World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released July 10, 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 769 MMT
• Wheat production in the European Union (EU) to fall 10% on the year on persistent spring and summer dryness
• Russian wheat production to increase 4% from last year to 76.5 MMT
• U.S. wheat production to decrease 5% from last year to 49.6 MMT on lower yields and decreased planted area

Global consumption forecast at 752 MMT, the highest on record
• Indonesian domestic consumption to reach 10.4 MMT, 2% more than the 5-year average
• Domestic consumption in Brazil to reach 12.1 MMT, up 2% from the 5-year average
• U.S. domestic consumption to decrease to 30.3 MMT, up 2% from last year

World wheat trade to match last year’s record of 188 MMT
• Exports from Russia to rebound 4% from last year to 36.0 MMT
• Ukrainian wheat exports to fall 15% on the year to 17.5 MMT on persistent dryness during the growing season
• 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 297 MMT, 14% greater than the 5-year average
  - Indian beginning stocks reached 24.0 MMT, the highest since the 2013/14 record
  - Australian beginning stocks dropped to 3.54 MMT, the lowest in more than 10 years
  - U.S. 2020/21 beginning stocks dropped 3% year-over-year to 28.4 MMT

Global ending stocks projected at record 315 MMT, 7% higher than last year and 16% greater than the 5-year average
  - 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

[Bar chart showing world production and use of MMT from 2011/12 to 2020/21, with data points for each year indicated.]
Supplies in Top Exporting Countries*

*Includes U.S., Canada, Australia, Argentina, EU, Russia, Ukraine and Kazakhstan
## World Wheat Supply and Demand (MMT)

<table>
<thead>
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<th>18/19</th>
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<td>280</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
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, 60.7
- Importers, 92.0
- China, 162
Global Ending Stocks and Price

Exportable Supplies in Top Exporting Countries

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

![Bar chart showing Canada Ending Stocks from 2011/12 to 2020/21. The chart displays the MMT values for each year, with notable peaks in 2013/14 and 2014/15.]
Australia Situation
Australia Ending Stocks

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Argentina Situation
Argentina Ending Stocks
EU Situation
Russia Ending Stocks

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</tr>
<tr>
<td>20/21</td>
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Ukraine Situation

![Graph showing MMT (Million Metric Tons) for Ukraine from 2011/12 to 2020/21. The graph includes columns for Beginning stocks, Production, Domestic use, and Exports. The data points for each year are as follows:

- **2011/12**: Production 16.0, Domestic use 25.1, Exports 1.2
- **2012/13**: Production 20.5, Domestic use 16.0, Exports 1.2
- **2013/14**: Production 17.5, Domestic use 8.8, Exports 1.2
- **2014/15**: Production 17.5, Domestic use 8.8, Exports 1.2
- **2015/16**: Production 29.2, Domestic use 8.8, Exports 1.2
- **2016/17**: Production 26.5, Domestic use 8.8, Exports 1.2
- **2017/18**: Production 26.5, Domestic use 8.8, Exports 1.2
- **2018/19**: Production 29.2, Domestic use 8.8, Exports 1.2
- **2019/20**: Production 20.5, Domestic use 8.8, Exports 1.2
- **2020/21**: Production 17.5, Domestic use 8.8, Exports 1.2

The graph illustrates the trends in wheat production and usage over the decade, with particular emphasis on the changes in exports.]
Ukraine Ending Stocks

MMT

Year: 10/11, 11/12, 12/13, 13/14, 14/15, 15/16, 16/17, 17/18, 18/19, 19/20, 20/21

Values: 3.0, 5.5, 3.5, 1.6, 1.2, 1.5
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.
Black Sea Ending Stocks

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

[Bar chart showing the data for Beginning stocks, Production, Imports, Domestic Use, and Exports from 2011/12 to 2020/21 in MMT (Million Metric Tons).]

- **Beginning stocks** for each year:
  - 2011/12: 51.3 MMT
  - 2012/13: 52.3 MMT
  - 2013/14: 49.6 MMT
  - 2014/15: 3.7 MMT
  - 2015/16: 30.0 MMT
  - 2016/17: 3.8 MMT
  - 2017/18: 25.5 MMT
  - 2018/19: 29.9 MMT
  - 2019/20: 29.4 MMT
  - 2020/21: 25.9 MMT

- **Production** for each year:
  - 2011/12: 30.3 MMT
  - 2012/13: 30.3 MMT
  - 2013/14: 30.3 MMT
  - 2014/15: 30.3 MMT
  - 2015/16: 30.3 MMT
  - 2016/17: 30.3 MMT
  - 2017/18: 30.3 MMT
  - 2018/19: 30.3 MMT
  - 2019/20: 30.3 MMT
  - 2020/21: 30.3 MMT

- **Imports** for each year:
  - 2011/12: 25.5 MMT
  - 2012/13: 25.5 MMT
  - 2013/14: 25.5 MMT
  - 2014/15: 25.5 MMT
  - 2015/16: 25.5 MMT
  - 2016/17: 25.5 MMT
  - 2017/18: 25.5 MMT
  - 2018/19: 25.5 MMT
  - 2019/20: 25.5 MMT
  - 2020/21: 25.5 MMT

- **Domestic Use** for each year:
  - 2011/12: 29.4 MMT
  - 2012/13: 29.4 MMT
  - 2013/14: 29.4 MMT
  - 2014/15: 29.4 MMT
  - 2015/16: 29.4 MMT
  - 2016/17: 29.4 MMT
  - 2017/18: 29.4 MMT
  - 2018/19: 29.4 MMT
  - 2019/20: 29.4 MMT
  - 2020/21: 29.4 MMT

- **Exports** for each year:
  - 2011/12: 2.9 MMT
  - 2012/13: 2.9 MMT
  - 2013/14: 2.9 MMT
  - 2014/15: 3.7 MMT
  - 2015/16: 2.9 MMT
  - 2016/17: 2.9 MMT
  - 2017/18: 2.9 MMT
  - 2018/19: 2.9 MMT
  - 2019/20: 2.9 MMT
  - 2020/21: 2.9 MMT
U.S. Ending Stocks

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<tr>
<td>18/19</td>
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<td>19/20</td>
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<tr>
<td>20/21</td>
<td>22.0</td>
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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 July 2, 2020
World Wheat Imports

MMT

"Other"  China  FSU  EU

10/11  11/12  12/13  13/14  14/15  15/16  16/17  17/18  18/19  19/20  20/21
03

U.S. Situation by Class
U.S. Wheat Planted Area

*Source: June 2020 USDA Acreage Report
U.S. Wheat Sales by Class
(year-to-date sales for current marketing year delivery)

Source: USDA FAS export sales data as of July 2, 2020
U.S. Hard Red Winter
U.S. Hard Red Spring
U.S. Soft Red Winter
U.S. White
U.S. Durum

- Beginning stocks
- Production
- Imports
- Exports

<table>
<thead>
<tr>
<th>Year</th>
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<th>Imports</th>
<th>Exports</th>
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U.S. Wheat Ending Stocks by Class
## U.S. Wheat Supply and Demand (MMT)

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<td>Stocks-to-Use</td>
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<td>52%</td>
<td>50%</td>
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# U.S. Wheat Supply and Demand (MMT)

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<td>Stocks-to-Use</td>
<td>35%</td>
<td>39%</td>
<td>40%</td>
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U.S. FOB Gulf Prices

U.S. FOB PNW Prices

U.S. Gulf Basis Prices

U.S. PNW Basis Prices

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

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

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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 752 MMT
- Total global trade to reach 188 MMT, in line with last year’s record
- U.S. 2020/21 domestic consumption to increase 2% from last year to 30.3 MMT
THANK YOU