2016/17 Wheat and Barley Market Outlook & Strategies

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NDSU Extension Service
ND Agricultural Experiment Station
Dept. of Agribusiness & Applied Economics
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<th>U.S. All Wheat</th>
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<td>43.7 bu.</td>
<td>43.6 bu.</td>
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<tr>
<td><strong>Total Supply</strong></td>
<td><strong>2,768 Mill. Bu.</strong></td>
<td><strong>2,927 Mill. Bu.</strong></td>
<td><strong>3,410 Mill. Bu.</strong></td>
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<td><strong>Total Use</strong></td>
<td><strong>2,015 Mill. Bu.</strong></td>
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# U.S. All Wheat Supply & Demand Table

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<td><strong>Production</strong></td>
<td><strong>2,026</strong> Mill. Bu.</td>
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<td><strong>2,310</strong> Mill. Bu.</td>
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<td><strong>Seed</strong></td>
<td>67 Mill. Bu.</td>
<td>61 Mill. Bu.</td>
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*Total Production is 12.0% above 2015, but not a record.*

USDA – WASDE – Feb. 9, 2017
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<td>752 Mill. Bu.</td>
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<td><strong>Production</strong></td>
<td>2,062 Mill. Bu.</td>
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<td><strong>Imports</strong></td>
<td>151 Mill. Bu.</td>
<td>125 Mill. Bu.</td>
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<td><strong>Food</strong></td>
<td>958 Mill. Bu.</td>
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<td>67 Mill. Bu.</td>
<td>61 Mill. Bu.</td>
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<td><strong>Feed &amp; Residual</strong></td>
<td>152 Mill. Bu.</td>
<td>225 Mill. Bu.</td>
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<tr>
<td><strong>Exports</strong></td>
<td>775 Mill. Bu.</td>
<td>1,025 Mill. Bu.</td>
</tr>
<tr>
<td><strong>Ending Stocks</strong></td>
<td>752 Mill. Bu.</td>
<td>976 Mill. Bu.</td>
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*Food use changes with U.S. population growth and flour extraction rates.*

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*Exports are critical for U.S. wheat prices and are forecast to increase 32.2%.

However, the 2015/16 exports of 775 Mill. Bu. is the lowest since 1971/72, which was 610 Mill. Bu.*
# U.S. All Wheat Export Destinations

(1,000 Metric Ton)

<table>
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<tr>
<th>Country</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
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<td>Japan</td>
<td>3,512.1</td>
<td>3,544.0</td>
<td>2,674.3</td>
<td>3,120.5</td>
<td>2,434.0</td>
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<td>Mexico</td>
<td>3,495.9</td>
<td>2,760.5</td>
<td>2,940.3</td>
<td>2,721.1</td>
<td>2,318.1</td>
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<td>Philippines</td>
<td>2,038.6</td>
<td>1,965.2</td>
<td>2,013.1</td>
<td>2,337.9</td>
<td>2,118.4</td>
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<tr>
<td>Nigeria</td>
<td>3,248.0</td>
<td>3,002.1</td>
<td>2,629.4</td>
<td>1,904.0</td>
<td>1,401.2</td>
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<td>South Korea</td>
<td>1,983.0</td>
<td>1,385.0</td>
<td>1,287.0</td>
<td>1,148.1</td>
<td>1,073.7</td>
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<td>Taiwan</td>
<td>887.9</td>
<td>1,038.1</td>
<td>980.0</td>
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U.S. All Wheat – Total Prod. & Use

(Billion Bushels)

Feb. 9, 2017 WASDE Report & Wheat Yearbook Table 6
U.S. Spring Wheat – Total Prod. & Use

(Million Bushels)

Feb. 9, 2017 WASDE Report & Wheat Yearbook Table 6
Nearby MGEX Wheat – Nearby KC Wheat
U.S. Durum – Total Prod. & Use

(Million Bushels)

Million Bushels

Stocks-to-Use  Total Production  Total Use

0.0%  10.0%  20.0%  30.0%  40.0%  50.0%  60.0%  70.0%  80.0%  90.0%  100.0%

Feb. 9, 2017 WASDE Report & Wheat Yearbook Table 6
U.S. Durum – Total Prod. & Use

(Million Bushels)

Feb. 9, 2017 WASDE Report & Wheat Yearbook Table 6
What about Canadian Wheat Production?
U.S. & Canadian All Wheat Prod.

(Million Bushels)

USDA Wheat Yearbook - Table 5 and Statistics Canada Dec. Production Report
(Million Bushels)

USDA Wheat Yearbook - Table 8 and Statistics Canada Dec. Production Report
What about World Wheat Production, Use and Carry Over?
Who holds 2016/17 wheat ending stocks?

China – 44.7%
U.S. – 12.5%
Russia – 4.5%
E.U. – 4.1%
India – 3.2%
World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)

Without China Production and Use

Stocks-to-Use Total Production Total Dom. Use

Without China Production and Use

Million Metric Tons


USDA – WASDE- Feb. 9, 2017 & PSD Custom Query
## Winter Wheat Seedings Estimates
(Million Acres)

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<tr>
<th>Crop</th>
<th>2016 USDA</th>
<th>Low</th>
<th>High</th>
<th>Average</th>
<th>2017 Est.</th>
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<td>4.800</td>
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<td>White Winter</td>
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**3.75 Mill. A. Reduction**
Barley Update
Historical U.S. Barley Use by Category

(Million Bushels)

Feb. 9, 2017 USDA - WASDE & U.S. Feed Grains Database
U.S. Barley – Total Prod. & Use

(Million Bushels)

Stocks-to-Use Ratio

Total Production

Total Use

Feb. 9, 2017 USDA - WASDE & U.S. Feed Grains Database
May MGEX Wheat Pricing Points
U.S. Dollar Index

Euro = 57.6 %
Japanese Yen = 13.6 %
Pound Sterling = 11.9 %
Canadian Dollar = 9.1 %
Swedish Krona = 4.2 %
Swiss Franc = 3.6 %
Questions?