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Market Report – April 2012
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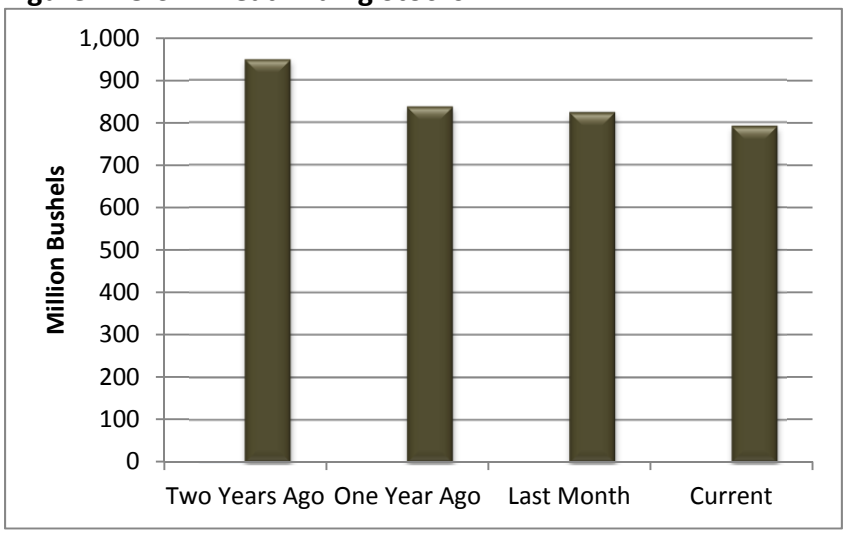
U.S. wheat ending stocks for 2011/12 are projected lower over increased feed and residual use which is raised 35 million bushels reflecting higher-than-expected disappearance during the December-February quarter as indicated by the March 1 stocks. USDA revised wheat ending stocks down 32 million bushels from 825 to 793 million bushels.

Figure 1. U.S. Wheat Ending Stocks



This is the fifth month in a row that the U.S. wheat supply has seen a decrease in stocks. April's stocks are at 36.2 percent compared with December's 41.7 percent. In the U.S., stocks to use under 20 percent typically leads to stronger prices.

Exports will continue to be play an important role in pricing wheat as well as reducing the abundance of wheat on hand. Global wheat consumption for 2011/12 is raised 2.8 million tons on higher expected feed and residual usage. Wheat feeding is raised for China, Saudi Arabia, Mexico, the Philippines, and Vietnam.

The most important price driver for wheat will continue to be corn. Producers should pay special attention to this spring's planting which is expected to increase more than 7 percent to 95 million acres – the highest acreage since WWII according to some reports.

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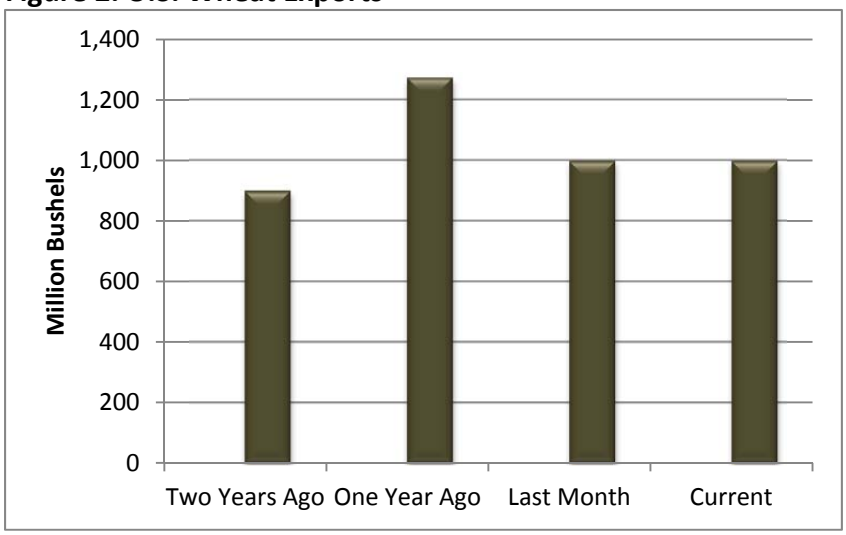
Figure 2. U.S. Wheat Exports