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Wheat Outlook

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U.S. Production Rebounds; World Stocks Drop

Contents

The next release is June 13, 2003

Approved by the World Agricultural Outlook Board.

The 2003/04 outlook for U.S. wheat is for a dramatic rebound in production, but also for expanding use that will limit stock gains. Total production is projected up 31 percent from 2002/03 to 2,113 million bushels due to gains in both area and yields. The survey-based forecast of winter wheat production is 37 percent above a year earlier because of higher seedings, reduced abandonment, and higher yields. Also, the assumed 5-year average harvested-to-planted ratios and yields result in higher spring wheat (including durum) production, despite the lower planting intentions reported in the March 31 *Prospective Plantings* report. The larger total wheat crop is partially offset by reduced beginning stocks, but supplies are still up around 8 percent from 2002/03.

Projected U.S. 2003/04 use is around 6 percent above a year earlier because of larger domestic use and exports. Domestic use is up 46 million bushels as relatively strong old-crop corn prices are expected to promote increased wheat feeding this summer. Projected exports of 950 million bushels are 75 million above 2002/03 because smaller exportable supplies are expected in most of the minor exporters, especially Russia and Ukraine. U.S. ending stocks are projected up 63 million bushels from a year earlier, but, at 511 million bushels, will remain relatively low. The projected price range for 2003/04 is $3.05 to $3.65 per bushel, compared with an estimated $3.56 for 2002/03.

World wheat use in 2003/04 is expected to exceed production for the fourth consecutive year, dropping world wheat ending stocks to the lowest level in 15 years. Global use is projected down 2 percent partially because of reduced feed use. World wheat production is expected to grow less than 1 percent in 2003/04, despite fairly high prices in many markets during the previous year. Foreign wheat production is projected down almost 9 million tons to 512 million because increased prospects in Australia, Canada, and Argentina are more than offset by reductions expected for the former Soviet Union, China, and several other countries. Reflecting the production changes, exports from Russia and Ukraine are expected to drop sharply, more than offsetting increases for Canada, Argentina, Australia, and the United States.

2003 Wheat Production Projected Up From 2002

U.S. 2003 wheat production is projected at 2,113 million bushels, up 497 million bushels from 2002 because of larger planted area, and current weather conditions for winter wheat are expected to lead to a higher planted-to-harvest ratio and an improved yield. The estimated 2003 planted area is 61.7 million acres, up 1.3 million acres from 2002. The 2003 projected harvested area is 52.7 million acres, up 6.9 million acres from 2002. The projected yield for the 2003 crop is 40.1 bushels per acre, up 4.8 bushels per acre from 2002.

2003 Winter Wheat Production Forecast Up From 2002

Winter wheat production is forecast at 1,563 million bushels, up 421 million bushels from 2002. Hard red production is up 333 million bushels from a year ago to 942 million bushels. Soft red production is up 39 million bushels and totals 372 million bushels. White production totals 250 million bushels, up 48 million bushels from a year ago.

The U.S. winter wheat yield is forecast at 42.9 bushels per acre, 4.4 bushels more than a year ago. Yields are above a year ago in all States except California, Idaho, Michigan, and the Mid-Atlantic States. Harvested area is forecast at 36.4 million acres, up 6.8 million acres from last season.

Crop conditions for winter wheat as of May 11 are improved over 2002. Among the major winter wheat States, 52 percent of the crop was rated good to excellent and 18 percent of the crop was rated poor to very poor. A year earlier at this time, only 34 percent of the winter wheat crop was rated good to excellent and 35 percent was rated poor to very poor. Among the States this year, Texas had the worse crop conditions with 42 percent rated poor to very poor. Idaho's crop had the best ratings, 96 percent good to excellent.

In Texas and Oklahoma, wheat development is ahead of last year due to warmer spring weather. The crop in Kansas is progressing ahead of the 5-year average, but moisture reserves are low, especially in the southwest. Colorado spring precipitation has been average to above average this year, leaving topsoil moisture supplies adequate except in the southeastern border counties. Nebraska winter wheat development is about 1 week ahead of normal. Montana spring conditions have been very good as the winter wheat breaks dormancy. With the exception of the southwest district, most areas of the State received above-normal precipitation during April.

In Arkansas, poor stands due to excessive fall moisture have resulted in less acreage for harvest than normal. In Illinois, no major weather problems have affected the crop. Timely rains in Ohio last fall resulted in good germination and uniform stands.

Oregon yield prospects are drastically improved from last year's drought-reduced crop. Most of the State's winter wheat growing areas are now at about normal annual precipitation levels. Washington's yield prospects are good, with both topsoil and subsoil moisture supplies over 90 percent adequate. The crop sustained only limited winterkill and wind erosion.

2003 Spring Wheat Projected Up From 2002

Spring wheat production is projected at 550 million bushels, 76 million bushels larger than the 2002 crop. The assumed 5-year average harvested-to-planted ratios and yields by State result in higher spring wheat (including durum) production, despite the lower planting intentions reported in the March 31 *Prospective Plantings* report.

Spring wheat planting is progressing at a faster pace than last year and slightly faster than the 5-year average. As of May 11, 69 percent of the spring wheat had been planted, considerably ahead of last year's 46 percent at this time of the year. The 5-year average for this date is 64 percent planted.

Production of durum wheat in Arizona and California is forecast at 18.5 million bushels. This is up 1.0 million bushels from their 2002 total of 17.5 million. Cool temperatures have slowed crop development in California's Imperial and San Joaquin valleys. Some wheat stripe rust has been reported throughout the State.

2003/04 Ending Stocks Are Up From 2002/03

The increased supplies in 2003/04 due to increased production and 17 million bushels more imports than in 2002/03 are partially offset by smaller beginning stocks, 330 million bushels less this year than a year ago. Imports, at 90 million bushels, are up year-to-year because of the expected recovery of Canadian production from last year's drought. The extent of the recovery of imports from Canada is uncertain due to the possibility of duties (see below). The 2003/04 supplies are projected at 2,651 million bushels, 184 million bushels higher than in 2002/03.

Total domestic use for 2003/04 is projected at 1,190 million bushels, 46 million bushels more than in 2002/03. Food use of wheat is projected at 930 million bushels, 5 million bushels less than 2002/03 as improved flour extraction rates are expected to reduce the bushels of wheat milled to meet projected wheat-product needs. Feed and residual use is expected to increase by 50 million bushels in 2003/04 compared with 2002/03 because relatively strong old-crop corn prices are expected to promote increased wheat feeding this summer.

Projected exports of 950 million bushels are 75 million above 2002/03 because smaller exportable supplies are expected in most of the minor exporters, especially Russia and Ukraine. U.S. ending stocks are projected up 63 million bushels from a year earlier, but, at 511 million bushels, will remain relatively low. The projected price range for 2003/04 is $3.05 to $3.65 per bushel, compared with an estimated $3.56 for 2002/03.

2002/03 Marketing Year Changes

Imports for 2002/03 are at 73 million bushels, up 3 million bushels over last month's projection because of a faster than expected pace. The farm-level price range for the 2002/03 crop is replaced by a point estimate of $3.56 per bushel. This estimate is significantly above the year-ago price of $2.78 and is the highest farm-level price since $4.30 in 1996/97.

Department of Commerce Announces Preliminary Duties on Wheat Imports From Canada

On May 2, the U.S. Department of Commerce announced its affirmative preliminary determinations in the antidumping duty investigations of certain durum wheat and hard red spring wheat from Canada. Commerce has preliminarily found that imports of certain durum and hard red spring wheat were sold at less than fair value, with dumping margins of 8.15 percent and 6.12 percent, respectively. Commerce is scheduled to issue its final determinations in the antidumping investigations, as well as the countervailing investigations on these imports on July 15.

These investigations began on October 23, 2002, when Commerce announced its decision to initiate antidumping and countervailing investigations on imports of certain durum wheat and hard red spring wheat from Canada. On November 25, 2002, the United States International Trade Commission (ITC) determined that there is a reasonable indication that industries in the United States are being materially injured by reasons of imports from Canada of durum and hard red spring wheat. On March 4, Commerce announced its preliminary determinations in the countervailing duty investigations on durum wheat and hard red spring wheat from Canada, finding net subsidy rates of 3.94 percent.

If the final determinations are affirmative, the ITC will rule on material injury or threat of material injury to the U.S. industry. The ITC determination is expected around August 29. The duties will not remain in place unless the ITC finds injury. (The final duties determined this summer could rise or fall depending on the Department investigations.)

Foreign Wheat Production To Decline

Foreign wheat production in 2003/04 is projected at 512 million tons, the lowest since 1995/96. Foreign production is down 2 percent compared with the previous year, mostly because of a sharp drop in Russia and Ukraine where there has been extensive winterkill. Low temperatures hit in December with very limited snow cover, but the greatest damage was reportedly done in the spring, when the snow cover in Ukraine did not melt at the normal time, but formed an ice crust, suffocating winter wheat. While a small portion of the winter-killed acreage is likely to be replanted to spring wheat, most will be replanted to barley and other crops. Winter wheat in some of the other parts of the former Soviet Union also suffered above-average winterkill. In the former Soviet Union, 2003/04 wheat production is expected to drop 29 million tons to 68 million.

Eastern Europe also experienced some of the adverse weather that devastated winter wheat production in the former Soviet Union, and production is projected down 3 million tons to 28 million. The unusually cold winter weather extended into Northern Germany and France, and European Union (EU) production prospects are down 2 million tons to 101 million, despite very favorable growing conditions in Spain.

China’s 2003/04 wheat production is projected down 4 million tons to 87 million. Area is expected to decline 4 percent compared with the previous year because of low returns relative to other crops. This is the fifth consecutive year of declining wheat area in China. Yields are projected at last year’s level. India’s wheat production prospects are down 2 million tons to 70 million because dryness in western growing regions is expected to hurt yields.

In Iran, while dryness in western-producing regions is expected to reduce yields below last year’s excellent yields, production is expected to be above the average of recent years. However, rains throughout most of the rest of the Middle East have been better than normal.

Among the foreign Northern Hemisphere winter wheat crops, the only major-producing region with larger production prospects is North Africa. Exceptionally good rains across the entire region are expected to boost production prospects 3 million tons to almost 15 million.

Projections of wheat production in the Southern Hemisphere and for spring wheat in the Northern Hemisphere are necessarily more tentative than for winter wheat in the Northern Hemisphere. Growing stages of winter wheat are advanced in the North, while spring wheat is just being planted, and most

Southern Hemisphere wheat planting has just begun The largest increases in 2003/04 projected production are among spring wheat and Southern Hemisphere producers.

Canada and Australia suffered severe drought in 2002/03. Wheat production in both countries is expected to rebound strongly in 2003/04 as yields and the harvested-to-planted ratio return to normal. In Canada, soil moisture is favorable for planting, but other crops, especially canola, look more profitable than wheat, so expansion in wheat area is likely to be limited, but harvested area will increase dramatically if normal weather occurs. With increased yields expected, Canada will boost production 8 million tons to 24 million. In Australia, some regions remain dry, but these areas generally are the last to be planted and ample time remains for needed moisture. The incentive to plant wheat is strong in Australia, and ample land is available because many sheep were slaughtered during the 2002/03 drought, freeing up land for planting crops. The quickest way to get cash flow from the land is to plant wheat. A sharp increase in wheat area is expected as the planted-to-harvested ratio returns to normal. Wheat production is projected to increase 16.5 million tons to 26 million.

Wheat production in Argentina is expected to increase 2 million tons to 14.5 million due to the better availability of inputs and a return to average yields. Wheat production in Brazil is projected up almost 1 million tons because of a government program to boost production.

Reduced Beginning Stocks Contribute to Tight Supplies in 2003/04

World wheat beginning stocks for 2003/04 are estimated at 156 million tons, down 39 million from a year earlier. Much of the drop is in China, down 16 million tons; the United States, down 9 million; India, down 6.5 million; and Australia, down almost 6 million. Australia and the United States had drought-reduced production in 2002/03, likely causing stock levels to be temporarily reduced. However, China and India appear to be pursuing an intentional policy to liquidate expensive government stocks. Although China does not publish wheat stocks data, so uncertainty about the exact level of stocks persists, both countries appear to still have large government stocks.

World wheat supplies can be defined as production plus beginning stocks (for a specific country it is necessary to add imports, but for the world total that would double count). The global wheat supply in 2003/04 is expected to only reach 726 million tons, down from 760 in 2002/03, and the lowest since 698 million in 1995/96.

World Wheat Use To Decline in 2003/04

Global use is projected to decline to 591 million tons in 2003/04, down nearly 13 million from estimated use for 2002/03. The projected year-over-year drop in global wheat use is the largest since the 15-million-ton drop estimated for 1988/89, and dwarfs the 1995/96 decline of less than 3 million tons.

In 2003/04, a reduction of 9 million tons is expected in global feed use. EU wheat feed and residual use is expected to decline almost 4 million tons to 49.5 million because of tariff-rate quotas imposed on low and medium quality wheat imports, and the reduced availability of imported wheat for feeding. With sharply reduced production, wheat feed and residual use in the former Soviet Union is also expected to decline nearly 4 million tons. Countries with smaller but significant declines in wheat feed use projected in 2003/04 include Australia, China, and South Korea. The largest expected decline in wheat consumption outside the feed market is for India, down over 4 million tons, as human consumption of coarse grains is expected to rebound after a sharp drop in production and consumption in 2002/03. Wheat consumption changes for other countries are relatively modest.

2003/04 World Wheat Ending Stocks Projected At the Lowest in 15 Years

World wheat ending stocks are projected to drop 22 million tons to 134 million in 2003/04, the lowest since 1988/89. Most of the drop is expected in China, down 17 million tons, to 44 million. While less than half the level of wheat stocks estimated just 3 years before, China's projected stocks still represent 5 months of projected 2003/04 total use, about the same as for the United States, and well above the global average of 2.7 months.

Ending stocks in the former Soviet Union are expected to drop 6 million tons during 2003/04 because of tight supplies in Russia and Ukraine. However, Kazakhstan's stocks are expected to remain large. India is expected to continue to liquidate government wheat stocks, but at a slower rate than the previous year, ending stocks falling 2 million tons to less than 15 million. EU ending stocks are projected down nearly 4 million tons to less than 4 million.

Canada, Australia, the United States, and Argentina together are projected to increase wheat ending stocks in 2003/04 by less than 9 million tons. This increased buffer in the major exporters is expected to keep a lid on wheat prices.

World Wheat Trade Projected Down Sharply in 2003/04; U.S. Exports Up

World wheat trade is projected to drop 7 million tons to 98 million in 2003/04. Imports are expected to drop 5.5 million tons to 5.0 million in the EU due to the imposition of a tariff rate quota on imports of low and medium quality wheat. With higher production, North Africa is expected to import 14 million tons, down nearly 3 million from the previous year. South Korea and the Philippines are projected to reduce wheat imports 0.7 and 0.5 million tons, respectively, due to the reduced availability of competitively priced feed wheat.

Some countries are expected to boost imports significantly in 2003/04. Iran's imports are projected at 3.0 million tons, up 1.2 million from the previous year due to reduced production. China's imports are projected up 1.0 million tons to 1.5 million as tightening domestic supplies encourage some increased use of import quotas. The United States is expected to increase imports almost 1 million tons because of larger supplies in Canada.

A large shift among wheat-exporting countries is expected in 2003/04. Russia and Ukraine together are projected to experience a loss of 90 percent of their exports, dropping from 20 million tons the previous year to 2 million in 2003/04. High internal prices are expected as domestic users bid supplies away from the export market. Gradually tightening stocks in India are expected to make subsidizing exports less attractive for India, reducing export prospects by 2 million tons to 3 million. Reduced production and tight supplies are expected to reduce Eastern Europe's wheat exports 1.2 million tons to 2.3 million. EU wheat exports are projected to decline 1.0 million tons to 14.5 million because of tightening internal supplies.

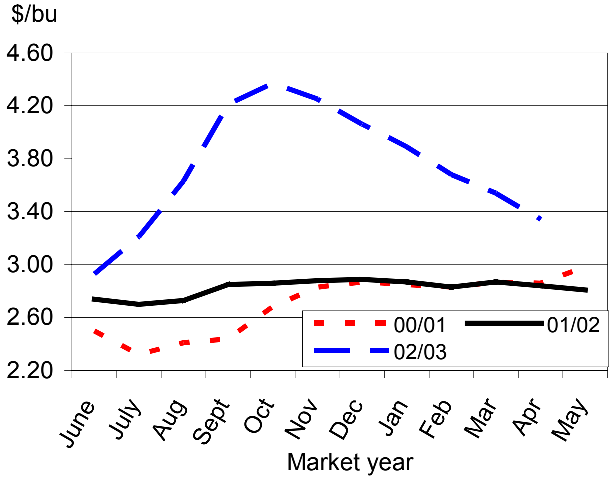
The largest increase in exports during 2003/04 (July-June) is projected for Canada, up 6.0 million tons to 14.5 million. Sharply increased production might seem to justify an even bigger increase, but during the first months of the marketing year, shipments are expected to be limited by tight beginning stocks.

Argentina's wheat exports are projected up 4.5 million tons to 10 million. Sales of the recently harvested 2002/03 crop have been slow, so more will be available for shipment after July 1, 2003, moving them to the 2003/04 international marketing year. The next Argentine wheat crop is expected to be marketed with a more normal pattern, closer to harvest. This will put a large part of two of Argentina's crops marketed during the 2003/04 international marketing year.

Australia is projected to increase exports 3.0 million tons to 13.5 million in 2003/04 (July-June). Australia minimized the decline in 2002/03 exports by dropping stocks. Despite sharply higher production, 2003/04 exports will be limited by a very slow pace during the first part of the year.

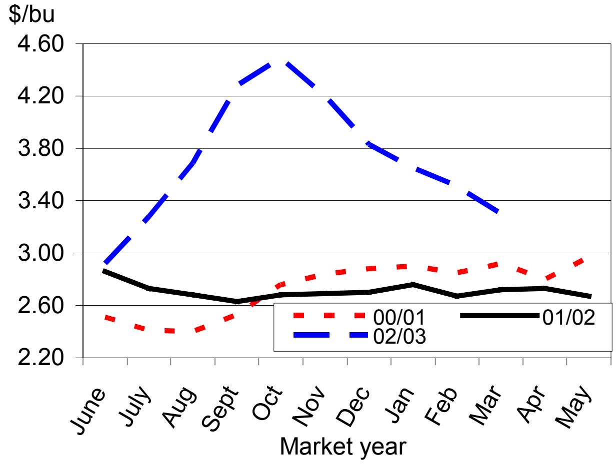
U.S. wheat exports in 2003/04 are projected at 26 million tons, up 2 million from the forecast for the previous year. Early in the season U.S. exports are expected to get off to a good start as harvest pressure makes U.S. prices relatively competitive, while the largest competitors, the EU, Canada, Australia, and Argentina will not have new-crop wheat ready to ship in large quantities until between September and December 2003. However, convincing evidence for this year-to-year increase in U.S. exports is not yet showing up in marketings. As of May 1, 2003, according to *U.S. Export Sales*, outstanding sales for the 2003/04 marketing year were just over 1.0 million tons, down slightly from the previous year.

Figure 1
All wheat average prices received by farmers



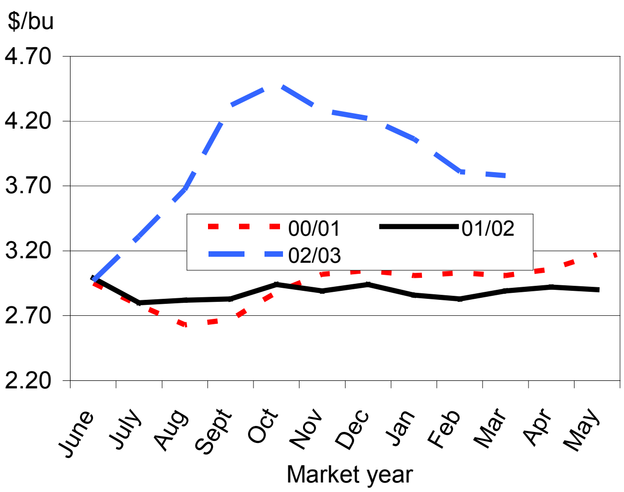
Source: Agricultural Prices, NASS, USDA.

Figure 2
Hard red winter wheat average prices received by farmers



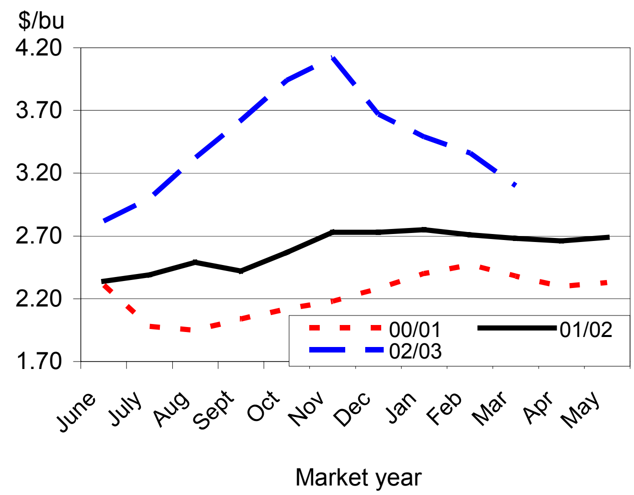
Source: Agricultural Prices, NASS, USDA.

Figure 3
Hard red spring wheat average prices received by farmers



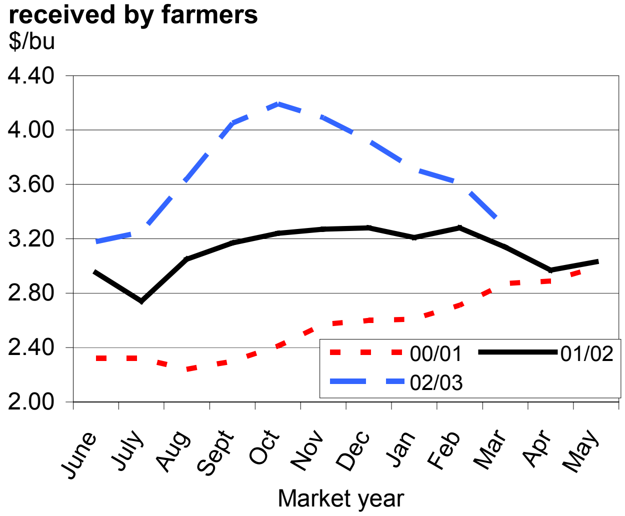
Source: Agricultural Prices, NASS, USDA.

Figure 4
Soft red winter wheat average prices received by farmers



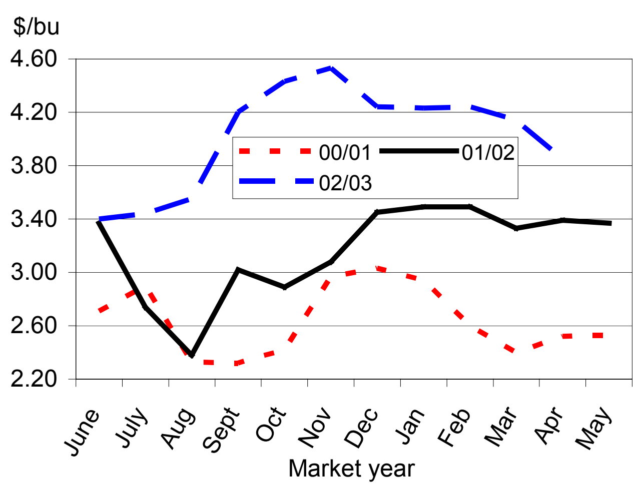
Source: Agricultural Prices, NASS, USDA.

Figure 5
Soft white wheat average prices received by farmers



Source: Agricultural Prices, NASS, USDA.

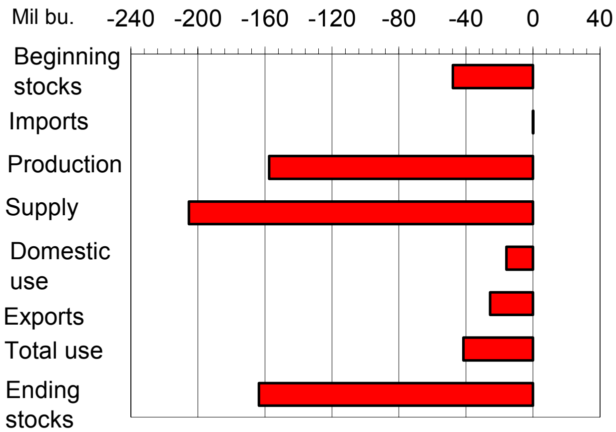
Figure 6
Durum wheat average prices received by farmers



Source: Agricultural Prices, NASS, USDA.

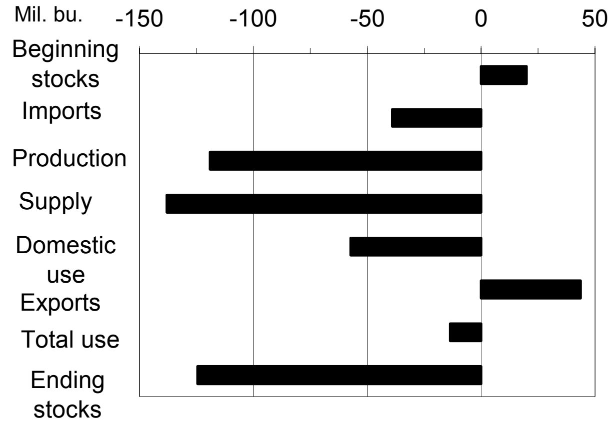
Changes From Previous Marketing Year

Figure 7
Hard red winter wheat



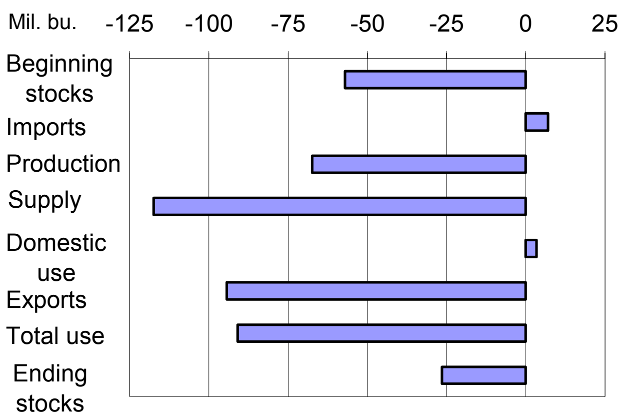
Source: WASDE, USDA.

Figure 8
Hard red spring wheat



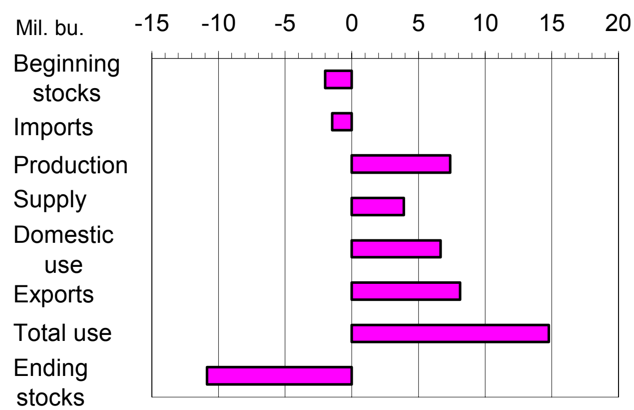
Source: WASDE, USDA.

Figure 9
Soft red winter wheat



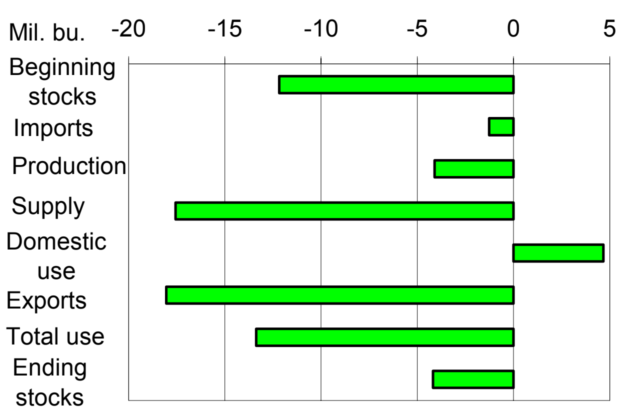
Source: WASDE, USDA.

Figure 10
White wheat



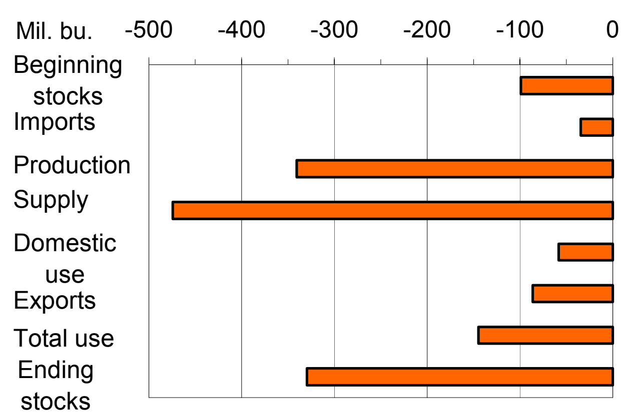
Source: WASDE, USDA.

Figure 11
Durum



Source: WASDE, USDA.

Figure 12
All wheat



Source: WASDE, USDA.

Contacts and Links

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Monthly Tables

Monthly tables from Wheat Outlook are available in Excel (.xls) spreadsheets at http://www.ers.usda.gov/briefing/wheat/Data/data.htm. These tables contain the latest data on supply and disappearance, monthly food-use estimates, prices, exports, and imports.

Recent Reports From the Economic Research Service

The 2002 Farm Act: Provisions and Implications for Commodity Markets provides an initial assessment of the legislation's effects on agricultural production, commodity markets, and net farm income over the next 10 years. The report is available at http://www.ers.usda.gov/publications/aib778/.

The 2002 Farm Bill: Provisions and Economic Implications, a side-by-side comparison of the new farm bill with 1996-2001 farm legislation, is available at http://www.ers.usda.gov/Features/FarmBill/.

"Economic Analysis of Ending the Issuance of Karnal Bunt Phytosanitary Wheat Export Certificates," a special article from the March 2002 Wheat Yearbook, is available at http://www.ers.usda.gov/briefing/wheat/pdf/KarnalBunt.pdf.

Related Websites

WASDE, http://usda.mannlib.cornell.edu/usda/reports/waobr/wasde-bb/
Grain Circular, http://www.fas.usda.gov/grain_arc.html
Wheat Briefing Room, http://www.ers.usda.gov/briefing/wheat/

Table 1--Wheat: U.S. market year supply and disappearance, 05/14/03

Item	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02E	2002/03P	2003/04P
Area: (mil. ac.)								
National total base	87.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eff. base/Ctr. acres								
0,50/92,85	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CRP base retired	10.6	10.1	9.7	0.0	0.0	0.0	0.0	0.0
Planted	75.1	70.4	65.8	62.7	62.6	59.6	60.4	61.7
Harvested	62.8	62.8	59.0	53.8	53.1	48.6	45.8	52.7
Yield: (bu/acre)	36.3	39.5	43.2	42.7	42.0	40.2	35.3	40.1
Supply: (mil. bu.)								
Beginning stocks	376.0	443.6	722.5	945.9	949.7	876.2	777.1	447.6
Production	2,277.4	2,481.5	2,547.3	2,299.0	2,232.5	1,957.0	1,616.4	2,113.3
Imports 1/	92.3	94.9	103.0	94.5	89.8	107.5	73.0	90.0
Total supply	2,745.7	3,020.0	3,372.8	3,339.4	3,272.0	2,940.8	2,466.6	2,650.9
Use:								
Food	890.7	914.1	909.1	921.0	949.6	926.3	935.0	930.0
Seed	102.3	92.5	80.5	91.8	79.8	83.6	84.0	85.0
Feed and residual	307.6	250.5	391.3	288.3	304.4	192.5	125.0	175.0
Total domestic	1,300.6	1,257.1	1,380.9	1,301.1	1,333.8	1,202.4	1,144.0	1,190.0
Exports 1/	1,001.5	1,040.4	1,046.0	1,088.6	1,062.0	961.3	875.0	950.0
Total use	2,302.1	2,297.5	2,426.9	2,389.7	2,395.9	2,163.7	2,019.0	2,140.0
Ending stocks:	443.6	722.5	945.9	949.7	876.2	777.1	447.6	510.9
Farmer-owned reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CCC inventory 2/	93.0	94.0	128.0	104.0	97.0	99.0	65.0	63.0
Free stocks	350.6	628.5	817.9	845.7	779.2	678.1	382.6	447.9
Stocks-to-use ratio	19.3	31.4	39.0	39.7	36.6	35.9	22.2	23.9
Prices: ($/bu.)								
Target price	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan rate	2.58	2.58	2.58	2.58	2.58	2.58	2.80	2.80
Contract rate 3/	0.87	0.63	0.66	0.64	0.59	0.48	0.00	0.00
Ave. farm price	4.30	3.38	2.65	2.48	2.62	2.78	3.56	3.05-3.65
Contract pmts.								
(mil. dollars) 3/	1,941	1,412	2,394	3,828	3,609	2,469	1,158	0
Market value								
of production								
(mil. dollars)	9,782	8,287	6,781	5,594	5,849	5,441	5,755	7,080

Totals may not add due to rounding. E=Estimated, P=Projected, N.A.=not applicable. 1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Includes Food Security Reserve. 3/ Deficiency payments prior to 1996/97.
Source: World Agricultural Supply and Demand Estimates, WAOB, USDA.

Table 2--Wheat: U.S. market year supply and disappearance, 05/14/03 1/

2001/02E	HRW	HRS	SRW	White	Durum	All wheat
Area:			Million acres			
Planted	28.96	14.77	8.65	4.31	2.91	59.60
Harvested	20.87	13.75	7.17	4.06	2.79	48.63
Yield: (bu/acre)	36.74	34.59	55.75	57.04	30.00	40.24
Supply:			Million bushels			
Beg. stocks	411.01	210.00	135.00	75.00	45.17	876.18
Production	766.80	475.52	399.67	231.51	83.56	1,957.04
Imports 2/	0.80	64.02	0.00	8.46	34.27	107.55
Total	1,178.61	749.53	534.67	314.96	163.00	2,940.77
Utilization:						
Food	365.86	250.00	155.00	75.00	80.41	926.27
Seed	33.61	23.55	15.92	5.99	4.58	83.65
Feed and residual	67.36	29.64	86.43	14.08	-5.03	192.49
Total domestic	466.84	303.19	257.35	95.07	79.96	1,202.40
Exports 2/	348.65	216.34	199.32	146.89	50.05	961.25
Total	815.49	519.53	456.67	241.96	130.01	2,163.66
Ending stocks:	363.12	230.00	78.00	73.00	32.99	777.11

2002/03P	HRW	HRS	SRW	White	Durum	All wheat
Area:			Million acres			
Planted	29.82	14.87	8.32	4.44	2.91	60.36
Harvested	19.61	12.65	6.67	4.19	2.70	45.82
Yield: (bu/acre)	31.07	28.20	49.80	57.01	29.40	35.30
Supply:			Million bushels			
Beg. stocks	363.12	230.00	78.00	73.00	32.99	777.11
Production	609.24	356.60	332.28	238.88	79.45	1,616.44
Imports 2/	1.00	25.00	7.00	7.00	33.00	73.00
Total	973.37	611.60	417.28	318.88	145.44	2,466.55
Utilization:						
Total domestic	450.90	246.00	260.73	101.73	84.63	1,144.00
Exports 2/	323.00	260.00	105.00	155.00	32.00	875.00
Total	773.90	506.00	365.73	256.73	116.63	2,019.00
Ending stocks:	199.46	105.60	51.54	62.15	28.81	447.55

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.
Source: World Agricultural Supply and Demand Estimates, WAOB, USDA.

Table 3--Wheat: Quarterly supply and disappearance (1,000 bu.), 05/14/03

Market Year		Produc-tion	Imports 1/	Supply	Food	Seed	Feed	Exports 1/	Ending stocks
					Million bushels				
1998/99									
	June-Aug	2,547	24	3,294	226	1	425	257	2,385
	Sep-Nov	---	24	2,409	241	55	-74	292	1,896
	Dec-Feb	---	28	1,923	213	1	7	251	1,450
	Mar-May	---	27	1,477	229	23	33	246	946
	Mkt. year	2,547	103	3,373	909	81	391	1,046	946
1999/00									
	June-Aug	2,299	31	3,276	226	6	275	323	2,445
	Sep-Nov	---	19	2,465	241	55	-7	290	1,886
	Dec-Feb	---	19	1,905	219	2	30	237	1,417
	Mar-May	---	25	1,442	235	28	-10	239	950
	Mkt. year	2,299	95	3,339	921	92	288	1,089	950
2000/01									
	June-Aug	2,232	20	3,203	239	1	322	288	2,353
	Sep-Nov	---	25	2,378	253	50	-25	293	1,806
	Dec-Feb	---	21	1,828	228	3	11	246	1,338
	Mar-May	---	23	1,361	230	25	-5	235	876
	Mkt. year	2,232	90	3,272	950	80	304	1,062	876
2001/02 E:									
	June-Aug	1,957	26	2,859	234	3	248	218	2,156
	Sep-Nov	---	29	2,185	245	52	-23	288	1,623
	Dec-Feb	---	28	1,651	221	2	-7	226	1,210
	Mar-May	---	25	1,235	227	26	-25	229	777
	Mkt. year	1,957	108	2,941	926	84	192	961	777
2002/03 P:									
	June-Aug	1,616	27	2,420	236	3	193	238	1,751
	Sep-Nov	---	23	1,774	244	53	-79	236	1,320
	Dec-Feb	---	13	1,333	225	3	11	189	905
	Mar-May	---	11	915	230	25	1	212	448
	Mkt. year	1,616	73	2,467	935	84	125	875	448

Totals might not add due to rounding. E=Estimated, P=Projected. 1/ Imports and exports include flour and selected products expressed in wheat equivalent.
Source: World Agricultural Supply and Demand Estimates, WAOB, USDA.

Table 4--Monthly food use estimates for last 12 months (1,000 bu.), 05/14/03

Item		Jan.	Feb.	Mar.	Apr.	May	June
Mill grind	+	71,059	70,495	74,795	72,663	74,296	71,082
Food imports 1/	+	2,094	1,960	2,202	2,227	2,210	1,973
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	2,387	2,772	2,396	2,705	2,628	1,509
Food use	=	72,766	71,683	76,598	74,185	75,878	73,546
Item		July	Aug.	Sept.	Oct.	Nov.	Dec.
Mill grind	+	74,316	81,222	78,101	81,019	77,548	72,790
Food imports 1/	+	2,482	2,442	2,059	2,245	2,449	2,474
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	1,204	1,113	1,164	1,744	2,067	3,532
Food use	=	77,594	84,551	80,996	83,520	79,930	73,732

1/ Wheat flour and flour products converted to wheat grain equivalent. 2/ ERS estimate of cereal use.

Totals may not add due to rounding.

Source: Economic Research Service, USDA.

Table 5--Wheat: National average price received by farmers ($/bu.), 05/14/03

Month	Farm prices 1/							
	All wheat		Winter		Durum		Other spring	
	01/02	02/03	01/02	02/03	01/02	02/03	01/02	02/03
June	2.74	2.93	2.68	2.91	3.37	3.40	2.99	2.98
July	2.63	3.21	2.61	3.19	2.74	3.44	2.81	3.30
August	2.74	3.63	2.71	3.63	2.40	3.55	2.84	3.66
September	2.85	4.21	2.81	4.14	3.02	4.20	2.87	4.29
October	2.87	4.37	2.82	4.32	2.91	4.43	2.96	4.44
November	2.87	4.25	2.82	4.15	3.04	4.53	2.91	4.27
December	2.88	4.06	2.78	3.85	3.41	4.24	2.96	4.20
January	2.87	3.89	2.81	3.66	3.44	4.23	2.88	4.04
February	2.83	3.68	2.75	3.52	3.49	4.24	2.85	3.79
March	2.87	3.54	2.81	3.29	3.33	4.14	2.91	3.71
April	2.83	3.34	2.75	3.17	3.33	3.85	2.91	3.57
May	2.81		2.73		3.37		2.90	

1/ Preliminary mid-month weighted average price for current month of the 2000/01 marketing year.

Source: *Agricultural Prices,* National Agricultural Statistics Service, USDA.

Table 6--Wheat prices by class, 05/14/03

	Hard Red Winter		Soft Red Winter		Hard Red Spring		Soft White	
Month	01/02	02/03	01/02	02/03	01/02	02/03	01/02	02/03
	Farm prices 1/							
June	2.86	2.92	2.34	2.82	3.03	2.97	2.95	3.18
July	2.73	3.28	2.39	3.00	2.80	3.31	2.74	3.25
August	2.68	3.69	2.49	3.32	2.83	3.67	3.05	3.64
September	2.63	4.28	2.42	3.62	2.82	4.32	3.17	4.05
October	2.69	4.49	2.57	3.94	2.94	4.49	3.24	4.19
November	2.70	4.20	2.73	4.12	2.95	4.28	3.28	4.09
December	2.70	3.83	2.73	3.67	2.94	4.22	3.28	3.92
January	2.75	3.65	2.75	3.49	2.86	4.06	3.21	3.71
February	2.67	3.51	2.71	3.36	2.83	3.81	3.28	3.61
March	2.72	3.30	2.68	3.10	2.88	3.78	3.14	3.29
April	2.73		2.66		2.90		2.97	
May	2.67		2.69		2.90		3.03	

1/ Preliminary mid-month weighted average price for current month of the 2000/01 marketing year.

Source: *Agricultural Prices,* National Agricultural Statistics Service, USDA.

Table 7--Wheat: Average cash grain bids at selected markets ($/bu.), 05/14/03

Month	KC HRW #1 ordinary		KC HRW #1 13% protein		Portland #1 HRW Ord.		FOB Gulf $/mt (#2 HRW)	
	01/02	02/03	01/02	02/03	01/02	02/03	01/02	02/03
June	3.32	3.55	3.47	3.61	3.59	3.95	128.52	133.52
July	3.20	3.92	3.35	3.91	3.47	4.33	124.80	150.48
August	3.15	4.29	3.27	4.30	3.61	4.70	124.95	163.36
September	3.18	5.04	3.27	5.05	3.65	5.46	124.73	190.98
October	3.28	5.10	3.33	5.10	3.77	5.51	124.47	194.21
November	3.37	4.76	3.44	4.75	3.85	5.15	127.11	181.36
December	3.26	4.40	3.36	4.39	3.77	4.69	123.76	164.70
January	3.29	4.06	3.41	4.05	3.78	4.33	127.21	153.99
February	3.25	4.08	3.37	4.09	3.71	4.40	125.91	154.52
March	3.23	3.80	3.32	3.81	3.69	4.23	124.83	145.66
April	3.24	3.79	3.31	3.83	3.61	4.10	124.44	
May	3.21		3.28		3.61		121.73	
Month	Minneapolis DNS 13% prot.		Minneapolis DNS 14% prot.		Minneapolis #1 HAD milling		Portland DNS 14% prot.	
	01/02	02/03	01/02	02/03	01/02	02/03	01/02	02/03
June	3.63	3.55	3.81	3.64	4.80	4.25	4.35	3.97
July	3.51	4.06	3.72	4.03	4.75	N/Q	4.12	4.39
August	3.37	4.44	3.54	4.37	5.02	N/Q	4.00	4.80
September	3.47	5.20	3.52	5.24	5.03	N/Q	4.06	5.85
October	3.68	5.12	3.71	5.20	5.10	N/Q	4.19	5.79
November	3.61	5.00	3.69	4.99	5.13	N/Q	4.22	5.39
December	3.54	4.50	3.59	4.47	5.04	N/Q	4.13	4.96
January	3.51	4.30	3.55	4.34	5.05	N/Q	4.04	4.64
February	3.51	4.54	3.51	4.52	N/Q	N/Q	3.99	4.78
March	3.46	4.10	3.51	4.36	N/Q	N/Q	4.03	4.77
April	3.52	4.10	3.55	4.22	N/Q	N/Q	3.97	4.65
May	3.56		3.59		N/Q		3.96	
Month	St. Louis #2 soft red		Chicago #2 soft red		Toledo #2 soft red		Portland #1 soft white	
	01/02	02/03	01/02	02/03	01/02	02/03	01/02	02/03
June	2.41	2.91	2.40	2.81	2.21	2.91	3.37	3.61
July	2.67	3.17	2.56	3.19	2.52	3.21	3.45	3.77
August	2.66	3.32	2.57	3.42	2.58	3.47	3.52	4.07
September	2.73	3.88	2.57	3.92	2.57	3.95	3.65	4.53
October	2.94	3.96	2.68	3.89	2.70	3.89	3.73	4.60
November	2.90	4.03	2.75	3.85	2.73	3.84	3.75	4.50
December	2.96	3.70	2.83	3.53	2.75	3.44	3.71	4.17
January	2.99	3.44	2.96	3.32	2.90	3.16	3.68	3.86
February	2.85	3.57	2.74	3.44	2.72	3.24	3.64	3.89
March	2.91	3.22	2.76	3.14	2.70	2.96	2.51	3.48
April	2.86	3.33	2.75	3.08	2.62	2.86	3.32	3.41
May	2.77		2.73		2.61		3.43	

N/Q=no quote. Source: *Grain and Feed Weekly Summary and Statistics,* AMS, USDA.

Table 8--Wheat: U.S. exports and imports for last 6 months, 05/14/03 1/

Exports, (1,000 bu.) 2000/2001						
Item 1/	September	October	November	December	January	February
Wheat grain	73,606	78,856	75,678	69,485	62,769	48,618
Wheat flour	1,373	2,437	2,854	4,645	1,049	884
Products	411	356	349	602	337	282
Total	75,390	81,649	78,881	74,733	64,156	49,784
Imports, (1,000 bu.) 2000/2001						
Item 1/	September	October	November	December	January	February
Wheat grain	7,235	5,228	3,849	2,556	1,672	1,682
Wheat flour	1,015	1,108	1,130	1,101	1,009	893
Products	1,049	1,143	1,327	1,381	1,343	1,048
Total	9,298	7,480	6,306	5,038	4,023	3,623

Source: Economic Research Service, USDA. 1/ Wheat flour and products converted to wheat grain equivalent. Total may not add due to rounding.

Table 9--Wheat: U.S. exports, Census and Exports Sales comparison, 05/14/03 1/

	2000/01		2001/02		2002/03 (as of 5/1/03)		
Importing country	Shipments				Shipments	Outstanding sales	Total
Data Source	Census	Export sales	Census	Export sales	Export sales		
	1,000 metric tons						
Country:							
Egypt	4,629	4,705	3,443	3,830	1,107	0	1,107
Japan	3,051	3,124	2,966	2,948	2,679	650	3,329
Philippines	1,977	2,024	1,516	1,592	1,428	219	1,647
Mexico	1,971	2,027	2,121	2,210	2,333	158	2,491
EU	1,300	1,429	1,925	2,160	1,038	77	1,114
South Korea	1,483	1,404	1,225	1,226	1,208	86	1,295
Nigeria	1,317	1,428	n.a.	1,998	1,553	272	1,825
Taiwan	1,045	1,031	874	920	874	126	1,001
Israel	694	870	589	607	334	36	370
Colombia	622	626	536	528	688	82	770
Total grain	27,712	25,819	25,194	24,135	19,219	2,375	21,594
Total (including products)	28,904	25,856	26,163	24,165	19,252	2,380	21,632
USDA forecast of Census							23,814

1/ Export sales and shipments from USDA's weekly *U.S. Export Sales* report.

Source: *U.S. Export Sales* , FAS.