

Government policy is to withdraw support for new African palm plantings since investment is too high and processors have reached capacity. Oilseed crops which quickly reach maturity are preferred and require less investment. The government policy is to offer fair support prices, raise them faster than inflation and ensure prompt payment to producers, as well as to impose high import tariffs on oilseeds and oilseed products (meals and oils) and import quotas based on recent production.

AFRICAN PALM (fruit and kernels). Grown in four different areas of flatlands in Colombia. The Eastern Plains area is the one with faster expansion. Production in 1988 was estimated at 928,000 tons (equivalent to 180,000 tons of oil) from an area of 58,000 hectares.

■ In 1989 the government withdrew its production support for new plantings due to insufficient domestic processing capacity. Around 70,000 hectares were to be harvested in 1989 for a total production of 1.2 million tons of fruit (equivalent to 217,000 tons of oil). Nevertheless, this excess production will have to be consumed domestically since the external price is low.

SOYABEANS - Traditionally grown in the Cauca Valley area, new plantings are taking place in the Eastern Plains in order to expand production. The area planted in 1988 totalled 73,000 hectares and production amounted to 116,000 tons versus 131,000 tons in 1987. The forecast 1989 production was 200,000 tons planted on 93,000 hectares, thanks to generous support prices (CDN \$576 per ton) and easy credit.

■ Consumption in 1988 amounted to 333,000 tons. To cover the deficit, 196,000 tons of soyabeans were imported from the U.S. and 22,000 tons from Argentina. For 1989, lower imports of 150,000 tons are expected due to higher domestic production of African palm and soyabeans. The ad valorem duty on soyabeans is 25 percent plus an 18 percent tax on CIF value.

COTTONSEED - By-product of cotton production areas of the Northern Coast, Cauca Valley, Tolima Department and foothills of the Eastern Plains. Production reached 240,000 tons in 1988 from a planted area of 230,000 hectares. For 1989, only 210,000 hectares was expected to be planted due to marketing problems in the last harvest. No imports have been made in the past year.