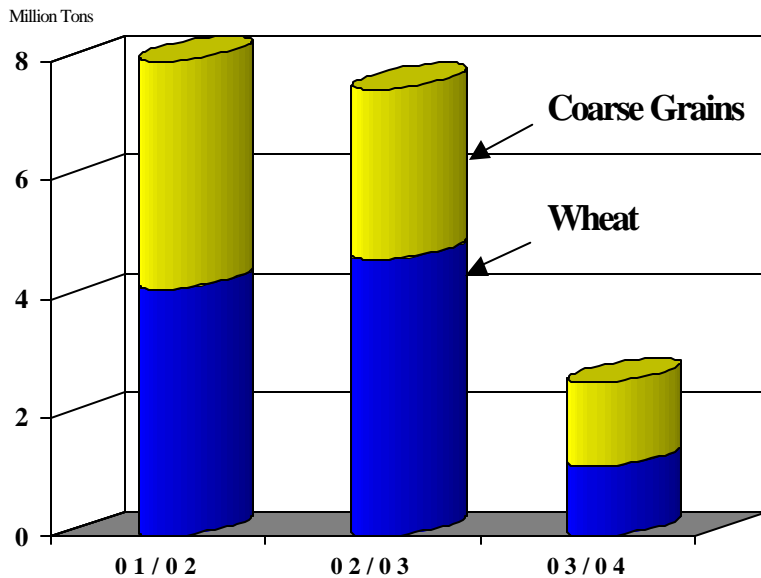




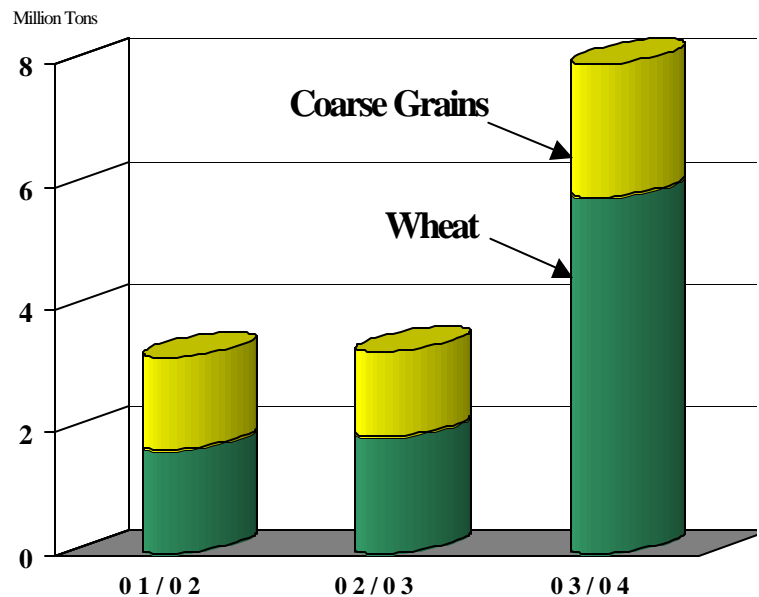
# Grain: World Markets and Trade

## Tightening Supplies Turn Eastern Europe From Grain Exporter to Importer

### Exports Drop



### Imports Surge



With the lowest grain production in almost 40 years, Eastern Europe this year has turned from a net exporter to a major grain importer. Wheat exports have fallen dramatically and tight domestic supplies and high prices prompted the governments of several Eastern European countries to enact policies to restrict exports. The region has also started to import wheat with levels expected to reach nearly 6 million tons. Poor harvests in the EU and the Former Soviet Union—Eastern Europe’s traditional suppliers—have also created opportunities for the United States, Canada, and even Brazil to make significant sales into the region. Romania, which harvested its smallest wheat crop on record, has become a large purchaser of U.S. wheat with sales to date of over 500,000 tons. As domestic supplies run out and stocks dry up, the pace of the region’s imports should remain strong until the next harvest.

The region’s major corn producer, Hungary, harvested its smallest crop in 8 years and exports are concomitantly expected to fall by two-thirds to only 500,000 tons. Most of these exports are going to the EU, leaving other Eastern European countries traditionally reliant on Hungary scrambling to fill their needs. Many have turned to Brazil for corn imports. Barley exports from Hungary, Romania, and Bulgaria are expected to drop by more than three-quarters to only 70,000 tons, while imports are forecast to double to nearly 300,000 tons.