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Wheat Outlook

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Higher Production Forecast Pushes Expected 2009/10 Supplies Up

Contents

The next release is August 14, 2009.

Approved by the World Agricultural Outlook Board.

U.S. wheat supplies for 2009/10 are raised this month as higher area and yields add 96 million bushels to precious production forecast. Feed and residual use is raised 10 million bushels with the larger crop and lower expected prices. Exports are projected to be 25 million bushels higher with smaller crops in major exporting countries expected to reduce supply competition, particularly for higher quality wheat. The ending stocks projection is raised 59 million bushels as the higher production forecast more than offsets expected increases in use. The first 2009/10 by-class wheat supply and demand projections indicate larger supplies of hard red spring, white, and durum wheat. Despite higher carryin, lower production reduces supplies of hard red winter and soft red winter wheat from year-ago levels. The 2009/10 marketing-year average farm price is projected at $4.80 to $5.80 per bushel, down 10 cents on both ends of the range.

This month's 2008/09 changes reflect the latest export data and June 1 stocks. Exports are increased 5 million bushels and ending stocks are reduced 2 million bushels. As a result, feed and residual use is lowered 3 million bushels, but remains the highest since 2000/01. The 2008/09 marketing-year average farm price is estimated at a record $6.78 per bushel, down slightly from last month's projection.

Foreign 2009/10 wheat production declines offset most of the increases in U.S. and other countries' production, leaving global production up slightly. However, a significant increase in 2008/09's record wheat trade reduced 2009/10 beginning stocks, especially for key exporters. A small increase in projected world 2009/10 use contributes to a 1.4-million-ton decline in projected global stocks to 181.3 million tons. U.S. 2009/10 export prospects are increased this month due to increased world trade, reduced competition, and more competitive U.S. prices.

Domestic Situation and Outlook

Wheat Planted Area Down From 2008

All wheat planted area for 2009, at 59.8 million acres, is unchanged from USDA's National Agricultural Statistics Service (NASS) June 30 *Acreage* report, but down 3.4 million acres from 2008 when producers responded to very high wheat prices. Forecast harvested area for 2009, at 50.4 million acres, is also unchanged from the NASS June 30 *Acreage* report, but down 5.2 million acres from 2008. The 2008 planted and harvested areas were the largest since 1998.

The expected 2009 harvested-to-planted ratio is down 4 percent year-to-year to 84 percent because of an expected rise in abandonment rates (crop not harvested) for hard red winter (HRW) wheat and soft red winter (SRW) wheat.

The expected all-wheat 2009 planted area is up from 58.6 million acres forecasted in the NASS March 31 *Prospective Plantings*. Forecasted winter wheat plantings, at 43.4 million acres, are up 0.5 million acres from the forecast in *Prospective Plantings*. Forecasted other spring wheat plantings, at 13.8 million acres, are up 0.5 million acres from the forecast in *Prospective Plantings*. Forecasted durum wheat plantings, at 2.56 million acres, are up 0.10 million acres from the forecast in *Prospective Plantings*.

Winter wheat. The 2009 HRW planted area, forecasted at 31.4 million acres, is nearly unchanged from last year. Forecast HRW harvested area for 2009 is down 1.9 million acres from 2008 to 24.0 million acres. Soft red winter (SRW) wheat planted and harvested areas are each down from 2008 by 2.7 million acres to 8.5 million acres and 7.4 million acres, at respectively. The expected HRW and SRW harvest-to-planted ratios are down 6 percent and 3 percent, respectively, year to year. The expected rates of abandonment in Texas and Oklahoma are particularly high, respectively, the fourth-highest and seventh-highest on record because of dry weather conditions and a late frost. High prices a year ago encouraged farmers to harvest fields that would otherwise had been abandoned.

White-winter wheat planted area is estimated down slightly year-to-year to 3.6 million acres, of which 3.1 million acres are soft white and the rest is hard white. White harvested area is also down year-to-year to 3.4 million acres of which 2.9 million acres is soft white.

The NASS July 10 *Crop Production* reported that harvest in the 18 major producing States was 40-percent complete by June 28. This was 4 percentage points ahead of last year but 6 percentage points behind the 5-year average. Harvest progress was behind normal in all HRW States except Oklahoma. Hot temperatures during the third week of June in Kansas allowed harvest to increase to 47-percent complete, compared with only 5 percent the previous week. Thunderstorms in Colorado have delayed harvest. Crop development in Nebraska was running about 1 week behind normal. Crop development in Montana was ahead of last year but still behind the 5-year average.

Yield forecasts are lower than the previous month in most States in the SRW growing area. As of June 28, harvest progress in Illinois was 46-percent complete, 21 percentage points behind the 5-year average.

Yield forecasts in the Pacific Northwest are unchanged in Idaho, Oregon, and Washington. Wheat in Oregon was starting to turn color by late June. In Washington, the crop advanced to near-normal development due to warmer weather the last 2 weeks of June.

Spring wheat. The spring-wheat planted area, including durum, is 16.3 million acres, down 0.5 million acres from 2008. Harvested area is forecast down 0.4 million acres to 15.7 million acres as the harvest-to-planted ratio is nearly unchanged from 2008.

Hard red spring (HRS)-wheat planted area, forecasted at 13.1 million acres, is down 0.3 million acres from 2008. With a forecasted harvested-to-planted ratio nearly unchanged from 2008, HRS harvested area is also down 0.3 million acres to 12.6 million acres.

White spring-wheat-planted area is estimated down year-to-year at 671,000 acres, of which 564,000 acres are soft white and the rest is hard white. White wheat harvested area is also down year to year, at 650,000 acres, of which 547,000 acres are soft white.

The NASS July 10 *Crop Production* reported that in the 6 major other spring-wheat producing States, 15 percent of the crop was at or beyond the heading stage as of June 28. This was 11 percentage points behind last year and 25 points behind the 5-year average. The largest delays are in Minnesota and North Dakota, trailing the 5-year averages by 30 percent and 35 percent, respectively. Yield prospects are down from the previous year in the Dakotas and Minnesota but unchanged in Montana. In the Pacific Northwest, yields are above last year's levels in all States.

The durum planted area for 2009 is estimated at 2.56 million acres, down 0.18 million acres from last year. Harvested area is expected to total 2.45 million acres, 0.13 million acres below 2008. The NASS July 10 *Crop Production* reported that in North Dakota, durum wheat seeding was delayed by snow and did not finish until early June. Crop development in Montana and North Dakota are both behind last year and the 5-year average. Yield prospects are up in North Dakota but unchanged in Montana.

All white wheat. Total white-wheat planted and harvested areas for 2009, at 4.3 million acres and 4.0 million acres, respectively are both down from 2008. The soft white planted area for 2009, at 3.7 million acres, is down from 3.9 million acres in 2008. The all hard white wheat planted area is forecast at 624,000 acre, up from 609,000 acres in 2008.

All Wheat Production Is Estimated Down From Last Year

All wheat production for 2009 is estimated at 2,112 million bushels, down 388 million bushels from 2008. Based on July 1 conditions, the forecasted yield for 2009 is 41.9 bushels per acre, down 3.0 bushels from 2008. The 2008 yield was a record high.

Winter wheat. Production is forecast at 1,525 million bushels, up 2 percent from the June 1 forecast but down 18 percent from 2008. Based on July 1 conditions, the U.S. yield is forecast at 43.8 bushels per acre, down 0.1 bushel from last month and 3.4 bushels below last year. Expected harvested area totals 34.8 million acres, down 12 percent from last year but unchanged from the June 30 *Acreage* report.

HRW wheat production, at 903 million bushels, is up 35 million bushels from a month ago, but down 133 million bushels from 2008. The expected yield is 37.6 bushels per acre, down 2.3 bushels from 2008.

SRW wheat production, at 414 million bushels, is down 1 million bushels from the June forecast and 200 million bushels from 2008. SRW production in 2008 was the highest since the all-time record 678 million bushels in 1981. The expected yield in 2009 is 56.0 bushels per acre, down 4.9 bushels from 2008.

White winter production, at 208 million bushels, is down 1 million bushels from June month and down 11 million bushels from 2008. Of this total, 22 million bushels are hard white and 186 million bushels are soft white. The expected all white winter yield is 61.8 bushels per acre, up 0.9 bushels from 2008.

Spring wheat. Spring wheat production, including durum, is forecast at 588 million bushels, down 44 million bushels from 2008. Based on July 1 conditions, the spring. yield is forecast at 37.5 bushels per acre, down 1.8 bushels from last year.

Hard red spring (HRS) wheat production is forecast at 470 million bushels, 41 million bushels below 2007. The HRS yield is forecast at 37.4 bushels per acre, down 2.5 bushels from 2008.

White spring production is expected to total 36 million bushels, up 1 million bushels from 2008. Of this total, 6 million bushels are hard white and 30 million bushels are soft white. The expected all white spring-wheat yield is 55.8 bushels per acre, up 3.1 bushels from 2008.

Durum wheat production is forecast at 81 million bushels, down 4 million bushels from 2008. The durum yield is forecast at 33.1 bushels per acre, 0.3 bushel above last year.

All white wheat. Production is forecast at 245 million bushels, down 10 million bushels from 2008. The all white-wheat yield is forecast at 60.8 bushels per acre, up 1.2 bushels from last year.

Ending Stocks Are Nearly Unchanged for 2008/09

The NASS June 30 *Grain Stocks* reported all wheat ending stocks for the 2008/09 marketing year of 667 million bushels, 2 million bushels less than projected in June, but up 361 million bushels from the extremely low ending stocks for 2007/08. HRW, HRS, and durum ending stocks are down from June, but partially offset by month-to-month increases for SRW and white wheat.

Supplies for the 2008/09 marketing year, at 2,930 million bushels, are unchanged from June. Projected domestic use for 2008/09, at 1,248 million bushels, is down 3 million bushels from June, while projected exports are up 5 million bushels to 1,015 million bushels. The slightly lower ending stocks for 2008/09, and the higher exports, resulted in a 3-million-bushel drop in the calculated feed and residual use from June. The 247 million bushels for feed and residual use for 2008/09 is up sharply from the exceptionally low 15 million bushels for 2007/08.

The projected increase in 2008/09 exports, based on the export pace to date, is the net result of higher exports for HRW, SRW, and white wheat, whlich are partially offset by lower exports for HRS and durum wheat.

The final estimate of the season-average farmgate price for the 2008/09 marketing year is $6.78 per bushel, a new record. The previous record was $6.48 per bushel in 2007/08.

Expected Production and Supplies for 2009/10 Are Up From June

Projected supplies for 2009/10 are up 94 million bushels from June to 2,894 million bushels, but down 36 million bushels from 2008/09. The very large year-to-year increase in beginning stocks (up 361 million bushels) is more than offset by slightly lower projected imports (down 10 million bushels) and the sharply lower production (down 387 million bushels). Beginning stocks, imports, and production for 2009/10 are 667 million bushels, 115 million bushels, and 2,112 million bushels, respectively.

Projected use for 2009/10, at 2,188 million bushels, is up 35 million bushels from June, but down 75 million bushels from 2008/09. The relatively small year-to-year increase in domestic use (up 15 million bushels) is more than offset by smaller exports (down 90 million bushels).

Projected food use, at 955 million bushels, is unchanged from June, but up 33 million bushels from 2008/09. The large year-to-year increase in food use is due, in part, to an expected return to a lower, more typical flour extraction rate. Projected feed and residual use is up 10 million bushels from June because of larger production and lower prices. Feed and residual use is down 17 million bushels from 2008/09.

Projected exports for 2009/10 are up 25 million bushels from June to 925 million bushels. Smaller crops in major exporting countries are expected to reduce supply competition, particularly for higher quality wheat.

Projected ending stocks for 2009/10, at 706 million bushels, are up 59 million bushels from June and up 39 million bushels from 2009/10.

The 2009/10 marketing year average farm price is projected at $4.80 to $5.80 per bushel, down 10 cents on each end of the range from last month. The price range is well below the record 2008/09 price of $6.78 per bushel.

2009/10 Year-to-Year By-Class Comparisons

Beginning stocks of all classes are up year to year, while production of all classes is down. Despite the large stock increases, projected by-class supplies for HRW and SRW are down year to year. SRW supplies are down the most because of both significantly lower forecast imports and production. Supplies of HRS, white, and durum wheat are up because the relatively large beginning stocks increases for these classes more than offsets lower explected production.

Projected changes in domestic use vary by class of wheat. Domestic use is up year to year for HRW and white, but down for the other three classes. The relatively large projected decreases for HRS and SRW easily exceed the projected increases for HRW and white wheat.

The net result of the projected year-to-year changes in by-class uses is to substantially reduce total use of HRW and SRW wheat. Total use for the other three classes is up year to year, but not sufficiently to offset HRW and SRW declines.

Projected changes in ending stocks vary by class of wheat. The year-to-year percentage increase in all-wheat ending stocks is 5.9 percent. The percentage increases, in rank order by class, are: durum, 36.6 percent; HRS, 13.9 percent; and HRW, 7.2 percent. Ending stock for white and SRW wheat are projected 6.9 percent and 2.5 percent lower, respectively.

International Situation and Outlook

World Wheat Production Inched Up Slightly This Month

Global wheat production in 2009/10 is projected to reach 656.5 million tons, inching up just 0.4 million tons this month. This marginal increase is the net result of a 2.6-million-ton increase in forecast U.S. production and a 2.2-million-ton decrease in expected foreign production. Unfavorable weather conditions had a negative effect on wheat production in several major exporting countries such as Argentina, Canada, and the EU-27, reducing the aggregate projected wheat output of those three producers by 4.3 million tons. This reduction is partly offset by increased production in all three main grain-producing FSU countries─Russia, Ukraine, and Kazakhstan.

Argentina's wheat production is projected down 1.5 million tons to 9.5 million tons, which is still higher by 1.1 million tons than last year's harvest of 8.4 million. As a result, the country's export volume falls to 2.5 million tons─a level not seen since 1981. Continued dry weather conditions limited planting in a number of Argentine provinces, especially Cordoba, Santa Fe, and La Pampa. However, the planting window is still open in that part of the world, and it appears that recent rains in Buenos Aires province (the southeastern part of the country) have encouraged some additional wheat planting. Nevertheless, wheat area is projected to drop 0.5 million hectares to 3.5 million─the lowest level on record. Dry weather, especially low soil and subsoil moisture, has been also affecting wheat yield potential, leading to a 1.5 percent wheat yield decrease this month to 2.71 tons per hectare. This exactly equals average yields over the last 5 years.

Canadian wheat production is also projected down 1.5 million tons to 23.5 million. Weather conditions in Canada are mixed, and the adverse effects of the weather differ across the country. The western prairies, especially central and southeastern Alberta and western Saskatchewan, have been dry since the 2008 harvest. In addition, in June the dryness was accompanied by persistent cool weather with the temperatures below normal, and in some cases, below freezing. This delayed crop development by approximately 2-3 weeks. At the same time, the southeastern corner of Manitoba and eastern Saskatchewan have been excessively wet, with flooding causing considerable planting delays. Delays in planting and crop development raise concerns about the potential damage from autumn frosts. In some areas, farmers switched from planting wheat to barley because of barley's shorter crop season, to reduce the risk from frost. Wheat area is projected down 0.2 million hectares this month to 9.8 million hectares, and yields are projected down 0.1 tons per hectare to 2.4 tons, which is slightly lower than the average over the last 10 years.

EU-27 wheat production is projected down 1.3 million tons to 134.6 million tons, which is still the third-largest crop on record. Dry conditions persisting in Italy and the Balkans─especially in Romania and Bulgaria─and the United Kingdom, where precipitation has been significantly lower than average, reduce yield potential for wheat. The largest reductions of 0.5 million and 0.4 million tons, respectively, are made for Romania, where lack of precipitation is exacerbated by insect damage, and for the United Kingdom. Output reductions are also made for Denmark (0.4 million tons) and Italy (0.3 million tons), in both cases because of declines in area and yield. Smaller downward changes are made for Ireland, France, Germany, and

Portugal. Small upward production revisions are made for Greece, Portugal, Lithuania, Slovakia, and Spain.

In all three main grain-producing FSU countries–Russia, Ukraine, and Kazakhstan–spring area planted for wheat turned out to be larger than expected. In Russia, the total area under wheat is expected to be the largest since 1982 at 28.6 million hectares, as record winter wheat planted area coincided with an expansion of spring wheat planting, despite lower wheat prices. Farmers expanded planted area because the Russian Government made intervention purchases during the last year, thereby supporting the market price, and also announced intervention prices for the next marketing year. In Kazakhstan, wheat area is projected at 14.2 million hectares, the highest lelvel since 1989, whillch reduced the beginning of "perestroika" and the country's transition from a planned to a market economy with economic restructuring consistent with cost and price competitiveness. Vast "virgin lands" in Kazakhstan were gradually taken out of wheat planting, which went from the average of 16.3 million hectares in 1981-85 to 8.7 million in 1999, an almost 50-percent decline. In recent years, area under wheat in Kazakhstan is growing because a combination of the overall rise in world wheat prices over the last few years and rising world demand for high quality hard Kazakh wheat. Those factors have stimulated the development of the country's grain economy.

Wheat production in all three FSU countries is adjusted upward to reflect area increases despite certain adverse weather conditions in southeastern Ukraine, southern Russia, and some wheat-producing regions of Kazakhstan. On the other hand, very beneficial growing conditions have been observed in the vast wheat-producing regions of Siberia (Altai, Omsk, Novosibirsk, Krasnoyarsk), as well as in Belgorod, Voronezh, and Tambov. Wheat production in Russia is projected up 1 million tons to 60 million tons. In Ukraine and Kazakhstan, production is up 0.5 million tons each, to 18.5 million and to 14.5 million, respectively.

There are also small reductions in wheat production prospects this month for Serbia (down 0. 2 million tons), where crop problems from dryness in April-May were exacerbated by flooding in June; for Turkey (down 0.2 million tons), where heavy rains reduced expected area and yields. Small upward revisions were made for Chile (up 0.3 million tons) reflecting better than expected weather conditions; India (up 0.1 million tons) reflecting final production numbers as the wheat harvest in the country has been completed; and Saudi Arabia (up 0.1 million tons), where moisture for winter wheat has been exceptionally good.

Trends for Wheat Supplies and Ending Stocks Differ Between United States and Major Exporters

Despite a 0.2-million-ton world production increase, world ending stocks are down 1.4 million tons this month. Increases in 2008/09 local marketing year exports for EU-27, Argentina, Canada, and Russia by 2.0, 1.0, 0.75, and 0.5 million tons, and a decrease in 2008/09 exports for Brazil by 0.25 million tons, result in a 1.0-million-ton drop in world beginning stocks and a 0.6 million ton decrease in global wheat supplies for 2009/10.

This month's reduction in 2009/10 foreign wheat supplies is much bigger at 3.2 million tons than the global one, as a 2.2-million-ton production decrease is combined with a 1 million ton reduction in beginning stocks. The decline in supplies by four major wheat exporters (Argentina, Australia, Canada, and EU-27) of 6.2 million tons is almost double the 3.2 million ton fall for total foreign supplies. Foreign feed consumption is down 0.7 million tons reflecting reductions in Canada (based on a lower crop) and in Ukraine (based on higher 2008/09 exports and lower beginning stocks). Food consumption is up 1.2 million tons reflecting higher food wheat consumption in Turkey, Syria, Yemen, Morocco, Nigeria, and Angola. Foreign ending stocks are reduced by 3.0 million tons following reductions in the EU-27, Canada, Turkey, Ukraine, and Serbia of 2.7, 1.2, 0.5, 0.3, and 0.1 million tons, respectively. Small ending stock increases in Chile, Brazil, Argentina, Syria, Iraq Saudi Arabia, India, China, Morocco, and Nigeria partly offset the above reductions.

It is worth noting that this month's revised projections show markedly different trends for wheat supplies, feed use, and ending stocks in the United States on the one hand and in the foreign (especially for four major exporters) countries on the other. A 2.6-million-ton increase in U.S. wheat production boosts supplies, feed use, and ending stocks.

Record 2008/09 World Wheat Trade Raised This Month

As the July-June 2008/09 world wheat trade year ends, trade data on the last months are still being published, and further revisions are likely. However, much of the data is in, and 2008/09 trade, estimated at 138.3 million tons, is clearly a record by a wide margin, growing 18 percent compared to the previous-year record in 2007/08. Drought boosted 2008/09 wheat imports across the Middle East by a spectacular 14.5 million tons compared to the previous year, to 26.3 million. Iran went from being virtually self-sufficient in wheat production to being the world's second-largest importer. Middle East imports are raised 0.9 million tons this month. The EU-27 maintained large wheat imports despite a record crop in 2008/09, up 0.5 million tons this month to 7.0 million. Brazil and Morocco also had increases in imports of 0.5 million tons this month. Iraq, Nigeria, Syria, and Yemen each had imports boosted 0.3 million tons. Chile, Philippines and Angola had smaller increases.

The largest increase in 2008/09 exports this month is for the EU-27, up 2.0 million tons to 24.5 million tons based on export licenses and port data, as official export data are published with a time lag until all countries report. Canada's shipments in recent weeks exceeded expectations, boosting exports 0.75 million tons to 17.75 million. Argentina shipped at a strong pace after harvest, boosting July-June exports 0.65 million tons to 8.4 million. Russia's exports continued strong, up 0.5 million tons this month to 18.5 million. However, Brazil's exports were trimmed 0.25 million tons to 0.35 as shipments have been smaller than expected. U.S. 2008/09 wheat exports are down 0.3 million tons this month to 26.7 million tons based on Census trade data for 11 months and USDA data sources for the final month.

Increased World Trade, Reduced Competition, and Increased Supplies Boost U.S. 2009/10 Exports

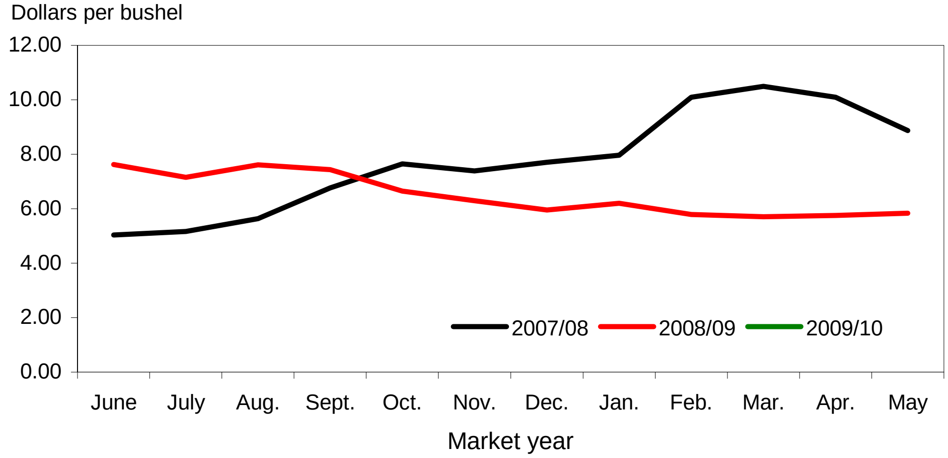
World wheat trade projected for 2009/10 increased 0.6 million tons this month to 121.9 million tons. Based mostly on the pace of imports and consumption in 2008/09, 2009/10 imports are up 0.3 million tons for Syria, 0.2 million each for Turkey and Yemen, and 0.1 million tons for Angola and Nigeria.

Argentina's 2009/10 July-June exports are cut 1.5 million tons to 2.5 million, the lowest in 35 years due to reduced production prospects and the strong pace of shipments in the months just before the trade year began. Canada's reduced production trimmed export prospects 0.5 million tons to 17.5 million. Increased FSU production prospects boosted forecast exports for Ukraine, up 1.0 million tons to 6.0 million; Russia, up 0.5 million to 18.5 million; and Kazakhstan, up 0.5 million to 7.0 million. Turkey's expected exports (mostly flour) increased 0.2 million tons to 2.3 million.

U.S. trade year exports for 2009/10 (July-June) increased 0.5 million tons this month to 25 million based on increased production, more competitive prices and reduced competition, especially from Canada for high protein wheat. Slow early-season export sales are expected to increase as U.S. prices become more competitive.

Figure 1

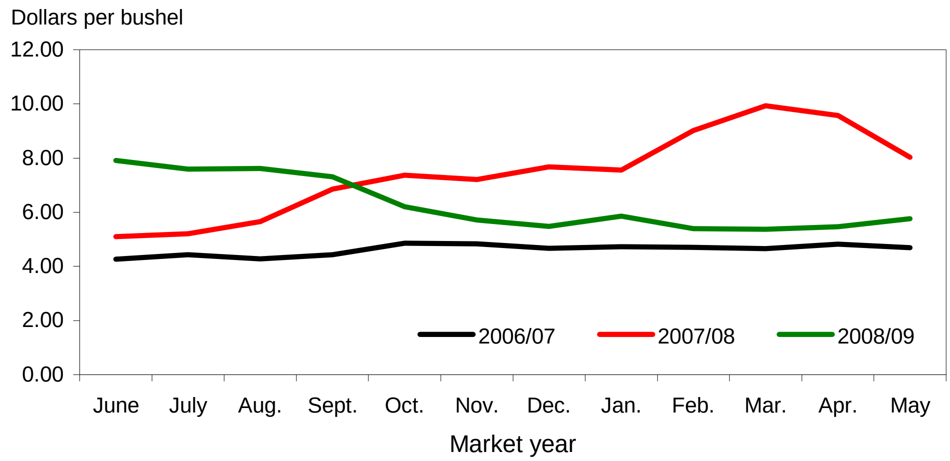
All wheat average prices received by farmers



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

Figure 2

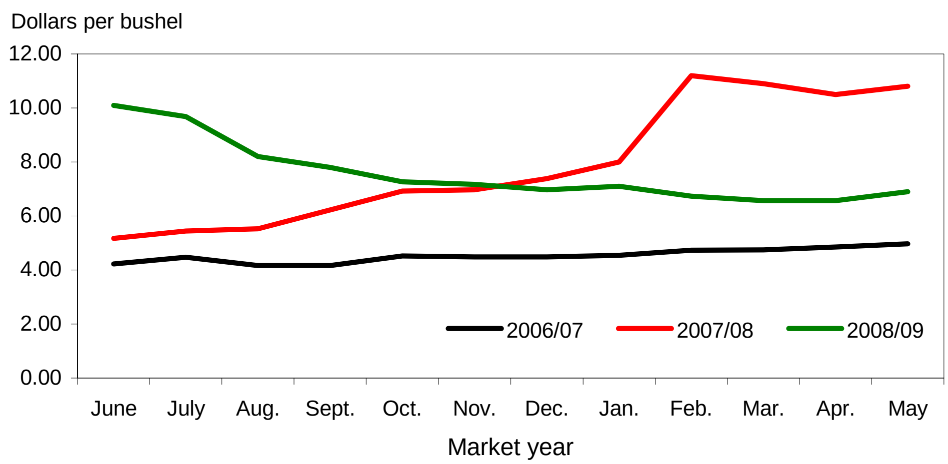
Hard red winter wheat average prices received by farmers



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

Figure 3

Hard red spring wheat average prices received by farmers

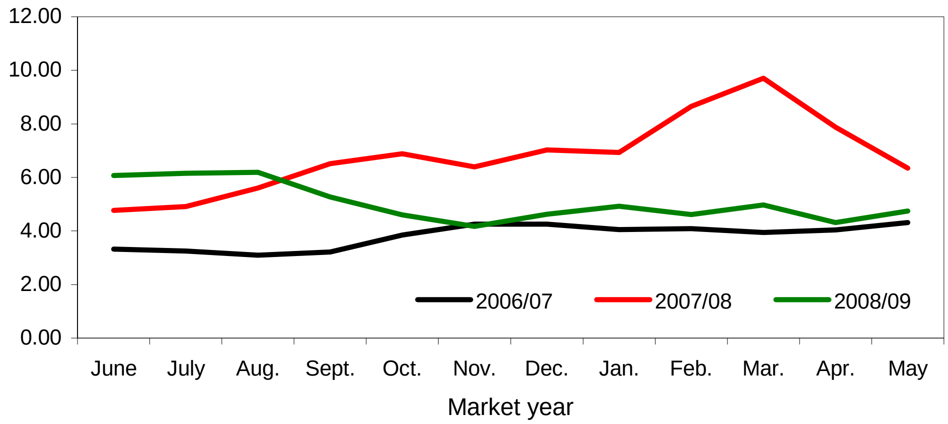


Source: USDA, National Agricultural Statistics Service, *Agricultural Prices* .

Figure 4

Soft red winter wheat average prices received by farmers

Dollars per bushel

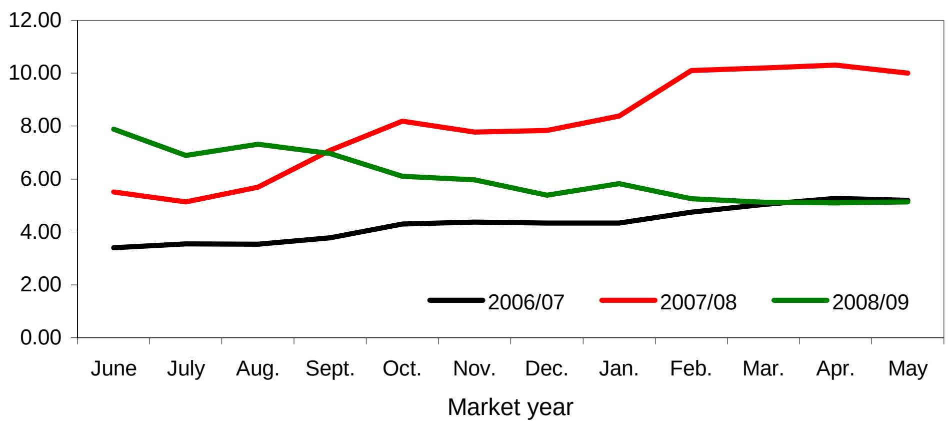


Source: USDA, National Agricultural Statistics Service, *Agricultural Prices* .

Figure 5

Soft white wheat average prices received by farmers

Dollars per bushel

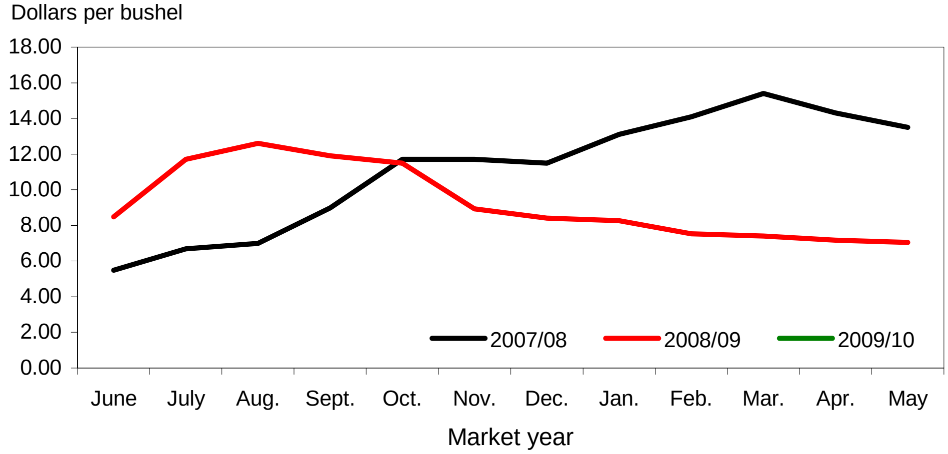


Source: USDA, National Agricultural Statistics Service, *Agricultural Prices* .

Figure 6

Durum wheat average prices received by farmers

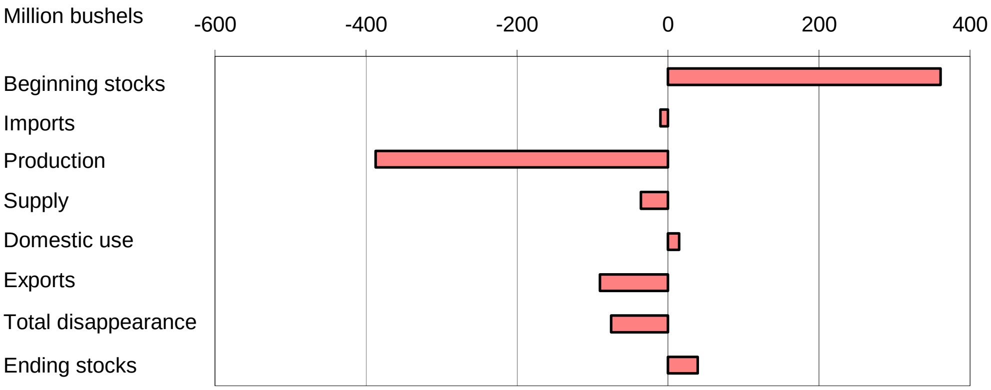
Dollars per bushel



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

Figure 7

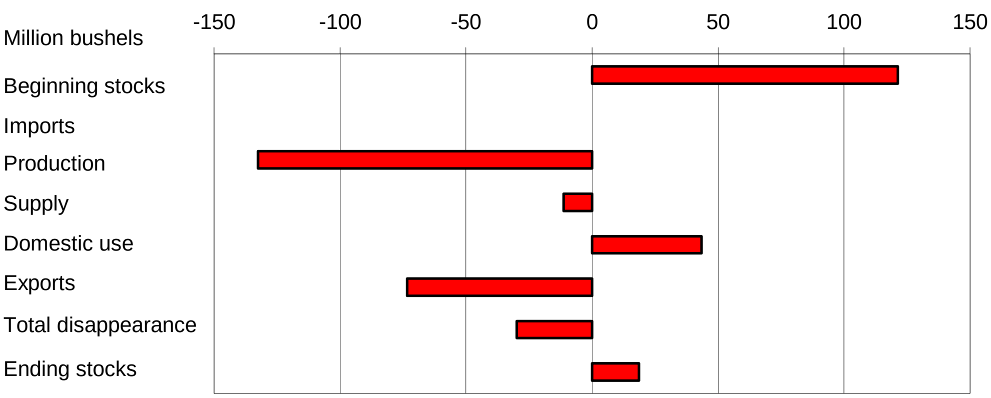
All wheat: U.S. supply and disappearance change from prior market year



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

Figure 8

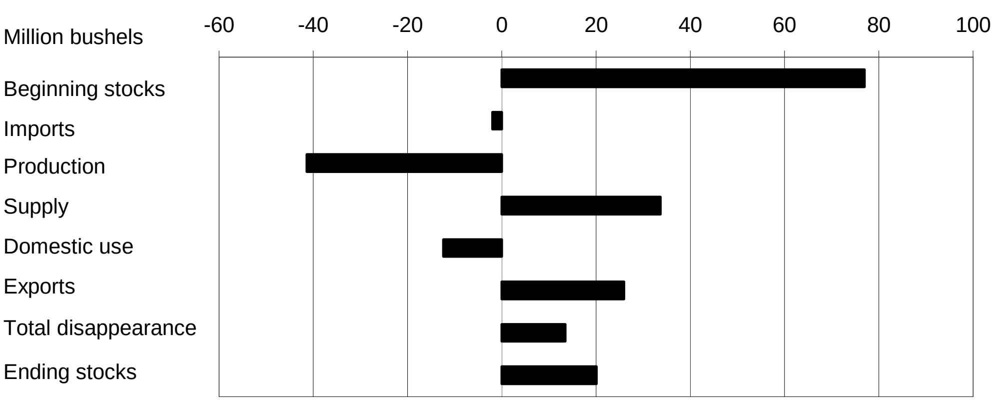
Hard red winter wheat: U.S. supply and disappearance change from prior market year



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

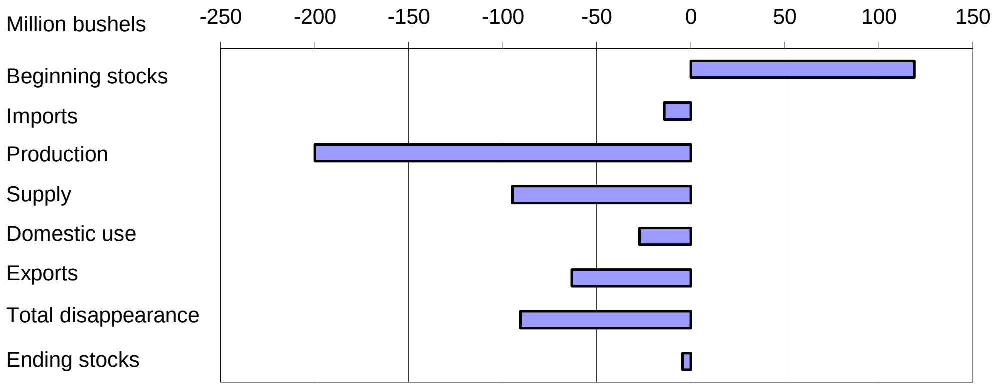
Figure 9

Hard red spring wheat: U.S. supply and disappearance change from prior market year



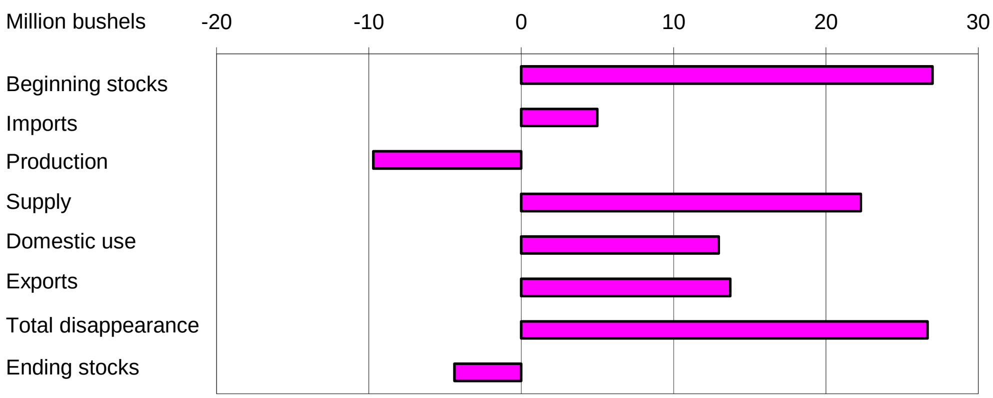
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Figure 10
Soft red winter wheat: U.S. supply and disappearance change from prior market year



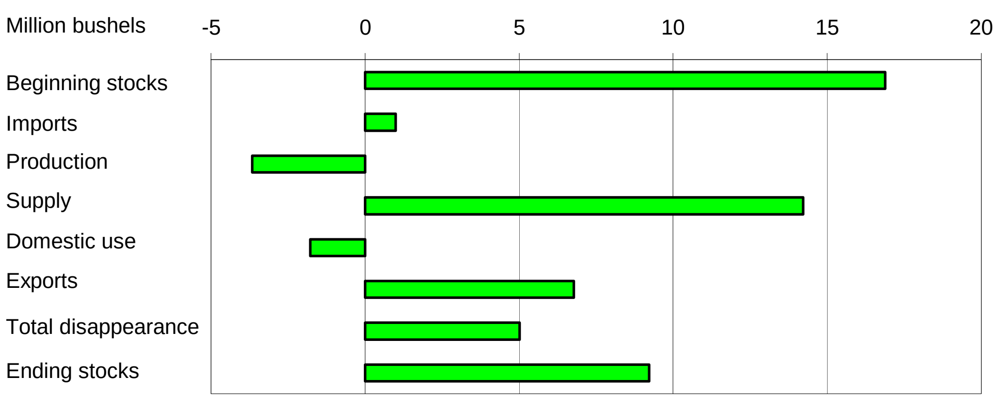
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Figure 11
White wheat: U.S. supply and disappearance change from prior market year



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

Figure 12
Durum: U.S. supply and disappearance change from prior market year



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

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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.

Related Websites

WASDE
http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194
Grain Circular, http://www.fas.usda.gov/grain_arc.asp
Wheat Briefing Room, http://www.ers.usda.gov/briefing/wheat/

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• Receive weekly notification (on Friday afternoon) via the ERS website. Go to http://www.ers.usda.gov/Updates/ and follow the instructions to receive notices about ERS outlook reports, Amber Waves magazine, and other reports and data products on specific topics. ERS also offers RSS (really simple syndication) feeds for all ERS products. Go to http://www.ers.usda.gov/rss/ to get started.

Table 1--Wheat: U.S. market year supply and disapperance, 7/14/2009

Item and unit		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Area:								
Planted	Million acres	62.1	59.6	57.2	57.3	60.5	63.1	59.8
Harvested	Million acres	53.1	50.0	50.1	46.8	51.0	55.7	50.4
Yield	Bushels per acre	44.2	43.2	42.0	38.6	40.2	44.9	41.9
Supply:								
Beginning stocks	Million bushels	491.4	546.4	540.1	571.2	456.2	305.8	667.0
Production	Million bushels	2,344.4	2,156.8	2,103.3	1,808.4	2,051.1	2,499.5	2,112.3
Imports 1/	Million bushels	63.0	70.6	81.4	121.9	112.6	125.0	115.0
Total supply	Million bushels	2,898.9	2,773.8	2,724.8	2,501.5	2,619.9	2,930.3	2,894.4
Disappearance:								
Food use	Million bushels	911.9	909.6	917.1	937.9	947.0	922.0	955.0
Seed use	Million bushels	79.7	77.6	77.1	81.9	87.6	78.6	78.0
Feed and residual use	Million bushels	202.5	180.6	156.6	117.1	15.4	247.4	230.0
Total domestic use	Million bushels	1,194.1	1,167.8	1,150.8	1,136.8	1,049.9	1,248.0	1,263.0
Exports 1/	Million bushels	1,158.3	1,065.9	1,002.8	908.5	1,264.1	1,015.3	925.0
Total disapperance	Million bushels	2,352.4	2,233.7	2,153.6	2,045.3	2,314.0	2,263.3	2,188.0
Ending stocks	Million bushels	546.4	540.1	571.2	456.2	305.8	667.0	706.4
CCC inventory 2/	Million bushels	61.0	54.0	43.0	41.0			
Stocks-to-use ratio		23.2	24.2	26.5	22.3	13.2	29.5	32.3
Contract/direct payment rate	Dollars per bushel	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Farm price 3/	Dollars per bushel	3.40	3.40	3.42	4.26	6.48	6.78	4.80-5.80
Government payments	Million dollars	1,237	1,218	1,151	1,120	1,118	1,118	
Market value of production	Million dollars	7,929	7,283	7,171	7,695	13,289	16,947	11,195

Latest market year is projected; previous market year is estimated. Totals may not add due to rounding.
1/ Includes flour and selected other products expressed in grain-equivalent bushels.
2/ Stocks owned by USDA's Commodity Credit Corporation (CCC). Most CCC-owned inventory is in the Bill Emerson Humanitarian Trust.
3/ U.S. season-average price based on monthly prices weighted by monthly marketings. Prices do not include an allowance for loans outstanding and government purchases.
Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates and supporting materials.

Date run: 7/20/2009

Table 2--Wheat: U.S. market year supply and disappearance, 7/14/2009

Market year, item, and unit			All wheat	Hard red winter 1/	Hard red spring 1/	Soft red winter 1/	White 1/	Durum
2008/09	Area:							
	Planted acreage	Million acres	63.15	31.32	13.44	11.20	4.47	2.73
	Harvested acreage	Million acres	55.69	25.94	12.82	10.08	4.27	2.58
	Yield	Bushels per acre	44.89	39.91	39.91	60.88	59.59	32.85
	Supply:							
	Beginning stocks	Million bushels	305.82	137.53	68.00	55.00	37.00	8.29
	Production	Million bushels	2,499.52	1,035.24	511.51	613.58	254.33	84.88
	Imports 2/	Million bushels	125.00	1.00	47.00	31.00	7.00	39.00
	Total supply	Million bushels	2,930.34	1,173.77	626.51	699.58	298.33	132.17
	Disappearance:							
	Food use	Million bushels	922.00	382.00	224.00	155.00	85.00	76.00
	Seed use	Million bushels	78.61	35.05	17.67	16.08	5.63	4.18
	Feed and residual use	Million bushels	247.42	49.49	30.75	156.18	7.41	3.59
	Total domestic use	Million bushels	1,248.03	466.54	272.41	327.26	98.04	83.78
	Exports 2/	Million bushels	1,015.27	448.36	209.10	198.32	136.29	23.22
	Total disappearance	Million bushels	2,263.30	914.90	481.51	525.58	234.33	106.99
	Ending stocks	Million bushels	667.04	258.87	145.00	174.00	64.00	25.17
2009/10	Area:							
	Planted acreage	Million acres	59.78	31.38	13.10	8.47	4.28	2.56
	Harvested acreage	Million acres	50.45	24.03	12.56	7.38	4.02	2.45
	Yield	Bushels per acre	41.87	37.56	37.44	56.04	60.82	33.11
	Supply:							
	Beginning stocks	Million bushels	667.04	258.87	145.00	174.00	64.00	25.17
	Production	Million bushels	2,112.34	902.68	470.12	413.72	244.61	81.22
	Imports 2/	Million bushels	115.00	1.00	45.00	17.00	12.00	40.00
	Total supply	Million bushels	2,894.39	1,162.55	660.12	604.72	320.61	146.39
	Disappearance:							
	Food use	Million bushels	955.00	392.00	235.00	165.00	85.00	78.00
	Seed use	Million bushels	78.00	33.00	20.00	15.00	6.00	4.00
	Feed and residual use	Million bushels	230.00	85.00	5.00	120.00	20.00	.00
	Total domestic use	Million bushels	1,263.00	510.00	260.00	300.00	111.00	82.00
	Exports 2/	Million bushels	925.00	375.00	235.00	135.00	150.00	30.00
	Total disappearance	Million bushels	2,188.00	885.00	495.00	435.00	261.00	112.00
	Ending stocks	Million bushels	706.39	277.55	165.12	169.72	59.61	34.39

Latest market year is projected; previous market year is estimated. Totals may not add due to rounding.
1/ Area and yield data are unpublished National Agricultural Statistics Service data. Supply and disappearance data, except production, are approximations.
2/ Includes flour and selected other products expressed in grain-equivalent bushels.
Source: USDA, National Agricultural Statistics Service, Crop Production and unpublished data; and USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates and supporting materials.

Date run: 7/20/2009

Table 3--Wheat: U.S. quarterly supply and disappearance (million bushels), 7/14/2009

Market year and quarter		Production	Imports 1/	Total supply	Food use	Seed use	Feed and residual use	Exports 1/	Ending stocks
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	Jun-Aug	2,344	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	2,344	63	2,899	912	80	203	1,158	546
2004/05	Jun-Aug	2,157	17	2,721	227	4	264	287	1,938
	Sep-Nov		19	1,957	236	47	-56	300	1,430
	Dec-Feb		18	1,448	218	2	3	240	984
	Mar-May		17	1,001	229	24	-31	239	540
	Mkt. year	2,157	71	2,774	910	78	181	1,066	540
2005/06	Jun-Aug	2,103	19	2,662	231	2	261	244	1,923
	Sep-Nov		20	1,944	238	50	-61	286	1,429
	Dec-Feb		20	1,450	219	1	4	252	972
	Mar-May		22	995	228	24	-49	220	571
	Mkt. year	2,103	81	2,725	917	77	157	1,003	571
2006/07	Jun-Aug	1,808	26	2,406	235	2	205	214	1,751
	Sep-Nov		29	1,780	243	56	-47	212	1,315
	Dec-Feb		32	1,346	225	1	28	235	857
	Mar-May		34	891	234	22	-69	247	456
	Mkt. year	1,808	122	2,501	938	82	117	908	456
2007/08	Jun-Aug	2,051	30	2,538	240	1	257	323	1,717
	Sep-Nov		21	1,738	245	60	-120	421	1,132
	Dec-Feb		24	1,156	227	2	-42	259	709
	Mar-May		37	746	235	25	-79	260	306
	Mkt. year	2,051	113	2,620	947	88	15	1,264	306
2008/09	Jun-Aug	2,500	28	2,833	236	1	394	344	1,858
	Sep-Nov		28	1,886	238	54	-122	293	1,422
	Dec-Feb		36	1,459	219	1	25	172	1,040
	Mar-May		33	1,073	229	21	-50	206	667
	Mkt. year	2,500	125	2,930	922	79	247	1,015	667
2009/10	Mkt. year	2,112	115	2,894	955	78	230	925	706

Latest market year is projected; previous market year is estimated. Totals may not add due to rounding.
1/ Includes flour and selected other products expressed in grain-equivalent bushels.
Source: USDA, World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates and supporting materials.
Date run: 7/20/2009

Table 4--Wheat: Monthly food disapperance estimates (1,000 grain-equivalent bushels), 7/14/2009

Mkt year and month 1/		Wheat ground for flour	+	Food imports 2/	+	Nonmilled food use 3/	-	Food exports 2/	=	Food use 4/
2007/08	Jun	73,725		2,262		2,000		2,376		75,611
	Jul	76,121		2,249		2,000		1,620		78,751
	Aug	83,195		2,161		2,000		1,868		85,488
	Sep	79,998		1,957		2,000		2,508		81,447
	Oct	82,745		2,383		2,000		2,959		84,168
	Nov	79,199		2,289		2,000		4,078		79,410
	Dec	74,341		2,216		2,000		1,726		76,831
	Jan	73,304		2,257		2,000		1,726		75,835
	Feb	72,722		2,066		2,000		1,999		74,789
	Mar	77,154		2,192		2,000		1,974		79,373
	Apr	74,751		2,410		2,000		1,694		77,466
	May	76,430		2,240		2,000		1,992		78,678
2008/09	Jun	73,124		2,442		2,000		1,956		75,610
	Jul	74,811		2,319		2,000		1,993		77,137
	Aug	81,763		2,104		2,000		2,404		83,464
	Sep	78,621		1,848		2,000		2,501		79,969
	Oct	78,898		1,943		2,000		2,401		80,440
	Nov	75,517		2,132		2,000		1,635		78,014
	Dec	70,884		1,998		2,000		1,743		73,139
	Jan	71,384		1,902		2,000		1,865		73,421
	Feb	70,817		1,755		2,000		1,864		72,708
	Mar	75,133		2,120		2,000		1,194		78,059
	Apr			2,082				1,257		824
	May			2,068				1,406		662

1/ Current year is preliminary. Previous year is preliminary through August of current year, estimated afterwards.
2/ Food imports and exports used to calculate total food use. Includes all categories of wheat flour, semolina, bulgur, and couscous and selected categories of pasta.
3/ Wheat prepared for food use by processes other than milling.
4/ Estimated food use equals wheat ground for flour plus food imports plus nonmilled food use minus food exports. See http://www.ers.usda.gov/Briefing/Wheat/wheatfooduse.htm for more information.
Sources: Calculated using data from U.S. Department of Commerce, Bureau of the Census, Flour Milling Products (MQ311A) and trade data.

Date run: 7/20/2009

Table 5--Wheat: National average price received by farmers (dollars per bushel) 1/, 7/14/2009

Month	All wheat		Winter		Durum		Other spring	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
June	7.62	5.69	7.51	5.54	8.48	7.13	10.10	6.74
July	7.15		7.10		11.70		9.52	
August	7.61		7.30		12.60		8.18	
September	7.43		6.99		11.90		7.76	
October	6.65		6.03		11.50		7.20	
November	6.29		5.65		8.93		7.10	
December	5.95		5.40		8.40		6.89	
January	6.20		5.70		8.26		7.02	
February	5.79		5.26		7.53		6.61	
March	5.71		5.27		7.40		6.50	
April	5.75		5.26		7.18		6.49	
May	5.84		5.52		7.05		6.76	

1/ Preliminary mid-month, weighted-average price for current month.
Source: USDA, National Agricultural Statistics Service, Agricultural Prices.

Table 6--Wheat: National average prices received by farmers by class (dollars per bushel), 7/14/2009

Month	Hard red winter		Soft red winter		Hard red spring		White	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
June	5.10	7.91	4.77	6.07	5.17	10.10	5.51	7.88
July	5.20	7.59	4.91	6.15	5.44	9.68	5.13	6.89
August	5.65	7.61	5.61	6.19	5.53	8.20	5.69	7.31
September	6.85	7.31	6.51	5.27	6.22	7.80	7.08	6.96
October	7.37	6.20	6.89	4.60	6.92	7.27	8.18	6.10
November	7.21	5.72	6.39	4.17	6.97	7.17	7.77	5.97
December	7.68	5.48	7.03	4.63	7.38	6.97	7.83	5.39
January	7.56	5.86	6.93	4.92	8.00	7.10	8.38	5.83
February	9.02	5.39	8.65	4.61	11.20	6.73	10.10	5.26
March	9.93	5.37	9.70	4.97	10.90	6.57	10.20	5.12
April	9.58	5.47	7.88	4.31	10.50	6.57	10.30	5.10
May	8.03	5.76	6.35	4.75	10.80	6.90	10.00	5.13

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

Date run: 7/20/2009

Table 7--Wheat: Average cash grain bids at principal markets, 7/14/2009

Month	No. 1 hard red winter (ordinary protein) Kansas City, MO (dollars per bushel)		No. 1 hard red winter (13% protein) Kansas City, MO (dollars per bushel)		No. 1 hard red winter (ordinary protein) Portland, OR (dollars per bushel)		No. 2 hard red winter (ordinary protein) Gulf ports, LA 1/ (dollars per metric ton)	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
June	9.19	6.63	10.82	7.07	--	6.09	346.60	--
July	8.68	--	8.97	--	8.49	--	329.60	--
August	8.64	--	9.02	--	8.76	--	335.61	--
September	7.52	--	7.87	--	7.63	--	299.06	--
October	6.17	--	6.58	--	--	--	245.15	--
November	6.21	--	6.55	--	--	--	236.57	--
December	6.06	--	6.45	--	5.44	--	--	--
January	6.59	--	6.98	--	5.91	--	247.93	--
February	6.21	--	6.50	--	5.51	--	--	--
March	6.23	--	6.60	--	5.59	--	--	--
April	6.10	--	6.63	--	6.14	--	--	--
May	6.70	--	7.24	--	6.08	--	--	--

	No. 1 dark northern spring (13% protein) Minneapolis, MN (dollars per bushel)		No. 1 dark northern spring (14% protein) Minneapolis, MN (dollars per bushel)		No. 1 dark northern spring (14% protein) Portland, OR (dollars per bushel)		No. 1 hard amber durum Minneapolis, MN (dollars per bushel)	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
June	11.35	7.39	11.46	7.96	10.79	5.91	--	--
July	11.35	--	11.46	--	9.69	--	--	--
August	9.38	--	9.87	--	9.85	--	--	--
September	7.91	--	8.51	--	9.14	--	--	--
October	6.93	--	7.37	--	7.94	--	--	--
November	6.61	--	6.80	--	8.12	--	--	--
December	6.78	--	7.78	--	8.00	--	--	--
January	7.02	--	8.02	--	8.21	--	--	--
February	6.84	--	7.64	--	7.83	--	--	--
March	6.78	--	7.57	--	7.82	--	--	--
April	6.98	--	7.72	--	7.83	--	--	--
May	7.52	--	8.13	--	8.27	--	--	--

	No. 2 soft red winter St. Louis, MO (dollars per bushel)		No. 2 soft red winter Chicago, IL (dollars per bushel)		No. 2 soft red winter Toledo, OH (dollars per bushel)		No. 1 soft white Portland, OR (dollars per bushel)	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
June	6.20	--	7.20	4.96	7.39	4.85	7.97	5.91
July	5.92	--	6.87	--	6.59	--	7.93	--
August	6.05	--	6.77	--	6.29	--	8.23	--
September	5.17	--	5.45	--	5.15	--	6.91	--
October	3.96	--	3.76	--	4.02	--	5.33	--
November	4.03	--	3.68	--	4.02	--	5.23	--
December	4.07	--	4.01	--	4.08	--	5.28	--
January	4.51	--	4.62	--	4.71	--	5.76	--
February	4.41	--	4.28	--	4.20	--	5.68	--
March	4.45	--	4.40	--	4.24	--	5.53	--
April	4.44	--	4.43	--	4.28	--	5.46	--
May	5.07	--	4.96	--	4.84	--	5.74	--

-- = Not available or no quote.
1/ Free on board. Barge delivered to Louisiana gulf.
Source: USDA, Agricultural Marketing Service, State Grain Reports, http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateS&navID=MarketNewsAndTransportationData&leftNav=MarketNewsAndTransportationData&page=LSMarketNewsPageStateGrainReports.

Date run: 7/20/2009

Table 8--Wheat: U.S. exports and imports for last 6 months (1,000 bushels), 7/14/2009

Item		Dec 2008	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009
Exports	All wheat grain	54,389	56,634	55,825	75,580	61,048	65,884
	All wheat flour 1/	958	969	858	750	687	793
	All wheat products 2/	785	937	1,030	450	571	629
	Total all wheat	56,131	58,540	57,713	76,780	62,306	67,306
Imports	All wheat grain	7,064	12,032	11,400	11,210	9,203	8,312
	All wheat flour 1/	637	743	681	783	718	728
	All wheat products 2/	1,609	1,161	1,078	1,343	1,374	1,349
	Total all wheat	9,310	13,936	13,159	13,337	11,295	10,390

Totals may not add due to rounding.
1/ Expressed in grain-equivalent bushels. Includes meal, groats, and durum.
2/ Expressed in grain-equivalent bushels. Includes bulgur, couscous, and selected categories of pasta.
Source: U.S. Department of Commerce, U.S. Census Bureau; and ERS calculations using Census trade data.

Date run: 7/20/2009

Table 9--Wheat: U.S. exports, Census and export sales comparison (1,000 metric tons), 05/14/09

Importing country	2006/07		2007/08		2008/09 (as of 04/30/09)		
	Shipments				Shipments		Total
Data source	Census 1/	Export sales 2/	Census 1/	Export sales 2/	Export sales 2/		
Country:							
Japan	3,142	3,228	3,644	3,319	2,822	339	3,161
Egypt	1,982	1,982	2,908	3,276	1,928	0	1,928
Nigeria	2,467	2,441	2,504	2,597	2,434	246	2,680
Mexico	2,260	2,138	2,575	2,568	2,259	216	2,475
Iraq	898	799	1,912	1,964	1,205	0	1,205
Philippines	1,648	1,739	1,525	1,538	1,319	212	1,531
South Korea	1,196	1,191	1,499	1,509	1,009	134	1,143
Indonesia	765	683	1,058	1,093	612	58	670
Taiwan	1,006	999	1,092	1,068	620	95	715
Venezuela	729	705	956	997	534	34	568
EU-27	634	786	1,774	1,915	846	28	873
Total grain	24,133	22,902	33,676	32,564	24,181	2,161	26,342
Total (including products)	24,712	22,950	34,400	32,617	24,261	2,169	26,430
USDA forecast of Census					27,488		

1/ Source is U.S. Census Bureau

2/ Source is Foreign Agricultural Service's weekly *U.S. Export Sales* report.

Source: USDA, Foreign Agricultural Service's, U.S. Export Sales: and U.S. Department of Commerce, U.S. Census Bureau.