

It should also be noted that the term canola is used generically in Mexico for oil produced from the Brassica Napus or Campestris varieties of double zero rapeseed. Although canola was registered as a trade mark in Mexico by the Canola Council of Canada several years ago, because canola has never been retail marketed as a distinct oil (only as an ingredient in blended vegetable oil) no effort has been made to legally control the use of the term. Processors and consumers now use the term in a generic sense and it is not perceived as a Canadian oil or an oil with any special health qualities. Labels merely list it at the bottom as one of the possible ingredients of the vegetable oil even though the origin may be Poland.

Because of the drought suffered by Europe this year and the reduced production in Poland there is a likelihood that Canadian canola will be in demand from November, 1992 onwards. To date (August), in 1992 it is understood that two fifteen thousand tonne shipments of Canadian canola with a CIF Pacific ports value of US\$7.4 million have been sold to Mexican processors.

Little substantial growth potential is projected for flaxseed or linseed oil beyond its volume of recent years.

b) Exports

There are no Mexican governmental programs to encourage exports of oilseeds or products. Mexico exports a small amount of sesame seed each year, primarily to the United States. There are also exports of cartamo (safflower) oil to California. Mexican exports in total of oils and fats in 1991 are estimated at only 1.6 thousand tonnes.

5) FINANCING

The common method of payment/financing for imported oilseeds and oil is payment basis an irrevocable and confirmed letter of credit in favour of seller. Oil or seed is generally not sold on the basis of credit terms extended by seller. Price rather than financing is the crucial factor in this market at this time.

Although Canadian banks (Royal Bank and Banks of Nova Scotia and Montreal and the Canadian Imperial Bank of Commerce) have representatives in Mexico, only Mexican banks are permitted by law to provide and perform the usual banking services. EDC financing is available to Mexican buyers through the Mexican commercial banks.

The availability of United States Commodity Credit under GSM 102/103 for soybeans undoubtedly enhances its competitive advantage. U.S. soybean oil shipments to Mexico are eligible for assistance under the US Export Enhancement Program. As well, subsidized European rapeseed oil purchases and the apparent willingness (presumably to