Major data source: USDA World Agricultural Supply and Demand Estimates released July 11, 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 771 MMT
  - Wheat production in the European Union (EU) to rebound to 151 MMT, 9% higher than last year
  - Black Sea (Russia, Ukraine and Kazakhstan) production to reach 117 MMT
  - U.S. wheat production estimated at 52.3 MMT, 2% above last year

- Global consumption forecast at 760 MMT, the highest on record
  - China’s domestic consumption to reach 128 MMT, 2% above last year, if realized
  - EU domestic consumption to reach 128 MMT, up 4% from 2018/19
  - U.S. domestic consumption to total 32.2 MMT, up 4% from the 5-year average
  - U.S. feed wheat consumption to reach 4.08 MMT, 64% higher than 2018/19

- World wheat trade to jump 4% year-over-year to 183 MMT, 4% above the 5-year average of 176 MMT
  - Exports from the Australia to increase 28% over last year to 12.5 MMT in 2019/20
  - Exports from Russia to fall 4% from last year to 34.5 MMT
  - U.S. 2018/19 exports to increase slightly above 2018/19 levels to 25.9 MMT
Highlights of USDA’s 2019/20 Supply and Demand Estimates

- World beginning stocks fell 2% year-over-year to 275 MMT, still 13% higher than the 5-year average of 241 MMT
  - China’s beginning stocks expected jump 43% over the 5-year average to 140 MMT
  - U.S. beginning stocks estimated at 29.2 MMT, 16% above the 5-year average of 25.0 MMT

- Global ending stocks projected at 286 MMT, 4% higher than last year and 11% higher than the 5-year average
  - Estimated Chinese ending stocks of 146 MMT are up 30% over the 5-year average and account for 50% of total global ending stocks
  - U.S. ending stocks expected to total 27.2 MMT, down 7% from 2018/19 and 2% below the 5-year average of 27.6 MMT

- U.S. farm gate average price to remain steady at $5.20/bu* ($191/MT)
  - Projected average is in line with the 2018/19 average of $5.20/bu* ($191/MT)

*Average U.S. farm gate price, marketing year weighted average
Supplies in Top Exporting Countries*

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

Supply and Demand
# World Wheat Supply and Demand (MMT)

<table>
<thead>
<tr>
<th></th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUPPLY:</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Beginning Stocks</td>
<td>262</td>
<td>281</td>
<td>275</td>
</tr>
<tr>
<td>Production</td>
<td>762</td>
<td>731</td>
<td>771</td>
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<tr>
<td>Supply Total</td>
<td>1024</td>
<td>1012</td>
<td>1047</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>281</td>
<td>275</td>
<td>286</td>
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<tr>
<td><strong>TRADE:</strong></td>
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<tr>
<td>Exports/Imports</td>
<td>182</td>
<td>175</td>
<td>183</td>
</tr>
<tr>
<td><strong>DEMAND:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food &amp; Seed</td>
<td>596</td>
<td>597</td>
<td>609</td>
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<tr>
<td>Feed &amp; Residual</td>
<td>147</td>
<td>140</td>
<td>151</td>
</tr>
<tr>
<td>Use Total</td>
<td>743</td>
<td>737</td>
<td>760</td>
</tr>
</tbody>
</table>
Supply and Demand

World Beginning Stocks

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

Historical Five Major Exporters

- Historical Five Major Exporters
- Black Sea
- Others
- China

09/10 10/11 11/12 12/13 13/14 14/15 15/16 16/17 17/18 18/19 19/20
Global Stocks*-to-Use Ratio

*Ending stocks

Supply and Demand
Global Stocks*-to-Use Ratio w/o China

*Ending stocks
World Ending Stocks

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

Supply and Demand
World Ending Stocks by Position (MMT)

- Exporters, 64.7
- Importers, 75.8
- China, 146
Global Ending Stocks and Price

*Source: U.S. Wheat Associates Price Report, July 2, 2019
Major Exporters
Import Demand
U.S. Situation by Class
Outlook
Exportable Supplies in Top Exporting Countries

*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption*
EU-28 Situation

The graph shows the MMT (metric tons) of Beginning stocks, Production, Imports, Exports, and Domestic use from 09/10 to 19/20. The graph indicates fluctuations in these categories over the years, with notable peaks and troughs.
EU-28 Ending Stocks

<table>
<thead>
<tr>
<th>Year</th>
<th>MMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/10</td>
<td>16.0</td>
</tr>
<tr>
<td>11/12</td>
<td>13.0</td>
</tr>
<tr>
<td>13/14</td>
<td>12.0</td>
</tr>
<tr>
<td>15/16</td>
<td>15.0</td>
</tr>
<tr>
<td>17/18</td>
<td>14.0</td>
</tr>
<tr>
<td>19/20</td>
<td>12.0</td>
</tr>
</tbody>
</table>
Russia Ending Stocks

<table>
<thead>
<tr>
<th>Year</th>
<th>MMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/10</td>
<td>15.0</td>
</tr>
<tr>
<td>11/12</td>
<td>13.0</td>
</tr>
<tr>
<td>13/14</td>
<td>5.0</td>
</tr>
<tr>
<td>15/16</td>
<td>7.4</td>
</tr>
<tr>
<td>17/18</td>
<td>12.0</td>
</tr>
<tr>
<td>19/20</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Note: The graph shows the ending stocks in million metric tonnes (MMT) for each year.
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.
Major World Wheat Importers
(from all origins)
Top 10 Customers for U.S. Wheat
5-year average

- Japan
- Mexico
- Philippines
- Nigeria
- China
- Brazil
- Korea
- Taiwan
- Indonesia
- EU
Top 10 Customers for U.S. Wheat

Year-to-date

Source: USDA FAS export sales data as of July 4, 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 July 4, 2019
U.S. Wheat Ending Stocks by Class

[Bar chart showing wheat stocks by class and year, with categories HRW, HRS, SRW, White, Durum, and MMT (Megaliters) on the y-axis and years 14/15, 15/16, 16/17, 17/18, 18/19, 19/20 on the x-axis.]
# U.S. Wheat Supply and Demand (MMT)

<table>
<thead>
<tr>
<th></th>
<th>HRW</th>
<th>HRS</th>
<th>SRW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18/19</td>
<td>19/20</td>
<td>18/19</td>
</tr>
<tr>
<td><strong>Beginning Stocks</strong></td>
<td>15.8</td>
<td>13.8</td>
<td>5.20</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>18.0</td>
<td>21.9</td>
<td>16.0</td>
</tr>
<tr>
<td><strong>Supply Total</strong></td>
<td>34.0</td>
<td>35.8</td>
<td>23.0</td>
</tr>
<tr>
<td><strong>Domestic Use</strong></td>
<td>11.2</td>
<td>13.6</td>
<td>8.76</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td>9.0</td>
<td>10.6</td>
<td>7.05</td>
</tr>
<tr>
<td><strong>Use Total</strong></td>
<td>20.2</td>
<td>24.2</td>
<td>15.8</td>
</tr>
<tr>
<td><strong>Ending Stocks</strong></td>
<td>13.8</td>
<td>11.6</td>
<td>7.21</td>
</tr>
<tr>
<td><strong>Stocks-to-Use</strong></td>
<td>68%</td>
<td>48%</td>
<td>46%</td>
</tr>
<tr>
<td></td>
<td>White</td>
<td>Durum</td>
<td>Total</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td>18/19</td>
<td>19/20</td>
<td>18/19</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>2.37</td>
<td>2.40</td>
<td>0.95</td>
</tr>
<tr>
<td>Production</td>
<td>7.40</td>
<td>6.99</td>
<td>2.10</td>
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<tr>
<td>Supply Total</td>
<td>9.9</td>
<td>9.55</td>
<td>4.46</td>
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<tr>
<td>Domestic Use</td>
<td>2.20</td>
<td>2.61</td>
<td>2.37</td>
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<tr>
<td>Exports</td>
<td>5.33</td>
<td>5.17</td>
<td>0.60</td>
</tr>
<tr>
<td>Use Total</td>
<td>7.54</td>
<td>7.78</td>
<td>2.97</td>
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<tr>
<td>Ending Stocks</td>
<td>2.40</td>
<td>1.80</td>
<td>1.50</td>
</tr>
<tr>
<td>Stocks-to-Use</td>
<td>32%</td>
<td>23%</td>
<td>50%</td>
</tr>
</tbody>
</table>
U.S. FOB Gulf Prices

*Source: U.S. Wheat Associates Price Report, July 2, 2019*
U.S. FOB PNW Prices

*Source: U.S. Wheat Associates Price Report, July 2, 2019*
SRW and Soft White Prices

*Source: U.S. Wheat Associates Price Report, July 2, 2019*
U.S. Gulf Basis Prices

*Source: U.S. Wheat Associates Price Report, July 2, 2019
U.S. PNW Basis Prices

*Source: U.S. Wheat Associates Price Report, July 2, 2019*
U.S. Crop Planted Area Comparison

*Source: USDA Acreage Report, June 28, 2019*
World Wheat Production, Use and Trade

Production and Use (MMT)

Trade (MMT)

Production
Use
Trade

08/09 10/11 12/13 14/15 16/17 18/19

735 762 731 743 737 760

173 182 175 183 175 183

100 110 120 130 140 150

500 550 600 650 700 750 800
World Corn
Production, Use and Trade

![Bar chart showing production, use, and trade of World Corn from 2008/09 to 2018/19. The x-axis represents the years 2008/09 to 2018/19, and the y-axis represents production and use in MMT (Metric Tons). The chart includes three bars for production, use, and trade, with specific values indicated for each year.]
Ocean Freight Rates for Grains

*Source: U.S. Wheat Associates Price Report, July 2, 2019*
Summary

• **Global production to increase 6% year-over-year to 781 MMT**
  - EU Wheat production to rebound after the 2018/19 drought to 151 MMT
  - Australian wheat production to rally after last year’s devastating drought to 21.0 MMT
  - Black Sea wheat production to reach 117 MMT, 5% higher than 2018/19 levels
  - Wheat production in the United States to total 52.3 MMT, 4% below the 5-year average

• **Global ending stocks to rise to 286 MMT, 4% 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 27.2 MMT, 7% lower than last year and 2% below the 5-year average

• **World consumption and trade are both expected to exceed 2018/19 levels**
  - Total global trade to reach 183 MMT, 4% higher than 2018/19 and 4% above the 5-year average
  - Total global consumption to reach its highest level in 10 years at 760 MMT
  - U.S. 2019/20 domestic consumption to increase 6% year-over-year to 32.2 MMT and exports are rise slightly above 2018/19 levels to 25.9 MMT