Wheat Outlook

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U.S. Department of Agriculture **WHS-12gt text and tables**

Approved by the World Agricultural Outlook Board

Projected U.S. wheat supplies for 2012/13 are raised 5 million bushels, with higher estimated beginning stocks more than offsetting lower forecast production. Beginning stocks were reported in the June 29 *Grain Stocks* report 15 million bushels above last month's projection. Feed and residual disappearance, seed use, and exports are all lowered slightly for 2011/12. Production for 2012/13 is reduced 10 million bushels as a 14-million-bushel reduction in winter wheat is only partly offset by a higher forecast for spring wheat.

Total U.S. wheat use for 2012/13 is projected 35 million bushels higher. Domestic U.S. food use for 2012/13 is raised 5 million bushels on expectations of lower flour extraction rates for this year's crop. Projected feed and residual use is lowered 20 million bushels, with higher prices and stronger export demand. Exports are projected 50 million bushels higher with reduced competition from Black Sea exporters. Ending stocks for 2012/13 are projected 30 million bushels lower. The projected range for the 2012/13 season average farm price is raised 60 cents on both ends to $6.20 to $7.40 per bushel, supported by sharply higher corn and soybean prices. This compares with the record $7.24 per bushel reported for 2011/12.

Significant reductions in production and export prospects for Russia and Kazakhstan provide additional support for higher 2012/13 export forecasts for the EU-27 and the United States. Record world wheat trade for 2011/12 is projected even larger this month.

Domestic Situation and Outlook

Ending Stocks for 2012/13 Projected To Decrease From June

Ending stocks of wheat for 2012/13 are projected to be down 30 million bushels from June to 664 million bushels. Ending stocks for 2012/13 are projected down 79 million bushels from 2011/12 as total use increases more than supplies.

Total production is forecast at 2,224 million bushels, down 10 million bushels from June, but up 225 million bushels from 2011/12. Total planted area is forecast at 56.0 million acres, up 1.6 million acres from the previous year. Total harvested area is forecast at 48.8 million acres, up 3.1 million acres from the previous year. The all-wheat yield is forecast at 45.6 bushels per acre, up 1.9 bushels from the previous year.

Winter Wheat Production Estimates by Class

Hard Red Winter (HRW) production is forecast to be down 14 million bushels from June to 1,010 million bushels, but up 230 million bushels from a year ago. Production is up year to year with the higher forecast planted area for the 2012 crop and the expected smaller abandonment rate. Yields are also due to the recovery from the severe drought on the Central and Southern Plains the previous year. Forecast planted area is up from June, while harvested area is down from last month. Forecast planted area, harvested area, and yield and year-to-year changes for 2012 are 30.0 million acres, up 1.5 million acres; 24.5 million acres, up 3.1 million acres; and 41.2 bushels per acre, up 4.8 bushels per acre, respectively.

Soft red winter (SRW) production is forecast up 1 million bushels from June to 429 million bushels, but down 29 million bushels from last year. SRW production is forecast lower year to year with both lower planted and harvested areas and lower yield. Forecast planted area and harvested area are down from June, while yield is up from last month. Forecast planted area, harvested area, and yield and year-to-year changes for 2012 are 8.3 million acres, down 0.3 million acres; 7.2 million acres, down 0.2 million acres; and 59.7 bushels per acre, down 2 bushels per acre, respectively.

White winter wheat production for 2012 is estimated to total 232 million bushels, down 24 million bushels from the previous year. The planted and harvested areas, production, and yield for white winter wheat are as follows (hard white winter = HWW and soft white winter = SWW):

2012	HWW	SWW
Planted area (million acres)	0.34	3.12
Harvested area (million acres)	0.29	3.01
Yield (bushels/acre)	48.4	72.4
Production (million bushels)	14.0	217.6

2011	HWW	SWW
Planted area (million acres)	0.32	3.28
Harvested area (million acres)	0.27	3.18
Yield (bushels/acre)	45.5	76.6
Production (million bu)	12.4	243.7

Spring Wheat Production Estimates by Class

Hard red spring (HRS) production is forecast at 435 million bushels, up 37 million bushels from 2011. HRS production is forecast up as higher yields more than offset lower planted and harvested areas. Forecast planted area, harvested area, yield, and year-to-year changes for 2012, respectively, are 11.4 million acres, down 0.2 million acres; 11.1 million acres, down 0.2 million acres; and 39.2 bushels per acre, up 4.0 bushels per acre.

White spring production is estimated to total 36.3 million bushels, down 21.2 million bushels from 2011/12.The planted and harvested areas, production, and yield for white spring wheat are as follows (hard white spring = HWS and soft white spring = SWS):

2012	HWS	SWS
Planted area (million acres)	0.11	0.48
Harvested area (million acres)	0.10	0.47
Yield (bushels/acre)	69.8	62.7
Production (million bu)	7.0	29.2

2011	HWS	SWS
Planted area (million acres)	0.15	0.66
Harvested area (million acres)	0.14	0.64
Yield (bushels/acre)	82.5	71.3
Production (million bushels)	11.9	45.6

Durum wheat production is forecast to total 82.0 million bushels, up 31.5 million bushels from a year ago. Durum production is forecast up with higher planted and harvested areas and higher yield. In the previous year, excessive moisture and cool temperatures on the Northern Plains resulted in late seeding and prevented plantings. Planted area in 2011 was the lowest since 1960. Forecast planted area, harvested area, yield, and year-to-year changes for 2012, respectively, are 2.2 million acres, up 834,000 acres; 2.1 million acres, up 810,000 acres; and 38.6 bushels per acre, up 0.1 bushels per acre.

Projected 2012/13 Supplies Up This Month

The 2012/13 outlook for U.S. wheat supplies is raised 5 million bushels from June. Beginning stocks for 2012/13, at 743 million bushels, are up 15 million bushels from June. Projected imports, at 120 million bushels, are unchanged from June. Production is forecast at 2,224 million bushels, down 10 million bushels from June.

Projected 2012/13 Supplies Up From 2011/12

Total supply is increased by 110 million bushels from 2011/12 to 3,087 million bushels. Supplies of HRW, HRS, and durum are up year to year, while SRW and white are down. HRW supplies increased the most, as larger production more than offset lower beginning stocks. Durum supply also increased sharply percentagewise as larger production more than offset lower beginning stocks. The supply of HRS increased only slightly, as the production increase was only marginally larger than decline year-to-year in beginning stocks. Lower SRW production more than offset its higher beginning stocks, reducing 2012/13 supplies from the previous year. White wheat supplies are lower than in 2011/12 because of both lower beginning stocks and production.

Projected 2012/13 Utilization Up This Month

The 2012/13 outlook for U.S. wheat use is raised 35 million bushels from June. Food use is raised 5 million bushels on expectations of lower flour extraction rates for this year's crop. Seed use is unchanged from June. Feed and residual use is dropped 20 million bushels because of higher prices and expected stronger export demand. Exports are raised 50 million bushels with expected reduced competition from Black Sea exporters.

Projected 2012/13 Utilization Up From 2011/12

Total use is increased by 189 million bushels from 2011/12 to 2,423 million bushels. All classes except white have increased use year to year. HRW use increases the most due to sharply higher expected exports.

Total food use is expected up 10 million bushels from 2011/12 to 950 million bushels, with increased usage of HRS and durum use more than offsetting slightly smaller food use of HRW. Feed and residual use is up 31 million bushels from 2011/12 to 200 million bushels. Total exports are expected up152 million bushels to 1,200 million bushels, led by a 202-million-bushel increase for HRW. A small increase is expected for SRW exports. The exports of the other three classes are expected to decline, especially white.

Projected 2012/13 Ending Stocks Down From June and From 2011/12

The 2012/13 outlook for U.S. wheat ending stocks is lowered30 million bushels from June. The year-to-year decline from 2011/12 is 79 million bushels to 664 million bushels for 2012/13. The decline is led by reduced stocks for the HRW and SRW. HRS and white are expected to have only marginal changes. Durum stocks are expected to increase sharply percentagewise.

Total ending stocks for 2012/1 are expected to decrease by 11 percent from 2011/12. Stocks of SRW, HRW, and white are expected down 23 percent, 16 percent, 6 percent, respectively. Stocks of durum and HRS are expected up 55 percent and 3 percent, respectively.

2012/13 Price Range Is Raised

The 2012/13 **season-average farm price** range is projected at $6.20 to $7.40 per bushel, up 60 cents on both ends of the range from June supported by sharply higher corn and soybean prices. This compares with the record $7.24 per bushel reported for 2011/12.

Situation for the 2011/12 Marketing Year

2011/12 Supplies

Total projected supplies for 2011/12, at 2,977 million bushels, are down 5 million bushels from June because of lower imports. Supplies for 2011/12 are 302 million bushels below 2010/11. Year to year, lower beginning stocks and production were only slightly offset by higher imports.

Projected 2011/12 supplies of HRW, HRS, and durum are down year to year, mostly because of reduced production. HRW production is down from the previous year because of reduced harvested area and lower yields. Year to year, the planted area for the 2011 HRW crop is slightly smaller than 2010, but the rate of abandonment is up sharply and yields are down from the previous year due to the severe drought on the Central and Southern Plains. HRS and durum production are down from a year ago with lower planted and harvested areas and lower yields. Excessive moisture and cool temperatures on the Northern Plains resulted in late seeding and prevented plantings. The 2011 HRS crop was reduced by a greater percentage from 2010 than the HRW crop. The result was a substantial premium of HRS over HRW and a substitution of HRW for HRS in some flour blends.

Projected supplies of SRW and white are up from 2010/11, mostly because of larger production. SRW production is up from the previous year because of larger harvested area and higher yields. The 2011 crop area recovered from 2010, when a rain-delayed row-crop harvest and low prices reduced SRW seedings in the fall of 2009. Due to excellent weather conditions through much of the season, production was up significantly from the previous year, with production in many of the SRW States up more than 100 percent from 2010. White wheat production was up due to both higher area and yield.

All-wheat 2011 production is estimated at 1,999 million bushels, unchanged from June, but down 208 million bushels from 2010. All-wheat harvested area is estimated at 45.7 million acres, unchanged from June and down 1.9 million acres from the previous year. The U.S. all-wheat estimated yield is 43.7 bushels per acre for 2011, unchanged from June, but down 2.6 bushels from the 2010 record high of 46.3 bushels.

Projected **all-wheat imports** for 2011/12 are down 5 million bushels from June. Based on the pace to date, HRS is raised 1 million bushels, SRW is lowered 4 million bushels, and white and durum are each lowered 1 million bushels from June. Projected 2011/12 imports are up 18 million bushels year to year, mostly due to higher HRS, durum, and SRW imports. Imports of HRS and durum are higher year to year because of tighter U.S. supplies for these classes of wheat. The increase in SRW imports reflects shipments of feed-quality wheat from the EU.

Estimated 2011/12 **carryin stocks**, in total and by class, are unchanged from June. Projected 2011/12 carryin stocks of HRS and SRW are down sharply year to year. The carryin stocks for the other classes are nearly unchanged year to year.

2011/12 Use

Domestic use of wheat for 2011/12 is projected at 1,186 million bushels, down 13 million bushels from June, but 58 million bushels higher than last year. **Total food use** for 2011/12 is projected at 940 million bushels, unchanged from June. Durum food use was lowered 5 million bushels based on the June *Grain Stocks* report. Offsetting increases were made on HRS and HRW. Projected food use for 2011/12 is up 14 million bushels from 2010/11. Projected **seed use** is lowered 2 million bushels from June. **Feed and residual use** this month is projected at 169 million bushels, down 11 million bushels from June. Projected feed and residual use for 2011/12 is 37 million bushels higher than in 2010/11.

Projected exports for 2011/12 are down 7 million bushels from June to 1,048 million bushels based on the pace of shipments to date. HRW exports are lowered 3 million bushels, SRW exports are lowered 2 million bushels, and HRS and white export area each lowered 1 million bushels. Durum exports area unchanged. At 1,048 million bushels, projected exports are down 241 million bushels from 2010/11 because of higher production in several major exporting countries and relatively high U.S. prices.

Estimated total U.S. ending stocks for 2011/12, at 743 million bushels, are up 15 million bushels from June and down 119 million bushels from 2010/11.

All-wheat ending stocks are estimated down 14 percent from 2010/11. Durum, white, HRS and HRW ending stocks are estimated down from 2010/11 by 28 percent, 25 percent, 18 percent, and 18 percent, respectively. SRW ending stocks are estimated up from 2010/11 by 8 percent.

2011/12 Price Is Lowered Slightly

The 2011/12 **season-average farm price** is estimated at $7.24 per bushel, down one cent from the June projection. This compares with $5.70 per bushel for the previous year and the previous 2008/09 record high of $6.78 per bushel.

USDA Wheat Baseline, 2012-21

Each year, USDA updates its 10-year projections of supply and utilization for major field crops grown in the United States, including wheat. A detailed discussion summarizing the historical forces determining U.S. wheat supply and utilization, and the analysis underlying the wheat projections for 2011-20, is available at
http://www.ers.usda.gov/briefing/wheat/2012baseline.htm/.

International Situation and Outlook

World Wheat Production Down Sharply This Month

World wheat production for 2012/13 is projected to decline by 6.7 million tons this month because of a 6.5-million-ton drop in foreign production and a slight decrease in U.S. wheat production. The projection for foreign wheat output for 2012/13 is reduced this month to 604.8 million tons. This leaves foreign wheat production 35.5 million tons lower than estimated for the previous year.FSU-12 dominates in this month's decline, as wheat production in this region is projected down 6.2 million tons: down 4.0 million tons to 49.0 million for Russia, down 2.0 million tons to 13.0 million for Kazakhstan, and down 0.2 million tons to 0.5 million (about a 30 percent decline) for Moldova. From Moldova in the west to the south of Russia and the Volga Valley to the spring wheat areas of Siberia and parts of northern Kazakhstan in the east of the continent, growing conditions continued to deteriorate in June.

Expectations that key wheat areas in the South District of Russia would partly recover in June, helped by rains in the beginning of the month, did not materialize because of unrelenting, stressful heat of 35 C (95 F) that quickly wiped out accumulated moisture. Winter wheat harvesting in Russia started 10 days earlier than usual with accelerated maturation of the wheat crop, and harvest reports show about a 30-percent decline in wheat yields compared to last year, when approximately the same size of area was harvested (Russian Ministry of Agriculture reports as of July 9, 2012, and July 16, 2011). To make matters worse, torrential rains during the last 2 weeks in the South of Russia (Krasnodar and Stavropol) virtually halted harvesting, and are expected to reduce the quantity and quality of winter wheat in those major producing regions. As for spring wheat, planting has been virtually completed with the latest reports indicating lower than expected sown spring wheat area, down 1.0 million hectares this month. Hot and dry weather accelerated spring wheat development in the lower Central and Volga Districts (flowering and filling stages), as well as in the Altay and Novosibirsk regions of Russia and in northern Kazakhstan (heading and flowering). These weather conditions made the crop more vulnerable to persistent high temperatures and low soil moisture levels. Satellite-derived vegetative indices support this picture, confirming sustained damage to the spring wheat crop.

Wheat production changes are projected for the past 2 years for China, down 2.0 million tons to 118.0 million for 2012/13, and up 0.5 million tons to 117.9 for 2011/12. The 2011/12 estimate has been recently released by the Government statistical service (China National Bureau of Statistics), and the 2012/13 crop size reflects early indications from estimates by the China National Grain and Oils Information Center. Wheat production in 2012/13 is still being projected at a record level, though just slightly higher than last year's volume, reflecting good growing conditions in some areas, but problems in parts of the North China Plain that had an exceptionally dry spring.

Canadian 2012/13 wheat production is reduced by 0.4 million tons to 26.6 million this month, which is still 1.3 million tons higher year to year. The decrease is entirely based on a 0.15-million-hectare reduction in sown area, down to 9.35 million hectares, but still up 80,500 hectares on the year. As reported by Statistics Canada, wet conditions in the Prairies delayed sowing, especially in Saskatchewan that produces half of Canada's wheat and in Manitoba that accounts for 15 percent of the country's wheat production. Although both provinces are expected to have a healthy increase in wheat sown area on the year, the preliminary estimates have been slightly lowered.

This month's reduction in foreign wheat production is partly offset by an increase in 2012/13 production prospects in the EU-27, up 2.1 million tons to 133.1 million. Timely abundant June precipitation in the northern parts of the European continent benefited the wheat crop in France, Germany, Hungary, Latvia, Lithuania, and Netherlands, and warranted this month's increase in yield prospects for these countries, of a total of 2.5 million tons. This increase more than offsets area and yield reductions in Poland, such that production is down 0.4 million tons. Despite recent precipitation in Poland, wheat appears not to have recovered from adverse winter and spring conditions, and current projected yields better reflect the impact of that earlier weather.

Larger Beginning Stocks Partly Offset Production Cuts

Foreign 2012/13 beginning stocks are forecast up 1.2 million tons to 177.0 million, partly offsetting the 6.5-million-ton reduction in foreign wheat production. Most changes in beginning stocks reflect trade revisions for 2011/12. The largest among the changes are reductions in beginning stocks in Argentina and Russia, by 0.7 and 0.4 million tons, respectively, based on higher 2011/12 wheat exports. Other large changes include increases in China, Australia, and Turkey, up 0.7, 0.6, and 0.4 million tons, respectively. In China, the 2011/12 wheat output revision and higher imports result in higher 2011/12 ending stocks and therefore 2012/13 beginning stocks. For Australia, the stocks increase reflects lower 2011/12 wheat feeding that is only partly offset by higher 2011/12 exports. In Turkey, record-high 2011/12 wheat imports boost stocks. Higher 2011/12 imports also resulted in larger beginning stocks in Uzbekistan (0.3 million tons) and Egypt (0.2 million tons), while in South Korea stocks are up 0.2 million tons because of lower feeding. Smaller changes in beginning stocks have been made for a number of other countries.

Wheat Consumption Projected Slightly Down

Projected foreign wheat consumption in 2012/13 is down just 0.2 percent. Foreign feed use for 2012/13 is decreased slightly this month, down 0.8 million tons with the adjustments in individual countries partly offsetting. The largest decrease in projected feed use is for Kazakhstan, down 1.0 million tons to 2.5 million, reflecting lower wheat availability and higher prices as production declines. Feed use in Australia is reduced by 0.5 million tons. The 2011/12 record wheat harvest had a larger than usual share of feed-quality wheat, and Australia was anticipated to use more wheat for feed in both 2011 and 2012. However, though feed use in those years did increase, higher wheat prices and a shift in international demand to more grass fed Australian beef trimmed the amount of wheat used for feeding. Australia found itself highly competitive as a supplier of feed-quality wheat, delivering record amounts of low-quality wheat to a number of Asian countries, North Africa, and Middle East, while stocking the remainder. For the EU-27, wheat feeding is up 0.5 million tons this month, reflecting higher supplies and sharply reduced corn imports. Smaller changes in wheat consumption are made for several countries.

Projected foreign food use is down by a mere 0.3 million tons, with small changes projected for Australia, Indonesia, Iran, Kyrgyzstan, Libya, Tajikistan, Uzbekistan, and Venezuela.

Reduced Supplies Trim Ending Stocks Despite Lower Use

The decline in the foreign consumption forecast this month partly offsets lower supplies, limiting a decline in projected foreign ending stocks to 2.5 million tons. Projected 2012/13 world wheat ending stocks are down 3.3 million tons this month to 182.4 million; U.S. stocks are projected to decrease 0.8 million tons. India's wheat ending stocks are down 2.0 million tons to 21.0 million, due to higher projected exports. In China, ending stocks are forecast down 1.8 million tons to 55.7 million, following lower production and imports that are partly offset by higher beginning stocks. In Argentina, ending stocks are reduced 0.7 million tons to 0.6 million reflecting lower beginning stocks. Stocks are down 0.4 million for both Canada and Russia. Partly offsetting are higher stocks for Australia (higher beginning stocks, and exports and lower feed use), Iran (higher imports), and Turkey (higher imports), up 1.2, 0.4, and 0.4 million tons, respectively. Smaller changes in ending stocks are made for a number of other countries.

Record 2011/12 World Wheat Trade Up Further This Month

As the July-June 2011/12 world wheat trade year ends, trade data on the final months of the year are still being published. With much of the data already available, 2011/12 global wheat trade is estimated at a record 149.2 million tons, up 2.1 million tons this month. World wheat trade grew 12 percent (or 15.5 million tons) compared to the previous year, and is up 5.7 million tons compared to the previous record of 2008/09. Growing demand for feed wheat from Australia boosted 2011/12 imports across East Asia by almost 3.5 million tons on the year, with China, Philippines, South Korea, Thailand, and Vietnam reaching all-time records (China and Thailand imports are increased this month). Iran went from being virtually self-sufficient in wheat, importing just 0.2 million tons in 2010/11, to importing 2.5 million in 2011/12. This appears to be an attempt to accumulate higher wheat stocks, out of concern that the country's worsening geopolitical situation and isolation could lead to food shortages. Iranian wheat imports are projected up 0.5 million this month. Middle East countries imported 4.6 million more tons of wheat than the previous year, and wheat imports by Egypt, Turkey, Saudi Arabia, and United Arab Emirates were all boosted this month to all-time highs. Drought that affected 2011/12 corn and sorghum production in Mexico, and the necessity to replace corn and sorghum supplies coming from the U.S. with imported wheat, triggered 2011/12 wheat imports in Mexico at a record level of 5.1 million tons, up 1.6 million tons on the year. EU-27 increased its wheat imports despite the third largest crop ever in 2011/12, up 2.8 million tons on the year to 7.5 million (up 0.2 million this month). The FSU-12 countries benefited from abundant Kazakh 2011/12 wheat supplies, with increased imports of 1.8 million tons going mainly to Uzbekistan, Tajikistan, and Kyrgyzstan (all three are up this month). Several small changes are made for a number of other countries.

The largest increase in 2011/12 exports this month is for Argentina, which shipped at a strong pace after harvest, boosting July-June exports 0.7 million tons to 11.5 million tons. Australian, Kazak, and Russian shipments in recent weeks exceeded expectations, boosting exports 0.5 million tons each for Australia and Kazakhstan to 22.5 and 10.5 million tons, and up 0.3 million tons for Russia to reach 21.3 million. Exports from United Arab Emirates (UAE), Uruguay, and Uzbekistan are boosted 0.2 million tons, each. UAE are confirmed in having shipped additional wheat to Iran, while Uzbekistan is on record to ship more just across the border to Afghanistan. However, Mexican and Brazil's 2011/12 exports are trimmed 0.2 million tons each, as shipments have been smaller than expected. U.S. 2011/12 wheat exports are down 0.1 million tons this month to 28.1 million tons, based on Census trade data for 11 months and USDA data sources for the final month. A small change is made for Tunisia.

2012/13 U.S. Export Prospects Boosted Due to Reduced Competition

World wheat trade for 2012/13 (July-June) is down 1.1 million tons this month, to 135.6 million. A 0.5-million ton decline in projected imports for China reflects higher projected prices relative to corn and reduced incentives for wheat imports. Based on higher existing supplies, and anticipated reduced deliveries from Kazakhstan, 2012/13 imports are projected down this month for Uzbekistan, Kyrgyzstan, and Tajikistan (down 0.2, 0.1, and 0.1 million tons, respectively). Based on the pace of imports and consumption in 2011/12, imports for 2012/13 are down 0.2 million tons for Indonesia, and 0.1 million each for Azerbaijan, Jamaica, and Libya. Small imports changes are made for Moldova and New Zealand.

Sharply lower production prospects in Russia and Kazakhstan drive these countries' export reductions of 4.0 and 1.5 million tons, respectively. In Russia, major losses are expected to occur in the main wheat-exporting regions of the South, where prices have been increasing for some time, and logistical difficulties are anticipated in moving grain from remote areas to Black Sea ports. In Kazakhstan, the Government is concerned about the unfavorable wheat production outlook and is considering ending export transportation subsidies, which were the main factor in this year's high Kazakh wheat export performance. These reductions in production prospects and exports provided additional support for higher export forecasts for the EU-27 and the United States. Given higher EU-27 projected wheat production and its plentiful wheat stocks, lower FSU (Russia and Kazakhstan) wheat production and stocks, and possible depreciation of the euro, EU-27 wheat is expected to be competitive in 2012/13, and its exports are projected to be up 1.5 million tons to 16.0 million.

Another considerable increase in wheat exports is for India, up 2.0 million tons to 5.0 million. In 2012/13 wheat procurement has been at a record-high, pumping up the government's already large grain stocks (discussed in our June issue, see http://usda01.library.cornell.edu/usda/ers/WHS//2010s/2012/WHS-06-14-2012.pdf). In June 2012, the Government approved an additional allocation of wheat sales through the Public Distribution System (PDS).A significant share of the highly subsidized PDS wheat usually ends up in the open market, depressing domestic prices and making Indian wheat more competitive. On July 3, the Cabinet Committee on Economic Affairs (CCEA) approved a Food Ministry proposal to export 2.0 million tons of wheat from its stocks in an attempt to ease the storage crisis. A small reduction in exports is made for Tunisia.

Though U.S. wheat production is slightly down this month (supplies are slightly up this month), it is still 6.1 million tons higher year to year. Strong early sales and reduced competition, especially from the Black Sea countries, boost prospects for U.S. wheat exports in 2012/13. The

July-June U.S. export projection is increased 1.0 million tons this month to 32.5 million, with June-May local marketing year exports up 50 million bushels to 1.2 billion.

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Table 1--Wheat: U.S. market year supply and disappearance, 7/13/2012

Item and unit		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Area:								
Planted	Million acres	57.3	60.5	63.2	59.2	53.6	54.4	56.0
Harvested	Million acres	46.8	51.0	55.7	49.9	47.6	45.7	48.8
Yield	Bushels per acre	38.6	40.2	44.9	44.5	46.3	43.7	45.6
Supply:								
Beginning stocks	Million bushels	571.2	456.2	305.8	656.5	975.6	862.2	742.7
Production	Million bushels	1,808.4	2,051.1	2,499.2	2,218.1	2,206.9	1,999.3	2,224.1
Imports 1/	Million bushels	121.9	112.6	127.0	118.6	96.9	115.0	120.0
Total supply	Million bushels	2,501.5	2,619.9	2,932.0	2,993.2	3,279.5	2,976.6	3,086.8
Disappearance:								
Food use	Million bushels	937.9	947.9	926.8	918.9	925.6	940.0	950.0
Seed use	Million bushels	81.9	87.6	78.0	69.5	70.9	76.8	73.0
Feed and residual use	Million bushels	117.1	16.0	255.2	149.9	131.9	168.7	200.0
Total domestic use	Million bushels	1,136.8	1,051.4	1,260.0	1,138.2	1,128.4	1,185.5	1,223.0
Exports 1/	Million bushels	908.5	1,262.6	1,015.4	879.3	1,288.8	1,048.4	1,200.0
Total disapperance	Million bushels	2,045.3	2,314.1	2,275.4	2,017.5	2,417.2	2,233.9	2,423.0
Ending stocks	Million bushels	456.2	305.8	656.5	975.6	862.2	742.7	663.8
CCC inventory 2/	Million bushels	41.0						
Stocks-to-use ratio		22.3	13.2	28.9	48.4	35.7	33.2	27.4
Loan rate	Dollars per bushel	2.75	2.75	2.75	2.75	2.94	2.94	2.94
Contract/direct payment rate	Dollars per bushel	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Farm price 3/	Dollars per bushel	4.26	6.48	6.78	4.87	5.70	7.24	6.20-7.40
Government payments	Million dollars	1,120	1,118					
Market value of production	Million dollars	7,695	13,289	16,626	10,654	12,827	14,475	15,124

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/ Stocks owned by USDA's Commodity Credit Corporation (CCC). Most CCC-owned inventory is in the Bill Emerson Humanitarian Trust.
3/ 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: 7/12/2012

Table 2--Wheat: U.S. market year supply and disappearance, 7/13/2012

Market year, item, and unit			All wheat	Hard red winter 1/	Hard red spring 1/	Soft red winter 1/	White 1/	Durum
2011/12	Area:							
	Planted acreage	Million acres	54.41	28.48	11.59	8.56	4.41	1.37
	Harvested acreage	Million acres	45.72	21.44	11.30	7.42	4.24	1.32
	Yield	Bushels per acre	43.74	36.38	35.21	61.66	74.00	38.19
	Supply:							
	Beginning stocks	Million bushels	862.25	385.78	185.00	171.00	85.00	35.47
	Production	Million bushels	1,999.35	780.09	397.69	457.54	313.55	50.48
	Imports 2/	Million bushels	115.00	1.00	36.00	33.00	8.00	37.00
	Total supply	Million bushels	2,976.59	1,166.87	618.69	661.54	406.55	122.95
	Disappearance:							
	Food use	Million bushels	940.00	402.21	222.79	155.00	85.00	75.00
	Seed use	Million bushels	76.80	33.69	18.58	15.74	5.45	3.35
	Feed and residual use	Million bushels	168.72	15.74	-18.64	142.35	36.21	-6.93
	Total domestic use	Million bushels	1,185.52	451.63	222.73	313.09	126.65	71.42
	Exports 2/	Million bushels	1,048.36	398.09	244.96	163.45	215.90	25.96
	Total disappearance	Million bushels	2,233.88	849.73	467.69	476.54	342.55	97.38
	Ending stocks	Million bushels	742.71	317.14	151.00	185.00	64.00	25.57
2012/13	Area:							
	Planted acreage	Million acres	56.02	30.04	11.41	8.33	4.04	2.20
	Harvested acreage	Million acres	48.83	24.53	11.11	7.19	3.86	2.12
	Yield	Bushels per acre	45.55	41.15	39.18	59.65	69.34	38.62
	Supply:							
	Beginning stocks	Million bushels	742.71	317.14	151.00	185.00	64.00	25.57
	Production	Million bushels	2,224.08	1,009.66	435.49	429.03	267.95	81.96
	Imports 2/	Million bushels	120.00	1.00	40.00	30.00	9.00	40.00
	Total supply	Million bushels	3,086.79	1,327.80	626.49	644.03	340.95	147.53
	Disappearance:							
	Food use	Million bushels	950.00	400.00	230.00	155.00	85.00	80.00
	Seed use	Million bushels	73.00	32.00	16.00	16.00	6.00	3.00
	Feed and residual use	Million bushels	200.00	30.00	.00	140.00	30.00	.00
	Total domestic use	Million bushels	1,223.00	462.00	246.00	311.00	121.00	83.00
	Exports 2/	Million bushels	1,200.00	600.00	225.00	190.00	160.00	25.00
	Total disappearance	Million bushels	2,423.00	1,062.00	471.00	501.00	281.00	108.00
	Ending stocks	Million bushels	663.79	265.80	155.49	143.03	59.95	39.53

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: 7/12/2012

Table 3--Wheat: U.S. quarterly supply and disappearance (million bushels), 7/13/2012

Market year and quarter		Production	Imports 1/	Total supply	Food use	Seed use	Feed and residual use	Exports 1/	Ending stocks
2004/05	Jun-Aug	2,157	17	2,721	227	4	264	287	1,938
	Sep-Nov		19	1,957	236	47	-56	300	1,430
	Dec-Feb		18	1,448	218	2	3	240	984
	Mar-May		17	1,001	229	24	-31	239	540
	Mkt. year	2,157	71	2,774	910	78	181	1,066	540
2005/06	Jun-Aug	2,103	19	2,662	231	2	261	244	1,923
	Sep-Nov		20	1,944	238	50	-61	286	1,429
	Dec-Feb		20	1,450	219	1	4	252	972
	Mar-May		22	995	228	24	-49	220	571
	Mkt. year	2,103	81	2,725	917	77	157	1,003	571
2006/07	Jun-Aug	1,808	26	2,406	235	2	205	214	1,751
	Sep-Nov		29	1,780	243	56	-47	212	1,315
	Dec-Feb		32	1,346	225	1	28	235	857
	Mar-May		34	891	234	22	-69	247	456
	Mkt. year	1,808	122	2,501	938	82	117	908	456
2007/08	Jun-Aug	2,051	30	2,538	240	1	257	323	1,717
	Sep-Nov		21	1,738	245	60	-120	421	1,132
	Dec-Feb		24	1,156	227	2	-44	261	709
	Mar-May		37	746	236	25	-77	257	306
	Mkt. year	2,051	113	2,620	948	88	16	1,263	306
2008/09	Jun-Aug	2,499	28	2,833	236	2	393	345	1,858
	Sep-Nov		28	1,886	238	54	-124	295	1,422
	Dec-Feb		36	1,458	219	1	28	170	1,040
	Mar-May		35	1,075	233	21	-41	206	657
	Mkt. year	2,499	127	2,932	927	78	255	1,015	657
2009/10	Jun-Aug	2,218	28	2,902	231	1	261	200	2,209
	Sep-Nov		24	2,234	237	45	-83	252	1,782
	Dec-Feb		30	1,812	222	1	31	201	1,356
	Mar-May		37	1,393	229	21	-59	227	976
	Mkt. year	2,218	119	2,993	919	69	150	879	976
2010/11	Jun-Aug	2,207	27	3,210	235	2	258	266	2,450
	Sep-Nov		24	2,473	242	52	-63	310	1,933
	Dec-Feb		23	1,956	221	1	-3	311	1,425
	Mar-May		22	1,448	228	16	-61	401	862
	Mkt. year	2,207	97	3,279	926	71	132	1,289	862
2011/12	Jun-Aug	1,999	21	2,882	230	5	205	296	2,147
	Sep-Nov		32	2,179	244	52	-17	237	1,663
	Dec-Feb		30	1,693	231	2	44	217	1,199
	Mar-May		32	1,231	235	18	-63	298	743
	Mkt. year	1,999	115	2,977	940	77	169	1,048	743
2012/13	Mkt. year	2,224	120	3,087	950	73	200	1,200	664

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: 7/12/2012

Table 4--Wheat: Monthly food disappearance estimates (1,000 grain-equivalent bushels), 7/13/2012

Mkt year and month 1/		Wheat ground for flour	+	Food imports 2/	+	Nonmilled food use 3/	-	Food exports 2/	=	Food use 4/
2010/11	Jun	71,457		2,131		2,000		2,042		73,546
	Jul	74,629		2,122		2,000		1,483		77,268
	Aug	81,564		2,278		2,000		1,892		83,951
	Sep	78,430		2,259		2,000		1,622		81,066
	Oct	79,447		2,357		2,000		2,133		81,670
	Nov	76,043		2,373		2,000		1,387		79,028
	Dec	71,378		2,474		2,000		1,775		74,076
	Jan	71,676		2,262		2,000		2,110		73,828
	Feb	71,107		1,967		2,000		2,083		72,991
	Mar	75,441		2,657		2,000		1,812		78,286
	Apr	72,123		2,435		2,000		2,518		74,041
	May	73,743		2,377		2,000		2,230		75,890
2011/12	Jun	70,554		2,238		2,000		1,745		73,046
	Jul	72,573		2,096		2,000		1,339		75,330
	Aug	79,317		2,309		2,000		2,410		81,216
	Sep	76,269		2,237		2,000		1,637		78,870
	Oct	81,402		2,250		2,000		1,564		84,088
	Nov	77,915		2,571		2,000		1,704		80,782
	Dec	73,135		2,460		2,000		1,215		76,380
	Jan	74,522		2,583		2,000		1,280		77,826
	Feb	73,931		2,056		2,000		1,336		76,650
	Mar	78,437		2,556		2,000		1,764		81,230
	Apr			2,621				1,506		1,115

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.
4/ 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: 7/12/2012

Table 5--Wheat: National average price received by farmers (dollars per bushel) 1/, 7/13/2012

Month	All wheat		Winter		Durum		Other spring	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
June	7.41	6.37	7.13	6.17	9.18	9.04	9.26	7.74
July	7.10		6.77		10.20		8.45	
August	7.59		7.27		10.20		8.28	
September	7.54		7.00		10.80		8.09	
October	7.27		6.53		9.60		8.19	
November	7.30		6.44		10.30		8.43	
December	7.20		6.41		10.30		8.25	
January	7.05		6.57		8.84		8.09	
February	7.10		6.68		8.98		8.01	
March	7.20		6.70		8.39		8.04	
April	7.11		6.47		9.22		7.96	
May	6.67		6.42		8.95		7.93	

1/ Preliminary mid-month, weighted-average price for current month.
Source: USDA, National Agricultural Statistics Service, Agricultural Prices.

Table 6--Wheat: National average prices received by farmers by class (dollars per bushel), 7/13/2012

Month	Hard red winter		Soft red winter		Hard red spring		White	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
June	3.94	7.20	4.50	7.00	4.59	9.34	4.28	6.94
July	4.38	6.96	4.77	6.50	4.72	8.49	5.26	6.72
August	5.42	7.42	5.75	7.08	5.49	8.37	5.52	6.79
September	5.82	7.27	5.89	6.91	6.03	8.21	5.54	6.56
October	6.09	6.82	6.12	6.64	5.96	8.38	5.76	6.04
November	6.15	6.66	5.46	6.25	6.41	8.65	5.88	6.07
December	6.51	6.54	6.73	6.58	6.64	8.43	6.07	6.13
January	6.50	6.71	6.31	6.85	7.22	8.33	6.05	6.17
February	7.07	6.75	7.11	7.10	7.70	8.22	6.78	6.44
March	7.10	6.72	6.70	6.70	8.12	8.13	6.65	6.63
April	7.50	6.43	7.27	6.67	8.75	8.05	7.06	6.55
May	8.00	6.35	7.09	6.75	8.95	8.01	7.22	6.54

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

Date run: 7/12/2012

Table 7--Wheat: Average cash grain bids at principal markets, 7/13/2012

	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	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
June	8.61	7.61	9.52	8.13	7.41	6.75	326.28	276.31
July	8.03	--	8.54	--	6.60	--	303.87	--
August	8.63	--	9.06	--	7.26	--	327.02	--
September	8.30	--	8.73	--	7.41	--	314.34	--
October	7.77	--	8.53	--	6.82	--	289.54	--
November	7.74	--	8.43	--	6.54	--	281.09	--
December	7.46	--	8.03	--	6.29	--	267.86	--
January	7.69	--	8.13	--	6.48	--	274.84	--
February	7.59	--	8.16	--	6.75	--	277.78	--
March	7.52	--	8.30	--	6.90	--	283.85	--
April	7.11	--	7.79	--	6.64	--	266.02	--
May	7.24	--	7.88	--	6.70	--	263.45	--

	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)	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
June	11.23	9.02	12.97	9.31	11.60	9.08	--	--
July	9.75	--	11.16	--	10.26	--	--	--
August	9.73	--	10.21	--	9.83	--	--	--
September	9.84	--	9.80	--	9.82	--	--	--
October	9.84	--	9.80	--	9.97	--	--	--
November	9.73	--	10.61	--	10.01	--	--	--
December	9.13	--	9.69	--	9.71	--	--	--
January	9.02	--	9.43	--	9.42	--	--	--
February	9.16	--	9.53	--	9.71	--	--	--
March	9.17	--	9.62	--	9.56	--	--	--
April	9.00	--	9.63	--	9.59	--	--	--
May	8.60	--	9.11	--	9.02	--	--	--

	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)	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
June	6.63	6.64	6.71	6.56	6.75	6.62	7.45	6.97
July	7.96	--	6.54	--	6.73	--	6.75	--
August	6.96	--	7.03	--	7.28	--	6.92	--
September	6.44	--	6.40	--	6.61	--	6.75	--
October	6.44	--	5.96	--	6.09	--	6.25	--
November	6.20	--	6.09	--	6.07	--	6.05	--
December	5.91	--	5.94	--	6.04	--	5.93	--
January	6.42	--	6.23	--	6.45	--	6.27	--
February	6.42	--	6.44	--	6.69	--	6.98	--
March	6.67	--	6.44	--	6.58	--	7.07	--
April	6.53	--	6.24	--	6.38	--	7.03	--
May	--	--	6.29	--	6.30	--	6.87	--

-- = 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: 7/12/2012

Table 8--Wheat: U.S. exports and imports for last 6 months (1,000 bushels), 7/13/2012

Item		Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012
Exports	All wheat grain	61,287	72,639	71,447	68,957	86,770	103,778
	All wheat flour 1/	1,182	725	766	727	1,152	780
	All wheat products 2/	590	516	565	720	731	862
	Total all wheat	63,060	73,880	72,778	70,405	88,653	105,420
Imports	All wheat grain	7,779	8,059	7,600	7,262	10,450	6,495
	All wheat flour 1/	895	828	1,016	824	864	978
	All wheat products 2/	1,697	1,642	1,588	1,268	1,710	1,657
	Total all wheat	10,371	10,530	10,205	9,354	13,024	9,131

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: 7/12/2012

Table 9--Wheat: U.S. exports, Census and export sales comparison (1,000 metric tons), 7/10/12

Importing country	2009/10		2010/11		2011/12(as of 6/28/12)		
					Shipments	Out-standing	Total
Data source	Census 1/	Export sales 2/	Census 1/	Export sales 2/	Export sales 2/		
Country:							
Egypt	424	456	na	4,021	131	0	131
Nigeria	3,256	3,233	na	3,645	284	281	565
Japan	3,171	3,148	na	3,273	262	559	821
Mexico	2,000	1,975	na	2,601	278	745	1,023
Philippines	1,573	1,518	na	1,806	217	301	518
South Korea	1,102	1,111	na	407	52	356	409
Taiwan	838	844	na	913	103	184	189
Venezuela	658	658	na	616	78	178	257
Colombia	623	575	na	783	43	89	132
Peru	526	567	na	923	0	31	31
Indonesia	539	529	na	781	1	143	144
EU-27	545	606	na	1,308	68	28	96
Total grain	23,182	21,686	na	33,439	2,332	4,802	7,134
Total (including products)	23,977	21,794	na	33,539	2,336	4,820	7,156
USDA forecast of Census				35,244			31

1/ Source is U.S. Department of Commerce, U.S. Census Bureau

2/ Source is Foreign Agricultural Service's weekly *U.S. Export Sales* report.

Source: USDA, Foreign Agricultural Service's, U.S. Export Sales.