2012 Wheat & Barley Outlook
Where do we go from here?

Frayne Olson, PhD

Crop Economist/Marketing Specialist

NDSU Extension Service

ND Agricultural Experiment Station

Dept. of Agribusiness & Applied Economics

North Dakota State University

Wheat Update

All Wheat Supply & Demand Table

U.S. All Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	53.6 Mill. A.	54.4 Mill. A.	54.4 Mill. A.
Harvested A.	47.6 Mill. A.	45.7 Mill. A.	45.7 Mill. A.
Yield/Harvest A.	46.3 bu.	43.7 bu.	43.7 bu.
Begin Stocks	976 Mill. Bu.	862 Mill. Bu.	862 Mill. Bu.
Production	2,207 Mill. Bu.	1,999 Mill. Bu.	1,999 Mill. Bu.
Imports	97 Mill. Bu.	120 Mill. Bu.	120 Mill. Bu.
Total Supply	***3,279 Mill. Bu.***	***2,982 Mill. Bu.***	***2,982 Mill. Bu.***
Food	926 Mill. Bu.	940 Mill. Bu.	935 Mill. Bu.
Seed	71 Mill. Bu.	78 Mill. Bu.	82 Mill. Bu.
Feed & Residual	132 Mill. Bu.	160 Mill. Bu.	145 Mill. Bu.
Exports	1,289 Mill. Bu.	925 Mill. Bu.	950 Mill. Bu.
Total Use	***2,417 Mill. Bu.***	***2,103 Mill. Bu.***	***2,112 Mill. Bu.***
Ending Stocks	**862 Mill. Bu.**	**878 Mill. Bu.**	**870 Mill. Bu.**

USDA – WASDE – January 12, 2012

All Wheat Supply & Demand Table

U.S. All Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	53.6 Mill. A.	54.4 Mill. A.	54.4 Mill. A.
Harvested A.	47.6 Mill. A.	45.7 Mill. A.	45.7 Mill. A.
Yield/Harvest A.	46.3 bu.	43.7 bu.	43.7 bu.
Begin Stocks	976 Mill. Bu.	862 Mill. Bu.	862 Mill. Bu.
Production	**2,207 Mill. Bu.**	1,999 Mill. Bu.	**1,999 Mill. Bu.**
Imports	97 Mill. Bu.	120 Mill. Bu.	120 Mill. Bu.
Total Supply	***3,279 Mill. Bu.***	***2,982 Mill. Bu.***	***2,982 Mill. Bu.***
Food	926 Mill. Bu.	940 Mill. Bu.	935 Mill. Bu.
Seed	71 Mill. Bu.	[illegible]	82 Mill. Bu.
Feed & Residual	132 [illegible]	[illegible]	[illegible]5 Mill. Bu.
Exports	1,289 [illegible]	[illegible]	[illegible] Mill. Bu.
Total Use	***2,417*** [illegible]	[illegible]	[illegible]***2 Mill. Bu.***
Ending Stocks	**862 Mill.** [illegible]	[illegible]	**870 Mill. Bu.**

Total Production **is down 208 Mill. Bu. from 2010/11 (-9.4%)**

USDA – WASDE – January 12, 2012

All Wheat Supply & Demand Table

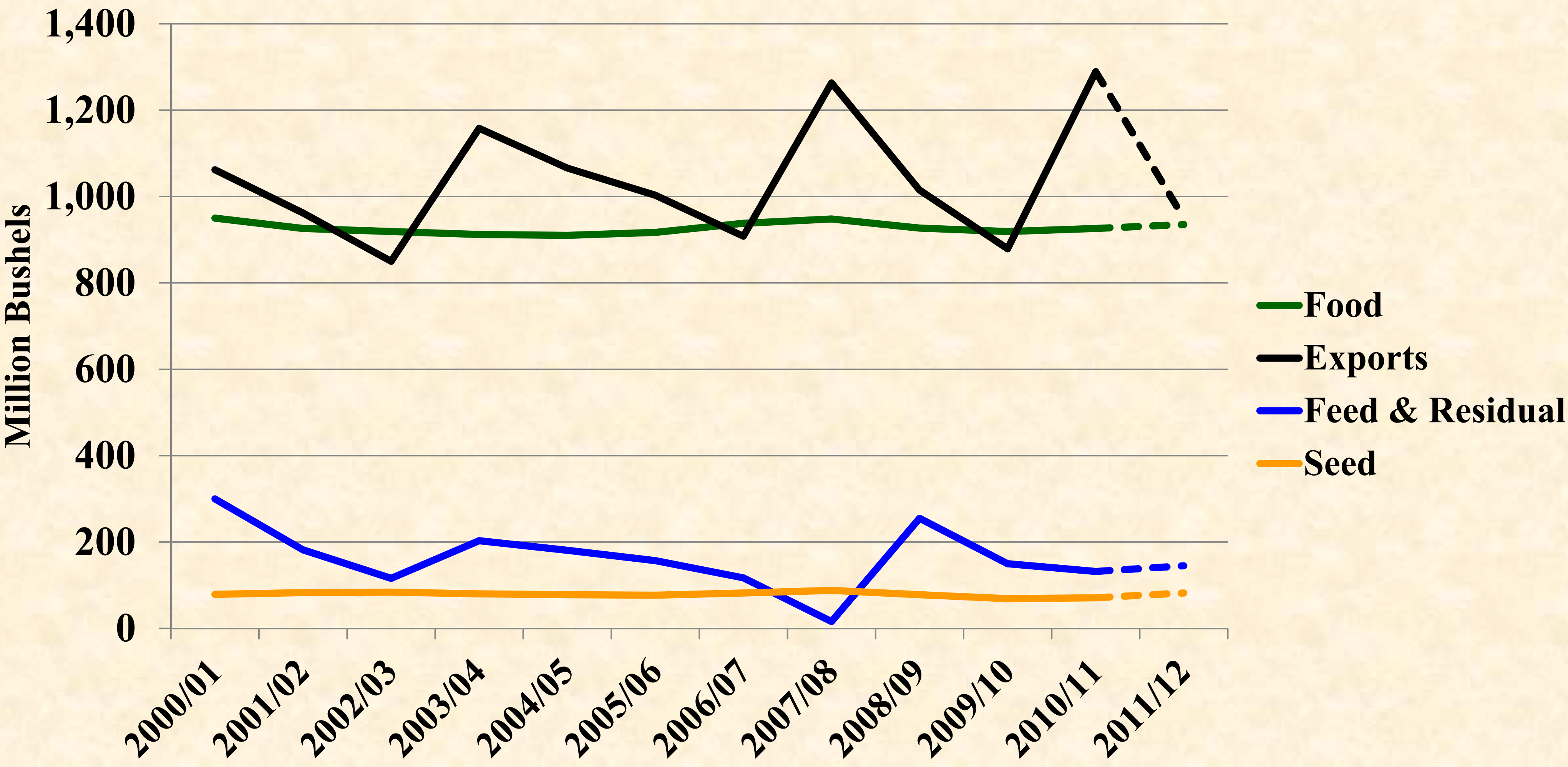
U.S. All Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	53.6 Mill. [illegible]	[illegible]	[illegible]4.4 Mill. A.
Harvested A.	47.6 M[illegible]	[illegible]	[illegible] Mill. A.
Yield/Harvest A.	46.[illegible]	[illegible]	[illegible]7 bu.
Begin Stocks	976 M[illegible]	[illegible]	[illegible]62 Mill. Bu.
Production	2,207 Mill. Bu.	[illegible]	1,999 Mill. Bu.
Imports	97 Mill. Bu.	120 Mill. Bu.	120 Mill. Bu.
Total Supply	***3,279 Mill. Bu.***	***2,982 Mill. Bu.***	***2,982 Mill. Bu.***
Food	926 Mill. Bu.	940 Mill. Bu.	935 Mill. Bu.
Seed	71 Mill. Bu.	78 Mill. Bu.	82 Mill. Bu.
Feed & Residual	132 Mill. Bu.	160 Mill. Bu.	145 Mill. Bu.
Exports	1,289 Mill. Bu.	925 Mill. Bu.	950 Mill. Bu.
Total Use	***2,417 Mill. Bu.***	***2,103 Mill. Bu.***	***2,112 Mill. Bu.***
Ending Stocks	**862 Mill. Bu.**	**878 Mill. Bu.**	**870 Mill. Bu.**

***Total Use* is down 305 Mill. Bu. from 2010/11 (-12.6%)**

USDA – WASDE – January 12, 2012

All Wheat Disappearance

(Million Bushels)

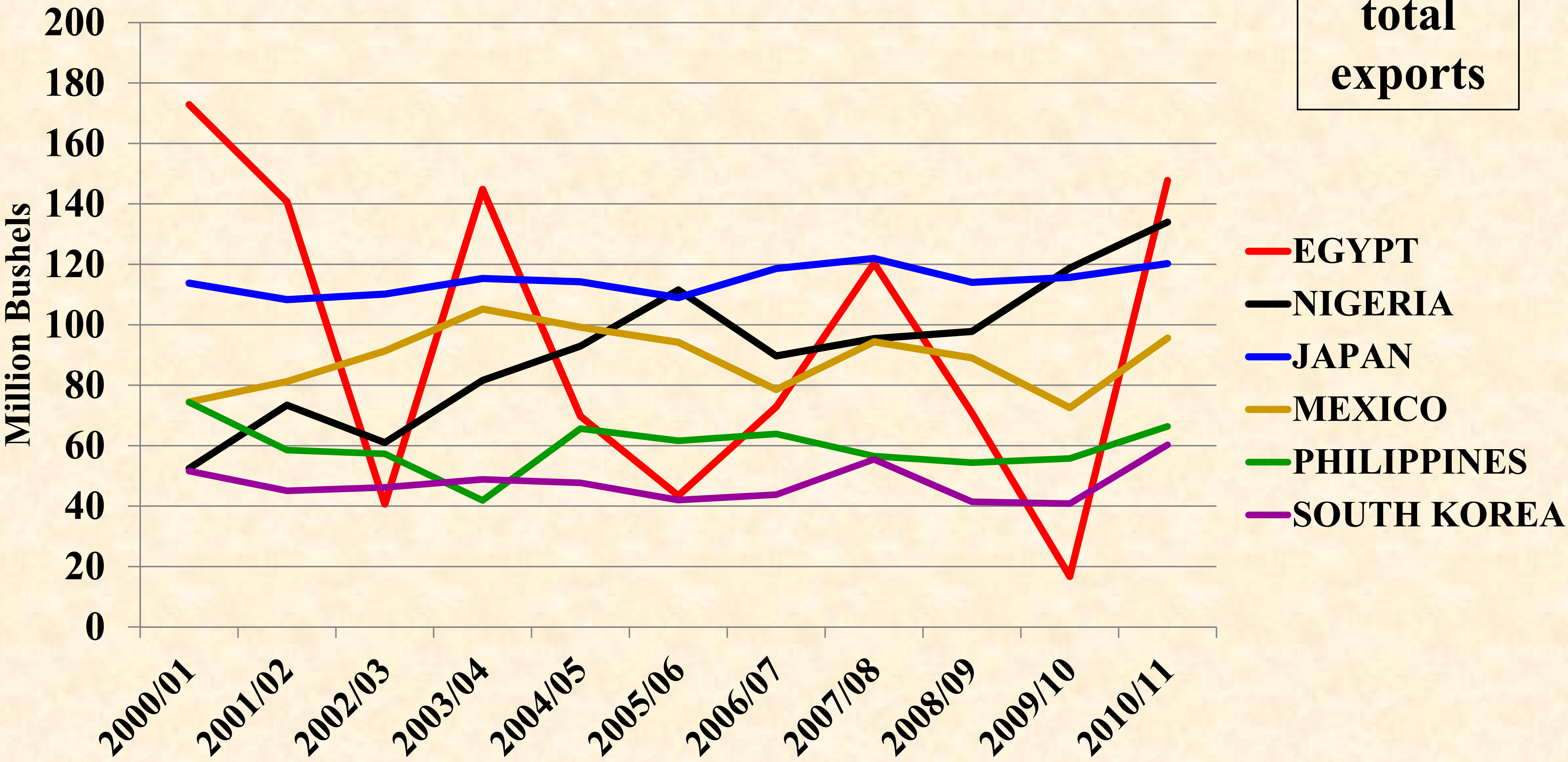


USDA – WASDE – Jan. 12, 2012 & USDA Wheat Yearbook -Table 5

Top 6 ***All Wheat*** Export Destinations

(Million Bushels)

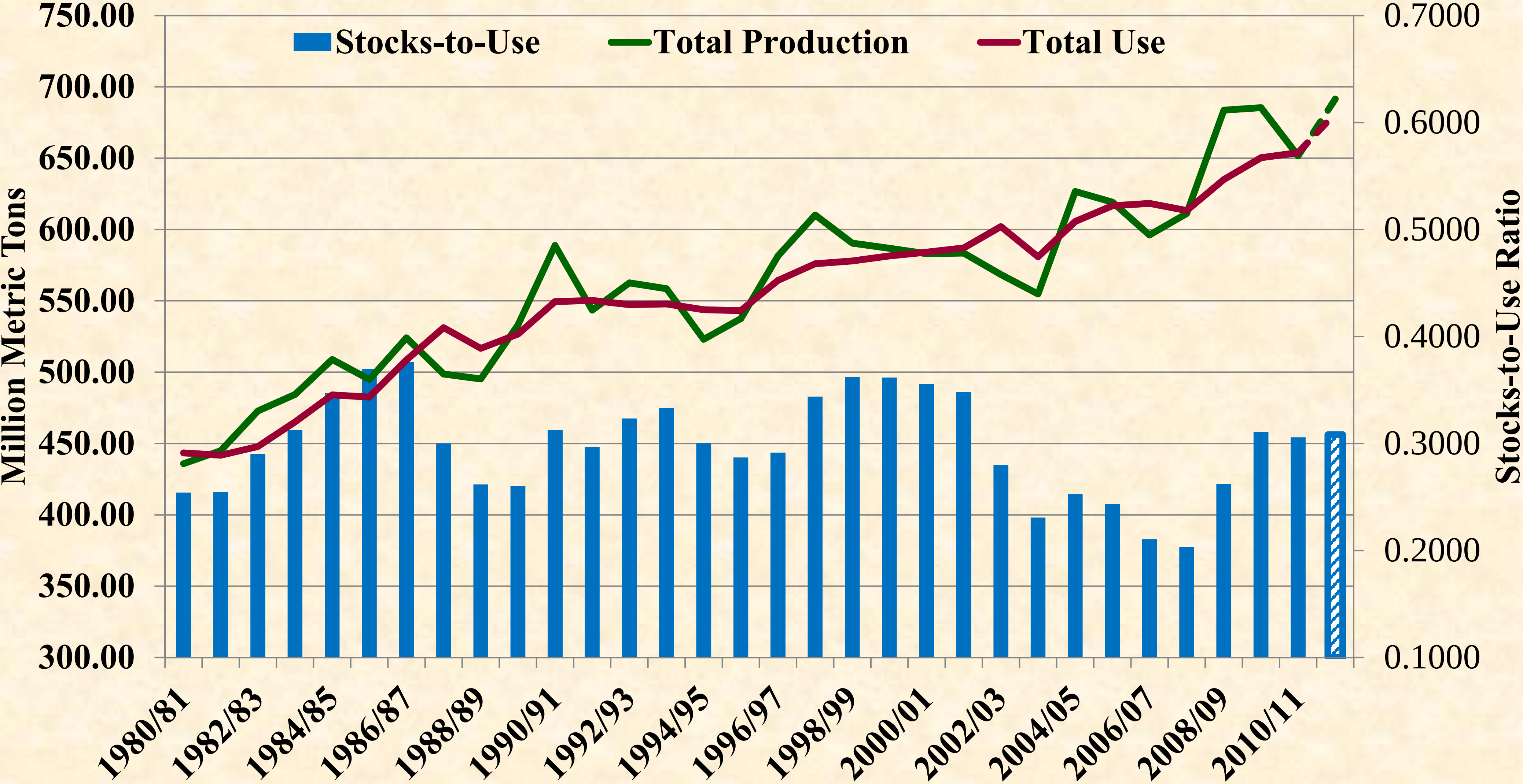
51% of total exports



USDA – FAS – Custom Query

World Wheat Prod, Use & Stocks/Use

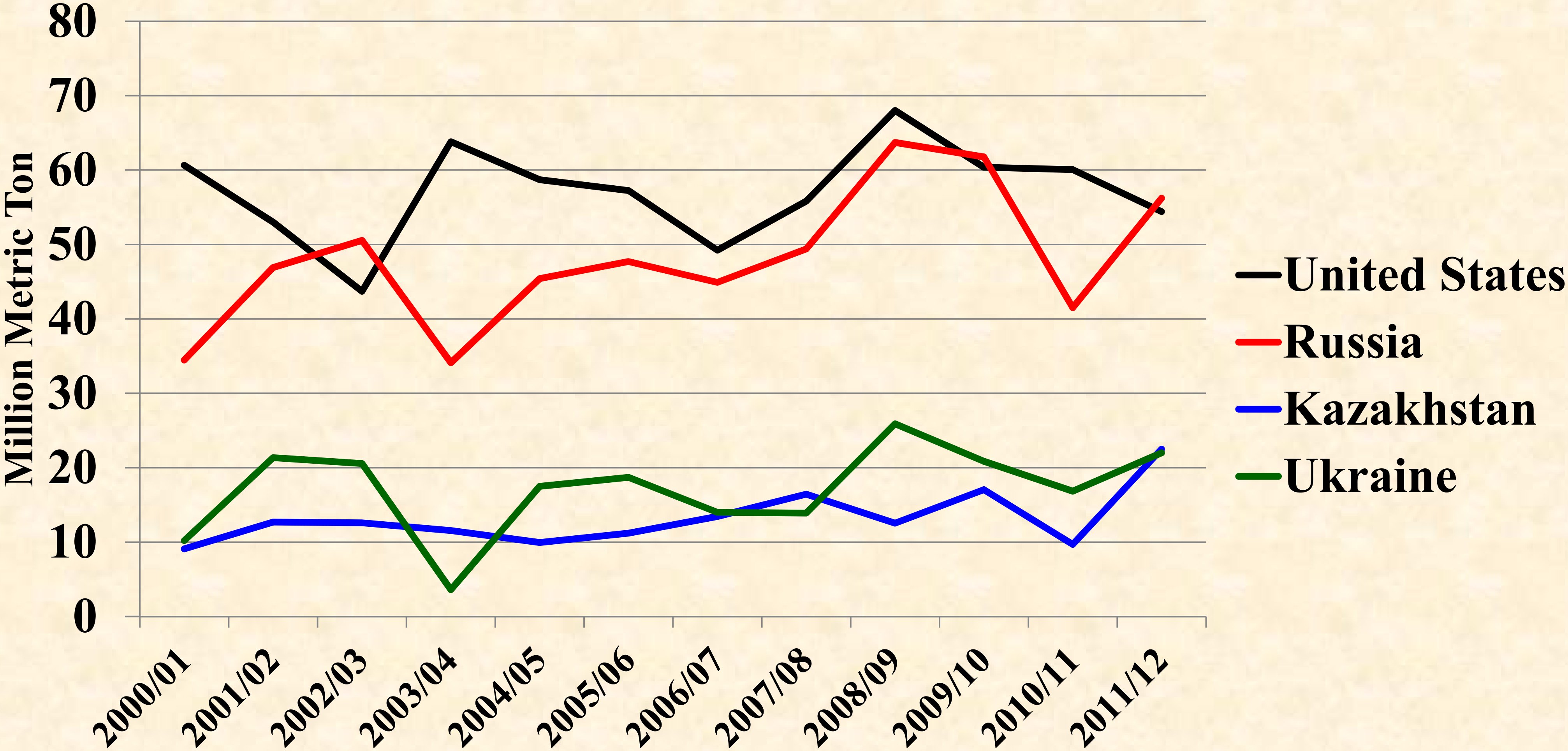
(Million Metric Ton)



USDA – WASDE- Jan. 12, 2012 & PSD Custom Query

All Wheat Production

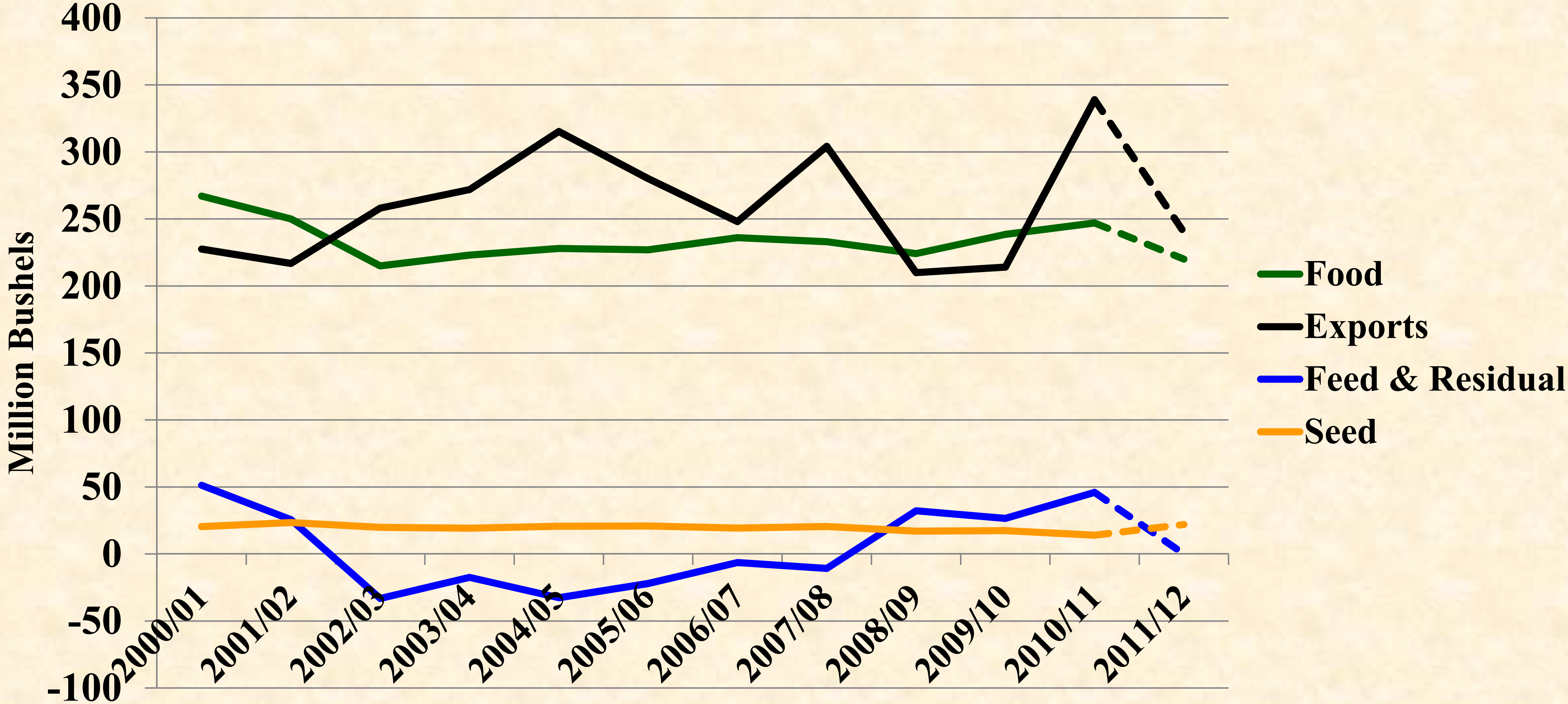
(Million Metric Ton)



USDA – WASDE – Jan. 12, 2012 & USDA PSD Online Custom Query

HRSW Disappearance

(Million Bushels)

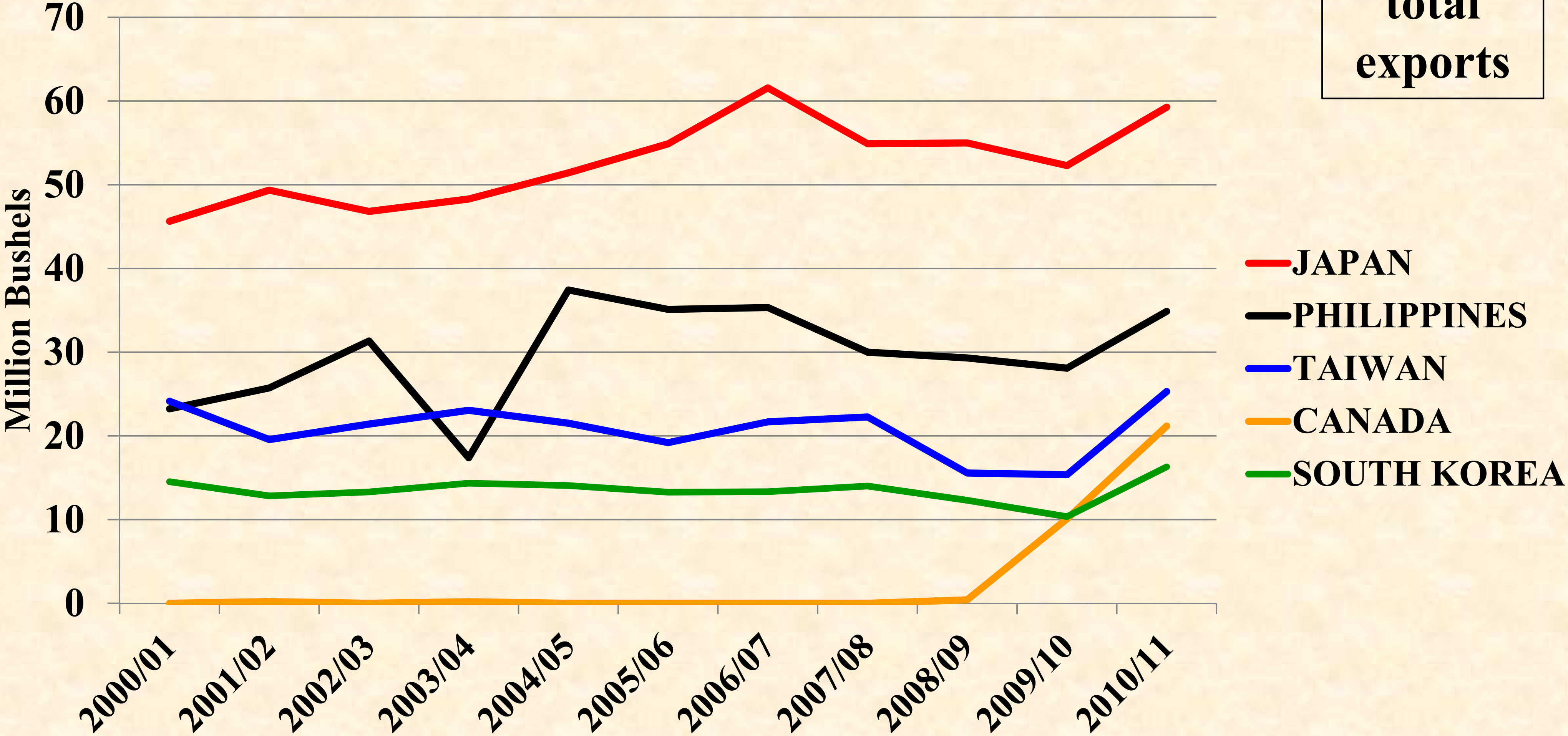


USDA – WASDE – Jan. 12, 2012 & USDA Wheat Yearbook -Table 8

Top 5 ***HRSW*** Export Destinations

(Million Bushels)

48% of total exports



USDA – FAS – Custom Query

All Wheat Supply & Demand Table

U.S. All Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	53.6 Mill. A.	54.4 Mill. A.	54.4 Mill. A.
Harvested A.	47.6 Mill. A.	45.7 Mill. A.	45.7 Mill. A.
Yield/Harvest A.	46.3 bu.	43.7 bu.	43.7 bu.
Begin Stocks	976 Mill. Bu.	[illegible]	862 Mill. Bu.
Production	2,207 [illegible]	[illegible]	[illegible] Mill. Bu.
Imports	[illegible]	[illegible]	[illegible] Bu.
Total Supply	[illegible]	[illegible]	[illegible]
Food	[illegible]	[illegible]	[illegible] Bu.
Seed	71 [illegible]	[illegible]	[illegible] Mill. Bu.
Feed & Residual	132 Mill. Bu.	[illegible]	145 Mill. Bu.
Exports	1,289 Mill. Bu.	925 Mill. Bu.	950 Mill. Bu.
Total Use	***2,417 Mill. Bu.***	***2,103 Mill. Bu.***	***2,112 Mill. Bu.***
Ending Stocks	**862 Mill. Bu.**	**878 Mill. Bu.**	**870 Mill. Bu.**

***Ending Stocks* are more than adequate!**

2011/12 Stocks-to-Use ≈ 41.2%

10 yr. avg. ≈ 28.3%

USDA – WASDE – January 12, 2012

Historical Stocks-to-Use by Class

Wheat Class	10 Year Avg.	2008/09	2010/11	2011/12
HRWW	**28.6 %**	14.0 %	37.9 %	**40.8 %**
HRSW	**30.5 %**	12.4 %	28.6 %	**28.8 %**
SRWW	**29.4 %**	13.1 %	50.2 %	**64.3 %**
White	**25.4 %**	15,5 %	30.7 %	**37.8 %**
Durum	**23.7 %**	6.3 %	25.2 %	**21.9 %**
All Wheat	**28.3 %**	13.2 %	35.6 %	**41.2 %**

January 12, 2012 WASDE Report & Wheat Yearbook Table 6

Historical Stocks-to-Use by Class

Wheat Class	10 Year Avg.	2008/09	2010/11	2011/12
HRWW	**28.6 %**	14.0 %	37.9 %	**40.8 %**
HRSW	**30.5 %**	12.4 %	28.6 %	**28.8 %**
SRWW	**29.4 %**	13.1 %	50.2 %	**64.3 %**
White	**25.4 %**	15,5 %	30.7 %	**37.8 %**
Durum	**23.7 %**	6.3 %	25.2 %	**21.9 %**
All Wheat	**28.3 %**	13.2 %	35.6 %	**41.2 %**

January 12, 2012 WASDE Report & Wheat Yearbook Table 6

Historical Stocks-to-Use by Class

Wheat Class	10 Year Avg.	2008/09	2010/11	2011/12
HRWW	**28.6 %**	14.0 %	37.9 %	**40.8 %**
HRSW	**30.5 %**	12.4 %	28.6 %	**28.8 %**
SRWW	**29.4 %**	13.1 %	50.2 %	**64.3 %**
White	**25.4 %**	15,5 %	30.7 %	**37.8 %**
Durum	**23.7 %**	6.3 %	25.2 %	**21.9 %**
All Wheat	**28.3 %**	13.2 %	35.6 %	**41.2 %**

January 12, 2012 WASDE Report & Wheat Yearbook Table 6

Historical Stocks-to-Use by Class

Wheat Class	10 Year Avg.	2008/09	2010/11	2011/12
HRWW	**28.6 %**	14.0 %	37.9 %	**40.8 %**
HRSW	**30.5 %**	12.4 %	28.6 %	**28.8 %**
SRWW	**29.4 %**	13.1 %	50.2 %	**64.3 %**
White	**25.4 %**	15,5 %	30.7 %	**37.8 %**
Durum	**23.7 %**	6.3 %	25.2 %	**21.9 %**
All Wheat	**28.3 %**	13.2 %	35.6 %	**41.2 %**

January 12, 2012 WASDE Report & Wheat Yearbook Table 6

2012 Winter Wheat Seedings Report

Wheat Class	2009	2010	2011	2012
HRWW	31.67	28.55	28.48	30.1
SRWW	8.32	5.27	8.56	8.37
White Winter	3.36	3.52	3.61	3.49
All Winter Wheat	43.35	37.34	40.65	41.9

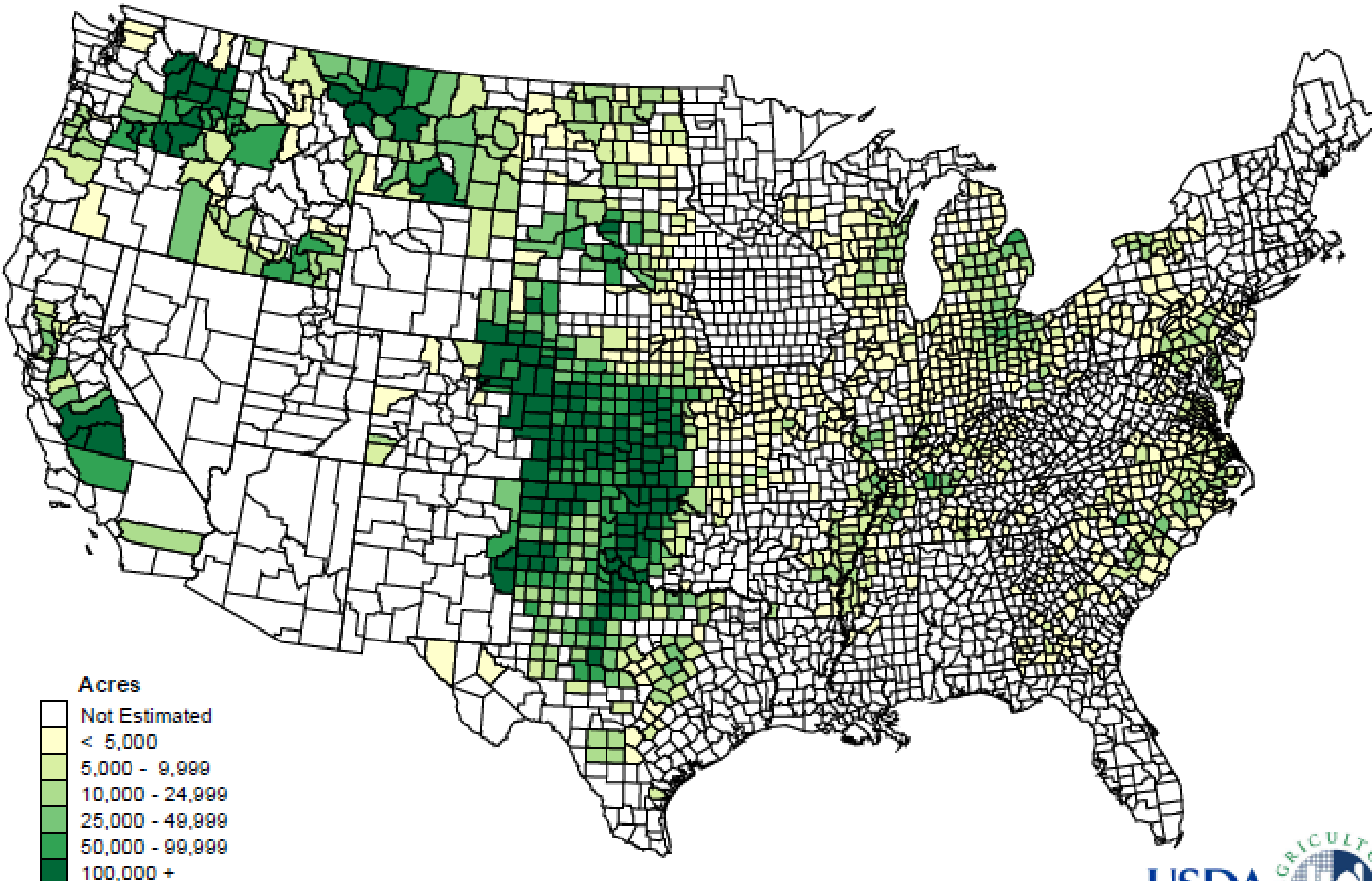
2012 Winter Wheat Seedings Report

Wheat Class	2009	2010	2011	2012
HRWW	31.67	28.55	28.48	**30.1**
SRWW	8.32	5.27	8.56	**8.37**
White Winter	3.36	3.52	3.61	**3.49**
All Winter Wheat	43.35	37.34	40.65	**41.9**

2012 Winter Wheat Seedings Report

Wheat Class	2009	2010	2011	2012
HRWW	31.67	28.55	28.48	**30.1**
SRWW	**8.32**	**5.27**	**8.56**	**8.37**
White Winter	3.36	3.52	3.61	**3.49**
All Winter Wheat	43.35	37.34	40.65	**41.9**

Winter Wheat 2010
Planted Acres by County
for Selected States

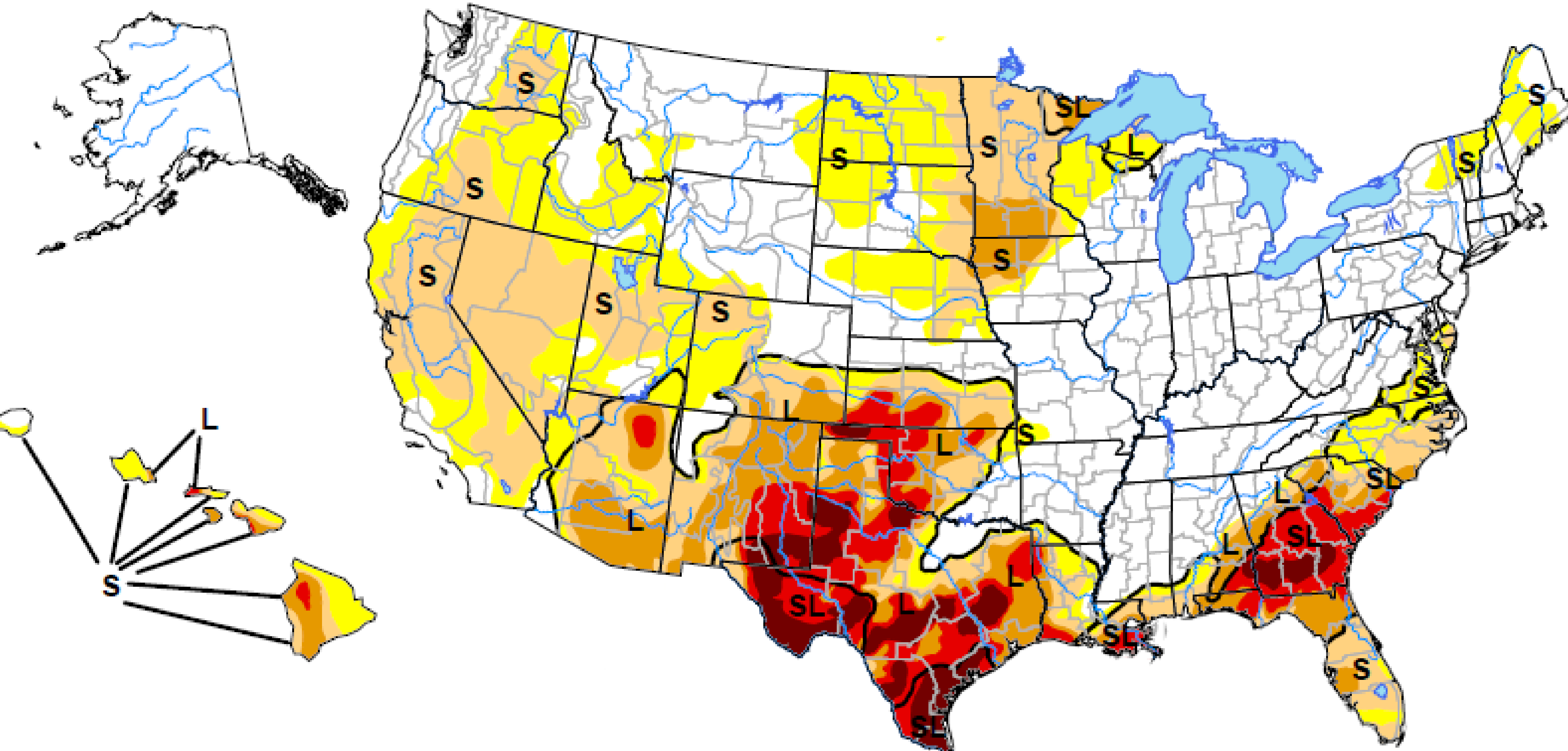


U.S. Department of Agriculture, National Agricultural Statistics Service

USDA AGRICULTURE COUNTS NASS

U.S. Drought Monitor

January 31, 2012
Valid 7 a.m. EST



Wheat Market Considerations

- Value of the US Dollar & European Debt issues.
- Political unrest in North Africa.
- Corn prices and feed demand are putting a floor under wheat prices.
- Ukraine and Russian weather:
  - Extremely cold weather is raising concerns about winterkill for winter wheat. Will spring wheat planting increase to compensate?
  - Rumors of increases in export duties to slow rapid export pace.

Other Important Issues!

- HRWW conditions and growing season rainfall.
- March 30, 2012 Prospective Plantings Report.
- Canadian Wheat Board will likely no longer have central desk selling authority beginning August 1, 2012.
  - CWB performs multiple functions.
  - Transition plan is still unclear, but being worked on.
  - What will happen to Canadian planed acres?

What is happening with Durum?

Durum Supply & Demand Table

U.S. Durum Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	2.56 Mill. A.	1.37 Mill. A.	1.37 Mill. A.
Harvested A.	2.52 Mill. A.	1.32 Mill. A.	1.32 Mill. A.
Yield/Harvest A.	42.1 bu.	38.19 bu.	38.19 bu.
Begin Stocks	34.65 Mill. Bu.	35.47 Mill. Bu.	35.47 Mill. Bu.
Production	106.08 Mill. Bu.	50.48 Mill. Bu.	50.48 Mill. Bu.
Imports	32.72 Mill. Bu.	45.00 Mill. Bu.	42.00 Mill. Bu.
Total Supply	***173.44 Mill. Bu.***	***130.95 Mill. Bu.***	***127.95 Mill. Bu.***
Food	84.06 Mill. Bu.	80.00 Mill. Bu.	80.00 Mill. Bu.
Seed	2.46 Mill. Bu.	4.60 Mill. Bu.	4.60 Mill. Bu.
Feed & Residual	8.13 Mill. Bu.	0.00 Mill. Bu.	0.00 Mill. Bu.
Exports	43.33 Mill. Bu.	20.00 Mill. Bu.	20.00 Mill. Bu.
Total Use	***137.98 Mill. Bu.***	***104.60 Mill. Bu.***	***104.60 Mill. Bu.***
Ending Stocks	**35.47 Mill. Bu.**	**26.35 Mill. Bu.**	**23.35 Mill. Bu.**

USDA – WASDE – January 12, 2012

Durum Supply & Demand Table

U.S. Durum Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	2.56 Mill. A.	1.37 Mill. A.	1.37 Mill. A.
Harvested A.	2.52 Mill. A.	1.32 Mill. A.	1.32 Mill. A.
Yield/Harvest A.	42.1 bu.	38.19 bu.	38.19 bu.
Begin Stocks	34.65 Mill. Bu.	35.47 Mill. Bu.	35.47 Mill. Bu.
Production	**106.08 Mill. Bu.**	50.48 Mill. Bu.	**50.48 Mill. Bu.**
Imports	32.72 Mill. Bu.	45.00 Mill. Bu.	42.00 Mill. Bu.
Total Supply	***173.44 Mill. B[illegible]***	[illegible]	***127.95 Mill. Bu.***
Food	84.06 M[illegible]	[illegible]	[illegible].00 Mill. Bu.
Seed	2.46 [illegible]	[illegible]	[illegible] Mill. Bu.
Feed & Residual	8.13 [illegible]	[illegible]	[illegible] Mill. Bu.
Exports	43.33 [illegible]	[illegible]	[illegible] Mill. Bu.
Total Use	***137.98 M[illegible]***	[illegible]	***[illegible]0 Mill. Bu.***
Ending Stocks	**35.47 Mill. [illegible]**	[illegible]	**23.35 Mill. Bu.**

***Total Production* is down 52.4% from 2010.**

But, 2010 was a big year.

USDA – WASDE – January 12, 2012

Durum Supply & Demand Table

U.S. Durum Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	2.56 Mill. A.	1.37 Mill. A.	1.37 Mill. A.
Harvested A.	2.52 Mill. A.	1.32 Mill. A.	1.32 Mill. A.
Yield/Harvest A.	42.1 bu.	38.19 bu.	38.19 bu.
Begin Stocks	34.65 Mill. Bu.	35.47 Mill. Bu.	35.47 Mill. Bu.
Production	106.08 Mill. Bu.	50.48 Mill. Bu.	50.48 Mill. Bu.
Imports	**32.72 Mill. Bu.**	45.00 Mill. Bu.	**42.00 Mill. Bu.**
Total Supply	***173.44 Mill. Bu.***	[illegible]	***127.95 Mill. Bu.***
Food	84.06 [illegible]	[illegible]	[illegible] Mill. Bu.
Seed	2.46 [illegible]	[illegible]	[illegible] Mill. Bu.
Feed & Residual	8.1[illegible]	[illegible]	[illegible]
Exports	43.3[illegible]	[illegible]	[illegible]
Total Use	***137.98*** [illegible]	[illegible]	[illegible] ***Mill. Bu.***
Ending Stocks	**35.47** [illegible]	[illegible]	[illegible] **Mill. Bu.**

Increased *Imports* are covering part of the reduction.

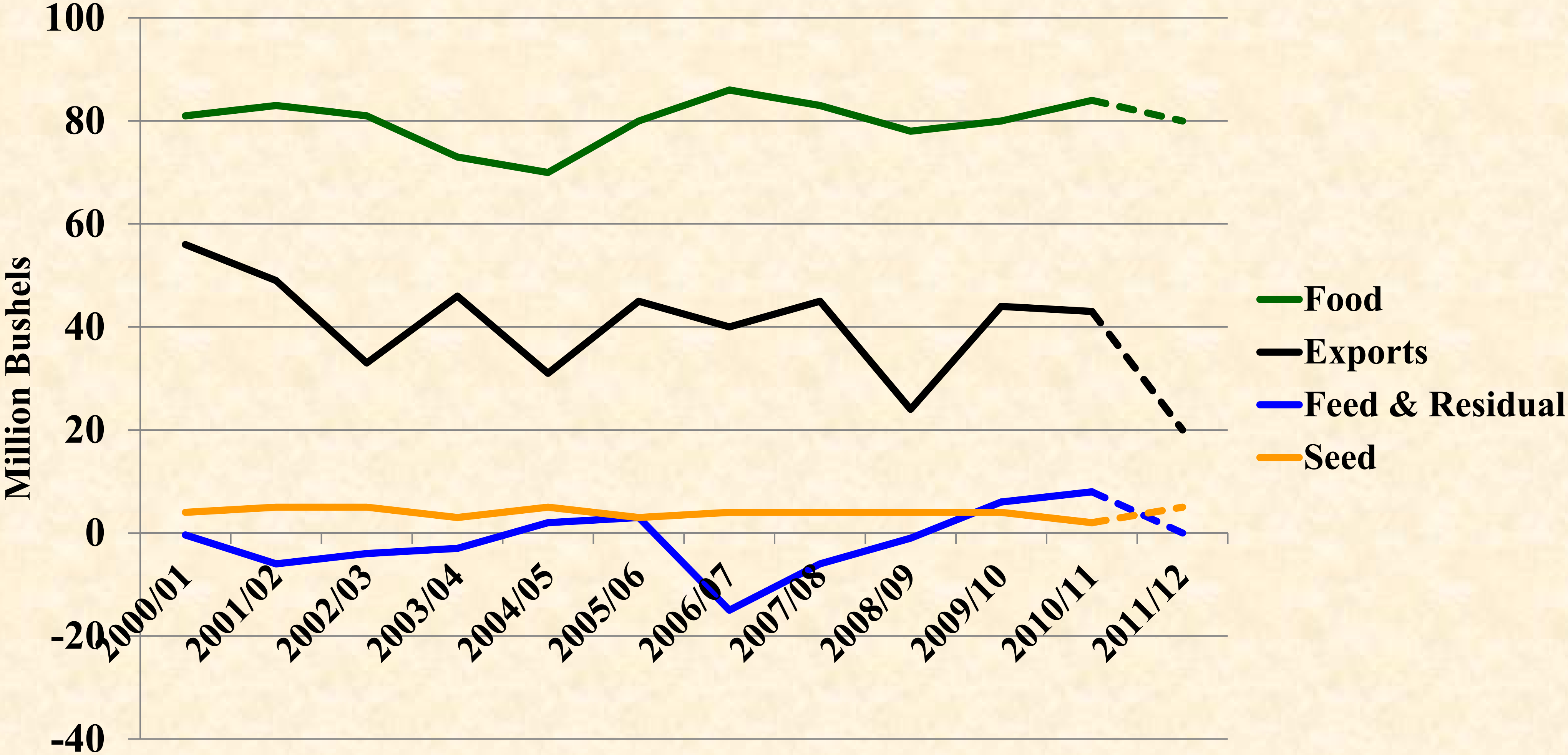
This is new record.

5 year average = 37.4 Mill. Bu.

WASDE – January 12, 2012

Durum Wheat Disappearance

(Million Bushels)



USDA – WASDE – Jan. 12, 2012 & USDA Wheat Yearbook -Table 11

Durum Supply & Demand Table

U.S. Durum Wheat	2010/2011(Est.)	[illegible]	2011/2012(Jan)
Planted A.	2.56 Mill. A	[illegible]	1.37 Mill. A.
Harvested A.	2.52 Mi	[illegible]	2 Mill. A.
Yield/Harvest A.	42.	[illegible]	9 bu.
Begin Stocks	34.65	[illegible]	Mill. Bu.
Production	106.08	[illegible]	Mill. Bu.
Imports	32.72 M	[illegible]	.00 Mill. Bu.
Total Supply	***173.44 Mill. B***	[illegible]	***127.95 Mill. Bu.***
Food	84.06 Mill. Bu.	80.0 Mill. Bu.	80.00 Mill. Bu.
Seed	2.46 Mill. Bu.	4.60 Mill. Bu.	4.60 Mill. Bu.
Feed & Residual	8.13 Mill. Bu.	0.00 Mill. Bu.	0.00 Mill. Bu.
Exports	**43.33 Mill. Bu.**	20.00 Mill. Bu.	**20.00 Mill. Bu.**
Total Use	***137.98 Mill. Bu.***	***104.60 Mill. Bu.***	***104.60 Mill. Bu.***
Ending Stocks	**35.47 Mill. Bu.**	**26.35 Mill. Bu.**	**23.35 Mill. Bu.**

Exports are the lowest since 1988.

53.8 % reduction from 2010/11

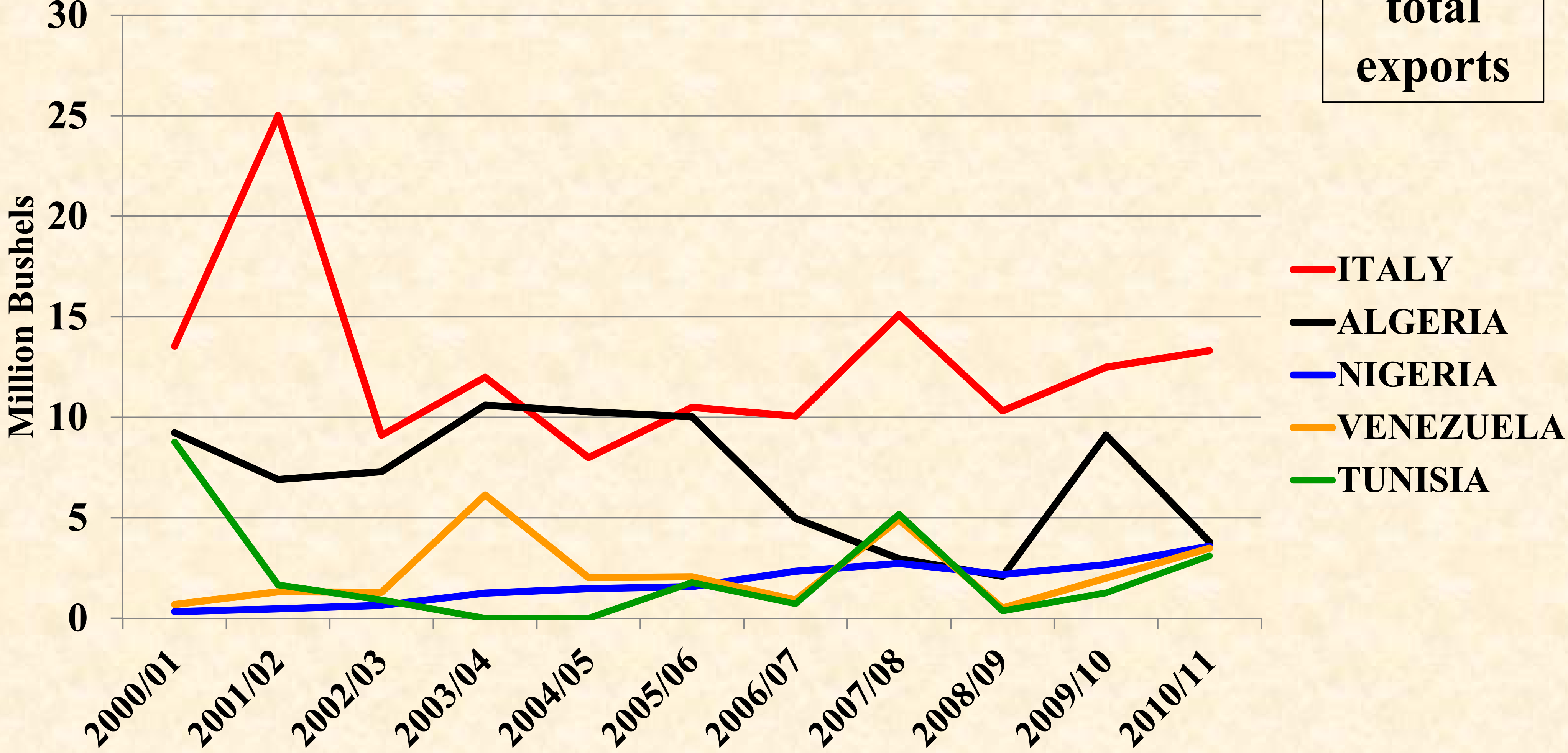
5 year avg. = 39.2 Mill. Bu.

USDA – WASDE – January 12, 2012

Top 5 ***Durum*** Wheat Export Destinations

(Million Bushels)

76% of total exports



USDA – FAS – Custom Query

Durum Supply & Demand Table

U.S. Durum Wheat	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	2.56 Mill. A.	1.37 Mill. A.	1.37 Mill. A.
Harvested A.	2.52 Mill. A.	[illegible]	1.32 Mill. A.
Yield/Harvest A.	42.1 bu.	[illegible]	38.19 bu.
Begin Stocks	34.65 [illegible]	[illegible]	[illegible] Mill. Bu.
Production	106.08 [illegible]	[illegible]	[illegible] Mill. Bu.
Imports	32.72 [illegible]	[illegible]	[illegible] Mill. Bu.
Total Supply	***173.44*** [illegible]	[illegible]	[illegible] ***Mill. Bu.***
Food	84.06 [illegible]	[illegible]	[illegible] Mill. Bu.
Seed	2.46 [illegible]	[illegible]	4.60 Mill. Bu.
Feed & Residual	8.13 Mill. Bu.	[illegible] Mill. Bu.	0.00 Mill. Bu.
Exports	43.33 Mill. Bu.	20.00 Mill. Bu.	20.00 Mill. Bu.
Total Use	***137.98 Mill. Bu.***	***104.60 Mill. Bu.***	***104.60 Mill. Bu.***
Ending Stocks	**35.47 Mill. Bu.**	**26.35 Mill. Bu.**	**23.35 Mill. Bu.**

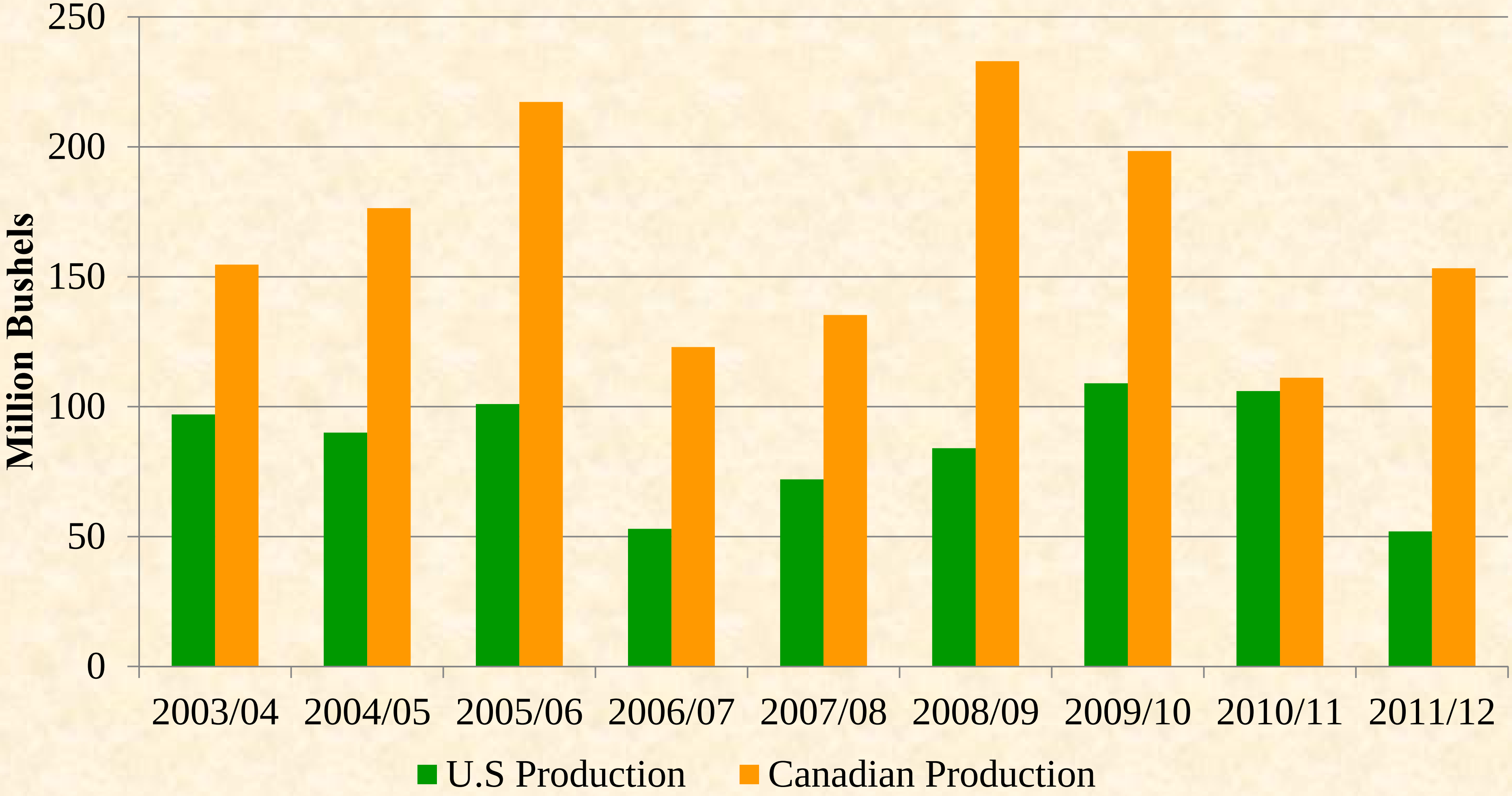
***Ending Stocks* are near 5 year average.**

Will this be realized?

USDA – WASDE – January 12, 2012

U.S. and Canadian Durum Production

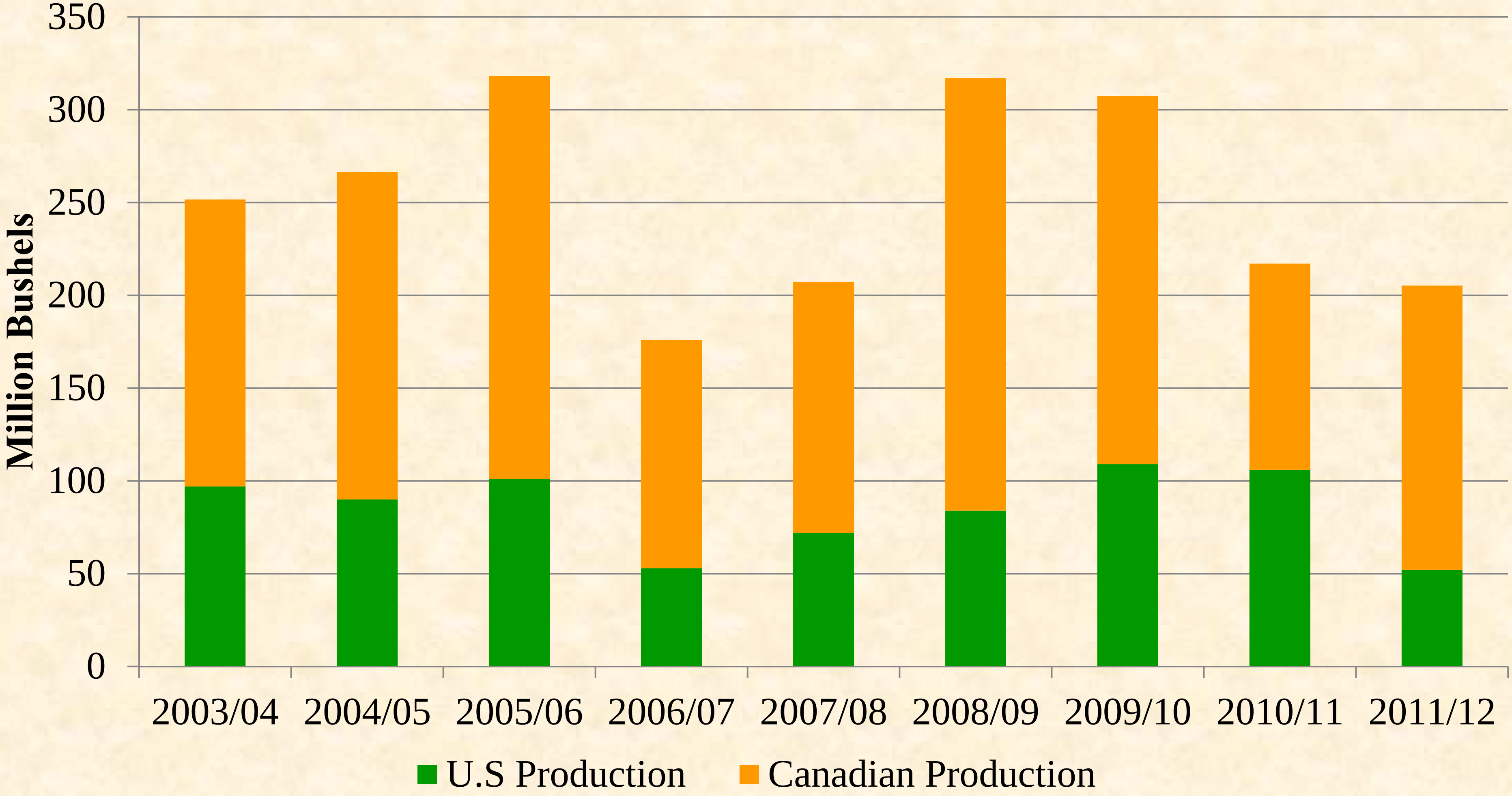
(Million Bushels)



USDA Wheat Yearbook -Table 11 and Statistics Canada Prod. of Principle Field Crops 2009 - 2011

U.S. and Canadian Durum Production

(Million Bushels)



USDA Wheat Yearbook -Table 11 and Statistics Canada Prod. of Principle Field Crops 2009 - 2011

Durum Market Considerations

- Domestic market is very quiet.
- Value of the Euro is impacting exports into Europe (Italy).
- 2011 Canadian durum quality is above average.
- What will happen to 2012 planted acres?
  - Agriculture Canada is forecasting a 19% increase in durum acres (01-17-12)
  - What about U.S. planted acreage?

Barley Update

Barley Supply & Demand Table

U.S. Barley	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	2.87 Mill. A.	2.56 Mill. A.	2.56 Mill. A.
Harvested A.	2.47 Mill. A.	2.24 Mill. A.	2.24 Mill. A.
Yield/Harvest A.	73.1 bu.	69.6 bu.	69.6 bu.
Begin Stocks	115.00 Mill. Bu.	88.40 Mill. Bu.	88.40 Mill. Bu.
Production	180.30 Mill. Bu.	155.80 Mill. Bu.	155.80 Mill. Bu.
Imports	9.50 Mill. Bu.	10.00 Mill. Bu.	10.00 Mill. Bu.
Total Supply	***304.80 Mill. Bu.***	***254.20 Mill. Bu.***	***254.20 Mill. Bu.***
Food, Alcohol, Ind.	154.00 Mill. Bu.	154.00 Mill. Bu.	154.00 Mill. Bu.
Seed	4.80 Mill. Bu.	6.30 Mill. Bu.	6.30 Mill. Bu.
Feed & Residual	50.00 Mill. Bu.	30.00 Mill. Bu.	40.00 Mill. Bu.
Exports	7.60 Mill. Bu.	10.00 Mill. Bu.	10.00 Mill. Bu.
Total Use	***216.40 Mill. Bu.***	***200.30 Mill. Bu.***	***210.30 Mill. Bu.***
Ending Stocks	**88.40 Mill. Bu.**	**53.90 Mill. Bu.**	**43.90 Mill. Bu.**

USDA – WASDE – January 12, 2012

Barley Supply & Demand Table

U.S. Barley	2010/2011(Est.)	2011/2012(Dec)	2011/2012(Jan)
Planted A.	2.87 Mill. A.	2.56 Mill. A.	2.56 Mill. A.
Harvested A.	2.47 Mill. A.	2.24 Mill. A.	2.24 Mill. A.
Yield/Harvest A.	73.1 bu.	69.6 bu.	69.6 bu.
Begin Stocks	115.00 Mill. Bu.	88.40 Mill. Bu.	88.40 Mill. Bu.
Production	**180.30 Mill. Bu.**	155.80 Mill. Bu.	**155.80 Mill. Bu.**
Imports	9.50 Mill. Bu.	10.00 Mill. Bu.	10.00 Mill. Bu.
Total Supply	***304.80 Mill. B***	[illegible]	***254.20 Mill. Bu.***
Food, Alcohol, Ind.	154.00 M	[illegible]	154.00 Mill. Bu.
Seed	4.80	[illegible]	.30 Mill. Bu.
Feed & Residual	50.00	[illegible]	00 Mill. Bu.
Exports	7.60	[illegible]	.00 Mill. Bu.
Total Use	***216.40***	[illegible]	***0.30 Mill. Bu.***
Ending Stocks	**88.40 Mill.**	[illegible]	**43.90 Mill. Bu.**

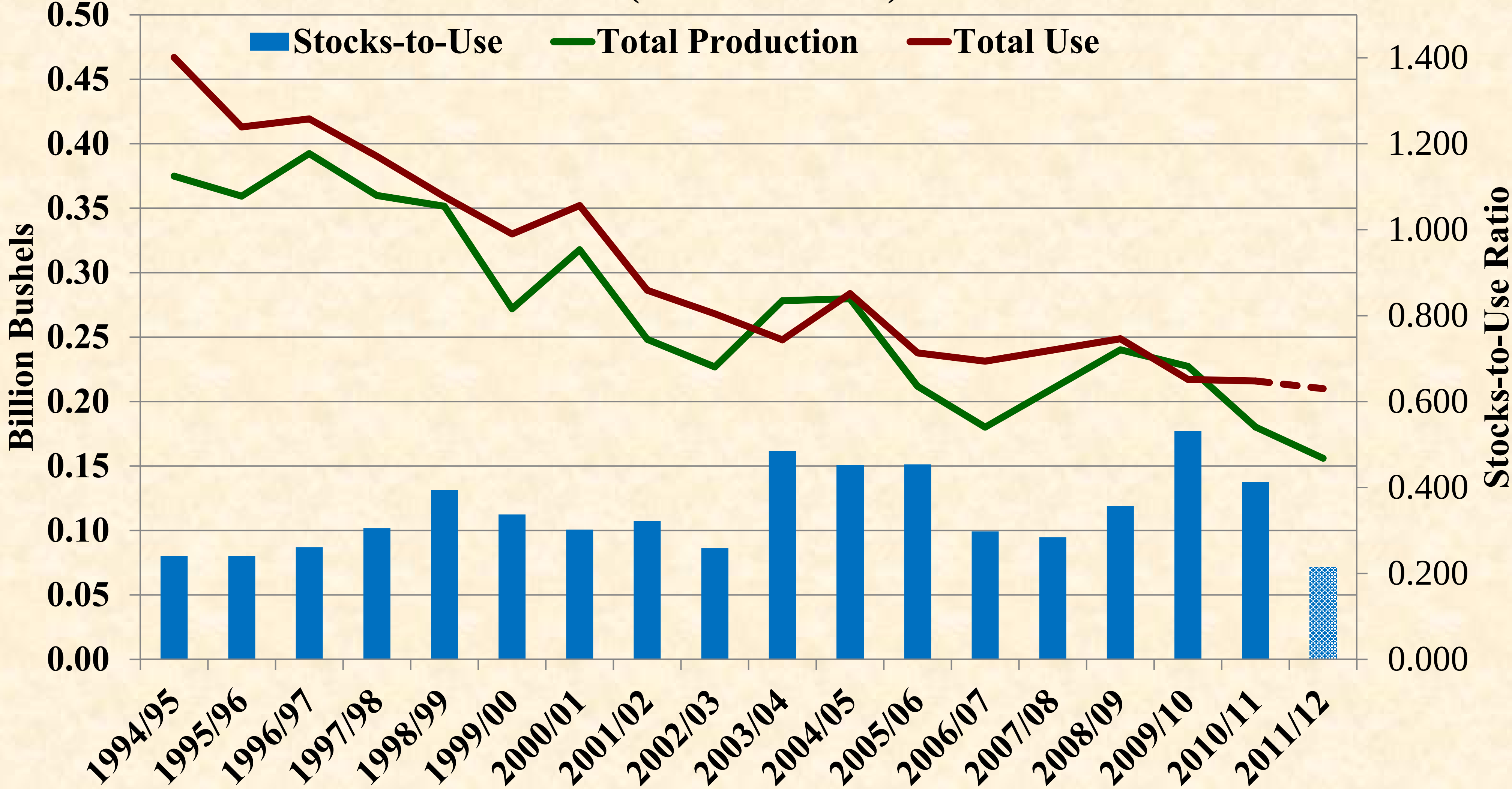
Total Production **is down 13.6% from 2010.**

This is the lowest level since 1975/76

USDA – WASDE – January 12, 2012

All Barley – Total Prod. & Use

(Billion Bushels)



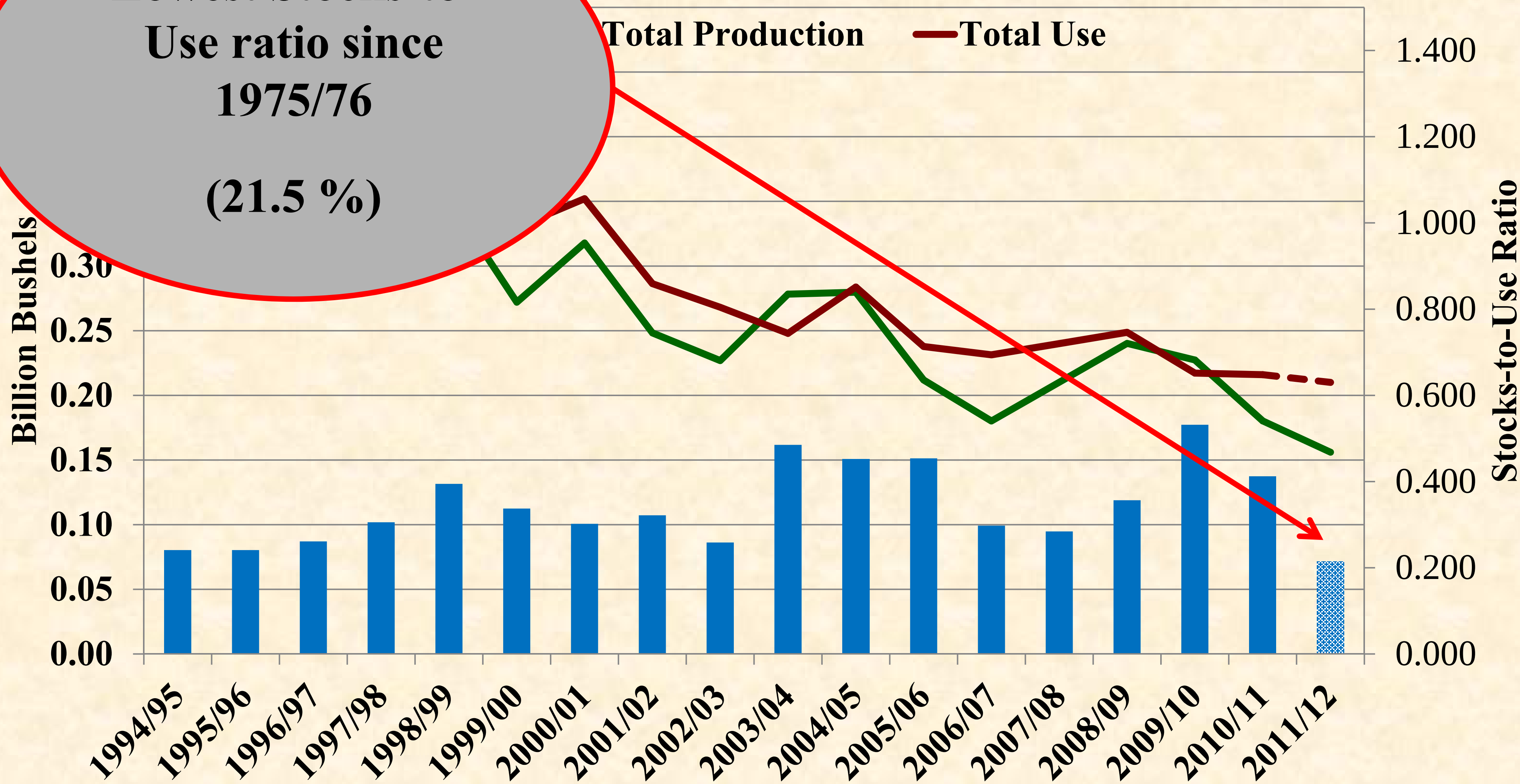
USDA – WASDE – Jan. 12, 2012 & USDA Feed Grains Database

All Barley – Total Prod. & Use

(Billion Bushels)

Lowest Stocks-to-Use ratio since 1975/76

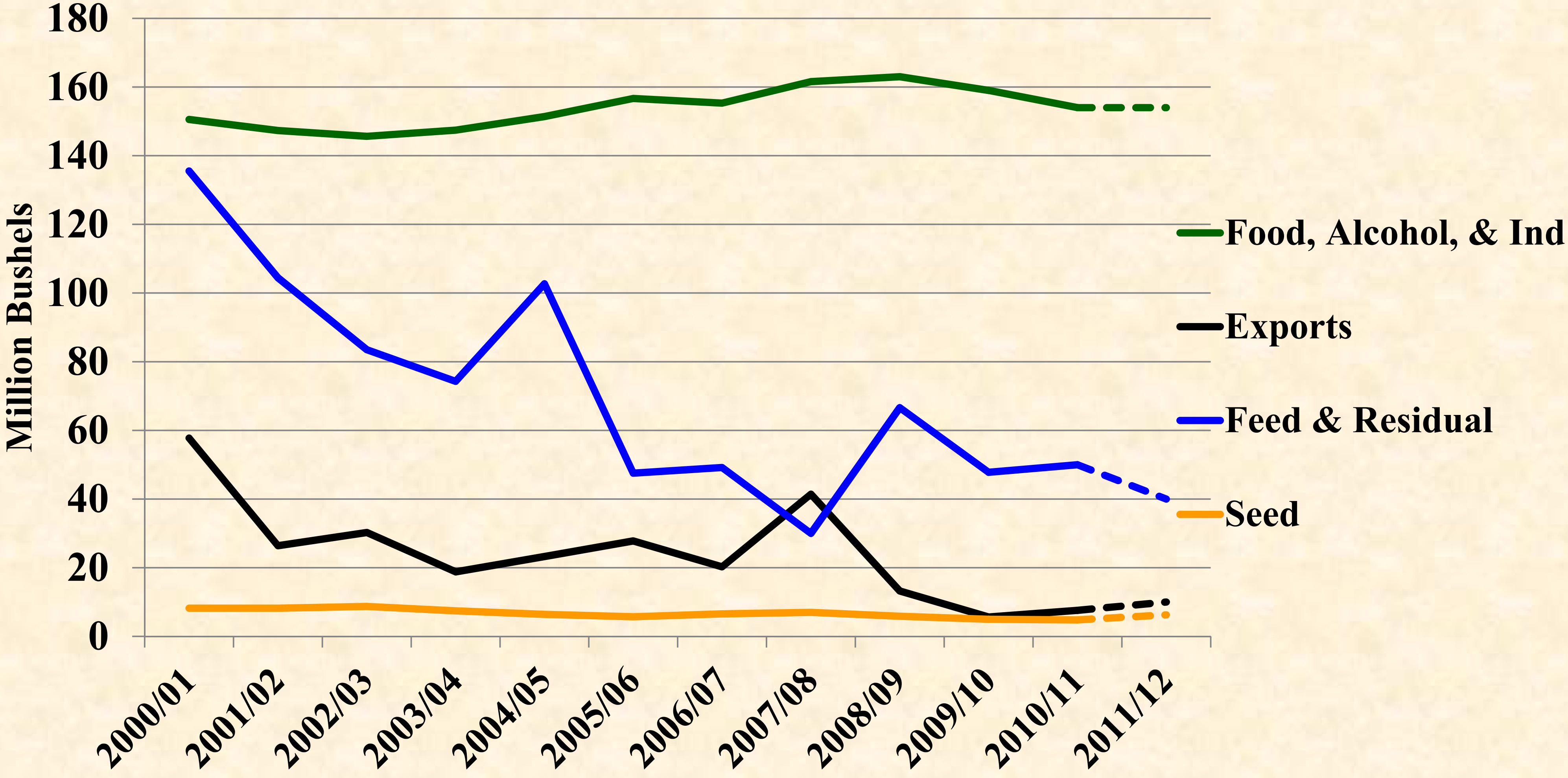
(21.5 %)



USDA – WASDE – Jan. 12, 2012 & USDA Feed Grains Database

All Barley Disappearance

(Million Bushels)



USDA – WASDE – Jan. 12, 2010 & USDA Feed Grains Database

Barley "Market Movers"

- 2012 malt barley contracts were offered early and are almost full.
- 2012 production and quality will be critical.
  - Value of 2011 malt barley stocks
  - Value of 2012 contract over-run
- 2012 Canadian barley acres are projected to increase 22.1%, but approximately 70% is used for feed.
- Quality is always the key.

QUESTIONS & COMMENTS?

Frayne Olson

Dept. of Agribusiness & Applied Econ.

NDSU Dept. 7110

P.O. Box 6050

Fargo, ND 58108-6050

701-231-7377

frayne.olson@ndsu.edu

http://www.ndsu.edu/cropeconomics