



Wheat Outlook: August 2024

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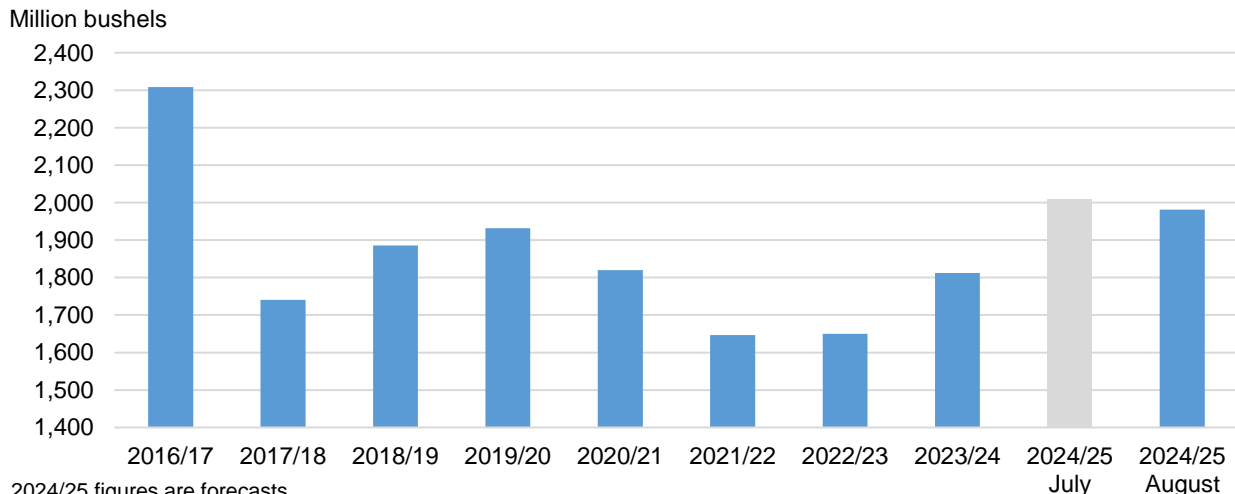
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U.S. 2024/25 Wheat Production Lowered in August

U.S. wheat production for the 2024/25 marketing year is forecast at 1,982 million bushels (figure 1), down 26 million bushels from the July forecast. USDA’s National Agricultural Statistics Service (NASS) provided updated survey-based production forecasts for all classes of wheat in its August 12 *Crop Production* report. Furthermore, the report updated area planted and harvested using the latest certified acreage from the Farm Service Agency (FSA). U.S. wheat area planted and harvested were reduced in the latest report, more than offsetting the effect of an upward revision to average yield. Despite this month’s reduction to wheat area, U.S. wheat production is still up 9 percent year to year and remains the largest in 8 years. Despite the month-to-month reduction in U.S. wheat supplies, U.S. exports are unchanged at 825 million, up 17 percent year to year.

Figure 1
U.S. all-wheat production, 2016/17–2024/25



2024/25 figures are forecasts.

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

Domestic Changes at a Glance:

- U.S. wheat production is revised down 26 million bushels to 1,982 million (table 1) based on the latest data from USDA, National Agricultural Statistics Service (NASS).
 - Hard Red Winter (HRW) production is forecast up 12 million bushels from the July forecast to 776 million with higher yield more than offsetting a small reduction in harvested acres. HRW production is up 29 percent from last year.
 - Hard Red Spring (HRS) production is forecast 33 million bushels lower to 499 million bushels with less area harvested and yield. However, HRS production is still forecast up 7 percent year to year and is the highest in 4 years.
 - Soft Red Winter (SRW) production is forecast down 1 million bushels to 342 million with slightly lower area more than offsetting fractionally higher yield. Production of this class is down 24 percent year to year.
 - White wheat production is forecast up 8 million bushels month to month to 288 million mainly on higher yield with area harvested also up marginally. White wheat production is up 23 percent year to year and 12 percent above the recent 5-year average.
 - Durum production is forecast down 12 million bushels to 77 million on lower yield and area harvested. However, Durum production is still forecast at a 6-year high.
- U.S. wheat exports for 2024/25 are unchanged at 825 million bushels but there are offsetting by-class adjustments driven partly by changes in production. HRS exports are lowered 5 million bushels to 255 million, while White wheat exports are raised 5 million bushels to 190 million. U.S. wheat exports for June 2024 were 55 million bushels, up 31 percent from June 2023. The official U.S. wheat trade statistics for June 2024 are based on data from the U.S. Department of Commerce, Bureau of the Census. The pace of exports in July appears to be stronger than June, based on export sales data reported by USDA, Foreign Agricultural Service (FAS) and grain inspections data from USDA, Federal Grain Inspections Service (FGIS).
- Imports for 2024/25 are unchanged at 105 million bushels with no by-class adjustments. Official U.S. wheat imports for June 2024 totaled 10 million bushels, up 7 percent from June 2023.
- The 2024/25 all-wheat season-average farm price remains at \$5.70. The June 2024 farm price reported in the USDA, NASS *Agricultural Prices* publication was \$5.86 per bushel, down from \$6.19 per bushel in May 2024.

- 2023/24 all-wheat food use is revised 1 million bushels higher to 961 on final data. Food use for 2024/25 is revised up 2 million bushels to 964 million on expectations for continued growth in consumption.
- All-wheat feed and residual use for 2024/25 is unchanged at 110 million bushels, but there are offsetting by-class changes to HRS (down 5 million bushels) and White (up 5 million).

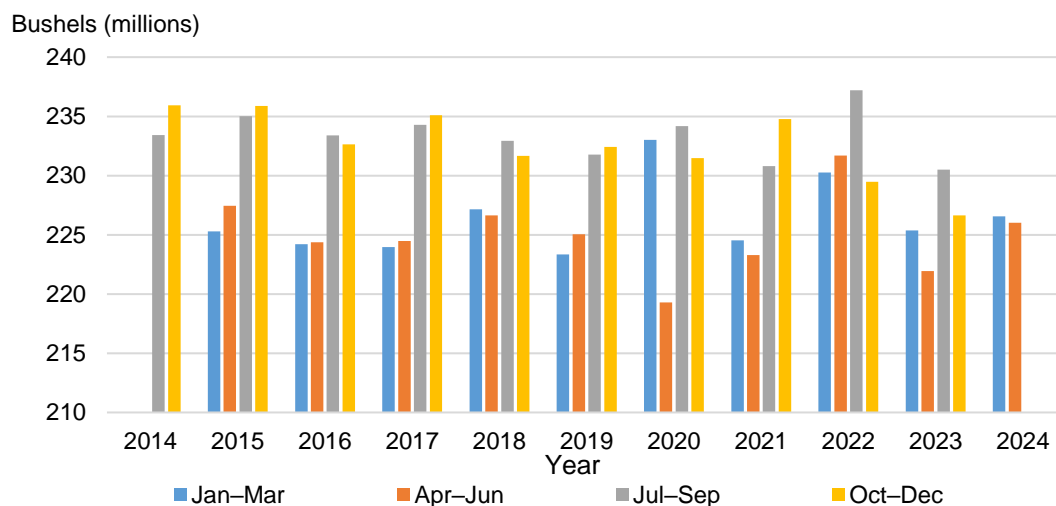
Table 1					
U.S. wheat supply and use at a glance 2023/24 and 2024/25 (in million bushels)					
Balance sheet item	2023/24 August	2024/25 July	2024/25 August	Month-to-month change	Comments
Supply, total					June–May marketing year
Beginning stocks	570	702	702	0	
Production	1,812	2,008	1,982	-26	Updated data from USDA, National Agricultural Statistics Service (NASS) showing lower area harvested which more than offsets higher projected yields
Imports	138	105	105	0	
Supply, total	2,520	2,815	2,789	-26	
Demand					
Food	961	962	964	+2	2023/24 food use finalized slightly higher according to USDA, NASS
Seed	64	62	62	0	
Feed and residual	86	110	110	0	
Domestic, total	1,111	1,134	1,136	+2	
Exports	707	825	825	0	
Use, total	1,818	1,959	1,961	+2	
Ending stocks	702	856	828	-28	Ending stocks still up 18 percent compared with last year
Season-average farm price	\$6.96	\$5.70	\$5.70	\$0.00	
<small>Note: Totals may not add due to rounding. Source: USDA, Economic Research Service calculations and USDA, World Agricultural Outlook Board, <i>World Agricultural Supply and Demand Estimates</i>.</small>					

Food Use Revised Slightly Higher

The August 1 USDA, NASS *Flour Milling Products* report showed wheat milled for flour during the April–June quarter at 226 million bushels, down less than 1 percent from January–March but up 2 percent from the second quarter of 2023 (figure 2). Wheat milled for flour in the second quarter 2024 is up 1 percent from the recent 5-year average for that quarter. Conversely, wheat milled for flour in October–December 2023 was the lowest for that quarter since the USDA, NASS flour milling dataset began in 2014.

Figure 2

U.S. wheat milled for flour, by year and quarter, 2014–24

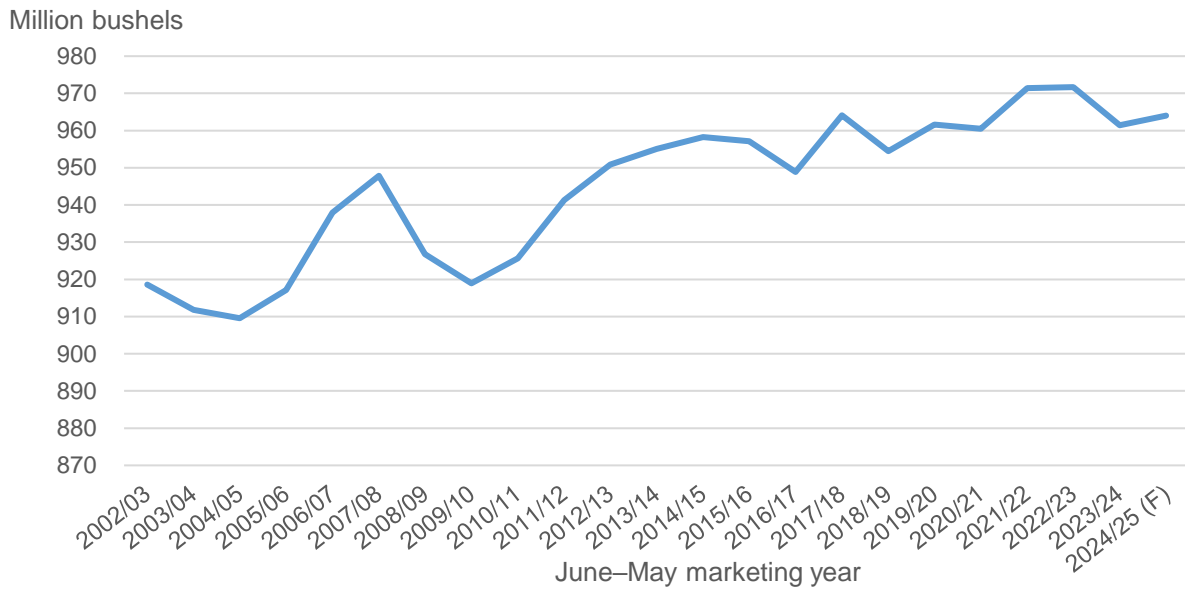


Note: Data from this source unavailable before July 2014.

Source: USDA, National Agricultural Statistics Service, *Flour Milling Products*.

The USDA, Economic Research Service calculates monthly all-wheat food use based on data from the USDA, NASS *Flour Milling Products* report, along with net imports of wheat flour and products, as well as an estimated level of nonmilled food use. U.S. all-wheat food use for 2023/24 marketing year (June–May) is finalized at 961 million bushels, up 1 million bushels from the July forecast. With expectations of continued slow growth in consumption, 2024/25 food use is raised 2 million bushels to 964 million. Food use tends to rise over time roughly in-line with population growth, however there are periods of larger growth and decline. Both 2023/24 and 2024/25 are well below the record 972 million bushels of food consumption reached in 2022/23 (figure 3). Food use appears to have returned to a normal level after being elevated after the start of the Coronavirus (COVID-19) pandemic. Food use previously dipped in the early 2000s when some consumers switched to lower carbohydrate diets and around 2008/09 during the Great Recession.

Figure 3
U.S. wheat food use, 2002/03–2024/25



F: Denotes forecast year. Previous years are final data.
 Source: USDA, Economic Research Service (ERS), using data from USDA, National Agricultural Statistics Service Flour Milling Products report, U.S. Department of Commerce, Bureau of the Census, and USDA, ERS estimates.

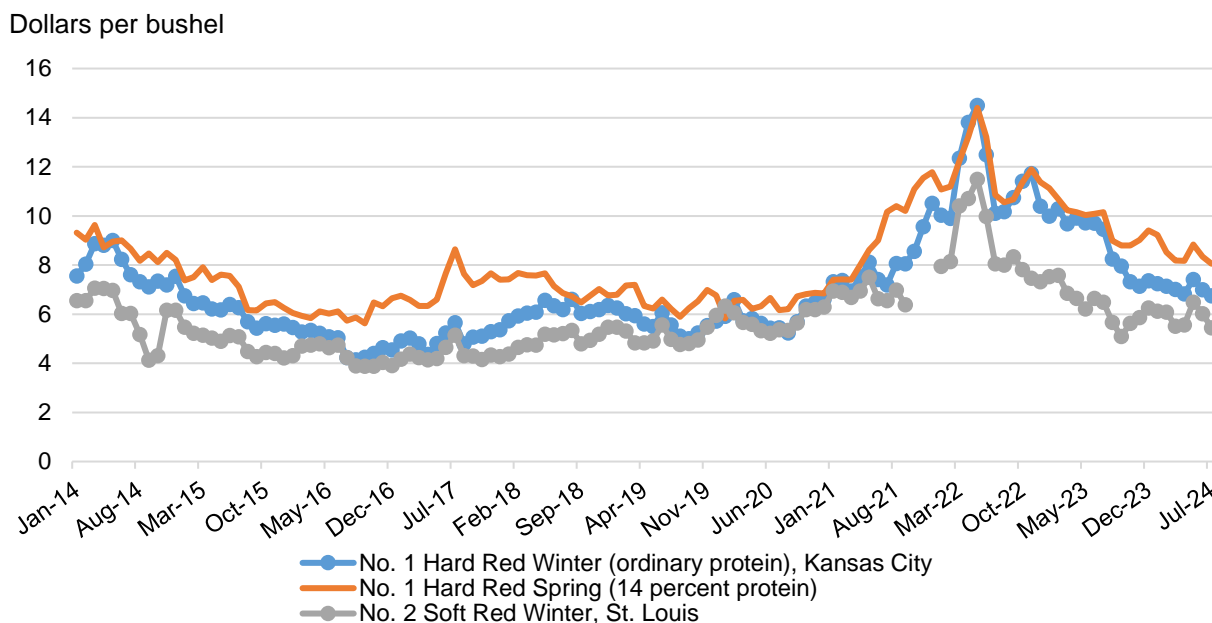
U.S. HRW food use for 2024/25 is raised 1 million bushels to 383 million, while HRS is raised 1 million bushels to 258 million (table 2). These two classes have larger crops this season and represent the largest proportion of U.S. wheat food use. SRW food use is lowered 1 million bushels to 155 million with the expectation that incorporation of SRW into mill grinds will be somewhat closer to historical levels this year after being elevated in 2022/23 and 2023/24. Durum food use is also raised 1 million bushels to 83 million bushels, fractionally above the 2023/24 final data.

Table 2
U.S. wheat food use, by class, 2020/21–2024/25

	Final	Final	Final	Final	July	August	Change
Class	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	2024/25
<i>Bushels (millions)</i>							
HRW	376.8	410.6	373.0	383.6	382.0	383.0	1.0
HRS	263.0	245.0	266.0	253.0	257.0	258.0	1.0
SRW	148.0	154.0	163.0	158.0	156.0	155.0	-1.0
White	85.0	83.0	85.0	84.0	85.0	85.0	0.0
Durum	87.7	78.8	84.7	82.8	82.0	83.0	1.0
Total	960.5	971.4	971.7	961.4	962.0	964.0	2.0
HRW = Hard Red Winter; HRS = Hard Red Spring; SRW = Soft Red Winter. Source: USDA, Economic Research Service (ERS) calculations using data from USDA, National Agricultural Statistics Service; U.S. Department of Commerce, Bureau of the Census; and USDA, ERS estimates.							

Prices for all U.S. wheat classes have declined in recent months amid expectations for a bumper crop. Notably, the spread between the different classes has narrowed (figure 4), which is one key reason for the expectation that HRW and HRS will occupy a larger portion of the overall mill grind. SRW was at an unusually large discount to HRW and HRS in 2022/2023, which contributed to its record-high food use total that year. However, SRW food use has trended down since then with the other classes (especially HRW) becoming more price competitive.

Figure 4
U.S. wheat cash prices, January 2014–July 2024



Note: The Hard Red Spring quote is for Minneapolis and refers specifically to Dark Northern Spring, a subclass of Hard Red Spring. Prices are monthly averages of daily quotes.

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

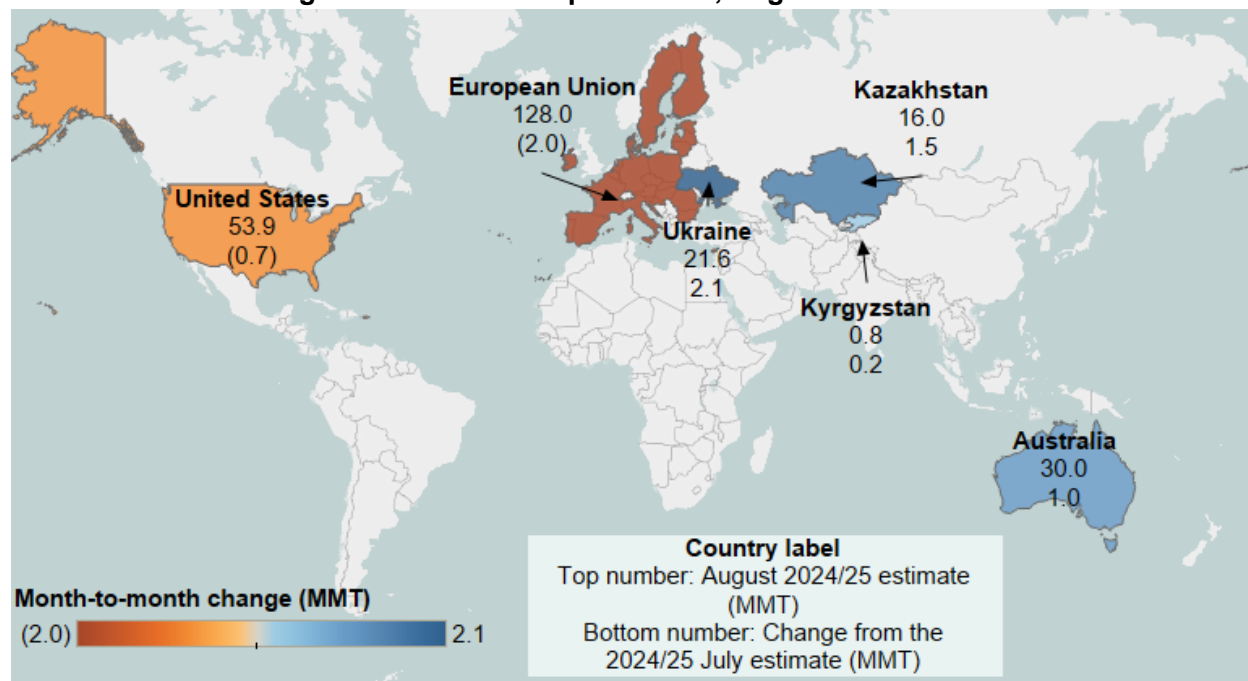
International Outlook

Global Wheat Production Forecast Higher in 2024/25

Global wheat production in 2024/25 is forecast up 2.1 million metric tons (MMT) to a record 798.3 MMT (figure 5). **Ukraine's** production is revised upwards based on higher area reported by the State Statistical Service of Ukraine. **Kazakhstan** is raised on higher yield more than offsetting slightly lower area harvested. Favorable weather during the growing season has contributed to favorable crop conditions as indicated by satellite imagery. For more information, see the latest *World Agricultural Production* report published by USDA, Foreign Agricultural Service. **Australia** is raised with a higher area forecast, which aligns with official data, along with larger yields due to recent improved precipitation in some wheat-producing areas.

Figure 5

Month-to-month change in 2024/25 wheat production, August 2024



MMT=million metric tons.

Note: Change compared to the July 2024 estimate for 2024/25. Changes less than 0.2 MMT are not included.

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

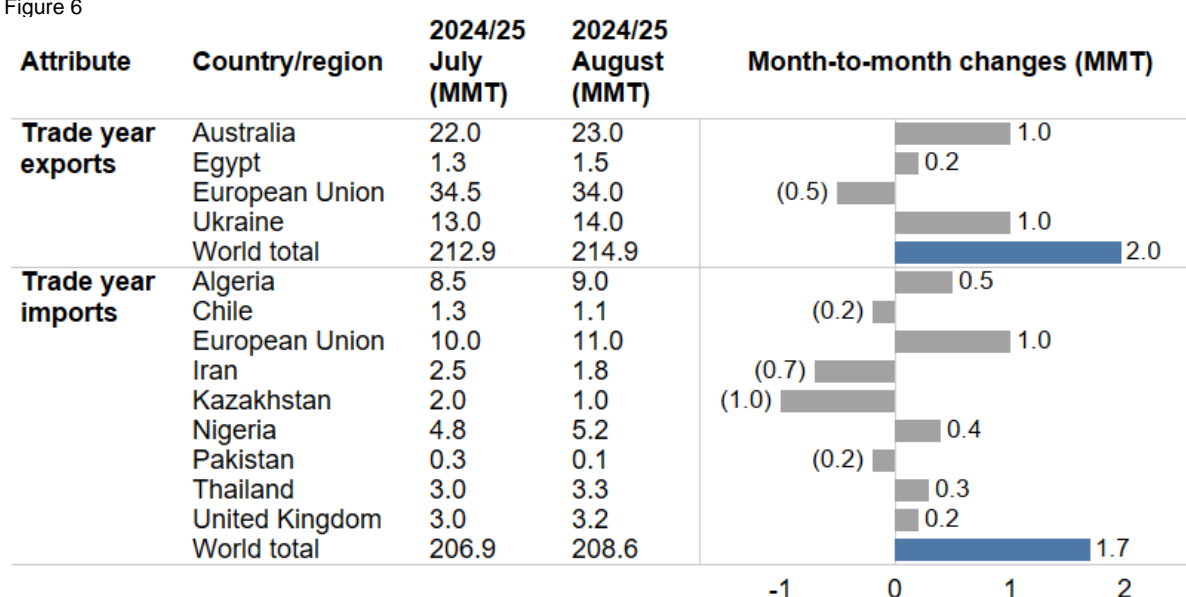
Conversely, production for the **European Union (EU)** is revised lower on smaller crops for several countries, but most notably France, the largest wheat producer in the bloc. Crop conditions in France have deteriorated due to lack of sunshine and prolonged wet conditions, resulting in the lowest production in more than 4 decades. However, Spain's crop is raised this

month. Production for the **United States** is lower with reduced harvested area more than offsetting higher average yield.

Global Trade Raised in 2024/25

Global wheat exports for the July–June 2024/25 trade year (TY) are forecast up 2.0 MMT to 214.9 MMT (figure 6). **Australia** and **Ukraine** are raised with larger production, while **EU** exports are reduced with a smaller crop. **Egypt's** exports are raised with strong flour shipments to several African countries.

Figure 6



MMT=million metric tons.

Note: Change compared to the July 2024 estimate for 2024/25. Changes less than 0.2 MMT are not included.

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

Global imports are forecast up 1.7 MMT to 208.6 MMT with the **EU** the largest month-to-month increase on smaller domestic production and larger supplies from its key supplier, Ukraine. **Algeria's** imports are revised upward with the expectation of continued consumption growth. **Nigeria** is expected to import more due to the suspension of its import duty. **Thailand's** imports are also raised with expectations of strong consumption growth. Imports for the **United Kingdom** are also higher this month as a strong pace of imports in the latter part of 2023/24 reinforces expectations for elevated imports this year as the crop is substantially smaller year to year. Conversely, imports are reduced for **Kazakhstan** based on its larger crop and ban on wheat imports. Consumption growth is expected to weaken somewhat for **Iran** and **Chile**,

resulting in lower imports. **Pakistan's** imports are also forecast lower with its recently announced import ban.

Global Wheat Consumption Revised Up

Global wheat consumption, already record high, is further raised this month with increases to both categories of use (table 3). Feed and residual use is raised for the **EU** with reduced corn supplies and expectations of increased feed quality wheat caused by unfavorable weather affecting France's wheat crop. **Kazakhstan** and **Ukraine** are forecast to have larger feed and residual based on higher production. Food, Seed, and Industrial (FSI) consumption is adjusted for a plethora of countries. In many cases, the pace of trade in 2023/24 affected the expectations for pace of trade and use in 2024/25. The largest FSI change this month is for the EU, which is down 0.5 MMT. The largest FSI increase this month is for **Nigeria**, which is expected to import and consume more wheat following the suspension of its import duty. Notably, **Ukraine's** wheat consumption is raised based on reports of some populations moving back to Kiev after previously being relocated due to the war with Russia.

Table 3

Month-to-month changes in 2024/25 global wheat consumption (1,000 metric tons), August 2024

Country	Use category	July	August	Month-to-month change
Egypt	Feed and residual	1,300	1,100	(200)
European Union	Feed and residual	44,500	46,000	1,500
Kazakhstan	Feed and residual	1,500	2,000	500
Thailand	Feed and residual	1,400	1,600	200
Ukraine	Feed and residual	2,000	2,500	500
World	Feed and residual	148,409	151,159	2,750
Algeria	FSI consumption	11,600	11,900	300
Chile	FSI consumption	2,350	2,100	(250)
European Union	FSI consumption	64,750	64,250	(500)
Indonesia	FSI consumption	9,400	9,600	200
Iran	FSI consumption	15,900	15,700	(200)
Nigeria	FSI consumption	4,500	4,900	400
Ukraine	FSI consumption	4,700	4,900	200
World	FSI consumption	645,344	646,399	1,055
<i>World</i>	<i>Total consumption</i>	<i>793,753</i>	<i>797,558</i>	<i>3,805</i>
<i>World</i>	<i>Trade-adjusted consumption</i>	<i>799,940</i>	<i>804,015</i>	<i>4,075</i>

FSI = food, seed, and industrial.

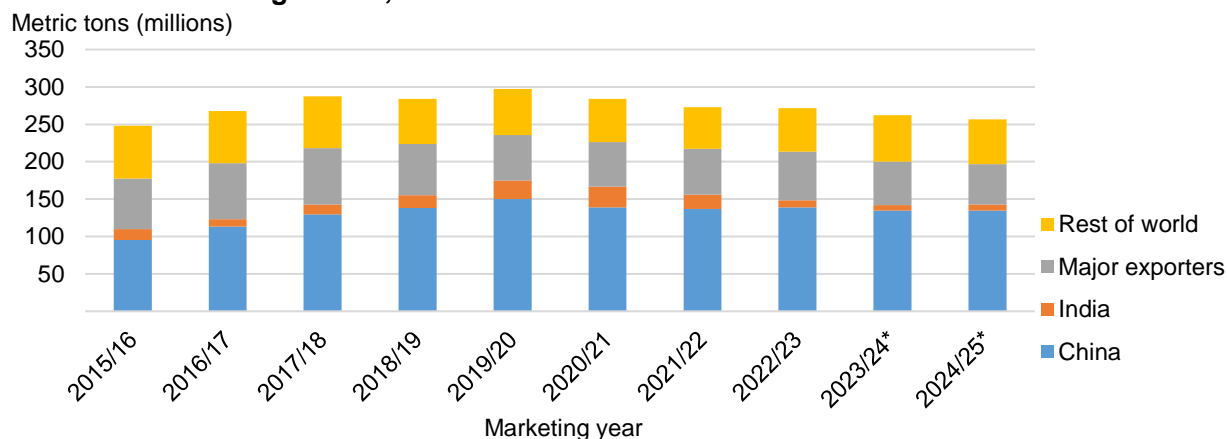
Note: Table excludes changes smaller than 200,000 metric tons. Trade-adjusted consumption is slightly different than the sum of all countries consumption because it accounts for the difference between marketing year export and import figures. This is the global consumption statistic that matches the 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 Stocks Down Slightly

Global wheat ending stocks are forecast down 0.6 MMT to 256.6 MMT, the lowest total in 9 years (figure 7). The largest revisions this month are for the **EU** and the **United States**, both down 0.8 MMT month to month mainly due to reduced production. EU stocks are also lowered by an upward revision to feed and residual use. Stocks for **Iran** are forecast down 0.5 MMT to 2.6 MMT with fewer expected imports. The largest increase this month is for the **United Kingdom**, which is up 0.4 MMT with higher imports in both 2023/24 and 2024/25.

Figure 7
Global wheat ending stocks, 2015/16–2024/25



*2023/24 and 2024/25 are forecasts. 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, using data from USDA, World Agricultural Outlook Board.

Ending stocks for major exporters are collectively forecast at 53.7 MMT, down 8 percent from the previous year and 12 percent lower than the recent 5-year average. Despite the reduced stock forecast this month, **U.S.** stocks are still forecast up 3.4 MMT year to year. However, ending stocks for other major exporters are forecast at 31.2 MMT, down 8.0 MMT mainly driven by the **EU** and **Russia**. Stock levels for major exporting countries are often considered an important analysis metric as these are the stocks available to the world market, which affects global wheat prices.

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