

Government Policies Affecting Grain and Agriculture (cont'd)

shortfall in corn availabilities for feed purposes. Higher feed costs in Greece compared to other EC countries inhibit the development of cattle breeding, making it difficult to compete against EC lower priced beef/veal. EC levies make it prohibitive to import either beef/veal or breeder cattle from Canada, and difficult for Canadian poultry meat to compete with domestic and EC poultry.

Greece is normally self-sufficient in wheat and durum, with limited imports of barley and corn usually obtained from France or other EEC suppliers. This year however, may offer sales opportunities for Canadian wheat and other food products should the Greek (and other EC governments) decide there is a possible health hazard in domestic production from the Chernobyl radiation fallout. No Greek government decision has been made at this point in time.

With a perennial adverse balance of trade and balance of payment situation, the Greek authorities are keen to save on scarce foreign exchange outlays for essential grain (and oilseed) imports as and when required. Countertrade or barter arrangements would be preferred to hard currency settlements. In 1982/83 KYDEP expressed interest in exploring possibilities of importing feed corn from Canada against countertrade of Greek products. At that time Canadian corn availabilities were limited and committed elsewhere. In the meantime, Greek corn production has increased significantly, and ever decreasing quantities are obtained from France.

7. Market Prospects - Grains and Oilseeds

Self-sufficiency in wheat and durum and almost in barley and feed corn, rules out future sales opportunities for Canadian grains, outside of exceptional circumstances such as the Chernobyl incident or extreme drought conditions, etc.

In 1985, approximately 5,000 tonnes of lentils were imported. Canadian imports of the Eston variety totalled nearly US\$1.8 million in 1985. Constant monthly shipments of kidney and pea beans are also required.

The pulse trade was to have been freed of quotas effective January 1986 in accordance with EEC directives after a 5 year transitional period. This does not appear to have happened yet, although traders have been advised to apply for import permits. It is believed that the market ceiling price system will remain in effect, while quotas will be abolished.

In 1984 KYDEP expressed interest in importing Canadian triticale seed and cultivating it in Greece with Canadian technical know-how for processing into animal feed. Unfortunately, the Canadian 1984 crop was below average with no availabilities for export, and the KYDEP request was not renewed in 1985 or 1986.

Significant quantities of Canadian canary seed are already being sold through Greek supermarkets and pet shops. This trade was valued at Cdn\$272,427 in 1983, but dropped to \$142,719 in 1984 and \$160,845 last year.