

4. Import Mechanism

Wheat imports are controlled by the private millers through their associations and specially constituted foreign trading companies, as well as the pasta and semolina mills. Crude edible oil is imported directly by the refiner - industries. Similarly, the malting industry imports barley when the local production is short. Generally, there is no government intervention nor public tenders in these commodities.

5. Grain Industry Infrastructure

Since the state Empresa de Comercio Agrícola (ECA) withdrew from the grain trade several years ago, there has been a lack of an adequate intermediate purchasing organization, and farmers have been selling directly to end users. Recently, a federation of farm cooperatives, COPAGRO, rented the ECA installations and started purchasing wheat and corn on a non-profit basis. While their purchases have amounted to only a small percentage of the total market, their intervention has already provided considerable improvement in the prices that farmers obtain for their crop. The project has financial support from the state bank and is expected to expand to include rice and other farm produce.

6. Government Policies Affecting Grain and Agriculture

During the last crop year the government has implemented measures to provide price support to local producers of wheat and oilseeds on a continuing basis. This is expected to greatly encourage domestic production and reduce imports. No significant change is expected in grain consumption patterns, grain reserves or meat production and consumption.

As local production increases, imports will probably be reduced proportionally in wheat and oilseeds. For the moment and in the near future, it is not expected that other grains will be affected, except possibly corn and rice for which farmers are already requesting similar protection.

7. Canadian Grain Marketing Prospects

Purchases are heavily dependent on price, and availability at moment required. Favourable freight costs are also very important. Concessional credit has been made available to Chile by the US for imports of wheat.

There are marketing opportunities for special crops when local production falls short, as has recently happened with canary seed and lentils.

8. Processing Facilities

Year: 1983

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	90	100	1,350	1,250
Compound Feed Mills	8	12	15	12 - 15
Malt Houses	4	5	90	60
Oilseed Crushers	8	8	265	n/a