

INTERNATIONAL TRADE WITH WHEAT (2009-2011)

Dragoş Mihai MEDELETE, Radu Lucian PÂNZARU

University of Craiova, Faculty of Agriculture and Horticulture,

19 Libertăţii, 200421, Craiova, Romania, Phone: +40 727 712 967,

Fax: + 40 251 418 475, E-mail: medelete@yahoo.com, rlp1967craiova@yahoo.com

Corresponding author: medelete@yahoo.com

Abstract

The study relates to the situation of international trade activities related to wheat for 2009-2011. It starts with the presentation of the current situation in the continents (Africa, Americas, Asia, Europe and Oceania), then create an overview of global imports and exports and specifying Romania's role in the market. Regarding the import situation, the main importer is represented by Asia, followed by Africa and Europe - 35.89, 26.18 and 23.28% respectively (in terms of quantity). Quantities of imported wheat ranged uniformly worldwide, which is due to situations in Asia and Europe (sinuous trend of decline and strictly downward evolution) - on the one hand, and trends from Africa, Oceania and the Americas (the first two strictly ascending last ascending-uniformly). Romania is not a major player, in terms of imports, the global market share accounting for 0.44 and 0.35% respectively of the quantities imported values - even less beneficial. Changes in indicators was one uneven - both quantitative and ascending - at value level during the period. When referring to the situation of exports in terms of quantity, the main actors are represented by Europe and Americas. They have dominated the world market, achieving 47.21 and 37.68% respectively of world export quantity. Oceania ranks third with a share of 11.03%, while Asia and Africa have very low weights (4.0 and 0.08% respectively). Quantities exported globally evolved unevenly (as in the African continent), the rest have been descending Europe and ascending Asia, Oceania and Americas. As for imports, and exports Romania is not a major player in the global market (average weights of 1.45 and 1.23% respectively for quantities exported values) - favorable situation.

Key words: export, import, trade balance, wheat

INTRODUCTION

To farm wheat are important food industry, feed, agricultural technology - technology, export and source of profit [1].

Analysis of international wheat trade is done in the context, the existence of global organizations and regional bodies which have created ways for members making proper conduct.

European Union is the largest importer of agricultural products in the world and the second largest exporter after the United States. Progress in global trade make changes the role and functions of agriculture under the impact of globalization, environmental and quality requirements of food [3].

The main instruments of the common commercial policy were customs duties, taxes or preferential quotas, contingents (quotas), voluntary export restrictions, duties, price ceilings, regulatory barriers (technical), export subsidies (agricultural products), domestic

subsidies, licenses. The range of instruments narrowed in the 90s after the previous fiscal relaxation was accompanied by a veritable proliferation of non-tariff barriers [2].

Global agricultural trade has a small share of total agricultural production (approx. 15%), most of which is intended, primarily, domestic consumption. The main reason is that countries of the world exporting which is extra than domestic demand, agricultural trade having a residual character.

The most important products are marketed cereals, oilseeds, dairy products, beverages, vegetable oils and fats. The largest exporters are the USA and the EU, which have each a share of 19% of global exports. [3]

In this context it seems interesting to present the development of international trade of wheat (2009 - 2011) worldwide.

MATERIALS AND METHODS

For the design and implementation phase of the work was done documentation data using

statistical reporting [4]. Therefore we used a system of indicators to highlight specific trade in some agricultural products system used and recommended by the United Nations Food and Agriculture Organization - FAO.

Was selected quantitative information on the volume and value of imports and exports volume of wheat made the world and to the five continental units (Africa, Americas, Asia, Europe and Oceania).

Study conducted and positioning Romania in the global market in terms of foreign trade of wheat.

The data collected and analyzed, covers the period 2009-2011, operating with the average period. Average was determined by calculating the following relation:

$$A = \frac{X_1 + X_2 + \dots + X_n}{n}$$

RESULTS AND DISCUSSIONS

Table 1 presents the evolution and structure of global imports.

Worldwide, in 2009, the total value of imports was 37,230.6 million. \$

Value is based on continental contributions: 169.0 million \$ for Oceania, 5041.2 million \$ from the american continent, 7872.6 million \$ for Europe, 9722.7 million \$ in the African continent, 14425 1 million \$ for Asia. Following these values indicator the structure is as follows: 0.45% Oceania, 13.54% Americas, 21.15% European, 26.11% and

38.75% Africa, Asia.

If we look at the specific situation of 2010 can be seen limits of variation for the indicator, from 188.9 million \$ for Oceania (0.52%) to 12,597.7 million \$ in Asia (34.70%). Taking into question the rest of continental indicator values - 9893.7 million \$ Africa (27.25%), 7956.5 million \$ Europe (21.92%), 5668.1 million \$ Americas (15.61%) - to reach a total global imports of 36,304.9 million \$.

For 2011 there is a total world imports for wheat reach 51,184.3 million \$. Setting this value is based on the contributions sequential continents: 257.2 million \$ Oceania (0.50%), 7225.4 million \$ Americas (14.12%), 10602.4 million \$ Europe (20 71%), 14361.7 million \$ Africa (28.06%), 18737.6 million \$ Asia (36.61%).

Calculating the average of the period been reached a total value of world imports of 41,573.3 million \$ value is based on the following structure: 36.69% Asia (15253.5 million \$), 27.24% Africa (11326, 0 million \$) 21.19% Europe (8810.5 million \$) 14.39% Americas (5978.2 million \$) 0.49% Oceania (205.1 million \$).

For Romania the wheat imports reached an average of 143.5 million \$, which represented 0.35% of the world. Sequential, we are talking about Romanian weights, global: 0.41% in 2010 - 149.2 million \$, 0.34% for the year 2011 - 172.9 million \$ and 0.29% for 2009 - 108.4 million \$.

Table 1. Wheat - World Imports (2009–2011)

Specification	2009			2010			2011			Average 2009 – 2011		
	Mil. \$*	Str. %**	Din. Ibf**	Mil. \$*	Str. %**	Din. Ibf**	Mil. \$*	Str. %**	Din. Ibf**	Mil. \$**	Str. %**	Din. Ibf**
Africa	9722,7	26,11	100	9893,7	27,25	101,8	14361,7	28,06	147,7	11326,0	27,24	116,5
Americas	5041,2	13,54	100	5668,1	15,61	112,4	7225,4	14,12	143,3	5978,2	14,39	118,6
Asia	14425,1	38,75	100	12597,7	34,70	87,3	18737,6	36,61	129,9	15253,5	36,69	105,7
Europe	7872,6	21,15	100	7956,5	21,92	101,1	10602,4	20,71	134,7	8810,5	21,19	111,9
Oceania	169,0	0,45	100	188,9	0,52	111,8	257,2	0,50	152,2	205,1	0,49	121,3
Total	37230,6	100	100	36304,9	100	97,5	51184,3	100	137,5	41573,3	100	111,7
Romania	108,4	0,29	100	149,2	0,41	137,6	172,9	0,34	159,5	143,5	0,35	132,4

* <http://faostat.fao.org/site/535/DesktopDefault.aspx?PageID=535#ancor>

** own calculations

Table 2 presents the wheat exports and food aid carried worldwide.

In the year 2009, the five continental units recorded values of exports: 40.1 million \$

Africa, 882.9 million \$ Asia, 2766.9 million \$ Oceania, 12,447.8 million \$ Americas and 14913, 4 million \$ Europe. These values led to an overall world indicator of 31,051.1 million \$, which has seen percentage contributions (in structure) of: 48.03% Europa, 40.09% Americas, 8.91% Oceania 2.84% 0.13% Asia and Africa.

Table 2. Wheat - World Exports (2009-2011)

Specification	2009			2010			2011			Average 2009 – 2011		
	Mil. \$*	Str. %**	Din. Ibf**	Mil. \$*	Str. %**	Din. Ibf**	Mil. \$*	Str. %**	Din. Ibf**	Mil. \$**	Str. %**	Din. Ibf**
Africa	40,1	0,13	100	28,1	0,09	70,1	50,6	0,11	126,2	39,6	0,11	98,8
Americas	12447,8	40,09	100	12954,6	39,75	104,1	20845,2	44,50	167,5	15415,8	41,86	123,8
Asia	882,9	2,84	100	1504,9	4,62	170,4	1536,4	3,27	174,0	1308,1	3,55	148,2
Europe	14913,4	48,03	100	14248,6	43,73	95,5	18706,2	39,93	125,4	15956,1	43,33	107,0
Oceania	2766,9	8,91	100	3847,3	11,81	139,0	5709,2	12,19	206,3	4107,8	11,15	148,5
Total	31051,1	100	100	32583,5	100	104,9	46847,6	100	150,9	36827,4	100	118,6
Romania	422,7	1,36	100	503,1	1,54	119,0	430,9	0,92	101,9	452,2	1,23	107,0

* <http://faostat.fao.org/site/535/DesktopDefault.aspx?PageID=535#ancor>

** own calculations

In the case of the total value of exports in 2010 has been 32,583.5 million. \$ At which the five continental units have contributed variable as follows: Africa 0.09%, 4.62% Asia, 11.81% Oceania 39.75% Americas, Europe 43.73%. Corresponding to these weights continental actual indicator values were 28.1 million \$ for Africa 1504.9 million \$ for Asia, 3847.3 million \$ for Oceania, 12,954.6 million \$ Americas and 14248,6 million \$ in Europe.

If we analyze the situation specific to 2011 reveals variations of indicator from 50.6 million \$ for Africa to 20,845.2 million \$ in the american continent, while the global level indicator achieved an amount of 46,847.6 million \$. Index structure is as follows: 0.11% Africa 3.27% Asia - 1536.4 million \$, 12.19% Oceania - 5709.2 million \$, 39.93% Europe - 18,706.2 million \$ and 44.50% Americas.

The average period is characterized by a total, global export of 36,827.4 million \$, in structure of which is recorded in mainland shares: 43.33% Europe (15956.1 million \$) 41.86% Americas (15415.8 million \$) 11.15% Oceania (4107.8 million \$), 3.55% Asia (1308.1 million \$), 0.11% Africa (39.6 million \$).

Regarding Romania's situation can be observed the following:

-Romanian exports of wheat values ranged from 422.7 million \$ in 2009 to 503.1 million

\$ in 2010, and the average of the period has been 452.2 million \$;

-Worldwide Romania held variables shares in total exports structure: 0.92% in 2011, 1.23% for the period average, 1.36% in 2009 and 1.54% in case of 2010.

Table 3 shows the trade balance achieved at the level of global wheat trade.

In the year 2009 world commercial balance was poor -6179.5 million \$, which is based on aspects deficits in Asia and Africa: -13542.2 and -9682.6 million \$. Rest of the world realized trade surpluses: 2597.9 million \$ Oceania, 7040.8 million \$ Europe and 7,406.6 million \$ Americas.

In 2010, the global commercial balance is deficient -3721.4 million \$, being determined by specific deficits in Africa and Asia: -9865.6 million \$ -11092.8 million \$. Reducing the trade deficit has been caused by two continents, achieved due to specific surpluses in Oceania, Europe and Americas - 3658.4, 6292.1 and 7286.5 million \$.

If we look at the specific situation of 2011, we see that it is still deficient (-4336.7 million \$) worldwide, which is determined by specific negative state of affairs for Asia and Africa:

-17,201.2 respectively -14,311.1 million \$. as in previous years, Oceania, Europe and Americas present excess balances (5452.0, 8103.8 and 13619.8 million \$), but it cannot compensate for deficits above.

Table 3. Wheat - Trade balance of world trade (2009–2011)

- Mil. \$ -

Specification	2009			2010			2011			Average 2009 – 2011		
	export*	import*	±**	export*	import*	±**	export*	import*	±**	export**	import**	±**
Africa	40,1	9722,7	-9682,6	28,1	9893,7	-9865,6	50,6	14361,7	-14311,1	39,6	11326,0	-11286,4
Americas	12447,8	5041,2	+7406,6	12954,6	5668,1	+7286,5	20845,2	7225,4	+13619,8	15415,8	5978,2	+9437,6
Asia	882,9	14425,1	-13542,2	1504,9	12597,7	-11092,8	1536,4	18737,6	-17201,2	1308,1	15253,5	-13945,4
Europe	14913,4	7872,6	+7040,8	14248,6	7956,5	+6292,1	18706,2	10602,4	+8103,8	15956,1	8810,5	+7145,6
Oceania	2766,9	169,0	+2597,9	3847,3	188,9	+3658,4	5709,2	257,2	+5452,0	4107,8	205,1	+3902,7
Total	31051,1	37230,6	-6179,5	32583,5	36304,9	-3721,4	46847,6	51184,3	-4336,7	36827,4	41573,3	-4745,9
Romania	422,7	108,4	+314,3	503,1	149,2	+353,9	430,9	172,9	+258,0	452,2	143,5	+308,7

* <http://faostat.fao.org/site/535/DesktopDefault.aspx?PageID=535#ancor>

** own calculations

Determining the average of the period it can be seen (Fig. 1) its poor character (-4745.9 million \$) determined by the following state aspect of things: -13,945.5 million \$ Asia; -11,286.4 million \$ Africa; 3902.7 million \$ Oceania; 7145.6 million \$ Europe; 9437.6 million \$ Americas.

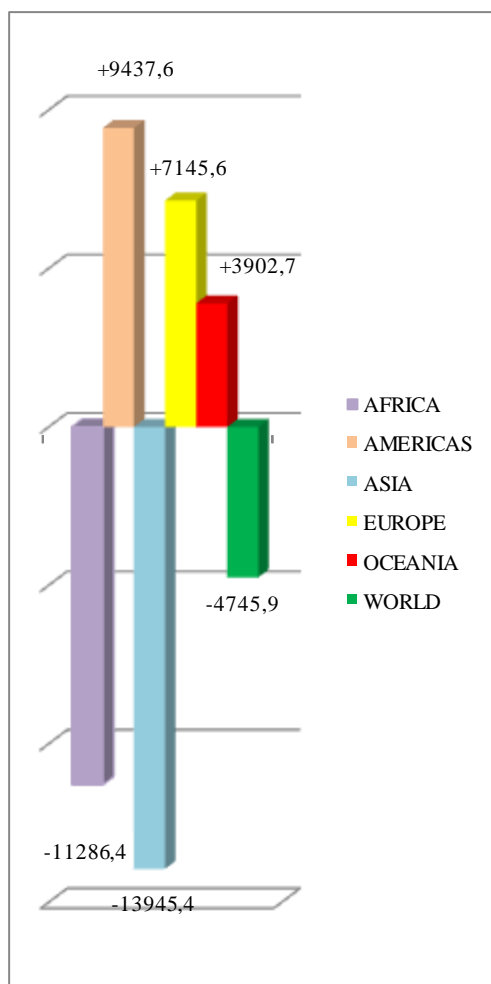


Fig. 1. World Trade Balance - period average (mil. \$)

Figure 2 presents the trade balance for wheat during the period analyzed (2009-2011).

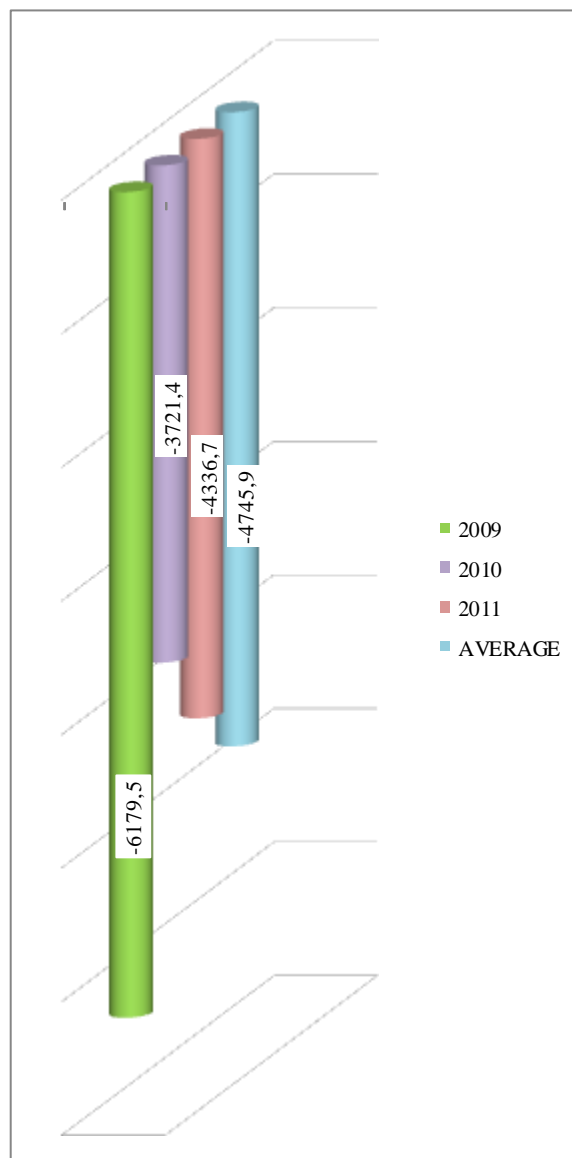


Fig. 2. World Trade balance - annual evolution (mil. \$)

For Romania (fig. 3) it can be seen that the trade balance of external trade, with wheat, is strictly in surplus: 258.0 million \$ 2011; 308.7 million \$ for period average; 314.3 million \$ 2009; 353.9 million \$ in 2010.

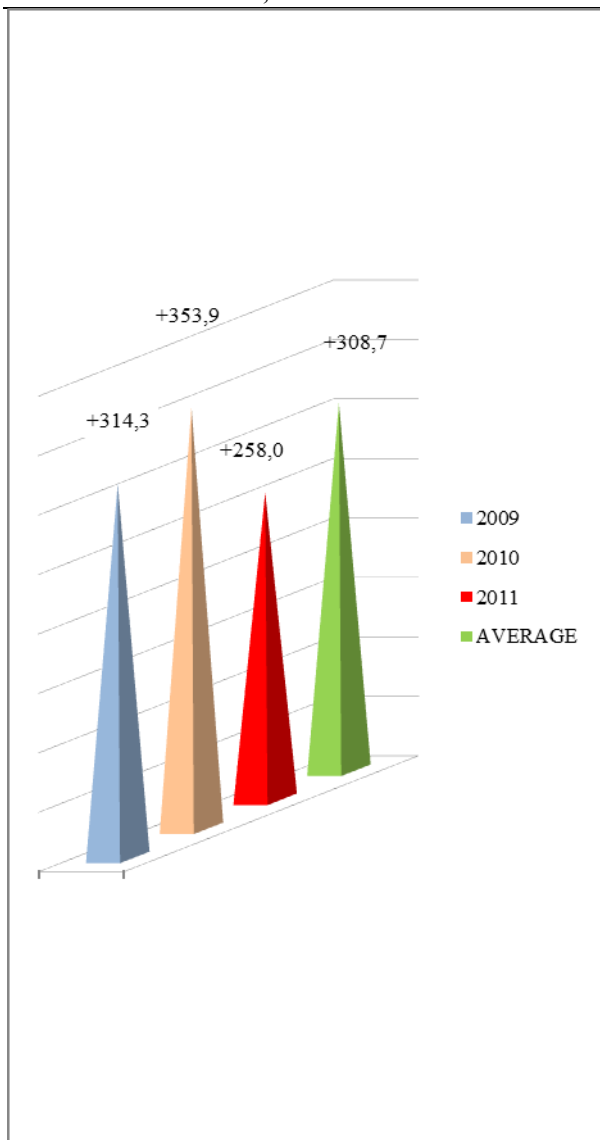


Fig. 3. Romania. National Trade balance (mil. \$)

CONCLUSIONS

Regarding import situation appear the following conclusions:

-value of imports was dominated by operations in Asia, Africa and Europe - weights of 36.69, 27.24 and 21.19% (increased weights in Asia and Africa, declines in Europe compared to the quantities imported). Therefore it can be concluded that African and Asian markets trading unit prices are higher than European markets level;

-dynamics of wheat imports has been uneven worldwide, similar to the situation in Asia. For other continents the indicator ranged ascending;

-Romania is not a major player, in terms of

imports, the global market share accounting for 0.44 and 0.35% respectively of the quantities imported values - even less beneficial. Changes in indicators was one uneven - both quantitative and ascending - at value level during the period. When referring to the case of exports, there are a number of outstanding issues such as:

- world exports were dominated by Europe and America (43.33 and 41.86% respectively), with a downward trend in the share of Europe and growth share in Americas (compared to the specific situation of the quantities exported);

-evolution in time of the indicator is ascending, the essential difference manifested for Europe (uneven trend with ascending aspects);

-as for imports and exports Romania is a major player in the global market (average weights of 1.45 and 1.23% respectively for quantities exported values) - favorable situation.

In terms of trade balance for trade in wheat, the situation existing global and national sequence is characterized by:

✓ the weak global balance, dominant phenomenon (-4745.9 million. \$);

✓ analyzing the situation in each continent stands out the exceeding situations specific to Oceania, Europe and Americas. Unfortunately they could not offset the decisive deficits, consistent, on Africa and Asia;

✓ Romanian trade balance surplus is strictly a phenomenon that emphasizes the ability of our country to ensure their consumption needs from their own production.

Appear though often problems with the quality of production and sales prices, in some cases, making the market to have difficulties in ensuring adequate domestic consumer demand.

REFERENCES

- [1]Barbu, C., Pânzaru, R. L., 2000, Agrarian economy, Ed. Hyperion, Craiova, Chapter 8, Part II, p. 125 -168
- [2]Miron, D. et al., 2005, EU Economy, Ed. Luceafărul, Bucharest, p. 486, cited by Letitia Zahiu et al., 2006, European Union Agriculture under the impact of the common agricultural policy, Ed. Ceres,

București, Chapter XII, p. 330-352

[3]Zahiu Letiția et al., 2006, European Union agriculture under the impact of the Common Agricultural Policy, Ed. Ceres, București, Chapter XII, p. 330-352

[4] <http://faostat.fao.org>