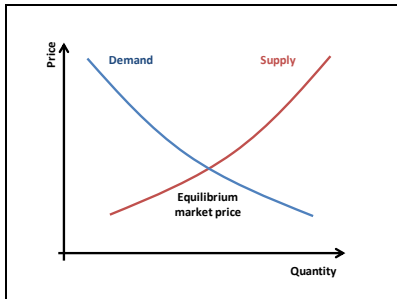


The price of wheat

Wheat market



As in any market, the price of wheat is the result of the confrontation of supply and demand.

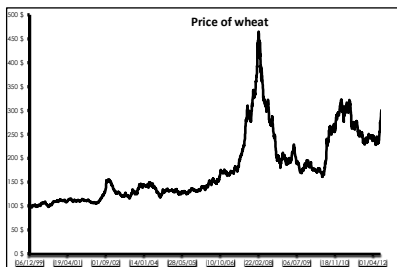
On the **supply** side, wheat production has grown considerably over the past fifty years as a result of a strong increase in yield linked to technical progress. In recent years, global production is between 650 and 700 million tonnes. The main producing countries are: China, India, Russia, the United States and France.



On the **demand** side, wheat consumption has grown in the same proportions due to population growth, the low substitutability of wheat with other cereals, the development of food aid from industrialized countries to developing countries (mainly in the form of wheat), and the emergence of new outlets (biofuels).

Wheat trade has also grown strongly at the international level, with imports / exports accounting for about 15% of world production. The main exporting countries are: United States and France, Canada, Russia, Argentina, Australia and Ukraine.

The price of wheat



Because wheat is an agricultural product, its price is relatively unstable and unpredictable in the short to medium term.

While demand is growing steadily, the global supply of wheat can vary greatly from year to year depending on natural events such as climatic hazards (drought, floods, fires, etc.) and diseases such as the terrible black rust, but also in relation to economic and political situations (embargo, regulation of states, creation of monopolies, etc.).

To some extent, global wheat reserves (stocks) serve as buffers to supply shocks. Variations in world stocks can amplify movements in the price of wheat.