World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released September 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 a record 770 MMT
• Production in Canada to increase 11% from last year to 36.0 MMT, the second-largest crop on record
• Australian production to jump 87% from last year to 28.5 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 751 MMT, the highest on record
• Mexican domestic consumption to reach 7.60 MMT, 3% more than last year
• Domestic consumption in Egypt to reach a record 20.8 MMT, up 5% from the 5-year average
• 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 189 MMT
• Exports from the European Union (EU) to fall 34% on the year to 25.5 MMT, 13% below the 5-year average
• Russian exports to increase 9% from last year to 37.5 MMT, 14% more than the 5-year average
• 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 300 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 319 MMT, 6% more than last year and 15% more than the 5-year average**
- Expected Chinese ending stocks to reach a record 164 MMT, 8% more than last year
- U.S. ending stocks are expected to drop 11% from last year to 25.2 MMT, the lowest in 6 years

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

Production and Use MMT
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>
<td></td>
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<tr>
<td>Beginning Stocks</td>
<td>288</td>
<td>284</td>
<td>300</td>
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<tr>
<td>Production</td>
<td>731</td>
<td>764</td>
<td>770</td>
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<tr>
<td>Supply Total</td>
<td>1019</td>
<td>1048</td>
<td>1070</td>
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<tr>
<td>Ending Stocks</td>
<td>284</td>
<td>300</td>
<td>319</td>
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<td><strong>TRADE:</strong></td>
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<tr>
<td>Exports/Imports</td>
<td>174</td>
<td>191</td>
<td>189</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>610</td>
<td>616</td>
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<tr>
<td>Feed &amp; Residual</td>
<td>140</td>
<td>138</td>
<td>135</td>
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<tr>
<td>Use Total</td>
<td>735</td>
<td>748</td>
<td>751</td>
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</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
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: 63.2
- Importers: 92.5
- China: 164
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
Australia Situation
Australia Ending Stocks

![Bar chart showing Australia Ending Stocks from 2010/11 to 2020/21, with MMT on the y-axis and years on the x-axis. The values range from 0.0 to 10.0 MMT, with notable values at 5.4 MMT for 2018/19 and 5.7 MMT for 2019/20.](image-url)
Argentina Situation
Argentina Ending Stocks
EU Situation
EU Ending Stocks
Russia Situation
Russia Ending Stocks
Ukraine Ending Stocks
Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.
Black Sea Exports

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 data for MMT (millions of metric tons) for different years. The chart includes categories for Beginning stocks, Production, Imports, Domestic Use, and Exports. The data spans from 2011/12 to 2020/21, with specific values indicated 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 September 3, 2020
World Wheat Imports
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 September 3, 2020
U.S. Hard Red Winter
U.S. Soft Red Winter
U.S. White

Beginning stocks  Production  Imports  Exports

15/16  16/17  17/18  18/19  19/20  20/21
0.0  2.0  4.0  6.0  8.0  10.0  12.0
U.S. Durum
U.S. Wheat Ending Stocks by Class
### U.S. Wheat Supply and Demand (MMT)

<table>
<thead>
<tr>
<th></th>
<th>HRW</th>
<th>HRS</th>
<th>SRW</th>
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<tbody>
<tr>
<td></td>
<td>19/20</td>
<td>20/21</td>
<td>19/20</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>14.0</td>
<td>14.2</td>
<td>7.16</td>
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<tr>
<td>Production</td>
<td>22.7</td>
<td>18.9</td>
<td>14.2</td>
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<tr>
<td>Supply Total</td>
<td>36.8</td>
<td>33.2</td>
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<tr>
<td>Domestic Use</td>
<td>12.4</td>
<td>11.6</td>
<td>7.87</td>
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<tr>
<td>Exports</td>
<td>10.2</td>
<td>11.2</td>
<td>7.29</td>
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<tr>
<td>Use Total</td>
<td>22.6</td>
<td>22.8</td>
<td>15.2</td>
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<tr>
<td>Ending Stocks</td>
<td>14.2</td>
<td>10.5</td>
<td>7.62</td>
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<tr>
<td>Stocks-to-Use</td>
<td>63%</td>
<td>46%</td>
<td>50%</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>
</tr>
<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>
</tr>
<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>
</tr>
<tr>
<td>Ending Stocks</td>
<td>2.59</td>
<td>2.83</td>
<td>1.17</td>
</tr>
<tr>
<td>Stocks-to-Use</td>
<td>35%</td>
<td>39%</td>
<td>40%</td>
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</table>
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

04
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

[Bar chart showing production, use, and trade in MMT from 2010/11 to 2020/21]
World Soybeans Production, Use and Trade
Ocean Freight Rates for Grains

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World consumption to reach a record 751 MMT in 2020/21

- Total global trade to fall slightly from last year’s record to 189 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