



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 July 12, 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 2021/22 Wheat S&D Estimates

2021/22 global wheat production forecast to drop 2.0 MMT from June to 792.4 MMT

- Wheat production in the European Union (EU) projected at 138.2 MMT, a 10% jump compared to last year
- Ukrainian wheat production to increase 18% from last year to 30.0 MMT, with small decreases called for Russia and Kazakhstan.
- U.S. wheat production to decrease 4% from last year to 47.5 MMT on lower yields due to dry conditions in key growing areas

Global consumption forecast at 790.8 MMT, slightly down from June but still a record projection

- Indonesian domestic consumption to reach 10.2 MMT, 1% less than the 5-year average
- Domestic consumption in Algeria to reach 11.3 MMT, up 6% from the 5-year average
- U.S. domestic consumption to increase slightly to 32.5 MMT, up 7% from last year

World wheat trade to reach a record 204 MMT, up 1% from 2020/21, if realized

- Exports from Russia are projected up 4% from last year to 40.0 MMT
- Canadian wheat exports to fall 16% on the year to 23 MMT on persistent dryness during the growing season
- U.S. 2021/22 exports to fall to 23.82 MMT, 12% below the 2020/21 estimate of 26.9 MMT



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

World beginning stocks dropped 3% from 2020/21 to 290.1 MMT, still 4.6% greater than the 5- year average

- Indian beginning stocks reached 27.1 MMT, up 10% compared to 2020/21
- Ukrainian beginning stocks are 1.60 MMT, up 6% from 2020/21
- U.S. 2021/22 beginning stocks dropped 18% year-over-year to 22.9 MMT

Global ending stocks projected at 291.6 MMT, 2% greater than the 5-year average

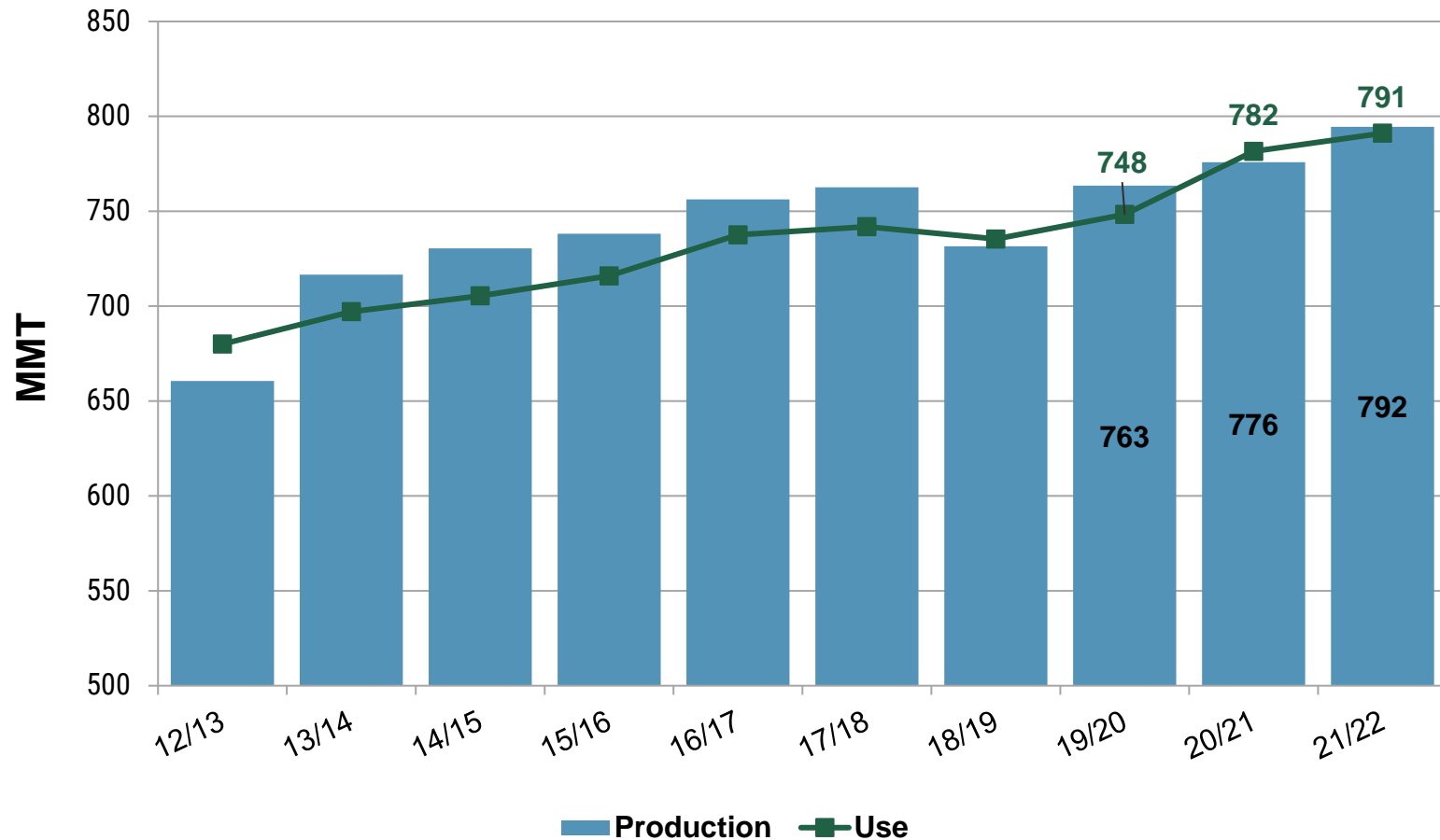
- Chinese ending stocks projected at 142.6 MMT, 2% less than last year
- U.S. ending stocks are expected to decrease 21% from last year to 18.09 MMT, the lowest in 7 years

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

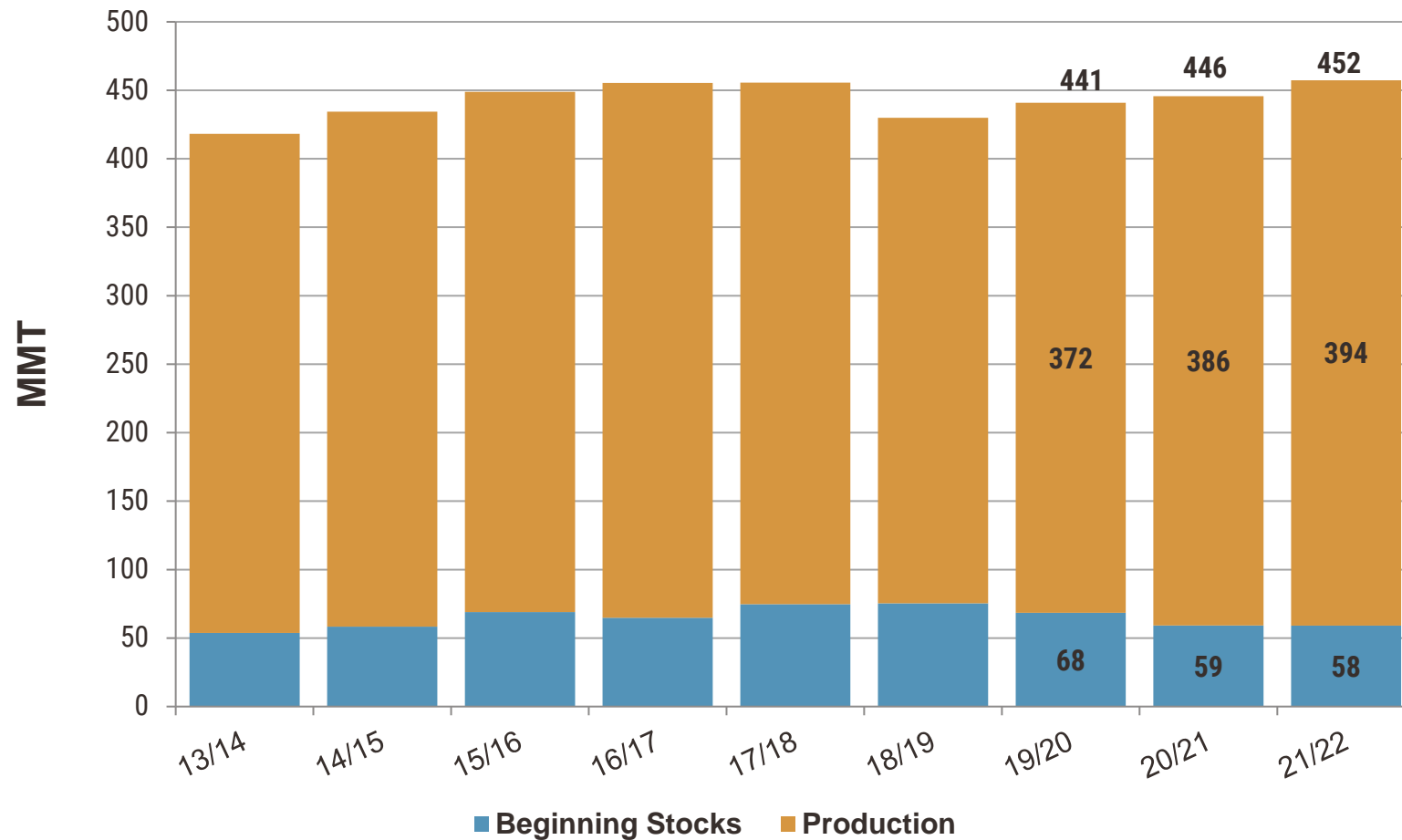
- The average farm gate price of wheat in 2021/22 is forecast up \$0.10 to \$6.60/bu (\$242.48/MT)



World Production and Use



Supplies in Top Exporting Countries*



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

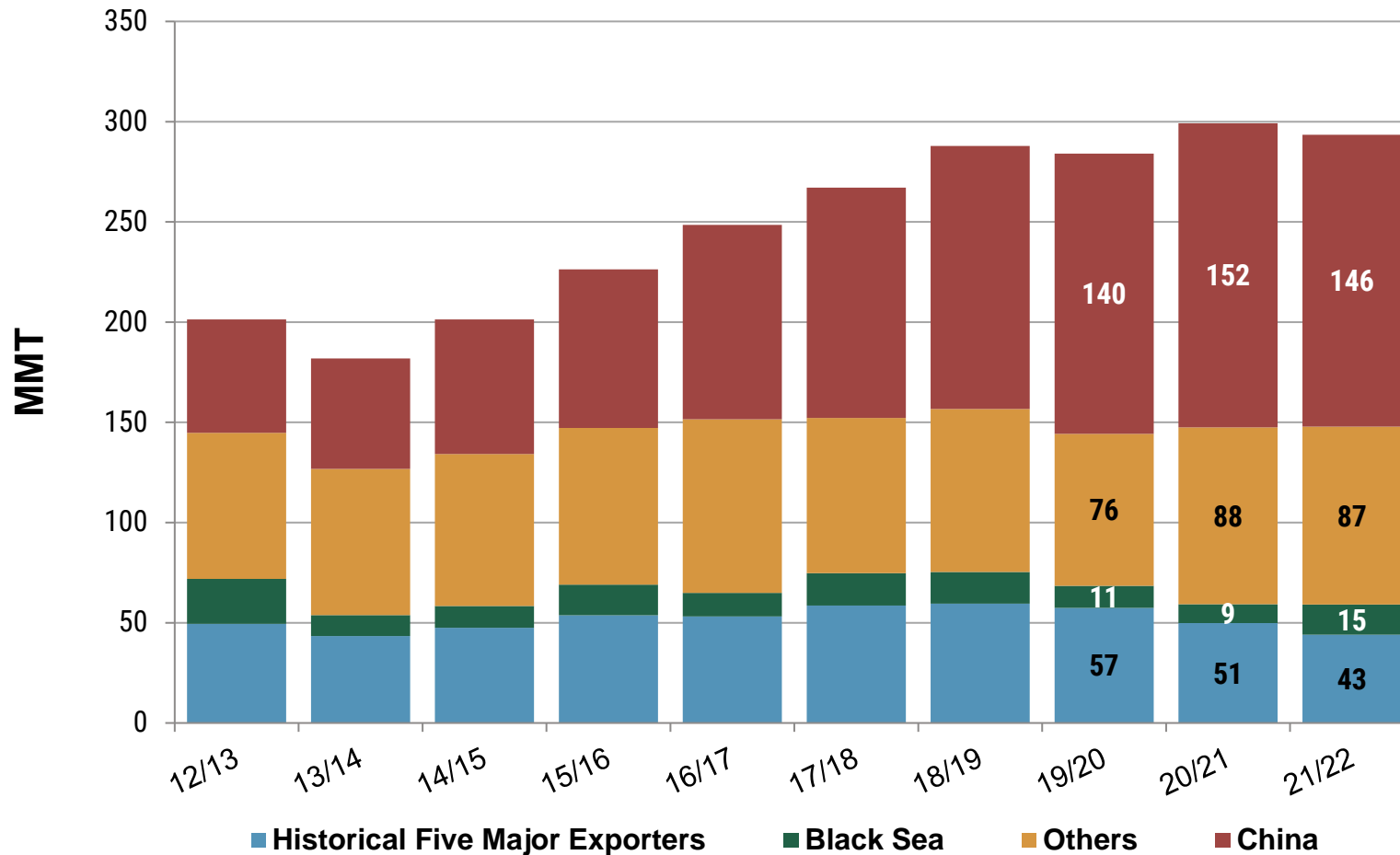


World Wheat Supply and Demand (MMT)

	<u>19/20</u>	-	<u>20/21</u>	-	<u>21/22</u>
SUPPLY:					
Beginning Stocks	284		299		290
Production	763		776		792
Supply Total	1048		1075		1083
Ending Stocks	299		293		292
TRADE:					
Exports/Imports	195		199		204
DEMAND:					
Food & Seed	609		623		630
Feed & Residual	139		158		161
Use Total	748		782		791



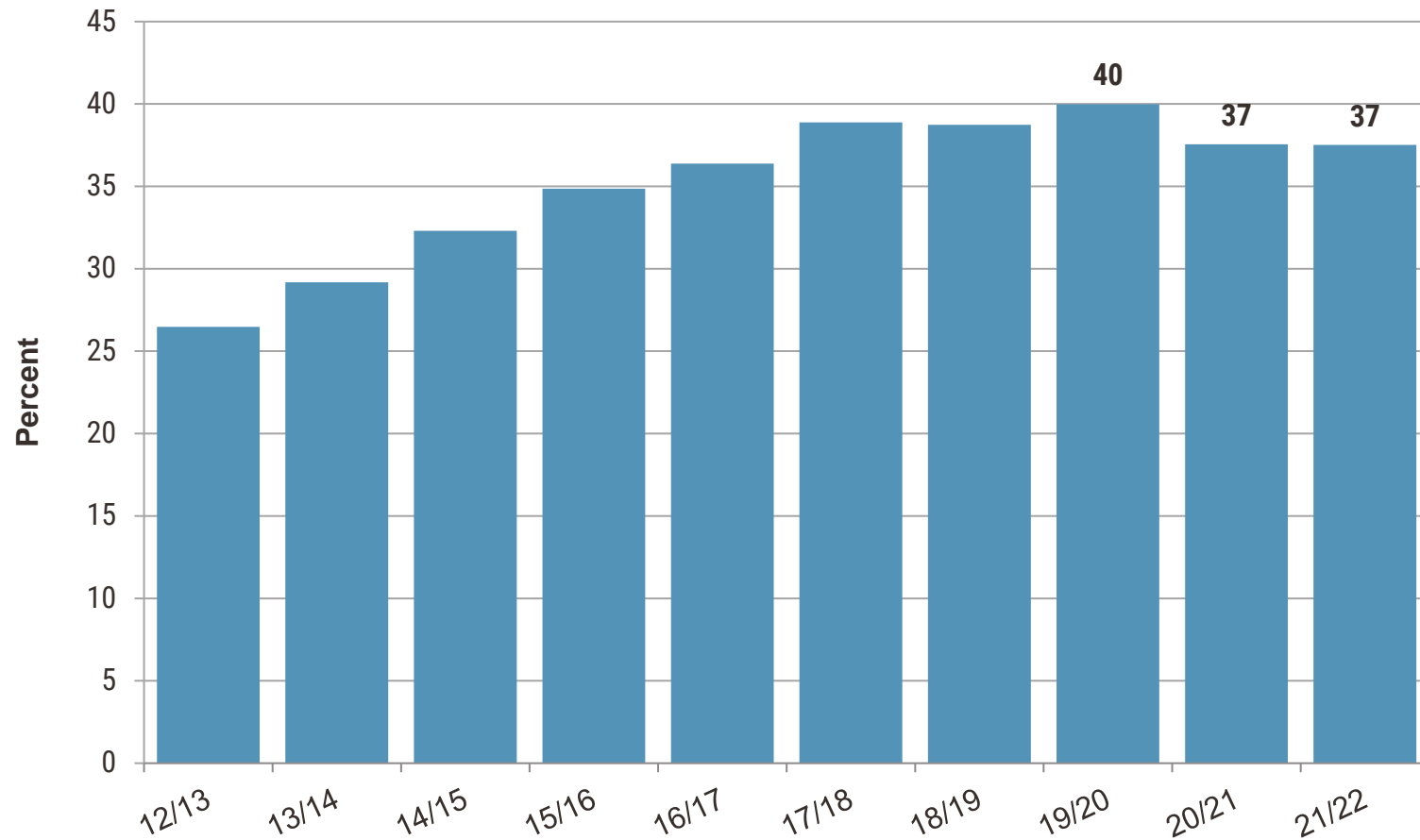
World Beginning Stocks



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



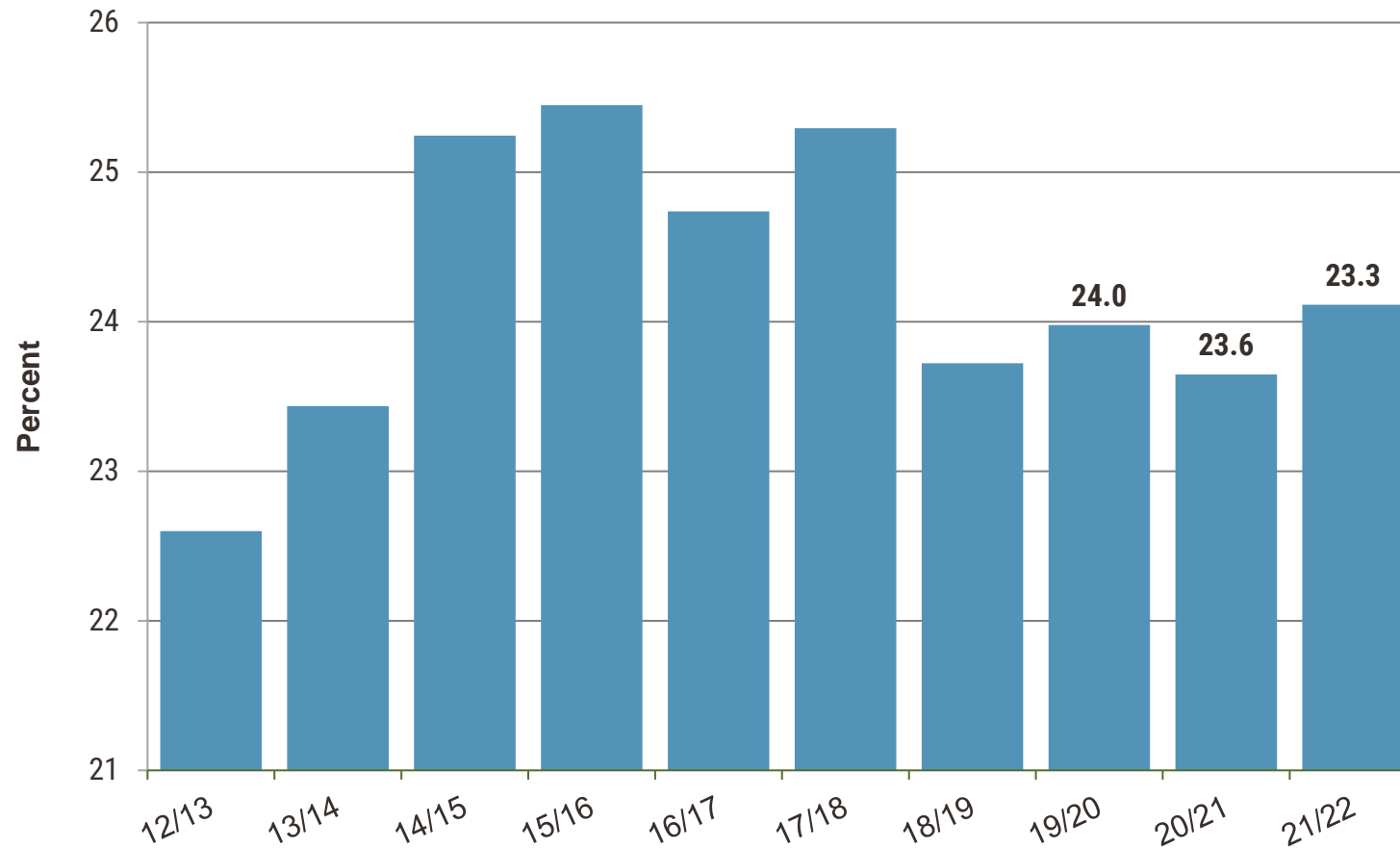
Global Stocks*-to-Use Ratio



*Ending stocks



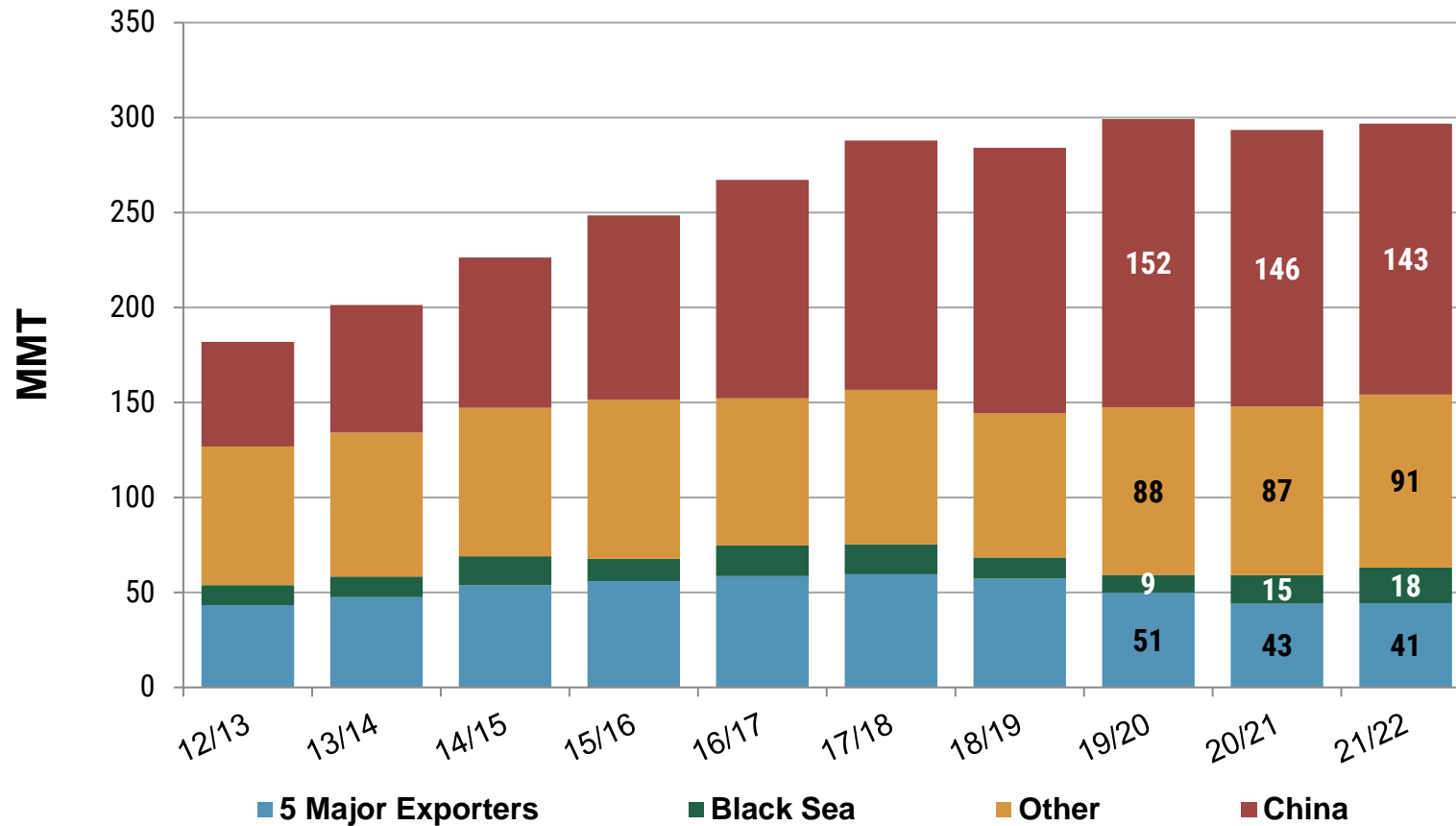
Global Stocks*-to-Use Ratio w/o China



*Ending stocks



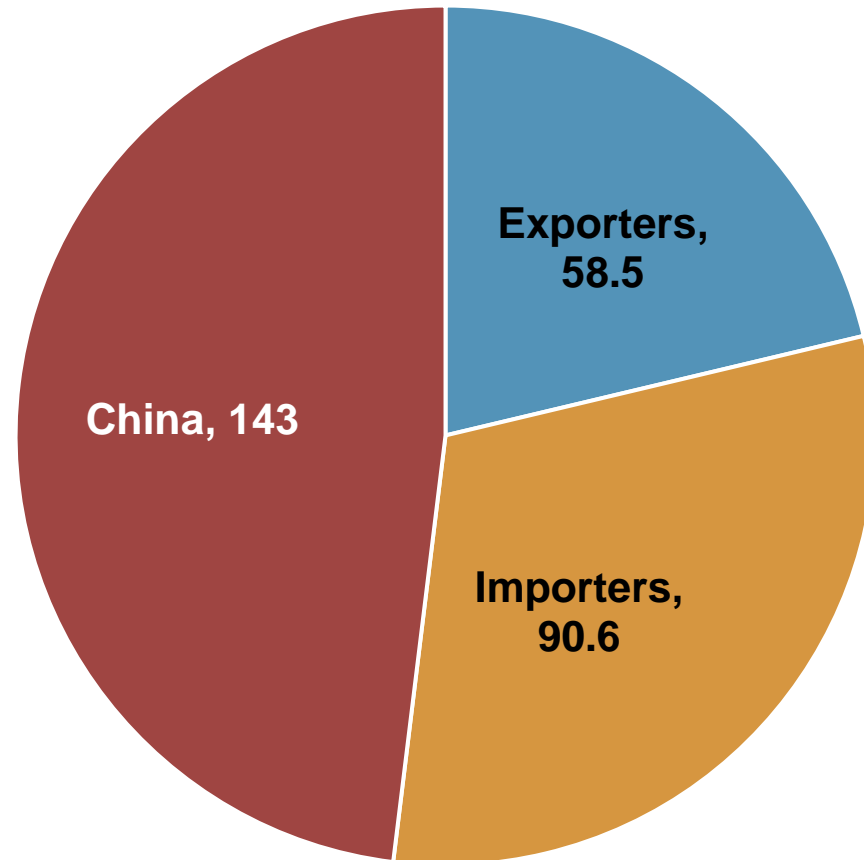
World Ending Stocks



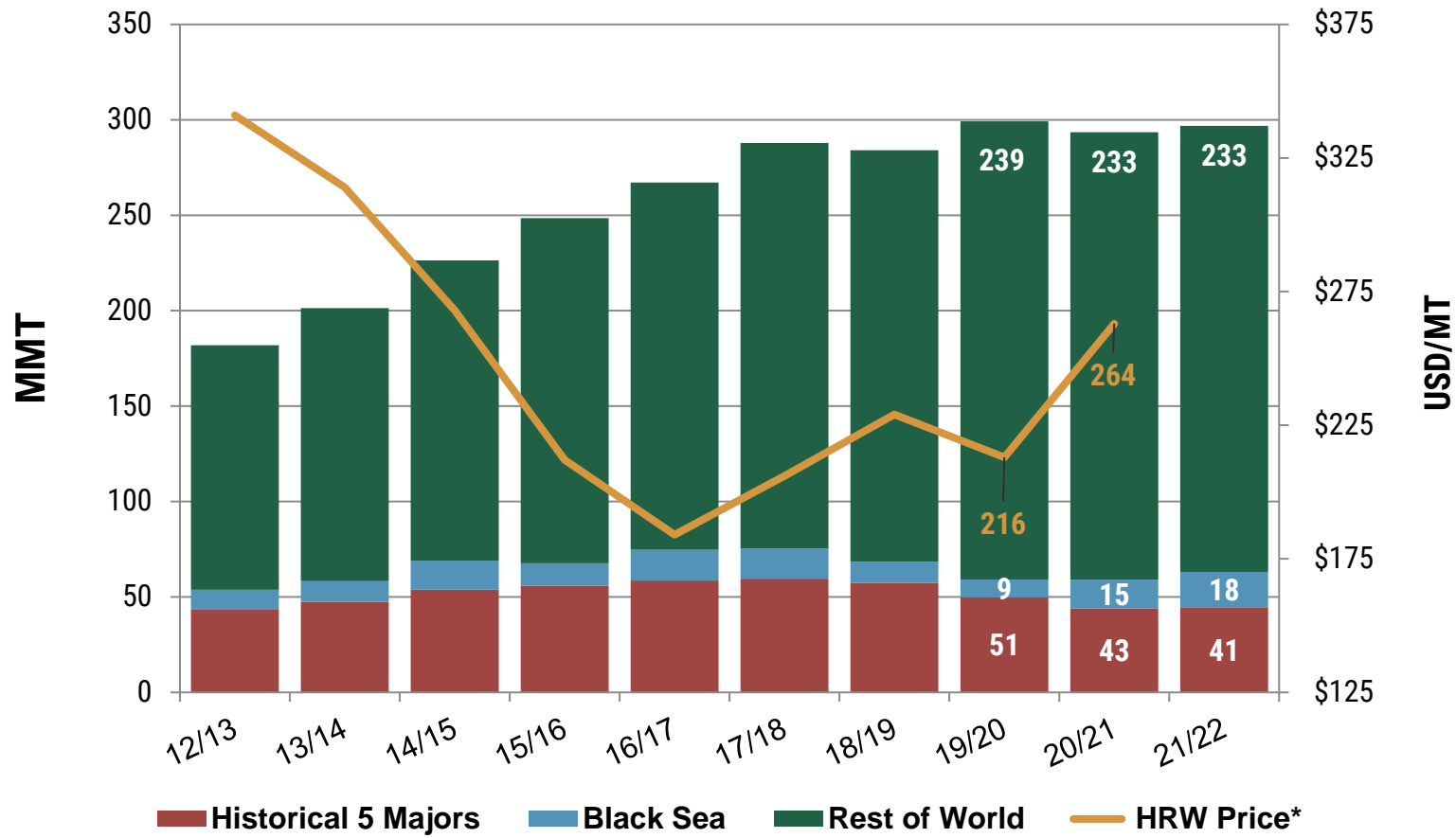
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World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



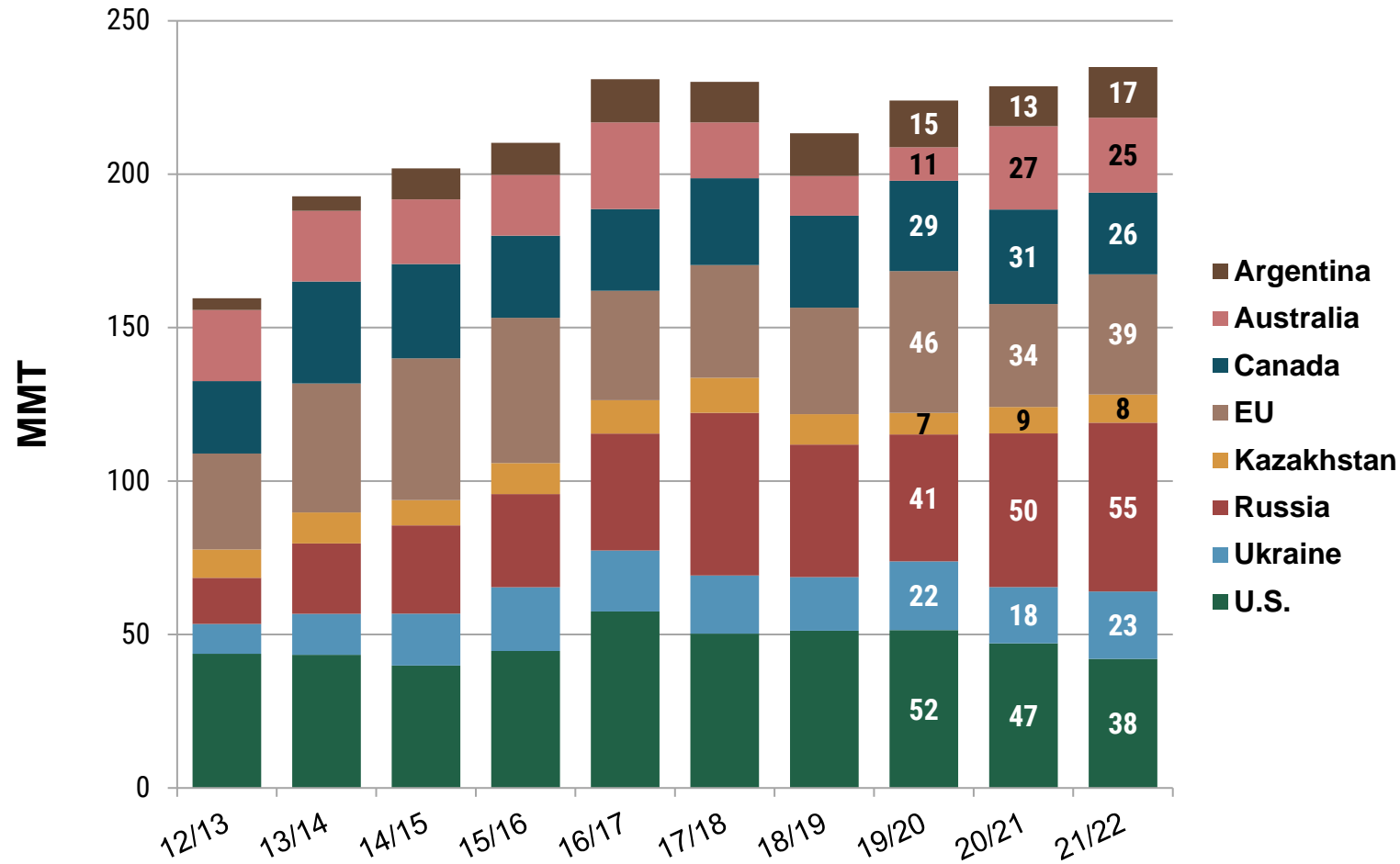
*Source: U.S. Wheat Associates Price Report, July 9, 2021



01

Major Exporters

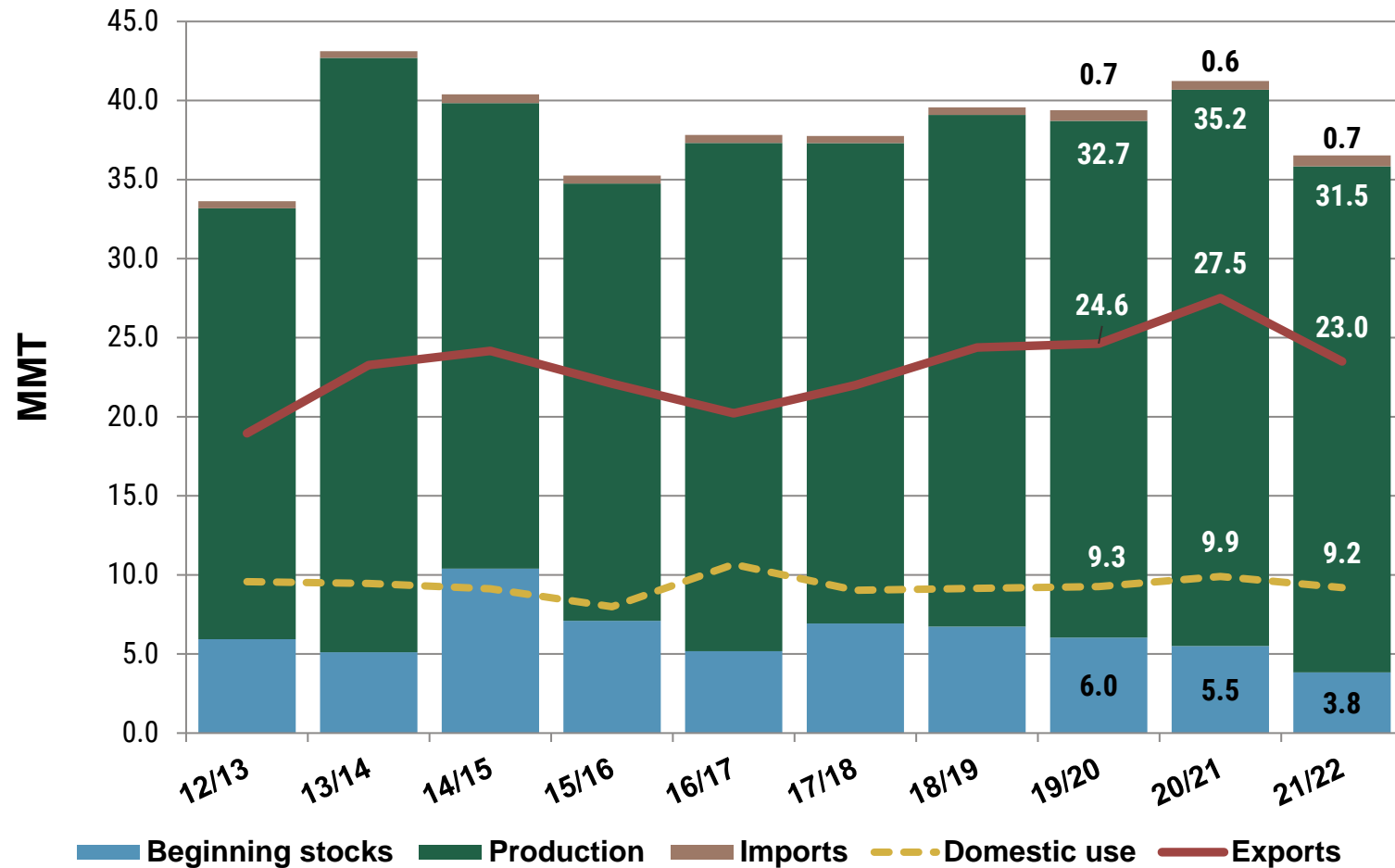
Exportable Supplies in Top Exporting Countries



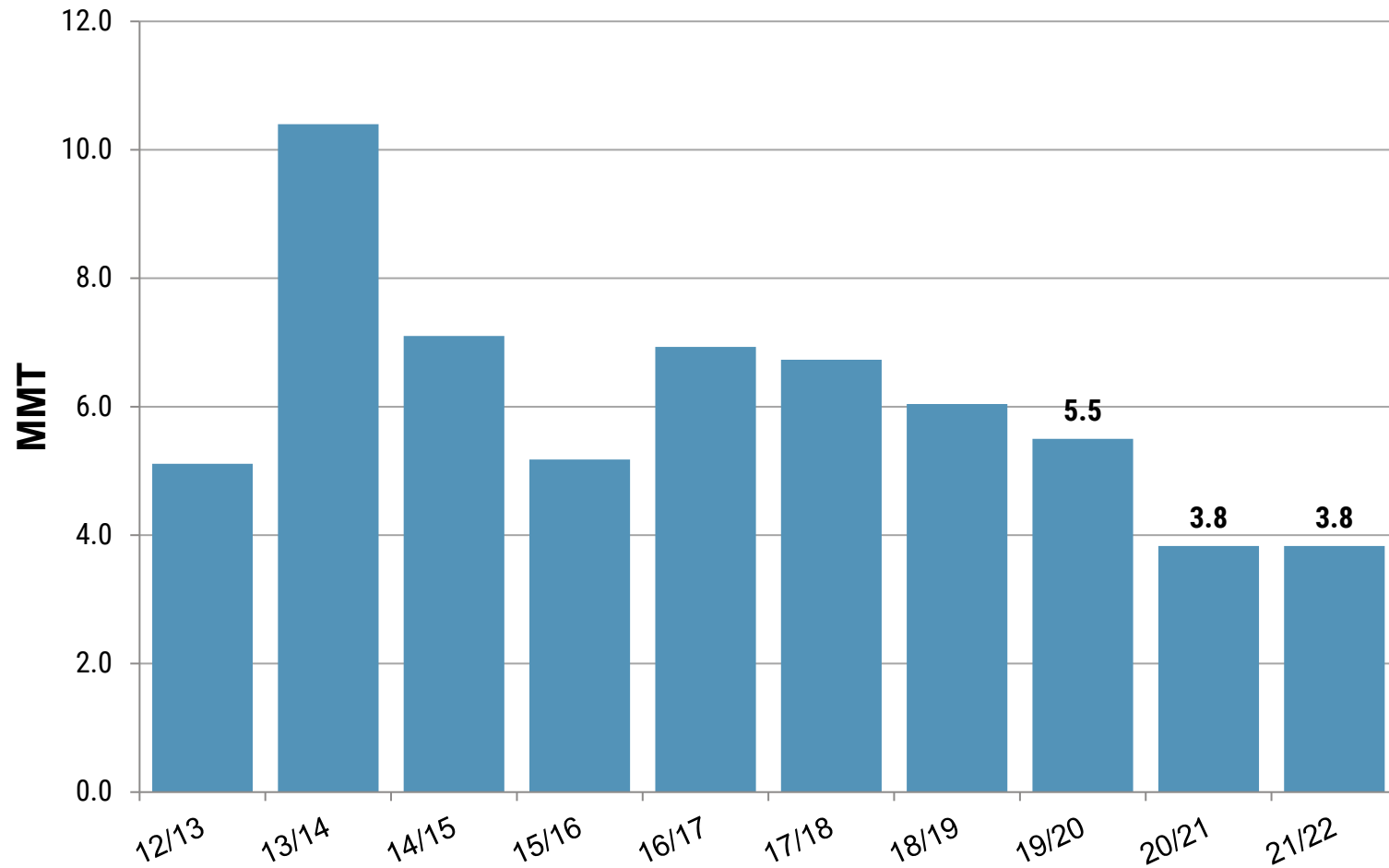
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



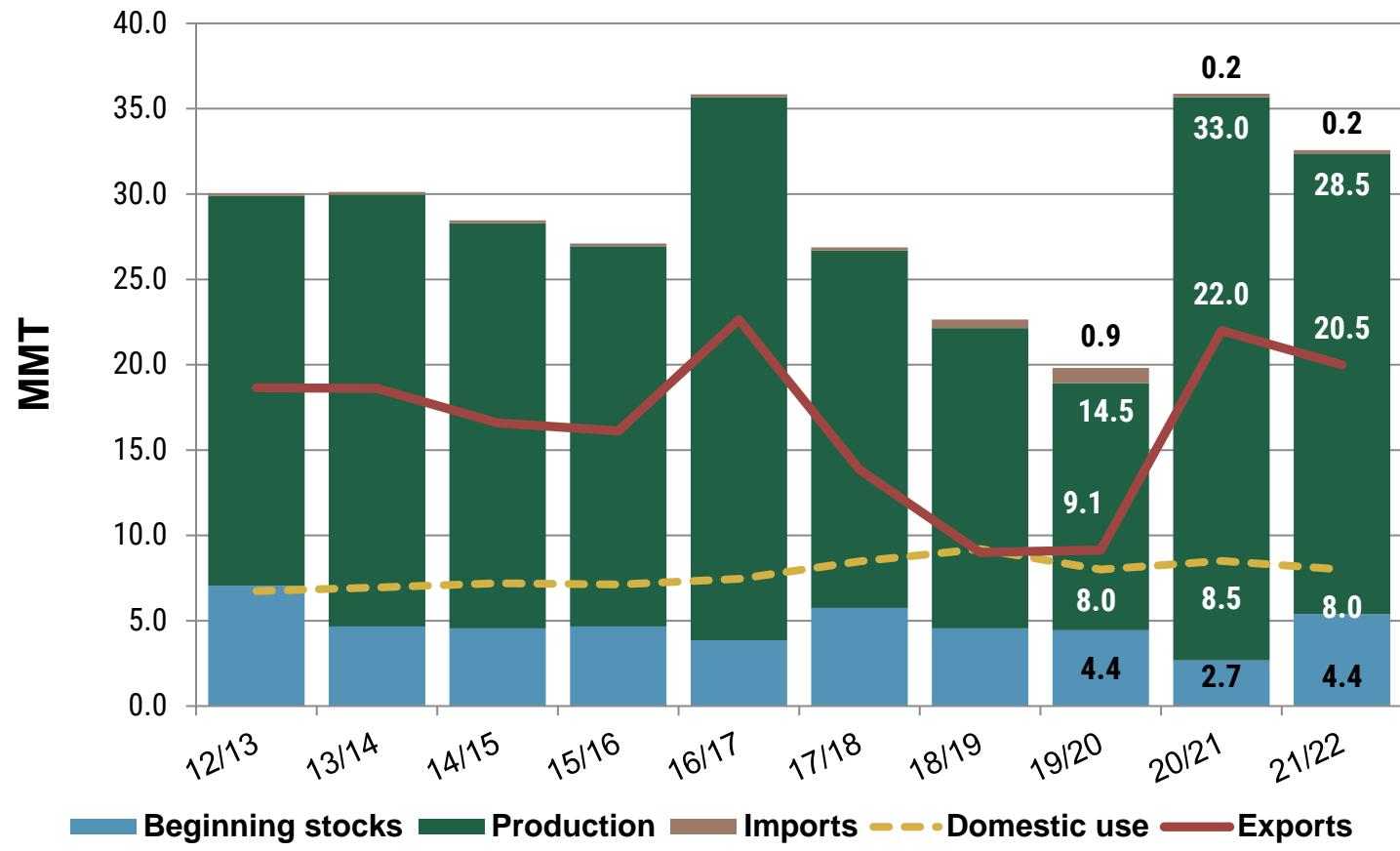
Canada Situation



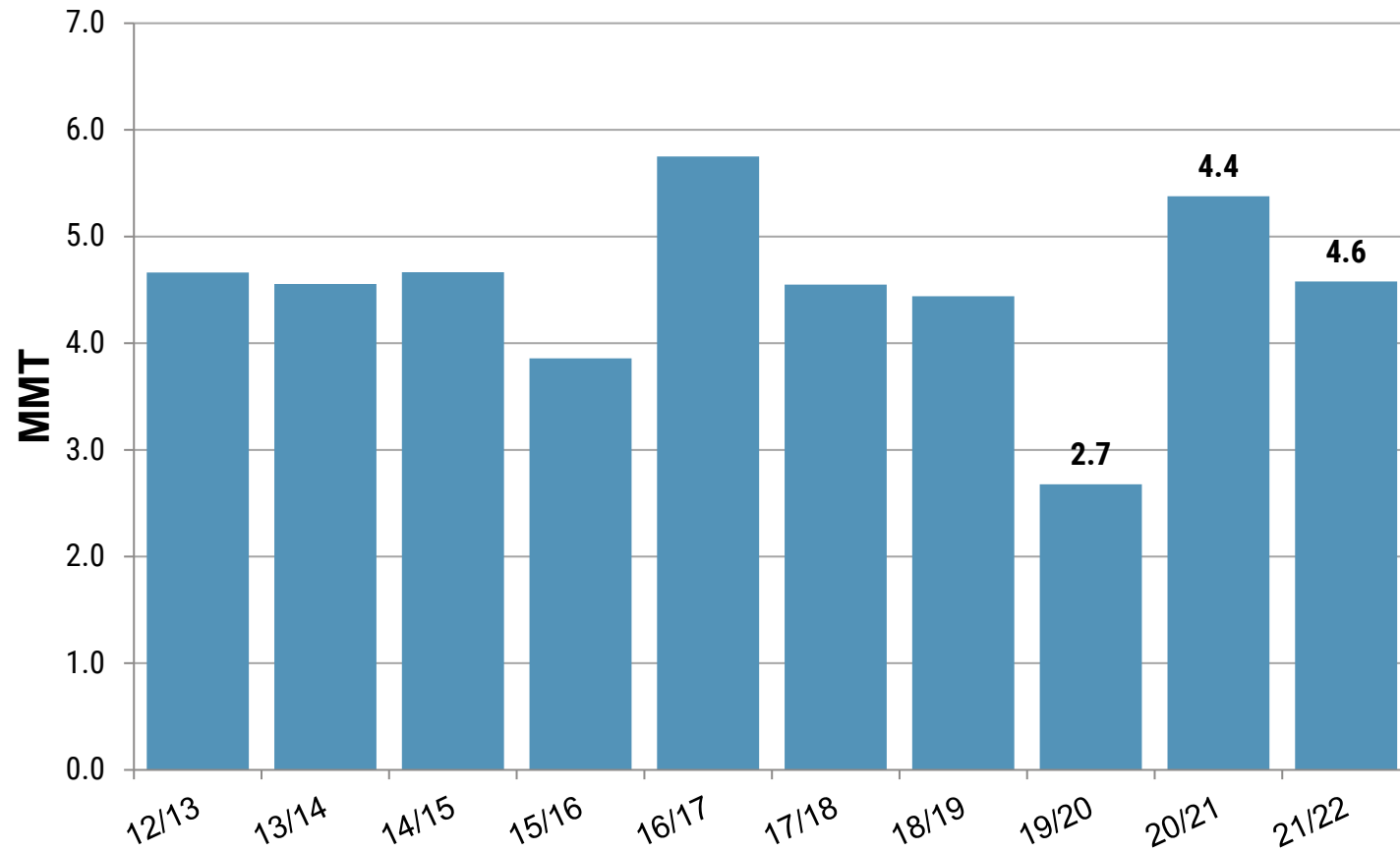
Canada Ending Stocks



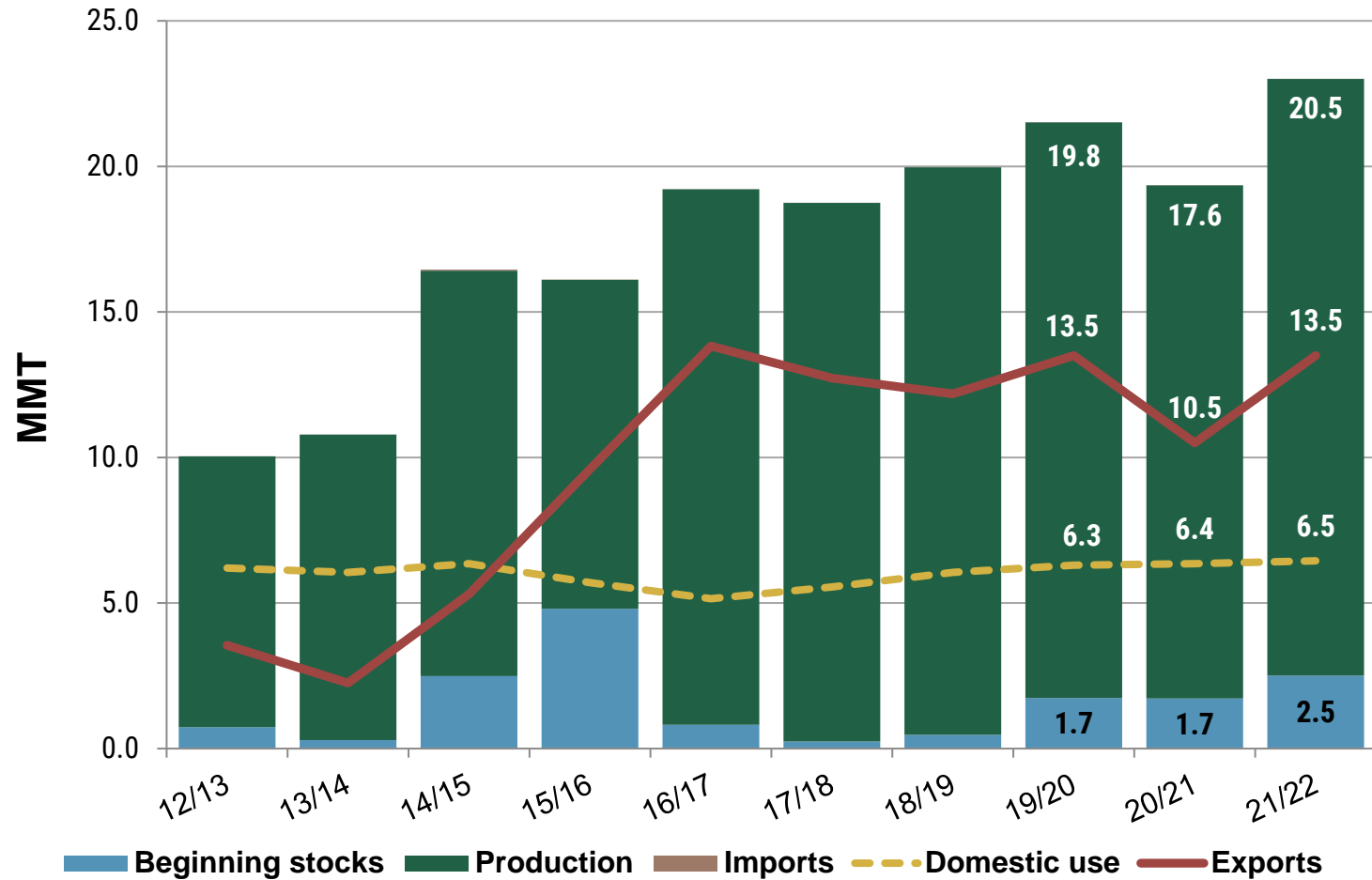
Australia Situation



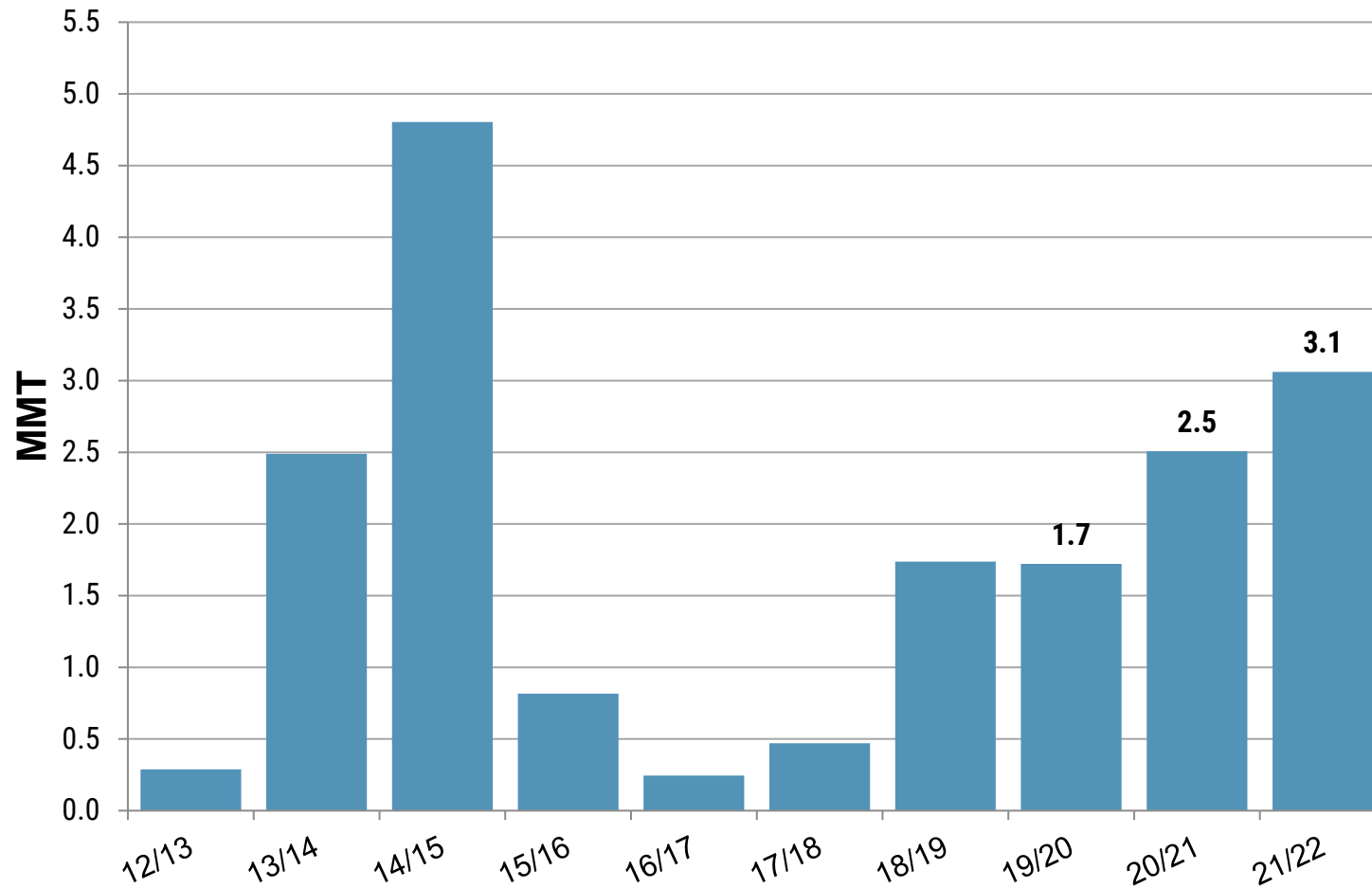
Australia Ending Stocks



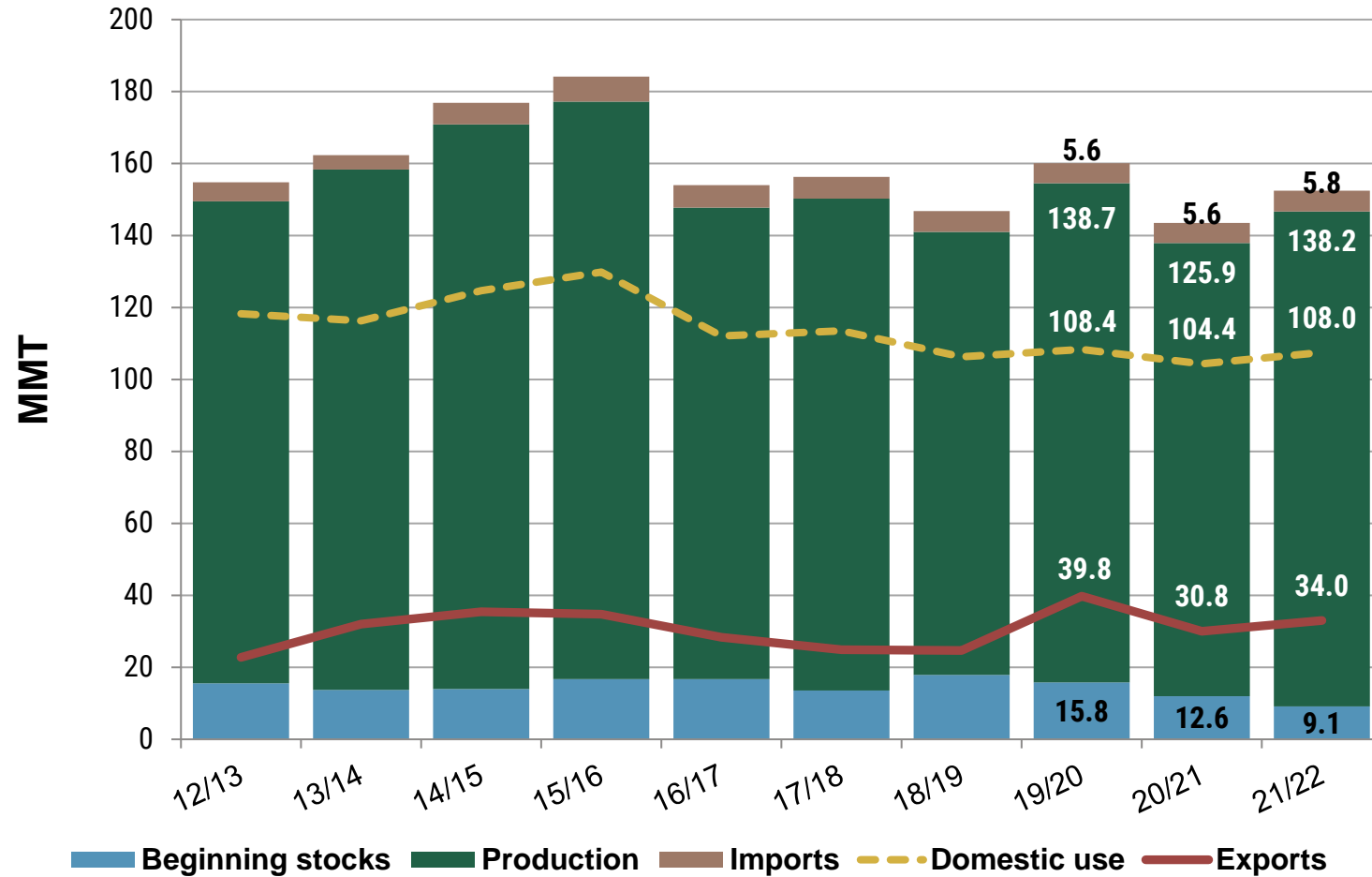
Argentina Situation



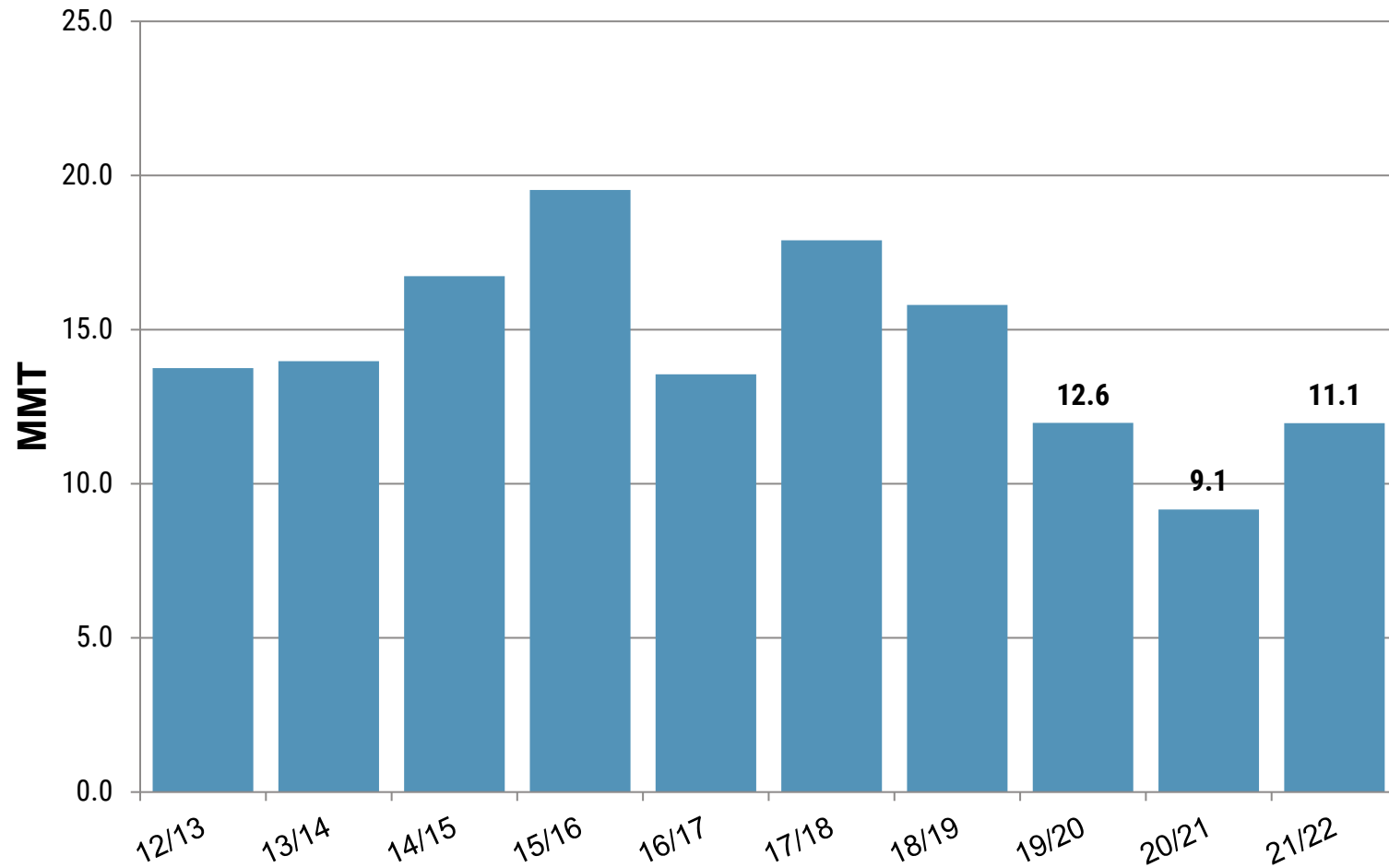
Argentina Ending Stocks



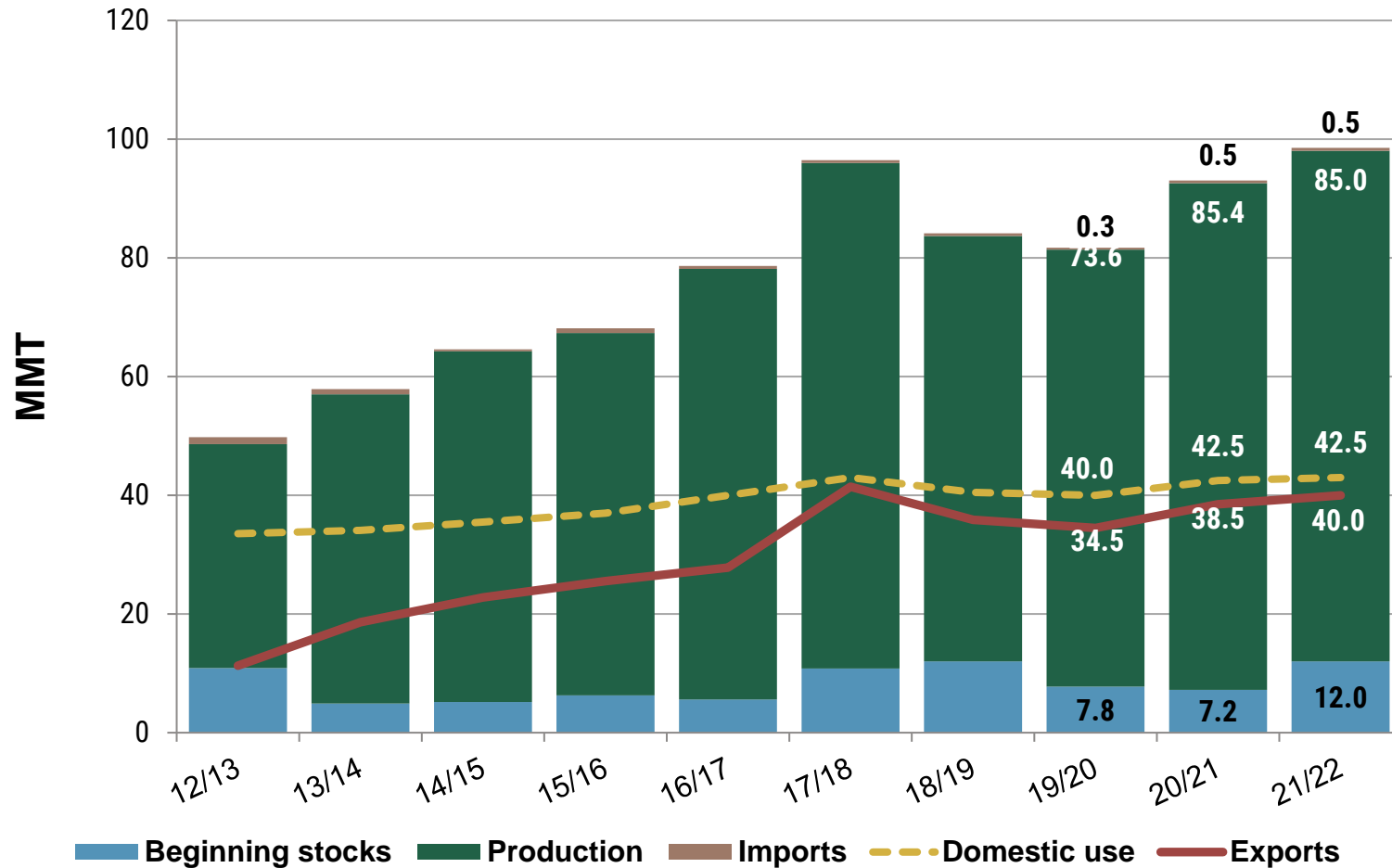
EU + UK Situation



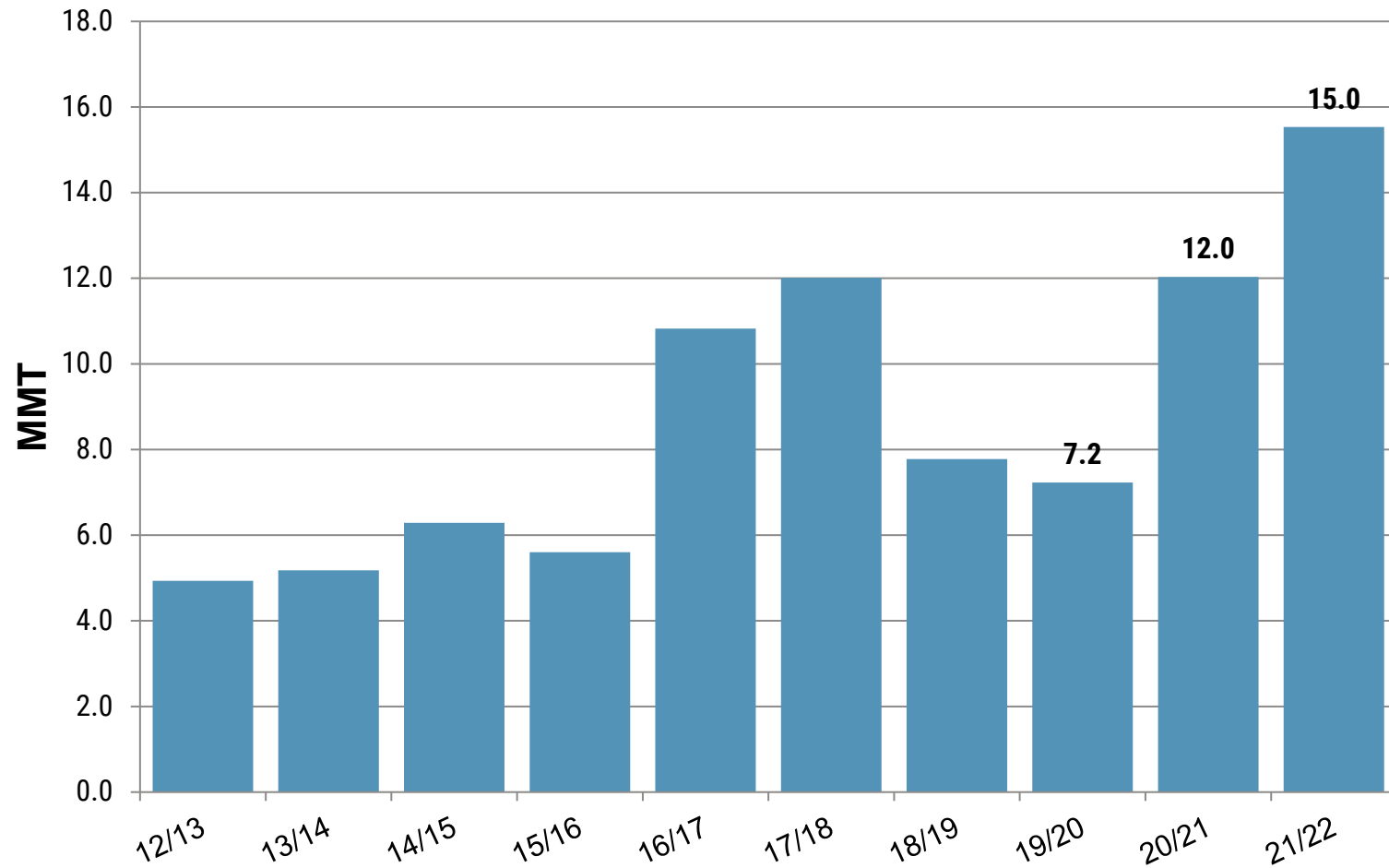
EU Ending Stocks



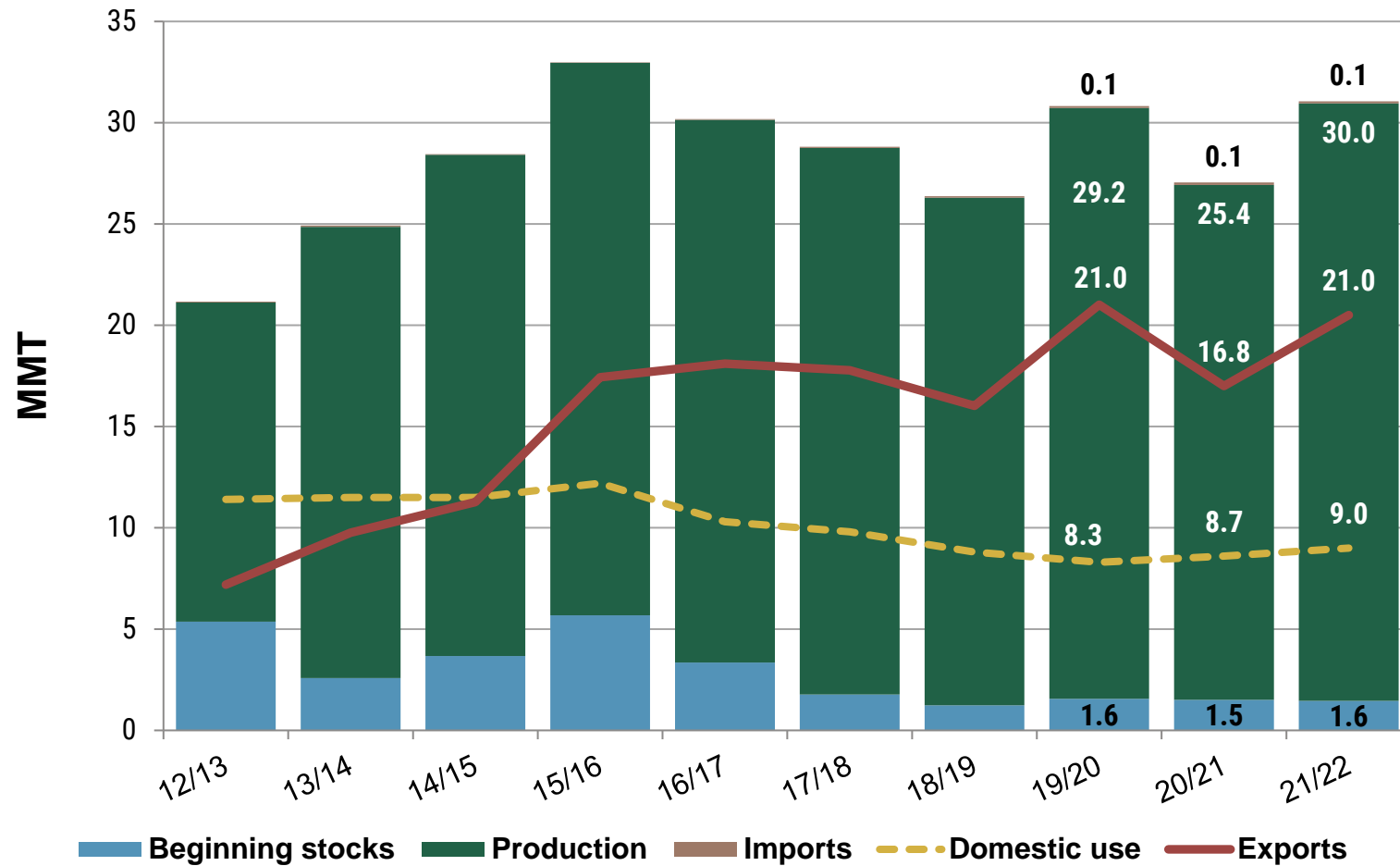
Russia Situation



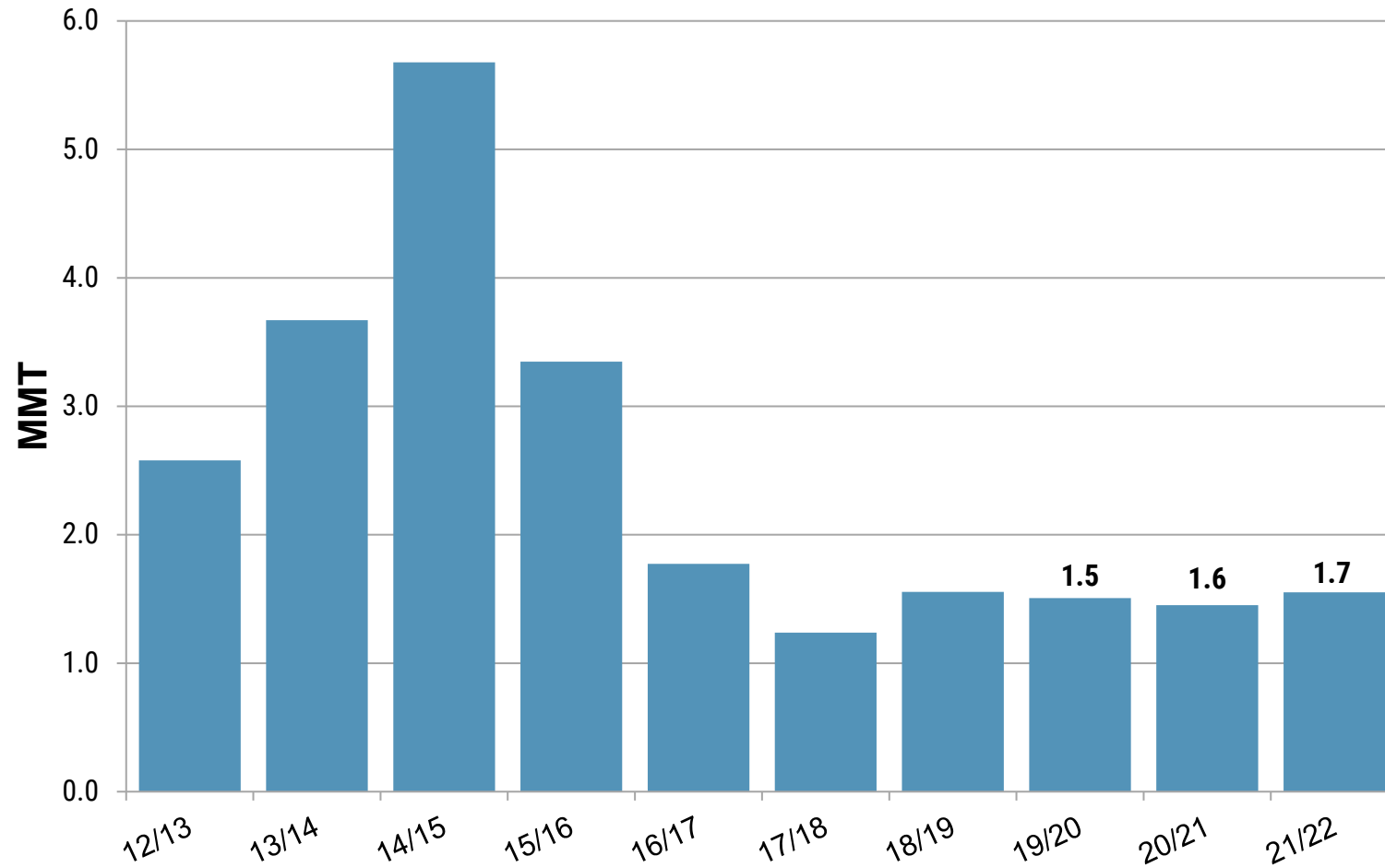
Russia Ending Stocks



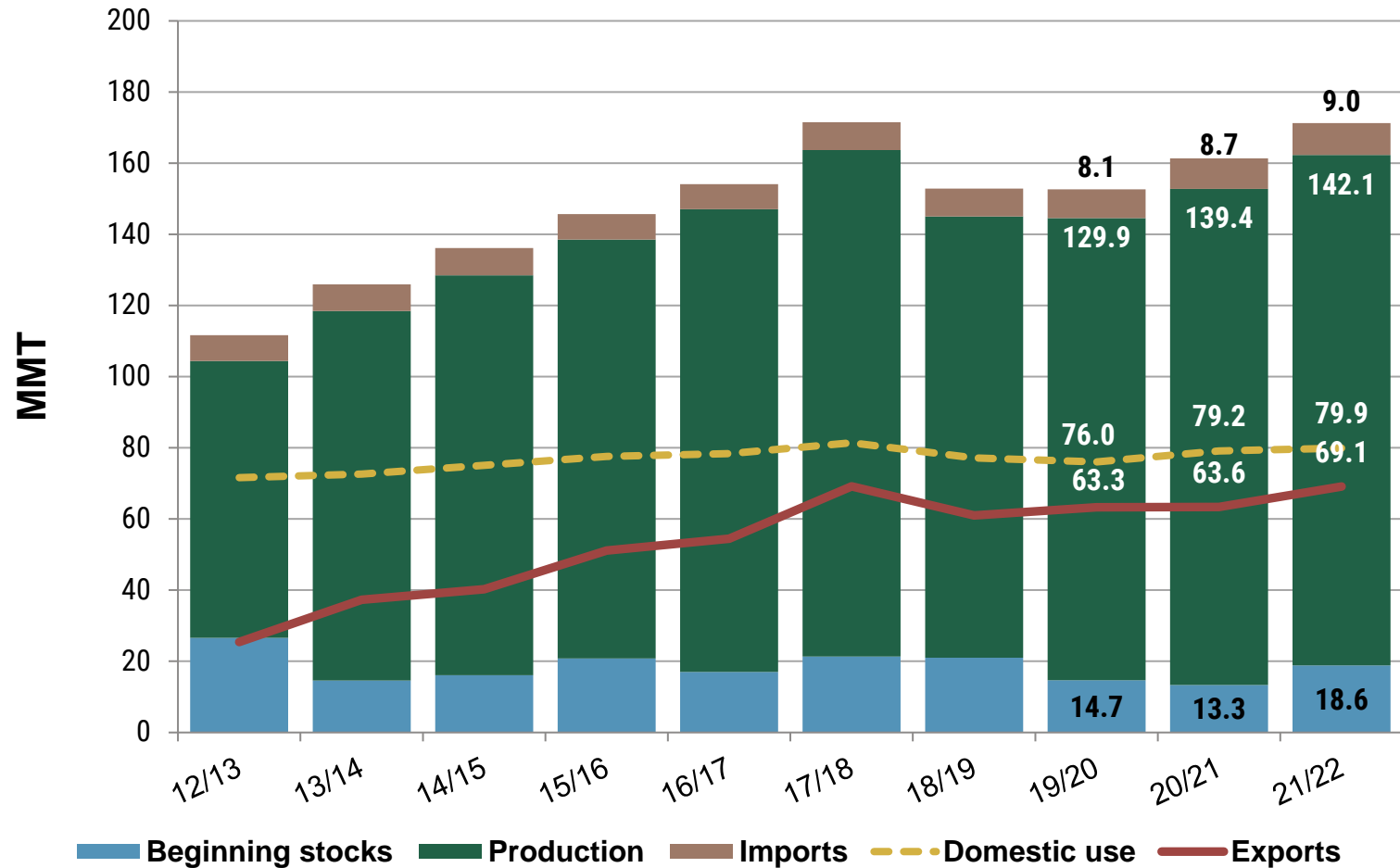
Ukraine Situation



Ukraine Ending Stocks

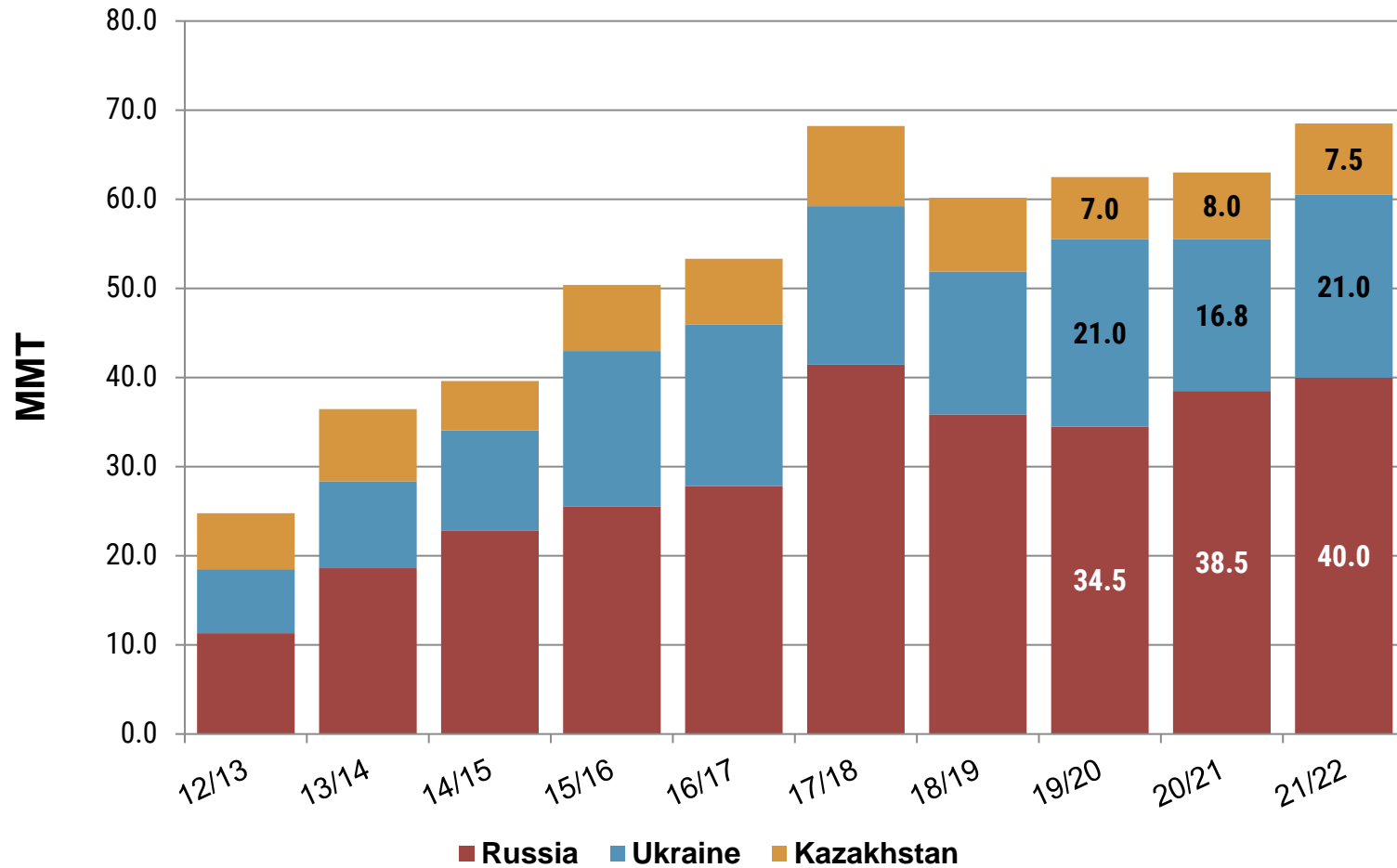


Black Sea Region Situation



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

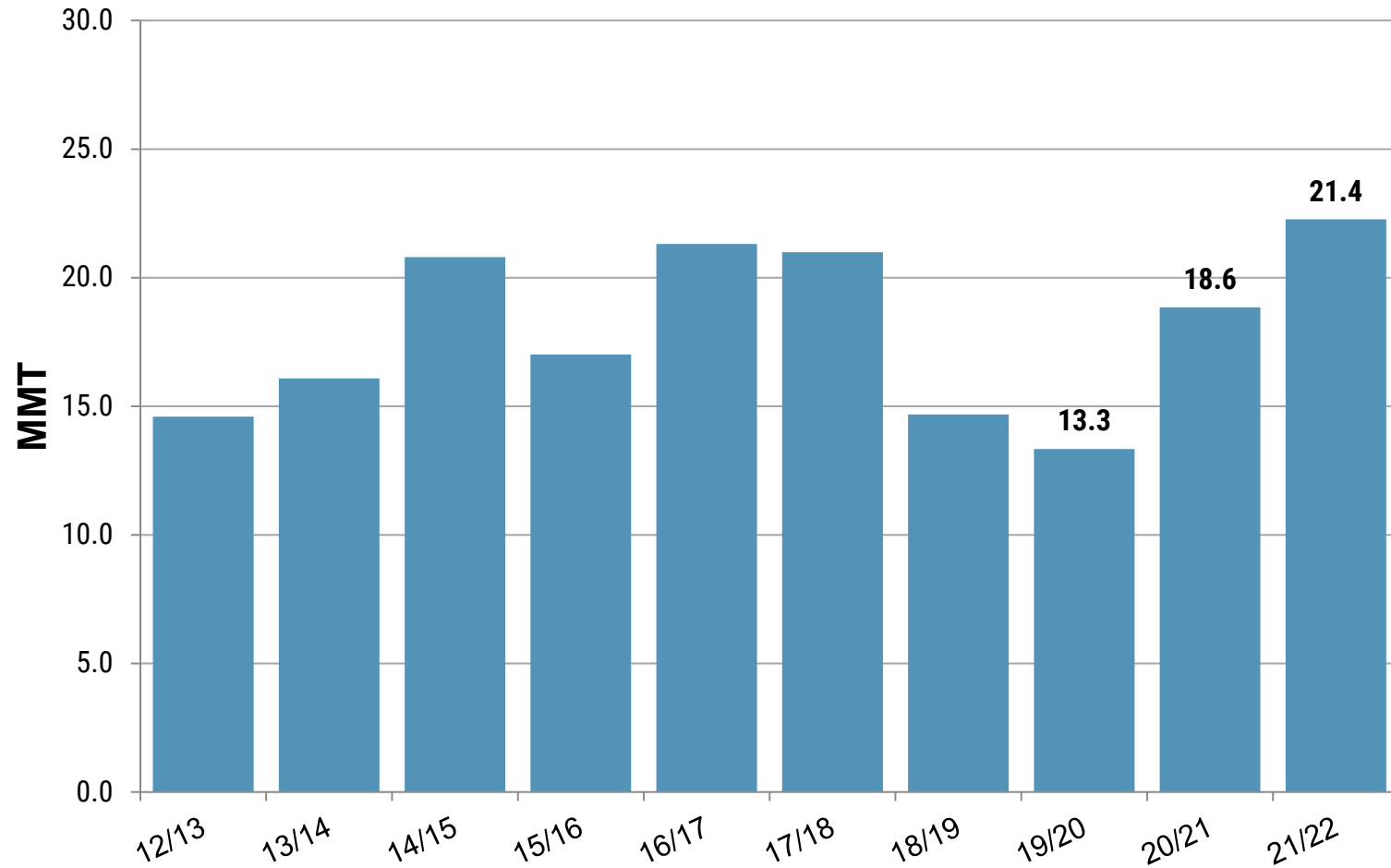
Black Sea Exports



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



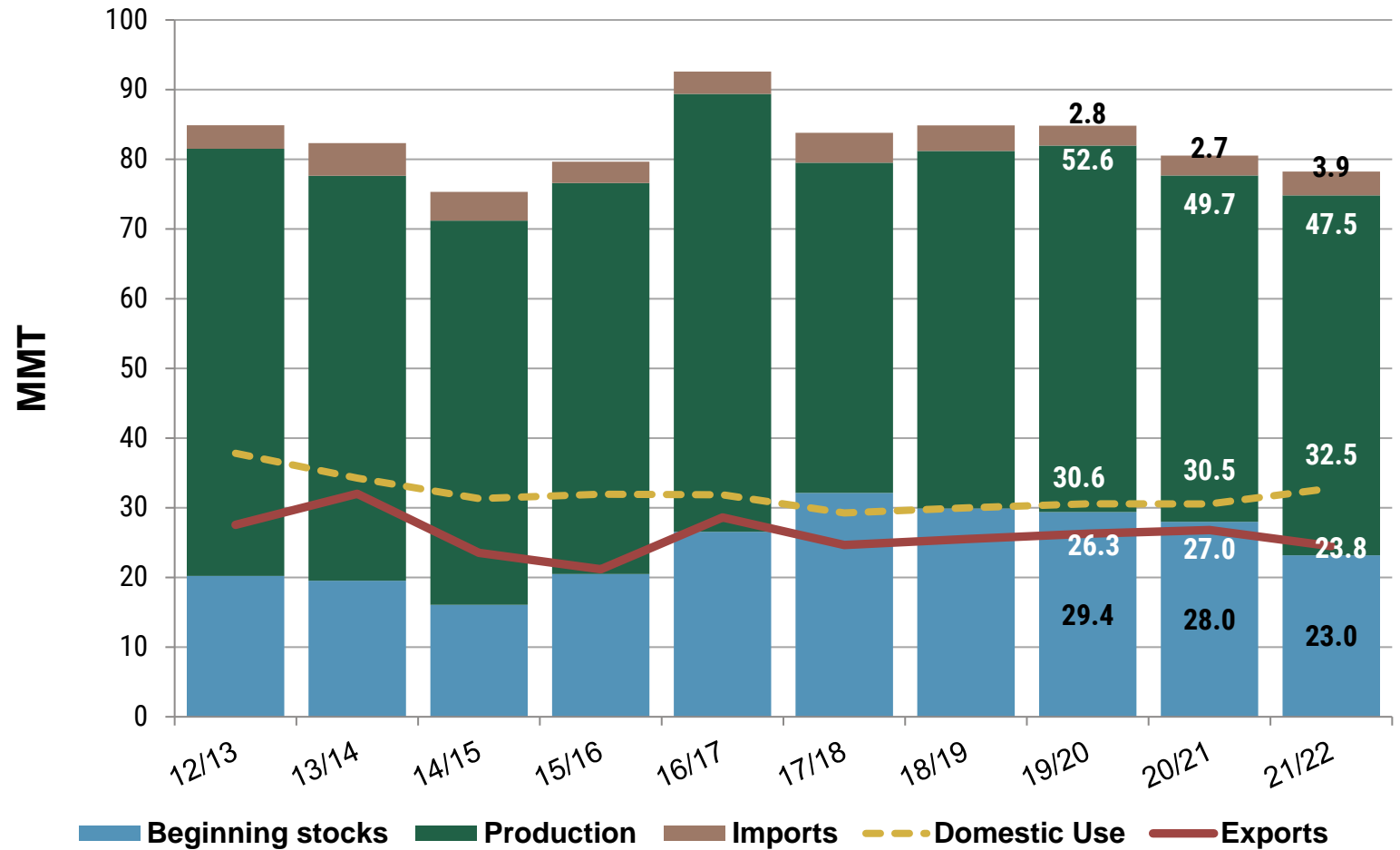
Black Sea Ending Stocks



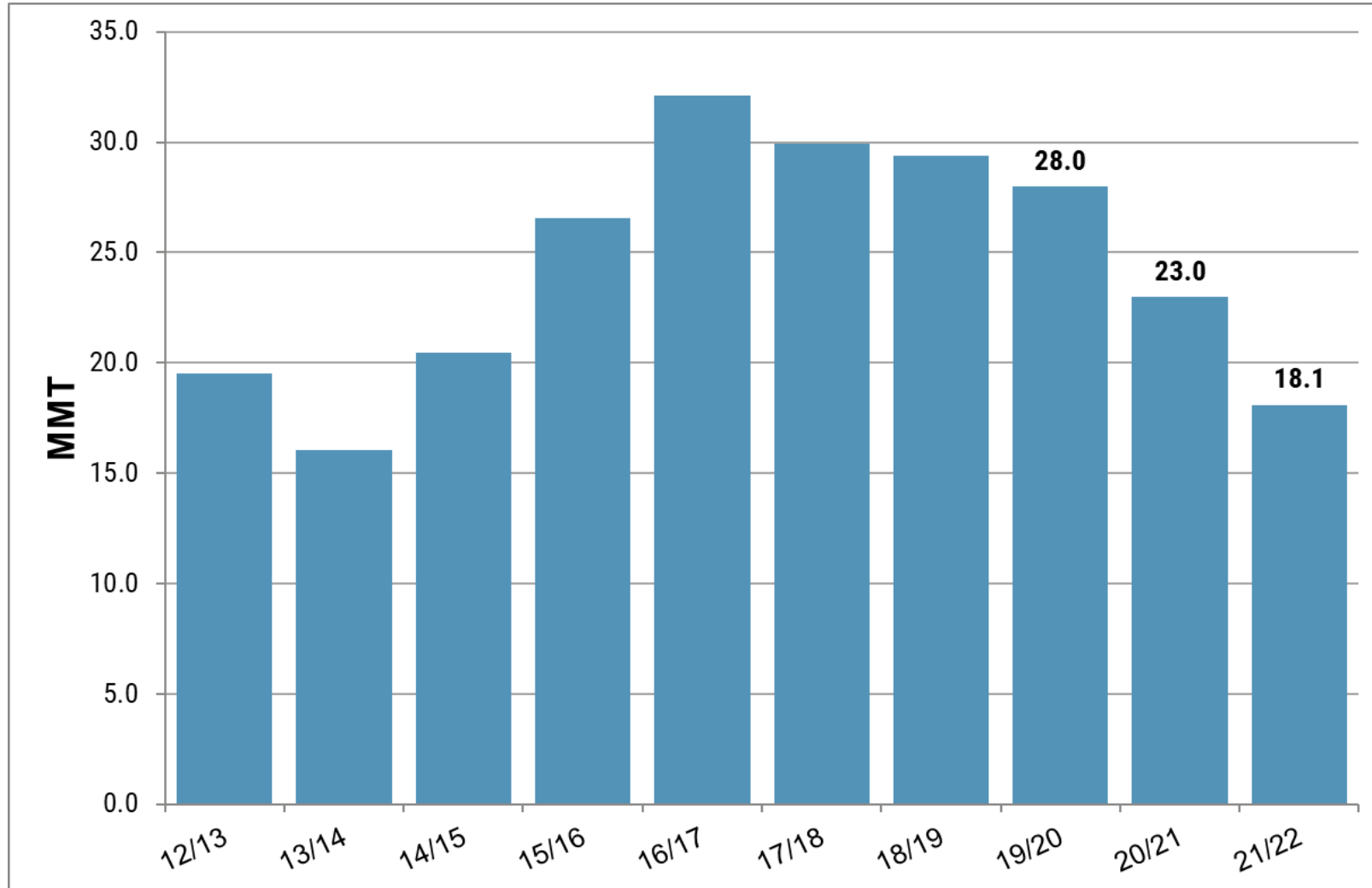
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U.S. Situation



U.S. Ending Stocks

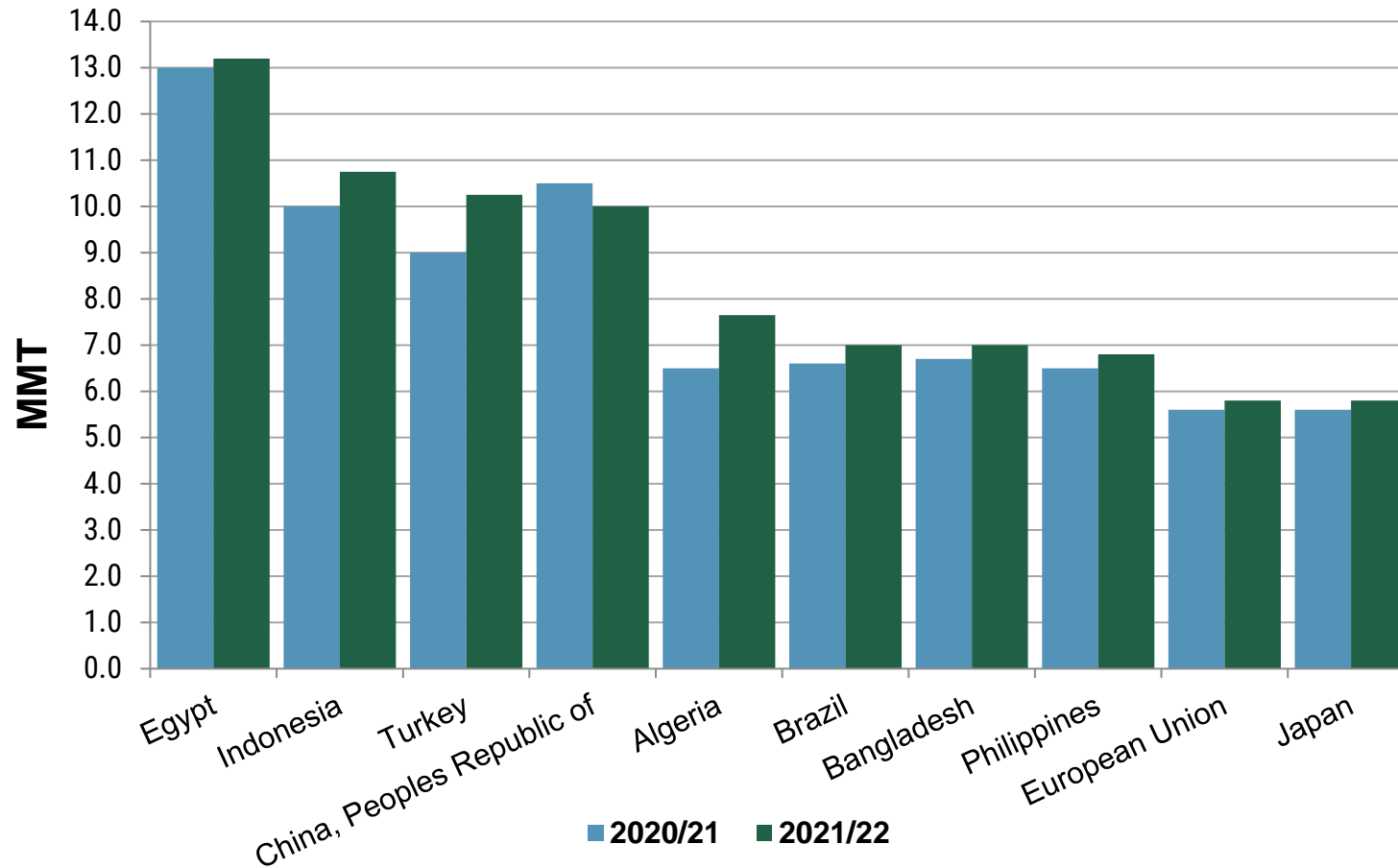




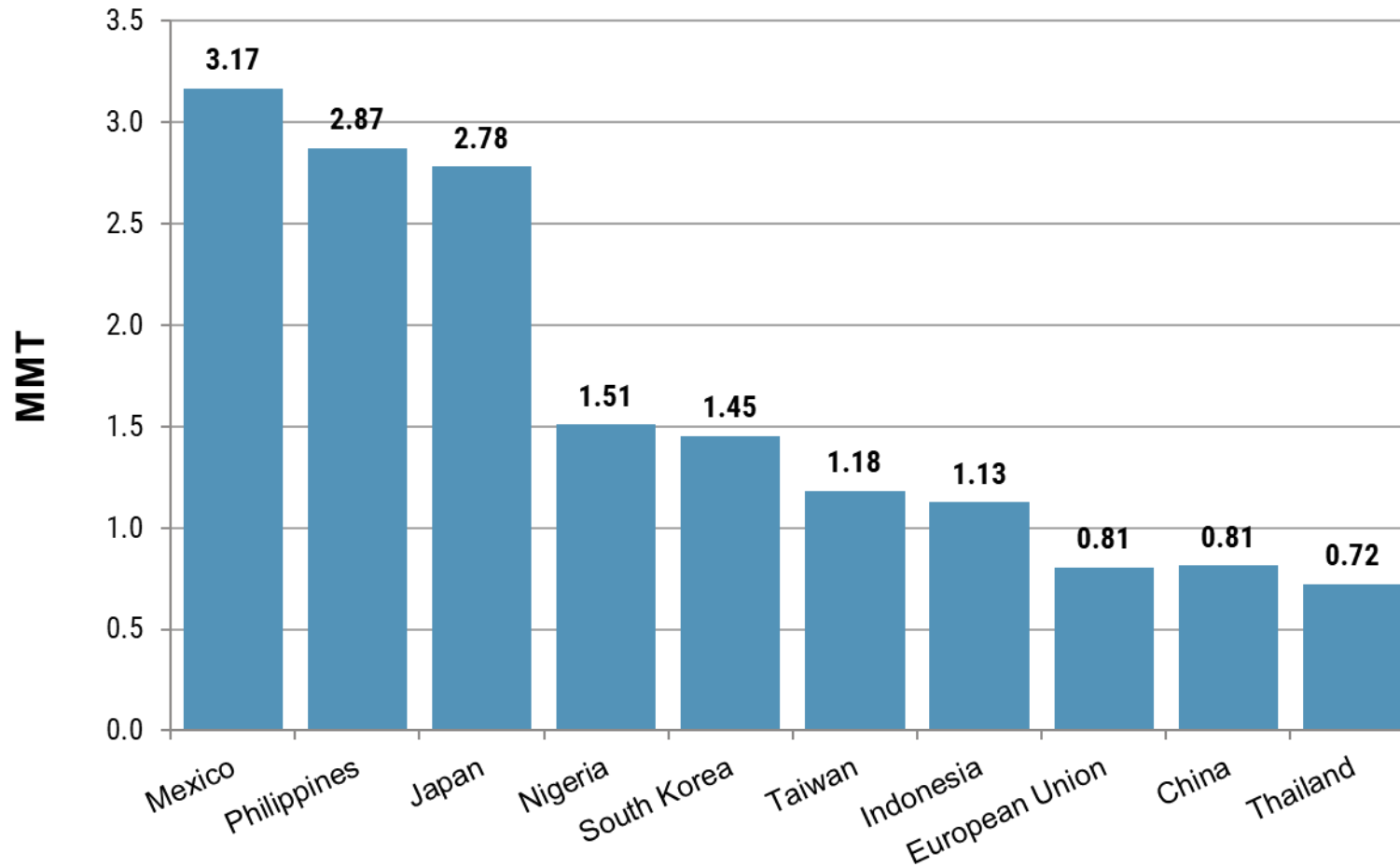
02

Import Demand

Major World Wheat Importers



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

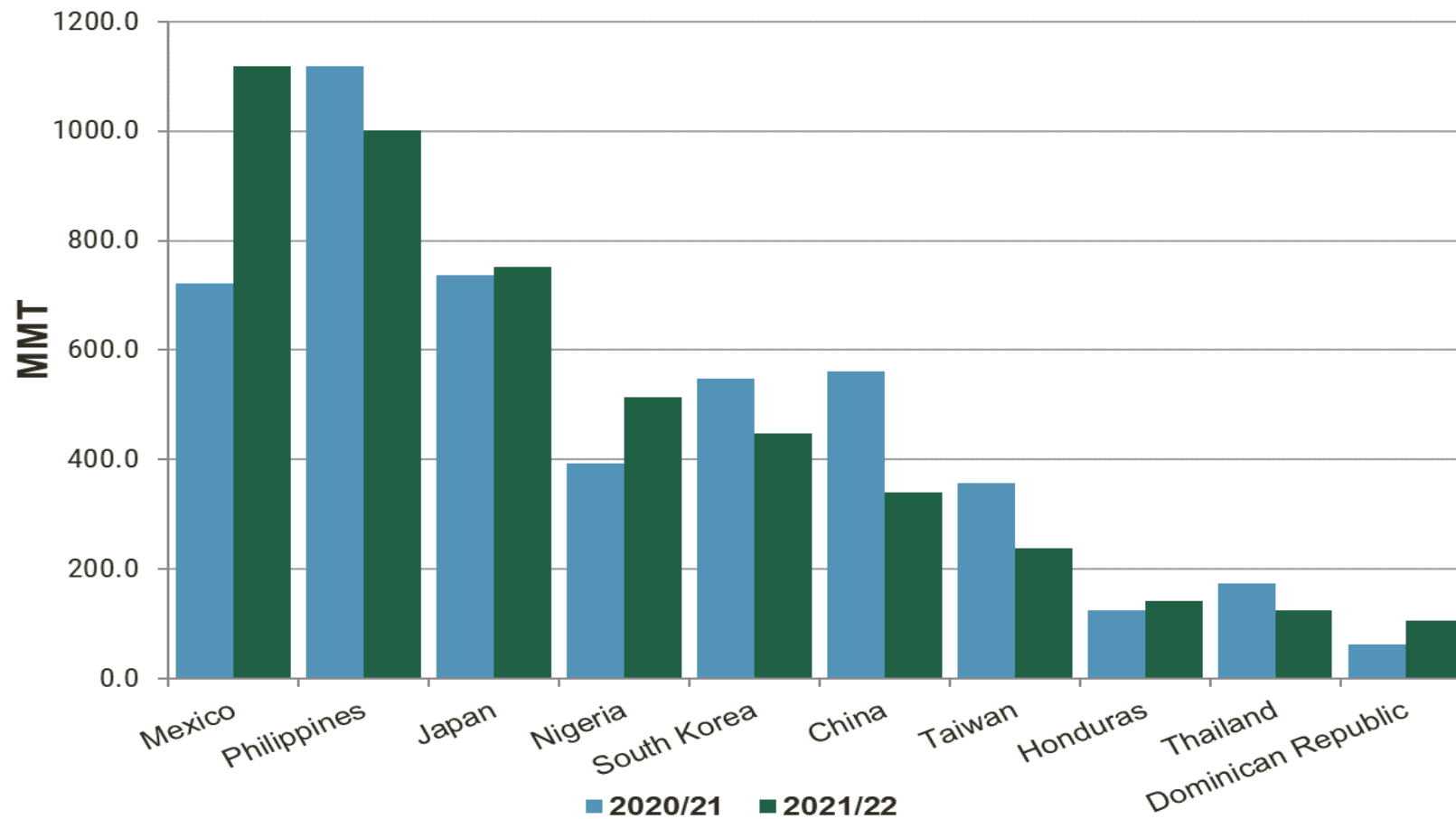


Source: USDA FAS export sales data as of May 31, 2021



Top 10 Customers for U.S. Wheat

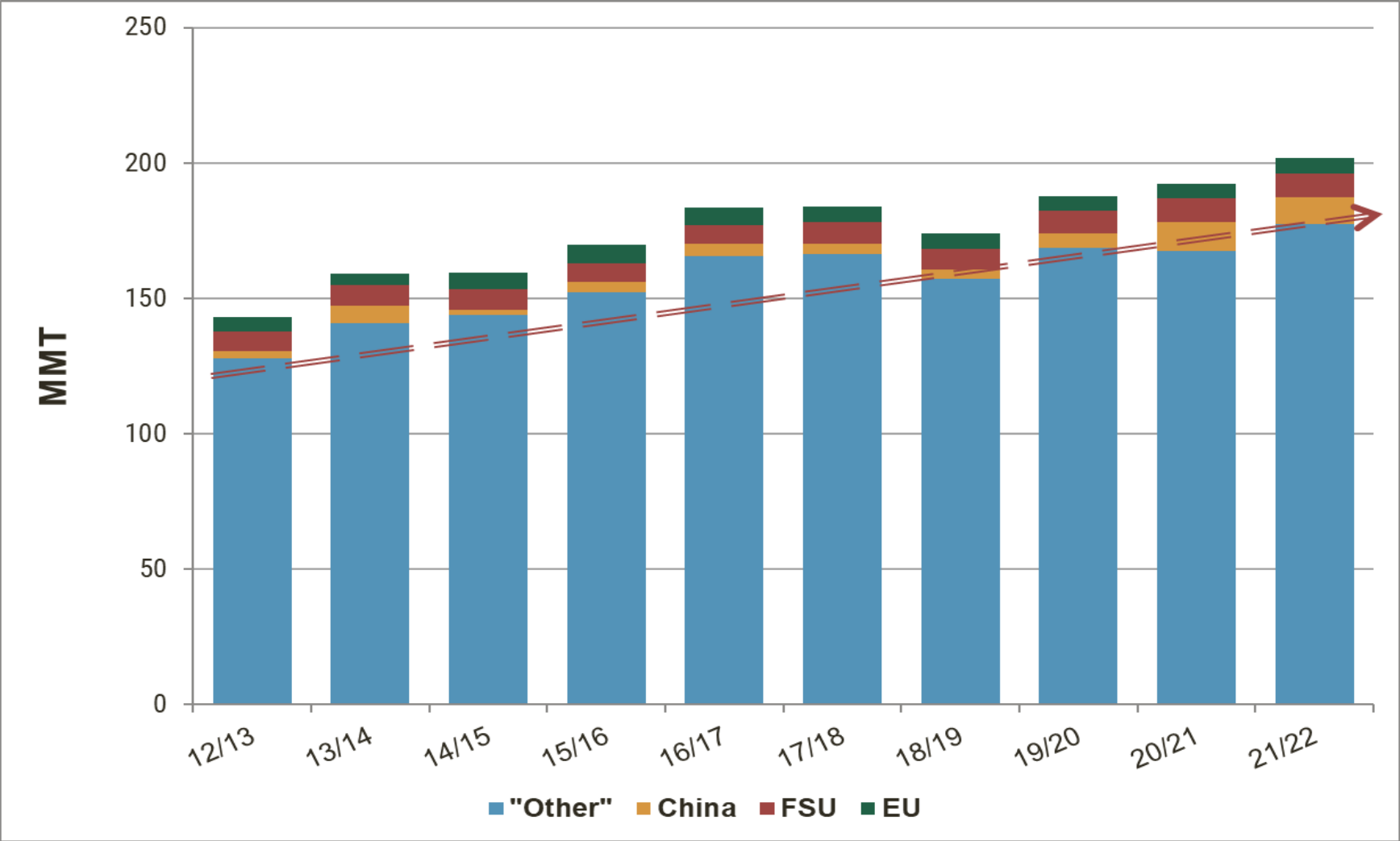
(year-to-date sales for current marketing year delivery)



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



World Wheat Imports

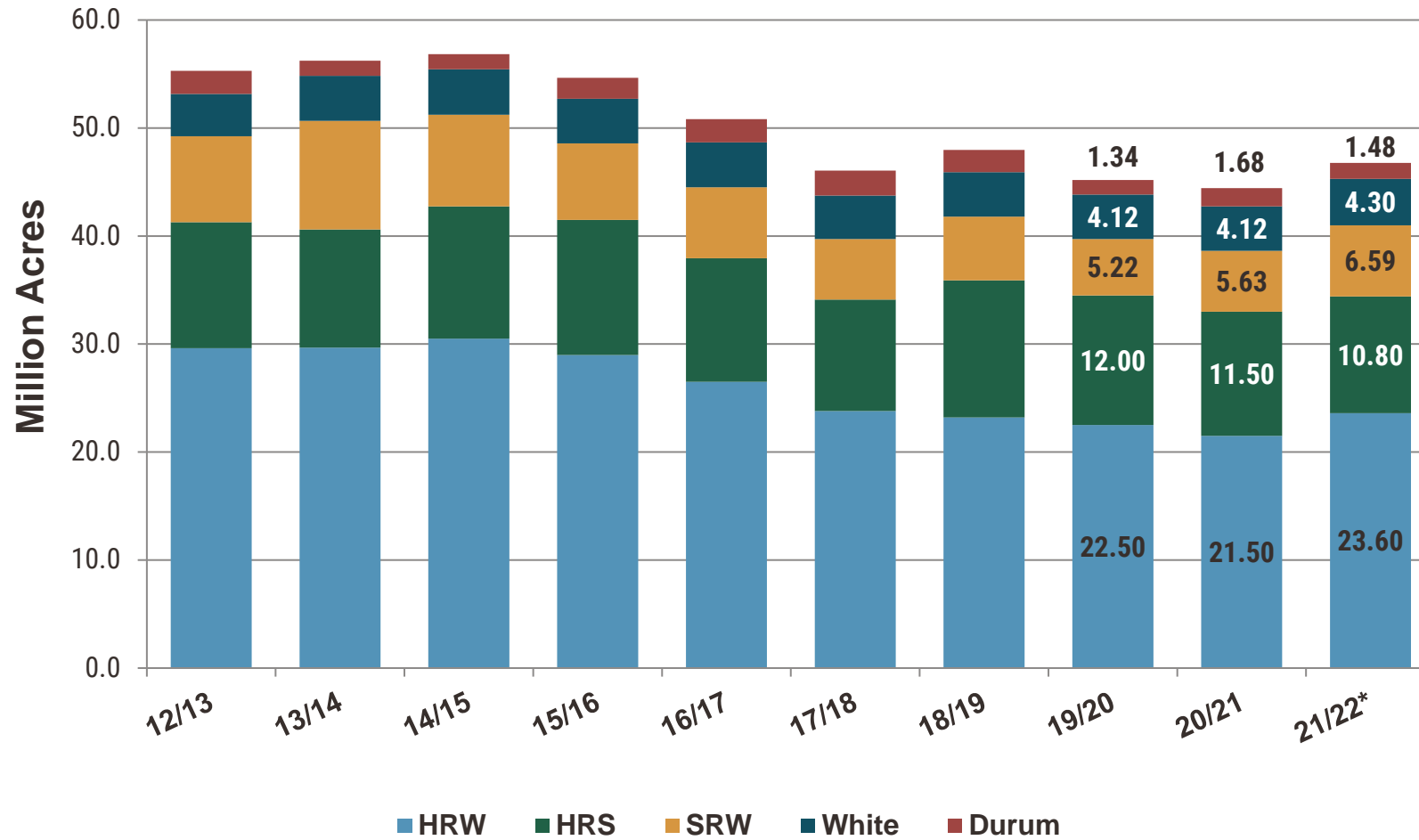




03

*U.S. Situation by
Class*

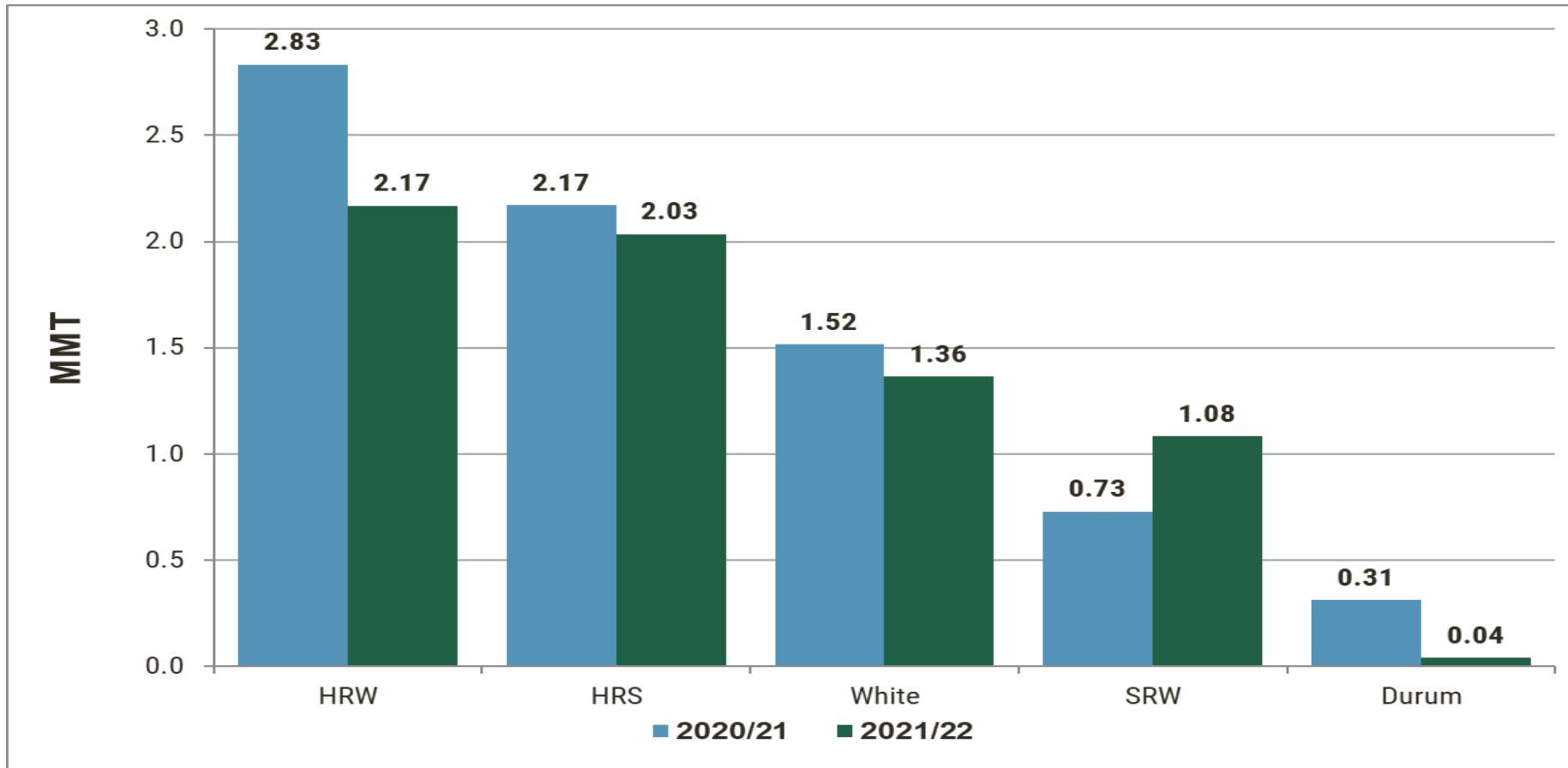
U.S. Wheat Planted Area



*Source: June 2021 USDA Acreage Report

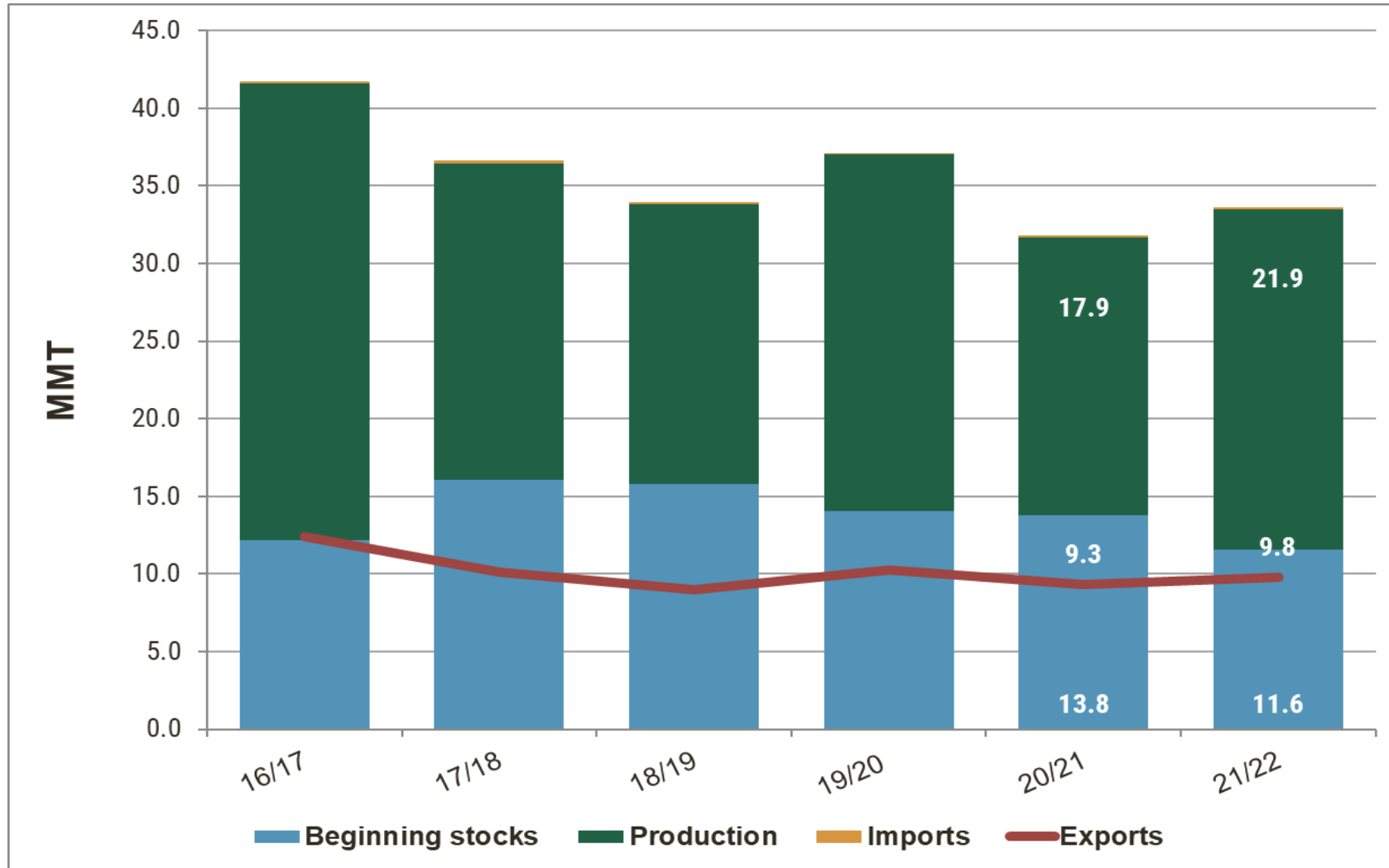


U.S. Wheat Sales by Class (year-to-date sales for current marketing year delivery)

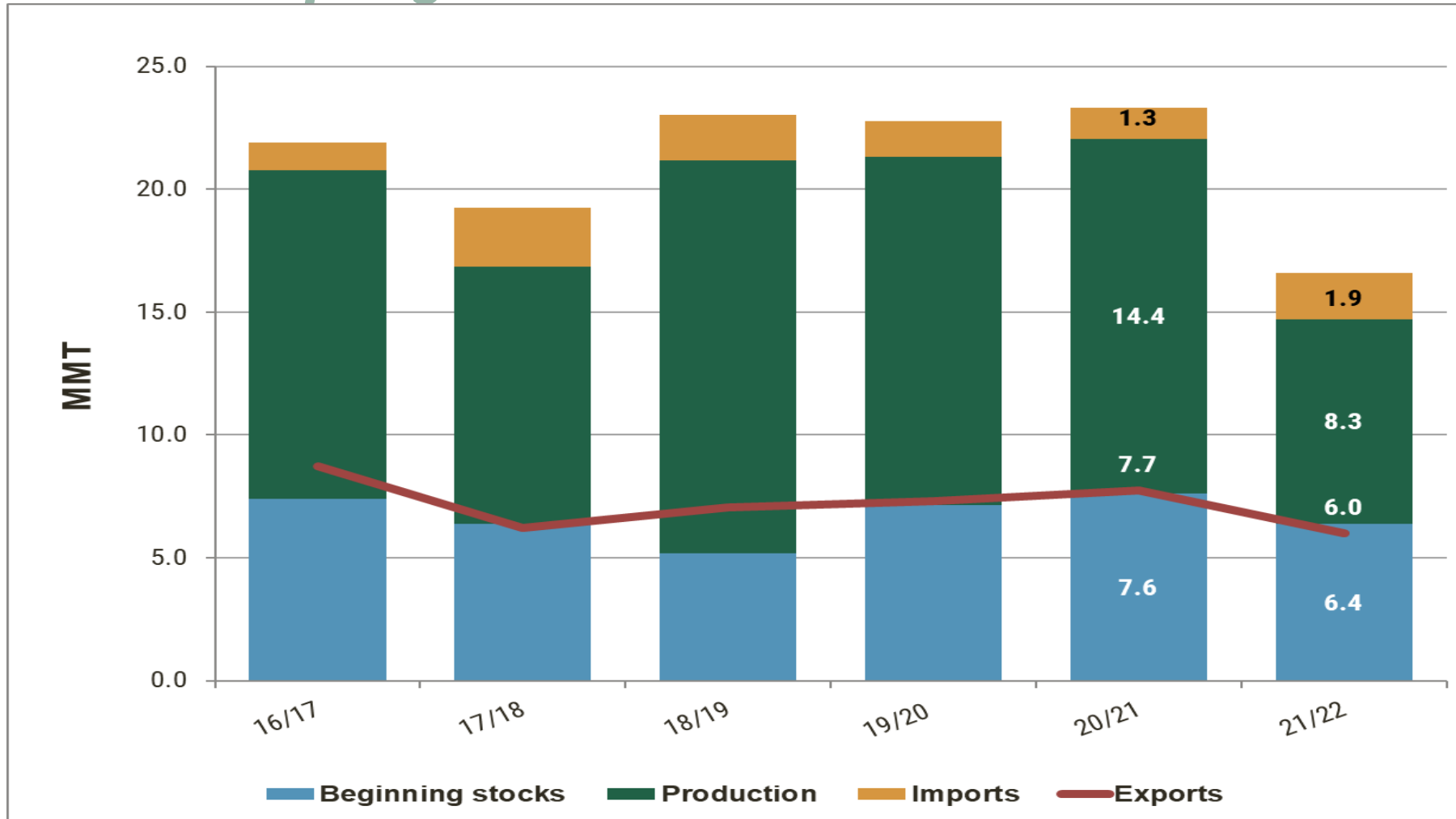


Source: USDA FAS export sales data as of July 9, 2021

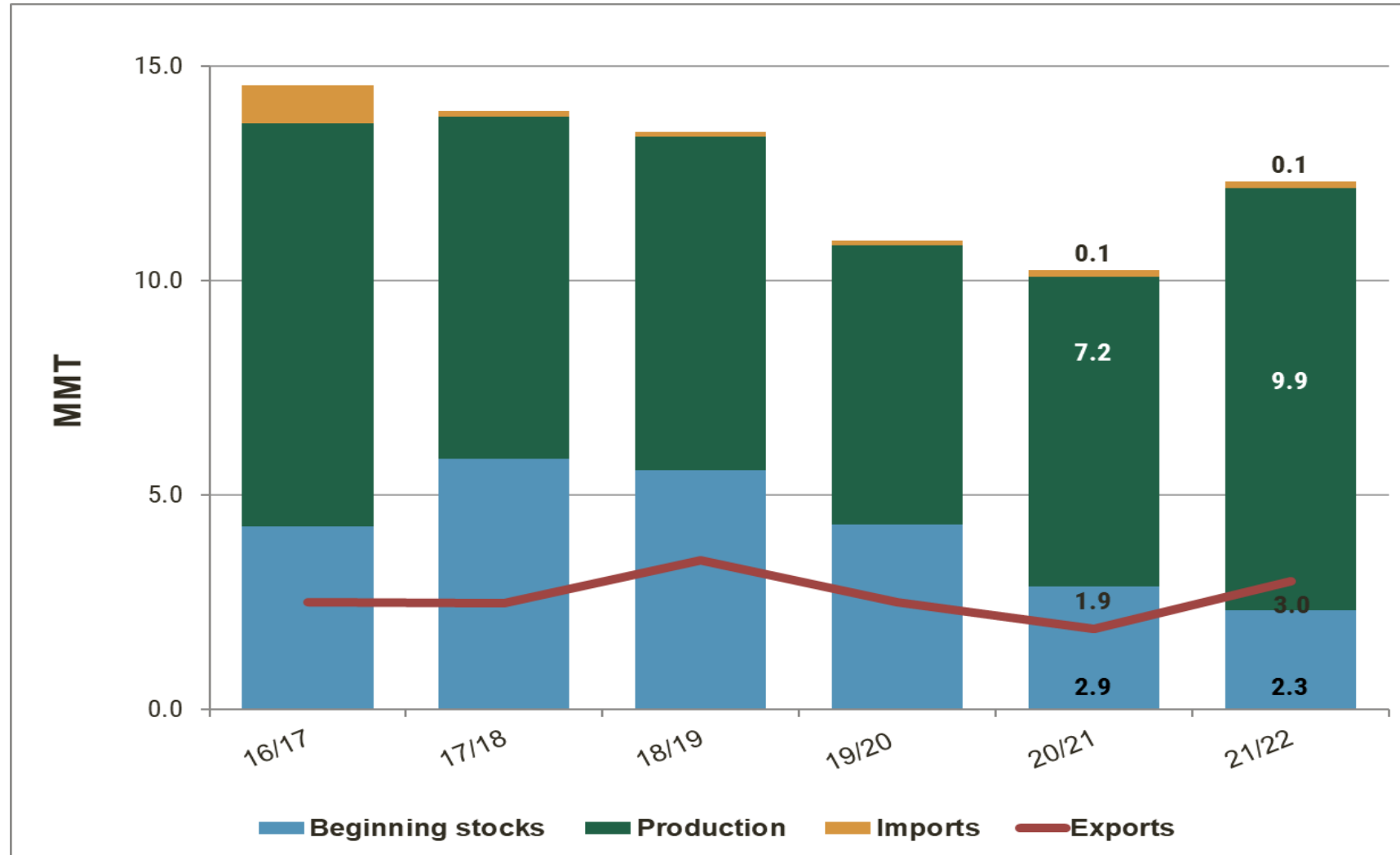
U.S. Hard Red Winter



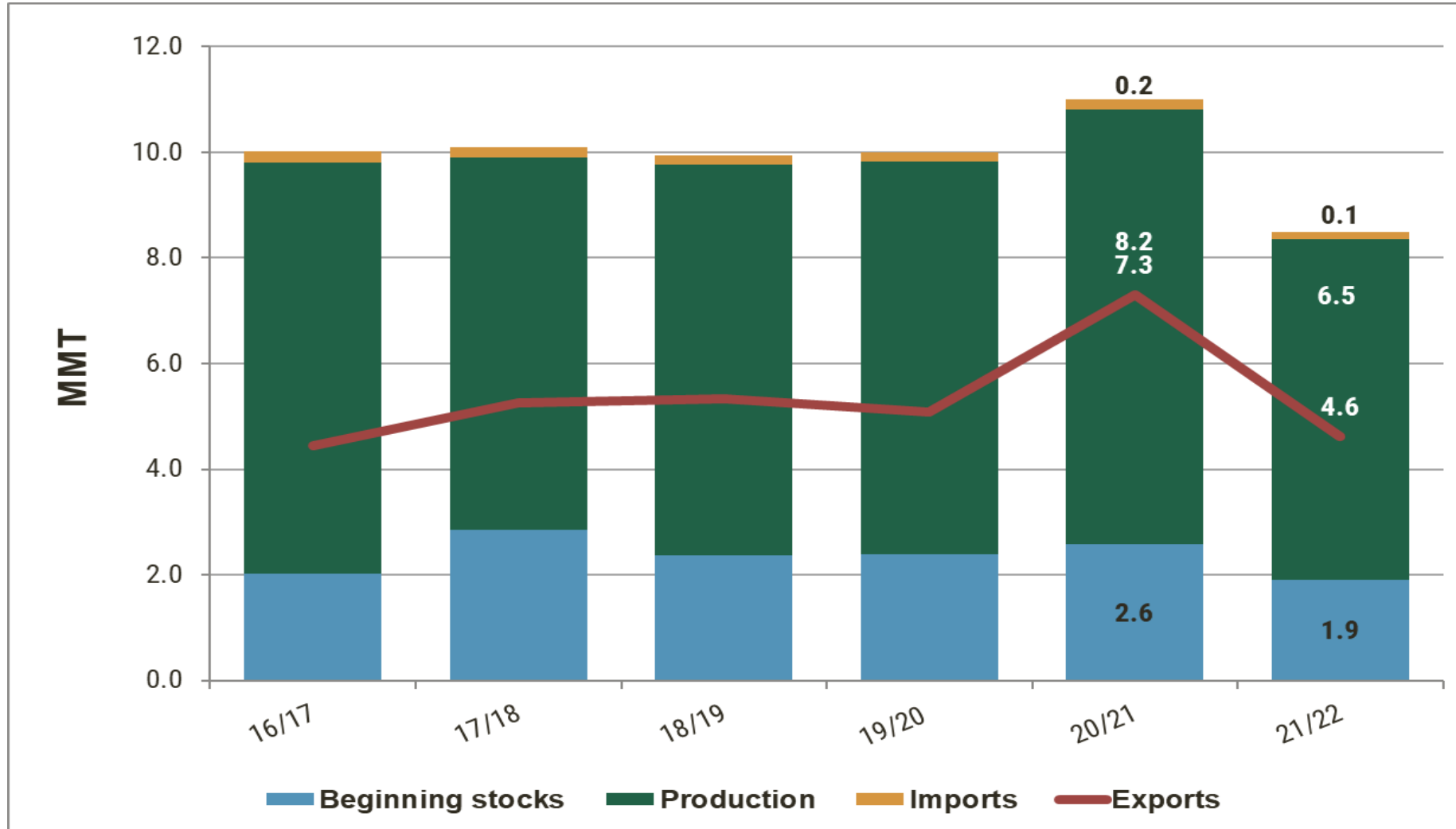
U.S. Hard Red Spring



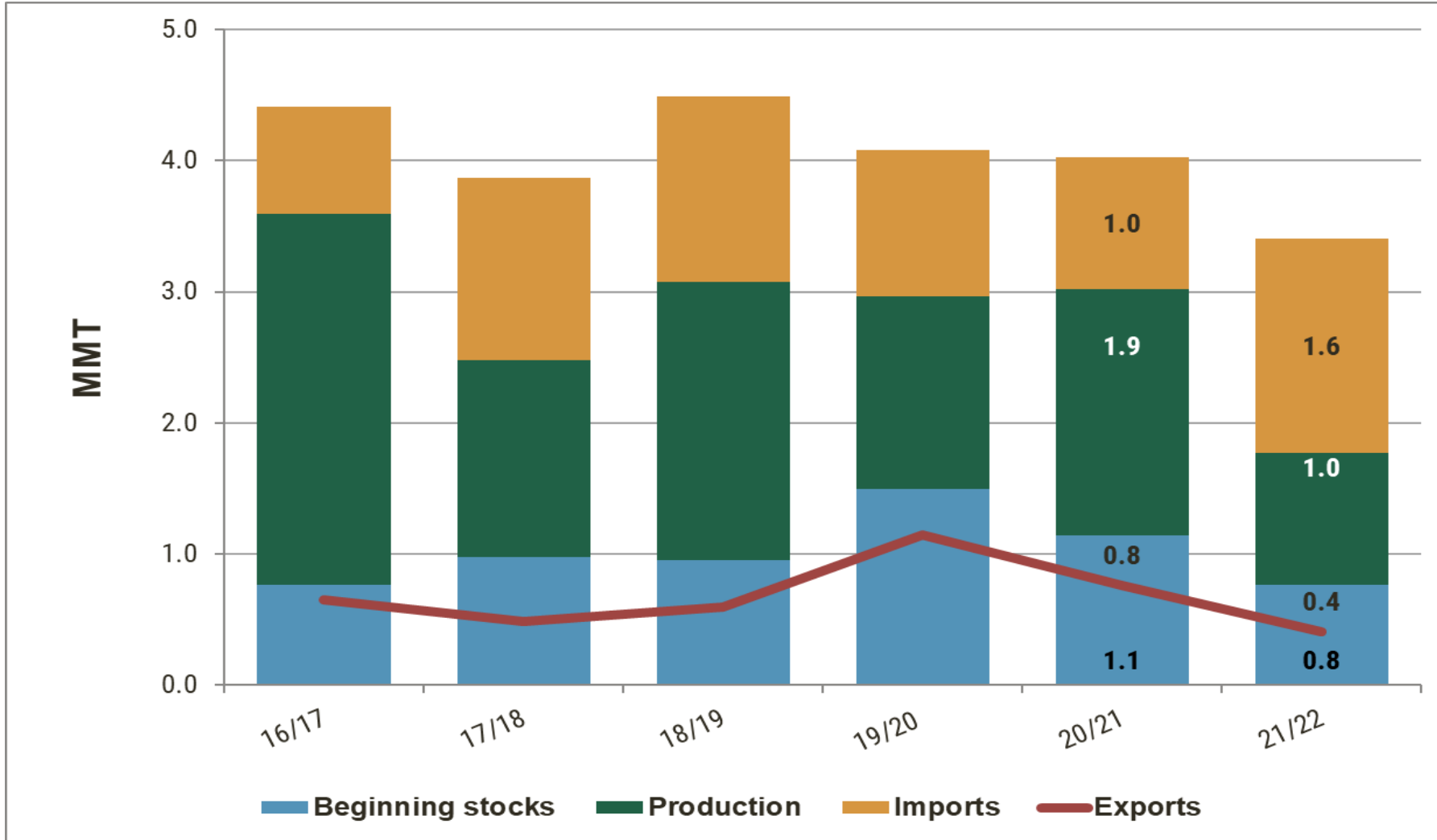
U.S. Soft Red Winter



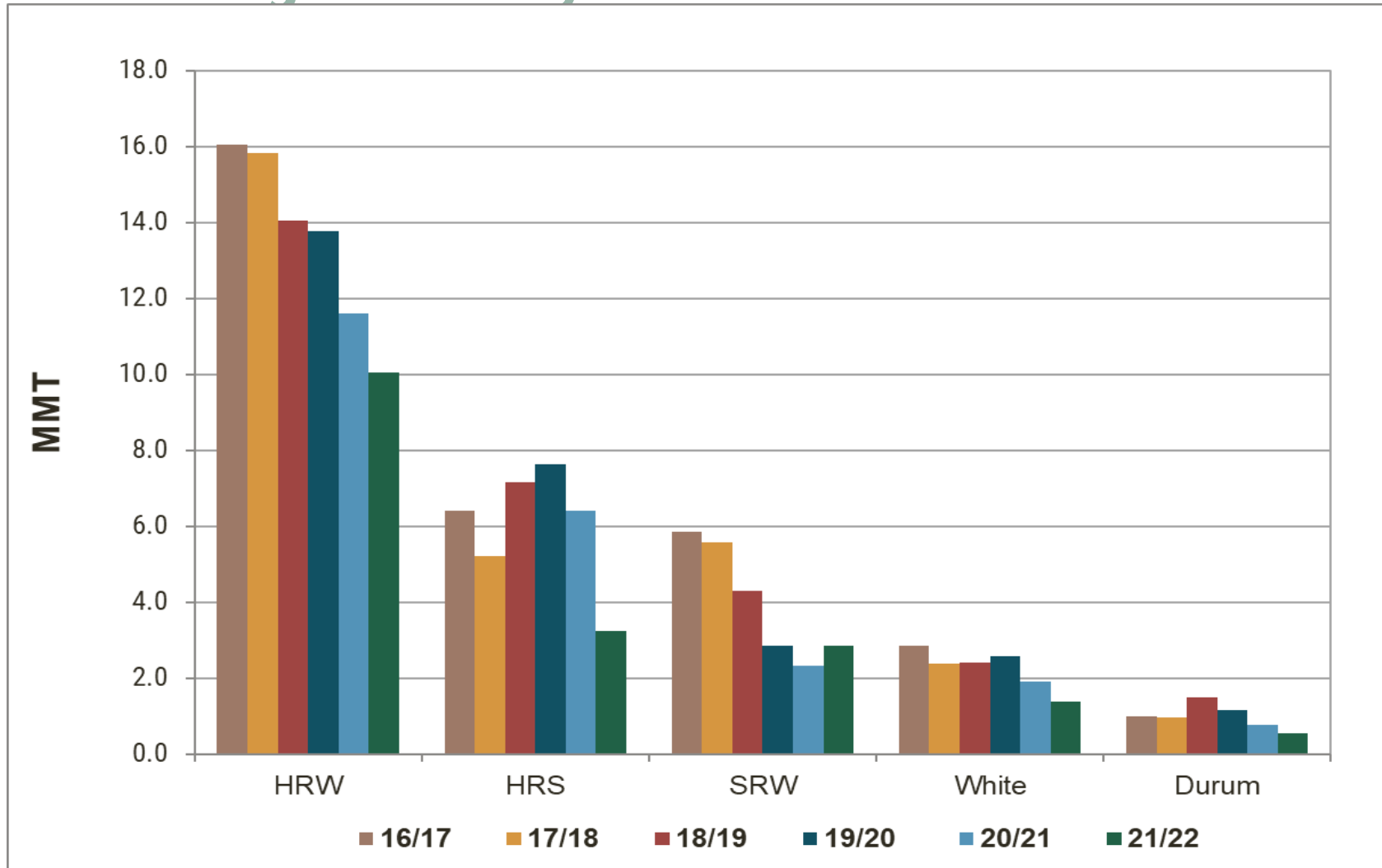
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



U.S. Wheat Supply and Demand (MMT)

	HRW		HRS		SRW	
	<u>20/21</u>	<u>21/22</u>	<u>20/21</u>	<u>21/22</u>	<u>20/21</u>	<u>21/22</u>
Beginning Stocks	13.8	11.6	7.62	6.40	2.86	2.31
Production	17.9	21.9	14.4	8.3	7.24	9.85
Supply Total	31.8	33.6	23.3	16.6	10.23	12.3
Domestic Use	10.9	13.8	9.20	7.38	6.04	6.45
Exports	9.3	9.8	7.73	5.99	1.88	2.99
Use Total	20.2	23.6	16.9	13.4	7.92	9.44
Ending Stocks	11.6	10.0	6.40	3.24	2.31	2.86
Stocks-to-Use	57%	43%	38%	24%	29%	30%

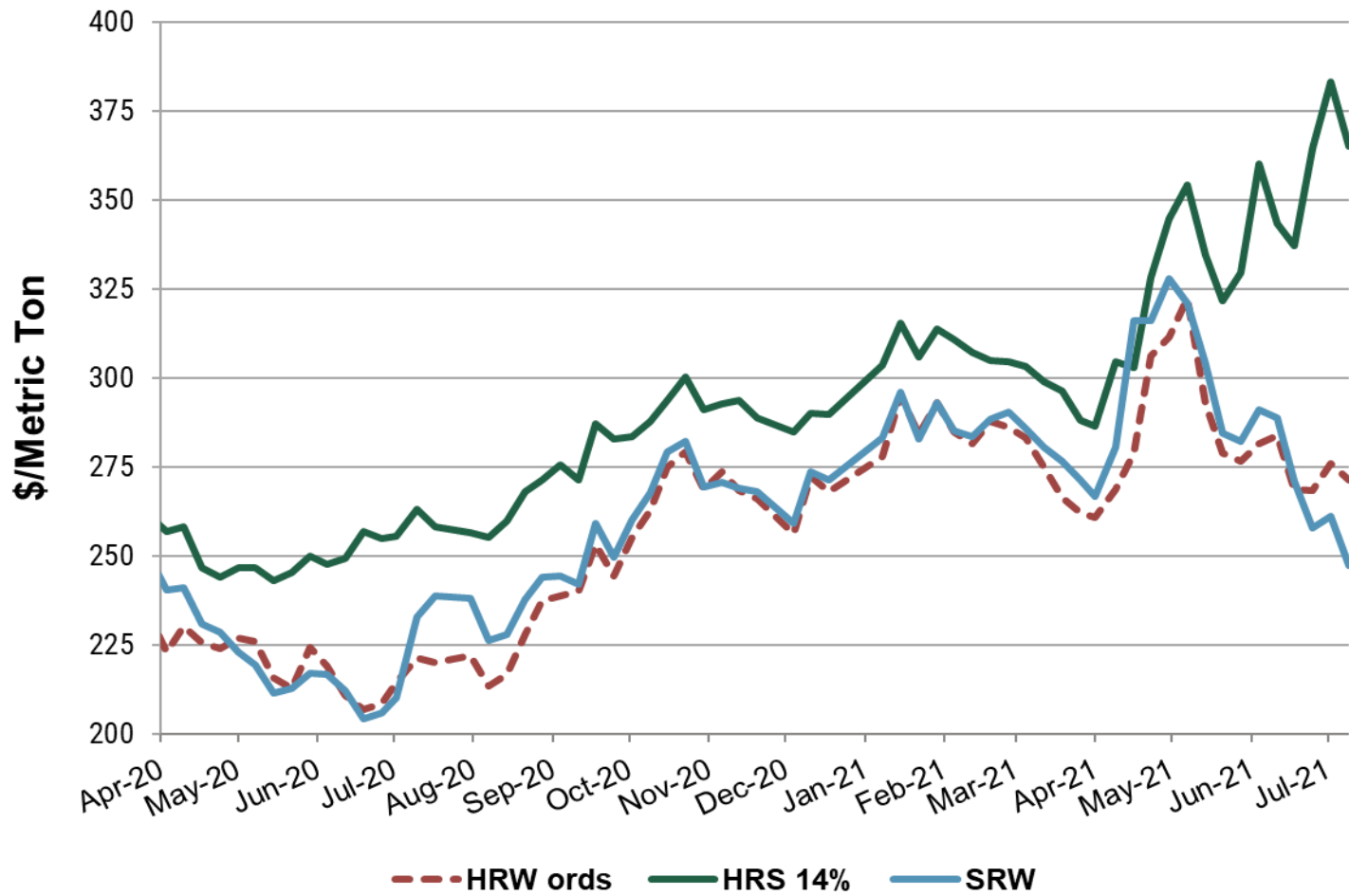


U.S. Wheat Supply and Demand (MMT)

	White		Durum		Total	
	<u>20/21</u>	<u>21/22</u>	<u>20/21</u>	<u>21/22</u>	<u>20/21</u>	<u>21/22</u>
Beginning Stocks	2.59	1.91	1.14	0.76	28.0	23.0
Production	8.22	6.45	1.88	1.01	49.7	47.5
Supply Total	11.0	8.49	4.03	3.40	80.4	74.4
Domestic Use	1.77	2.48	2.50	2.45	30.5	32.5
Exports	7.29	4.63	0.76	0.41	27.0	23.8
Use Total	9.09	7.10	3.29	2.86	57.4	56.3
Ending Stocks	1.91	1.39	0.76	0.54	23.0	18.1
Stocks-to-Use	21%	20%	23%	19%	40%	32%



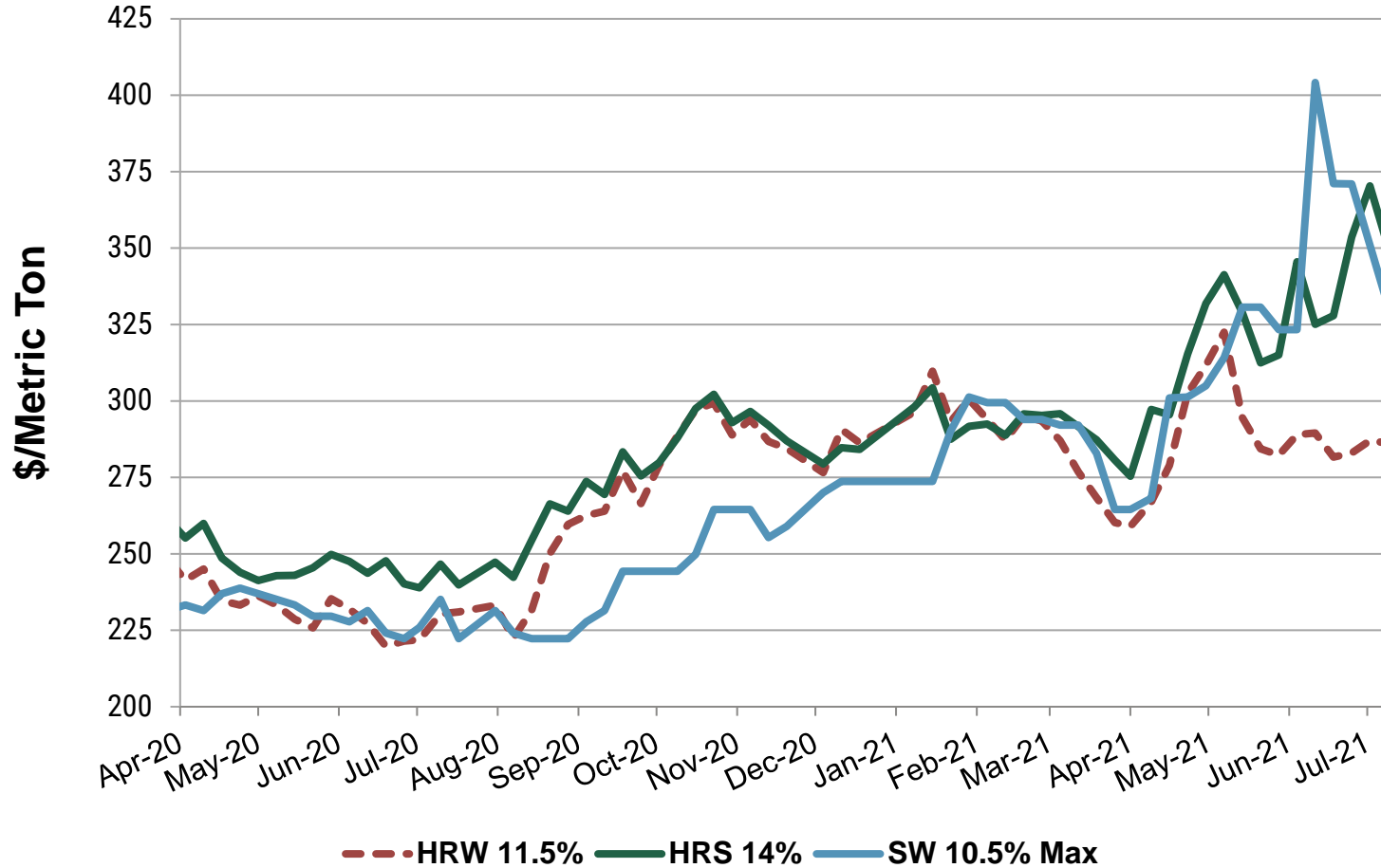
U.S. FOB Gulf Prices



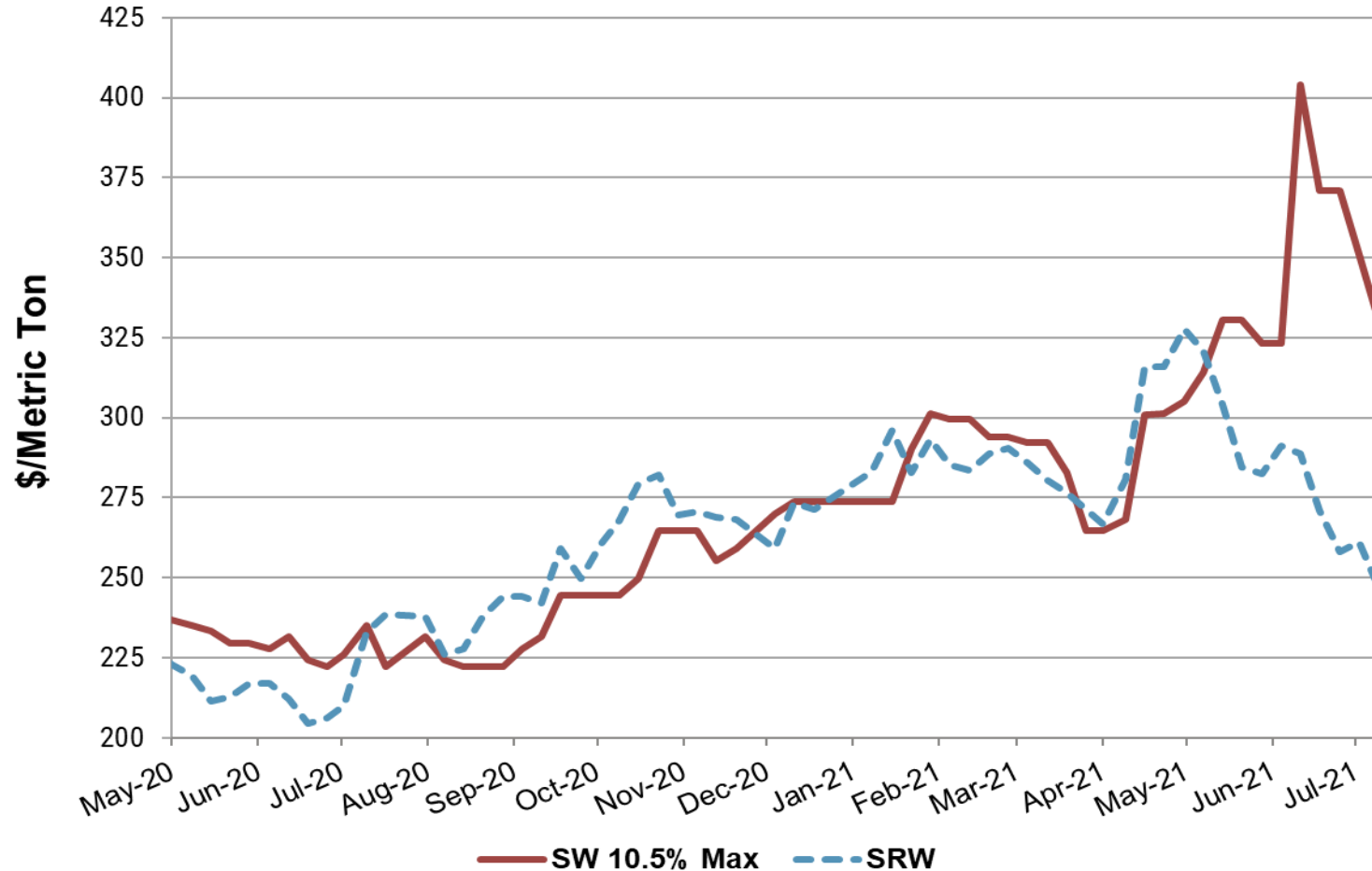
Source: U.S. Wheat Associates Price Report, July 9, 2021



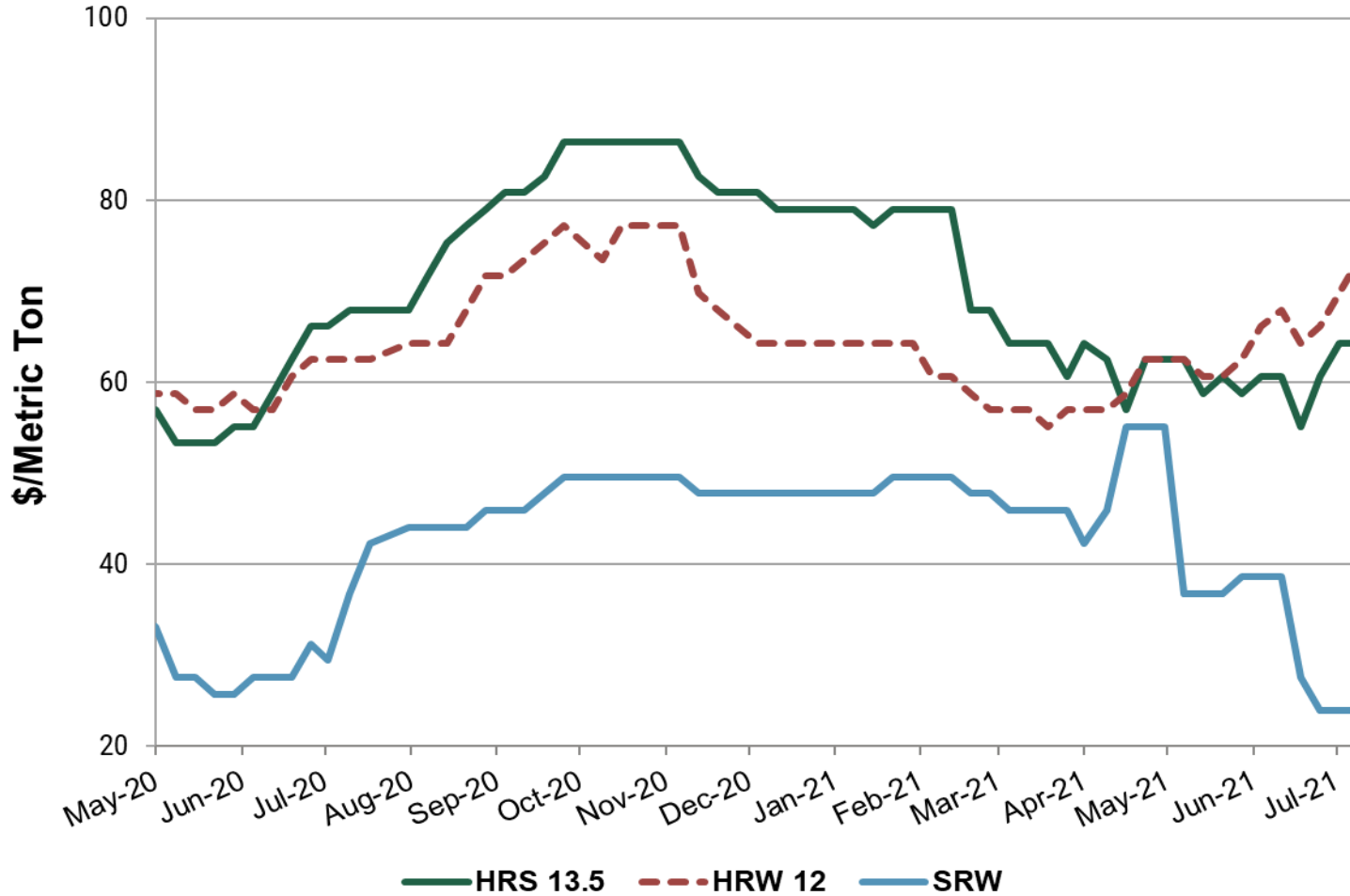
U.S. FOB PNW Prices



U.S. FOB Soft White and SRW Prices



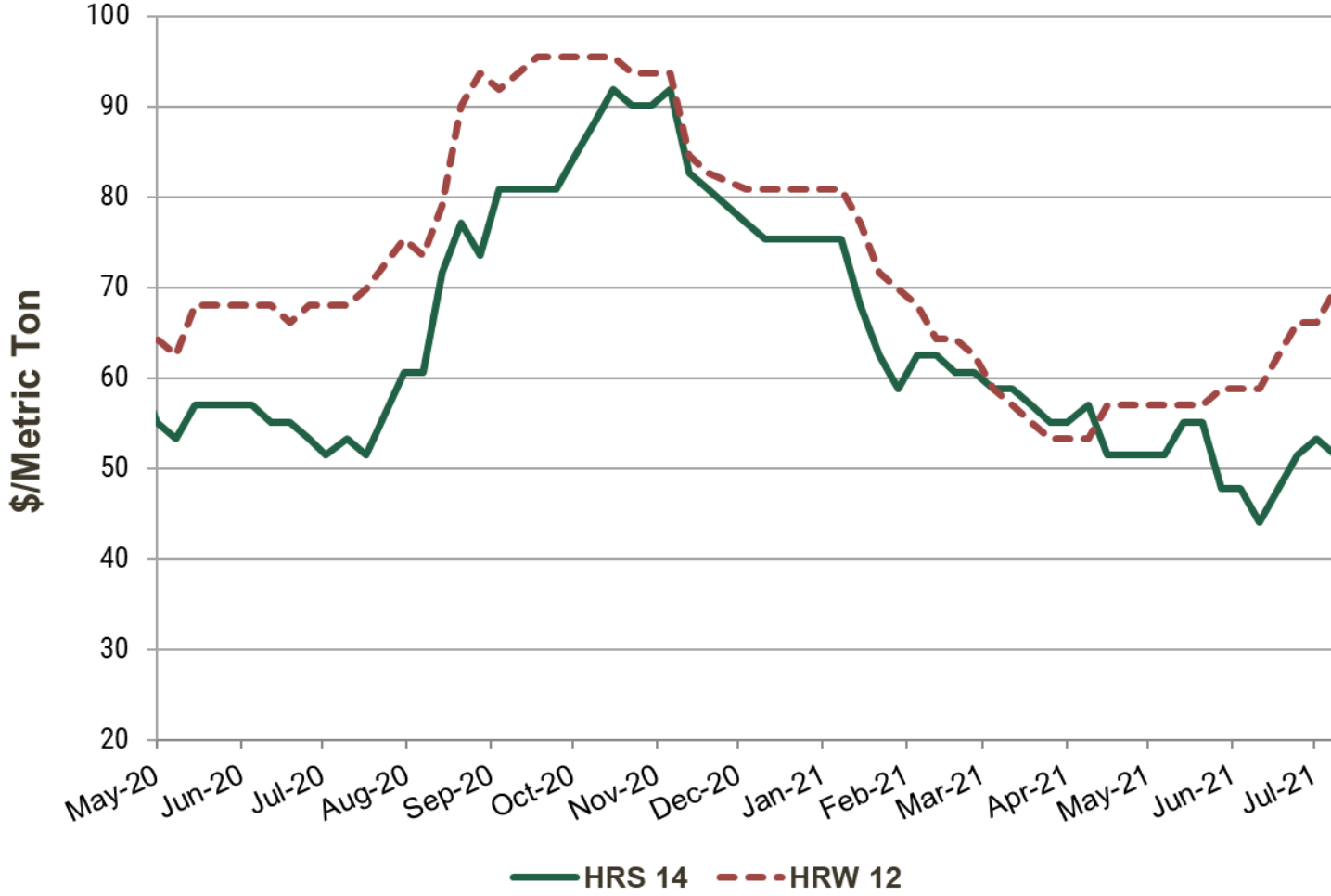
U.S. Gulf Export Basis



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



U.S. PNW Export Basis



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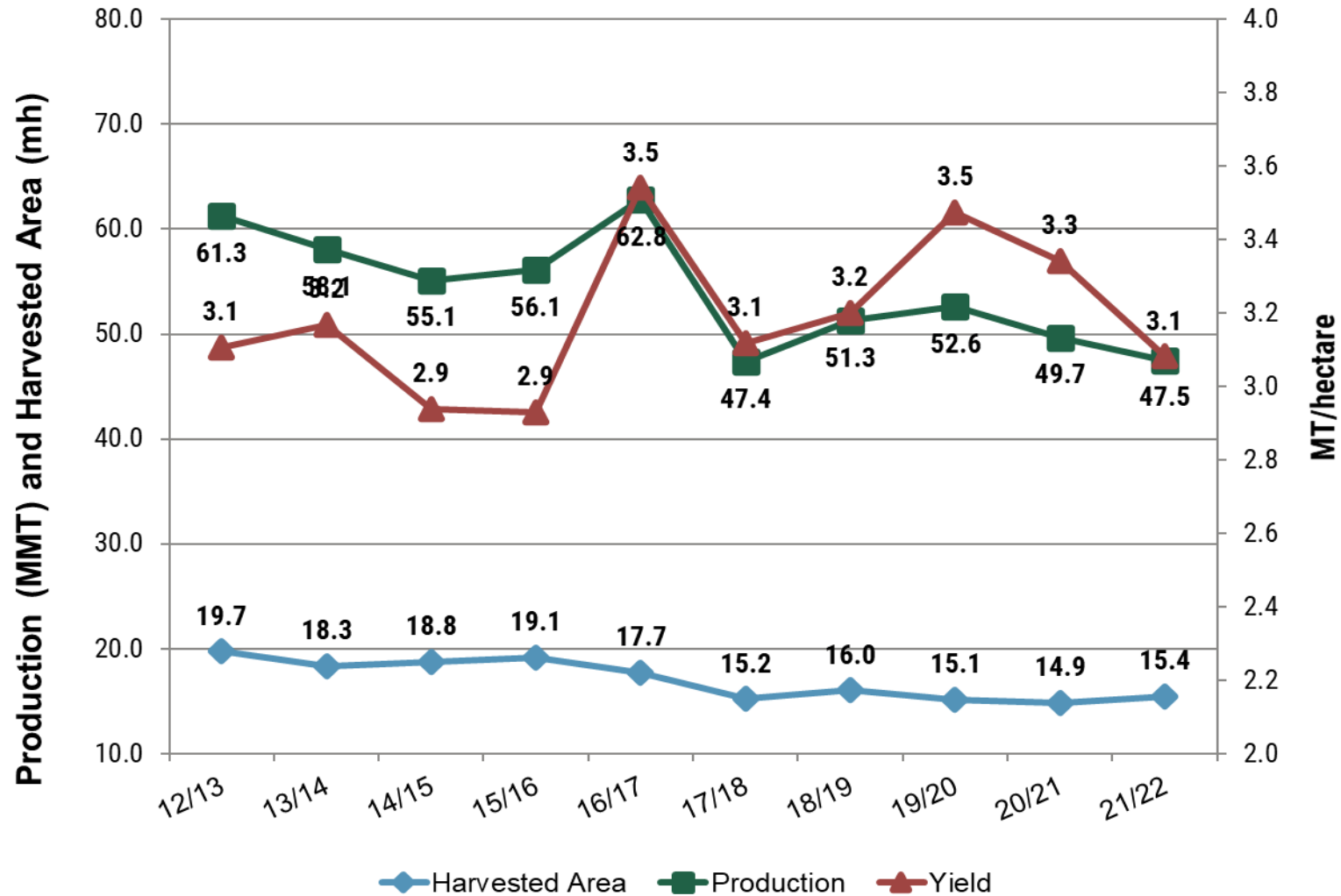


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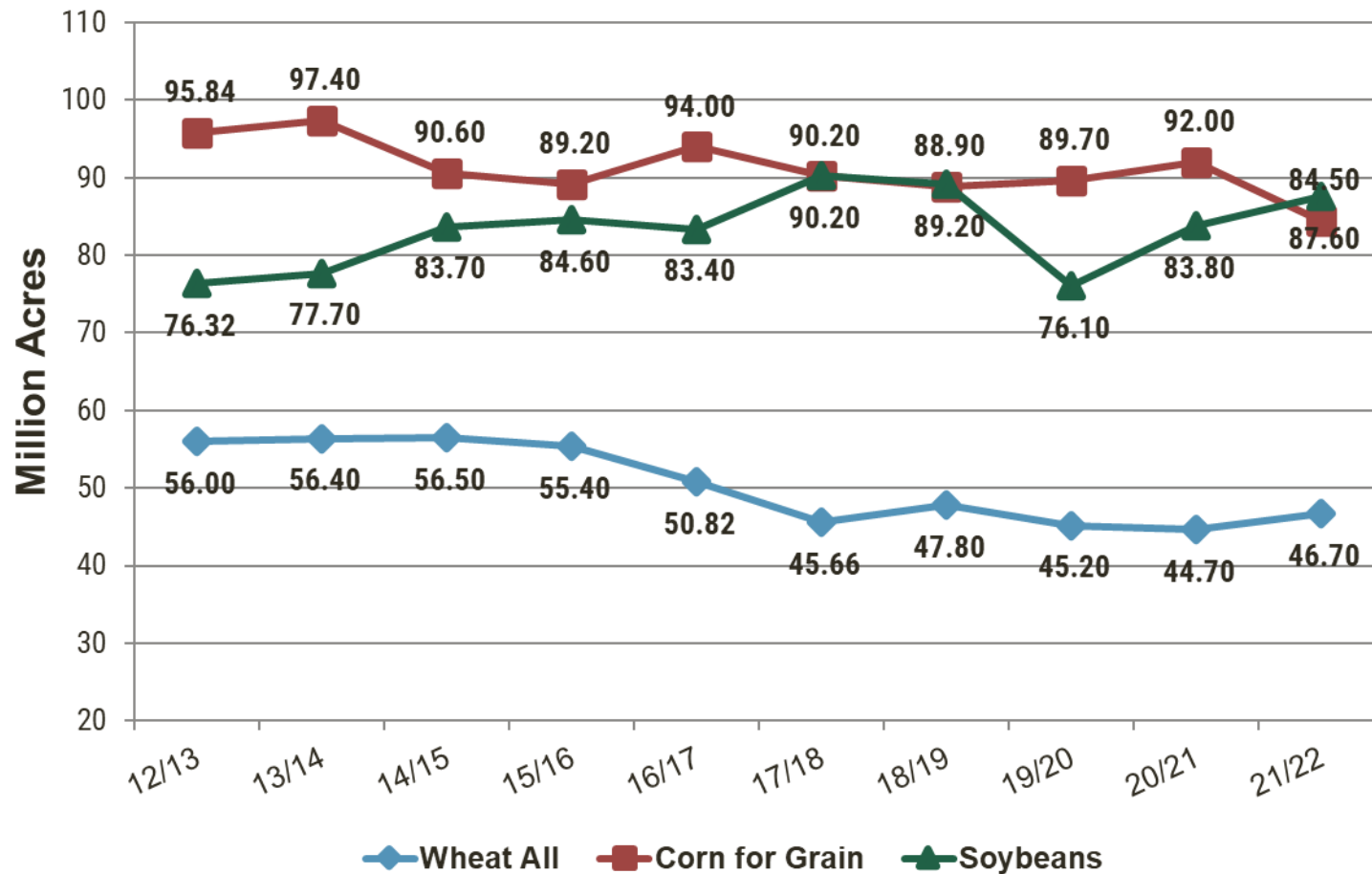
Outlook



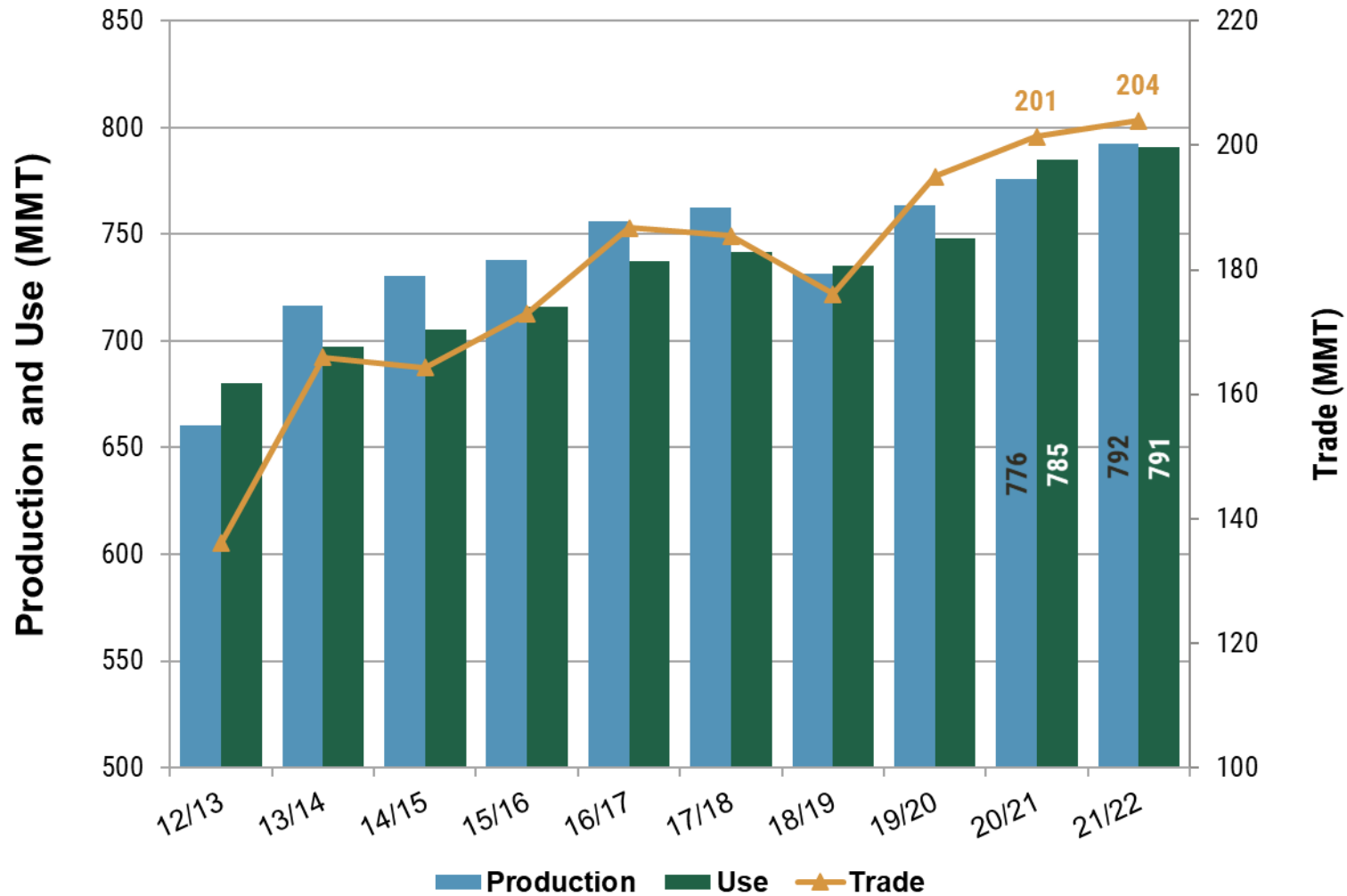
U.S. Wheat Production, Area and Yield



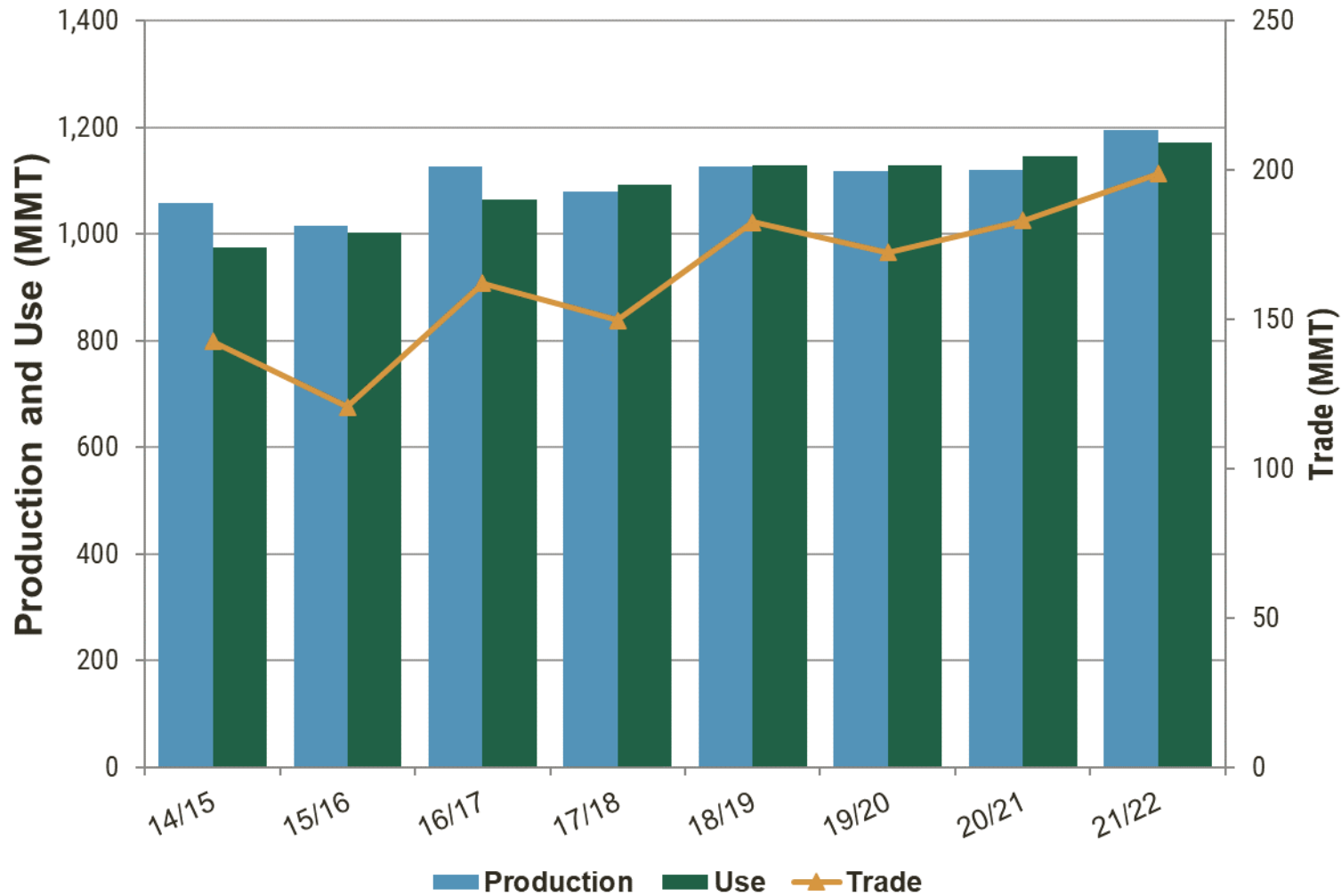
U.S. Crop Planted Area Comparison



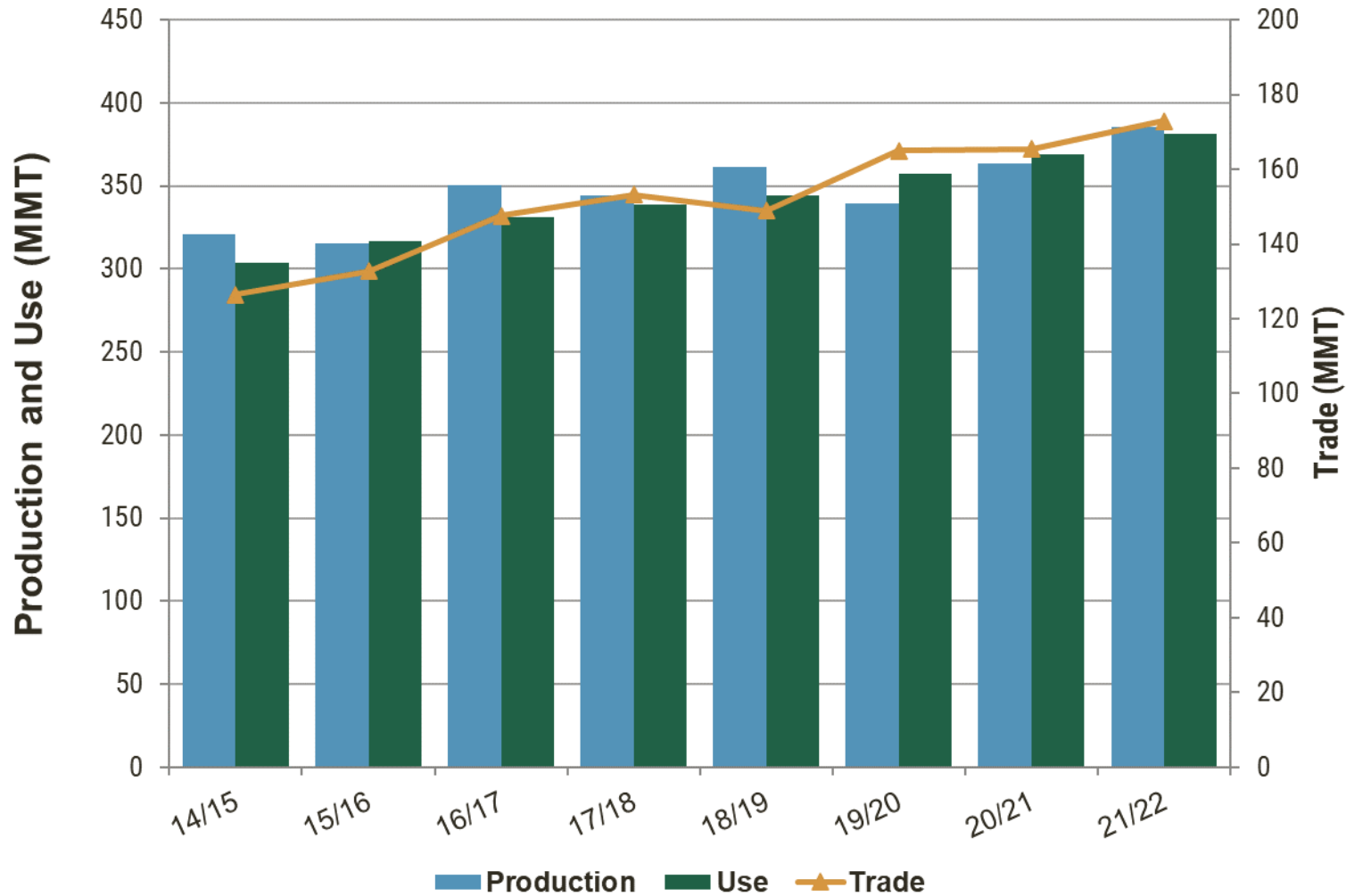
World Wheat Production, Use and Trade



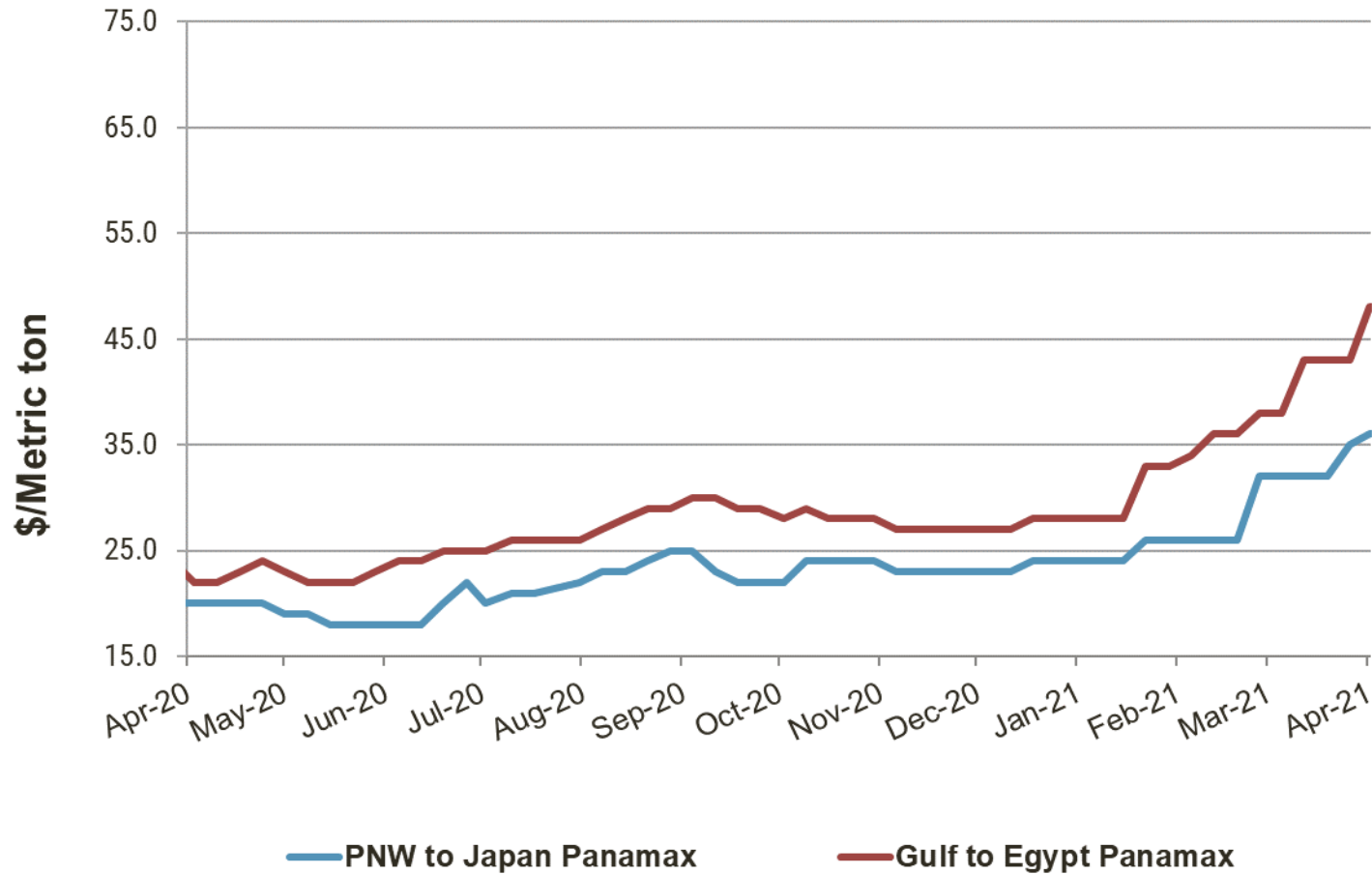
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



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THANK YOU



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