

2. Foreign Exchange Situation

Although the US and Canadian dollar has dropped against most European currencies since the second half of 1985, European imports of feed materials from North America are not expected to improve significantly, if at all. The Dutch guilder is linked to the European Monetary System, which seems to enhance intra-European trade in basic farm products.

3. Fertilizer Situation

Use of fertilizer expressed in kgs. N, P₂O₅ and K₂O per hectare of farm land.

	<u>1984/85</u>	<u>1983/84</u>	<u>1982/83</u>
Nitrogen	251	238	228
Phosphate	44	43	39
Potash	62	58	51

The use of fertilizers is expected to remain stable at best in the next few years. Total volumes will decline with anticipated reduction of the aggregate farm land area.

4. Import Mechanism

Grain purchases from non-EC sources are subject to an import levy system and other requirements and regulations under the EC Common Agricultural Policy. There have been no changes.

5. Grain Industry Infrastructure

The Netherlands has a highly developed infrastructure for the grains industry relative to shipping, storage and industrial processing. With all the major grain trading companies present in Rotterdam and with the grain transshipment and storage facilities of the Graan Elevator Maatschappij in the port of Rotterdam, this country is a leading trading centre for grains of all types. No significant changes are anticipated in the short term.

6. Government Policies Affecting Grain and Agriculture

As an EC-member, the Netherlands must adhere to the regulations established under the Common Agricultural Policy.

Current policy on countertrade/barter: There is no government involvement other than possible restrictions resulting from the CAP.