

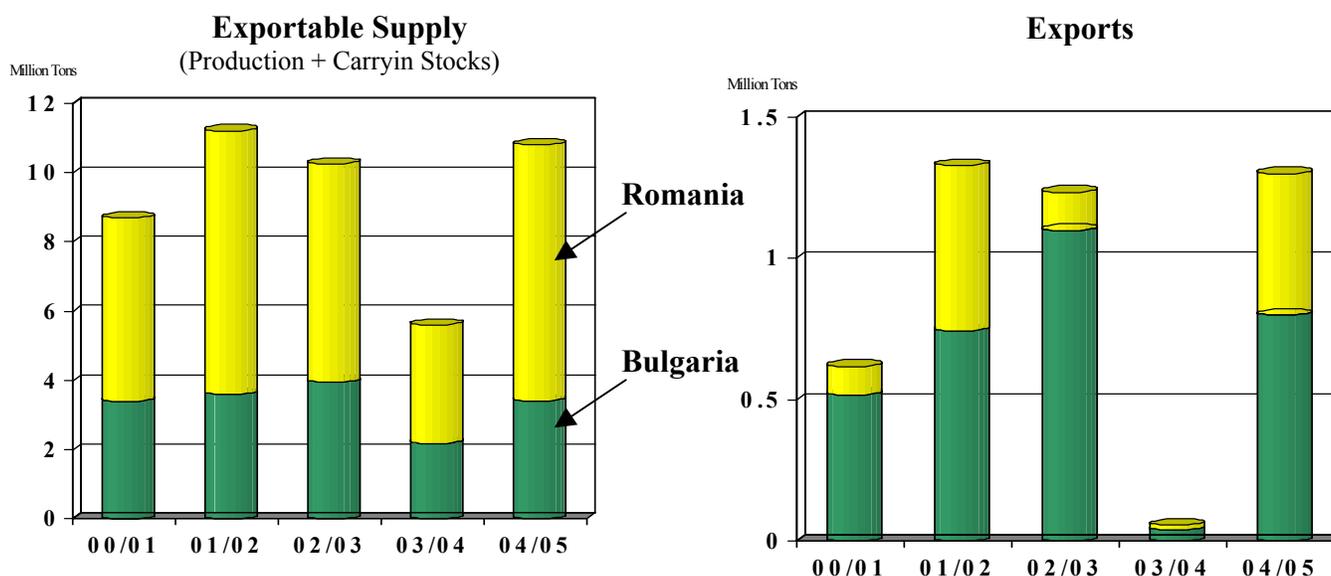
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## WHEAT: WORLD MARKETS AND TRADE

### MONTHLY HIGHLIGHTS:

**Balkan Wheat Returns to the World Market:** Romania and Bulgaria are both returning as net exporters this year, as production has rebounded from last year's record lows. Exports should return to more normal levels. However, while large quantities went to the EU-25 in previous years, an agreement now caps the amount with zero import duty at 275,000 tons for Bulgaria and 230,000 for Romania. Bulgaria's quota has already been filled, with shipments primarily to Spain. These quotas could therefore lead to a greater portion of sales to markets outside Europe. Bulgaria has already sold wheat to North African markets and even to Bangladesh.

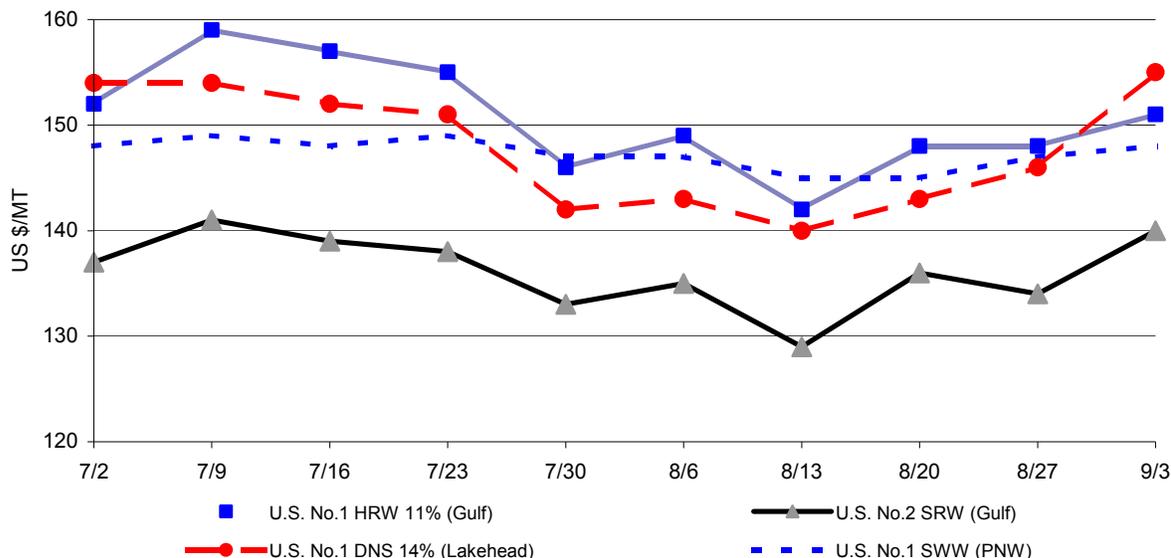


### PRICES:

**Domestic:** Prices during August declined through mid-month on larger crop prospects and more competition, but then moved upward with strong export sales and concern over bad weather in the Northern Plains.

For the week ending September 3, average HRW prices were \$2 a ton higher and SRW was \$5 a ton higher than the first week of August. HRS prices gained \$12 a ton while SWW ended the month with a gain of \$1 a ton.

**U.S. Weekly FOB Export Bids  
(08/06/04 to 09/03/04)**



**TRADE CHANGES IN 2004/2005**

**Selected Exporters**

- **Bulgaria** up 100,000 tons to 800,000 in light of higher production.
- **Kazakhstan** down 1.0 million tons to 4.5 million, given a smaller crop.
- **Romania** up 300,000 tons to 500,000 as the crop is more than triple last year's record low level.
- **Ukraine** up 500,000 tons to 3.5 million due to a larger-than-anticipated harvest.
- **Uzbekistan** up from zero to 100,000 tons, as a large crop allows for some exports.

**TRADE CHANGES IN 2003/2004**

**Selected Exporters**

- **Argentina** up about 350,000 tons to 7.3 million, reflecting year-end trade data.
- **Canada** up more than 100,000 tons to 15.6 million, given year-end trade data.

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- **Russia** down 300,000 tons to 3.2 million due to late-season trade data.
  - **Uzbekistan** up 450,000 tons from zero. Expanded production allowed Uzbekistan to export significant quantities to nearby markets.
  - **United States** up nearly 300,000 tons to 32.3 million, accounting for year-end Census data.

#### **Selected Importers**

- **China** up about 250,000 tons to 3.7 million in light of year-end trade data.
- **Philippines** up 100,000 tons to 3.0 million due to late-season trade data.
- **United States** down over 100,000 tons to 1.8 million, reflecting year-end Census data.