

2. Foreign Exchange Situation

The Belgian government is continuing its efforts to put public finances in order. The Belgian economy is fairly sound. It is highly unlikely that Belgium will require international aid.

3. Fertilizer Situation

Generally, prices of straight and compound nitrogen fertilizers were not subject to any stress. In fact, prices trended downward, especially in the case of Belgian-made fertilizers and similar imported types. The lower prices are the result of reduced energy costs.

4. Import mechanism

There have not been any changes to current import procedures. Private companies continue to do the importing. No changes are expected.

5. Grain Industry Infrastructure

No significant changes have taken place.

6. Government Policies Affecting Grain and Agriculture

Belgian government policy is aligned on the Common Agriculture Policy (CAP) defined by the EEC Council of Agriculture Ministers.

Stabilization mechanisms have been introduced and can penalize producers for increases in production in any sector.

As a result of budget restraint, a ceiling has been placed on European agricultural expenditures and official price adjustments have thus been curbed.

An assistance plan has been introduced to encourage the withdrawal of arable land from production and the development of alternative production on other land.

7. Market Prospects - Grains and Oilseeds

Europe will become a "unified" market in 1992. Canadian initiatives to penetrate the European market will generally have to be made at the Community level: negotiation of quotas, investments in the EEC, association with local partners, company takeovers and mergers, and so on.

A few possibilities exist for certain special crops from Canada, such as wild rice, lentils and peas, but the price must be attractive and regularity of supply must be ensured.