

Grains and Oilseeds

DECLASSIFIED CONFIDENTIAL

EXTERNAL AFFAIRS CONFIDENTIAL

1. Scope of the Sector and its Place in the Economy1. Scope

This sector includes the farm production of grains and oilseeds. The major grains are wheat, barley, corn, oats, and rye and the major oilseeds are rapeseed/canola, soybeans and flaxseed. Their principal uses are for food and animal feed. Trade data includes products such as flour, oil and offmeal.

2. Economic Contributions

Cash receipts for the major grains and oilseeds (excluding rye) accounted for one third of all cash receipts in Agriculture in 1984. For the 1976 to 1984 period the percentages ranged from a low of 26.2 percent in 1978 to a high of 37 percent in 1983. Wheat, which is the most important crop, accounted for 20.7 percent of all farm cash receipts in 1984.

Annual cash receipts from the sale of grains and oilseeds are about \$6.3 billion (1984), more than double their value in the mid-1970's. Wheat accounted for 51 percent of this total, barley 10 percent, corn eight percent and oilseeds 13 percent. These figures vary from year-to-year depending on crop and market conditions. An indication of recent variability in production and prices is provided by the data of Table 1.

3. Supply and Disposition

Canada produces four classes of wheat. Most important is hard red spring (HRS) which accounts for the majority of production in Western Canada. This wheat is used for the manufacture of bread. The level and quality of protein contained in this wheat is such