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# Wheat Outlook

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**In this report:**

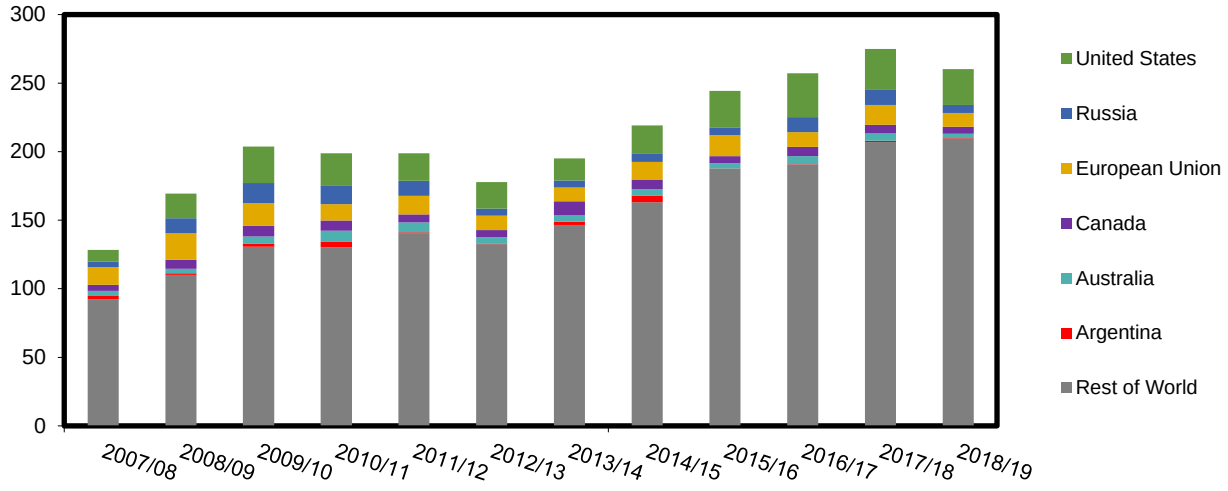


## Global Wheat Supplies Tighter on Production Cuts for Australia and Russia

This month, 2018/19 all-wheat production for Australia and Russia is collectively lowered by 2.5 million metric tons. These cuts more than offset a slight production increase for the U.S. and help to tighten the global all-wheat balance sheet. At 260.2 million metric tons, global ending stocks are now 5 percent below last year's record-large carryout (figure 1). Growing global use, fueled by expanding demand for wheat, contributes to balance sheet tightness and provides support for maintenance of the U.S. export figure at 27.9 million metric tons (1,025 million bushels), despite sluggish first quarter exports.

**Figure 1: Global Wheat Ending Stocks by Country**

(Mil. Metric Tons)




Sources: USDA Foreign Agricultural Serivce, Production, Supply, and Distribution database.

# Domestic Outlook

## Domestic Changes at a Glance:

- On September 28, USDA, National Agricultural Statistics Service (NASS) released the 2018 *Small Grains Summary* and the *Grain Stocks* reports.
    - The *Small Grains Summary* indicated all-wheat production for 2018/19 is up 7.7 million bushels from the previous estimate.
        - All classes, except soft red winter (cut 6.2 million bushels), saw production increases.
    - Supplies are lifted a further 5 million bushels on increased imports-raised on the brisk pace of imports of hard red spring and durum wheat from Canada.
    - The *Grain Stocks* report indicated 2018/19 first quarter ending stocks were 2,378.7 million bushels.
        - June-August disappearance totaled 646.2 million bushels, up 21 percent from the year prior.
    - Record-large corn supplies are expected to weigh on wheat feed and residual use for the balance of the marketing year.
        - 2018/19 all-wheat feed and residual use is cut 10 million bushels, totaling 110 million.
    - Carryout for the 2017/18 marketing year is revised downward by slightly more than 1 million bushels. Carryout for the 2018/19 marketing year is raised about 21 million bushels.
    - Seed use estimates by class and by quarter are reverted to the 2015/16 marketing year.
    - Revised by class by quarter estimates are available in the “historical tables” on the USDA, ERS Wheat landing page.
- On September 30, 2018 the United States Trade Representative (USTR) announced that Canada, the United States, and Mexico had concluded negotiations on a new trade agreement, to be called the “United States-Mexico-Canada Agreement (USMCA). A key achievement of the negotiations is the agreement to fair treatment for quality requirements for wheat and other agricultural products. Please see this month’s special article “Replacement Agreement for NAFTA to Require Reciprocal Grading Standards for Wheat”, for more information.

| Table 1: U.S. wheat supply and utilization at a glance, 2018/19 | | | | |
|---|---|---|---|---|
| **Balance sheet item** | **2018/19 (September)** | **2018/19 (October)** | **Change from previous month** | **Comments** |
| **Supply, total** | *Million bushels* | | | ***May-June Marketing Year (MY)*** |
| Beginning stocks | 1,100.3 | 1,098.9 | -1.4 | Update provided in *Grain Stocks* report. |
| Production | 1,876.8 | 1,884.5 | 7.7 | Net production up with a slight 1.0 mil bu increase in HRW; 4.1 mil bu increase in HRS; 6.2 mil bu cut to SRW; 4.9 mil bu increase in WW; and 3.9 mil bu increase in Durum |
| Imports | 135.0 | 140.0 | 5.0 | Imports up slightly on brisk pace of spring and durum wheat, largely from Canada. |
| Supply, total | 3,112.1 | 3,123.3 | 11.3 | Supplies raised on expanded production and imports, despite smaller carry-in. |
| **Demand** | *Million bushels* | | | |
| Food | 970.0 | 970.0 | 0.0 | No change to food use ahead of the November 1 *Flour Milling Products* report. |
| Seed | 62.0 | 62.0 | 0.0 | |
| Feed and residual | 120.0 | 110.0 | -10.0 | Feed and residual is lowered based on the rising wheat-to-corn price ratio and expectations of reduced wheat feeding on abundant stocks of corn, sorghum, and other feedstuffs. |
| Domestic, total | 1,152.0 | 1,142.0 | -10.0 | Total domestic use lowered on reduced feed and residual use. |
| Exports | 1,025.0 | 1,025.0 | 0.0 | |
| Use, total | 2,177.0 | 2,167.0 | -10.0 | |
| Ending stocks | 935.1 | 956.3 | 21.3 | Increased supply and reduced use combine to increase carryout for the '18/19 marketing year. |
| Source: USDA, World Agricultural Outlook Board *Supply and Demand Estimates.* | | | | |

### *Production by Class*

The USDA, NASS *Small Grains Summary* provided updates to spring wheat and durum estimates for the 2018/19 marketing year, both are raised slightly to provide a net 7.7 million bushel increase in all-wheat production from the August estimate and an 8% increase year-to-year (table 2).

**Table 2: U.S. wheat production by class**

| | 2017/18 | 2018/19 (August) | 2018/19 (September) | Year-to-year change |
|---|---|---|---|---|
| **Wheat Class** | ------Million bushels------ | | | --%-- |
| *Winter Wheat* | | | | |
| Hard red winter | 750 | 661 | 662 | 12 |
| Soft red winter | 292 | 292 | 285 | -2 |
| Winter white | 227 | 236 | 236 | 4 |
| *Spring Wheat* | | | | |
| Hard red spring | 384 | 583 | 587 | 53 |
| Spring white | 31 | 31 | 36 | 16 |
| *Durum* | 55 | 73 | 77 | 40 |
| TOTAL | 1740 | 1877 | 1884 | 8 |

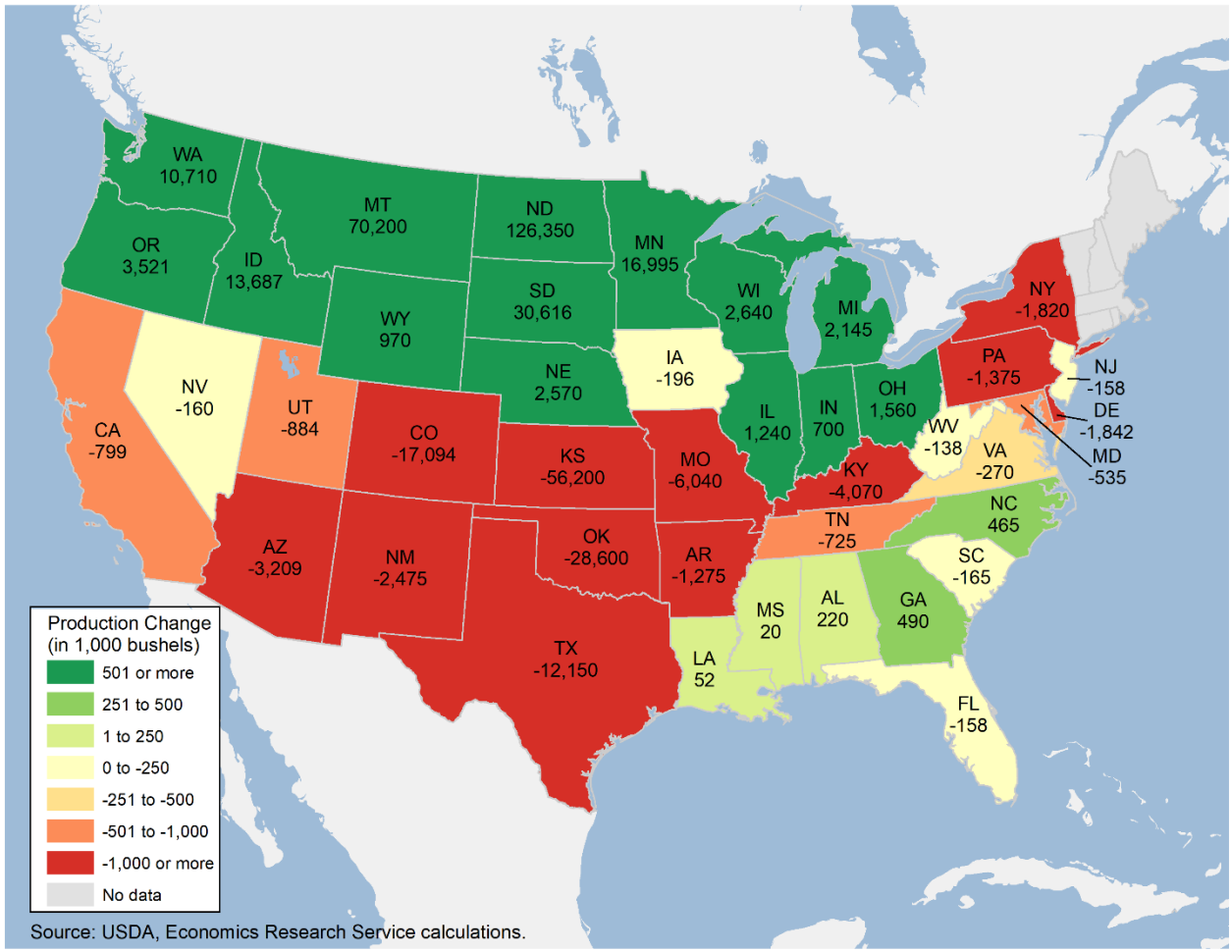
Source: USDA, National Agricultural Statistics Service, *Crop Production.*

With the final 2018 production figures now published, year-to-year production shifts are more clear (Map 1). As seen on the map, key **hard red winter** (HRW)–growing States, including Kansas, Oklahoma, and Colorado, produced less wheat in 2018, on both reduced harvested area and lower yields. **Soft red winter** (SRW) wheat production is slightly lower than for 2017 on lower yields, despite an increase in harvested area. Aggregate **white wheat** production is up about 4 percent from 2017 on higher **soft white winter** (SWW) production which offsets declines in **hard white winter** (HWW) wheat production. Yields in the Pacific Northwest were up significantly from 2017 and contribute to a more than 4 bushel per acre lift in aggregate SWW yields and a near 14 million bushel increase in production.

| **2018** | **HRW** | **SRW** | **HWW** | **SWW** |
|---|---|---|---|---|
| Planted area (million acres) | 22.92 | 6.07 | 0.56 | 2.98 |
| Harvested area (million acres) | 16.95 | 4.47 | 0.49 | 2.84 |
| Yield (bushels/acre) | 39.07 | 63.89 | 39.40 | 76.46 |
| Production (million bushels) | 662.25 | 285.56 | 19.35 | 216.79 |

| **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 |

Map 1: Change in wheat production by State, 2018 vs. 2017




The *Small Grains Summary* provided updates to spring wheat and durum production forecasts. **Hard red spring** (HRS) wheat production for 2018 is up more than 200 million bushels, largely on vastly improved yields—up 7.5 bushels per acre from the drought-affected yields of 2017. Two million more acres of HRS were planted in 2018 compared to the prior year and an improved harvested-to-planted ratio also contribute to the dramatic, 53 percent–increase in production.

**Durum** wheat, which is largely grown in the same Northern Plains region where HRS wheat production is concentrated, did not experience a surge in planted area. Rather, slightly less durum was both planted and harvested in 2018. However, yields improved by a sizable 22 bushels per acre from the 2017 estimate, lifting durum production by 13 million bushels year to year to 77.3 million which compares to the 54.7 million bushels harvested in 2017.

### *Balance Sheet Estimates Reflect Production and Stocks Updates*

The combination of back-year and current marketing year updates to stocks, production, and seed use results in several changes to the all-wheat balance sheet this month. Most notably, production for the 2018/19 marketing year is raised 7.7 million bushels. This increase combines with a 5 million–bushel lift to projected imports and a slight reduction in carry-in from the 2017/18 marketing year, to boost all-wheat supplies by 11.3 million bushels. NASS-reported first quarter ending stocks imply 21 percent greater disappearance June-August of 2018, relative to the same period in 2017. However, wheat feed and residual use is lowered on expectations of reduced feed use based on record-setting supplies of corn, raised 39 million bushels this month. Additionally, sorghum supplies were raised 25 million bushels this month on a production increase that led to an equivalent increase in the sorghum feed and residual projection which further downward pressure on the wheat feed and residual figure. Cash grain prices in the heart of the hard red winter wheat belt continue to show premiums of more than a dollar for wheat, relative to corn and sorghum, essentially pricing wheat out of the regional feed market. The 10 million–bushel cut to all-wheat feed and residual use is charged to HRW and SRW, both lowered 5 million bushels to 40 and 45 million bushels, respectively.

The all-wheat export projection is unchanged this month and remains at 1,025 million bushels. Strong global consumption and expectations for slower-pace exports for competitor countries (especially Russia) preserves the U.S. all-wheat export forecast at the current level, despite slow sales through the first quarter and much of September. Sales have picked up recently and for the week ending 9/27/2018; HRW exports are nearly equivalent to this week a year ago. However, there is much ground to make up and HRW exports are lowered 10 million bushels to 365 million due to the lagging pace of trade to date.

White wheat exports are increased 10 million bushels. Australia, a major competitor in the international white wheat market, is projected to have the lowest exports in nearly a decade—the result of a prolonged drought that has sapped production. A recent frost event is anticipated to have further damaged the crop. Reduced production has put upward pressure on Australian wheat prices, reducing the country's competitiveness in international wheat markets, and opening opportunities for the U.S. to service greater demand for white wheat in Asian markets. For more details on U.S. wheat trade, please see the latest USDA, FAS *Grains: World Markets and Trade* report.

***All-Wheat Price Unchanged, Range Narrowed 20 Cents***

The 2018/19 season average farm price (SAFP) is unchanged at the midpoint but narrowed 10 cents on the high and low end to $4.80 and $5.40 per bushel. The midpoint price is $5.10 per bushel and compares to the 2017/18 SAFP of $4.72.

## Domestic Feature: Replacement Agreement for NAFTA to Require Reciprocal Grading Standards for Wheat

By Jennifer Bond and Steven Zahniser

On September 30, 2018, trade representatives from the United States, Mexico, and Canada announced the conclusion of negotiations on a new trade agreement, to be called the "United States-Mexico-Canada Agreement" (USMCA). This proposed agreement is the culmination of efforts by the three participating governments to replace the North American Free Trade Agreement (NAFTA), implemented in 1994, with a "21st Century, high-standard agreement that support(s) mutually beneficial trade leading to freer, fairer markets, and to robust economic growth in the region." (USTR, 2018) The USMCA updates NAFTA's provisions related to the agricultural sector, including new provisions for dairy and grain trade.

Changes to the treatment of wheat imports are outlined in Section D of the Agriculture US-CA Annex to Chapter 3 of the USMCA. This section specifies that wheat imported from one country to the other shall be treated "no less favorably than [the importing country] accords to like wheat of the national origin." In contrast, NAFTA contains no such provision, and in this policy context, Canadian authorities have automatically assigned the lowest grade—feed grade—to wheat imported from the United States, simply because it was not grown in Canada. Further, the new agreement does not require a country of origin statement on its quality grade or inspection certificate and lays the ground work for discussions related to seed regulatory systems. Similarly, the Mexico-US Bilateral Annex Chapter 3 of the USMCA, notes that Mexico and the U.S. agree that grading standards and services will be non-discriminatory "for all agricultural goods" and that the two countries will also "establish a dialogue on grading and quality trade related matters." (USTR, 2018).

Leadership from the U.S. Wheat Associates (USW) and the National Association of Wheat Growers (NAWG) called upon officials to "fix the Canadian grain grading system" and attributed that system with causing U.S. producers of high-quality wheat to face lower prices arbitrarily and receive less value for their crops. Following the publication of the new trade deal, NAWG and USW expressed their approval of the steps taken to resolve wheat grading issues.

In a press release from the Western Canadian Wheat Growers Association (WCWG), President Levi Wood stated that the USMCA "affirms what WCWG has been advocating for several years, namely that registered wheat varieties on either side of the boarder be recognized in the other country." Woods further notes that the agreement will "ensure that the 2019 harvest is dealt with on a level playing field."

Although industry groups applauded the measures taken by the U.S. and Canadian Governments to reduce barriers to trade, in the near term, the impact of reciprocal wheat grading is likely to be modest for U.S. wheat producers. For many years, the United States has been a net importer of Canadian wheat. Over the past 5 marketing years, the United States imported an annual average of about 2.7 million metric tons of Canadian wheat—primarily spring and Durum varieties—and exported an average of about 55,600 metric tons to Canada (figure 1). Since 2000/01, exports to Canada have accounted for an average of less than one percent of total U.S. exports. Put differently, the United States routinely imports from Canada nearly 50 times the quantity of wheat that it exports to its northern neighbor.

**Figure 1: Canada exports far more wheat to U.S. than U.S. exports to Canada 1/**


1/ Trade data excludes wheat seed and products; 2018/19 trade data is marketing year to date.
Source: USDA Foreign Agricultural Serivce, Production, Supply, and Distribution database.

Source:

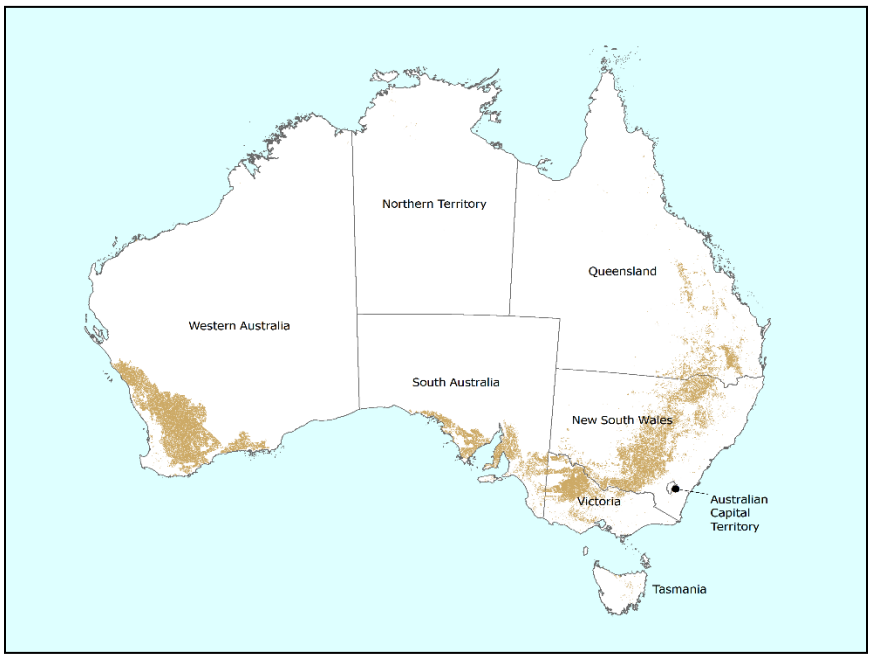
Office of the United States Trade Representative (USTR). 2018. United States-Mexico-Canada Agreement. Full text of agreement accessible at: https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/united-states-mexico

# International Outlook

## Australian Wheat Output Lowered Again

Global wheat production in 2018/19 is projected to reach 730.9 million tons, down 2.1 million tons this month. Projected wheat production in ***Australia*** continues to decline. Exceptionally dry, warm weather, particularly during the critical month of September, shriveled wheat in most growing regions of eastern Australia. According to the Australian Bureau of Meteorology, at the national level, it was the driest month of September on record. Prolonged drought was especially severe in New South Wales (NSW), a state where in some years wheat output can reach 40 percent of the country's total. This year wheat yields in NSW are expected to be at the lowest level since the 2007 drought. Precipitation after this point in time can only marginally help a fraction of the crop that was planted later in the season, but is unlikely in any substantial way to improve yields of a crop which is mostly beyond its reproductive period and is going through the final stages of maturity.

**Figure 2. Australian cropland use**




Growing conditions had been favorable for the state of Western Australia (WA) but poor precipitation in September reduced yield potential, although rain returned to WA at the beginning of October, helping to stabilize yield prospects. Frost has been reported recently but the extent of possible damage is unclear.

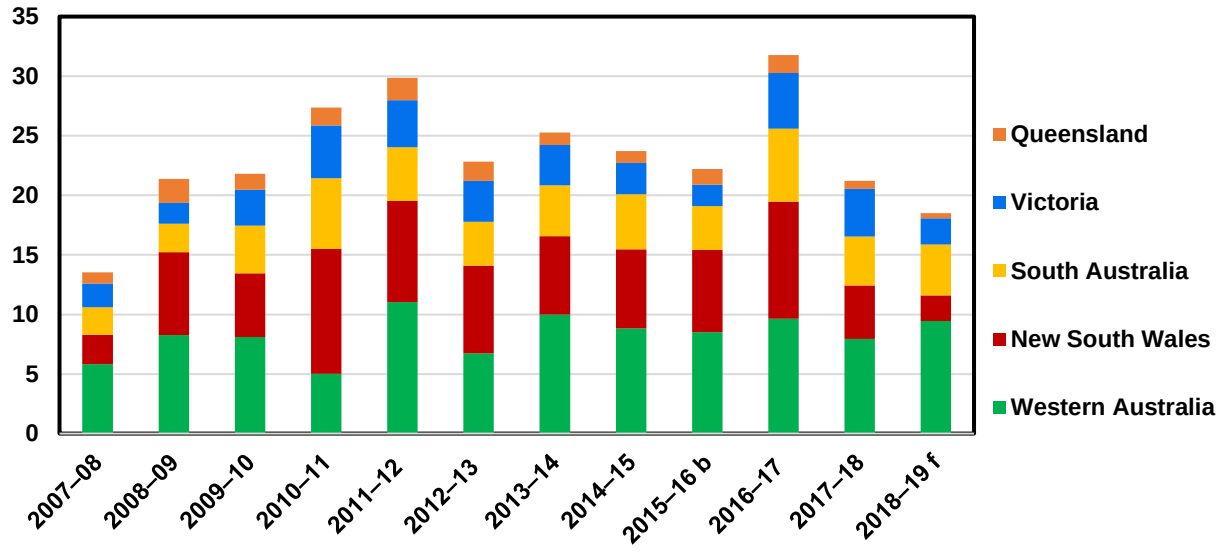
Note: Excludes sugarcane

Source: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) 2017, *Catchment Scale Land Use of Australia* - Update September 2017.

However, this year wheat output in WA will not be able to offset crop losses in the eastern states, especially in NSW. Projected national average wheat yield this month is further reduced to 1.67 tons per hectare, while wheat output is lowered 1.5 million tons to 18.5 million.

**Figure 3. Wheat production in Australia by State**

**Million tons**



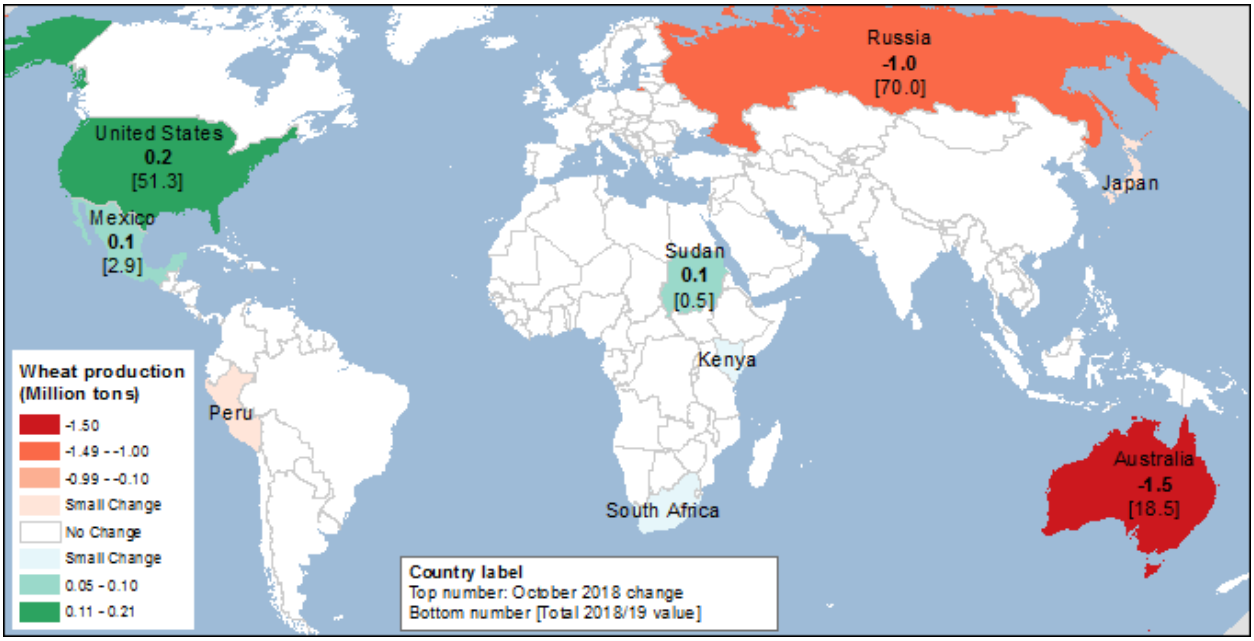

Source: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES); Australian Crop Report, 187. For 2018/19: USDA projections.

For ***Russia***, where the wheat harvest is almost complete, the production estimate is reduced 1.0 million tons this month to 70.0 million tons. Wheat has already been harvested from 97 percent of area, and the reduction is in line with harvest reports published daily by the Russian Ministry of Agriculture. Last month's increase in Russian wheat output was based on higher area and better performance in the western part of the country, while the harvest was just unfolding in the eastern part of the country. This month's projection takes into account wheat yields in the Urals and Siberia that are slightly trimmed to reflect the latest harvest reports.

For the 2017/18 crop year, wheat production is projected higher for ***Argentina***, up 0.5 million tons to 18.5 million, based on officially reported higher area, up 0.2 million hectares.

Small adjustments for 2018/19 wheat output are also made for several countries. For a visual display of all changes in wheat production this month, see map A.

**Map A – Wheat production changes for 2018/19, October 2018**



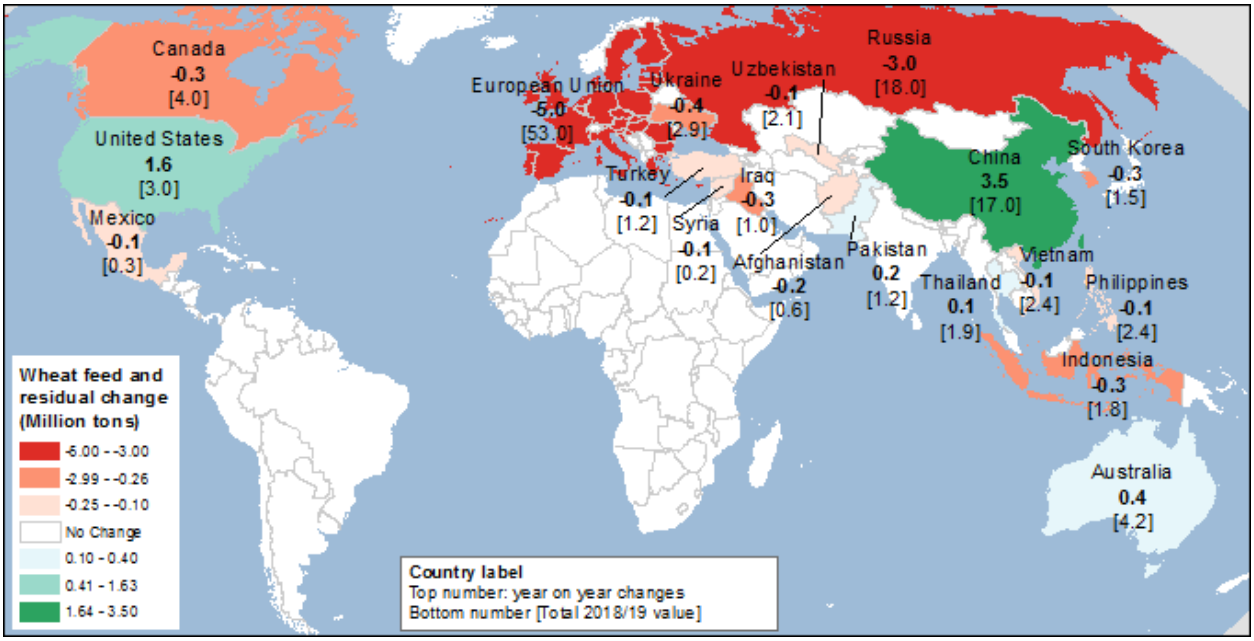

Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

## High Wheat Prices Trim World Use…

Reduced wheat supplies forecast this month for 2018/19 and strong wheat prices are leading to slightly lower projected use and trade. While global wheat food use grows along with population increase, at about 2 percent a year, projections for global feed use in 2018/19 have been declining. This month feed and residual use of wheat is down another 0.5 million tons, and 4.2 million tons lower than estimated for 2017/18. However, with a projected increase in Chinese feeding (up 3.5 million tons) relative to 2017/18, driven by policies rather than global prices, foreign feed use (less China) is reduced by 7.7 million tons year-over-year. The high price of wheat relative to other grains is expected to cause a switch to corn feeding in some places where wheat is normally used as feed. In comparison to last year, wheat feed and residual use in 2018/19 is projected down 5.0 million tons for the EU, 3.0 million tons for Russia, as well as for South Korea, Indonesia, Vietnam, Philippines, and some other countries.

For a visual display of the year-over-year changes in wheat feed and residual use, see map B

**Map B – Year-over-year changes in wheat feed and residual use, selected countries, October 2018**




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

## … and Trade in 2018/19 as Australia and Canada Drive Wheat Exports Down

Higher wheat prices are also expected to reduce world wheat trade for the international trade year (July-June), projected down 1.0 million tons this month to 180.8 million. The largest import declines were for Azerbaijan, Bangladesh, Nigeria, and Sudan, where wheat demand is declining gradually, reflecting higher prices and lower availability. The largest reduction is for Bangladesh, down 0.5 million tons, where wheat is a comparatively new grain that is used to supplement rice—the country's main food crop—and high prices shift demand back to habitual food. Wheat imports are also reduced this month across multiple wheat importers. For a visual display of the changes in wheat trade year imports, see map D1 below.

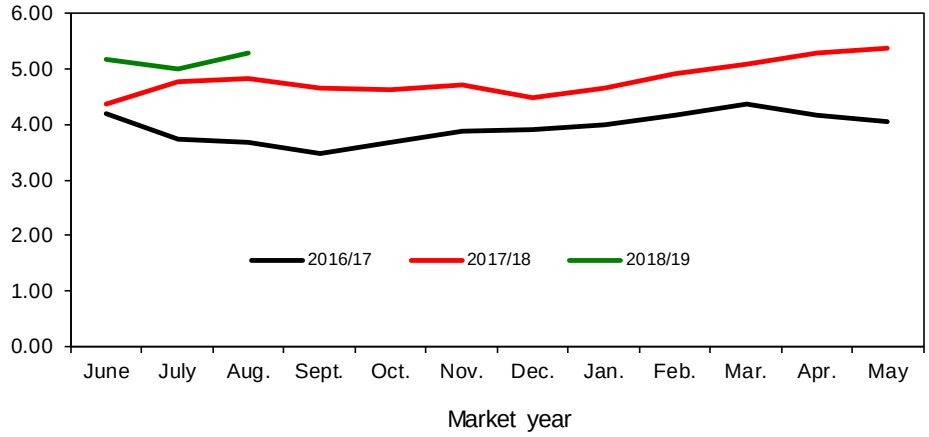
Export projection changes for 2018/19 this month consist of just one 1.0 million–ton reduction for Australia to 11.0 million, due to the country's drought. Not only are Australian wheat supplies diminished, but it is also unlikely that the eastern States will export any substantial amount of wheat. Additionally, wheat originating in Western Australia that under normal conditions would be exported is going to be transported from Western Australia to New South Wales and Queensland. These two states greatly need animal feed this year, as the drought not only shrank their wheat harvest, but also destroyed pastures.

Russian projected exports are left unchanged this month, despite reduced production and reported export-impeding action by the country's agricultural safety watch agency. The agency is delaying grain export shipments in various ports, giving the justification that importing countries are complaining about the quality of Russian grain exports. These developments notwithstanding, the pace of exports continues to beat all previous records, and Russia is both expected to benefit from low Australian export potential and expanding its sales to Asian markets. The government has recently increased domestic transportation subsidies that give a competitive price edge to a number of remote wheat-producing regions in Russia, and also decided to sell part of its reserve stocks. The move is expected to lower domestic prices and thereby generate additional wheat exports.

The pace of U.S. wheat export sales and shipments is still slow and will have to accelerate considerably to reach the current projection of 29.0 million tons. This projection is made under the assumption that, as the season progresses and competitors exhaust their limited supplies, the United States will be able to step in and utilize this year's high supplies.

Figure 1
**All wheat average prices received by farmers**

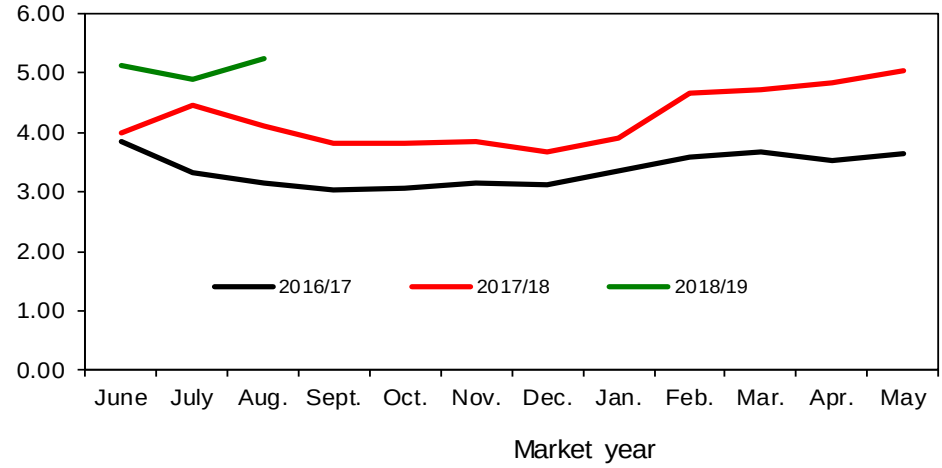
Dollars per bushel




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

Figure 2
**Hard red winter wheat average prices received by farmers**

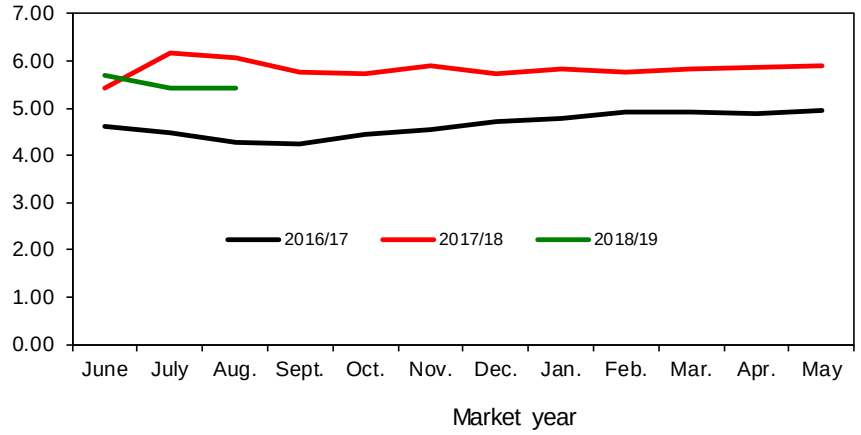
Dollars per bushel




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

Figure 3
**Hard red spring wheat average prices received by farmers**

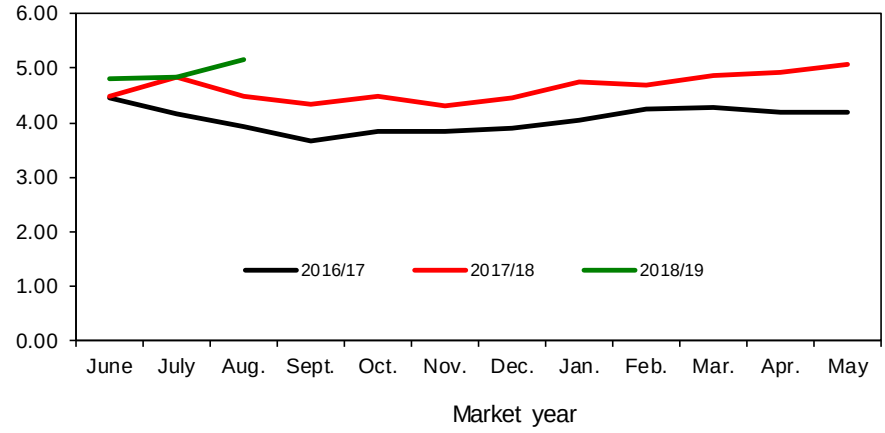
Dollars per bushel




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

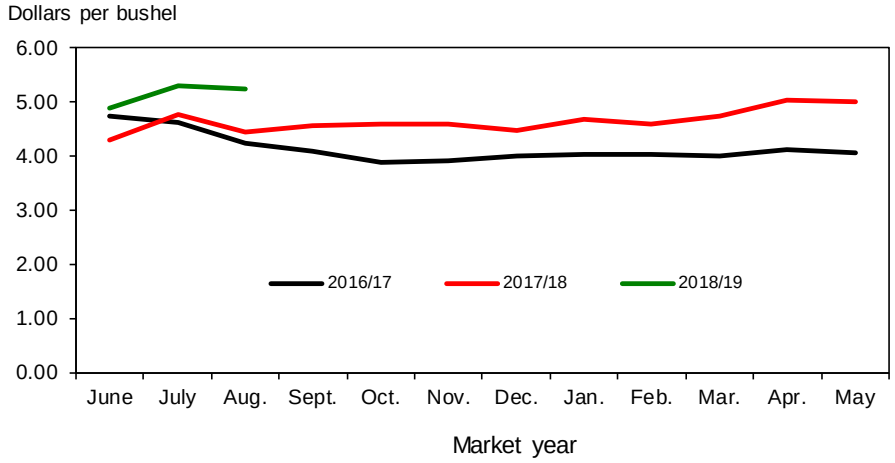
Figure 4
**Soft red winter wheat average prices received by farmers**

Dollars per bushel



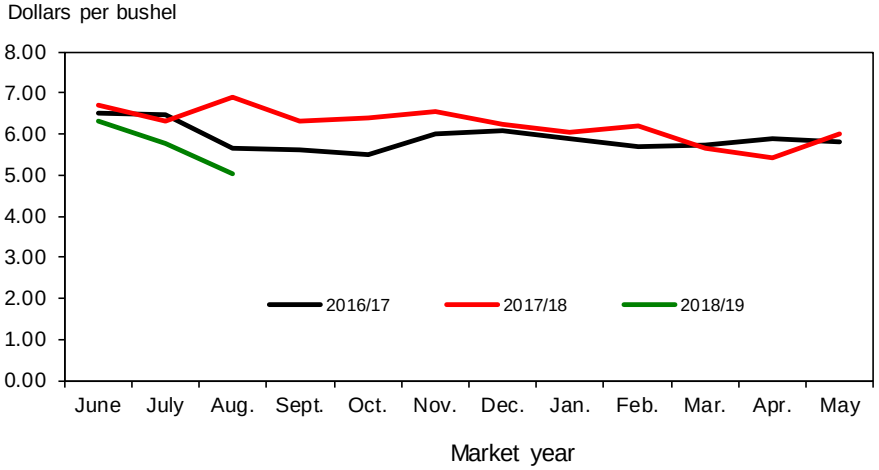

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 5
**Soft white wheat average prices received by farmers**



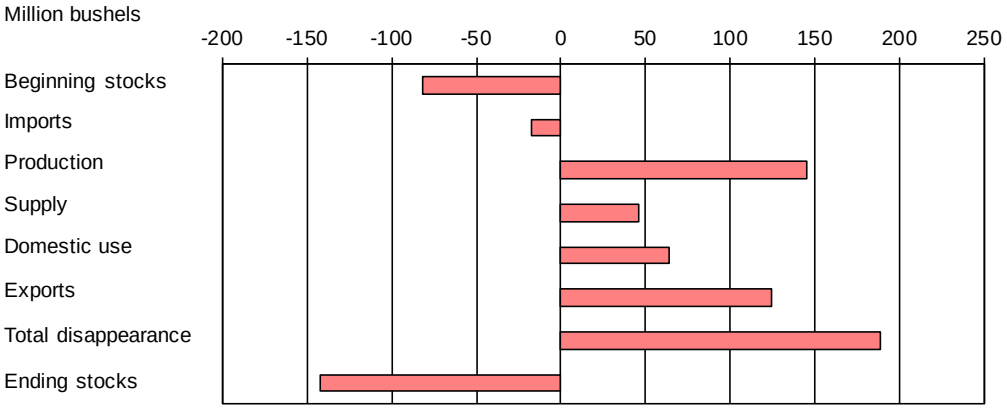

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 6
**Durum wheat average prices received by farmers**



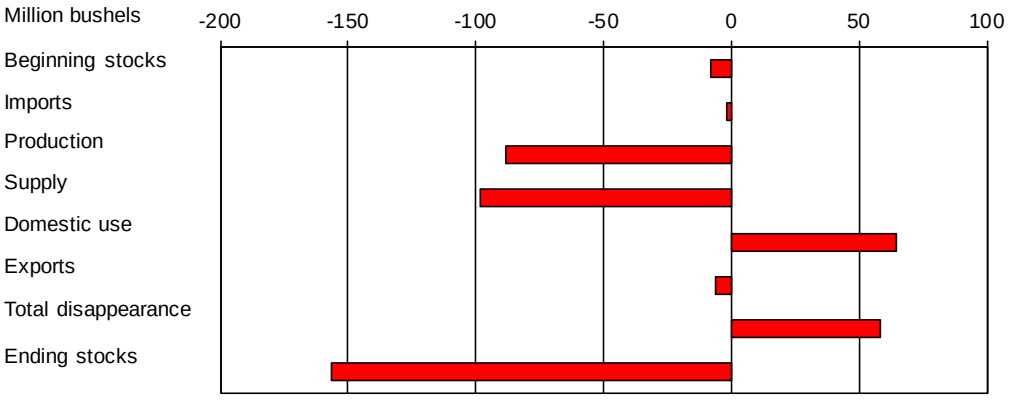

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 7
**All wheat: U.S. supply and disappearance change from prior market year**



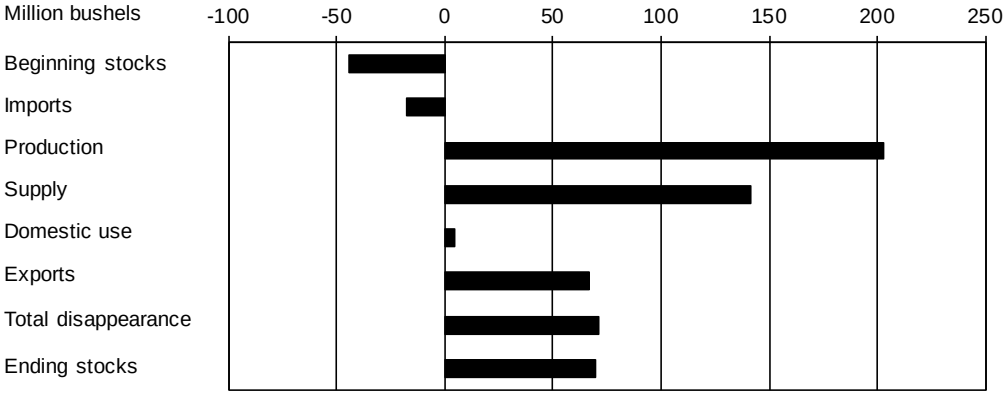

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Figure 8
**Hard red winter wheat: U.S. supply and disappearance change from prior market year**



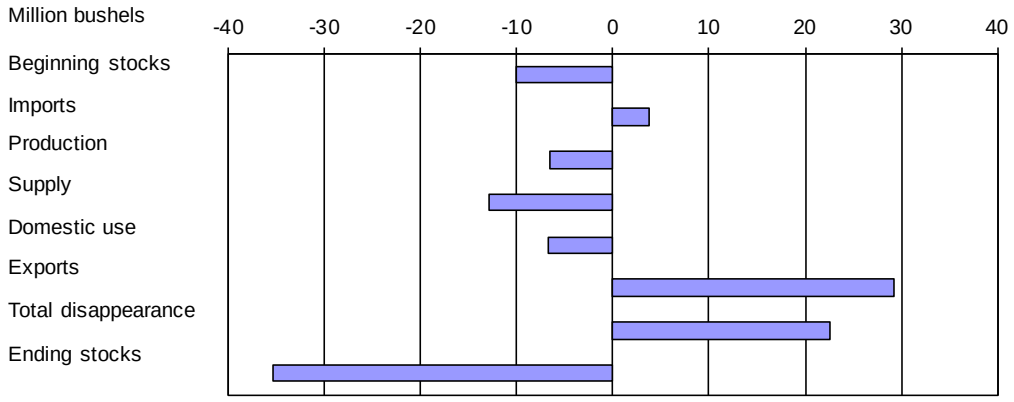

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Figure 9
**Hard red spring wheat: U.S. supply and disappearance change from prior market year**



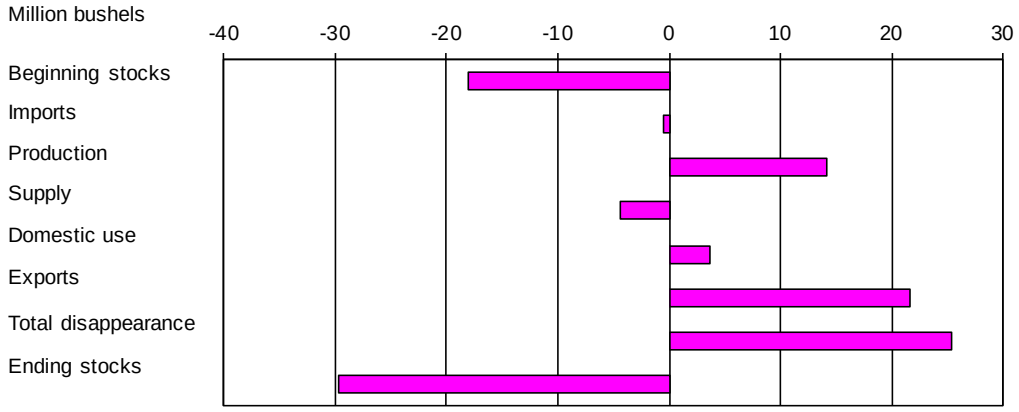

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

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



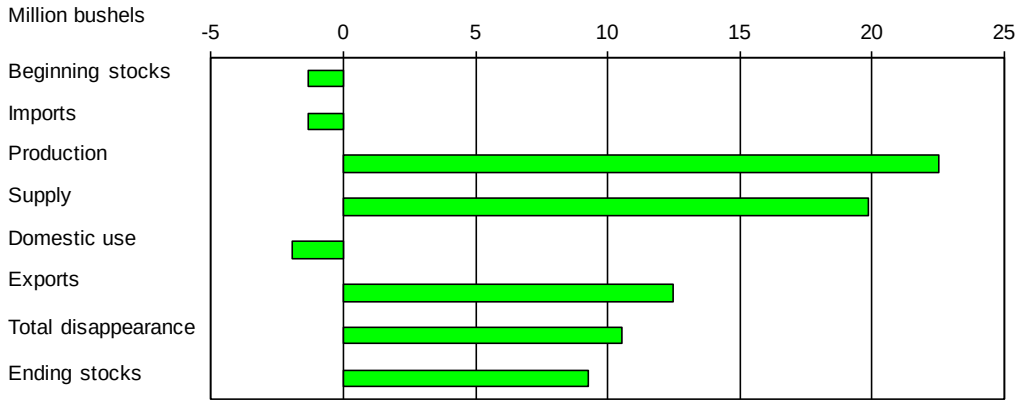

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

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.*

Table 1--Wheat: U.S. market year supply and disappearance, 10/15/2018

| 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 | 47.8 |
| Harvested | Million acres | 48.8 | 45.3 | 46.4 | 47.3 | 43.9 | 37.5 | 39.6 |
| Yield | Bushels per acre | 46.2 | 47.1 | 43.7 | 43.6 | 52.7 | 46.3 | 47.6 |
| Supply: | | | | | | | | |
| Beginning stocks | Million bushels | 742.6 | 717.9 | 590.3 | 752.4 | 975.6 | 1,180.6 | 1,098.9 |
| Production | Million bushels | 2,252.3 | 2,135.0 | 2,026.3 | 2,061.9 | 2,308.7 | 1,739.6 | 1,884.5 |
| Imports [1] | Million bushels | 124.3 | 172.5 | 151.2 | 112.8 | 118.0 | 157.4 | 140.0 |
| Total supply | Million bushels | 3,119.2 | 3,025.3 | 2,767.8 | 2,927.1 | 3,402.4 | 3,077.7 | 3,123.3 |
| Disappearance: | | | | | | | | |
| Food use | Million bushels | 950.8 | 955.1 | 958.3 | 957.1 | 949.0 | 964.4 | 970.0 |
| Seed use | Million bushels | 73.1 | 75.6 | 79.4 | 67.2 | 61.3 | 63.4 | 62.0 |
| Feed and residual use | Million bushels | 365.3 | 228.2 | 113.4 | 149.5 | 160.6 | 50.0 | 110.0 |
| Total domestic use | Million bushels | 1,389.3 | 1,258.8 | 1,151.1 | 1,173.8 | 1,170.8 | 1,077.7 | 1,142.0 |
| Exports [1] | Million bushels | 1,012.1 | 1,176.2 | 864.3 | 777.8 | 1,050.9 | 901.1 | 1,025.0 |
| Total disappearance | Million bushels | 2,401.4 | 2,435.1 | 2,015.4 | 1,951.5 | 2,221.8 | 1,978.8 | 2,167.0 |
| Ending stocks | Million bushels | 717.9 | 590.3 | 752.4 | 975.6 | 1,180.6 | 1,098.9 | 956.3 |
| CCC inventory | Million bushels | | | | | .0 | | |
| Stocks-to-use ratio | | 29.9 | 24.2 | 37.3 | 50.0 | 53.1 | 55.5 | 44.1 |
| 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 | 4.72 | 4.80-5.40 |
| Market value of production | Million dollars | 17,383 | 14,604 | 11,915 | 10,203 | 8,981 | 8,211 | 9,611 |

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: 10/15/2018*

Table 2--Wheat by class: U.S. market year supply and disappearance, 10/15/2018

| 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 | 46.02 | 23.43 | 10.51 | 5.73 | 4.05 | 2.31 |
| | Harvested acreage | Million acres | 37.54 | 17.64 | 9.65 | 4.32 | 3.83 | 2.11 |
| | Yield | Bushels per acre | 46.34 | 42.54 | 39.80 | 67.66 | 67.50 | 26.01 |
| | Supply: | | | | | | | |
| | Beginning stocks | Million bushels | 1,180.60 | 589.30 | 235.00 | 215.00 | 105.00 | 36.30 |
| | Production | Million bushels | 1,739.65 | 750.33 | 384.19 | 292.16 | 258.19 | 54.78 |
| | Imports[2] | Million bushels | 157.43 | 6.75 | 87.59 | 4.28 | 7.50 | 51.31 |
| | Total supply | Million bushels | 3,077.68 | 1,346.39 | 706.78 | 511.44 | 370.68 | 142.39 |
| | Disappearance: | | | | | | | |
| | Food use | Million bushels | 964.39 | 391.71 | 254.00 | 154.00 | 85.00 | 79.68 |
| | Seed use | Million bushels | 63.35 | 25.58 | 17.98 | 11.58 | 5.26 | 2.96 |
| | Feed and residual use | Million bushels | 49.95 | -23.16 | 15.62 | 50.12 | .07 | 7.31 |
| | Total domestic use | Million bushels | 1,077.69 | 394.13 | 287.60 | 215.70 | 90.32 | 89.94 |
| | Exports[2] | Million bushels | 901.10 | 371.31 | 228.18 | 90.74 | 193.36 | 17.51 |
| | Total disappearance | Million bushels | 1,978.79 | 765.44 | 515.78 | 306.44 | 283.68 | 107.44 |
| | Ending stocks | Million bushels | 1,098.89 | 580.94 | 191.00 | 205.00 | 87.00 | 34.95 |
| 2018/19 | Area: | | | | | | | |
| | Planted acreage | Million acres | 47.80 | 22.92 | 12.69 | 6.08 | 4.05 | 2.07 |
| | Harvested acreage | Million acres | 39.61 | 16.95 | 12.40 | 4.47 | 3.82 | 1.97 |
| | Yield | Bushels per acre | 47.58 | 39.08 | 47.33 | 63.90 | 71.32 | 39.29 |
| | Supply: | | | | | | | |
| | Beginning stocks | Million bushels | 1,098.89 | 580.94 | 191.00 | 205.00 | 87.00 | 34.95 |
| | Production | Million bushels | 1,884.46 | 662.25 | 587.01 | 285.56 | 272.36 | 77.29 |
| | Imports[2] | Million bushels | 140.00 | 5.00 | 70.00 | 8.00 | 7.00 | 50.00 |
| | Total supply | Million bushels | 3,123.35 | 1,248.19 | 848.01 | 498.56 | 366.36 | 162.23 |
| | Disappearance: | | | | | | | |
| | Food use | Million bushels | 970.00 | 392.00 | 260.00 | 153.00 | 85.00 | 80.00 |
| | Seed use | Million bushels | 62.00 | 27.00 | 17.00 | 11.00 | 4.00 | 3.00 |
| | Feed and residual use | Million bushels | 110.00 | 40.00 | 15.00 | 45.00 | 5.00 | 5.00 |
| | Total domestic use | Million bushels | 1,142.00 | 459.00 | 292.00 | 209.00 | 94.00 | 88.00 |
| | Exports[2] | Million bushels | 1,025.00 | 365.00 | 295.00 | 120.00 | 215.00 | 30.00 |
| | Total disappearance | Million bushels | 2,167.00 | 824.00 | 587.00 | 329.00 | 309.00 | 118.00 |
| | Ending stocks | Million bushels | 956.35 | 424.19 | 261.01 | 169.56 | 57.36 | 44.23 |

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: 10/15/2018*

Table 3--Wheat: U.S. quarterly supply and disappearance (million bushels), 10/15/2018

| 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 | 1,397 | 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 | | 29 | 2,575 | 245 | 41 | -30 | 239 | 2,079 |
| | Dec-Feb | | 25 | 2,104 | 228 | 1 | -13 | 229 | 1,659 |
| | Mar-May | | 31 | 1,690 | 238 | 19 | -62 | 315 | 1,181 |
| | Mkt. year | 2,309 | 118 | 3,402 | 949 | 61 | 161 | 1,051 | 1,181 |
| 2017/18 | Jun-Aug | 1,740 | 42 | 2,962 | 239 | 1 | 164 | 292 | 2,266 |
| | Sep-Nov | | 36 | 2,302 | 251 | 40 | -56 | 194 | 1,873 |
| | Dec-Feb | | 37 | 1,911 | 233 | 2 | -14 | 195 | 1,495 |
| | Mar-May | | 42 | 1,537 | 242 | 21 | -44 | 221 | 1,099 |
| | Mkt. year | 1,740 | 157 | 3,078 | 964 | 63 | 50 | 901 | 1,099 |
| 2018/19 | Jun-Aug | 1,884 | 42 | 3,025 | 243 | 2 | 198 | 203 | 2,379 |
| | Mkt. year | 1,884 | 140 | 3,123 | 970 | 62 | 110 | 1,025 | 956 |

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: 10/15/2018*

Table 4--Wheat: Monthly food disappearance estimates (1,000 grain-equivalent bushels), 10/15/2018

| Mkt year and month 1/ | | Wheat ground for flour | + | Food imports[2] | + | Nonmilled food use[3] | - | Food exports[2] | = | Food use |
|---|---|---|---|---|---|---|---|---|---|---|
| 2016/17 | Jun | 73,149 | | 2,933 | | 2,000 | | 2,150 | | 75,932 |
| | Jul | 74,237 | | 2,637 | | 2,000 | | 1,666 | | 77,208 |
| | Aug | 81,136 | | 3,198 | | 2,000 | | 1,855 | | 84,479 |
| | Sep | 78,018 | | 2,533 | | 2,000 | | 2,142 | | 80,409 |
| | Oct | 81,469 | | 2,966 | | 2,000 | | 2,325 | | 84,109 |
| | Nov | 77,978 | | 3,189 | | 2,000 | | 2,201 | | 80,967 |
| | Dec | 73,195 | | 2,860 | | 2,000 | | 1,862 | | 76,192 |
| | Jan | 73,561 | | 2,858 | | 2,000 | | 2,026 | | 76,393 |
| | Feb | 72,977 | | 2,296 | | 2,000 | | 1,974 | | 75,299 |
| | Mar | 77,425 | | 2,830 | | 2,000 | | 1,803 | | 80,452 |
| | Apr | 74,812 | | 2,822 | | 2,000 | | 1,548 | | 78,085 |
| | May | 76,492 | | 2,809 | | 2,000 | | 1,973 | | 79,328 |
| 2017/18 | Jun | 73,183 | | 3,242 | | 2,000 | | 1,849 | | 76,576 |
| | Jul | 74,520 | | 2,964 | | 2,000 | | 1,794 | | 77,689 |
| | Aug | 81,444 | | 3,148 | | 2,000 | | 2,088 | | 84,505 |
| | Sep | 78,315 | | 2,620 | | 2,000 | | 1,462 | | 81,473 |
| | Oct | 82,325 | | 3,239 | | 2,000 | | 1,167 | | 86,397 |
| | Nov | 78,798 | | 3,218 | | 2,000 | | 1,301 | | 82,714 |
| | Dec | 73,964 | | 2,934 | | 2,000 | | 1,569 | | 77,329 |
| | 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 | 75,525 | | 3,259 | | 2,000 | | 1,432 | | 79,351 |
| | May | 77,221 | | 3,087 | | 2,000 | | 1,742 | | 80,566 |
| 2018/19 | Jun | 73,881 | | 2,921 | | 2,000 | | 1,689 | | 77,113 |
| | Jul | | | 2,968 | | | | 1,346 | | 1,622 |
| | Aug | | | 3,103 | | | | 1,584 | | 1,519 |

[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: 10/15/2018*

Table 5--Wheat: National average price received by farmers (dollars per bushel) , 10/15/2018

| Month | All wheat | | Winter | | Durum | | Other spring | |
|---|---|---|---|---|---|---|---|---|
| | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 |
| June | 4.37 | 5.17 | 4.11 | 5.05 | 6.69 | 6.33 | 5.35 | 5.66 |
| July | 4.77 | 5.00 | 4.56 | 4.92 | 6.30 | 5.79 | 6.08 | 5.41 |
| August | 4.84 | 5.30 | 4.27 | 5.23 | 6.89 | 5.05 | 5.86 | 5.40 |
| September | 4.65 | | 4.11 | | 6.31 | | 5.62 | |
| October | 4.64 | | 4.17 | | 6.41 | | 5.56 | |
| November | 4.72 | | 4.07 | | 6.55 | | 5.78 | |
| December | 4.50 | | 3.89 | | 6.25 | | 5.62 | |
| January | 4.65 | | 4.15 | | 6.05 | | 5.72 | |
| February | 4.92 | | 4.63 | | 6.19 | | 5.66 | |
| March | 5.10 | | 4.73 | | 5.66 | | 5.74 | |
| April | 5.28 | | 4.90 | | 5.41 | | 5.78 | |
| May | 5.39 | | 5.05 | | 6.02 | | 5.84 | |

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

Table 6--Wheat: National average prices received by farmers by class (dollars per bushel), 10/15/2018

| Month | Hard red winter | | Soft red winter | | Hard red spring | | White | |
|---|---|---|---|---|---|---|---|---|
| | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 |
| June | 4.00 | 5.12 | 4.50 | 4.80 | 5.41 | 5.71 | 4.30 | 4.89 |
| July | 4.46 | 4.90 | 4.85 | 4.85 | 6.16 | 5.43 | 4.77 | 5.30 |
| August | 4.10 | 5.24 | 4.49 | 5.15 | 6.06 | 5.43 | 4.43 | 5.23 |
| September | 3.82 | | 4.33 | | 5.75 | | 4.55 | |
| October | 3.81 | | 4.48 | | 5.73 | | 4.60 | |
| November | 3.84 | | 4.31 | | 5.89 | | 4.58 | |
| December | 3.66 | | 4.45 | | 5.72 | | 4.46 | |
| January | 3.91 | | 4.74 | | 5.84 | | 4.69 | |
| February | 4.65 | | 4.68 | | 5.77 | | 4.58 | |
| March | 4.71 | | 4.86 | | 5.84 | | 4.74 | |
| April | 4.83 | | 4.92 | | 5.85 | | 5.02 | |
| May | 5.05 | | 5.07 | | 5.90 | | 5.00 | |

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

*Date run: 10/15/2018*

Table 7--Wheat: Average cash grain bids at principal markets, 10/15/2018

| | 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) | |
|---|---|---|---|---|---|---|---|---|
| Month | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 |
| June | 5.24 | 6.35 | 6.65 | 6.79 | 4.53 | 5.58 | 189.60 | 213.85 |
| July | 5.65 | 6.20 | 7.22 | 6.66 | 5.12 | 5.24 | 203.74 | 214.58 |
| August | 4.80 | 6.61 | 6.28 | 6.86 | 4.22 | 6.25 | 171.41 | 230.75 |
| September | 5.07 | 6.03 | 6.52 | 6.18 | 4.81 | 5.93 | 178.76 | 212.93 |
| October | 5.11 | -- | 6.24 | -- | 5.03 | -- | 175.82 | -- |
| November | 5.30 | -- | 6.84 | -- | 4.96 | -- | 179.49 | -- |
| December | 5.38 | -- | 6.72 | -- | 4.84 | -- | 183.90 | -- |
| January | 5.73 | -- | 6.94 | -- | 5.03 | -- | 192.17 | -- |
| February | 5.93 | -- | 6.89 | -- | 5.41 | -- | -- | -- |
| March | 6.05 | -- | 6.70 | -- | 5.52 | -- | -- | -- |
| April | 6.09 | -- | 6.67 | -- | 5.64 | -- | 213.48 | -- |
| May | 6.56 | -- | 7.03 | -- | 5.93 | -- | -- | -- |

| | 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) | |
|---|---|---|---|---|---|---|---|---|
| | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 |
| June | -- | -- | -- | -- | 7.50 | 6.98 | -- | -- |
| July | -- | -- | -- | -- | 8.77 | 6.58 | -- | -- |
| August | -- | -- | -- | -- | 7.74 | 7.15 | -- | -- |
| September | -- | -- | -- | -- | 7.40 | 6.62 | -- | -- |
| October | -- | -- | -- | -- | 7.39 | -- | -- | -- |
| November | -- | -- | -- | -- | 7.52 | -- | -- | -- |
| December | -- | -- | -- | -- | 7.38 | -- | -- | -- |
| January | -- | -- | -- | -- | 7.42 | -- | -- | -- |
| February | -- | -- | -- | -- | 7.29 | -- | -- | -- |
| March | -- | -- | -- | -- | 7.40 | -- | -- | -- |
| April | -- | -- | -- | -- | 7.06 | -- | -- | -- |
| May | -- | -- | -- | -- | 7.51 | -- | -- | -- |

| | 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) | |
|---|---|---|---|---|---|---|---|---|
| | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 | 2017/18 | 2018/19 |
| June | 4.66 | 5.16 | 4.41 | 4.92 | 4.44 | 5.15 | 4.91 | 5.92 |
| July | 5.15 | 5.21 | 4.96 | 4.98 | 4.94 | 5.20 | 5.40 | 5.88 |
| August | 4.31 | 5.34 | 4.12 | 5.32 | 4.20 | 5.48 | 5.13 | 6.18 |
| September | 4.30 | 4.79 | 4.23 | 4.81 | 4.27 | 5.04 | 5.19 | 5.98 |
| October | 4.16 | -- | 4.22 | -- | 4.24 | -- | 5.30 | -- |
| November | 4.34 | -- | 4.13 | -- | 4.18 | -- | 5.26 | -- |
| December | 4.28 | -- | 4.12 | -- | 4.04 | -- | 5.22 | -- |
| January | 4.38 | -- | 4.27 | -- | 4.22 | -- | 5.30 | -- |
| February | 4.65 | -- | 4.55 | -- | 4.54 | -- | 5.39 | -- |
| March | 4.76 | -- | 4.69 | -- | 4.75 | -- | 5.64 | -- |
| April | 4.75 | -- | 4.74 | -- | 4.85 | -- | 5.63 | -- |
| May | 5.19 | -- | 5.08 | -- | 5.24 | -- | 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=LSMarketNewsPageStateGrainReports.

*Date run: 10/15/2018*

Table 8--Wheat: U.S. exports and imports for last 6 months (1,000 bushels), 10/15/2018

| Item | | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 |
|---|---|---|---|---|---|---|---|
| Exports | All wheat grain | 78,069 | 71,212 | 66,391 | 56,270 | 65,187 | 76,846 |
| | All wheat flour[1] | 1,157 | 1,088 | 1,360 | 1,365 | 940 | 1,097 |
| | All wheat products[2] | 456 | 372 | 401 | 370 | 452 | 559 |
| | Total all wheat | 79,682 | 72,673 | 68,151 | 58,006 | 66,580 | 78,501 |
| Imports | All wheat grain | 10,243 | 11,567 | 10,584 | 11,425 | 10,363 | 10,701 |
| | All wheat flour[1] | 1,547 | 1,454 | 1,429 | 1,285 | 1,447 | 1,452 |
| | All wheat products[2] | 1,676 | 1,828 | 1,713 | 1,679 | 1,541 | 1,672 |
| | Total all wheat | 13,466 | 14,848 | 13,726 | 14,390 | 13,352 | 13,825 |

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: 10/15/2018*

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