World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released August 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 a record 766 MMT
- European Union (EU) production to fall 12% on the year to 135 MMT on persistent dryness
- Australian production to jump 71% from last year to 26.0 MMT as beneficial rains pull the country out of a three-year drought
- U.S. production to decrease 4% from last year to 50.0 MMT on lower yields and decreased planted area

Global consumption forecast at 750 MMT, the highest on record
- Egyptian domestic consumption to reach 20.8 MMT, 5% more than the 5-year average
- Domestic consumption in Brazil to reach 12.2 MMT, up 1% from last year
- U.S. domestic consumption to increase to 30.2 MMT, up 1% from 2019/20

World wheat trade to fall 1% from last year’s record to 188 MMT
- EU exports to fall 33% on the year to 25.5 MMT, 13% below the 5-year average
- Ukrainian exports to fall 15% on the year to 18.0 MMT on persistent dryness
- U.S. 2020/21 exports to reach 26.5 MMT, 1% more than 2019/20 and 5% more than the 5-year average
Highlights of USDA’s 2020/21 Supply and Demand Estimates

World beginning stocks jumped 6% from 2019/20 to 301 MMT, 14% more than the 5-year average
  • Indian beginning stocks reached 24.0 MMT, the highest since the 2013/14 record
  • Chinese beginning stocks jumped 8% on the year to a record 152 MMT
  • U.S. 2020/21 beginning stocks dropped 3% year-over-year to 28.4 MMT

Global ending stocks projected at a record 317 MMT, 5% more than last year and 14% more than the 5-year average
  • Expected Indian ending stocks to reach a record 30.7 MMT, nearly 2X the 5-year average
  • U.S. ending stocks are expected to decrease 11% to 25.2 MMT, the lowest in 6 years

U.S. wheat farm gate price to decrease slightly from last year
  • The average U.S. wheat farm gate price in 2020/21 is forecast to fall to $4.50/bu ($165/MT), 2% below last year’s $4.58/bu ($168/MT)
World Production and Use

![Graph showing world production and use of wheat from 2011/12 to 2020/21. The graph displays the increase in production and use, with production represented by blue bars and use represented by a green line. The key years and their corresponding production and use values are as follows:

- 2011/12: Production 650 MMT, Use 670 MMT
- 2012/13: Production 660 MMT, Use 680 MMT
- 2013/14: Production 670 MMT, Use 690 MMT
- 2014/15: Production 680 MMT, Use 700 MMT
- 2015/16: Production 690 MMT, Use 710 MMT
- 2016/17: Production 700 MMT, Use 720 MMT
- 2017/18: Production 710 MMT, Use 730 MMT
- 2018/19: Production 720 MMT, Use 740 MMT
- 2019/20: Production 730 MMT, Use 750 MMT
- 2020/21: Production 740 MMT, Use 760 MMT

The graph shows a steady increase in both production and use over the years.]
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>
</thead>
<tbody>
<tr>
<td><strong>SUPPLY:</strong></td>
<td></td>
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</tr>
<tr>
<td>Beginning Stocks</td>
<td>288</td>
<td>284</td>
<td>301</td>
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<tr>
<td>Production</td>
<td>731</td>
<td>764</td>
<td>766</td>
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<td>Supply Total</td>
<td>1019</td>
<td>1048</td>
<td>1067</td>
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<td>Ending Stocks</td>
<td>284</td>
<td>301</td>
<td>317</td>
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<tr>
<td><strong>TRADE:</strong></td>
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<tr>
<td>Exports/Imports</td>
<td>174</td>
<td>190</td>
<td>188</td>
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<tr>
<td><strong>DEMAND:</strong></td>
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<tr>
<td>Food &amp; Seed</td>
<td>596</td>
<td>608</td>
<td>616</td>
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<tr>
<td>Feed &amp; Residual</td>
<td>140</td>
<td>139</td>
<td>134</td>
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<tr>
<td>Use Total</td>
<td>735</td>
<td>747</td>
<td>750</td>
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</tbody>
</table>
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, 62.1
- Importers, 92.0
- China, 163
World Ending Stocks by Position (MMT)

- Exporters, 62.1
- Importers, 61.3
- India, 30.7
- China, 163
Global Ending Stocks and Price

Major Exporters
Exportable Supplies in Top Exporting Countries

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

[Bar chart showing MMT for Canada ending stocks from 2011/12 to 2020/21, with peaks in 2013/14 and 2018/19.]
Australia Situation
Australia Ending Stocks
Argentina Situation
Argentina Ending Stocks
EU Situation

[Bar chart showing data on EU Situation over the years 10/11 to 20/21. The chart includes categories for Beginning stocks, Production, Imports, Domestic use, and Exports.]
EU Ending Stocks
Russia Situation
Russia Ending Stocks

MMT

<table>
<thead>
<tr>
<th>Year</th>
<th>MMT</th>
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<tbody>
<tr>
<td>10/11</td>
<td>13.0</td>
</tr>
<tr>
<td>11/12</td>
<td>12.0</td>
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<td>8.0</td>
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<tr>
<td>19/20</td>
<td></td>
</tr>
<tr>
<td>20/21</td>
<td></td>
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</tbody>
</table>
Ukraine Situation
Ukraine Ending Stocks

[Bar chart showing Ukraine Ending Stocks from 2011/12 to 2020/21.]
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.
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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 July 30, 2020
World Wheat Imports
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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 30, 2020
U.S. Hard Red Winter
U.S. Hard Red Spring
Beginning stocks  Production  Imports  Exports

<table>
<thead>
<tr>
<th>Year</th>
<th>Beginning stocks</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
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<tbody>
<tr>
<td>15/16</td>
<td>7.4</td>
<td>5.1</td>
<td>2.4</td>
<td>0.2</td>
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<tr>
<td>16/17</td>
<td>7.5</td>
<td>4.9</td>
<td>2.6</td>
<td>0.1</td>
</tr>
<tr>
<td>17/18</td>
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</tr>
<tr>
<td>20/21</td>
<td></td>
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U.S. Durum
U.S. Wheat Ending Stocks by Class
### U.S. Wheat Supply and Demand (MMT)

<table>
<thead>
<tr>
<th></th>
<th>HRW 19/20</th>
<th>HRW 20/21</th>
<th>HRS 19/20</th>
<th>HRS 20/21</th>
<th>SRW 19/20</th>
<th>SRW 20/21</th>
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</thead>
<tbody>
<tr>
<td>Beginning Stocks</td>
<td>14.0</td>
<td>14.2</td>
<td>7.16</td>
<td>7.62</td>
<td>4.30</td>
<td>2.86</td>
</tr>
<tr>
<td>Production</td>
<td>22.7</td>
<td>18.9</td>
<td>14.2</td>
<td>14.4</td>
<td>6.50</td>
<td>7.54</td>
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<tr>
<td>Supply Total</td>
<td>36.8</td>
<td>33.2</td>
<td>22.8</td>
<td>23.7</td>
<td>10.91</td>
<td>10.7</td>
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<tr>
<td>Domestic Use</td>
<td>12.4</td>
<td>11.6</td>
<td>7.87</td>
<td>8.36</td>
<td>5.55</td>
<td>5.42</td>
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<tr>
<td>Exports</td>
<td>10.2</td>
<td>11.0</td>
<td>7.29</td>
<td>7.35</td>
<td>2.50</td>
<td>2.45</td>
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<tr>
<td>Use Total</td>
<td>22.6</td>
<td>22.6</td>
<td>15.2</td>
<td>15.7</td>
<td>8.06</td>
<td>7.87</td>
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<tr>
<td>Ending Stocks</td>
<td>14.2</td>
<td>10.6</td>
<td>7.62</td>
<td>7.97</td>
<td>2.86</td>
<td>2.80</td>
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<tr>
<td>Stocks-to-Use</td>
<td>63%</td>
<td>47%</td>
<td>50%</td>
<td>51%</td>
<td>35%</td>
<td>36%</td>
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# U.S. Wheat Supply and Demand (MMT)

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Durum</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>19/20</td>
<td>20/21</td>
<td>19/20</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>2.40</td>
<td>2.59</td>
<td>1.50</td>
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<tr>
<td>Production</td>
<td>7.40</td>
<td>7.46</td>
<td>1.47</td>
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<tr>
<td>Supply Total</td>
<td>10.0</td>
<td>10.18</td>
<td>4.08</td>
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<tr>
<td>Domestic Use</td>
<td>2.29</td>
<td>2.45</td>
<td>1.77</td>
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<tr>
<td>Exports</td>
<td>5.09</td>
<td>4.90</td>
<td>1.14</td>
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<tr>
<td>Use Total</td>
<td>7.38</td>
<td>7.35</td>
<td>2.91</td>
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<tr>
<td>Ending Stocks</td>
<td>2.59</td>
<td>2.83</td>
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<tr>
<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. FOB Soft White and SRW Prices

U.S. Gulf Export Basis

U.S. PNW Export Basis

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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

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World consumption to reach a record 750 MMT in 2020/21
• Total global trade to fall slightly from last year’s record to 188 MMT, still 4% more than the 5-year average
• U.S. 2020/21 domestic consumption to increase 1% from last year to 30.2 MMT
THANK YOU