

2017/18 Wheat, Durum & Barley Outlook & Strategies

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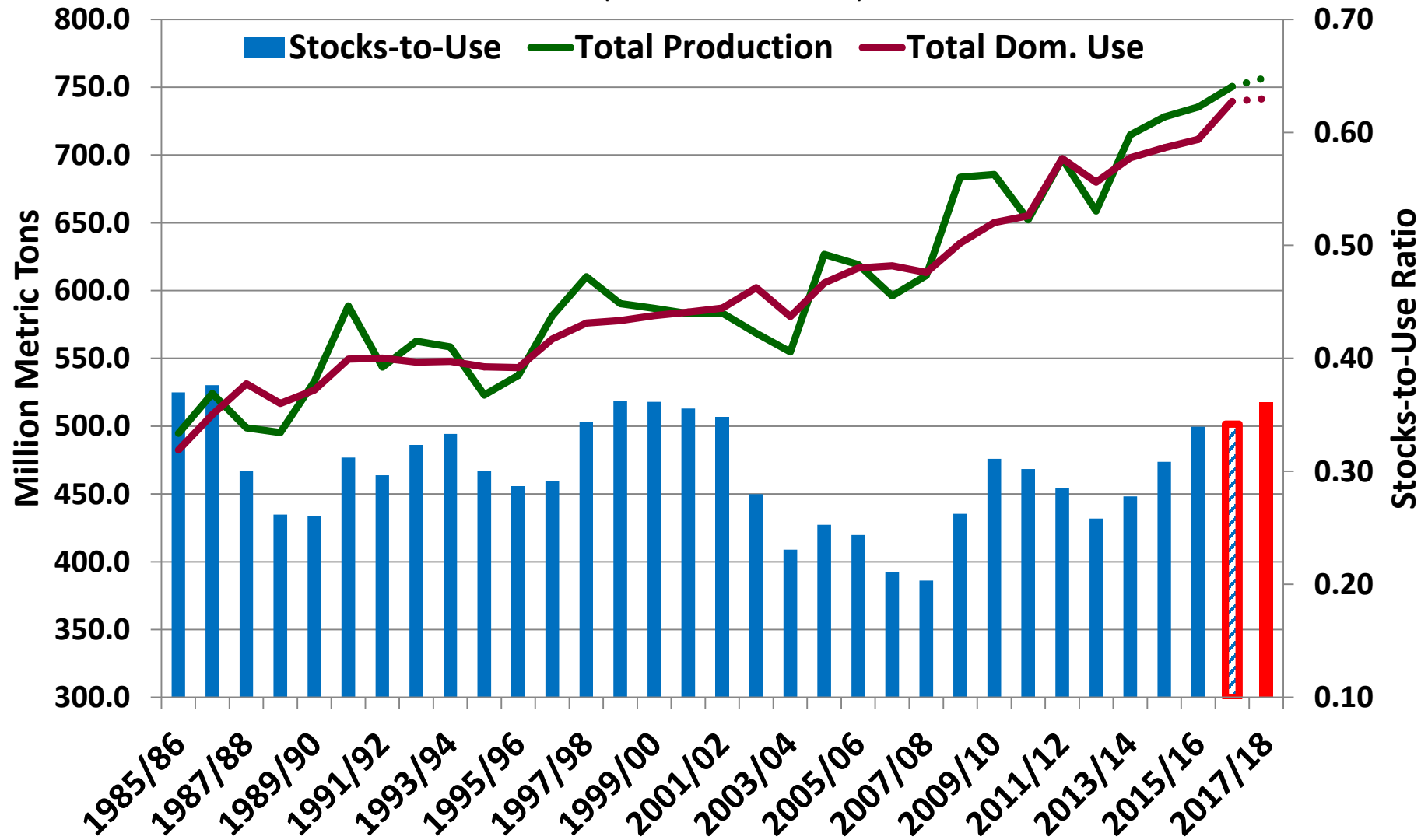
NDSU Extension Service
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Dept. of Agribusiness & Applied Economics

EXTENDING KNOWLEDGE >> CHANGING LIVES

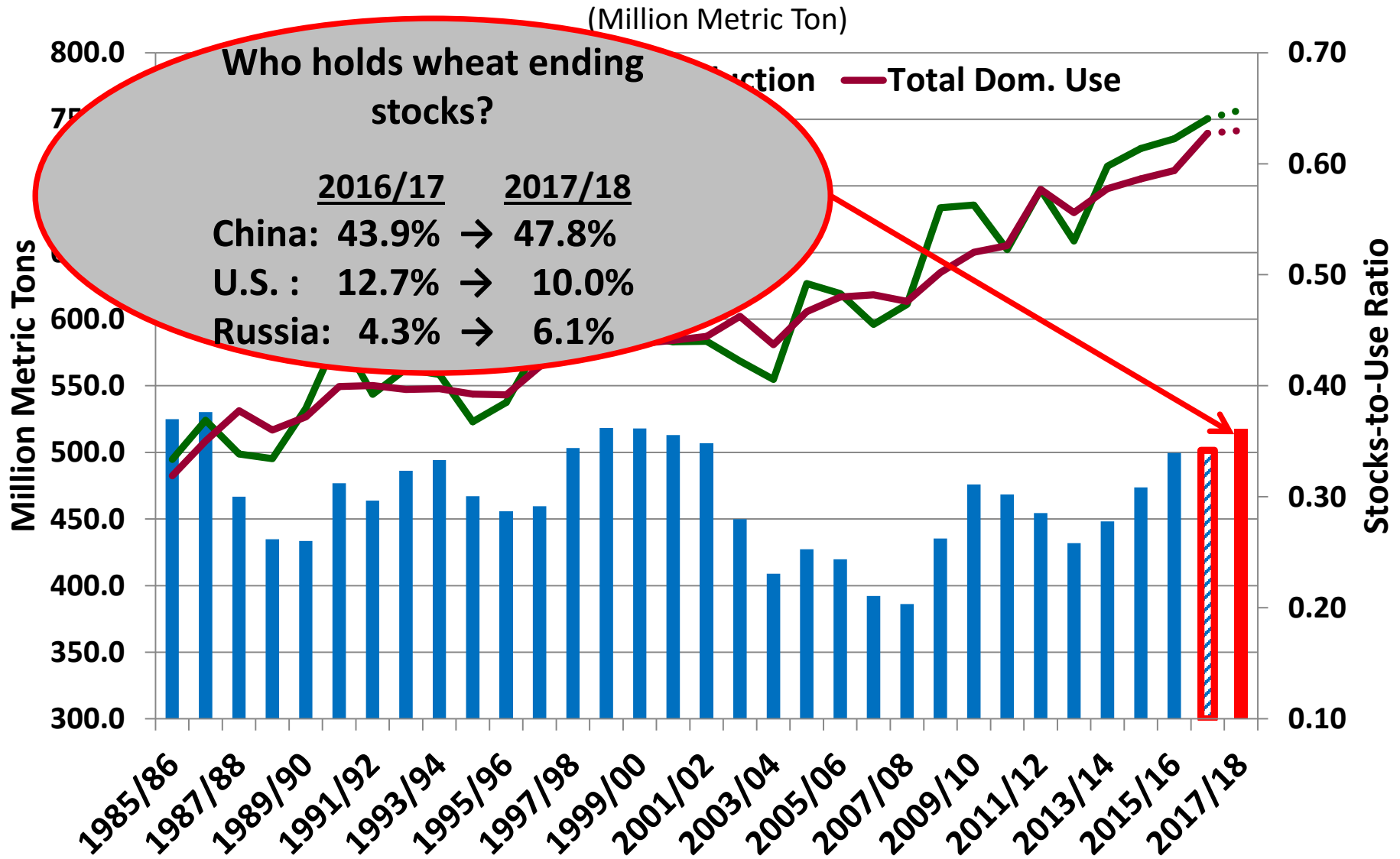
NDSU EXTENSION
SERVICE

World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)

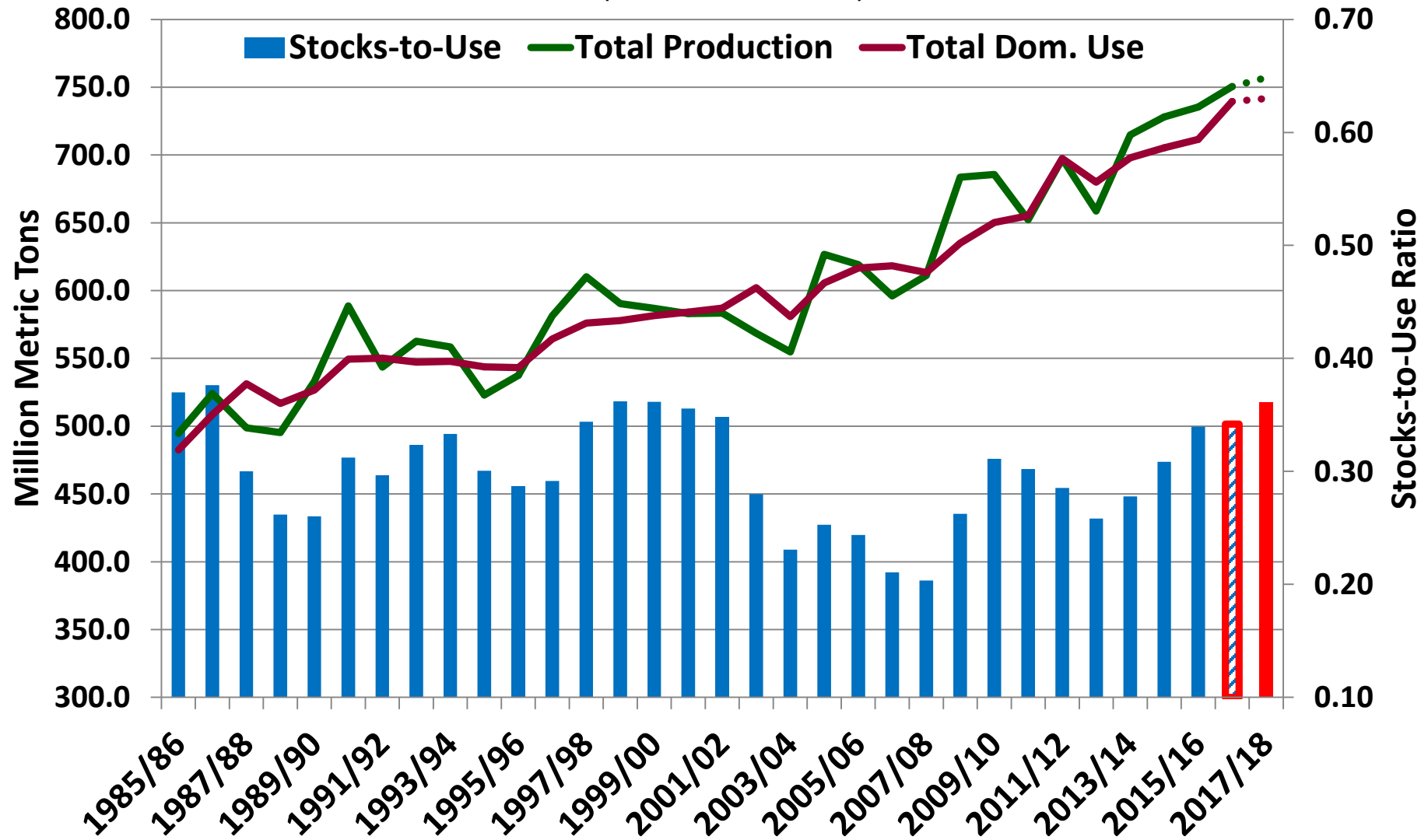


World Wheat Prod, Use & Stocks/Use



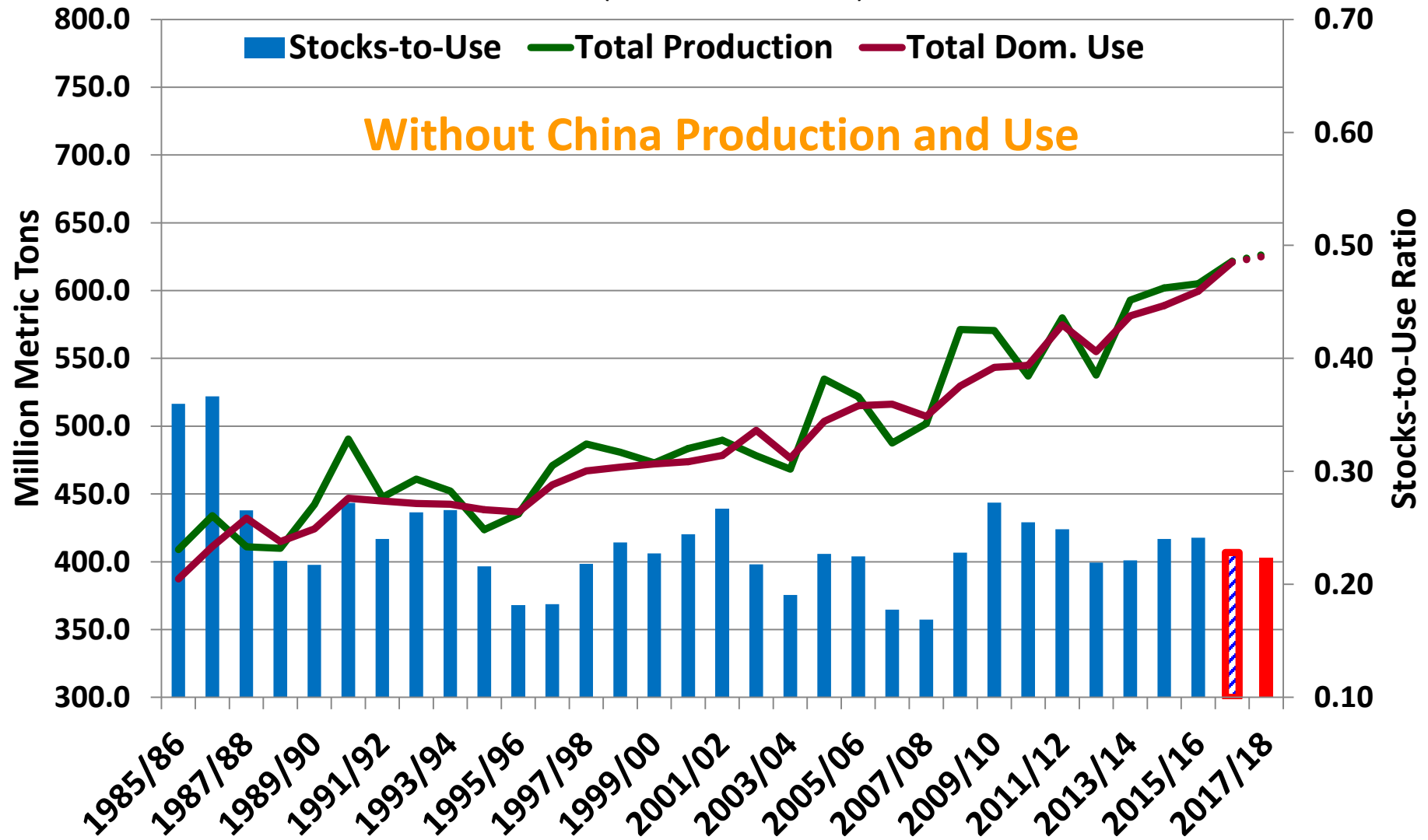
World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)

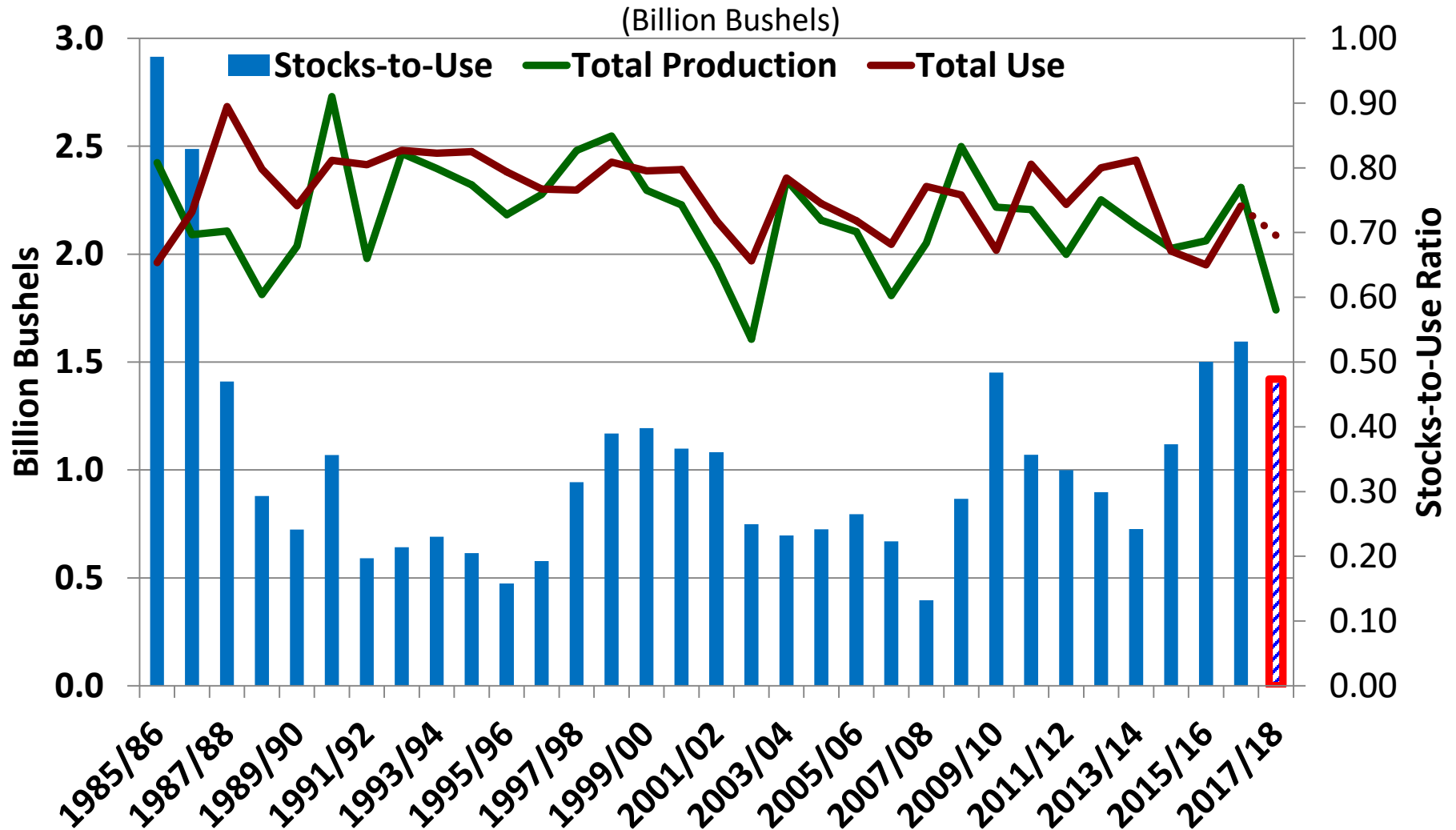


World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)



U.S. All Wheat – Total Prod. & Use



U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Jan)
Planted A.	55.0 Mill. A.	50.1 Mill. A.	46.0 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	37.6 Mill. A.
Yield/Harvest A.	43.6 bu.	52.7 bu.	46.3 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,181 Mill. Bu.
Production	2,062 Mill. Bu.	2,309 Mill. Bu.	1,741 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	155 Mill. Bu.
Total Supply	2,927 Mill. Bu.	3,402 Mill. Bu.	3,076 Mill. Bu.
Food	957 Mill. Bu.	949 Mill. Bu.	950 Mill. Bu.
Seed	67 Mill. Bu.	61 Mill. Bu.	62 Mill. Bu.
Feed & Residual	149 Mill. Bu.	157 Mill. Bu.	100 Mill. Bu.
Exports	778 Mill. Bu.	1,055 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,222 Mill. Bu.	2,087 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,181 Mill. Bu.	989 Mill. Bu.

U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Jan)
Planted A.	55.0 Mill. A.	50.1 Mill. A.	46.0 Mill. A.
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Yield/Harvest A.	43.6 bu.	52.7 bu.	46.3 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,181 Mill. Bu.
Production	1,741 Mill. Bu.	1,741 Mill. Bu.	1,741 Mill. Bu.
Imports	155 Mill. Bu.	155 Mill. Bu.	155 Mill. Bu.
Food	3,076 Mill. Bu.	3,076 Mill. Bu.	3,076 Mill. Bu.
Seed	62 Mill. Bu.	62 Mill. Bu.	62 Mill. Bu.
Feed & Residual	149 Mill. Bu.	157 Mill. Bu.	100 Mill. Bu.
Exports	778 Mill. Bu.	1,055 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,222 Mill. Bu.	2,087 Mill. Bu.
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Planted Acreage is lowest since 1919, when USDA first began to track wheat plantings.

Winter Wheat Seedings Report

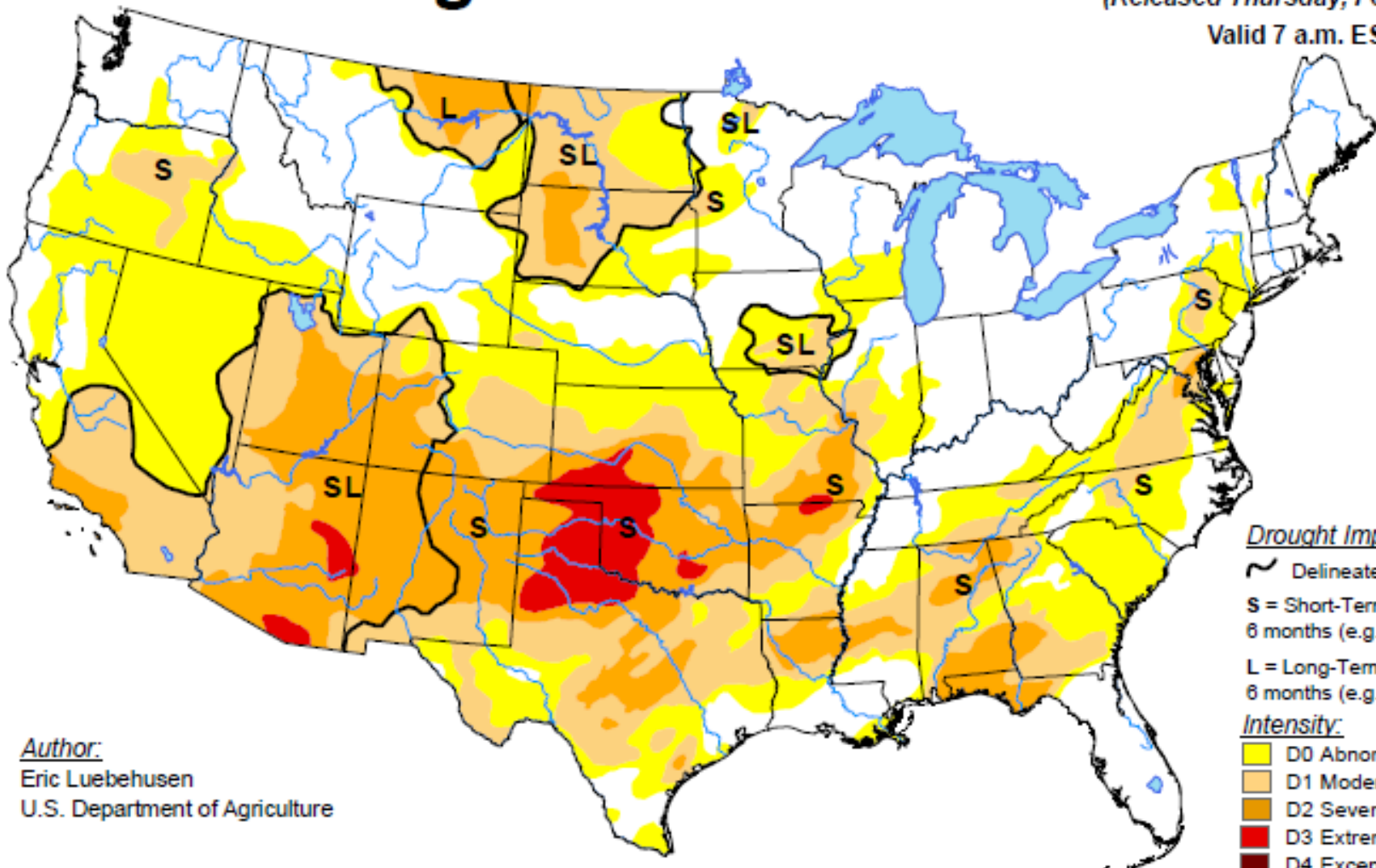
Winter Wheat Seedings (million acres)				
	Total Winter	Hard Red Winter	Soft Red Winter	White Winter
Average Trade Estimate	31.307	22.327	5.555	3.435
Highest Trade Estimate	32.000	23.100	5.900	3.600
Lowest Trade Estimate	30.100	21.100	5.180	3.120
USDA 2017 seedings	32.696	23.426	5.733	3.537
USDA 2018 seedings	32.608	23.100	5.980	3.560

U.S. Drought Monitor

February 6, 2018

(Released Thursday, Feb. 8, 2018)

Valid 7 a.m. EST



Drought Impact Types:

~ Delineates dominant imp

S = Short-Term, typically less t
6 months (e.g. agriculture, gra

L = Long-Term, typically great
6 months (e.g. hydrology, ecol

Intensity:

Yellow D0 Abnormally Dry

Orange D1 Moderate Drought

Brown D2 Severe Drought

Red D3 Extreme Drought

Dark Red D4 Exceptional Drought

Author:

Eric Luebehusen

U.S. Department of Agriculture

U.S. Winter Wheat Areas Experiencing Drought

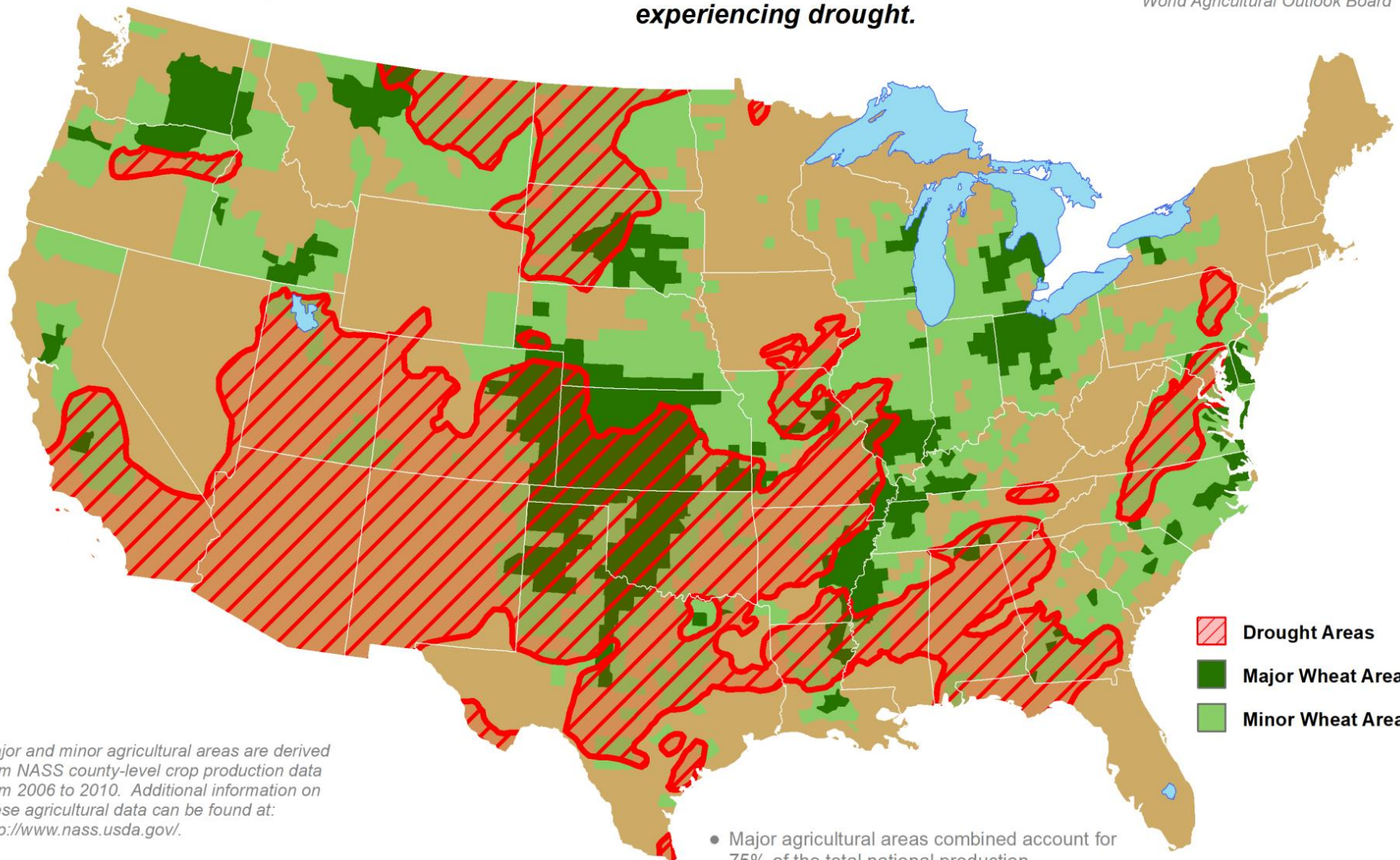


United States
Department of
Agriculture

Reflects **January 30, 2018**
U.S. Drought Monitor data

Approximately **47%** of winter wheat
production is within an area
experiencing drought.

This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board



-  Drought Areas
-  Major Wheat Area
-  Minor Wheat Area

Major and minor agricultural areas are derived from NASS county-level crop production data from 2006 to 2010. Additional information on these agricultural data can be found at: <http://www.nass.usda.gov/>.

Mapped drought areas are derived from the U.S. Drought Monitor product and do not depict the intensity of drought in any particular location. More information on the Drought Monitor can be found at: <http://droughtmonitor.unl.edu/>.

- Major agricultural areas combined account for 75% of the total national production.
- Major and minor agricultural areas combined account for 99% of the total national production.

U.S. Spring Wheat Areas Experiencing Drought

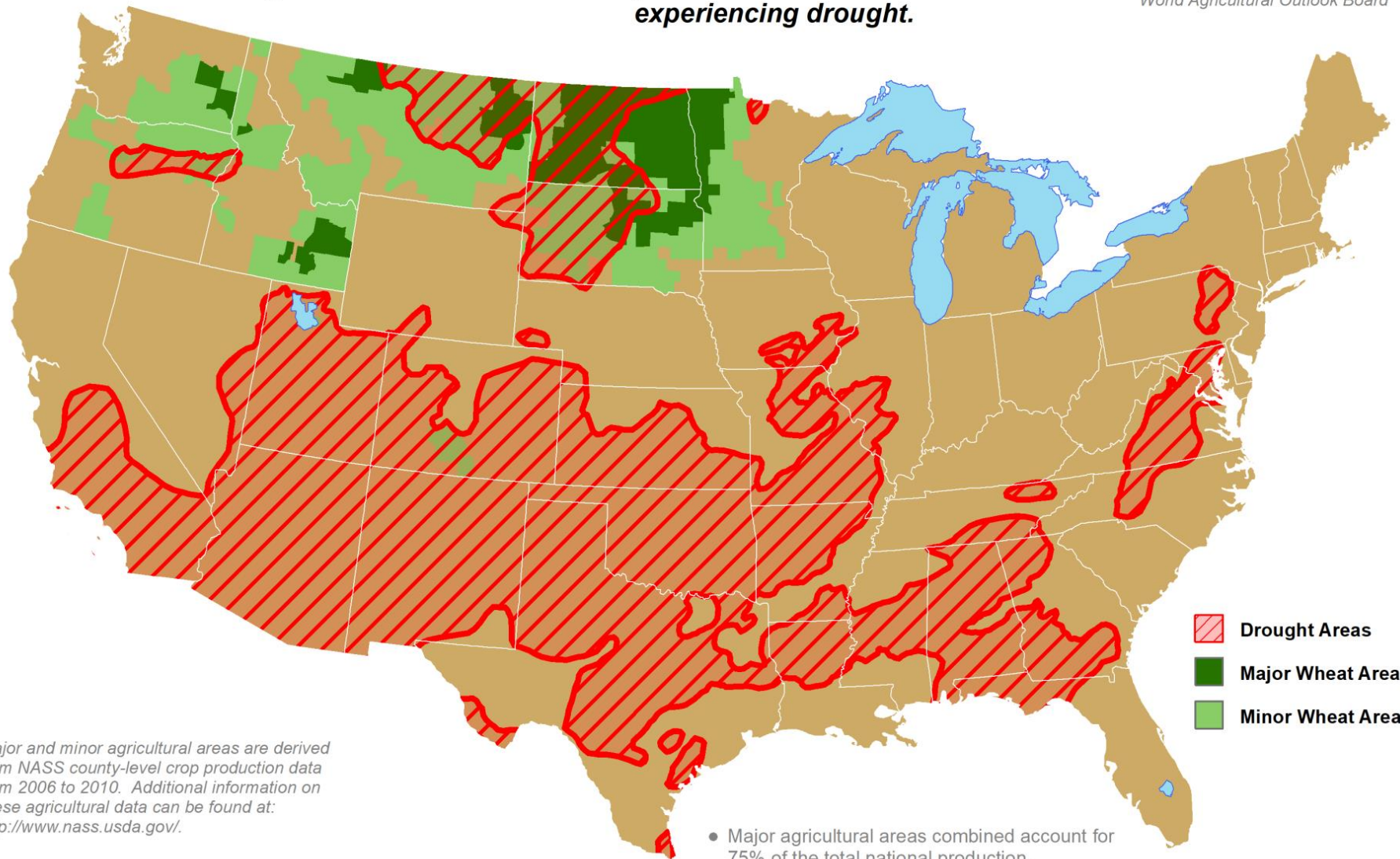


United States
Department of
Agriculture

Reflects **January 30, 2018**
U.S. Drought Monitor data

Approximately **44%** of spring wheat
production is within an area
experiencing drought.

This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board



-  Drought Areas
-  Major Wheat Area
-  Minor Wheat Area

Major and minor agricultural areas are derived from NASS county-level crop production data from 2006 to 2010. Additional information on these agricultural data can be found at: <http://www.nass.usda.gov/>.

Mapped drought areas are derived from the U.S. Drought Monitor product and do not depict the intensity of drought in any particular location. More information on the Drought Monitor can be found at: <http://droughtmonitor.unl.edu/>.

- Major agricultural areas combined account for 75% of the total national production.
- Major and minor agricultural areas combined account for 99% of the total national production.

North American Drought Monitor

December 31, 2017

<http://www.ncdc.noaa.gov/nadm.html>

Released: Thursday, January 11, 2018

Analysts:

Canada - Trevor Hadwen
Maginda Magendhathajan
Mexico - Adelina Albanil
Minerva Lopez
U.S.A. - Eric Luebehusen
Brad Pugh*

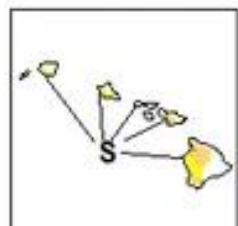
(* Responsible for collecting analysts' input & assembling the NADM map)

Intensity:

-  D0 Abnormally Dry
-  D1 Drought - Moderate
-  D2 Drought - Severe
-  D3 Drought - Extreme
-  D4 Drought - Exceptional

Drought Impact Types:

-  Delineates dominant impacts
- S = Short-Term, typically <6 months
(e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months
(e.g. hydrology, ecology)



NATIONAL DROUGHT
MITIGATION CENTER
UNIVERSITY OF CALIFORNIA

CONAGUA
COMISION NACIONAL DEL AGUA



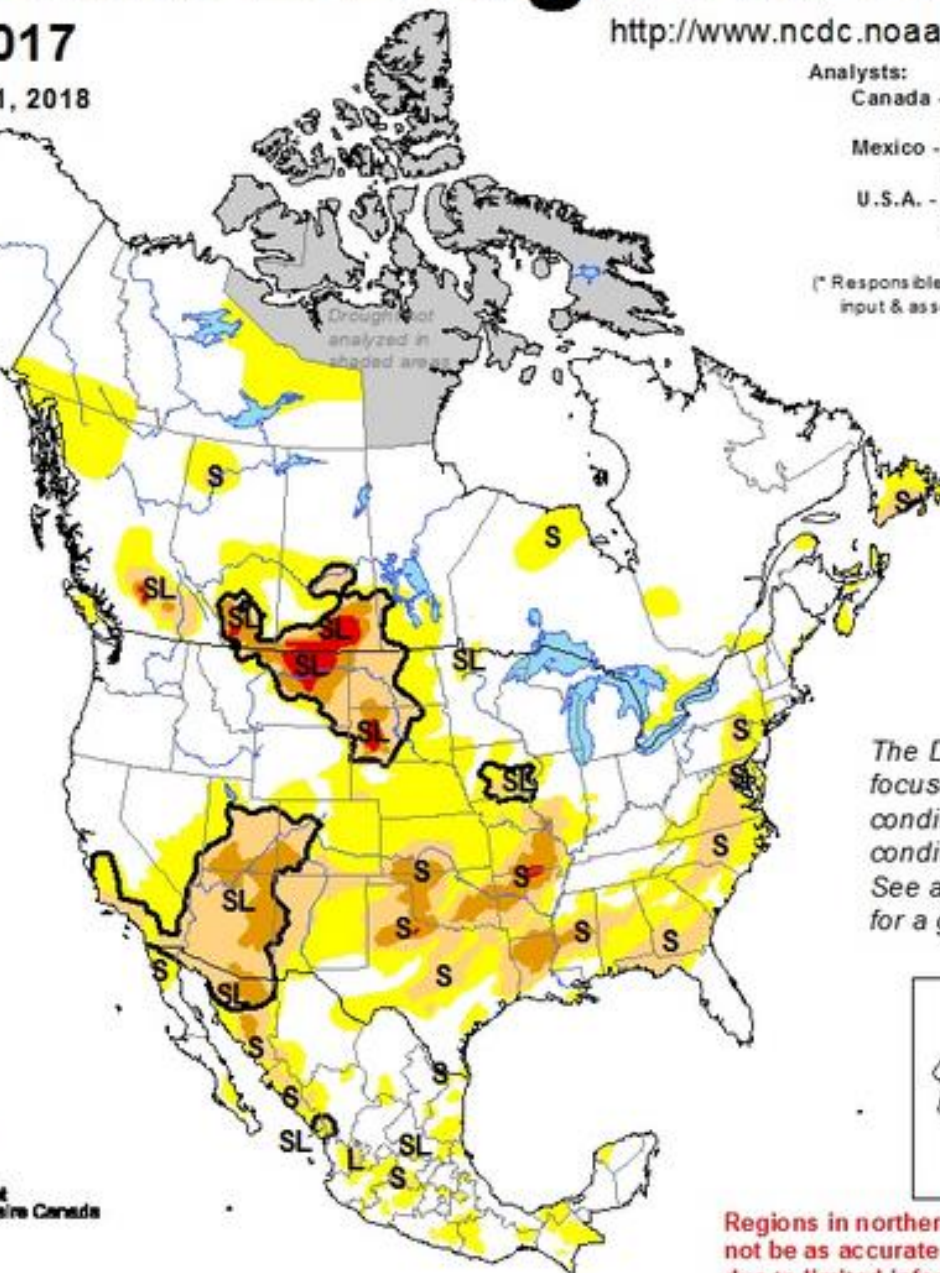
Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

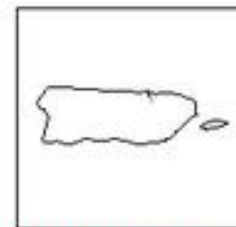


Environment
Canada

Environnement
Canada



The Drought Monitor
focuses on broad-scale
conditions. Local
conditions may vary.
See accompanying text
for a general summary.



Regions in northern Canada may
not be as accurate as other regions
due to limited information.

U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Jan)
Planted A.	55.0 Mill. A.	50.1 Mill. A.	46.0 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	37.6 Mill. A.
Yield/Harvest A.	43.6 bu.	52.7 bu.	46.3 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,181 Mill. Bu.
Production	2,062 Mill. Bu.	2,309 Mill. Bu.	1,741 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	155 Mill. Bu.
Total Supply	3,927 Mill. Bu.	4,403 Mill. Bu.	3,076 Mill. Bu.
Food			950 Mill. Bu.
Seed			62 Mill. Bu.
Feed			100 Mill. Bu.
Export			975 Mill. Bu.
Total Use	2,087 Mill. Bu.	2,087 Mill. Bu.	2,087 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,181 Mill. Bu.	989 Mill. Bu.

2017 N.D. Avg. HRSW = 41.0 bu./a.

2016 N.D. Avg. HRSW = 46.0 bu./a.

2017 N.D. Avg. Durum = 24.0 bu./a.

2016 N.D. Avg. Durum = 40.5 bu./a.

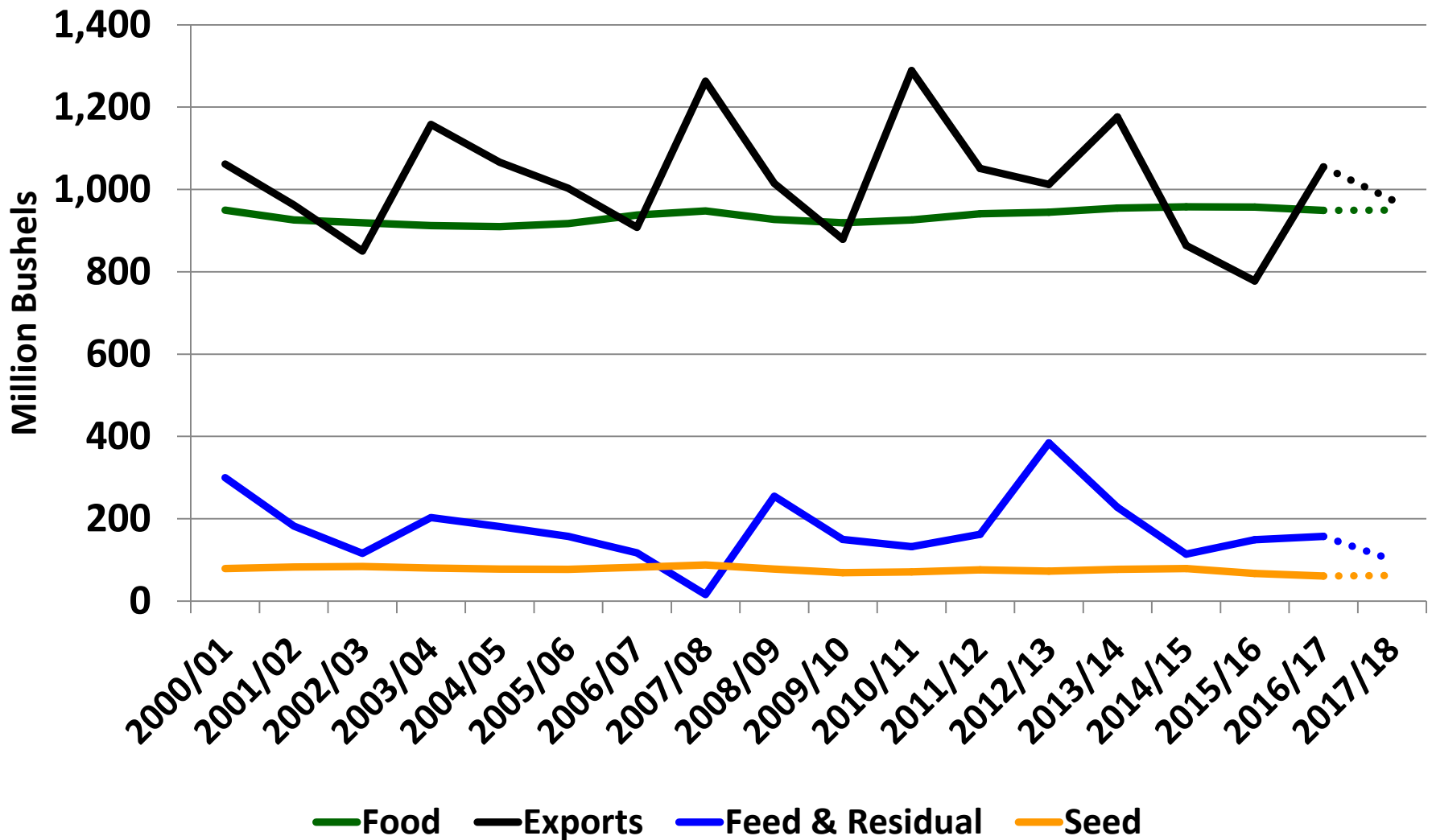
U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2015/2016	2016/2017 (est.)	2017/2018 (Jan)
Planted A.	55.0 Mill. A.	50.1 Mill. A.	46.0 Mill. A.
Harvested A.	47.3 Mill. A.	43.9 Mill. A.	37.6 Mill. A.
Yield/Harvest A.	43.6 bu.	52.7 bu.	46.3 bu.
Begin Stocks	752 Mill. Bu.	976 Mill. Bu.	1,181 Mill. Bu.
Production	2,062 Mill. Bu.	2,309 Mill. Bu.	1,741 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	155 Mill. Bu.
Total Supply	2,927 Mill. Bu.	3,402 Mill. Bu.	3,076 Mill. Bu.
Food		949 Mill. Bu.	950 Mill. Bu.
Seed		61 Mill. Bu.	62 Mill. Bu.
Export		1,299 Mill. Bu.	1,000 Mill. Bu.
Total Use		2,222 Mill. Bu.	2,087 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,181 Mill. Bu.	989 Mill. Bu.

**Total Production is
24.6% below 2016, and
lowest since 2002.**

U.S. All Wheat Use

(Million Bushels)



U.S. All Wheat Supply & Demand Table

U.S. All Wheat		2016/2017 (est.)	2017/2018 (Jan)
Planting		50.1 Mill. A.	46.0 Mill. A.
Harvest		43.9 Mill. A.	37.6 Mill. A.
Yield		52.7 bu.	46.3 bu.
Beginning Stocks		976 Mill. Bu.	1,181 Mill. Bu.
Production		2,309 Mill. Bu.	1,741 Mill. Bu.
Imports	113 Mill. Bu.	118 Mill. Bu.	155 Mill. Bu.
Total Supply	2,927 Mill. Bu.	3,402 Mill. Bu.	3,076 Mill. Bu.
Food	957 Mill. Bu.	949 Mill. Bu.	950 Mill. Bu.
Seed	67 Mill. Bu.	61 Mill. Bu.	62 Mill. Bu.
Feed & Residual	149 Mill. Bu.	157 Mill. Bu.	100 Mill. Bu.
Exports	778 Mill. Bu.	1,055 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,222 Mill. Bu.	2,087 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,181 Mill. Bu.	989 Mill. Bu.

Food use changes with U.S. population growth and flour extraction rates.

U.S. All Wheat Supply & Demand Table

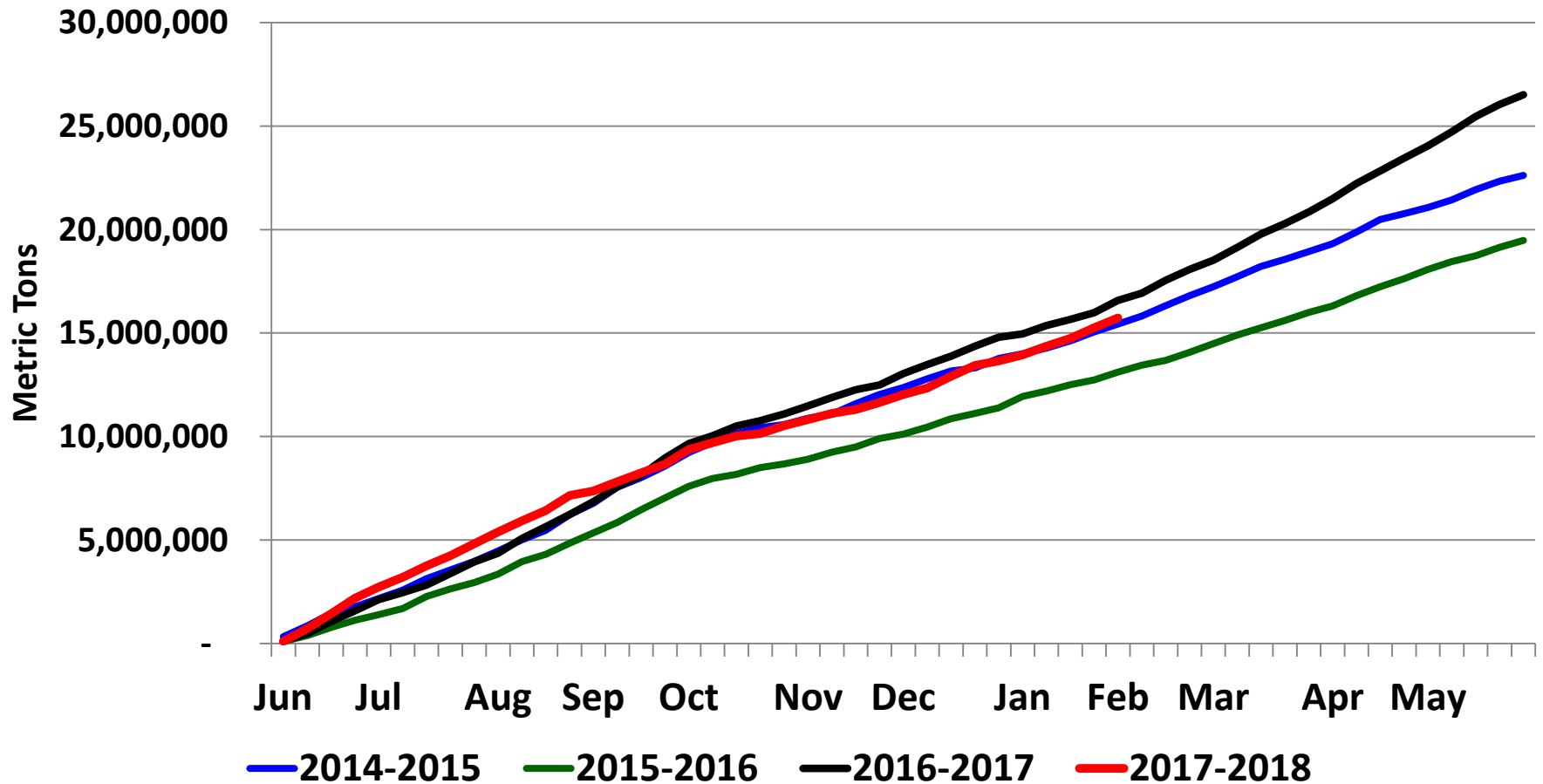
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Harvested A.	47.3 Mill. A.	43.9 Mill. A.	37.6 Mill. A.
Yield/Harvest A.	43.6 bu.	52.7 bu.	46.3 bu.
Begin Stocks	752 Mill. Bu.	876 Mill. Bu.	1,181 Mill. Bu.
Production	1,741 Mill. Bu.	1,741 Mill. Bu.	1,741 Mill. Bu.
Imports	55 Mill. Bu.	55 Mill. Bu.	55 Mill. Bu.
Total Supply	3,076 Mill. Bu.	3,076 Mill. Bu.	3,076 Mill. Bu.
Food	950 Mill. Bu.	950 Mill. Bu.	950 Mill. Bu.
Seed	67 Mill. Bu.	61 Mill. Bu.	62 Mill. Bu.
Feed & Residual	149 Mill. Bu.	157 Mill. Bu.	100 Mill. Bu.
Exports	778 Mill. Bu.	1,055 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,222 Mill. Bu.	2,087 Mill. Bu.
Ending Stocks	976 Mill. Bu.	1,181 Mill. Bu.	989 Mill. Bu.

Exports are critical for U.S. wheat prices and are forecast to decrease 7.6%.

Weekly U.S. All Wheat Export Sales

(06/01/2014 – 02/01/2018)

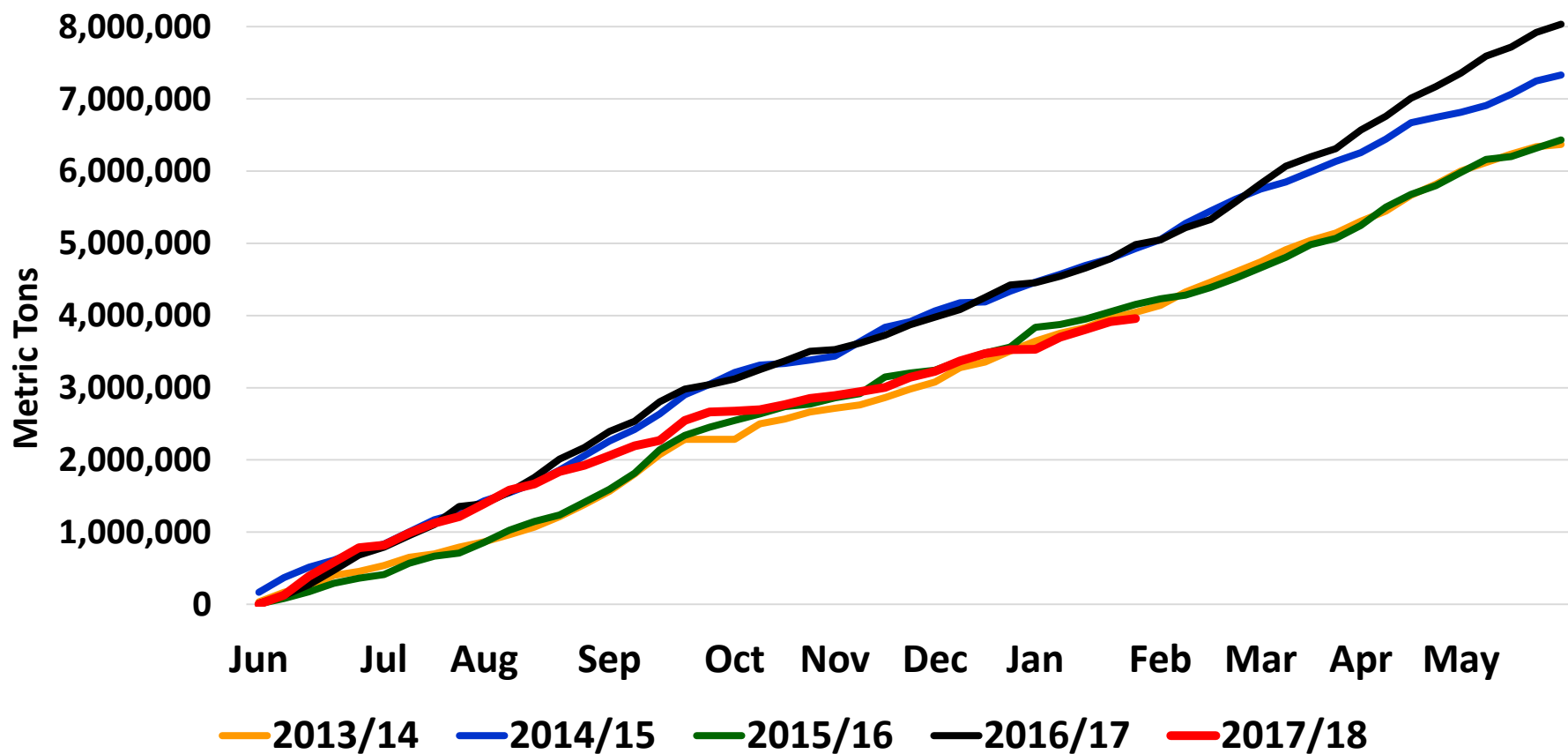
Accumulated Exports



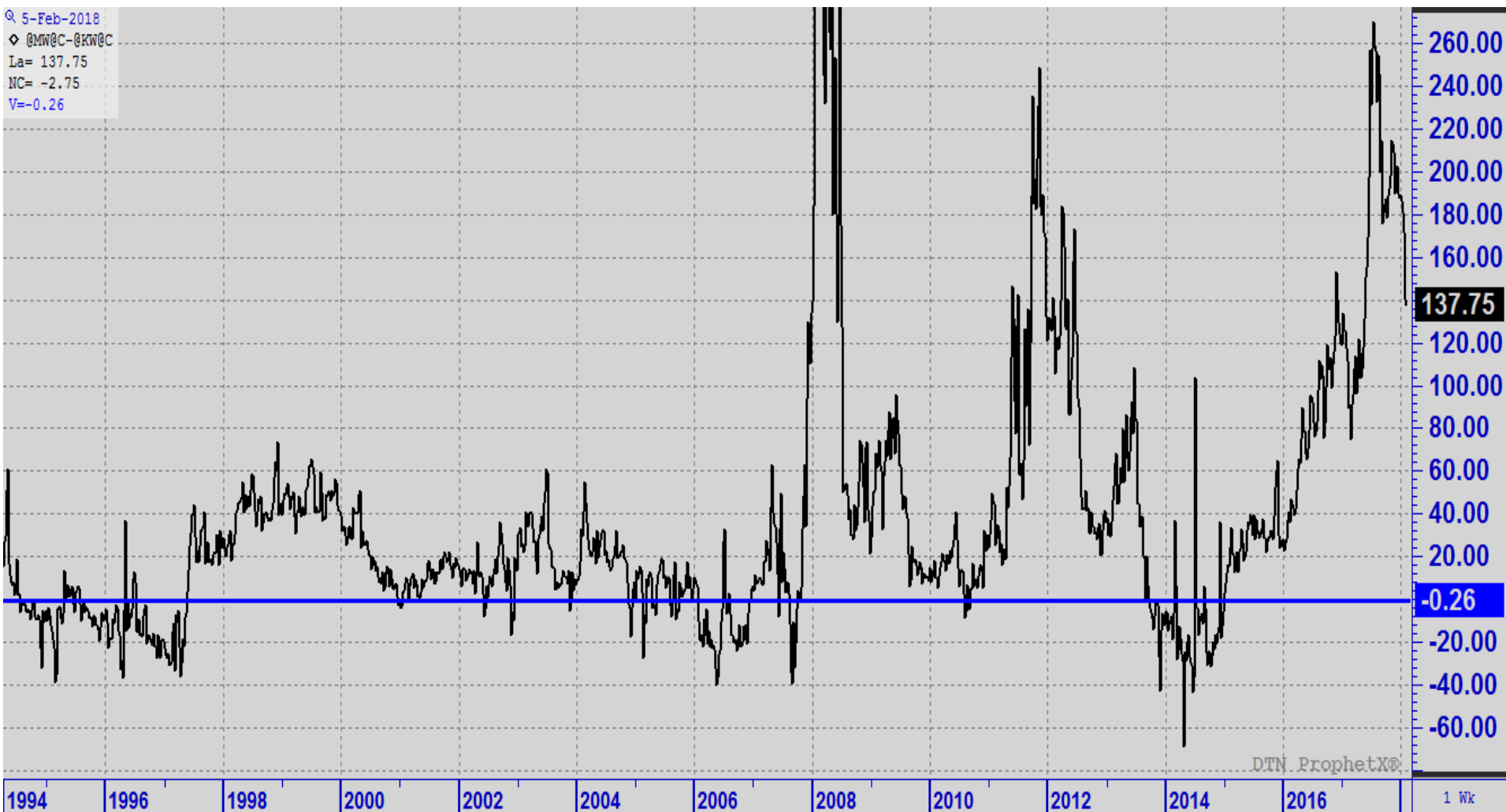
Weekly U.S. HRS Wheat Export Sales

(06/06/2013 – 02/01/2018)

Accumulated Exports



Nearby MGEX Wheat – Nearby KC Wheat



U.S. All Wheat Export Destinations

(1,000 Metric Ton)

Country	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Mexico	3,495.9	2,760.5	2,940.3	2,721.1	2,318.1	3,089.7
Japan	3,512.1	3,544.0	2,674.3	3,120.5	2,434.0	2,819.7
Philippines	2,038.6	1,965.2	2,013.1	2,337.9	2,118.4	2,729.2
Nigeria	3,248.0	3,002.1	2,629.4	1,904.0	1,401.2	1,540.4
South Korea	1,983.0	1,385.0	1,287.0	1,148.1	1,073.7	1,275.5
Taiwan	887.9	1,038.1	980.0	1,001.6	1,033.7	1,049.1

Trans-Pacific Partnership 11

- Trade agreement including:
 - Australia, New Zealand, Canada, Japan, Mexico, Brunei, Chile, Malaysia, Peru, Singapore, Vietnam.
- Will be signed on March 8, 2018
- When fully implemented, will give Australia and Canada a \$65/mt. reduction in tariff rates relative to the U.S.
 - \$65/mt. = \$1.77/bu.

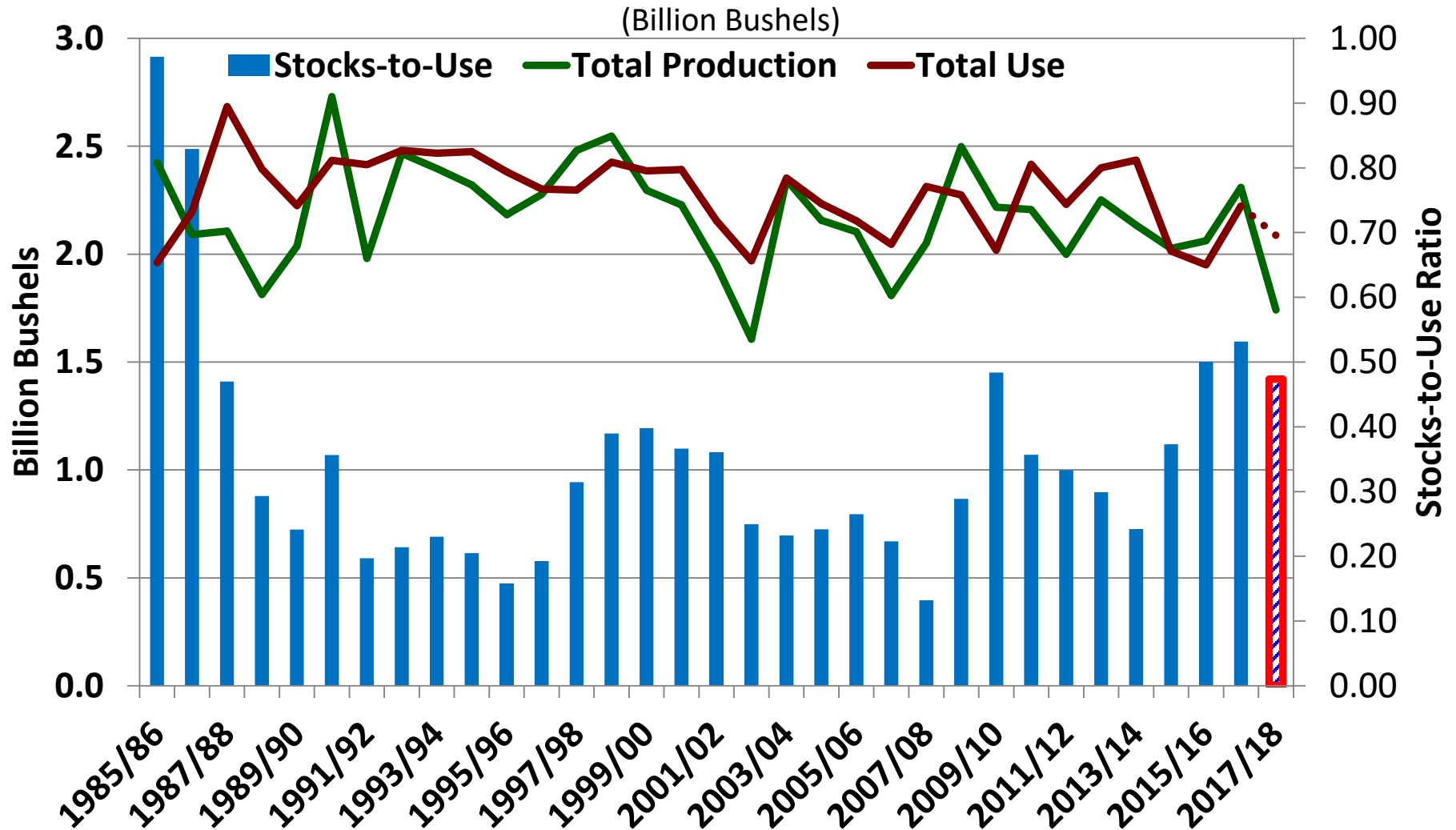
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Harvested A.	47.3 Mill. A.	43.9 Mill. A.	37.6 Mill. A.
Yield/Harvest A.	42.6 bu.	52.7 bu.	46.3 bu.
Begin Stocks		1,181 Mill. Bu.	1,181 Mill. Bu.
Production		1,741 Mill. Bu.	1,741 Mill. Bu.
Imports		155 Mill. Bu.	155 Mill. Bu.
		3,076 Mill. Bu.	3,076 Mill. Bu.
Food		950 Mill. Bu.	950 Mill. Bu.
Seed		62 Mill. Bu.	62 Mill. Bu.
Feed & Residual		157 Mill. Bu.	100 Mill. Bu.
Exports	778 Mill. Bu.	1,055 Mill. Bu.	975 Mill. Bu.
Total Use	1,951 Mill. Bu.	2,222 Mill. Bu.	2,087 Mill. Bu.
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Ending Stocks remain large.

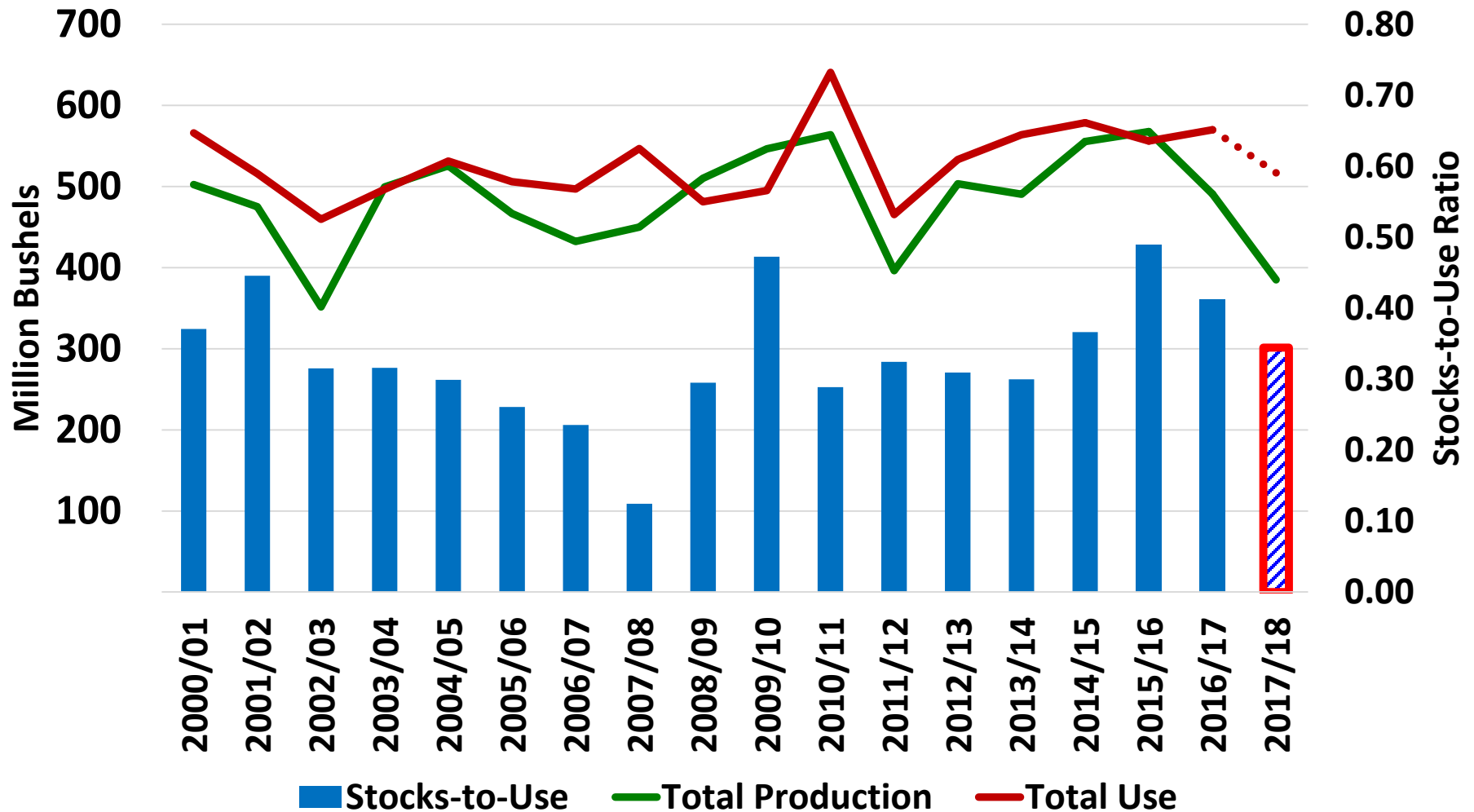
**Stocks-to-Use Ratio is
forecast to decrease from
53.2% to 47.4%**

U.S. All Wheat – Total Prod. & Use



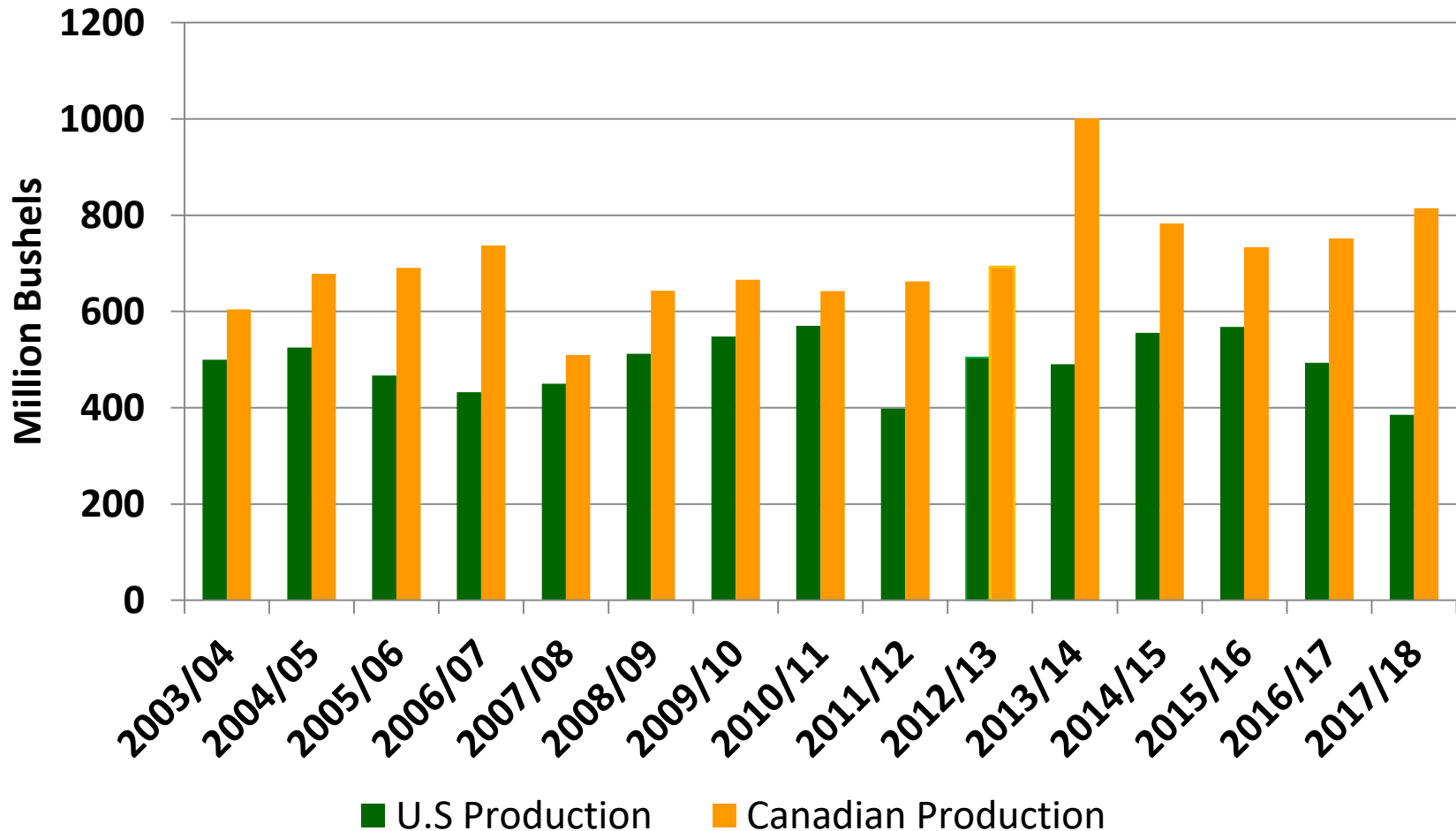
U.S. Spring Wheat – Total Prod. & Use

(Million Bushels)



U.S. & Canadian Spring Wheat Prod.

(Million Bushels)

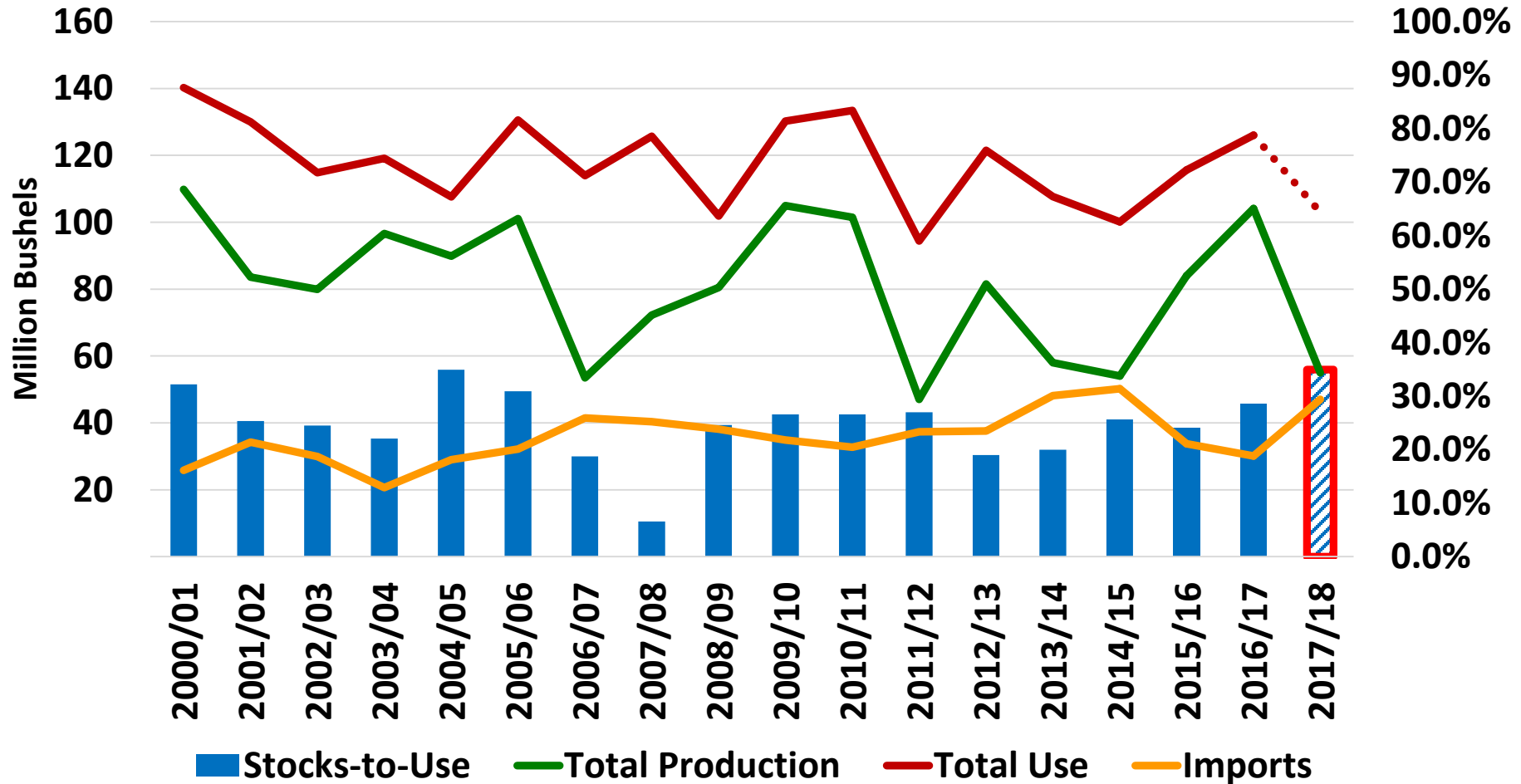


Mar. MGEX Wheat Pricing Points



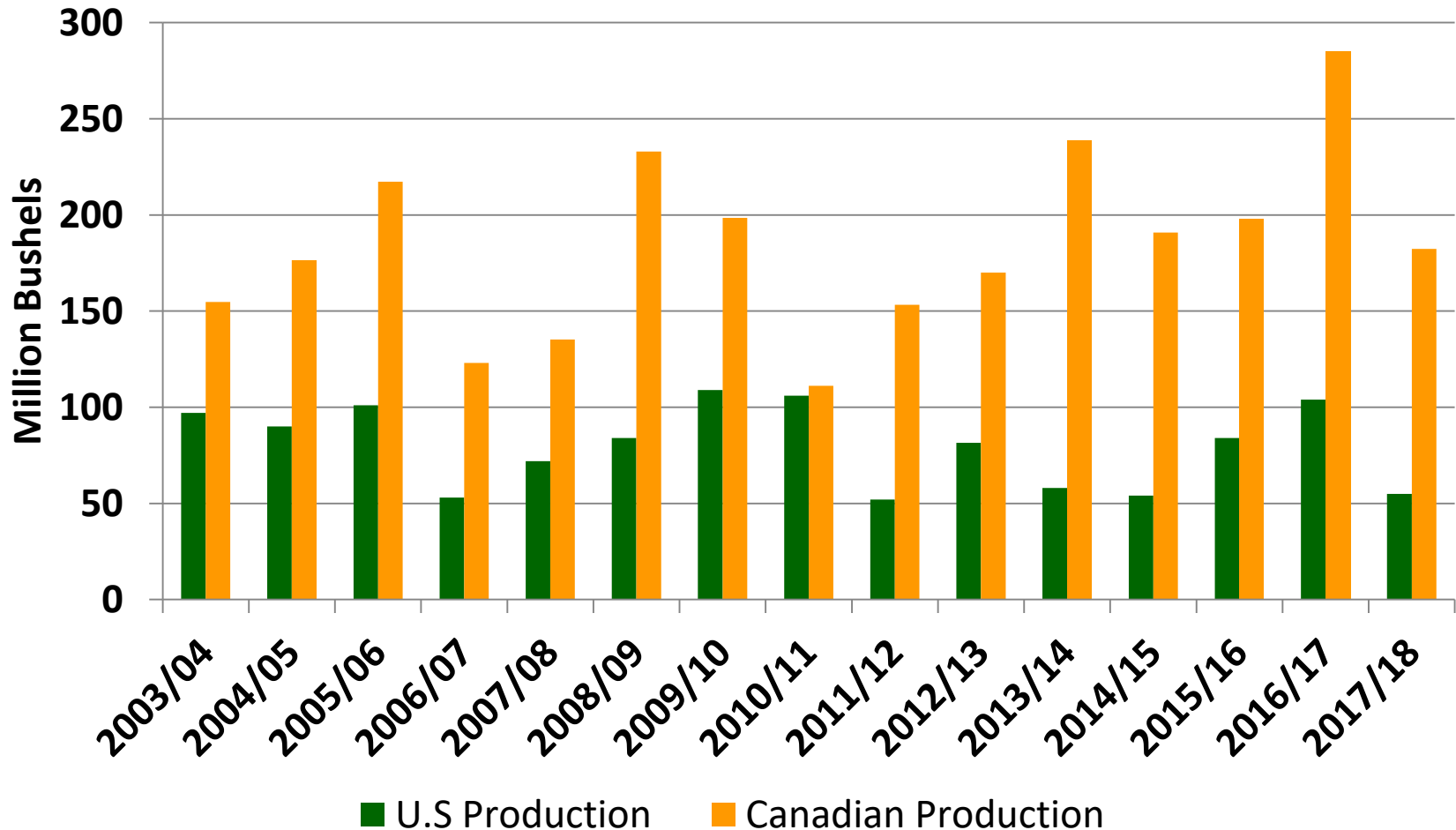
U.S. Durum – Total Prod. & Use

(Million Bushels)



U.S. and Canadian Durum Production

(Million Bushels)

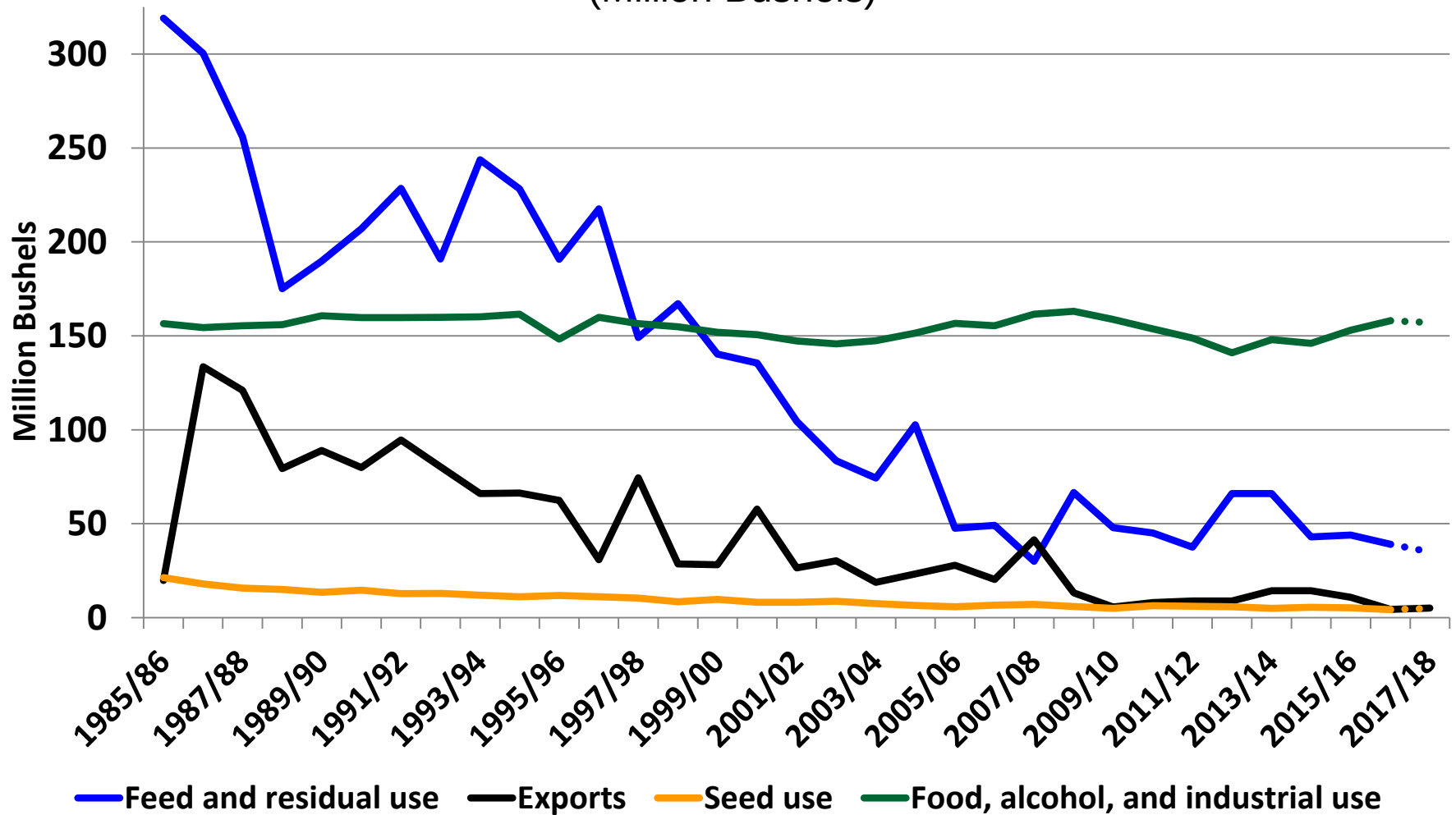


Barley Update

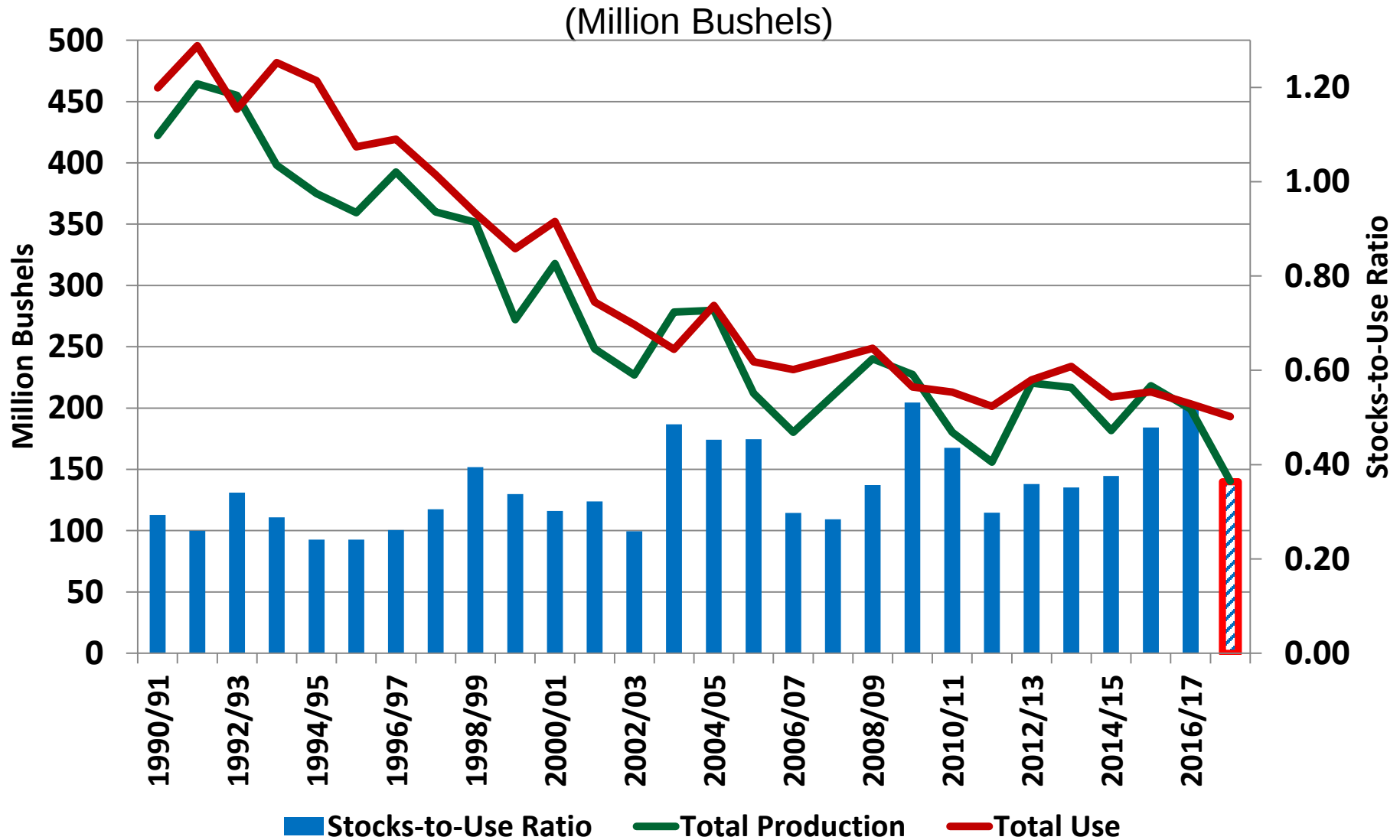


Historical U.S. Barley Use by Category

(Million Bushels)



U.S. Barley – Total Prod. & Use



Questions?

