



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 May 12, 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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Import Demand

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U.S. Situation by Class

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Outlook



Highlights of USDA's 2021/22 Wheat S&D Estimates

2021/22 global wheat production is forecast to reach a record 789 MMT

- Production in Canada is forecast at 32.0 MMT, down 3% from 2020/21
- Production in Russia is forecast at 85.0 MMT, in line with 2020/21 production
- U.S. production is expected to increase to 51.0 MMT, up 3% compared to 2020/21

Global consumption forecast at 789 MMT, up 2% from 2020/21

- Chinese domestic consumption forecast down 1% to 2020/21
- Domestic consumption in Mexico is forecast to rise to 7.4 MMT, up 3% from 2020/21
- U.S. domestic consumption forecast to increase to 32.5 MMT, in line with the 5-year average

World wheat trade to reach a record 202 MMT, up 2% from 2020/21, if realized

- Russian exports are projected at 40.0 MMT, equal to 2020/21
- Exports from the EU forecast at 33.0 MMT in 2020/21, up 3.0 MMT from 2020/21
- U.S. 2021/22 exports expected to reach 24.5 MMT, down 6% from last year, if realized



Highlights of USDA's 2021/22 Wheat S&D Estimates

World beginning stocks estimated down 2% from 2020/21 to 295 MMT

- Chinese beginning stocks estimated at 145.0 MMT, down 5% from last year
- Indian beginning stocks estimated at 27.2 MMT, 10% higher than 2020/21
- U.S. 2021/22 beginning stocks expected to drop 15% compared to 2020/21 to 23.7 MMT

Global ending stocks projected at 295 MMT, barely changed from 2020/21

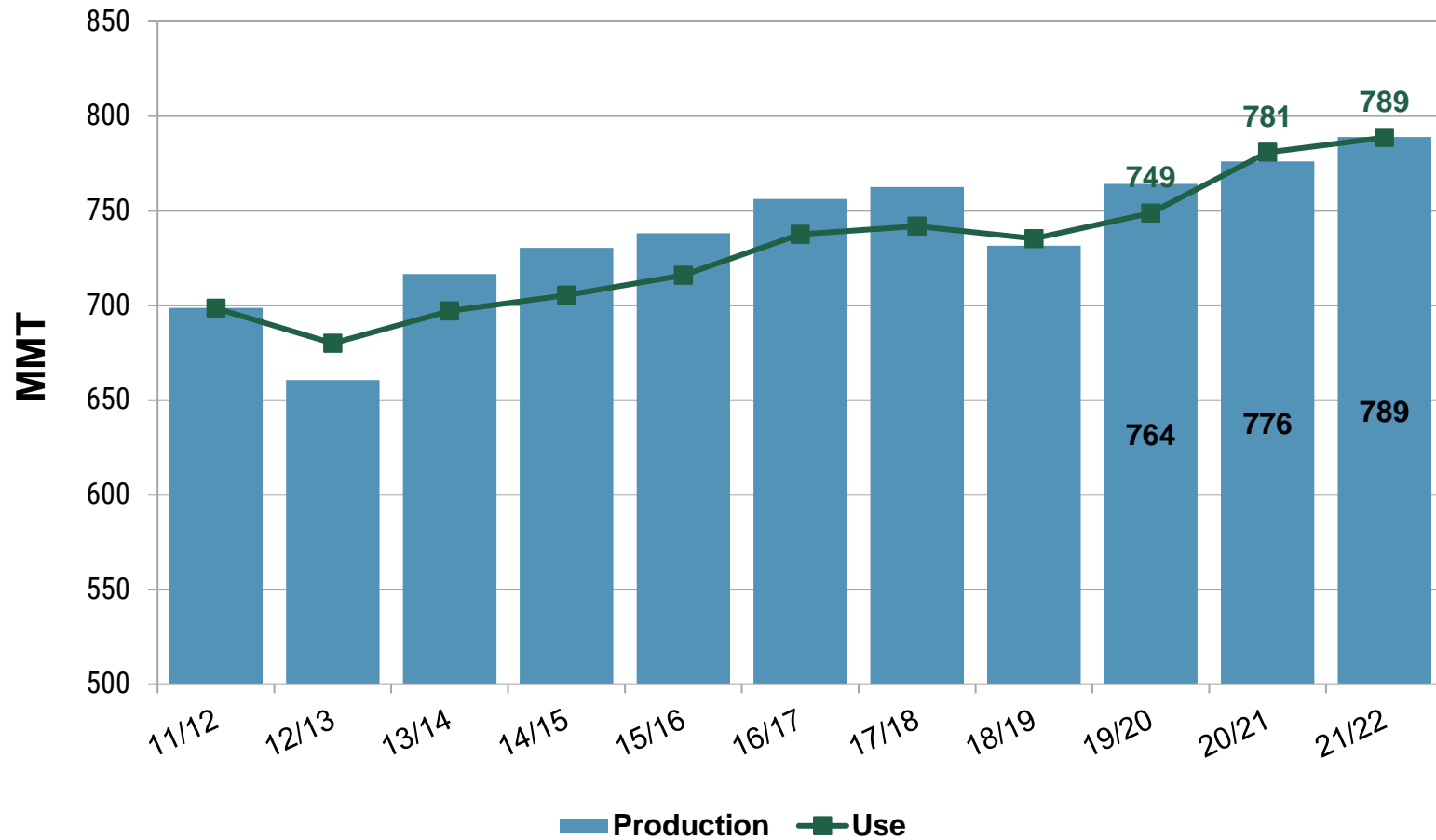
- Expected Chinese ending stocks forecast to fall to 142.0 MMT
- U.S. ending stocks are expected to drop to 21.0 MMT, down 11% from 2020/21

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

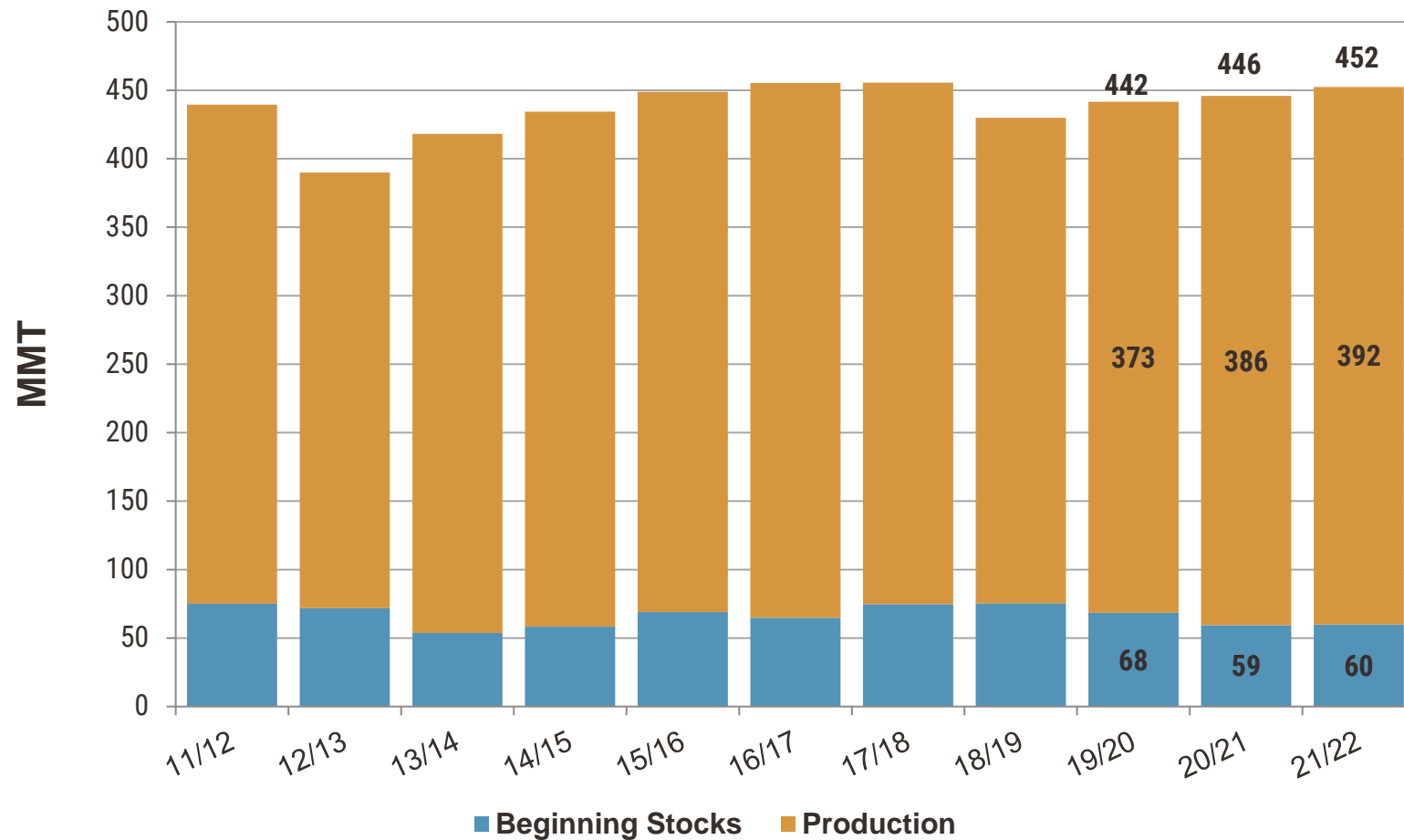
- The average farm gate price of U.S. wheat in 2021/22 is forecast to increase to \$6.50/bu (\$239/MT), up 30% from last year's \$5.00/bu (\$184/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

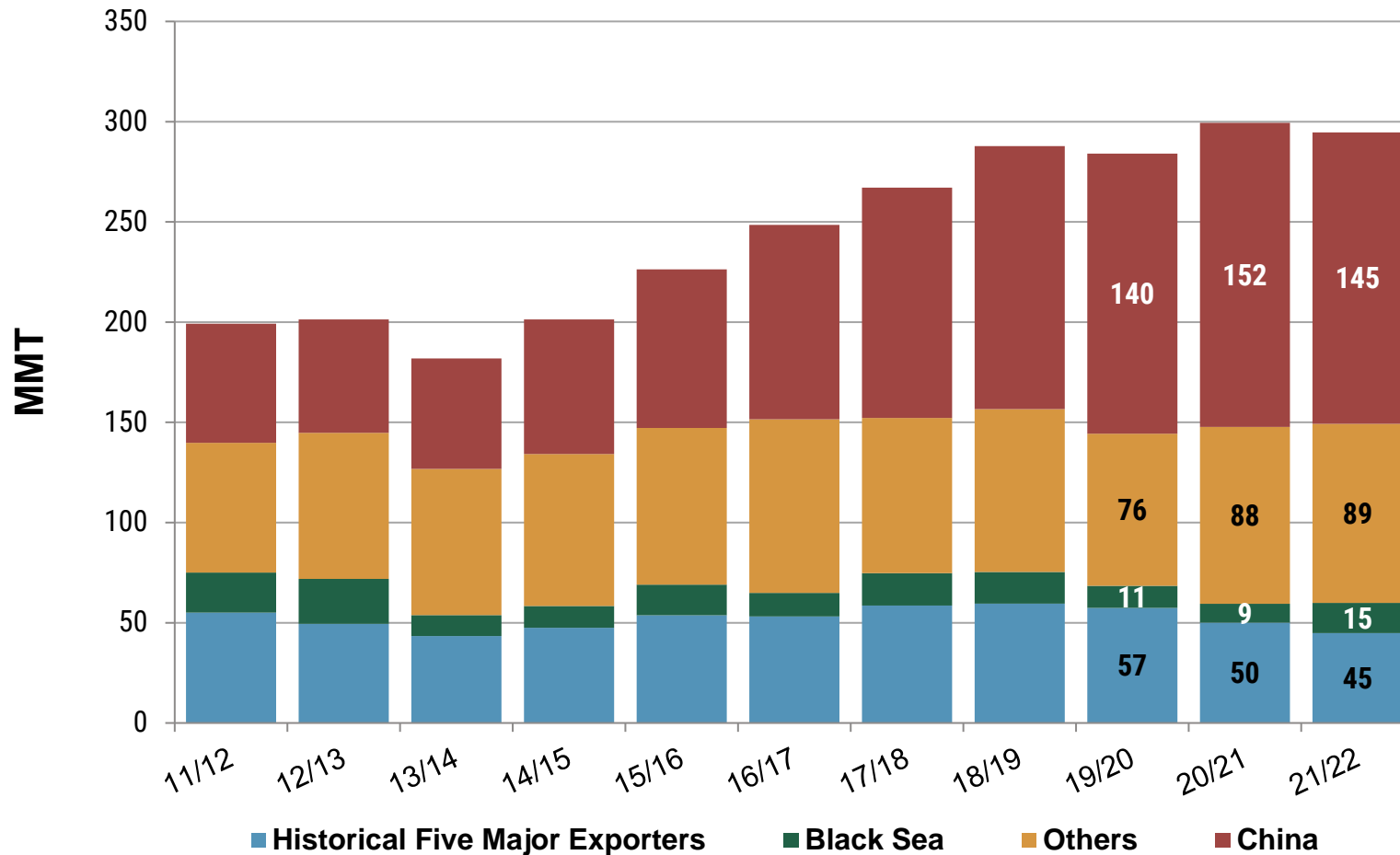


World Wheat Supply and Demand (MMT)

	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>
SUPPLY:			
Beginning Stocks	284	299	295
Production	764	776	789
Supply Total	1048	1076	1084
Ending Stocks	299	295	295
TRADE:			
Exports/Imports	195	200	202
DEMAND:			
Food & Seed	609	624	630
Feed & Residual	140	157	159
Use Total	749	781	789



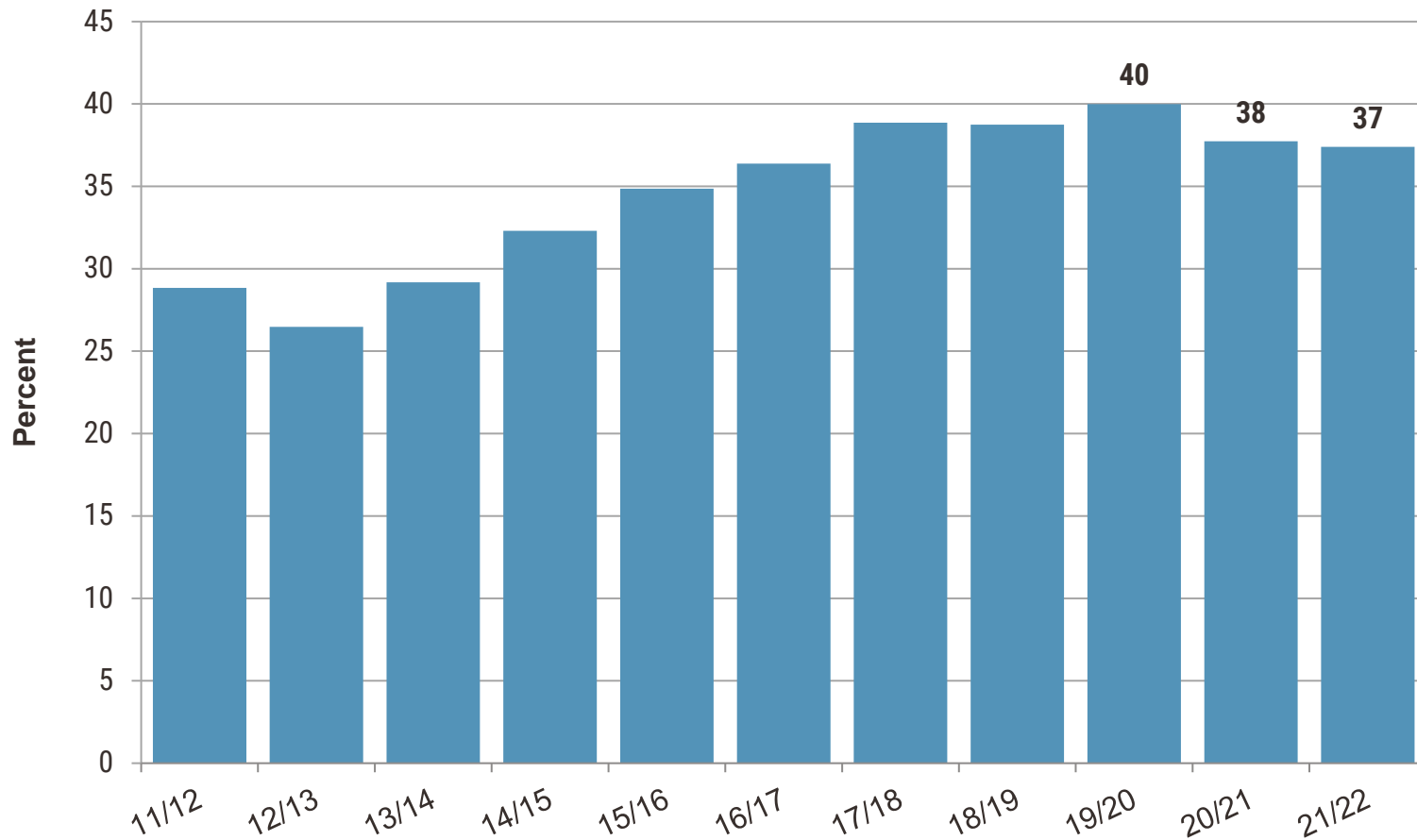
World Beginning Stocks



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



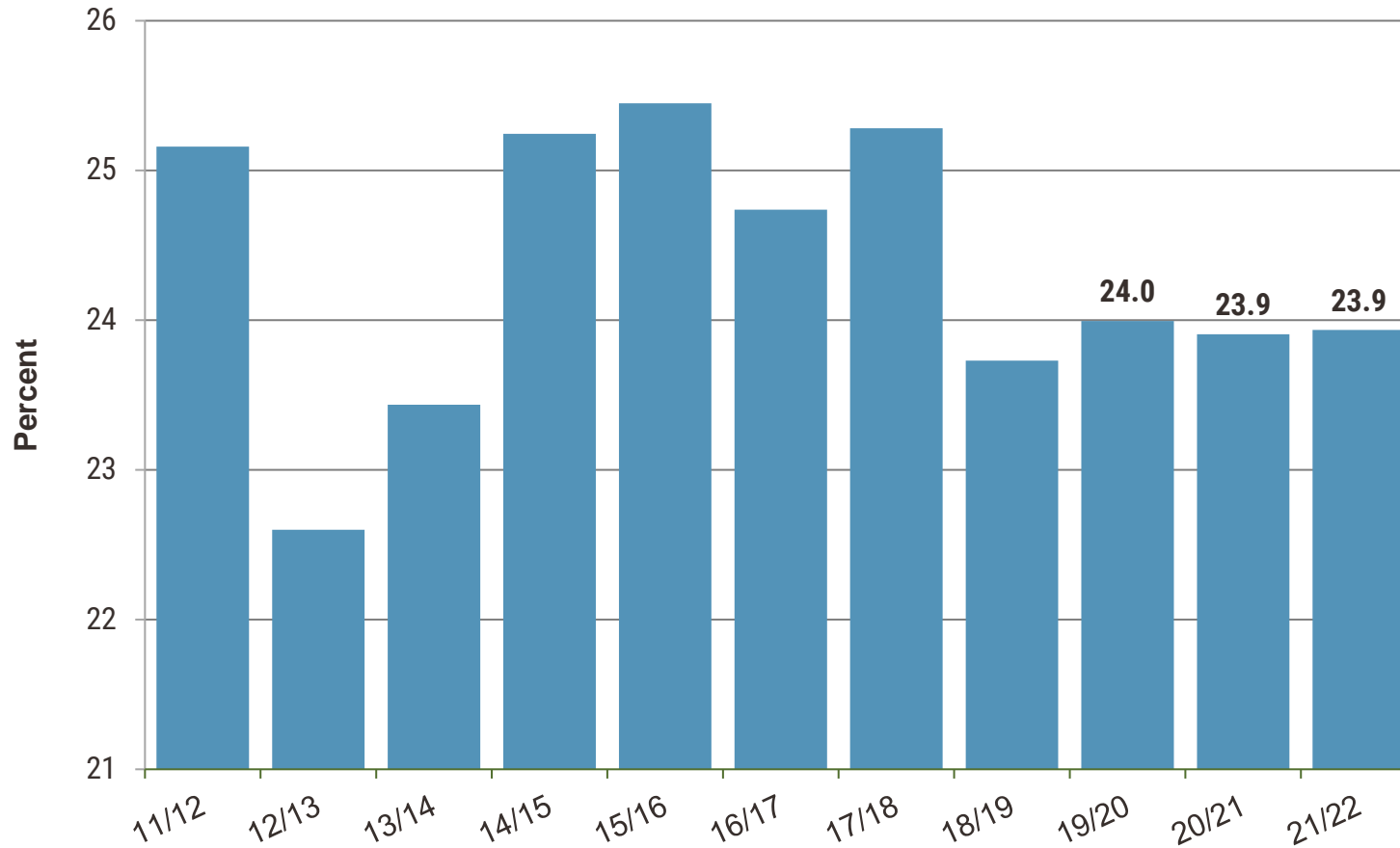
Global Stocks*-to-Use Ratio



*Ending stocks



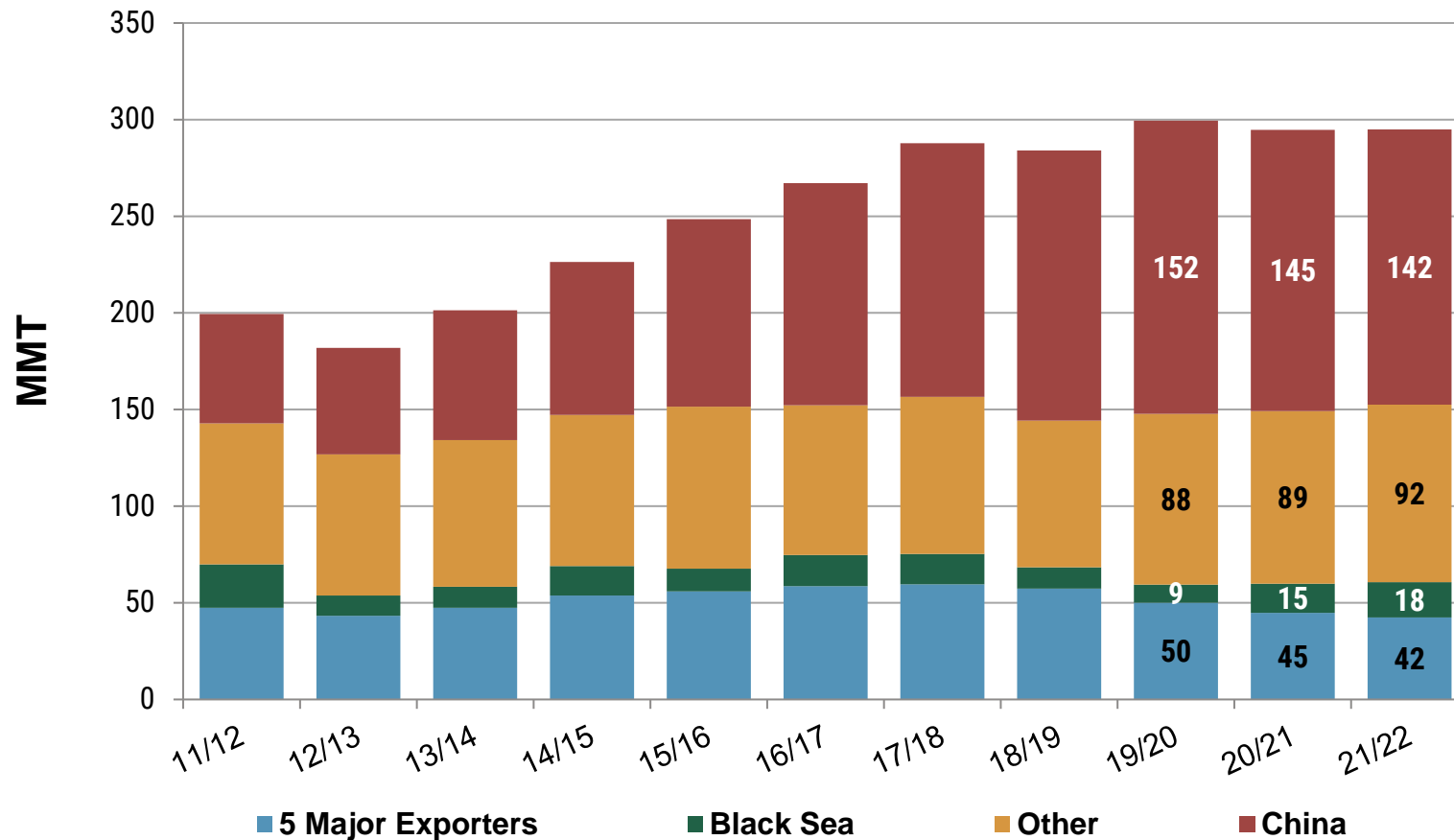
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



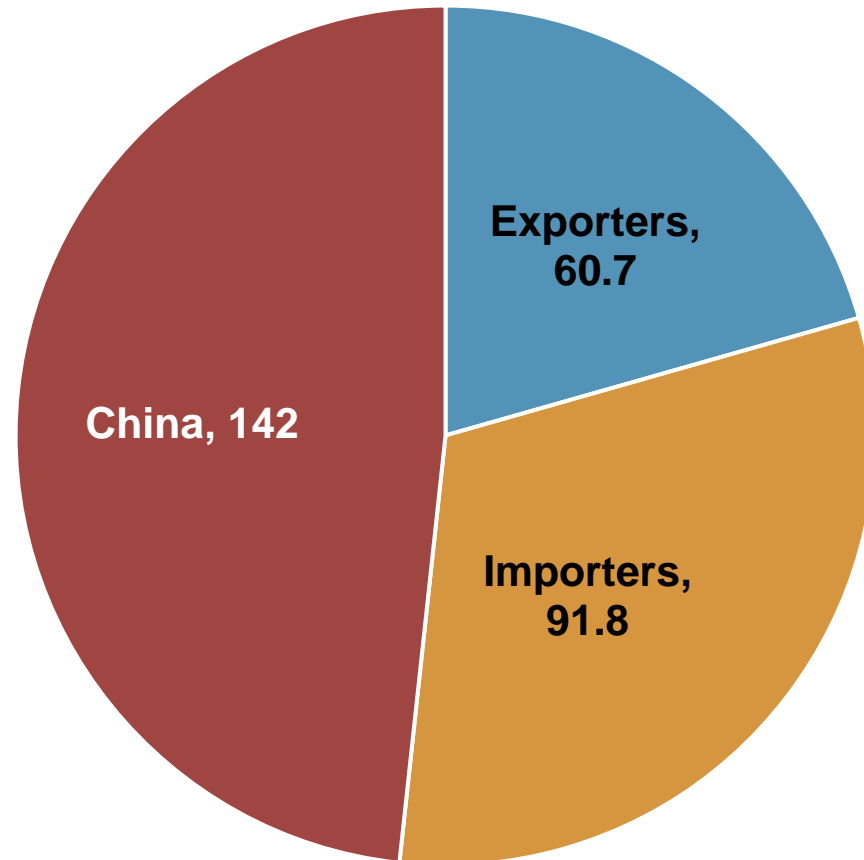
World Ending Stocks



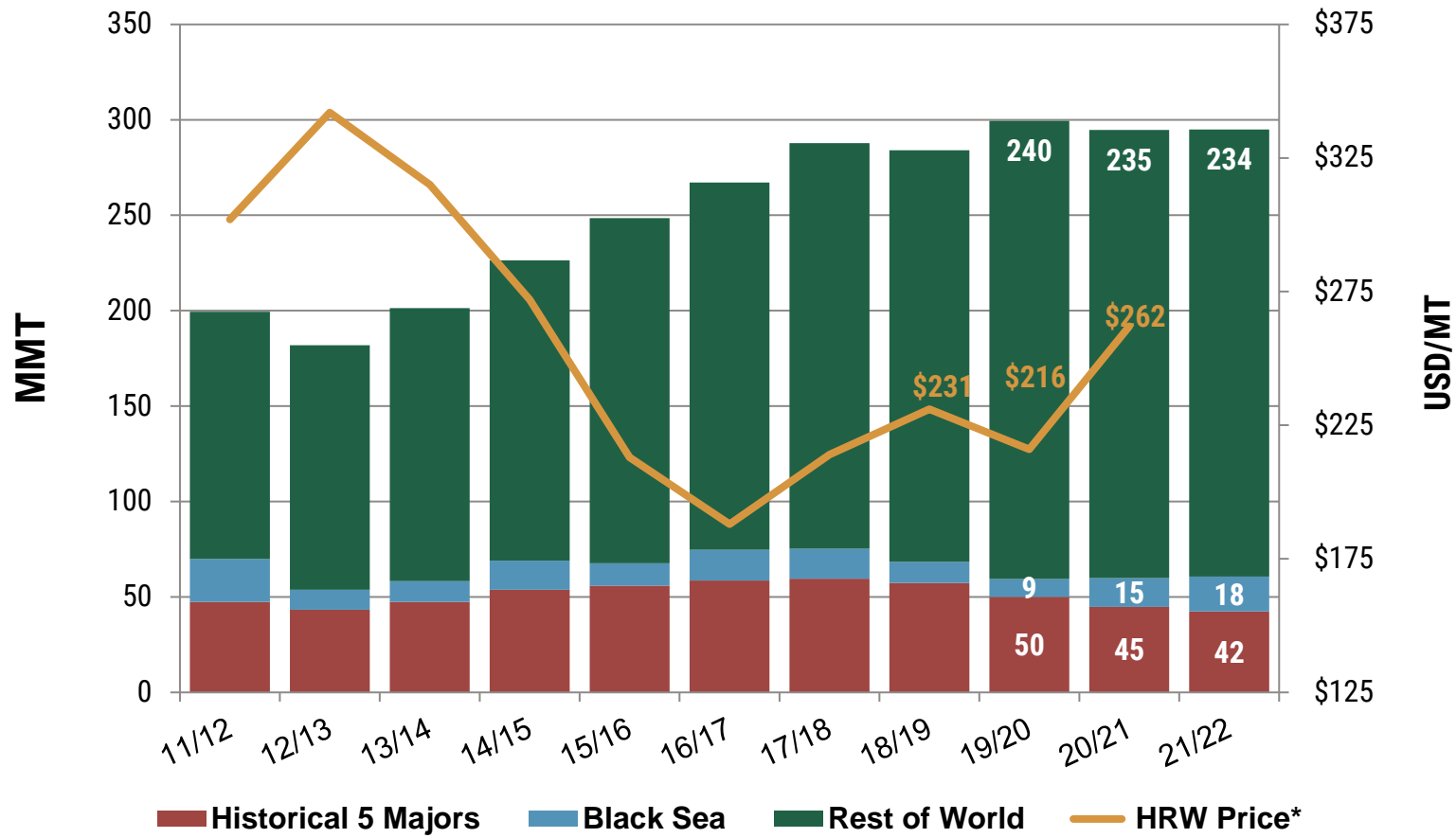
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World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Annual average, source: U.S. Wheat Associates Price Report

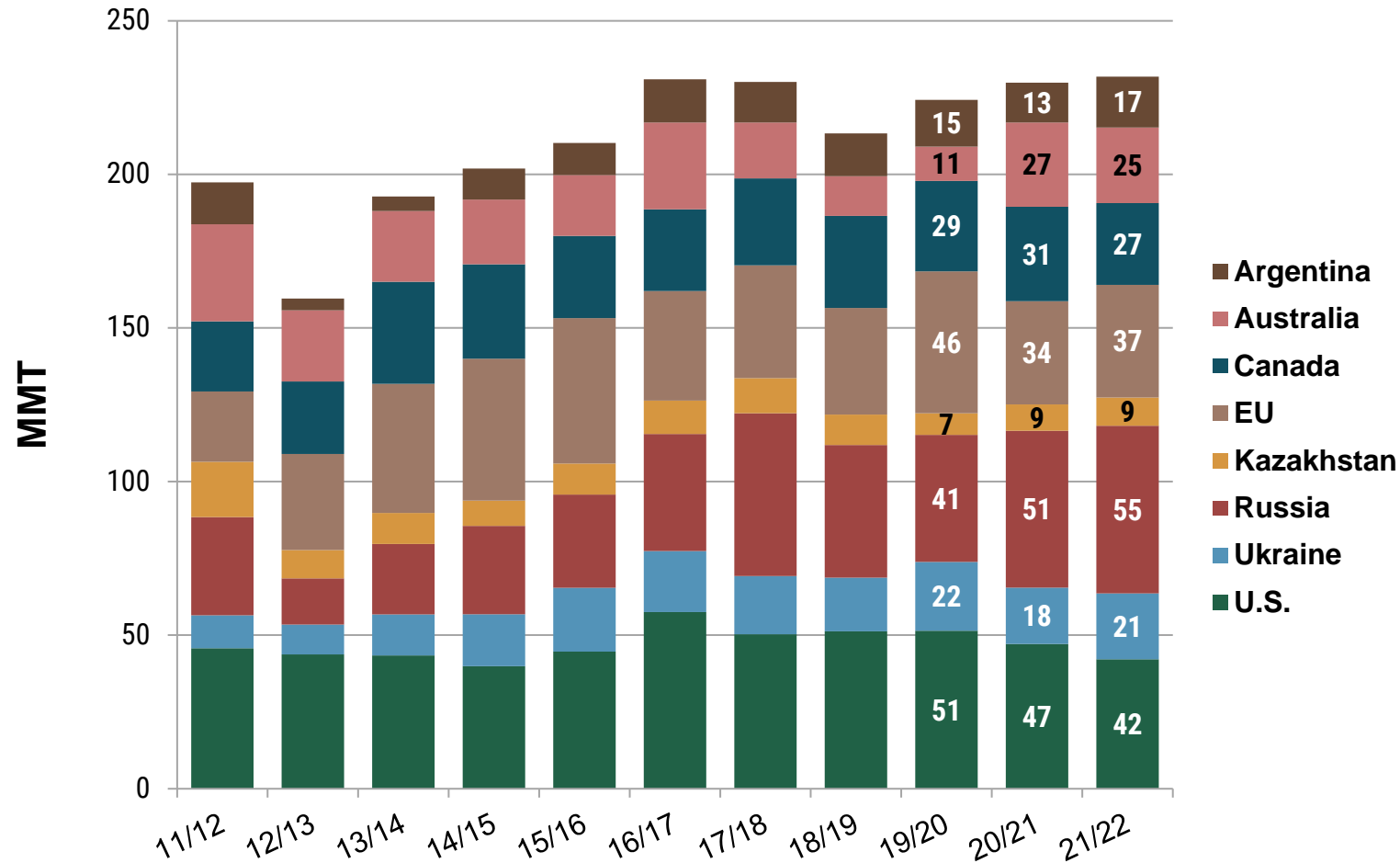




01

Major Exporters

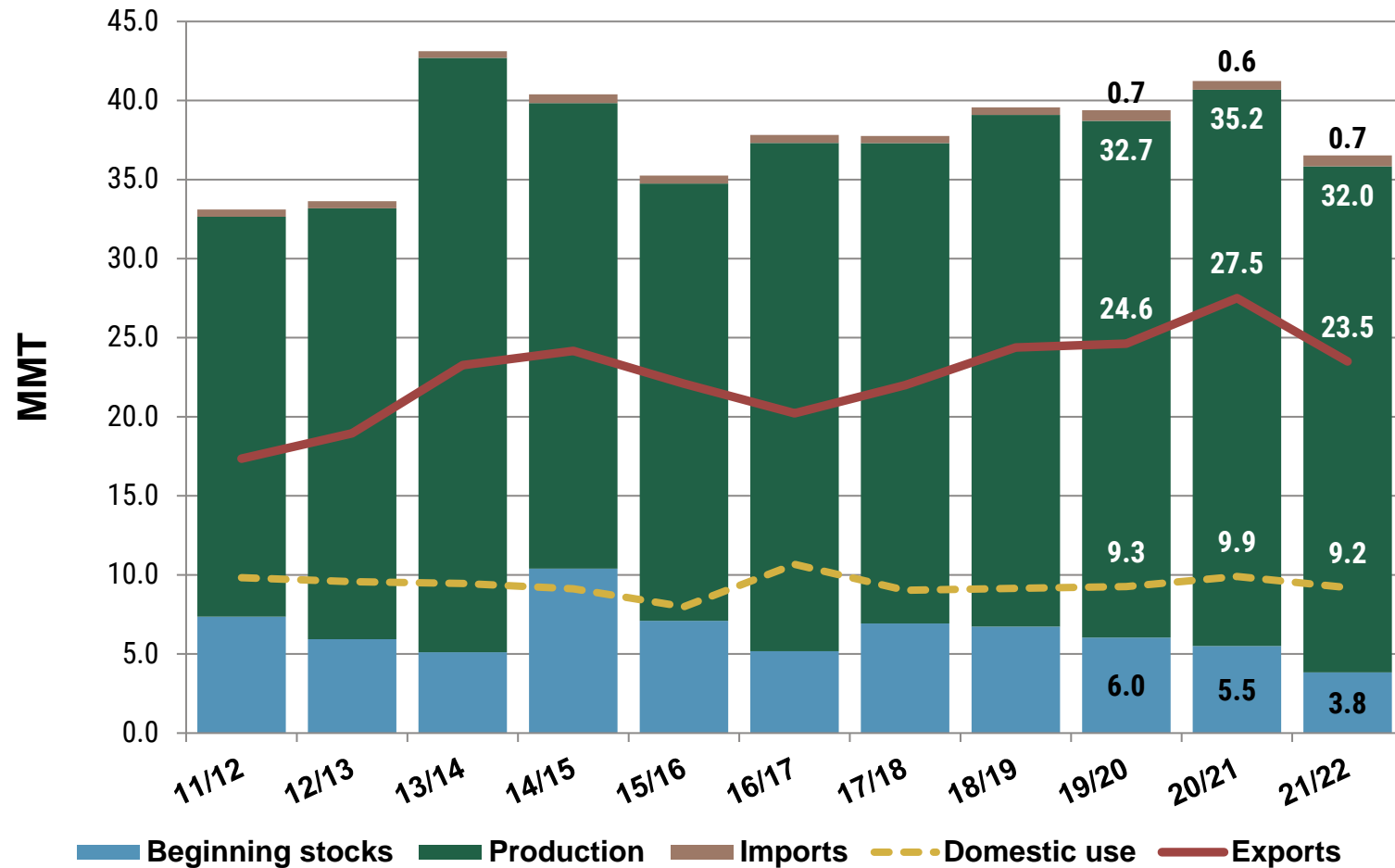
Exportable Supplies in Top Exporting Countries



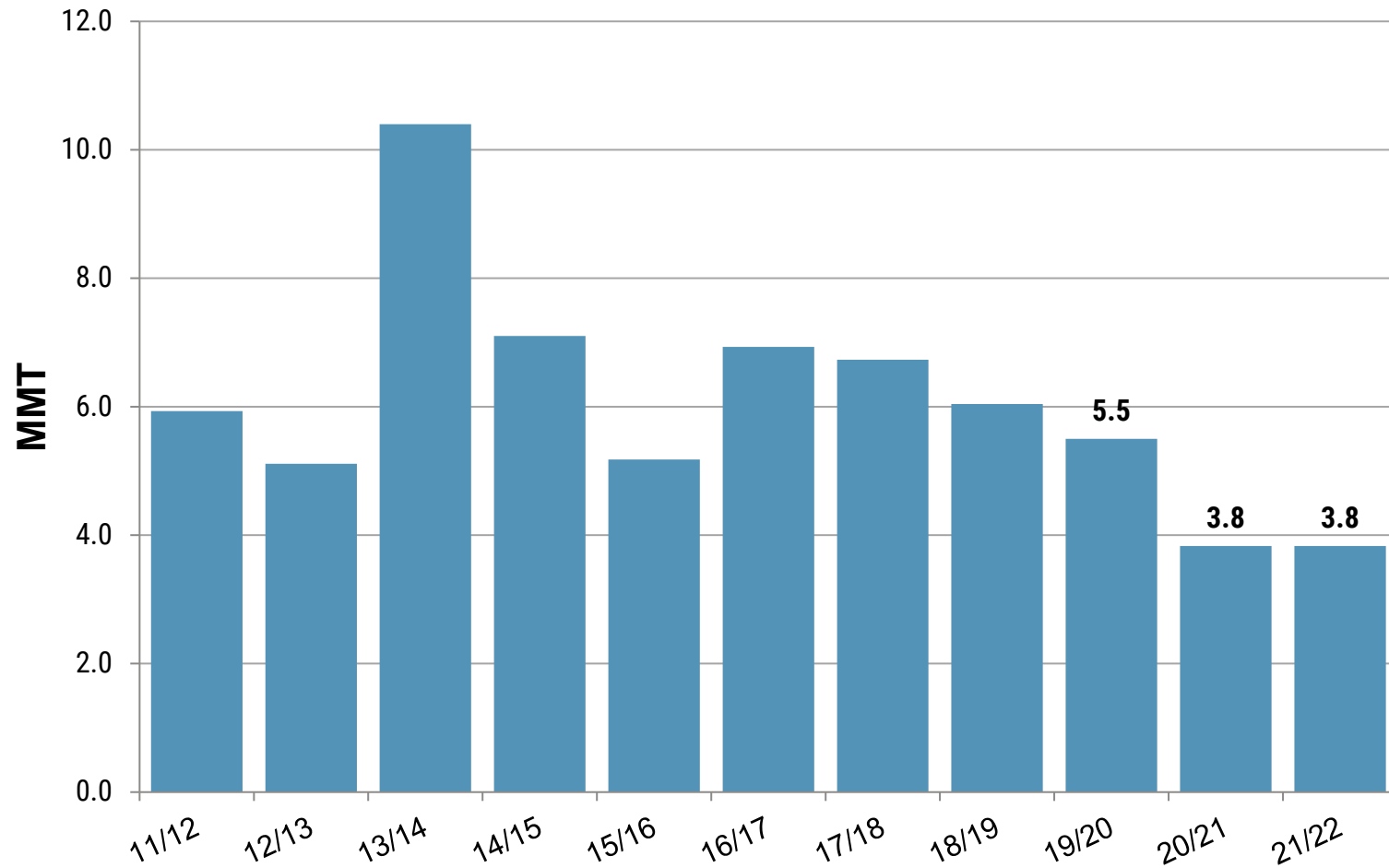
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



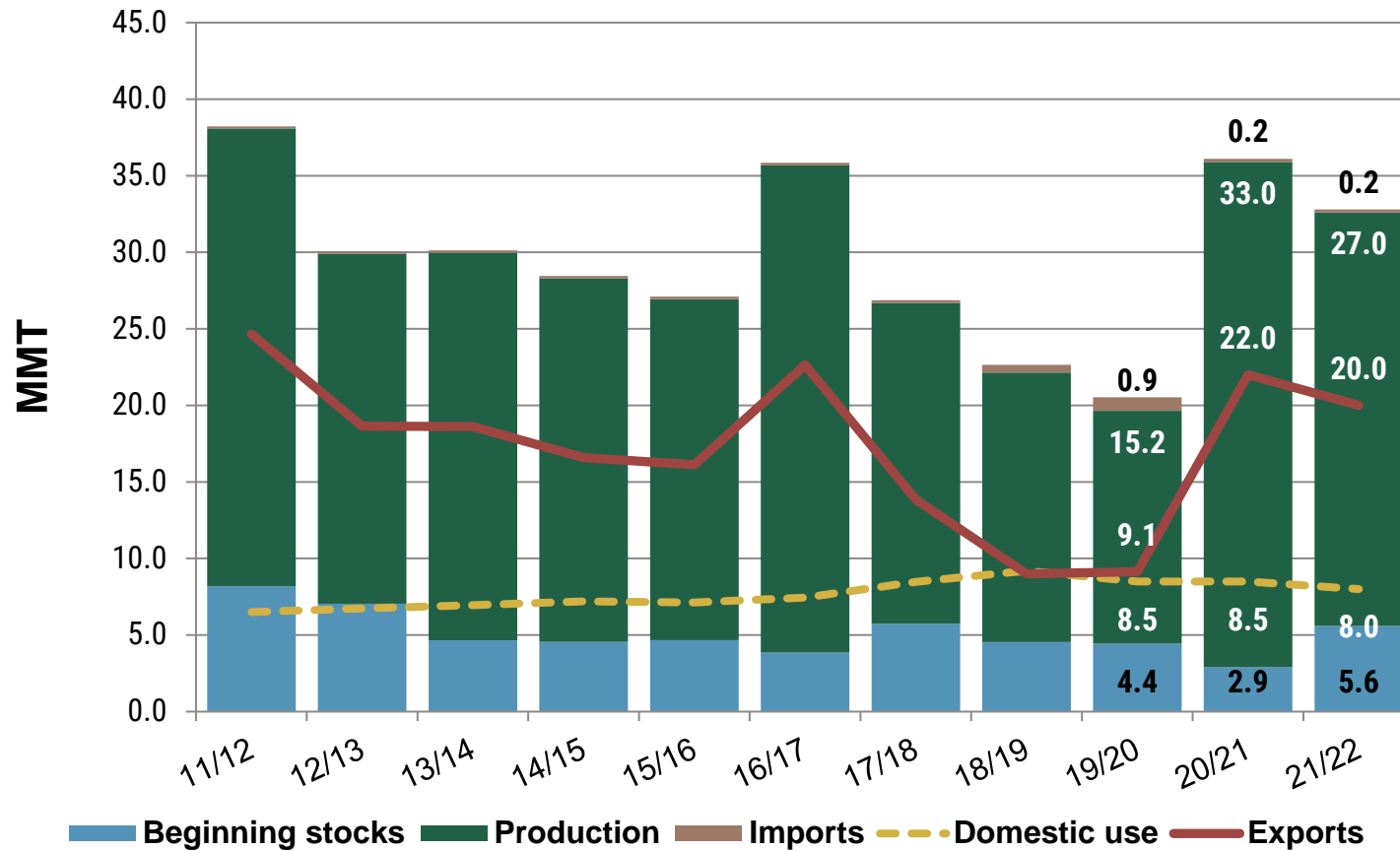
Canada Situation



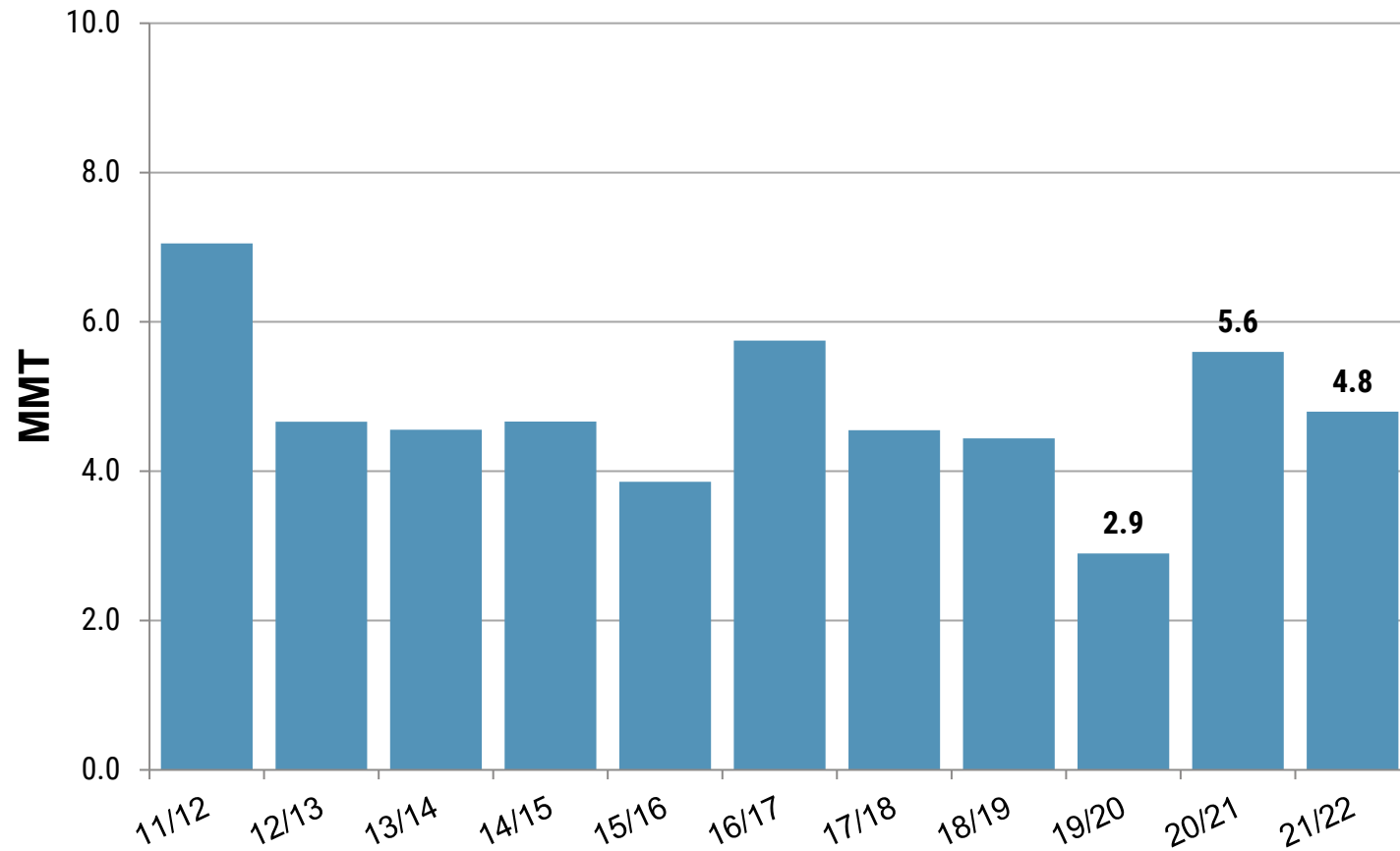
Canada Ending Stocks



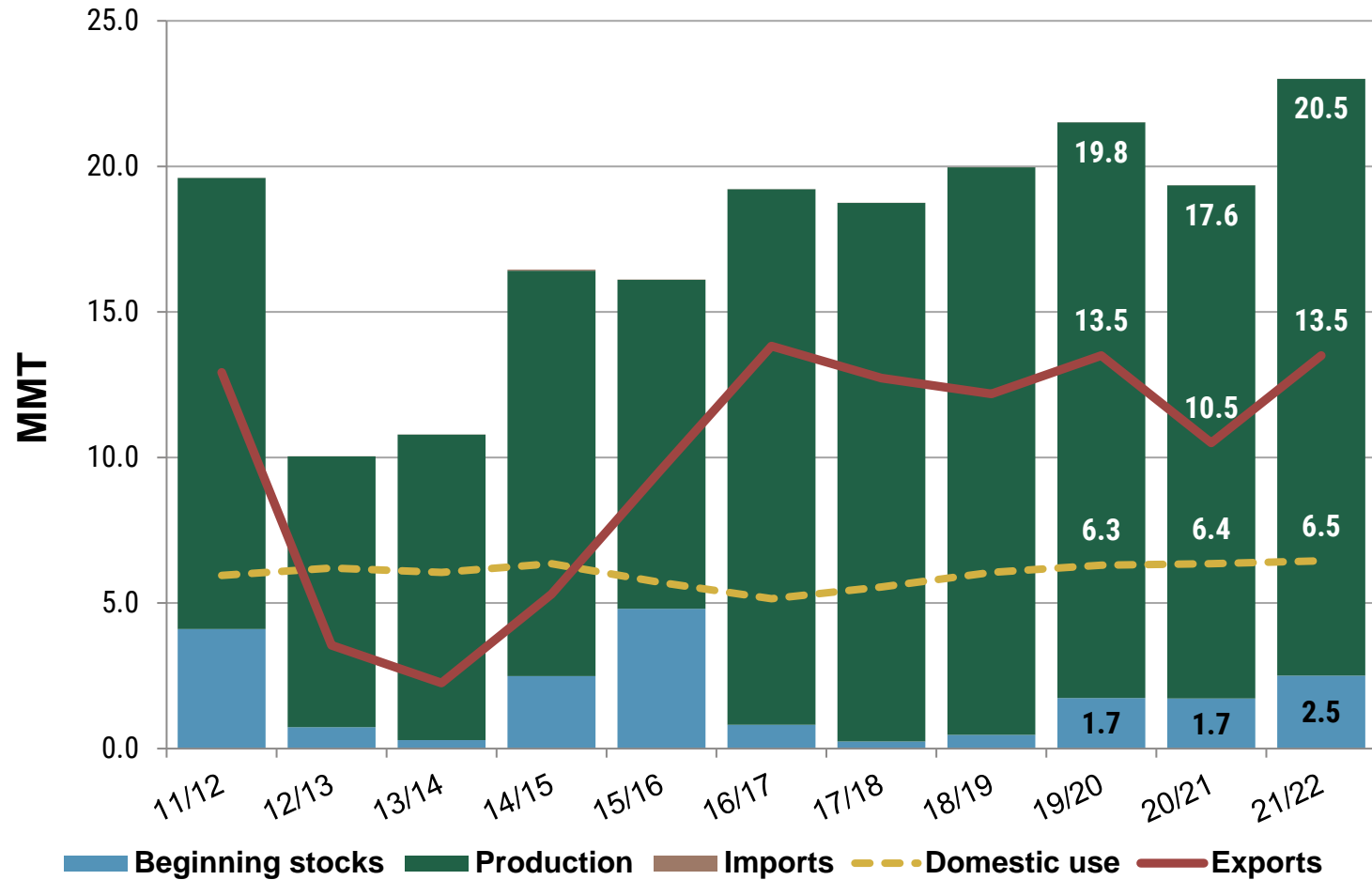
Australia Situation



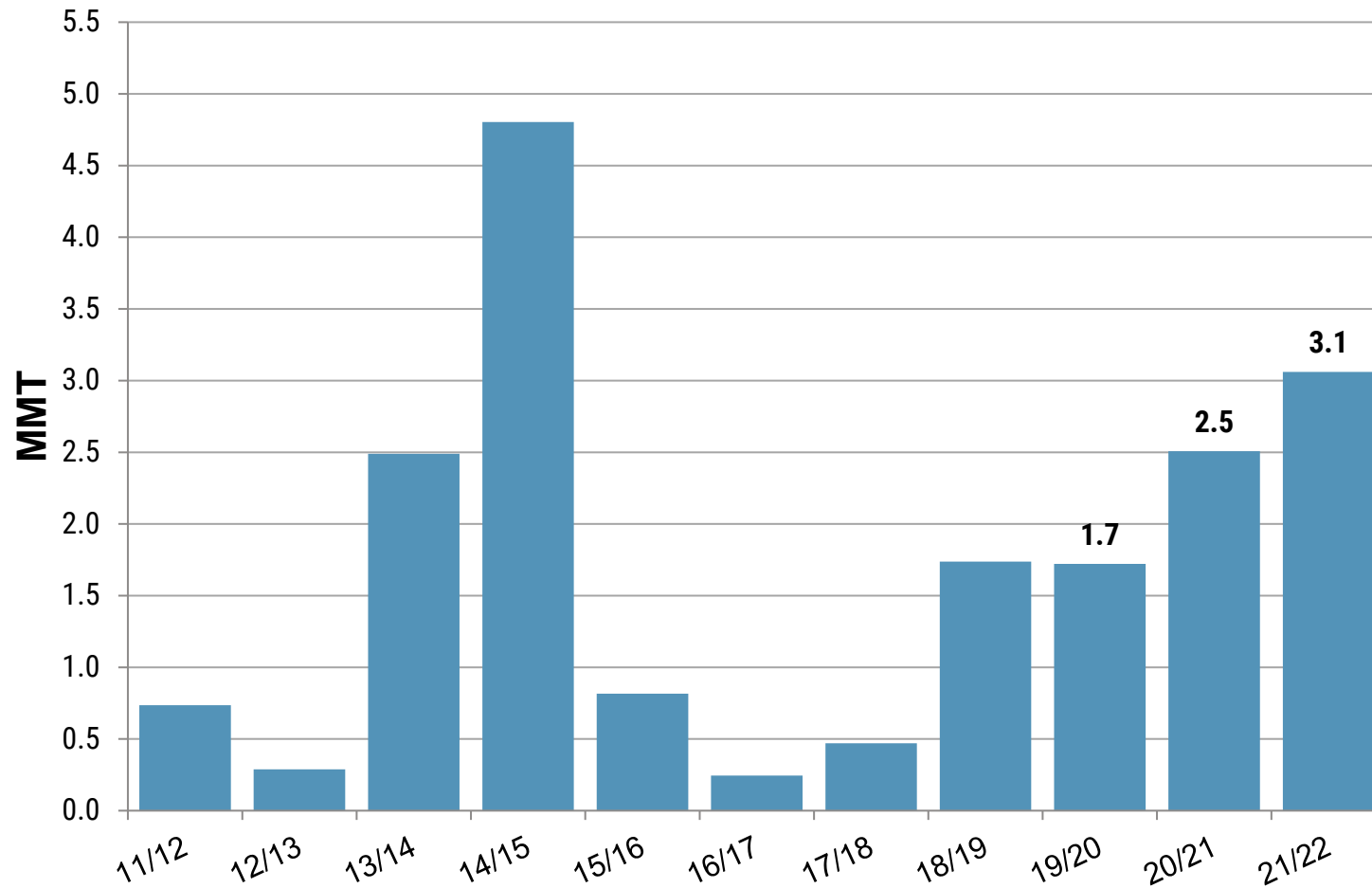
Australia Ending Stocks



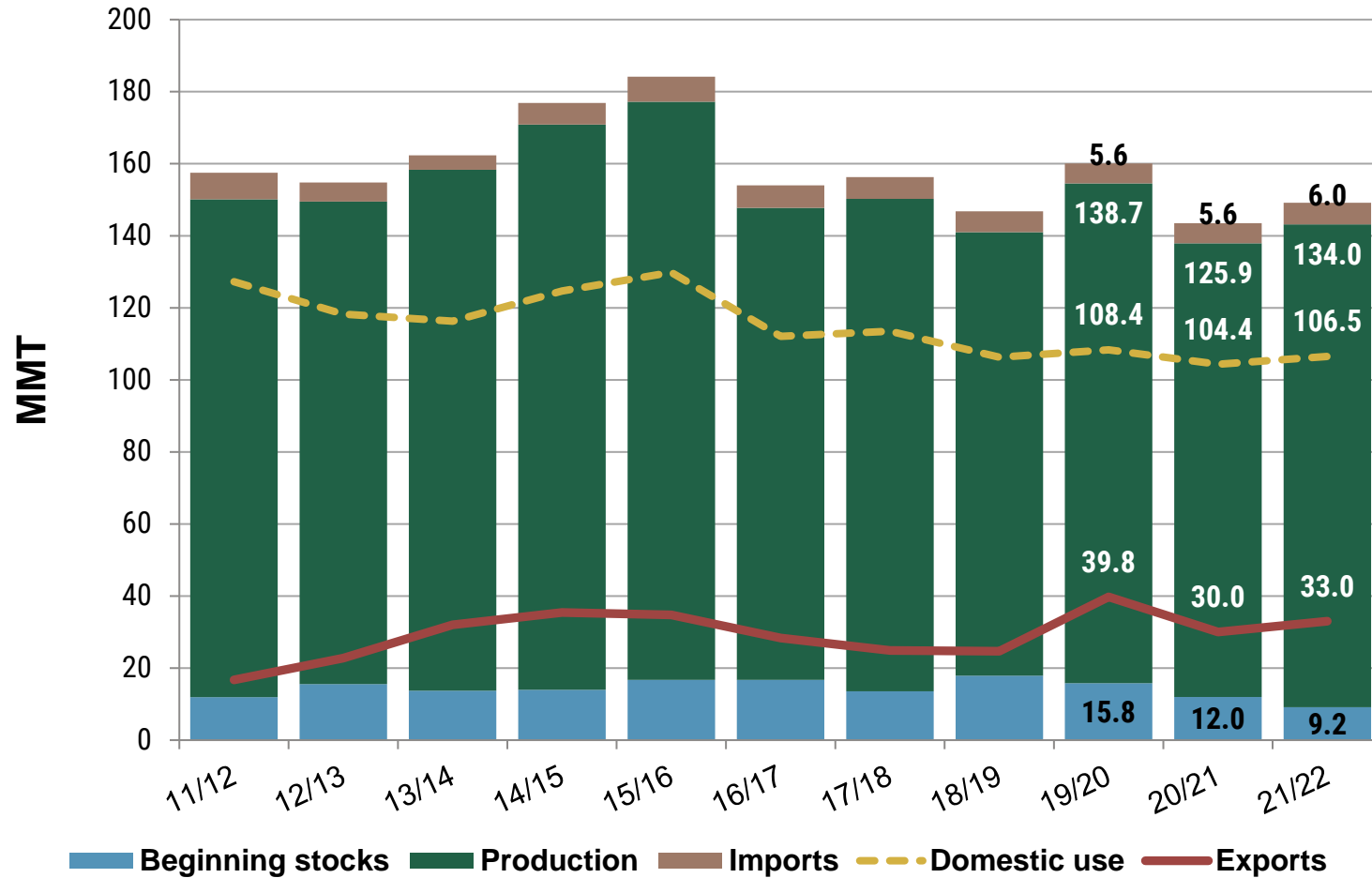
Argentina Situation



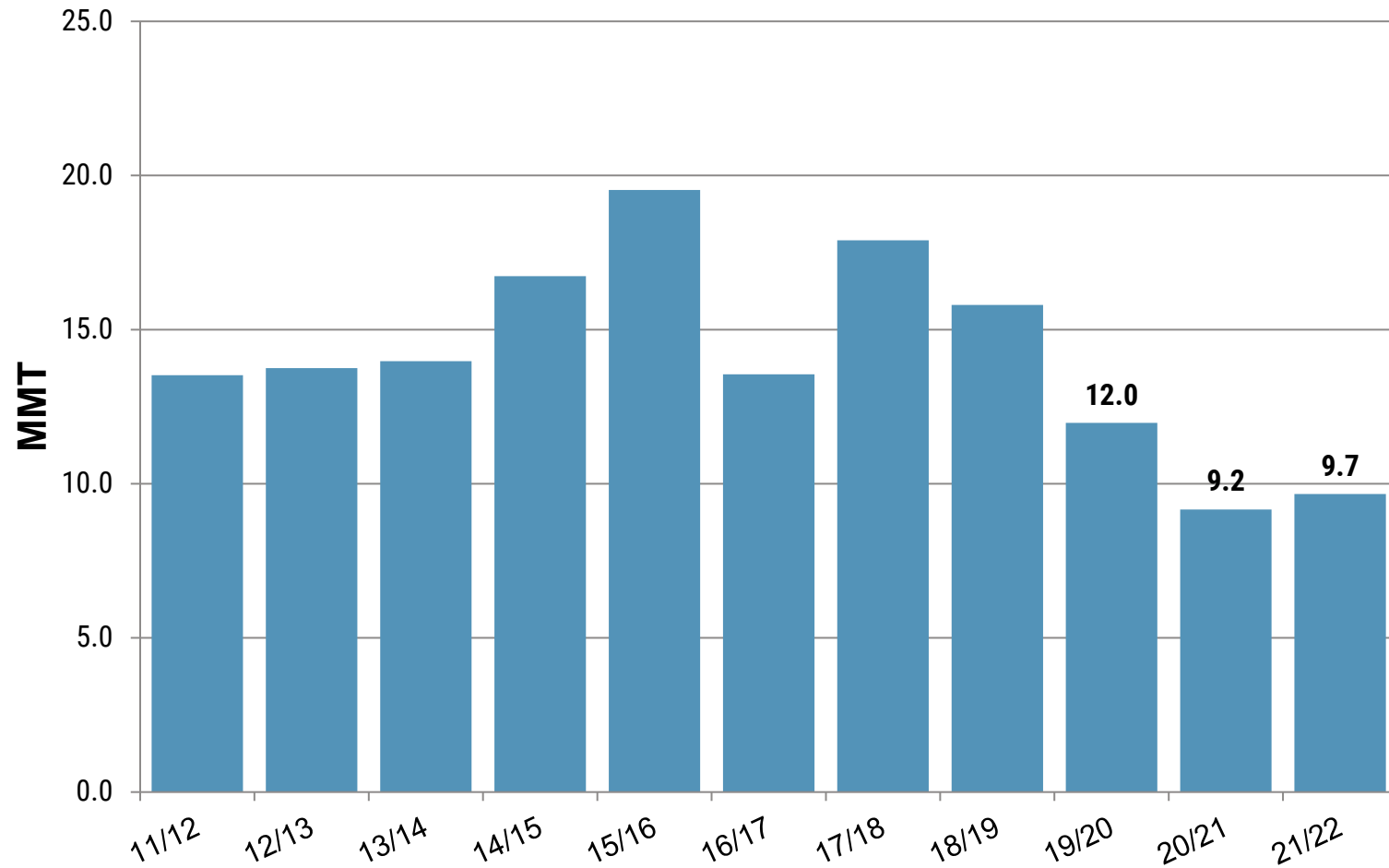
Argentina Ending Stocks



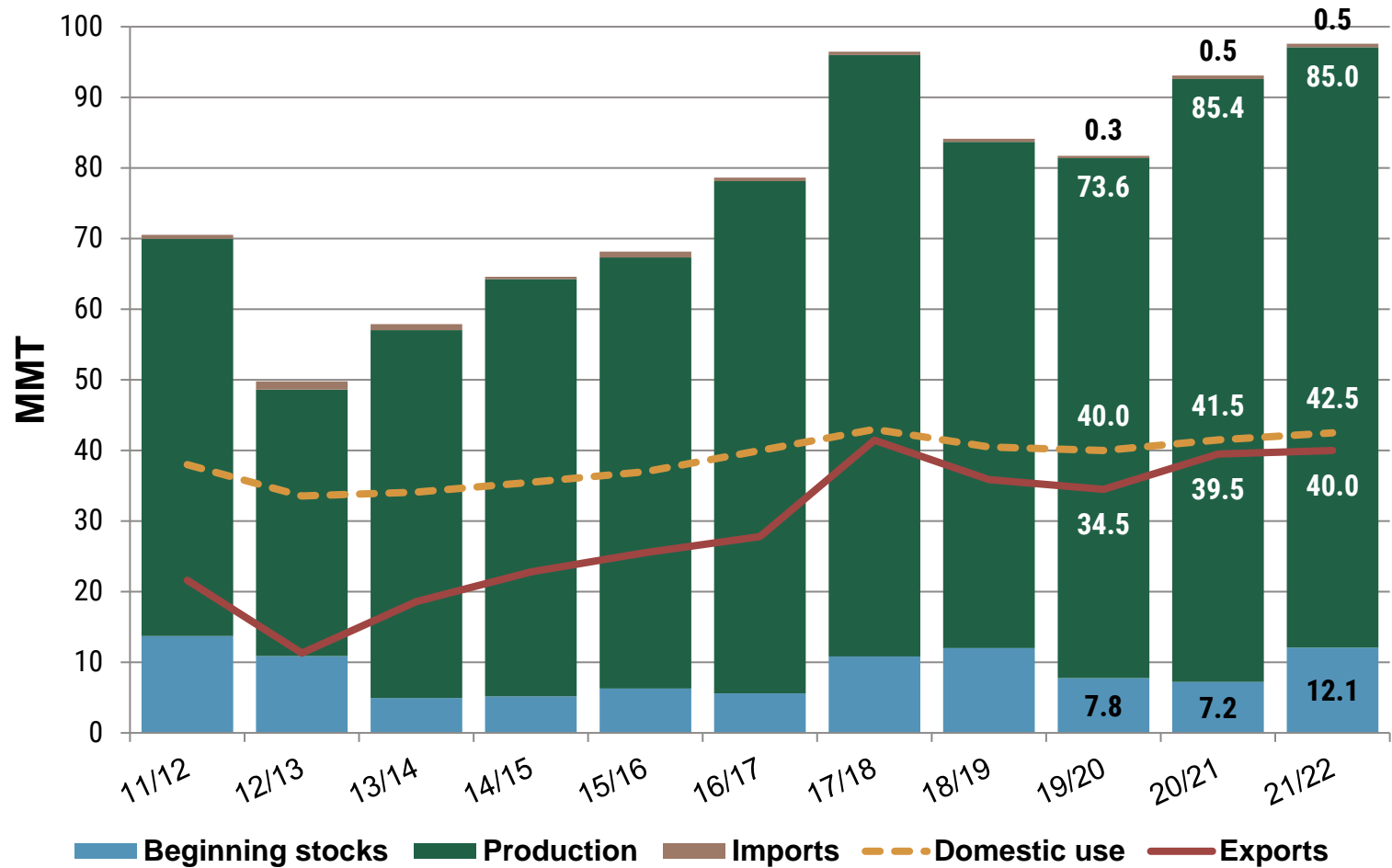
EU + UK Situation



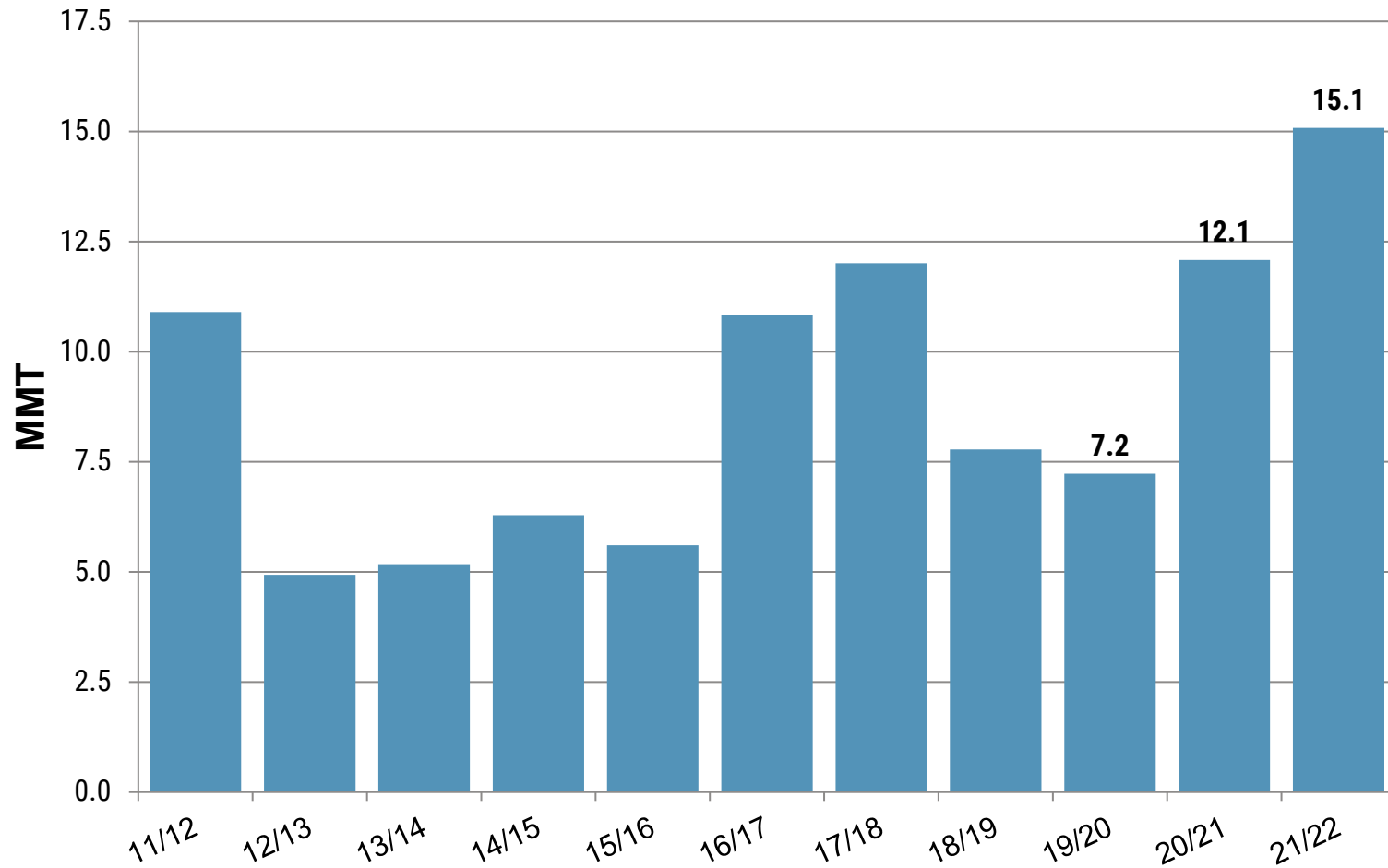
EU Ending Stocks



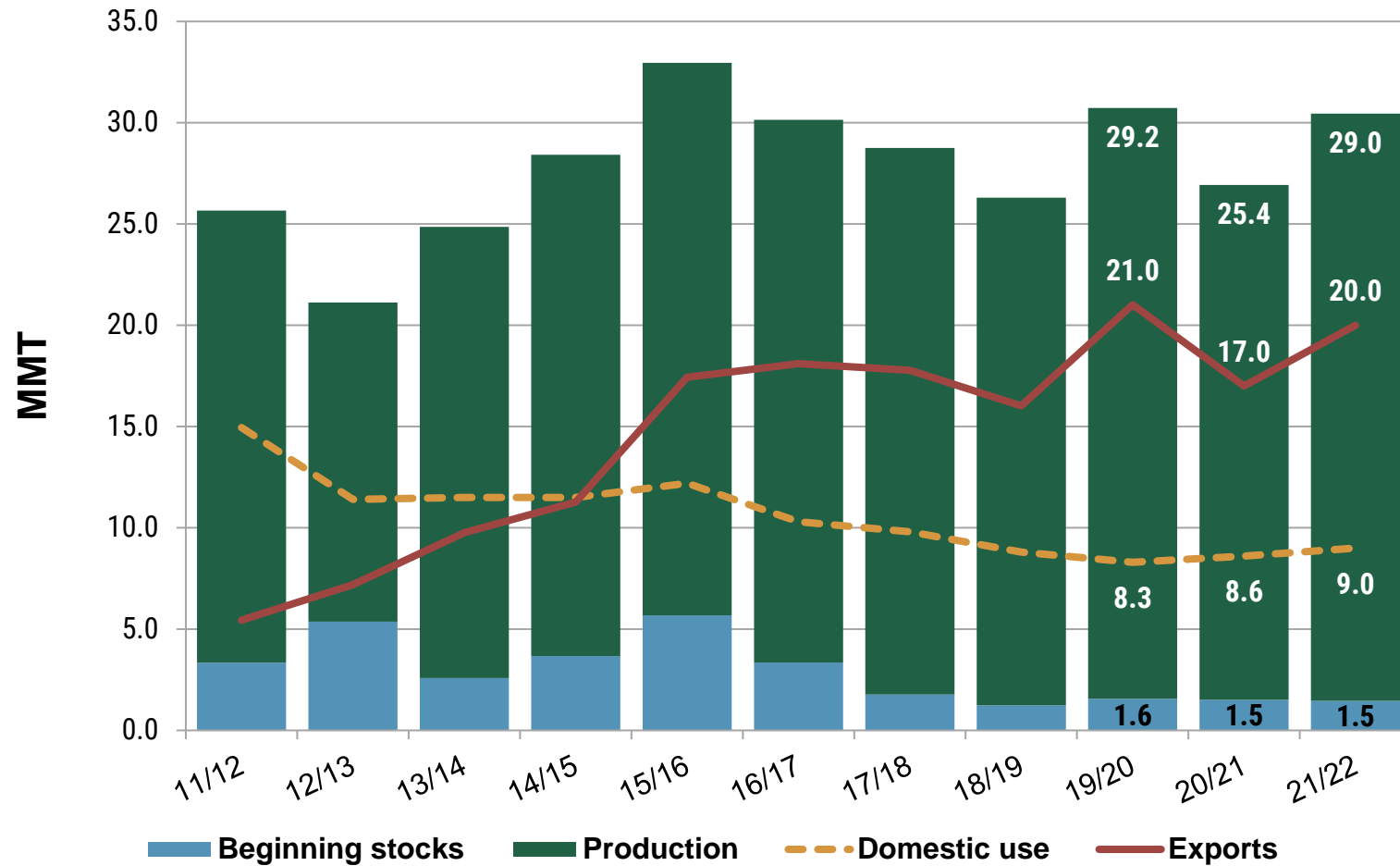
Russia Situation



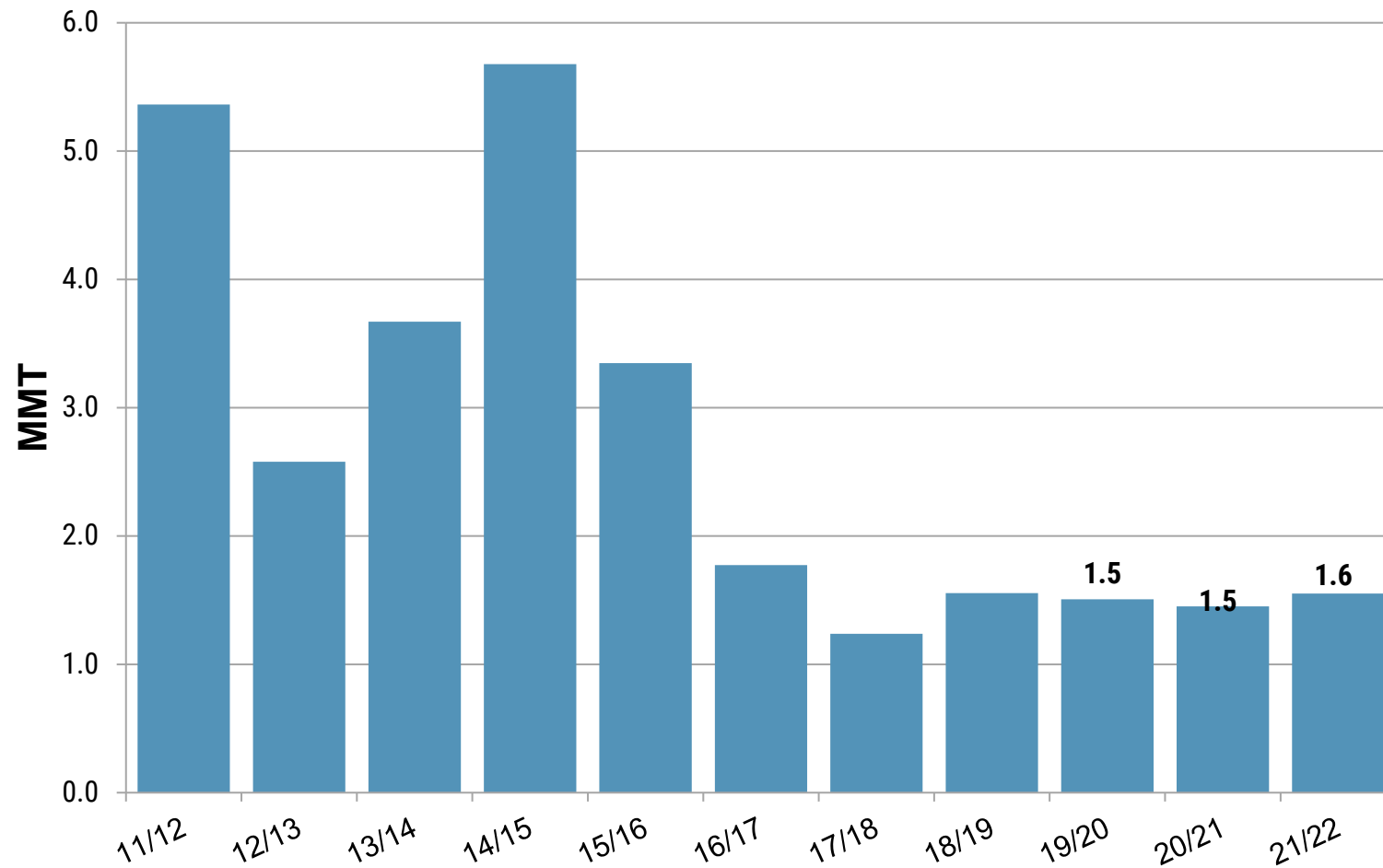
Russia Ending Stocks



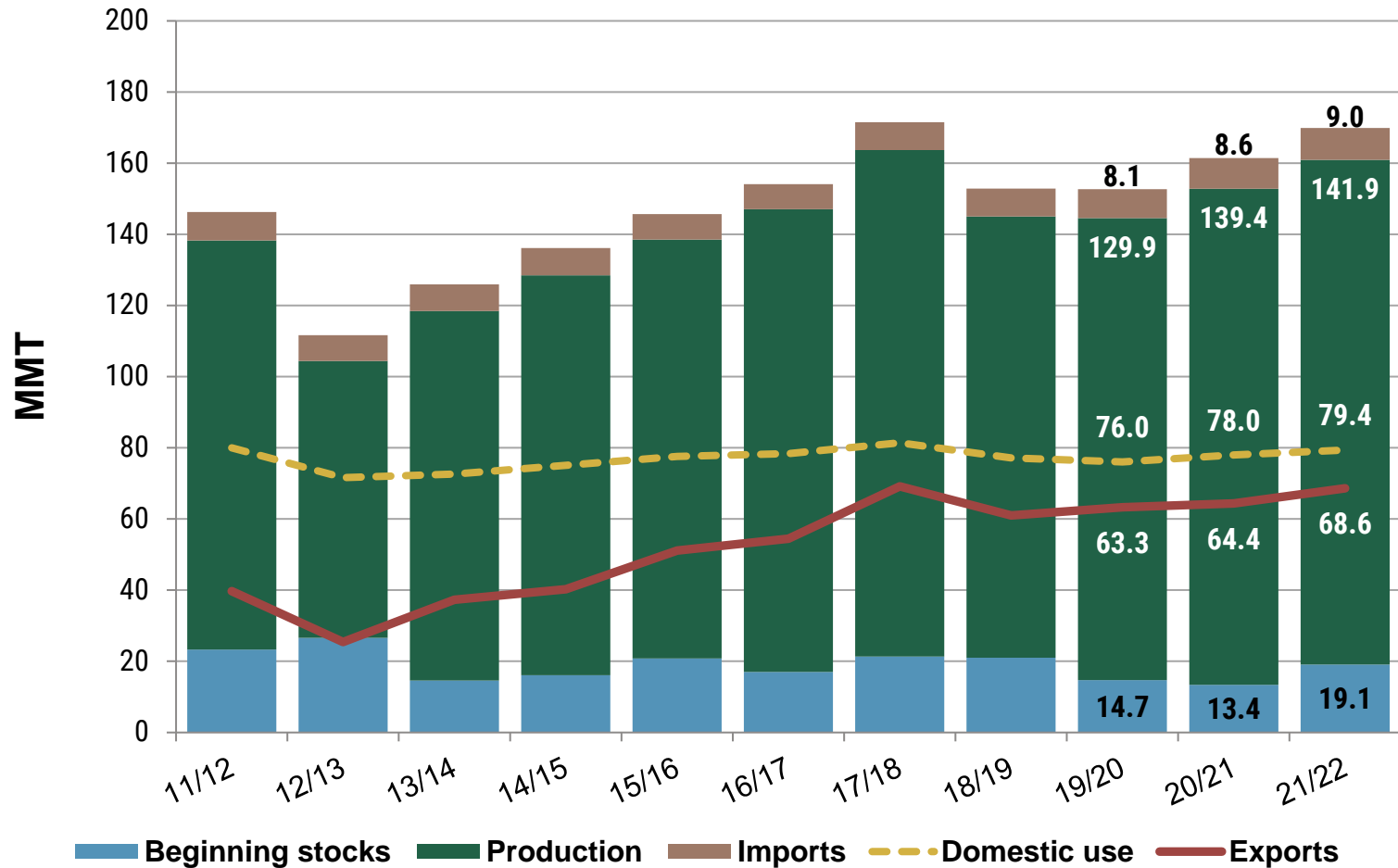
Ukraine Situation



Ukraine Ending Stocks

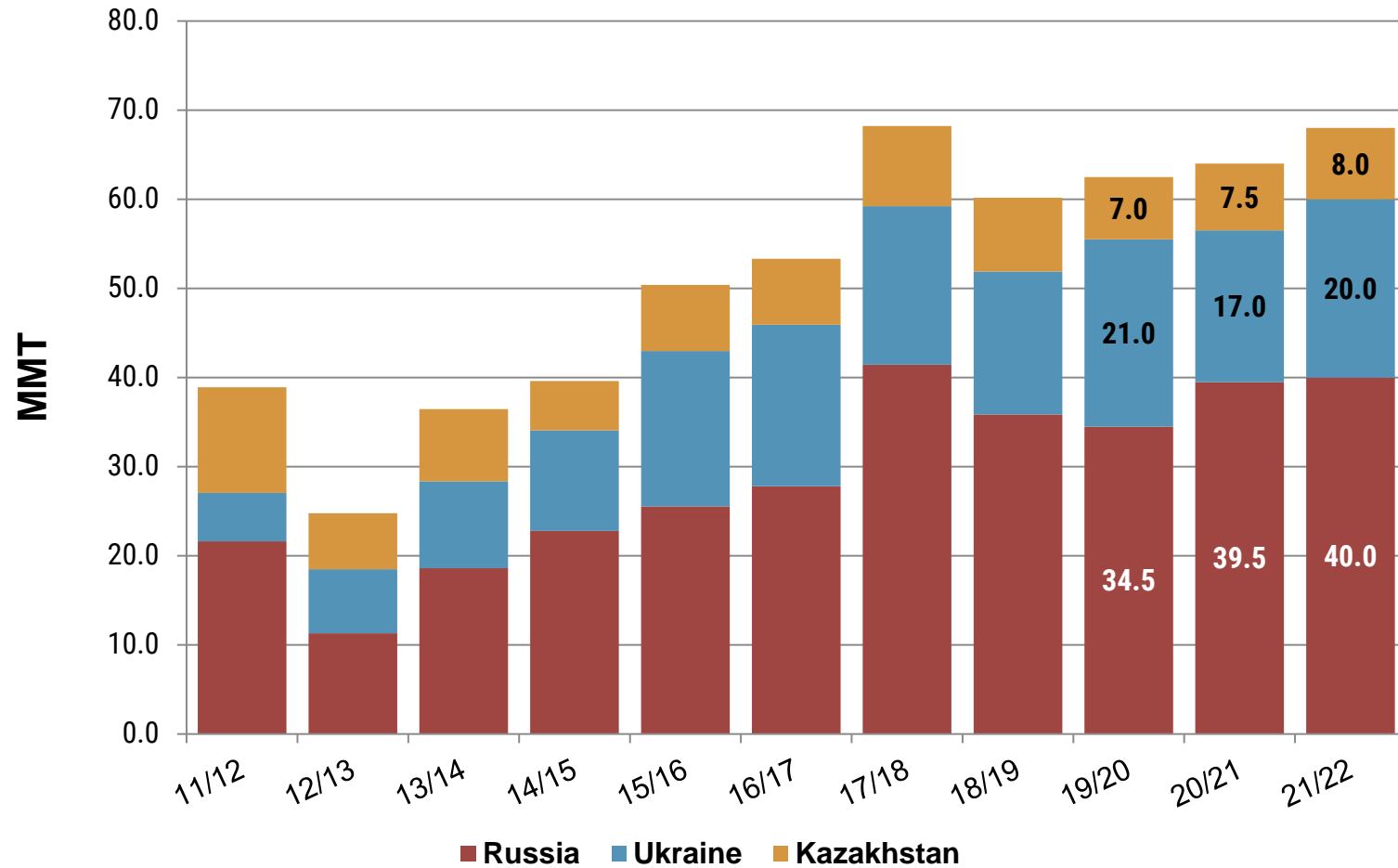


Black Sea Region Situation



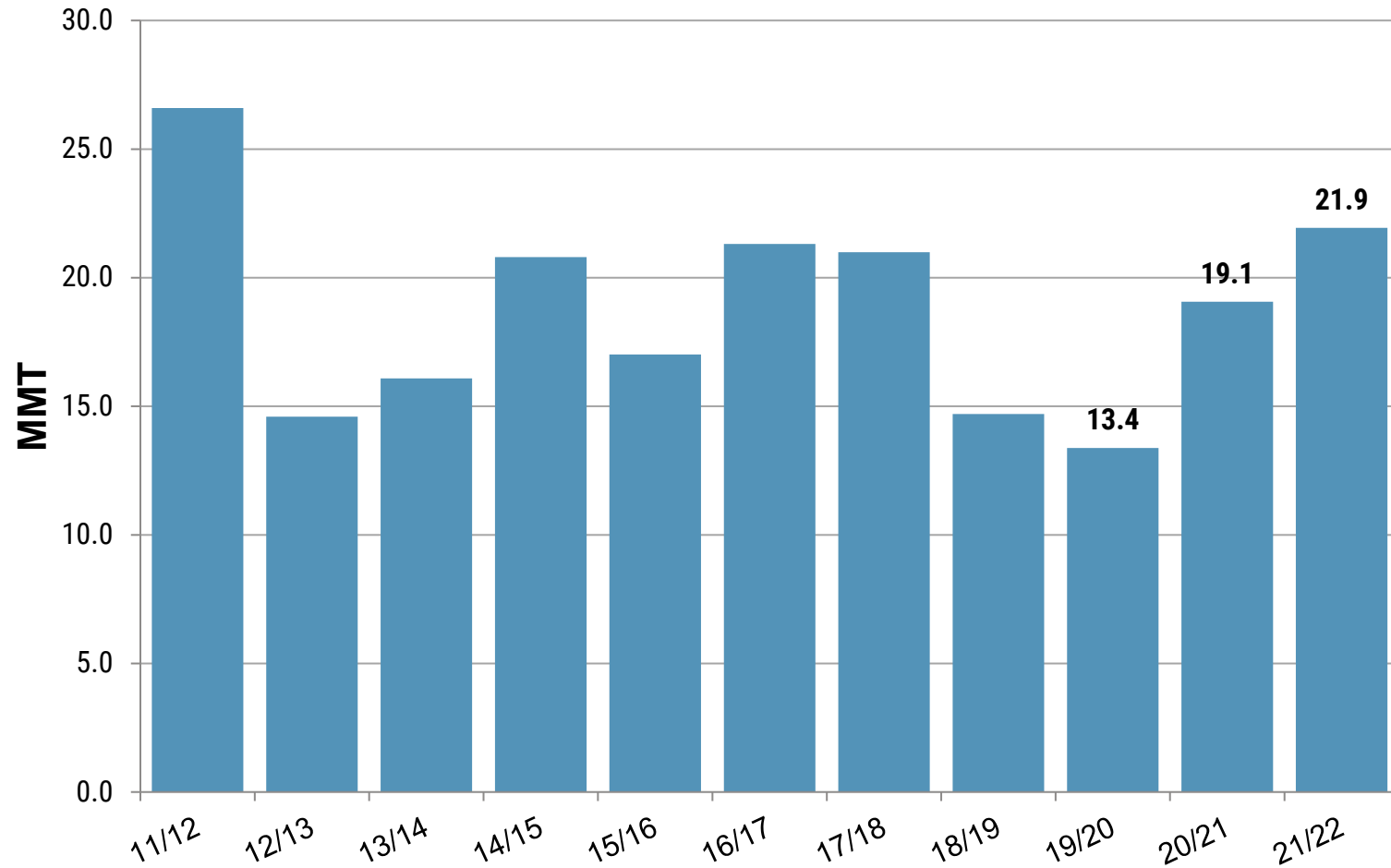
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports



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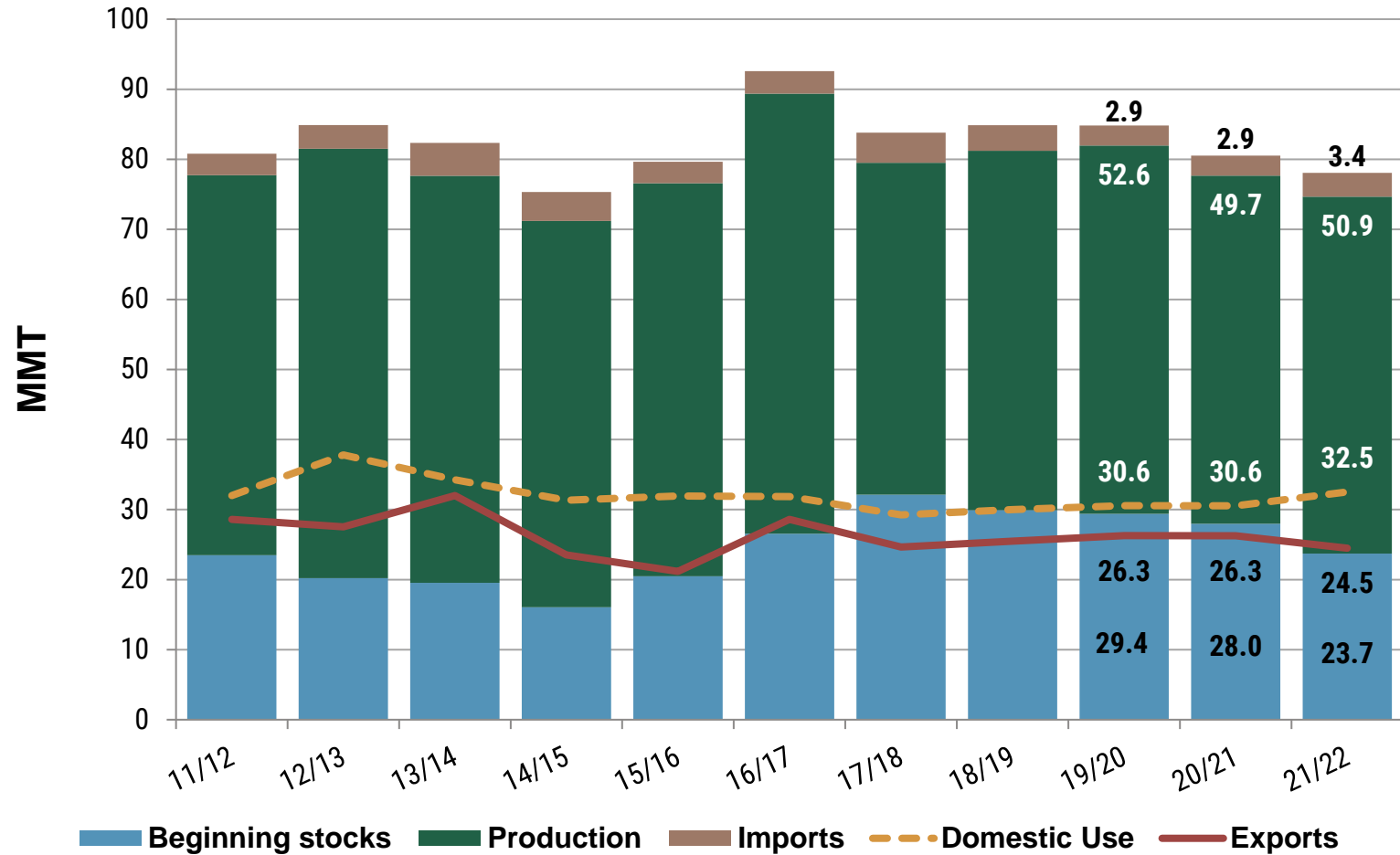
Black Sea Ending Stocks



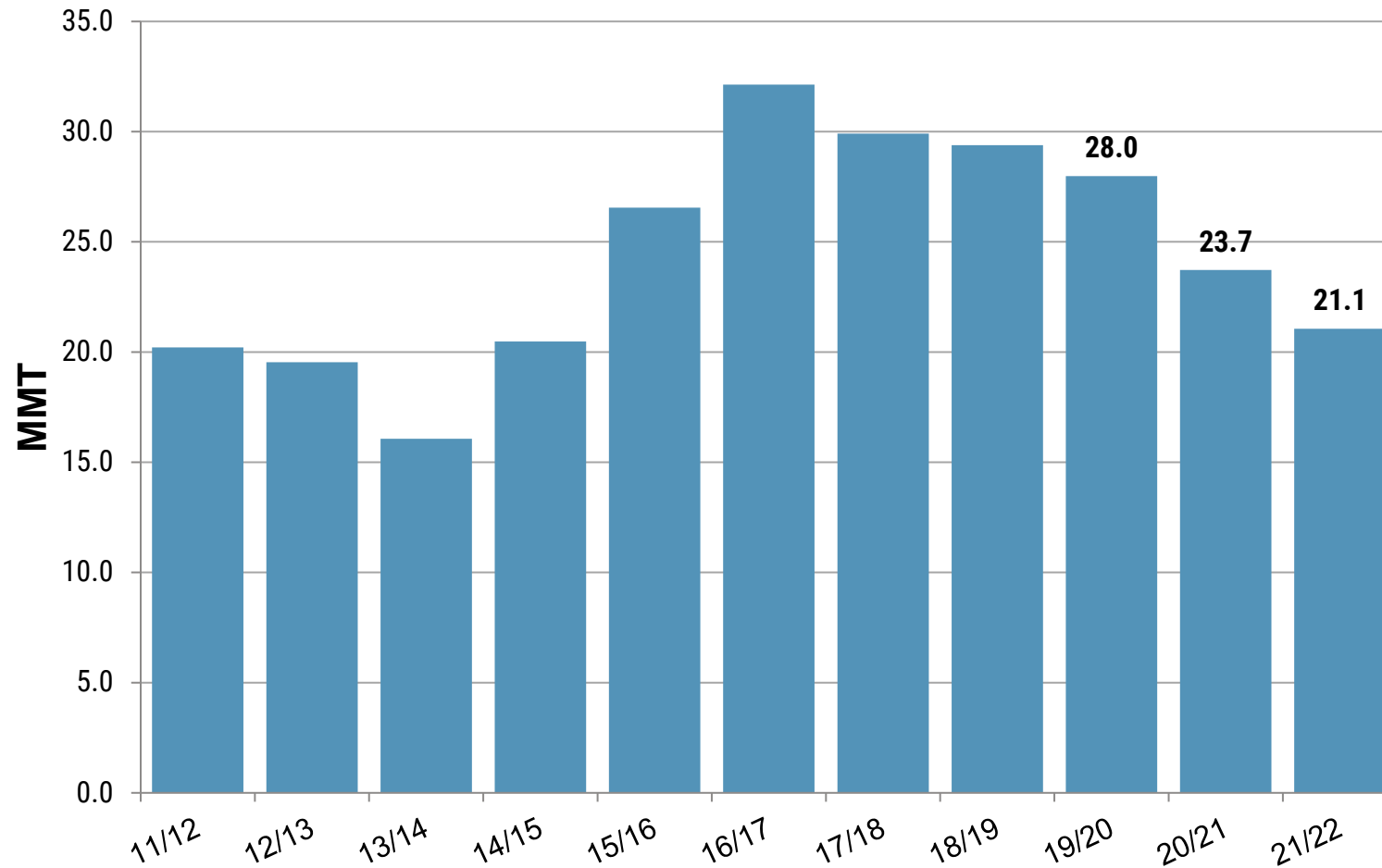
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U.S. Situation



U.S. Ending Stocks

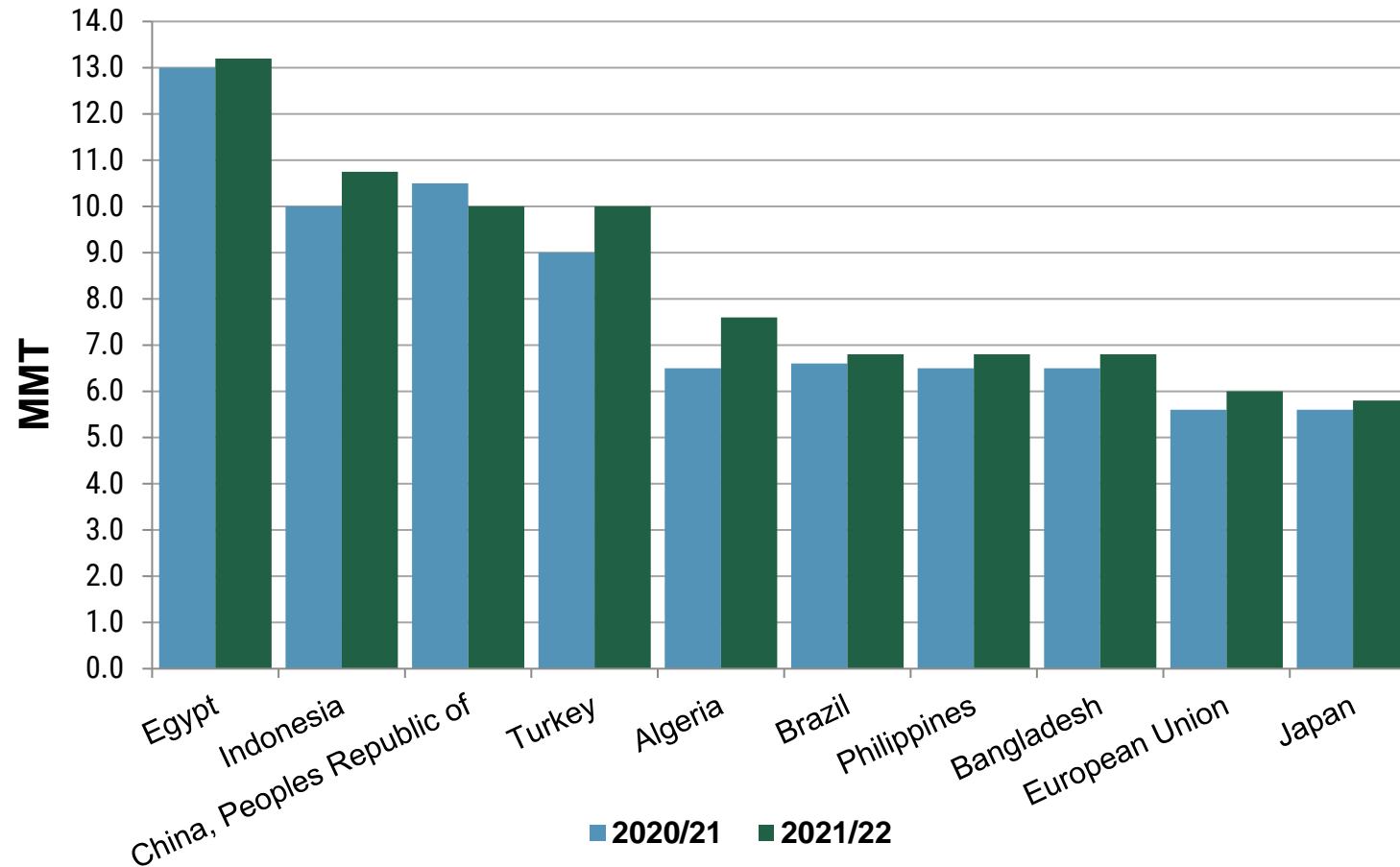




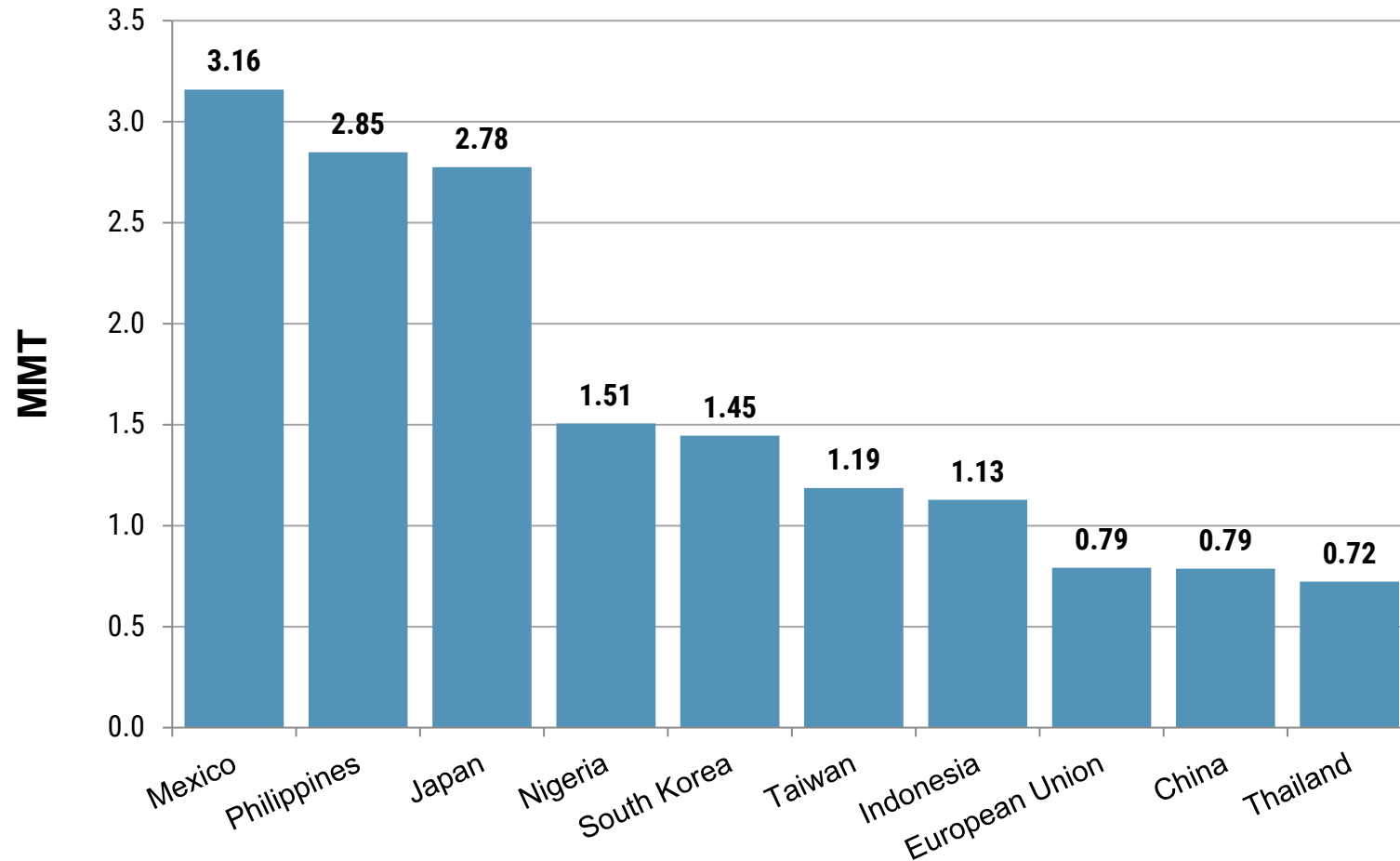
02

Import Demand

Major World Wheat Importers

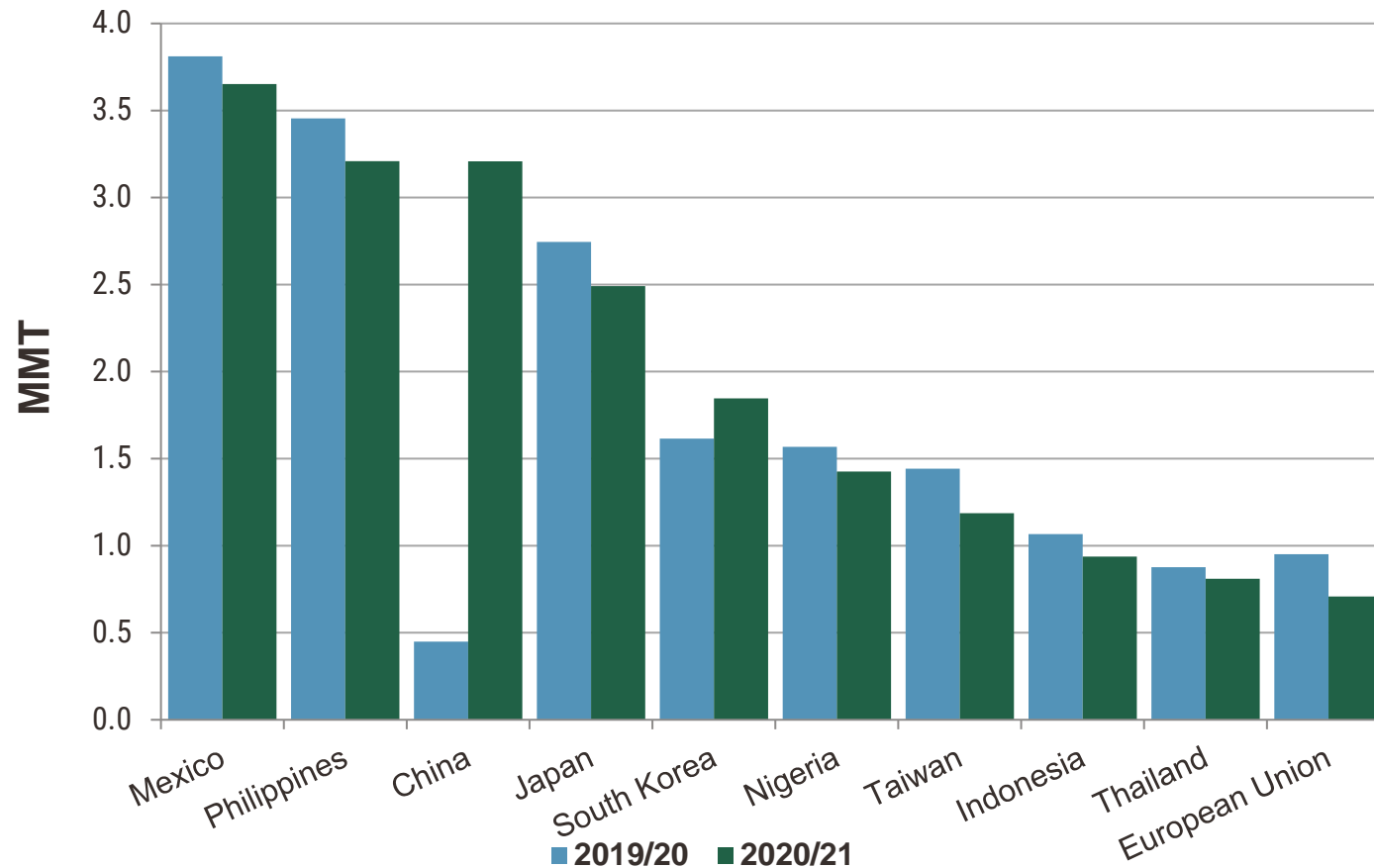


Top 10 Customers for U.S. Wheat (5-year average)



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

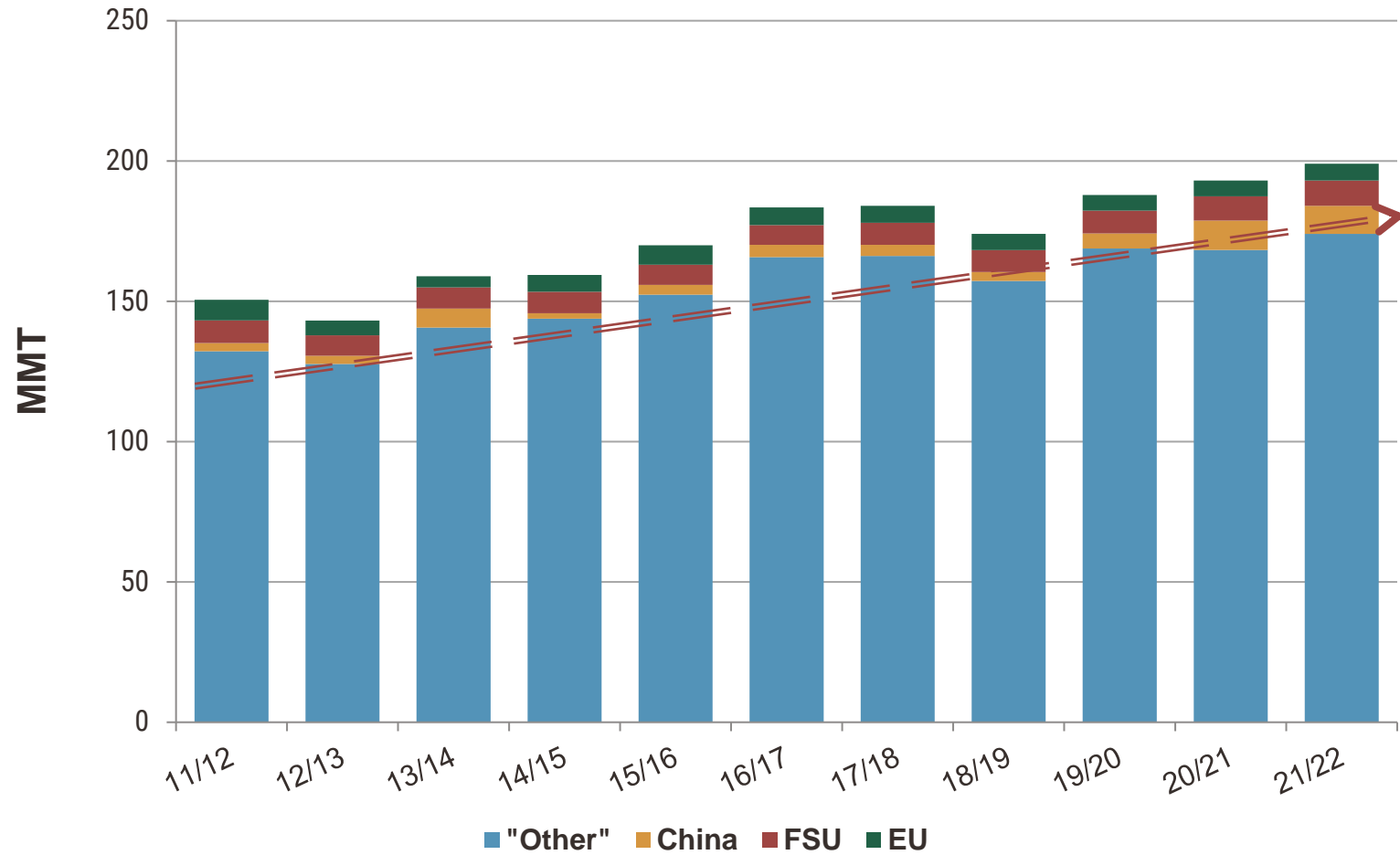
Top 10 Customers for U.S. Wheat (year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of May 6, 2021



World Wheat Imports

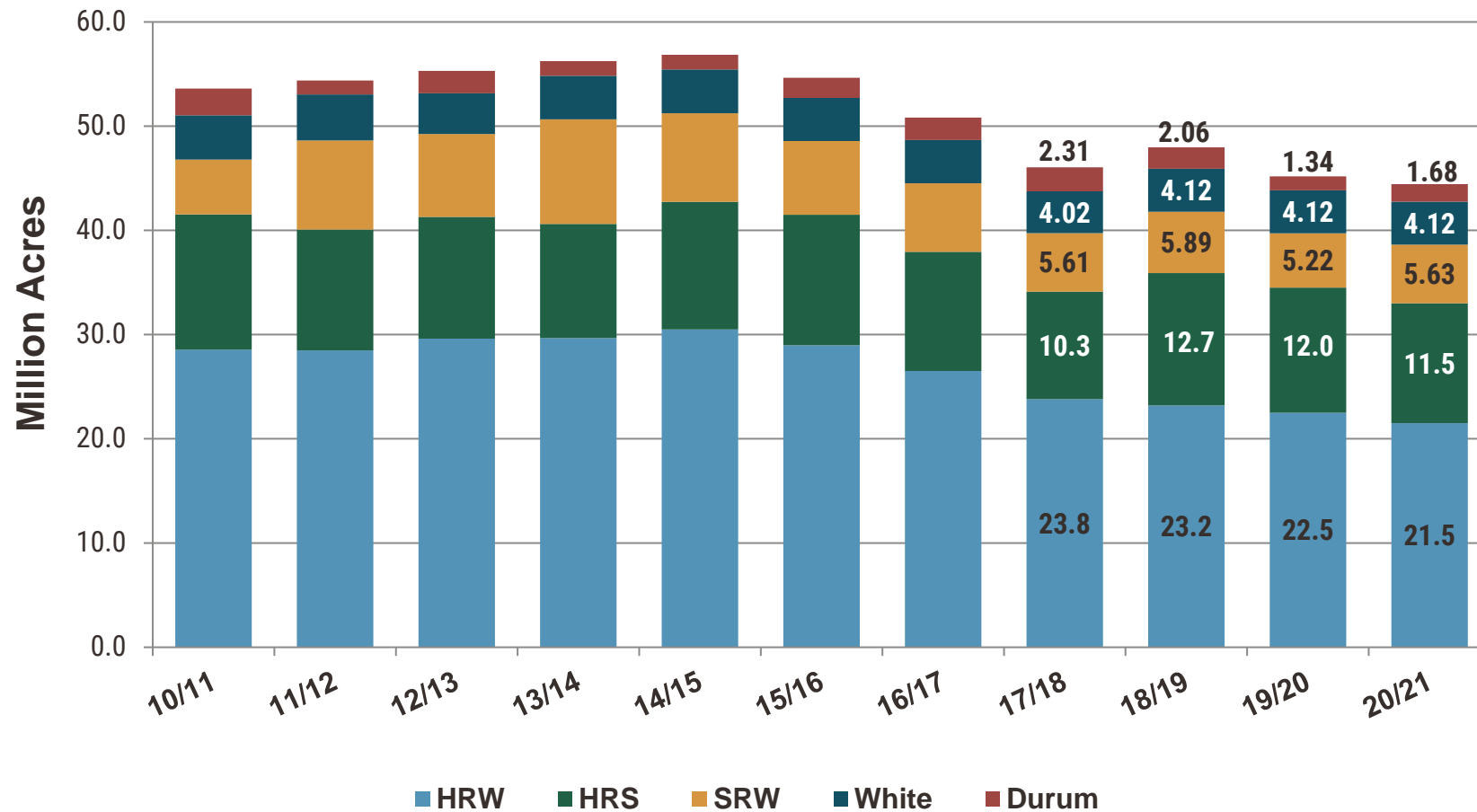




03

*U.S. Situation by
Class*

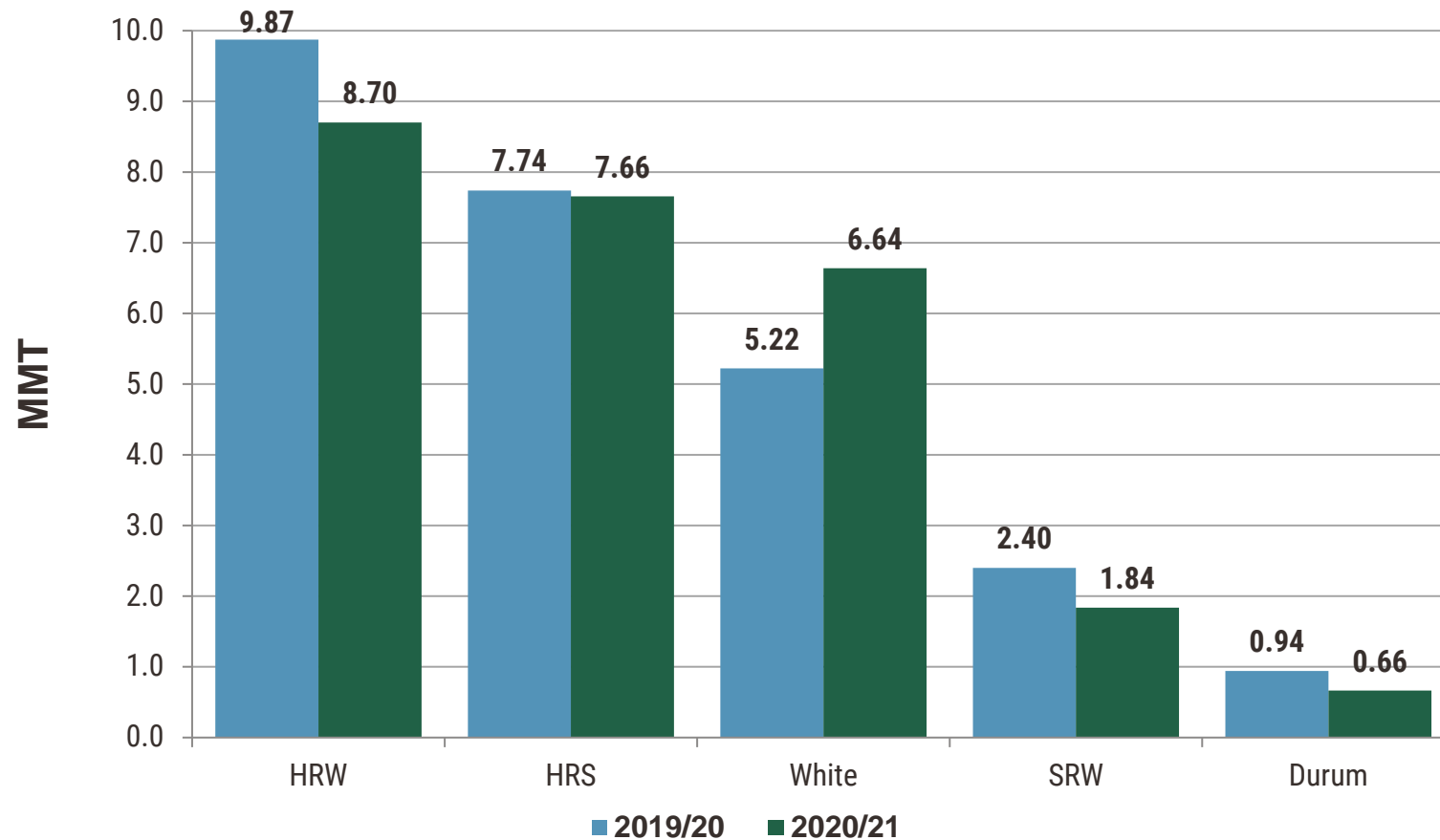
U.S. Wheat Planted Area



*Source: June 2020 USDA Acreage Report

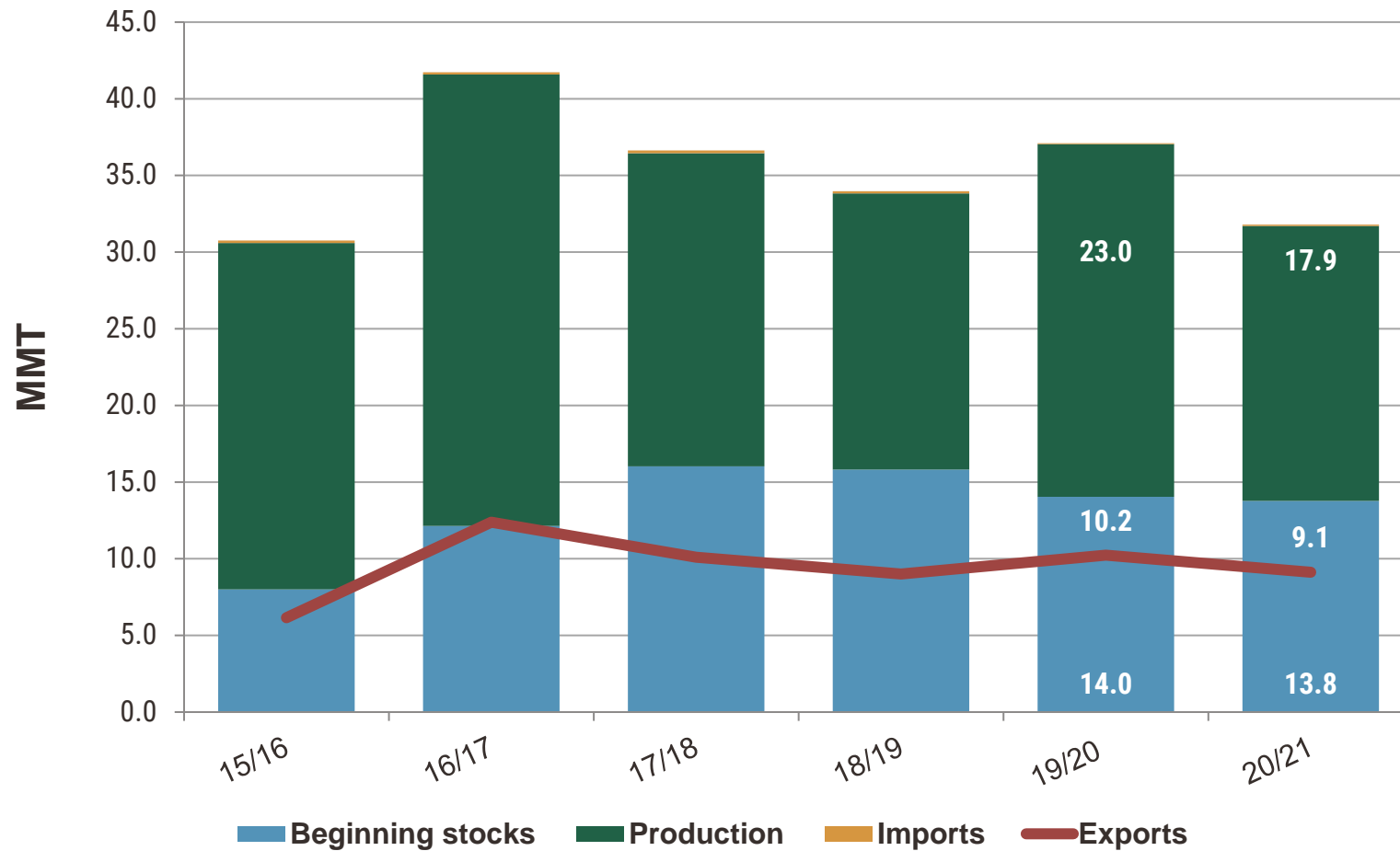
U.S. Wheat Sales by Class

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



Source: USDA FAS export sales data as of May 6, 2021

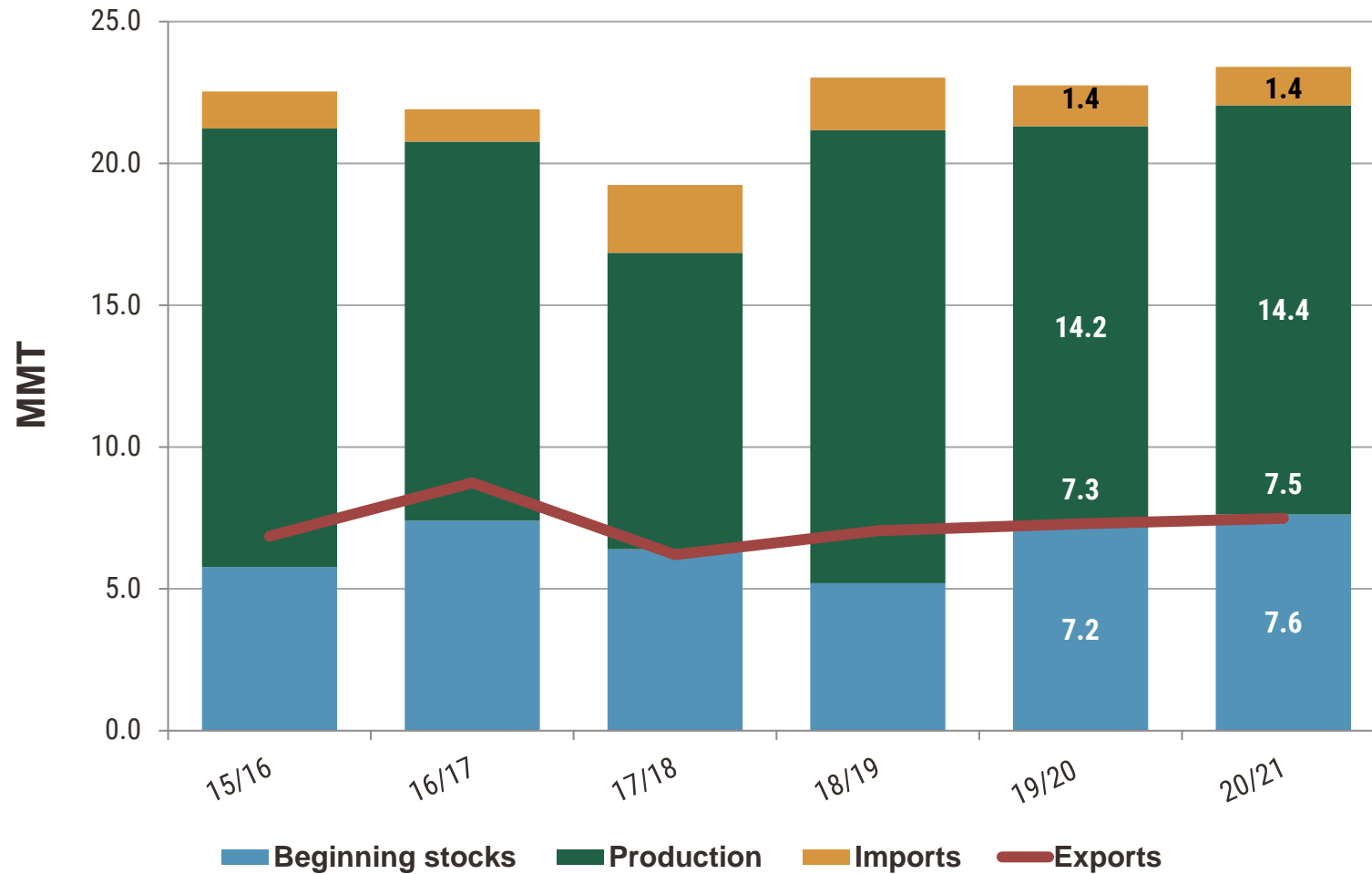
U.S. Hard Red Winter



Class information for 2021/22 is not yet published



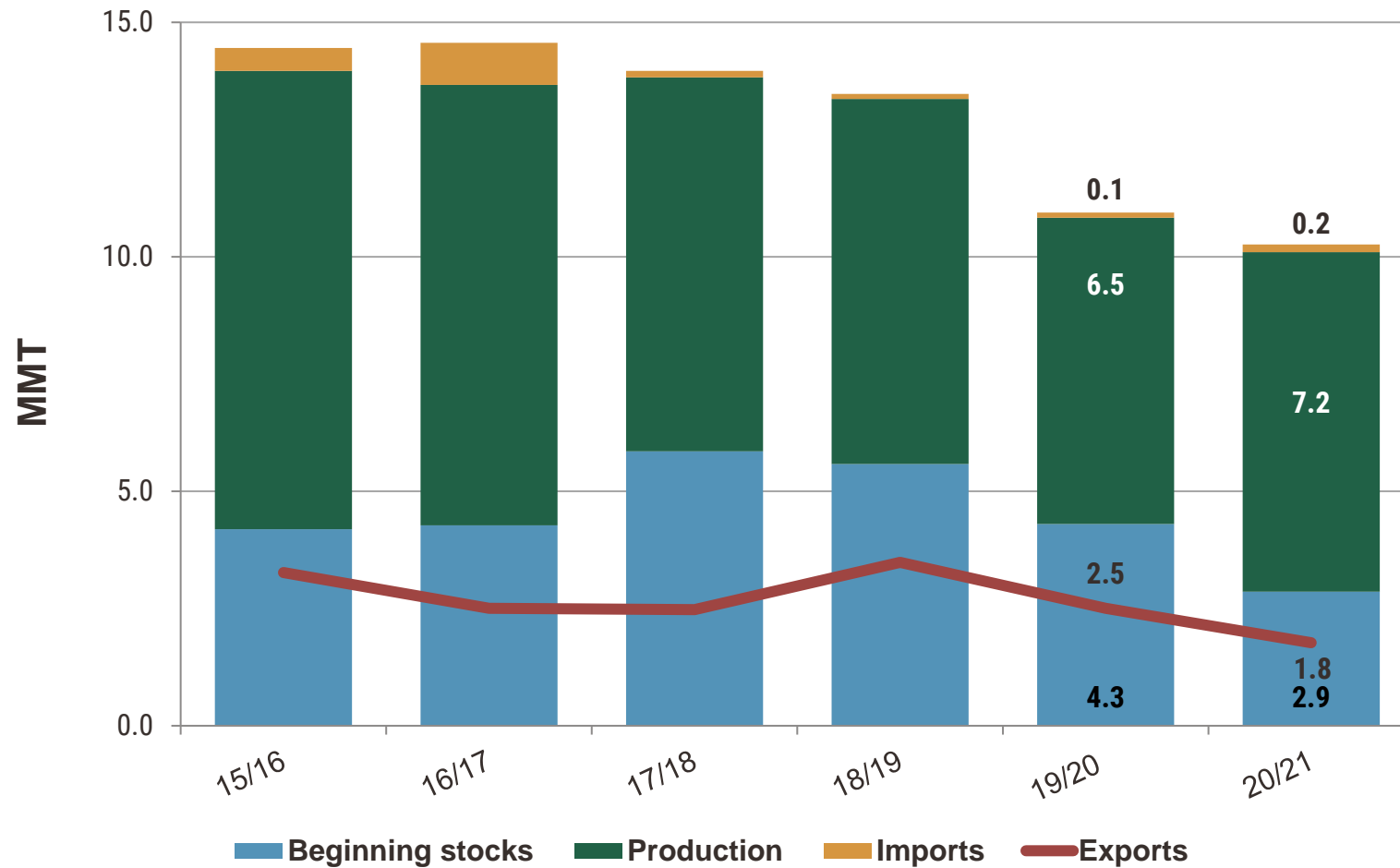
U.S. Hard Red Spring



Class information for 2021/22 is not yet published



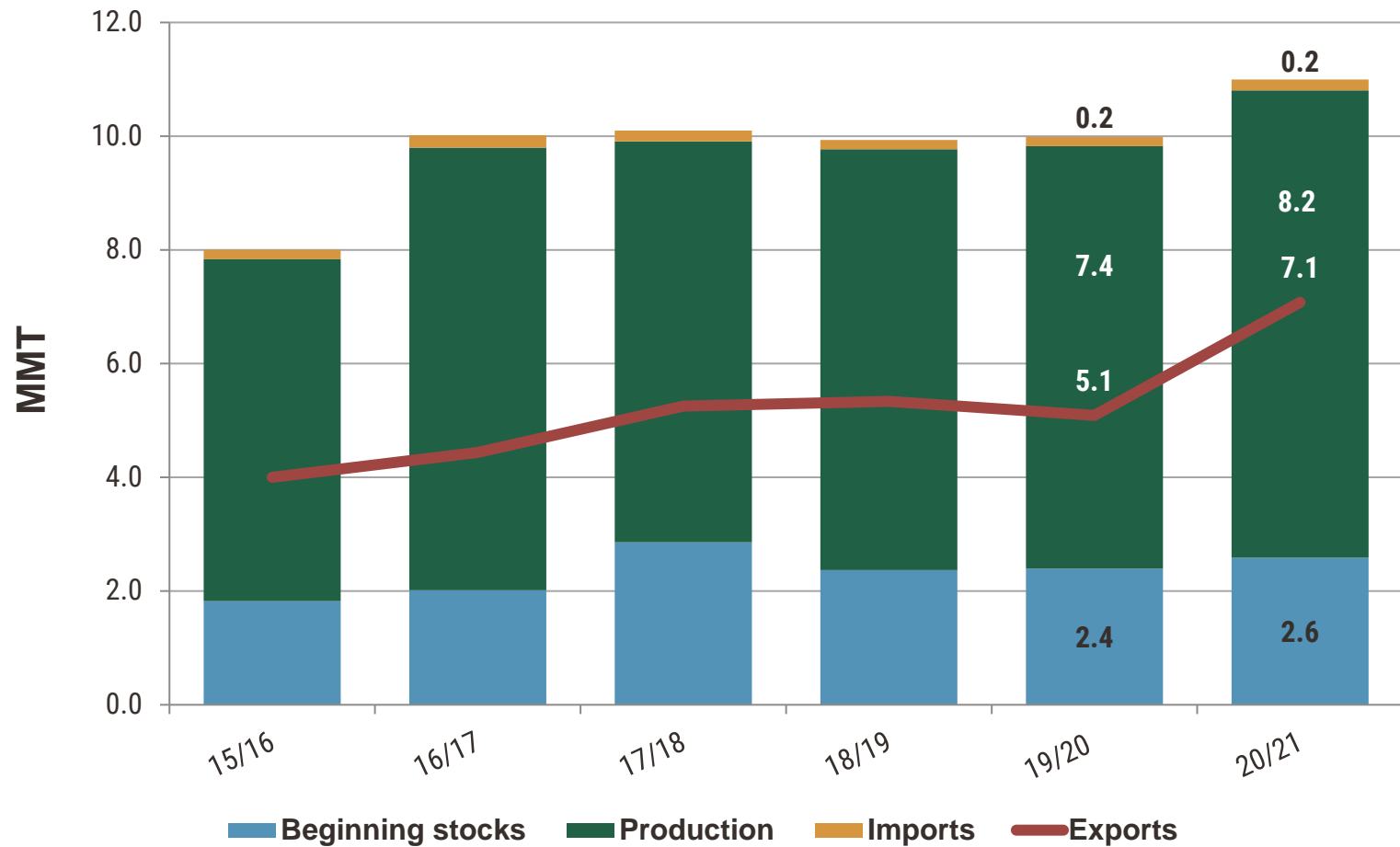
U.S. Soft Red Winter



Class information for 2021/22 is not yet published



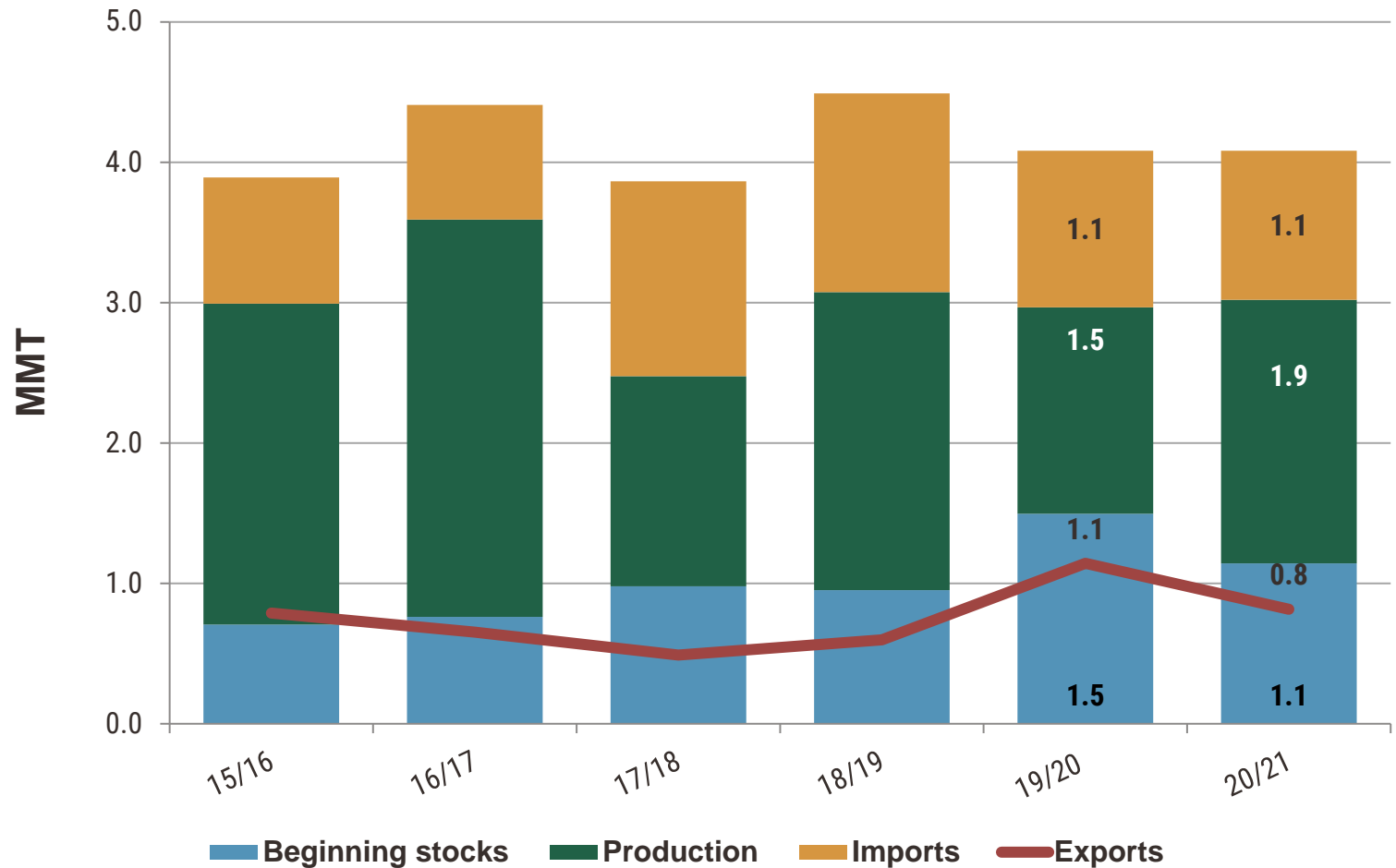
U.S. White



Class information for 2021/22 is not yet published



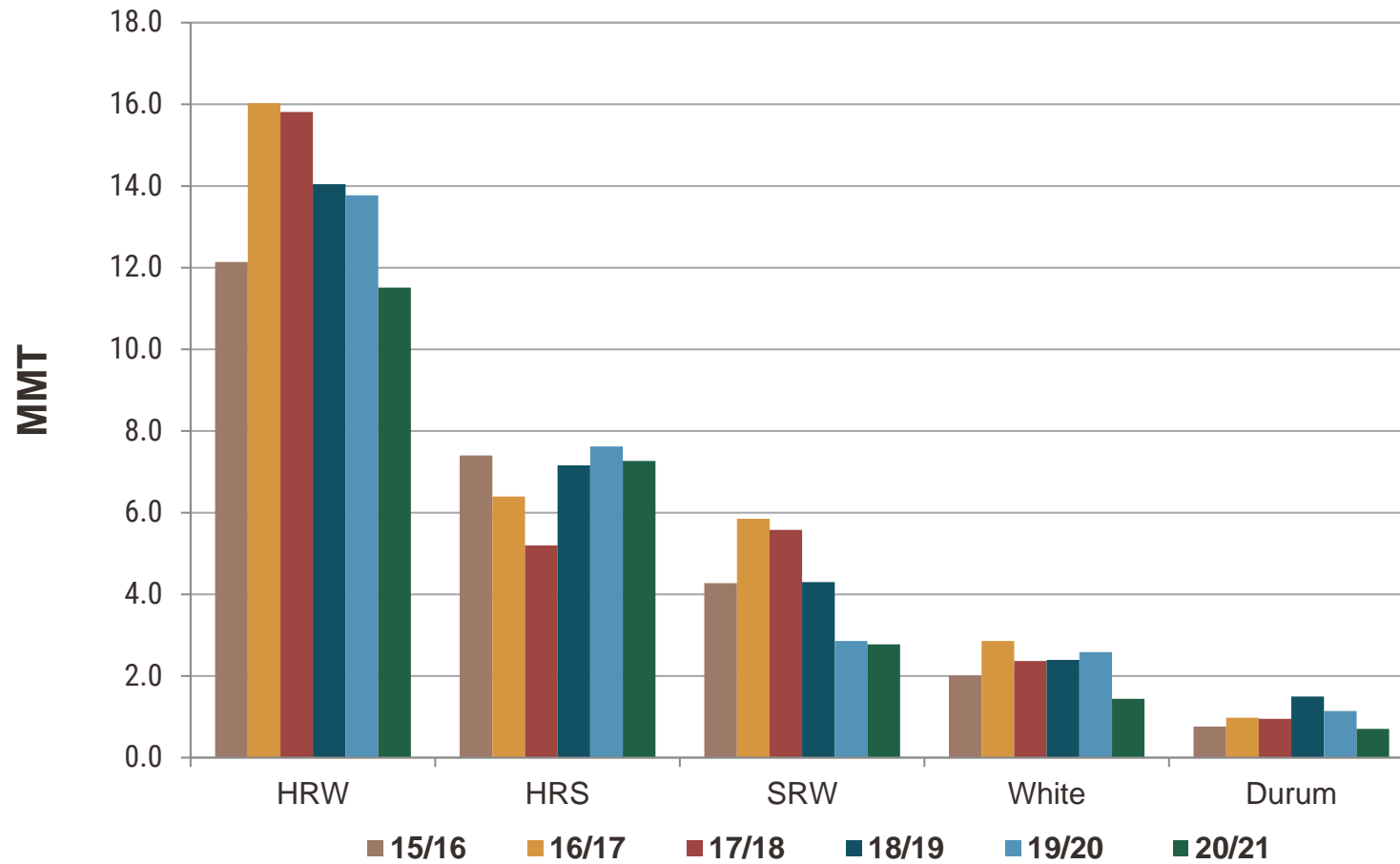
U.S. Durum



Class information for 2021/22 is not yet published



U.S. Wheat Ending Stocks by Class



Class information for 2021/22 is not yet published



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	23.4	10.94	10.3
Domestic Use	13.1	11.2	7.84	8.68	5.55	5.74
Exports	10.2	9.1	7.29	7.48	2.50	1.77
Use Total	23.3	20.3	15.1	16.2	8.08	7.51
Ending Stocks	13.8	11.5	7.62	7.27	2.86	2.78
Stocks-to-Use	59%	57%	50%	45%	35%	37%

Class information for 2021/22 is not yet published

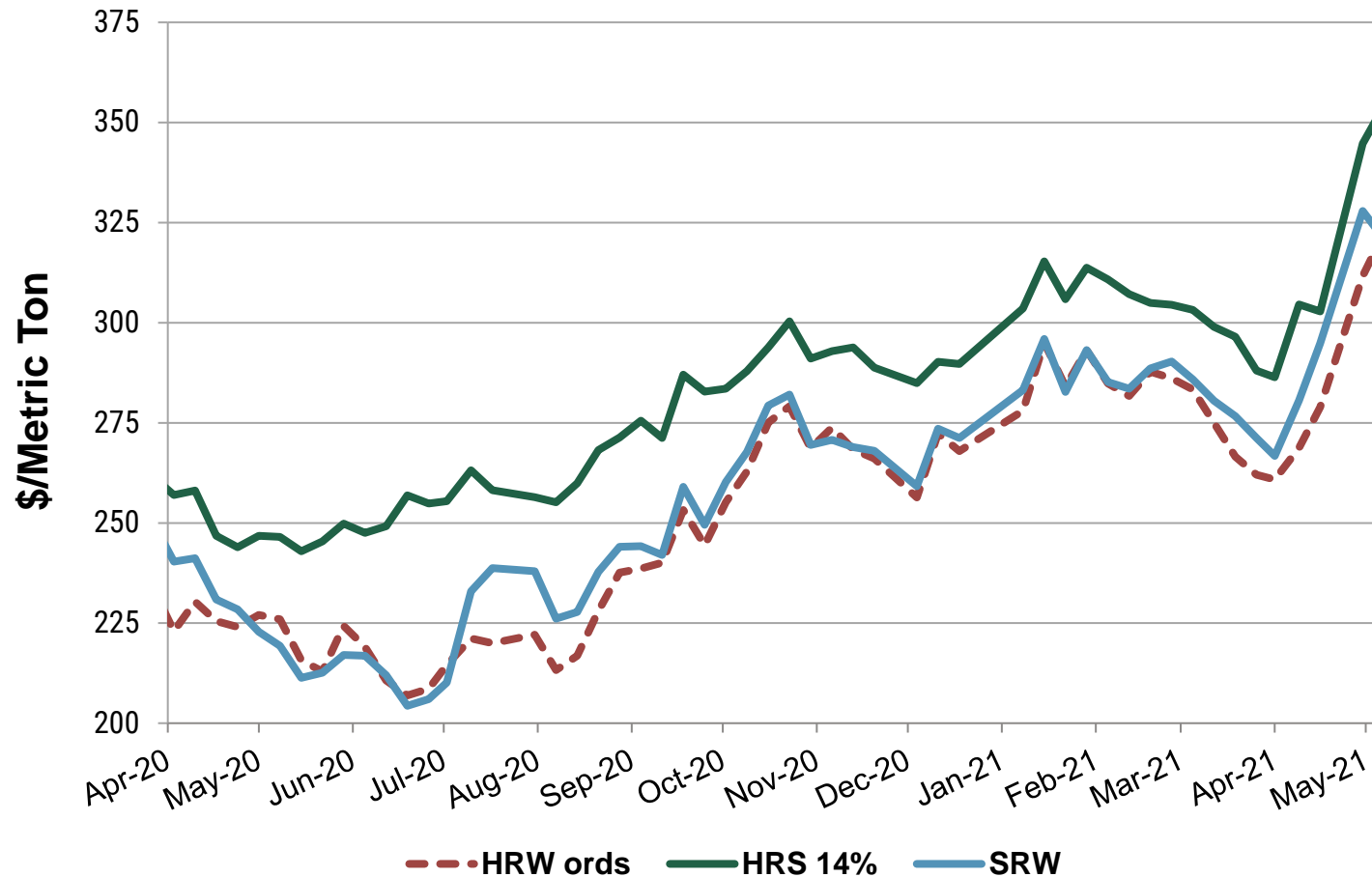


U.S. Wheat Supply and Demand (MMT)

	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	11.00	4.08	4.08	84.8	80.5
Domestic Use	2.31	2.48	1.80	2.56	30.6	30.6
Exports	5.09	7.08	1.14	0.82	26.3	26.3
Use Total	7.40	9.55	2.94	3.37	56.9	56.8
Ending Stocks	2.59	1.44	1.14	0.71	28.0	23.7
Stocks-to-Use	35%	15%	39%	21%	49%	42%

Class information for 2021/22 is not yet published

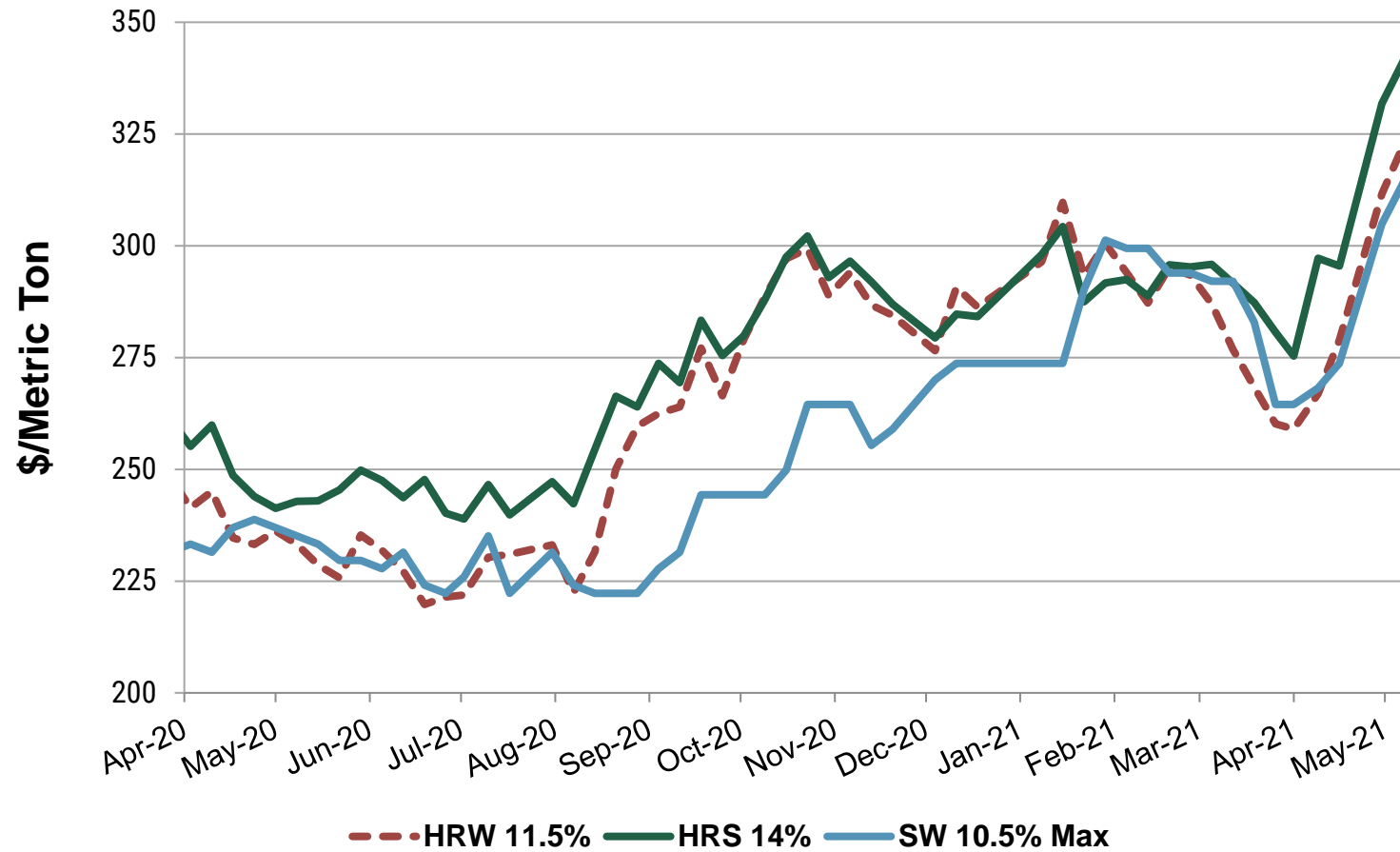
U.S. FOB Gulf Prices



Source: U.S. Wheat Associates Price Report, May 7, 2021



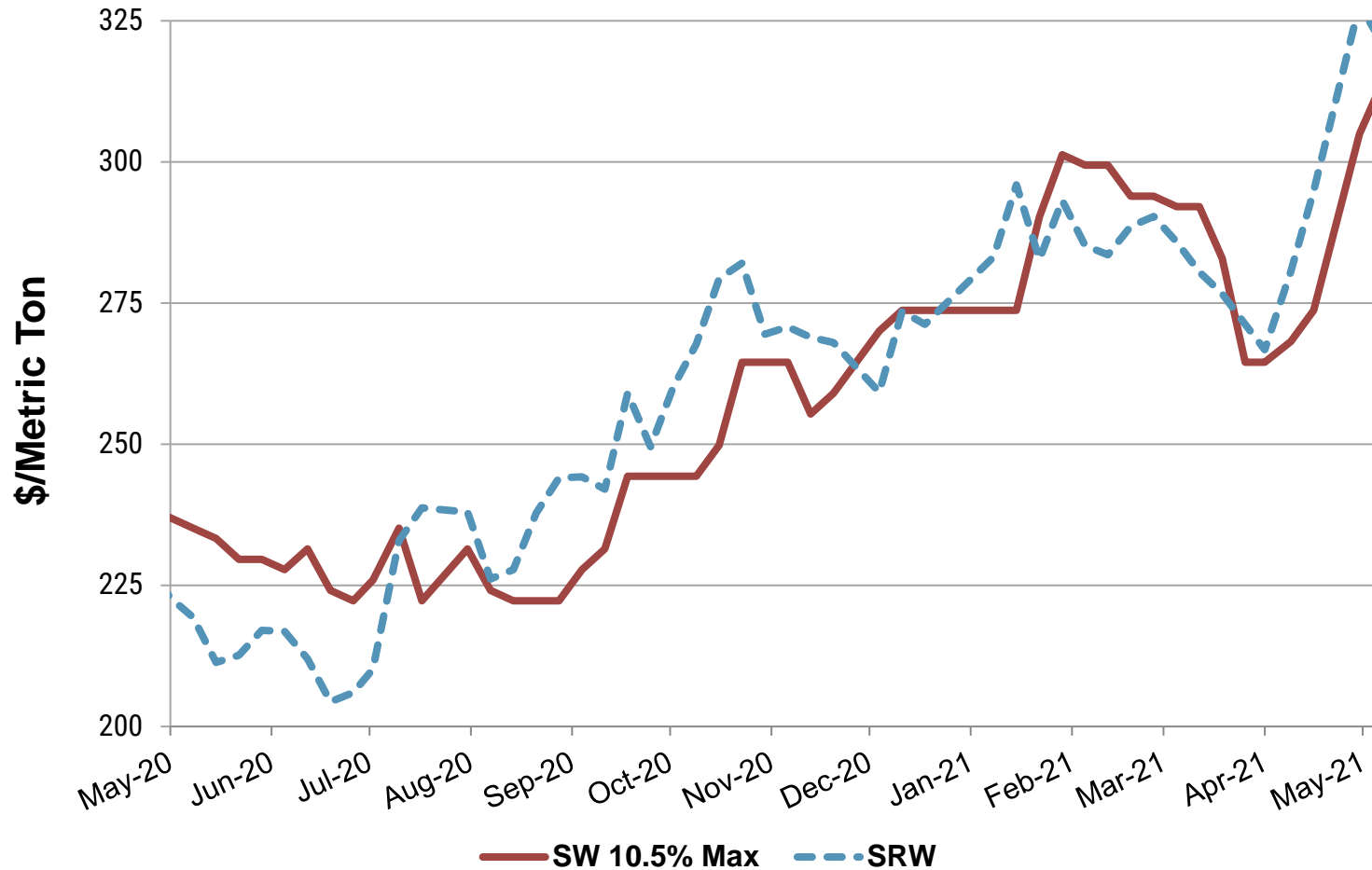
U.S. FOB PNW Prices



Source: U.S. Wheat Associates Price Report, May 7, 2021



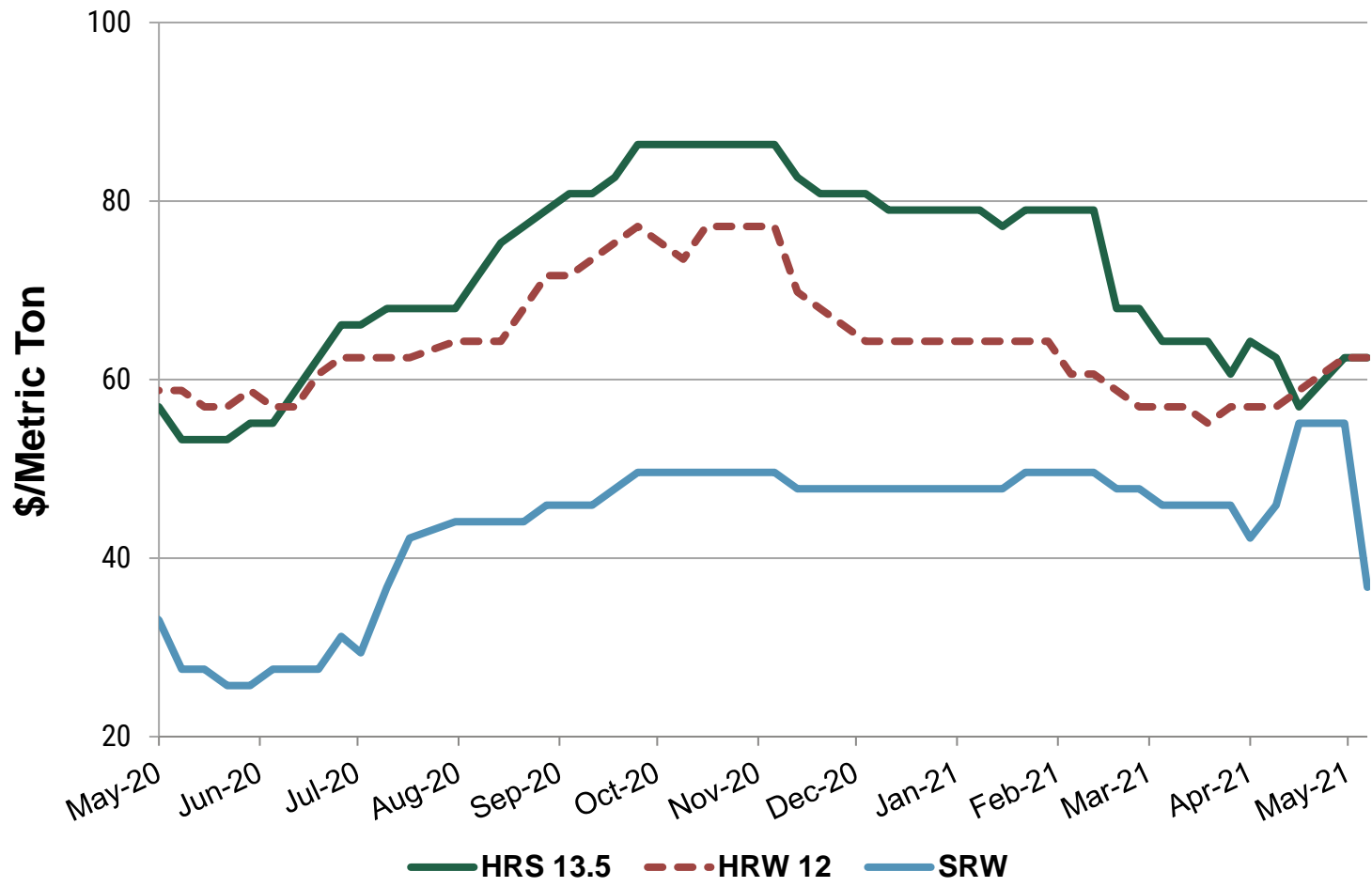
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, May 7, 2021



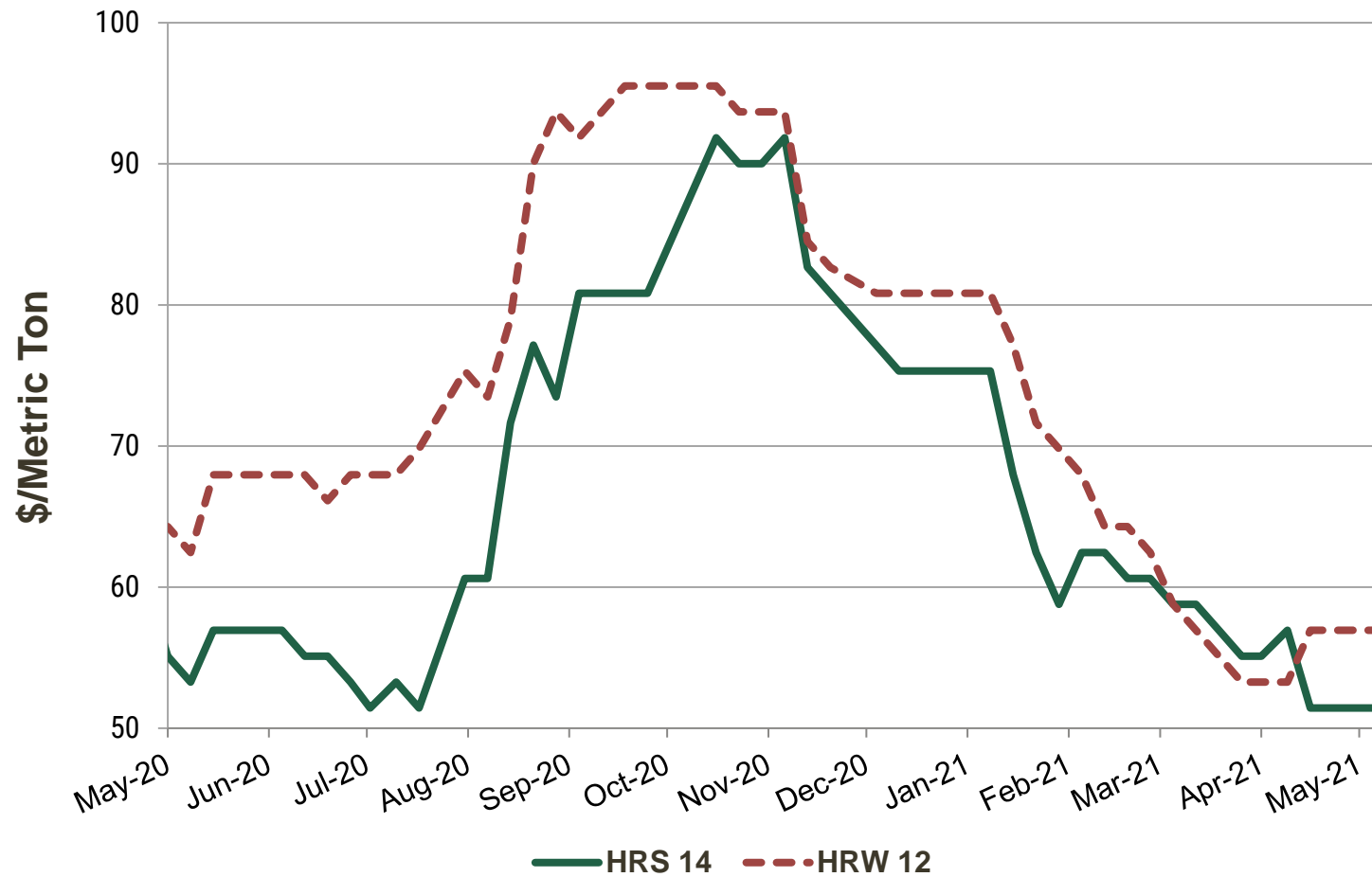
U.S. Gulf Export Basis



Source: U.S. Wheat Associates Price Report, May 7, 2021



U.S. PNW Export Basis



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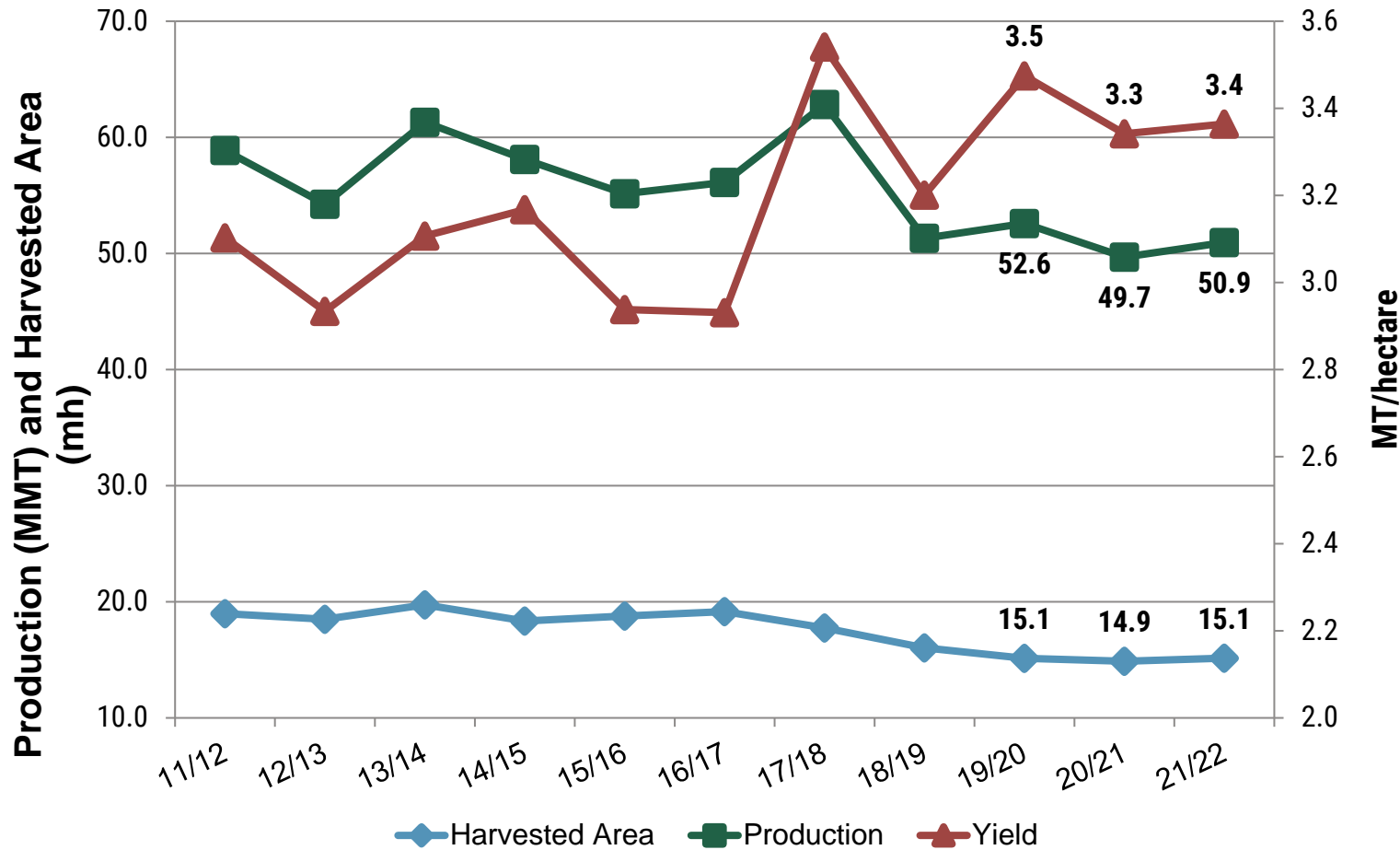


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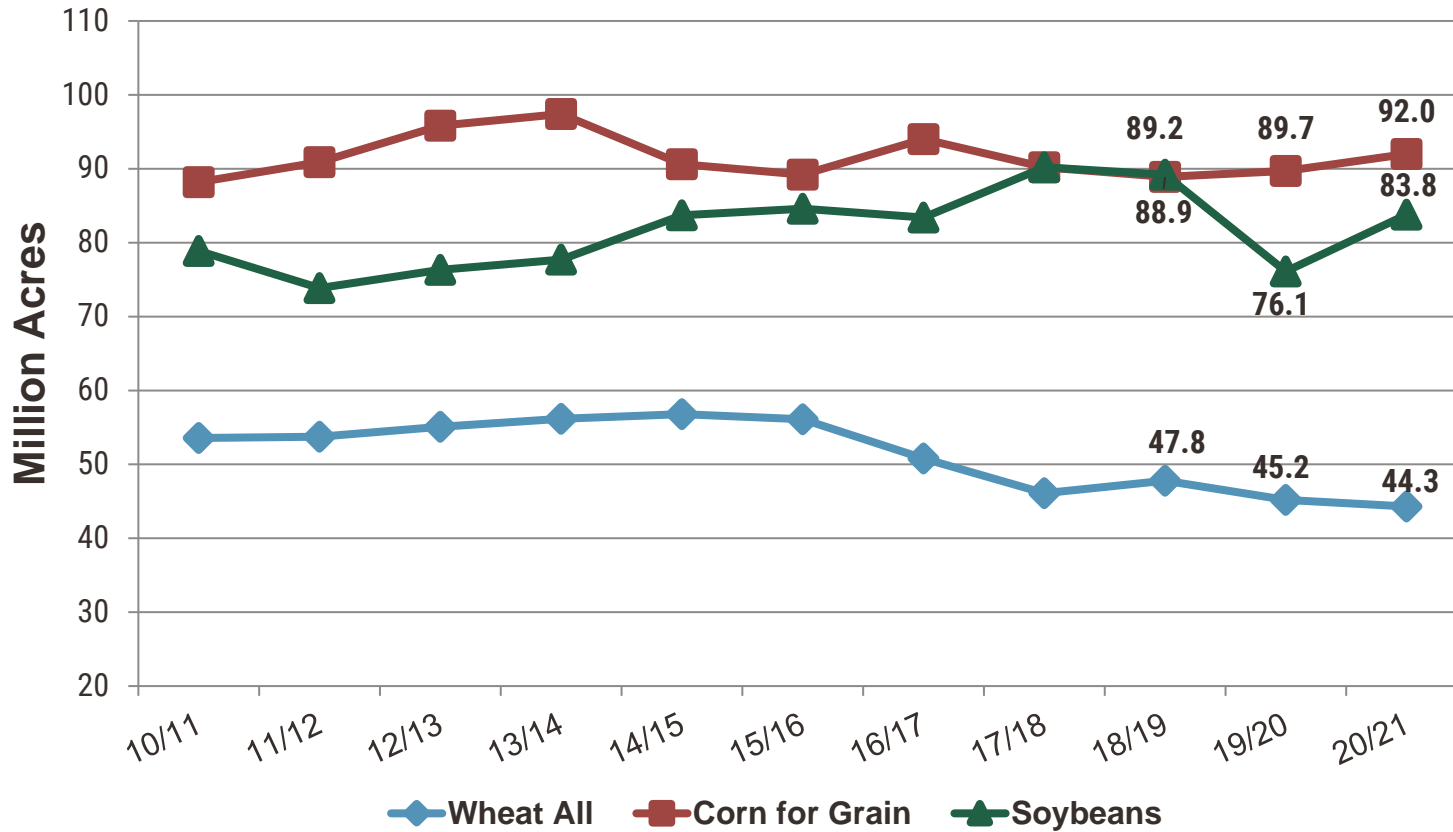
Outlook



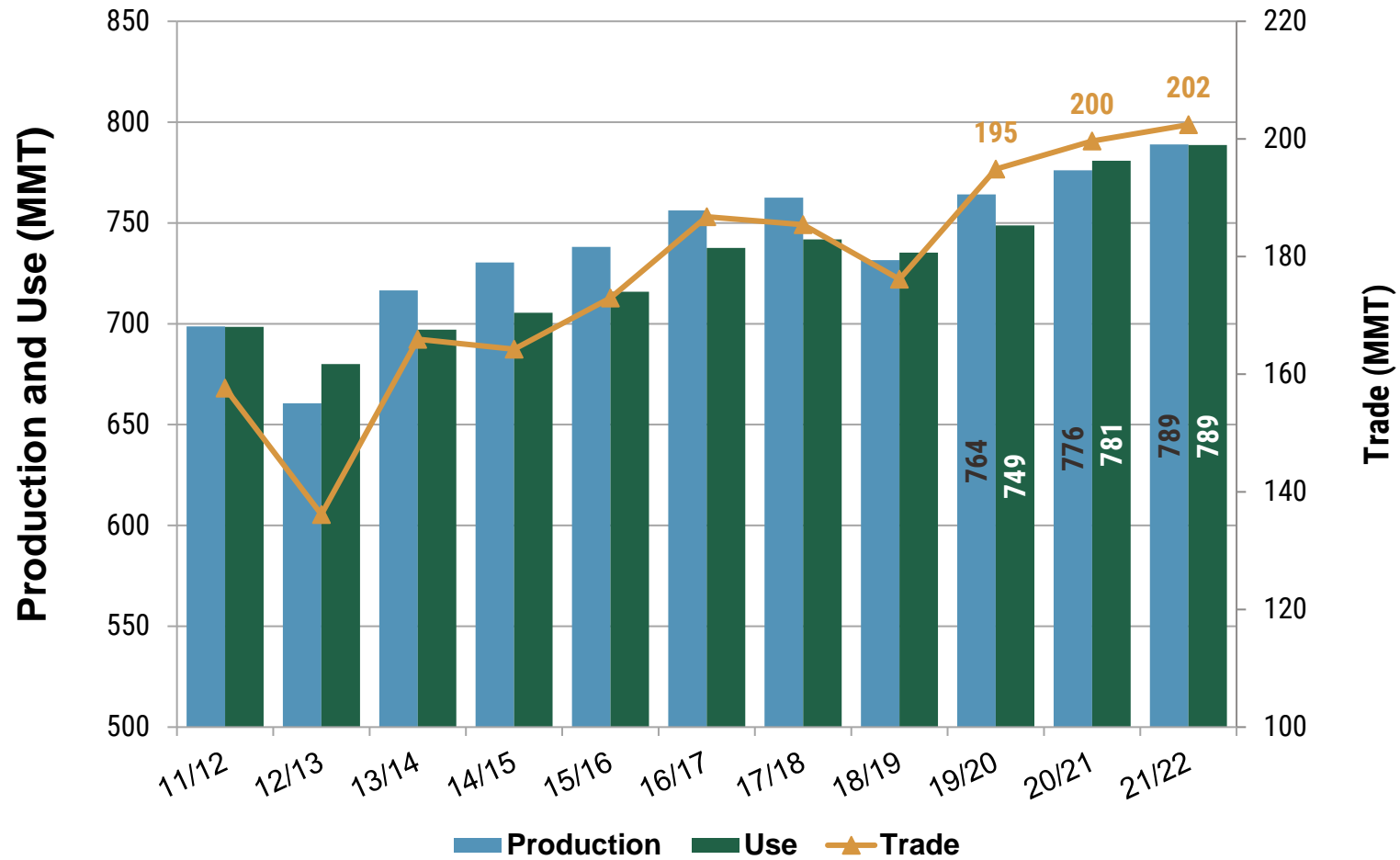
U.S. Wheat Production, Area and Yield



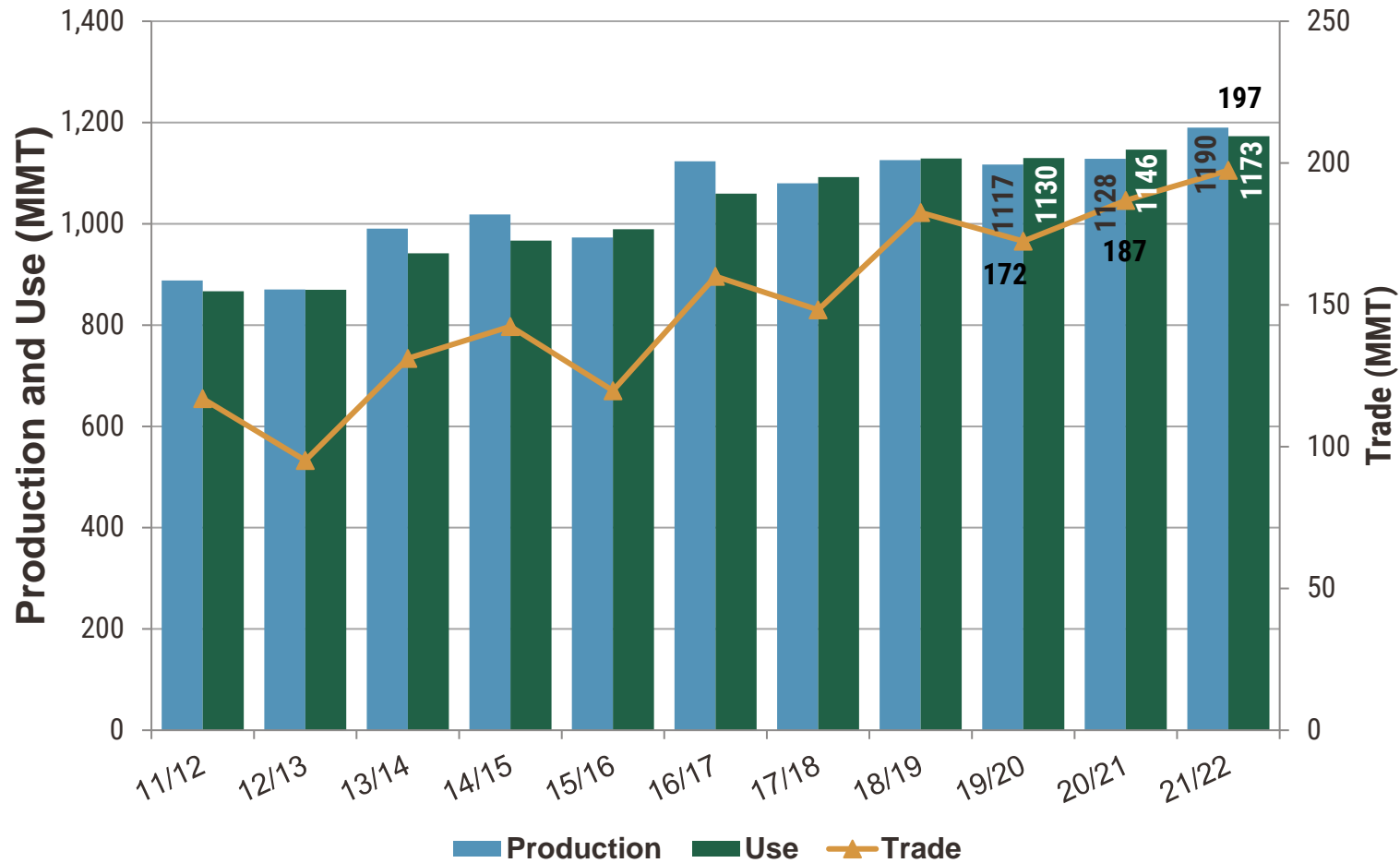
U.S. Crop Planted Area Comparison



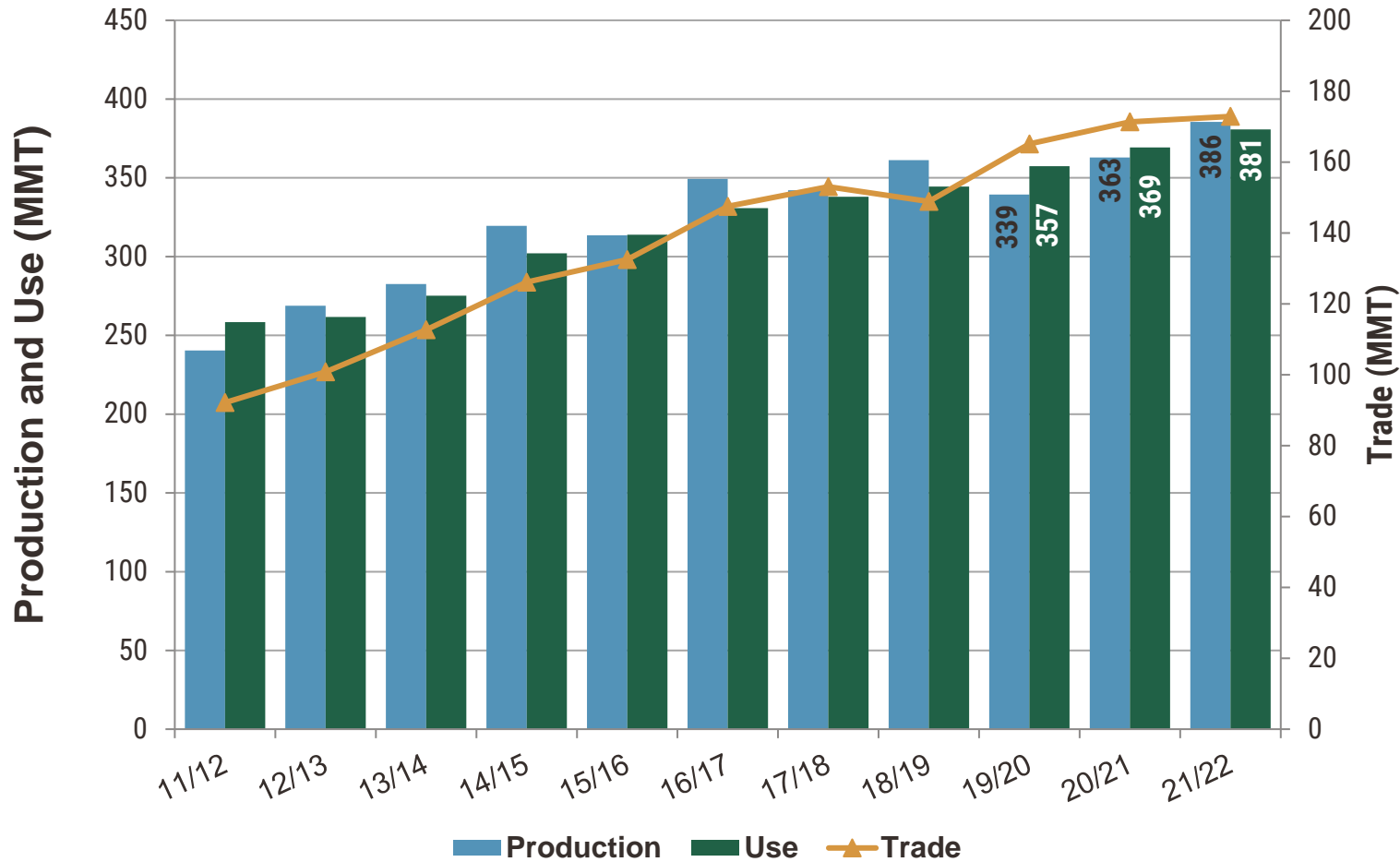
World Wheat Production, Use and Trade



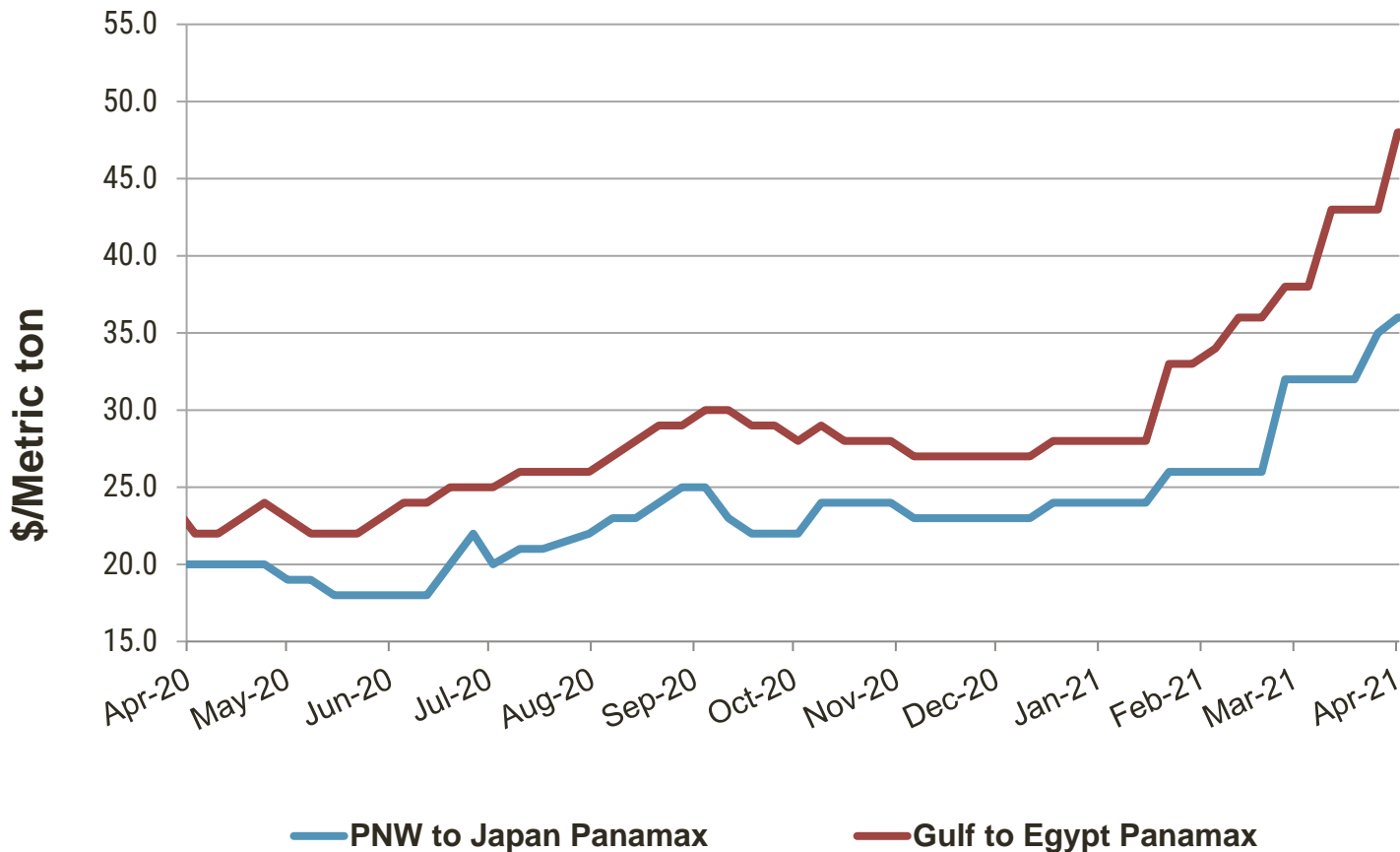
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



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- The average farm gate price of U.S. wheat in 2021/22 is forecast to increase to \$6.50/bu (\$239/MT), up 30% from last year's \$5.00/bu (\$184/MT)



THANK YOU



**U.S. WHEAT
ASSOCIATES**

Dependable People. Reliable Wheat.