

USDA Crop Production & WASDE Reports - Wheat Market Impacts

Daniel O'Brien – Extension Agricultural Economist, K-State Research and Extension

November 11, 2011

Summary

The impact of the USDA November 12th Crop Production and World Agricultural Supply-Demand Estimates reports were neutral to negative for U.S. wheat market price prospects. While the projected size of the U.S. 2011 wheat crop was lowered marginally with a subsequent small decline in projected ending stocks and stocks to use, these changes were counter balanced with projected increases in World wheat production and ending stocks.

U.S. & World Wheat Supply-Demand Balances: Projected U.S. wheat supply-demand balances of 828 million bushels (mb) and 38.5% ending stocks-to-use (S/U) for the 2011/12 marketing year are relatively abundant or “comfortable”. Wheat stocks in the U.S. are much larger than recent historic minimums in MY 2007/08 of 306 mb and 13.2% S/U. The relative “abundance” of U.S. wheat supply-demand balances continues to be striking in comparison to the near historic low ending stocks-to-use projections for U.S. corn and soybeans. World wheat ending stocks of 202.6 mmt (29.9% S/U) for MY 2011/12 are also markedly higher than historic lows of 124 mmt ending stocks (20.1% S/U) in MY 2007/08, and more abundant relative to usage than for World coarse grains and oilseeds

Wheat Prices Supported by Corn: Although U.S. and World wheat supply-demand balances are relatively abundant compared to other major crops, U.S. wheat prices are projected to be record high. Wheat prices continue to be supported by tight supply conditions in other grain markets and the opportunity of competitive market arbitrage in the substitution of wheat for corn in livestock feeding rations or even ethanol production. Wheat prices have followed the movement to historically high prices for corn (directly) and soybeans (indirectly) as market participants have thus far arbitrated-away most opportunities for U.S. wheat to be a “low cost” feed alternative.

Wheat Feeding Prospects: There is the possibility that final MY 2011/12 U.S. wheat feed usage will be more than the current projection of 160 million bushels (mb) – with feed usage expected to largely come from soft red winter wheat stocks in the Eastern Corn Belt. In September the USDA had projected U.S. wheat feeding to be 240 mb for MY 2011/12, but then lowered its projection to current levels in subsequent reports. If the available supply of U.S. corn and other substitute livestock feeds tightens in early-mid 2012, U.S. wheat feeding projections may again increase.

2012 Wheat Market Issues: Climatologist’s projections that the La Nina weather pattern will continue in the U.S. through early spring 2012 signals the likelihood of a) continuing drought conditions in the southern and central plains, and b) a repeat of wet spring planting conditions in the northern plains states and into Canada. For the second consecutive year this could hinder 2012 HRW wheat production prospects and signal problems for 2012 U.S. spring and durum wheat seeding and production. United States and World wheat market prices in MY 2011/12 will continue to be affected by cross-market strength in U.S. corn prices. Whereas U.S. and World wheat supply-demand balances have been rebuilt to moderate levels from a historic low in MY 2007/08, U.S. corn and soybeans stocks levels have not. It is likely that high corn, soybean, and wheat prices will persist for the next 1-2 years until feedgrain & oilseed supply-demand balances for can be rebuilt.

I. U.S. Wheat Market Situation and Outlook

- A. **2011 U.S. Wheat Production Prospects:** Changes in the November USDA National Agricultural Statistics Service (NASS) Crop Production report for wheat followed from the September 30th Small Grains Summary and later followup survey efforts to capture and adequately represent the impact of late harvested wheat in Idaho, Maine, Montana, North Dakota, Oregon and Washington.

As in previous reports, the USDA projected that drought stress in 2010-11 in the central and southern Great Plains had a significant negative impact on 2011 U.S. hard red winter wheat production, while excessive moisture / planting problems in northern plains hindered seeding and/or slowed development of U.S. 2011 hard red spring and durum wheat production. These production problems for hard red winter, hard red spring and durum wheat were largely offset by larger U.S. 2011 soft red winter wheat production.

- a. **2011 U.S. Wheat Planted Acreage = 54.409 million acres:** In its November Crop Production Report, the USDA estimated that 54.409 million acres (ma) of wheat were planted in 2011 in the U.S., unchanged from the October report, but up from 53.953 ma in 2010.
- b. **2011 U.S. Wheat Harvested Acreage = 45,705 million acres:** In November, the USDA estimated that 45.705 ma of wheat was planted in 2011 in the U.S., down 10,000 acres from the October report, and down from 47.619 ma in 2010. Harvested acreage was projected to be 84% of planted wheat acreage in 2011, as compared to 89% in 2010.
- Winter Wheat Harvested Acreage = 32.314 ma; unchanged from October, and up from 31.741 ma in 2010. Harvested U.S. winter wheat acreage was 80% of the total of 40.646 million planted acres in 2011 compared to 85% in 2010.
 - Other Spring Wheat Harvested Acreage = 12.079 ma; unchanged from October, and down from 13.359 ma in 2010. Harvested U.S. spring wheat acreage was 97.5% of the total of 12.394 million planted acres in 2011, compared to 97.5% in 2010 as well.
 - Durum Wheat Planted Acreage = 1.312 ma; down 10,000 acres from October, and down from 1.369 ma in 2010. Harvested U.S. durum wheat acreage was 95.8% of the total of 1.369 million planted acres in 2011 compared to 98.4% in 2010.
- c. **2011 U.S. Wheat Yield = 43.7 bushels per acre:** In its November Crop Production Report, the USDA estimated that U.S. wheat yields averaged 43.7 bushels per acre (bu/ac) in 2011, down 0.2 bu/ac acres from the October report, and down from 46.3 bu/ac in 2010.
- Winter Wheat Yields = 46.2 bu/ac; unchanged from October, and down from 46.8 bu/ac in 2010.
 - Other Spring Wheat Yields = 37.7 bu/ac; down 0.6 bu/ac from October, and down from 46.1 bu/ac in 2010.
 - Durum Wheat Yields = 38.5 bu/ac; down 0.8 bu/ac from October, and down from 42.1 bu/ac in 2010.

- d. **2011 U.S. Wheat Production = 1.999 billion bushels:** In November the USDA projected 2011 U.S. wheat production at 1.999 billion bushels (bb), down 8.7 million bushels (mb) from October. The November U.S. wheat production estimate of 1.999 bb is down from 2.207 bb in MY 2010/11, from 2.218 bb in MY 2009/10, and is the lowest amount of U.S. wheat produced since 1.808 bb in MY 2006/07.
- i. 2011 Winter Wheat Production = 1.494 bb; Unchanged from October, but up from 1.485 bb in 2010. While drought conditions in the central and southern plains reduced 2011 hard red winter wheat production for that region, it was more than offset by larger production of soft red winter wheat production in the eastern Corn Belt.
 - ii. 2011 Spring Wheat Production = 455.2 mb; down 7.285 mb from October, and down from 616 mb in 2010. Planting and development problems in the northern plains reduced 2011 hard red spring wheat production for that region to the lowest level since 450 mb in 2007.
 - iii. 2011 Durum Wheat Production = 50.5 mb; down 1.407 mb from October, and down from 106 mb in 2010. Planting and development problems in the northern plains states of Minnesota and North Dakota sharply reduced 2011 U.S. durum wheat production for that to 54% of the 2007-2010 average of 92.75 mb / year.

B. **MY 2011/12 U.S. Wheat Supply-Demand:** For MY 2011/12, a small decrease in U.S. wheat production combined with unchanged projections of wheat usage directly lead to a small decline in U.S. wheat ending stocks and % ending stocks-to-use (**Table 1**). After these changes, United States wheat ending stocks for MY 2011/12 are projected to decrease on a year-to-year basis. However, due to cutbacks in projected usage, U.S. wheat % ending stocks-to-use are projected to increase marginally. Wheat ending stocks in the U.S. are fully adequate to meet domestic wheat usage needs in MY 2011/12 and can be described as being “comfortable”, i.e., not worrisome to the wheat market or likely to stimulate higher U.S. wheat prices in and of themselves.

That said, the potential for 2012 wheat production problems in the U.S. central and southern plains region for hard red winter wheat and in the northern plains for hard red spring and durum wheat is likely to provide support for wheat prices in 2012, as are prospects for volatile U.S. corn prices through the spring and early summer months of the coming year.

- a. **U.S. Wheat Supplies = 2.982 bb:** The USDA projected MY 2011/12 total wheat supplies to be 2.982 bb, based on beginning stocks of 862 mb, 2011 production of 1.999 bb (down 9 mb), and imports of 120 mb. This amount of total supplies is less than 3.279 bb in MY 2010/11, approximately equal to 2.993 bb in MY 2009/10, and more than 2.932 bb in MY 2008/09, and 2.620 bb in MY 2007/08.

Commentary: Without the additional 221 mb of 2011 U.S. soft red winter wheat production (i.e., 458 – 237 mb for 2011 versus 2010), U.S. wheat supplies would be closer to 2.758 bb – the second lowest U.S. wheat total supply figure since MY 2007/08. Ending stocks would likely be in the range of 607-625 mb, while % ending stocks-to-use would likely be moderately tighter (i.e., in the 28%-30% range), with at least marginally more concern by market participants in regards to the adequacy of MY 2011/12 wheat supplies.

- b. **U.S. Wheat Use = 2.153 bb:** Projected usage of U.S. wheat in MY 2011/12 was unchanged from the October USDA WASDE report (**Table 1**). Weaker U.S. wheat exports combined with

steady domestic food use and lowered expectations of wheat feeding were carried forward from previous projections of U.S. wheat supply-demand balances. The November WASDE projection of MY 2011/12 U.S. wheat usage of 2.153 bb is down from 2.417 bb in MY 2010/11, but up from 2.018 bb in MY 2009/10.

- i. U.S. Domestic food usage of 940 mb in MY 2011/12 continues to trend higher in accordance with U.S. population growth and largely inflexible consumer wheat product purposes.
- ii. U.S. wheat exports are projected to be 975 bb in MY 2011/12 – down 24.4% from 1.289 bb in MY 2010/11, but up from 879 mb in MY 2009/10. U.S. export prospects have diminished at least in part because of a year-over-year recovery in wheat production in the Black Sea region (Russia, Ukraine, Kazakhstan, etc.) and improved production prospects in the European Union. Wheat production and export prospects in other major exporting countries such as Australia and Canada have improved over a year ago, while Argentina wheat production and export prospects have diminished.

Overall, foreign wheat production and export prospects have improved markedly in MY 2011/12 over the previous year, with production projected to be 628.9 mmt (up 40.3 mmt) and exports projected to be 110.8 mmt (up 14.5 mmt).

- iii. U.S. Wheat feeding of 160 mb in MY 2011/12 is down 80 mb from the September WASDE projection of 240 mb, which would have been the second largest amount since MY 2007/08 (behind 255 mb in MY 2008/09). The largest amount of wheat fed in the U.S. on record was 482 million bushels in MY 1990/91.

Commentary: Expectations of higher U.S. wheat feeding in MY 2011/12 over the spring and summer months have only been partially realized. Given tight U.S. corn supply-demand balances and relatively abundant U.S. wheat supplies, it was thought that U.S. wheat feed use would increase to make up the shortfall in available corn, but USDA reports to date have not indicated that to be the case.

It is still possible that diminished 2011 U.S. feedgrain production will lead to more increases in domestic and foreign wheat feeding in MY 2011/12. To the degree that U.S. livestock feeders and even ethanol producers make use of wheat as a competitive substitute for tight feedgrain supplies, wheat feeding will continue to increase and “whittle down” U.S. wheat ending stocks. Tightness of supplies for U.S. corn in the spring and summer months of 2012 may eventually force increased feeding of U.S. wheat to occur.

- iv. **Recent Wheat Use Trends:** Variability in U.S. wheat exports have been a key source of variation in U.S. wheat supply-demand balances since MY 2007/08 (**Figure 1**). While food use has been consistent since MY 2004/05 (ranging from 879 to 940 mb), feed and residual use has varied from 16 to 255 mb over the same period.

- C. **U.S. Wheat Ending Stocks (828 mb) & Ending Stocks-to-Use (38.5%):** The USDA projects MY 2011/12 ending stocks to be 828 mb, down 9 mb from October, and down from 862 mb in MY 2010/11 and from 976 mb in MY 2009/10 (**Table 1 and Figure 1**). The MY 2011/12 projection equals 38.5% ending stocks-to-use, down marginally from 38.9% in October, but is up from 35.7%

in MY 2010/11, and down from 48.4% in MY 2009/10 (**Figure 2**). These ending stocks and % ending stocks-to-use levels compare to the historic 60 year low of 306 mb and 13.2%, respectively, in the benchmark “tight supply-demand balance” scenario of MY 2007/08.

Commentary: Whereas U.S. corn and soybean % ending stocks-to-use are each near historic lows, U.S. wheat % ending stocks-to-use levels of 38.5% in MY 2011/12 are much larger than recent historic lows (i.e., 13.2% in MY 2007/08). Wheat ending stocks levels are generally thought to be at “comfortable” levels, large enough relative to total use to avoid causing concern to the wheat market. As a competitive livestock feed substitute for feedgrains, wheat market prices are being supported by record high corn prices. Without such support, it is likely that wheat prices would be markedly lower than their current levels.

- D. **U.S. Wheat Prices in MY 2011/12 = \$7.05-\$7.75 /bu.**: U.S. wheat prices are projected to be record high in MY 2011/12, finding some support from wheat market supply demand-conditions. However, wheat market prices have been strongly influenced and supported by record high corn prices.
- a. The USDA projected MY 2011/12 U.S. average wheat prices to be record high in the range of **\$7.05-\$7.75 per bushel**, down \$0.10 on the lower end and down \$0.15 on the upper end of the range from October. The midpoint of this price range, i.e., \$7.40 per bushel, is up from \$5.70 in MY 2011 and \$4.87 in MY 2009/10 (**Table 1 & Figure 2**). Wheat prices in MY 2011/12 have eclipsed the previous record highs of \$6.48 and \$6.78 per bushel in MY 2007/08 and MY 2008/09, respectively.

Commentary: Tight corn supplies and high corn prices have provided carryover support for wheat prices. By responding to high corn prices, the wheat market appears to be acknowledging the possibility that large amounts of wheat feeding could occur in from fall 2011 through summer 2012 to make up for shortfalls in the 2011 U.S. corn crop and historically tight MY 2011/12 corn ending stocks. As market arbitrage forces impact wheat and corn prices, and as corn prices have moved higher, wheat prices have followed them at levels approximating breakeven feeding opportunities.

- E. **Supply-Demand Balances for Major Classes of U.S. Wheat:** Tables 2-4 illustrate how shortfalls in hard red winter wheat and hard red spring wheat production in the U.S. in 2011 were partially offset to some degree by increases in soft red winter wheat production – keeping combined U.S. wheat supply-demand balances from declining to near record low levels.
- a. **U.S. Hard Red Winter Wheat Supply-Demand (MY 2007/08-MY 2011/12):** Hard red winter wheat production in the U.S. dropped to 780 mb in 2011, the lowest level since 682 mb in 2006 (**Table 2**). However, a projected combination of large beginning stocks (385 mb), continued strength in food use (390-400 mb), and a moderation in exports (400 mb) result in projected U.S HRW wheat ending stocks of 318 mb (37.5% S/U) in MY 2011/12. This level of ending stocks is the lowest in 3 years, comparing to 386 mb (37.9% S/U) in MY 2010/11, 385 mb (48.7% S/U) in MY 2009/10, 254 mb (27.6% S/U) in MY 2008/09, and to extremely tight supplies in MY 2007/08, with 138 mb (14.0% S/U).

Commentary: In late – winter / early spring of 2012 the attention of the U.S. wheat market will be focused on crop conditions and production prospects for HRW wheat in the U.S.

central and southern plains, in order to determine whether drought conditions in these areas that occurred in 2011 will be prolonged and have negative impact on the 2012 U.S. HRW wheat crop.

- b. U.S. Hard Red Spring Wheat Supply-Demand (MY 2007/08-MY 2011/12): Hard red spring wheat production in the U.S. dropped to 398 mb in 2011, the lowest level since 351 mb in 2002 (**Table 3**). A combination of moderately large beginning stocks (185 mb), continued strength in food use (225-230 mb), and a moderation in exports (250 mb) are projected to result in U.S. HRS wheat ending stocks of 129 mb (33.1% S/U) in MY 2011/12. This level of ending stocks is the lowest in 3 years, comparing to 185 mb (28.6% S/U) in MY 2010/11, 234 mb (47.1% S/U) in MY 2009/10, 142 mb (29.4% S/U) in MY 2008/09, and to the extremely tight supplies in MY 2007/08, with 68 mb (12.4% S/U).

Commentary: The anticipated continuation of the La Nina weather pattern into early 2012 is forecast to bring wetter than normal conditions for spring wheat seeding next spring in the Northern Plains. In the spring of 2012 market analysts will be assessing the likelihood of a repeat of the extremely wet spring conditions that occurred in 2011 in spring wheat areas, and weighing their potential impact 2012 U.S. spring wheat production prospects.

- c. U.S. Soft Red Winter Wheat Supply-Demand (MY 2007/08-MY 2011/12): Soft red winter wheat production in the U.S. jumped dramatically to 458 mb in 2011 from 237 mb in 2010, the highest level since 614 mb in 2008 (**Table 4**). Total supplies of U.S. soft red winter wheat are projected to rise 654 mb in MY 2011/12 (up from 508 mb in MY 2010/11 but still below 702 mb in MY 2008/09). Feed usage of SRW wheat increased to 115 mb in MY 2011/12, up from 62 mb in MY 2011/12, but behind 161 mb in MY 2008/09. Ending stocks for MY 2011/12 are projected to be 244 mb (37.5% S/U), up from 171 mb (37.9% S/U) in MY 2010/11, and greater than 242 mb (48.7% S/U) in MY 2009/10.

Commentary: Although feed usage of U.S. SRW wheat is projected to be higher in MY 2011/12 (up 85% over the previous year to 115 mb), general market expectations this summer were that this number would be markedly higher – given the tightness of U.S. corn supply-demand balances. Possible causes for lower than expected feeding of U.S. SRW wheat include a) the availability of distillers grains from corn ethanol production as a competitive feed substitute, b) profitability of storing SRW wheat as opposed to selling it – partially due to variable storage rate (VSR) mechanisms being reflected in CBOT wheat inter-contract spreads for deferred contracts, and/or c) feed cost / profitability dynamics in the livestock industry in regards to wheat feeding. Regardless of the reason for lower than anticipated SRW wheat feeding so far in MY 2011/12, it is still possible that increases will occur in early-mid 2012 if the availability of U.S. corn supplies continue to tighten.

F. **World Wheat Supply-Demand Trends:** Consistent growth in World wheat usage since MY 2007/08 has occurred in spite of periods of record high prices in MY 2007/08-MY 2008/09 and again in MY 2011/12 (**Figure 3**).

- a. Inflexible World Wheat Demand: This pattern of inflexible or inelastic World demand for wheat illustrates how only small changes in wheat supplies can and have caused highly variable U.S. and World wheat prices over the last five years.

Commentary: Consumers of wheat need a consistent quantity for human consumption, and are willing to pay high prices to obtain what is needed if supply-demand balances of wheat tighten. However, if food grade wheat supplies are abundant, consumers and associated wheat processors are much less willing to pay high prices to secure needed wheat for milling purposes. This inflexibility of demand has been keenly experienced by the U.S. and World wheat market since MY 1998/99.

- b. **World Wheat Ending Stocks & %Ending Stocks-to-Use for MY 2011/12 = 202.6 mmt (29.9% S/U)**: World Wheat ending stocks are projected to be 202.6 mmt, up 0.23 mmt since October, and larger than 196.1 mmt in MY 2010/11 and 200.9 mmt in MY 2009/10. However, % ending stocks-to-use has declined marginally over the most recent three marketing years, with 29.9% S/U for MY 2011/12 being slightly less than 30.3% in MY 2010/11 and 30.9% in MY 2009/10. The historic World wheat ending stocks and % ending stocks-to-use lows since at least the early 1970s occurred in MY 2007/08, with ending stocks declining to 124 mmt (20.1% S/U).

- i. **World Wheat Exports = 137.3 mmt in MY 2011/12**: Projected World wheat exports of 137.3 mmt are up 2.0 mmt from October, and up from 131.37 in MY 2010/11 and from 135.8 mmt in MY 2009/10.

Larger exports in MY 2011/12 are projected for Russia (19.0 mmt, up 15.02 mmt), Australia (19 mmt, up 0.7 mmt), Canada (18.0 mmt, up 1.5 mmt), Kazakhstan (8.5 mmt, up 2.98 mmt), and Ukraine (8 mmt, up 3.7 mmt).

Lower exports are projected for the United States (26.5 mmt, down 8.54 mmt), the EU-27 (17.0 mmt, down 5.85 mmt), and Argentina (7.5 mmt, down 1.8 mmt).

Commentary: These projections of wheat exports are in some cases subject to change, such as is the case for the Black Sea countries, with questions about wheat quality and governmental policies toward exports. With extremely tight World feedgrain supplies, export demand for low quality feed grade wheat as a substitute for corn in livestock rations should be high in MY 2011/12.

However, if World supplies of food quality wheat are less than expected, it may be a supportive of food quality U.S. wheat exports in MY 2011/12.

- G. Persistence of High Wheat Prices into 2012**: Given a) the likelihood of historically tight ending stocks for U.S. corn in MY 2011/12, b) competition for U.S. crop acres from soybeans, spring and other crops in spring 2012, and c) the persistence of dry conditions in hard red winter wheat production areas and long term forecasts for lingering weather problems for at least the next several months into spring 2012, ***it seems likely that historically high and volatile wheat prices*** will persist throughout the remainder of 2011 and on into the spring of 2012.
-

Table 1. U.S. Wheat Supply-Demand Balance Sheet: MY 2007/08 through MY 2011/12
(November 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11	2011/12
Planted Area (million acres)	60.5	63.2	59.2	53.6	54.4
Harvested Area (million acres)	51.0	55.7	49.9	47.6	45.7
Yield per harvested acre (bushels/acre)	40.2	44.9	44.5	46.3	43.7
	million bushels				
Beginning Stocks	456	306	657	976	862
Production	2,051	2,499	2,218	2,207	1,999
Imports	113	127	119	97	120
Total Supply	2,620	2,932	2,993	3,279	2,982
Food Use	948	927	919	926	940
Seed Use	88	78	69	71	78
Exports	1,263	1,015	879	1,289	975
Feed & Residual	16	255	150	132	160
Total Use	2,314	2,275	2,018	2,417	2,153
Ending Stocks	306	657	976	862	828
% Ending Stocks-to-Total Use	13.2%	28.9%	48.4%	35.7%	38.5%
U.S. Average Farm Price (\$/bushel)	\$6.48	\$6.78	\$4.87	\$5.70	\$7.05-\$7.75 Midpoint = \$7.40

Figure 1. Trends in U.S. Wheat Use and Ending Stocks: MY 2004/05 through MY 2011/12
(November 9, 2011 USDA WASDE Report)

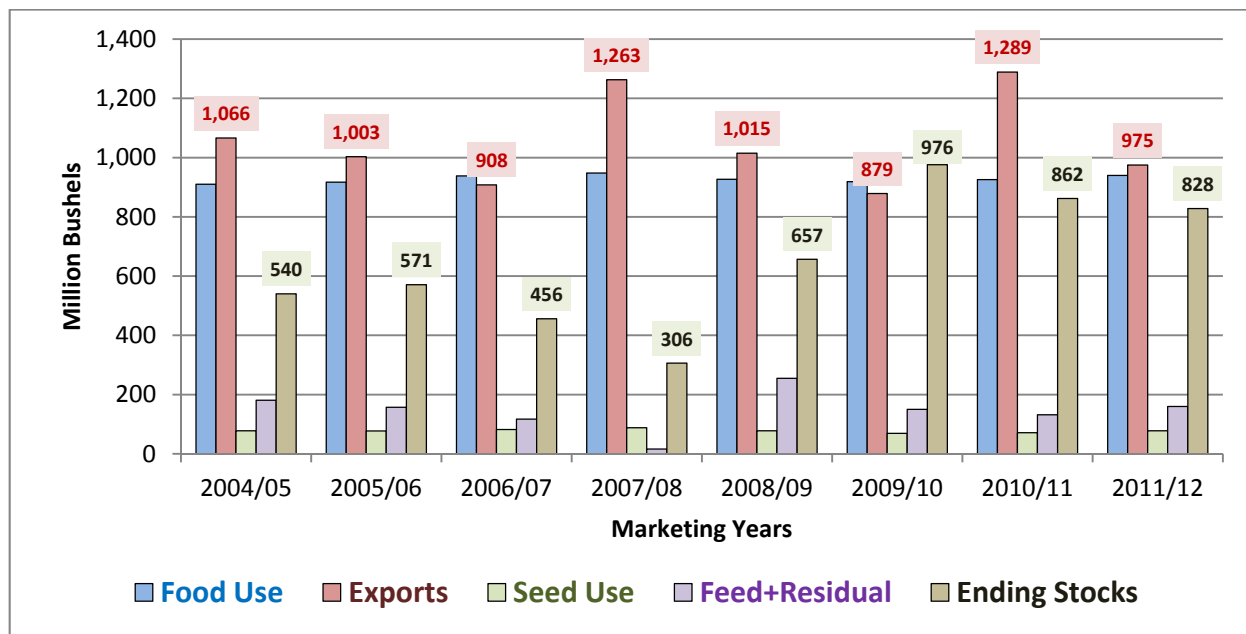


Figure 2. U.S. Wheat Ending Stocks vs U.S. Avg. Cash Prices: MY 1973/74 through MY 2011/12
(November 9, 2011 USDA WASDE Report)

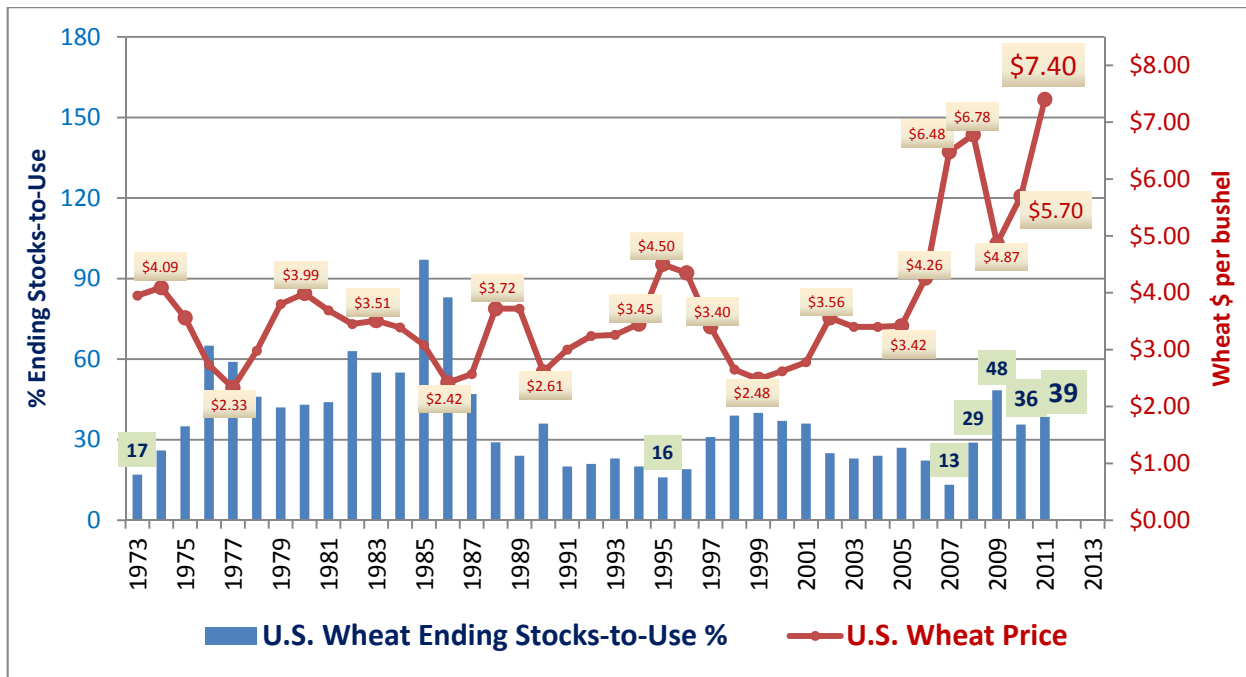


Figure 3. World Wheat Usage & Ending Stocks: MY 2007/08 thru MY 2011/12
(November 9, 2011 USDA WASDE Report)

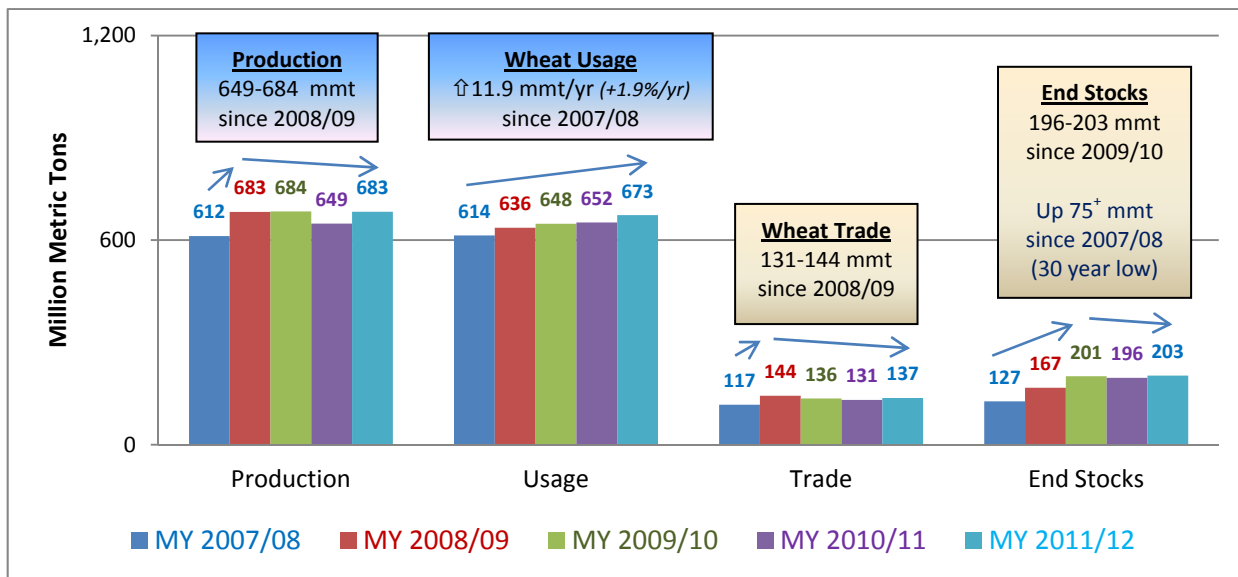


Table 2. U.S. Hard Red Winter Wheat S-D Balance Sheet: MY 2007/08 through MY 2011/12
(November 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11	2011/12
Planted Area (million acres)	33.0	31.3	31.7	28.6	28.5
Harvested Area (million acres)	25.7	25.9	24.1	24.0	21.4
Yield per harvested acre (bushels/acre)	37.2	39.9	38.1	42.4	36.4
	million bushels				
Beginning Stocks	165	138	254	385	386
Production	956	1,035	920	1,018	780
Imports	1	2	2	1	1
Total Supply	1,121	1,174	1,176	1,404	1,167
Food Use	397	385	361	359	*398
Seed Use	35	35	32	32	*31
Exports	536	447	370	616	400
Feed & Residual	15	52	28	11	*20
Total Use	984	919	791	1,018	849
Ending Stocks	138	254	385	386	318
% Ending Stocks-to-Total Use	14.0%	27.6%	48.7%	37.9%	37.5%
U.S. HRW Avg. Farm Price (\$/bushel)	\$6.15	\$6.90	\$4.84	\$6.49	---
% U.S. HRW / U.S. All Wheat Price	94.9%	101.8%	99.4%	113.9%	---

Table 3. U.S. Hard Red Spring Wheat S-D Balance Sheet: MY 2007/08 through MY 2011/12
(November 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11	2011/12
Planted Area (million acres)	12.7	13.5	12.6	13.0	11.6
Harvested Area (million acres)	12.4	12.8	12.3	12.6	11.3
Yield per harvested acre (bushels/acre)	36.3	39.9	44.5	45.1	35.9
	million bushels				
Beginning Stocks	117	68	142	234	185
Production	450	512	548	570	398
Imports	48	45	41	28	40
Total Supply	615	625	731	832	623
Food Use	233	224	239	247	*227
Seed Use	20	17	17	14	*17
Exports	304	210	214	339	250
Feed & Residual	-11	32	27	46	*--
Total Use	547	483	497	647	494
Ending Stocks	68	142	234	185	129
% Ending Stocks-to-Total Use	12.4%	29.4%	47.1%	28.6%	33.1%
U.S. HRS Avg. Farm Price (\$/bushel)	\$7.16	\$7.39	\$5.26	\$6.54	---
% U.S. HRS / U.S. All Wheat Price	110.5%	109.0%	108.0%	114.7%	---

Table 4. U.S. Soft Red Winter Wheat S-D Balance Sheet: MY 2007/08 through MY 2011/12
(November 9, 2011 USDA WASDE Report)

Item	2007/08	2008/09	2009/10	2010/11	2011/12
Planted Area (million acres)	8.6	11.2	8.3	5.3	8.6
Harvested Area (million acres)	7.0	10.1	7.2	4.4	7.4
Yield per harvested acre (bushels/acre)	50.0	60.9	56.1	54.3	61.7
	million bushels				
Beginning Stocks	109	55	171	242	171
Production	352	614	404	237	458
Imports	14	34	32	29	25
Total Supply	475	702	607	508	654
Food Use	150	155	156	150	155
Seed Use	21	16	10	16	15
Exports	208	199	109	109	125
Feed & Residual	41	161	90	62	115
Total Use	420	531	365	337	410
Ending Stocks	55	171	242	171	244
% Ending Stocks-to-Total Use	14.0%	27.6%	48.7%	37.9%	37.5%
U.S. SRW Avg. Farm Price (\$/bushel)	\$5.20	\$5.78	\$4.35	\$5.16	---
% U.S. SRW / U.S. All Wheat Price	80.2%	85.3%	89.3%	90.5%	---