

World Wheat Outlook

March 2011



WHEAT, LICENSED WAREHOUSE AND FUTURES CONGRESS & EXIBITION

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PRESENTATION TOPICS

- **2010 WORLD WHEAT REVIEW**
 - **FOB Price Comparison and evolution**
 - **Wheat Futures Market**
- **Commodity Highlights 2010/11**
- **World Wheat Outlook 2011/12**
- **Conclusions**

2010 World Wheat Review

World Wheat Estimates

May 2010:

- World Wheat Production 656 mmt
- World exports of major producers, 137 mmt
- Carry out 149 mmt

FOB Prices

\$/MT	May
USHRW	204
USSRW	196
Arg	235
Fr	171
Ger	182
Russia	179
Ukr	176

World Wheat Estimates

August 2010:

- World Wheat Production 633 mmt
- World exports of major producers, 143 mmt
- Carry out 126 mmt

MMT	May	Aug	%Change
World	149	126	-15%
USA	27	30	10%
Arg	1	1	28%
Aus	6	6	0%
Can	8	5	-29%
EU27	20	15	-27%
Rus	8	10	32%
Ukr	1	1	0%

FOB Prices

\$/MT	May	Aug	Chan
USHRW	204	265	30%
USSRW	196	252	29%
Arg	235	275	17%
Fr	171	288	68%
Ger	182	294	62%
Russia	179	0	
Ukr	176	280	59%

World Wheat Estimates

Dec 2010:

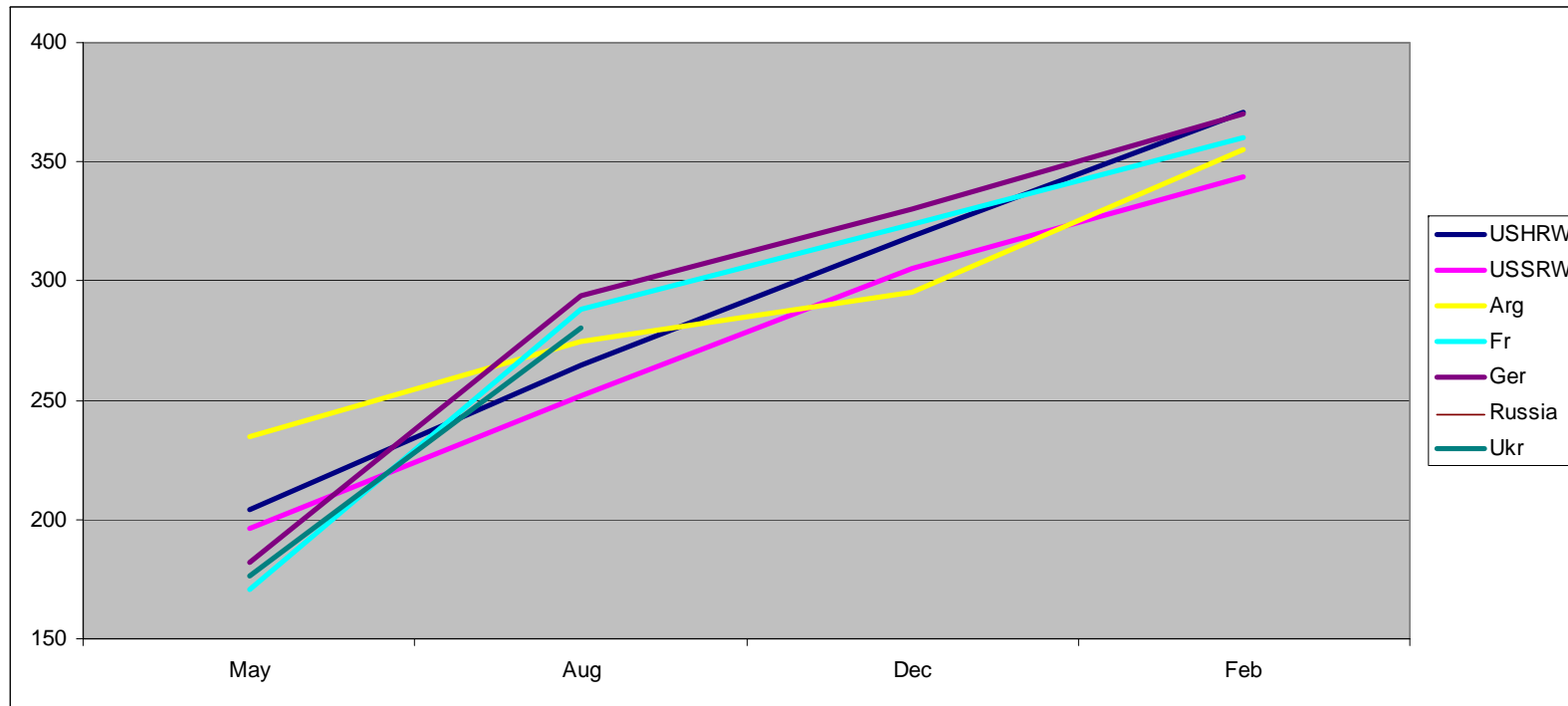
- World Wheat Production 638 mmt
- World exports of major producers, 149 mmt
- Carry out 124 mmt
- Australian Floods, 60-70% feed wheat

	Aug	Dec	%Change
World	126	124	-2%
USA	30	23	-22%
Arg	1	1	-20%
Aus	6	4	-41%
Can	5	8	44%
EU27	15	18	20%
Rus	10	9	-8%
Ukr	1	3	123%

FOB Prices

\$/MT	May	Aug	Dec	% Change
USHRW	204	265	319	20%
USSRW	196	252	305	21%
Arg	235	275	295	7%
Fr	171	288	324	13%
Ger	182	294	330	12%
Russia	179		0	0
Ukr	176	280	0	0

FOB Comparison and Price Evolution



Wheat Futures



Russian Ban

2010 Commodity Highlights

Commodity Highlights 2010/11

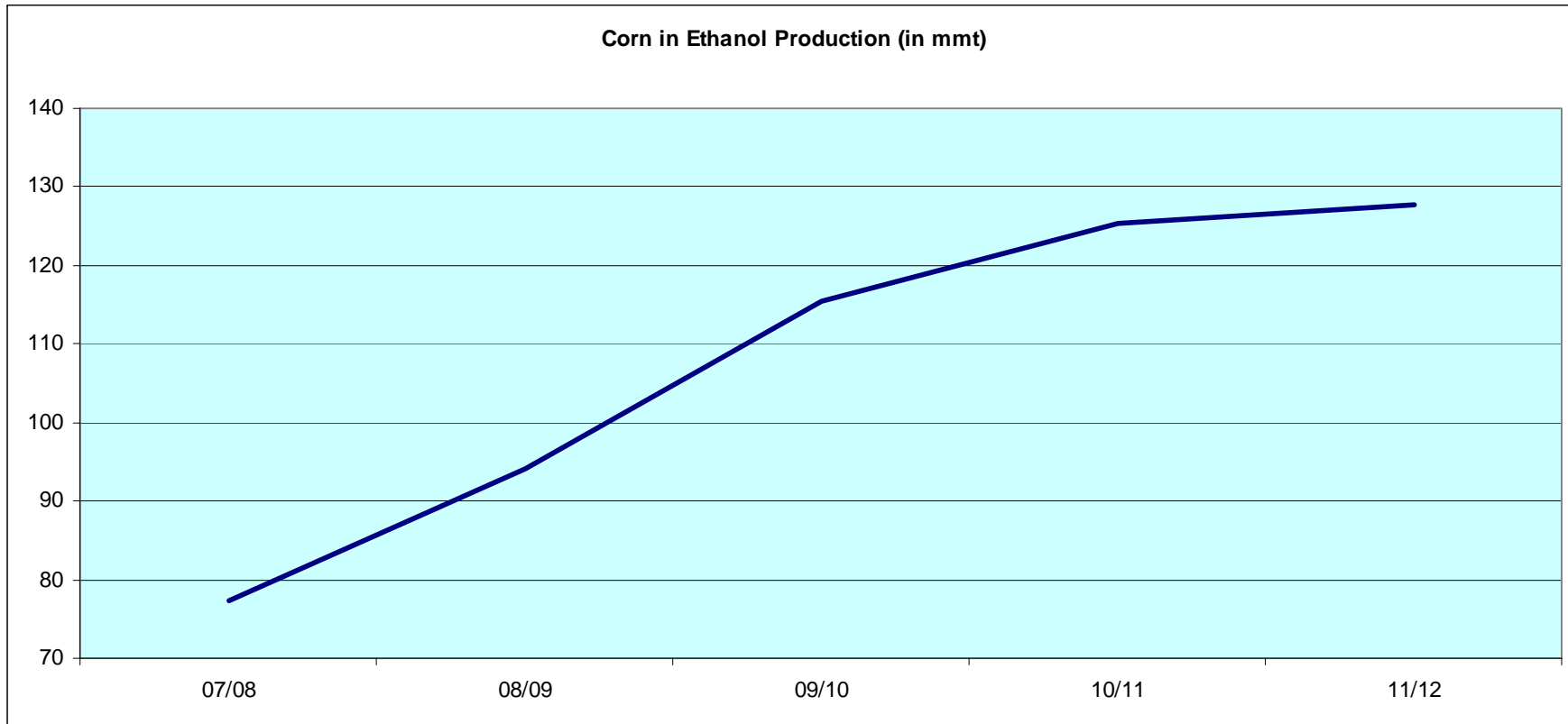
- Carry-out evolution in corn and beans in US and World

MMT	May	Aug	%Change
CORN			
World	154	139	-10%
US	46	33	-28%
SOY			
World	66	65	-2%
US	10	10	-1%

MMT	Aug	Dec	%Change
CORN			
World	139	130	-7%
US	33	21	-37%
SOY			
World	65	60	-7%
US	10	4	-54%

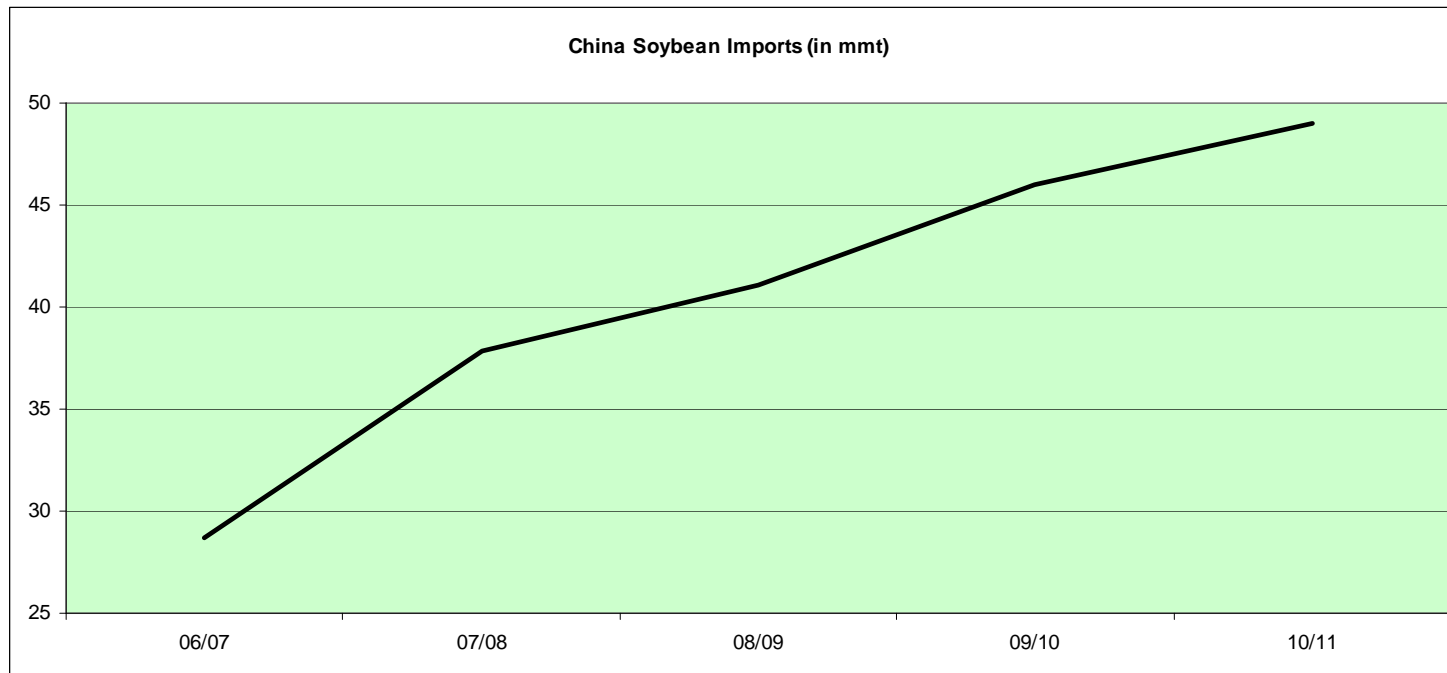
Commodity Highlights 2010/11 (cont'd)

- Increasing demand in ethanol in US



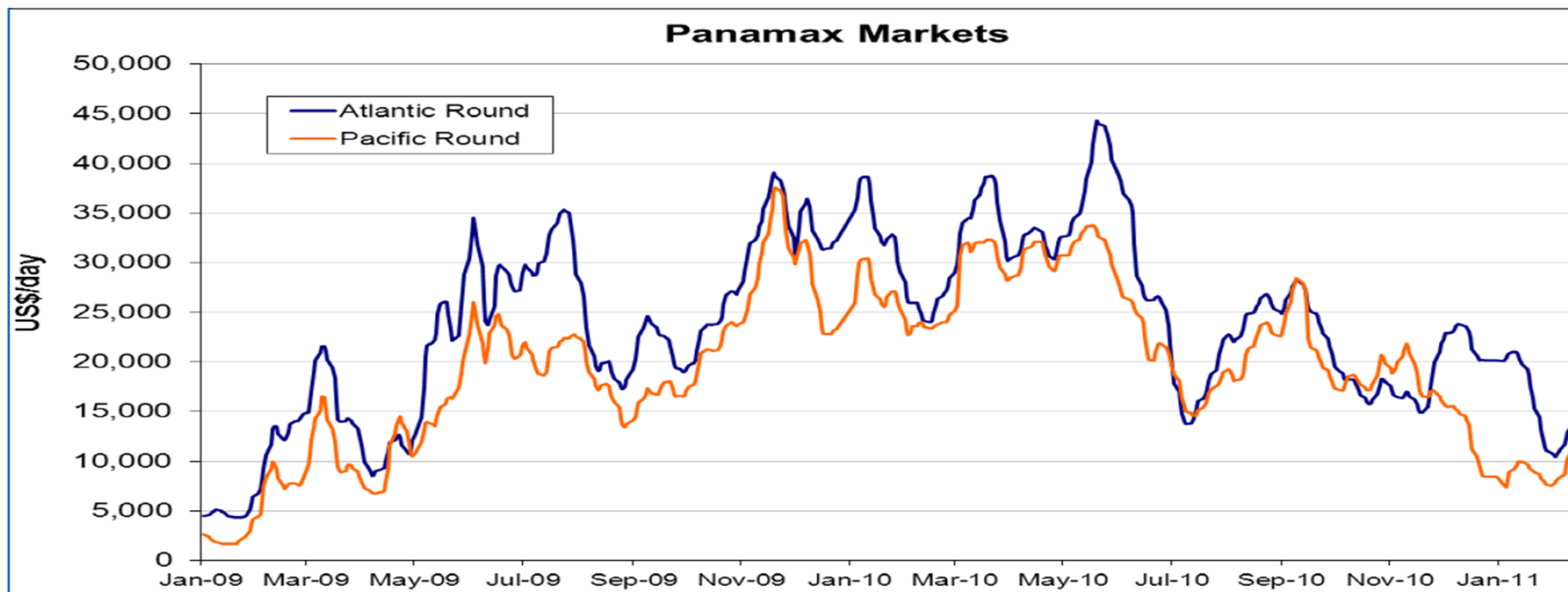
Commodity Highlights 2010/11 (cont'd)

Increasing demand (based on imports) in beans in China



Commodity Highlights 2010/11 (cont'd)

- Decreasing freight indexes



Commodity Highlights 2010/11 (cont'd)

- Conclusions:
- Fight for acres in spring 2011
- Tight stocks across commodities
- Increased Volatility

Agricultural Outlook Forum

- US Production estimates for 2011/12:

CORN	LOW	USDA	HIGH
Prod	345	349	352
C/o	17	22	24
SOY			
Prod	88	91	92
C/o	2	4	7

- World Production estimates:

WORLD	2010/11	2011/12	% Change
CORN			
Prod	554	591	7%
C/o	83	66	-21%
SOY			
Prod	209	214	2%

What does this mean for wheat?

World Wheat Outlook 2011 / 2012

New Crop Campaign Estimates 2011/12: EU 27

MT	2010/11	2011/12	% Change
Area (m ha)	23	24	4%
Yield	6	6	4%
Production	137	141	3%
Export	19	21	16%
C/O	10	10	0%

New Crop Campaign Estimates 2011/12: Black Sea

MT	2010/11	2011/12	% Change
Area (m ha)	48	47	-2%
Production	71	87	22%
Export	13	26	100%
C/O	22	20	-8%

New Crop Campaign Estimates 2011/12: U.S.

MT	2010/11	2011/12	% Change
Area (m ha)	21	22	7%
Yield	3	3	-5%
Production	57	57	0%
Export	34	26	-23%
C/O	21	29	38%

New Crop Campaign Estimates 2011/12: Canada

MT	2010/11	2011/12	% Change
Area (m ha)	7	8	3%
Yield	3	3	3%
Production	23	22	-5%
Export	12	11	-9%
C/O	6	8	50%

New Crop Campaign Estimates 2011/12: Argentina

MT	2010/11	2011/12	% Change
Area (m ha)	5	5	6%
Yield	3	3	-16%
Production	14	14	-4%
Export	9	6	-29%
C/O	1	3	93%

New Crop Campaign Estimates 2011/12: Australia

MT	2010/11	2011/12	% Change
Area (m ha)	14	14	0%
Yield	2	2	-5%
Production	25	24	-6%
Export	14	15	11%
C/O	7	9	28%

New Crop Campaign Estimates 2011/12: World

Major Wheat Producers

MT	2010/11	2011/12	% Change
Area (m ha)	116	118	1%
Yield	3	3	6%
Production	315	334	6%
Export	100	105	5%
C/O	95	105	11%

Varying Estimates:

	mmt	Est.	USDA
US			
Prod	55		57
C/o	17		18

Price Factors for upcoming Campaign

- Weather / yields
- Acres
- Freight
- Macros (currency / Oil / global economy)
- China demand (corn / beans / wheat)
- Carry-out building stock
- International politics

OUTLOOK / Take Away

Current Campaign – 10/11

- Exports will have to slow down.
- Mills will have to use low TW wheat.
- Import of High quality wheat to increase
- Price will have to increase to ration demand

Next campaign-11/12

- Excellent farmer economics for wheat
- Best winter grain margins
- Wheat acreage increase (????)
- Black Sea export from July 1st



THANK YOU !

BUNGE