Wheat market outlook for 2022/23

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Global Food Market Information Group

21 June 2022
Starting the season with high uncertainty and near-record prices

- Trade limitations/disruptions
  - Ukraine’s main ports still blocked
  - Export restrictions

- Near-record prices
  - International wheat prices at near-record highs and volatile
  - Energy and fertilizer prices at record and near-record levels

- Macroeconomic challenges in several countries
  - Slower economic global recovery
  - High debt in several countries
Global wheat production forecast to fall in 2022

Major producers: % change 2022 over 2021 production

Global wheat production and area

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Ukraine export challenges

Ports of Ukraine during the war

Almost all Ukrainian ports are closed due to occupation, blockade, nine danger, and the danger of piracy by Russia.

- 3 are working
- 4 don't work
- 5 occupied since 2014
- Entry and exit is not possible

Source: Ukrainian Grain Association
Export disruptions: war in Ukraine, trade restrictions

Wheat exports from the Black Sea

- Kazakhstan
- Ukraine
- Russian Federation

CIS countries share of global wheat exports

Wheat exports of major exporters

- Russia
- EU
- USA
- Canada
- Ukraine
- Australia
- Argentina
- Kazakhstan
- India

Global wheat trade

Million tonnes

Ave (16/17-20/21) 21/22 22/23 fcast
Stocks still tight in major exporters

Wheat stocks and ratios

Wheat stocks of major exporters excluding Ukraine

Wheat stocks of major exporters

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High prices dampening consumption

Global wheat utilization

Top wheat feed consumers

Wheat food consumption by region
Importers shifting sources and relying on stocks

Wheat imports of top importers

Africa wheat S/D

Asia (excluding China) wheat S/D

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2022/23 Wheat Outlook Summary

- All signals pointing to continued market pressure

- Slight fall in global production and disrupted exports from Ukraine seen sustaining supply tightness and uncertainty in global wheat markets
  - However, several uncertainties: harvest outcomes, Ukraine ports, Russia export capacity, trade policies

- Some short-term relief
  - Consumption dampened by high prices, especially feed use
  - Importers likely to shift sources and rely on stocks in 22/23

- High energy and input (fertilizer) prices expected to continue adding pressure in the long-term.