



United States Department of Agriculture

Outlook

Economic Research Service | Situation and Outlook Report

WHS-18f | June 14, 2018

Next release is July 16, 2018

Wheat Outlook

Jennifer K. Bond
Olga Liefert

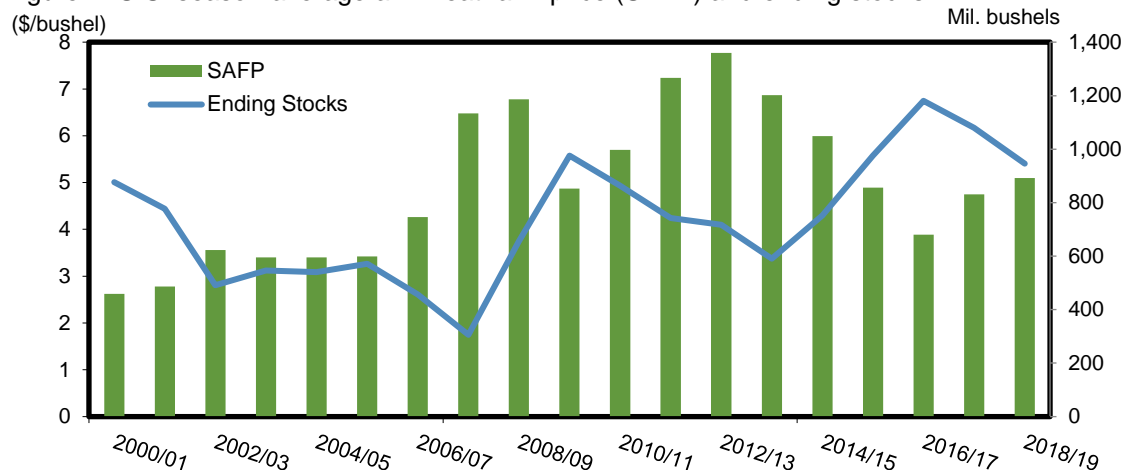
In this report:

- Domestic Outlook
- Domestic Feature: Spotlight on North American Grain Transportation.
- International Outlook

U.S. 2018/19 Winter Wheat Production Lifted, Price Raised on Improving Export Prospects

Winter wheat yield projections are raised 0.3 bushels per acre, month-to-month, giving 2018/19 production a 6-million-bushel boost. U.S. all wheat supplies for 2018/19 are lifted by an additional 10 million bushels, carried in from the 2017/18 marketing year on reduced export use. In contrast, export prospects for 2018/19 are improved by 25 million bushels to 950 million. Dry conditions in Russia and the resulting reduced production outlook create opportunities for U.S. wheat in international markets. Increased use tightens the 2018/19 all wheat balance sheet. Along with a 10-cent increase in the season-average farm price for corn, these factors support an equivalent increase in the all wheat season-average farm price, now projected at \$5.10 per bushel for 2018/19 (fig.1).

Figure 1: U.S. season-average all-wheat farm price (SAFP) and ending stocks



Source: USDA, World Agricultural Supply and Demand Estimates.

Domestic Outlook

Domestic Changes at a Glance:

- U.S. 2018/19 all wheat supplies are raised 16 million bushels this month on higher forecast winter wheat production and a 10-million-bushel increase in carryin from the 2017/18 marketing year.
 - All wheat production is now projected up nearly 87 million bushels from the 2017/18 production estimate.
 - Year-to-year production changes by State are largest for Kansas, Texas, and Oklahoma (fig. 2).
- Winter wheat production for the new crop year is raised from the May forecast on a 0.3-bushel-per-acre yield increase.
 - Winter wheat production for 2018/19 is 72 million bushels lower than in 2017/18.
 - The USDA, National Agricultural Statistics Service (NASS) revised assessment of harvested area prospects by class will be released in the July *Crop Production* report.
- Exports for 2018/19 are raised 25 million bushels this month to 950 million on reduced Russian supplies, which creates marketing opportunities for U.S. wheat.
- Other use categories are unchanged this month; the slight increase in total wheat supplies is more than offset by an increase in exports.
- U.S. all wheat ending stocks for 2018/19 are reduced 9 million bushels to 946 million.
 - Old crop ending stocks are raised 10 million bushels from the May forecast on reduced export prospects due to rising transportation costs associated with higher crude oil prices.
 - On June 29, USDA, NASS will release the *Grain Stocks* report, providing indications of disappearance through the fourth quarter of the 2017/18 marketing year.
- Increased tightness in the U.S. all wheat balance sheet combines with a 10-cent-per-bushel increase in the season-average farm price (SAFP) to provide support for a 10-cent increase in the wheat SAFP.
 - For 2018/19, the U.S. all wheat SAFP is \$5.10 per bushel and compares to the newly revised 2017/18 SAFP of \$4.75 per bushel.

Table 1- U.S. wheat supply and utilization at a glance, 2017/18 and 2018/19

Balance sheet item	2017/18	2018/19 (May)	2018/19 (June)	2018/19 Change from previous month	2018/19 Comments
Supply, total <i>Million bushels</i>					<i>May-June Marketing Year (MY)</i>
Beginning stocks	1,180.6	1,070.2	1,080.2	10.0	Reduced exports for 2017/18 marketing year lead to a 10-million-bushel increase in carryout, lifts 2018/19 carryin by an equivalent volume.
Production	1,740.6	1,821.3	1,827.5	6.2	Projected increase in winter wheat yields lifts production by 6 million bushels.
Imports	155.0	135.0	135.0	0.0	
Supply, total	3,076.2	3,026.0	3,042.7	16.7	Higher beginning stocks and production combine to raise supplies by nearly 17 million bushels.
Demand					
Food	963.0	965.0	965.0	0.0	Food use will be reviewed following the August 1 release of the USDA, NASS <i>Flour Milling Products</i> report.
Seed	63.0	62.0	62.0	0.0	
Feed and residual	70.0	120.0	120.0	0.0	
Domestic, total	1,096.0	1,147.0	1,147.0	0.0	
Exports	900.0	925.0	950.0	25.0	Dry conditions in Russia create additional export opportunities for new crop U.S. wheat.
Use, total	1,996.0	2,072.0	2,097.0	25.0	Use is raised 25 million on projected export increase.
Ending stocks	1,080.2	954.0	945.7	-8.3	Higher supplies temper reduction in ending stocks attributable to increased exports. Carryout for 2018/19 is projected to be 135 million bushels smaller than for 2017/18. Increasing tightness in the balance sheet supports 10-cent-per-bushel increase in the season-average farm price for all wheat in 2018/19.

Source: USDA, World Agricultural Outlook Board.

Dry Conditions in the High Plains Notwithstanding, Winter Wheat Production Lifted

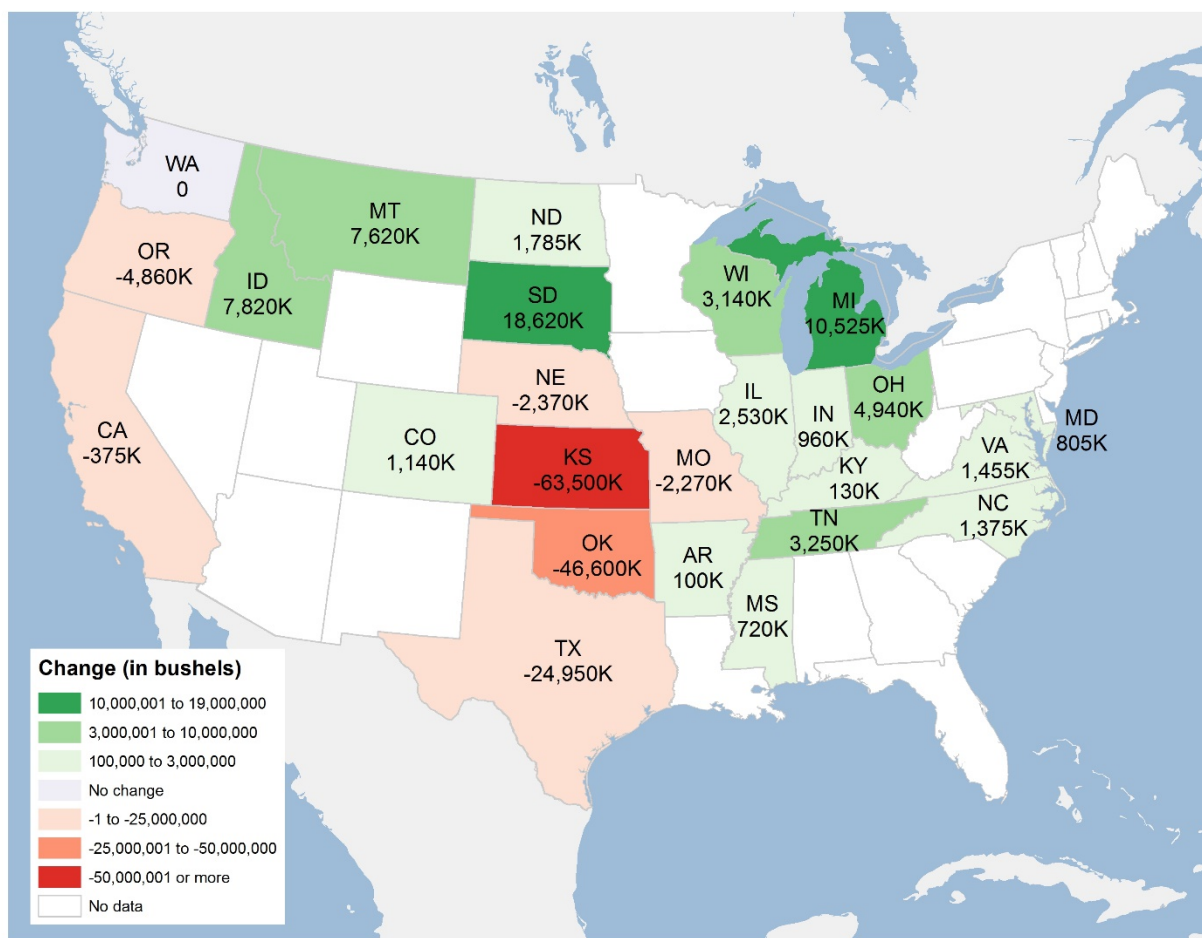
The USDA, NASS June *Crop Production* report provides the second survey-based winter wheat production forecast for the 2018/19 marketing year. U.S. winter wheat production is forecast at 1,198 million bushels, up about 6 million bushels month-to-month but down 71 million bushels from 2017. The U.S. winter wheat yield is projected at 48.4 bushels per acre, up 0.3 bushels from the May forecast but down 1.8 bushels per acre from the 50.2 farmers realized in 2017. Despite the modest aggregate yield increase, lingering drought across a large swath of the High Plains hard red winter (HRW) wheat-growing region is still limiting 2018/19 yields. Year-to-year, yields are down in several key winter wheat-growing States: Colorado (down 3 bushels per acre), Kansas (down 9 bushels per acre), Oklahoma (down 8 bushels per acre), and Texas (down 2 bushels per acre). Collectively, these four States are expected to harvest 53 percent of the 2018 winter wheat crop. The 2018 winter wheat area harvested forecast is unchanged from the May projection of 24.769 million acres. July's USDA, NASS *Crop Production* report will include revised projections for winter wheat harvested area and production.

Table 2: Winter wheat production by class				
Winter wheat class	2017/18	2018/19	Change	Percent change
	-----Million bushels-----			--%--
Hard red winter	750	650	-100	-13
Soft red winter	292	316	23	8
Winter white	227	232	5	2
Source: USDA, National Agricultural Statistics Service, <i>Crop Production</i> .				

By class, hard red winter (HRW) production is currently projected down 100 million bushels to 650, a 13-percent drop from 2017 on both lower harvested area and yields. Soft red winter (SRW) production is projected up 23 million bushels or 8 percent above the 2017 estimate. A sizable proportion of projected SRW production is grown in Illinois, Ohio, Michigan, and Missouri. These States largely avoided the dryness that has affected much of the HRW growing area. Production of white winter wheat in 2018 is expected to exceed the 2017 harvest by approximately 2 percent. Soft white winter wheat (SWW) production is concentrated in the Pacific Northwest (PNW). For Idaho, the latest PNW *Crop Progress and Condition* report describes winter wheat in the area as “looking good, with a thick stand.” In Oregon, the recent cooler temperatures and limited moisture are noted in the same publication to have benefitted the winter wheat crop. In the Idaho, Oregon, and Washington, the proportion of the crop rated “good” to “excellent” totaled 81 percent, 74 percent, and 84 percent, respectively.

2018	HRW	SRW	HWW	SWW
Planted area (million acres)	23.22	5.84	0.60	3.03
Harvested area (million acres)	16.81	4.48	0.549	2.91
Yield (bushels/acre)	38.7	70.27	39.76	71.97
Production (million bushels)	650.37	315.5	21.82	210.01
2017	HRW	SRW	HWW	SWW
Planted area (million acres)	23.42	5.73	0.58	2.94
Harvested area (million acres)	17.64	4.31	0.52	2.81
Yield (bushels/acre)	42.53	67.66	45.45	72.29
Production (million bushels)	750.33	292.15	23.72	203.22

Figure 2: Change in U.S. winter wheat production, 2018 v. 2017



Source: USDA, National Agricultural Statistics Service QuickStats database.

Other Spring Wheat and Durum Production

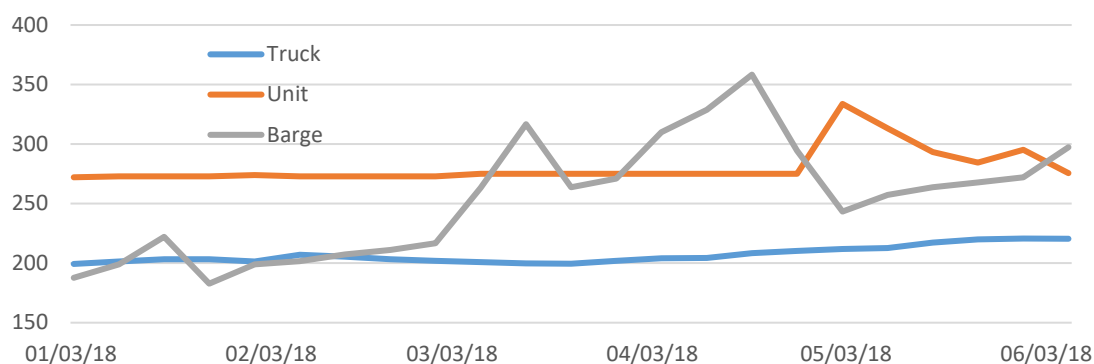
In July, USDA-NASS, will release its first survey-based projection of other spring wheat and durum (not desert) production for the 2018/19 marketing year. Current projections are based on plantings intentions reported in the March *Prospective Plantings* report and 10-year trend yields and harvested-to-planted ratios.

Spotlight on North American Grain Transportation

Rising grain transportation costs are increasingly being recognized for their role in shaping wheat export prices and reflect challenges associated with trucking shortages, capacity constraints, and rising fuel and rail costs. According to the USDA, Agricultural Marketing Service (AMS) *Grain Transportation Report*, all forms of grain transportation are more expensive this year. Global economic growth and falling global crude oil inventories support rising crude oil prices. Rising crude oil prices have, in turn, fueled a hike in diesel and bunker fuel costs. Diesel fuel is an important input for the trucking industry, and prices are up 30 cents per gallon, on average, since the beginning of the year. USDA, AMS further reports that diesel prices for May are up 72 cents from the same time a year ago. Higher bunker fuel costs have spurred some ocean container carriers to levy emergency bunker fuel surcharges ranging between \$1 and \$60 per 20-foot equivalent.

A review of reported tariff rail rates for unit and shuttle train shipments of wheat reveals fuel surcharges in excess of \$100 per car between Wichita, KS, and St. Louis, MO. Fuel surcharges for wheat shipped between Wichita and the export ports in New Orleans, LA, averaged \$178 per car, while surcharges between Amarillo, TX, and Los Angeles, CA, were highest at \$271 per car. Tariffs and fuel surcharges combine to add between \$1.08 and \$1.94 in transportation costs per bushel of wheat. Year-to-year, rail rates are up between 0 percent and 2 percent, on average (fig. 3). Shuttle train rates for wheat are on par to 3 percent higher than 1 year prior. Rates for U.S. bulk wheat shipments to Mexico, inclusive of fuel surcharges, are approximately 1 percent higher year-to-year, whereas surcharges for corn and sorghum range from 2 percent to 5 percent. In March and April, U.S. rail companies notified customers to expect rail rates for wheat to increase to a new record high this summer.

Figure 3: U.S. grain transportation, weekly cost index ^{1/}



^{1/} Base year = 2000

Source: USDA, Agricultural Marketing Service Grain Transportation data product.

Elsewhere in North America, the Canada Transportation Act (Bill C-49), also known as the Transportation Modernization Act, became law on May 23. This multifaceted bill has a stated goal of making grain rail transportation more efficient, primarily by reducing supply chain bottlenecks and moving crops to market more quickly. Rail service is essential to moving grain from the vast rural areas of Canada to coastal export ports and the shared border with the United States. Agri-Food Canada reports that, on average, half of the grain produced in Canada is exported and is valued in excess of 20 billion U.S. dollars.

Movement of grains and other commodities is largely facilitated by the Canadian National Railway (CN), which, along with the Canadian Pacific Railway and others, has been criticized for not being able to deliver enough rail cars to meet demand, following a harsh winter and a surge in demand from energy customers. Many thousands of hopper car orders have been cancelled during the 2017/18 marketing year, and industry sources report that a lack of rail cars resulted in some farmers having to wait months before wheat and canola crops could be delivered to elevators for payment. Despite challenges, through week 44 of the 2017/18 marketing year, CN has moved 20.6 million metric tons of bulk Canadian grain, down just slightly from the previous record-setting 2016/17 marketing year.

Subsequent to the enactment of Bill C-49, CN announced wide-ranging plans to invest more than \$3 billion in 2018 on rail service enhancements. These improvements feature updates such as building 30 additional miles of double track in the busy transcontinental corridor of Alberta, creating a 24/7 situation room to aide in prioritizing rail car movements, purchasing 1,000 next-generation grain hopper cars (60 of which are schedule for delivery in 2018), and retrofitting older locomotives.

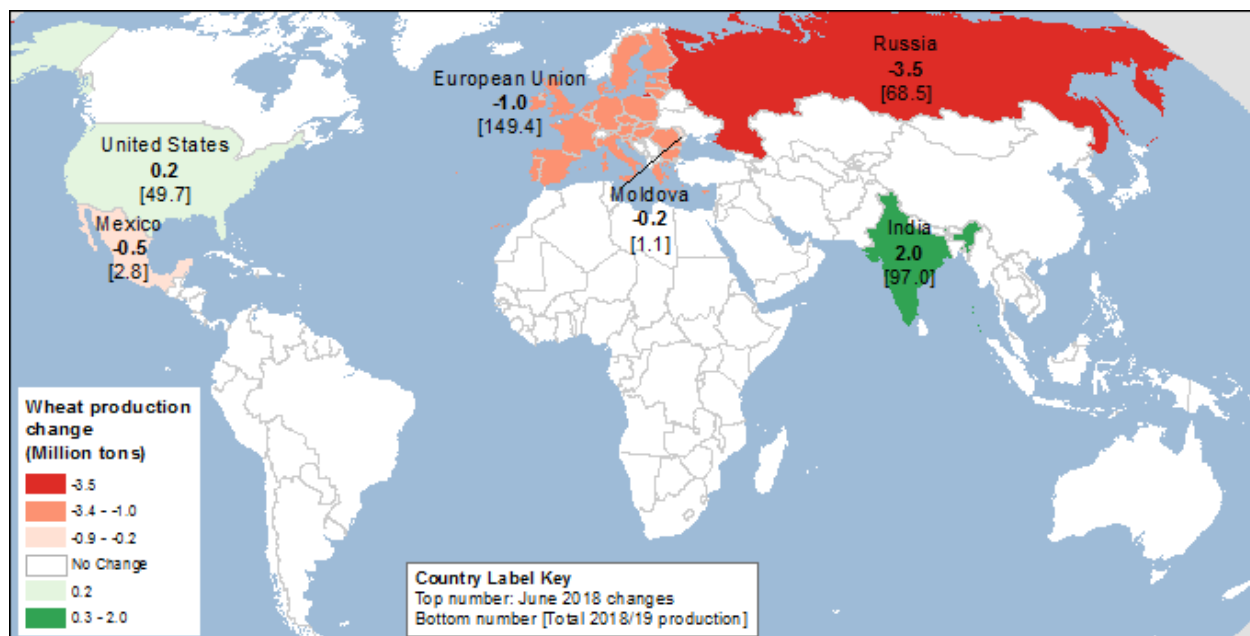
International Outlook

2018/19 Foreign Wheat Production Down

Global wheat production in 2018/19 is projected to reach 744.7 million tons, down 3.0 million this month and 13.5 million tons below last year's record. Foreign production is down by 3.2 million tons to 695.0 million, 15.9 million tons lower than a year ago. The projected decline in global wheat output this month is less than the decline in foreign production, given a 0.2-million-ton increase in U.S. production. Foreign wheat area is projected down 1.1 million hectares this month (2.7 million acres; 1 hectare = 2.47 acres) and is 3.0 million hectares lower than last year mainly because of reduced area in Russia and the European Union (EU).

Production prospects are revised for three major wheat producers—Russia, the EU, and India—as well as for Mexico. For more information and a visual display of the changes in wheat output, see map A and table A.

Map A – Wheat production changes for 2018/19, June 2018



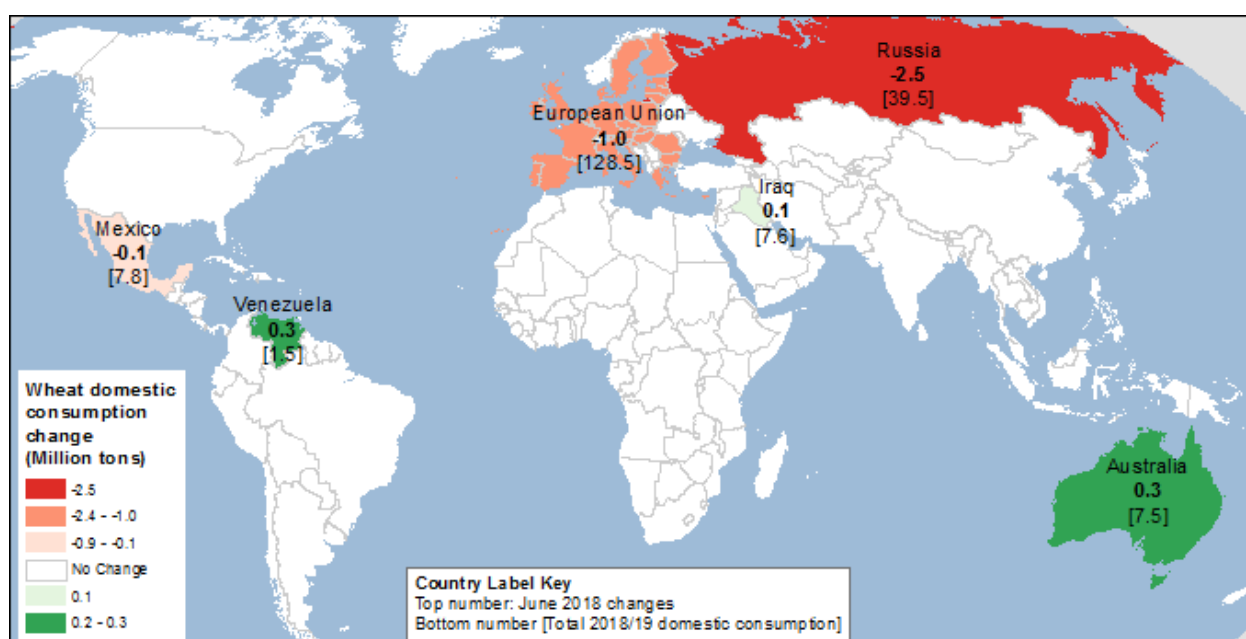
Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

Table A - Wheat production changes at a glance (2018/19), June 2018						
	Country or region	Crop year	Production	Change from previous month ¹	YoY ² change	Comments
			<i>Million tons</i>			
↑	World	Various	744.7	-3.0	-13.5	
↑	Foreign	Various	695.0	-3.2	-15.9	Russia, EU ³ , and Mexico drive down projected wheat output for foreign countries in 2018/19, while an increase in India is partly offsetting.
↑	United States	June-May	49.7	+0.2	+2.4	See section on U.S. domestic wheat.
↓	Russia	July-June	68.5	-3.5	-16.5	Both winter and spring wheat production are reduced this month. Untimely dry weather persisted in the western primary winter wheat areas (south-west of the country) during flowering stage of crop development. VHI (Vegetation Health Index) is lower than this time in last 2 years and supports yield reduction. In contrast, incessant and freezing rains and unseasonably low temperature significantly delayed planting in the east of Russia—Siberia and Urals—and spring wheat area is lowered by 1.0 million hectares based on planting reports. Starting this month, the Production, Supply and Distribution online database will be publishing data on spring and winter wheat in Russia, with the series going back to 2000 (see the downloadable data tab).
↑	India	Apr-Mar	97.0	+2.0	-1.5	Government procurement, a key indicator of crop size, is running more than 6 percent ahead of last year, and the output is adjusted accordingly. Wheat has already been harvested in India for the 2018/19 crop season. The wheat-growing season was not disrupted by any extreme weather events, and the crop is expected to achieve a trend yield. India has a strong positive wheat yield trend, which supports a projected record of 3.23 tons per hectare for 2018/19.
↓	EU ³	July-June	149.4	-1.0	-2.0	The change reflects updated European country data. This month, wheat yields and output are projected lower for Germany and Poland, reflecting pronounced dryness across the countries. A declining VHI (Vegetation Health Index), which displays crop stress, is considerably down from last year and supports yield reduction.
↓	Mexico	July-June	2.8	-0.5	-0.7	Wheat area is revised down as low reservoir levels encouraged a shift to less water-consuming plants (chickpeas, oats) or even left fallow. Government statistics support this area change.
↓	Moldova	July-June	1.1	-0.2	-0.1	A revision based on the Government of Moldova estimate.
¹ Change from previous month's forecast. ² YoY: year-over-year changes. ³ EU: European Union. Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.						

Foreign Wheat Use Is Down

World wheat use in 2018/19 is projected down 3.0 million tons this month, while U.S. consumption is unchanged. Most of the decline for wheat use is in Russia (down 2.5 million tons, out of which 2.0 million is feed and residual use), the EU (down 1.0 million tons), and Mexico (down 0.1 million tons) as wheat production prospects in all these countries are reduced. An increase of 0.3 million tons in Australian wheat use partly offsets the declines. The Australian Bureau of Statistics (ABS) recently revised the country's wheat output up 1.5 million tons for 2016/17. The revision boosted supplies and, therefore, wheat consumption and stocks estimates for the past 3 years. For additional information on this month's changes in wheat domestic consumption, see map B.

Map B – Wheat consumption changes for 2018/19, June 2018



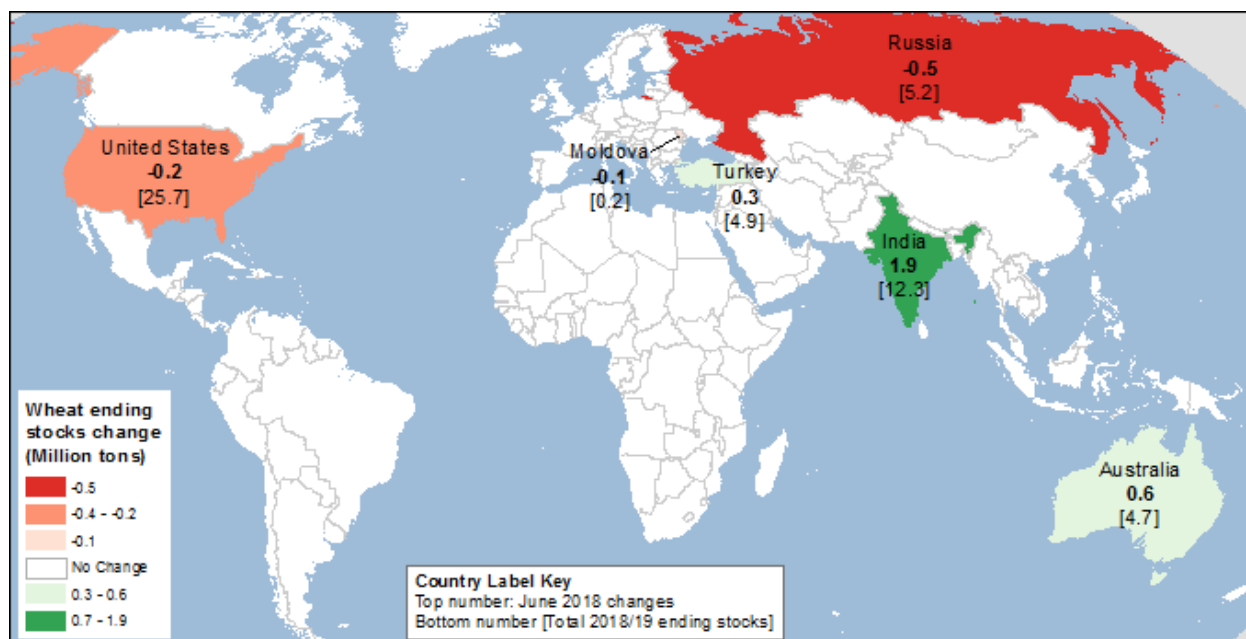
Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

Wheat Ending Stocks Projected Higher

Global wheat stocks are now projected to increase to 266.2 million tons, up 1.8 million tons from last month and 6.2 million lower than a year ago. Wheat stocks are boosted this month mainly by an increase in India, where the Government revised its wheat stocks up 1.5 million tons for 2017/18. For the current year, 2018/19, stocks are projected up 1.9 million tons this month as additional wheat is expected to be stocked, given the higher Indian wheat production estimate. An Australian upside revision for 2016/17 output that added 1.5 million tons of production to the country balance also pushed global wheat stocks up. Australian stocks are projected 0.6 million

tons higher this month. Partly offsetting are reductions in stocks for Russia, down 0.5 million tons, and for several other countries. Stocks in the United States are projected 0.2 million tons lower (see domestic section of this report). Multiple changes in stocks this month result from specific countries' production and trade revisions. At-a-glance information for this month's changes in wheat ending stocks is presented in map C.

Map C – Wheat ending stocks changes for 2018/19, June 2018



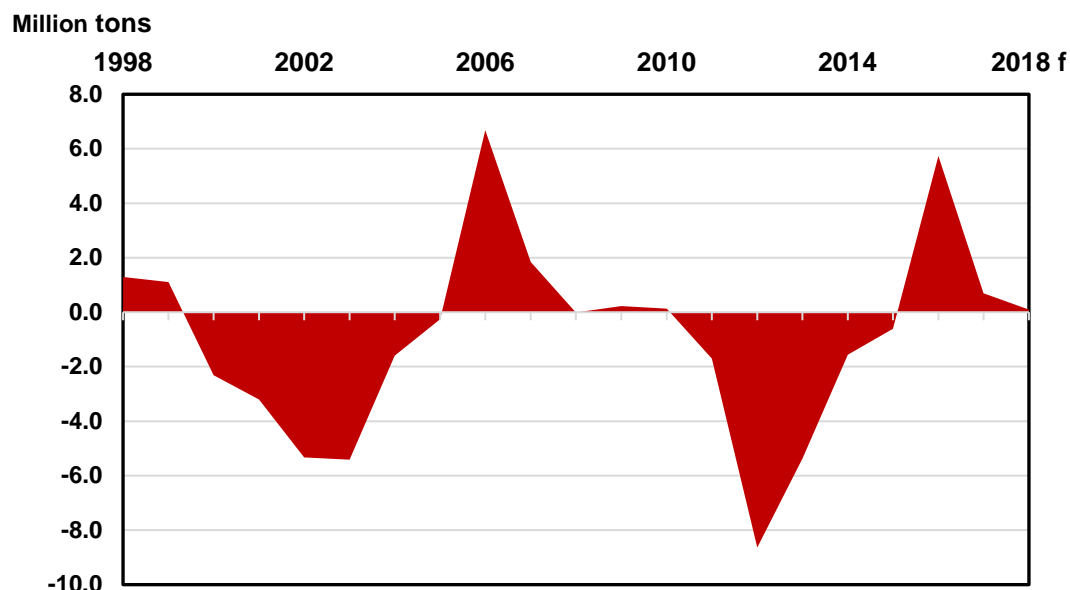
Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

Record Wheat Trade for 2018/19 Is Down Marginally

Projected record world wheat trade for the international 2018/19 July-June trade year is reduced slightly by 0.8 million tons this month, to 186.8 million tons. The major drivers for this reduction are sharply lower import prospects for India on the demand side and lower wheat availability in Russia on the supply side.

As discussed above, Indian 2018/19 wheat production is projected almost 2 percent higher this month (see table A). To protect farmers' income in the face of growing domestic wheat supplies and rising stocks, the Government recently boosted its wheat import tariffs from 20 percent to 30 percent to steer away from cheap imports and keep domestic prices at a high level. The tariff increase will be highly restrictive for Indian wheat imports. India is the world's third-largest wheat producer, and fluctuations in its output, along with the Government's changing support policies, can create shifts in world trade as the country periodically turns from being a nontrivial wheat exporter to a large importer. Indian wheat imports are reduced 1.5 million tons this month to 0.5 million (fig. 1).

Figure 1: Cyclical nature of Indian net wheat imports, 1998-2018



Note: Positive values indicate imports; negative values are exports. f = forecast.

Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

For a short overview of changes in specific countries' imports, see "Grain: World Markets and Trade," p.5, issued by USDA's Foreign Agricultural Service on June 12, 2018.

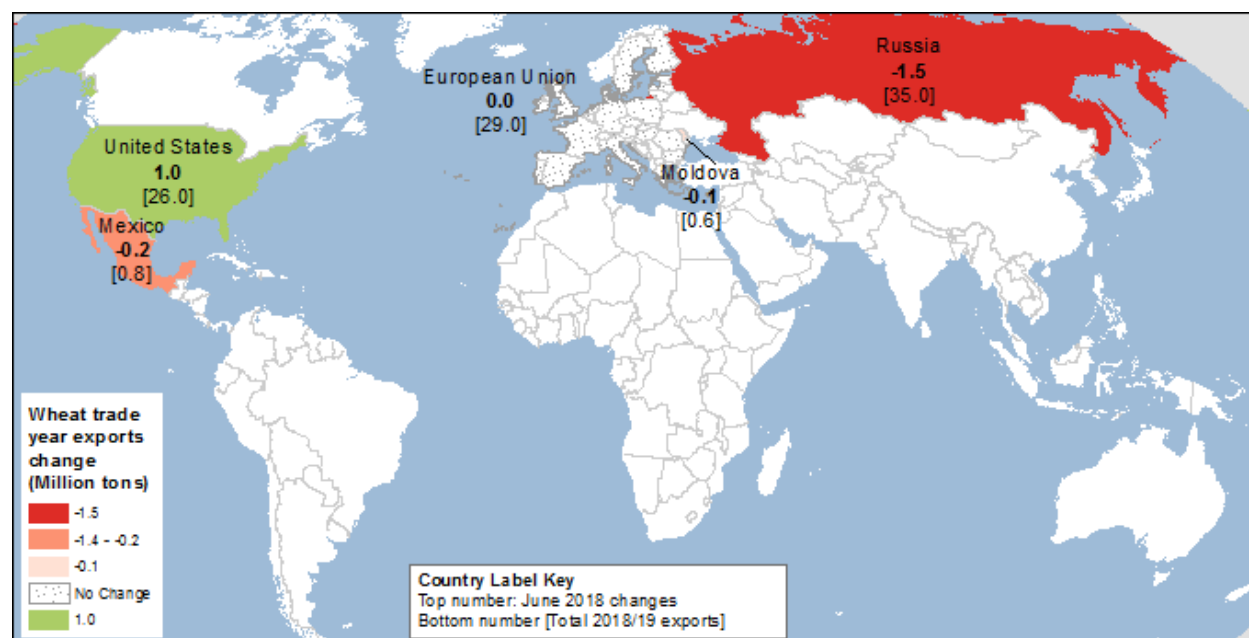
Projected 2018/19 wheat exports by Russia are reduced 1.5 million tons this month to 35.0 million, due to expected lower production of winter wheat in the southern part of the country. By virtue of being close to ports, this region is by far Russia's main exporting territory and is often considered a barometer for the export outlook for Russian wheat. Although exports are projected lower, Russia is expected to remain the world's dominant wheat exporter, far ahead of the country's main export competitors.

Tighter supplies and reduced competition from Russia are expected to support the export prospects of its main competitors. Even with reduced wheat supplies, the European Union is not expected to export less wheat. Its projection remains unchanged this month at 29.0 million tons.

For 2018/19, reduced foreign wheat supplies and strong global demand are expected to boost U.S. exports 1.0 million tons to 26.0 million.

For visual information on this month's changes in 2018/19 wheat exports, see map D.

Map D – Wheat exports changes for 2018/19, June 2018



Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

For 2017/18, U.S Exports Projected Down

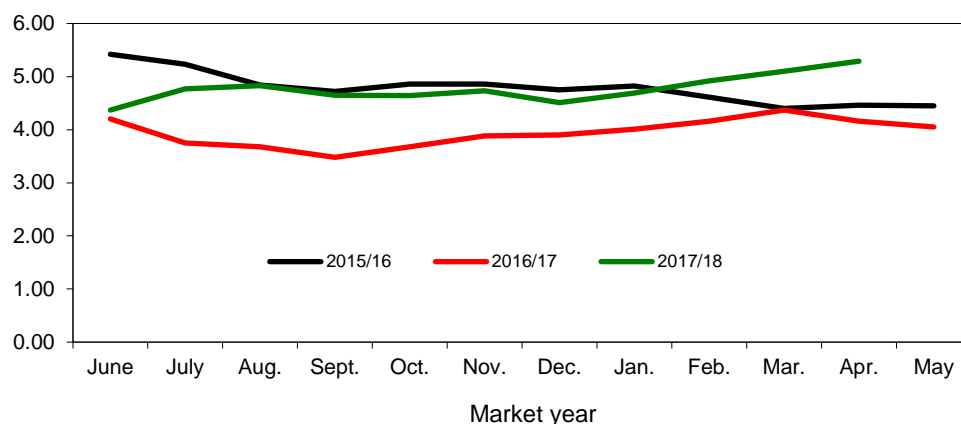
Additional changes in wheat exports for the 2017/18 trade year that ends in June 2018 involve largely offsetting modifications. Russian exports are raised, up 1.0 million tons to 40.5 million (as of the end of May, Russia reportedly exported more than 38.0 million tons, and its export pace continues to be strong). The increase is partly offset by reductions for Argentina and the United States.

The U.S. wheat export forecast for the 2017/18 July-June trade year is reduced 0.5 million tons to 23.5 million (down 15 million bushels, to 1,010 million, for the June-May marketing year). The slow pace of shipments in May supports this reduction. Census data from July through April 2018 indicate that wheat grain shipments reached 19.1 million tons, while May 2018 wheat inspections were 1.8 million tons. Given that flour and product exports on a wheat-equivalent basis are expected to be about 0.6 million tons for the year, June 2018 exports would have to reach only 2.0 million tons to fulfill the forecast.

Figure 1

All wheat average prices received by farmers

Dollars per bushel

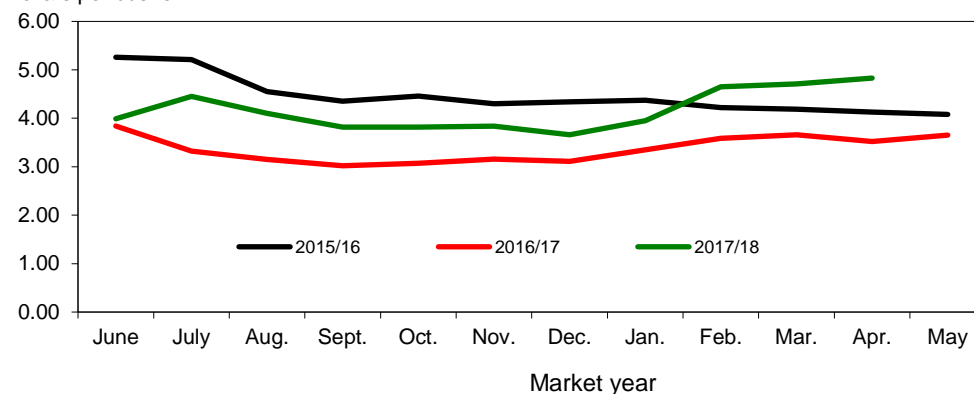


Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 2

Hard red winter wheat average prices received by farmers

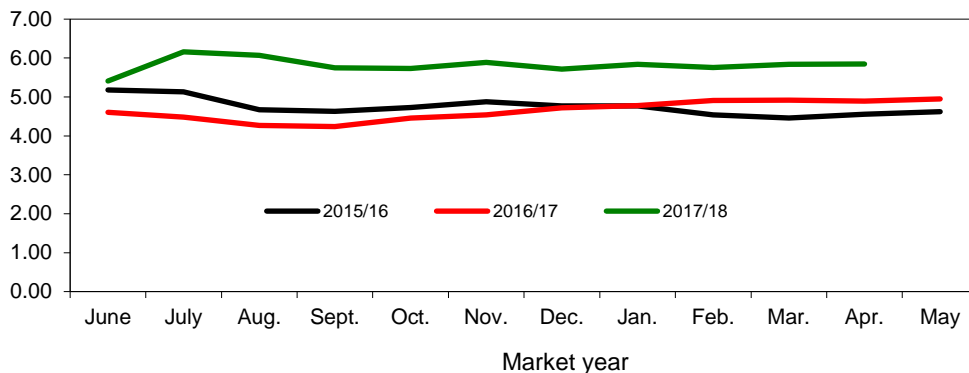
Dollars per bushel



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

Figure 3

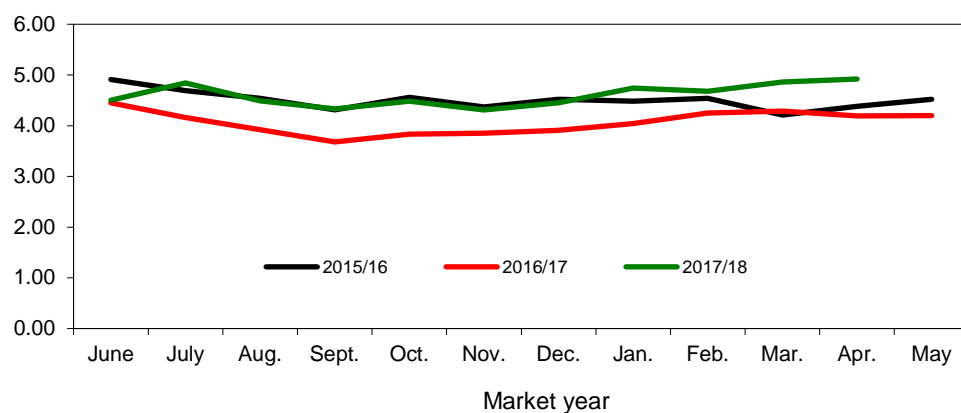
Dollars per bushel



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

Figure 4
Soft red winter wheat average prices received by farmers

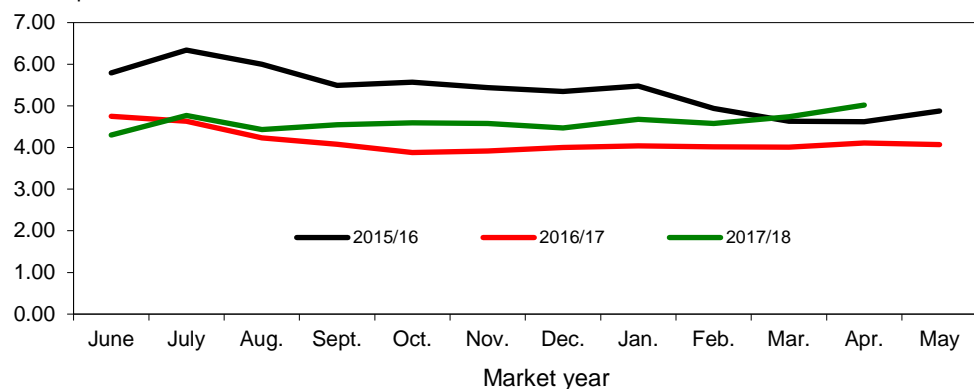
Dollars per bushel



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

Figure 5
Soft white wheat average prices received by farmers

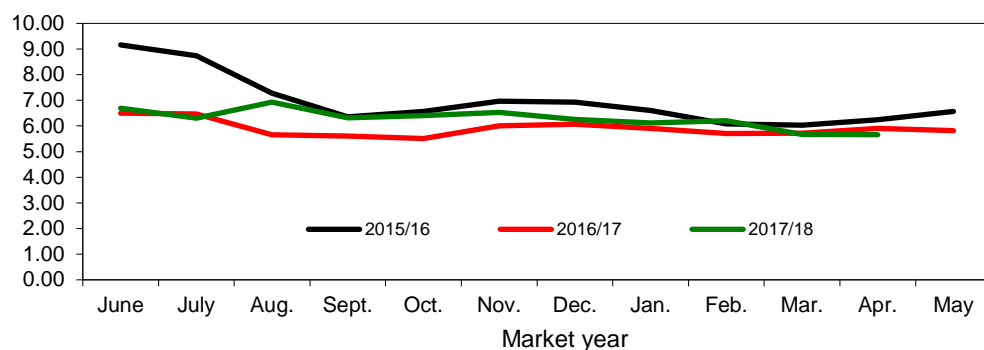
Dollars per bushel



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

Figure 6

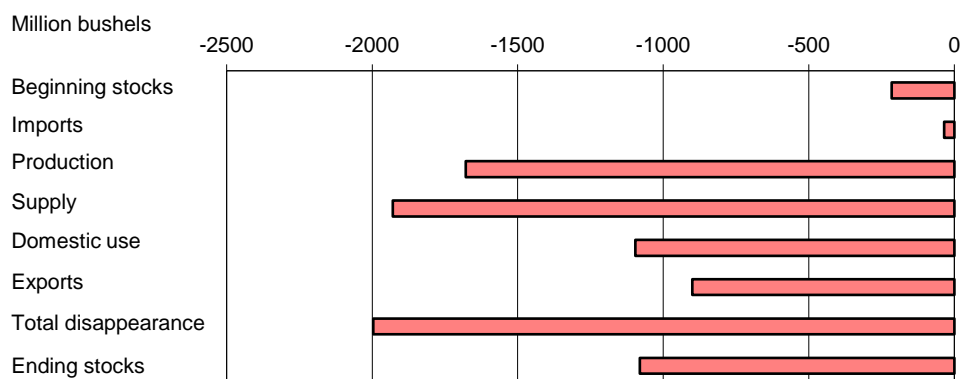
Dollars per bushel



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

Figure 7

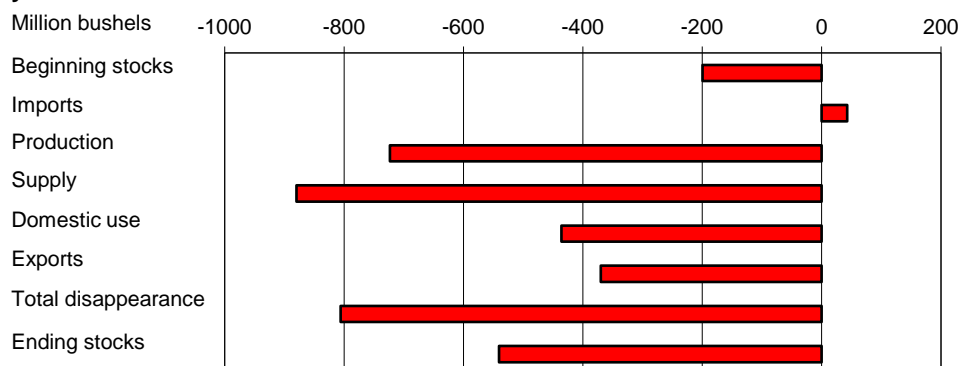
All wheat: U.S. supply and disappearance change from prior market year



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

Figure 8

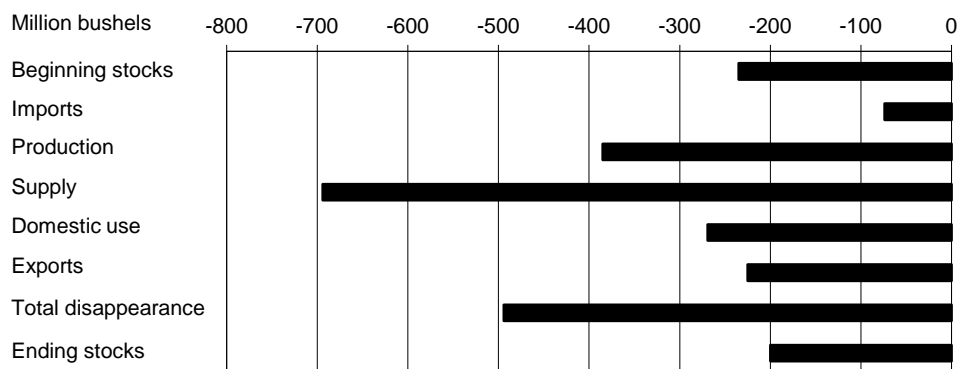
Hard red winter wheat: U.S. supply and disappearance change from prior market year



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

Figure 9

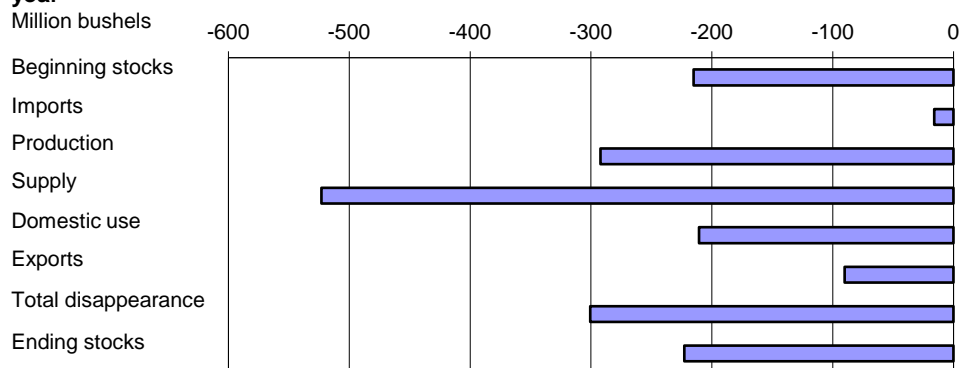
Hard red spring wheat: U.S. supply and disappearance change from prior market year



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

Figure 10

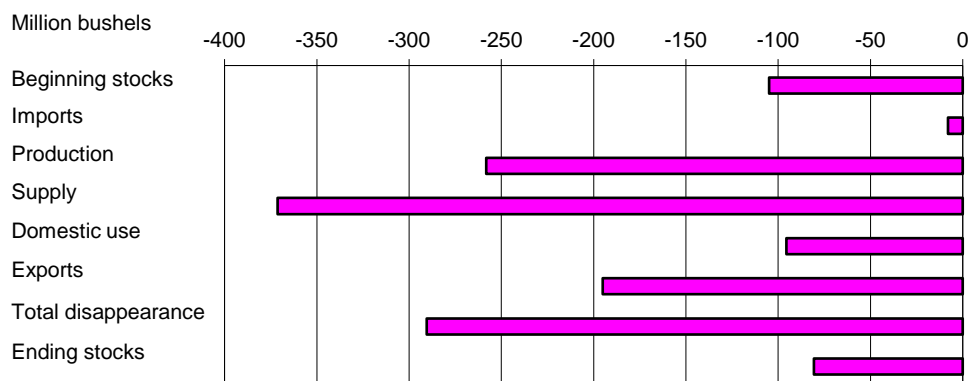
Soft red winter wheat: U.S. supply and disappearance change from prior market year



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

Figure 11

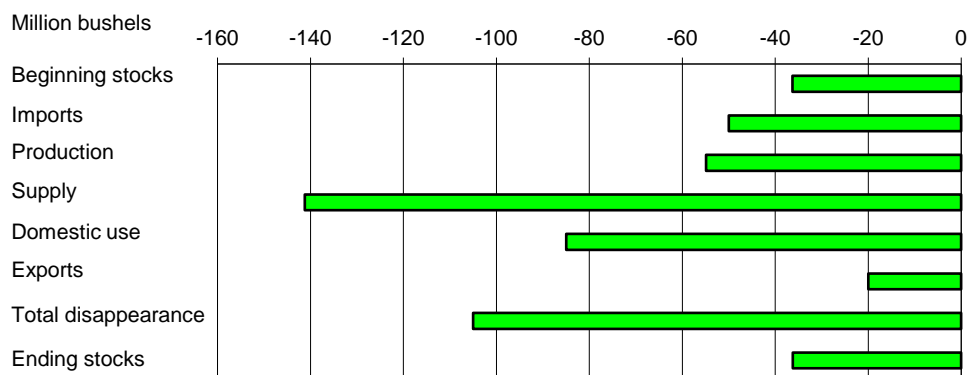
White wheat: U.S. supply and disappearance change from prior market year



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*.

Table 1--Wheat: U.S. market year supply and disappearance, 6/14/2018

Item and unit		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Area:								
Planted	Million acres	55.3	56.2	56.8	55.0	50.1	46.0	47.3
Harvested	Million acres	48.8	45.3	46.4	47.3	43.9	37.6	38.9
Yield	Bushels per acre	46.2	47.1	43.7	43.6	52.7	46.3	46.9
Supply:								
Beginning stocks	Million bushels	742.6	717.9	590.3	752.4	975.6	1,180.6	1,080.2
Production	Million bushels	2,252.3	2,135.0	2,026.3	2,061.9	2,308.7	1,740.6	1,827.5
Imports ¹	Million bushels	124.3	172.5	151.2	112.7	118.1	155.0	135.0
Total supply	Million bushels	3,119.2	3,025.3	2,767.8	2,927.1	3,402.5	3,076.2	3,042.7
Disappearance:								
Food use	Million bushels	950.8	955.1	958.3	957.1	949.0	963.0	965.0
Seed use	Million bushels	73.1	75.6	79.4	67.2	61.3	63.0	62.0
Feed and residual use	Million bushels	365.3	228.2	113.4	149.4	156.5	70.0	120.0
Total domestic use	Million bushels	1,389.3	1,258.8	1,151.1	1,173.7	1,166.7	1,096.0	1,147.0
Exports ¹	Million bushels	1,012.1	1,176.2	864.3	777.8	1,055.1	900.0	950.0
Total disappearance	Million bushels	2,401.4	2,435.1	2,015.4	1,951.5	2,221.9	1,996.0	2,097.0
Ending stocks	Million bushels	717.9	590.3	752.4	975.6	1,180.6	1,080.2	945.7
CCC inventory	Million bushels					.0		
Stocks-to-use ratio		29.9	24.2	37.3	50.0	53.1	54.1	45.1
Loan rate	Dollars per bushel	2.94	2.94	2.94	2.94	2.94	2.94	2.94
Contract/direct payment rate	Dollars per bushel	73.70	72.80	56.40	56.40	56.50	56.50	56.50
Farm price ²	Dollars per bushel	7.77	6.87	5.99	4.89	3.89	4.75	4.60-5.60
Market value of production	Million dollars	17,383	14,604	11,915	10,203	8,981	8,268	9,320

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 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: 6/13/2018

Table 2--Wheat by class: U.S. market year supply and disappearance, 6/14/2018

Market year, item, and unit			All wheat	Hard red winter ¹	Hard red spring ¹	Soft red winter ¹	White ¹	Durum
2017/18	Area:							
	Planted acreage	Million acres	46.01	23.43	10.50	5.73	4.05	2.31
	Harvested acreage	Million acres	37.59	17.64	9.67	4.32	3.82	2.14
	Yield	Bushels per acre	46.31	42.54	39.82	67.66	67.53	25.71
	Supply:							
	Beginning stocks	Million bushels	1,180.60	589.30	235.00	215.00	105.00	36.30
	Production	Million bushels	1,740.58	750.33	385.01	292.16	258.18	54.91
	Imports ²	Million bushels	155.00	7.00	74.00	16.00	8.00	50.00
	Total supply	Million bushels	3,076.18	1,346.63	694.01	523.16	371.18	141.21
	Disappearance:							
	Food use	Million bushels	963.00	390.00	252.00	154.00	85.00	82.00
	Seed use	Million bushels	63.00	26.00	17.00	11.50	5.50	3.00
	Feed and residual use	Million bushels	70.00	20.00	.00	45.00	5.00	.00
	Total domestic use	Million bushels	1,096.00	436.00	269.00	210.50	95.50	85.00
	Exports ²	Million bushels	900.00	370.00	225.00	90.00	195.00	20.00
	Total disappearance	Million bushels	1,996.00	806.00	494.00	300.50	290.50	105.00
	Ending stocks	Million bushels	1,080.18	540.63	200.01	222.66	80.68	36.21
2018/19	Supply:							
	Beginning stocks	Million bushels	1,080.18	540.63	.00	.00	.00	.00
	Production	Million bushels	1,827.49	650.37	.00	.00	.00	.00
	Imports ²	Million bushels	135.00	15.00	.00	.00	.00	.00
	Total supply	Million bushels	3,042.68	1,206.00	.00	.00	.00	.00
	Disappearance:							
	Food use	Million bushels	965.00	390.00	.00	.00	.00	.00
	Seed use	Million bushels	62.00	27.00	.00	.00	.00	.00
	Feed and residual use	Million bushels	120.00	50.00	.00	.00	.00	.00
	Total domestic use	Million bushels	1,147.00	467.00	.00	.00	.00	.00
	Exports ²	Million bushels	950.00	345.00	.00	.00	.00	.00
	Total disappearance	Million bushels	2,097.00	812.00	.00	.00	.00	.00
	Ending stocks	Million bushels	945.68	394.00	.00	.00	.00	.00

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: 6/13/2018

Table 3--Wheat: U.S. quarterly supply and disappearance (million bushels), 6/14/2018

Market year and quarter		Production	Imports ¹	Total supply	Food use	Seed use	Feed and residual use	Exports ¹	Ending stocks
2010/11	Jun-Aug	2,163	27	3,166	235	1	215	265	2,450
	Sep-Nov		24	2,473	242	51	-63	311	1,933
	Dec-Feb		23	1,956	221	1		308	1,425
	Mar-May		22	1,448	228	16	-67	407	863
	Mkt. year	2,163	97	3,236	926	71	85	1,291	863
2011/12	Jun-Aug	1,993	21	2,877	230	5	201	295	2,147
	Sep-Nov		32	2,179	244	51	-16	238	1,663
	Dec-Feb		30	1,693	231	1	44	217	1,199
	Mar-May		30	1,229	236	19	-70	301	743
	Mkt. year	1,993	113	2,969	941	76	159	1,051	743
2012/13	Jun-Aug	2,252	26	3,020	238	1	403	264	2,115
	Sep-Nov		33	2,148	247	55	-22	198	1,671
	Dec-Feb		35	1,705	229	1	5	235	1,235
	Mar-May		31	1,266	238	15	-20	315	718
	Mkt. year	2,252	124	3,119	951	73	365	1,012	718
2013/14	Jun-Aug	2,135	36	2,889	235	4	422	358	1,870
	Sep-Nov		48	1,918	249	53	-168	309	1,475
	Dec-Feb		42	1,517	231	2	-1	228	1,057
	Mar-May		47	1,104	240	17	-25	282	590
	Mkt. year	2,135	172	3,025	955	76	228	1,176	590
2014/15	Jun-Aug	2,026	44	2,661	239	6	256	253	1,907
	Sep-Nov		35	1,942	248	49	-93	208	1,530
	Dec-Feb		37	1,566	231	2	8	185	1,140
	Mar-May		36	1,176	240	22	-58	219	752
	Mkt. year	2,026	151	2,768	958	79	113	864	752
2015/16	Jun-Aug	2,062	27	2,841	240	1	298	205	2,097
	Sep-Nov		27	2,124	249	44	-107	192	1,746
	Dec-Feb		34	1,780	230	2	2	175	1,372
	Mar-May		25	1,396	239	20	-43	205	976
	Mkt. year	2,062	113	2,927	957	67	149	778	976
2016/17	Jun-Aug	2,309	33	3,317	238	1	266	268	2,545
	Sep-Nov		30	2,575	245	41	-30	239	2,079
	Dec-Feb		25	2,104	228	1	-22	238	1,659
	Mar-May		31	1,690	238	19	-58	310	1,181
	Mkt. year	2,309	118	3,402	949	61	156	1,055	1,181
2017/18	Jun-Aug	1,741	42	2,963	239	2	170	286	2,266
	Sep-Nov		36	2,302	251	41	-55	193	1,873
	Dec-Feb		37	1,911	233	1	-19	201	1,494
	Mkt. year	1,741	155	3,076	963	63	70	900	1,080
2018/19	Mkt. year	1,827	135	3,043	965	62	120	950	946

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: 6/13/2018

Table 4--Wheat: Monthly food disappearance estimates (1,000 grain-equivalent bushels), 6/14/2018

Mkt year and month 1/		Wheat ground for flour	+	Food imports ²	+	Nonmilled food use ³	-	Food exports ²	=	Food use ¹
2016/17	Jun	73,149		2,933		2,000		2,150		75,932
	Jul	74,237		2,639		2,000		1,665		77,212
	Aug	81,136		3,198		2,000		1,856		84,478
	Sep	78,018		2,537		2,000		2,140		80,415
	Oct	81,469		2,968		2,000		2,325		84,111
	Nov	77,978		3,191		2,000		2,201		80,968
	Dec	73,195		2,863		2,000		1,868		76,190
	Jan	73,561		2,858		2,000		2,027		76,392
	Feb	72,977		2,301		2,000		1,978		75,300
	Mar	77,425		2,840		2,000		1,789		80,477
	Apr	74,812		2,828		2,000		1,534		78,105
	May	76,492		2,818		2,000		1,914		79,396
2017/18	Jun	73,183		3,248		2,000		1,822		76,610
	Jul	74,520		2,966		2,000		1,795		77,691
	Aug	81,444		3,151		2,000		2,107		84,488
	Sep	78,315		2,622		2,000		1,411		81,526
	Oct	82,325		3,243		2,000		1,133		86,434
	Nov	78,798		3,219		2,000		1,285		82,732
	Dec	73,964		2,941		2,000		1,563		77,341
	Jan	74,607		3,075		2,000		1,423		78,259
	Feb	74,014		2,948		2,000		1,589		77,374
	Mar	78,526		3,197		2,000		1,571		82,152
	Apr			3,259				1,432		1,826

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.

¶ 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.

Source: Data through the 2nd quarter of 2011 was calculated using data from U.S. Department of Commerce, Bureau of the Census' Flour Milling Products (MQ311A) and U.S. Department of Commerce, Bureau of Economic Analysis' Foreign Trade Statistics. Subsequent flour milling calculations are based on data from the North American Millers Association.

Date run: 6/13/2018

Table 5--Wheat: National average price received by farmers (dollars per bushel) , 6/14/2018

Month	All wheat		Winter		Durum		Other spring	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	4.20	4.37	3.97	4.11	6.50	6.69	4.61	5.35
July	3.75	4.77	3.56	4.56	6.47	6.30	4.48	6.09
August	3.68	4.83	3.41	4.27	5.66	6.93	4.26	5.87
September	3.48	4.65	3.25	4.11	5.61	6.32	4.22	5.62
October	3.68	4.64	3.37	4.17	5.51	6.41	4.38	5.55
November	3.88	4.73	3.41	4.07	6.00	6.53	4.48	5.78
December	3.90	4.51	3.40	3.91	6.07	6.25	4.66	5.61
January	4.01	4.69	3.53	4.19	5.90	6.12	4.74	5.72
February	4.16	4.92	3.77	4.63	5.71	6.20	4.83	5.65
March	4.37	5.10	3.82	4.73	5.72	5.67	4.86	5.74
April	4.16	5.29	3.70	4.90	5.90	5.66	4.83	5.78
May	4.05		3.77		5.82		4.81	

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

Table 6--Wheat: National average prices received by farmers by class (dollars per bushel), 6/14/2018

Month	Hard red winter		Soft red winter		Hard red spring		White	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	3.84	3.99	4.45	4.50	4.61	5.41	4.75	4.30
July	3.32	4.45	4.16	4.84	4.48	6.16	4.63	4.77
August	3.15	4.10	3.92	4.49	4.27	6.07	4.23	4.43
September	3.02	3.82	3.68	4.33	4.24	5.75	4.08	4.55
October	3.07	3.82	3.83	4.48	4.46	5.73	3.88	4.59
November	3.16	3.84	3.85	4.31	4.54	5.89	3.92	4.58
December	3.11	3.66	3.91	4.45	4.72	5.72	4.00	4.47
January	3.35	3.95	4.04	4.74	4.78	5.84	4.04	4.68
February	3.59	4.65	4.25	4.68	4.91	5.76	4.02	4.58
March	3.66	4.71	4.29	4.86	4.92	5.84	4.01	4.74
April	3.52	4.83	4.19	4.92	4.89	5.85	4.11	5.02
May	3.65		4.20		4.95		4.07	

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

Date run: 6/13/2018

Table 7--Wheat: Average cash grain bids at principal markets, 6/14/2018

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. 1 hard red winter (ordinary protein) Texas Gulf, TX ¹ (dollars per metric ton)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	5.04	5.24	5.54	6.65	5.18	4.53	176.55	189.60
July	4.24	5.65	5.18	7.22	4.66	5.12	151.57	203.74
August	4.15	4.80	5.32	6.28	4.62	4.22	149.18	171.41
September	4.24	5.07	5.36	6.52	4.41	4.81	150.47	178.76
October	4.40	5.11	5.58	6.24	4.20	5.03	152.12	175.82
November	4.64	5.30	5.70	6.84	4.12	4.96	150.28	179.49
December	4.56	5.38	5.76	6.72	4.03	4.84	141.83	183.90
January	4.91	5.73	6.03	6.94	4.34	5.03	153.22	192.17
February	5.04	5.93	6.08	6.89	4.58	5.41	155.24	--
March	4.80	6.05	5.53	6.70	4.54	5.52	154.32	--
April	4.37	6.09	5.08	6.67	4.23	5.64	165.90	213.48
May	4.80	6.56	5.89	7.03	4.31	5.93	180.04	--
Month	No. 1 dark northern spring (13% protein) Chicago, IL (dollars per bushel)		No. 1 dark northern spring (14% protein) Chicago, IL (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)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	--	--	--	--	6.35	7.50	--	--
July	--	--	--	--	5.82	8.77	--	--
August	--	--	--	--	5.97	7.74	--	--
September	--	--	--	--	5.98	7.40	--	--
October	--	--	--	--	6.34	7.39	--	--
November	--	--	--	--	6.28	7.52	--	--
December	--	--	--	--	6.49	7.38	--	--
January	--	--	--	--	6.80	7.42	--	--
February	--	--	--	--	6.81	7.29	--	--
March	--	--	--	--	6.60	7.40	--	--
April	--	--	--	--	6.45	7.06	--	--
May	--	--	--	--	6.64	7.51	--	--
Month	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)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	4.74	4.66	4.70	4.41	4.69	4.44	5.46	4.91
July	4.23	5.15	4.12	4.96	4.22	4.94	5.07	5.40
August	3.90	4.31	3.99	4.12	4.03	4.20	4.89	5.13
September	3.89	4.30	3.76	4.23	3.72	4.27	4.77	5.19
October	3.89	4.16	3.82	4.22	3.90	4.24	4.65	5.30
November	4.04	4.34	3.88	4.13	3.92	4.18	4.64	5.26
December	3.91	4.28	3.94	4.12	3.80	4.04	4.57	5.22
January	4.17	4.38	4.16	4.27	4.09	4.22	4.63	5.30
February	4.38	4.65	4.26	4.55	4.28	4.54	4.74	5.39
March	4.24	4.76	4.06	4.69	4.14	4.75	4.70	5.64
April	4.14	4.75	3.93	4.74	4.08	4.85	4.61	5.63
May	4.20	5.19	4.08	5.08	4.19	5.24	4.77	5.79

-- = 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=LSMarketNewsPa geStateGrainReports>.

Date run: 6/13/2018

Table 8--Wheat: U.S. exports and imports for last 6 months (1,000 bushels), 6/14/2018

Item		Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018
Exports	All wheat grain	51,641	79,137	65,821	51,423	78,069	71,212
	All wheat flour ¹	866	1,073	964	1,094	1,157	1,088
	All wheat products ²	435	566	473	523	456	372
	Total all wheat	52,942	80,776	67,258	53,040	79,682	72,673
Imports	All wheat grain	9,640	9,389	9,775	9,137	10,243	11,567
	All wheat flour ¹	1,499	1,253	1,446	1,301	1,547	1,454
	All wheat products ²	1,777	1,720	1,680	1,657	1,676	1,828
	Total all wheat	12,915	12,362	12,901	12,095	13,466	14,848

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: 6/13/2018

Suggested Citation

Bond, Jennifer K. and Olga Liefert., *Wheat Outlook*, WHS-18f, U.S. Department of Agriculture, Economic Research Service, June 14, 2018

Use of commercial and trade names does not imply approval or constitute endorsement by USDA.

To ensure the quality of its research reports and satisfy governmentwide standards, ERS requires that all research reports with substantively new material be reviewed by qualified technical research peers. This technical peer review process, coordinated by ERS' Peer Review Coordinating Council, allows experts who possess the technical background, perspective, and expertise to provide an objective and meaningful assessment of the output's substantive content and clarity of communication during the publication's review.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

Contacts & Additional Information

Contacts

Jennifer K Bond, (coordinator, domestic)

Phone

(202) 694-5326

E-mail

jkbond@ers.usda.gov

Olga Liefert, (international)

(202) 694-5326

oliefert@ers.usda.gov

Subscribe to ERS e-mail notification service at <https://www.Telephone.ers.usda.gov/subscribe-to-ers-e-newsletters/> to receive timely notification of newsletter availability.

Data

Tables from the *Wheat Yearbook* are available in the Wheat Data Topics at <https://www.ers.usda.gov/data-products/wheat-data/>. They contain the latest data and historical information on the production, use, prices, imports, and exports of sugar and sweeteners.

Related Websites

Wheat Outlook <https://www.ers.usda.gov/publications/pub-details/?pubid=87376>

WASDE <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documented=1194>

Wheat Topics <https://www.ers.usda.gov/topics/crops/wheat/>

E-mail Notification

Readers of ERS outlook reports have two ways they can receive an e-mail notice about release of reports and associated data.

- Receive timely notification (soon after the report is posted on the web) via USDA's Economics, Statistics and Market Information System (which is housed at Cornell University's Mann Library). Go to <http://usda.mannlib.cornell.edu/MannUsda/aboutEmailService.do> and follow the instructions to receive e-mail notices about ERS, Agricultural Marketing Service, National Agricultural Statistics Service, and World Agricultural Outlook Board products.
- 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.