



World Wheat Supply and Demand Situation

March 2019

Major data source: USDA World Agricultural Supply and Demand Estimates released March 8, 2019, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.

Highlights of USDA's 2018/19 Supply and Demand Estimates

1. **2018/19 global wheat production to fall for first time in 5 years**

- Global wheat production to fall to 733 MMT, down 4% from 2017/18
- Wheat production in Australia to fall to 17.3 MMT, its lowest output since 2007/08
- U.S. wheat production estimated at 51.3 MMT, 8% above 2017/18 levels

2. **Global consumption forecast at 742 MMT, slightly below the 2017/18 record, but 3 percent above the 5-year average**

- Australian feed wheat consumption expected to reach 5.7 MMT, up 42% year over year
- China's domestic consumption to reach 125 MMT, 6% above the 5-year average
- U.S. domestic consumption expected to increase by 2% from last year to hit 30 MMT

3. **World wheat trade projected at 179 MMT, 3% above the 5-year average**

- Exports from the European Union (EU) to fall 25% year over year to 23 MMT
- U.S. 2018/19 exports to increase to 26.3 MMT, up 7% from 2017/18, if realized



Highlights of USDA's 2018/19 Supply and Demand Estimates

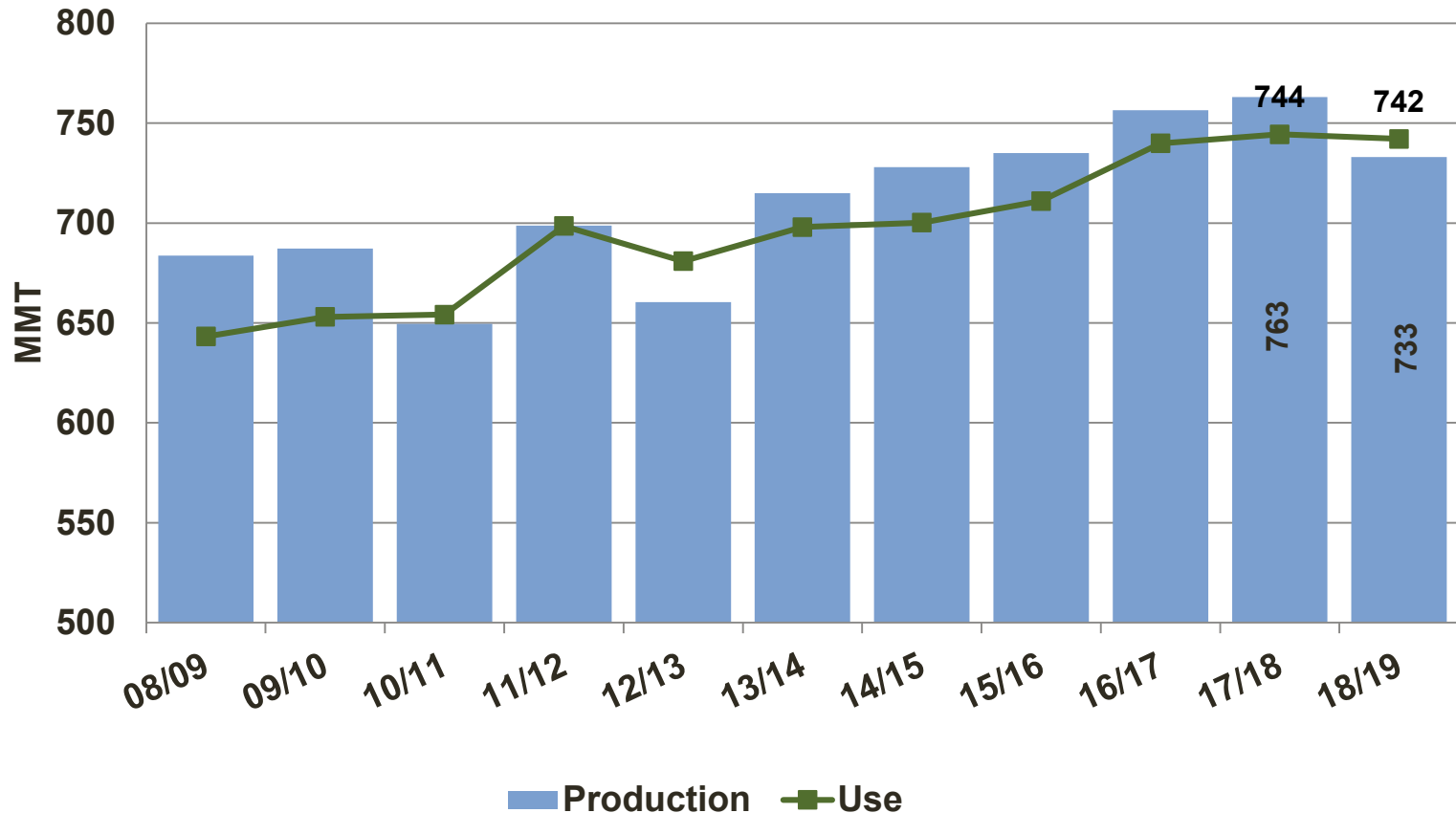
4. **World beginning stocks estimated at record 280 MMT, 7% higher than last year and 27% higher than the 5-year average**
 - Chinese beginning stocks increased to 131 MMT, the highest level in 10 years
 - U.S. beginning stocks estimated at 29.9 MMT, 7% below 2017/18 levels

5. **Global ending stocks projected at 271 MMT, 3% below the 2017/18 record, if realized**
 - Estimated Chinese ending stocks of 140 MMT account for 52% of global ending stocks, 7% higher than last year and 43% greater than the 5-year average
 - Australian ending stocks projected at 4.12 MMT, down 30% year over year and 17% below the 5-year average
 - U.S. ending stocks expected to fall to 28.7 MMT, down 4% from last year, but 15% above the 5-year average

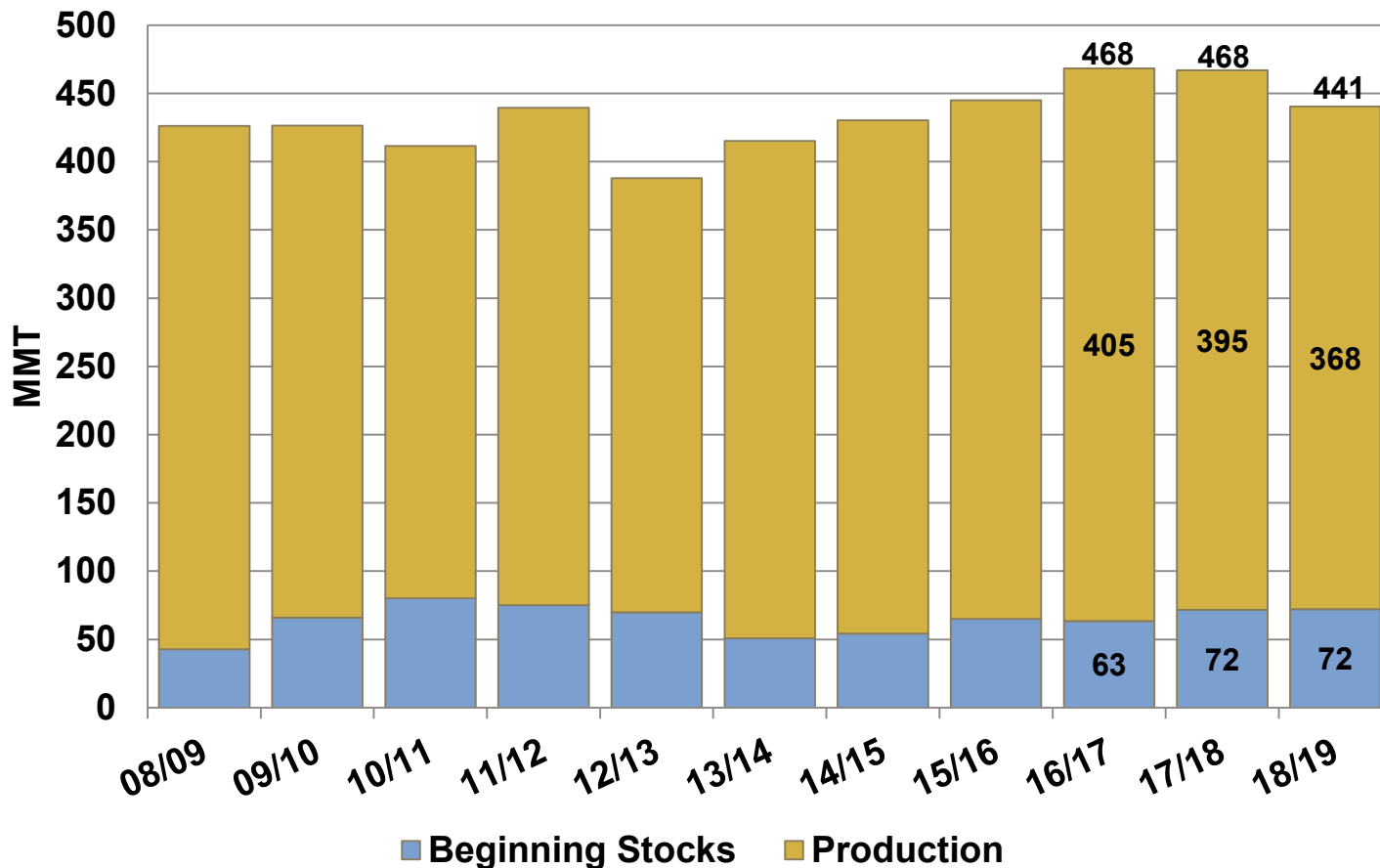
6. **U.S. farm gate average price forecast 9% higher in 2018/19**
 - Projected average range: \$5.10 to \$5.20/bushel (\$187-\$191/MT)*
**Average U.S. farm gate price, marketing year weighted average*



World Production and Use



Supplies in Top Exporting Countries*



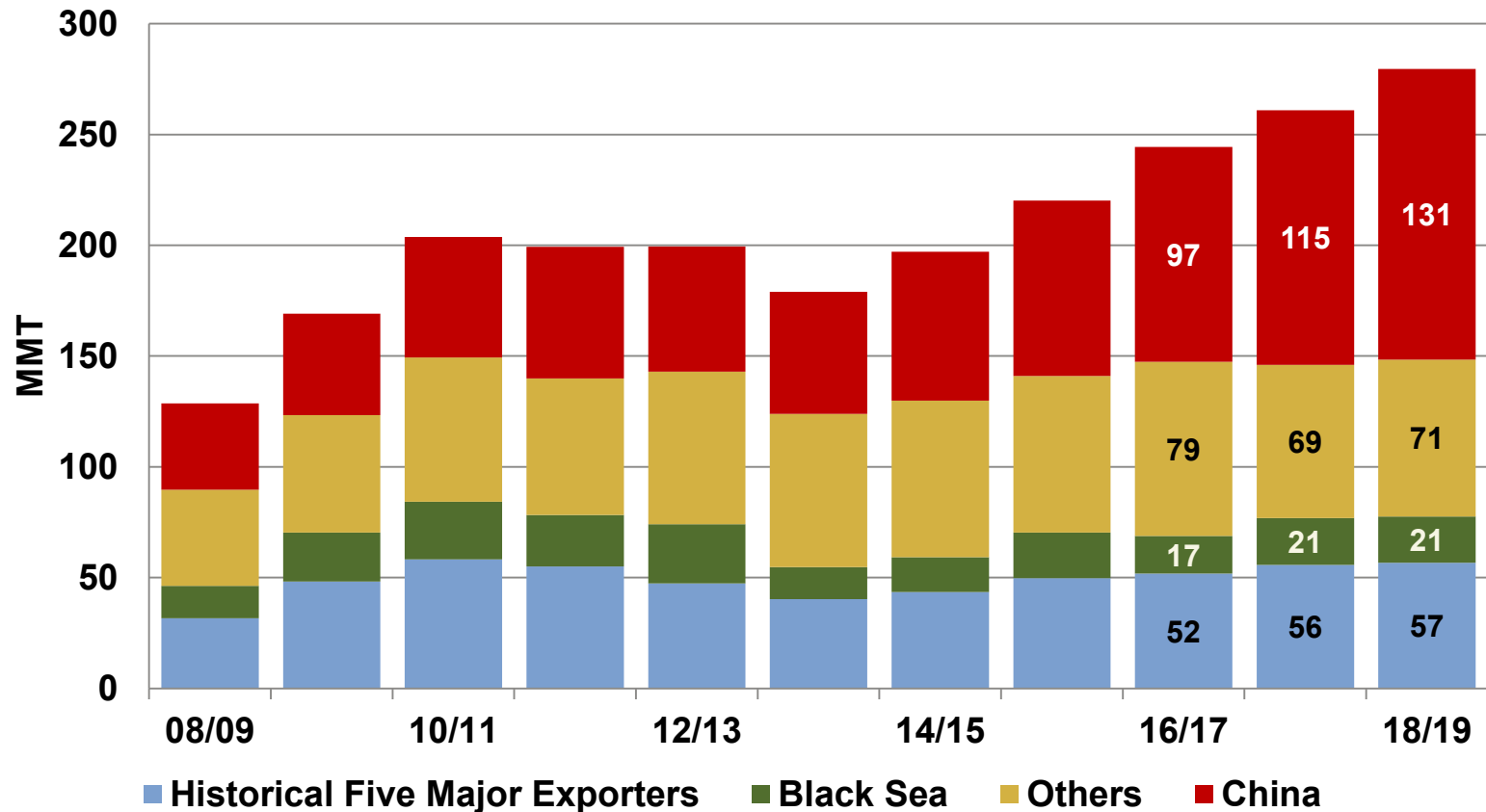
**Includes U.S., Canada, Australia, Argentina, EU-27, Russia, Ukraine and Kazakhstan*

World Wheat Supply and Demand

		16/17	17/18 <i>MMT</i>	18/19
SUPPLY:	Beginning Stocks	244	261	280
	Production	756	763	733
	Supply Total	1001	1024	1013
TRADE:	Exports/Imports	183	181	179
DEMAND	Food & Seed	592	597	600
	Feed & Residual	148	148	142
	Use Total	740	744	742
	ENDING STOCKS:	261	280	271

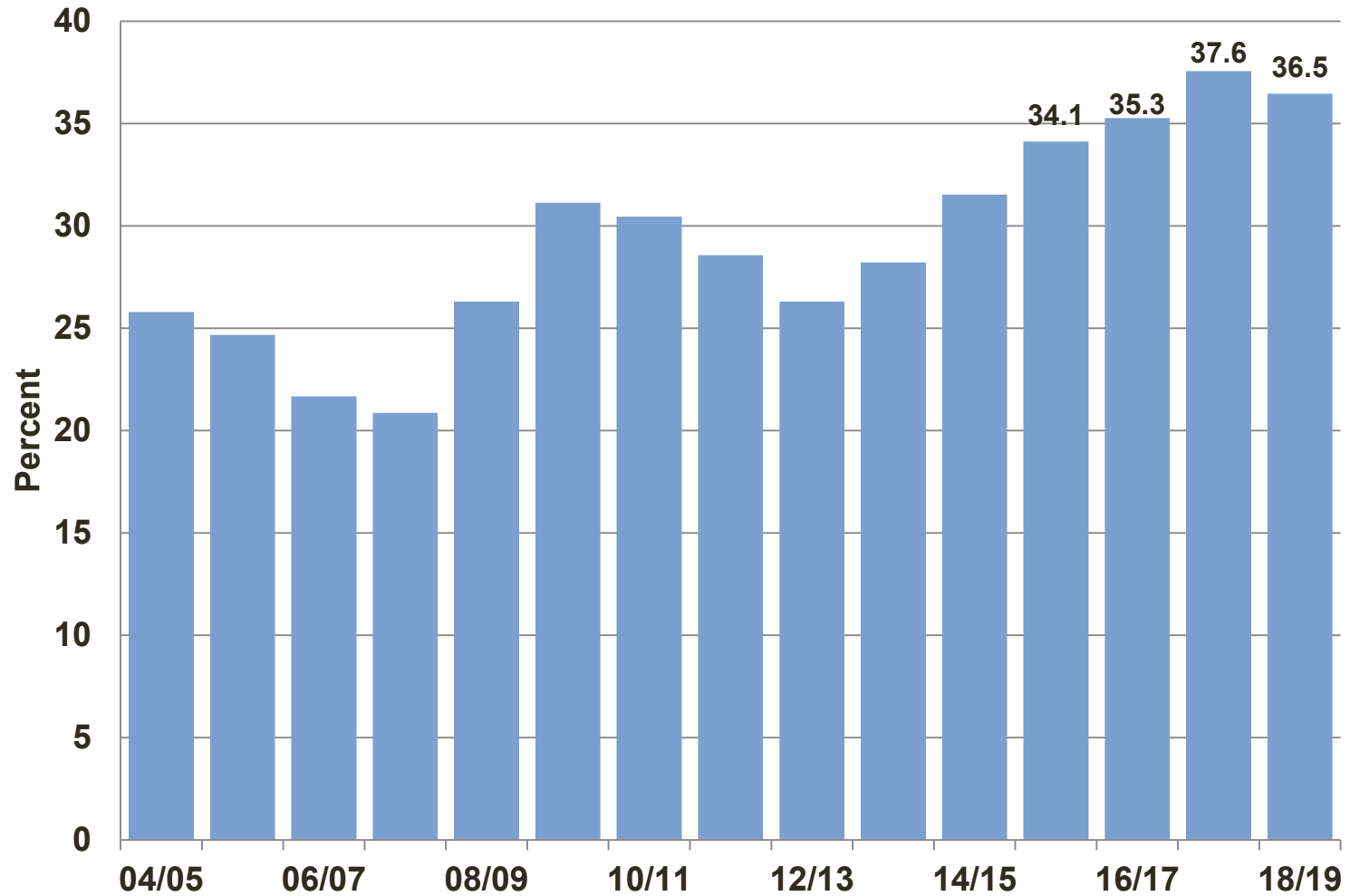


World Beginning Stocks



Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27. Black Sea includes Russia, Ukraine and Kazakhstan.

Global Stocks*-to-Use Ratio



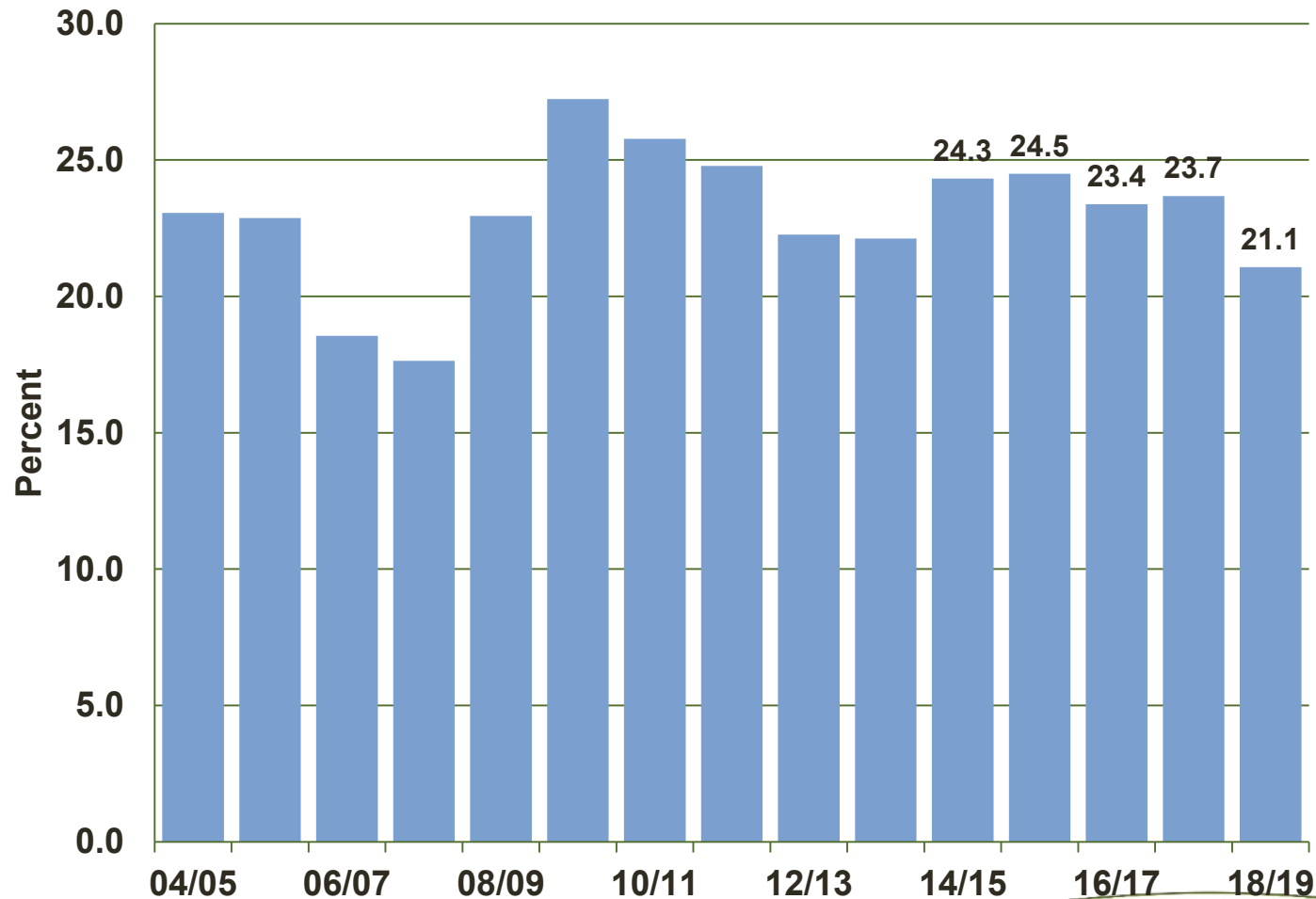
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

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



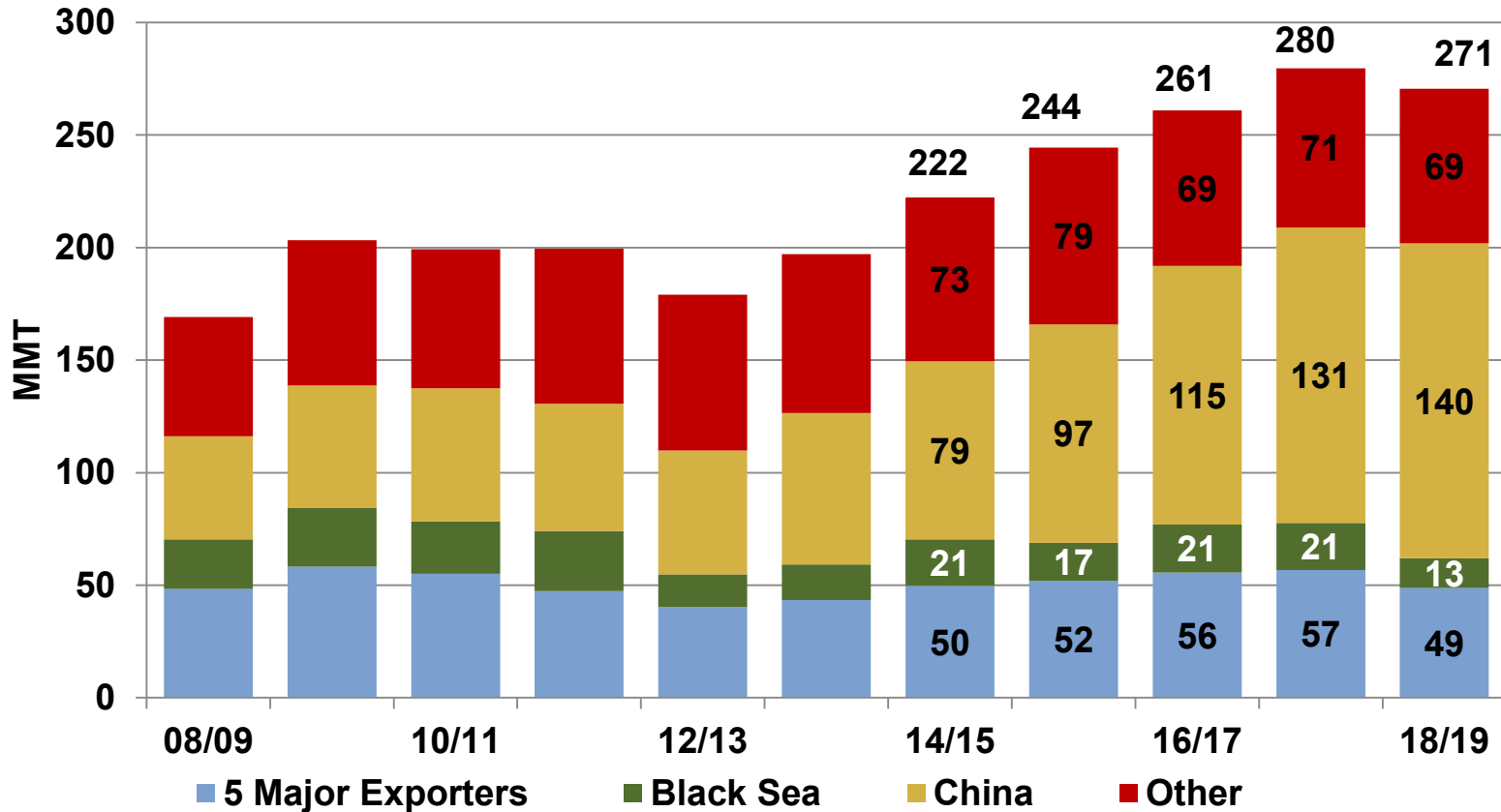
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

World Ending Stocks

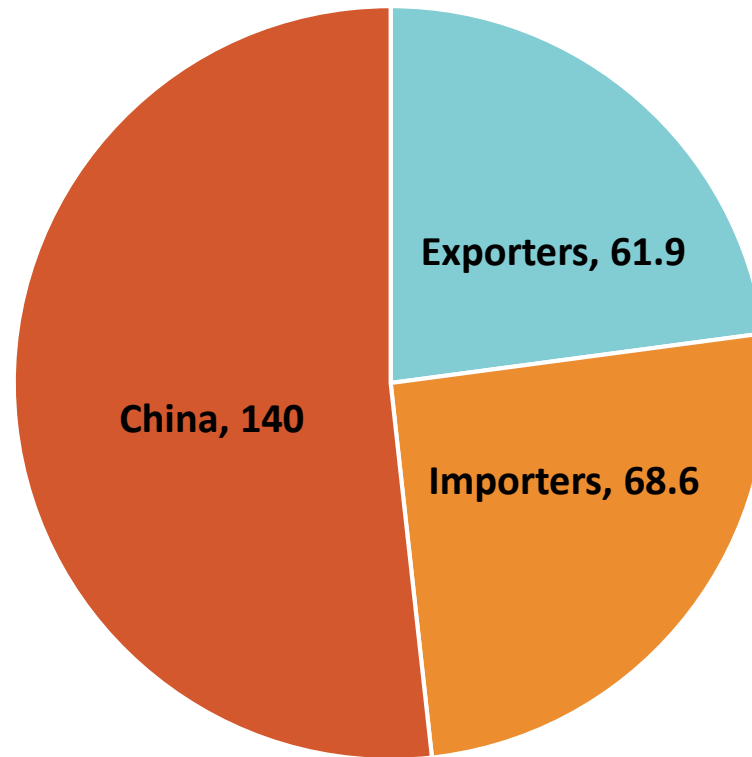


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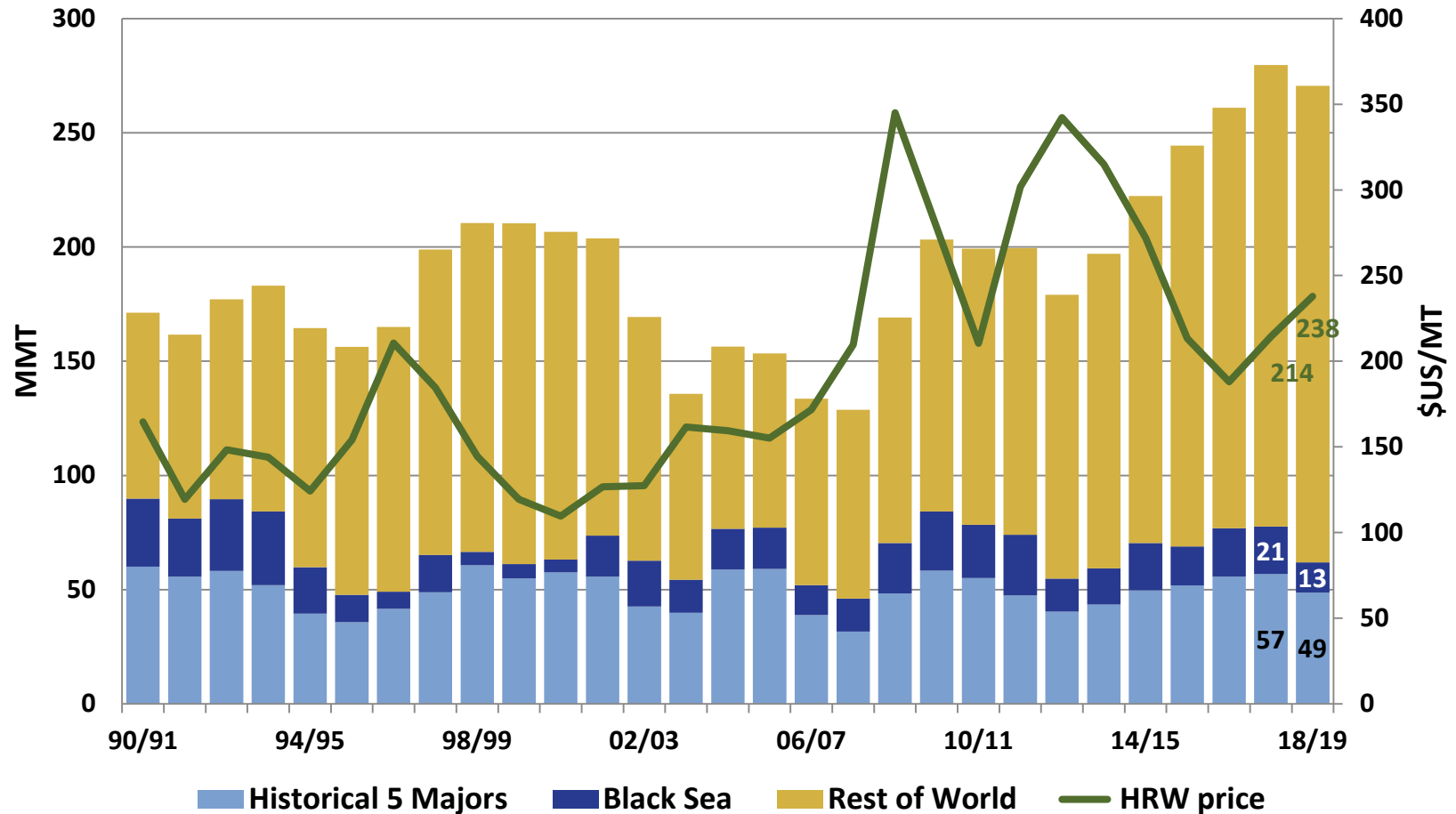


World Ending Stocks by Position

(million metric tons)



Global Ending Stocks and Price





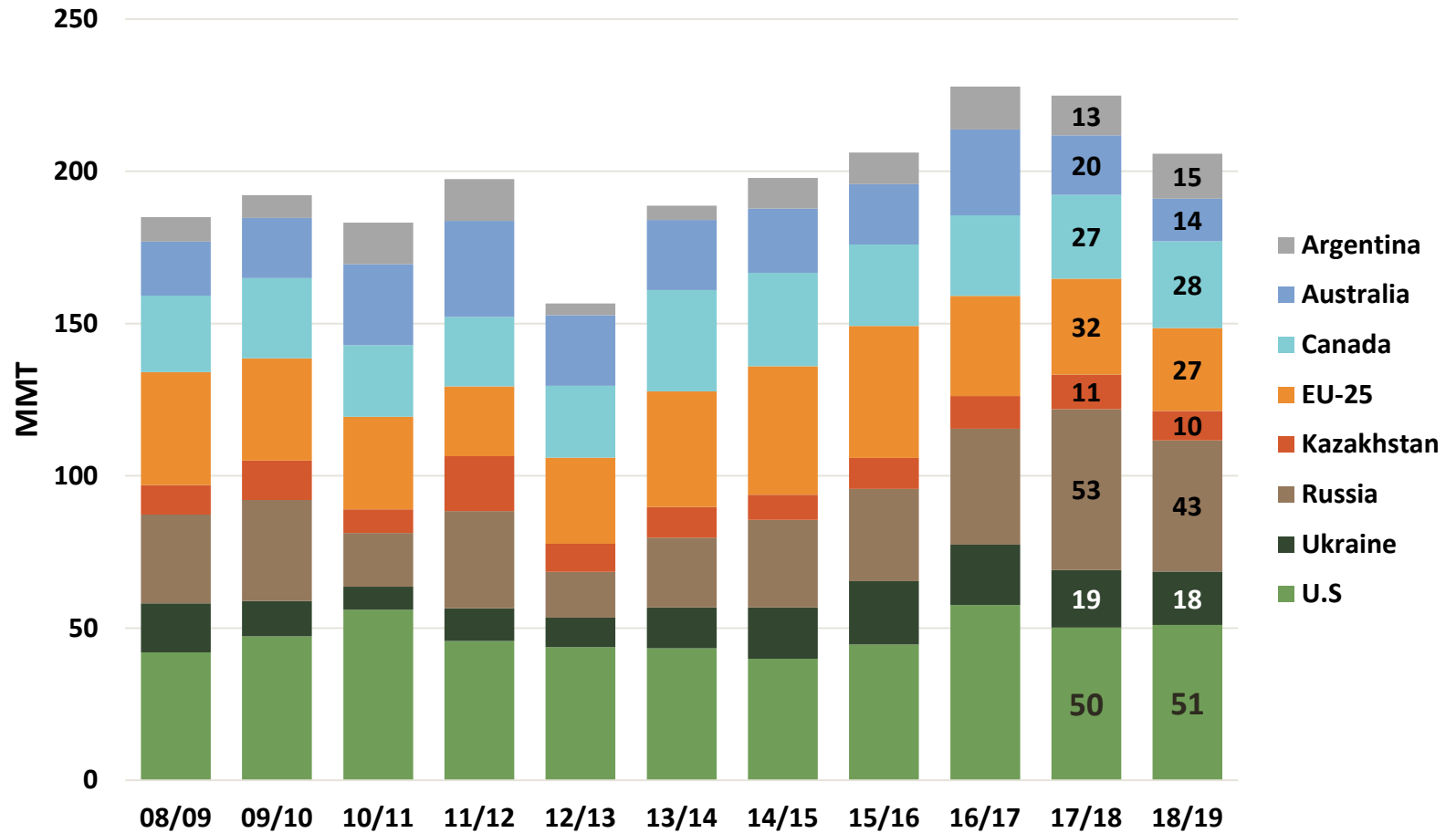
Major Exporters

Import Demand

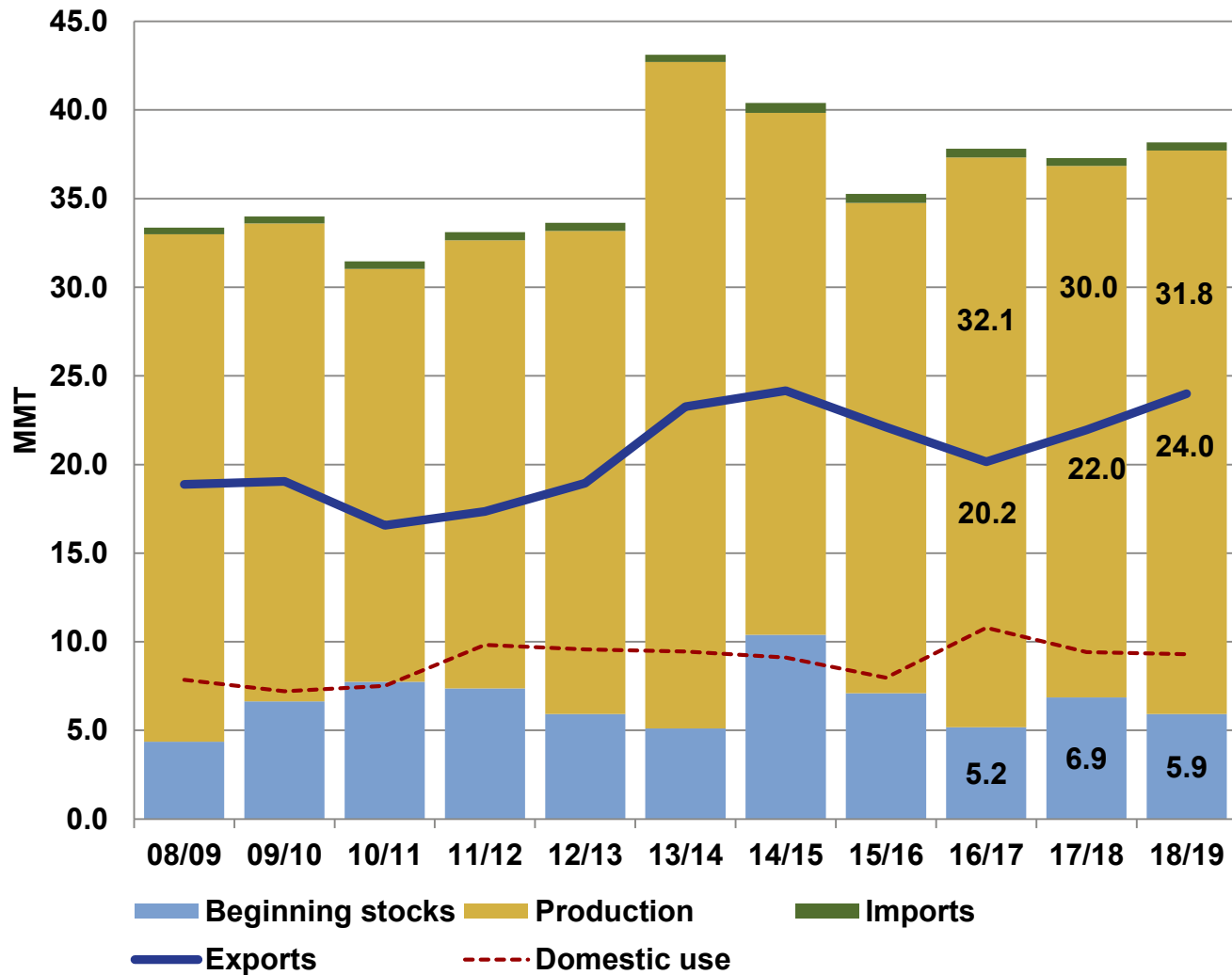
U.S. Situation by Class

Outlook

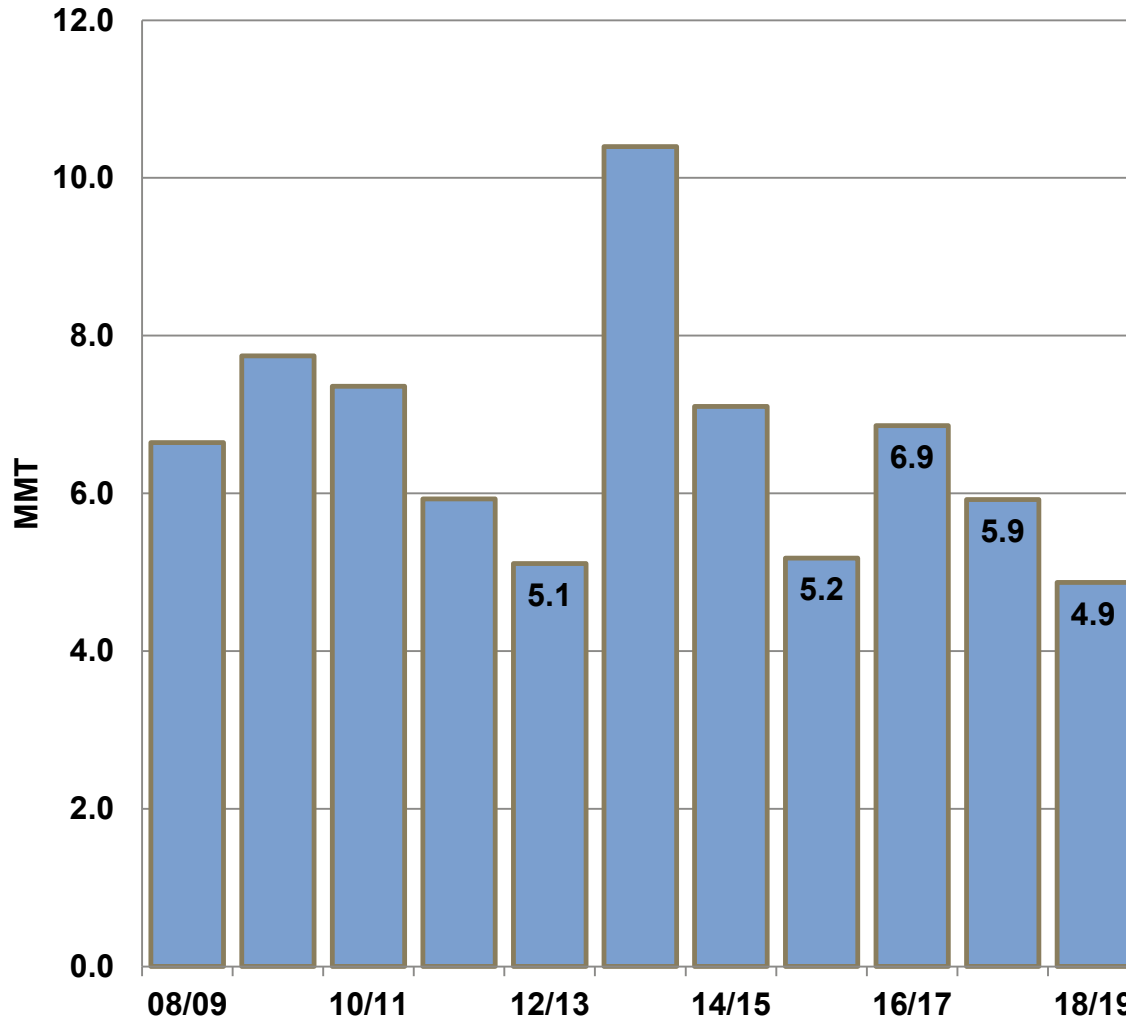
Exportable Supplies in Top Exporting Countries



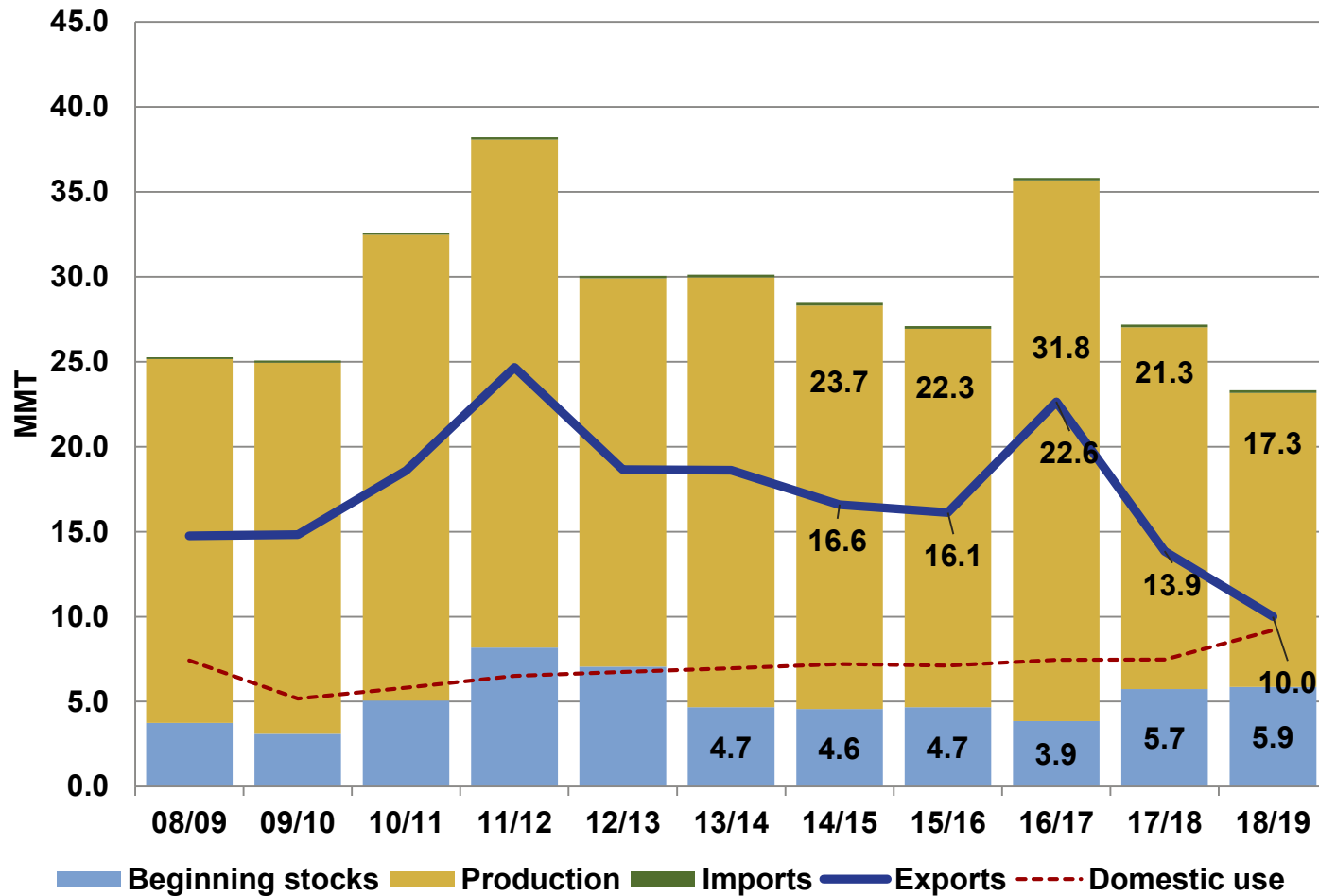
Canada Situation



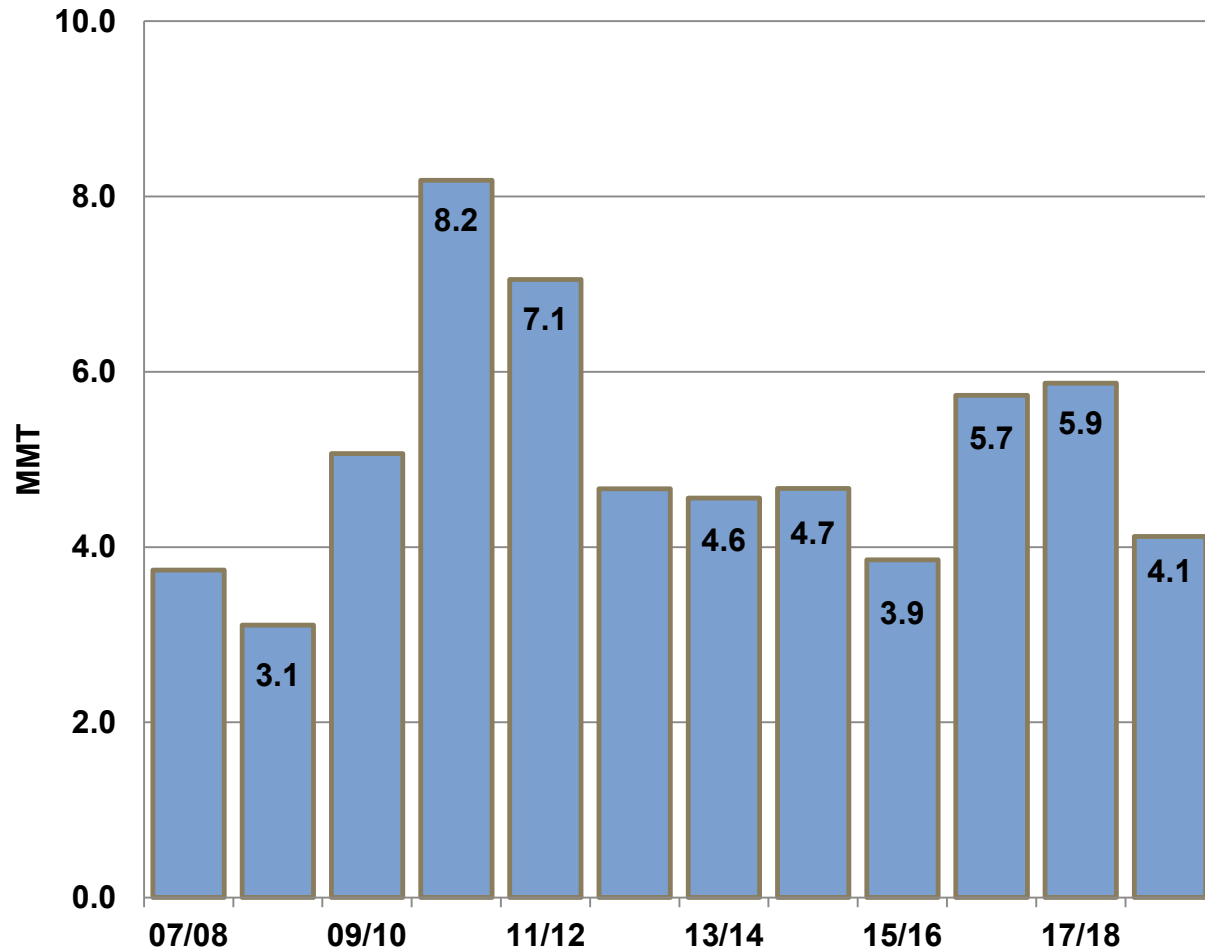
Canada Ending Stocks



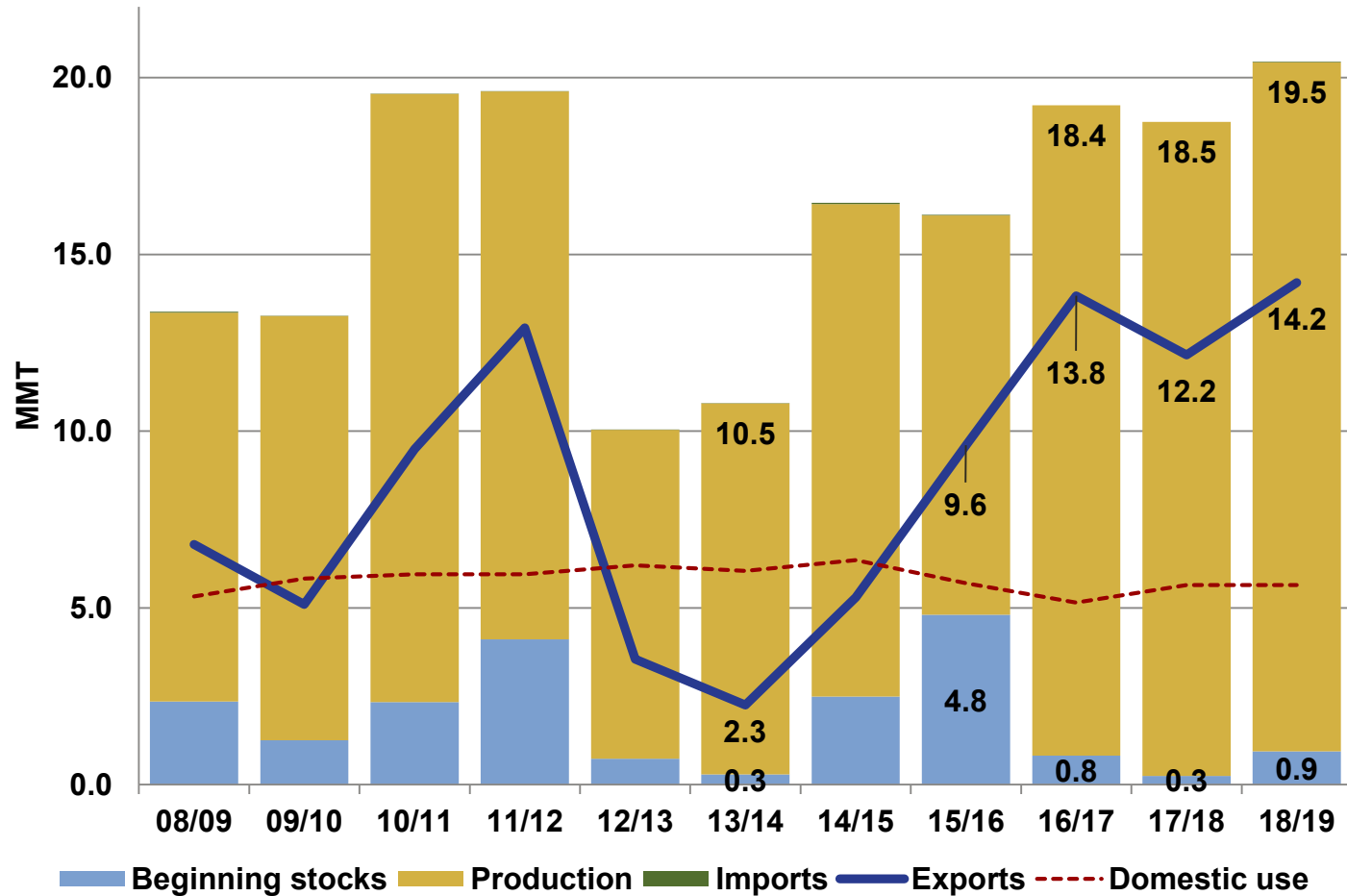
Australia Situation



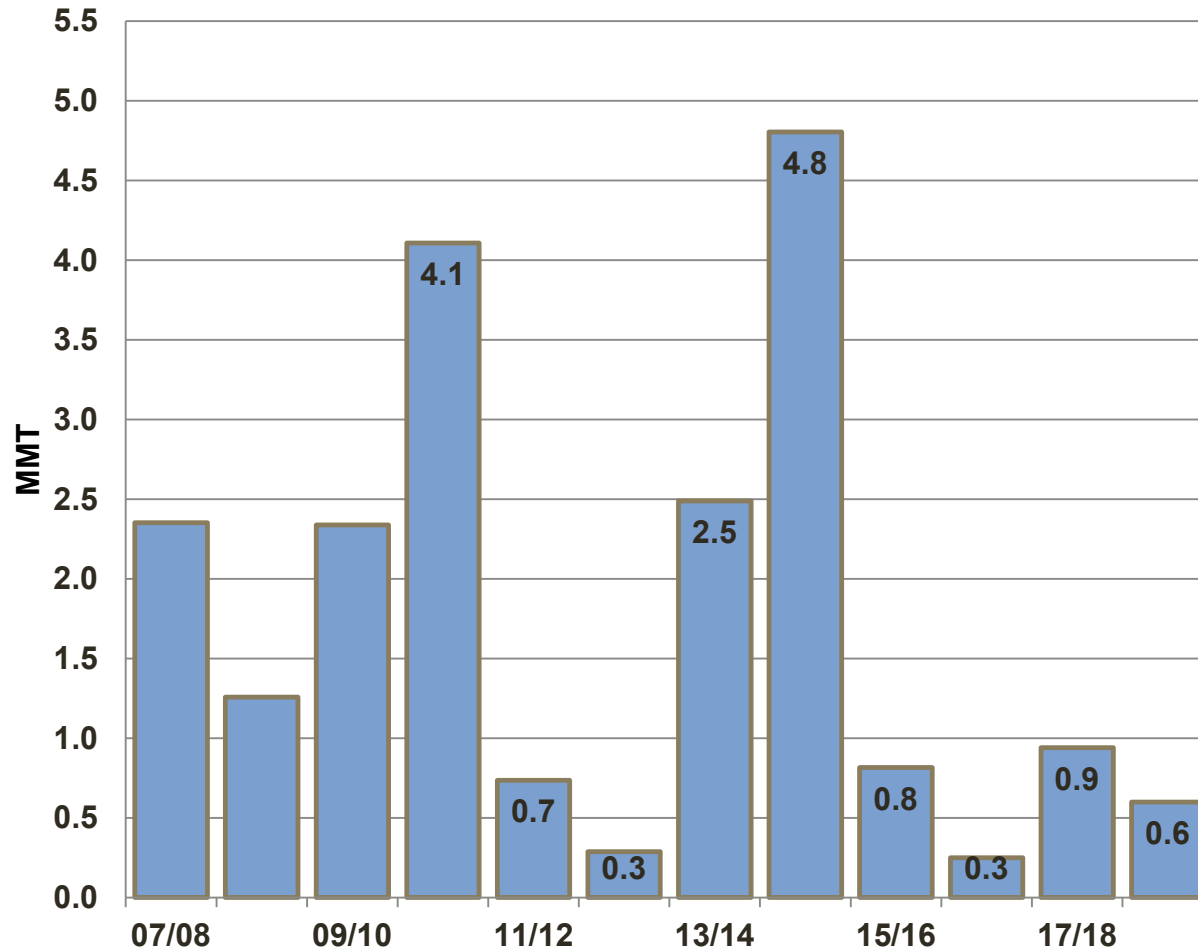
Australia Ending Stocks



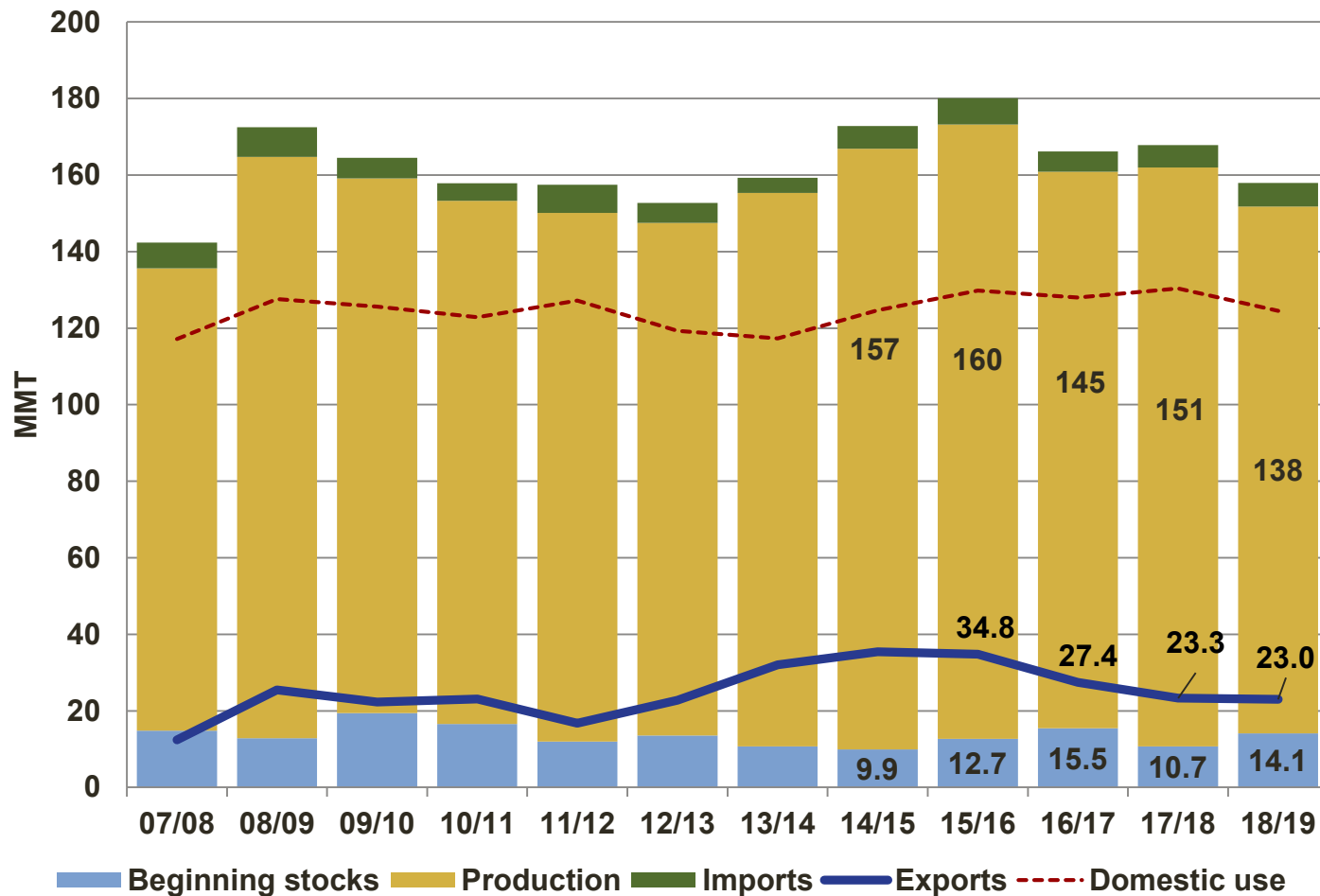
Argentina Situation



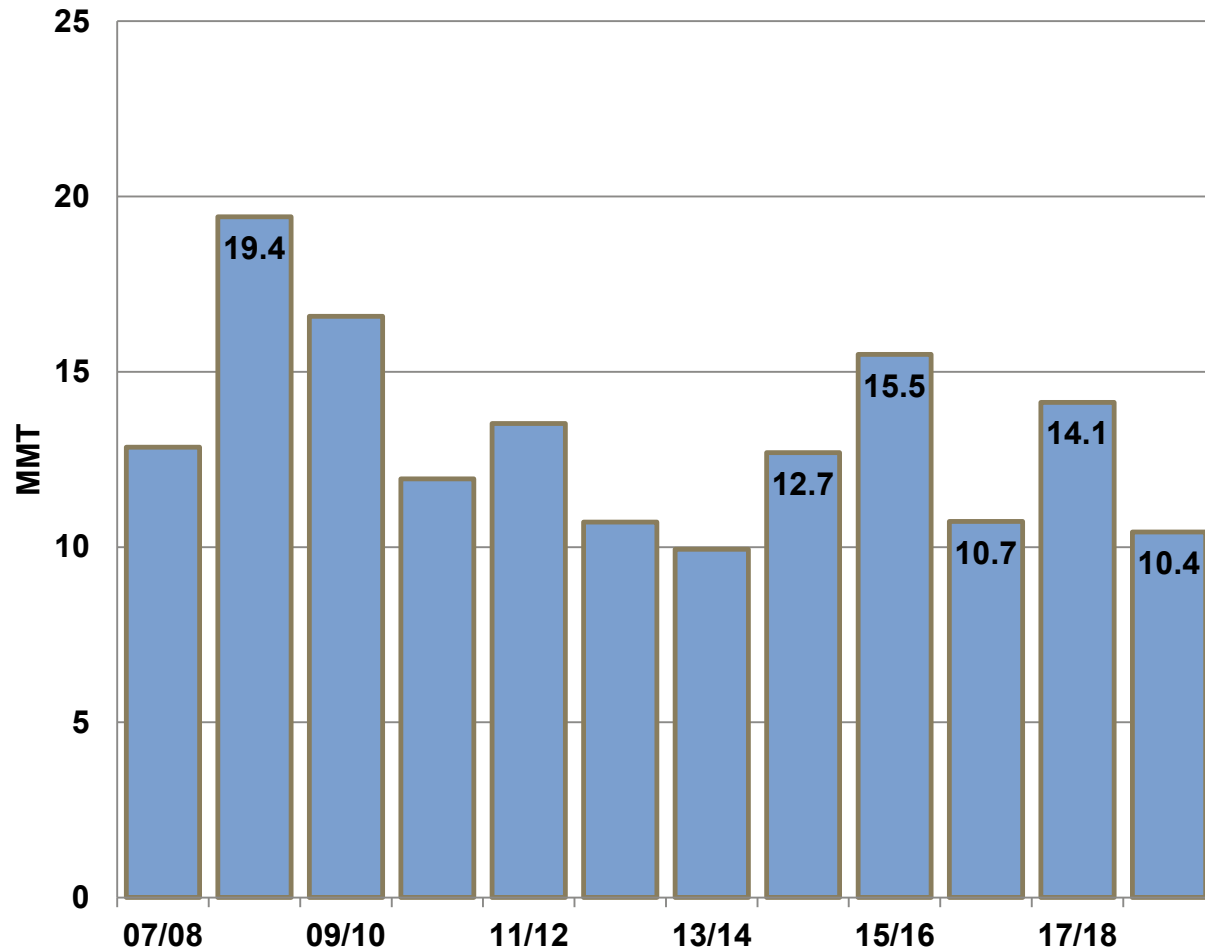
Argentina Ending Stocks



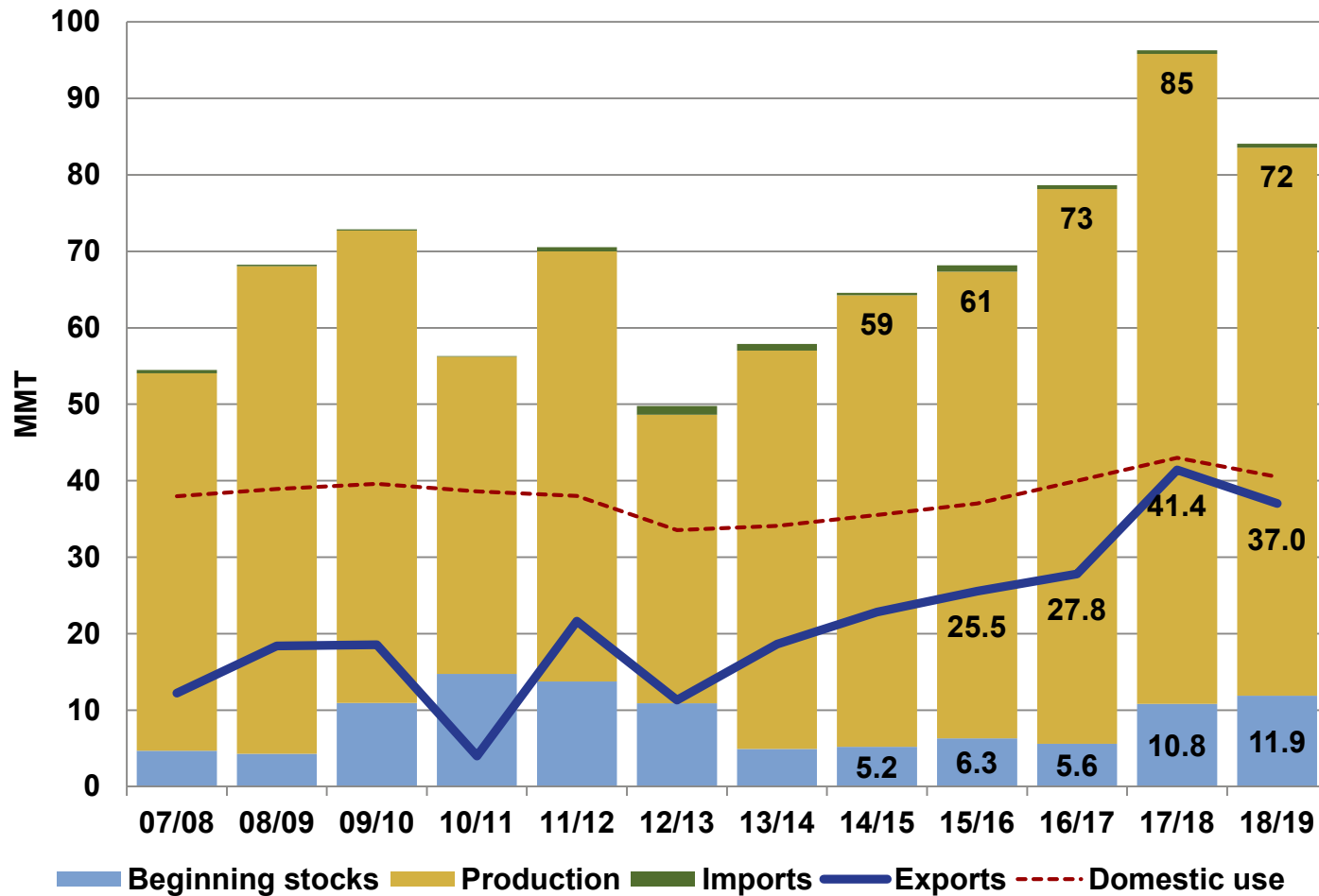
European Union Situation



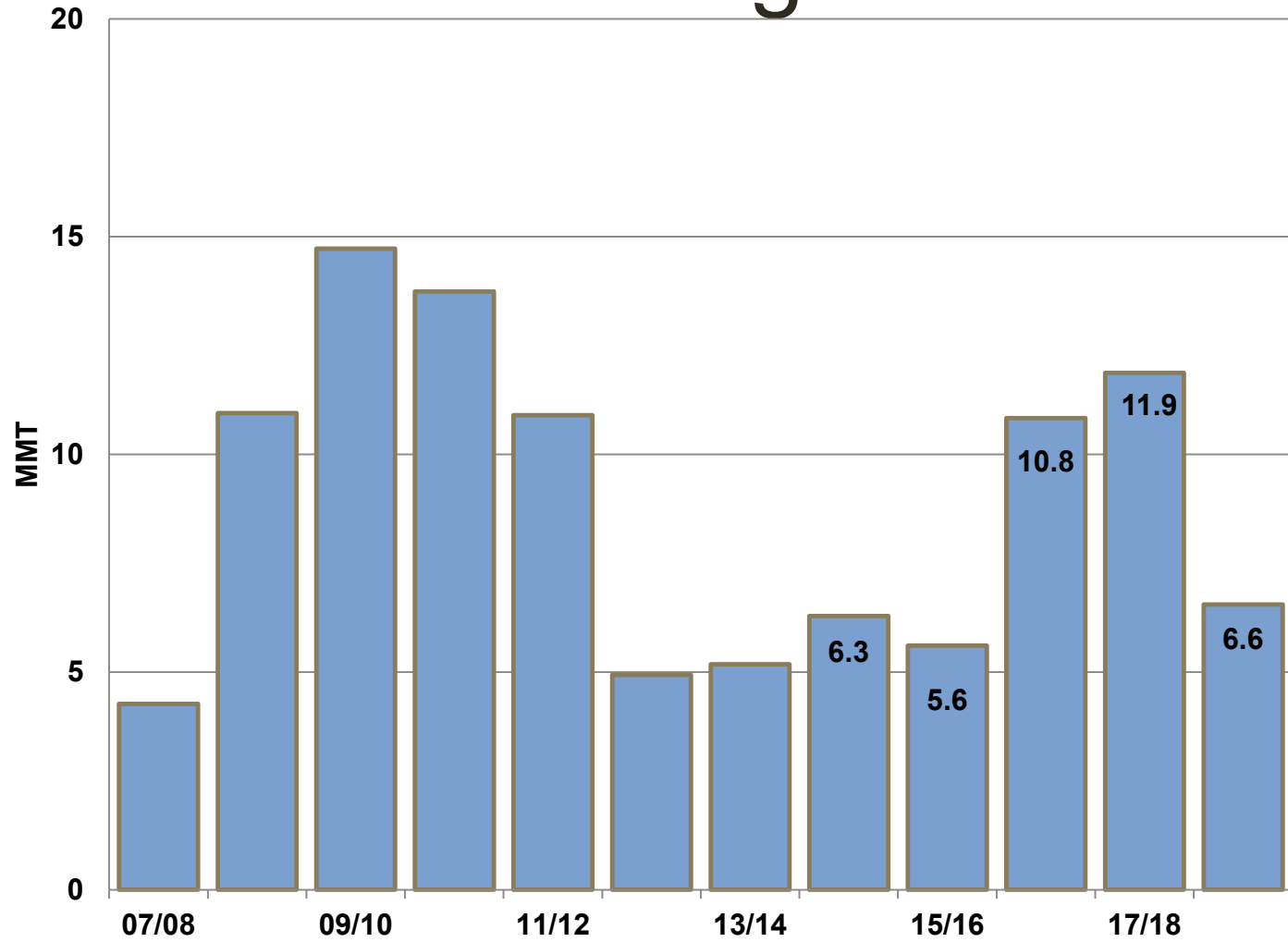
EU-27 Ending Stocks



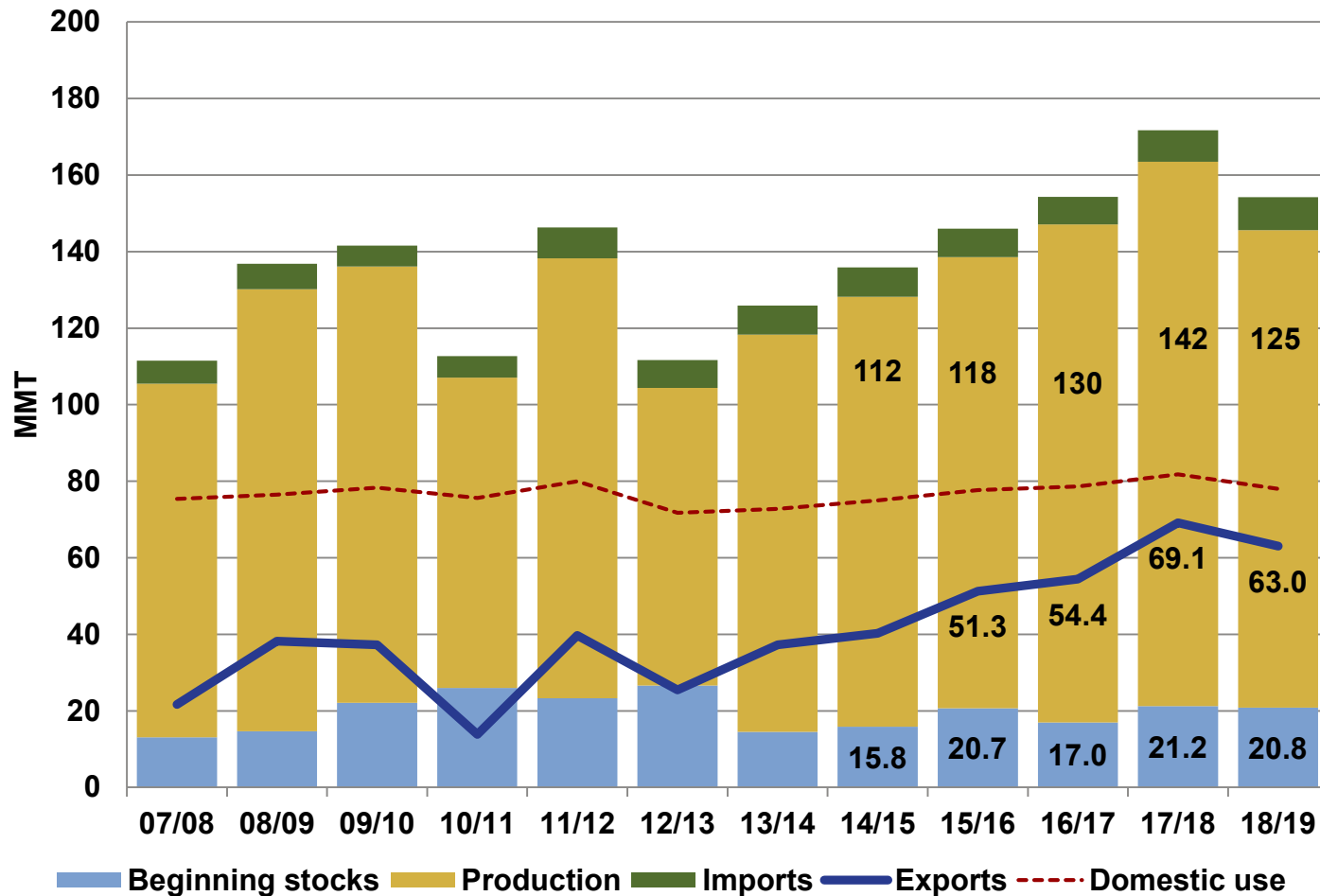
Russia Situation



Russia Ending Stocks

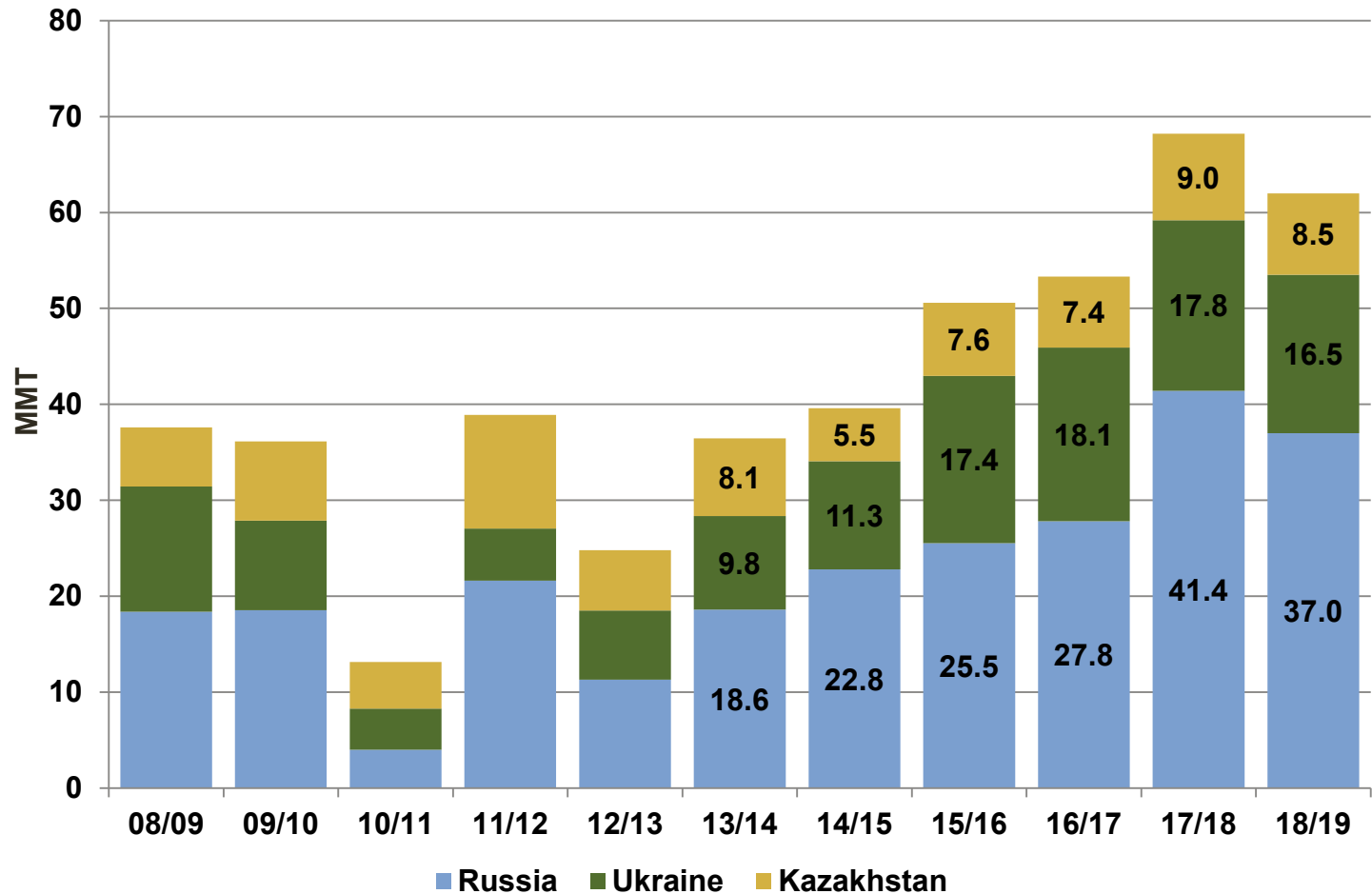


Black Sea Region Situation

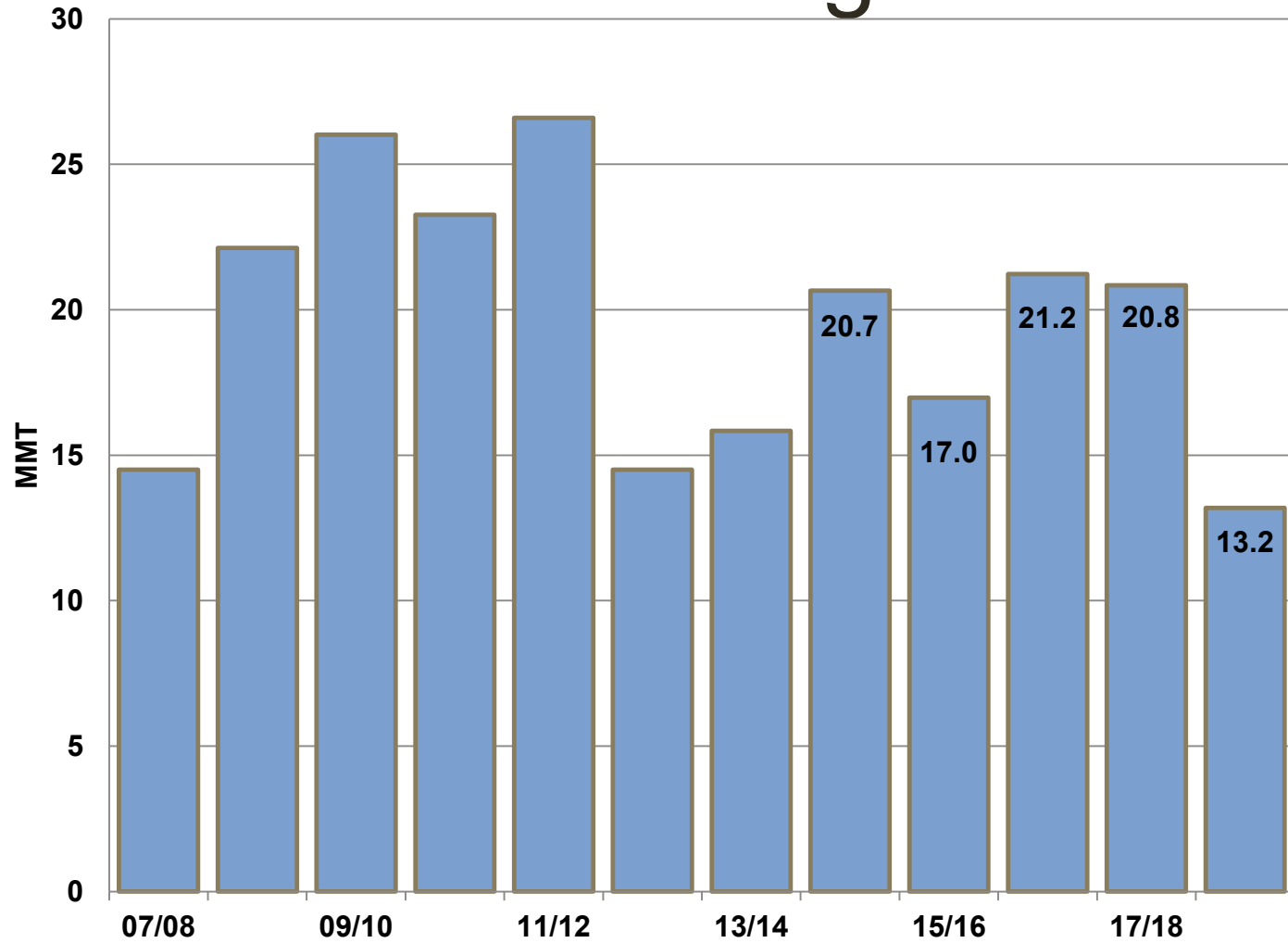


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

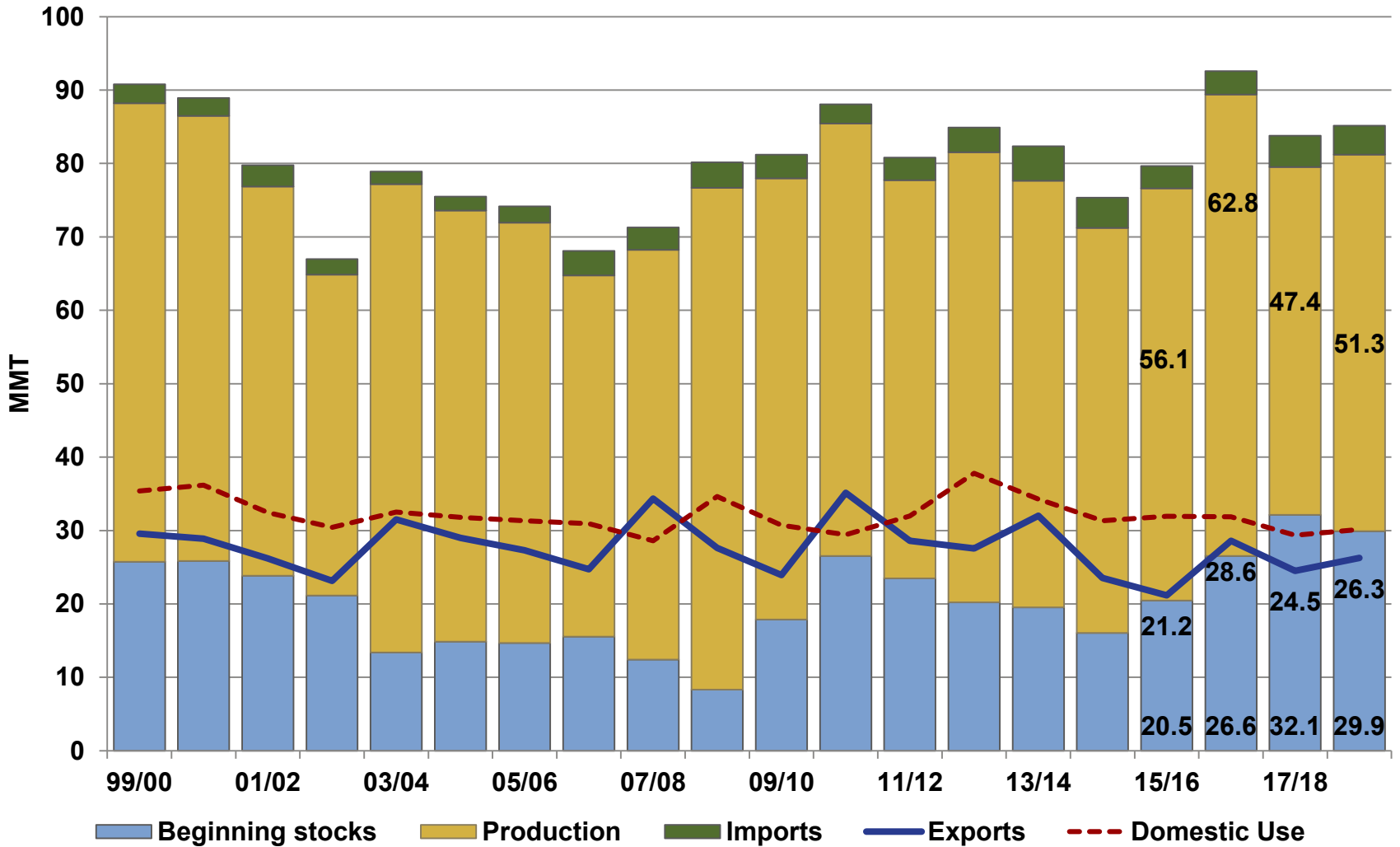
Black Sea Exports



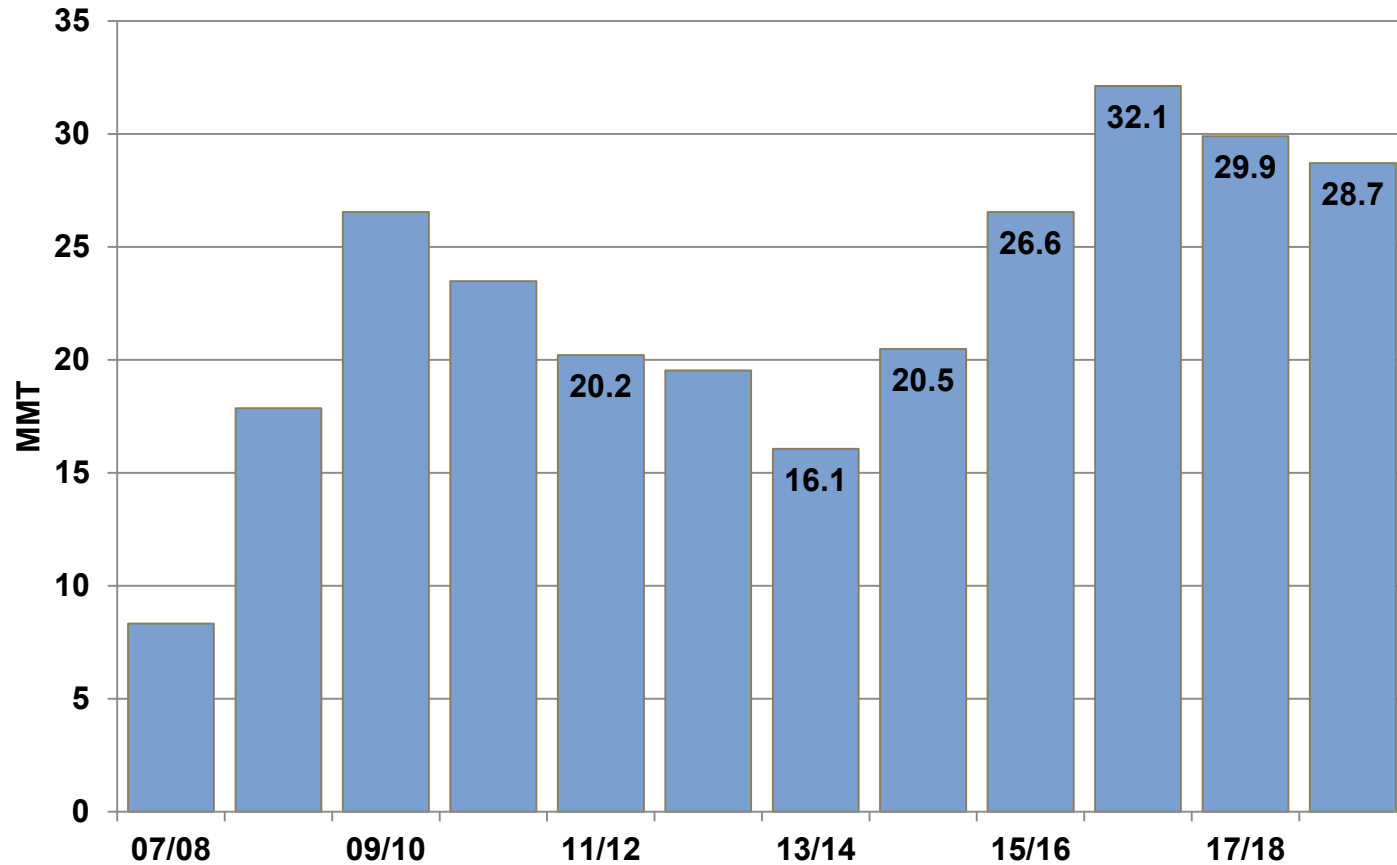
Black Sea Ending Stocks



U.S. Situation



U.S. Ending Stocks





Major Exporters

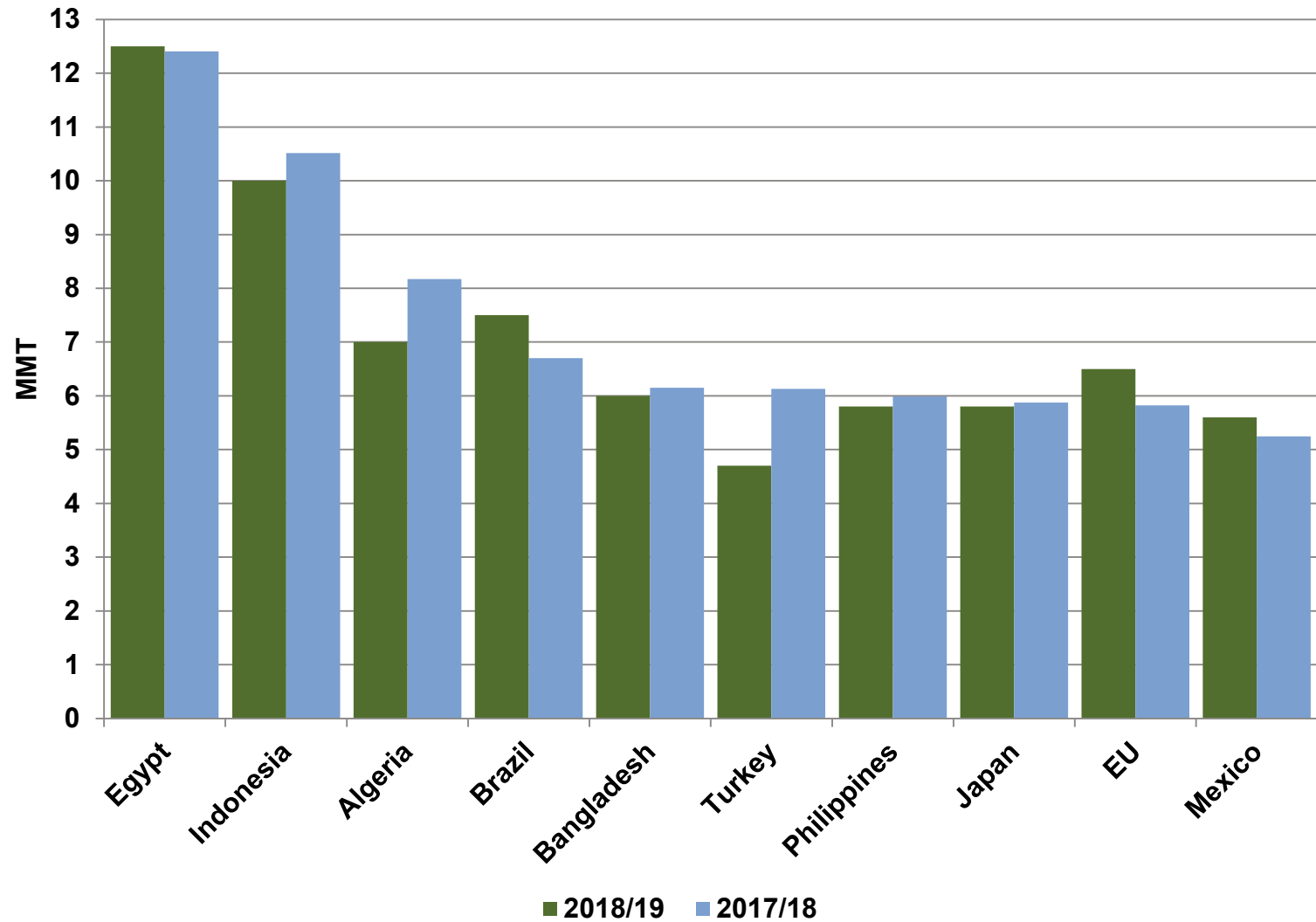
Import Demand

U.S. Situation by Class

Outlook

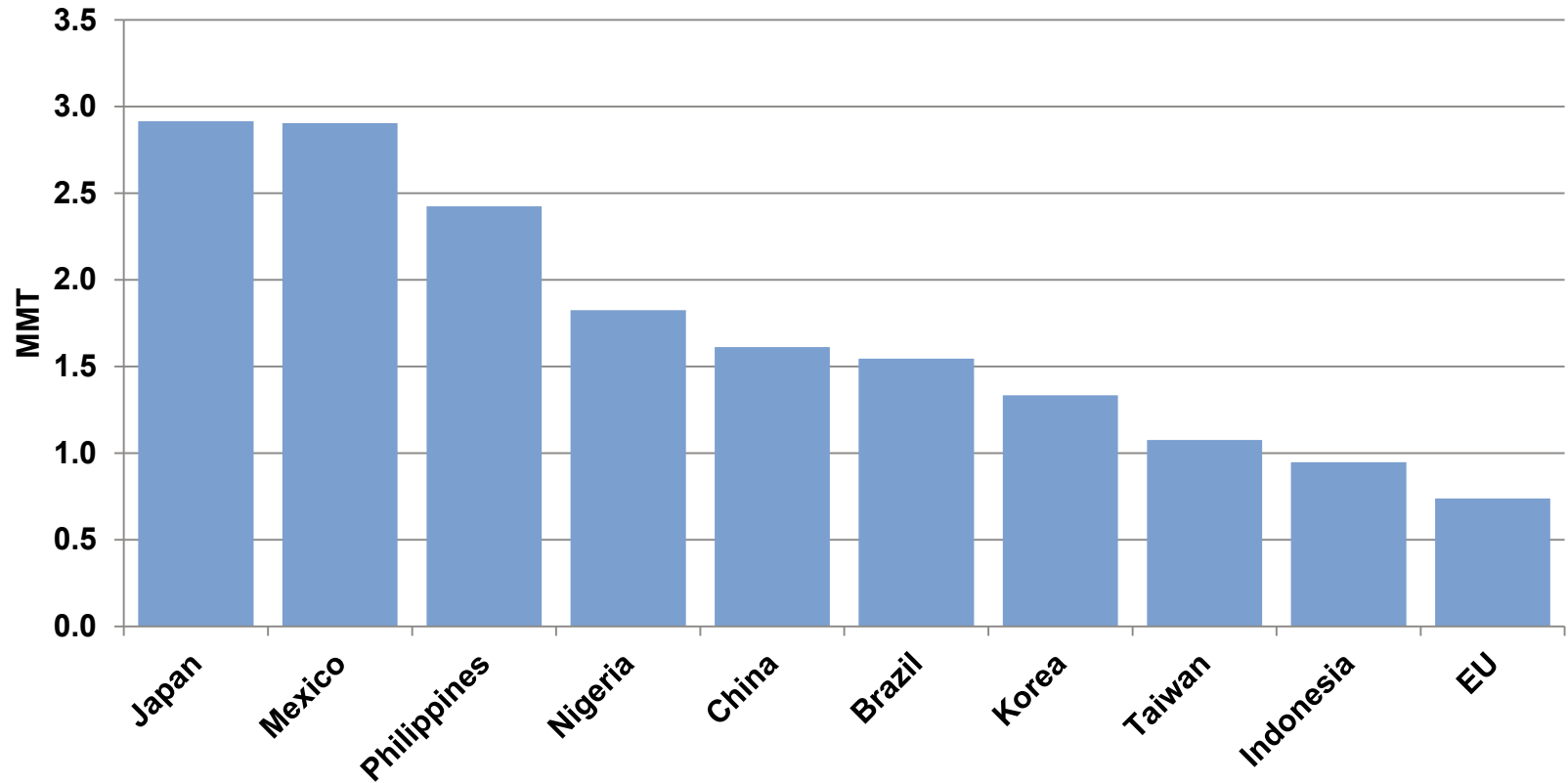
Major World Wheat Importers

(from all origins)



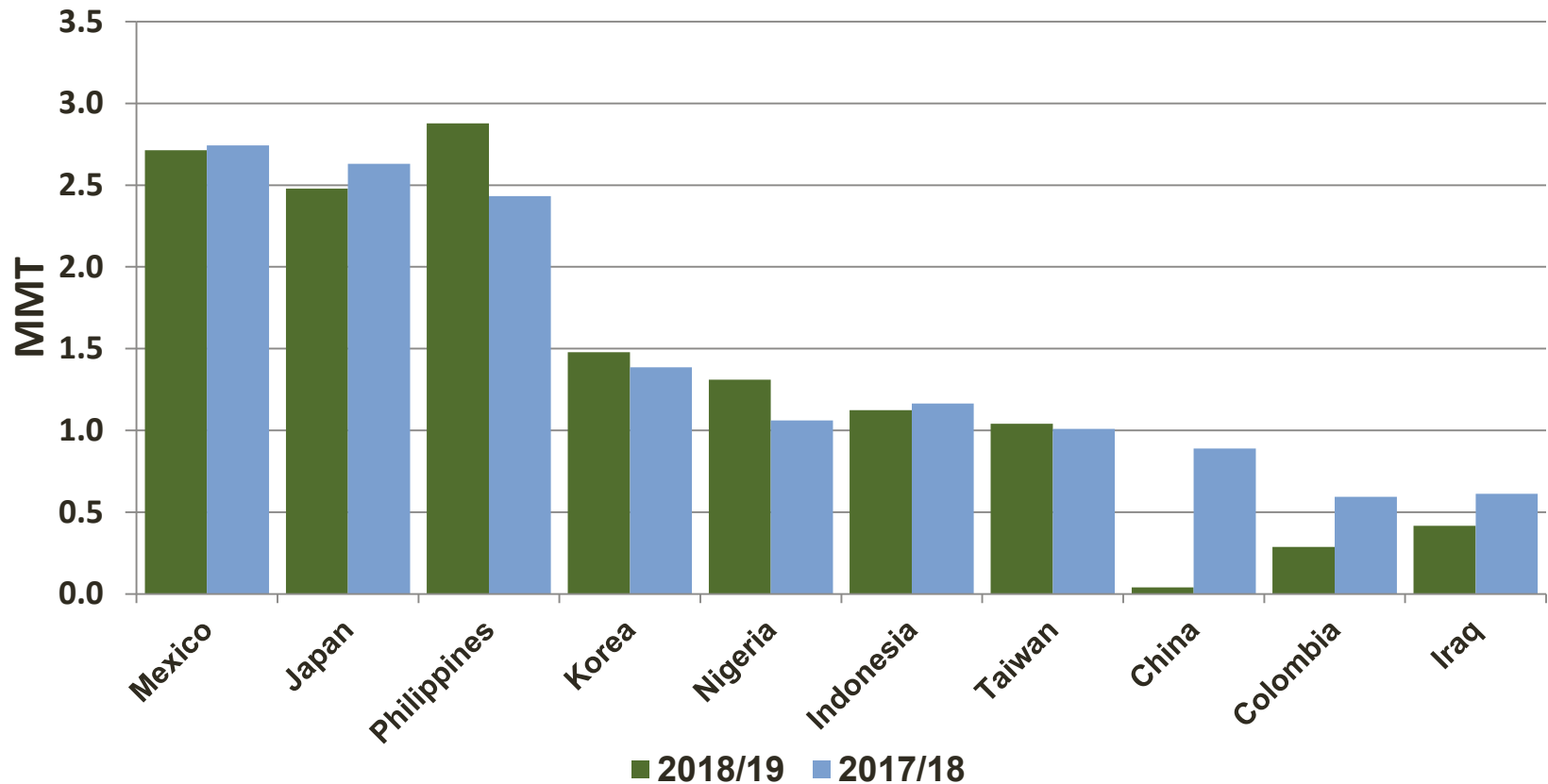
Top 10 Customers for U.S. Wheat

5-year average



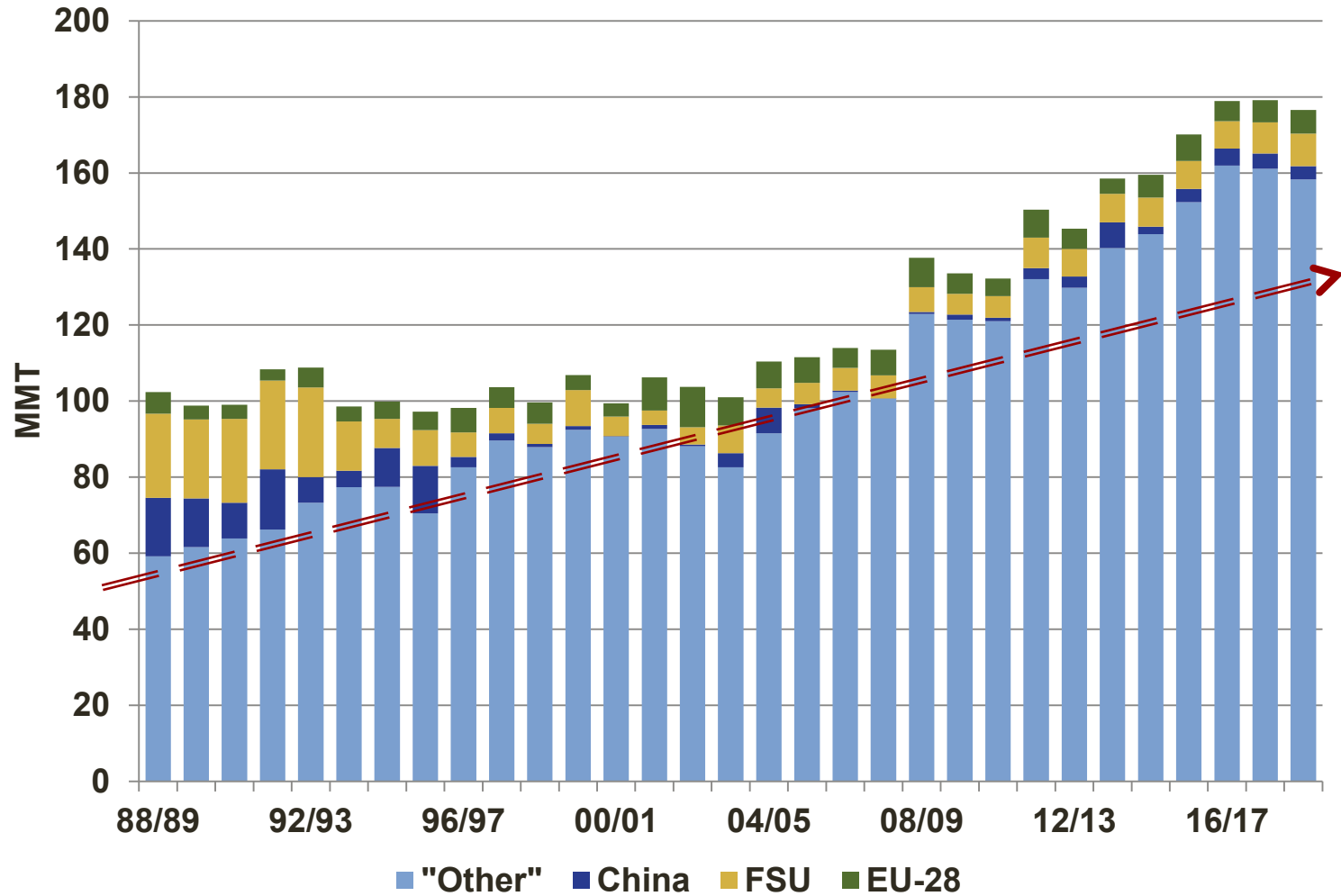
Top 10 Customers for U.S. Wheat

Year-to-date



Source: USDA FAS export sales data as of Feb. 28, 2019

World Wheat Imports



Trend in "other" importers denoted (—▶)



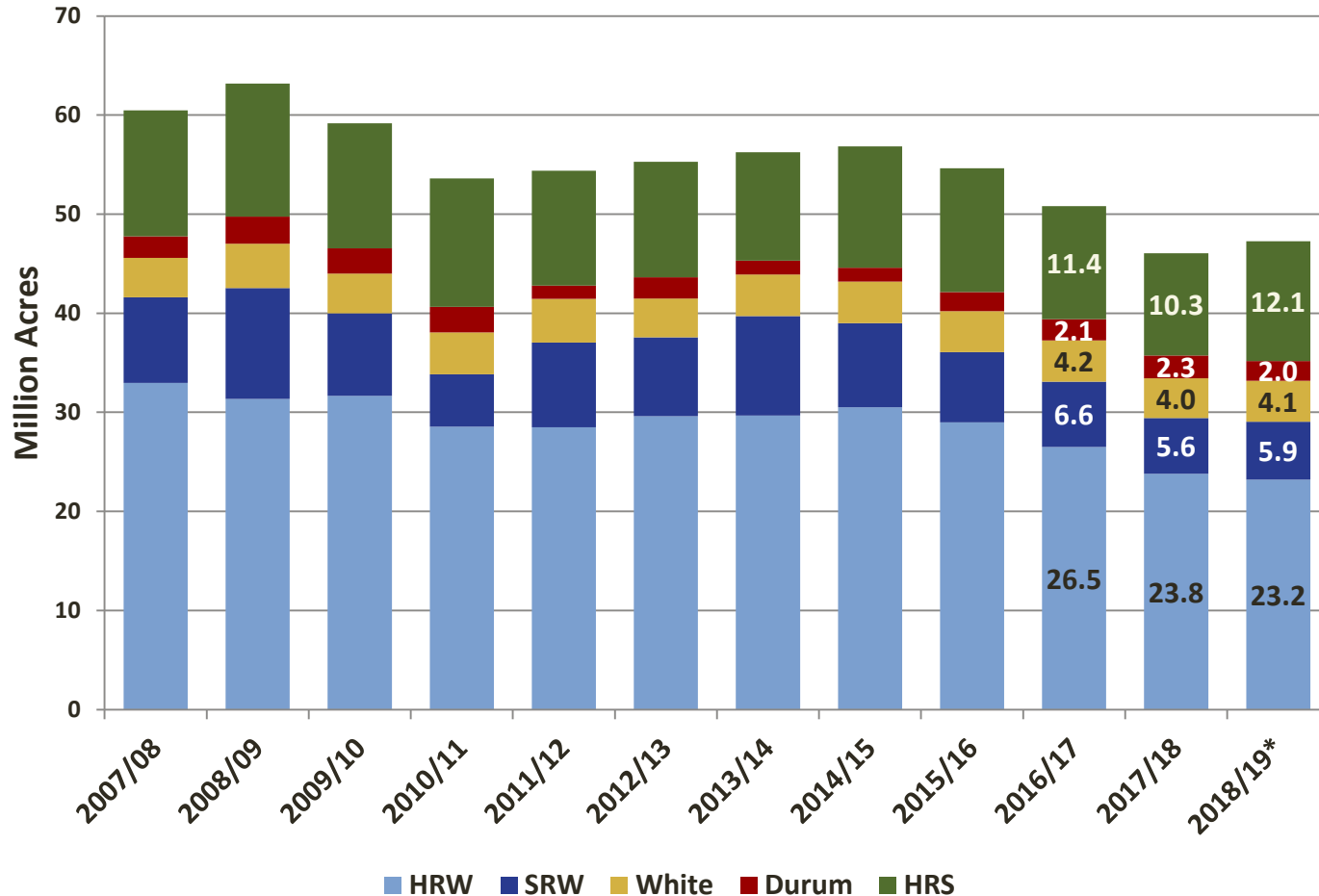
Major Exporters

Import Demand

U.S. Situation by Class

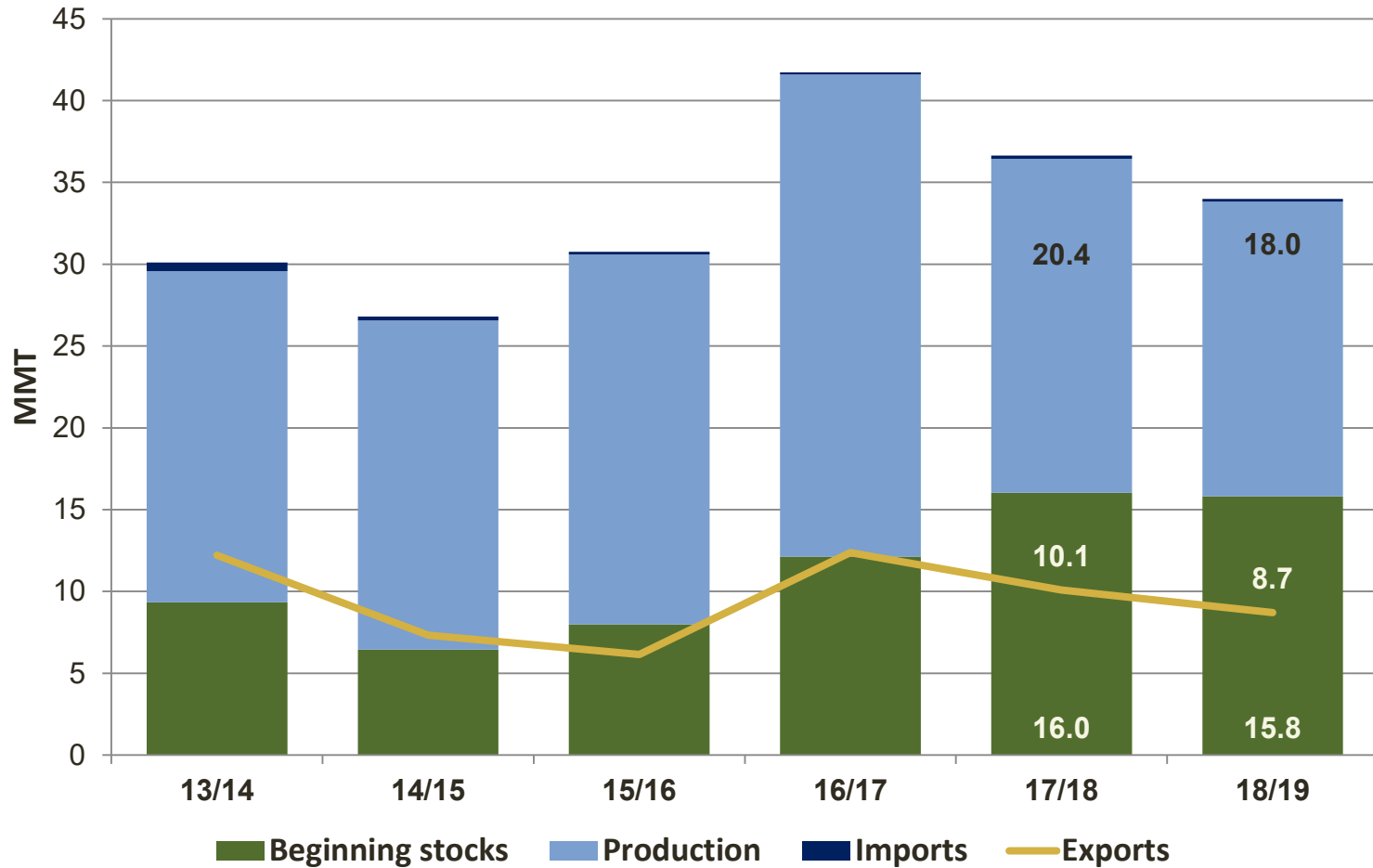
Outlook

U.S. Wheat Plantings by Class

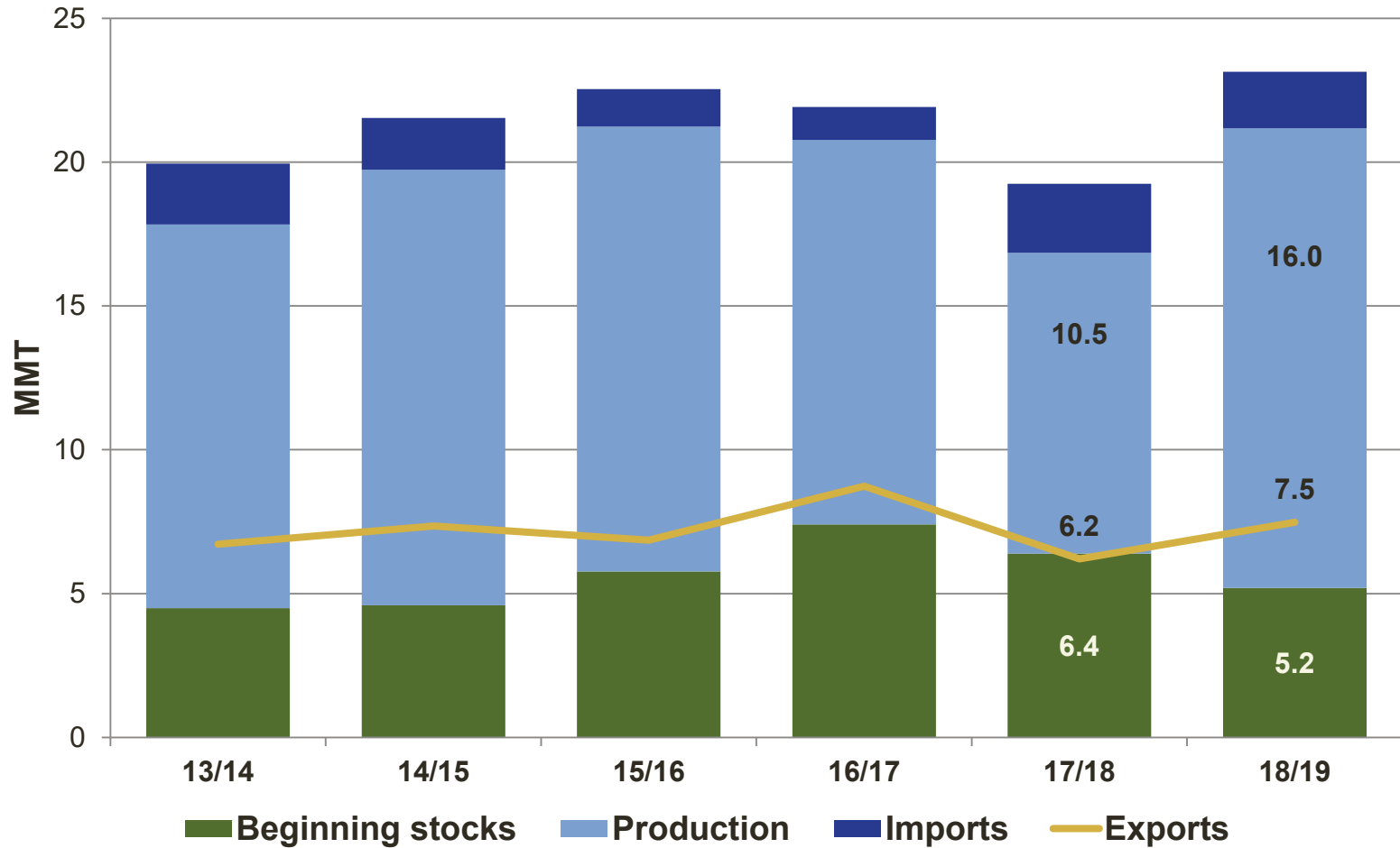


*Source: USDA Prospective Plantings Report, March 29, 2018

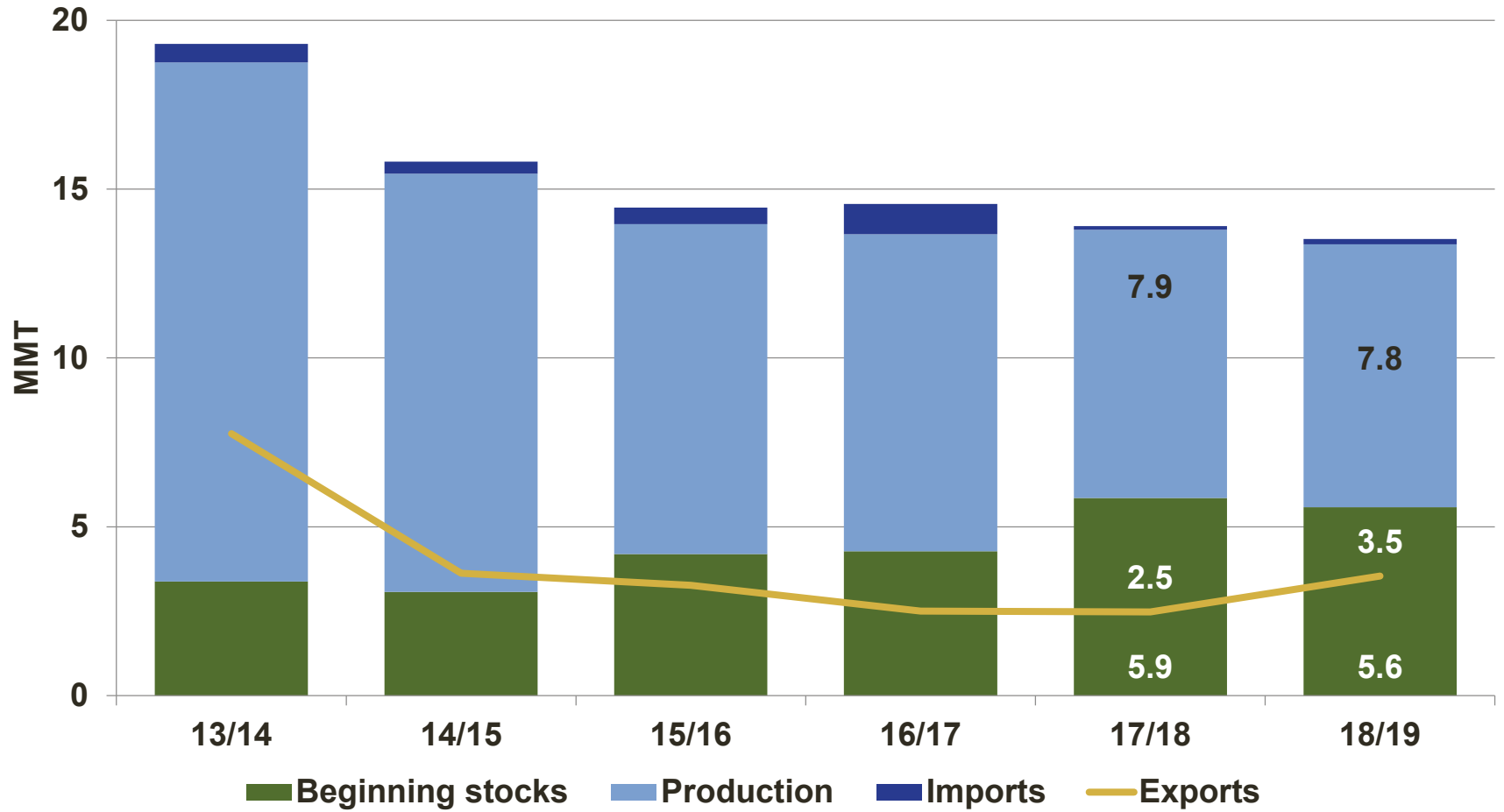
U.S. Hard Red Winter



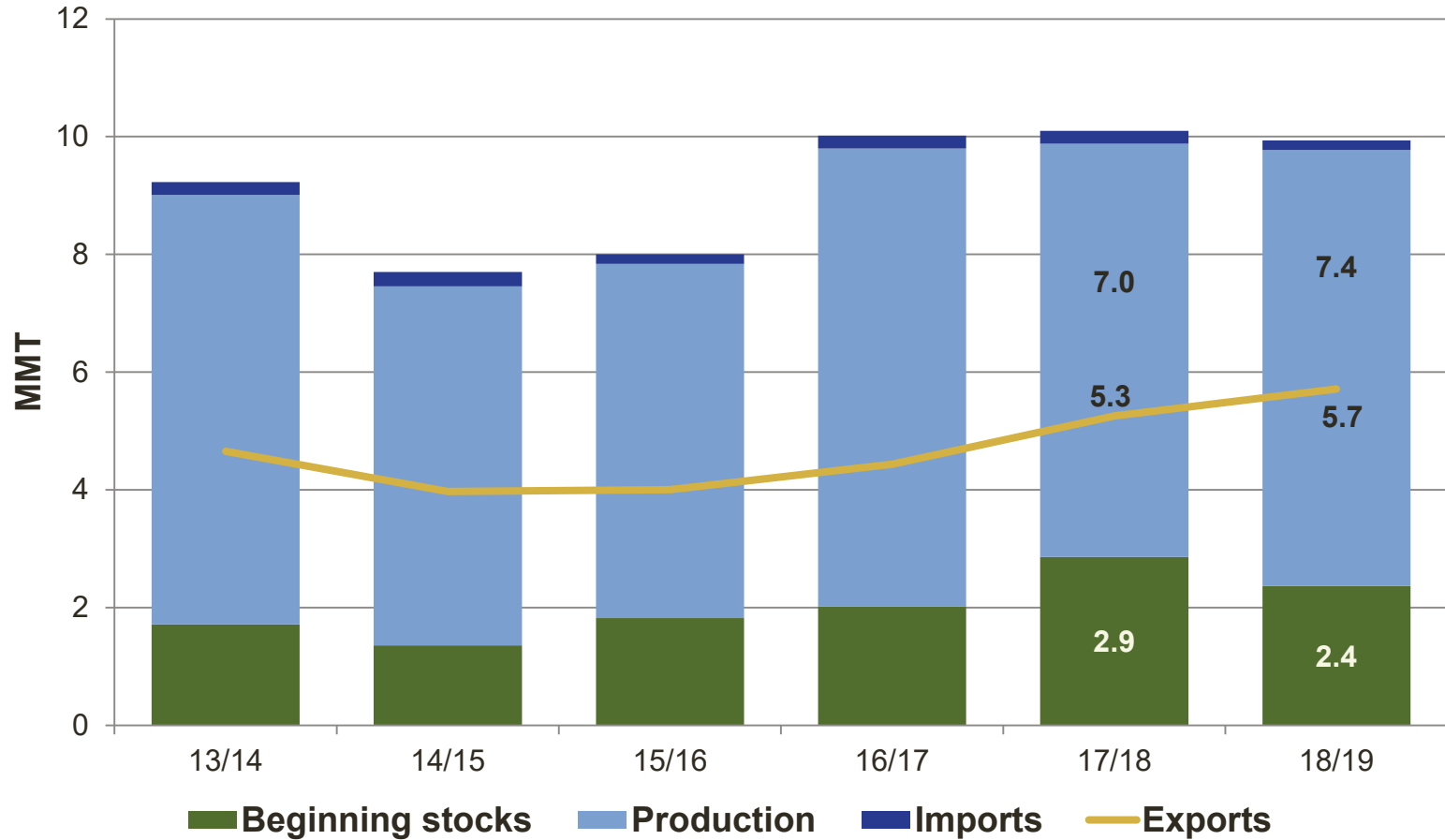
U.S. Hard Red Spring



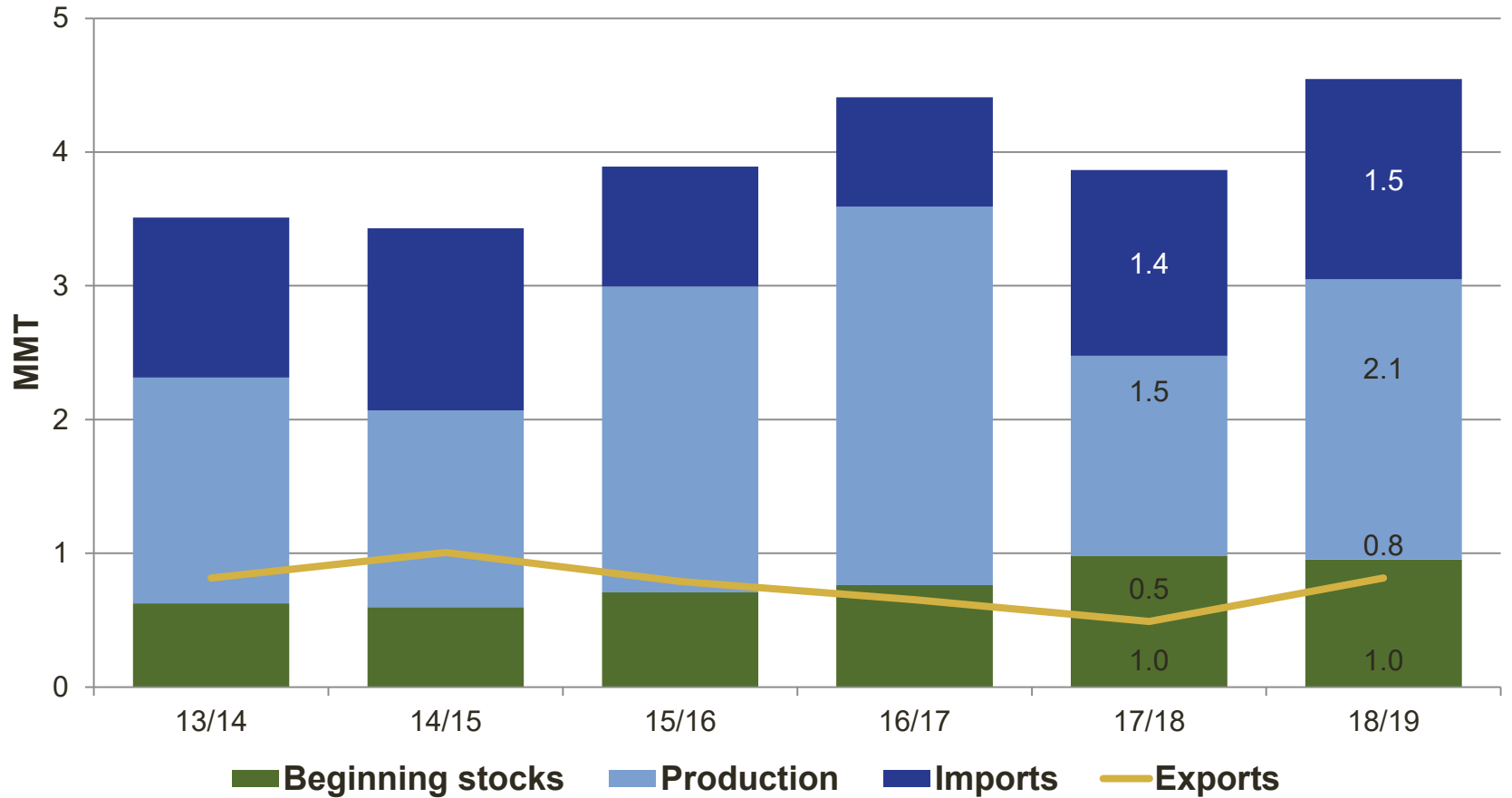
U.S. Soft Red Winter



U.S. White

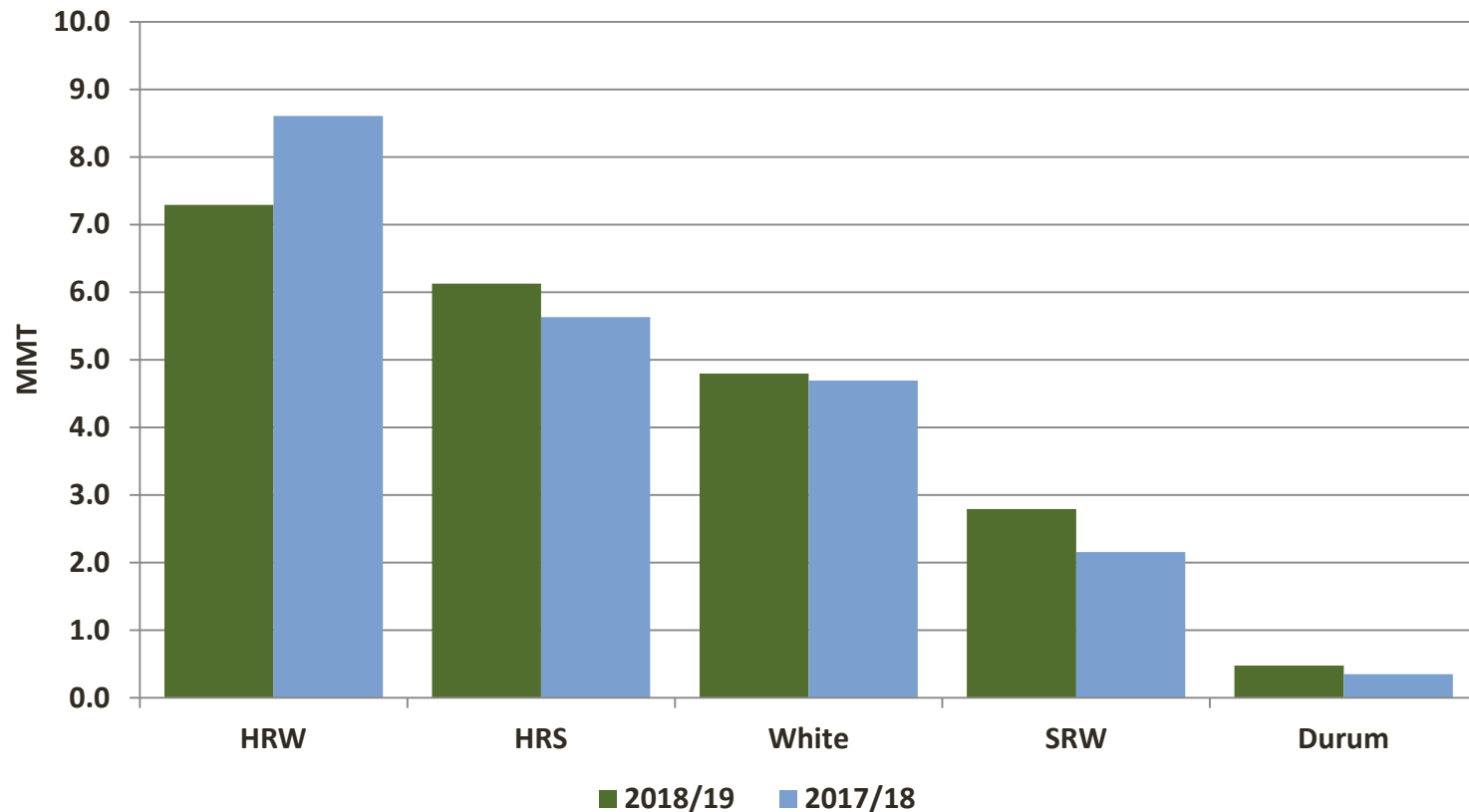


U.S. Durum



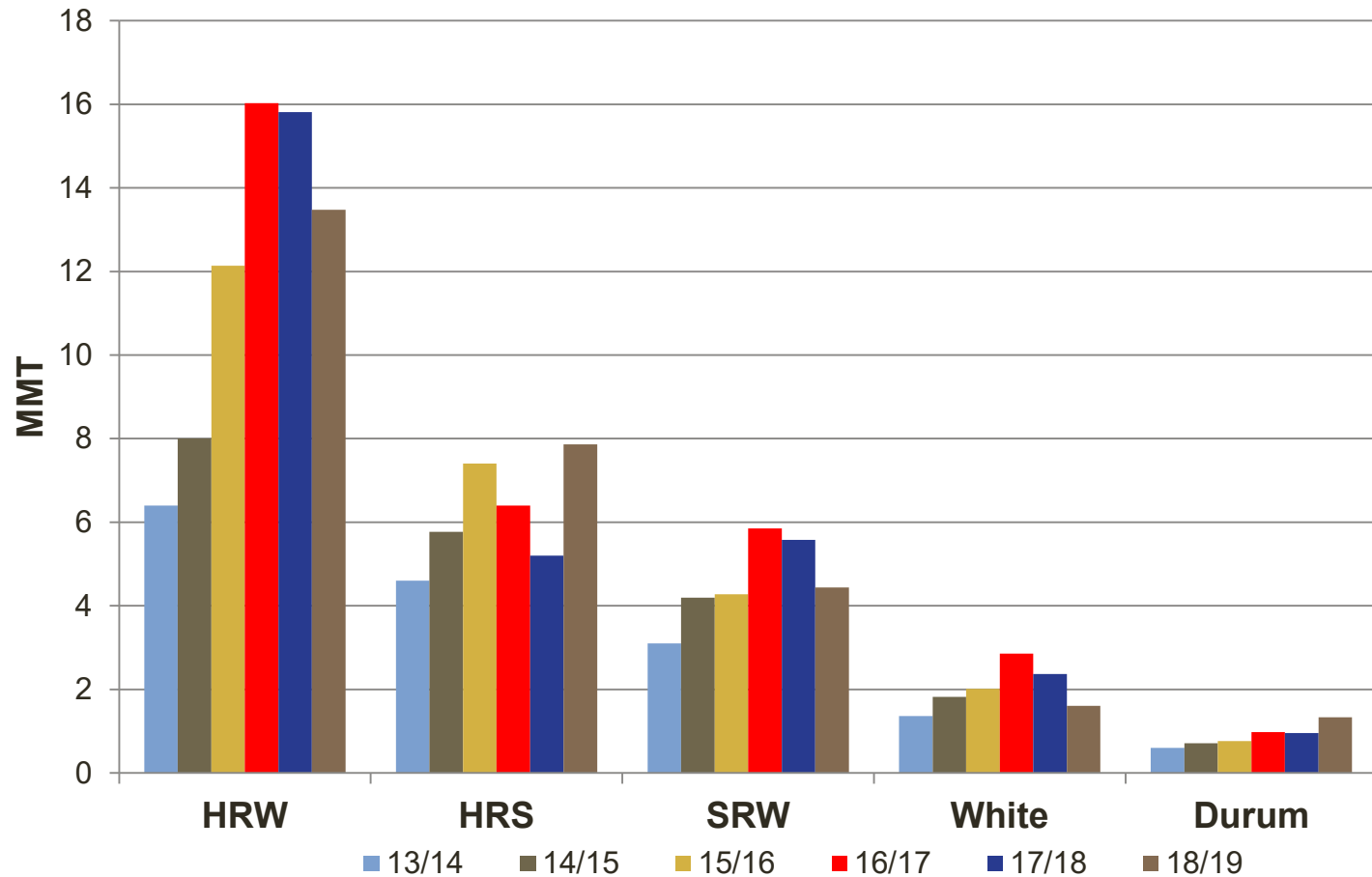
U.S. Wheat Sales by Class

(year-to-date)



Source: USDA FAS export sales data as of Feb. 28, 2019

U.S. Wheat Ending Stocks by Class



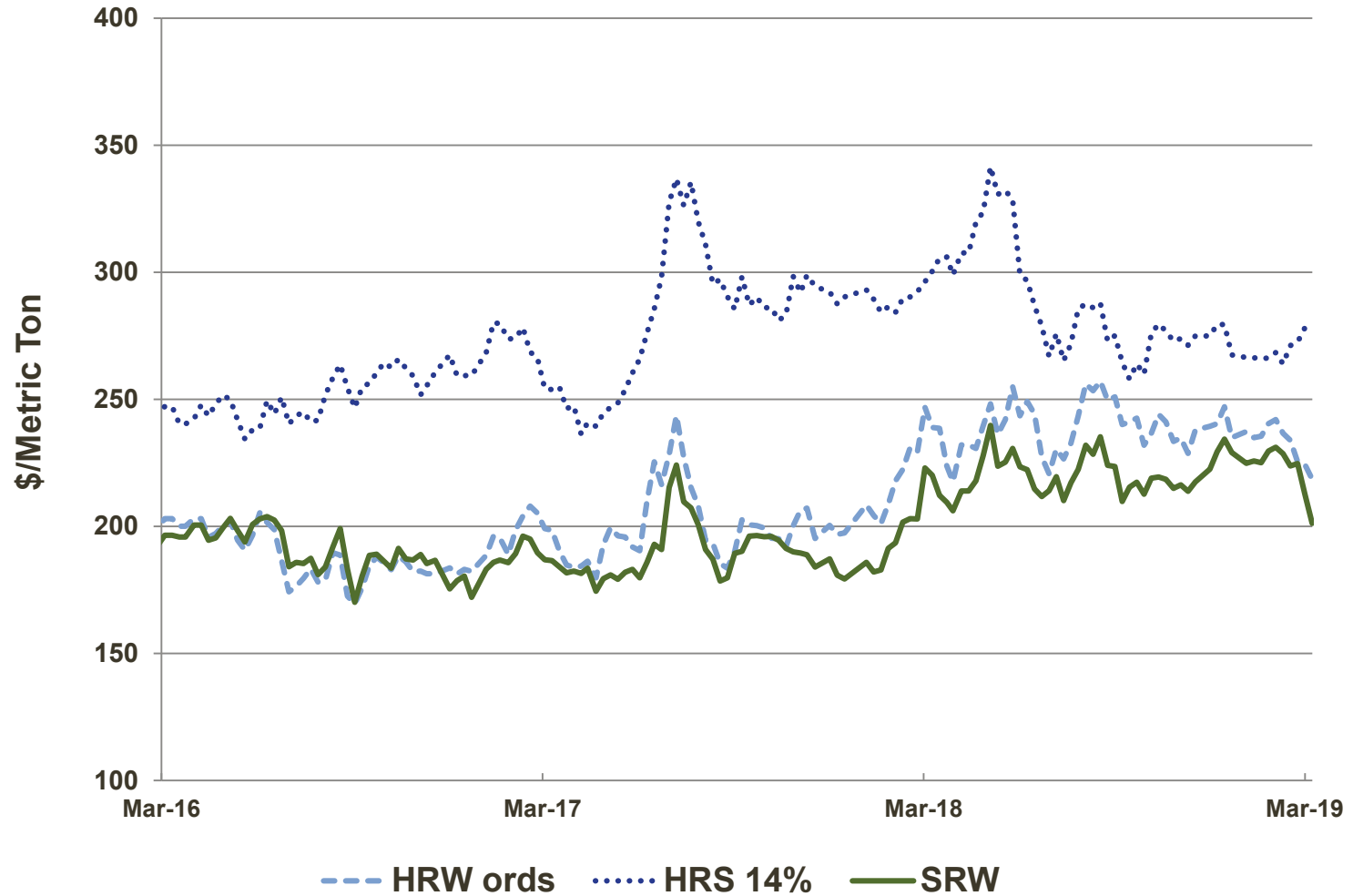
U.S. Wheat Supply and Demand

	HRW		HRS		SRW	
	17/18	18/19	17/18	18/19	17/18	18/19
	MMT					
Beginning Stocks	16.0	15.8	6.4	5.2	5.9	5.6
Production	20.4	18.0	10.5	16.0	8.0	7.8
Imports	<u>0.2</u>	<u>0.2</u>	<u>2.4</u>	<u>2.0</u>	<u>0.1</u>	<u>0.2</u>
Supply Total	36.6	34.0	19.2	23.1	14.0	13.5
Domestic Use	10.7	11.8	7.8	7.8	5.9	5.6
Exports	<u>10.1</u>	<u>8.7</u>	<u>6.2</u>	<u>7.5</u>	<u>2.5</u>	<u>3.5</u>
Use Total	20.8	20.5	14.0	15.3	8.4	9.1
Ending Stocks	15.8	13.5	5.2	7.9	5.6	4.4
Stocks-to-Use	76%	66%	37%	52%	67%	49%

U.S. Wheat Supply and Demand

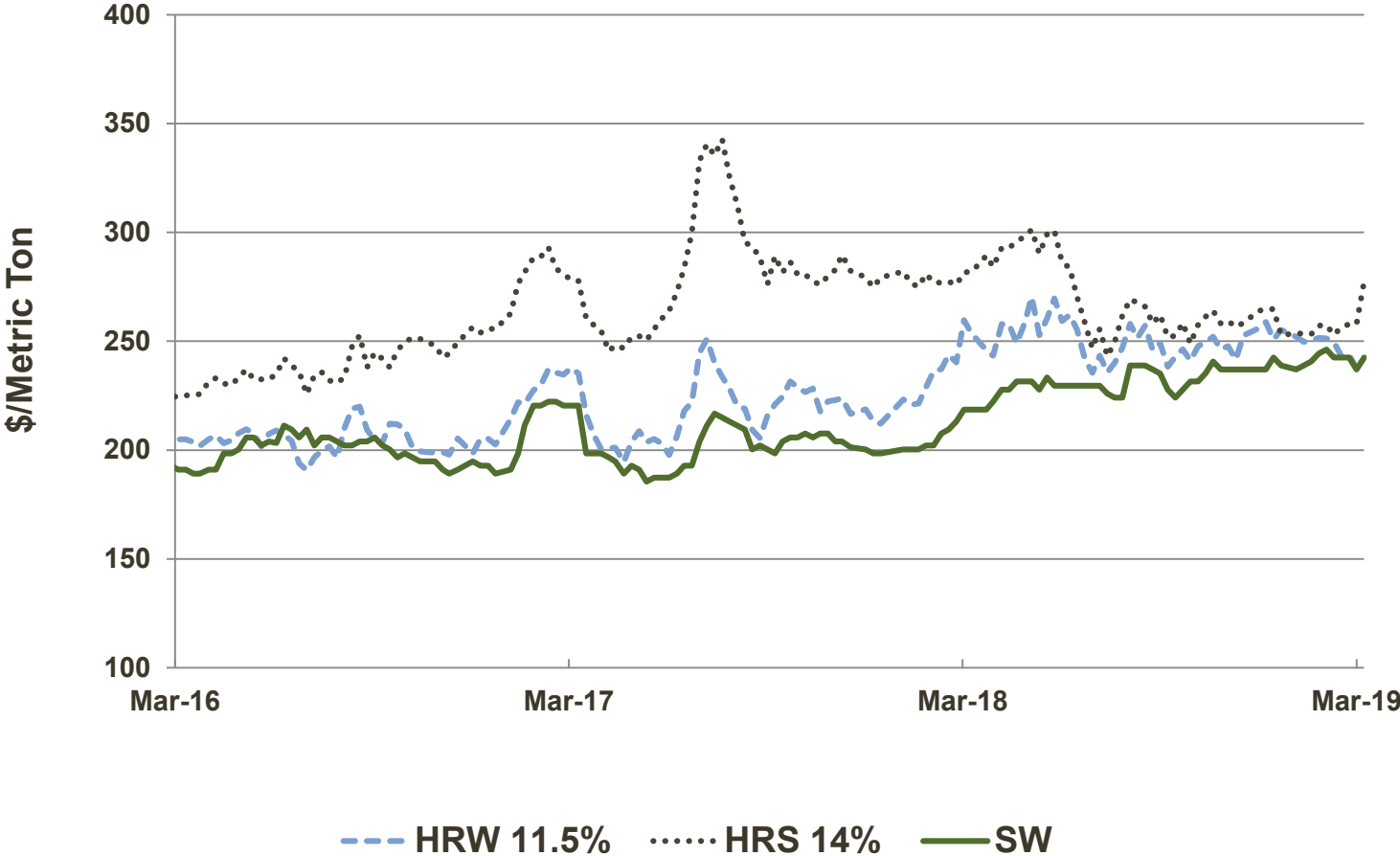
	White		Durum		Total	
	17/18	18/19	17/18	18/19	17/18	18/19
	MMT					
Beginning Stocks	2.9	2.4	1.0	1.0	32.1	29.9
Production	7.0	7.4	1.5	2.1	47.4	51.3
Imports	<u>0.2</u>	<u>0.2</u>	<u>1.4</u>	<u>1.5</u>	<u>4.3</u>	<u>3.9</u>
Supply Total	10.1	9.9	3.9	4.5	83.8	85.1
Domestic Use	2.5	2.6	2.4	2.4	29.4	30.2
Exports	<u>5.3</u>	<u>5.7</u>	<u>0.5</u>	<u>0.8</u>	<u>24.5</u>	<u>26.3</u>
Use Total	7.7	8.3	2.9	3.2	53.9	56.4
Ending Stocks	2.4	1.6	1.0	1.3	29.9	28.7
Stocks-to-Use	31%	19%	33%	42%	56%	51%

U.S. FOB Gulf Prices



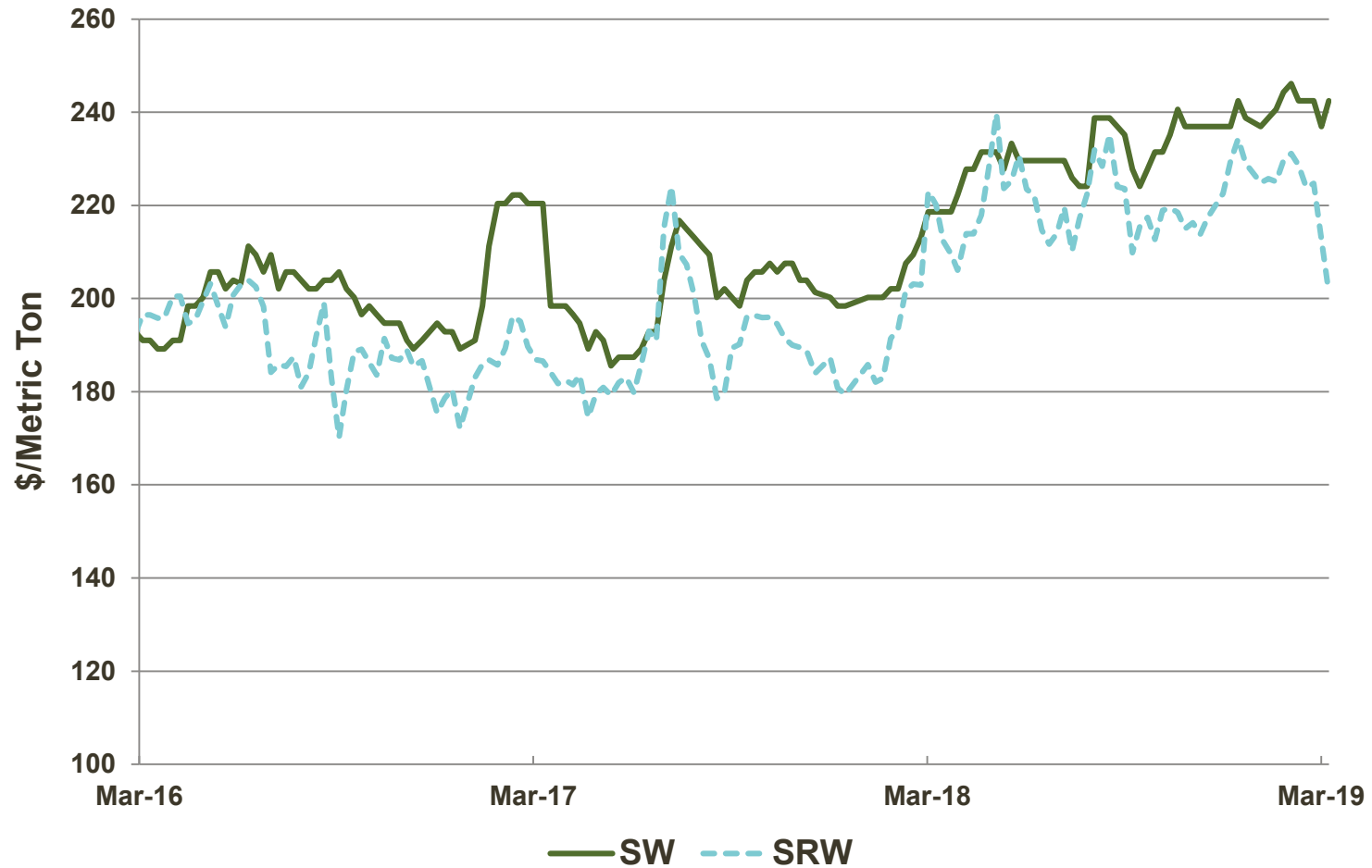
*Source: U.S. Wheat Associates Price Report, March 8, 2019

U.S. FOB PNW Prices



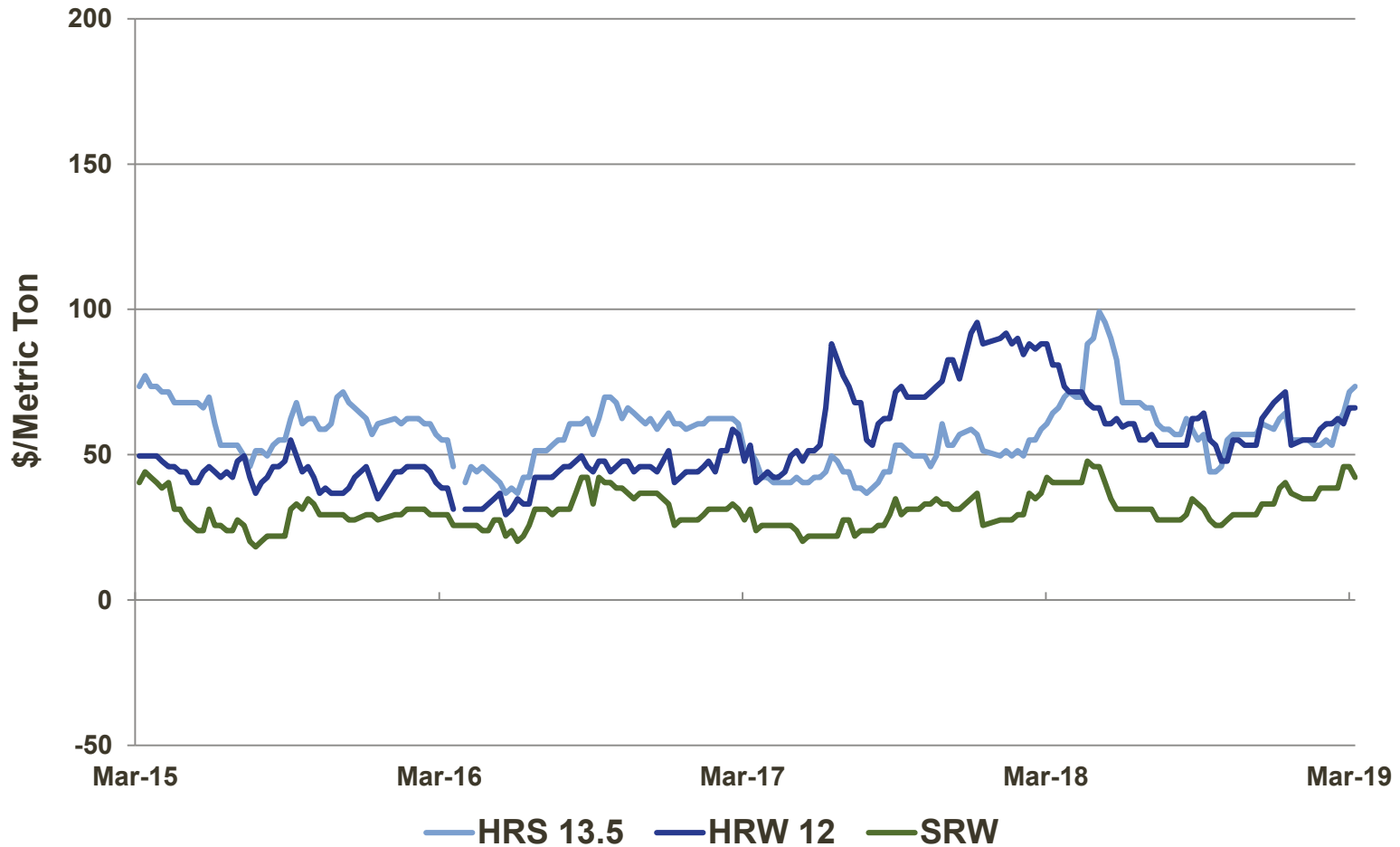
*Source: U.S. Wheat Associates Price Report, March 8, 2019

SRW and Soft White Prices



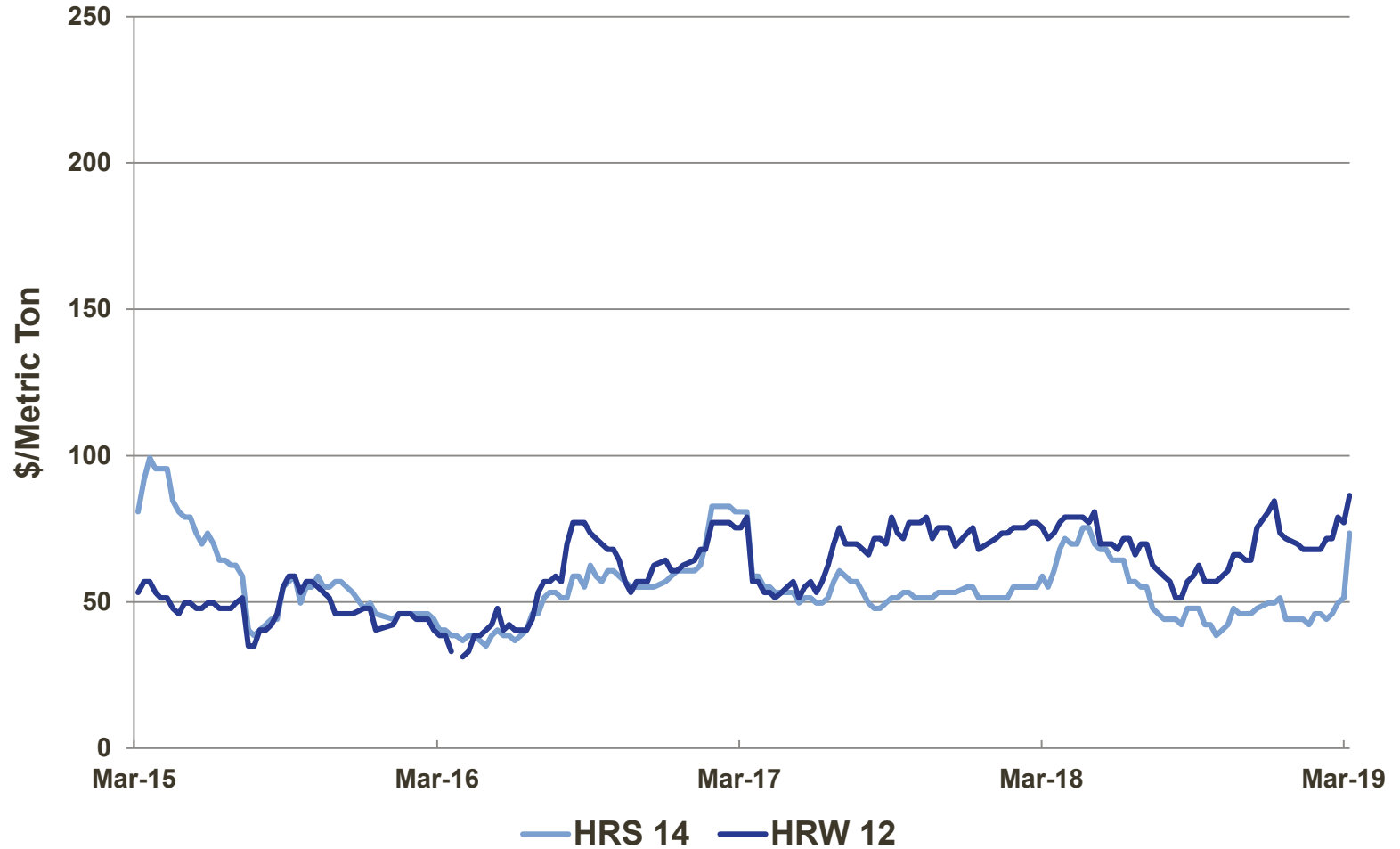
**Source: U.S. Wheat Associates Price Report, March 8, 2019*

U.S. Gulf Basis Prices



**Source: U.S. Wheat Associates Price Report, March 8, 2019*

U.S. PNW Basis Prices



**Source: U.S. Wheat Associates Price Report, March 8, 2019*



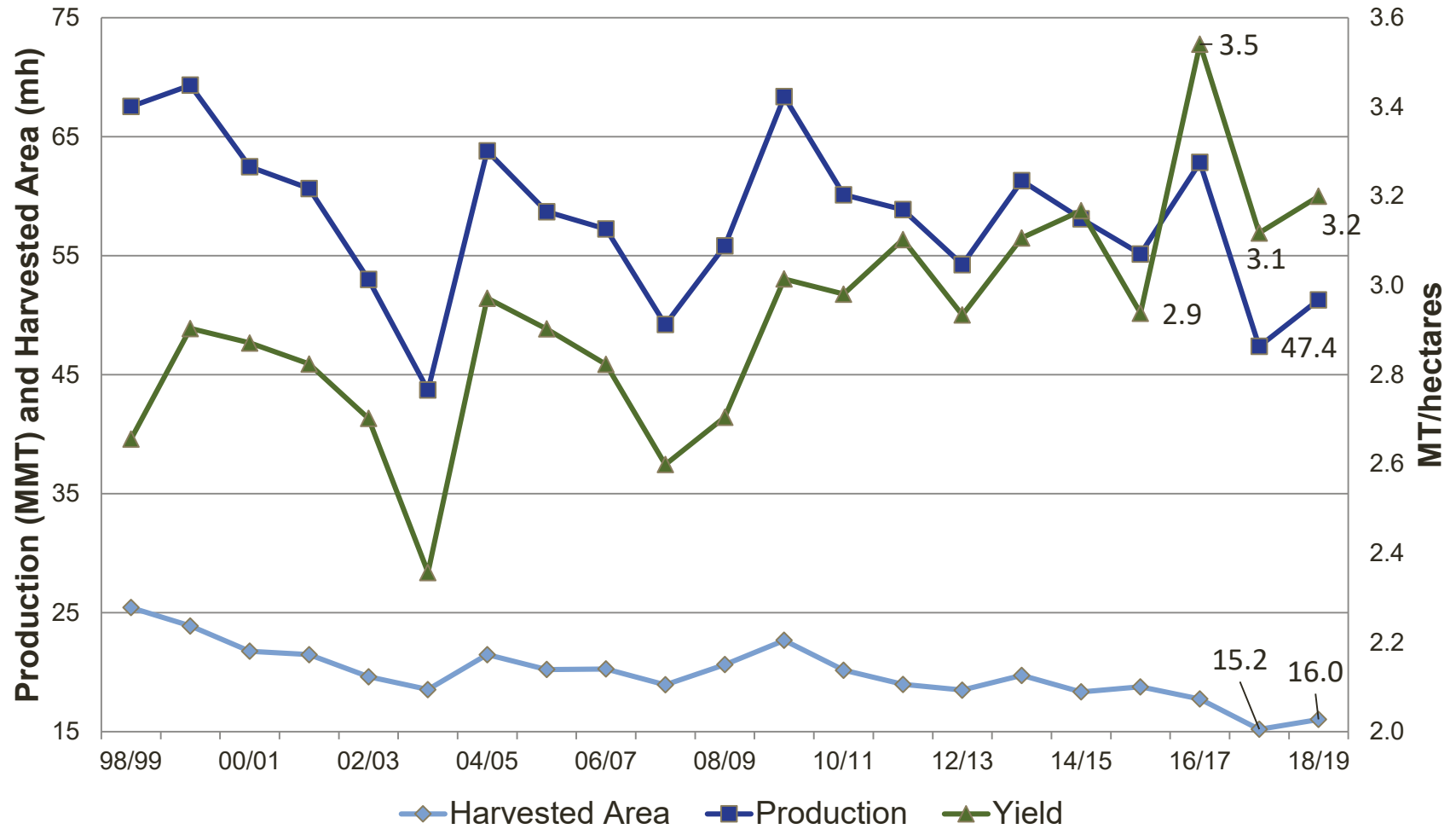
Major Exporters

Import Demand

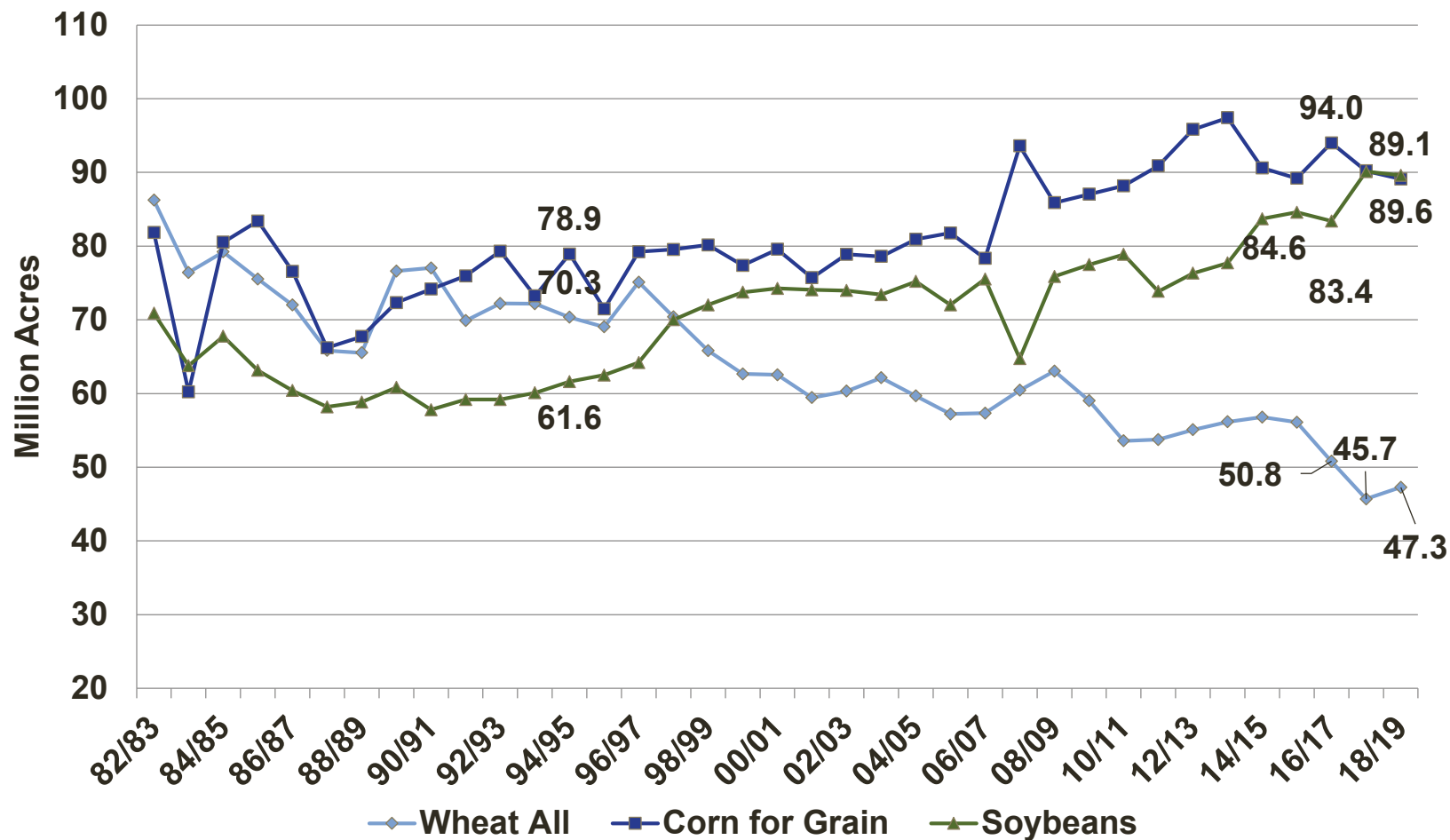
U.S. Situation by Class

Outlook

U.S. Wheat Area and Production



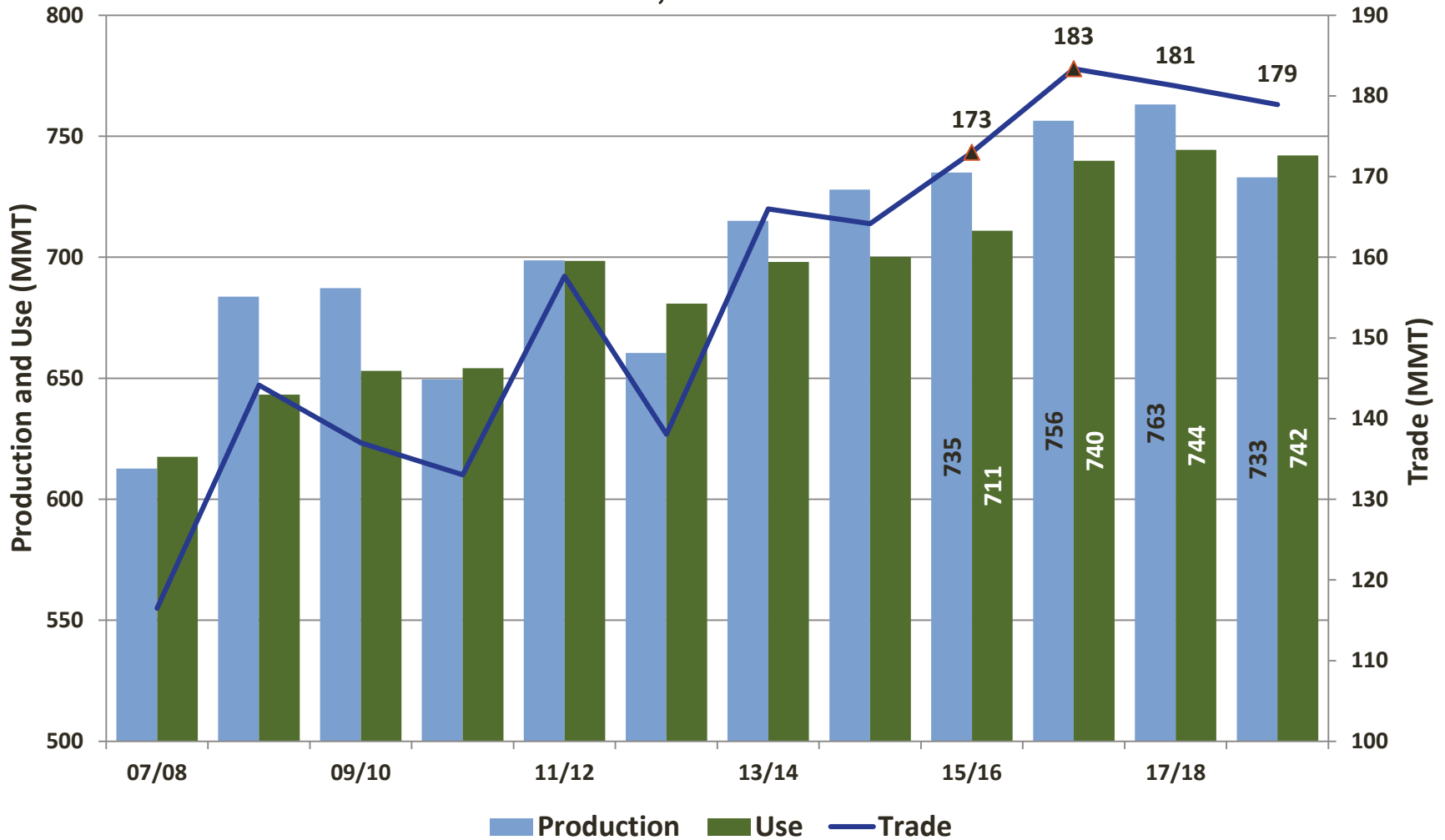
U.S. Crop Planted Area Comparison



*Source: USDA Acreage Report, June 29, 2018

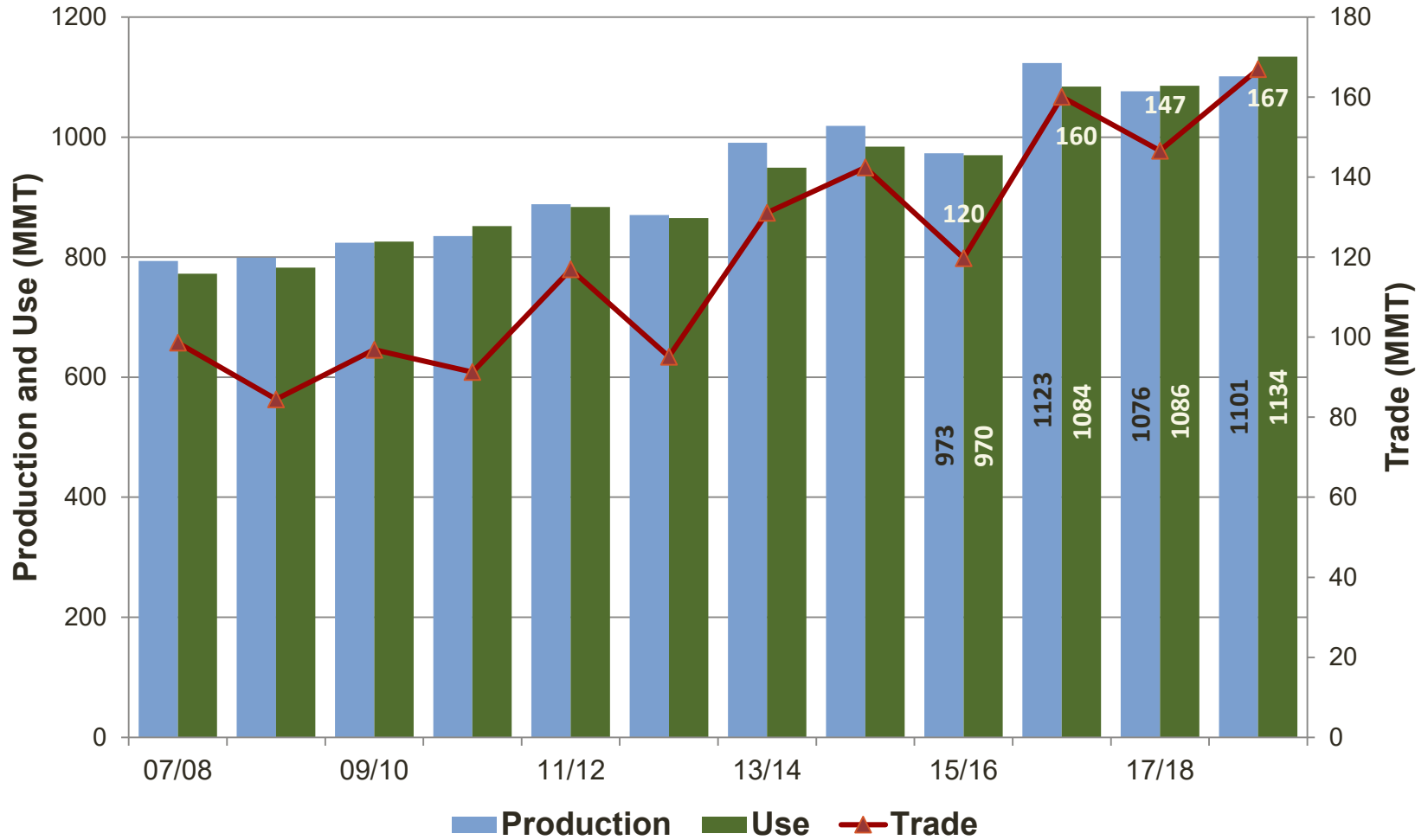
World Wheat

Production, Use and Trade



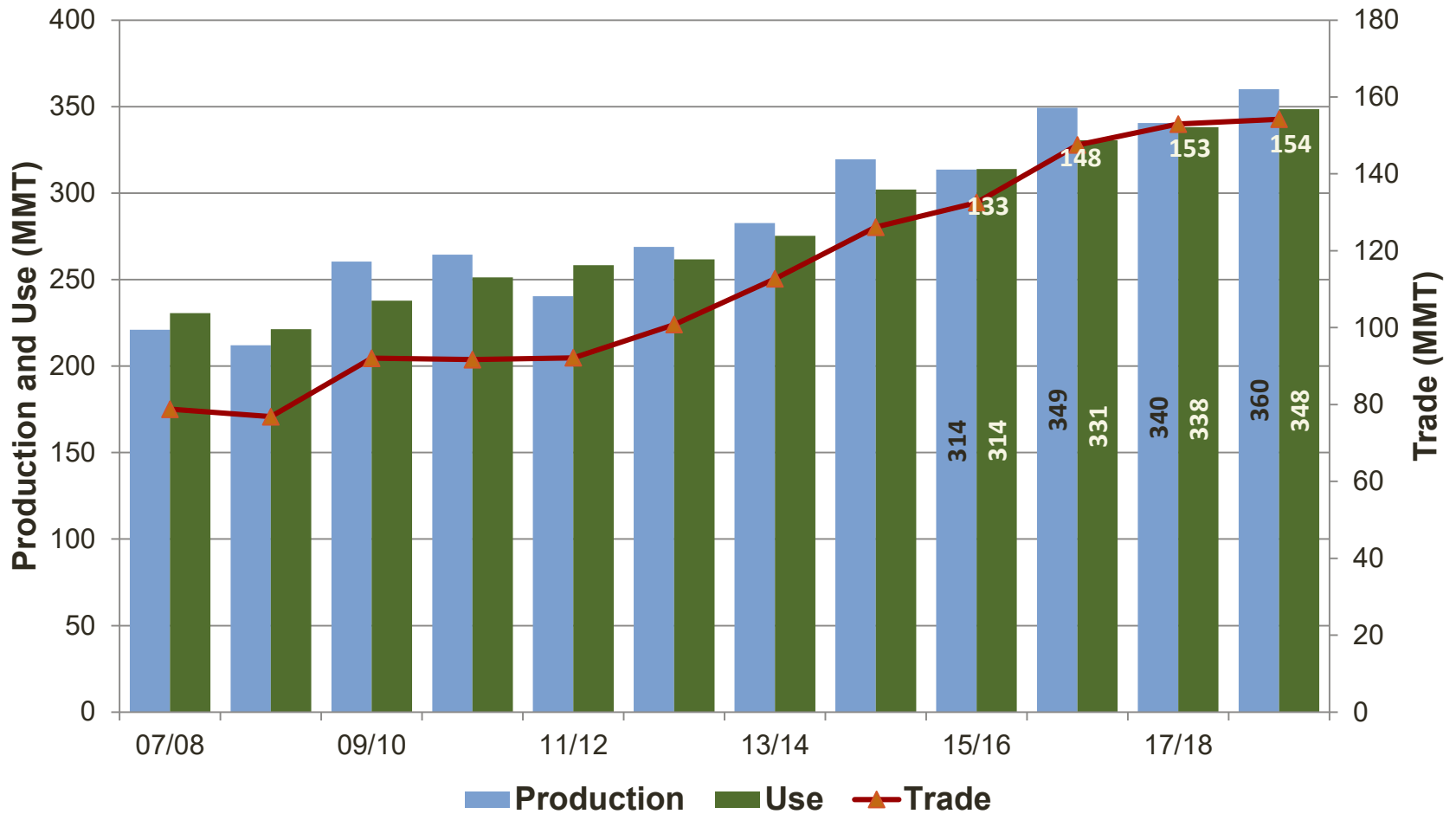
World Corn

Production, Use and Trade

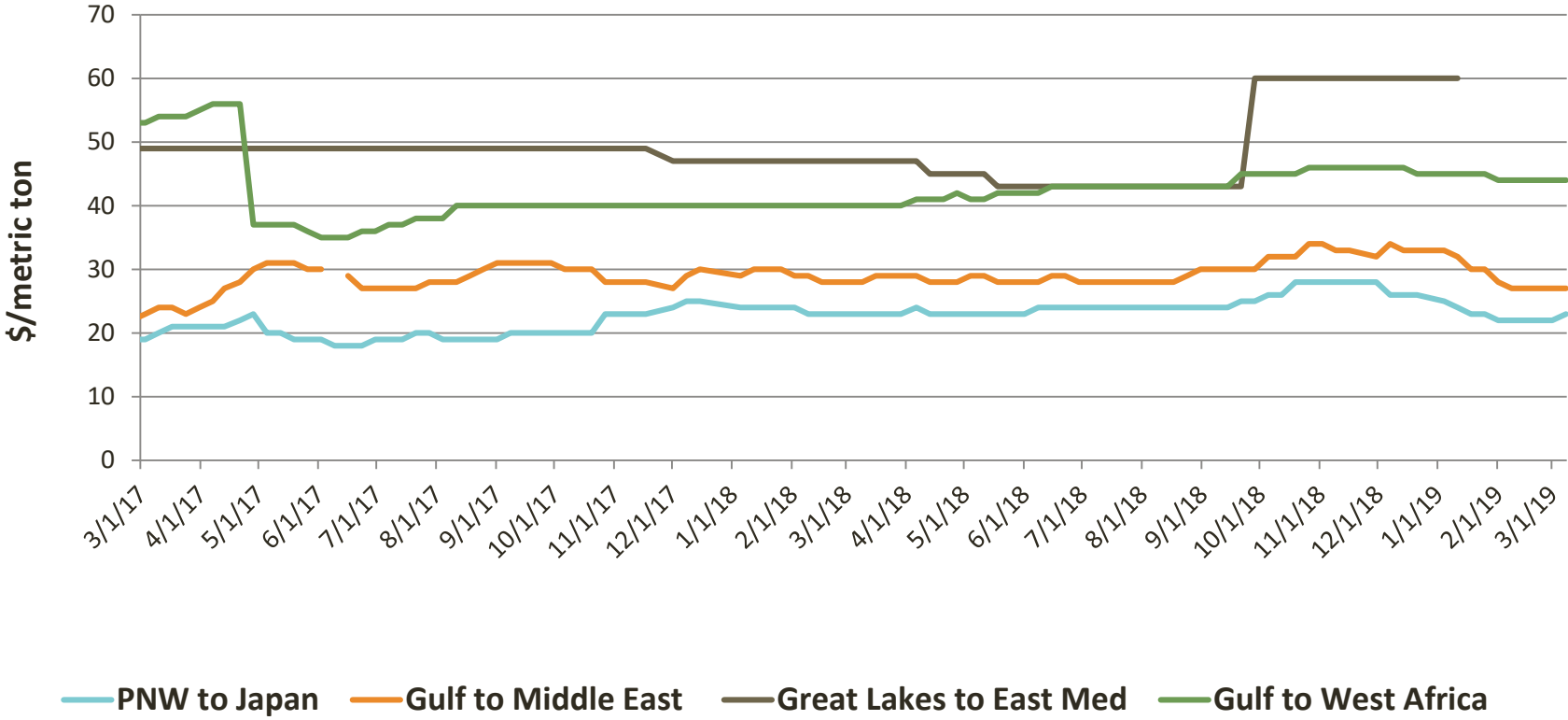


World Soybeans

Production, Use and Trade



Ocean Freight Rates for Grains



*Source: U.S. Wheat Associates Price Report, March 8, 2019

Summary

- **Global production to fall for first time in 5 years**
 - Australian wheat production to fall to 17.3 MMT, 19% below 2017/18
 - Russian wheat production to fall to 71.7 MMT, 16% below last year
 - EU wheat production to fall 9% year over year to 137 MMT
 - Wheat production in the United States to reach 51.3 MMT, up 8% from last year
- **Global ending stocks to decline to 271 MMT, still 12% above the 5-year average**
 - Ending stocks in the EU to fall to 10.4 MMT, down 26% from the year prior and 17% from the 5-year average, if realized
 - U.S. ending stocks to hit 28.7 MMT, down 4% from 2017/18, but 15% above the 5-year average, if realized
- **World consumption expected to fall slightly below 2017/18; world trade to remain near record high**
 - Indian total domestic consumption revised down from 98 MMT in February to 95 MMT in March, nearly in line with last year's level and the 5-year average
 - EU exports revised up from 22 MMT in February to 23 MMT in March, nearly in line with last year's export volume, if realized
 - U.S. 2018/19 exports revised down from 27.2 MMT in February to 26.3 MMT in March, up 7% year over year, if realized