6. Government Policies Affecting Grain and Agriculture (contd)

These policies will have little impact or long-term implications for Canadian grains, particularly wheat; since grain consumption will continue to increase the pressure on limited supply. The population growth together with the gradual change in consumer preference (for wheat products) in major metropolitan centres should keep the demand for wheat at high level. Beer consumption, long considered a nutritious drink in China, is increasing rapidly and the limited domestic supplies of quality malt could not possibly meet the rising demand.

Government continues to purchase grain on cash basis from major exporters (Canada, Australia, U.S.A., E.E.C. and Argentina). Counter-trade/barter is not pursued directly.

7. Market Prospects - Grains and Oiliseeds

There are no official projections of national grain import needs. However, most foreign observers note that China's grain production levels already had peaked and any additional pressure on the land will not have significant impact on import demand. Thus one reasonable projection would be that China's grain (wheat/barley) imports will increase by at least 5% every year.

8. Processing Facilities

Year 1988 (most recent)
thousands of tonnes

	Number of Companies	Number of Plants	Annual Capacity	Actual Output
Flour (and durum) Mills		1600		35,000
Compound Feed Mills		2400		
Malsters				840
Brewers*		400		7,000
Oilseed Crushers				

*Capacity and output in millions of hectolitres

9. STORAGE AND THROUGHPUT CAPACITY
Grain Import Capacity by Port

Year 1988 (most recent)
- - thousands of tonnes - -

Name of Port	Grain Storage Capacity	Annual Throughput Capacity
Tianjin	35,000	
Dalian	35,000	
Shanghai	35,000	
Total Capacity	105,000	