

3. Fertilizer Situation cont'd

1982-83 Fertilizer Supply (tonnes)

<u>Grade</u>	<u>1982</u>		<u>1983</u>	
	<u>Production</u>	<u>Imports</u>	<u>Production</u>	<u>Imports</u>
Urea	-	364,973	-	320,166
Ammosul	1,318	122,324	7,357	103,109
Amchlor	-	29,200	-	15,299
N P & P	24,028	94,628	36,362	72,875
N P K	100,465	43,648	120,464	27,332
Potash	-	110,676	-	74,598
TOTAL	125,811	765,449	164,183	613,379

4. Import Mechanism

The National Food Authority (NFA), a government agency, is the sole importer of wheat, rice, yellow corn and soya meal through tenders. For other coarse grains, private importers are required to secure an import license from NFA prior to importation.

Besides importing food and feed grains, NFA purchases local production and distributes to millers and retailers. NFA can directly engage in production, manufacturing, processing or packaging of food products.

5. Grain Industry Infrastructure

Since 1975, the government has embarked on a massive grain infrastructure build-up. A total of 287 modern grain warehouses were built during the 8 year period covering 1975-1983.

The National Food Authority has an ongoing "Agro-Processing and Marketing Project" to minimize the rice post-harvest losses of about 30%. Estimated project cost is US\$52 million of which the Asian Development Bank will partially provide loan assistance of US\$36 million. The major project components are grain dryers and storage plants, rice mills, parboiling plants, bran oil extraction plants, feed mills and power plants.

6. Government Policies Affecting Grains and Agriculture

By 1985, the Agricultural sector is expected to play a significant role in the country's economic recovery. The government is expected to provide more incentives and to move toward less government monopoly in production and distribution. Government policies are as follows:

- To provide better support prices in order to offset high cost of agricultural inputs and to encourage private investors to venture into the agricultural sector.
- To provide financial assistance to increase local production of livestock feeds such as soya bean, yellow corn, cassava, azolla and sweet potatoes in