World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released December 10, 2020, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.
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02 Import Demand

03 U.S. Situation by Class

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

2020/21 global wheat production to jump to a record 774 MMT
- Production in Russia reached 84.0 MMT, the second highest on record
- Australian wheat production to nearly double year-over-year at 30.0 MMT
- U.S. production decreased 5% from last year to 49.7 MMT on lower yields and planted area

Global consumption forecast at 758 MMT, the highest on record
- Chinese imports to double their 5-year average at 8.50 MMT
- Domestic consumption in Indonesia to reach 10.6 MMT, 3% more than last year
- U.S. domestic consumption to increase to 30.7 MMT, up slightly from last year

World wheat trade to reach a record 194 MMT
- Russian exports to jump 16% from 2019/20 to 40.0 MMT
- Australian exports to reach 20.0 MMT, more than double last year’s volume
- U.S. 2020/21 exports to reach 26.8 MMT, 2% more than 2019/20 and 6% 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 5% year-over-year to 28.0 MMT

Global ending stocks projected at a record 316 MMT, 5% more than last year and 14% more than the 5-year average
  • Expected Indian ending stocks to reach 31.1 MMT, nearly double the 5-year average
  • U.S. ending stocks are expected to drop 16% from last year to 23.5 MMT, the lowest in 6 years

U.S. wheat farm gate price to increase slightly from last year
  • The average farm gate price of U.S. wheat in 2020/21 is forecast to increase to $4.70/bu ($173/MT), 3% above last year’s $4.58/bu ($168/MT)
World Production and Use

![Graph showing world production and use from 2011/12 to 2020/21. The production and use data are displayed as bars and a line graph, respectively. The production data shows an overall increase over the years, while the use data fluctuates.](image-url)
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>
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<tr>
<td><strong>SUPPLY:</strong></td>
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<tr>
<td>Beginning Stocks</td>
<td>288</td>
<td>284</td>
<td>301</td>
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<td>Production</td>
<td>731</td>
<td>765</td>
<td>774</td>
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<td>1049</td>
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<td>Exports/Imports</td>
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<tr>
<td>Food &amp; Seed</td>
<td>596</td>
<td>609</td>
<td>617</td>
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<td>Feed &amp; Residual</td>
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<td>141</td>
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<td>Use Total</td>
<td>735</td>
<td>748</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, 94.6
- China, 161
01

Major Exporters
Exportable Supplies in Top Exporting Countries

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

[Bar chart showing data for MMT (Million Metric Tons) for various years. The categories are Beginning stocks, Production, Imports, Domestic use, and Exports.]
Canada Ending Stocks

MMT

10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21
6.0   | 6.0   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   | 5.5   
Australia Situation
Australia Ending Stocks

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<tr>
<th>Year</th>
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<tr>
<td>10/11</td>
<td>8.0</td>
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<td>18/19</td>
<td>3.9</td>
</tr>
<tr>
<td>19/20</td>
<td>3.9</td>
</tr>
<tr>
<td>20/21</td>
<td>6.4</td>
</tr>
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</table>
Argentina Ending Stocks
EU Ending Stocks
Russia Situation
Russia Ending Stocks

![Bar chart showing Russia Ending Stocks for different years, with values ranging from 10.7 to 0.0 MMT.](chart.png)
Ukraine Ending Stocks
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 December 3, 2020
World Wheat Imports
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 December 3, 2020
U.S. Hard Red Winter
U.S. Hard Red Spring

![Bar chart showing MMT (Million Metric Tons) for different years: Beginning stocks, Production, Imports, and Exports. The chart displays the data for the years 15/16, 16/17, 17/18, 18/19, 19/20, and 20/21.]
U.S. Soft Red Winter
U.S. White

The bar chart shows the MMT (Million Metric Tons) of beginning stocks, production, imports, and exports for the years 2015/16 to 2020/21.

- **15/16 Year**: Beginning stocks = 8.0, Production = 5.0, Imports = 2.0, Exports = 0.0
- **16/17 Year**: Beginning stocks = 7.4, Production = 5.9, Imports = 2.6, Exports = 0.2
- **17/18 Year**: Beginning stocks = 7.4, Production = 5.9, Imports = 2.6, Exports = 0.2
- **18/19 Year**: Beginning stocks = 7.4, Production = 5.9, Imports = 2.6, Exports = 0.2
- **19/20 Year**: Beginning stocks = 7.4, Production = 5.9, Imports = 2.6, Exports = 0.2
- **20/21 Year**: Beginning stocks = 7.4, Production = 5.9, Imports = 2.6, Exports = 0.2

The chart indicates an increase in production and exports over the years, while imports and beginning stocks show a slight decrease.
U.S. Durum

Column chart showing the breakdown of U.S. Durum production, beginning stocks, imports, and exports from 2015/16 to 2020/21. Each bar is divided into sections representing these categories, with specific values indicated for each year.
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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<td>Beginning Stocks</td>
<td>14.0</td>
<td>13.8</td>
<td>7.16</td>
<td>7.62</td>
<td>4.30</td>
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<td>Production</td>
<td>23.0</td>
<td>17.9</td>
<td>14.2</td>
<td>14.4</td>
<td>6.53</td>
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<td>Supply Total</td>
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<td>31.8</td>
<td>22.8</td>
<td>23.7</td>
<td>10.94</td>
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<td>Domestic Use</td>
<td>13.1</td>
<td>11.5</td>
<td>7.84</td>
<td>8.63</td>
<td>5.55</td>
<td>5.44</td>
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<td>7.29</td>
<td>7.35</td>
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<td>22.3</td>
<td>15.1</td>
<td>16.0</td>
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<td>7.62</td>
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<td>Stocks-to-Use</td>
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<td>42%</td>
<td>50%</td>
<td>48%</td>
<td>35%</td>
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<td></td>
<td>White</td>
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<td>19/20</td>
<td>20/21</td>
<td>19/20</td>
<td>20/21</td>
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<tr>
<td>Beginning Stocks</td>
<td>2.40</td>
<td>2.59</td>
<td>1.50</td>
<td>1.14</td>
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<td>7.43</td>
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<td>Use Total</td>
<td>7.40</td>
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<td>2.94</td>
<td>3.32</td>
<td>56.9</td>
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<td>Ending Stocks</td>
<td>2.59</td>
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<td>1.14</td>
<td>0.84</td>
<td>28.0</td>
<td>23.5</td>
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<tr>
<td>Stocks-to-Use</td>
<td>35%</td>
<td>31%</td>
<td>39%</td>
<td>25%</td>
<td>49%</td>
<td>41%</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

Outlook
U.S. Wheat Production, Area and Yield
U.S. Crop Planted Area Comparison
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 758 MMT in 2020/21
- Total global trade to reach a record 194 MMT, 7% greater than the 5-year average
- U.S. domestic consumption to remain stable year-over-year at 30.7 MMT
THANK YOU