World wheat exports raised to record-high 194 million metric tons

World Production increases for key exporting nations Australia, Russia, and Canada lift the 2020/21 total wheat harvest

The 2020/21 world total campaign supplies are estimated at 1,074.3 million Mt.

The new record supplies exceed the previous record, set in 2019/20 and continue a multi-year trend of increased wheat availability which in turn fuels trade growth.

Expanded availability and strong import demand helps to lift world consumption and contributes to a more than 2.8-million-ton increase in global exports.

US all wheat production expected to reach the 49.7 Mio Mt in 2020-21 with a forecasted export of 26.8 Mio Mt and a total import expected at 3.3 Mio Mt.

The end year stock 2021 estimated at 26.8 Mio Mt (28 Mio Mt end of 2020).

HRS exports in 2019-20 were up from last year at 268 million bushels.

In particular, export demand remained relatively strong in Asian markets, where a drought shortened Australian crop (third consecutive) and expansion of consumption and flour milling capacity in key markets such as the Philippines provided additional sales opportunities.

Sales to the Philippines, our largest market, been exceptionally strong the last two years at 64 million bushels.

Foreign demand for U.S. durum increased dramatically in the EU, primarily Italy.

Sales to the top importer reached nearly 24 million bushels, accounting for over 70 percent of total sales.

The increase was propelled by domestic production issues in Italy as well as production problems in competing countries.

Demand was fairly stable in the African/Mid East region with Algeria and Tunisia accounting for the bulk of sales. Sales were down slightly in the Latin American region.

After consecutive years of drought led to minimum harvests, much improved soil moisture levels helped Australia's wheat production to rebound significantly in 2020/21.
The current marketing year’s output is more than twice that of the 2019/20 harvest.

This month, **Australia’s wheat crop is raised 1.5 million tons to 30 million**, based in part on the latest Australian Bureau of Agriculture production forecast

**Russia’s spring wheat** harvest complete (winter wheat concluded in mid-summer) an improved picture of the size of combined production is clearer.

Recently released official data— which does not differentiate between spring and winter crops and excludes Crimea—indicates that better-than-expected wheat yields were realized towards the end of the harvest period, helping to **lift the all-wheat production forecast by 0.5 million tons to 84 million**.

While not record-high, the 2020/21 Russia wheat harvest is second only in size to the record 2017/18 harvest that was nearly 85.2 million tons.

For the current marketing year, and on greater exportable supplies, the Russian export forecast is advanced 0.5 million tons this month to 40 million as per US Ag reports.

**Russian Wheat exports in 2020/21**, according to Soviet Ag estimates, may reach 36.7Mt (33.4Mt in 2019/20)

Russia is projected to remain the top wheat-exporting nation in the current marketing year, exceeding the second-largest exporter, the United States, by more than 13 million tons.

**The Russian State Statistics Service** has published the data on next campaign grain plantings in Russia as follows:

- Wheat 29.421 Mio ha
- Barley 8.531 Mio ha
- Corn 2.872 Mio ha

The final data will be lower because the Russian State Statistics Service does not take into account areas written off in spring and summer before the end of the harvest.

**Canada** released its most recent estimate of 2020/21 wheat production in early December, updating the previous forecast released in September.

After the publication of the December farmer survey-based estimate of the wheat harvest, production is raised a scant 0.2 million tons from US Ag’s November forecast bringing the **2020/21 total to 35.2 million**—the second highest Canadian wheat crop on record and an increase of nearly 8 percent from the year prior.

---

*Supported by GAO TRADE Commodities SAS – as official Grain Consultants & Brokers*
Yields for spring wheat, the primary variety grown in Canada, are reported to be record large at an average of 53.6 bushels per acre.

For 2020/2021, Mexico’s wheat production estimate is revised downward at 3.0 Mio Mt as a result of both smaller harvested area and a government price support program that incentivized a shift in planting of lower-yielding bread wheat rather than the more traditional durum-type wheat.

Private industry sources noted there has been a strong shift from the average of 1.2 MMT of durum wheat produced in south of Sonora and Sinaloa to now produce approximately 800,000 MT of Durum Wheat and 700,000 MT of bread wheat during the 2019/2020 fall/winter crop cycle.

Before the Guarantee Price program, the average production of bread wheat was between 300,000-350,000 MT.

Mexico wheat export (mainly Durum wheat) estimate for 2020/21 has been decreased to 700,000 MT from the official estimate, because of the lower estimated domestic production.

EUROPE 27 +UK

In its first forecast for the 2021 crop, Experts Ag sees the total grain crop in the EU-27+UK at 307.4 Mio Mt. This would be up significantly from the 295.7 Mio MT harvested in 2020.

Wheat production (excluding durum) is expected to recover from 127.9 mln t to 143.0 mln t especially driven by higher expected plantings and yields in France, Germany, the UK, and the Balkan countries where adverse weather had affected the last crop.

Turkey total wheat production for 2020/21 expected at 19.0Mt versus (Turkish Statistics) forecast of 20.5Mt.

Milling wheat production will go down from 15.85Mt to 15.5Mt and durum wheat production increases from 3.15Mt to 3.5Mt, leaving the total at the same level as last season.

Turkish milling wheat imports being slightly lower than 2019/20 (8.85Mt).

Durum wheat imports are estimated to be between 0.5Mt and 1.0Mt.

The pandemic has reduced direct and indirect flour demand by restaurants, tourism etc.
The estimate for this season is a reduction of between 0.5Mt and 1.5Mt of wheat equivalent.

The Moroccan Ministry of Agriculture forecasts a drop of 42% compared to the previous campaign which was already well below the 5-year average.

Morocco national production is estimated at 1.65 Mio t of milling wheat, **0.75 Mio t durum** and 0.58Mt barley.

Let us recall that Morocco, like all North African countries, is one of the largest wheat consumers in the world, with nearly 160kg consumed per capita per year.

To meet domestic demand, the industrial milling sector will need, for 2020/21, a minimum of 5Mt of milling wheat.

In the 2020 campaign Morocco bought 3.65 Mio t of milling wheat, 1.03 Mio t of durum, 3.05 Mio t of maize and 1.03 Mio t of barley (historical records for the last three). France distinguished itself, being the leader on milling wheat (49% of market share) and barley (68%).

Tunisia’s Ministry of Agriculture confirmed the low 2020 production, due to bad weather conditions like Algeria and Morocco.

A Minimum of 0.09 Mio t of milling wheat, 0.97 Mio t of durum and 0.49 Mio t of barley are expected. Imports should therefore rise during 2020/21 to compensate for this lower production.

Experts forecast is around: **1.20 Mio t of milling wheat and 0.63 Mio t of durum** for next campaign.

Algeria ministry expects a drop in production of around 20% (3.4Mt of durum, 0.3Mt of milling wheat, 1.2Mt of barley). The country’s needs are therefore very important and we expect an increase in imports of durum wheat and barley.

Maghreb is an important milling wheat and durum consumer, and one of the main importers in the world. The next campaign is expected to be unprecedented because of the current health crisis and the drought that North Africa is going through.

Expert Ag forecast that the region should import, at least, **11.7Mt of milling wheat and 2.7Mt of durum in 2020/21.**
### Durum wheat World Balance (millions of tons)

<table>
<thead>
<tr>
<th></th>
<th>2018/19</th>
<th>2019/2020</th>
<th>2020/2021 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCTION</td>
<td>37.0</td>
<td>33.6</td>
<td>34.3</td>
</tr>
<tr>
<td>INITIAL STOCKS</td>
<td>9.6</td>
<td>10.0</td>
<td>8.8</td>
</tr>
<tr>
<td>TRADE</td>
<td>7.8</td>
<td>9.6</td>
<td>9.3</td>
</tr>
</tbody>
</table>

The decline in **Italian durum wheat** production last season, should also be confirmed in 2020/2021 against a recovery in the world output level.

However, Italy confirms itself as a transforming country, as a producer but also an importer of raw materials, failing to cover the needs of the industry with domestic output.

**WORLD wheat consumption** was lifted by 5 million tons to 758 million MT in 2020/2021 on higher feed and residual, use principally on an increase for China.

Total Exports for Australia, Canada, Russia, and the United States combine to lift global trade an additional 2.9 million tons.

Month-to-month increases in production help to expand exportable supplies whereas on the demand side, increased imports for China and Pakistan help to pull production into global trade markets.
TRADING

**World wheat exports raised to record-high 194 million metric tons for 2020-21**

China’s demand for high-quality imported wheat is particularly notable.

This month the total **China’s 2020/21 wheat import forecast is raised 0.5 million tons to 8.5 million**, up from 5.38 million the prior year and the highest since 1995/96 when 12.5 million tons were imported.

While some of the recent demand increase is attributable to the implementation of the Phase One trade agreement with China, demand has also been stimulated by a smaller-than-expected and relatively lower-quality of the 2020/21 domestic wheat harvest.

China’s rising demand for imported wheat and the current pace of purchases from Canada, are significant factors in this month’s 1 million ton increase in Canada wheat exports.

Imports for Pakistan are raised 0.5 million tons on government efforts to replenish grain stocks and to temper escalating food price inflation.

**Turkey continues to demand wheat imports**, pushing the **2020/21 forecast to 8 million tons** but below the 2019/20 record.

**World ending stocks 2020-21 are lowered 3.9 million tons this month to 316.5 million MT** as increased use more than offsets supply gains.

Recent auction activity notwithstanding, China is estimated to hold the majority (51 percent) of global wheat stocks against only a 30 percent of the world stocks in 2010.