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Wheat Outlook: February 2022

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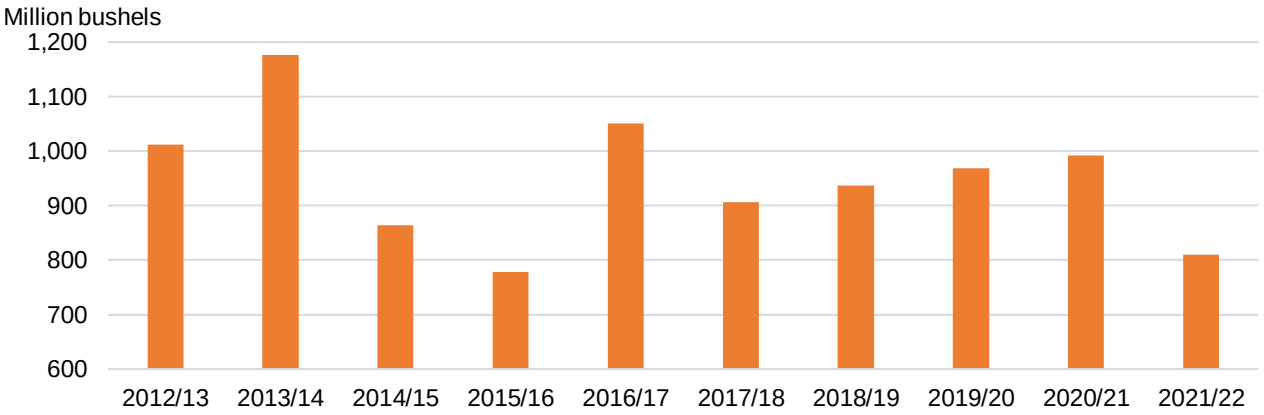
In this report:

U.S. Wheat Exports Lowest in 6 Years

U.S. wheat exports for 2021/22 are lowered this month by 15 million bushels to 810 million, the lowest since 2015/16 and the second-lowest since 1971/72. One major factor limiting U.S. exports this year was drought in the Northern Plains and Pacific Northwest, which severely reduced supplies of U.S. Hard Red Spring (HRS), Durum, and White wheat. With tight supplies, exports of White wheat are forecast to be the smallest in more than a decade, while HRS shipments are projected at the lowest level in more than 30 years. Major markets in Asia, especially China, have pared back purchases of U.S. wheat substantially in the face of relatively high U.S. prices. Some demand has turned to Australia, which has a record crop this year. U.S. Hard Red Winter (HRW) prices have been supported by tightness in other wheat classes. HRW exports are the lowest since 2015/16 as exports of this class have been generally uncompetitive with other key exporters such as the European Union and Russia.

Figure 1
U.S. all-wheat exports by marketing year, 2012/13–2021/22



Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Domestic Outlook

Domestic Changes at a Glance:

- The 2021/22 all-wheat export forecast is reduced 15 million bushels to 810 million on a weak pace of export sales and shipments. Official exports for June through December total 488 million bushels, down 16 percent from the same period last year, based on calculations from U.S. Bureau of the Census data. This 7-month total is 60 percent of the revised marketing year (June-May) projection. Export sales (both new sales and shipments) have remained slow throughout January, as reported by USDA's Foreign Agricultural Service (FAS) in the *U.S. Export Sales* report.
    - Projected Hard Red Winter (HRW) exports are reduced 10 million bushels to 325 million. U.S. HRW export prices continue to be at a premium to key competitors, which will limit exports beyond the traditional markets.
    - Exports for White wheat are reduced 5 million bushels to 145 million. Supplies of this class are particularly tight as production last year was limited due to drought in the Pacific Northwest. Prices for this class remain elevated and export sales have been relatively stagnant in recent months as elevated prices have caused some buyers to look for wheat from other sources.
- The 2021/22 all-wheat import forecast remains at 100 million bushels with all by-class projections also unchanged. Imports during June-December total 57 million bushels, down 12 percent from the same period last year.
    - U.S. Durum imports total 22 million bushels during June-December, representing 56 percent of the marketing year forecast of 40 million bushels.
    - U.S. imports of HRS during June through December total 26 million bushels, representing 58 percent of the marketing year projection for this class (45 million bushels).
- The 2021/22 season-average farm price is raised $0.15 per bushel to $7.30 based on the strong farmgate prices through December as reported in the January 31 National Agricultural Statistics Service (NASS) *Agricultural Prices*. The December 2021 all-wheat farmgate price was estimated at $8.58, which is up from $8.51 in November 2021 and well above the $5.46 in December 2020.
- All-wheat seed use is reduced 2 million bushels to 64 million based on updated data from USDA/NASS. Projected HRS seedings are lowered 1 million bushels to 15.5 million, based

on lower-than-anticipated use in the first quarter. Projected HRW seed use is now estimated at 26.5 million bushels (down 0.5 million). SRW seed use is projected lower by 0.5 million bushels to 13.5 million. Seed use during the second quarter for both HRW and SRW was lower than anticipated but use for the full marketing year is still projected higher from last year based on larger expected 2022/23 plantings. Seed use is also revised higher for both 2019/20 and 2020/21.

- The major changes to the U.S. all-wheat balance sheet are summarized in table 1.

Table 1: U.S. wheat supply and use at a glance 2021/22 (in million bushels)

Balance sheet item	2020/21 January	2021/22 January	2021/22 February	2021/22 Change month to month	Comments
Supply, total					***June-May marketing year***
Beginning stocks	1,028	845	845		
Production	1,828	1,646	1,646		
Imports	100	100	100		
Supply, total	2,957	2,591	2,591		
Demand					
Food	961	962	959	-3	Reduced use of Durum based on updated data
Seed	64	66	64	-2	Lower estimated seed use for Hard Red Spring (HRS), Hard Red Winter (HRW), and Soft Red Winter (SRW)
Feed and residual	95	110	110		
Domestic, total	1,120	1,138	1,133	-5	
Exports	992	825	810	-15	Adjustments to HRW and White wheat on slow pace of sales and shipments
Use, total	2,111	1,963	1,943	-20	
Ending stocks	845	628	648	+20	Ending stocks still lowest since 2013/14
Season-average farm price	$5.05	$7.15	$7.30	+$0.15	Final USDA price data through December and expectations for continued strong futures and cash prices in the coming months

Source: USDA, World Agricultural Outlook Board *World Agricultural Supply and Demand Estimates.*

Food Use Revised Lower

USDA/NASS published the Flour Milling Products report on February 1, 2022, that provided milling statistics for October-December 2021. USDA/Economic Research Service (ERS) U.S. domestic food use calculations are derived from these data, with a trade correction based on import and export statistics for flour and wheat products. U.S. wheat food use for June-December 2021 reached an estimated 564 million bushels, representing approximately 59 percent of the revised marketing year projection of 959 million bushels (table 2). Total U.S. food use is revised down 3 million bushels this month, with Durum wheat accounting for the entire reduction.

Table 2: Pace of U.S. wheat food use, million bushels

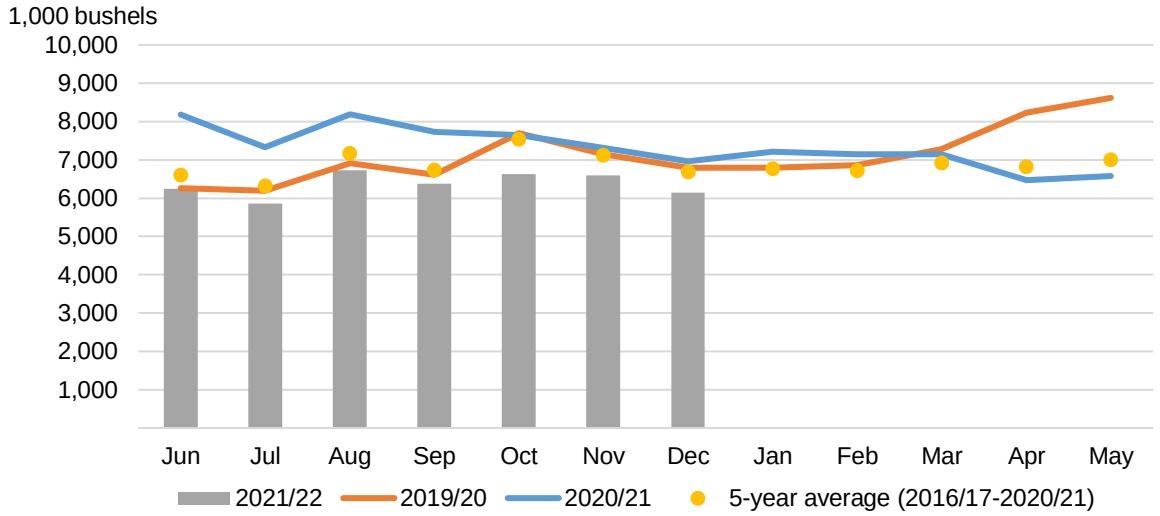
Marketing year	June-December	Marketing year total	Percent of total
2013/14	562	955	58.9
2014/15	565	958	58.9
2015/16	566	957	59.1
2016/17	559	949	58.9
2017/18	567	964	58.8
2018/19	562	954	58.9
2019/20	562	962	58.4
2020/21	567	961	59.0
5-year average (2016/17-2020/21)	563	958	58.8
2021/22	564	959	58.8

Note: 5-year average includes 2016/17 through 2020/21.

Source: USDA, Economic Research Service calculations; USDA, National Agricultural Statistics Service.

Durum food use is particularly slow with the pace drifting below average in recent months (figure 2). During the early months of the COVID-19 pandemic, Durum use increased sharply based on strong demand for pasta products. In 2021/22, however, durum use appears to be returning to normal level and may be even slightly lower than that observed before the pandemic. Durum use in the current marketing year may be dampened by high prices as a small amount of Durum might have been replaced in mill grind with other classes of wheat. Durum food use for June-December is estimated at 45 million bushels, down slightly from last year and representing a relatively normal 58 percent of the projected marketing year consumption (table 3).

Figure 2
Monthly U.S. durum food use



Source: USDA, National Agricultural Statistics Service; and USDA, Economic Research Service calculations.

Table 3: Pace of U.S. durum food use, million bushels

Marketing year	June-December	Marketing year total	Percent of total
2014/15	40	72	56.4
2015/16	46	79	57.7
2016/17	47	79	59.1
2017/18	46	79	58.3
2018/19	47	80	58.4
2019/20	48	85	55.8
2020/21	53	88	60.7
5-year average	48	82	58.5
2021/22	45	77	57.9

Note: 5-year average includes 2016/17 through 2020/21.

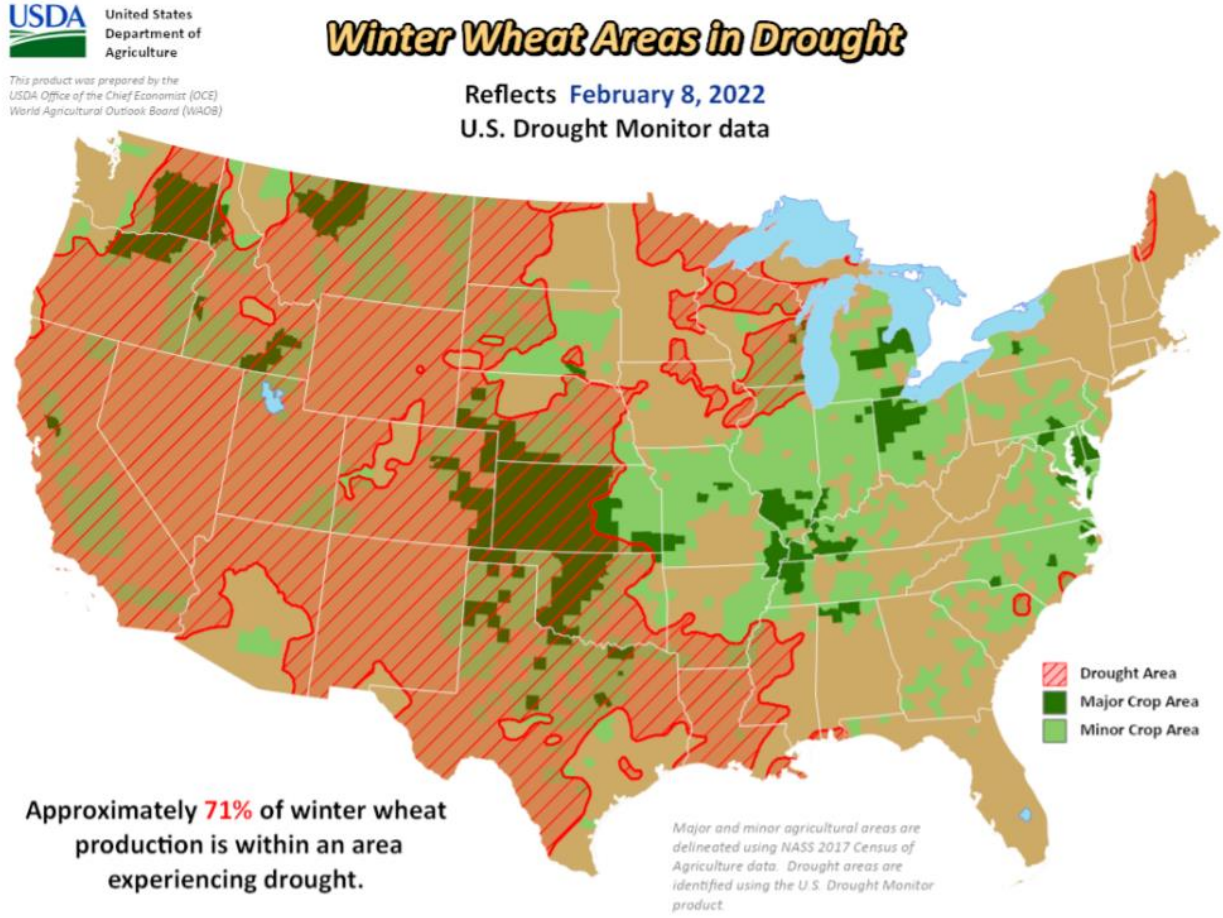
Source: USDA, Economic Research Service calculations; USDA, National Agricultural Statistics Service.

Drought Update

According to USDA analysis and data from U.S. Drought Monitor, 71 percent of U.S. winter wheat areas are in areas of drought as of Feb 8 (figure 3), up slightly from what was reported last month in the Wheat Outlook publication. Much of this area covers key HRW growing regions of western Kansas, Colorado, Oklahoma, and Texas. Drought conditions could leave some crops susceptible to damage if protective snow cover is not in place during periods of prolonged cold temperatures. Low temperatures have been reported in some of these areas, but the full effect of these conditions is not yet known. Further, White wheat production areas in the Pacific Northwest are still experiencing prolonged drought after dry conditions cut last year's

crop substantially. However, spring weather conditions will have a larger impact on the 2022 wheat crop and winter conditions alone are not a reliable determinant of harvest potential. Also noteworthy is that 55 percent of spring wheat and 78 percent of Durum growing areas are also currently in regions experiencing drought conditions.

Figure 3
Large portions of winter wheat area facing drought conditions



Notes: This product was prepared by the USDA, Office of the Chief Economist (OCE), World Agricultural Outlook Board (WAOB). Major and minor agricultural areas are delineated using National Agricultural Statistics Service (NASS) 2017 Census of Agriculture data. Drought areas are identified using the U.S. Drought Monitor product.
Source: USDA, World Agricultural Outlook Board, Agricultural Weather and Assessments Group.

By-Class Quarterly Balance Sheets Updated

USDA's by-class, quarterly supply and use spreadsheet was updated on February 10, 2022 to include the second quarter (September-November) of marketing year 2021/22. Previously, these data were not released until the completion of a marketing year, but now are intended to be updated each quarter throughout the year. This file is published in the same location on the USDA, Economic Research Service website as the Wheat Data spreadsheet.

International Outlook

Global Production for 2021/22 Down Month-over-Month

2021/22 global production is revised down 2.2 million metric tons (MT) to 776.4 million MT. **Iraq** and **Syria** both experienced drought issues during the growing season. Both countries experienced below-average rainfall and high temperatures resulting in weakened yields. Production in Iraq is revised down 1.0 million MT to 3.5 million due to lower yields and higher abandonment from damaged wheat. Syria is revised down 0.8 million MT to 2.0 million. The **United Kingdom** was also revised down 0.3 million MT to 14.0 million as yields were lower than expected (-0.17 MT/hectare to 7.82). Table 4 provides an overview of all production changes for February.

Table 4: Wheat production at a glance (2021/22), February 2022

Country or region	Marketing year	Production	Month-to-month change
		Million tons	
World		776.4	(2.2)
Foreign		731.6	(2.2)
United States	*June-May*	44.8	-
Brazil	*October-September*	7.7	(0.1)
Iraq	*July-June*	3.5	(1.0)
Kazakhstan	*September-August*	11.8	(0.2)
Moldova	*July-June*	1.6	0.2
Syria	*July-June*	2.0	(0.8)
United Kingdom	*July-June*	14.0	(0.3)
Uruguay	*December-November*	1.0	0.1

Note: Changes less than 100,000 metric tons are not included.

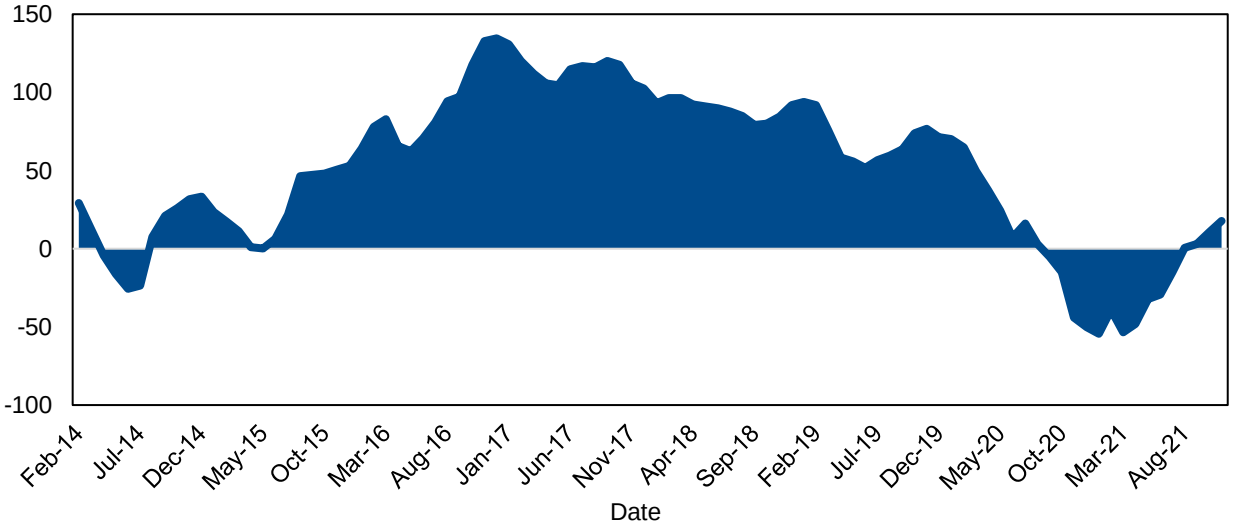
Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

2021/22 Global Wheat Consumption Up Slightly

Global wheat consumption is increased 0.6 million MT to 788.1 million as the food, seed, and industrial (FSI) use decrease was not enough to offset an increase for feed and residual use. FSI use is down 0.6 million MT to 625.5 million as **Iraq** and **Syria** are lowered this month (-0.3 million MT each) based on lower domestic production.

Global feed and residual use is revised up 1.1 million MT to 160.7 million. Larger than expected **Canada** feed and residual use (+1.7 million MT to 4.5 million) is partially offset by a decrease for **China** (-1.0 million MT to 35.0 million). In western Canada, the number of cattle on feed reached the highest monthly level in at least 16 years providing room for higher feed and residual use. In 2020/21, wheat was price competitive as a feed grain in China and placed them at a record feed and residual use (40.0 million MT). Since then, China's wheat-corn domestic spread has increased to $17.90 compared to a $44 discount a year ago (figure 4). Despite a decline in domestic production, **Syria's** feed and residual use is revised up 0.4 million MT to 1.0 million as the drought conditions limit grazing opportunities.

Figure 4
China wheat-corn domestic price spread, February 2014–January 2022
Wheat-to-corn price spread in U.S. dollars



Notes: This price spread indicates the gap between the wholesale national average for wheat and maize. Prices used in wheat-to-corn price spread are reported as U.S. dollars per metric ton.
Sources: USDA, Economic Research Service calculations using data from Food and Agriculture Organization of the United Nations, Global Information and Early Warning System.

An adjustment is also made to total consumption based on the local marketing year (MY) trade adjustments for 2021/22. The unaccounted trade is remains steady (+0.1 million MT) at 1.9 million MT as MY exports and imports increased relatively the same. By adding this updated

calculation of unaccounted trade to total consumption, the total adjusted consumption in 2021/22 is projected at 788.1 million MT.

Indian Exports Boost 2021/22 Global Wheat Trade

2021/22 global trade is higher as trade year (TY) exports increased by 1.8 million MT to 208.4 million. **India** continues to remain competitively prices and has the stocks to supply the global market with more wheat. For two consecutive months, India has exported more than 0.9 million MT of wheat resulting in an increase to TY exports of 1.5 million MT to 7.0 million, a new record. Exports for **Argentina** and **Brazil** are both revised up after several months of strong shipments. **Ukraine** and the **United States** partially offsets these revisions as their shipments were weak this past month.

Table 5: Summary of 2021/22 trade adjustments, February 2022

Country or region	Trade year exports		Trade year imports	
	February estimate	Change	February estimate	Change
	1,000 metric tons		1,000 metric tons	
World	208,448	↑ 1,750	204,639	↑ 2,200
United States	22,500	↓ (500)	2,800	→ -
Argentina	14,500	↑ 500	4	→ -
Bangladesh			7,500	↑ 100
Brazil	1,500	↑ 200	6,700	↑ 200
Canada	15,500	→ -	600	↓ (100)
India	7,000	↑ 1,500	25	→ -
Indonesia	350	→ -	11,000	↑ 250
Iraq			3,100	↑ 500
Kazakhstan	7,300	↑ 100	1,200	↑ 200
Mauritania			600	↓ (100)
Moldova	700	↑ 100	60	→ -
Morocco	75	→ -	5,000	↑ 500
Saudi Arabia	150	→ -	3,600	↑ 100
South Korea	390	→ -	4,500	↑ 100
Syria	50	↑ 50	1,400	↑ 500
Thailand	290	→ -	2,900	↓ (200)
Ukraine	24,000	↓ (200)	100	→ -
United Kingdom	700	→ -	2,300	↑ 300

Note: Changes less than 100,000 metric tons are not included.

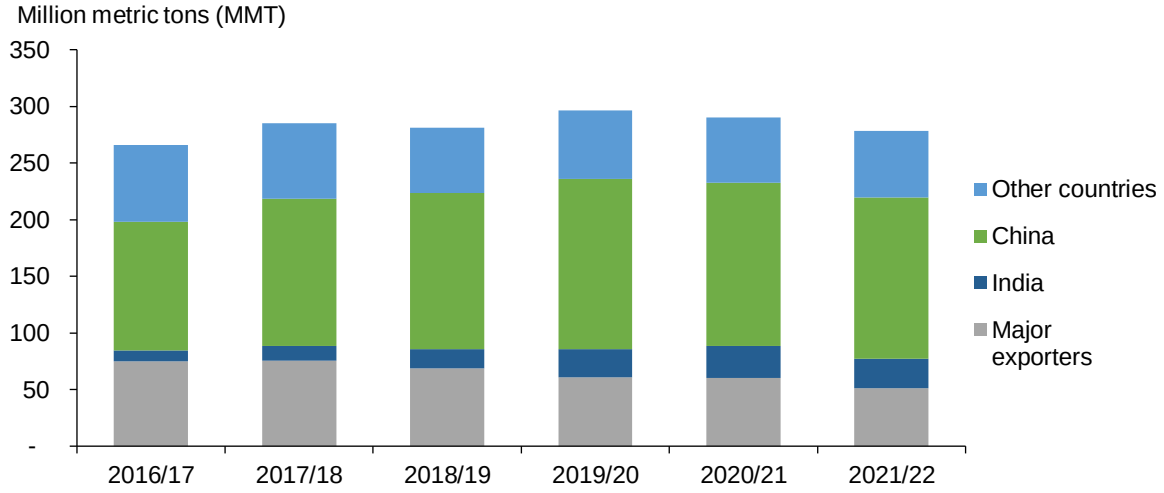
Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Global imports are adjusted up 2.2 million MT to 204.6 million as global production is lower than expected. To cover short domestic supplies, **Iraq**, **Syria**, and the **United Kingdom** are expected to increase their imports. To learn more about the increase in wheat imports for Iraq and Syria view this month's *Grain: World Markets and Trade* by the Foreign Agriculture Service. **Morocco** suspended their import duty for wheat back in November to secure supplies for the coming year. Morocco has seen an uptick in shipments from Ukraine and Argentina resulting in an upward revision of 0.5 million MT to 5.0 million.

Global ending stocks for 2021/22 are revised down 1.7 million MT to 278.2 million (figure 5). **China's** stocks are up 1.0 million MT to 142.2 million on lower expected feed and residual use. This is offset by a decrease in major exporters ending stocks of 1.8 million MT to 51.0 million and **India** (-1.8 million MT to 26.1 million). As export demand remains robust for Argentina, its stocks are lowered 0.6 million MT to 2.1 million. **Canada's** ending stocks are reduced 2.0 million MT to 3.1 million. Feed and residual was raised based on implied August-December disappearance as inferred from Statistics Canada's updated stocks estimates. Ending stocks in **Ukraine** and the **United States** are raised by 0.4 million MT and 0.5 million MT, respectively, primarily due to lower exports. Other notable revisions are **Iraq** (+0.4 million MT to 0.7 million) and **Morocco** (+0.3 million MT to 2.7 million).

Figure 5

Global ending stocks declining, 2016/17–2021/22



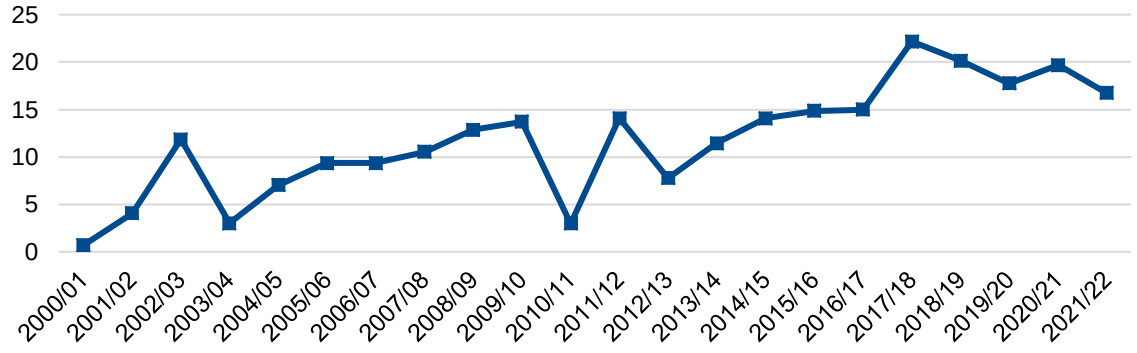
Note: Major exporters include Argentina, Australia, Canada, the European Union, Kazakhstan, Russia, Ukraine, and the United States.
Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

International Feature: Evolution of Russian Wheat Export Restrictions and Potential Impacts

Introduction

In the 1970s, Russia was the world's largest wheat importer but since the early 2000s, the country is one of the world's leading wheat exporters, competing with the European Union as the top exporter. Russia's wheat production has increased by 60 percent since 2001/02, while domestic consumption has remained relatively flat, resulting in more exportable supplies. Global wheat trade expanded with population growth and rising incomes in developing countries, primarily in North Africa and Asia, enabling Russia to export and expand their market share (figure 6). Russia's market share peaked in 2017/18 at 22 percent and has seen an overall decrease partially due to tight domestic supplies, particularly when weather concerns have led to sharply lower production. The combination of tight domestic supplies and strong exports, along with rising domestic wheat prices, prompted the Russian government to restrict the flow of exports through various policies. While the goal of these policies is to decrease or stabilize the domestic price of wheat by reducing the volume of trade, they can also contribute to higher world price when these prices are already elevated or potentially reduce incentives for Russian producers to plant wheat, exacerbating the situation. This article looks at how these export restrictions have evolved and how the effects compare to the current export policies.

Figure 6
Russia's share of global exports, 2000/01–2021/22
Percent



Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Evolution of Russian Wheat Export Restrictions

Russia implemented an export restriction on wheat in 7 of the past 15 trade years (July/June). Table 6 provides a summary of these export restrictions.

Table 6: Russian wheat export restriction evolution, 2007/08–2021/22

Trade year (July/June)	Type	Description
2007/08	Export tax	The tax started at 10 percent but increased to 40 percent in early 2008 and continued until July 2008.
2010/11	Ban on exports	Complete ban on wheat exports from August 15, 2010 through June 30, 2011.
2014/15	Export tax	Export tax of 15 percent of the customs price from February 1 through May 15, 2015.
2015/16	Export tax	On July 15, 2015, a tax was set at 50 percent of the contract price minus $99.
2019/20	Export quota	A wheat export quota was set at 7.0 million MT from April 1 to June 30, 2020
2020/21	Export tax	In February 2021, an export tax was set at $29.20 per ton and from March through May increased to $59.8 per ton. The floating tax started in June (see below).
	Export quota	An all-grain export quota was set at 17.5 million MT from February 15 to June 30, 2021.
2021/22	Floating export tax	Starting June 2021, an export tax was set weekly calculated by 70 percent of the difference between the indicative price and $200 per ton. This formula is adjusted higher as wheat prices reach higher thresholds.
	Export quota	A wheat export quota was set at 8.0 million metric tons from February 15 to June 30, 2022.

Sources: USDA, Economic Research Service; Food and Agriculture Organization of the United Nations, Food Price Monitoring and Analysis.

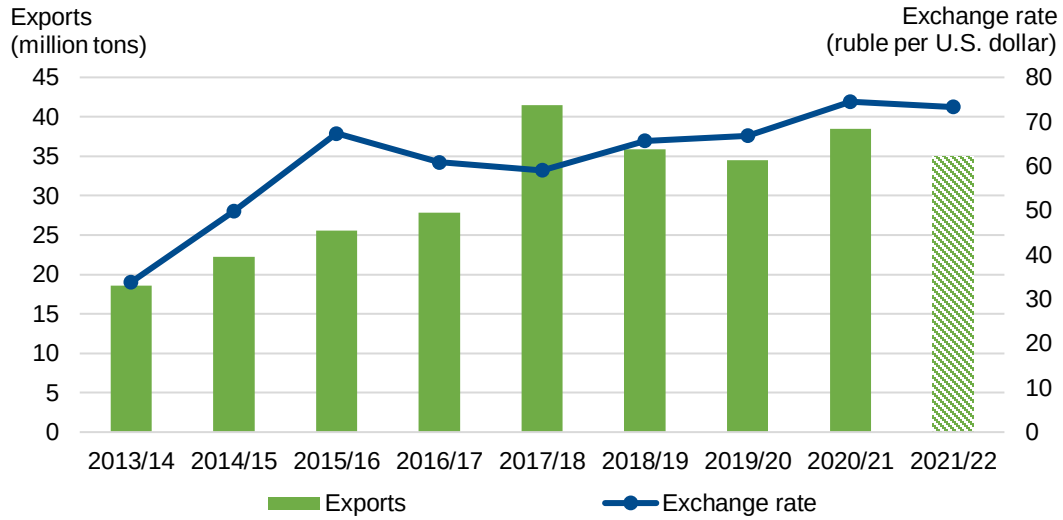
Global wheat consumption exceeded production in 2007/08, resulting in tighter stocks and higher prices. Despite Russia's production being up from the previous year, the Russian government implemented a wheat export tax to curb domestic prices. This tax was set at 10 percent on November 12, 2007 but increased to 40 percent in early 2008 and continued until July. In 2010/11, both global and Russian wheat production declined and thus the Russian government took things a step further and banned wheat exports from August 15, 2010 through June 30, 2011. While exports decreased 79 percent year-over-year, ending stocks were still 6.7 percent lower than in 2009/10 due to low production. After the ban was lifted, Russian exports recovered in 2011/12 and grew further in later years. Macroeconomic factors, such as depreciation of the Russian ruble, made Russian wheat even more competitive in 2015 (figure

7). While Russia had ample production, they implemented an export tax again until the end of the 2015/16 marketing year to slow down the pace of exports and stabilize domestic prices.

During the past two trade years, Russia implemented a grain export quota in the second half of the trade year. In 2019/20, the wheat export quota was set at 7.0 million metric tons from April to June 2020. This quota was binding within six weeks of implementation and halted wheat exports until the beginning of July. A grain export quota was set in 2020/21 for 17.5 million metric tons. On top of the grain quota, in February and March 2021 a fixed wheat export tax was set at $29.20 per ton and $59.80 per ton[1], respectively.

Figure 7

Russian exports and exchange rates, 2013/14–2021/22



Note: Daily exchange rate aggregated to trade year average; 2021/22 exports are a forecasted value and the average exchange rate is from July through January.
Sources: USDA, Economic Research Serivce; USDA, Foreign Agriculture Service; Refinitive Eikon.

In June 2021, this policy was replaced with a floating tax that is adjusted weekly based on an indicative price[2] provided by the Russian Ministry of Agriculture. The policy is calculated by taking 70 percent of the indicative price above $200 per ton. In December 2021, it was announced that when the indicative price rises above $375 per ton and $400 per ton, the formula is adjusted with a higher percentage[3]. The export tax has increased from $28 per ton on June 2 to $93 per ton on February 9, following an upward trend in global wheat prices. The Russian Ministry of Agriculture approved the implementation of an export quota for 8.0 million metric tons of wheat from February 15 through June 30, 2022, encompassing the remainder of

[1] Announced as 25 and 50 Euros.
[2] Indicative price (IP): bid and offer price provided by a market maker for the purpose of information, not what they are willing to trade.
[3] To calculate the export tax: if indicative price (IP) ≤ 375, tax = (IP-200)*0.7; if IP > $375, tax = (IP–375)*0.8 + (375-200)*0.7; if IP > $400, tax = (IP – 400)*0.9 + (400-375) * 0.8 + (375-200)*0.7.

Russia's 2021/22 marketing year. Generally, these polices have only restricted the trade of raw commodities with countries outside of the Eurasian Economic Union (EAEU). Wheat products are not included in the tax or quota restrictions. In December 2021, the government of Russia also announced the continuation of the export quota for wheat and meslin, barley, rye, and corn outside of the EAEU which will be determined annually for a period from February 15 to June 30. These restrictions can have multiple effects including shifting timing of exports earlier in the year.

Potential Market Impacts

In the 2021/22 trade year, these export restrictions have affected global trade dynamics, potentially contributing to higher world prices as well as shifting demand towards other suppliers that have more flexibility in forward marketing and pricing. With higher export prices plus an export tax, Russian wheat is less competitive on the global market (table 7) and involved more in the spot market as their prices are more difficult to guarantee for future sales.

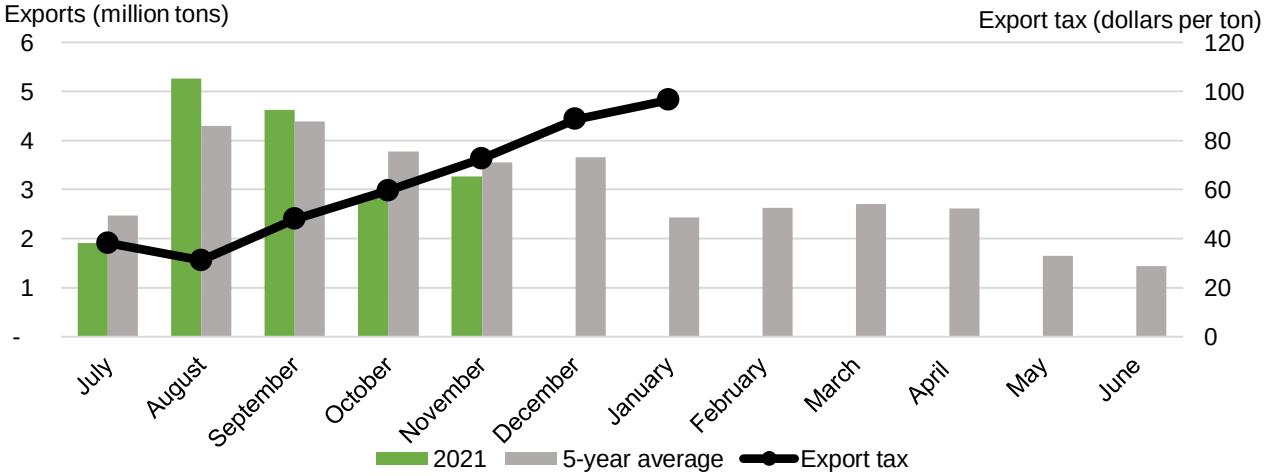
Table 7: Year-over-year change in exporter prices, 2021–22

Exporter price	January 2021	January 2022	Percent change
Russian Milling (12.5%)	286.2	333.5	16.5%
Ukraine (<11%)	279.0	314.8	12.8%
Romania (12.5%)	287.2	328.5	14.4%
United States Hard Red Winter (11.5%)	289.4	374.2	29.3%

Source: USDA, Economic Research Service using International Grain Council data.

Figure 8

Russia's wheat export tax rising steadily while export pace slows, July–June, 2021/22

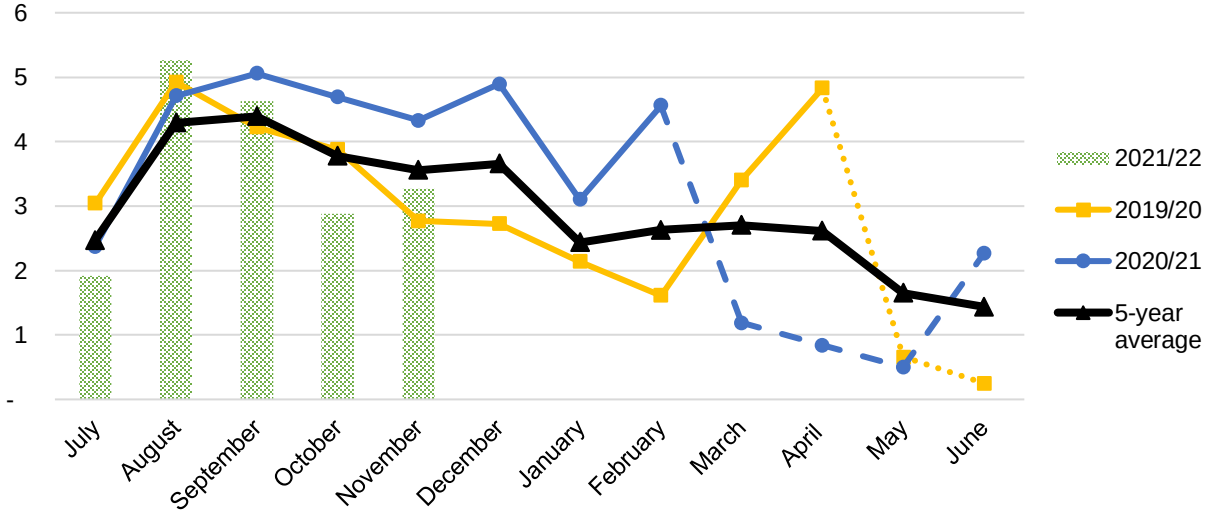


Note: Export tax is calculated as a monthly average based on weekly announcements from the Russian Ministry of Agriculture; 5-year average includes 2016/17 through 2020/21.
Sources: USDA, Economic Research Service calculations using Russian Ministry of Agriculture and Trade Data Monitor data.

In July 2021, Russia's exports were lower than average, but when the tax dipped in August, the exports increased 1.0 million tons above average and remained elevated in September. The volume of shipments dropped below average in October and November, while the export tax continued to increase each month (figure 8). The export pace in December and January is uncertain ahead of the quota implementation but will be limited to 8.0 million MT after February 15, 2022.

On average, Russian exports tend to be larger in the first half of the trade year. Trade restrictions are put in place mainly in the second half of the trade year when exports would normally be trending down. During both trade years (2019/20 and 2020/21), Russia placed a quota in the second half of the trade year (figure 9, dotted lines). Compared with the 5-year average, the steep increase in exports ahead of the quotas suggests that Russian exporters were trying to export wheat before the policy being implemented. In early 2021, another quota was put in place along with an export tax. While exports were sharply lower in March 2021, Russia's export volume in the 2020/21 trade year was still the second highest on record, driven by strong shipments at the start of the marketing year. This behavior is likely to continue for the remainder of 2021/22. With export restrictions from Russia becoming a normal occurrence, Russian grain traders can anticipate these polices and may choose to increase exports at the beginning of the marketing year.

Figure 9
Russian monthly wheat exports, 2016/17–2021/22
Exports (million tons)



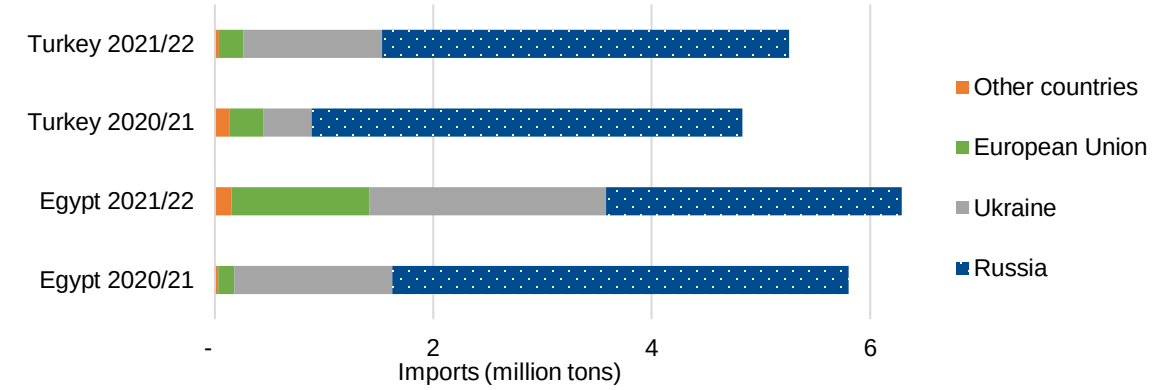
Notes: Dotted lines display export quotas; 2019/20 wheat export quota was from April - June of 2020; 2020/21 all grain export quota was from Febuary - June 2021; 5-year average: 2016/17 through 2020/21.
Source: USDA, Economic Research Service calculations using Trade Data Monitor data.

With reduced Russian supplies in the global market, because of the 2021/22 export quota, major importers must shift their sources to meet domestic needs. In 2020/21, Russia was

Turkey and Egypt's main supplier. While both countries have imported more in the first few months of 2021/22, Russia's share of their imports are smaller year over year (figure 10). From July through November 2020, Russia exported 4.2 million metric tons of wheat to Egypt, 1.4 million metric tons more than this year. In 2021/22, Egypt is importing more from the European Union (specifically Romania) and has already imported more from Ukraine, than it did in the entire 2020/21 trade year. Turkey is only slightly behind pace on Russian imports, but it has more than doubled its imports from Ukraine compared with last year. Ukraine and the European Union were able to benefit from Russia's tight supplies and restricted exports as they had ample supplies this year that made their prices more competitive (table 7).

Figure 10

July through November importing partners, 2020/21–2021/22



Source: USDA, Economic Research Service using data from Trade Data Monitor.

Over the past decade, Russia's wheat export restrictions have become more onerous. These export restrictions affected the timing and quantity of Russian shipments, with trade policy uncertainty potentially contributing to higher world prices as well as shifting demand towards other suppliers. As these export restrictions are expected to continue, the global wheat market will likely adjust and adapt to Russian trade policies.

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