



Wheat Outlook: January 2024

Andrew Sowell, coordinator

Angelica Williams, contributor

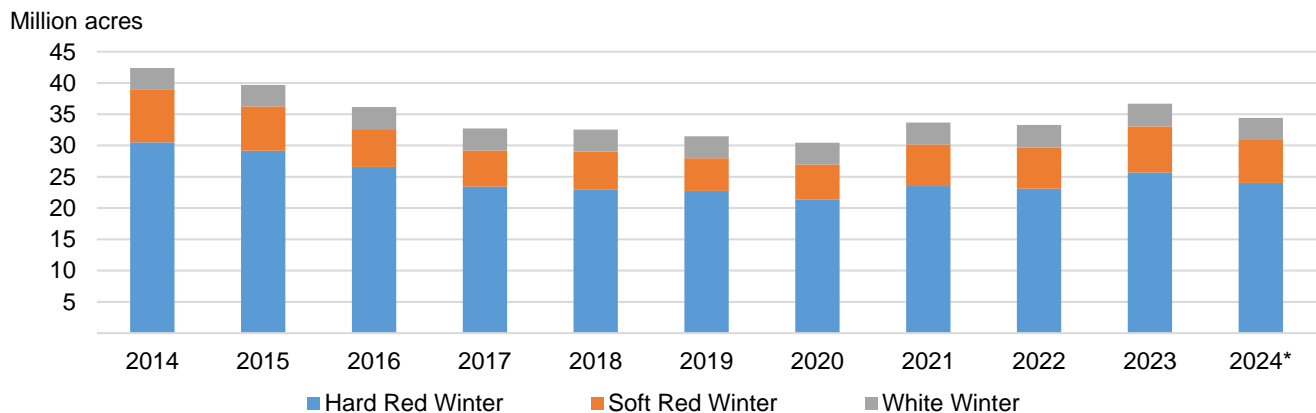
In this report:

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

U.S. 2024 Winter Wheat Plantings Forecast Lower

USDA’s National Agricultural Statistics Service (NASS) released its first projection of U.S. winter wheat plantings for 2024 in its January 12 *Winter Wheat and Canola Seedings* report. U.S. winter wheat planted area is projected at 34.4 million acres, down 6 percent year to year, but still above 2022. Winter wheat area was elevated in 2023 as high prices in late 2022 encouraged expanded sowing. For 2024, area is down in a return to the longer-term trend as prices have declined substantially in the last year. Projected area for Hard Red Winter (HRW) is forecast down 6 percent, while plantings for Soft Red Winter (SRW) are forecast down 7 percent. Both HRW and SRW plantings are forecast higher than just 2 years ago. White winter area is forecast 3 percent lower than the previous year, but close to the recent 5-year average (2019–2024). Intended Other Spring wheat and Durum acreage will be provided in the March 28 USDA, NASS *Prospective Plantings* report.

Figure 1
Winter wheat planted area by class, 2014–2024



*2024 is based on the first planted area estimate from the *Winter Wheat and Canola Seedings* report. All other years are final.
 Source: USDA, National Agricultural Statistics Service.

Domestic Changes at a Glance:

- There is no change to U.S. wheat production this month (table 1).
- U.S. all-wheat imports for 2023/24 are unchanged from the December forecast at 145 million bushels with the pace of imports approximately on target to meet the current projection. Official U.S. all-wheat imports for June–November 2023, calculated with data from the U.S. Department of Commerce, Bureau of the Census, are estimated at 73 million bushels, up 20 percent from the same months in 2022.
- All-wheat exports for the United States in 2023/24 are projected at 725 million bushels, unchanged from the December forecast. Official U.S. wheat exports for June–November 2023, calculated with data from the Census Bureau, are estimated at 318 million bushels, 24 percent below the 418 million bushels during June–November 2022. Projected exports for all classes of wheat are unchanged.
- Seed use for 2023/24 is lowered 1 million bushels to 64 million bushels. The USDA, NASS *Winter Wheat and Canola Seedings* report showed winter wheat intended planted acres at 34.4 million acres, down 6 percent from the previous year. The first USDA, NASS forecasts for 2024/25 Durum and Other Spring wheat acreage will be provided in the March 28 *Prospective Plantings* report.
 - Soft Red Winter (SRW) seed use is raised 1 million bushels to 13 million bushels. Planted acreage for SRW is forecast down 7 percent from the previous year, while seed use for this class is also down 7 percent from the previous year.
 - Hard Red Spring (HRS) seed use is forecast down 2 million bushels to 16 million bushels. This is down about 8 percent from 2022/23, but close to the 5-year average (2018/19–2022/23) of 16.2 million bushels. HRS seed use was elevated in 2022/23 as a result of late planting of the 2022 crop, which caused a larger-than-normal proportion of the seed use to be accounted for in the new marketing year.
- All-wheat feed and residual use for 2023/24 is unchanged at 120 million bushels, up 56 percent from the revised 2022/23 estimate of 77 million bushels. By-class adjustments are made for SRW (+10 million bushels to 90 million), HRW (-5 million bushels to 25 million), and White (-5 million bushels to -5 million).
- The 2023/24 season-average farm price is lowered \$0.10 per bushel to \$7.20 per bushel. The November all-wheat average farm price is reported at \$6.53 per bushel based on the latest USDA, NASS *Agricultural Prices* report, down from \$6.98 in October 2023. Futures prices have declined in recent weeks amid news of favorable conditions

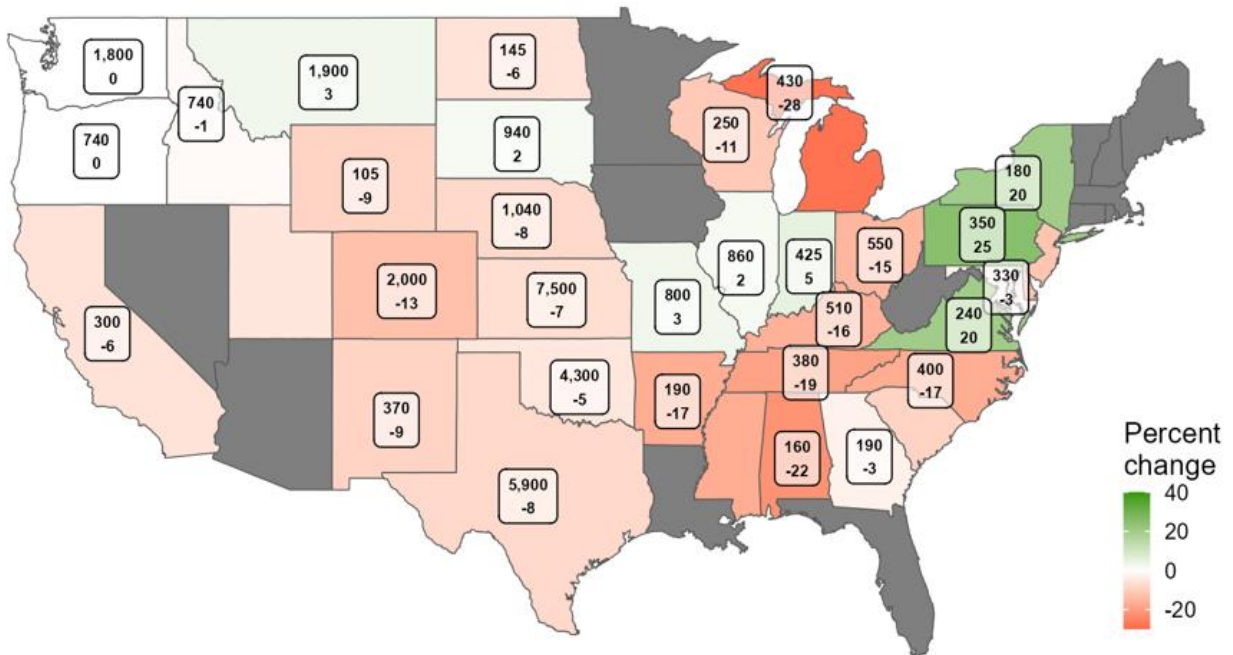
for dormant U.S. winter wheat and a slowing pace of export sales. The 5-year average of marketing weights suggests that approximately 67 percent of the crop has been sold during June–November.

Balance sheet item	2022/23 January	2023/24 December	2023/24 January	Month-to-month change	Comments
Supply, total					June–May marketing year
Beginning stocks	674	582	570	-12	Revised June 1 stocks data provided by USDA, National Agricultural Statistics Service (NASS)
Production	1,650	1,812	1,812	0	
Imports	122	145	145	0	
Supply, total	2,446	2,539	2,527	-12	
Demand					
Food	973	970	970	0	
Seed	68	65	64	-1	Lower seed use for Hard Red Spring (HRS) more than offsets higher Soft Red Winter (SRW) use
Feed and residual	77	120	120	0	SRW raised, offset by lower HRW and White
Domestic, total	1,118	1,155	1,154	-1	
Exports	759	725	725	0	
Use, total	1,876	1,880	1,879	-1	
Ending stocks	570	659	648	-11	Stocks up 14 percent year to year, but second lowest since 2013/14
Season-average farm price	\$8.83	\$7.30	\$7.20	-\$0.10	Futures prices have declined as export sales have slowed after China's large purchases in late November and early December
Source: USDA, Economic Research Service calculations and USDA, World Agricultural Outlook Board, <i>World Agricultural Supply and Demand Estimates</i> .					

2024 Winter Wheat Seedings Down from 2023

U.S winter wheat area for 2024 is forecast down 6 percent from 2023 at 34.4 million acres. Several East Coast States are projected to have the largest percentage increases in winter wheat area with Pennsylvania up 25 percent and New York and Virginia each up 20 percent year over year (figure 2). These States produce primarily SRW. Kansas, Texas, Oklahoma, and Colorado, the major HRW producing States, are each expected to see fewer acres planted in 2024. In the Northwest, winter wheat area is expected to remain nearly unchanged for 2024, with 1.8 million acres planted in Washington, and 740,000 acres each for Oregon and Idaho. These States produce mainly White wheat. Montana and South Dakota wheat area are each estimated to be 3 and 2 percent higher than a year ago. In the Midwest, winter wheat area for Illinois and Indiana, which grow SRW, are estimated to be slightly higher for 2024 while in the Great Lakes, area is down 11 percent for Wisconsin and 28 percent for Michigan.

Figure 2
U.S. winter wheat area planted by State, 2024 forecast and percent change from 2023



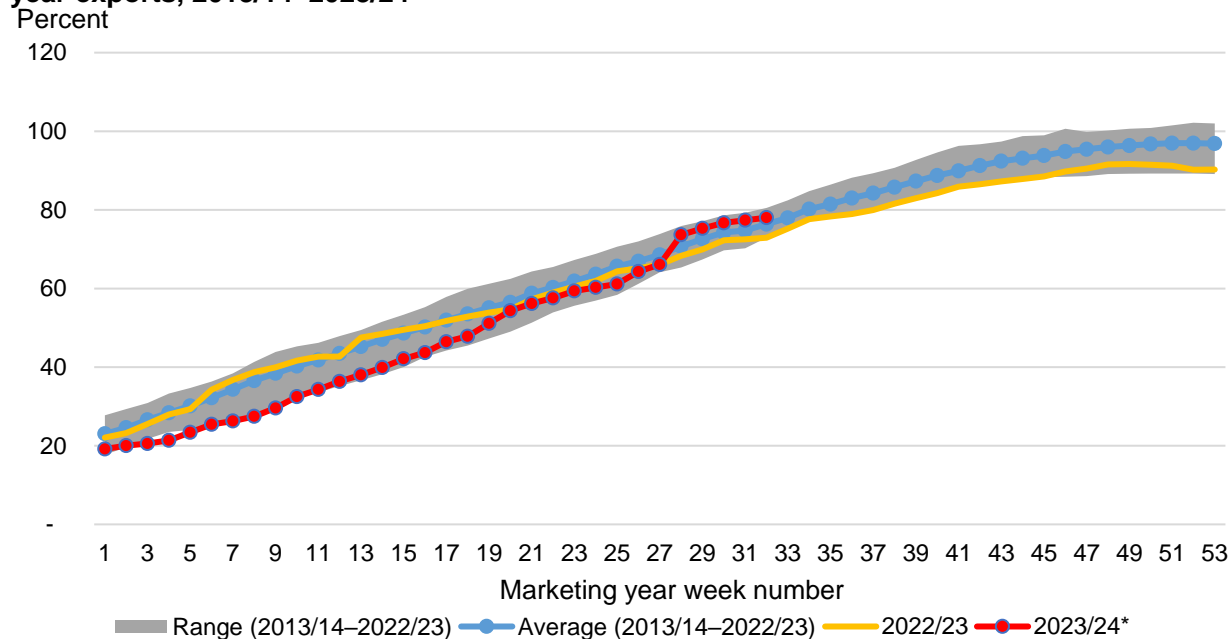
Note: Labels only included for States with more than 100,000 planted acres for 2023.
 Top number: Acres reported in thousands. Bottom number: percentage change from 2023/24 final estimate.
 Source: USDA, National Agricultural Statistics Service.

U.S. Export Sales Pace Slowing After Recent Surge

U.S. export sales, as reported in the USDA, Foreign Agricultural Service (FAS) *U.S. Export Sales*, are now slightly ahead of the same time last year. Total U.S. commitments (the sum of accumulated exports and outstanding sales) are at 15.4 million metric tons (MMT) as of January 4, up 2 percent from the same point last year. Total commitments had been trailing last year's pace for most of the year until a surge of sales (nearly 1.3 MMT) to China in late November through early December, most of which were SRW. Following those large purchases, export sales have slowed but remain on track to meet the USDA forecast of 725 million bushels, which is 4 percent below the 759 million bushels exported in the previous year. Total commitments at this point in the marketing year account for 78 percent of the full MY export estimate, above 73 percent a year ago (figure 3), and the recent 9-year average (2013/14–2022/23) of 76 percent¹.

Figure 3

U.S. all-wheat cumulative export sales as a percentage of full marketing year exports, 2013/14–2023/24



*2023/24 percentage is based on the forecast level of exports for the full marketing year.

Note: This chart depicts the percentage of the full year exports that are accounted for by total commitments as of a given week. Total commitments are based on USDA, Foreign Agricultural Service, *U.S. Export Sales* data, while the full marketing year exports are calculated based on data from the U.S. Department of Commerce, Bureau of the Census. This difference in data source is one reason that export sales do not reach 100 percent at the end of each year.

Source: USDA, Economic Research Service calculations; USDA, Foreign Agricultural Service, *U.S. Export Sales*; U.S. Department of Commerce, Bureau of the Census.

¹ 2018/19 is excluded from the average calculation due to delays in data reporting for that week.

Updates and Revisions to USDA, NASS Data

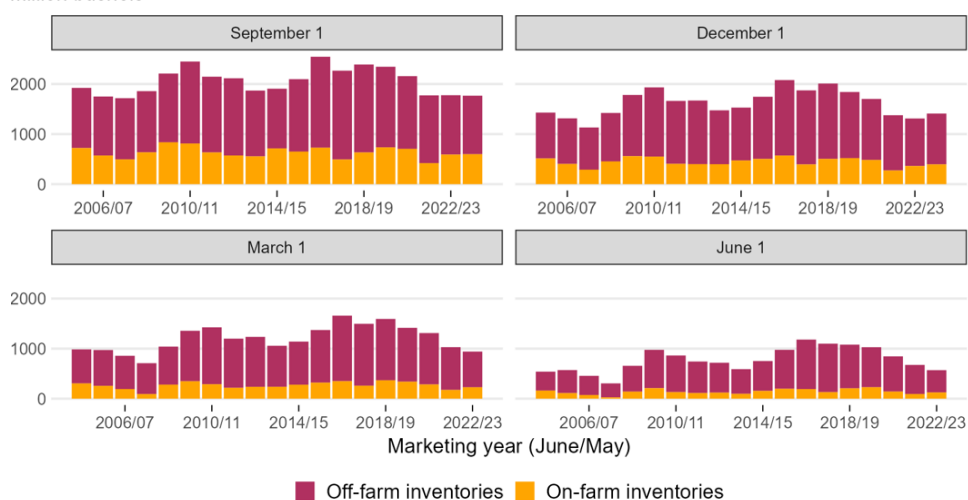
On January 9, 2024, USDA, NASS released updated area, production, and stocks data spanning 2018–2022. The revisions were done following the 2022 USDA Census of Agriculture. All-wheat production for 2018/19 was adjusted fractionally higher, all on Durum. All-wheat production for 2020/21 was lowered 8 million bushels to 1,820 million bushels mainly on Hard Red Winter (-5 million bushels), Soft Red Winter (-2 million bushels), and Durum (-1 million bushels). Ending stocks for both years were unchanged, so the balance of those changes was accounted for into feed and residual use.

Revisions to quarterly stocks data resulted in updated ending stocks figures for 2021/22 (-24 million bushels) and 2022/23 (-12 million bushels). USDA, Economic Research Service (ERS) estimates of by-class stocks have been adjusted in line with analysis of the geographic location of the stocks revisions. The 2021/22 change was applied to HRW (-20 to 356 million bushels) and HRS (-4 million bushels to 142 million). The 2022/23 stocks revision has been applied to HRS (-3 million bushels to 155 million), White (+2 million bushels to 74 million), and HRW (-11 million bushels to 223 million). The balance of these changes is applied to feed and residual.

The latest *Grain Stocks* reported that December 1, 2023, wheat inventories totaled 1,410 million bushels, up 98 million bushels from December 1, 2022, (figure 4) but down 238 million from the recent 5-year average (2018/19–2022/23) December 1 stocks. Implied all-wheat total disappearance from September 1 to December 1, 2023, was lower than each of the last five years, with domestic use down year to year and exports at an all-time low for that quarter (by-class quarterly records extend back to 1973/74).

Figure 4
U.S. wheat inventories, quarterly, on-farm and off-farm

Million bushels



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

International Outlook

Increased Wheat Production Prospects for Russia and Ukraine Drive Global Production Up

Global wheat production for 2023/24 is projected at 784.9 million metric tons (MMT), up 1.9 million metric tons (MMT) this month. Major increases in wheat production are for **Russia** and **Ukraine**, with forecasts raised 1.0 and 0.9 million metric tons, respectively, followed by an increase for **Saudi Arabia** of 0.6 MMT. Such increases offset a reduction in wheat output of 0.4 and 0.2 MMT from **China** and **Paraguay**, respectively (figure 5).

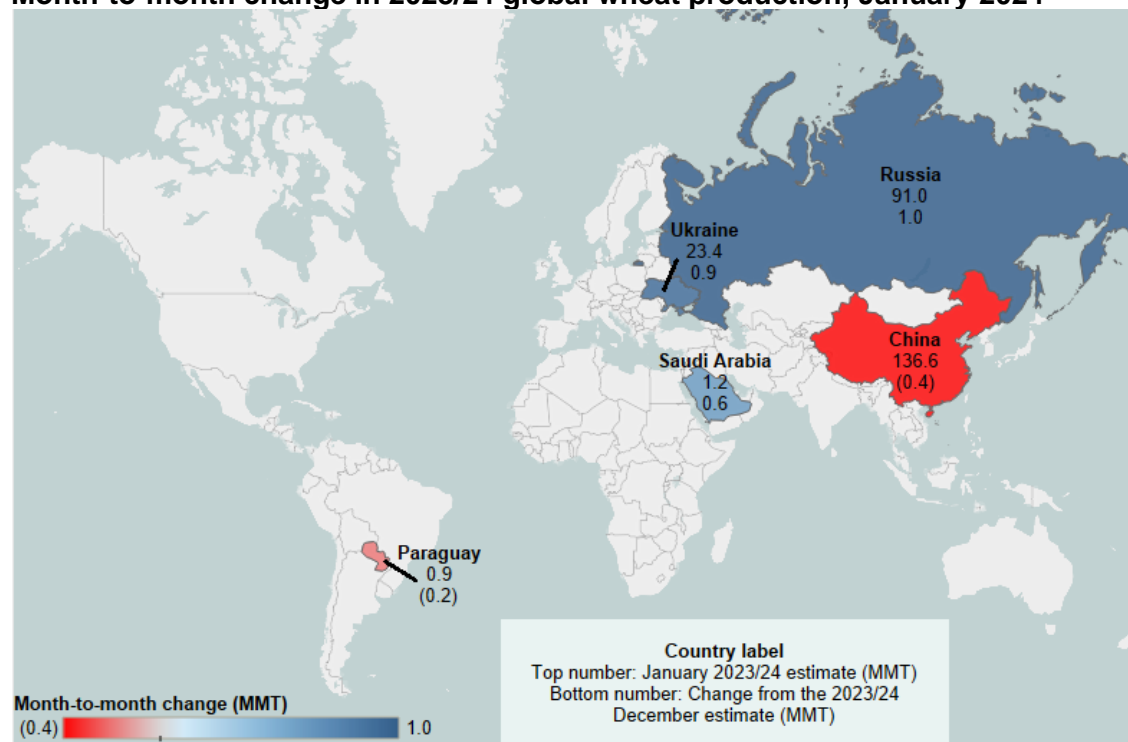
For **Russia**, recently released production data from the Federal Service for State Statistics (ROSSTAT), a Russian Government statistical agency, provided preliminary all-wheat production estimates for the 2023/24 marketing year. Slightly lower harvested area reported for winter wheat—which accounts for about 70 percent of total wheat production—is partly offset by an increase in spring wheat area planted. On net, total wheat area is slightly lower. With wheat harvests nearing completion, the all-wheat yield is boosted slightly this month to 3.16 tons per hectare, resulting in wheat production for 2023/24 at 91.0 MMT, the second highest production on record behind 2022/23. Similarly, based on the latest preliminary statistics published by **Ukraine's** Ministry of Agriculture, wheat production is revised upward by 4 percent this month on reported higher yields from the latest harvest results and higher 2023 wheat production for Crimea published in Rosstat's preliminary report.

Saudi Arabia's wheat production is revised up 100 percent from last month's forecast, on a substantial area increase—up 100 percent from last year's final estimate. High domestic wheat purchase prices offered by the General Food Security Authority (GFSA) have incentivized farmers to shift from growing alfalfa to wheat due to higher profitability. For more information, please see this month's USDA, FAS *World Agricultural Production* circular.

According to data published on the December National Bureau of Statistics (NBS) report, **China's** wheat production is projected down 0.4 MMT to 136.6 MMT for 2023/24 on revised lower area harvested.

Figure 5

Month-to-month change in 2023/24 global wheat production, January 2024



MMT = million metric tons.

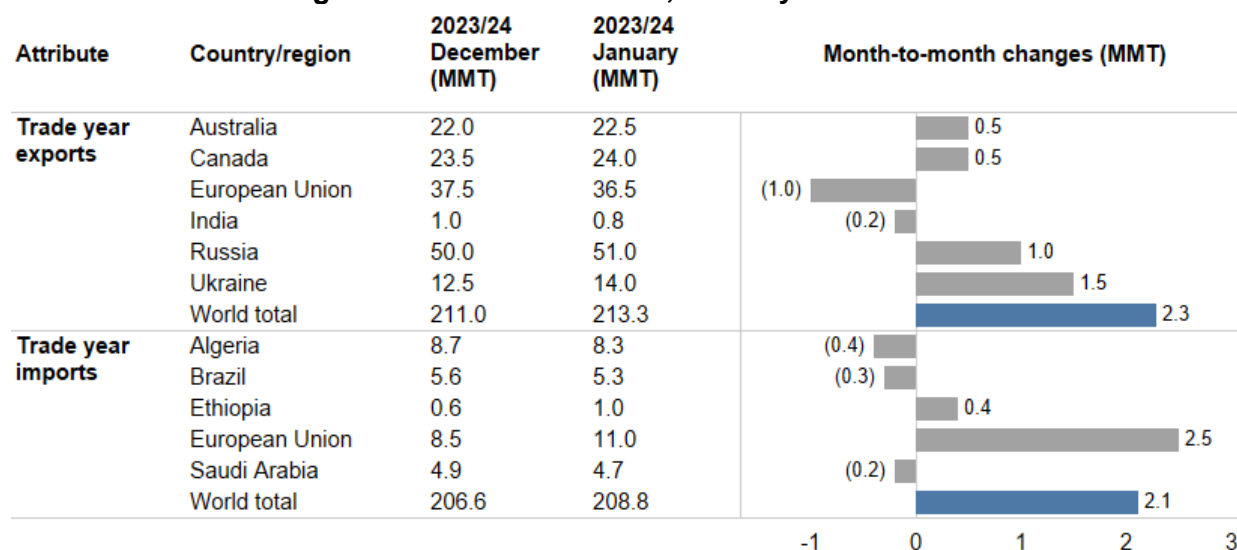
Note: Changes less than 0.1 MMT are not included.

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

Global Wheat Trade Raised for 2023/24

Global wheat exports for the 2023/24 (July–June) international trade year (TY) are projected 2.3 MMT higher to 213 MMT (figure 6). **Ukraine** leads this month with an increase of 1.5 MMT to a forecasted 14 MMT, based on the current strong pace of shipments, particularly to the **European Union**. Higher supplies in **Russia** and a strong export pace from various modes of transportation via land and sea, have driven exports forecast up by 1.0 MMT to 51.0 MMT. It is forecasted that **Russia** will continue to lead as the world’s largest exporter, given that its production has outpaced domestic demand and competitive export prices. For more information on Russia’s export markets expansion please see this month’s USDA, FAS *Grain: World Markets and Trade – Market Features*. Similarly, an increase of 0.5 MMT is projected for **Canada** wheat exports based on the pace of export shipments and for **Australia** due to a better than anticipated crop harvest for 2023/24.

Figure 6

Month-to-month change in 2023/24 wheat trade, January 2024

MMT = million metric tons.

Note: Changes less than 0.2 MMT are not included; month-to-month change is the difference between January 2024 and December 2023 estimates.

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

European Union imports lead this month with a projected increase of 2.5 MMT to 11.0 MMT due to a robust pace of imports from **Ukraine**. **Ethiopia** imports are raised 0.4 MMT with wheat flour being imported for domestic consumption – after resuming food aid deliveries in December. A slow pace of shipments recorded has contributed to a lowering of wheat imports for **Algeria** and **Brazil** by 0.4 and 0.3 MMT, respectively. **Saudi Arabia** is also revised lower this month on increased wheat production for the 2023/24 trade year.

Higher Global Wheat Consumption and Ending Stocks














Global wheat consumption is up 1.8 MMT to 796.4 MMT with larger feed and residual use partly offset by a fractional reduction in global food, seed, and industrial (FSI) use. Global wheat feed and residual use is up 2.2 MMT to 161.1 MMT on upward revisions to **India**, the **European Union**, and **Argentina**, which more than offset a reduction for **Ukraine**. **Syria** FSI is lowered 0.3 MMT to 3.2 MMT based on tighter beginning stocks resulting from a downward revision to 2022/23 production.

Several offsetting changes leave global wheat ending stocks for 2023/24 projected 1.8 MMT tons higher to 260.0 MMT this month. The largest revisions are for the **European Union**, up 2.5 MMT on higher expected imports and for **Ukraine**, whose stocks are up 1.8 MMT due to higher projected output for 2023/24 and stocks revisions in prior years. **Ethiopia**, **Saudi Arabia**, **Israel**, and **Jordan** each also see small increases in stocks. The increases in global ending stocks are

partially offset by lower stocks forecast for **Syria** on reduced domestic consumption and lower carryout due to back year production and consumption revisions. Projected lower ending stocks for the **United States** are due to revised back year changes in feed and residual affecting 2022/23 ending stocks. **Algeria's** stocks are down due to lower imports while **Australia's** and **Canada's** are down on increased projected exports. **China's** ending stocks are lower based on a smaller production estimate while **India's** reduction is based upon expectations for increased domestic consumption (figure 7).

Figure 7

Month-to-month change in 2023/24 global ending stocks by country, January 2024

Country/region	2023/24 total stocks (MMT)	Monthly change (MMT)	5-year average (2018/19–2022/23)
European Union	15.3	 2.5	13.9
Ukraine	4.4	 1.8	3.0
Ethiopia	0.7	 0.3	0.9
Saudi Arabia	4.3	 0.3	2.7
Israel	0.6	 0.1	0.5
Jordan	0.8	 0.1	0.5
Syria	1.3	 -0.1	1.8
United States	17.6	 -0.3	22.8
Algeria	4.2	 -0.4	5.0
China	133.5	 -0.4	140.6
Australia	3.6	 -0.5	3.6
Canada	3.5	 -0.5	5.0
India	10.0	 -1.0	19.7

MMT = million metric tons.

Note: Changes less than 0.1 MMT are not included; month-to-month change is the difference between January 2024 and December 2023 estimates.

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

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