

World Wheat Supply and Demand Situation

April 2018

Major data source: USDA World Agricultural Supply and Demand Estimates released April 10, 2018. Projections will change over the course of the year depending on weather and other developments.



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Highlights of USDA's 2017/18 Supply and Demand Estimates

1. 2017/18 global wheat production to reach a new record of 760 MMT

- Global supplies estimate to grow to 1014 MMT; up 2% from the 2016/17 and a new record
- Wheat production in Morocco rebounded to 7.09 MMT, nearly triple 2016/17 drought-stricken production levels
- U.S. wheat production totaled 47.4 MMT, 19% below the 5-year average

2. Consumption forecast at a record 743 MMT, 5% above the 5-year average

- Chinese domestic consumption to total 117 MMT, 1% below the 5-year average, if realized
- U.S. domestic consumption to slip 7% year over year to 29.6 MMT due to lower wheat feeding and seed usage

3. World wheat trade projected at 182 MMT, down 1% from 2016/17, but 10% above the 5-year average

- Russian exports to rise to 38.5 MMT, 38% above 2016/17 and 81% above the 5-year average
- U.S. 2017/18 exports to decrease to 25.2 MMT, down 12% from 2016/17, if realized



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Highlights of USDA's 2017/18 Supply and Demand Estimates

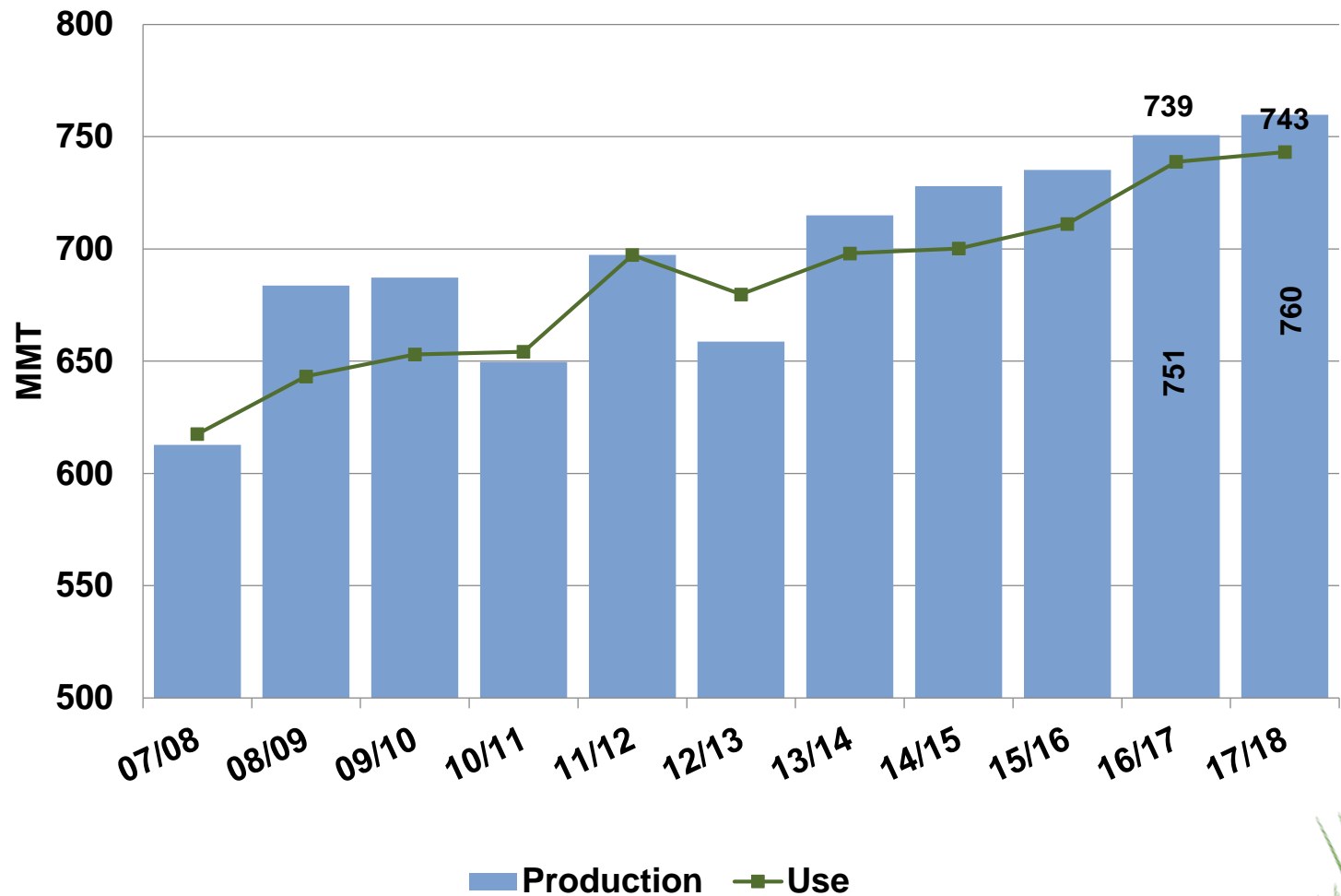
4. **World beginning stocks estimated at record 255 MMT, up 5% year over year**
 - Beginning stocks in Iran totaled 8.72 MMT, 35% above the 5-year average
 - U.S. beginning stocks rose to an estimated 32.1 MMT, 21% above 2016/17 levels
5. **Global ending stocks projected at record 271 MMT, 6% higher than 2016/17, if realized**
 - Estimated Chinese ending stocks of 127 MMT account for 47% of global ending stocks, 57% greater than the 5-year average
 - Exporter ending stocks forecast at 74.4 MMT, down 1% compared to 2016/17
 - Ending stocks in importing countries to fall to 70.0 MMT, 2% below the 5-year average of 71.5 MMT
6. **U.S. farm gate average price forecast 20% higher in 2017/18**
 - Projected average range: **\$4.60 to \$4.70/bushel (\$169-\$173/MT)***

**Average U.S. farm gate price, marketing year weighted average*

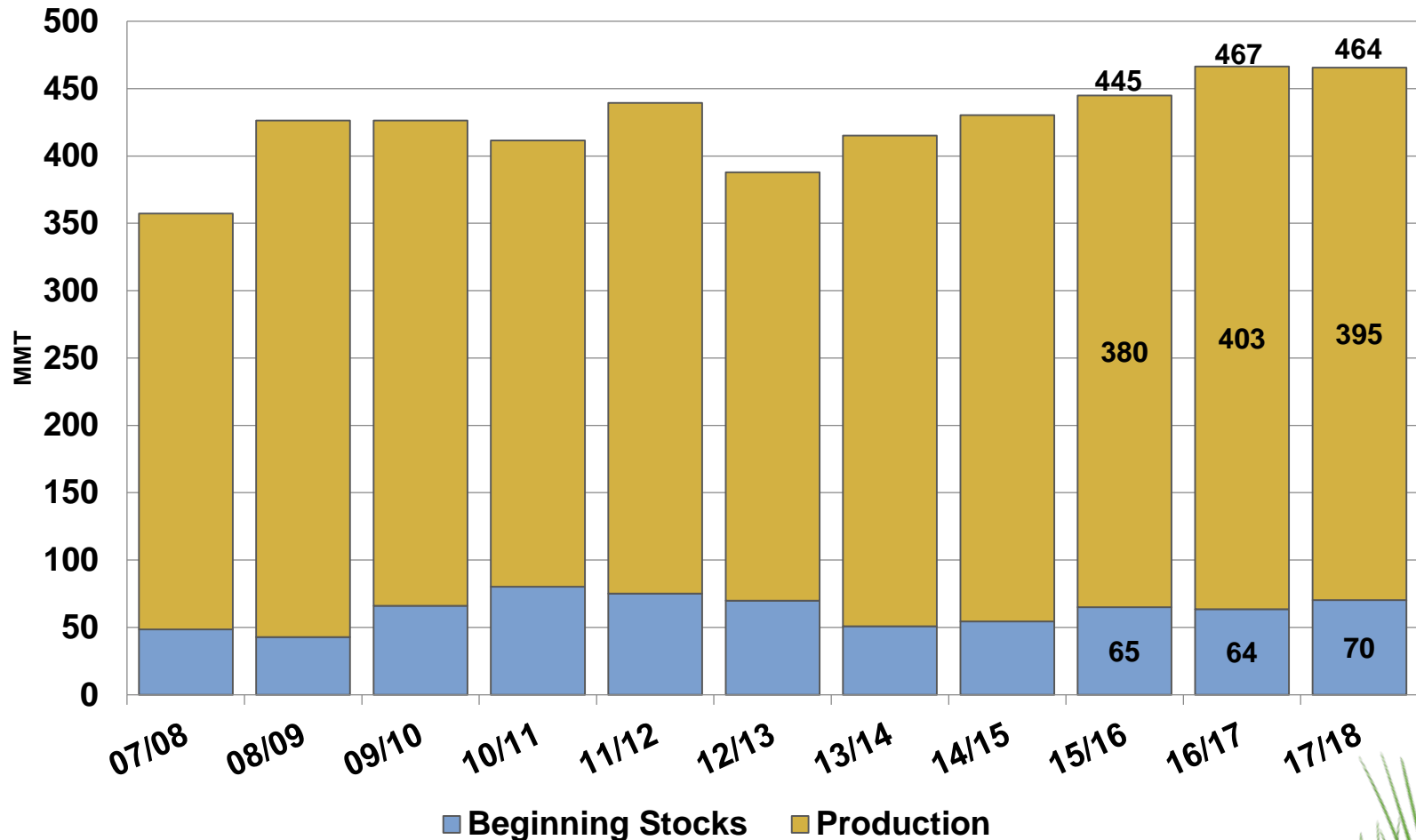


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World Production and Use



Supplies in Top Exporting Countries*



*Includes U.S., Canada, Australia, Argentina, EU-27, Russia, Ukraine and Kazakhstan

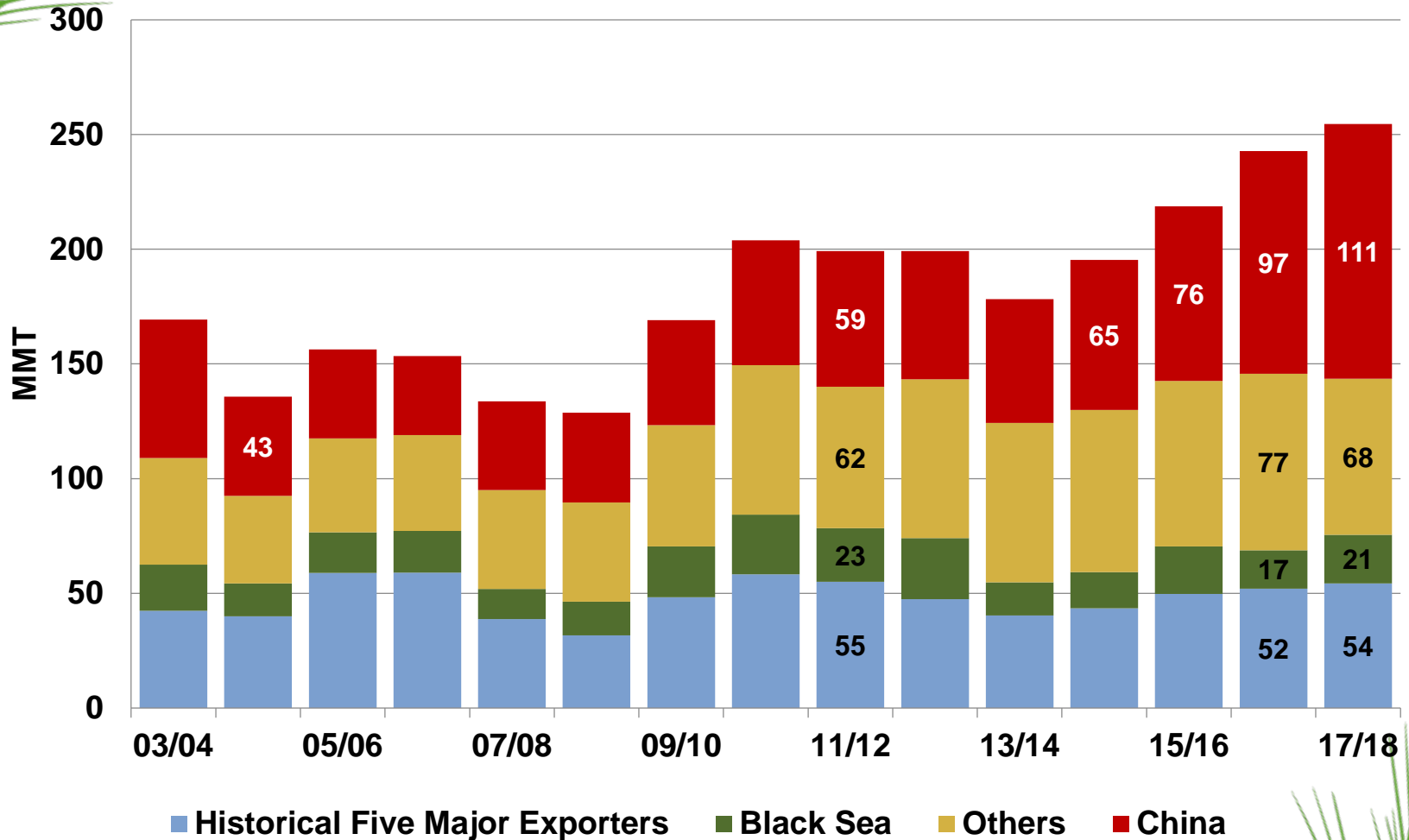
World Wheat Supply and Demand

		15/16	16/17 <i>MMT</i>	17/18
SUPPLY:	Beginning Stocks	219	243	255
	Production	735	751	760
	Supply Total	954	993	1014
TRADE:	Exports/Imports	173	183	182
DEMAND	Food & Seed	575	592	597
	Feed & Residual	137	147	146
	Use Total	711	739	743
	ENDING STOCKS:	243	255	271



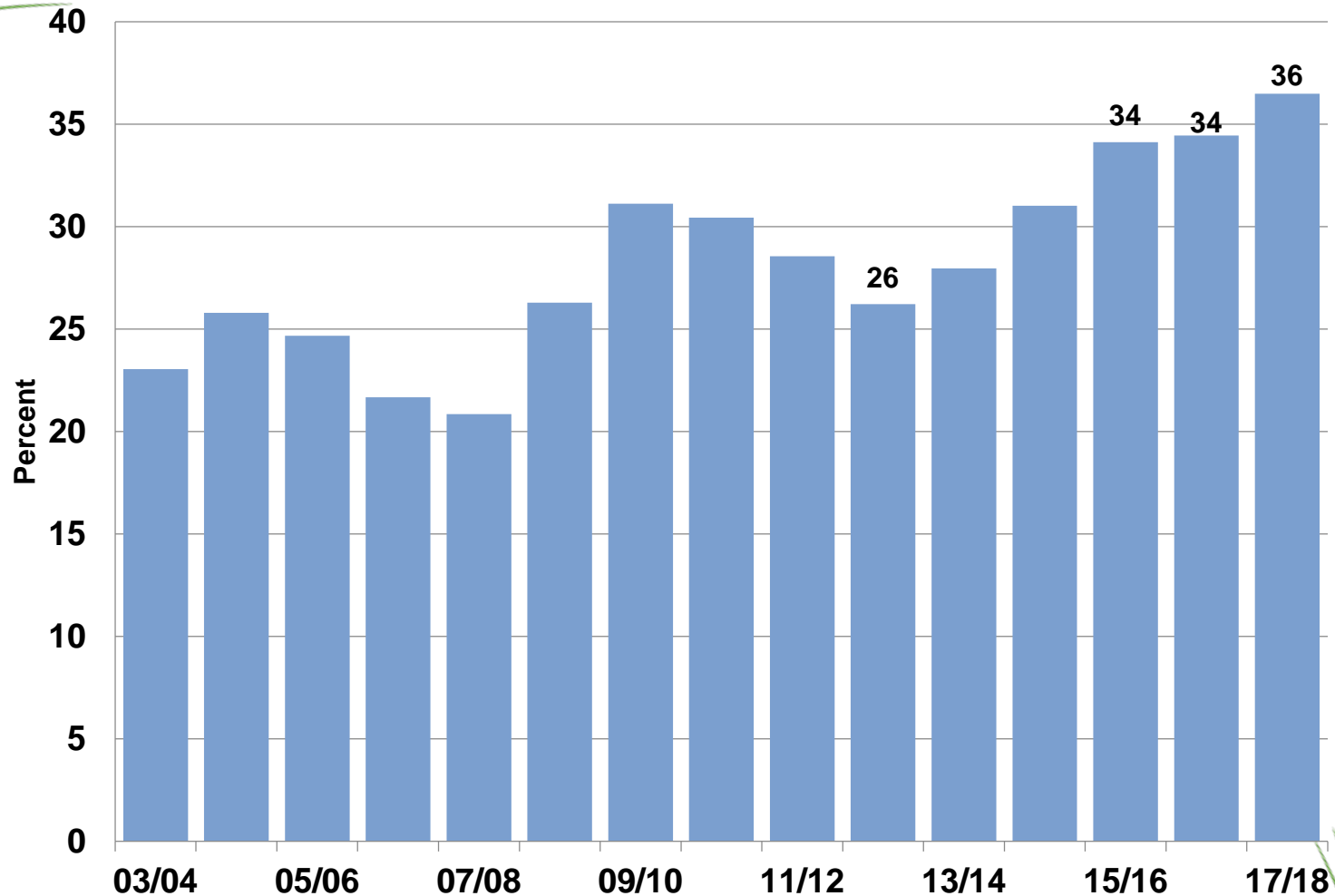
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World Beginning Stocks



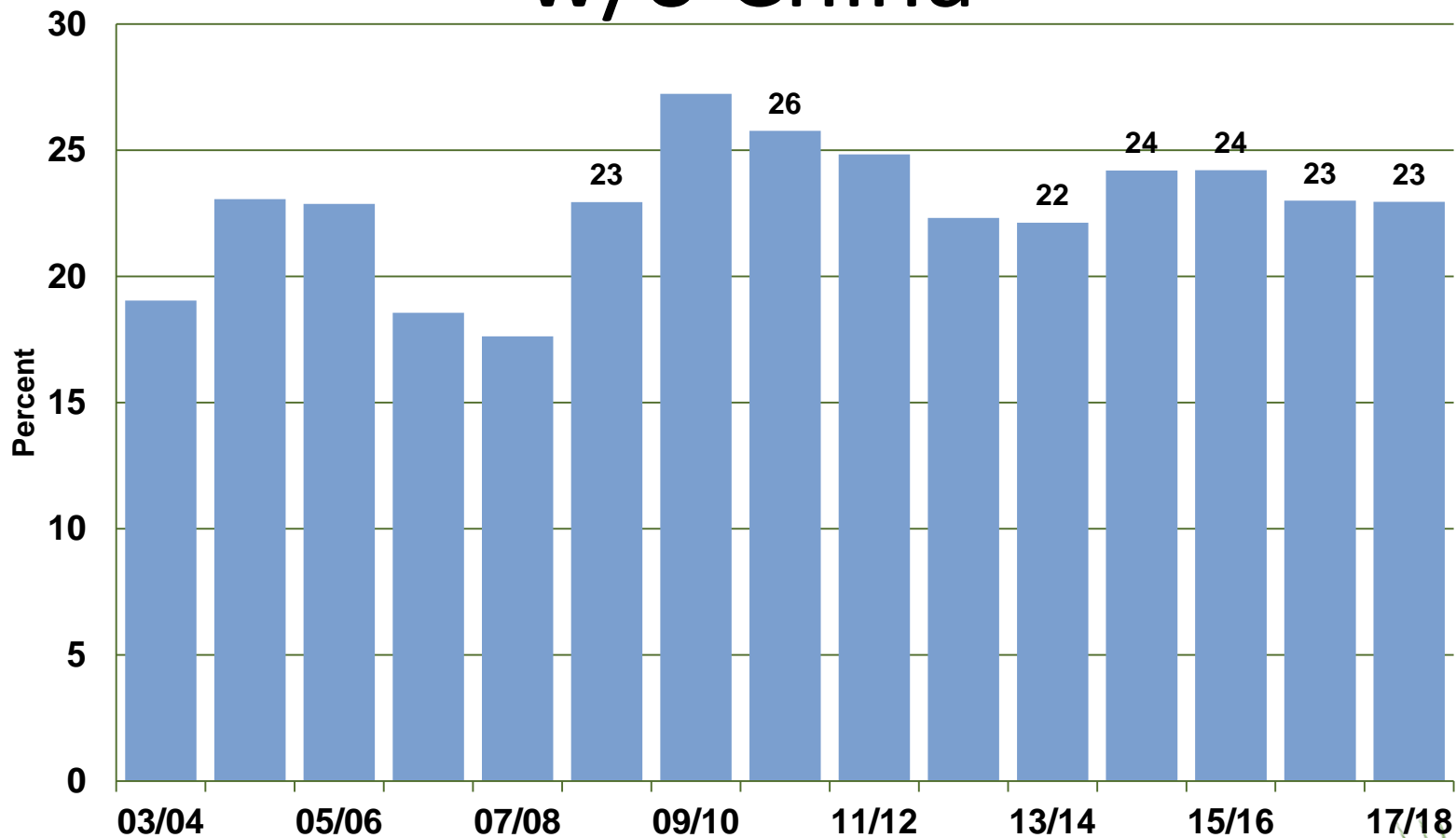
*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.
Black Sea includes Russia, Ukraine and Kazakhstan.*

Global Stocks*-to-Use Ratio



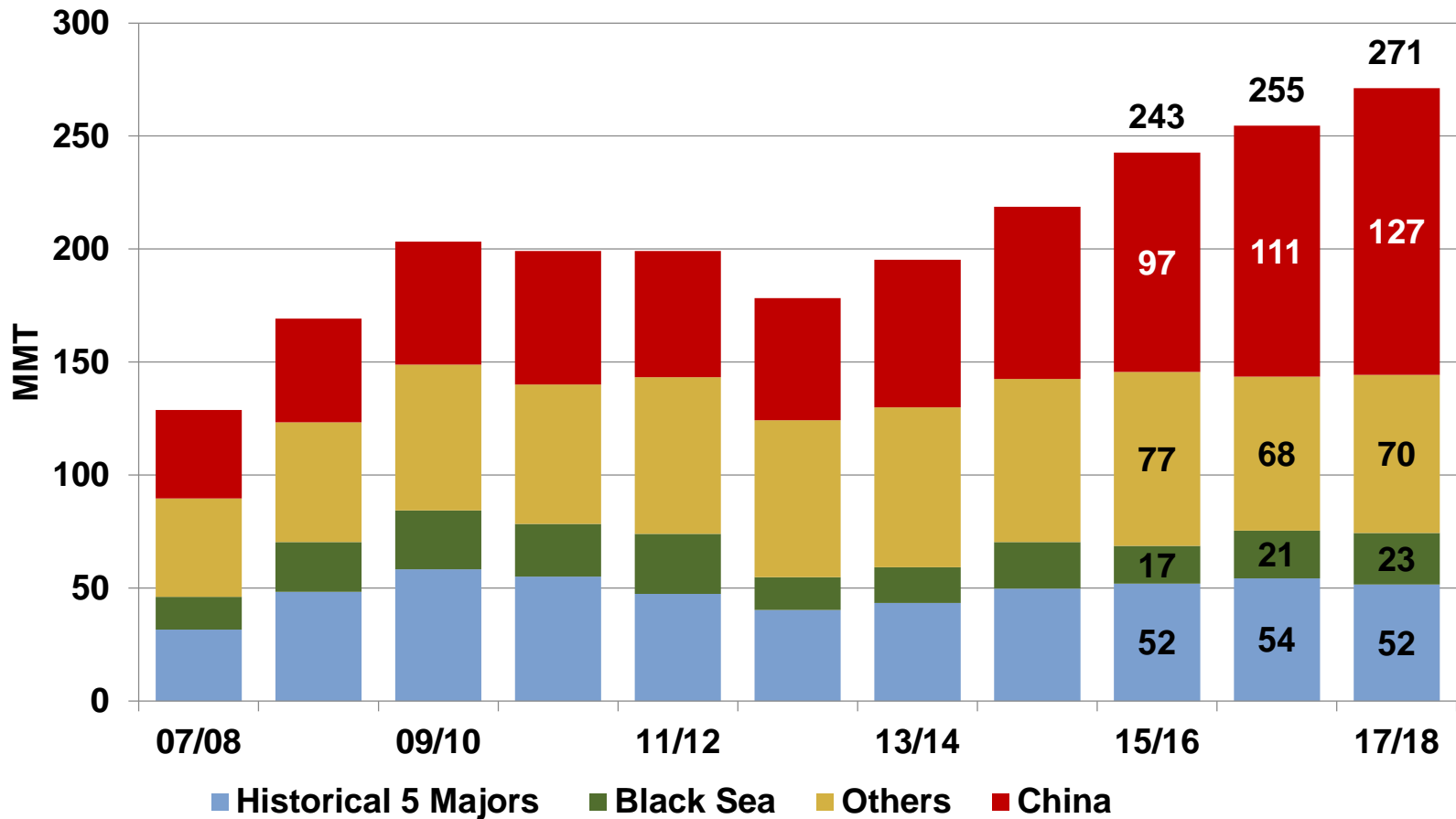
**Ending stocks*

Global Stocks*-to-Use Ratio w/o China



**Ending stocks*

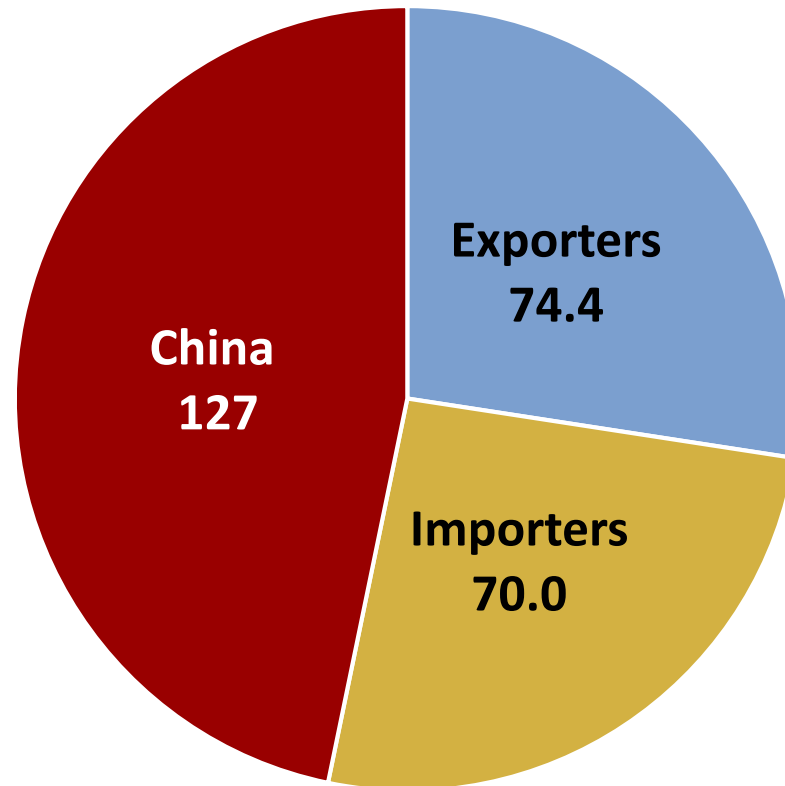
World Ending Stocks



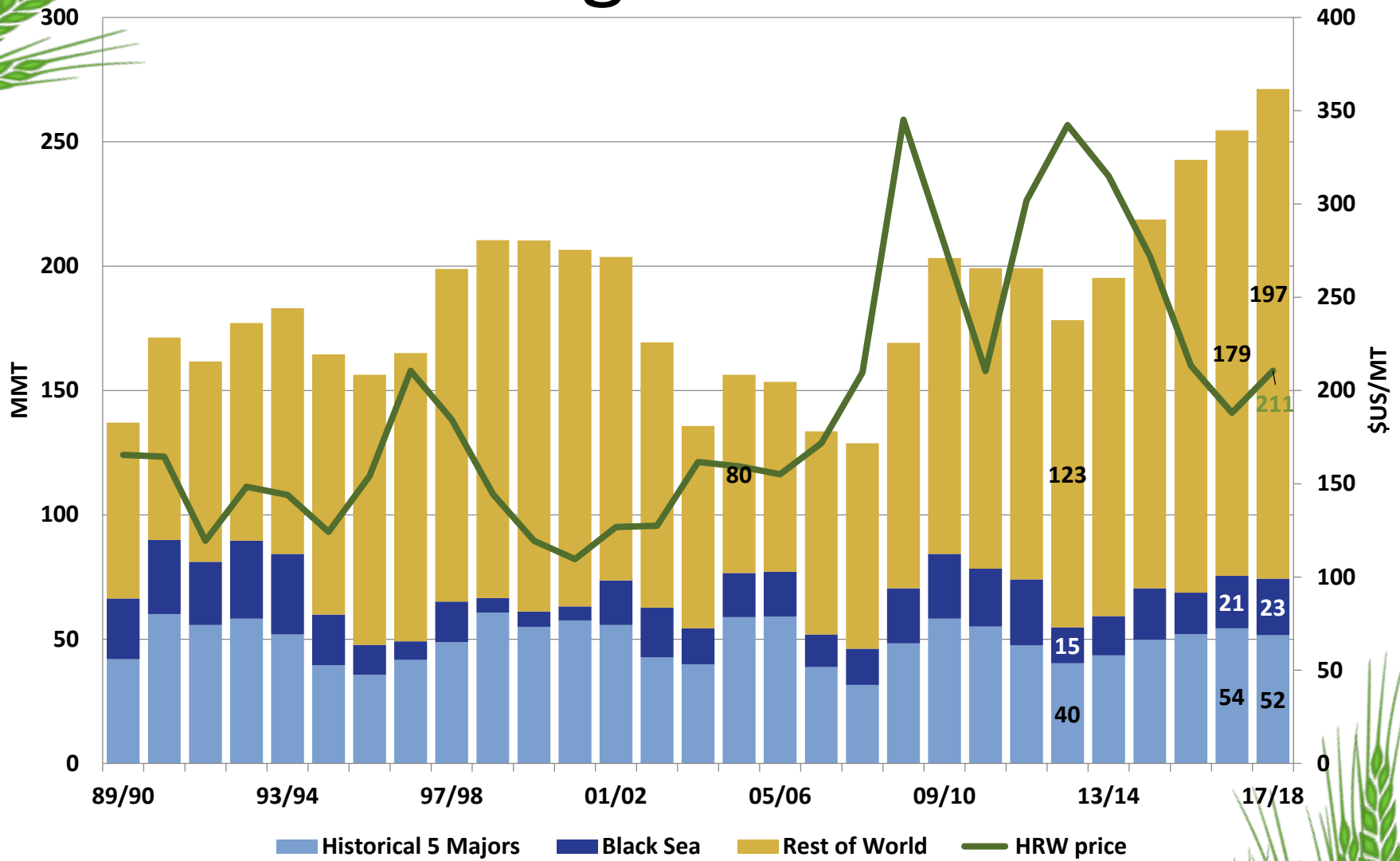
*Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27.
Black Sea includes Russia, Ukraine and Kazakhstan.*

World Ending Stocks by Position

(million metric tons)



Global Ending Stocks and Price

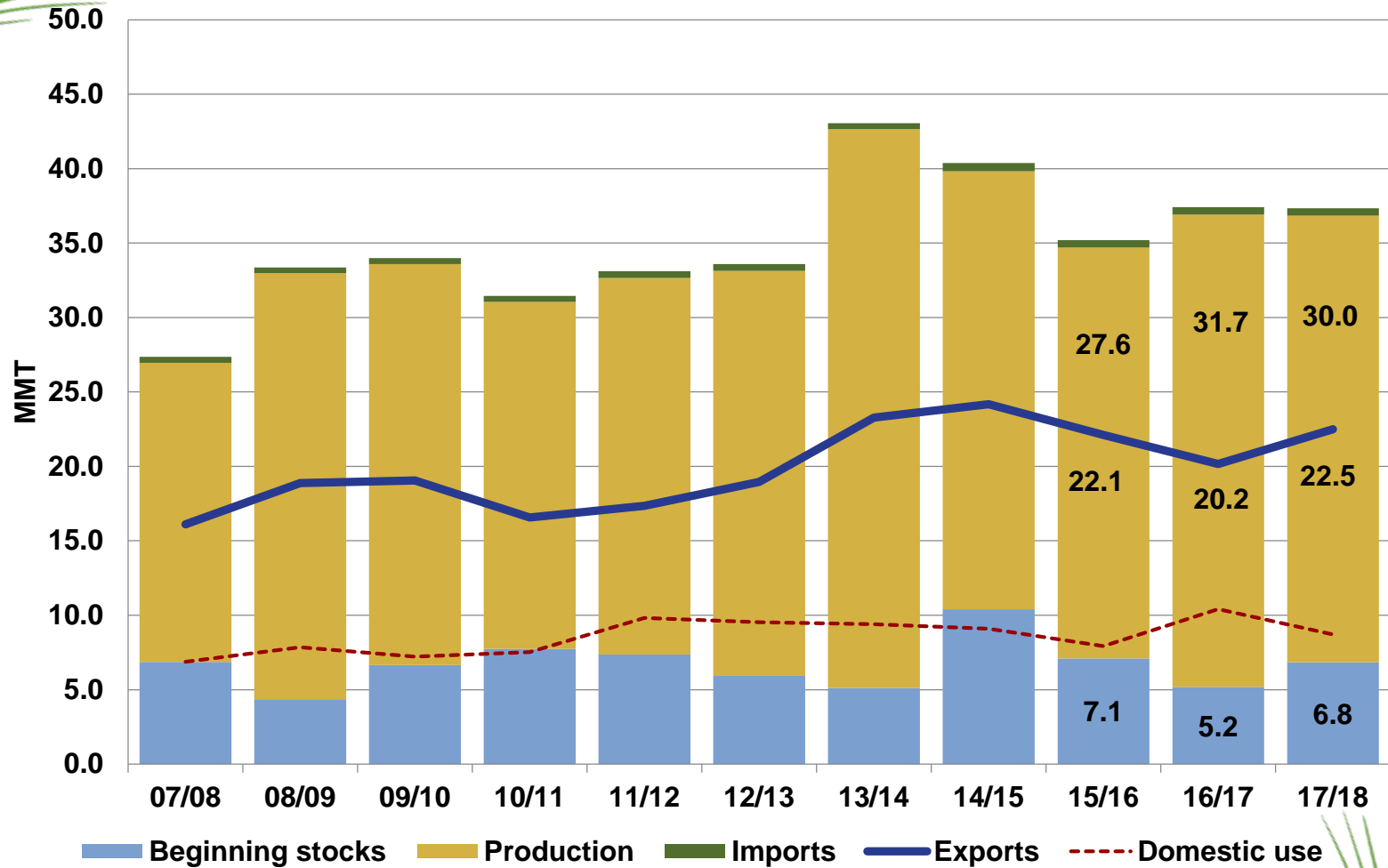


- Major Exporters
- Import Demand
- U.S. Situation by Class
- Outlook

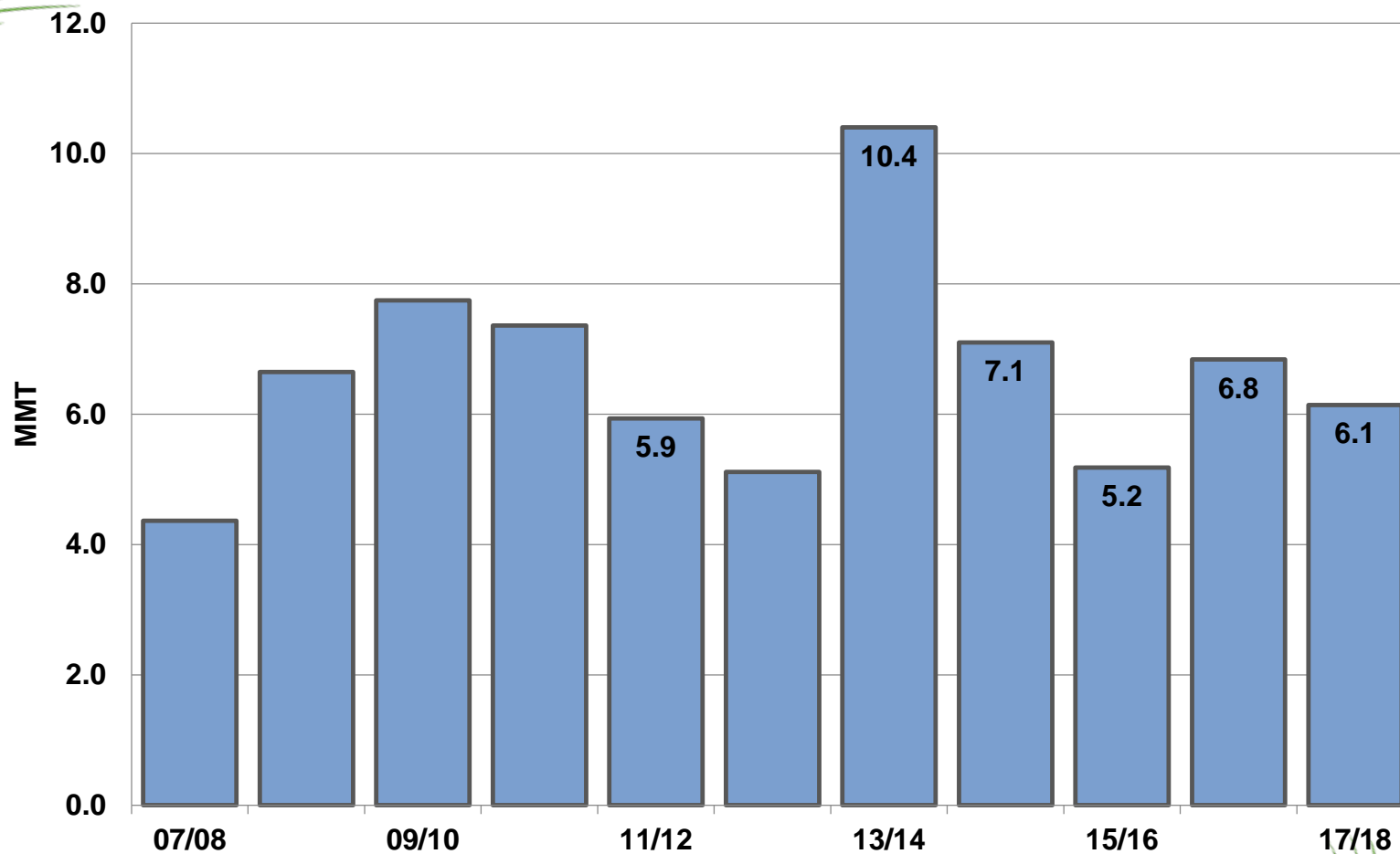


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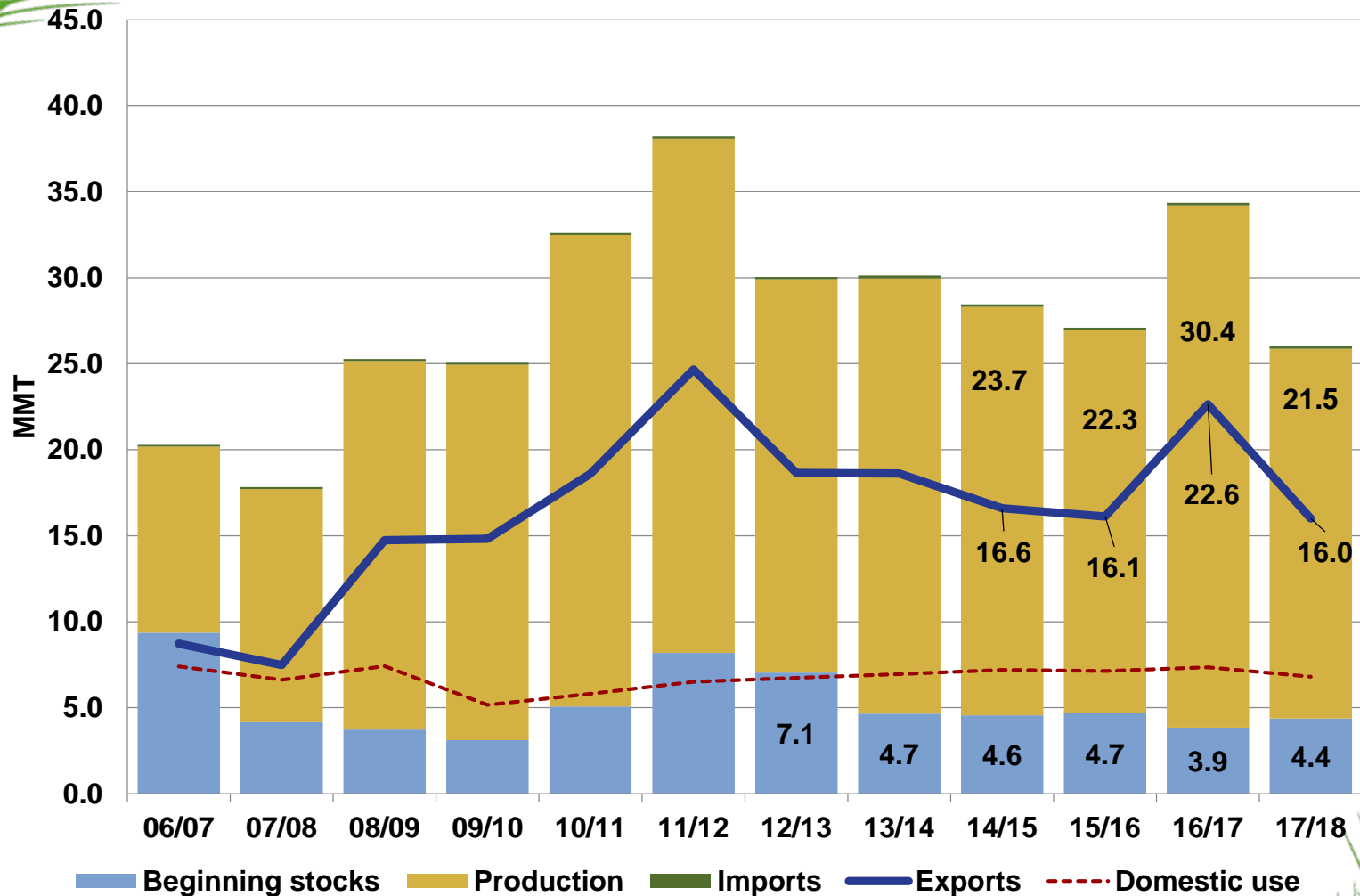
Canada Situation



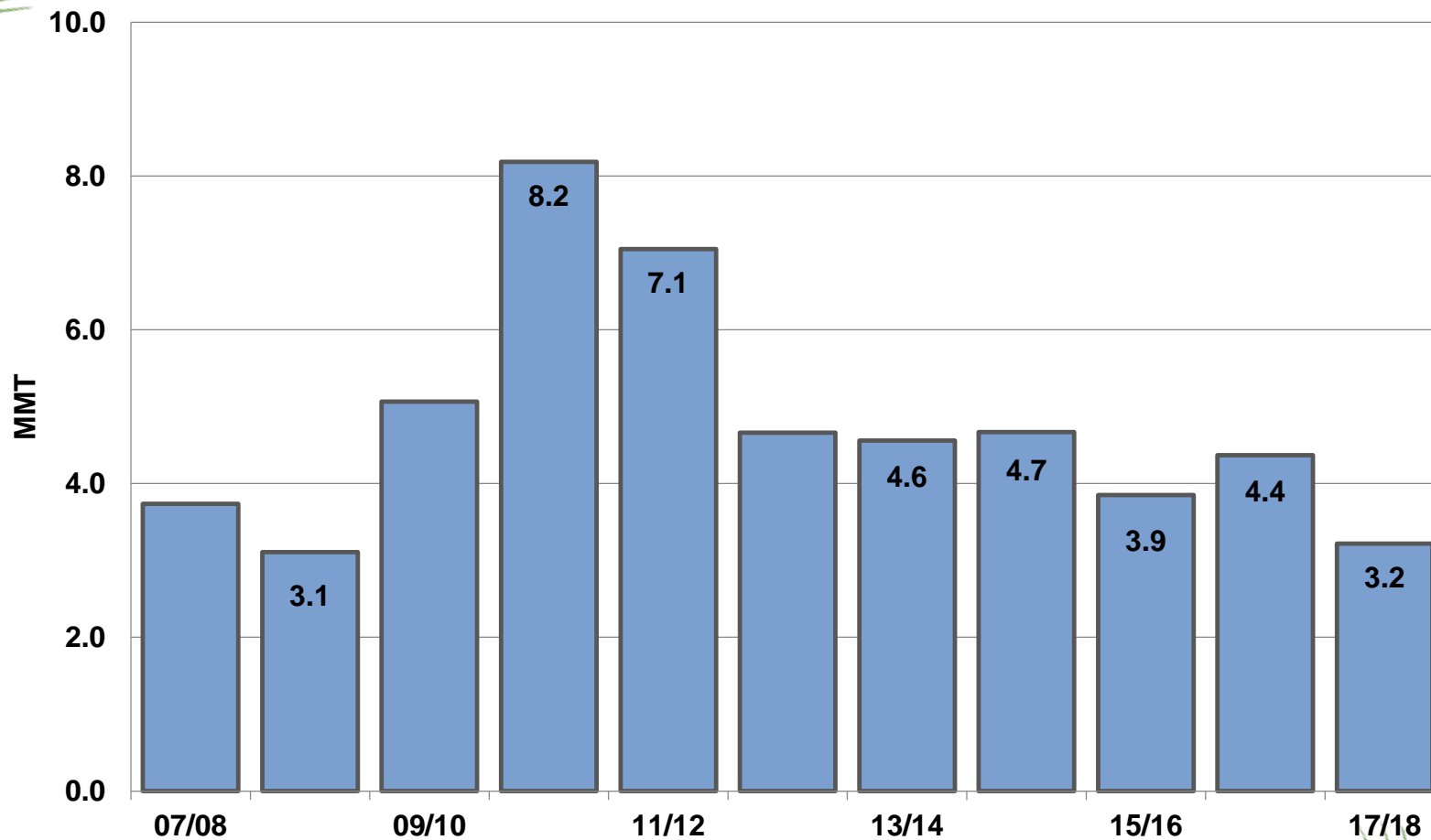
Canada Ending Stocks



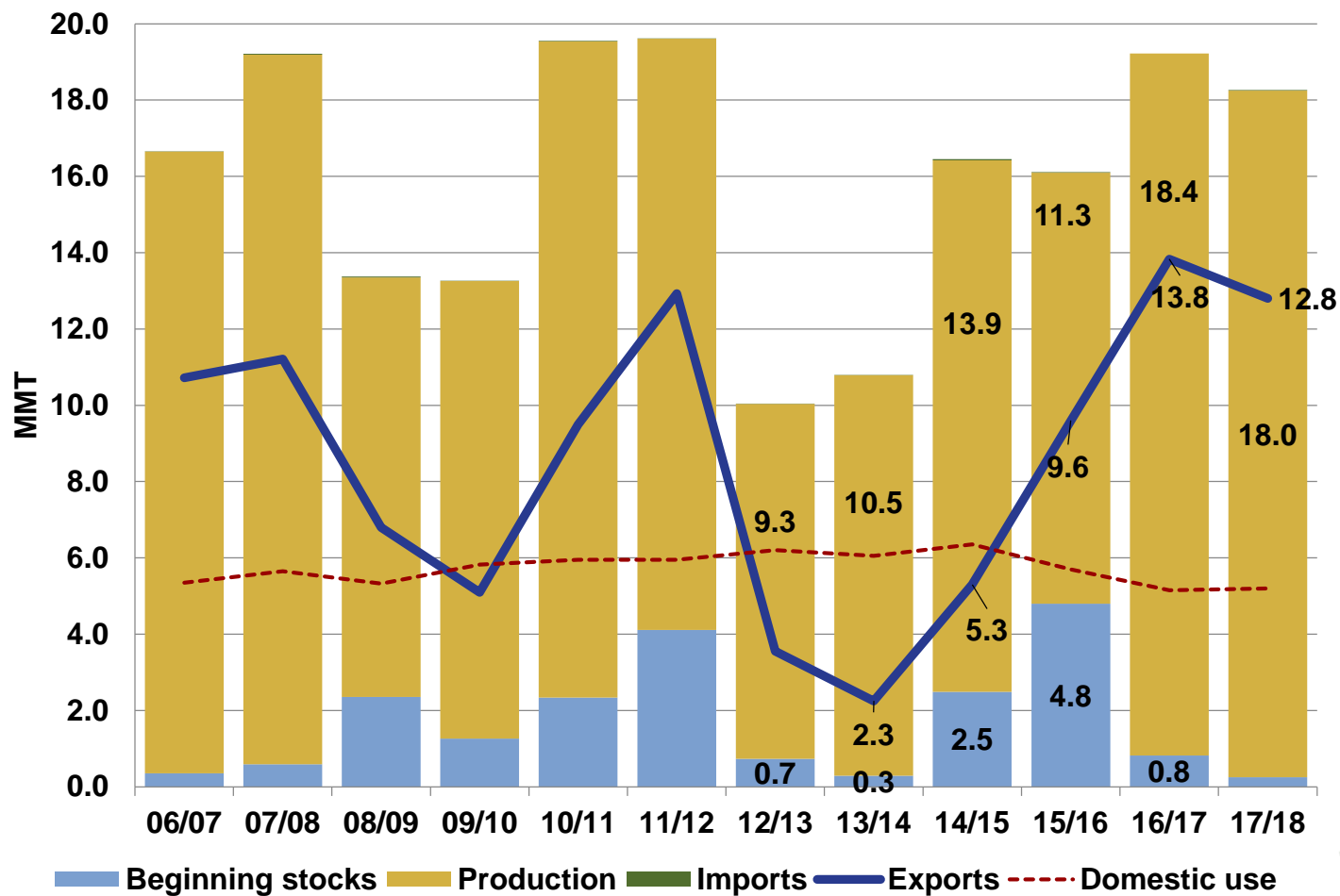
Australia Situation



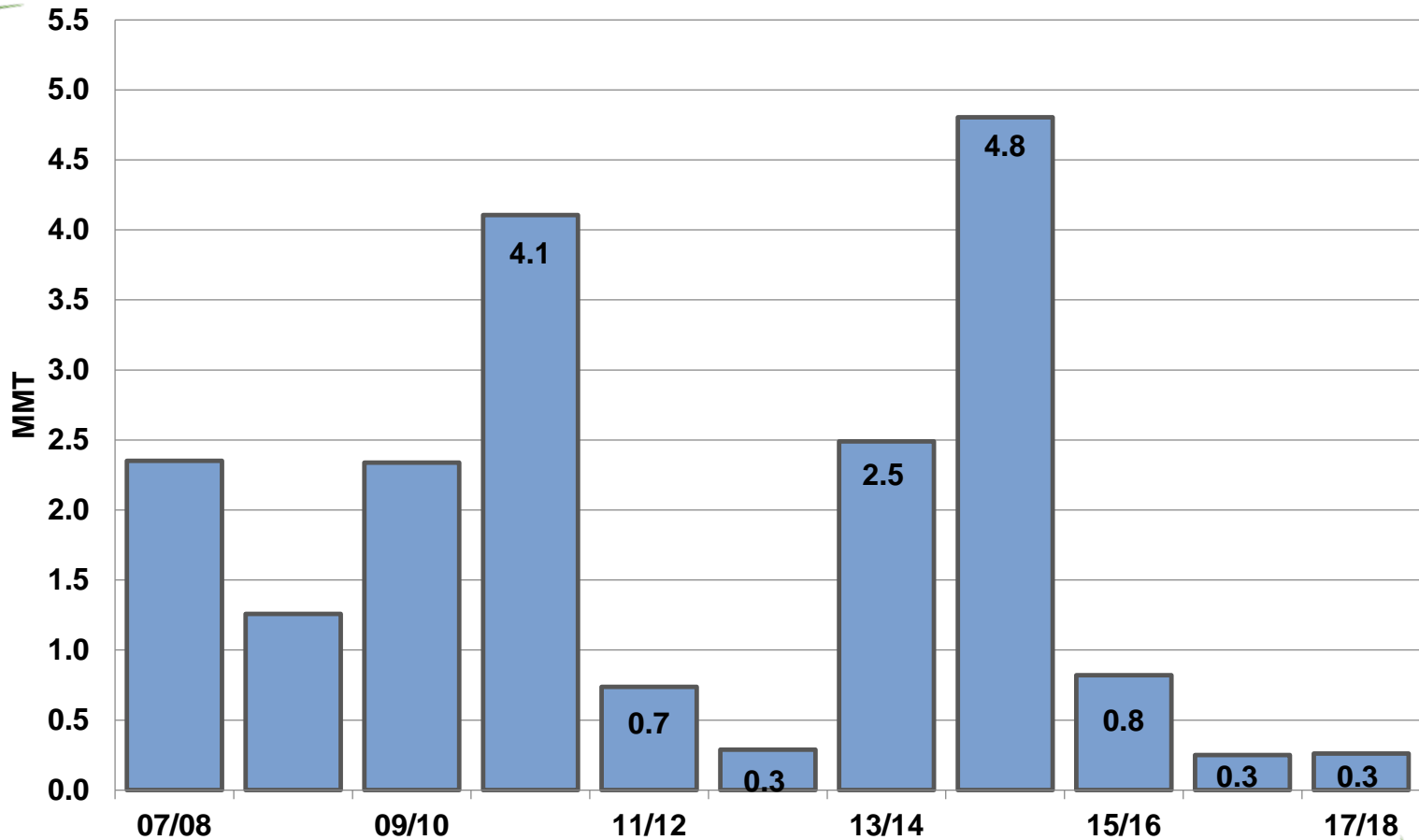
Australia Ending Stocks



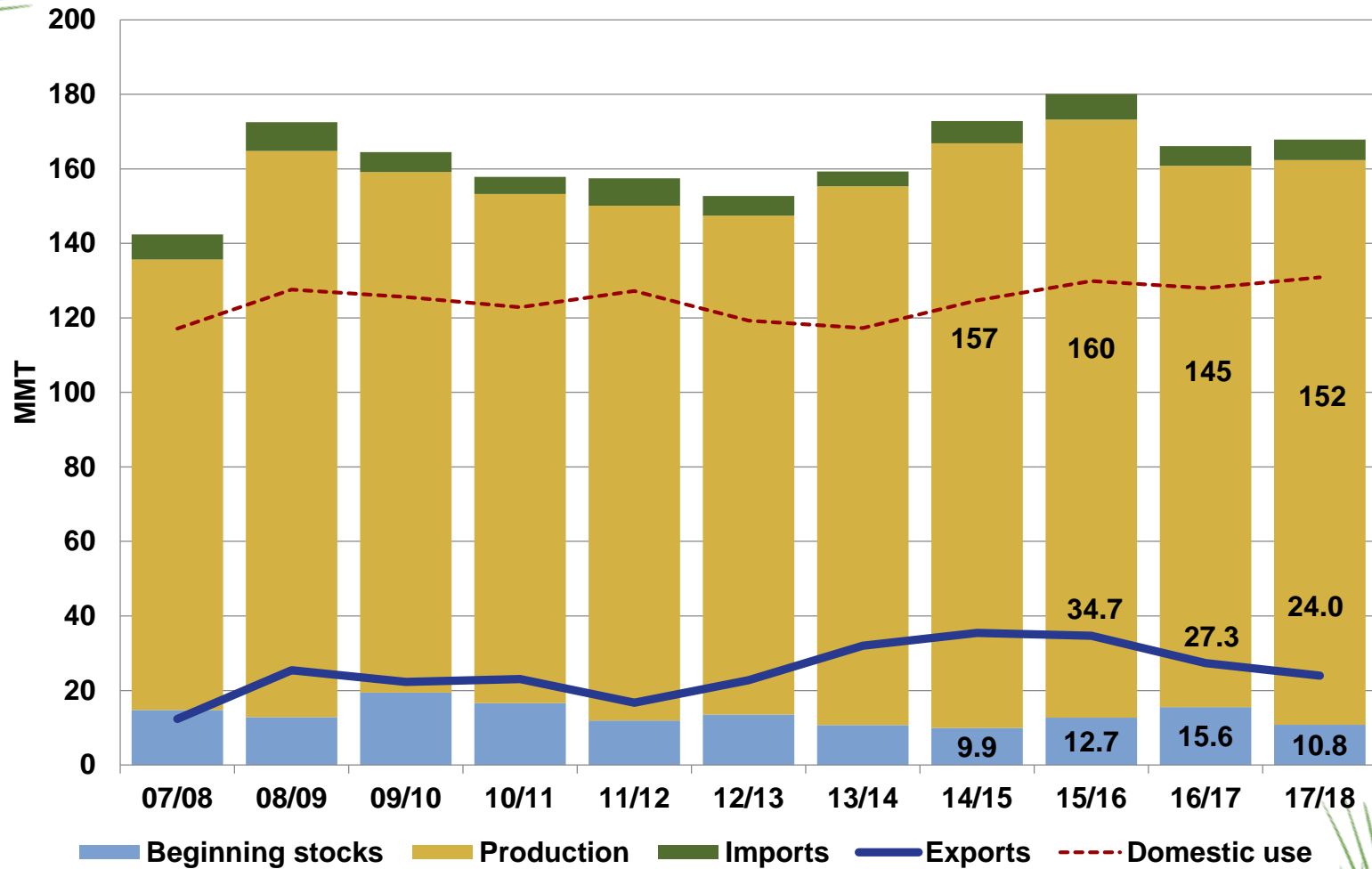
Argentina Situation



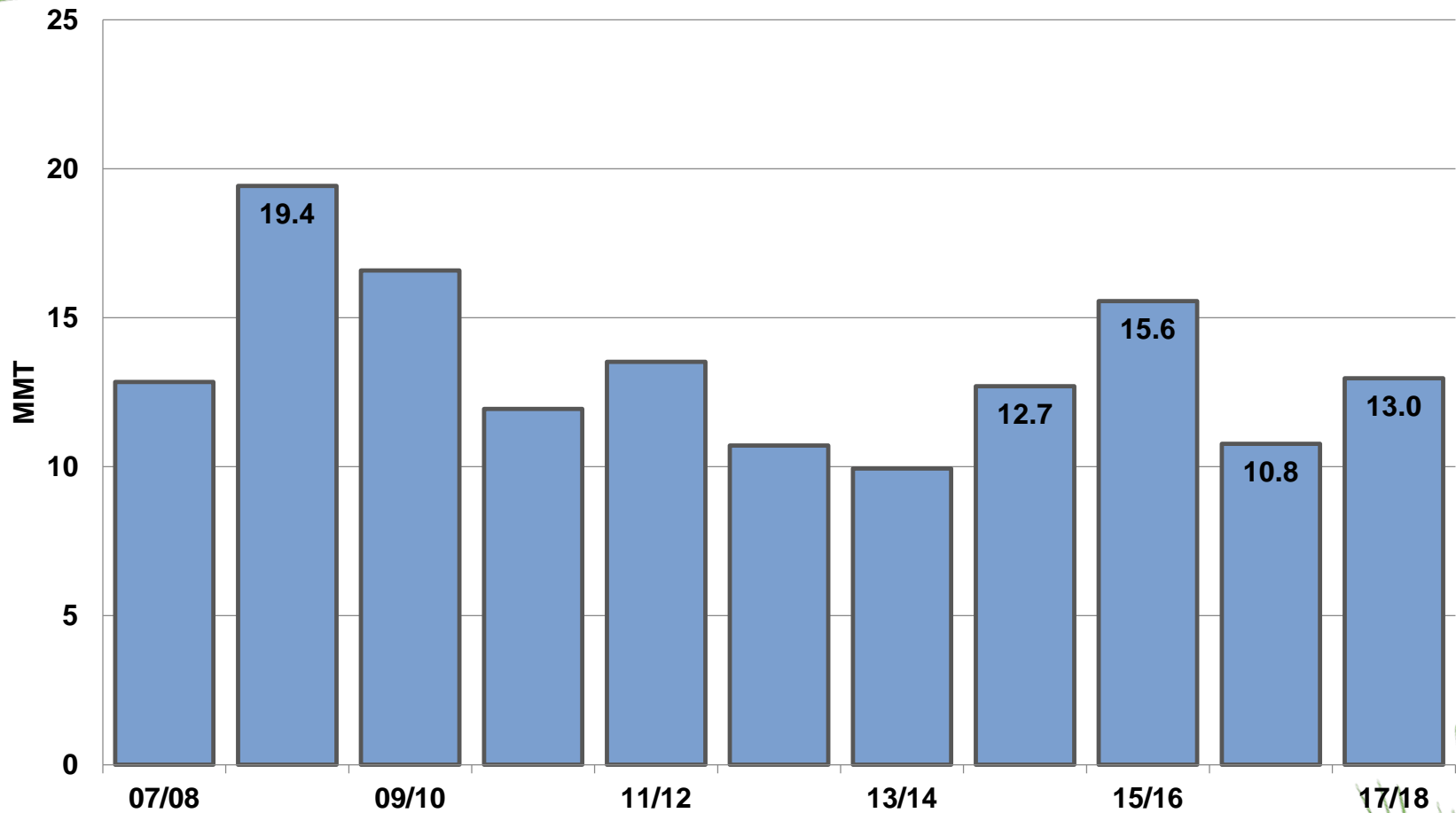
Argentina Ending Stocks



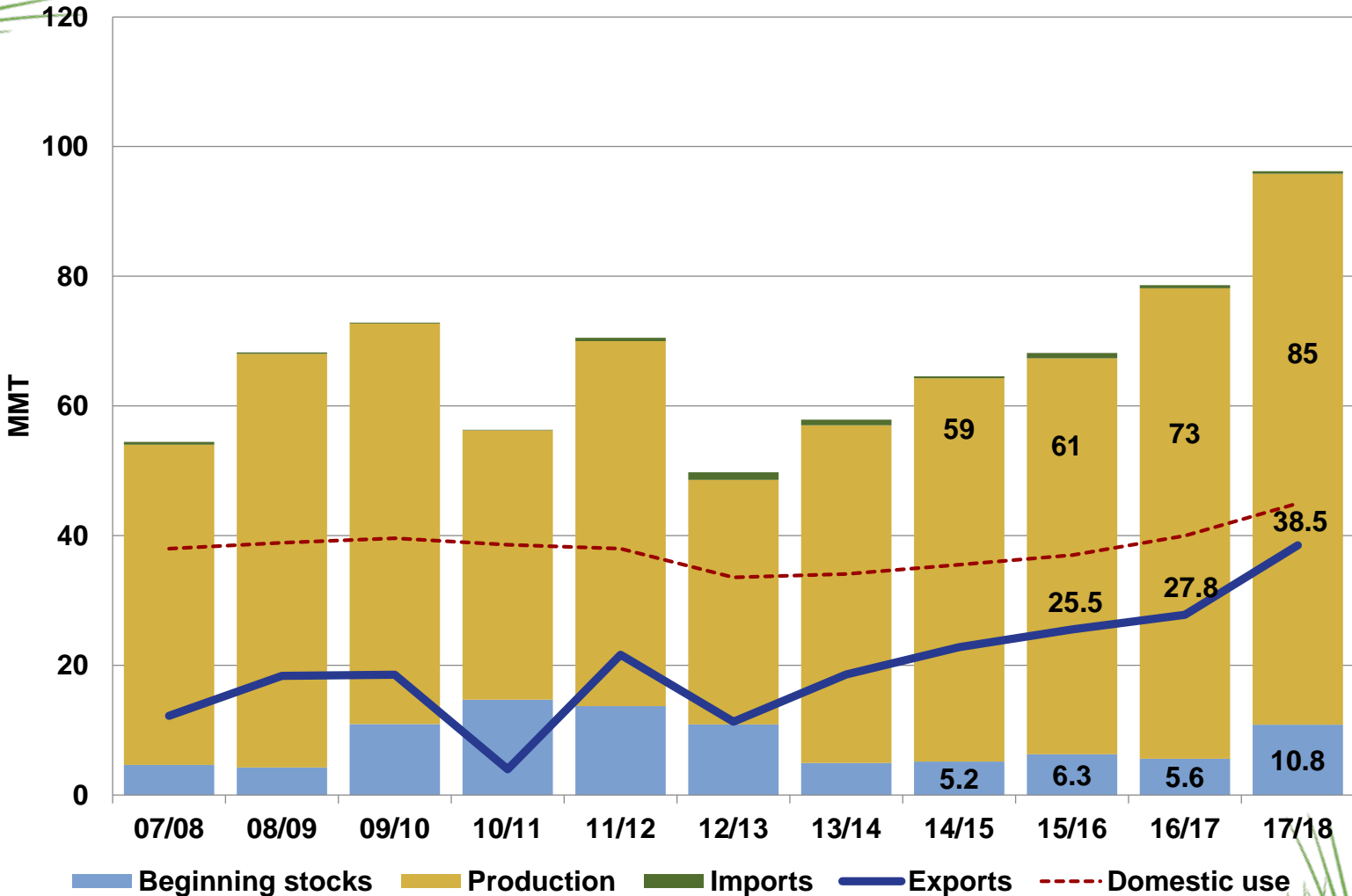
EU-27 Situation



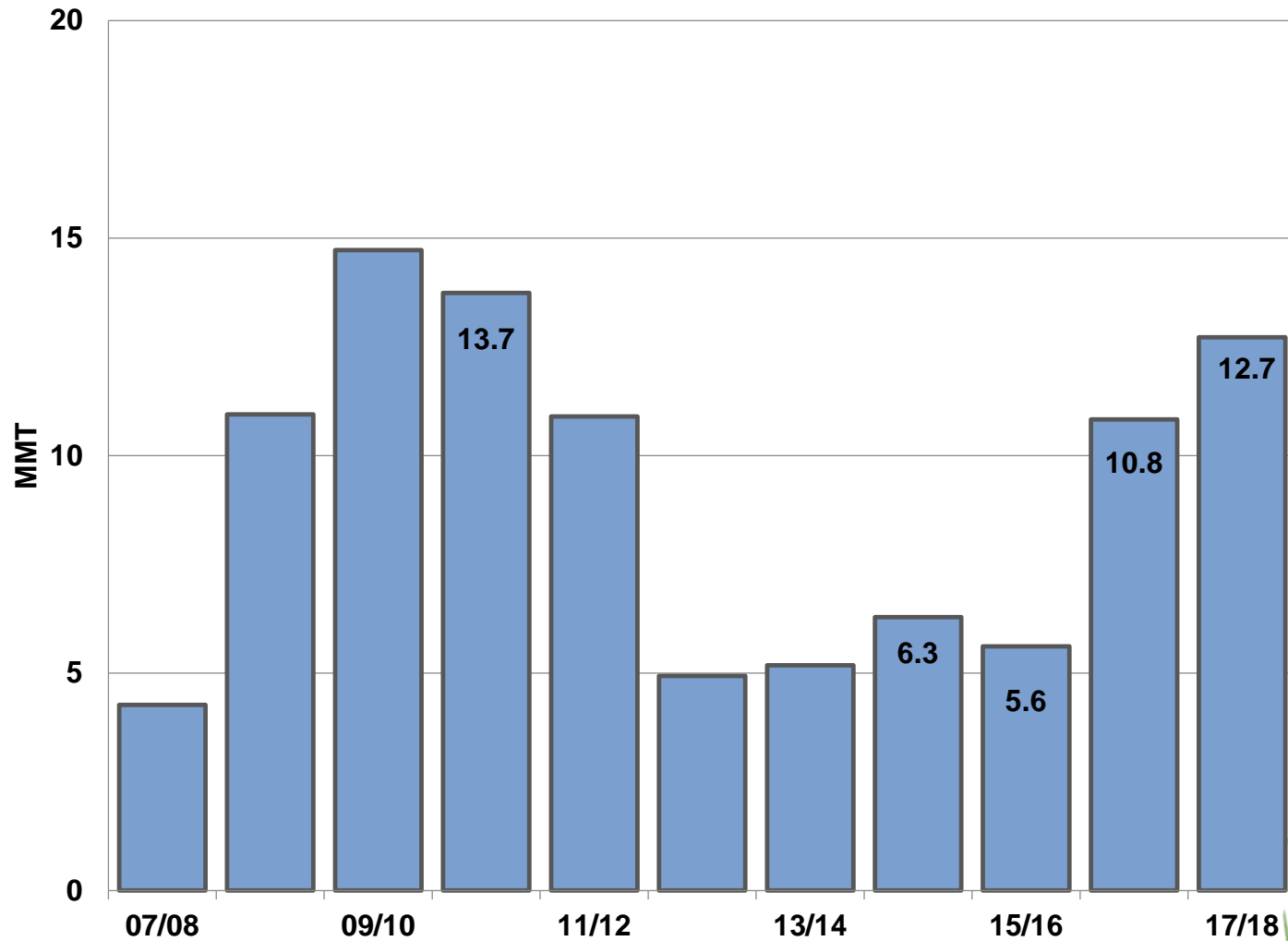
EU-27 Ending Stocks



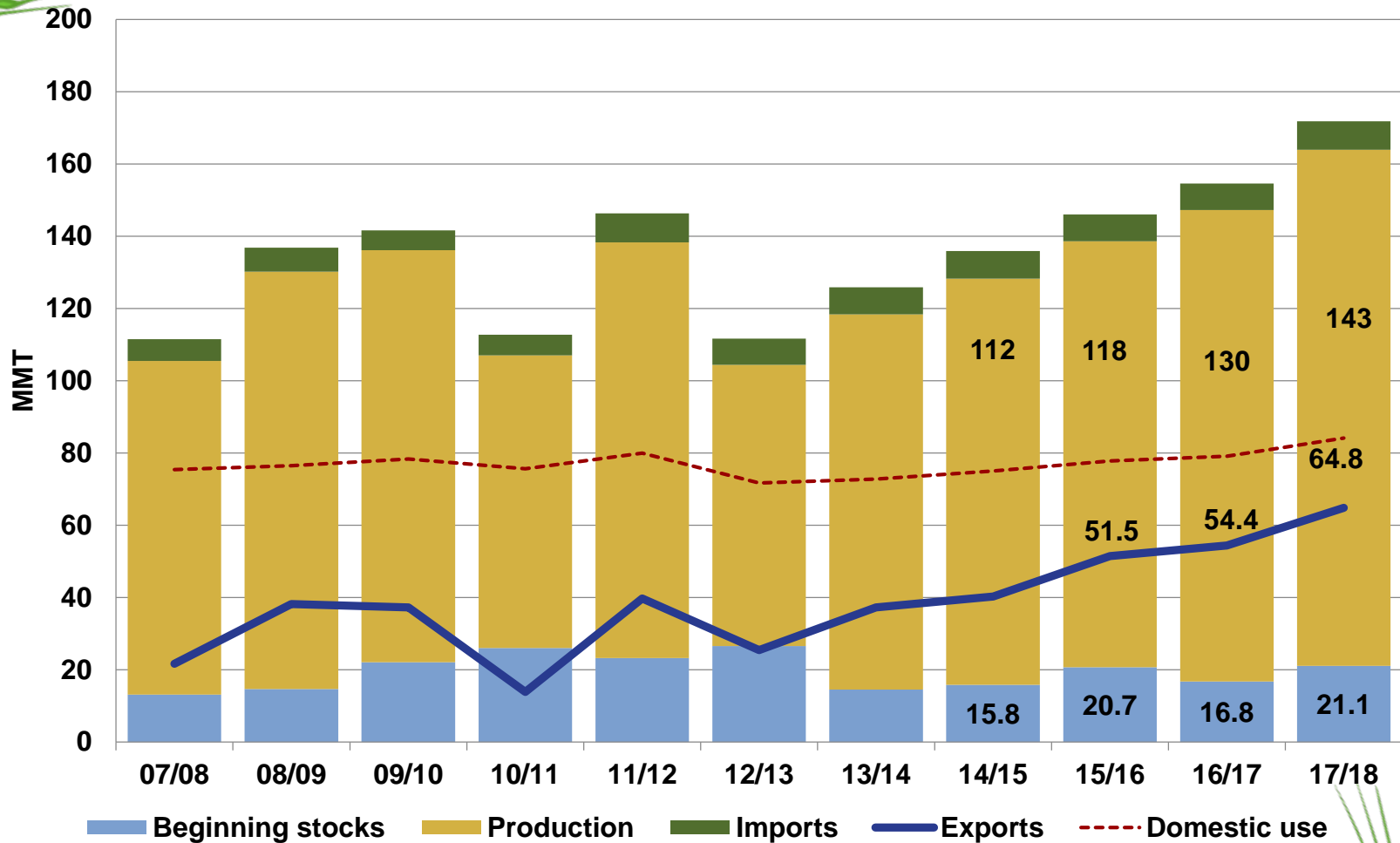
Russia Situation



Russia Ending Stocks

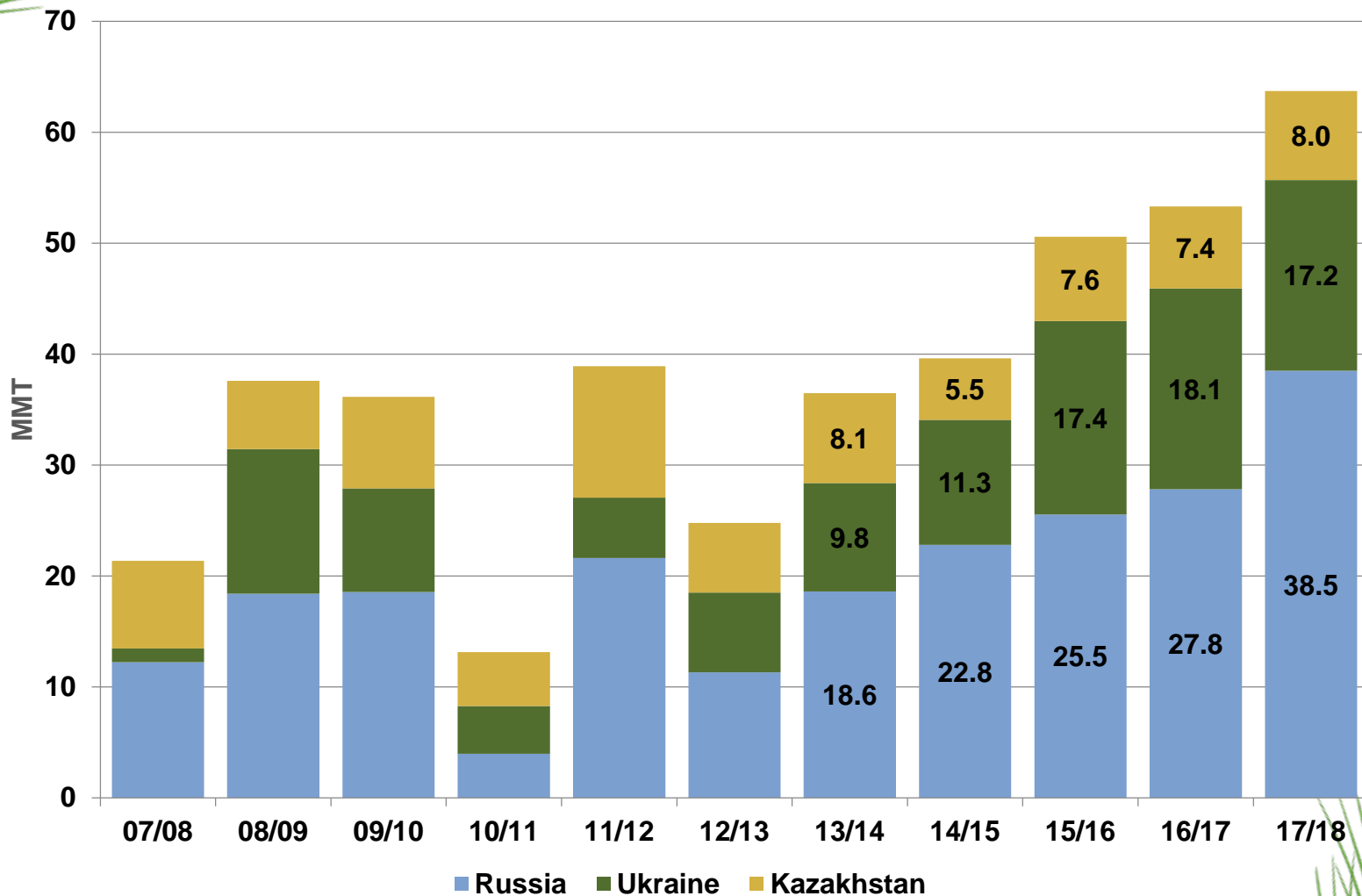


Black Sea Region Situation

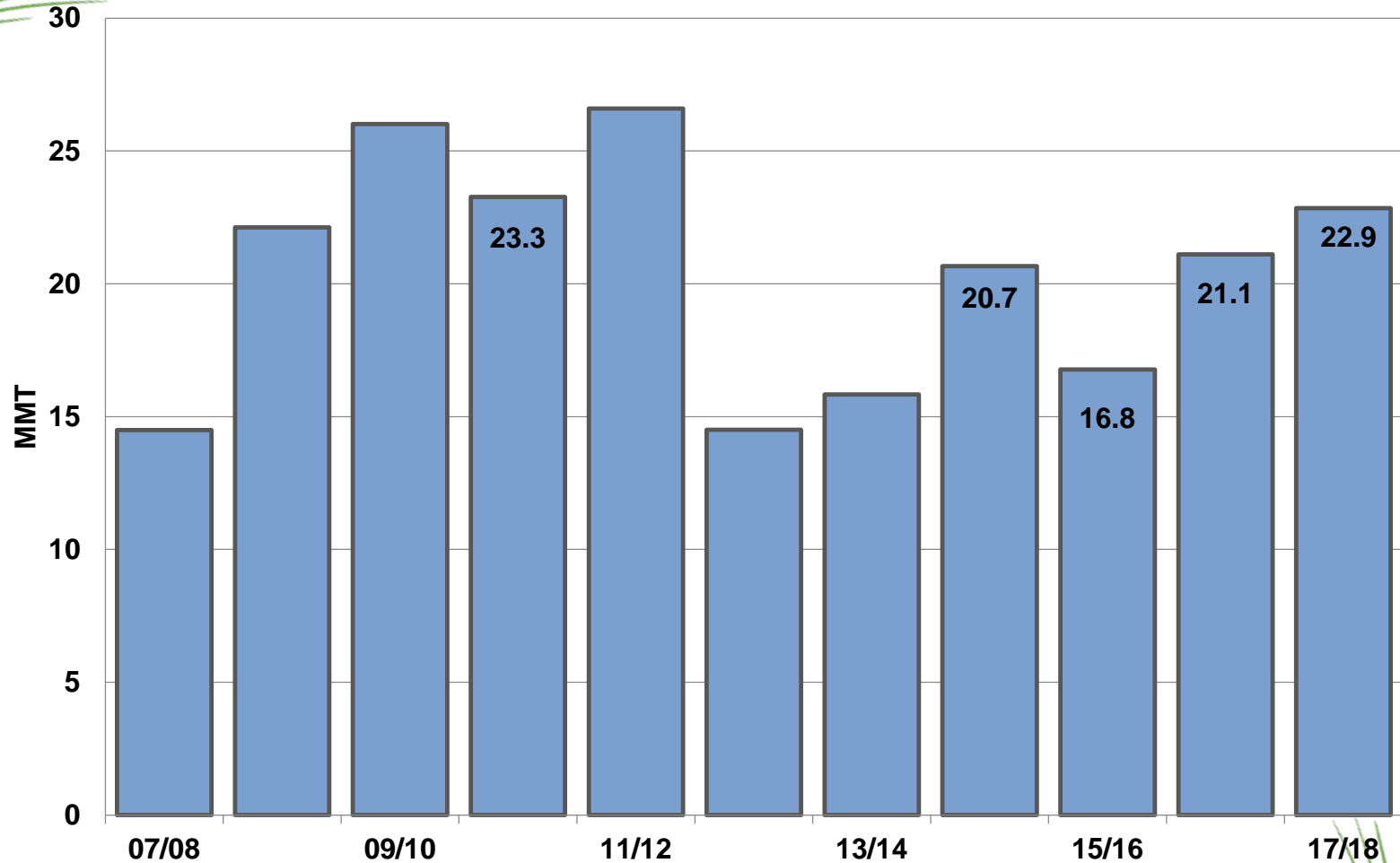


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports

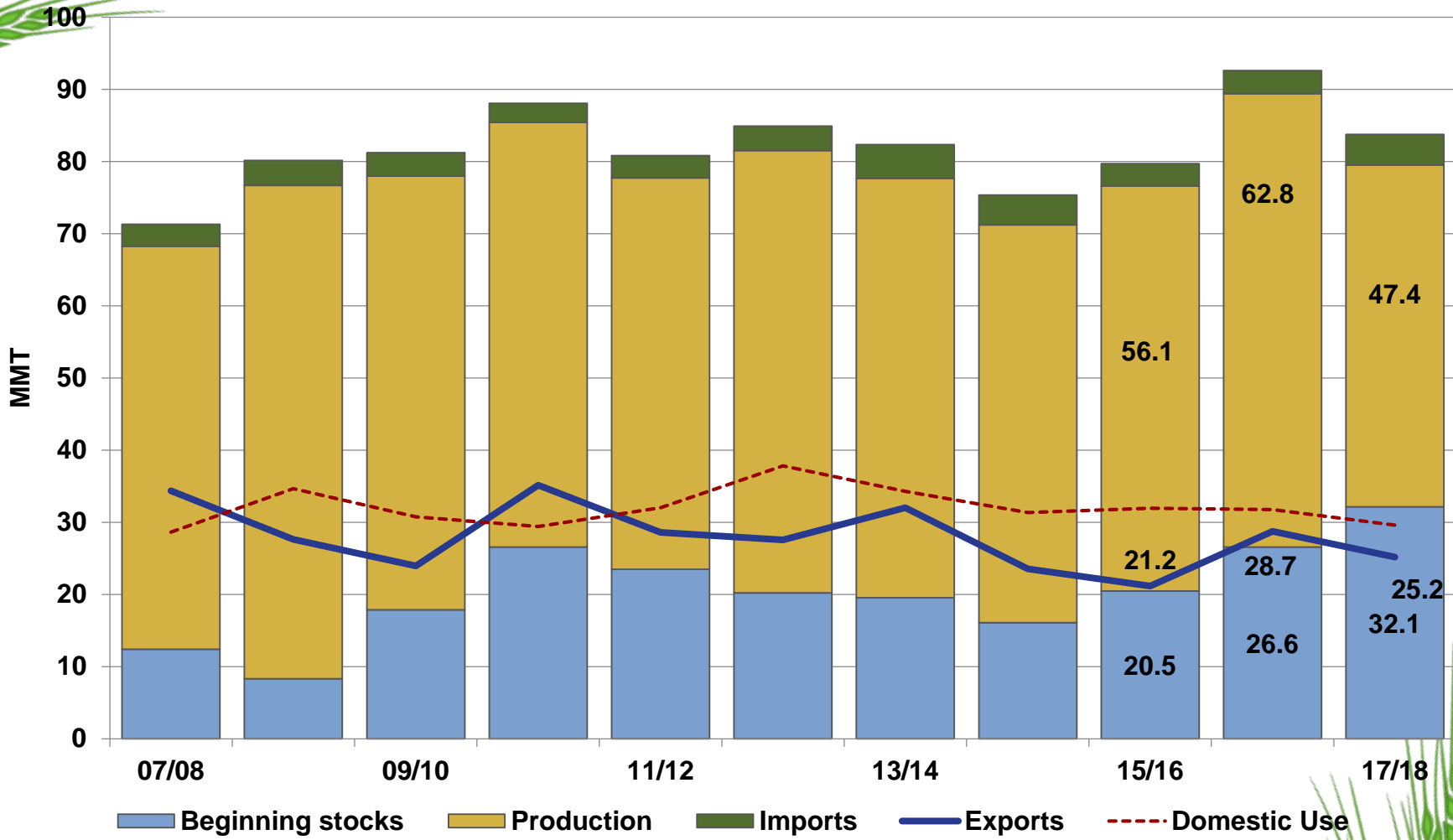


Black Sea Ending Stocks

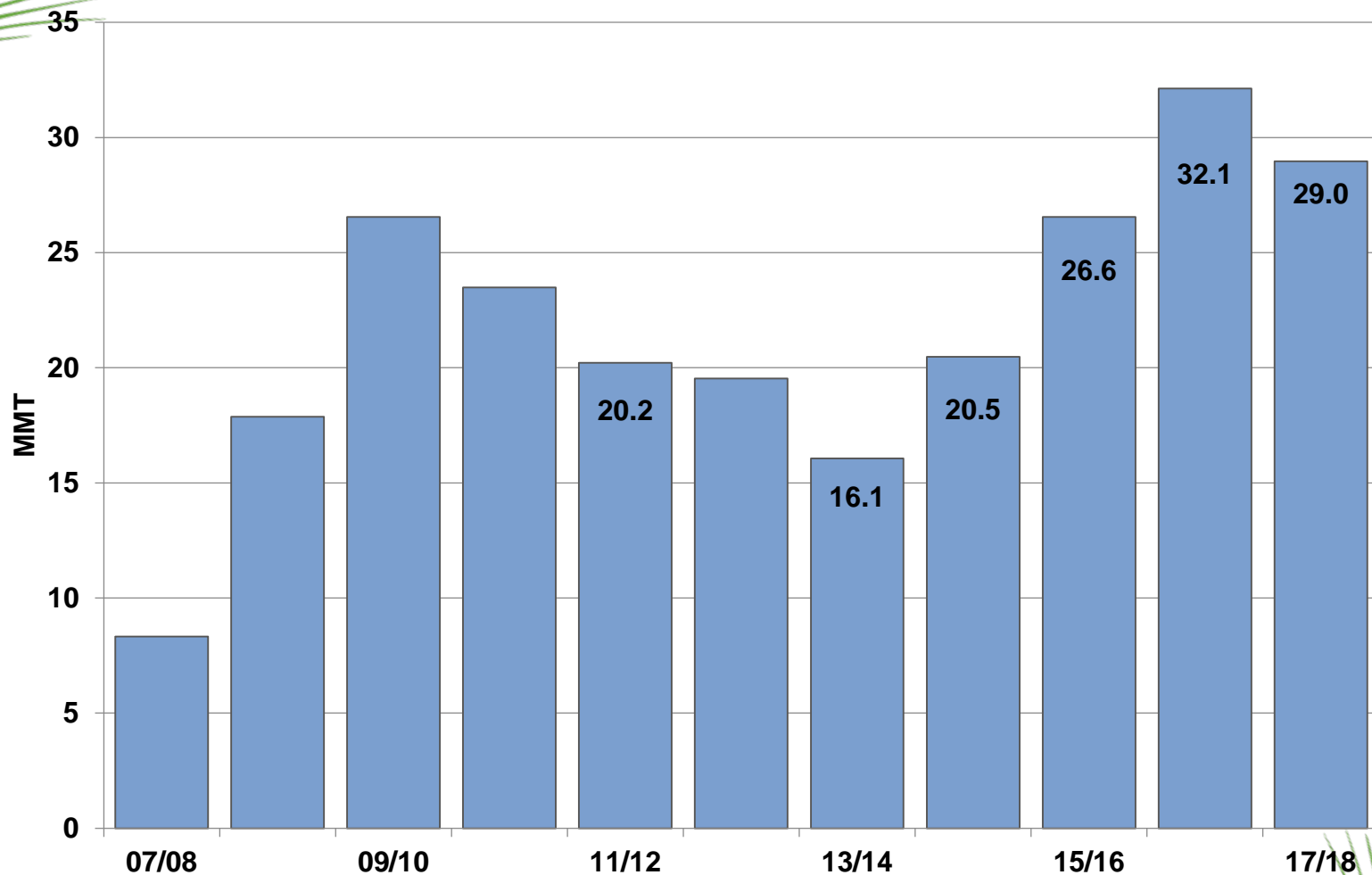


U.S. Situation

U.S. Wheat Situation



U.S. Ending Stocks



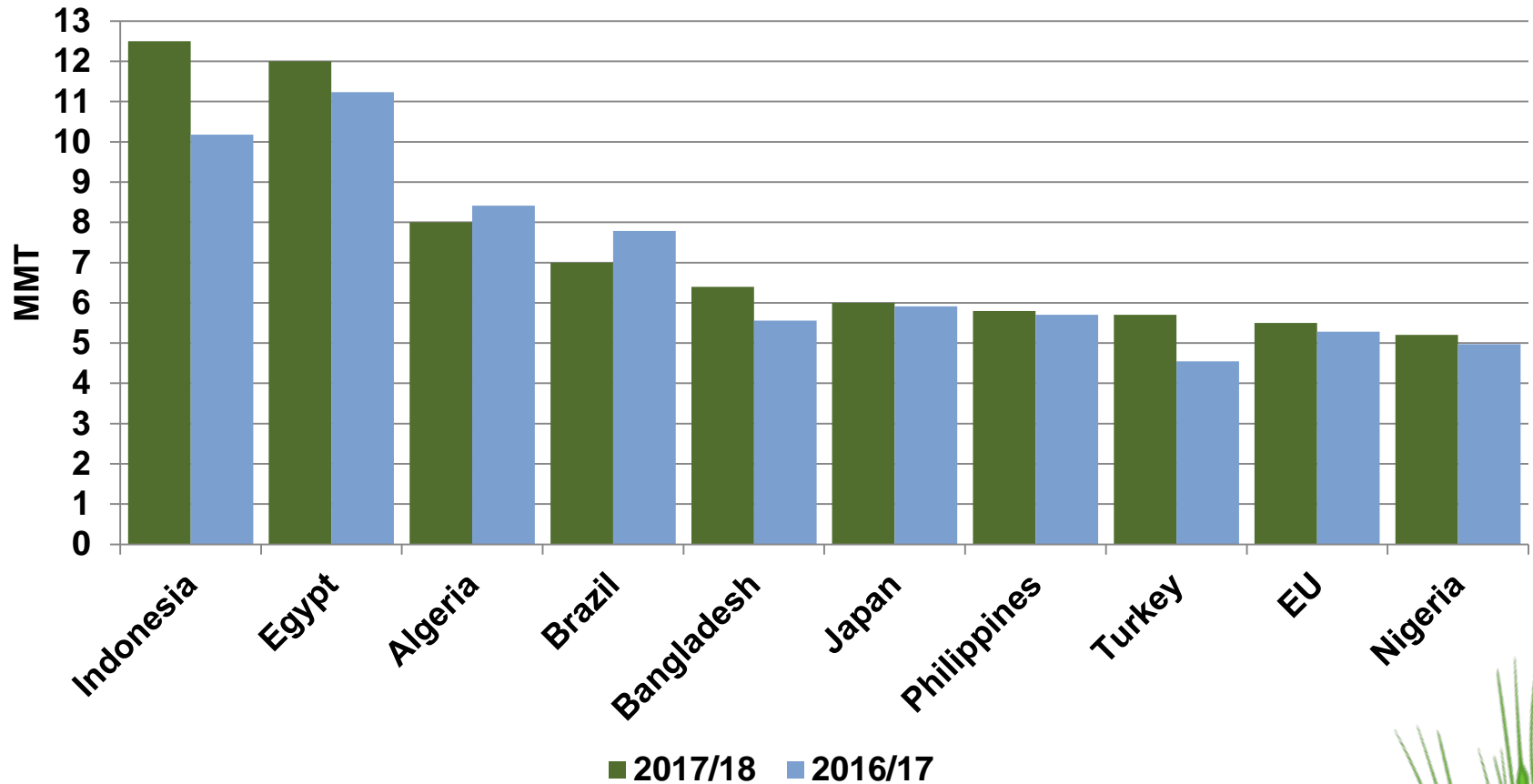
- Major Exporters
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- U.S. Situation by Class
- Outlook



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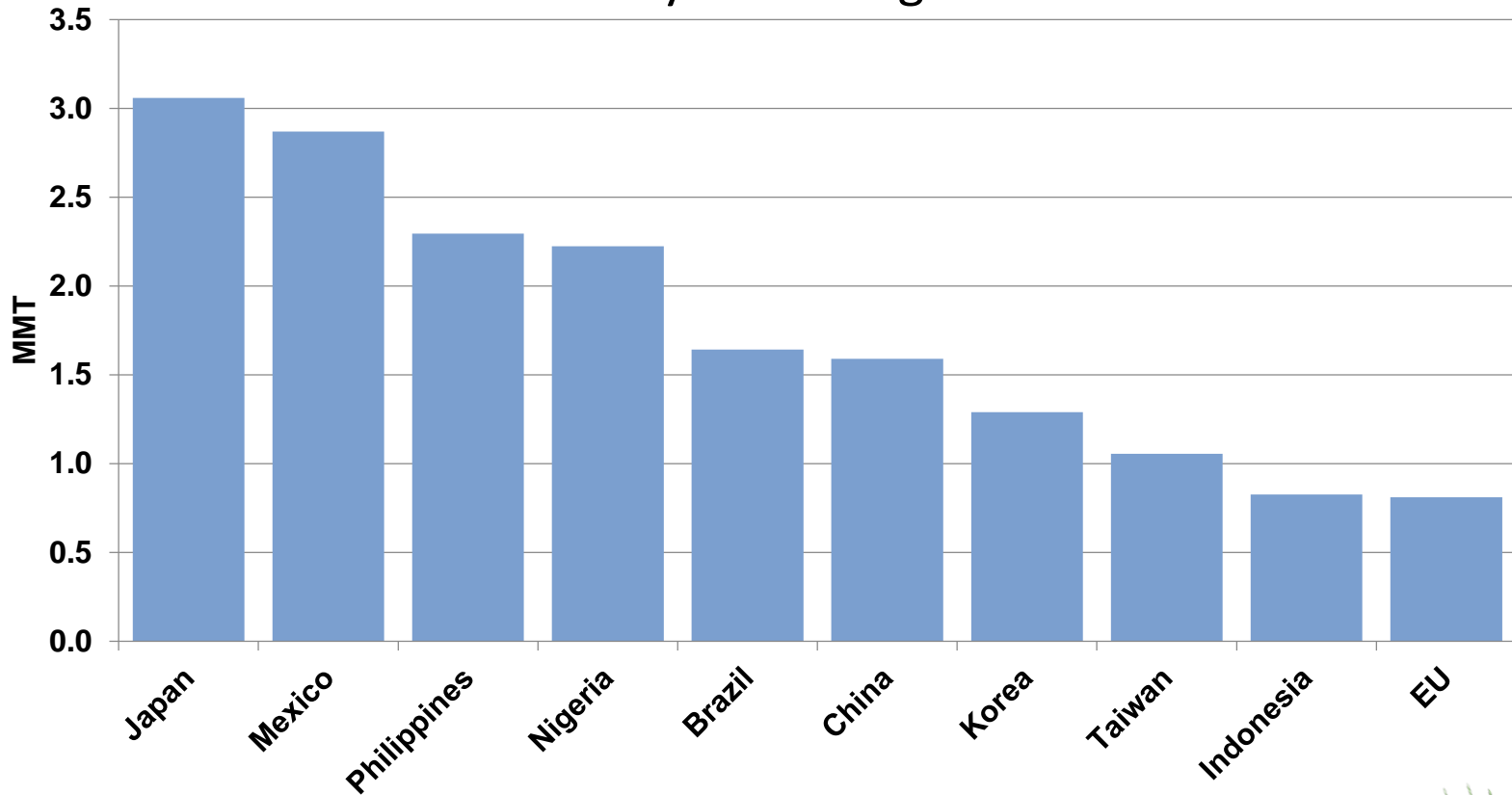
Major World Wheat Importers

(from all origins)



Top 10 Customers for U.S. Wheat

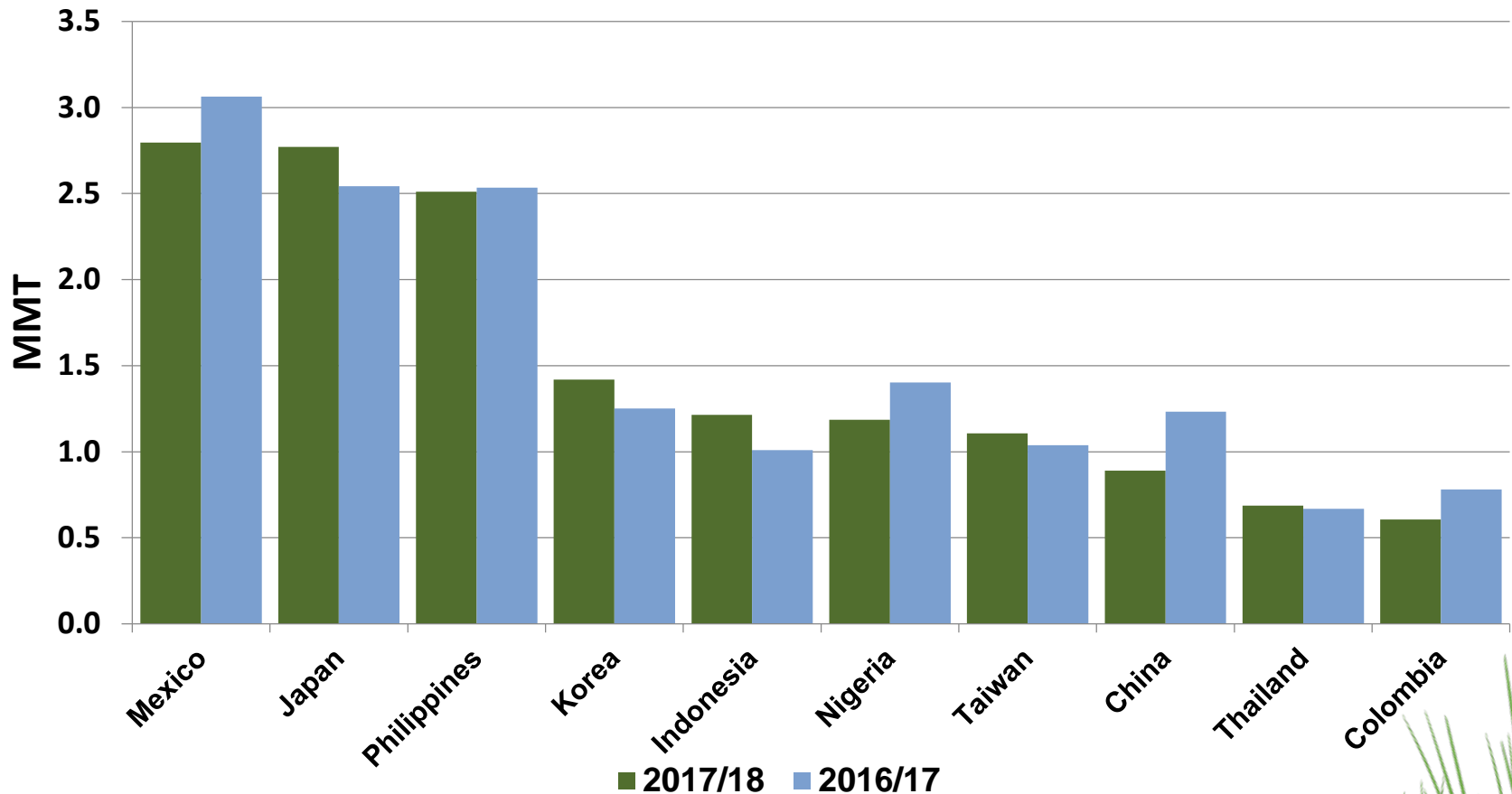
5-year average



Source: USDA FAS Export sales data

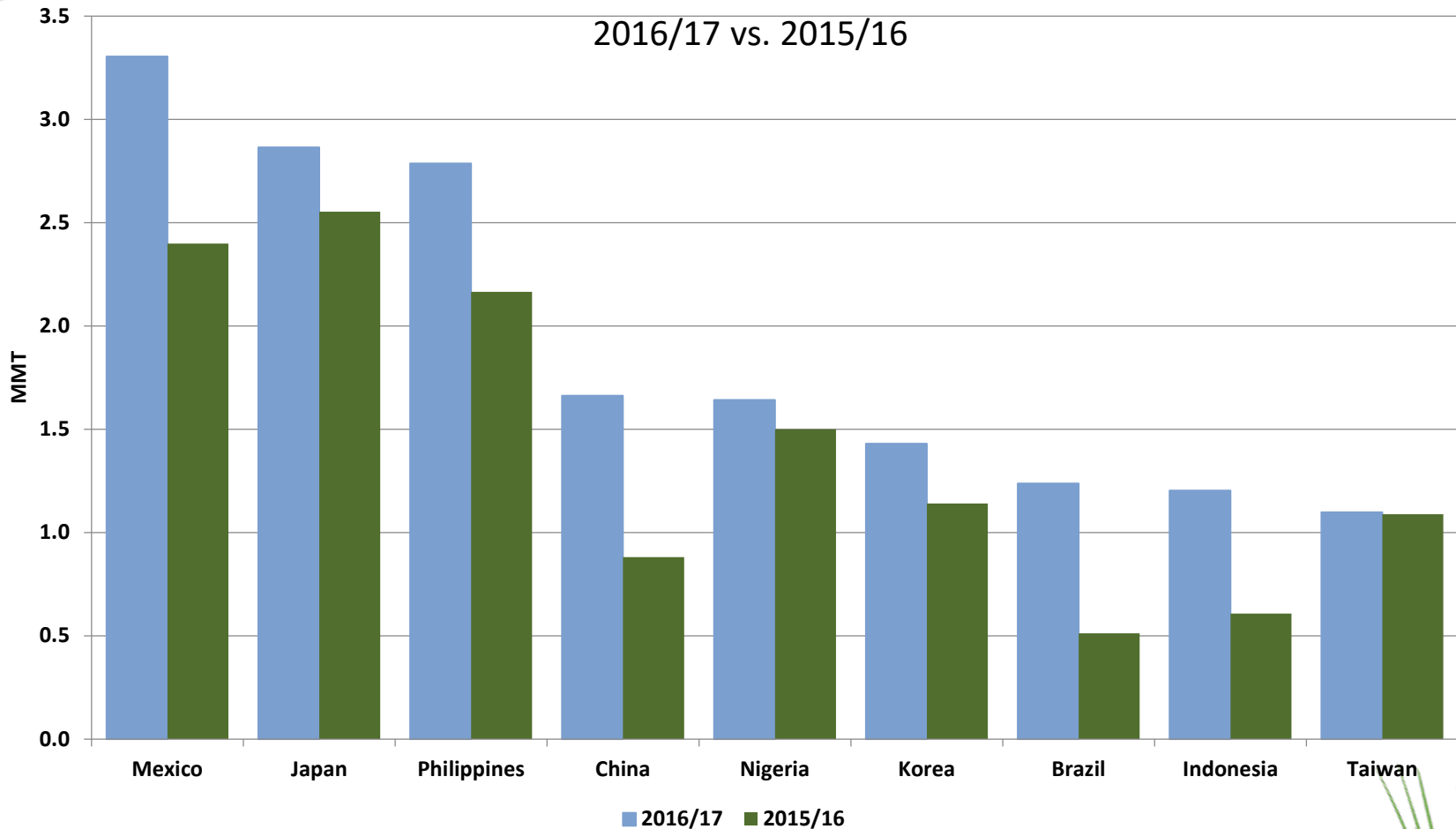
Top 10 Customers for U.S. Wheat

Year-to-date



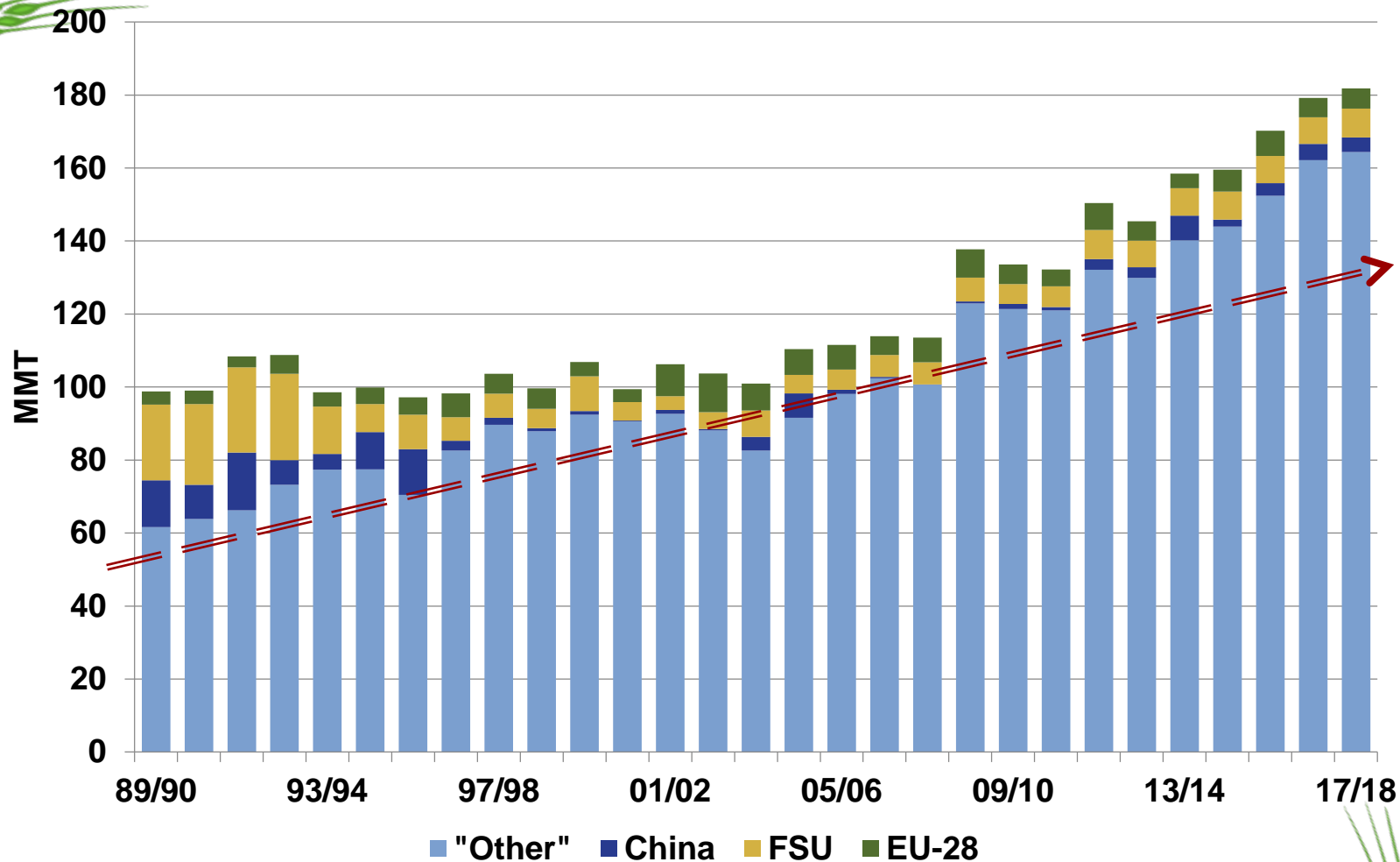
Source: USDA FAS export sales report April 5, 2018.

Top 10 Customers for U.S. Wheat



Source: USDA FAS 2016/17 Marketing Year Final export sales report May 31, 2017.

World Wheat Imports



Trend in "other" importers denoted (—▶)

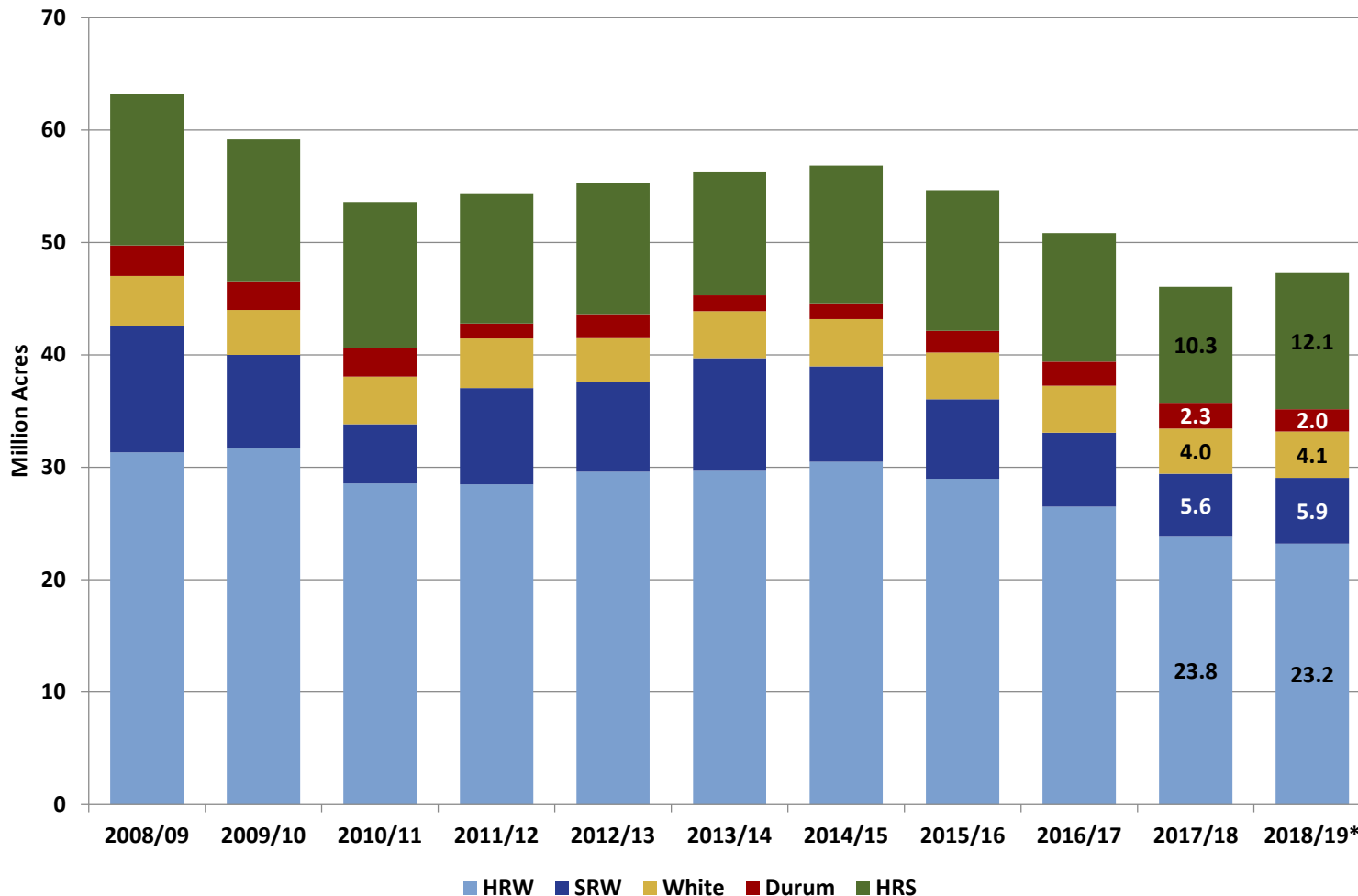
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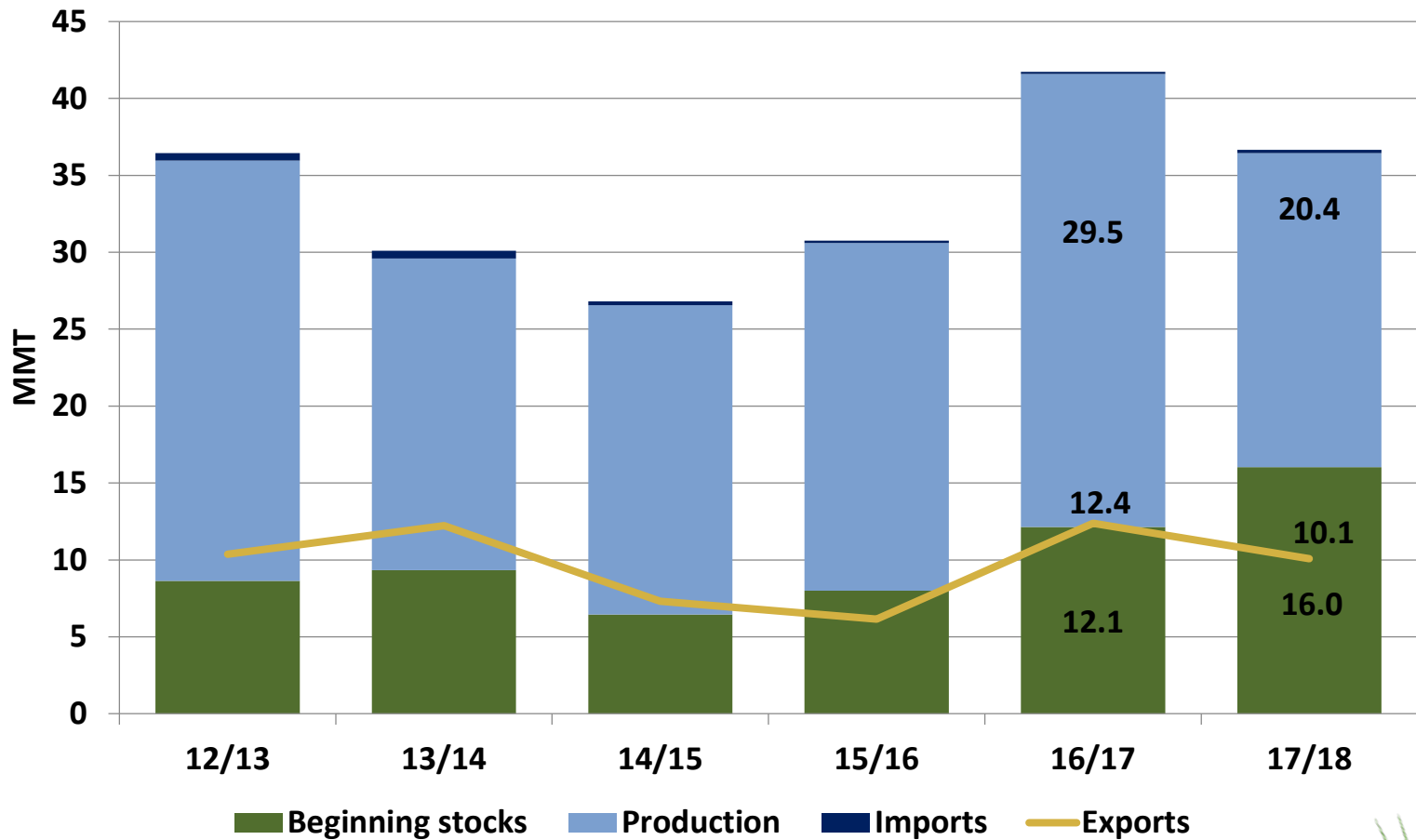
U.S. Wheat Plantings by Class

U.S. Wheat Planted Area by Class

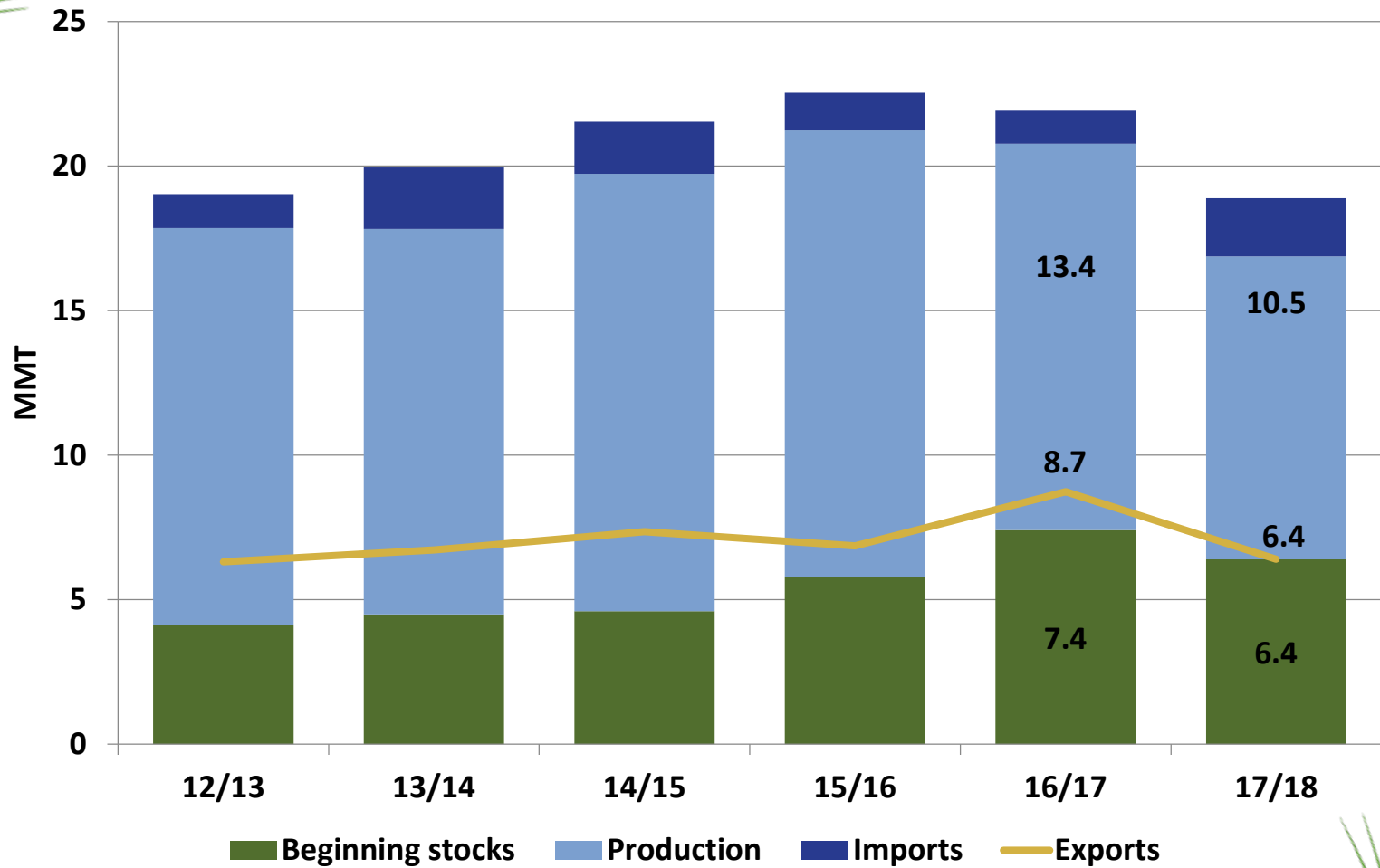


*Source: USDA Prospective Plantings Report, March 29, 2018

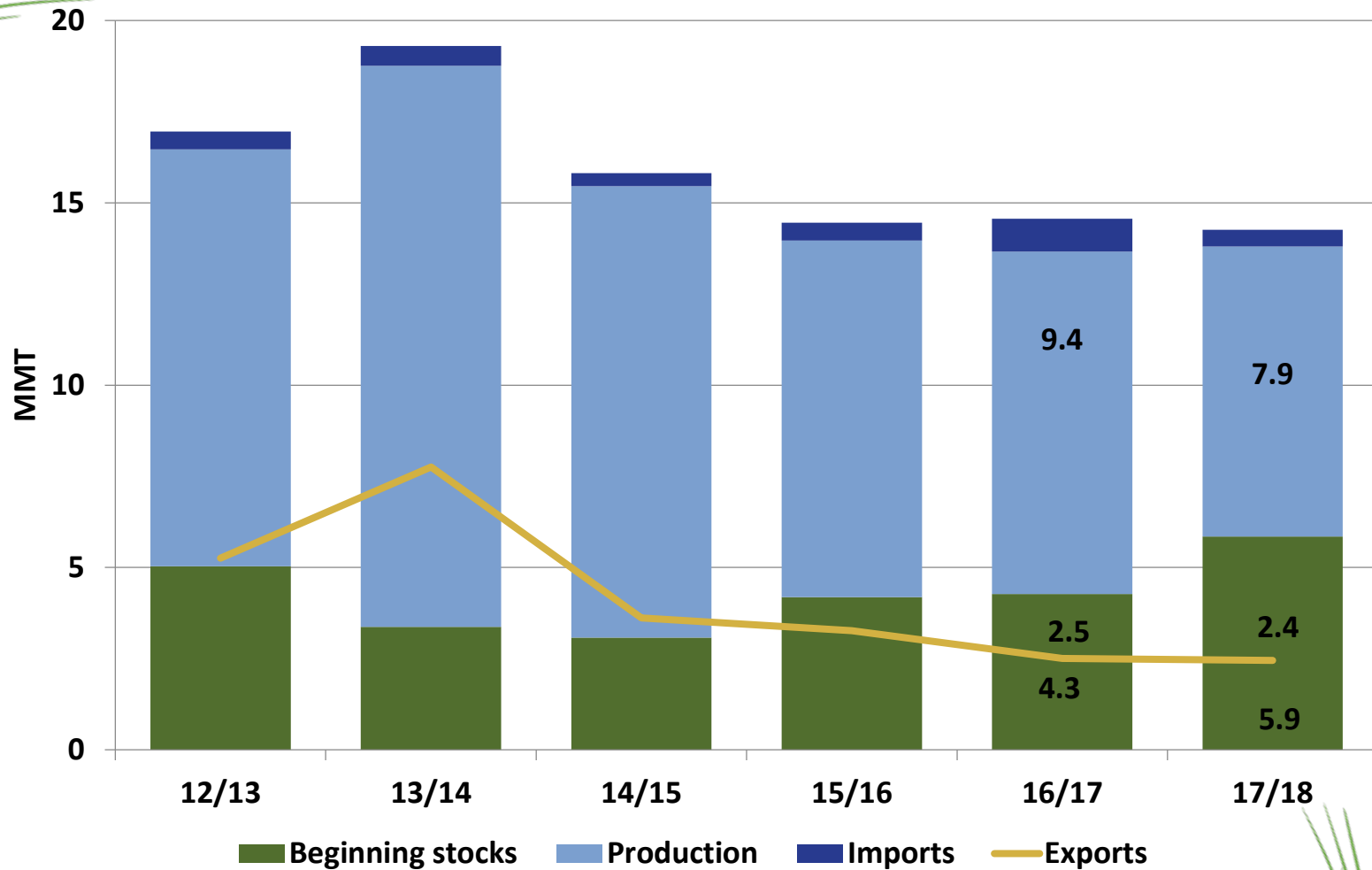
U.S. Hard Red Winter



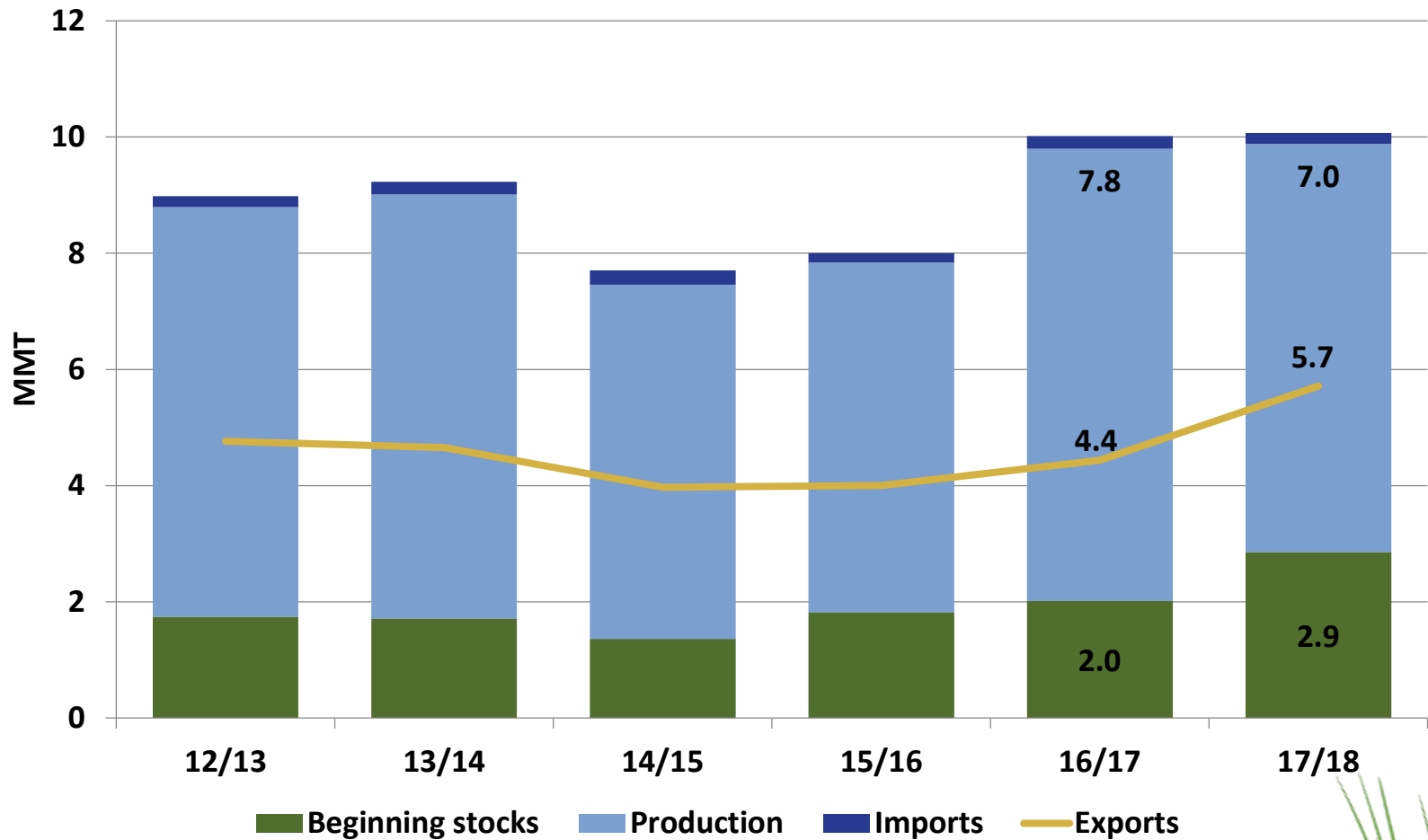
U.S. Hard Red Spring



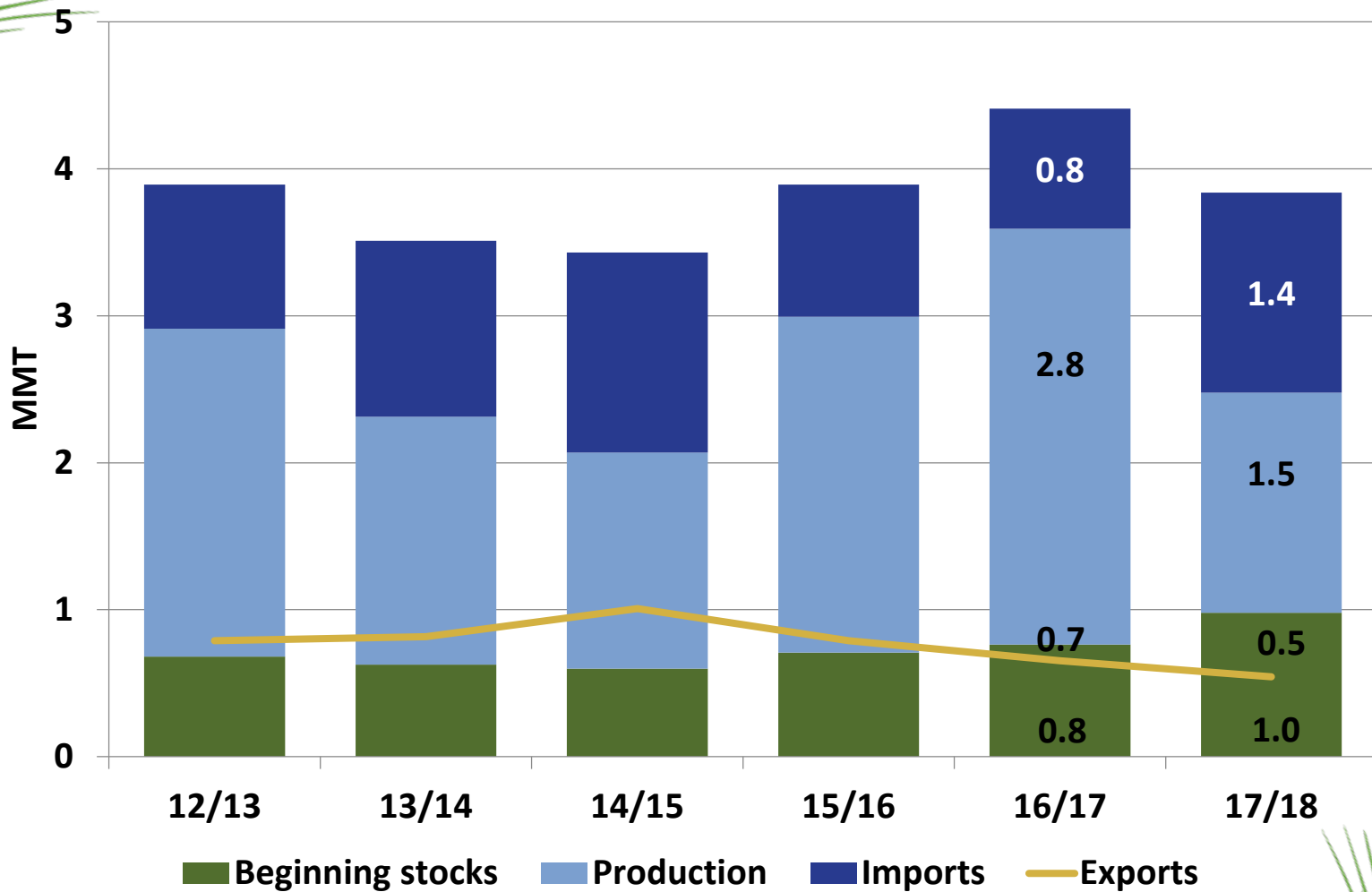
U.S. Soft Red Winter



U.S. White

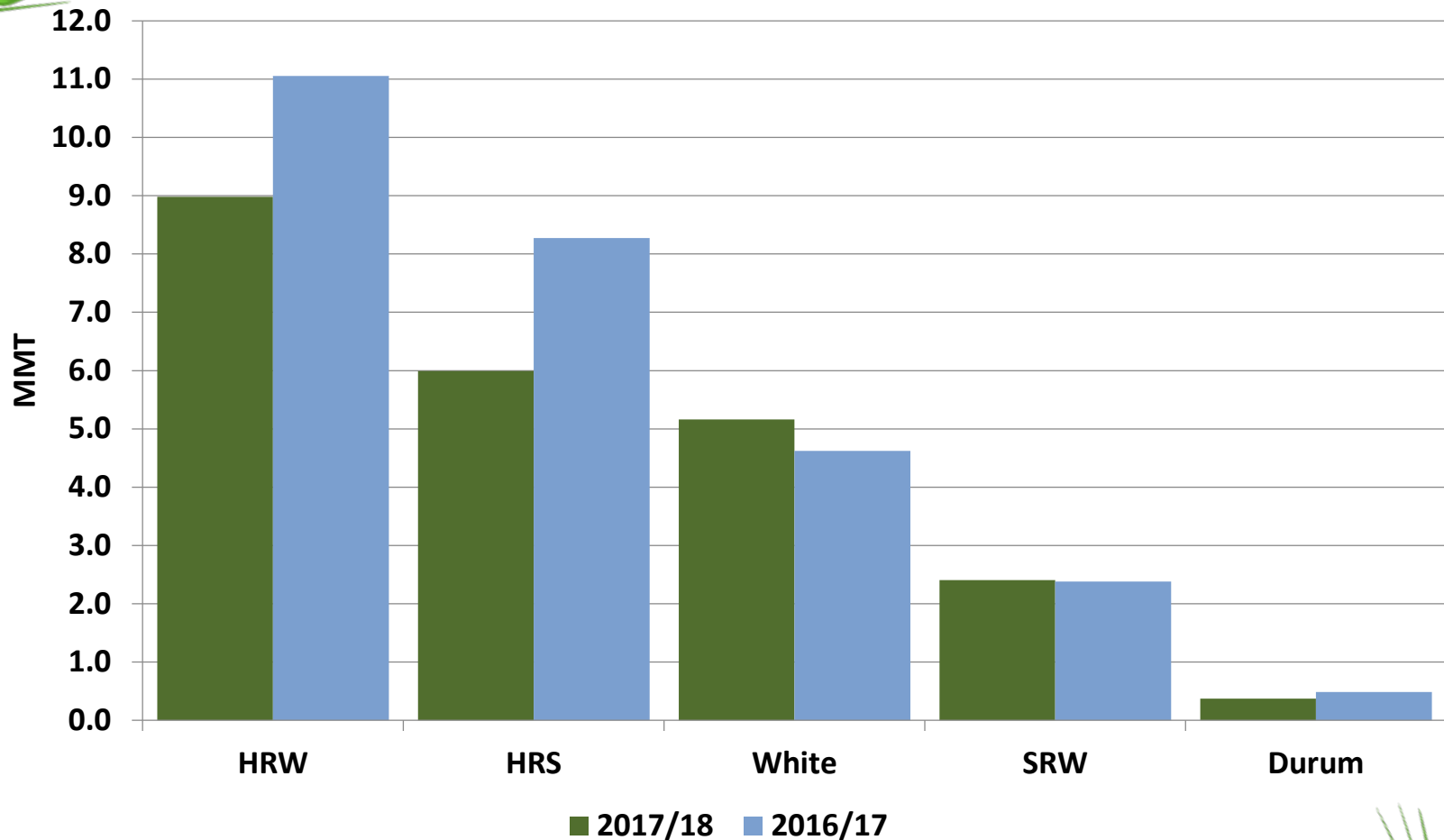


U.S. Durum



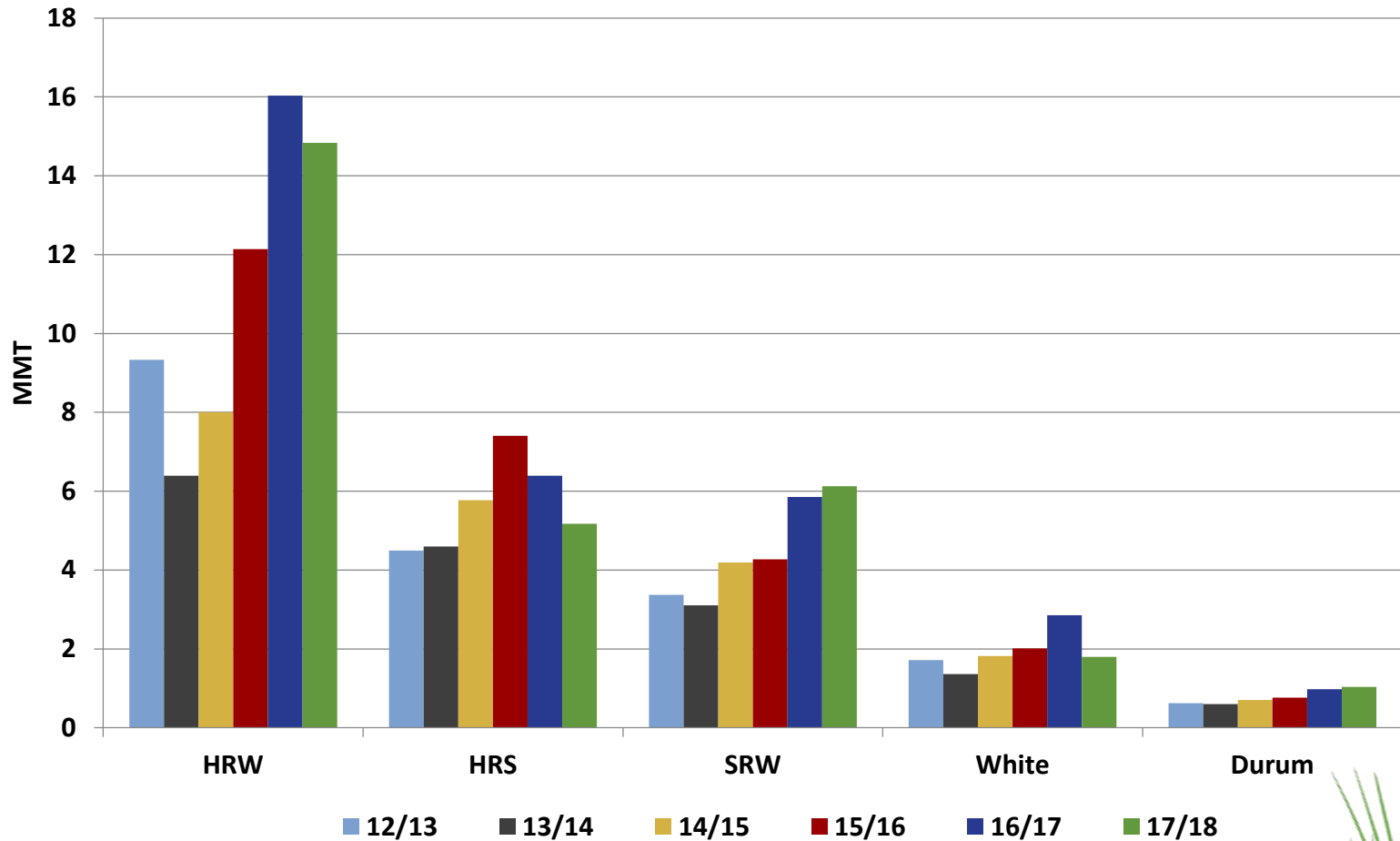
U.S. Wheat Sales by Class

(year-to-date)



Source: USDA FAS export sales report April 5, 2018.

U.S. Wheat Ending Stocks by Class



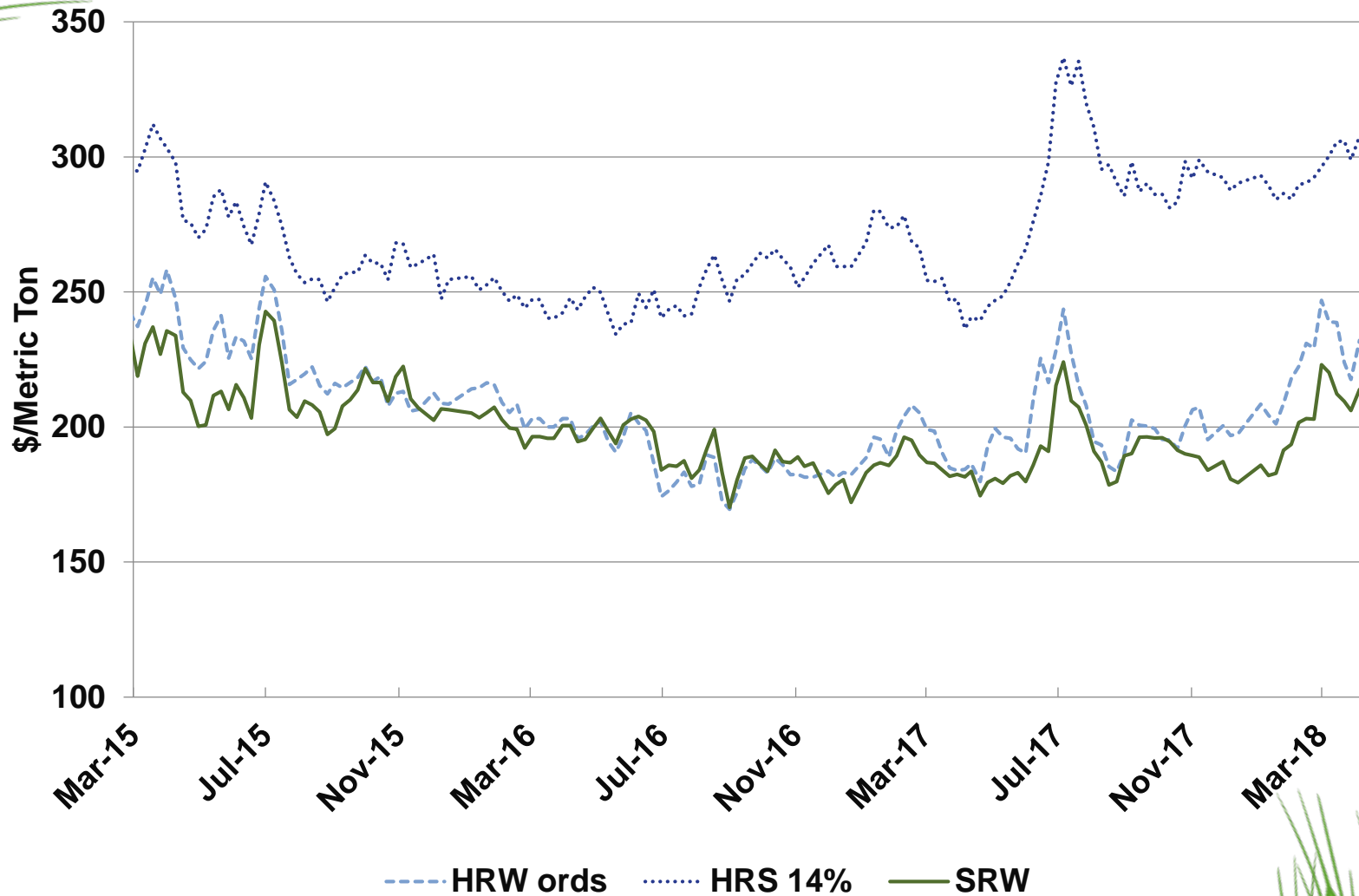
U.S. Wheat Supply and Demand

	HRW		HRS		SRW	
	16/17	17/18	16/17	17/18	16/17	17/18
	MMT					
Beginning Stocks	12.1	16.0	7.4	6.4	4.3	5.9
Production	29.5	20.4	13.4	10.5	9.4	7.9
Imports	<u>0.1</u>	<u>0.2</u>	<u>1.1</u>	<u>2.0</u>	<u>0.9</u>	<u>0.5</u>
Supply Total	41.7	36.7	21.9	18.9	14.6	14.3
Domestic Use	13.3	11.8	6.8	7.3	6.2	5.7
Exports	<u>12.4</u>	<u>10.1</u>	<u>8.7</u>	<u>6.4</u>	<u>2.5</u>	<u>2.4</u>
Use Total	25.7	21.8	15.5	13.7	8.7	8.1
Ending Stocks	16.0	14.8	6.4	5.2	5.9	6.1
Stocks-to-Use	62%	68%	41%	38%	67%	75%

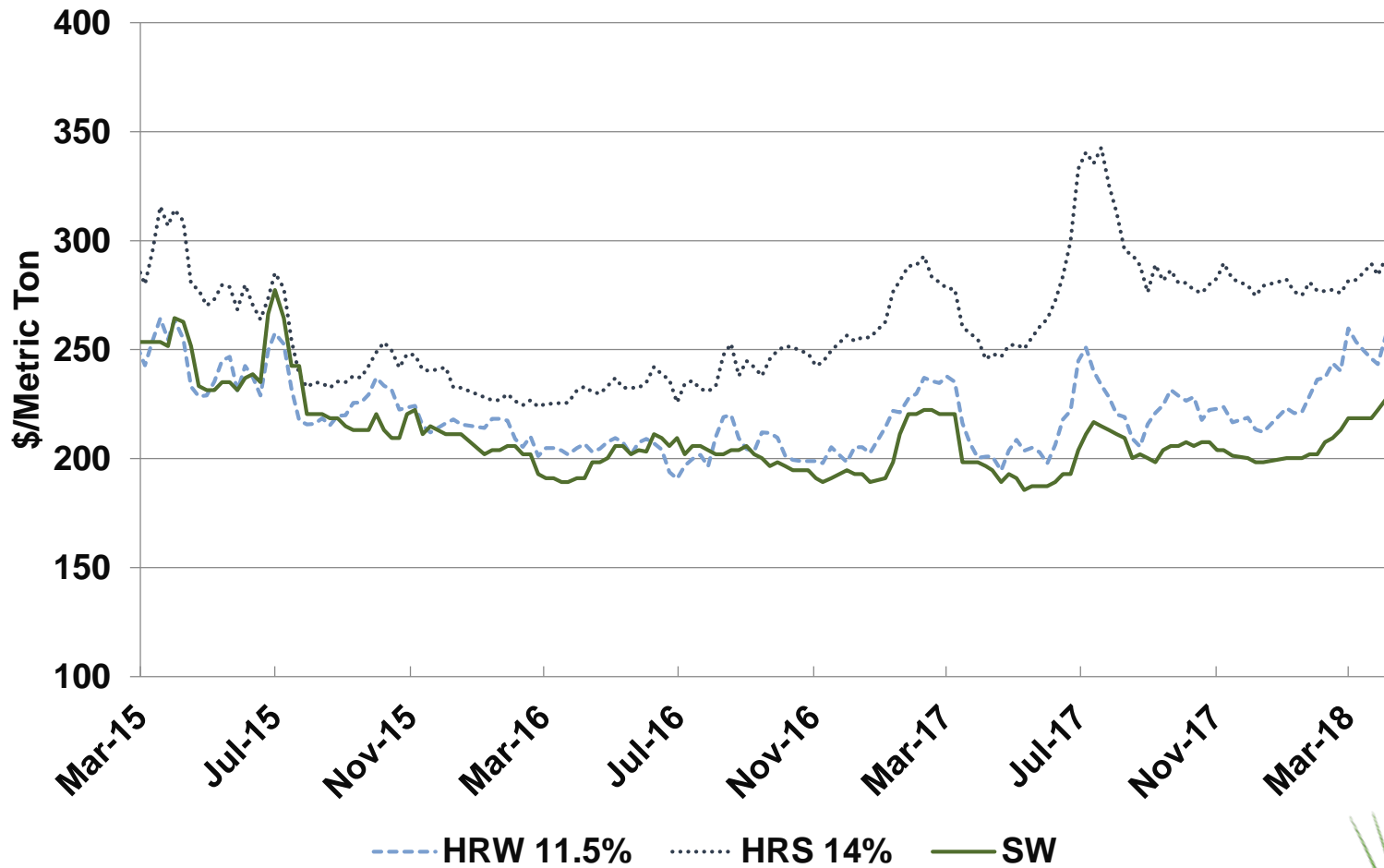
U.S. Wheat Supply and Demand

	White		Durum		Total	
	16/17	17/18	16/17	17/18	16/17	17/18
	MMT					
Beginning Stocks	2.0	2.9	0.8	1.0	26.6	32.1
Production	7.8	7.0	2.8	1.5	62.8	47.4
Imports	<u>0.2</u>	<u>0.2</u>	<u>0.8</u>	<u>1.4</u>	<u>3.2</u>	<u>4.2</u>
Supply Total	10.0	10.1	4.4	3.8	92.6	83.7
Domestic Use	2.7	2.6	2.7	2.3	31.8	29.6
Exports	<u>4.4</u>	<u>5.7</u>	<u>0.7</u>	<u>0.5</u>	<u>28.7</u>	<u>25.2</u>
Use Total	7.2	8.3	3.4	2.8	60.5	54.8
Ending Stocks	2.9	1.8	1.0	1.0	32.1	29.0
Stocks-to-Use	40%	22%	29%	37%	53%	53%

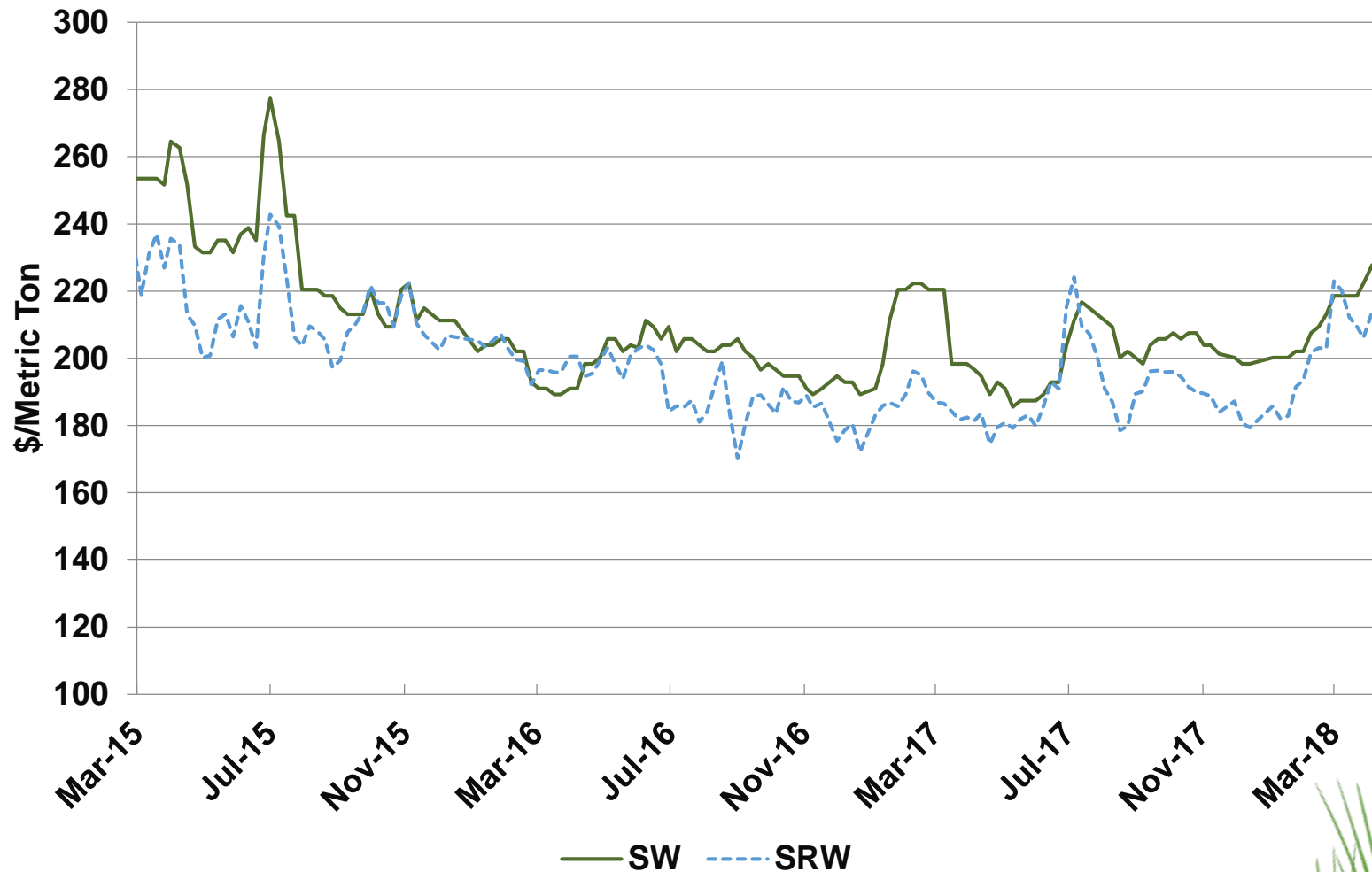
U.S. FOB Gulf Prices



U.S. FOB PNW Prices



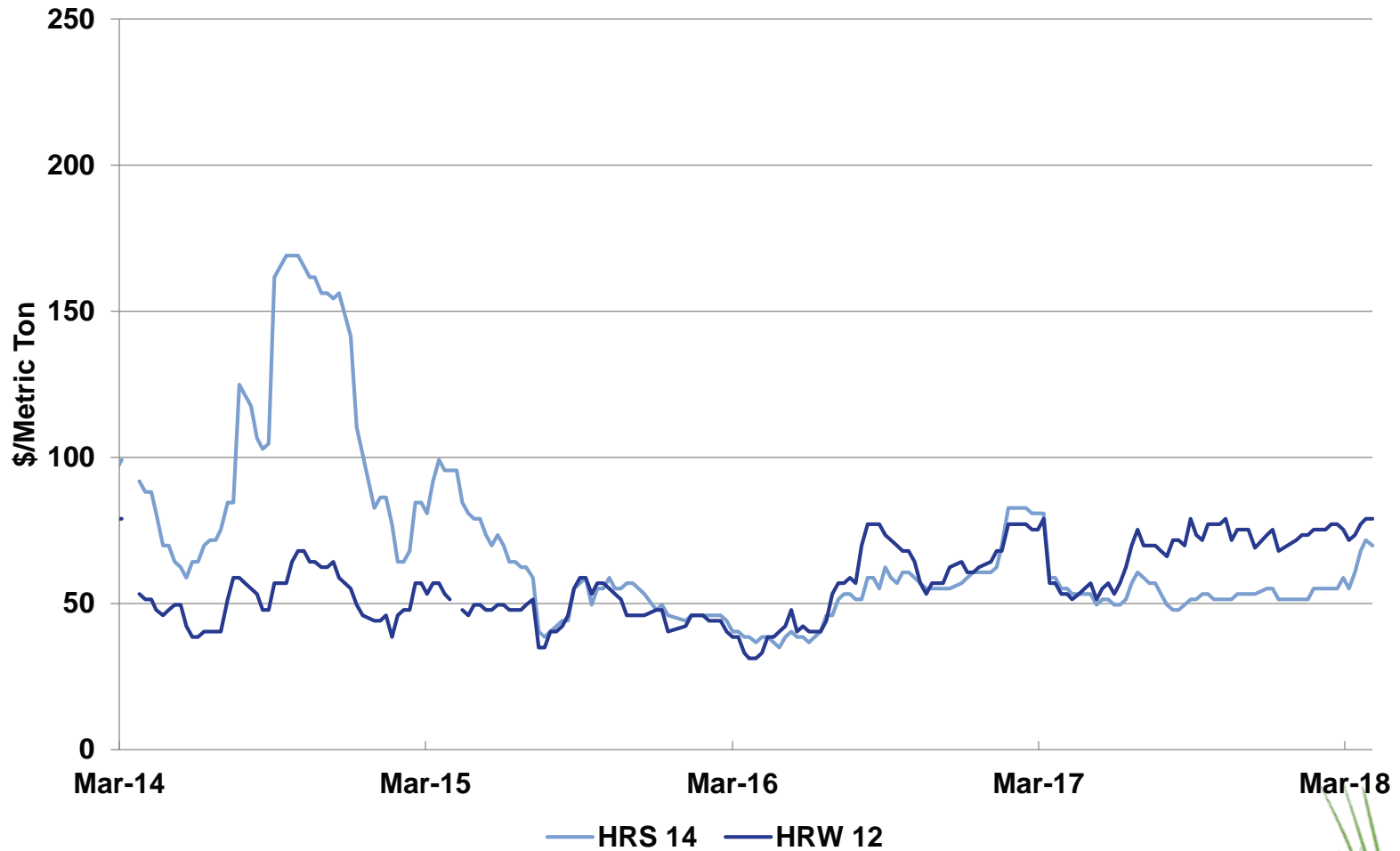
SRW and Soft White Prices



U.S. Gulf Basis Prices



U.S. PNW Basis Prices

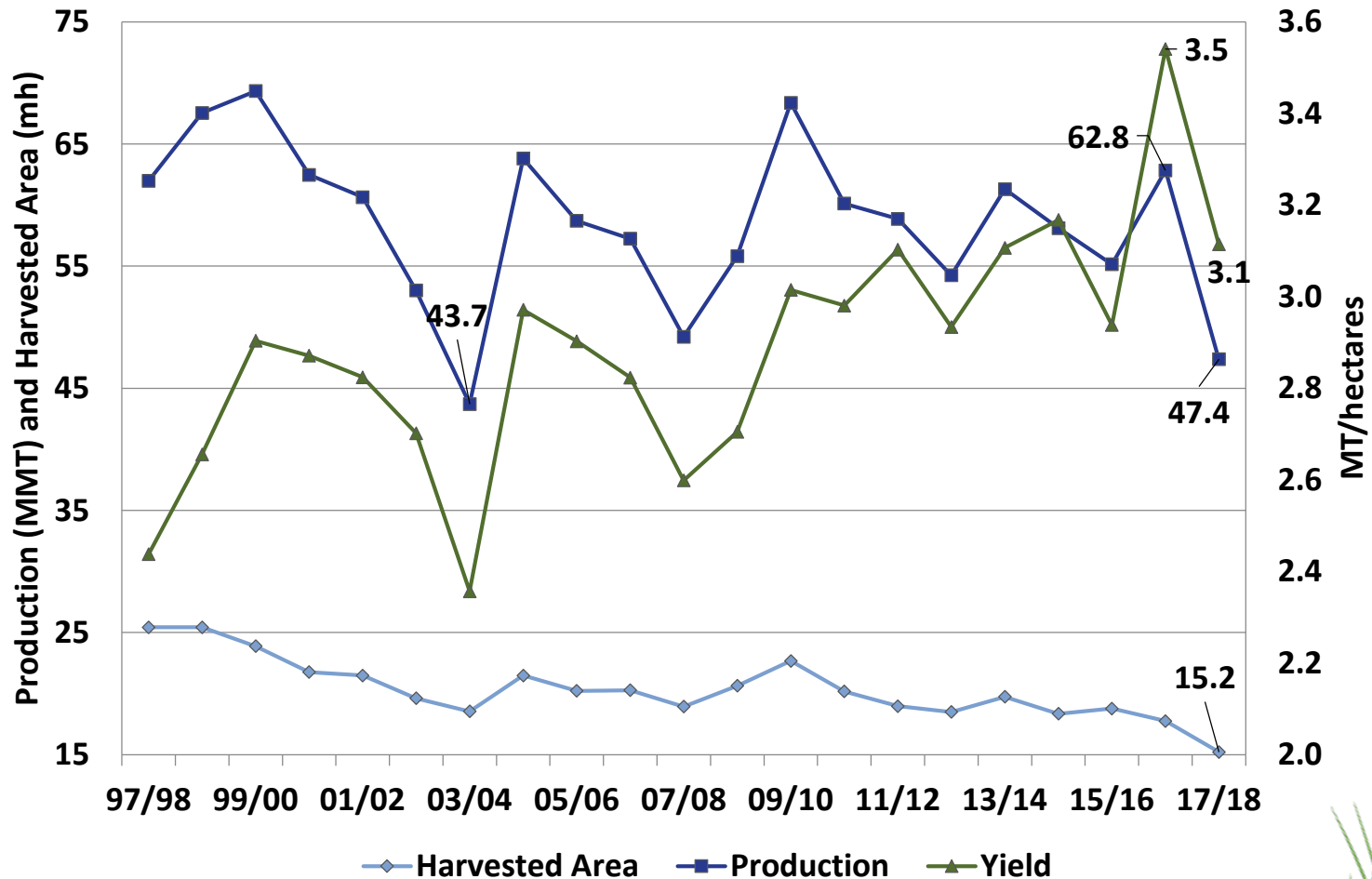


- Major Exporters
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- U.S. Situation by Class
- Outlook

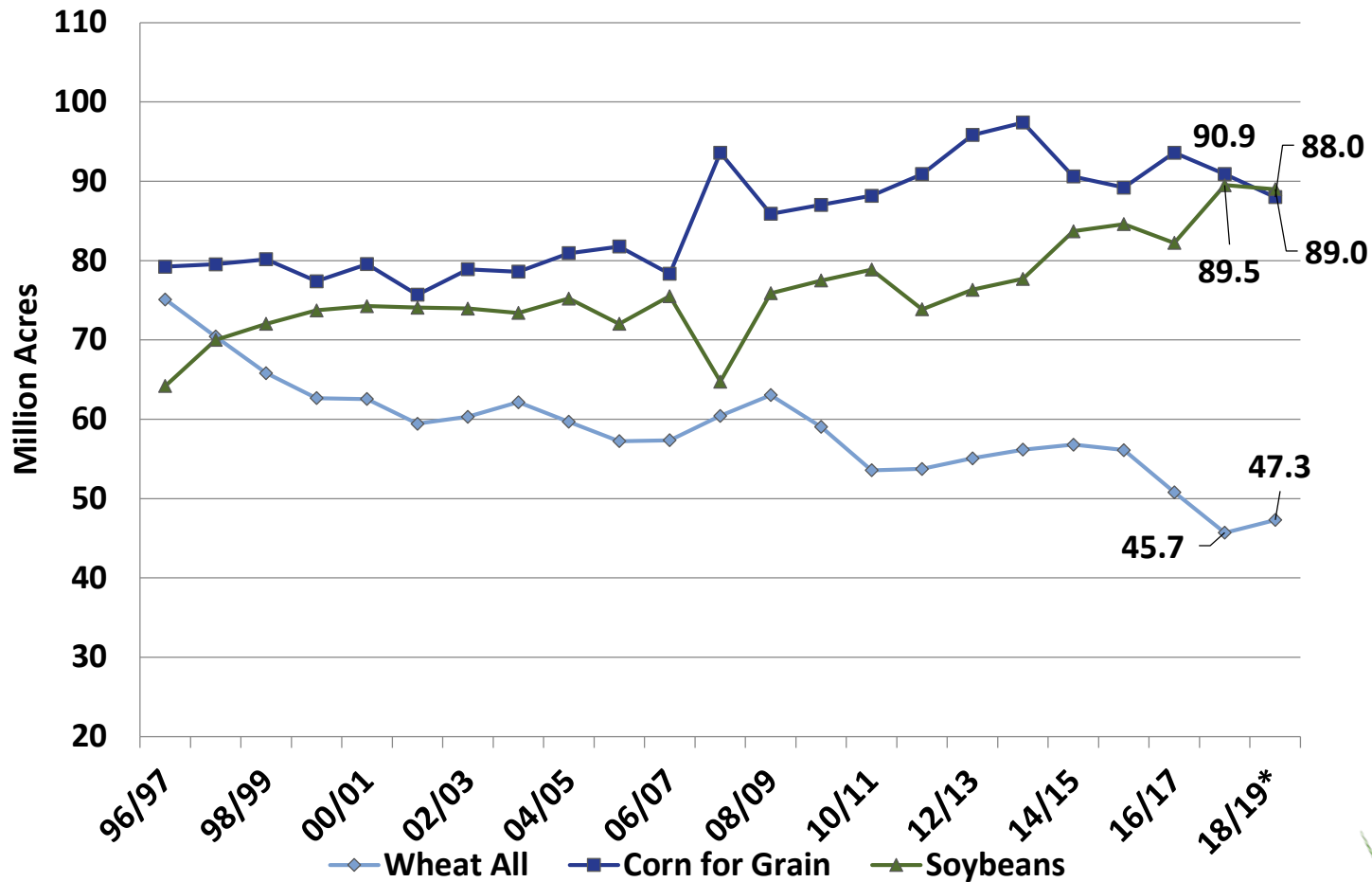


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U.S. Wheat Area and Production



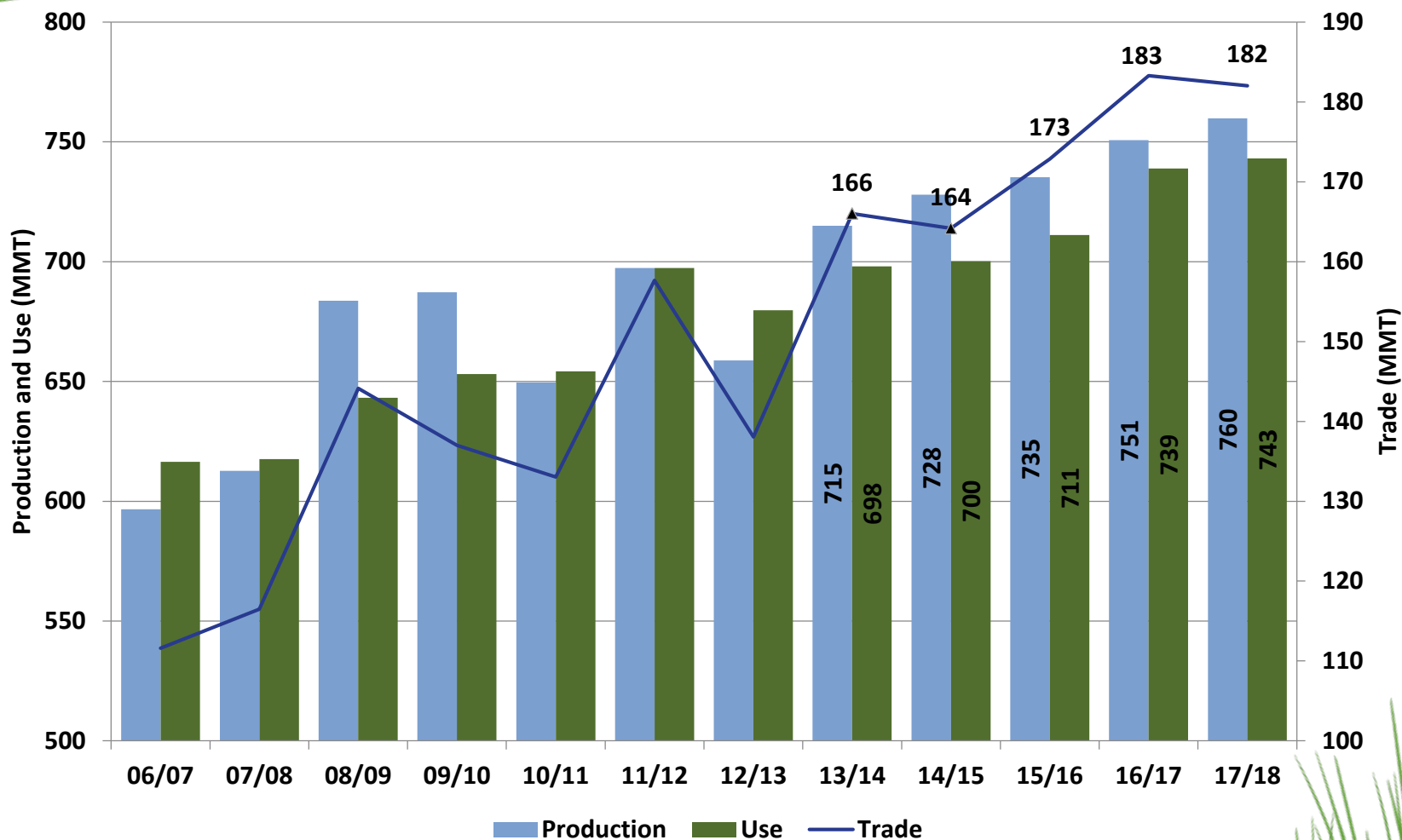
U.S. Crop Planted Area Comparison



*Source: USDA Prospective Plantings Report, March 29, 2018

World Wheat

Production, Use and Trade



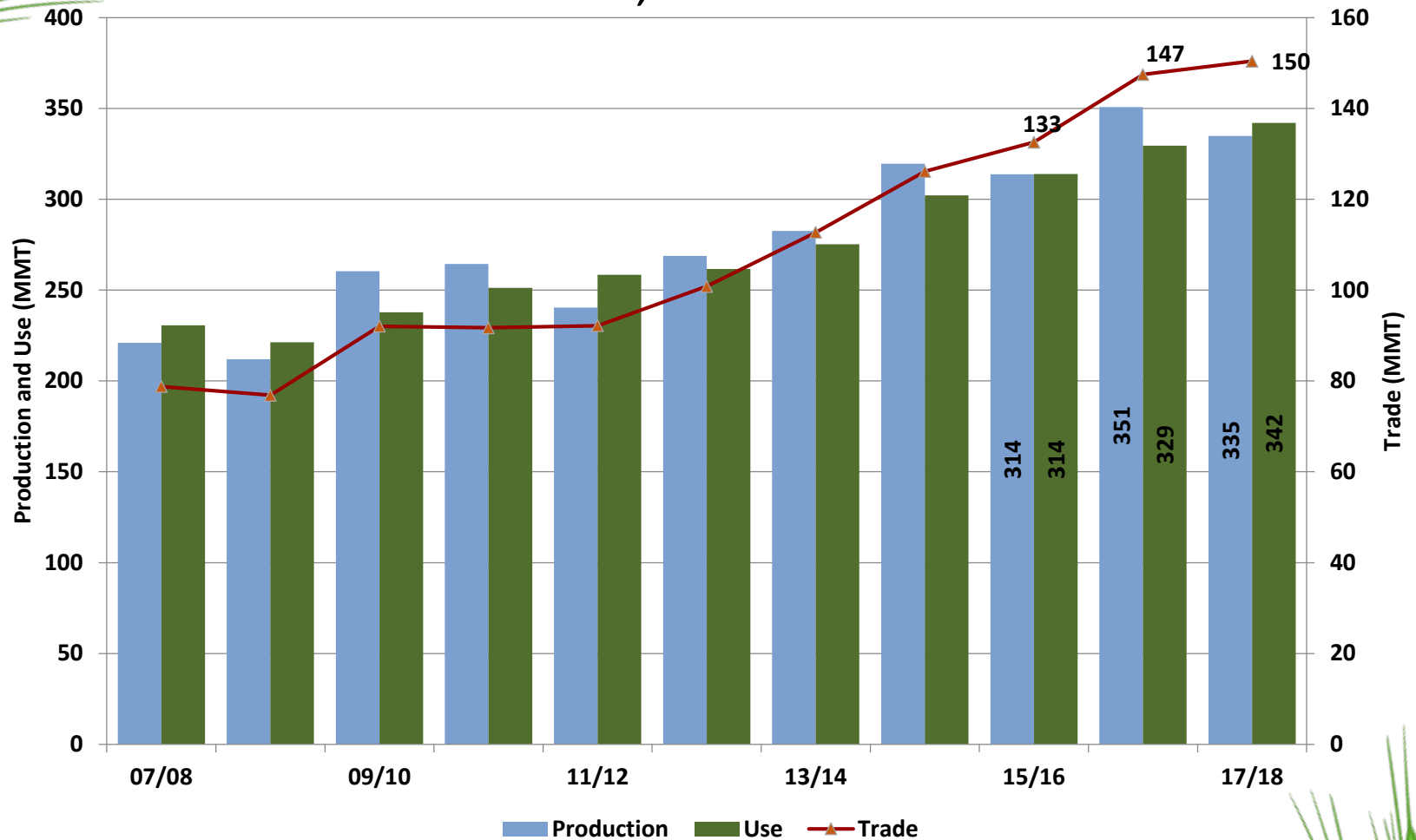
World Corn

Production, Use and Trade

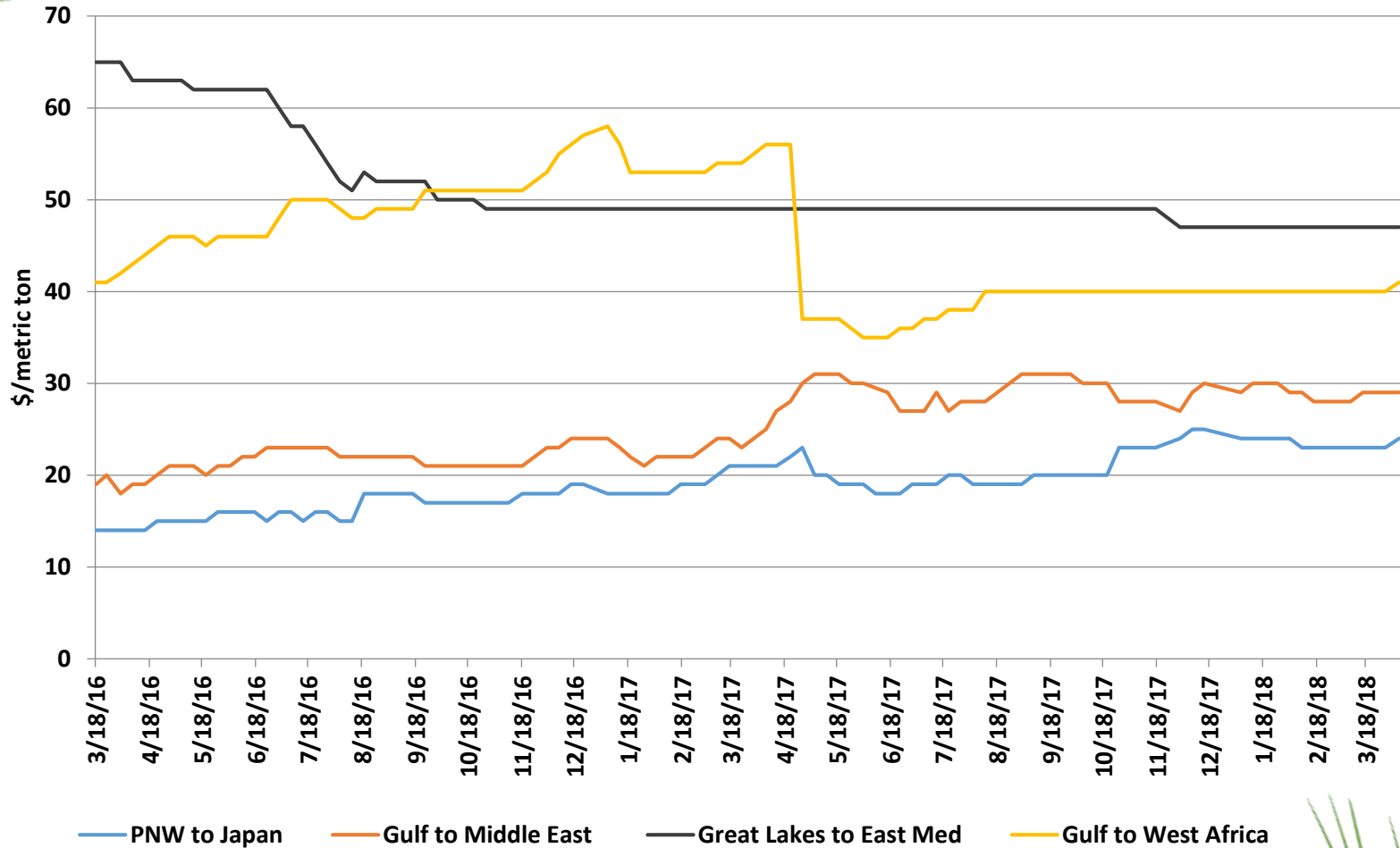


World Soybeans

Production, Use and Trade



Ocean Freight Rates for Grains



Summary

- **Global production at a record 760 MMT, up 1% from 2016/17**
 - Wheat production in the U.S. totaled 47.4, 19% below the 5-year average
- **Global ending stocks to rise to a record 271 MMT, 24% above the 5-year average**
 - Ending stocks in the EU to grow to 13.0 MMT, 20% above 2016/17
 - U.S. ending stocks to decrease to 29.0 MMT, down 10% from 2016/17, if realized
- **World consumption expected to increase 1% in 2017/18, trade down slightly**
 - Indonesia expected to be the largest wheat importer at 12.5 MMT, 23% above 2016/17
 - U.S. 2017/18 exports to total 25.2 MMT, 3% behind the 5-year average, if realized



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