

WORLD WHEAT SITUATION AND OUTLOOK

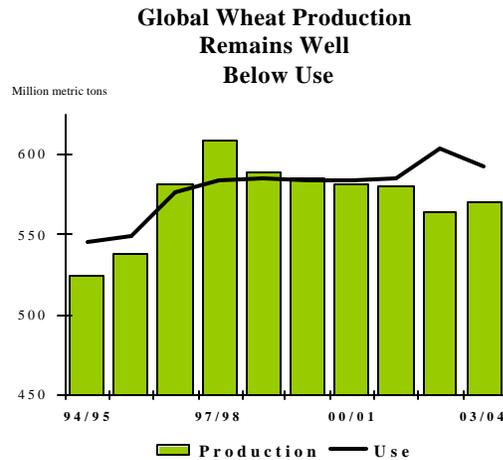
Global wheat trade in 2003/04 is projected to be 97.8 million tons; 7.3 million tons lower than 2002/2003 and the lowest in 17 years. The European Union is expected to import 5.0 million tons in 2003/04, due to the combined effects of the recently imposed tariff-rate quota and limited supplies from Eastern Europe and the Black Sea region. The North African countries of Algeria, Morocco, and Tunisia will also import less as they have prospects for near-record production. Exports from Argentina,

Australia, Canada, and the United States are all expected to increase as exports from Ukraine, Russia, and India drop by 20 million tons due to lower production.

Global production is expected to rise 4.8 million tons. Larger crops in the United States, Argentina, Australia, and Canada will account for an increase of 40.5 million tons over last year. Australia will have the largest production increase at 16.5 million tons, rebounding to 26.0 million from 9.5 million. Algeria, Morocco, and Tunisia combined will see an increase in production by 3.1 million tons. In a reversal of last year, production in Kazakhstan, Russia and Ukraine is dropping by a total of 26.8 million tons. Eastern Europe and India together will have production declines of 4.5 million tons.

Global consumption is expected to be lower by 12.6 million tons, partially due to reduced supplies of low priced feed-quality wheat available from Russia and Ukraine.

Global stocks continue to fall, bringing the global stocks-to-use ratio to a 38-year low at only 22.7 percent. While higher stock levels in Canada, Australia, and the United States will partially offset China's continued drawdown, they will only provide a limited reservoir of supply to the market in the event of unexpected import demand.



Highlights for 2003/04

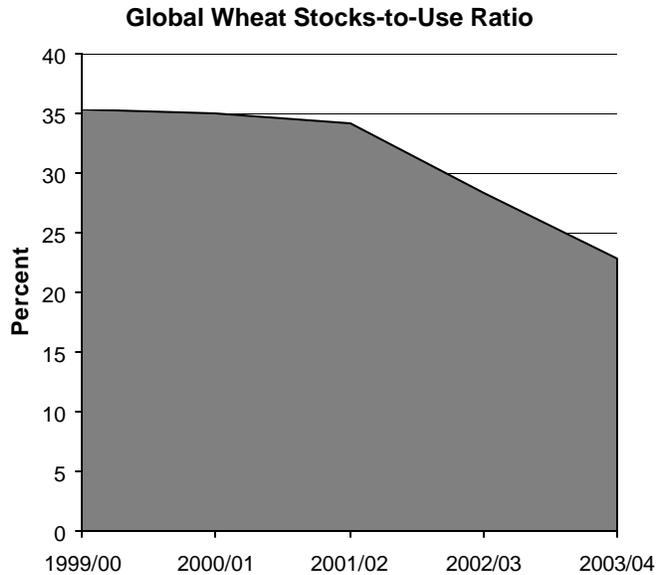
Exporters

Production in the **United States** is forecast to increase to 57.5 million tons, the highest in 3 years. Stocks will increase by nearly 1.8 million tons to 13.9 million. U.S. exports are forecast to increase by 2.0 million tons as **Russia** and **Ukraine** have smaller exportable supplies.

A smaller **EU** crop could constrain exportable supplies and domestic use, depending on price relationships with feed grains.

As production recovers, **Argentina's** exports will nearly double to 10.0 million tons. **Canada's** and **Australia's** exports will recover by 6.0 million and 3.0 million tons respectively.

India exports are forecast to drop 2.0 million tons due to declining stocks. Exports for **Ukraine** are forecast to plunge 6.5 million tons to 1.0 million, and **Russia** will experience the same fate as exports fall from 11.5 million tons to 1.0 million. **Eastern Europe** exports are forecast to decrease by nearly 1.2 million tons to 2.3 million.



Importers

Algeria, Morocco, and Tunisia imports are expected to drop by a combined 2.8 million tons due to near record production.

Iran is forecast to import 1.2 million tons more than 2002/03, as production drops by 2.0 million.

China's crop is forecast down 4.0 million tons to 87.0 million, a 15-year low, but imports are expected to increase only 1.0 million tons as stocks are drawn down to meet consumption. Stocks have been drawn down almost 60.0 million tons over the last 4 years.

EU imports are expected to drop more than 50 percent to 5 million tons, because of recent tariff-rate quotas imposed on low- and medium-quality imports.

South Korea and the **Philippines** will see imports drop by a combined 1.2 million tons as supplies of low-priced feed wheat tighten.

Download the wheat tables in:

Adobe Acrobat Format

Microsoft Excel Format

[Return to Table of Contents](#)