



Economic Research Service

Situation and Outlook

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Wheat Outlook

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U.S. Stocks Raised 20 Million Bushels on Reduced Exports Despite Food Use Increase

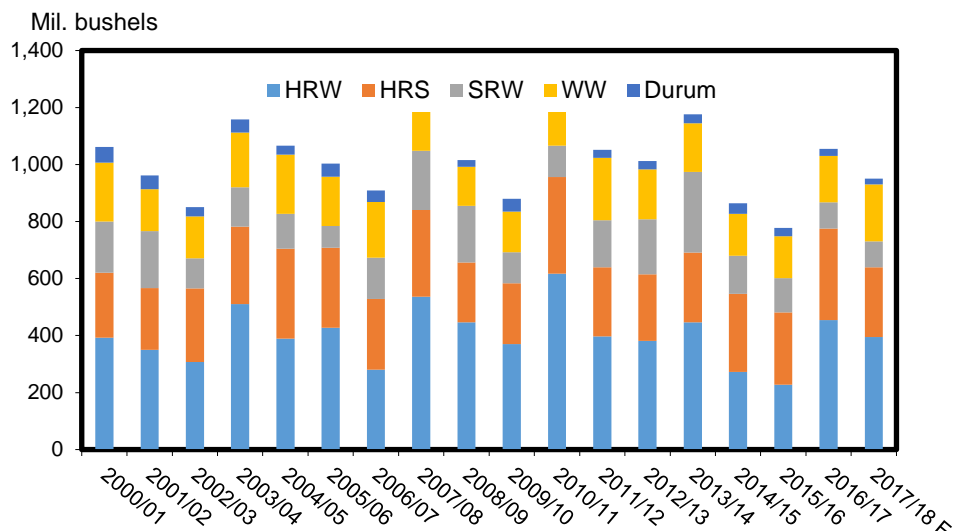
All-wheat ending stocks for 2017/18 are raised 20 million bushels this month, following a 25 million bushel reduction in exports and a 5 million bushel increase in food use. U.S. exports of hard red winter wheat are reduced 10 million bushels on strengthening competition and rising cash prices linked to concerns about the expanding drought in key production regions. White wheat exports are lowered 15 million bushels on the slowing pace of sales (figure 1). Competition from Canada in key Asian markets remains strong, and Argentina is proving to be a formidable competitor in Brazilian and African wheat markets. The United States has also lost market share to France in Morocco. Global supplies of wheat are plentiful and the U.S. share of global trade continues to fall. U.S. exports in 2016/17 were more than 100 million bushels above the current forecast for 2017/18.

The next release is March 12, 2018.

Domestic Feature: "Net Cash Farm Income for Wheat Projected Down 22 Percent in 2018"

Approved by the World Agricultural Outlook Board.

Figure 1: U.S. wheat exports by class 1/



1/HRW=hard red winter; HRS=hard red spring; SRW=soft red winter; WW=white wheat
Source: USDA, World Agricultural Supply and Demand Estimates. 2017/18 exports are forecast.

Domestic Outlook

Domestic Changes at a Glance

- The latest USDA-NASS (National Agricultural Statistics Service) *Flour Milling Products* report indicates greater-than-expected wheat for food use through the first 7 months of the marketing year.
 - Use between June and December is approximately 6 million bushels above the same period from a year prior.
- U.S. exports are trimmed by 25 million bushels to 925 million based on sluggish sales and expectations of increased exports from major global suppliers including Argentina, Canada, and Russia.
 - Based on the pace to date, U.S. exports of hard red winter wheat and white wheat are trimmed 10 million and 15 million bushels, respectively.
- All-wheat ending stocks are raised 20 million bushels to 1,009 million on net decreased use.
- The U.S. season average farm price is unchanged at \$4.60 per bushel; the range is narrowed to \$4.55-\$4.65.

Table 1 - U.S. wheat supply and utilization at a glance 2017/18, February 2018

Balance sheet item	2017/18 (January)	2017/18 (February)	2017/18 Change from previous month	2017/18 Comments
Supply, total	<i>Million bushels</i>			<i>May-June Marketing Year (MY)</i>
Beginning stocks	1,180.6	1,180.6	0.0	
Production	1,740.6	1,740.6	0.0	
Imports	155.0	155.0	0.0	
Supply, total	3,076.2	3,076.2	0.0	
Demand				
Food	950.0	955.0	5.0	Based on data released in the USDA, NASS <i>Flour Milling Products</i> report, food use through the first 7 months of the marketing year exceed last year's pace by more than 6 million bushels.
Seed	62.0	62.0	0.0	
Feed and residual	100.0	100.0	0.0	
Domestic, total	1,112.0	1,117.0	5.0	Rising food use lift domestic use by 5 million bushels.
Exports	975.0	950.0	-25.0	The pace of exports slowed through December for hard red winter and white wheat, in particular.
Use, total	2,087.0	2,067.0	-20.0	Increased food use only partially offsets 25 million bushel cut to U.S. exports.
Ending stocks	989.2	1,009.2	20.0	Decreased net use boosts ending stocks by 20 million bushels.

Source: USDA, World Agricultural Outlook Board.

Winter Wheat Weather Woes

With the last significant precipitation occurring about 4 months ago, drought in the Southern Plains is intensifying, causing further deterioration in the condition of winter wheat (as well as rangeland and pasture). Some sections of the winter wheat belt did receive snow recently. However, the [USDA Weekly Weather and Crop Bulletin](#) indicates that much more moisture is required to reverse the effects of

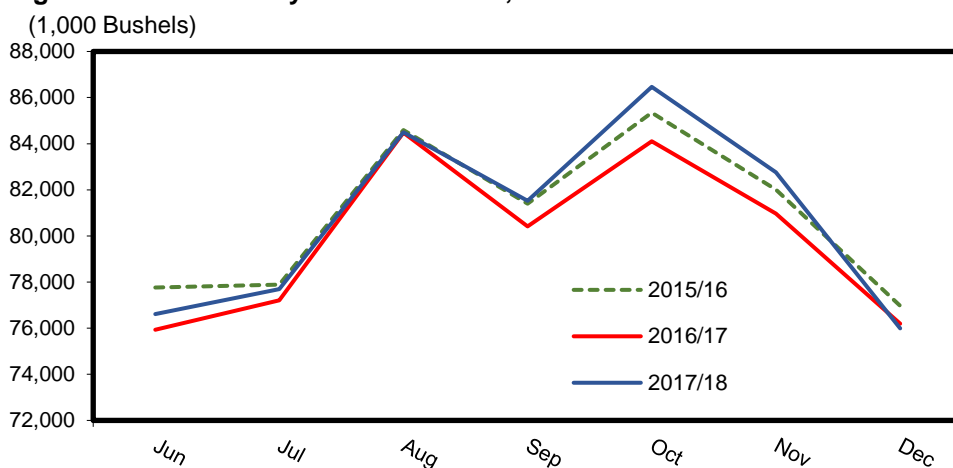
multiple weeks of limited to nonexistent precipitation in parts of Kansas, Oklahoma, and Texas. In Kansas and Oklahoma, topsoil moisture was noted as very short to short on 79 and 93 percent of acres, respectively. In Texas, a recent freeze combined with low moisture to damage small grain fields and reduce grazing opportunities for livestock. In Colorado, some wet snow fell on cropland in January. However, winter wheat is reportedly stressed due to windy conditions and a general lack of moisture. On February 3, the Drought Monitor Snow Depth chart showed zero protective snow coverage on the majority of winter wheat planted acres across the United States. The Drought Monitor further showed that between January 30 and February 6, the proportion of the United States experiencing D2-D4 level drought rose from 17.2 to 18.4 percent, with the drought concentrated in the Southern Plains (winter wheat belt) and the Northern Plains (key spring and durum growing region).

Concerns about effects of persistently dry conditions in the Midwest and Southern Plains on winter wheat production have helped to support wheat cash and futures price rallies in recent weeks. Cash prices for #1 HRW (Ordinary) in Kansas City, Portland, and Texas Gulf Export terminals rose between 4 and close to 7 percent from December to January (see [Wheat Yearbook Tables](#)), while the March Kansas City wheat contract traded above the 200-day moving average for the first time since August 2017.

All-Wheat Food Use Lifted 5 Million Bushels to 955 Million

On February 1, USDA-NASS released the quarterly *Flour Milling Products* report, providing milling data through December 2017. With 7 months of flour milling data for 2017/18 available, calculated trade-adjusted wheat food use is up slightly more than 6 million bushels, relative to the same period the previous year (figure 2). Total food use for all 2016/17 was estimated at approximately 949 million bushels, which makes it the second year in a row that wheat food use has fallen, despite a growing U.S. population. There is some recovery in the current marketing year with only December use below the same month in 2016. The drop was anticipated and followed a push to mill wheat earlier in the marketing year and subsequent to the late summer/early fall price rally. The rally was spurred by perceived tight supplies of high-protein wheat, for which millers bid up prices as they worked to secure stocks. Even with the December dip, if the last 5 months of the marketing year track with last year's usage, total wheat food use for 2017/18 is on pace to equal 955 million bushels.

Figure 2: Total monthly wheat food use, June-December: 2015/16-2017/18

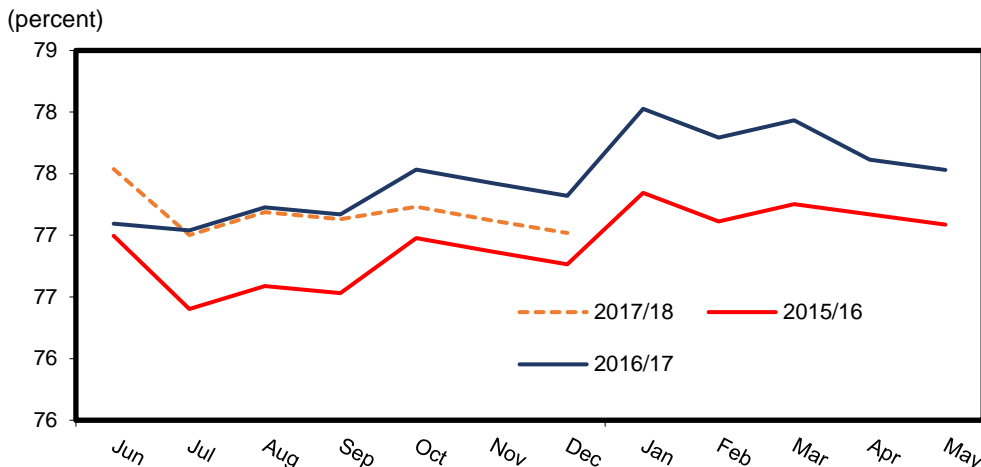


Source: USDA, ERS calculations based on USDA, National Agricultural Statistics Service data.

The estimate of wheat grain used for food is largely based on reduced extraction rates for the second quarter of the marketing year (figure 3). Lower extraction rates during this period imply that relatively

more wheat is required to produce a similar volume of flour, compared to the same period a year prior. Accordingly, the increase in wheat food use does not necessarily indicate an increase in consumer demand for wheat-containing products.

Figure 3: Monthly wheat flour extraction rate (percent) 1/



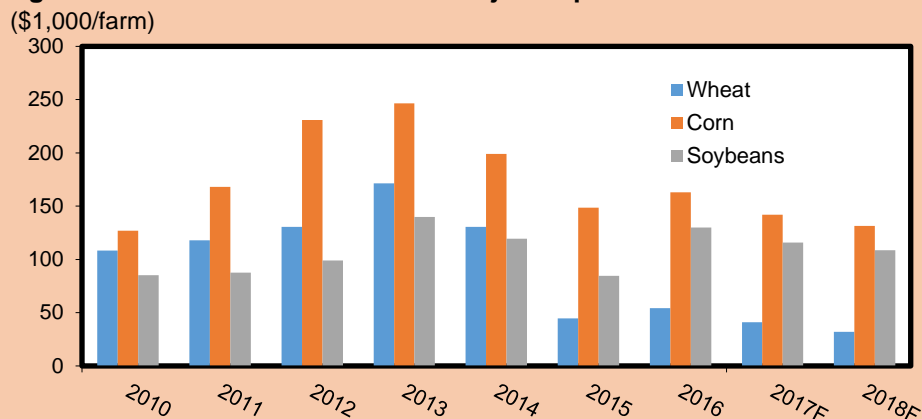
1/ Data for 2017/18 available only through December 2017.

Source: USDA, ERS calculations based on USDA National Agricultural Statistics Service data.

Domestic Feature: Net Cash Farm Income for Wheat Projected Down 22 Percent in 2018

On February 7, the USDA-ERS Farm Income team released its first 2018 [U.S. and State Farm Income and Wealth Statistics](#). Generally, net cash farm income for 2018 is forecast to decline by \$5.0 billion, or about 5 percent, from 2017 levels to \$91.9 billion. If realized, this will be the lowest level of net cash farm income since 2009. Net cash farm income (NCFI) is a commonly used indicator of the profitability of a farm business and includes cash receipts from farming, as well as farm-related income, including Government payments, less cash expenses. Higher NCFI means more cash is available to draw down debt, pay taxes, cover family living expenses, and invest. Average NCFI for farm businesses specializing in wheat production is forecast at \$32,000 for 2018, down 21.8 percent from 2017, and compares to NCFI of \$131,500 for farms specializing in corn and \$108,600 for soybean-focused operations (figure 4).

Figure 4: Net cash farm income for major crops: 2010-2018 1/



1/ 2017 and 2018 values are forecast with data as of February 7, 2018.

Source: USDA, Economic Research Service *Farm Income and Wealth Statistics*.

The sizable decline in wheat NCFI is partly attributed to projected lower Government payments and higher cash expenses. Production expenses are projected to rise, further cutting into wheat farm revenues. Based largely on U.S. Energy Information Agency forecasts for diesel prices, expenditures on fuel and oils are set to increase by more than 10 percent in 2018 and follow a near 14-percent increase in 2017. In aggregate, wheat cash receipts are expected to decline \$0.3 billion from 2017 on reduced quantity sold, more than offsetting an expected increase in the all-wheat price.

U.S. Exports Lowered on Strengthening Cash Prices, Dollar and Slowing Sales Pace

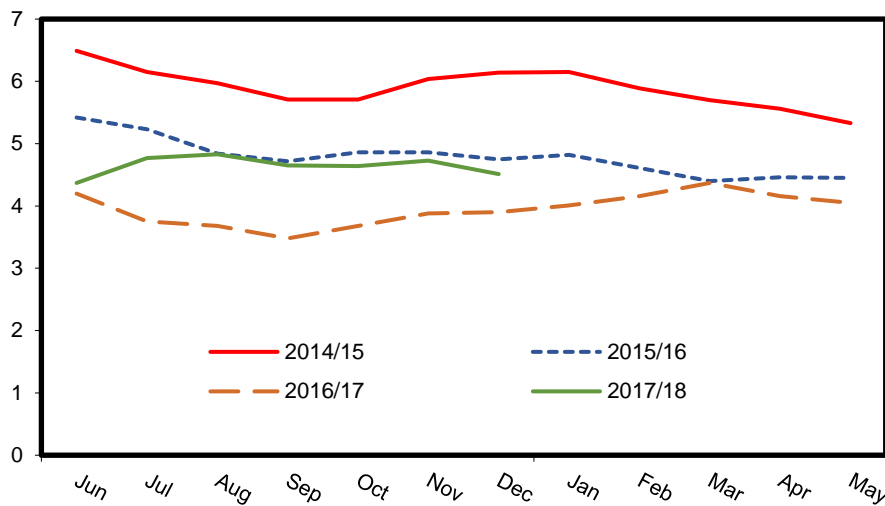
U.S. exports on both a marketing-year and trade-year basis are lowered this month to 950 million bushels and 25 million metric tons, respectively. Rising prices for U.S. hard red winter wheat, in particular, have reduced the U.S. competitive position in world wheat markets, and the pace of exports has recently slowed. In particular, the U.S. share of the Moroccan market has declined, while France has increased its shipments to that country. U.S. shipments to Brazil have tapered off as neighbor Argentina—with abundant, low-cost wheat—assumes a larger share of the market. Argentina is also challenging the United States in Sub-Saharan Africa and Southeast Asia markets. Please see the Wheat Outlook International section for more detail.

All-Wheat Price Holds Steady

The majority of the 2017/18 wheat crop has been marketed, and recent price increases—which largely follow a seasonal pricing pattern—are not sizeable enough to budge the season average farm price (SAFP) from the current \$4.60/bushel forecast (figure 5). The all-wheat SAFR range, however, is narrowed to \$4.55 per bushel on the low end and \$4.65 on the high end.

Figure 5: Monthly all-wheat price: 2013/14-2017/18

(Dollars/bushel)



Source: USDA, National Agricultural Statistics Service.

International Outlook

Projections for 2017/18 world record-high wheat production continue to increase. Wheat output is projected up 1.2 million tons this month to 758.2 million, pushing the historical record even further. The main changes in wheat production for 2017/18 this month are for Argentina, Ukraine, and Moldova. For Argentina, where the wheat harvest was completed in January, preliminary results indicate healthy yields, owing to favorable weather during the filling stage of crop development. All other changes for 2017/18 wheat production result from the latest Government statistical reports and updates for the countries where the harvests were completed a while ago.

For more information and a visual display of this month's changes in wheat production see table A.

Table A - Wheat production at a glance (2017/18), February 2018

	Country or region	Crop year	Production	Change from previous month ¹	YoY ² change	Comments
			<i>Million tons</i>			
↑	World	<i>Various</i>	758.2	+1.2	+8.8	
↑	Foreign	<i>Various</i>	710.9	+1.2	+23.3	
	United States	<i>June-May</i>	47.4	No change	-15.5	See section on U.S. domestic wheat.
↑	Argentina	<i>Dec-Nov</i>	18.0	+0.5	-0.4	The wheat harvest is virtually over. Preliminary reports indicate robust wheat yields enhanced by favorable weather during the crop filling stage.
↑	Ukraine	<i>July-June</i>	27.0	+0.5	+0.2	According to a preliminary report by the Ukrainian Statistical Agency, both harvested area and final wheat yield turned out to be higher than previously suggested by harvest reports.
↑	Moldova	<i>July-June</i>	1.5	+0.4	+0.2	The increase is based on higher wheat yields suggested by the Moldovan Ministry of Agriculture.
↓	Mexico	<i>July-June</i>	3.5	-0.1	-0.4	Wheat area and production are revised based on official Government reports (SAGARPA). ³ Adverse weather in December is expected to have worsened wheat yields.
↓	Bangladesh	<i>July-June</i>	1.2	-0.1	No change	Higher domestic prices for rice resulted in some shift in planted areas from wheat to rice.

¹Change from previous month's forecast. Changes of less than 0.1 million tons are also made for several countries.
²YoY: year-over-year changes. ³ SAGARPA: Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food.
Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

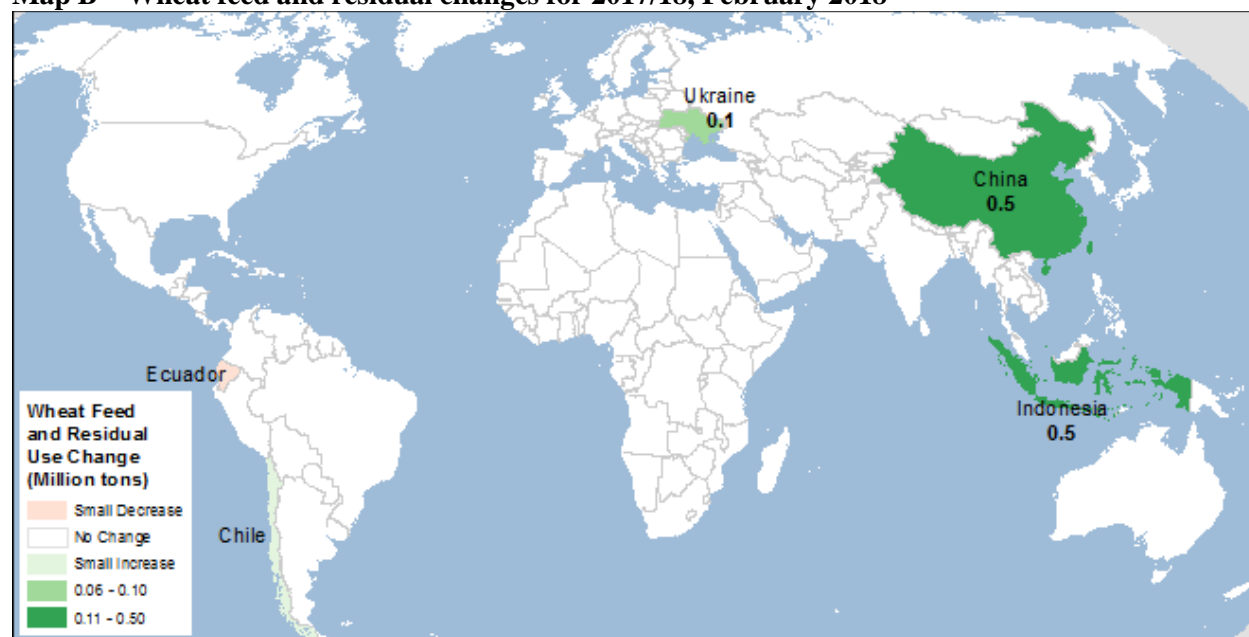
Wheat Use Is Up, Stocks Down This Month

Global wheat use projections for 2017/18 are up 3.1 million tons this month to 744.8 million. Feed and residual wheat use is forecast up 1.2 million tons, with higher feed use projected for China and Indonesia, and smaller changes for several other countries (see Map B). An increase in food, seed, and industrial (FSI) use of wheat this month is also led by China. Growing domestic demand for feed, an abundance of

lower quality wheat, and high domestic corn prices support a 0.5 million ton increase in the country's wheat feeding to 13.5 million.

Indonesia keeps importing large amounts of cheap milling-quality wheat from the Black Sea countries to use as animal feed, in order to bypass a current import ban on feed grains. See feature article on Indonesia in the February 2018 issue of [Grain: World Markets and Trade](#), p. 5.

Map B – Wheat feed and residual changes for 2017/18, February 2018



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

Despite higher projected wheat output, additional use results in lower wheat ending stocks this month, down 1.9 million to 266.1 million, but still a record by far. China (down 1.2 million tons from higher wheat use), Russia (down 1.0 million tons from ever-increasing exports), Canada (down 0.5 million tons from higher exports), and India (down 0.5 million tons from reduced imports) are driving global stocks down. Changes in stocks for the United States (up 0.5 million tons because of lower projected exports), the European Union (up 0.5 million tons as exports are reduced more than imports), and Indonesia (up 0.4 million tons from increased imports) are partly offsetting. Numerous and largely offsetting smaller revisions of ending stocks are made for a number of countries this month.

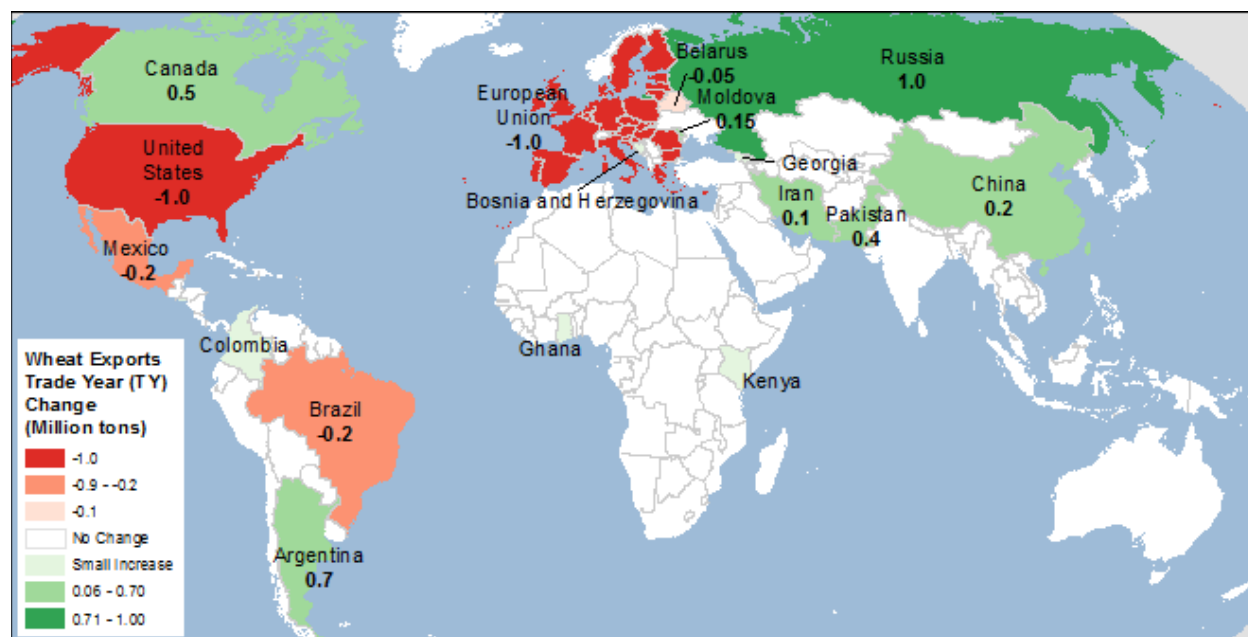
A Shift in Trade Shares Projected This Month, U.S. Exports Reduced

The already record world wheat trade for July-June international trade year 2017/18 is projected further up by 0.7 million tons this month to reach 183.6 million tons. Although the revision is comparatively small, sizeable offsetting changes are made for several major wheat exporters that alter their export shares. The front runner is Russia, up another 1.0 million tons to reach an even larger record of 36.0 million. Its torrid export pace, expansion into new markets, and still huge wheat stocks reported to be 30 percent higher than a year before, suggest that brisk wheat exports will continue well into the next year. In ERS's [January Outlook report](#), pp. 8 and 10, a detailed analysis is presented that identifies the country's actions and accomplishments that maximize the amount of exported grain, as Russia is using investment, policy measures, and international agreements to expand its foreign market outreach.

Wheat exports are also projected higher for Argentina, up 0.7 million tons to 13.7 million, which is a new record. Higher projected wheat output, coupled with a recent drop in the Argentine peso that further boosts Argentine export price competitiveness, supports this increase. Exports are also up for Canada by 0.5 million tons to 22.5 million, supported by a higher-than-projected pace of exports. Pakistani exports are projected up 0.4 million tons this month to reach 1.0 million tons. In 2017/18, the country had both a record-high wheat harvest and record-high stocks. It recently introduced an export incentive program that has triggered a sizeable increase in export activity, largely to its common foreign market Afghanistan, though also to African (Kenya) and Asian (Vietnam, Bangladesh, Indonesia, Malaysia, and others) countries.

Wheat exports for the European Union (EU) are projected down 1.0 million tons to 26.0 million. The second year in a row of low supplies, the strength of the euro (which weakens the competitiveness of European wheat in global markets), and strong competition (mainly from Russian wheat) that eats into traditional European export markets (Egypt, Kenya, Uganda in Africa, Vietnam in Asia, and many more) all work to curb EU wheat exports. For all changes in wheat exports made this month, see map C1.

The recent pace of U.S. sales and shipments of wheat is slow and supports a 1.0 million ton reduction in exports (to 25.0 million tons) for the July-June international trade year (down 25 million bushels to 950 million for the June-May local marketing year). Higher supplies in Argentina and unrelenting Russian exports put pressure on U.S. exports. The recent appreciation of the U.S. dollar vis-à-vis the currencies of all major wheat exporters makes the United States less competitive in price-sensitive markets. A very informative feature and analysis of the U.S. export pace can be viewed in the February 2018 issue of [Grain: World Markets and Trade](#), p. 6.



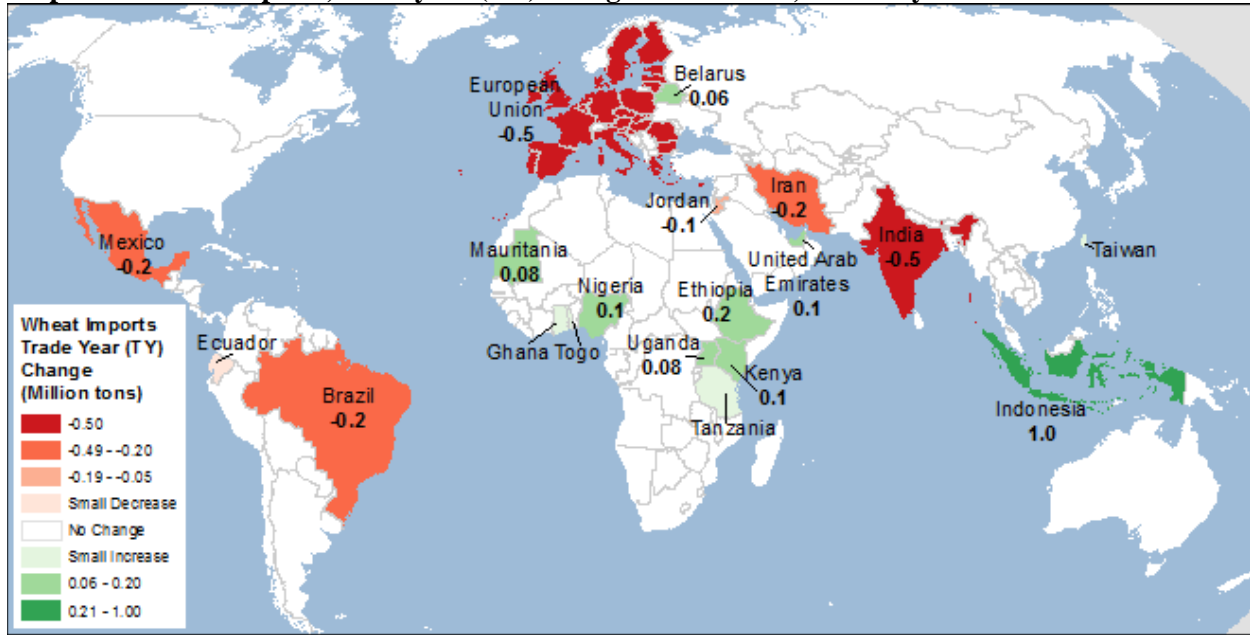
Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution online database.

Projected imports are adjusted for a number of countries this month, mostly based on the pace of recent sales and shipments. As already mentioned in the wheat use section, Indonesia keeps importing large quantities of cheap wheat from the Black Sea countries (mainly from Ukraine, though also from Russia), as well as Canada. See the feature article on Indonesia in the February 2018 issue of [Grain: World Markets and Trade](#), p. 5. Partly offsetting, EU wheat imports are projected lower by 0.5 million tons this

month as the pace remains slow (the high January import pace appears to be an exception as Ukraine was fulfilling its tariff-free quota). Another reduction in imports is projected for India, down 0.5 million tons, where the pace slowed down more than expected after the introduction of a 20-percent import duty.

Wheat import projections are also adjusted for a number of countries this month, reflecting wheat availability, logistics, policies, and recent sales (see map C2).

Map C2 – Wheat imports, trade year (TY) changes for 2017/18, February 2018



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

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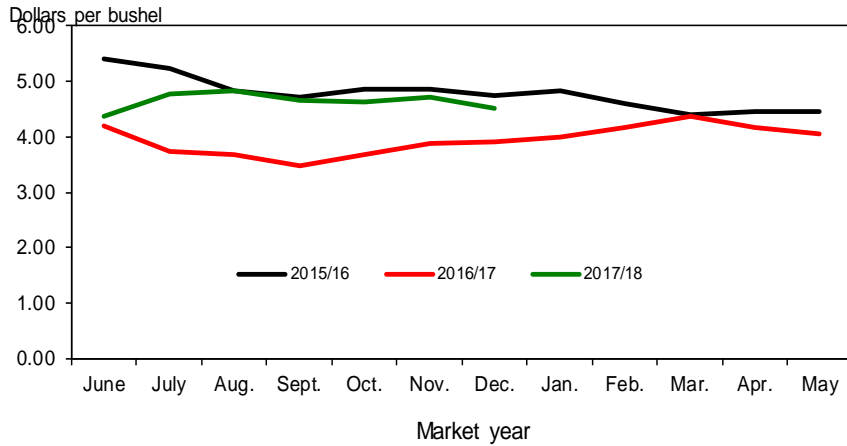
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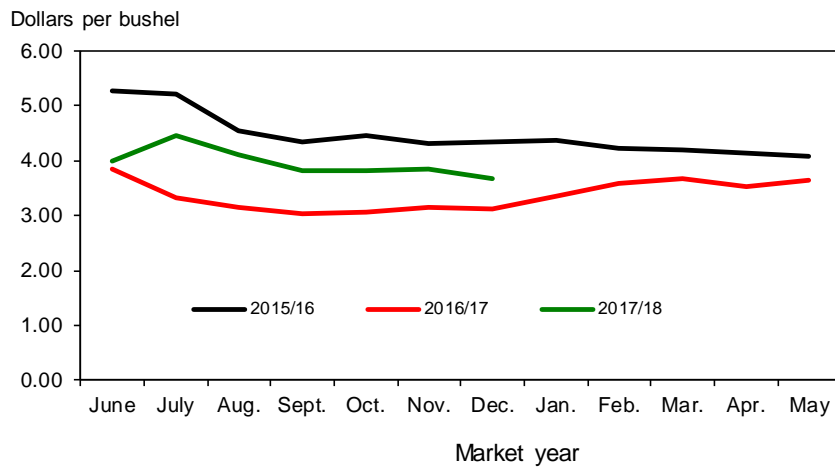
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Figure 1
All-wheat average prices received by farmers



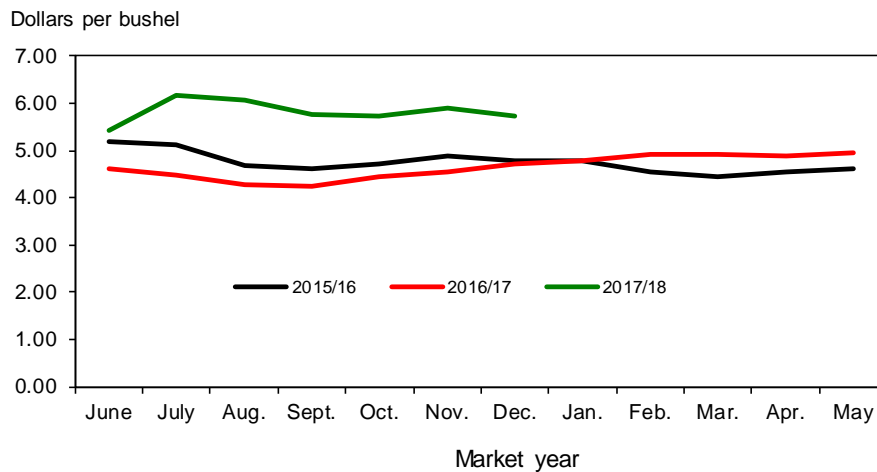
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 2
Hard red winter wheat average prices received by farmers



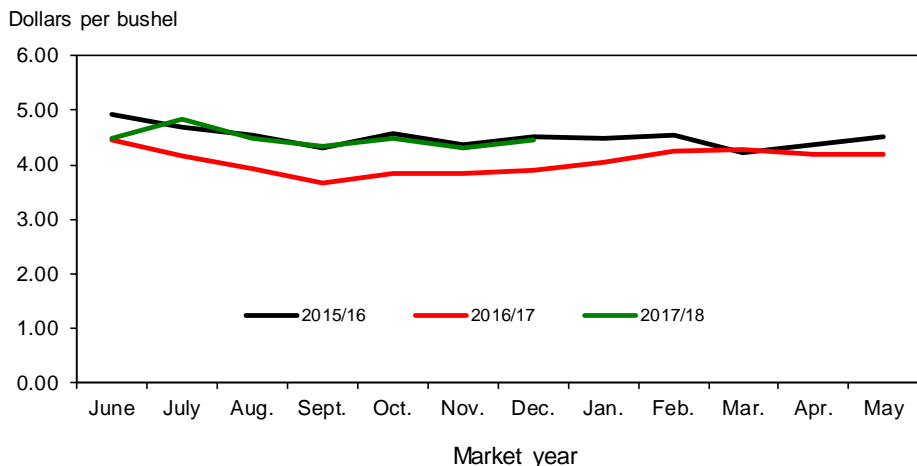
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 3
Hard red spring wheat average prices received by farmers



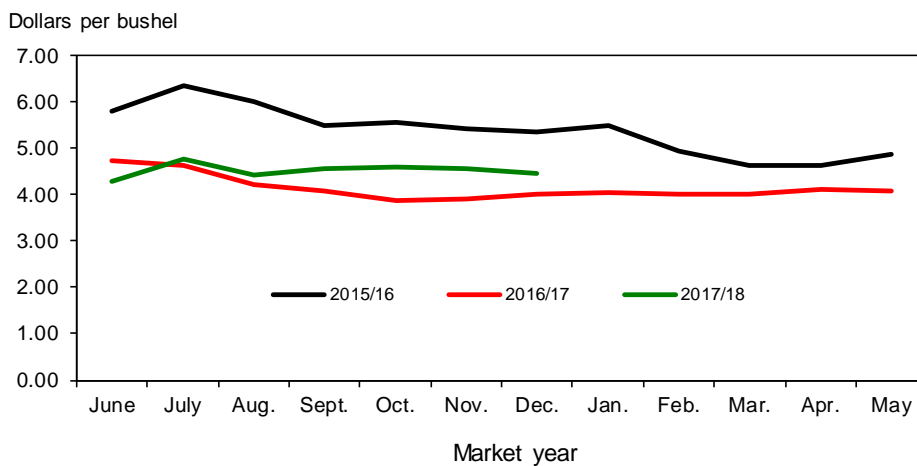
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 4
Soft red winter wheat average prices received by farmers



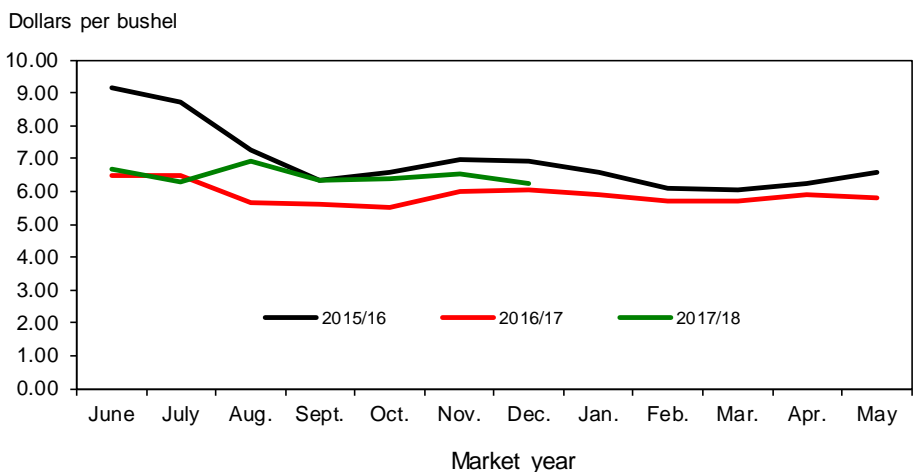
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 5
Soft white wheat average prices received by farmers



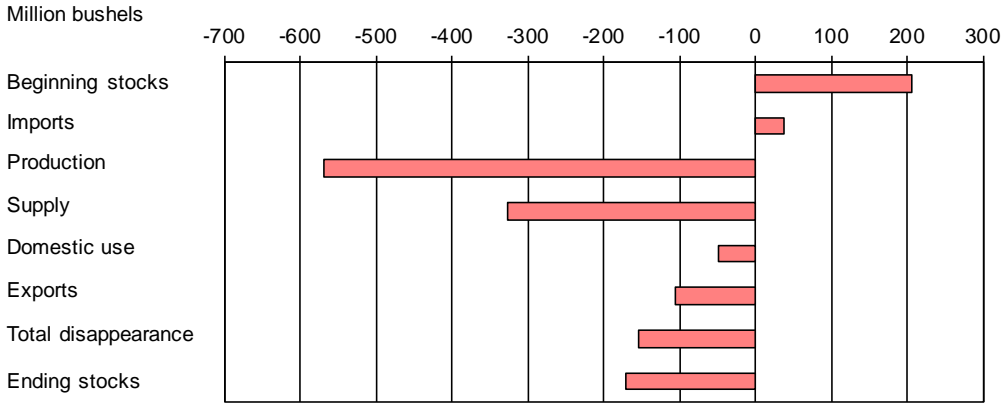
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 6
Durum wheat average prices received by farmers



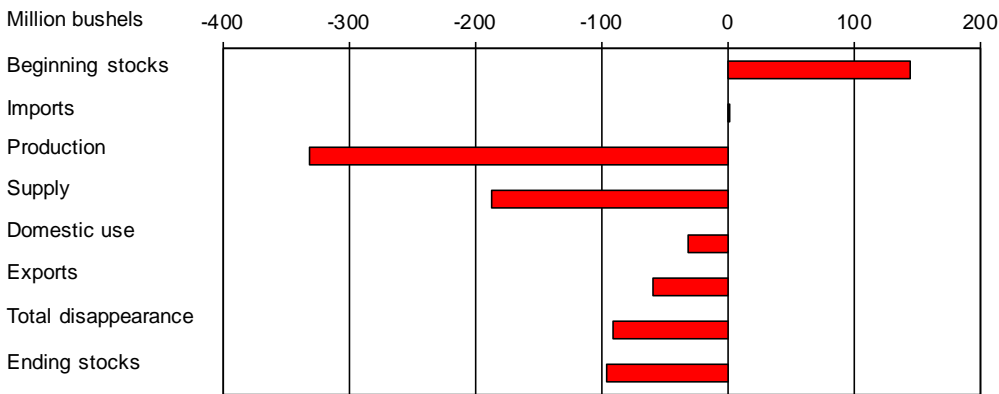
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Figure 7
All wheat: U.S. supply and disappearance change from prior market year



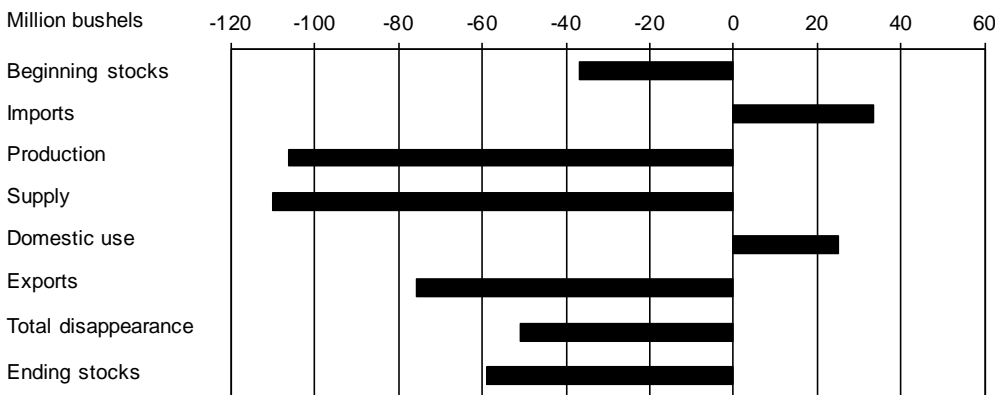
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Figure 8
Hard red winter wheat: U.S. supply and disappearance change from prior market year



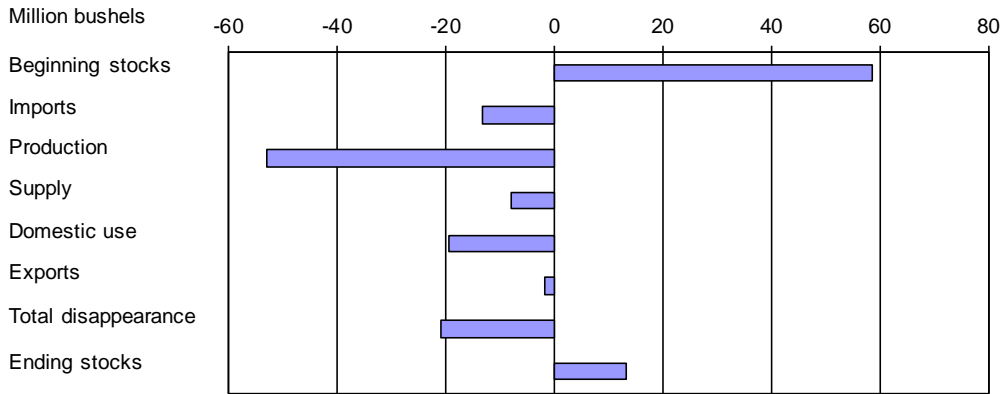
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Figure 9
Hard red spring wheat: U.S. supply and disappearance change from prior market year



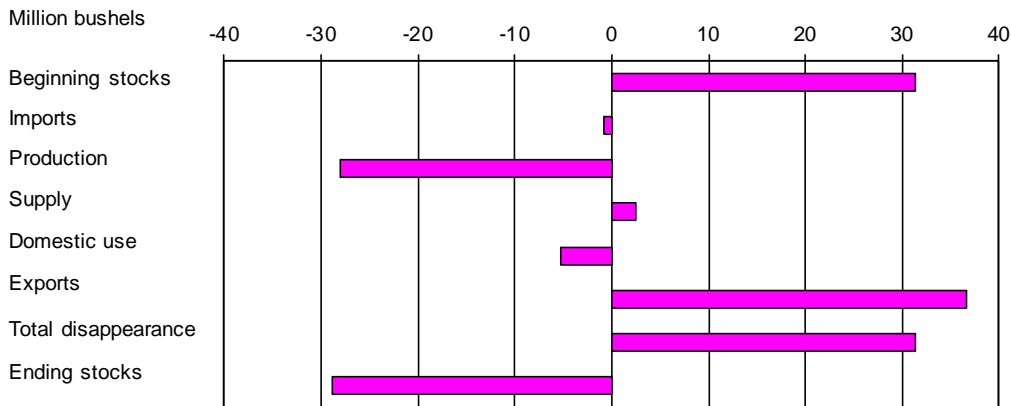
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Figure 10
Soft red winter wheat: U.S. supply and disappearance change from prior market year



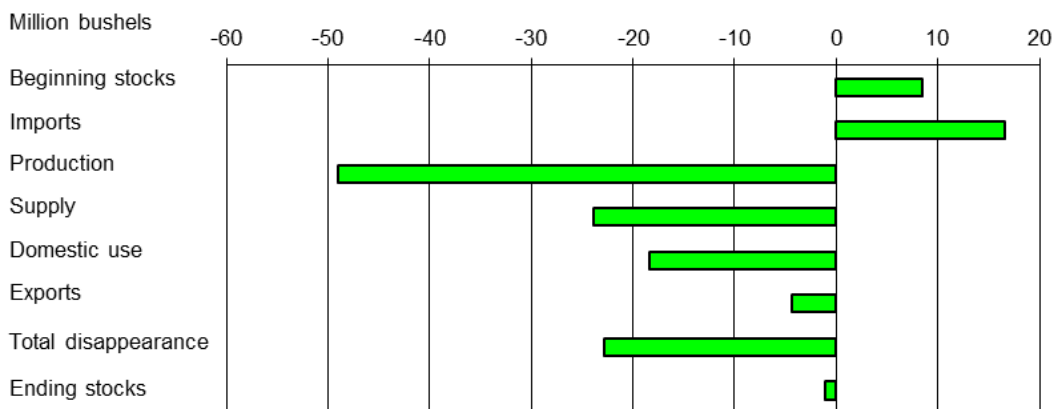
Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Figure 11
White wheat: U.S. supply and disappearance change from prior market year



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

Figure 12
Durum: U.S. supply and disappearance change from prior market year



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

Table 1--Wheat: U.S. market year supply and disappearance, 2/12/2018

Item and unit		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Area:								
Planted	Million acres	54.3	55.3	56.2	56.8	55.0	50.1	46.0
Harvested	Million acres	45.7	48.8	45.3	46.4	47.3	43.9	37.6
Yield	Bushels per acre	43.6	46.2	47.1	43.7	43.6	52.7	46.3
Supply:								
Beginning stocks	Million bushels	863.0	742.6	717.9	590.3	752.4	975.6	1,180.6
Production	Million bushels	1,993.1	2,252.3	2,135.0	2,026.3	2,061.9	2,308.7	1,740.6
Imports ¹	Million bushels	113.1	124.3	172.5	151.2	112.7	118.1	155.0
Total supply	Million bushels	2,969.2	3,119.2	3,025.3	2,767.8	2,927.1	3,402.5	3,076.2
Disappearance:								
Food use	Million bushels	941.4	950.8	955.1	958.3	957.1	949.0	955.0
Seed use	Million bushels	75.6	73.1	75.6	79.4	67.2	61.3	62.0
Feed and residual use	Million bushels	158.5	365.3	228.2	113.4	149.4	156.5	100.0
Total domestic use	Million bushels	1,175.5	1,389.3	1,258.8	1,151.1	1,173.7	1,166.7	1,117.0
Exports ¹	Million bushels	1,051.1	1,012.1	1,176.2	864.3	777.8	1,055.1	950.0
Total disappearance	Million bushels	2,226.6	2,401.4	2,435.1	2,015.4	1,951.5	2,221.9	2,067.0
Ending stocks	Million bushels	742.6	717.9	590.3	752.4	975.6	1,180.6	1,009.2
CCC inventory	Million bushels						.0	
Stocks-to-use ratio		33.4	29.9	24.2	37.3	50.0	53.1	48.8
Loan rate	Dollars per bushel	2.94	2.94	2.94	2.94	2.94	2.94	2.94
Contract/direct payment rate	Dollars per bushel	73.80	73.70	72.80	56.40	56.40	56.50	56.50
Farm price ²	Dollars per bushel	7.24	7.77	6.87	5.99	4.89	3.89	4.55-4.65
Market value of production	Million dollars	14,269	17,383	14,604	11,915	10,203	8,981	8,007

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 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: 2/9/2018

Table 2--Wheat by class: U.S. market year supply and disappearance, 2/12/2018

Market year, item, and unit			All wheat	Hard red winter ¹	Hard red spring ¹	Soft red winter ¹	White ¹	Durum
2016/17	Area:							
	Planted acreage	Million acres	50.11	26.58	10.90	6.02	4.20	2.41
	Harvested acreage	Million acres	43.85	21.87	10.62	4.98	4.03	2.36
	Yield	Bushels per acre	52.65	49.47	46.28	69.37	71.08	44.03
	Supply:							
	Beginning stocks	Million bushels	975.60	445.53	271.97	156.63	73.68	27.80
	Production	Million bushels	2,308.72	1,082.01	491.33	345.23	286.25	103.91
	Imports ²	Million bushels	118.14	5.05	41.78	33.19	7.74	30.38
	Total supply	Million bushels	3,402.47	1,532.58	805.07	535.05	367.67	162.10
	Disappearance:							
	Food use	Million bushels	948.98	384.71	250.00	150.00	85.00	79.27
	Seed use	Million bushels	61.27	26.20	15.48	11.02	5.17	3.40
	Feed and residual use	Million bushels	156.49	77.64	-16.27	67.34	9.04	18.74
	Total domestic use	Million bushels	1,166.73	488.55	249.21	228.36	99.21	101.41
	Exports ²	Million bushels	1,055.13	454.74	320.86	91.69	163.46	24.38
	Total disappearance	Million bushels	2,221.86	943.28	570.07	320.05	262.67	125.79
	Ending stocks	Million bushels	1,180.60	589.30	235.00	215.00	105.00	36.30
2017/18	Area:							
	Planted acreage	Million acres	46.01	23.43	10.50	5.73	4.05	2.31
	Harvested acreage	Million acres	37.59	17.64	9.67	4.32	3.82	2.14
	Yield	Bushels per acre	46.31	42.54	39.82	67.66	67.53	25.71
	Supply:							
	Beginning stocks	Million bushels	1,180.60	589.30	235.00	215.00	105.00	36.30
	Production	Million bushels	1,740.58	750.33	385.01	292.16	258.18	54.91
	Imports ²	Million bushels	155.00	6.00	75.00	20.00	7.00	47.00
	Total supply	Million bushels	3,076.18	1,345.63	695.01	527.16	370.18	138.21
	Disappearance:							
	Food use	Million bushels	955.00	385.00	252.00	153.00	85.00	80.00
	Seed use	Million bushels	62.00	27.00	17.00	11.00	4.00	3.00
	Feed and residual use	Million bushels	100.00	45.00	5.00	45.00	5.00	.00
	Total domestic use	Million bushels	1,117.00	457.00	274.00	209.00	94.00	83.00
	Exports ²	Million bushels	950.00	395.00	245.00	90.00	200.00	20.00
	Total disappearance	Million bushels	2,067.00	852.00	519.00	299.00	294.00	103.00
	Ending stocks	Million bushels	1,009.18	493.63	176.01	228.16	76.18	35.21

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: 2/9/2018

Table 3--Wheat: U.S. quarterly supply and disappearance (million bushels), 2/12/2018

Market year and quarter		Production	Imports ¹	Total supply	Food use	Seed use	Feed and residual use	Exports ¹	Ending stocks
2009/10	Jun-Aug	2,209	28	2,893	231	1	251	200	2,209
	Sep-Nov		24	2,234	237	44	-81	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	2,209	119	2,984	919	68	142	879	976
2010/11	Jun-Aug	2,163	27	3,166	235	1	215	265	2,450
	Sep-Nov		24	2,473	242	51	-63	311	1,933
	Dec-Feb		23	1,956	221	1		308	1,425
	Mar-May		22	1,448	228	16	-67	407	863
	Mkt. year	2,163	97	3,236	926	71	85	1,291	863
2011/12	Jun-Aug	1,993	21	2,877	230	5	201	295	2,147
	Sep-Nov		32	2,179	244	51	-16	238	1,663
	Dec-Feb		30	1,693	231	1	44	217	1,199
	Mar-May		30	1,229	236	19	-70	301	743
	Mkt. year	1,993	113	2,969	941	76	159	1,051	743
2012/13	Jun-Aug	2,252	26	3,020	238	1	403	264	2,115
	Sep-Nov		33	2,148	247	55	-22	198	1,671
	Dec-Feb		35	1,705	229	1	5	235	1,235
	Mar-May		31	1,266	238	15	-20	315	718
	Mkt. year	2,252	124	3,119	951	73	365	1,012	718
2013/14	Jun-Aug	2,135	36	2,889	235	4	422	358	1,870
	Sep-Nov		48	1,918	249	53	-168	309	1,475
	Dec-Feb		42	1,517	231	2	-1	228	1,057
	Mar-May		47	1,104	240	17	-25	282	590
	Mkt. year	2,135	172	3,025	955	76	228	1,176	590
2014/15	Jun-Aug	2,026	44	2,661	239	6	256	253	1,907
	Sep-Nov		35	1,942	248	49	-93	208	1,530
	Dec-Feb		37	1,566	231	2	8	185	1,140
	Mar-May		36	1,176	240	22	-58	219	752
	Mkt. year	2,026	151	2,768	958	79	113	864	752
2015/16	Jun-Aug	2,062	27	2,841	240	1	298	205	2,097
	Sep-Nov		27	2,124	249	44	-107	192	1,746
	Dec-Feb		34	1,780	230	2	2	175	1,372
	Mar-May		25	1,396	239	20	-43	205	976
	Mkt. year	2,062	113	2,927	957	67	149	778	976
2016/17	Jun-Aug	2,309	33	3,317	238	1	266	268	2,545
	Sep-Nov		30	2,575	245	41	-30	239	2,079
	Dec-Feb		25	2,104	228	1	-22	238	1,659
	Mar-May		31	1,690	238	19	-58	310	1,181
	Mkt. year	2,309	118	3,402	949	61	156	1,055	1,181
2017/18	Jun-Aug	1,741	42	2,963	239	2	170	286	2,266
	Sep-Nov		36	2,302	248	40	-52	193	1,874
	Mkt. year	1,741	155	3,076	955	62	100	950	1,009

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.

Table 4--Wheat: Monthly food disappearance estimates (1,000 grain-equivalent bushels), 2/12/2018

Mkt year and month 1/	Wheat ground for flour	+	Food imports ²	+	Nonmilled food use ³	-	Food exports ²	=	Food use ¹
2015/16	Jun	74,155		3,369		2,000		1,760	77,764
	Jul	74,749		2,987		2,000		1,850	77,887
	Aug	81,695		2,782		2,000		1,889	84,588
	Sep	78,556		2,768		2,000		1,928	81,396
	Oct	82,604		2,855		2,000		2,119	85,340
	Nov	79,065		2,989		2,000		2,050	82,005
	Dec	74,215		2,867		2,000		2,118	76,964
	Jan	73,645		2,769		2,000		2,032	76,383
	Feb	73,061		2,753		2,000		1,623	76,191
	Mar	77,514		2,842		2,000		2,220	80,135
	Apr	74,777		4,199		2,000		1,765	79,210
	May	76,456		2,832		2,000		2,026	79,262
2016/17	Jun	73,149		2,933		2,000		2,150	75,932
	Jul	74,237		2,639		2,000		1,665	77,212
	Aug	81,136		3,198		2,000		1,856	84,478
	Sep	78,018		2,537		2,000		2,140	80,415
	Oct	81,469		2,968		2,000		2,325	84,111
	Nov	77,978		3,191		2,000		2,201	80,968
	Dec	73,195		2,863		2,000		1,868	76,190
	Jan	73,561		2,858		2,000		2,027	76,392
	Feb	72,977		2,301		2,000		1,978	75,300
	Mar	77,425		2,840		2,000		1,789	80,477
	Apr	74,812		2,828		2,000		1,534	78,105
	May	76,492		2,818		2,000		1,914	79,396
2017/18	Jun	73,183		3,248		2,000		1,822	76,610
	Jul	74,520		2,966		2,000		1,795	77,691
	Aug	81,444		3,151		2,000		2,107	84,488
	Sep	78,315		2,622		2,000		1,411	81,526
	Oct	82,356		3,243		2,000		1,133	86,465
	Nov	78,827		3,219		2,000		1,285	82,762
Dec	73,992		2,941		2,000		1,563	77,369	

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.

□ 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: 2/9/2018

Table 5--Wheat: National average price received by farmers (dollars per bushel) , 2/12/2018

Month	All wheat		Winter		Durum		Other spring	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	4.20	4.37	3.97	4.11	6.50	6.69	4.61	5.35
July	3.75	4.77	3.56	4.56	6.47	6.30	4.48	6.09
August	3.68	4.83	3.41	4.27	5.66	6.93	4.26	5.87
September	3.48	4.65	3.25	4.11	5.61	6.32	4.22	5.62
October	3.68	4.64	3.37	4.17	5.51	6.41	4.38	5.55
November	3.88	4.73	3.41	4.07	6.00	6.53	4.48	5.78
December	3.90	4.51	3.40	3.91	6.07	6.25	4.66	5.61
January	4.01		3.53		5.90		4.74	
February	4.16		3.77		5.71		4.83	
March	4.37		3.82		5.72		4.86	
April	4.16		3.70		5.90		4.83	
May	4.05		3.77		5.82		4.81	

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

Table 6--Wheat: National average prices received by farmers by class (dollars per bushel), 2/12/2018

Month	Hard red winter		Soft red winter		Hard red spring		White	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	3.84	3.99	4.45	4.50	4.61	5.41	4.75	4.30
July	3.32	4.45	4.16	4.84	4.48	6.16	4.63	4.77
August	3.15	4.10	3.92	4.49	4.27	6.07	4.23	4.43
September	3.02	3.82	3.68	4.33	4.24	5.75	4.08	4.55
October	3.07	3.82	3.83	4.48	4.46	5.73	3.88	4.59
November	3.16	3.84	3.85	4.31	4.54	5.89	3.92	4.58
December	3.11	3.66	3.91	4.45	4.72	5.72	4.00	4.47
January	3.35		4.04		4.78		4.04	
February	3.59		4.25		4.91		4.02	
March	3.66		4.29		4.92		4.01	
April	3.52		4.19		4.89		4.11	
May	3.65		4.20		4.95		4.07	

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

Date run: 2/9/2018

Table 7--Wheat: Average cash grain bids at principal markets, 2/12/2018

Month	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)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	5.04	5.24	5.54	6.65	5.18	4.53	176.55	189.60
July	4.24	5.65	5.18	7.22	4.66	5.12	151.57	203.74
August	4.15	4.80	5.32	6.28	4.62	4.22	149.18	171.41
September	4.24	5.07	5.36	6.52	4.41	4.81	150.47	178.76
October	4.40	5.11	5.58	6.24	4.20	5.03	152.12	175.82
November	4.64	5.30	5.70	6.84	4.12	4.96	150.28	179.49
December	4.56	5.38	5.76	6.72	4.03	4.84	141.83	183.90
January	4.91	5.73	6.03	6.94	4.34	5.03	153.22	192.17
February	5.04	--	6.08	--	4.58	--	155.24	--
March	4.80	--	5.53	--	4.54	--	154.32	--
April	4.37	--	5.08	--	4.23	--	165.90	--
May	4.80	--	5.89	--	4.31	--	180.04	--
Month	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)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	--	--	--	--	6.35	7.50	--	--
July	--	--	--	--	5.82	8.77	--	--
August	--	--	--	--	5.97	7.74	--	--
September	--	--	--	--	5.98	7.40	--	--
October	--	--	--	--	6.34	7.39	--	--
November	--	--	--	--	6.28	7.52	--	--
December	--	--	--	--	6.49	7.38	--	--
January	--	--	--	--	6.80	7.42	--	--
February	--	--	--	--	6.81	--	--	--
March	--	--	--	--	6.60	--	--	--
April	--	--	--	--	6.45	--	--	--
May	--	--	--	--	6.64	--	--	--
Month	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)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
June	4.74	4.66	4.70	4.41	4.69	4.44	5.46	4.91
July	4.23	5.15	4.12	4.96	4.22	4.94	5.07	5.40
August	3.90	4.31	3.99	4.12	4.03	4.20	4.89	5.13
September	3.89	4.30	3.76	4.23	3.72	4.27	4.77	5.19
October	3.89	4.16	3.82	4.22	3.90	4.24	4.65	5.30
November	4.04	4.34	3.88	4.13	3.92	4.18	4.64	5.26
December	3.91	4.28	3.94	4.12	3.80	4.04	4.57	5.22
January	4.17	4.38	4.16	4.27	4.09	4.22	4.63	5.30
February	4.38	--	4.26	--	4.28	--	4.74	--
March	4.24	--	4.06	--	4.14	--	4.70	--
April	4.14	--	3.93	--	4.08	--	4.61	--
May	4.20	--	4.08	--	4.19	--	4.77	--

-- = 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: 2/9/2018

Table 8--Wheat: U.S. exports and imports for last 6 months (1,000 bushels), 2/12/2018

Item		Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017
Exports	All wheat grain	83,974	85,175	86,268	51,022	51,641	79,137
	All wheat flour ¹	1,438	1,661	909	707	866	1,073
	All wheat products ²	385	474	542	454	435	566
	Total all wheat	85,797	87,310	87,719	52,183	52,942	80,776
Imports	All wheat grain	10,481	13,734	8,920	8,285	9,640	9,389
	All wheat flour ¹	1,339	1,349	1,231	1,554	1,499	1,253
	All wheat products ²	1,652	1,834	1,409	1,717	1,777	1,720
	Total all wheat	13,472	16,917	11,560	11,556	12,915	12,362

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: 2/9/2018