

recently released the first flour milled from domestic wheat which, in the long run, will help reduce Saudi dependence on imports of flour.

The major importing agency for wheat and flour is the Grain Silos and Flour Mills Organization (GSFMO). Under its purchasing system, this organization normally tenders for quantities of grain, for nearby delivery (6 to 12 weeks from tender), as opposed to longer-term contracts. With the current volume of imports, tenders are called relatively frequently and are often for quantities up to 100,000 tonnes. Barley imports are handled by the private sector.

Canadian exports of wheat, wheat flour and barley to Saudi Arabia to date have been limited. The GSFMO would like to increase its wheat purchases from Canada. The Saudis are anxious to diversify suppliers for strategic reasons, and Canada's reputation for quality is well known. In addition, the Saudis who have attended the International Grains Institute courses, returned with glowing reports -- a fact which could be advantageous to Canadian sellers.

Saudi imports of vegetable oils in 1980 totalled more than 113,000 tonnes. Corn and soybean oils accounted for 42,000 T and 15,000 T, respectively. Imports of Canola/rapeseed oil are not listed in Saudi trade statistics, although imports may be lumped in the almost 46,000 T classified as "other oils."

Canadian Canola and its products can be partially or fully substituted for soybeans and other oilseeds. While on the surface it would appear that there is a large potential for displacement of other oilseeds and oilseed products with Canadian Canola and Canola products, Canola is not a traditional or familiar product in Saudi Arabia, and extensive market development and promotional activity will be required.

b) The Canadian Industry

The major Canadian cereal grains, in order of commercial importance, are wheat, barley, corn and oats. Annual production has approximated 20 million tonnes of wheat, 10.5 million tonnes of barley, 5 million tonnes of corn and 3.6 million tonnes of oats.

In terms of volume, wheat dominates Canada's grain export trade with exports of approximately 15 million tonnes annually, including durum, accounting for 60 to 70 per cent of production. Wheat flour exports have been stable over the past 10 years, averaging 650,000 tonnes annually.