

The supply demand curve for apples in europe after the import ban by russia essay...

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Russia is experiencing extensive pressure from foreign nations, which are imposing sanctions to the country in the name of pushing the country to withdraw its interest on Ukraine. The Russian government does not give in to the push but responds by banning imports from the countries and regions involved in the process. Such countries include Norway, the U. S, Canada, the EU, and Australia (Thesing and Whitney 01).

The effect of the ban is extensive among all the nations involved. For example, it is approximated that \$6. 5 billion worth of products will be banned. As a result, Europe is experiencing extensive economic problems. There are concerns that the prices will continue to drop if the ban continues for a long time. The agricultural products are the most affected in the regions. There are testimonies that the effect of the ban is making the prices reduce with time (Thesing and Whitney 01).

It is clear that Russia is the main importer of Apple for Europeans countries. Poland, the main apple producer in the world, is already feeling the pressure of the ban by Russia. In addition, there are other countries in the region, which produce the fruit in high quantity. Therefore, there will be a high amount of fruits in the European region (Thesing and Whitney 01).

Poland exports approximately 20% of its Apples to Russia but now as the conditions stand the fruits will remain in the country. The ban leads to high supply of Apples in the European region. It will be difficult for Poland to push for an alternative market in a short period. Instead, it will be required to release the fruits to the domestic market, which at large is the European Union. It is clear that Poland is not the only Apple producing country in Europe (Thesing and Whitney 01). Therefore, there will be excess supply of

Apples in the European market.

It is proper to understand that at normal conditions the market for Apple in Europe is at equilibrium. At this point, the supply of the fruits depends on the demand of the goods. The equilibrium is predetermined by previous trade conditions, which will always attract the equilibrium. It is worth to note that an extensive force in the market may lead to shifting for the equilibrium. However, the effect determines the direction to which the equilibrium shifts (Boundless 01).

The high supply of apples in the European Union will have a direct impact to the prices of the commodities. The consumer will have a choice to make in the quality of apples in the region. Since every producer will be aiming at selling the products that they have already produced, they will select the high quality fruits. Following the high number of suppliers, meaning the quantity of the fruits is high, the prices of the fruits will have to go down (Boundless 01).

The demand for the product in the European region remains the same. There are no substantial changes in the European market for apples. However, the low prices for the product may attract existing consumers to consume more of the product. However, the effect may not be adequate to match the high supply of the fruits in the market (Thesing and Whitney 01). Therefore, the prices for the fruits would remain low until an optional market is identified.

The above graph is proper indication of the effect of the Russian ban to the European supply and demand for the apples. The supply curve shifts to the right as shown by the arrow indicating increase in the supply of Apples. The demand curve for apple products remains the same. The equilibrium price

for the apples at the time reduces as the arrow shows the downward movement of P. On the other hand, the equilibrium quantity rises shown by the right shift of Q.

Works Cited

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