

# ***2016/17 Wheat and Barley Market Outlook & Strategies***

***Frayne Olson, PhD***

***Crop Economist/Marketing Specialist***

***frayne.olson@ndsu.edu 701-231-7377 (o) 701-715-3673 (c)***

NDSU Extension Service  
ND Agricultural Experiment Station  
Dept. of Agribusiness & Applied Economics

# U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2014/2015	2015/2016 (est.)	2016/2017 (Feb)
Planted A.	56.8 Mill. A.	55.0 Mill. A.	50.2 Mill. A.
Harvested A.	46.4 Mill. A.	47.3 Mill. A.	43.9 Mill. A.
Yield/Harvest A.	43.7 bu.	43.6 bu.	52.6 bu.
Begin Stocks	590 Mill. Bu.	752 Mill. Bu.	976 Mill. Bu.
Production	2,026 Mill. Bu.	2,062 Mill. Bu.	2,310 Mill. Bu.
Imports	151 Mill. Bu.	113 Mill. Bu.	125 Mill. Bu.
<b>Total Supply</b>	<b>2,768 Mill. Bu.</b>	<b>2,927 Mill. Bu.</b>	<b>3,410 Mill. Bu.</b>
Food	958 Mill. Bu.	957 Mill. Bu.	960 Mill. Bu.
Seed	79 Mill. Bu.	67 Mill. Bu.	61 Mill. Bu.
Feed & Residual	114 Mill. Bu.	152 Mill. Bu.	225 Mill. Bu.
Exports	864 Mill. Bu.	775 Mill. Bu.	1,025 Mill. Bu.
<b>Total Use</b>	<b>2,015 Mill. Bu.</b>	<b>1,952 Mill. Bu.</b>	<b>2,271 Mill. Bu.</b>
Ending Stocks	752 Mill. Bu.	976 Mill. Bu.	1,139 Mill. Bu.

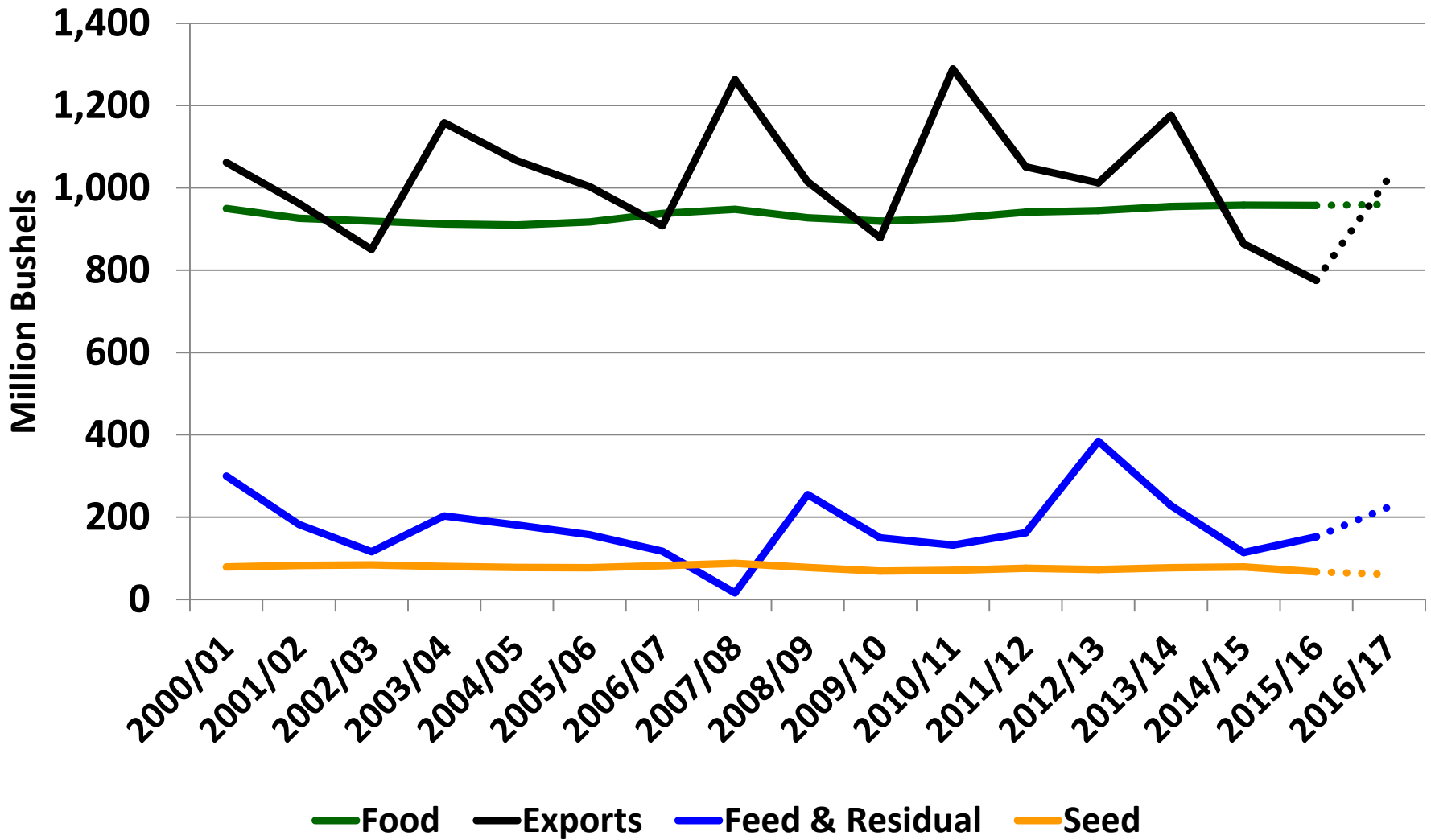
# U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2014/2015	2015/2016 (est.)	2016/2017 (Feb)
Planted A.	56.8 Mill. A.	55.0 Mill. A.	50.2 Mill. A.
Harvested A.	46.4 Mill. A.	47.3 Mill. A.	43.9 Mill. A.
Yield/Harvest A.	43.7 bu.	43.6 bu.	52.6 bu.
Begin Stocks	590 Mill. Bu.	752 Mill. Bu.	976 Mill. Bu.
<b>Production</b>	<b>2,026 Mill. Bu.</b>	<b>2,062 Mill. Bu.</b>	<b>2,310 Mill. Bu.</b>
Imports	151 Mill. Bu.	113 Mill. Bu.	125 Mill. Bu.
<b>Total Supply</b>	<b>2,768 Mill. Bu.</b>	<b>2,927 Mill. Bu.</b>	<b>3,410 Mill. Bu.</b>
Food	958 Mill. Bu.	957 Mill. Bu.	960 Mill. Bu.
Seed		67 Mill. Bu.	61 Mill. Bu.
Export		152 Mill. Bu.	225 Mill. Bu.
Export		775 Mill. Bu.	1,025 Mill. Bu.
<b>Total Use</b>	<b>1,952 Mill. Bu.</b>	<b>1,952 Mill. Bu.</b>	<b>2,271 Mill. Bu.</b>
Ending Stocks	752 Mill. Bu.	976 Mill. Bu.	1,139 Mill. Bu.

**Total Production is  
12.0% above 2015,  
but not a record.**

# U.S. All Wheat Use

(Million Bushels)



# U.S. All Wheat Supply & Demand Table

U.S. All Wheat		2015/2016 (est.)	2016/2017 (Feb)
Planting		55.0 Mill. A.	50.2 Mill. A.
Harvest		47.3 Mill. A.	43.9 Mill. A.
Yield		43.6 bu.	52.6 bu.
Beginning Stocks		752 Mill. Bu.	976 Mill. Bu.
Production		2,062 Mill. Bu.	2,310 Mill. Bu.
Imports	151 Mill. Bu.	113 Mill. Bu.	125 Mill. Bu.
<b>Total Supply</b>	<b>2,768 Mill. Bu.</b>	<b>2,927 Mill. Bu.</b>	<b>3,410 Mill. Bu.</b>
<b>Food</b>	<b>958 Mill. Bu.</b>	<b>957 Mill. Bu.</b>	<b>960 Mill. Bu.</b>
Seed	79 Mill. Bu.	67 Mill. Bu.	61 Mill. Bu.
Feed & Residual	114 Mill. Bu.	152 Mill. Bu.	225 Mill. Bu.
Exports	864 Mill. Bu.	775 Mill. Bu.	1,025 Mill. Bu.
<b>Total Use</b>	<b>2,015 Mill. Bu.</b>	<b>1,952 Mill. Bu.</b>	<b>2,271 Mill. Bu.</b>
Ending Stocks	752 Mill. Bu.	976 Mill. Bu.	1,139 Mill. Bu.

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

# U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2014/2015	2015/2016 (est.)	2016/2017 (Feb)
Planted A.			50.2 Mill. A.
Harvest			43.9 Mill. A.
Yield			6 bu.
			Mill. Bu.
			Mill. Bu.
			25 Mill. Bu.
<b>Total</b>			<b>3,410 Mill. Bu.</b>
Food			960 Mill. Bu.
Seed	79 Mill. Bu.	67 Mill. Bu.	61 Mill. Bu.
Feed & Residual	114 Mill. Bu.	152 Mill. Bu.	225 Mill. Bu.
<b>Exports</b>	<b>864 Mill. Bu.</b>	<b>775 Mill. Bu.</b>	<b>1,025 Mill. Bu.</b>
<b>Total Use</b>	<b>2,015 Mill. Bu.</b>	<b>1,952 Mill. Bu.</b>	<b>2,271 Mill. Bu.</b>
Ending Stocks	752 Mill. Bu.	976 Mill. Bu.	1,139 Mill. Bu.

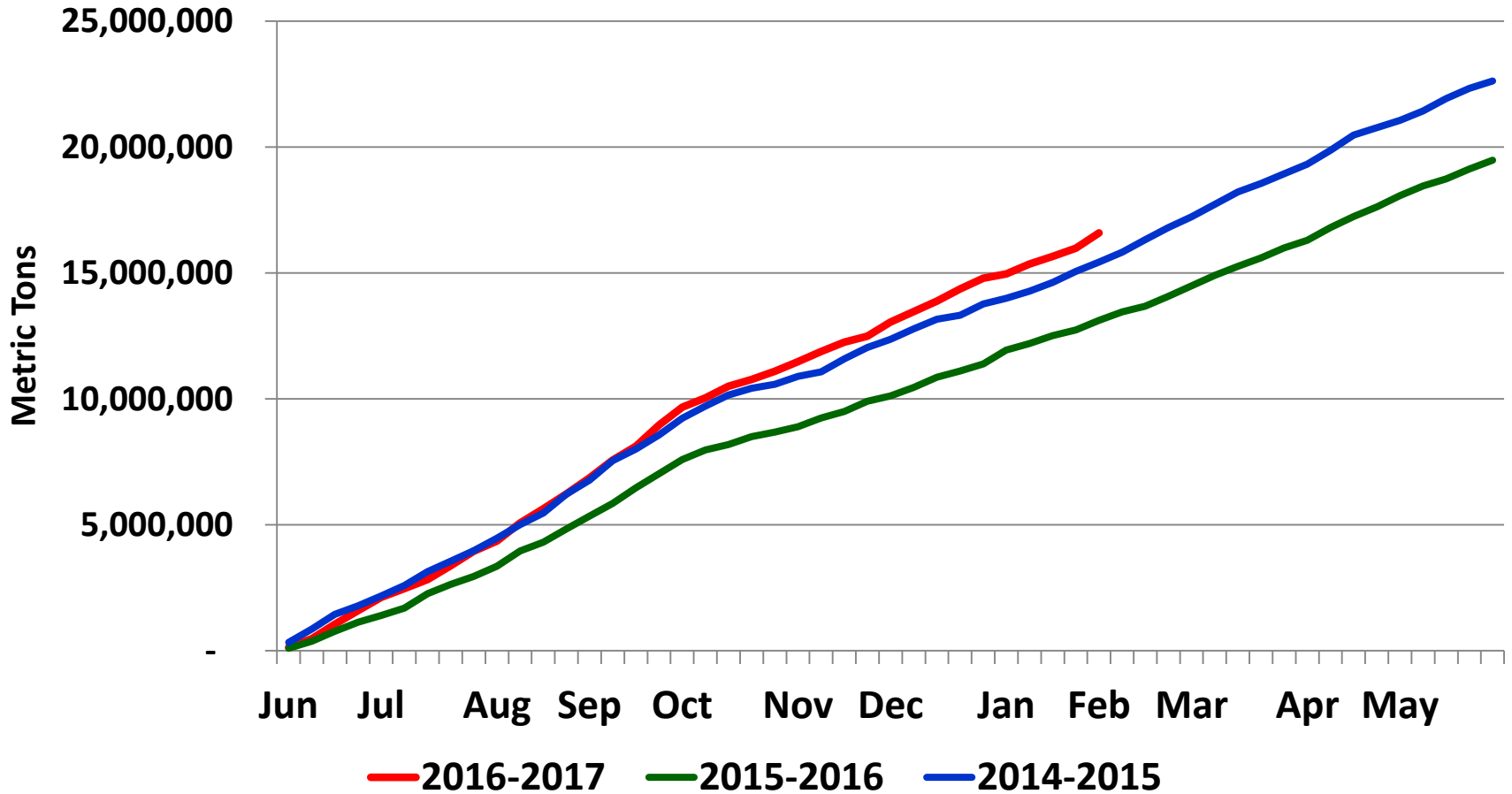
**Exports are critical for U.S. wheat prices and are forecast to increase 32.2%.**

**However, the 2015/16 exports of 775 Mill. Bu. is the lowest since 1971/72, which was 610 Mill. Bu.**

# Weekly U.S. All Wheat Export Sales

(06/01/2014 – 02/02/2017)

Accumulated Exports



# U.S. All Wheat Export Destinations

(1,000 Metric Ton)

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



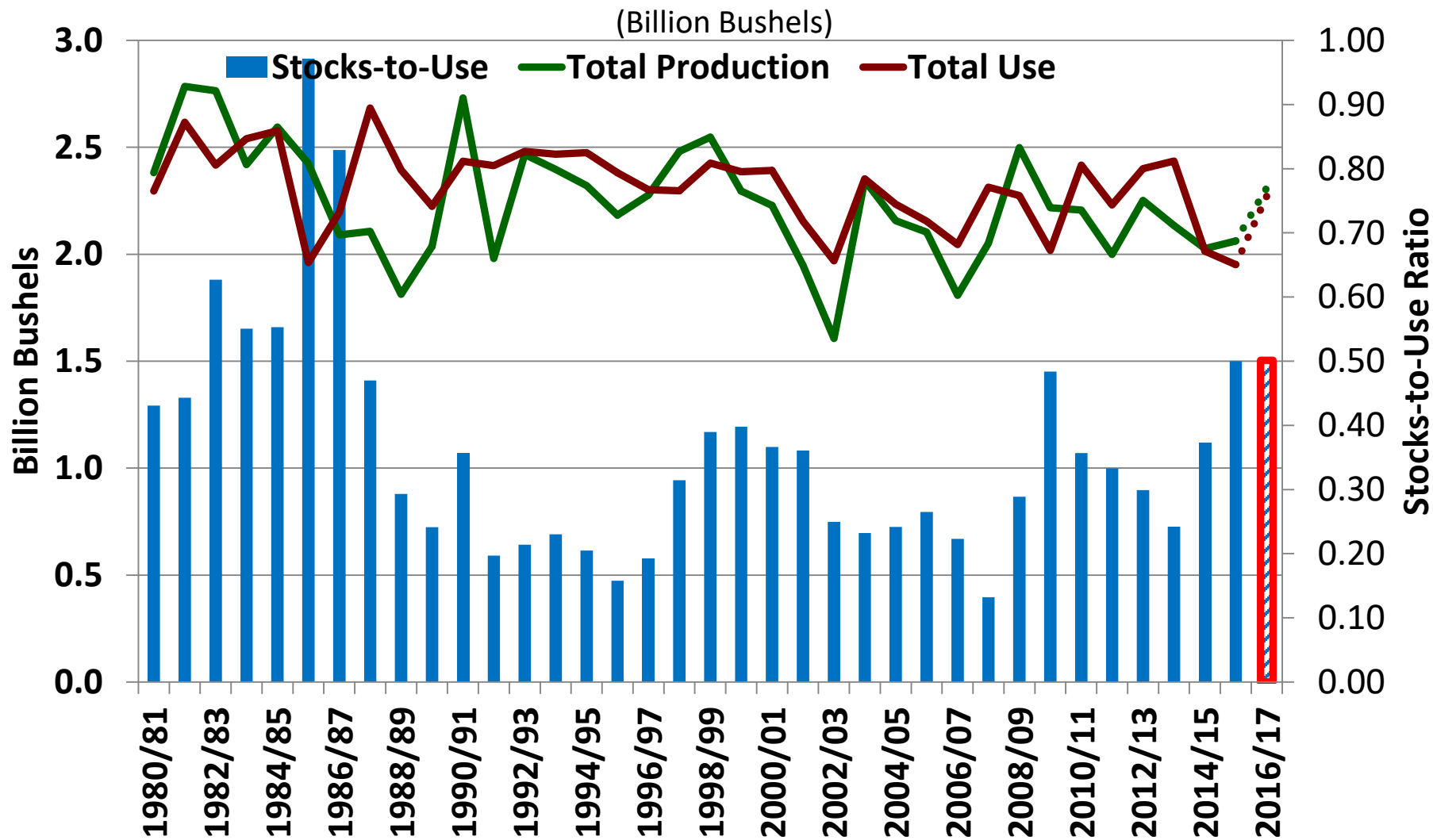
# U.S. All Wheat Supply & Demand Table

U.S. All Wheat	2014/2015	2015/2016 (est.)	2016/2017 (Feb)
Planted A.	56.8 Mill. A.	55.0 Mill. A.	50.2 Mill. A.
Harvested A.	46.4 Mill. A.	47.3 Mill. A.	43.9 Mill. A.
Yield/Harvest A.	42.7 bu.	43.6 bu.	52.6 bu.
Begin Stocks	976 Mill. Bu.	976 Mill. Bu.	976 Mill. Bu.
Production	2,310 Mill. Bu.	2,310 Mill. Bu.	2,310 Mill. Bu.
Imports	125 Mill. Bu.	125 Mill. Bu.	125 Mill. Bu.
			<b>3,410 Mill. Bu.</b>
Food	960 Mill. Bu.	960 Mill. Bu.	960 Mill. Bu.
Seed	61 Mill. Bu.	61 Mill. Bu.	61 Mill. Bu.
Feed & Residual	152 Mill. Bu.	152 Mill. Bu.	225 Mill. Bu.
Exports	864 Mill. Bu.	775 Mill. Bu.	1,025 Mill. Bu.
<b>Total Use</b>	<b>2,015 Mill. Bu.</b>	<b>1,952 Mill. Bu.</b>	<b>2,271 Mill. Bu.</b>
<b>Ending Stocks</b>	<b>752 Mill. Bu.</b>	<b>976 Mill. Bu.</b>	<b>1,139 Mill. Bu.</b>

**Ending Stocks remain large.**

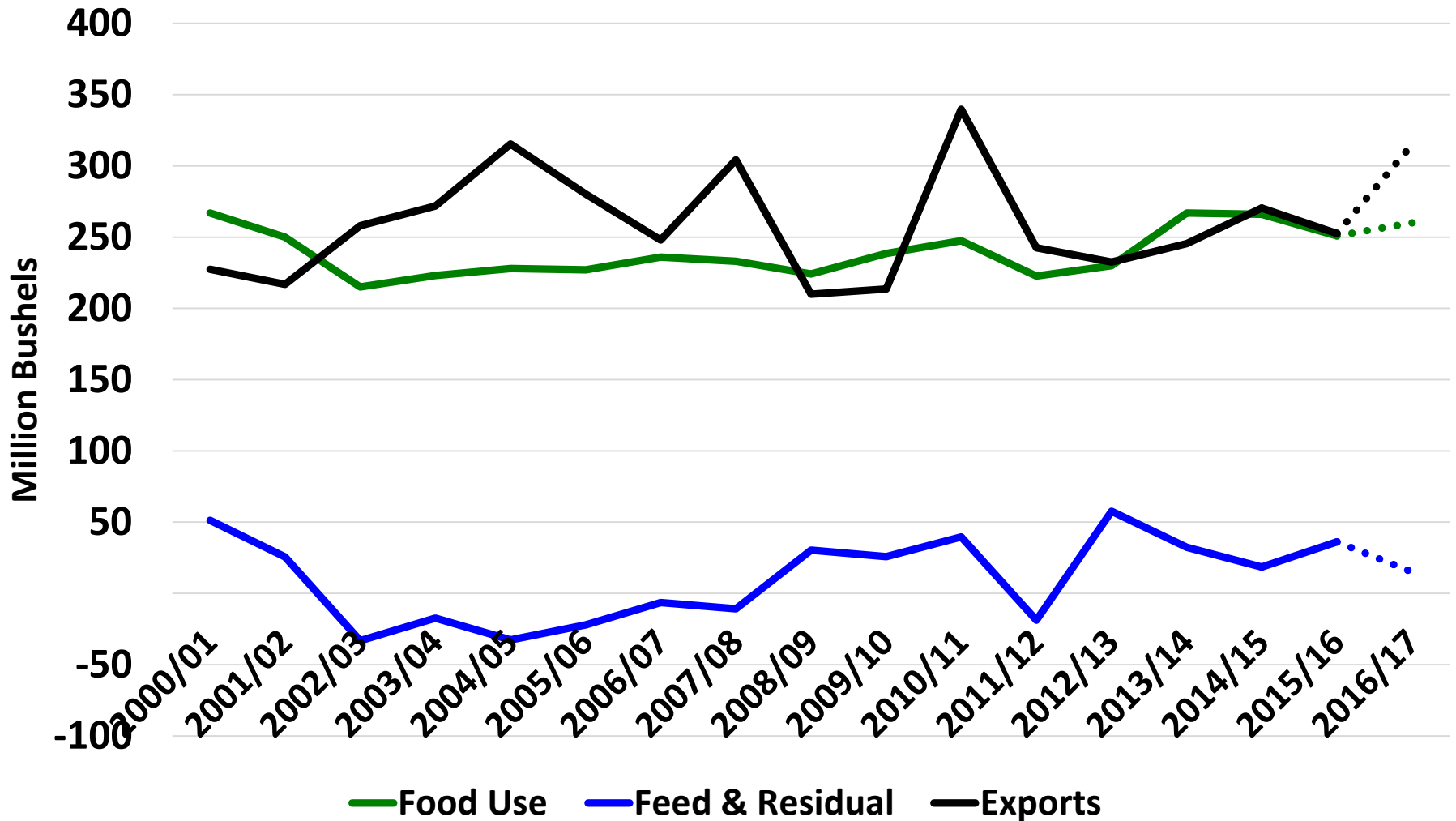
**Stocks-to-Use Ratio is  
forecast to increase from  
50.0% to 50.2%**

# U.S. All Wheat – Total Prod. & Use



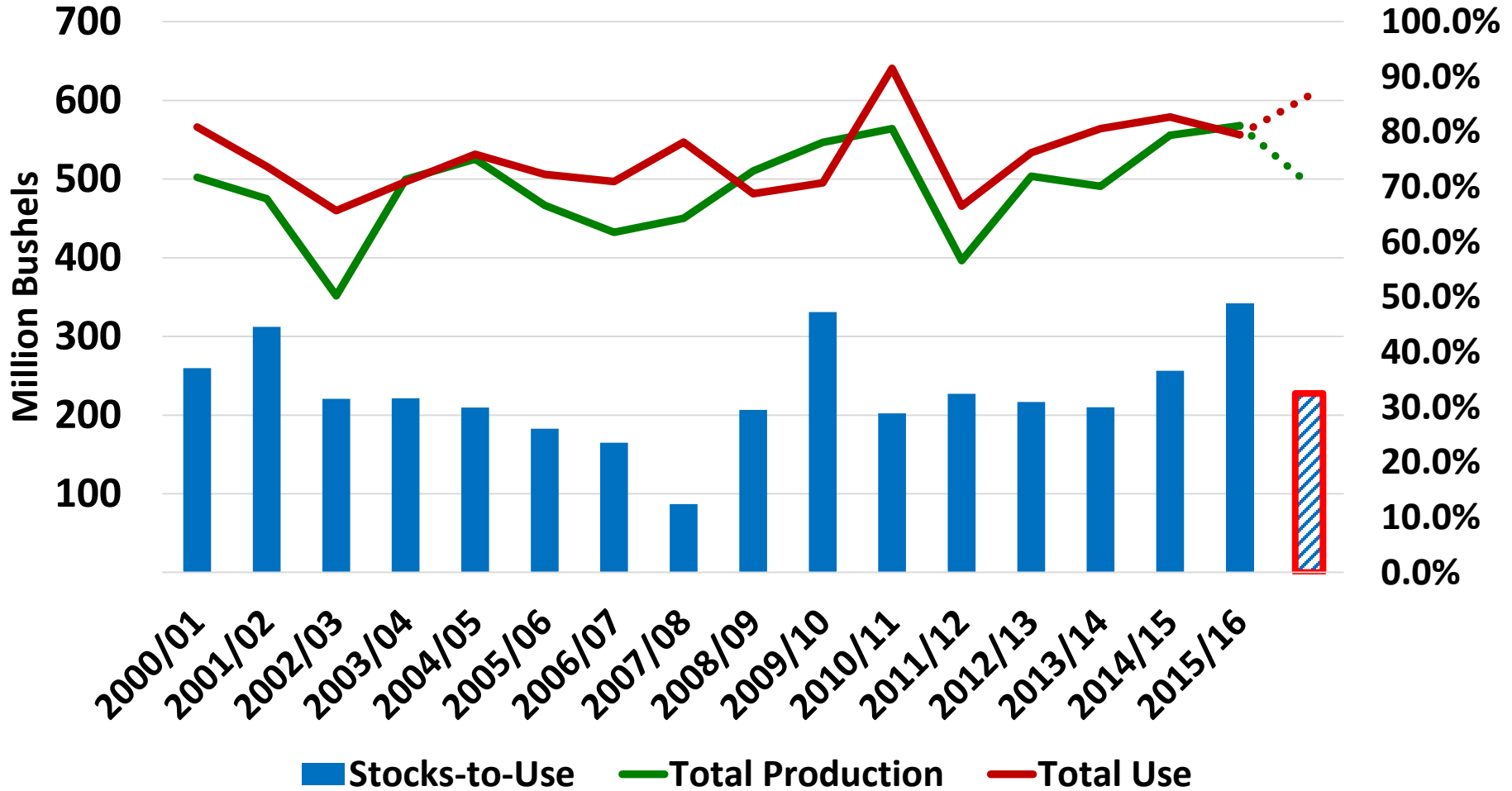
# U.S. Spring Wheat Disappearance

(Million Bushels)

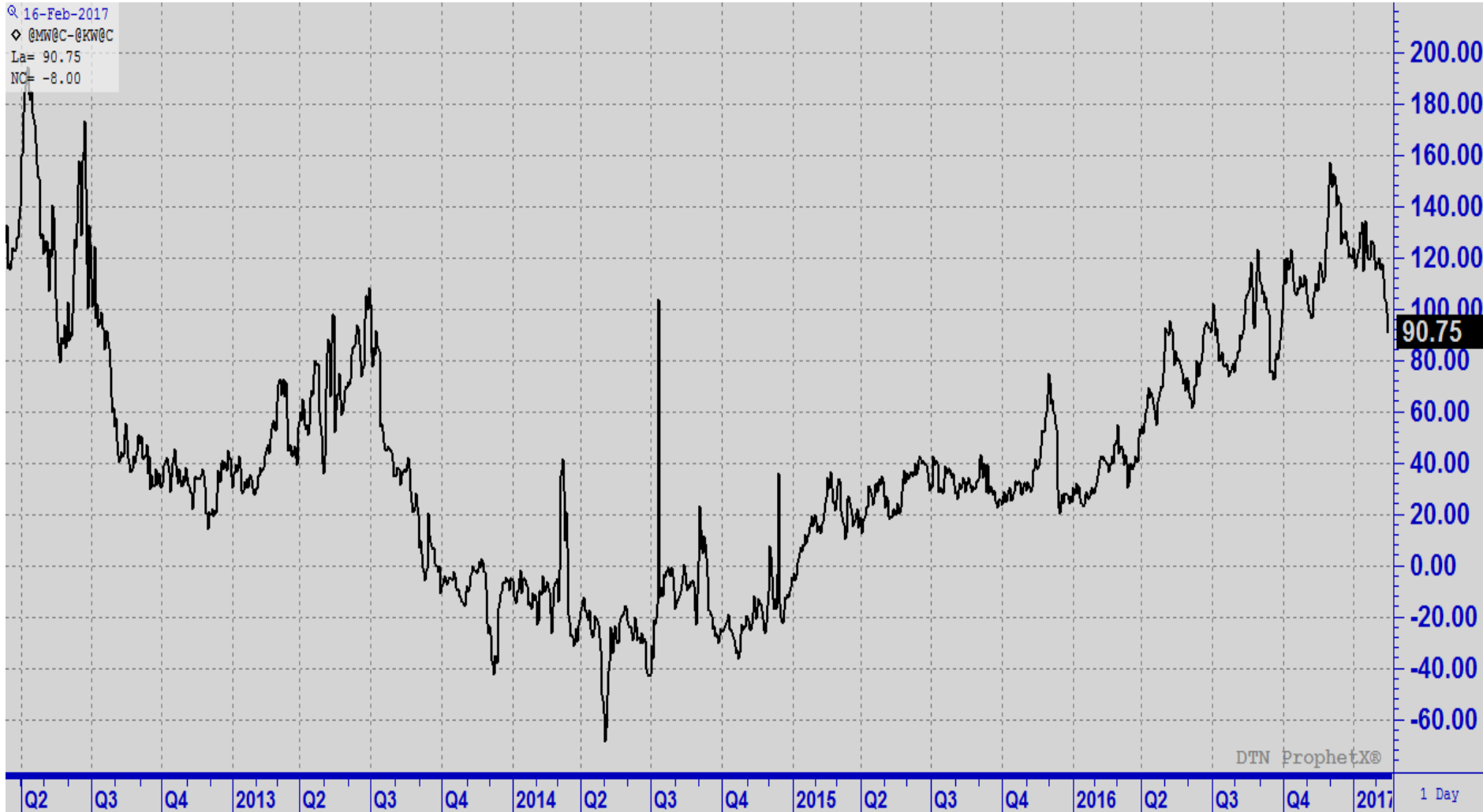


# U.S. Spring Wheat – Total Prod. & Use

(Million Bushels)

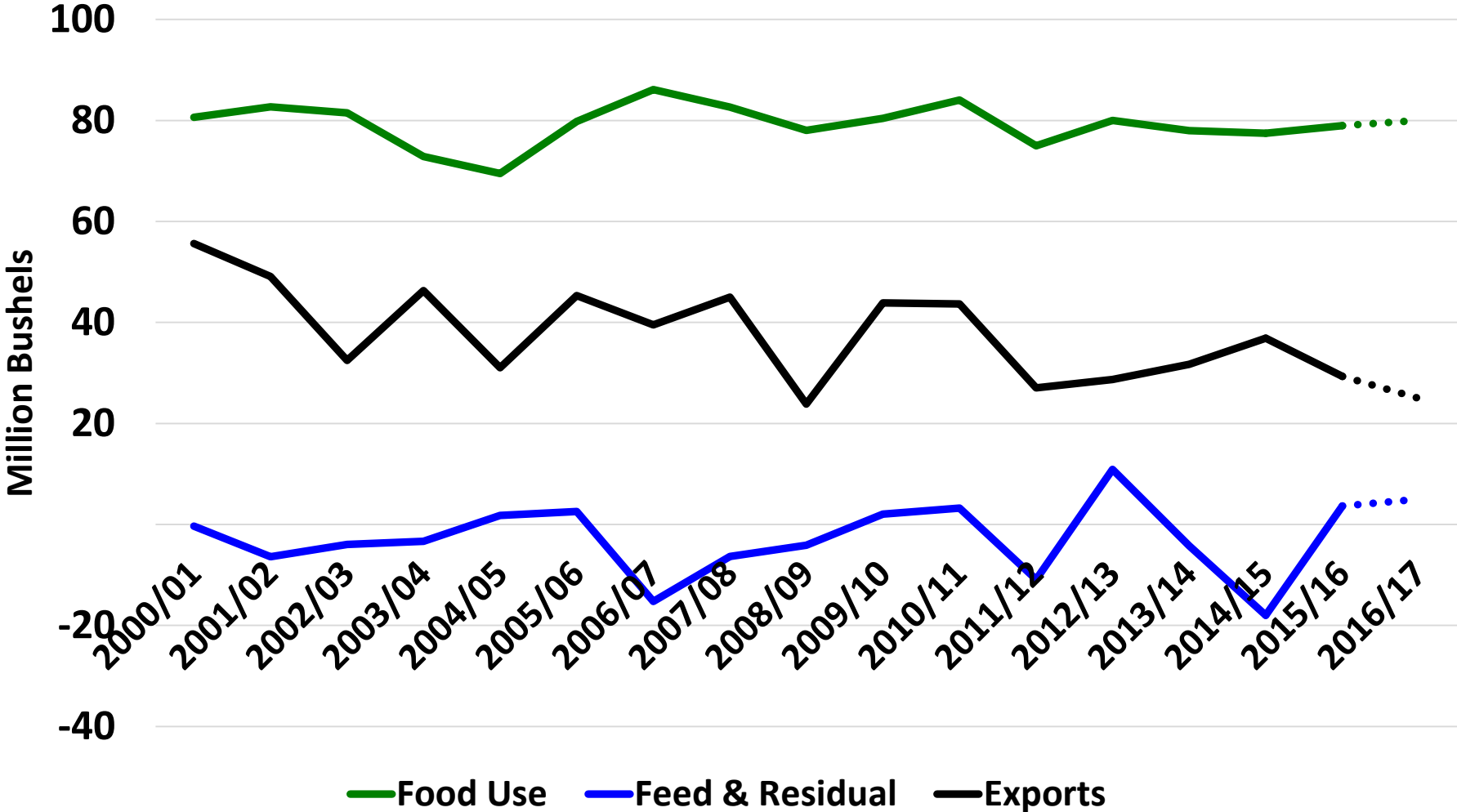


# Nearby MGEX Wheat – Nearby KC Wheat



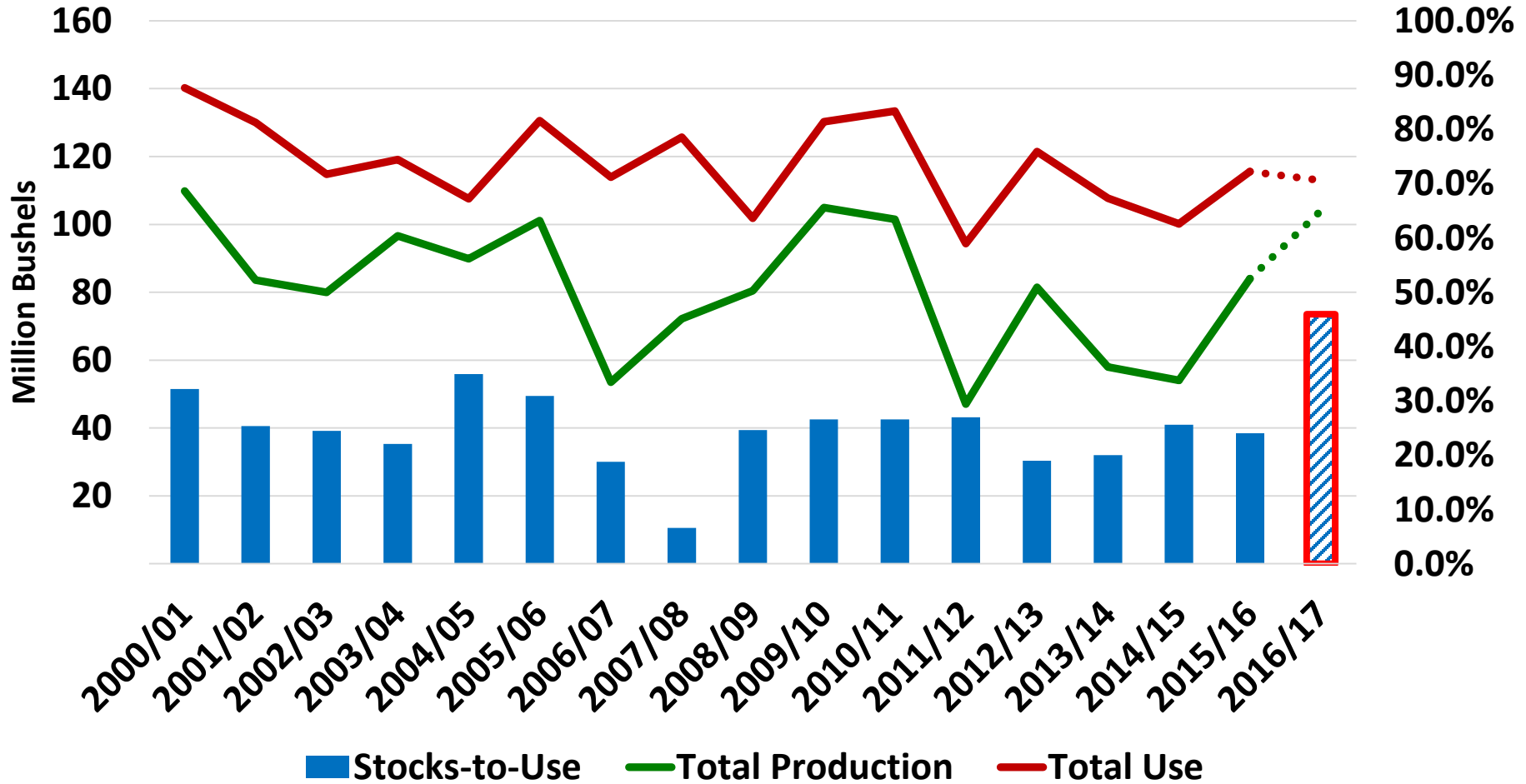
# U.S. Durum Wheat Disappearance

(Million Bushels)



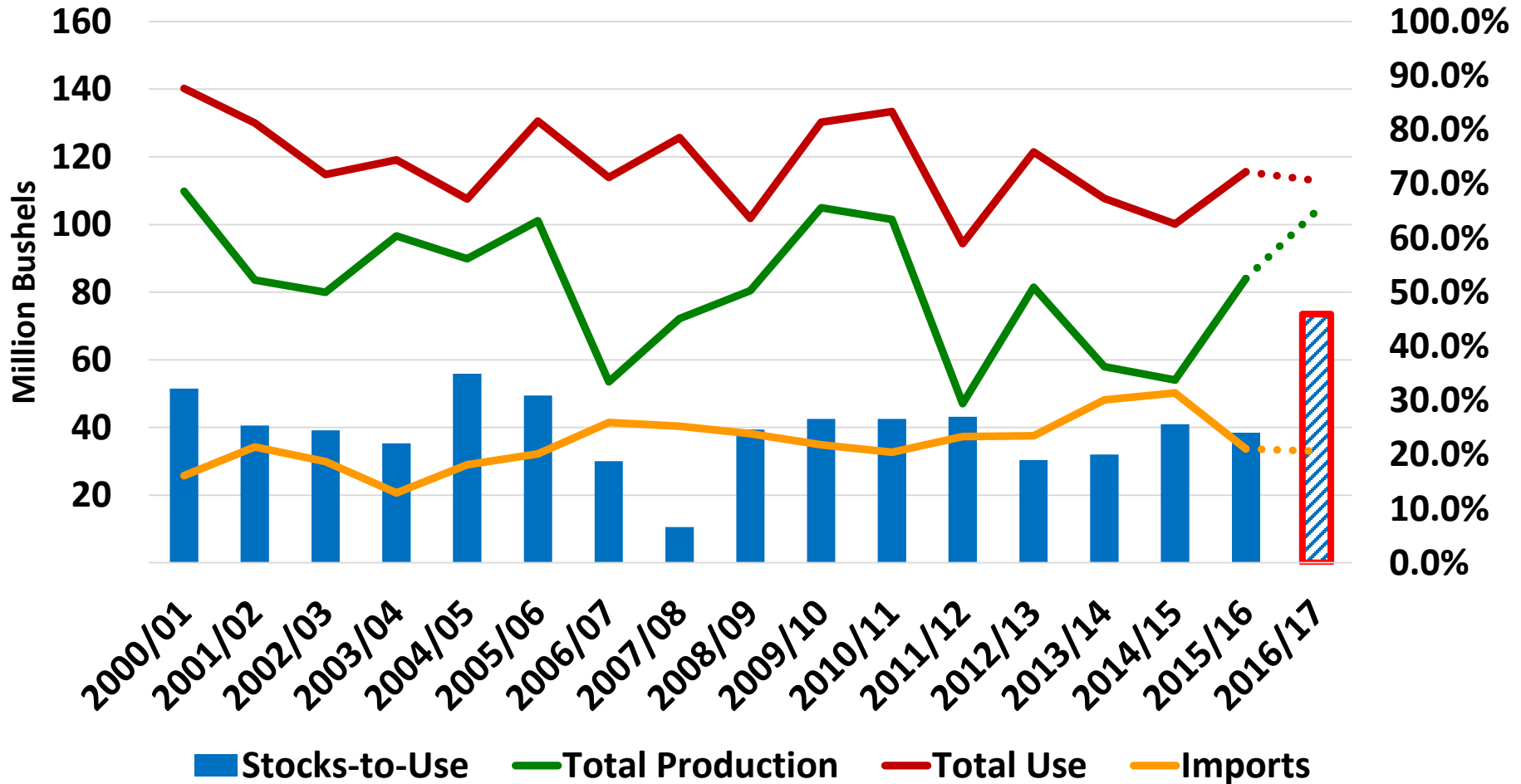
# U.S. Durum – Total Prod. & Use

(Million Bushels)



# U.S. Durum – Total Prod. & Use

(Million Bushels)



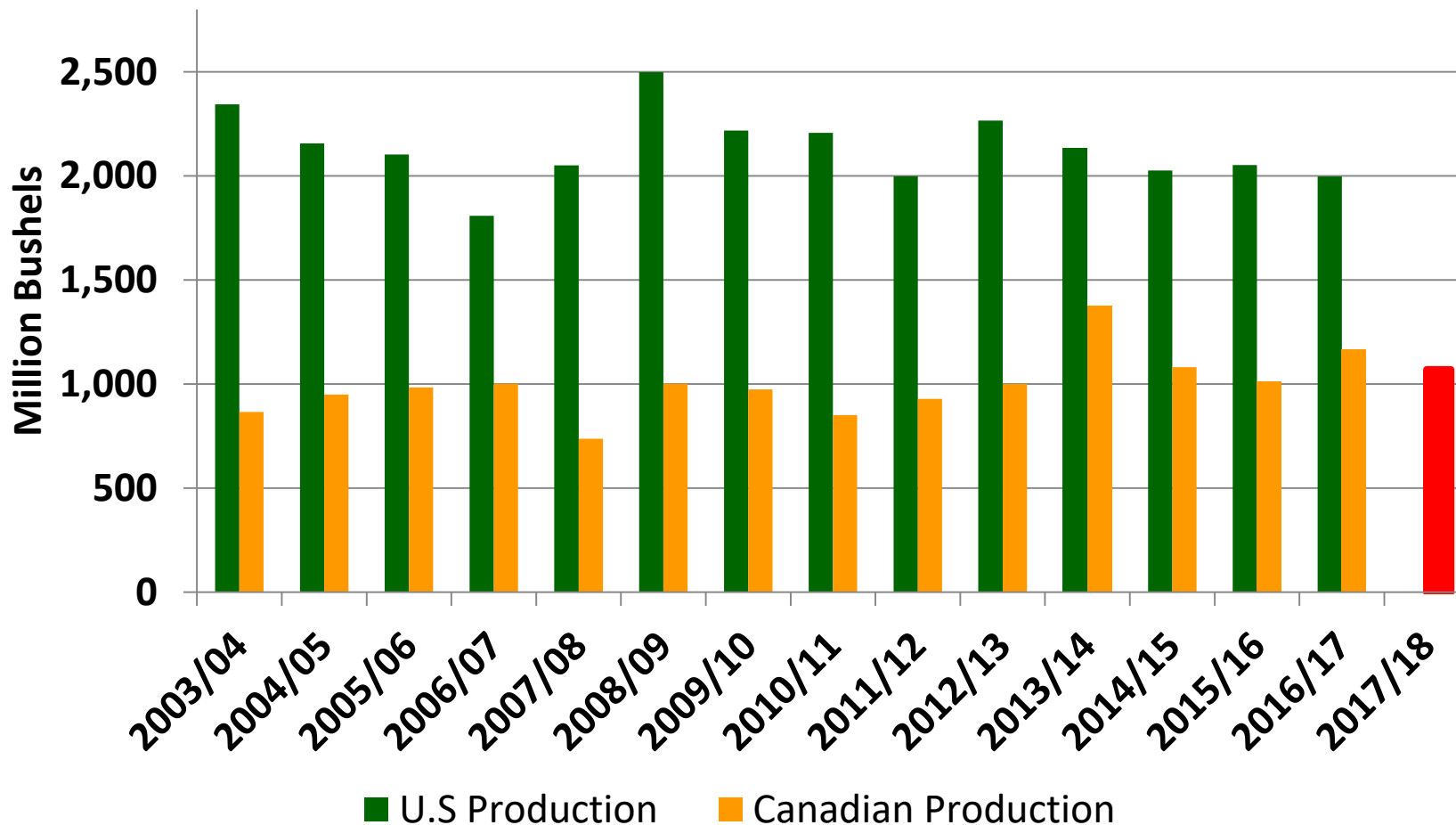


# What about Canadian Wheat Production?



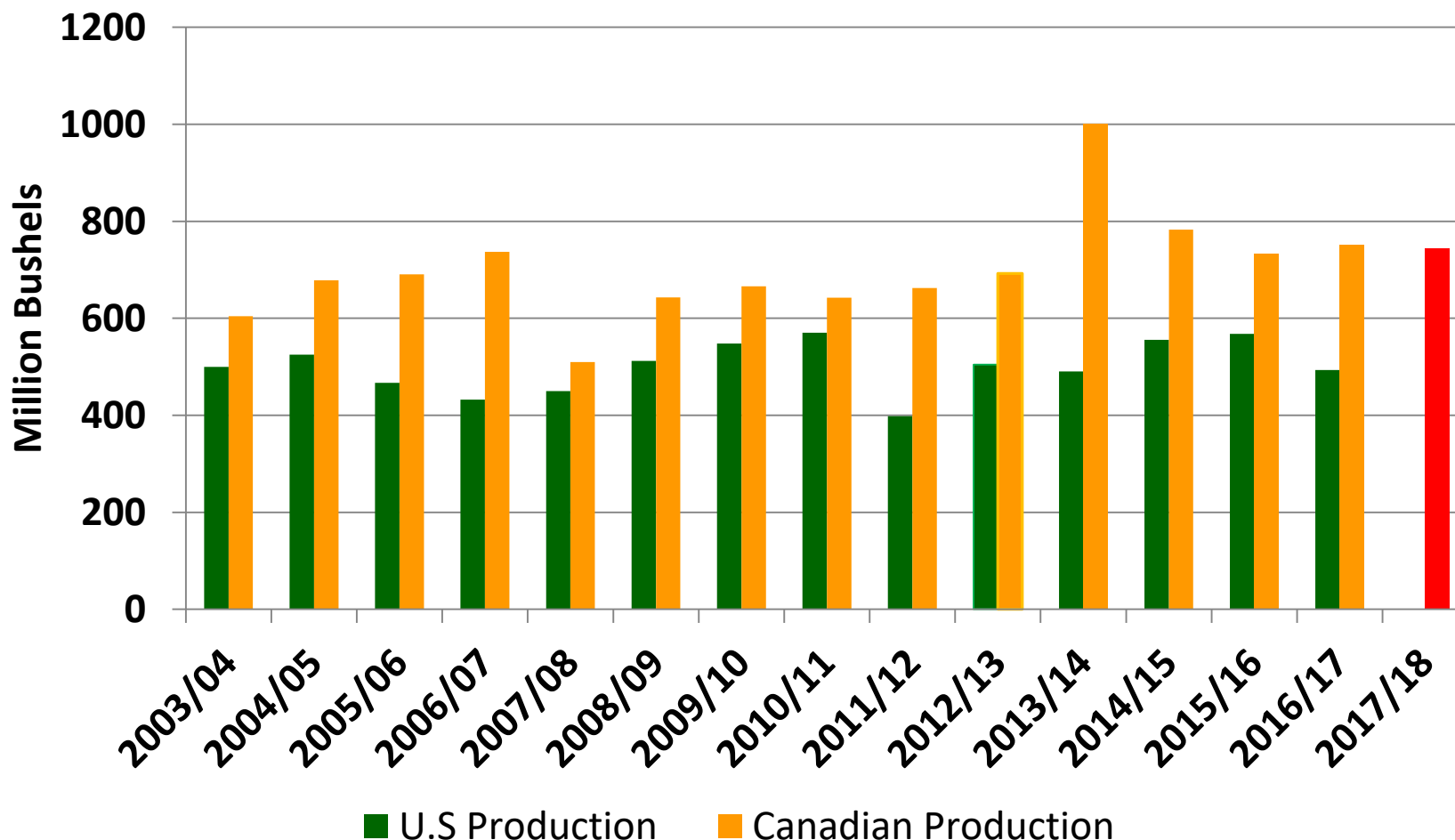
# U.S. & Canadian All Wheat Prod.

(Million Bushels)



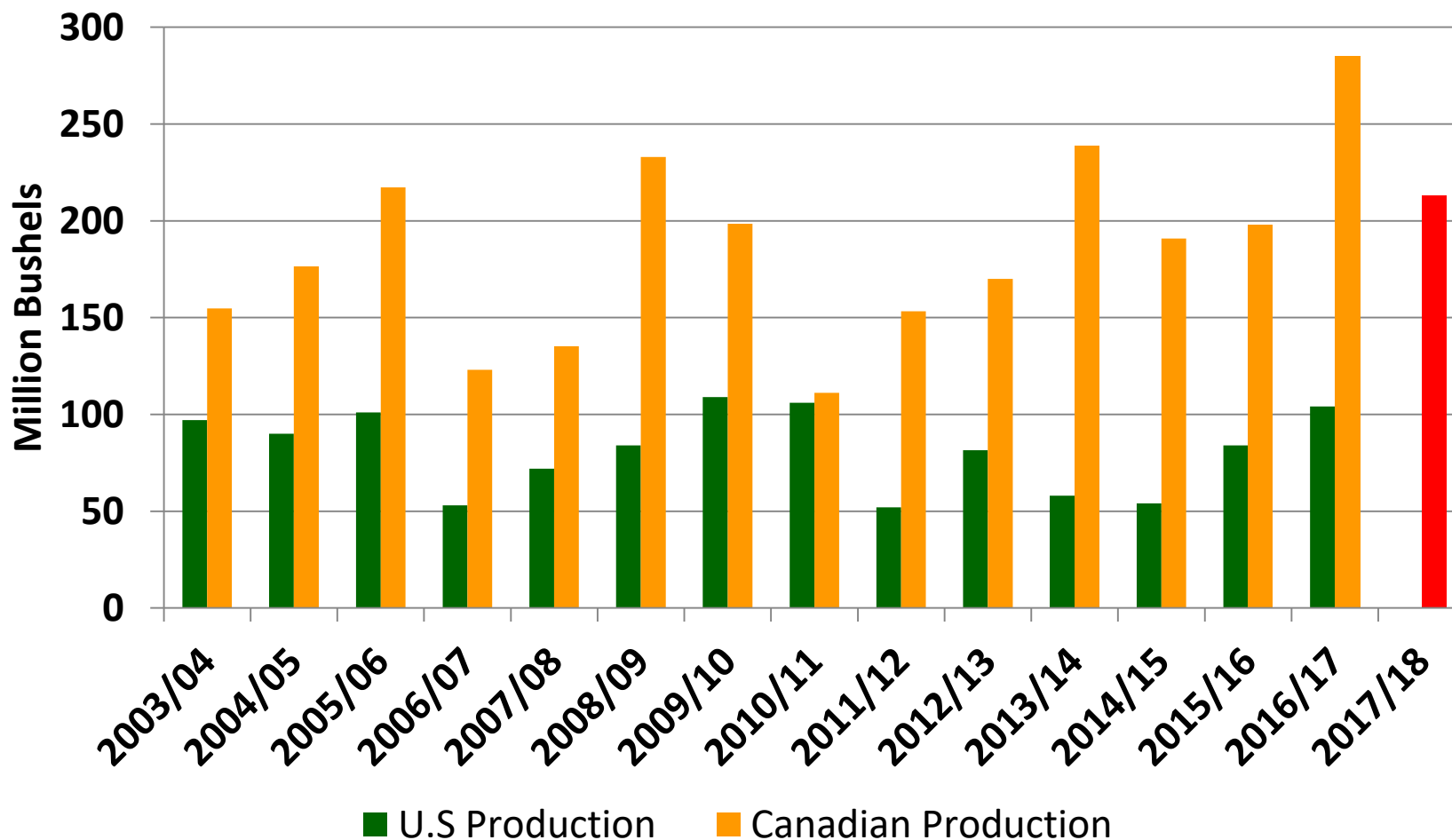
# U.S. & Canadian Spring Wheat Prod.

(Million Bushels)



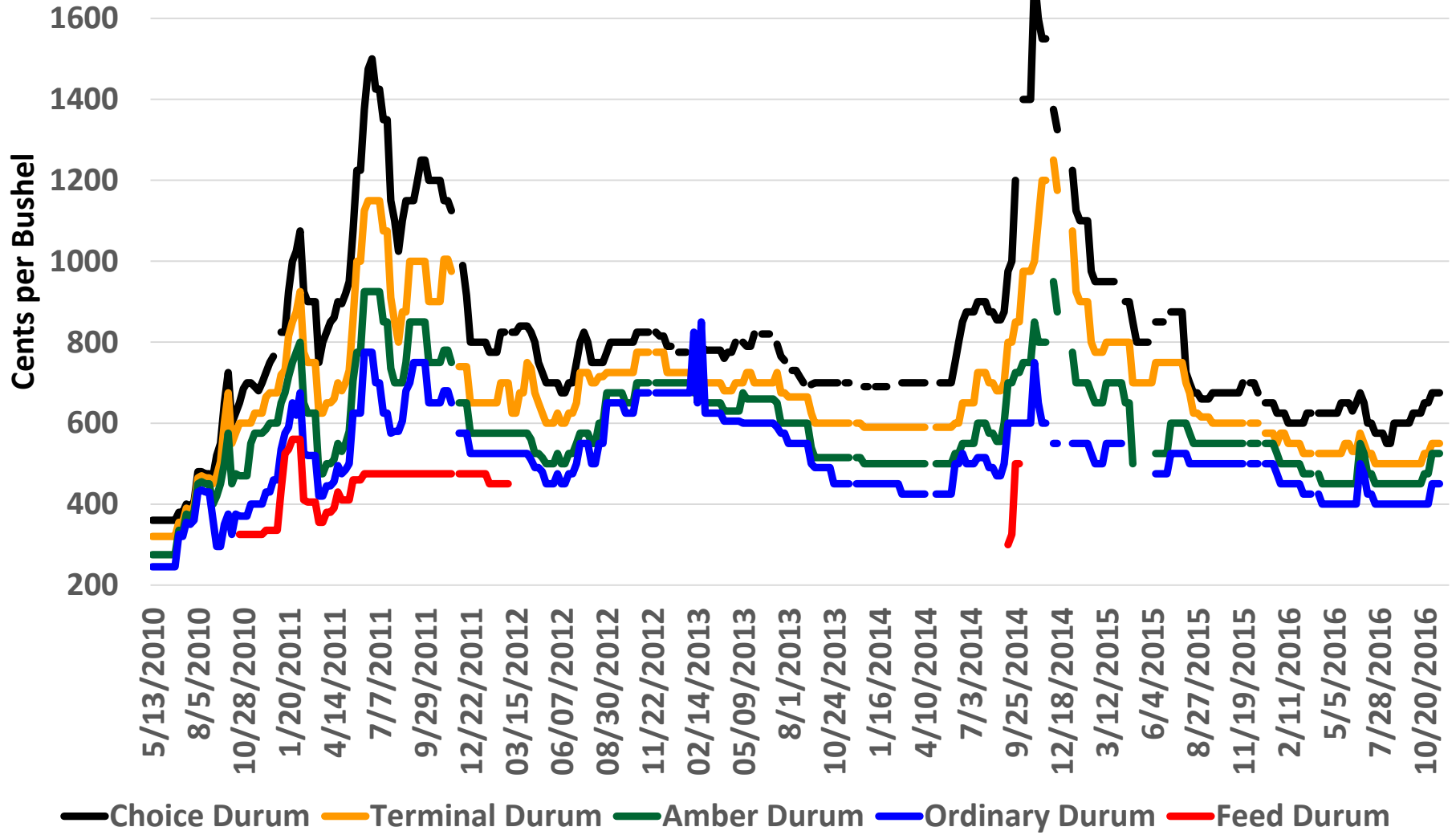
# U.S. and Canadian Durum Production

(Million Bushels)



# Western N.D. Durum Prices

(May 13, 2010 to Dec. 1, 2016)



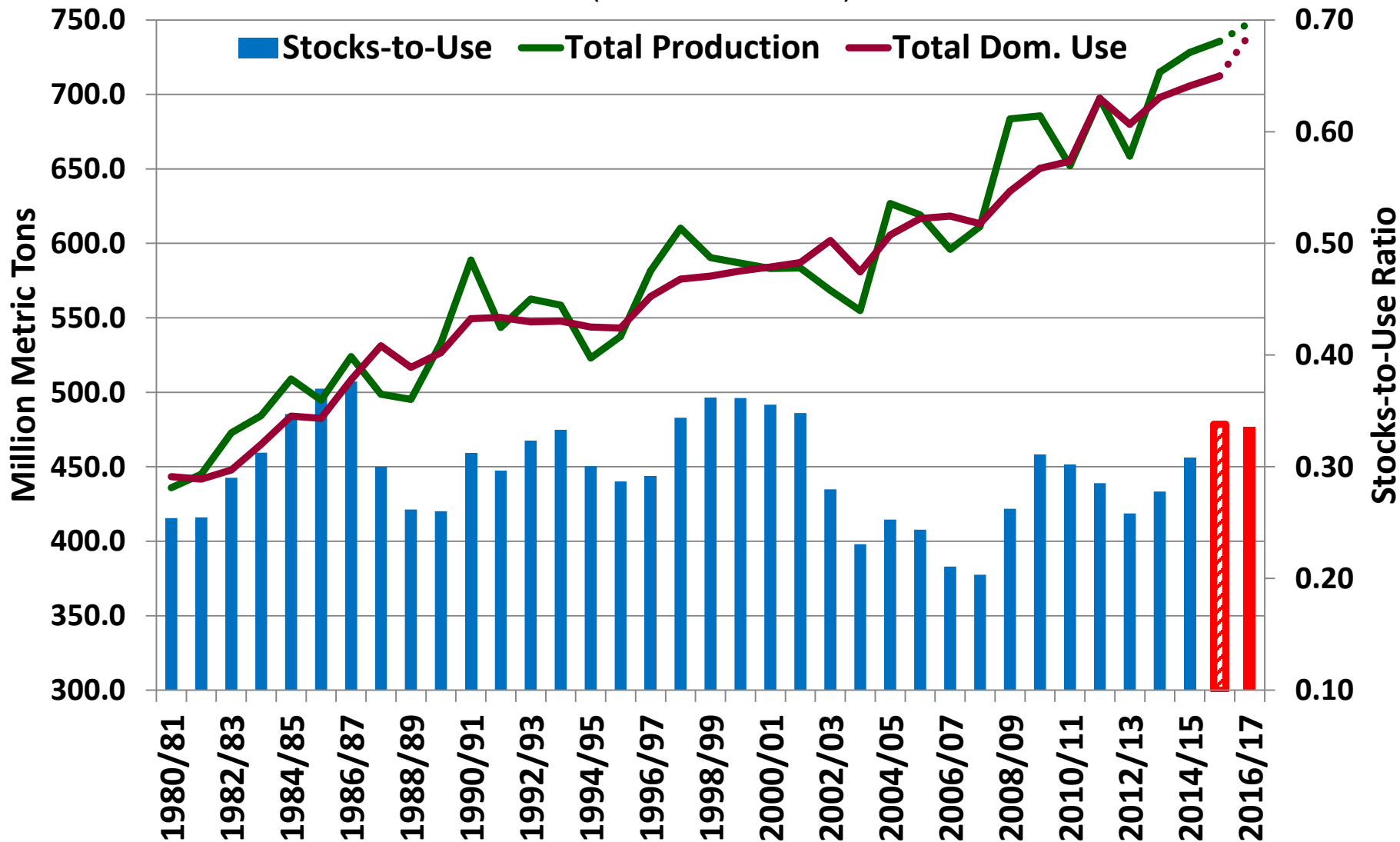
What about **World**  
Wheat Production,  
Use and Carry Over?

---

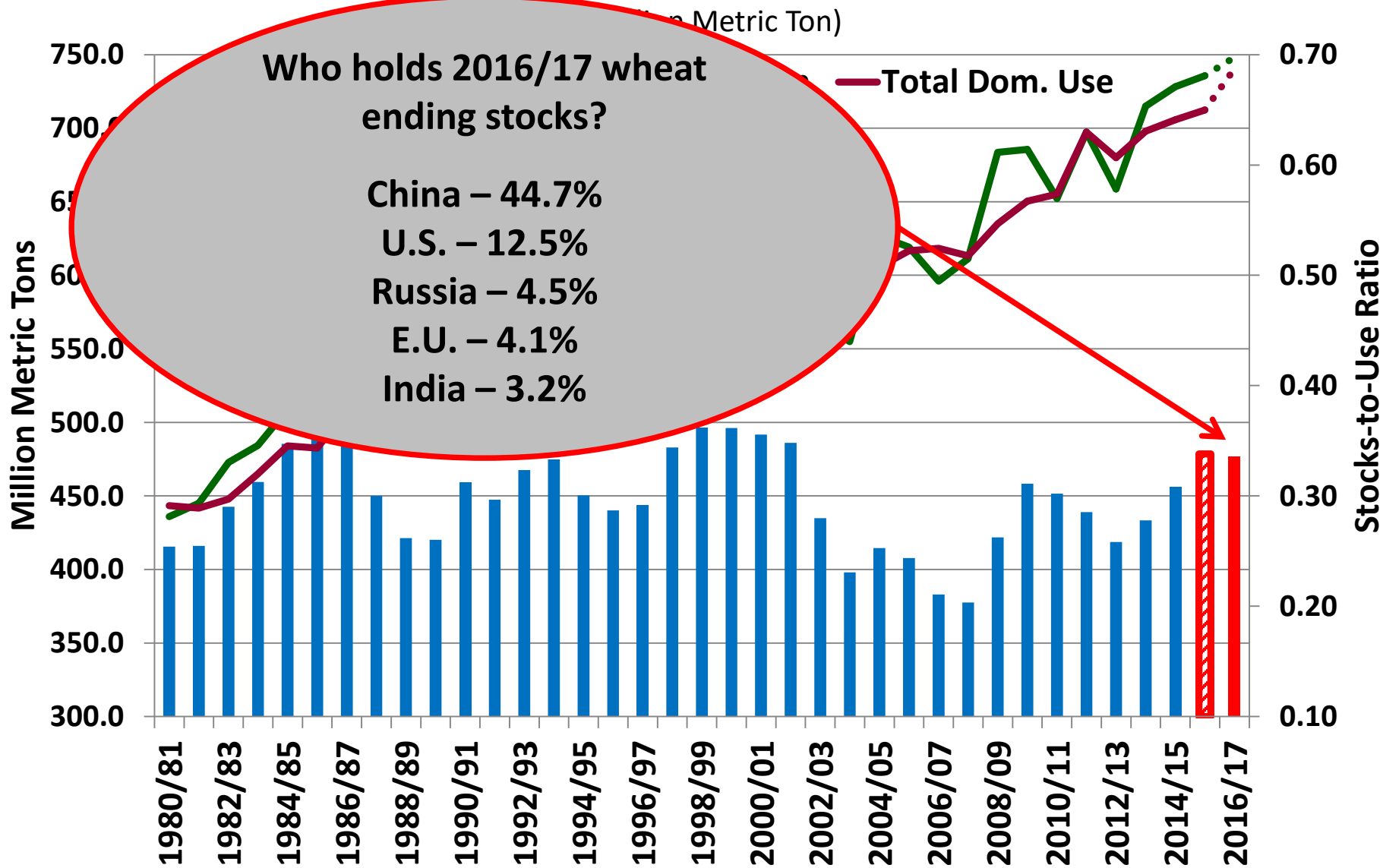
---

# World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)



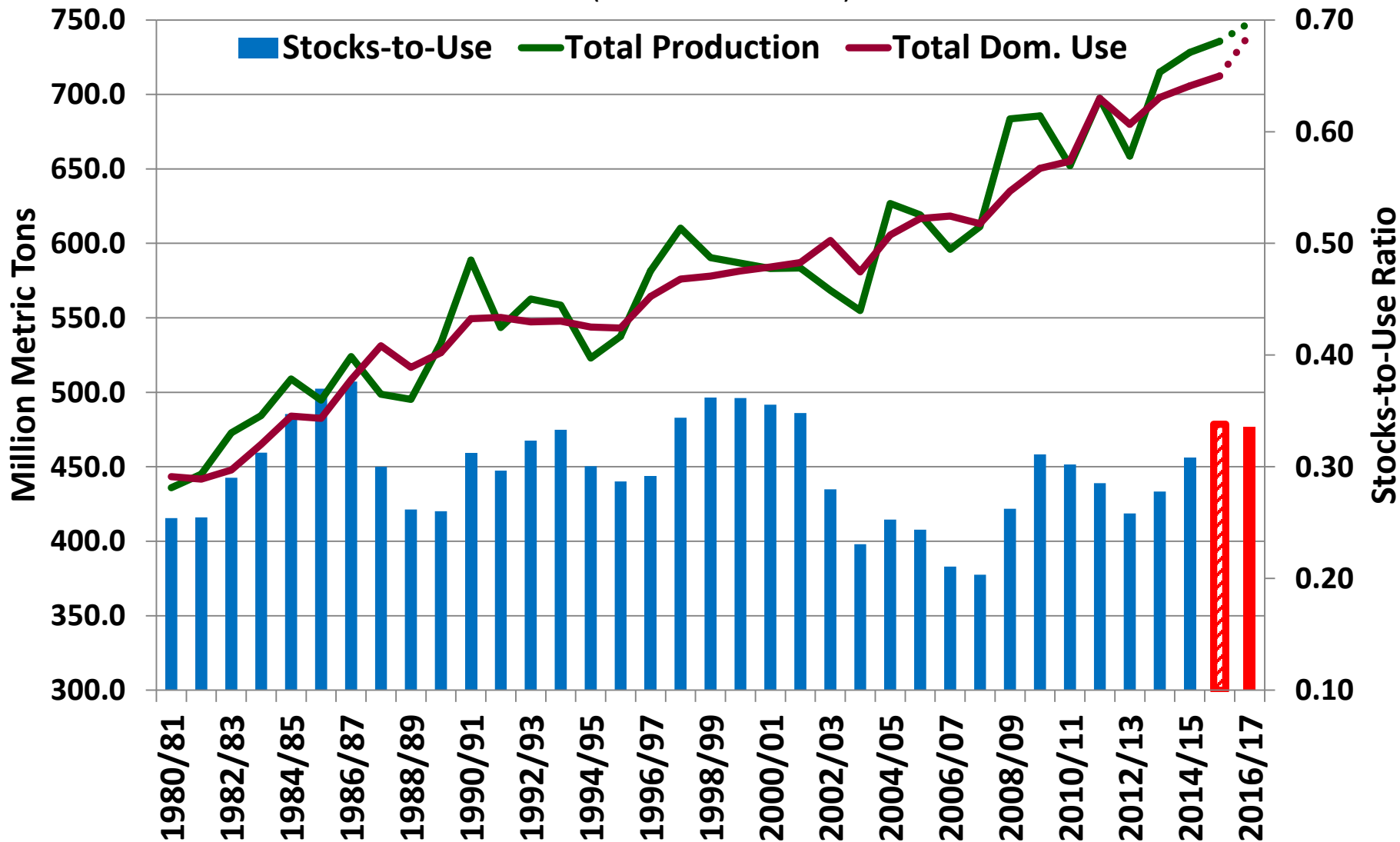
# World Wheat Prod, Use & Stocks/Use





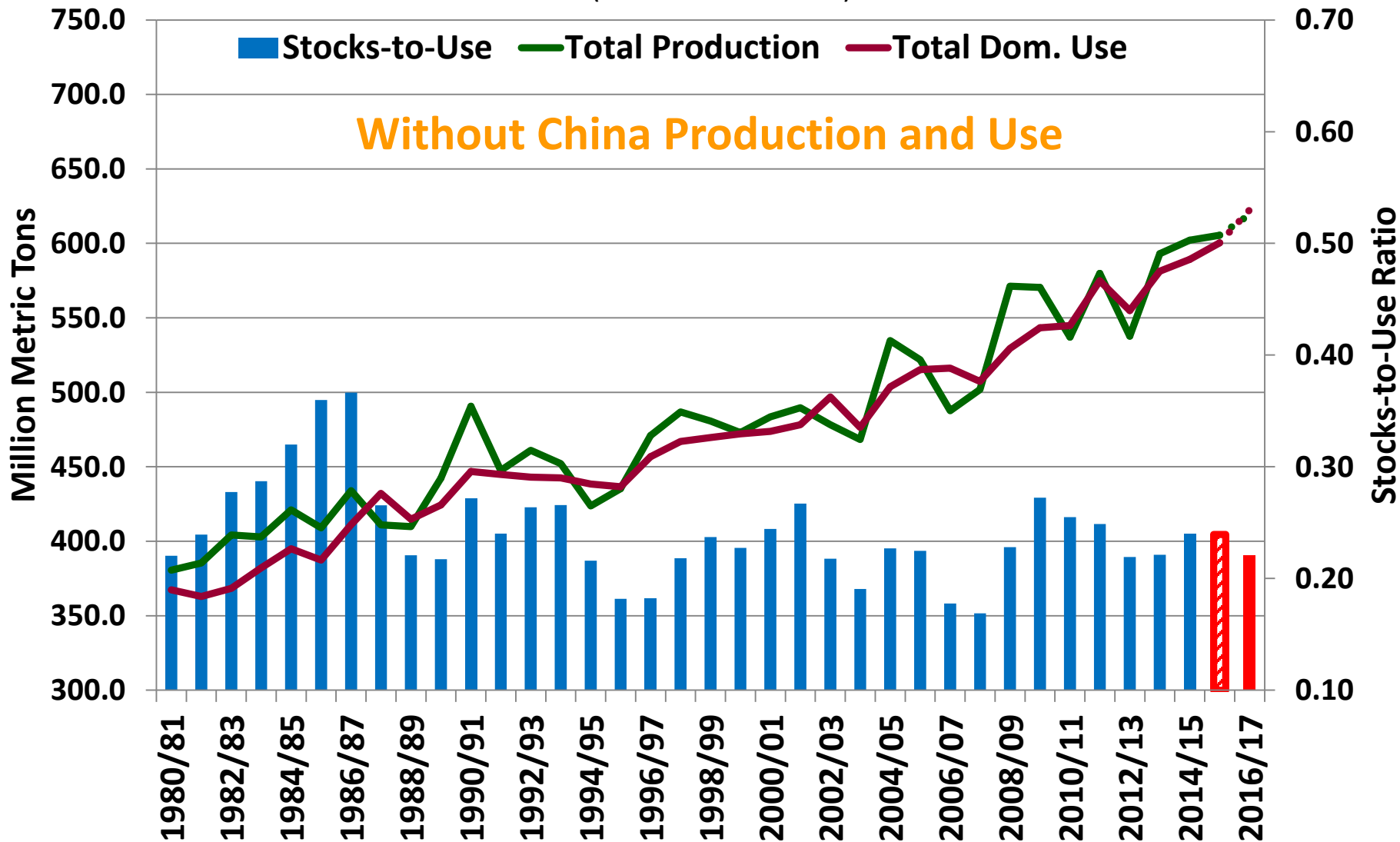
# World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)



# World Wheat Prod, Use & Stocks/Use

(Million Metric Ton)



# Winter Wheat Seedings Estimates

(Million Acres)

Crop	2016 USDA	Low	High	Average	2017 Est.
Hard Red Winter	<b>26.586</b>	22.600	26.664	24.954	<b>23.30</b>
Soft Red Winter	<b>6.020</b>	4.800	6.600	5.662	<b>5.68</b>
White Winter	<b>3.531</b>	3.200	4.300	3.473	<b>3.37</b>
Total Winter	<b>36.137</b>	31.700	36.381	34.139	<b>32.383</b>

# Winter Wheat Seedings Estimates

(Million Acres)

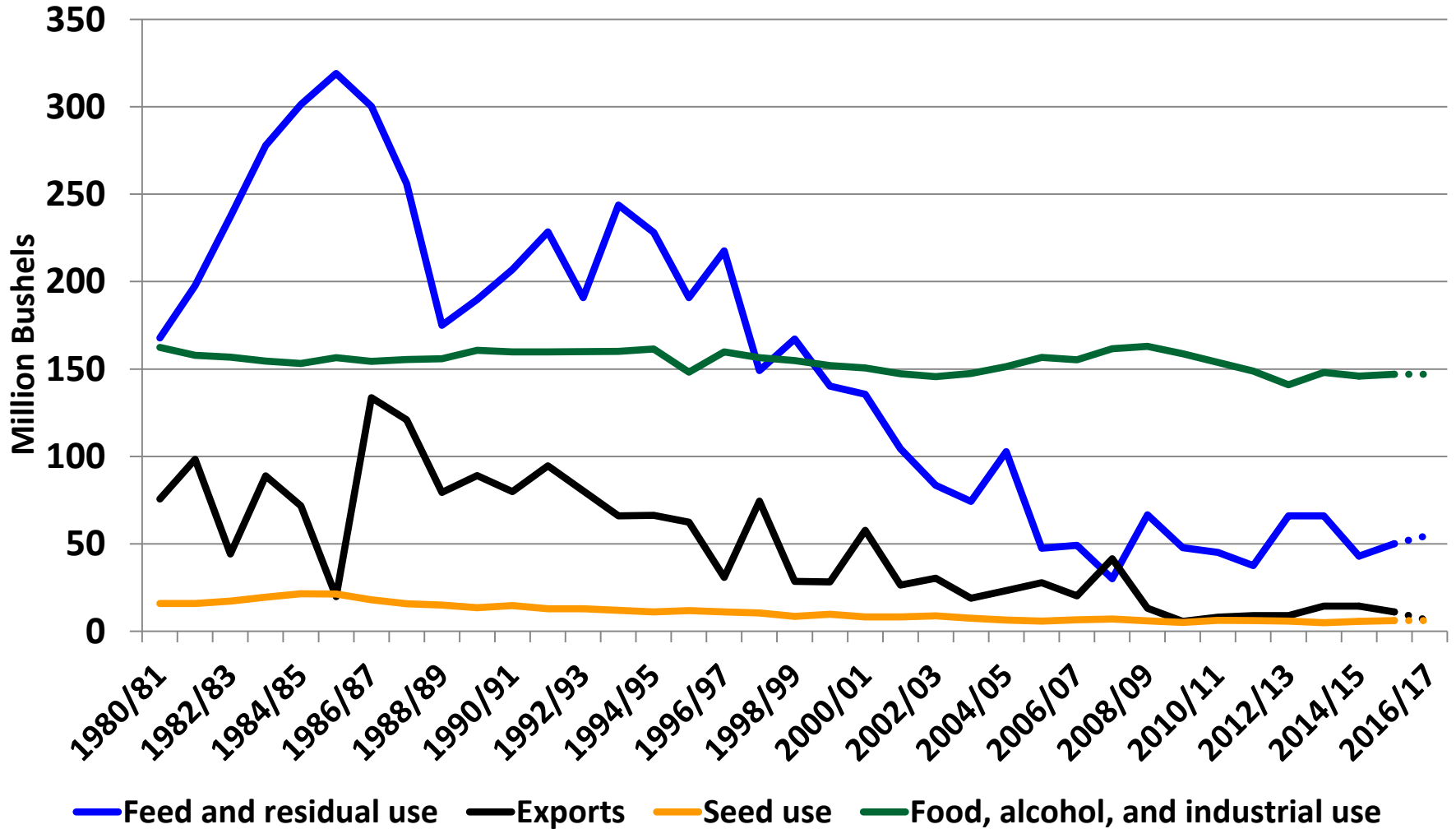
<b>Crop</b>	<b>2016 USDA</b>	<b>3.75 Mill. A. Reduction</b>			<b>2017 Est.</b>
Hard Red Winter	<b>26.586</b>	22.600	<del>26.664</del>	24.954	<b>23.30</b>
Soft Red Winter	<b>6.020</b>	4.800	6.600	5.662	<b>5.68</b>
White Winter	<b>3.531</b>	3.200	4.300	3.473	<b>3.37</b>
<b>Total Winter</b>	<b>36.137</b>	31.700	36.381	34.139	<b>32.383</b>

# Barley Update

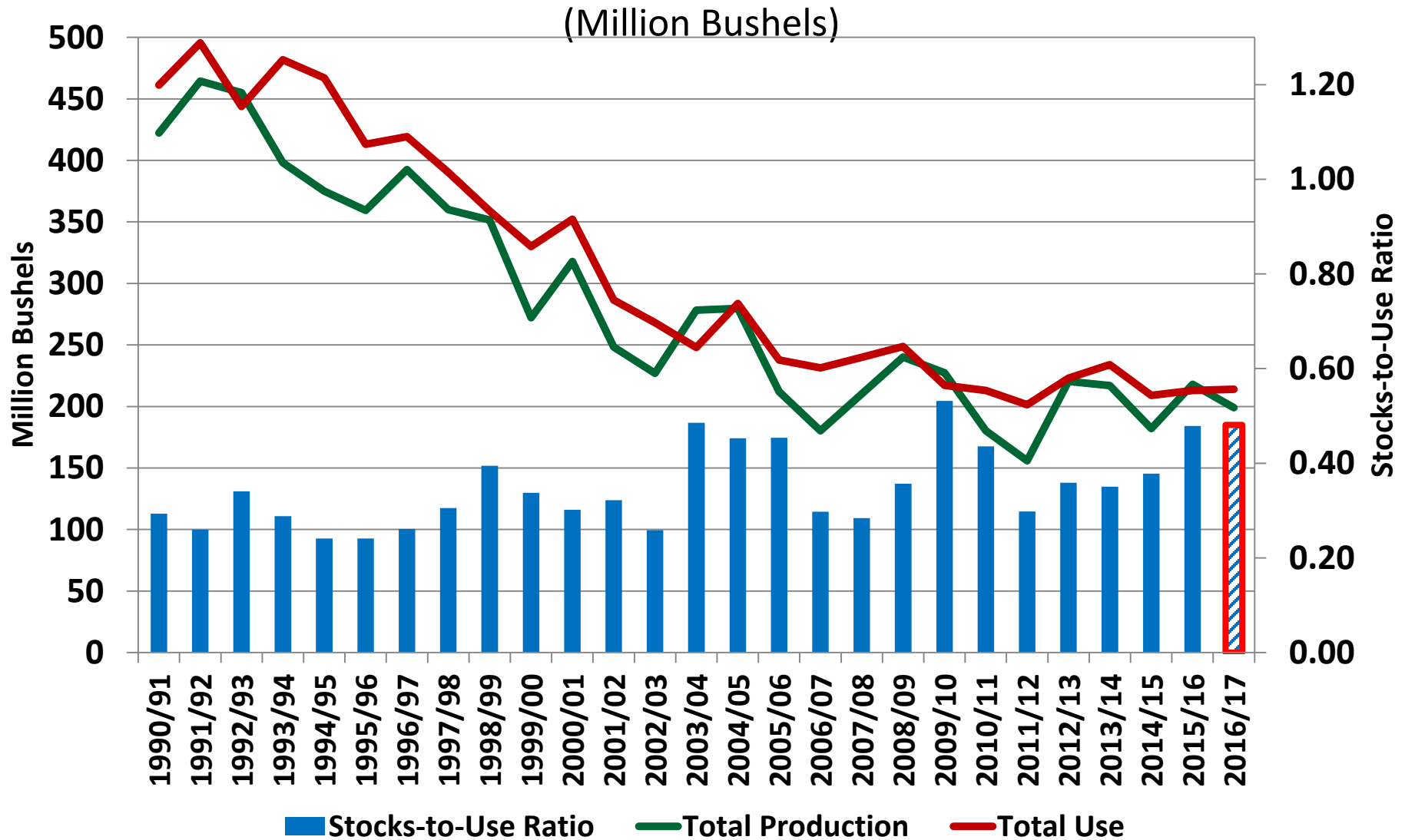


# Historical U.S. Barley Use by Category

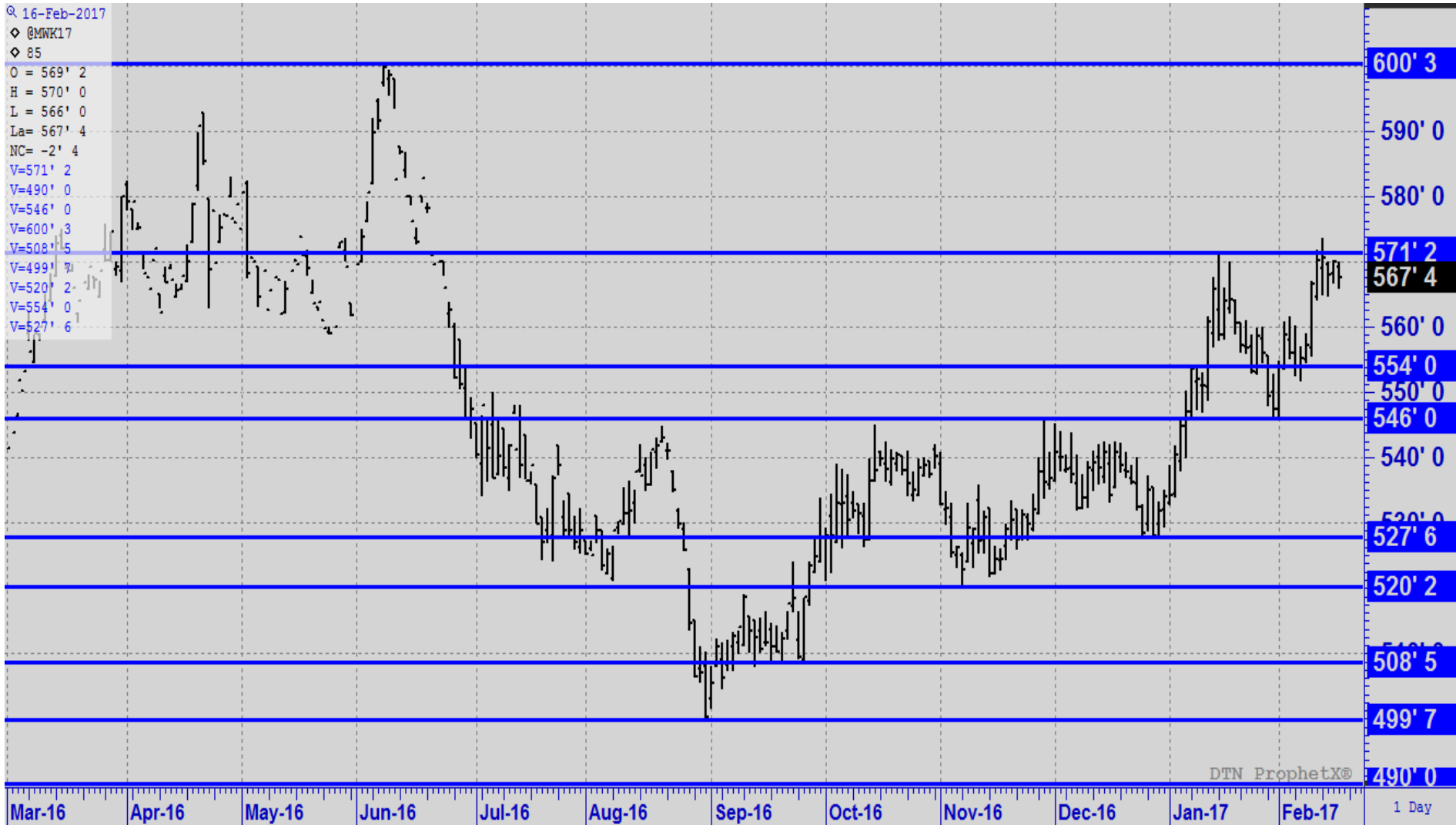
(Million Bushels)



# U.S. Barley – Total Prod. & Use

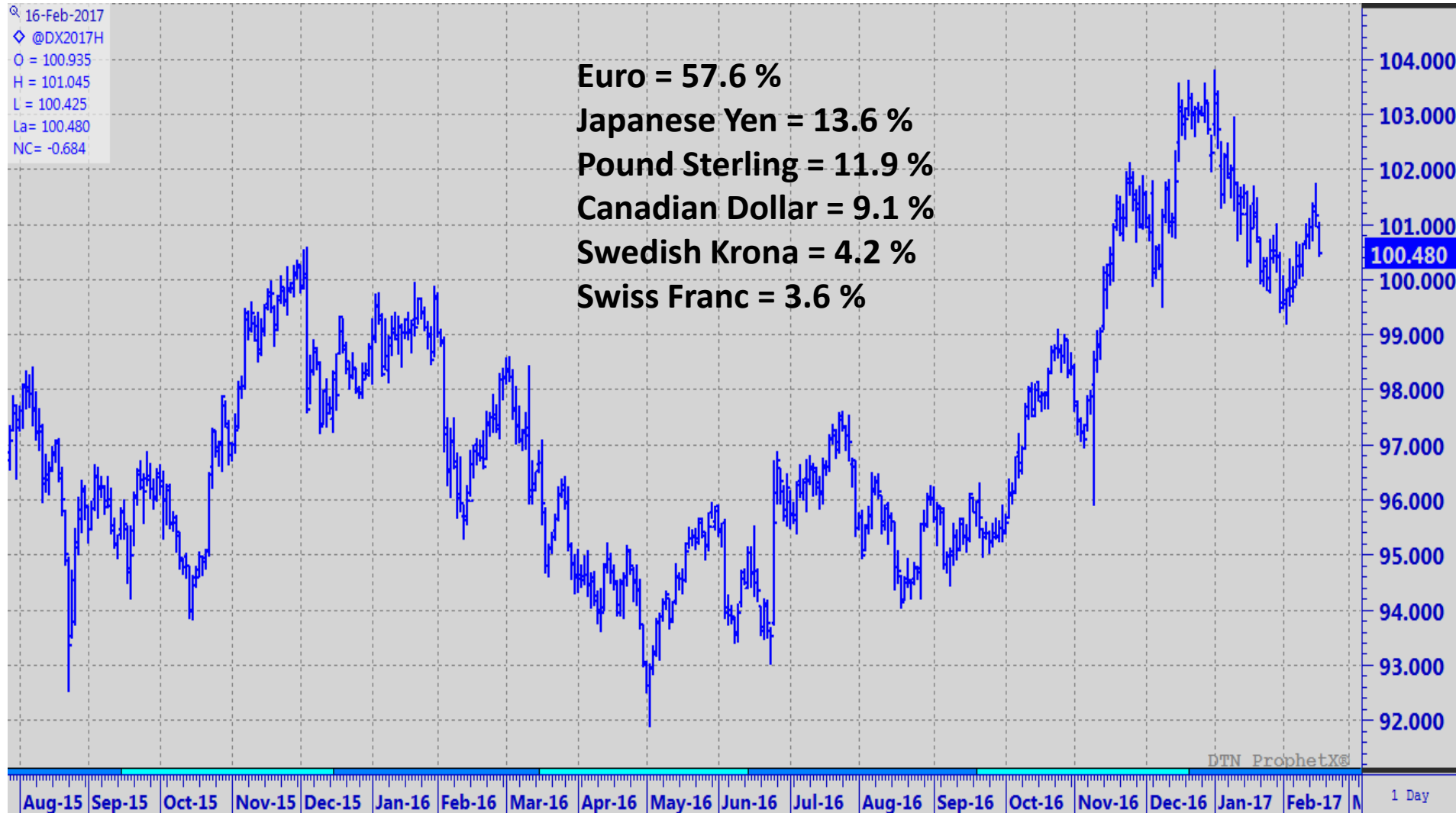


# May MGEX Wheat Pricing Points





# U.S. Dollar Index



# Questions?

