

obtain hard currency) of Poland to market its rapeseed into Mexico at prices substantially below international oilseed prices are all overwhelmingly important factors in this very price sensitive market. Crude oils are also being imported from Argentina utilizing an export subsidy provided by the Argentine government. Aid programs are not utilized to supply this market.

6) COMPETITORS MARKET STRATEGIES

As already noted, the marketing strategy employed by suppliers of oilseed and products to this market is exclusively price competitiveness. Product quality is also of course an important element. In addition to low prices, the ability of Poland to completely capture the Mexican low erucic acid rapeseed market in 1990 and 1991 is due to the fact the Mexican crushers/refiners consider the Poland product to be equal to canola in quality. In some cases the Polish crude oil has a more desirable color (less green).

7) CANADIAN MARKETING STRATEGIES

The principal marketing strategy weakness is that Canadian canola seed is unfortunately not price competitive with Polish rapeseed. At the beginning of 1992 the price difference between canola and Polish rapeseed was US\$12. However, there has not been any Polish offer since June of this year, due to the dramatic drop in rapeseed production in that country due to drought.

As it appears that Poland intends to try, production volumes permitting to maintain its market dominance, some way must be found to narrow the price differential and provide a supply service that Poland cannot match.

The establishment of a Mexico/Canada joint venture supply capability on the Mexican Pacific coast which could receive and hold at a reasonable cost canola and canola oil (and wheat and malting and feed barley) would enable Canadian exporters to take advantage of the lower cost transportation route from the Prairies/Vancouver to the Mexican Pacific coast. From this storage facility grains and oilseeds could be supplied to the smaller Mexican crushers/refiners (and millers/food processors/malsters/feed manufacturers) and those plants with limited storage capacity.

Under present market conditions our potential for canola or canola oil sales are constrained. Imports of canola/LEAR rapeseed and product in the 1987-1990 period have, depending on price relationships with substitute oilseeds, reached 353 thousand tonnes. It is estimated that a storage facility to service the smaller users and those with limited storage capacity with Canadian canola and product through the Pacific coast