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Wheat Outlook

Gary Vocke and Edward Allen

Production Nearly Unchanged From Last Month

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The next release is Nov. 14, 2006

Approved by the World Agricultural Outlook Board.

Projected U.S. 2006/07 ending stocks are lowered 11 million bushels from last month despite higher production and carryin reported in the *Small Grains Summary* and the *Grain Stocks* reports released September 29, 2006. Supplies increase 14 million bushels based on an 11-million-bushel increase in 2006 production and a 3-million-bushel increase in 2005/06 ending stocks. Exports are increased 25 million bushels this month reflecting tighter world supplies. Soft red winter wheat exports are raised 20 million bushels and durum exports are raised 5 million bushels. The projected price range is raised 15 cents on both ends of the range to $4.10 to $4.60 per bushel, reflecting higher domestic and world prices resulting from reduced global production and supplies.

A sharp reduction in Australia's 2006/07 wheat production prospects due to drought and smaller downward revisions to several already-harvested crops dropped world wheat production 11 million tons this month to 585 million. Though projected world wheat use was reduced, global ending stocks are down 7 million tons to 119 million, the lowest in 25 years.

Domestic Outlook

Production Up From Last Forecast, But Down Year-To-Year

National Agricultural Statistics Service's (NASS) September *Small Grains – 2006 Summary* reported all wheat production totals to 1,812 million bushels in 2006, up 1 percent from the last forecast but 14 percent below 2005.[1] Harvested area is 46.8 million acres, down 7 percent from last year. The U.S. yield is 38.7 bushels per acre, up 0.4 bushel from August but down 3.3 bushels from last year.

[1] By class acreage data are not published in NASS' *Small Grains* report, but provided to Economic Research Service for internal analysis and publications.

Winter Wheat. Winter wheat production for 2006 is estimated at 1,298 million bushels, up 1 percent from the August forecast but down 13 percent (201 million bushels) from last year. The U.S. yield is 41.7 bushels per acre, up 0.5 bushel from August but down 2.7 bushels from last year's final yield. Harvested area is estimated at 31.1 million acres, virtually unchanged from the last forecast but down 8 percent from the previous year.

Hard red winter (HRW) harvested acreage is down 13 percent (3.3 million acres) from last year, mostly due to drought conditions in the Great Plains States that persisted throughout much of the growing season. These conditions caused the crop's condition ratings to decline as it matured. Harvested acreage is down in all States in the region except Arizona. In Texas, wheat production is the lowest since 1971, while acres harvested for grain are the lowest since 1925. Oklahoma's production is the lowest since 1971, and acres harvested for grain are the lowest since 1955. Hot and dry weather during the summer months across much of the growing region accelerated the growth and maturation of the crop, but decreased its yield potential. Harvest of the crop started slightly ahead of normal and finished well ahead of the normal pace due to these weather conditions. Yields are down from the previous year in all HRW States except Iowa, Minnesota, North Dakota, and Arizona. Record-high yields are reported in Minnesota and Iowa due to ideal weather conditions during the growth and development of the crop. Overall, HRW production totals 682 million bushels, down 27 percent (248 million bushels) from last year.

Soft red winter (SRW) harvested acreage is up about 20 percent from last year due to ideal conditions during the fall that resulted in dramatically increased planted acreage from previous year, when excessively wet conditions prevented many acres from being seeded. Harvested area is at or above last year's level in all States in the growing region except for a band of Atlantic Coast States from Georgia to New Jersey. In Wisconsin, harvested acreage is at a record high level. The crop's yield potential was good throughout the growing season despite dry conditions across much of the growing area during the early spring months. Growing conditions were ideal during the late spring and summer months. Yields are at or above last year's level in all States in the growing region except Florida and Indiana. Yields were record high in the Delta States, Alabama, Tennessee, Kentucky, North Carolina, Illinois, West Virginia, Virginia, Maryland, Pennsylvania, New Jersey, Wisconsin, and Michigan. Overall, SRW production is 390 million bushels, up 26 percent (81 million bushels) from last year.

White winter production is 226 million bushels, down 13 percent (34 million) from last year. Yields in the Pacific Northwest States (Idaho, Oregon, and Washington) are at or below last year's level. In Idaho, yields are down from last year due to a lack of timely rains during the growing season. Crop development and harvest progress in Washington and Oregon were accelerated due to hot and dry weather during June and July. Yields in these States are down from last year mostly due to these weather conditions.

Other Spring Wheat. Production for 2006 is estimated at 460 million bushels, down 1 percent (44 million bushels) from the last forecast and down 9 percent from last year. Harvested area is 13.9 million acres, down 2 percent from August but up 2 percent (0.3 million acres) from 2005. The U.S. yield is 33.2 bushels per acre, 0.5 bushel above the August forecast but down 3.9 bushels from last year.

Hard red spring (HRS) harvested area is 13.4 million acres, up 0.5 million acres from 2006. HRS production is 432 million bushels, down 34 million from 2005. White spring harvest area is down 0.2 million acres year-to-year to 0.5 million acres. White spring production for 2006 is estimated at 28 million bushels, down 10 million from a year ago.

Total white wheat production for 2006 is estimated at 254 million bushels, down 44 million from last year. Of 2006 total white wheat production, 234 million bushels is soft wheat and 20 million bushels is hard wheat. Soft white and hard white wheat production are down year-to-year 33 million bushels and 10 million bushels, respectively.

Other spring wheat planting in the six major producing States started off behind normal, mostly due to excessive moisture during April. However, planting had progressed ahead of normal by mid-May due to warm and dry weather across much of the growing area. The crop's development and maturation was accelerated by hot and dry weather during June and July. This weather caused the crop condition ratings to decline but pushed maturation and harvest progress ahead of the normal pace in all States in the growing area except Washington and Oregon. Yields were also reduced by this hot and dry weather. Yields are down from the previous year in all States except Minnesota, Colorado, Nevada, Washington, and Idaho. Montana, South Dakota, and Utah yields are down at least 10 bushels per acre from the previous year.

Durum Wheat. Production for 2006 totals 54 million bushels, down 2 percent from August 1 and down 47 percent (48 million bushels) from the previous year. Harvested area is 1.8 million acres, almost unchanged from August and down 33 percent (0.9 million acres) from the previous year. This is the lowest harvested area since 1961 and the lowest production since 1988. The U.S. yield is estimated at 29.5 bushels, down 0.5 bushel from August and down 7.7 bushels from 2005. In the northern Great Plains, hot and dry weather during June and July accelerated crop development but reduced the yield from last year. Yields are at or below last year's level in all States except Idaho and California.

2006/07 Ending Stocks Tighten Month-To-Month As Exports Are Raised More Than Supply

Supplies for 2006/07 increase 14 million bushels month-to-month based on an 11-million-bushel increase in 2006 production and a 3-million-bushel increase in 2005/06 ending stocks. Projected wheat supplies are down 238 million bushels from 2005/06 to 2,488 million bushels. A 31-million-bushel higher carryin stocks and a projected 23-million-bushel increase of imports only partially offset the production decline of 293 million bushels, leading to the decline in wheat supplies.

Total domestic use for 2006/07 is unchanged month-to-month at 1,145 million bushels. Projected exports are raised 25 million bushels from last month to 925 million bushels. Exports are raised because of tighter projected world supplies. Soft red winter wheat exports are raised 20 million bushels and durum exports are raised 5 million bushels from last month.

Projected all-wheat ending stocks for 2006/07 are 418 million bushels, down 11 million bushels from last month and 153 million bushels less than for 2005/06. These are the lowest ending stocks since 1995/96 when ending stocks were 376 million bushes. The projected price range is raised 15 cents on both ends of the range to $4.10 to $4.60 per bushel, reflecting higher domestic and world prices resulting from reduced global production and supplies.

Projected ending stocks for every class of wheat are lower in 2006/07 than for 2005/06. HRW ending stocks are down the most, 90 million bushels. The ending stocks for HRS, SRW, and white are down 11 million bushels, 9 million bushels, and 23 million bushels, respectively. Durum ending stocks for 2006/07 are down sharply, to half the level of the previous marketing year.

NASS's *Grain Stocks* reported ending stocks of 1,743 million bushels for the first quarter of 2006/07 marketing year. This level of ending stocks is 180 million bushels less than the first quarter of 2005/06.

Price Support Activity Very Limited This Year With the High Farm Prices

As of October 11, 2006, wheat producers had loans outstanding on 66 million bushels of 2006-crop wheat. A year ago, as of October 11, 2005, wheat producers had loans outstanding on 104 million bushels of 2005-crop wheat. Outstanding loans on 2004-, 2003-, 2002-, 2001-, and 2000-crop wheat at this time of the year were 114 million bushels, 141 million bushels, 58 million bushels, 116 million bushels, and 106 million bushels, respectively. The projected season-average-price (SAP) range for 2006/07 is $3.95 to $4.45 per bushel. The SAP for the 2005, 2004, 2003, 2002, 2001, and 2000 crop were $3.42, $3.40, $3.40, $3.56, $2.78, and $2.62, respectively.

As of October 11, 2006, eligible producers had collected $152,000 in loan deficiency payments (LDP) covering 1.4 million bushels of 2006-crop wheat in just two States, Michigan and New York. The average payment rate to date is 11 cents per bushel. A year ago, as of October 11, 2005, eligible producers had collected $816,000 in LDP covering 7.0 million bushels of 2005-crop wheat. The average payment rate at that date was 12 cents per bushel. LDPs for the 2004-, 2003-, 2002-, 2001-, and 2000-crop wheat at this time of the year were $32 million, $84 million, $8 million, $145 million, and $658 million, respectively; covering 211 million, bushels, 473 million bushels, 67 million bushels, 579 million bushels, and 1,509 million bushels, respectively.

Winter-Wheat Plantings On Pace With Average

NASS' *Crop Progress* reported that winter wheat seeding advanced to 69 percent complete as of October 8, 2006, 1 percentage point behind the 5-year average. Thirty-seven percent of the expected acreage had emerged, 4 percentage points behind the 5-year average.

International Outlook

Australia's Drought Pummels Wheat Production Prospects

Exceptionally dry, warm weather, especially during the critical month of September, shriveled wheat in most growing regions of Australia. The drought was especially severe in the northern part of West Australia and in South Australia, cutting national average yield prospects to less than 1 ton per hectare, nearly as low as those of 2002/03, one of the worst droughts on record. Production prospects dropped 8.5 million tons to 11.0 million.

Wheat production forecasts for several countries that have finished harvesting were revised downward based on harvest reports. China's wheat production was reduced 1.5 million tons to 103.5 million with small downward revisions in area and yield. EU-25 production was revised down 1.3 million tons to 117.9 million as lower production reported for Spain, France, and Poland more than offset increases reported for some other members. The wheat crop in Brazil suffered from dryness and freezing temperatures during the growing season and excessive rains during harvest, dropping production prospects 0.5 million tons to 3.0 million.

These reductions swamped small increases in wheat production reported for Canada, the United States, and South Africa, leaving world wheat production down 11 million tons this month to 585 million.

The reduced 2006/07 global production prospects were partly offset by increased beginning stocks, up 1 million tons this month. Reduced exports and wheat feeding during the latter months of the 2005/06 October-September local marketing year are expected to boost Australia's 2006/07 beginning stocks 1 million tons to over 9 million.

Reduced Production, Increased Prices, Cut Prospects for Use, Ending Stocks, and Trade

The world wheat use forecast for 2006/07 was reduced 3 million tons this month to 613 million as increased prices are expected to reduce use. Wheat feed use prospects are down 1.3 million tons, with EU-25 wheat feeding reduced 1.0 million tons to 57.0 million and Australia down 0.3 million to 3.7 million. Non-feed use (mostly human food use) was projected lower in Nigeria, down 0.4 million tons; Afghanistan, down 0.1 million; and less for Paraguay, Peru, Bolivia, UAE, and Uruguay.

Global ending stocks for 2006/07 dropped 7.1 million tons this month as the declines in production were much larger than the increase in beginning stocks or the decline in use. As other countries increase exports to compensate for lower Australian exports, stocks in these countries decline. Major foreign exporters (Australia, Canada, EU-25, and Argentina) ending stocks are projected down 4 million tons this month, a drop of 15 percent. Some importers are also expected to hold less stocks as prices increase. China's projected ending stocks are down 1.5 million tons due to reduced production.

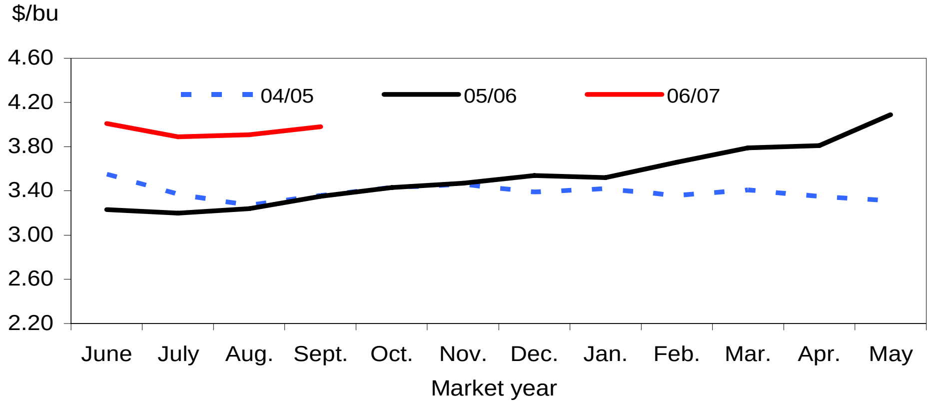
U.S. Export Prospects Increased Slightly

World wheat trade for the 2006/07 July-June international trade year was reduced slightly less than 1 million tons this month to 111.8 million tons. Australia's expected exports were lowered 4.5 million tons to 13 million. Supporting this level of exports is the relatively strong pace of old-crop shipments during the first months of the international marketing year. Canada's export prospects were boosted 1.5 million tons to 20.5 million as good prices and abundant supplies are expected to generate the largest exports in 9 years. Export prospects were increased 0.5 million tons each for the United States, EU-25, Argentina, and Kazakhstan due to reduced competition from Australia. The EU-25 is expected to be able to continue to export wheat without subsidy and increase exports especially to Egypt as exportable supplies are depleted in Ukraine and Russia. Argentina has been registering wheat for export at a rapid pace, but export increases are expected to be limited by supplies. Higher prices are expected to help Kazakhstan export wheat outside the former Soviet Union.

U.S. 2006/07 export prospects are enhanced slightly this month due to reduced competition. The pace of early season sales and shipments has been relatively slow but is expected to be stronger than usual in the later months of the year as exportable supplies in other countries are depleted.

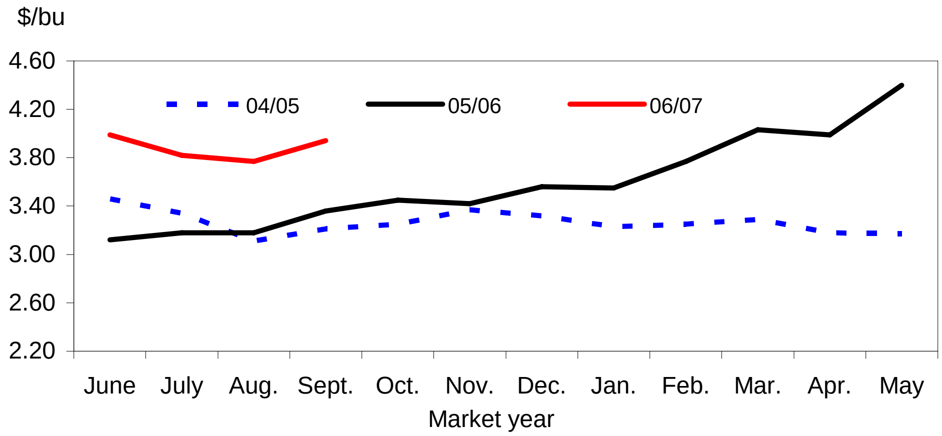
Imports in 2006/07 are projected down 0.4 million tons this month for Nigeria, which still is a year-over-year increase, but recognizes that the pace of recent purchases has not been as strong as earlier expected. Smaller reductions in import forecasts were made for Egypt, Mexico, the (United Arab Emirates), and other countries. These reductions more than offset a small increase in imports expected for Brazil due to reduced production prospects.

Figure 1
All wheat average prices received by farmers



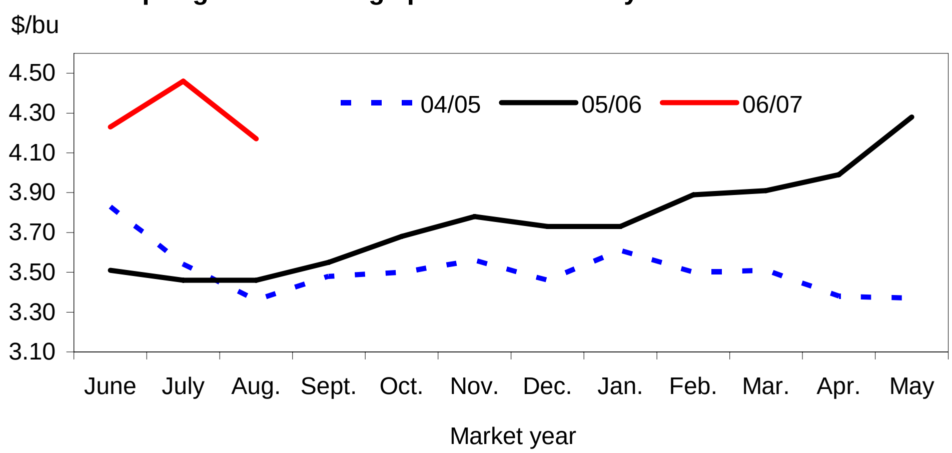
Source: *Agricultural Prices* , NASS, USDA.

Figure 2
Hard red winter wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

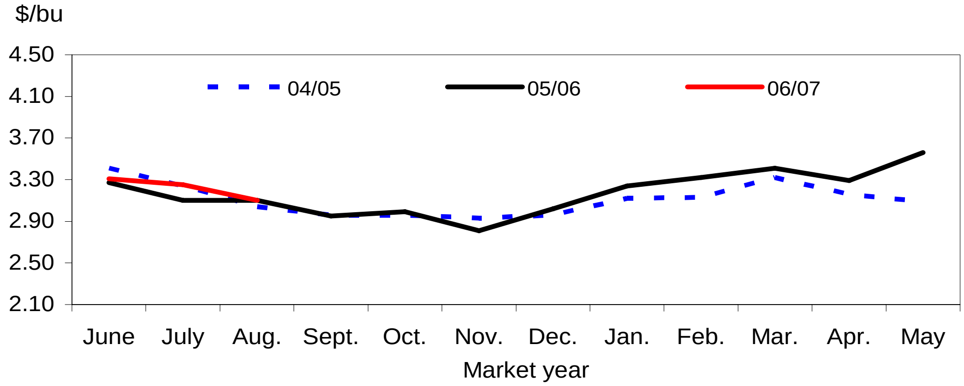
Figure 3
Hard red spring wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

Figure 4

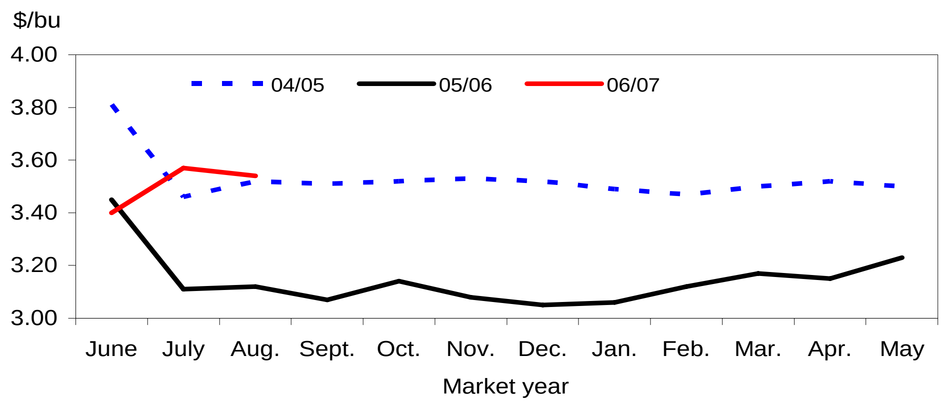
Soft red winter wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

Figure 5

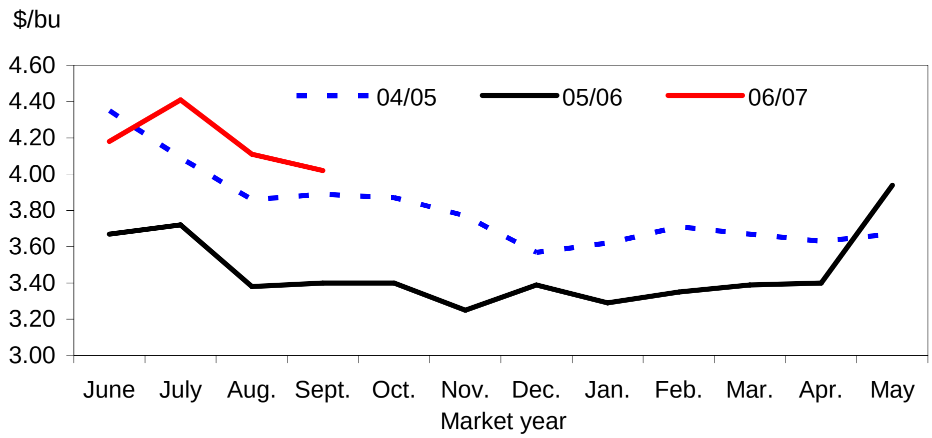
Soft white wheat average prices received by farmers



Source: *Agricultural Prices* , NASS, USDA.

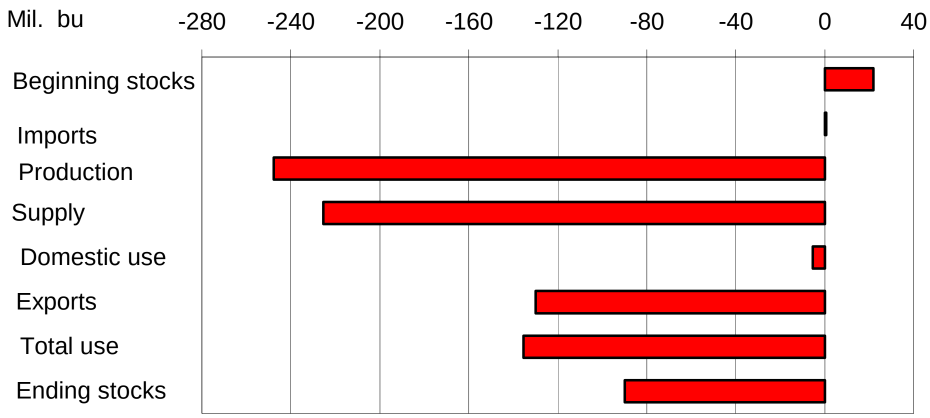
Figure 6

Durum wheat average prices received by farmers



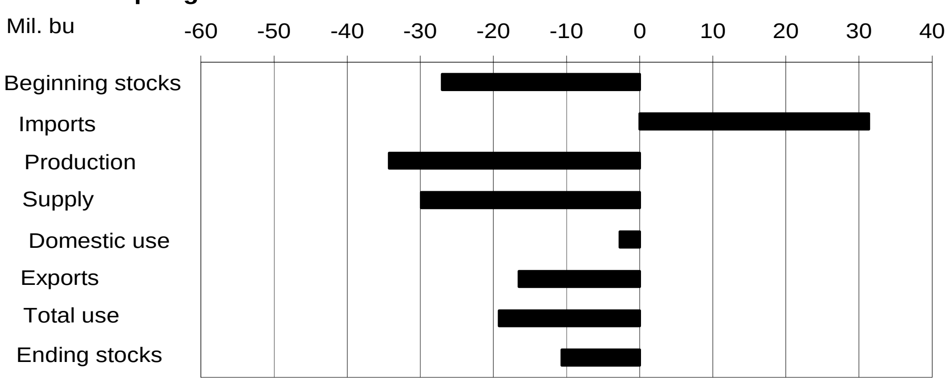
Source: *Agricultural Prices* , NASS, USDA.

Figure 7
Hard red winter wheat



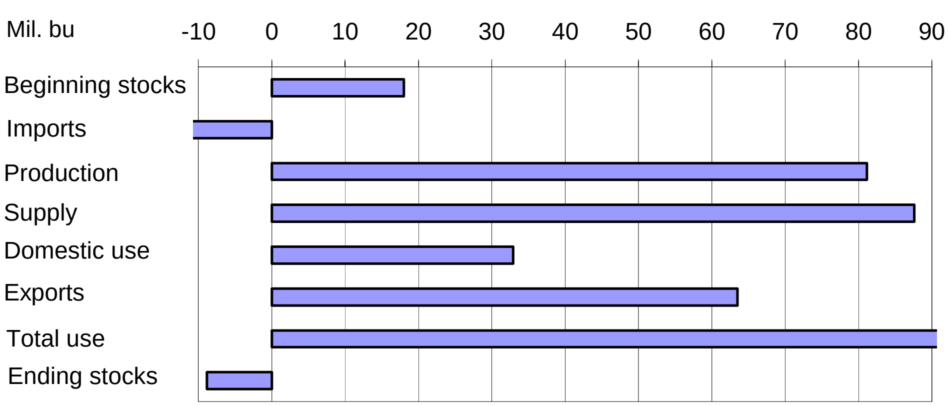
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 8
Hard red spring wheat



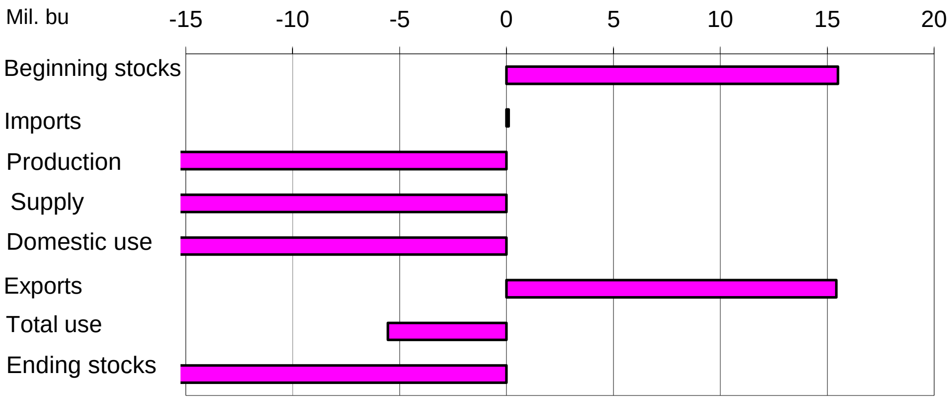
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 9
Soft red winter wheat



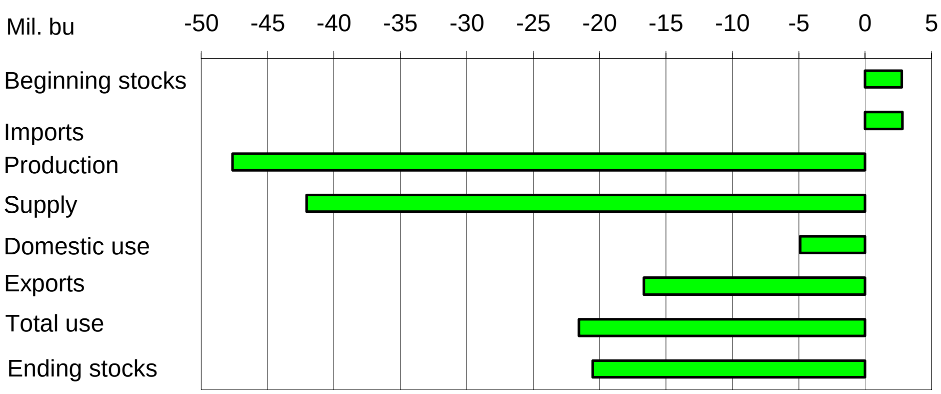
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 10
White wheat



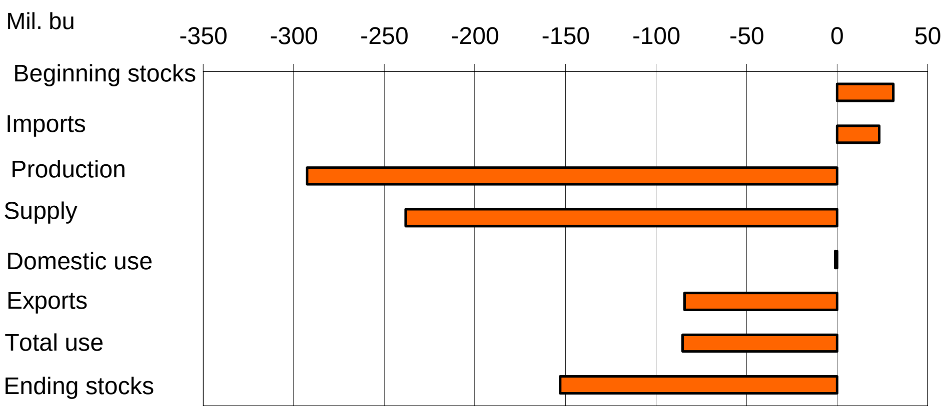
Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 11
Durum



Source: *WASDE,* World Agricultural Outlook Board, USDA.

Figure 12
All wheat



Source: *WASDE,* World Agricultural Outlook Board, USDA.

Contacts and Links

Contact Information
Gary Vocke (domestic), (202) 694-5285, gvocke@ers.usda.gov
Edward Allen (international), (202) 694-5288, ewallen@ers.usda.gov

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Data

Monthly tables from *Wheat Outlook* are available in Excel (.xls) spreadsheets at http://www.ers.usda.gov/briefing/wheat/data.htm. These tables contain the latest data on supply and disappearance, monthly food-use estimates, prices, exports, and imports.

Recent Report

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decisionmakers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments.
http://www.ers.usda.gov/publications/ERR12/

See also Farm Program Acres for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped.
http://www.ers.usda.gov/data/baseacres/

Related Websites

WASDE http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194
Grain Circular, http://www.fas.usda.gov/grain_arc.asp
Wheat Briefing Room, http://www.ers.usda.gov/briefing/wheat/

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Table 1--Wheat: U.S. market year supply and disappearance, 10/16/06

Item	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05e	2005/06P	2006/07P
Area: (mil. ac)										
National total base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eff. base/Ctr. acres										
0,50/92,85	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CRP base retired	10.1	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planted	70.4	65.8	62.7	62.5	59.4	60.3	62.1	59.7	57.2	57.3
Harvested	62.8	59.0	53.8	53.1	48.5	45.8	53.1	50.0	50.1	46.8
Yield: (bu/acre)	39.5	43.2	42.7	42.0	40.2	35.0	44.2	43.2	42.0	38.7
Supply:					Million bushels					
Beginning stocks	443.6	722.5	945.9	949.7	876.2	777.1	491.4	546.4	540.1	571.2
Production	2,481.5	2,547.3	2,295.6	2,228.2	1,947.5	1,605.9	2,344.8	2,158.2	2,104.7	1,812.0
Imports 1/	94.9	103.0	94.5	89.8	107.6	77.4	63.0	70.6	81.7	105.0
Total supply	3,020.0	3,372.8	3,336.0	3,267.7	2,931.2	2,460.4	2,899.2	2,775.3	2,726.5	2,488.2
Use:										
Food	914.1	910.0	928.8	949.6	926.4	918.6	911.9	909.6	915.0	920.0
Seed	92.5	80.4	91.7	79.5	83.4	84.4	79.7	77.6	77.7	80.0
Feed and residual	250.5	390.7	279.3	300.4	182.0	115.7	202.9	182.1	153.4	145.0
Total domestic	1,257.1	1,381.1	1,299.7	1,329.5	1,191.8	1,118.7	1,194.4	1,169.2	1,146.1	1,145.0
Exports 1/	1,040.4	1,045.7	1,086.5	1,062.0	962.3	850.2	1,158.3	1,065.9	1,009.3	925.0
Total use	2,297.5	2,426.9	2,386.2	2,391.6	2,154.1	1,968.9	2,352.8	2,235.2	2,155.3	2,070.0
Ending stocks:	722.5	945.9	949.7	876.2	777.1	491.4	546.4	540.1	571.2	418.2
Farmer-owned reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CCC inventory 2/	94.0	128.0	104.0	97.0	99.0	66.0	61.0	54.0	43.0	35.0
Free stocks	628.5	817.9	845.7	779.2	678.1	425.4	485.4	486.1	528.2	383.2
Stocks-to-use ratio	31.4	39.0	39.8	36.6	36.1	25.0	23.2	24.2	26.5	20.2
Prices: ($/bu)										
Target price	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan rate	2.58	2.58	2.58	2.58	2.58	2.80	2.80	2.75	2.75	2.75
Contract rate	0.63	0.66	0.64	0.59	0.48	0.52	0.52	0.52	0.52	0.52
Ave. farm price	3.38	2.65	2.48	2.62	2.78	3.56	3.40	3.40	3.42	4.10-4.60
Gov't. pmts.										
(mil. dollars) 3/	1,412	2,717	3,827	3,606	2,474	1,172	1,237	1,218	1,156	1,136
Market value										
of production										
(mil. dollars)	8,287	6,781	5,594	5,782	5,440	5,679	7,929	7,283	7,198	7,882

Totals may not add due to rounding. E=Estimated, P=Projected.
1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Includes Food Security Reserve.
3/ Unpublished data from Farm Service Agency, USDA.

Source: World Agricultural Outlook Board, USDA, *World Agricultural Supply and Demand Estimates.*

Table 2--Wheat: U.S. market year supply and disappearance, 10/16/06 1/

2005/06E	HRW	HRS	SRW	White	Durum	All wheat
Area:			Million acres			
Planted	30.049	13.344	6.134	4.942	2.76	57.229
Harvested	24.625	12.946	5.147	4.685	2.716	50.119
Yield: (bu/acre)	37.8	36	60	63.6	37.2	42.0
Supply:			Million bushels			
Beg. stocks	193.01	159.00	88.00	62.50	37.59	540.10
Production	929.82	466.59	309.02	298.16	101.11	2,104.69
Imports 2/	0.43	12.65	26.56	9.90	32.19	81.73
Total	1,123.26	638.24	423.58	370.55	170.89	2,726.52
Utilization:						
Food	369.10	227.00	155.00	85.00	78.86	914.95
Seed	33.34	20.88	14.04	6.57	2.91	77.74
Feed and residual	75.98	-23.18	72.06	26.41	2.12	153.38
Total domestic	478.41	224.70	241.10	117.98	83.88	1,146.08
Exports 2/	430.00	281.53	76.48	174.58	46.66	1,009.25
Total	908.42	506.24	317.58	292.55	130.54	2,155.33
Ending stocks:	214.84	132.00	106.00	78.00	40.35	571.19
2006/07P	HRW	HRS	SRW	White	Durum	All wheat
Area:			Million acres			
Planted	29.34	14.421	7.385	4.328	1.87	57.344
Harvested	21.32	13.419	6.162	4.095	1.815	46.800
Yield: (bu/acre)	32	32.2	63.3	62	29.5	38.7
Supply:			Million bushels			
Beg. stocks	214.84	132.00	106.00	78.00	40.35	571.19
Production	682.08	432.34	390.17	253.98	53.48	1,812.04
Imports 2/	1.00	44.00	15.00	10.00	35.00	105.00
Total	897.92	608.34	511.17	341.98	128.83	2,488.23
Utilization:						
Total domestic	473.00	222.00	274.00	97.00	79.00	1,145.00
Exports 2/	300.00	265.00	140.00	190.00	30.00	925.00
Total	773.00	487.00	414.00	287.00	109.00	2,070.00
Ending stocks:	124.92	121.34	97.17	54.98	19.83	418.23

Totals may not add due to rounding. E=Estimated, P=Projected. 1/ ERS estimates of area, yield, and domestic use. 2/ Imports and exports include flour and other products expressed in wheat equivalent.

Source: World Agricultural Outlook Board, USDA, *World Agricultural Supply and Demand Estimates* .

Table 3--Wheat: Quarterly supply and disappearance (1,000 bu), 10/16/06

Market year		Produc-tion	Imports 1/	Supply	Food	Seed	Feed	Exports 1/	Ending stocks
					Million bushels				
1998/99									
	Jun-Aug	2,547	24	3,294	226	1	425	257	2,385
	Sep-Nov	---	24	2,409	241	55	-74	292	1,896
	Dec-Feb	---	28	1,923	213	1	7	251	1,450
	Mar-May	---	27	1,477	230	23	32	246	946
	Mkt. year	2,547	103	3,373	910	80	391	1,046	946
1999/00									
	Jun-Aug	2,296	31	3,272	230	6	269	322	2,445
	Sep-Nov	---	19	2,465	241	55	-5	290	1,884
	Dec-Feb	---	19	1,903	223	2	26	236	1,417
	Mar-May	---	25	1,442	235	28	-10	239	950
	Mkt. year	2,296	95	3,336	929	92	279	1,086	950
2000/01									
	Jun-Aug	2,228	20	3,198	239	1	318	288	2,353
	Sep-Nov	---	25	2,378	253	50	-24	293	1,806
	Dec-Feb	---	21	1,828	228	3	11	246	1,338
	Mar-May	---	23	1,361	230	25	-4	235	876
	Mkt. year	2,228	90	3,268	950	79	300	1,062	876
2001/02:									
	Jun-Aug	1,947	26	2,849	234	3	238	218	2,156
	Sep-Nov	---	29	2,185	245	52	-23	288	1,623
	Dec-Feb	---	28	1,651	221	2	-7	225	1,210
	Mar-May	---	25	1,235	226	26	-26	231	777
	Mkt. year	1,947	108	2,931	926	83	182	962	777
2002/03:									
	Jun-Aug	1,606	27	2,410	233	3	185	240	1,749
	Sep-Nov	---	23	1,772	238	55	-75	235	1,320
	Dec-Feb	---	13	1,333	219	3	14	190	907
	Mar-May	---	15	922	229	24	-8	186	491
	Mkt. year	1,606	77	2,460	919	84	116	850	491
2003/04									
	Jun-Aug	2,345	16	2,852	231	2	315	265	2,039
	Sep-Nov	---	18	2,057	240	53	-62	305	1,520
	Dec-Feb	---	13	1,533	216	2	3	291	1,021
	Mar-May	---	17	1,037	226	22	-54	296	546
	Mkt. year	2,345	63	2,899	912	80	203	1,158	546
2004/05									
	Jun-Aug	2,158	17	2,722	227	4	265	287	1,938
	Sep-Nov	---	19	1,957	236	47	-56	300	1,430
	Dec-Feb	---	18	1,448	218	2	3	240	984
	Mar-May	---	17	1,001	229	24	-31	239	540
	Mkt. year	2,158	71	2,775	910	78	182	1,066	540
2005/06 E:									
	Jun-Aug	2,105	19	2,663	231	2	263	244	1,923
	Sep-Nov	---	20	1,944	238	51	-61	286	1,429
	Dec-Feb	---	20	1,450	219	1	1	257	972
	Mar-May	---	22	995	226	24	-49	222	571
	Mkt. year	2,105	82	2,727	915	78	153	1,009	571
2006/07 P:									
	Jun-Aug	1,812	28	2,411	230	2	217	219	1,743

Totals might not add due to rounding. E=Estimated, P=Projected. 1/ Imports and exports include flour and selected products expressed in wheat equivalent.
Source: *World Agricultural Supply and Demand Estimates,* WAOB, USDA.

Table 4--Monthly food use estimates for last 12 months (1,000 bu), 10/16/06

Item		July	Aug.	Sept.	Oct.	Nov.	Dec.
Mill grind	+	72,942	79,720	76,657	78,222	74,871	70,278
Food imports 1/	+	2,136	2,320	2,153	2,421	2,397	2,241
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	1,106	2,130	1,368	1,567	1,384	1,628
Food use	=	75,972	81,910	79,442	81,076	77,884	72,891
Item		Jan.	Feb.	Mar.	Apr.	May	June
Mill grind	+	70,926	70,363	74,652	71,394	72,998	69,841
Food imports 1/	+	2,127	1,956	2,339	2,316	2,524	2,377
Non-flour							
food use 2/	+	2,000	2,000	2,000	2,000	2,000	2,000
Food exports 1/	-	1,623	1,504	1,520	2,137	2,335	1,210
Food use	=	73,430	72,815	77,471	73,573	75,187	73,008

1/ Wheat flour and flour products converted to wheat grain equivalent. 2/ ERS estimate of cereal use.

Totals may not add due to rounding.

Source: Economic Research Service, USDA, estimates.

Table 5--Wheat: National average price received by farmers, 10/16/06 1/

Month	All wheat		Winter		Durum		Other spring	
	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07
			($/bu)	($/bu)				
June	3.23	4.01	3.15	3.99	3.67	3.81	3.51	4.18
July	3.20	3.89	3.15	3.82	3.72	3.83	3.45	4.41
August	3.24	3.91	3.16	3.77	3.35	4.09	3.43	4.11
September	3.36	3.98	3.28	3.94	3.38	4.18	3.51	4.02
October	3.43		3.33		3.40		3.62	
November	3.47		3.29		3.25		3.73	
December	3.54		3.46		3.39		3.69	
January	3.52		3.45		3.29		3.69	
February	3.66		3.59		3.35		3.83	
March	3.79		3.82		3.39		3.85	
April	3.81		3.76		3.40		3.94	
May	4.09		4.06		3.94		4.18	

1/ Preliminary mid-month weighted average price for current month.

Source: National Agricultural Statistics Service, USDA, *Agricultural Prices.*

Table 6--Wheat prices received by farmers by class, 10/16/06

	Hard red winter		Soft red winter		Hard red spring		Soft white	
Month	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07
June	3.12	4.27	3.27	3.31	3.51	4.23	3.45	3.40
July	3.18	4.43	3.10	3.25	3.46	4.46	3.11	3.57
August	3.18	4.28	3.10	3.10	3.46	4.17	3.12	3.54
September	3.36		2.95		3.55		3.07	
October	3.45		2.99		3.68		3.14	
November	3.42		2.81		3.78		3.08	
December	3.56		3.02		3.73		3.05	
January	3.55		3.24		3.73		3.06	
February	3.77		3.32		3.89		3.12	
March	4.03		3.41		3.91		3.17	
April	3.99		3.29		3.99		3.15	
May	4.40		3.56		4.28		3.23	

Source: National Agricultural Statistics Service, USDA, *Agricultural Prices.*

Table 7--Wheat: Average cash grain bids at selected markets ($/bu), 19/16/06

Month	KC HRW #1 ordinary		KC HRW #1 13% protein		Portland #1 HRW Ord.		FOB Gulf $/mt (#2 HRW)	
	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07
June	3.87	5.25	4.00	5.43	3.82	5.14	142.25	196.83
July	3.83	5.27	3.89	5.38	3.80	5.26	145.52	204.31
August	3.96	5.00	4.04	5.15	3.91	5.04	154.28	193.99
September	4.30	5.16	4.30	5.19	4.28	5.19	166.89	201.39
October	4.57		4.68		4.44		173.12	
November	4.53		4.55		4.34		164.74	
December	4.52		4.60		4.39		171.45	
January	4.46		4.50		4.37		167.50	
February	4.72		4.83		4.57		180.10	
March	4.62		4.81		4.51		175.78	
April	4.86		5.04		4.71		181.55	
May	5.21		5.38		5.08		195.36	
Month	Minneapolis DNS 13% protein		Minneapolis DNS 14% protein		Minneapolis #1 HAD milling		Portland DNS 14% protein	
	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07
June	4.32	5.43	5.03	5.59	N/Q	N/Q	5.10	5.72
July	4.11	5.52	4.71	5.65	N/Q	N/Q	4.54	5.93
August	4.48	4.85	4.83	4.94	N/Q	N/Q	4.66	5.44
September	4.46	4.85	4.80	4.86	N/Q	N/Q	5.03	5.38
October	4.83		5.11		N/Q		5.18	
November	4.83		5.11		N/Q		5.18	
December	4.64		5.28		N/Q		5.08	
January	4.65		4.87		N/Q		5.11	
February	4.61		4.90		N/Q		5.27	
March	4.65		4.83		N/Q		5.26	
April	4.79		4.94		N/Q		5.47	
May	5.19		5.31		N/Q		5.72	
Month	St. Louis #2 soft red		Chicago #2 soft red		Toledo #2 soft red		Portland #1 soft white	
	05/06	06/07	05/06	06/07	05/06	06/07	05/06	06/07
June	3.46	3.40	3.09	3.26	3.16	3.10	3.76	3.80
July	3.30	3.40	3.22	3.43	3.21	3.11	3.59	3.86
August	3.10	3.32	3.04	3.20	3.04	2.85	3.54	3.97
September	2.64	3.75	2.93	3.39	2.99	3.15	3.46	4.27
October	2.78		2.99		3.09		3.61	
November	3.14		2.83		2.90		3.46	
December	3.15		2.98		3.00		3.44	
January	3.15		3.11		3.14		3.46	
February	3.37		3.34		3.39		3.54	
March	3.45		3.29		3.27		3.59	
April	3.45		3.21		3.13		3.62	
May	3.45		3.54		3.42		3.79	

N/Q=no quote. Source: Agricultural Marketing Seervice, USDA. http://www.ams.usda.gov/lsmnpubs/grains.htm.

Table 8--Wheat: U.S. exports and imports for last 6 months, 10/16/06 1/

Item 1/	Feb.	Mar.	Apr.	May	June	July
Exports, (1,000 bu)						
Wheat grain	71,175	74,420	69,050	72,209	63,115	67,846
Wheat flour	620	937	1,188	966	720	488
Products	949	693	1,017	1,530	634	967
Total	72,744	76,050	71,255	74,705	64,469	69,301
Imports, (1,000 bu)						
Item 1/	Feb.	Mar.	Apr.	May	June	July
Wheat grain	5,168	5,683	3,834	5,624	6,349	6,758
Wheat flour	813	993	979	1,129	1,031	944
Products	1,144	1,354	1,344	1,408	1,352	1,333
Total	7,125	8,030	6,157	8,161	8,732	9,035

Source: Economic Research Service, USDA, estimates. 1/ Wheat flour and products converted to wheat grain equivalent. Totals may not add due to rounding.

Table 9--Wheat: U.S. exports, Census and export sales comparison, 10/16/06 1/

	2004/05		2005/06		2006/07 (as of 10/5/06)		
Importing country	Shipments				Shipments	Outstanding sales	Total
Data source	Census	Export sales	Census	Export sales	Export sales		
	1,000 metric tons						
Country:							
Nigeria	2,576	2,529	3,110	3,036	1,000	233	1,233
Japan	3,011	3,109	2,902	2,966	1,110	471	1,581
Mexico	2,868	2,699	2,654	2,564	784	367	1,150
Iraq	393	387	2,278	2,338	0	300	300
Philippines	1,787	1,786	1,650	1,676	624	463	1,087
EU-25	1,036	1,551	1,131	1,479	283	190	473
Egypt	1,781	1,897	1,123	1,181	574	341	915
South Korea	1,287	1,298	1,097	1,143	403	198	600
Venezuela	715	708	1,046	1,085	320	7	327
Taiwan	968	971	906	914	341	96	437
Total grain	28,410	26,572	26,804	25,320	7,671	3,545	11,215
Total (including products)	28,930	26,641	27,324	25,370	7,687	3,549	11,236
USDA forecast of Census					25,174		

1/ Export sales and shipments from USDA's weekly *U.S. Export Sales* report.

Source: *U.S. Export Sales,* FAS.