

2019 US Wheat Outlook

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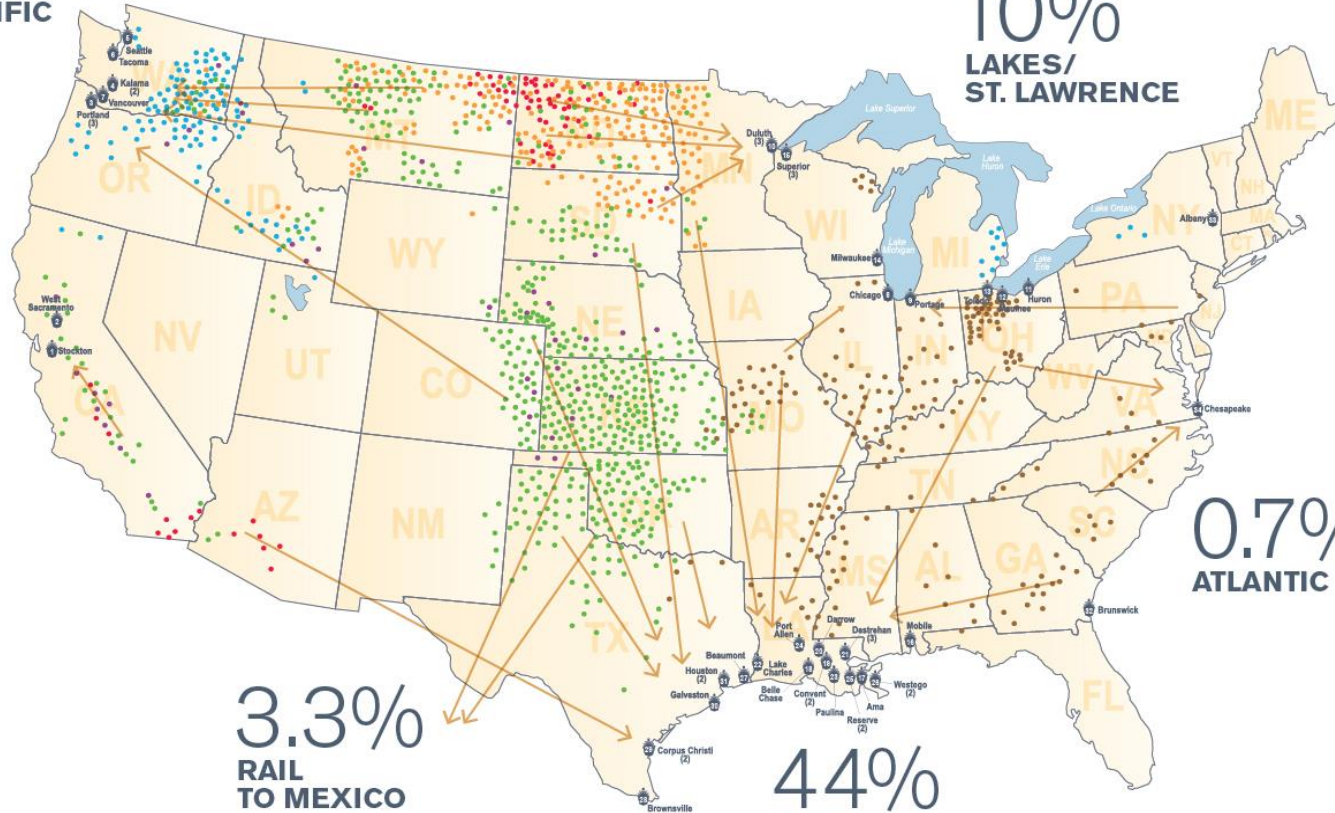


The world's most reliable choice.

Six Classes; PNW, Gulf, Lakes, Atlantic

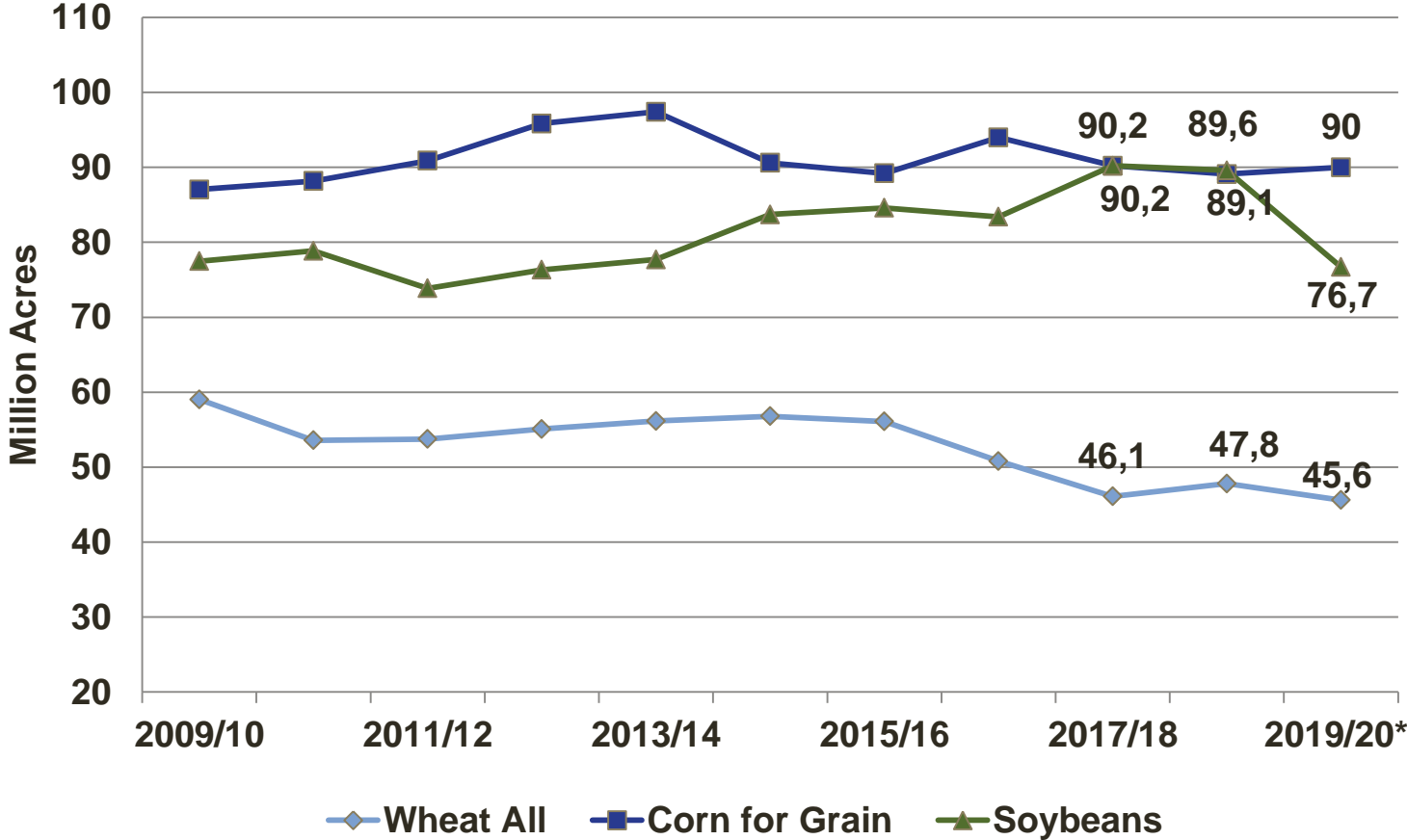
42%
PACIFIC

10%
LAKES/
ST. LAWRENCE

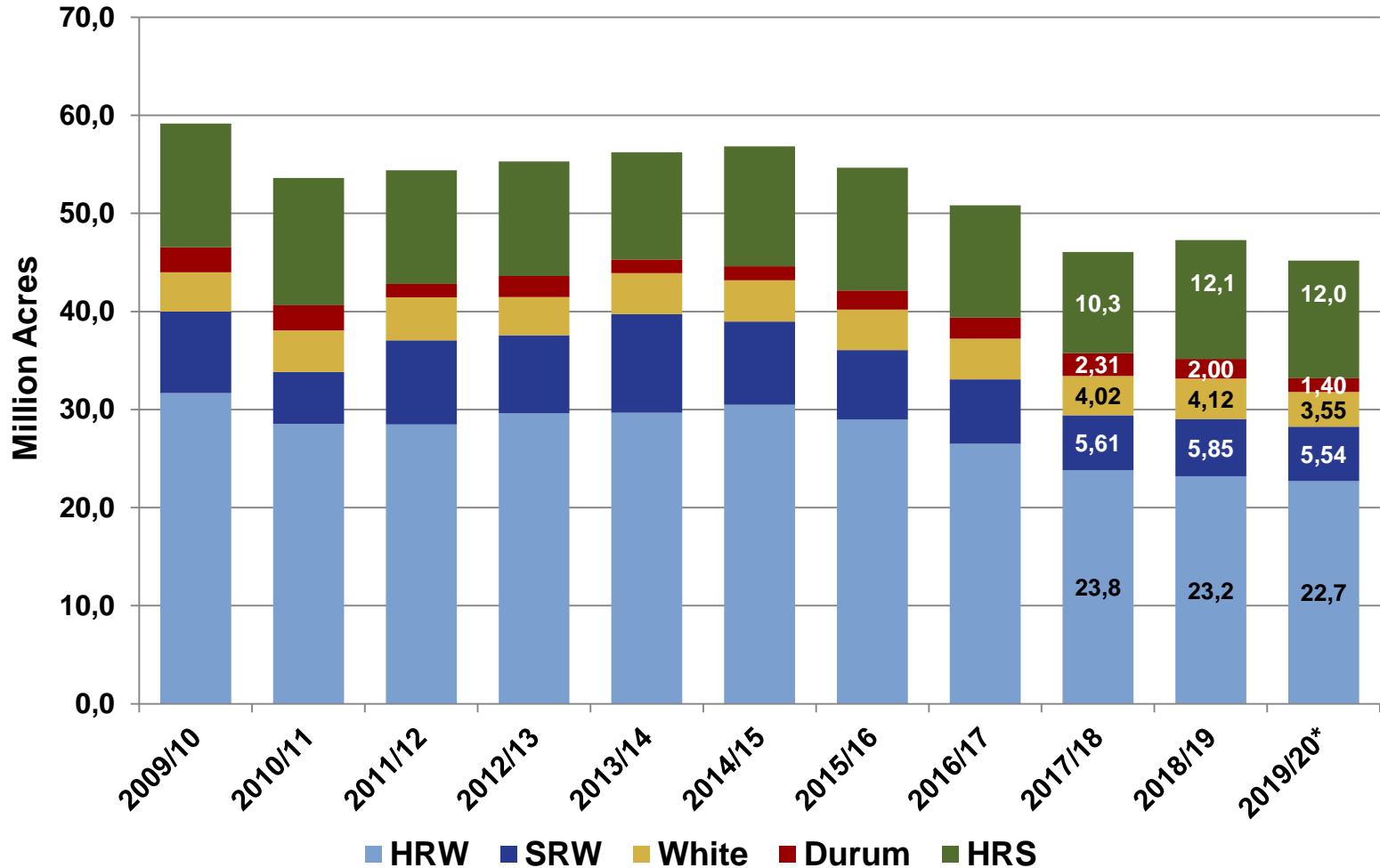


- HARD RED WINTER
- HARD RED SPRING
- SOFT RED WINTER
- SOFT WHITE
- HARD WHITE
- DURUM

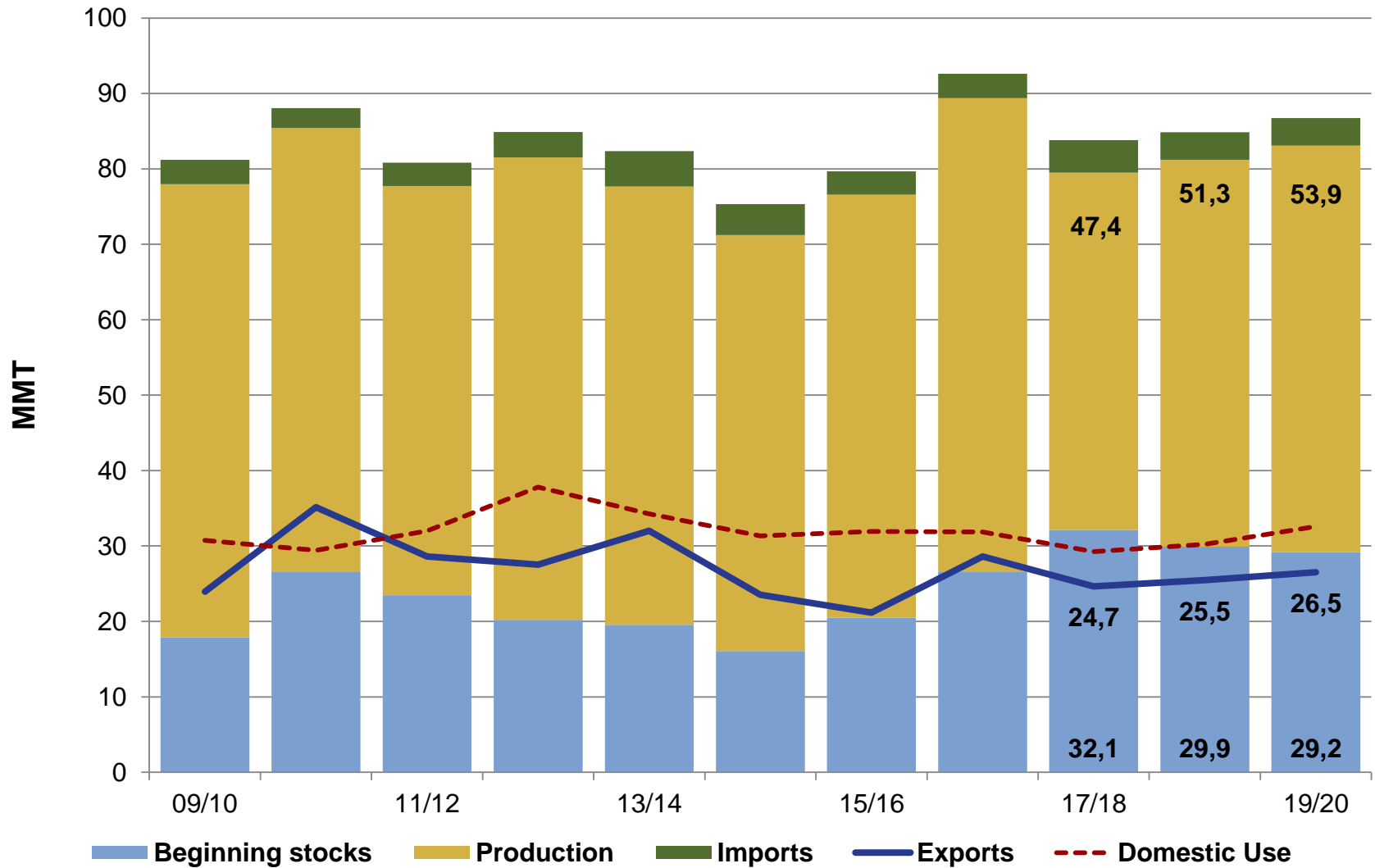
U.S. Crop Planted Area Comparison



U.S. Wheat Plantings by Class



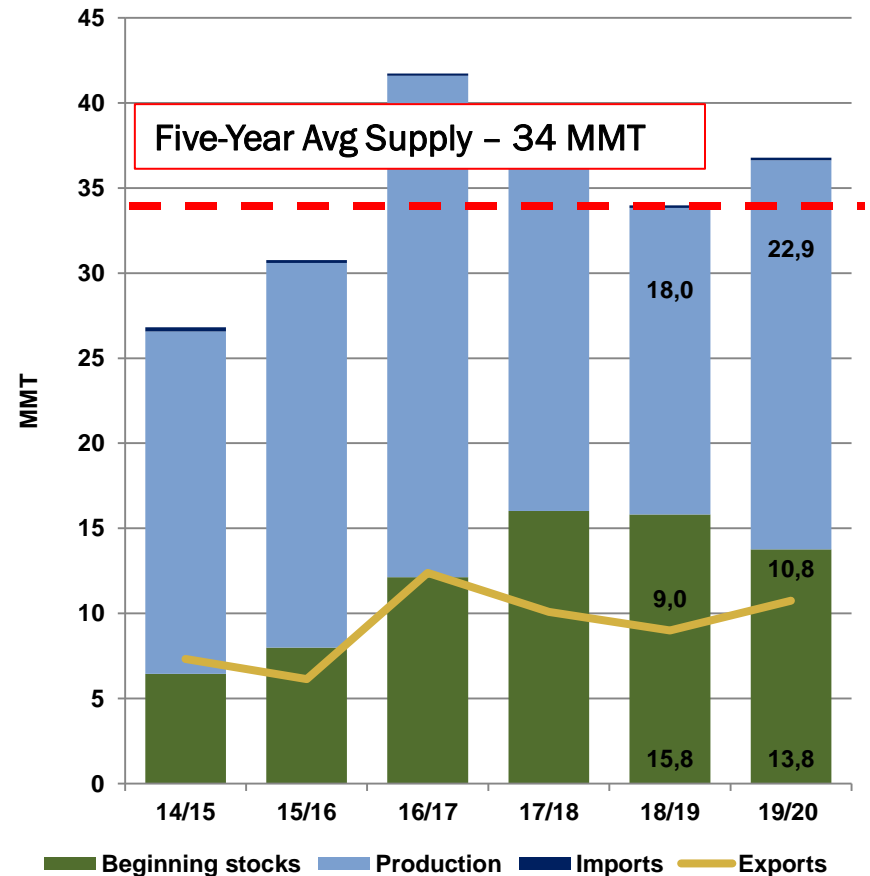
U.S. Situation



U.S. Hard Red Winter

- Production
 - 22.9 MMT
- Crop Development
 - Variable conditions in growing area; excess moisture in some areas and drought in others
 - Harvest prolonged by storms and rains

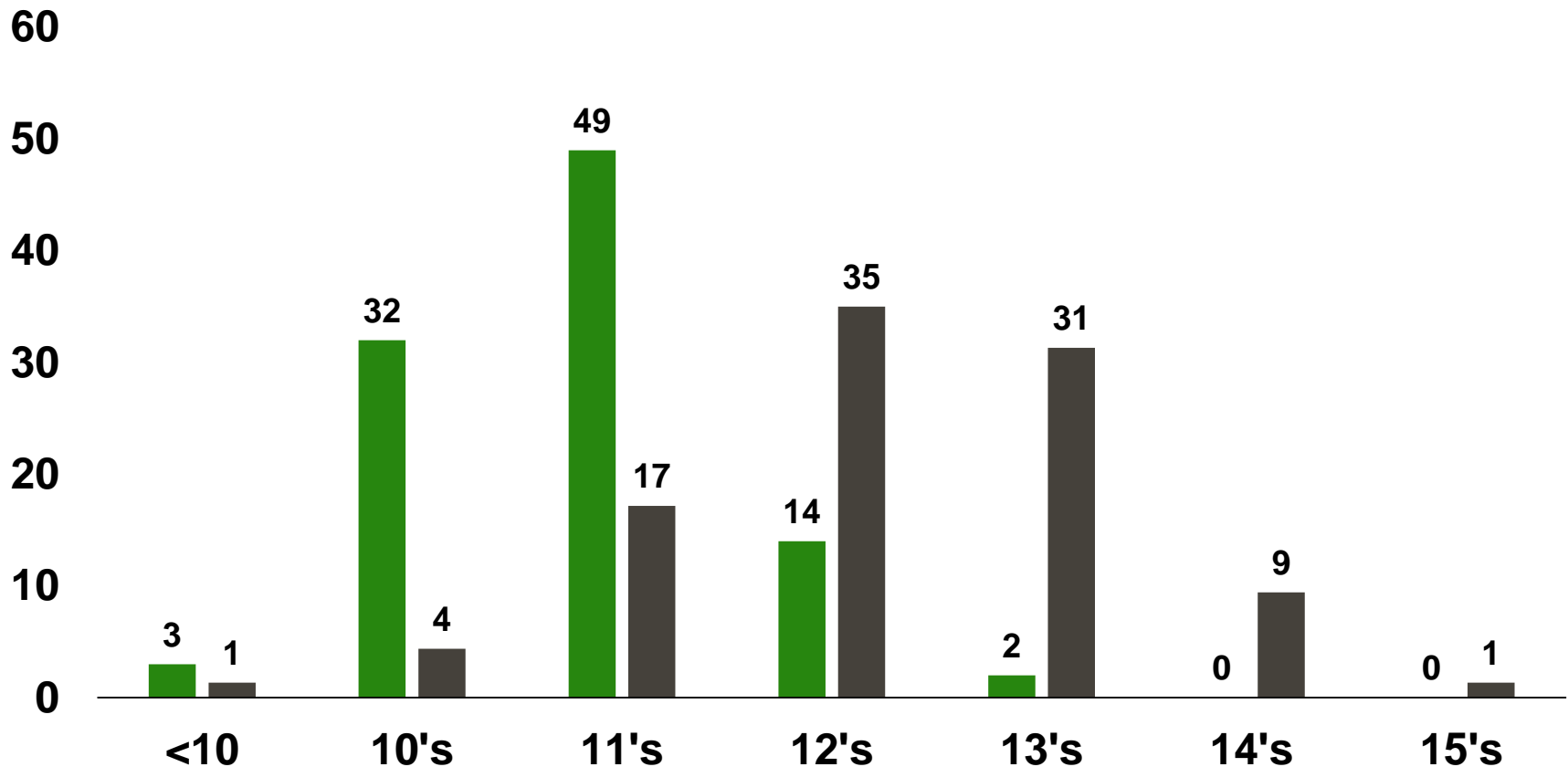
Quality	2019 vs. 5-Yr Avg.	
Protein (db)	12.8	14.5
TW (Kg/HL)	80.0	79.0
W-Value	211	227
Loaf Volume	858	859



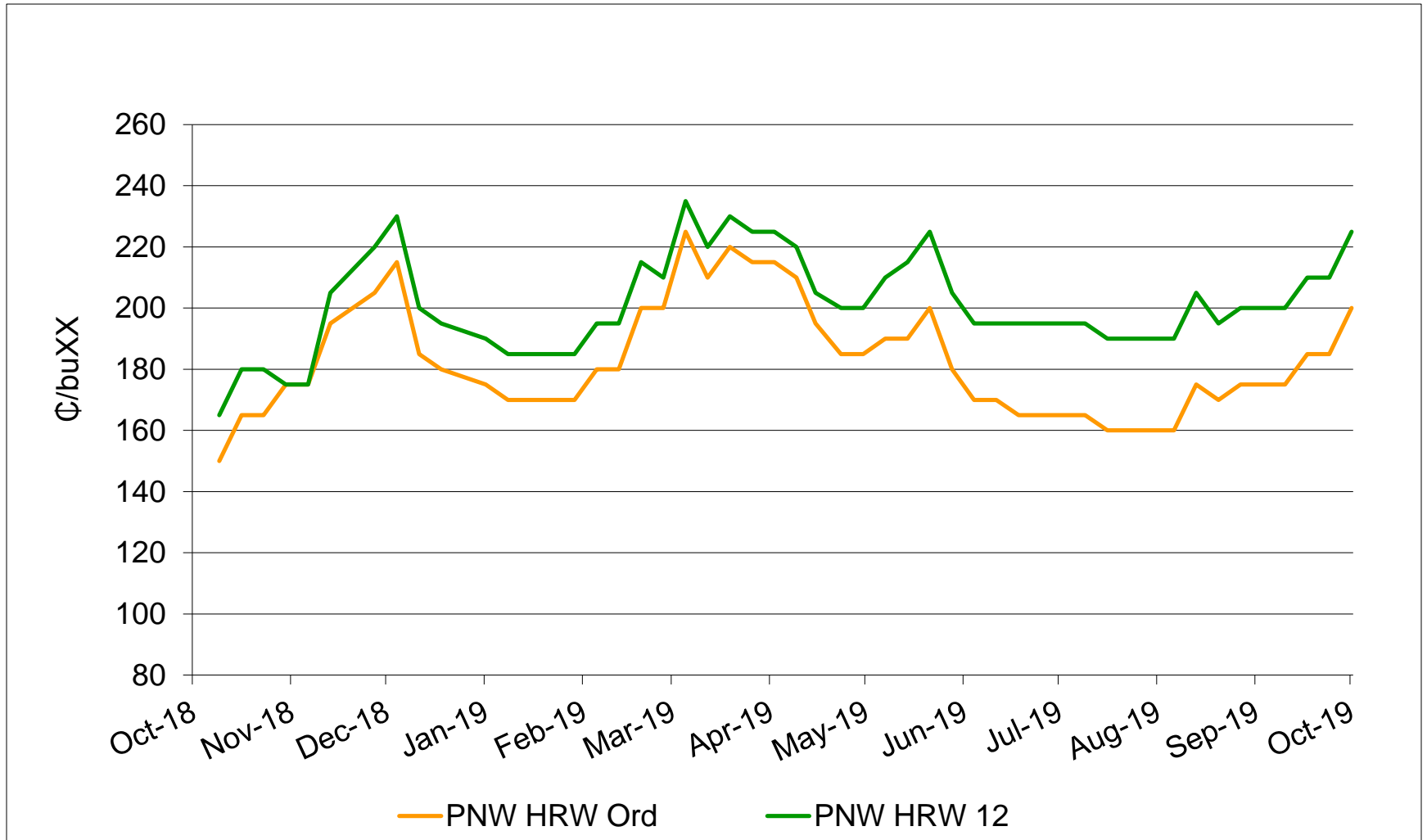
U.S. HRW Protein Distribution

■ 2019 Average 11.2% (12% mb)

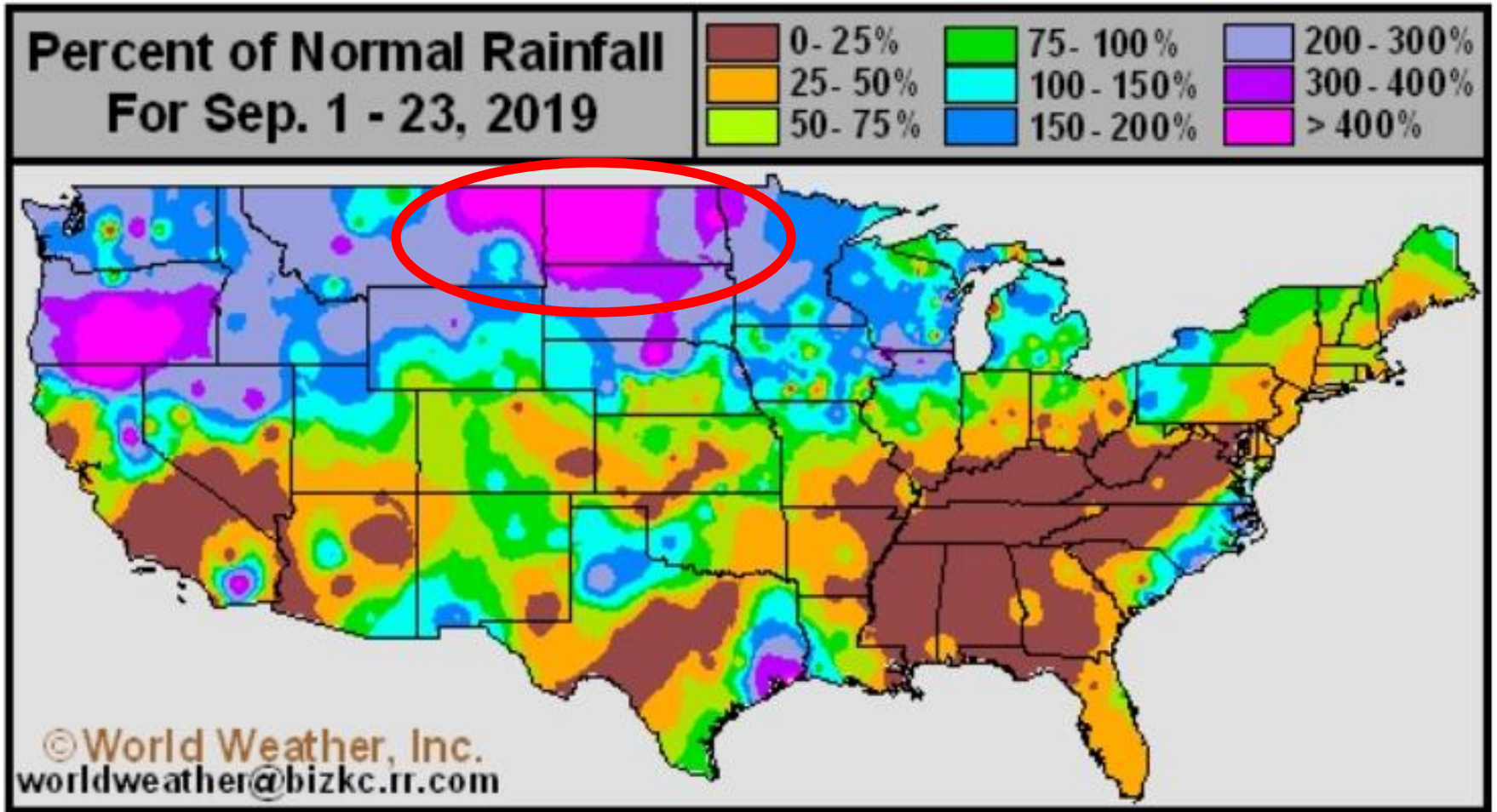
■ 2018 Average 12.7% (12% mb)



HRW Protein Premiums - PNW



HRS and Durum Excess Rainfall

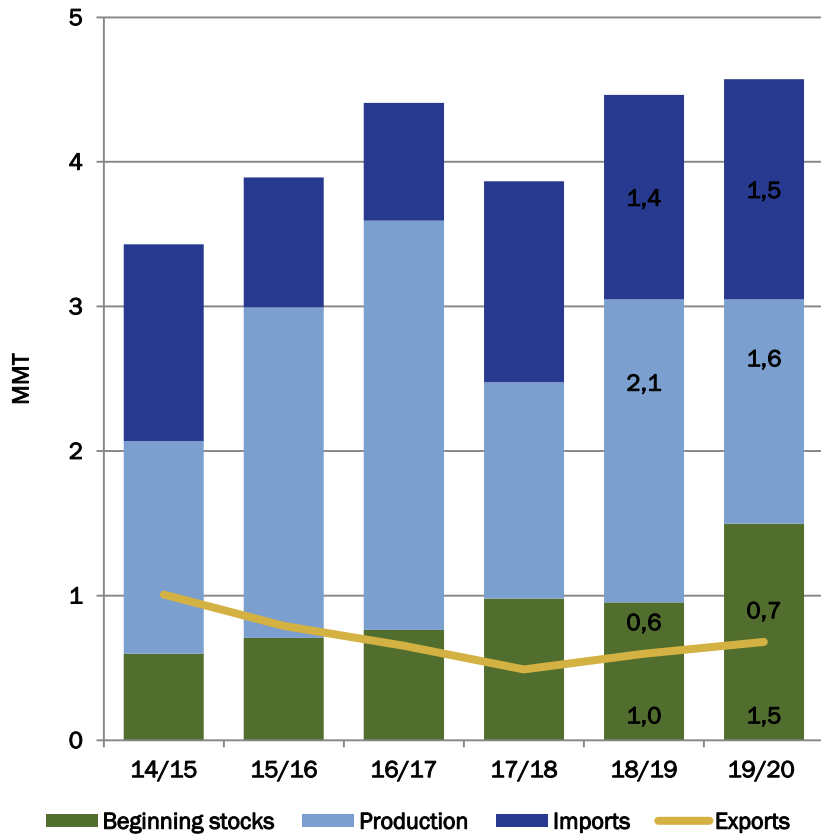


HRS and Durum – Excess moisture delays harvest

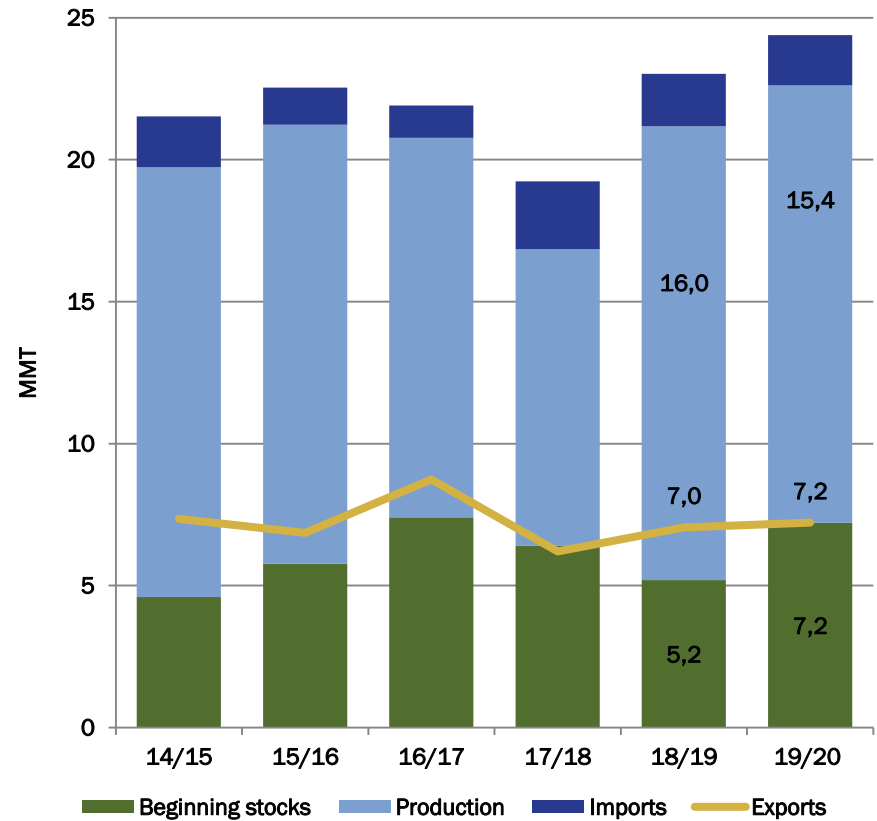
- Cool August slowed crop development for both HRS and durum
- Extremely wet September delayed harvest and created pockets of lower quality
 - Only 70% of HRS harvested
 - Only 50% of durum harvested
- Due to delayed harvest, USW quality assessment is incomplete
 - Expect lower FN, lower DHV and greater risk of DON
 - Some unharvested durum will enter domestic feed supply
 - Expect reduced production estimates for both durum and HRS.

U.S. Hard Red Spring and Durum

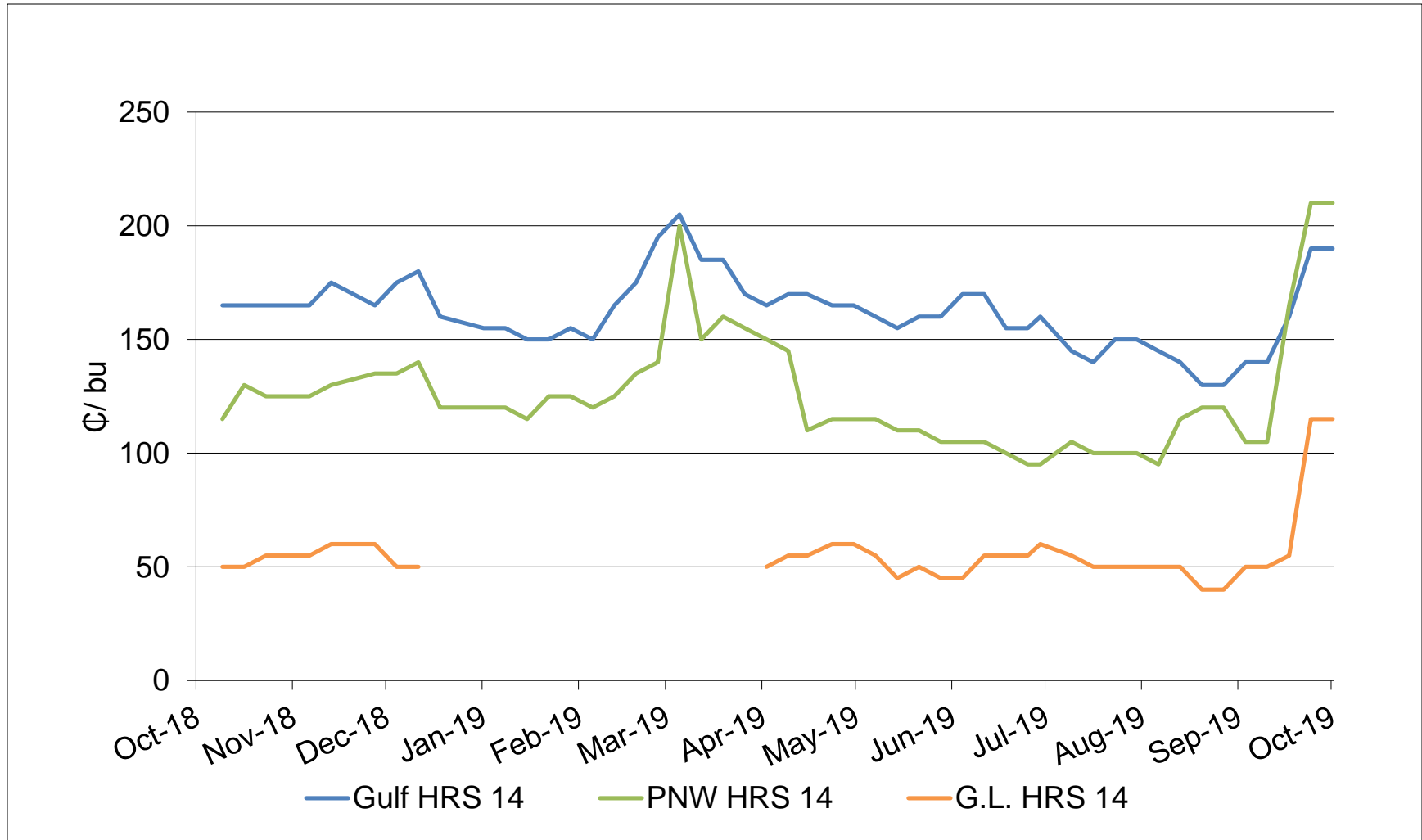
Durum



Hard Red Spring

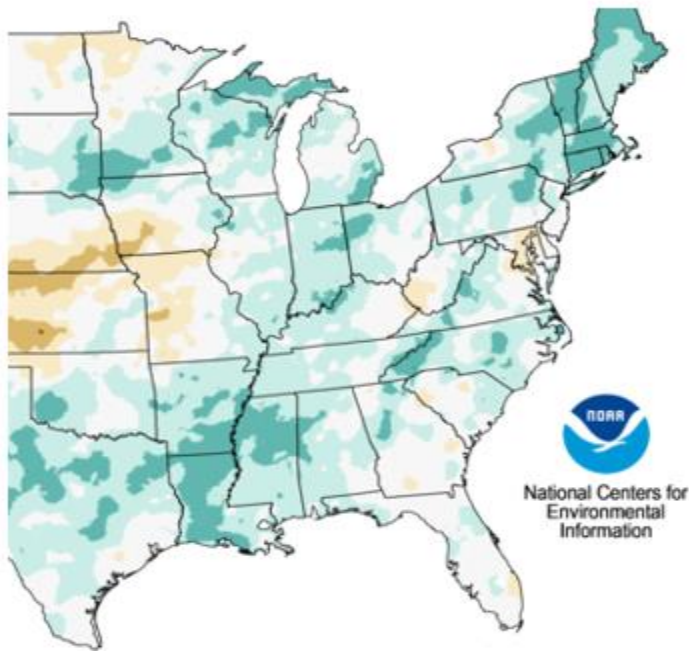


HRS Export Basis for Nearby Delivery

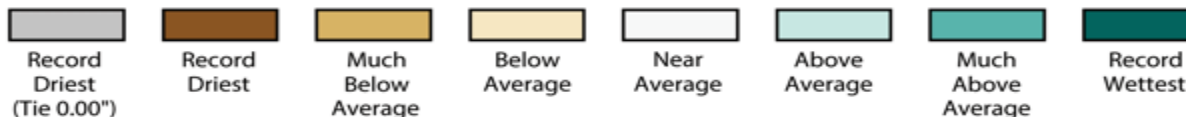
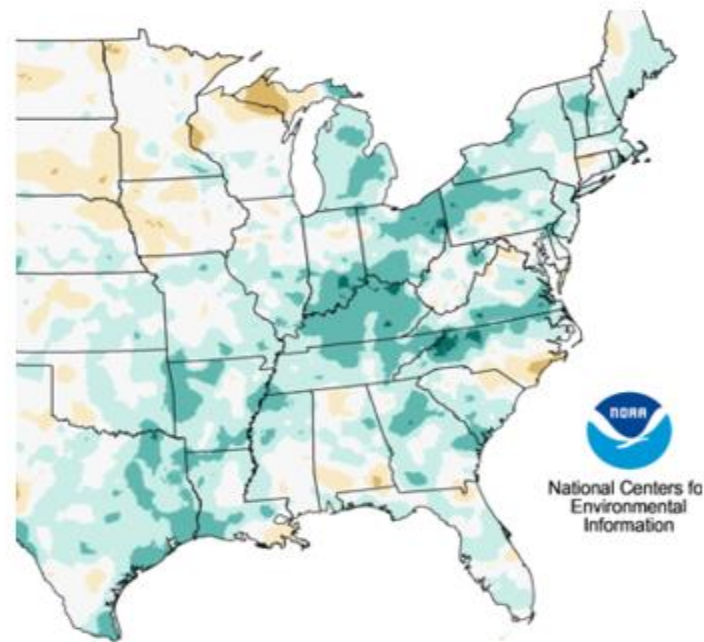


SRW – Excess moisture during harvest

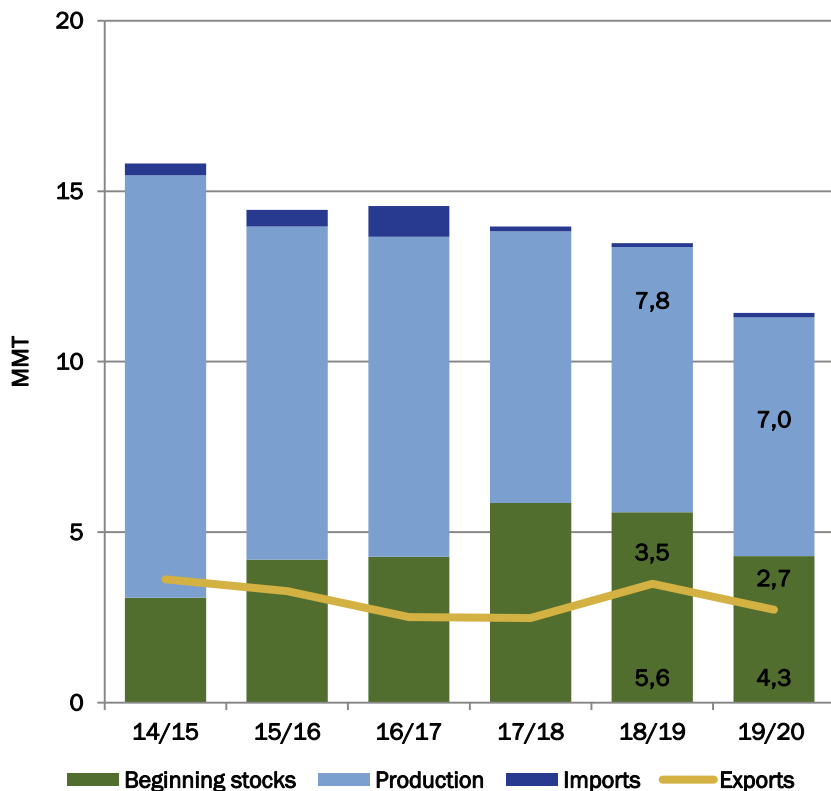
Growing (April)



Harvesting (June)



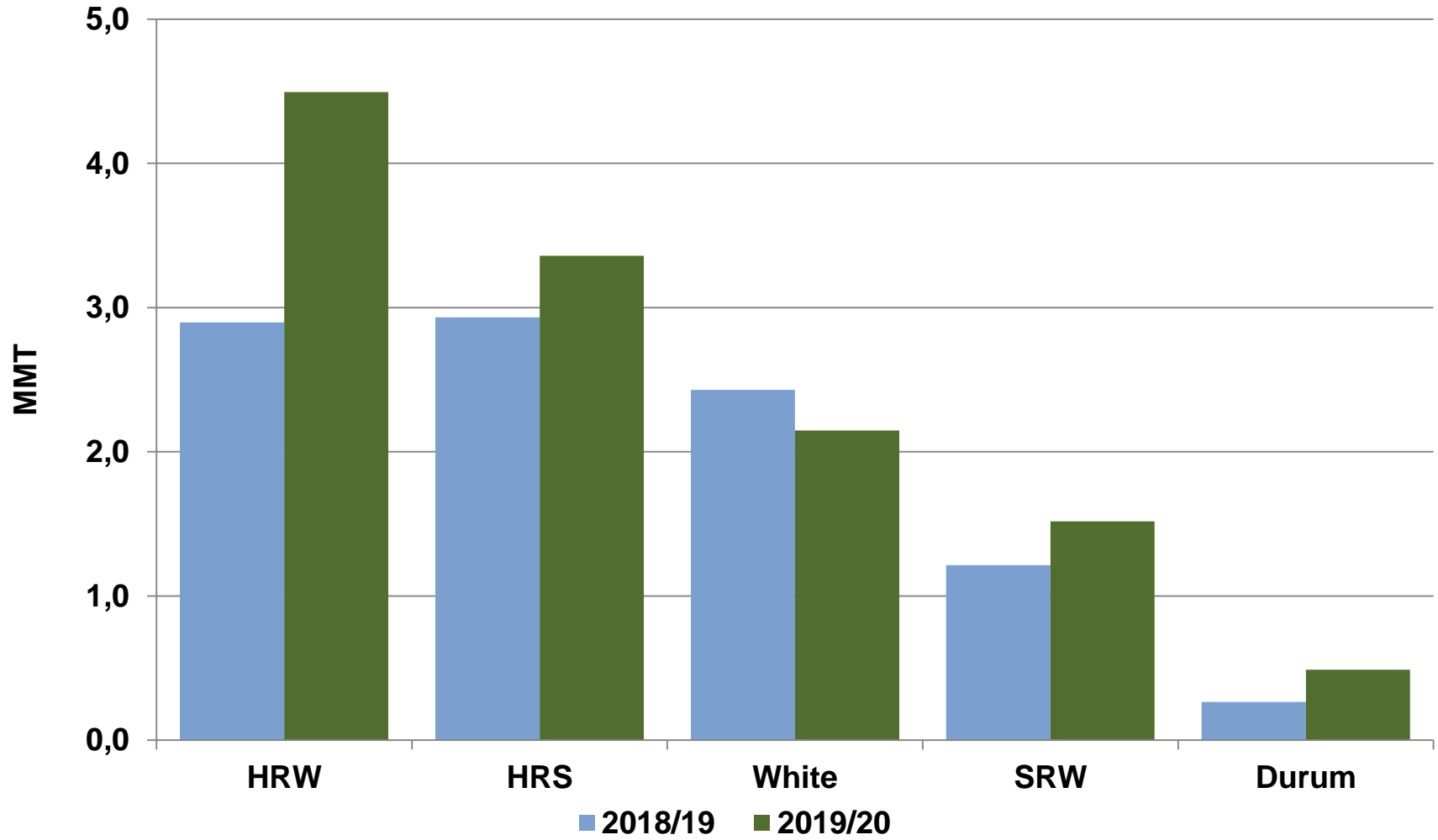
U.S. Soft Red Winter



Quality Factor	2019	5-Year
Test Weight (kg/hl)	76.5	76.9
Total Defects	1.4	2.0
Protein (Dry Basis)	10.8	11.0
Moisture	13.7	12.9
SRC - Lactic Acid	111	112
Cookie Diameter	9.0	9.2

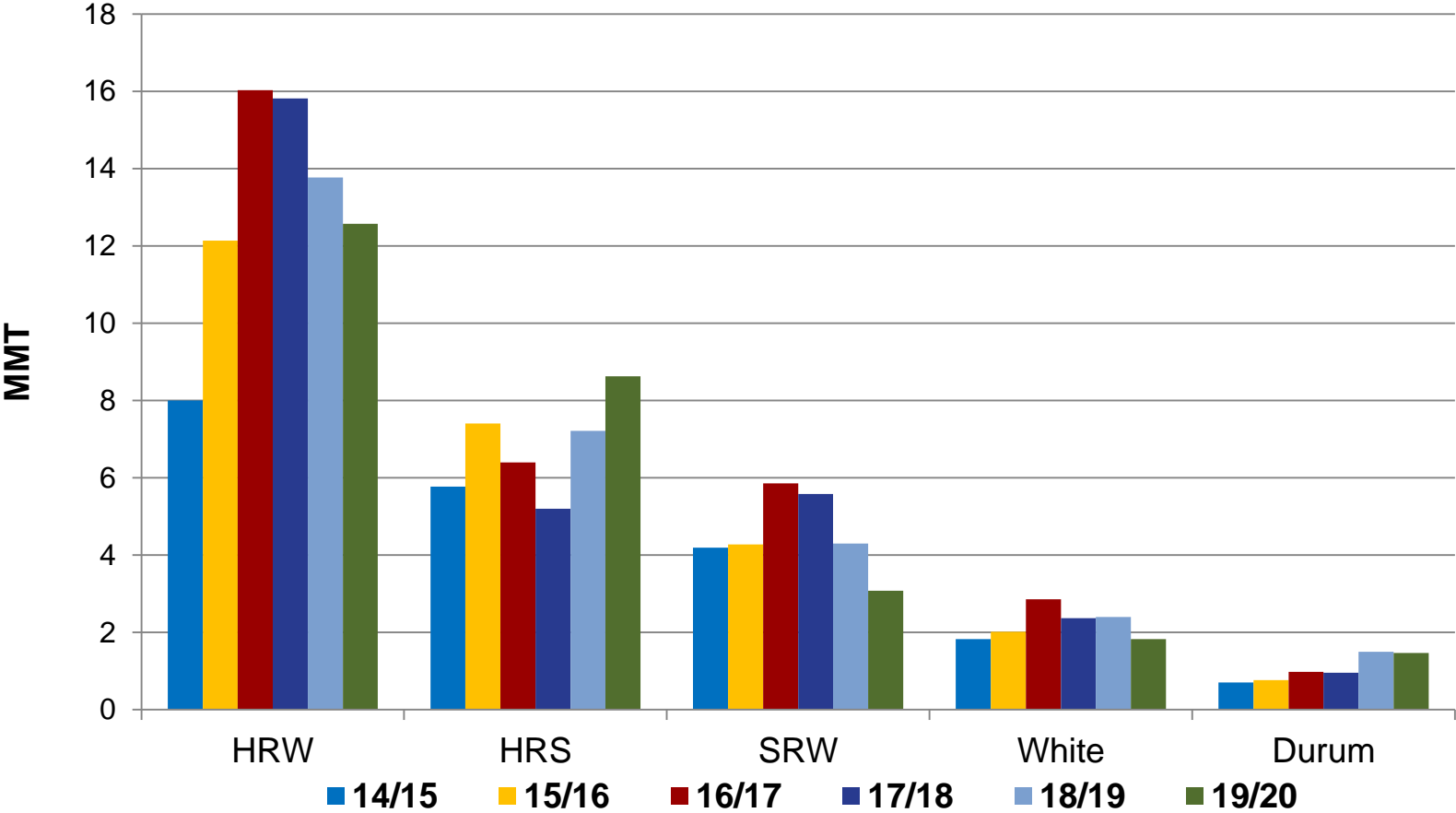
U.S. Wheat Sales by Class

(year-to-date)



Source: USDA FAS export sales report September 8, 2019.

U.S. Wheat Ending Stocks by Class



Conclusion

- US Wheat Planted area down
 - U.S. HRW and SRW planted area continues to decline
- US production down slightly from five-year average
 - Current production of 47.3 MMT 20 percent below 10-year average
- Mixed harvest quality
 - Excess moisture reduced quality of SRW
 - Delayed HRS and durum harvest damaged 10-15 percent of crop. Early harvested crop is high quality.
 - HRW shows lower protein, but generally excellent quality
- Large carryover from 18/19 will balance out uneven quality for HRS and durum.



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