

# Wheat Crop Prospects, April 2022

by Marcia Merry Baker

*The nine major wheat exporting regions indicated, together account for over 90% of the 202 million metric tons (mmt) of wheat available annually worldwide for commercial trade and humanitarian aid, as of the past three years. Their export tonnage is 23% of the total world yearly wheat harvest, in the range of 778 mmt.*

*These levels are far below what is required for secure diets for all, whatever their food grain and other preference. Moreover, there is no surety that even the same level of 780 mmt can be produced this year, or in the next crop cycles.*

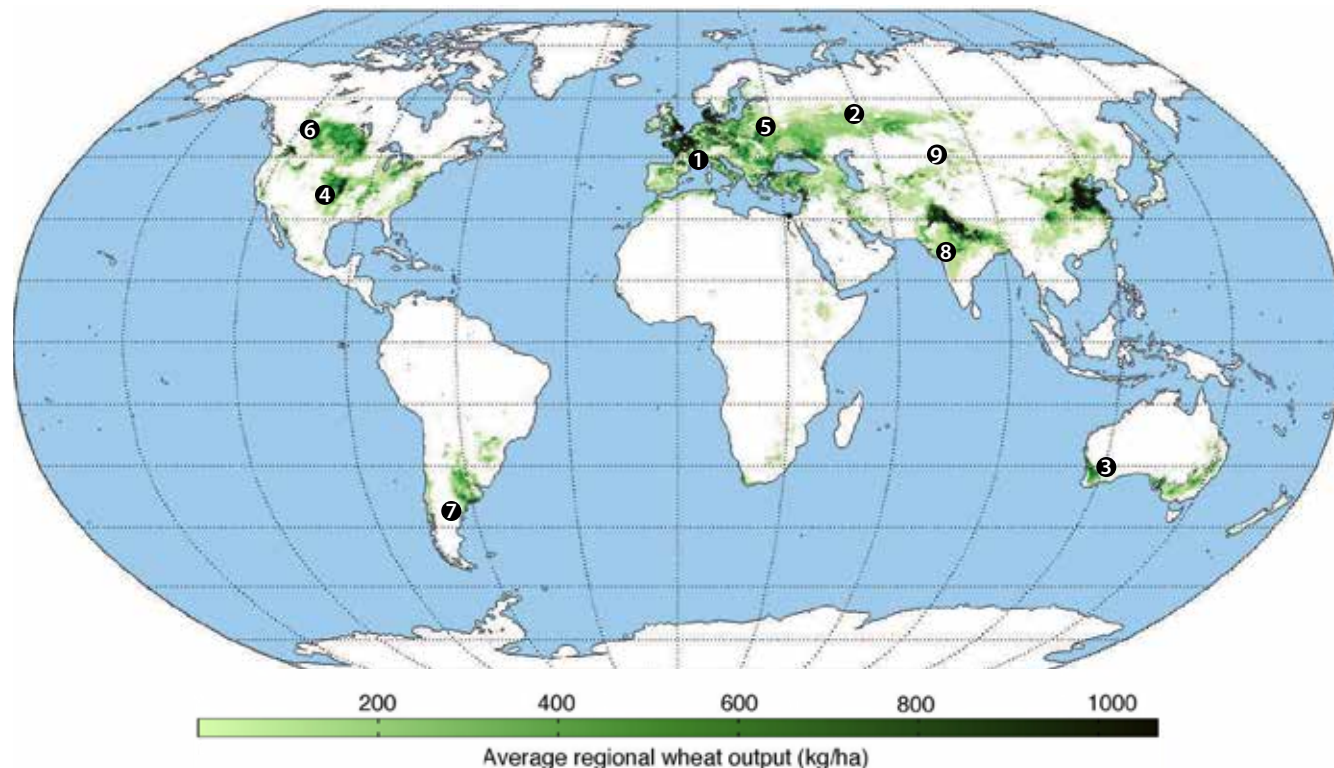
*This uncertainty is a life and death matter. From 800 million people in 2019 lacking reliable, sufficient food, the world is now on the threshold of over a billion people marching toward starvation. A concerted international effort can avert this. In the short term, a priority task is to increase food grain output, by focusing farm inputs (seeds, fertilizer, fuel, machinery, crop protection chemicals, storage, etc.) in these and other selected regions most conducive to a rapid surge in yields. Most importantly, farmers everywhere need the*

*support to produce.*

*The following brief notes on the economic geography of wheat are provided in support of the mobilization for concerted action to expand production. The pattern is striking. Most world wheat is grown in the Northern Hemisphere, reflecting the suppression of production of all types in the Global South. The regions are listed roughly in rank order of size of exports, which can change year to year. China, the largest wheat producing nation in the world, has not been a wheat exporter to date, though its role in world food collaboration is indispensable. (Data on the map below are from the U.S. Department of Agriculture, 2010 output.)*

**1. European Union.** Wheat exports from the 27 nations of the EU have been in the range of 33 to 34 million metric tons (mmt) yearly, in the same range as Russia, which has exceeded the EU in certain recent years. France, the leading EU wheat exporter, fortunately, had stocks of exportable wheat earlier in 2022, to help compensate for the loss of Ukraine's exports after

## Major Wheat Exporting Regions



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February 24. However, the hyperinflation and unreliable supply of key inputs (seeds, fuel, fertilizer) already underway prior to the Ukraine war, threaten both the EU July harvest, and the planting next Fall. The EU in March somewhat relaxed land use rules, to permit more planting, but has not provided the support to farmers to enable them to do this, nor taken other essential measures, e.g., to relax prohibitions on crop protection chemicals.

**2. Russia.** The leading single wheat exporting nation in the world is Russia, with exports of 30-34 mmt annually in recent years. Its exports hit 39 mmt in 2020/2021, which was 20% of world exports that year. Government authorities have pledged their full support to farmers to bring in the largest wheat harvest possible for Summer 2022, and maximum planting in the Fall, for the 2023 harvest. As a major world fertilizer producer, Russia has its own supplies, and is supplying fertilizer to targeted nations including India, Brazil, and others, despite Western sanctions. Transnational agro-cartels, Cargill, Bayer, ADM, and others, are continuing to operate in Russia, despite Western sanctions.

**3. Australia.** Accounting for 13% of world exports, Australia is a key world wheat supplier. Because of ample rainfall, Australian authorities project a record wheat crop of 36.3 mmt for the fiscal year ending June 30, 2022, which can allow for more exports at a critical time.

**4. United States.** U.S. wheat exports run around 22+ mmt yearly, accounting for 12% of world exports. The severe drought in the southwest of North America has affected the High Plains wheatbelt, even to the point of wildfires in western Kansas, the leading wheat state. Without timely rains, yields will be down. The drought in 2021 brought down U.S. Spring wheat output (planted in the Spring, harvested in late Summer) by 40%. Fertilizer prices have more than doubled over the past two years, and U.S. rail capacity is so limited that CF Holdings, the biggest fertilizer firm, announced in April it cannot reach farmers with timely supplies. On April 26, the U.S. government announced a farm output support program of \$500 million, but limited to crop insurance aid and other mechanisms, not a production mobilization.

**5. Ukraine.** The famous black earth belt has accounted for 19 mmt of yearly wheat exports, 19% of the world total. Most of Ukraine's grain harvest is shipped out between August and December, but now, the re-

maining stocks are stalled under war conditions. Some farmers even report that, if they are able to harvest this July, the storage is lacking, because of the tonnage remaining from last year. The major agro-cartels have removed their operations. Ukraine has also been a seed supplier, especially to Europe, which therefore endangers crop production elsewhere.

**6. Canada.** Wheat from Canada has provided in the range of 25 mmt a year in recent times, except for dropping to 15.5 mmt from last year's drought. The Western provinces have been hit hard by prolonged drought, which threatens this year's prospects. Barley yields for Canadian cattle feed, were also down in 2021, so corn is being imported from the U.S.

**7. Argentina.** The export contribution from Argentina has been in the range of 15 mmt, amounting to 8% of all wheat traded globally. The government has announced its commitment to support more food production, and make food security a priority at the June Summit of the Americas.

**8. India.** Prime Minister Narendra Modi and his government leaders state that India can ramp up wheat exports several times over, and fill the world wheat gap from lack of Ukrainian exports, plus help meet overall food needs, including for rice. They make a point that WTO restrictions on India's exports must stop. India's wheat exports in recent years were under 2.5 mmt, but in 2021-2022 will be above 8.6 mmt. Russia is providing fertilizer to India. Collaboration among India and Russia, along with support from China, leads what can be a world campaign. Since the Ukraine war began, India had the stocks to step up wheat exports in the range of 7 to 10 mmt, including shipments to Egypt and other major wheat-import dependent nations. However, the severe heat wave and March dry spell are taking a toll on crops. Growers in the Punjab grain bowl, are reporting wheat is shriveling up, as it matures too fast, and yields are down 20%.

**9. Kazakhstan.** The exports of 7-9 mmt from this Central Asian breadbasket account for 0.5% of world wheat exports, but regionally are vital. Kazakhstan has been a critical provider of wheat to Afghanistan, for example. Support to its wheat producers to increase output is a critical part of the Central Asian wheat supplies. Currently, Kazakhstan has limited its exports of wheat.