World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released June 11, 2020, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.
01  Major Exporters

02  Import Demand

03  U.S. Situation by Class

04  Outlook
Highlights of USDA’s 2020/21 Supply and Demand Estimates

2020/21 global wheat production to jump to record of 773 MMT
• Wheat production in Australia to jump 71% from last year to 26.0 MMT as beneficial precipitation pulls the country out of a three-year drought
• Ukrainian wheat production to fall 9% from last year to 26.5 MMT on overly dry spring weather
• U.S. wheat production to decrease 2% from last year to 51.1 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 189 MMT, up 2% year-over-year
• Exports from Argentina to rebound 7% from last year to 14.5 MMT
• Australian wheat exports to jump 85% from 2019/20 to 17.0 MMT
• U.S. 2020/21 exports to fall to 25.9 MMT, 2% below the 2019/20 estimate of 26.3 MMT
Highlights of USDA’s 2020/21 Supply and Demand Estimates

World beginning stocks jumped 6% from 2019/20 to 296 MMT, 14% greater than the 5-year average
- Record Chinese beginning stocks of 151 MMT are 34% higher than the 5-year average and make up 51% of the global total
- European Union (EU) beginning stocks increased 3% from last year to 12.3 MMT
- U.S. 2020/21 beginning stocks dropped 9% year-over-year to 26.7 MMT, but still make up 43% of all major exporter beginning stocks

Global ending stocks projected at record 316 MMT, 7% higher than last year and 16% greater than the 5-year average
- Projected Australian ending stocks to jump 61% from 2019/20 to 5.69 MMT
- Expected Chinese ending stocks to reach a record 162 MMT, 7% greater than last year and 28% more than the 5-year average
- U.S. ending stocks are expected to decrease 6% from last year to 25.2 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)
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)

<table>
<thead>
<tr>
<th></th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
</tr>
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<tbody>
<tr>
<td><strong>SUPPLY:</strong></td>
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<tr>
<td>Beginning Stocks</td>
<td>284</td>
<td>280</td>
<td>296</td>
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<td>Production</td>
<td>731</td>
<td>764</td>
<td>773</td>
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<td>1044</td>
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<td><strong>TRADE:</strong></td>
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<td>Exports/Imports</td>
<td>174</td>
<td>186</td>
<td>189</td>
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<td>** DEMAND:**</td>
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<tr>
<td>Food &amp; Seed</td>
<td>596</td>
<td>606</td>
<td>617</td>
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<td>140</td>
<td>142</td>
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<td>Use Total</td>
<td>735</td>
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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
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. Black Sea includes Russia, Ukraine and Kazakhstan.
World Ending Stocks by Position (MMT)

- Exporters, 62.0
- Importers, 92.3
- China, 162
Global Ending Stocks and Price

01

Major Exporters
Exportable Supplies in Top Exporting Countries

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

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<tr>
<th>Year</th>
<th>Beginning stocks</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Domestic use</th>
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<td>19/20</td>
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<tr>
<td>20/21</td>
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MMT
Canada Ending Stocks
Australia Situation
Australia Ending Stocks
Argentina Situation
Argentina Ending Stocks

[Bar chart showingEnding stocks in MMT (metric tons) for different years, with a peak in 2015/16.]
EU Situation

![Graph showing EU wheat situation with data points for different years: Beginning stocks, Production, Imports, Exports, Domestic use.](image-url)
EU Ending Stocks
Russia Situation
Russia Ending Stocks

![Bar Chart Showing Russia Ending Stocks]
Ukraine Situation
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.
U.S. Situation

[Bar chart showing production, imports, exports, and domestic use from 2011/12 to 2020/21, with specific values for each year.]
U.S. Ending Stocks
Import Demand
Major World Wheat Importers
Top 10 Customers for U.S. Wheat (5-year average)

Source: USDA FAS export sales data as of May 31, 2020
Top 10 Customers for U.S. Wheat
(year-to-date sales for current marketing year delivery)

Source: USDA FAS export sales data as of June 4, 2020
World Wheat Imports
03
U.S. Situation by Class
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 June 4, 2020
Class information for 2020/21 will be published in the July 2020 USDA WASDE report.
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.
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U.S. Durum

![Diagram showing MMT of Beginning stocks, Production, Imports, and Exports from 14/15 to 19/20]
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)

<table>
<thead>
<tr>
<th></th>
<th>HRW 18/19</th>
<th>HRW 19/20</th>
<th>HRS 18/19</th>
<th>HRS 19/20</th>
<th>SRW 18/19</th>
<th>SRW 19/20</th>
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<td>14.0</td>
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<td>5.58</td>
<td>4.30</td>
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<tr>
<td>Production</td>
<td>18.0</td>
<td>22.7</td>
<td>16.0</td>
<td>14.2</td>
<td>7.78</td>
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<td>Supply Total</td>
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<td>36.8</td>
<td>23.0</td>
<td>22.8</td>
<td>13.47</td>
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<tr>
<td>Domestic Use</td>
<td>10.9</td>
<td>12.8</td>
<td>8.82</td>
<td>8.65</td>
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<td>Exports</td>
<td>9.0</td>
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<td>7.38</td>
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<td>16.0</td>
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<td>3.24</td>
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<td>Stocks-to-Use</td>
<td>70%</td>
<td>61%</td>
<td>45%</td>
<td>42%</td>
<td>47%</td>
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### U.S. Wheat Supply and Demand (MMT)

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<tr>
<th></th>
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<th>Durum</th>
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<td>18/19</td>
<td>19/20</td>
<td>18/19</td>
<td>19/20</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>2.37</td>
<td>2.40</td>
<td>0.95</td>
<td>1.50</td>
<td>29.9</td>
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<tr>
<td>Production</td>
<td>7.40</td>
<td>7.40</td>
<td>2.12</td>
<td>1.47</td>
<td>51.3</td>
<td>52.3</td>
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<tr>
<td>Supply Total</td>
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<td>9.96</td>
<td>4.49</td>
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<td>84.9</td>
<td>84.5</td>
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<tr>
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<td>5.33</td>
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<td>26.3</td>
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<td>7.59</td>
<td>2.99</td>
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<td>55.5</td>
<td>57.8</td>
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<tr>
<td>Ending Stocks</td>
<td>2.40</td>
<td>2.37</td>
<td>1.50</td>
<td>0.52</td>
<td>29.4</td>
<td>26.8</td>
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<tr>
<td>Stocks-to-Use</td>
<td>32%</td>
<td>31%</td>
<td>50%</td>
<td>15%</td>
<td>53%</td>
<td>46%</td>
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</table>

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U.S. FOB Gulf Prices

U.S. FOB PNW Prices

U.S. FOB Soft White and SRW Prices

U.S. Gulf Basis Prices

U.S. PNW Basis Prices

04

Outlook
U.S. Wheat Production, Area and Yield
U.S. Crop Planted Area Comparison

- Wheat All
- Corn for Grain
- Soybeans

Million Acres
World Wheat Production, Use and Trade
World Corn Production, Use and Trade
World Soybeans Production, Use and Trade
Ocean Freight Rates for Grains

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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 189 MMT, 2% greater than last year
- U.S. 2020/21 domestic consumption to decrease to 30.6 MMT, down 3% from last year
THANK YOU