

World Wheat Supply and Demand Situation

February 2020

Major data source: USDA World Agricultural Supply and Demand Estimates released February 11, 2020, 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 set record high of 764 MMT**
 - Wheat production in Argentina and Australia to fall from last year to 19.0 MMT and 15.6 MMT, respectively
 - Ukrainian wheat production reached a record 29.0 MMT in 2019/20
 - U.S. wheat production rose 2% from last year to 52.2 MMT
- **Global consumption forecast is 754 MMT, the highest on record**
 - Brazilian domestic consumption to reach a record 12.1 MMT, up 4% from the 5-year average
 - Domestic consumption in Indonesia to reach a record 10.7 MMT, up 12% from the 5-year average
 - U.S. domestic consumption to total 31.7 MMT, up 5% year-over-year
- **World wheat trade to jump 6% year-over-year to 183 MMT**
 - Exports from the EU to jump 25% from last year to 31.0 MMT
 - Australian wheat exports to fall 10% year-over-year to 8.2 MMT due to prolonged drought
 - U.S. 2019/20 exports to reach 27.2 MMT, 7% higher than last year and 10% higher than the 5-year average



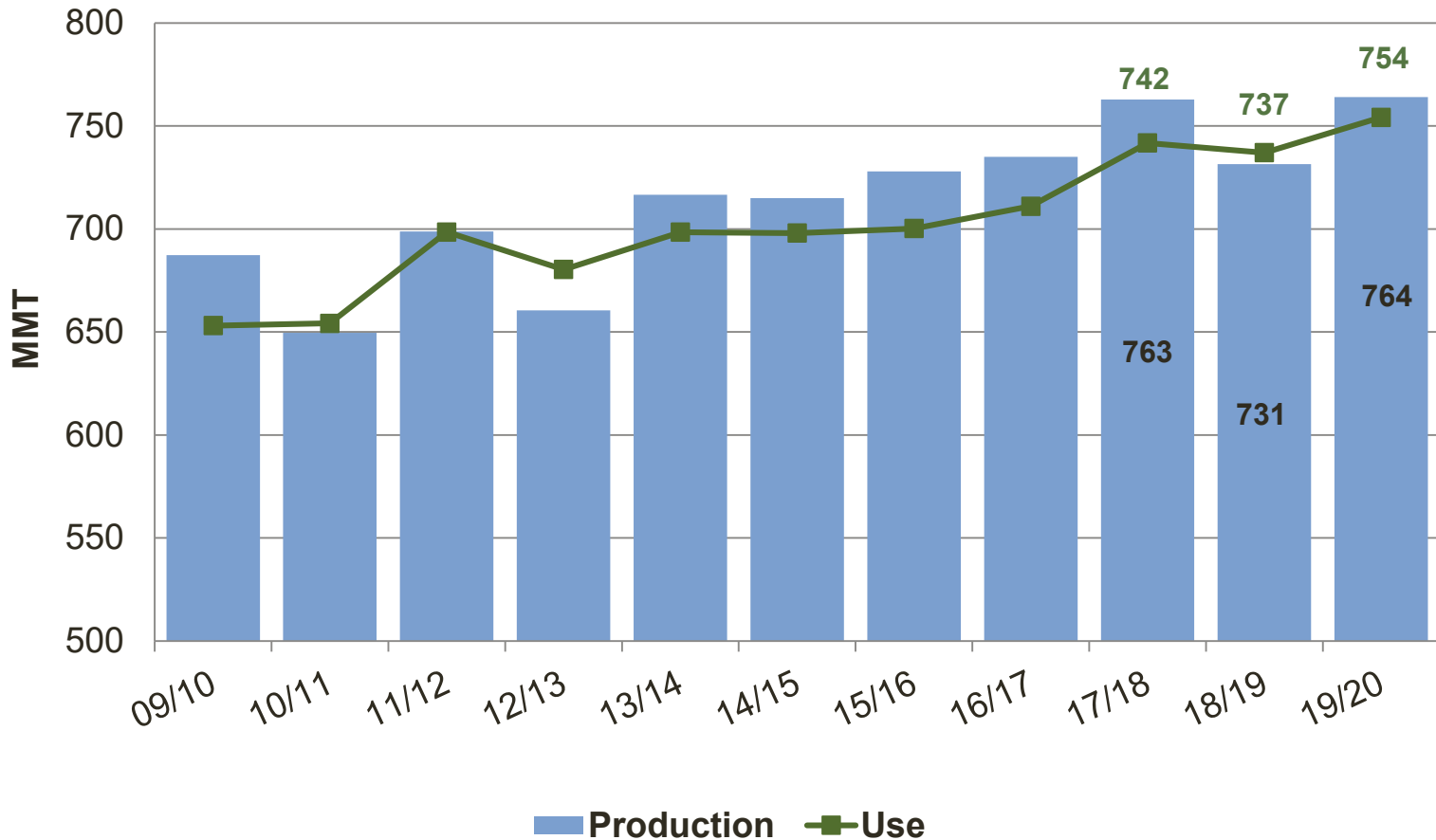
Highlights of USDA's 2019/20 Supply and Demand Estimates

- **World beginning stocks fell 2% year-over-year to 278 MMT, still 15% higher than the 5-year average of 242 MMT**
 - Chinese beginning stocks of 140 MMT are 43% higher than the 5-year average and make up 50% of the global total
 - Major exporter beginning stocks fell 13% from 2018/19 to 67 MMT
 - U.S. 2019/20 beginning stocks of 29.4 MMT were down 2% from last year, accounting for 43% of total major exporter beginning stocks
- **Global ending stocks projected at 288 MMT, 4% higher than last year and 12% higher than the 5-year average**
 - Projected Indian ending stocks of 20.7 MMT are 18% higher than last year and 44% higher than the 5-year average
 - Expected Australian ending stocks of 4.21 MMT are 18% lower than last year and 15% lower than the 5-year average
 - U.S. ending stocks are expected to fall 12% from last year to 25.6 MMT, the lowest volume in 5 years
- **U.S. average farm gate price to fall 12% from last year**
 - Projected average farm gate price to fall to \$4.55/bu* (\$167/MT) from last year's average of \$5.16/bu (\$190/MT)

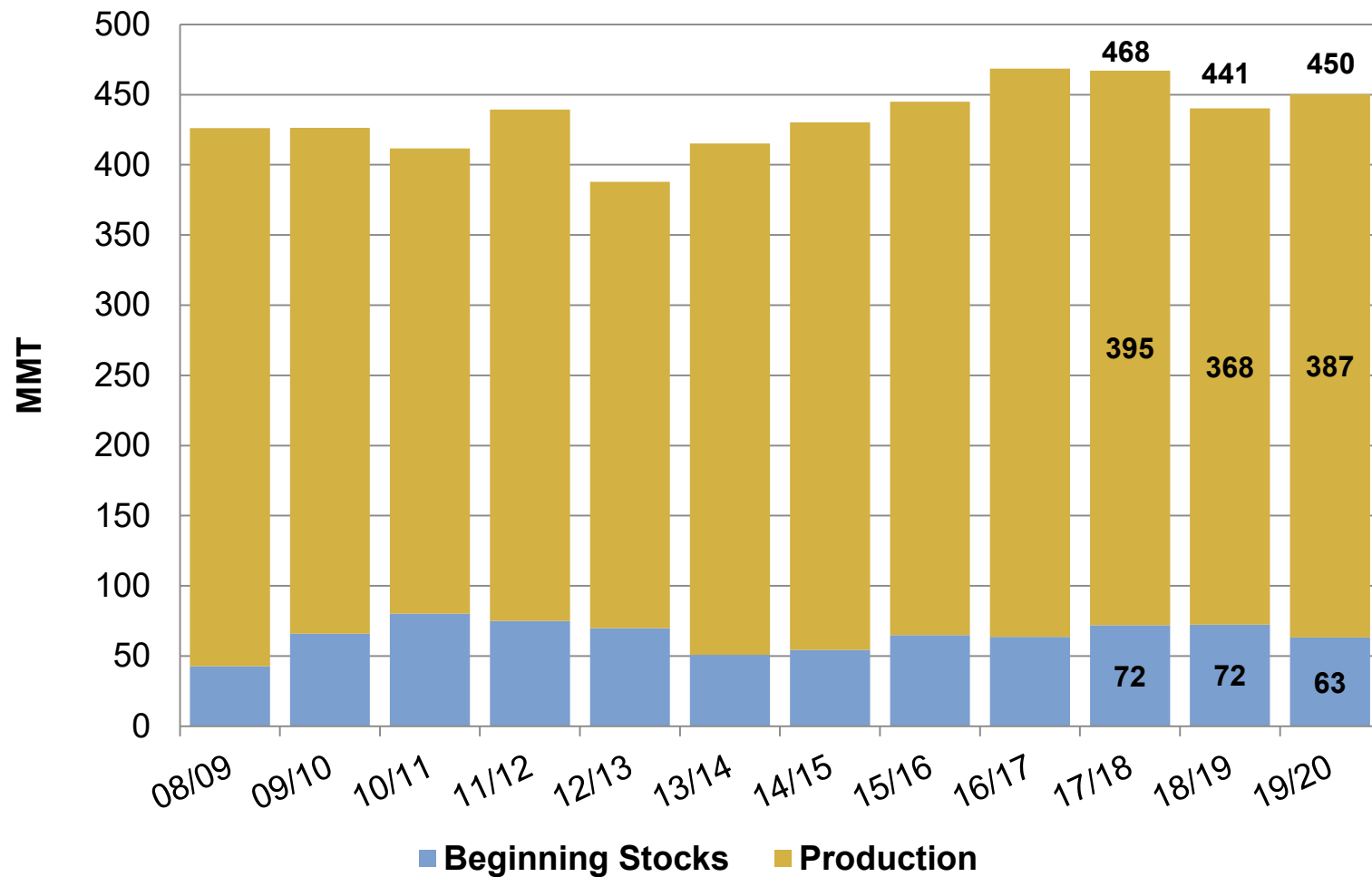
**Average U.S. farm gate price, marketing year weighted average*



World Production and Use



Supplies in Top Exporting Countries*



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

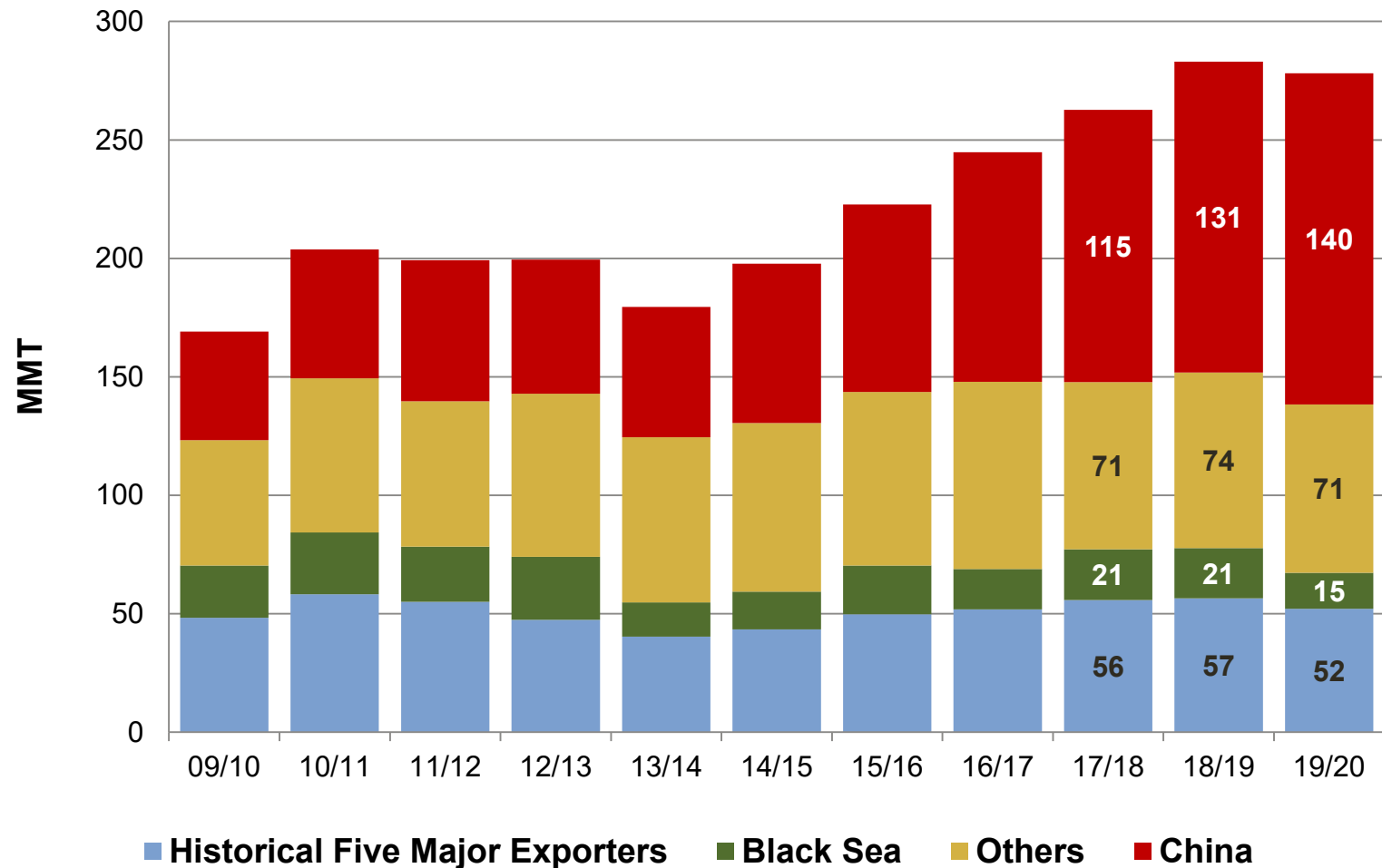
World Wheat Supply and Demand (MMT)

	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>
SUPPLY:			
Beginning Stocks	263	284	278
Production	763	731	764
Supply Total	1026	1015	1042
Ending Stocks	284	278	288
TRADE:			
Exports/Imports	182	174	183
DEMAND:			
Food & Seed	595	597	606
Feed & Residual	146	140	148
Use Total	742	737	754



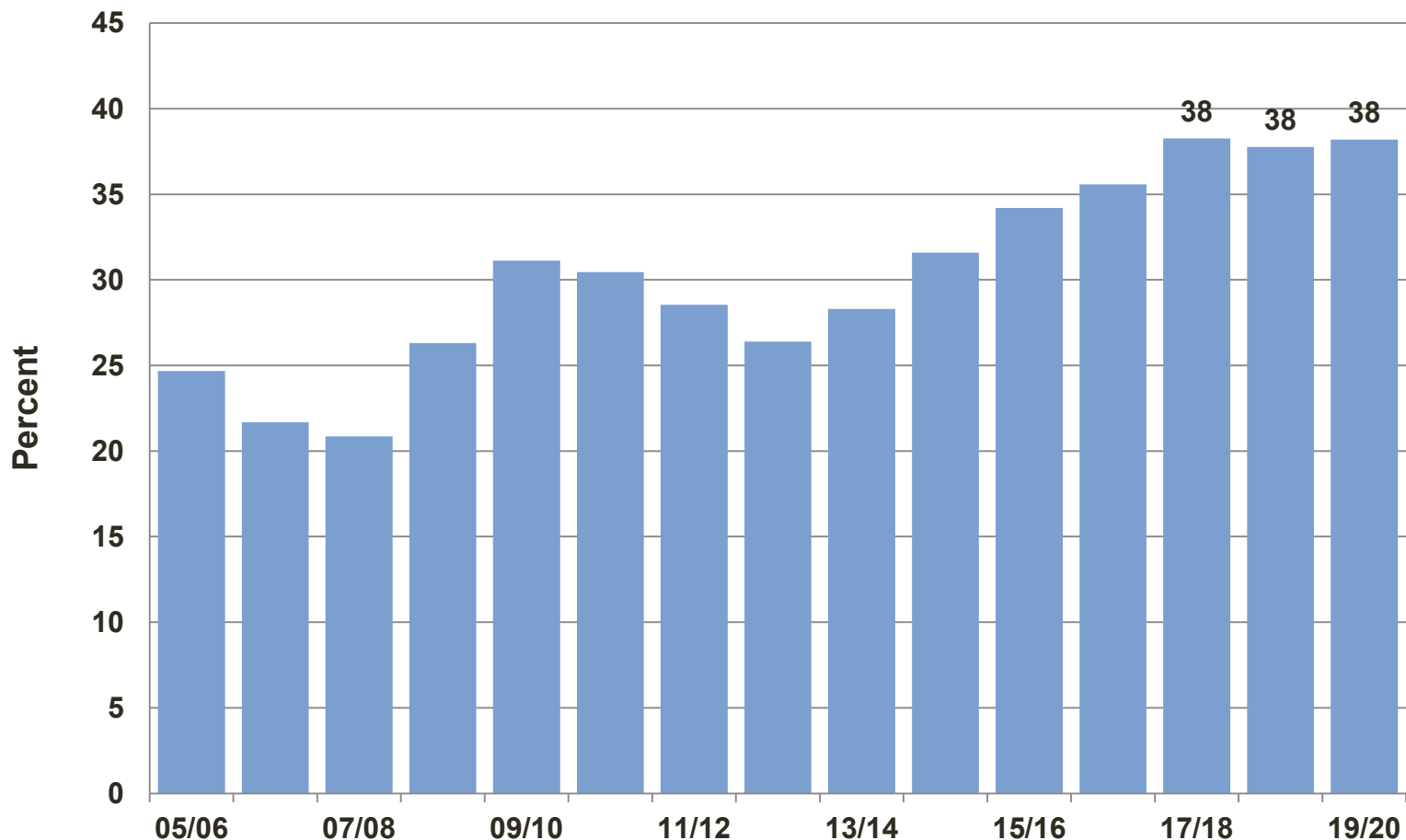
U.S. WHEAT
ASSOCIATES

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



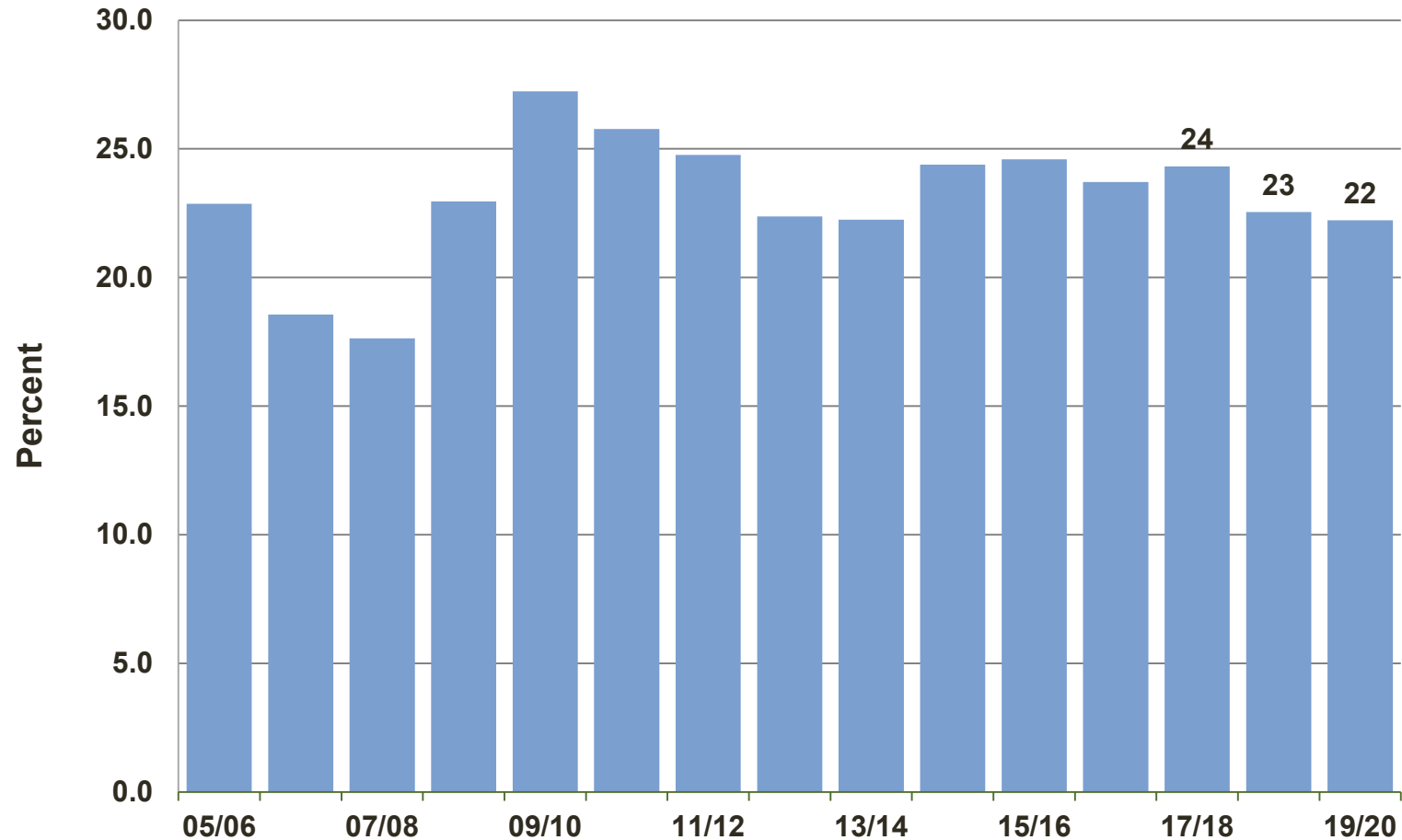
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

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



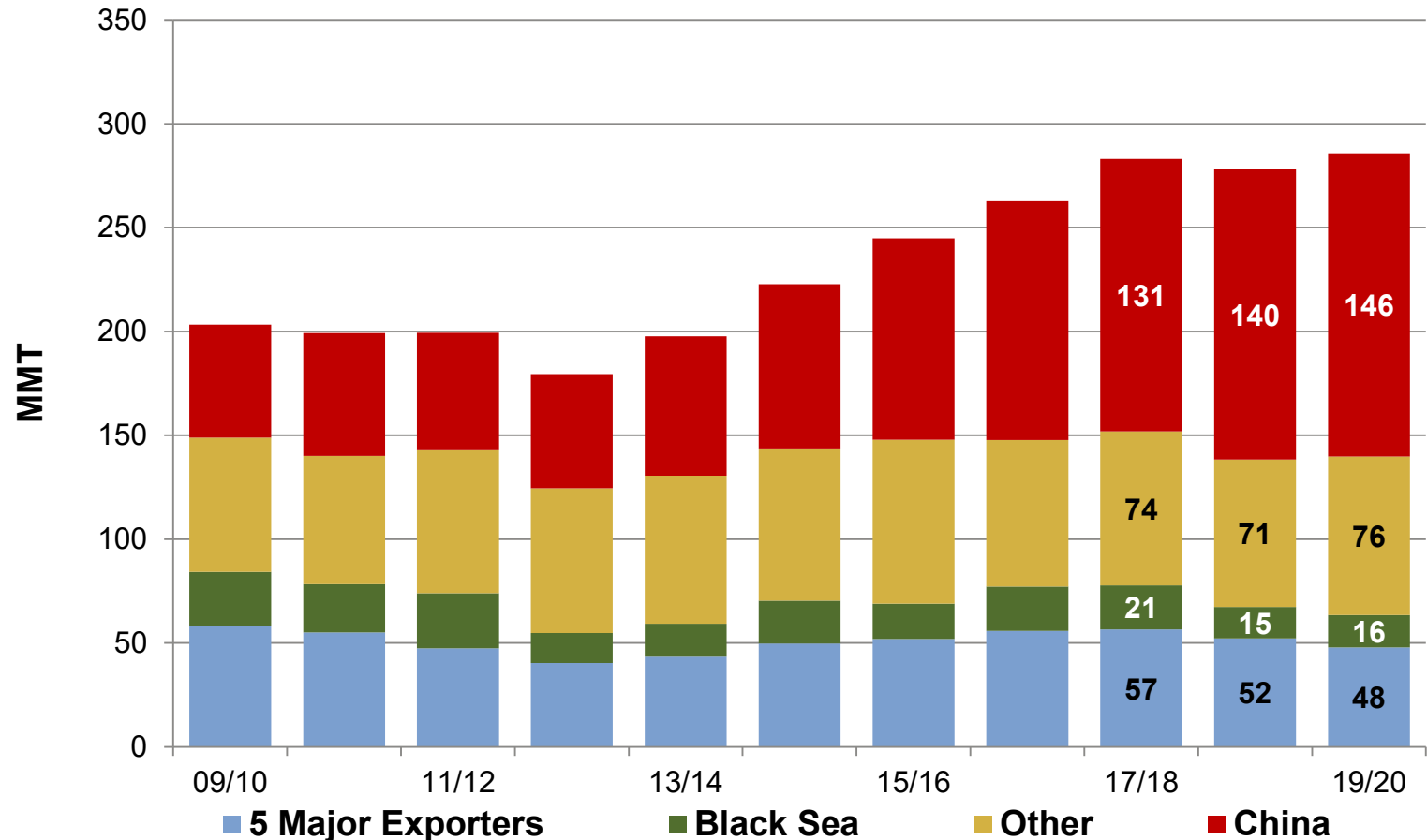
**Ending stocks*

Supply and Demand



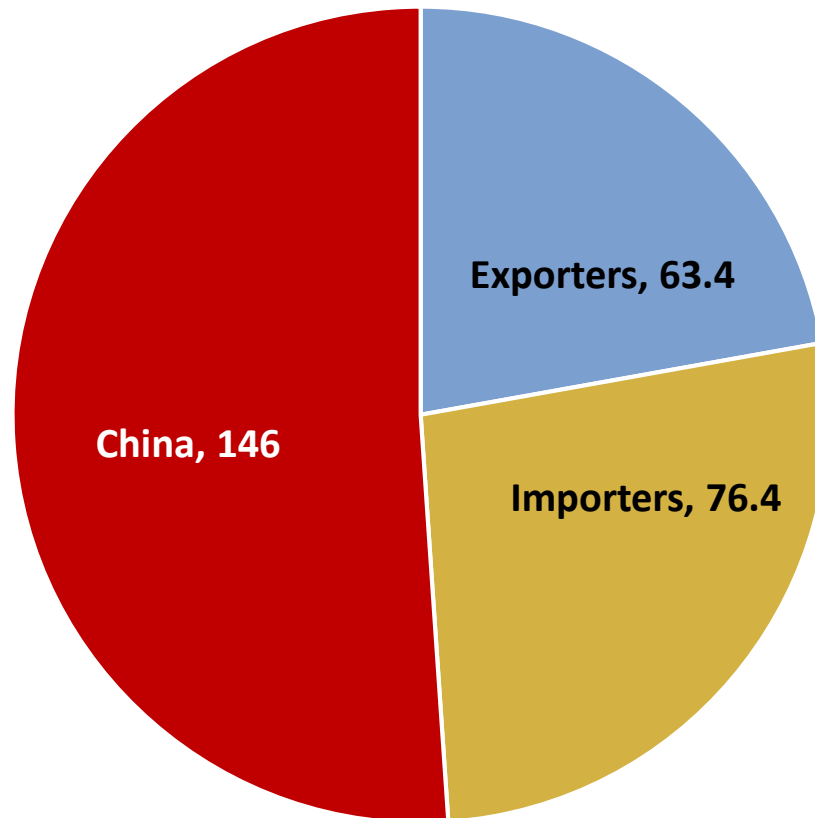
U.S. WHEAT
ASSOCIATES

World Ending Stocks

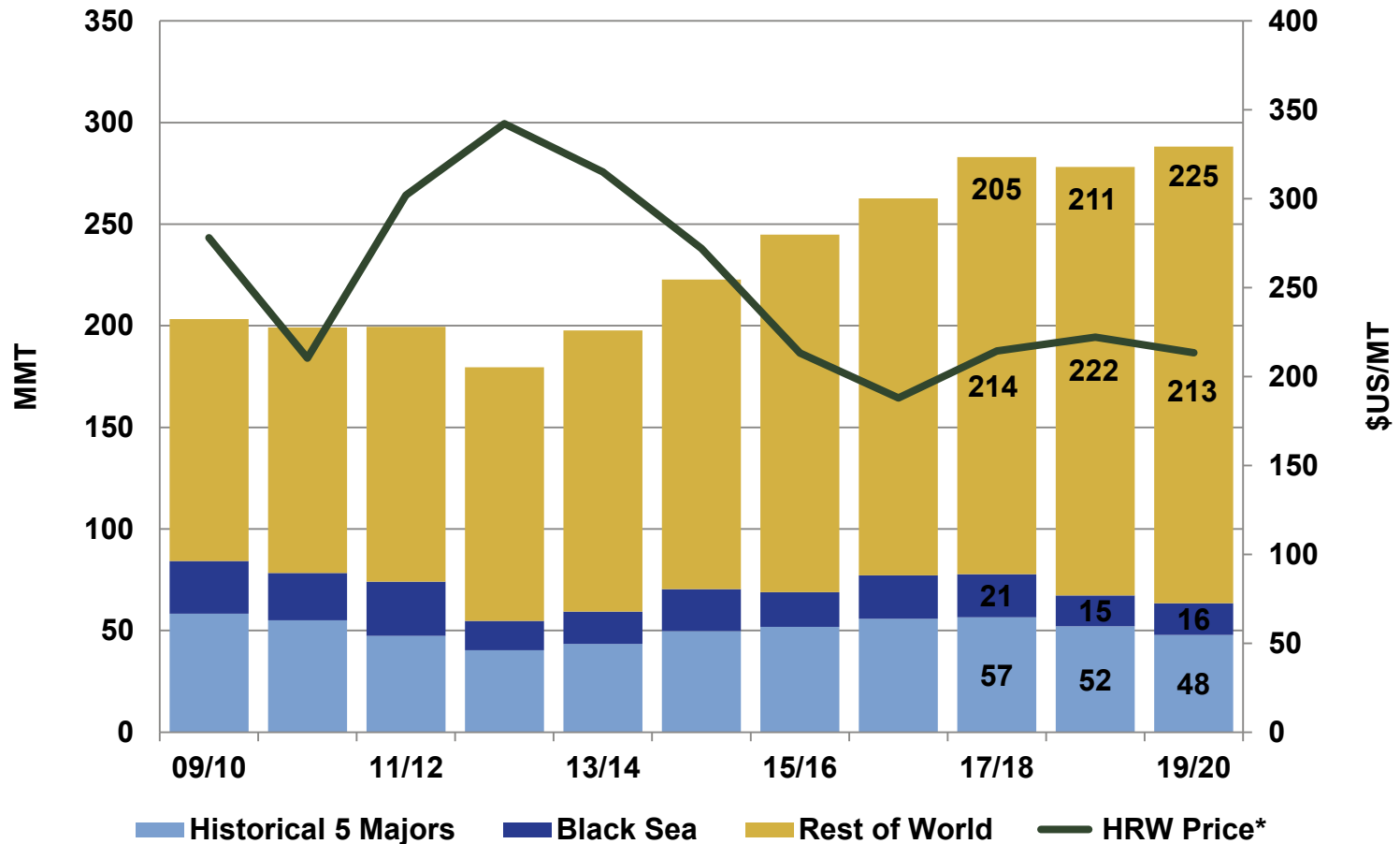


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World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, January 10, 2020



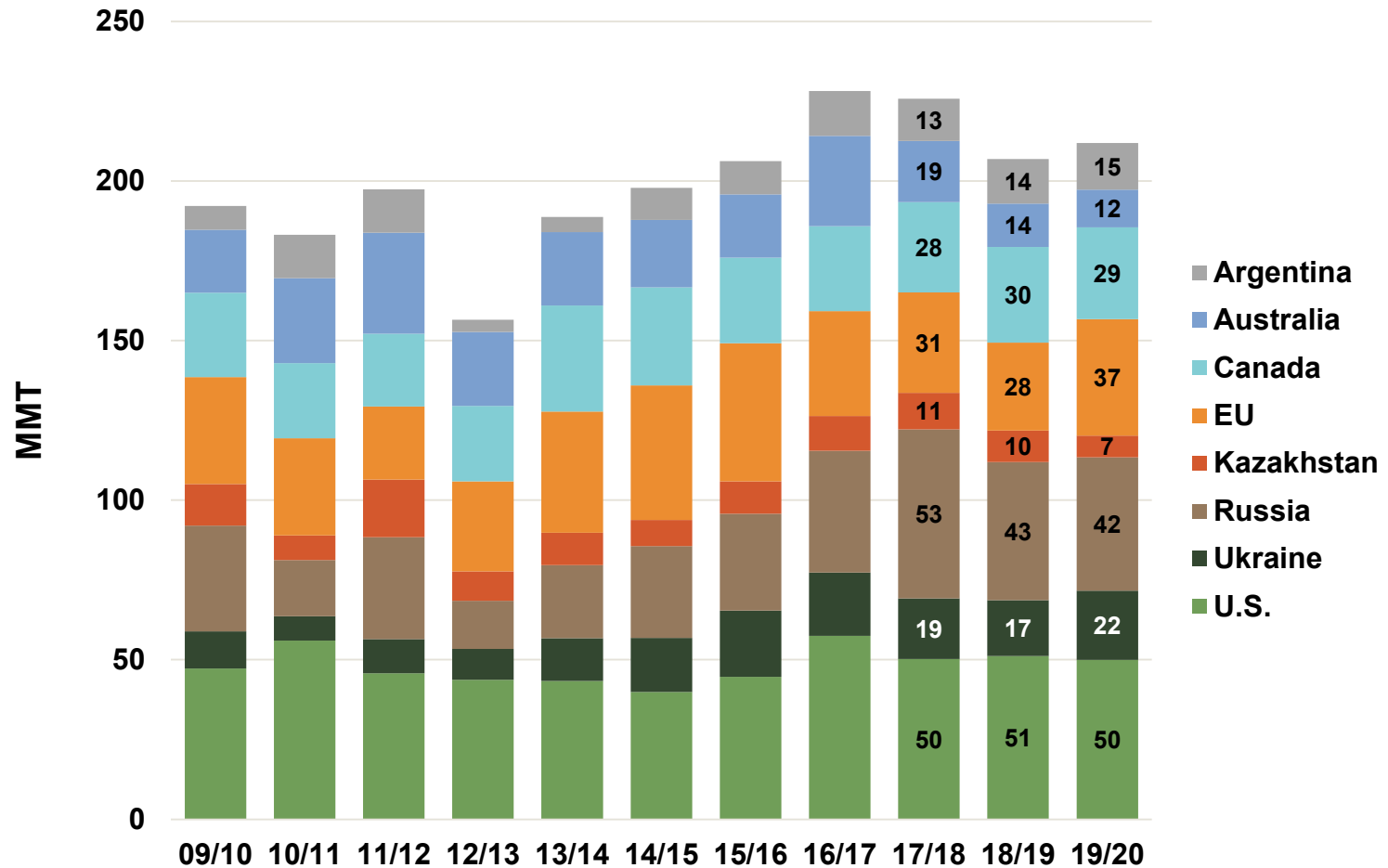
Major Exporters

Import Demand

U.S. Situation by Class

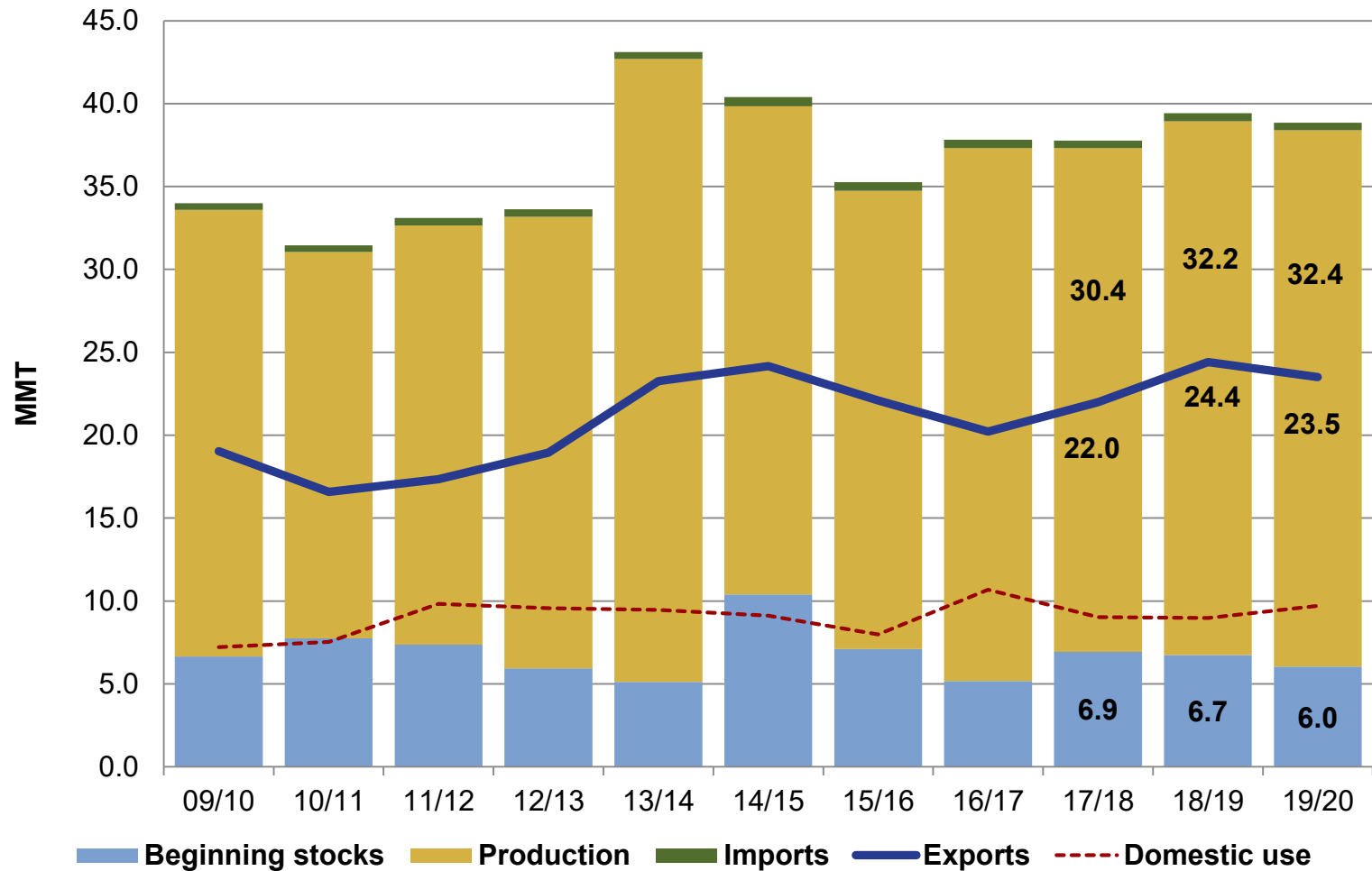
Outlook

Exportable Supplies in Top Exporting Countries

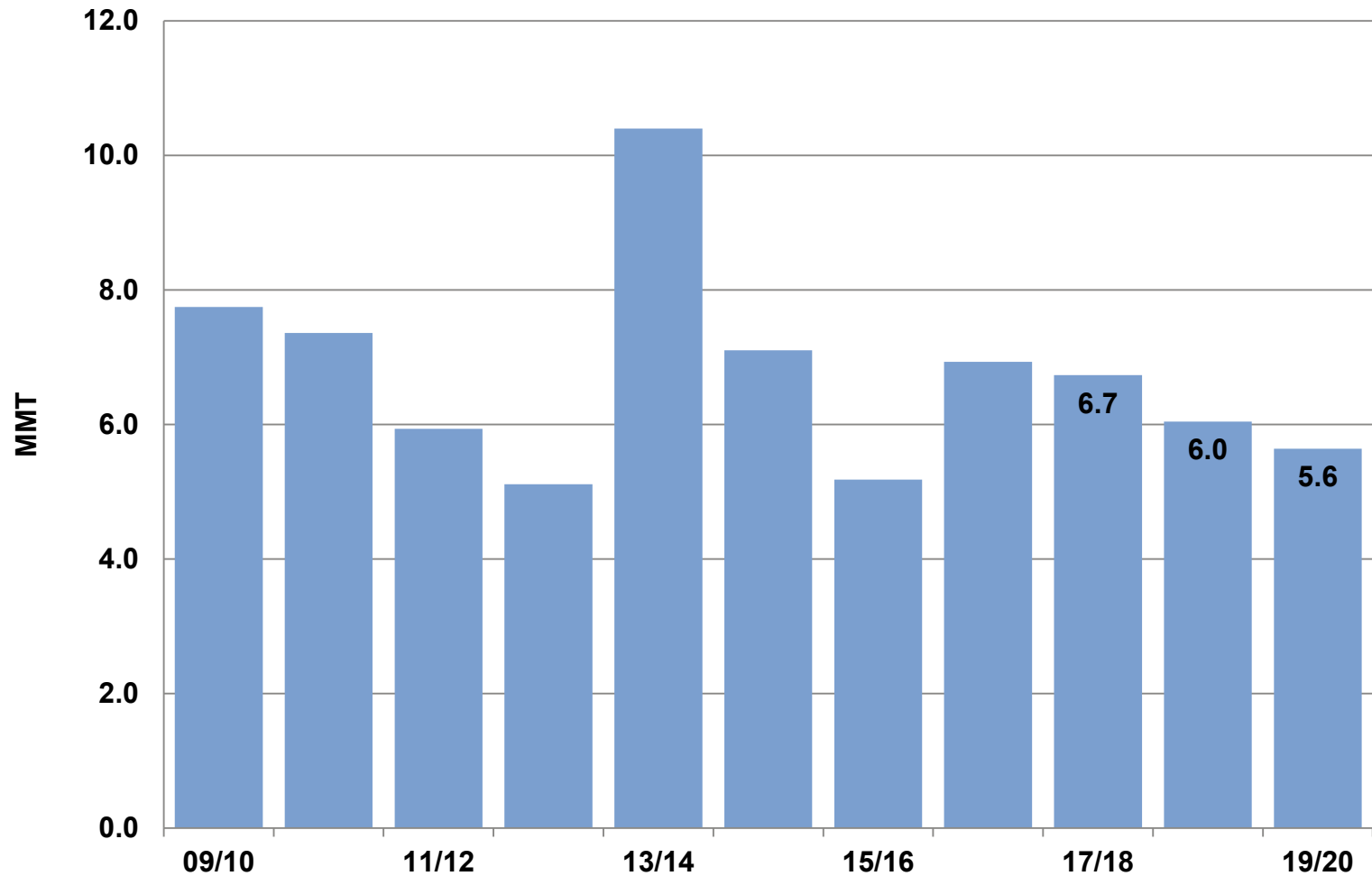


**Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption*

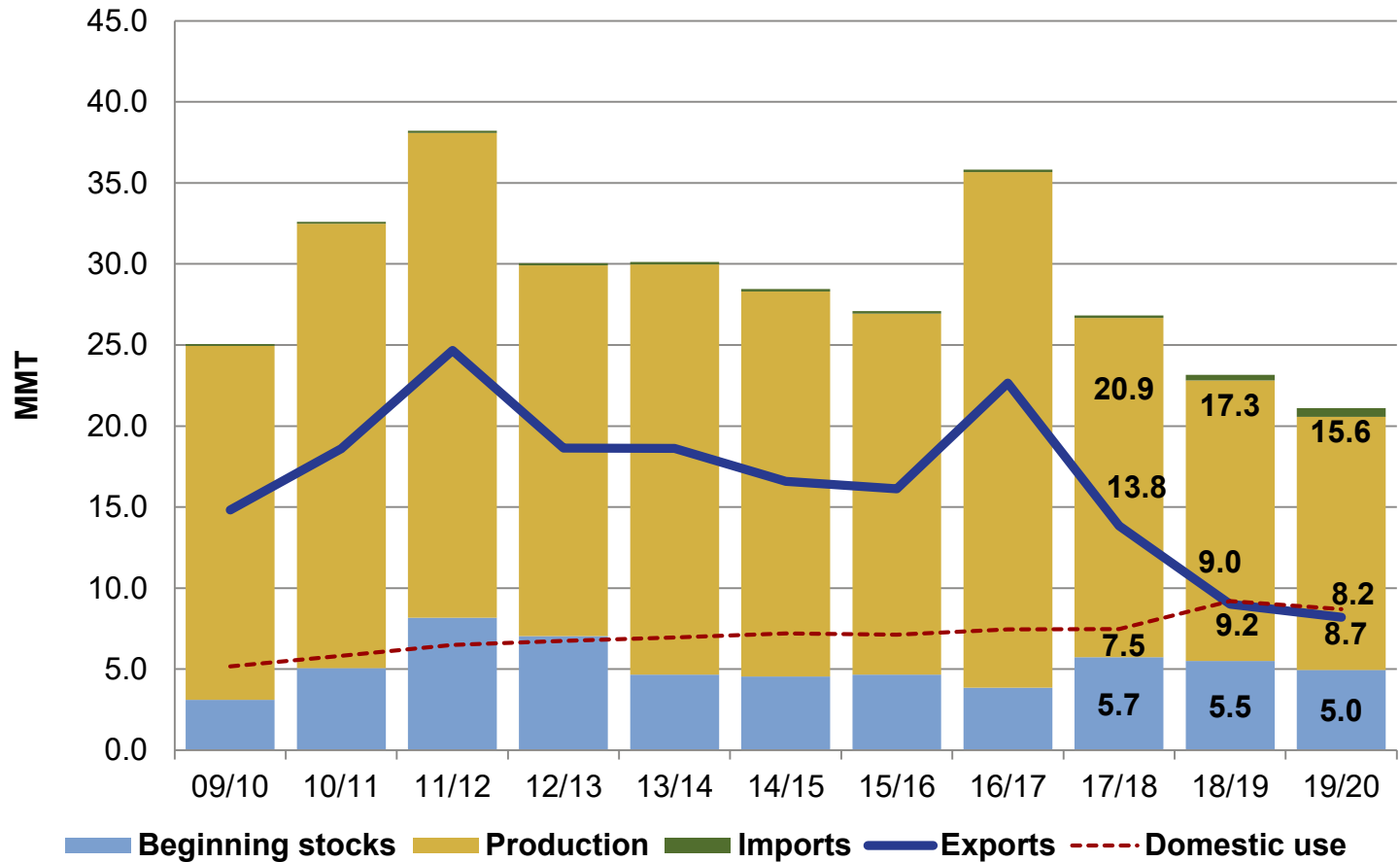
Canada Situation



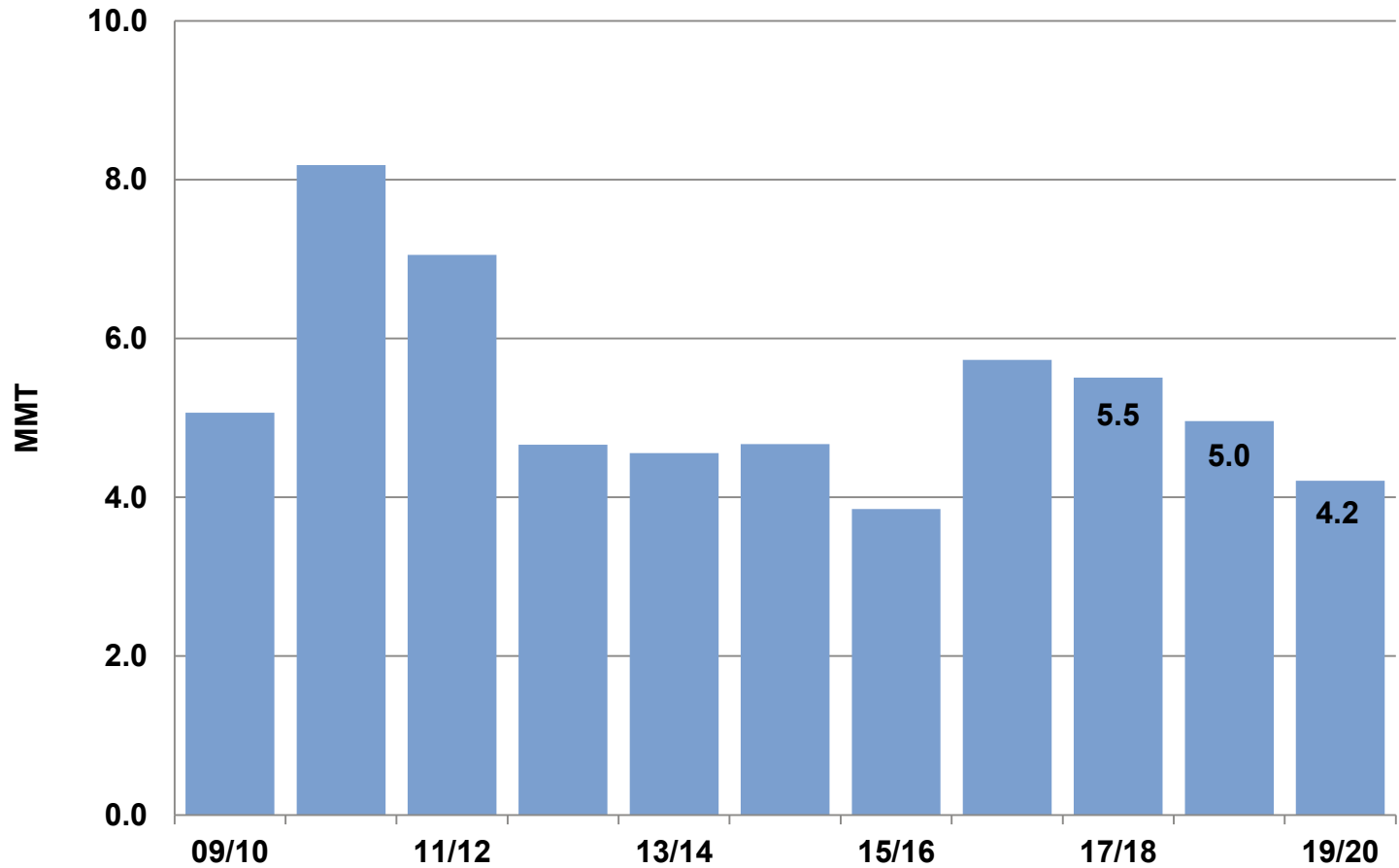
Canada Ending Stocks



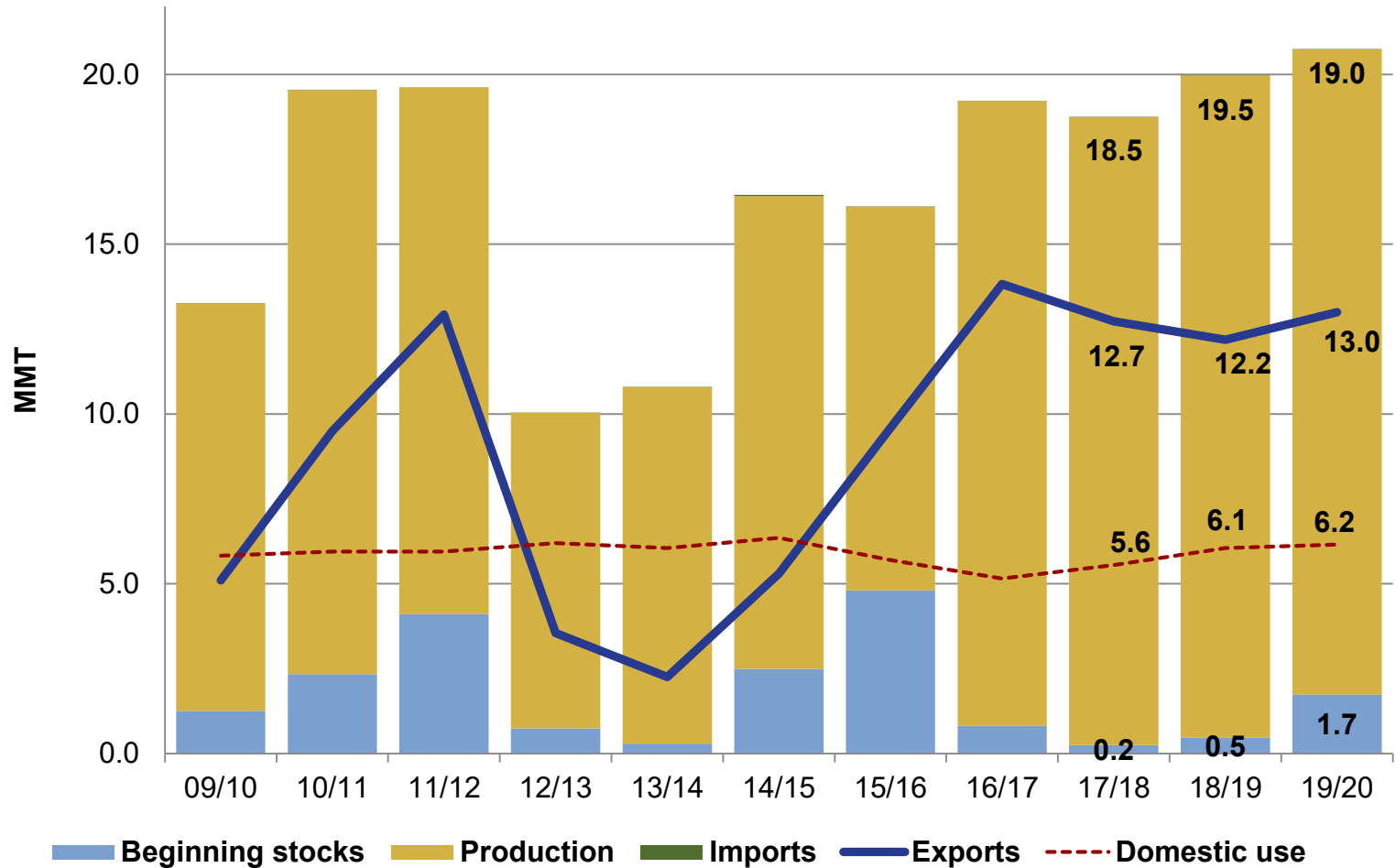
Australia Situation



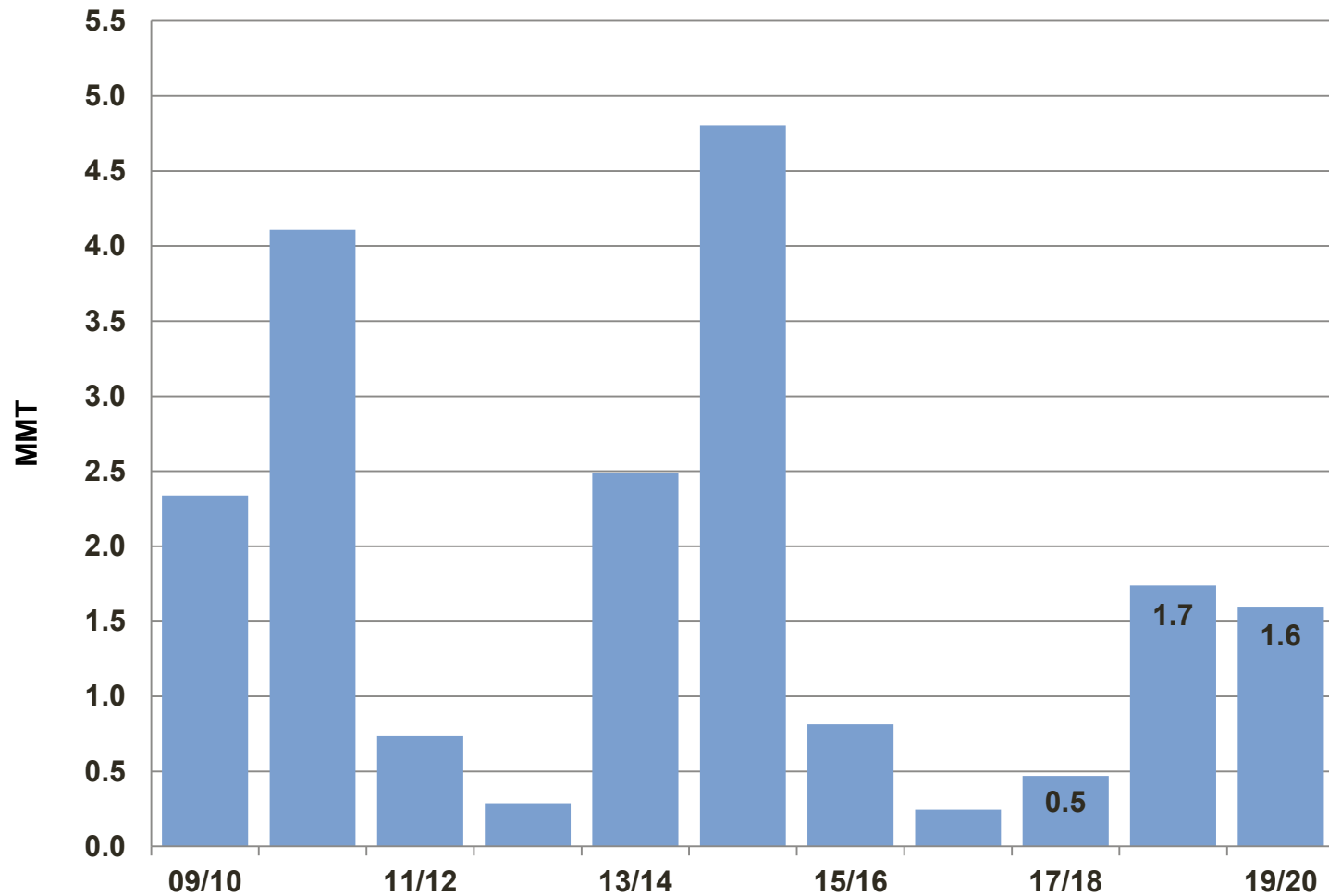
Australia Ending Stocks



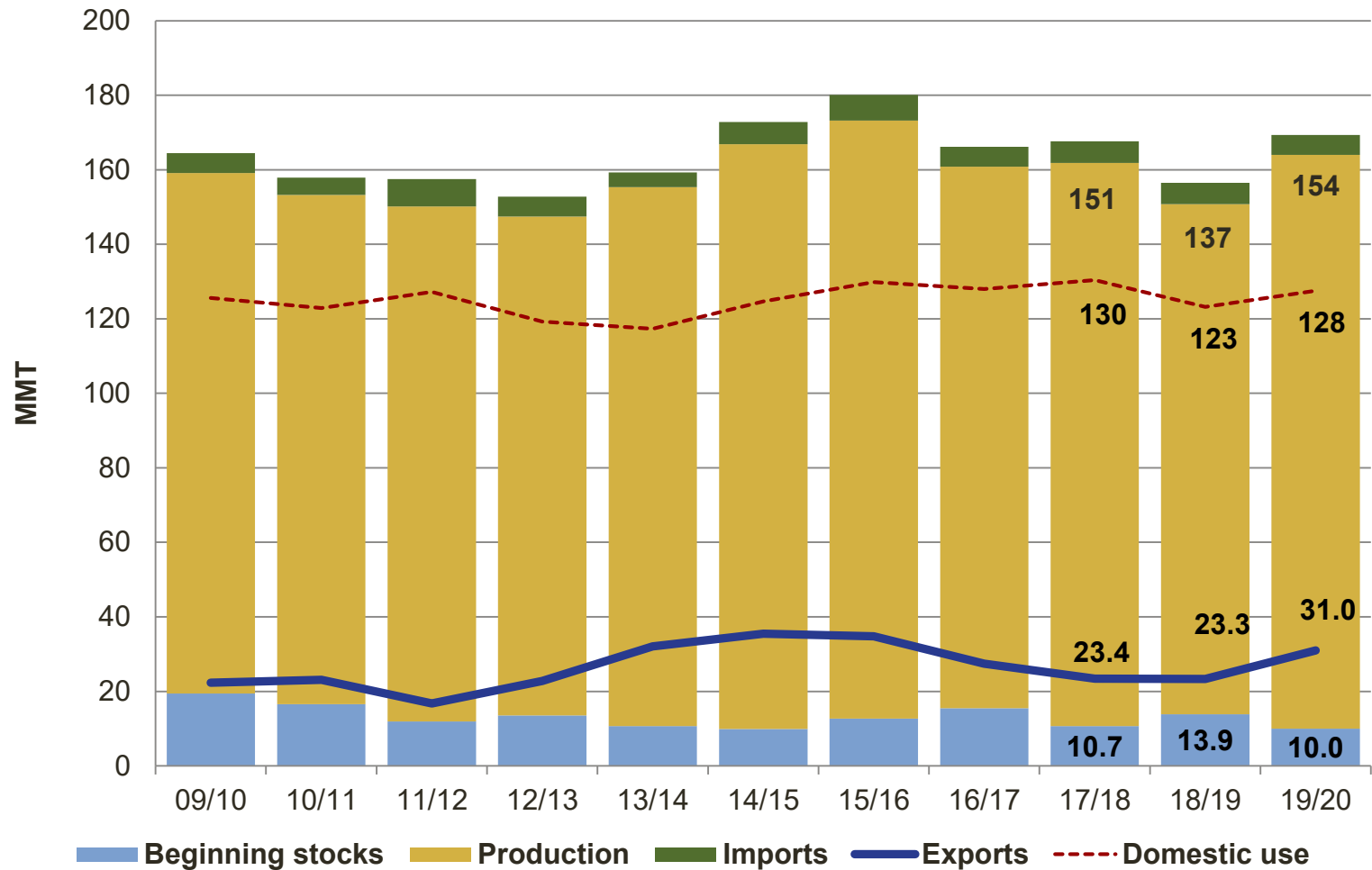
Argentina Situation



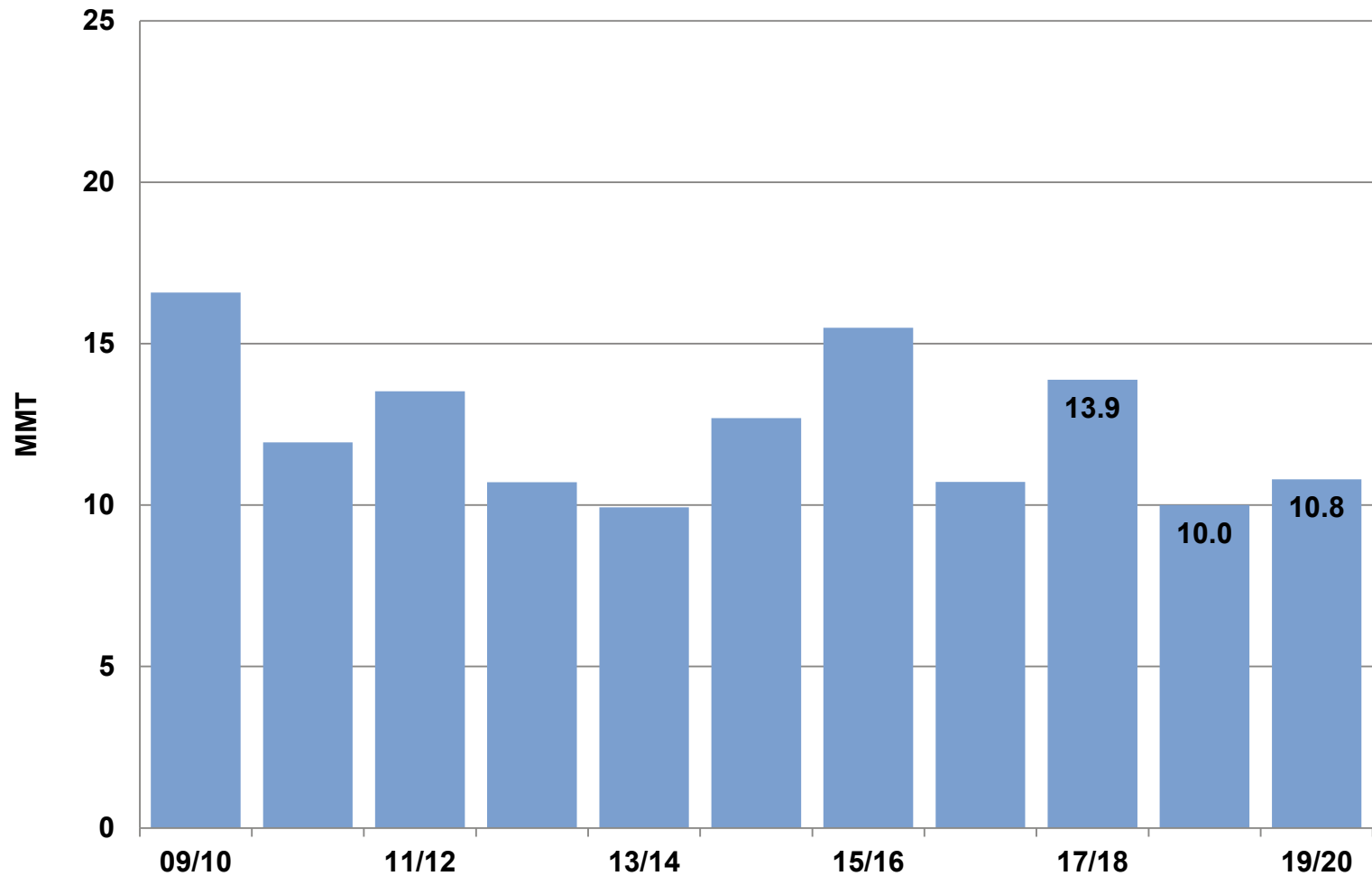
Argentina Ending Stocks



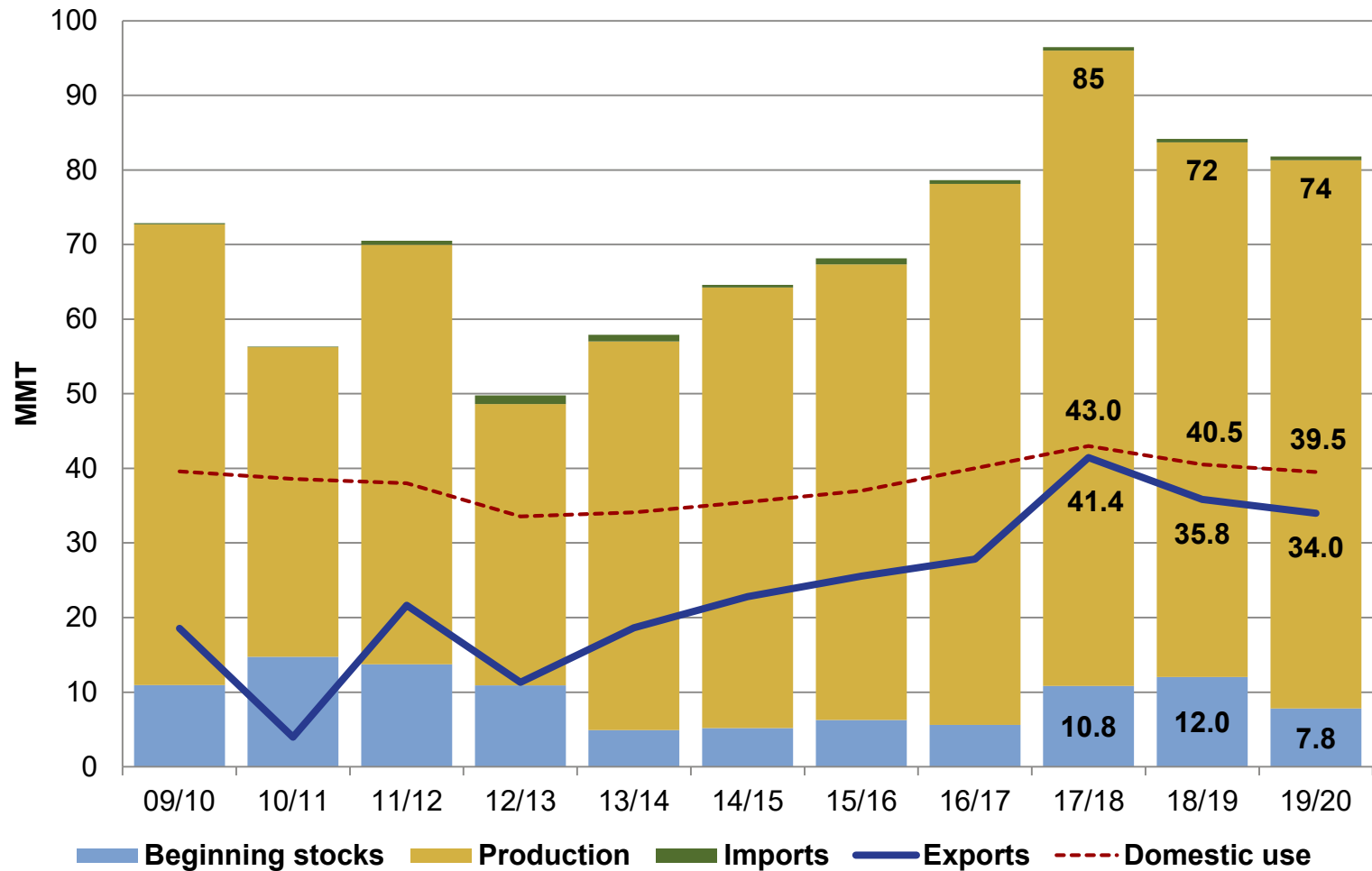
EU- 28 Situation



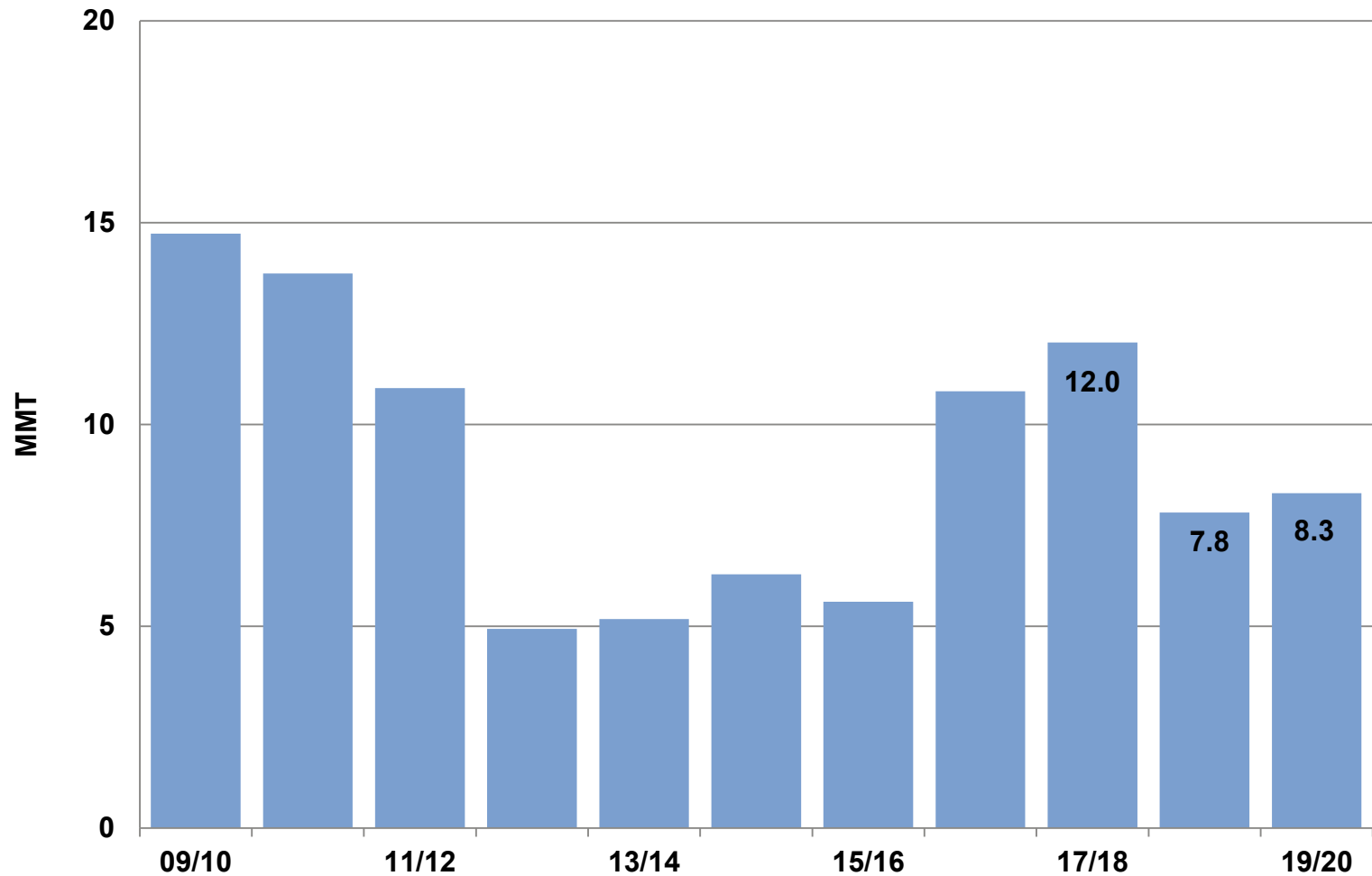
EU-28 Ending Stocks



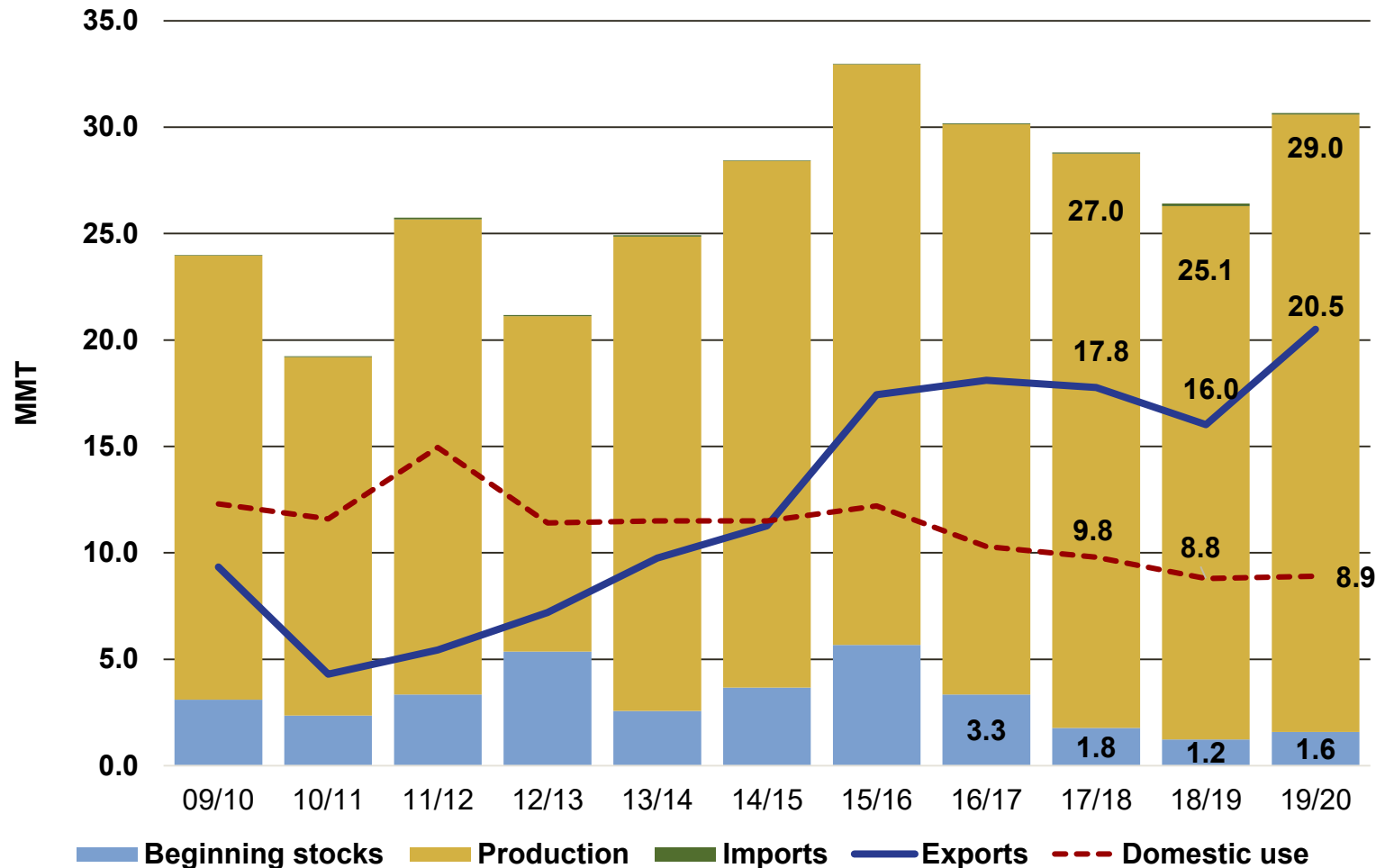
Russia Situation



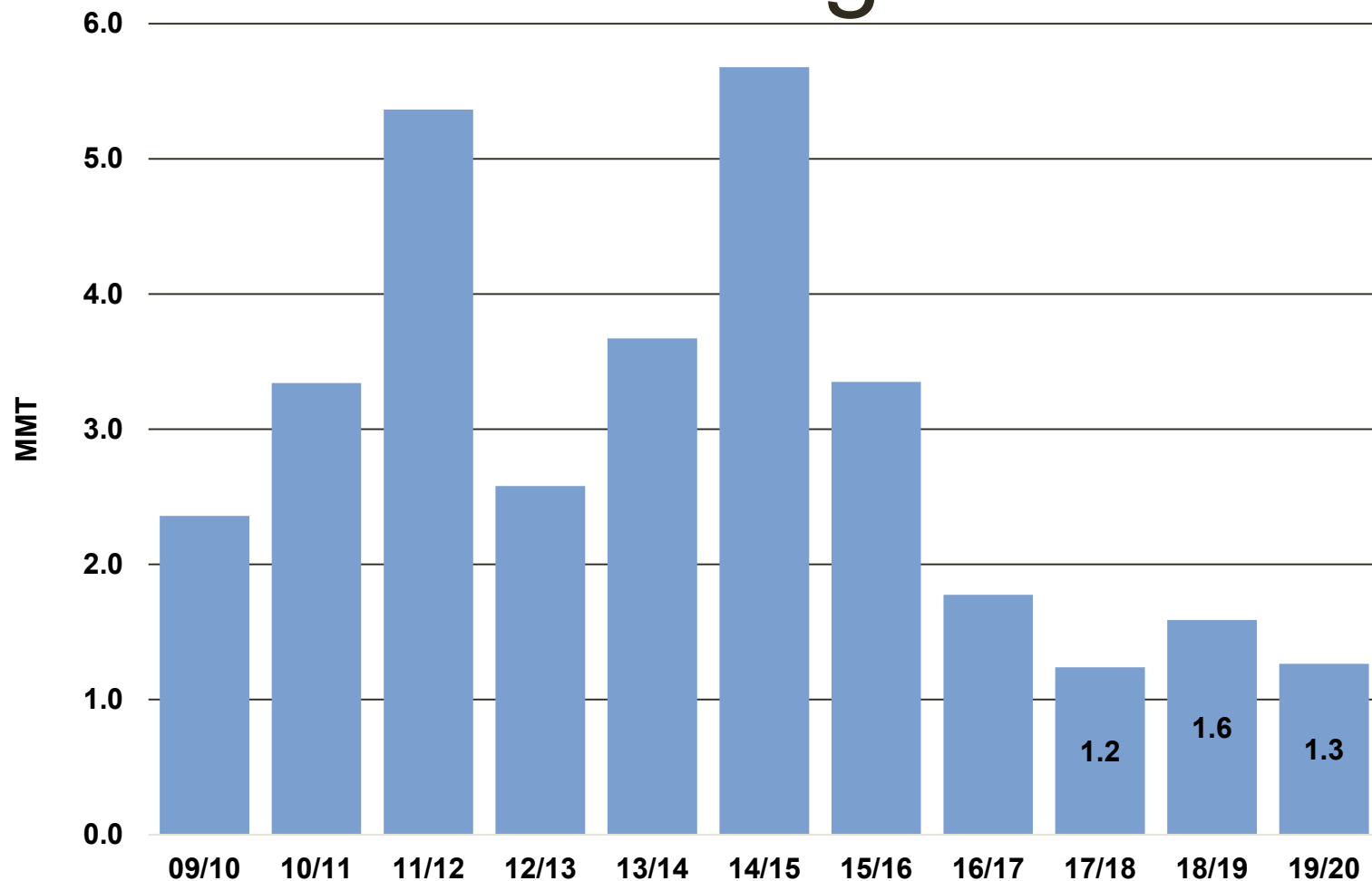
Russia Ending Stocks



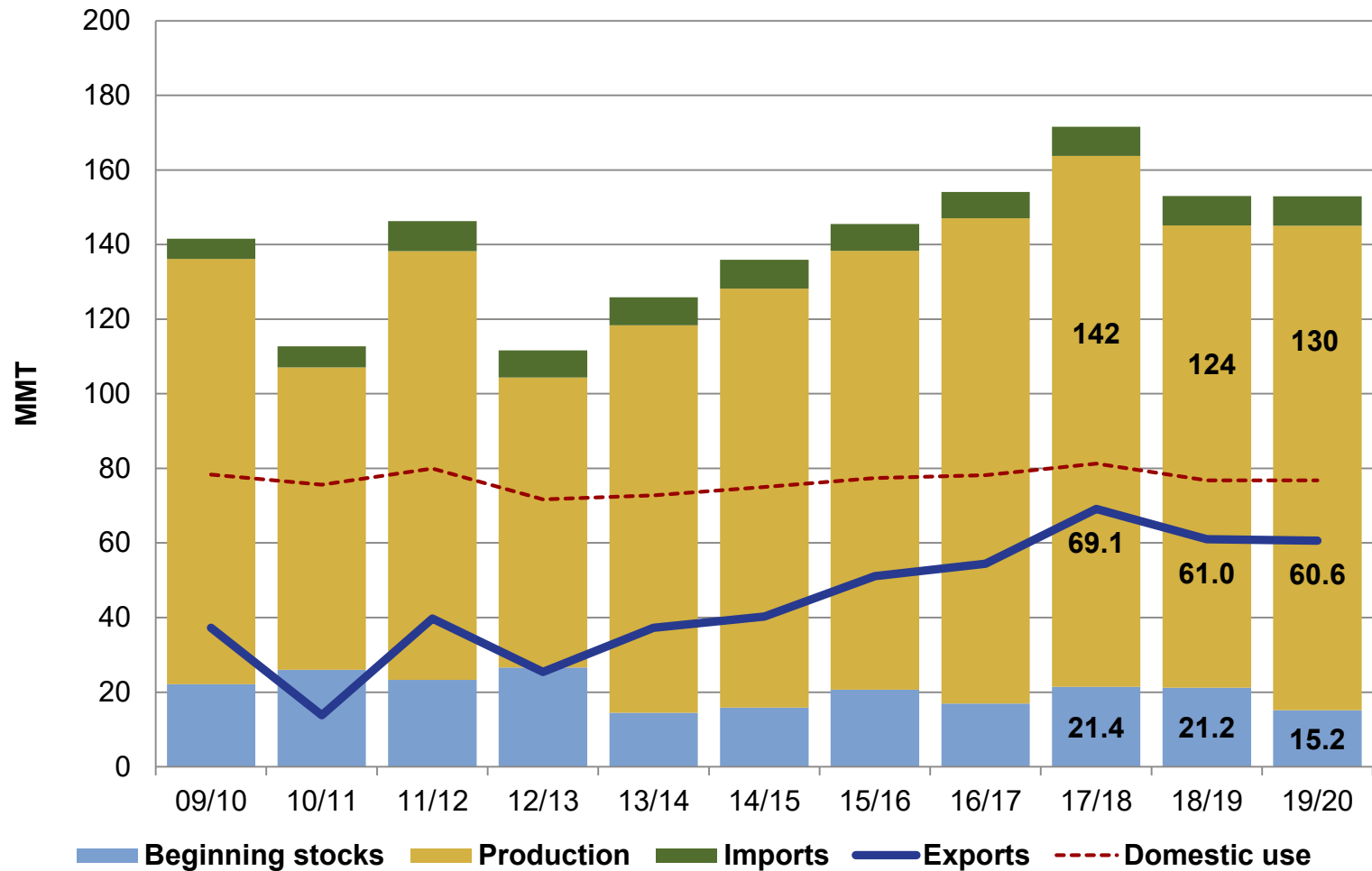
Ukraine Situation



Ukraine Ending Stocks

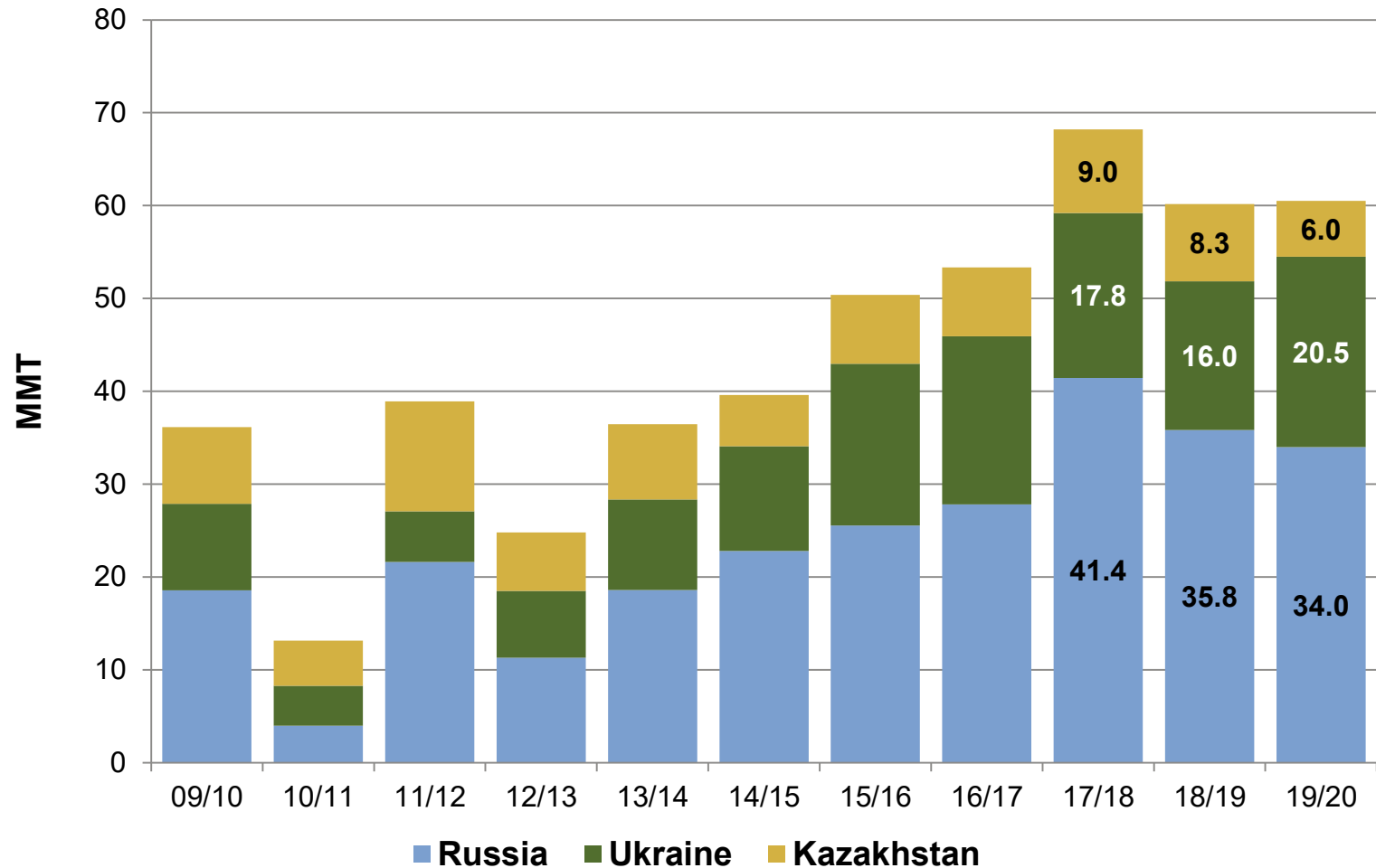


Black Sea Region Situation



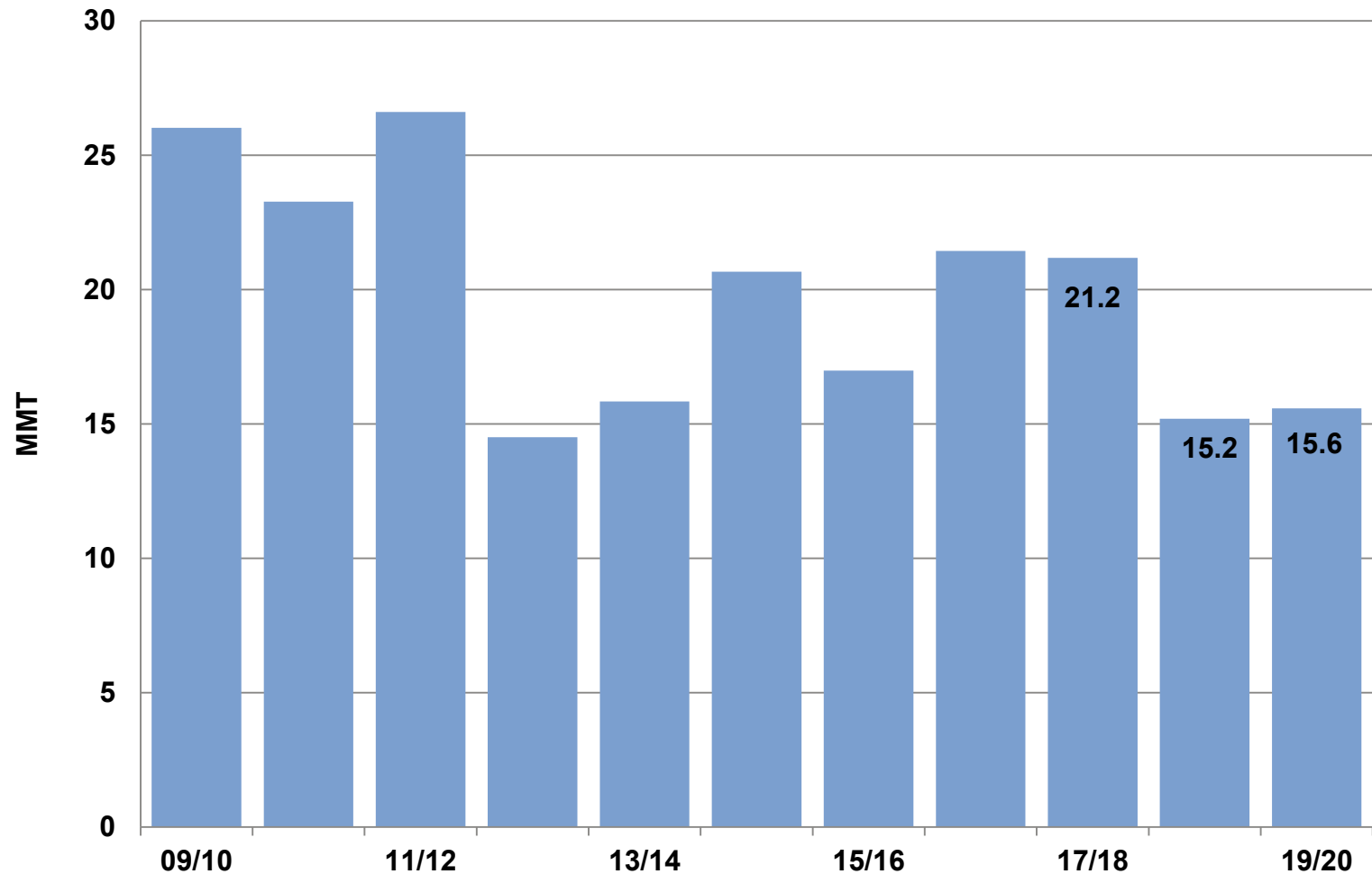
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports



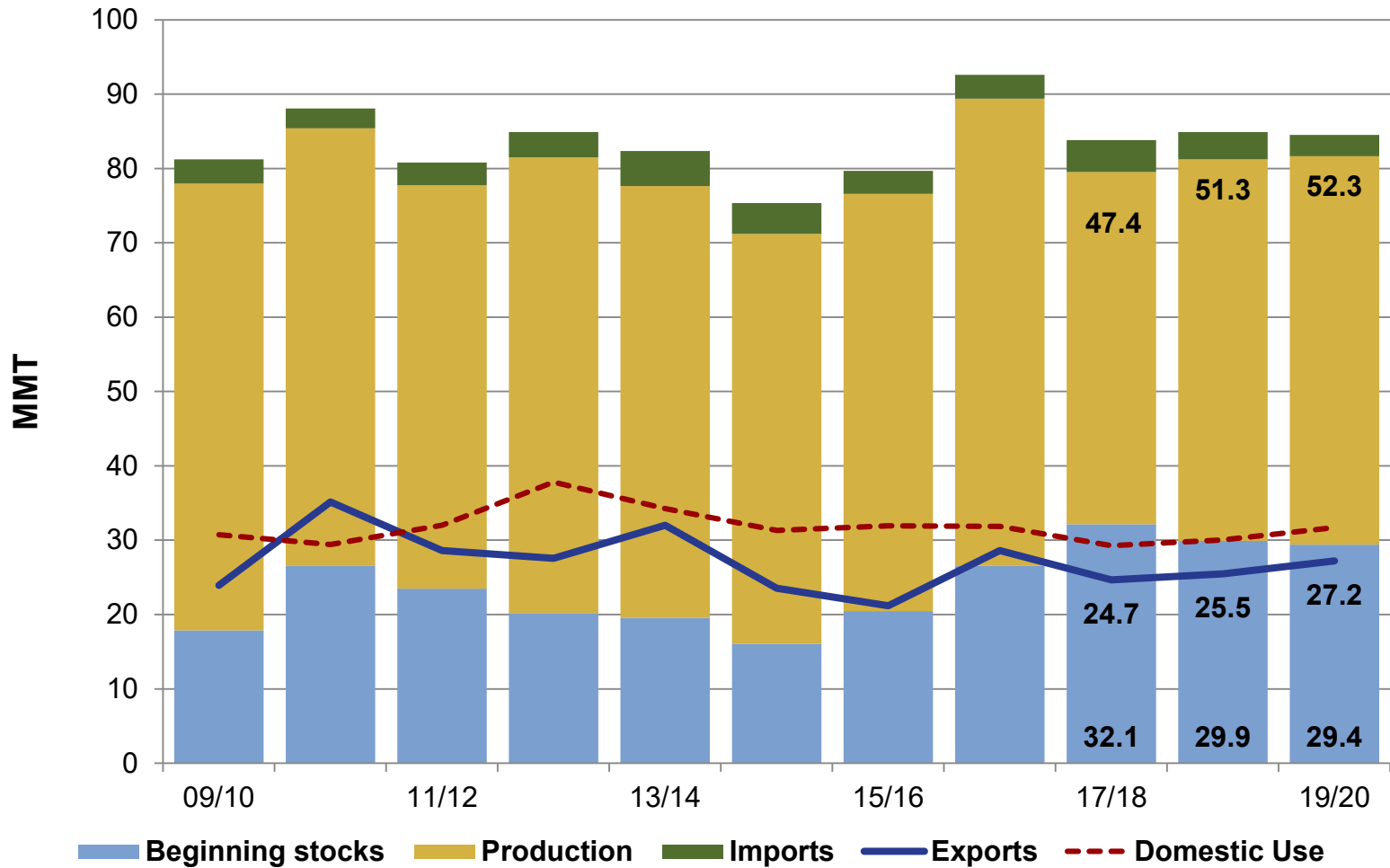
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Black Sea Ending Stocks

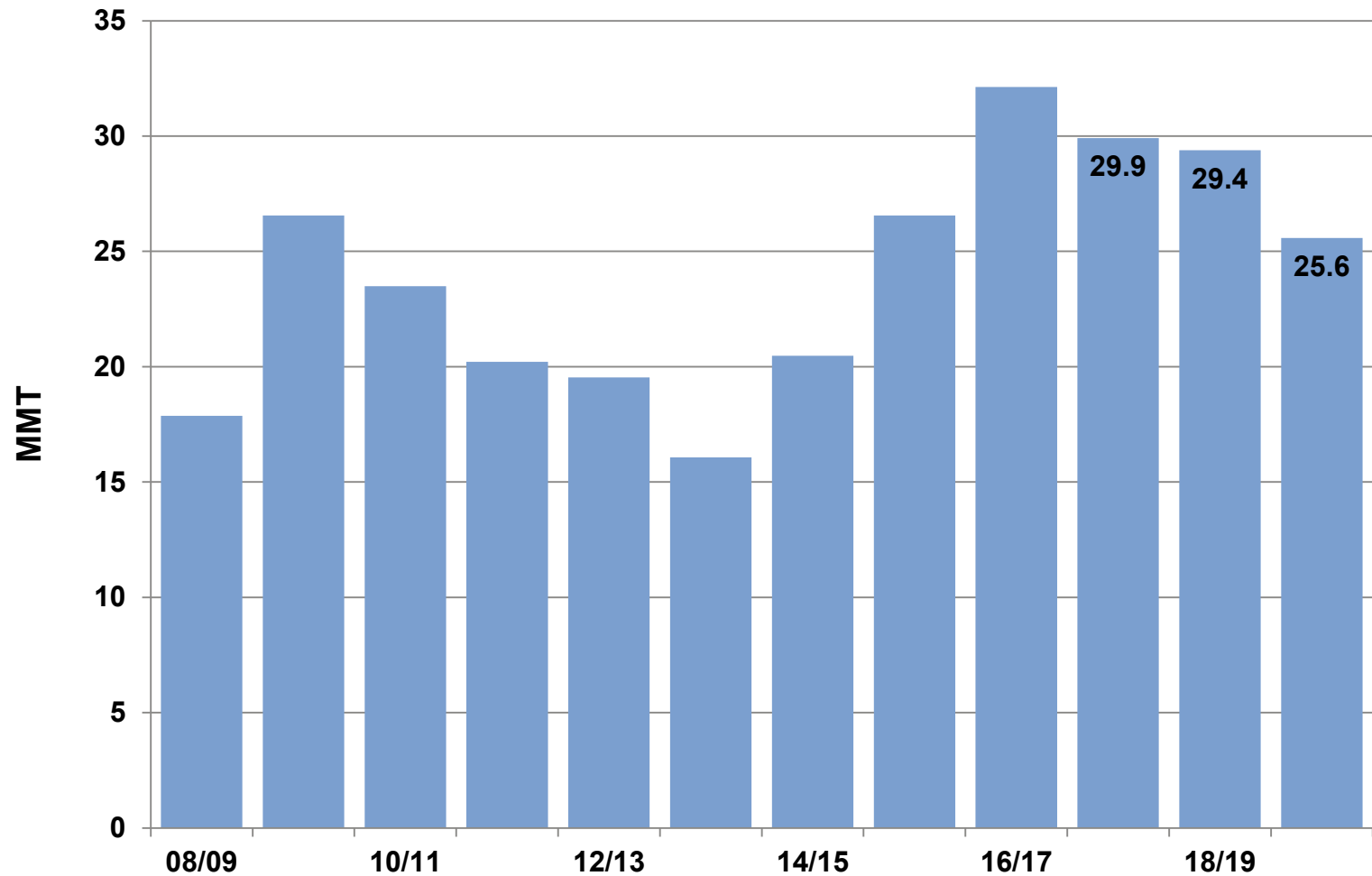


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

U.S. Situation



U.S. Ending Stocks





Major Exporters

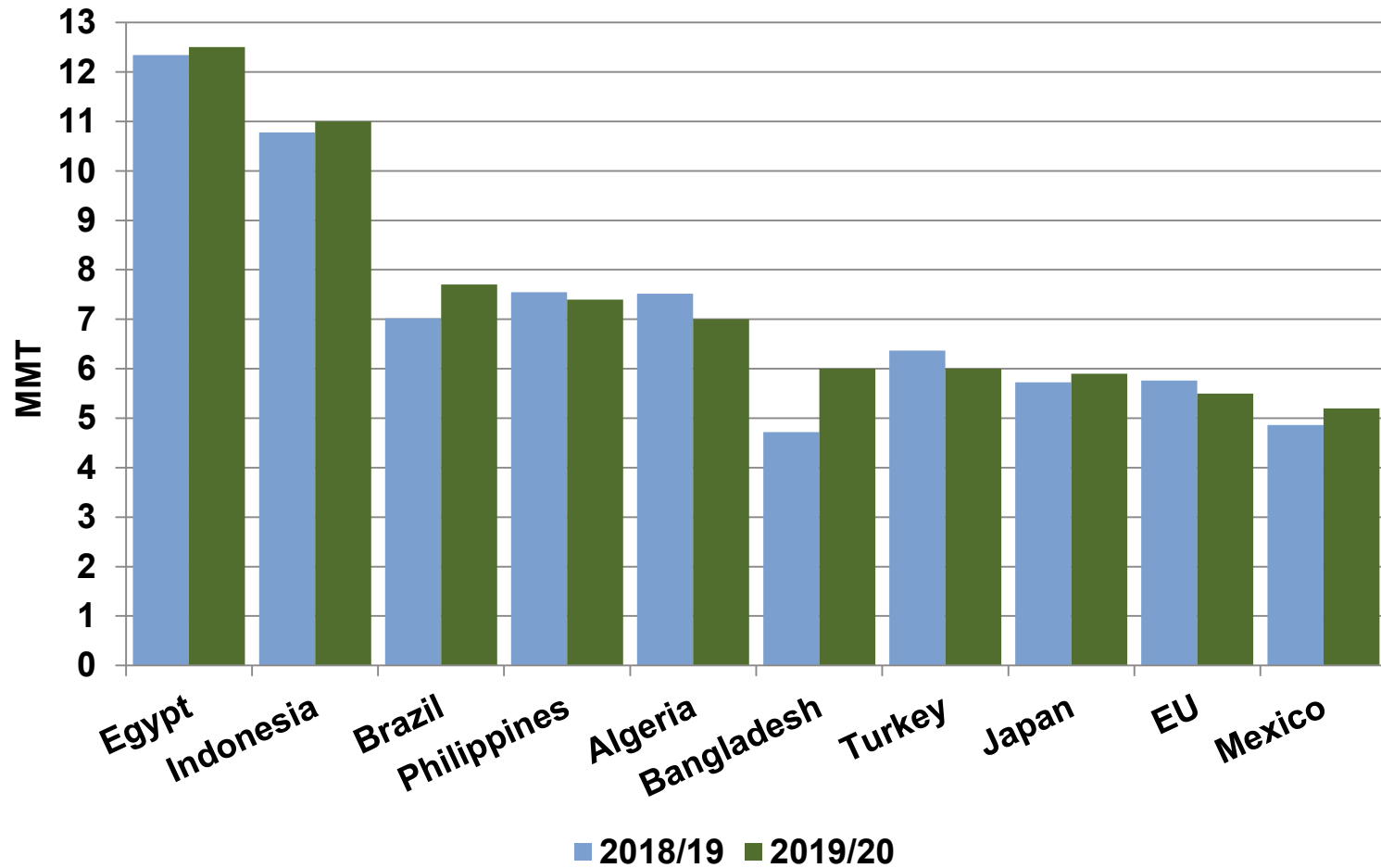
Import Demand

U.S. Situation by Class

Outlook

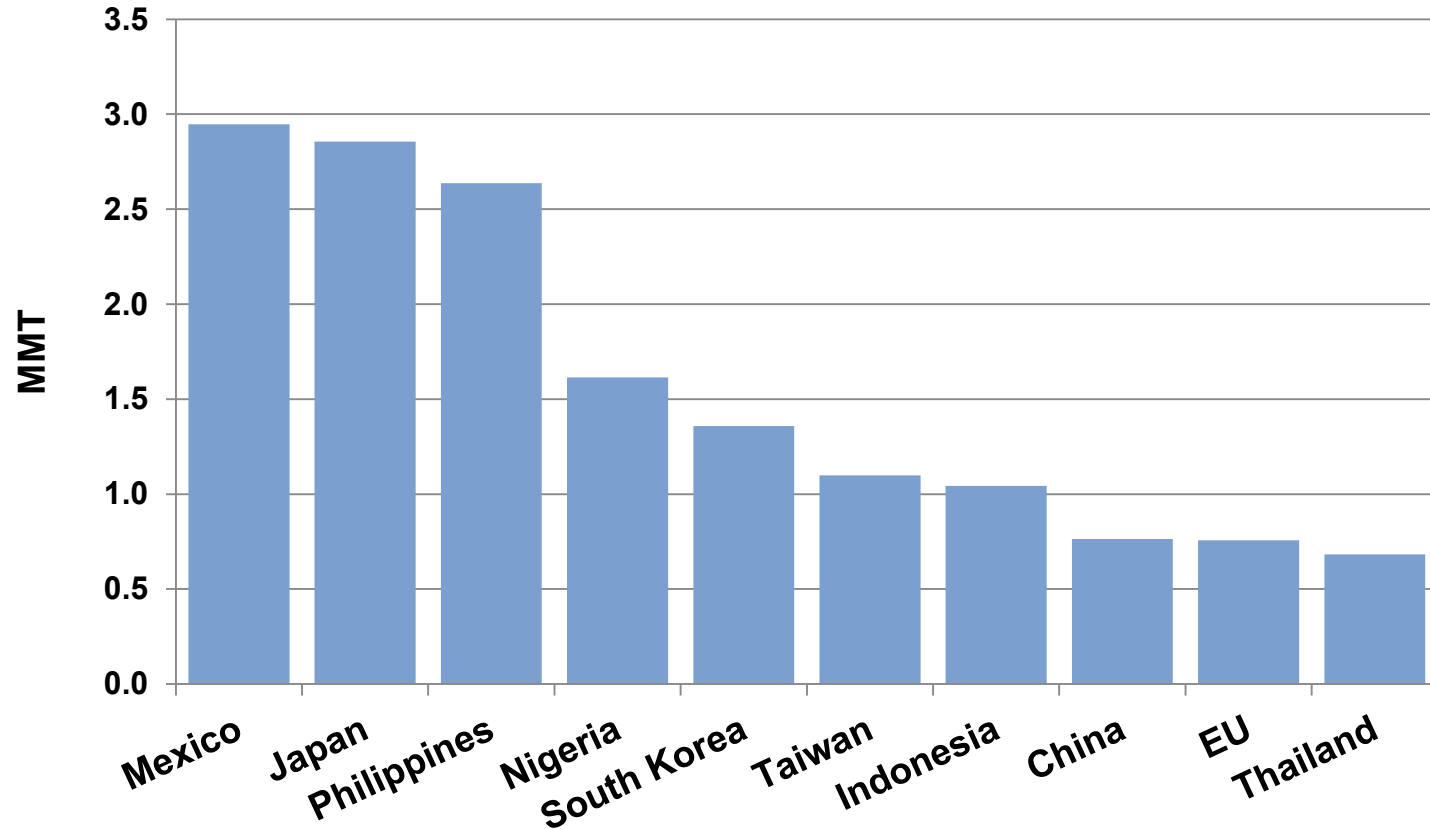
Major World Wheat Importers

(from all origins)



Top 10 Customers for U.S. Wheat

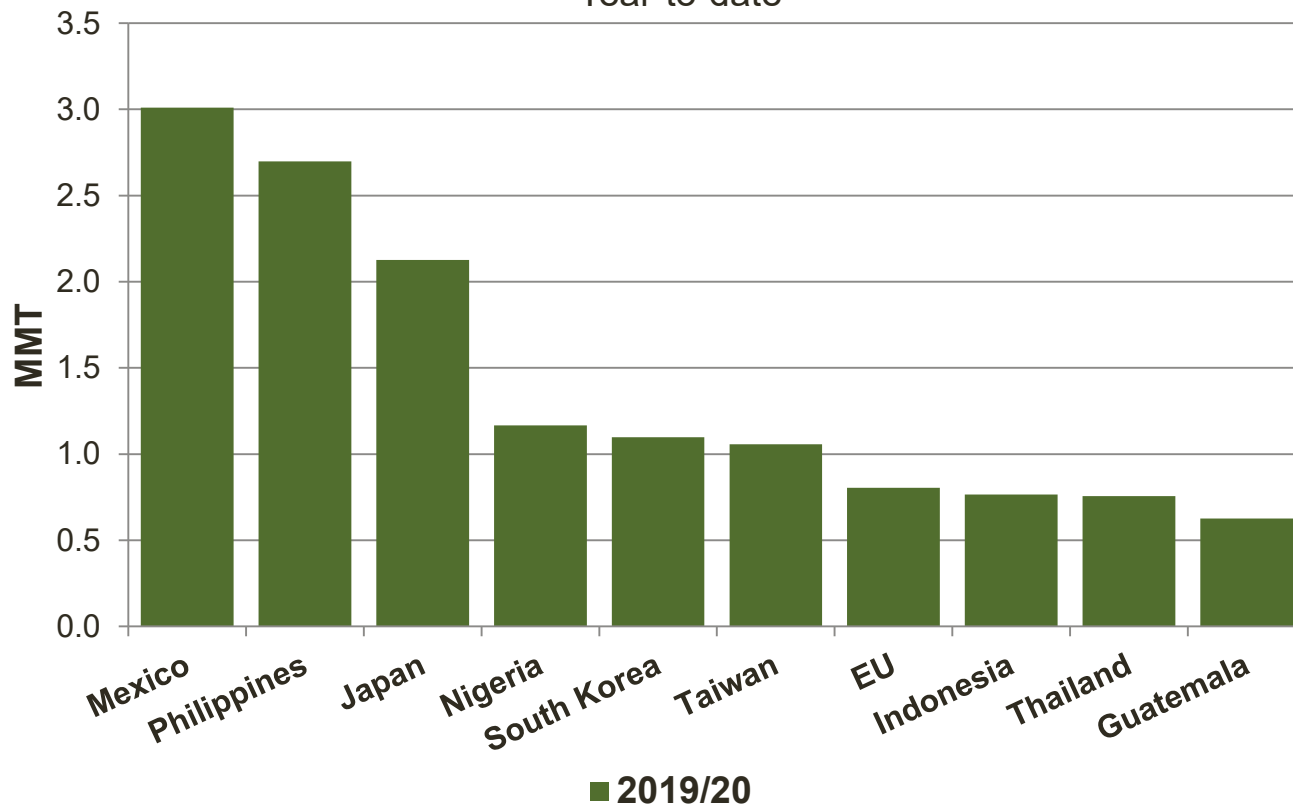
5-year average



Source: USDA FAS export sales data as of May 31, 2019

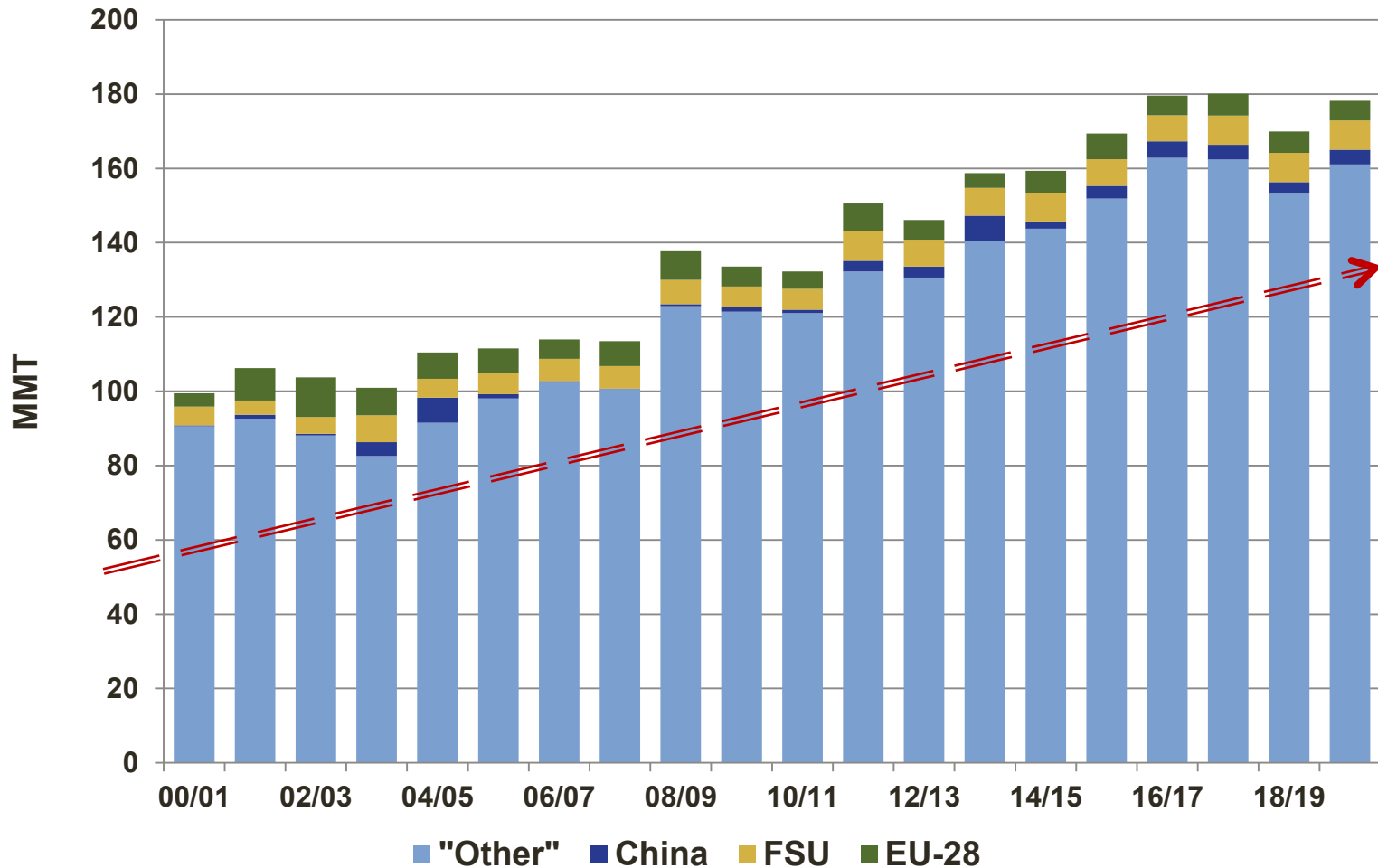
Top 10 Customers for U.S. Wheat

Year-to-date



Source: USDA FAS export sales data as of January 30, 2020. Due to the 2018-2019 U.S. government shutdown, there are no year-over-year commercial sales comparisons for this time period. All year-over-year comparisons will resume in the March 2020 report.

World Wheat Imports



Trend in "other" importers denoted (—>)



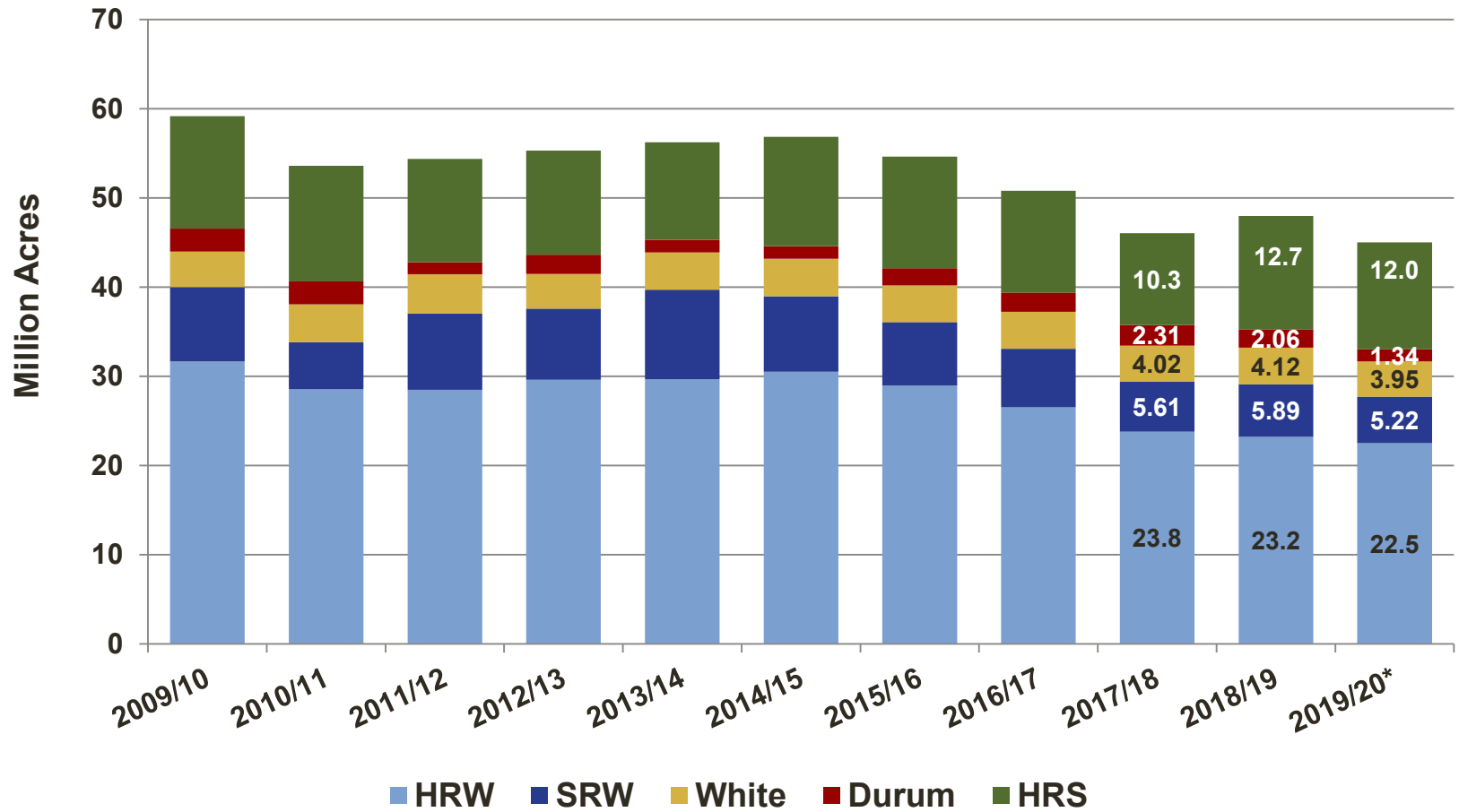
Major Exporters

Import Demand

U.S. Situation by Class

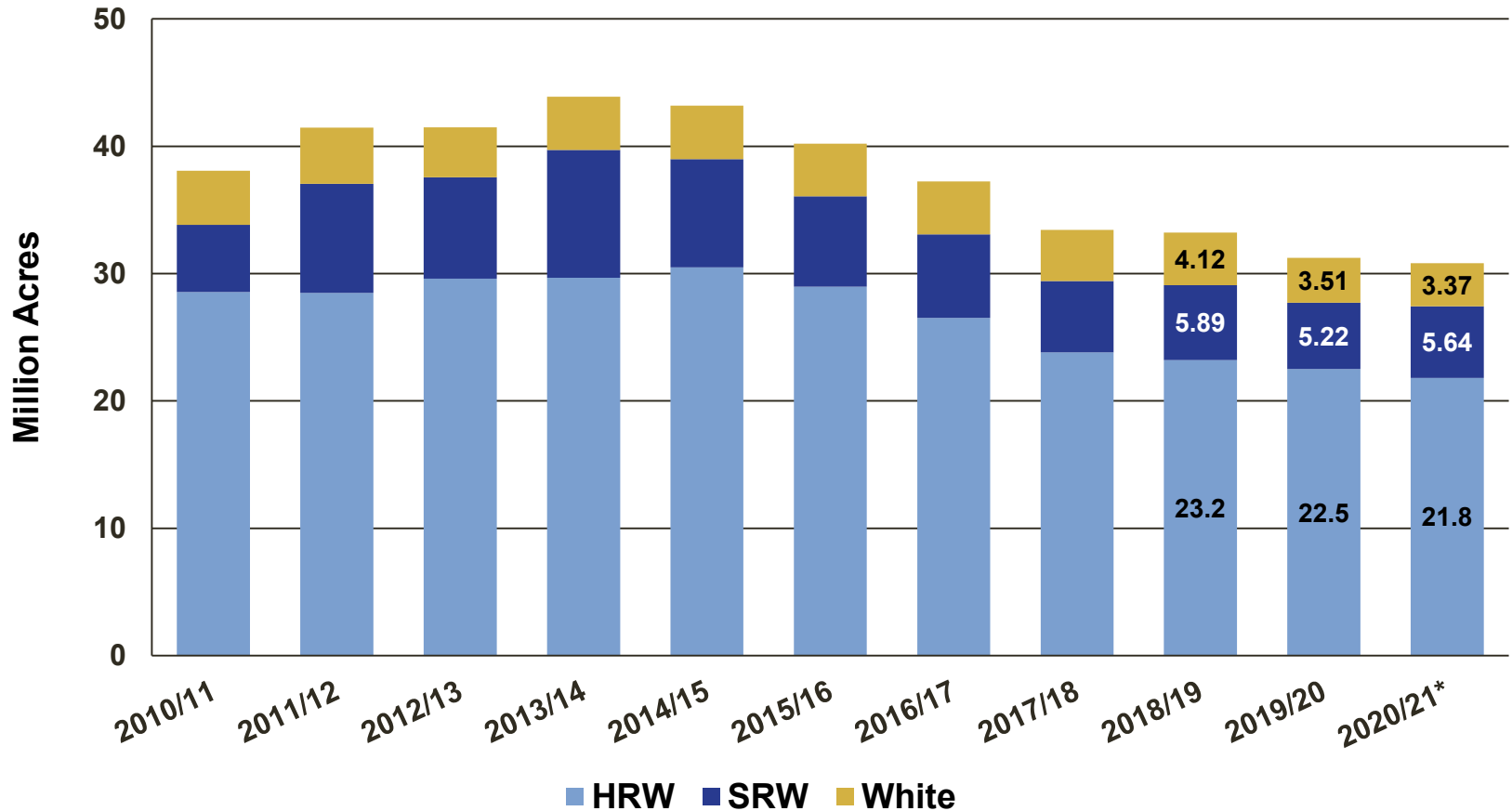
Outlook

U.S. Wheat Planted Area



**Source: USDA June 2019 Acreage Report, USDA September 2019 Small Grains Summary and USDA January 2020 Winter Wheat Seeding Report*

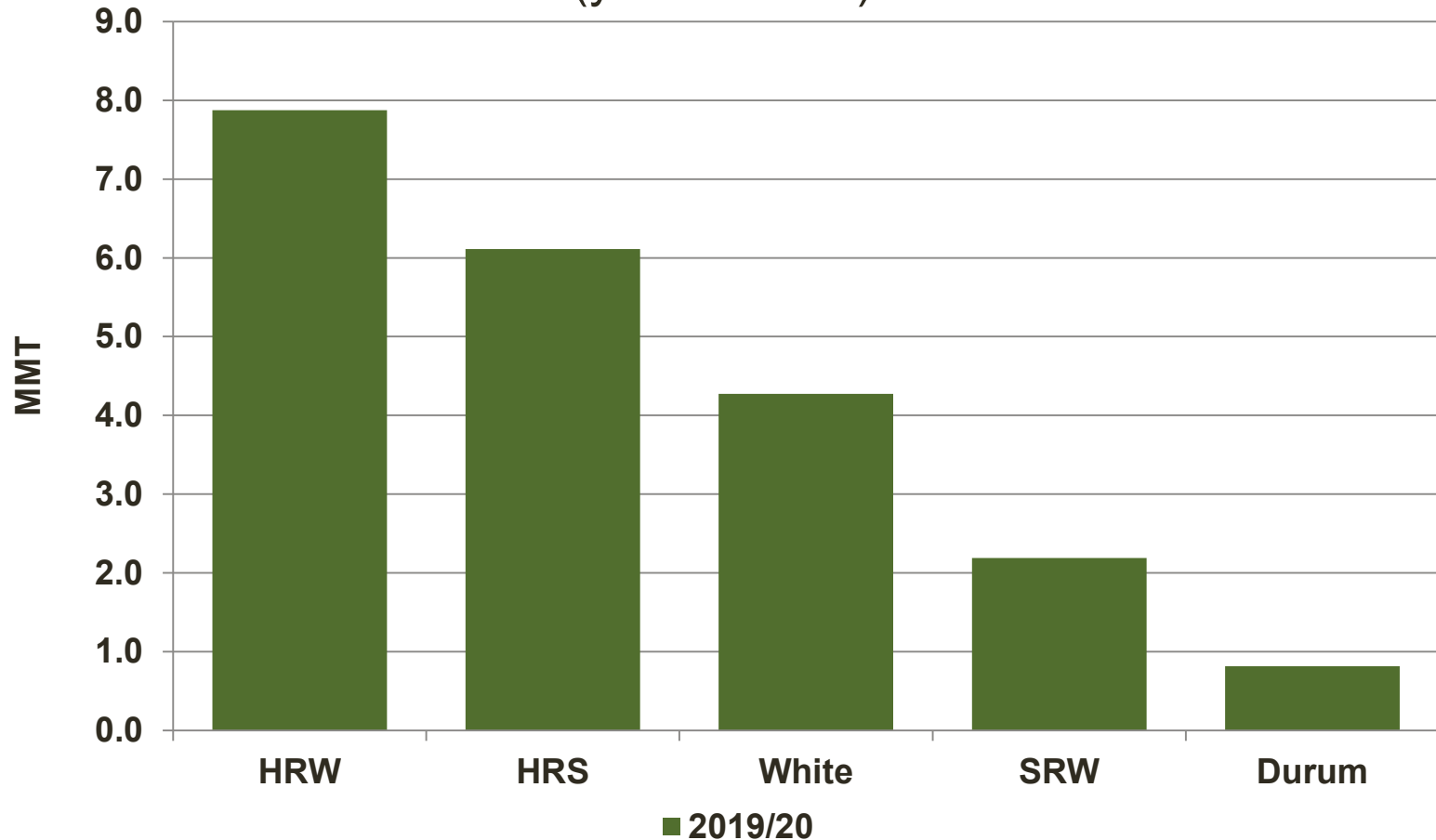
U.S. Winter Wheat Planted Area



*Source: USDA January 2020 Winter Wheat Seeding Report

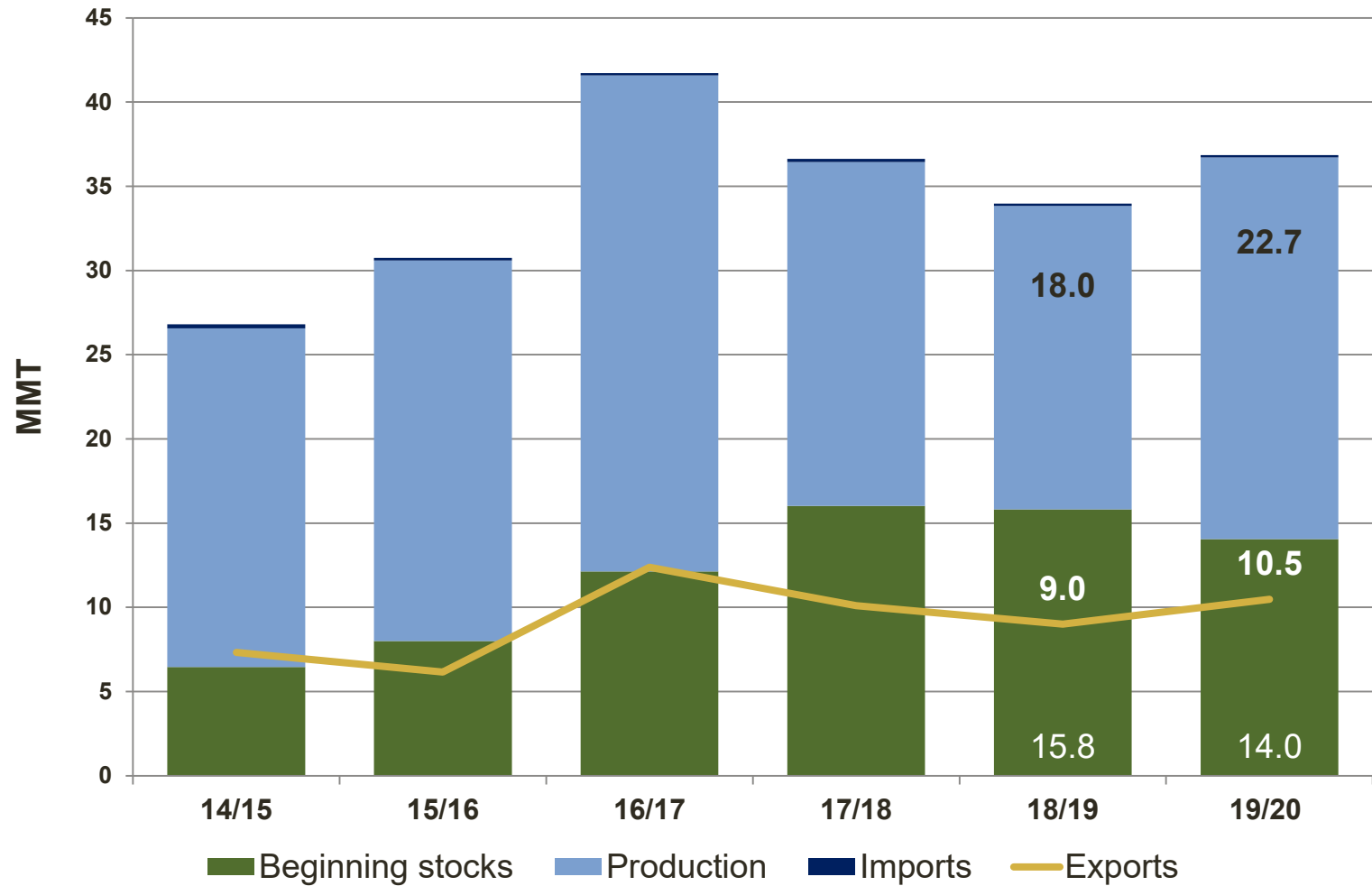
U.S. Wheat Sales by Class

(year-to-date)

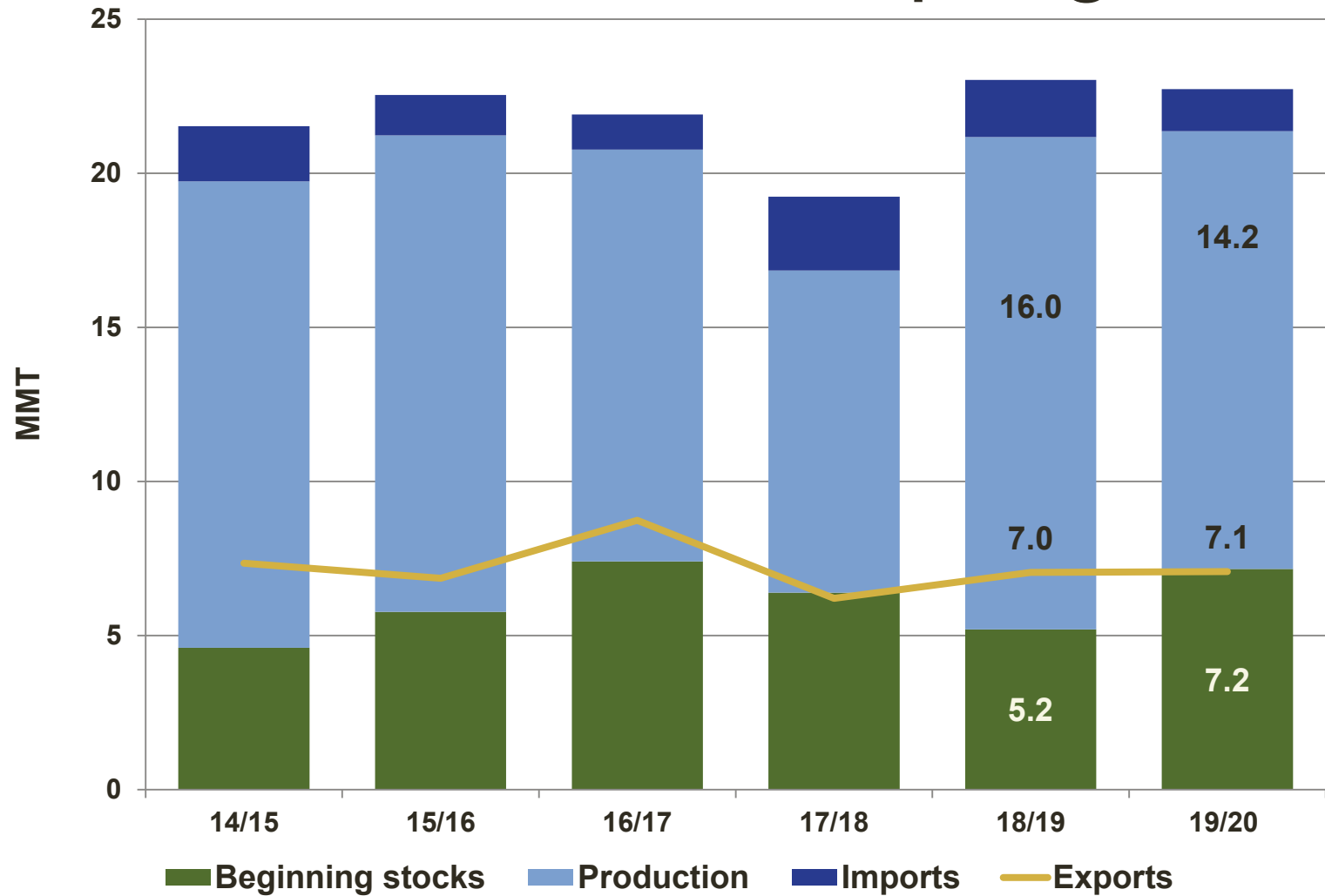


Source: USDA FAS export sales data as of January 30, 2020. Due to the 2018-2019 U.S. government shutdown, there are no year-over-year commercial sales comparisons for this time period. All year-over-year comparisons will resume in the March 2020 report.

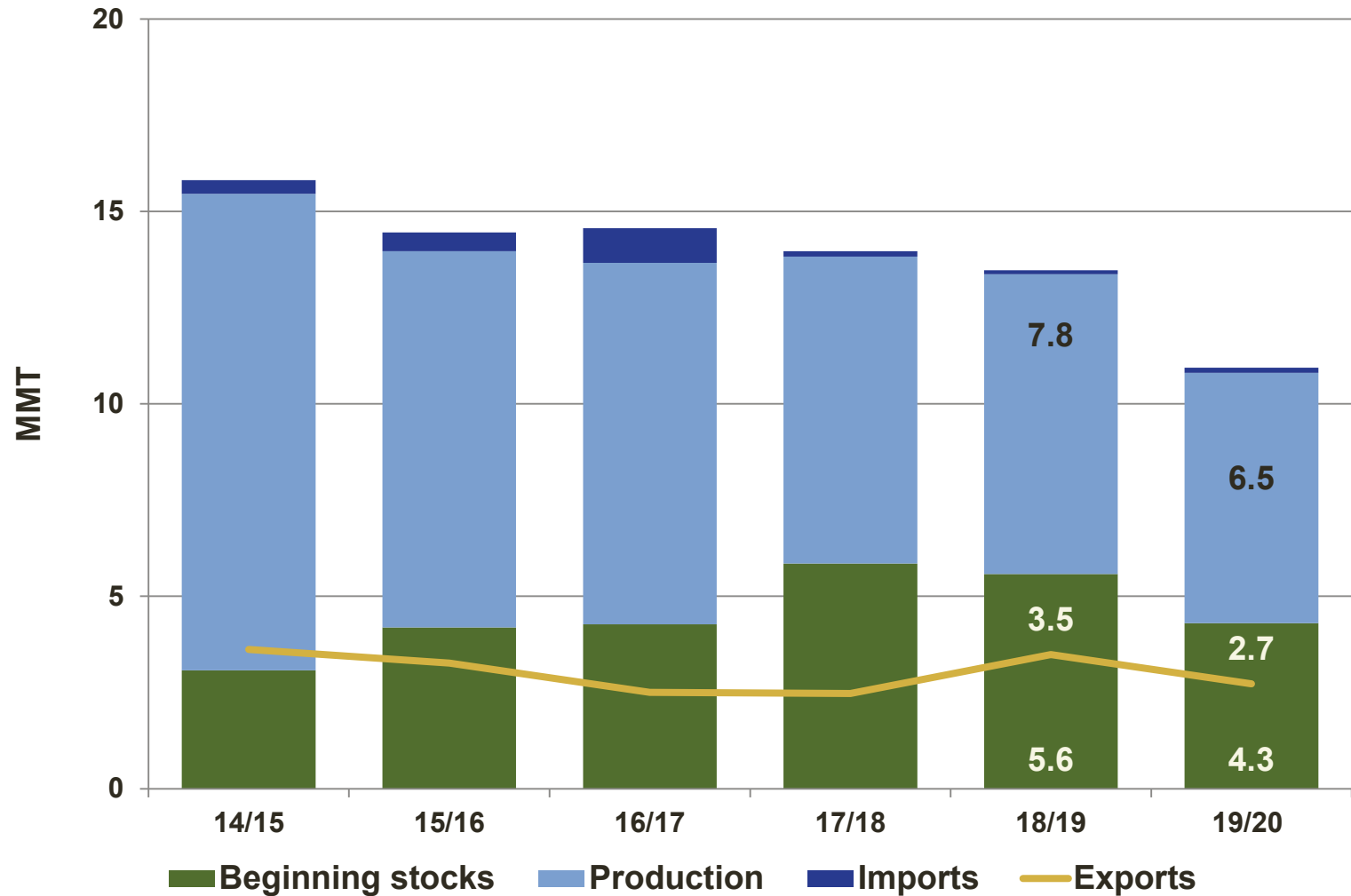
U.S. Hard Red Winter



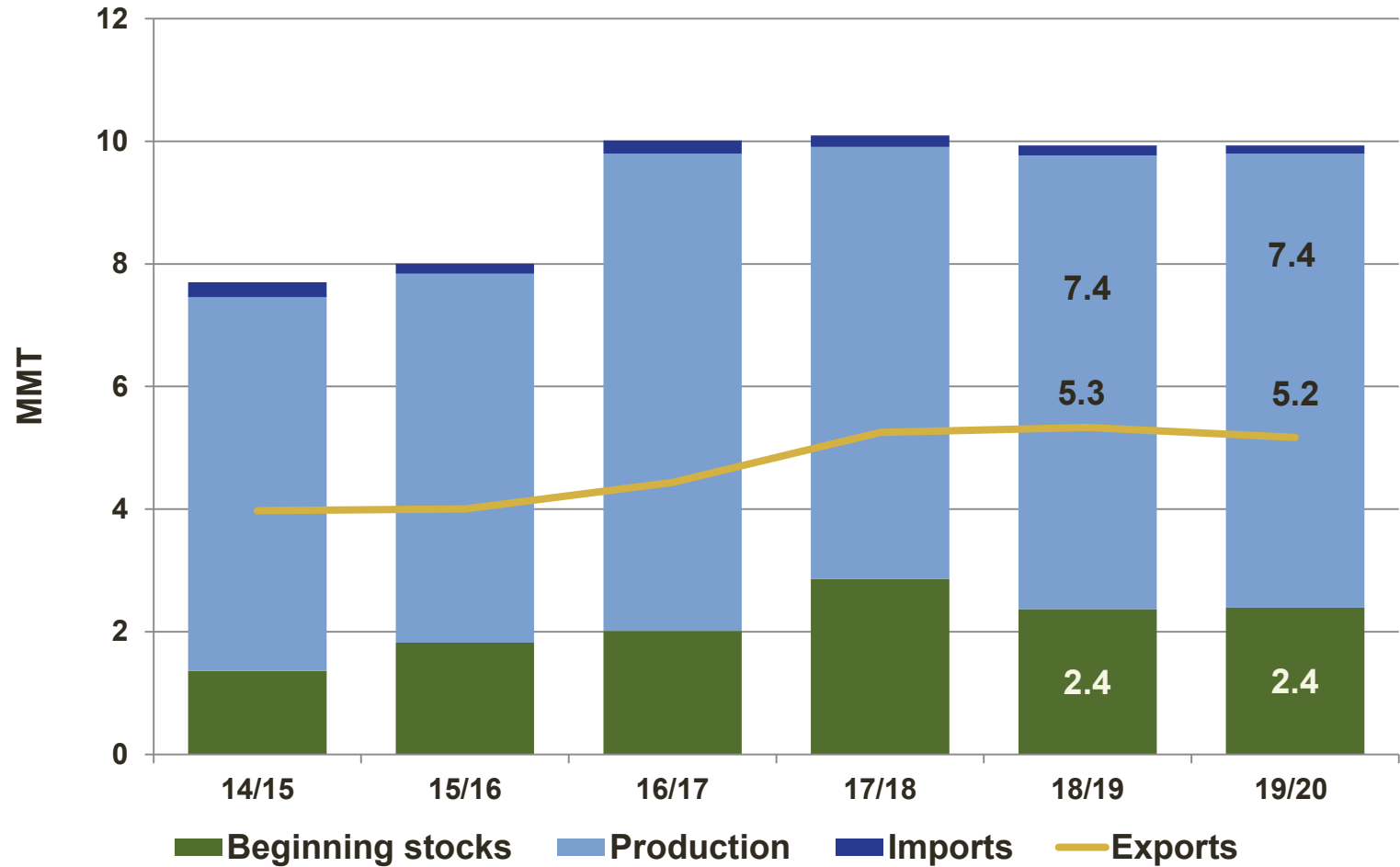
U.S. Hard Red Spring



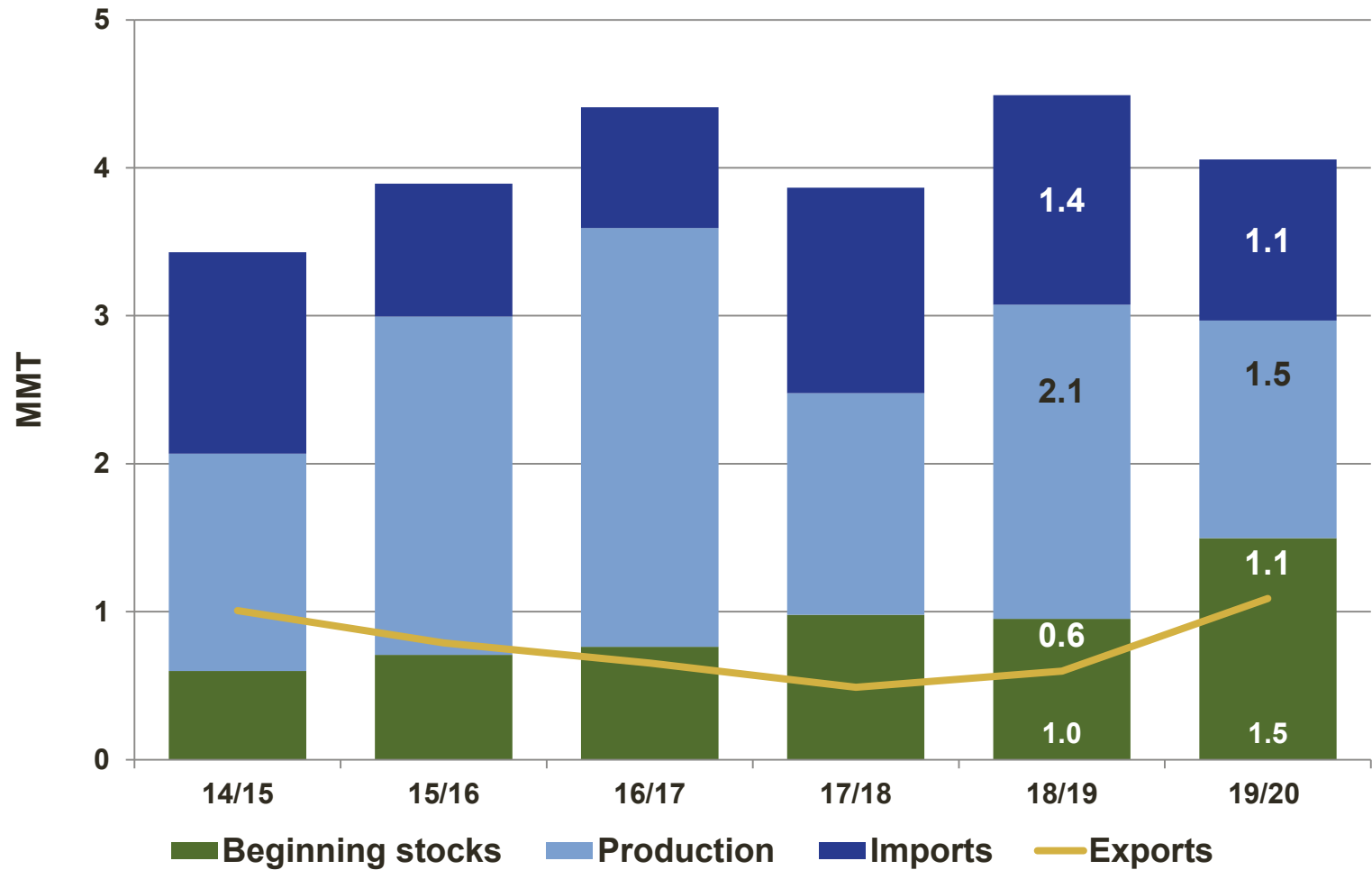
U.S. Soft Red Winter



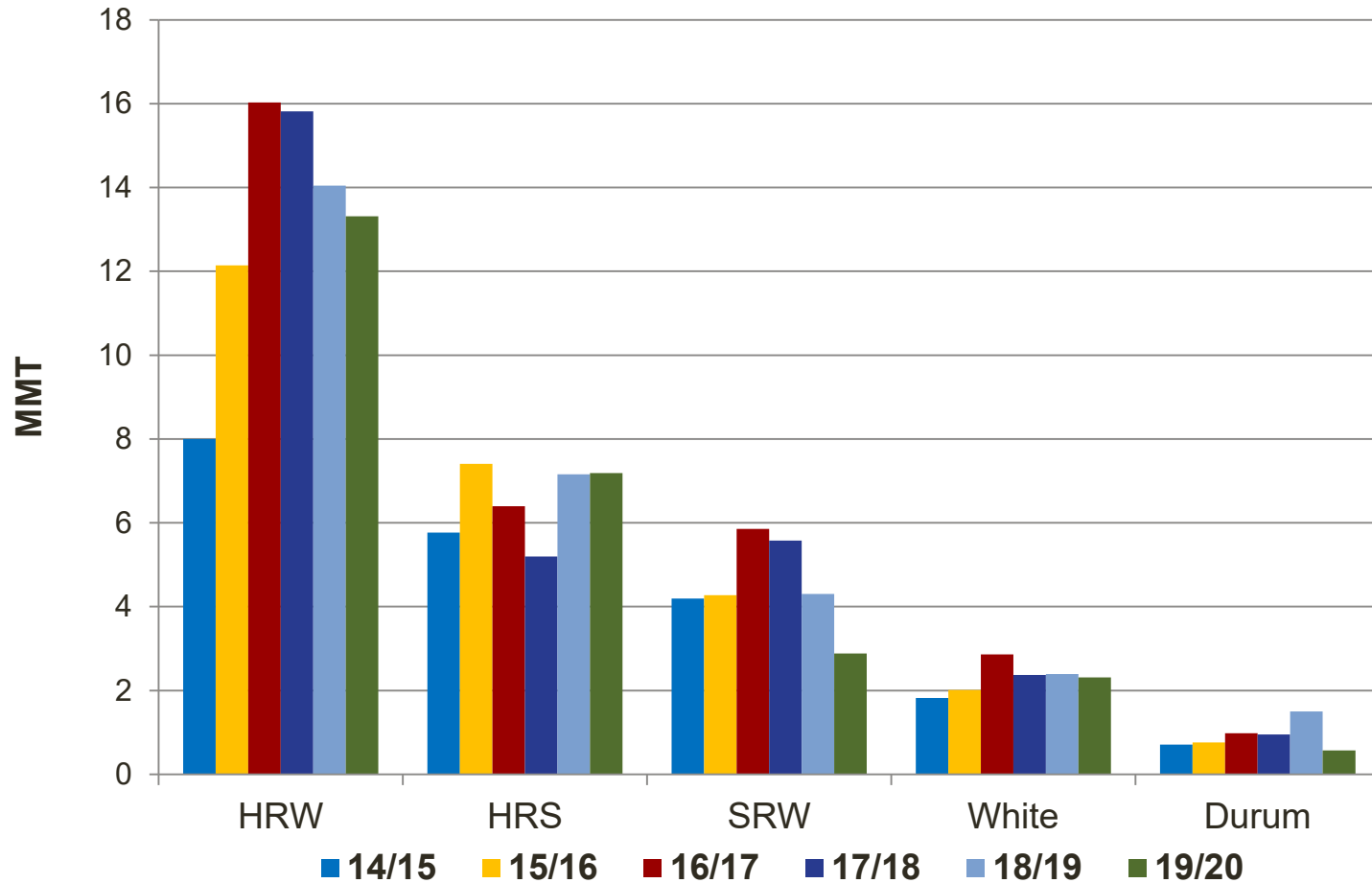
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



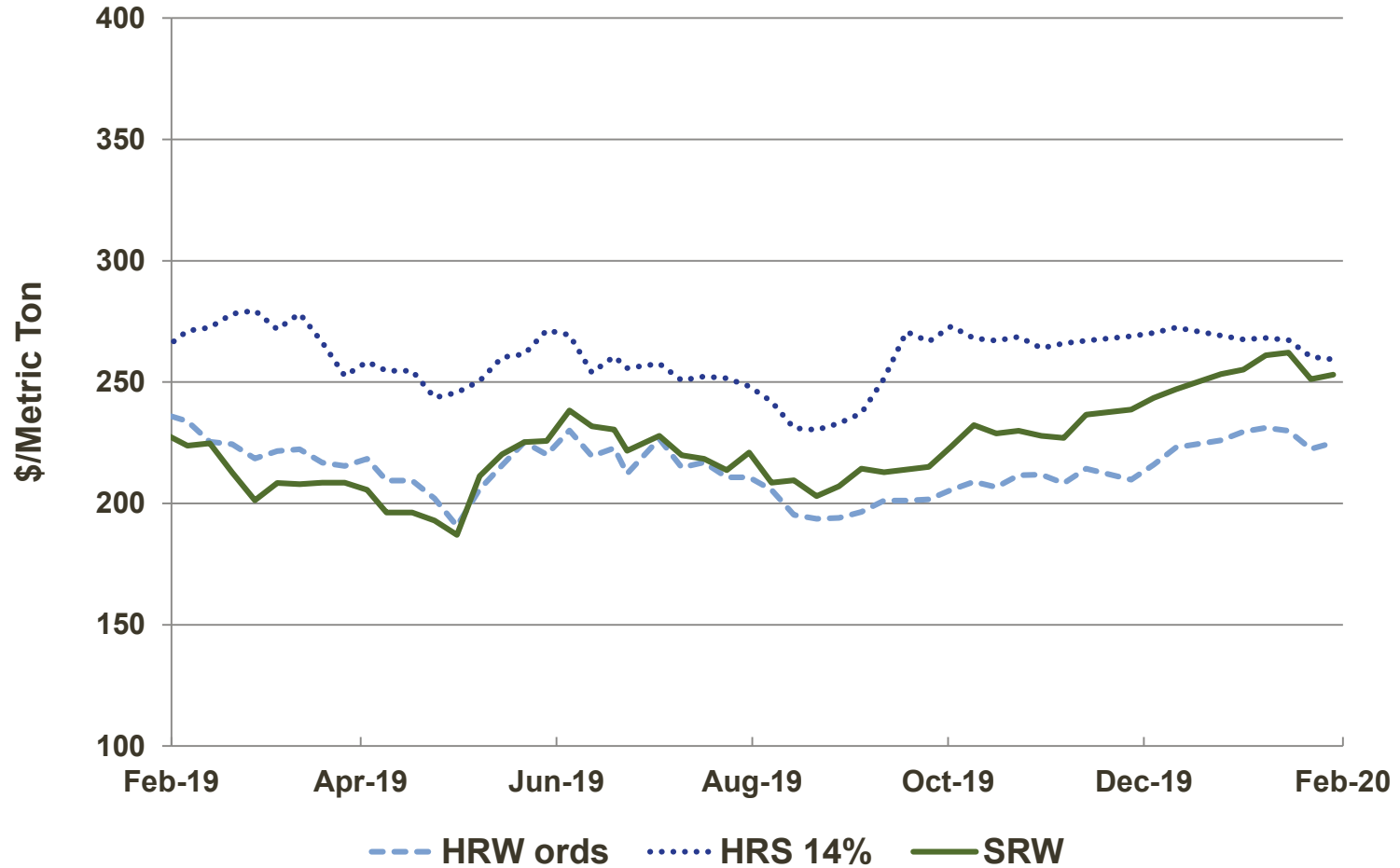
U.S. Wheat Supply and Demand (MMT)

	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	14.0	5.20	7.16	5.58	4.30
Production	18.0	22.7	16.0	14.2	7.78	6.50
Supply Total	34.0	36.9	23.0	22.7	13.47	10.9
Domestic Use	10.9	13.1	8.82	8.46	5.69	5.33
Exports	9.0	10.5	7.05	7.08	3.48	2.72
Use Total	19.9	23.5	15.9	15.5	9.17	8.06
Ending Stocks	14.0	13.3	7.16	7.19	4.30	2.88
Stocks-to-Use	70%	57%	45%	46%	47%	36%

U.S. Wheat Supply and Demand (MMT)

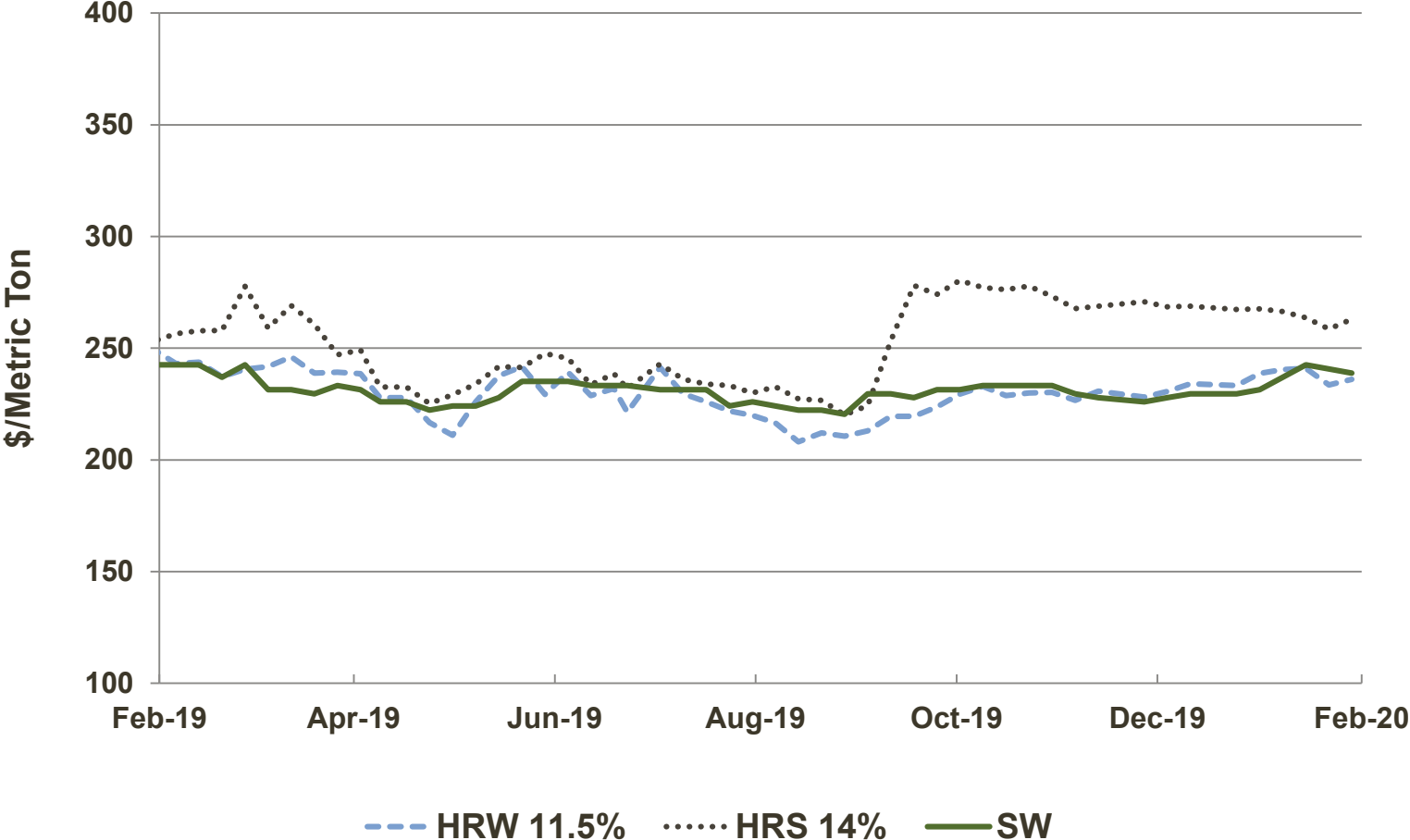
	White		Durum		Total	
	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>	<u>18/19</u>	<u>19/20</u>
Beginning Stocks	2.37	2.40	0.95	1.50	29.9	29.4
Production	7.40	7.40	2.12	1.47	51.3	52.3
Supply Total	9.9	9.93	4.49	4.06	84.9	84.5
Domestic Use	2.20	2.45	2.40	2.40	30.0	31.7
Exports	5.33	5.17	0.60	1.09	25.5	26.5
Use Total	7.54	7.62	2.99	3.48	55.5	58.2
Ending Stocks	2.40	2.31	1.50	0.57	29.4	26.3
Stocks-to-Use	32%	30%	50%	16%	53%	45%

U.S. FOB Gulf Prices



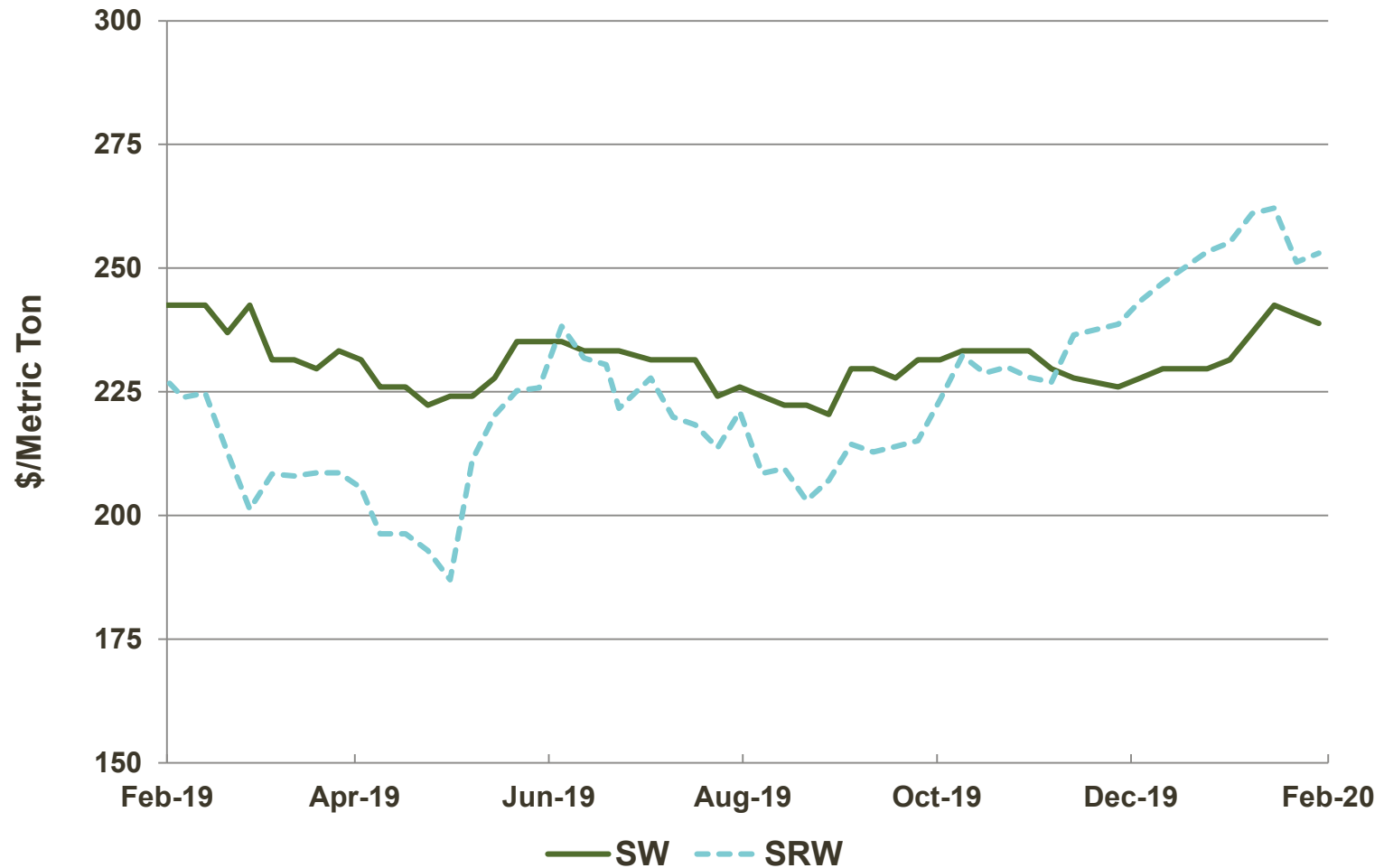
**Source: U.S. Wheat Associates Price Report, February 7, 2020*

U.S. FOB PNW Prices



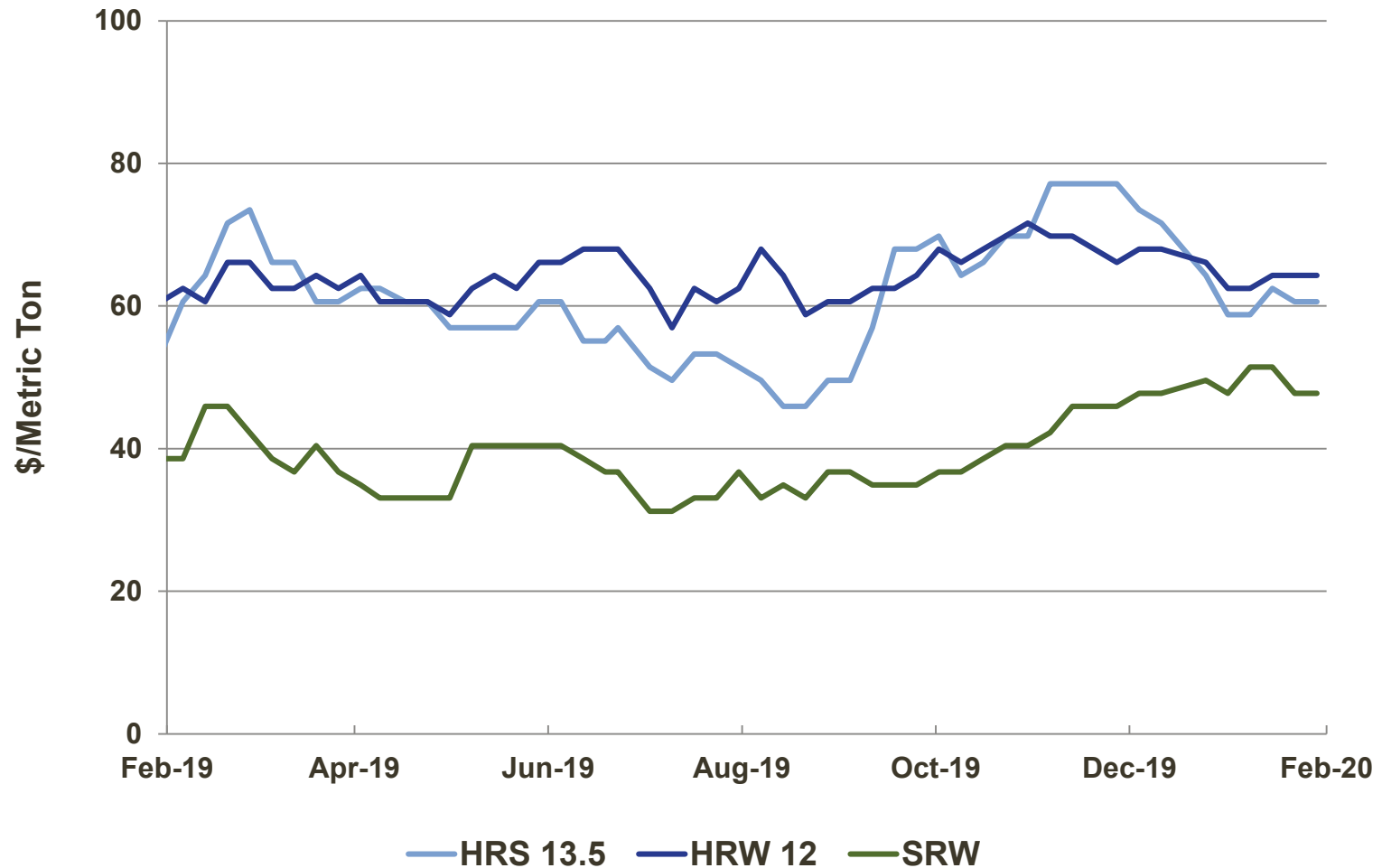
*Source: U.S. Wheat Associates Price Report, February 7, 2020

Soft White and SRW Prices



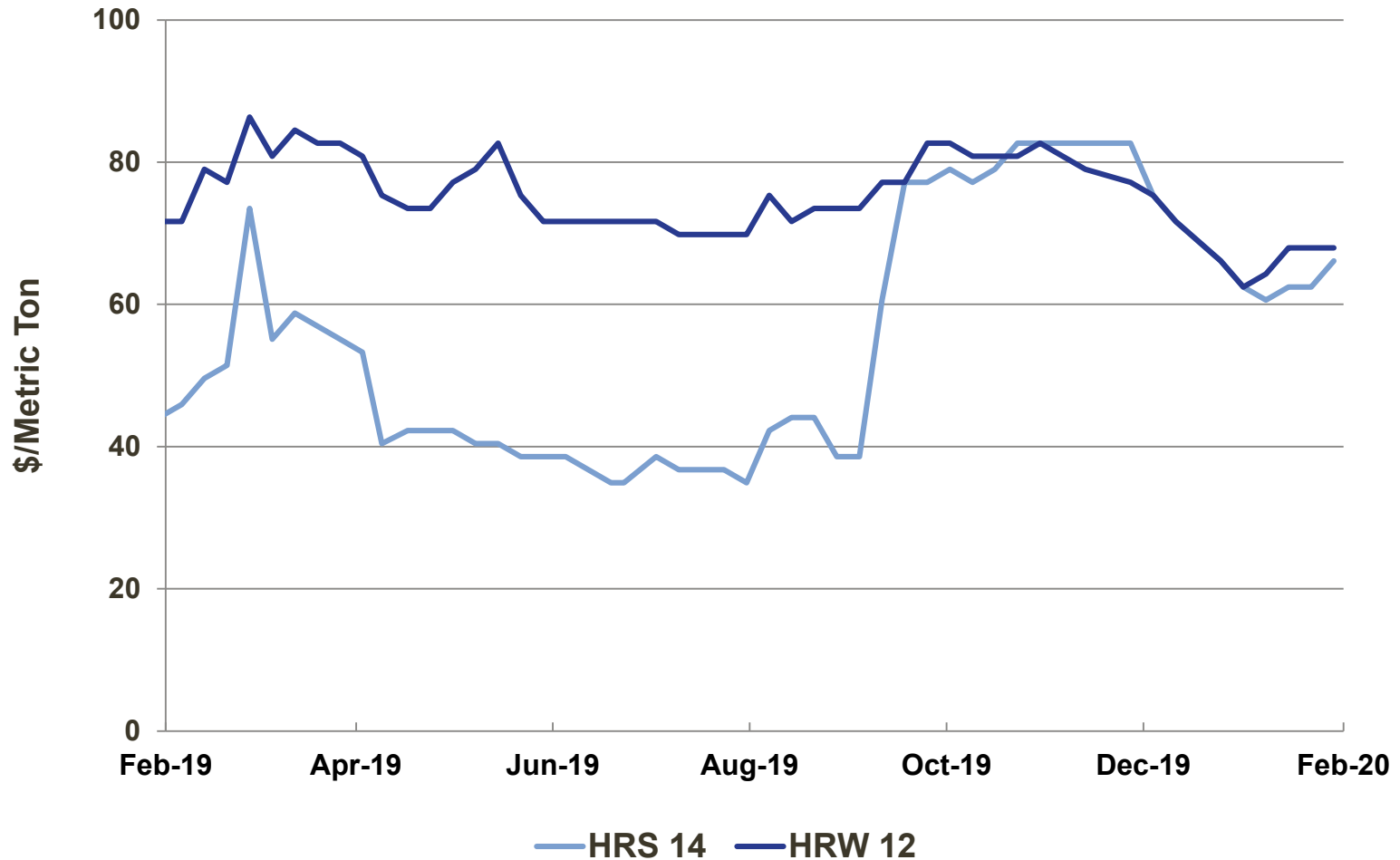
**Source: U.S. Wheat Associates Price Report, February 7, 2020*

U.S. Gulf Basis Prices



**Source: U.S. Wheat Associates Price Report, February 7, 2020*

U.S. PNW Basis Prices



**Source: U.S. Wheat Associates Price Report, February 7, 2020*



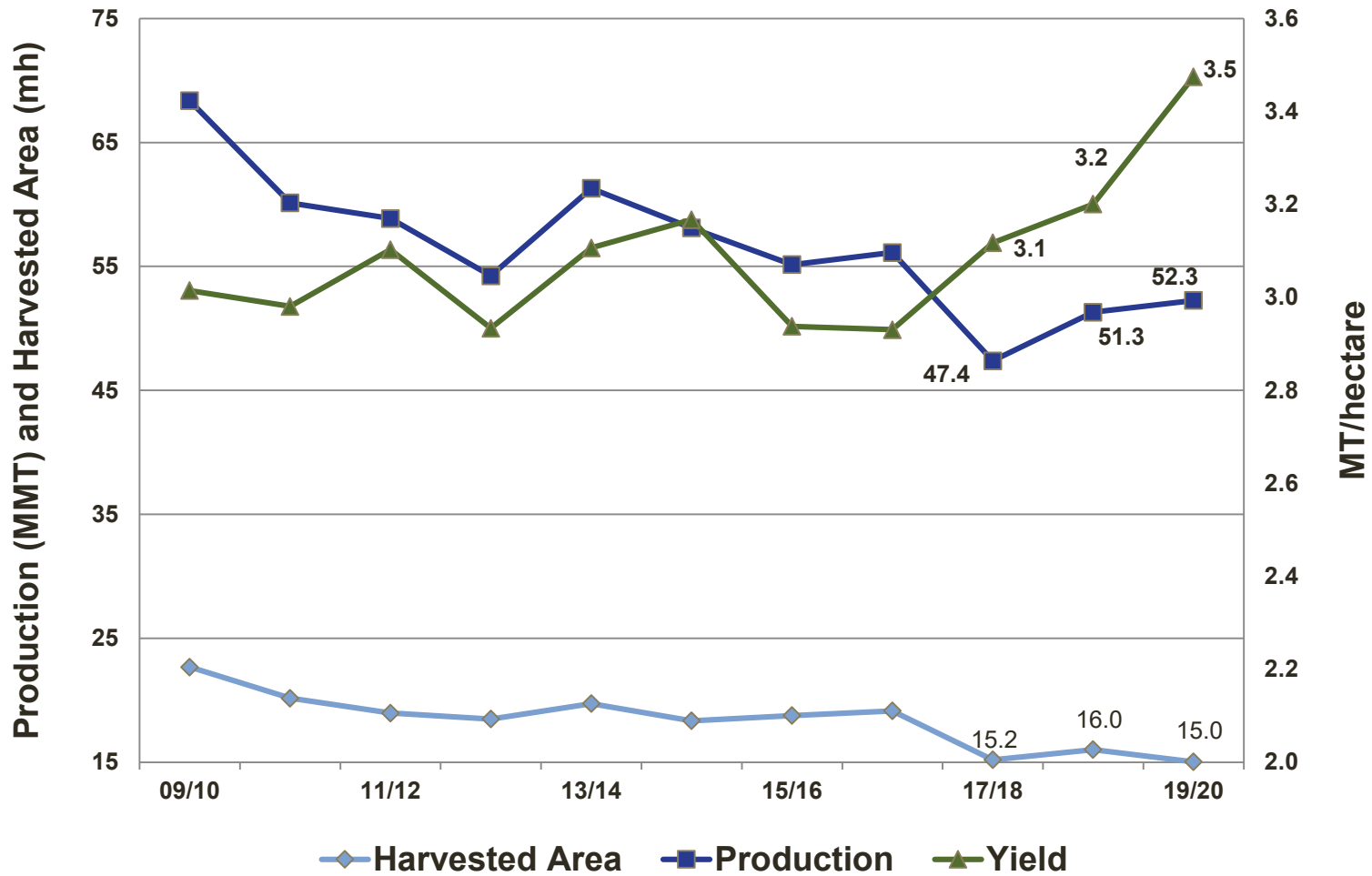
Major Exporters

Import Demand

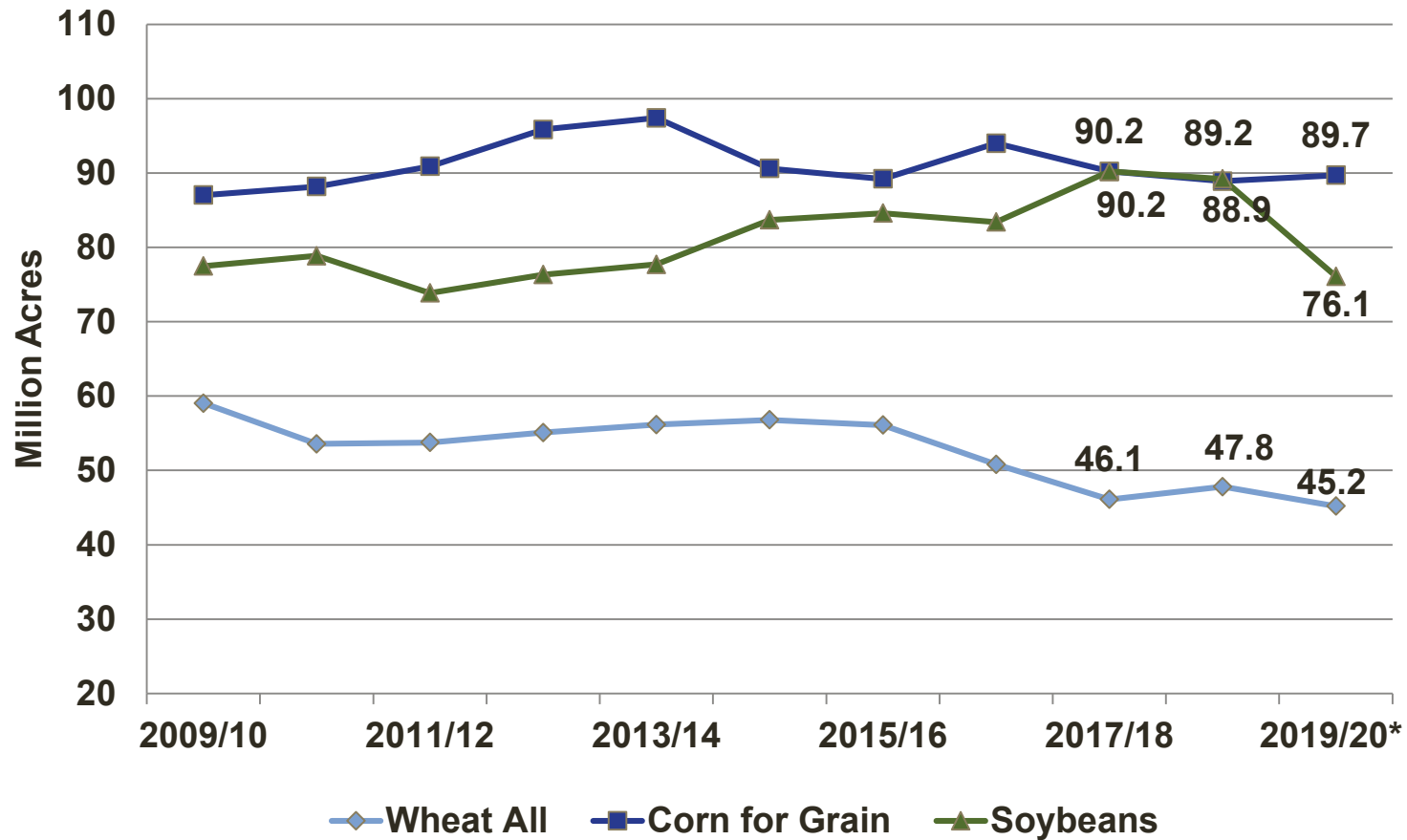
U.S. Situation by Class

Outlook

U.S. Wheat Production, Area and Yield

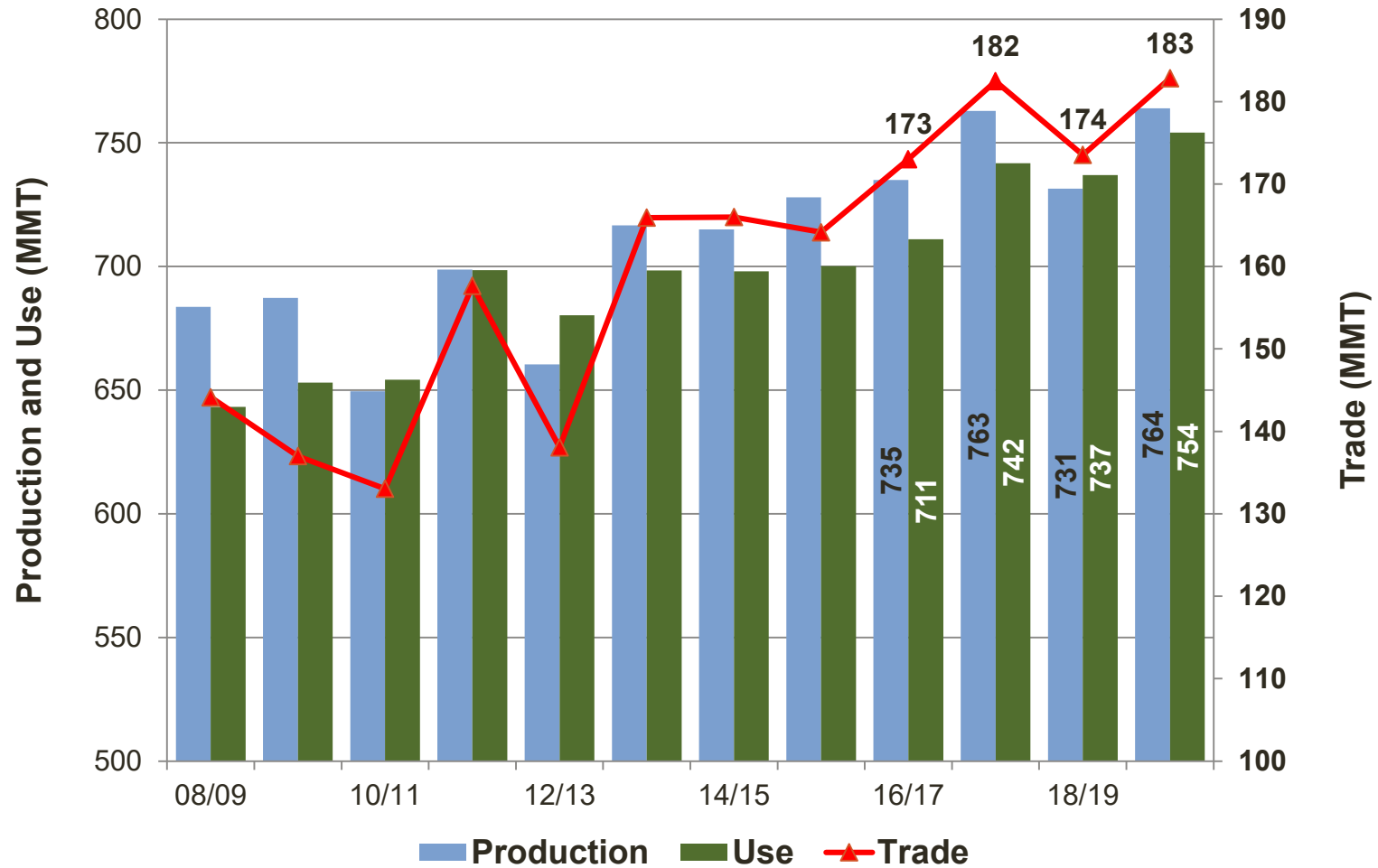


U.S. Crop Planted Area Comparison



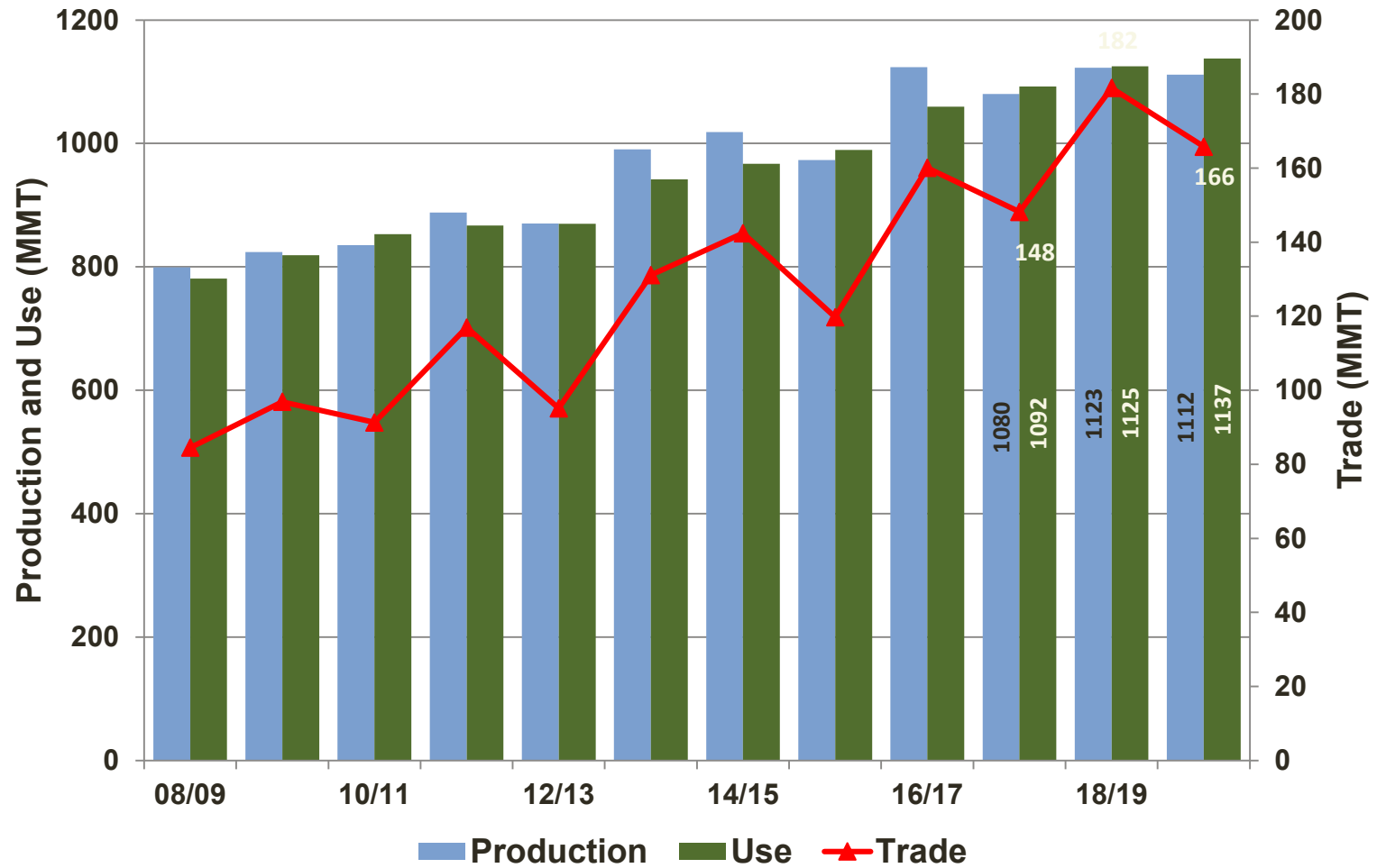
World Wheat

Production, Use and Trade



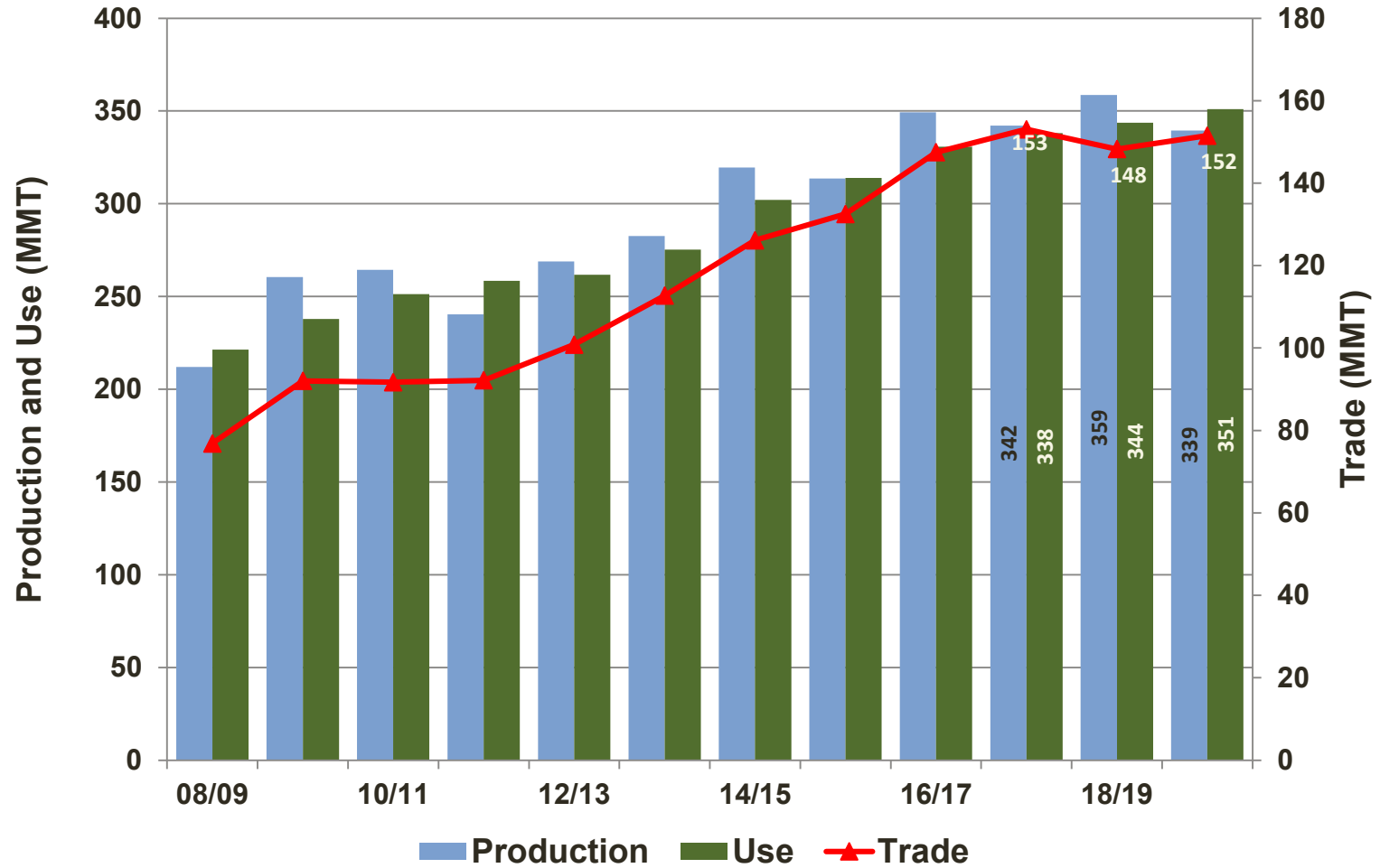
World Corn

Production, Use and Trade

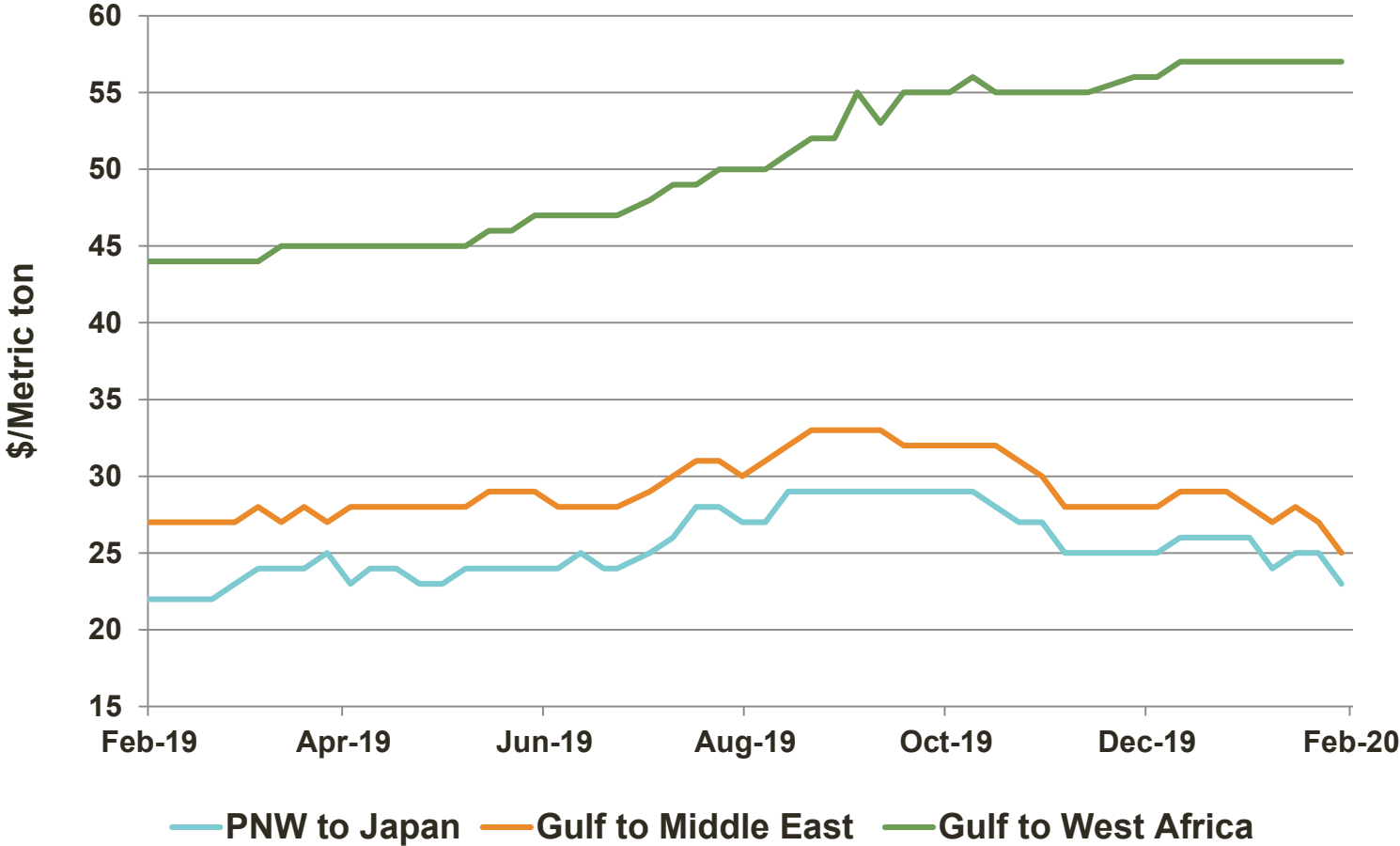


World Soybeans

Production, Use and Trade



Ocean Freight Rates for Grains



**Source: U.S. Wheat Associates Price Report, February 7, 2020*

Summary

- **Global production to reach a record 764 MMT**
 - Wheat production in Argentina and Australia to fall from last year to 19.0 MMT and 15.6 MMT, respectively
 - Ukrainian wheat production reached a record 29.0 MMT in 2019/20
 - U.S. wheat production rose 2% from last year to 52.2 MMT
- **Global ending stocks to rise to 288 MMT, 4% above 2018/19 and 12% higher than the 5-year average of 258 MMT**
 - Projected Indian ending stocks of 20.7 MMT are 18% higher than last year and 44% higher than the 5-year average
 - U.S. ending stocks to total 25.6 MMT, 15% lower than 2018/19 and 8% below the 5-year average
- **World consumption and trade both expected to exceed 2018/19 levels**
 - Total global wheat consumption to reach an all-time high of 754 MMT, 2% higher than last year and 4% higher than the 5-year average
 - Total global trade to reach 183 MMT, 6% higher than 2018/19
 - U.S. 2019/20 domestic consumption to increase 5% year-over-year to 31.7 MMT and exports to rise 7% from 2018/19 to 27.2 MMT