

15 million annually). China, therefore, is expected to depend on wheat imports for years to come unless farmers are offered sufficient incentives to grow wheat instead of other cash crops. Potential exists for exports of modest quantities (100-200,000 tonnes) of malting barley and possibly rapeseed.

COFCO to purchase wheat and barley on a cash basis and countertrade/barter does not play any significant role in grain imports.

7. Market Prospects - Grains and Oilseeds

Most western analysts agree that wheat imports will continue to increase by at least 5% annually notwithstanding government efforts to increase output. Further, judging from recent experience, it is unlikely that grain production in 1990 will increase sufficiently to meet the government set target of 425 million tonnes.

The highly successful market maintenance/development program which is carried out by the Canadian International Grains Institute on behalf of the Canadian Wheat Board should be continued. The Canadian oilseed crushing industry should consider undertaking a market development strategy to introduce canola oil to this important market to replace at least 10% of imported soybean oil.

Prospects for marketing special crops are very limited.

8. Processing Facilities: 1989

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills		1,749	42,983	28,993
Compound feed mills		4,294	4,260	6,098
Maltsters		-	-	-
Brewers*		800**	8,000	6.6
Oilseed crushers		1,436	19,887	2,809***

* Capacity and output in millions of hectolitres

** Including malting plants

*** Plants are running well below capacity

Source: State Statistics Bureau