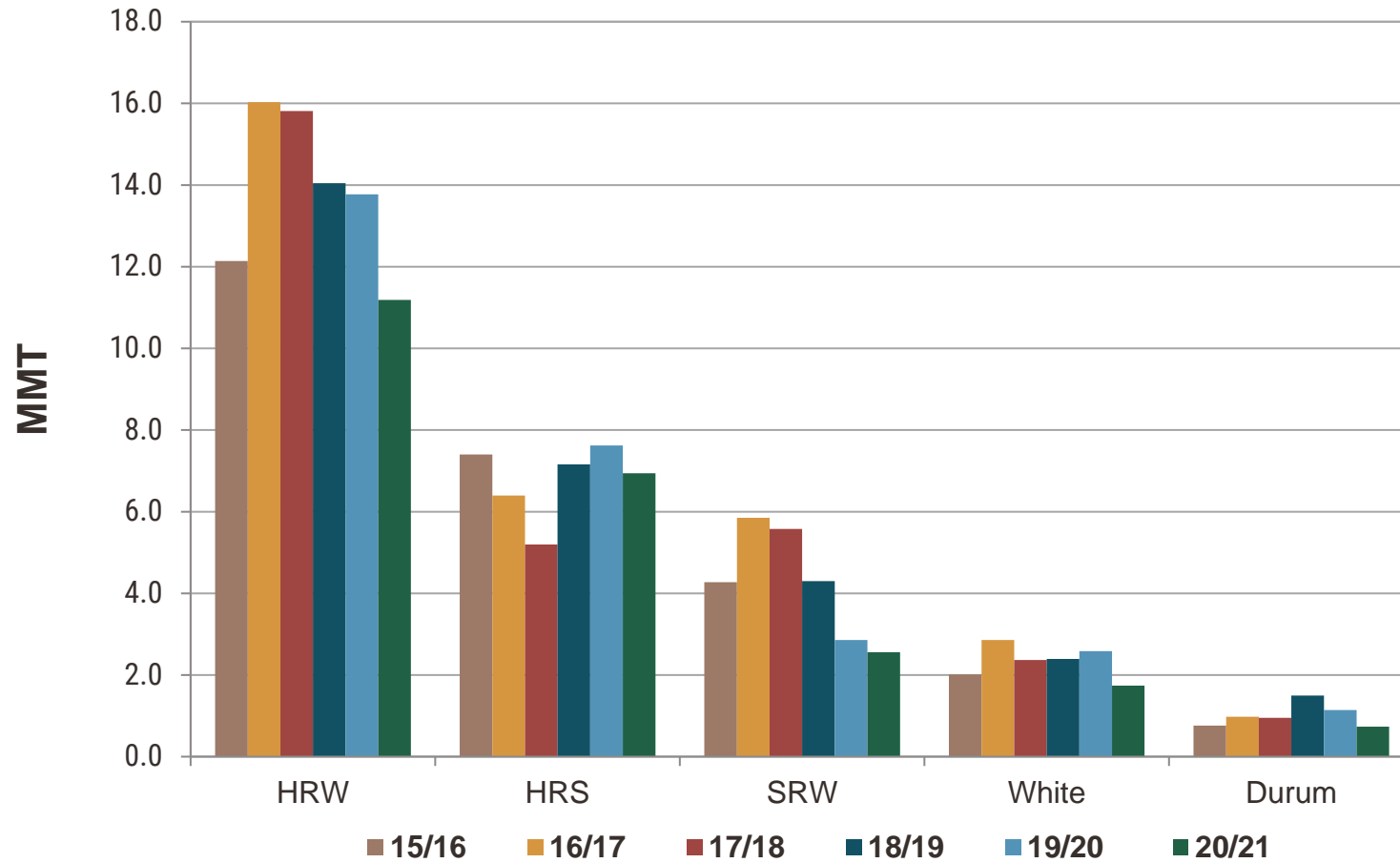
U.S. White



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	23.5	10.94	10.3
Domestic Use	13.1	11.2	7.84	8.79	5.55	5.72
Exports	10.2	9.4	7.29	7.76	2.50	2.04
Use Total	23.3	20.6	15.1	16.5	8.08	7.76
Ending Stocks	13.8	11.2	7.62	6.94	2.86	2.56
Stocks-to-Use	59%	54%	50%	42%	35%	33%

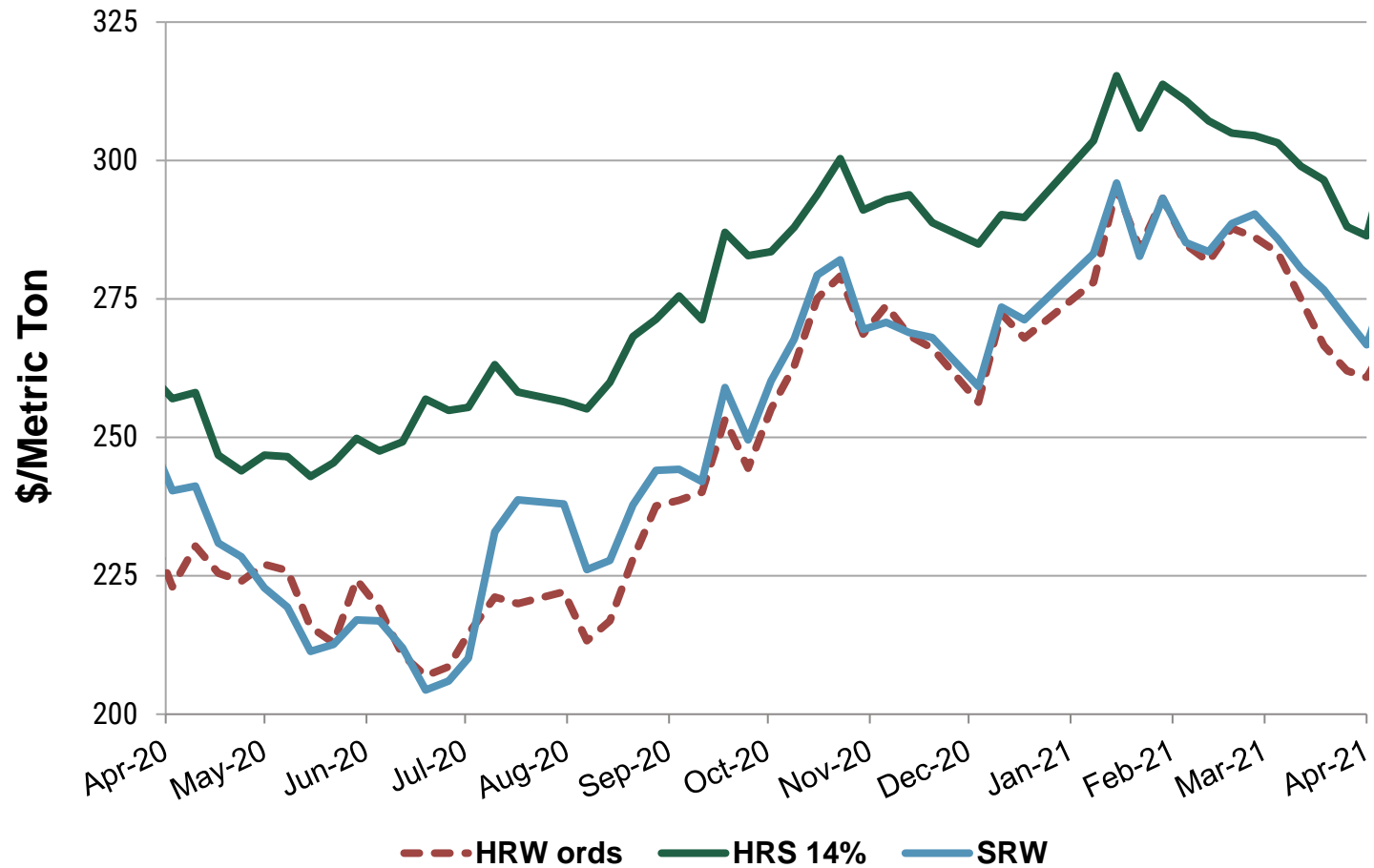


U.S. Wheat Supply and Demand (MMT)

	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	4.11	84.8	80.7
Domestic Use	2.31	2.48	1.80	2.56	30.6	30.7
Exports	5.09	6.80	1.14	0.82	26.3	26.8
Use Total	7.40	9.28	2.94	3.37	56.9	57.5
Ending Stocks	2.59	1.74	1.14	0.73	28.0	23.2
Stocks-to-Use	35%	19%	39%	22%	49%	40%



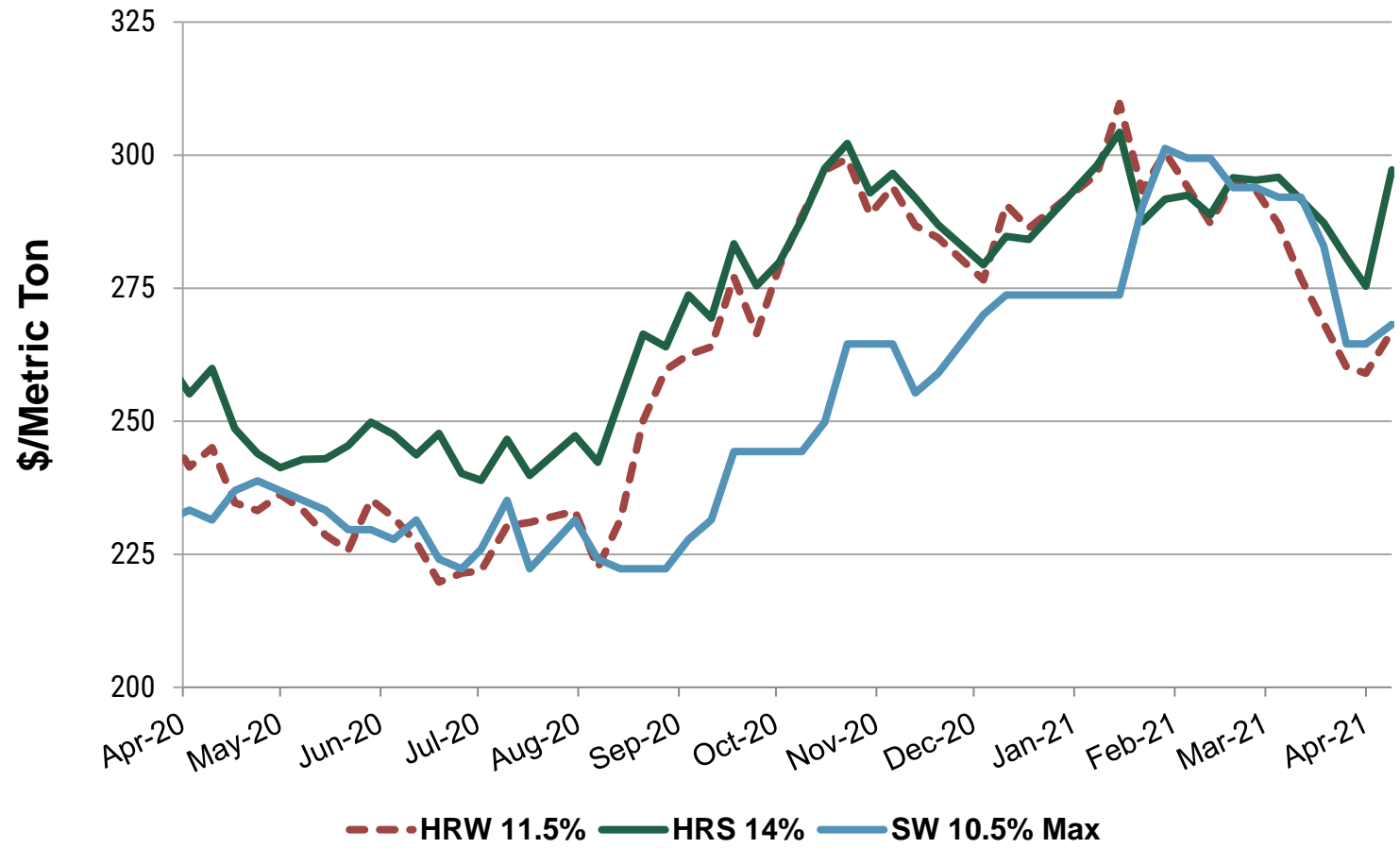
U.S. FOB Gulf Prices



Source: U.S. Wheat Associates Price Report, April 9, 2021



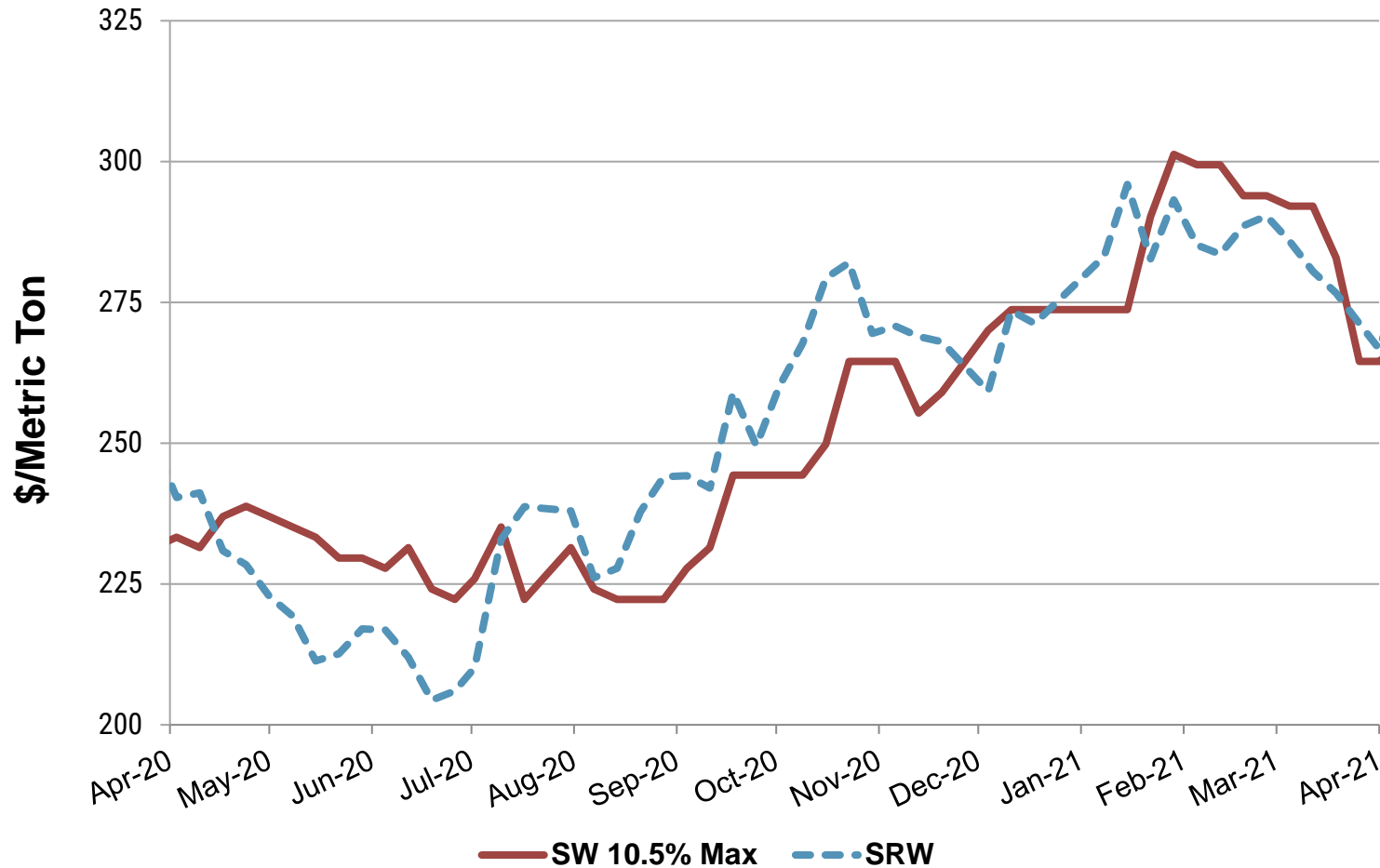
U.S. FOB PNW Prices



Source: U.S. Wheat Associates Price Report, April 9, 2021



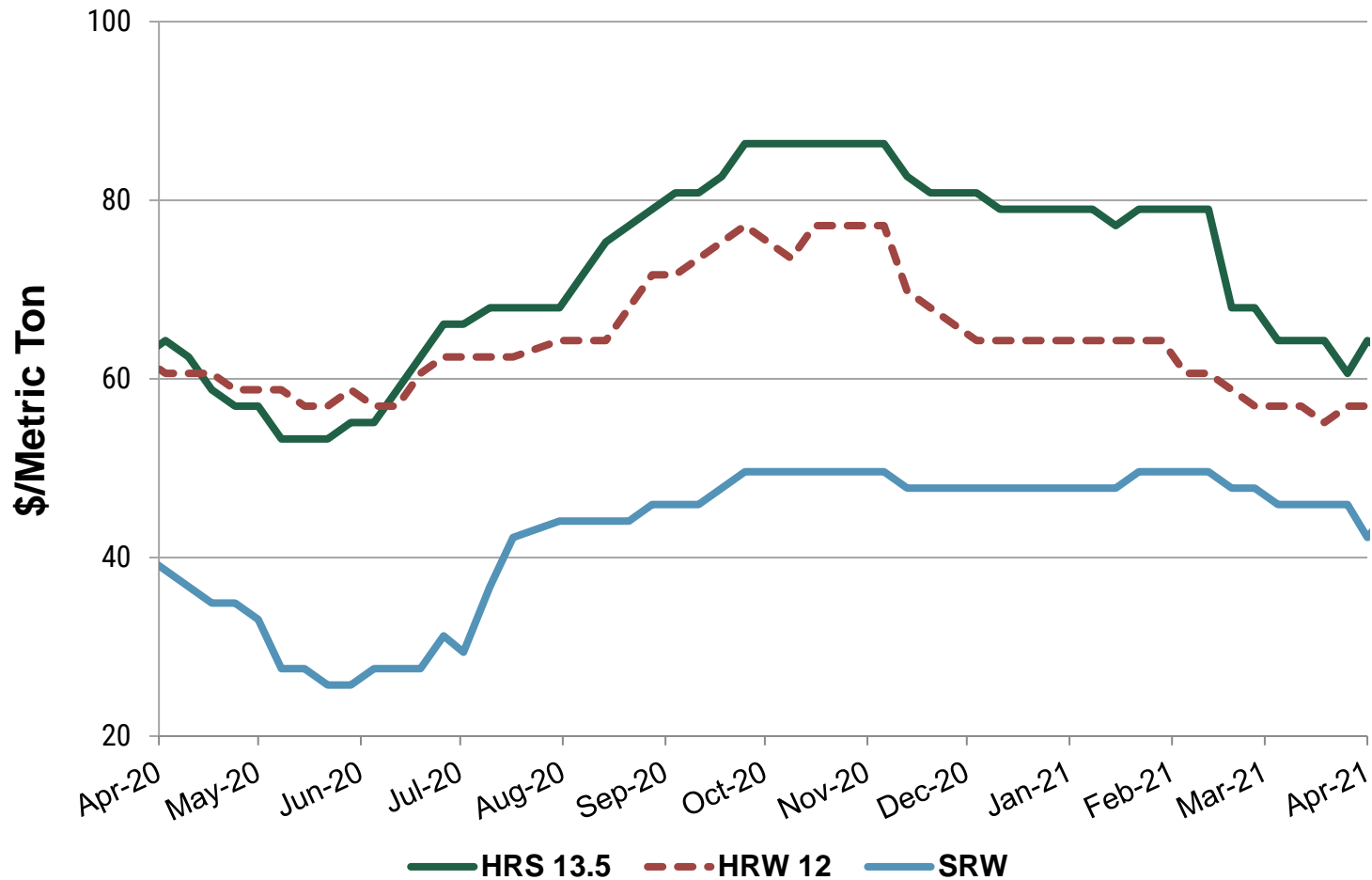
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, April 9, 2021



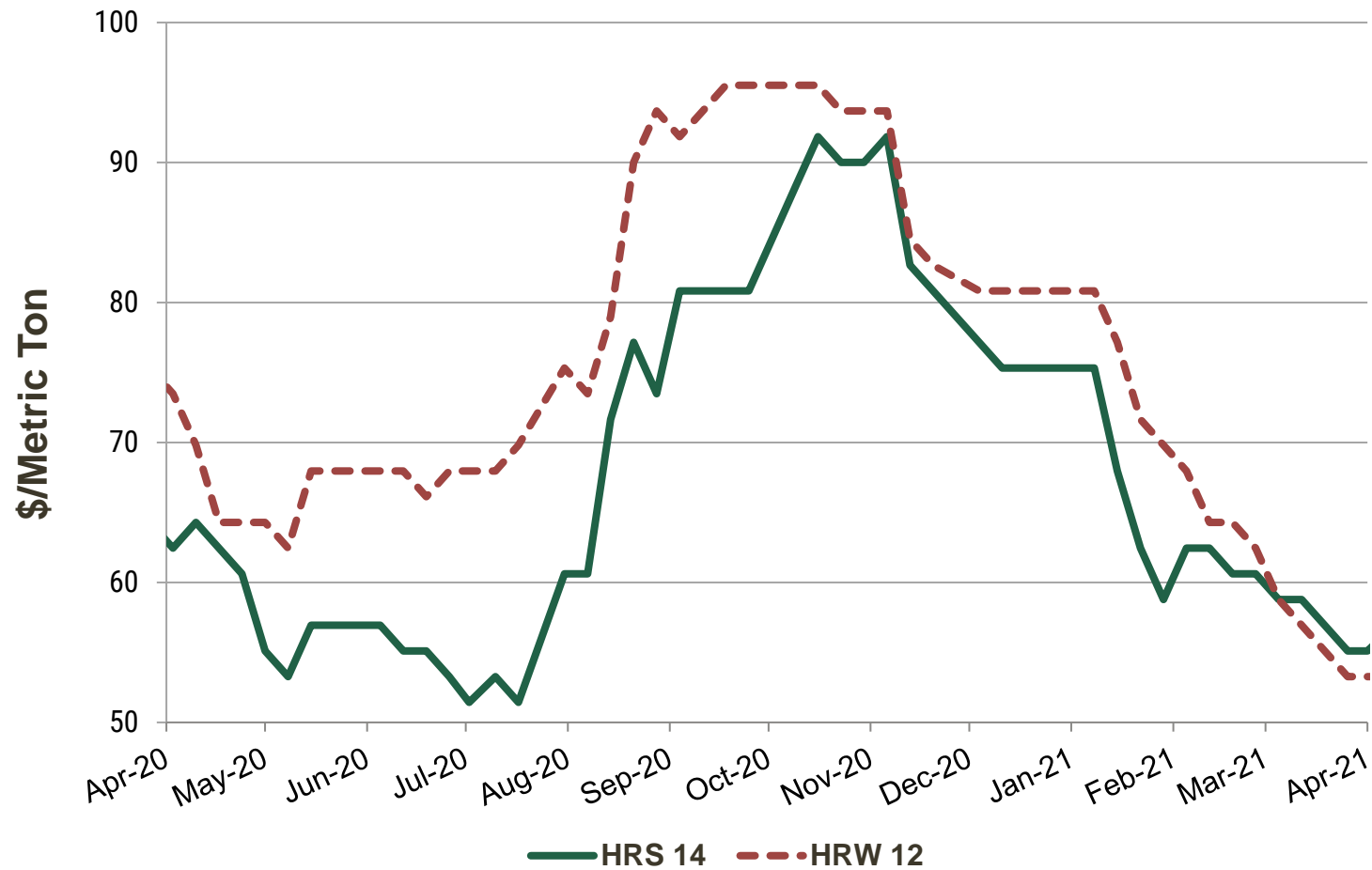
U.S. Gulf Export Basis



Source: U.S. Wheat Associates Price Report, April 9, 2021



U.S. PNW Export Basis



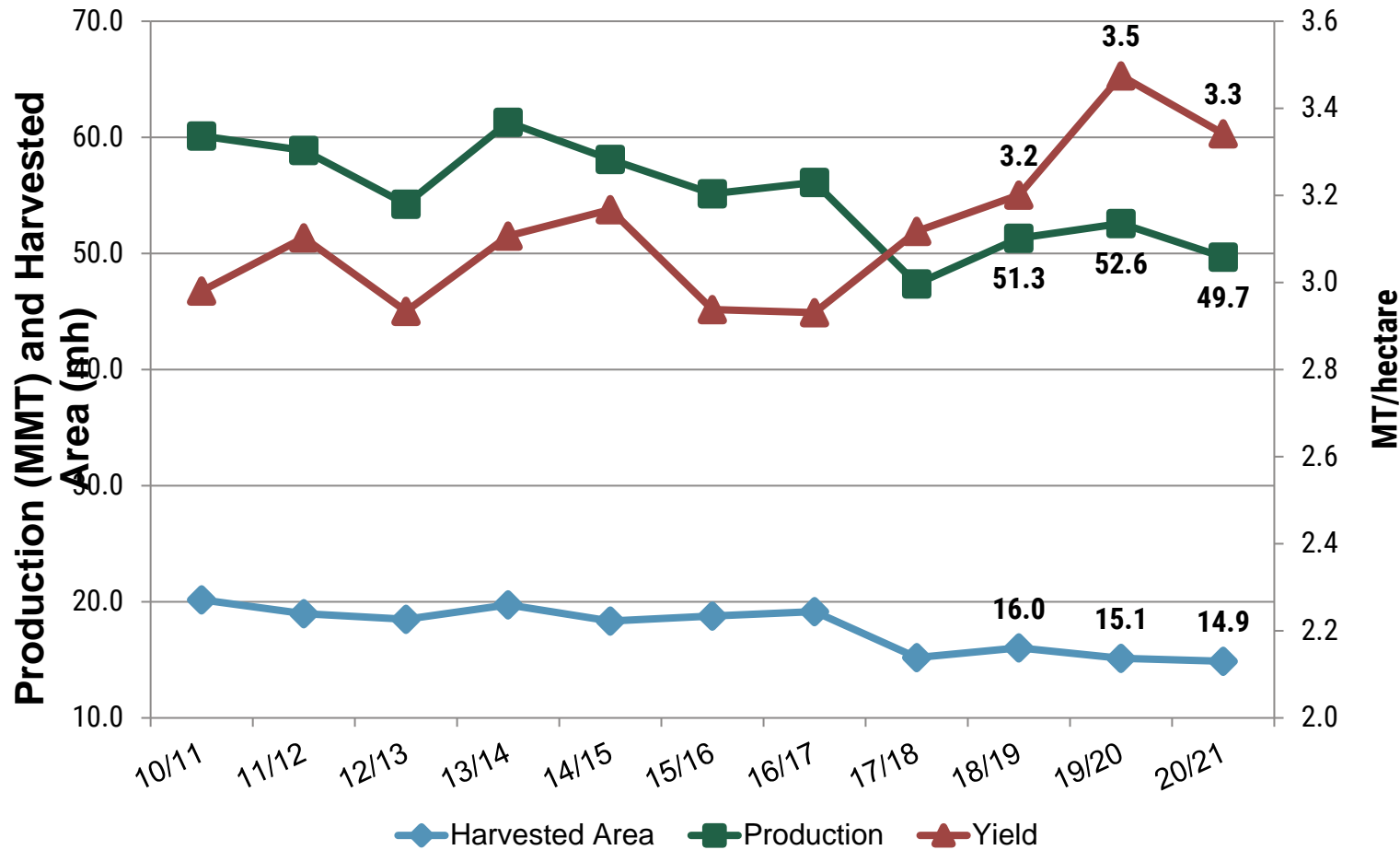


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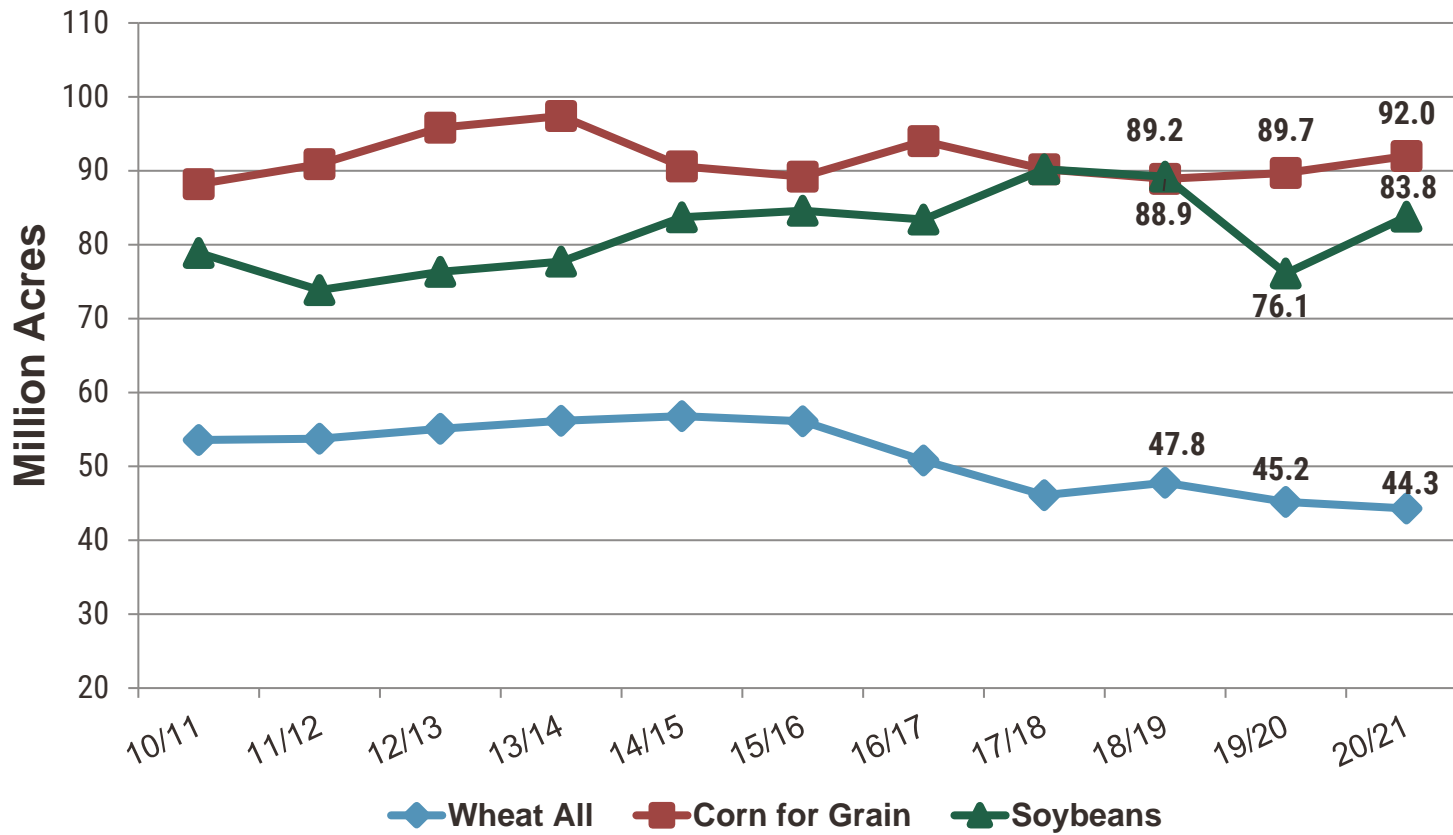
Outlook



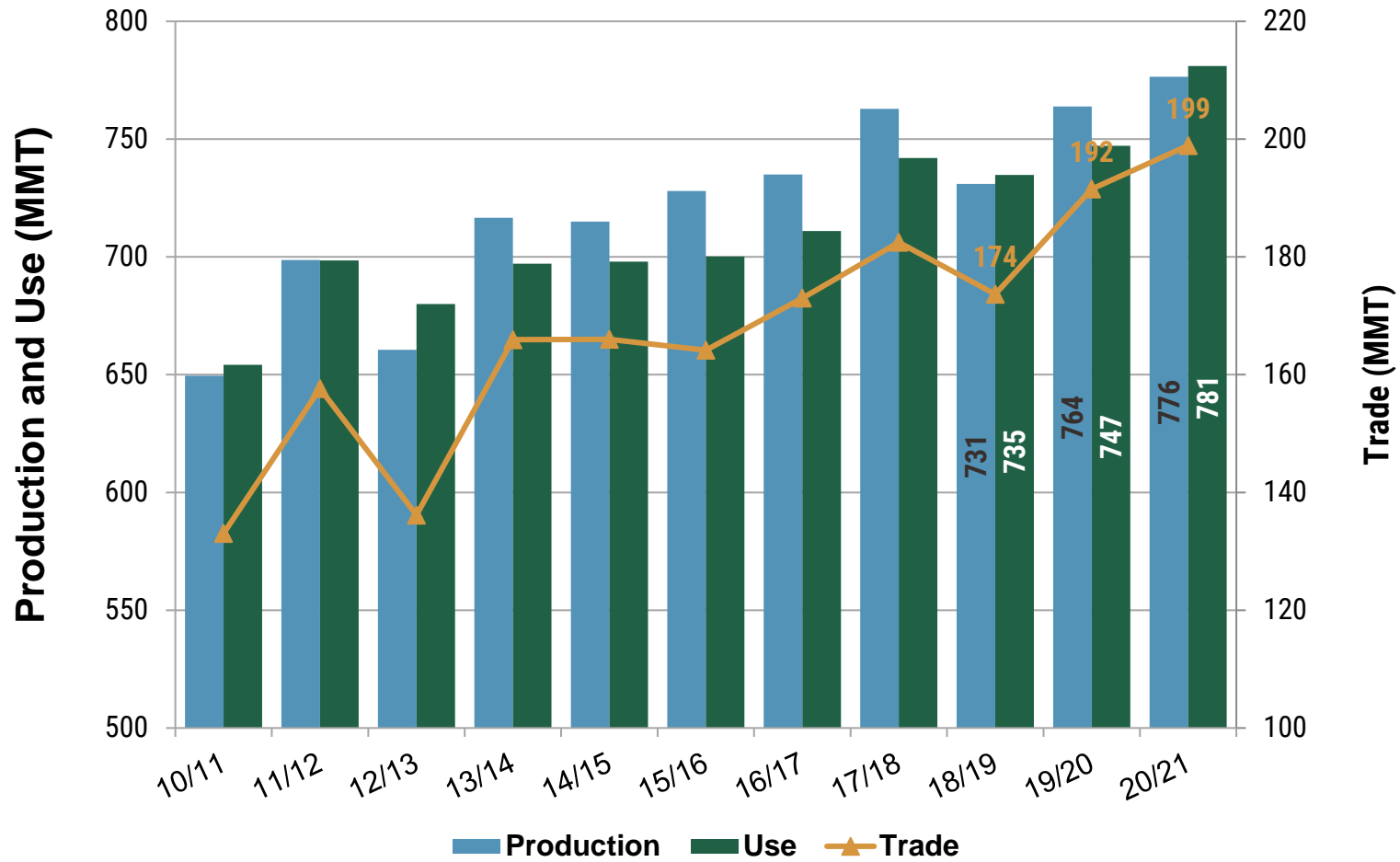
U.S. Wheat Production, Area and Yield



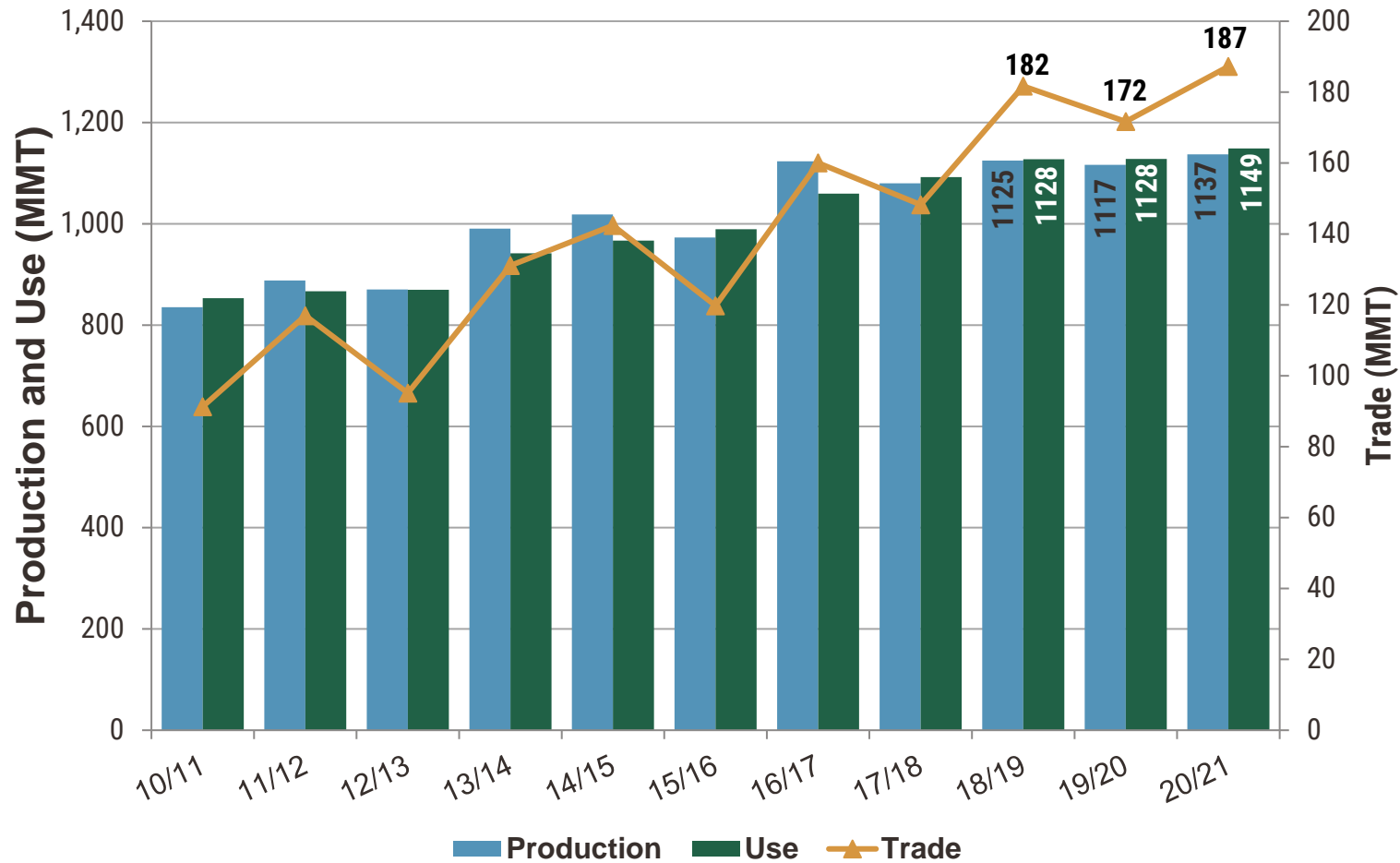
U.S. Crop Planted Area Comparison



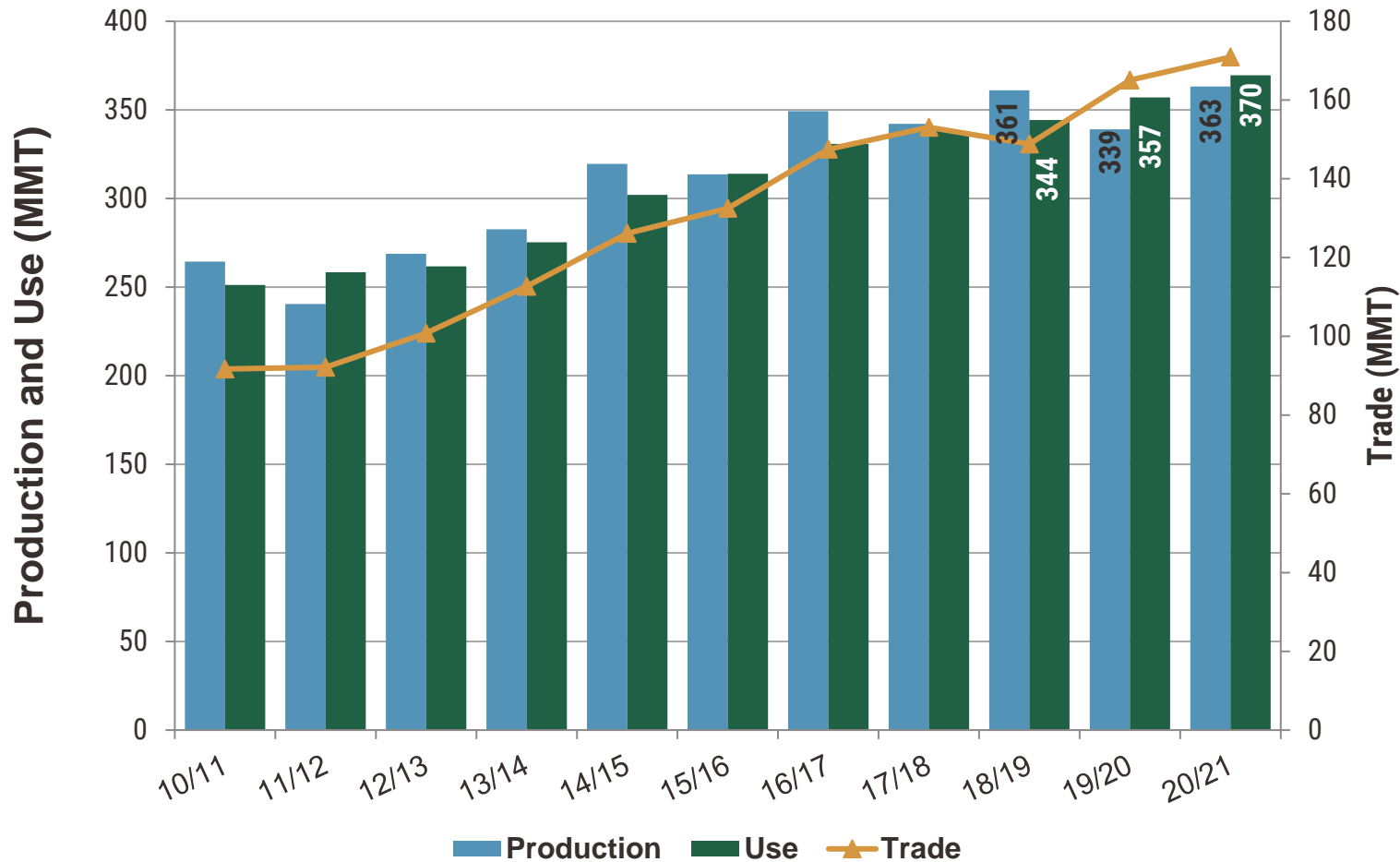
World Wheat Production, Use and Trade



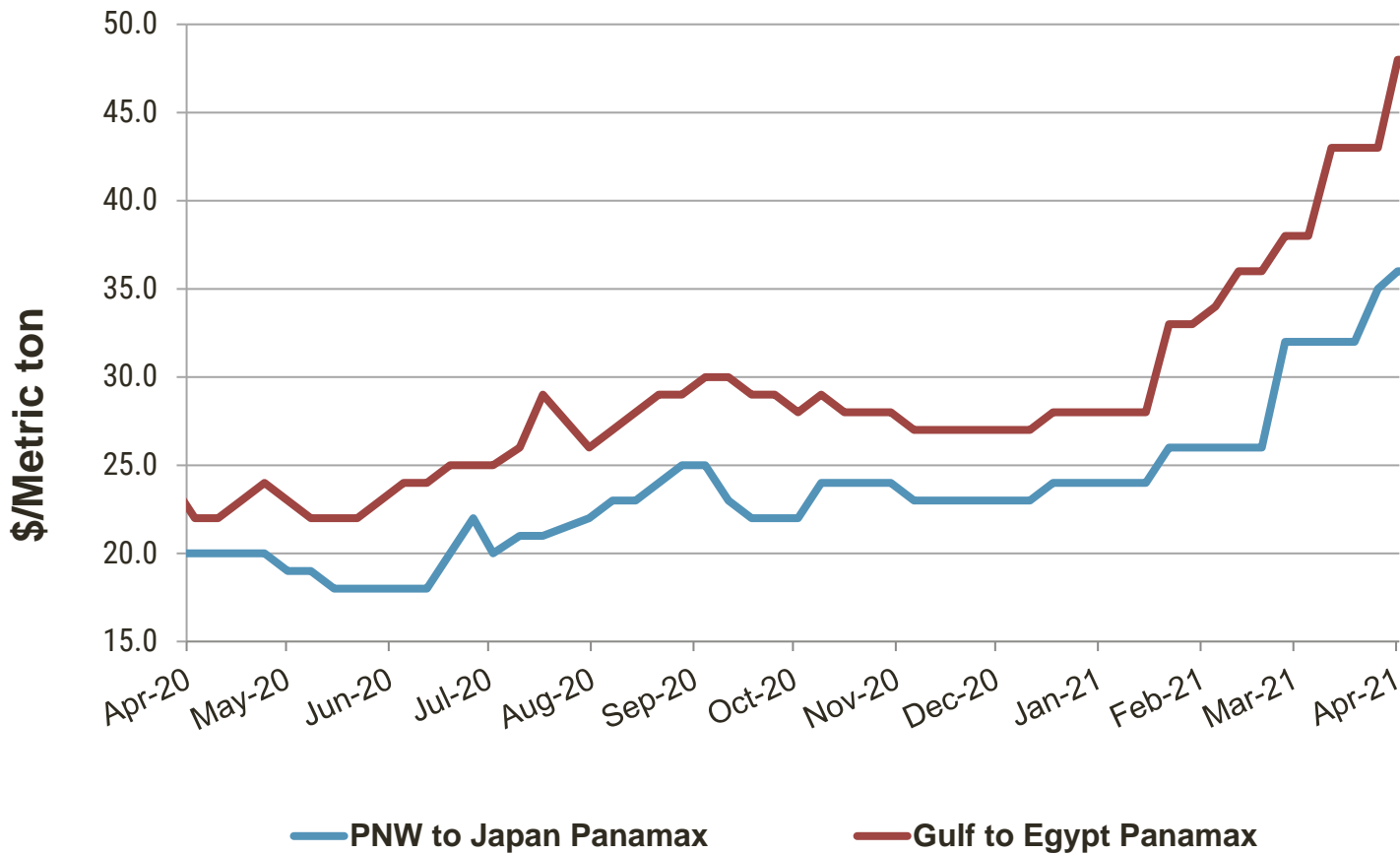
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



Source: U.S. Wheat Associates Price Report, April 9, 2021



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THANK YOU



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