



Wheat Outlook: May 2022

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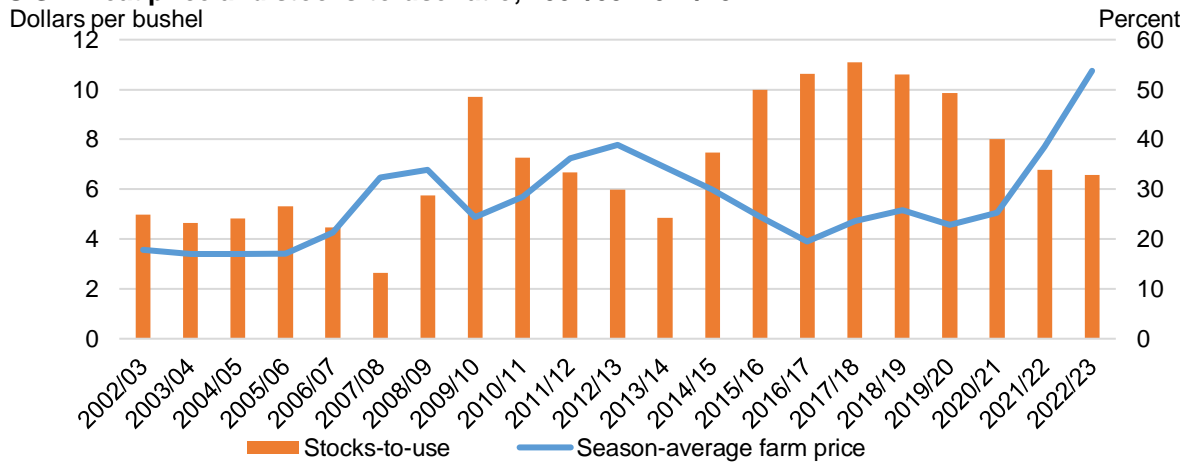
In this report:

- [Domestic Outlook](#)
- [International Outlook](#)

U.S. Wheat Price Projected at Record High, Supported by Tight Stocks

The U.S. season-average farm price (SAFP) for 2022/23 is projected to reach a record \$10.75 per bushel, supported by tight domestic stocks (figure 1). In 2021/22, stock levels declined due to drought conditions in key Hard Red Spring, Durum, and White wheat production areas, which contributed to the smallest U.S. crop since 2002/03. For 2022/23, slightly larger production is projected compared to the previous year but this would still be the second lowest in the last 20 years based on pervasive drought in major Hard Red Winter growing areas. Even with domestic use and exports projected down from the previous year, ending stocks are forecast to decline once again. The ending stocks-to-use ratio is projected at 32.8 percent, its lowest since 2013/14. Further contributing factors for the high forecast SAFR include elevated cash and futures prices, uncertainty in global wheat markets, strong pricing for other commodities, and high prices for agricultural inputs.

Figure 1
U.S. wheat price and stocks-to-use ratio, 2002/03–2022/23



Source: USDA, Economic Research Service calculations based on data from USDA, World Agricultural Outlook Board.

Domestic Outlook

Domestic Changes at a Glance:

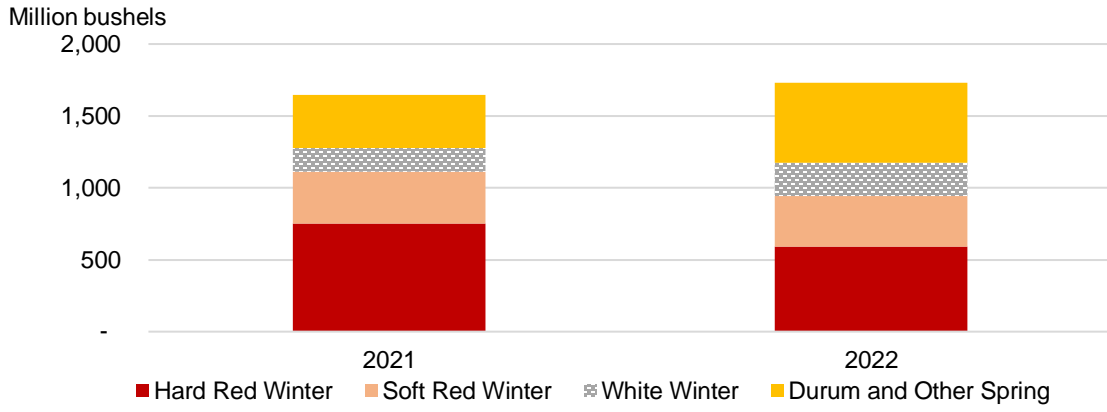
- U.S. wheat production is forecast at 1.729 billion bushels, up 5 percent from the previous year, but down 4 percent from the recent 5-year average of 1.806 billion bushels. USDA's National Agricultural Statistics Service (NASS) provided its first forecast of 2022/23 U.S. winter wheat production in the May 12 *Crop Production* report. Winter wheat production overall is projected down 8 percent to 1.174 billion bushels. Average yield is estimated at 47.9 bushels per acre, down 2.3 bushels from last year. Even though planted area was up, area harvested is forecast down 4 percent from last year at 24.5 million acres as a result of higher abandonment in several States.
- Hard Red Winter (HRW) production is forecast at 590 million bushels, down 21 percent from 749 million last year. Production of this class was impacted substantially by persistent drought which resulted in both lower yields and higher abandonment. The harvested-to-planted ratios for Texas (24 percent) and Oklahoma (55 percent) are estimated to be historically low, while Kansas (94 percent) is closer to average.
- Soft Red Winter (SRW) production is projected at 354 million bushels, down 2 percent from 361 million in the previous year, but still the second largest total since 2015/16. Yields in several key States are down from last year's bumper levels.
- White Winter production is projected up 38 percent from the previous year to 230 million bushels. Soft White Winter wheat, which is primarily grown in the Pacific Northwest and represents the bulk of this category, is projected up substantially from last year's drought-impacted crop. Hard White Winter is slightly lower year-over-year, likely a result of dry conditions in the Central Plains.
- Durum and Other Spring Wheat production collectively are estimated at 555 million bushels, up 51 percent from the previous year. Durum production for Arizona and California is derived from the May 12 NASS *Crop Production* report, but the rest of the collective total is calculated based on the NASS *Prospective Plantings* area planted data, the 10-year averages for harvested-to-planted ratios for each State, and the long-term historical trend yields for each State.
- Imports are projected 25 million bushels higher at 120 million, a relatively normal level after smaller 2021/22 imports due to Canada's tight supplies. 2021/22 imports are still projected at 95 million bushels.

- 2022/23 all-wheat exports are projected at 775 million bushels based on tighter supplies and reduced competitiveness. This export total, if realized, would be the lowest since 1971/72.
- The 2021/22 all-wheat export forecast is raised 20 million bushels to 805 million with March exports surpassing previous expectations. As reported by the USDA, Foreign Agricultural Service (FAS) *U.S. Export Sales* report, weekly shipments through the month of April and outstanding sales suggest that shipments during the marketing year will exceed prior expectations. Projected shipments of HRW are boosted 10 million bushels to 320, while exports of HRS and SRW are each raised 5 million bushels to 210 million and 115 million, respectively.
- Official exports for June 2021 through March 2022 total 687 million bushels, down 15 percent from the same period last year, based on calculations from U.S. Department of Commerce, Bureau of the Census data. This 10-month total represents 85 percent of the revised marketing year (June-May) projection.
- All-wheat food use in 2021/22 is raised 3 million bushels to 962 on stronger-than-anticipated milling demand as indicated by the latest USDA, NASS *Flour Milling Products* report. 2022/23 food use is 2 million bushels higher at 964 with the expectation of continued growth (discussed in greater detail in a later section).
- All-wheat seed use in 2022/23 is projected at 66 million bushels, up 2 million bushels from 2021/22. Substantial uncertainty remains regarding the outlook for planting, but a strong price outlook does suggest an incentive to plant more wheat this year.
- Feed and residual use for 2022/23 is projected at 80 million bushels based on tight supplies and high prices relative to feedgrains, most notably corn.
- The 2022/23 season-average farm price (SAFP) is projected at a record \$10.75 per bushel, up \$3.05 from the revised 2021/22 SAFP based on tight supplies and expectations for continued strong futures and cash prices. This price forecast is more than double the SAFP from just 2 years earlier.
- The 2021/22 SAFP is raised \$0.10 per bushel to \$7.70 based on the strong farmgate prices through March as reported in the April 29 USDA, NASS publication *Agricultural Prices*. The March 2022 all-wheat farmgate price was estimated at \$9.94 per bushel, up from \$9.17 in February 2022 and well above the \$5.86 for March 2021. Strong futures prices suggest that farmgate prices will continue to be elevated in the coming months. These recent price movements will have minimal influence on the 2021/22 SAFP as a significant majority of wheat marketings have already been completed this marketing year (MY). On average in the last 5 years, about 92.5 percent of wheat is marketed in the first 10 months of the MY.

- The major changes to the U.S. all-wheat balance sheet are summarized in table 1 and available by-class production data is summarized in figure 2.

Table 1					
U.S. wheat supply and use at a glance 2021/22 (in million bushels)					
Balance sheet item	2021/22 April	2021/22 May	2021/22 month-to-month change	2022/23	Comments
Supply, total					June-May marketing year
Beginning stocks	845	845		655	
Production	1,646	1,646		1,729	Production up year-to-year, but still constrained by drought in Hard Red Winter areas
Imports	95	95		120	Return to normal level of imports with Canadian supplies recovering
Supply, total	2,586	2,586		2,504	
Demand					
Food	959	962	+3	964	Stronger-than-expected milling demand during January-March and expectations for continued growth
Seed	64	64		66	
Feed and residual	100	100		80	Tight supplies and uncompetitive pricing with corn result in smaller 2022/23 feed and residual
Domestic, total	1,123	1,126	+3	1,110	
Exports	785	805	+20	775	2021/22 exports boosted with stronger-than-expected shipments; 2022/23 projected smaller with tight supplies and uncompetitive pricing
Use, total	1,908	1,931	+23	1,885	
Ending stocks	678	655	-23	619	2022/23 ending stocks would be the lowest since 2013/14
Season-average farm price	\$7.60	\$7.70	+0.10	\$10.75	This would be the strongest ever season-average farm price, supported by strong futures prices and tight supplies
Source: USDA, World Agricultural Outlook Board, <i>World Agricultural Supply and Demand Estimates</i> .					

Figure 2
U.S. by-class wheat production, 2021 and 2022

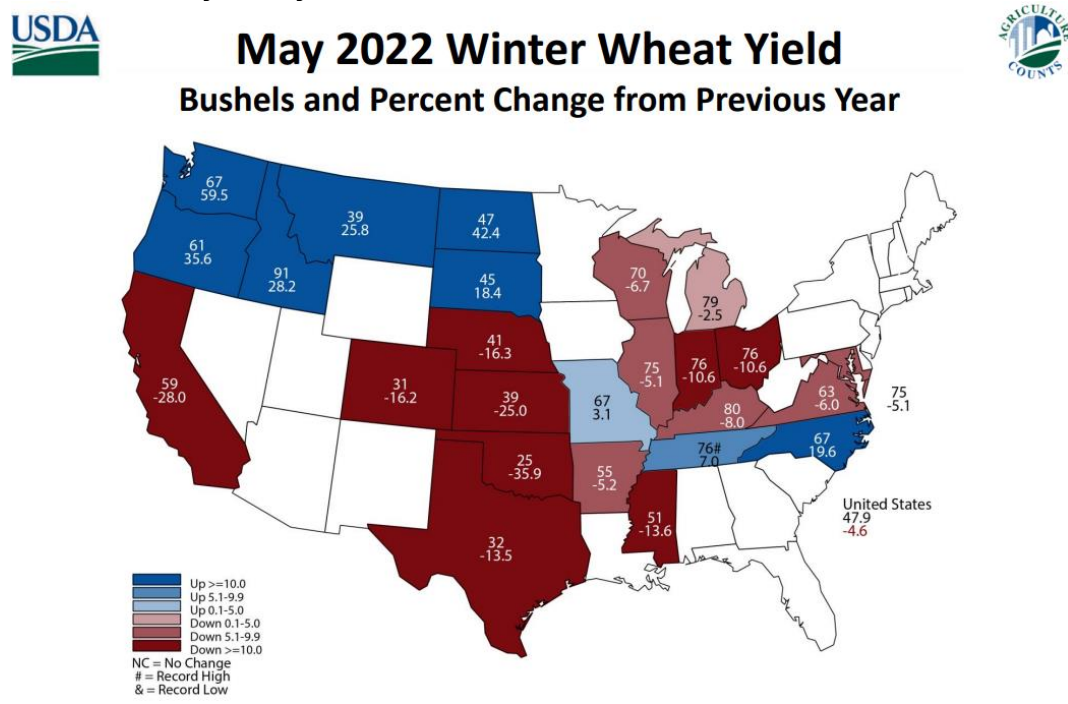


Source: USDA, National Agricultural Statistics Service; USDA, World Agricultural Outlook Board.

Winter Wheat Yield Forecasts and Conditions

U.S. winter wheat yields across most of the Central and Eastern States are estimated down compared to last year (figure 3), corresponding with smaller anticipated production of both HRW and SRW. However, winter wheat yields in the Northern and Northwestern states are generally higher as both regions were substantially affected by drought during the previous year.

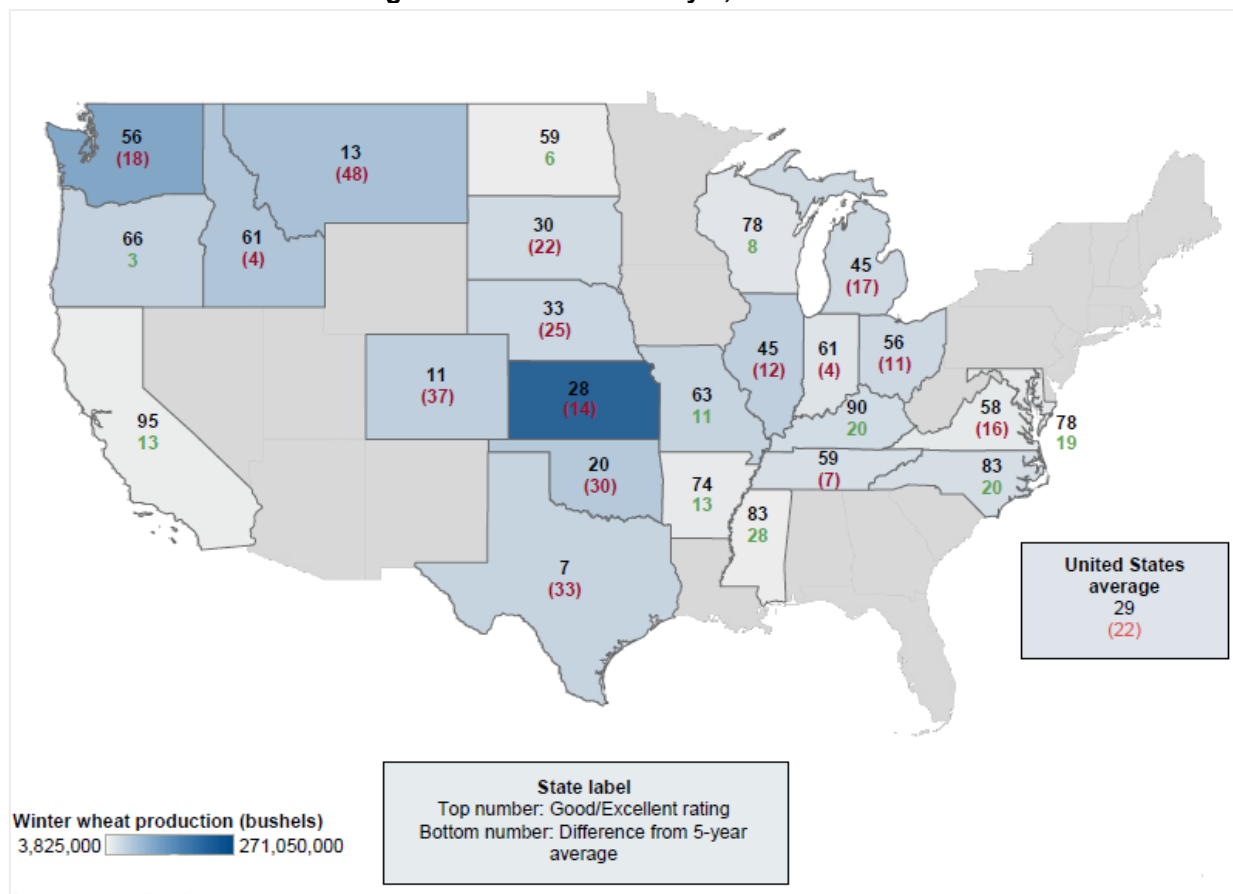
Figure 3
Winter wheat yield by state in 2022



Source: USDA, National Agricultural Statistics Service.

The most substantial drops in yield from the previous year are primarily for the major HRW producing states. USDA, NASS Crop Conditions statistics provide similar detail, showing that combined good/excellent ratings for key HRW producers Kansas, Oklahoma, and Texas are well below their 5-year averages (figure 4). According to USDA analysis and data from the U.S. *Drought Monitor*, 68 percent of U.S. winter wheat production is in areas experiencing drought as of May 10, 2022. This is down slightly from 69 percent in early April, but substantially above the 34 percent reported on May 11, 2021. A majority of Durum production (76 percent) is located in regions experiencing drought, while only 35 percent of Other Spring wheat production is in drought areas.

Figure 4
Percent of winter wheat rated good/excellent as of May 8, 2022



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.

Spring Wheat Planting Lagging Behind Normal Pace

With large areas of the Northern Plains experiencing wet conditions, planting of the spring wheat crop is behind average. According to the USDA/NASS *Crop Progress* report, 27 percent of the U.S. spring wheat crop (excluding Durum) was planted as of May 8, compared with a 5-year average of 47 percent planted. In the last 5 years, only 2019 had a lower percentage planted (22 percent) as of this point in the planting cycle. Emergence is estimated at 9 percent, below 27 percent at this point last year and the 5-year average of 15 percent. Three of the last 5 years had emergence farther behind than this year: 2018 (4 percent), 2019 (4 percent), and 2020 (6 percent).

U.S. Food Use Raised on Stronger-than-Expected Third Quarter Demand

U.S. food use for 2021/22 is boosted 3 million bushels to 962 million based on stronger-than-expected demand during January-March, as indicated by the *Flour Milling Products* report published by USDA, NASS. Total U.S. food use during the June-March period is now estimated at 807 million bushels, up slightly from 803 million during the same period last year (table 2).

Table 2: pace of U.S. wheat food use, million bushels

Marketing year	June-March	Marketing year total	Percent of total
2013/14	796	955	83.3
2014/15	799	958	83.3
2015/16	799	957	83.4
2016/17	791	949	83.4
2017/18	804	964	83.4
2018/19	796	954	83.4
2019/20	806	962	83.8
2020/21	803	961	83.6
5-year average 1/	800	958	83.5
2021/22	807	962	83.8

1/ 2016/17–2020/21

Source: USDA, Economic Research Service calculations; USDA, National Agricultural Statistics Service.

While total U.S. food use is on a slightly stronger pace than last year, Durum food use in the first 10 months of the marketing year is down 13 percent at 65 million bushels (table 3). With Durum food use during the January through March period stronger than previously anticipated, total

marketing year food use is raised 1 million bushels to 78 million, but is still projected to be the smallest in 7 years.

Table 3: pace of U.S. durum food use, million bushels

Marketing year	June-March	Marketing year total	Percent of total
2014/15	60	72	82.9
2015/16	65	79	82.3
2016/17	66	79	83.8
2017/18	66	79	83.6
2018/19	67	80	83.3
2019/20	69	85	80.3
2020/21	75	88	85.2
5-year average 1/	69	82	83.2
2021/22	65	78	83.5

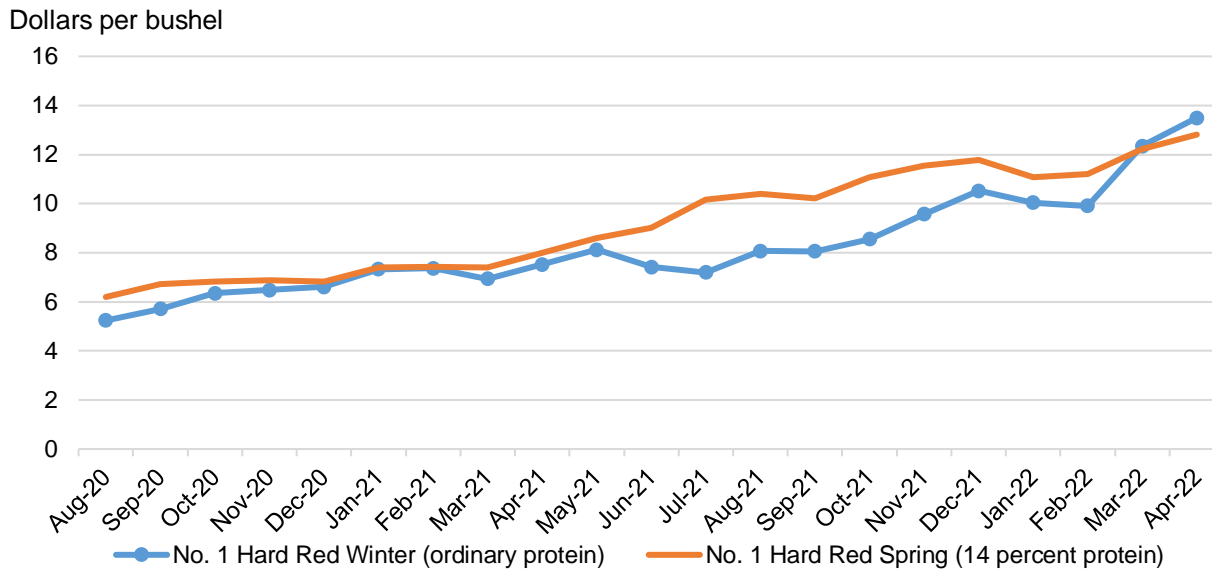
1/ 2016/17–2020/21

Source: USDA, Economic Research Service calculations; USDA, National Agricultural Statistics Service.

During the early months of the Coronavirus (COVID-19) pandemic, Durum food use was elevated as consumers stocked up on pasta products during quarantine periods. This resulted in higher-than-normal Durum consumption during 2019/20 and 2020/21, but demand appears to have returned to more typical levels in 2021/22.

Pricing dynamics between the key classes of U.S. wheat have changed substantially over the course of the marketing year. Towards the beginning of 2021/22, HRS supplies were tight and this class ran a substantial premium over HRW. This provided an incentive for millers to incorporate larger quantities of HRW into their mill grind. However, as the year progressed, premiums for HRS gradually declined, eventually being surpassed by HRW prices in some locations (figure 5). As HRS has gradually become more competitive in milling, marketing year food use for this class is estimated up 7 million bushels to 245 million, while food use for HRW is lowered 5 million bushels to 405 million. The conflict between Russia and Ukraine is a major contributor to this pricing change as HRW prices rallied more substantially than did HRS given HRW is a more direct competitor to Russia and Ukraine. Transportation delays have also impacted the pricing of these classes.

Figure 2
U.S. Hard Red Winter and Hard Red Spring prices, August 2020–April 2022

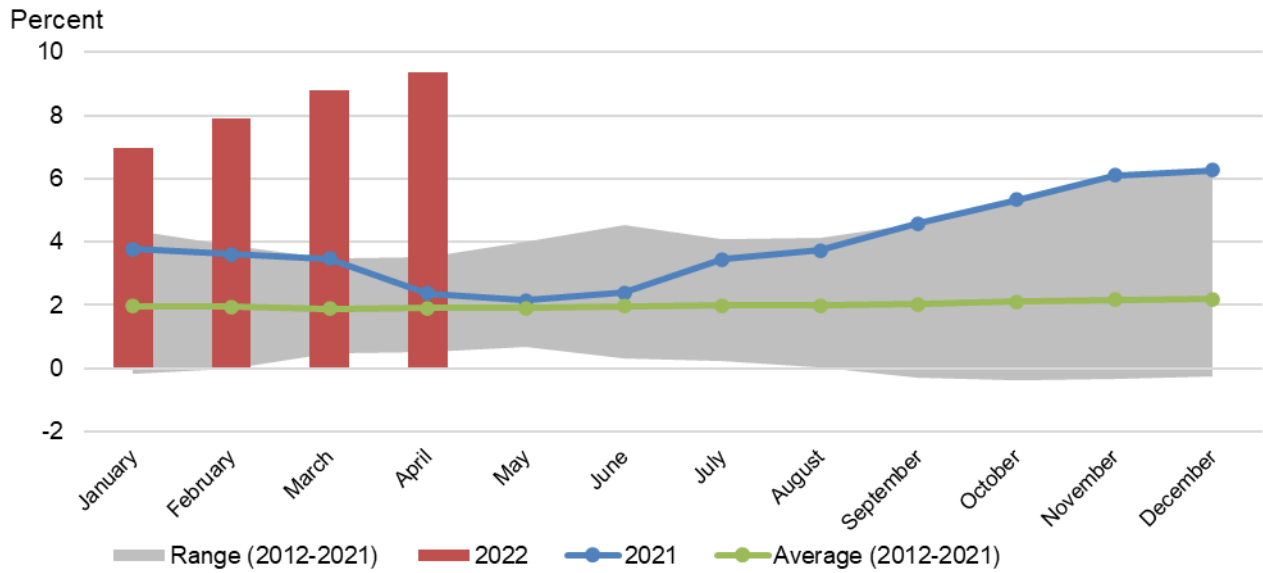


Note: The Hard Red Winter quote is for Kansas City. The Hard Red Spring quote is for Minneapolis and refers specifically to Dark Northern Spring, a subclass of Hard Red Spring. Prices are monthly averages of daily quotes.
 Source: USDA, Economic Research Service calculations using data from USDA, Agricultural Marketing Service.

Wheat-Based Food Prices Rising

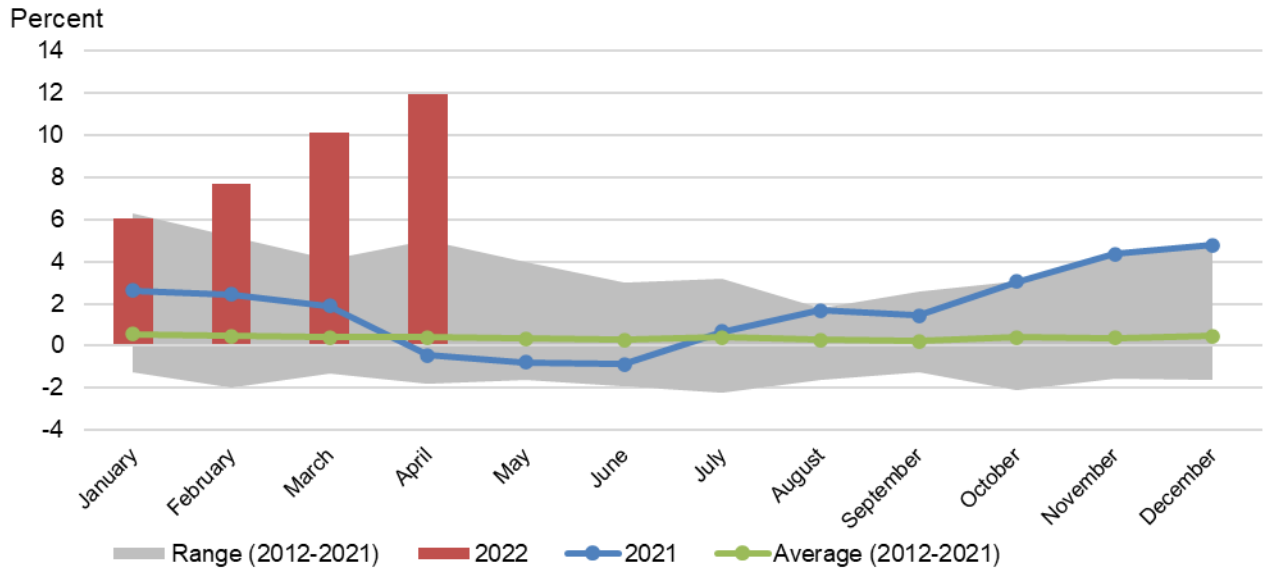
Consumer food price inflation has been substantial for several months with the Consumer Price Index (CPI) showing large year-to-year increases for many key product groups in the month of April. Figure 6 shows the annual price increases in the monthly CPI data for the overall Food category. The overall Food category shows an increase of more than 9 percent from April of last year, with the rate of increase for this metric having increased monthly for nearly the last year. Figure 7 displays the price increases for the Cereal and Cereal Products CPI, which was up nearly 12 percent from the previous year in the month of April. Across the category, many of the component products of this index are also showing strong price growth from 2021. Also contributing to the rising cost of wheat-based products, prices are also rising for several non-wheat ingredients such as oils, butter, and sugar.

Figure 6
Changes in Food CPI, by month 1/



1/ CPI = Consumer Price Index. This chart is comparing year-to-year rate of change for each month of data.
 Sources: USDA, Economic Research Service calculations using data from U.S. Department of Labor, Bureau of Labor Statistics.

Figure 7
Changes in Cereal and Cereal Products CPI, by month 1/



1/ CPI = Consumer Price Index. This chart is comparing year-to-year rate of change for each month of data.
 Sources: USDA, Economic Research Service calculations using data from U.S. Department of Labor, Bureau of Labor Statistics.

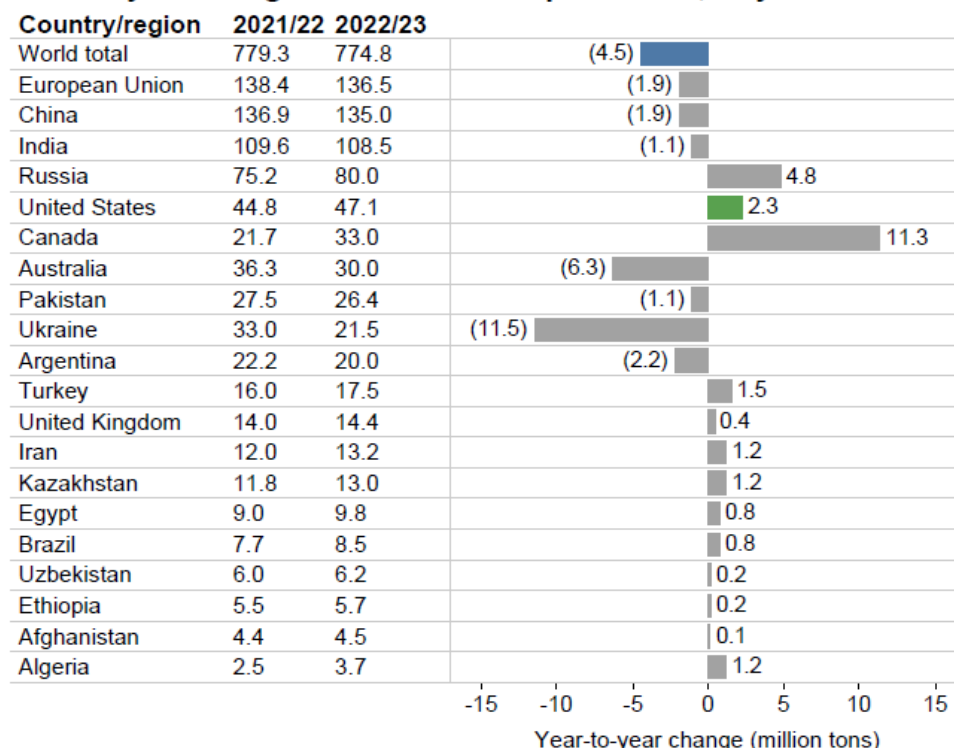
International Outlook

2022/23 Global Production Down From 2021/22 Record

Global wheat production in 2022/23 is projected to be short of the 2021/22 record at 774.8 million metric tons (MT). While **Canada** and **Russia** are projected to rebound from their 2021/22 production declines, **Ukraine** and **Australia** are forecasted below their record 2021/22 production. The **United States** is also projected to rebound from last year's drought-reduced production in spring wheat, but higher expected abandonment for winter wheat this year could limit the expansion. Figure 8 shows the projected top 20 producing countries for 2022/23 and their year-over-year changes.

Figure 8

Year-to-year change in 2022/23 wheat production, May 2022



Note: Change compared to the current 2021/22 estimate.

Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

With both **Australia** and **Ukraine** coming off bumper crops, 2022/23 production is 17 percent and 35 percent lower than 2021/22, respectively. Weather is currently favorable in parts of Australia with average to above-average soil moisture that has triggered early planting. The winter wheat crop in Ukraine was planted from early September to mid-November. Based on

conditions around establishment, this crop was already showing below trend conditions as weather in autumn was dry. The Russia-Ukraine war has increased the risk surrounding the harvest of the winter wheat, resulting in higher abandonment expected in conflict areas (area harvested projected down 1.6 million hectares from 2021/22 to 5.9 million). For more information on Ukraine, see the *World Agricultural Production* report published by USDA's Foreign Agricultural Service.

Production in **Canada** is projected at 33.0 million MT based on Statistics Canada's *Principal Field Crop Areas* survey showing an increase of 0.7 million MT in wheat planted area to 10.1 million hectares. Higher yields are also expected with a return to trend yields after the severe drought conditions last summer in the Canadian Prairies. Manitoba and Saskatchewan drought conditions have improved as they've seen a return to normal rainfall. In **Russia**, conditions over the winter looks favorable with minimal freezing and thawing events suggesting a rebound from their 2021/22 production. Winter wheat in Russia is forecasted up to 58.5 million MT, up 12 percent from last year. Spring wheat production is revised down 6 percent from last year to 21.5 million MT as planted area is expected to return to normal. Last year, Russia planted more spring wheat after the winter wheat crop did not survive ice crusting events.

Other notable production changes from 2021/22 are lower estimates for **Morocco** and **India**. Morocco's production is forecast down 5.3 million tons to 2.3 million, dropping it out of the top 20 producing countries in 2022/23. Morocco is facing severe drought conditions that have drastically cut yield potential (0.9 MT per hectare, down 1.74 from 2021/22) and is expected to result in higher abandonment (area harvested at 2.5 million hectares, down 0.4 million year-over-year). India has experienced higher-than-normal temperatures over the last few months, which are projected to limit the 2022/23 yield potential (0.6 percent lower than 2021/22 at 3.50 MT/hectare). The largest producing region (Uttar Pradesh) largely escaped the heat resulting in only a moderate decline in overall projected yield.

2022/23 Global Consumption Projected Lower than 2021/22

Global consumption in 2022/23 is anticipated at 783.9 million MT, down 3.5 million year-over-year. Food, seed, and industrial (FSI) use is anticipated to reach a record as a result of rising incomes, increased urbanization, and economic recovery as COVID-19 restrictions in most countries continue to be lifted. FSI use in 2022/23 is forecasted up with the largest increases for **China** and the **European Union (EU)**. On the other hand, FSI use is reduced for **India** and

Ukraine. India's consumption is lower with the government shifting to less wheat and more rice in its subsidized distribution programs. With refugee movement out of Ukraine, food use is projected higher in the EU and lower in Ukraine. Feed and residual use is projected down 7.5 million MT year-over-year to 153.5 million as wheat prices remain elevated compared to feed grains. **China, Australia,** and the **EU** feed and residual use is projected down from 2021/22 and is partially offset by higher feed and residual use for **Russia** and **Ukraine**. For more information on the growth in consumption, see the May 2022 *Grain: World Markets and Trade* by USDA, Foreign Agricultural Service.

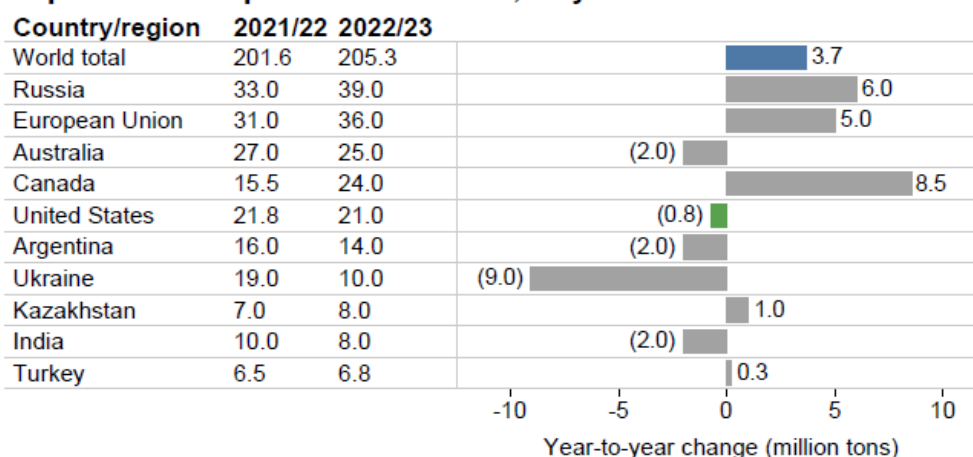
In addition to the two aforementioned categories of consumption, a slight adjustment is made to total global consumption based on trade considerations. There is a 3.6 million-MT difference between global exports and imports on a local marketing year basis for 2022/23. This unaccounted trade is added to total consumption under the assumption that all wheat traded is eventually consumed as global exports and imports balance. The adjusted global consumption level is projected at 787.5 million MT.

Consumption Projected To Create Record Trade in 2022/23

Despite high wheat prices, high consumption demand leads to higher trade year (July/June) imports in 2022/23 at a record 201.2 million MT, up 3.7 million year-over-year. Trade year exports for 2022/23 are projected at a record 205.3 million MT, up 3.7 million from 2021/22. Figure 9 shows the projected top 10 exporters in the 2022/23 trade year (July/June) and the associated year-over-year trade change.

Figure 9

Top 10 wheat exporters for 2022/23, May 2022



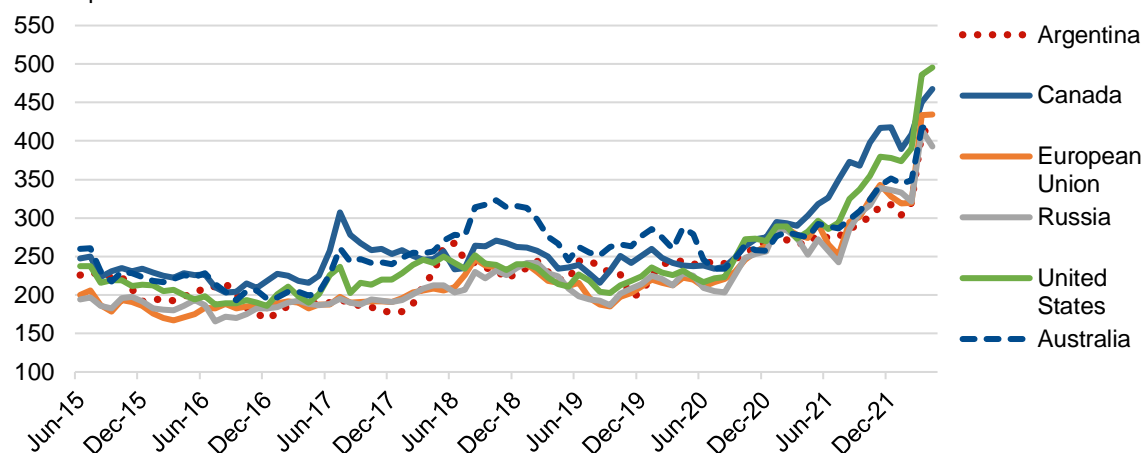
Note: Change compared to the current 2021/22 estimate; based on trade year (July/June) exports.
Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Russia is projected as the top exporter in 2022/23 at 39.0 million MT. They continue to be price competitive compared to the other major exporters (figure 10). The **EU** is expected to export more in 2022/23 compared to last year as they have the stocks and supplies to cover the loss of Ukrainian wheat. With an expected production rebound, **Canada** is projected to increase their exports to 24.0 million MT which is short of the 2020/21 record (27.7 million MT). Exports from **Ukraine** exports are projected to remain dampened due to conflict-related port closures and lower production. With lower domestic production expected, **Australia**, **India**, and **Argentina** should see lower exports in 2022/23.

Figure 10

International average monthly freight-on-board bids, June 2015–April 2022

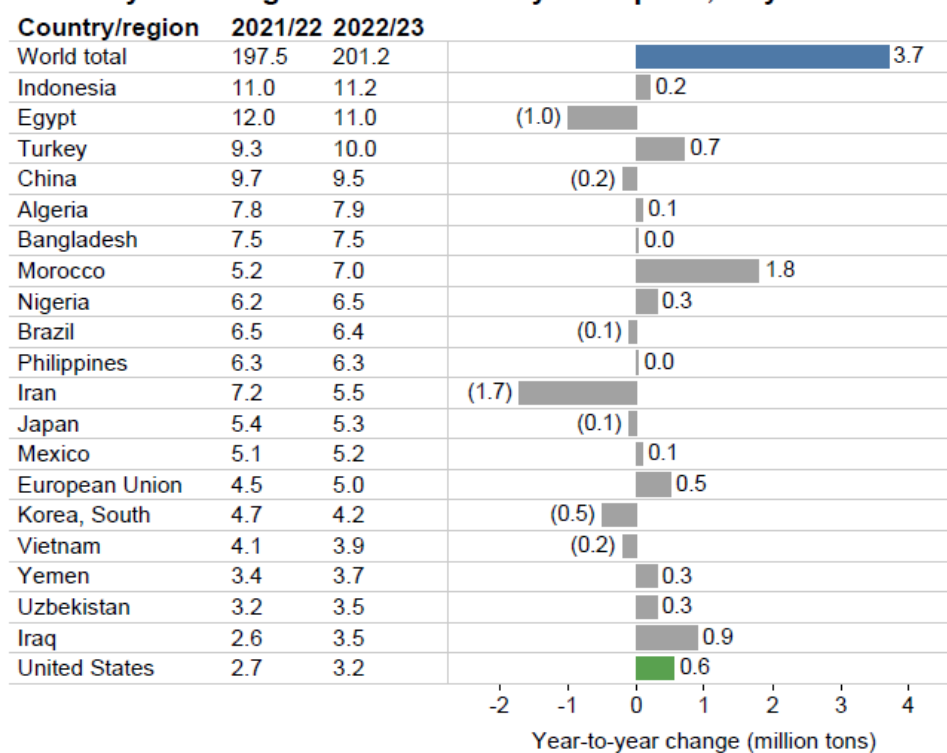
Dollars per ton



Notes: Freight on Board (FOB) quotes calculated as monthly averages.
 Quotes used: Argentina - 12.0 percent up river; Australia - average of APW (Kwinana, Newcastle, and Port Adelaide); Canada - CWRS (13.5 percent) St. Lawrence; European Union - France grade 1; Russia - Milling 12.5 percent; United States - Hard Red Winter 11.5 percent Gulf.
 Sources: USDA, Economic Research Service calculations using International Grains Council quotes.

The anticipated top 20 importers in 2022/23 are displayed in figure 11. If realized, **Indonesia** will be the top global importer in 2022/23 with 11.2 million MT, up 0.2 million MT year-over-year. **Egypt** is projected down 1.0 million MT from 2021/22 as the government has increased their domestic procurement campaign to achieve more self-sufficiency. While they are actively looking for alternative suppliers, they are dominantly dependent on Ukraine and Russia for their supplies. **Turkey** is the third largest importer and is projected to see higher imports in 2022/23 and higher exports of wheat products. With smaller domestic crops, **Morocco** and **Iraq** will require more imports to secure their supplies. Imports to **Iran** are projected down 24 percent from 2021/22 as production in Iran is projected up 1.2 million MT from last year at 13.2 million.

Figure 11

Year-to-year change in 2022/23 trade year imports, May 2022

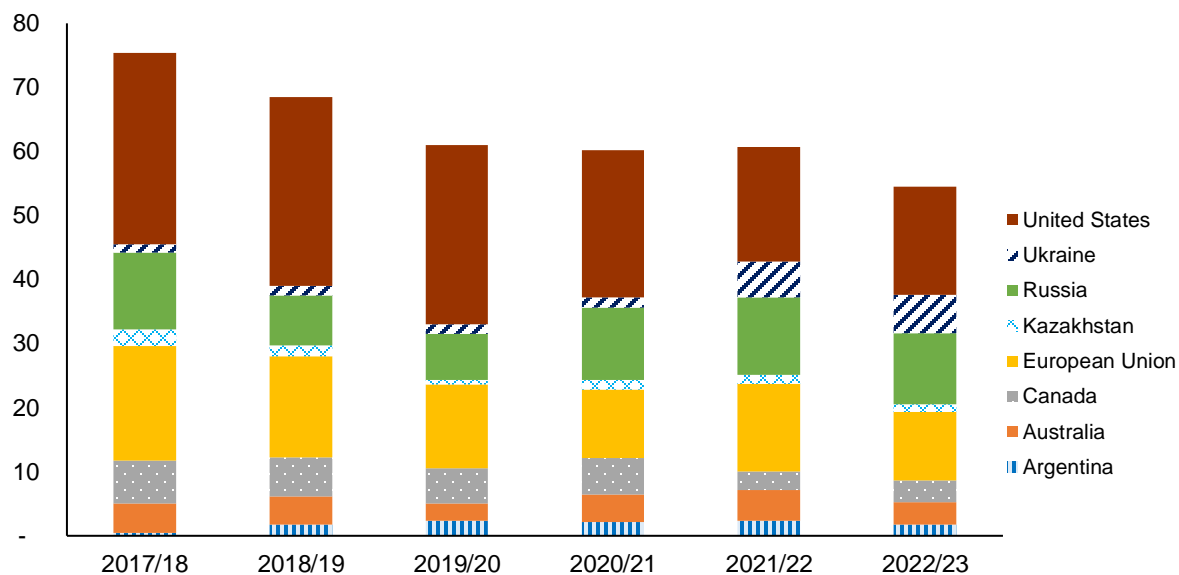
Note: Change compared to the current 2021/22 estimate; based on trade year (July/June) imports.
 Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

2022/23 Ending Stocks Lowest Since 2016/17

In 2022/23, a draw down in global ending stocks is forecasted (down 5 percent from 2021/22) as consumption exceeds production. Major exporters' ending stocks are projected 10 percent lower than 2021/22 and would be the lowest since 2012/13 at 54.5 million MT (figure 12).

Robust exports are projected to tighten stocks in **Russia, Australia, Argentina, the United States**, and the **EU**. This is partially offset with higher stocks for **Canada** and **Ukraine**. While ending stocks in Canada are higher (+0.5 million MT to 3.4 million) on a projected production rebound they remain historically tight. Ending stocks in Ukraine are projected at 6.0 million MT despite smaller production as exports are expected to be logistically constrained due to the current war with Russia. This is short of Ukraine's record stock level in 1993/94 at 7.6 million MT.

Figure 12
Major exporters' ending stocks, 2017/18 to 2022/23
 Million metric tons



Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

Outside the major exporters, **India** and **China** ending stocks are both forecasted lower. India's ending stocks are forecast down 5.0 million MT to 16.4 million as they are expected to continue to export in 2022/23 and are projected to have a smaller domestic crop. In 2022/23, **China's** ending stocks are forecast to account for 53 percent of global ending stocks, but these stocks are largely unavailable to the global market. Auctions from government stocks started in 2020/21 and have resulted in a slight decline in stocks year-over-year (-0.4 million MT to 141.5 million).

Overview of the 2021/22 Global Wheat Market Changes

Table 4 shows the global balance sheet for both 2021/22 and 2022/23. Production for 2021/22 is projected higher driven up an increased production in **Argentina** due to an updated estimate from the Ministry of Agriculture (1.2 million MT to a record 22.2 million). **Algerian** production in 2021/22 is revised down 1.1 million MT to 2.5 million. **Turkey** experienced higher-than-expected drought losses for the 2021/22 marketing year (-0.3 million MT to 16.0 million). Higher production is expected for **Ethiopia** (+0.7 million MT to 5.5 million) and **Uzbekistan** (+0.5 million MT to 6.0 million). **Serbia's** production for 2021/22 was also revised down 300,000 MT to 3.0 million.

Table 4						
Global trade year wheat balance sheet for 2021/22 and 2022/23, May 2022 (in million tons)						
Balance sheet item	2021/22 April	2021/22 May	2022/23 May	2021/22 month-to- month change	Year-over- year change	Percent change
Supply						
Beginning stocks	290.7	291.2	279.7	↑ 0.5	↓ -11.5	↓ -3.9
Production	778.8	779.3	774.8	↑ 0.5	↓ -4.5	↓ -0.6
Trade year imports	198.2	197.5	201.2	↓ -0.7	↑ 3.7	↑ 1.9
Demand						
Feed and residual use	162.2	161.0	153.5	↓ -1.2	↓ -7.5	↓ -4.7
Food, seed, and industrial use	625.9	626.4	630.4	↑ 0.5	↑ 4.0	↑ 0.6
Domestic, total use	788.1	787.4	783.9	↓ -0.7	↓ -3.5	↓ -0.4
Trade year exports	201.7	201.6	205.3	↓ -0.1	↑ 3.7	↑ 1.8
Ending stocks	278.4	279.7	267.0	↑ 1.3	↓ -12.7	↓ -4.5
Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, <i>Production, Supply, and Distribution</i> database.						

2021/22 global wheat consumption is revised down 0.7 million MT to 787.4 million as a decrease in feed and residual use offsets the increase in food, seed, and industrial (FSI) use. Feed and residual use in 2021/22 is revised down 1.2 million MT to 161.0 million as downward revisions for **Australia** (-0.5 million MT to 5.0 million), **Turkey** (-0.4 million MT to 1.4 million), and **Thailand** (-0.3 million MT to 1.3 million). The FSI use increase of 0.5 million MT to 626.4 million is driven by upward revisions for the **EU** (+0.8 million MT to 63.0 million) and **China** (+0.5 million MT to 113.0 million). Similar to the 2022/23 change, the stronger FSI consumption for the EU is a result of refugee movements from Ukraine, however the magnitude is smaller given that the effect is only notable in the last few months of the 2021/22 marketing year.

With lower expected consumption, 2021/22 trade year (July/June) exports are lowered by 0.2 million MT to 201.6 million and trade year imports are lowered 0.7 million MT to 197.5 million. The **EU** trade year exports were revised down 3.0 million MT to 31.0 million as pace of trade continues to be sluggish. These adjustments are partially offset by an increase in exports for **Argentina** (+1.0 million MT to 16.0 million) and **Brazil** (+0.7 million MT to 3.2 million). 2021/22 trade year imports are lowered for **Thailand** (-0.4 million MT to 2.5 million) and **Libya** (-0.2 million MT to 1.2 million). These are partially offset by an increase of imports to **Afghanistan** (+0.6 million MT to 3.2 million). Feed demand in Thailand was cut due to African swine fever and therefore there is less demand for imports. Afghanistan has recently seen strong imports from Uzbekistan. 2021/22 ending stocks are revised up 1.3 million MT to 279.7 million as the **EU** is projected higher (+2.3 million MT to 13.6 million) and is only partially offset with a reduction for **Algeria** (-1.6 million MT to 3.9 million) and the **United States** (-0.6 million MT to 17.8 million).

Suggested Citation

Sowell, Andrew R. and Bryn Swearingen. *Wheat Outlook: May 2022*, WHS-22e, U.S. Department of Agriculture, Economic Research Service, May 16, 2022.

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