

WHEAT

Preliminary forecasts for global wheat markets in 2021/22 point to overall adequate supplies. World wheat production in 2021 is forecast to surpass last year's record by 1.4 percent to reach a new all-time high level. Expected larger outputs in the European Union, Morocco and the United Kingdom of Great Britain and Northern Ireland account for most of the projected increase and are seen offsetting production declines anticipated in Australia, Canada, the Russian Federation and several countries in Asia.

Ample wheat supplies and tightening coarse grain markets are expected to drive global wheat utilization up 2.5 percent in 2021/22. Accounting for most of this growth, a robust 7.5 percent rise in feed demand for wheat is anticipated, largely in Asia and Europe, as well as North America, due to increased price competitiveness of wheat relative to maize. Food consumption and industrial use are also projected to increase.

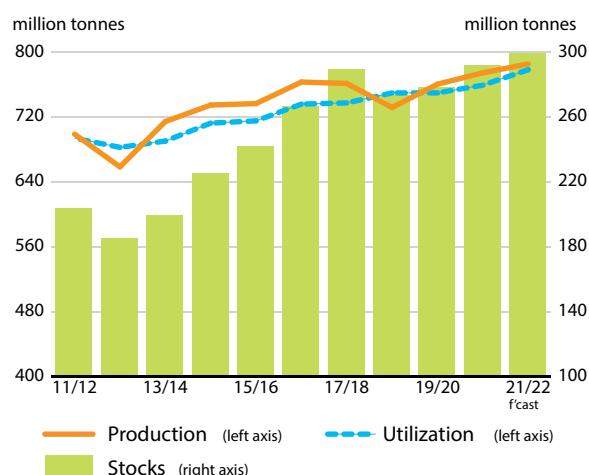
As a result of large carryover stocks and the foreseen increased production in 2021, world wheat stocks by the close of seasons in 2022 are forecast to rise above their high opening levels for a third consecutive year. The global wheat stocks-to-use ratio is expected to register a small increase in 2021/22 to 38.0 percent, exceeding the five-year average level. Although the greatest rise in stocks is expected to occur in China, global wheat stocks excluding China are also forecast to rise, mostly on account of likely inventory buildups in Australia, the European Union, India, Morocco and Ukraine.

The preliminary forecast for world trade in wheat in 2021/22 (July/June) points to a small increase from the 2020/21 level, reaching a new record level. The expected growth reflects larger anticipated imports by several countries in Asia, mostly driven by reduced domestic production and increased demand. On the export side, the Russian Federation is expected to maintain its position as the world's leading exporter, and production rebounds are seen supporting larger sales by Argentina, the European Union, and Ukraine. By contrast, smaller exports are forecast for Australia, Canada and the United States of America.

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WHEAT PRODUCTION, UTILIZATION AND STOCKS



WORLD WHEAT MARKET AT A GLANCE

	2019/20	2020/21 estim.	2021/22 f'cast	Change: 2021/22 over 2020/21
	<i>million tonnes</i>			%
WORLD BALANCE				
Production	760.8	774.8	785.8	1.4
Trade¹	184.2	186.2	187.2	0.5
Total utilization	750.0	759.5	778.6	2.5
Food	518.0	524.7	530.9	1.2
Feed	139.6	144.7	155.5	7.5
Other uses	92.5	90.1	92.2	2.2
Ending stocks²	277.7	291.0	298.7	2.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	67.1	67.3	67.4	0.2
LIFDC (kg/yr)	49.6	49.6	49.6	0.1
World stocks-to-use ratio (%)	36.6	37.4	38.0	
Major exporters stocks-to-disappearance ratio ³ (%)	15.4	16.5	17.1	
FAO WHEAT PRICE INDEX⁴ (2014-2016=100)	2019	2020	2021 Jan-May	Change: Jan-May 2021 over Jan-May 2020 %
	95	101	119	20.5

¹ Trade refers to exports based on a common July/June marketing season.

² May not equal the difference between supply (defined as production plus carryover stocks) and total utilization due to differences in individual country marketing years.

³ Major exporters include Argentina, Australia, Canada, European Union, Kazakhstan, Russian Federation, Ukraine and the United States of America.

⁴ Derived from the International Grains Council (IGC) wheat index.