WHEAT OUTLOOK is issued 11 times a year in electronic form by the Economic Research Service, U.S. Department of Agriculture, Washington, D.C. 20036-5831. Printed copies are not available. The report is available as AutoFax document 12105.

Highlights

-- U.S. Wheat Production Off in 1999/2000 as Harvest Gets Underway in Texas
-- Crop Conditions Point to Good Yield Potential in 1999
-- The 1999/2000 Outlook Calls for Lower Ending Stocks and Higher Prices
-- The 1998/99 Balance Sheet Is Revised from Last Month
-- World Wheat Stocks Are Projected To Drop 14 Percent During 1999/2000
-- Global Trade Up, But Large Supplies in Major Exporting Countries Limit Expected Price Increases

The outlook for U.S. wheat in 1999/2000 is for a smaller crop, increased use, lower ending stocks, and higher prices. U.S. production is projected down 12 percent from 1998/99 because of lower harvested area and yields, but U.S. supplies are down only 2 percent because larger beginning stocks will offset much of the decline in production.

Domestic use is projected down 62 million bushels because of lower feed and residual use, and exports are up 100 million, leaving ending stocks down 100 million bushels from the forecast beginning stock level. The projected farm price range is $2.60 to $3.10 per bushel in 1999/2000, compared to a revised $2.65 estimate for 1998/99.

U.S. Wheat Production Off in 1999/2000 as Harvest Gets Underway in Texas

All Wheat--Total U.S. wheat production is projected to total 2.24 billion bushels in 1999, down about 12 percent from 1998. This includes the winter wheat forecast plus a projected spring wheat crop (including durum) of 630 million bushels. The projected spring wheat output is based on farmers’ planting intentions reported in USDA’s March 31 Prospective Plantings report. Harvested acres and yield for spring wheat (including durum) are projected using average harvest-to-planted ratios and average yields by State in 1996-98.

Winter Wheat--USDA forecasts 1999 U.S. winter wheat production at 1.61 billion bushels, down 14 percent from 1998. This production forecast was reported in USDA’s May 12 Crop Production report. The smaller output reflects lower harvested acreage and a lower yield. Harvested area totals 36.3 million acres, down 3 percent from 1998. Based on conditions as of May 1, the U.S. winter wheat yield is forecast at 44.4 bushels per acre. This is down 2.5 bushels from last year’s record but remains the second highest on record.

Winter Wheat by Class--Production of all classes of winter wheat is forecast down from last year with hard red winter (HRW) wheat showing the largest absolute decline--193 million bushels. HRW production is projected to total 989 million bushels, down 16 percent from 1998. Harvested acreage for HRW is estimated to total 25.1 million acres, and average yield is pegged at 39.7 bushels per acre.

Production of soft red winter (SRW) wheat is projected at 411 million bushels this year, the lowest since 1993 and 7 percent below last year. Harvested acreage for SRW is estimated to total 8.0 million acres, and average yield is pegged at 51.7 bushels per acre. White winter (WW) wheat production is
projected at 215 million bushels in 1999, also down 16 percent from 1998 and the lowest since 1991. Harvested acreage for WW is estimated to total 3.3 million acres, and average yield is pegged at 65.9 bushels per acre.

**Crop Conditions Point to Good Yield Potential in 1999**

A mild winter followed by generally favorable spring weather has pushed crop development slightly ahead of average. An average of 43 percent of the crop was headed as of May 9, compared to the 5-year average of 36 percent. The HRW crop survived the winter well, and spring precipitation has been above average in several areas in the central and southern Plains.

In Kansas, the largest wheat producing State, the crop is projected to total 408 million bushels, down from 495 million a year earlier. Forecast harvested acres are down 6 percent while the forecast yield of 43 bushels per acre is down 3 bushels from 1998. As of May 9, 81 percent of the Kansas crop was rated good to excellent, up 3 percentage points from the same time last year. Dry conditions in Texas have lowered the projected yield by 4 bushels from last year. The white winter (WW) wheat crop in the Pacific Northwest appears to be below average, with Washington being the only State with an increase in average yield.

As of May 9, 56 percent of the spring wheat crop was seeded, down from 79 percent in 1998, but well above the average of 46 percent. Emergence was also ahead of schedule at 28 percent, down from 44 percent a year ago but above the average of 18 percent.

**The 1999/2000 Outlook Calls for Lower Ending Stocks and Higher Prices**

With larger beginning stocks (34 percent higher than a year ago) and steady year-over-year imports, the U.S. wheat supply in 1999/2000 is forecast to drop 2 percent to 3.31 billion bushels, the second largest level since 1987/88. The current balance sheet indicates that production and imports will almost satisfy domestic use and export projections during 1999/2000. As a result, the current burdensome carryover stocks will only be reduced by 100 million bushels at the end of the marketing year.

Domestic demand is projected down as weak corn prices and large corn supplies will keep wheat feeding in check. Feed and residual use is projected at 275 million bushels, down 75 million from 1998/99. Food use is expected to increase modestly in response to population increases after a year of stagnant demand in 1998/99. Exports in 1999/200 are expected to rise about 100 million bushels or 10 percent from the disappointing 1998/99 total that included a substantial quantity of donations to needy countries. World trade is projected to increase this year, but the United States will continue to face strong competition, especially from Argentina, Australia, and Canada.

In 1998/99, prices strengthened in the fall as USDA announced donation programs but have weakened since the peak in November. For 1999/2000, a more usual price pattern is expected with prices reaching their seasonal low during harvest and increasing as the marketing season progresses. The average price received by farmers is projected to range from $2.60 to $3.10 per bushel. The midpoint of $2.85 per bushel is up from the $2.65 per bushel estimated for 1998/99, but it is much lower than the $3.49 average farmers received for crop years 1990/91 through 1996/97. The price outcome for 1999/2000 will depend on the pace of exports, as well as weather developments between now and harvest. Exports will be affected greatly by how crops around the world turn out. The size of crops in other countries, their use, and ending stocks of the major competing exporters (Argentina, Australia, Canada, and the European Union) are dominant factors in establishing this year's price forecast.
The 1998/99 Balance Sheet Is Revised from Last Month

U.S. ending stocks for 1998/99 are up 14 million bushels from the April forecast because of a 10-million-bushel reduction in food use, a 1-million-bushel decline in seed use, and a 3-million-bushel increase in imports. The food use forecast was reduced because the Bureau of the Census’ Flour Milling Report [MQ20A(99-01)] for the first calendar quarter (January-March) of 1999 indicated a larger than expected decline in wheat grind and flour production (see table 4). As a result, the food-use estimates for the third quarter of the 1998/99 marketing year was 214 million bushels (see table 3), a 3-percent decline from the same quarter of 1997/98. The 6-million-bushel year-over-year decline in food use in the third quarter of the marketing year more than offset the 4-million-bushel year-over-year gain posted in the second quarter of 1998/99 marketing year. Annual food use in 1998/99 is now projected at 915 million bushels. The import projection for hard red spring (HRS) in 1998/99 was raised 3 million bushels because of higher-than-expected imports of that class in recent months.

World Wheat Stocks Are Projected To Drop 14 Percent During 1999/2000

The first monthly projection of 1999/2000 global supply and demand includes a 19-million-ton drop in world wheat stocks, the largest reduction since 1994/95. Since 1970, global wheat stocks have declined by more than 20 million tons only 3 times. Stocks are expected to fall because world production is declining while foreign consumption is expected to grow, albeit slowly. The global ending-stocks-to-use ratio is expected to drop to 19.9 percent, almost as low as the 19.6 percent reached in 1996/97. However, price increases during 1999/2000 are expected to be only modest because the major wheat exporters’ supplies are large.

World wheat production is projected at 572 million tons in 1999/2000, down less than 3 percent from the previous year. Low wheat prices in the international market during 1998/99 have provided disincentives for producers in many countries. Additionally, the European Union (EU) increased its area set-aside from 5 to 10 percent. Moreover, unfavorable weather has reduced production prospects in several countries. In China a dry fall planting season was followed by the driest winter on record in parts of the North China Plain. While irrigation will limit the damage done by drought, the use of irrigation is not extensive enough to prevent a decline in production. There has also been an extensive drought across much of the Middle East, with reduced wheat production prospects from Israel, across Jordan, Syria, Iraq, and into Iran. Additionally, drought has devastated wheat crops in Spain, Portugal, and Morocco.

However, some countries are expected to increase wheat production in 1999/2000, partly offsetting reduced production elsewhere. In the former Soviet Union, wheat production is expected up 15 percent, rebounding from the previous year’s drought-reduced crop. India, the first country to harvest wheat during the marketing year, has had excellent growing conditions, and record production is reportedly being harvested. Also, Argentina, Australia, and Canada, some of the major competing exporters, are expected to increase wheat production modestly. Very low prices for oilseeds, feed grains, and wool are expected to support these countries’ wheat area. However, production projections for these countries are tentative because planting is just underway for spring wheat in Canada, and about to begin for winter wheat in Argentina and Australia (Southern Hemisphere).

Large beginning stocks insure ample wheat supplies in 1999/2000, especially among the major exporters. Australia, Canada, the EU, and the United States have larger beginning stocks. These large stocks are expected to limit early season price strength, because, as the new crop is harvested, demand for
limited storage capacity will increase. Global 1999/2000 beginning stocks are
down from a year earlier because of sharp reductions in the former Soviet
Union, China, and Iran.

World wheat consumption in 1999/2000 is projected at 592 million tons, up only
0.3 of a percent from a year earlier. Global feed and residual use is
projected to fall about 3 million tons. Wheat feeding will rise in the EU
because internal prices favor wheat in rations, and in the former Soviet
Union, where sharply higher wheat production will boost wheat available for
feeding. These increases, however, will be more than offset by reduced wheat
feeding in Eastern Europe, where a smaller wheat crop will limit feed wheat
supplies, and in other places, such as South Korea and the United States,
where low prices for feed grains and other feed ingredients are expected to
limit wheat feeding. Global food, seed, and industrial consumption of wheat
in 1999/2000 is expected to grow slowly, up less than 1 percent, but still 1.0
million tons greater than the 3.7-million-ton increase that occurred in
1998/99. Despite the small consumption growth, use will exceed projected
world production by almost 20 million tons.

Global Trade Up, But Large Supplies in Major Exporting Countries Limit
Expected Price Increases

Large supplies held by the major exporters, prices near historical lows (when
adjusted for inflation), and tight supplies in several importing countries are
expected to boost 1999/2000 world trade 6 percent to 101 million tons
(July/June international marketing year, excluding intra-EU trade). The
United States is expected to capture a significant part of this increased
trade, with exports up 2.5 million tons to 30.5 million. The U.S. share of
world wheat trade is projected to increase slightly to 31 percent. During the
first part of 1999/2000, a large program of aid shipments announced the
previous year will boost U.S. exports. However, early season commercial sales
for 1999/2000 reported in U.S. Export Sales are very low by historical
standards.

Australia and Canada are each projected to increase wheat exports to 17
million tons in 1999/2000 because of increased supplies and growing demand.
Canada’s share of world wheat trade is projected up 2 points to 17 percent,
while Australia’s share is up only 1 point to 17 percent. Argentina’s wheat
exports are expected to decline 0.5 million tons to 7.0 million on a July/June
marketing year, despite increased production. Argentina’s harvest does not
begin until November, and the export pace from July 1999 till November is
expected to be very light, because the reduced 1998 crop was shipped out
rapidly.

The EU is expected to maintain wheat exports at 16 million tons in 1999/2000.
Lower production and increased domestic use are expected to tighten the EU
wheat supply and demand, but with burdensome beginning stocks of more than 20
million tons, the EU Commission is expected to maintain the pace of exports
and sharply reduce expensive intervention stocks.

Turkey is also expected to maintain large subsidized wheat exports in
1999/2000. India, Kazakhstan and Ukraine are expected to boost exports because
of increased production. However, wheat exports out of Eastern Europe are
expected to decline because of reduced production. Eastern Europe is expected
to increase imports by more than 1 million tons as low prices, excessive rains
during the planting season, and flooding during the spring snow melt reduced
wheat area by more than 15 percent.

Imports by China and Iran are each projected to increase by 2.5 million tons
in 1999/2000. Drought has reduced their production prospects for 1999/2000,
and beginning stocks are forecast down significantly.
Reduced production is also expected to drive Pakistan and Morocco to increase imports in 1999/2000. Pakistan is not expected to match the previous year’s record production, while Morocco suffered from drought this winter. Pakistan is projected to boost imports by 0.8 million tons, while Morocco’s imports increase by almost as much.

North Korea is projected to boost wheat imports by 0.4 million tons because of ongoing food aid. Several countries, such as Egypt and the Philippines, are expected to have small increases in imports to maintain consumption growth. However, some countries are expected to reduce imports. Bangladesh’s imports are expected to drop because 1998/99 imports were much higher than normal due to large aid shipments in response to massive flooding. Brazil is expected to import 1.1 million tons less because of increased production and poor economic conditions. Algeria, Tunisia, and India are expected to reduce imports because of increased production.

Information Contacts:

Mack N. Leath    (domestic)            (202) 694-5302
Edward W. Allen   (international)      (202) 694-5288

Electronic copies available at:

ERS Autofax system     (202) 694-5700
Document Number        12105

The next electronic Wheat Outlook report will be issued on June 15, 1999.

The 1998 Wheat Yearbook is now available at:

1) ERS AutoFax; Call (202) 694-5700 and select document 12100 for a complete directory of the historical tables and special articles.


Other wheat publications may be obtained from the ERS “Wheat Briefing Room” at http://www.econ.ag.gov/Briefing/wheat.
Table 1--Wheat: U.S. market year supply and disappearance, 5/14/99

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area:</strong> (mil. ac.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National total base</td>
<td>88.9</td>
<td>88.5</td>
<td>87.9</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Eff. base/Ctr. acres</td>
<td>0.50/92.85</td>
<td>5.2</td>
<td>6.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>CRP base retired</td>
<td>10.8</td>
<td>10.8</td>
<td>10.6</td>
<td>10.1</td>
<td>9.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Planted</td>
<td>70.3</td>
<td>69.0</td>
<td>75.1</td>
<td>70.4</td>
<td>65.9</td>
<td>63.0</td>
</tr>
<tr>
<td>Harvested</td>
<td>61.8</td>
<td>61.0</td>
<td>62.8</td>
<td>62.8</td>
<td>59.0</td>
<td>55.4</td>
</tr>
<tr>
<td><strong>Yield:</strong> (bu/acre)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>37.6</td>
<td>35.8</td>
<td>36.3</td>
<td>39.5</td>
<td>43.2</td>
<td>40.5</td>
</tr>
<tr>
<td><strong>Supply:</strong> (mil. bu.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning stocks</td>
<td>568.5</td>
<td>506.6</td>
<td>376.0</td>
<td>443.6</td>
<td>722.5</td>
<td>968.8</td>
</tr>
<tr>
<td>Production</td>
<td>2,321.0</td>
<td>2,182.7</td>
<td>2,277.4</td>
<td>2,481.5</td>
<td>2,550.4</td>
<td>2,244.8</td>
</tr>
<tr>
<td>Imports 1/</td>
<td>91.9</td>
<td>67.9</td>
<td>92.3</td>
<td>94.8</td>
<td>98.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Total supply</td>
<td>2,981.4</td>
<td>2,757.2</td>
<td>2,745.7</td>
<td>3,019.9</td>
<td>3,370.9</td>
<td>3,308.6</td>
</tr>
<tr>
<td><strong>Use:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>853.0</td>
<td>882.9</td>
<td>890.7</td>
<td>916.5</td>
<td>915.0</td>
<td>925.0</td>
</tr>
<tr>
<td>Seed</td>
<td>89.0</td>
<td>103.5</td>
<td>102.3</td>
<td>92.6</td>
<td>87.1</td>
<td>90.0</td>
</tr>
<tr>
<td>Feed and residual</td>
<td>344.5</td>
<td>153.7</td>
<td>307.6</td>
<td>248.0</td>
<td>350.0</td>
<td>275.0</td>
</tr>
<tr>
<td>Total domestic</td>
<td>1,286.6</td>
<td>1,140.1</td>
<td>1,300.6</td>
<td>1,257.0</td>
<td>1,352.1</td>
<td>1,290.0</td>
</tr>
<tr>
<td>Exports 1/</td>
<td>1,188.3</td>
<td>1,241.1</td>
<td>1,001.5</td>
<td>1,040.4</td>
<td>1,050.0</td>
<td>1,150.0</td>
</tr>
<tr>
<td>Total use</td>
<td>2,474.8</td>
<td>2,381.2</td>
<td>2,302.1</td>
<td>2,297.4</td>
<td>2,402.1</td>
<td>2,440.0</td>
</tr>
<tr>
<td><strong>Ending stocks:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmer-owned reserve</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>CCC inventory 2/</td>
<td>142.0</td>
<td>118.0</td>
<td>93.0</td>
<td>94.0</td>
<td>110.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Free stocks</td>
<td>364.6</td>
<td>258.0</td>
<td>350.6</td>
<td>628.5</td>
<td>858.8</td>
<td>768.6</td>
</tr>
<tr>
<td>Stocks-to-use ratio</td>
<td>20.5</td>
<td>15.8</td>
<td>19.3</td>
<td>31.4</td>
<td>40.3</td>
<td>35.6</td>
</tr>
<tr>
<td><strong>Prices:</strong> ($/bu.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target price</td>
<td>4.00</td>
<td>4.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Loan rate</td>
<td>2.58</td>
<td>2.58</td>
<td>2.58</td>
<td>2.58</td>
<td>2.58</td>
<td>2.58</td>
</tr>
<tr>
<td>Contract rate 3/</td>
<td>0.61</td>
<td>0.00</td>
<td>0.87</td>
<td>0.63</td>
<td>0.66</td>
<td>0.64</td>
</tr>
<tr>
<td>Ave. farm price</td>
<td>3.45</td>
<td>4.55</td>
<td>4.30</td>
<td>3.38</td>
<td>2.65</td>
<td>2.60-3.10</td>
</tr>
<tr>
<td>Contract payments (mil. dollars) 3/</td>
<td>1,146</td>
<td>100</td>
<td>1,941</td>
<td>1,414</td>
<td>1,923</td>
<td>1,565</td>
</tr>
<tr>
<td>Market value of production (mil. dollars) 3/</td>
<td>8,007</td>
<td>9,787</td>
<td>9,782</td>
<td>8,287</td>
<td>6,759</td>
<td>6,398</td>
</tr>
</tbody>
</table>

Table 2—Wheat Classes: U.S. marketing year supply and disappearance, 5/14/99

<table>
<thead>
<tr>
<th></th>
<th>HRW</th>
<th>HRS</th>
<th>SRW</th>
<th>White</th>
<th>Durum</th>
<th>All wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planted</td>
<td>34.02</td>
<td>18.27</td>
<td>9.88</td>
<td>4.93</td>
<td>3.31</td>
<td>70.41</td>
</tr>
<tr>
<td>Harvested</td>
<td>28.71</td>
<td>17.51</td>
<td>8.71</td>
<td>4.73</td>
<td>3.18</td>
<td>62.84</td>
</tr>
<tr>
<td>Bushels per acre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yield:</td>
<td>38.26</td>
<td>28.06</td>
<td>54.19</td>
<td>70.20</td>
<td>27.60</td>
<td>39.49</td>
</tr>
<tr>
<td>Supply:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beg. stocks</td>
<td>142.9</td>
<td>166.0</td>
<td>45.0</td>
<td>59.0</td>
<td>30.7</td>
<td>443.6</td>
</tr>
<tr>
<td>Production</td>
<td>1,098.3</td>
<td>491.3</td>
<td>472.0</td>
<td>332.1</td>
<td>87.8</td>
<td>2,481.5</td>
</tr>
<tr>
<td>Imports 2/</td>
<td>0.6</td>
<td>56.7</td>
<td>0.0</td>
<td>8.4</td>
<td>29.1</td>
<td>94.8</td>
</tr>
<tr>
<td>Total</td>
<td>1,242</td>
<td>714</td>
<td>517</td>
<td>399</td>
<td>148</td>
<td>3,020</td>
</tr>
<tr>
<td>Utilization:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total domestic</td>
<td>577.0</td>
<td>254.0</td>
<td>257.0</td>
<td>104.5</td>
<td>64.5</td>
<td>1,257.0</td>
</tr>
<tr>
<td>Exports 2/</td>
<td>358.2</td>
<td>240.0</td>
<td>180.0</td>
<td>205.0</td>
<td>57.2</td>
<td>1,040.4</td>
</tr>
<tr>
<td>Total</td>
<td>935.2</td>
<td>494.0</td>
<td>437.0</td>
<td>309.5</td>
<td>121.8</td>
<td>2,297.4</td>
</tr>
<tr>
<td>Ending stocks:</td>
<td>306.7</td>
<td>220.0</td>
<td>80.0</td>
<td>90.0</td>
<td>25.8</td>
<td>722.5</td>
</tr>
<tr>
<td>1998/99P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planted</td>
<td>32.36</td>
<td>14.85</td>
<td>10.18</td>
<td>4.67</td>
<td>3.80</td>
<td>65.87</td>
</tr>
<tr>
<td>Harvested</td>
<td>27.34</td>
<td>14.41</td>
<td>9.06</td>
<td>4.46</td>
<td>3.73</td>
<td>59.00</td>
</tr>
<tr>
<td>Bushels per acre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yield:</td>
<td>43.24</td>
<td>33.78</td>
<td>48.86</td>
<td>66.77</td>
<td>37.82</td>
<td>43.23</td>
</tr>
<tr>
<td>Supply:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beg. stocks</td>
<td>306.7</td>
<td>220.0</td>
<td>80.0</td>
<td>90.0</td>
<td>25.8</td>
<td>722.5</td>
</tr>
<tr>
<td>Production</td>
<td>1,182.1</td>
<td>486.8</td>
<td>442.6</td>
<td>297.8</td>
<td>141.1</td>
<td>2,550.4</td>
</tr>
<tr>
<td>Imports 2/</td>
<td>1.0</td>
<td>55.0</td>
<td>0.0</td>
<td>9.0</td>
<td>33.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Total</td>
<td>1,490</td>
<td>762</td>
<td>523</td>
<td>397</td>
<td>200</td>
<td>3,371</td>
</tr>
<tr>
<td>Utilization:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total domestic</td>
<td>607.6</td>
<td>261.8</td>
<td>297.6</td>
<td>97.9</td>
<td>87.2</td>
<td>1,352.1</td>
</tr>
<tr>
<td>Exports 2/</td>
<td>435.0</td>
<td>250.0</td>
<td>100.0</td>
<td>225.0</td>
<td>40.0</td>
<td>1,050.0</td>
</tr>
<tr>
<td>Total</td>
<td>1,042.6</td>
<td>511.8</td>
<td>397.6</td>
<td>322.9</td>
<td>127.2</td>
<td>2,402.1</td>
</tr>
<tr>
<td>Ending stocks:</td>
<td>447.1</td>
<td>250.0</td>
<td>125.1</td>
<td>73.9</td>
<td>72.7</td>
<td>968.8</td>
</tr>
</tbody>
</table>

Source: World Agricultural Supply and Demand Estimates, WAOB, USDA. Totals may not add due to rounding. E=Estimated, P=Projected. 1/ ERS estimates of area, yield, and domestic use. 2/ Imports and exports include flour and other products expressed in wheat equivalent.
### Table 3--Wheat: Quarterly supply and disappearance, 5/14/99

<table>
<thead>
<tr>
<th>Market Year</th>
<th>Production</th>
<th>Imports 2/</th>
<th>Supply</th>
<th>Food</th>
<th>Seed</th>
<th>Feed</th>
<th>Exports 2/</th>
<th>Ending stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun-Aug</td>
<td>2,277</td>
<td>15</td>
<td>2,668</td>
<td>224</td>
<td>9</td>
<td>378</td>
<td>334</td>
<td>1,724</td>
</tr>
<tr>
<td>Sep-Nov</td>
<td>---</td>
<td>21</td>
<td>1,745</td>
<td>234</td>
<td>60</td>
<td>(76)</td>
<td>308</td>
<td>1,219</td>
</tr>
<tr>
<td>Dec-Feb</td>
<td>---</td>
<td>27</td>
<td>2,246</td>
<td>213</td>
<td>2</td>
<td>30</td>
<td>179</td>
<td>822</td>
</tr>
<tr>
<td>Mar-May</td>
<td>---</td>
<td>30</td>
<td>852</td>
<td>221</td>
<td>32</td>
<td>(24)</td>
<td>180</td>
<td>444</td>
</tr>
<tr>
<td>Mkt. year</td>
<td>2,277</td>
<td>92</td>
<td>2,746</td>
<td>891</td>
<td>102</td>
<td>308</td>
<td>1,002</td>
<td>444</td>
</tr>
<tr>
<td>1997/98 E:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun-Aug</td>
<td>2,481</td>
<td>23</td>
<td>2,948</td>
<td>228</td>
<td>3</td>
<td>352</td>
<td>288</td>
<td>2,076</td>
</tr>
<tr>
<td>Sep-Nov</td>
<td>---</td>
<td>23</td>
<td>2,099</td>
<td>239</td>
<td>59</td>
<td>(113)</td>
<td>296</td>
<td>1,619</td>
</tr>
<tr>
<td>Dec-Feb</td>
<td>---</td>
<td>24</td>
<td>1,643</td>
<td>220</td>
<td>2</td>
<td>(1)</td>
<td>255</td>
<td>1,167</td>
</tr>
<tr>
<td>Mar-May</td>
<td>---</td>
<td>26</td>
<td>1,192</td>
<td>230</td>
<td>29</td>
<td>10</td>
<td>201</td>
<td>722</td>
</tr>
<tr>
<td>Mkt. year</td>
<td>2,481</td>
<td>95</td>
<td>3,020</td>
<td>916</td>
<td>93</td>
<td>248</td>
<td>1,040</td>
<td>722</td>
</tr>
<tr>
<td>1998/99 P:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun-Aug</td>
<td>2,550</td>
<td>24</td>
<td>3,297</td>
<td>227</td>
<td>1</td>
<td>426</td>
<td>257</td>
<td>2,385</td>
</tr>
<tr>
<td>Sep-Nov</td>
<td>---</td>
<td>24</td>
<td>2,409</td>
<td>243</td>
<td>55</td>
<td>(76)</td>
<td>292</td>
<td>1,896</td>
</tr>
<tr>
<td>Dec-Feb</td>
<td>---</td>
<td>28</td>
<td>1,923</td>
<td>214</td>
<td>1</td>
<td>17</td>
<td>246</td>
<td>1,445</td>
</tr>
<tr>
<td>Mar-May</td>
<td>---</td>
<td>22</td>
<td>1,467</td>
<td>231</td>
<td>30</td>
<td>(17)</td>
<td>255</td>
<td>969</td>
</tr>
<tr>
<td>Mkt. year</td>
<td>2,550</td>
<td>98</td>
<td>3,371</td>
<td>915</td>
<td>87</td>
<td>350</td>
<td>1,050</td>
<td>969</td>
</tr>
</tbody>
</table>

Totals might not add due to rounding. E=Estimated, P=Projected. 1/ Imports and exports include flour and selected products expressed in wheat equivalent.

### Table 4--Wheat: Monthly food use estimates (1,000 bu.), 1998/99, 5/14/99

<table>
<thead>
<tr>
<th>1998/99 (Est.)</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill grind 1/ +</td>
<td>71,086</td>
<td>72,020</td>
<td>78,713</td>
<td>75,688</td>
<td>84,414</td>
<td>80,799</td>
</tr>
<tr>
<td>Food imports +</td>
<td>1,914</td>
<td>1,886</td>
<td>2,064</td>
<td>1,744</td>
<td>2,076</td>
<td>2,020</td>
</tr>
<tr>
<td>Non-flour food use +</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Food exports -</td>
<td>2,189</td>
<td>1,968</td>
<td>2,297</td>
<td>3,151</td>
<td>4,056</td>
<td>2,524</td>
</tr>
<tr>
<td>Food use</td>
<td>72,811</td>
<td>73,938</td>
<td>80,480</td>
<td>76,282</td>
<td>84,436</td>
<td>82,295</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill grind 1/ +</td>
<td>75,842</td>
<td>69,869</td>
<td>69,314</td>
<td>73,539</td>
<td></td>
</tr>
<tr>
<td>Food imports +</td>
<td>2,090</td>
<td>1,903</td>
<td>1,766</td>
<td>N.A.</td>
<td></td>
</tr>
<tr>
<td>Non-flour food use +</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Food exports -</td>
<td>6,721</td>
<td>2,755</td>
<td>3,535</td>
<td>N.A.</td>
<td></td>
</tr>
<tr>
<td>Food use*</td>
<td>73,210</td>
<td>71,017</td>
<td>69,545</td>
<td>N.A.</td>
<td></td>
</tr>
</tbody>
</table>

Table 5—Wheat: Farm prices and prices at selected markets ($/bu.), 5/14/99

<table>
<thead>
<tr>
<th>Month</th>
<th>All wheat 97/98 98/99</th>
<th>Winter 97/98 98/99</th>
<th>Durum 97/98 98/99</th>
<th>Other spring 97/98 98/99</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun</td>
<td>3.52 2.77</td>
<td>3.42 2.68</td>
<td>4.20 3.98</td>
<td>3.74 3.22</td>
</tr>
<tr>
<td>Jul</td>
<td>3.23 2.56</td>
<td>3.16 2.48</td>
<td>4.61 3.37</td>
<td>3.66 3.08</td>
</tr>
<tr>
<td>Aug</td>
<td>3.56 2.39</td>
<td>3.39 2.25</td>
<td>5.23 3.25</td>
<td>3.75 2.71</td>
</tr>
<tr>
<td>Sep</td>
<td>3.66 2.41</td>
<td>3.46 2.32</td>
<td>5.35 3.08</td>
<td>3.64 2.65</td>
</tr>
<tr>
<td>Oct</td>
<td>3.58 2.79</td>
<td>3.42 2.66</td>
<td>5.14 3.16</td>
<td>3.49 3.12</td>
</tr>
<tr>
<td>Nov</td>
<td>3.54 2.97</td>
<td>3.31 2.78</td>
<td>5.29 3.17</td>
<td>3.55 3.26</td>
</tr>
<tr>
<td>Dec</td>
<td>3.44 2.87</td>
<td>3.24 2.67</td>
<td>5.16 3.14</td>
<td>3.51 3.26</td>
</tr>
<tr>
<td>Jan</td>
<td>3.32 2.80</td>
<td>3.16 2.67</td>
<td>5.02 3.21</td>
<td>3.44 3.07</td>
</tr>
<tr>
<td>Feb</td>
<td>3.27 2.74</td>
<td>3.16 2.56</td>
<td>4.69 2.84</td>
<td>3.34 3.10</td>
</tr>
<tr>
<td>Mar</td>
<td>3.33 2.65</td>
<td>3.15 2.53</td>
<td>4.70 2.81</td>
<td>3.42 3.01</td>
</tr>
<tr>
<td>Apr 1/</td>
<td>3.18 2.71</td>
<td>2.94 2.51</td>
<td>4.60 2.78</td>
<td>3.37 2.99</td>
</tr>
<tr>
<td>May</td>
<td>3.06 .</td>
<td>2.90 .</td>
<td>4.28 .</td>
<td>3.31 .</td>
</tr>
<tr>
<td></td>
<td>KC HRW #1</td>
<td>KC HRW #1</td>
<td>St. Louis</td>
<td>Portland</td>
</tr>
<tr>
<td></td>
<td>ordinary 13% prot.</td>
<td>13% prot.</td>
<td>#2 SRW</td>
<td>#1 soft white</td>
</tr>
<tr>
<td>Jun</td>
<td>4.08 3.16</td>
<td>4.19 3.57</td>
<td>3.46 2.66</td>
<td>4.20 2.93</td>
</tr>
<tr>
<td>Jul</td>
<td>3.57 3.02</td>
<td>3.80 3.57</td>
<td>3.34 2.43</td>
<td>3.85 2.72</td>
</tr>
<tr>
<td>Aug</td>
<td>3.84 2.74</td>
<td>4.11 3.12</td>
<td>3.64 2.26</td>
<td>4.10 2.66</td>
</tr>
<tr>
<td>Sep</td>
<td>3.86 2.81</td>
<td>4.07 3.17</td>
<td>3.62 2.12</td>
<td>4.12 2.69</td>
</tr>
<tr>
<td>Oct</td>
<td>3.88 3.30</td>
<td>4.09 3.67</td>
<td>3.58 2.23</td>
<td>3.98 3.15</td>
</tr>
<tr>
<td>Nov</td>
<td>3.87 3.42</td>
<td>4.09 3.89</td>
<td>3.57 2.41</td>
<td>3.88 3.15</td>
</tr>
<tr>
<td>Dec</td>
<td>3.72 3.31</td>
<td>4.01 3.74</td>
<td>3.53 2.54</td>
<td>3.79 3.12</td>
</tr>
<tr>
<td>Jan</td>
<td>3.61 3.27</td>
<td>3.80 3.61</td>
<td>3.87 2.51</td>
<td>3.67 3.15</td>
</tr>
<tr>
<td>Feb</td>
<td>3.64 3.05</td>
<td>3.86 3.35</td>
<td>3.32 2.33</td>
<td>3.58 3.10</td>
</tr>
<tr>
<td>Mar</td>
<td>3.61 3.02</td>
<td>3.94 3.34</td>
<td>3.24 2.44</td>
<td>3.56 3.22</td>
</tr>
<tr>
<td>Apr</td>
<td>3.39 .</td>
<td>3.82 .</td>
<td>3.05 .</td>
<td>3.34 .</td>
</tr>
<tr>
<td>May</td>
<td>3.41 .</td>
<td>3.75 .</td>
<td>2.89 .</td>
<td>3.28 .</td>
</tr>
<tr>
<td></td>
<td>Minneapolis</td>
<td>Minneapolis</td>
<td>FOB Gulf</td>
<td>Average EEP</td>
</tr>
<tr>
<td></td>
<td>DNS 14% prot.</td>
<td>#1 durum</td>
<td>$/ton (HRW)</td>
<td>bonus $/ton 2/</td>
</tr>
<tr>
<td>Jun</td>
<td>4.44 4.01</td>
<td>5.38 5.00</td>
<td>148.44 120.52</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Jul</td>
<td>4.36 3.89</td>
<td>5.93 4.59</td>
<td>139.99 117.95</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Aug</td>
<td>4.49 3.58</td>
<td>6.39 4.20</td>
<td>151.75 108.76</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Sep</td>
<td>4.36 3.53</td>
<td>6.69 3.78</td>
<td>149.91 108.03</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Oct</td>
<td>4.35 4.03</td>
<td>6.52 4.04</td>
<td>152.85 126.03</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Nov</td>
<td>4.42 4.15</td>
<td>6.38 4.15</td>
<td>150.28 131.18</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Dec</td>
<td>4.27 3.97</td>
<td>6.55 4.05</td>
<td>145.14 126.40</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Jan</td>
<td>4.12 3.92</td>
<td>5.60 3.91</td>
<td>138.89 125.29</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Feb</td>
<td>4.15 3.78</td>
<td>5.64 3.67</td>
<td>139.99 117.21</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Mar</td>
<td>4.26 3.79</td>
<td>5.81 3.65</td>
<td>139.26 117.21</td>
<td>0.00 0.00</td>
</tr>
<tr>
<td>Apr</td>
<td>4.29 .</td>
<td>5.63 .</td>
<td>130.44 .</td>
<td>0.00 .</td>
</tr>
<tr>
<td>May</td>
<td>4.24 .</td>
<td>5.15 .</td>
<td>128.60 .</td>
<td>0.00 .</td>
</tr>
</tbody>
</table>

1/ Mid-month price for current month of the 1998/99 marketing year.
2/ Weighted average, all classes.
Source: NASS & AMS, USDA.
Table 6--Wheat: Exports and imports for last six months, 5/14/99
------------------------------------------
U.S. wheat exports, (1,000 bu.) 1998/99
------------------------------------------
<table>
<thead>
<tr>
<th>Item</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat grain</td>
<td>90,507</td>
<td>109,168</td>
<td>81,913</td>
<td>96,486</td>
<td>73,017</td>
<td>63,794</td>
</tr>
<tr>
<td>Wheat flour</td>
<td>2,914</td>
<td>3,812</td>
<td>2,354</td>
<td>6,472</td>
<td>2,551</td>
<td>3,341</td>
</tr>
<tr>
<td>Products</td>
<td>344</td>
<td>510</td>
<td>237</td>
<td>274</td>
<td>260</td>
<td>271</td>
</tr>
<tr>
<td>Total</td>
<td>96,765</td>
<td>113,490</td>
<td>84,505</td>
<td>103,033</td>
<td>75,828</td>
<td>67,406</td>
</tr>
</tbody>
</table>
------------------------------------------

U.S. wheat imports, (1,000 bu.) 1998/99
------------------------------------------
<table>
<thead>
<tr>
<th>Item</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat grain</td>
<td>4,770</td>
<td>7,585</td>
<td>5,728</td>
<td>6,064</td>
<td>7,702</td>
<td>8,117</td>
</tr>
<tr>
<td>Wheat flour</td>
<td>711</td>
<td>661</td>
<td>637</td>
<td>618</td>
<td>610</td>
<td>574</td>
</tr>
<tr>
<td>Products</td>
<td>1,035</td>
<td>1,416</td>
<td>1,386</td>
<td>1,473</td>
<td>1,295</td>
<td>1,192</td>
</tr>
<tr>
<td>Total</td>
<td>6,516</td>
<td>9,662</td>
<td>7,750</td>
<td>8,154</td>
<td>9,607</td>
<td>9,833</td>
</tr>
</tbody>
</table>
------------------------------------------


Table 7--Wheat: U.S. exports, Census and Export Sales comparison, 5/14/99
--------------------------------------------------------------------------
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shipments</td>
<td>Outstanding sales</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Data Source</td>
<td>Census</td>
<td>Export Sales</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>Country:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria</td>
<td>350</td>
<td>350</td>
</tr>
<tr>
<td>China</td>
<td>1,003</td>
<td>1,065</td>
</tr>
<tr>
<td>Egypt</td>
<td>2,684</td>
<td>2,825</td>
</tr>
<tr>
<td>FSU</td>
<td>408</td>
<td>288</td>
</tr>
<tr>
<td>Japan</td>
<td>3,325</td>
<td>3,264</td>
</tr>
<tr>
<td>S. Korea</td>
<td>1,544</td>
<td>1,646</td>
</tr>
<tr>
<td>Morocco</td>
<td>443</td>
<td>421</td>
</tr>
<tr>
<td>Nigeria</td>
<td>590</td>
<td>698</td>
</tr>
<tr>
<td>Pakistan</td>
<td>2,027</td>
<td>1,973</td>
</tr>
<tr>
<td>Philippines</td>
<td>1,772</td>
<td>1,876</td>
</tr>
<tr>
<td>Total grain</td>
<td>26,516</td>
<td>25,964</td>
</tr>
<tr>
<td>Total(incl)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>products)1/</td>
<td>27,254</td>
<td>26,127</td>
</tr>
<tr>
<td>USDA forecast of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Census</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Export Sales, FAS, USDA. 1/ Grain equivalent basis.

END_OF_FILE