Government Policies Affecting Grain and Agriculture (cont'd)

As the government has lifted restrictions on barley for use as feed, there may be opportunities for Canadian barley if and when the price is competitive in comparison with other feed grains. The policy with regard to reduction in barley production appears to be only a temporary measure in order to reduce the deficit in the grains management fund. However, if the government adopts this as a long term policy, it will pose some implications in exporting Canadian feed grains (barley, rye and oats) to this market. The inclusion of Canadian feed grains in the VAT exemption system, however, puts Canadian feed grain suppliers into a more competitive position in competing with U.S. corn.

7. Canadian Grain Marketing Propsects

Projections to 1985 - 1990: The Korea Development Institute, an advisory research institution to the government in economic planning has made the following grain import projections for wheat and corn:

	Wheat	Corn
	('000 tonnes)	
1985	2,050	3,500
1986	2,100	3,800
1991	2,400	5,500

Marketing possibilities for Canadian "special crops": With the exception of mustard seed which became an automatic approval item from July 1, 1983 and a limited quantity of buckwheat which Korea imports when the domestic production is insufficient to meet demand or when required as a raw material for re-export purpose, there are no marketing possibilities for other special crops. Korea imports approximately 350 tonnes of mustard seed per year from Canada.

8. Processing Facilities

Year 1983

thousands of tonnes

	Number of Companies	Number of Plants	Annual Capacity*	Actual Output
Flour (and durum) Mills	12	13	2,724	1,919
Compound Feed Mills	56	78	4,619	5,851
Malt Houses	2	4	81	124
Oilseed Crushers	64	64	1,500**	907**

* 8 hour operation basis
** In addition, there are thousands of small individual oil stores throughout the country which also crush oilseeds. Therefore, the figures represent only estimates for crushers who own plants.