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Wheat Outlook: December 2024

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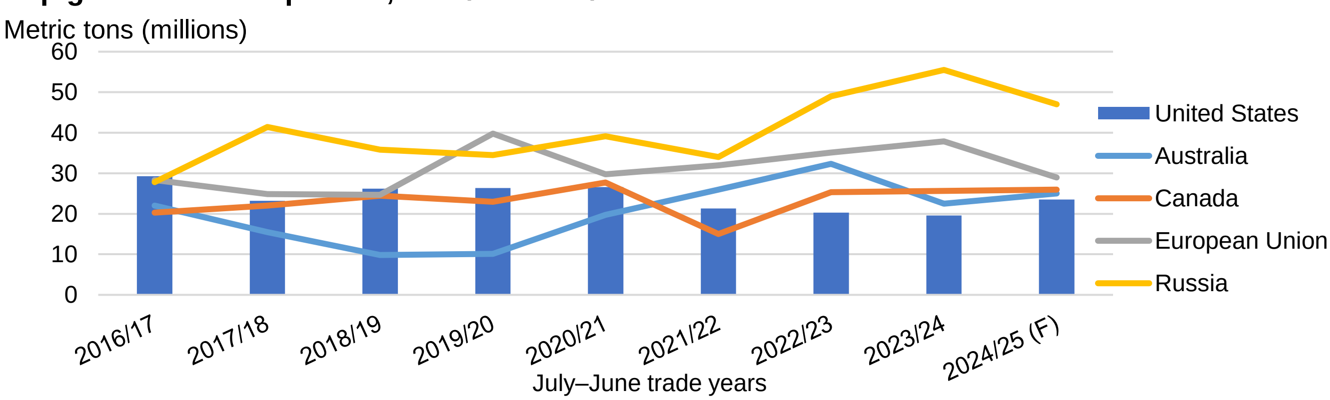
U.S. Exports Raised but Still Trail Key Competitors

The United States was historically the world's leading wheat exporter through the 2012/13 July–June Trade Year (TY) and briefly reclaimed that position in 2016/17. However, in recent years, declining acreage has contributed to smaller U.S. production while other competitors have expanded their production and exports. U.S. exports are raised this month 1.0 million metric tons (MMT) to 23.5 MMT. This increase is supported by the fast pace of export sales and shipments, as well as smaller export forecasts for key competitors Russia and the European Union (EU). Even as U.S. exports are forecast at a 4-year high, Russian exports are forecast twice as large at 47.0 MMT. Russia's exports are forecast down this month due to its recent imposition of an export quota for the last 4.5 months of the TY. EU wheat exports are forecast lower with a smaller crop but would still be the second largest global supplier (figure 1). Australia and Canada are forecast to outpace U.S. wheat exports with bumper crops.

Figure 1
Top global wheat exporters, 2016/17–2024/25



F: Denotes forecast year. All other years are final.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Domestic Changes at a Glance:

- U.S. wheat exports for 2024/25 are raised 25 million bushels to 850 million based on the current pace of export sales and shipments. Also contributing to this change is the expectation of weaker expected shipments from key competitors Russia and the European Union. U.S. White wheat is raised 15 million bushels to 210 million, while Hard Red Spring (HRS) is up 5 million to 270 million and Soft Red Winter (SRW) is raised 5 million bushels to 125 million. U.S. all-wheat exports for the June–October 2024 period total 366 million bushels (grain equivalent units), up 35 percent from the same months last year. Trade statistics for June–October 2024 are based on data from the U.S. Department of Commerce, Bureau of the Census. Exports dropped in October 2024 following typical seasonal patterns as exporters shifted to selling corn and soybeans, but remained significantly higher than exports in October 2023. Moreover, the pace of export shipments in November appears to be even slightly lower than October, but still above November 2023, based on export sales data reported by the USDA, Foreign Agricultural Service (FAS) and grain inspections data from USDA, Federal Grain Inspections Service (FGIS).
- Imports for 2024/25 are increased 5 million bushels to 125 million bushels with HRS raised to 65 million bushels. Official U.S. wheat imports for June–October 2024 from U.S. Census totaled 55 million bushels, down 10 percent from June–October 2023.
- The 2024/25 all-wheat season-average farm price is unchanged at $5.60 based on USDA, National Agricultural Statistics Service (NASS) prices reported to date and expectations for futures and cash prices for the remainder of the marketing year (table 1). Futures prices have declined slightly recently amid improvements in winter wheat conditions, but global ending stocks are still projected at a 9-year low in 2024/25. The October 2024 farm price reported in the USDA, NASS *Agricultural Prices* publication was $5.47 per bushel, up from $5.36 per bushel in September 2024.

Table 1 U.S. wheat supply and use at a glance 2023/24 and 2024/25 (in million bushels)					
Balance sheet item	**2023/24 December**	**2024/25 November**	**2024/25 December**	**Month-to-month change**	**Comments**
Supply, total					**June–May marketing year**
Beginning stocks	570	696	696	0	
Production	1,804	1,971	1,971	0	
Imports	138	120	125	+5	Fast pace of imports during June–October 2024
Supply, total	2,512	2,788	2,793	+5	
Demand					
Food	961	966	966	0	
Seed	62	62	62	0	
Feed and residual	85	120	120	0	
Domestic, total	1,108	1,148	1,148	0	
Exports	707	825	850	+25	Strong pace of sales and expectations of slowing competition from Russia and the European Union in the coming months
Use, total	1,815	1,973	1,998	+25	
Ending stocks	696	815	795	-20	
Season-average farm price	$6.96	$5.60	$5.60	$0.00	

Note: Totals may not add due to rounding.
Source: USDA, Economic Research Service calculations and USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

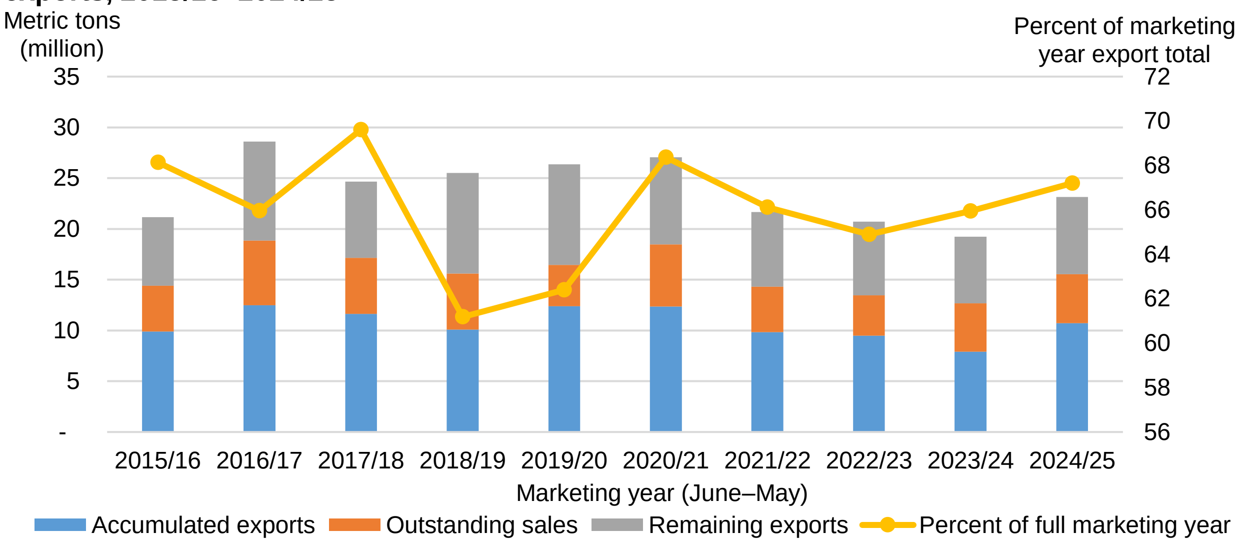
U.S. Wheat Export Pace Update

The 2024/25 U.S. export forecast is projected up 25 million bushels this month to 850 million bushels, up 20 percent from the 52-year low observed in 2023/24. U.S. cumulative export sales, as reported in the USDA, Foreign Agricultural Service (FAS) *U.S. Export Sales*, are well ahead of the same point last year. Total U.S. commitments (the sum of accumulated exports and outstanding sales) are at 15.5 million metric tons (MMT) as of November 28, up 23 percent from the same time last year.[1] In percentage terms, the largest year-to-year increase in sales is for

[1] This analysis uses week 26 as the basis for comparison, which compares to November 23, 2023.

White, which is up 53 percent. HRW and HRS are also up, while SRW and Durum total commitments are down year to year. U.S. all-wheat total commitments as of November 28 account for 67 percent of the full marketing year forecast (figure 2), up from last year and the recent 10-year average (both 66 percent).

Figure 2
Cumulative exports sales through November 28 and full marketing year exports, 2015/16–2024/25

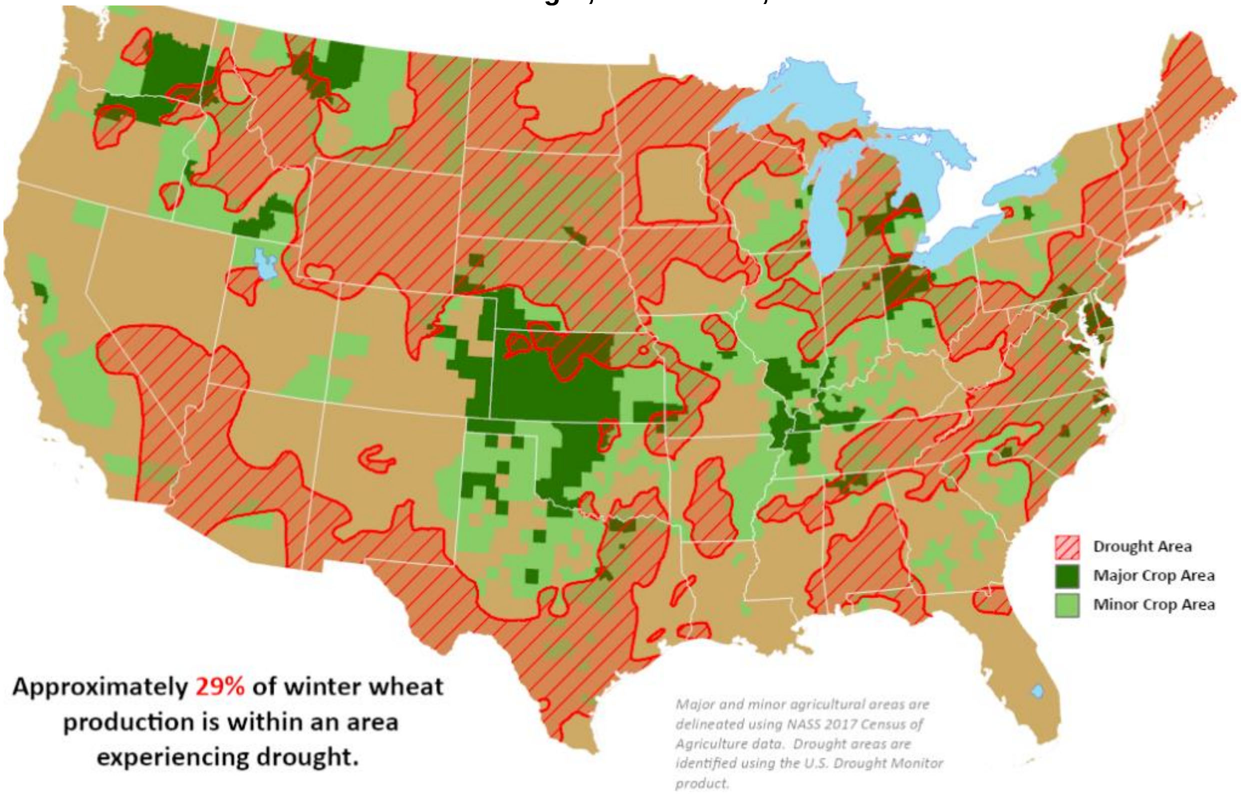


*Data for 2024/25 are calculated based on the current export forecast for the year.
Note: Accumulated exports and outstanding sales are as of week 26, exact dates vary by year. Remaining exports is the difference between total commitments as of that date (based on USDA, Foreign Agricultural Service, *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.

Winter Wheat Progress

Approximately 29 percent of winter wheat production is located in areas experiencing drought as of December 3, 2024 (figure 3), down from 37 percent a year ago. With beneficial rainfall hitting key producing areas in the Great Plains, the percentage of wheat in drought has been cut in half from late October, when 62 percent of crop area was in drought. The remaining areas of drought include regions that produce HRW, White, and SRW to various degrees.

Figure 3
United States winter wheat areas in drought, December 3, 2024



Note: 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. Alaska and Hawaii are not pictured as they have negligible or no wheat reported to the 2017 USDA, NASS Census of Agriculture.
Source: USDA, World Agricultural Outlook Board, Agricultural Weather and Assessments Group.

The receding drought in winter wheat areas corresponds to improvements in crop conditions as reported by USDA, NASS. As of November 25 (the last date of reported ratings for this calendar year), 55 percent of U.S. winter wheat is reported to be in good or excellent condition, up from 50 percent at the same point last year. The first crop conditions of the season were reported for the week ending October 27 with only 38 percent of the crop reported to be in good or excellent condition at that point. The 17-percentage point improvement in good-to-excellent ratings is the largest such improvement observed during this period in the history of the USDA, NASS Crop Conditions dataset (historical to 1987).

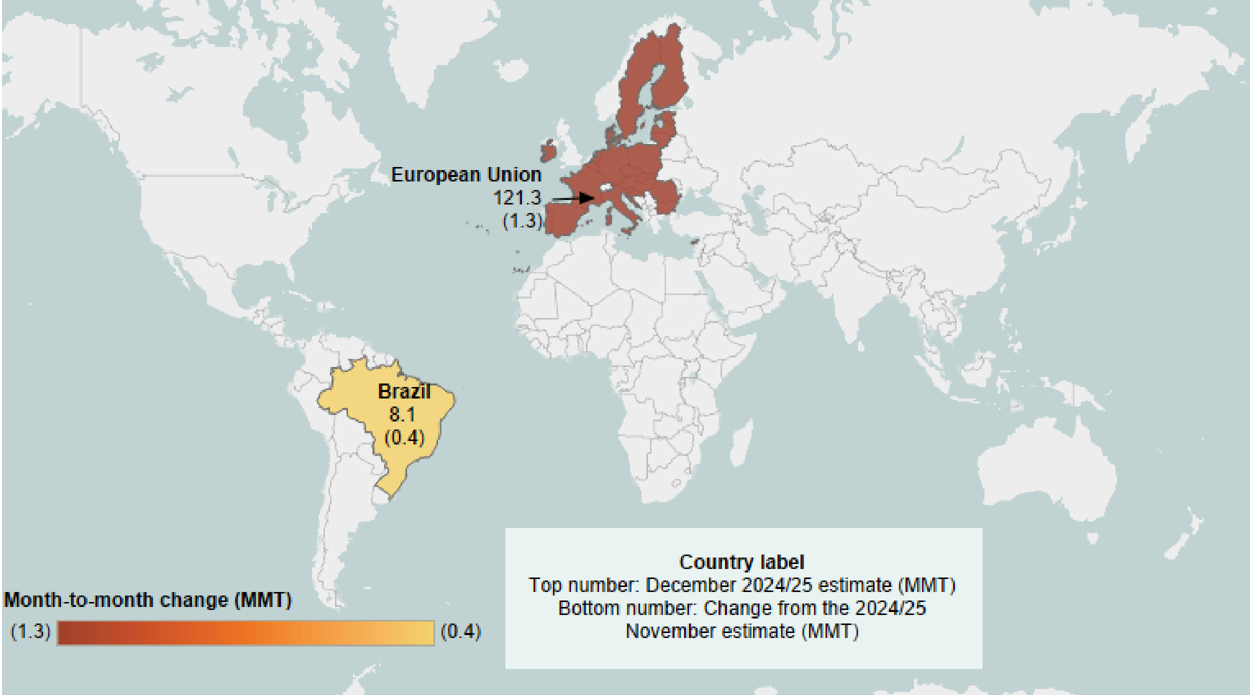
International Outlook

Global Wheat Production Forecast Lower in 2024/25

Global wheat production in 2024/25 is forecast down 1.8 million metric tons (MMT) but remains a record 792.9 MMT. The largest change is for the **European Union** (**EU**), which is adjusted down 1.3 MMT to 121.3 MMT (figure 4) with reductions in yields and area harvested. There are a variety of offsetting changes by Member States largely reflecting updated harvest data. Sweden, Belgium-Luxembourg, Denmark, Italy, and the Netherlands are lowered while Hungary and Poland are raised. **Brazil** is lowered 0.4 MMT to 8.1 MMT with lower yields based on updated harvest reporting. Brazil's production is now forecast nearly the same as last year. Drought in Paraná, the second-largest wheat producing State in Brazil, has reduced expected yields there substantially compared to last year. Conversely, yields are greatly improved in Rio Grande do Sul, the largest wheat-producing State, after last year's crop was affected by excessive rainfall. For more information on the EU and Brazil production changes, see the December 2024 *World Agricultural Production* report published by USDA, Foreign Agricultural Service.

Figure 4

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



MMT=million metric tons.
Note: Change compared to the November 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 Trade Lowered Slightly in 2024/25

Global wheat exports for the July−June 2024/25 trade year (TY) are forecast down 0.7 MMT to 213.5 MMT (figure 5). EU exports are reduced based on a smaller crop and a relatively slow pace of shipments to date. **Russia's** exports are lowered with the imposition of an 11-MMT export quota for February 15 through June 30 which is substantially smaller than the quota for last year. **U.S.** exports are raised with a strong pace of sales and shipments, combined with expectations of reduced competition from the EU and Russia in the latter half of the TY. **Ukraine's** exports are raised based on the fast pace of shipments to date. **Brazil's** imports are raised, and exports are lowered with tighter domestic supplies. **China's** imports are lowered on the pace of shipments to date. Similarly, **Saudi Arabia's** imports are reduced with a slow pace of trade and government tenders running behind pace.

Figure 5

Month-to-month change in 2024/25 wheat trade, December 2024

Attribute	Country/region	2024/25 November (MMT)	2024/25 December (MMT)	Month-to-month changes (MMT)
Trade year exports	Brazil	2.9	2.7	(0.2)
	European Union	30.0	29.0	(1.0)
	Russia	48.0	47.0	(1.0)
	Ukraine	16.0	16.5	0.5
	United States	22.5	23.5	1.0
	World total	214.2	213.5	(0.7)
Trade year imports	Brazil	5.9	6.1	0.2
	China	11.5	11.0	(0.5)
	Saudi Arabia	3.6	3.2	(0.4)
	Syria	1.4	1.6	0.2
	United States	3.2	3.4	0.2
	World total	209.8	209.4	(0.4)

MMT=million metric tons.
Note: Change compared to the November 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 Consumption Lowered Slightly

Global wheat consumption is lowered slightly this month with smaller global feed and residual use, while food, seed, and industrial (FSI) use overall is little changed (table 2). **Ukraine's** feed and residual use is lowered with more domestic supplies expected to be used for export.

Table 2
Month-to-month changes in 2024/25 global wheat consumption (1,000 metric tons), December 2024

Country	Use category	November	December	Month-to-month change
Ukraine	Feed and residual	2,000	1,700	(300)
World	**Feed and residual**	**152,901**	**152,601**	**(300)**
World	**FSI consumption**	**645,856**	**645,772**	**(84)**
World	*Total consumption*	*798,757*	*798,373*	*(384)*
World	*Trade-adjusted consumption*	*803,412*	*802,472*	*(940)*

FSI = food, seed, and industrial.

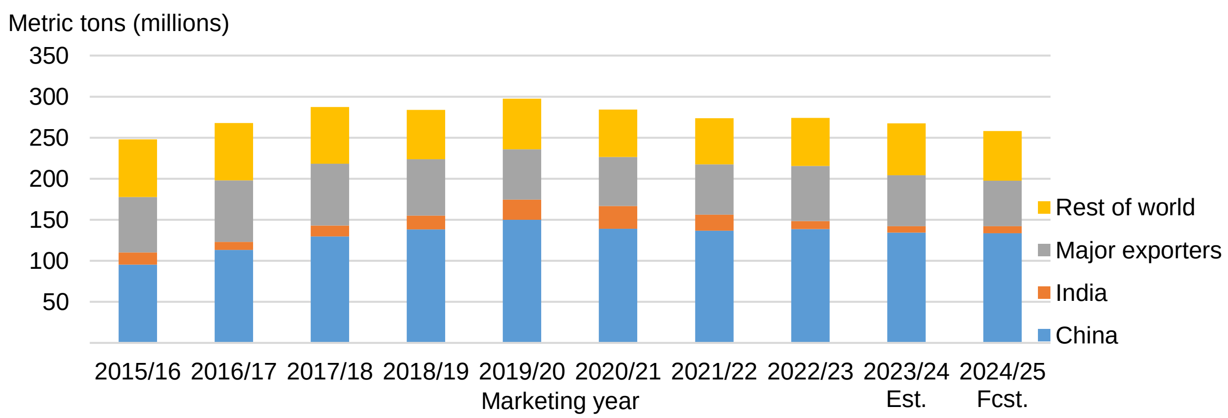
Note: Table excludes changes smaller than 200,000 metric tons. Trade-adjusted consumption is slightly different than the sum of all countries consumption because it accounts for the difference between marketing year export and import figures. This is the global consumption statistic that matches the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

Global wheat ending stocks are raised 0.3 MMT to 257.9 MMT but remain the lowest in 9 years (figure 6). Among major exporters, stocks are forecast up 0.5 MMT to 55.5 MMT with increases for **Russia** and the **EU** more than offsetting smaller projected stock levels for the **United States** and **Ukraine**. Outside of major exporting countries, stocks in **Syria** are raised 0.5 MMT to 1.7 MMT mainly due to a 0.6-MMT upward revision to 2023/24 production. Stocks in **China** are down 0.5 MMT on smaller projected imports.

Figure 6
Global wheat ending stocks, 2015/16–2024/25



Note: Est. = Estimate. Fcst = Forecast. 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.

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