


The End of the Wheat Problem? The Functioning and Evolution of the World Wheat Market, 1939-2010

¿El fin del problema del trigo? Funcionamiento y evolución del mercado internacional de trigo, 1939-2010

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ANALYTICAL SUMMARY

The outlook for the world wheat economy immediately before World War II (WWII) was not very encouraging. Trade and prices had plummeted during the 1930s and many interventionist measures had been undertaken worldwide in order to deal with the so called “wheat problem”. However, the world wheat trade in 2010 was almost ten times greater than it was in the postwar years and the signs of market disintegration had disappeared. This paper analyses the reasons behind the extraordinary expansion of the world wheat trade between 1939 and 2010, explores the main changes in the distribution of wheat exchanges and offers an informed explanation of those transformations.

The expansion of wheat trade over the period studied suggests that a way out of the dismemberment of the world wheat trade was found after WWII, and it is the purpose of this work to shed light on that process. The discussion focuses on supply and demand variables, including institutional variables such as national agricultural policies, international agreements and the changing international context. First, we describe the problems of the international wheat market in the years before WWII. This is followed by an overview of the main trends in wheat trade up to 2010, which includes series of imports and exports –both absolute, *per capita* and percentage shares– for particular categories of countries. Countries have been grouped according to their relative position in the international wheat markets during the interwar period. This will serve to assess the evolution of these country groups during the 20th century with respect to what we have considered the starting point.

The series have been constructed on the basis of the information contained in FAO Production and Trade Yearbooks (1948-61), the *Annuaire International de Statistique Agricole* (Institut International d'Agriculture, 1941-1946), the *FAOSTAT Statistical Database* (FAO, 2018), the *World Development Indicators Database* (World Bank, 2018), the *World Population Prospects* by the United Nations (2018) and the *International Historical Statistics* by Mitchell (2013).

The analysis shows that there was a major reconfiguration of the world wheat market over the period studied, with increasing amounts of wheat leaving Europe for Asia and Africa. The article makes use of a theoretical model to identify the main reasons behind these transformations and discusses the main variables that have affected supply and demand for wheat in different countries, with a particular focus on major institutional developments such as international agreements and the evolution of national and international policies. A major conclusion is that the “wheat problem” has not yet been given a definitive solution even though wheat trade has grown considerably. The international analysis developed in this article complements previous works on the historical evolution of the world wheat market and international agricultural policies.

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