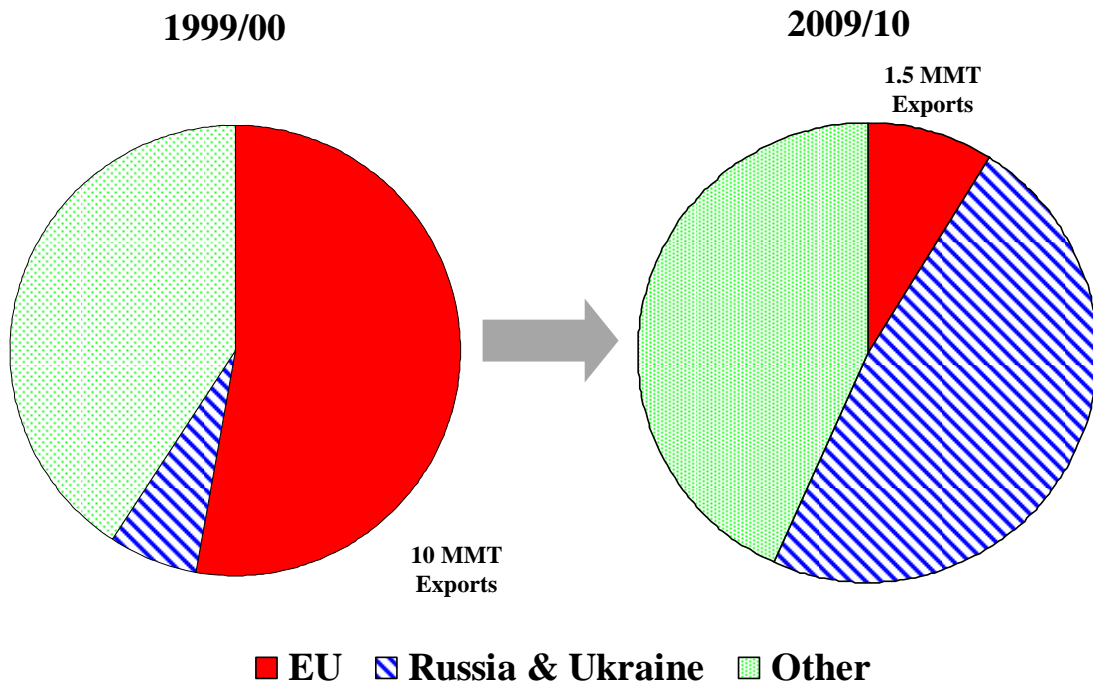


# Grain: World Markets and Trade

## Barley: A Decade of Change & Export Redistribution



Once upon a time (just ten years ago), the EU dominated much of the international barley market, particularly in North Africa and the Middle East. Competitors, such as Australia and Canada, faced the EU's comparative freight and logistical advantages (there were also small erratic suppliers, such as Syria and Turkey). The EU support programs guaranteed high prices and stimulated production, while export subsidy programs helped to ensure that EU barley had a competitive price advantage against other countries.

However, it is all different now. Global barley trade dynamics have changed dramatically with the emergence of low-cost supplies and increased competition from Russia and Ukraine, which also happen to be competitive regional exporters that can match the EU's comparative freight and logistical advantages. EU policies and programs have reduced market and support prices, stimulated domestic use, and de-emphasized export subsidies as a market-clearing mechanism. Recent regulation changes will soon eliminate intervention support for barley, which could cause some acreage to shift to more profitable crops, and further reduce exportable supplies.

















































































































