



# Wheat Outlook: May 2023

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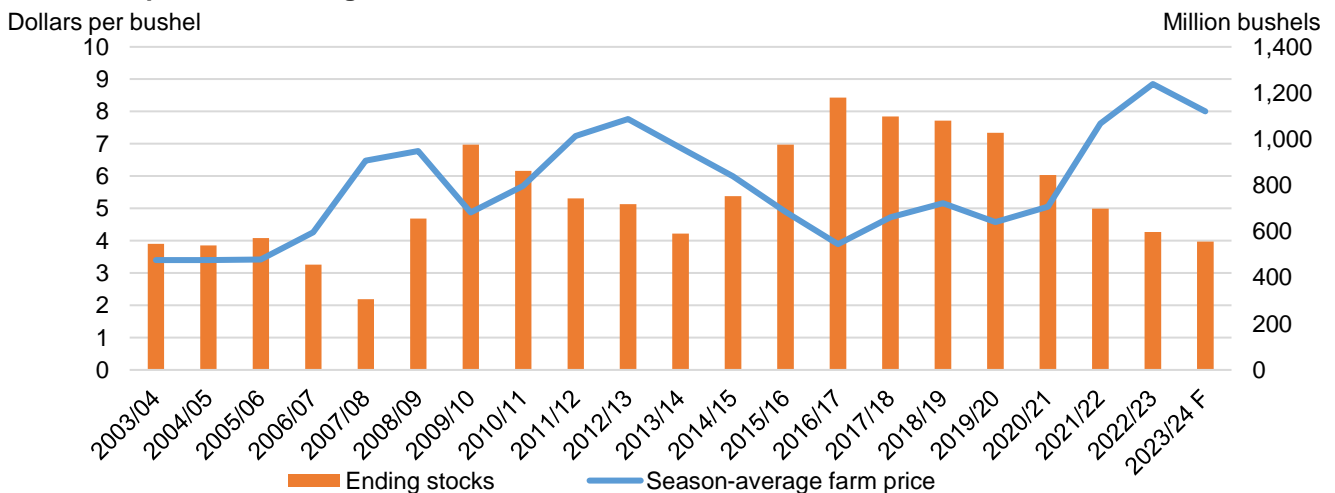
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## U.S. Wheat Stocks Projected at 16-Year Low

U.S. wheat ending stocks in 2023/24 are projected at 556 million bushels, down 7 percent from 2022/23 to the lowest level since 2007/08. Total supplies are down 3 percent from the previous year with tighter beginning stocks more than offsetting slightly higher production and imports. Production of Hard Red Winter wheat is down from the previous year driven by high abandonment and low yields resulting from a second consecutive year of drought. U.S. wheat exports are down 50 million bushels year to year to 725 million bushels (figure 1), the lowest level since 1971/72. While U.S. wheat stocks are projected to tighten, the U.S. season-average farm price is forecast at the second highest level on record. The season-average farm price is projected slightly lower than the record set in 2022/23 due to abundant competitor supplies and lower prices of corn.

Figure 1  
**U.S. wheat price and ending stocks, 2003/04–2023/24**



F: denotes forecast year.

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

# Domestic Outlook

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## Domestic Changes at a Glance:

- U.S. wheat production for the 2023/24 marketing year is forecast at 1.66 billion bushels, up 1 percent from the previous year, but down 7 percent from the recent 5-year average of 1.788 billion bushels. USDA's National Agricultural Statistics Service (NASS) provided its first survey-based production forecast for the 2023/24 U.S. winter wheat crop in the May 12 *Crop Production* report. Winter wheat production overall is projected up 2 percent to 1.130 billion bushels. Average yield is estimated at 44.7 bushels per acre, down 2.3 bushels from last year. Winter wheat area harvested is projected at 25.3 million acres, up 8 percent from last year. The harvested-to-planted ratio for winter wheat overall at 67 percent is the lowest since 1917.
- Hard Red Winter (HRW) production in the new marketing year is forecast at 514 million bushels, down 3 percent from 531 million in 2022/23 and the lowest output since 1957/58. Production of this class was affected substantially by persistent drought which resulted in both lower yields and higher abandonment. The harvested-to-planted ratios for Texas (30 percent), Oklahoma (47 percent), Kansas (81 percent), and Colorado (73 percent) are all historically low.
- Soft Red Winter (SRW) production for 2023/24 is projected at 406 million bushels, up 21 percent from 337 million in 2022/23 on larger area, which more than offset slightly lower yields. SRW production is forecast as the largest since 2014/15.
- White Winter production for 2023/24 is projected down 11 percent from last year to 210 million bushels. Soft White Winter wheat, which is primarily grown in the Pacific Northwest and represents the bulk of this category, is projected down from last year on lower yields. Hard White Winter is slightly lower year over year.
- Durum and Other Spring Wheat production in 2023/24 are collectively estimated at 529 million bushels, down 3 percent from the previous year. Durum production for Arizona and California is derived from the May 12 NASS *Crop Production* report, but the rest of the collective total is calculated based on the NASS *Prospective Plantings* area planted data, the 10-year averages for harvested-to-planted ratios for each State, and the long-term historical trend yields for each State.
- 2022/23 all-wheat exports are unchanged from the previous month at 775 million bushels, which would be the lowest since 1971/72 (table 1). U.S. prices remain mostly

uncompetitive with other major global suppliers. The pace of new sales continues to be relatively slow, as reported in the USDA, Foreign Agricultural Service (FAS) *U.S. Export Sales*. By-class adjustments have been made based on the pace of export sales and shipments. Durum exports have been raised 5 million bushels to 25 million, while Soft Red Winter (SRW) is reduced 5 million bushels to 110 million.

- U.S. wheat exports for June 2022 through March 2023 reached 656 million bushels, down 4 percent from the same period last year. Official U.S. wheat trade statistics for June through March are based on data from the U.S. Department of Commerce, Bureau of the Census. The pace of exports in April appears to be similar to March, based on export sales data reported by USDA, FAS.
- U.S. wheat imports for 2022/23 are unchanged at 125 million, up from 95 million in 2021/22. U.S. wheat imports for June 2022 through March 2023 totaled 101 million bushels, accounting for 81 percent of the revised marketing year projection. Imports for these 10 months are up 30 percent from the same period last year. There are no changes to imports by class.
- U.S. wheat imports for 2023/24 are forecast up 10 million bushels from the previous year to 135 million. Imports are expected to be strong considering tight domestic supplies and elevated U.S. prices.
- U.S. all-wheat seed use is projected at 65 million bushels in 2023/24, down 5 million from 2022/23 on projections for planted area in the next marketing year. 2022/23 seed use was elevated, partly driven by delayed plantings of HRS, which resulted in a larger-than-normal allocation of seed use into the first quarter of the marketing year.
- Feed and residual use for 2023/24 is forecast up 15 million bushels to 70 million based on the larger expected crop and expectations that SRW wheat may be priced competitively with corn in some locations during the summer months.
- The 2022/23 season-average farm price is lowered \$0.05 to \$8.85 per bushel but remains a record high. This change is based on NASS prices reported to date and expected futures and cash prices for the remainder of the marketing year. The March 2023 farm price reported in the USDA, NASS *Agricultural Prices* publication was \$8.34 per bushel, down from \$8.53 in February 2023.
- The 2023/24 season-average farm price is down 85 cents from 2022/23 at \$8.00 as futures have subsided in recent months but remain elevated given the uncertainty of Russia's war with Ukraine along with domestic production concerns in HRW and HRS growing regions.

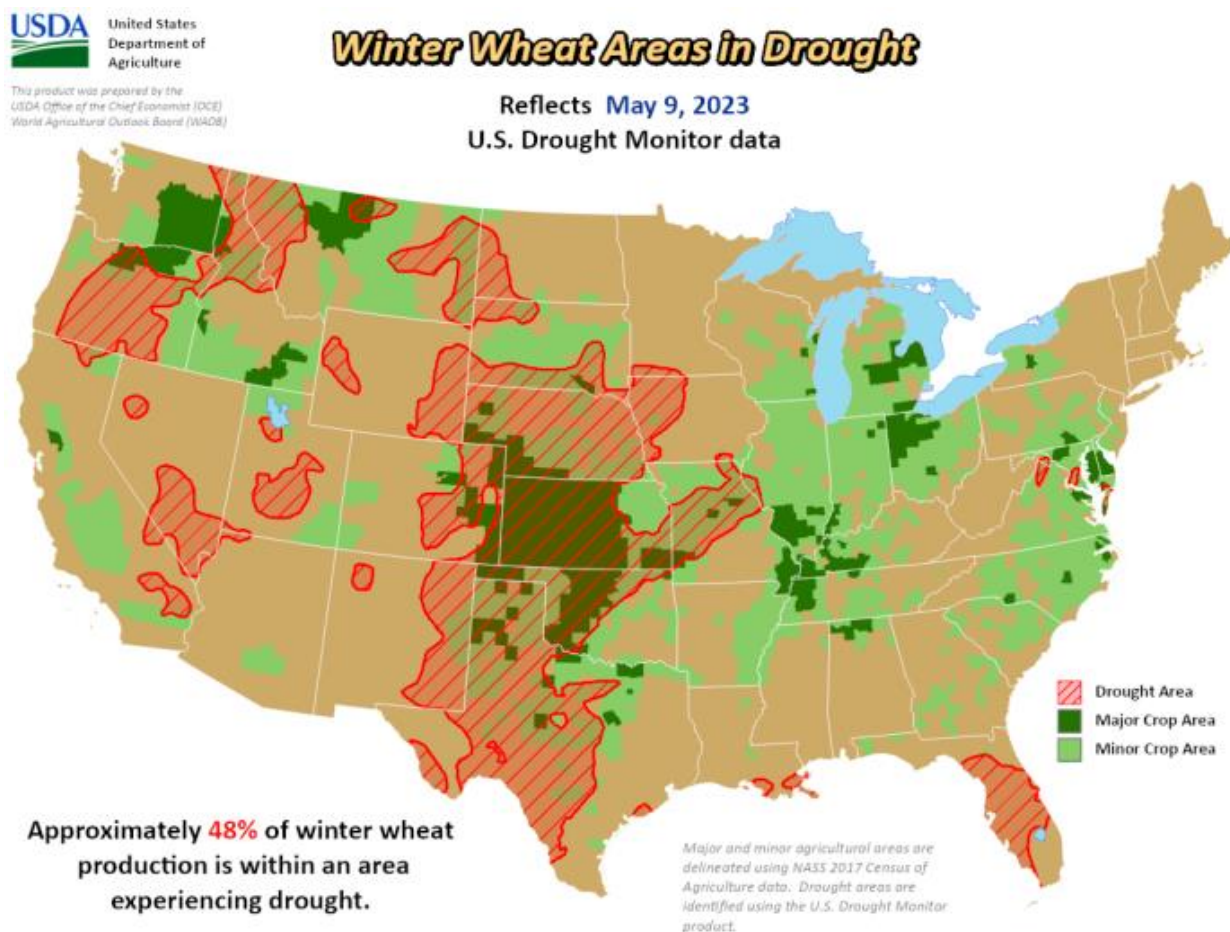
- U.S. all-wheat food use for 2022/23 is unchanged at 975 million bushels with by-class revisions to Hard Red Winter (down 7 million bushels to 373 million), Soft Red Winter (+5 million bushels to 163 million), and Durum (+2 million bushels to 85 million).

Balance sheet item	2022/23 April	2022/23 May	2022/23 month-to-month change	2023/24	Comments
<b>Supply, total</b>					<b>June-May marketing year</b>
Beginning stocks	698	698	0	598	
Production	1,650	1,650	0	1,659	Hard Red Winter (HRW) crop down substantially on drought conditions
Imports	125	125	0	135	Stronger imports with reduced U.S. production
Supply, total	2,473	2,473	0	2,393	
<b>Demand</b>					
Food	975	975	0	977	Population growth driving consumption higher with per capita use mostly steady
Seed	70	70	0	65	
Feed and residual	55	55	0	70	Expectations that Soft Red Winter wheat could be competitively priced for feeding in some locations
Domestic, total	1,100	1,100	0	1,112	
Exports	775	775	0	725	U.S. exports expected to be constrained in 2023/24 based on tight supplies and competition from other major exporters
Use, total	1,875	1,875	0	1,837	
Ending stocks	598	598	0	556	Tightest stocks since 2007/08
Season-average farm price	\$8.90	\$8.85	-\$0.05	\$8.00	2022/23 revised lower based on expectations for prices in the coming months; 2023/24 price remains elevated with historically tight stock levels
Source: USDA, Economic Research Service calculations and USDA, World Agricultural Outlook Board, <i>World Agricultural Supply and Demand Estimates</i> .					

## Much of 2023/24 Winter Wheat Area Remains in Drought

Drought continues to be a major issue for winter wheat production with 48 percent of the production estimated to be in regions experiencing drought as of May 9 (figure 2). Much of the remaining drought area is in HRW-producing States. This percentage peaked at 75 percent in November and has generally trended lower over the last few months. At this point last year, 68 percent of winter wheat production was in regions of drought, but notably the share of wheat acreage that is currently located in areas of extreme to exceptional drought is higher than last year. While drought concerns have eased in some growing areas, others have seen intensifying conditions as the cumulative results of consecutive drought years become more apparent.

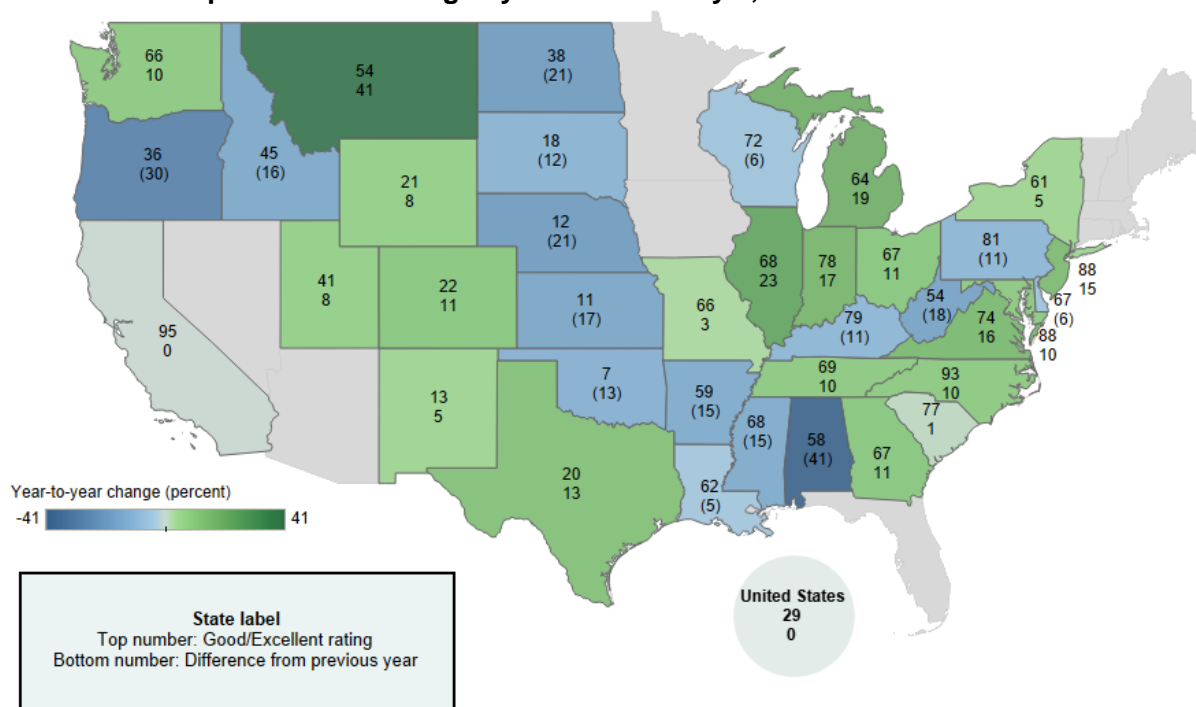
Figure 2  
U.S. winter wheat areas located in drought as of May 9, 2023



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.  
Source: USDA, World Agricultural Outlook Board, Agricultural Weather and Assessments Group.

USDA, NASS started publishing weekly crop conditions ratings for winter wheat in early April after coverage was limited throughout the winter months. Conditions as of May 7, 2023, show that U.S. winter wheat is 29 percent good/excellent, unchanged from the same point last year. Conditions across key producing States present mixed trends (figure 3). Among the major HRW-producing States, Texas, Montana, and Colorado are improved from last year, while Kansas, Oklahoma, and Nebraska have a lower percentage in good and excellent condition due to persistent drought. Throughout the SRW-producing States in the eastern half of the country, conditions are mixed relative to last year, but are still mostly favorable overall. Conditions in White wheat-producing States of the Pacific Northwest are lower than last year. It should be noted that crop conditions at this early phase have a limited correlation to final yields, with spring rainfall being critical to yield determination.

Figure 3  
**Winter wheat crop conditions ratings by State as of May 7, 2023**



Note: This chart compares week 18 data of 2023 with the same week in 2022 (May 8, 2022). States in gray are not reported. Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

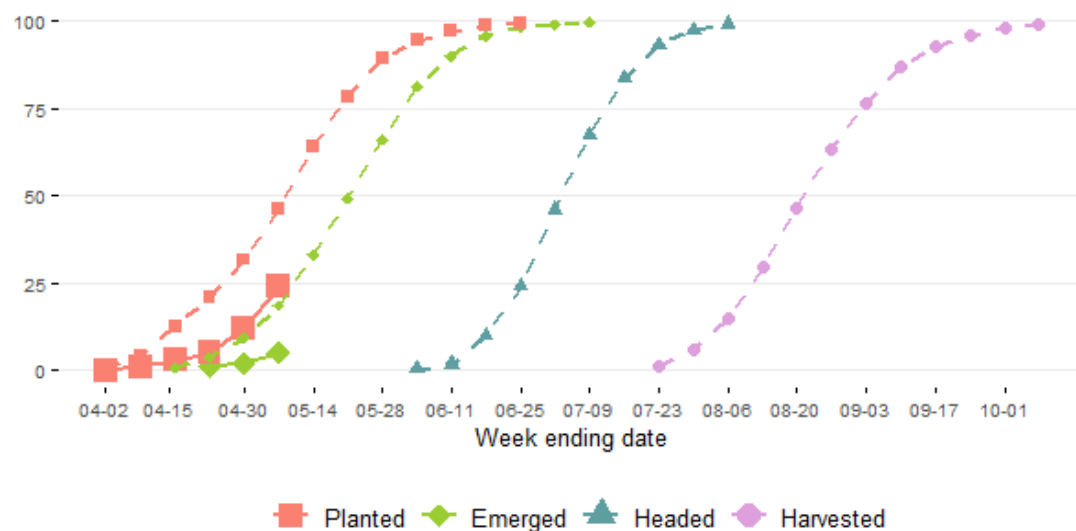
The May 12 *Crop Production* report by USDA, NASS provided the first survey-based area harvested and yield forecasts for winter wheat. The report showcased Kansas production at 191.4 million bushels, lowest since 1963. Texas production is forecast at 56 million bushels, up 17 million bushels from 2022/23 based on higher area harvested, which more than offsets slightly lower yield. Oklahoma’s production is forecast lower based on reduced area harvested

and yields. The *Crop Production* report depicts a similar story as the conditions data – a large SRW crop, slightly lower production of White wheat, and low yields combined with historically high abandonment in HRW production regions. The first forecast for Durum and Other Spring wheat will be presented in the July 2023 *Crop Production* report.

## Wet Conditions Delay Spring Wheat Planting in Northern Plains

Along with weekly crop conditions reports, USDA, NASS has started to release crop progress for new-crop spring wheat. The 2023/24 marketing year is starting out very similar to 2022/23 with delayed planting in the Northern Plains as a result of wet conditions. As of May 7, the U.S. spring wheat crop (excluding Durum) planting progress is 24 percent complete which is well behind the 2010–2022 average 46 percent and slightly behind last year (26) (figure 4). Emergence is also delayed at 5 percent, down from 8 percent in 2022 and the average 19 percent.

Figure 4  
**United States spring (excluding Durum) wheat crop progress, 2023**  
 Percent complete



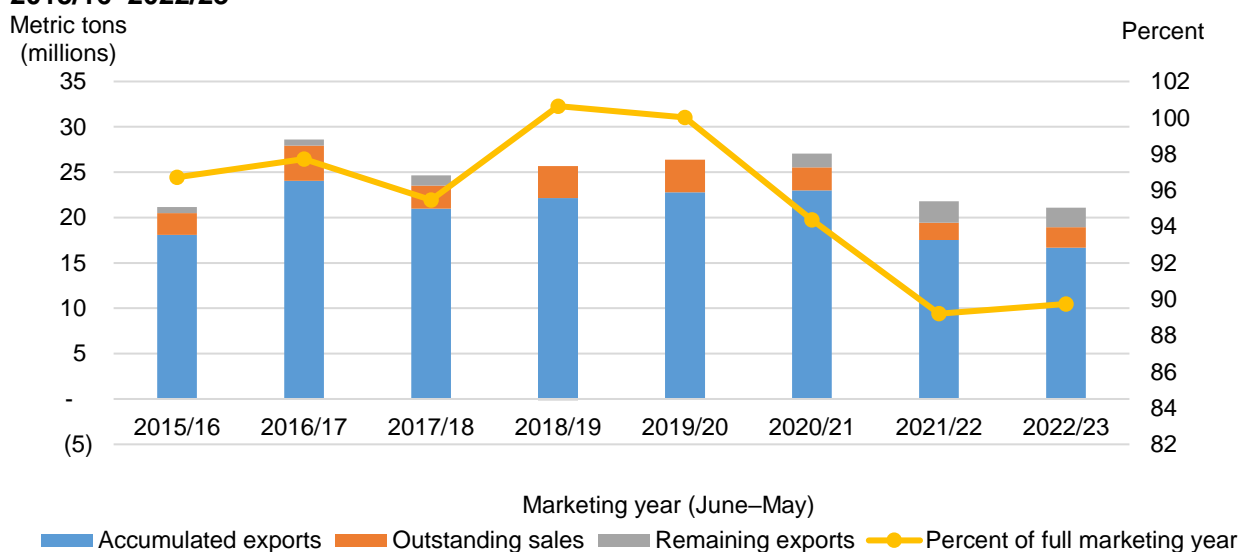
Note: Dashed lines = average (2010–22); solid lines = 2023.  
 Source: USDA, Economic Research Service; USDA, National Agricultural Statistics Service.

## U.S. Trade Pace Indicates Slow Pace of Sales

U.S. wheat export commitments, as reported by USDA, Foreign Agricultural Service (FAS) in the *U.S. Export Sales* report, are at 18.9 million MT as of May 4, down 3 percent from the same time last year. Total commitments at this point represent 90 percent of the projected full marketing year total (figure 5). This is slightly ahead of the percentage realized at the same time last year, but below other years in recent history. Accumulated exports as of May 4 are down 5 percent from last year, but outstanding sales are up 17 percent from a year ago.

Figure 5

### Cumulative exports sales through May 4 and full marketing year exports, 2015/16–2022/23



Notes: Accumulated exports and outstanding sales are as of week 49, 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 U.S. Department of Commerce, Bureau of the Census). Remaining exports for 2022/23 are calculated based on the current export forecast for the year.  
Source: USDA, Economic Research Service calculations; USDA, Foreign Agricultural Service, *U.S. Export Sales*; U.S. Department of Commerce, Bureau of the Census.

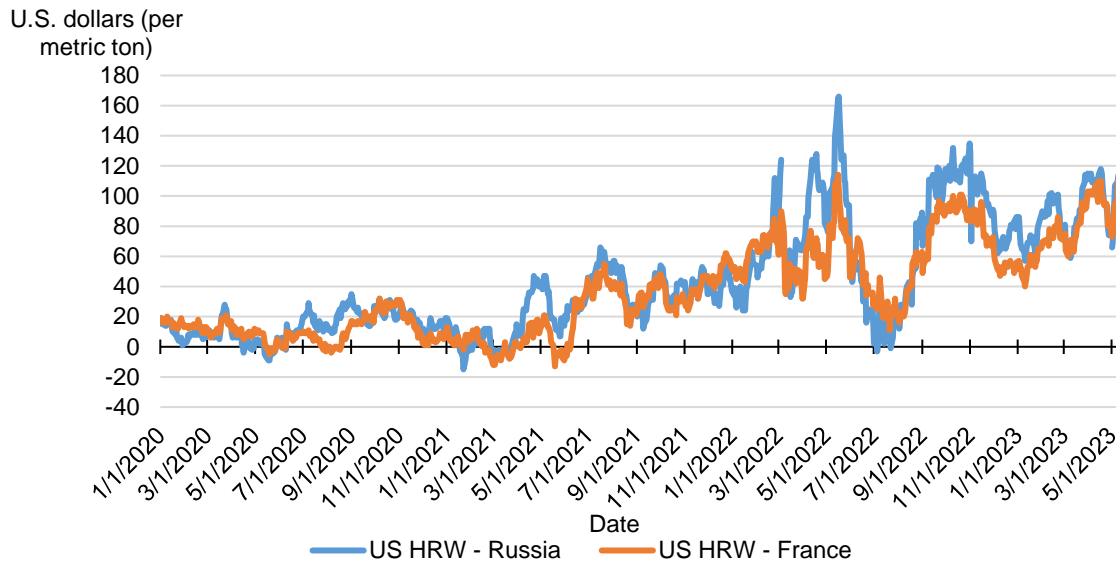
With U.S. HRW production severely affected by drought, HRW prices remain elevated, making it less competitive with other export origins, such as Russia and France (figure 6). This pricing disadvantage is a major reason for the slow pace of U.S. wheat sales. While the pace of U.S. export sales has been weak, these data do not include food aid donations, which – in a marketing year with relatively low exports such as 2022/23 – account for a larger share of the total exports. Accumulated food aid donations during the 2022/23 marketing year (data reported through May 3, 2023) amount to 1,083,809 metric tons, as reported by USDA, Foreign Agricultural Service *U.S. Export Sales*. HRW makes up 64 percent (695,889 metric tons) of this total, while the remaining amount is White wheat (372,920 metric tons) and HRS (15,000 metric tons). The final export statistics are calculated by USDA, Economic Research Service (ERS)



based on data from the U.S. Department of Commerce, Bureau of the Census. These calculations include food aid shipments and flour and product exports, converted to wheat-grain equivalent.

Figure 6

**Price spread between U.S. Hard Red Winter and key competitors, 2020–23**



HRW = Hard Red Winter.

Notes: This chart depicts the freight-on-board (FOB) price difference between U.S. HRW and Russian wheat. The quotes used are U.S. Hard Red Winter, 11.5 percent protein, Gulf of Mexico; Black Sea 11.5 percent protein; and France, Grade 1, Rouen. Quotes are daily.

Source: USDA, Economic Research Service calculations using data from the International Grains Council.

U.S. outstanding sales for the next marketing year (2023/24) as of May 4 are 1.6 million metric tons, down 33 percent from the same time last year. Export sales for all 5 classes of wheat are down from last year. This slow pace of sales is indicative of tight U.S. supplies and uncompetitive U.S. pricing in 2023/24. These factors underpin the forecast for U.S. exports at 725 million bushels, the lowest since 1971/72.

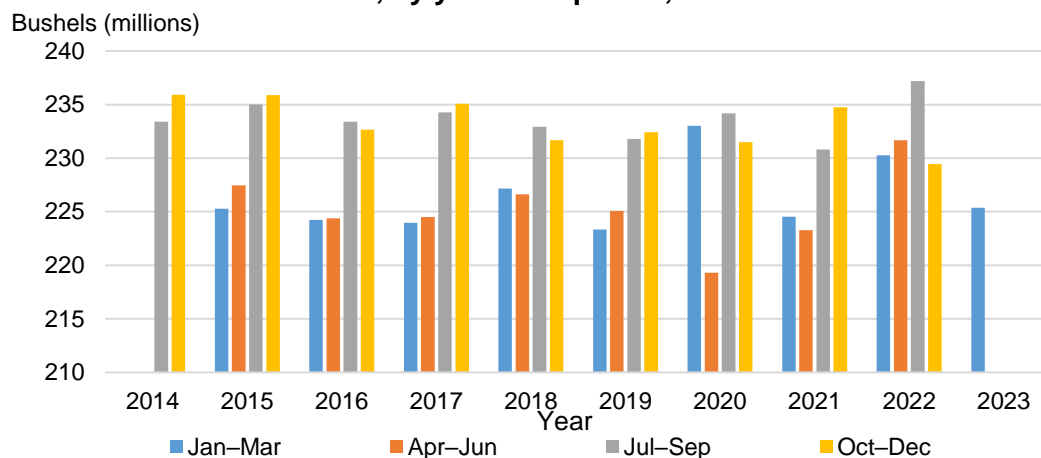
## Food Use Unchanged in 2022/23 Despite Slowing Mill Grind

USDA, NASS published the *Flour Milling Products* report on May 1, which showed smaller-than-expected wheat use for milling in the January-March quarter. Quarterly wheat milled was lower for the second straight quarter (figure 7) after the record-large wheat milling seen in the third quarter of 2022. However, food use is still projected to reach 975 million for 2022/23 based on the stronger pace of net food imports in 2022/23, which totaled 26 million bushels during June 2022 through March 2023, compared with 18 million bushels in the same period last year. USDA, Economic Research Service food use figures are calculated based on the mill grind

statistics from the USDA, *Nass Flour Milling Products* report, along with net trade in food products, and an estimated level of nonmilled food use.

Figure 7

**U.S. wheat milled for flour, by year and quarter, 2014–23**

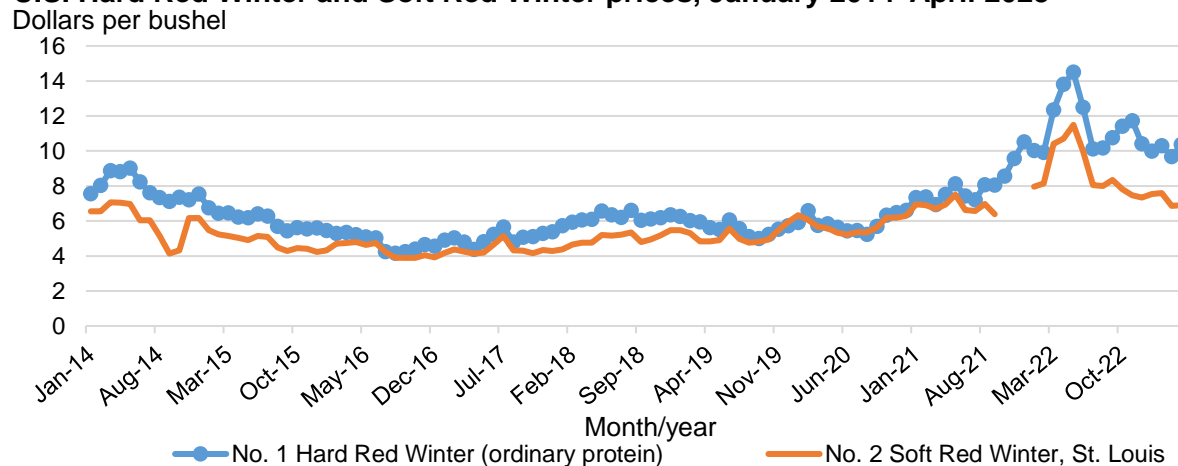


Note: Data from this source unavailable before July 2014.  
 Source: USDA, National Agricultural Statistics Service, *Flour Milling Products*.

Although all-wheat food use is unchanged in 2022/23, there are offsetting by-class changes. Durum food use is raised 2 million bushels to 85 million based on the fast pace of use to-date based on USDA, Economic Research Service calculations. Driven by the large differences in new-crop growing conditions between the respective regions, the price spread between HRW and SRW remains historically wide (figure 8). With this large difference in pricing and available supplies, it is expected that millers are adjusting grinds to accommodate more of the lower-priced SRW wheat at the expense of HRW. Consequently, SRW food use is raised 5 million bushels to 163 million, while HRW is lowered 7 million to 373 million.

Figure 8

**U.S. Hard Red Winter and Soft Red Winter prices, January 2014–April 2023**



Note: Prices are monthly averages of daily quotes.

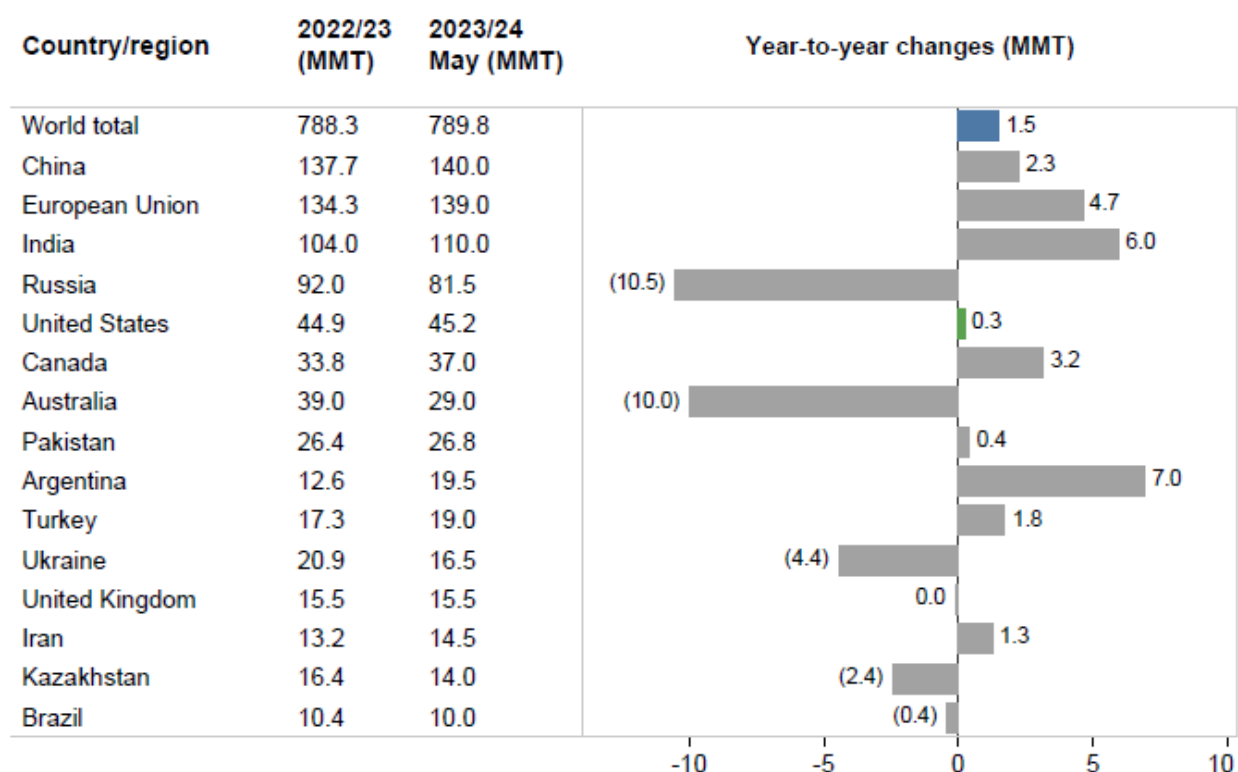
# International Outlook

## 2023/24 Global Production is Forecast at a Record

The 2023/24 global wheat production is forecast at a record 789.8 million metric tons (MMT), up 1.5 MMT from 2022/23. **Argentina, India, the European Union, the United States, and Canada** are forecast to have larger production compared with 2022/23. These revisions are partially offset by reductions for **Russia** and **Australia** as both countries are coming off record-large crops. Figure 9 shows the projected top 15 production countries for 2023/24 and the year-to-year changes.

Figure 9

### Year-to-year change in 2023/24 wheat production, May 2023



MMT=million metric tons.

Note: Change compared to the May 2022/23 estimate.

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

Argentina's production is forecast to recover from a drought-stricken wheat crop last year and reach 19.5 MMT. Production in India is forecast up 6.0 MMT from 2022/23 to a record 110.0 MMT on higher area (+1.0 million hectares to 31.5 million hectares) and a larger yield (3.52 metric tons per hectare) as the crop is not affected by heat waves that limited grain fill in

2022/23. Production in Canada is projected at 37.0 MMT as Statistics Canada's *Principal Field Crop Areas* survey indicated a larger planted area driving harvested area to increase 0.5 million hectares from 2022/23 to 10.6 million hectares, highest since 2001/02.

Russia and Australia are both down from their record crops in 2022/23. Russia is down 10.5 MMT to 81.5 MMT which is driven by lower harvested area (-1.5 million hectares to 27.5) and yields subside (-0.21 metric tons per hectare to 2.96). Winter harvested area is below last year as planting was delayed due to larger rainfall during that window (-1.3 million hectares to 15.0 million hectares). Total winter wheat production is forecast at 58.0 MMT and spring production is forecast at 23.5 MMT, down 0.5 MMT from 2022/23. With El Niño weather patterns returning, Australia's wheat crop is projected to decline 10.0 MMT from 2022/23 to 29.0 MMT, largely driven by a drop in yields (-0.7 metric tons per hectare to 2.3).

Other notable production changes from 2022/23 are lower estimates for **Ukraine** (-4.4 MMT to 16.5 MMT) and **Kazakhstan** (-2.4 MMT to 14.0 MMT). **Turkey's** production is up 1.8 MMT to 19.0 MMT as weather conditions look to be favorable and an uptick in area harvested (+0.4 million hectares to 7.2). **Iran** is projected to have higher production in 2023/24 at 14.5 MMT, up 1.3 MMT year over year. **Egypt's** production is down 0.6 MMT from 2022/23 to 8.7 MMT with area harvested at 1.4 million hectares (-0.1 million hectares year-over-year).

## 2023/24 Global Consumption Projected to be Record High

Global consumption for 2023/24 is forecast at a record 789.5 MMT, up 2.9 MMT year over year. To match the statistics presented in the *World Agricultural Supply and Demand Estimates (WASDE)* report, adjusted consumption is calculated based on the differences between exports and imports on a local marketing year (MY) basis. This difference, or the unaccounted trade, is 2.2 MMT as MY imports are lower than MY exports. This unaccounted trade is down from 8.0 MMT in the 2022/23 marketing year. Total consumption plus unaccounted trade for 2023/24 results in an adjusted consumption of 791.7 MMT, which is down 2.9 MMT year-to-year.

Food, seed, and industrial (FSI) use is anticipated to reach a record 638.7 MMT with the largest increases for **China** (+2.0 MMT from 2022/23 to 117.0 MMT) and **Pakistan** (+0.6 MMT to 28.1 MMT). Feed and residual use is projected at 150.9 MMT, forecast down 5.2 MMT from 2022/23 as other feed grains are projected to be more competitive than wheat in the feed ration. Largest declines in feed and residual are for **India, Ukraine, China, and Russia**. Ukraine is down 1.5 MMT compared with 2022/23 at 2.5 MMT driven by low domestic production and less loss due to the on-going conflict. China's feed and residual is forecast at 32.0 MMT, down 1.0 MMT from

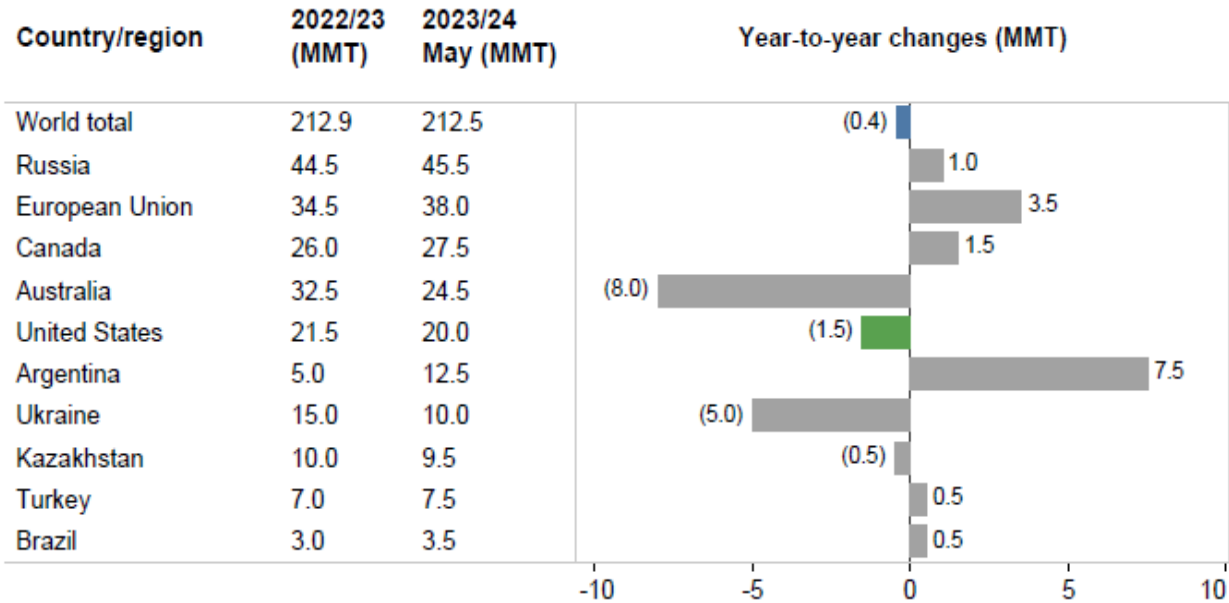
2022/23 on less feed-quality wheat from Australia. With record exports, Russia’s feed and residual is forecast at 18.0 MMT, down 1.0 MMT from 2022/23. The European Union partially offsets these reductions with a year-to-year increase of 1.5 MMT to 45.0 MMT on larger domestic supplies.

## Global Trade in 2023/24 Projected Down Slightly from 2022/23

Exports for the 2023/24 trade year (July/June) are forecast at 212.5 MMT, down 0.4 MMT from 2022/23. **Russia** is projected to remain the top exporter at 45.5 MMT (figure 10), despite a smaller crop as it remains competitive with large beginning stocks from 2022/23’s record crop. With larger domestic production, the **European Union** and **Argentina** are forecast to increase exports compared to 2022/23. The EU is up 3.5 MMT from 2022/23 at 38.0 MMT and is the second largest exporter, while Argentina is up 7.5 MMT to 12.5 MMT putting them as the sixth largest exporter right above Ukraine. **Canada** is in a key position to supply Indonesia’s stronger imports and exports are projected at a near-record 27.5 MMT.

Figure 10

### Year-to-year change in 2023/24 wheat trade year exports, May 2023



MMT=million metric tons.  
 Note: Change compared to the May 2022/23 estimate.  
 Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

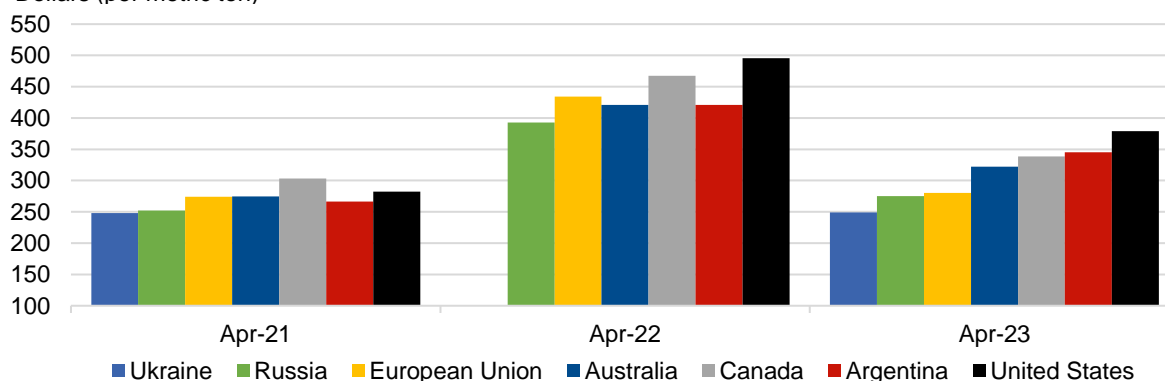
**Australia** remains ahead of United States on competitiveness (figure 11), and with three consecutive record crops it has enough stocks to continue to export that are projected at 24.5 MMT, down 8.0 MMT from 2022/23. **Ukraine** exports are projected to remain dampened and lower than last year at 10.0 MMT due to conflict-related port closures and the lowest domestic production since 2012/13. The **United States** exports are at 20.0 MMT, down 1.5 MMT from 2022/23 on tighter Hard Red Winter supplies and uncompetitive prices.

With a larger domestic production, **Turkey's** exports are up 0.5 MMT to 7.5 MMT as it dominantly exports flour and products from its milling operations. **Brazil's** exports are projected at a record 3.5 MMT as domestic production remains elevated with a growth in area harvested (+0.2 million hectares to 3.3 million).

Figure 11

### International average monthly freight-on-board bids, April 2021–2023

Dollars (per metric ton)



Note: Freight on Board (FOB) quotes calculated as monthly averages, Quotes used: Argentina - 12.0 percent, up river; Australia - average of APW (Kwinana, Newcastle, and Port Adelaide); Canada - CWRS (13.5 percent) St. Lawrence; European Union - France grade 1; Russia - Milling 12.5 percent; Ukraine - <11.0 percent; United States - Hard Red Winter 11.5 percent Gulf., no reported quotes for Ukraine in April 2022 as a result of the conflict.

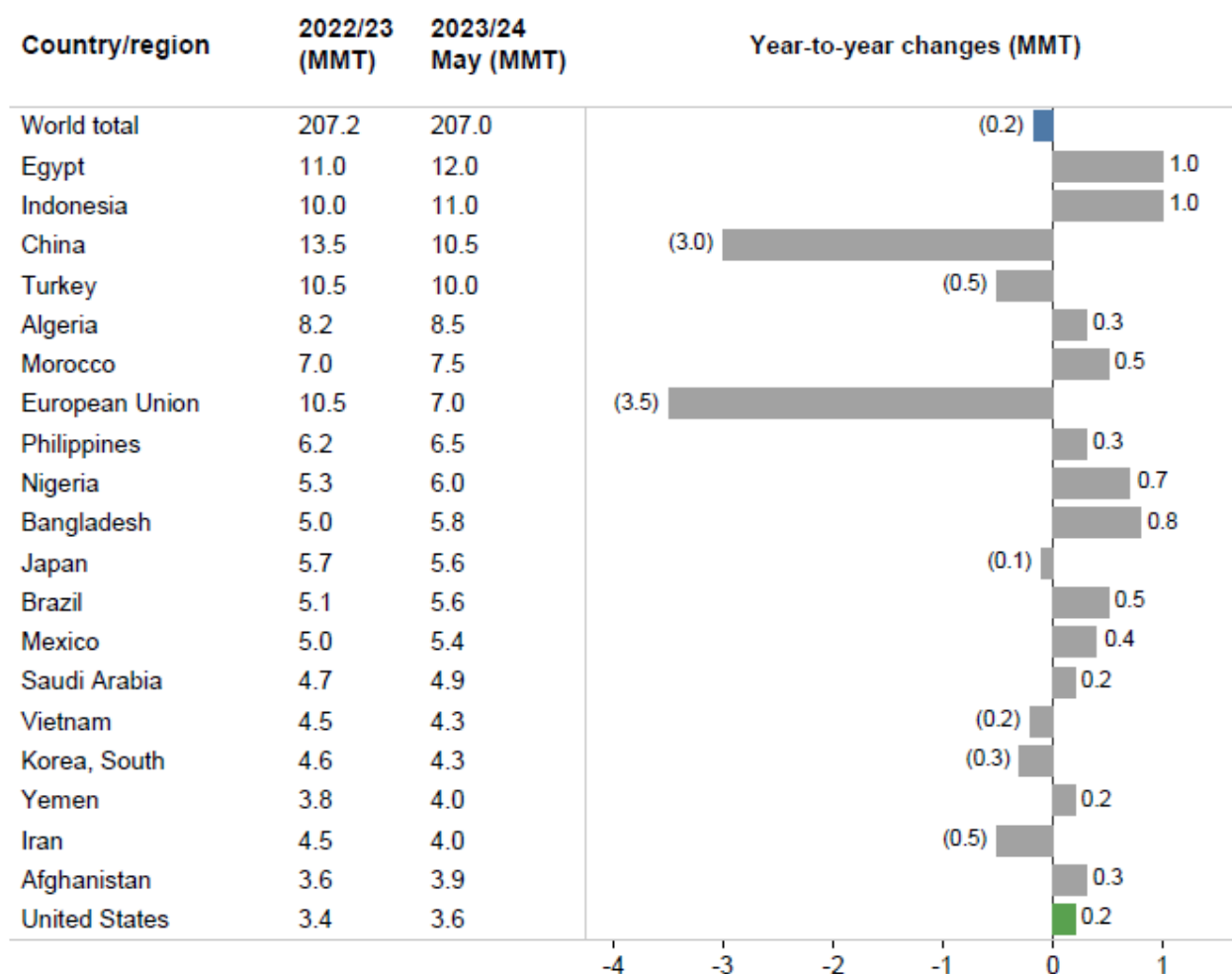
Source: USDA, Economic Research Service calculations using International Grains Council quotes.

2023/24 TY imports are projected at 207.0 MMT, down 0.2 MMT from 2022/23. The anticipated top 20 importers in 2023/24 are displayed in figure 12. If realized, **Egypt's** will be the top global importer of wheat at 12.0 MMT, up 1.0 MMT from 2022/23 it recovers from high prices and economic instability. With higher exports potential from Canada and Argentina, **Indonesia** is projected to be able to secure 11.0 MMT of wheat, up 1.0 MMT from 2022/23 when the Argentine crop was limited. China is projected as the third largest importer at 10.5 MMT, down 3.0 MMT on lower feed demand. North African countries, **Morocco** and **Algeria**, continue to battle drought conditions resulting in a higher need for imports. Algeria is up 0.3 MMT to 8.5 MMT and Morocco is up 0.5 MMT to 7.5 MMT with production slightly higher than last year, but still tight due to drought.

The **European Union's** imports are projected down 3.5 MMT to 7.0 MMT as larger wheat and feed grain crop will limit the need for imported wheat. Current policies are also being discussed about grain from Ukraine that will likely inhibit how much of the grain remains in the EU and how much gets transshipped to another country.

Figure 12

### Year-to-year change in 2023/24 wheat trade year imports, May 2023



MMT=million metric tons.

Note: Change compared to the May 2022/23 estimate.

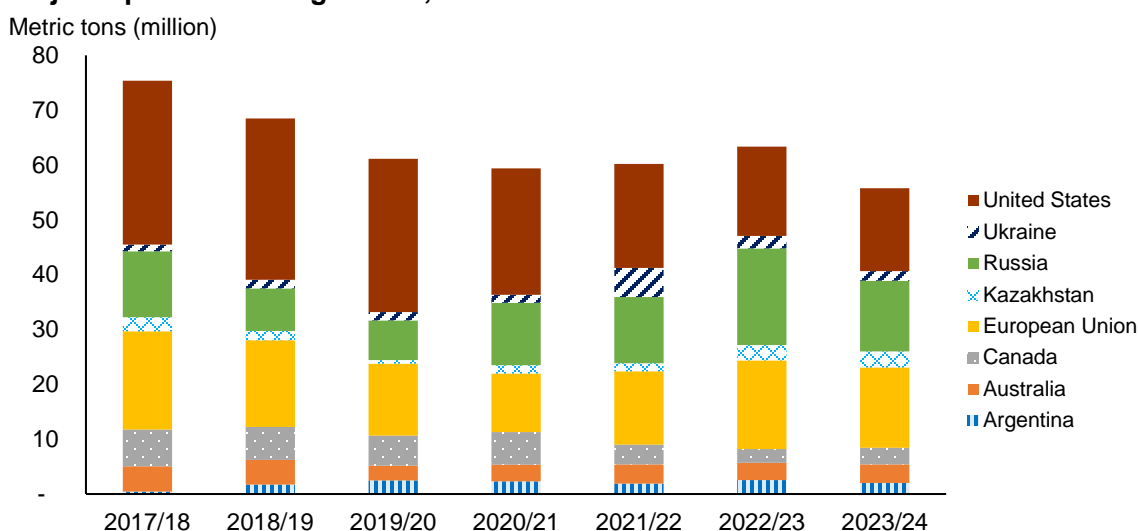
Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

## 2023/24 Ending Stocks Down Year Over Year

Global ending stocks for 2023/24 are projected at 264.3 MMT, down 1.9 MMT from 2022/23. Over half of global exports are held by China (139.7 MMT) and are largely unavailable to the global market. World minus China stocks are at 124.7 MMT, the lowest since 2008/09. This is largely driven by tighter ending stocks for the major exporters which are projected at 55.7, down

7.6 MMT from 2022/23 (figure 13). **Canada, Australia, and Kazakhstan** are projected to have an increase in stocks from 2022/23, while **Russia, Ukraine, the EU, Argentina, and the United States** are projected lower. Russia's ending stocks are projected at 12.9 MMT, down 4.7 MMT year over year, driven by ample exports and smaller domestic production. EU ending stocks are down 1.5 MMT from 2022/23 to 14.7 MMT as exports are projected to remain robust and recovery of the livestock sector increasing feed and residual use. Outside of the major exporters, **India's** ending stocks are forecast at 11.5 MMT, up 2.0 MMT from last year.

Figure 13  
Major exporters' ending stocks, 2017/18 to 2023/24



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

## Overview of the 2022/23 Global Wheat Market Changes

2022/23 global wheat production is down 0.8 MMT to 788.3 MMT driven by a decline for **Egypt** (-0.5 MMT to 9.3 MMT) and **Paraguay** (-0.4 MMT to 0.9 MMT). **Serbia** is up 0.2 MMT to 3.1 MMT. Global consumption is lowered 3.0 MMT to 786.6 MMT largely driven by a reduction in feed and residual use (-4.2 MMT to 156.1 MMT) only partially offset with an increase in food, seed, and industrial (FSI) use (+1.2 MMT to 630.5 MMT). **EU's** feed and residual use is down 3.5 MMT to 43.5 MMT as herd size declined resulting in less need for feed. **China** only partially offsets this with a 1.0 MMT increase to 33.0 MMT on stronger imports of feed-quality wheat from Australia. China's FSI use is up 1.0 MMT to 115.0 MMT and **India's** FSI use is up 0.5 MMT to 102.2 MMT based reported government stocks figure showing a higher usage.

TY imports in 2022/23 are projected up 1.1 MMT to 207.2 MMT as **China** has imported over 9.5 MMT from July through March resulting in a 1.5 MMT increase in imports to 13.5 MMT.



**Australia** and **Canada** accounted for 55 percent and 22 percent of China's imports, respectively. As a result, Australia's TY exports are raised 2.5 MMT to 32.5 MMT and Canada's exports are raised 1.0 MMT to 26.0 MMT. **Russia** and the **EU** partially offset these changes with a 0.5 MMT decrease each to 44.5 and 34.5, respectively. **Brazil's** exports are also lowered 0.5 MMT to 3.0 MMT as wheat is unable to compete with corn and soybeans for at export terminals.

2022/23 ending stocks see an increase of 1.2 MMT to 266.3 MMT. This is largely driven by an increase for the major exporters' ending stocks (+3.0 MMT to 63.3 MMT). A decline in feed and residual use and exports boosts ending stocks for **Russia** (+3.3 MMT to 17.6 MMT) and the **EU** (+4.0 MMT to 16.2 MMT). Boosted exports result in tighter stocks for **Australia**, **Canada**, and **Ukraine**. **Kazakhstan** is slightly up 0.4 MMT to 2.8 MMT on reduced exports to **Afghanistan**. Stocks in **Argentina** and the **United States** remain unchanged. Table 2 shows the full 2022/23 and 2023/24 changes.

Table 2

**Global 2022/23 and 2023/24 wheat supply and use at a glance (in metric tons, million)**

Balance sheet item	2022/23 April	2022/23 May	2023/24 May	2022/23 month-to- month change	Year-over- year change
<b>Supply</b>					
Beginning stocks	272.1	272.7	266.3	0.6	(6.4)
Production	789.0	788.3	789.8	(0.8)	1.5
Trade year imports	206.1	207.2	207.0	1.1	(0.2)
<b>Demand</b>					
Feed and residual use	160.3	156.1	150.9	(4.2)	(5.2)
Food, seed, and industrial use	629.3	630.5	638.7	1.2	8.2
Domestic, total use	789.6	786.6	789.5	(3.0)	2.9
Trade year exports	210.4	212.9	212.5	2.5	(0.4)
Ending stocks	265.1	266.3	264.3	1.2	(1.9)

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

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