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Wheat Outlook

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Higher Supplies Are More Than Offset by Higher Usage, Lowering Stocks

Contents

The next release is August 15, 2011.

Approved by the World Agricultural Outlook Board.

U.S. wheat supplies for 2011/12 are raised 90 million bushels as higher carryin and production more than offset reductions in imports and higher use. Beginning stocks are raised 52 million bushels, mostly reflecting higher estimated carryout for 2010/11 as reported in the June 30 *Grain Stocks* report. Production for 2011/12 is forecast at 2,106 million bushels, up 48 million from last month as higher winter wheat production and higher forecast yields for durum and other spring wheat more than offset lower area as estimated in the June 30 *Acreage* report. Partly offsetting is a 10-million-bushel reduction in projected imports with lower expected supplies in Canada.

U.S. wheat usage for 2011/12 is raised with a shift in expected seed usage from 2010/11 and higher expected exports compared with last month. Seed use for 2011/12 is raised 7 million bushels as late planting in the Northern Plains shifted seed usage for the 2011 crop into the 2011/12 marketing year, which began June 1. Exports are raised 100 million bushels with larger domestic supplies and reduced competition expected from Canada. Ending stocks are projected 17 million bushels lower at 670 million. While ending stocks remain adequate for most classes of wheat, durum stocks are projected to be especially tight with sharply lower area and production this year. The 2011/12 season-average farm price for all wheat is lowered 40 cents on each end of the projected range to $6.60 to $8.00 per bushel, mostly reflecting the sharp drop in projected corn prices this month.

U.S. and Russian export prospects for 2011/12 are boosted due to increased supplies and reduced competition. Global wheat production for 2011/12 is projected to decline this month 1.9 million tons, following a 3.2-million-ton projected drop in foreign production that more than offsets a 1.3-million-ton increase in U.S. wheat output. Canadian wheat production is cut by 3.5 million tons to 21.5 million this month, reflecting a 14-percent reduction in seeded area. Wheat production in Ukraine is projected down 1.0 million tons this month to 18.0 million. The reductions are partly offset by increased wheat production in Turkey and the EU-27. Foreign wheat use is projected up 2.8 million tons to 636.3 million. Projected world ending stocks are down 2.1 million tons this month to 182.2 million.

Domestic Situation and Outlook

Ending Stocks for 2011/12 Projected To Decrease From 2010/11

Projected ending stocks for 2011/12, at 670 million bushels, are down 191 million bushels from 2010/11 as supplies decrease more than use. Total wheat supplies for 2011/12 are projected down 217 million bushels because of both smaller carryin stocks and production from 2010/11. Total projected uses are down 26 million bushels from 2010/11.

Total production is projected at 2,106 million bushels, down 102 million bushels from 2010/11.

Winter Wheat Production Estimates by Class

Hard red winter (HRW) production is forecast to be 791 million bushels, up 14 million bushels from June, but down 227 million bushels from a year ago. The higher planted area for the 2011 crop has been more than offset by the higher abandonment rates and lower yields due to the severe drought on the central and southern plains. Forecast planted area, harvested area, and yield and year-to-year changes for 2011 from 2010 are 29.1 million acres, up 0.5 million acres; 21.5 million acres, down 2.5 million acres; and 36.7 bushels per acre, down 5.7 bushels per acre, respectively.

USDA's National Agricultural Statistics Service (NASS) July 12 *Crop Production* reported that drought conditions in Kansas, Oklahoma, and Texas throughout the growing season accelerated crop development. As of July 3, harvest progress was significantly ahead of normal and nearing completion in these States.

Soft red winter (SRW) production is forecast at 458 million bushels, up 24 million bushels from June and up 220 million bushels from last year. SRW production is forecast higher for 2011 with higher planted and harvested areas and higher yield. The 2011 crop area has recovered from 2010, when a rain-delayed row-crop harvest and low prices reduced SRW seedings in the fall of 2009. Forecast planted area, harvested area, and yield and year-to-year changes for 2011 from 2010 are 8.3 million acres, up 3.0 million acres; 7.3 million acres, up 2.9 million acres; and 62.9 bushels per acre, up 8.6 bushels per acre, respectively.

Crop Production reported that while excellent growing conditions during the month in many of the SRW areas led to significant yield increases from the June forecast, wet conditions have negatively impacted the crop in Illinois, Indiana, and Ohio. Record high yields are expected in Arkansas, Michigan, Mississippi, North Carolina, Oregon, South Carolina, and Tennessee.

White winter wheat production for 2011 is forecast to total 243 million bushels, up 3 million bushels from June and up 14 million bushels from a year ago. Of the white production total, 12 million bushels are hard white (**HW**) and 231 million bushels are soft white (**SW**). The 2010 production of HW and SW were 13 million bushels and 216 million bushels, respectively.

The 2011 HW and SW planted and harvested areas are 0.34 million acres and 0.28 million acres; and 3.33 million acres and 3.21 million acres, respectively. The previous year, the HW and SW planted and harvested were 0.33 million acres and 0.29 million acres; and 3.18 million acres and 3.04 million acres, respectively. HW 2011 yield is 41.3 bushels per acre compared to 46.7 bushels in 2010. SW 2011 yield is 72.0 bushels per acre compared to 70.9 bushels in 2010.

Spring Wheat Production Estimates by Class

Hard red spring (HRS) production is forecast at 504 million bushels, down 66 million bushels from 2010. HRS production is forecast down with lower planted and harvested areas and lower yield. Excessive moisture and cool temperatures on the Northern Plains resulted in late seeding and prevented plantings. Forecast planted area, harvested area, yield, and year-to-year changes for 2011, respectively, are 12.9 million acres, down 0.1 million acres; 12.5 million acres, down 0.1 million acres; and 40.4 bushels per acre, down 4.7 bushels per acre.

Crop Production reported that flooding and prolonged wet weather has slowed crop development in most States. By July 3, heading in North Dakota and Montana had not yet begun, and was 48 and 32 percentage points behind the 5-year average, respectively. As a result of the wet conditions that delayed planting, forecasted yields are down from last year in all States except South Dakota.

White spring production is forecast to total 46 million bushels unchanged from a year ago. Of the white spring production total, 9 million bushels **are hard white spring** (HWS) and 37 million bushels are **soft white spring** (SWW). The HWS 2011 planted and harvested areas are 131,000 acres and 127,000 acres, respectively. The previous year, the HWS harvested and planted areas are 130,000 acres and 127,000 acres, respectively. HWS 2011 yield is 70.6 bushels per acre compared to 72.9 bushels in 2010. The SWS 2011 planted and harvested areas are 641,000 acres and 624,000 acres, respectively. The previous year, the SWS harvested and planted areas were 599,000 acres and 587,000 acres, respectively. SWS 2011 yield is 59.8 bushels per acre compared to 62.6 bushels in 2010.

Durum wheat production is forecast to total 64 million bushels, down 43 million bushels from a year ago. Durum production is forecast down with lower planted and harvested areas and lower yield. Excessive moisture and cool temperatures on the Northern Plains resulted in late seeding and prevented plantings which have reduced planted area to the lowest since 1960. Forecast planted area, harvested area, yield, and year-to-year changes for 2011, respectively, are 1.7 million acres, down 872,000 acres; 1.6 million acres, down 882,000 acres; and 38.7 bushels per acre, down 3.7 bushels per acre.

Crop Production reported that yield forecasts are down from last year in all major producing States. Due to flooding and excessively wet conditions, crop development in Montana and North Dakota, the two largest producing States, are significantly behind normal.

2011 Spring Wheat Conditions Not as Good as Last Year

NASS' July 11 *Crop Progress* reported that as of July 10, 73 percent of the 2011 spring wheat was rated good to excellent and only 4 percent was rated poor to very poor. A year ago at this time, 83 percent of the spring wheat crop was rated good to excellent and 3 percent was rated poor to very poor.

Hard and Soft White Wheat Area and Production Forecasts

All white wheat production for 2011 is 289 million bushels, up 14 million bushels from 2010. All white wheat planted and harvested areas for 2011, at 4.4 million acres and 4.2 million acres, respectively, are both up from 2010. All white wheat yield for 2011 is 68.2 bushels per acre, up 0.2 bushels from 2010.

The all soft white planted area for 2011, at 4.0 million acres, down 0.2 million acres from 2010. The all hard white wheat planted area is 474,000 acres, up from 462,000 acres in 2010. The all soft white harvested area for 2011, at 3.8 million acres, is up 0.2 million acres from 2010. The all hard white wheat harvested area is 407,000 acres, down from 416,000 acres in 2010. The all soft white wheat yield for 2011 is 70.0 bushels per acre, up 0.37 bushels from 2010. The all hard white wheat yield for 2011 is 50.5 bushels per acre, down 4.2 bushels from 2010.

2011/12 Year-to-Year By-Class Comparisons

Projected supplies of HRW, HRS, and durum are down year to year for 2011/12, mostly because of lower production. SRW and white wheat supplies are up from 2010/11, especially SRW because of the recovery of production from the previous year. Projected 2011/12 carryin stocks were nearly unchanged for HRW, white, and durum, but sharply lower for HRS and SRW.

Domestic use is up year to year for HRW, SRW, and white, but down for the other two classes. Projected exports are lower for all classes except SRW.

Projected ending stocks for 2011/12 are down year to year for HRW, HRS, and durum, but up for SRW and white. The year-to-year percentage decrease in all-wheat ending stocks is 22 percent. HRW and durum projected ending stocks are down the most, 48 percent and 60 percent, respectively, while white ending stocks are up the most, 20 percent. The projected ending stocks of HRS are down by 7 percent, while SRW stocks are up by 8 percent.

Projected 2011/12 Supplies Up This Month

The 2011/12 outlook for U.S. wheat supplies is raised from June. Beginning stocks for 2011/12, at 861 million bushels, are up 52 million bushels from June. Projected imports, at 100 million bushels, are down 10 million bushels from June because of lower-than-expected Canadian production, but unchanged year to year. Production is projected at 2,106 million bushels, up 48 million bushels from June.

Projected 2011/12 Utilization

Total projected U.S. wheat use for 2011/12, at 2,397 million bushels, is up 107 million bushels from June. Projected use is lower than 2010/11 as lower projected exports more than offset higher expected domestic use. **Seed use** is raised from June as late planting in the Northern Plains shifted seed usage for the 2011 crop into

2011/12. **Food use** is projected at 945 million bushels, unchanged from June, but up 15 million from the previous marketing year, reflecting an expected decrease in average flour extraction rate from the extraordinarily high rates during the past two years and increasing consumption with a growing population. **Feed and residual use** is projected at 220 million bushels, unchanged from June, but up from the 135 million bushels projected for 2010/11 as high corn prices and a rebound in SRW production is expected to encourage more summer quarter wheat feeding. Exports are projected at 1,150 million bushels, up from June, but down 136 million bushels from 2010/11. **Exports** are up from June because of larger domestic supplies and reduced competition from Canada. Exports are down year to year because (1) drought has reduced exportable supplies of HRW, (2) the availability of higher-than-normal protein in this year's HRW has increased domestic milling demand with tighter supplies of HRS, and (3) the expected recovery of Black Sea production from the severe drought of a year ago. Thus, **ending stocks** for 2011/12 are projected at 670 million bushels, down 17 million bushels from June and down 191 million bushels from 2010/11.

2011/12 Price Range Is Lowered

The 2011/12 **season-average farm price** range is projected at $6.60 to $8.00 per bushel, down 40 cents on both ends of the range from June with the drop in corn prices from a month ago. This compares with $5.70 for the previous year and the record high of $6.78 for 2008/09.

2010/11 Supplies Are Unchanged This Month

Total projected supplies for 2010/11, at 3,284 million bushels, are unchanged from June. Supplies for 2010/11 are 291 million bushels above 2009/10. Year to year, sharply higher beginning stocks more than offset slightly lower production and projected imports.

Projected supplies of all wheat classes except SRW are up year to year for 2010/11. SRW supplies are down, mostly because of a large year-to-year production drop with both lower area and yields. The hard wheats, HRW and HRS, have the largest year-to-year increases in 2010/11 supplies with their larger carryin stocks and higher production.

Exports for 2010/11 Are Lowered

Projected **total exports** for 2010/11 are 1,286 million bushels, down from June based on pace to date. The largest decreases are 4 million bushels less of HRS exports and 3 million bushels less SRW from June. White and durum are each down 1 million bushels and HRW exports are unchanged. Total wheat exports for 2010/11 are 405 million bushels above 2009/10 exports and 23 million bushels above 2007/08 when exports hit a 15-year high with the global wheat shortage that led to record wheat prices in 2008.

Ending Stocks Are Higher Than Expected for 2010/11

Projected **total U.S. ending stocks** for 2010/11 are 861 million bushels, up 52 million bushels from June base on the June 30 *Grain Stocks* report. The 2010/11 ending stocks are down 115 million bushels from 2009/10. Projected 2010/11 ending stocks are 555 million bushels above the recent low of 306 million bushels in 2007/08.

All wheat ending stocks are down 12 percent from 2009/10. SRW ending stocks are down the most from 2009/10, 30 percent. HRS ending stocks are down 21 percent. White and durum ending stocks are only down 6 percent and 1 percent, respectively. HRW ending stocks are nearly unchanged from the previous year.

2010/11 Price Is Unchanged

The projected **season-average price** received by producers is $5.70 per bushel, unchanged from June. The season-average price for 2009/10 was $4.87 per bushel. The 2010/11 price is well below the 2008/09 record of $6.78 per bushel.

USDA Wheat Baseline, 2011-20

Each year, USDA updates its 10-year projections of supply and utilization for major field crops grown in the United States, including wheat. A detailed discussion summarizing the historical forces determining U.S. wheat supply and utilization, and the analysis underlying the wheat projections for 2011-20, is available at http://www.ers.usda.gov/briefing/wheat/2011baseline.htm/.

International Situation and Outlook

Canada Dominates Decline in World Wheat Production This Month

Global wheat production in 2011/12 is projected down 1.9 million tons this month to 662.4 million. Foreign production is reduced by 3.2 million to 605.1 million, while the forecast for U.S. winter wheat production is up 1.3 million tons. Unfavorable weather conditions have reduced wheat production prospects in two of the major exporting countries, Canada and Ukraine, and also in Mexico and Tajikistan. These reductions are partly offset by increased wheat production in Turkey and the EU-27.

Wheat production prospects for 2011/12 in Canada are down sharply this month by 3.5 million tons to 21.5 million, reflecting a 14-percent reduction in area of 1.3 million hectares from 9.3 to 8.0 million hectares. As of a month ago, Canadian farmers had planted about 80 percent of their intended wheat area, but farmers in southeastern Saskatchewan and neighboring southwestern Manitoba, where percentages of unseeded area were the highest, reported virtually no progress in the month of June. Persistent rains that have disrupted field work for many weeks ended around June 20, the crop insurance cut-off day. Based on provincial Saskatchewan reports that give planting progress by crop production regions, as of June 20, wheat planting in Saskatchewan appears to have reached only 3.4 million hectares. This is about 1.6 million lower than June preliminary estimates and almost 2 million lower than March initial planting intentions. In the southeastern corner of the province, almost 66 percent of land appears to have been left unseeded. Corresponding adjustments have been made for the neighboring southwestern Manitoba, where weather conditions have been very similar. Durum planting in these regions, which grow nearly half of Canadian durum, has been hit hard, leaving significant intended durum area unseeded. The problem of low durum planting extends across both U.S. and Canadian durum areas. The evidence supporting dramatic Canadian area reductions does not come from planting progress reports alone. Satellite imagery, aerial photographs, and local news reports all provide strong supporting evidence for a substantial drop in planted area.

Ukrainian 2011/12 wheat production is projected down 1.0 million tons this month to 18 million. Several factors have contributed to the lower wheat yield prospects in Ukraine. Cool weather in April delayed crop development, which, combined with dry spring weather, lowered tillering in the affected areas and hurt root development in wheat plants. Powerful rains in the second part of June and beginning of July on the one hand relieved the accumulated moisture deficit, but on the other hand were too strong, supplying around 200 percent of normal precipitation in the eastern part of the country. The moisture could result in harvest delays, some additional lodging, and is expected to raise the share of feed-quality wheat.

Wheat output for 2011/12 is projected 0.4 million tons lower at 3.8 million in Mexico, following an official downward revision to harvested area. In Tajikistan, production is down 0.1 million tons to 0.4 million, because of the dry and hot weather pattern in the main wheat producing region of the country. Yields are lowered similar to those in the low-yield years of 2006-2008.

In Turkey, where the wheat harvest is underway, wheat output for 2011/12 is projected up 1.1 million tons to 18.5 million. Turkey is one of the world's few other major durum producers and durum is grown in the southeastern part of the country where rainfall has not been excessive this year. Crop development was delayed this year, and abundant rains in May and the first part of June were very beneficial for wheat yields. This is partly because the rains occurred during the later-than-normal reproductive stage of the crop and did not negatively affect harvesting. The flip side of abundant to excessive soil moisture is that wheat quality is expected to be lower than normal.

EU-27 wheat production is expected to reach 132.1 million tons in 2011/12, up 0.6 million this month. Timely abundant moisture in Spain, and good weather conditions, increased use of fertilizer, and better irrigation in Romania, warranted this month's increase in yield prospects in those countries, for a total increase in wheat production of 1.0 million tons. This increase more than offsets yield reductions in the U.K. and Hungary, where current projected yields better reflect and are more consistent with the impact of dry weather.

Reduced Supplies and Higher Use Trim Ending Stocks

Foreign 2011/12 beginning stocks are forecast up 1.5 million tons to 166.5 million, partly offsetting a 3.2-million-ton reduction in foreign wheat production. All changes in beginning stocks, except for Russia and Turkmenistan, reflect trade revisions, both imports and exports, for 2010/11. The largest among the changes are reductions in beginning stocks in Australia and Canada, by 0.5 million tons each, based on higher 2010/11 wheat exports, and a 0.3-million-ton increase in Iraq's beginning stocks, as increased imports were necessary to maintain stable wheat consumption in the country with a lower 2011/12 wheat harvest. Russia's beginning stocks are up 0.8 million tons to 11.5 million, following a revision for Russia's feed and residual use series, and lower 2010/11 wheat imports. Wheat feed use in Russia is revised up 0.5 million tons in 2009/10, down 1.5 million tons in 2010/11, and up 0.5 million tons in 2011/12. Beginning stocks in Turkmenistan are up 0.3 million tons based on a revision in the food, seed, and industrial use series going back 4 years. Smaller trade-induced changes for beginning stocks have been made for a number of countries.

Foreign wheat use is projected up 2.8 million tons to 636.3 million. Increased consumption is projected for Turkey, up 0.6 million tons. Higher expected production of lower quality wheat and tight supplies of corn are expected to boost wheat feeding. For the EU-27, wheat feeding is up 1.5 million tons this month, reflecting higher supplies-both production and imports-and a small increase in projected poultry production. Wheat consumption is also projected higher for Russia, up 0.5 million tons for feeding and 0.2 million tons for food use, as a result of the already mentioned consumption revision. Wheat feeding in Australia is down 0.5 million tons for both 2010/11 and 2011/12, as the country's 2010/11 exports are up this month. Other changes in wheat consumption are largely offsetting, and are driven by trade revisions.

World wheat ending stocks for 2011/12 are projected down 2.1 million tons this month to 182.2 million, while foreign stocks are down 1.6 million. The largest decline in ending stocks is projected for Russia, down 1.9 million tons to 11.1 million, because of sharply increased export expectations. Reduced ending stocks are projected for Canada, down 1.4 million tons to 4.8 million, absorbing part of

Canada's wheat production cut. Partly offsetting are upward revisions in wheat ending stocks in Sri Lanka (up 0.4 million tons), Iraq and Algeria (up 0.3 million tons each), Egypt, Morocco, and Yemen (up 0.2 million tons each), as well as a number of smaller upward and downward revisions, based on changes in the countries' beginning stocks and imports in 2011/12.

U.S. Export Prospects Up This Month Due to Increased Supplies and Reduced Competition

Global trade in 2011/12 (July-June trade year) is projected to reach 129.1 million tons, up 2.2 million this month with an increase of 1.0 million tons in import prospects for the EU-27, a 0.5- million-ton increase for Egypt, and a 0.4-million-ton increase for Mexico. Higher projected industrial use for ethanol production and increased feeding with higher poultry numbers merit larger EU-27 wheat imports. In Egypt, wheat imports are expected to increase, compensating for lower domestic crop procurement. The growth of Mexican wheat imports matches a cutback in its wheat production. Other small adjustments in imports for various other countries are largely offsetting.

Important shifts in expected market share among wheat exporters are projected this month. Projected 2011/12 wheat exports by Canada are cut 2.5 million tons this month, to 16.0 million due to reduced production. Also, lower production prospects in Ukraine resulted in a 1.0–million-ton cut in forecast exports, to 7.5 million. Export expectations for Mexico were also trimmed slightly. These export reductions and the increase in global imports support higher export forecasts for a number of exporters this month. In Russia, wheat exports are up 2.0 million tons to 12.0 million, as larger wheat supplies support higher exports. The Russian government has not applied any restrictions to this year's exports so far. Moreover, despite the fact that Russian wheat exports seem to have resumed at a strong pace (to Egypt, Tunisia, and Jordan), the government is not currently expected to hinder exports activities, as domestic prices remain very low. In Turkey, wheat exports are projected up 0.8 million tons to 4.0 million, reflecting higher exportable supplies and the fact that Turkey is one of the world's few producers of durum wheat. Durum is becoming a precious commodity this year, given exceptionally low supplies in the U.S., Canada, and France. Exports are also projected at 0.4 million tons for Turkmenistan for 2011/12 and at 0.2 million tons for 2010/11 – the first exports on record for this country. The country's president issued a decree allowing the responsible government agency to export these amounts of wheat, citing lower domestic consumption. Exports also inched up for Croatia and Egypt.

Wheat production prospects for the U.S. are up 1.3 million tons this month, while wheat supplies are up even more – 2.4 million tons – due to increased beginning stocks. Strong early sales and reduced competition, especially from Canada, boost prospects for U.S. wheat exports in 2011/12. The July-June U.S. export projection is increased 2.5 million tons this month to 31.5 million, with the June-May local marketing year up 100 million bushels to 1.15 billion. According to *US Export Sales*, as of June 30, outstanding sales of U.S. wheat were up 25 percent compared to a year ago, when the country exported 35.8 million tons of wheat, with the increases spread across many importing countries.

World 2010/11 Trade Is Up

World wheat trade in 2010/11 was adjusted up 1.6 million tons to reflect reported trade data, licenses, and sales. Imports were increased in Algeria (high pace of French exports), Iraq, South Korea, Japan, Philippines, Malaysia, Vietnam, and Yemen (high pace of Australian exports), as well as in Morocco, Sri Lanka, Turkey (up 0.2 million tons each), Azerbaijan and Mozambique (up 0.1 million tons each in the last two), and smaller increases for Oman and Togo, based on pace. Partly offsetting are decreased imports for Brazil, Ethiopia, and Russia (down 0.2 million tons each), as well as smaller reductions for Jamaica and Ecuador.

Australia's exports are up 1.0 million tons to a record 18.5 million for the July-June international trade year, as the pace in recent months exceeded expectations. This is despite a low 2010/11 wheat harvest in Western Australia, and following logistical problems of exporting wheat from the eastern part of the country. Exports from Kazakhstan, Canada, Argentina, and Turkmenistan are also up 0.4, 0.3, 0.2, and 0.2 million tons, respectively. Smaller upward adjustments are made for Egypt, Thailand, and Guatemala. The increases are partly offset by reductions for Iran (down 0.2 million tons), Mexico and Croatia (down 0.1 million tons each), and the United States for the international July-June marketing year of 201/11. U.S. exports were reduced 0.2 million tons to 35.8 million, as inspections and exports sales shipments in June 2010 were not as strong as expected a month ago. Census data for June are not yet available, and the current number is not finalized. For the local June-May marketing year, U.S. exports are down 9 million bushels to 1,286 million bushels (or 35.0 million tons).

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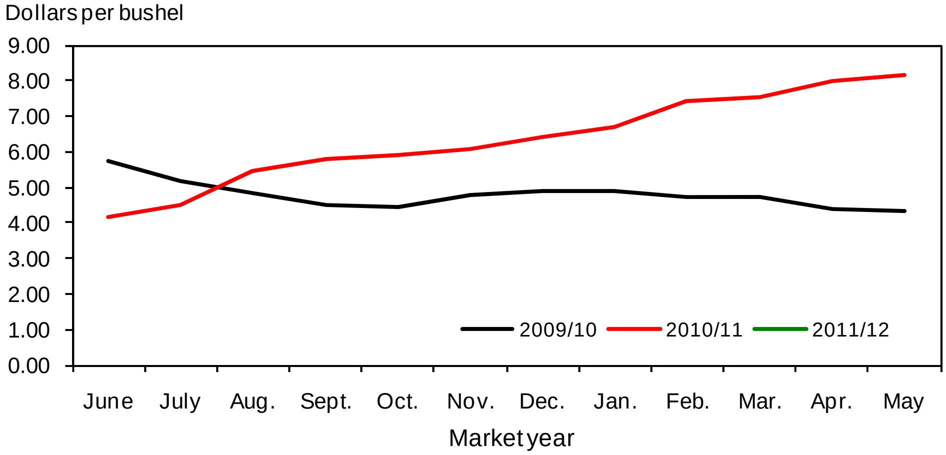
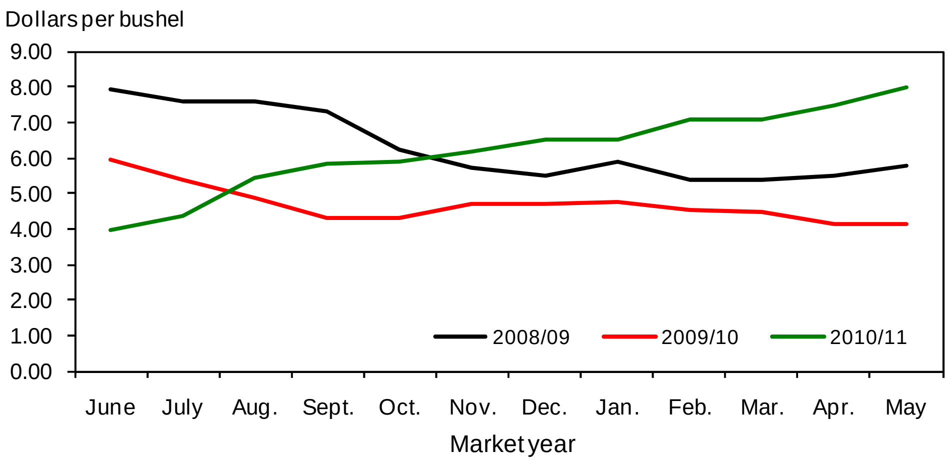
Figure 1
All wheat average prices received by farmers



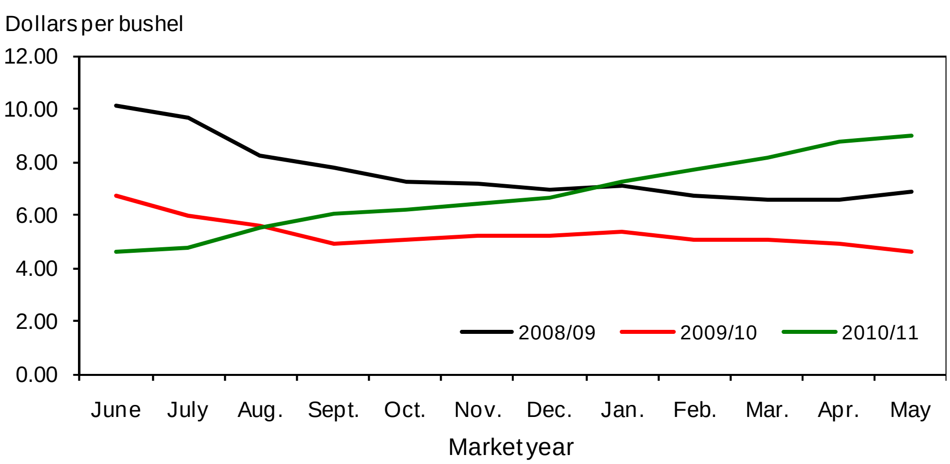
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 2
Hard red winter wheat average prices received by farmers



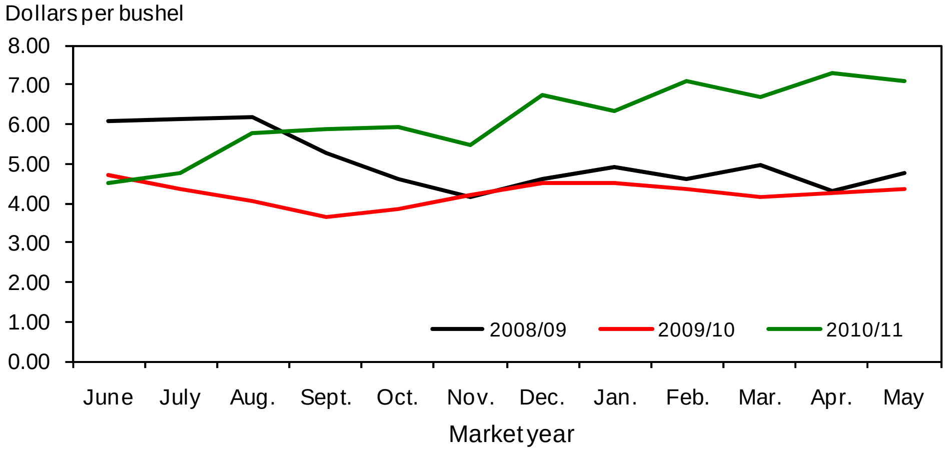
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 3
Hard red spring wheat average prices received by farmers



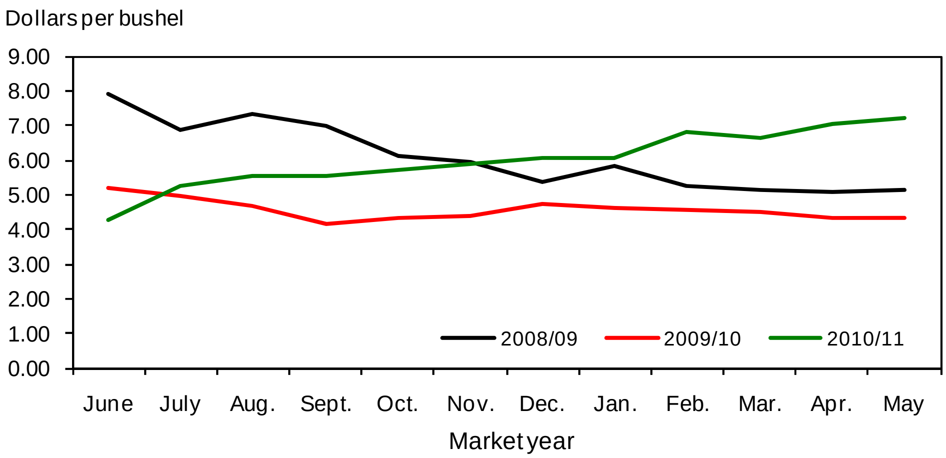
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 4
Soft red winter wheat average prices received by farmers



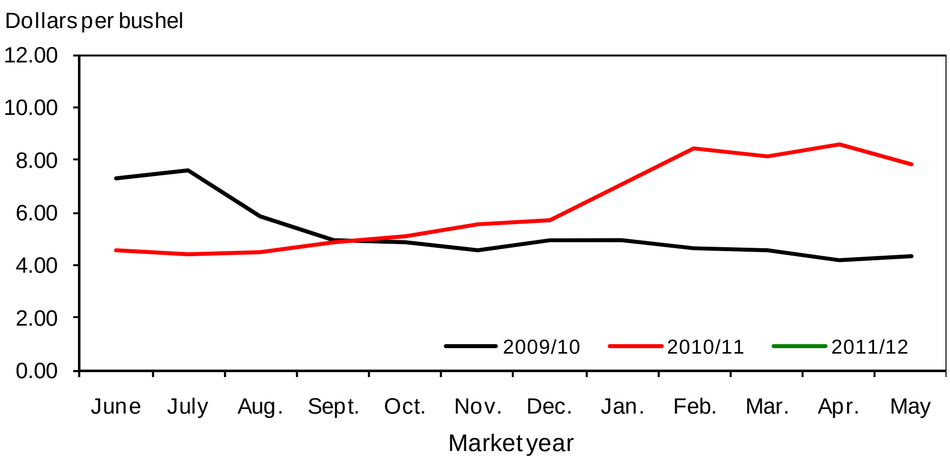
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 5
Soft white wheat average prices received by farmers



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

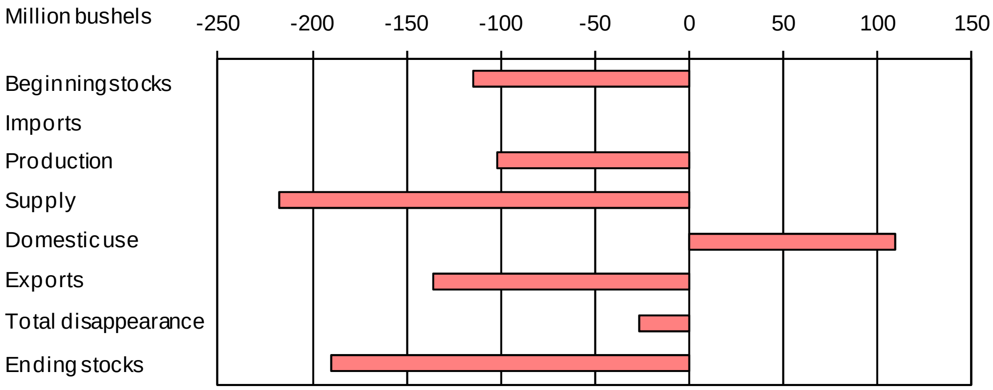
Figure 6
Durum wheat average prices received by farmers



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

Figure 7

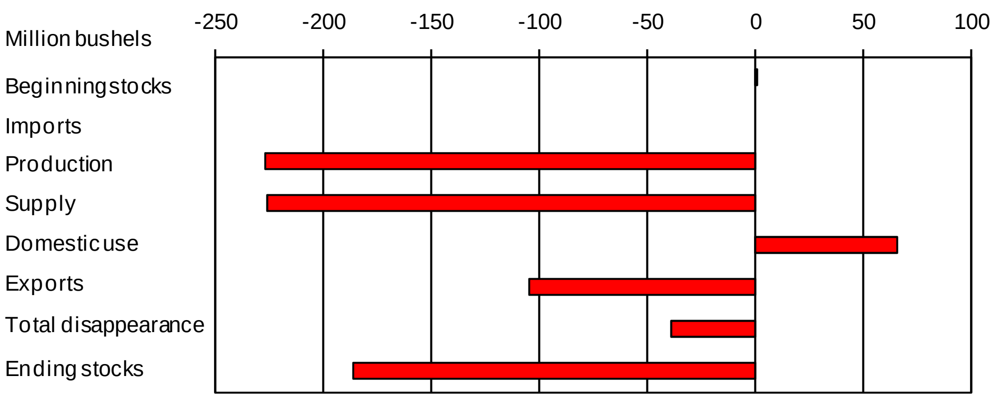
All wheat: U.S. supply and disappearance change from prior market year



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

Figure 8

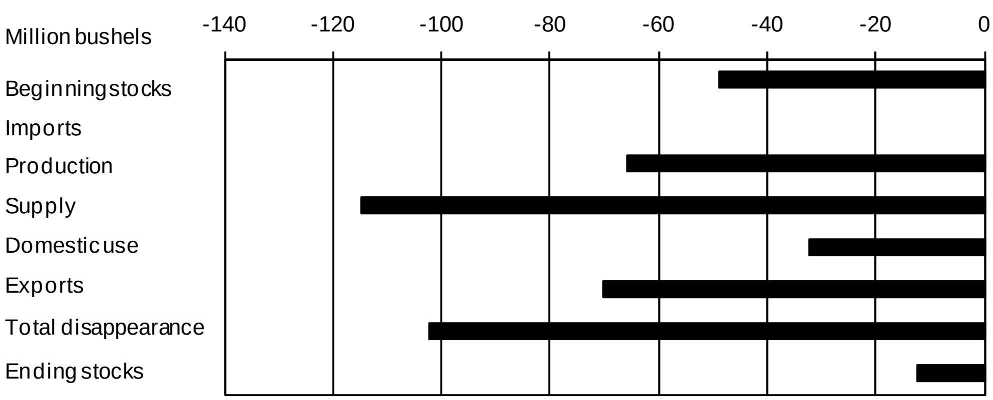
Hard red winter wheat: U.S. supply and disappearance change from prior market year



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

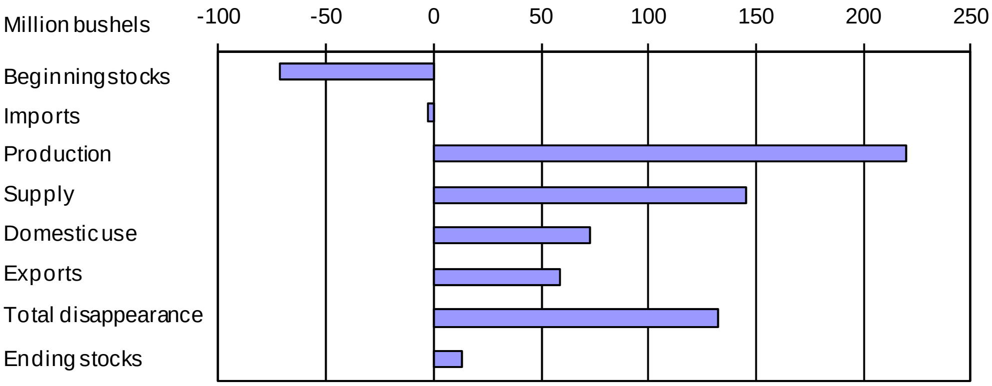
Figure 9

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



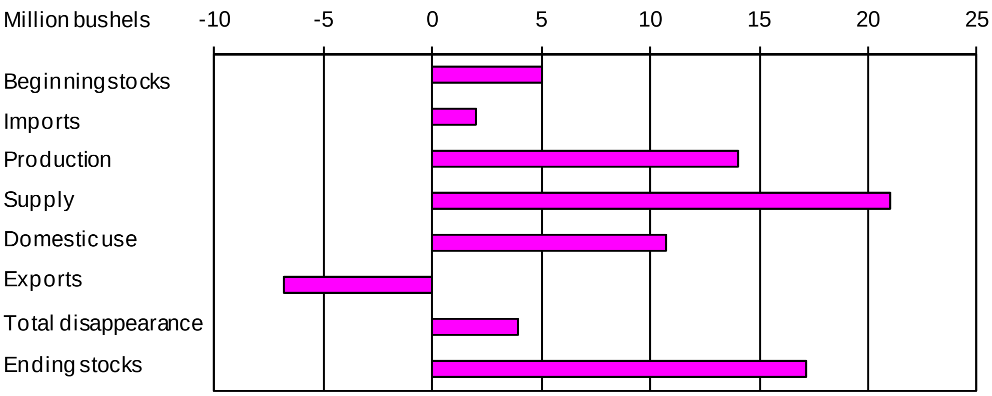
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

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



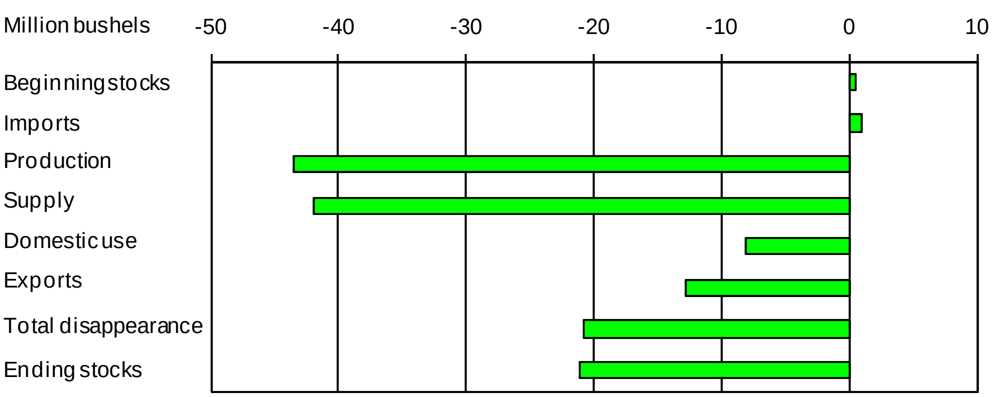
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

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.*

Contacts and Links

Contact Information

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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

Wheat Outlook
http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1293
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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Table 1--Wheat: U.S. market year supply and disappearance, 7/14/2011

Item and unit		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Area:								
Planted	Million acres	57.2	57.3	60.5	63.2	59.2	53.6	56.4
Harvested	Million acres	50.1	46.8	51.0	55.7	49.9	47.6	47.2
Yield	Bushels per acre	42.0	38.6	40.2	44.9	44.5	46.4	44.6
Supply:								
Beginning stocks	Million bushels	540.1	571.2	456.2	305.8	656.5	975.6	860.8
Production	Million bushels	2,103.3	1,808.4	2,051.1	2,499.2	2,218.1	2,208.4	2,106.1
Imports 1/	Million bushels	81.4	121.9	112.6	127.0	118.6	100.0	100.0
Total supply	Million bushels	2,724.8	2,501.5	2,619.9	2,932.0	2,993.2	3,284.0	3,066.9
Disappearance:								
Food use	Million bushels	917.1	937.9	947.9	926.8	918.9	930.0	945.0
Seed use	Million bushels	77.1	81.9	87.6	78.0	69.5	72.7	81.5
Feed and residual use	Million bushels	156.6	117.1	16.0	255.2	148.1	134.5	220.0
Total domestic use	Million bushels	1,150.8	1,136.8	1,051.4	1,260.0	1,136.5	1,137.2	1,246.5
Exports 1/	Million bushels	1,002.8	908.5	1,262.6	1,015.4	881.0	1,286.0	1,150.0
Total disapperance	Million bushels	2,153.6	2,045.3	2,314.1	2,275.4	2,017.5	2,423.2	2,396.5
Ending stocks	Million bushels	571.2	456.2	305.8	656.5	975.6	860.8	670.4
CCC inventory 2/	Million bushels	43.0	41.0					
Stocks-to-use ratio		26.5	22.3	13.2	28.9	48.4	35.5	28.0
Loan rate	Dollars per bushel	2.75	2.75	2.75	2.75	2.75	2.94	2.94
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	3.42	4.26	6.48	6.78	4.87	5.70	6.60-8.00
Government payments	Million dollars	1,151	1,120	1,118	1,118			
Market value of production	Million dollars	7,167	7,695	13,289	16,626	10,654	12,588	15,375

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: 7/12/2011

Table 2--Wheat: U.S. market year supply and disappearance, 7/14/2011

Market year, item, and unit			All wheat	Hard red winter 1/	Hard red spring 1/	Soft red winter 1/	White 1/	Durum
2010/11	Area:							
	Planted acreage	Million acres	53.60	28.55	12.97	5.27	4.24	2.57
	Harvested acreage	Million acres	47.64	24.04	12.65	4.38	4.04	2.53
	Yield	Bushels per acre	46.36	42.36	45.08	54.33	68.03	42.38
	Supply:							
	Beginning stocks	Million bushels	975.64	384.99	234.00	242.00	80.00	34.65
	Production	Million bushels	2,208.39	1,018.34	569.98	237.80	275.10	107.18
	Imports 2/	Million bushels	100.00	1.00	30.00	28.00	7.00	34.00
	Total supply	Million bushels	3,284.03	1,404.33	833.98	507.80	362.10	175.83
	Disappearance:							
	Food use	Million bushels	930.00	361.00	250.00	150.00	85.00	84.00
	Seed use	Million bushels	72.72	32.77	15.33	16.09	6.04	2.50
	Feed and residual use	Million bushels	134.53	9.52	43.59	65.87	4.20	11.35
	Total domestic use	Million bushels	1,137.25	403.29	308.91	231.95	95.24	97.85
	Exports 2/	Million bushels	1,286.00	615.44	340.06	105.85	181.85	42.80
	Total disappearance	Million bushels	2,423.25	1,018.73	648.98	337.80	277.10	140.65
	Ending stocks	Million bushels	860.78	385.60	185.00	170.00	85.00	35.18
2011/12	Area:							
	Planted acreage	Million acres	56.43	29.13	12.86	8.31	4.44	1.70
	Harvested acreage	Million acres	47.17	21.54	12.47	7.27	4.24	1.65
	Yield	Bushels per acre	44.65	36.73	40.45	62.92	68.15	38.69
	Supply:							
	Beginning stocks	Million bushels	860.78	385.60	185.00	170.00	85.00	35.18
	Production	Million bushels	2,106.12	791.25	504.36	457.67	289.12	63.72
	Imports 2/	Million bushels	100.00	1.00	30.00	25.00	9.00	35.00
	Total supply	Million bushels	3,066.90	1,177.85	719.36	652.67	383.12	133.90
	Disappearance:							
	Food use	Million bushels	945.00	373.00	247.00	155.00	85.00	85.00
	Seed use	Million bushels	81.50	31.00	24.70	15.00	6.00	4.80
	Feed and residual use	Million bushels	220.00	65.00	5.00	135.00	15.00	.00
	Total domestic use	Million bushels	1,246.50	469.00	276.70	305.00	106.00	89.80
	Exports 2/	Million bushels	1,150.00	510.00	270.00	165.00	175.00	30.00
	Total disappearance	Million bushels	2,396.50	979.00	546.70	470.00	281.00	119.80
	Ending stocks	Million bushels	670.40	198.85	172.66	182.67	102.12	14.10

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: 7/12/2011

Table 3--Wheat: U.S. quarterly supply and disappearance (million bushels), 7/14/2011

Market year and quarter		Production	Imports 1/	Total supply	Food use	Seed use	Feed and residual use	Exports 1/	Ending stocks
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	-44	261	709
	Mar-May		37	746	236	25	-77	257	306
	Mkt. year	2,051	113	2,620	948	88	16	1,263	306
2008/09	Jun-Aug	2,499	28	2,833	236	2	393	345	1,858
	Sep-Nov		28	1,886	238	54	-124	295	1,422
	Dec-Feb		36	1,458	219	1	28	170	1,040
	Mar-May		35	1,075	233	21	-41	206	657
	Mkt. year	2,499	127	2,932	927	78	255	1,015	657
2009/10	Jun-Aug	2,218	28	2,902	231	1	261	200	2,209
	Sep-Nov		24	2,234	237	45	-83	252	1,782
	Dec-Feb		30	1,812	222	1	30	202	1,356
	Mar-May		37	1,393	229	21	-60	227	976
	Mkt. year	2,218	119	2,993	919	69	148	881	976
2010/11	Jun-Aug	2,208	28	3,212	235	2	261	265	2,450
	Sep-Nov		24	2,473	242	52	-68	314	1,933
	Dec-Feb		23	1,956	221	1	3	306	1,425
	Mar-May		25	1,451	233	18	-62	401	861
	Mkt. year	2,208	100	3,284	930	73	135	1,286	861
2011/12	Mkt. year	2,106	100	3,067	945	82	220	1,150	670

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: 7/12/2011

Table 4--Wheat: Monthly food disappearance estimates (1,000 grain-equivalent bushels), 7/14/2011

Mkt year and month 1/		Wheat ground for flour	+	Food imports 2/	+	Nonmilled food use 3/	-	Food exports 2/	=	Food use 4/
2009/10	Jun	72,104		2,007		2,000		2,511		73,600
	Jul	74,023		1,985		2,000		2,038		75,970
	Aug	80,902		2,163		2,000		3,420		81,646
	Sep	77,793		1,959		2,000		1,926		79,826
	Oct	78,638		2,302		2,000		2,825		80,115
	Nov	75,269		2,187		2,000		2,451		77,005
	Dec	70,651		2,112		2,000		1,592		73,171
	Jan	72,641		2,038		2,000		1,896		74,783
	Feb	72,064		1,852		2,000		2,222		73,694
	Mar	76,457		2,502		2,000		3,053		77,906
	Apr	73,047		2,183		2,000		2,316		74,914
	May	74,687		2,161		2,000		2,562		76,286
2010/11	Jun	71,457		2,130		2,000		2,042		73,544
	Jul	74,629		2,129		2,000		1,499		77,260
	Aug	81,564		2,279		2,000		1,892		83,951
	Sep	78,430		2,259		2,000		1,624		81,065
	Oct	79,447		2,353		2,000		2,133		81,667
	Nov	76,043		2,372		2,000		1,460		78,956
	Dec	71,378		2,475		2,000		1,774		74,078
	Jan	71,677		2,262		2,000		2,110		73,830
	Feb	71,108		1,967		2,000		2,083		72,993
	Mar	75,443		2,657		2,000		1,812		78,288
	Apr			2,435				2,518		-83

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 Foreign Trade Statistics.

Date run: 7/12/2011

Table 5--Wheat: National average price received by farmers (dollars per bushel) 1/, 7/14/2011

Month	All wheat		Winter		Durum		Other spring	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
June	4.16	7.85	4.05	7.35	4.58	9.96	4.58	9.84
July	4.49		4.47		4.44		4.71	
August	5.44		5.47		4.45		5.47	
September	5.79		5.76		4.89		5.97	
October	5.88		5.83		5.07		6.14	
November	6.10		6.02		5.55		6.35	
December	6.44		6.40		5.71		6.60	
January	6.69		6.35		7.09		7.14	
February	7.42		7.03		8.45		7.68	
March	7.55		7.02		8.09		8.07	
April	8.01		7.37		8.60		8.67	
May	8.16		7.80		7.86		8.85	

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), 7/14/2011

Month	Hard red winter		Soft red winter		Hard red spring		White	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
June	5.96	3.94	4.69	4.50	6.72	4.59	5.21	4.28
July	5.36	4.38	4.37	4.77	6.00	4.72	4.99	5.26
August	4.84	5.42	4.04	5.75	5.59	5.49	4.68	5.52
September	4.32	5.82	3.63	5.89	4.87	6.03	4.14	5.54
October	4.28	5.88	3.86	5.94	5.04	6.19	4.30	5.72
November	4.68	6.15	4.21	5.46	5.24	6.41	4.39	5.88
December	4.68	6.51	4.52	6.73	5.21	6.64	4.74	6.07
January	4.73	6.50	4.49	6.31	5.33	7.22	4.59	6.05
February	4.54	7.07	4.37	7.11	5.06	7.70	4.56	6.78
March	4.48	7.10	4.14	6.70	5.06	8.12	4.52	6.65
April	4.16	7.50	4.26	7.27	4.92	8.75	4.34	7.06
May	4.16	8.00	4.37	7.09	4.63	8.95	4.34	7.22

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

Date run: 7/12/2011

Table 7--Wheat: Average cash grain bids at principal markets, 7/14/2011

Month	No. 1 hard red winter (ordinary protein) Kansas City, MO (dollars per bushel) 2010/11	2011/12	No. 1 hard red winter (13% protein) Kansas City, MO (dollars per bushel) 2010/11	2011/12	No. 1 hard red winter (ordinary protein) Portland, OR (dollars per bushel) 2010/11	2011/12	No. 1 hard red winter (ordinary protein) Texas Gulf, TX 1/ (dollars per metric ton) 2010/11	2011/12
June	4.50	8.61	5.44	9.52	4.50	7.41	157.67	--
July	5.26	--	6.09	--	4.76	--	195.82	--
August	6.76	--	7.25	--	5.90	--	246.44	--
September	7.01	--	7.68	--	6.48	--	271.80	--
October	7.04	--	7.64	--	--	--	273.90	--
November	7.13	--	7.73	--	6.25	--	273.74	--
December	8.04	--	8.64	--	7.10	--	308.65	--
January	8.54	--	9.56	--	7.67	--	327.02	--
February	9.23	--	10.20	--	8.37	--	346.86	--
March	8.44	--	9.38	--	7.63	--	316.73	--
April	9.28	--	10.02	--	8.19	--	335.84	--
May	9.38	--	10.19	--	8.14	--	354.58	--

Month	No. 1 dark northern spring (13% protein) Chicago, IL (dollars per bushel) 2010/11	2011/12	No. 1 dark northern spring (14% protein) Chicago, IL (dollars per bushel) 2010/11	2011/12	No. 1 dark northern spring (14% protein) Portland, OR (dollars per bushel) 2010/11	2011/12	No. 1 hard amber durum Minneapolis, MN (dollars per bushel) 2010/11	2011/12
June	5.61	11.23	6.90	12.97	6.35	11.60	--	--
July	5.90	--	6.89	--	6.57	--	--	--
August	7.13	--	7.92	--	--	--	--	--
September	7.30	--	8.35	--	8.38	--	--	--
October	7.49	--	8.61	--	--	--	--	--
November	7.70	--	8.67	--	9.40	--	--	--
December	9.02	--	10.14	--	--	--	--	--
January	9.77	--	11.24	--	10.73	--	--	--
February	10.77	--	12.22	--	11.47	--	--	--
March	10.38	--	12.36	--	11.50	--	--	--
April	10.85	--	12.76	--	12.10	--	--	--
May	11.23	--	13.04	--	12.22	--	--	--

Month	No. 2 soft red winter St. Louis, MO (dollars per bushel) 2010/11	2011/12	No. 2 soft red winter Chicago, IL (dollars per bushel) 2010/11	2011/12	No. 2 soft red winter Toledo, OH (dollars per bushel) 2010/11	2011/12	No. 1 soft white Portland, OR (dollars per bushel) 2010/11	2011/12
June	4.56	--	4.26	6.71	4.34	6.75	4.57	7.45
July	5.48	--	5.38	--	5.42	--	4.88	--
August	6.22	--	6.29	--	6.10	--	6.30	--
September	--	--	6.43	--	6.20	--	6.46	--
October	6.38	--	5.97	--	5.97	--	6.00	--
November	6.76	--	6.20	--	6.20	--	6.29	--
December	7.58	--	7.20	--	7.26	--	7.34	--
January	7.96	--	7.55	--	7.69	--	7.83	--
February	8.34	--	7.99	--	8.12	--	8.31	--
March	--	--	6.95	--	7.06	--	7.44	--
April	7.81	--	7.56	--	7.59	--	7.92	--
May	7.73	--	7.44	--	7.46	--	7.84	--

-- = Not available or no quote.
1/ Free on board.
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: 7/12/2011

Table 8--Wheat: U.S. exports and imports for last 6 months (1,000 bushels), 7/14/2011

Item		Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011
Exports	All wheat grain	92,159	85,582	108,741	105,409	120,873	146,979
	All wheat flour 1/	988	1,130	1,638	1,641	1,239	1,982
	All wheat products 2/	484	677	556	457	586	546
	Total all wheat	93,631	87,389	110,936	107,507	122,698	149,507
Imports	All wheat grain	5,112	5,284	5,855	5,418	4,682	6,134
	All wheat flour 1/	985	966	946	788	1,127	900
	All wheat products 2/	1,402	1,523	1,330	1,192	1,545	1,553
	Total all wheat	7,499	7,772	8,131	7,397	7,353	8,588

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, Foreign Trade Statistics; and ERS calculations using Census trade statistics.

Date run: 7/12/2011

Table 9--Wheat: U.S. exports, Census and export sales comparison (1,000 metric tons),07/14/11

Importing country	2009/10		2010/11		2011/12(as of 6/30/11)		
					Shipments	Out-standing	Total
Data source	Census 1/	Export sales 2/	Census 1/	Export sales 2/	Export sales 2/		
Country:							
Egypt	424	456	na	4,021	58	60	118
Nigeria	3,256	3,233	na	3,645	388	547	935
Japan	3,171	3,148	na	3,273	423	720	1,144
Mexico	2,000	1,975	na	2,601	195	635	830
Philippines	1,573	1,518	na	1,806	162	867	1,028
South Korea	1,102	1,111	na	1,640	53	201	254
Taiwan	838	844	na	913	76	163	239
Venezuela	658	658	na	616	28	114	141
Colombia	623	575	na	783	75	206	281
Peru	526	567	na	923	148	185	333
Indonesia	539	529	na	781	94	105	200
EU-27	545	606	na	1,308	63	60	123
Total grain	23,182	21,686	na	33,439	2,664	6,060	8,725
Total (including products)	23,977	21,794	na	33,539	2,670	6,071	8,740
USDA forecast of Census				35,244			31,297

1/ Source is U.S. Department of Commerce, 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.