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Wheat Outlook

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U.S. Winter Wheat Production Down 9 Percent From 2003

The 2004/05 outlook for U.S. wheat is for a significant decline in production, lower exports, and marginally lower ending stocks. Total production is projected down 11 percent from 2003/04 to 2,080 million bushels due to lower area and yields. Today's survey-based forecast of winter wheat production released by THE National Agricultural Statistics Service (NASS) is 9 percent below a year earlier because of lower seedings, higher abandonment, and lower yields. Durum and other spring production is projected lower due to smaller seedings reported in the *Prospective Plantings* report, the assumed 10-year average harvested-to-planted ratios, and trend yields. The smaller total wheat crop is partially offset by larger beginning stocks, but supplies are still down around 8 percent from 2003/04.

World wheat use in 2004/05 is expected to exceed production for the fifth consecutive year, dropping world wheat ending stocks to the lowest level in 28 years. Global use is projected up 1 percent mostly because of increased feed use. World wheat production is expected to grow 7 percent in 2004/05. In many countries, fairly high prices are supporting increased area. In addition, improved yields are expected, especially across most of Europe. Foreign wheat production is projected up 9 percent to 532 million because of increased prospects in the EU-25, Ukraine, India, and Russia. World wheat trade is expected to decline 2 million tons to 102 million due to reduced imports by the former Soviet Union, other Europe, and the EU-25. These declines more than offset a 5-million-ton increase projected for China. U.S. wheat exports (July-June trade year) are expected to drop 20 percent to 26 million tons because of tight domestic supplies and increased competition.

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The next release is
June 15, 2004

Approved by the
World Agricultural
Outlook Board.

2004 Winter Wheat Production Down From 2003

The 2004 winter wheat production is forecast at 1,550 million bushels, down 157 million bushels from 2003. Based on May 1 conditions, the U.S. winter wheat yield is forecast at 44.2 bushels per acre, 2.5 bushels less than last year. Forecast harvested area totals 35.1 million acres, down 1.5 million acres from last season.

Hard red winter (HRW) wheat production is down 153 million bushels from a year ago to 910 million bushels. Forecast harvested area is down 1.4 million acres from 2003 to 24.0 million acres, slightly more than the decrease in planted area year-to-year because of a slightly higher forecast rate of abandonment. Forecast HRW yield for 2004 is 37.9 bushels per acre, down 3.9 bushels from 2003.

Soft red winter (SRW) wheat production is up 20 million bushels from 2003 to 399 million bushels. SRW wheat harvested acreage is up 0.3 million acres year-to-year to 7.1 million acres. SRW yield is forecast at 56.3 bushels per acre, 0.6 bushel higher than in 2003.

White winter wheat production totals 242 million bushels, down 23 million bushels from a year ago. White winter harvested area is down .3 million acres from 2003 to 4.0 million acres. The yield for 2004 white winter is 61.0 bushels per acre, 0.7 bushel less than in 2003.

Ending Stocks for 2004/05 Slightly Lower Than 2003/04

Total projected supplies of wheat for the 2004/05 marketing year are down 232 million bushels from 2003/04 to 2,671 million bushels. Supplies are down because lower production and imports, 256 million bushels and 10 million bushels, respectively, more than offset higher beginning stocks.

Total projected use for 2004/05 is down 205 million bushels from 2002/03. While food use of wheat is up 15 million bushels year-to-year, a 25-million-bushel lower feed and residual use and a significant 205-million-bushel lower export level leaves total use at 2,172 million bushels. Because projected supplies for

2004/05 are down more than total use, ending stocks for 2004/05 are down 27 million bushels from 2003/04.

The projected price range for the season-average farm price for the 2004/05 marketing year is \$3.25 to \$3.85 per bushel.

2004 Winter Wheat Conditions Less Favorable Than 2003

As of May 9, NASS is reporting that 45 percent of the winter wheat crop is rated good to excellent and 24 percent rated poor to very poor. A year ago at this date 52 percent of the crop was rated good to excellent and 18 percent rated poor to very poor.

NASS reports that above-normal April rainfall in Texas improved that State's crop condition significantly. Heading progress in Oklahoma is running approximately one week ahead of average. Scattered April showers in Kansas were beneficial; however soil moisture supplies continue to be a major concern, especially in the northwest and west central districts. Statewide, crop progress has been ahead of average. In Colorado, April brought much needed moisture, but after three consecutive years of drought, the crop still has very little subsoil moisture upon which to draw. Additional moisture will be needed in Nebraska to ensure proper plant development. In Montana, early spring conditions were favorable, but conditions declined during April due to limited precipitation throughout the State.

In Arkansas, unusually dry conditions during March were followed by heavy rains in April. Growers in Missouri, Illinois, and Indiana expect yields to be below last year's record-high levels. Current crop conditions in Ohio are nearly identical to a year ago. Yield prospects in Georgia have been reduced by well below normal precipitation during March and April. The mid-Atlantic Coast States are rebounding from very low yields last year.

Throughout Idaho, spring weather conditions have been warmer and drier than normal. Dry conditions in northern Idaho have not yet negatively affected yields. In Oregon, annual precipitation throughout most of the winter wheat growing area is now above normal. Soil moisture levels are a major concern in

Washington where high winds and above-normal temperatures have contributed to the dry conditions.

Durum Wheat Production in the West

Production of durum wheat in Arizona and California for 2004 is forecast by NASS at 21.0 million bushels. This is down 9 percent from their 2003 total of 23.0 million. This decline is due entirely to lower expected harvested acreage, as yields are equal to the 2003 levels. Very few disease or insect problems have been reported.

Small Changes in Trade for 2003/04 Balance Sheet

Total projected exports of wheat are raised by 5 million bushels for the 2003/04 marketing year based on the export pace to date. The class changes from last month are:

- HRW wheat exports are up 2 million bushels to 522 million bushels.
- Hard red spring (HRS) wheat exports are up 5 million bushels to 265 million bushels.
- SRW wheat exports are down 5 million bushels to 145 million bushels.
- Durum wheat exports are up 3 million bushels to 43 million bushels.

Total projected imports of wheat are unchanged at 75 million bushels, but changes from last month by class of wheat because of the pace to date:

- HRS wheat imports are down 1 million bushels to 13 million bushels.
- SRW wheat imports are up 2 million bushels to 27 million bushels.
- Durum imports are down 1 million bushels to 23 million bushels.

The projected season-average price for the 2003/04 marketing year is \$3.40 per bushel, down from the 2002/03 season-average price of \$3.56.

Foreign Wheat Production Up Sharply

Foreign wheat production in 2004/05 is projected at 532 million tons, the largest in 7 years. Foreign production is up 9 percent compared with the previous year, mostly because of a sharp rebound in the EU-25 and the former Soviet Union. EU wheat prices encouraged an expansion of planted winter wheat area in the fall of 2003, and a record crop is expected. Winter conditions across Europe and most of the former Soviet Union have been generally favorable, resulting in much lower winterkill. Area harvested is expected up sharply in both regions. Ukraine, especially hard-hit by winterkill the previous year, is expected to more than double its harvested area, and quadruple production. However, at 15 million tons, Ukraine's production is not exceptionally large because planted area actually declined. While the spring wheat crops are just being planted, Kazakhstan is expected to have an average yield, implying that it will match last year's production. For the entire former Soviet Union, 2004/05 wheat production is expected to increase 18 million tons to 79 million.

Other Europe also experienced a rebound in wheat production similar to that which occurred in the EU-25 and former Soviet Union. Boosted by recovery in Romania, other Europe is forecast up 4 million tons to nearly 12 million.

India's 2004/05 wheat production is projected up 7 million tons to 72 million. Very good monsoon rains got the crop off to an excellent start, but extreme heat later in the growing season forestalled the potential for record production.

China's 2004/05 wheat production is projected down 2 million tons to 84 million. Area is expected to decline 2 percent compared with the previous year because of low returns relative to other crops. This is the sixth consecutive year of declining wheat area in China. Yields are projected at last year's level.

In the Middle East wheat production is projected up 1 percent to 39 million tons. In Iran, growing conditions have been mostly favorable and another large wheat crop is expected. In the rest of the region growing conditions were mixed, but most areas received good rains at some time. Area planted

declined in Saudi Arabia. Rains were exceptionally favorable across North Africa for the second year in a row, and another bumper crop is projected.

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 has not yet begun to be planted.

In Canada, soil moisture for planting is a concern, especially in Alberta. Other crops, especially canola, look more profitable than wheat, so area planted to wheat is likely to decline. However, assuming normal rains arrive, a small increase in yield is projected, leaving production the same as the previous year, at 23.5 million tons. In Australia, 2004/05 area is expected to remain about the same as the previous year, but a return to average yields implies a slight reduction in production.

In Argentina, wheat area is expected to increase slightly in 2003/04, as prices are favorable, and wheat yields are expected match the previous year's, boosting production prospects. Wheat production in Brazil is projected down 1 million tons to 5 million because yields are not expected to be as favorable as a year earlier.

Reduced Beginning Stocks Offset Increased Production, So Supplies Remain Tight In 2004/05

World wheat beginning stocks for 2004/05 are estimated at 129 million tons, down 38 million from a year earlier. This nearly offsets the 39-million-ton increase in global production, leaving world wheat supplies in 2004/05 nearly unchanged. 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 2004/05 is projected to only reach 717 million tons, up less than 1 million from the previous year.

Almost half of the drop in beginning stocks is in China, down 18 million tons; with the former Soviet Union, down 7 million; the EU-25 down 6 million; and India, down 5 million. The EU-25 and former Soviet Union had weather-related production reductions in 2003/04, causing stock levels to be temporarily reduced. However, China and India appear to be pursuing an intentional policy to liquidate expensive government stocks. China does not publish wheat stocks data, so uncertainty about the exact level of stocks persists. However, both countries appear to still have large government stocks.

World Wheat Use To Increase Slowly In 2004/05

Global use is projected to reach 594 million tons in 2004/05, up 1 percent from forecast 2003/04 use, but down 1 percent from the 2002/03 record.

In 2004/05, some rebound is expected in global feed and residual use, up 5 million tons to 104 million. EU-25 wheat feed and residual use is expected to increase 4 million tons to 58 million because of increased production. However, tariff-rate quotas imposed on low and medium quality wheat imports will limit the increase. Increased production is also expected to boost wheat feed and residual use in the former Soviet Union, up 2 million tons to 19 million. However, relatively strong wheat prices and high ocean freight rates are expected to limit wheat feed use in many countries. For South Korea, wheat feed use projected in 2004/05 is up only marginally. China's wheat feed and residual use is projected down 2 million tons to 4 million because of strong prices and reduced supplies of low-quality wheat coming out of storage.

Global non-feed use of wheat (mostly food use) is projected up less than 2 million tons to 490 million. In some countries, like China, with a growing economy and diversifying diets, wheat food use is projected down slightly. In others, such as India and Pakistan, slow growth is expected.

2004/05 World Wheat Ending Stocks Projected At the Lowest in 23 Years

World wheat ending stocks are projected to decline 5 million tons to 123 million in 2004/05, the lowest

since 1981/82. The largest drop is expected in China, down 11 million tons, to 31 million. While less than half the level of wheat stocks estimated just 3 years before, China's projected stocks still represent nearly 4 months of projected 2005/06 domestic use, well above the global average of 2.5 months. Wheat stocks in 2004/05 are also expected to decline in the United States and the Middle East. Wheat stocks are expected to decline in Syria, as exports increase, and in Iran as imports are expected at minimal levels.

Ending stocks in most of the rest of the world are expected to be stable or increase in 2004/05. With improved production, wheat stocks are expected to rebuild modestly in the EU-25, the former Soviet Union, and India. The major traditional wheat exporters, Canada, Australia, the United States, EU-25, and Argentina together are projected to increase wheat ending stocks in 2004/05 by 4 million tons. This increase in stocks held by the major exporters is expected to keep a lid on wheat prices.

World Wheat Trade Projected Down Slightly in 2004/05, U.S. Exports To Drop

World wheat trade (measured on a July-June trade year) is projected to decline 2 million tons to 102 million in 2004/05. Imports are expected to drop across the former Soviet Union, down 3.3 million tons; the EU-25, down 2.7 million; and other Europe, down 2 million, due to increased production. A tariff-rate quota on imports of low and medium quality wheat will assure limited imports by the EU-25. South Korea and the Philippines are not expected to significantly increase imports of wheat used for feeding because of reduced low-quality wheat exports by China and India. Ocean freight rates much higher than 2 years ago are expected to limit these countries' purchases from the Black Sea region.

China's imports are projected up 5 million tons to 8 million as tightening domestic supplies encourage some increased use of import quotas. China's imports will be crucial to supporting world wheat trade in 2004/05 as they are expected to become the largest importer.

Competition among exporting countries is expected to intensify during 2004/05 especially as later crops are harvested. Although Russia and Ukraine are expected

to replenish depleted stocks, Ukraine's exports are expected up 2 million tons. Tightening stocks in India are expected to make subsidizing exports less attractive, reducing export prospects by 3 million tons to 2 million. EU wheat exports are projected up 4.5 million tons to 14 million. It is assumed that when wheat moves into intervention in the fall, the commission will have a strong incentive to subsidize exports.

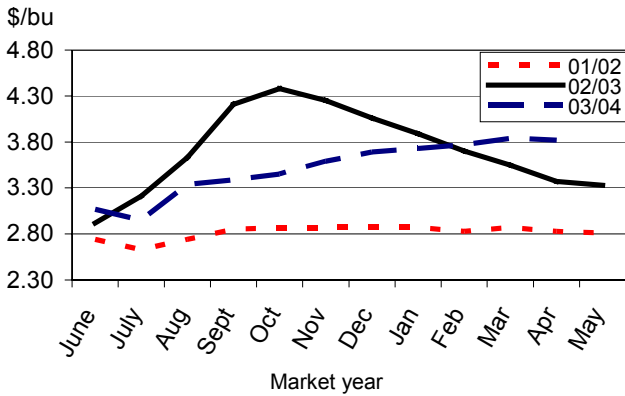
The largest increase in exports during 2004/05 is projected for Australia, up 3 million tons to 17 million. After 2 years of large production, supplies will be ample. Argentina's wheat exports are projected up 1 million tons to 8.5 million, also because of large supplies. Syria is expected to expand exports because of large stocks. Canada's exports are expected to remain steady.

China and Brazil are each expected to reduce exports 1.5 million tons because of reduced production and tighter supplies. Kazakhstan's exports are expected to decline as other countries of the former Soviet Union increase production.

U.S. wheat exports in 2004/05 are projected at 26 million tons (July-June trade year), down 6.5 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 more competitive at a time when the largest competitors (the EU, Canada, Australia, and Argentina) will not have new-crop wheat ready to ship. In most years, these countries' export programs do not begin until sometime between September and December. As of May 6, 2004, according to *U.S. Export Sales*, outstanding sales for the 2004/05 marketing year were over 3 million tons, up dramatically from the previous year. However, later in 2004/05, as reduced supplies lead to higher U.S. prices, the U.S. market share is expected to drop.

Figure 1

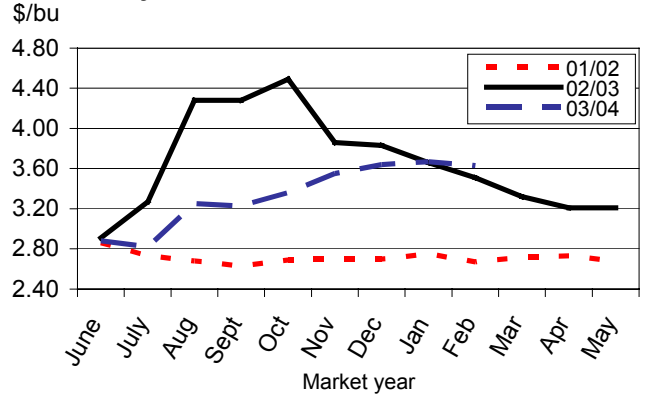
All wheat average prices received by farmers



Source: Agricultural Prices, NASS, USDA.

Figure 2

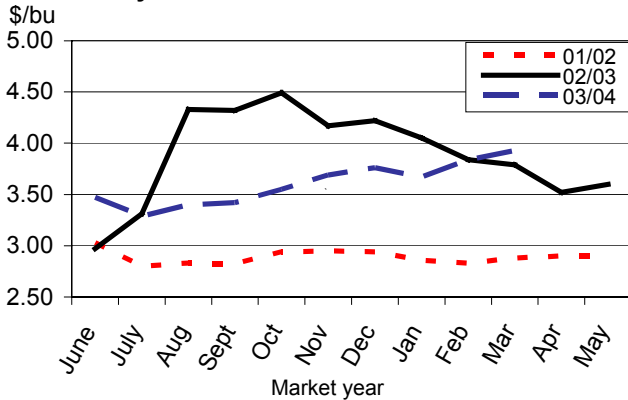
Hard red winter wheat average prices received by farmers



Source: Agricultural Prices, NASS, USDA.

Figure 3

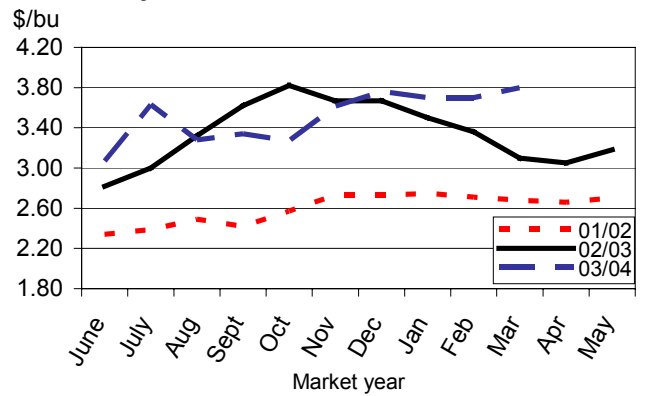
Hard red spring wheat average prices received by farmers



Source: Agricultural Prices, NASS, USDA.

Figure 4

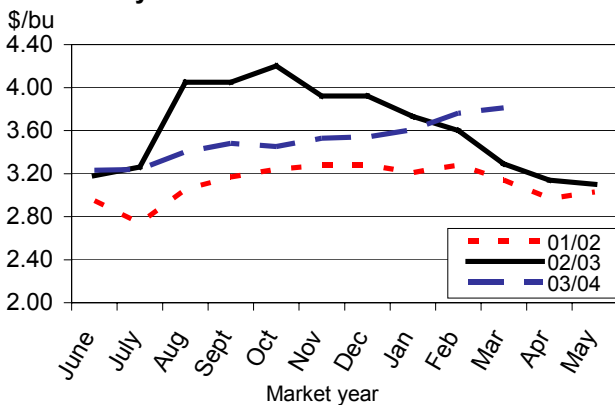
Soft red winter wheat average prices received by farmers



Source: Agricultural Prices, NASS, USDA.

Figure 5

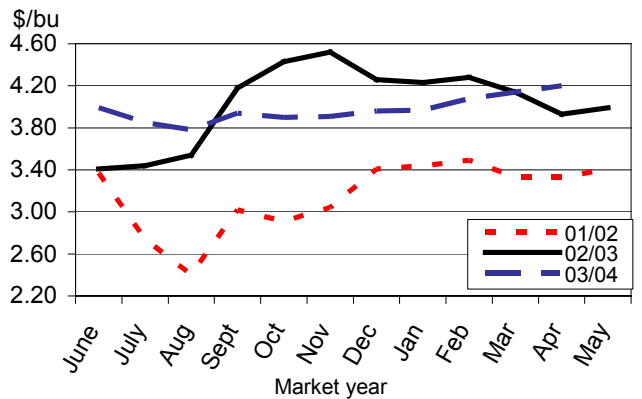
Soft white wheat average prices received by farmers



Source: Agricultural Prices, NASS, USDA.

Figure 6

Durum wheat average prices received by farmers

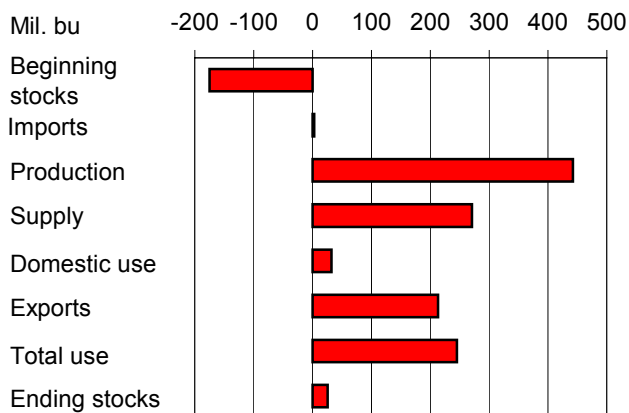


Source: Agricultural Prices, NASS, USDA.

Changes From Previous Marketing Year, 2002/03 to 2003/04

Figure 7

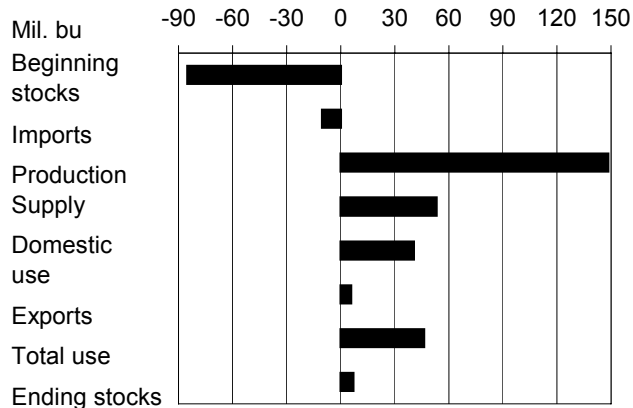
HRW changes



Source: WASDE, USDA.

Figure 8

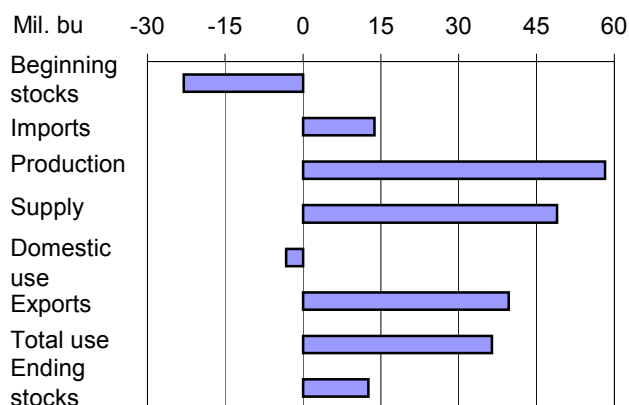
HRS changes



Source: WASDE, USDA.

Figure 9

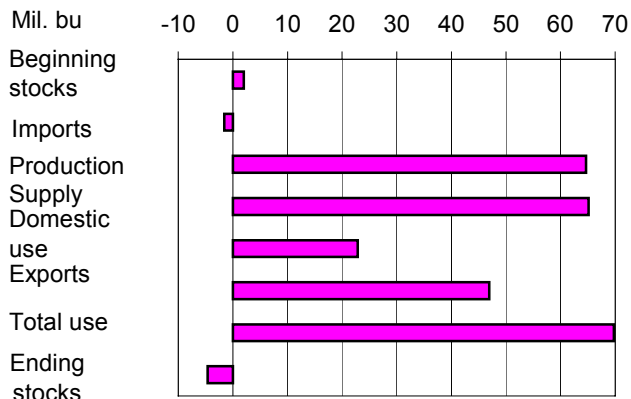
SRW changes



Source: WASDE, USDA.

Figure 10

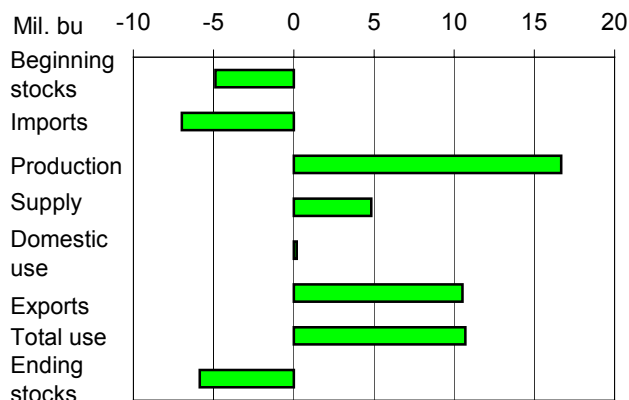
White changes



Source: WASDE, USDA.

Figure 11

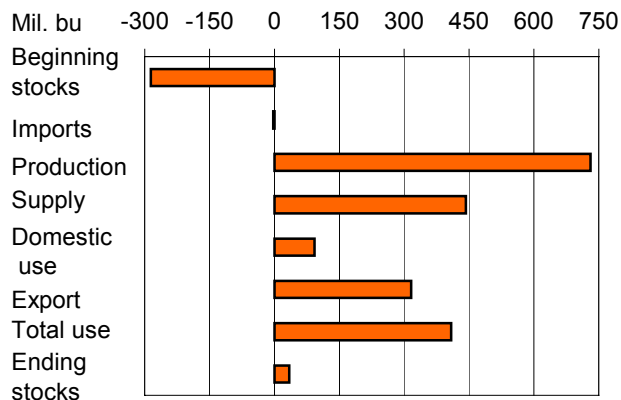
Durum changes



Source: WASDE, USDA.

Figure 12

All wheat changes



Source: WASDE, USDA.

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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

Updating Base Acres and Payment Yields indicates that about 63 percent of eligible farmland owners elected to use their historical PFC acreage (plus oilseeds, if applicable) for designating base acres under the 2002 Farm Act. The alternative was to update base acres using 1998-2001 plantings. Farmers who updated their base acres were provided choices for determining payment yields used to calculate the new counter-cyclical payments. The analysis is available at <http://www.ers.usda.gov/Briefing/FarmPolicy/updating.htm>.

China's Wheat Economy: Current Trends and Prospects for Imports. The last 10 years have been a period of volatility for wheat production and trade in China. This report provides an overview of current wheat production and consumption trends in China, including factors that contributed to slumping imports in recent years. <http://www.ers.usda.gov/publications/whs/may04/whs04D01/>

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/>.

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/>

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Table 1--Wheat: U.S. market year supply and disappearance, 12/11/03

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	62.5	59.4	60.3	61.7
Harvested	62.8	62.8	59.0	53.8	53.1	48.5	45.8	52.8
Yield: (bu/acre)	36.3	39.5	43.2	42.7	42.0	40.2	35.0	44.2
Supply: (mil. bu.)								
Beginning stocks	376.0	443.6	722.5	945.9	949.7	876.2	777.1	491.4
Production	2,277.4	2,481.5	2,547.3	2,295.6	2,228.2	1,947.5	1,605.9	2,336.5
Imports 1/	92.3	94.9	103.0	94.5	89.8	107.6	77.4	75.0
Total supply	2,745.7	3,020.0	3,372.8	3,336.0	3,267.7	2,931.2	2,460.4	2,902.9
Use:								
Food	890.7	914.1	910.0	928.8	949.6	926.4	917.5	900.0
Seed	102.3	92.5	80.4	91.7	79.5	83.4	83.8	82.0
Feed and residual	307.6	250.5	390.7	279.3	300.4	182.0	113.3	225.0
Total domestic	1,300.6	1,257.1	1,381.1	1,299.7	1,329.5	1,191.8	1,114.7	1,207.0
Exports 1/	1,001.5	1,040.4	1,045.7	1,086.5	1,062.0	962.3	854.2	1,170.0
Total use	2,302.1	2,297.5	2,426.9	2,386.2	2,391.6	2,154.1	1,969.0	2,377.0
Ending stocks:								
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	66.0	60.0
Free stocks	350.6	628.5	817.9	845.7	779.2	678.1	425.4	465.9
Stocks-to-use ratio	19.3	31.4	39.0	39.8	36.6	36.1	25.0	22.1
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	0.52	0.52
Ave. farm price	4.30	3.38	2.65	2.48	2.62	2.78	3.56	3.40
Contract pmts.								
(mil. dollars) 3/	1,941	1,412	2,717	3,827	3,606	2,474	1,182	1,245
Market value								
of production								
(mil. dollars)	9,782	8,287	6,781	5,594	5,782	5,414	5,717	7,944

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, 5/15/04 1/

2002/03E	HRW	HRS	SRW	White	Durum	All wheat
Area: Million acres						
Planted	30.1	14.8	8.1	4.4	2.9	60.30
Harvested	19.9	12.6	6.5	4.1	2.7	45.80
Yield: (bu/acre)	31.1	28	49.6	56.4	29.5	35.00
Supply: Million bushels						
Beg. stocks	363.12	230.00	78.00	73.00	32.99	777.11
Production	620.33	351.44	320.97	233.18	79.96	1,605.88
Imports 2/	0.28	23.36	13.24	10.54	29.97	77.38
Total	983.73	604.80	412.20	316.72	142.92	2,460.37
Utilization:						
Food	375.95	215.00	165.00	80.00	81.60	917.55
Seed	36.38	19.85	15.90	6.91	4.81	83.84
Feed and residual	74.03	-34.30	70.95	6.75	-4.09	113.33
Total domestic	486.36	200.54	251.85	93.65	82.32	1,114.72
Exports 2/	309.06	259.25	105.36	148.07	32.49	854.23
Total	795.42	459.80	357.20	241.72	114.81	1,968.95
Ending stocks:	188.31	145.00	55.00	75.00	28.11	491.42

2003/04P	HRW	HRS	SRW	White	Durum	All wheat

Area: Million acres						
Planted	32.178	13.103	8.273	5.231	2.915	61.70
Harvested	25.443	12.718	6.809	5.001	2.869	52.84
Yield: (bu/acre)	41.8	39.3	55.7	59.6	33.7	44.20
Supply: Million bushels						
Beg. stocks	188.31	145.00	55.00	75.00	28.11	491.42
Production	1,062.89	499.93	379.20	297.88	96.64	2,336.53
Imports 2/	3.00	13.00	27.00	9.00	23.00	75.00
Total	1,254.20	657.93	461.20	381.88	147.75	2,902.94
Utilization:						
Total domestic	518.40	241.00	248.60	116.50	82.50	1,207.00
Exports 2/	522.00	265.00	145.00	195.00	43.00	1,170.00
Total	1,040.40	506.00	393.60	311.50	125.50	2,377.00
Ending stocks:	213.80	151.93	67.60	70.38	22.25	525.94

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), 5/15/04

Market year	Production	Imports 1/	Supply	Food	Seed	Feed	Exports 2/	Ending stocks
Million bushels								
1998/99								
Jun-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	230	23	32	246	946
Mkt. year	2,547	103	3,373	910	80	391	1,046	946
1999/00								
Jun-Aug	2,296	31	3,272	230	6	269	322	2,445
Sep-Nov	---	19	2,465	241	55	-5	290	1,884
Dec-Feb	---	19	1,903	223	2	26	236	1,417
Mar-May	---	25	1,442	235	28	-10	239	950
Mkt. year	2,296	95	3,336	929	92	279	1,086	950
2000/01								
Jun-Aug	2,228	20	3,198	239	1	318	288	2,353
Sep-Nov	---	25	2,378	253	50	-24	293	1,806
Dec-Feb	---	21	1,828	228	3	11	246	1,338
Mar-May	---	23	1,361	230	25	-4	235	876
Mkt. year	2,228	90	3,268	950	79	300	1,062	876
2001/02:								
Jun-Aug	1,947	26	2,849	234	3	238	218	2,156
Sep-Nov	---	29	2,185	245	52	-23	288	1,623
Dec-Feb	---	28	1,651	221	2	-7	225	1,210
Mar-May	---	25	1,235	226	26	-26	231	777
Mkt. year	1,947	108	2,931	926	83	182	962	777
2002/03 E:								
Jun-Aug	1,606	27	2,410	233	3	185	240	1,749
Sep-Nov	---	23	1,772	240	54	-77	235	1,320
Dec-Feb	---	13	1,333	217	3	12	194	907
Mar-May	---	15	922	227	24	-7	186	491
Mkt. year	1,606	77	2,460	918	84	113	854	491
2003/04 P:								
Jun-Aug	2,337	16	2,844	227	2	309	266	2,039
Sep-Nov	---	23	2,062	230	53	-49	307	1,520
Dec-Feb	---	13	1,533	220	2	0	292	1,019
Mkt. year	2,337	75	2,903	900	82	225	1,170	526

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), 5/15/04

Item		Jan	Feb	Mar	Apr	May	June
Mill grind	+	70,192	69,635	73,879	71,125	72,723	69,577
Food imports 1/	+	2,343	1,936	2,367	2,368	2,421	2,053
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	1,865	1,529	1,229	1,827	918	1,130
Food use	=	72,670	72,042	77,017	73,666	76,226	72,500
Item		July	Aug	Sept	Oct	Nov	Dec
Mill grind	+	72,648	79,399	76,348	77,232	73,923	69,388
Food imports 1/	+	2,284	2,160	2,016	2,224	2,170	2,257
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	1,440	4,543	1,561	1,256	1,117	2,579
Food use	=	75,492	79,016	78,803	80,200	76,976	71,066

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), 10/10/03

Month	All wheat		Winter		Durum		Other spring	
	02/03	03/04	02/03	03/04	02/03	03/04	02/03	03/04
	Farm prices 1/							
June	2.92	3.07	2.90	2.93	3.41	3.99	2.98	3.46
July	3.21	2.95	3.19	2.89	3.44	3.85	3.31	3.29
August	3.63	3.34	3.63	3.28	3.54	3.78	3.66	3.39
September	4.21	3.29	4.15	3.25	4.18	3.54	4.30	3.33
October	4.37		4.32		4.43		4.44	
November	4.25		4.15		4.53		4.27	
December	4.06		3.85		4.24		4.20	
January	3.89		3.66		4.23		4.04	
February	3.68		3.52		4.24		3.79	
March	3.54		3.29		4.14		3.71	
April	3.37		3.19		3.98		3.49	
May	3.33		3.19		3.99		3.55	

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, 10/10/03

Month	Hard Red Winter		Soft Red Winter		Hard Red Spring		Soft White	
	02/03	03/04	02/03	03/04	02/03	03/04	02/03	03/04
	Farm prices 1/							
June	2.91	2.88	2.82	3.07	2.97	3.47	3.18	3.23
July	3.27	2.82	3.00	3.63	3.31	3.29	3.26	3.24
August	4.28	3.25	3.32	3.28	4.33	3.40	4.05	3.40
September	4.28		3.62		4.32		4.05	
October	4.49		3.94		4.49		4.19	
November	4.20		4.12		4.28		4.09	
December	3.83		3.67		4.22		3.92	
January	3.65		3.49		4.06		3.71	
February	3.51		3.36		3.81		3.61	
March	3.30		3.10		3.78		3.29	
April	3.21		3.05		3.53		3.14	
May	3.21		3.18		3.60		3.10	

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), 5/15/04

Month	KC HRW #1 ordinary		KC HRW #1 13% protein		Portland #1 HRW Ord.		FOB Gulf \$/mt (#2 HRW)	
	02/03	03/04	02/03	03/04	02/03	03/04	02/03	03/04
	June	3.55	3.63	3.61	3.74	3.95	3.76	133.52
July	3.92	3.34	3.91	3.66	4.33	3.47	150.48	130.87
August	4.29	3.87	4.30	4.02	4.70	4.04	163.36	151.10
September	5.04	3.74	5.05	3.85	5.46	4.05	190.98	146.92
October	5.10	3.79	5.10	3.40	5.51	4.02	194.21	148.64
November	4.76	4.21	4.75	4.39	5.15	4.53	181.36	163.04
December	4.39	4.31	4.39	4.40	4.69	4.61	164.70	166.82
January	4.06	4.32	4.05	4.37	4.33	4.47	153.99	165.99
February	4.08	4.25	4.09	4.36	4.40	4.47	154.52	162.93
March	3.80	4.30	3.81	4.44	4.23	4.47	145.66	167.89
April	3.79		3.83		4.10		142.98	167.85
May	3.87		3.96		4.16		144.72	

Month	Minneapolis DNS 13% protein		Minneapolis DNS 14% protein		Minneapolis #1 HAD milling		Portland DNS 14% protein	
	02/03	03/04	02/03	03/04	02/03	03/04	02/03	03/04
	June	3.55	4.11	3.64	4.12	4.25	N/Q	3.97
July	4.06	3.88	4.03	4.00	N/Q	N/Q	4.39	4.31
August	4.44	4.04	4.37	4.15	N/Q	5.30	4.80	4.60
September	5.20	3.83	5.24	4.03	N/Q	N/Q	5.85	4.51
October	5.12	4.12	5.20	4.31	N/Q	N/Q	5.79	4.55
November	5.00	4.37	4.99	4.59	N/Q	N/Q	5.39	4.91
December	4.50	4.24	4.47	4.43	N/Q	N/Q	4.96	4.97
January	4.30	4.30	4.34	4.44	N/Q	N/Q	4.64	5.06
February	4.54	4.44	4.52	4.64	N/Q	5.30	4.78	5.11
March	4.10	4.33	4.36	4.63	N/Q	5.33	4.77	5.10
April	4.10		4.22		N/Q		4.65	
May	N/Q		4.20		N/Q		4.65	

Month	St. Louis #2 soft red		Chicago #2 soft red		Toledo #2 soft red		Portland #1 soft white	
	02/03	03/04	02/03	03/04	02/03	03/04	02/03	03/04
	June	2.91	3.46	2.81	3.11	2.91	3.12	3.61
July	3.17	3.29	3.19	3.23	3.21	3.17	3.77	3.56
August	3.32	3.56	3.42	3.63	3.47	3.50	4.07	3.90
September	3.88	3.43	3.92	3.46	3.95	3.33	4.53	3.85
October	3.96	N/Q	3.89	3.42	3.89	3.31	4.60	3.70
November	4.03	4.19	3.85	3.87	3.84	3.73	4.50	3.98

Table 8--Wheat: U.S. exports and imports for last 6 months, 5/15/04 1/

Exports, (1,000 bu)						
Item 1/	Sept	Oct	Nov	Dec	Jan	Feb
Wheat grain	125,312	101,168	76,222	79,811	109,607	94,480
Wheat flour	1,087	765	1,295	1,673	1,789	1,342
Products	529	521	467	1,031	1,347	783
Total	126,928	102,454	77,984	82,515	112,743	96,605
Imports, (1,000 bu.)						
Item 1/	Sept	Oct	Nov	Dec	Jan	Feb
Wheat grain	11,148	3,690	1,489	1,792	2,146	2,444
Wheat flour	1,002	1,001	1,009	938	964	910
Products	1,024	1,236	1,167	1,329	1,135	1,080
Total	13,174	5,927	3,665	4,059	4,245	4,434

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

Table 9--Wheat: U.S. exports, Census and export sales comparison, 5/15/04 1/

Importing country	2001/02		2002/03		2003/04 (as of 5/6/04)		
	Shipments				Shipments	Outstanding	
	Census		Export sales			sales	Total
Data source	Census	Export sales	Census	Export sales	Export sales		
1,000 metric tons							
Country:							
Japan	2,966	2,948	3,076	2,998	2,906	363	3,269
Mexico	2,121	2,210	2,392	2,486	2,713	171	2,883
Nigeria	1,959	1,998	1,666	1,660	2,007	202	2,209
Philippines	1,516	1,592	1,524	1,560	1,127	146	1,273
South Korea	1,225	1,226	1,202	1,257	1,279	148	1,427
EU	1,925	2,160	1,127	1,236	1,907	154	2,061
Egypt	3,443	3,830	1,085	1,107	3,914	49	3,963
Taiwan	874	920	919	958	932	131	1,063
Colombia	536	528	729	724	748	77	824
Brazil	79	106	686	688	474	0	474
Total grain	25,194	24,135	22,396	20,805	27,629	2,572	30,200
Total (including products)	26,163	24,165	23,242	20,840	27,682	2,574	30,256
USDA forecast of Census					31,842		

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

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