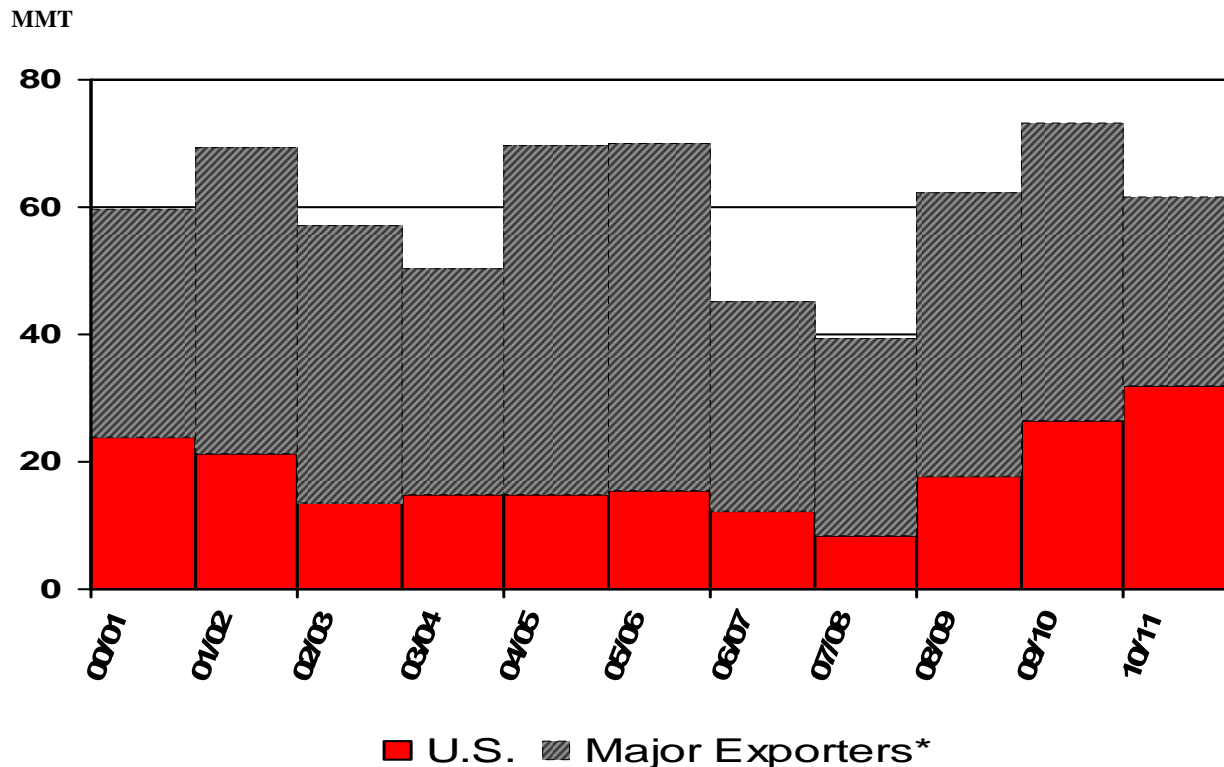




Grain: World Markets and Trade

Exporter Wheat Ending Stocks Shrink



*Includes Argentina, Australia, Canada, EU-27, Kazakhstan, Russia, and Ukraine

Exporter stocks of wheat are now forecast to drop year-to-year by 12 MMT (16%), whereas, just a few months ago, these stocks were forecast to expand modestly. Deteriorating crop prospects in several major exporting countries, particularly Canada, Kazakhstan, and Russia, along with strong global import demand, have contributed to that reversal. Tightening supplies are already causing prices in the United States and the EU to rise. However, the drawdown of exporter stocks is expected to partially mitigate the current production shortfall.

The United States is the exception, with expansion currently forecast in production, exports and ending stocks. As supplies for high protein wheat shrink in other exporting countries, the United States is well positioned to take advantage of any further tightening of supplies and/or stronger global import demand.

With planting just getting underway, the Southern Hemisphere producers, Australia and Argentina, are the wildcards in the supply picture since they typically hold relatively little stocks.

