

World Wheat Supply and Demand Situation

September 2019

Major data source: USDA World
Agricultural Supply and Demand
Estimates released September 12, 2019,
unless otherwise indicated. Projections
will change over the course of the year
depending on weather and other
developments.



Highlights of USDA's 2019/20 Supply and Demand Estimates

- **2019/20 global wheat production to jump to all-time high of 766 MMT**
 - Wheat production in the European Union (EU) to rebound to 151 MMT, 9% higher than last year
 - Australian production forecast at 19.0 MMT, 9% higher than 2018/19 levels
 - U.S. wheat production to jump 5% above 2018/19 levels to 53.9 MMT in 2019/20
- **Global consumption forecast at 756 MMT, the highest on record**
 - China's domestic consumption to reach 128 MMT, 2% above last year, if realized
 - EU domestic consumption to reach 127 MMT, up 3% from 2018/19
 - U.S. domestic consumption to total 32.6 MMT, up 5% from the 5-year average
 - U.S. feed wheat consumption to reach 4.63 MMT, 43% higher than 2018/19 levels
- **World wheat trade to jump 5% year-over-year to 181 MMT, 3% above the 5-year average of 175 MMT**
 - Exports from the EU to increase 12% over last year to 26.5 MMT in 2019/20
 - Exports from Australia to rebound 17% over 2018/19 levels to 10.5 MMT
 - U.S. 2019/20 exports to increase 4% above 2018/19 levels to 26.5 MMT



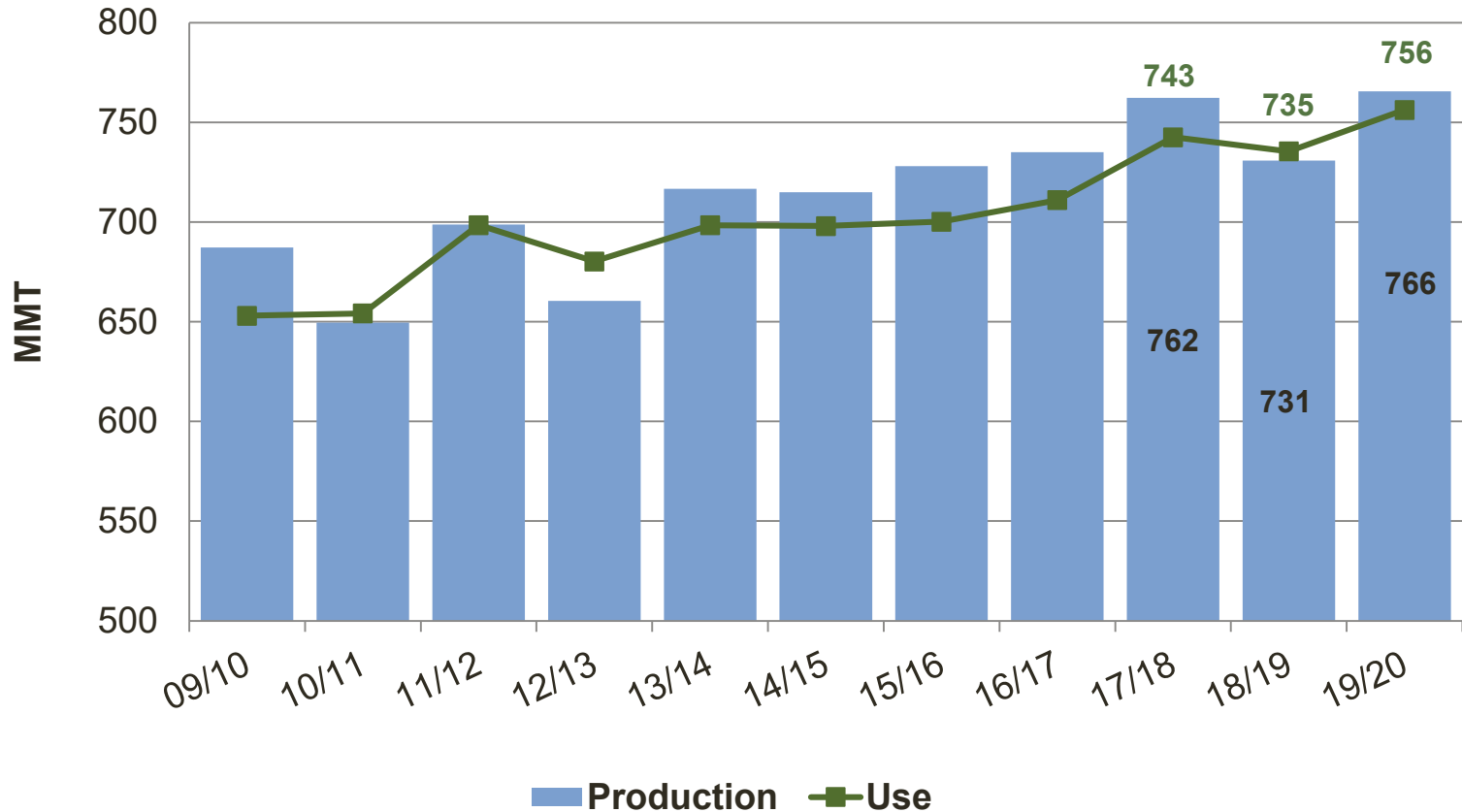
Highlights of USDA's 2019/20 Supply and Demand Estimates

- **World beginning stocks fell 2% year-over-year to 277 MMT, still 15% higher than the 5-year average of 242 MMT**
 - China's 2019/20 beginning stocks jumped 6% over 2018/19 levels to 140 MMT
 - U.S. beginning stocks estimated at 29.2 MMT, 2% lower than last year but 16% higher than the 5-year average
- **Global ending stocks projected at 286 MMT, 3% higher than last year and 11% higher than the 5-year average**
 - Estimated Chinese ending stocks of 146 MMT are up 4% from last year and account for 51% of total global ending stocks
 - U.S. ending stocks are expected to total 27.6 MMT, down 6% from 2018/19 and in line with the 5-year average
- **U.S. farm gate average price to fall 7% from 2018/19 levels**
 - Projected average farm gate price to fall to \$4.80/bu* (\$176/MT) from last year's average of \$5.16/bu (\$190/MT)

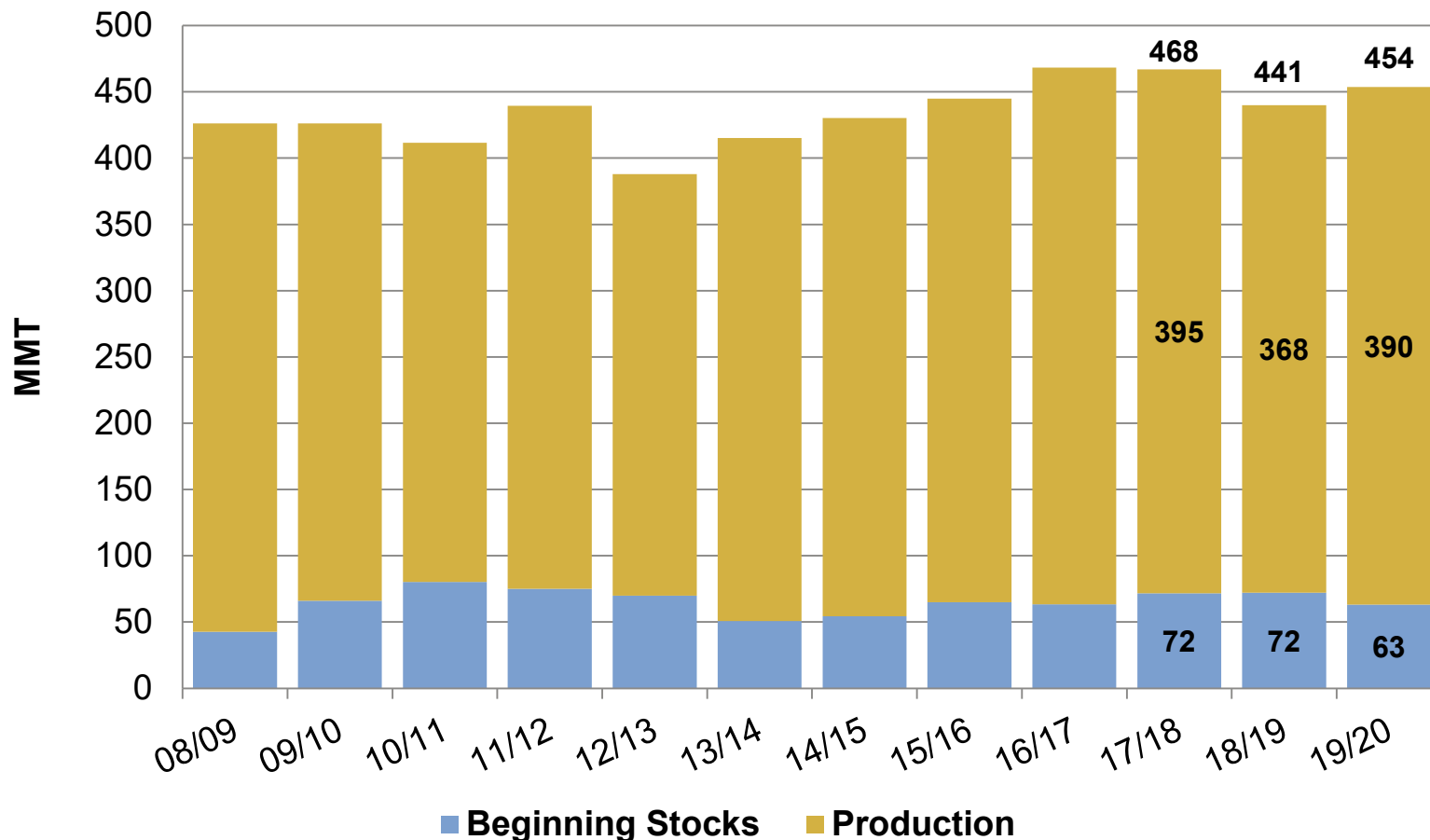
**Average U.S. farm gate price, marketing year weighted average*



World Production and Use



Supplies in Top Exporting Countries*



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

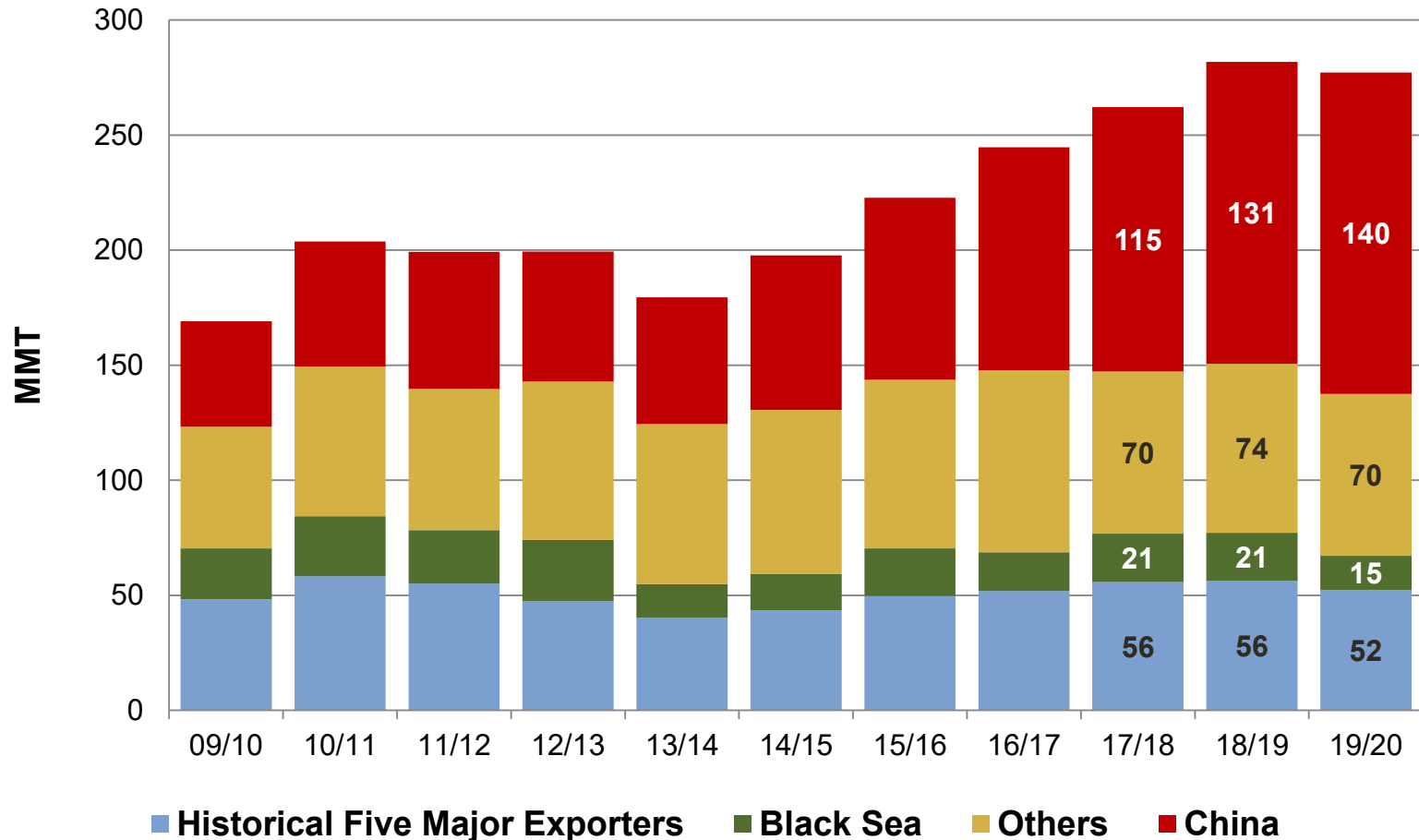
World Wheat Supply and Demand (MMT)

		<u>17/18</u>	<u>18/19</u>	<u>19/20</u>
SUPPLY:	Beginning Stocks	262	282	277
	Production	762	731	766
	Supply Total	1024	1013	1043
	Ending Stocks	282	277	287
TRADE:	Exports/Imports	182	173	181
DEMAND:	Food & Seed	596	596	607
	Feed & Residual	146	139	149
	Use Total	743	735	756



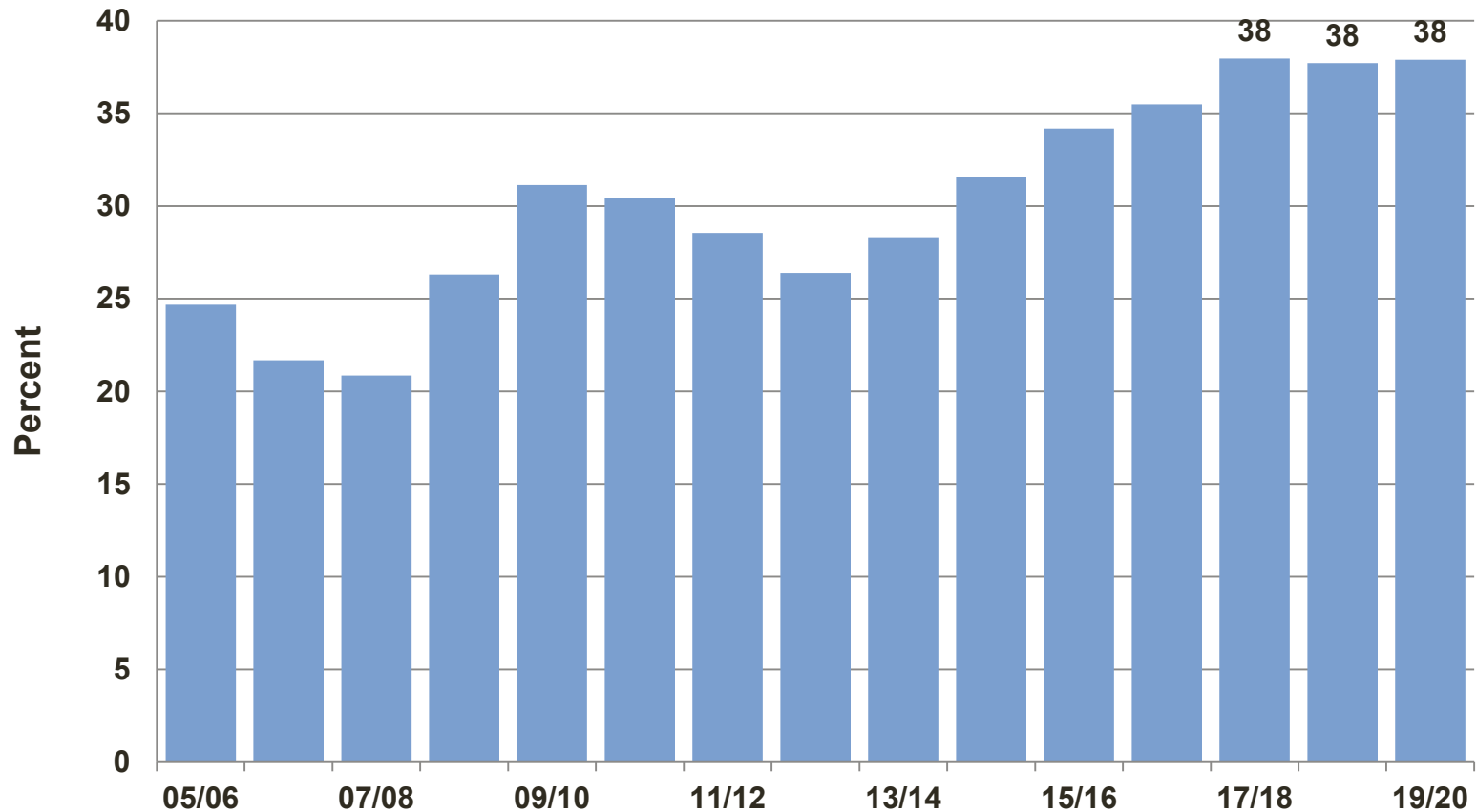
U.S. WHEAT
ASSOCIATES

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



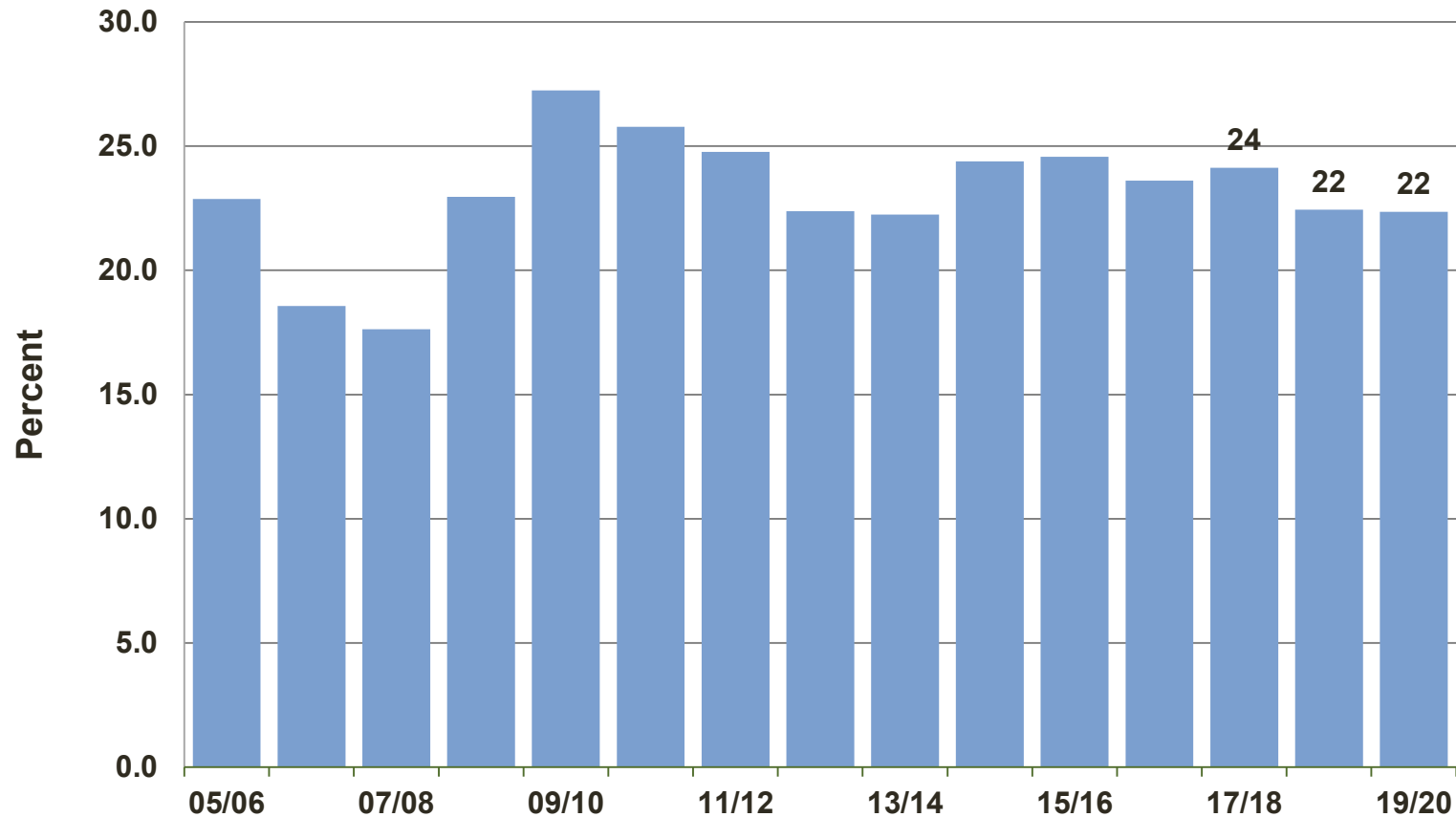
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

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



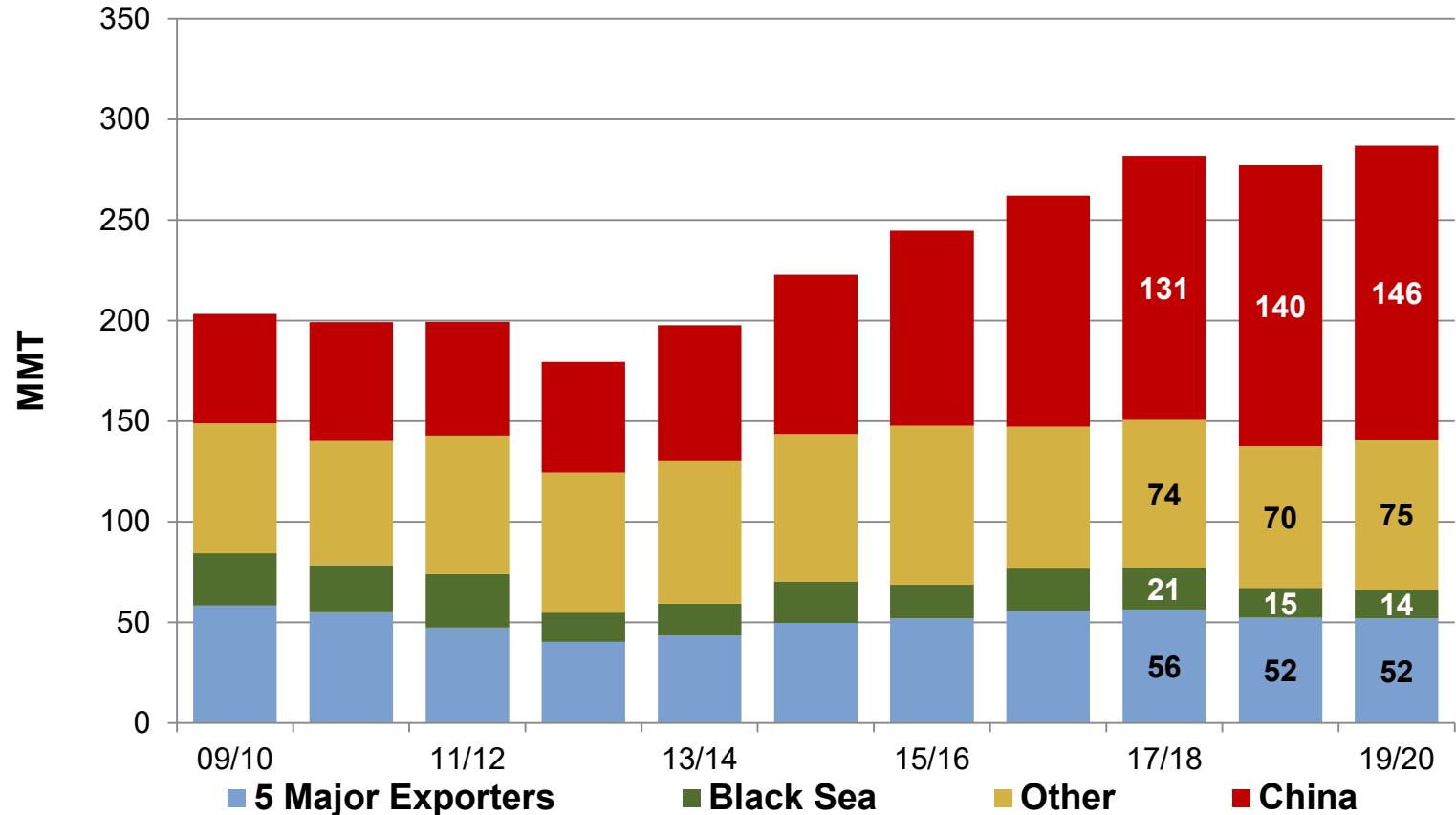
**Ending stocks*

Supply and Demand



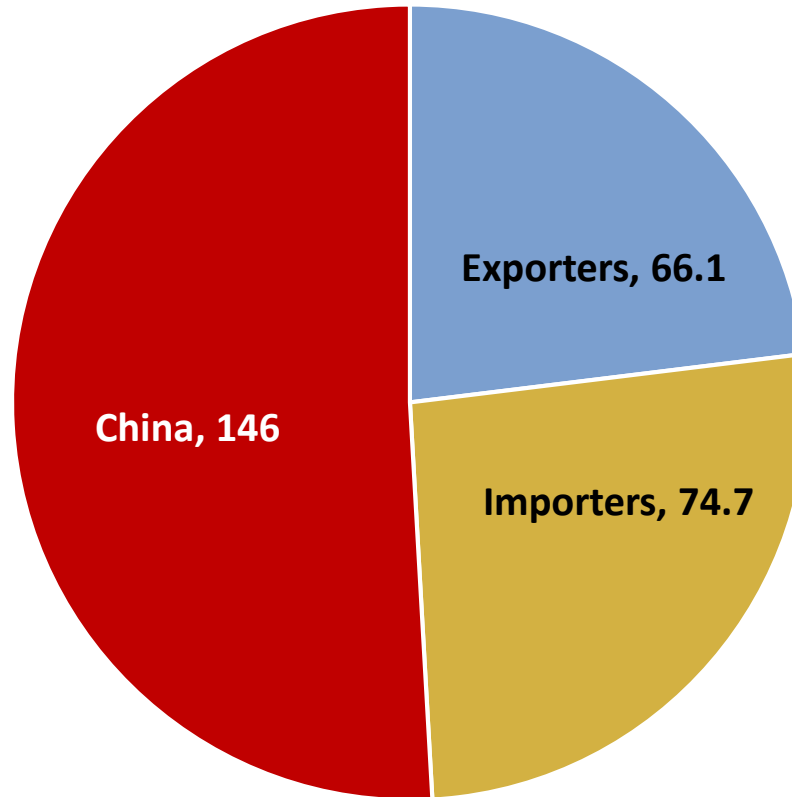
U.S. WHEAT
ASSOCIATES

World Ending Stocks

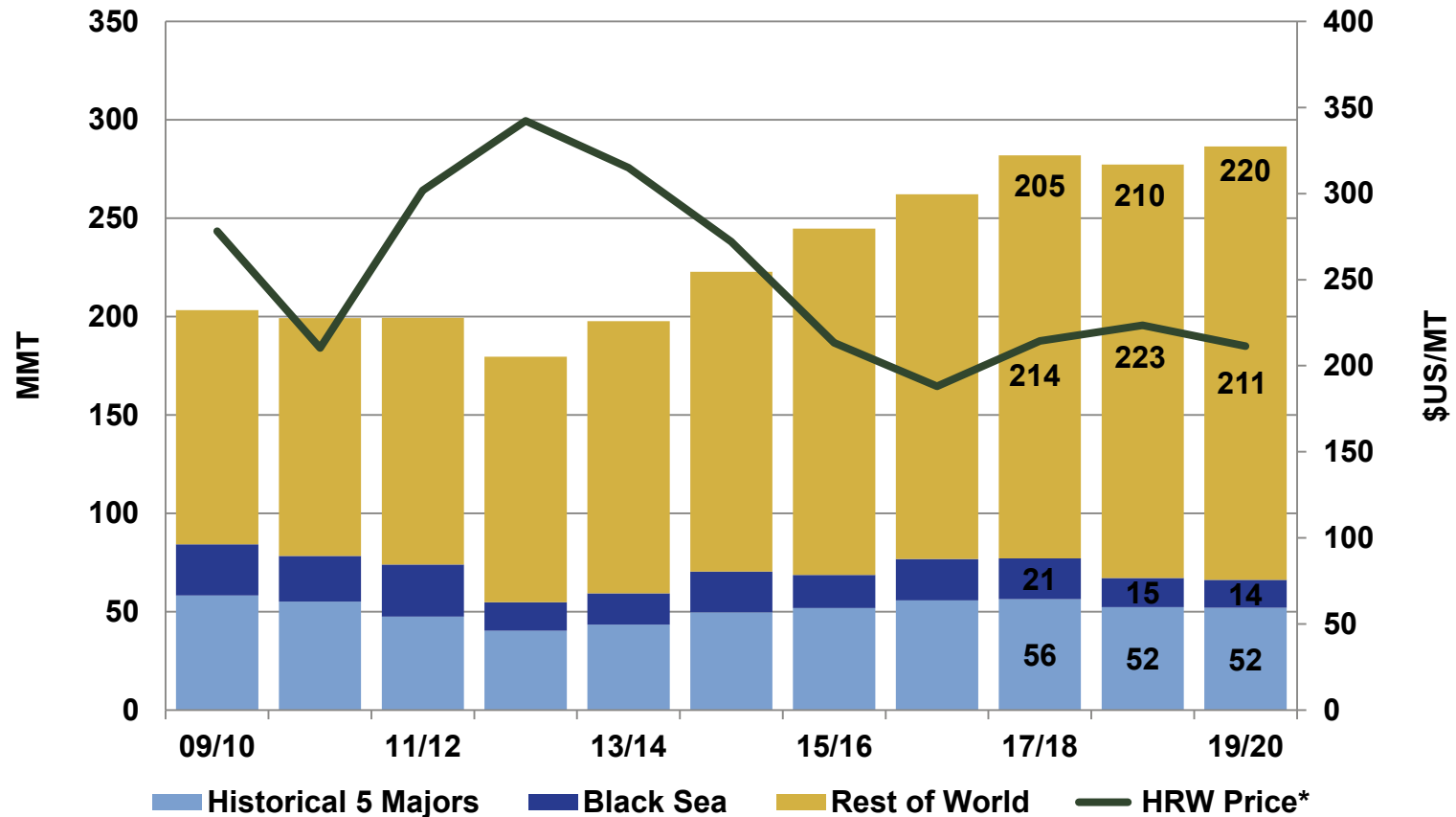


Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.

World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, September 13, 2019



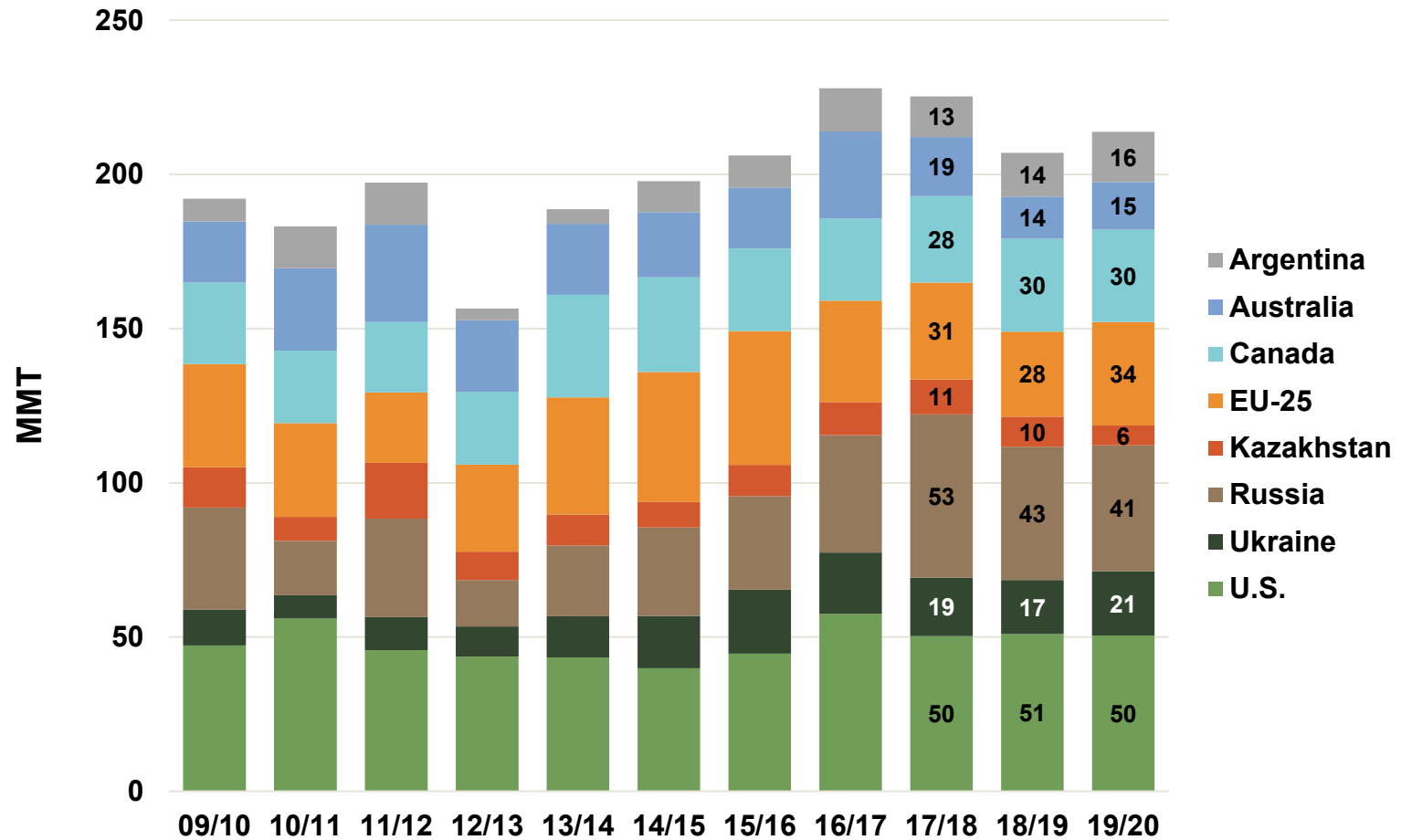
Major Exporters

Import Demand

U.S. Situation by Class

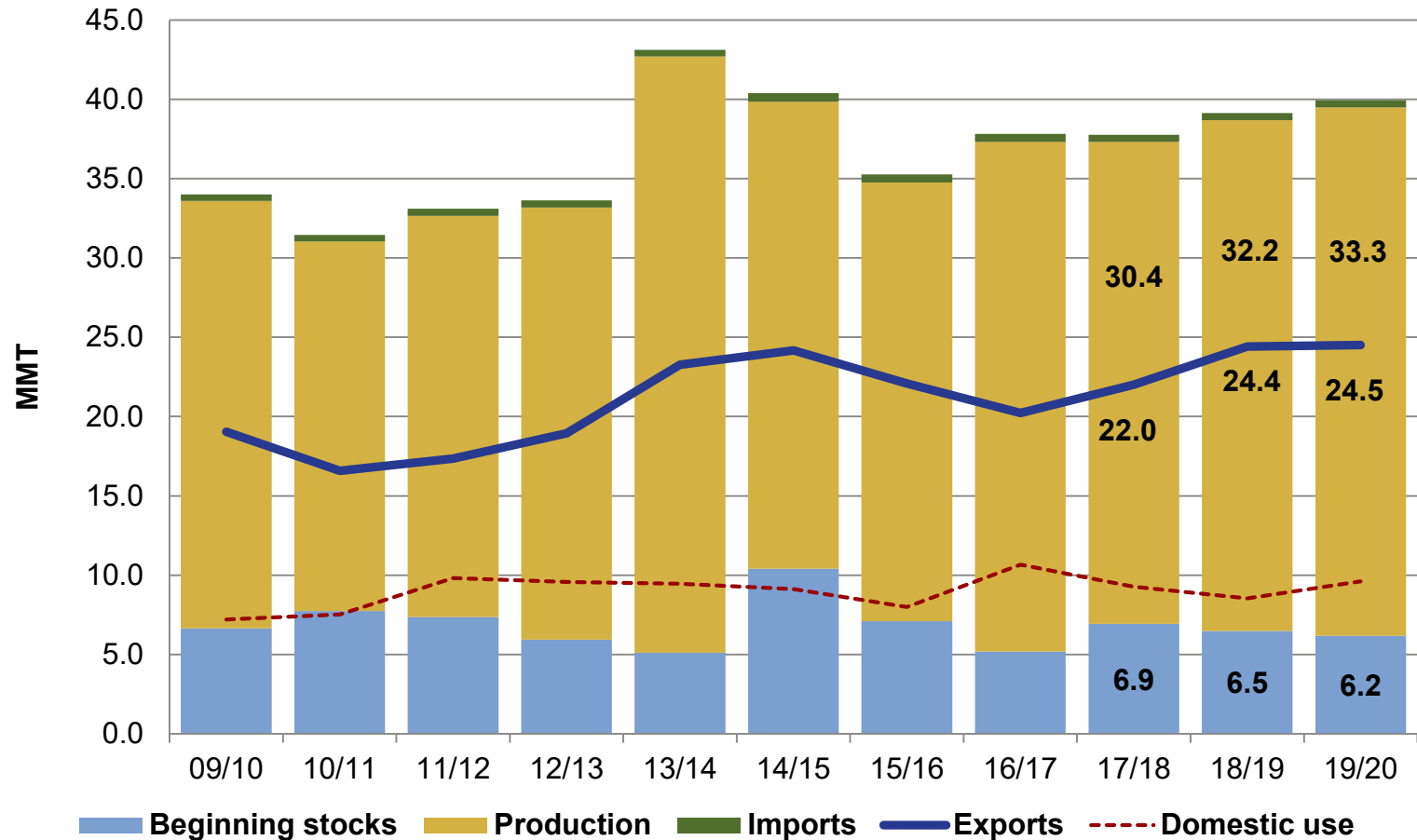
Outlook

Exportable Supplies in Top Exporting Countries

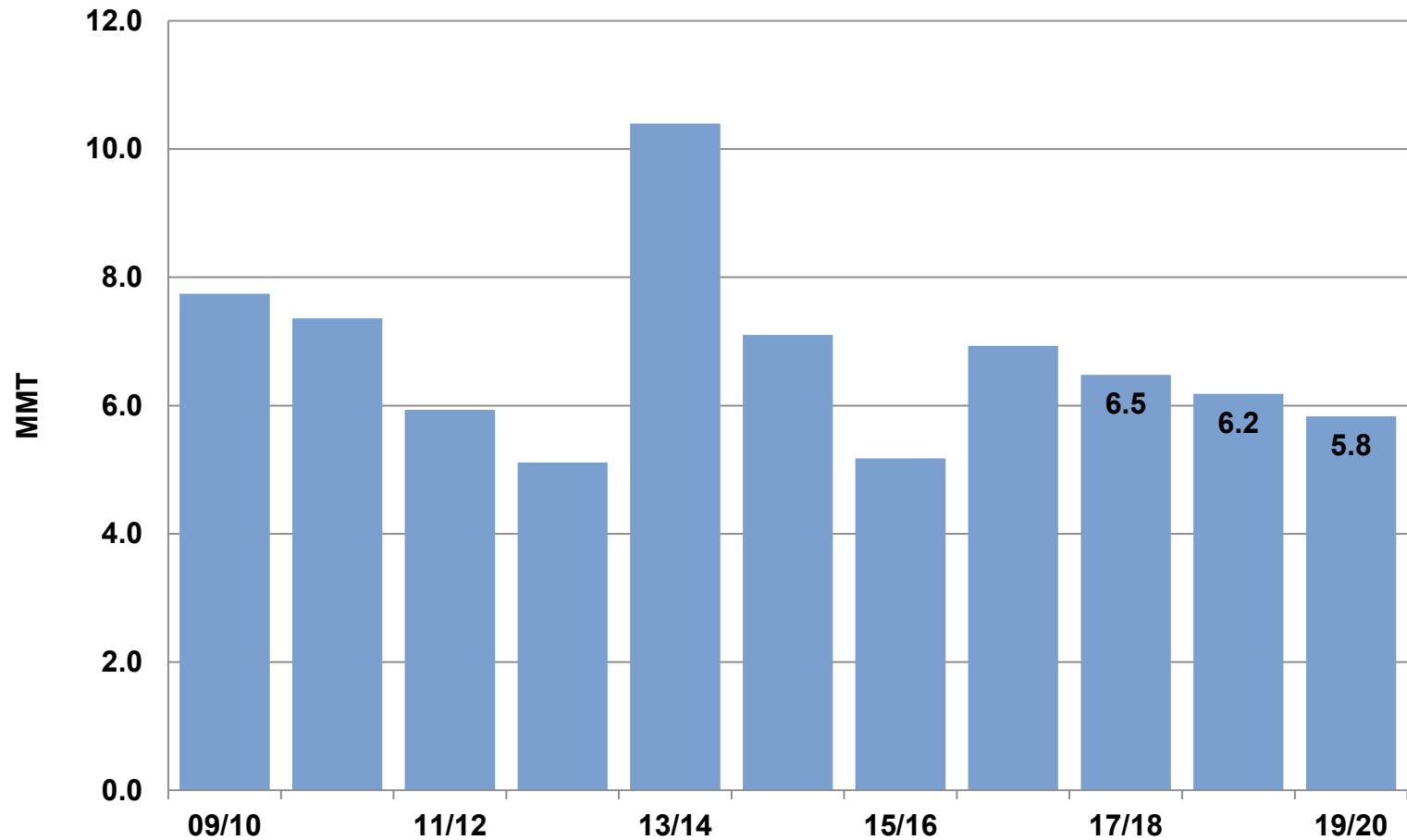


**Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption*

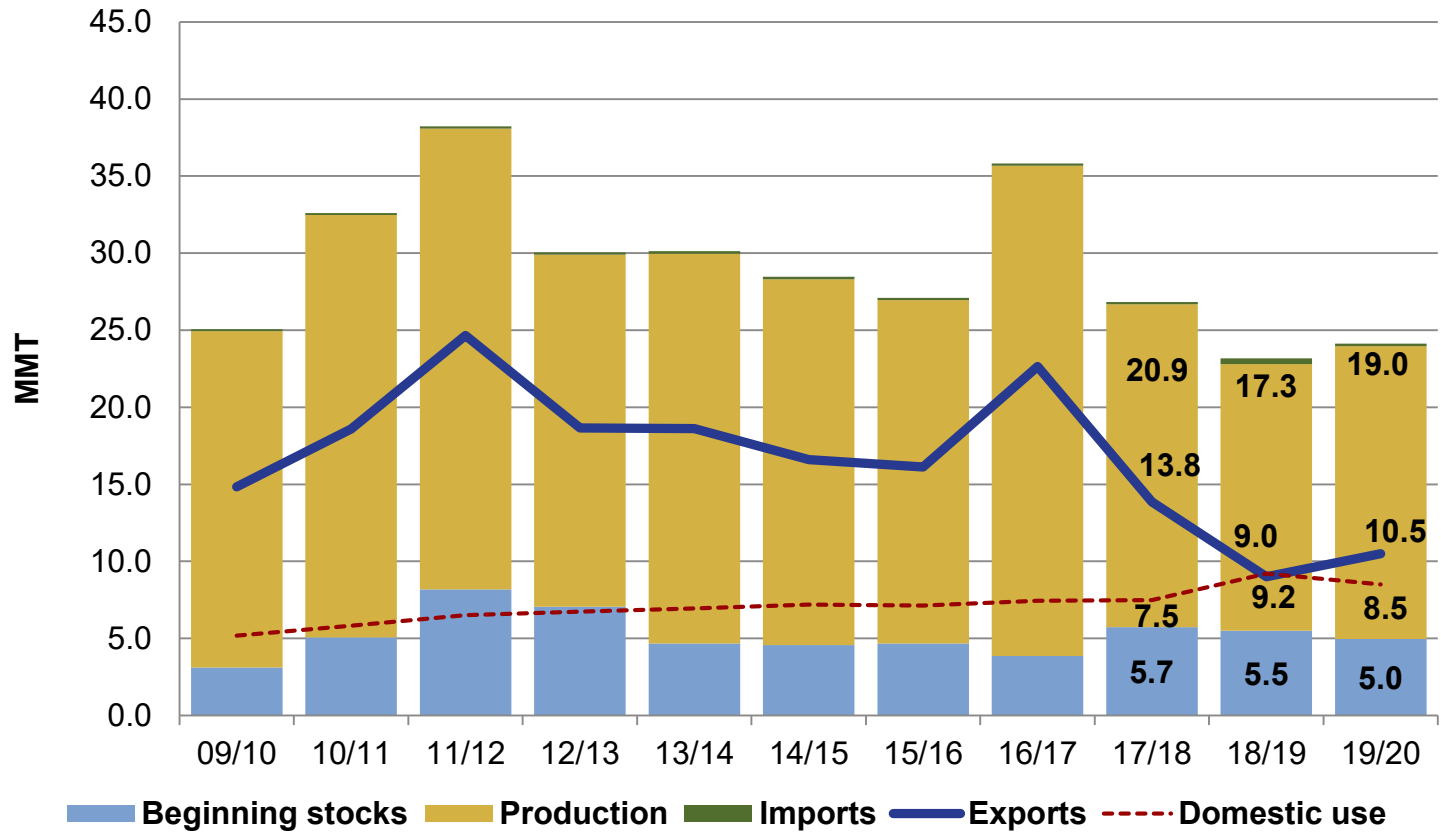
Canada Situation



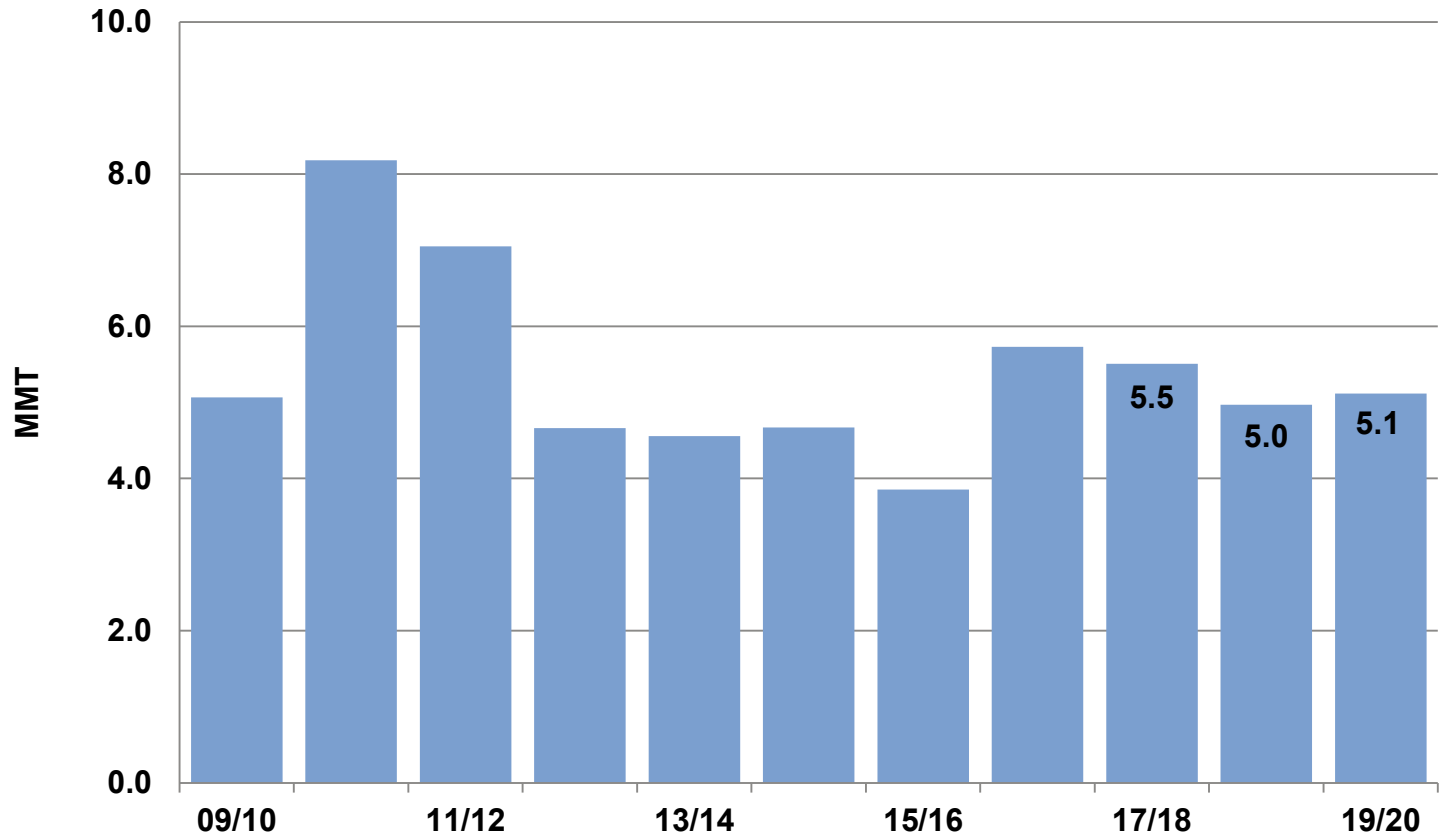
Canada Ending Stocks



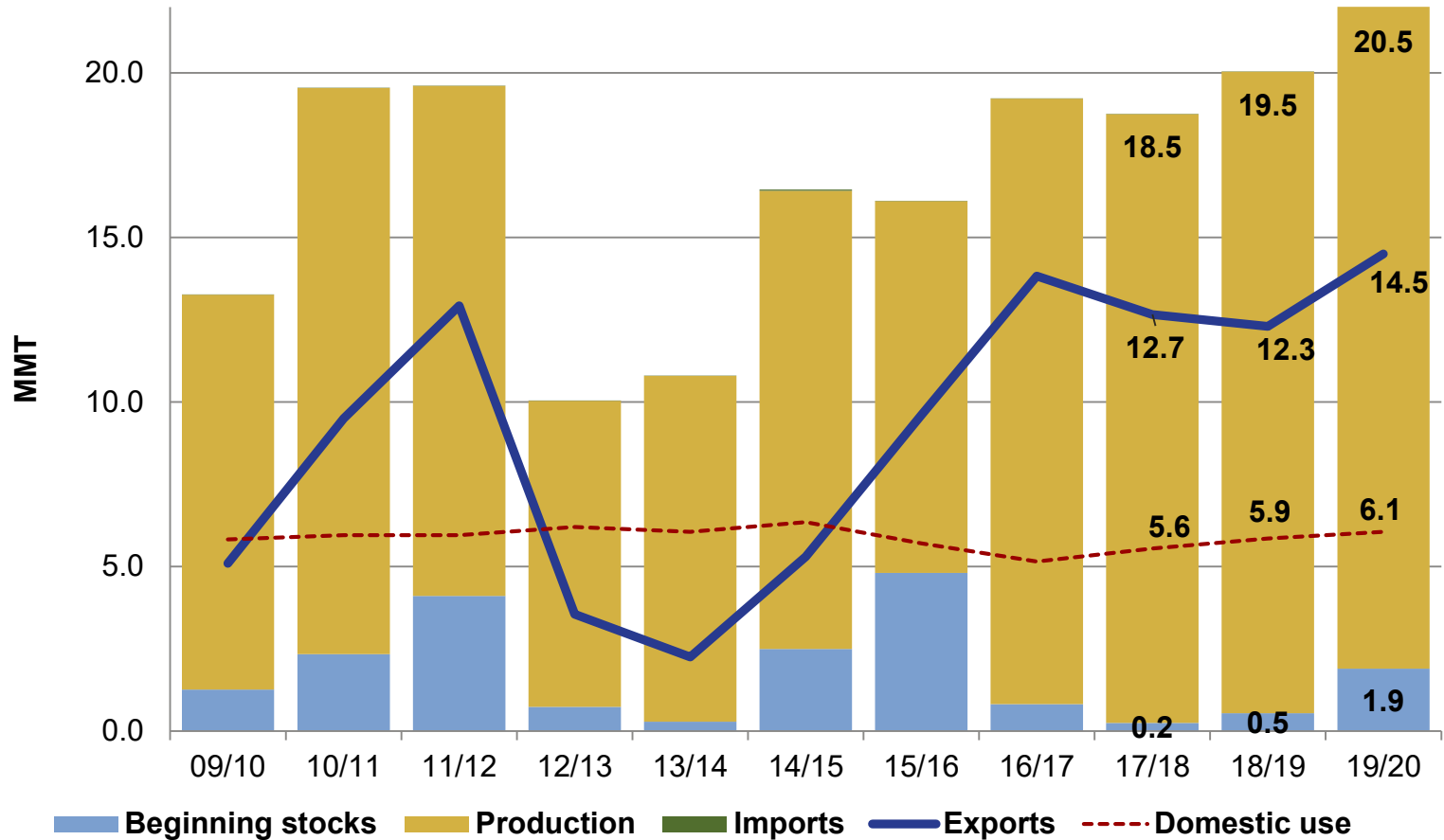
Australia Situation



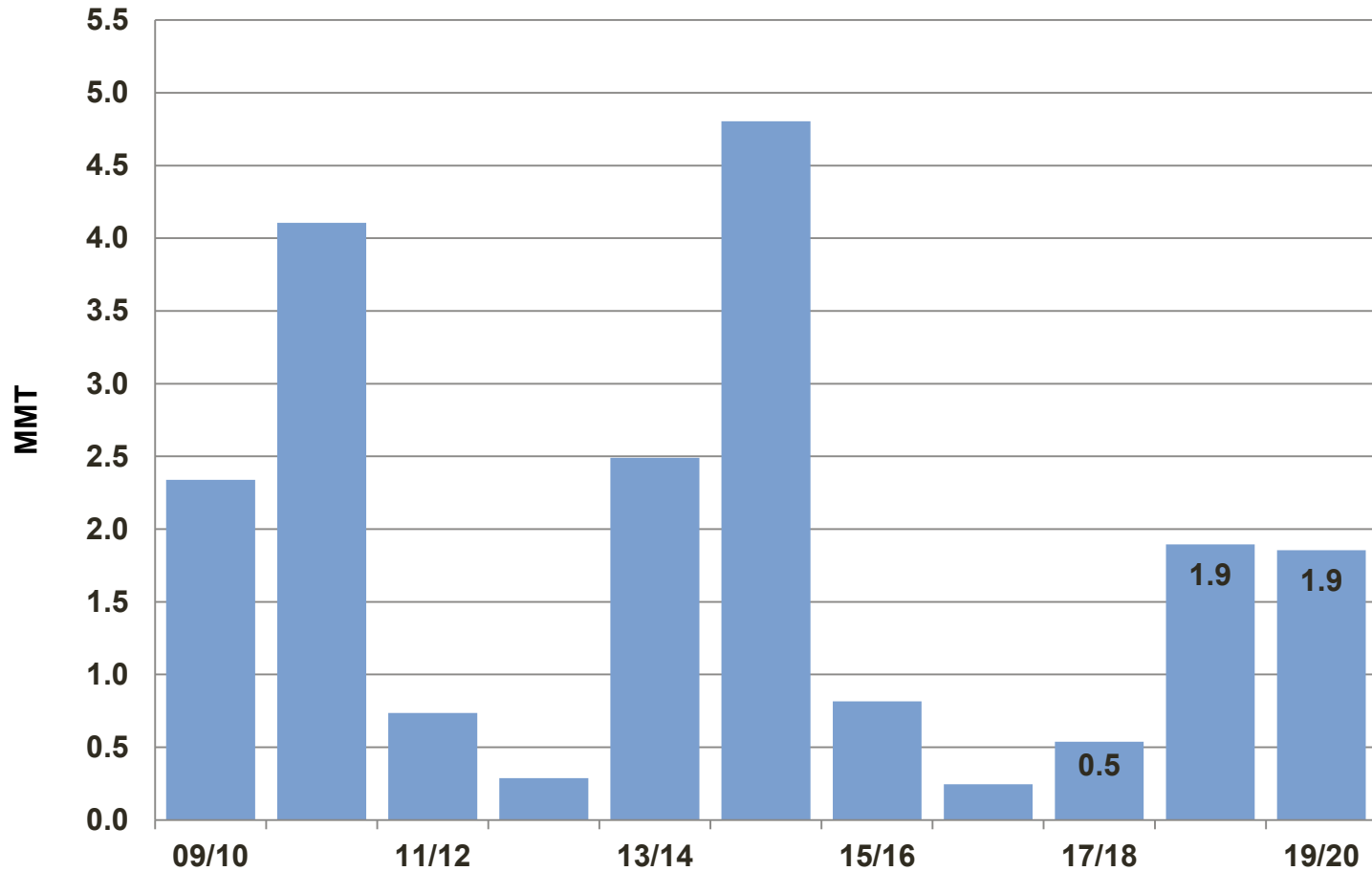
Australia Ending Stocks



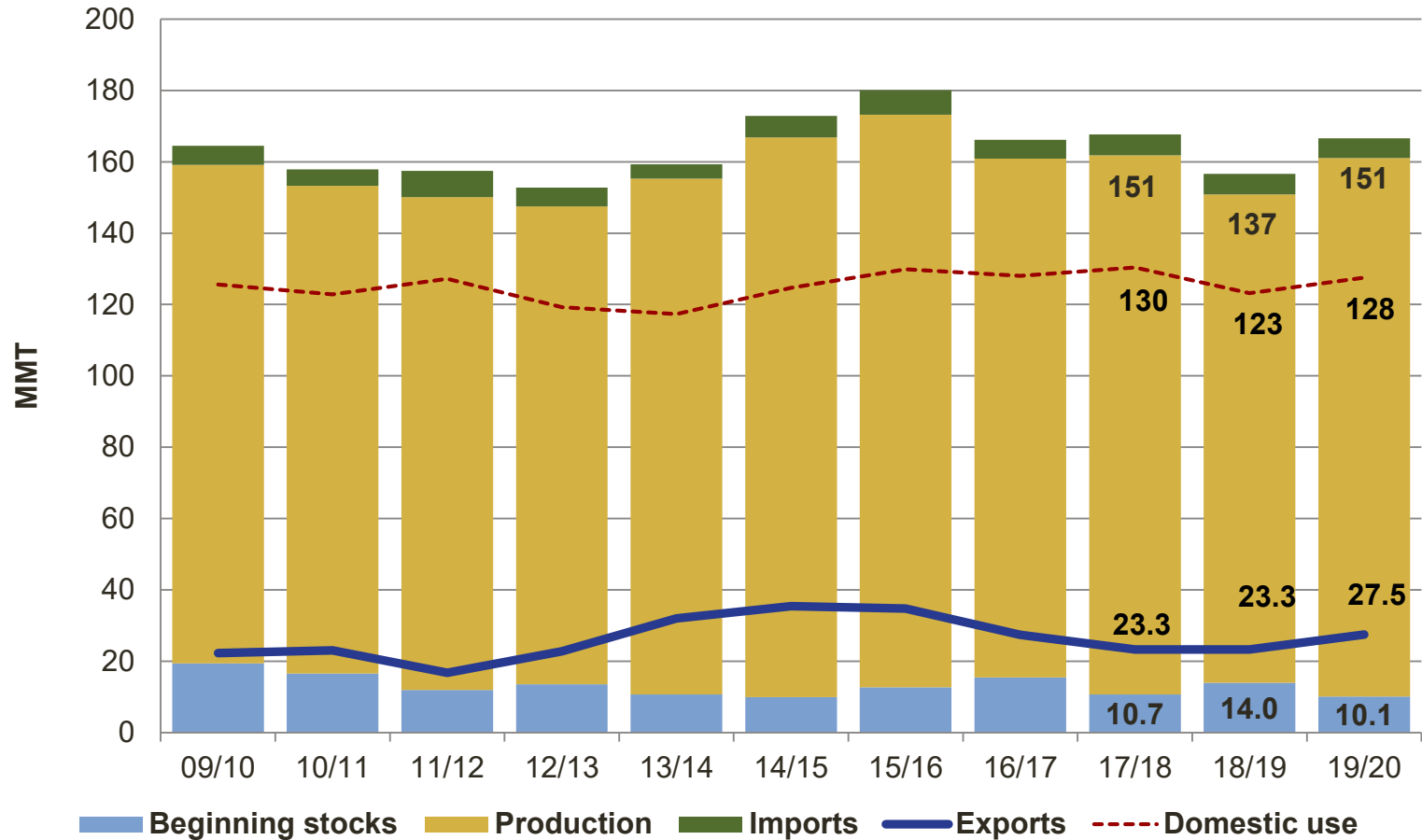
Argentina Situation



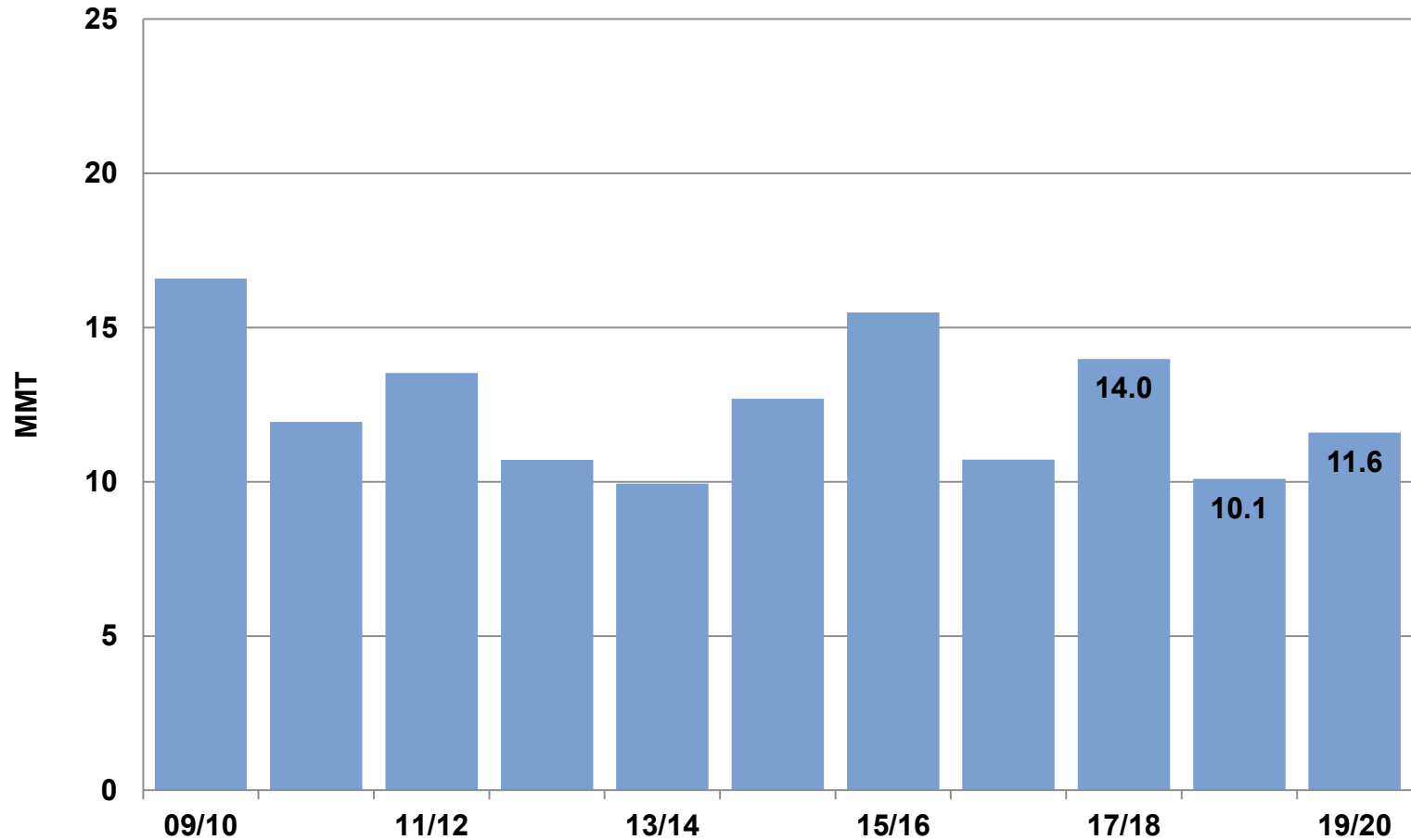
Argentina Ending Stocks



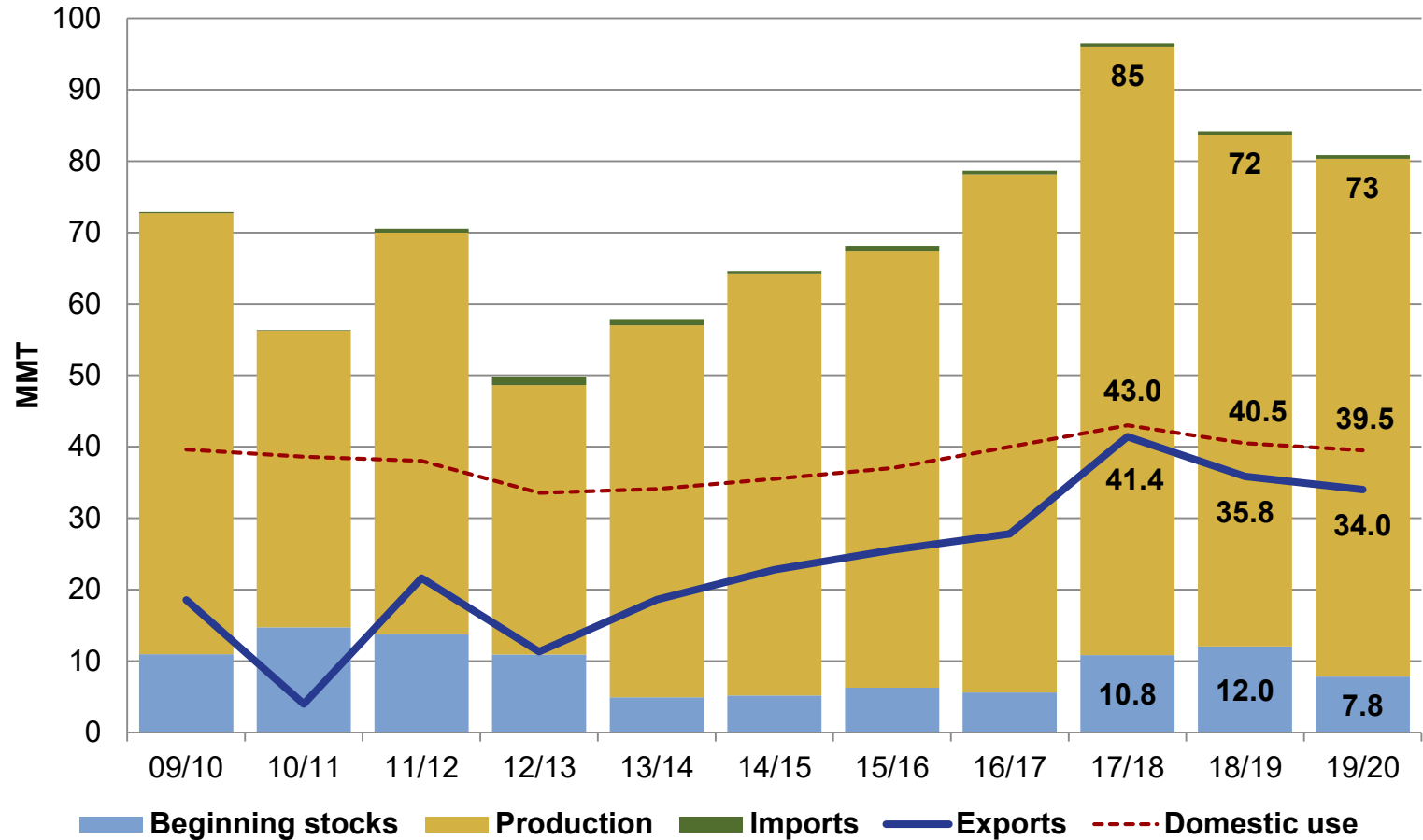
EU- 28 Situation



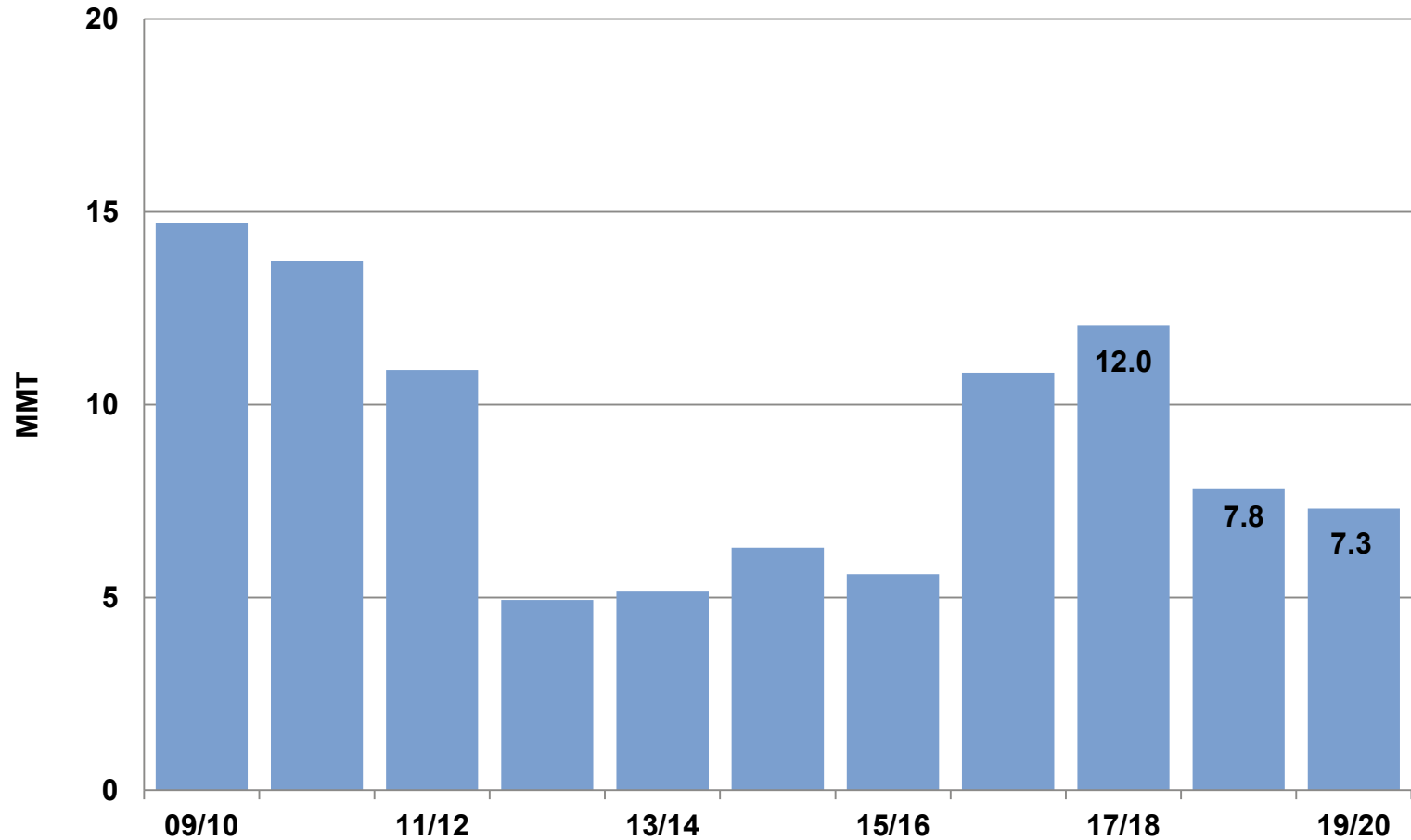
EU-28 Ending Stocks



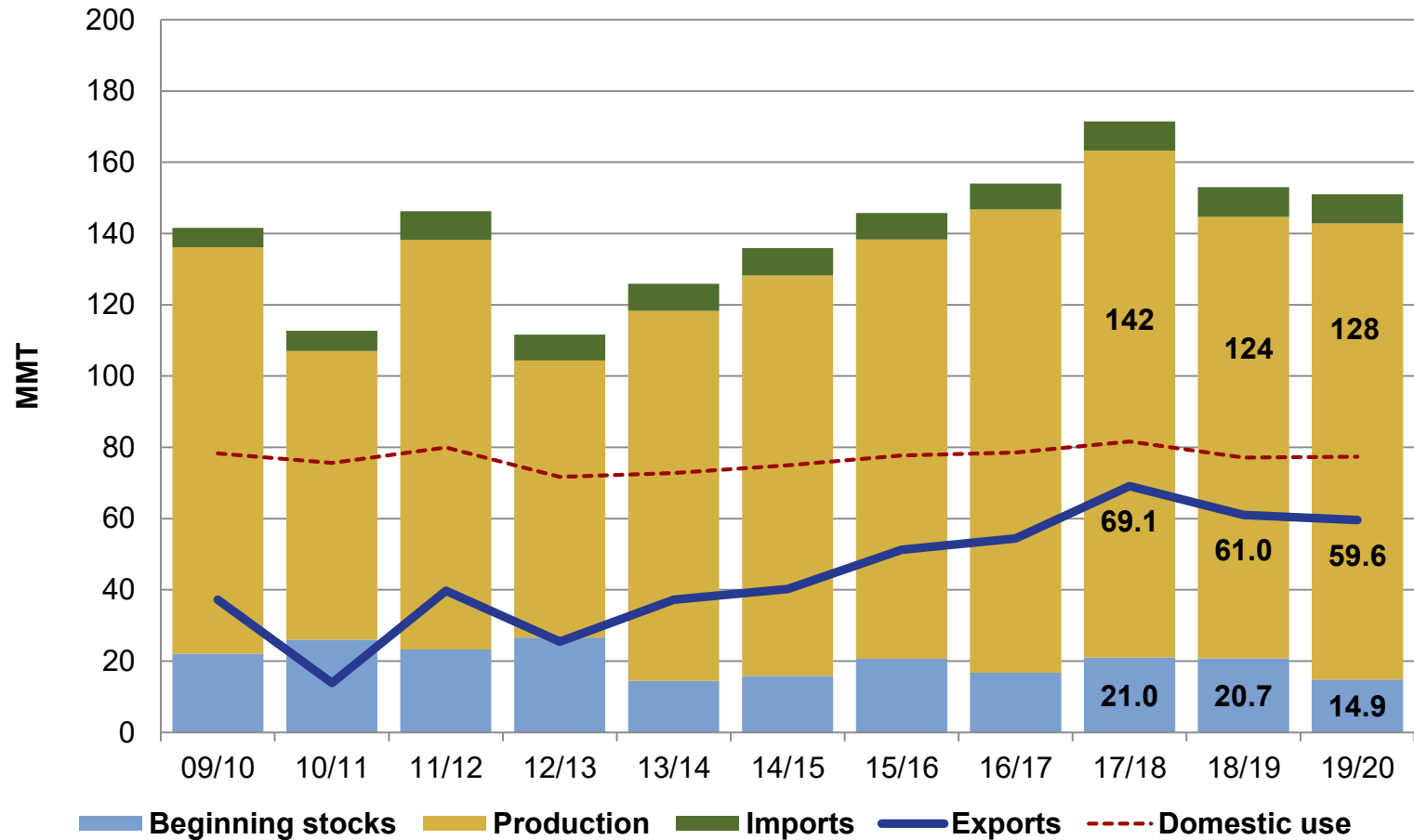
Russia Situation



Russia Ending Stocks

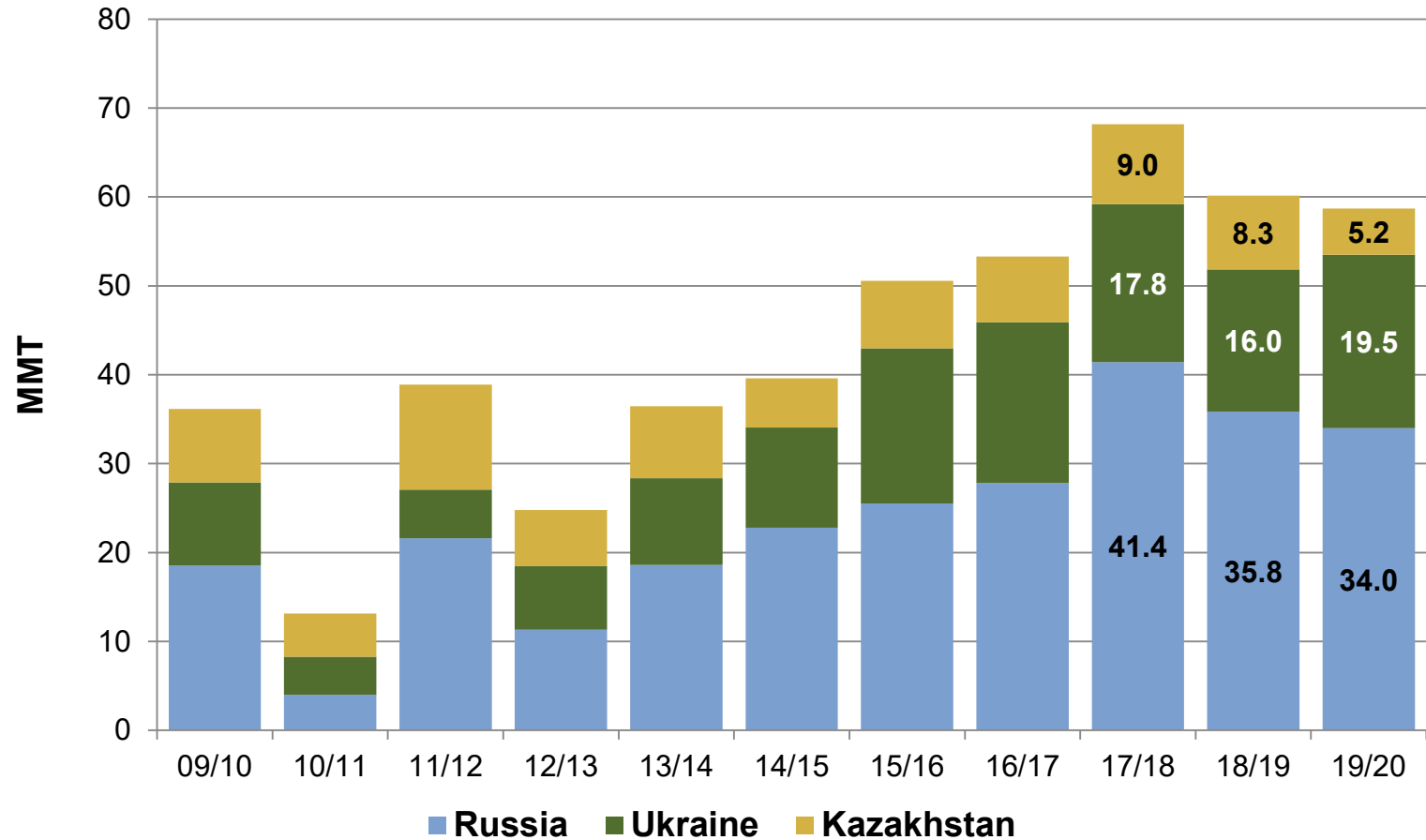


Black Sea Region Situation

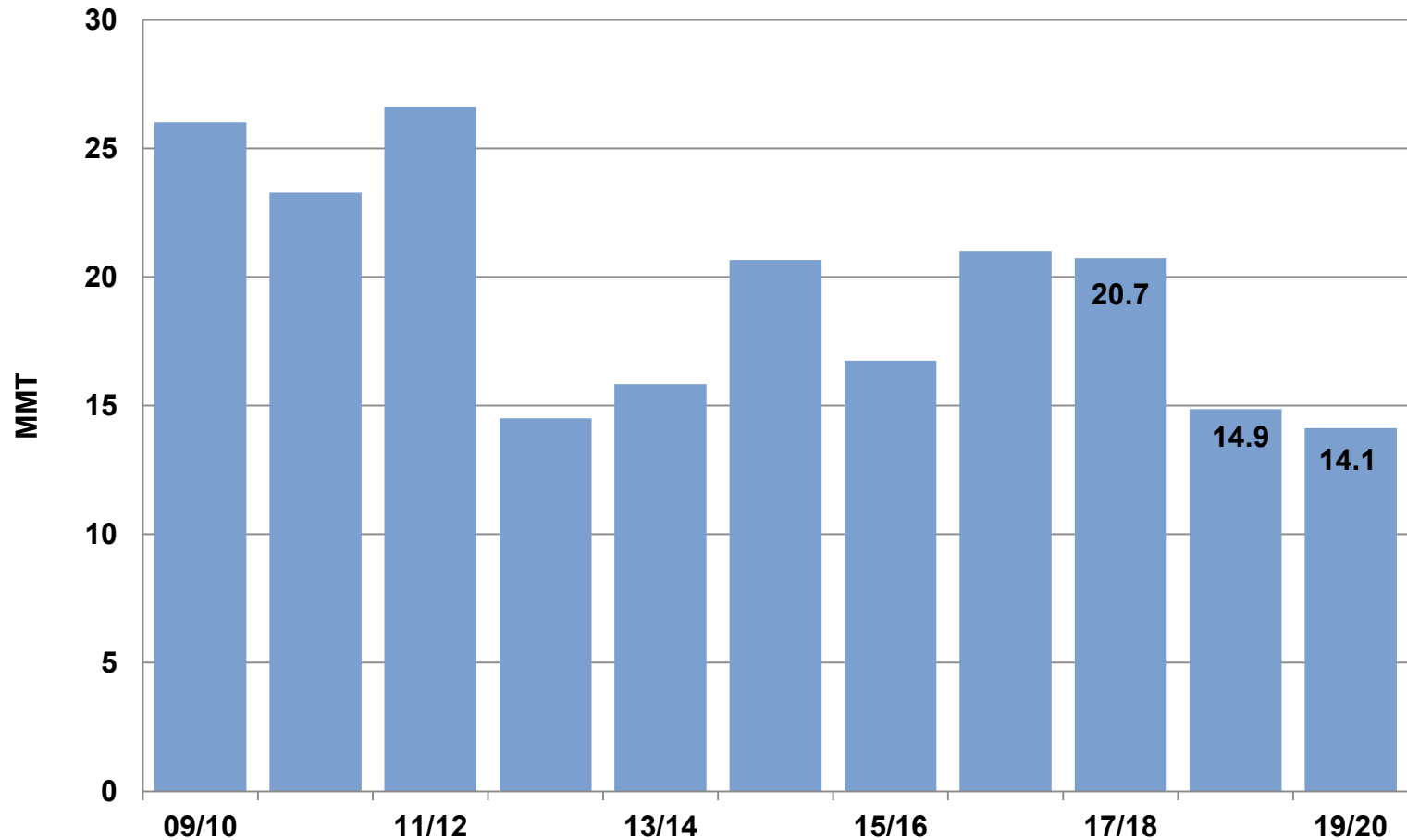


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

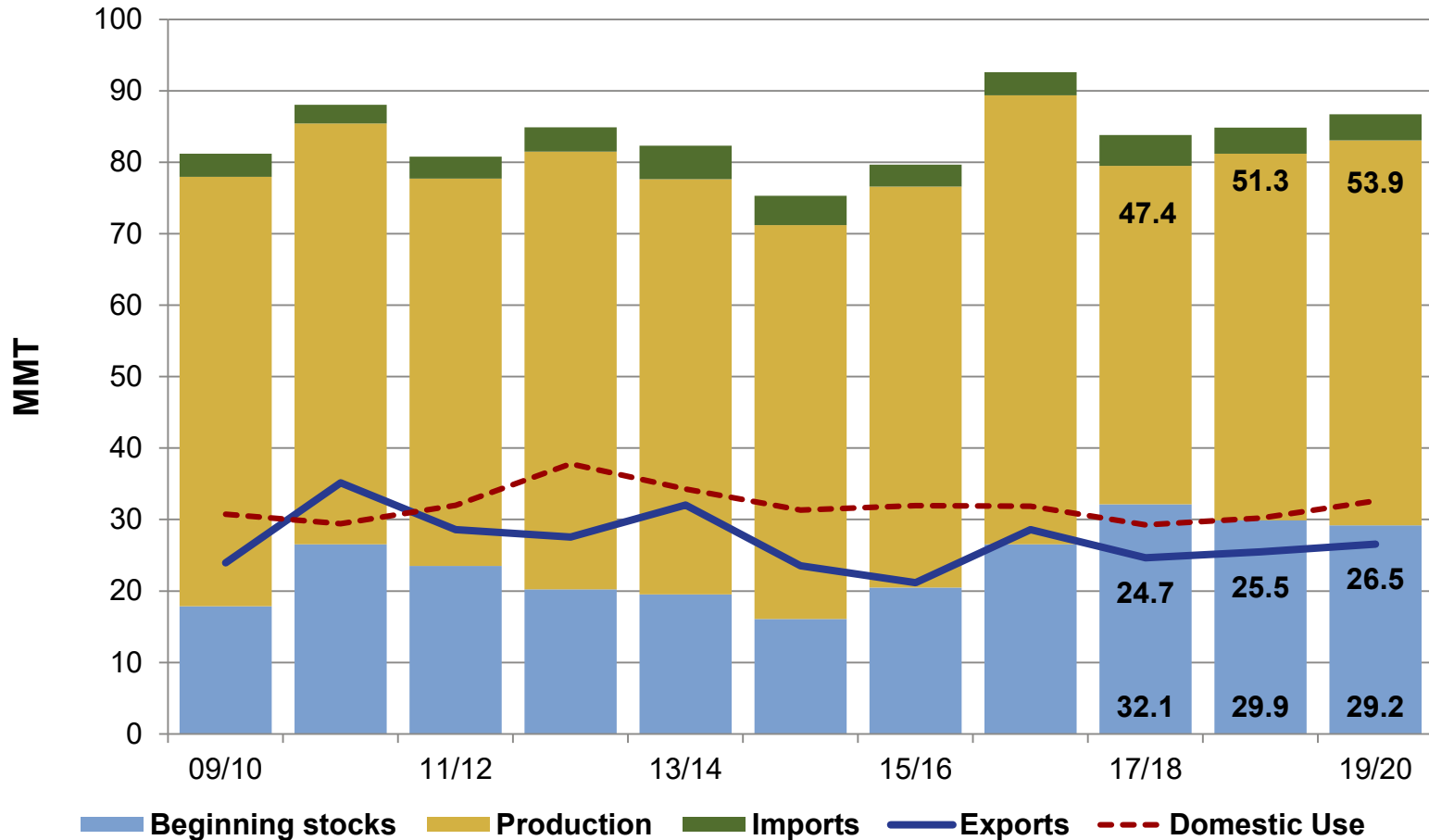
Black Sea Exports



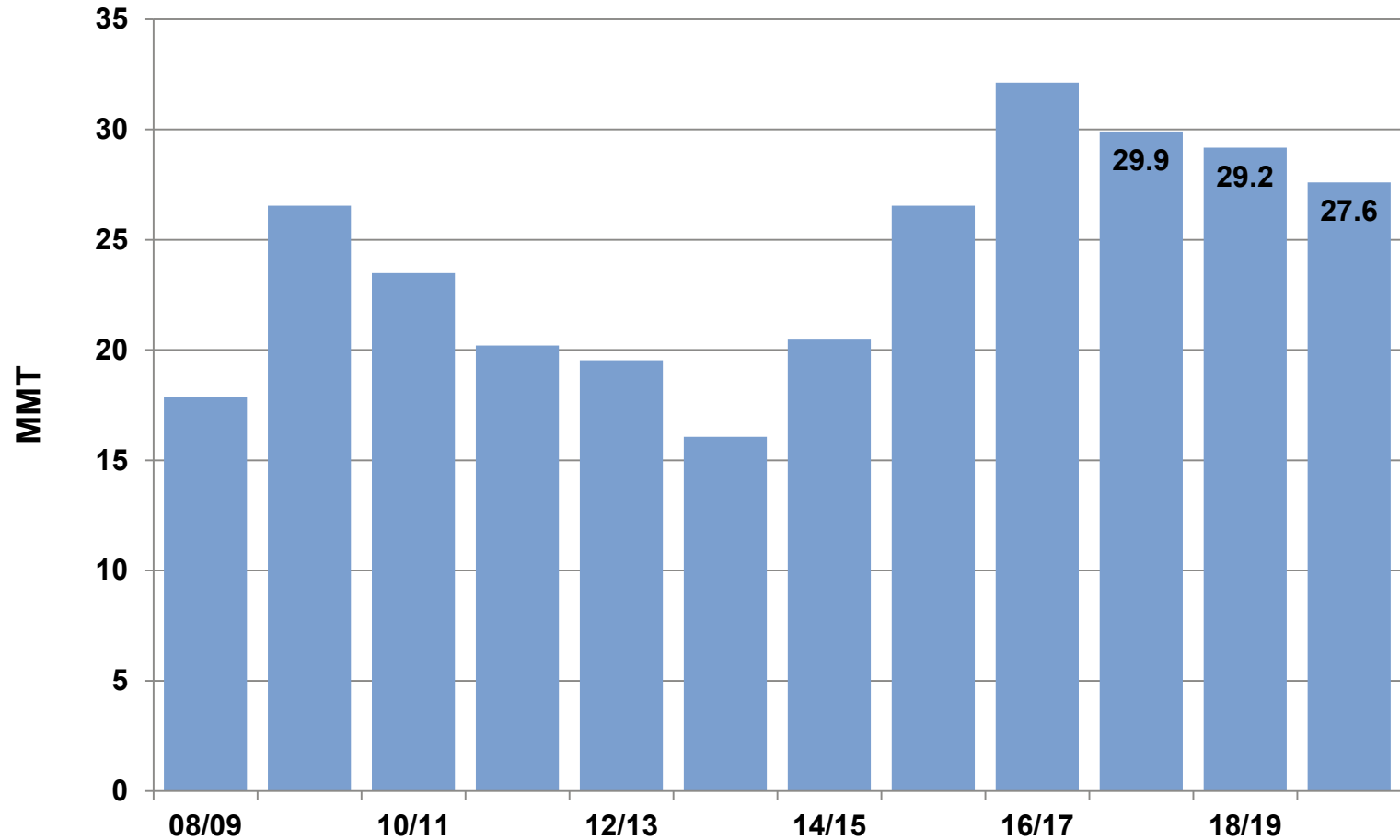
Black Sea Ending Stocks



U.S. Situation



U.S. Ending Stocks





Major Exporters

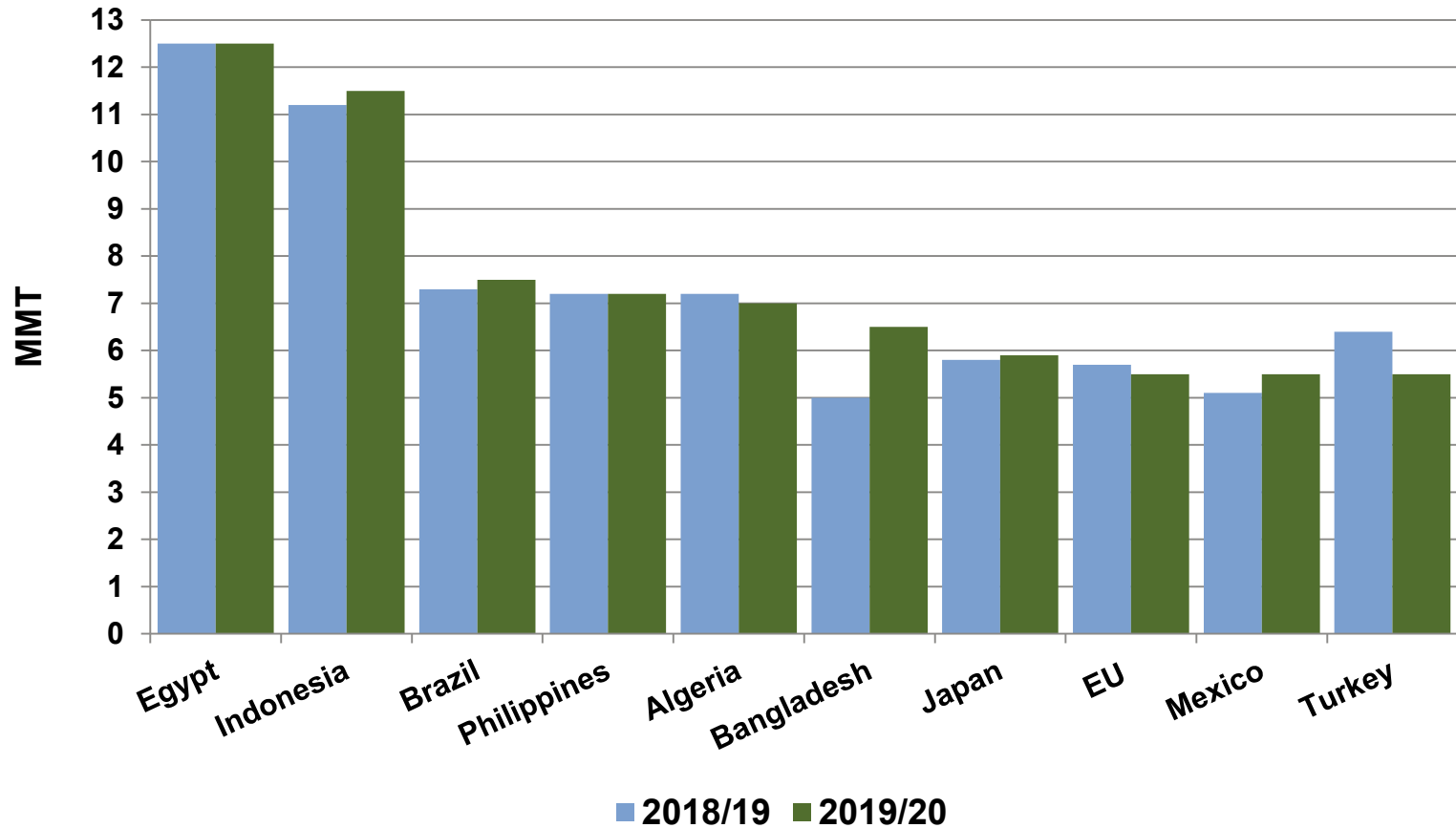
Import Demand

U.S. Situation by Class

Outlook

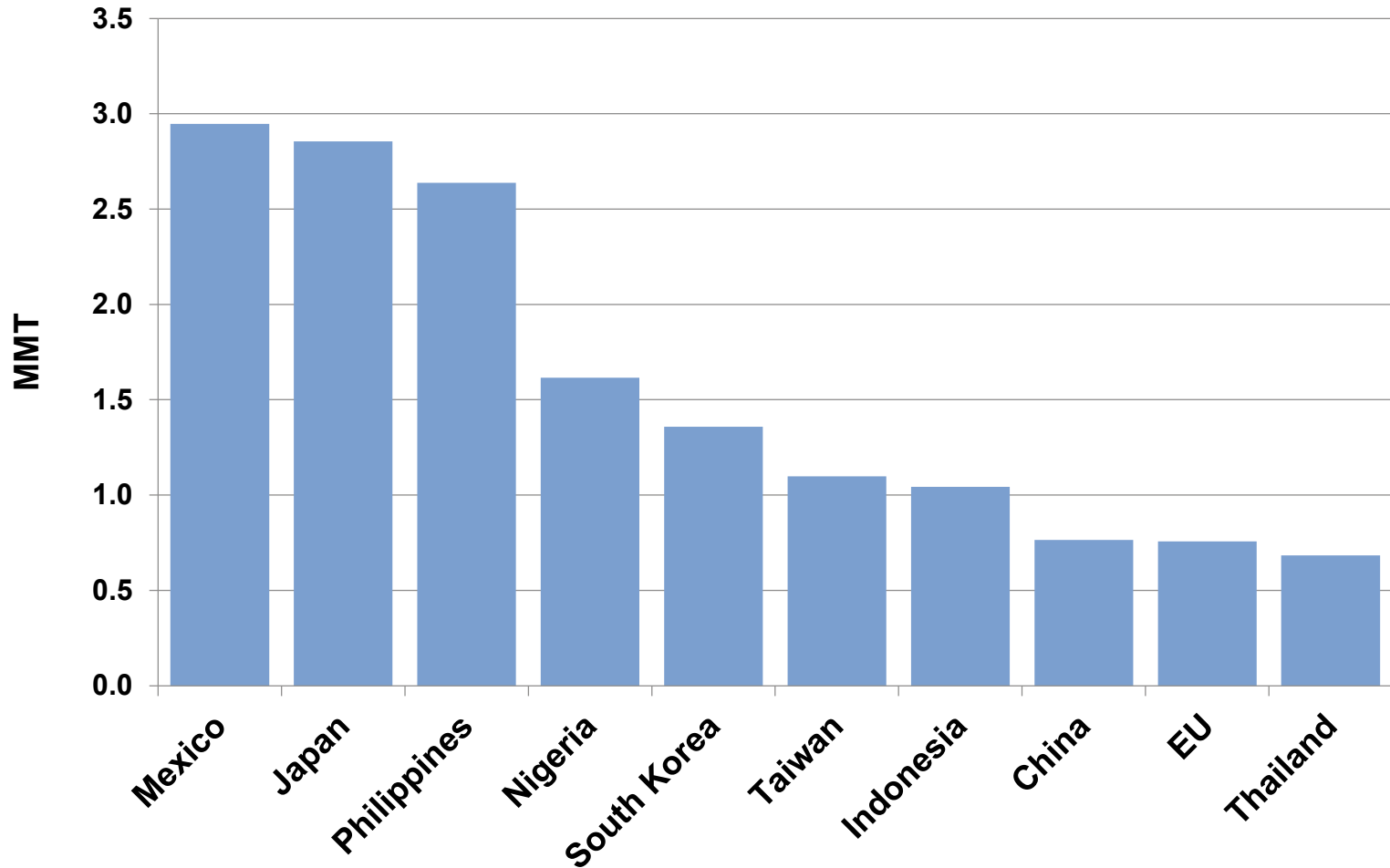
Major World Wheat Importers

(from all origins)



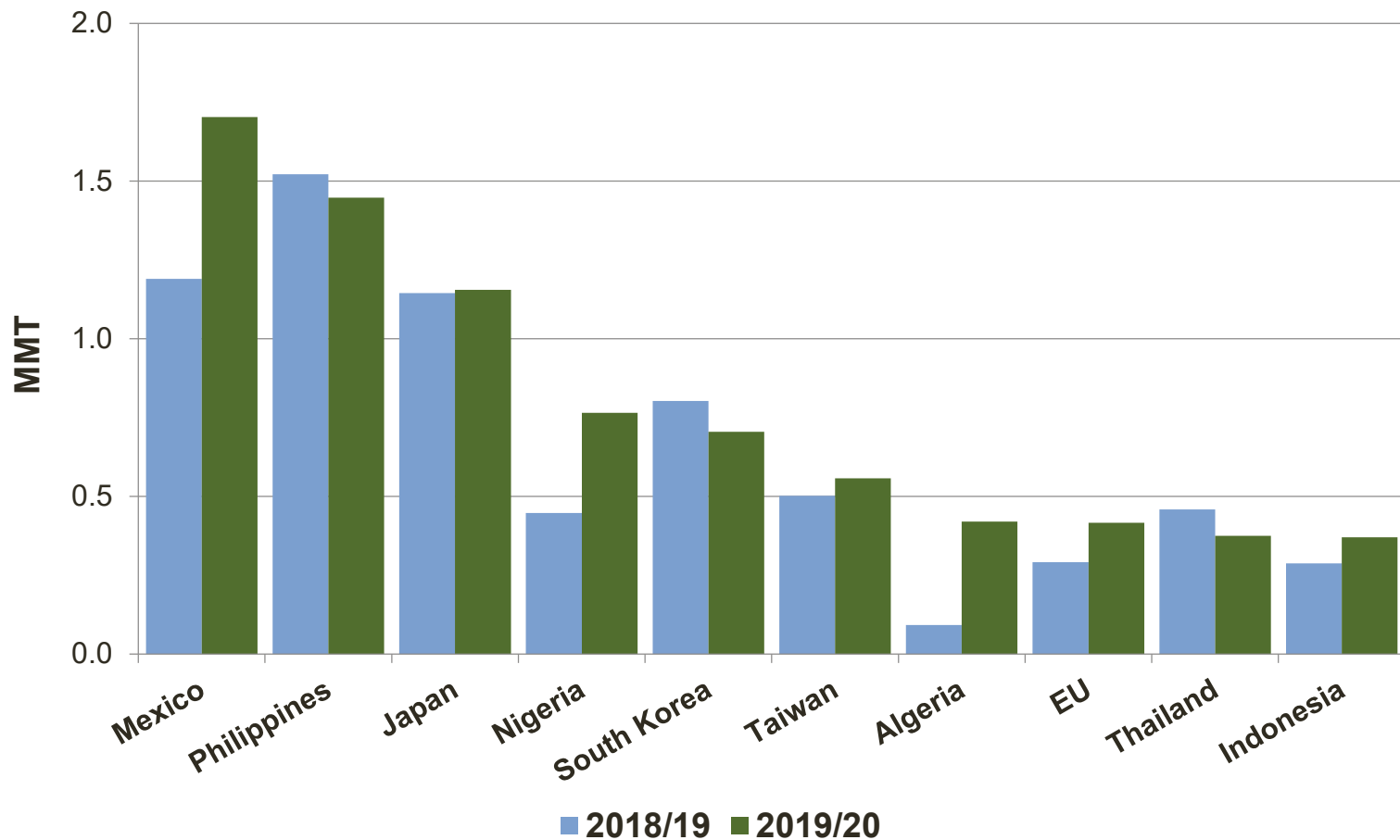
Top 10 Customers for U.S. Wheat

5-year average



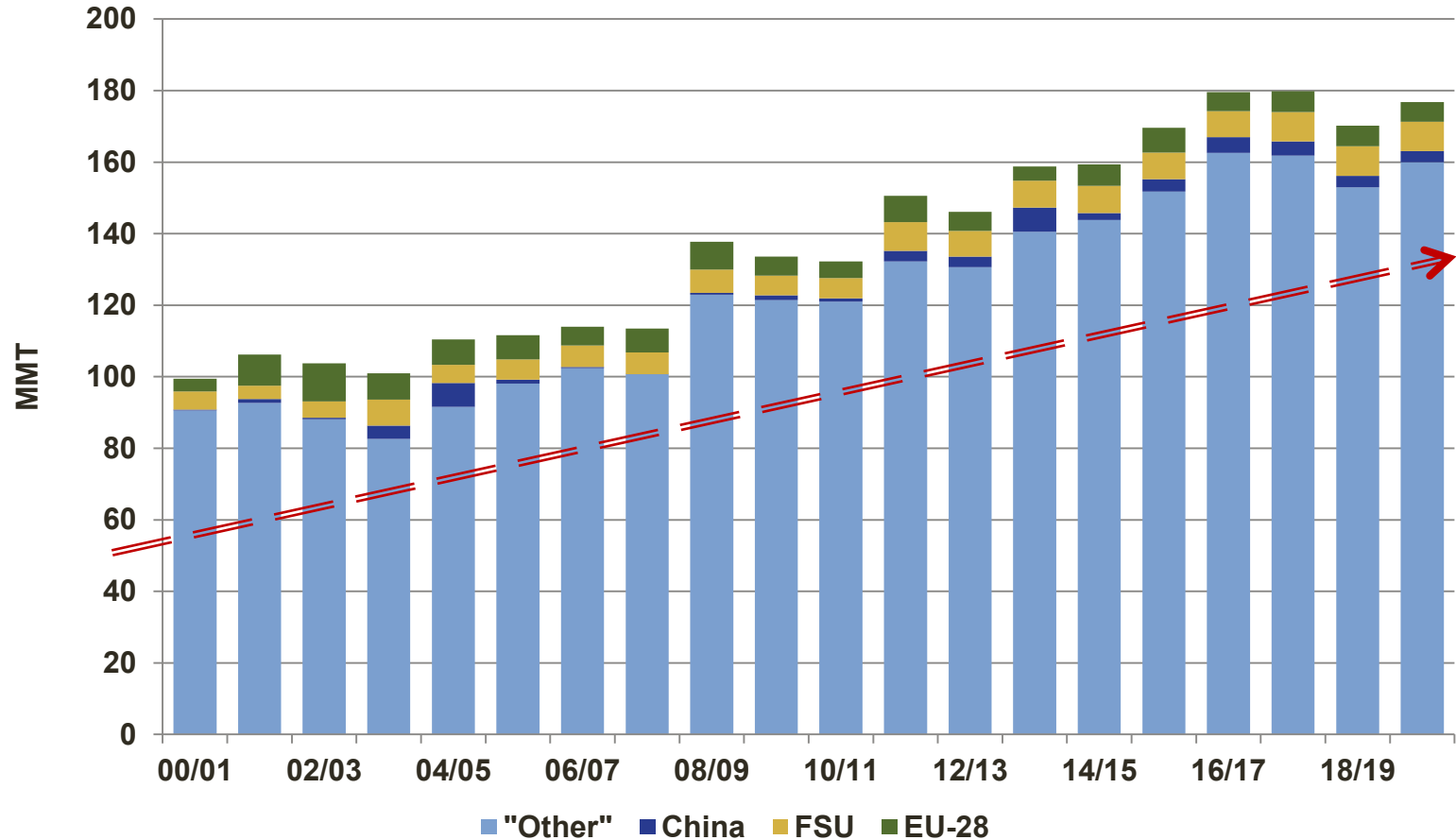
Top 10 Customers for U.S. Wheat

Year-to-date



Source: USDA FAS export sales data as of September 5, 2019

World Wheat Imports



Trend in "other" importers denoted (—>)



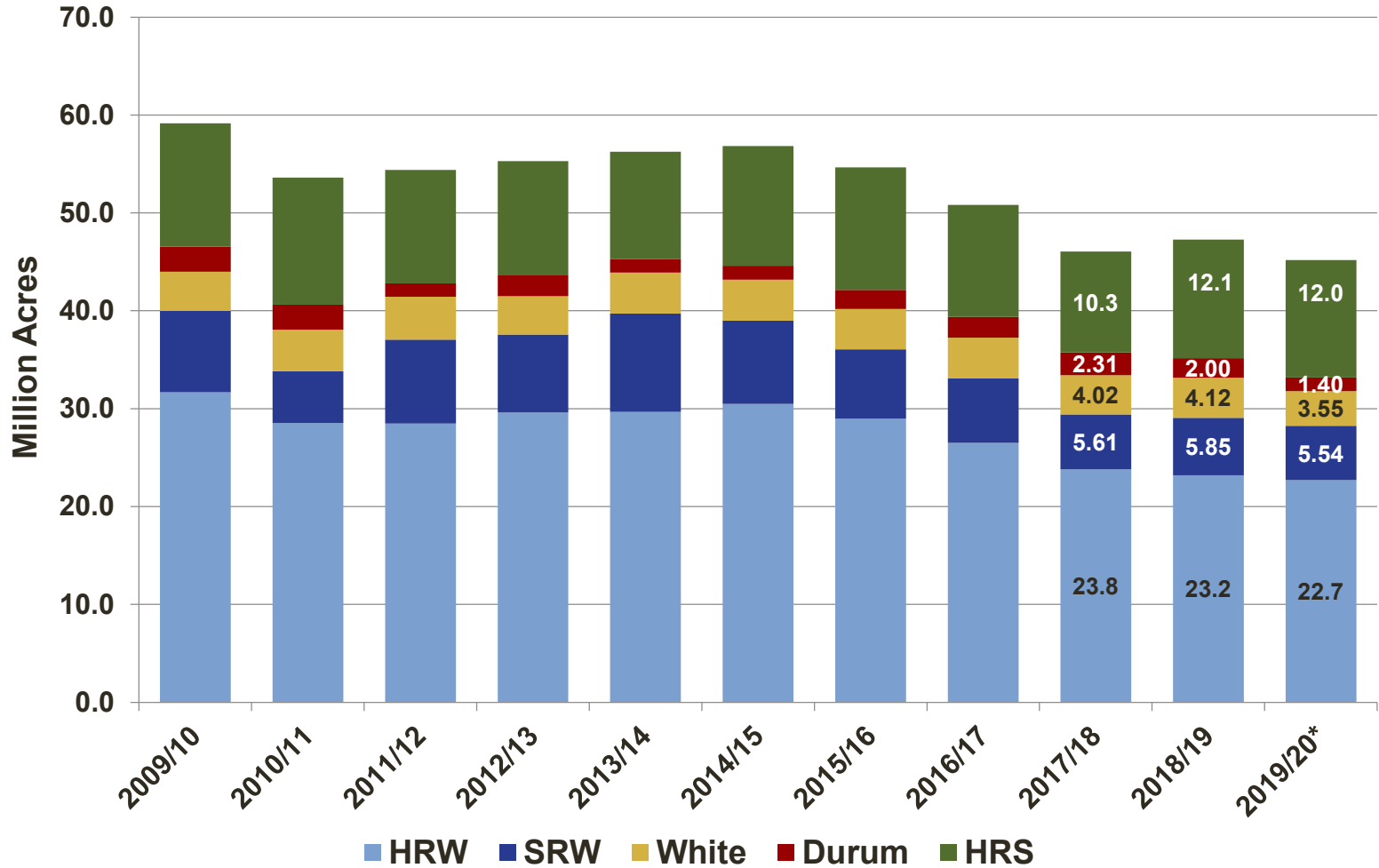
Major Exporters

Import Demand

U.S. Situation by Class

Outlook

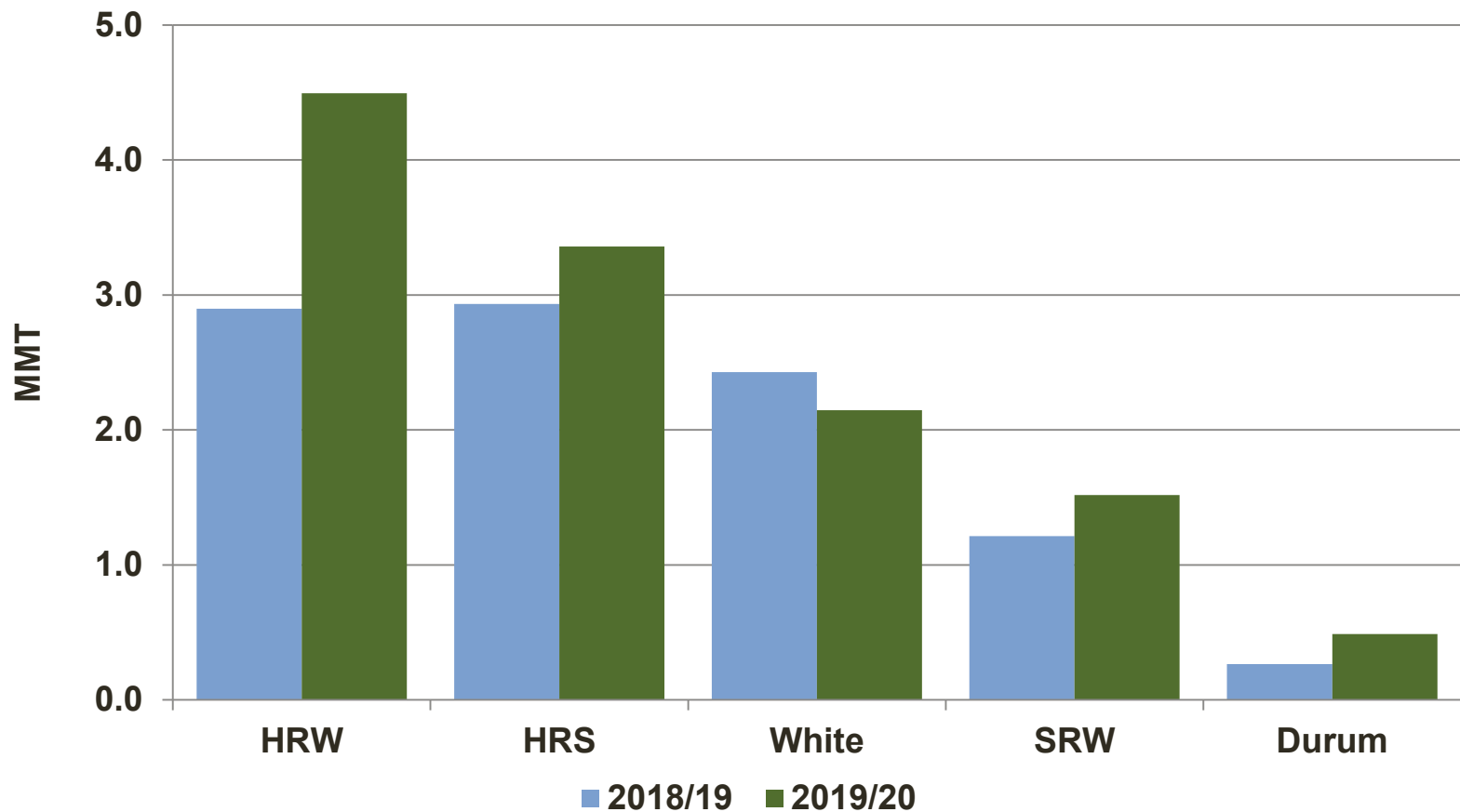
U.S. Wheat Plantings by Class



*Source: USDA Acreage Report, June 28, 2019

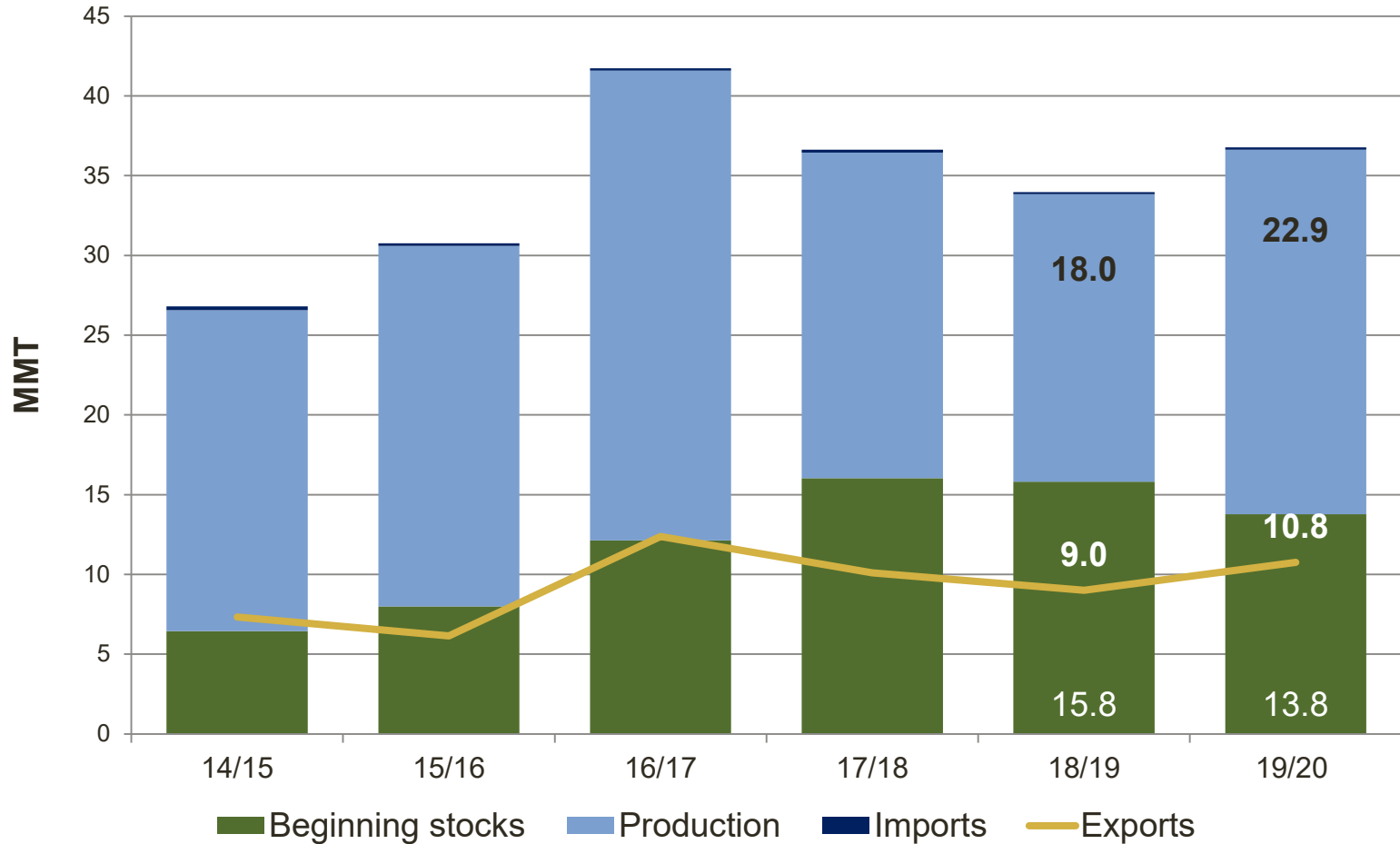
U.S. Wheat Sales by Class

(year-to-date)

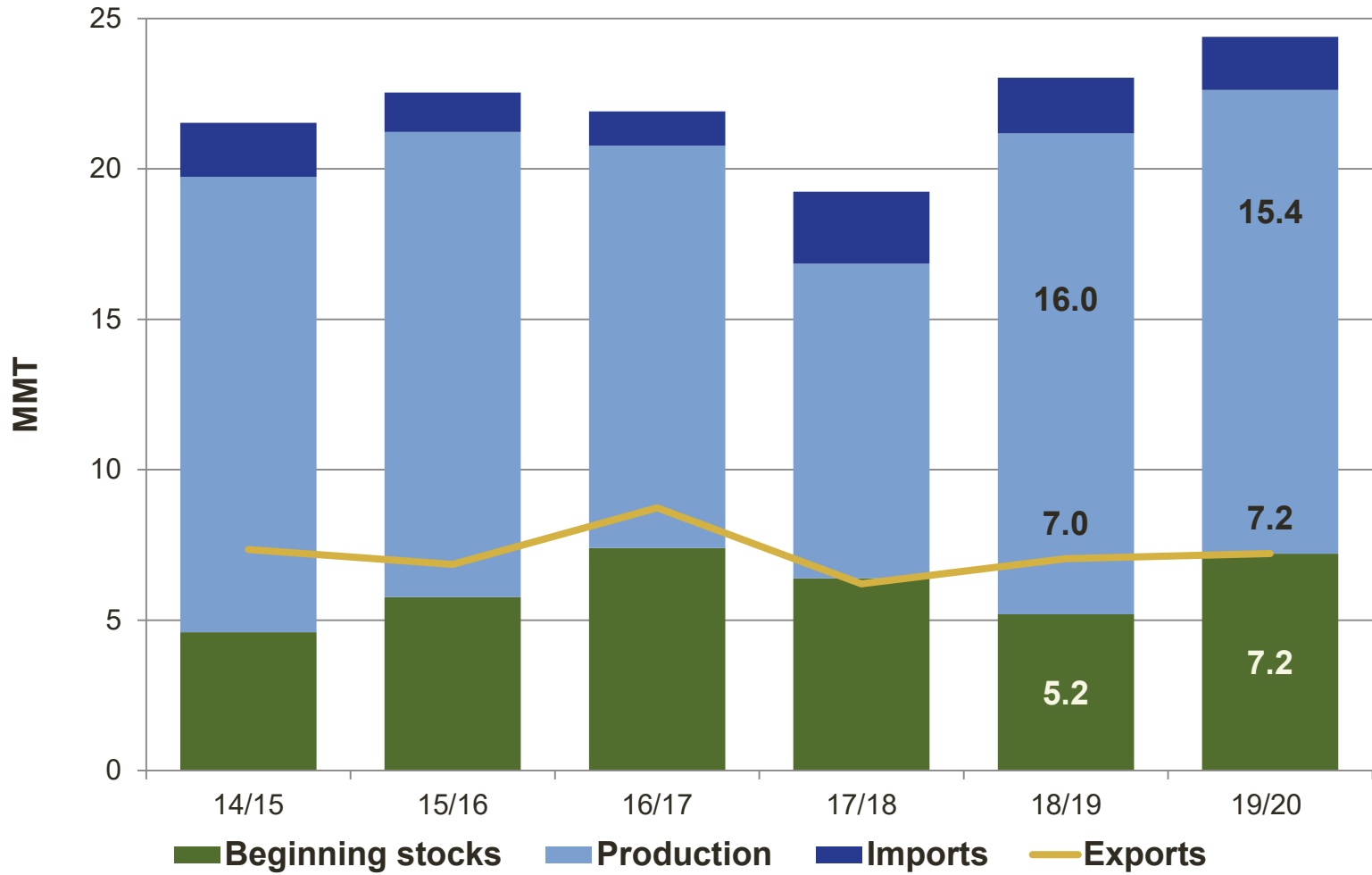


Source: USDA FAS export sales data as of September 5, 2019

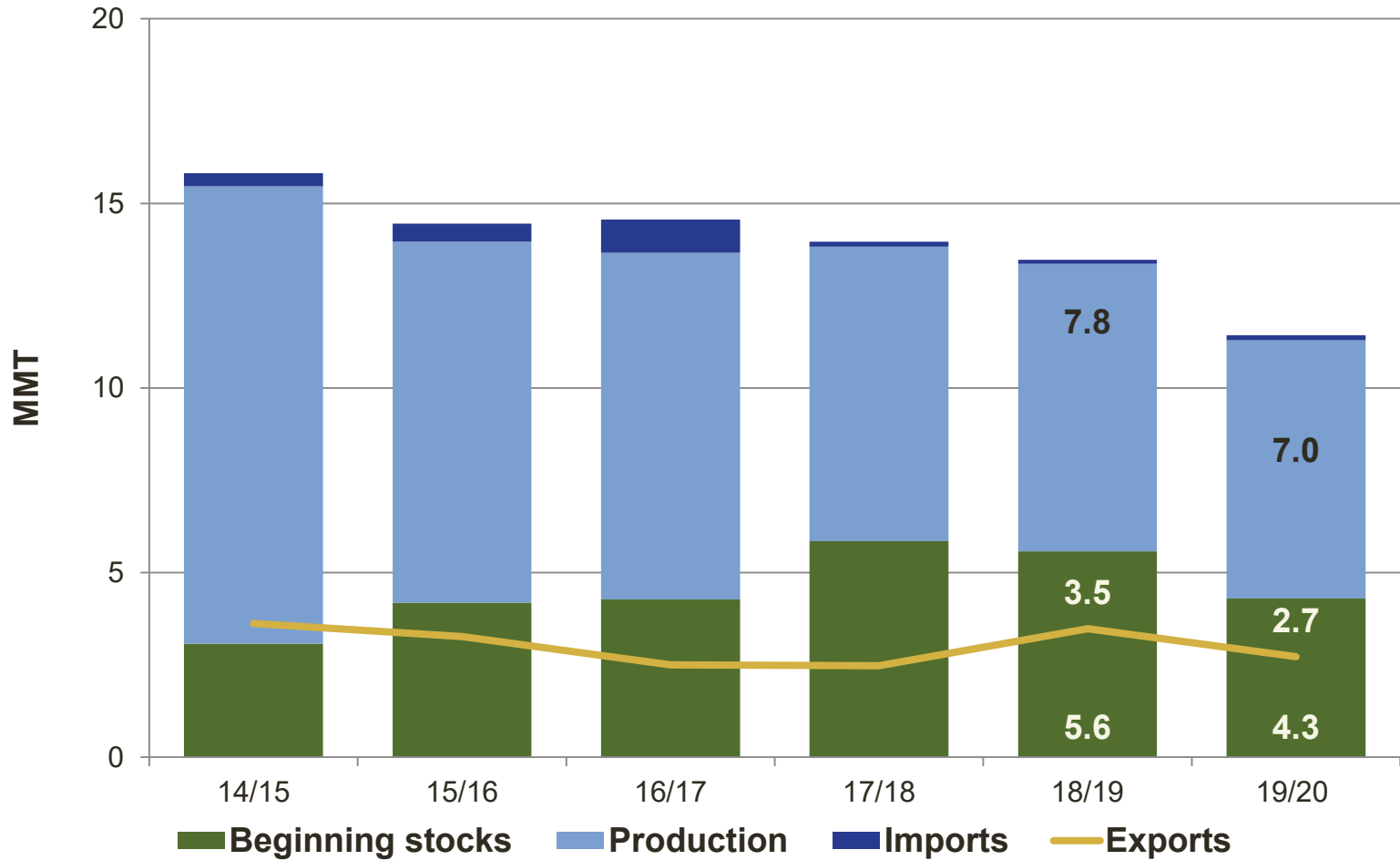
U.S. Hard Red Winter



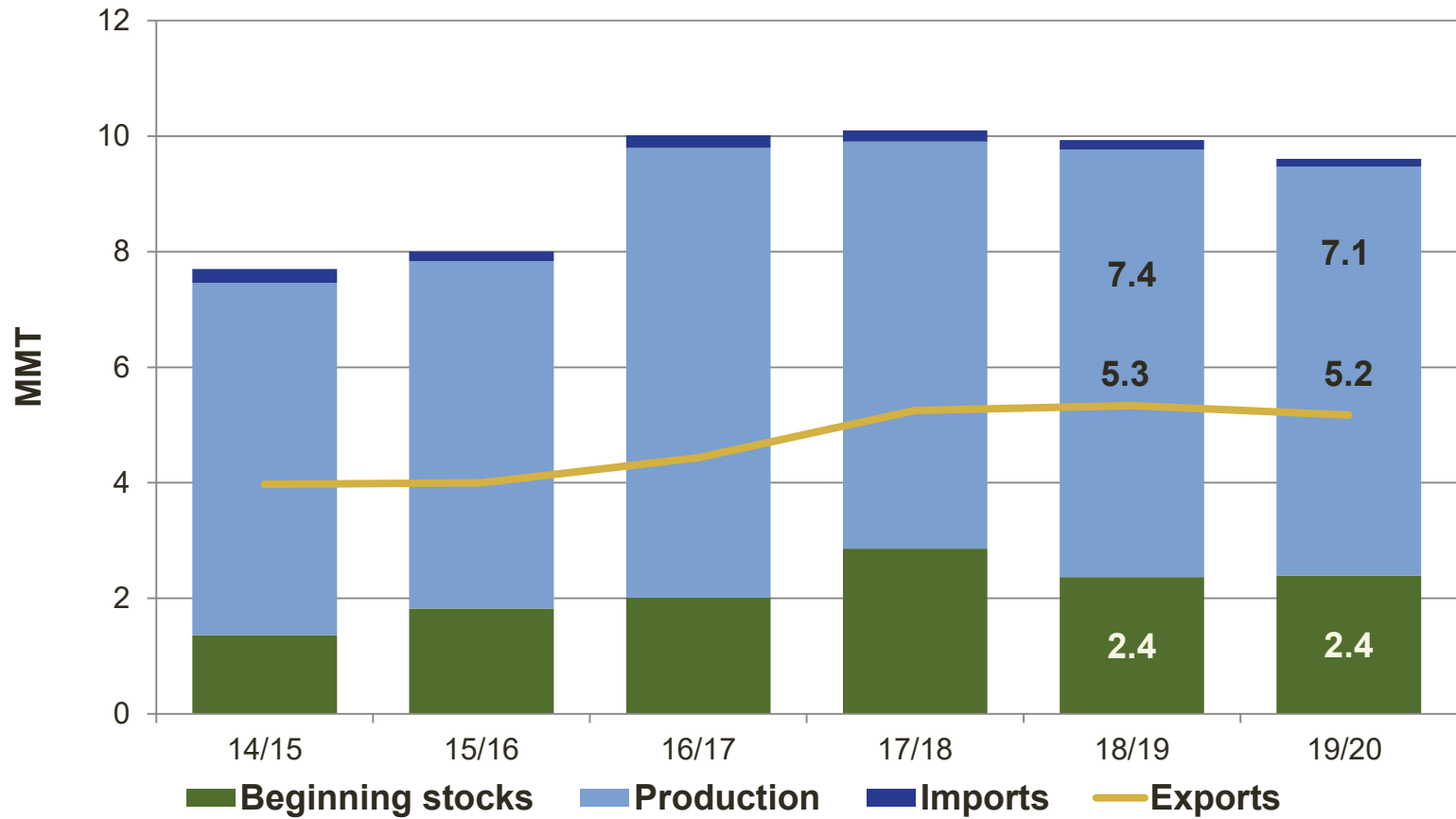
U.S. Hard Red Spring



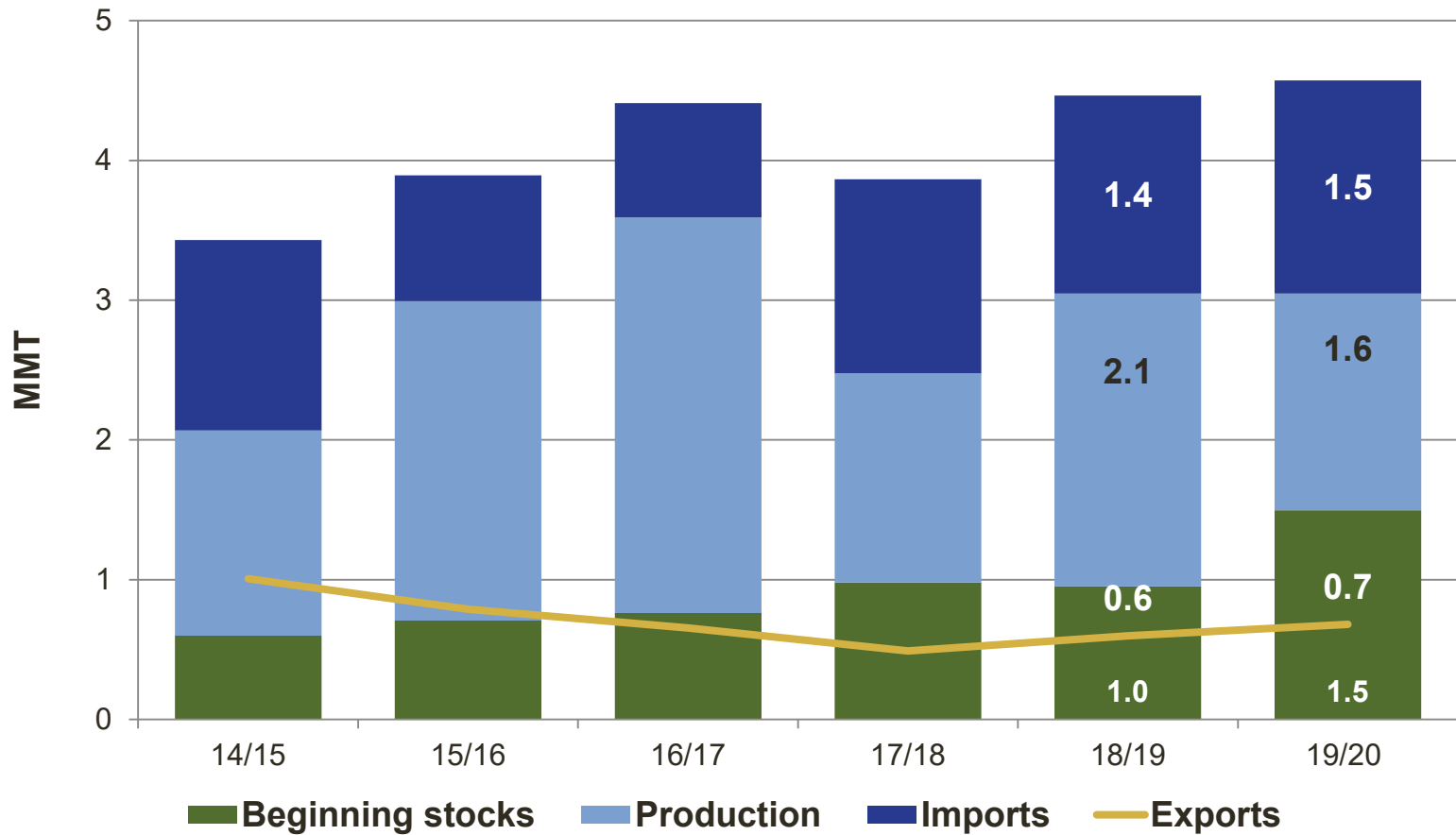
U.S. Soft Red Winter



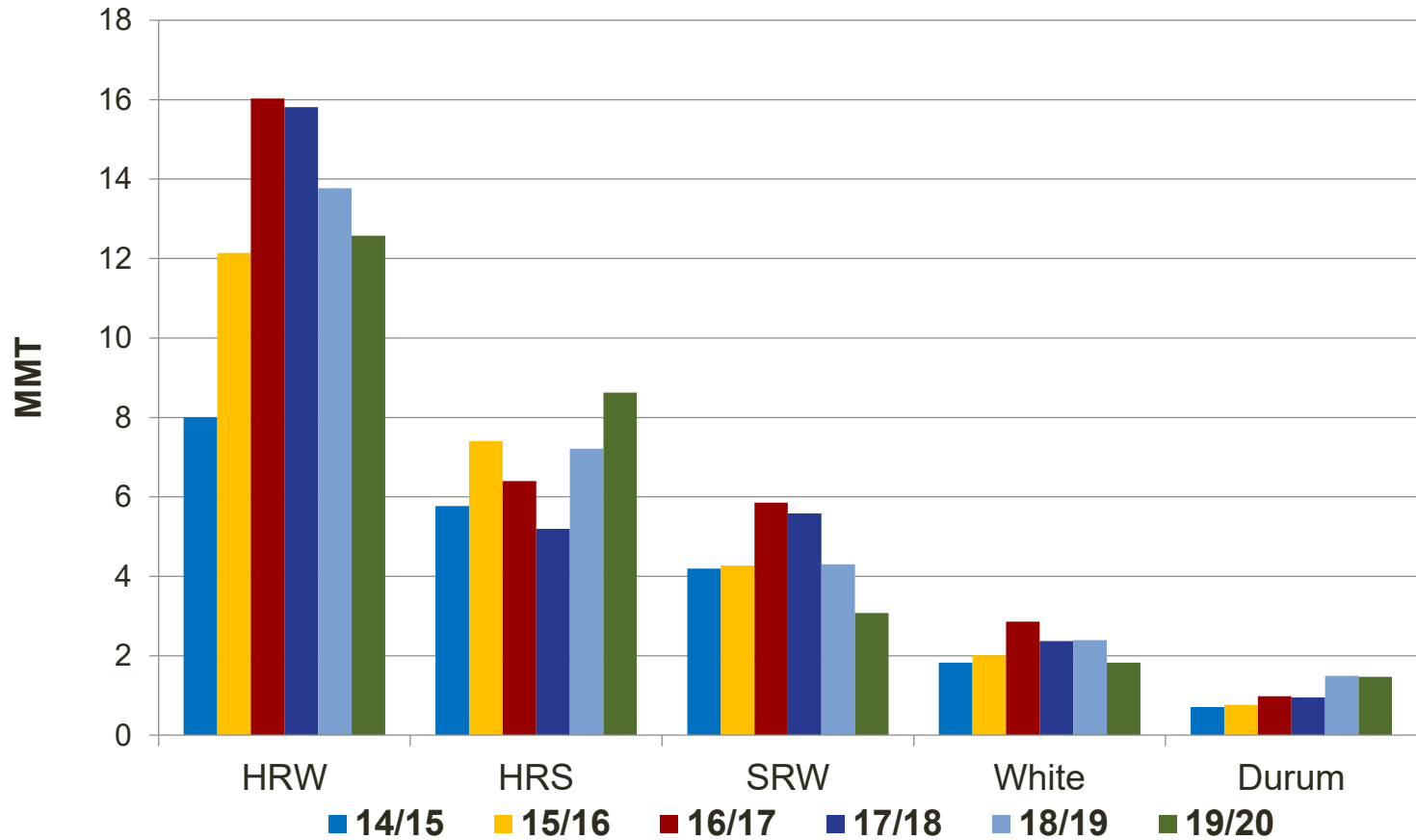
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



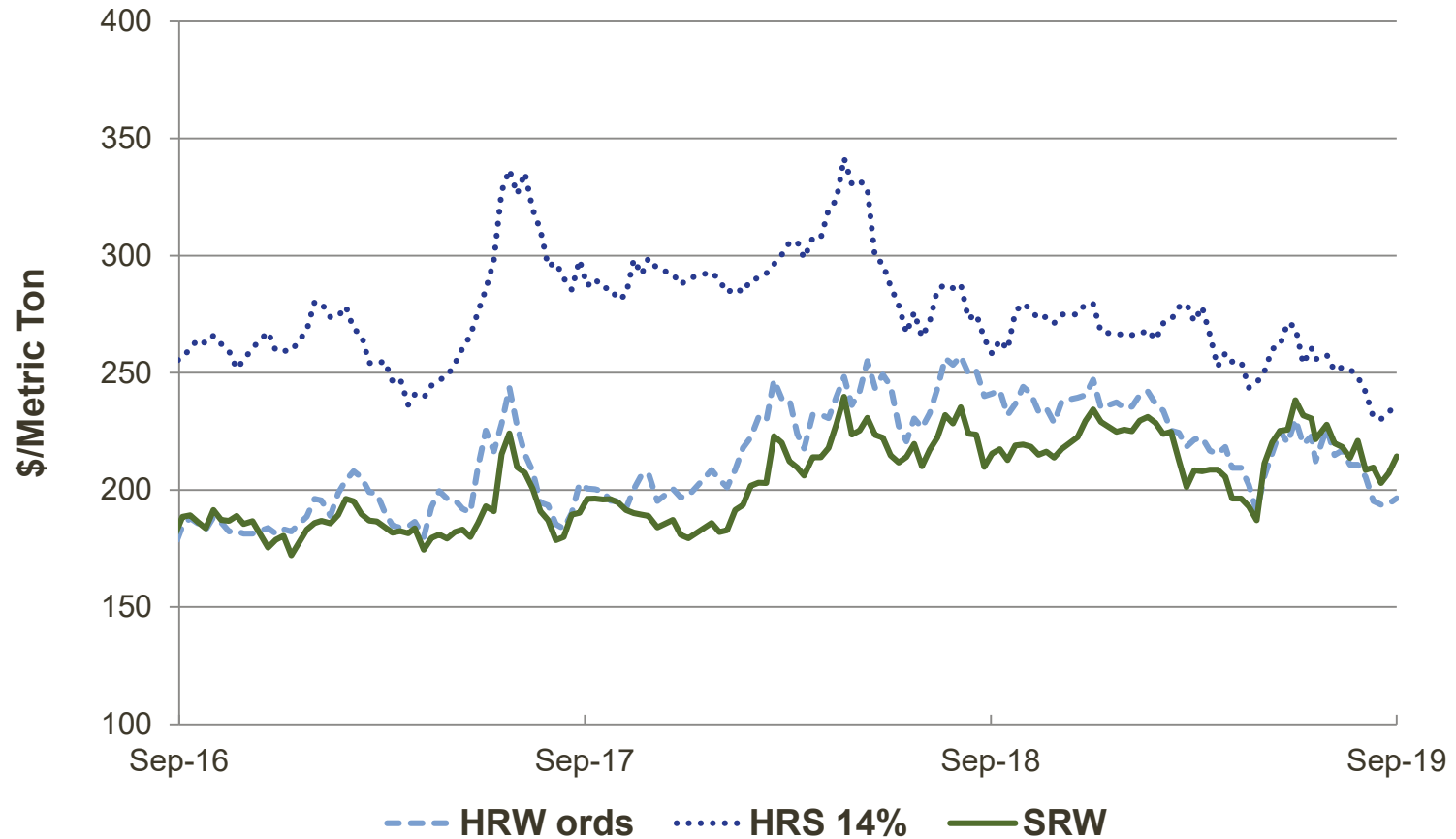
U.S. Wheat Supply and Demand (MMT)

	HRW		HRS		SRW	
	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>
Beginning Stocks	15.8	13.8	5.20	7.21	5.58	4.30
Production	18.0	22.9	16.0	15.4	7.78	6.99
Supply Total	34.0	36.8	23.0	24.4	13.47	11.43
Domestic Use	11.2	13.4	8.76	8.55	5.69	5.63
Exports	9.0	10.8	7.05	7.21	3.48	2.72
Use Total	20.2	24.2	15.8	15.8	9.17	8.36
Ending Stocks	13.8	12.6	7.21	8.63	4.30	3.08
Stocks-to-Use	68%	52%	46%	55%	47%	37%

U.S. Wheat Supply and Demand (MMT)

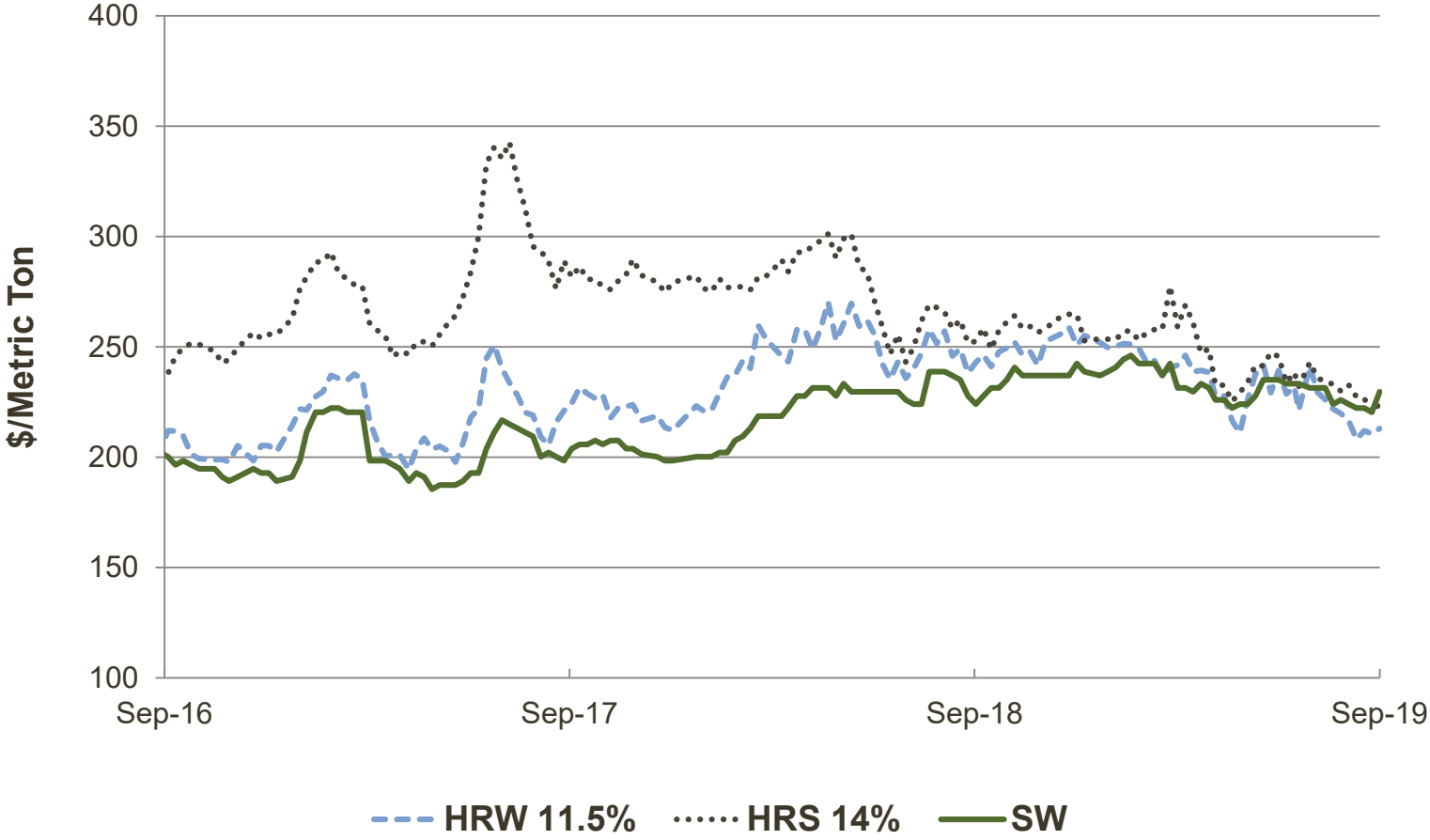
	White		Durum		Total	
	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>
Beginning Stocks	2.37	2.40	0.95	1.50	29.9	29.2
Production	7.40	7.08	2.10	1.55	51.3	53.9
Supply Total	9.9	9.61	4.46	4.57	84.9	86.7
Domestic Use	2.20	2.61	2.37	2.40	30.2	32.6
Exports	5.33	5.17	0.60	0.68	25.5	26.5
Use Total	7.54	7.78	2.97	3.08	55.7	59.1
Ending Stocks	2.40	1.82	1.50	1.47	29.2	27.6
Stocks-to-Use	32%	23%	50%	48%	52%	47%

U.S. FOB Gulf Prices



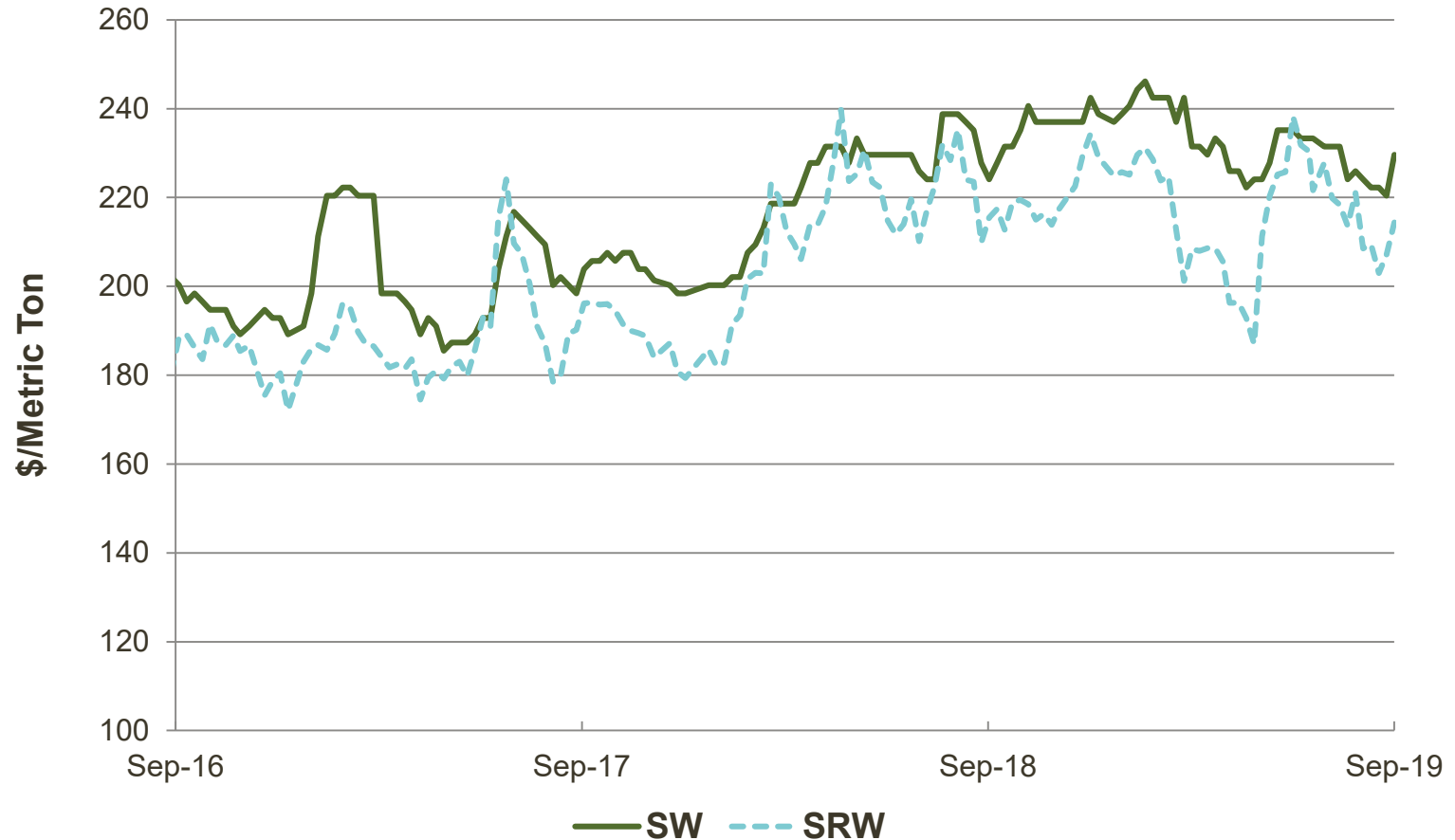
**Source: U.S. Wheat Associates Price Report, September 13, 2019*

U.S. FOB PNW Prices



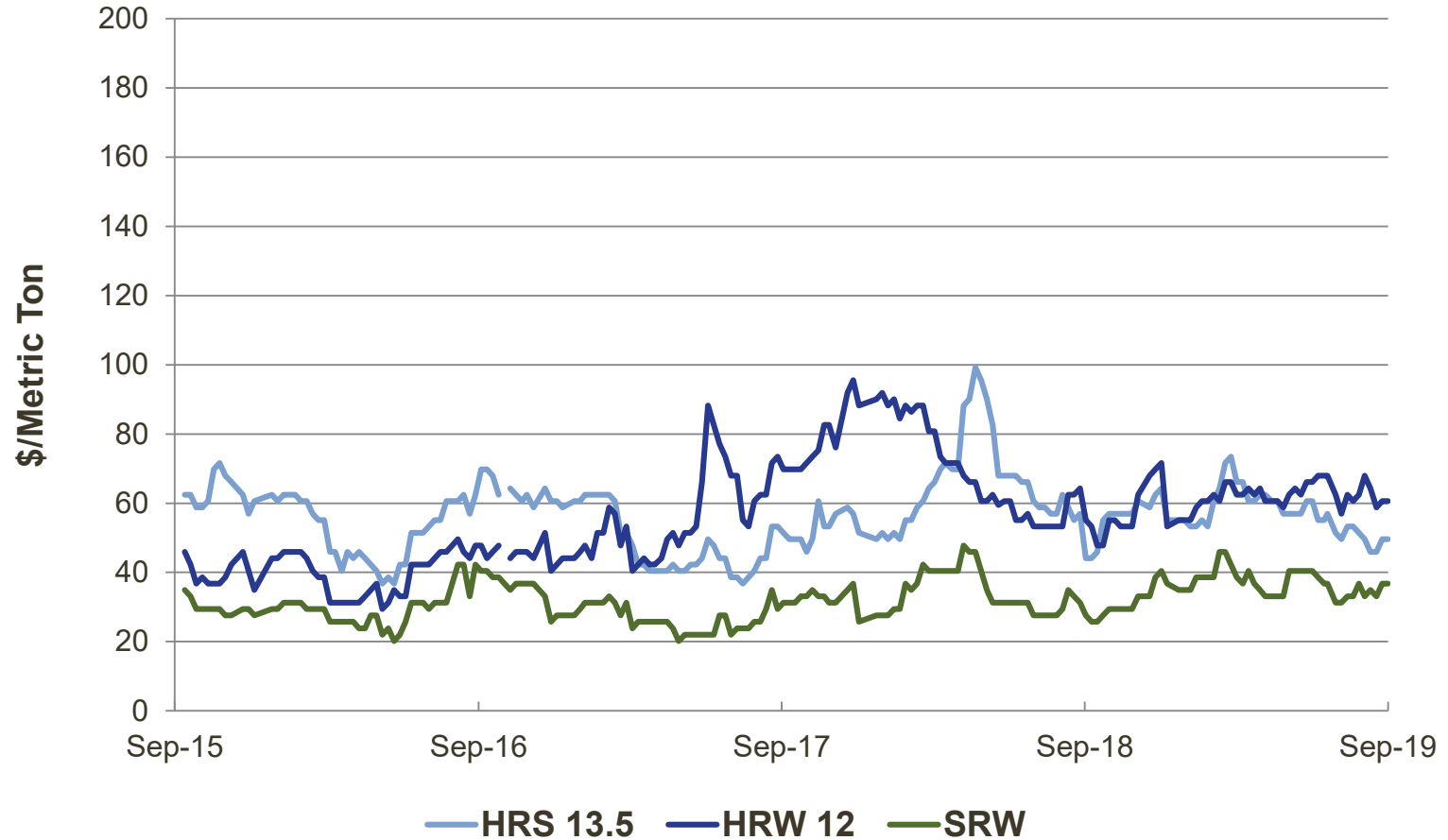
*Source: U.S. Wheat Associates Price Report, September 13, 2019

SRW and Soft White Prices



**Source: U.S. Wheat Associates Price Report, September 13, 2019*

U.S. Gulf Basis Prices



*Source: U.S. Wheat Associates Price Report, September 13, 2019

U.S. PNW Basis Prices



*Source: U.S. Wheat Associates Price Report, September 13, 2019



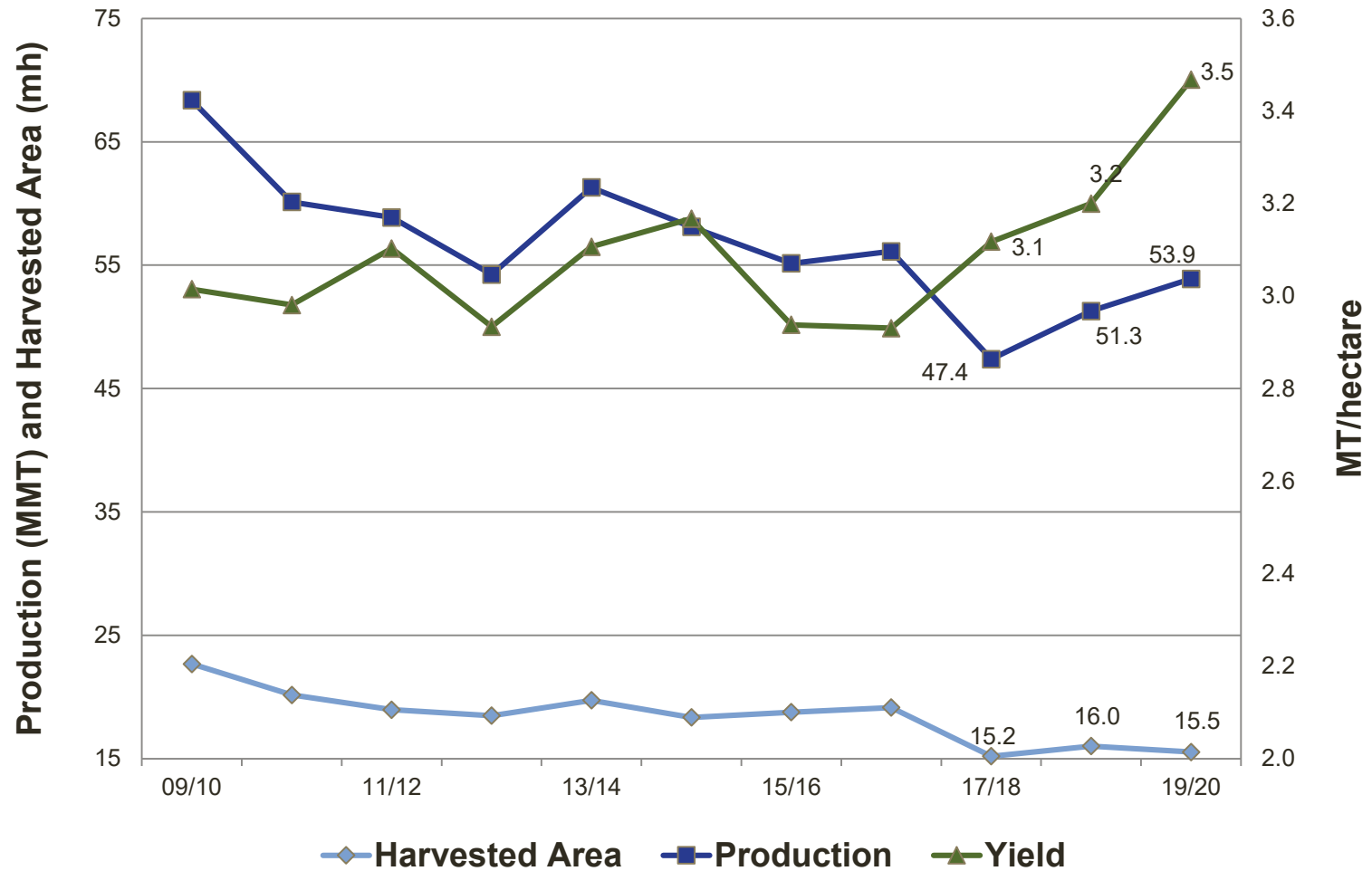
Major Exporters

Import Demand

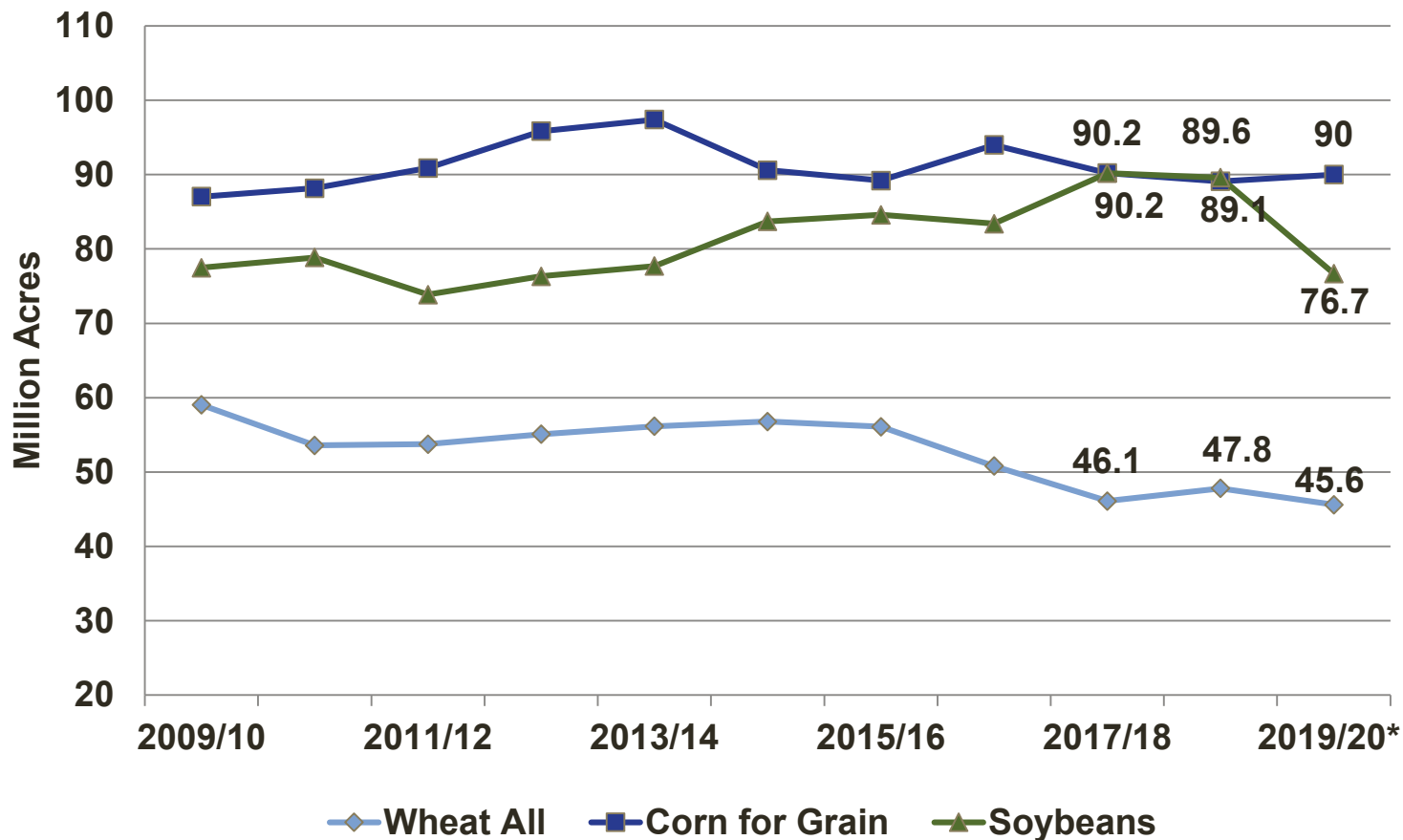
U.S. Situation by Class

Outlook

U.S. Wheat Production, Area and Yield

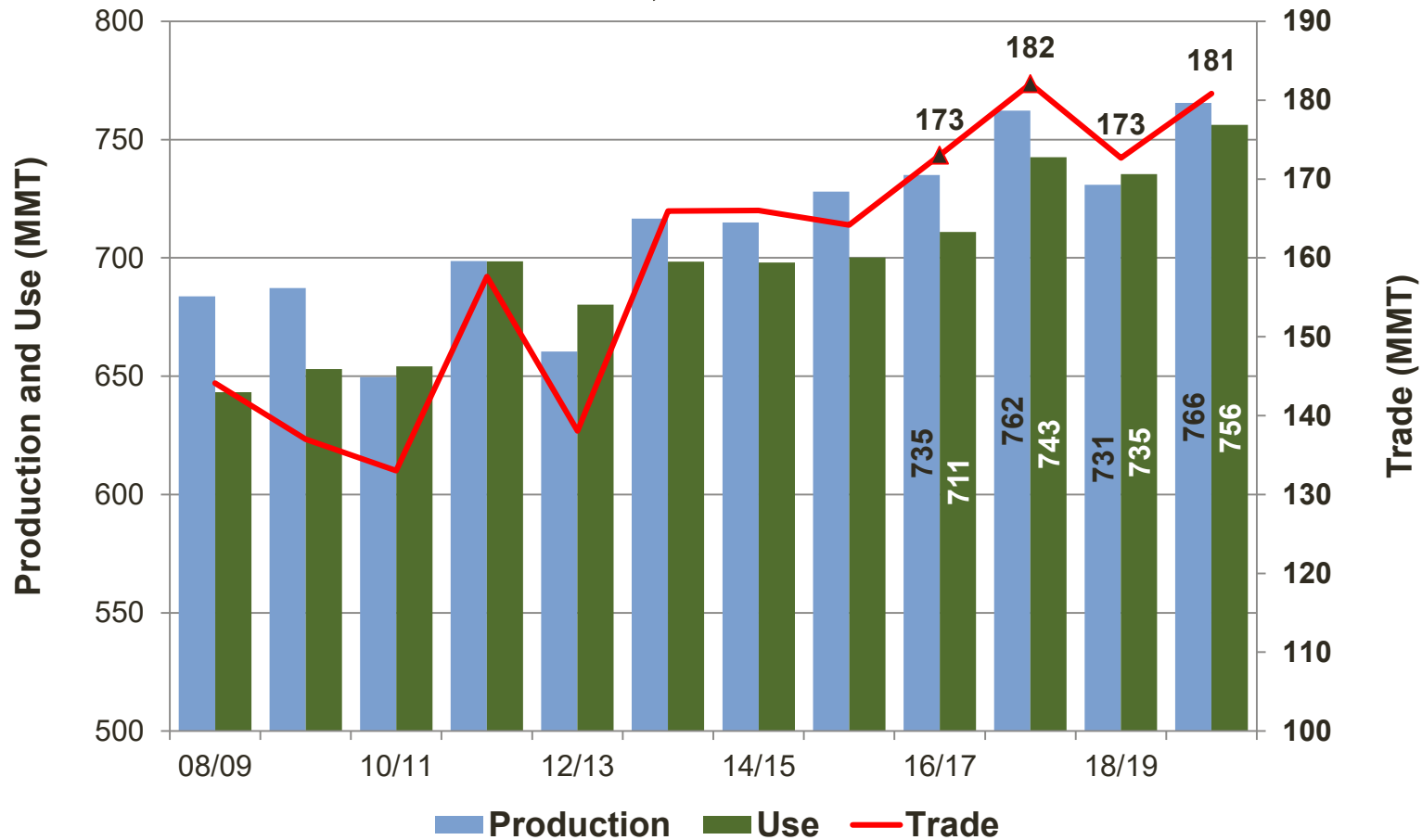


U.S. Crop Planted Area Comparison



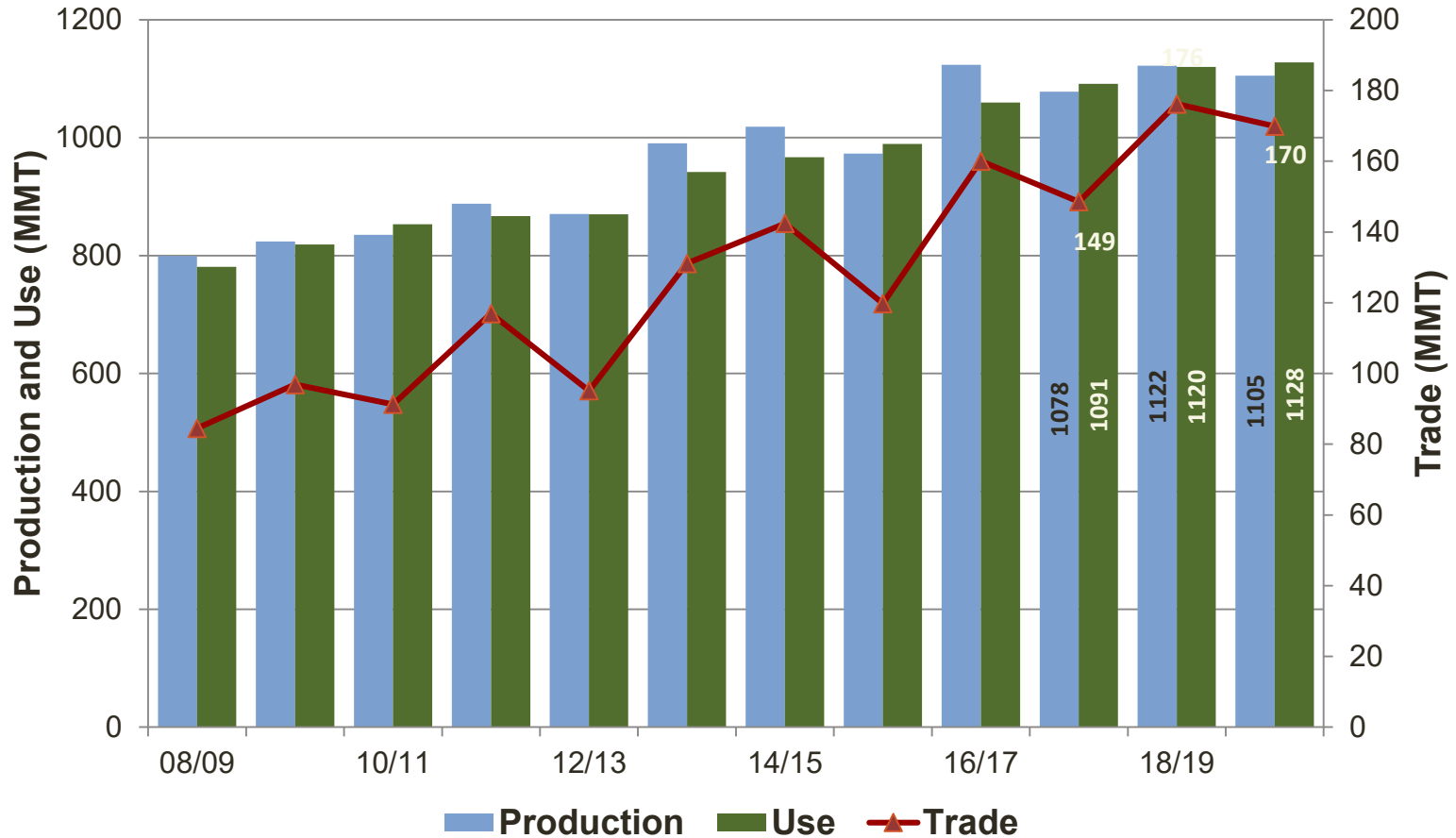
World Wheat

Production, Use and Trade



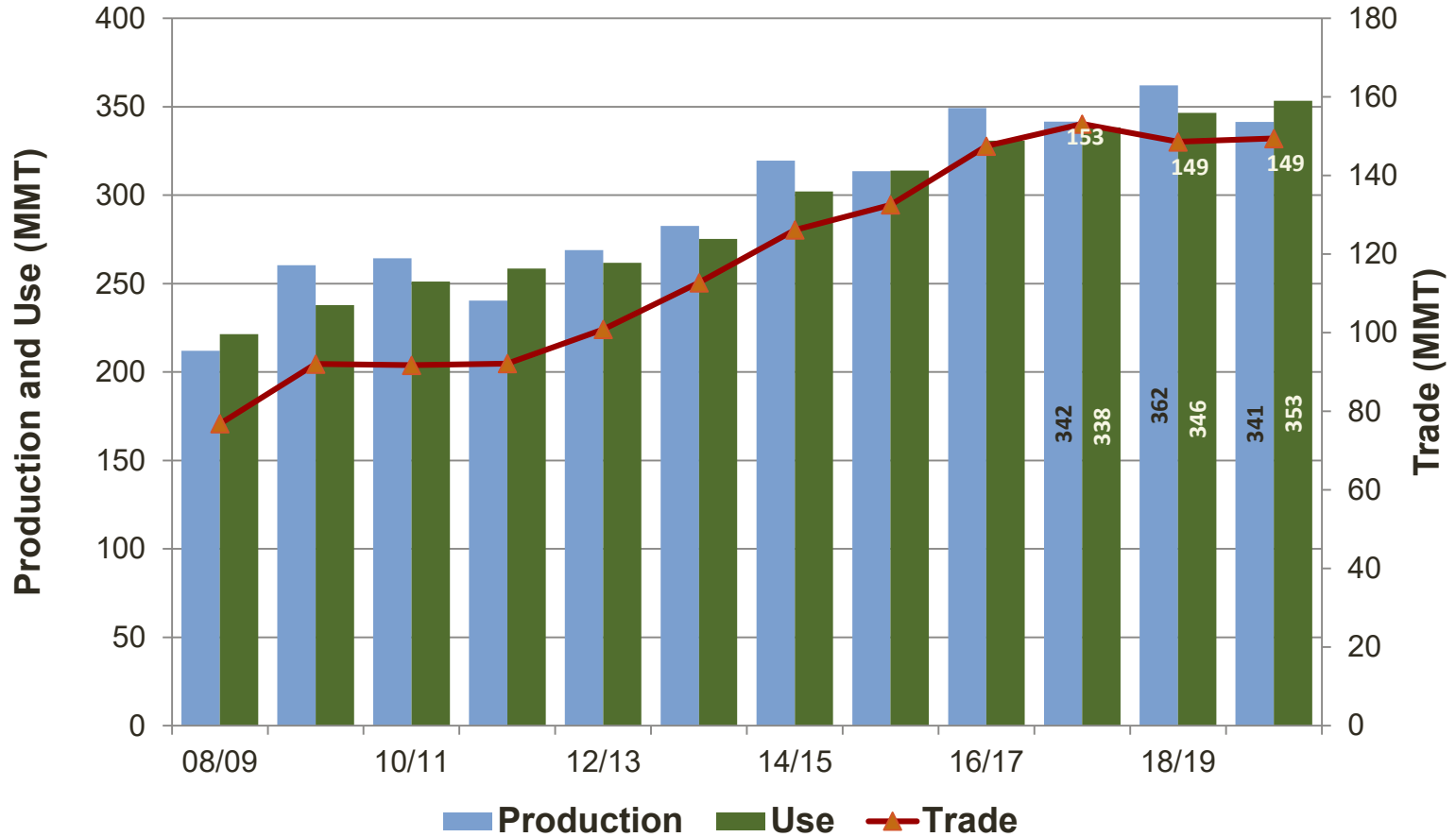
World Corn

Production, Use and Trade

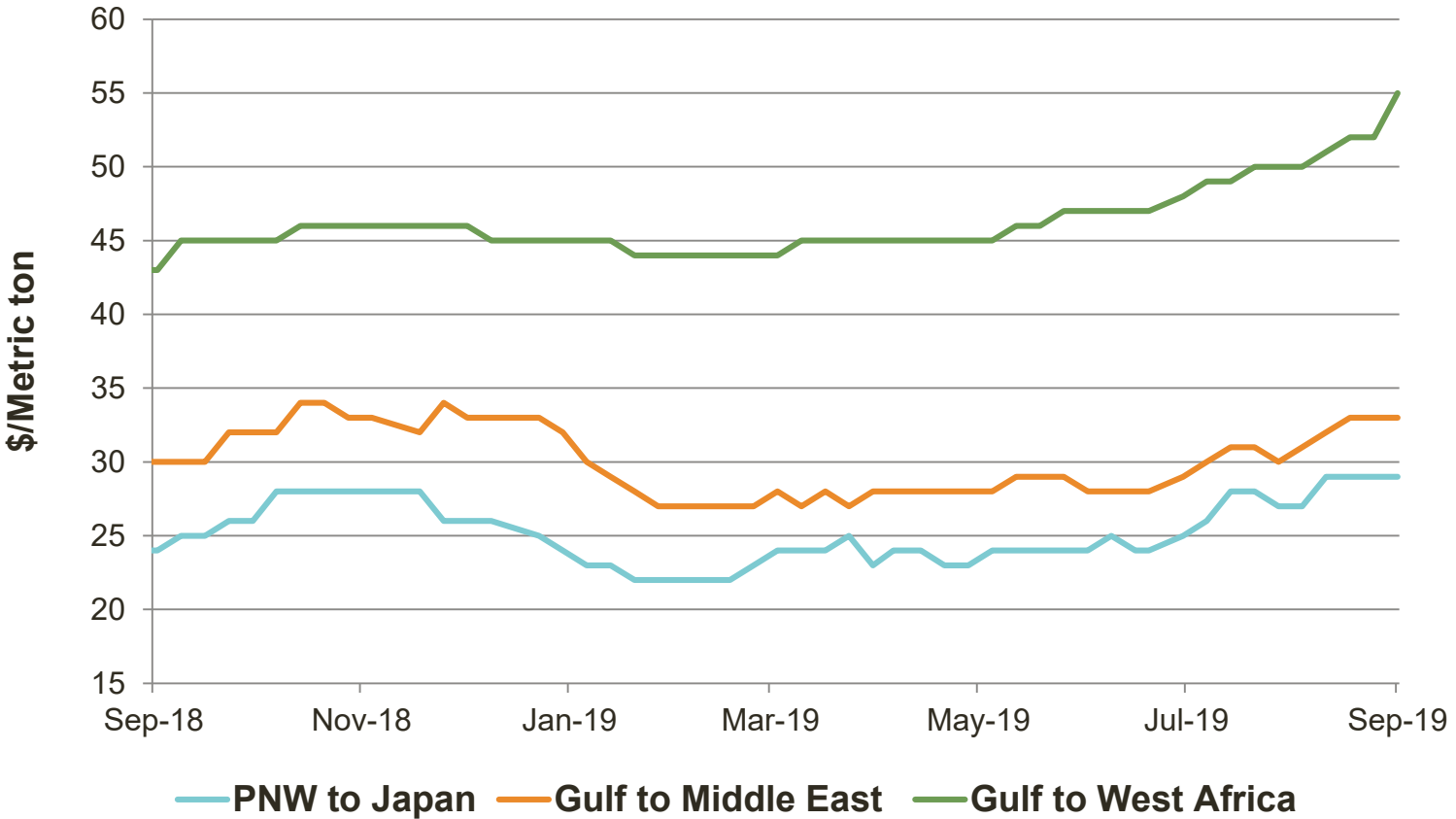


World Soybeans

Production, Use and Trade



Ocean Freight Rates for Grains



**Source: U.S. Wheat Associates Price Report, September 13, 2019*

Summary

- **Global production to increase 5% year-over-year to 765 MMT**
 - EU Wheat production to rebound after the 2018/19 drought to 151 MMT
 - Australian wheat production to rally 9% after last year's drought to 19.0 MMT in 2019/20
 - Black Sea (Russia, Ukraine, Kazakhstan) wheat production to reach 115 MMT, 4% higher than last year
 - Wheat production in the United States to total 53.9 MMT, 5% above last year
- **Global ending stocks to rise to 286 MMT, 3% above 2018/19 levels and 11% higher than the 5-year average of 257 MMT**
 - Estimated Chinese ending stocks of 146 MMT are 4% higher than last year and 30% above the 5-year average of 112 MMT
 - U.S. ending stocks to total 27.6 MMT, 6% lower than last year and in line with the 5-year average
- **World consumption and trade both expected to exceed 2018/19 levels**
 - Total global trade to reach 181 MMT, 4% higher than 2018/19 and 3% above the 5-year average
 - Total global wheat consumption to reach all-time high of 756 MMT, 4% higher than the 5-year average
 - U.S. 2019/20 domestic consumption to increase 7% year-over-year to 32.6 MMT and exports to rise 4% above 2018/19 levels to 26.5 MMT