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Wheat Outlook

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Small 2006/07 Winter Wheat Crop Leads to Higher Prices

Contents

The next release is June 13, 2006

Approved by the World Agricultural Outlook Board.

The 2006/07 U.S. wheat outlook is for a decrease in projected production, exports, and stocks, and higher prices. Total production is forecast down 11 percent from 2005/06 to 1,873 million bushels. Total wheat supplies are down 8 percent from 2005/06 to 2,515 million bushels. Total wheat use is projected to decrease 5 percent in 2006/07, mostly because of lower exports. The projected 2006/07 price range is $3.50 to $4.10 per bushel, compared with an estimated $3.42 for 2005/06.

World wheat use in 2006/07 is projected to exceed production by 16 million tons, reducing world wheat ending stocks significantly to 128 million, the second lowest level in 25 years. Global use is projected down 2 percent with most of the decline in feed use. World wheat production is expected to decline 3 percent in 2006/07, mostly because of reduced production in Ukraine, Russia, the United States, and India. Foreign wheat production is projected down 14 million tons to 550 million. World wheat trade in 2006/07 (July-June) is expected to decline 1 million tons to 110 million due mostly to reduced imports by North Africa, the EU-25, and reduced imports of wheat used for feeding. These declines more than offset a significant increase for India. U.S. wheat exports are expected to drop 11 percent to 24.5 million tons because of tight supplies and high U.S. prices.

Domestic Outlook

Winter Wheat Production Reduced by Poor Crop Conditions

The National Agricultural Statistics Service (NASS) survey-based forecast of winter wheat production is down 12 percent from last year to 1,323 million bushels despite only a 2-percent drop in planted area. Production is down because poor weather conditions are expected to increase abandonment (29 percent versus 18 percent) and reduce yields (44.4 bushels per acre versus 42.4). In particular, projected 2006/07 hard red winter (HRW) wheat yields are down 4.0 bushels per acre year-to-year.

HRW harvested acreage is down about 14 percent from the previous year compared with the soft red (SRW) winter harvested acreage being up about 17 percent. SRW in 2005/06 was down sharply because of poor planting conditions for that crop year. White winter harvested area is forecast up 2 percent year-to-year.

HRW production is down 23 percent from a year ago to 715 million bushels. SRW production is up 15 percent and totals 356 million bushels. White production totals 252 million bushels, down 3 percent from a year ago. Of the white production total, 21.7 million bushels are hard white and 230 million bushels are soft white.

Crop Conditions Are Poor on the Southern Plains

NASS' *Crop Production* reported that dry weather conditions in the central and southern Great Plains have resulted in reduced forecast harvested acreage in the HRW growing region (down 3.4 million acres year to year). The yield potential of the crop has also been significantly reduced in Texas and Oklahoma due to continued drought conditions. In Texas, wheat production is forecast at the lowest since 1971, and acres harvested for grain are the lowest since 1925. Rain showers during the latter portion of April were beneficial, but due to the extent of drought damage, did little to improve the crop. Oklahoma has experienced one of the worst droughts in history. There was no measurable rainfall across the State from the end of October through the first of March.

Farther north, NASS' *Crop Progress* reported that wheat jointed and headed in Kansas ahead of the 5-year average (72 percent versus 38), however, soil moisture supplies continue to be a major concern, especially in the western portion of the State. In Nebraska, disease and insect pressures are minimal, while soil moisture supplies are mostly short in the major wheat growing areas. In Colorado, crop conditions are mostly fair to good, but timely rains are needed to maintain yield potential. Crop condition ratings in Montana are better than last year due to the mild spring and moisture in April.

In Idaho and Oregon, winter wheat is in good condition and the above-normal snowpacks should provide ample irrigation water supplies. Washington growers expect better yields due to improved soil moisture supplies along with little winter kill.

Growers in many States in the SRW growing area expect yields to be below last year. In Arkansas, wheat headed ahead of the 5-year average due to dry weather earlier in the year. Crop condition ratings in Ohio are better than last year.

Spring Wheat Seeding Expected Down This Year

The forecasted spring and durum wheat planted area for 2006/07 is 15.7 million acres, down from 16.8 million acres. Spring and durum wheat production for 2006/07 is projected at 550 million bushels based on trend yields and the most recent 10-year average of harvest-to-planted ratios.

Crop Production reported that spring wheat seeding began slowly, falling behind normal early in April, mostly due to wet conditions in the Pacific Northwest. However, progress accelerated in the final week, advancing nearly to the normal pace. At month's end, 42 percent of the crop had been sown, compared with 58 percent last year and 43 percent for the 5-year average. Though progress continued to trail behind normal in the Pacific Northwest and northern Rockies, growers in Minnesota and the Dakotas were at or ahead of normal. Eleven percent of the crop had emerged, 8 points behind last year and 4 points behind normal. Emergence was ahead of normal in South Dakota but behind normal elsewhere, especially in the Pacific Northwest.

Production of durum wheat in Arizona and California is forecast at a collective 12.7 million bushels, down 12 percent from last year. In California, cool and wet conditions during the spring damaged wheat in some fields.

2006/07 Ending Stocks Down Year-to-Year and Price Is Up

Projected carryin stocks and imports for 2006/07 are both up slightly year to year but not nearly enough to offset the reduced winter wheat production. Total wheat supplies are down 8 percent from 2005/06 to 2,515 million bushels.

Total wheat use is projected to decrease 5 percent in 2006/07 mostly because of lower exports. Exports of 900 million bushes are down 100 million bushels from 2005/06 due to tight U.S. supplies. Projected U.S. ending stocks of 447 million bushels are down 18 percent from 2005/06.

The price stability of the previous 3 years is projected to end with the 2006/07 marketing year. The projected 2006/07 price range is $3.50 to $4.10 per bushel compared with $3.40 for 2003/04 and 2004/05 and the $3.42 currently projected for 2005/06.

Projected Exports for 2005/06 Are Lowered

For 2005/06, wheat exports are reduced 15 million bushels from last month to 1,000 million bushels to reflect a slowdown in late-season shipments of HRW and hard red spring wheat. The reduced imports raise ending stocks for 2005/06 to 547 million bushels.

The projected season-average price for 2005/06 is raised to $3.42 per bushel because of higher-than-expected farm-gate prices. Last month, the projected price for the 2005/06 marketing year was $3.40.

International Outlook

Foreign Wheat Production Down in 2006/07

Foreign wheat production in 2006/07 is projected at 549.5 million tons, the second consecutive year of decline. Foreign production is down 2 percent compared with the previous year, mostly because of reduced prospects in Ukraine, Russia, and India. However, the European Union-25 (EU-25) and North Africa are expected to rebound from the drought that devastated the Western Mediterranean a year ago, offsetting some of the production declines elsewhere. Winter conditions across much of Europe and most of North Africa have been generally favorable, resulting in below average to average winter kill. However, across Northern France, Germany, and England, growing conditions have not been good enough to boost yield prospects to 2004 levels, so the increase in EU-25 production is expected to be a modest 2 percent.

In Russia and Ukraine winter wheat area planted plummeted due to dryness at planting and weak economic incentives. Severe cold struck much of the crop in January, but snow cover limited winter kill to about average. In Russia the drop in winter wheat area can be partly offset by increased spring wheat sowing, but in Ukraine little spring wheat is planted and the land is expected to be used for other crops. Kazakhstan is expected to have an average yield, implying a small increase in production. In the former Soviet Union (FSU-12), 2006/07 wheat production is expected to drop 17 percent to 76 million tons. Wheat production in Other Europe is projected to decline by a similar rate, down 16 percent, as Romania suffered from some of the same problems in neighboring Ukraine and additionally was hit by severe spring flooding. Other Europe is forecast down 2 million tons to 11 million.

India's 2006/07 wheat production is projected down 4 million tons to 68 million. Early in the growing season a portion of the crop was hit by a very rare freeze, but temperatures did not remain low enough for long enough to do much damage. Severe, unusual high temperatures and dryness during grain fill likely limited production. Satellite imagery reflects less vigorous growth throughout the growing season. In Pakistan, where virtually all the wheat is irrigated, a 3-percent decline to 21 million tons is forecast.

China's 2006/07 wheat production is projected up 0.5 million tons to 97.5 million. Area is expected to increase slightly compared with the previous year because of government programs for grains producers that include some payments and reduced taxes. Wheat prices in the fall of 2004 also encouraged plantings. Yields are expected to match last year's record, as growing conditions have been generally good.

In the Middle East wheat production is projected up slightly to 42 million tons. In Turkey, growing conditions have been mostly favorable and a larger wheat crop is expected. In the rest of the region growing conditions were mixed, and most areas received good rains at some time, but Syria and Iran had extended dry periods, reducing production potential below the previous year.

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 planting.

In Canada, there is good soil moisture for planting, except for in parts of Alberta. Reduced area for durum is expected to be more than offset by increases for Canadian Western spring, leaving the total up nearly 3 percent. However, assuming normal weather, last year's record yields will not be matched, but average quality would improve. Production is expected to decline slightly to 26 million tons. In Australia, 2006/07 area is expected to increase slowly, but a return to average yields implies a small reduction in production to 26 million tons.

In Argentina wheat area is expected to rebound in 2006/07, up nearly 25 percent, as prices are favorable, and soil moisture is much improved. Trend wheat yields would boost production 3 million tons to 15.5 million. Wheat production in Brazil is projected down 10 percent to 4.4 million tons as the cost of production is high.

Reduced Beginning Stocks Compound Reduced Production, Wheat Supplies Tight in 2006/07

World wheat beginning stocks for 2006/07 are estimated at 144 million tons, down 7 million from a year earlier. This adds to the 20-million-ton reduction in global production, leaving world wheat supplies in 2006/07 projected down 3 percent. 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 2005/06 is projected to reach 744 million tons, down 26 million from the previous year, but still 24 million larger than the tight supplies in 2003/04.

Australia and Canada, major foreign exporters, have 2006/07 beginning stocks up significantly, so they will be able to compete vigorously for exports early in the marketing year. Beginning stocks in the EU-25 are forecast down 4 million tons to 21 million, but remain large. FSU-12 beginning stocks are projected up 11 percent to 16 million tons, partly offsetting lower production. However, India's beginning stocks are estimated at extremely low levels, so imports will be needed to offset reduced production. China does not publish wheat stocks data, so uncertainty about the exact level of stocks persists. China appears to still have large government stocks, and even with beginning wheat stocks forecast down 4 million tons to 35 million, China remains by far the world's largest holder of wheat stocks.

World Wheat Use To Decline in 2006/07, With Less Used for Feed

Global use is projected to reach 616 million tons in 2006/07, down 2 percent from estimated 2005/06 disappearance. Global feed and residual use is projected down 6 million tons to 107 million. EU-25 wheat feed and residual use is expected to decline one million tons to 60 million because of increased EU-25 coarse grains production and less imports from Russia and Ukraine. Reduced wheat supplies in the FSU-12 are expected to reduce feed and residual use 2.5 million tons to 21 million. Moreover, relatively low corn prices and the reduced availability of low quality wheat from the Black Sea, India, China, or Brazil is expected to limit wheat feed use in importing countries. Wheat feed use is projected to decline in South Korea, Israel, and the Philippines. Canada's wheat feed and residual use is expected to decline slightly due to the improved quality of expected production. China's wheat feed and residual use is projected down slightly because of strong prices and less low-quality wheat coming out of storage.

Global non-feed use of wheat (mostly food use) is projected down 4.6 million tons or less than 1 percent. In most years population growth generates increases in food use. In some countries, like China, with a growing economy and diversifying diets, wheat food use is projected down slightly. In 2006/07 in India the tight supply of wheat is expected to cause a shift to rice in the public distribution system, along with higher prices, dropping wheat food use 3.5 million tons to 70.5 million.

There is a database accounting factor contributing to the reduction in 2006/07 projected world wheat use. World wheat trade is balanced on a July-June trade year, with an "unaccounted" included in the balance for importing countries not in the database. Consumption, however, is accounted for in the local marketing year, which can be different for each country. Local marketing year exports can be significantly different than trade year exports for Southern Hemisphere countries like Australia and Argentina. The estimated pattern of trade in 2005/06 resulted in local marketing year exports bigger than imports by 4.6 million tons. This increases global disappearance by 4.6 million. The projected pattern of exports in 2006/07 results in local marketing year exports exceeding imports by only 0.8 million tons. This boosts disappearance by much less than the previous year, offsetting the growth in food use generated by population growth in many countries.

2006/07 World Wheat Ending Stocks Projected Lowest in 25 Years

World wheat ending stocks are projected to drop 16 million tons to 128 million in 2006/07, the lowest since 1981/82. The largest drop is expected in the FSU-12, down 4 million tons, to 12 million due to reduced production. The EU-25 is expected to reduce stocks 3 million tons to 18 million, taking advantage of high world prices to export without subsidy and reduce burdensome intervention stocks. China is expected to continue to reduce stock levels, but at a slowing rate, so ending stocks are projected down 2 million tons to 33 million, still representing nearly 4 months of projected 2006/07 domestic use, well above the global average of 2.5 months. Wheat stocks in 2006/07 are also expected to decline in Canada and Australia, but increase 1.5 million tons to over 3 million in India where imports are expected.

World Wheat Trade Projected Down Slightly in 2006/07, U.S. Exports To Drop

World wheat trade (measured on a July-June trade year) is projected to decline 1 million tons to 110 million in 2006/07. Imports by North Africa (down 2.5 million tons) and the EU-25 (down 1.2 million) are expected to drop because of increased production. Reduced supplies for export of low quality wheat suitable for feeding are expected to reduce wheat imports by South Korea, Israel, and the Philippines (summing to a decline of 0.8 million). Most other countries are expected to import at a steady or slightly increased pace in 2006/07. Relatively high ocean freight rates are expected to put a brake on world wheat trade. However, world wheat trade is expected to be supported by a 3.5-million-ton increase in imports by India, which has already started tendering for large quantities.

China’s imports are projected up slightly to 1.5 million tons as increased production limits the need to import. China has not purchased wheat early in the season as they often do when the import program is large. However, ongoing, long-term import agreements with Canada, the EU-25, and Australia are expected to limit the decline. China’s imports will be crucial to determining world wheat trade in 2006/07 because in some years they emerge as one of the largest importers. Egypt, the largest importer, is expected to reduce imports slightly to 7.2 million tons in 2006/07. Nigeria is expected to boost imports 10 percent to 4.3 million tons as oil revenues remain ample. Russia is expected to increase imports from Kazakhstan due to reduced production.

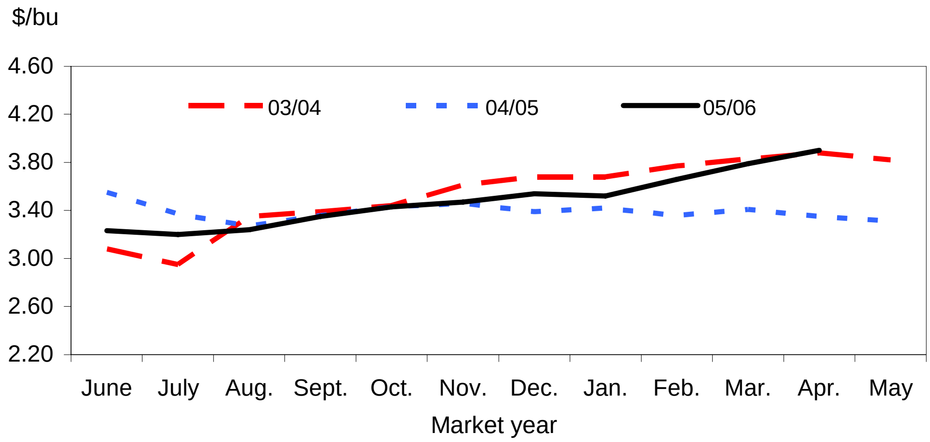
Competition among exporting countries is expected to be less intense in 2006/07 because of tight supplies in the United States, Russia, and Ukraine, key exporting countries for determining prices. In recent years, Russia and Ukraine have played a key role exporting “cheapest” wheat, especially in the competitive markets in the Mediterranean. The United States as the largest exporter also has a key role in price discovery. However, in 2006/07, the EU-25, Australia, and Canada, with their wheat boards and commissions obscuring prices, will account for an increased share of world wheat trade. EU-25 wheat exports are projected up 2 million tons to 16.5 million. It is assumed that some EU-25 exports will move without subsidy, and only when wheat moves into intervention will the commission have a strong incentive to subsidize exports.

A larger crop in Kazakhstan and increased regional demand is expected to boost exports 1.5 million tons to 4.5 million, partly offsetting the decline in Russia and Ukraine. Wheat exports from the FSU-12 are forecast down 6.6 million tons to 12.2 million.

July-June trade year 2006/07 exports for Argentina and Australia are expected to increase because of the pattern of sales. Argentina is expected to rapidly market their large crop harvested in early 2007, so much of those shipments are expected to take place in 2006/07. Australia’s early export pace for the large crop harvested in 2006 was slow and with increased sales to India and Iraq is expected to be stronger than usual in early 2006/07 (July-June). Another large crop in 2007 is expected to keep Australia’s exports robust.

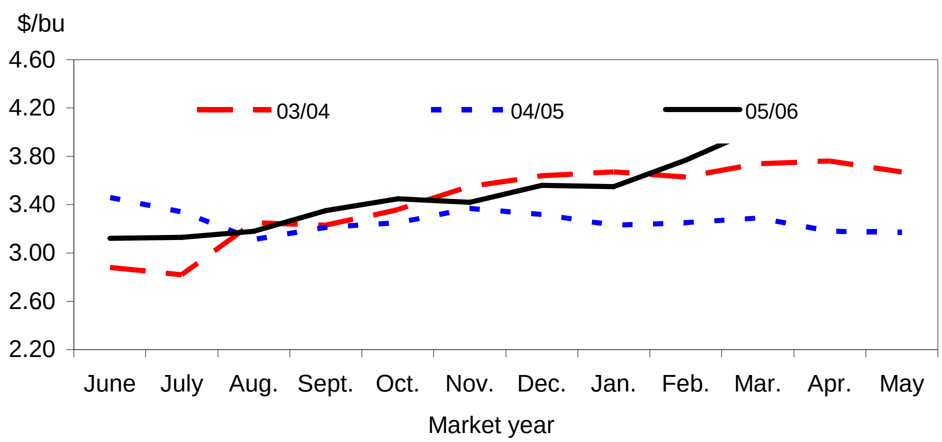
U.S. wheat exports in 2006/07 are projected at 24.5 million tons, down 3 million from the forecast for the previous year. Tight supplies and relatively high U.S. prices are expected to limit U.S. export potential. As of May 4, 2006, according to *U.S. Export Sales*, outstanding sales for the 2006/07 marketing year were 1.6 million tons, up from the previous year’s 1.0 million slow start. However, even if the early pace of U.S. sales is good, as supplies tighten, exports are expected to dwindle.

Figure 1
All wheat average prices received by farmers



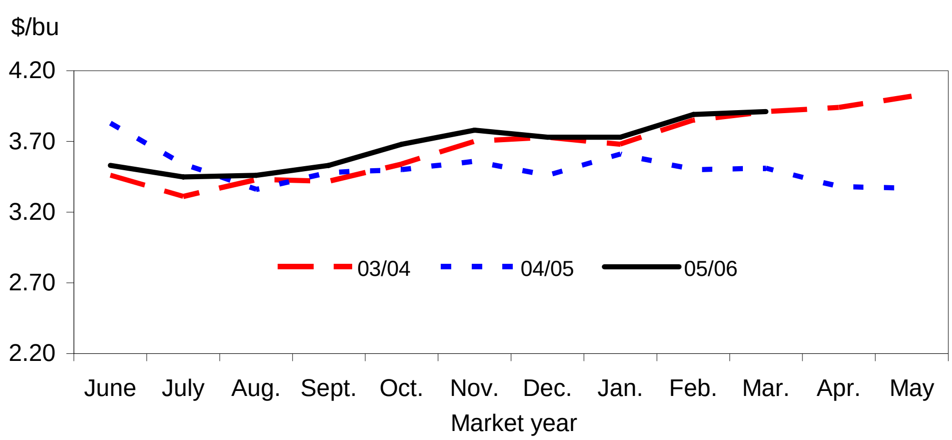
Source: *Agricultural Prices* , NASS, USDA.

Figure 2
Hard red winter wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

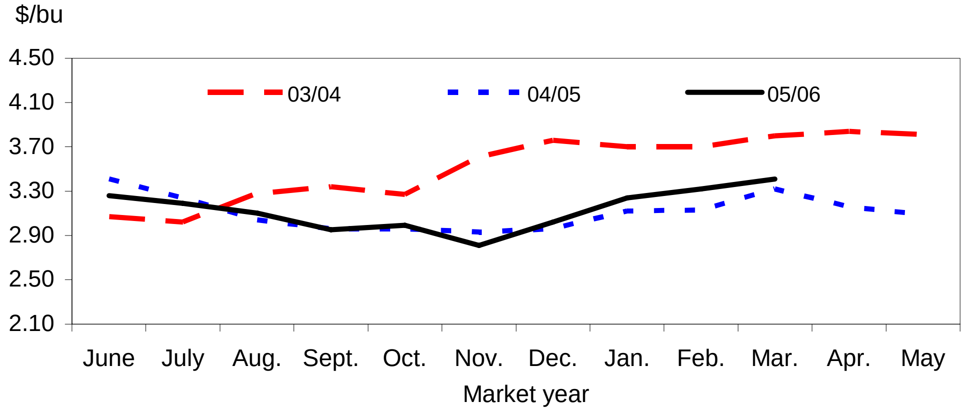
Figure 3
Hard red spring wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

Figure 4

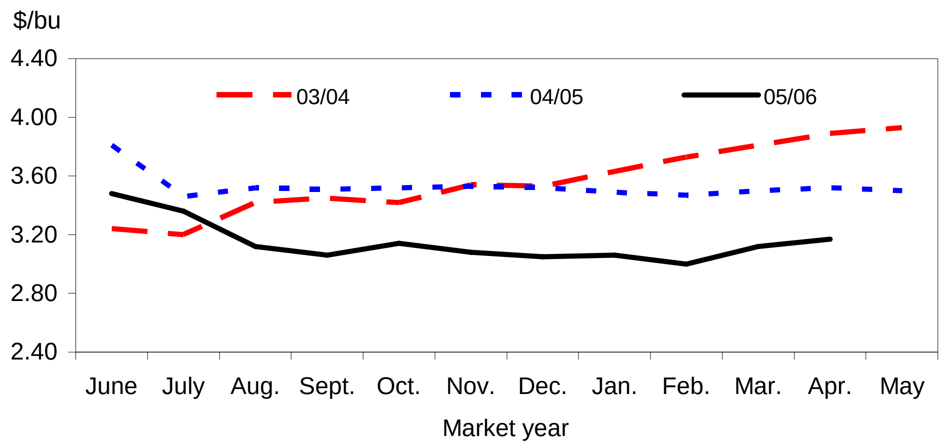
Soft red winter wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

Figure 5

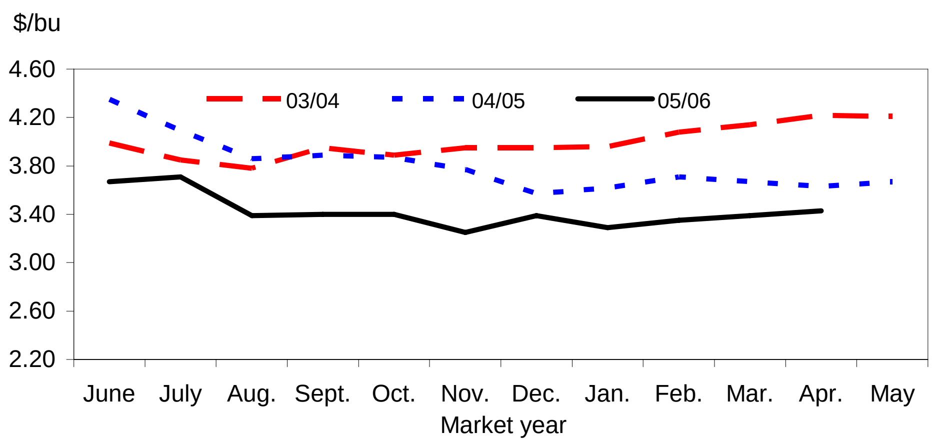
Soft white wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

Figure 6

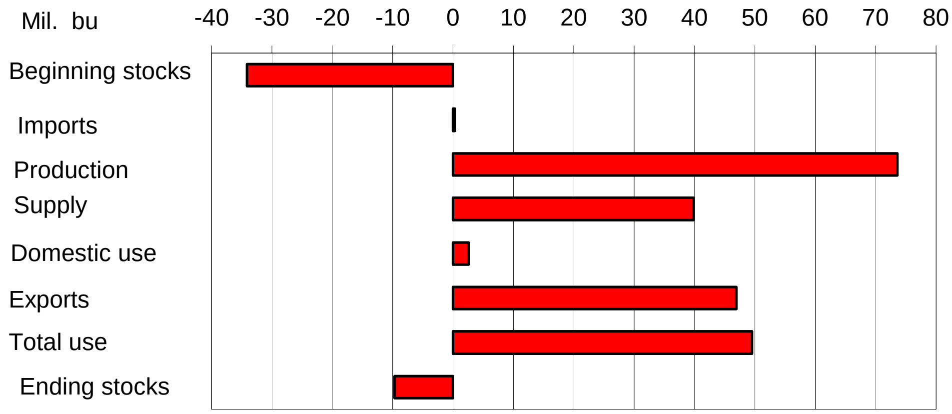
Durum wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

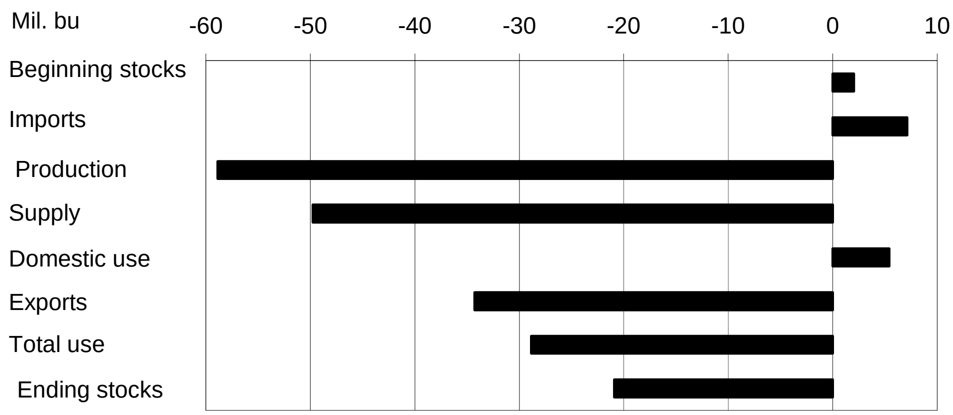
Changes From Previous Marketing Year, 2004/05 to 2005/06

Figure 7
Hard red winter wheat



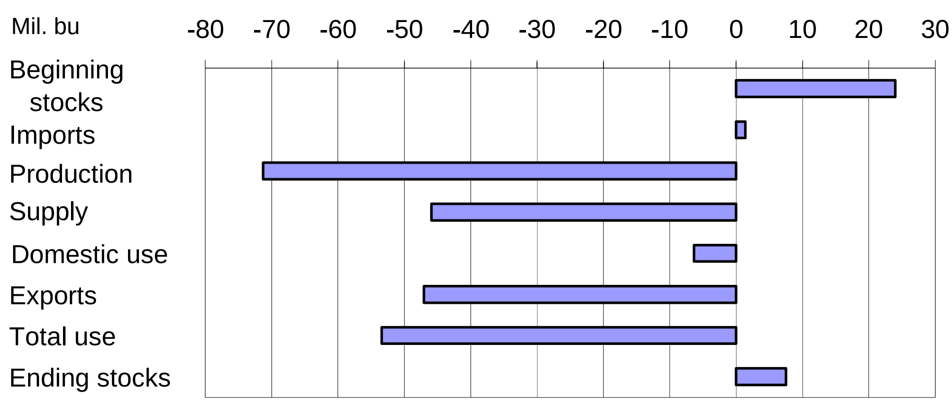
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 8
Hard red spring wheat



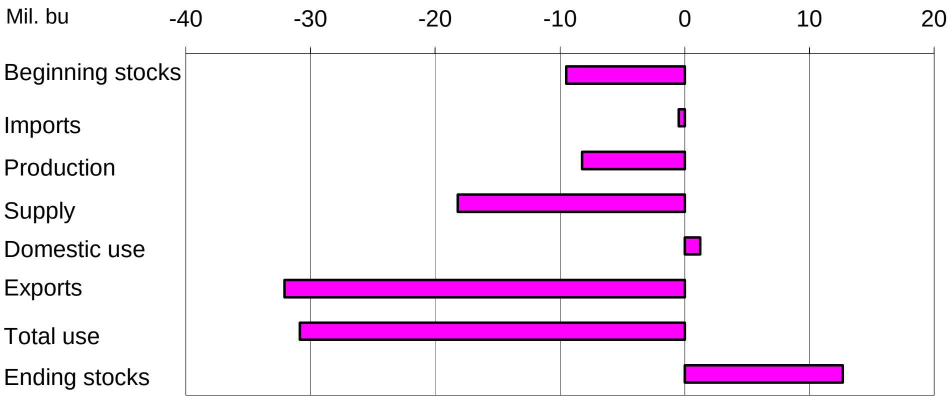
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 9
Soft red winter wheat



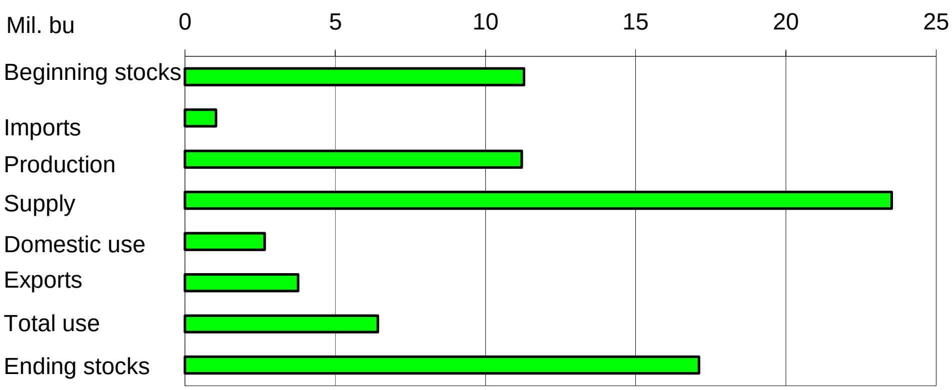
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 10
White wheat



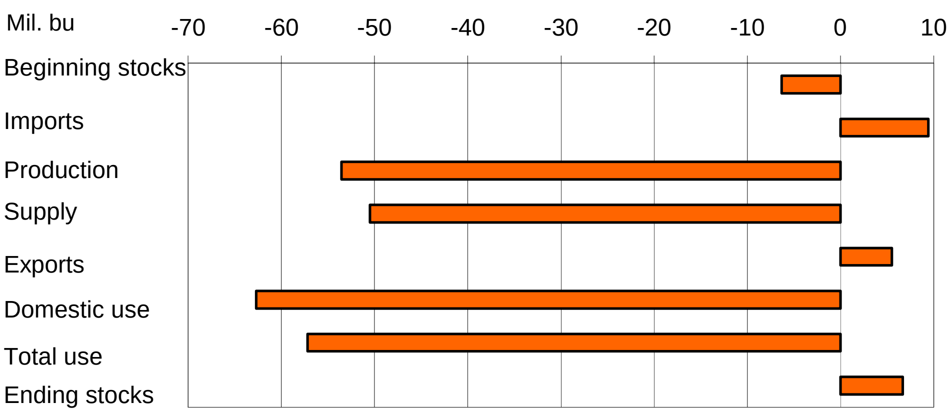
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 11
Durum



Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 12
All wheat



Source: *WASDE,* World Agricultural Outlook Board, USDA.

Contacts and Links

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Data

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

Recent Report

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decisionmakers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments.
http://www.ers.usda.gov/publications/ERR12/

See also Farm Program Acres for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped.
http://www.ers.usda.gov/data/baseacres/

Related Websites

WASDE (http://usda.mannlib.cornell.edu/reports/waobr/wasde-bb/)
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Table 1--Wheat: U.S. market year supply and disappearance, 05/16/06

Item	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05e	2005/06P	2006/07P
Area: (mil. ac)										
National total base	0.0	0.0	0.0	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	0.0	0.0
CRP base retired	10.1	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planted	70.4	65.8	62.7	62.5	59.4	60.3	62.1	59.7	57.2	57.1
Harvested	62.8	59.0	53.8	53.1	48.5	45.8	53.1	50.0	50.1	46.1
Yield: (bu/acre)	39.5	43.2	42.7	42.0	40.2	35.0	44.2	43.2	42.0	40.6
Supply:					Million bushels					
Beginning stocks	443.6	722.5	945.9	949.7	876.2	777.1	491.4	546.4	540.1	546.8
Production	2,481.5	2,547.3	2,295.6	2,228.2	1,947.5	1,605.9	2,344.8	2,158.2	2,104.7	1,872.8
Imports 1/	94.9	103.0	94.5	89.8	107.6	77.4	63.0	70.6	80.0	95.0
Total supply	3,020.0	3,372.8	3,336.0	3,267.7	2,931.2	2,460.4	2,899.2	2,775.3	2,724.8	2,514.6
Use:										
Food	914.1	910.0	928.8	949.6	926.4	918.6	911.9	904.7	910.0	915.0
Seed	92.5	80.4	91.7	79.5	83.4	84.4	79.7	77.6	78.0	78.0
Feed and residual	250.5	390.7	279.3	300.4	182.0	115.7	202.9	190.2	190.0	175.0
Total domestic	1,257.1	1,381.1	1,299.7	1,329.5	1,191.8	1,118.7	1,194.4	1,172.5	1,178.0	1,168.0
Exports 1/	1,040.4	1,045.7	1,086.5	1,062.0	962.3	850.2	1,158.3	1,062.7	1,000.0	900.0
Total use	2,297.5	2,426.9	2,386.2	2,391.6	2,154.1	1,968.9	2,352.8	2,235.2	2,178.0	2,068.0
Ending stocks:	722.5	945.9	949.7	876.2	777.1	491.4	546.4	540.1	546.8	446.6
Farmer-owned reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CCC inventory 2/	94.0	128.0	104.0	97.0	99.0	66.0	61.0	54.0	43.0	0.0
Free stocks	628.5	817.9	845.7	779.2	678.1	425.4	485.4	486.1	503.8	446.6
Stocks-to-use ratio	31.4	39.0	39.8	36.6	36.1	25.0	23.2	24.2	25.1	21.6
Prices: ($/bu)										
Target price	0.00	0.00	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	2.80	2.80	2.75	2.75	2.75
Contract rate	0.63	0.66	0.64	0.59	0.48	0.52	0.52	0.52	0.52	0.52
Ave. farm price	3.38	2.65	2.48	2.62	2.78	3.56	3.40	3.40	3.42	3.50-4.10
Gov't. pmts.										
(mil. dollars)	1,412	2,717	3,827	3,606	2,474	1,173	1,236	1,220	1,156	1,136
Market value										
of production										
(mil. dollars)	8,287	6,781	5,594	5,782	5,440	5,679	7,929	7,283	7,198	7,117

Totals may not add due to rounding. E=Estimated, P=Projected.
1/ Imports and exports include flour and other products expressed
in wheat equivalent. 2/ Includes Food Security Reserve.

Source: World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates, USDA.*

Table 2--Wheat: U.S. market year supply and disappearance, 05/16/06 1/

2004/05E	HRW	HRS	SRW	White	Durum	All wheat
Area:			Million acres			
Planted	30.778	13.033	8.227	5.075	2.561	59.674
Harvested	23.406	12.46	7.02	4.751	2.363	50.000
Yield: (bu/acre)	36.6	42.2	54.2	64.5	38	43.2
Supply:			Million bushels			
Beg. stocks	227.13	157.00	64.00	72.00	26.31	546.44
Production	856.21	525.47	380.31	306.37	89.89	2,158.25
Imports 2/	0.66	7.88	21.61	11.47	28.97	70.60
Total	1,084.00	690.35	465.92	389.84	145.18	2,775.28
Utilization:						
Food	377.14	228.00	155.00	75.00	69.51	904.66
Seed	33.37	20.72	11.75	6.50	5.27	77.61
Feed and residual	92.41	-31.64	89.12	38.77	1.57	190.23
Total domestic	502.92	217.08	255.87	120.27	76.35	1,172.50
Exports 2/	388.07	314.26	122.04	207.08	31.23	1,062.69
Total	891.00	531.35	377.92	327.34	107.58	2,235.18
Ending stocks:	193.01	159.00	88.00	62.50	37.59	540.10
2005/06P	HRW	HRS	SRW	White	Durum	All wheat
Area:			Million acres			
Planted	30.049	13.344	6.134	4.942	2.76	57.229
Harvested	24.625	12.946	5.147	4.685	2.716	50.119
Yield: (bu/acre)	37.8	36	60	63.7	37.2	42.0
Supply:			Million bushels			
Beg. stocks	193.01	159.00	88.00	62.50	37.59	540.10
Production	929.82	466.59	309.02	298.16	101.11	2,104.69
Imports 2/	1.00	15.00	23.00	11.00	30.00	80.00
Total	1,123.83	640.59	420.02	371.66	168.70	2,724.79
Utilization:						
Total domestic	505.50	222.50	249.50	121.50	79.00	1,178.00
Exports 2/	435.00	280.00	75.00	175.00	35.00	1,000.00
Total	940.50	502.50	324.50	296.50	114.00	2,178.00
Ending stocks:	183.33	138.09	95.52	75.16	54.70	546.79

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 Outlook Board, *World Agricultural Supply and Demand Estimates,* USDA.

Table 3--Wheat: Quarterly supply and disappearance (1,000 bu), 04/12/06

Market year		Produc-tion	Imports 1/	Supply	Food	Seed	Feed	Exports 1/	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:									
	Jun-Aug	1,606	27	2,410	233	3	185	240	1,749
	Sep-Nov	---	23	1,772	238	55	-75	235	1,320
	Dec-Feb	---	13	1,333	219	3	14	190	907
	Mar-May	---	15	922	229	24	-8	186	491
	Mkt. year	1,606	77	2,460	919	84	116	850	491
2003/04 E:									
	Jun-Aug	2,345	16	2,852	231	2	315	265	2,039
	Sep-Nov	---	18	2,057	240	53	-62	305	1,520
	Dec-Feb	---	13	1,533	216	2	3	291	1,021
	Mar-May	---	17	1,037	226	22	-54	296	546
	Mkt. year	2,345	63	2,899	912	80	203	1,158	546
2004/05 P:									
	Jun-Aug	2,158	17	2,722	227	4	265	287	1,938
	Sep-Nov	---	19	1,957	236	47	-56	300	1,430
	Dec-Feb	---	18	1,448	216	2	8	237	984
	Mar-May	---	17	1,001	225	24	-27	239	540
	Mkt. year	2,158	71	2,775	905	78	190	1,063	540
2005/06 P:									
	Jun-Aug	2,105	19	2,663	229	2	266	243	1,923
	Sep-Nov	---	20	1,944	238	51	-62	288	1,429

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), 05/16/06

Item		Jan.	Feb.	Mar.	Apr.	May	June
Mill grind	+	69,884	69,329	73,555	70,727	72,315	69,187
Food imports 1/	+	2,148	1,861	2,427	2,179	2,230	2,279
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	1,706	1,337	998	1,769	1,418	1,473
Food use	=	72,326	71,853	76,984	73,137	75,127	71,993
Item		July	Aug.	Sept.	Oct.	Nov.	Dec
Mill grind	+	72,728	79,487	76,432	77,894	74,556	69,983
Food imports 1/	+	2,137	2,319	2,156	2,413	2,384	2,250
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	1,096	2,099	1,288	1,463	1,525	1,586
Food use	=	75,769	81,707	79,300	80,844	77,415	72,647

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, estimates.

Table 5--Wheat: National average price received by farmers, 05/16/06 1/

Month	All wheat		Winter		Durum		Other spring	
	04/05	05/06	04/05	05/06	04/05	05/06	04/05	05/06
			($/bu)	($/bu)				
June	3.55	3.23	3.46	3.15	4.35	3.67	3.83	3.53
July	3.37	3.20	3.31	3.15	4.09	3.71	3.55	3.45
August	3.27	3.24	3.19	3.16	3.86	3.39	3.38	3.43
September	3.36	3.35	3.26	3.28	3.89	3.40	3.48	3.50
October	3.43	3.43	3.34	3.33	3.87	3.40	3.50	3.62
November	3.46	3.47	3.39	3.29	3.79	3.25	3.57	3.73
December	3.40	3.54	3.34	3.46	3.67	3.39	3.48	3.69
January	3.43	3.52	3.28	3.45	3.64	3.29	3.61	3.69
February	3.36	3.66	3.27	3.59	3.72	3.35	3.49	3.83
March	3.42	3.79	3.32	3.82	3.70	3.39	3.51	3.85
April	3.35	3.90	3.27	3.91	3.63	3.43	3.39	4.02
May	3.31		3.23		3.67		3.37	

1/ Preliminary mid-month weighted average price for current month.

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

Table 6--Wheat prices received by farmers by class, 05/16/06

	Hard red winter		Soft red winter		Hard red spring		Soft white	
Month	04/05	05/06	04/05	05/06	04/05	05/06	04/05	05/06
June	3.46	3.12	3.41	3.26	3.83	3.53	3.81	3.48
July	3.34	3.13	3.24	3.19	3.54	3.45	3.46	3.36
August	3.11	3.18	3.04	3.10	3.36	3.46	3.52	3.12
September	3.21	3.35	2.96	2.95	3.48	3.53	3.51	3.06
October	3.25	3.45	2.96	2.99	3.50	3.68	3.52	3.14
November	3.37	3.42	2.93	2.81	3.57	3.78	3.54	3.08
December	3.32	3.56	2.94	3.02	3.48	3.73	3.51	3.05
January	3.24	3.55	3.12	3.24	3.62	3.73	3.49	3.06
February	3.25	3.77	3.13	3.32	3.49	3.89	3.47	3.12
March	3.29	4.03	3.32	3.41	3.52	3.91	3.50	3.17
April	3.18		3.16		3.38		3.51	
May	3.17		3.09		3.37		3.50	

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

Table 7--Wheat: Average cash grain bids at selected markets ($/bu), 05/16/06

Month	KC HRW #1 ordinary		KC HRW #1 13% protein		Portland #1 HRW Ord.		FOB Gulf $/mt (#2 HRW)	
	04/05	05/06	04/05	05/06	04/05	05/06	04/05	05/06
June	4.13	3.87	4.35	4.00	4.11	3.82	155.22	142.25
July	3.97	3.83	4.07	3.89	3.72	3.80	151.86	145.52
August	3.73	3.96	3.81	4.04	3.87	3.91	142.55	154.28
September	4.01	4.30	4.11	4.30	4.00	4.28	151.96	166.89
October	3.95	4.57	4.03	4.68	4.34	4.44	152.19	173.12
November	4.22	4.53	4.48	4.55	4.16	4.34	158.44	164.74
December	4.22	4.52	4.30	4.60	4.31	4.39	155.34	171.45
January	4.14	4.46	4.16	4.50	4.05	4.37	154.43	167.50
February	4.00	4.72	4.01	4.83	4.17	4.57	151.17	180.10
March	4.00	4.62	4.02	4.81	3.94	4.51	151.74	175.78
April	3.76	4.86	3.86	5.04	3.88	4.71	144.65	181.55
May	3.80		3.92		3.89		145.05	

Month	Minneapolis DNS 13% protein		Minneapolis DNS 14% protein		Minneapolis #1 HAD milling		Portland DNS 14% protein	
	04/05	05/06	04/05	05/06	04/05	05/06	04/05	05/06
June	4.35	4.32	4.56	5.03	N/Q	N/Q	4.78	5.10
July	4.08	4.11	4.31	4.71	N/Q	N/Q	4.27	4.54
August	3.80	4.48	4.12	4.83	N/Q	N/Q	4.55	4.66
September	4.09	4.46	4.68	4.80	N/Q	N/Q	4.69	5.03
October	4.19	4.83	4.87	5.11	N/Q	N/Q	5.18	5.18
November	4.35	4.83	5.14	5.11	N/Q	N/Q	5.01	5.18
December	4.26	4.64	4.93	5.28	N/Q	N/Q	5.26	5.08
January	4.37	4.65	5.01	4.87	N/Q	N/Q	5.08	5.11
February	3.91	4.61	4.13	4.90	N/Q	N/Q	5.03	5.27
March	4.18	4.65	4.79	4.83	N/Q	N/Q	4.75	5.26
April	3.99	4.79	4.69	4.94	N/Q	N/Q	4.91	5.47
May	3.99		4.69		N/Q		5.01	

Month	St. Louis #2 soft red		Chicago #2 soft red		Toledo #2 soft red		Portland #1 soft white	
	04/05	05/06	04/05	05/06	04/05	05/06	04/05	05/06
June	3.51	3.46	3.46	3.09	3.49	3.16	4.05	3.76
July	3.51	3.30	3.26	3.22	3.25	3.21	3.94	3.59
August	3.35	3.10	2.92	3.04	3.06	3.04	3.90	3.54
September	3.17	2.64	2.97	2.93	3.06	2.99	3.95	3.46
October	3.34	2.78	2.82	2.99	2.91	3.09	3.94	3.61
November	3.43	3.14	2.79	2.83	2.88	2.90	3.95	3.46
December	3.48	3.15	2.88	2.98	2.91	3.00	3.86	3.44
January	3.47	3.15	2.93	3.11	2.92	3.14	3.90	3.46
February	3.75	3.37	2.95	3.34	2.95	3.39	3.95	3.54
March	3.19	3.45	3.28	3.29	3.36	3.27	3.91	3.59
April	3.26	3.45	2.92	3.21	3.10	3.13	3.94	3.62
May	3.28		2.96		3.09		3.90	

N/Q=no quote. Source: Agricultural Marketing Seervice, USDA, http://www.ams.usda.gov/lsmnpubs/grains.htm.

Table 8--Wheat: U.S. exports and imports for last 6 months, 05/16/06 1/

Exports, (1,000 bu)						
Item 1/	Sept	Oct	Nov	Dec	Jan	Feb
Wheat grain	102,761	103,423	77,164	91,531	84,659	71,175
Wheat flour	720	840	871	734	572	620
Products	793	624	677	934	1,098	949
Total	104,274	104,887	78,712	93,199	86,329	72,744
Imports, (1,000 bu)						
Item 1/	Sept	Oct	Nov	Dec	Jan	Feb
Wheat grain	5,996	3,998	3,358	4,324	4,289	5,168
Wheat flour	934	982	938	859	884	813
Products	1,227	1,432	1,449	1,400	1,245	1,144
Total	8,157	6,412	5,745	6,583	6,418	7,125

Source: Economic Research Service, USDA, estimates. 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, 05/16/06 1/

	2003/04		2004/05		2005/06 (as of 5/04/06)		
Importing country	Shipments				Shipments	Outstanding sales	Total
Data source	Census	Export sales	Census	Export sales	Export sales		
	1,000 metric tons						
Country:							
Japan	3,132	3,139	3,036	3,109	2,644	509	3,153
Mexico	2,814	2,863	2,861	2,699	2,422	179	2,601
Nigeria	2,192	2,221	2,576	2,529	2,865	247	3,111
China	1,138	1,166	2,123	2,068	344	30	374
Egypt	4,022	3,942	1,784	1,897	1,124	115	1,239
Philippines	1,119	1,139	1,787	1,786	1,493	218	1,711
EU	1,617	2,052	1,036	1,553	1,436	31	1,467
South Korea	1,478	1,329	1,287	1,298	1,069	108	1,177
Taiwan	1,016	1,066	968	971	872	79	951
Colombia	753	817	744	743	661	51	713
Total grain	30,771	29,599	28,429	26,572	21,566	3,528	25,094
Total (including products)	31,555	29,663	28,849	26,641	21,612	3,532	25,144
USDA forecast of Census					27,216		

1/ Export sales and shipments from Foreign Agricultural Service, USDA, *U.S. Export Sales*.