

World Wheat Supply and Demand Situation

May 2020

Major data source: USDA World Agricultural Supply and Demand Estimates released May 12, 2020, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.



Highlights of USDA's 2020/21 Supply and Demand Estimates

- **2020/21 global wheat production to jump to record of 768 MMT**
 - Wheat production in Russia to jump 5% from 2019/20 to 77.0 MMT
 - European Union (EU) wheat production to fall 7% from last year to 143 MMT on overly wet weather during fall 2019 planting and overly dry weather during spring 2020
 - U.S. wheat production to decrease 3% from last year to 50.8 MMT as lower yields are expected to offset increased harvested area
- **Global consumption forecast at 753 MMT, the highest on record**
 - Egyptian domestic consumption to reach a record 20.8 MMT, up 5% from the 5-year average
 - Domestic consumption in China to reach a record 130 MMT, up 7% from the 5-year average
 - U.S. domestic consumption to decrease to 30.6 MMT, down 3% from last year
- **World wheat trade to jump to record 188 MMT, up 3% year-over-year**
 - Exports from Russia to rebound 5% from last year to 33.0 MMT
 - Australian wheat exports to jump 83% from 2019/20 to 15.0 MMT as beneficial rains are expected to boost production following last year's drought
 - U.S. 2020/21 exports to fall to 25.6 MMT, 2% below the 2019/20 estimate of 26.4 MMT



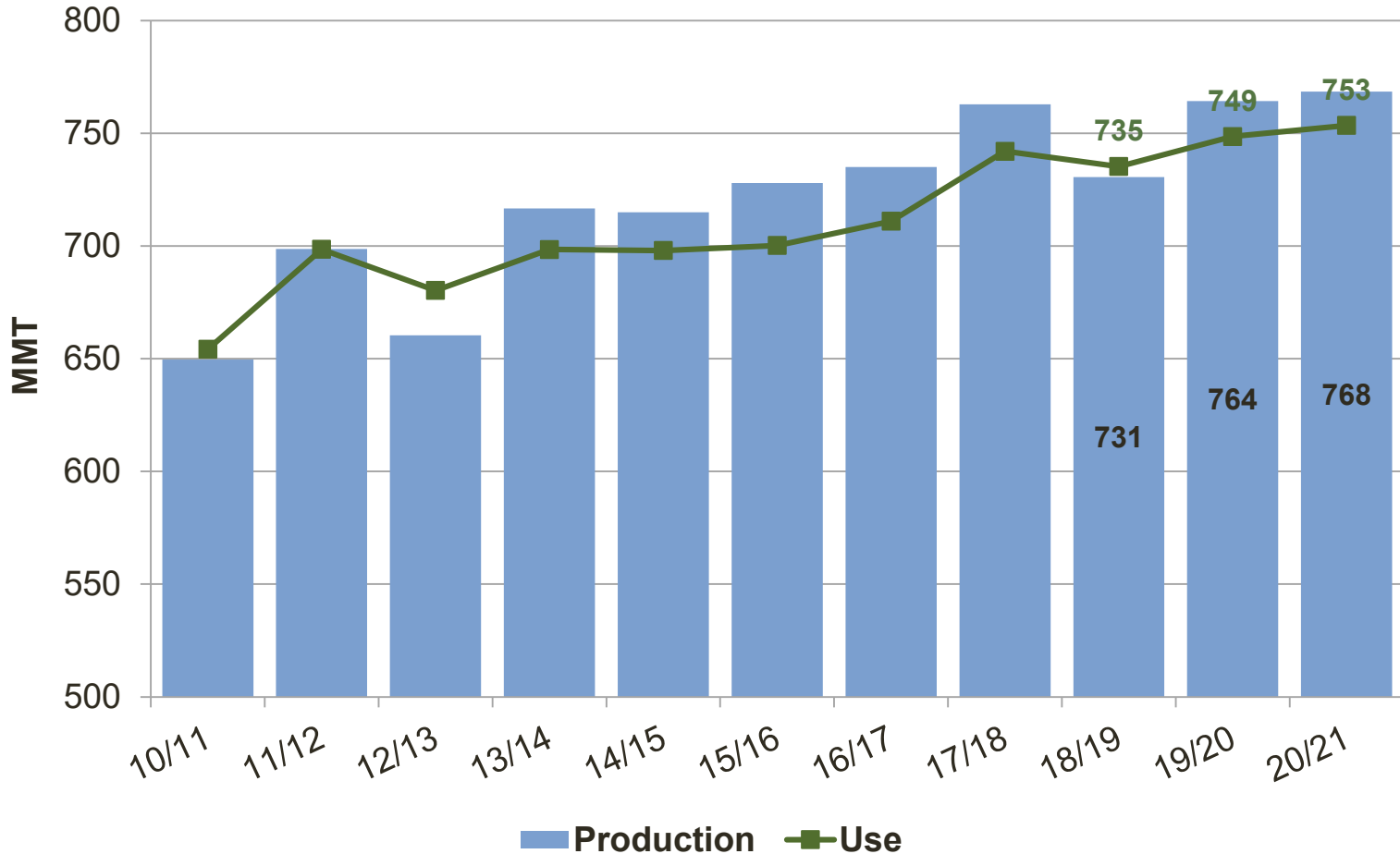
Highlights of USDA's 2020/21 Supply and Demand Estimates

- **World beginning stocks to jump 6% from 2019/20 to 295 MMT, 14% greater than the 5-year average**
 - Expected Chinese beginning stocks of 150 MMT are 34% higher than the 5-year average and make up 51% of the global total
 - Indian beginning stocks to jump to a record 24.0 MMT, 67% greater than the 5-year average
 - U.S. 2020/21 beginning stocks to drop 9% year-over-year to 26.6 MMT, but are still forecast to make up 43% of all major exporter beginning stocks
- **Global ending stocks projected at record 310 MMT, 5% higher than last year and 14% greater than the 5-year average**
 - Projected Russian ending stocks to jump 24% from last year to 10.3 MMT
 - Expected Chinese ending stocks to reach a record 160 MMT, 7% greater than last year and 27% more than the 5-year average
 - U.S. ending stocks are expected to decrease 7% from last year to 24.7 MMT, the lowest in 6 years
- **U.S. wheat farm gate price to remain stable year-over-year***
 - The average farm gate price of wheat in 2020/21 is forecast to hold steady at \$4.60/bu (\$169/MT)

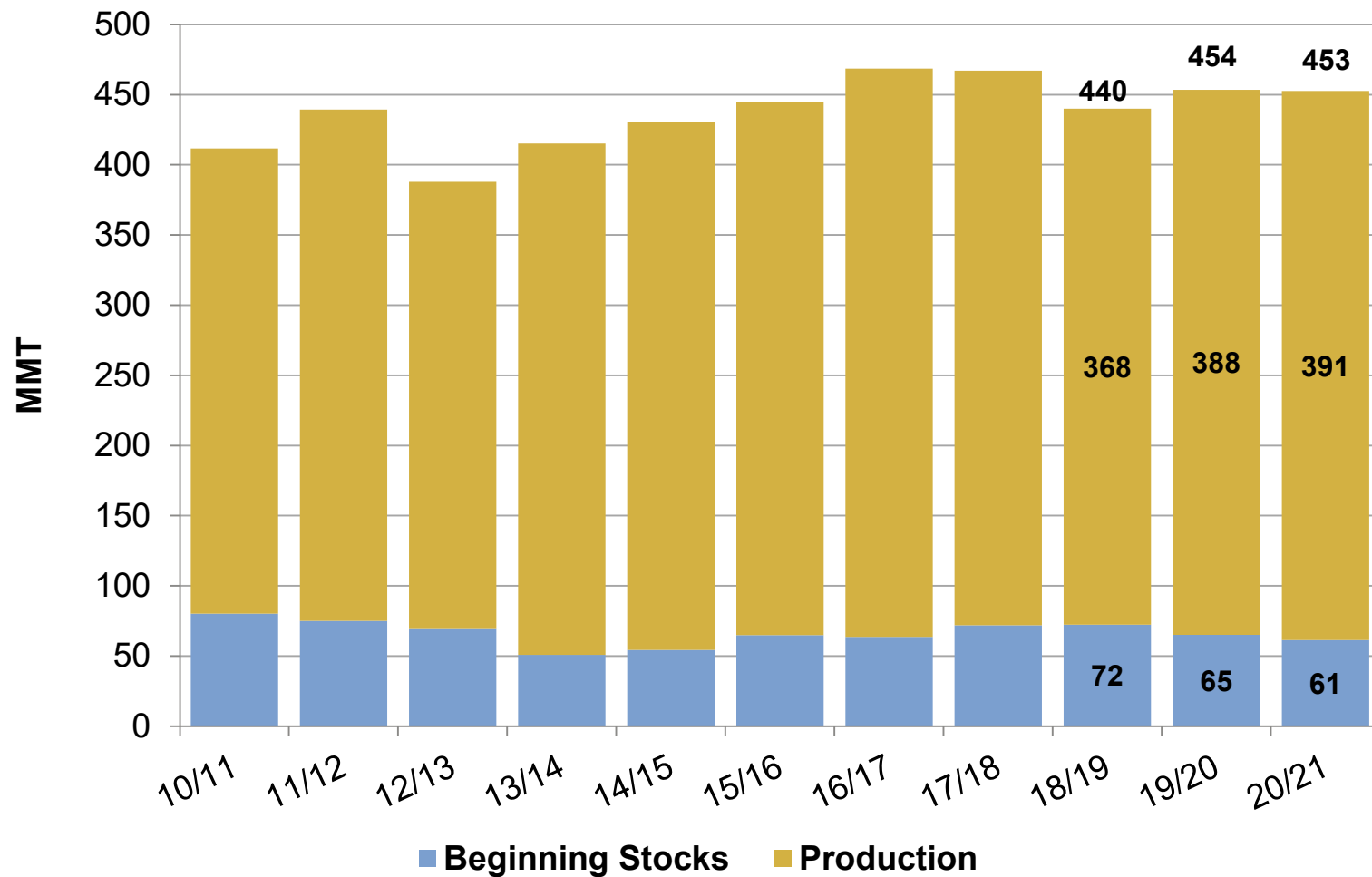
**Average U.S. farm gate price, marketing year weighted average*



World Production and Use



Supplies in Top Exporting Countries*



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

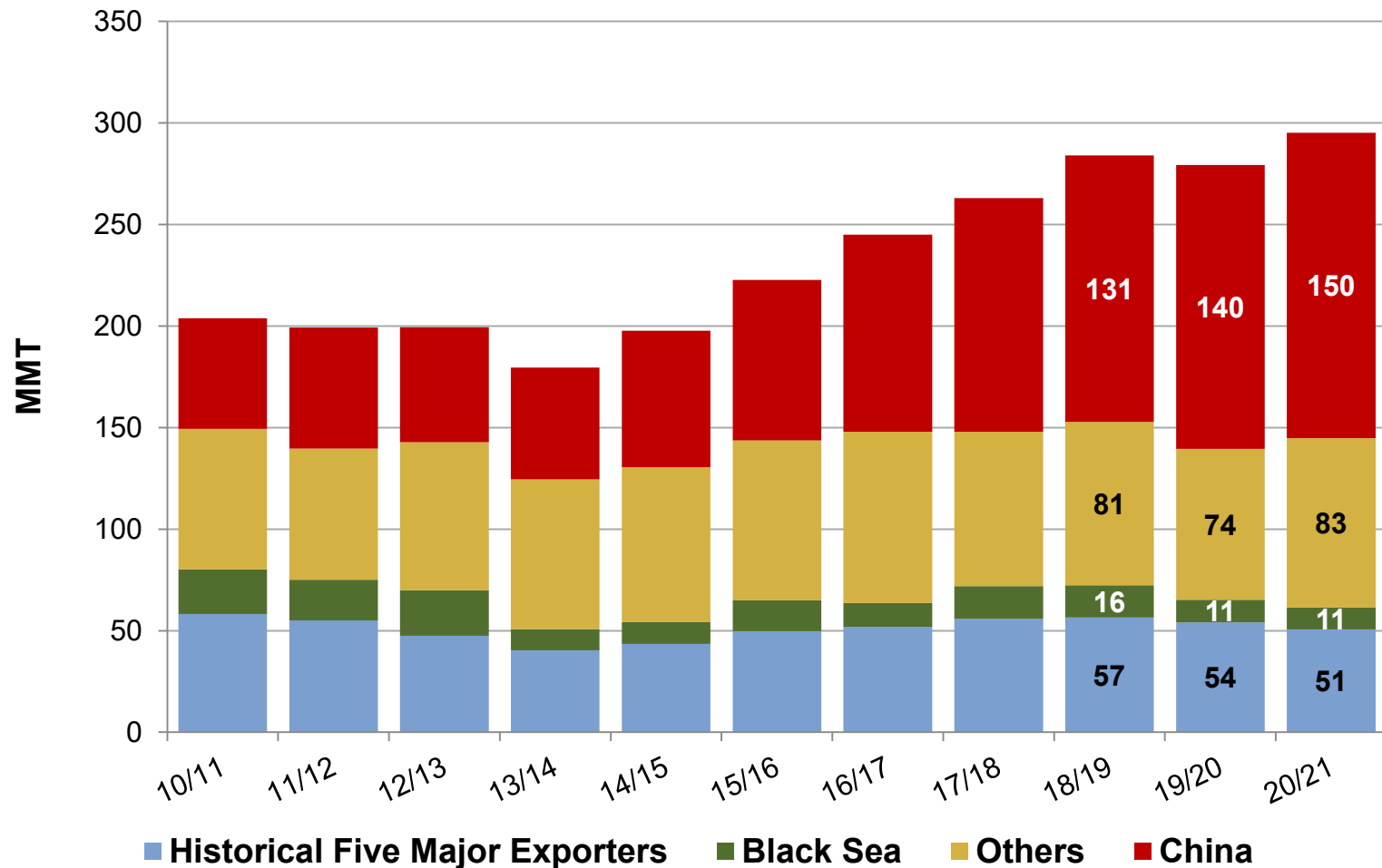
World Wheat Supply and Demand (MMT)

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
SUPPLY:			
Beginning Stocks	284	279	295
Production	731	764	768
Supply Total	1015	1044	1064
Ending Stocks	279	295	310
TRADE:			
Exports/Imports	174	183	188
DEMAND:			
Food & Seed	596	605	616
Feed & Residual	140	143	137
Use Total	735	749	753



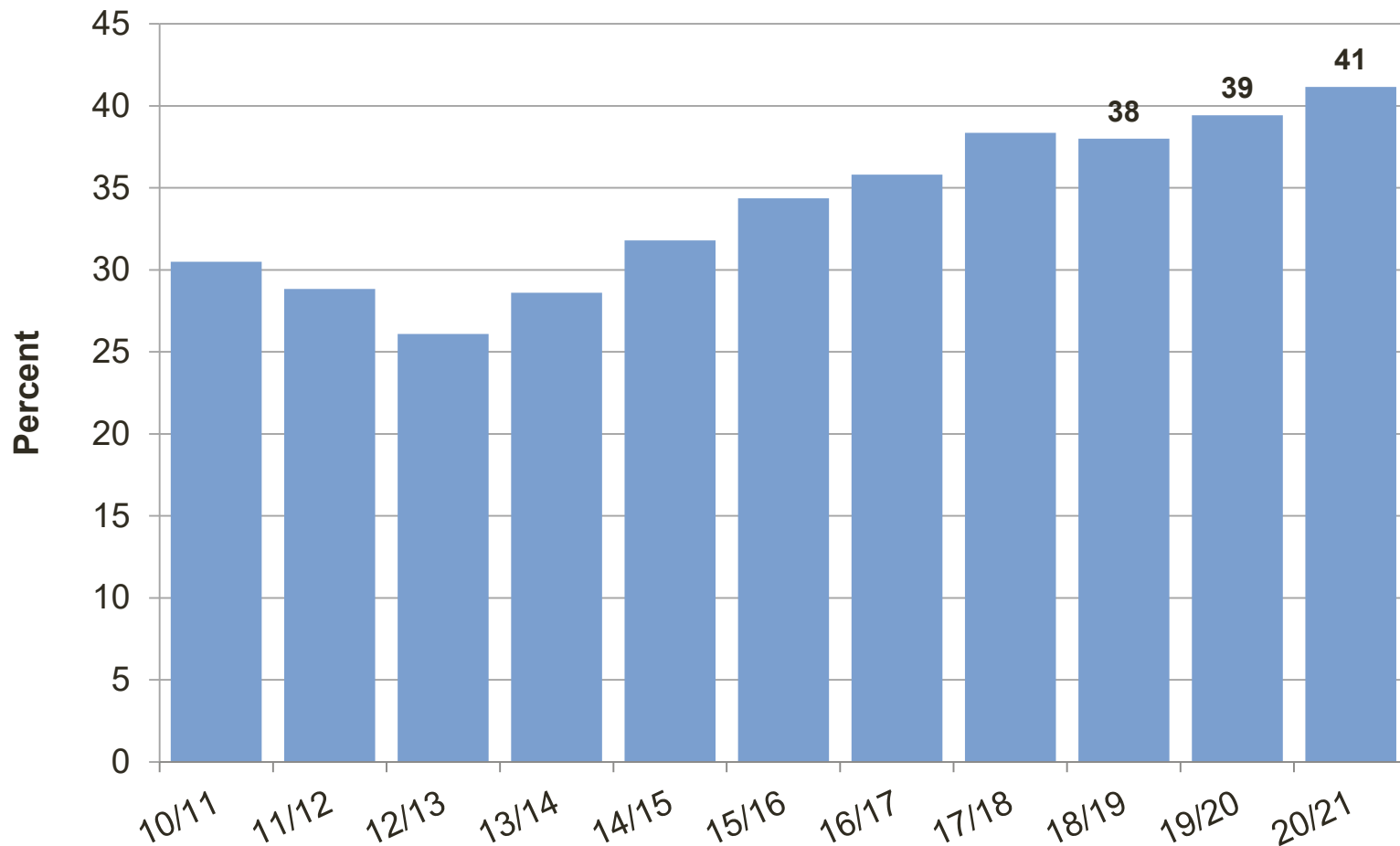
U.S. WHEAT
ASSOCIATES

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



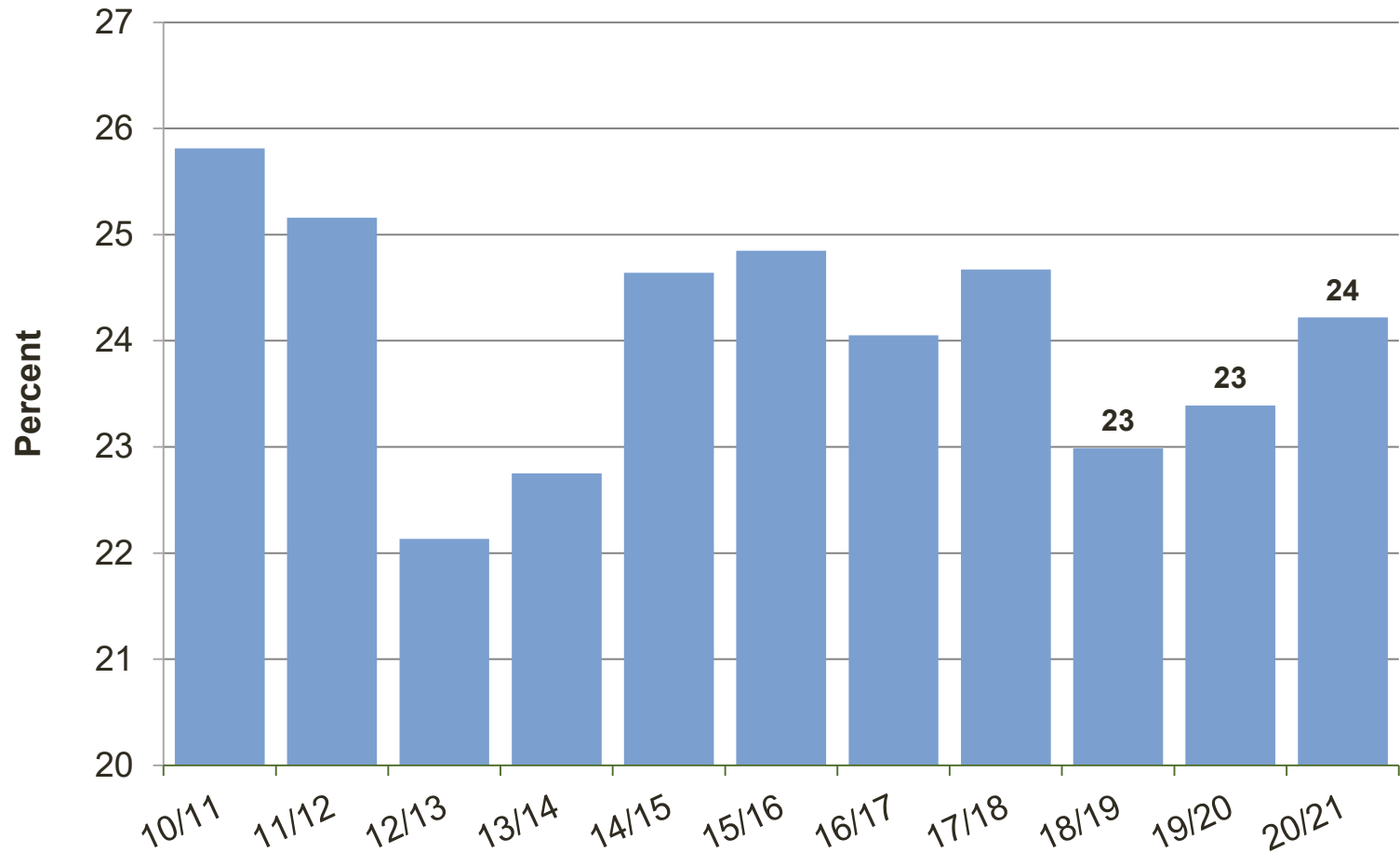
**Ending stocks*

Supply and Demand



U.S. WHEAT
ASSOCIATES

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



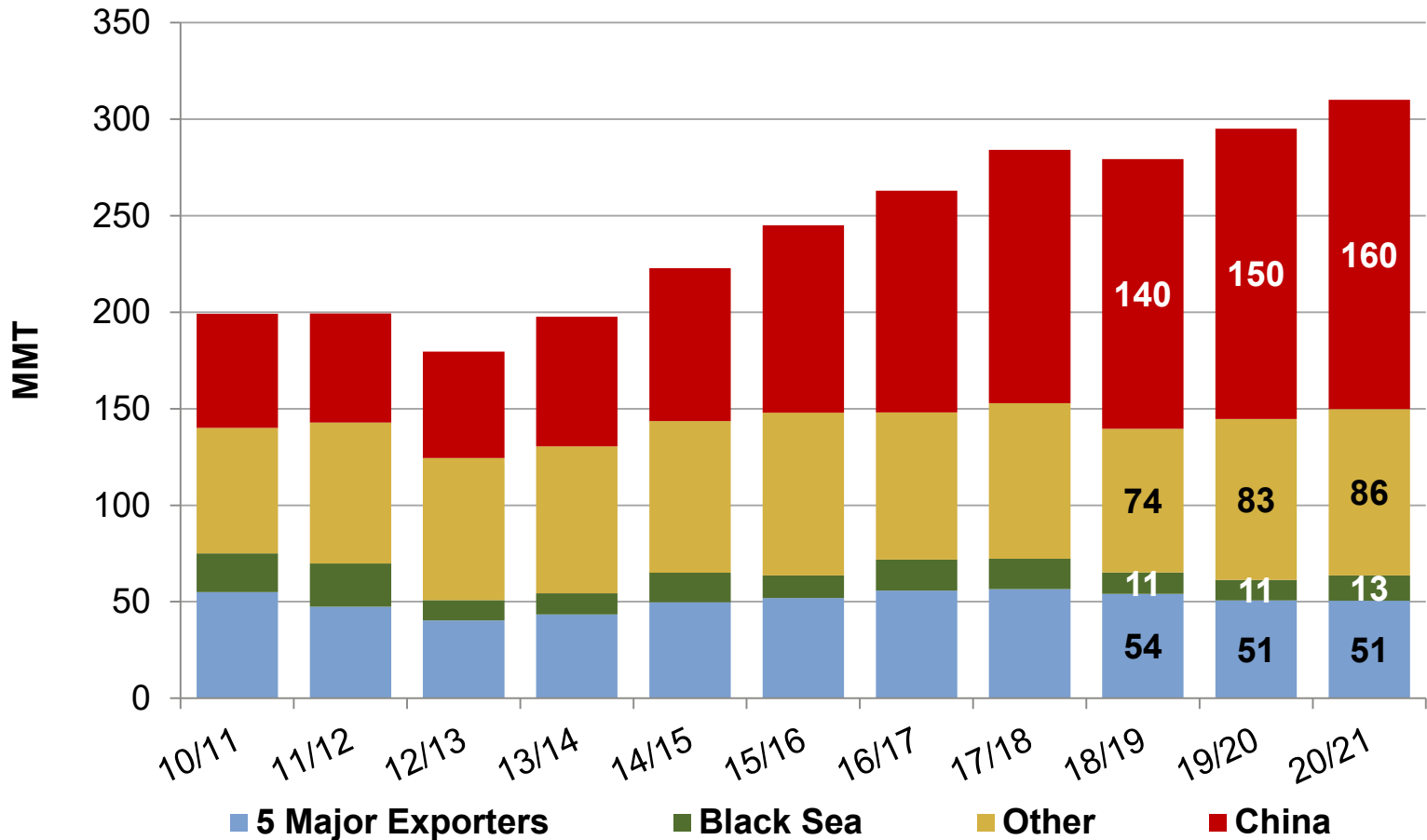
**Ending stocks*

Supply and Demand



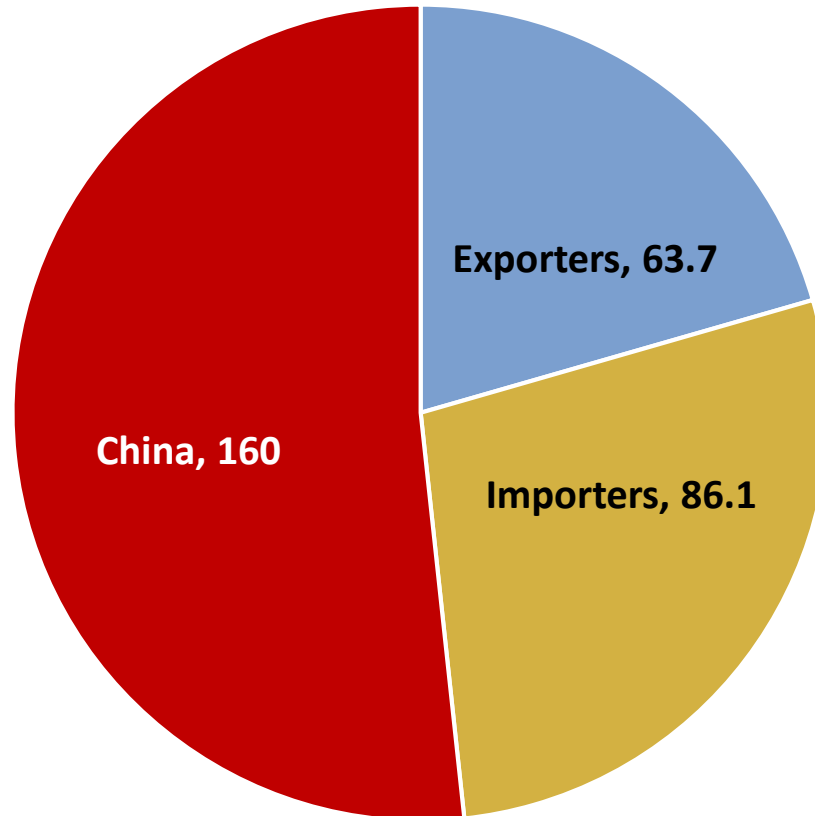
U.S. WHEAT
ASSOCIATES

World Ending Stocks

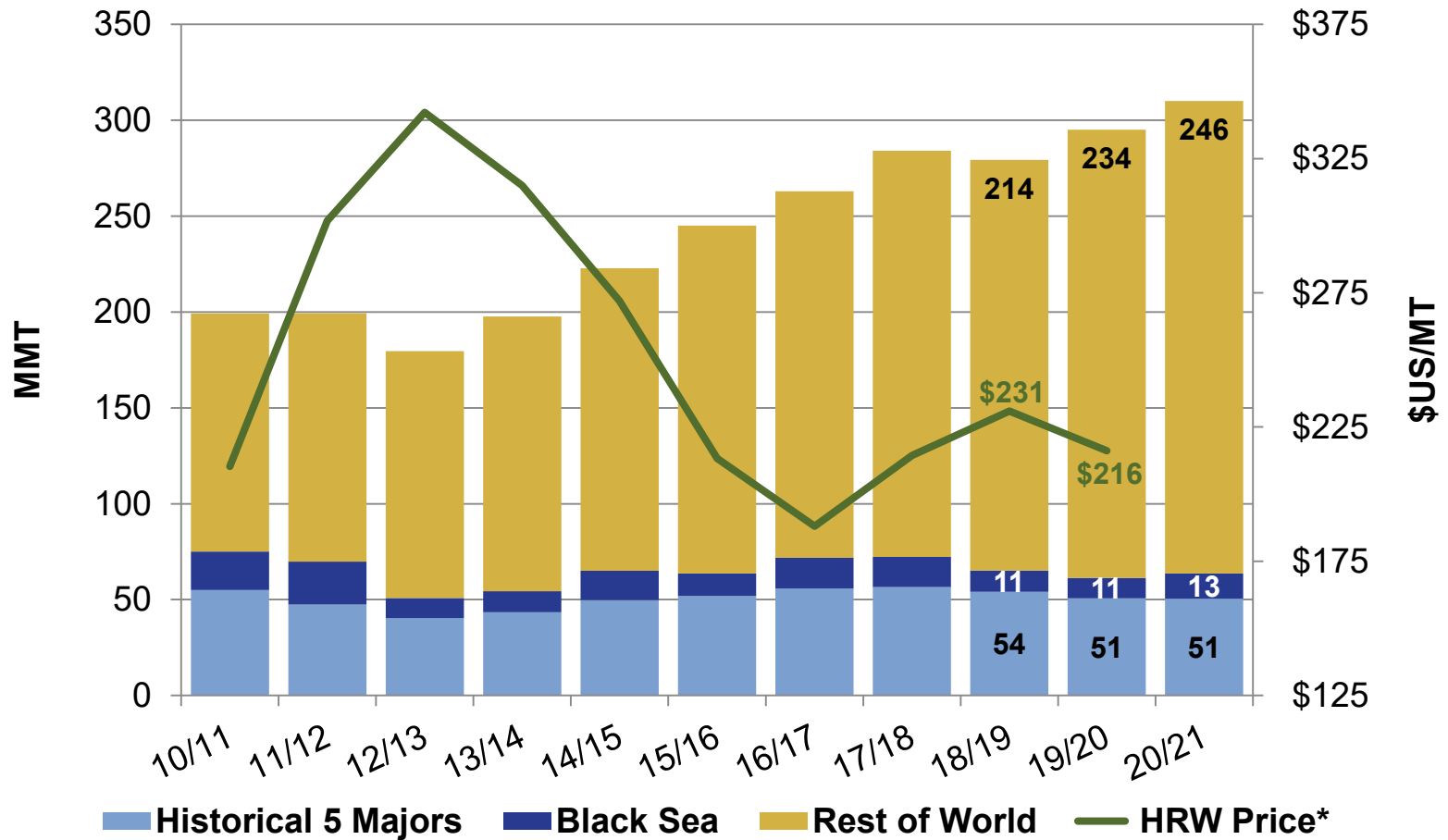


Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.

World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, May 8, 2020



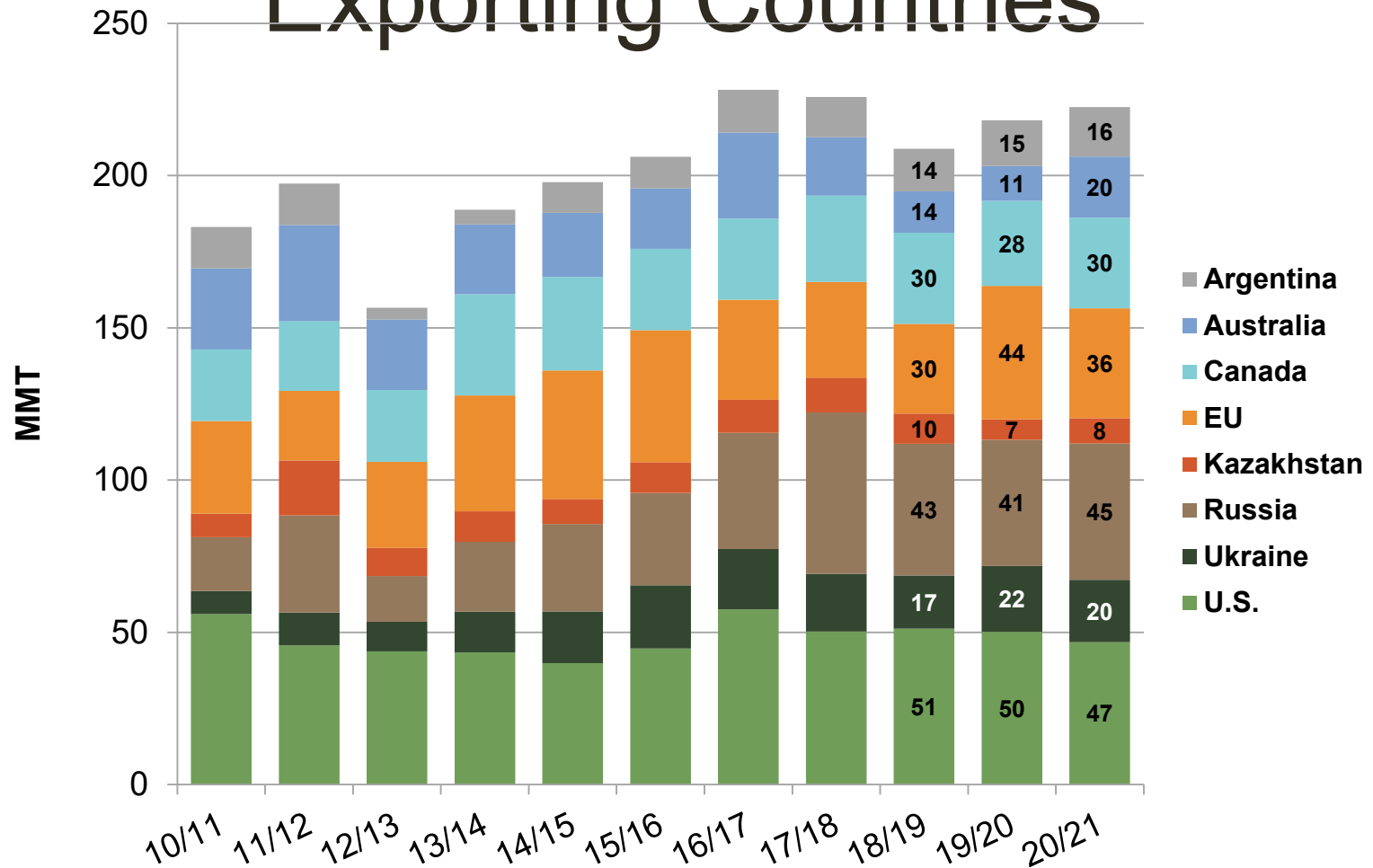
Major Exporters

Import Demand

U.S. Situation by Class

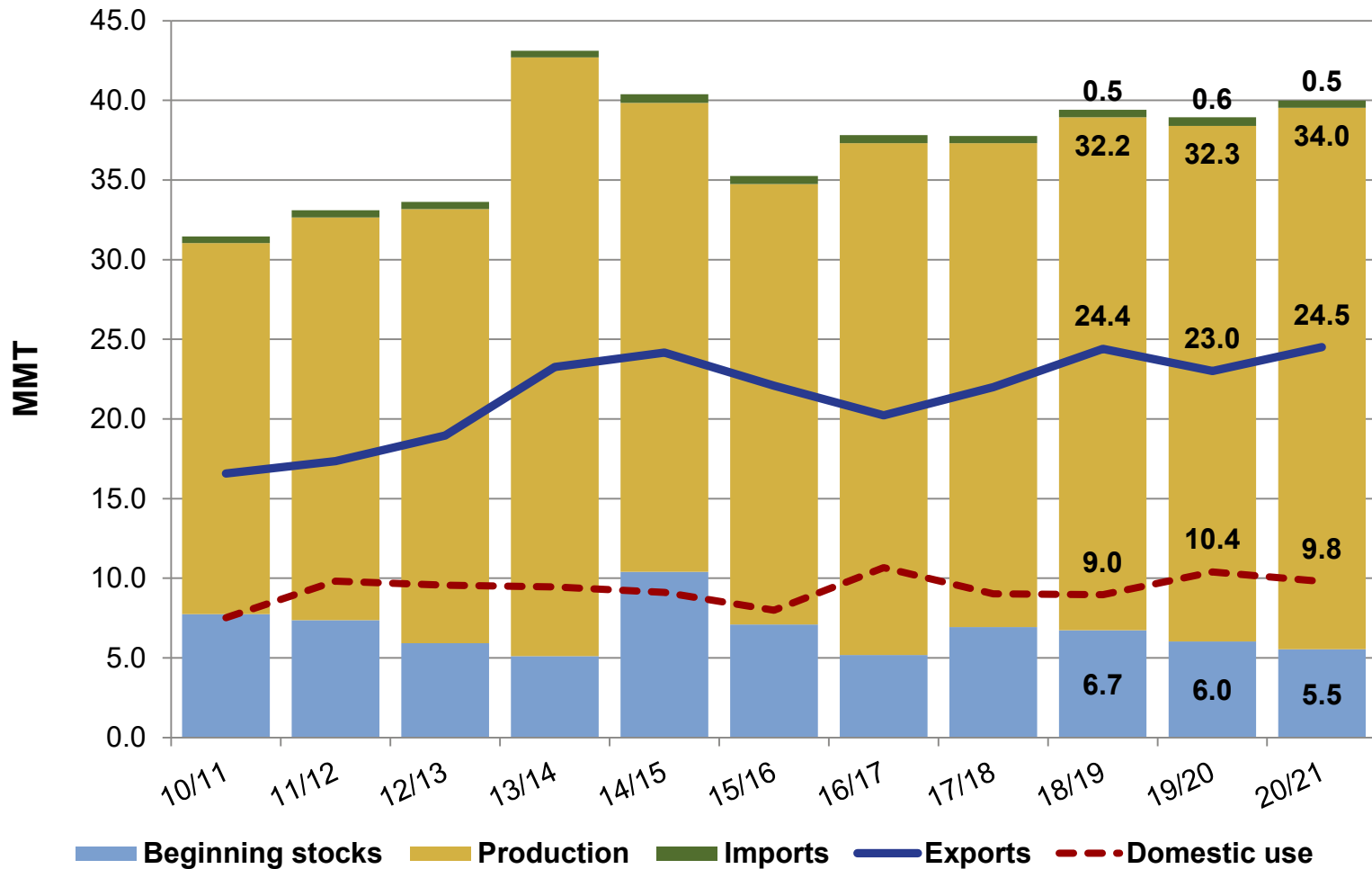
Outlook

Exportable Supplies in Top Exporting Countries

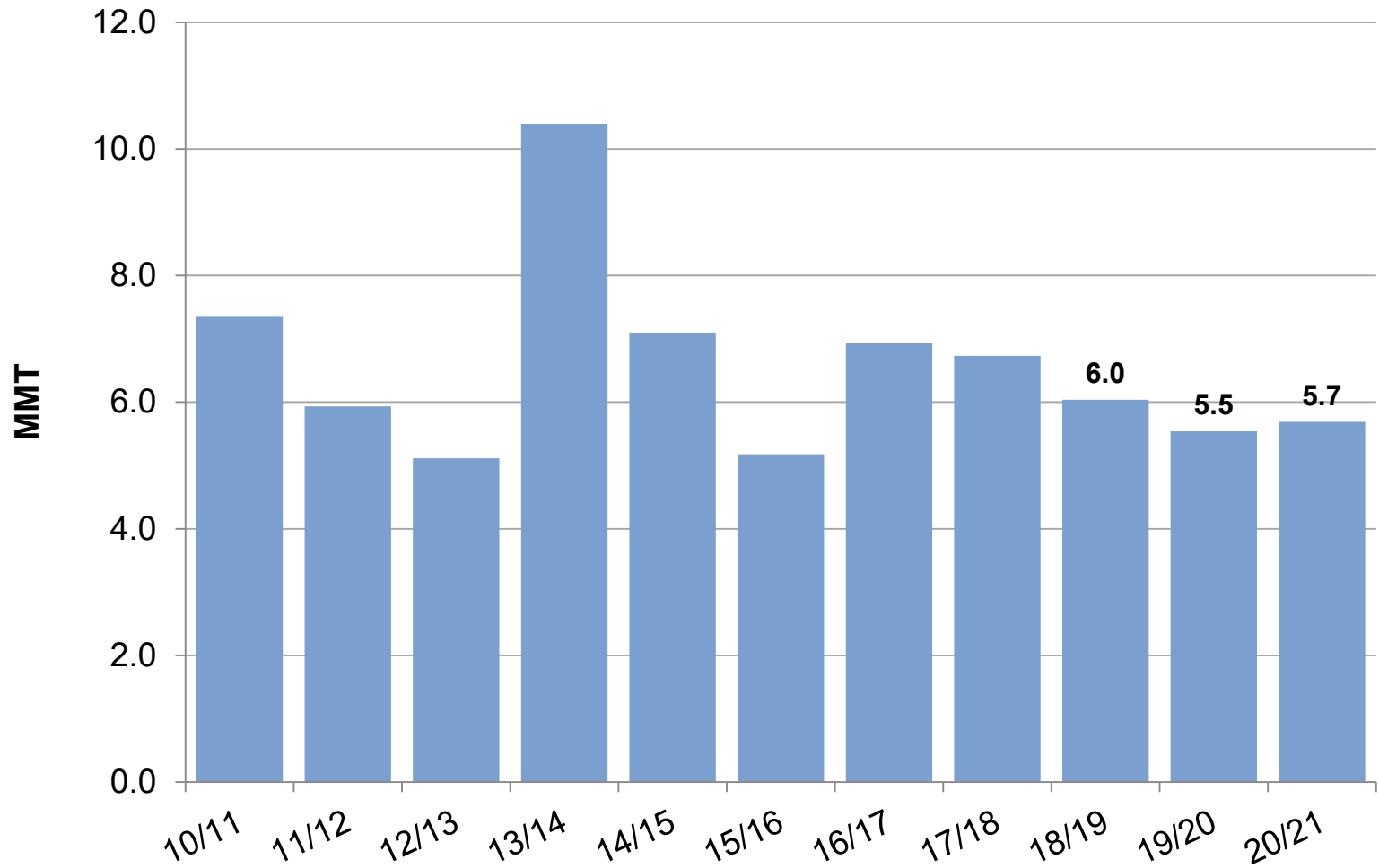


**Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption*

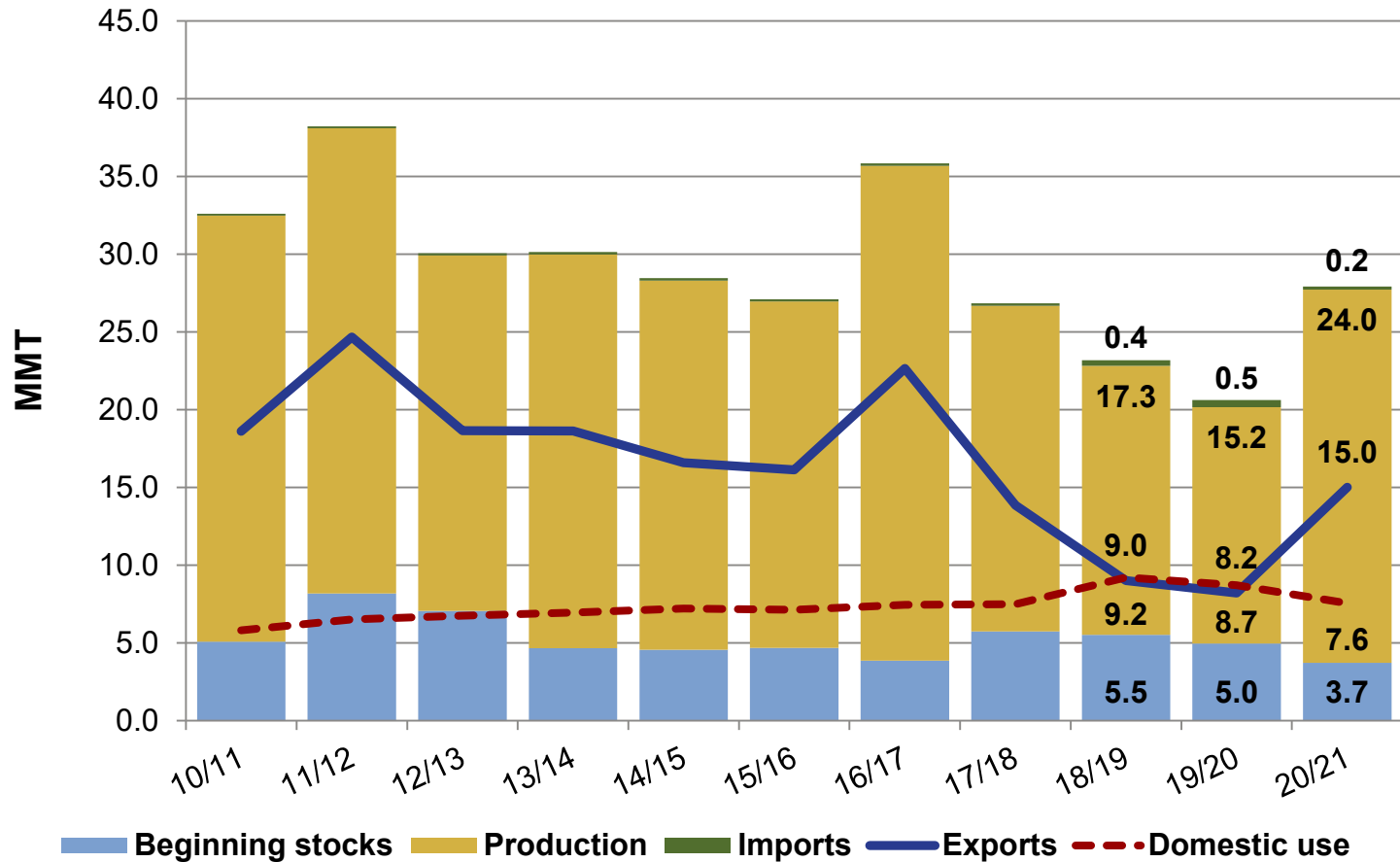
Canada Situation



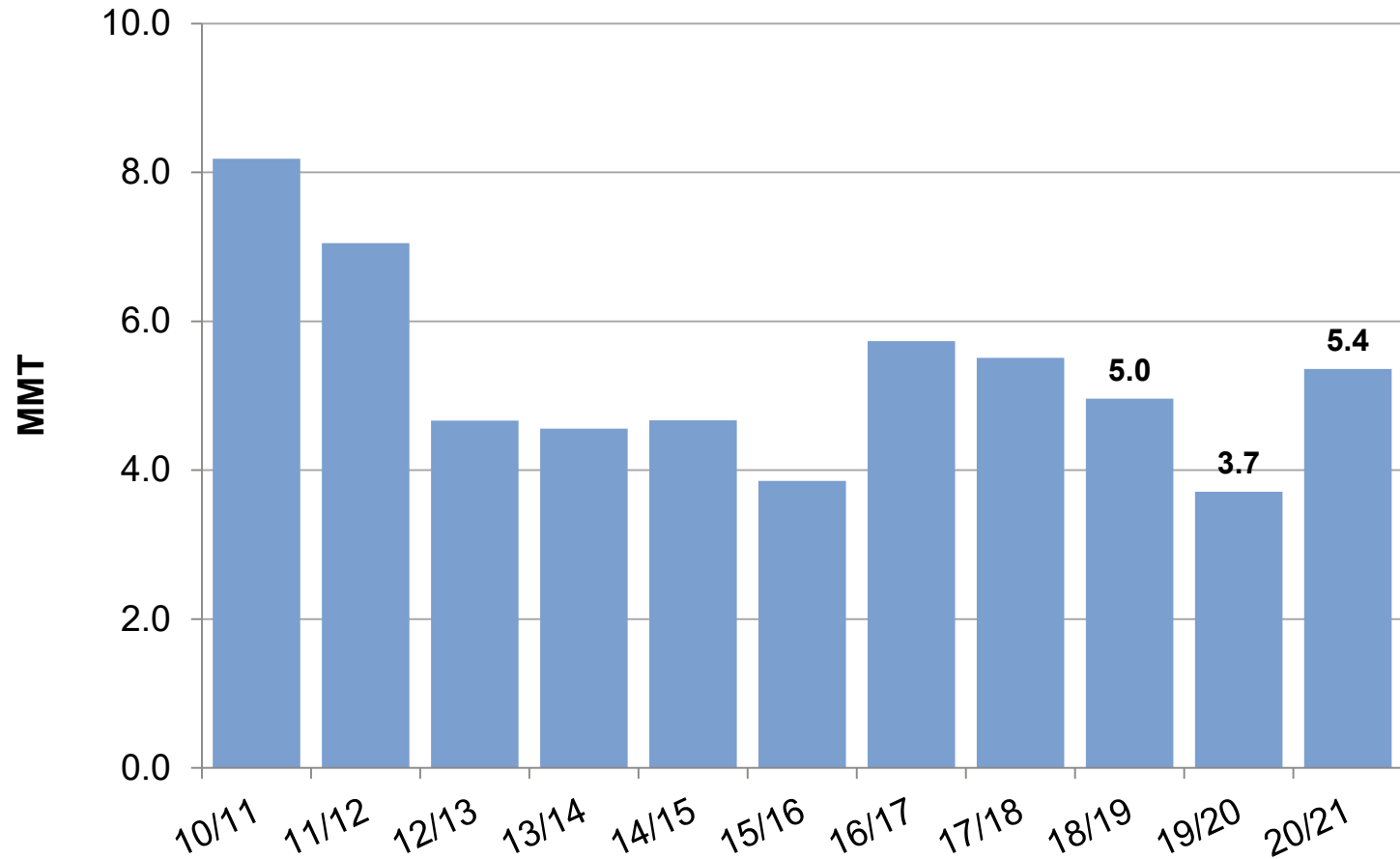
Canada Ending Stocks



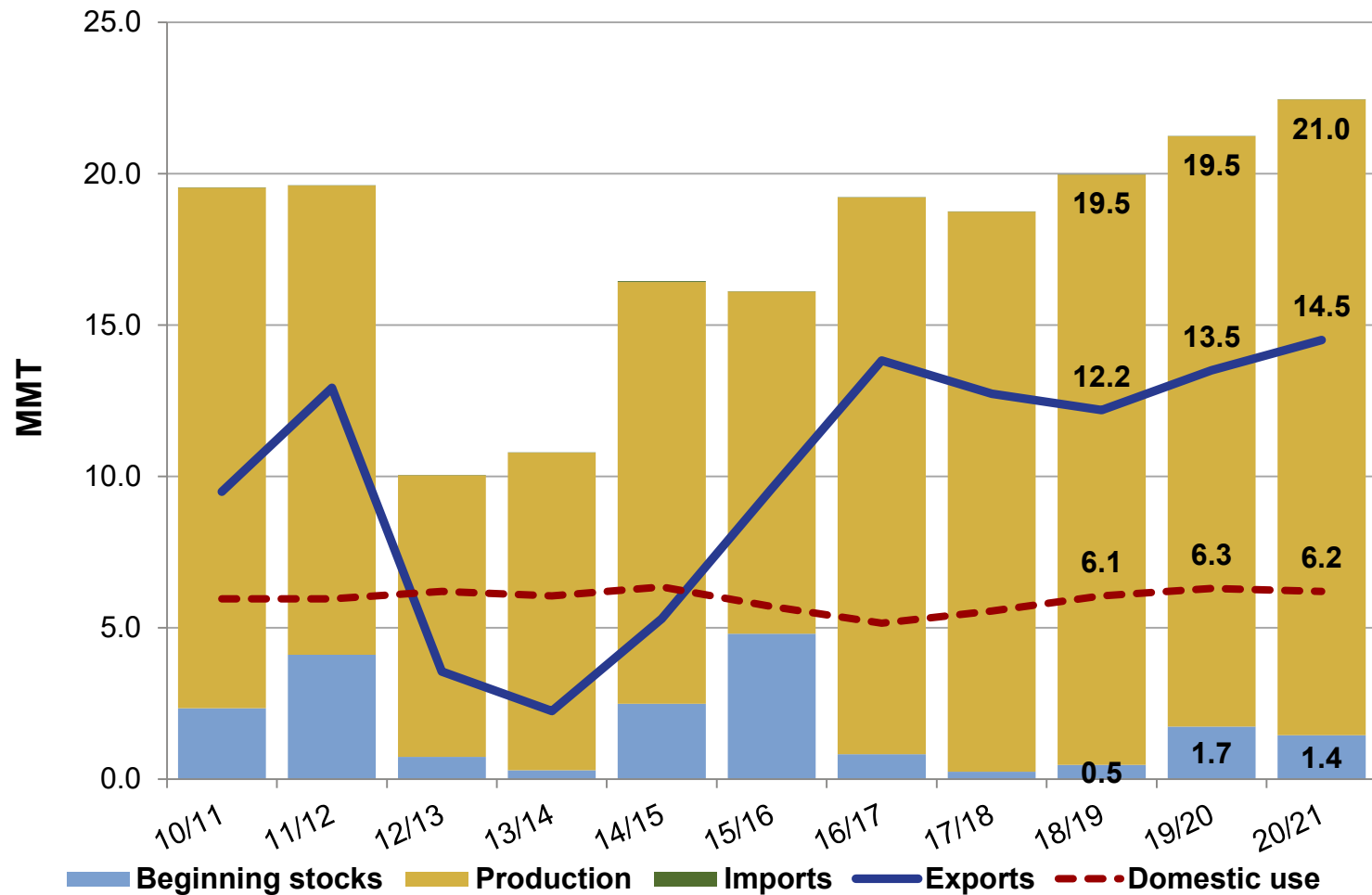
Australia Situation



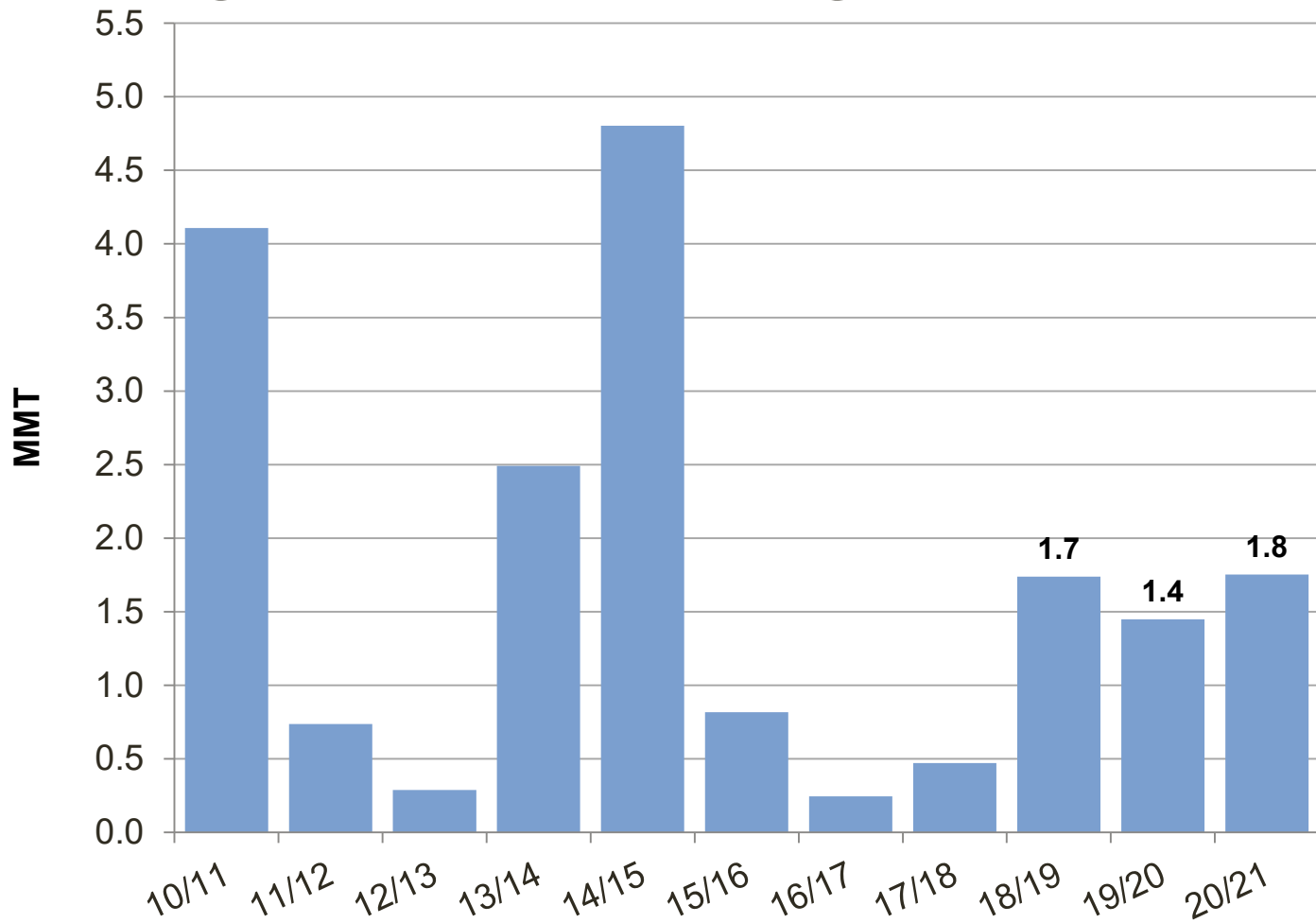
Australia Ending Stocks



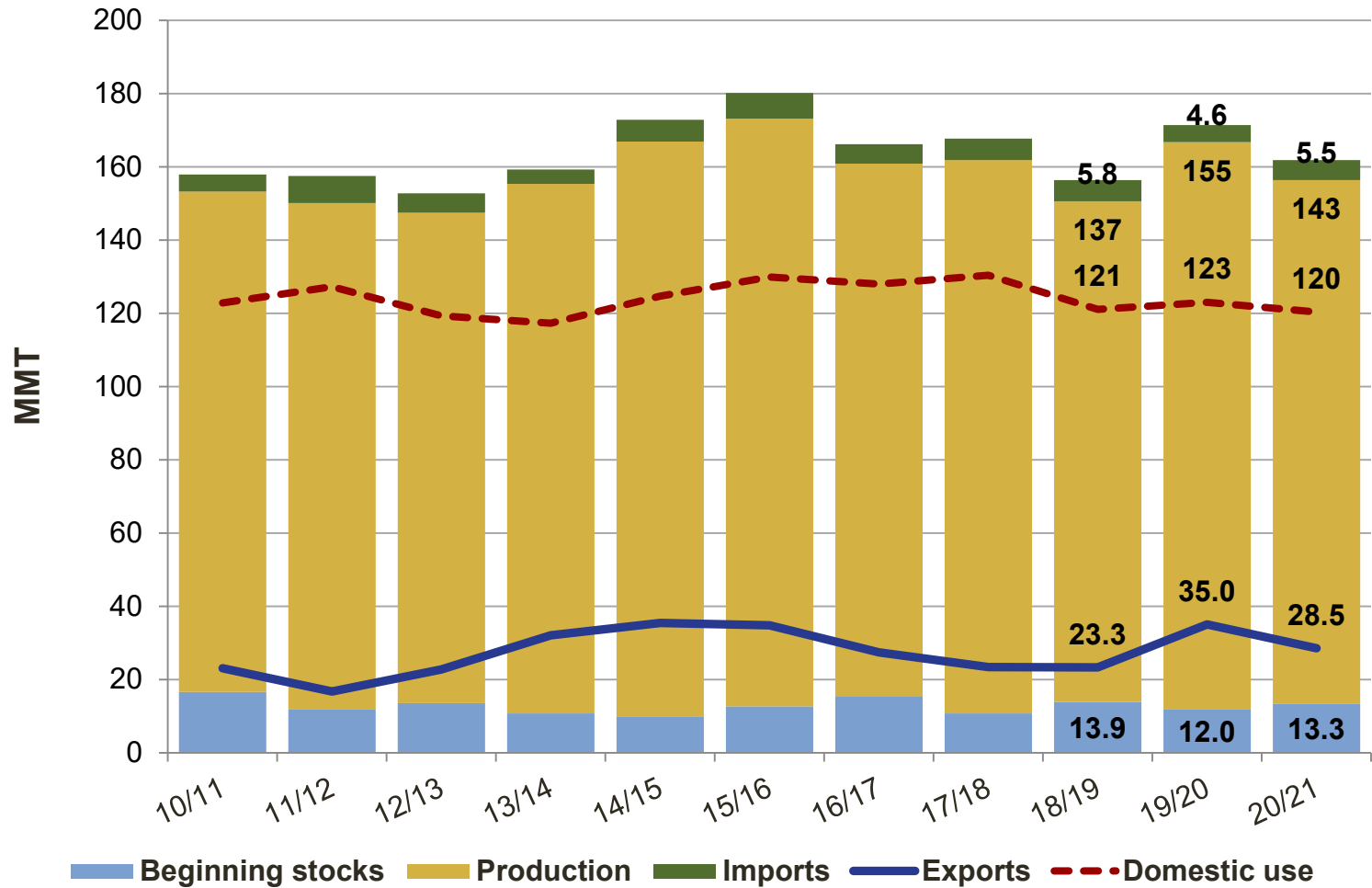
Argentina Situation



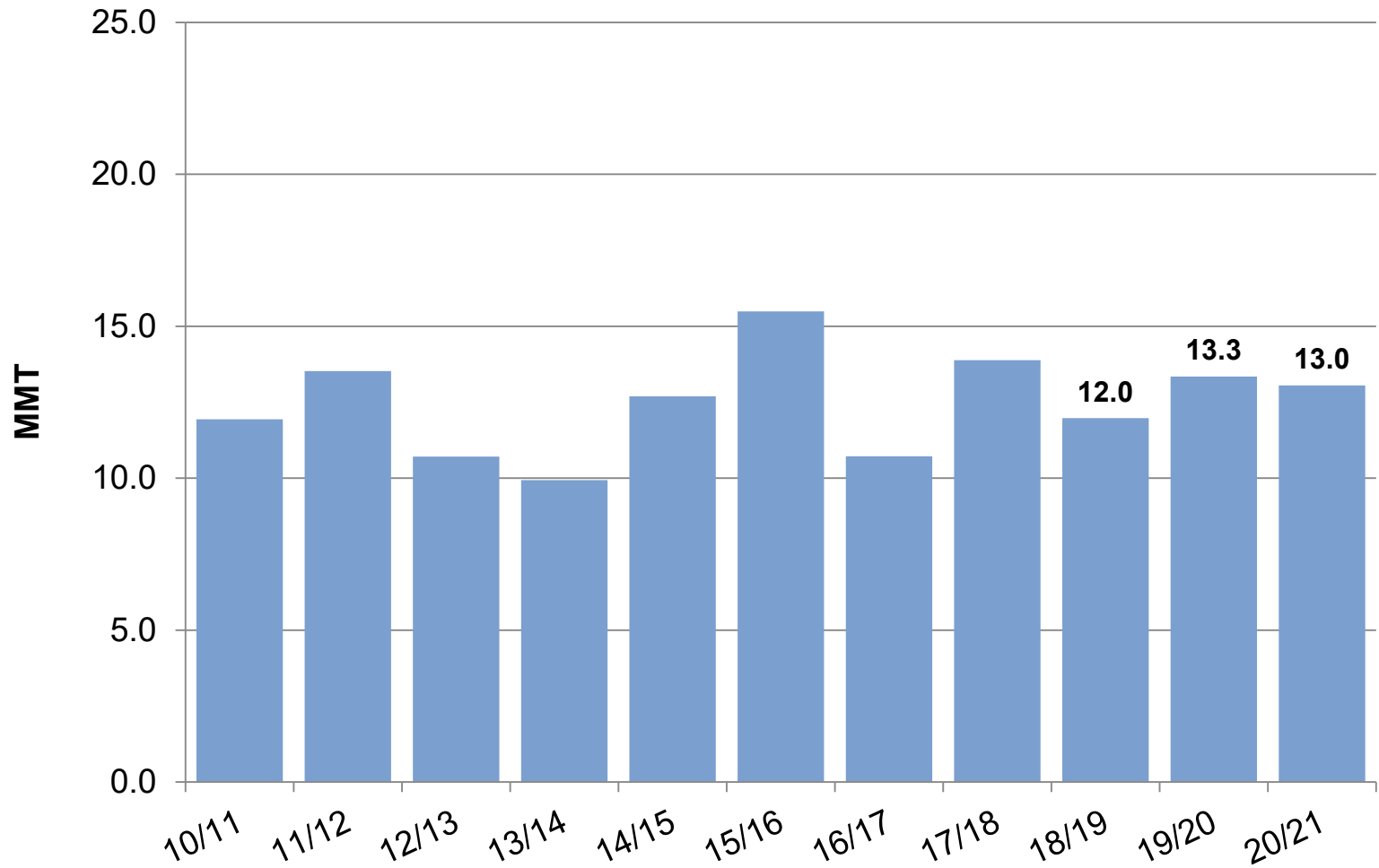
Argentina Ending Stocks



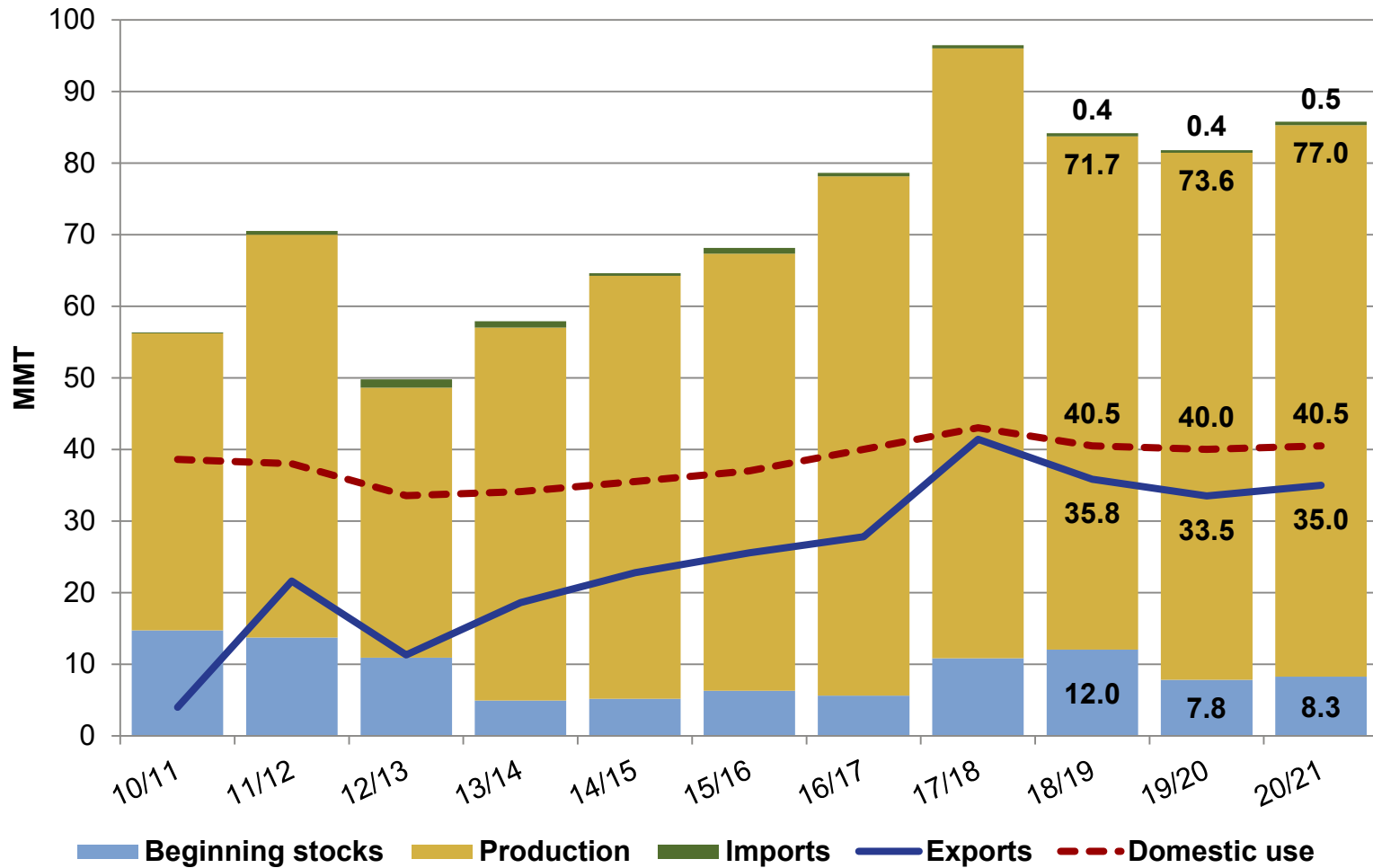
EU Situation



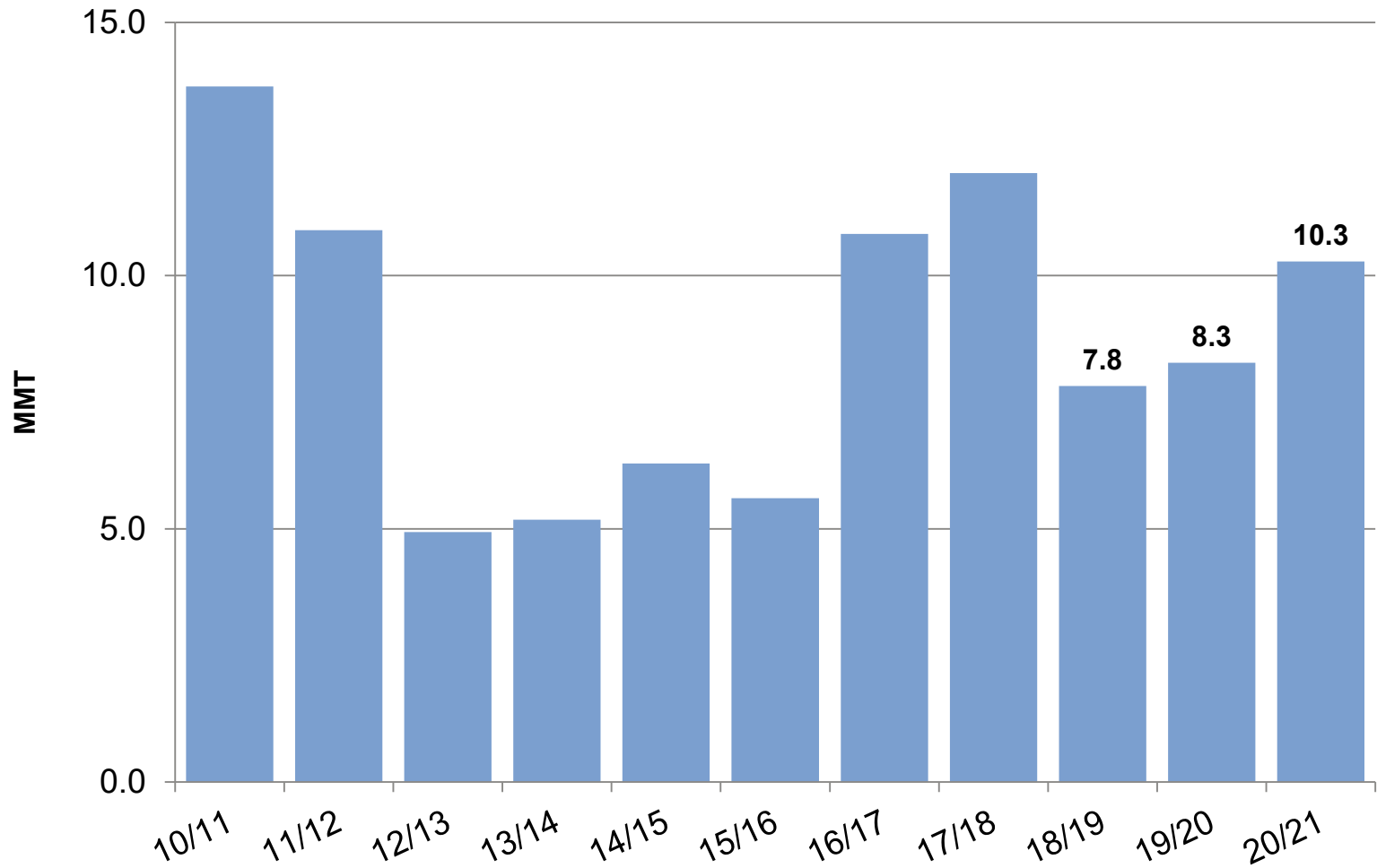
EU Ending Stocks



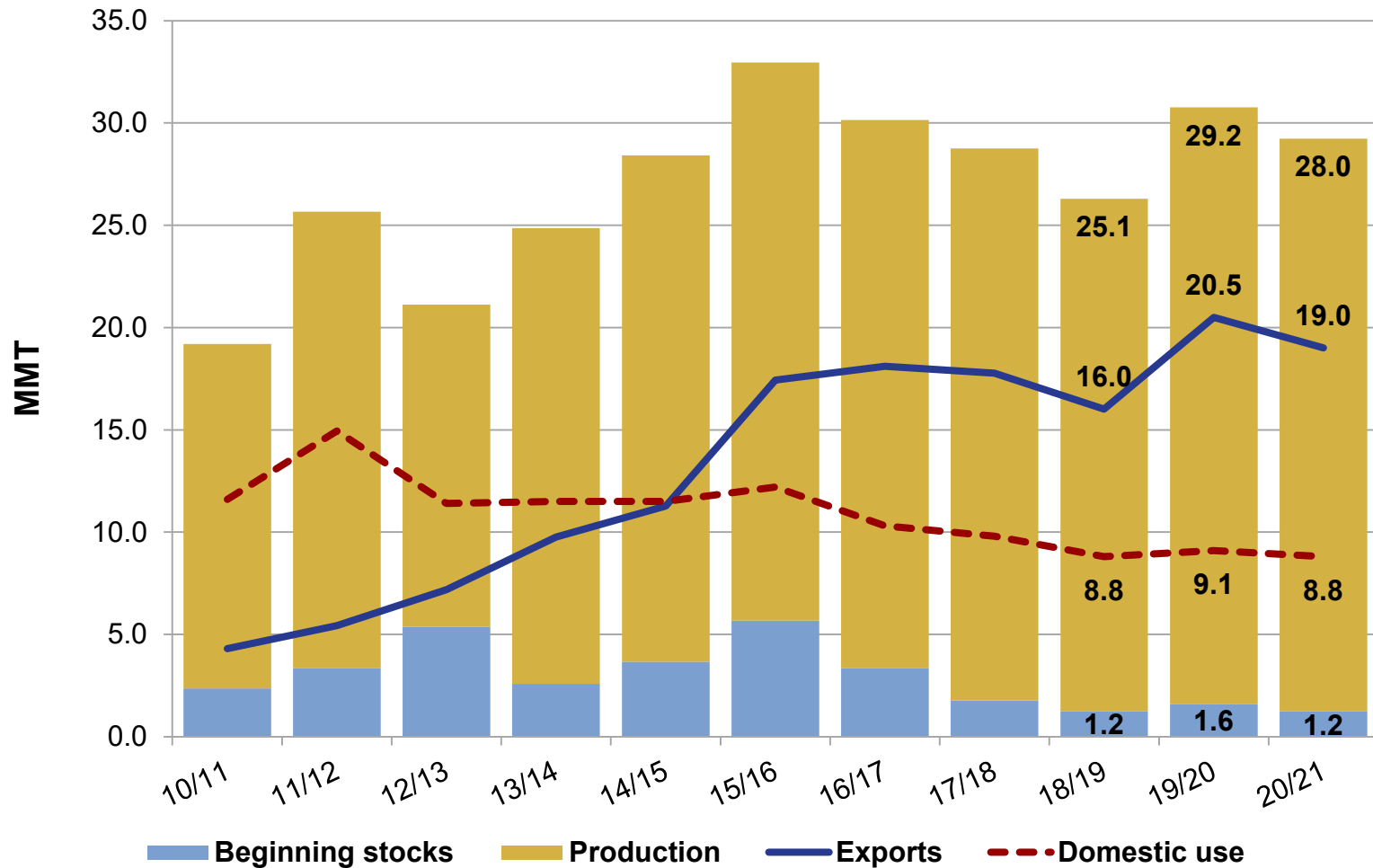
Russia Situation



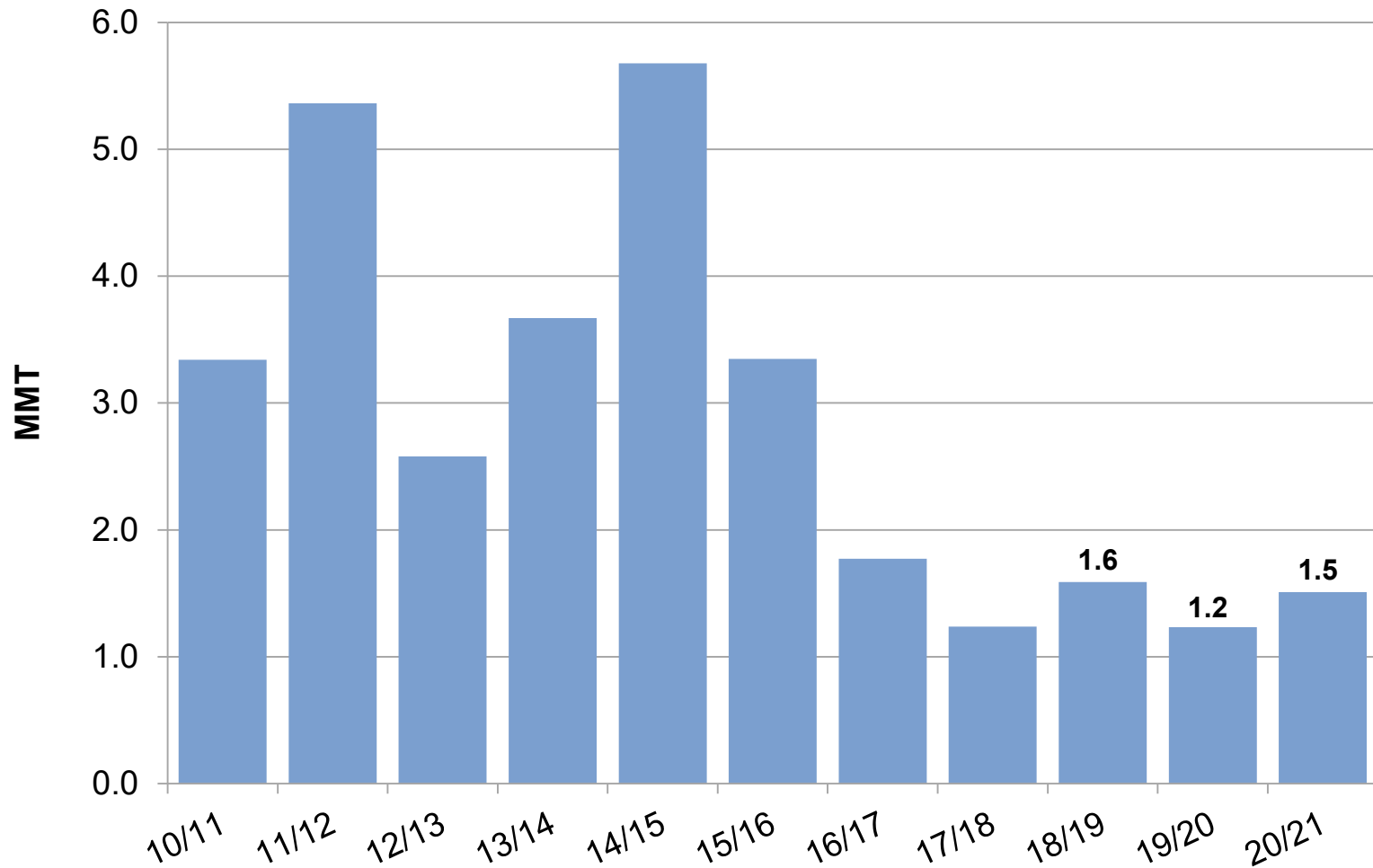
Russia Ending Stocks



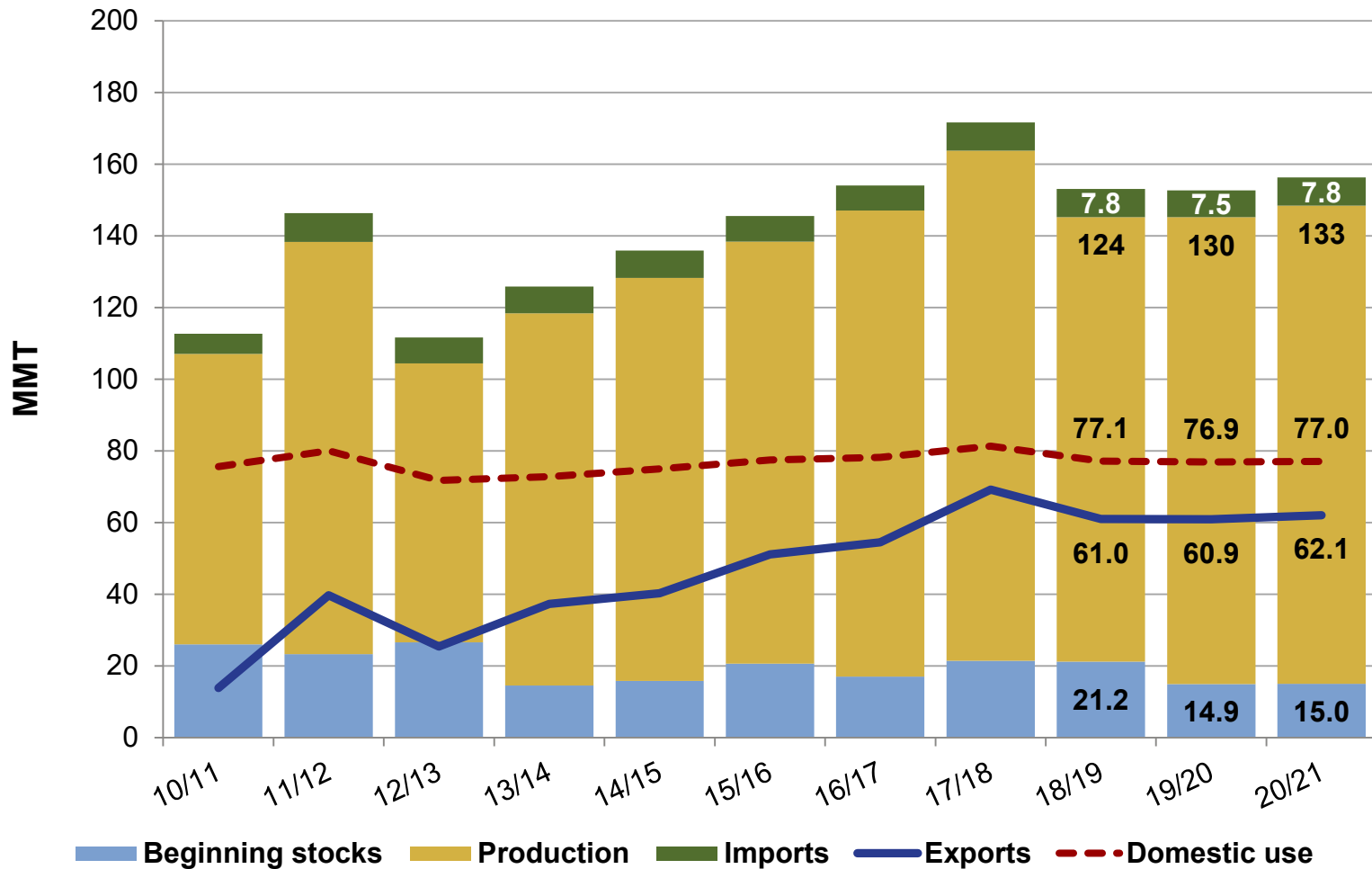
Ukraine Situation



Ukraine Ending Stocks

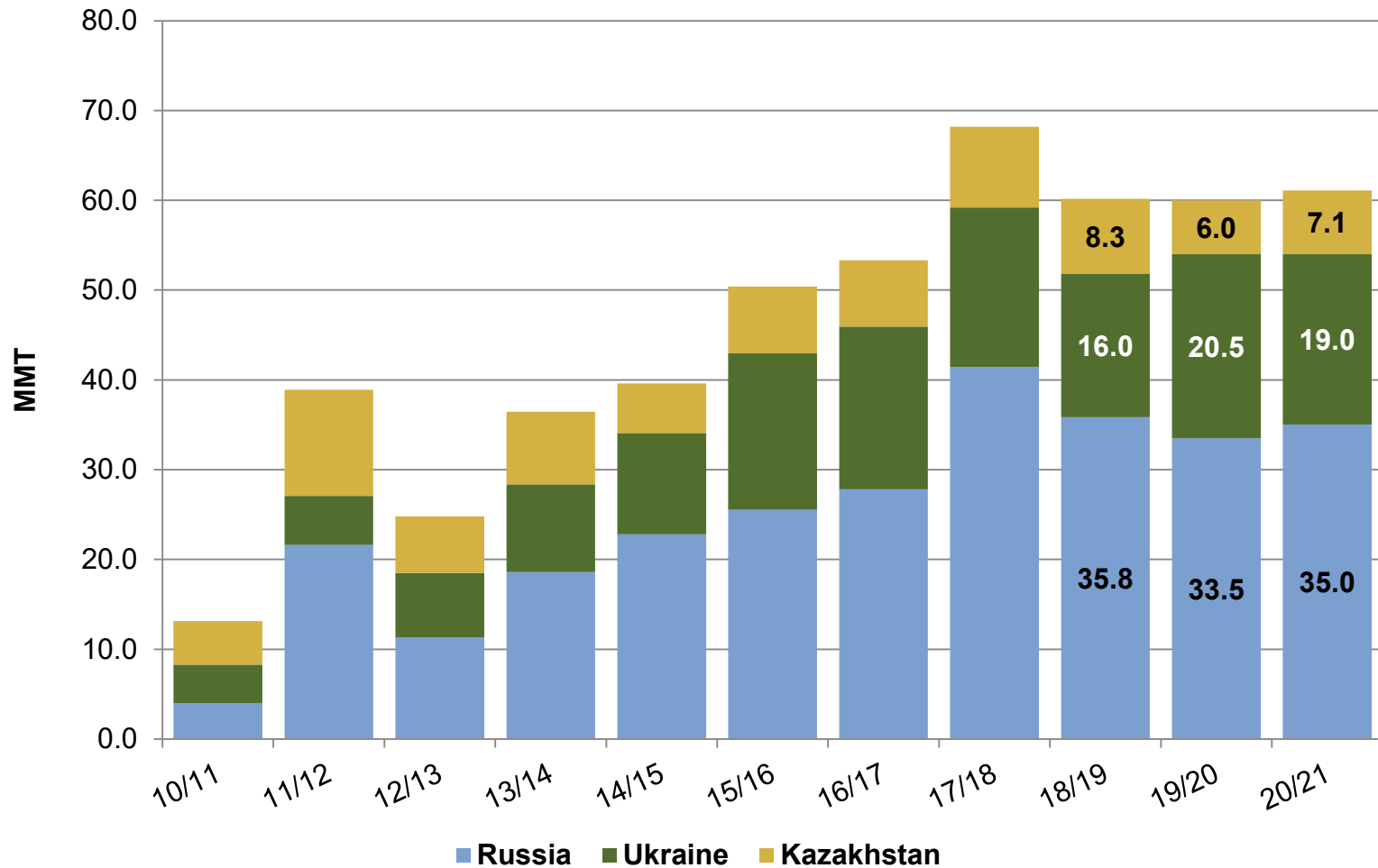


Black Sea Region Situation



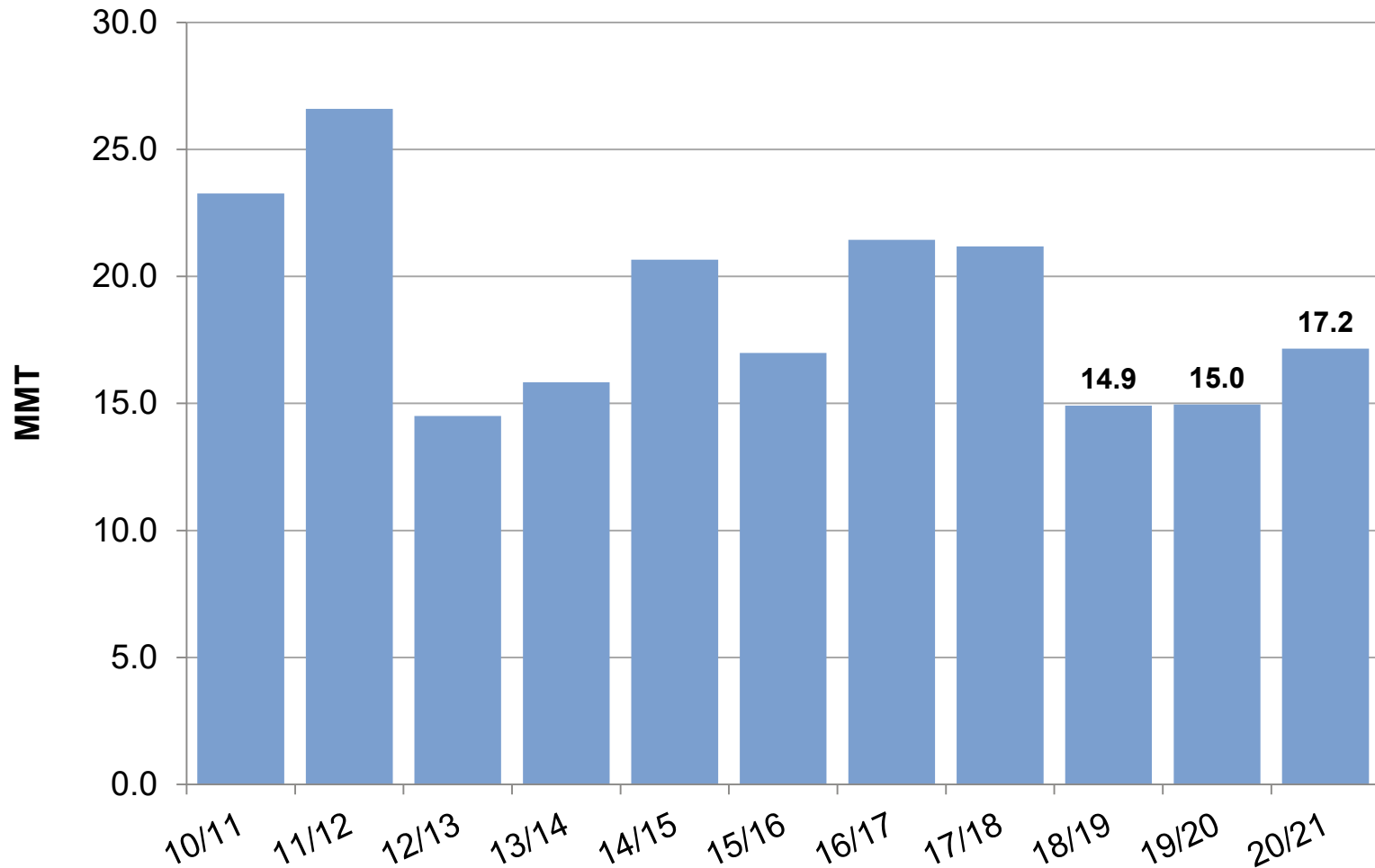
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports



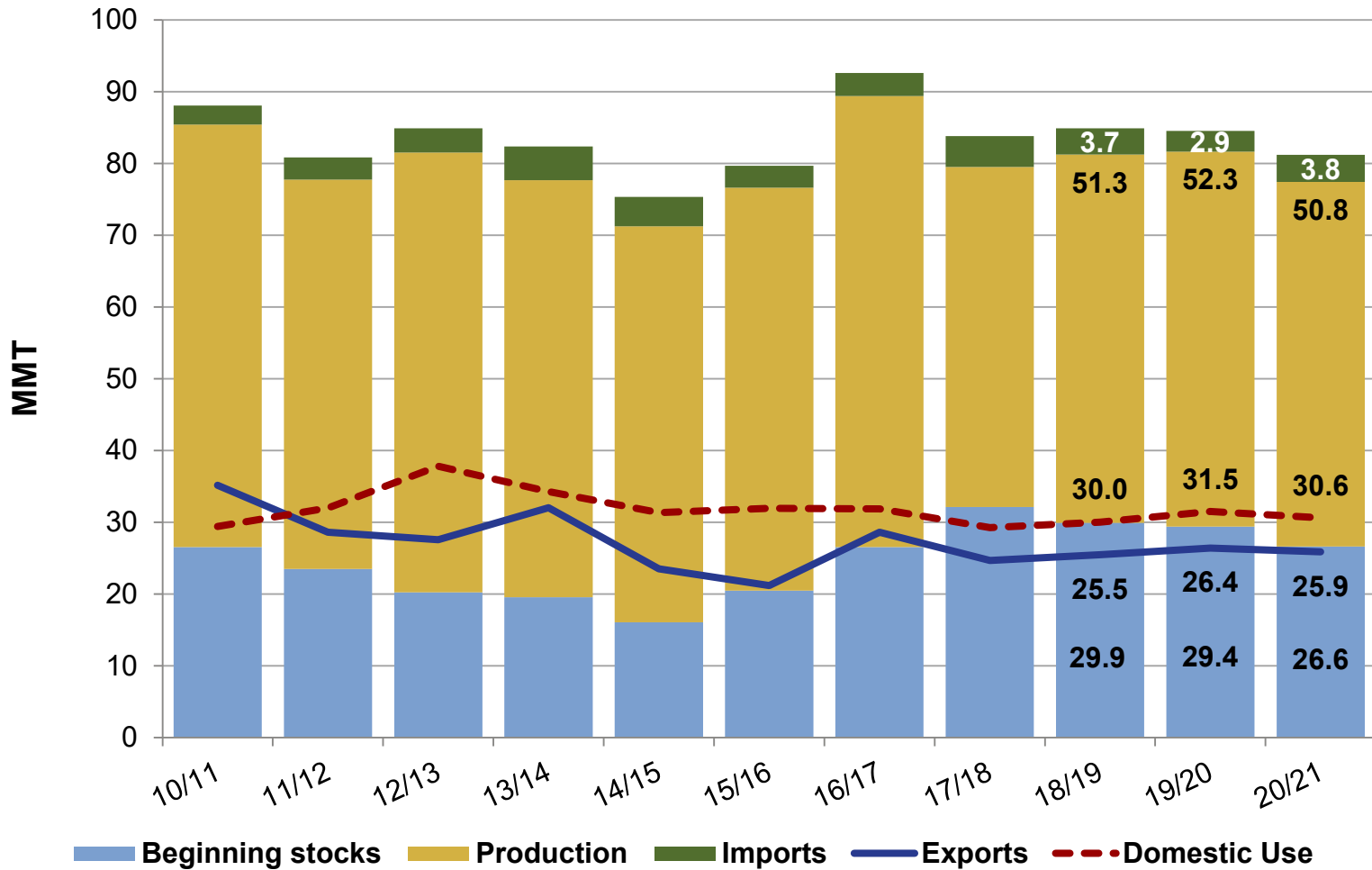
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Ending Stocks

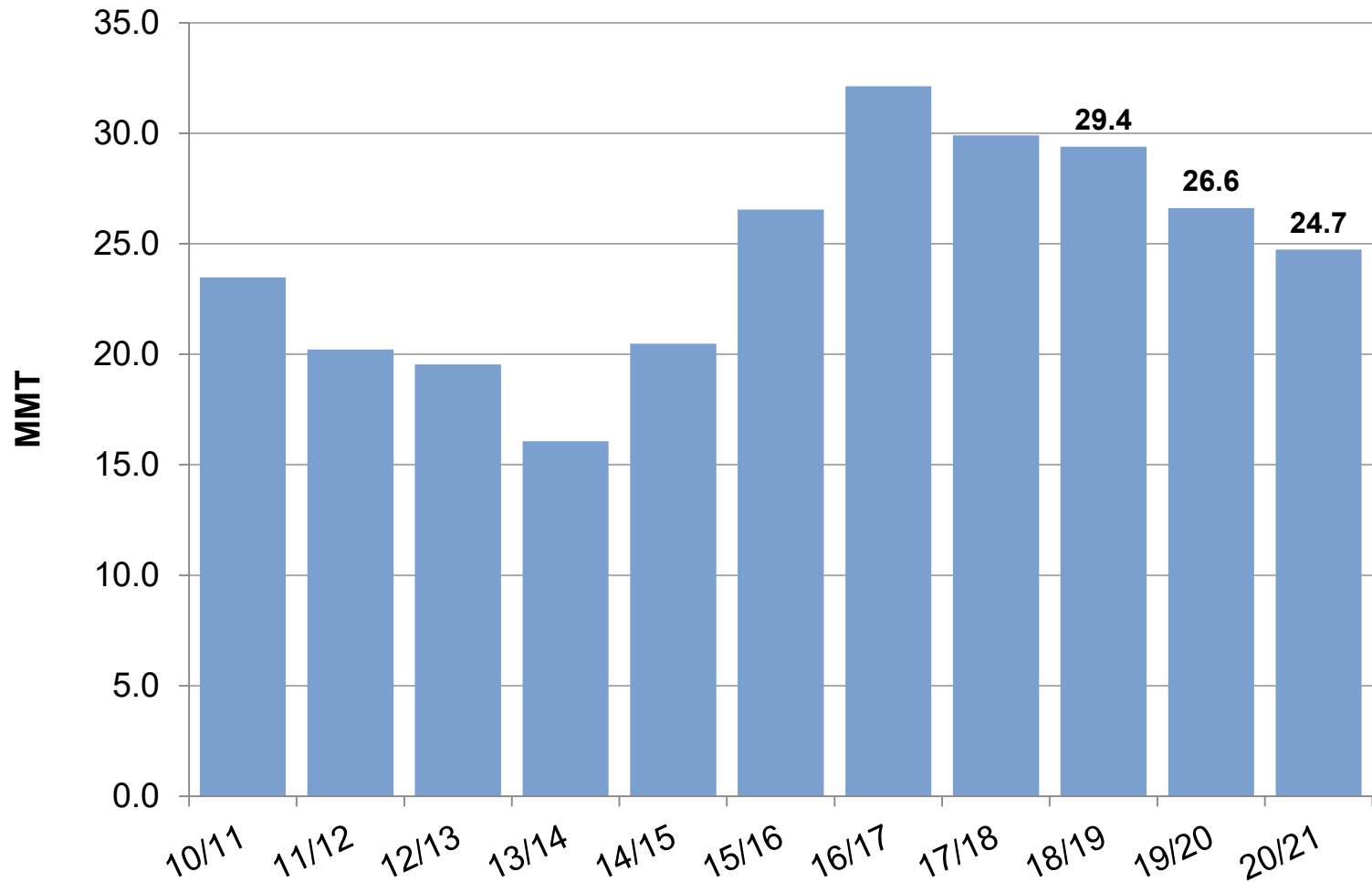


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

U.S. Situation



U.S. Ending Stocks





Major Exporters

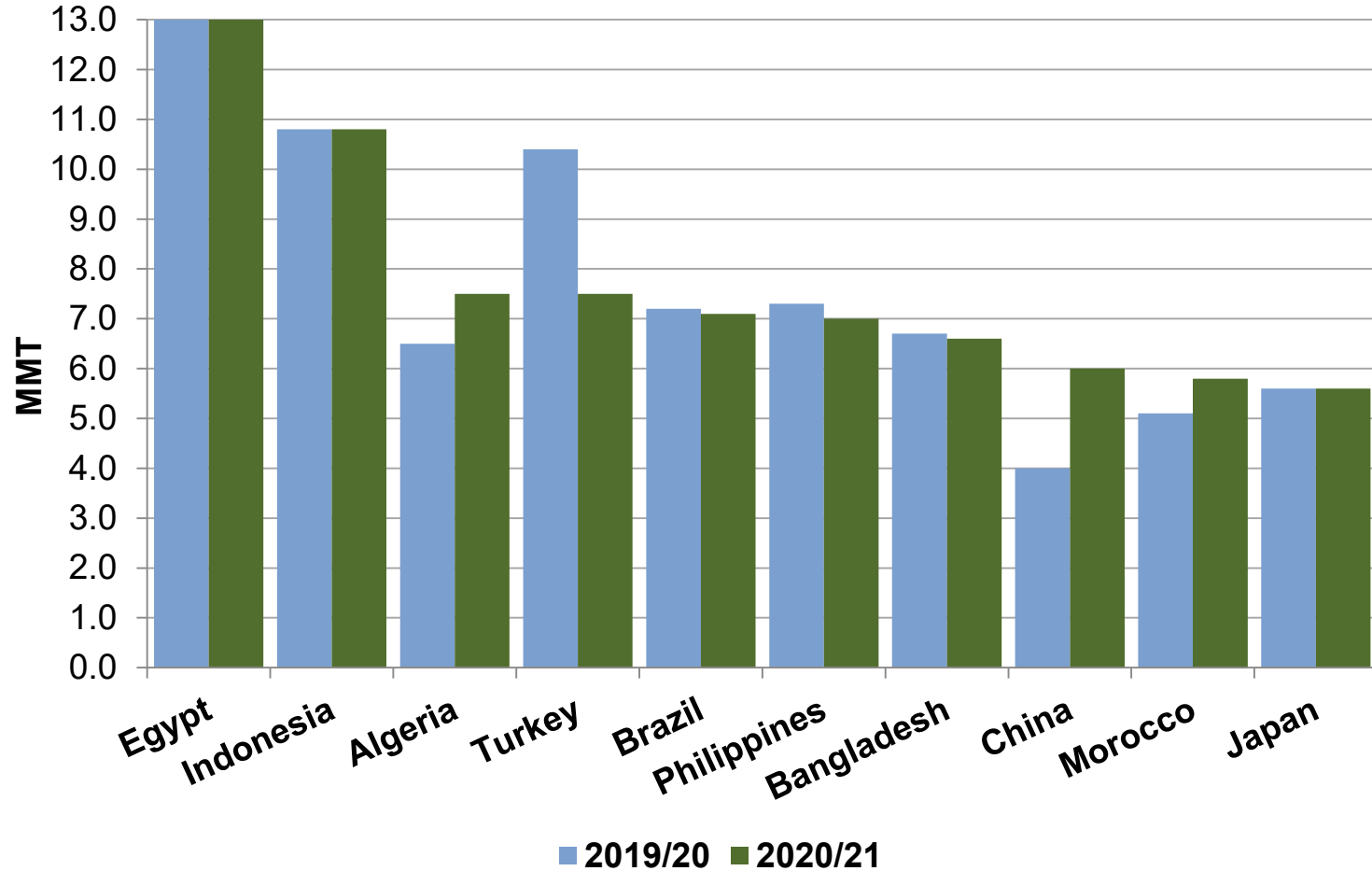
Import Demand

U.S. Situation by Class

Outlook

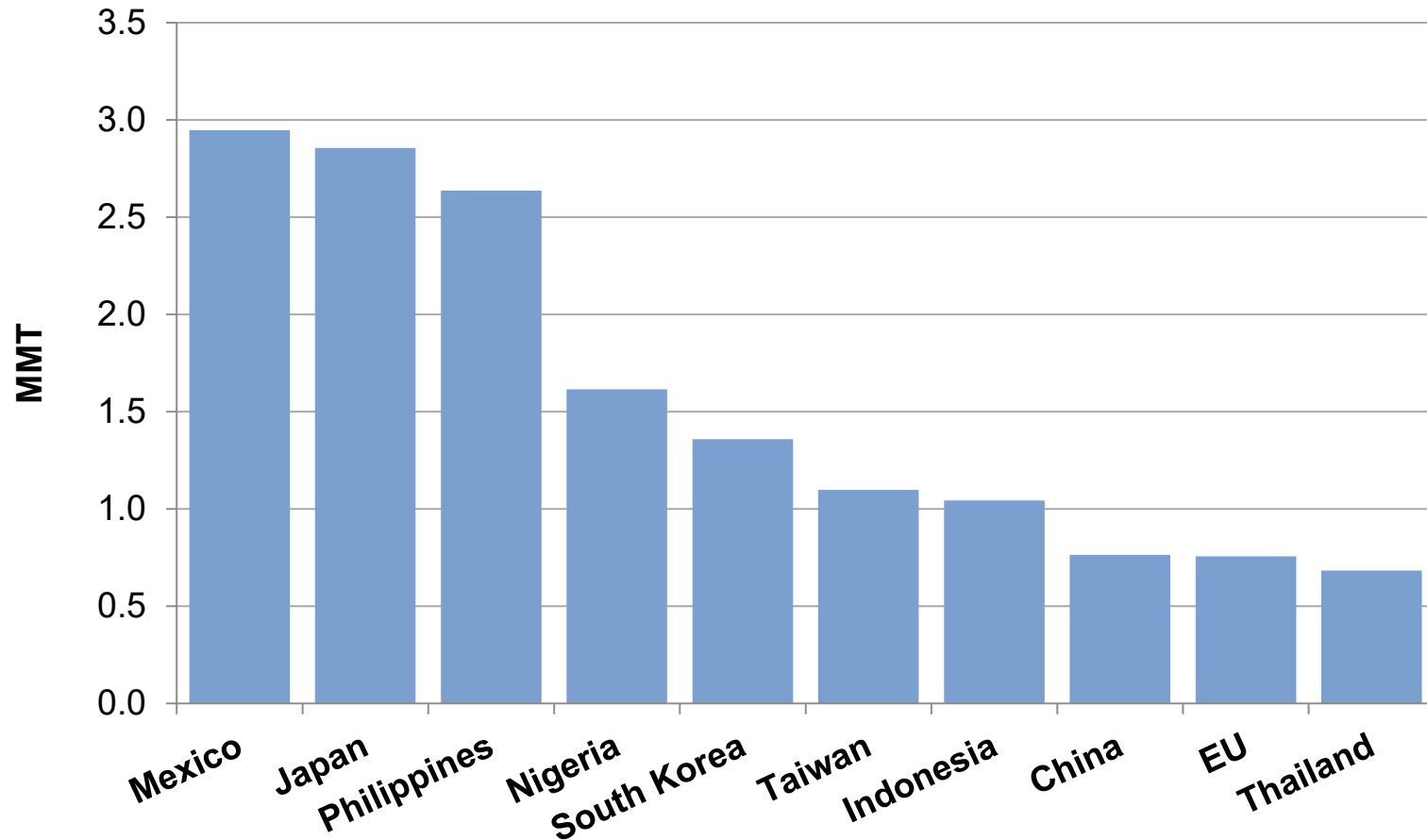
Major World Wheat Importers

(from all origins)



Top 10 Customers for U.S. Wheat

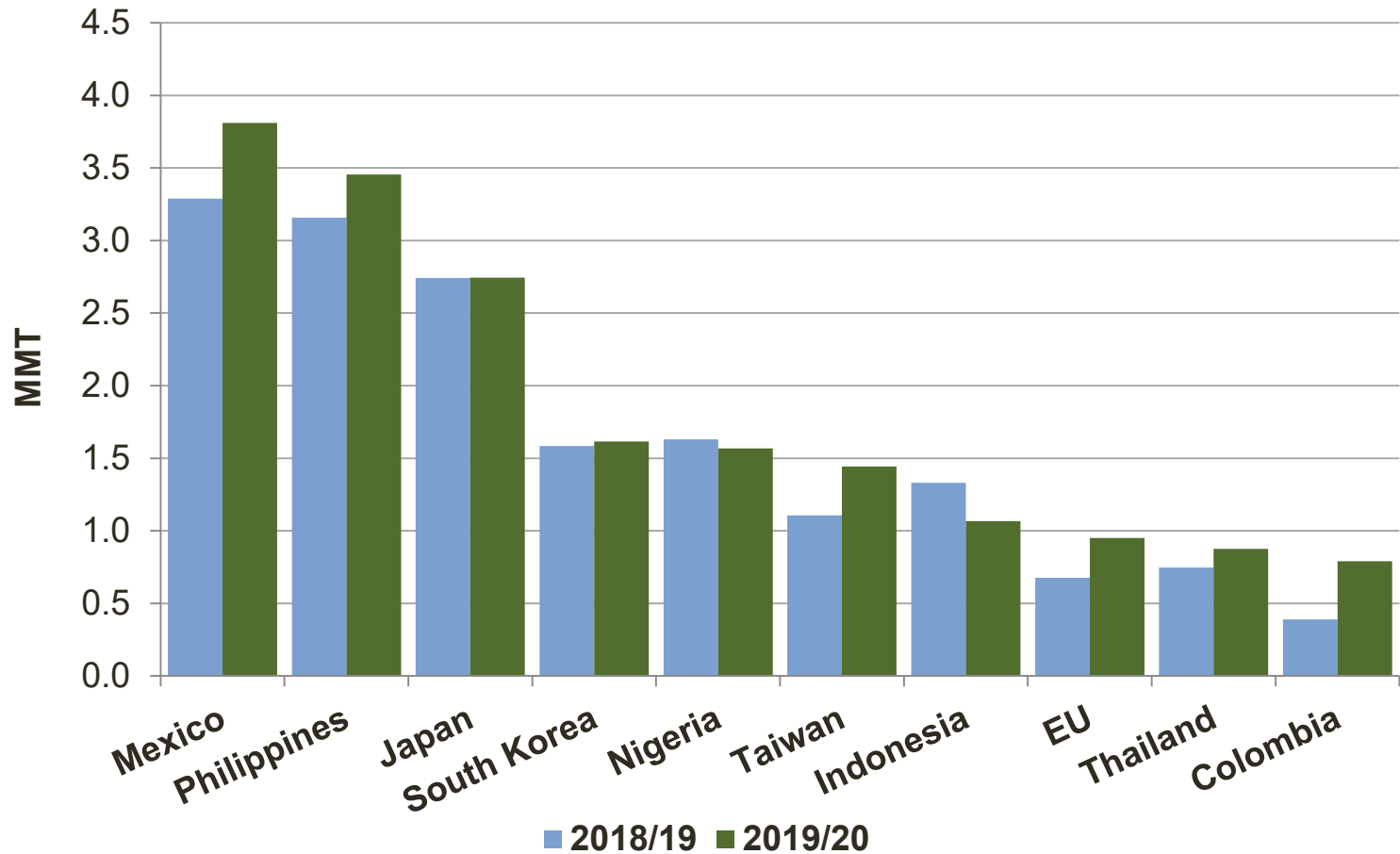
5-year average



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

Top 10 Customers for U.S. Wheat

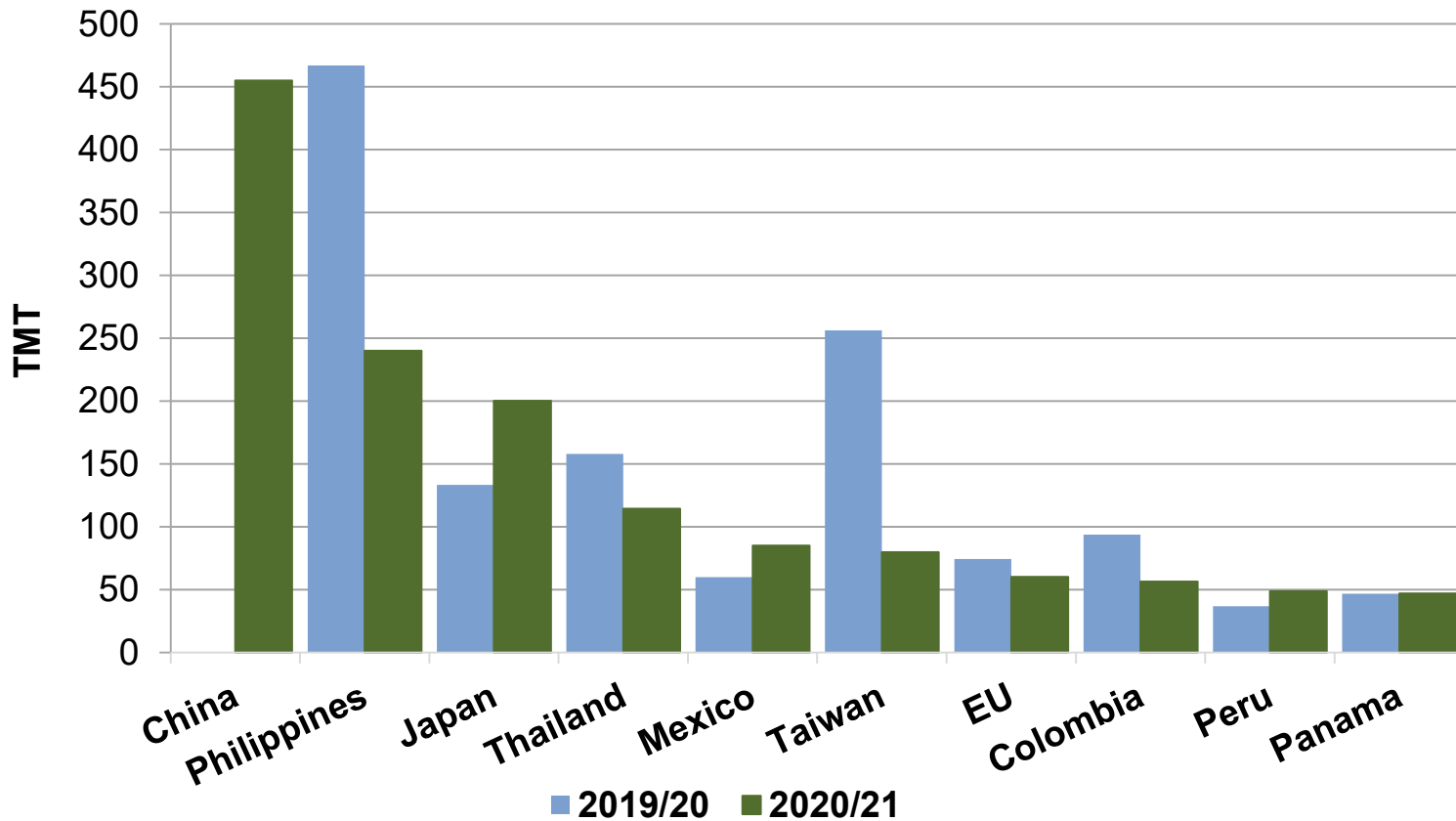
(year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of April 30, 2020

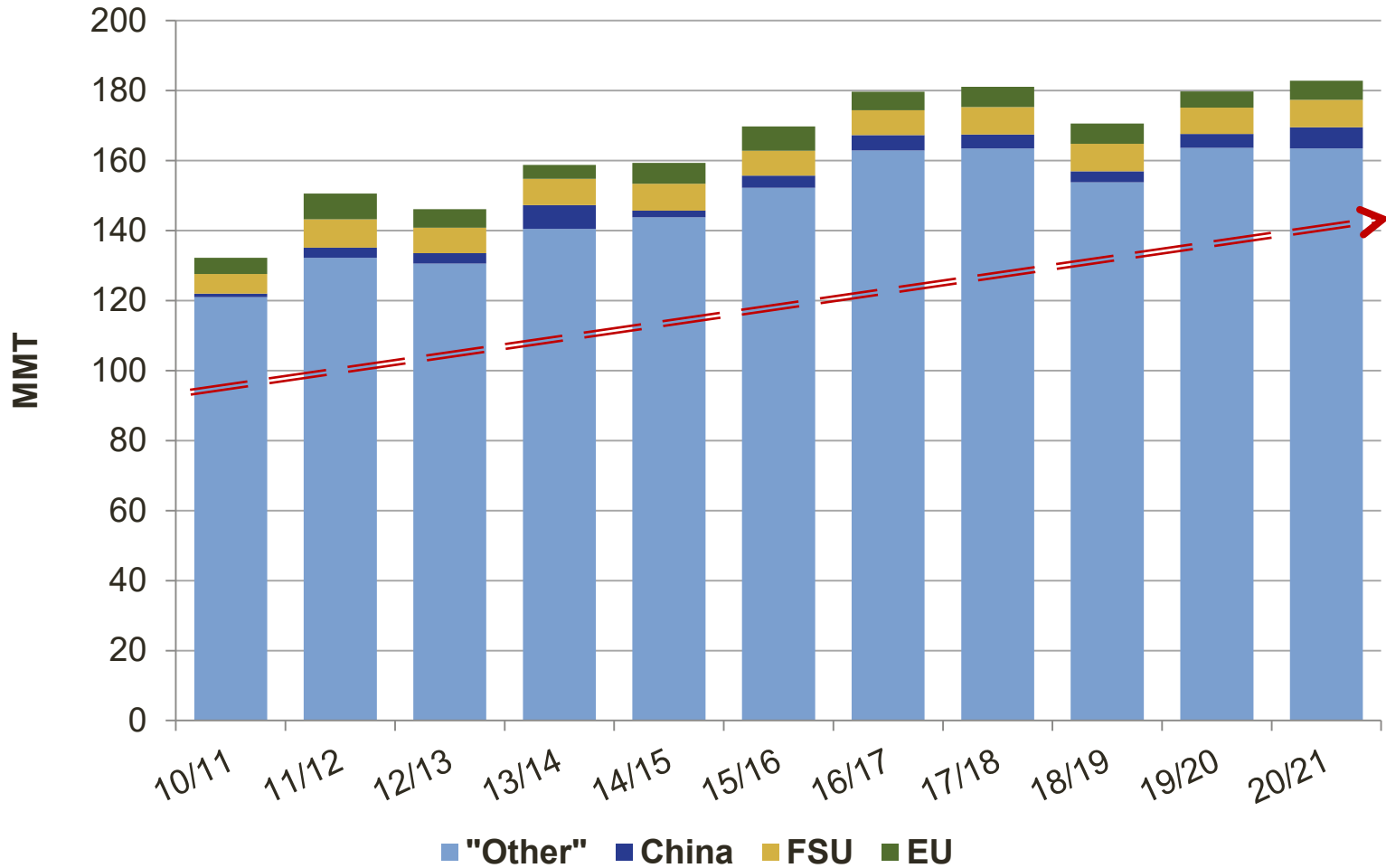
Top 10 Customers for U.S. Wheat

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



Source: USDA FAS export sales data as of April 30, 2020

World Wheat Imports



Trend in "other" importers denoted (—>)



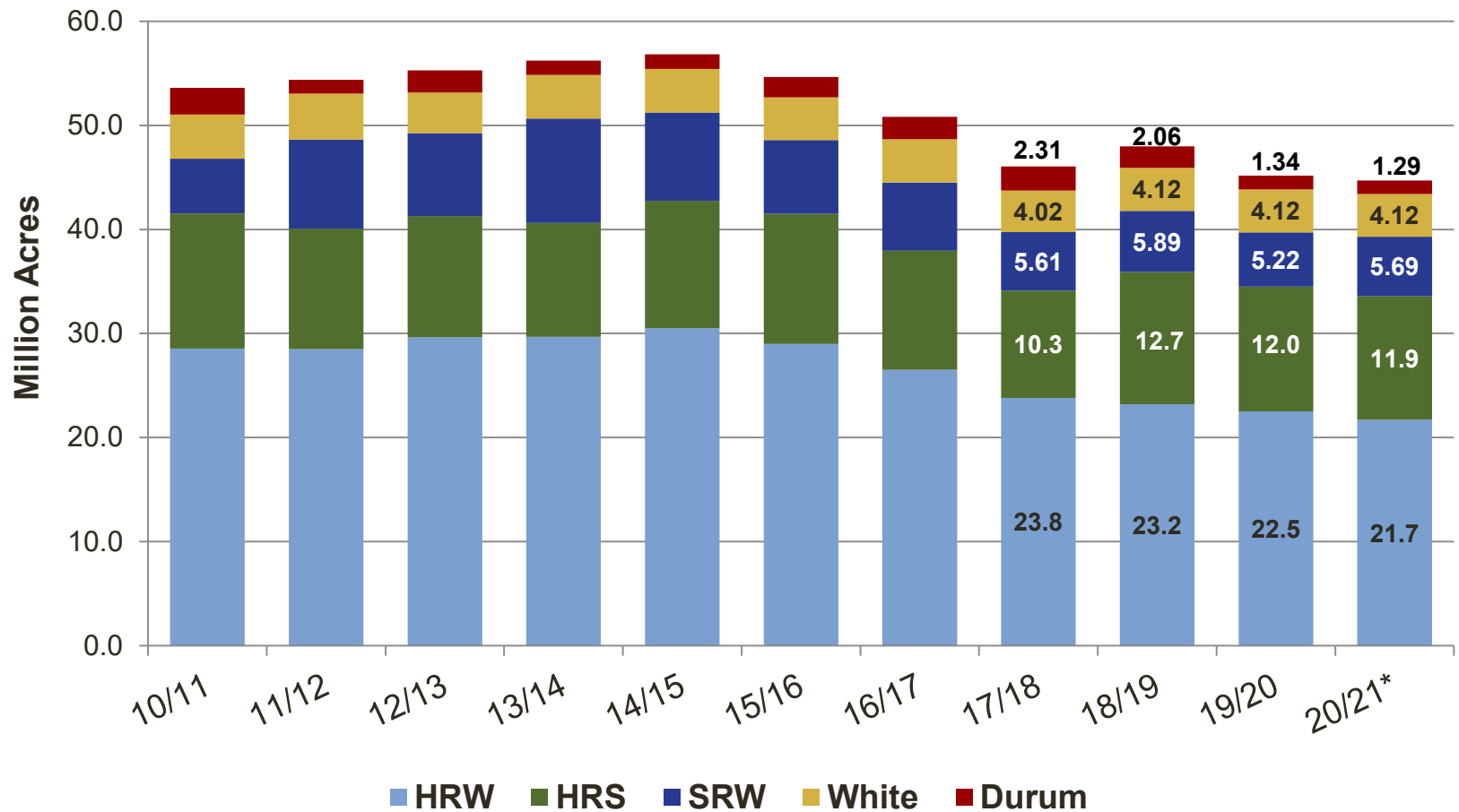
Major Exporters

Import Demand

U.S. Situation by Class

Outlook

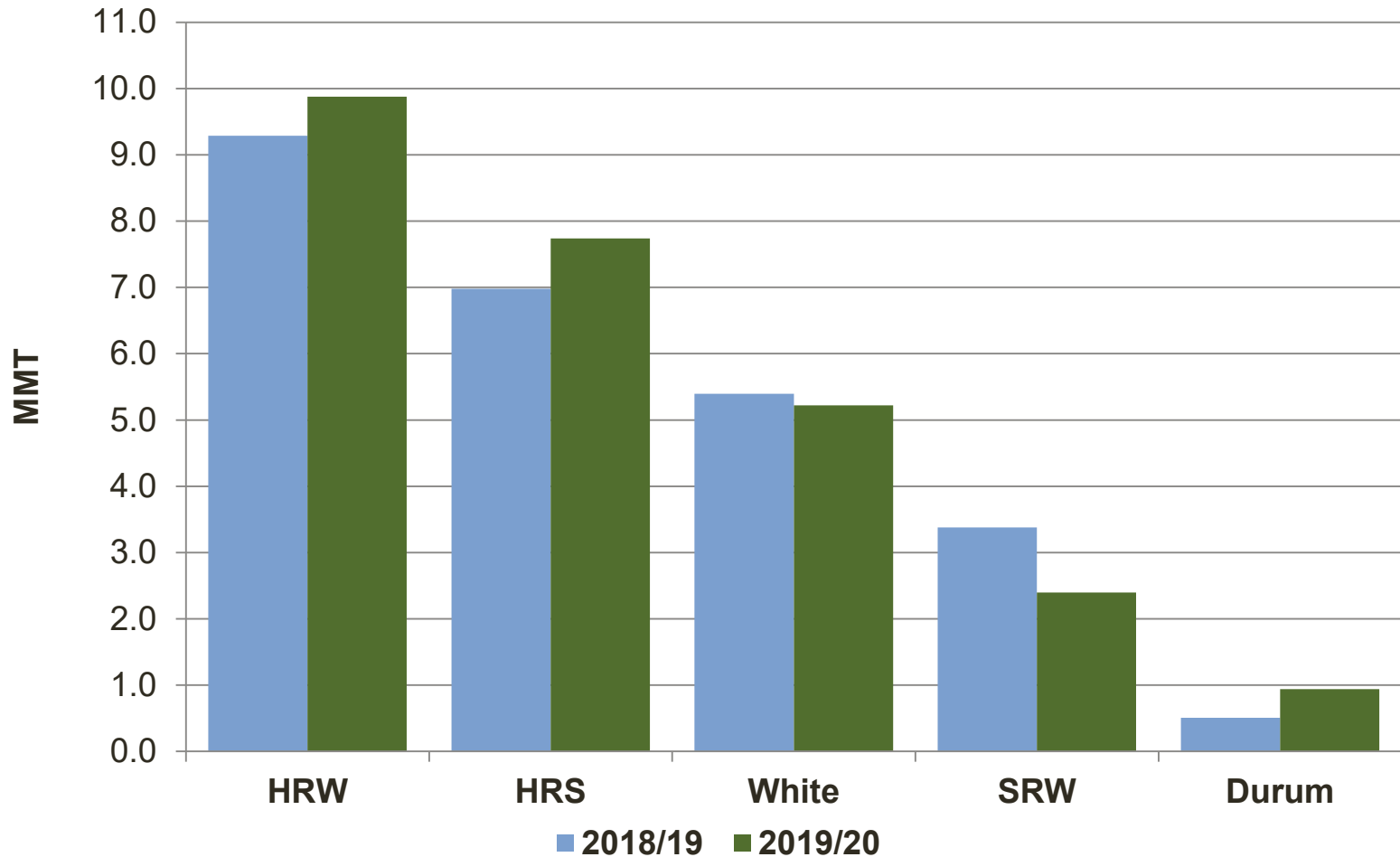
U.S. Wheat Planted Area



*Source: March 2020 USDA Prospective Plantings Report

U.S. Wheat Sales by Class

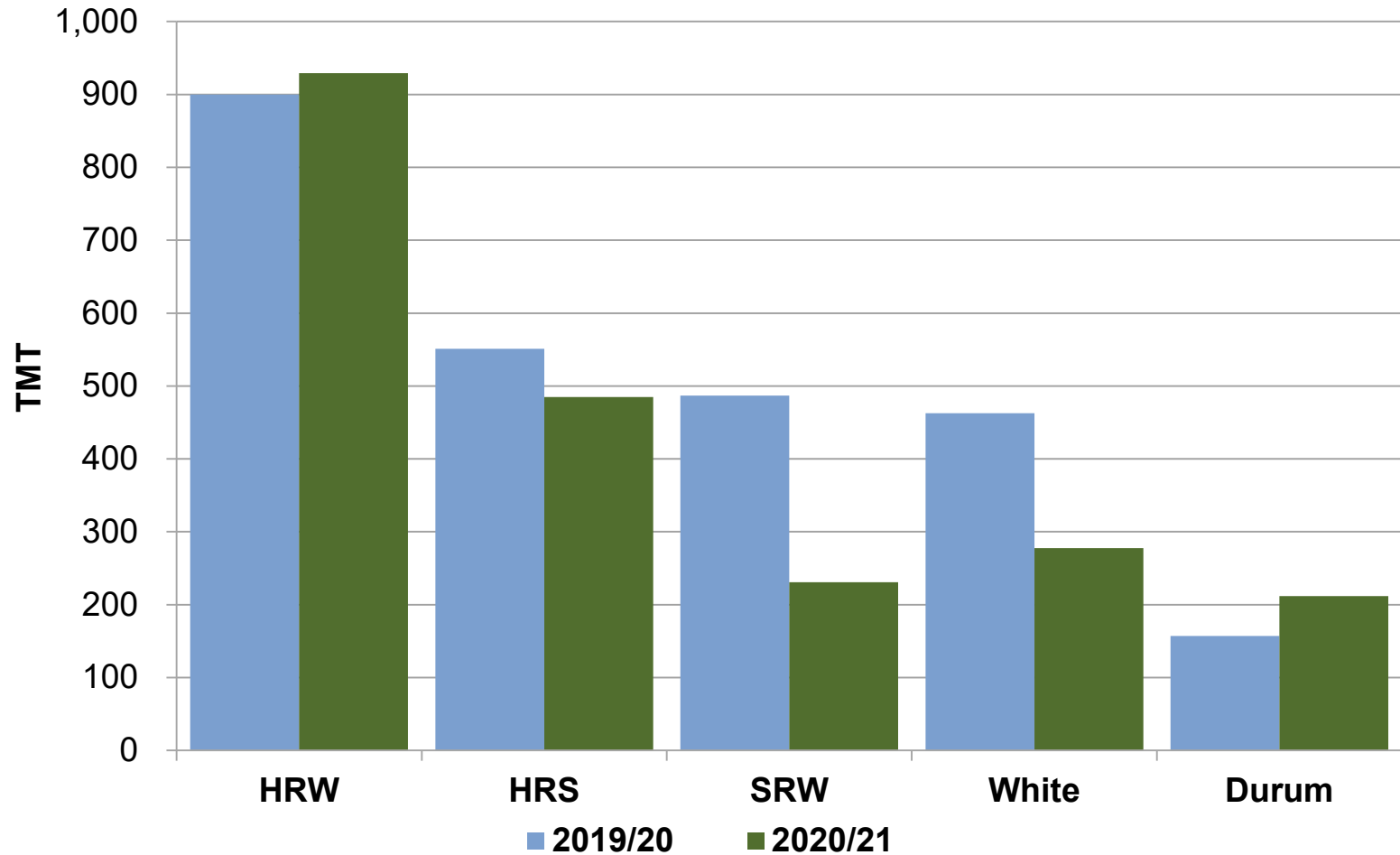
(year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of April 30, 2020

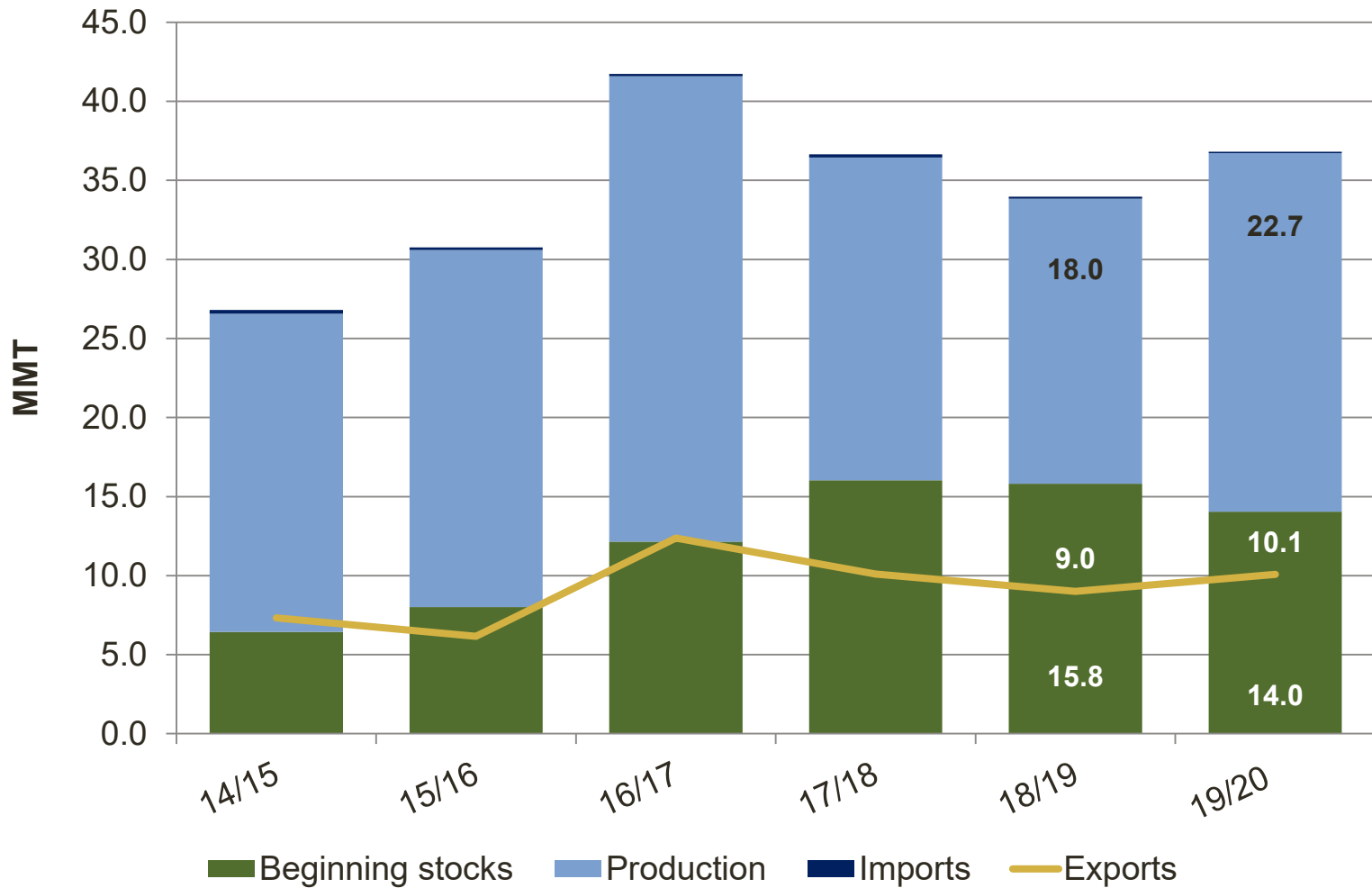
U.S. Wheat Sales by Class

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



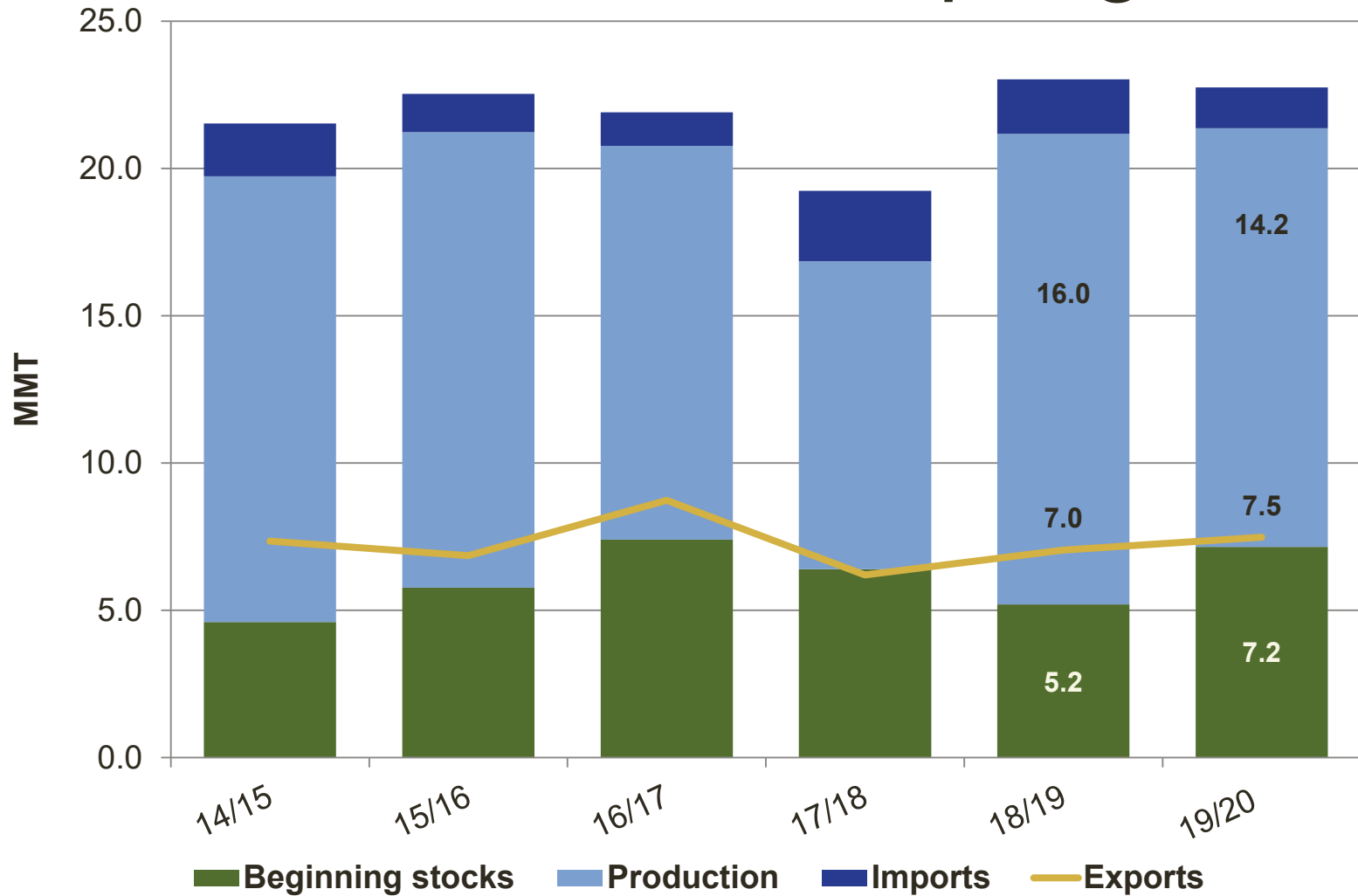
Source: USDA FAS export sales data as of April 30, 2020

U.S. Hard Red Winter



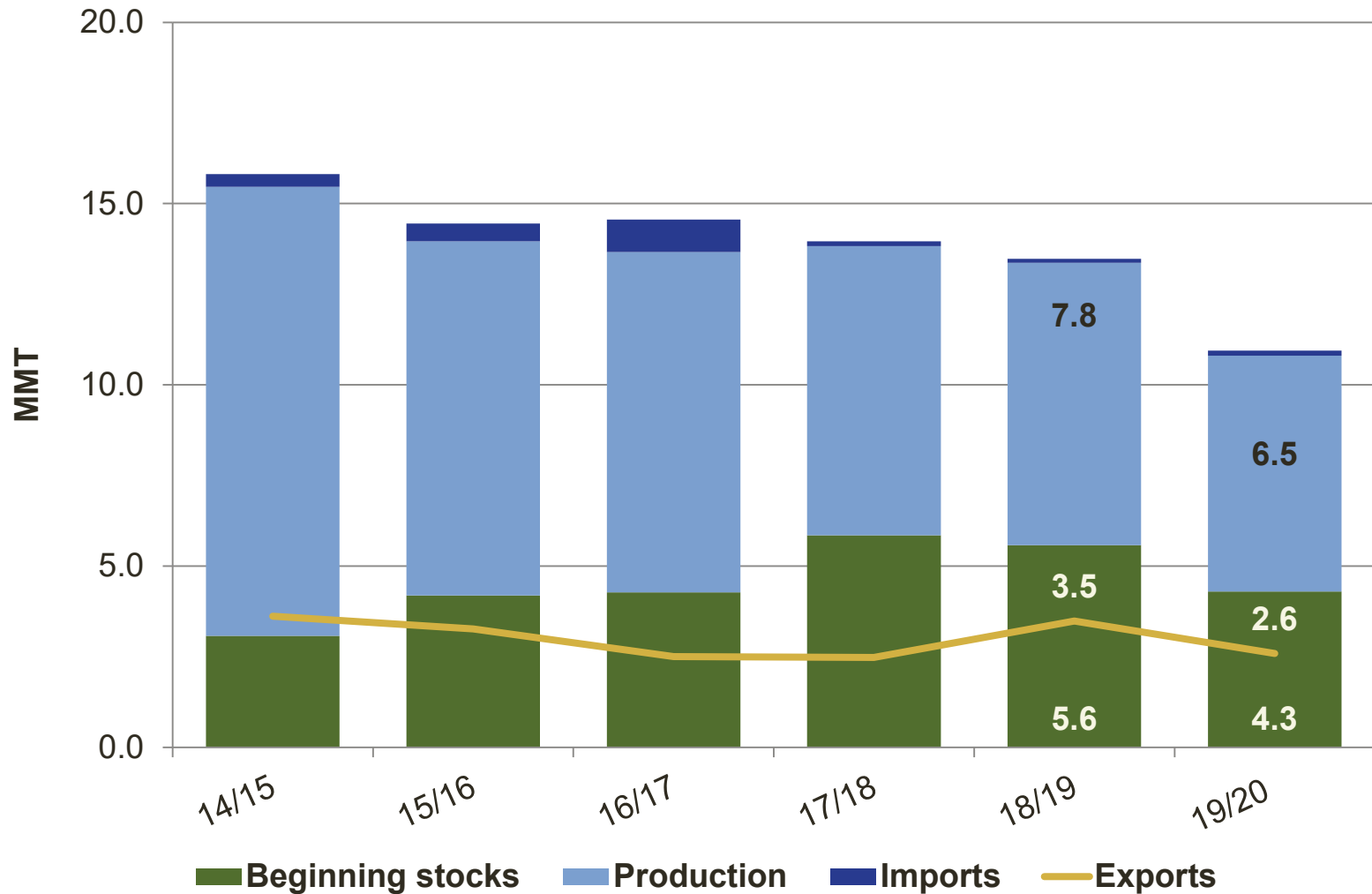
Class information for 2020/21 will be published in the July 2020 USDA WASDE report

U.S. Hard Red Spring



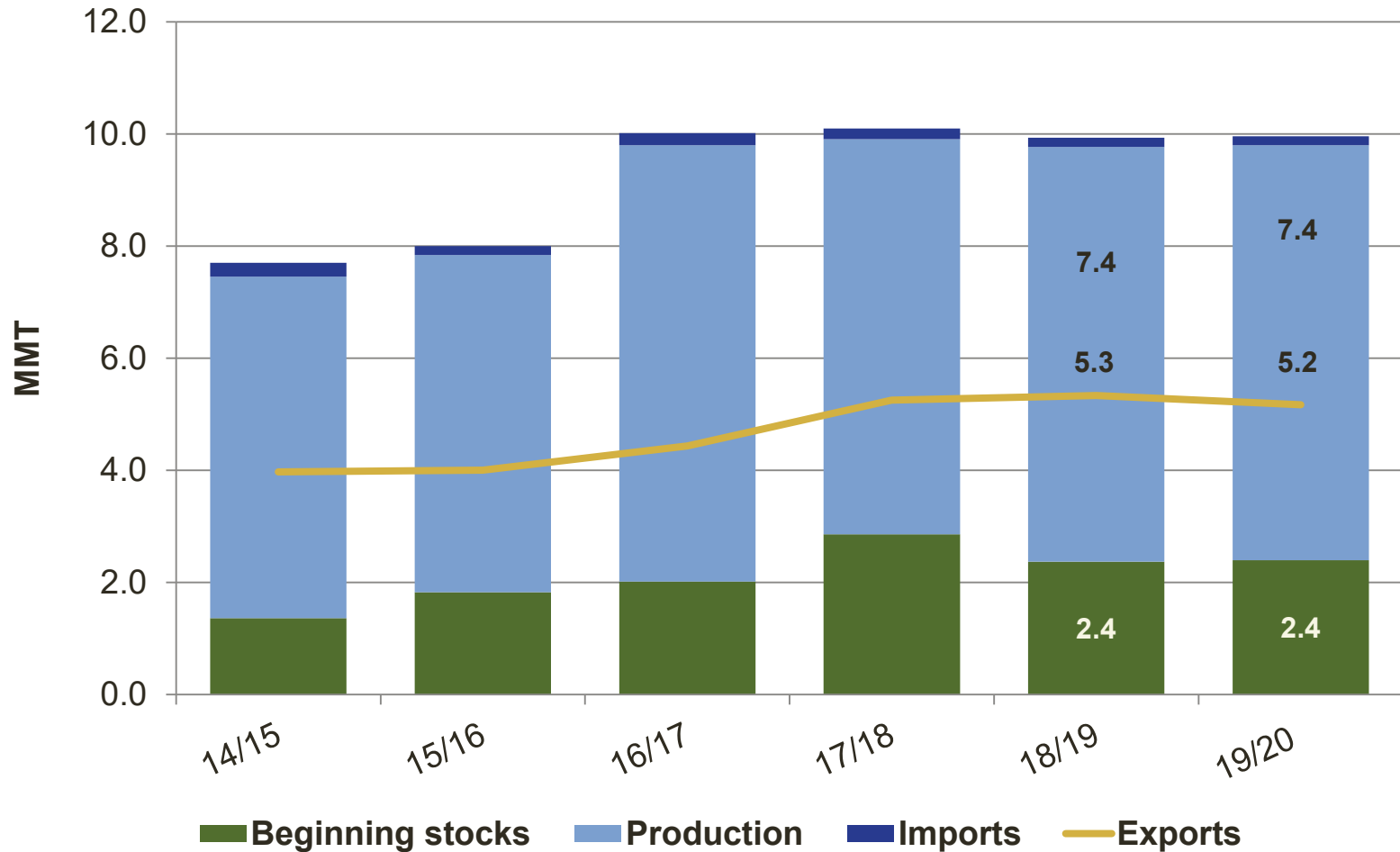
Class information for 2020/21 will be published in the July 2020 USDA WASDE report

U.S. Soft Red Winter



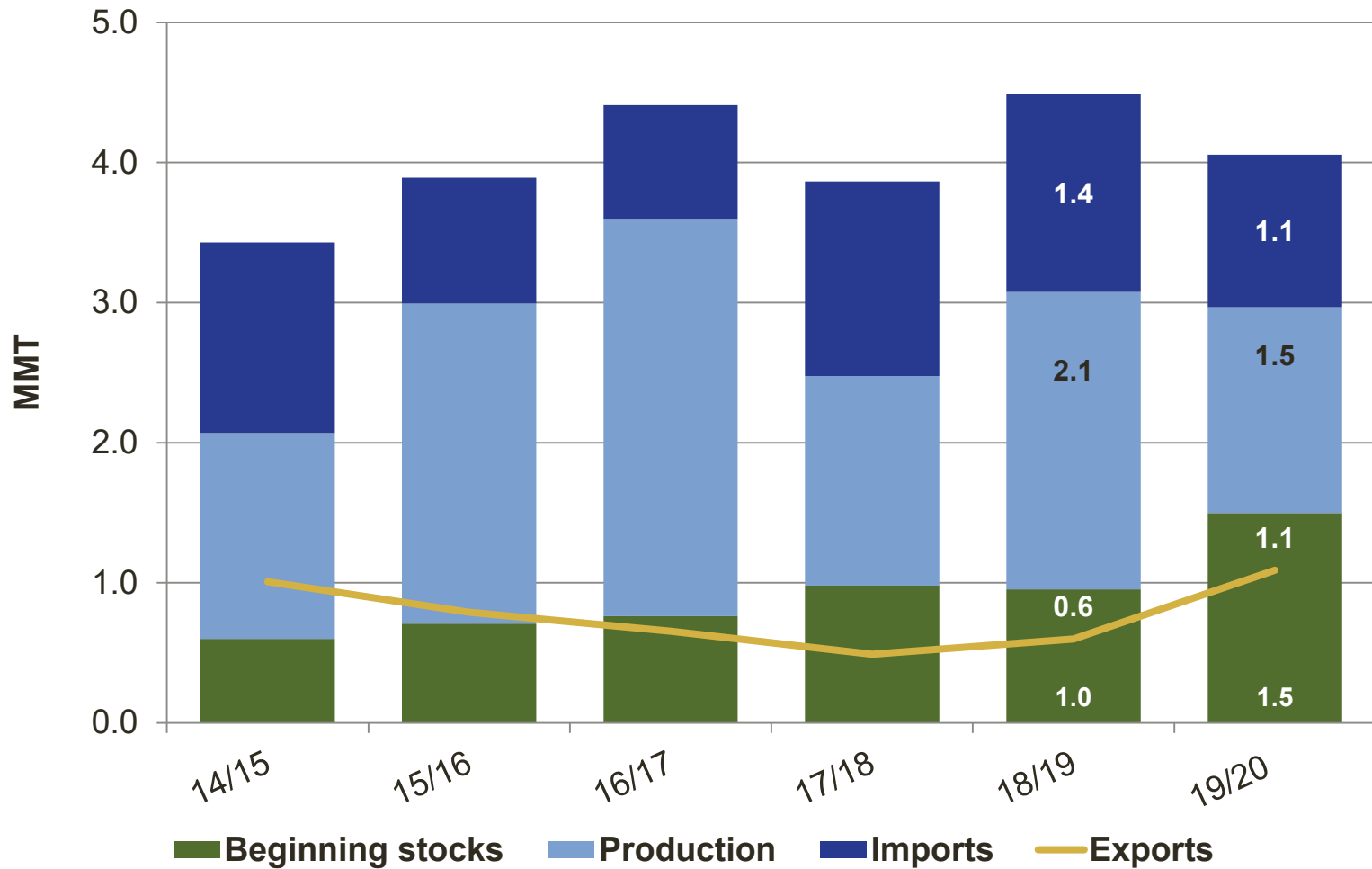
Class information for 2020/21 will be published in the July 2020 USDA WASDE report

U.S. White



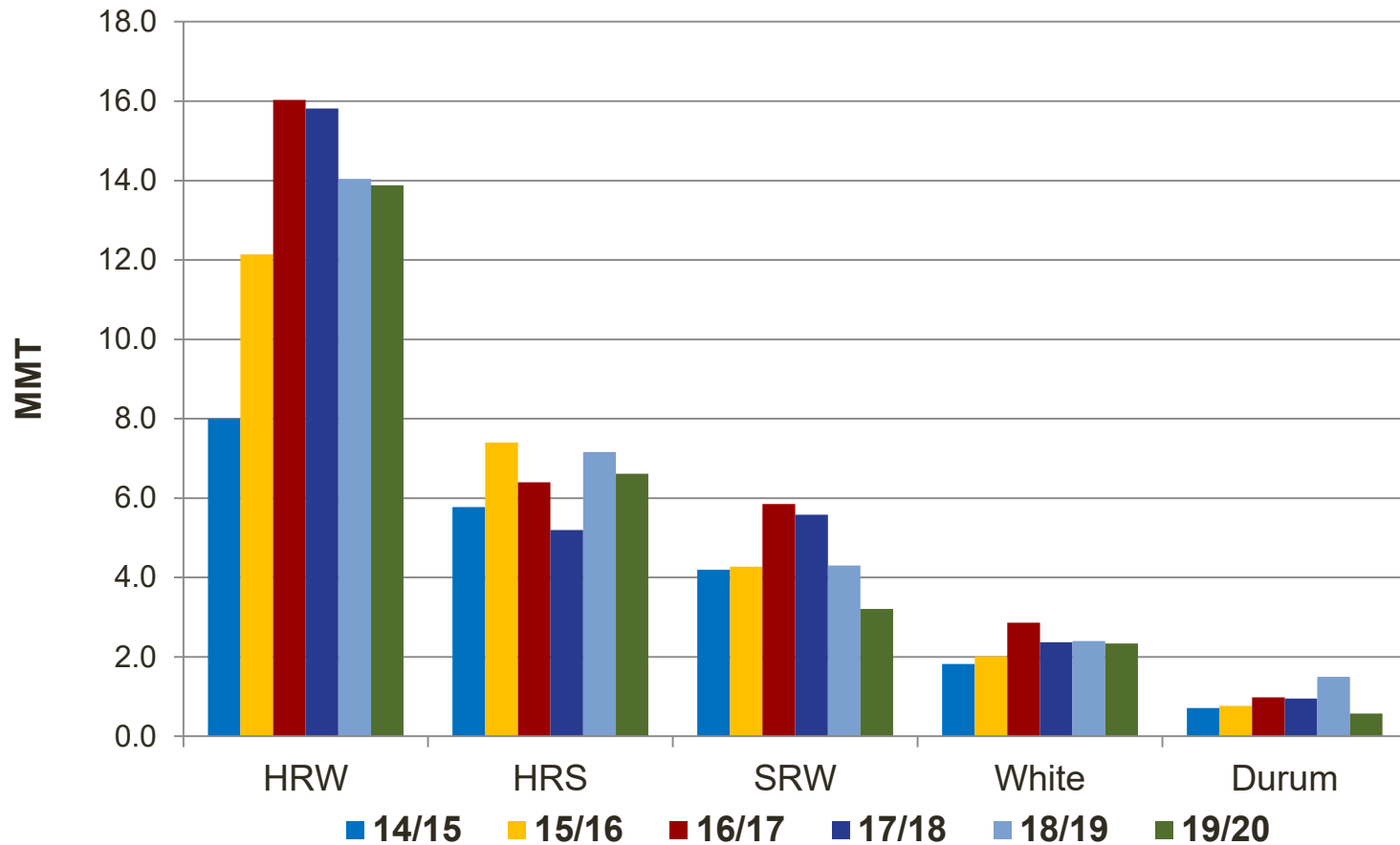
Class information for 2020/21 will be published in the July 2020 USDA WASDE report

U.S. Durum



Class information for 2020/21 will be published in the July 2020 USDA WASDE report

U.S. Wheat Ending Stocks by Class



Class information for 2020/21 will be published in the July 2020 USDA WASDE report

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	36.8	23.0	22.8	13.47	10.9
Domestic Use	10.9	12.8	8.82	8.65	5.69	5.14
Exports	9.0	10.1	7.05	7.48	3.48	2.59
Use Total	19.9	22.9	15.9	16.1	9.17	7.73
Ending Stocks	14.0	13.9	7.16	6.61	4.30	3.21
Stocks-to-Use	70%	61%	45%	41%	47%	42%

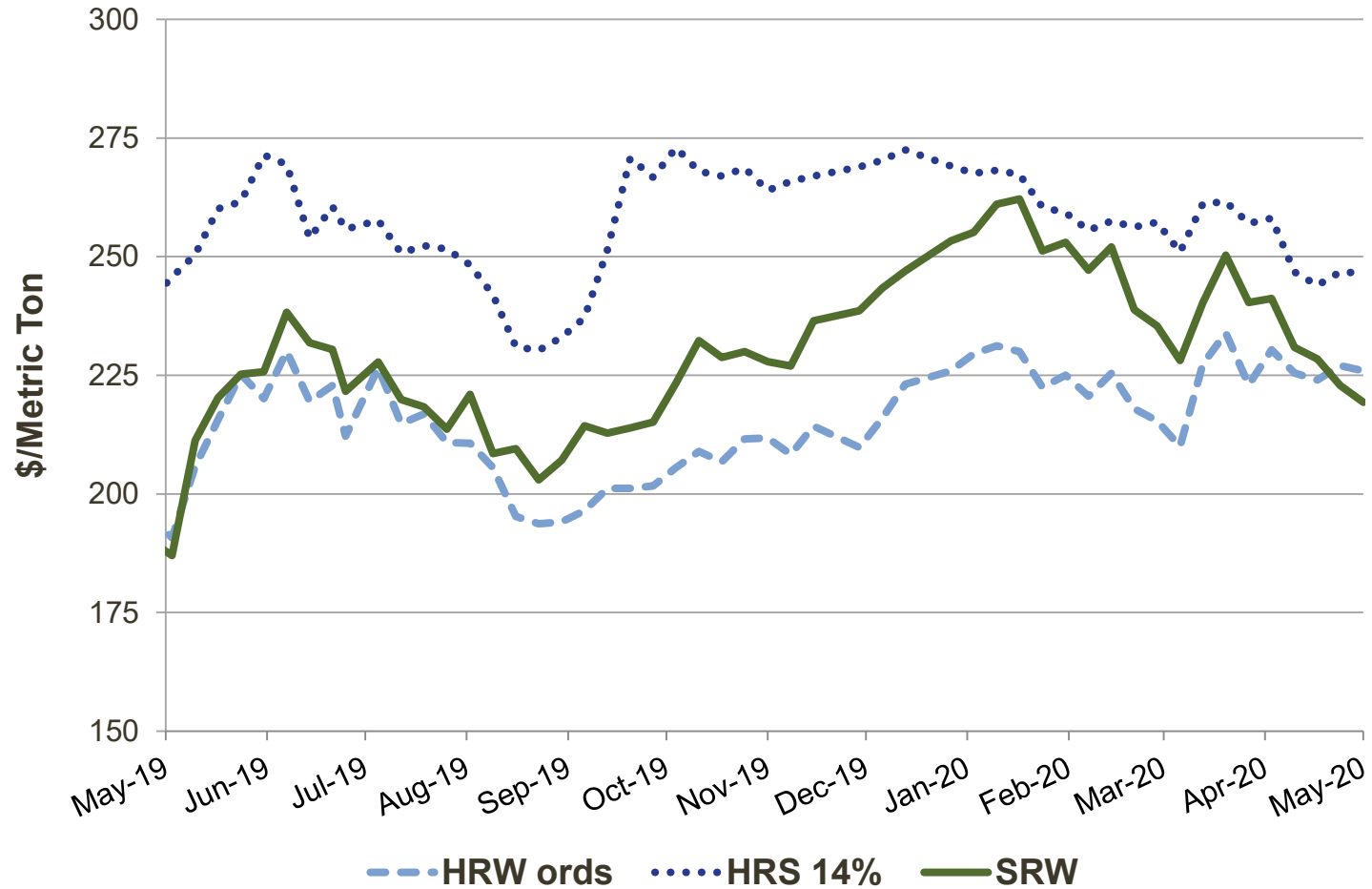
Class information for 2020/21 will be published in the July 2020 USDA WASDE report

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	9.96	4.49	4.06	84.9	84.5
Domestic Use	2.20	2.45	2.40	2.40	30.0	31.5
Exports	5.33	5.17	0.60	1.09	25.5	26.4
Use Total	7.54	7.62	2.99	3.48	55.5	57.9
Ending Stocks	2.40	2.34	1.50	0.57	29.4	26.6
Stocks-to-Use	32%	31%	50%	16%	53%	46%

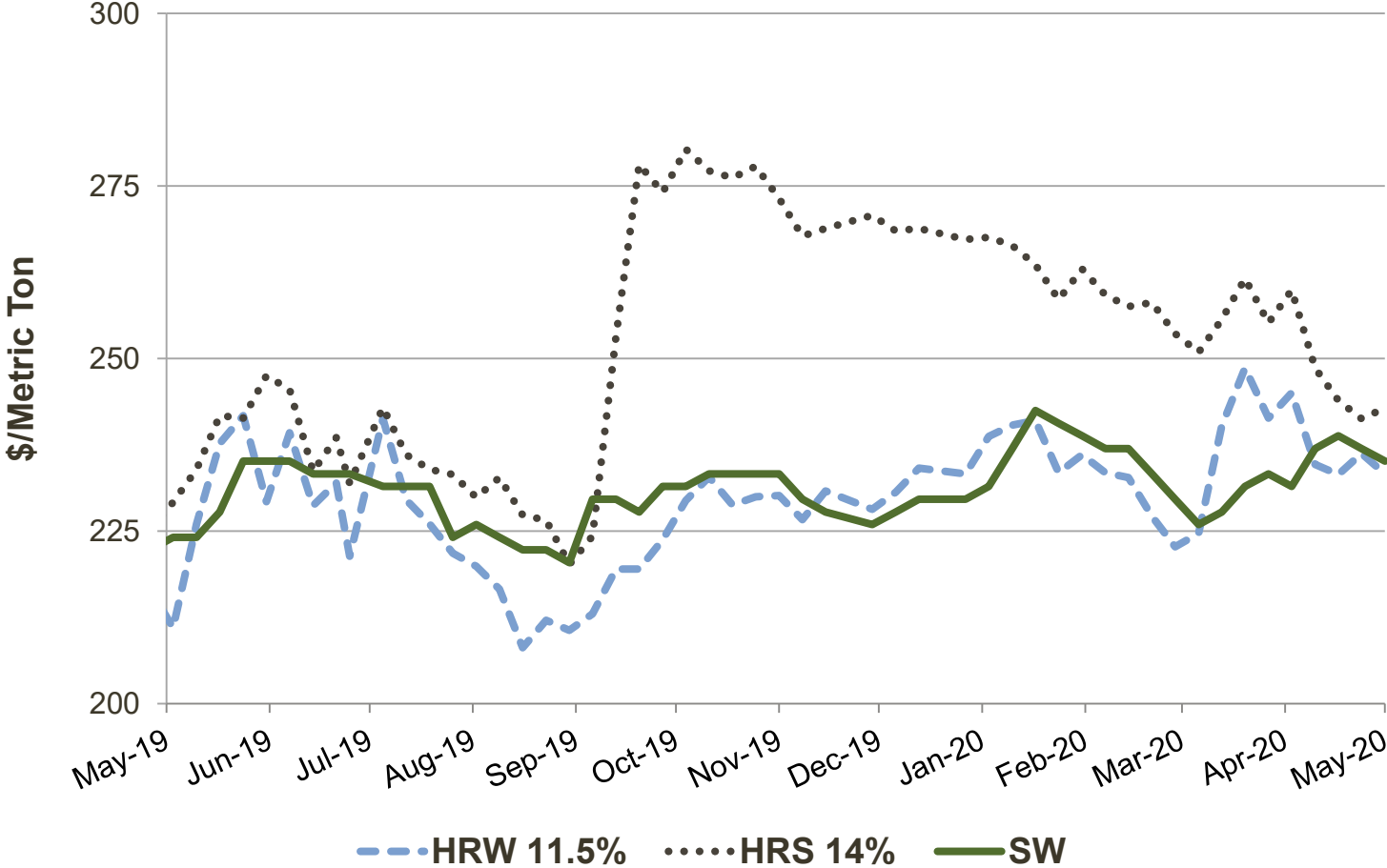
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U.S. FOB Gulf Prices



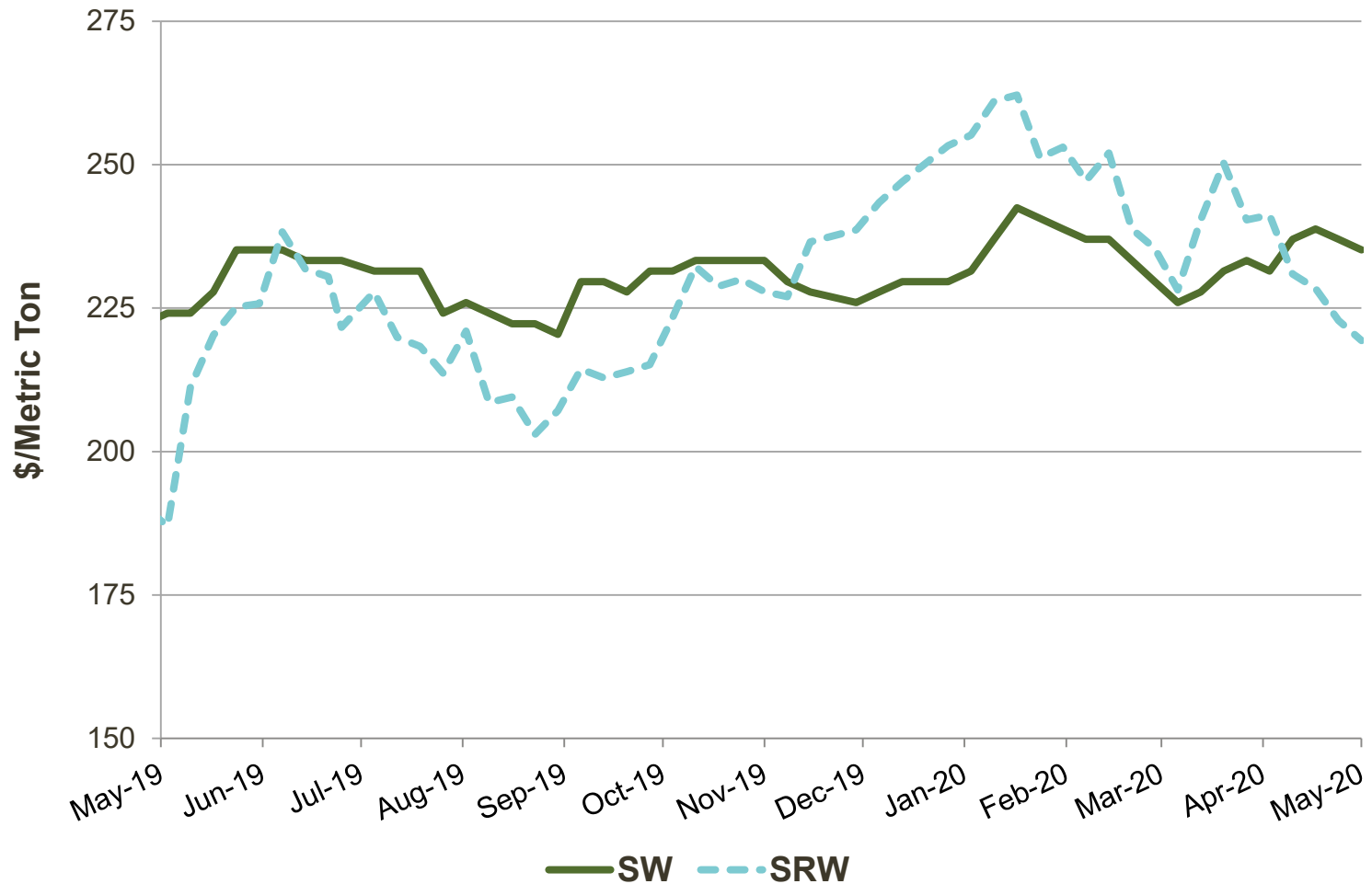
Source: U.S. Wheat Associates Price Report, May 8, 2020

U.S. FOB PNW Prices



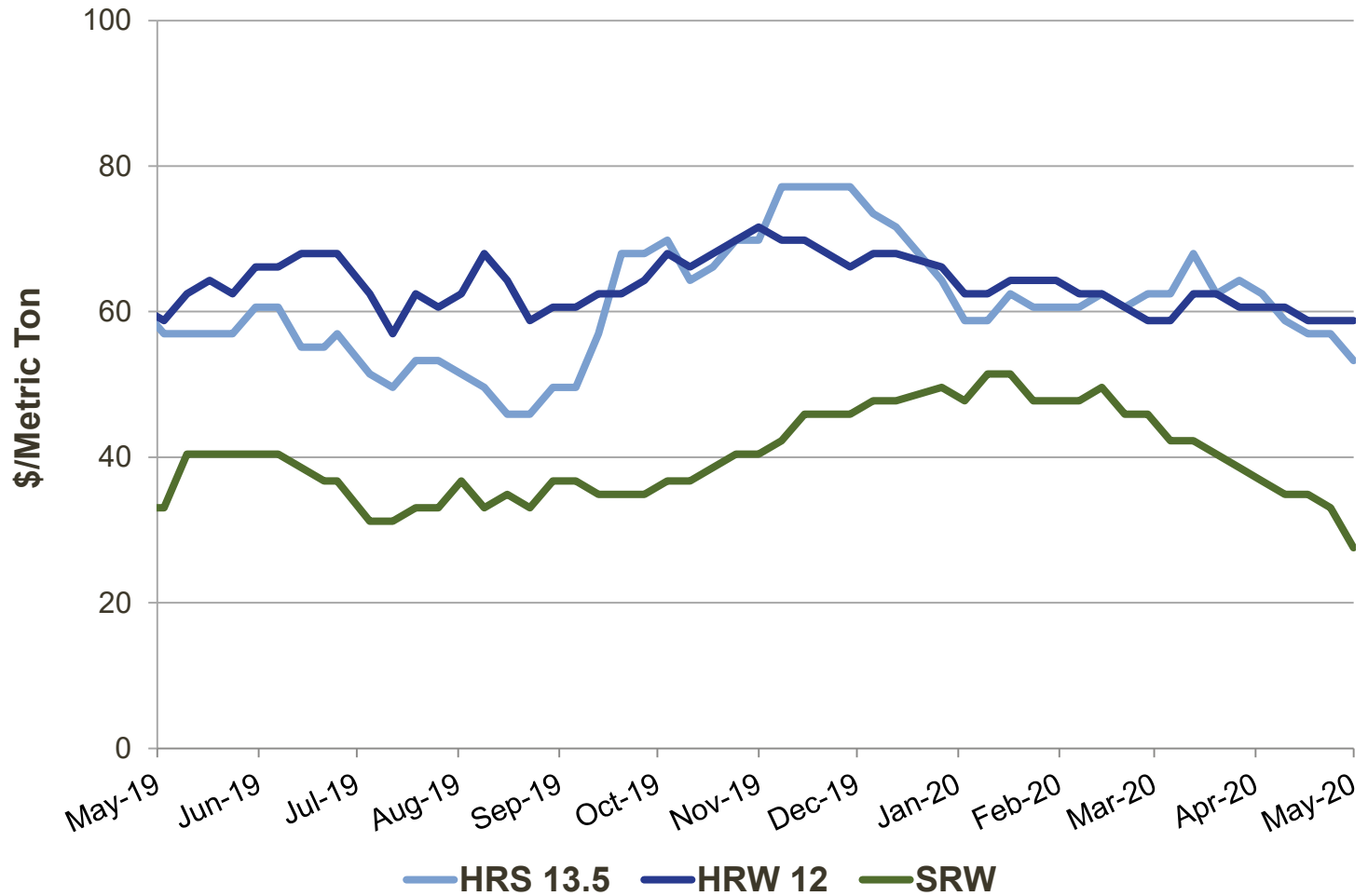
Source: U.S. Wheat Associates Price Report, May 8, 2020

Soft White and SRW Prices



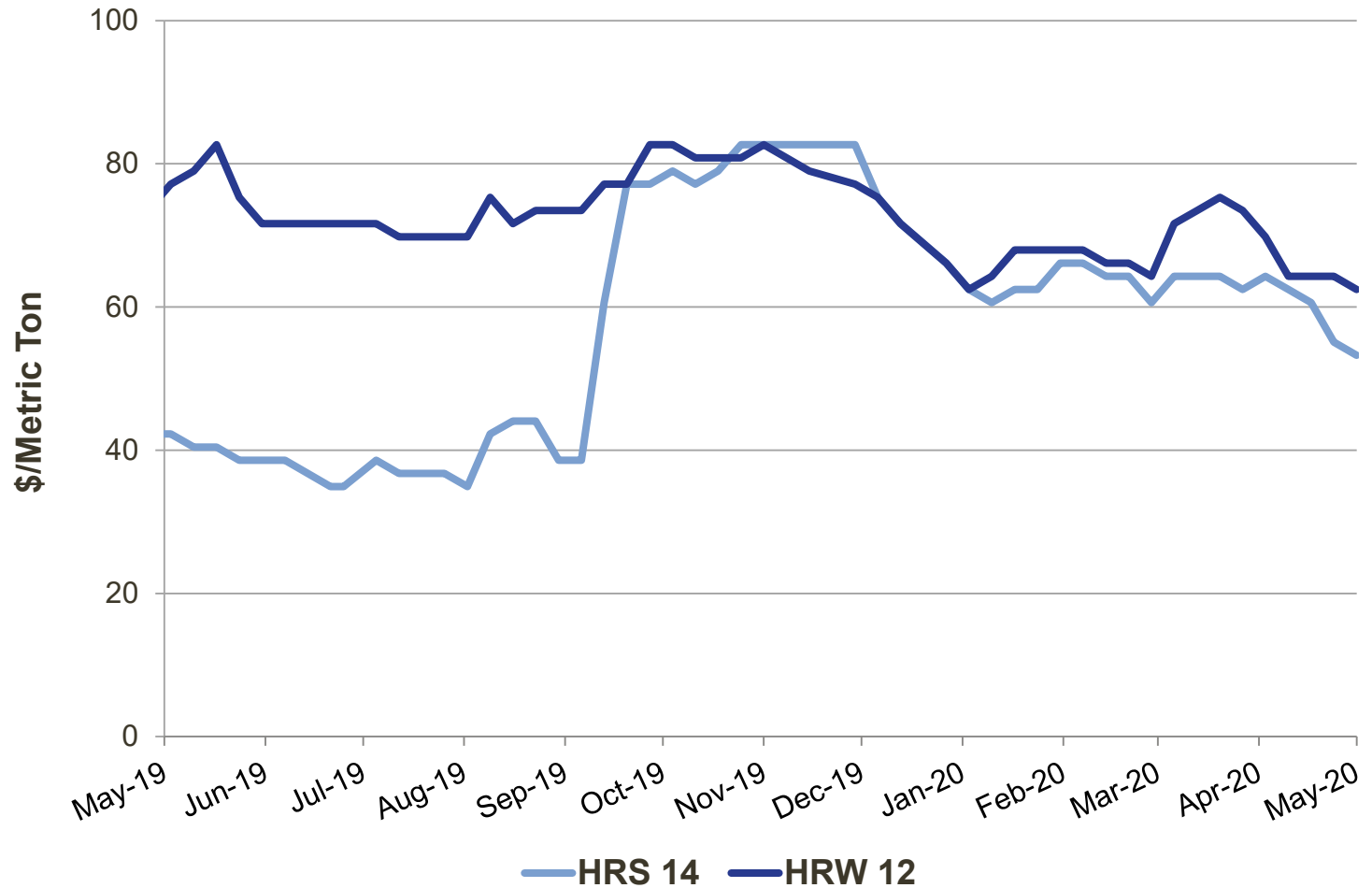
Source: U.S. Wheat Associates Price Report, May 8, 2020

U.S. Gulf Basis Prices



Source: U.S. Wheat Associates Price Report, May 8, 2020

U.S. PNW Basis Prices



Source: U.S. Wheat Associates Price Report, May 8, 2020



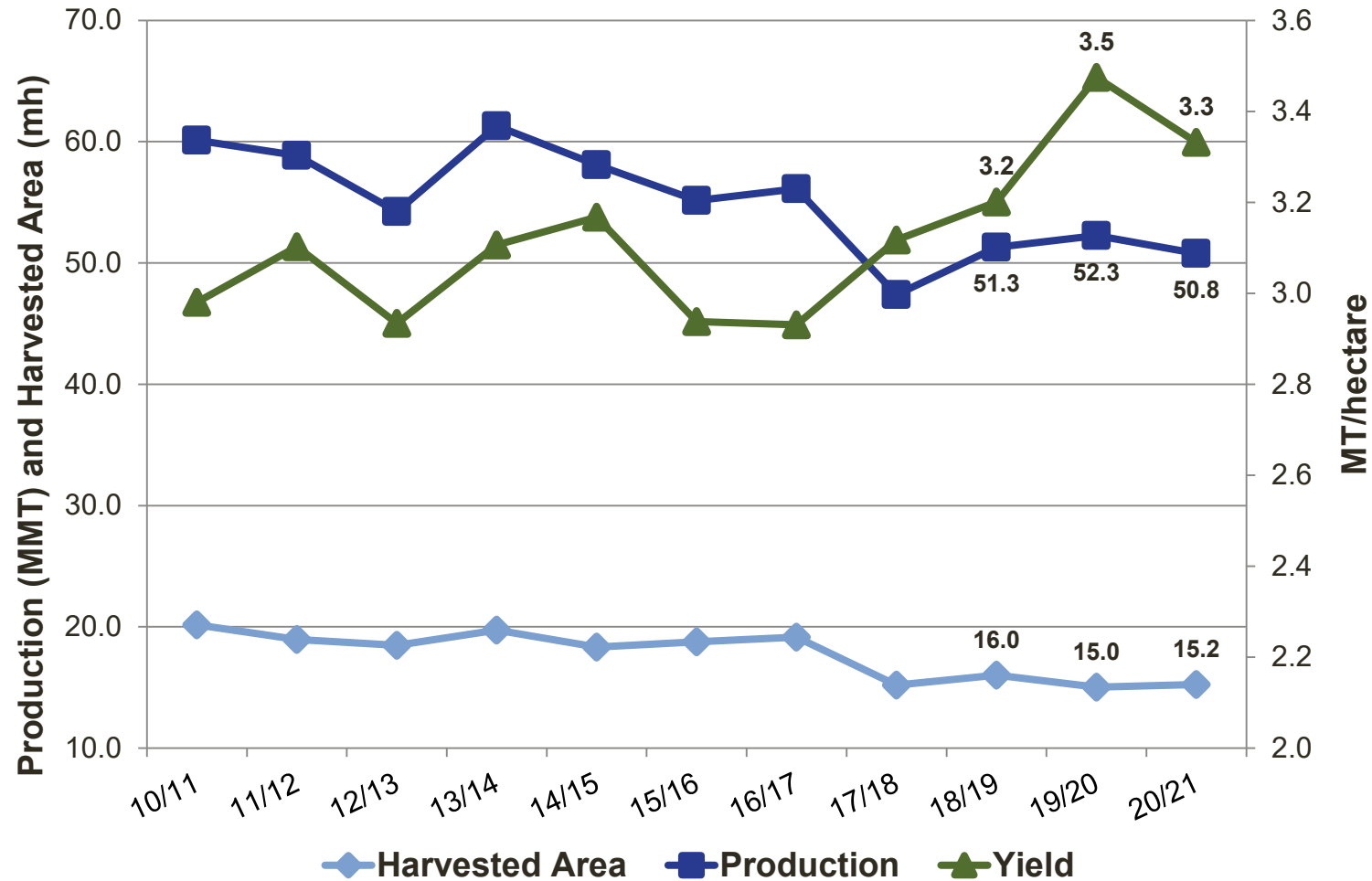
Major Exporters

Import Demand

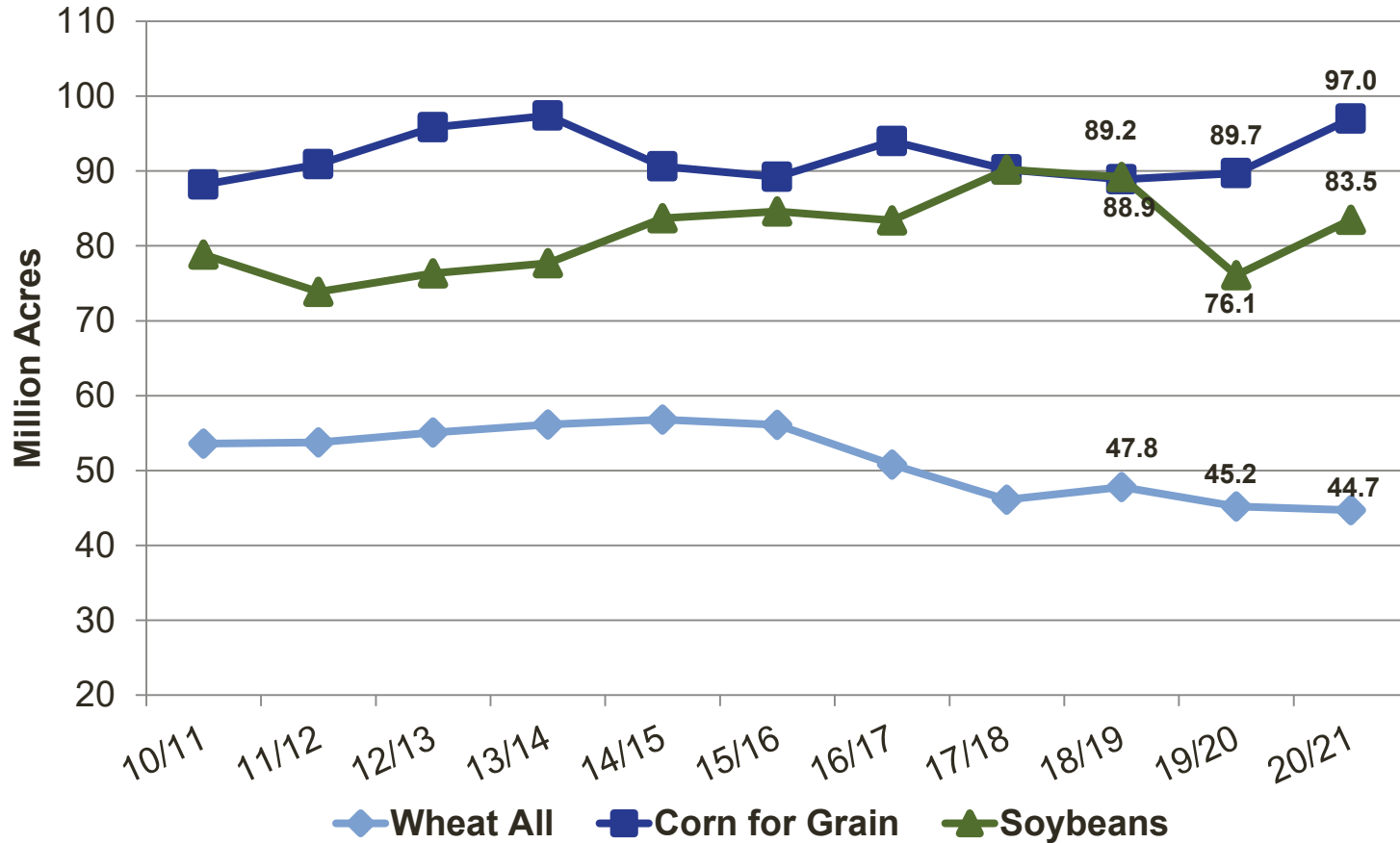
U.S. Situation by Class

Outlook

U.S. Wheat Production, Area and Yield

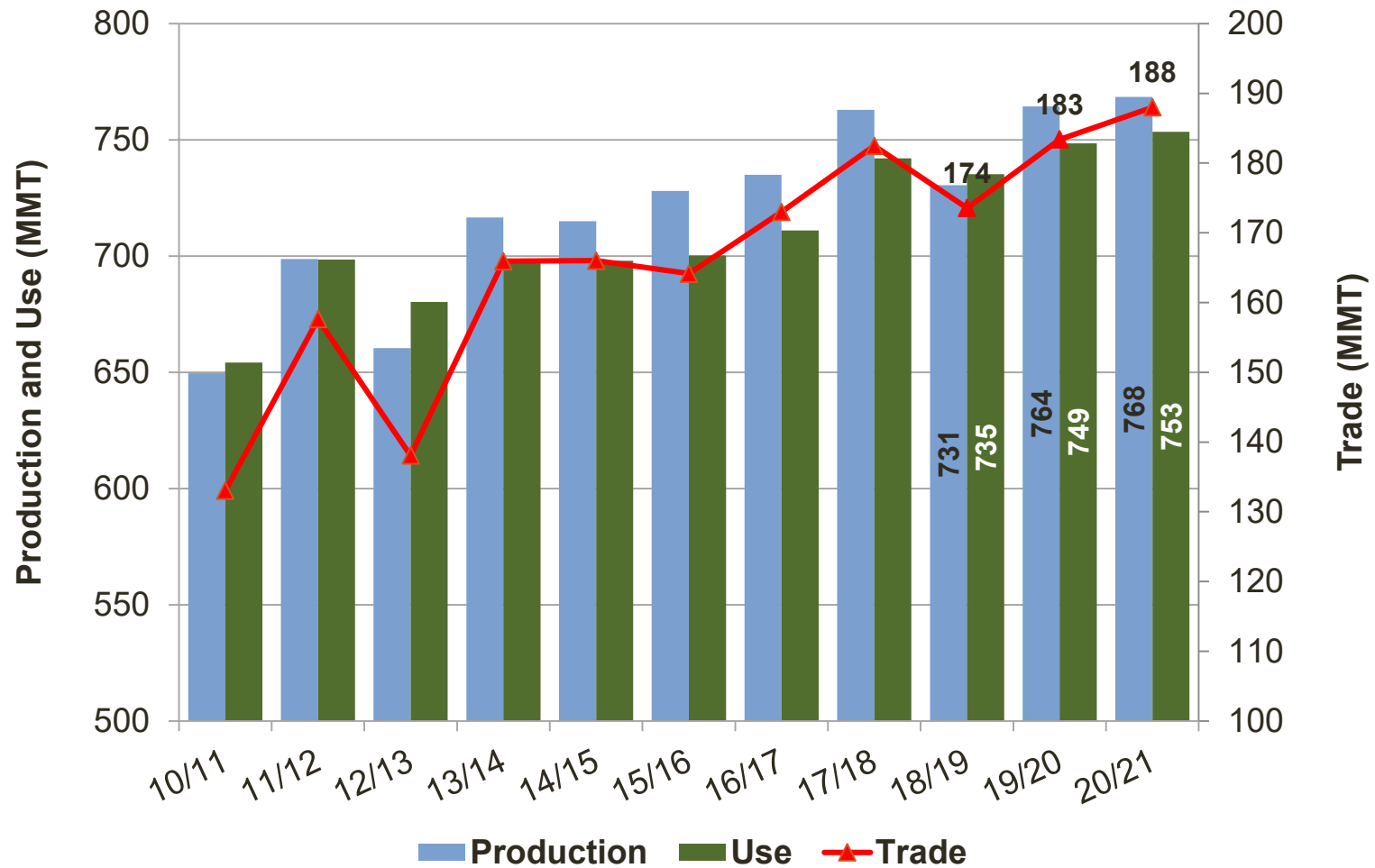


U.S. Crop Planted Area Comparison



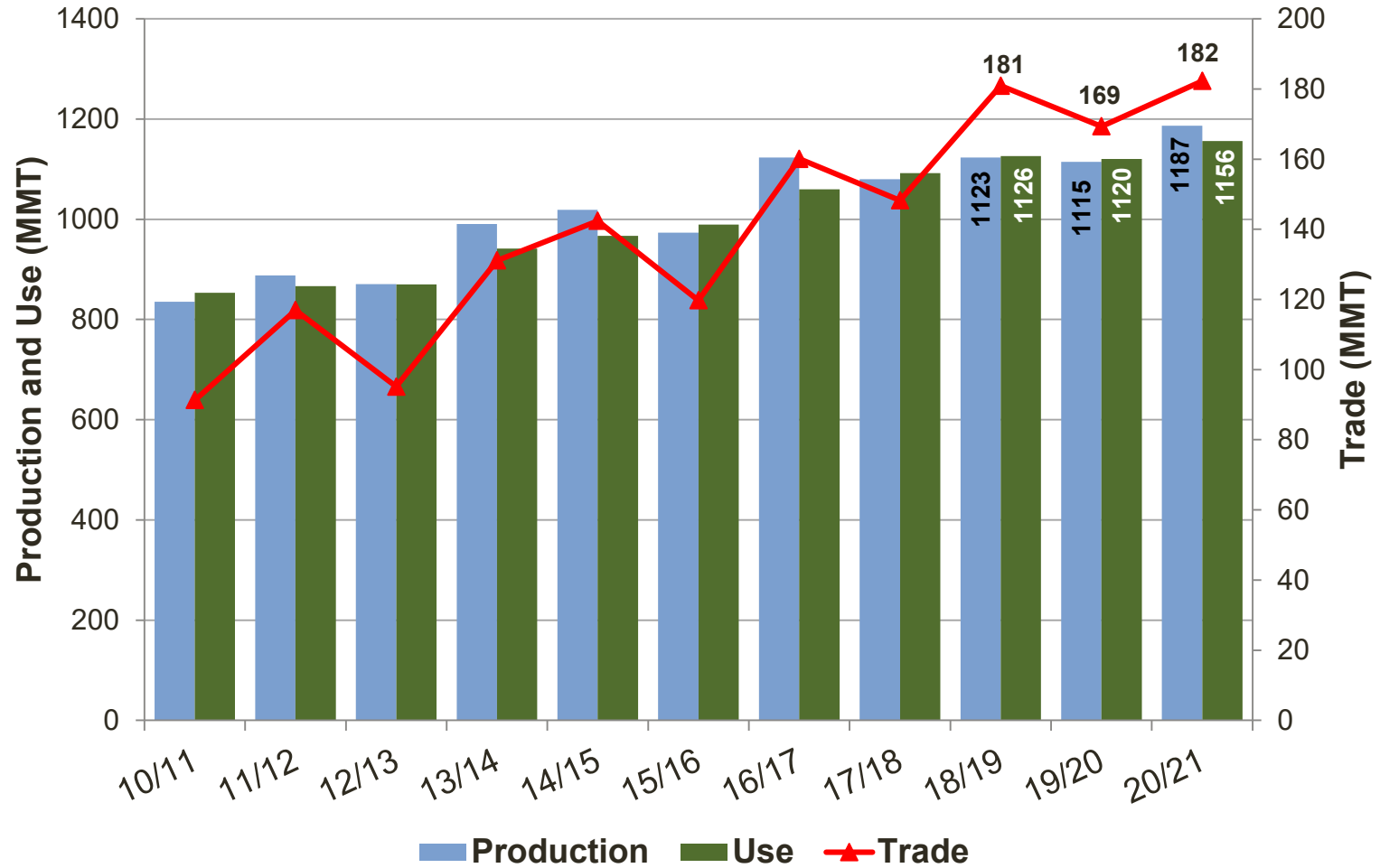
World Wheat

Production, Use and Trade



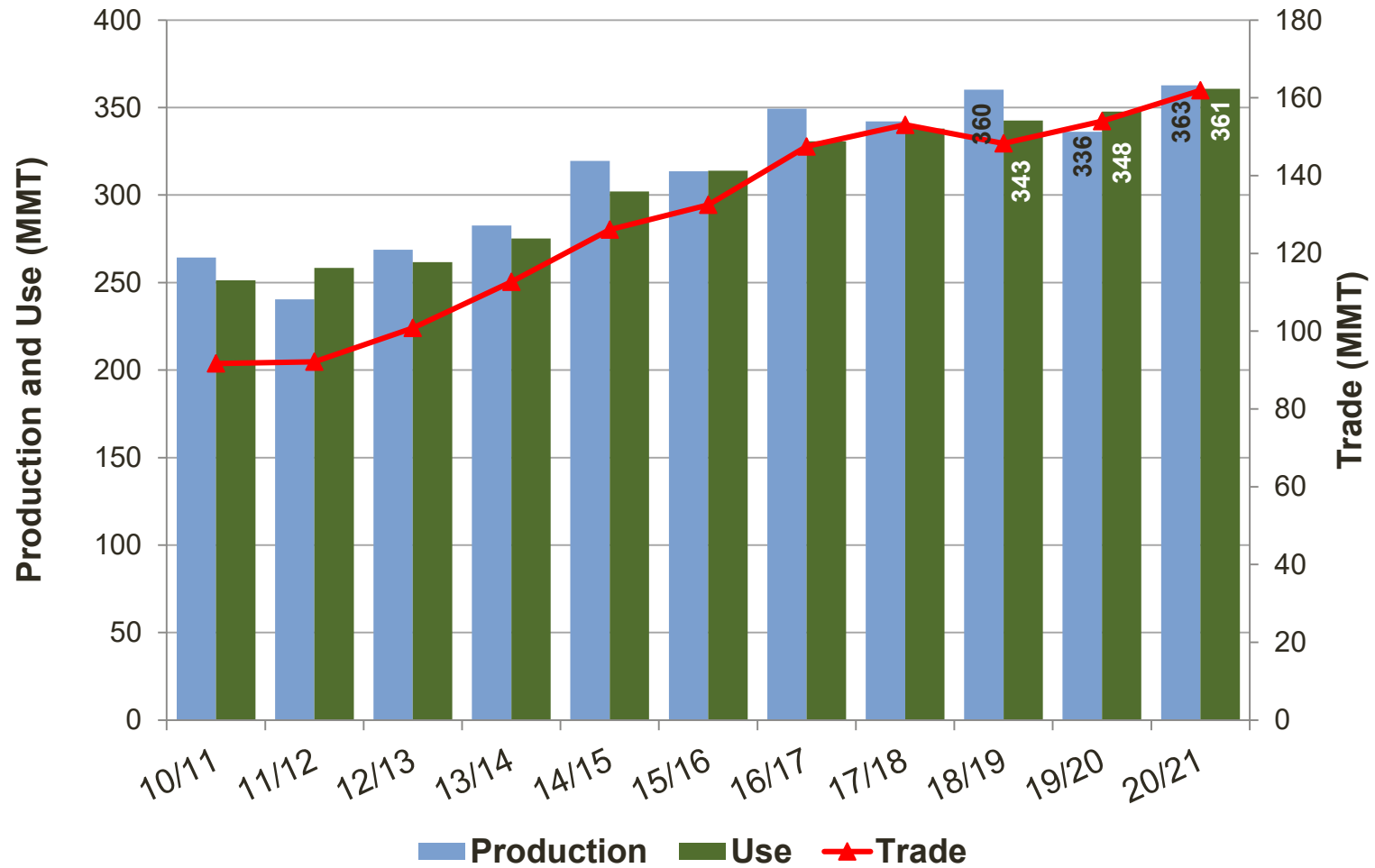
World Corn

Production, Use and Trade

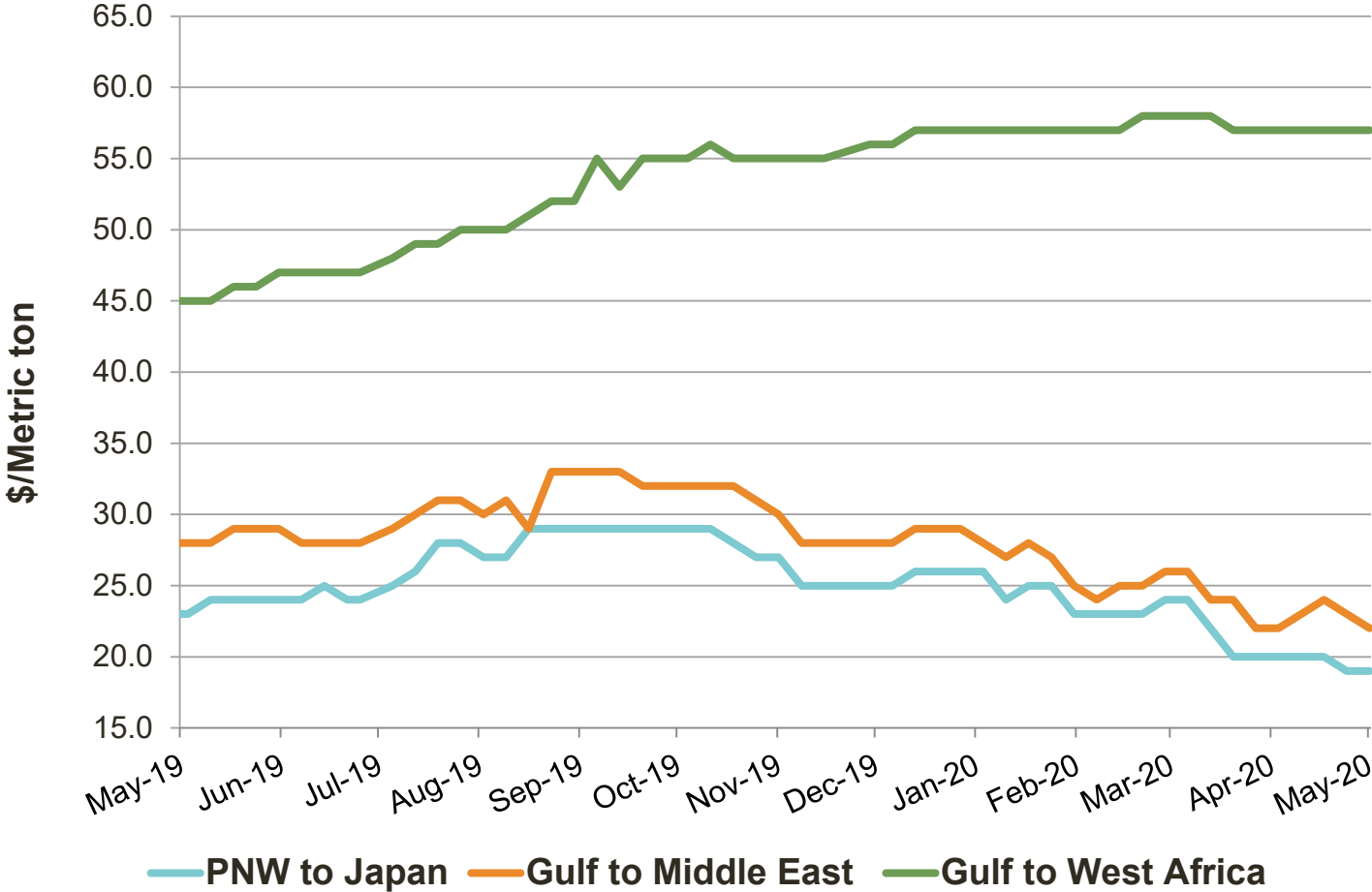


World Soybeans

Production, Use and Trade



Ocean Freight Rates for Grains



Source: U.S. Wheat Associates Price Report, May 8, 2020

Summary

- **Global wheat production in 2020/21 to reach a record 768 MMT**
 - Wheat production in Russia to jump 5% from 2019/20 to 77.0 MMT
 - European Union (EU) wheat production to fall 7% from last year to 143 MMT on overly wet weather during fall 2019 planting and overly dry weather during spring 2020
 - U.S. wheat production to decrease 3% from last year to 50.8 MMT as lower yields are expected to offset increased harvested area
- **Global ending stocks projected at record 310 MMT, 5% higher than last year and 14% greater than the 5-year average**
 - Expected Chinese ending stocks to reach a record 160 MMT, 7% greater than last year and 27% more than the 5-year average
 - U.S. ending stocks are expected to decrease 7% from last year to 24.7 MMT, the lowest in 6 years
- **World consumption and trade both forecast to reach record levels**
 - Total global wheat consumption to reach an all-time high of 753 MMT
 - Total global trade to reach a record 188 MMT, 3% greater than last year
 - U.S. 2020/21 domestic consumption to decrease to 30.6 MMT, down 3% from last year