

2. Foreign Exchange Situation

Foreign exchange is available for all types of goods, no priorities are given to imports of food and agricultural products.

3. Fertilizer Situation

In line with EEC policy the Spanish Government will reduce subsidies for fertilizers by about 35%. However, there was recently a drop in the price of raw materials and in production costs, so the final prices of fertilizers to the farmer are expected to change very little. Estimates for fertilizer consumption in 1985 are as follows, (1984 figures in brackets):

	<u>Million tonnes</u>	
Nitrogen (N)	- 930,000	(871,100)
Phosphate (P205)	- 420,000	(428,000)
Potash (K20)	- 260,000	(277,183)

4. Import Mechanism

All the major international grain trading companies are represented in Spain. The previous structure of SENPA has disappeared but the organization remains as an EEC service to control stocks, etc. Wheat importation is now free except for a quota of 175,000 tonnes from France. There are no limits on feed wheat imports which are supplied mainly from the U.K. Imports from non-EEC countries must pay high import levies which are constantly being adjusted.

5. Grain Industry Infrastructure

Cargill, Continental and Dreyfus are the multinationals actively operating in Spain plus one Spanish company, Transafrica, Madrid. Spain's adhesion to the EEC has increased the number of consumers in the community by 38 million which has prompted some European firms to open offices in Spain, e.g. Italgrain. (Italy), Toepfer, (Hamburg).

6. Government Policies Affecting Grain and Agriculture

The trade in all types of grains in Spain was freed on March 1, 1986. On the same date the EEC variable levy system came into force and in future this will be the principal barrier to imports of wheat and grain from Canada and other countries outside the EEC. Spanish domestic prices for wheat and corn have risen substantially; the domestic production of barley is expected to fall and durum wheat acreage could increase.

The EEC has a monopoly in the grain sector so in future EEC interests will be given priority.

So far as we know, there are no barter or countertrading arrangements related to grain or oilseeds in Spain.