

## Where has all the wheat gone?

With apologies to Peter, Paul and Mary and song writers Pete Seeger and Joe Hickerson, I have to ask the question, "Where have all the (wheat) acres gone, in the bank report, where have all the acres gone 15 years from now?"

Our analysis of the agricultural production changes needed to achieve the \$500 billion in gain that is reported in the World Bank Report, 2003, *Global Economic Prospects: Realizing the Development Promise of the Doha Agenda* is that the U.S. will lose 34% of its wheat acreage. This kind of change is projected by the bank to be the result of the adoption of a "pro-poor" scenario in the liberalization of international trade including agricultural trade.

Who would be the projected winners under such a scenario? Where will, for instance, the wheat acres lost in the U.S., E.U., and China go? Using models similar to the one used by the World Bank, and based on some charts in the bank's report, we estimate that the report writers must be expecting that the wheat acreage in Australia, Canada and New Zealand would double under the "pro-poor" scenario. Given the fact that New Zealand's wheat acreage is miniscule, that means that the doubling would take place in Australia and Canada.

In the 2003 crop year Canada planted 26 million acres of wheat out of a little more than 60 million acres dedicated to major crop production. If wheat acreage is to double by 2015, where is it going to come from? Will Canada reduce its production of barley, other grains, canola, and other oilseeds to make room for the wheat? How can this be since, under the bank study, Canada is not projected to lose oilseed, barley or other grain production? Where will the 25 million acres come from? Will

Canadian farmers be able to find, hidden on the other side of the "back forty," 25 million acres of idle farm ground that is suitable for wheat production?

Australia planted nearly 30 million acres to wheat in the 2003 crop year. That 30 is out of 48 million acres planted to major crops. Even if Australian farmers planted only wheat it would be 12 million acres short of meeting the 2015 projections. In the past, following the structural re-adjustment of agriculture driven by the elimination of wool subsidies, Australian producers converted some sheep pasture ground to wheat production. Assuming that the acres that were converted at that time were those most suited to wheat production, will the production increases suggested by the World Bank's report come from pasture acres less suited to wheat production?

In the 2003 crop year, Australia and Canada together planted some 55 million acres of wheat, just shy of the 67 million acres planted in the U.S. It is hard to believe that the two countries will be able to nearly double their acreage to achieve the projections of the World Bank study.

We now know where all the wheat acres have gone. Where they are said to be going is logical; the magnitude of the increases is not. The increases are as incredulous as the magnitudes of wheat acreage reductions implied by the World Bank study for the EU (about two thirds), China (about one fifth) and the U.S. (about one third).

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