The Price of Hunger: A Historical Analysis of the Financialisation of the Agri-Food System

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Abstract

The article analyses the role of financialisation in the global agri-food system and its impact on food accessibility and economic inequalities. Since the deregulation of agricultural derivatives markets in the United States in 2000, the massive entry of financial actors has transformed food commodities into speculative assets, exacerbating price volatility and compromising global food security, especially in low-income countries. The study adopts a critical political economy approach that integrates historical analysis with sectoral and territorial investigation, particularly on the wheat market and recent speculative and tariff dynamics. It highlights the urgent need to overcome the predatory logic of profit by promoting alternative models based on food sovereignty, agroecology and distributive justice. The paper proposes an ethical reconfiguration of the food system, centred on the concept of civil food, which values smaller supply chains and restores the central role of local communities in defining a regenerative and sustainable economy.

1. Introduction

The 2030 Agenda's "Zero Hunger" goal remains unfulfilled; one-tenth of the global population lives in extreme poverty. Global hunger, alongside the polarisation of global wealth, is correlated with climate change, armed conflicts, and the spread of pandemics. Still, the role of financialisation in exacerbating food accessibility and economic inequality has often been underestimated.

In 2000, under pressure from financial lobbies, especially Goldman Sachs, the Commodity Futures Modernisation Act in the United States definitively authorised financial speculation on foodstuffs; the financialisation of the agri-food system has exacerbated the oligopolistic and "commodification" logic in the primary sector. A striking example of this is the sharp increase in the prices of key agricultural commodities on the Chicago Commodity Stock Exchange in 2007, driven by the so-called grain merchants: the price of wheat soared by 136%, the quotation of rice by 217%, and the cost of soya by 107% (Hampton and Weinberg 2014, p. 6). Even the United Nations attributed a "significant role [… to] the entry into markets for derivatives based on food commodities of large, powerful institutional investors such as hedge funds, pension funds and investment banks, all of which are generally unconcerned with agricultural market fundamentals. Such entry was made possible because of deregulation in important commodity derivatives markets beginning in 2000" (De Schutter 2010, p. 1).

As commodity prices soared, thousands of people in the Global South struggled to obtain a livelihood; at the same time, the excessive increase in the cost of primary commodities triggered the Arab Spring. It should also be noted that, compared to the traditional stock market, the commodities market has historically been less regulated regarding information abuse. Although recent regulatory measures – particularly the expansion of the powers of the Commodity Futures Trading Commission (CFTC) under the Dodd-Frank Act of 2010 – have introduced tools to combat insider trading in agricultural derivatives markets, significant areas of opacity remain. It allows major agribusiness firms to exploit their storage capacity and oligarchic management of food trade for speculative purposes without incurring penalties (Verstein 2016). Globally, the agri-food sector is dominated by fewer than twenty multinational corporations. These corporations control the diverse universe of seeds, grain procurement, food processing, and retailing. For example, more than 60% of the global seed market is in the hands of a few large corporations, which also simultaneously control the pesticide market (UN 2021, p. 15).

The large amount of financial capital deployed in the agri-food sector has shifted from the primary agricultural function of food production to a financial instrument to generate profit opportunities. The former US Secretary of Agriculture Earl Butz encapsulated the financial and political potential of food capacity in 1974 when he declared, “Food is a weapon”.

Examples include the U.S. embargo on Cuba in the early 1960s, which banned imports of sugar grown on the island; the sanctions imposed on several African countries, already afflicted by poverty and malnutrition; and those enforced since 2014 on Russia following the annexation of Crimea, later expanded after the invasion of Ukraine and affecting also its financial system. More recently, tensions with China have shifted from food-related concerns to threats over rare earth elements and critical minerals, raising fears of disruption to global value chains.

These dynamics also raise more profound normative questions concerning the ethical foundations of food systems. As Sen (1999) and Nussbaum (2000) suggested, access to adequate food is not merely a matter of nutrition, but a condition for individual agency, autonomy, and human dignity. In this light, the logic of financialisation, which reduces food to a speculative asset, starkly contrasts with the idea of food as a civil good embedded in community and justice.

From a methodological point of view, the contribution uses a critical political economy approach, combining historical analysis, a scenario survey on economic-territorial inequalities and a sectoral investigation of the financial mechanisms affecting the agri-food sector. The article is structured as follows: section 2 surveys global inequalities; section 3 analyses the effects of financialisation in the agri-food sector; section 4 explores the grain market; section 5 examines speculative and tariff dynamics; and section 6 presents the appropriate concluding remarks.

2. Some scenario considerations. Global distribution and territorial gaps

Rising levels of inequality have become an increasingly worrying issue over the years, with approximately 700 million people living on less than $2.15 per day and a more pronounced concentration of poverty in specific regions of the world, notably in sub-Saharan Africa (World Bank 2024). The COVID-19 pandemic, whose effects were felt most acutely in low-income countries, was further hindered by the slow pace of global poverty reduction.

According to data for the last 30 years on the phenomenon of poverty at the global level, 1 billion people have emerged from extreme poverty since 1990. While global economic output has more than tripled, the income percentage of the poorest half of humanity has remained virtually unchanged, highlighting the existence of significant problems of distributive justice. Data show that the poorest 50% of the global population take in only 8.5% of the income produced, perceiving, on average, an income of slightly less than one-fifth of the global average, equal to about €230 per month. The middle-income 40% of the population earns 39.5% of the total income, amounting to about €1,375 monthly. In comparison, the richest 10% of the population earns 52% of the global income produced (i.e. slightly more than five times the global average), amounting to about €7,300 per

month, bringing the distribution of income produced globally closer to the threshold of absolute inequality, rather than absolute equality (Chancel et al. 2022).

In recent decades, income inequality has risen in almost every country, albeit at different speeds, suggesting that institutions and policies play a significant role in shaping inequality. Since the 1980s, income inequality has risen rapidly in North America, China, India and Russia, and moderately in Europe, marking the end of an era that began in the aftermath of the Yalta Accords, while in the Middle East, sub-Saharan Africa and Brazil, income inequality has remained relatively stable, and at significantly high levels, becoming the "global frontier of inequality". The divergences in inequality levels between Western Europe and the United States are particularly interesting. Despite starting from similar levels of inequality in the early 1980s, these regions have diverged significantly. While in 1980, the share of the richest 1% of income was close to 10% in both geographic areas, in 2016, it increased only slightly to 12% in Western Europe, while it rose to 20% in the US. Meanwhile, in the US, the income share of the poorest 50% fell from over 20% in 1980 to 13% in 2016. The trajectory of income inequality observed in the United States is mainly due to massive educational inequality, combined with a tax system that has become less progressive, despite the strong growth of higher labour incomes from the 1980s onwards and higher capital incomes since the beginning of the new millennium. Meanwhile, continental Europe saw a smaller decline in tax progressivity. At the same time, wage inequality was moderated by, among other things, education and wage-setting policies that were relatively more favourable to low- and middle-income groups.

Another salient result emerging from the World Inequality Lab (2024) is that although the poorest half of the world's population has seen its income grow significantly due to the strong growth of the Asian economies, particularly China and India, due to high and increasing inequality within individual countries, since 1980 the world's richest 1% of individuals have grown twice as fast as the poorest 50% of individuals, with income growth for individuals with incomes between the world's poorest 50% and the richest 1% very slow or even zero. This includes all lower-middle-income groups, including North America and Europe. An important factor in understanding these economic disparities is the balance between private and public wealth in different countries. In recent decades, there has been a general increase in net private wealth from 200-350% of national income in most high-income countries in 1970 to 400-700% today. This growth was largely influenced by the 2008 financial crisis or the asset price bubbles observed in some countries like Japan and Spain, while countries such as China or Russia experienced unusually large increases in private wealth following the transition from communist to capitalist economies (the wealth share of the richest 1% doubled in both China and Russia between 1995 and 2015). In contrast, net public wealth, defined as public assets minus public debt, has declined in almost all countries since the 1980s. In China and Russia, net public wealth has fallen from 60-70% of national wealth to 20-30%; in Japan, Germany and France, it has maintained slightly positive levels, whereas in the UK and the US, it has even turned negative in recent years. This is one of the most significant factors influencing current inequalities, as countries no longer have complete autonomy in economic policy. In recent years, also due to globalisation and the unconditional opening of countries to international trade, we have witnessed a law of the tendency of capitalism, already theorised by Marx (1894) and then re-proposed by Hilferding (2011), of centralisation of capital in the hands of a few, generating problems at the democratic level, through the limitation of the autonomy of countries' economic policies, which are increasingly adopted to favour the accumulation of capital, rather than to reduce existing inequalities. Therefore, based on these observations, regional gaps and economic and social inequalities appear almost inexorable unless action is taken to reverse this trend towards concentration, for example, through restrictions on the free movement of capital.

It is possible to underline that the high levels of income and wealth inequality in the various regions of the world are one of the main causes of the globalisation phenomenon, managed through the implementation of policies that have mainly focused on economic growth, keeping in the background the consequences that its distribution entails. A Gini coefficient analysis confirms this (World Inequality Database 2025), showing that there has been an increase in internal inequalities in some of the world's most populous countries, including China, India, the United States, and Indonesia [1], from 1960 to 2023. Based on these data and recognising that inequalities undermine long-term socio-economic development, causing violence, disease and environmental degradation, Goal 10 of the 2030 Agenda aims to reduce inequalities and disparities in opportunities, income

and power. To this end, one essential measure is creating an adequate number of jobs offering decent wages and benefits. It is estimated that globally, at least 600 million new jobs must be created by 2030 – more than 200 million in sub-Saharan Africa alone – to keep the current unemployment rate unchanged. Nearly 1.8 billion people, or one in three adults, will face chronic employment risks, including unemployment, vulnerable employment or dropping out of the labour force altogether.

Inequality also raises other issues, such as climate risks. Human activities generate 42 billion tonnes of carbon dioxide (CO2) emissions yearly, accelerating global warming and climate change. Reducing emissions by 45% from 2010 levels by 2030 will require drastic measures and fundamental shifts in production and consumption patterns. The human costs and economic damage as a percentage of GDP are significantly higher in developing countries than in the developed world, despite their relatively small contribution to global CO2 emissions. Urgent climate action must be the cornerstone of all efforts to achieve the Sustainable Development Goals, improve resource efficiency, and create millions of decent jobs in the new green economy. However, despite growing evidence that inaction or delayed action will be too costly for humanity, climate action is faltering (Burke, Hsiang and Miguel 2015).

Another critical issue is the increasing frequency of conflicts between countries. These conflicts are often the result of deep-rooted inter-group inequalities and livelihood insecurities due to economic slowdowns, climate-related disasters, forced displacement, epidemics, poorly designed policies and capricious behaviour of authoritarian regimes. Conflicts often undo decades of hard-won development successes. They also destroy political institutions and social norms and erode trust and cooperation across ethnic, religious and other dividing lines. Climate change and conflict are increasingly and inextricably linked. Climate change-induced droughts and loss of livelihoods amplify economic insecurity, increase migratory pressures, and potentially trigger violence and conflict, while conflicts, in turn, accelerate deforestation and environmental degradation and undermine political and administrative capacities to cope with climate change. Reducing inequalities, expanding economic opportunities and securing livelihoods, especially for the most vulnerable and marginalised peoples, must therefore remain a priority to prevent conflict and accelerate progress. In turn, migration pressures have become stronger than ever in a time of growing economic inequality, persistent conflicts, increasing climate risks, and high population growth in the developing world. Therefore, safe, orderly and regular migration within and between countries remains an important option. In addition to humanitarian reasons to accept refugees, ageing and declining populations in many developed countries make it economically necessary to accept and accommodate migrant workers from developing countries with large young populations facing limited economic prospects (World Bank 2023).

In this scenario, technological progress is an important strategic factor to avoid exacerbating employment risks, insecurity and inequalities that undermine social cohesion, peace and stability. Since up to 80% of total income created in developing countries is spent on meeting basic needs, technologies can significantly reduce the cost of producing goods to meet those needs, thereby expanding access to food, housing, health care and energy. The pursuit of these goals, however, depends mainly on the ability of all governments to address these challenges holistically and coordinatedly, using a socially responsible governance approach (UNCTAD 2025).

Among the many challenges we have mentioned, one of the most significant is the need to free the primary sector of the economy from the logic of financialisation and predatory competitiveness. This topic will be explored in the next section.

3. Around the effects of financialisation in the agri-food sector

Agricultural production worldwide has grown proportionally more than population growth. However, this increase has not translated into more food being accessible to everyone. Not only is the goal of eliminating world hunger by 2030 still far from being achieved, but food insecurity is rising, even in countries with significant agricultural producers. This is due to the process of financialisation of the current agri-food system, which, neglecting the primary function of food, treats it as a generic commodity in which to invest to guarantee, on a short-term horizon, the most excellent shareholder satisfaction and the

extraction of maximum value. In the continuous search for more profitable margins, we are thus witnessing large-scale restructuring, reorganisation and takeovers in the seed, fertiliser, agricultural machinery and biotechnology industries, whose research and development seems to be oriented towards proprietary discoveries only. New technologies, with great potential, also seem to favour the ongoing processes of concentration rather than increasing the availability of food and facilitating access to it for all. This dynamic is fostering the emergence of an oligopolistic market regime, in which a very few transnational corporations control most of the system, influencing the trade, the type of seeds to be used, the type of fertilisers to be employed, which plants to cultivate or which animals to rear, and even the food choices of consumers, all of which has the effect of increasing negative environmental and social externalities. Moreover, large-scale acquisitions, given their sheer size and cross-border nature, make it difficult for the antitrust authorities to supervise and find suitable instruments to govern the phenomenon, which, in this way, tends to translate into a market failure, incapable of finding a condition of distributive justice, or, at least, of balance.

From this perspective, it is, therefore, possible to affirm that the financialisation of the agri-food system has produced a twofold effect: that of the control of the system by the Trans National Companies and that of the negative externalities that derive from it: the definition of an oligopolistic market regime for inputs and the phenomenon of commodification, i.e. the reduction of food to a pure commodity detached from its real value and deprived of its ethical content. The impacts thus generated are price volatility, the creation of import and input dependencies, and widespread market opacity that facilitates speculation. These negative externalities include environmental effects, climate change, food insecurity for many populations, and contract farming skewed towards intensive and harmful agriculture. The impacts of all this translate into reduced yields due to over-exploitation of the land, deforestation, diminishing biodiversity, a shrinking margin for small farmers, and the persistence of hunger and malnutrition (Clapp 2014; Fairbaim 2014).

To explain the link between financialisation and the tension towards the formation of an oligopolistic market regime, along with the resulting increase in the prices of goods in the analysed sector, it should be recalled that one of the main determinants of the price of a product is its availability; this means that the less good is available, the higher its price. This is undoubtedly the first explanation for the price increase that occurred during the food crisis of 2007-2008, which led to an increased demand for food commodities on the market. However, the price increase can also be attributed to other factors, including the growing demand for biofuel. An interesting July 2008 report by the World Bank (Mitchell 2008, p. 2) reports that although many factors contributed to the rise in the prices of agri-food goods – from the increase in agricultural fuel costs resulting from the rise in oil prices to the drought in Australia and the poor harvests in Europe – and not excluding the aforementioned speculative activities, the main cause was biofuel production in the United States of America and the European Union. These regions, in fact, by increasing their biofuel production, effectively converted areas previously dedicated to wheat cultivation, resulting in a contraction of the latter’s output, thus eroding, even partially, its existing reserves. This has increased demand for wheat and, hence, its price.

An analysis of the FAO price index (2003-2022) time series shows that although wheat production and stocks have remained essentially stable, prices have varied autonomously. Evidence that those of 2007/2008 were speculative activities is the repetition of rising prices in 2010 and again in 2021, in the face of substantially stable production and stocks. A further example of recent speculative activity is offered by the Russian-Ukrainian conflict, when, in the aftermath of the invasion of Ukraine, three-month wheat futures traded on the CBOT increased by 54% in just 9 days (ETF trends 2022), and a massive money supply poured into the commodity ETF market. The Teucrium and Invesco (wheat) funds alone in the first three months of 2022 attracted investments of USD 1.2 billion compared to USD 197 million in the whole of 2021; Invesco, on 7 March 2022 alone, raised USD 273 million, corresponding to more than half of the funds in the whole of the previous year and Teucrium in March raised USD 377 million, where the previous monthly record was USD 17 million in 2016 (Agarwal et al. 2022). Following the Commodity Futures Modernisation Act of 2000 of the US Congress, between 2003 and 2008, the volume of index-based hedge funds increased by 1,900% (Wahl 2009). It is evident that in such a situation, agricultural commodity prices are disconnected from real production and linked to speculators' financial expectations, so the price of grain generates its demand: the more it

costs, the more the investor wants to pay. In this way, agricultural production takes second place in finance (Ghosh 2010).

In the years following the 2008 crisis, having realised the role of speculation, governments undertook to remove its causes and propose measures to stem this drift, promoting, among other things, coordination between governments and the revision of rules to reduce excessive price volatility. In both cases, the common element was the need for a more transparent system. In this direction, the final recommendations of the Committee on World Food Security session go, which, while addressing different aspects, place great emphasis on improving transparency.

In this regard, the Agricultural Market Information System (AMIS) was established at the G20 in 2010 to regularly collect and distribute global information on production, utilisation, stocks and price trends of wheat, maize, rice and soybeans. Its constituent countries are those of the G20, plus eight other invitees, which account for 80-90% of world production. Despite its mandate, AMIS has experienced difficulties obtaining the necessary information for national security and trade, suffering from a lack of transparency from private parties and governments.

Some minor steps have been taken regarding revising the rules to reduce excessive price volatility. However, a significant opportunity for mitigation was missed in October 2020, when the Commodity Future Trading Commission (CFTC), the US body in charge of overseeing the futures market, denied reducing the number of critical commodity futures contracts (thus including wheat) that an investor could hold, leaving the current situation unchanged. Dan Berkovitz, one of the five members of the CFTC, in publishing his statement of dissent before resigning from the CFTC in the wake of the episode, stated that in that situation, federal laws on position limit speculation were being allowed to be violated and “in this arena, the public interest loses” (CFTC 2020). Given that the United States of America is among the most significant global producers and exporters of wheat and that the Chicago futures market is the largest, it is easy to understand why things have not changed.

Price volatility at origin translates into higher retail food prices. This does not affect the population equally since it affects lower income brackets more heavily, who, in percentage terms, spend much more on food than higher income brackets. Moreover, albeit with different proportions, the phenomenon is also significantly present in rich countries; it is worth noting that in 2023, 13.5 per cent of US households experienced food insecurity (Rabbitt et al, 2024). As already mentioned, the rise in prices produces two distinct phenomena that are, however, closely linked: an increase in food insecurity and a reduction in the incomes of small farmers. In particular, the decrease in small farmers’ incomes, in turn, may initially seem paradoxical in that theoretically, producers should earn more because of higher sale prices. In reality, while benefiting from increases at the point of sale, small producers also buy some of the food they consume; moreover, when they have to make investments, for example, for the next harvest, they have no economic reserves to fall back on. This means that, unable to cope with the uncertainty resulting from price volatility, they are often forced to give up the business, become day labourers, or move to seek their fortune elsewhere, increasing the number of food-insecure people. On the other hand, as far as food security is concerned, the FAO (2023, p. xviii) shows that approximately 735 million people experienced hunger in 2022, an increase of 122 million compared to the pre-Covid situation, while more than 3.1 billion people (about 42% of the world’s population) were unable to obtain adequate food. Also, in 2022, about 148 million children under the age of five suffered from stunted growth and 37 million were stunted. Furthermore, although the situation is improving, hunger affects women to a greater extent, which is reflected in unborn and newborn babies. Conflicts remain the most significant cause of food shortages for the most severe hunger situations (117 million people in 19 nations involved). Still, for the above reasons, the second most crucial cause is economic, affecting almost 84 million people in 27 nations. In percentage terms, the African continent suffers the most, as 20.2% of the population (about 280 million people) were undernourished in 2021, while in absolute values, the most affected is Asia, with about 400 million, a share of just under 10% of its inhabitants (FAO 2022, p. 29).

Alongside this, using financial products by funds as a financial strategy facilitates the externalisation of costs. The new financial products, in turn, stimulate the phenomenon of land grabbing. This phenomenon is widespread and is traced by the Land Matrix Initiative (LMI), an independent initiative with a public database on land acquisitions in 100 countries, considering only contracts concluded for agriculture concerning approximately 31.4 million hectares. According to LMI estimates, by the end

2020, only 23% to 44% of the acquired land has been used for agricultural activities; the remaining part is estimated to be still unused, but in the meantime, already taken out of the use of the previous owners who, incidentally, in 18% of the cases are small family farms. The crops planted on these lands are usually cash crop monocultures (i.e., sugar cane, palm oil, soya, etc.) destined for export, decoupled from the local economy and produced to the detriment of the food security of the indigenous population. Such crops are often labour-intensive and, except for countries with low population density, on average, the employment resulting from the acquisitions is 0.5% of the national workforce. Furthermore, only 15% of contracts include infrastructure investments, which are not made in half of the cases (Lay et al, 2021).

The use of land subjected to the phenomenon is directed in a particular way: towards profitable activities for investors and production to meet the needs of high- and medium-income countries. The negative externalities resulting from this approach include deforestation. According to the Forest Declaration Assessment 2024, agricultural commodity production is responsible for 57% of global deforestation. Livestock farming accounts for about 80% of deforestation in the Amazon, while palm oil cultivation contributes 7% globally. Although the timing varies, paper and timber production also account for a significant share. These three sectors are the main cause of worldwide forest cover loss.

4. Wheat production and market value

To fully understand the dynamics affecting the global agri-food system, we will delve into the commodity of wheat, a historical symbol of civilisation and food security. We will analyse the implications of financialisation and the current sustainability and social justice challenges.

Wheat, one of the oldest and most fundamental crops, has historically represented and continues to represent a primary source of sustenance for populations worldwide and a cornerstone of global food security. It is estimated that wheat alone provides approximately 20% of the global energy requirement (FAO, 2015; World Bank, 2020), with around 21% of the world's food supply relying on annual wheat harvests. Cultivated since the Neolithic era in the region known as the "Fertile Crescent", wheat was one of the first domesticated plants that played a pivotal role in the development of early agricultural societies, enabling the creation of food reserves and the emergence of civilisations (Simmons 2015; Diamond 1997).

Over the centuries, wheat cultivation spread across the Mediterranean basin and later to Europe, becoming a staple food in the diet, particularly for rural communities, as well as a strategic resource for trade and the economies of numerous countries (Pilcher, 2012). The current crisis of the capitalist system, which has contributed to conflicts, climate change, and speculative investment policies, has led to significant instability in global markets, including substantial fluctuations in wheat prices. These price fluctuations, driven more by speculative logic than real production dynamics or demand, threaten access to wheat, particularly for the most vulnerable populations and rural communities.

Such a scenario highlights the fragility of the global food system, which is undermined by speculative dynamics and destabilising market forces. Therefore, there is an urgent need to implement alternative models inspired by food sovereignty and the principles of agroecology, capable of ensuring equitable and stable access to essential resources such as wheat and, more broadly, to food. Wheat remains a globally significant commodity in terms of cultivated area, with a market involving billions of people and generating a substantial volume of trade. According to the 2024 ISMEA report, based on data from the International Grains Council, global soft wheat production in 2023 amounted to 762 million tons (Mt), representing a 0.9% decrease compared to the previous year. During the same period, demand increased by 1.1%, surpassing 770 Mt, resulting in a 2.9% reduction in global stocks, which reached 265 Mt. For 2024, a slight increase in production (+0.5%) is expected, reaching approximately 766 Mt, with significant increases in North America, Australia, and Argentina, and declines in France (-14%) and Germany (-6%) due to adverse climatic conditions. Maintaining its global leadership in 2023 and 2024, China is estimated to harvest around 136.5 million tons, slightly lower (-1.2 Mt) than the previous season. The European Union follows with a stable production of 134 Mt, supported mainly by France, contributing about 38 Mt (28% of the total output). In Italy, soft

wheat production in 2023 reached approximately 3 Mt, cultivated on 600 thousand hectares, showing a slight increase compared to the previous year's 538 thousand hectares, which was marked by severe drought. However, this is a significant decrease compared to the 1960s, when around 3 million hectares were in cultivation. On the other hand, it should be noted that the yield per hectare has dramatically increased, rising from 2.6 to 5.5 tons, largely thanks to advanced agricultural techniques, genetic selection, and mechanisation. Intensive cultivation has concentrated in the Central-Northern regions, particularly in the Po Valley, at the expense of biodiversity, traditional crops, and environmental sustainability.

Nevertheless, Italian wheat production of about 5.7 million tonnes is insufficient to meet the needs of the mills, resulting in a strong dependence on imports, which cover about 60% of demand. In 2023, the trade balance deficit decreased to 1.6 billion euros (-6.3 % compared to 2022) due to a drop in average import prices (-15%) and an increase in imported volumes (+10.4%). This trend continued in the first months of 2024, with further improvement in the deficit (-3.8%) and an increase in imports (+32.8%), driven by the competitiveness of foreign prices. Major suppliers include Hungary, France, and Austria, collectively accounting for around 50% of imports, followed by Canada, the United States, and Ukraine, the latter showing significant growth (+8% in supplies in 2023) (ISMEA, 2024).

This dependence is due to a quantitative and qualitative shortage: some specific varieties, such as the strong grains for long-rise baked goods, are poorly available in Italy. Additional challenges include the fragmentation of the domestic agricultural supply, inadequate logistics systems, and an inefficient storage policy for homogeneous quality classes (ISMEA, 2021), all of which limit the competitiveness of Italian wheat compared to foreign varieties.

As for durum wheat global production in 2023, a considerable reduction of 9.6% was recorded, reaching 31.2 Mt, with a significant decline in Canada (-30%, or 4 Mt) due to drought. Demand remained stable (34 Mt), but stocks decreased dramatically to 4.8 Mt (-38%). In contrast, global durum wheat production is expected to grow by 12.6% in 2024, reaching 35.1 Mt, with significant increases in countries such as Canada (+6.2 Mt) and the United States (+50%), along with notable increases in Turkey and North Africa. On the other hand, Italy remains the leading producer among Mediterranean countries, with a production of 3.7 Mt from 1.27 million hectares, which aligns with the previous season's levels. However, Italy is the leading importer of durum wheat, as part of its production is used for extensive domestic consumption. Consequently, Canada remains the primary supplier, but imports from Turkey and Russia have significantly increased, each accounting for 13% of total supplies in 2023 (ISMEA, 2024). In that year, however, the trade balance deficit worsened, increasing from 750 million to 1.2 billion euros (+65.7%) due to higher imported volumes (+64.9%) and the degradation of domestic harvest quality. However, the situation improved in the first months of 2024, with a reduction in the deficit to 287 million euros (-25.2%), driven by a decrease in imported volumes (-1.1%), alongside a reduction in import prices (-21%).

In 2023, the global wheat market was valued at 161.12 billion dollars and is expected to reach approximately 209 billion dollars by 2028, growing at a compound annual growth rate (CAGR) of 5.31% during the forecast period (2023-2028). This growth is driven by expanding cultivated areas, favourable agricultural policies in key markets like India and China, and rising global demand, particularly in net-importing countries. Meanwhile, the Italian wheat market in the same year generated around 8.5 billion euros, while the European cereal sector, which includes wheat as a significant component, reached a value of over 75 billion euros. The leading wheat-producing regions in Italy are Puglia, Emilia-Romagna, and Sicily, where soft wheat, used for bread and bakery products, and durum wheat, essential for pasta production, are cultivated. The European Union is one of the largest producers and exporters of wheat globally, but it also faces significant imports, particularly from countries such as Canada and the United States.

5. The wheat sector between financial speculation and new tariffs

Financial speculation intensifies wheat prices' volatility, creating uncertainties and risks for the entire sector (e.g., rising energy costs, decreasing stocks, and conflicts in key production areas). Over the past years, price volatility has become increasingly

extreme; for instance, global wheat prices surged by over 85% between 2021 and 2023. Despite declining prices, with soft wheat futures quoted at $201 per ton on April 26, 2025, significantly lower than the peak of $489 at the onset of the Russia-Ukraine conflict, the market remains highly exposed to strong fluctuations. The downward production forecast for 2023-2025, estimated at 806 million tons by the International Grains Council [2], slightly up from 798 million tonnes the previous year, further fuels uncertainty. In Italy, soft wheat prices have shown a downward trend. In April 2025, at the Bologna Commodity Exchange, the price of soft wheat “fino” ranged between €253 and €258 per ton, while the “buono mercantile” stood between €237 and €242 per ton. For durum wheat, prices were slightly higher: the “fino” ranged between €293 and €298 per ton, and the “buono mercantile” between €276 and €281 per ton [3].

Speculation in agricultural commodity markets, exacerbated by the entry of large institutional investors, has transformed futures contracts from stabilisation instruments into sources of destabilisation. These financial actors, primarily driven by profit motives, push prices to fluctuate independently of actual supply and demand dynamics. The consequences of such instability strongly affect small farmers, who lack the necessary tools to protect themselves from price fluctuations, and the most vulnerable segments of the population, who face rising costs for essential foods.

Global wheat trading volumes in international markets will decrease in the 2024-2025 season. According to the United States Department of Agriculture (USDA), world wheat exports for the July 2024-June 2025 marketing year are estimated at 206.8 million tonnes, down from 223.6 million tonnes the previous year and marking the lowest level in three years (Sowell 2025). In parallel, the International Grains Council (IGC) forecasts a global trade volume of cereals (wheat and coarse grains) of 418 million tonnes for the 2024-2025 season, down from 458.5 million tonnes the previous year.

Another concerning aspect of the global wheat market is the impact of tariffs imposed by several countries. The European Union, for example, introduced a €95 per tonne tariff on wheat imports from Russia and Belarus as of 1 July 2024. While this measure aims to protect European producers and prevent market destabilisation, it also addresses illicit practices, such as the seizure of Ukrainian wheat by Russia, which is then labelled as Russian wheat. Additionally, the imposition of tariffs seeks to reduce the flow of low-cost wheat, which has driven down prices, undermined European farmers, and promoted unfair competition.

These measures have raised significant global concerns, as the cost increase could lead to difficulties in accessing wheat for vulnerable populations, particularly in developing countries. According to Kolesnikova (2023), protectionist policies can undermine global food security by limiting the availability of an essential food commodity and further destabilising markets already affected by conflicts and climate crises. On the other hand, free trade does not represent an adequate solution either. While it may facilitate access to low-cost foods, it risks harming small local producers and perpetuating less developed countries’ economic and food dependency. According to capitalist dynamics, globalisation subordinates local and collective needs to profit and accumulation logic, favouring the domination of the most potent capital by intensifying territorial and social inequalities and reducing the autonomy of more fragile economies. Price fluctuations driven by tariffs and restrictions affect consumers and small agricultural producers, who struggle to compete in the international market. In regions such as Africa and the Middle East, the dependence on imported wheat makes these economies particularly vulnerable, highlighting the urgent need for structural reforms in the global food system. Neither protectionism nor free trade represents a one-size-fits-all solution.

Thus, the contradiction of capitalism in the agricultural sector lies in its inability to resolve the conflict between production for profit and production for human needs and environmental sustainability (Harvey, 2014). Therefore, an inclusive and sustainable approach is necessary to ensure equitable access to essential food resources, protecting producers and consumers while addressing the structural inequalities generated by the dominant economic system.

In this context, the need to regulate the agricultural commodity markets has become increasingly urgent. A global intervention is desirable to effectively combat financial speculation and promote profound changes in the current food system, which is

increasingly oriented toward protecting the interests of a few multinational corporations and speculators at the expense of equitable access to food and the achievement of the Sustainable Development Goals (SDGS) of the 2030 Agenda.

6. Some concluding remarks

The highlighted scenario underlines the need for a radical shift, advocating for a food system grounded in the ethical valuation of food, in stark contrast to the ongoing process of commodification (Steel 2020), which subordinates food to market logic and financial speculation. As a symbol of life and civilisation, wheat stands at the heart of the desired transformation process as a "civil food" foundational element that nourishes and supports communities, territories, and cultures. This approach is necessarily based on an alliance between small producers and consumers, who become active citizens, emancipating themselves from the logic of mere consumption to build "from the bottom" inclusive, sustainable, and resilient food systems. In the new model, food sovereignty, specifically minor supply chains, becomes a tool to reconnect people to the intrinsic values of food, breaking the chains of speculation. Minor supply chains provide a concrete response to counter price fluctuations and ensure fair compensation for small producers while fostering a direct and conscious link between producers and consumers.

Thus, an agroecology-inspired food system offers solutions for equitable access to food, especially for vulnerable populations, but also prevents the decline of biodiversity. Specifically, the cultivation of traditional wheat varieties, as opposed to intensive monocultures, could preserve genetic diversity, restore rural landscapes, and create the social and ecological resilience necessary to face the challenges of climate change. This model serves as a lever to promote the well-being of local communities and territories, based on a new connection and new forms of distribution between small producers and communities, capable of generating socio-economic and cultural value (Michel-Villarreal, 2023) to establish a new sustainable and regenerative food system, safeguarding rural ecosystems, local identities, and high-quality lifestyles. In this sense, food becomes a platform for economic democracy, enabling producers, consumers, and, more broadly, local communities to become protagonists of a truly regenerative social and economic transformation for territories, communities, and businesses.

The effects of financialisation in the agribusiness sector stem from the predatory nature of the theoretical model employed, aimed at the pursuit of the profit of a few individuals, the shareholders of TNCS, to the detriment of the many stakeholders in this industrial sector (Manogna and Kulkarni 2025). Part of the economic literature suggests that, given the ethical value of the goods produced in the sector examined, the existing market logic should be abandoned since they are incapable of generating mechanisms of distributive justice and, therefore, of initiating virtuous paths of economic development of a distributive type, since at the basis of the models used for the governance of this industrial sector there is a principle of ethical justice based on pleonexia, or the profit of the strongest, which, as we have seen, is a harbinger of critical negative externalities at both the microeconomic and systemic levels (Thompson 2015).

To overcome this approach, the prevailing predatory market logic must be abandoned, replacing it with the paradigm of markets where a principle of civil coexistence is affirmed between economic operators and between them and the surrounding environment (see Marotta and Piazza 2021). It is a matter of recovering and applying with reformist will the civil economy schemes of Enlightenment memory. Given the ethical importance of its outputs – essential for human survival – and the environmental harm caused by its intensive production, the agricultural sector has always been a focal point of debate. The desirable objective that the aforementioned reformist approach should achieve is that of enriching the market with qualitative variables capable of making the interests of economic operators complementary, such as the variables of public trust, that is, those of reciprocity and gift, in the sense of economic thinkers of a Franciscan approach, to make the existing market instruments and the means of production compatible with relations of production that overcome the traditional pleonectic approach of the profit of the strongest, historically a harbinger of strong polarisation of interests and wealth to the advantage of the few oligopolists and the detriment of entire groups of stakeholders. When evidence of inequality and its detrimental effects becomes widespread and significant, governments must initiate processes to modernise institutions and legal systems to

guarantee the rule of law that promotes development processes anchored in a fair and proportional utility distribution among all stakeholders. Economic theory must always take into account, in fact, "the role played by institutions in defining and preserving [the rule of law] as a determinant, or at any rate a critical factor, of market equilibrium, [and one must be ready to revise it] especially when it is unsuitable to represent and ensure appropriate behaviour on the part of economic agents because institutions are capable of satisfying needs and optimising such behaviour, which is the result of the history, customs, traditions and levels of development achieved by each society about its path dependence" (Di Taranto 2012, pp. 79-99).

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[1] Which together account for about 45% of the world’s population,

[2] https://www.igc.int/en/default.aspx.

[3] https://teseo.clal.it/en/?section=frumento_tenero_bologna&utm.