




World Wheat Supply and Demand Situation

May 2019

Major data source: USDA World Agricultural Supply and Demand Estimates released May 10, 2019, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.

U.S. WHEAT ASSOCIATES

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

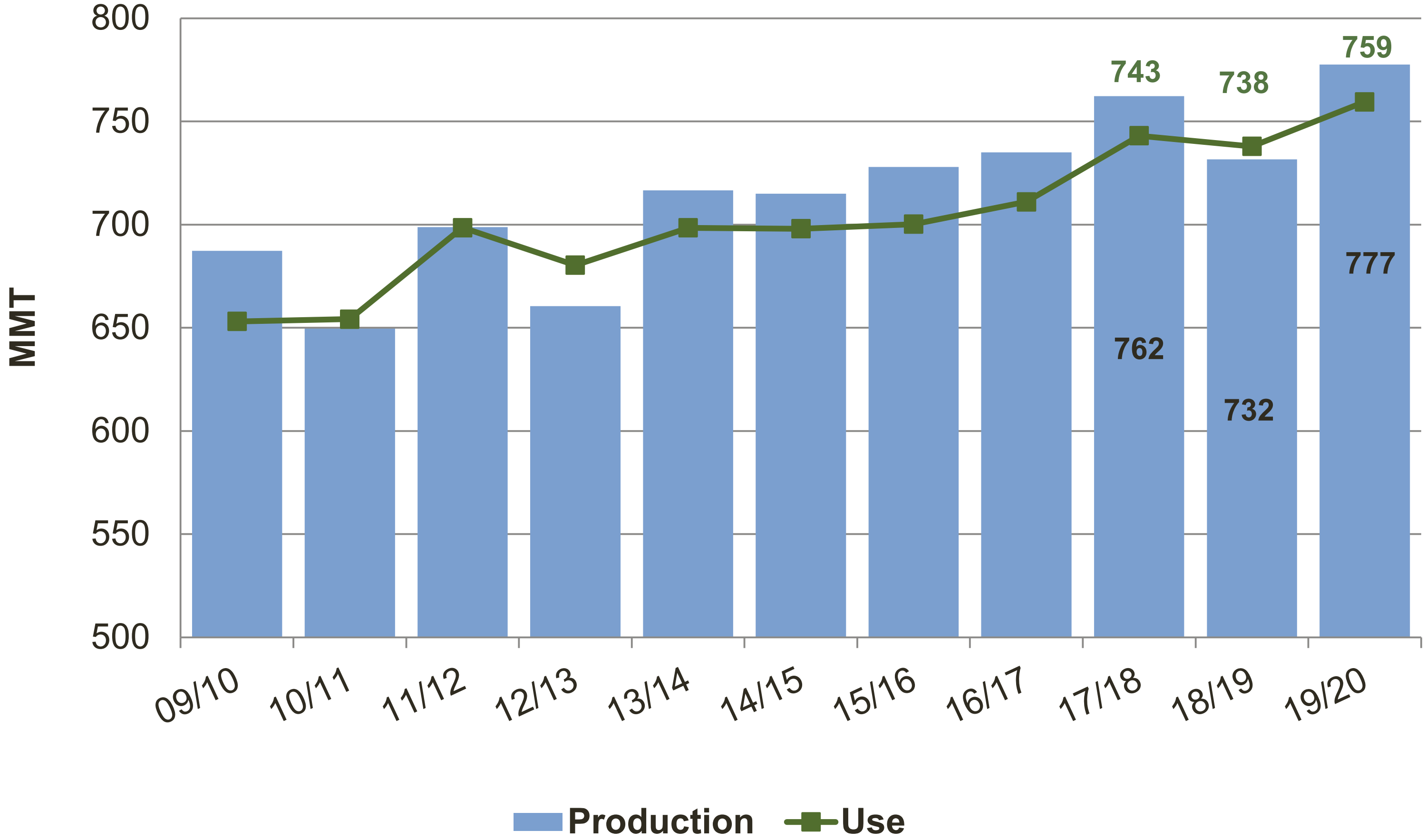
- **2019/20 global wheat production to jump to 10-year high of 777 MMT**
  - Wheat production in the European Union (EU) to rebound to 154 MMT, 2% higher than last year
  - Russian wheat production to reach second-highest level on record at 77.0 MMT
  - U.S. wheat production estimated at 51.6 MMT, 5% below the 5-year average of 54.5 MMT
- **Global consumption forecast at 759 MMT, the highest since 2009**
  - China's domestic consumption to reach 128 MMT, 7% above the 5-year average, if realized
  - EU domestic consumption to reach 128 MMT, up 4% from 2018/19
  - U.S. domestic consumption to total 31 MMT, up 5% year-over-year
- **World wheat trade to jump 5% year-over-year to 185 MMT, 4% above the 5-year average of 176 MMT**
  - Exports from the Ukraine to increase 13% over last year to 19.0 MMT in 2019/20
  - Australia's exports expected to rebound 35% year-over-year to 13.5 MMT
  - U.S. 2019/20 exports to fall slightly below 2018/19 levels to 24.5 MMT

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

- **World beginning stocks to fall 2% year-over-year to 275 MMT, still 13% higher than the 5-year average of 241 MMT**
  - China's beginning stocks expected jump 7% over 2018/19 levels to 140 MMT
  - U.S. beginning stocks estimated at 31 MMT, 22% above the 5-year average of 25 MMT
- **Global ending stocks projected at 293 MMT, 6% higher than last year and 14% higher than the 5-year average**
  - Estimated Chinese ending stocks of 146 MMT are up 4% year-over-year and account for 50% of total global ending stocks
  - U.S. ending stocks expected to total 31.0 MMT, slightly higher than 2018/19 and 11% above the 5-year average of 28.0 MMT
- **U.S. farm gate average price to fall to $4.70/bu* ($173/MT) in 2019/20**
  - Projected average price would fall 10% below the 2018/19 average of $5.20/bu* ($191/MT)

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

World Production and Use



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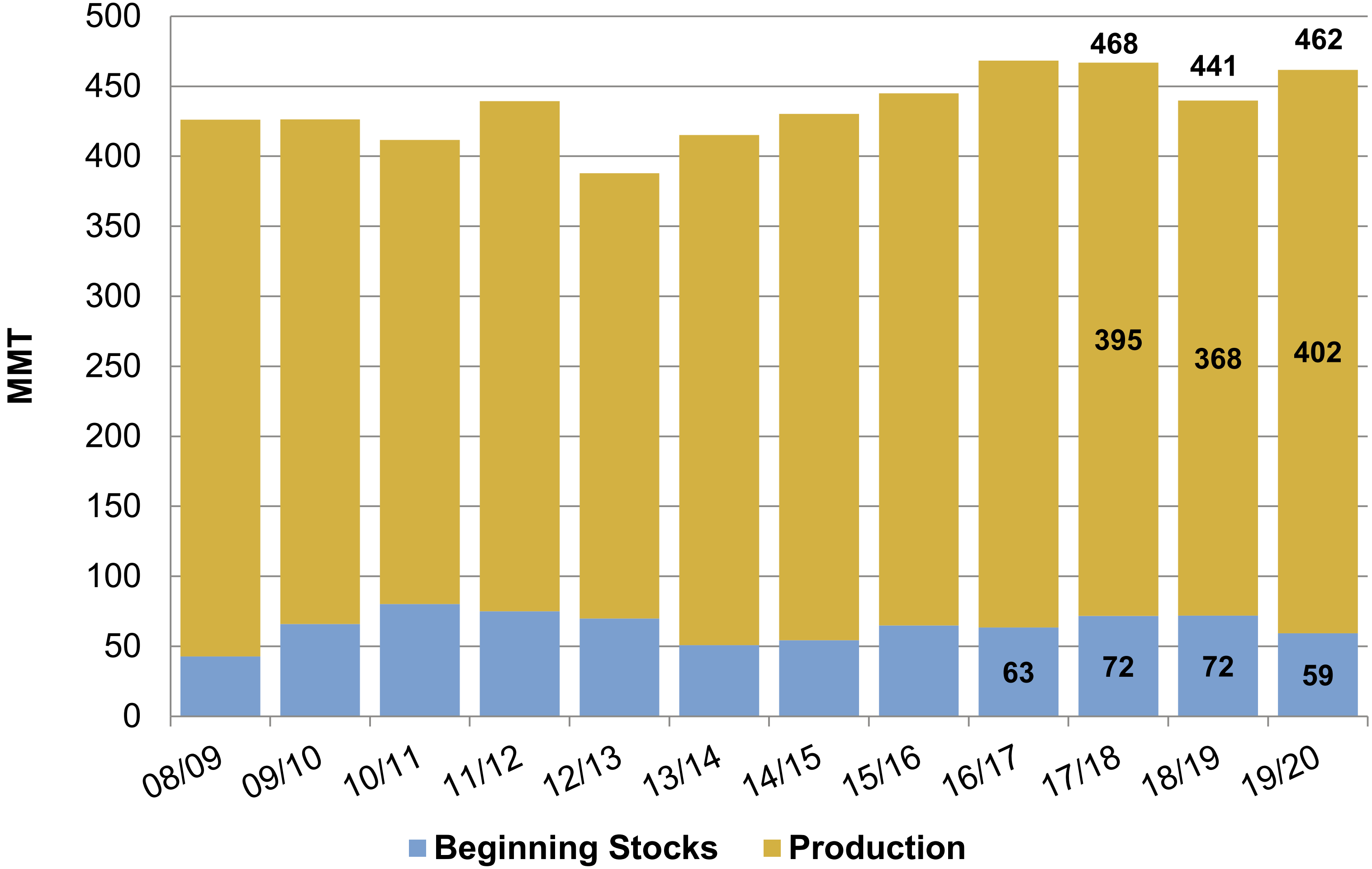
Supplies in Top Exporting Countries*

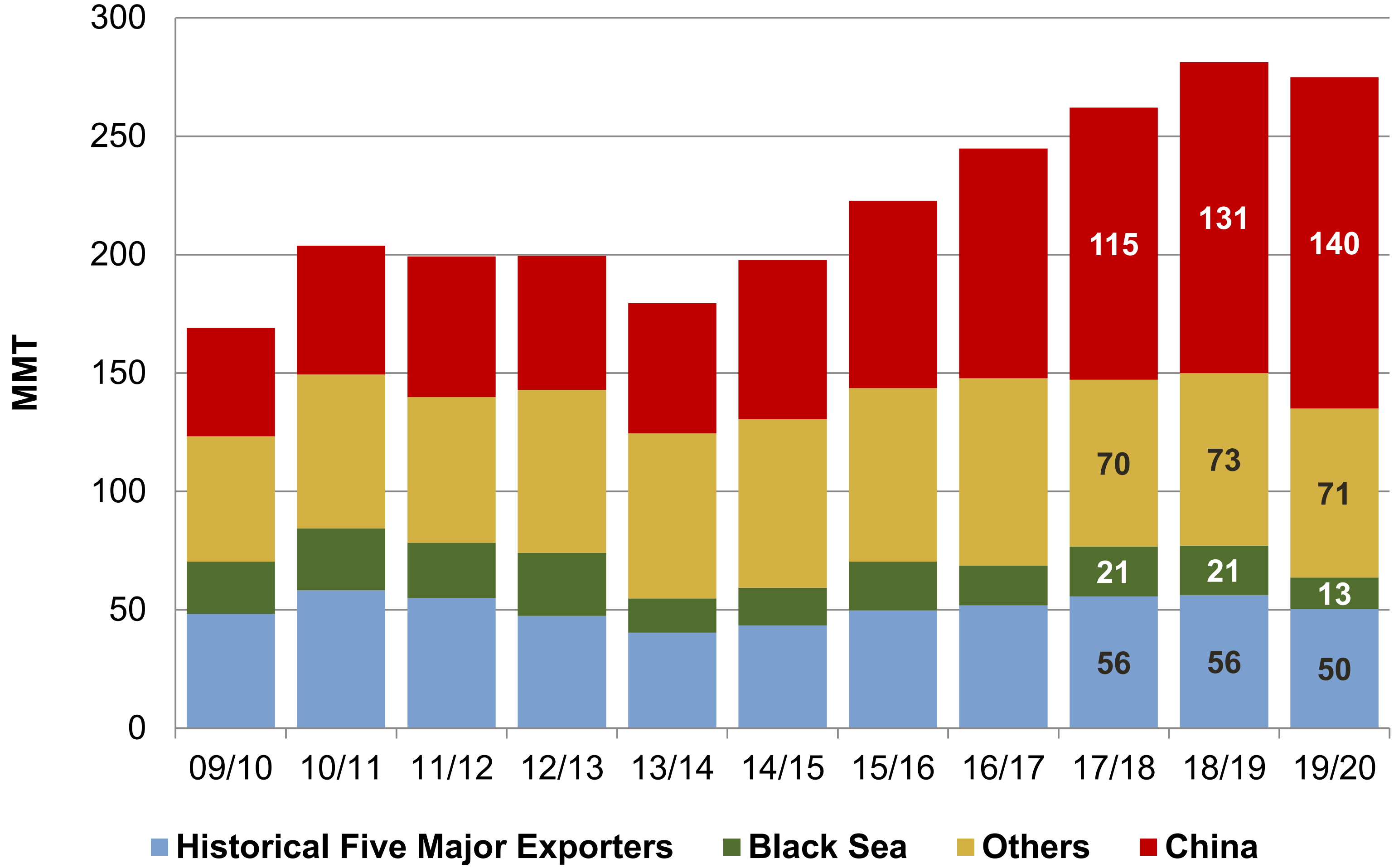


**Includes U.S., Canada, Australia, Argentina, EU-2, Russia, Ukraine and Kazakhstan*

World Wheat Supply and Demand (MMT)

		17/18	18/19	19/20
SUPPLY:	Beginning Stocks	262	281	275
	Production	762	732	777
	Supply Total	1024	1013	1052
TRADE:	Exports/Imports	182	178	185
DEMAND:	Food & Seed	596	598	609
	Feed & Residual	147	140	150
	Use Total	743	738	759
ENDING STOCKS:		281	275	293

World Beginning Stocks



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

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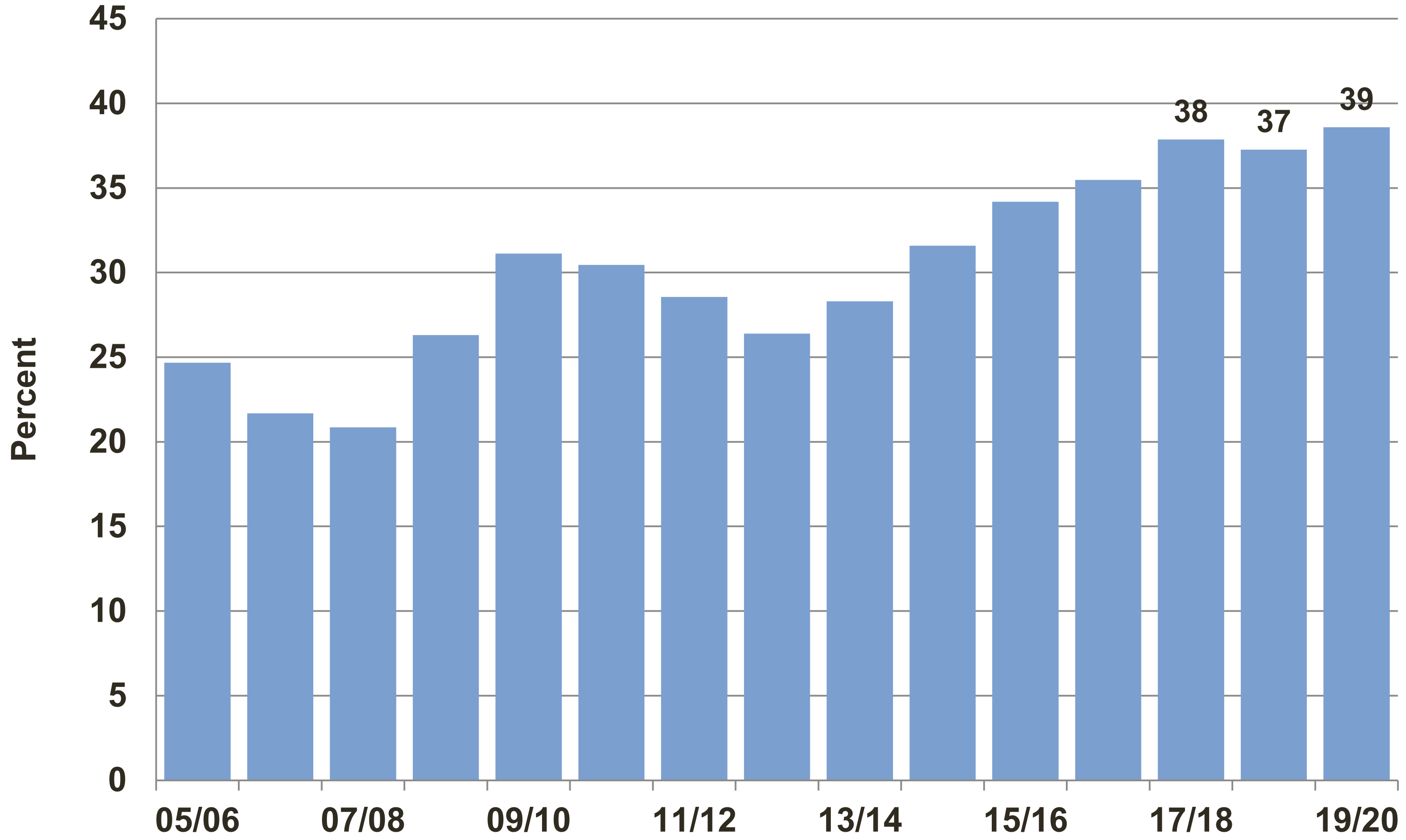
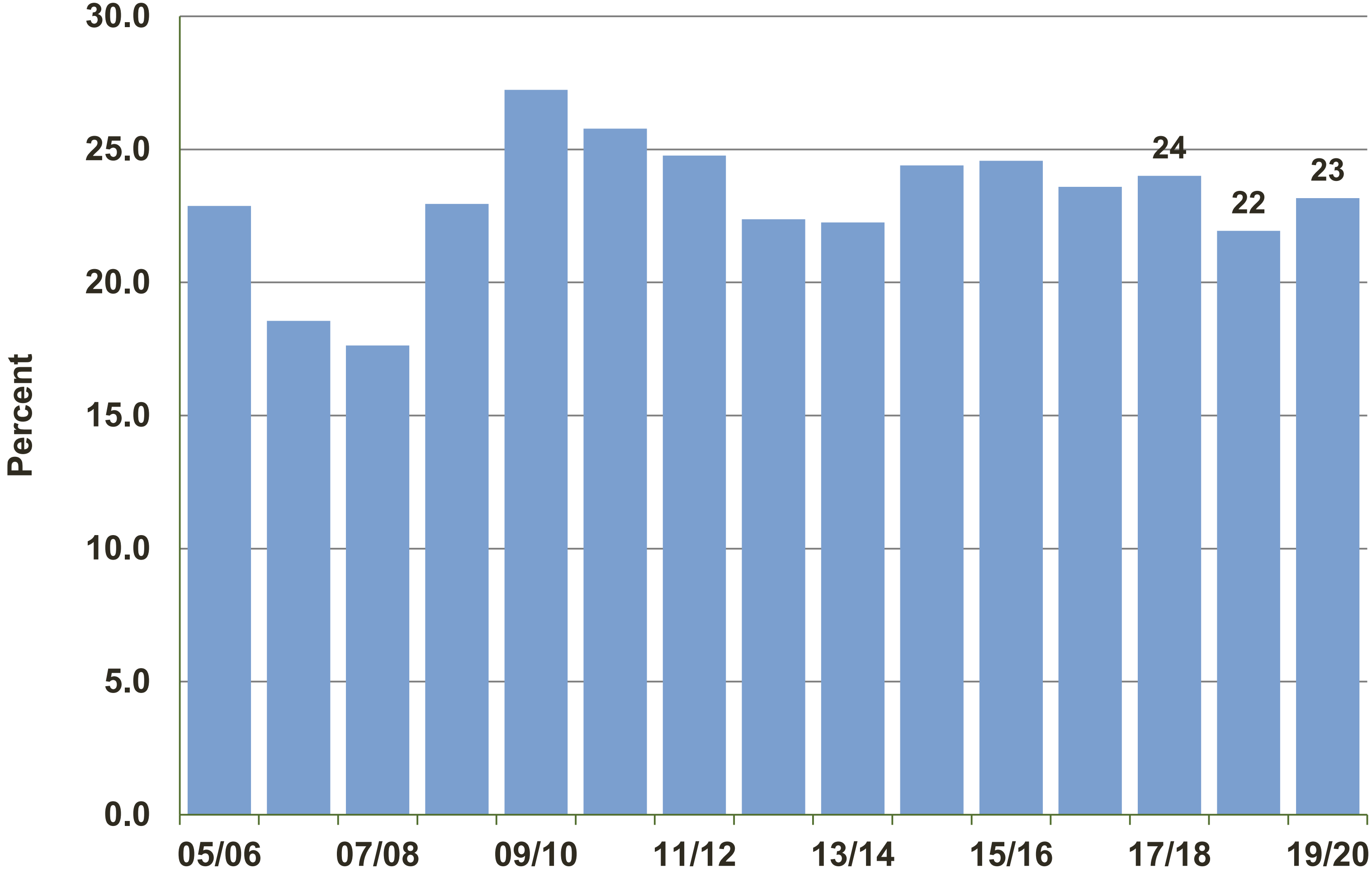
Global Stocks*-to-Use Ratio



*Ending stocks

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

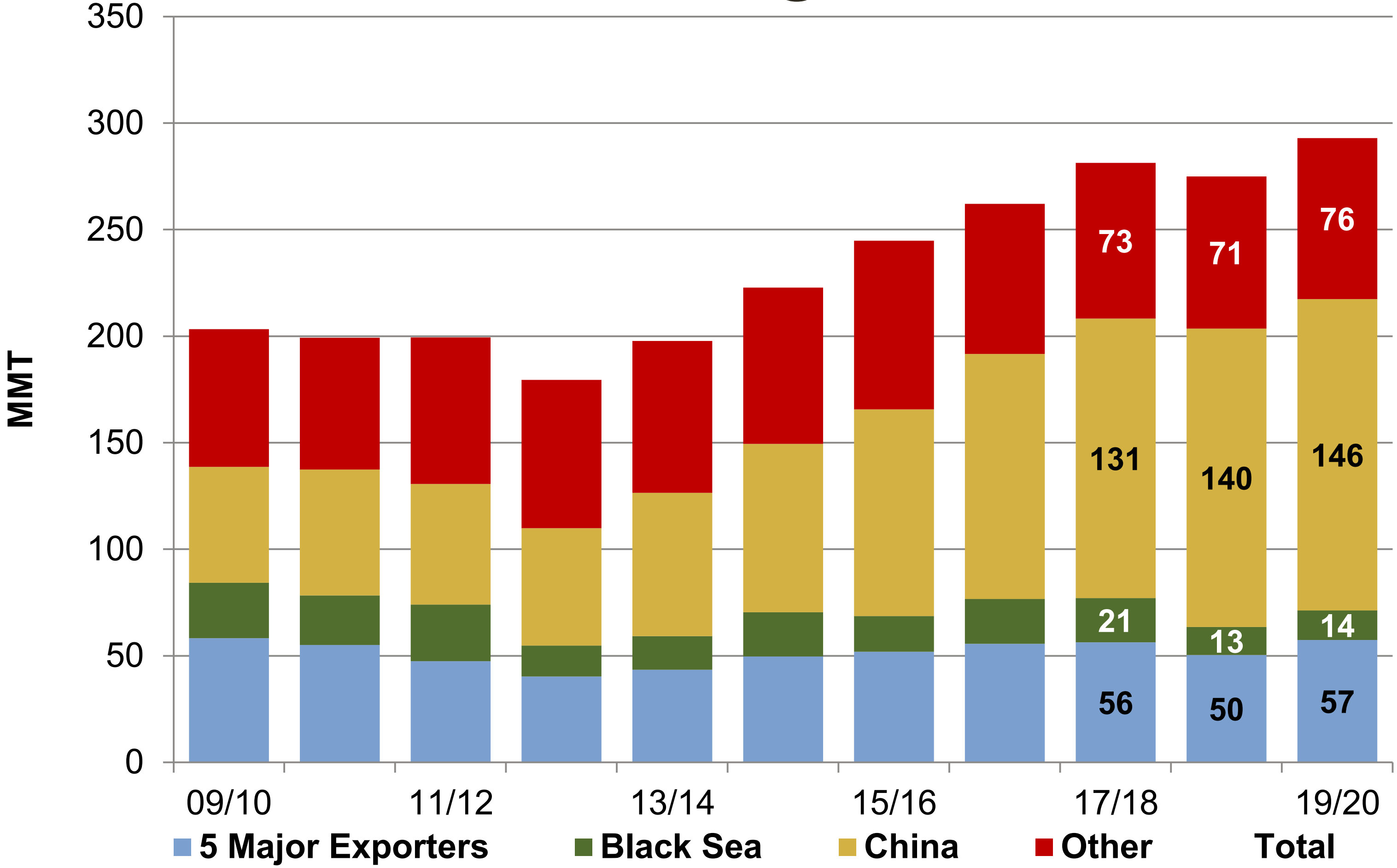


*Ending stocks

Supply and Demand

U.S. WHEAT ASSOCIATES

World Ending Stocks



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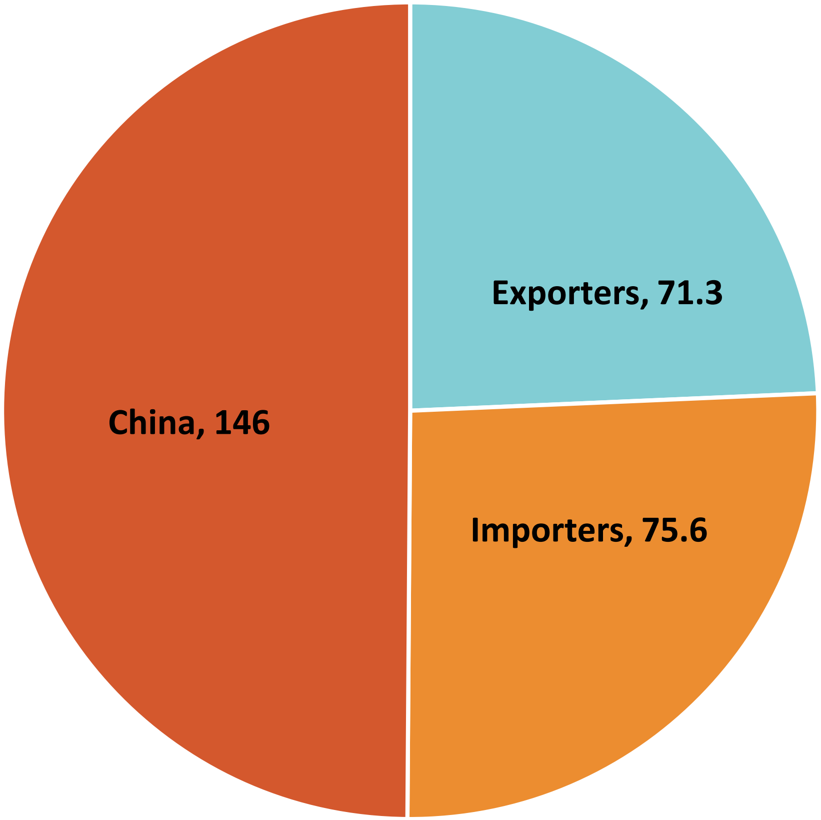
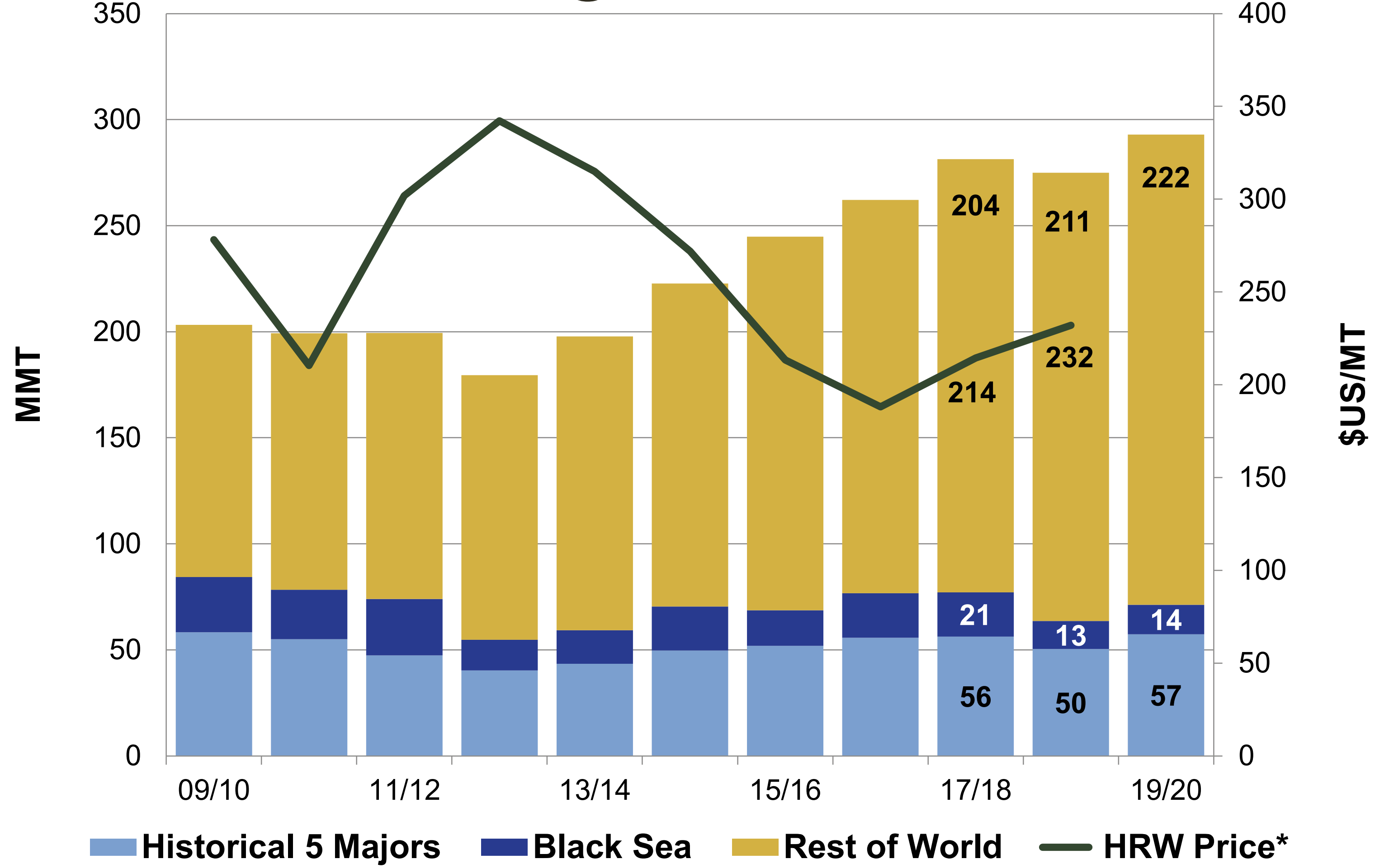
World Ending Stocks by Position

(MMT)



Global Ending Stocks and Price



**Source: U.S. Wheat Associates Price Report, May 10, 2019*

Major Exporters

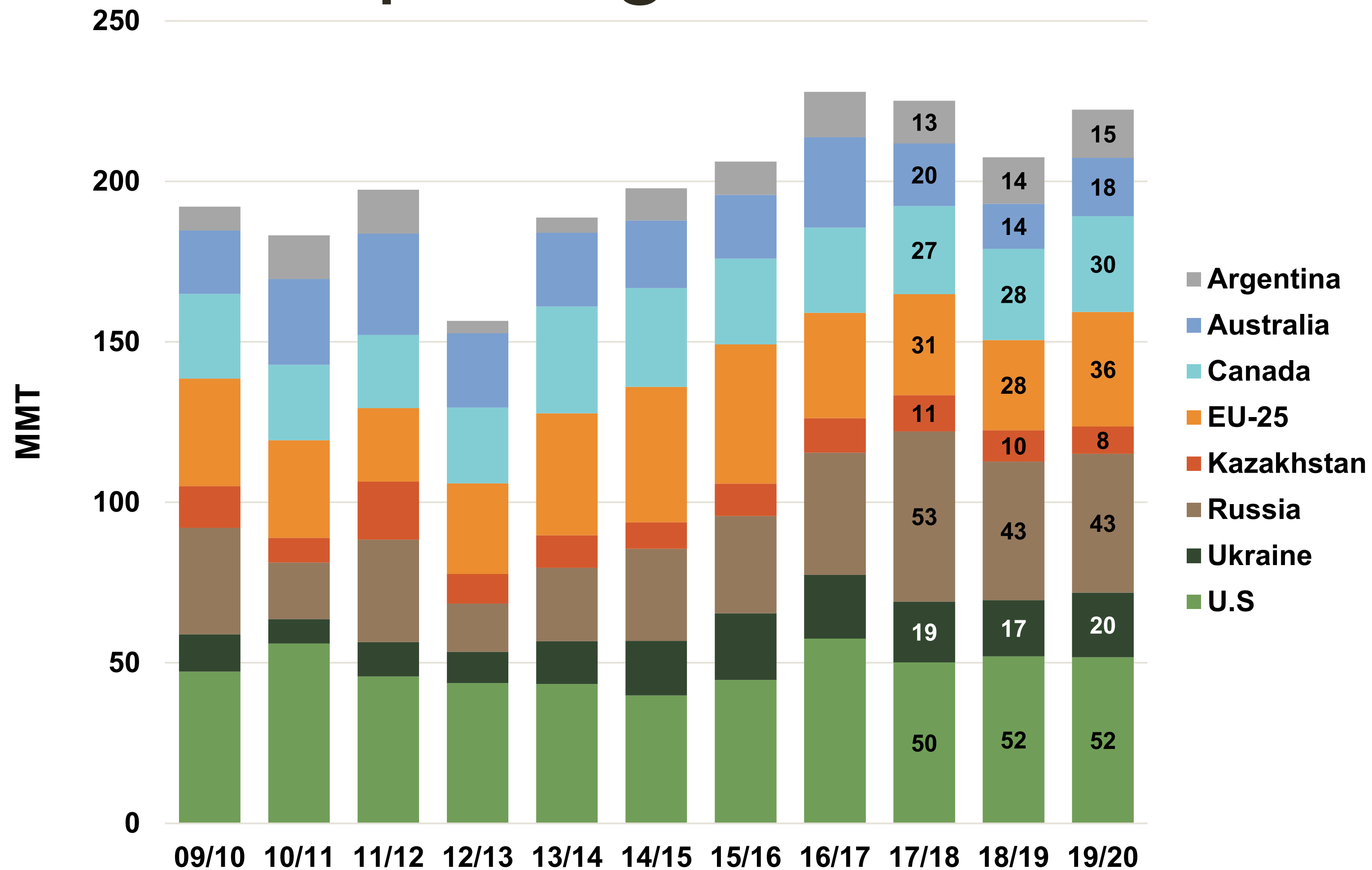
Import Demand

U.S. Situation by Class

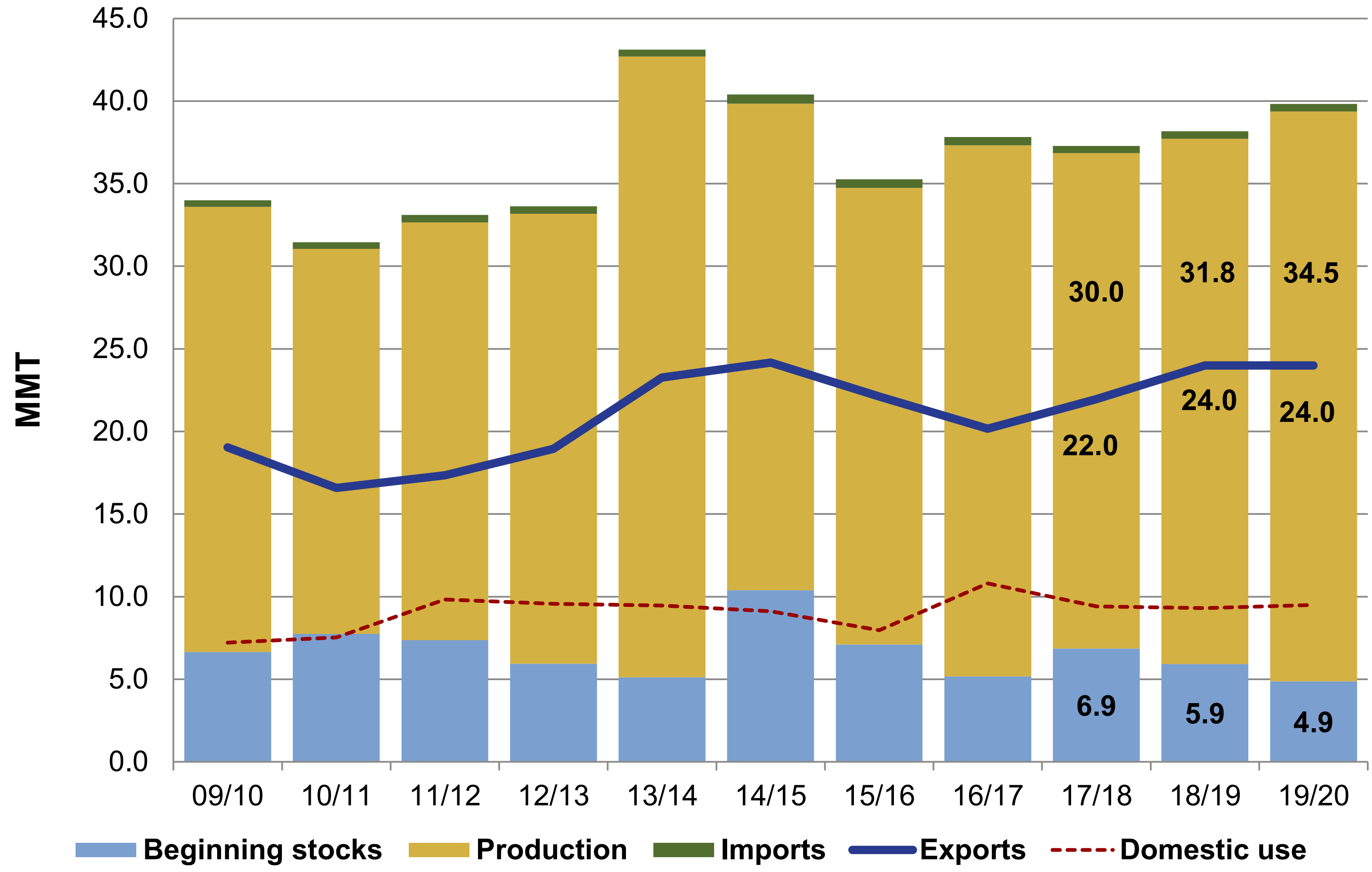
Outlook

U.S. WHEAT ASSOCIATES

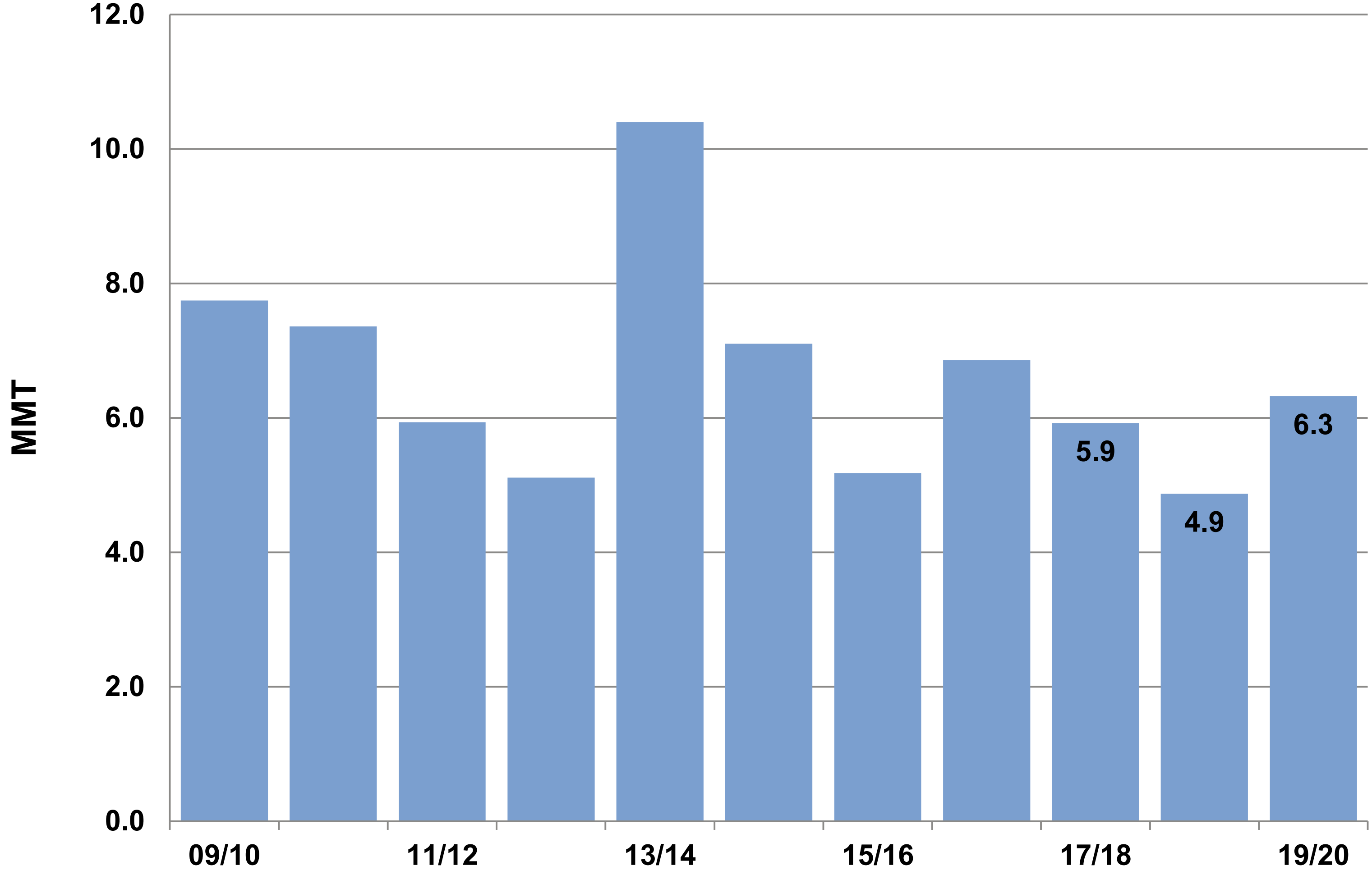
Exportable Supplies in Top Exporting Countries



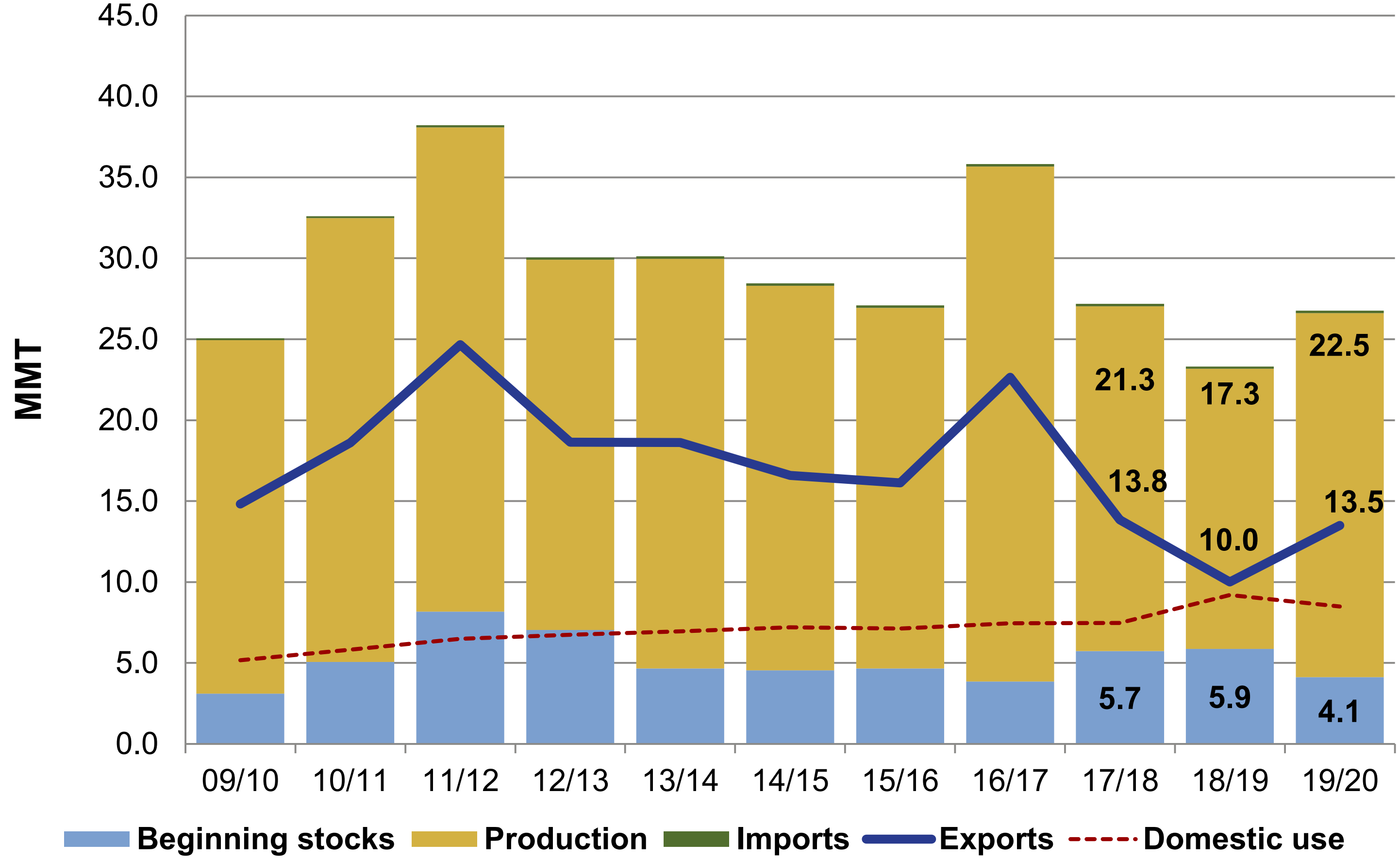
Canada Situation



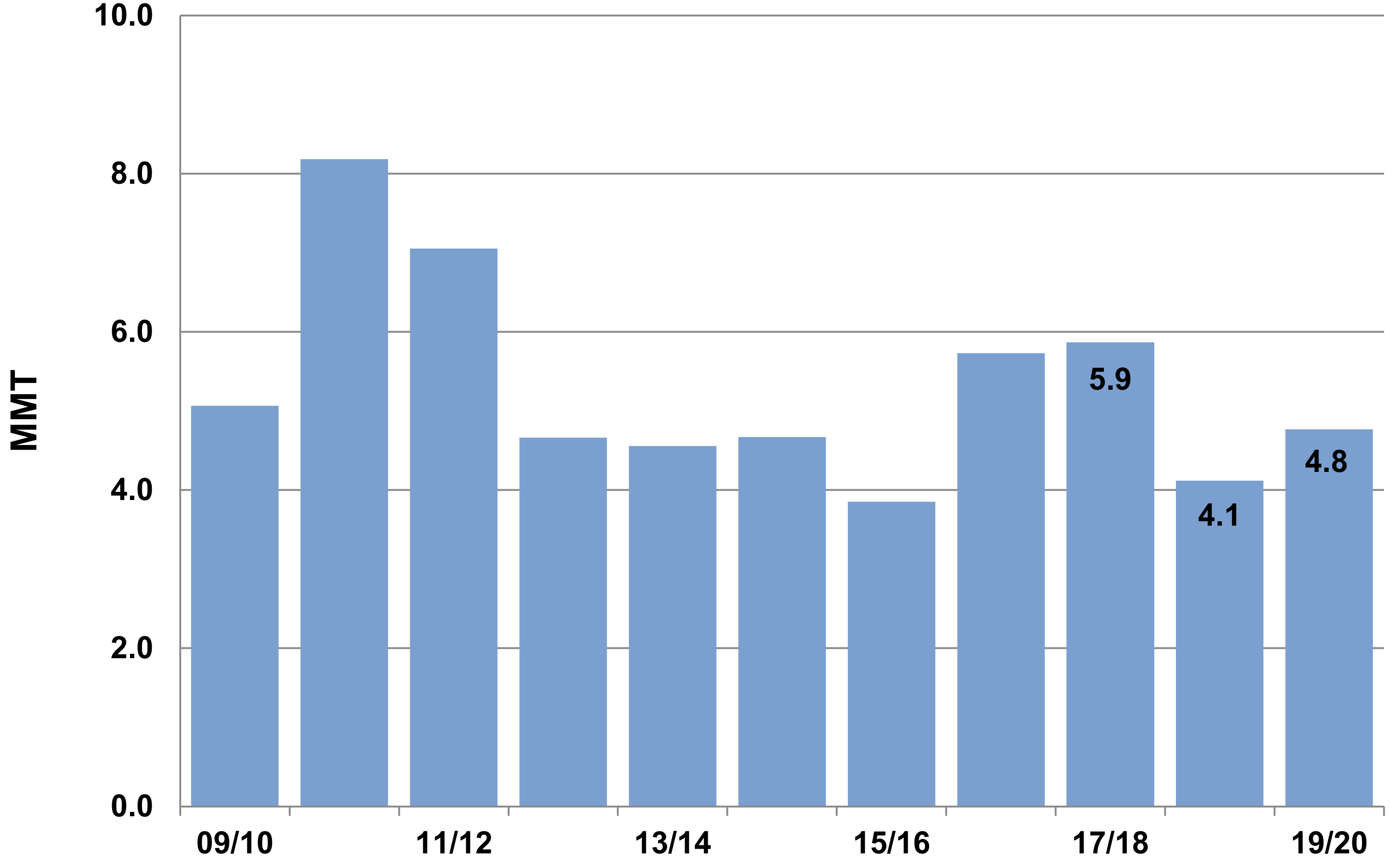
Canada Ending Stocks



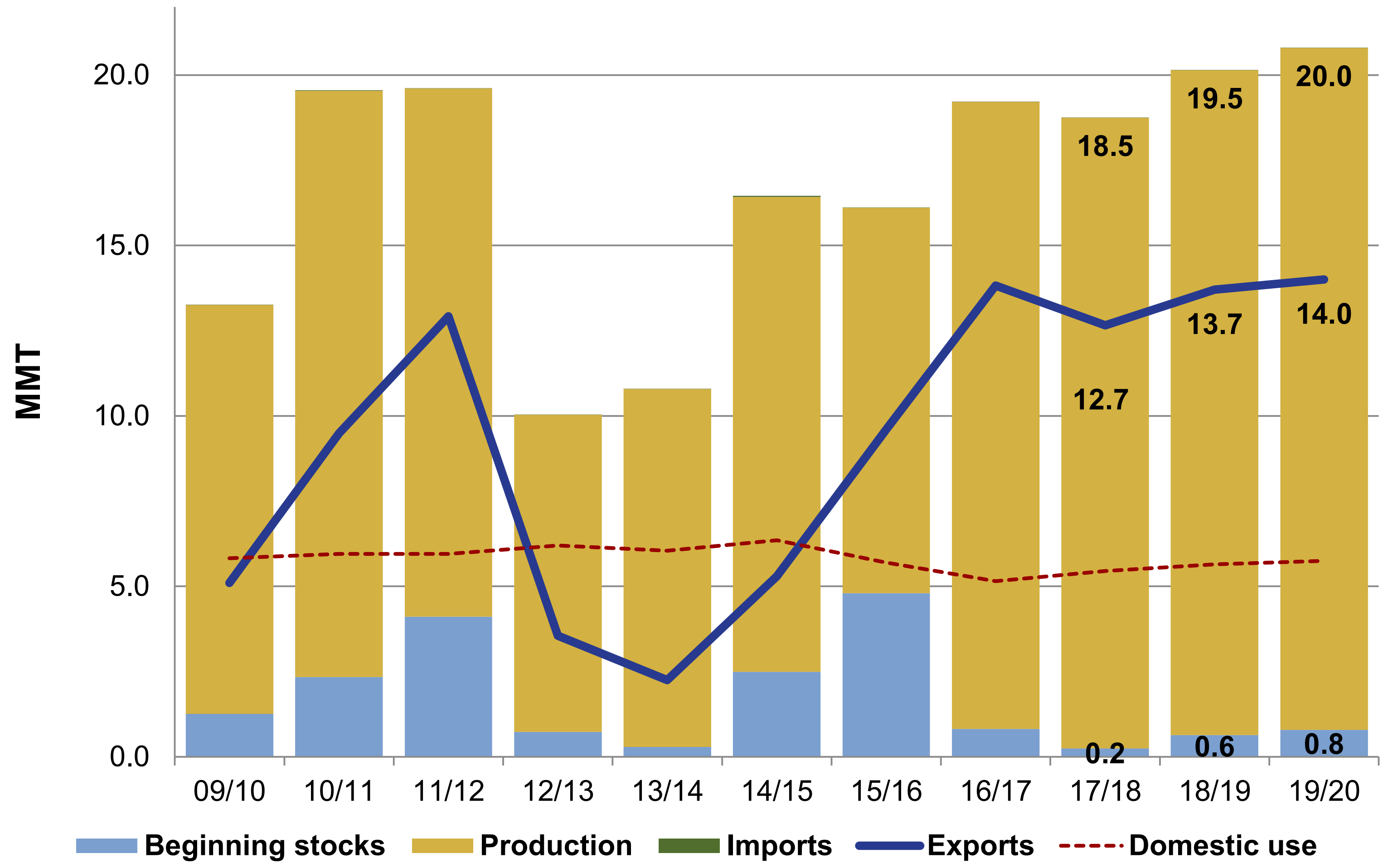
Australia Situation



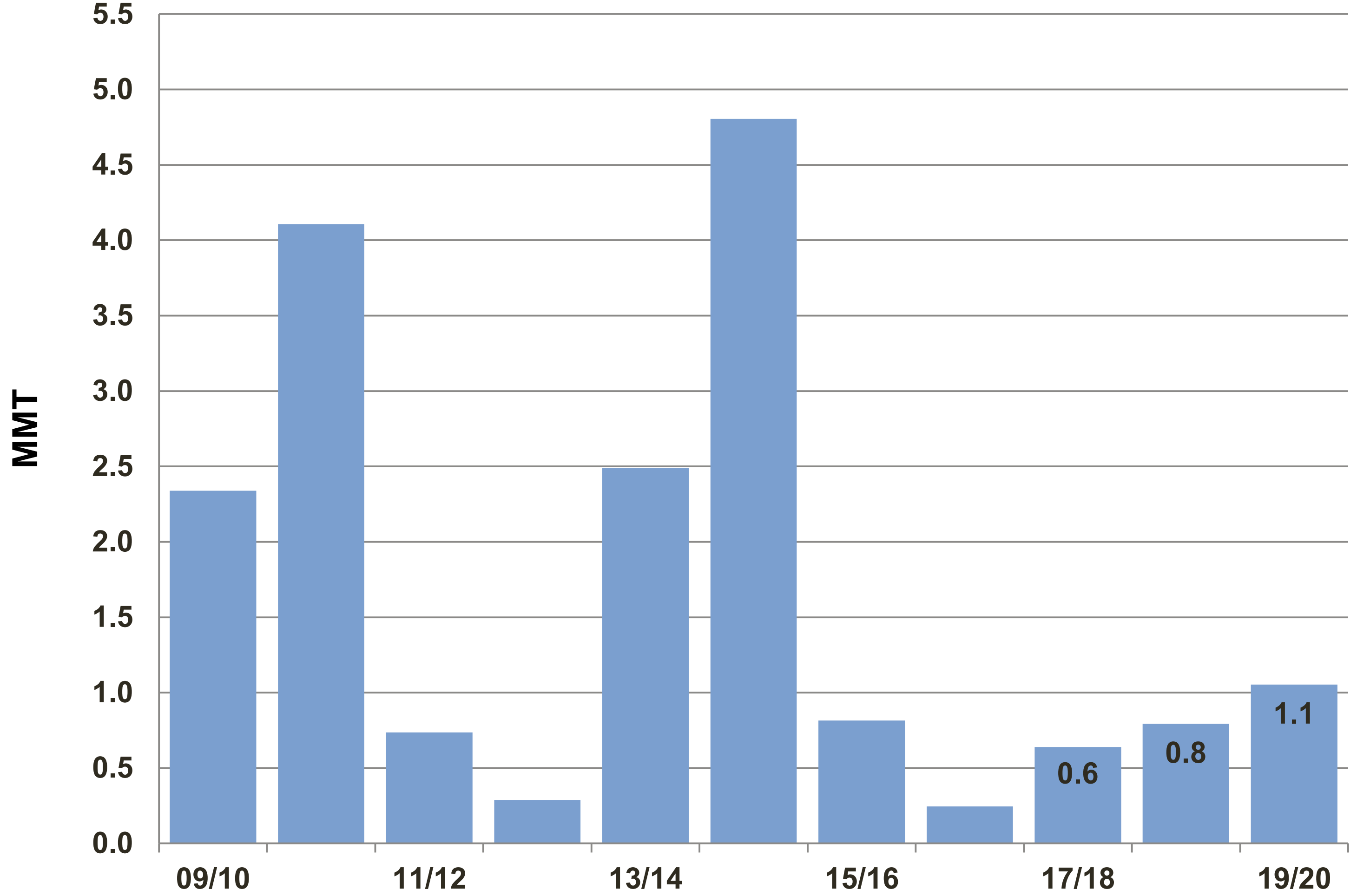
Australia Ending Stocks



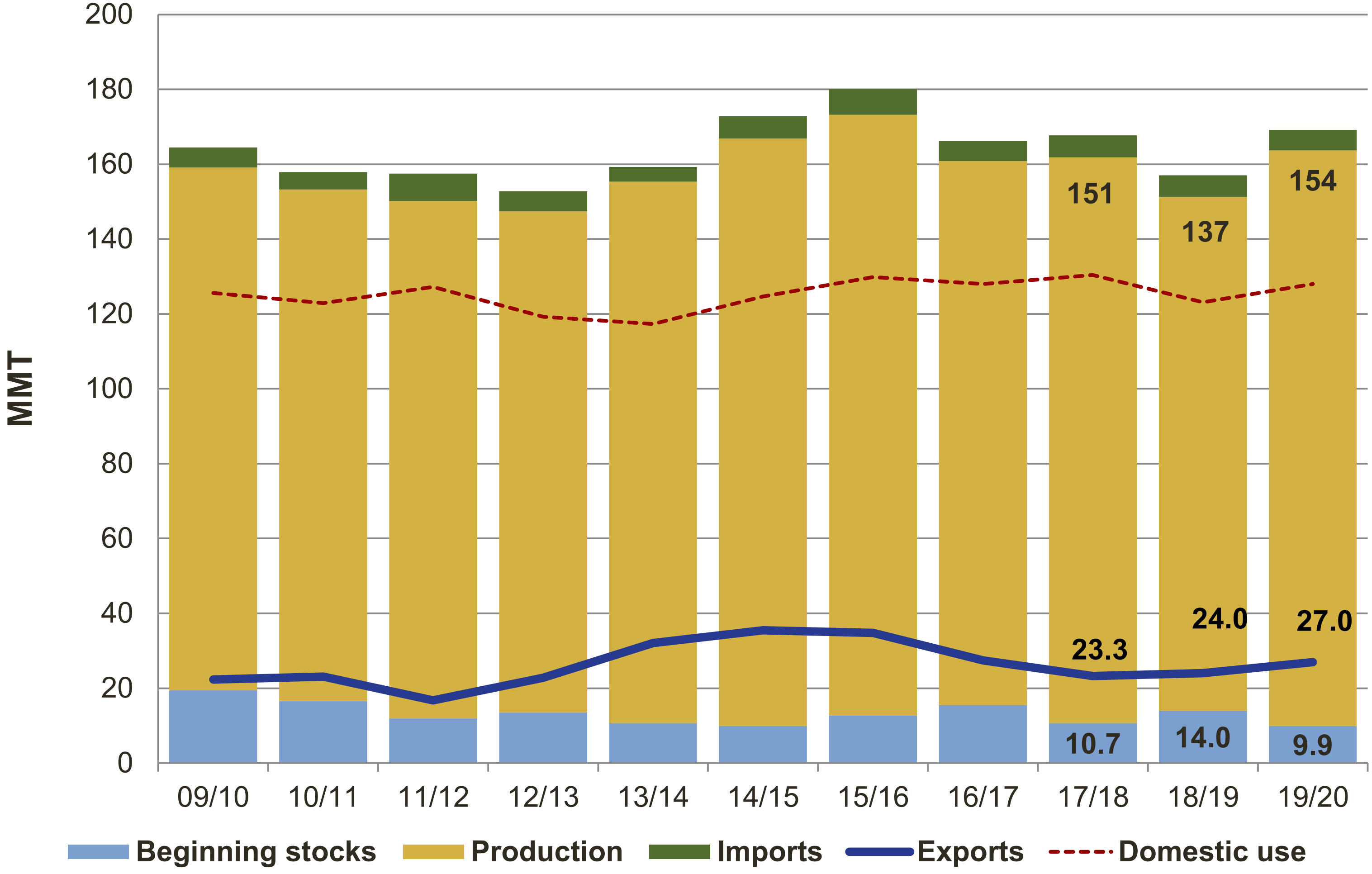
Argentina Situation



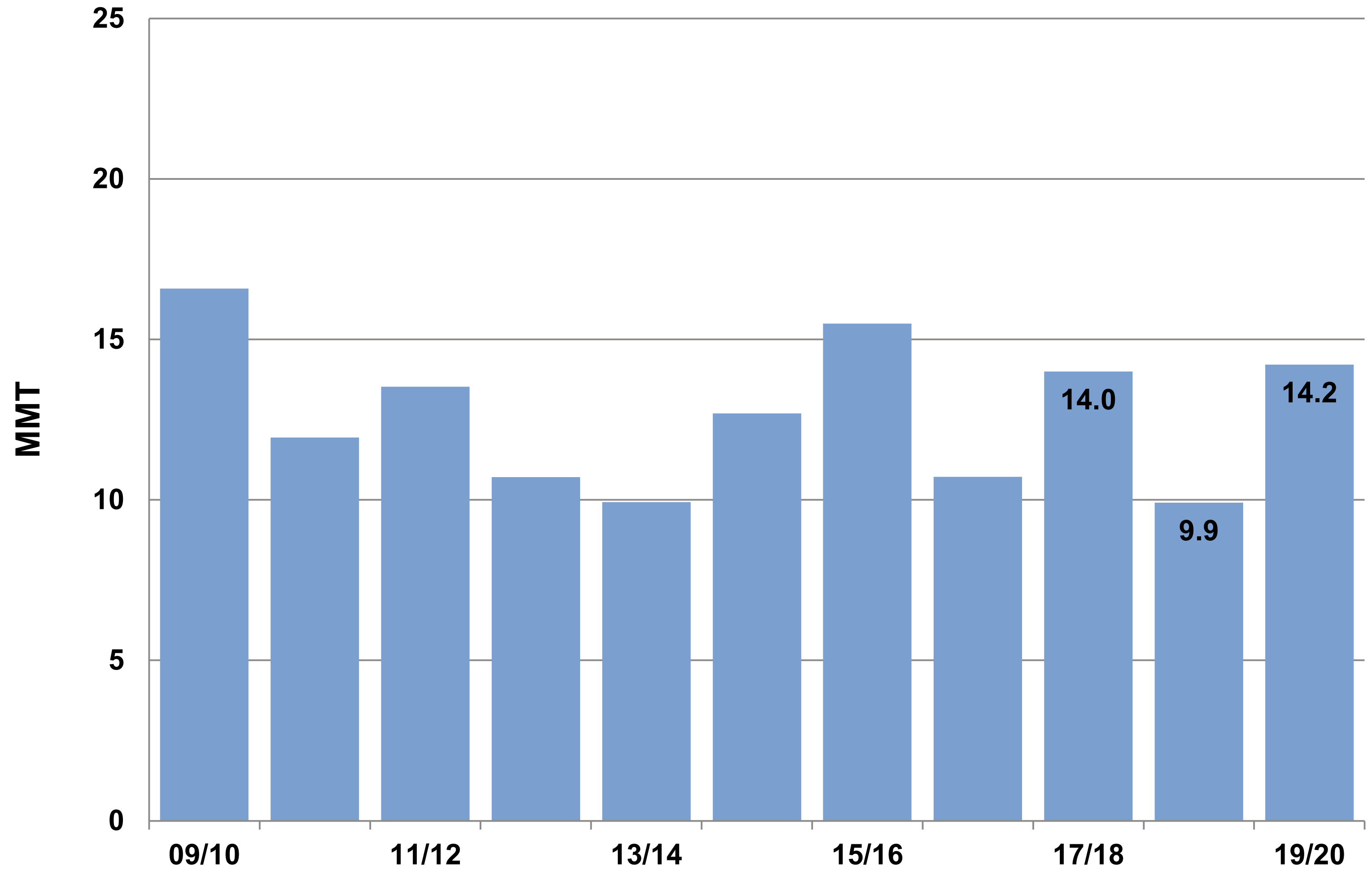
Argentina Ending Stocks



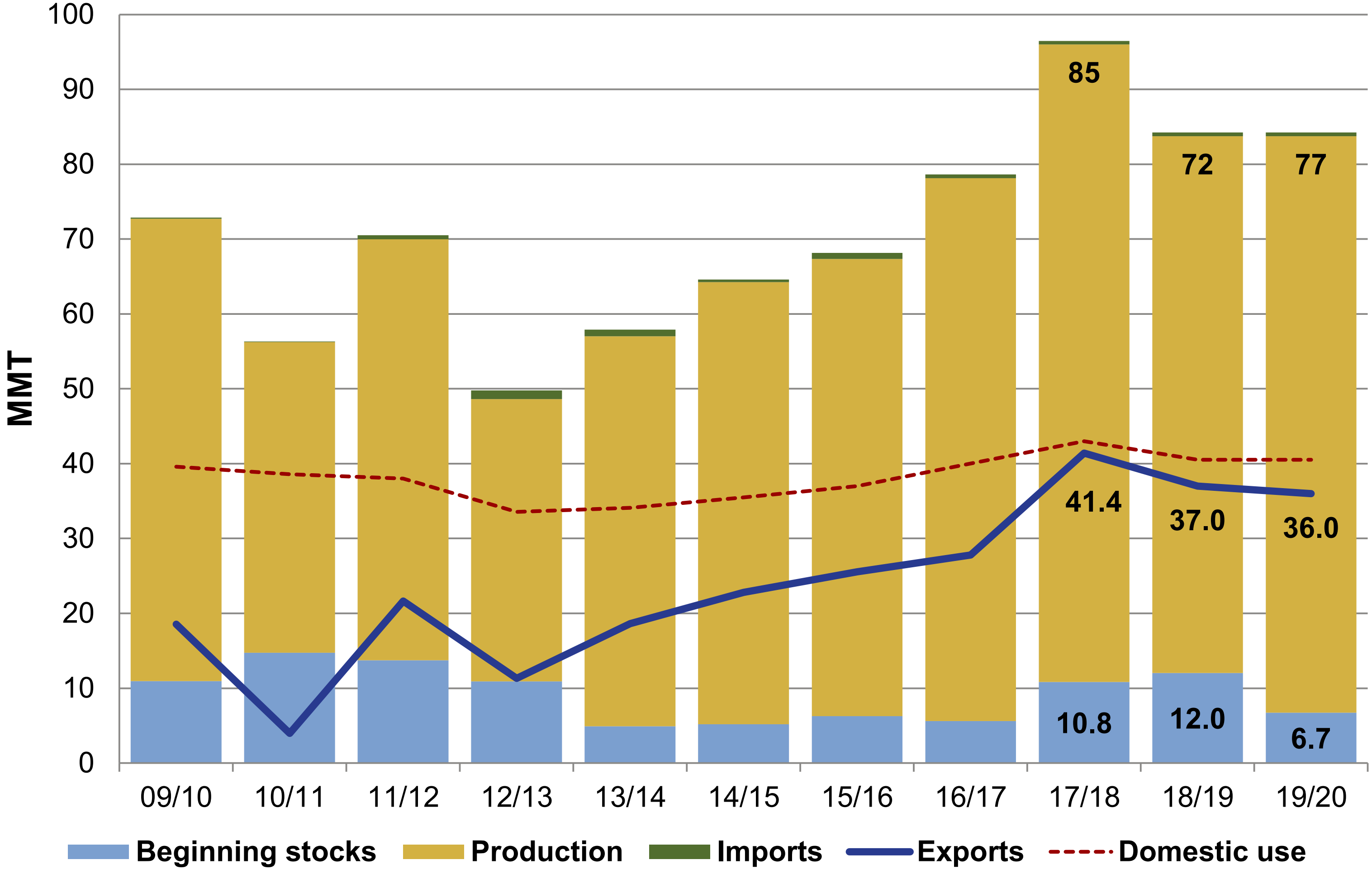
EU- 28 Situation



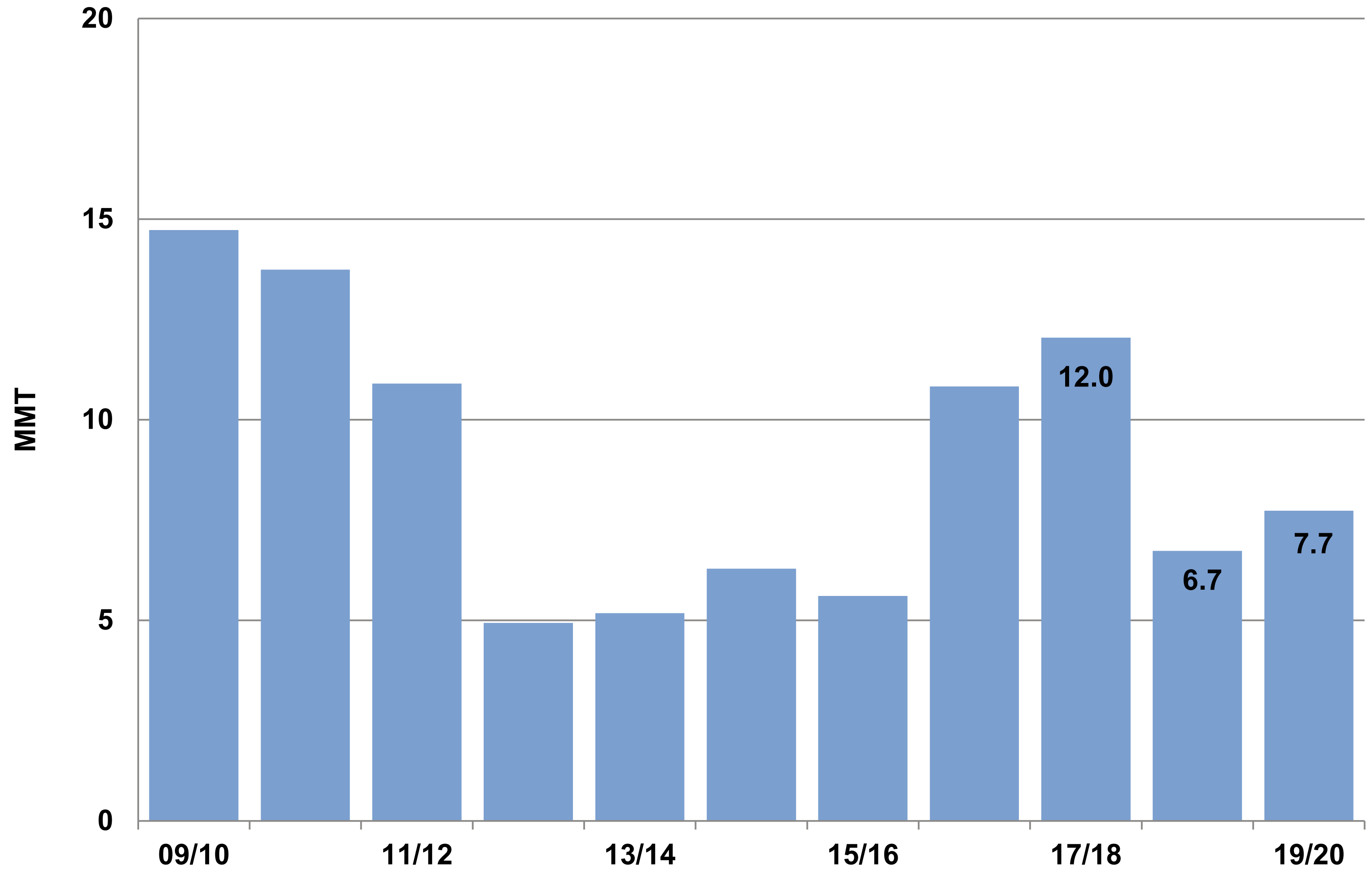
EU-28 Ending Stocks



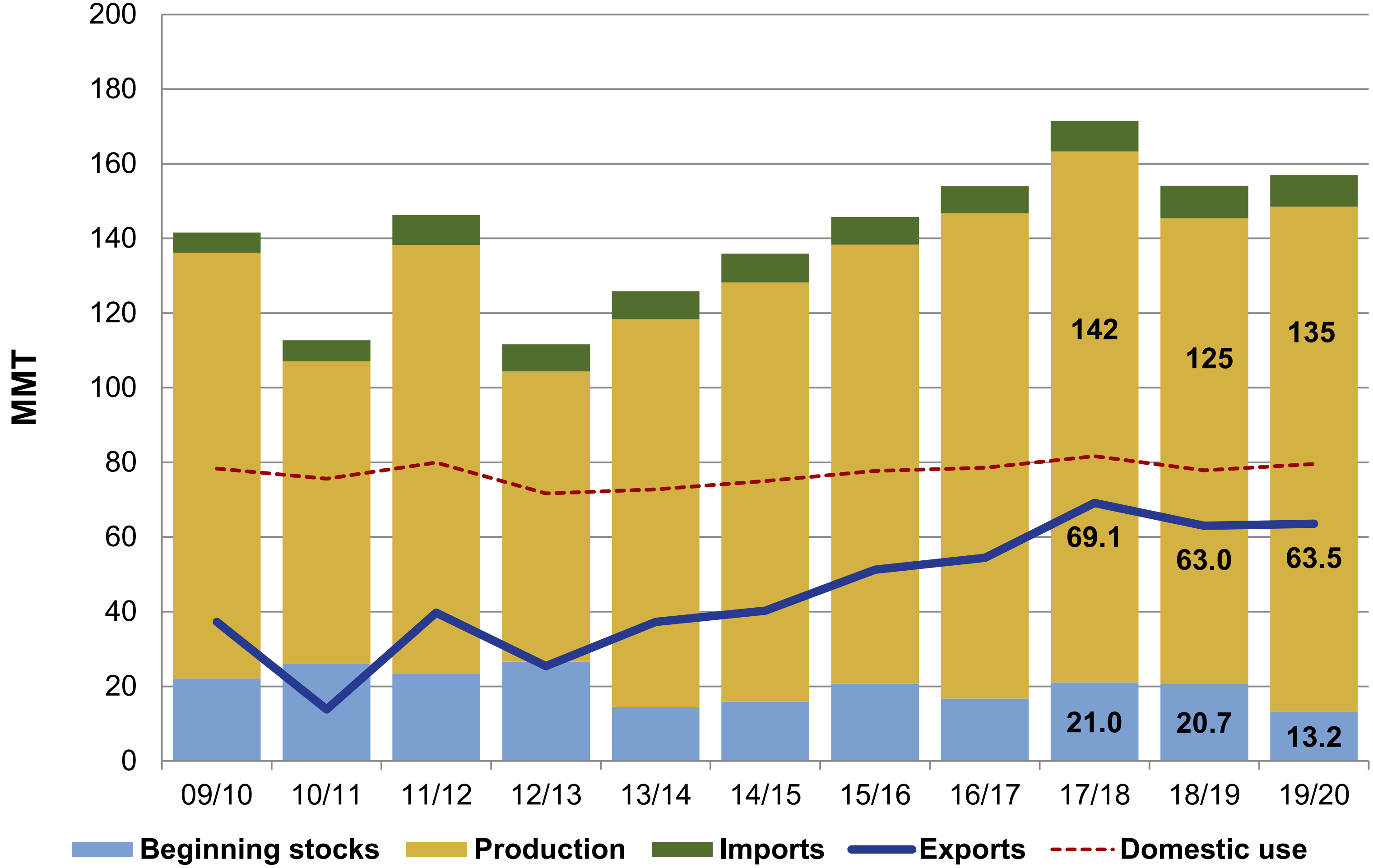
Russia Situation



Russia Ending Stocks

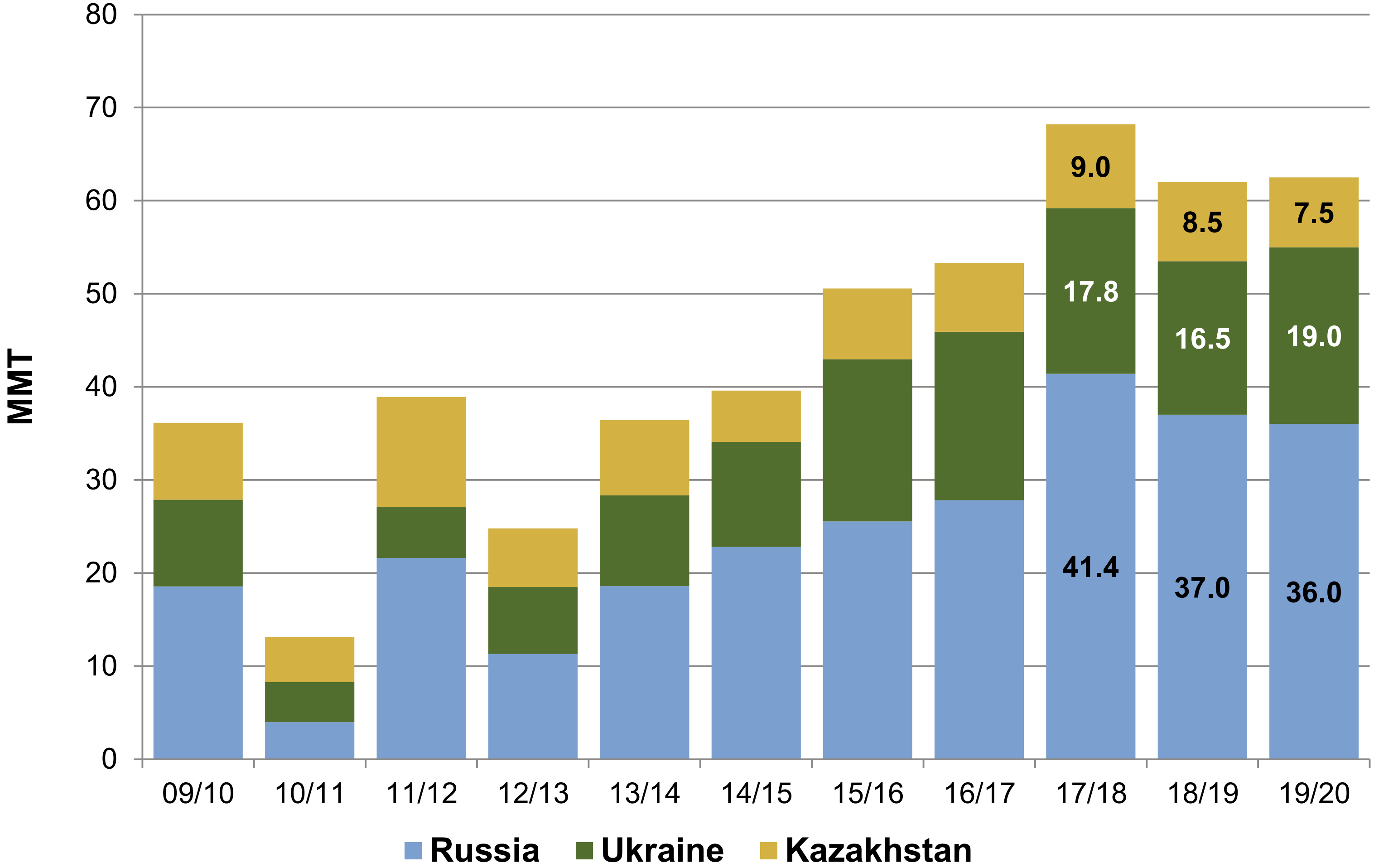


Black Sea Region Situation

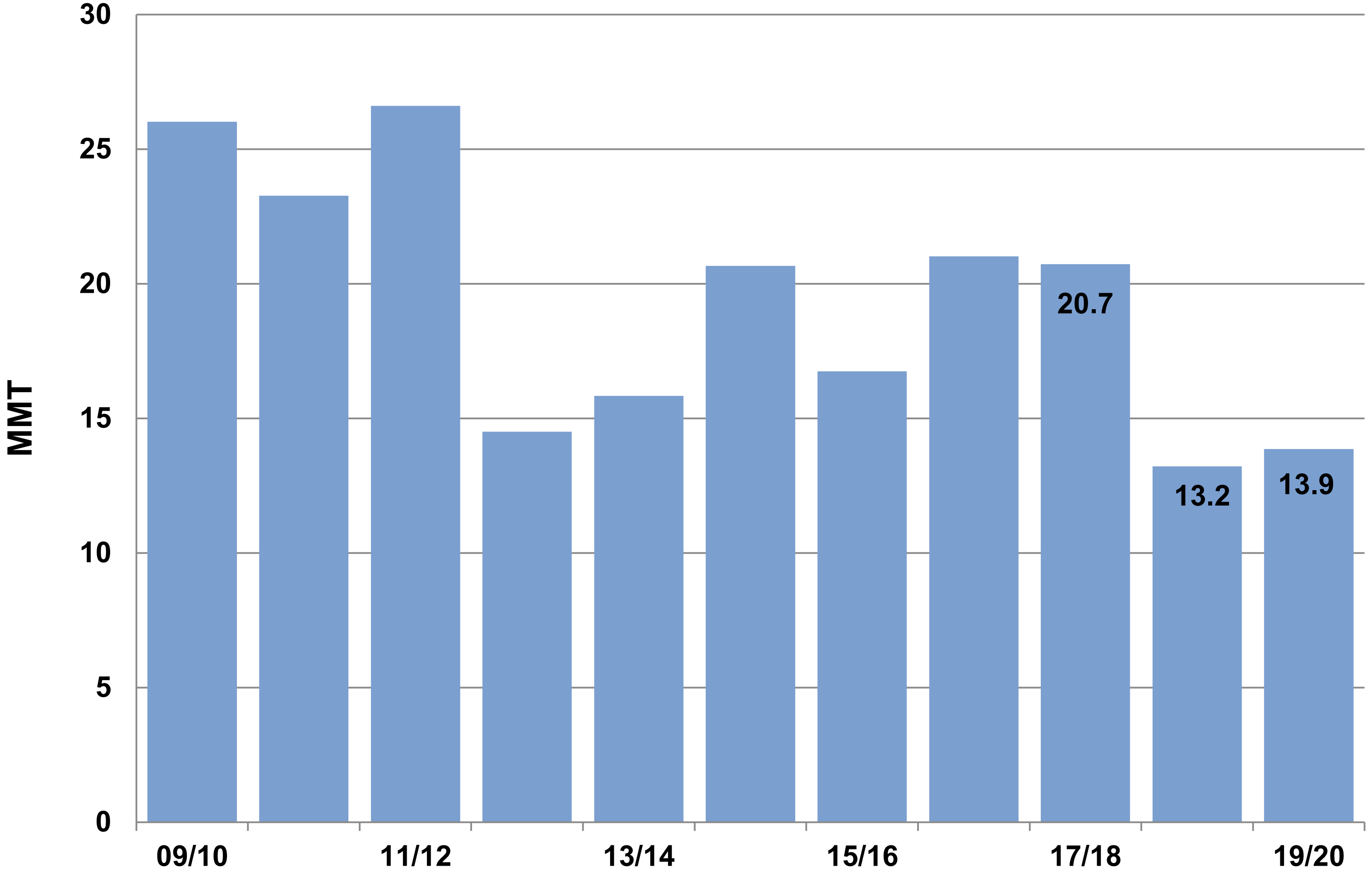


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

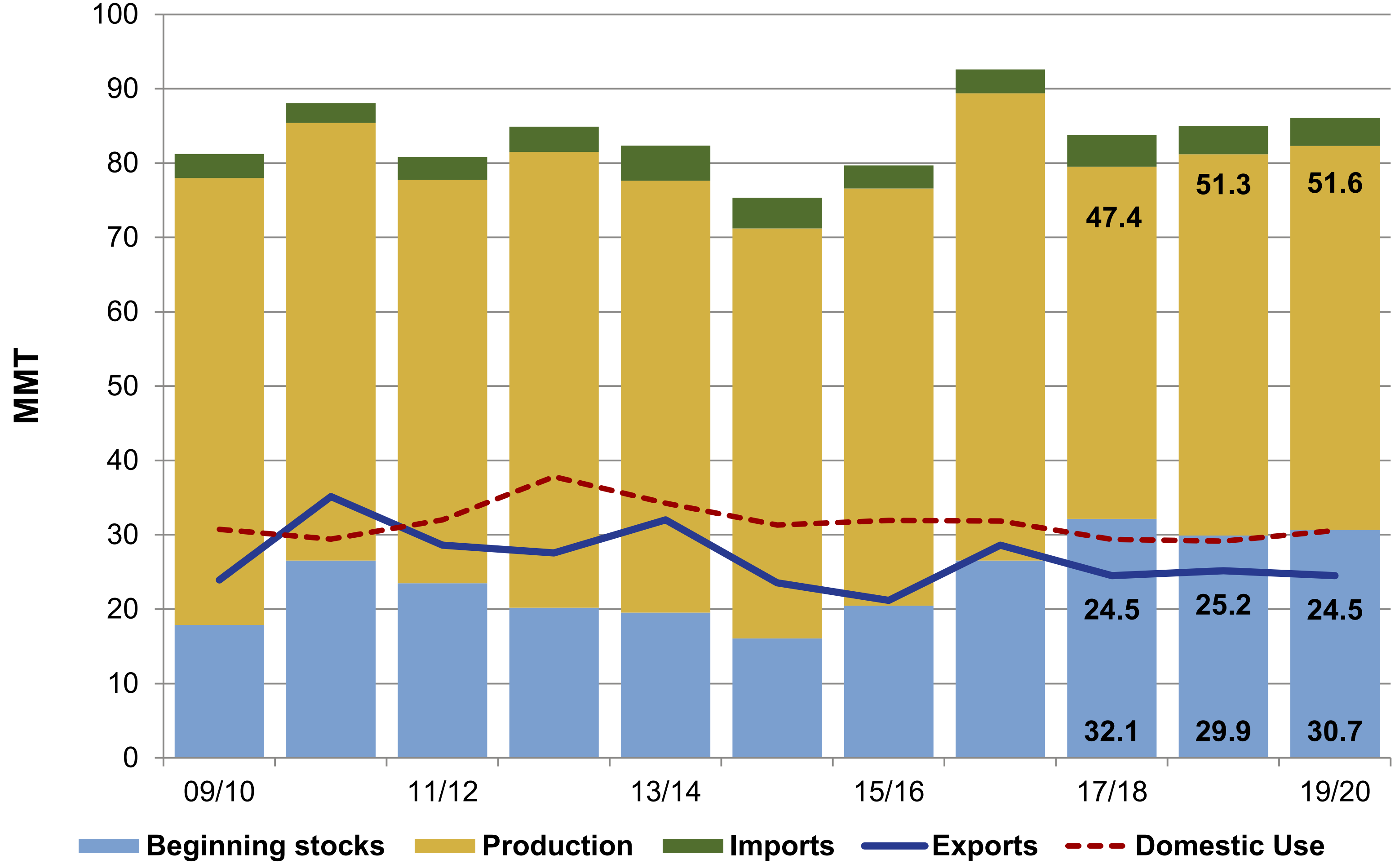
Black Sea Exports



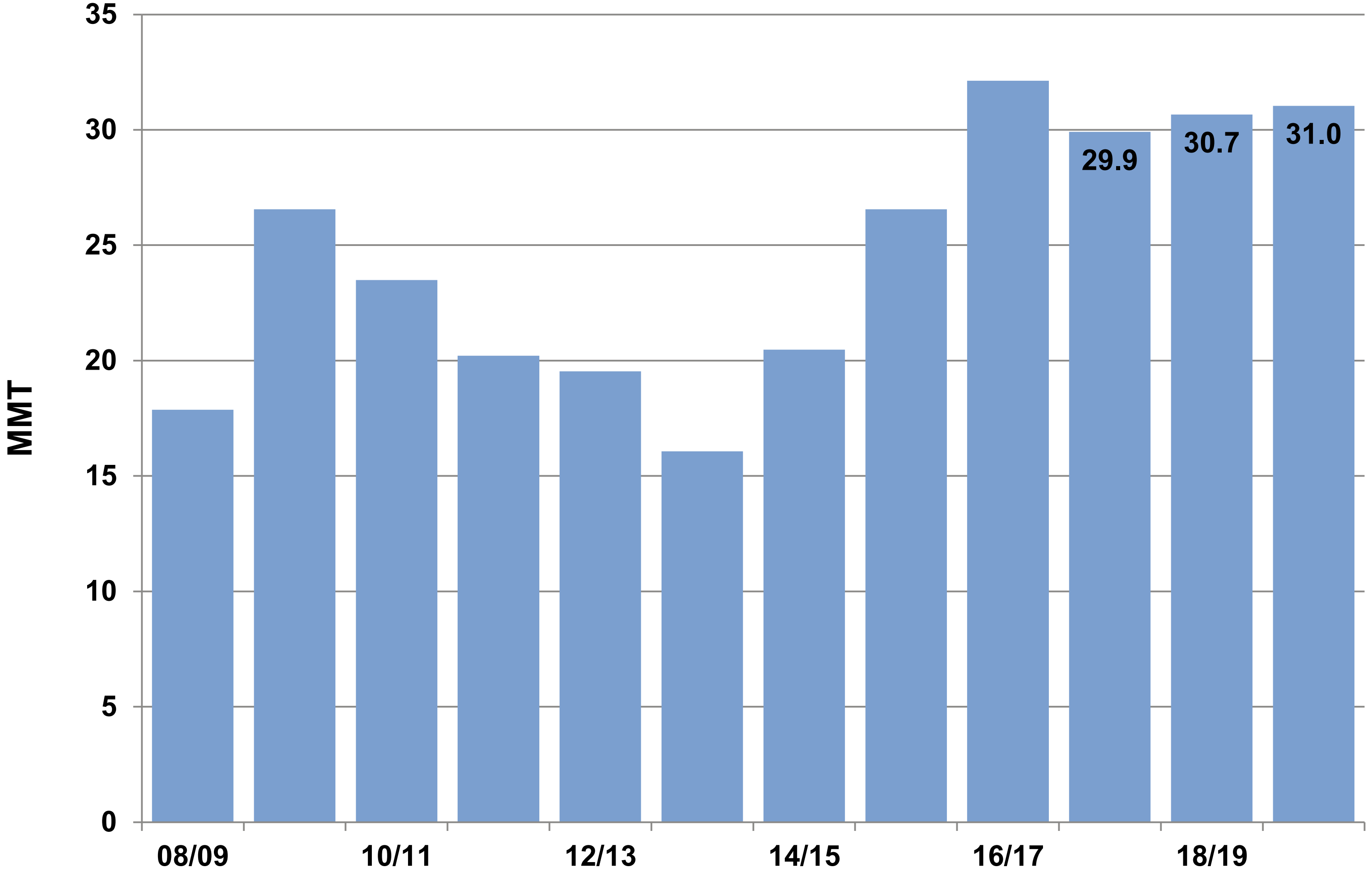
Black Sea Ending Stocks



U.S. Situation



U.S. Ending Stocks



Major Exporters

Import Demand

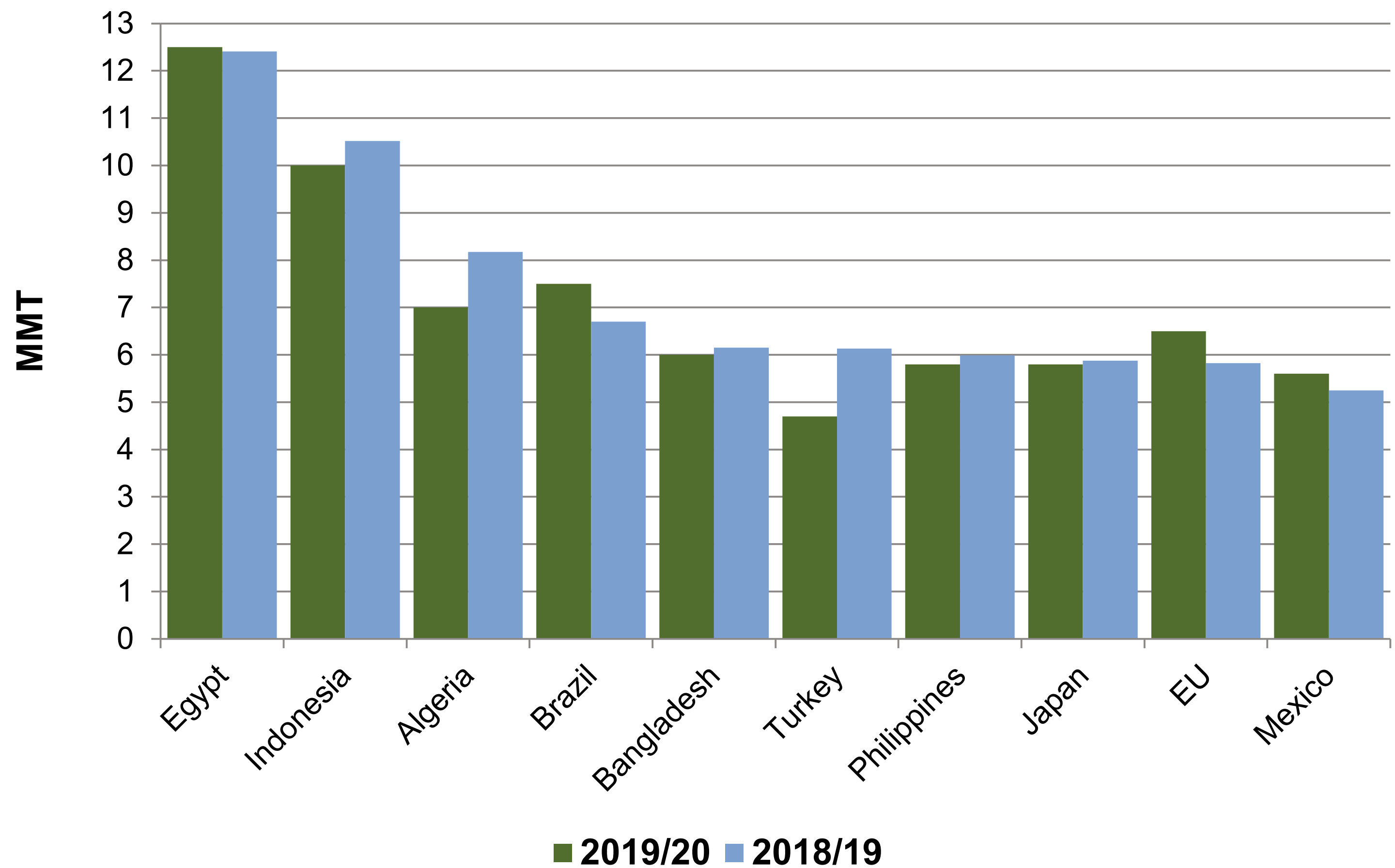
U.S. Situation by Class

Outlook

U.S. WHEAT ASSOCIATES

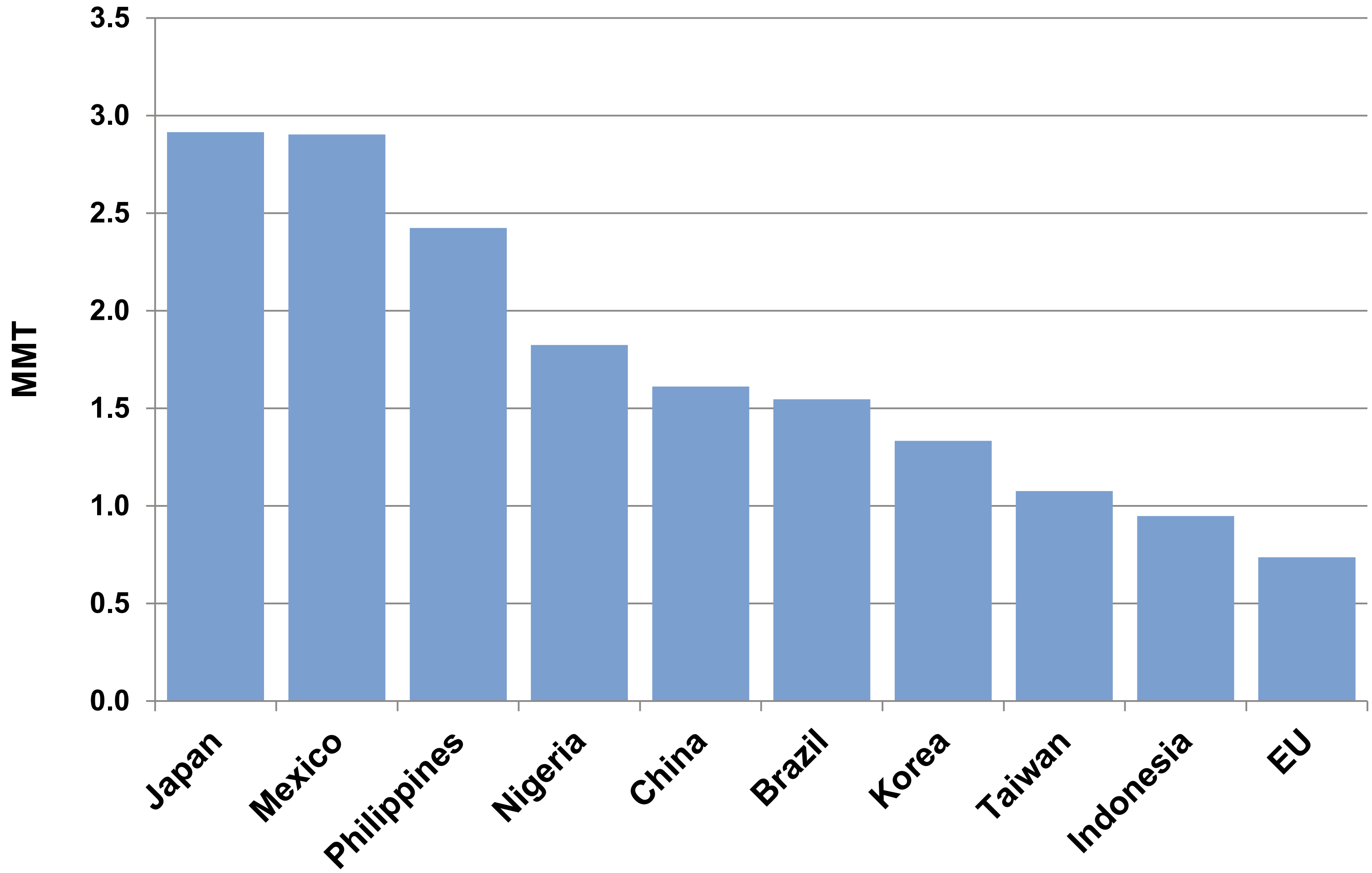
Major World Wheat Importers

(from all origins)



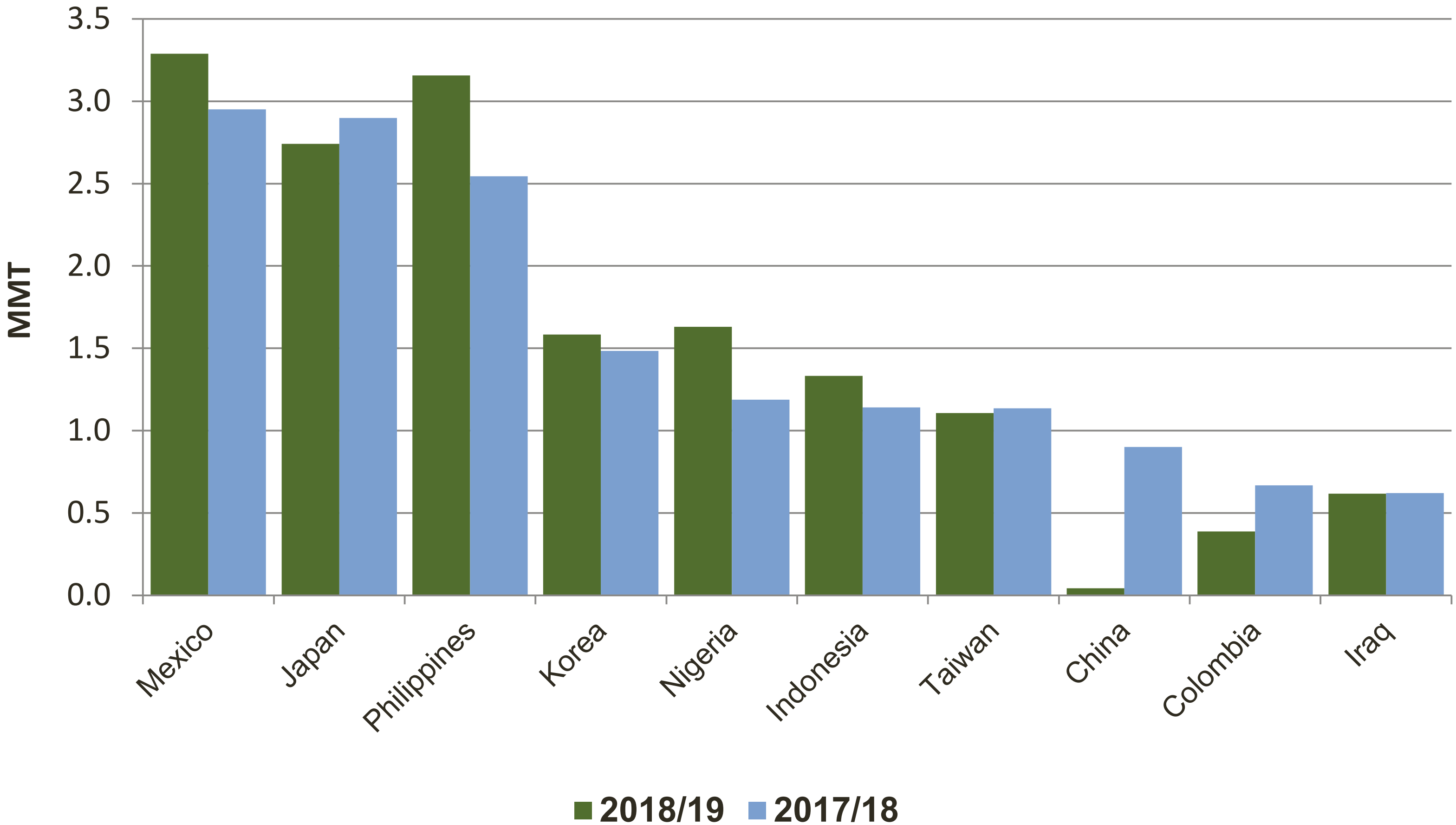
Top 10 Customers for U.S. Wheat

5-year average



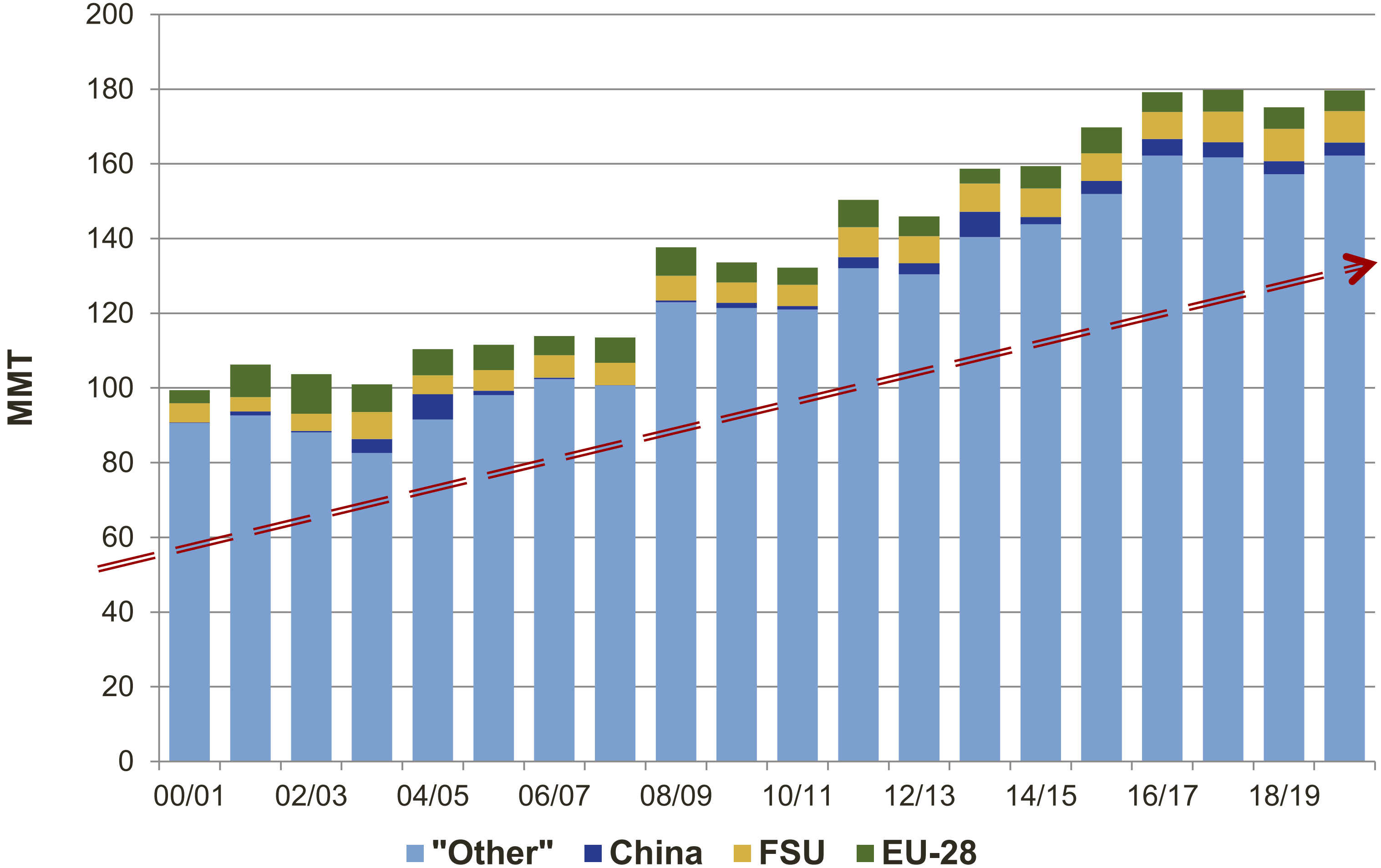
Top 10 Customers for U.S. Wheat

Year-to-date



Source: USDA FAS export sales data as of May 9, 2019

World Wheat Imports



Trend in “other” importers denoted (⟹)

Major Exporters

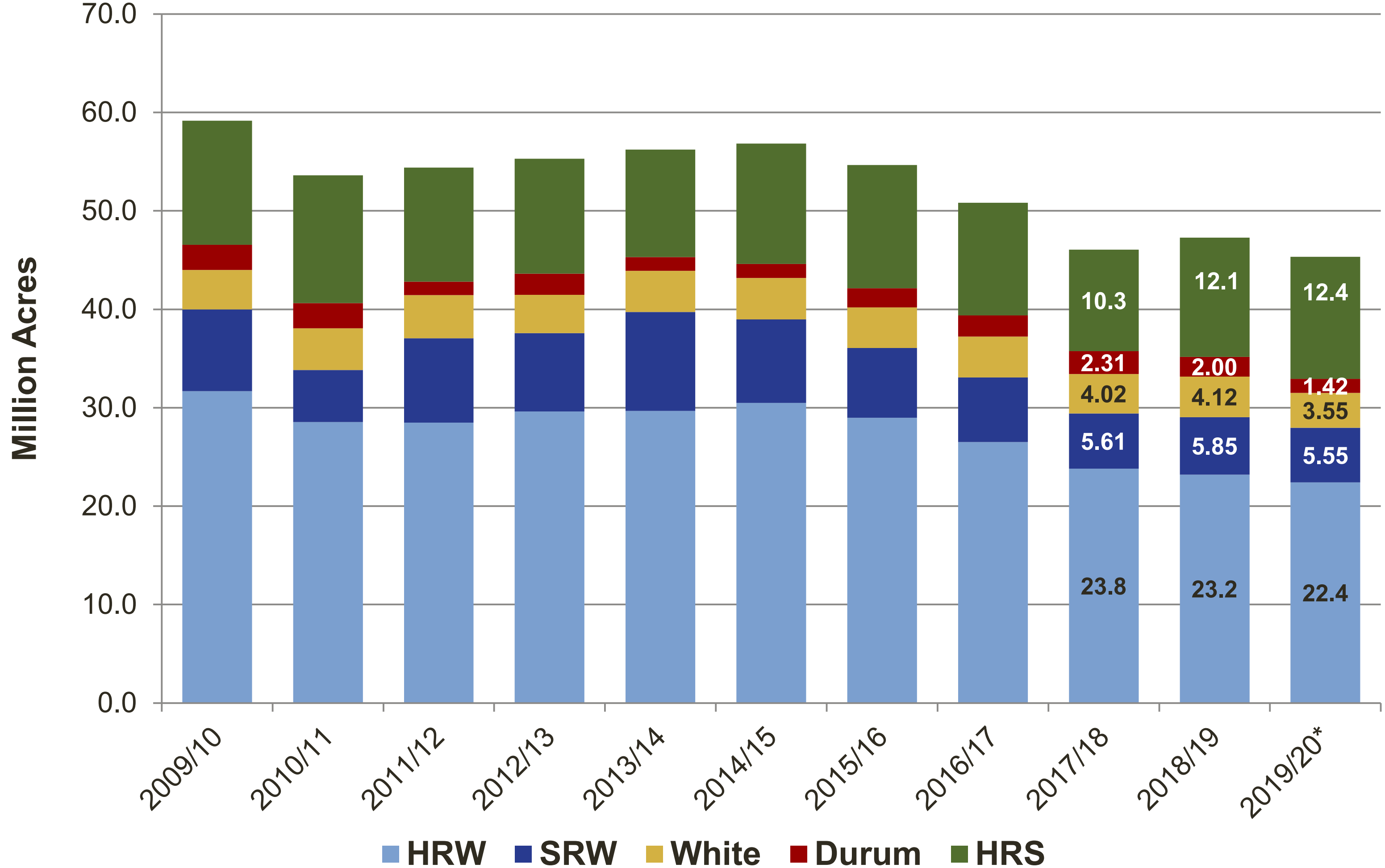
Import Demand

U.S. Situation by Class

Outlook

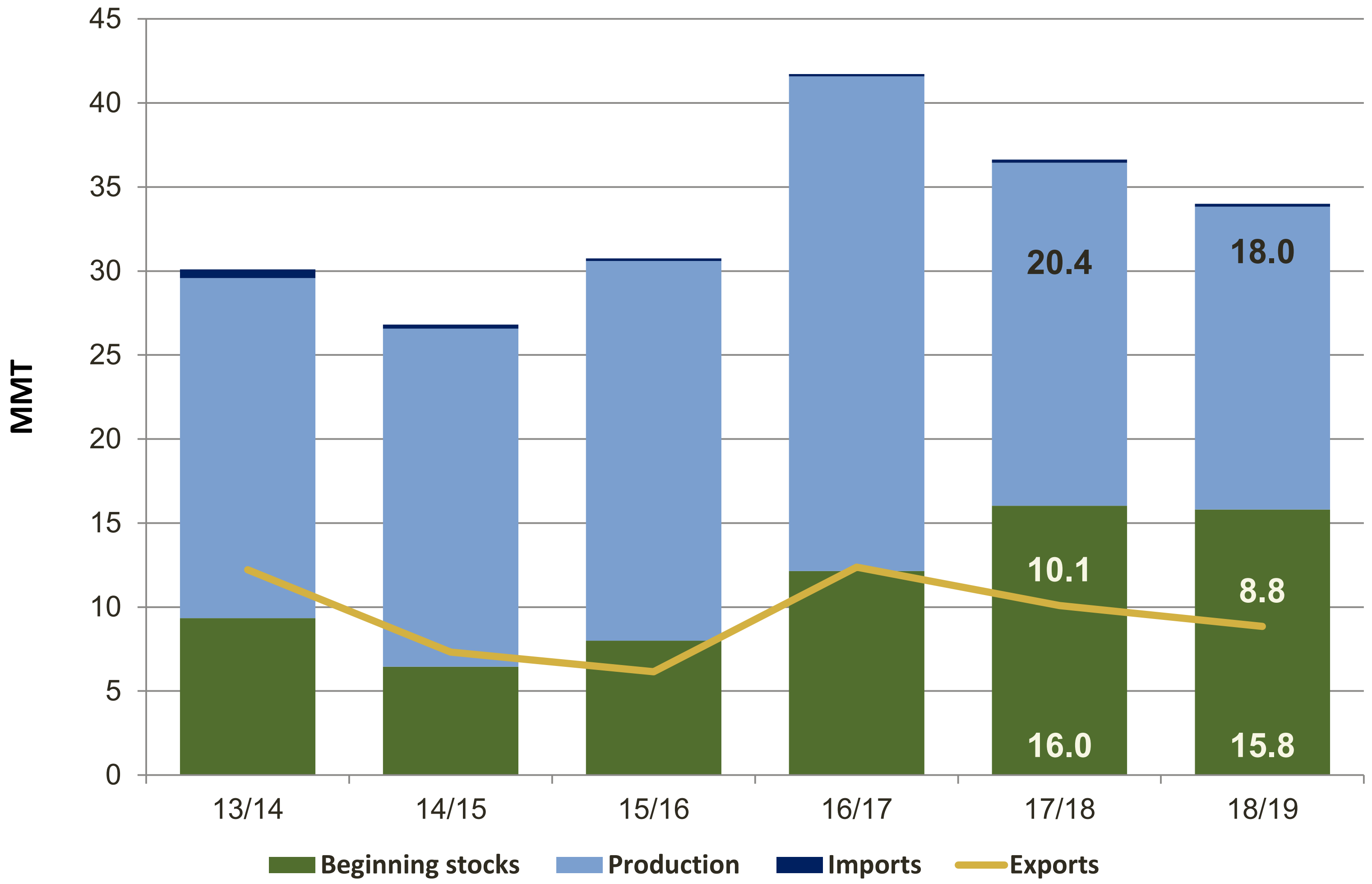
U.S. WHEAT ASSOCIATES

U.S. Wheat Plantings by Class

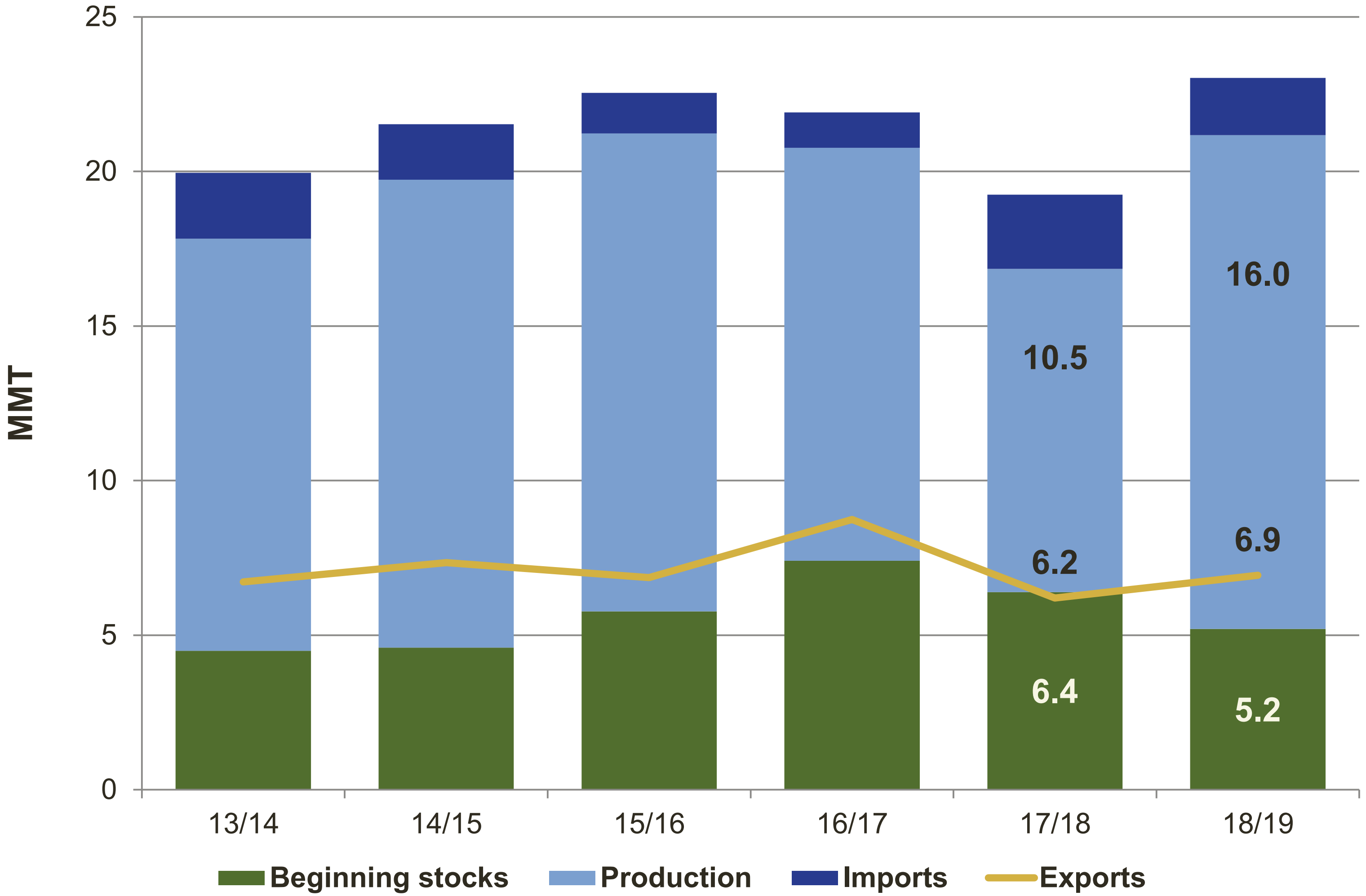


**Source: USDA Prospective Plantings Report, March 29, 2019*

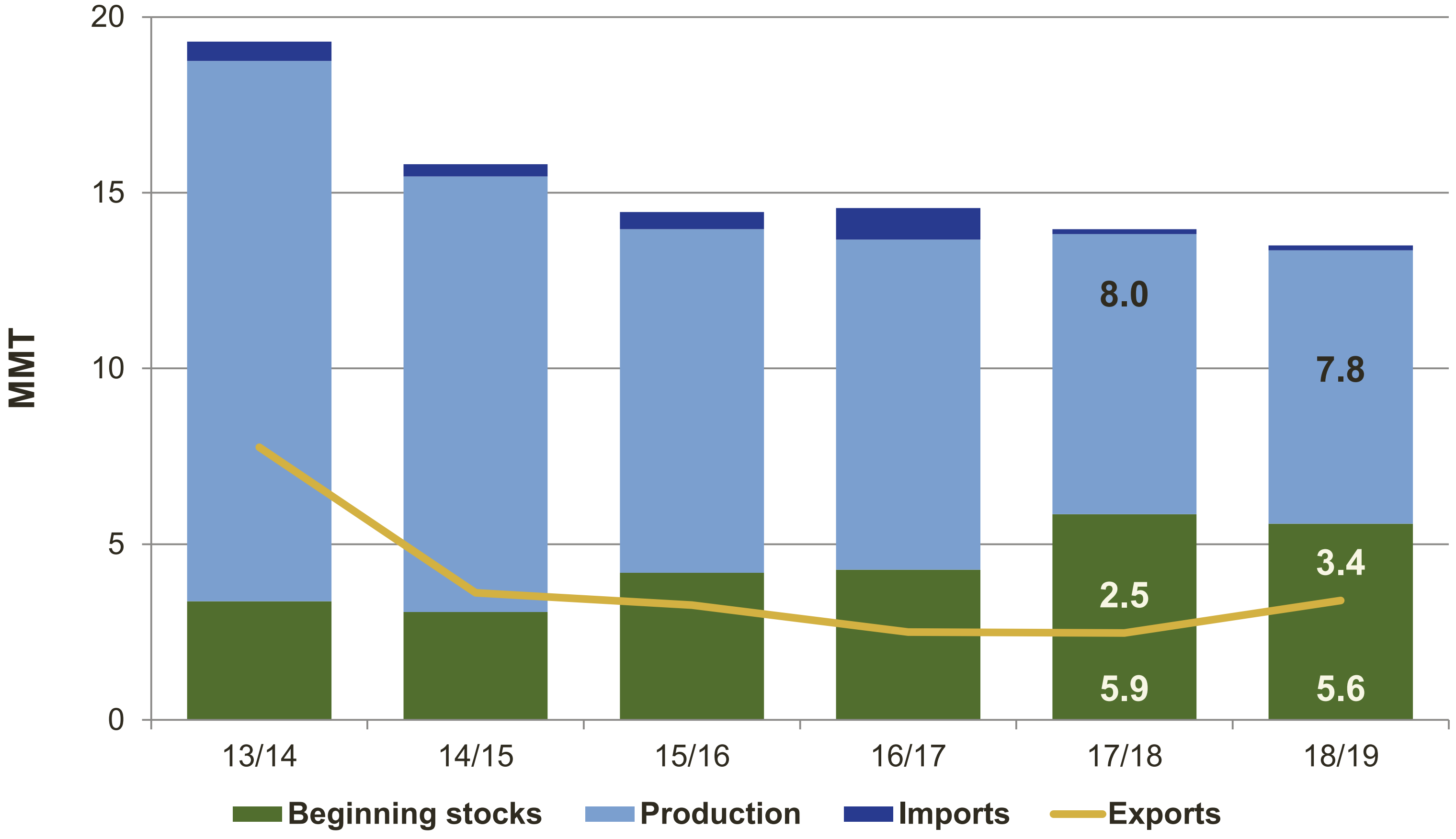
U.S. Hard Red Winter



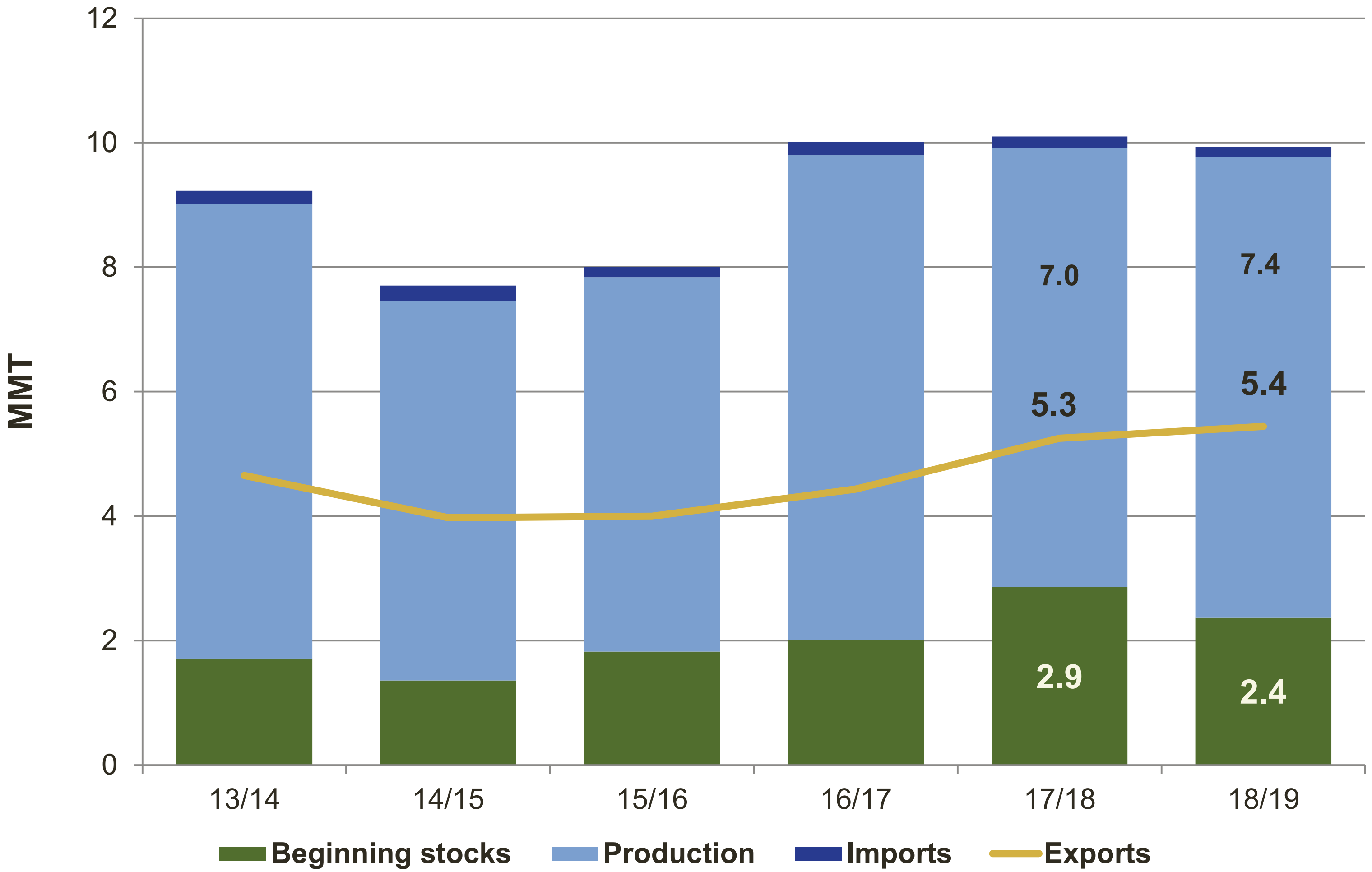
U.S. Hard Red Spring



U.S. Soft Red Winter

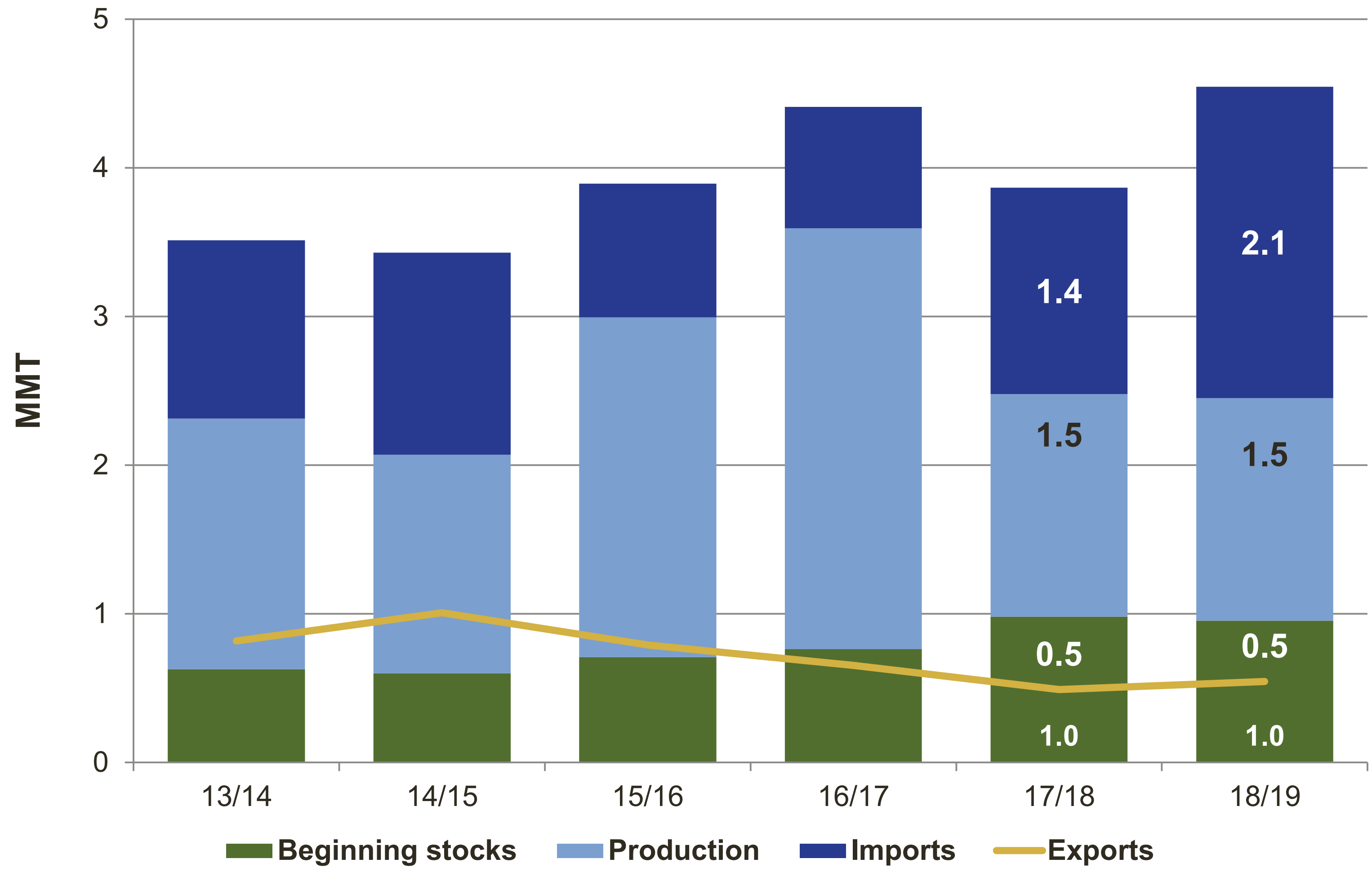


U.S. White



12
10
8
6
4
2
0
MMT
7.0
7.4
5.3
5.4
2.9
2.4
13/14
14/15
15/16
16/17
17/18
18/19
Beginning stocks
Production
Imports
Exports

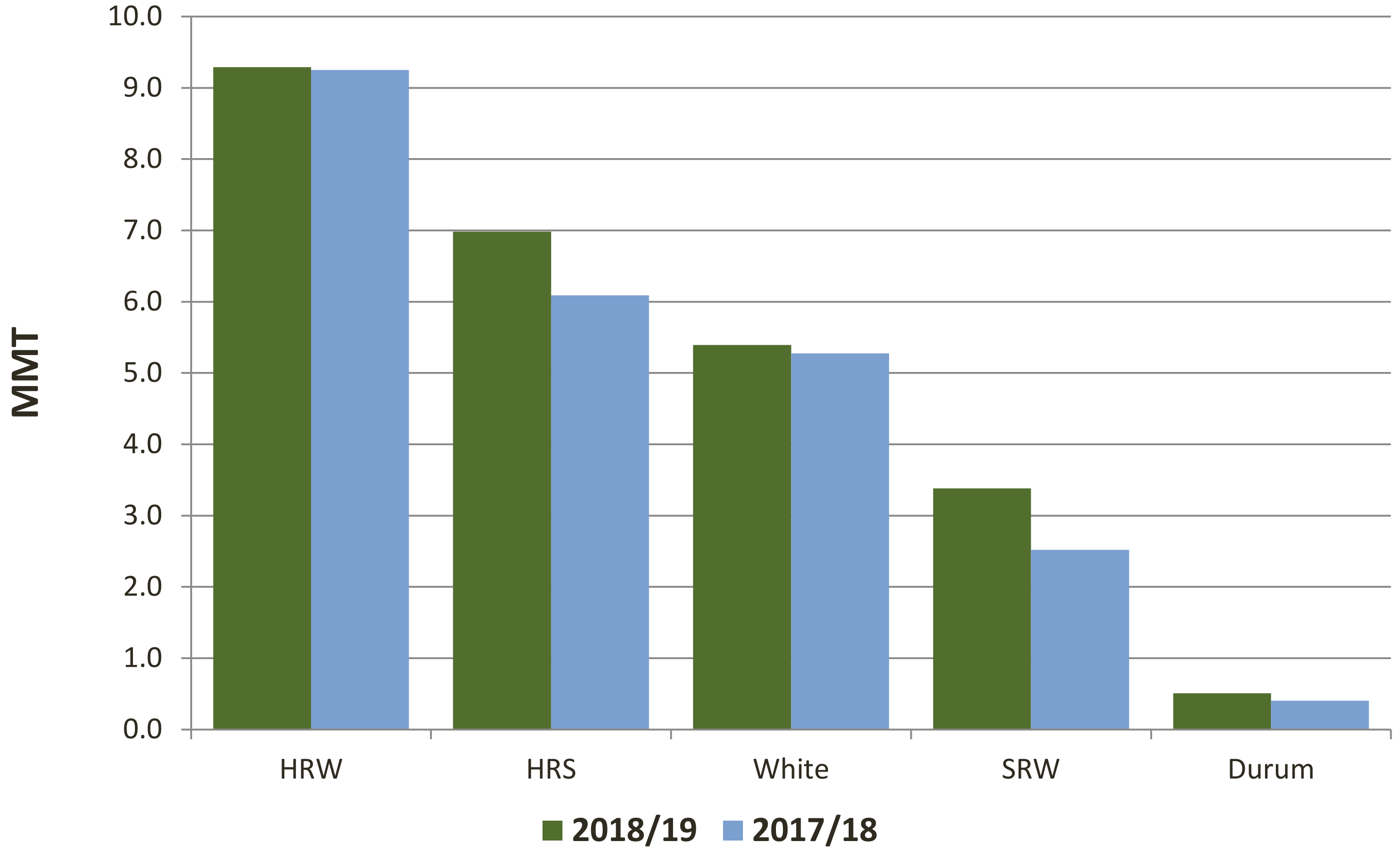
U.S. Durum



MMT
5
4
3
2
1
0
2.1
1.4
1.5
1.5
0.5
0.5
1.0
1.0
13/14
14/15
15/16
16/17
17/18
18/19
Beginning stocks
Production
Imports
Exports

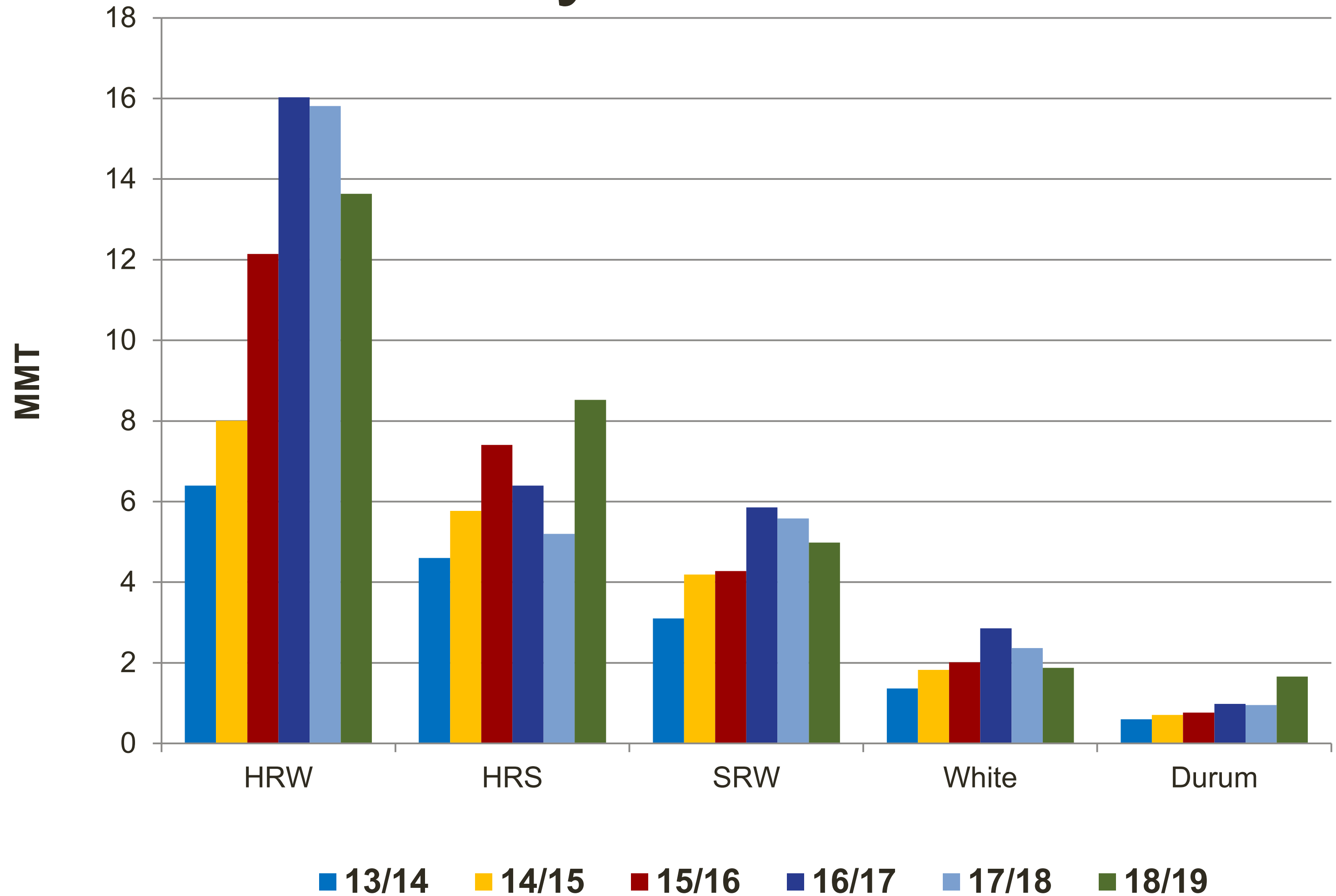
U.S. Wheat Sales by Class

(year-to-date)



Source: USDA FAS export sales data as of May 9, 2019

U.S. Wheat Ending Stocks by Class



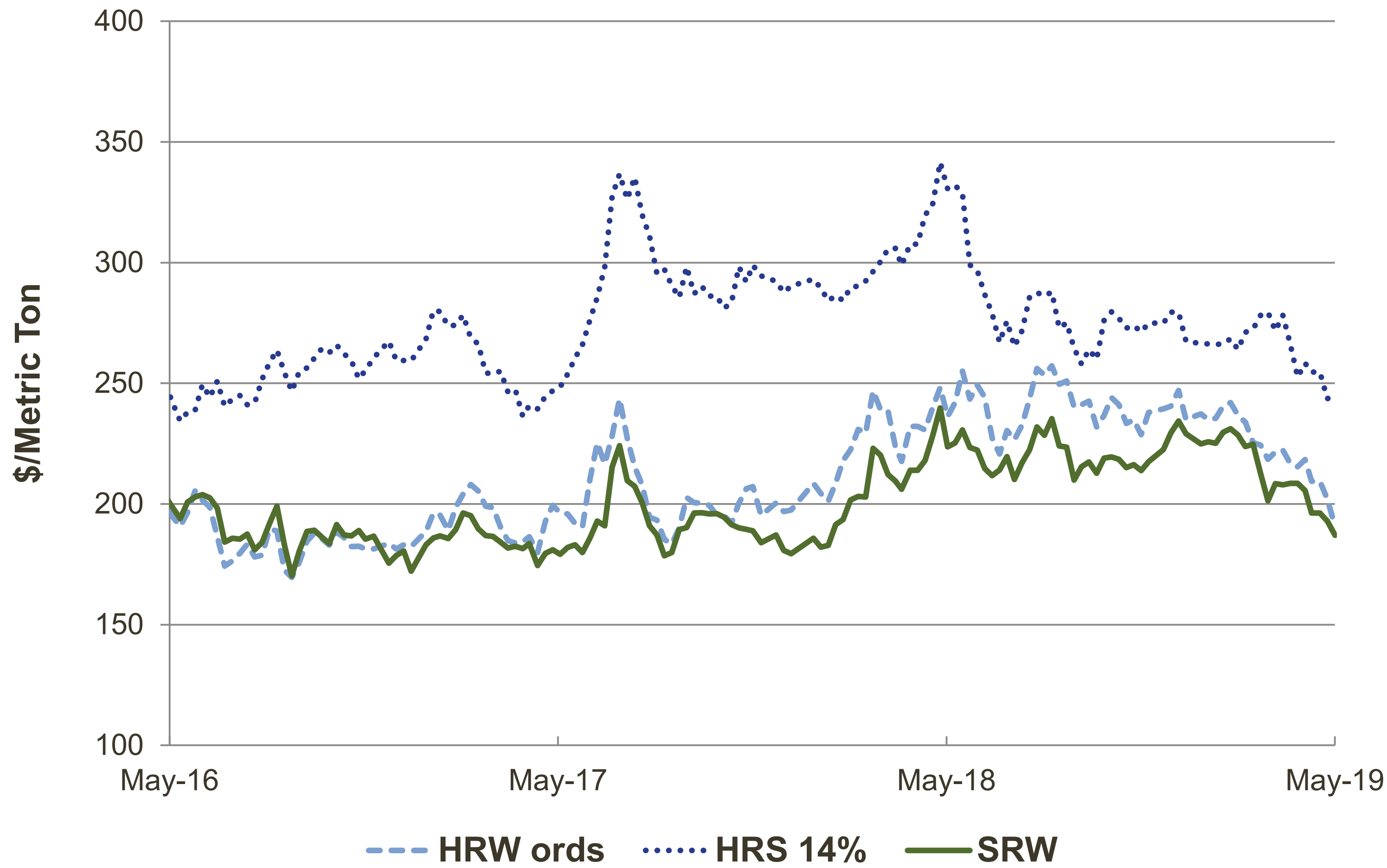
U.S. Wheat
Supply and Demand

	HRW		HRS		SRW	
	17/18	18/19	17/18	18/19	17/18	18/19
			Million Bushels			
Beginning Stocks	589	581	235	191	215	205
Production	750	662	384	587	293	286
Supply Total	1346	1249	707	846	513	496
Domestic Use	394	423	288	279	217	188
Exports	371	325	228	255	91	125
Use Total	765	748	516	534	308	313
Ending Stocks	581	501	191	313	205	183
Stocks-to-Use	76%	67%	37%	59%	67%	58%

U.S. Wheat
Supply and Demand

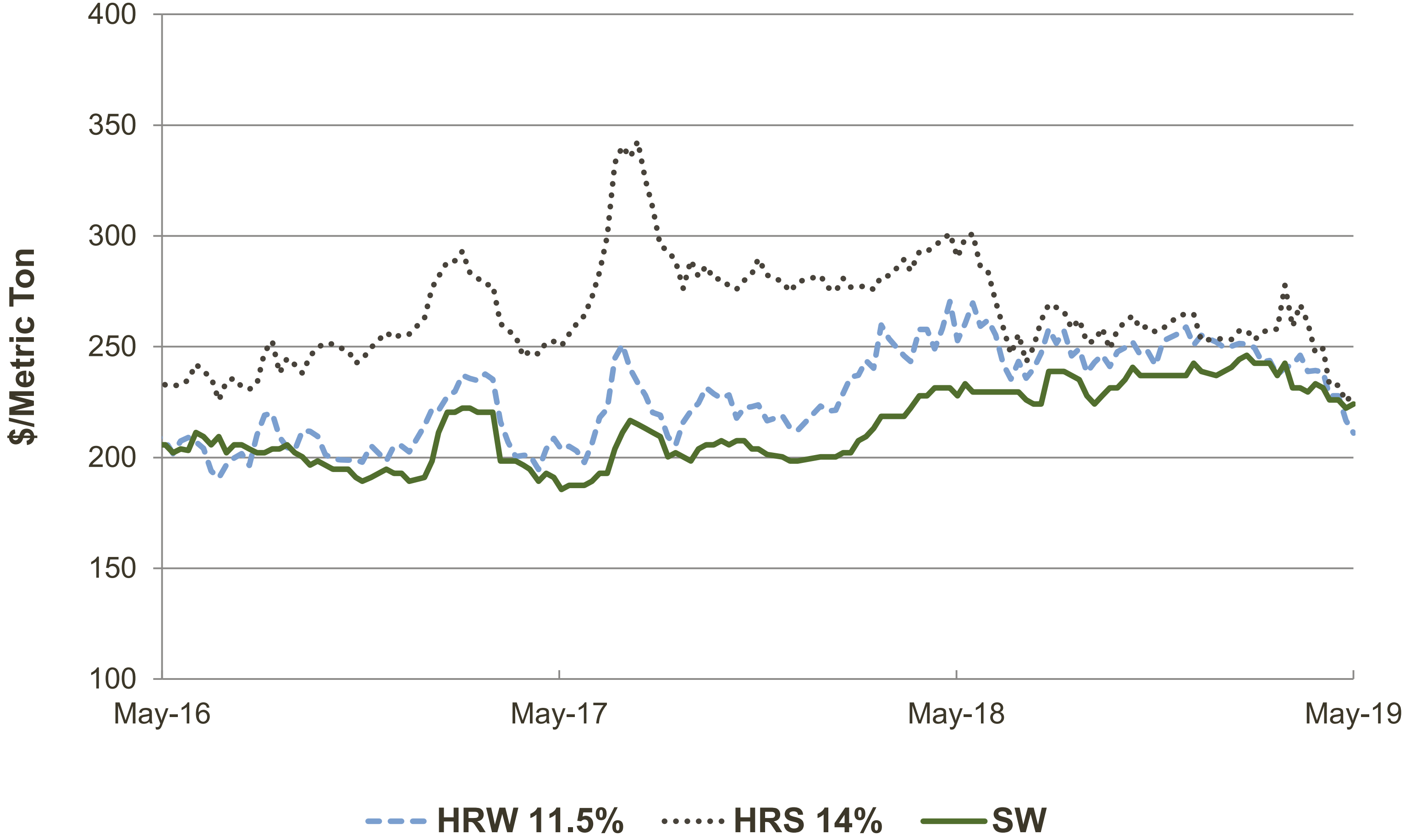
	White		Durum		Total	
	17/18	18/19	17/18	18/19	17/18	18/19
			Million Bushels			
Beginning Stocks	105	**87**	36	**35**	1181	**1099**
Production	259	**272**	55	**77**	1741	**1884**
Supply Total	371	**365**	142	**167**	3079	**3123**
Domestic Use	91	**96**	90	**86**	1079	**1072**
Exports	193	**200**	18	**20**	901	**925**
Use Total	284	**296**	107	**106**	1980	**1997**
Ending Stocks	87	**69**	35	**61**	1099	**1127**
Stocks-to-Use	31%	**23%**	33%	**58%**	56%	**56%**

U.S. FOB Gulf Prices



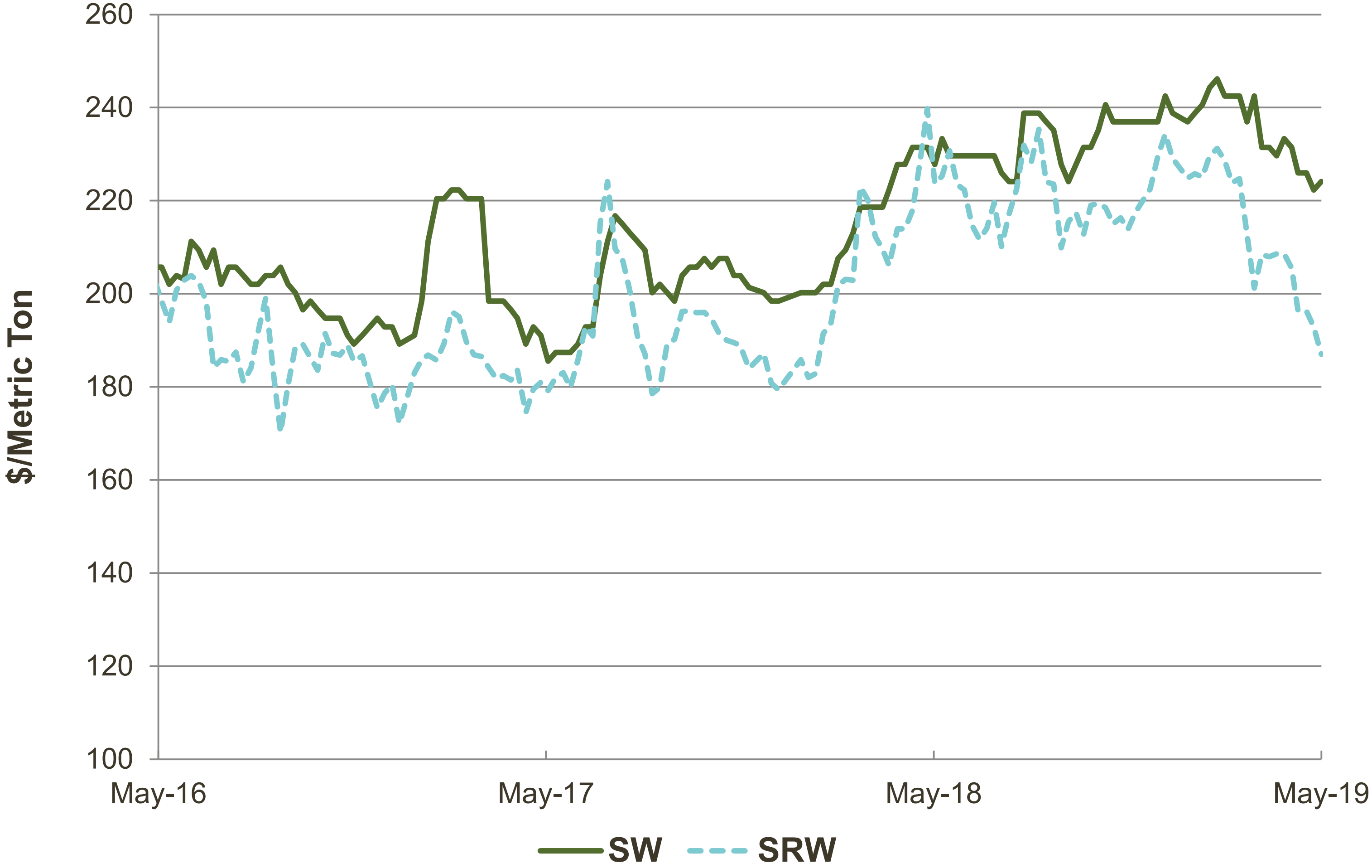
**Source: U.S. Wheat Associates Price Report, May 10, 2019*

U.S. FOB PNW Prices



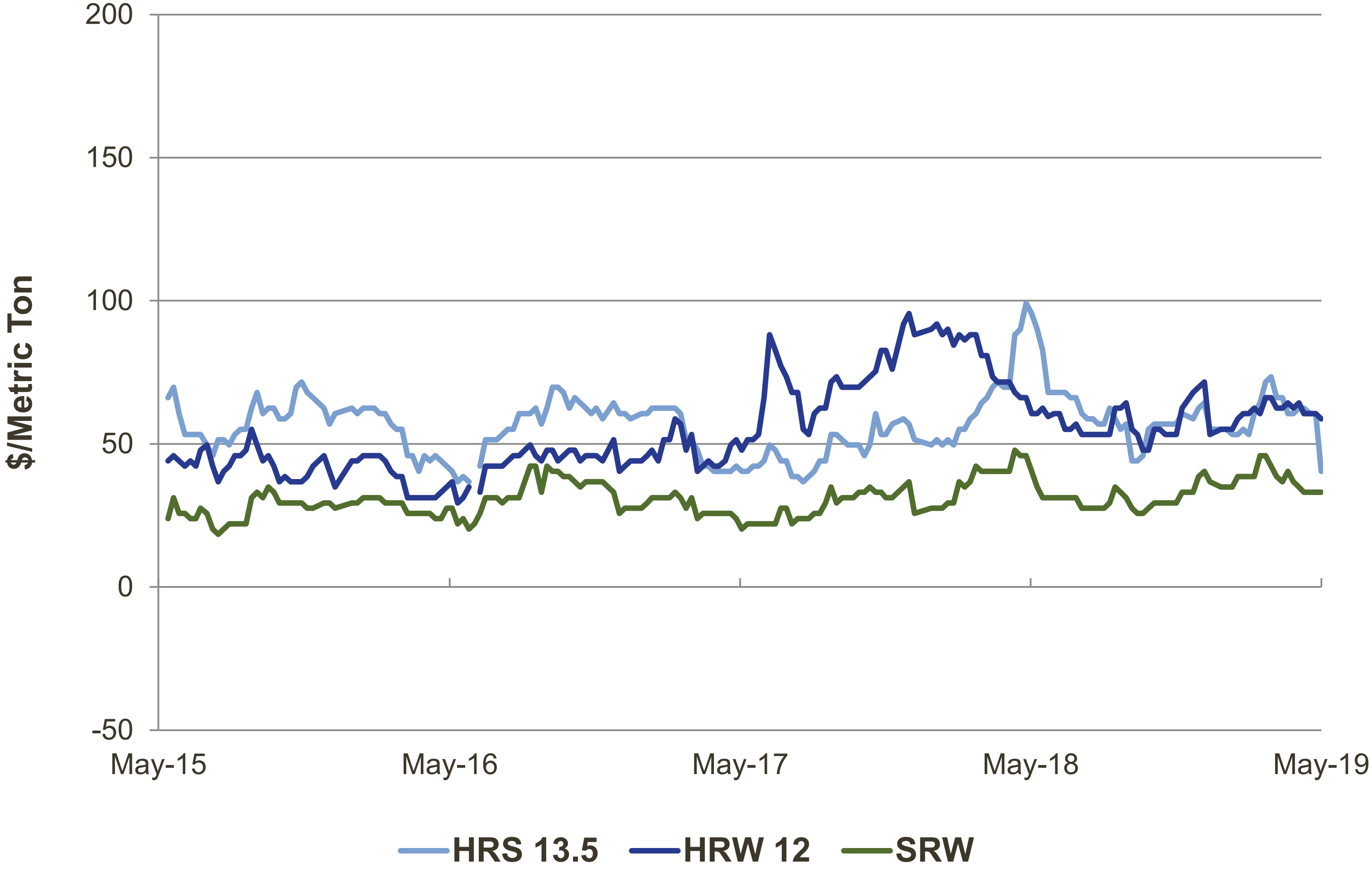
**Source: U.S. Wheat Associates Price Report, May 10, 2019*

SRW and Soft White Prices



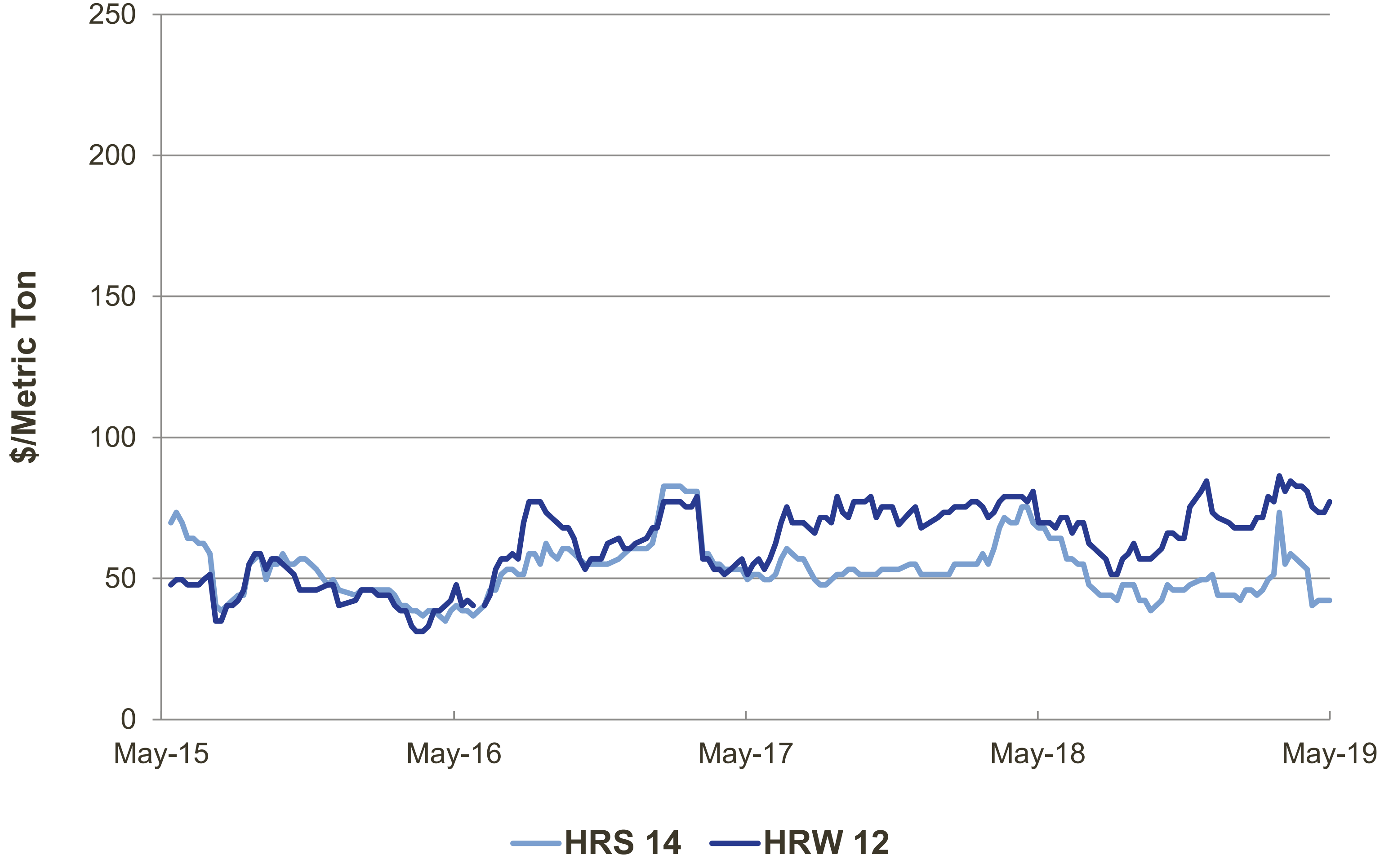
Source: U.S. Wheat Associates Price Report, May 10, 2019

U.S. Gulf Basis Prices



**Source: U.S. Wheat Associates Price Report, May 10, 2019*

U.S. PNW Basis Prices



**Source: U.S. Wheat Associates Price Report, May 10, 2019*

Major Exporters

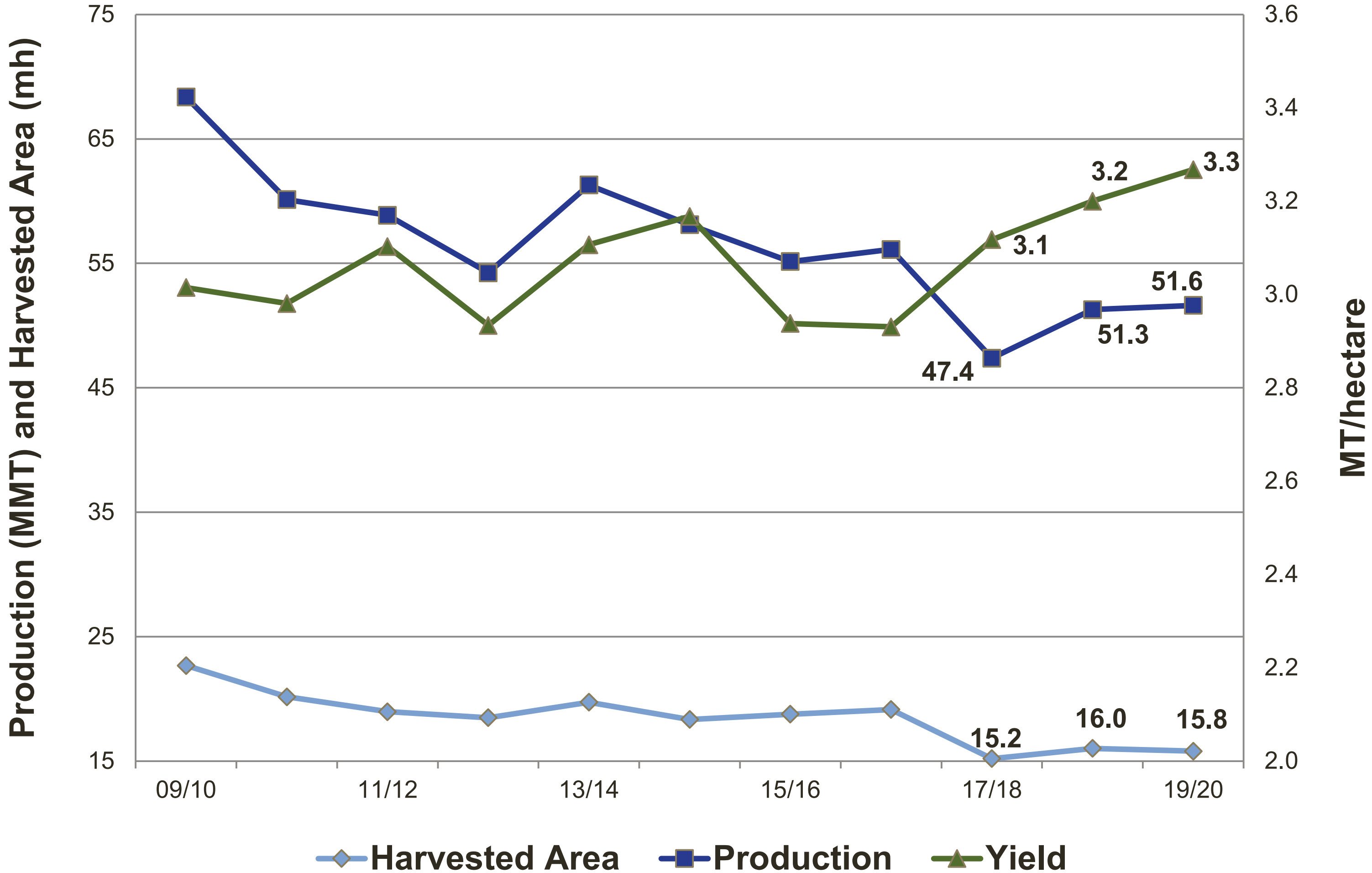
Import Demand

U.S. Situation by Class

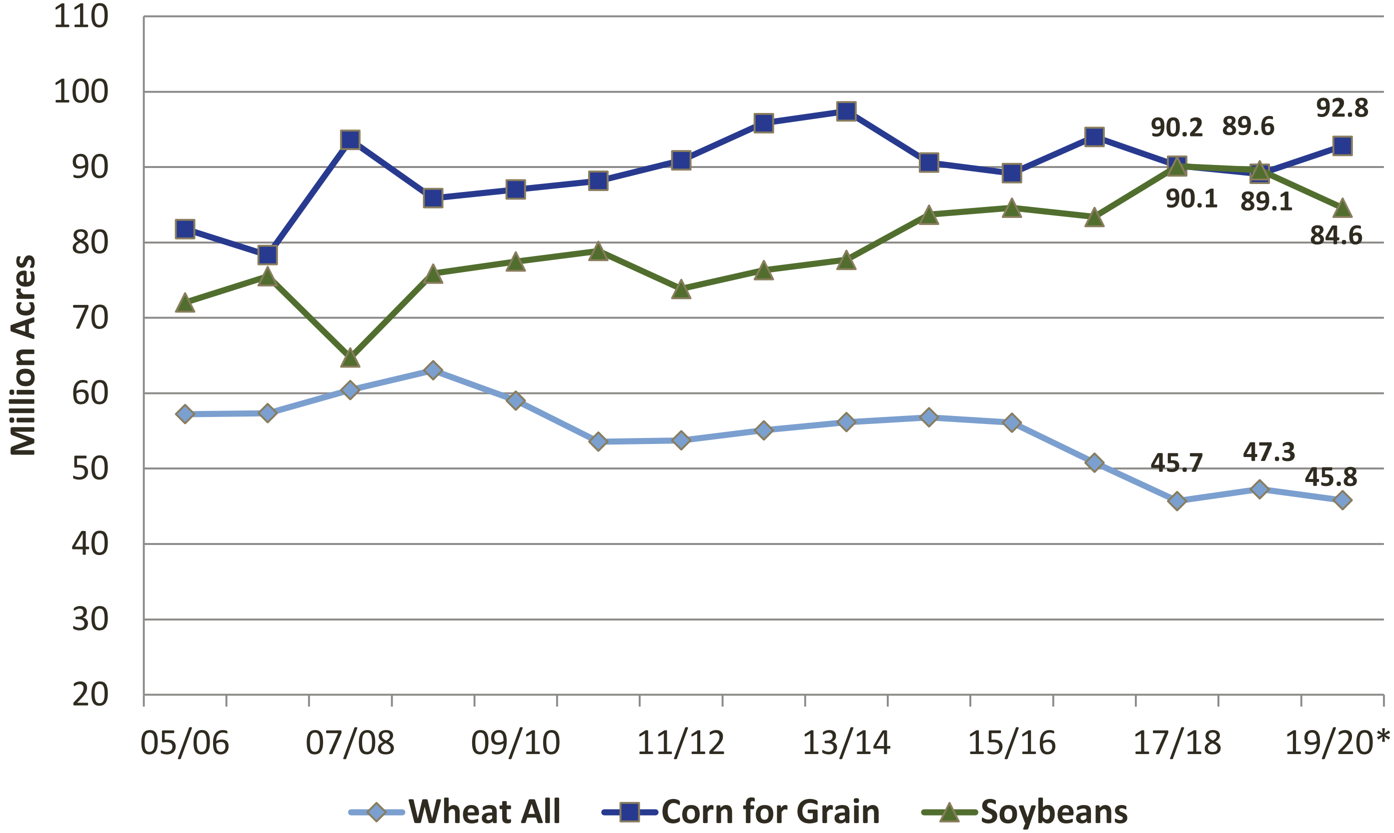
Outlook

U.S. WHEAT ASSOCIATES

U.S. Wheat Production, Area and Yield



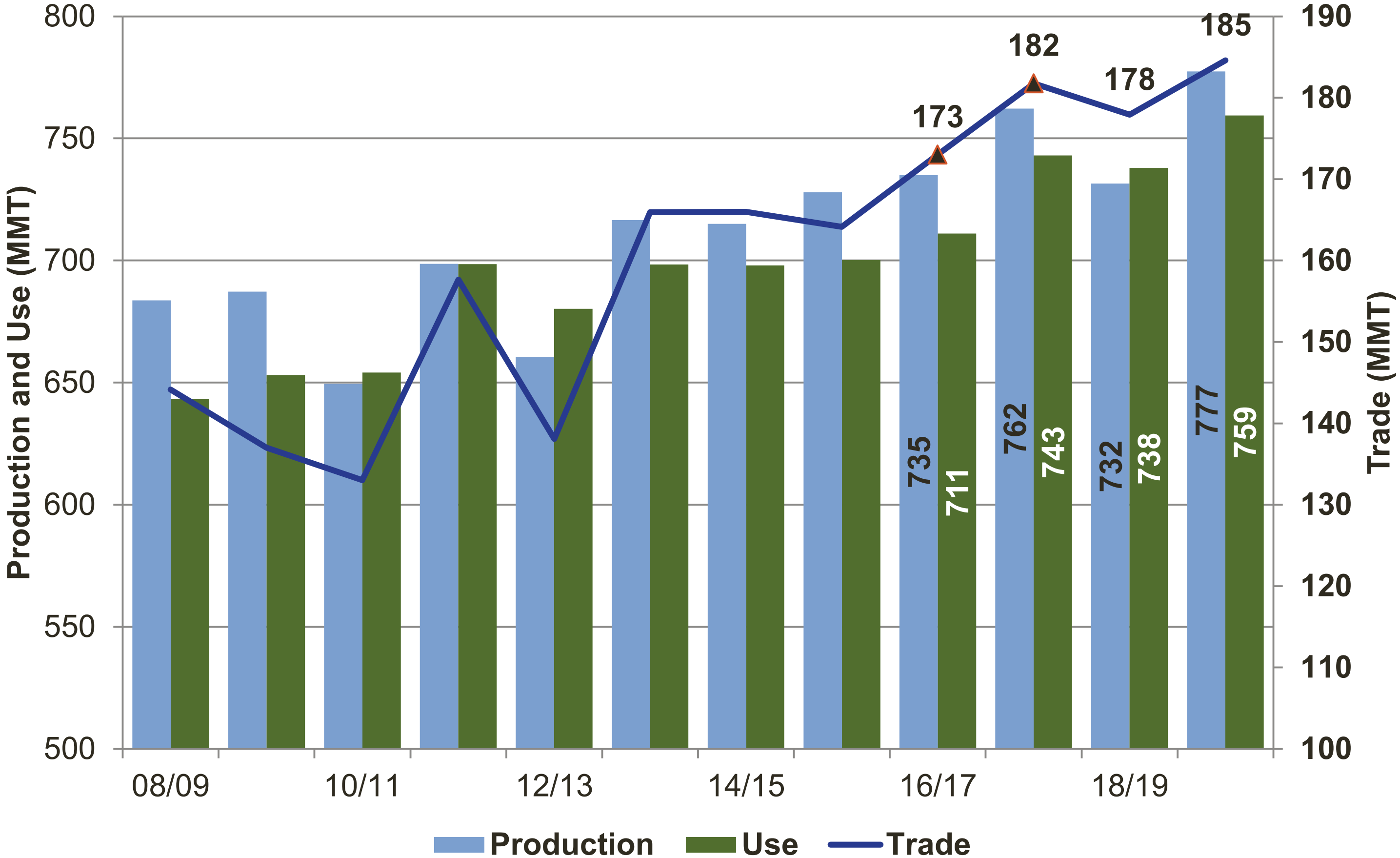
U.S. Crop Planted Area Comparison



Source: USDA Prospective Planting Report, March 29, 2019

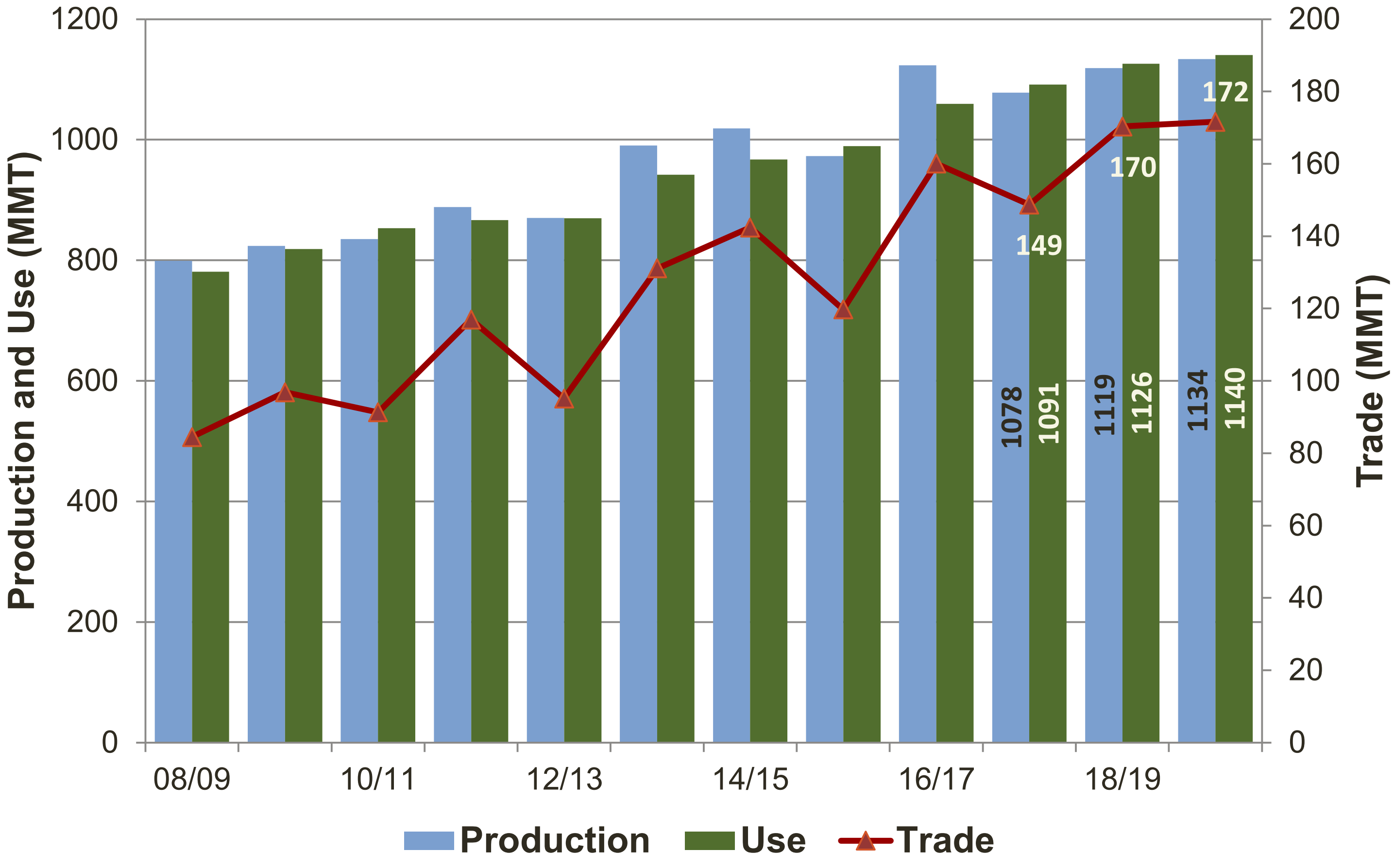
World Wheat

Production, Use and Trade

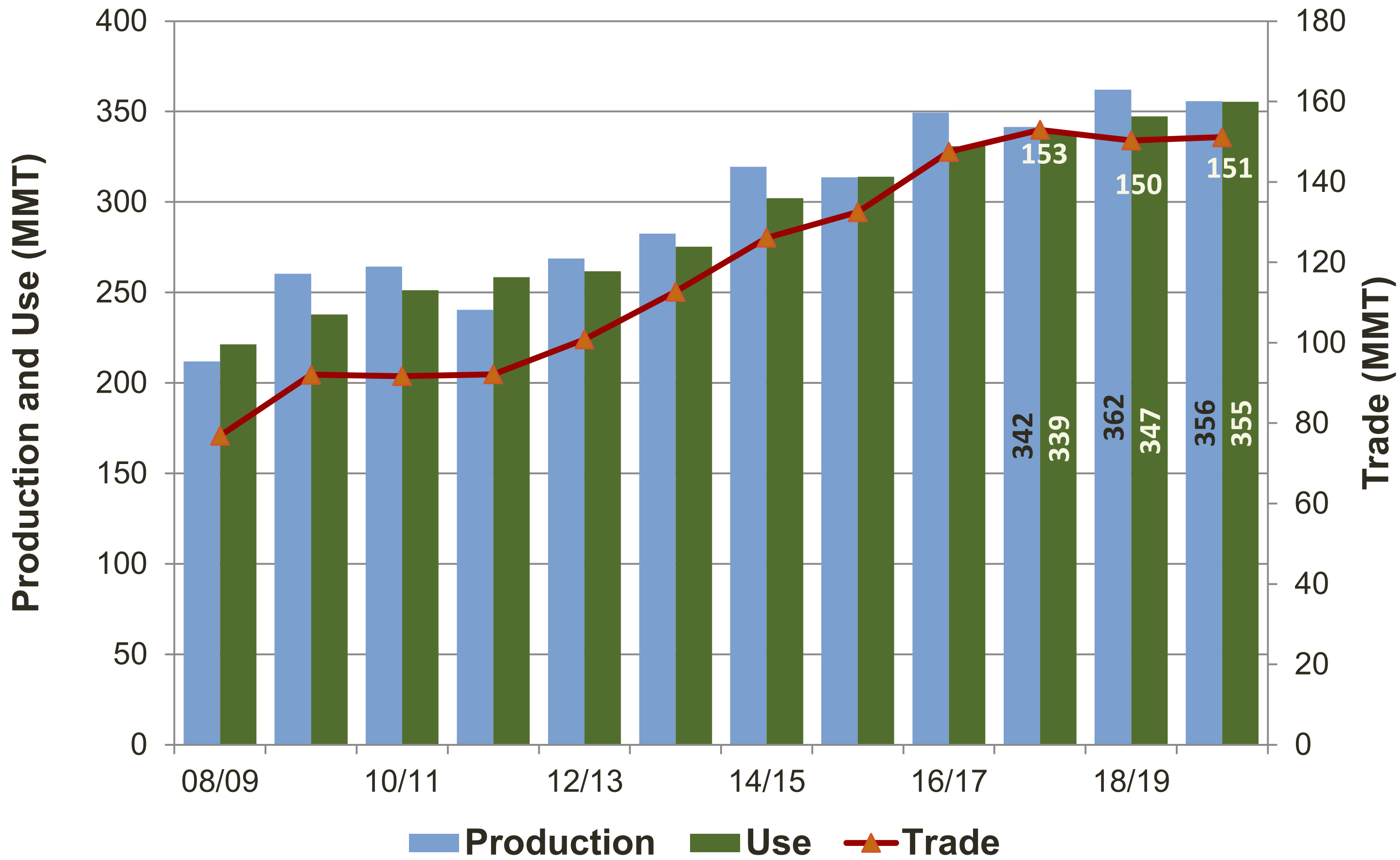


World Corn

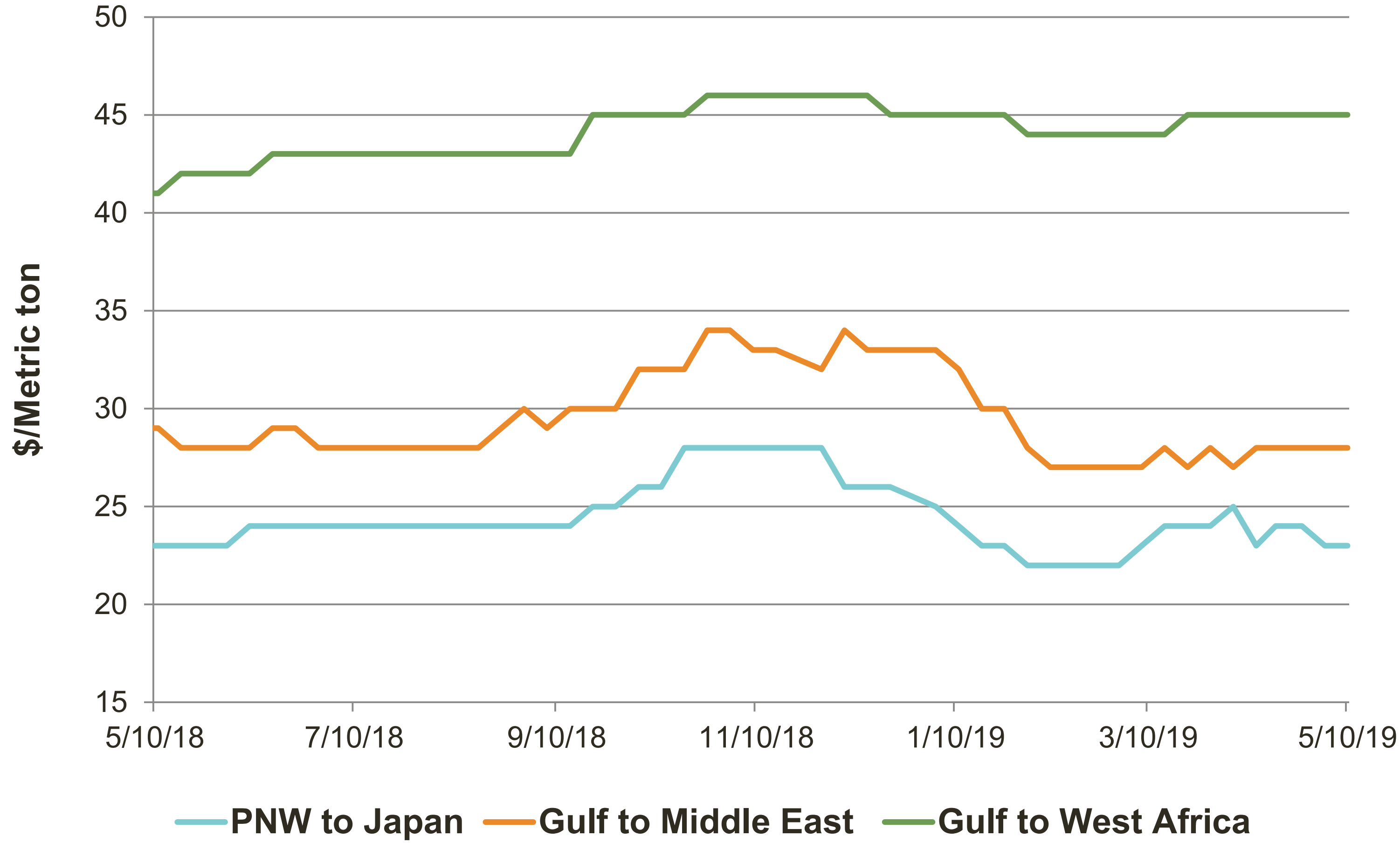
Production, Use and Trade



World Soybeans
Production, Use and Trade



Ocean Freight Rates for Grains



**Source: U.S. Wheat Associates Price Report, May 10, 2019*

Summary

- **Global production to increase 5% year-over-year to 777 MMT**
  - EU Wheat production to rebound after the 2018/19 drought to 154 MMT
  - Australian wheat production to rally after last year's devastating drought to 22.5 MMT
  - Russian wheat production to jump from last year's 72.0 MMT to 77.0 MMT in 2019/20
  - Wheat production in the United States to total 51.6 MMT, 5% below the 5-year average

- **Global ending stocks to fall to 275 MMT, 2% below 2018/19 levels but 14% above the 5-year average**
  - 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 31 MMT, slightly higher than last year and 11% above the 5-year average

- **World consumption and trade are both expected to exceed 2018/19 levels**
  - Total global trade to reach 185 MMT, 4% higher than 2018/19 and 5% above the 5-year average
  - Total global consumption to reach its highest level in 10 years at 759 MMT
  - U.S. 2019/20 domestic consumption to increase 5% year-over-year to 31 MMT while exports are expected to fall slightly below 2018/19 levels to 24.5 MMT