



Wheat Outlook: April 2024

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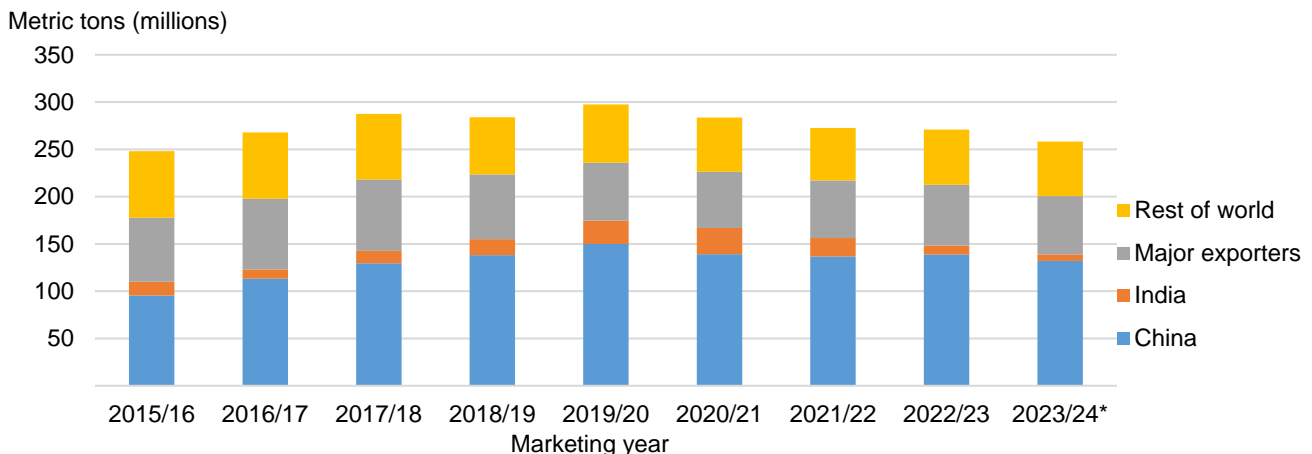
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Global Wheat Stocks Forecast at 8-Year Low

Global wheat ending stocks for 2023/24 are projected down this month 0.6 MMT to 258.3 million metric tons (MMT), which would be the lowest in 8 years. The biggest factor for this month's decline is India's wheat stocks, which are forecast down 2.1 MMT to 6.9 MMT as Government stocks estimates implied a stronger pace of use than previously expected. If this forecast is realized, India's ending stocks will have declined more than 20 MMT from the peak of 27.8 MMT in 2020/21. Global stocks have slipped 39 MMT from the peak of 297 MMT in 2019/20, with China estimated to account for 18 MMT of that decline (figure 1). Total exporter-held ending stocks have been relatively consistent over the last several years, not showing the same declining trend as China and India's stocks. Exporter-held ending stocks are generally considered to be a relevant metric as these are the supplies available to the world market and are likely to have a more direct effect on global prices.

Figure 1
Global wheat ending stocks, 2015/16–2023/24



*2023/24 is a forecast. All other years are final.

Major exporters include Argentina, Australia, Canada, the European Union, Kazakhstan, Russia, Ukraine, and the United States.

Source: USDA, Economic Research Service calculations using data from USDA, World Agricultural Outlook Board.

Domestic Changes at a Glance:

- There is no change to U.S. wheat production this month (table 1).
- U.S. all-wheat imports for 2023/24 are lowered 5 million bushels on a slow pace of trade. Official U.S. all-wheat imports for June 2023–February 2024, calculated with data from the U.S. Department of Commerce, Bureau of the Census (Census Bureau), are estimated at 106 million bushels, up 14 percent from the same months in 2022/23. The following by-class adjustments are applied based on the pace of trade: Hard Red Winter (HRW) is lowered 5 million bushels to 18 million bushels, Soft Red Winter (SRW) is lowered 1 million bushels to 7 million bushels, and White is raised 1 million bushels to 6 million bushels. HRW imports are forecast down due to slowing imports from Canada and the European Union.
- All-wheat exports for the United States in 2023/24 are projected at 710 million bushels, unchanged from the March forecast. Official U.S. wheat exports for June 2023–February 2024, calculated with data from the Census Bureau, are estimated at 499 million bushels, 16 percent below the 597 million bushels during the same period in marketing year 2022/23. There are no changes to by-class export projections.
- U.S. all-wheat feed and residual use is lowered 30 million bushels to 90 million bushels based on larger-than-expected March 1 stocks and revised December 1 stocks as reported in the latest USDA, National Agricultural Statistics Service (NASS) *Grain Stocks* report. The following by-class changes have been applied to feed and residual: HRS is down 20 to -10 million bushels; White and Durum are reduced 5 million bushels each, to -10 million bushels and -5 million bushels, respectively.
- U.S. all-wheat seed use is unchanged at 64.0 million bushels with offsetting by-class adjustments in alignment with expectations for 2024/25 area planted presented in the USDA, NASS *Prospective Plantings* report. SRW seed use is lowered 1.1 million bushels to 11.9 million bushels, while HRW seed use is up 0.1 million bushels to 27.1 million bushels and Durum seed use is forecast up 1 million bushels to 3 million bushels.
- The 2023/24 season-average farm price is lowered \$0.05 per bushel to \$7.10. The February 2024 all-wheat average farm price is reported at \$6.36 per bushel based on the latest USDA, NASS *Agricultural Prices* report, down from \$6.79 in January 2024. Wheat futures declined in the last month, but the 5-year average of marketing weights suggests that approximately 88 percent of the crop for the marketing year was sold during June 2023–February 2024.

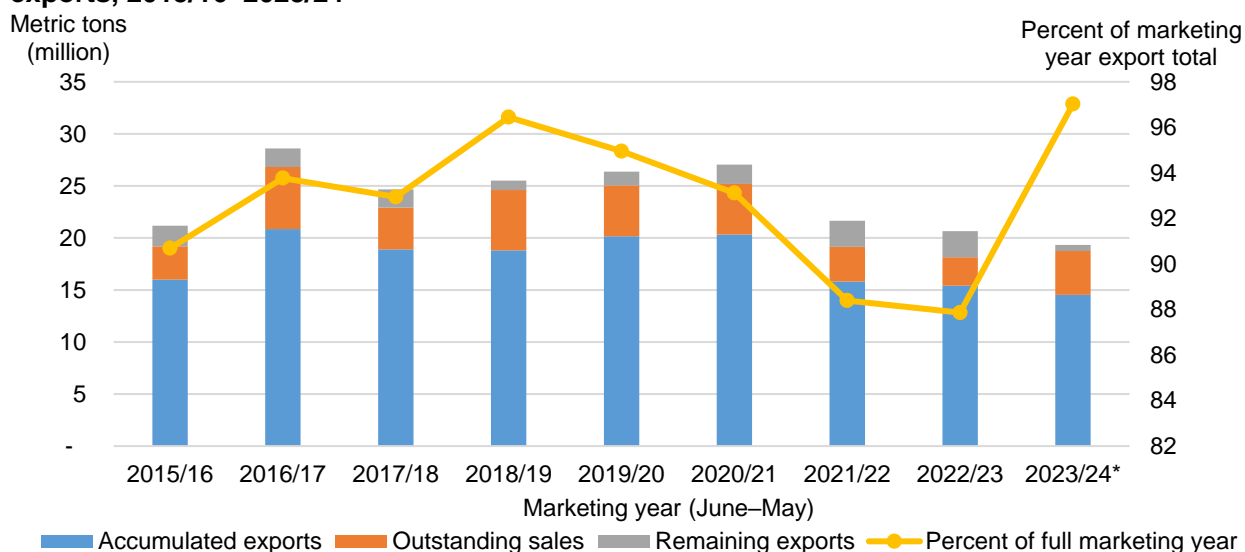
Table 1					
U.S. wheat supply and use at a glance 2022/23 and 2023/24 (in million bushels)					
Balance sheet item	2022/23 April	2023/24 March	2023/24 April	Month-to-month change	Comments
Supply, total					June–May marketing year
Beginning stocks	674	570	570	0	
Production	1,650	1,812	1,812	0	
Imports	122	145	140	-5	Slowing pace of trade; Hard Red Winter (HRW) down 5 million bushels while Soft Red Winter (SRW) is down 1 million bushels and White is up 1 million bushels
Supply, total	2,446	2,527	2,522	-5	
Demand					
Food	973	960	960	0	
Seed	68	64	64	0	Reduced SRW seed use offsetting higher Durum and HRW, driven by USDA, National Agricultural Statistics Service (NASS) <i>Prospective Plantings</i> report
Feed and residual	77	120	90	-30	Revised based on stocks estimates from USDA, NASS
Domestic, total	1,118	1,144	1,114	-30	
Exports	759	710	710	0	
Use, total	1,876	1,854	1,824	-30	
Ending stocks	570	673	698	+25	Stocks now up 22 percent from previous year
Season-average farm price	\$8.83	\$7.15	\$7.10	-\$0.05	Declining futures and cash prices
Source: USDA, Economic Research Service calculations and USDA, World Agricultural Outlook Board, <i>World Agricultural Supply and Demand Estimates</i> .					

U.S. Exports on Pace to Reach USDA Forecast

U.S. cumulative export sales, as reported in the USDA, Foreign Agricultural Service (FAS) *U.S. Export Sales*, are ahead of the same period last year, but the actual shipment pace lags. Total U.S. commitments (the sum of accumulated exports and outstanding sales) are at 18.7 million

metric tons (MMT) as of March 28, up 3 percent from the same point last year. China cancelled about 500,000 MT of primarily SRW purchases in early March, as reported by USDA, Foreign Agricultural Service Daily Export Sales announcements. Nonetheless, U.S. all-wheat outstanding sales are still 54 percent above last year at 4.2 million metric tons. On the other hand, accumulated exports are at 14.5 million metric tons, 6 percent below the previous year. Total commitments at this point in the year account for 97 percent of the full MY export forecast, well above 88 percent last year (figure 2).

Figure 2
Cumulative exports sales through March 28 and full marketing year exports, 2015/16–2023/24



*Data for 2023/24 are calculated based on the current export forecast for the year.
 Note: Accumulated exports and outstanding sales are as of week 44, exact dates vary by year. Remaining exports is the difference between total commitments as of that date (based on USDA, Foreign Agricultural Service, *U.S. Export Sales* data) and the full marketing year exports (calculated based on data from the U.S. Department of Commerce, Bureau of the Census).
 Source: USDA, Economic Research Service calculations; USDA, Foreign Agricultural Service, *U.S. Export Sales*; U.S. Department of Commerce, Bureau of the Census.

The official USDA forecast for exports is unchanged this month at 710 million bushels, down 6 percent from last year. The pace of wheat exports has accelerated in March based on USDA, FAS *U.S. Export Sales* data as well as USDA, Federal Grain Inspections Service (FGIS) data. According to USDA, FGIS data, March 2024 wheat exports are estimated at 78 million bushels, up from 62 million bushels reported by that same data source in February 2024. Note that the FGIS trade totals do not include flour and products, which are included in the official calculations of U.S. wheat trade based on U.S. Department of Commerce, Bureau of the Census. This increased pace of shipments, combined with the large number of outstanding sales remaining, imply that U.S. wheat exports are approximately on track to reach 710 million bushels for marketing year 2023/24.

By-Class March 1 Stocks Estimates

USDA, NASS released updated stocks estimates on March 28, 2024, in its *Grain Stocks* report. The report provided the first estimate of wheat stocks as of March 1, 2024, the end of third quarter, as well as updated stocks data for December 1, 2023. March 1 all-wheat stocks are estimated at 1,087 million bushels, up 16 percent from a year ago. Durum stocks as of that date are estimated at 37 million bushels, up 2 percent from last year. USDA, Economic Research Service (ERS) estimates stock levels for the other classes—partly based on analysis of State-level data from NASS (table 2). March 1 stocks for all five classes of wheat are estimated above year-ago levels, with SRW showing the largest increase. December 1 all-wheat stocks were revised 11 million bushels higher to 1,421 million bushels.

Table 2

U.S. wheat stocks by-class estimates, March 1, 2024 and December 1, 2023, million bushels

	March 1, 2024	Year-to-year change (Percent)	December 1, 2023		
	Estimate		Updated estimate	Previous estimate	Revision
Hard Red Winter	393.9	13	507.8	504.0	3.8
Hard Red Spring	319.0	16	404.0	403.0	1.0
Soft Red Winter	200.0	35	274.0	275.0	-1.0
White	138.0	2	190.0	187.0	3.0
Durum	36.6	2	45.3	41.3	4.0
All wheat	1,087.4	16	1,421.1	1,410.3	10.8

Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

The by-class quarterly spreadsheet for 2023/24 is revised this month to account for updated December 1 stocks data and small changes to seed use estimates. The next release of the by-class quarterly data will be May 13 to include the third quarter of the 2023/24 marketing year, once food use data is available.

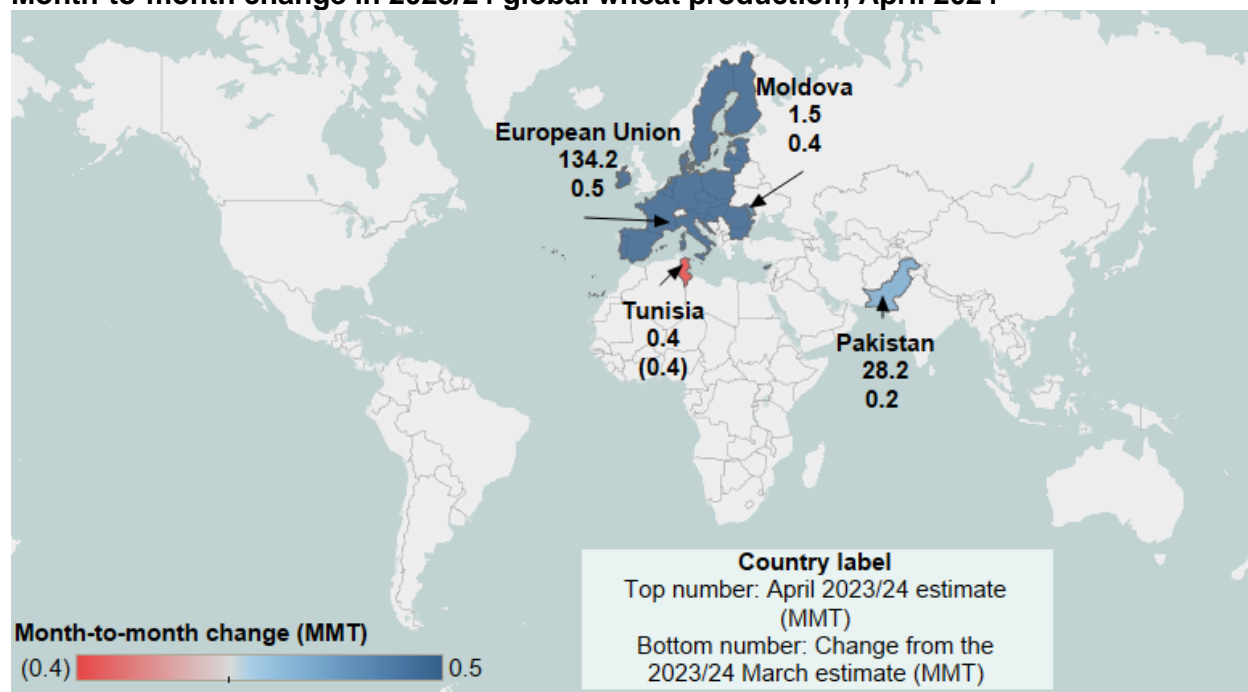
International Outlook

Global Wheat Production Slightly Up, Still Second on Record

Global wheat production for 2023/24 is forecast slightly higher this month, up 0.7 million metric tons (MMT) to 787.4 MMT with higher production for the **European Union (EU)**, **Moldova**, and **Pakistan** more than offsetting a smaller crop for **Tunisia** (figure 3). Global wheat output in 2023/24 is down less than 2 MMT from the record set in the previous year. EU wheat production is raised 0.5 MMT this month with upward revisions to crop totals in Slovakia, Spain, and Romania more than offsetting a smaller crop in Italy. Moldova wheat production is revised higher on larger yield and area harvested based on updated data from the Moldova State Statistical Committee. Pakistan's production is revised higher based on higher yield, reflecting Government statistics. Tunisia's production is lowered 0.4 MMT to 0.4 MMT, driven by lower yield and area harvested based on updated Government statistics.

Figure 3

Month-to-month change in 2023/24 global wheat production, April 2024



MMT=million metric tons.

Note: Changes less than 0.2 MMT are not included.

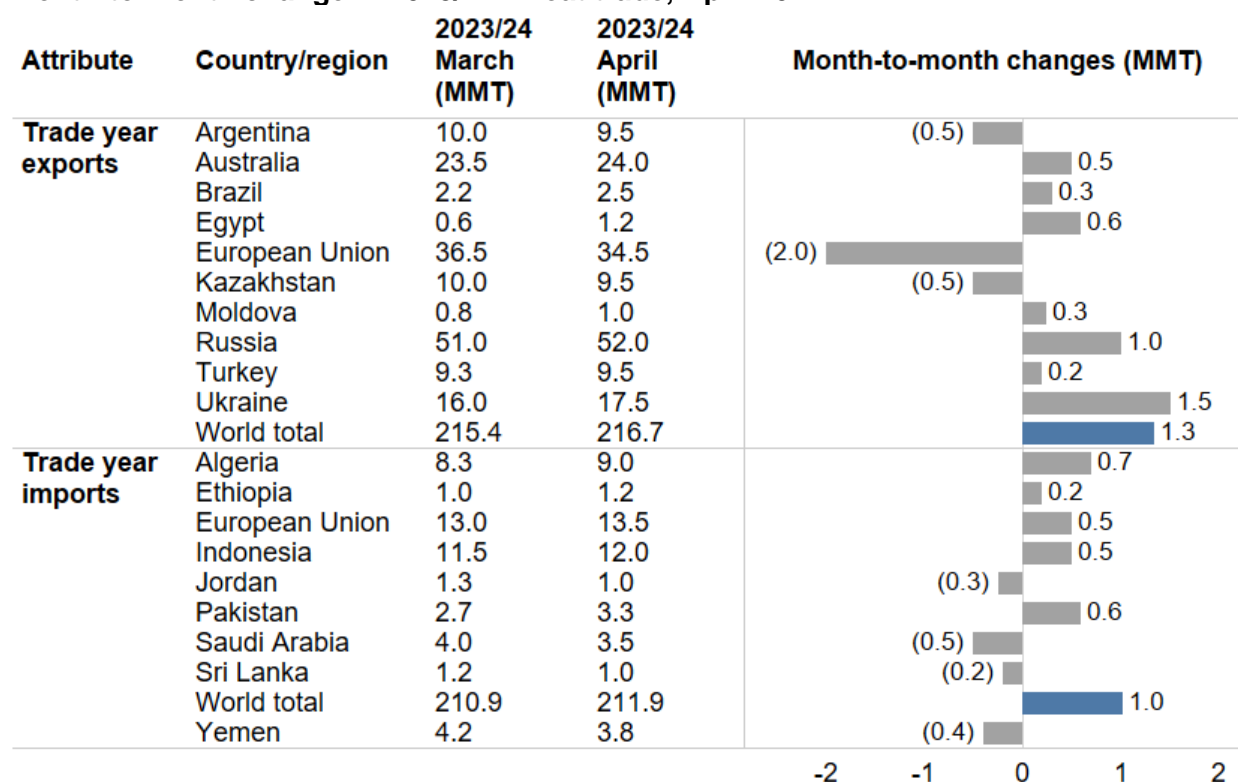
Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

Global Trade Raised to Record for 2023/24

Global wheat exports for the July–June 2023/24 international trade year are up 1.3 MMT to a record 216.7 MMT mainly driven by larger exports from **Ukraine, Russia, Egypt, and Australia** (figure 4). Most of the trade revisions are driven by the pace of trade data. Notably, exports for the European Union are revised down substantially based on decreased competitiveness with Russia, which has taken a larger share in key markets such as Algeria and Saudi Arabia. See the latest USDA, Foreign Agricultural Service *Grain: World Markets and Trade* publication for more details about this market development. Egypt’s exports are now forecast at a record based on strong shipments of flour and pasta to Sudan and Yemen.

Figure 4

Month-to-month change in 2023/24 wheat trade, April 2024



MMT = million metric tons.

Note: Changes less than 0.2 MMT are not included; month-to-month change is the difference between April 2024 and March 2024 estimates.

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

Wheat imports are projected higher for several key importing countries including **Algeria, Pakistan, the EU, and Indonesia**, more than offsetting reductions in **Saudi Arabia and Yemen**. Algeria’s imports are forecast up 0.7 MMT to a record 9.0 MMT largely driven by robust Durum imports from Mexico. Pakistan’s imports are proceeding at a fast pace, partly driven by the

Government’s decision to allow duty-free imports through the private sector during the current marketing year. Previously, wheat imports were managed by the State-owned Trading Corporation of Pakistan (TCP). Much of Pakistan’s imports have come from Russia. EU imports are forecast up 0.5 MMT to 13.5 million on the continued strong imports of wheat from Ukraine. Indonesia’s imports are forecast up 0.5 MMT to a record 12.0 MMT as wheat has become more competitively priced for both food (especially noodles) and feed purposes.

Global Wheat Consumption Higher, Ending Stocks Lower

Global wheat consumption is raised this month with larger food, seed, and industrial (FSI) use more than offsetting smaller feed and residual use (table 3). Larger FSI consumption is mainly driven by **India**, which has seen a higher-than-expected rate of offtake from Government-held stockpiles as the Government is trying to control wheat price inflation. **Russia** feed and residual use is lowered with expectations of reduced domestic disappearance amid a fast pace of exports. Feed and residual use for the **United States** is cut, driven by updated stocks data. Feed and residual use is raised for the **EU** on the increased availability of low-priced wheat in feed rations. **Indonesia** feed and residual use is raised with stronger imports and improved competitiveness for wheat in feed rations based on production shortfalls with domestically produced corn.

Table 3

Month-to-month changes in 2023/24 global wheat consumption (1,000 metric tons), April 2024

Country	Use category	March	April	Month-to-month change
European Union	Feed and residual	47,000	48,000	1,000
Indonesia	Feed and residual	1,500	1,800	300
United States	Feed and residual	3,266	2,449	(817)
Russia	Feed and residual	20,000	19,000	(1,000)
World	Feed and residual	162,061	161,344	(717)
India	FSI consumption	104,254	106,224	1,970
World	FSI consumption	635,993	637,624	1,631
<i>World</i>	<i>Total consumption</i>	<i>798,054</i>	<i>798,968</i>	<i>914</i>
<i>World</i>	<i>Trade-adjusted consumption</i>	<i>798,975</i>	<i>800,100</i>	<i>1,125</i>

FSI = food, seed, and industrial.

Note: Table excludes changes smaller than 300,000 metric tons. Trade-adjusted consumption is slightly different than the sum of all countries consumption because it accounts for the difference between marketing year export and import figures. This is the global consumption statistic that matches the data presented in the *World Agricultural Supply and Demand Estimates (WASDE)*.

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

Global wheat ending stocks for 2023/24 are revised down 0.6 MMT to 258.3 MMT, the lowest in 8 years. The largest revision is for **India**, which is down 2.1 MMT to 6.9 MMT due to stronger domestic consumption. **Ukraine** stocks are down 1.7 MMT mainly due to higher exports. Conversely, **EU** ending stocks are forecast up 1.5 MMT to 16.7 MMT on larger supplies and a weak pace of exports. **Algeria's** ending stocks are projected up 1.5 MMT to 5.3 MMT on larger imports and beginning stocks. Algeria's 2022/23 imports were also raised, incorporating updated export data from Mexico.

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