

As of August 1, 1987, the storage capacity of users was 2.89 million tonnes. At the same time, the seed storage units equalled 809 tonnes.

6. Government Policies Affecting Grain and Agriculture

France plays a leading role in the process of EC decisions which it enforces while continually insisting that the Commission negotiate import quotas on grain substitution products (PSC) within the GATT. In addition, France is still calling for an EC subsidy that would encourage a greater use of grain in animal feed. It strongly supports any subsidy allowance project for the industrial use of grain: bio-ethanol as a fuel and starch as a biodegradable plastic. France does not accept the idea of a world price but agrees on a gradual reduction of the guaranteed price by increasing productivity. France is currently seeking to relax dairy quotas.

French imports from Canada meet qualities which are not currently available in France (or in Europe). In the long term, there is a definite policy to improve the quality of French wheat even more so as to eliminate imports. French millers have recently shown much interest for a new variety of German wheat. However, if the Uruguay Round of negotiations succeed in reducing tariffs and variable levies, there would be a strong demand for more Canadian grain. The millers would like to import more Canadian grain, but the high level of levies prevents them from doing so.

France commonly barter its exports through its trade companies. One notable example is the Société Interagra which deals with the USSR.

7. Market Prospects - Grains and Oilseeds

France is a significant net exporter of grain, and its level of imports depends each year on the quality of the harvest in France. Imports could increase if tariffs and variable levies are reduced. The dairy stock reduction which took place between 1984 and 1988 has been completed. Poultry farming continues to increase. It is quite likely that the EC environmental policy will have a negative impact in the mid-term on the heavy use of fertilizers and pesticides in France, thus slowing down the rate of growth in productivity.

Canadian mustard, peas, lentils, beans and canary seed are already sold in France. However, all of these exports are now threatened. The government of Canada is strongly protesting the bond on pea and bean imports. In contrast, we have until now reacted only a very little against the project to subsidize non-surplus products such as mustard, lentils and canary seed.