

# Wheat Market Outlook – 2022/2023

## Wheat Market Perspectives in Mid-October 2022

October 18, 2022

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**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics



## Wheat Market Review KSU Ag Economics

For Tuesday, October 18, 2022 7:30 a.m. CDT

### I. Grain Futures Closes, Changes & Market Carry on Tuesday, October 18, 2022 7:30 a.m. CDT

| Chicago Wheat Futures |          |            |                        | Minneapolis Wheat Futures |             |            |                        | Kansas HRW Wheat Futures |          |            |                        |
|-----------------------|----------|------------|------------------------|---------------------------|-------------|------------|------------------------|--------------------------|----------|------------|------------------------|
| Month                 | Close    | Change     | Carry /mo.             | Month                     | Close       | Change     | Carry /mo.             | Month                    | Close    | Change     | Carry /mo.             |
| Dec <sup>L</sup> 22   | \$8.53 ¼ | ↓ \$0.07 ¼ | ---                    | Dec <sup>L</sup> 22       | \$9.51 ¼    | ↓ \$0.03 ½ | ---                    | Dec <sup>L</sup> 22      | \$9.46 ½ | ↓ \$0.05 ½ | ---                    |
| Mar 23                | \$8.71 ¾ | ↓ \$0.07   | +\$0.06 <sup>167</sup> | Mar 23                    | \$9.60 ½    | ↓ \$0.02 ½ | +\$0.02 <sup>917</sup> | Mar 23                   | \$9.45 ½ | ↓ \$0.05 ¼ | -\$0.00 <sup>333</sup> |
| May 23                | \$8.81   | ↓ \$0.06 ½ | +\$0.04 <sup>623</sup> | May 23                    | \$9.64 ½    | ↓ \$0.04 ½ | +\$0.02                | May 23                   | \$9.44   | ↓ \$0.05 ¼ | -\$0.00 <sup>73</sup>  |
| July <sup>H</sup> 23  | \$8.78   | ↓ \$0.05 ½ | -\$0.01 <sup>30</sup>  | July 23                   | \$9.68 ¼    | ↑ \$0.00 ¼ | +\$0.01 <sup>875</sup> | July <sup>H</sup> 23     | \$9.35 ¼ | ↓ \$0.06   | -\$0.04 <sup>125</sup> |
| Sept 23               | \$8.79   | ↓ \$0.04 ½ | +\$0.00 <sup>50</sup>  | Sept <sup>H</sup> 23      | \$9.28 ½ ** | ↓ \$0.07 ¼ | +\$0.01 <sup>30</sup>  | Sept 23                  | \$9.33 ¼ | ↓ \$0.05   | -\$0.01 <sup>23</sup>  |
| Dec 23                | \$8.81 ¾ | ↓ \$0.05 ½ | -\$0.00 <sup>917</sup> | Dec 23                    | \$9.34      | ↑ \$0.03 ¼ | -\$0.13 <sup>23</sup>  | Dec 23                   | \$9.35 ¼ | ↓ \$0.03 ¼ | -\$0.00 <sup>967</sup> |
| Mar 24                | \$8.77 ¾ | ↓ \$0.06 ½ | -\$0.01 <sup>333</sup> | Mar 24                    | \$9.10 ½ ** | No Change  | -\$0.06 <sup>50</sup>  | Mar 24                   | \$9.32 ½ | ↑ \$0.03 ¼ | -\$0.09 <sup>167</sup> |
| May 24                | \$8.72 ½ | ↑ \$0.02 ¼ | +\$0.02 <sup>623</sup> | May 24                    | ---         | ---        | ---                    | May 24                   | \$9.15   | ↑ \$0.03 ¼ | -\$0.08 <sup>73</sup>  |

## ELEC. WHEAT (@W) [10]

| Month  | Last   | Chg   | High  | Low   |
|--------|--------|-------|-------|-------|
| Dec-22 | 849'4s | -11'4 | 866'0 | 832'6 |
| Mar-23 | 867'6s | -11'0 | 883'6 | 851'4 |
| May-23 | 876'6s | -10'6 | 892'0 | 860'6 |
| Jul-23 | 874'4s | -9'0  | 887'2 | 859'6 |
| Sep-23 | 875'6s | -7'6  | 883'6 | 862'2 |
| Dec-23 | 880'2s | -7'0  | 883'4 | 868'2 |
| Mar-24 | 878'6s | -5'4  | 879'6 | 868'0 |
| May-24 | 869'4s | -3'0  | 863'2 | 860'0 |

## ELEC. HRS WHEAT (@MW) [10]

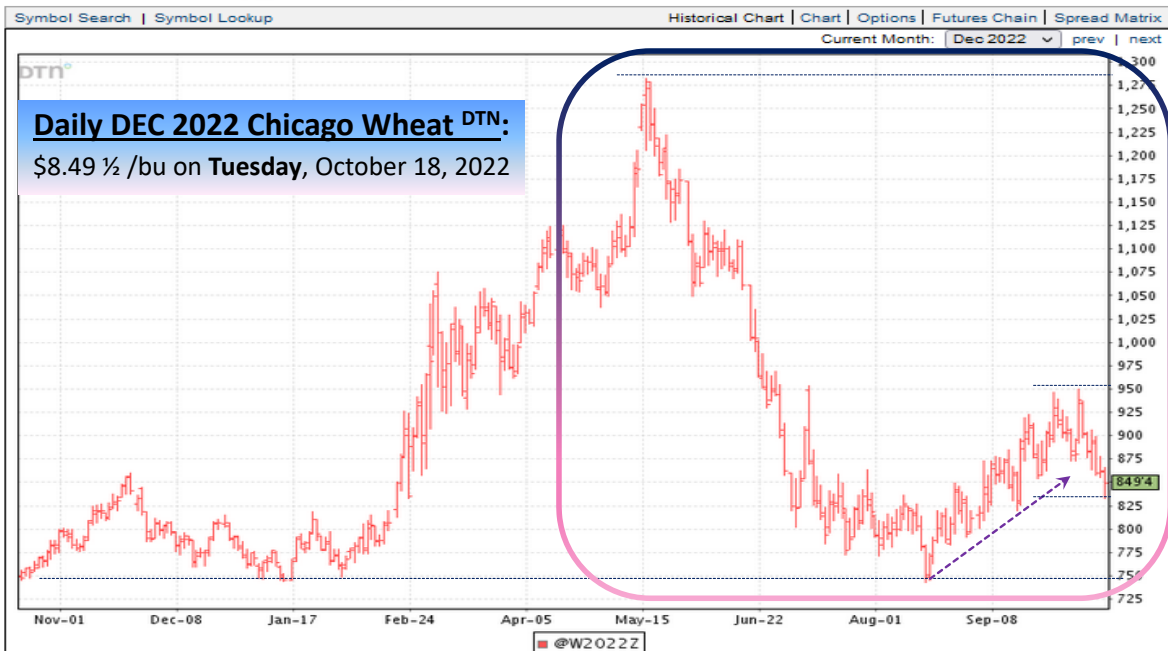
| Month  | Last   | Chg  | High  | Low   |
|--------|--------|------|-------|-------|
| Dec-22 | 956'0s | 0'6  | 959'6 | 938'2 |
| Mar-23 | 963'0s | 0'0  | 966'4 | 947'0 |
| May-23 | 968'6s | -0'2 | 970'0 | 956'0 |
| Jul-23 | 969'4s | 1'2  | 967'0 | 963'0 |
| Sep-23 | 934'4s | -1'2 | 936'0 | 922'0 |
| Dec-23 | 933'0s | -1'0 | 932'0 | 931'6 |

## ELEC. HRW WHEAT (@KW) [10]

| Month  | Last   | Chg  | High  | Low   |
|--------|--------|------|-------|-------|
| Dec-22 | 944'4s | -7'4 | 957'4 | 929'0 |
| Mar-23 | 942'4s | -8'2 | 956'0 | 927'2 |
| May-23 | 940'6s | -8'4 | 953'0 | 925'6 |
| Jul-23 | 934'0s | -7'6 | 944'0 | 919'6 |
| Sep-23 | 931'2s | -7'0 | 935'4 | 917'2 |

Quotes generated on: Tue, Oct 18, 2022 2:05 PM CDT \*Quotes are in market time

## ELEC. WHEAT (@W2022Z)



# CME Chicago SRW Wheat Volatility Index (CVOL)

October 2019 – October 17, 2022

5

SRW WHEAT CVOL HISTORY (WVL)

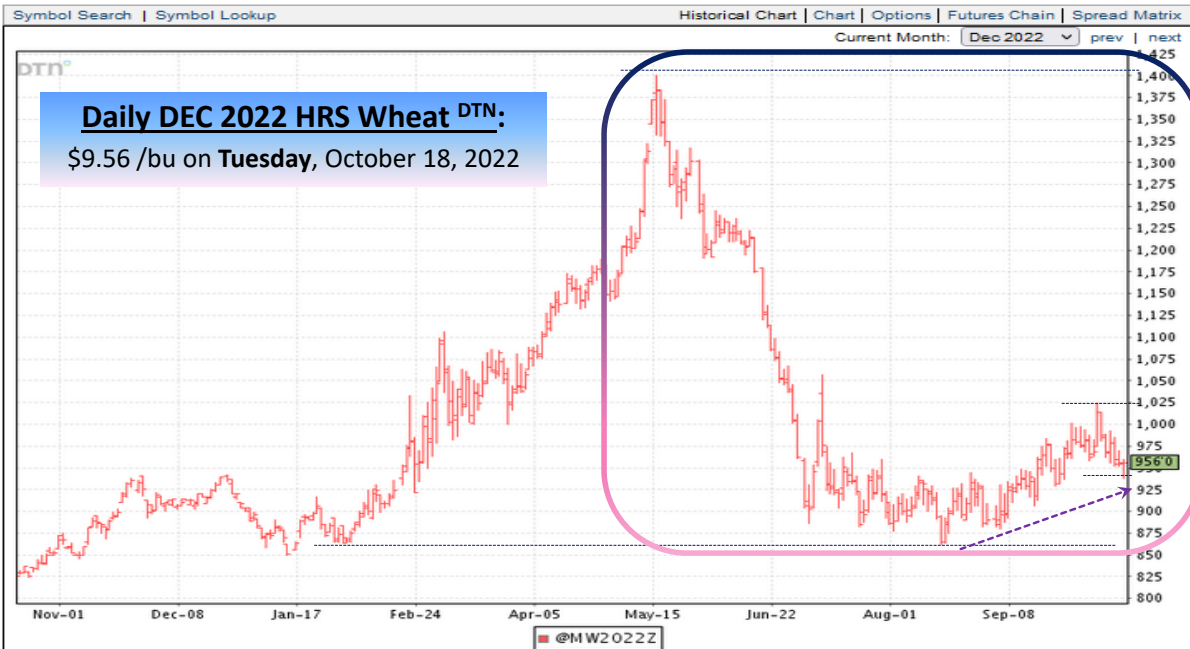


## Variable Storage Rate December 2022 - March 2023 Calculation Period

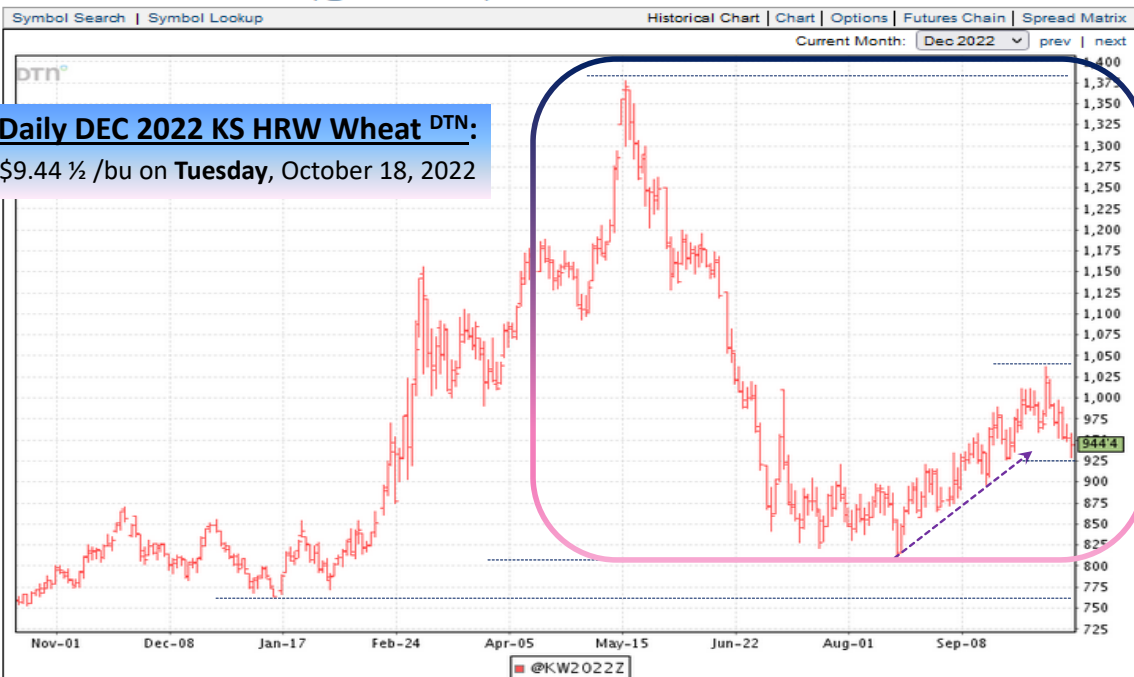
| December 2022 First Delivery Day      | 12/1/2022               |                         |                                |                      |                    |                                   |
|---------------------------------------|-------------------------|-------------------------|--------------------------------|----------------------|--------------------|-----------------------------------|
| March 2023 First Delivery Day         | 3/1/2023                |                         |                                |                      |                    |                                   |
| Number of Carry Days                  | 90                      |                         |                                |                      |                    |                                   |
| Storage Rate Used in Calculation      | \$0.00165/bu/day        |                         |                                |                      |                    |                                   |
| Running Average Percent of Full Carry | 49.13%                  |                         |                                |                      |                    |                                   |
| Date                                  | Dec 2022 Contract Price | Mar 2023 Contract Price | 3M LIBOR Plus 200 Basis Points | Financial Full Carry | Dec22-Mar23 Spread | Dec-Mar Spread as % of Full Carry |
| 9/19/2022                             | \$8.3050                | \$8.4650                | 5.56529                        | 0.264049             | 0.1600             | 60.6%                             |
| 9/20/2022                             | \$8.9375                | \$9.0725                | 5.60171                        | 0.273663             | 0.1350             | 49.3%                             |
| 9/21/2022                             | \$9.0375                | \$9.1525                | 5.60386                        | 0.275112             | 0.1150             | 41.8%                             |
| 9/22/2022                             | \$9.1075                | \$9.2200                | 5.64143                        | 0.276948             | 0.1125             | 40.6%                             |
| 9/23/2022                             | \$8.8050                | \$8.9375                | 5.62843                        | 0.272396             | 0.1325             | 48.6%                             |
| 9/26/2022                             | \$8.5800                | \$8.7125                | 5.64086                        | 0.269496             | 0.1325             | 49.2%                             |
| 9/27/2022                             | \$8.7150                | \$8.8425                | 5.64186                        | 0.271422             | 0.1275             | 47.0%                             |
| 9/28/2022                             | \$9.0325                | \$9.1500                | 5.67414                        | 0.276629             | 0.1175             | 42.5%                             |
| 9/29/2022                             | \$8.9625                | \$9.0800                | 5.74286                        | 0.277176             | 0.1175             | 42.4%                             |
| 9/30/2022                             | \$9.2150                | \$9.3200                | 5.75471                        | 0.281074             | 0.1050             | 37.4%                             |
| 10/3/2022                             | \$9.1200                | \$9.2500                | 5.74829                        | 0.279561             | 0.1300             | 46.5%                             |
| 10/4/2022                             | \$9.0300                | \$9.1550                | 5.74071                        | 0.278097             | 0.1250             | 44.9%                             |
| 10/5/2022                             | \$9.0200                | \$9.1525                | 5.78400                        | 0.278929             | 0.1325             | 47.5%                             |
| 10/6/2022                             | \$8.7900                | \$8.9275                | 5.82571                        | 0.276520             | 0.1375             | 49.7%                             |
| 10/7/2022                             | \$8.8025                | \$8.9500                | 5.90871                        | 0.278529             | 0.1475             | 53.0%                             |
| 10/10/2022                            | \$9.3800                | \$9.5150                | 5.91914                        | 0.287304             | 0.1350             | 47.0%                             |
| 10/11/2022                            | \$9.0100                | \$9.1700                | 5.94071                        | 0.282314             | 0.1600             | 56.7%                             |
| 10/12/2022                            | \$8.8225                | \$8.9900                | 6.01086                        | 0.281077             | 0.1675             | 59.6%                             |
| 10/13/2022                            | \$8.9225                | \$9.0850                | 6.07914                        | 0.284103             | 0.1625             | 57.2%                             |
| 10/14/2022                            | \$8.5975                | \$8.7700                | 6.19371                        | 0.281626             | 0.1725             | 61.3%                             |

6

## ELEC. HRS WHEAT (@MW2022Z)



## ELEC. HRW WHEAT (@KW2022Z)



## Variable Storage Rate December 2022 - March 2023 Calculation Period

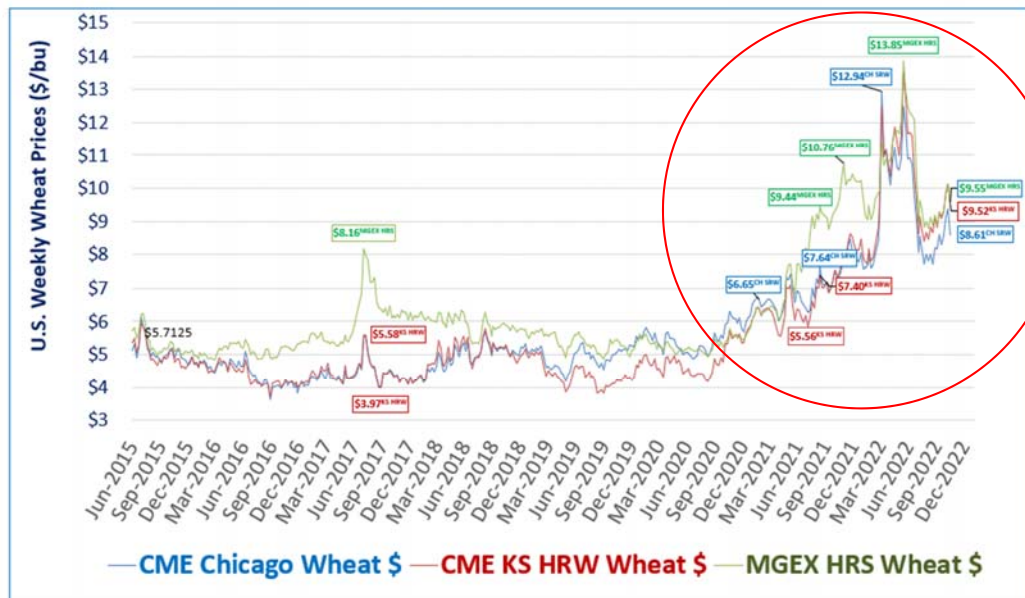
|                                       |                  |
|---------------------------------------|------------------|
| December 2022 First Delivery Day      | 12/1/2022        |
| March 2023 First Delivery Day         | 3/1/2023         |
| Number of Carry Days                  | 90               |
| Storage Rate Used in Calculation      | \$0.00165/bu/day |
| Running Average Percent of Full Carry | -10.87%          |

| Date       | Dec 2022 Contract Price | Mar 2023 Contract Price | 3M LIBOR Plus 200 Basis Points | Financial Full Carry | Dec22-Mar23 Spread | Dec-Mar Spread as % of Full Carry |
|------------|-------------------------|-------------------------|--------------------------------|----------------------|--------------------|-----------------------------------|
| 9/19/2022  | \$9.0975                | \$9.0800                | 5.56529                        | 0.275076             | -0.0175            | -6.4%                             |
| 9/20/2022  | \$9.6300                | \$9.5950                | 5.60171                        | 0.283361             | -0.0350            | -12.4%                            |
| 9/21/2022  | \$9.6700                | \$9.6350                | 5.60386                        | 0.283973             | -0.0350            | -12.3%                            |
| 9/22/2022  | \$9.7950                | \$9.7550                | 5.64143                        | 0.286645             | -0.0400            | -14.0%                            |
| 9/23/2022  | \$9.5050                | \$9.4725                | 5.62843                        | 0.282246             | -0.0325            | -11.5%                            |
| 9/26/2022  | \$9.2950                | \$9.2600                | 5.64086                        | 0.279579             | -0.0350            | -12.5%                            |
| 9/27/2022  | \$9.4325                | \$9.4050                | 5.64186                        | 0.281542             | -0.0275            | -9.8%                             |
| 9/28/2022  | \$9.7600                | \$9.7200                | 5.67414                        | 0.286949             | -0.0400            | -13.9%                            |
| 9/29/2022  | \$9.6675                | \$9.6425                | 5.74286                        | 0.287298             | -0.0250            | -8.7%                             |
| 9/30/2022  | \$9.9150                | \$9.8525                | 5.75471                        | 0.291145             | -0.0625            | -21.5%                            |
| 10/3/2022  | \$9.8875                | \$9.8550                | 5.74829                        | 0.290591             | -0.0325            | -11.2%                            |
| 10/4/2022  | \$9.8875                | \$9.8475                | 5.74071                        | 0.290403             | -0.0400            | -13.8%                            |
| 10/5/2022  | \$9.9025                | \$9.8675                | 5.78400                        | 0.291690             | -0.0350            | -12.0%                            |
| 10/6/2022  | \$9.6500                | \$9.6250                | 5.82571                        | 0.289045             | -0.0250            | -8.6%                             |
| 10/7/2022  | \$9.6875                | \$9.6625                | 5.90871                        | 0.291602             | -0.0250            | -8.6%                             |
| 10/10/2022 | \$10.2425               | \$10.2050               | 5.91914                        | 0.300067             | -0.0375            | -12.5%                            |
| 10/11/2022 | \$9.9075                | \$9.8825                | 5.94071                        | 0.295644             | -0.0250            | -8.5%                             |
| 10/12/2022 | \$9.7000                | \$9.6800                | 6.01086                        | 0.294263             | -0.0200            | -6.8%                             |
| 10/13/2022 | \$9.8225                | \$9.8000                | 6.07914                        | 0.297781             | -0.0225            | -7.6%                             |
| 10/14/2022 | \$9.5225                | \$9.5075                | 6.19371                        | 0.295949             | -0.0150            | -5.1%                             |

9

## Continuous Weekly Wheat Futures Prices - CME Chicago & KC HRW Wheat

Futures \$'s + MGEX HRW Wheat Futures: June 2015 through October 17, 2022



10

# Market Perspective

11



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Department of Agricultural Economics



## Wheat Market Outlook <sup>2022-2023</sup> *in Kansas, the U.S. & Globally*

12

### 1) HRW Wheat Production damage in the Western-Central Plains <sup>2022</sup>

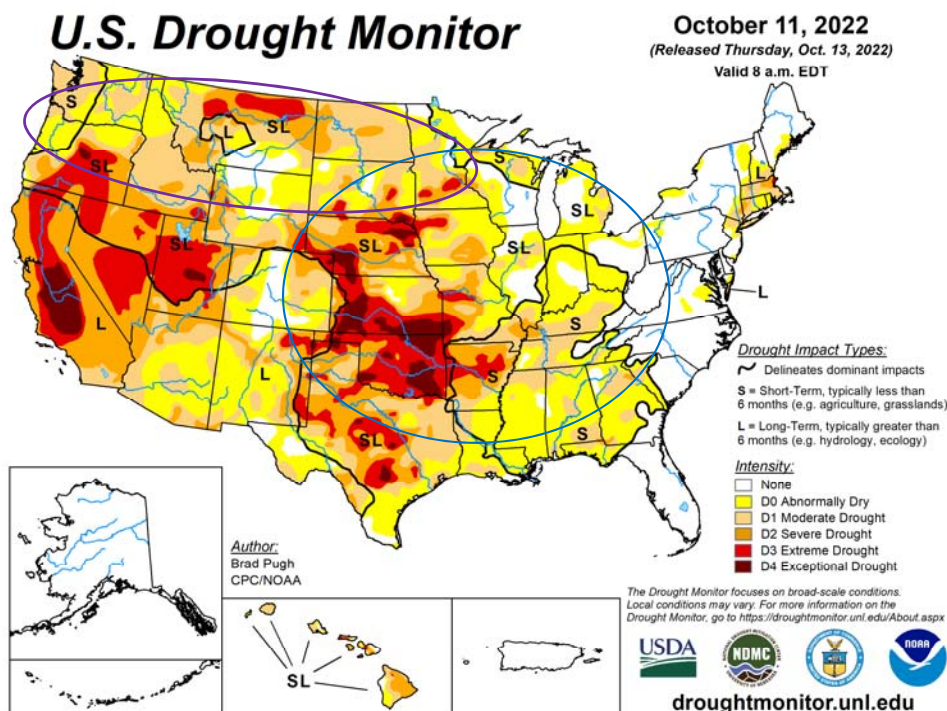
- *Western Kansas / OK / TX / NE*
- Damaged **2022 U.S. HRW Production** – 531 mb<sup>2022</sup> vs 750 mb<sup>2021</sup>

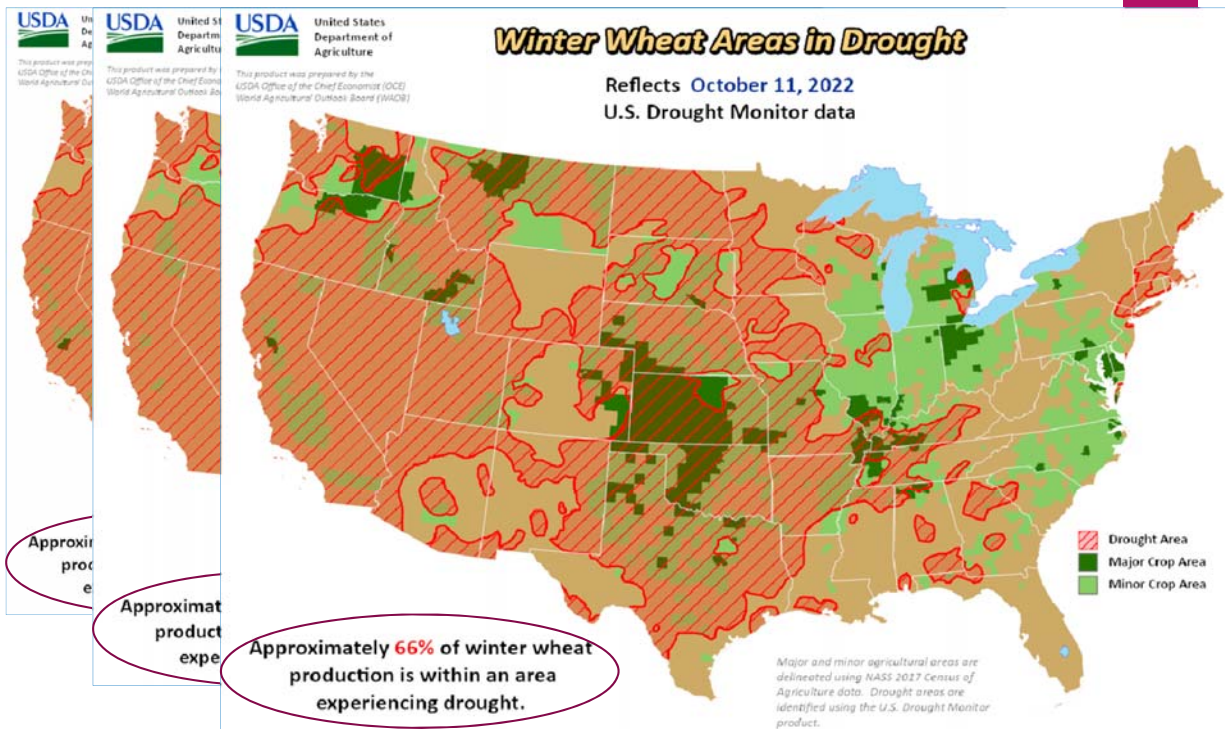
### 2) “Tight!!!!” Global Wheat Stocks in 2022-2023

- *Importance of 2023 Black Sea, Europe, Australia, Canada, U.S. crops*
- “*Little – No*” margin for 2023 shortfalls among global wheat producers

## 2) Continuance of dry La Nina Weather Pattern in 2022-2023???

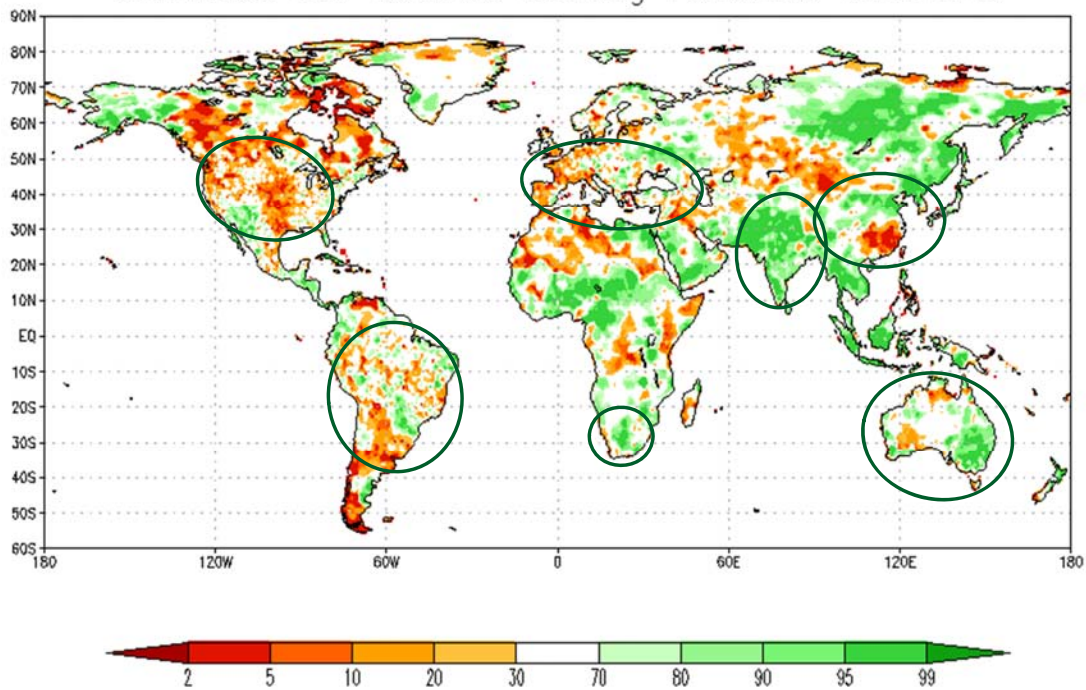
- “Chances for La Nina are expected to gradually decrease from 86% to 60% during Dec-Feb 2022-2023” *Reuters 8/11/2022*
- “A rare 3-peat La Nina is expected this winter.” *Weather Science 8/12/2022*
- “La Nina Conditions to Go On, Chances Drop Into Early 2023 - U.S. Forecaster” *Reuters 9/8/2022*
- “The majority of models predict an easing of the La Niña in early 2023, suggesting a relatively short-lived event....” *Australia Bureau of Meteorology, 9/13/2022*





15

Calculated Soil Moisture Ranking Percentile 20221016



16

# Grain Market Outlook 2022-2023 .....

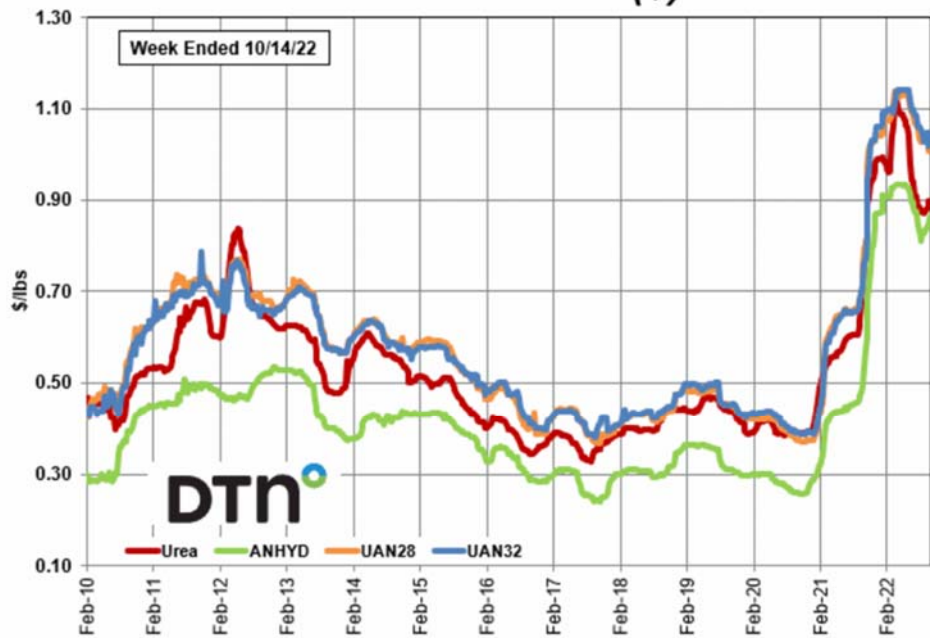
17

## 3) Continued high 2023 Fertilizer & other Crop Input Costs....

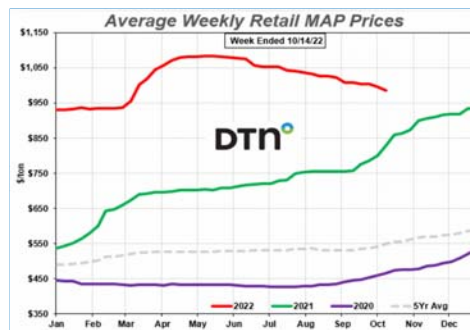
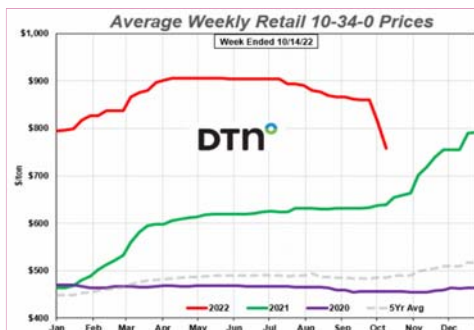
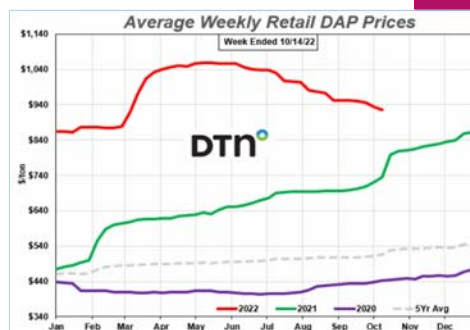
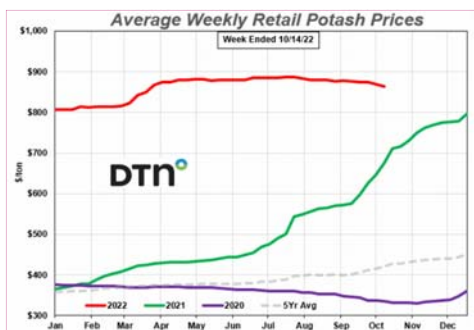
- *Still high natural gas & logistics costs, w. supply-chain challenges*



## Cost of N/lb. (\$)



18



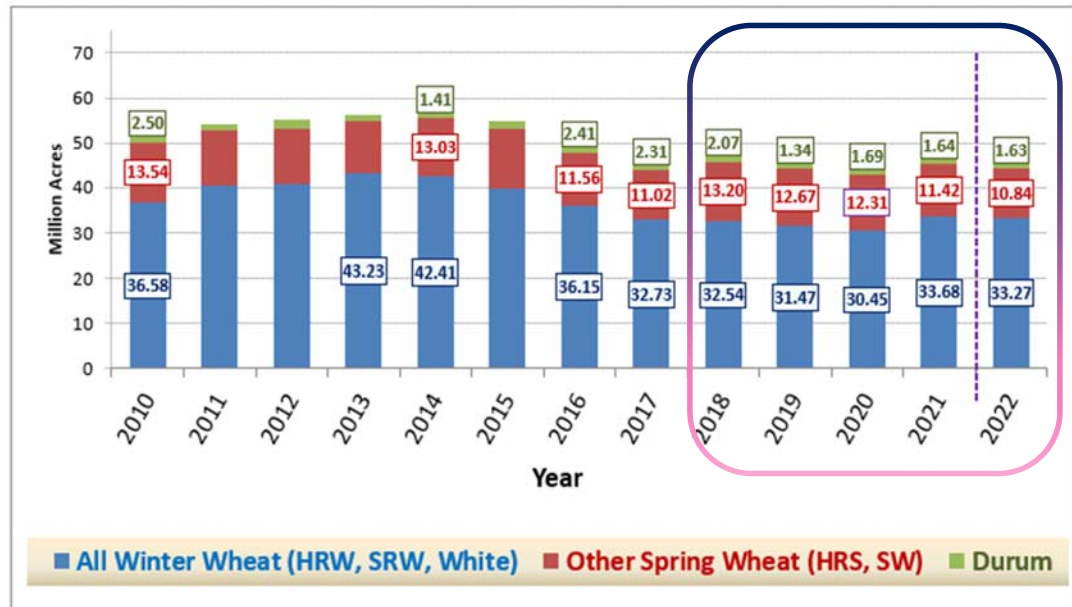
## Grain Market Outlook 2022-2023 .....

20

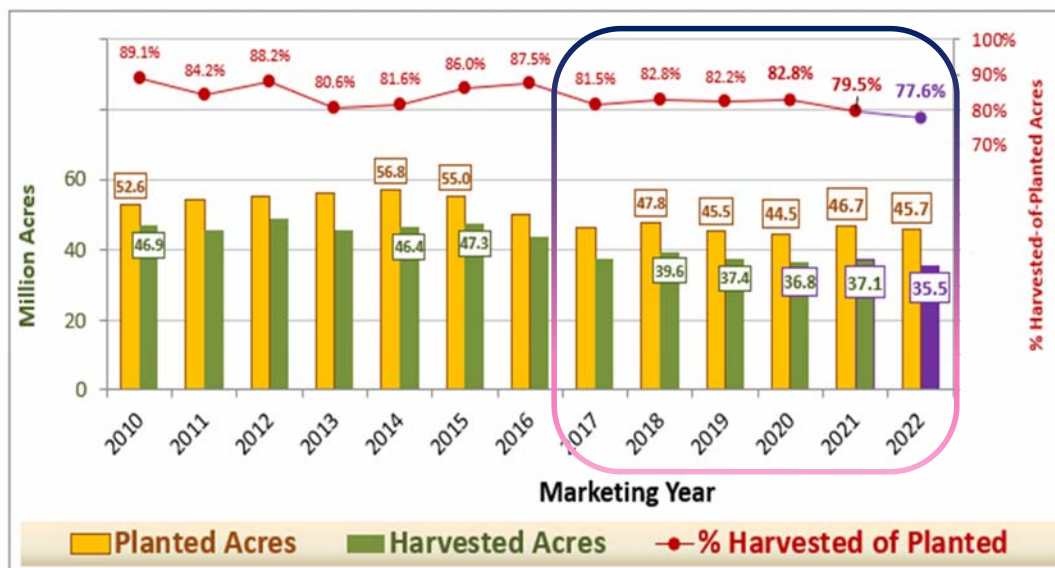
### 3) Continued high 2023 Fertilizer & other Crop Input Costs....

- Impact on **2023 U.S. Wheat Acres** ???

## U.S. Wheat Planted Acreage – All Winter, Other Spring & Durum Classes (since MY 2010/11) as of the October 12, 2022 USDA NASS Crop Production Report



## U.S. All Wheat Planted & Harvested Acreage (MY 2010/11 – MY 2022/23) as of the October 12, 2022 USDA NASS Crop Production Report



## 4) U.S. HRW Winter Wheat Seedings <sup>Fall 2022</sup> for Harvest <sup>2023</sup>

- **Key:** Soil Moisture prospects in the Central-Southern Plains <sup>Sept-Oct 2022</sup>
- **Factors:** Strong Crop Insurance Planning Prices, moisture & other issues

□ Support from strong “**New Crop**” HRW Wheat futures & a historically strong 2023 Crop Revenue Insurance Planning Price

- **RMA Planning \$** JULY23 KC HRW Wheat = **\$8.79 /bu** @75% APH (**\$6.59 /bu** @100% APH\*)
- **KSU Costs:** ≈ \$7.25 /bu <sup>West (W-SC-F)</sup> & \$5.58-\$6.27 /bu <sup>Central (Rotation)</sup>

Your Price Criteria
Select New Criteria

Commodity: Wheat  
State: Kansas  
Sales Closing Date: September 30, 2022  
Type: Winter  
Practice: Conventional  
Year: 2023

Your Price Criteria
Select New Criteria

Commodity: Wheat  
State: North Dakota  
Sales Closing Date: March 15, 2022  
Type: Spring  
Practice: Conventional  
Year: 2022

Your Price Criteria
Select New Criteria

Commodity: Wheat  
State: Montana  
Sales Closing Date: March 15, 2022  
Type: Durum  
Practice: Conventional  
Year: 2022

Base Contract: MGE September HRS Wheat 2022 (MWU22)

Projected Price  
**\$9.44**  
per Bushel

Price Volatility  
**0.23**

Harvest Price  
**\$9.19**  
per Bushel

|            |           |           |           |
|------------|-----------|-----------|-----------|
| Status     | Released  | Released  | Released  |
| Start Date | 2/1/2022  | 2/1/2022  | 8/1/2022  |
| End Date   | 2/28/2022 | 2/28/2022 | 8/31/2022 |
| Factor     | x 1.0270  | N/A       | x 1.0270  |

Projected Daily Prices
Harvest Daily Prices

### 5) Impact of Ongoing & Possible Geopolitical Conflicts 2022-2023

- *Ukraine-Russia War???: Prospects for de-escalation & grain trade?*
- **China-Taiwan???** - If this happens, would likely impact the global economy & U.S. grain trade
  - o *U.S. Soybeans, Grain Sorghum, Wheat & likely ALL ag commodity markets impacted either directly or indirectly \*\*\*\**

## What to anticipate: Fall 2022 – Year 2023

26

### 6) USDA Reports ⇒ *Bringing **grain market volatility!!!***

- USDA Report release dates coming up:
  - o **Crop Production & WASDE**: Nov. 9<sup>th</sup>, Dec. 9<sup>th</sup>, & January 2023
    - Possibly more 2022 feedgrain & oilseed crop declines in the **Western & Central Corn Belt & Northern Plains** – either *lower yields\** OR *reduced acres*
  - o **Grain Stocks & Winter Wheat Seedings**: January 2023

### 7) Overall Prospects for 2023 Grain Markets???

- Grain Prices supported @ High Levels 2022-2023 – *until* grain markets are confident of larger crops & likely rebuilding of stocks
  - o Both 'Old Crop' Cash & 'New Crop' Forward Bids likely to be vulnerable to declines during *late Spring – Summer<sup>2023</sup> into 2023 Fall harvest*
- Geopolitical Conflicts: Continued impact on World grain markets *Unknown*
- Impact of South America Crop Development: Brazil & Argentina crop prospects likely to drive U.S. crop price volatility during Jan-August 2023

## Wheat Markets

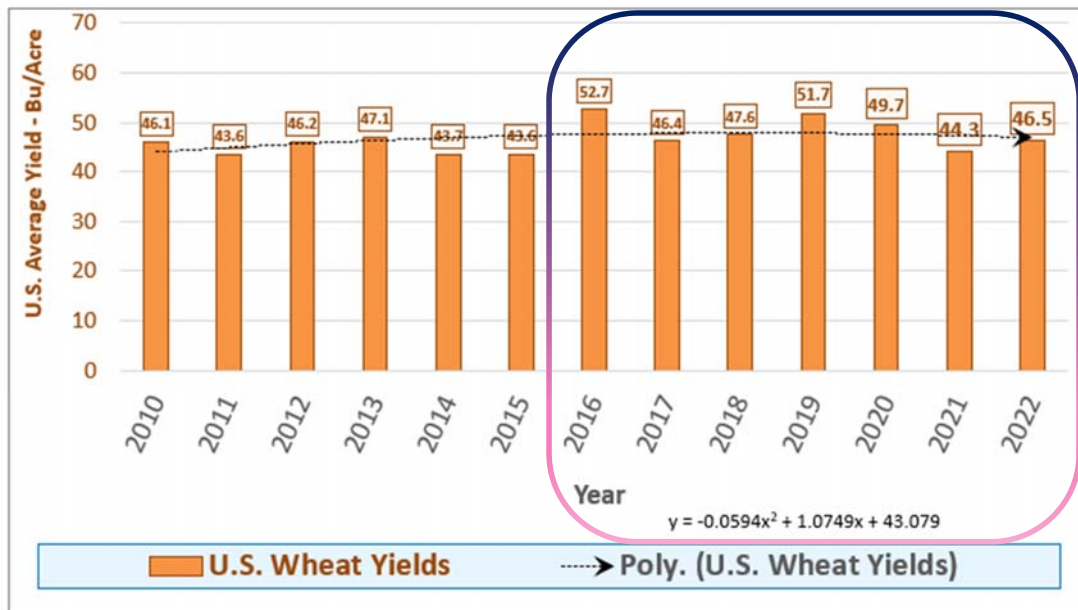


| Kansas Cash & Futures Prices                   |                                                               |                        |                        |                             |                            |                          |
|------------------------------------------------|---------------------------------------------------------------|------------------------|------------------------|-----------------------------|----------------------------|--------------------------|
| Date                                           |                                                               |                        |                        |                             |                            |                          |
| 10/18/2022 (9:30 a.m.)                         |                                                               |                        |                        |                             |                            |                          |
| Grain Futures Contracts                        | Closing \$                                                    |                        |                        |                             |                            |                          |
| DEC 2022 KC HRW Wheat (Lead Contract)          | \$9.3050                                                      |                        |                        |                             |                            |                          |
| JULY 2023 KC HRW Wheat (2023 Harvest Contract) | \$9.2075                                                      |                        |                        |                             |                            |                          |
| 10/18/2022 (9:30 a.m.)                         | Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators |                        |                        |                             |                            |                          |
|                                                | Representing the highest bids available at each location      |                        |                        |                             |                            |                          |
| Cash Market Spot & FC Bids                     | Colby <sup>Area</sup>                                         | Salina <sup>Area</sup> | Topeka <sup>Area</sup> | Garden City <sup>Area</sup> | Hutchinson <sup>Area</sup> | Columbus <sup>Area</sup> |
|                                                | NW KS                                                         | NC KS                  | EC-NE KS               | SW KS                       | SC KS                      | SE KS                    |
| KC HRW Wheat Harvest Spot Cash\$               | \$8.86                                                        | \$9.16                 | \$9.06                 | \$9.04                      | \$9.21                     | \$9.05                   |
| HRW Wheat Harvest Spot Cash Basis              | (\$0.45)                                                      | (\$0.15)               | (\$0.24)               | (\$0.27)                    | (\$0.09)                   | (\$0.25)                 |
| KC HRW Wheat FC\$ - Harvest <sup>2023</sup>    | \$8.55                                                        | \$8.71                 | \$8.77                 | \$8.66                      | \$8.77                     | \$8.56                   |
| HRW Wheat Harvest FC\$ Basis                   | (\$0.66)                                                      | (\$0.50)               | (\$0.44)               | (\$0.55)                    | (\$0.44)                   | (\$0.65)                 |

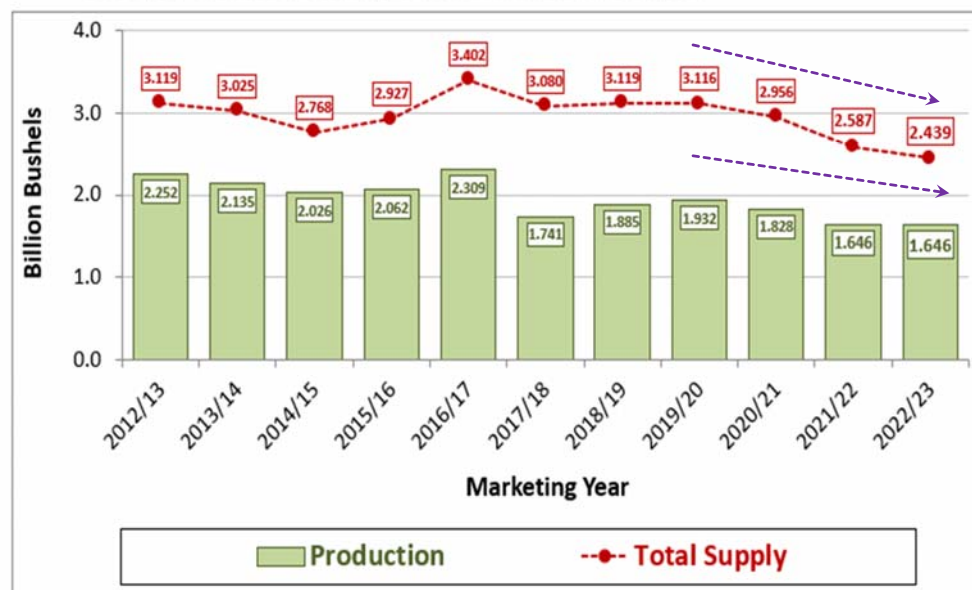
|  Office of the Chief Economist<br>United States Department of Agriculture |           |                          |           |                          |                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------|-----------|--------------------------|-----------------------|
| U.S. Wheat Supply and Demand                                                                                                                                 |           |                          |           |                          |                       |
| Item                                                                                                                                                         | 2021/2022 |                          | 2022/2023 |                          |                       |
|                                                                                                                                                              | Estimate  | Change from September 12 | Forecast  | Change from September 12 | Change from 2021/2022 |
| Planted area (million acres)                                                                                                                                 | 46.7      | **                       | 45.7      | -1.3                     | -1.0                  |
| Harvested area (million acres)                                                                                                                               | 37.1      | **                       | 35.5      | -2.0                     | -1.7                  |
| Yield (bushels per acre)                                                                                                                                     | 44.3      | **                       | 46.5      | -1.0                     | 2.2                   |
| ----- Million bushels -----                                                                                                                                  |           |                          |           |                          |                       |
| Beginning stocks                                                                                                                                             | 845       | --                       | 669       | 9                        | -176                  |
| Production                                                                                                                                                   | 1,646     | **                       | 1,650     | -133                     | 4                     |
| Imports                                                                                                                                                      | 95        | --                       | 120       | 10                       | 25                    |
| Total supply                                                                                                                                                 | 2,587     | **                       | 2,439     | -114                     | -148                  |
| Food use                                                                                                                                                     | 972       | --                       | 970       | --                       | -2                    |
| Seed                                                                                                                                                         | 60        | --                       | 68        | --                       | 8                     |
| Feed and residual                                                                                                                                            | 86        | -9                       | 50        | -30                      | -36                   |
| Domestic use                                                                                                                                                 | 1,117     | -9                       | 1,088     | -30                      | -29                   |
| Exports                                                                                                                                                      | 800       | --                       | 775       | -50                      | -25                   |
| Total use                                                                                                                                                    | 1,917     | -9                       | 1,863     | -80                      | -54                   |
| Ending stocks                                                                                                                                                | 669       | 9                        | 576       | -34                      | -93                   |
| ----- Percent -----                                                                                                                                          |           |                          |           |                          |                       |
| Stocks to use ratio                                                                                                                                          | 34.9      | 0.6                      | 30.9      | -0.5                     | -4.0                  |
| ----- Dollars per bushel -----                                                                                                                               |           |                          |           |                          |                       |
| Average market price                                                                                                                                         | 7.63      | --                       | 9.20      | 0.20                     | 1.57                  |
| -- No change. ** Rounds to zero.                                                                                                                             |           |                          |           |                          |                       |

October 12, 2022

## U.S. Wheat Yield (Years 2010-2022) as of the Oct. 12, 2022 USDA Reports

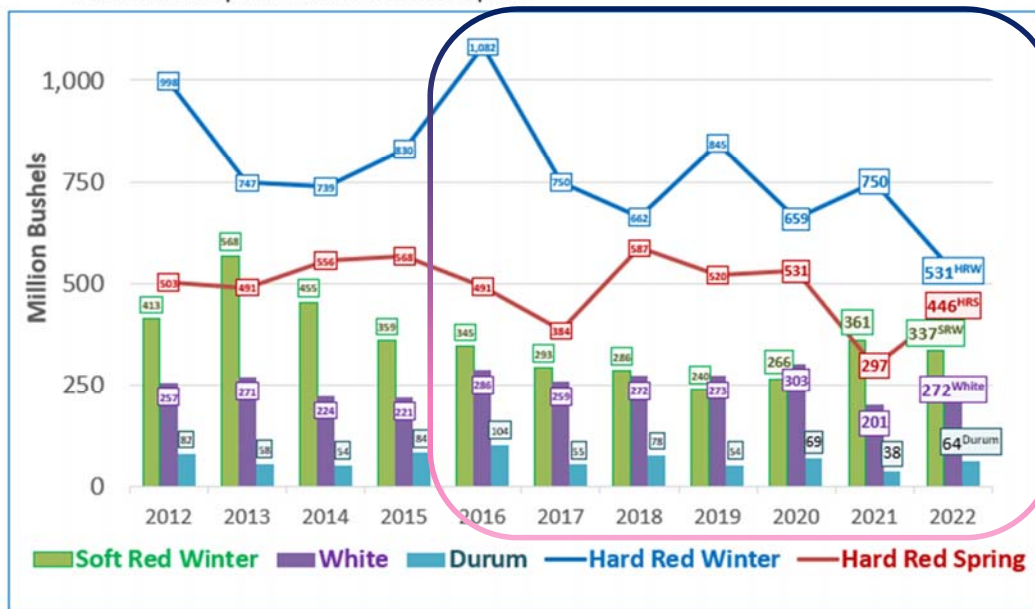


## U.S. Wheat Total Supplies: MY 2012/13 – Projected MY 2022/23 as of the October 12, 2022 USDA NASS & WASDE Reports



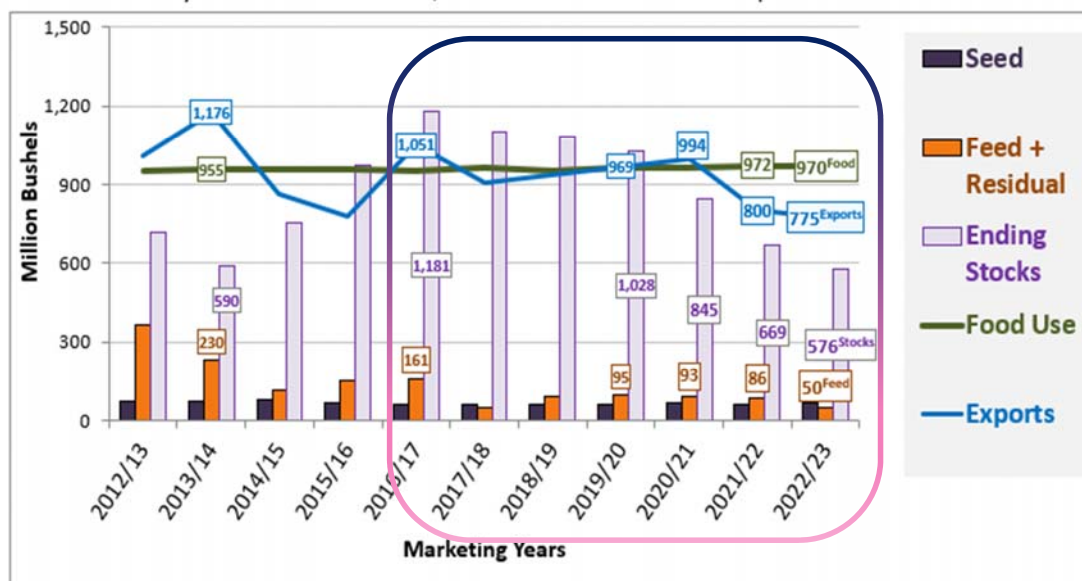
## U.S. Wheat Production by Class: Since Year 2012 as of the October 12,

2022 USDA Crop Production & WASDE Reports



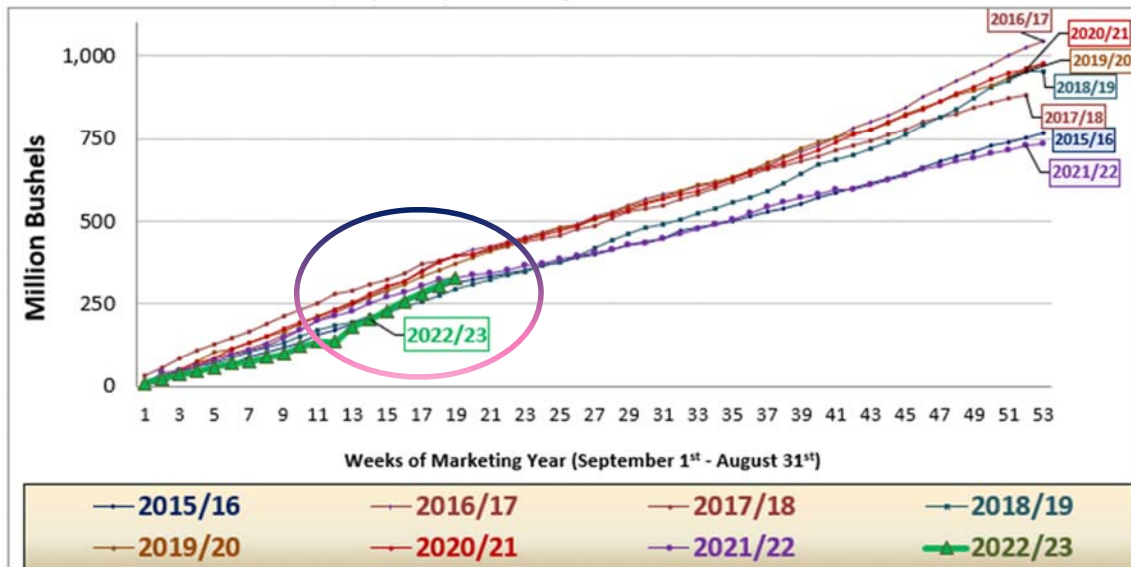
## U.S. Wheat Use & Ending Stocks: MY 2012/13 – “New Crop”

MY 2022/23 as of the October 12, 2022 USDA WASDE & Stocks Reports



## U.S. All Wheat Exports: MY 2015/16 thru "Current" MY 2021/22

as of USDA FAS Weekly Export reports through October 6, 2022



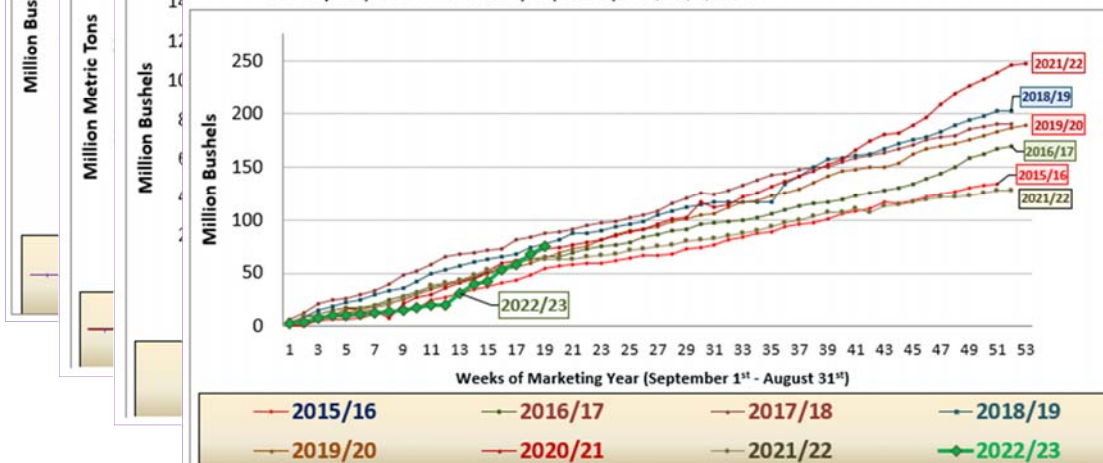
## U.S. Hard Red Winter (HRW) Wheat Exports: MY 2016/17

## U.S. Hard Red Spring (HRS) Wheat Exports: MY 2016/17

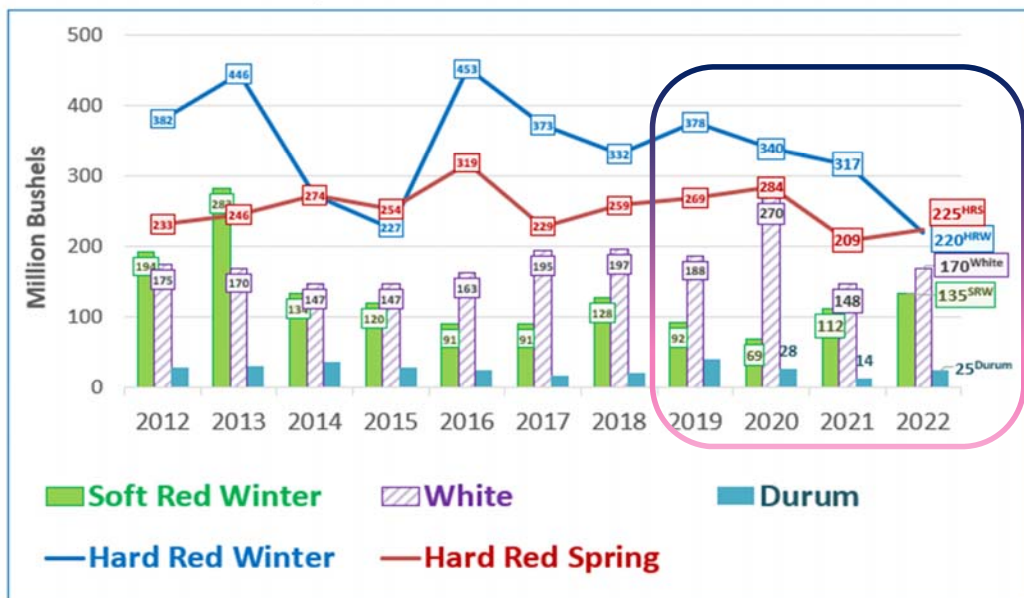
## U.S. Soft Red Winter (SRW) Wheat Exports:

## U.S. White Wheat Exports: MY 2015/16 thru "New Crop" MY

2022/23, USDA FAS Weekly Export reports, 10/6/2022

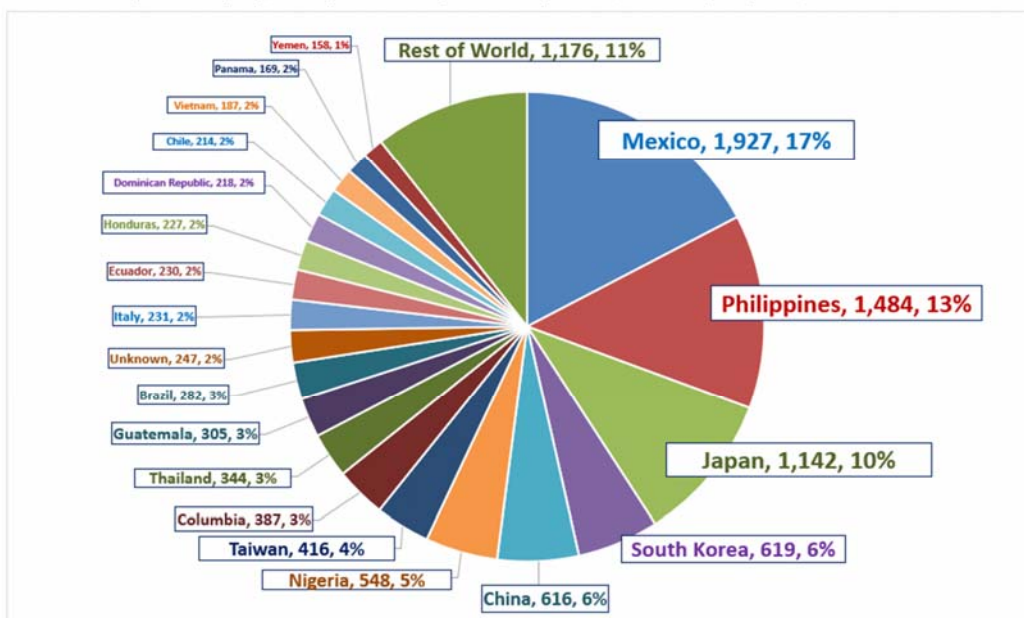


## U.S. Wheat Exports by Class: Since 2012 as of the October 12, 2022 USDA Crop Production & WASDE Reports



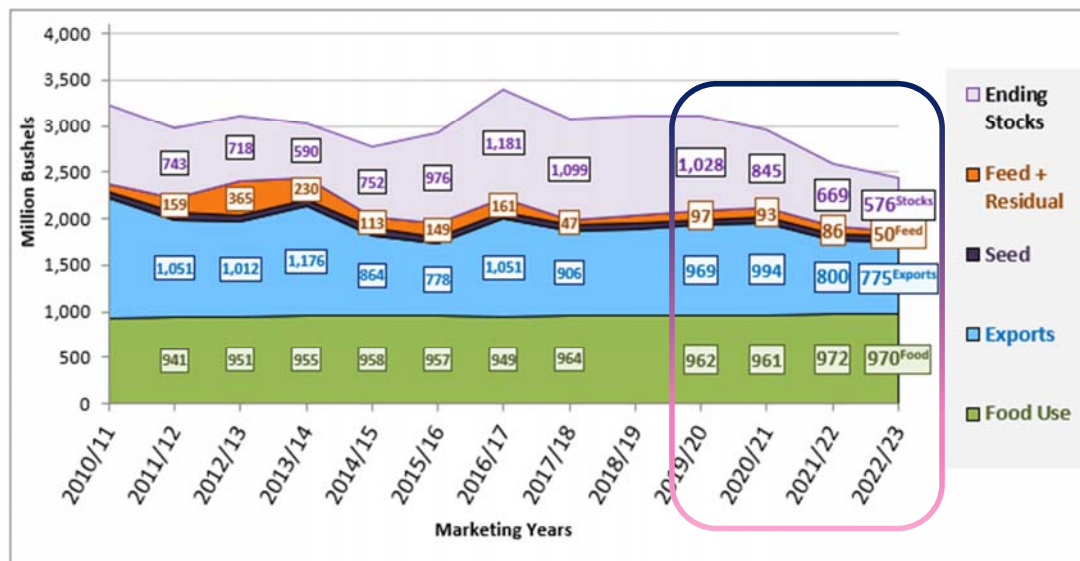
## Top U.S. Wheat Export Buyers: "Current" MY 2022/23 as of the October 6, 2022 USDA

U.S. Export Sales report (1,000 mt), with Marketing Year from September 1, 2021 through August 31, 2022.



## U.S. Wheat Use & Ending Stocks: MY 2010/11 – “New Crop”

MY 2022/23 as of the October 12, 2022 USDA WASDE & Stocks Reports



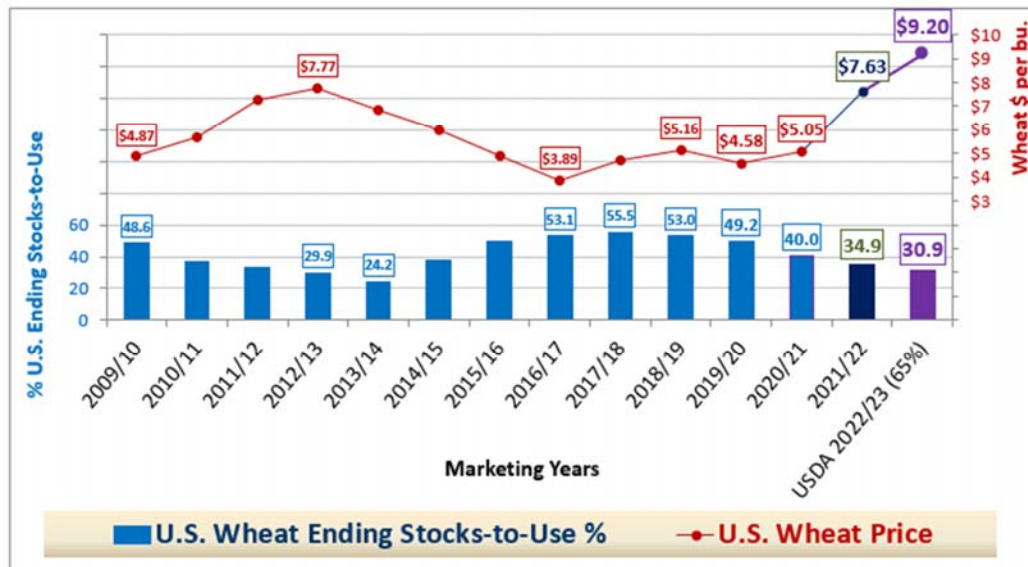
## U.S. Wheat Ending Stocks & % Stocks/Use:

MY 2006/07 thru “New Crop” MY 2022/23 – October 12, 2022 USDA Reports



## U.S. Wheat Ending Stocks vs U.S. Cash Prices:

MY 2009/10 thru "New Crop" MY 2022/23 – October 12, 2022 USDA Reports



## U.S. Wheat Market Outcomes for MY 2022/23<sup>KSU</sup>

USDA & KSU Projections based on the October 12, 2022 USDA WASDE Report + KSU Scenarios

| Item                                         | USDA<br>"Current"<br>MY 2022/23<br>10/12/2022<br>USDA Reports | KSU Scenario #1<br>"Current" 2022/23<br>+50 mb U.S. Exports<br>@ 825 mb | KSU Scenario #2<br>"Current" 2022/23<br>-25 mb U.S. Exports<br>@ 750 mb | KSU Scenario #3<br>"Current" 2022/23<br>-50 mb U.S. Exports<br>@ 725 mb |
|----------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| % Probability of Happening <sup>KSU mb</sup> | 65% prob                                                      | 15% prob.                                                               | 15% prob                                                                | 5% prob.                                                                |
| Planted Area (million acres)                 | 45.732                                                        | 45.732                                                                  | 45.732                                                                  | 45.732                                                                  |
| Harvested Area (million acres)               | 35.480                                                        | 35.480                                                                  | 35.480                                                                  | 35.480                                                                  |
| % Harvested/Planted Area                     | 77.57%                                                        | 77.57%                                                                  | 77.57%                                                                  | 77.57%                                                                  |
| Yield / harvested acre (bu/ac)               | 46.5                                                          | 46.5                                                                    | 46.5                                                                    | 46.5                                                                    |
| Million                                      |                                                               |                                                                         |                                                                         |                                                                         |
| Beginning Stocks                             | 669                                                           | 669                                                                     | 669                                                                     | 669                                                                     |
| Production                                   | 1,650                                                         | 1,650                                                                   | 1,650                                                                   | 1,650                                                                   |
| Imports                                      | 120                                                           | 120                                                                     | 120                                                                     | 120                                                                     |
| Total Supply (million bushels)               | 2,439                                                         | 2,439                                                                   | 2,439                                                                   | 2,439                                                                   |
| Food Use                                     | 970                                                           | 970                                                                     | 970                                                                     | 970                                                                     |
| Seed Use                                     | 68                                                            | 68                                                                      | 68                                                                      | 68                                                                      |
| Exports                                      | 775                                                           | 825                                                                     | 750                                                                     | 725                                                                     |
| Feed & Residual Use                          | 50                                                            | 50                                                                      | 50                                                                      | 50                                                                      |
| Total Use (million bushels)                  | 1,863                                                         | 1,913                                                                   | 1,838                                                                   | 1,813                                                                   |
| Ending Stocks (million bushels)              | 576                                                           | 526                                                                     | 601                                                                     | 626                                                                     |
| % Ending Stocks-to-Use                       | 30.92%                                                        | 27.50%                                                                  | 32.70%                                                                  | 34.53%                                                                  |
| Days of Supply<br>(% S/U x 365 days)         | 113 days                                                      | 100 days                                                                | 119 days                                                                | 126 days                                                                |
| U.S. Wheat Avg. Farm Price<br>(\$/bushel)    | \$9.20<br><small>Vs \$9.14 /bu.<br/>KSU-HRW Futures</small>   | \$10.40<br><small>Vs \$9.14 /bu.<br/>KSU-HRW Futures</small>            | \$8.50<br><small>Vs \$9.14 /bu.<br/>KSU-HRW Futures</small>             | \$7.80<br><small>Vs \$9.14 /bu.<br/>KSU-HRW Futures</small>             |

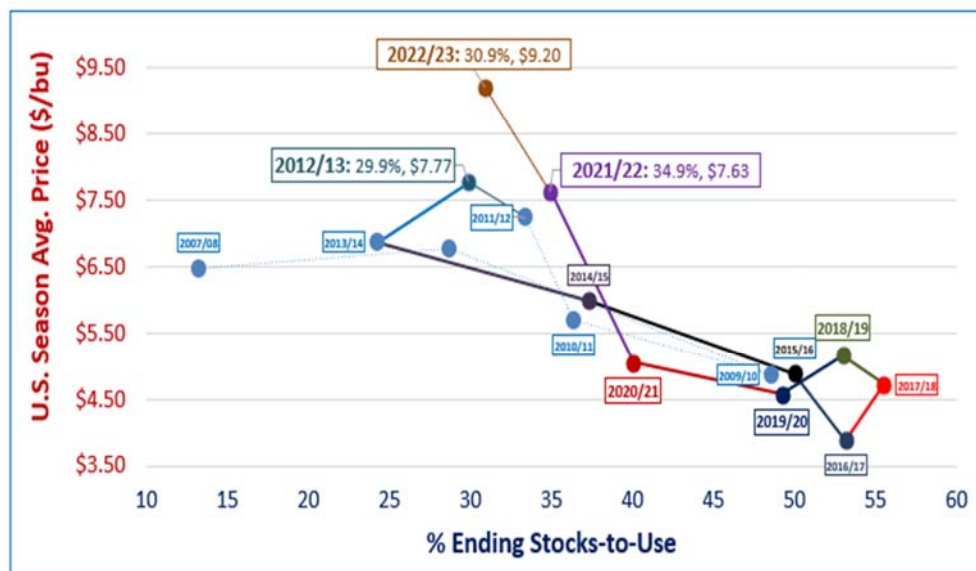
## U.S. Wheat Ending Stocks vs U.S. Cash \$'s:

MY 2009/10 - "Current" MY 2022/23 - Oct. 12, 2022 USDA Reports + KSU Estimates



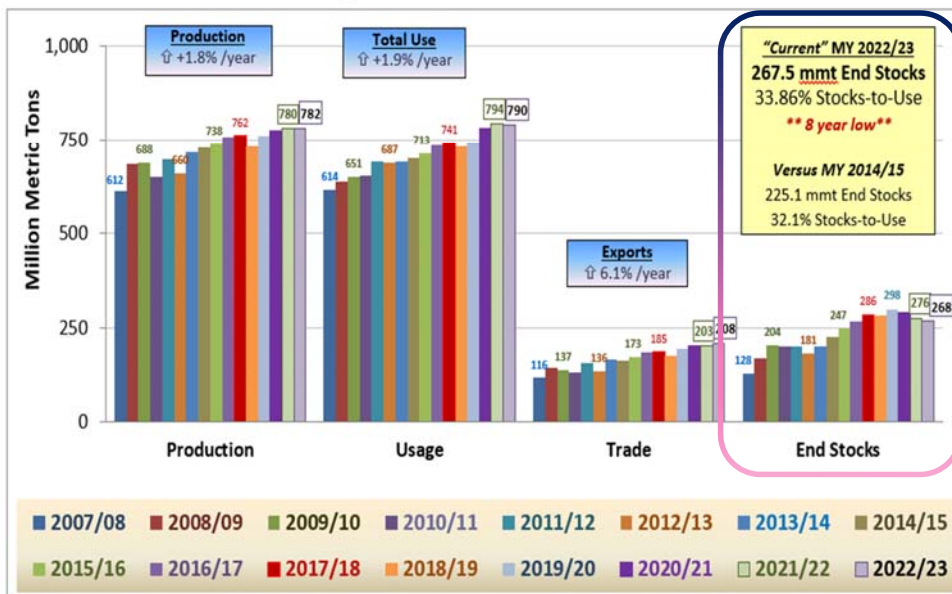
## U.S. Wheat Price vs U.S. % Stocks-to-Use: MY 2007/08 thru

"New" MY 2022/23 - October 12, 2022 USDA Reports



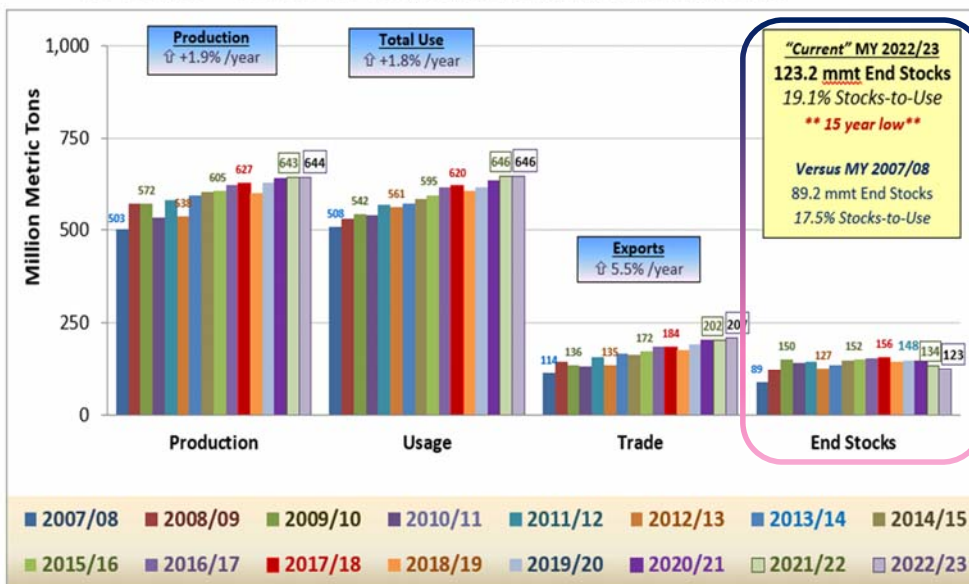
## World Wheat Usage & Ending Stocks: MY 2007/08 - "Current" 2022/23

as of the October 12, 2022 USDA WASDE Report



## "World Less-China" Wheat Usage & Ending Stocks:

MY 2007/08 - "Current" MY 2022/23, as of the October 12, 2022 USDA WASDE Report



# China Wheat Supply-Demand Trends:

MY 2013/14 – “Current” MY 2022/23 as of the October 12, 2022 USDA WASDE report



## World vs “World Less-China” End Stocks & % Stocks-to-Use

MY 2007/08 through “New” MY 2022/23 as of the October 12, 2022 USDA WASDE report



## Canada Wheat Supply-Demand Trends

MY 2013/14 – "Current" MY 2022/23 as of the October 12, 2022 USDA WASDE report



## Argentina Wheat S-D Trends

MY 2013/14 – "Current" MY 2022/23 as of the October 12, 2022 USDA WASDE report



## Australia Wheat Supply-Demand Trends

MY 2013/14 – "Current" MY 2022/23 as of the October 12, 2022 USDA WASDE report



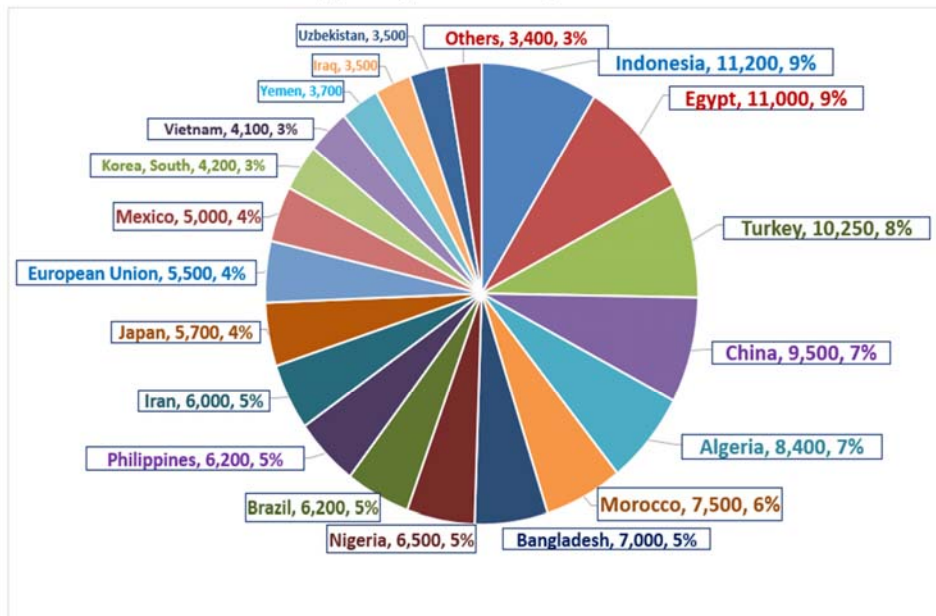
## European Union Wheat S-D Trends

MY 2013/14 – "Current" MY 2022/23 as of the October 12, 2022 USDA WASDE report



## Top World Wheat Importing Countries – “Current” MY 2022/23

Source: USDA FAS PSD-Online, (1,000 mt); as of October 12, 2022



51

## Ukraine Wheat S-D Trends: MY 2013/14 – “Current” MY

2022/23 as of the October 12, 2022 USDA WASDE report



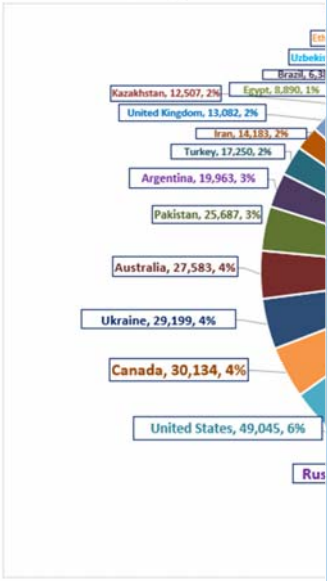
## Russia Wheat Supply-Demand Trends:

MY 2013/14 – “Current” MY 2022/23 as of the October 12, 2022 USDA WASDE report



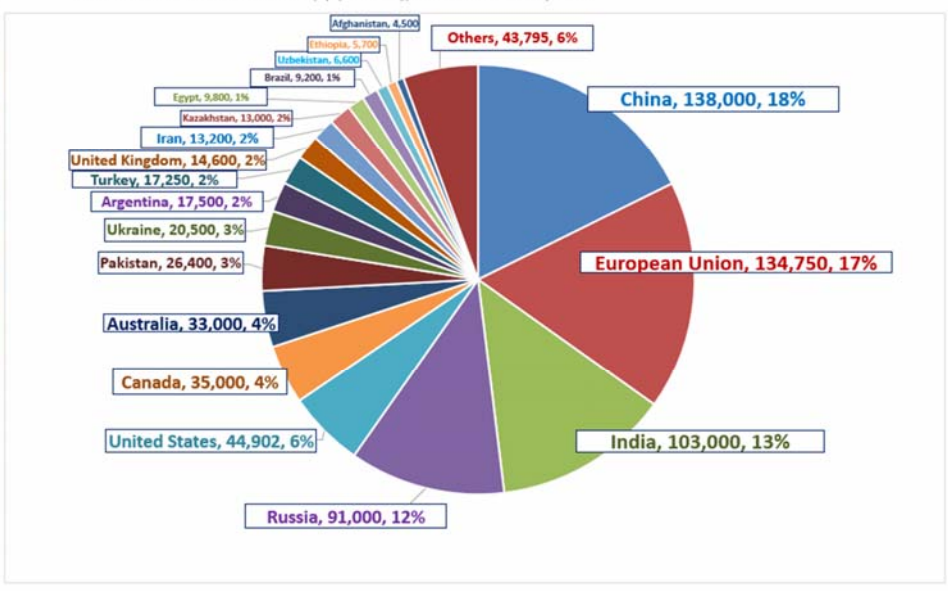
52

**Top World Wheat Producing Countries – 3 Year Avg. (MY 2019/20 - 2021/22)** Source: USDA FAS PSD-Online, (1,000 mt); as of October 12, 2022



**Top Wheat Producing Countries – “Current” MY 2022/23**

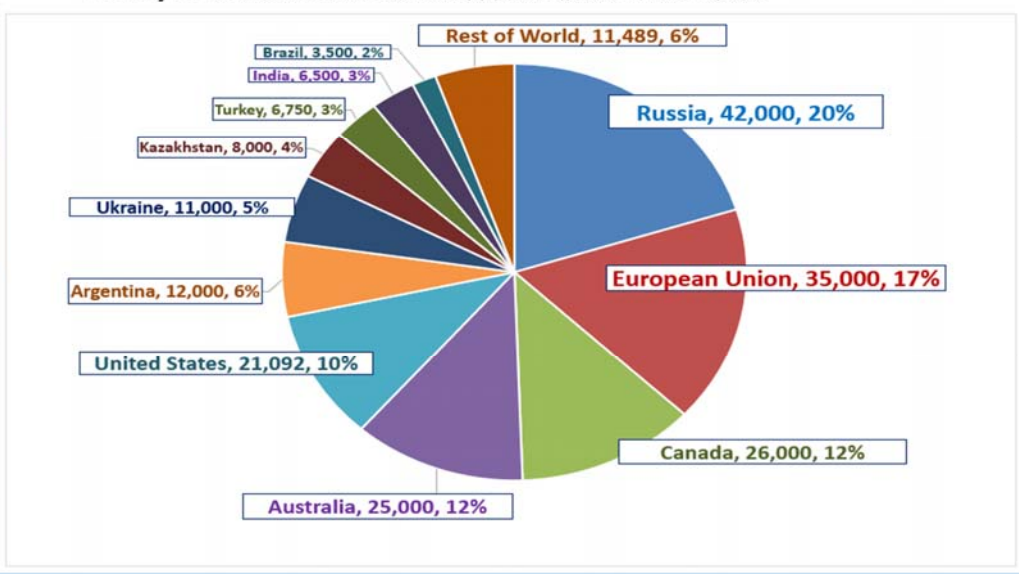
Source: USDA FAS PSD-Online, (1,000 mt); as of October 12, 2022



**Top World Wheat Exporting Countries – 3 Year Avg. MY 2019/20 - 2021/22** Source: USDA FAS PSD-Online, (1,000 mt); October 12, 2022

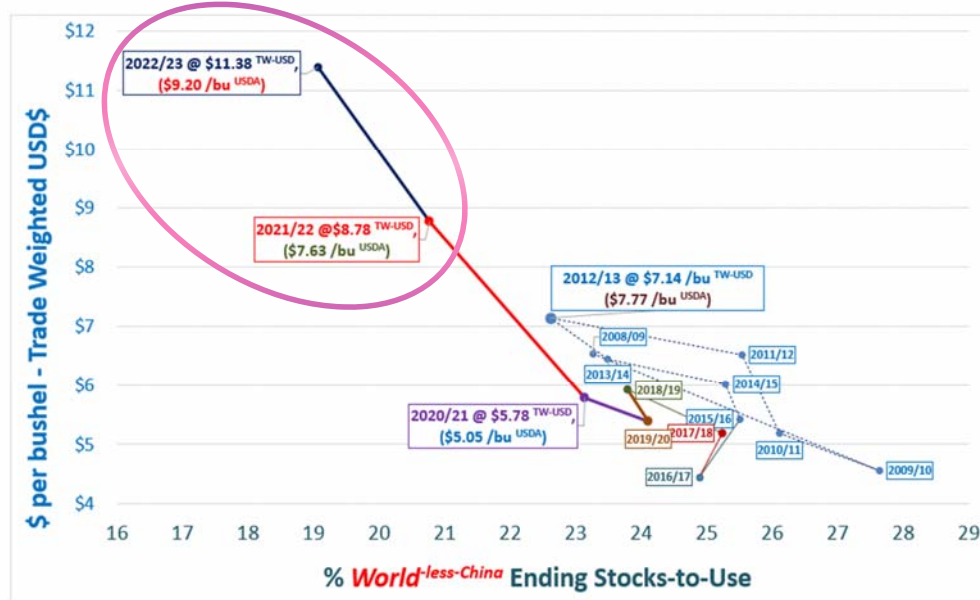


**Top World Wheat Exporting Countries – “Current” MY 2022/23** Source: USDA FAS PSD-Online, (1,000 mt); as of October 12, 2022



# U.S. Wheat \$ Trade-Wtd. USD\$ Adj vs "World Less-China" % Stocks-to-Use:

MY 2008/09 through "Current" MY 2022/23 as of the October 12, 2021 USDA WASDE report



## Questions?

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