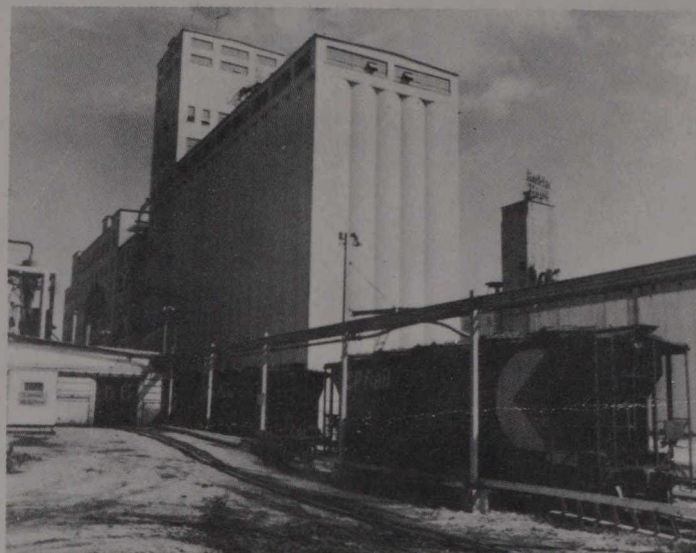


CANADA GRANTS \$20 MILLION FOR IMPORT OF RAPESEED OIL



Rapeseed being loaded into freight cars for shipment to crushing facilities at terminal points in Canada.

ON August 9, 1977 Canada and India signed a development cooperation agreement under which Canada will supply India with \$20.0 million (approximately Rs. 16.9 crores) worth of rapeseed oil amounting to some 30,000 metric tonnes of oil. Under the agreement Canada will, in addition, meet the transportation costs of shipping the oil to Indian ports from where distribution will be handled by the State Trading Corporation. This grant of rapeseed oil is a part of Canada's continuing development cooperation programme with India which in 1976/77 amounted to Canadian \$83 million (approximately 66.4 crores) in grants and development loans.

During the past three years, food aid has formed the largest share of this development cooperation programme as Canada responded to India's need for imported food grains until its own buffer stocks could be rebuilt. Fortunately, India has now reached the point where these stocks have been increased to record levels. However, in spite of this success, India has continued to face an acute shortage of edible oils and Canada has responded accordingly, being the only country to supply India with rapeseed or rapeseed oil in the form of outright grants. Recognizing the importance of edible oils in India,

Canada has increased its allocation of grant funds to India for this product over the past few years, as indicated by the following statistics:

Rapeseed is Canada's "Cinderella" crop. Although its production in Canada is a relatively new enterprise compared to the production of cereals, rapeseed has now become the country's third most valuable crop. It was first cultivated extensively in the three Prairie provinces of Alberta, Saskatchewan and Manitoba as a war-time effort to produce oil for industrial purposes. However, the value of the oil as an edible product was well known and the first oil extraction for edible purposes in Canada occurred in 1956. Oil extracted at crushing mills is refined for use in the manufacture of margarine and cooking oils. Since 1958, domestic consumption of rapeseed oil in Canada has increased by more than 15 times. Canada has intensified its research efforts and developed new varieties suitable for the edible oil industry to the point where Canada is now the world's largest producer and exporter of rapeseed.

Western Canadian farming conditions are ideally suited for growing rapeseed for it fits extremely well in a rotation involving cereals. Turnip rape (*Brassica campestris*), which is an early maturing type, maturing in 75 to 80 days, is the most popular of the three varieties grown and accounts for up to 80% of the rapeseed acreage of Western Canada. A good average yield ranges in the region of 1200 to 1500 lbs per acre. Rapeseed in Western Canada is marketed through similar channels as wheat and it is accepted at the country elevator and shipped to either the West Coast or to the terminal system at Thunder Bay, Ontario for crushing and distribution around the world.

in C\$ million			
YEAR	Rapeseed	Rapeseed Oil	Total
1972/73	10.9	—	10.9
1973/74	4.7	9.4	14.1
1974/75	5.4	15.4	20.8
1975/76	—	8.0	8.0
1976/77	—	20.9	20.9
1977/78	—	20.0*	20.0*
TOTAL	21.0	73.7	94.7

*In addition to this Canada will pay transportation costs close to around C\$2.0 million.