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Global Wheat Demand

Feeding the World by Milling and Feeding

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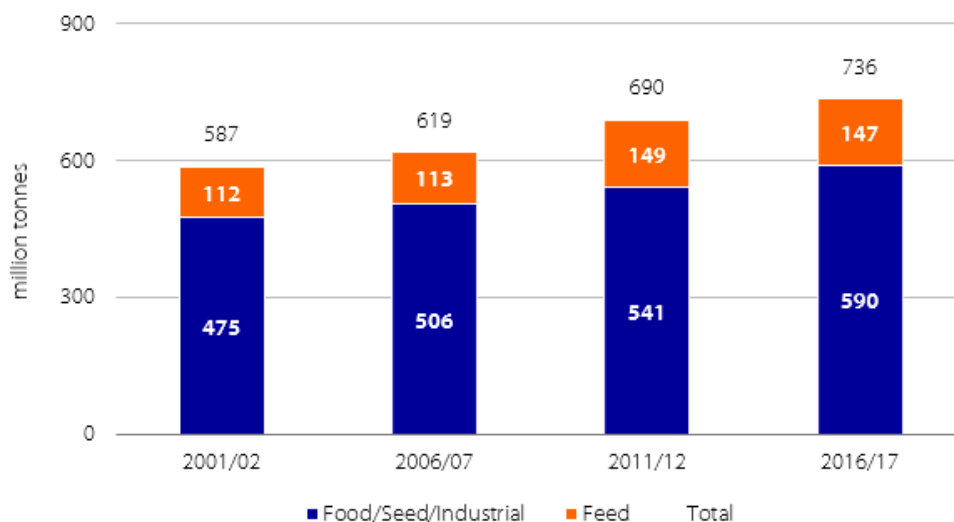
Food & Agribusiness
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Global wheat consumption in the current 2016/17 season is forecast to reach a record-high 736m tonnes, showing a growth of 25% in the last 15 years. This raises the question which outlets the wheat is going into, what the growth of these outlets is, which regions or countries have grown the most and where we see future potential. In the first article in this series, we'll dive into wheat used for feed, which showed decent growth over the past years but might run out of steam in the next few years.

Figure 1: Global wheat use grew by 25% in the last 15 years, 2001/02-2016/17

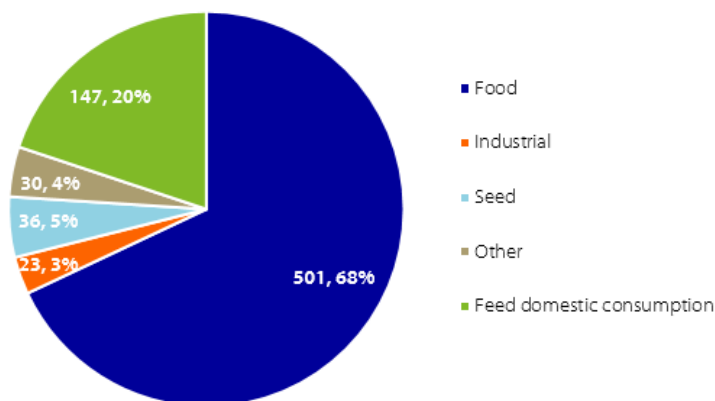


Source: USDA, IGC, Rabobank 2017

More than two-thirds of global wheat is used for food, 20% is used for livestock feed and another 3% to 5% each for seed, industrial use and other uses (see Figure 2).

Figure 2: Wheat use per sector, 2016/17

million tonnes, percentage of total use



Source: USDA, IGC, Rabobank 2017

Global wheat use for feed—competition from corn to keep growth rates in check

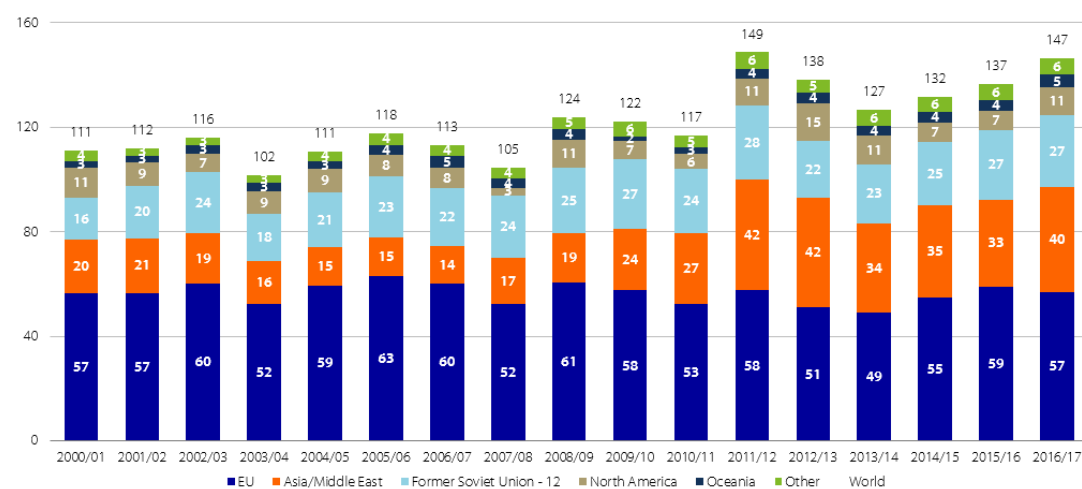
Global wheat used for feed in 2016/17 is expected to reach 147m tonnes, with the EU accounting for almost 40%, Asia for 27%, the former Soviet Union countries for almost 20%, and North America for 7%.

With an average annual growth of 1.9% since 2000, the global wheat-to-feed complex seems to post decent growth rates. However, the annual wheat intake for feed was relatively stable between 2000 and 2010, clearly benefitting afterwards from a large wheat availability on the back of the 2011 harvest (see Figure 3). These supplies however quickly declined again with the 2012 Russia crop being reduced by drought, which was a major hit to global wheat production and the use in feed. Only over the last years has it slowly recovered, with this season's wheat feed production expected to almost reach the record level seen in 2011/12.

Wheat use in the EU has been hovering around the long-term average of 56m tonnes with a margin of about 6m tonnes. In Russia and Asia, wheat use is recovering again and moving closer to the record levels seen in 2011/12. We forecast a slight growing trend of global wheat-to-feed production, driven by an expanding feed demand, particularly to support the developing countries' growing consumption of livestock products.

Strong competition of other feedgrains like corn is expected to slow the growth of wheat used for feed in the next years and, in the future, companies involved in the grain supply chain and feeding industry will need to be flexible enough to continue to meet this fast-changing demand for feed grains. For feed producers, this means they need to be able to access supplies of different grains from different origins to allow for the cheapest composition of their feed, while grain suppliers need to be able to continuously best engage with global trading opportunities to originate grains in various regions and move them to demand regions as cost-effectively as possible.

Figure 3: Global wheat used for feeding, 2000/01-2016/17



This is the first article in our three-part series on global wheat consumption. The next article on global wheat use for food, seed and industrial purposes [can be found here](#), and the third article is [here](#).

Imprint

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