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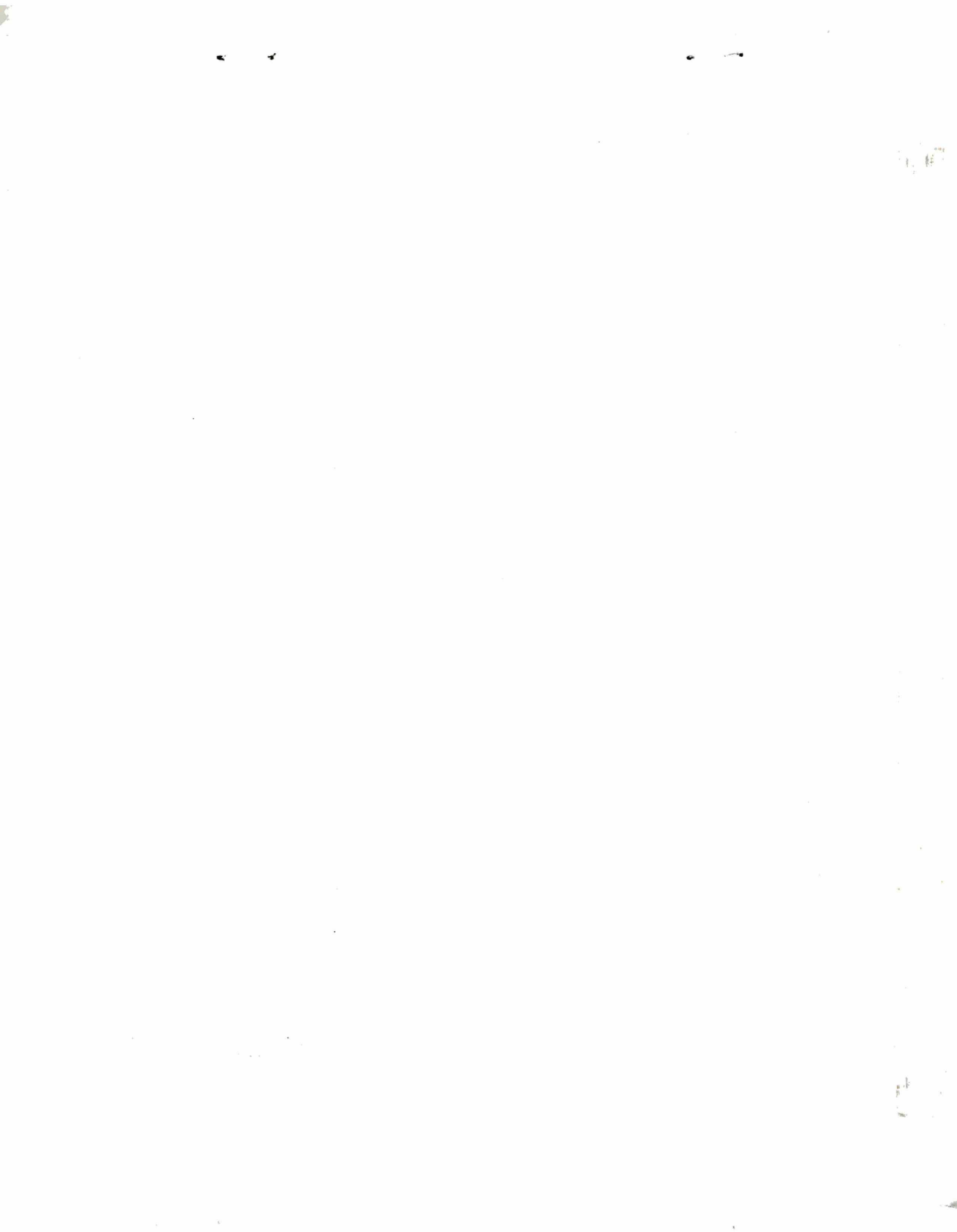
Enclosed is your copy of the subject survey report. The market report is a condensation of the information gleaned from the completed survey questionnaires which were sent on June 28, 1985, under circular letters from the geographic bureaus' directors general to 64 posts.

The survey, although primarily conducted on behalf of the Canadian Wheat Board by TGD is distributed in report form to the Canadian grain industry. The 1985 market report was sent in January 1986 to about 90 Canadian firms and organizations actively involved in the export marketing of grains, oilseeds and products. Information considered to be of a commercially confidential nature with respect to the CWB, CIGI or a particular firm is not published. Also, information which may be sensitive to a particular country is not released.

In 1985 survey questionnaires were sent to 64 posts covering 82 countries. We are pleased to report that 72 surveys or about 88 percent were completed and returned. Our records show that survey questionnaires were not received for the following countries: Nigeria, Iraq, Syria, Libya, Bulgaria, Sudan, Haiti, Singapore, Ethiopia and Ghana.

During the next two months we will be reviewing the survey questionnaire in preparation for the 1986 survey. As part of a continuing effort to improve the usefulness of the market report to the CWB and the grain trade, we would welcome your comments or suggestions.

N.A. O'Connell.
Director General
Grain Marketing Bureau.



ANNUAL SURVEY OF WHEAT, COARSE GRAINS AND OILSEED MARKETS 1985

This survey is conducted on an annual basis primarily on behalf of the Canadian Wheat Board, although the information is also utilized in the Grain Marketing Bureau. Through the use of a survey questionnaire, 64 External Affairs trade posts abroad, covering 82 countries, are canvassed to obtain information on market opportunities and the supply and disposition situation for individual grains, oilseeds and products, including malt and malting barley. General information on government policies affecting grain and agriculture, market developments (e.g. countertrade), and on processing facilities, storage and throughput capacity and other subjects is also solicited.

As has been done since 1982, we have condensed the information, comments and statistics provided focusing on that information which may not be readily available to grain exporting and processing firms from more comprehensive domestic or international sources.

Not all countries are covered in the survey since posts in some major grain importing or exporting nations report on a regular basis and accordingly were excluded from the survey. Some other countries were excluded because locally available information proved to be too sketchy to be of any real value. In addition, some posts did not return a completed questionnaire or were only able to develop very limited information on their respective countries. Nevertheless, it is believed that the coverage and information are sufficiently broad and detailed for this report to be of interest and some usefulness to most grain industry recipients.

This market survey report is only made available on a very limited basis to those Canadian firms and organizations actively involved in the export marketing of grains, oilseeds and products and is not compiled for general distribution.

Grain Marketing Bureau
Department of External Affairs

January, 1986

ACKNOWLEDGEMENT

The cooperation and assistance of our External Affairs trade posts abroad in the conduct of this survey is acknowledged and appreciated.

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ANNUAL SURVEY OF WHEAT, COARSE GRAINS AND OILSEEDS MARKETS 1985

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PART I
EUROPEAN ECONOMIC COMMUNITY



BELGIUM - LUXEMBOURG

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$6,500	1983
Annual per capita GNP	US\$6,800	1983
Average annual growth	3.0%	1965-85
Annual inflation rate	7.5%	1975-85
Annual inflation rate (current)	6.4%	1984
Volume of imports	64 billion US\$	1984
Of which food	4.0%	1984
Of which fuels	18.0%	1984
Principal foreign exchange earning export:		
	Base Metals&Products	
Debt service as % of GNP	95.0%	1984
Debt service as % of exports	100.0%	1984
Population	10.4 million	1984
Annual population growth	0.1%	1984-2000
Annual Consumption:		
Flour	65 kg/capita	1984
Meat	80 kg/capita	1984
Vegetable Oil	10 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

As expected the 1984 crop was above average due to favourable climatic conditions. The outlook for 1985 is somewhat similar to last year and latest estimates are that the 1985 production will exceed the 1984 crops.

2. Foreign Exchange Situation

The current high rate of the Canadian dollar vis-à-vis the Belgian franc is a major factor in developing trade with this country. There are no priorities for food and agriculture products imports.

3. Fertilizer Situation

There are presently no problems as regards the fertilizer situation in view of the availability of support within the EEC.

4. Import Mechanism

There have been no changes in grain import procedures during the past year and none are anticipated. Grain imports are carried out by private companies.

5. Grain Industry Infrastructure

During the past year there were no noteworthy changes in this country's import, handling or processing facilities. No significant changes are anticipated.

6. Government Policies Affecting Grains and Agriculture

Belgian agricultural policies are in line with the Common Agricultural Policy of the EEC. There are no current or anticipated changes in government policies which would significantly influence this sector.

There is no current government policy on countertrade/barter relating to grain and oilseeds imports.

7. Market Prospects - Grain and Oilseeds

Long-term projections on grain imports are not available.

Quality and price remain the major factors in any further penetration of this market

Marketing possibilities do exist for Canadian special crops such as mustard, field peas, lentils, beans and canaryseed.

8. Processing Facilities

Year: 1984

			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	90	1,800	900
Compound Feed Mills	225	225	6,500	5,000
Maltsters	11	11	500	450
Brewers*	150	150	15	13.8
Oilseed Crushers	24	26	2,000	1,500

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Antwerp	270	10,000
Ghent	585	8,000
Total Capacity	855	18,000

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	825	78			903
Suitable for malting	300	30			330

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	104 (85)	EEC countries
Malting barley	1,594 (1,170)	EEC countries

3. Additional Information

Beer production capacity: stable, due to the stagnation of beer consumption.

Domestic malting capacity: Stable at about 500,000 tonnes.

Malt exports: In 1984 malt exports totalled 361,000 tonnes. Exports are destined mainly for EEC member states and for Zaire and Nigeria.

Market potential for Canadian malt: Belgian requirements are presently covered by imports from EEC countries. High import levies on imports from third-countries limit penetration of the market for Canadian suppliers.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds - No duty
 Crude oil - 10%
 Oilseed meal - No duty
 Refined oil - 15%

Oilseeds imports and exports are handled by private firms.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Linseed	8	29	24
Rapeseed	10	180	18
Soyabeans	-	1,374	-
Mustardseed	-	7	4
Sunflowerseed	-	108	-
Total	18	1,698	46

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Linseed Oil	2		1		.5
Other-crude	432				
-refined	473				
Acid Oils	14				
Total	921				

<u>Meal</u>	Production	Imports	Exports
Linseed	5		
Other	1,334		
Total	1,339		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	1,245 (850)	380 (295)	1,443 (1,100)	3,068 (2,245)
Durum wheat	10 (9)	16 (17)	61 (36)	71 (45)
Flour/Semolina	1,117 (80)	16 (17)	39 (29)	1,172 (126)
TOTAL	2,362 (930)	406 (321)	1,543 (1,165)	4,311 (2,416)

*of which spring wheat 21 (38)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	1,600 (1,300)	450 (325)			479 (240)	539 (380)	3,068 (2,245)
Durum wheat	30 (25)				18 (10)	23 (10)	71 (45)
Flour Semolina	500 (30)				400 (80)	272 (16)	1,172 (126)
TOTAL	2,130 (1,355)	450 (325)			897 (330)	834 (406)	4,311 (2,416)

Export Destination: EEC countries, USSR, Egypt, Sudan

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				TOTAL IMPORTS
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>EEC</u>	
<u>WHEAT</u> (including durum)					
Cash		156 (117)		1,312 (1,019)	1,504 (1,136)
<u>FLOUR</u> (including semolina)					
Cash/comm. credit	36			39 (29)	39 (29)
TOTAL	36	156 (117)		1,351 (1,048)	1,543 (1,165)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	4,580 (4,000)	285 (328)	2,472 (2,515)	7,337 (6,843)
Barley	873 (700)	53 (100)	1,595 (1,170)	2,521 (1,970)
Sorghum		21 (23)	127 (120)	148 (143)
Oats	92 (95)	15 (15)	53 (58)	160 (168)
Rye	32 (25)	10 (7)	7 (9)	49 (41)
TOTAL	5,577 (4,820)	384 (473)	4,254 (3,872)	10,215 (9,165)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed		Industrial		Other (seed, waste)		Exports		Carry-out		Total
Corn	800 (700)	4,600 (4,200)	150 (110)	6 (8)	1,400 (1,540)	381 (285)	7,337 (6,843)						
Barley	32 (40)	400 (495)	1,000 (900)	(2)	1,034 (480)	55 (53)	2,521 (1,970)						
Sorghum		120 (120)			4 (2)	24 (21)	148 (143)						
Oats		135 (150)		(1)	4 (2)	21 (15)	160 (168)						
Rye			35 (30)	1	1 (1)	13 (10)	49 (41)						
TOTAL	832 (740)	5,255 (4,965)	1,185 (1,040)	6 (11)	2,443 (2,025)	494 (384)	10,215 (9,165)						

of which poultry: 20% Export Destination: EEC countries.
Industrial Use: Oil/Breweries

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.		Australia		Argentina		EEC		All Others		TOTAL IMPORTS
	Canada										
Corn		1,436 (1,542)	29		102		888 (973)		46		2,472 (2,515)
Barley	23						1,523 (1,170)		20		1,595 (1,170)
Sorghum							127 (120)				127 (120)
Oats							47 (58)		6		53 (58)
Rye							7 (9)				7 (9)
TOTAL		1,436 (1542)	29		102		2,592 (2,330)		72		4,254 (3,872)

Principal "Others": Finland (3) New Zealand (17)

DENMARK

Economic classification: Industrial market economy		
Oil exporter or importer (net):	Importer (US\$ 1 billion)	
Annual per capita income:	US\$7,620	1983
Annual per capita GNP	US\$9,613	1983
Average annual growth	3.0%	1985
Annual inflation rate	9.6%	1970-80
Annual inflation rate (current)	4.5-5%	1985
Value of imports	US\$7.1 billion	1984*
Of which energy	17.4%	1984
Principal foreign exchange earning export: Industrial goods		
Debt service as % of GNP	11%	1983
Debt service as % of imports	38%	1983
Population	5.1 million	1983
Annual population growth	-.04%	
Annual Consumption:		
Flour (rye)	20.2 kg/capita	1982
Meat	70.9 kg/capita	1982

* first half 1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

1985 crop production was 14 percent under 1984 harvest.

2. Processing Facilities

Year: 1984

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	6	8		
Compound Feed Mills				
Maltsters	7	7	130-150	
Brewers *				8.4
Oilseed Crushers**	2	2		

* Capacity and output in million hectolitres

** Soya and rapeseed

II. MALT AND MALTING BARLEY

1. Imports, Calendar year 1983 estimated, previous year in brackets:

	Thousand of tonnes
Malt	197.5 (1882.8)

2. Additional Information

Change in malting capacity: Domestic malting capacity is unchanged at 130-150,000 tonnes annually

Trend in beer consumption: 1981-131, 1982-133.7, 1983-136.1 litres per capita.

III. Oilseeds

1. Import Policy

Import Tariffs: Oilseeds	0
Crude oil	4-10%
Oilseed meal	0
Refined oil	15%

Importation procedure and structure: Private importers.

2. Supply of oilseeds ('000 tonnes): Rapeseed-517 and rapeseed meal - 60.

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	2,445 (1,548)	208 (423)	94 (107)	2,747 (2,078)
Durum wheat			4 (3)	4 (3)
Flour/Semolina				
TOTAL	2,445 (1,548)	208 (423)	98 (110)	2,751 (2,081)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	320 (328)	1,314 (1,097)		143 (90)	578 (352)	392 (211)	2,747 (2,078)
Durum/Wheat	4 (3)					4	4 (3)
Flour Semolina							
TOTAL	324 (331)	1,314 (1,097)		143 (90)	578 (352)	393 (211)	2,751 (2,081)

Export destination: EEC, Poland, USSR

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

WHEAT (including durum)

Cash	4 (3)	1 (1)		93 (106)		98 (110)
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(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	(-)	10 (11)	139 (162)	149 (173)
Barley	6,072 (4,423)	339 (669)	19 (216)	6,430 (5,308)
Sorghum				
Oats	157 (86)	13 (25)	16 (23)	186 (134)
Rye	608 (315)	26 (63)	1 (1)	635 (379)
TOTAL	6,837 (4,824)	388 (768)	175 (402)	7,400 (5,994)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)		Exports	Carry-out	Total
Corn	22 (27)	116 (136)	4 (-)	2 (-)	5 (10)	149 (173)			
Barley	1 (1)	4,241 (3,981)	200 (200)	422 (375)	1,298 (412)	6,430 (5,308)			
Sorghum									
Oats	38 (25)	109 (86)	2 (2)	14 (9)	1 (1)	186 (134)			
Rye	95 (111)	80 (144)		45 (13)	208 (83)	635 (379)			
TOTAL	156 (164)	4,546 (4,347)	206 (202)	483 (397)	1,507 (496)	7,400 (5,994)			

Industrial use: Beer

Export Destination EEC, USSR, DDR

TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn		9 (8)		28 (30)	102 (124)	139 (162)
Barley					18 (216)	19 (216)
Sorghum						
Oats				1 (3)	9 (3)	16 (23)
Rye					1 (1)	1 (1)
TOTAL		9 (8)		29 (33)	130 (244)	175 (402)

Principal "Others" (Specify countries): Sweden, Poland

FRANCE

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$7,768*	1984
Annual per capita GDP	US\$8,886	1984
Average annual growth**	3.6%	1965-85
Annual inflation rate	10.8%	1975-85
Annual inflation rate (current)	7.3%	1984
Volume of imports	103.4 billion US\$	1984
Of which food	12.9%	1984
Of which fuels	24.0%	1984
Principal foreign exchange earning export:		
intermediate goods		
Debt service as % of GNP	1.9%	1983
Debt service as % of exports	10.6%	1983
Population	55.061 million	1985
Annual population growth	0.39%	1984
Annual Consumption:		
Flour	3,435,000 or 62.8 kg/capita	1983
Meat	75.7 kg/capita	1983
Vegetable Oil	9.57 kg/capita	1983

* 1984 1 US\$ = 8.76FF

** 1.8% for 1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

As of September 1, 1985, the wheat crop was estimated at 28.4 million tonnes, a decrease of 12% or 4 million tonnes from 1984. Yield, which was estimated at 60 quintals per hectare (q/ha), should drop by 5 q/ha from 1984. The barley crop was almost as good as in 1984, at 11.2 million tonnes in comparison with 11.5 million tonnes. Yield should be 50 q/ha or 5 q/ha less than in 1984, while acreage given over to barley increased by 120,000 ha (6%).

At the end of August, the corn crop was estimated at 11.5 million tonnes, with a yield of 62 q/ha (2 q/ha higher than in 1984).

The 1985 rapeseed harvest of 1.36 million tonnes was as good as in 1984, with the increase in acreage compensating for the drop in yield (29 q/ha in comparison with 31 q/ha in 1984).

The forecast sunflower yield of 23 q/ha should be 4 q/ha higher than in 1984. This rise in yield, in combination with an increase in acreage, implies a production increase of 43% or 1.4 million tonnes.

1 quintal = 100 kg or ten quintals = 1 tonne

	ACREAGE		YIELD		PRODUCTION	
	1985 (000 ha)	1984	1985 quintals/ha	1984	1985 (000 tonnes)	1984
Winter wheat	4,656	4,929	60	65	28,067	32,168
Spring wheat	67	44	50	51	334	222
Total Wheat	4,723	4,973	60	65	28,401	32,390
Winter drum wheat	114	116	38	43	433	498
Spring durum wheat	37	13	53	53	193	69
Total drum wheat	151	129	41	44	626	567
Rye	90	99	34	35	306	347
Winter barley	1,388	1,446	55	59	7,613	8,461
Spring barley	840	661	42	46	3,564	3,049
Total barley	2,228	2,107	50	55	11,177	11,510
Winter oats	197	217	42	45	818	974
Spring oats	229	223	39	40	883	900
Total oats	426	440	40	43	1,701	1,874
Corn	1,858	1,743	62	60	11,471	10,493
Winter rapeseed	458	430	29	31	1,347	1,346
Spring rapeseed	6	3	24	25	16	9
Total rapeseed	464	433	29	31	1,363	1,355
Sunflowerseed	615	504	23	19	1,400	979

2. Foreign Exchange Situation

Although the value of the French franc was at its lowest at the end of February 1985 (CDN\$1 = FF 7.40), it has since that time begun a sharp rise against the United States and Canadian dollars (CDN\$ 1 = FF 5.9) as of the beginning of October 1985. This rate should stabilize or continue to drop, which would improve our export situation.

3. Fertilizer Situation

Use of chemical fertilizers in thousands of tonnes of fertilizer units is as follows:

	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>
N	2,157	2,196	2,230
P ₂ O ₅	1,673	1,630	1,679
K ₂ O	1,646	1,744	1,833
Total	5,476	5,570	5,832
Quantities used	14,717	14,762	15,426

4. Import Mechanism

Grain importation in France is handled entirely by the private sector. The Office National Interprofessionnel Des Cereales (ONIC) applies European regulations (levies, refunds, intervention etc.) in France and co-ordinates certain international invitations to tender and tendering procedures.

5. Grain Industry Infrastructure

As of January 1, 1985, the storage capacity of the grain handling industry in France totalled 25.8 million tonnes, of which 72% was used by co-operatives, 23.1% by dealers, 4.6% by jointly owned warehouses and 0.33% by other members of the grain handling industry. Total capacity appears to have increased by 1.806 million tonnes since January 1, 1984 (an increase of 7.1% in one year). As of January 1, 1985, secondary storage (transit and carry-in) totalled 5.623 million tonnes, compared with 4.849 million tonnes in 1984. Farm storage capacity was estimated at 17.5 million tonnes in 1985 as compared to 17.4 million tonnes in 1984.

6. Government Policies Affecting Grain and Agriculture

France plays a major role in the Community decision-making process and applies Community decisions while continuing to insist that the Commission negotiate within GATT the limitation of import substitutes. France still does not agree that Community prices should be brought in line with world prices, although France is aware that production controls must be considered. France does not want to see shares of the world market become permanently established. There is a definite policy to improve the quality of French wheat in order to eliminate imports in the long term.

Imports from Canada consist of the qualities (wheat and durum wheat) that are not available in France at the present time. In the long term, it remains to be seen whether France will be able to produce the equivalent of our wheat products efficiently.

There is no countertrade policy for French grain imports.

7. Market Prospects - Grains and Oilseeds

France is a net exporter of grains and her import levels depend on the yearly harvest.

Major marketing initiatives would not increase Canadian sales. However, care should be taken to ensure that the supply of Canadian products is not cut off at any time. Too often French importers complain that they are not certain from one year to the next of obtaining the qualities and quantities required.

Canadian mustard, linseed, lentils, canaryseed and various kinds of beans are already exported to France. There would also be a market for Canadian buckwheat if its price were more competitive. The sale of these products to third countries could be developed through international trading companies based in France.

8. Processing Facilities

Year 1984

- 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	182	234	n/a	5,560
Compound Feed Mills	378	490	n/a	14,968
Maltsters	20	26	1,350	1,114
Brewers*	33	38	23.0	20.9
Oilseed Crushers	9	16	2,500	1,692

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

- thousands of tonnes -

<u>Name of Port</u>	<u>Storage Capacity</u>	<u>Grain Exports 83/84 crop year</u>
<u>Channel Ports</u>		
Rouen	524.8	5,486.0
Le Havre	98.2	1,045.0
Dunkerque	50.0	349.9
Caen	15.0	240.7
Dieppe	11.2	189.4
Le Treport	23.0	130.9
Honfleur	4.75	-
Granville	4.7	-
<u>Atlantic Ports</u>		
La Pallice (La Rochelle)	100.0	831.0
Bordeaux	159.25	861.3
Bayonne	58.0	1,292.0
Tonnay Charente	20.0	107.6
Blaye	106.5	194.1
Nantes	80.8	375.0
Saint-Nazaire	20.0	-
Les Sables d'Olonne	14.25	-
<u>Mediterranean Ports</u>		
Sete	21.4	
Port La Nouvelle	n/a	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -		
	<u>Winter</u>	<u>Spring</u>	<u>Total</u>
All Barley	8,577	3,127	11,704
Suitable for malting			1,500

2. Quantities marketed, 1984/85 estimate:

	- - in thousands of tonnes - -			
	<u>2-Row</u>		<u>6-Row</u>	<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	
Barley	2,581	1,795	3,320	7,696

3. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	14	(17)	Great Britain
Malting barley	(n/a)

4. Additional Information

Total beer sales have been decreasing steadily (20,678,000 hl in 1984 as compared with 21,803,000 in 1983). Per capita consumption is also down (41.3 litres in 1984 as compared to 43.5 in 1983).

Beer production capacity has remained unchanged but it could decrease substantially if consumption continues to drop.

Domestic malting capacity has been steady at 1,350,000 tonnes for several years.

France exported 782,876 tonnes of malt in 1984, compared with 833,477 tonnes in 1983.

Principal 1984 malt exports ('000 tonnes):

EEC	323.82	South Africa	11.70
Switzerland	35.85	Zaire	13.43
Cameroon	53.60	Japan	46.13
USSR	14.27	Brazil	35.39
Nigeria	50.1	Venezuela	66.57

French malt imports in 1984 were exclusively from the EEC. France is the No 1 world exporter.

III. OILSEEDS

1. Trade Policy

Import Tariffs: (EEC tariffs)

oilseeds: Exemption
 crude oil: Variable levy
 oilseed meal: Exemption
 refined oils: Variable levy

Import/export Structure: Private firms

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984 (January to December) and 1984/85 (crop year) for oilseed production

<u>Oilseed</u> (by type)	Production	Imports	Exports
Groundnut	-	78	2
Soya	50	615	2
Rapeseed	1,293	174	376
Sunflower seed	887	30	343
Linseed	30	4	12
Other	-	26	4
TOTAL	2,260	927	739

<u>Oil</u> (by type)	Production	Imports		Exports	
		crude	refined	crude	refined
Groundnut	23	101	23	3	7
Soya	111	38	41	95	22
Rapeseed	248	10	14	178	22
Sunflower seed	136	87	60	13	8
Linseed	1	8	1	-	-
Other	42	92	155	28	20
TOTAL	561	235	294	317	79

<u>Meal</u> (by type)	Production	Imports	Exports
Groundnut	35	18	15
Linseed	3	84	2
Soya	491	3,198	15
Rapeseed	397	15	150
Sunflower seed	172	96	19
Other	1	20	-
TOTAL	1,099	3,431	201

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, August 1	Imports + Adjustment	Total Supply
Wheat *	32,650 (24,396)	1,903 (3,052)	665 (275)	35,218 (27,723)
Durum wheat	591 (407)	97 (125)	158 (231)	846 (763)
Flour/Semolina			24/53 (20/36)	
TOTAL	33,241 (24,803)	2,000 (3,177)	823 (506)	36,064 (28,486)

*of which spring wheat 291 (214)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal	Farm Consumption	Other (seed, waste)	Exports	Carry-out	Total
Wheat	4,585 (4,603)	3,794 (3,450)	3,496 (3,183)	753 (699)	18,685 (13,885)	3,905 (1,903)	35,218 (27,723)	
Durum wheat	485 (469)	10 (25)	19 (21)	229 (151)	1,897 (1,900)	103 (97)	846 (763)	
Flour/Semolina								
TOTAL	5,070 (5,072)	3,794 (3,450)	3,506 (3,208)	772 (720)	18,914 (14,036)	4,008 (2,000)	36,064 (28,486)	

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
WHEAT (including durum)				
Total	145 (221)	115 (194)	66 (102)	327 (518)
FLOUR (including semolina)				
Total			24/53 (20/36)	24/53 (20/36)
General Total	145 (221)	115 (194)	143 (158)	404 (574)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, August 1	Imports	Total Supply
Corn	10,384 (10,400)	1,194 (2,040)	560 (484)	12,138 (12,924)
Barley	11,704 (8,759)	-1 (219)	130 (265)	11,833 (9,243)
Sorghum	257 (255)	23 (19)	1 (1)	281 (275)
Oats	1,892 (1,374)	10 (15)	6 (1)	1,908 (1,390)
Rye	321 (278)	4 (7)	3 (3)	328 (288)
TOTAL	24,558 (21,066)	1,230 (2,300)	700 (754)	26,488 (24,120)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption*		Animal	Farm Consumption		Other (seed, waste)	Exports**	Carry-out	Total
Corn	782 (782)	3,030 (3,442)	1,641 (1,527)	145 (159)	5,066 (5,820)	1,474 (1,194)	12,138 (12,924)		
Barley	247 (298)	865 (1,552)	4,174 (3,234)	392 (315)	5,890 (3,888)	265 (-44)	11,833 (9,243)		
Sorghum	10 (10)	63 (82)	22 (22)	2 (3)	186 (145)	8 (23)	281 (275)		
Oats	32 (35)	214 (224)	1,131 (956)	46 (39)	344 (156)	163 (5)	1,908 (1,390)		
Rye		30 (26)	221 (215)	4 (4)	18 (4)	23 (4)	328 (288)		
TOTAL	1,071 (1,125)	4,202 (5,326)	7,189 (5,954)	589 (520)	11,504 (10,013)	1,933 (1,182)	26,488 (24,120)		

* includes industrial consumption 674 (664)

** destination: EEC

Industrial Use: Production of starch.

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn	1 (2)	460 (460)		49 (15)	25 (1)	560 (484)
Barley	(10)		(11)		130 (239)	130 (265)
Sorghum		0.5 (1)				0.7 (1)
Oats						6 (1)
Rye	2 (2)				1 (1)	3 (3)
TOTAL	3 (14)	460.5 (461)	(11)	49 (15)	156 (241)	669.7 (754)

others: Brazil, Hungary, Spain

G R E E C E

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$3,040	1984
Annual per capita GNP	US\$3,055	1984
Average annual growth	1.0% (2.4%-1984)	1980-85
Annual inflation rate	18.0%	1975-85
Annual inflation rate (current)	18.4%	1984
Volume of imports	9.7 billion US\$	1984
Of which food	11.5%	1984
Of which fuels	27.3%	1984
Principal foreign exchange earning export:	Clothing	
Debt service as % of GNP*	3.2%	1984
Debt service as % of exports**	22. %	1984
Population	9.8 million	1984
Annual population growth	0.5 %	1983-84
Annual Consumption:		
Flour	1,000,000 tonnes or 100 kg/capita	1984
Meat	700,000 tonnes or 70 kg/capita	1984
Vegetable Oil	280,000 tonnes or 28 kg/capita	1984

* Public sector debt at end 1984 US\$ 9.7 billion (US\$ 5.2 billion 1981)

** Debt service 1984 US\$ 953 million, Export earnings 1984 US\$ 4.3 billion.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The Ministry of Agriculture's mid-1985 crop forecasts was as follows (1984 in brackets):

<u>Crop</u>	<u>Area ('000 hectares)</u>		<u>Production ('000 tonnes)</u>	
Soft wheat	620	(612)	1,800*	(1,734)
Durum wheat	315	(312)	900*	(912)
Corn	210	(205)	2,050	(1,992)
Barley	328	(334)	900	(831)

* Due to drought conditions in mid summer the 1985 soft wheat crop was lowered to 1.3 million tonnes and durum was dropped to 700,000 tonnes.

2. Foreign Exchange Situation

Since being unpegged from the U.S. dollar in August 1983, the Greek drachma has depreciated by over 50% against the U.S. and Canadian dollars, and by smaller percentages against other currencies. While this move has assisted tourism and exports somewhat, it has increased the cost of imports in terms of drachmas, and kept the annual inflation rate up to 18%. The drachma is still weak against the dollar and other major currencies and a further adjustment of exchange rates should not be ruled out during 1985.

While not imposing actual quantitative import restrictions, which would be at variance with GATT and EC regulations, the government, through the introduction of strict profit margins and other bureaucratic measures, is endeavouring to cut down the high level of imports of what it considers luxury and non-essential products, in an endeavour to improve the large imbalance in the country's foreign trade, current account and balance of payments. However, it is unlikely that restrictions will be introduced on the import of essential foods and other agricultural products, which cannot be provided or substituted by domestic production, including for the time being certain quantities of corn and seed potatoes. The Ministry of Agriculture hopes to be self-sufficient in these two latter items within the next five years.

Greece receives EC economic and US/West German Military Aid.

3. Fertilizer Situation

For the crop year 1984-1985 total fertilizer needs are estimated to total 2.2 million tonnes (as compared to 2 million tonnes in 1983-84), of which approximately 90 percent will be covered by domestic production of mainly compound and single nitrogenous fertilizers, as well as small quantities of single superphosphatic, "mixed" single organic, and ammonium nitrate fertilizers. The balance will be imported and consist primarily of ammonium sulphate (21-0-0) and some urea, potassium sulphate and potassium nitrate.

4. Import Mechanism

Since Greece's accession to the EC (January 1981), all grain imports and exports have been made by the state sector cooperative distribution agency KYDEP. To conform with the EC policy of free trade in grains, the Greek Government should permit the private sector to participate in this trade at the end of a 5 year transitional period beginning January 1986. However, Greece is self-sufficient in wheat and expects to be able to grow all its corn and barley needs within the next few years.

5. Grain Industry Infrastructure

Grain handling, pooling, storing, imports and exports continue to be controlled by KYDEP (Home Products Handling Cooperative Organization). Flour millers and feed producers likewise continue to purchase directly from growers or state grain stocks.

6. Government Policies Affecting Grain and Agriculture

Greece's grain and agricultural policies must gradually be aligned to the EC/CAP. Greece is self-sufficient in grains except for small quantities of corn and barley which continue to be imported from the USA and France in reduced quantities as domestic production increases. Meat consumption and imports are on the increase. The Greek Government wishes to promote cattle breeding, but finds it difficult to compete against lower priced EC beef/veal. EC import levies make it prohibitive to import either beef/veal or breeder cattle from Canada and difficult for Canadian poultry meat.

In the recent past (1982/83 crop year) KYDEP expressed interest in exploring possibilities of importing feed corn from Canada (Ontario) against barter (countertrade) of Greek products, as an alternative to the USA which had been a traditional supplier for many years. C.C.C. was involved but Canadian availabilities were limited, and committed elsewhere. In the meantime Greek corn production has increased considerably and ever decreasing quantities are now imported from the USA and France.

7. Market Prospects - Grains and Oilseeds

Canadian marketing initiatives: No sales prospects for wheat, durum or barley as Greece is self-sufficient in soft wheat and durum and imports only limited quantities of barley, usually from France or other EC suppliers.

Marketing possibilities for Canadian special crops: When domestic production of lentils and beans are insufficient, imports are permitted through the private trade. Once a year, Canadian exporters are informed of requirements. The pulse trade will be freed of quotas effective January 1, 1986 in accordance with E.C. regulations.

KYDEP expressed interest in producing triticale as animal feed in 1984, and requested post assistance in obtaining technical know-how on cultivation and processing into animal feed. KYDEP also asked which varieties are available for export from Canada. Significant quantities of Canadian canary seed have already been sold in packaged form through Greek supermarkets and pet shops. This trade was valued at Cdn.\$272,427 in 1983, but dropped to \$142,719 in 1984.

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*	234	230	2,600	2,000
Compound Feed Mills	1,491	1,450	5,325	5,000
Maltsters	4	4	43	43
Brewers**	5	5		2.0
Oilseed Crushers***	46	46	880	670

* An additional undisclosed number of small village milling facilities increases total annual capacity to 3,200 thousand tonnes.

** Capacity and output in million hectolitres.

*** Includes 4 soybean crushers established since 1981, which produced 220 thousand tonnes of soybean meal in 1983.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984
- thousands of tonnes -

<u>Name of Port*</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Piraeus	20	250
Thessaloniki	20	250
Volos	15	160
Total Capacity	55	660

*Operated by respective Port Authorities.

In addition KYDEP operates modern grain elevators (9.4 million tonnes capacity) and old grain storage warehouses (600,000 tonnes) throughout Greece. An EEC/Greek State program for the construction of metal silos of one million tonne capacity is under way.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	831				831
Suitable for malting	60 - 70%				

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	4 (4)	W. Germany, Holland
Malting barley	- (-)	

3. Additional Information

Trend in beer consumption: Per capita beer consumption has increased slowly over the years in this traditional wine drinking country, but is still relatively low at 25 litres.

Beer production capacity: After a steady increase for a number of years, assisted by the growth in tourism and served by the opening of new breweries, a slowdown in tourist arrivals in 1982/83 and price increases resulted in some customer resistance and a slight reduction in sales. With the revival of an upward trend in foreign tourist arrivals since 1984, business has improved somewhat, although all breweries are still producing below capacity (estimated at around 2 million hectolitres annually).

Malting Capacity: All five Greek breweries have their own malting facilities of which two (Henniger in Thessaloniki and Lowenbrau in Patras) were established in 1981/82. Unfortunately, no published malting capacity or production figures are available since 1981 (production 33,272 tonnes).

Malt exports: None.

Market potential for Canadian malt and/or malting barley: The malt import situation is unlikely to change in the foreseeable future in view of the European interests in Greek breweries (Amstel, Carlsberg, Henniger, Lowenbrau).

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - Free
Crude oil - 20% levy
Oilseed meal - Soybean 7.6%; others free
Refined oil - 20% levy

Non-tariff import barriers/export assistance measures: none

Import/export structure: The Greek Government (Ministry of Commerce) allocates permits to crushers for variable overall annual import quantities of duty free oilseeds, hydrogenated fats and seed oils. Variable quotas are also allocated to private traders of various types/quantities of seed oils, animal and vegetable fats, free or at low import tariff levels from E.C. countries, vis-a-vis conventional tariff rates for non-E.C. imports.

Additional Factors: Greek's oil picture depends in large part on its olive oil output, which has an alternate year pattern of production. Consumption of olive oil remains fairly constant, with other oils increasing in use, especially as shortening, margarine and table oil ingredients. Sunflower oil and cottonseed oil are prime examples of this trend. In 1986 when it will be possible to use soybean oil in Greece, rather than it being required to be exported, it is expected that soybeans too will find expanded use in this sector of the industry, perhaps to the detriment of olive oil.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984/85 - C.Y. 1983/84 in brackets

<u>Oilseed</u>	Production	Imports	Exports
Soybean		250 (215)	
Cottonseed	237 (190)	18 (19)	
Sunflower	67 (20)	3 (3)	
TOTAL	304 (210)	271 (237)	

<u>Oil</u>	Production	Imports	Exports
		Crude	Crude
		Refined	Refined
Olive	185 (230)		40 (75)
Soybean	39 (37)		40 (35)
Cottonseed	30 (28)		3
Sunflower	29 (12)		
Total	283 (307)		83 (110)

<u>Meal</u>	Production	Imports	Exports
Soybean	192 (184)	5 (6)	20 (20)
Cottonseed	156 (154)		21 (24)
Sunflower	32 (11)		10 (4)
TOTAL	380 (349)	5 (6)	51 (48)

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat (soft)	1,734 (1,477)	300 (544)	266 (33)	2,300 (2,054)
Durum wheat	912 (566)	61 (202)		973 (768)
Flour/Semolina				
TOTAL	2,646 (2,043)	361 (746)	266 (33)	3,273 (2,822)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports*	Carry-out	Total
Wheat	1,250 (1,100)	150 (214)			741 (440)	159 (300)	2,300 (2,054)
Durum wheat	335 (270)	15 (5)			417 (432)	206 (61)	973 (768)
Flour Semolina							
TOTAL	1,585 (1,370)	165 (219)			1,158 (872)	365 (361)	3,273 (2,822)

Export destination: 129 - EEC (soft wheat)
 612 - Middle East (soft wheat and flour)-grain equivalent tonnage
 377 - EEC (durum wheat)
 40 - Middle East/Africa (semolina) - grain equivalent tonnage

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina	EEC	All Others
WHEAT (including durum)						
Cash		6 (5)			260 (28)	6 (5)
Commercial credit						260 (28)
Total		6 (5)			260 (28)	266 (33)

Note * wheat export forecast lowered sharply due to drought

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,992*(1,550)	10 (188)	92 (177)	2,094 (1,915)
Barley	831 (572)	85 (188)	(115)	916 (875)
Sorghum				
Oats	72 (54)			72 (54)
Rye	15 (9)			15 (9)
TOTAL	2,910 (2,185)	95 (376)	92 (292)	3,097 (2,853)

* official estimates, trade estimate is 1,750

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Consumption	Animal Feed					
Corn	140 (120)	1,900 (1,780)			3 (5)	51 (10)	2,094 (1,915)
Barley	140 (140)	740 (650)				36 (85)	916 (875)
Sorghum/other							
Oats	10 (8)	62 (46)					72 (54)
Rye	15 (9)						15 (9)
TOTAL	305 (277)	2 702 (2,476)			3 (5)	87 (95)	3,097 (2,853)

Export Destination: Corn - ITRA, EEC (Italy)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	
Corn		30 (0)		62 (177)	92 (177)
Barley				(115)	(115)
TOTAL		30 (0)		62 (292)	92 (292)

I R E L A N D

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$3457	1984
Annual per capita GNP	US\$4528	1984
Average annual growth	3.4 %	1965-85
Annual inflation rate	14.3 %	1975-85
Annual inflation rate (current)	5.2 %	1985
Volume of imports	9.7 billion US\$	1984
Of which food	11.4 %	1984
Of which fuels	12.4 %	1984
Principal foreign exchange		
earning export: Computers & Parts		
Debt service as % of GNP	15.7 %	1983
Debt service as % of exports	19.5 %	1983
Population	3.5 million	1984
Annual population growth	1.4 %	1971-83
Annual Consumption:		
Flour	19.4 kg/capita	1983
Meat	80.6 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The record crop yields of 1984 were not repeated in 1985. Adverse wet weather conditions plus a severe storm destroyed considerable acreage just prior to harvest. Spring barley acreage is considerably down and barley output could be the lowest for several years. Approximate acreages are as follows: barley - 700,000 acres, wheat - 185,000 acres, oats - 55,000 acres and rapeseed - 13,000 acres.

2. Foreign Exchange Situation

The Irish pound (punt) has remained weak against the dollar but has increased in strength within the European Monetary System. No priority is given to food/ agriculture imports vis-a-vis foreign currency earnings.

3. Fertilizer Situation

The average fertilizer rates are as follows (kg per hectare): Nitrogen - 55, Phosphorus - 12 and Potassium 29. There has been an upward trend in nitrogen use due to greater intensification on dairy farms and increased production of silage.

4. Import Mechanism

Grain brokers R & H Hall Limited negotiate wheat imports and most of the feed grain imports on behalf of the flour millers and the compound feed manufactures. In addition the recently opened Wheat Industries Ltd imports wheat from France and produces gluten and starch

5. Grain Industry Infrastructure

The Irish flour milling industry has experienced financial problems in recent years resulting in several plant closures. The industry is facing competition from imports of British flour, which now has 25% of the total market. During the past decade, the compound feed industry has undertaken a substantial modernization program. Consumption of compound feed has increased to a level of 2 million tonnes. The co-operatives are heavily involved in feed-milling.

6. Government Policies Affecting Grain and Agriculture

Government policies will have to relate to EEC intentions to cut cereal prices and supports. Informal policies until now have tended to encourage tillage expansion and import substitution. The problem of the cereal surplus has given impetus to the development of alternative protein crops. The crops seen as having the greatest potential for Ireland include rapeseed, peas, beans, lupins, triticale and linseed. Increased production of these crops could lead to a lessening of dependence on American soybeans.

The Irish flour milling industry will continue to require some Canadian hard wheat. The problem is that the industry is under pressure from imported flour. While rapeseed cultivation is slowly expanding in Ireland, presently only a low erucic variety is grown.

There is no government policy on countertrade/barter as it relates to grain and oilseed imports.

7. Market Prospects - Grain and Oilseeds

Long-term grain import projections are not available.

In 1984, 90 tonnes of canaryseed were imported from Canada. Irish bean canners have a long established relationship with the Ontario Bean Producers Marketing Board.

8. Processing Facilities

Year: 1984

	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	5	8	200	190
Compound Feed Mills	33	43		1,900
Maltsters	6	13	n/a	
Brewers*	3	6	n/a	
Oilseed Crushers	1**	1	n/a	

* Capacity and output in hectolitres

** Presently in receivership

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1982
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity*</u>
Dublin	60	440
Cork	95	425
Waterford	20	180
Total Capacity	175	1,045

* tonnes per hour

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley					1,090
Suitable for malting					216

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>Thousands Tonnes</u>	<u>Principal supplier(s)</u>
Malt	1.79 (1.1)	Great Britain
Malting barley	negligible	

3. Additional Information

Trend in beer consumption: The total beer market in 1984 was approximately 1.2 million kegs, which constituted a slight increase on 1983 sales. Larger sales were especially good during the warm dry summer of 1984. High excise duty and VAT have however reduced consumption levels from those achieved in the 1970's. Consumption of cider is growing and sales of imported beers (mostly lager) are also on the increase.

Beer production capacity: No change in capacity but brewery modernization and increased efficiency is evident.

Malting Capacity: There has been no real change within the industry.

Malt exports: Export markets (particularly to the Far-East) have proved to be highly competitive with the result that Irish malt exports declined in 1984.

1984 malt exports as follows (tonnes):

United Kingdom	11,053
Nigeria	11,754
Cameroon	3,621
Phillipines	2,000
Japan	3,100
Other	1,208

Market potential for Canadian malt and/or malting barley: Negligible. Imports of malt in 1984 totalled 1,790 tonnes from Great Britain. A price for malting barley is negotiated between the Irish farmers Association and the Brewers. The Brewers are associated with the main malsters.

III. OILSEEDS

1. Trade Policy

Import tariffs: The Common Agricultural Policy and Common External Tariff of the EEC apply.

Non-tariff barriers: EEC tariffs and support mechanisms apply.

Import/export structure: The local rapeseed crusher is presently in receivership but there are hopes that the operation will re-commence under new ownership. Locally cultivated rapeseed is presently being shipped to England for crushing and this trade is negotiated by grain merchants. Imported animal feed components are ordered through Irish and Britain brokers.

Additional Factors: Rapeseed acreage is increasing in Ireland and enjoys the support mechanisms of the Common Agricultural Policy. There would be a further boost if the rapeseed crushing plant is re-opened. Linseed is also being examined as an alternative crop.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year 1984

<u>Oilseed</u>	Production	Imports		Exports	
Rapeseed	15			14	
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soyabean			9		
Rape & Mustard			11		
Palm & Palm kernel			8		
Others			6		
Total			34		
<u>Meal</u>	Production	Imports		Exports	
Soya		163		2	
Cottonseed		20			
Rapeseed		39*		1	
Others**		58		1	
Total		280		4	

* of which 4,230 tonnes from Canada and 33,000 tonnes from the EEC

** includes linseed, groundnut and sunflower

IV. STATISTICAL NOTES(A) WHEAT AND DURUMSUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	581 (350)	52 (84)	265 (233)	898 (667)
Durum wheat	1	(1)	7 (5)	8 (6)
Flour/Semolina	150 (160)	10 (10)	35 (32)	195 (202)
TOTAL	731 (510)	63 (95)	307 (270)	1,101 (875)

*of which spring wheat 146 (85)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>		<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	325* (320)		373* (234)	2 (1)	15 (10)	72 (22)	111 (80)	898 (667)
Durum	7 (5)						1 (1)	8 (6)
Flour Semolina	183 (192)					2 (1)	10 (9)	195 (202)
TOTAL	515 (517)		373 (234)	2 (1)	15 (10)	74 (23)	122 (90)	1,101 (875)

*Note approx 20,000 tonnes of wheat went into intervention in 1984
Export Destination: Northern Ireland.IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>
<u>WHEAT (including durum)</u>						
Cash	41 (43)	2 (4)			229 (191)	272 (238)
TOTAL	41 (43)	2 (4)			264 (223)	307 (270)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn				
Barley	1,090 (1,005)	9 (11)	140 (155)	149 (166)
Sorghum		61 (57)	54 (68)	1,205 (1,130)
Oats	59 (40)	4 (5)	2 (1)	65 (46)
Rye				
TOTAL	1,149 (1,045)	74 (73)	196 (224)	1,419 (1,342)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn							
Barley		140 (154)			2 (3)	7 (9)	149 (166)
Sorghum		779 (782*)	130 (122)	42 (41)	182 (123)	72 (62)	1,205 (1,130)
Oats	10 (10)	43 (31)		1 (1)	4 (2)	7 (2)	65 (46)
Rye							
TOTAL	10 (10)	962 (967)	130 (122)	43 (42)	188 (128)	86 (73)	1,419 (1,342)

Of which poultry - 12% Export destination: Northern Ireland, Belgium, Germany, Holland
 Industrial: Maltng. * Approx 70,000 tonnes of barley went into intervention in 1984.

TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Corn							
Barley		5 (6)			135 (149)	140 (155)	
Sorghum					54 (68)	54 (68)	
Oats					(1)	2 (1)	
Rye							
TOTAL		5 (6)			189 (218)	2 (2)	196 (224)

Principal "Others" (Specify countries): Finland (oats).

I T A L Y

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$6,177	1983
Annual per capita GNP	US\$6,226	1983
Average annual growth	3.2%	1965-85
Annual inflation rate	16.0%	1975-85
Annual inflation rate (current)	8.6%	1985
Volume of imports	85.3 billion US\$	1984
Of which food	10.7%	1984
Of which fuels	27.2%	1984
Principal foreign exchange earning export: Machinery, footwear, clothing, tourism		
Debt service as % of GNP	15.0%	1984
Debt service as % of exports	70.0%	1984
Population	56.9 million	1984
Annual population growth	0.44%	1971-81
Annual Consumption:		
Flour	6,850,000 tonnes or 120 kg/capita	1983
Meat	4,342,000 tonnes or 76 kg/capita	1983
Vegetable Oil	1,200,000 tonnes or 21 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	1983		1984		1985	
	'000 ha	'000 t.	'000 ha	'000 t.	'000 ha	'000 t.
Bread Wheat	1,576	5,677	1,474	5,410	1,340	5,000
Durum	1,757	3,040	1,806	4,595	1,780	4,000
Corn	982	6,699	963	6,781	n/a	n/a
Barley	385	1,188	434	1,618	500	1,910
Oats	207	313	191	433	190	441
Rice	183	1,021	180	989	n/a	n/a
Sunflower	72	133	85	155	n/a	n/a

2. Foreign Exchange Situation

Current inflation rate of 8.6% has levelled off, and is still running about double EC average. The lira was recently devaluated by 6% against ECU. Although continuing to drop on the international market, the US dollar is still currently running around 1,900 lira, as compared to an average of 1,739 in 1984 and 1,518 in 1983. Costs of imports thus continue to rise, and although exports are also increasing, the trade deficit is growing to alarming proportions. The latest government "austerity" program gives priority to reducing dependency on imports of petroleum and food.

3. Fertilizer Situation

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>	(1984 in '000 tonnes)
Urea	1,290	126	335	Government domestic price
Amm. Nitrate	919	70	195	controls encourage exports.
Amm. Sulphate	1,034	17	321	Phosphate imports are for
Phosphate	1,159	118	-	incorporation in compound
Pot. Sulph.	N/A	57	127	products. Main sources of
Pot. Chlor.	N/A	613	3	potassium chloride are East
Cmpd/Complex	2,497	719	531	Germany, Israel, France, Spain, USSR

4. Import Mechanism

Private traders, with occasional transfers of intervention stocks from other EC countries to AIMA (Italian Intervention Agency). In the past, AIMA has occasionally also purchased supplies of durum on world market for subsequent auctions to local industry. Italy follows EC regulations regarding levies, restitutions, etc. Most recent change of note was cut in export restitutions for pasta products destined for USA and Canada.

5. Grain Industry Infrastructure

There is a continuing concentration of grain and oilseed imports from third countries in the hands of a few large trading companies with multi-national operations (Italgrani, Continental, Casillograni, Ferruzzi) which own most of the port silo facilities. There has been no new infrastructure of note. The last few years have seen closure of many smaller mills, pasta plants, and substantial new investment in equipment and plants by remaining industries (high temperature pasta driers).

6. Government Policies Affecting Grain and Agriculture

High EC support prices encourages increased production of durum and barley. Corn production is stable. Production of bread wheat is declining with availability of cheap French supplies. In general, EC is becoming increasingly self-sufficient, with little need for third country grains except for top quality wheat for blending requirements. Bread and pasta consumption is decreasing slightly. Pasta and semolina exports were until recently, aided by high export restitutions and AIMA is currently holding large stocks of durum, and in the past year has held a series of export auctions, with most of the durum being sold to the Soviet Union. There has been no appreciable change in meat consumption/ production.

The impact of EC grain policies in Italy has been to virtually eliminate Canada's historical market for barley and restrict our wheat sales to minimum blending requirements. The USA has also lost much of its traditional corn market, but this is also due to the high U.S. dollar. Canada's durum market is threatened by high temperature drying techniques which permit pasta manufacturers to utilize lower quality wheat for same results.

A few countertrade/barter arrangements are in effect, e.g. Algerian purchases of semolina are indirectly linked with Italian purchase of Algerian gas.

7. Market Prospects - Grain and Oilseeds

There are no projections of Italian grain import needs of particular validity. Future production will depend essentially on EC pricing policy, and will continue to expand unless serious cuts in current support prices are implemented.

Marketing initiatives: Very little could usefully be undertaken at this stage, except to maintain regular contacts as in past.

There are always good possibilities for Canadian special crops, depending on international supply/prices. Canada is a major supplier of lentils and canaryseed and our products are well known to traders.

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	-	1,200	15,000	9,000
Compound Feed Mills	-	900	15,000	7,500
Maltsters	3	5	-	80
Brewers*		28	-	10.2
Oilseed Crushers	10	15	2,300	1,750

* Capacity and output in million hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1979 (most recent)

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Ravenna	507	11,382
La Spezia	30	525
Napoli	90	720
Venezia	100	2,940
Savona	50	2,100
Genova	105	3,570
Ancona	100	3,780
Livorno	137	6,762
Civitavecchia	36	924
Catania	55	672
Trieste	35	378
Total Capacity	1,245	33,753

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	400	1,200	-	-	1,600
Suitable for malting	50	80	-	-	130

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	70 (70)	France, Germany
Malting barley	30 (30)	France

3. Additional Information

Annual per capita beer consumption: Is generally on the increase, from 11.5 litres in 1970 to 20.5 litres in 1983. Last summer was abnormally cool and consumption dropped slightly, but is expected to be back up in 1985.

Beer production capacity: The number of firms is on the decline as industry consolidates and old plants shut down. Of the total capacity over 50% is owned by Dreher and Peroni while another 40% is controlled by 6 firms. Overall capacity is increasing slightly as expansion at newer plants compensates for closure of old plants.

Malting capacity: Stationary, no change is expected due to easy access to French malt.

Malt exports: None

Market potential for Canadian malt and/or malting barley: none, as limited requirements are readily available from other EC countries.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Exempt.
 Crude Oil: 5% for industrial purposes, 10% food oils.
 Oilseed meal: 7.3% on soya meal, others exempt.
 Refined oil: 8% for industrial purposes, 15% food oils.

Non-tariff barriers: none

Importation procedure and structure: Private importers, no government involvement except in case of olive oil.

III. OILSEEDS (continued)

Additional Factors: As major product is olive oil, Italy will support measures to ensure that olive oil remains competitive with butter and seed oils.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Soya	104	1,483	-
Sunflower	170	33	-
Corn germ	73	22	-
Others	155	46	-
TOTAL	502	1,584	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soya	269	18	12	12	22
Sunflower	83	14	6	28	1
Corn germ	33	46	-	-	4
Others	43	132	70	14	12
TOTAL	428	210	88	54	39

<u>Meal</u>	Production	Imports	Exports
Soya	1,270	1,253	112
Flaxseed	6	37	-
Peanut	5	33	-
Rapeseed	15	10	-
Sunflower	114	44	12
TOTAL	1,472	1,388	125

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	5,410 (5,613)	287 (797)	3,500 (2,377)	9,197 (8,787)
Durum wheat	4,595 (2,901)	556 (385)	650 (723)	5,801 (4,009)
Flour/Semolina				
TOTAL	10,005 (8,514)	843 (1,182)	4,150 (3,100)	14,998 (12,796)

*of which spring wheat 500 (500)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption				Other (seed, waste)	Exports*	Carry-out	Total
	Consumption	Animal Feed	Industrial					
Wheat	6,150 (6,120)	1,850 (1,509)	50 (50)	360 (362)	485 (459)	302 (287)	9,197 (8,787)	
Durum wheat	2,300 (2,021)	60 (20)		360 (320)	1,900 (1,092)	1,181 (556)	5,801 (4,009)	
Flour/Semolina								
TOTAL	8,450 (8,141)	1,910 (1,529)	50 (50)	720 (682)	2,385 (1,551)	1,483 (843)	14,998 (12,796)	

*Above exports almost totally in form of flour, semolina and pasta, except for about 200,000 tonnes of durum exported to the USSR in May-July 1985.

Export Destination: Algeria(Semolina)
Egypt (flour)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
Canada						

WHEAT (including durum)

Cash	500 (493)	500 (552)	50	3,100 (1,989)	(65)	4,150 (3,099)
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(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	6,780 (6,700)	400 (400)	1,500 (1,475)	8,680 (8,575)
Barley	1,618 (1,174)		1,220 (1,290)	2,838 (2,464)
Sorghum	105 (109)		3 (5)	108 (114)
Oats	435 (307)		105 (68)	540 (375)
Rye	24 (27)		7 (2)	31 (29)
TOTAL	8,962 (8,317)	400 (400)	2,835 (2,840)	12,197 (11,557)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption				Other (seed, waste)	Exports	Carry-out	Total
	Human Consumption	Animal Feed	Industrial	Other (seed, waste)				
Corn	250 (250)	7,050 (7,205)	520 (520)	60 (60)	400 (140)	400 (400)	8,680 (8,575)	
Barley	10 (10)	2,420 (2,098)	250 (200)	93 (83)	65 (73)		2,838 (2,464)	
Sorghum		108 (114)					108 (114)	
Oats		505 (340)			1 1		540 (375)	
Rye		31 (29)					31 (39)	
TOTAL	260 (260)	10,114 (9,786)	770 (720)	187 (177)	466 (214)	400 (400)	12,197 (11,557)	

Of which Poultry: 30%
Industrial Use: Starch
Export Destination: EEC, Libya

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Corn	(14)	400 (219)		350 (277)	670 (626)	80 (339)	1,500 (1,475)
Barley	25 (196)	2 (1)			1,193 (1,093)		1,220 (1,290)
Sorghum		1 (1)			2 (4)		3 (5)
Oats				5 (22)	95 (46)	5	105 (68)
Rye					2 (2)	5	7 (2)
TOTAL	25 (210)	403 (221)		355 (299)	1,962 (1,771)	90 (339)	2,835 (2,840)

Principal Others: Yugoslavia (corn, oats, rye)

NETHERLANDS

Economic classification:	Developed/Industrial economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$7,560 (1)	1984
Annual per capita GNP	US\$8,544 (2)	1984
Average annual growth	28.7 % (3)	1965-85
Annual inflation rate	6.4 %	1975-85
Annual inflation rate (current)	2.3 %	
Volume of imports	62 billion US\$	1984
Of which food	14.1 %	1984
Of which fuels	24.6 %	1984
Principal foreign exchange earning export:		
agriculture & food (22.5%)		1984
Debt service as % of GNP	7.6%	1984
Debt service as % of exports	14.3%	1984
Population	14.4 million	1985
Annual population growth	0.5 %	1980-2000
Annual Consumption:		
Flour	764,603 tonnes or 53 kg/capita	1984
Meat	1,040,000 tonnes or 71 kg/capita	1984
Vegetable Oil	201,300 tonnes or 14 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1985 area under grains (harvested) declined 12,700 hectares compared with 1984. Indications for the next crop are that the areas under wheat and malting barley will expand at the expense of feed grains. Harvested area for 1984 and 1985 were as follows:

	Harvested Areas	
	<u>1984</u>	<u>1985</u>
	('000 hectares)	
Winter wheat	139.4	121.3
Spring wheat	4.1	6.7
Winter barley	10.5	6.7
Spring barley	23.4	32.0
Other	17.8	15.8
Total	195.2	182.5

- 1) Net at market prices
- 2) At market prices
- 3) 1985 GNP unrevised at 68.6 billion (guilders), 1985 GNP estimated at guilders 412.7 billion; percentage based on actual guilder values.

2. Foreign Exchange Situation

Although the dollar value both US and Canadian has dropped against most European currencies in the second half of 1985; European imports of feed materials from North America are not expected to improve significantly, if at all. The Dutch guilder is linked to the European Monetary System, which seems to enhance intra-European trade in basic farm products.

3. Fertilizer Situation

Use of fertilizer in 1982/83 and 1983/84 as follows:

	<u>1982/83</u>	<u>1983/84</u>
	(kg/ha)	
Nitrogen	228	238
Phosphate	39	43
Potash	51	58

No increases are anticipated in the consumption of phosphate and potash in 1984/85. Nitrogen utilization may have expanded slightly.

4. Import Mechanism

Grain purchases from non-EC sources are subject to an import levy system and other requirements and regulations under the EC Common Agricultural Policy. There have been no changes.

5. Grain Industry Infrastructure

The Netherlands has a highly developed infrastructure for the grains industry relative to shipping, storage and industrial processing. With all the majors present in Rotterdam and with the grain transshipment and storage facilities of the Graan Elevator Maatschappij in the port of Rotterdam, this country is a leading trading centre for grains of all types. No significant changes are anticipated in the short term.

6. Government Policies Affecting Grain and Agriculture

As an EC-member, the Netherlands must adhere to the regulations established under the Common Agricultural Policy. The agricultural policy and other policies pursued by the Dutch government have no direct bearing the country's grain and livestock sector.

With regard to countertrade/barter there is no government involvement other than possible restrictions resulting from the CAP.

7. Market Prospects - Grains and Oilseeds

Medium-range grain import projections are not available but according to informed sources import requirements are not anticipated to show significant changes in the next 5 years.

No significant changes are foreseen in marketing possibilities for special crops. Here again, the Netherlands serves as an important trading centre for markets in Europe.

8. Processing Facilities

Year: 1983/84

- 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	52	56	1,350	1,150
Compound Feed Mills		420	17,000*	15,468**
Maltsters	5	5	160	130
Brewers***	14	20	n/a	17.048
Oilseed Crushers (1984)	6	6	n/a	2,476****

* estimate

** excluding calf starter feeds

*** capacity and output in million hectolitres

**** plus 710,000 tonnes of cake/meal production

9. Storage and Throughput Capacity

Year: 1984

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Rotterdam	500	20,500
Amsterdam	123	6,480
Other	20	500
TOTAL	643	27,480

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- thousands of tonnes -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley		160	38		198
Suitable for malting		75			75

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	132	(132)	Belgium
Malting barley	112	(109)	France

3. Additional Information

Annual per capita beer consumption: Per capita consumption has shown fairly wide fluctuations in recent years. The trend seems downward at the moment. Beer per capita consumption as follows (liters): 1980 - 86.5, 1981 - 89.5, 1982 - 81.9, 1983 - 87.3, 1984 - 83.4

Beer production capacity: Capacity is quite stable

Domestic malting capacity: Capacity is quite stable

Malt exports: 1982 - 43,114 tonnes, 1983 - 32,545 tonnes, 1984 - 36,025 tonnes.

Market potential for Canadian malt: Possibly small quantities of malting barley, depending on prices and the European supply/quality situation.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - none
 Crude Oil - ranging from 4% to 10%
 Oilseed meal - none
 Refined oil - ranging from 8% to 10%

Import/export structure: Private companies

Additional factors: Two major factors are the value of the U.S. dollar and consumer buying power patterns.

2. Supply of oilseeds and products by type, thousands of tonnes

Year: 1983/84

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed	38	259	15
Soybeans	-	2,804	72
Sunflowerseed	-	212	8
Other	-	6	
TOTAL	38	3,279	95

<u>Oil (CY 1984)</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	502		43		351
Rapeseed	110		73		101
Sunflower	95		118		170
Palmkernel			174		79
Other	3		267		141
TOTAL	710		675		842

<u>Meal (incl. oil cakes)</u>	Production (CY 1984)	Imports	Exports
Soybean	2,183	1,321	1,608
Rapeseed	164	194	160
Sunflower	121	116	124
Flaxseed		193	16
Other		965	55
TOTAL	2,468	2,789	1,963

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	1,131 (1,043)	151 (349)	1,311 (1,230)	2,593 (2,622)
Durum wheat	1	(1)	7 (8)	8 (9)
Flour/Semolina			136 (148)	136 (148)
TOTAL	1,131 (1,043)	152 (350)	1,454 (1,386)	2,737 (2,779)

*of which spring wheat 23 (31)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal	Human					
Wheat	680 (770)	4 (5)	29 (30)	377 (345)	200 (151)	1,290 (1,301)	
Durum wheat				6 (5)	1 (1)	7 (6)	
Flour Semolina	1,068 (1,062)			375 (399)		1,443 (1,461)	
TOTAL	1,068 (1,062)	4 (5)	29 (30)	758 (749)	201 (152)	2,740 (2,768)	

Industrial Use: Manufacture of starch

Export Destination: EEC countries, Middle East (Flour)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
WHEAT (including durum)				
Cash	28 (60)	193 (240)	6 (13)	1,311 (1,230)
FLOUR (including semolina)				
Cash/comm. credit			101 (97)	102 (100)
TOTAL	28 (60)	193 (240)	1,185 (983)	1,454 (1,386)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1 (2)	80 (80)	2,241 (2,111)	2,322 (2,193)
Barley	192 (177)	45 (45)	533 (672)	770 (894)
Sorghum	58 (61)	2 (2)	50 (37)	52 (39)
Oats	25 (26)	5 (5)	69 (53)	132 (119)
Rye		4 (4)	46 (50)	75 (80)
TOTAL	276 (266)	136 (136)	2,939 (2,923)	3,351 (3,325)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal	Other					
Corn	50 (50)	1,113 (1,077)	1,010 (935)	24 (23)	45 (28)	80 (80)	2,322 (2,193)
Barley	13 (13)	435 (591)	229 (157)	11 (11)	37 (77)	45 (45)	770 (894)
Sorghum	35 (33)	27 (35)	20		3 (2)	2 (2)	52 (39)
Oats	55 (61)	72 (45)		3 (3)	17 (33)	5 (5)	132 (119)
Rye		3 (6)		2 (2)	5 (7)	10 (4)	75 (80)
TOTAL	153 (157)	1,650 (1,754)	1,259 (1,092)	40 (39)	107 (147)	142 (136)	3,351 (3,325)

of which poultry: 50%
 Industrial Use: Barley: malt
 Export Destination: EEC countries

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn	16 (26)	254 (250)		41 (50)	1,898 (1,799)	2,241 (2,111)
Barley					533 (644)	533 (672)
Sorghum		1			48 (34)	50 (37)
Oats					58 (13)	69 (53)
Rye		7 (3)			34 (39)	46 (50)
TOTAL	19 (34)	262 (253)		41 (50)	2,571 (2,529)	2,939 (2,923)

PORTUGAL

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$2,520	1981
Annual per capita GDP	US\$2,031	1984
Average annual growth	4.1%	1965-84
Annual inflation rate	23.9%	1975-84
Annual inflation rate (current)	29.3%	
Volume of imports	7.24 billion US\$	1984
Of which food	18.6%	1984
Of which fuels	27.4%	1984
Principal foreign exchange earning export:	Immigrant remittances, tourism	
Debt service as % of GDP	10.6%	1984
Debt service as % of exports	46 %	1984
Population	9.6 million	1984
Annual population growth	.67%	1977-84
Annual Consumption:		
Flour	667,000 tonnes or 69.5 kg/capita	1984
Meat	451,000 tonnes or 47 kg/capita	1984
Vegetable Oil*	167,300 tonnes or 17.4 kg/capita	1984

* Includes 27,500 tonnes of olive oil

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Portugal's cereal production in 1985 is not expected to reach the record levels achieved in 1984 due generally to less favourable weather conditions. Current preliminary estimates indicate the following 1985 production with 1984 figures in parenthesis (tonnes): wheat - 420,000 (470,000); corn - 420,000 (483,000); barley 124,000 (135,000); oats - 175,000 (195,000); and rye - 103,000 (115,000). Areas planted (hectares) in 1984 were as follows: wheat - 276,000; corn - 319,000; barley - 97,000; oats - 181,000; rye - 131,000. For the most part there has been little change in areas planted in 1985.

Rice production reached 134,000 tonnes in 1984 from 30,000 hectares. No details of the 1985 crop or plantings is yet known.

Production of oilseeds remains minute in comparison to total consumption.

2. Foreign Exchange Situation

Government imposed austerity measures have brought Portugal's balance of payments (BOP) deficit under control. The 1984 BOP deficit was reduced to less than US \$500 million (\$1.64 billion in 1983) through increased exports and reduced imports. Some of the postponed import demand is surfacing in 1985 and will likely result in a larger deficit (forecast to reach almost US \$1 billion). With Portugal's entry into the EEC on January 1, 1986 the Government's ability to administratively control imports will be lessened meaning a possible further

2. Foreign Exchange Situation (con't)

"explosion" of imports in 1986. Food imports (representing some 60% of total agricultural product requirements) remain critical to Portugal to meet overall food and feed requirements and as such, access to necessary foreign exchange is always available for essential needs. Portugal is not a recipient of food aid nor is it likely to become one.

3. Fertilizer Situation

Two companies manufacture fertilizers in Portugal. Prices are subsidized and subject to maximum limits. Due to forthcoming EEC membership the Government has been reducing subsidies which resulted in an 85% price increase in 1983. No increase occurred in 1984 but in early 1985 prices were raised a further 18%. Consumption in 1984 was estimated at 810,000 tonnes and is expected to decline to 760,000 tonnes in 1985 due to higher prices and less favourable weather conditions than the year before. Some 60% of fertilizer consumed is used on grain crops.

4. Import Mechanism

As a result of Portugal's joining the EEC, state trading monopolies used to market many essential products (including cereals and oilseeds) must be dismantled. In the case of oilseeds domestic crushers have been free since October 1984 to import their own requirements. With respect to cereals the situation is less clear. In early 1984 legislation was passed whereby for that year 10% of total cereals imports could be conducted by private importers outside the hands of the state monopoly, EPAC. However, no such imports were transacted. With EEC membership this must change and a 5-year stepped phase out of EPAC's import monopoly has been accepted. Under these same EEC membership terms, a guaranteed 15% of Portugal's cereal import requirements must be sourced from Europe. Due to EEC imposed penalties on imports of cereals from third countries it is expected that the majority of imports will ultimately be sourced from the EEC.

Cereal imports have to-date continued on the basis of regular EPAC tenders (usually for boat load lots) negotiated with registered local representatives of international grain traders.

5. Grain Industry Infrastructure

While some delays have been encountered the new grain terminal in Trafaria, with a 200,000 tonne storage capacity, is due to become operational by the end of 1985. It will be able to unload 27,000 tonnes per day directly from vessels and will operate in conjunction with EPAC's other Lisbon facility at Beato which can unload 2,000 tonnes per day (120,000 tonnes storage capacity). Under present circumstances due to limited draught at Beato, 40% to 50% of each vessel load is transferred by barge to 5 privately owned plant terminals outside of Lisbon on the coast (4 flour mills, 1 feed mill). The remaining tonnage is transported directly to Beato for off-loading. Rail and road transport move the grain to some 114 private mills (38 flour and 76 compound feed) located in the south and centre of the country. In addition, slightly more than 1/3 of grain imports arrive at the EPAC facilities in the Port of Leixoes from where it is transported to 48 mills in the north of the country (22 flour and 26 compound feed).

5. Grain Industry Infrastructure (cont'd)

Efforts are being made to market the facility at Trafaria as a transshipment point to African and mid-East destinations to fully utilize its capacities.

Flour milling capacity has not changed in recent years and no changes are anticipated. Domestic capacity exceeds current internal consumption hence flour imports are not required.

6. Government Policies Affecting Grain and Agriculture

Grain production will likely suffer most from price adjustments necessitated by Portugal's entry into the EEC. For example support prices to producers of wheat and corn are some 30 to 40% higher than EEC prices. As Portuguese support prices are reduced or held firm to allow EEC prices "to catch up", production disincentives will occur. Import patterns are also going to change as a result of EEC membership. The EEC's CAP will increasingly dominate Portuguese import patterns and result in a move away from USA grains and oilseeds to EEC alternatives. Due to milling traditions and feed patterns some market will remain for American hard wheat and yellow corn but this will be under strong European pressure and some price disincentives.

Liberalization of imports can also be expected to affect import patterns as private traders enter the picture. Human consumption patterns are expected to remain fairly constant; however there have been recent major trends away from the use of relatively expensive imported corn feed for animals towards greater use of domestically produced silage, imported manioc and feed barley. This trend can be expected to continue as efforts are made by the feed industry to find and import more competitive feed materials in order to allow the livestock industry to compete in the new EEC environment.

Grain reserves are still kept to a minimum due to financial constraints; however the liberalization of imports brought about by EEC membership may result in a slight aggregate increase.

Portuguese meat production is virtually equal to domestic consumption with some seasonal variation. No government steps are planned at this time to encourage (or discourage) meat production and consumption. However the Portuguese livestock sector and in particular dairy and pork meat production will come under strong European price competition which could force some reductions in output.

As reported last year, Portugal's entry into the EEC will make prospects for Canadian cereal exports (wheat and barley) even more difficult than they have been in the past (when they confronted extremely attractive USA PL 480 or CCC financing). If, through EEC influence and cost factors, the Portuguese feed industry continues to turn away from its previous almost total dependence on yellow corn to look at alternatives such as barley this could assist Canadian export prospects provided the EEC is not able to fully supply requirements. In the case of oilseeds, entry into the EEC and the liberalization of imports may open the door a fraction to potential Canadian exports especially for canola.

No countertrade/barter policies have as yet been established in Portugal. The question of barter trade or countertrade is only just beginning to be discussed and is not very clearly understood by officials or industry.

7. Market Prospects - Grains and Oilseeds

No official projections exist for future Portuguese import needs for grains.

Some potential appears to exist for Canadian canola; however, Portuguese awareness of the differentiation between it and rapeseed is minimal. A more aggressive promotional stance would assist in making canola known perhaps by way of a technical mission/seminar approach.

Canary seed remains the principal special crop export to Portugal. While beans are imported Canadian prices have been consistently uncompetitive.

8. Processing Facilities

Year 1984

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	80	85	3.3**	704
Compound Feed Mills	90	100	2.0**	2,607
Maltsters	1	1	50.0	43.1
Brewers*	2	6	4.67	3.82
Oilseed Crushers	n/a	40	1,500	1,130

* Capacity and output in million hectolitres

** hourly capacity.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Lisbon	260	3,000
Leixoes	100	1,500
Ponta Delgada and Angra do Heroismo	25.2	105
Funchal		60
Total Capacity	385.2	4,665 (estimated)

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	130.0				130.0
Suitable for malting	32.5				32.5

Non-tariff import barriers: Due to excessive domestic oil production capacity imports of oil (crude/refined) and meals are discouraged as non-essential. Import permits have usually been difficult to obtain. With EEC membership such administrative controls will not be allowed. Conformity with EEC regulations will also result in the elimination of Portugal's existing prohibition on the retail distribution of rapeseed oil for human consumption.

Import/export structure: Since October 1984 imports of oilseeds have been placed in the hands of the crushing industry. Access to foreign exchange was provided on request although importers are now being encouraged to obtain foreign finance credits or terms rather than making immediate payment.

Additional factors: Until 1984, USA CCC credits applied to oilseeds, essentially soyabeans and sunflower seed. As a result the Portuguese crushing industry was heavily oriented to crushing these products. Since the 1984 liberalization of imports crushers have begun to diversify their raw materials and sources of supply in order to minimize costs.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Sunflower	28.0	239.6	
Soyabeans		803.0	
Safflower	0.5	33.7	
Others		94.4	
TOTAL	28.5	1,170.7	

<u>Oil</u>	Production		Imports		Exports	
	Crude	Refined	Crude	Refined	Crude	Refined
Soyabean	141.6	43.0			92.1*	
Sunflower	105.0	103.0			11.7**	
Peanut	3.1	1.4				
TOTAL	249.7	147.4			103.8	

* Morocco, Turkey, Tunisia

** Turkey, Algeria, France

<u>Meal</u>	Production	Imports	Exports
Soyabean	558.0		192.0*
Sunflower	148.0		24.3**
Peanut	2.0		
TOTAL	708.0		216.3

* Spain, Algeria, Italy

** U.K., FRG

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	430.0 (417.0)	123.0 (115.0)	535.0 (743.0)	1,088.0 (1,140)
Durum wheat	40.0 (32.0)	16.0 (23.0)	10.0 (14.0)	66.0 (69)
Flour/Semolina				
TOTAL	470.0 (314.0)	139.0 (138.0)	545.0 (757.0)	1,154.0 (1,209.0)

*of which spring wheat 0 (0)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>		<u>Other</u> (seed, waste)	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>				
Wheat*	887.0 (915.0)	1.0 (12.0)	35.0 (34.0)	165.0 (182.0)	1,088	(1,143)
Durum wheat	49.0 (43.0)		6.0 (7.0)	11.0 (16.0)	66.0	(66)
Flour Semolina						
TOTAL	936.0 (958.0)	1.0 (12.0)	41.0 (41.0)	176.0 (198.0)	1,154.0	(1,209)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>Canada</u>	<u>U.S.A.*</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>

WHEAT (including durum)

Cash							(86.0)
Aid, concessional credit, etc.		512.0 (671.0)			33.0**		545.0 (671.0)

FLOUR

TOTAL		512.0 (757.0)			33.0		545.0 (757.0)
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* no. 2 Hard Red Winter, 11-12% protein (CCC GSM 102 credits)

** French milling wheat, 12% protein (French COFACE line of credit)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	483.0 (417.0)	242.0 (200.0)	1,504.0 (2,348.0)*	2,229.0 (2,965.0)
Barley	130.0 (42.0)	8.0 (12.0)	53.0 (32.0)	191.0 (86.0)
Sorghum		31.0 (16.0)	61.0 (138.0)	92.0 (154.0)
Oats	190.0 (64.0)	10.0 (10.0)		200.0 (74.0)
Rye	115.0 (112.0)	10.0 (20.0)		125.0 (132.0)
TOTAL	918.0 (635.0)	301.0 (258.8)	1,618.0 (2,518.0)	2,837.0 (3,411.0)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Corn	250.0 (240.0)	1,610.0 (2,337.0)	119.0 (95.0)	55.0 (51.0)	195.0 (242.0)	2,229.0 (2,965.0)	
Barley	2.0 (2.0)	129.5 (11.0)	53.5 (64.0)	1.0 (1.0)	5.0 (8.0)	191.0 (86.0)	
Sorghum		84.0 (123.0)			8.0 (31.0)	92.0 (154.0)	
Oats		166.0 (62.0)		3.0 (2.0)	31.0 (10.0)	200.0 (74.0)	
Rye	99.0 (119.0)	1.0 (1.0)		2.0 (2.0)	23.0 (10.0)	125.0 (132.0) ⁶⁵	
TOTAL	351.0 (361.0)	1,990.5 (2,534.0)	172.5 (159.0)	61.0 (56.0)	262.0 (301.0)	2,837.0 (3,411.0) ¹	

Industrial Use: corn oil and gluten, malt: *corn imports decreased due to manioc imports from Thailand (19,163 tonnes in 1984 & 300,000 tonnes in 1985)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.(1)	Australia(2)	Argentina		EEC (3)	All Others(4)
Corn		1,494.0 (2,348.0)		10.0	26.0 (5.3)	11.0 (11.0)	1,504.0 (2,348.0)
Barley	4.7		16.0 (11)				32.0 (32.0)
Sorghum		61.0 (138.0)					61.0 (138.0)
Oats							
Rye							
TOTAL	4.7	1,555.0 (2,486.0)	16.0 (11)	10	26.0 (5.3)	11.0 (11.0)	1,618.0 (2,518.0)

(1) all GSM 102 Credits (2) malting barley

(3) 21,000 tonnes feed barley (France) and 5,000 tonnes malting barley (Ireland)

(4) feed barley - New Zealand

S P A I N

Economic classification: Industrial Market economy		
Annual per capita income:	US\$3,600	1984
Annual per capita GNP	US\$4,658	1984
Annual inflation rate	12.0%	1975-85
Annual inflation rate (current)	9.0%	1984
Volume of imports	28.83 billion US\$	1984
Of which fuels	33.4%	1984
Principal foreign exchange earning export: Tourism, machinery, agriculture		
Debt service as % of GNP	5.5%	1984
Population	38 million	1984
Annual population growth	0.7%	1980-2000
Annual Consumption:		
Flour	2.74 mln tonnes or 72.0 kg/capita	1984
Meat	2.63 mln tonnes or 69.2 kg/capita	1984
Vegetable Oil*	775,000 tonnes or 20.3 kg/capita	1984

* including olive oil

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Spain's total grain production in 1985-86 is estimated at a record 20 million tonnes, slightly above last year's crop.

Estimates of 1985 harvest with 1984 shown in brackets:

	<u>Area Sown ('000 ha.)</u>		<u>Estimated Production ('000 tonnes)</u>	
Wheat	2,065	(2,267)	5,400	(6,044)
Barley	4,026	(3,944)	10,300	(10,695)
Oats	457	(473)	710	(790)
Rye	220	(233)	290	(325)
Corn	480	(436)	2,860	(2,505)
Sorghum	22	(22)	102	(102)
Rice	73	(73)	milled 310	(306)
			rough 443	(437)
Sunflowerseed	1,000	(1,008)	980	(994)

2. Foreign Exchange Situation

Foreign currency is available for all types of goods and there are no priorities for agricultural products. Although the peseta has depreciated sharply against the U.S. dollar, i.e. 71.70 pesetas in 1980 to 165-170 in 1985, it has kept up with the Deutschmark and other European currencies.

3. Fertilizer Situation

The consumption of fertilizers rose considerably in 1984, due mainly to the expansion of the irrigated land area, which almost doubled. Stocks of fertilizers remain high at the present time and plans are being made to restructure the industry. The Ministry of Agriculture gives the following figures for domestic fertilizer consumption in 1984:

Nitrogen (N)	-	920,000 tonnes
Phosphate (P205)	-	425,228 tonnes
Potash (K20)	-	269,624 tonnes

4. Import Mechanism

Wheat may be imported by the Government or through government tenders to the agents of foreign grain suppliers and it may also be imported under "draw back". Feed grain may be imported freely, subject to the granting of an import license and the payment of levies.

5. Grain Industry Infrastructure

Following the changes within the grain sector in 1984 (i.e. importers reduced to three multinationals - Cargill, Continental and Dreyfus and one Spanish company - Transafrica) it is reported that Interceres S.A. has now been taken over by Ferruzzi. The team which formerly ran Noga Iberica S.A., which went out of business last year, have joined Nidera (Rotterdam/Brazil/Argentina) under the banner of Egra S.A., Madrid.

6. Government Policies Affecting Grain and Agriculture

In July 1985 SENPA, a state agency, introduced an EEC type restitution system on grain exports. For the moment this only applies to barley and some 800,000 tonnes of barley have already been exported, the sale being aided by the fact that the barley harvest in EEC countries was very late this year. As a condition to joining EEC, Spain must reduce surplus barley stocks from about 2 million tonnes to a maximum of 1 million tonnes by January 1, 1986. SENPA is expected to sell surplus barley on to the world market. In the future Spain will likely become a permanent competitor in the international barley market.

Whilst officially there are no restrictions on the importation of barley and sorghum, Spanish importers had a gentleman's agreement with SENPA not to import either of these products in 1985.

Soybeans may be imported by Spanish crushers on the understanding that most of the oil is re-exported with the meal remaining in the country. Some 411,000 tonnes of soybean oil from imported soybeans were exported in 1984.

Countertrade/barter is not contemplated in current policy on grain and oilseed imports.

7. Market Prospects - Grains and Oilseeds

Import requirements will continue to be variable. As Spanish crops are at the mercy of the weather which goes from one extreme to another, no serious import projections can be calculated. 1981-83 saw serious drought conditions in Spain but from 1983-85 there has been ample rainfall and the water table has recovered.

7. Market Prospects - Grains and Oilseeds (cont'd)

It is considered that direct contacts between suppliers and buyers should be encouraged, especially as the marketing situation will change completely after January 1986 when Spain joins the EEC. Possibilities for joint ventures should also be sought in an effort to enhance our presence in the Spanish grain sector.

Lentils, canary seed and beans all have good marketing prospects in Spain. There is also good market potential for chick peas.

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	514	564	5,000	3,800**
Compound Feed Mills	-	620	n/a	12,431
Maltsters	-	-	-	-
Brewers*	23	37	-	21.8
Oilseed Crushers (1984)	-	-	-	1,130

* Capacity and output in million hectolitres (1984)

** Production of wheat flour has been fairly steady. Approximately 3.7 million tonnes of wheat were converted into 2,738,000 tonnes of flour in 1984. Production capacity is more than double this amount so the industry is working at about 40% of full capacity. Of the 576 flour mills-512 were actually in operation last year, the remainder were at a standstill, some closed by bankruptcy. In the operating mills, equipment is modern and, according to the Spanish Flour Millers Association, above standard, compared to the European industry in general.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
La Coruna	113	These figures are not available. Silos could use their storage capacity any number of times during a year. Figures for goods transited through ports do not help either as they are frequently discharged onto trucks.
Vigo	29	
Gijon	16	
Santander	65	
Bilbao	11	
Santurce	14	
Barcelona	170	
Tarragona	235	
Valencia	45	
Cartagena	16	
Malaga	12	
Sevilla	46	
Total Capacity	773	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	n/a		n/a		10,168
Suitable for malting	5,480		Nil		5,480*

* Although perhaps only 10% actually used for this purpose.

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	15	(10)	W. Germany, Belgium, Czechoslovakia
Malting barley	-	-	

3. Additional Information

Annual per capita beer consumption: In 1984 per capita beer consumption was 58 litres, a slight reduction from previous years.

Beer production capacity: In 1984 beer production was 21.833 million hectolitres, a reduction of 1% compared to 1983.

Domestic malting capacity: In Spain there are 23 companies producing beer with a total of 37 plants. These figures remain static and no changes are foreseen in the near future.

Malt exports: None

Market potential for Canadian malt: Imports of malt average 1,200 tonnes monthly. Purchases from Canada could be made if price and quality are competitive.

III. OILSEEDS

1. Trade Policy

Import tariffs:	<u>Brussels Nomenclature Tariff No.</u>
Oilseeds: Soybeans	- No.12.01.BIII, duty free, fiscal compensatory tax (FCT) 3.5% on CIF value
Flaxseed	- No.12.01.BVI, duty free, FCT 6%
Sunflower	- No.1.01.BVIII, duty 4.5%, currently reduced to 4.1%, FCT 6%
Crude oil:	- Not imported into Spain under normal circumstances
Oilseed meal: Soybean	- No.12.02.A, duty 2.5% on CIF value, FCT 7%
Flax, cotton	- No.12.02.BI, duty 16%, FCT 7%
Others	- No.12.02.BII, duty 2.5%, FCT 7%
Refined oil:	- Not imported into Spain under normal circumstances

1. Trade Policy (cont'd)

Non-tariff import barriers/export assistance measures: Officially, the importation of oilseeds is restricted to State Trading, but the Government cedes the right to import to the private sector on a non-permanent basis.

Import/export structure: Private firms, usually Spanish agents of the multi-nationals, working within the restrictions governing this trade.

Additional factors: Spanish crushing plants are allowed to import unlimited quantities of soybean for the extraction of protein meal but only 10% of the oil can be sold on the domestic market. The remaining 400-500,000 tonnes of oil must be re-exported.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Sunflower	994.0	-	-
Safflower	17.2	-	-
Soybean	5.1	1,988.5*	-
Rapeseed	10.9	-	-
TOTAL	1,027.2	1,988.5	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude (Jan/Sept 84)	Refined
Sunflower	400.0	-	-	-	36.4
Safflower	6.5	-	-	-	-
Soybean	0.9	-	-	-	380.0**
Rapeseed	4.4	-	-	-	-
Olive	-	-	-	0.6	35.6
Others	-	-	-	-	7.5
TOTAL	411.8	-	-	0.6	459.5

<u>Meal</u>	Production	Imports (Jan/Sept 84)	Exports
Sunflower	410.0	-	-
Safflower	10.3	-	-
Soybean	4.3	314.3	-
Rapeseed	6.3	-	-
TOTAL	430.9	314.3	

* June/November 84

** From import oilseeds

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	5,080 (5,618)			5,080 (5,618)
Durum wheat	320 (426)			320 (426)
Flour/Semolina				
TOTAL	5,400 (6,044)	463 (49)	143 (50)	6,006 (6,143)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>			<u>(seed, waste)</u>			
Wheat							
Durum wheat	4,020 (4,335)	863 (630)	23 (15)	400 (380)	23 (300)	677 (463)	6,006 (6,143)
Flour Semolina							
TOTAL							

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Wheat (including durum)							
Cash				96	47 (50)		143 (50)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1*	Imports	Total Supply
Corn	2,860 (2,505)	280 (112)	2,712 (2,400)	5,852 (5,017)
Barley	10,300 (10,695)	1,115 (105)	215 (1,597)	11,630 (12,397)
Sorghum	102 (110)	4 (9)	200 (315)	306 (434)
Oats	710 (790)	218	(790)	928
Rye	290 (325)	1 (3)	(328)	291
TOTAL	14,262 (14,425)	1,618 (229)	3,127 (4,312)	19,007 (18,966)

* The figures given by SENPA for carryout stocks in 1984 were completely unrealistic and have been corrected as far as possible.

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Corn	13 (13)	5,059 (4,160)	500 (550)	15 (14)	4	261 (280)	5,852 (5,017)
Barley		8,230 (10,242)	1,300 (470)	600 (570)		1,500 (1,115)	11,630 (12,397)
Sorghum		301 (427)	2 (2)	1 (1)		2 (4)	306 (434)
Oats		839 (520)		60 (52)	9	20 (218)	928 (790)
Rye		200 (200)	60 (97)	30 (30)		1 (1)	291 (328)
TOTAL	13 (13)	14,629 (15,549)	1,862(1,119)	706 (667)	13	1,784 (1,618)	19,007 (18,966)

Industrial use: Breweries Export Destination: Oats - France

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Corn	44	1,545		613	31	479	2,712
Barley	102		9		76	28	215
Sorghum						200*	200
Oats							
Rye							
TOTAL	146	1,545	9	613	107	707	3,127

* Under general heading in Spanish Customs Statistics, sources not specified. Principal "Others": Corn - Yugoslavia Barley - Finland

UNITED KINGDOM

Economic classification:	Industrial economy	
Oil exporter or importer (net):	Exporter - 6.24 billion*	
Annual per capita income:	US\$6,200	1983
Annual per capita GNP	US\$7,000	1983
Annual inflation rate	11.0%	1975-85
Annual inflation rate (current)	7.0%	
Volume of imports	66 billion US\$	1983
Of which food	10.0%	1983
Of which fuels	11.0%	1983
Principal foreign exchange earning export:		
	machinery, transport, oil, manufactured goods	
Debt service as % of GNP	5%	1983
Debt service as % of exports	26%	1983
Population	56 million	1984
Annual population growth	.01%	1981-82
Annual Consumption:		
Flour	3,250,900 tonnes or 57.7 kg/capita	1984
Meat	3,776,800 tonnes or 67.0 kg/capita	1984
Oils & Fats	1,624,800 tonnes or 36.1 kg/capita	1984

*British Pounds

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1985 cereals crop is expected to be down by more than 10% from last year's recorded level. Preliminary estimates suggest a total crop of about 22 million tonnes compared with 26 million tonnes last year. Wheat production is forecast at 12.5-13 million tonnes versus 14.9 million tonnes last year. A barley crop of 10 million tonnes is expected compared with last year's outturn of 11 million tonnes. The reduction is mostly attributable to lower yields although wheat area in 1985 was down 2% from 1984. While barley quality appears to have escaped damage from adverse harvest conditions (wet and cool) the same is not true for wheat. The quality of the wheat crop (as of October) in the U.K. is of decidedly inferior quality to anything seen in recent years especially with respect to Hagberg falling numbers which this year on average are 175 compared with 250 last year. Undoubtedly greater imports of quality milling wheat will be required as a result.

Rapeseed production in 1985 is provisionally forecast at 915,000 tonnes compared with 925,000 tonnes in 1984. However, quality problems and possible further yield loss are expected as a result of country's wet harvest conditions and more pessimistic estimates range from 830,000 to 900,000 tonnes.

2. Foreign Exchange Situation

During the past twelve months the U.K. reported positive current account balance of US\$1.6 billion. Foreign reserves stood at US\$10.8 billion as at July 1985.

3. Fertilizer Situation

Fertilizer supplies in the U.K. are adequate. Fertilizer consumption in the U.K. in 1983/84 basis actual nutrients consumed was as follows:

Nitrogen	1,588,000 tonnes
Phosphates	488,000
Potash	559,000

4. Import Mechanism

Private importers purchase grain from the international trade under EEC Common Agricultural Policy. Import regulations govern grain imports.

5. Grain Industry Infrastructure

Three major milling organizations and two major grain trade firms purchase non-E.E.C. wheat directly for virtually all U.K. and most of Ireland. The three milling Groups, Mardorf Peach/Associated British Foods, Rank Hovis McDougall, and Spillers Milling account for about 75 percent of non E.E.C. origin imported wheat which corresponds roughly with their collective share of the U.K. flour market. The balance of the flour market is supplied by smaller independent mills who purchase non E.E.C. wheat from two major trade houses namely Usbornes in the South East of England and Milford Grain in the North West. Alexanders a small trading firm associated with Halls of Ireland, also purchase third country wheat for Irish Mills. This market configuration appears to be stable. Toepfer International have recently been designated as import agents for the Co-op Mill in Dublin, formerly Bowlands. In doing so Toepfer join the U.K. Ireland supply group.

6. Government Policies Affecting Grain and Agriculture

Another review of the Common Agricultural Policy (CAP) of the European Economic Community is now underway. The object of the exercise is to find ways and means of containing runaway expenses within budget, reducing surpluses and fulfilling the social objectives of the CAP at the same time. It appears likely that guaranteed prices may be reduced, some form of quantitative restriction on production imposed and direct income aid provided to selected producers in some as yet undetermined combination.

A CAP restructured along the lines envisaged above may be expected to directly affect interest in and market prospects for Canadian grains. Reduction of guaranteed prices and consequent reduction of export subsidies could help reduce international tension in world agricultural trade and restore grain trade to a more commercial basis which would be helpful to Canada and other non-subsidized exporters.

Countertrade/barter transactions for grains are rare (if any). Grain trade is conducted on cash basis.

7. Market Prospects - Grains and Oilseeds

A report entitled the Next Five Years published by the Ministry of Agriculture in 1983 suggested that the need for significant quantities of third country wheat is expected to continue although home grown wheat is likely to claim a larger share of the grist in the future. It is noteworthy that this year because of serious quality problems with the U.K. crop, wheat imports from third country suppliers are expected to increase substantially.

It appears that the only way to halt the decline in Canadian exports to the U.K. is to achieve better terms of access to the Community for quality wheat, that is reduced levies.

Situation basically unchanged with good continuing market for mustard seed, white pea beans, century yellow peas, lentils, canary seed and to some degree buckwheat. Increasing interest in Triticale.

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	49	98	3,900	3,418
Compound Feed Mills	300	450	n/a	10,742 (1984)
Maltsters	N/A	50	N/A	
Brewers (majors - 1984)	74	128	N/A	
Oilseed Crushers	8	8	1,540*	1,188 (1984)

*Includes increased capacity expected to be operative from 1986.

**Since 1971 ninety-four small breweries have been established in the U.K. These are additional to the majors noted above.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1983

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tilbury	100	2,200
Seaforth	133	1,750
Bristol	62	202
Forth	55	250
Clyde	185	800
Belfast	80	1,000
Lowestoft	13	300
Total Capacity	628	6,502

Hull has handed 30,000 m.t. of its capacity over to Cargill and excess capacity lies idle. Ipswich and Southampton capacity is used exclusively for export.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	6,570	4,500			11,070
Suitable for malting	1,314	900			2,214

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	43	(33)	Ireland, France
Malting barley	nil	(90)	

3. Additional Information

Annual beer consumption in 1983 was 110.5 litres per capita. Beer consumption is static at present however the long term trend is downward.

Beer production capacity appears to be static at present.

Malting capacity appears to be static at present.

Calendar year 1984 malt exports totalled 293,000 tonnes. Principal destinations were Venezuela, Japan and Australia.

No potential for Canadian malt except perhaps in the event of a complete loss of the European barley crop. However in such case malting barley imports would be favoured. It is expected that the U.K. will have to import about 100,000 tonnes of malting barley this year - most likely from the Community.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: Free
 crude oil: 10%
 oilseed meal: Free
 refined oil: 15%

Import/export structure: Private Importers

Additional factors: EEC production subsidies are in operation for rapeseed, sunflower seed and flaxseed.

2. Supply of Oilseeds and Products by type, thousands of tonnes:

year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Rapeseed	915	69		166	
Flaxseed	8	51			
Mustard	8	1		1	
Soyabeans		517		1	
Cottonseed		24			
TOTAL	931	662		168	
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Palm	119	116	47		1
Soyabean	124	92	32	1	1
Sunflowerseed	44	38	12		1
Rapeseed	189	7	54	19	2
Coconut		26	1		1
Palm kernel	42	27	2		2
TOTAL	518	306	148	20	8
<u>Meal</u>	Production	Imports		Exports	
Linseed		13			
Rapeseed		41		16	
Soyabean		1,154		14	
Palm kernel		12			
Cottonseed		36		2	
Sunflowerseed		200		1	
TOTAL		1,456		33	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat *	14,955 (10,802)	840 (1,155)	970 (1,189)	16,765 (13,146)
Durum wheat	30 (13)		46 (39)	76 (52)
Flour/Semolina	3,606 (3,514)		50 (35)	3,656 (3,549)
TOTAL	18,591 (14,329)	840 (1,155)	1,066 (1,263)	20,497 (16,747)

*of which spring wheat: 300 (217)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	4,870 (4,627)	4,880 (5,089)	100 (75)	580 (532)	2,130 (1,984)	4,205 (840)	16,765 (13,147)
Durum wheat	75 (52)			1			76 (52)
Flour Semolina	3,356 (3,356)						3,356 (3,356)
TOTAL	8,301 (8,035)	4,880 (5,089)	100 (75)	581 (532)	2,130 (1,984)	4,205 (840)	20,197 (16,555)

Industrial use: wheat starch and glucose Export destination: West Germany

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>EEC</u>	<u>All Others</u>
<u>WHEAT</u> (including durum)					
Cash	666 (894)	46 (84)		215 (181)	43 (30)
<u>FLOUR</u> (including semolina)					
Cash/comm. credit				75 (74)	8 (8)
TOTAL	666 (894)	46 (84)		290 (255)	51 (38)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	nil (nil)	80 (127)	1,420 (1,737)	1,500 (1,864)
Barley	11,055 (9,980)	585 (1,094)	85 (88)	11,725 (11,162)
Sorghum		(1)	(1)	(2)
Oats	515 (466)	60 (37)	20 (39)	595 (542)
Rye	28 (25)	4 (5)	10 (12)	42 (42)
TOTAL	11,598 (10,471)	729 (1,264)	1,535 (1,877)	13,862 (13,612)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
		Animal					
Corn	265 (503)	280 (374)	875 (900)	480 (458)	5 (7)	75 (80)	1,500 (1,864)
Barley	1,770 (1,933)	4,360 (5,275)			4,205 (2,913)	910 (583)	11,725 (11,162)
Sorghum		(2)					(2)
Oats	155 (147)	340 (302)		45 (33)	(1)	55 (59)	595 (542)
Rye	25 (25)	10 (12)		1 (1)		6 (4)	42 (42)
TOTAL	2,215 (2,608)	4,990 (5,965)	875 (900)	526 (492)	4,210 (2,921)	1,046 (726)	13,862 (13,612)

Of which Poultry: 5%

Export Destination: U.S.S.R., Poland
Algeria, Saudi Arabia

Industrial Use: Starch

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			All Others	TOTAL IMPORTS
	Canada	U.S.A.	Argentina		
Corn		459 (801)			1,420 (1,737)
Barley				(192)	85 (88)
Sorghum			(54)		
Oats				(744)	
Rye				85 (34)	
TOTAL		459 (801)	(54)	1,046 (1,778)	1,505 (1,825)

Principal "Others": South Africa

WEST GERMANY

Economic classification: Industrial Market			
Oil exporter or importer (net): Importer			
Annual per capita income:	DM\$21,915		1984
Annual per capita GNP	DM\$28,606		1984
Average annual growth	2.7		1965-85
Annual inflation rate (current)	2.2 %		
Volume of imports	434.0 billion DM\$		1984
Of which food	12.0 %		1984
Of which fuels	13.5 %		1984
Principal foreign exchange earning export:			
Finished products such as machinery, chemicals, vehicles			
Population	61.0 million		1984
Annual population growth	0 %		1984
Annual Consumption:			
Flour	3.9 million tonnes or 71.8kg/capita		1984
Meat	5.5 million tonnes or 90.3kg/capita		1984
Vegetable Oil	0.33 million tonnes or 5.4Kg/capita		1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Total 1985 grain crop (1984 in brackets) was 25.7 (26.5) million tonnes, thereof wheat 9.8 (10.2), rye 1.8 (1.9), barley 9.7 (10.3), oats 2.8 (2.5) and corn 1.0 (1.0) million tonnes. While the total grain acreage declined slightly by 1.4 percent to 4.87 million hectares, average yields were 52.8 (53.6) quintals per hectare (q.p.h.) as compared to an average of 46.7 for the 1979-84 period. The quality of soft wheat (protein 12.3%; sedimentation 31) equals last years relatively good results. A preliminary review of this autumn planting intentions indicates no major change for wheat and rye while the winter barley area increased 7 percent particularly in the provinces of Bavaria and Baden-Wuerttemberg, but also in Lower Saxony. Winter rapeseed area will again increase by 13 percent to 290,000 hectares especially in Southern Germany - thus reflecting the regional grain surplus situation. Total rapeseed production is 805,000 tonnes (661,800) with an average yield of 30.2 q.p.h. (26.0) as compared to 26.1 q.p.h. from 1979-84.

2. Foreign Exchange Situation

No problem for West Germany

3. Fertilizer Situation

	Nitrogen	Phosphate ('000 tonnes)	Potash	Lime
Disposition and imports of fertilizer for 1984/85 (1983/84 in brackets):				
Total	1,452 (1,378)	739 (745)	996 (1,014)	1,259 (1,506)
thereof imports	782 (784)	334 (335)	325 (336)	

The disposition of fertilizer is characterized by stagnation with an increase of Nitrogen (+ 5.4 percent) and a considerable decline of lime (-16.4 percent) due to weather conditions. The consumption in kilograms/hectare remains on a high level as follows: Nitrogen-120,5; phosphate-61.3; potash 82.7 and lime-104.6.

4. Import Mechanism

Grain is imported by private companies (i.e. commercial grain trade).

5. Grain Industry Infrastructure

The infrastructure is known to the Canadian Wheat Board. There have been no major changes affecting the import potential for Canadian grains in this industry.

6. Government Policies Affecting Grain and Agriculture

West Germany vetoed against a further reduction of EC grain prices with direct effects on farmers' incomes. The government pursues further on the 'cautious' EC grain price policy which in fact provided little nominal increases below the inflation rate for a real price reduction with alternative planting incentives for rapeseed and pulses that, combined with a consolidation of grain substitutes imports, aims at a smooth structural adjustment process. Disposition of grains both by increased usage for feed and exports is encouraged in order to reduce the considerable intervention stocks and costs. After the introduction of the EC dairy quota system in 1984, grain prices are considered by the German government a further cornerstone of their agricultural policy, that in view of the high unemployment rate should not force farmers out of the regulated market.

The West German import potential of Canadian grains some 40,000 tonnes in 1984/85, mainly durum and malting barley is limited. The increase of domestic durum (60,000 tonnes in 1985) and rapeseed production will, combined with the EC preference, further limit the third country import volume.

West Germany has no problems with foreign exchange reserves and thus countertrade is rarely used.

7. Market Prospects - Grains and Oilseeds

The federally financed agricultural research institute FAL in Braunschweig and the economics departments of certain universities with agricultural faculties are attempting to forecast medium and long term grain import projections. Moreover, the EC Commission in Brussels does respective research on the community level.

7. Market Prospects - Grains and Oilseeds (con't)

Canadian special crops are already exported to West Germany. The relevant German import trade is fully aware of the Canadian supply situation.

8. Processing Facilities

Year: 1984/85

	millions of tonnes			
	<u>Number of Companies</u>	<u>Number of plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills		733	6.25	5.4
Compound Feed Mills		837		17.2
Maltsters		50		1.4
Brewers*		1,268		92.6
Oilseed Crushers		16		3.1

* capacity and output in million hectolitres

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - millions of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley					9.7
Suitable for malting			Summer barley approx.		1.5

2. Imports*, year 1984/85 estimated, previous year in brackets

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	269 (253)	France, U.K., Belg-Lux CSSR
Malting barley	531 (597)	Denmark, France Ireland, Australia

* Does not include imports from East Germany (GDR), which account for some 130,000 - 160,000 tonnes of malting barley and approx 9,000 tonnes of malt.

3. Additional Information:

Total beer consumption per capita is stagnating (i.e. 144.8 liters per capita - 1984, 148.7 - 1983). The decrease in 1984 is mainly due to seasonal (bad weather) and health aspects. Consumption in 1985 is expected to reach previous levels, ie. a production volume of some 95 million hl maximum.

There will be no major increase in beer production capacity. Given the overall stagnation in consumption and more upcoming competition from EC countries (German purity law argument is before the EC court), the concentration trend in the industry will continue with smaller plants closing.

Domestic malt production is stagnating or slightly decreasing thus reflecting the beer output trend. Therefore no major increase of malting capacity is anticipated. Domestic malt consumption of 1.6 million tonnes (1984) is covered by approximately 1.4 million tonnes domestic production and 0.25 million tonnes of imports. The small share for third country suppliers and the very strict quality and delivery criteria of the German breweries do not represent an attractive long term export potential for Canadian malt.

German malt exports in 1984/85 declined to 151,700 tonnes as compared to 163,500 tonnes in 1983/84. Main malt customers are Japan, Venezuela, Switzerland, Nigeria.

III. OILSEEDS

1. Trade Policy: EEC import regulations and tariffs apply. Duties for the import of refined rape and sunflowerseed oils (GATT bound) are 8 % (industrial and technical use) and 15% (foodstuff use). There are no tariffs on rapeseed and sunflowerseed, nor on their derivative meals.

Non-tariff import barriers: There are no significant non-tariff import barriers for Canadian oilseeds. Present EC export assistance measures (basically the difference between world market and EC price) consist of an export refund that is slightly less than the crushers subsidy in order to keep processing within the community.

Import/export structure: Private importers conduct the oilseeds and products trade.

Additional factors: The considerable increase in both domestic and EC oilseeds production (partly surpassing EC guarantee thresholds) on one hand and the decline of domestic oilcake consumption in feed (after the introduction of the EC dairy quota system) on the other represent limiting factors for the overall import potential. Rapeseed cake and meal consumption exceeded 1 million tonnes in 1984 for the first time, while soya consumption slightly dropped against the background of another reduction (9.4%) of total consumption of oilcake and meal to 5.6 million tonnes.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
rapeseed	644	643	100
soya		2,482	10
sunflower		370	3
linseed		200	1
TOTAL	644	3,885	125

2. Supply of oilseeds and products by type, thousands of tonnes: (cont'd)

<u>Oil</u>	Production	Imports	Exports
rapeseed	493	52	312
soya	429	169	191
sunflower	147	96	79
linseed	75	26	43
TOTAL	1,183	572*	693*

<u>Meal</u>	Production	Imports	Exports
rapeseed	763	393	144
soya	1,931	2,446	1,588
sunflower	209	284	57
maize germ	28	483	-
TOTAL	3,092	4,656	1,879

* crude and refined

Source: West German oilmilling industry assn: Bonn 1985

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, 1/</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat *	10,223	3,475	2,546	16,244
Durum wheat**	-	130	271	401
Flour	4,327	73	155	4,555
TOTAL	14,550	3,678	2,972	21,200

* of which spring wheat - 426

** does not include domestic production, for 1985 estimated at 60,000 tonnes

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	3,805	4,796	220	545	1,868	5,010	16,244
Durum wheat	207			2	57	135	401
Flour/Semolina	3,958				521	76	4,555
TOTAL	7,970	4,796	220	547	2,466	5,221	21,200

Export Destination: Poland, USSR, Netherlands, Algeria

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

Wheat, durum and products 34 55 2,537 2,972

1. crop year August/July

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in-1/</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,026	242	2,082	3,350
Barley	10,284	817	1,243	12,344
Sorghum	n/a			
Oats	2,973	255	131	3,359
Rye	1,983	470	156	2,609
TOTAL	16,266	1,784	3,612	21,662

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	550	1,433	440	85	647	195	3,350
Barley	30	7,109	2,150	546	889	1,620	12,344
Sorghum	n/a						
Oats	125	2,648	35	170	31	385	3,359
Rye	962	579		122	21	890	2,609
TOTAL	1,667	11,769	2,625	923	1,558	3,090	21,662

Of which poultry: approx. 20%. Export destination: Saudi-Arabia, USSR, Benelux
Industrial use: Malting, starch

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>			<u>2/</u>
Corn		495		151	962		2,082
Barley	6		16		801		1,243
Sorghum							n/a
Oats					84		131
Rye					145		156
TOTAL		495	16	151	1,992		3,612

1. EC grain crop year August/July

2. figures include trade between FRG and GDR (Inner-German)



PART II
WESTERN EUROPE (NON-EC)



A U S T R I A

Economic classification: Industrial market economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$10,150	1984
Annual per capita GDP	US\$ 8,500	1984
Annual inflation rate	5.6%	1975-85
Annual inflation rate (current)	3.8%	1985
Volume of imports	19.60 billion US\$	1984
Of which food	7.2%	1984
Of which fuels	15.1%	1984
Principal foreign exchange		
earning export: machines, transport, equipment and tourism		
Debt service as % of GNP	5.1%	1984
Debt service as % of exports	20.8%	1984
Population	7.5 million	1984
Annual population growth	0.2%	1980-2000
Annual Consumption:		
Flour	484,000 tonnes or 64.5 kg/capita	1983/84
Meat	667,000 tonnes or 88.9 kg/capita	1983/84
Vegetable Oil	116,000 tonnes or 15.1 kg/capita	1983/84

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Crop growth was delayed by two weeks due to cold weather during the growing season. Winter grains have shown no frost damage. Levels of production of all grain crops are similar to or above those of a year ago. 1985 grain surplus is expected between 800,000 and one million tonnes.

2. Foreign Exchange Situation

The Austrian Schilling is stable and one of the hardest West-European currencies pegged to the European Monetary System (EMS), in particular to the West-German D-Mark (main trading partner). The country in general is self-sufficient in agricultural products and has become in recent years an exporter of grains to East Europe. There are no priorities for food imports.

3. Fertilizer Situation

Fertilizer use in 1984 with 1983 in parenthesis in thousand tonnes.

nitrogen	328	(363)
phosphate	102	(113)
potash	47	(57)
multiple	496	(530)
Total	972	(1063)

4. Import Mechanism

Import: Ministry of Agriculture issues public tenders.

Export: Through bilateral agreements without tenders or private organizations.

The country in general is self-sufficient in agricultural products and became in recent years an exporter of grains to Eastern Europe.

5. Government Policies Affecting Grain and Agriculture

Grain exports to Eastern Europe are effected through direct negotiations in each case and to each country by a concerted action of private exporters/cooperatives and the Ministry of Agriculture because of the need for export subsidies.

6. Market Prospects - Grains and Oilseeds

Austria appears as in the recent past to be only a spot market in case of disastrous harvest.

With regard to special crops, the private trade imported from Canada in 1984 (tonnes): mustard 155.2; lentils 402.6; beans 142.3

7. Processing Facilities

Year 1984

	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	442			360
Compound Feed Mills	250			1,500
Malt Houses	2			
Brewers*	49	55	8.54	8.213
Oilseed Crushers	0	0		

*Capacity and output in million hectolitres.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85): 1.542 million tonnes

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	2.01	Hungary, CSSR, FGR
Malting barley		

3. Additional Information

Annual per capita beer consumption: Beer consumption in 1983/84 was 112.2 liters per capita, slightly higher than 1982/83 (109.3 litres per capita).

MALT AND MALTING BARLEY cont'd

Beer production capacity: Beer production capacity remains at the same level with production in 1983/84 of 8,540,000 hectoliters of which 440,000 hectoliters was exported.

Domestic malting capacity: Domestic malting capacity remains at about the same level.

Malt exports in 1984 (non-roasted):

Thailand	- 5,280 tonnes
Switzerland	- 861 tonnes
Italy	- 100 tonnes

Market potential for Canadian malt: Under normal crop conditions market potential for malt is limited due to old established trade patterns.

Malt imports in 1984 (non-roasted):

West Germany	- 575 tonnes
Belgium	- 29 tonnes
Czechoslovakia	- 217 tonnes
Hungary	- 1,183 tonnes

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - Free
Crude oil or Refined oil - linseed, castor, tung, olive oil extract - Free
- soybean, cottonseed, groundnuts, coconut, palm and palm kernel oil - 12%
- olive oil and other oils - 15%

Non-tariff import barriers/export assistance measures: There are no significant non-tariff barriers.

Importation procedure and structure: Private companies.

2. Supply of oilseeds and products by type, tonnes:

Base year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed		322.6	10,342.9
Sunflowerseed		8,948.2	964.7
Soybeans		1,031.0	54.1
Groundnuts		2,493.3	85.2
Linseed		1,023.0	32.3
TOTAL		18,380.3	11,689.9

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	1,057 (986)	207 (235)		1,264 (1,221)
Durum wheat	48 (49)	16 (16)		64 (65)
Flour/Semolina				
TOTAL	1,105 (1,035)	223 (251)		1,328 (1,286)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	400 (400)	8 (3)	2 (4)	5 (5)	578 (587)	216 (200)	1,209 (1,199)
Durum wheat	31 (30)				19 17	11 (16)	61 (63)
Flour Semolina							83
TOTAL	431 (430)	8 (3)	2 (4)	5 (5)	597 (604)	227 (216)	1,270 (1,262)

Industrial Use: beer, baking auxiliaries

Export Destination: EEC and EFTA countries

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,542 (1,437)	77 (80)	30 (15)	1,649 (1,532)
Barley	1,517 (1,442)	15 (64)		1,532 (1,506)
Sorghum				
Oats	292 (292)	4 (10)	10 (5)	306 (307)
Rye	240 (205)	72 (60)		312 (265)
TOTAL	3,591 (3,376)	168 (214)	40 (20)	3,799 (3,610)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>		<u>Industrial</u>		<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
		<u>Animal Feed</u>		<u>Other (seed, waste)</u>			
Corn	6 (6)	1,500 (1,400)	30 (30)		130 (190)	80 (80)	1,616 (1,516)
Barley		1,200 (1,120)	150 (150)			25 (40)	1,505 (1,500)
Sorghum							
Oats	160 (160)	295 (300)	5 (5)		51 (10)	5 (5)	305 (320)
Rye		25 (13)	3 (2)		51 (21)	66 (68)	305 (264)
TOTAL	166 (166)	3,020 (2,833)	188 (187)		181 (221)	176 (193)	3,731 (3,600)

Industrial Use: malt coffee, glue extenders, beer, food industry

FINLAND

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$8,500	1983
Annual per capita GNP	US\$10,440	1983
Average annual growth	2.9%	1965-85
Annual inflation rate	10.8%	1975-85
Annual inflation rate	6%	1984
Volume of imports	12.4 billion US\$	1984
Of which food	5%	1984
Of which fuels	24%	1984
Principal foreign exchange earning export: Wood based products		
Debt service as % of GNP	4%	1984
Debt service as % of exports	16%	1984
Population	4.9 million	1984
Annual population growth	0.3%	1975-1980
Annual Consumption:		
Flour	70.8 kg/capita	1984
Meat	64.0 kg/capita	1984
Vegetable Oil	5.6 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The crops in 1985 are expected to be normal, producing 3.9 million tonnes in all. The wheat crop will be somewhat bigger than in the previous year and will be sufficient to meet domestic demand of 500,000 tonnes. Production of rye will be 30-40,000 tonnes short of demand of 100,000 tonnes. Production of feed grains is expected to be better than last year and will create a surplus stock of 800,000 tonnes. The barley crop will be about 2 million tonnes which would be about 250,000 more than in 1984. The oats crop is expected to remain near the 1984 level of 1.32 million tonnes.

2. Foreign Exchange Situation

Finland's foreign trade is in balance, the foreign exchange situation is satisfactory and the outlook remains similar. There will be no import priorities for basic foodstuffs or agricultural inputs. Finland is not likely to become an aid recipient.

3. Fertilizer Situation

Finland is self-sufficient in the production of fertilizers except for potassium for which raw material is imported from the USSR and GDR. Finland is a net exporter of NPK mixed fertilizers. Nutrients in fertilizers applied, kg/ha:

	N	P ₂ O ₅	K ₂ O
1981/82	78.7	26.8	47.5
1982/83	91.4	29.9	53.8
1983/84	91	31	56

4. Import Mechanism

The Finnish State Granary is the sole importer. Bids are invited from local agents of international grain trading houses. The State Granary has also contacted the Canadian Wheat Board directly. Decisions for grain purchases are made by a special committee consisting of representatives of the government, agricultural producers and consumers.

5. Grain Industry Infrastructure

Total storage capacity of the Finnish State Granary is at present 1 million tonnes which exceeds the target set for the year 1987. The purpose of the increased storage capacity is to build up reserves of domestic grain in favourable years. This will decrease the need to import grain in the long run. Within the year the storage capacity of the State Granary will increase to 1.25 million tonnes when the present building program is completed.

6. Government Policies Affecting Grain and Agriculture

To avoid grain imports in the future, the Agricultural Policy Work Group set up by the Ministry of Agriculture recommended in 1983 that the following acreages be sown by the end of this decade: wheat 220,000 ha, rye 60,000 ha, barley 600,000 ha, oats 450,000 ha and oilseeds 100,000 ha. The aim is to eventually fill reserves with domestic production. There are no changes expected in grain consumption patterns. Overproduction of meat in 1985 is expected to be 15-17,000 tonnes of beef and 20-22,000 tonnes of pork.

Canada remains a potential supplier of grain if and when self-sufficiency is not met due to adverse weather conditions. Statistically this happens in seven years out of ten.

There is no government policy on countertrade/barter as it relates to grain and oilseed imports.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

There are no particular marketing initiatives that should be undertaken. The Post liaises regularly with State Granary officials and provides ongoing information on the Canadian crop.

Regarding special crops, at present, Canada is the main supplier of mustard seed to Finland, shipping in 1983, 555 tonnes out of a total 661 tonnes and in 1984, 519 tonnes out of 752 tonnes. Occasional sales of whole dried green peas have also occurred. The field pea crop of 1983 will be sufficient for the next three years. Demand for other special crops is minimal.

8. Processing Facilities

Year: 1984

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	20	26	600	369
Compound Feed Mills	7	12	-	1,500
Maltsters	2	2	-	91
Brewers*	2	2	-	2.85 (1983)
Oilseed Crushers	2	2	-	100

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Naantali	200	1,250
Rauma	30	650
Total Capacity	230	1,900

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley		1,715			1,715
Suitable for malting		113			113

2. Imports, Calendar year 1984: None.

3. Additional Information

Annual per capita beer consumption: Beer consumption in 1984 was 56.5 litres per capita which was slightly more than in 1983 (55 litres). Beer consumption is expected to be stable at 55-57 litres per capita.

Beer production capacity: No changes are expected in beer production capacity as domestic consumption is stable. Finnish beer exports are minimal.

Domestic malting capacity: unchanged.

Malt exports: Total export of malt in 1984 was 43,391 tonnes. Main importers were Venezuela 15,778 tonnes, USSR 10,996 tonnes, U.K. 10,251 tonnes and Norway 4,885 tonnes. Export statistics for 1985 indicate that these exports are continuing at the same levels.

Malt and Malting Barley (cont'd)

Market potential for Canadian malt: Malting houses secure their supply of malting barley through contracts with local farmers. Amounts contracted far exceed the amounts actually required for malting as a precaution against crop failure. Imports take place only after severe crop failures with Sweden being the preferred source since the varieties cultivated there are mostly the same as in Finland.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - 19%, groundnuts 10%, mustard seed - free
 Crude Oil - 10%
 Oilseed Meal - 20%
 Refined Oil - 19%

Non-tariff barriers/export assistance measures: Imported oilseeds and vegetable oils are subject to inspection for contaminants by the Customs Laboratory. Rejections are not uncommon.

Import/export structure: Importation of oilseeds is subject to licences (permits). These are obtained by crushers. Importation is free for seeds for sowing and for consumption as health food. In practice only soya and sunflowerseed imports for crushing are permitted.

Additional factors: Importation of oilseeds for human consumption (health food) often takes place through wholesalers and packers in Sweden. Volume of consumption in Finland is limited.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Turnip rape	86				
Soya		71			
Sunflower		6			
TOTAL	86	77			
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Turnip rape	25			36	
soya	21			3	1
sunflower	2	3			
palm & cocos		6			
TOTAL	48	9		39	1
<u>Meal</u>	Production	Imports		Exports	
Turnip rape	55				
Soya	50	1			
Sunflower	4				
TOTAL	109	1			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat *	478 (549)	454 (378)	77 (6)	1,009 (933)
Durum wheat				
Flour/Semolina				
TOTAL	478 (549)	454 (378)	77 (6)	1,009 (933)

*of which spring wheat 427 (437)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	294 (281)	45 (41)	60 (65)	55 (50)	20 (42)	535 (454)	1,009 (933)
Durum wheat							
Flour Semolina							
TOTAL	294 (281)	45 (41)	60 (65)	55 (50)	20 (42)	535 (454)	1,009 (933)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others*</u>	<u>TOTAL IMPORTS</u>
Canada						

WHEAT (including durum)

Cash	5	39 (6)			10	54 (6)
Commercial Credit						
Aid, concessional						
credit, etc.						

*Sweden, Hungary

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,715 (1,764)	440 (103)	(26)	2,155 (1,893)
Barley	1,321 (1,406)	144 (79)		1,465 (1,485)
Sorghum	92 (116)	51 (45)	17 (2)	160 (163)
Oats				
Rye				
TOTAL	3,128 (3,286)	635 (227)	17 (28)	3,780 (3,541)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	15 (16)	1,145 (1,165)	124 (68)	112 (107)	349 (97)	413 (440)	2,155 (1,893)
Barley	26 (26)	973 (1,000)		91 (88)	358 (227)	17 (144)	1,465 (1,485)
Sorghum	102 (99)	3 (3)	8 (1)	5 (9)		42 (51)	160 (163)
Oats							
Rye							
TOTAL	143 (141)	2,121 (2,168)	132 (69)	208 (204)	704 (324)	472 (635)	3,780 (3,541)

Of which poultry: 3%

Export Destination: EEC, U.S.A., USSR

Industrial use: Malting

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
Corn	Canada						
Barley					(10)	(16)	(26)
Sorghum							
Oats					3	8	17 (2)
Rye					3 (10)	8 (16)	17 (28)
TOTAL							

Principal "Others": Poland, Sweden

MALTA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$3,526	1980
Annual per capita GNP	US\$3,110	1982
Average annual growth	5%	1965-85
Annual inflation rate	5%	1975-85
Annual inflation rate (current)	0%	1984
Volume of imports	0.733 billion US\$	1983
Of which food	13.2%	1983
Of which fuels	12.1%	1983
Principal foreign exchange earning export:	Tourism, clothing	
Population	0.33 million	1983
Annual population growth:	0.9%	1980-83
Annual Consumption:		
Flour	31,000 tonnes or 94 kg/capita	1983
Meat	15,500 tonnes or 47 kg/capita	1983
Vegetable Oil	4,350 tonnes or 13 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Local production of grains is minimal. 1983 output was 7,740 tonnes of wheat and 3,700 tonnes of barley.

2. Foreign Exchange Situation

Malta has experienced a chronic trade deficit. The 1984 balance of payments, government budget and international reserves were all slightly worse than in 1983, but still well under control. GDP increased at a rate of around 2.7% during the first nine months of 1984, mainly due to growth in exports of manufactures (exports were up 16.2%). Tourism earnings fell 3% from the 1983 level, but the inflation rate was negative, as a result of the continued program of wage and price controls.

3. Fertilizer Situation

There is no local production of fertilizer, and imports in 1983 amounted to 1,272 tonnes of nitrogen, 7.5 tonnes of phosphate and 1,289 tonnes of compound fertilizers.

4. Import Mechanism

All grain imports are governed by the Maltese government bulk buying policy, and the only import agency is MEDIGRAIN Limited, Mill Street, MARSA, Telex 340 MEDGRN MW.

5. Grain Industry Infrastructure

At present the only port facilities are operated by Malta Milling and Grain Handling Company Ltd., Valletta, and grain is trucked throughout the islands. An impressive facility soon to be opened at Marsaxlokk is intended to operate as a transshipment point for distribution of grain to shallow draft North African ports. Up until recently the Maltese government was still looking for an experienced company to manage the new facility.

6. Government Policies Affecting Grain and Agriculture

No significant changes can be expected in domestic grain production/utilization pattern, nor in quantities of imports. The new port facility may, however, provide excellent transshipment possibilities, especially for non-European grain exporters.

7. Market Prospects - Grains and Oilseeds

There are some possibilities for marketing Canadian special crops as Canada already exports small amounts of canaryseed and pulses to Malta.

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	7	7	80	45
Compound Feed Mills	15	15	100	70
Maltsters	-	-	-	-
Brewers	-	-	-	-
Oilseed Crushers	1	1	-	-

9. Storage and Throughput Capacity

Year: 1983

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Valletta	N/A	N/A

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

--thousands of tonnes--

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	4				4

2. Imports, Calendar Year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	1.4 (1.0)	U.K., Czechoslovakia

3. Additional Information

Annual per capital beer consumption: Slight increase.

Beer production capacity: Nil.

Domestic malting capacity: Nil.

Malt exports: Nil.

Market potential for Canadian malt: Nil.

III. OILSEEDS

1. Trade Policy

Import tariffs on oilseeds and products: Nil.

Import/export structure: Oilseeds (mainly peanuts for roasting) and meals are handled by private importers. Soybean oil is imported under government bulk buying policy.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1983

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soya	-	2.2	0.7	-	-
Sunflower	-	-	0.3	-	-
TOTAL	-	2.2	1.0	-	-

<u>Meal</u>	Production	Imports	Exports
Soya	-	51 tonnes	-
TOTAL	-	51 tonnes	-

MALTA

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	8 (8)		35 (35)	43 (43)
Durum wheat				
Flour/Semolina			1 (1)	1 (1)
TOTAL	8 (8)		36 (36)	44 (44)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>		<u>Industrial</u>	<u>Other</u> (seed, waste)	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>					
Wheat	43 (43)						43 (43)
Durum wheat							
Flour/Semolina	1 (1)						1 (1)
TOTAL	44 (44)						44 (44)

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IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

Wheat (including durum)

Cash Commercial Credit Aid, concessional credit, etc. 35 (35) 35 (35)

Flour (including semolina)

Cash/comm. credit Aid, concessional

TOTAL 35 (35) 35 (35)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July.1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			30 (30)	30 (30)
Barley	4 (4)		29 (29)	33 (33)
Sorghum				
Oats			1 (1)	1 (1)
Rye				
TOTAL	4 (4)	60 (60)		64 (64)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>		<u>Industrial</u>	<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>	<u>(seed, waste)</u>				
Corn		30 (30)					30 (30)
Barley		33 (33)					33 (33)
Sorghum							
Oats							
Rye							1 (1)
TOTAL		63 (63)					64 (64)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	
				<u>EEC</u>	
				<u>All Others</u>	
Corn				30 (30)	30 (30)
Barley				29 (29)	29 (29)
Sorghum					
Oats					
Rye					1 (1)
TOTAL				59 (59)	60 (60)

NORWAY

Economic classification: Industrial Market economy		
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$9,019	1982
Annual per capita GNP	US\$13,143	1984
Average annual growth	3.9%	1965-85
Annual inflation rate	8.7%	1975-85
Annual inflation rate (current)	5.5%	1985
Volume of imports	13.8 billion US\$	1984
Of which food	5.1%	1984
Of which fuels	10.3%	1984
Principal foreign exchange earning export: Crude petroleum		
Debt service as % of GNP	3%	1982
Debt service as % of exports	11%	1982
Population	4.1 million	1985
Annual population growth	0.31%	1975-85
Annual Consumption:		
Flour	300,100 tonnes or 72 kg/capita	1984
Meat	173,600 tonnes or 42 kg/capita	1983
Vegetable Oil	1,420 tonnes or 0.34 kg/capita	1984 est

Note: All NOK to US\$ conversions based on August rate 1US\$= NOK 8.2

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Total grain crop for 1985 is estimated at 1.4 million tonnes, which is 8% above normal but 1.1% lower than last year.

2. Foreign Exchange Situation

No problems are foreseen in the foreign exchange position.

3. Fertilizer Situation

Fertilizer supplies are adequate. In 1983, nitrogen was applied at a rate of 126 kg per hectare, phosphate 31 kg per hectare and potash at 78 kg per hectare.

4. Import Mechanism

Importation of grains is carried out by government agency (Statens Kornforretning).

5. Grain Industry Infrastructure

There have been no noteworthy changes in infrastructure in the past year.

6. Government Policies Affecting Grain and Agriculture

No current changes are reported in Government policies. Production plans show no changes.

Countertrade/barter is not part of the government's policy.

7. Market Prospects - Grains and Oilseeds

Considering Canada's substantial market share and that there is an import monopoly, we cannot see any marketing initiatives that might increase Canadian sales.

8. Processing Facilities

Year 1984

	Number of Companies	Number of Plants	thousands of tonnes Annual Capacity	Actual Output
Flour (and durum) mills	9	10		349
Compound Feed Mills*	19	25		1,206
Maltsters	2	2		7
Brewers**	11	16		2.0
Oilseed Crushers	2	2		

* In addition there are 182 local mills that sold 136,000 tonnes

** Capacity and output in million hectolitres.

9. Sotrage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

-- thousands of tonnes --

Name of Port	Grain Storage Capacity	Annual Throughput Capacity
Oslo	105.3	363.9
Moss	129.6	268.5
Larvik	93.15	121.2
Skien	30.4	41.3
Kristiansand	18.7	45.2
Stavanger	341.55	816.4
Bergen	38.2	107.2
Floro/Vaksdal/Vestnes	110.6	180.6
Trondheim	127.7	224.4
Steinkjer	31.5	64.3
Balsfjord (troms)	30.0	26.7
Total Capacity	1,056.7	2,259.5

II. MALT AND MALTING BARLEY

1. Domestic Production of barley 1984/85 estimates: 658,000 tonnes

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	25.5 (25.3)	Great Britain
Malting Barley	9.3 (9.3)	Australia

3. Additional Information

Annual per capita beer consumption: In 1975 it was 45.4 litres per capita and in 1984 it was 46.8 litres per capita.

Beer production capacity: Stable or slightly increasing.

Domestic malting capacity: Domestic malting capacity is declining rapidly as imported malt is cheaper.

Malt exports: None.

Market potential for Canadian malt: Depends upon quality and prices in relation to those of competitors.

III. OILSEEDS

1. Trade Policy

Import Tariffs: There are no tariffs on oilseeds or oilseed meal. The tariff on crude oil is US \$1.95/100 kg while on refined oil it is 15% of the value.

Import/export structure: The Norwegian Grain Corporation is the sole importer of oilseeds for feeding purposes.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Rapeseed	18.6				
Total	18.6				
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Rape and mustard oils			0.3		
Total			0.3		
<u>Meal</u>					
Rapeseed Meal			69.5		
Total			69.5		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	170 (97)	353 (321)	106 (301)	629 (719)
Durum wheat				
Flour/Semolina	284 (309)	64 (68)	16	364 (377)
TOTAL	454 (406)	417 (389)	122 (301)	993 (1,096)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	314 (321)	47 (37)		10 (7)	(1)	258 (353)	629 (719)
Durum wheat							
Flour Semolina	300 (313)					64 (64)	364 (377)
TOTAL	614 (634)	47 (37)		10 (7)	(1)	322 (417)	993 (1,096)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
WHEAT (including durum)						
Cash	54 (110)	(49)		31 (53)	21 (18)	106 (301)
FLOUR (including semolina)						
Cash/comm. credit						16
TOTAL	54 (110)	(49)		31 (53)	21 (18)	122 (301)

Principal "Others": Sweden

Norway

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>		<u>Carry-in, July 1</u>		<u>Imports</u>		<u>Total Supply</u>	
Corn			19	(17)	27	(76)	46	(93)
Barley	658	(569)	214	(246)	(2)	(2)	872	(817)
Sorghum			2	(25)			2	(25)
Oats	581	(401)	98	(177)			679	(578)
Rye	6	(3)	56	(53)	23	(35)	85	(91)
TOTAL	1,245	(973)	389	(518)	50	(113)	1,684	(1,604)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>		<u>Animal Feed</u>		<u>Industrial</u>		<u>Other (seed, waste)</u>		<u>Exports</u>		<u>Carry-out</u>		<u>Total</u>	
Corn			39	(74)							7	(19)	46	(93)
Barley	48	(47)	481	(474)			94	(82)			249	(214)	872	(817)
Sorghum			2	(23)								(2)	2	(25)
Oats	10	(10)	394	(376)			88	(94)			187	(98)	679	(578)
Rye	34	(33)					5	(2)			46	(56)	85	(91)
TOTAL	92	(90)	916	(947)			187	(178)			489	(389)	1,684	(1,604)

Of which poultry: 18%

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>EEC</u>		<u>Other</u>		<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>Other</u>	<u>All</u>	<u>Others</u>	<u>All</u>	<u>Others</u>
Corn		27	(76)						27	(76)
Barley						(2)				(2)
Sorghum										
Oats					1		22	(35)	23	(35)
Rye										
TOTAL		27	(76)		1	(2)	22	(35)	50	(113)

Principal "Others": Sweden

S W E D E N

Economic classification:	Industrial market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$8,000	1984
Annual per capita GNP	US\$7,700	1984
Average annual growth	2.0%	1965-85
Annual inflation rate	9.0%	1975-85
Annual inflation rate (current)	8.0% (estimate)	
Volume of imports	25.6 billion US\$	1984
Of which food	1.6%	1984
Of which fuels	5.0%	1984
Principal foreign exchange earning export:	Engineering Products	
Population	8.3 million	1984
Annual population growth	0%	1984
Annual Consumption:		
Flour	508,800 tonnes or 61.0 kg/capita	1984
Meat	462,400 tonnes or 55.7 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Crop	1984-85			1985-86*	
	Area Sown (000 ha)	Yield/Hectare tonnes	Production (000 tonnes)	Area Sown (000 ha)	Production (000 tonnes)
Winter Wheat	227	5.93	1,351	179	937
Spring Wheat	88	4.83	425	99	437
Winter rye	62	4.00	247	45	172
Spring rye	0	-	1	0	1
Barley	644	4.25	2,733	670	2,477
Oats	428	4.25	1,904	440	1,582
Mixed grains	63	3.79	238	56	159
Winter rape	38	3.15	121	53	147
Spring rape	64	2.11	134	53	98
Winter turnip rape	1	1.92	1	3	7
Spring Turnip rape	61	1.93	118	63	114
Mustard	1	1.70	1	1	2

* estimate

2. Fertilizer Situation

Consumption of commercial fertilizers 1983/84 (tonnes):

	<u>Simple Fertilizers</u>	<u>Compound Fertilizers</u>
Nitrogenous	149,000	111,000
Phosphoric	2,000	47,000
Potassium	2,000	91,000

3. Import Mechanism

Grain imports are handled by private companies. There are no quantitative restrictions against grain imports and import levies are used to level out world market price and domestic price. There have not been any changes in the import system during the last year.

4. Government Policies Affecting Grain and Agriculture

In June 1985 the Riksdag (Swedish Parliament) approved a government bill concerning a "new" Agricultural policy. One goal of this policy is to reduce the surplus production of agricultural products. The "new" agricultural policy is not likely to change the Swedish import requirements for grains.

There is no policy on countertrade/barter relating to imports of grains and oilseeds.

5. Market Prospects - Grains and Oilseeds

It might be worthwhile to note that the local daily press has recently quoted serious complaints from bakeries over the fact that the quality of local wheat has now deteriorated so much (because local growers tend to favour quantity and not quality) that its baking qualities do not meet the industry's requirements. There might therefore be an upcoming demand for more quality wheat imports before the quality of domestic wheat production is improved.

The likely increase in demand for imported high quality wheat is anticipated to be fairly short lived. Moreover the bulk of the marginal Swedish wheat imports are purchased via dealers in Hamburg and Rotterdam where the ordinary market factors govern the choice of foreign suppliers.

The Swedish market is variable for field peas and beans (light red kidney beans) depending on the outcome of the local crop. The growth rate for imports of other special crops from dollar-based countries is currently very small due to the high dollar exchange rate which favours imports from "low-price" countries such as Hungary and Bulgaria.

6. Processing Facilities

Year: 1983-84

- - thousand of tonnes - -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills*	12	21	750	714 grain eqv.
Compound Feed Mills**	57	77	N/A	2,329 feed
Maltsters	2	2	90	70
Brewers***	7	19	N/A	4.35
Oilseed Crushers	1	1	250	227 seed eqv.

* major companies

** registered feed producers

***capacity and output in million hectolitres (1984)

7. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984-85

- - thousand of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Helsingborg	165	
Norrköping	154	
Djuron	140	
Köping	110	
Västeraås	95	
Åhus	83	
Uddevalla	74	
Lidköping	60	
Ystad	58	
Kalmar	55	
Others	726	
Total Capacity	1,720	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley		2,433	27	273	2,733 (est.)
Suitable for malting		360		40	400 (est.)

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	3.5	(4.42)	DDR

3. Additional Information

Annual per capita beer consumption: Consumption of light beer is decreasing while that of strong beer is increasing.

Beer production capacity: Capacity for beer production increased in 1985 when one local private brewery opened up a new plant.

Domestic malting capacity: There has been no change in domestic malting capacity. The current malting capacity is about 90,000 tonnes of barley per annum.

Malt Exports: 1984 15,900 tonnes (Britain 8,400, Brazil 6,300, Norway 1,000)
1983 21,050 tonnes
1982 21,600 tonnes

Market potential: Canadian malt is almost non-existent.

III. OILSEEDS

1. Trade Policy:

Import Tariffs: There are no tariffs on import of oilseeds, crude oil or meal. The tariff on refined oil for technical use is 8% and for refined oil for other uses it is 15%.

Import/export structure: Imports are handled by private importers. All exports of oilseeds are administered by SOI a quasi governmental association.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984/85

<u>Oilseed</u>	Production	Imports	Exports
Rape)	375		94
Turnip rape)			
Mustard)			
<u>Oil</u>	Production	Imports	Exports
rapeseed & turnip	95	Crude Refined	Crude Refined
			50
<u>Meal</u>	Production	Imports	Exports
Rape & turnip	125		10

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	1,776 (1,722)	316 (302)	29 (28)	2,121 (2,052)
Durum wheat			16 (18)	16 (18)
Flour/Semolina				
TOTAL	1,776 (1,722)	316 (302)	45 (46)	2,137 (2,070)

*of which spring wheat 425 (274)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other** (seed, waste)	Exports***	Carry-out	Total
Wheat	484 (477)	170 (275)	25 (23)	258 (142)	846 (819)	338 (316)	2,121 (2,052)	16 (18)
Durum wheat	16 (18)							
Flour Semolina								
TOTAL	500 (495)	170 (275)	25 (23)	258 (142)	846 (819)	338 (316)	2,137 (2,070)	105

Industrial Use: Distillery Usage Export Destination: Poland, USSR, DDR, Iran

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina	EEC	All Others
WHEAT (including durum)						
Cash	21 (17)	23 (29)				1 (0)
FLOUR (including semolina)						
TOTAL	21 (17)	23 (29)			1 (1)	1 (0)
						45 (46)
						46 (47)

** inc. wheat kept on farms

*** incl. wheat in products

(B) COARSE GRAINS

Sweden

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	2,733 (2,026)	2 (2)	44 (50)	46 (52)
Barley	238 (155)	199 (234)	4 (83)	2,936 (2,343)
Mixed Grain	1,904 (1,268)	10 (17)	(7)	248 (172)
Oats	247 (237)	106 (235)		2,010 (1,510)
Rye		102 (84)		349 (321)
TOTAL	5,122 (3,686)	419 (572)	48 (140)	5,589 (4,398)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed*	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	6 (6)	38 (44)		- (-)	- (-)	2 (2)	46 (52)
Barley	60 (61)	2,058 (1,925)	137 (131)	137 (131)	375 (27)	306 (199)	2,936 (2,343)
Mixed grains	32 (32)	226 (148)	12 (14)	12 (14)	- (-)	10 (10)	248 (172)
Oats	120 (120)	1,232 (1,134)	97 (95)	97 (95)	543 (143)	106 (106)	2,010 (1,510)
Rye		40 (27)	24 (21)	24 (21)	53 (51)	112 (102)	349 (321)
TOTAL	218 (219)	3,594 (3,278)	270 (261)	270 (261)	971 (221)	536 (419)	5,589 (4,398)

* 20% for poultry

Export Destination: USSR, USA

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
Corn		13 (15)		44 (50)
Barley			29 (33)	4 (83)
Mixed Grains			(79)	
Oats				(7)
Rye				
TOTAL		13 (15)	29 (112)	48 (140)

Principal "Others" (specify countries): Finland, Hungary, DDR

S W I T Z E R L A N D

Economic classification: Industrial Market economy			
Oil exporter or importer (net): Importer			
Annual per capita income:	US\$12,585		1984
Annual per capita GNP	US\$14,773		1984
Average annual growth	2%		1965-85
Annual inflation rate	3%		1975-85
Annual inflation rate (current)	3%		
Volume of imports	29.4 billion US\$		1984
Of which food	9.0%		1984
Of which fuels	10.0%		1984
Principal foreign exchange earning export: Light manufacturing, banking, chemicals and drugs, machinery, services			
Debt service as % of GNP	1.6%		1982
Debt service as % of exports	6.2%		1982
Population	6.5 million		1984
Annual population growth	0.4%		1984
Annual Consumption:			
Flour (wheat)	390,977 tonnes or 60 kg/capita		1983
Meat	467,785 tonnes or 71 kg/capita		1984
Vegetable Oils	78,900 tonnes or 12 kg/Capita		1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Predictions are for another bumper harvest in 1985 which should at least equal the 580,000 tonnes achieved in 1984. This quantity will satisfy more than 84% of Swiss requirements for wheat. Much will of course depend on weather conditions during the harvesting period. However, projections are that the importation of Canadian/US durum wheat will be even more reduced in 1985 than in 1984.

2. Foreign Exchange Situation

The foreign exchange situation is stable. The Swiss franc continues to be strong in the international money markets and is fully convertible into other currencies. Priorities for imports of food and agricultural inputs will be determined by the level of demand, the capacity of local production to meet that demand and changes in import quotas aimed at supplementing shortfalls in local production. Fluctuations in the rate of exchange between the Canadian dollar and the Swiss Franc should not have any marked effect on Swiss purchase of Canadian grain as prices are quoted in US dollars. However, the value of the Swiss Franc, like other European currencies has fallen considerably against the US dollar in the last 18 months.

3. Fertilizer Situation

Fertilizer supplies and utilization continue to be adequate though Switzerland continues to be heavily dependent on imports. In 1983/84 Swiss agriculture consumed 72,100 tonnes of nitrogen (68.7 kg per ha), 50,000 tonnes of phosphoric acid (48.1 kg per ha) and 67,900 tonnes of potash (64.7 kg per ha). Swiss imports of fertilizer (all types) in 1984 were 517,804 tonnes valued at SF 156.8 million. This compares with imports of 472,409 tonnes valued at SF 138.4 million in 1983 and represents a 9.6 percent increase in imports. The major suppliers were West Germany, France and Italy.

4. Import Mechanism

Grain is usually purchased by private importers. From time to time the Swiss Cereals Administration replenishes its reserve stocks by purchasing wheat from local importers through a system of tendering. The president of the Association of Swiss Cereals Importers continues to be Mr. Max Baur who retired from Karr & Company, Zurich.

5. Grain Industry Infrastructure

Regular imports of bread wheat and durum wheat are normally handled through Rotterdam/Antwerp - Basle or occasionally through Marseilles - Geneva. No significant changes in infrastructure are anticipated.

6. Government Policies Affecting Grain and Agriculture

With respect to bread wheat production, the government tries to maintain a level of 80% of self-sufficiency. However the excellent results of the two most recent harvests raised self-sufficiency levels to 82 percent. Grain reserves are therefore at their maximum and storage capacity is being fully utilized. The Swiss administration is not anxious to see any major increase in the level of self-sufficiency of bread grain and serious thought is being given to providing incentives during the next 3-5 years for farmers to switch production increasingly to feed and coarse grain. The objective would be the attainment of 40% percent self-sufficiency in feed grains.

The impact of these policies in the medium term would be to cause a reduction in the demand for imported feed grains. There would be no major impact on the importation of Canadian durum wheat which would still be required for blending purposes. Countertrade/barter is not used for grain or oilseeds transactions and no formal policy exists.

7. Market Prospects - Grains and Oilseeds

Imports of bread wheat will range between 100-120 thousand tonnes per year, depending on the level of domestic production and the quality of the crop each year.

The market for Canadian grain is small and stable. Major and sudden increases in demand are not anticipated. However, a continuing effort must be made to maintain market share. In this respect prices which are in line with those of major competitors can help to ensure that Canada maintains her market share.

Market Prospects - Grain and Oilseeds Cont'd

The consumption of special crops is limited to very small quantities which means that marketing possibilities are very restricted.

8. Processing Facilities

	Year 1983/84			
	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		150 (17 durum)	1,030	565
Compound Feed Mills				
Maltsters				
Brewers*	34			4.2
Oilseed Crushers	4	4	165	122**

*Capacity and output in million hectolitres.

**est oil & oilcake

9. Grain Storage Capacity (1983/84) - 1.5 million tonnes. Ninety percent of imports go through Rheinschiffartsamt in Basle and 10 percent through a "Port France Geneve" in Geneva.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	234	78			312
Suitable for malting					

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	81	(82.3)	France, W. Germany
Malting barley	3.2	(2.6)	France

3. Additional Information

Annual per capita beer consumption: Annual per capita beer consumption is decreasing slightly (in 1982/83 it was 71 litres per capita while in 1983/84 it was 69.6 litres per capita.)

Beer production capacity: Beer production capacity is decreasing slightly. Beer production in 1983/84 was 4.07 million hl (as compared to 4.2 million hl in 1981/82 and 4.16 in 1982/83).

Domestic malting capacity: decreasing slightly

Malt exports: No malting barley is grown in Switzerland and no malt is exported.

Market potential: Market potential for Canadian malt is extremely limited. Most brewing malt is imported from EEC countries, F.R.G., France and prices (because of special subsidies) are much lower than those to be obtained from Canadian suppliers.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds	-	.10 Swiss Francs per 100 kilos gross weight
	Crude Oil	-	.10 Swiss Francs per 100 kilos gross weight
	Oilseed Meal	-	in containers of more than 5 kg SFR 4.50 per 100 kg gross weight
		-	in containers of less than 5 kg SFR 20.00 per 100 kg gross weight
	Refined Oil		SFR 30 (Coco, palm) per 100 kg gross weight SFR 12 (others) per 100 kg gross weight

Non-tariff import barriers: "Price supplements" (non-tariff barriers) are applied according to the end-use of the oilseed, ie. whether it is to be used to produce edible oil or animal feed. Oilseeds for animal feeds are subject to quota restrictions.

Import/export structure: All oilseeds must be imported by companies which are members of the "Société Coopérative Suisse des Céréales et Matières Fourragères."

Additional factors: The most important oilseed produced in Switzerland is rapeseed, and "supplements" (subsidies) are paid to farmers and oil processors. In 1984/85 the total value of these "supplements" was SFR 24.0 million. Guaranteed acreage under rapeseed production in 1985 is 15,000 hectares, and projected to be 16,000 ha in 1986.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Peanuts		23.2	
Rapeseed, flax, sesame	43.0*	8.8	1.9
Mustard		1.5	.0012
Others incl. soya Sunflower, poppy		90.67	.0052
TOTAL	43.0	124.17**	1.91**
<u>Oil</u>	Production	Imports	Exports
Coco, palm, babassu		4.85	
Olive		2.16	negligible
Edible oils, refined & unrefined	16.5*	40.85	10.7
Lin,soya,palm		.027	negligible
TOTAL	16.5	47.89**	10.7**
<u>Meal</u>	Production	Imports	Exports
All types incl.flour (ex. mustard)	24.9***	.005	negligible
Mustard flour		.0003	
Others, incl. oil cakes		32.3	
TOTAL	24.9	32.30	

* rapeseed

** above totals do not represent total imports/exports of oilseeds, oils or meals

*** rapeseed meal

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	580 (430)	454 (435)	134 (320)	1,168 (1,185)
Durum wheat		67 (67)	113 (90)	180 (157)
Flour/Semolina				
TOTAL	580 (430)	521 (502)	247 (410)	1,348 (1,342)

* of which spring wheat 60 (60)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption			Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Consumption	Animal Feed	Human					
Wheat	460 (420)	230 (220)	17 (17)	18 (18)	434 (470)	1,159 (1,145)		
Durum wheat	90 (100)				67 (67)	157 (167)		
Flour Semolina					32 (30)	32 (30)		
TOTAL	550 (520)	230 (220)	17 (17)	18 (18)	32 (30)	501 (537)	1,348 (1,342)	

Industrial use: Technical use; Export destination: Wheat flour for food aid to developing countries
Production of glue. Semolina to different destinations

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
Canada						

WHEAT (including durum)

Cash	34 (80)	113 (90)	2 (5)	82 (200)	16 (35)	247 (410)
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Principal "Others": Austria

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	126 (180)	60 (70)	244 (240)	430 (490)
Barley	312 (230)	250 (260)	204 (360)	766 (850)
Sorghum/other cereals	4 (5)	1 (15)	47 (20)	52 (40)
Oats	53 (70)	123 (100)	110 (130)	286 (300)
Rye	29 (30)	20 (20)	71 (30)	120 (80)
TOTAL	524 (515)	454 (465)	676 (780)	1,654 (1,760)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal Feed	Human Consumption					
Corn	353 (410)	17 (17)		5 (5)		55 (60)	430 (492)
Barley	515 (595)	1 (1)		10 (10)		240 (250)	766 (856)
Sorghum/other cereals	48 (35)	3 (3)		1 (1)		1 (1)	52 (40)
Oats	150 (150)	13 (13)		4 (4)		119 (123)	286 (290)
Rye	85 (40)	15 (20)		2 (2)		18 (20)	120 (82)
TOTAL	1,151 (1,230)	49 (54)		22 (22)		432 (454)	1,654 (1,760)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina	EEC		All Others
Corn		53 (55)		15 (20)	111 (15)	65 (150)	244 (240)
Barley	1		(2)		203 (343)	(15)	204 (360)
Sorghum/other cereals		31 (4)		10 (10)		6 (6)	47 (20)
Oats	11 (10)	(2)	(5)	21 (10)	7 (60)	71 (45)	110 (130)
Rye	1 (10)				1 (19)	69 (1)	71 (30)
TOTAL	13 (20)	84 (59)	(7)	46 (40)	322 (437)	211 (217)	676 (780)

Principal "Others": Yugoslavia, Hungary for corn
Finland, Sweden for oats
Austria, Poland for other cereals

TURKEY

Economic classification:	Lower Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$850 (est.)	1984
Annual per capita GNP	US\$855 (est.)	1984
Average annual growth	5%	1965-85
Annual inflation rate	45-60% (est.)	1975-85
Annual inflation rate	40% (est.)	1984
Volume of imports	10.756 billion US\$	1984
Of which food	3.8%	1984
Of which fuels	31.3%	1984
Principal foreign exchange earning export:	Agro-industry products, agricultural products, raw materials, metals, minerals	
Debt service as % of GNP	5.8%	1984
Debt service as % of exports	22.8%	1984
Population	48.26 million (est)	1984
Annual population growth	2%	1980-2000
Annual Consumption:		
Flour	2,800,000 tonnes or 58 kg/capita	year 1984*
Meat	200,000 tonnes or 4.1 kg/capita	year 1984*
Vegetable Oil	80,000 tonnes or 1.7 kg/capita	year 1984*

* Estimate

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Turkey's 1985 wheat crop is estimated at 16.5 million tonnes, down about 4 percent from 17.2 million tonnes in 1984. The decrease in wheat production was largely due to very dry conditions. Wheat accounts for about 21 percent of national income. Notwithstanding the decline in wheat, the improved performance of other crops should allow agriculture to grow overall by 2.6 percent in 1985.

Turkish Ministry of Agriculture officials have indicated an increase of 10-15% is expected this year in the production of coarse grains from an area of 4.75 million hectares compared to 4 million hectares in 1983/84. Due to climatic and insect infestation problems the production of oilseeds and rice is expected to remain at 1983/84 levels despite the use of imported seeds and an increase in seeded area. For rice the area is estimated to have expanded by 30-35% to 70,000 hectares in 1984/85 from 50,000 hectares in 1983/84 and for oilseeds, seeded area increased from 1 million hectares in 1983/84 to 1.08 million hectares in 1984/85.

2. Foreign Exchange Situation

Turkey's foreign trade deficit fell slightly from US\$2.99 billion in 1983 to US\$2.94 billion in 1984. 1984 exports totalled US\$7.13 billion while imports reached US\$10.75 billion. Turkey's gross international reserves totalled US\$3.9 billion by December 31, 1984. Although Turkey is self-sufficient in terms of foodstuff production, the government in 1984 liberalized the importation of all foodstuffs in an effort to curb speculative stocking. Foodstuffs in general do not have any priority as far as the allocation of foreign exchange is concerned. However, some agricultural products such as wheat, barley and rice have been imported by government agencies in quantities larger than in previous years in order to regulate local prices.

Turkey has, as in previous years, continued to be a regular recipient of international aid mostly in the form of short, medium and long term loans from organizations such as the IBRD, Export Credit Agencies, Foreign Private Banks (including Canadian Banks) and the Saudi Development Fund. Turkey's public and private external debts on December 31, 1984 totalled US\$19.9 billion.

3. Fertilizer Situation

The total foreign exchange spent on imported fertilizers has gone up to US\$127.6 million in 1984 from US \$119.5 million in 1983. The Government had to continually increase throughout 1984 the price of fertilizer as a result of the ongoing devaluation of the Turkish Lira (TL). These price increases reduced the total area fertilized, from 28% in 1983 to 25% in 1984. Turkey is a regular importer of fertilizers such as urea, ammonium sulphate, dap, ammonium nitrate, potassium sulphate, composite fertilizers, etc. from countries including West Germany, Rumania, Bulgaria, Hungary, Belgium, Switzerland and the U.S.A. The total quantity of fertilizer imported in 1984 is estimated to have exceeded 1.5 million tonnes. Local production remained stable at the level of the previous year i.e. 7-7.5 million tonnes.

4. Import Mechanism

A government agency The Soil Products Office (TMO) is authorized by law to import grains. In an effort to regulate the local prices, the government may be expected to import wheat in 1985. TMO may be instructed by the government to import barley. As stipulated by law TMO must call international tenders for imports of these grains. TMO can be contacted directly in Turkey or through TMO representative Office at Turkish Embassy in Washington, D.C. No important changes have occurred recently in the grain import procedures.

5. Grain Industry Infrastructure

In Turkey, the State Soil Products Office (TMO) buys grain from farmers at a predetermined support price which is set by the Council of Ministers. TMO then sells the grain to municipality administrations or other state-run organizations at subsidized prices. Wheat for bread making is supplied through this mechanism. The involvement of TMO in the internal wheat trade has a direct influence on the price of bread which is an important element in the Turkish diet. The farmers have the choice of selling grain to private merchants who usually offer more attractive prices than TMO, but give payment in

5. Grain Industry Infrastructure cont'd

installments. The 1985 grain crop support advance prices of TMO were as follows:

Grade 1 Durum wheat	73.00	(TL per kg)
Grade 2	68.00	
Grade 1 Bread wheat	62.00	
Grade 2	59.00	
Grade 3	55.00	

These support prices reflect an average increase of 40% compared to 1984 support prices. According to the Government announcement these prices are preliminary and further increases may be declared if necessary. No important changes have occurred in the country's imports, storage facilities and processing mills. The capacity of TMO storage facilities has remained at 1.5 million tonnes. Fifty to sixty large scale and 500-700 medium scale flour mills are operating. The Turkish Government and the IBRD have finalized their negotiations on the TMO Grain Storage Project. The IBRD has agreed to provide US\$60 million in credit to TMO for the implementation of the project. The project includes the construction of 4 concrete port silos, 17 steel silos, 13 horizontal storage units and 24 semi-mechanical silos which will have a total capacity of over 800,000 tonnes and are expected to be built in 6 years.

6. Government Policies Affecting Grain and Agriculture

The government's decision in early 1984 to free the importation of seed led to a 20 fold increase in foreign exchange spent for imported seed in 1984. In 1984 TL 18,000 million was spent on seed as compared to TL 600 million in 1983. Seed purchased included 22,000 tonnes of wheat, 1200 tonnes of sunflower seed, 2,600 tonnes of corn, 4,000 tonnes of soybeans and 800 tonnes of rice. The importation of seed is subject to the evaluation and approval of the Ministry of Agriculture, Forestry and Rural Affairs (MSFRA). The imported seeds are said to have increased Turkey's overall agricultural productivity by 10-15 percent in 1984-85. The government through MAFRA provided seed importers with low-interest long-term bank credits for use in payments for imported seeds.

Although grain imports are controlled by TMO, private firms can export any grain and all agri-products. The government levies a premium on exports of wheat, barley, corn and wheat flour to stabilize local prices. To encourage agricultural exports the premiums were reduced in July 1985 by the Money and Credit Board of the Undersecretariat of Treasury and Foreign Trade as follows:

<u>Commodity</u>	<u>Premium on Exports</u> (US \$/ton)	
	<u>Old</u>	<u>New (effective July 17, 1985)</u>
Wheat	25	10
Barley	25	10
Wheat flour	15	5
Corn	25	15

Some local governments (i.e. municipal administrations) have attempted in recent months to free the retail market prices of bread, which is currently determined by municipal authorities. The municipality of Istanbul (population of 7-7.5 million) put this decision into force on August 5, 1985. There is some hope that a free market will reduce consumer prices.

TMO is expecting an increase in its grain reserves this year as a result of increased support prices. TMO's local purchases of wheat have increased by 25 percent to 2.637 million tonnes in 1984-85.

Meat production and consumption are expected to maintain their 1984 levels. A 10-15% increase is seen in meat exports with the shortage in the local market to be met by imported meat from European countries.

Average agricultural price increases of between 10-20 percent are not keeping pace with an inflation rate of about 40 percent.

7. Market Prospects - Grains and Oilseeds

The Turkish Government has a ten year (1985-95) plan to increase agricultural productivity by 30-40%. Presently, the government is proceeding with the construction of many large scale agricultural facilities such as irrigation channels and dams which are expected to assist in achieving the government's production targets.

Turkey's commercial wheat strategy has been to import cheaper wheat on credit for its coastal areas and to export its central Anatolian wheat to the Middle East, primarily to Iraq and Iran in return for oil. In 1985, Turkey imported over 1 million tonnes of wheat.

There are no prospects for marketing Canadian special crops in Turkey. Turkey is self-sufficient in the production of these crops and is also a net exporter.

8. Processing Facilities

	Year 1984 (est)			
	Number of Companies	Number of Plants	thousands of tonnes Annual Capacity	Actual Output
Flour (and durum) Mills	400-500	500-700	10-11,000	4,500-7,500
Compound Feed Mills	22	30	40-50	25-30
Maltsters	3	5		
Brewers*	3	8	4	3.1
Oilseed Crushers	55-60	75-100	300-350	80-100

* Capacity and output in million hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Name of Port	Year 1984	
	Grain Storage Capacity	Annual Throughput Capacity
Istanbul	60	(2,500 MT/day) 900
Izmir	40	" 900
Mersin	100	" 900
Iskenderun	60	" 900
Samsun	20	(1,500 MT/day) 540
Trabzon	20	(1,000 MT/day) 360
Tekirdag	70	(500 MT/day) 180
Total Capacity	370	4,680

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85: 6.8 million tonnes
2. Imports: Nil
3. Additional Information

Annual per capita beer consumption: Annual per capita beer consumption decreased by about 10-15% in 1984. This has been attributed to the government's decision in 1984 to ban TV beer commercials.

Beer production capacity: Turkey's beer production capacity in 1984 remained at 4 million hectolitres per year.

Domestic malting capacity: There was no change in domestic malting capacity in 1984.

Malt exports: 1984 malt exports were estimated to have exceeded 10,000 tonnes, up from 7,900 tonnes the year before. The major buyers of Turkish malt are Iraq, Syria, Egypt and Tunisia.

Market potential: There is no market potential for Canadian malt/malting barley. Turkish production of malt is meeting local demand and excess capacity is left over for export sales.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Nil
Crude oil: All crude oilseed oils except peanut and rapeseed oils are exempted from custom duty, but a surtax of US\$1.0/ton is imposed. For peanut oil the custom duty is 10%, surtax US\$1.0/ton, while for rapeseed oil, custom duty is 40%, the surtax US\$1.0/ton.
Oilseed meal: Custom duty - Nil, Surtax - US\$10/ton.
Refined Oil: Same as crude oil.

Non-tariff import barriers/export assistance measures: In 1985, the Turkish Government reduced the surtax imposed on imported oilseed oils by US\$19/ton in an effort to curb speculative stocking and to regulate local prices. The government is in favour of lifting almost all non-tariff/tariff barriers to create competition in local markets by imported oils. The export tax rebate program is still in force.

OILSEEDS cont'd

Import/export structure: The importation of all oilseeds was freed in 1984 by a Government decree. However, the approval of the Ministry of Agriculture should be obtained by importers in order to be able to import any seed. Both government agencies and private firms are allowed to import oilseeds. Foreign firms can also cooperate with local farms for oilseed development/research programs.

Additional factors: The Turkish Government has in 1984 decided in principal to support efforts by local and foreign firms related to the implementation of seed research/development projects. If foreign firms experienced in this field approach Turkish firms with a financial offer, it would be favourably considered by the Ministry of Agriculture.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984 (est)

<u>Oilseed</u>	Production	Imports	Exports
Cottonseed	920		
Sunflower	710	1.2	
Sesame	45	0.8	
Soya Bean	53	4.0	
TOTAL	1,728	6.0	4.0

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Cottonseed	40				
Soya Bean	13		134.4		
TOTAL	53		134.4		

<u>Meal</u>	Production	Imports	Exports
(Statistical data on meal type breakdown N/A)			
TOTAL		1.2	21.55

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	11,475 (11,700)	350 (300)	1,000 (est) (837)	12,825 (12,837)
Durum wheat	2,025 (1,900)	250 (200)		2,275 (2,100)
Flour/Semolina	1,900 (1,800)	150 (250)		2,050 (2,050)
TOTAL	15,400 (15,400)	750 (750)	1,000 (est) (837)	17,150 (16,987)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)*	Exports	Carry-out	Total
Wheat	11,140 (11,000)	700 (582)	145 (200)	650 (205)	292 (520)	125 (350)	13,052 (12,857)
Durum wheat	1,875 (1,735)					(250)	1,857 (1,985)
Flour Semolina	1,870 (1,750)	5 (5)	15 (20)		253 (220)	80 (150)	2,223 (2,145)
TOTAL	14,885 (14,485)	705 (587)	160 (220)	650 (205)	545 (740)	205 (750)	17,150 (16,987)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
WHEAT (including durum)				
Cash				587
Commercial Credit				250
TOTAL				837 (1,000)

Wheat imports: Argentina wheat: 82.00 kg/h/t, Protein: 14.4%, Humidity: 12.9%. Info on USA and EEC origin wheat N/A. (grade, type, protein)

* This total was under-reported in last years report.

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,950 (1,350)	100 (100)	(30)	2,050 (1,480)
Barley	6,800 (6,200)	250 (250)	225	7,275 (6,450)
Sorghum	18 (10)			18 (10)
Oats	320 (320)	20 (10)		340 (330)
Rye	360 (380)	20 (10)		380 (390)
TOTAL	9,448 (8,260)	390 (370)	225 (30)	10,063 (8,660)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Consumption	Animal Feed					
Corn					28 (15)	(100)	2,050 (1,480)
Barley					316 (596)	(250)	7,275 (6,450)
Sorghum							18 (10)
Oats					30 (50)	(20)	340 (330)
Rye						(20)	380 (390)
TOTAL					374 (661)	(390)	10,063 (8,660)

TRADE 1984/85 est. - thousands of tonnes - previous year in brackets (July/83 - June/84)

	ORIGIN			EEC	All Others	TOTAL IMPORTS
	Canada	U.S.A.	Australia			
Corn						
Barley	133	55	(30)	37		(30)
Sorghum						225
Oats						
TOTAL	133	55	(30)	37		225 (30)

PART III
EASTERN EUROPE

UNION OF SOVIET SOCIALIST REPUBLICS



C Z E C H O S L O V A K I A

Economic classification:	Non-Market Industrial economy	
Oil exporter or importer (net):	Importer	
Annual per capita GNP:	US\$4,795	1983
Volume of imports	15.8 billion US\$	1983
Of which food	6.0%	1983
Of which fuels	30.2%	1983
Principal foreign exchange earning export:	Machinery and transport equipment	
Population	15.4 million	1983
Annual population growth	0.23%	1981-83
Annual Consumption:		
Flour	80.6 kg/capita	1983
Meat	83.7 kg/capita	1983
Vegetable Oil	10.1 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Severe pre-harvest rains which delayed harvesting of already ripened grain will likely make it very difficult for Czechoslovak agriculture to emulate last year's successful grain production performance of 12 million tonnes. According to an August 5th report only 14.7% of the wheat harvest had been cut. The rains have also increased the moisture content of the grain, likely necessitating further post-harvest treatment resulting in additional volume losses. It is therefore anticipated that total production for 1985 will be slightly lower than 11 million tonnes. Rapeseed (of the French variety with low erucic acid/ glucosinolate properties - but not canola) will probably obtain self-sufficiency levels due to a doubling of planted acreage in recent years.

2. Foreign Exchange Situation

Czechoslovakia has a low debt load by East European standards but has been affected by the liquidity crisis in east-west trade. They are determined to run a balance of payments surplus which has resulted in across the board cuts in hard currency allocations for imports of agricultural products such as rice, durum and subtropical fruits and vegetables. Purchasers have also been increasingly instructed to request supplier credit in agricultural purchases from western countries on terms of at least 180 days.

3. Fertilizer Situation

Fertilizer utilization in 1984 was 1.749 million tonnes or 259.4 kilograms per hectare. 1984 domestic fertilizer production: nitrogen - 576,000 tonnes; phosphates - 344,000 tonnes. Nitrogen, phosphate and potash are regularly imported mainly from Council for Mutual Economic Assistance (CMEA) countries, the socialist common market.

1983 imports: phosphates - 281,000 tonnes (USSR - 170,000, Morocco - 59,000
Jordan - 30,000, Tunisia - 18,000)

potash - 580,000 tonnes (GDR - 449,000, USSR - 131,000)

nitrogen - 133,000 tonnes from USSR

4. Import Mechanism

The sole grain and oilseeds importer is KOOSPOL Foreign Trade Company Limited, Leninova 178, 160 67 Prague 6, Telex: 121 121, Phone: 336-1111.

KOOSPOL also maintains a buyer in New York, Omnitrade Industrial Co. Limited, Ing. Seda, 135 Dupont Street, Plainview, New York 11803, Telex: 968085.

5. Grain Industry Infrastructure

It is a long-term objective to expand storage capacities. New facilities are to be constructed during the next five year plan, but in the interim current disproportions between increased grain output and existing storage capacities will continue.

6. Government Policies Affecting Grain and Agriculture

Czechoslovakia's officially declared objective of self-sufficiency in grain production was reached in 1984 when a record harvest of 12 million tonnes was realized. For the next five years, an average grain output of 11.1 million tonnes is anticipated. The Government has also decided to reduce animal feed consumption, thereby decreasing the import of grain for feeding purposes by 50%. This policy has already begun to alter the beef/pork make-up of the national livestock herd in favour of beef cattle. There is also a targeted objective of creating higher grain reserves. This central reserve should amount to 1 million tonnes. In addition, Czechoslovakia has decided to create reserve storage capacities for a variety of food products including quality flour wheat, malt barley, sugar, starch and vegetable oils. All these measures will require the construction of new storage facilities.

Czechoslovakia usually purchases only limited quantities of durum wheat (5,000 tonnes) which are expected to remain at the same level. The import of traditional oilseeds from Canada (ie. 30-40,000 tonnes of flax) should not change in the near future. KOOSPOL FTC was interested in sourcing flaxseed from Argentina but that country is not able to supply at purchase periods stipulated by KOOSPOL.

No specific countertrade/barter arrangements are required by KOOSPOL, but a general government policy favouring balanced bilateral trade relations is taken into account when purchasing.

7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections. It is anticipated that grain imports should decrease while the offshore purchase of oilseeds will remain dependent on local harvest results.

Currently feeding trials of Canadian canola meal are being carried out in Czechoslovakia. This should influence future purchasing intentions, provided that commercial follow-up to the anticipated successful tests is adequately done. Canadian quotations should be more frequent, with greater attention being paid to financing considerations (supplier credit).

With regards to special crops only lentils seem to be of interest - depending on competitiveness of Canadian suppliers. Market potential is about 2,000-3,000 tonnes per year. Canadian suppliers are regularly quoting lentils but have not yet been successful. Supplier financing is expected.

8. Processing Facilities

Year 1984 (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			1,305	(1,296)
Compound Feed Mills				
Maltsters				(552)
Brewers*		92	23.77	(24.96)
Oilseed Crushers			160	(161.3)

* Capacity and output in million hectolitres

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley		3,681			3,681
Suitable for malting		800 (est)			800

2. Imports, Calendar year 1984 estimated: Nil.

3. Additional Information

Annual per capita beer consumption: Annual per capita beer consumption has again decreased slightly following price increases introduced in October 1984 (1982 - 146.3 L/capita; 1983 - 148.8; 1984 - 141.0). It is expected that lower priced 10% alcohol beer will be more widely favoured over the 12% variety as a result. This trend is already reflected in figures for the first six months of 1985, when beer consumption showed a 10% decrease in litres consumed and an 18% reduction in money spent for beer compared with the same period in 1984.

Beer production capacity: Beer production capacity is expected to remain stable, despite a 4.8% reduction in output in 1984 to 23.77 million hl.

Domestic malting capacity: Domestic malting capacity will be increasing as newly built malting houses are brought on stream.

Malt exports: In 1983, 191,000 tonnes of malt were exported to traditional customers as follows ('000 tonnes): USSR (45), Cuba (35), Japan (30), West Germany (22), Venezuela (16), Switzerland (9), Belgium (6), Philippines (5), Angola (1).

Market potential for Canadian malt: As Czechoslovakia is a traditional exporter, there are no opportunities for Canadian malt in this market.

III. OILSEEDS

1. Trade Policy:

Import tariffs on oilseeds and products: None.

Additional factors: Financing (supplier's credit - minimum 6 months) is required by Czechoslovakia for the purchase of oilseeds. KOOSPOL has very good experience with European brokers who are more flexible in arranging financing.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984 (1983)

<u>Oilseed</u>	Production	Imports		Exports	
Rapeseed	296				
Sunflower	44		(19)		
Soya		10	(31)		
Flax		29			
TOTAL	353	55			

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
TOTAL	(76.3)		(51)		

<u>Meal</u>	Production	Imports	Exports
TOTAL		(701)	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat				
Durum wheat				
Flour/Semolina				
TOTAL	6,170 (5,820)	1,500 (1,500)	(219)	7,670 (7,539)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>		<u>Industrial</u>	<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>		<u>(seed, waste)</u>			
Wheat							
Durum wheat							
Flour Semolina							
TOTAL	1,800			500			7,670 (7,539)

IMPORT TRADE 1983/84 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>			
Wheat (including durum)						

Cash						
Commercial credit						
Aid, concessional		(5)		(25)	(108)	(219)
credit, etc.						
Flour (including semolina)						

Cash/comm.credit
Aid, concessional

TOTAL

Principal "Others": Hungary

GERMAN DEMOCRATIC REPUBLIC

Economic classification: Centrally Planned economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$3,930	1984
Annual per capita GNP	US\$4,747	1984
Average annual growth	5.5%	1965-85
Annual inflation rate	1.0%	1975-85
Annual inflation rate (current)	4-5%	1985
Volume of imports	US\$21.5 billion	1984
Of which food	17.8%	1984
Of which fuels	29.7%	1984
Principal foreign exchange earning export: US\$23.8 billion (47.8% tools, machinery)		
Debt service as % of GNP	29.0%	1985
Debt service as % of exports	76.0%	1985
Population	16.7 million	1984
Annual population growth	0.07%	1984
Annual Consumption:		
Flour	1,363,000 tonnes or 97.5 kg/capita	1984
Meat	1,538,000 tonnes or 92.1 kg/capita	1984
Vegetable Oil	239,400 tonnes or 1.8 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The GDR has stated that the 1985 crop will be smaller than the bumper year of 1984. The estimate is currently 11.5 million tonnes of grain with wheat and rye expected at 3.4 million tonnes each. However, the fields do not look very verdant this year and during one visit to a PG or state farm in northern GDR the officials were vague as to total crop production. The weather to the end of July has not been very co-operative either.

2. Foreign Exchange Situation

The country reached a hard-currency surplus last year (about \$1 billion) and there is no apparent reason why the situation cannot be repeated in 1985. The GDR's current debt is \$8.7 billion and cash reserves are estimated over \$4.2 billion. Purchases of food and cattle feed are mostly financed by short-term borrowing. The GDR has been a heavy borrower on international markets in 1984-85 and most of the funds are being used to retire short term (high cost) debt.

3. Fertilizer Situation

The average fertilizer consumption rate is 290 kg per hectare which is high for Council for Mutual Economic Assistance (CMEA) or socialist common market. However, the same rate for 1970 reached 319 kg per hectare. In 1983 the following applications per hectare were noted: N-111 kg; P₂O₅-53.3 kg; K₂O-67.9; CaO-222.4 kg. It has to be noted that Chemia-Linz (Austria) has signed a cooperation agreement with Intrac (GDR) providing for development and

3. Fertilizer Situation (cont'd)

sharing of technology in production of certain fertilizers. While the GDR must import large quantities of phosphate raw material largely from the USSR, it exports potash to a number of CMEA and other countries including the U.K. and India. In some areas of the GDR where soil samples have been taken, it is said that there is evidence of 10% over fertilization.

4. Import Mechanism

Grain imports are handled through a state foreign trade organization NAHRUNG. Given the centralized nature of the GDR government and economy, there are no changes anticipated in NAHRUNG's primacy in the import field.

5. Grain Industry Infrastructure

Generally agriculture was the fastest growing sector, last year with crop production up around 17%. This will lead to a need to develop the existing infrastructure but no changes have been yet noted.

6. Government Policies Affecting Grain and Agriculture

The GDR espouses a policy of achieving self-sufficiency in agriculture by 1990. In 1984 the agricultural farm price was implemented that raised the prices for farm outputs. The goal of the price reform was to stimulate production and make state farm managers more cost conscious. The Government has also introduced a new tax levy on land that varies according to quality and productivity. To reduce reliance on imported fodders the GDR plans to expand the agricultural area under grain production and increase crop yields.

In an attempt to introduce industrial policies into the agricultural sector, the Government is now returning to closer integration of livestock and plant production units. It is hoped by managing closer production co-operation the need for grain imports will diminish and the hard currency thus saved will go instead to the industrial sector.

In the medium term, and depending on the success of GDR agricultural development, the market for Canadian products could diminish.

The GDR rarely gives business without a quid pro quo. While straight barter is not usually used in grain imports, other concessions may be granted. It has been suggested by GDR officials that grain imports should be used as a lever for fishing rights on Canadian coasts rather than mandatory fish purchases.

7. Market Prospects - Grains and Oilseeds

Despite GDR optimism regarding self-sufficiency in grain, we foresee a 1-2 million tonne grain import requirement per year.

We do not see a large opportunity for "special crops", in view of limited GDR interest.

8. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1983

- - - -Thousands of tonnes- - - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Rostock	2,828	17,729
Wismar		4,516
Stralsund		881
Total Capacity		23,127

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	2,600	1,300			3,900

2. Additional Information:

Annual per capita beer consumption: Increasing slowly, reached 147.8 litres per capita in 1984. The increase in 1984 over 1983 was 0.7% and from 1981 to 1984 the increase was 5.0%.

Malt exports: The GDR exports small amounts of malting barley to the Federal Republic of Germany. In 1984 this amounted to 125,000 tonnes.

Market potential for Canadian malt: The market potential is very limited. The GDR is a traditional beer and malt exporter. GDR exported about 600 hectolitres of beer in 1984.

III. OILSEEDS

1. Trade Policy:

Import tariffs: None

Import/export structure: Foreign trade is a government monopoly. All grain and oilseeds exports/imports are handled by FT NAHRUNG.

Additional factors: The GDR imports 63,000 tonnes of oilseeds and 83,000 tonnes of vegetable oil. The domestic production of oilseeds is about 140,000 tonnes.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1983

<u>Oilseed</u>	Production	Imports	Exports
Winter oilseeds	122.4		
Summer oilseeds	14.3		
Mustard	6.1		
Poppy seeds	6.94		
TOTAL	149.73		

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
TOTAL	239.4		82.9		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	3,815 (3,550)		2,700 (1,543)	6,515 (5,093)
Durum wheat			23 (20)	23 (20)
Flour/Semolina				
TOTAL	3,815 (3,550)		2,723 (1,563)	6,538 (5,113)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>			<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal Feed</u>	<u>Industrial</u>			
Wheat	1,500	4,400	638			6,538
Durum wheat						
Flour/Semolina						
TOTAL						6,538 (5,113)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>
Wheat (including durum)						
Cash						
Commercial Credit		1,000				800
Aid, concessional credit, etc.						2,700

Flour (including semolina)
Cash/comm. credit
Aid, Concessional

TOTAL

Principal "Others": Austria

2,700

HUNGARY

Economic classification: Non-Market Middle-Income		
Oil exporter or importer (net): Importer*		
Annual per capita GNP	US\$2,500-3,000	1984
Average annual growth	4.5%	1965-85
Annual inflation rate	7.3%	1983
Annual inflation rate (current)	8.3%	1984
Volume of imports	7.8 billion US\$	1984
Of which food	7.3%	1984
Of which fuels	2.6%	1984
Principal foreign exchange earning export:		
Semi-finished products, transport equipment		
Population	10.7 million	1984
Annual population growth	0	1984
Annual Consumption:		
Flour	106 kg/capita	1984
Meat	75.2 kg/capita	1984

* 8.8 million tonnes of oil imported in 1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Government production targets set for 1984 were fully met with the 1984 crop reaching 15.73 million tonnes of which wheat was 7.39 million tonnes, barley (winter) - 1.22 million tonnes, corn - 6.69 million tonnes and other crops (spring barley, rye and oats) making up the balance. National average yields for 1984 were as follows (tonnes per hectare): wheat - 5.41, barley - 4.49 and corn - 5.88

The government's 1985 crop production target was 15 million tonnes. Cereal production (wheat, barley, oats) totalled 8 million tonnes and the 1985 corn crop is estimated at 7-7.2 million tonnes.

A recently initiated Intensive Grain Production Project, financed by the World Bank, is expected to increase total crop production to about 16-17 million tonnes in future years.

2. Foreign Exchange Situation

Agricultural exports hold an important position with respect to total exports. The most important agricultural export items are livestock products, fruits, vegetables and grains. Based upon inter-governmental agreements with COMECON countries, Hungary exports generally about 10% of total crop production mainly to the Soviet Union, Czechoslovakia and GDR. In 1984 a total of 1.26 million tonnes of wheat was exported to the Soviet Union, Poland, GDR, Romania and Syria.

3. Fertilizer Situation

Nitrogen fertilizers are produced locally. Potassium and phosphoric fertilizers are imported. A modest increase in fertilizer use of 5-8% is planned in accordance with the Intensive Grain Production Project.

4. Import Mechanism

The Import mechanism is similar in principle to that found in other CMEA states, with a state-run foreign trade organization (FTO) serving as the exporting/importing body. In Hungary the relevant FTO is AGRIMPEX (mailing address: H-1392 Budapest, P.O. Box 278, telephone: 113-800 or 329-100, telex: 22-5751). Mr. Karoly Samu is the general manager of AGRIMPEX.

5. Grain Industry Infrastructure

Under the Ministry of Agriculture and Food, the Grain Trust (Gabonatroszt) is the state enterprise responsible for the procurement, storage and marketing of grains destined for domestic consumption and export markets. The Trust is also the sole importer of protein feed material, acting through Agrimpex.

The past year has seen the unfolding of the World Bank (WB)-supported Grain Storage and Mechanization Project, which is designed to increase grain surpluses available for export by reducing post-harvest losses through improved storage and by increasing yields through improved mechanization. The project, with the World Bank's share of convertible currency financing amounting to \$US 130.4 million, is the first one in the agricultural sector since Hungary joined the WB in July, 1982. The loan is being used to procure metal silos, pneumatic grain handling units and various types of tractors, harvesting and tillage equipment. Further stages of the project will be carried out in 1986.

6. Government Policies Affecting Grain and Agriculture

In Hungary the previous 5 year-plan terminated at the end of 1985 and the new plan is expected to provide more freedom to the agriculture sector. Increased grain production will have to be achieved by better utilization of genetic materials, by increasing the storage capacities (World Bank program), by introducing high protein varieties and by further mechanization of plant production (World Bank program). Grain exports will have a more important role in hard currency earnings. Livestock production is considered to be at a satisfactory level.

Durum wheat may be required for test purposes, but commercial sales are very unlikely. Feed barley may be imported by Agrimpex.

Officially contertrade/barter is not supported by the Government, but different FTOs are using these trade tools.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available. Feed grain imports are only expected on a spot market basis.

Joint venture projects are officially supported by the Government. Of the 40 joint venture operations in the agricultural sector, none are with Canada.

Canadian exporters of special crops will find it difficult to break into this market due to established contacts between most European suppliers and Agrimpex.

Canola meal exports have not developed due to Canadian exporter indifference in the market.

8. Processing Facilities

Year: 1984

			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	1	148	2,000	2,000
Compound Feed Mills		300	n/a	n/a
Maltsters		2	63	63
Brewers*				7.8 (est)
Oilseed Crushers	1	6	2	2

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Hungary is a landlocked country.

II. MALT AND MALTING BARLEY

1. Imports: 330 tonnes of hops were imported from Czechoslovakia in 1984.

2. Additional Information

Annual per capita beer consumption: Consumption of beer appears stable. In general, Hungarians prefer wine over beer. Beer consumption is as follows (litres per capita): 1981-89, 1982-90, 1983-89, 1984-90.

Beer production capacity: Increasing, several West European (Austria, Germany) licences have recently been sold to Hungarian breweries and co-operatives.

Domestic malting capacity: no change

Malt exports: none

Market potential: Malt and malting barley is imported from CMEA countries for non-convertible currencies. There is no market potential for Canadian product.

III. OILSEEDS

1. Trade Policy

Import tariffs: oilseeds: 0-3%
 crude oil: 8%
 oilseed meal: (soyabean meal) 10%
 refined oil: 35%

Non-tariff import barriers/export assistance measures: none

Import/export structure: Oilseed are centrally traded by AGRIMPEX

Additional Factors: Hungary buys soya meal from the U.S.A. and Brazil on an ongoing basis. In a recent visit to Hungary Mr. John Block, USA Secretary of Agriculture confirmed CCC credit guarantees totalling US\$ 22 million for US agricultural products of which soybean meal will account for 61% and 9% will be for soybean products for human consumption.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Sunflower	590				82
Rapeseed	106				
linseed	10				
<u>Oil</u>	<u>Production</u>	<u>Imports of Oils</u>		<u>Exports of Oils</u>	
		Crude	Refined	Crude	Refined
Soybean		1			
Coconut		3			
linseed		2			
sunflower	210				162
<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybean					
Fish		625			
			71		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984 - thousands of tonnes - previous year in brackets

	Production	Carry-in, Jan 1	Imports*	Total Supply
Wheat	7,392 (5,985)	2,896 (2,925)	1 (1)	10,289 (8,911)
Durum wheat				
Flour/Semolina				
TOTAL	7,392 (5,985)	2,896 (2,925)	1 (1)	10,289 (8,911)

DISPOSITION 1984 - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	1,674 (1,672)	3,170 (2,600)	0 (92)	751 (544)	1,271 (1,107)	3,423 (2,896)	10,289 (8,911)
Durum wheat							
Flour Semolina							
TOTAL	1,674 (1,672)	3,170 (2,600)	0 (92)	751 (544)	1,271 (1,107)	3,423 (2,896)	10,289 (8,911)

* Country of origin not available

Export Destination: Soviet Union
Poland
East Germany (GDR)

(B) COARSE GRAINS

SUPPLY 1984 - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, January</u>	<u>Imports*</u>	<u>Total Supply</u>
Corn	6,686 (6,426)	4,716 (5,743)	8 (10)	11,410 (12,179)
Barley	1,220 (1,013)	384 (326)	1 (1)	1,605 (1,340)
Sorghum				
Oats	156 (124)	76 (71)	2 (0)	234 (195)
Rye	193 (138)	71 (64)	2 (13)	266 (215)
TOTAL	8,255 (7,701)	5,247 (6,204)	13 (24)	13,515 (13,929)

DISPOSITION 1984 - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>		<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Dec.31/83 Carry-out</u>	<u>Total</u>
Corn	(1)	6,031 (6,702)	317 (329)	204 (167)	198 (264)	4,660 (4,716)	11,410 (12,179)	
Barley	(4)	864 (740)	162 (130)	80 (58)	2 (24)	497 (384)	1,605 (1,340)	
Sorghum								
Oats	39 (37)	116 (106)	3 (2)	10 (10)	9 (1)	96 (76)	234 (195)	
Rye		105 (86)	39 (1)	23 (20)	1	98 (71)	266 (215)	
TOTAL	39 (42)	7,116 (7,634)	521 (462)	317 (255)	210 (289)	5,352 (5,247)	13,515 (13,929)	

* Country of origin not available

Export Destination: Czechoslovakia, Poland, GDR, Switzerland

P O L A N D

Economic classification: Centrally Planned economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1095	1984
Annual per capita GNP	US\$1071	1984
Average annual growth	4.0%	1965-85
Annual inflation rate	7.5%	1975-85
Annual inflation rate (current)	15.6%	
Volume of imports	7.9 billion US\$	1984
Of which food	5.5%	1984
Of which fuels	18.3%	1984
Principal foreign exchange earning export: coal		
Debt service as % of GNP	7.3%	1984
Debt service as % of exports	33.3%	1984
Population	37.1 million	1984
Annual population growth	0.9%	1984
Annual Consumption:		
Flour	4,518,797 tonnes or 128 kg/capita	1984
Meat	1,952,000 tonnes or 52.9 kg/capita	1984
Vegetable Oil	274,540 tonnes or 7.4 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1985 crop is expected to be at the same level or slightly better than the 1984 harvest. Total grain production is estimated at 25 million tonnes in 1985 as compared to 24.39 million tonnes in 1984. The area under cultivation is about 14.5 million hectares of which over 50 percent is seeded to four cereal crops - wheat, rye, oats and barley. The wheat and barley seeded area has decreased by 7 percent. Sources predict a wheat crop of about 6 million tonnes, nearly the same as 1984. Rapeseed seeded area was about 470,000 hectares with production estimated at 1 million tonnes.

2. Foreign Exchange Situation

Poland continues to face a difficult economic situation especially with regards to foreign exchange availability. Though foreign trade payments for 1984 closed with a surplus balance, growing debt services requirements exceed Poland's payment capabilities making it necessary to negotiate restructuring of principal and interest due for payment. Negotiations on the refinancing of Poland's debt to commercial banks resulted in the signing of an agreement in 1982 and guaranteed credits in July 1985 in Paris. Actually Poland is seeking new credit lines simply to service debt due in 1985.

2. Foreign Exchange Situation (cont'd)

While agricultural products are not given priority per se in the allocation of hard currency, it is clear that it is available for certain purchases of key commodities. It is somewhat akin to a tap being turned down rather than off completely, but sales are sparse. There is also a trend to barter (e.g. rye for wheat) of which enterprising traders could take advantage.

3. Fertilizer Situation

Fertilizer production, after a rapid drop in 1980 to 5.8 million tonnes, slowly increased and reached 6.3 million tonnes in 1984. The average fertilizer use per hectare in 1984 was 182.5 kg. Utilization per hectare of various fertilizers is as follows:

	<u>1984</u>	<u>1984 over 1983 (% change)</u>
Nitrogen	70.4 kg	6%
Phosphate	48.0 kg	8.8%
Potash	64.1 kg	8.3%
Quicklime	154.3 kg	7.6%

Supplies are skewed to state farms even though only 25% of farm land is under state control. Private farmers still face a short supply.

4. Import Mechanism

Grain imports in Poland continue to be managed by the state owned Foreign Trade Organization ROLIMPEX. Rolimpex officials are well known to the Canadian Wheat Board. Given the difficulty of sufficient hard currency, Rolimpex often buys from the lowest price source, even if the quality of the purchase is sacrificed. The agency does not call for tenders when making a purchase - it prefers a continual checking of the market and close contact with its potential vendors.

5. Grain Industry Infrastructure

Poland's infrastructure would be considered inadequate by Western standards. Storage (as well as drying and cleaning facilities) continue to be a problem with the result that most grain is moved to its destination as quickly as possible. The main grain importing port - Gdynia - has one 10,000 tonne through-put elevator. All grain moves from port position in 27-tonne capacity rail cars.

The milling industry has low capital investment for storage but it seems adequate. Wheat is distributed to numerous bakeries where it is stored and milled locally before baking.

6. Government Policies Affecting Grain and Agriculture

According to the Ministry of Agriculture, 47% of machinery and equipment in the food sector is obsolete. Since 1983 the government's goal has been to allocate one third of total investment to agriculture but the actual allocation was only 18.4% and 17.6% for 1983 and 1984 respectively.

6. Government Policies Affecting Grain and Agriculture (cont'd)

The Polish program of achieving self-sufficiency in the agricultural sector continues with higher acreage seeded to wheat while reducing the rye area. This will have a medium term benefit of reducing some grain imports but until overall quantities available increase, it is difficult to imagine that meat rationing will be lifted or that per capita consumption will increase.

The passage of Public Law 268 (15.XI.84) introduced a new land taxation policy which is meant to encompass all crops. The new tax is based on a conversion factor of quintal measurement. The tax on standard crops is designed so that the marginal rate of taxation declines as the per hectare income increases. Should the yield per hectare increase the proportion of tax on income will decline. Hence it is in the farmer's interest to be more productive.

While Poland may always require some Durum, its move to improve wheat and barley production may limit Canadian potential in the future.

The Poles are more than happy to pursue countertrade as an option. In 1984, the Poles traded rye for wheat with the USSR. In early 1985 New Zealand bartered lamb for Polish machine goods. Protein meal from India and Brazil have been imported through countertrade. Poland also bartered 80,000 tonnes of rye against 10,000 tonnes of West German pork.

7. Market Prospects - Grains and Oilseeds

Polish grain imports depend directly on the success of the annual harvest. In 1984 Poland imported 2,047,000 tonnes of wheat, 78,000 tonnes of barley, 45,000 tonnes of soyabean and 437,000 tonnes of corn. It is estimated that the figures for 1985 will be comparable to 1984. Grain imports may increase from 1986-90 if the harvests, as expected become less bountiful.

There is very little opportunity for Canadian special crops in view of Polish exports and limited interest of domestic market.

8. Processing Facilities

	Year: 1984			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>thousands of tonnes Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	1	1,514	14,000	6,116
Compound Feed Mills	5			
Maltsters	1	16	200	167.8
Brewers*	1	97	12	9.66
Oilseed Crushers	1	31	n/a	

* Capacity and output in million hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984
- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Szczecin	n/a	
Gdynia		
Gdansk		
Kolobrzeg		
Total Capacity	n/a	2,887

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85) estimate: 3,555,000 tonnes

2. Additional Information

Annual per capita beer consumption is decreasing. Litres per capita as follows: 1978 - 31.6, 1980 - 30.4, 1983 - 27.5, 1984 - 26.6.

Beer production capacity: more or less stable

Domestic malting capacity: depends on the beer production capacity and is currently stable.

Poland is a malt exporter. The main buyers are Japan, Brazil, Holland.

Market potential for Canadian malt: Taking into consideration the above there is very limited potential.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: soya - no duty; rapeseed - 20%, mustard seed - 3%, poppy seed - 15%

Crude Oil: No duty

Oilseed meal: 3%

Refined oil: Rapeseed oil - 20%; soya oil - 5%; mustard oil - 20%; other oils - 5%

Non-tariff import barriers: Apart from non-availability of foreign exchange, and heavy government subsidization to producers, there are no non-tariff barriers.

Import/export structure: Foreign trade is a government monopoly and is conducted by a group of specialized foreign trade organizations.

2. Supply of oilseeds and products by type, thousands of tonnes:

year: 1984

<u>Oilseed</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	911		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	6,010 (5,165)		2,047 (2,368)	8,057 (7,533)
Durum wheat			52	
Flour/Semolina	11,692 (10,485)		1,539 (1,780)	13,231 (12,265)
Total	17,702 (15,650)		3,638 (4,148)	21,340 (19,798)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	(Total Domestic Utilization) Total
Wheat							
Durum wheat							
Flour Semolina							
TOTAL	5,825 (5,444)	12,768 (11,878)	363 (297)	2,351 (2,179)		21,340 (19,798)	

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others*	TOTAL IMPORTS
Canada						

WHEAT (including durum)
Cash 52

TOTAL

3,638 (4,148)

* all others: USSR (800), Austria (410), Greece, Hungary, France

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn				
Barley	3,555 (3,262)		437 (521)	437 (521)
Sorghum			79 (354)	3,634 (3,616)
Oats	2,604 (2,377)			2,604 (2,377)
Rye	9,540 (8,780)			9,540 (8,780)
TOTAL	15,699 (14,419)		516 (875)	16,215 (15,294)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
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Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL	4,078 (3,848)	10,029 (9,458)	324 (306)	1,784 (1,682)			16,215 (15,294)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>Total Imports</u>		
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>	<u>All Others</u>
Corn							
Barley							
Sorghum							
Oats							
Rye							
Total							437 (521)

79 France (354)

553

Principal "Others" (specify countries): Rumania - corn (100) Hungary - corn (50)

ROMANIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,950	1984
Annual per capita GNP	US\$2,700	1984
Average annual growth	8%	1965-85
Annual inflation rate	7%	1975-85
Annual inflation rate (current)	4%	
Volume of imports	7.4 billion US\$	1984
Of which food	3% est	1984
Of which fuels	30%	1984
Principal foreign exchange earning export:	Refined oil products and chemicals	
Debt service as % of GNP	2.4%	1984
Debt service as % of exports	17.6%	1984
Population	22.6 million	1984
Annual population growth	0.8%	1984
Annual Consumption:		
Flour	2,700,000 tonnes or 119 kg/capita	1984
Meat	1,091,000 tonnes or 48 kg/capita	1984
Vegetable Oil	339,000 tonnes or 15 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

1985 harvest in Romania was very disappointing. Cereal grains are not expected to exceed 15-16 million tonnes as compared to 23 million tonnes in 1984. 1983, 1984 and 1985 crop forecast are as follows:

<u>Crop</u>	<u>1983 Production</u>	<u>1984 Production*</u> (million tonnes)	<u>1985 Production (forecast)</u>
wheat and rye	5.25	7.0	5.5
barley	2.2	3.0	2.5

* record

2. Foreign Exchange Situation

Romania's 1984 trade balance registered a surplus of US\$3.1 billion. This improved balance of trade was achieved by strict orders to cut imports. The restrictive import policy continued in effect into 1985.

3. Fertilizer Situation

The 1984 targets were 35.5 million tonnes of organic fertilizers, 1.83 million tonnes of nitrogenous, phosphate and potash fertilizers and 55.7 thousand tonnes of pesticides. Measured against these objectives, results were disappointing - 1.288 million tonnes of fertilizers and 44.5 thousand tonnes of pesticides.

4. Import Mechanism

In Romania, importation is a state monopoly. The Romanian government establishes the basic guidelines and the annual economic plan, specifying in detail the development objectives. The economic sector ministries distribute to the various foreign trade organizations (FTO) the import/export targets required by the annual plan in conformity with the production requirements and goals of these ministries. For grains, the import organization is FTO AGROEXPORT. AGROEXPORT deals regularly through international grain companies. Contact directly Mrs. Florica Gursca, General Manager, AGROEXPORT, 2, St Ion Ghica, Bucharest, Telephone: 13/71/72, telex: 11141 11142.

5. Grain Industry Infrastructure

In recent months, there have not been any noteworthy changes in Romania's import, handling, storage and processing facilities. Grain unloading facilities can handle ship cargoes up to a maximum of 45,000 tonnes.

6. Government Policies Affecting Grain and Agriculture

At the beginning of this summer the Government took a major step towards intervention in the agricultural sector. The Government decided to harden its policy with regard to the imposed delivery obligations (fixed prices to the centralized state-fund). The published legislation does not hold out many positive incentives for the agricultural units and constrains their flexibility in reacting to local market trends. Canadian grain exports will not be immediately affected by the above mentioned legislation. Countertrade has become a fixture on the Romanian trading scene. Even when hard currency is available to cover an import, FTOs will press for countertrade in order to exceed plan goals and to create a reserve against possible emergencies and non-planned import needs.

7. Market Prospects - Grains and Oilseeds

Romania considers itself self-sufficient in food, hence no projections are made regarding imports. Any imports that are required usually result from adverse climatic conditions. Due to poor 1985 crop Romania is expected to import feed grains, as much as 500,000 tonnes. Romania is looking at importing corn, barley and feed wheat.

The ability to arrange partial or total countertrade business would be useful in increasing Canadian sales.

Canadian "special crops" will not likely find an export market in Romania.

8. Processing Facilities

	Year: 1984		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*			6,500	6,200
Compound Feed Mills			N/A	
Maltsters			N/A	
Brewers**			12	10
Oilseed Crushers			2,500	2,200

* estimate

** Capacity and output in million hectolitres

*** information not available

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Constanta grain terminal	120	3,500

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85): 3.108 million tonnes
2. Imports: Official figures are not available for malt imports but United Nations sources list them at 3,000 tonnes in 1983. Malting barley has been imported from Czechoslovakia in recent years but no figures are available.
3. Additional Information

Annual per capita beer consumption: increasing, in 1984 it was about 44 litres per capita

Beer production capacity: increasing, but no detailed statistics are available

Malting capacity: increasing, but statistical data are not available

Malt exports: none

Market potential: There appears to be a market for Canadian malt and malting barley.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: No tariff
Crude Oil: 10% ad valorem
Oilseed Meal: 10% ad valorem
Refined Oil: 25% ad valorem

Non-tariff barriers: The state monopoly on foreign trade.

Import/export structure: Imports are controlled by the state-owned foreign trade organizations. The main foreign trade organization engaged in oilseeds imports is AGROEXPORT.

Additional Factors: Romania is trying to increase its domestic production of oilseeds over the next few years.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Sunflower & Rapeseed	908				100
Soybeans	407	200 (est)			
TOTAL	1,315	200 (est)			100
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Mixed oil (Sunflower + soybean)	380				
Others	30		5		
TOTAL	410		5		
<u>Meal</u>	Production	Imports		Exports	
Soybean	N/A	N/A			
Sunflower	N/A	-			N/A

IV. STATISTICAL NOTES(A) WHEAT AND DURUMSUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat + rye	6,879 (5,250)		nil (98)	6,879 (5,348)
Durum wheat				
Flour/Semolina				
TOTAL	6,879 (5,250)		nil (98)	6,879 (5,348)

(B) COARSE GRAINSSUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	12,941 (12,000)			12,941 (12,000)
Barley	3,108 (2,200)			3,108 (2,200)
Sorghum				
Oats				
TOTAL	16,049 (14,200)			16,049 (14,200)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	(800)	(9,000)					(12,000)
Barley		(2,200)	(2,200)				(2,200)
Sorghum							
Oats							
TOTAL	(800)	(11,200)	(2,200)				(14,200)

UNION OF SOVIET SOCIALIST REPUBLICS

Economic classification:	Non-Market Industrial economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$2,674	1982
Annual per capita GNP	US\$6,350	1982
Average annual growth 1960-80	3.8%	
Volume of imports	77.75 billion US\$	1982
Of which food	23.7%	1982
Principal foreign exchange earning export:	Crude oil and products, Natural gas	
Debt service as % of GNP	1.0%	1983
Debt service as % of exports	11.0%	1983
Population	274 million	1982
Annual Consumption:		
Bread products	136 kg/capita	1983
Meat	57 kg/capita	1982
Vegetable Oil	9.3 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Performance of Soviet Agriculture has improved over past years, especially in regard to crop production. USDA estimates place total 1985 grain harvest at 190 million tonnes. This 20 million tonne increase over 1984 constitutes a 12% improvement or approximately 6% better than 1980-84 average of 179 million tonnes. Grain production is still 50 million tonnes short of the government's planned target (official production/consumption statistics are not published).

Among the many difficulties hindering progress in agriculture are the drift of younger workers to urban centres (abandoning an aging farm workforce); inadequate provision of industrial inputs such as agricultural machinery (including spare parts), fuel/lubricants, fertilizers, and plant protection chemicals; inefficiency and unresponsiveness of central planners; a decaying distribution system and obsolete/deteriorating railway rolling stock (which result in spoilage and losses in transit). In an effort to remedy the situation, the new Gorbachev leadership announced in November 1985 a streamlining of 6 agriculture and food sector related ministries into an integrated superbureaucracy known as SOYUZAGROPROM. Greater coordination is sought by making each input and output sector branch more dependent on the success of others. The reorganization is designed to meet 1982 food program objectives reiterated in the new Five Year Plan announced in November 1985 in advance of the February 1986 Party Congress.

2. Foreign Exchange Situation

According to the Acurciopx Pkunbogna Institute of Comparative Economic Studies - Soviet net hard currency debt fell to only US\$4 billion by the end of 1984, from a peak of US\$12 billion in 1981. Soviets have had little difficulty raising loans from Western Banks (over US\$1 billion borrowed by USSR in the form of Western Bank syndicated credits in 1984 and US\$400 million in 1985 for the purchase of grain). No official statistics on total external debt are available from Soviet authorities but Western estimates range from US\$19-20 billion, to a maximum of US\$28.7 billion. The latter has undoubtedly been since reduced.

In the period ending June 1984, BIS estimates showed USSR gross assets of US\$11.12 billion and gross liabilities of US\$15.78 billion. In 1983 Soviet net debt position of US\$5.44 billion rated debt service ratio to non-socialist export earnings of 4 and ratio of net hard currency debt total to non-socialist export earnings of 27. New Gorbachev leadership plans to spend less on grain imports, freeing up reserves for manufacturing machinery re-equipment. USSR can always exercise option of exporting more gold or draw on existing assets held in Western Banks. Record shows however these options have been avoided by conservative planners.

3. Fertilizer Situation

Production and delivery of most agricultural chemicals increased in 1984 with production of mineral fertilizers up 3% to 30.8 million tonnes. But this increase failed to meet plan and therefore Soviet mineral fertilizer exports fell 3% in 1983. Soviets reported less fertilizer was applied, both organic and chemical, to fields in 1984 compared to 1983. Most of the drop in exports was due to the decline of potassium fertilizer exports by 8%. Super-phosphate sales dropped 3%, while nitrogen fertilizer sales were up nearly 4 percent, and phosphorus exports were unchanged. Most exports were to socialist partners but USA purchases of nitrogen quadrupled to 406,104 tonnes (US\$45.6 million) while potash imports were up 50 percent to 96,699 tonnes (US\$6.1 million). Imports of phosphorus fertilizers declined by 20 percent totalling 112,849 tonnes. Morocco supplied 741,386 tonnes super-phosphates and USA sold 741,386 tonnes super-phosphoric acid worth US\$219 million. Application of organic fertilizers to all crops now averages 4.2 tonnes per hectare. In 1985 target fertilizer use was 5.6 tonnes per hectare.

4. Government Policies Affecting Grain and Agriculture

Under the new Gorbachev leadership poor agricultural sector performance has been more openly criticized leading up to the removal of Minister Mesyats in late November 1985 in an extensive reorganization of the agriculture and food bureaucracies. Distinct ministries such as agriculture, land reclamation, meat/dairy and rural construction have been integrated under the umbrella organization. The newly established 50 member Gosagroprom Coordinating Committee is headed by Murakhovsky, an associate of Gorbachev. This position is at Council of Ministers level. New Ministry of Bakery Products headed by former procurement minister has taken over baking responsibilities from the large Ministry of Food Industry. This structural change is having an impact on agricultural policy. The Foreign Trade Ministry under new Minister Aristov may

be the future target of structural reform in conjunction with stronger pressures being applied for bilateral balancing of trade. Any future grains long-term Agreement (LTA) with Argentina, Australia, and other suppliers will reflect Soviet pressure for greater imports of Soviet goods. The Gorbachev administration is thus moving quickly to control the rapid depletion of hard currency reserves at a time when oil/gas exports and prices are lower than planned.

5. Market Prospects - Grains and Oilseeds

USSR plans to produce an annual average of 250-255 million tonnes of grain and 7.2-7.5 million tonnes sunflowers in five year plan period 1986-1990. USSR has Long Term Agreements (LTA) guaranteeing imports of at least 20-22 million tonnes in 1985. Imports will probably continue to be no less than 30 million tonnes and latest production trends indicate the USSR will remain the worlds largest grain buyer for the foreseeable future. USA LTA up to 1988 calls for imports of 9-12 million tonnes annually, with minimum of 4 million tonnes each of wheat and corn or soybeans/meal in ratio of one-half tonne beans/meal to 1 tonne grain. Argentina LTA for annual minimum of 4 million tonnes of coarse grains expired December 1985 with commercial difficulties delaying renewal. France LTA of minimum 1.5-3.0 million tonnes has unknown duration. Large purchases of Australian wheat is likely to continue given high quality carry over stocks but LTA not yet possible. Brazil LTA, ending in 1987 guarantees .5 million tonnes corn (but Brazil has been unable to supply since 1983) while Hungary LTA of unknown duration, pledges minimum of .4 million tonnes of grain. In 1985 USSR signed a cereal trade agreement with Turkey for Soviet purchases of 100,000 tonnes of grain (probably coarse grain) in 1986 and 1.5 million tonnes by 1990. Purchases this year of 500,000 tonnes of manioc from Thailand and purchases of Chinese corn, cotton, and soybeans, combined with Turkish LTA and sourcing of wheat from non-traditional suppliers such as UK, India, Austria, Sweden, and FRG point to a Soviet desire to diversify sources of imported feeds. Soviets continue to favour CMEA partners where possible, especially Hungary.

High level Soviet grains storage and handling delegation will visit Canada in 1986. Greater efforts could be made to ensure attendance of at least one Soviet buyer on CIGI grains course. Soviet technical interest in Canadian special crops is high but commercial interest at this time is low. Future potential however does exist for special crops.

II. MALT AND MALTING BARLEY

While no accurate information on production, consumption and trade is available tsm. the new Gorbachev team has introduced tough new laws and regulations against alcohol. Vodka production is being reduced 20 percent per year over next five year plan a period. General assumption is that a crackdown on hard liquor will be offset by a gradual increase in beer production and resultant increase in per capita consumption but no official pronouncements are forthcoming. Forced change of taste from Vodka to beer may necessitate greater supplies of imported malt, although many Soviets turning to soft drinks, fruit juices and mineral water.

III. OILSEEDS

1. USSR is a significant buyer of oilseeds on the world market. Soybeans are the most important oilseed import, about 1 million tonnes annually. LTAs with Argentina and Brazil commit the USSR to purchase approximately 1 million tonnes per year, but Soviets failed to meet these minimums in 1984. Soviets also began buying soybeans from China in 1984, renewing a relationship dating from pre-revolution days. USA soybean imports have varied considerably with the Chinese sales replacing USA beans in 1985. Import levels depend on the adequacy of Soviet feed protein resources and livestock productivity which are dependent upon weather and domestic forage production. Soviet ability to handle soybeans and use them effectively is also a factor. Current Soviet policy stresses a minimization of oilseed imports in deference to domestic protein sources. Fairly consistent soybean purchases of 1 million tonnes per year indicates that Soviet feed compounders/stockmen have convinced policy makers that imports should not be terminated. Soviet agricultural experts understand the value of soybeans but central planners have so far obstructed any expanded usage. Soybean meal purchases may resume as feed milling industry has improved its ability to handle larger quantities. With vegetable oil production declining, Soviets may also buy increased quantities of palm, sunflower, linseed, and soy oils.

1984 oilseed yields declined due to drought with only rapeseed showing a small increase. Total yields have stagnated over the previous two five year plans. Average yield for sunflowerseed in 1981-84 period was the same as 1976-80 yields but 10% below the 1966-75 average. Rapeseed area has expanded extremely quickly (1981-84 rapeseed area was nearly seven times larger than 1976-80 period) but yields have suffered. Current five year plan yields averaged 42% less than 1976-80 yields. Once harvested, oilseed quality shows unacceptably high variability in terms of moisture, weed seed and erucic acid (between 2.62 and 4.22 percent) due to inadequate storage and transportation. Introduction of new crushing capacity continues with a 10% increase in extraction since the beginning of the five year plan (1981-84) while older style press technology has declined 11 percent. Extraction processing now accounts for nearly 90 percent of Soviet crushing capacity. Almost all Soviet oilseed is processed for cooking oil manufacture, margarine and high protein meal for livestock i.e. poultry (80%) and OGS (20%). Given protein deficit in feed rations of 5-6 million tonnes (pure protein), below normal per capita consumption of vegetable oils, and Soviet efforts to produce synthetic protein as import replacement-oilseed sector is worth careful monitoring for commercial opportunities, i.e. canola marketing.

Current Alberta Agriculture canola production project, a joint venture in RSFSR/Kazakhstan, could provide an example for organizations such as the Canadian feed industry association or Canadian feed companies to pursue feeding trials since Soviet mixed feed industry is a weak spot, worthy of commercial attention. Also, high level Soviet interest in Canadian seed and canola, demonstrated during Ministers' Mayer and Wise visits, could be capitalized upon. At least two seed testing protocol agreements with private firms are now in force.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984 (1985 estimates)

<u>Oilseed</u>	Production		Imports	Exports
Sunflower	4,500	(5,300)		
Soybean	425	(510)		
Mustardseed	65	(90)		
Castor bean	50	(65)		
Rapeseed	55	(95)		
Cottonseed	4,680	(5,120)		
Flaxseed	175	(230)		
TOTAL	9,950	(11,410)		

<u>Oil</u>	Production		Imports	Exports
Sunflower	1,475	(1,640)	200	(200)
Cottonseed	600	(665)		
Soybean	200	(250)	120	(200)
Rapeseed	200	(300)		
Linseed	100	(100)		
Palm			250	(250)
TOTAL	2,575	(2,955)	570	(650)

IV. STATISTICAL NOTES Data represents calendar year 1984 with 1983 in brackets(A) WHEAT AND DURUMSUPPLY - millions of tonnes

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	73 (79)		26 (20.5)	99 (99.5)
Durum wheat Flour/Semolina				
TOTAL	73 (79)		26 (20.5)	99 (99.5)

DISPOSITION - millions of tonnes

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	37 (36)	37 (38)	1 (1)	23 (24)	1 (.5)		99 (99.5)
Durum wheat Flour Semolina							
TOTAL	37 (36)	37 (38)	1 (1)	23 (24)	1 (.5)		99 (99.5)

Export Destination: Cuba, Poland, Vietnam

(B) COARSE GRAINS

<u>Total Production</u>	<u>Imports</u>	<u>Total Supply</u>
312 (298)	25	337

Disposition of corn: human consumption 7 (7), animal feed 80 (78), industrial 3 (3), other 2.1 (2.2)

YUGOSLAVIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$2,798	1983
Annual per capita GNP	US\$2,570	1983
Average annual growth	6%	1960-80
	0.2%	1980-85
Annual inflation rate	27.5%	1975-85
Annual inflation rate (current)	75%	
Volume of imports	12 billion US\$	1984
Of which food	3.3%	1984
Of which fuels	31%	1984
Principal foreign exchange		
earning export:	Electrical machinery and appliances	
Debt service as % of exports	42%	1984
Population	22.963 million	1984
Annual population growth	0.7%	1980-2000
Annual Consumption:		
Flour	3.3 M tonnes or 144 kg/capita	1984
Meat	1.156 M tonnes or 51 kg/capita	1983
Vegetable Oil	320,000 tonnes or 14 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1985 wheat crop is expected to be down to 4.9 million tonnes from an area of 1.346 million hectares compared to 5.6 million tonnes harvested from 1.458 million hectares in 1984. The acreage seeded to corn (2.406 million hectares) is larger than in previous years, when it used to be below 2.3 million hectares. However, a prolonged drought in mid 1985 reduced the 1985 corn crop to 10.2 million tonnes as compared to 10.7 million tonnes in 1984.

The barley crop is expected to be around 0.7 million tonnes from an acreage slightly below 300,000 hectares. The acreage seeded to rice is approximately the same level as last year (8,900 hectares).

Regarding oilseeds, the acreage seeded to sunflower has been steadily diminishing since 1979 and has dropped from 257,000 hectares in 1979 to 82,000 in 1984. This was due to the fungus disease "phomopsis". In 1985, sunflower acreage increased to 112,000 hectares as new sunflower varieties/strains have been developed. The acreage seeded to soybeans is estimated to be 100,000 hectares, down from 114,000 hectares in 1984, and production has also decreased in the range of 220,000 tonnes (228,000 tonnes in 1984). The production of rapeseed is expected to be slightly over 120,000 tonnes from an acreage of 66,000 hectares which is up 10% compared to 1984.

2. Foreign Exchange Situation

Yugoslavia has been experiencing serious financial difficulties for the last few years and in endeavours to improve its balance of trade, imports of a large number of commodities have been either cut or severely curtailed. But for imports of food and agricultural inputs, money will be available although payments linked with countertrade will be viewed favourably. Yugoslavia is not a recipient of international aid.

3. Fertilizer Situation

In 1984 Yugoslav requirements in chemical fertilizers were 3.3 million tonnes consisting of 945,000 tonnes of K_2O , 295,000 tonnes of urea, 2.045 million tonnes of NPK (complex) and 14,000 tonnes of super phosphates. Domestic production reached 3.14 million tonnes, the remaining 160,000 tonnes were to be imported. However, only 40,000 tonnes of fertilizers were imported in 1984.

4. Import Mechanism

The imports of grain are done either through the Federal Directorate for Commodity Reserves or through its counterparts in the Republics. If necessary, on the basis of an assessment of the overall grain situation, the Directorate releases a tender to major Yugoslav grain importers who in turn solicit offers from abroad.

5. Grain Industry Infrastructure

Due to the current poor overall economic situation, Yugoslavia does not envisage large capital projects in the grain industry for the moment. The state sector accounts for approximately 40% of total wheat production while the private sector (small farms) produces 60% of total production. About 65% of total production is bought and processed by the social enterprises - milling and bakery sector, and the Federal Directorate for Commodity Reserves.

6. Government Policies Affecting Grain and Agriculture

Since January 1985, a new price control system has been in effect in Yugoslavia. Under this law, prices of wheat, flour, bread, vegetable oil and sugar are controlled by the state. Price-support systems for major commodities are established and adjusted regularly under which state companies buy grain from farmers at previously set prices. Those prices have not always been high enough to induce farmers to make deliveries to state companies.

In 1984 there were several aberrations in the Yugoslav market due to the high inflation in the country. It is contrary to Yugoslav law to feed wheat to animals. However, in 1984 because corn prices (a crop which farmers use as a hedge against inflation) were higher than wheat prices, grain was fed to cattle and livestock producers increased slaughter rates due to the high cost and shortage of feed grain. For 1985, however, to date the situation has been normalized.

6. Government Policies Affecting Grain and Agriculture (cont'd)

In order to provide sufficient wheat for the industrial production of bread, it was planned to purchase 3.2 million tonnes of wheat at a price of 39 dinars (40¢ Cdn at current exchange rate), plus 2 dinars premium per kg. The program is currently being implemented and it is anticipated that there will be sufficient quantities from domestic supplies to meet the Yugoslav bread requirements. Therefore, no major imports of wheat are anticipated this year.

Countertrade/barter deals for imports of grain and oilseed are favoured. We are not aware of actual countertrade deals with respect to the purchase of wheat but for oilseeds and crude oil some countertrade arrangements are an integral part of the deal. Yugoslavs have also taken crude oil as payment for their services. The import of 50,000 tonnes of palm oil from Malaysia over the next few years was part of the compensation arrangement for building a road in Malaysia (value: US\$29.8 million).

7. Market Prospects - Grains and Oilseeds

Yugoslavia expects to be self-sufficient in wheat by 1990, and to produce corn in the range of 15 million tonnes which would allow for exports of 2-3 million tonnes per annum.

Yugoslavia periodically imports about 5,000 tonnes of beans a year through tenders released by the Federal Directorate for Commodity Reserves. So far, no Canadian firm has won any tender.

8. Processing Facilities

Year 1984

	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	100	186	3,300	2,400
Compound Feed Mills	100	189	4,000	3,600
Maltsters	10	14	300	250
Brewers*		29		10.925
Oilseed Crushers	10	22	1,200	550

* Capacity and output in million hectolitres
Note - all figures are estimates

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Zadar, Rijeka, Bar, Koper, Split, Sibenik, Kardeljevo, Dubrovnik	Not available	Not available

Social enterprises, trade organizations and FDCR (Federal Directorate for Commodity Reserves) have storage facilities but will not provide information on capacity.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	150	100	400	19	748
Suitable for malting	150	100	100	0	350

2. Imports: not available

3. Additional Information

Annual per capita beer consumption: The production of beer increased up until 1982, when it reached 13.469 million hectolitres. Since 1982 it has been decreasing (12.398 million hectolitres in 1983 and 10.925 million hectolitres in 1984). Consumption is in the range of 9.5 million hectolitres annually but consumption continued to decrease in 1984.

Beer production capacity: There have been no changes in beer production capacity (29 breweries).

Domestic malting capacity: There are no changes in malting capacity. It is estimated by the Business Association of Yugoslav Breweries that barley requirements for beer production are about 250,000 tonnes.

Malt exports: None

Market potential: Shortage of foreign currency is a restricting factor and there are no imports of malting barley envisaged this year.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds:	Soybeans	- 6% + 11%	import taxes	= 17%
	Rapeseed	- 5% + 11%	" "	= 16%
	Sunflower	- 10% + 11%	" "	= 21%
Crude Oil:		10% + 11%	" "	= 21%
Oilseed Meal:	Soybean	- 3% + 11%	" "	= 14%
	Rapeseed	- 5% + 11%	" "	= 16%
	Sunflower	- 5% + 11%	" "	= 16%
Refined oil:	Soybean	- 12% + 11%	" "	= 23%
	Rapeseed	- 10% + 11%	" "	= 21%
	Sunflower	- 12% + 11%	" "	= 23%

Depending on the domestic economic situation, the Yugoslav government has waived periodically various elements of the tariffs. For example: In December 1983, Government of Yugoslavia announced a 50% reduction in normal custom duty for imports of soybeans (from 6 to 3%), soybean and sunflower oil (from 10 to 5%), and soybean meal (from 3 to 1.5%) and sugar (from 17 to 8.5%). Later in the summer of 1984, the normal custom duty for rapeseed oil imports during 1984 was abolished. In addition, the special import levies consisted of a 6% equalization tax and a 1% custom evidence tax were abolished for the same commodities. These measures were intended to make the imported commodities cheaper for the local end-users, as the continuing dinar devaluation last year increased local prices paid on the market for domestically produced commodities. For 1985, Government of Yugoslavia has already abolished a 6% equalization tax for imports of soybeans, sunflower seed, rapeseed, soybean oil, rapeseed oil, fish meal, meat meal and oilseed meal, with the intention of helping the local vegetable oil and mixed feed industry to reduce their production costs.

Non-tariff import barriers/export assistance measures: None

Import/export structure: Oilseeds and unrefined edible oil are imported through tenders released by the Federal Directorate for Commodity Reserves to Yugoslav importers who in turn solicit offers from abroad. Soya meal is imported through an Association of Yugoslav Meat Producers known as STOF0. Oil processors, if they earn foreign currency, can import oilseeds and crude oil on their own account.

Additional factors: Offers for sale linked with countertrade arrangements have priority.

2. Supply of oilseeds and products by type, thousands of tonnes:

year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Sunflower	154	-	-
Soybean	228	324	-
Rapeseed	123	-	-
TOTAL	505	324	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Sunflower	71	20	-	-	-
Soybean	51	70	-	-	-
Rapeseed	46	20	-	-	-
TOTAL	168	110	-	-	-

<u>Meal</u>	Production	Imports	Exports
Sunflower	42	-	-
Soybean	400	141	-
Rapeseed	48	-	-
TOTAL	490	141	-

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	5,595 (5,524)	187 (210)	(233)	5,782 (5,967)
Durum wheat				
Flour/Semolina				
TOTAL	5,595 (5,524)	187 (210)	(233)	5,782 (5,967)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption			Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal Feed	Industrial				
Wheat	4,150 (4,100)	800 (850)		450 (470)	200 (360)	182 (187)	5,782 (5,967)
Durum wheat							
Flour/Semolina							
TOTAL	4,150 (4,100)	800 (850)		450 (470)	200 (360)	182 (187)	5,782 (5,967)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
Wheat (including durum)				
Commercial Credit		(233)		(233)
Flour (including semolina)				
TOTAL		(233)		(233)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	11,265 (10,688)	2,118 (3,303)		13,383 (13,991)
Barley	748 (670)	37 (46)		785 (716)
Sorghum	5 (5)			5 (5)
Oats	256 (253)	10 (17)		266 (270)
Rye	81 (83)	7 (4)		88 (87)
TOTAL	12,355 (11,699)	2,172 (3,370)		14,527 (15,069)

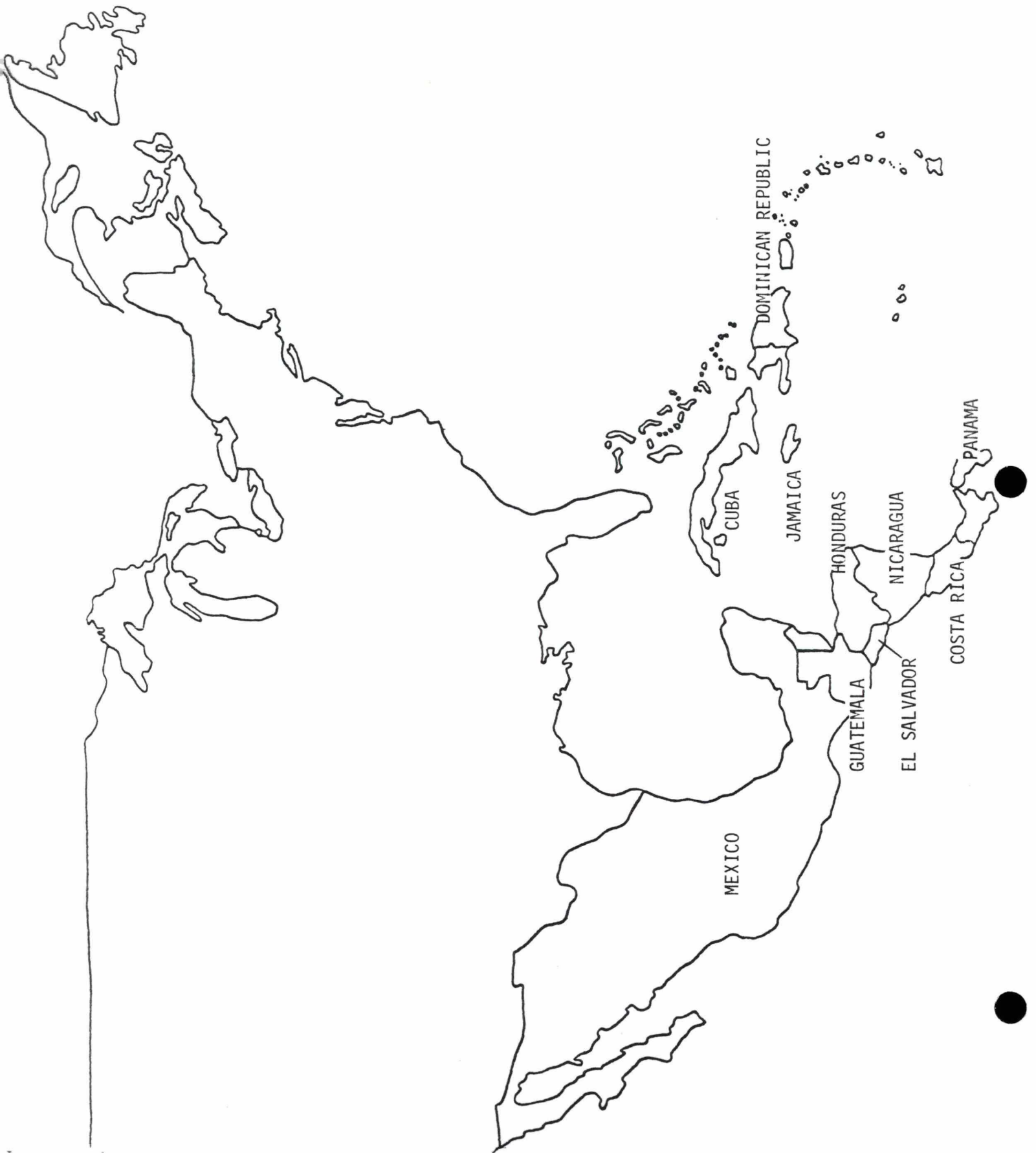
DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human							
Corn	600 (600)	8,400 (8,800)	300 (300)	400 (350)	500 (1,268)	3,183 (2,118)	13,383 (13,991)	
Barley	45 (40)	380 (360)	245 (250)	20 (20)		95 (37)	785 (716)	
Sorghum			5 (5)				5 (5)	
Oats	25 (30)	190 (195)		30 (30)		21 (10)	266 (270)	
Rye	65 (65)	10 (10)		(5)		13 (7)	88 (87)	
TOTAL	735 (735)	8,980 (9,365)	550 (555)	450 (405)	500 (1,268)	3,312 (2,172)	14,527 (13,991)	

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets: No Imports



PART IV
NORTH AND CENTRAL AMERICA



C O S T A R I C A

Economic classification: Middle Income economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,650	1984
Annual per capita GNP	US\$1,805	1984
Average annual growth	3.5%	1965-85
Annual inflation rate	15%	1975-85
Annual inflation rate (current)	17%	
Volume of imports	1.15 billion US\$	1984
Of which food	5%	1984
Of which fuels	14%	1984
Principal foreign exchange earning export: Coffee, Meat, Sugar		
Debt service as % of GNP	46%	1984
Debt service as % of exports	16%	1984
Population	2.6 million	1984
Annual population growth	2.2%	1984
Annual Consumption:		
Flour	43,000 tonnes or 16.5 kg/capita	1984
Meat	41,000 tonnes or 16 kg/capita	1984
Vegetable Oil	62,000 tonnes or 24 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat: Not grown in Costa Rica

Corn: During the 1983/84 crop year 98,000 tonnes were harvested from 77,000 hectares. Government plans to expand acreage in 1985 to 100,000 hectares.

Rice: During 1983/84 crop year 185,000 tonnes were harvested from 90,000 hectares. Production expected to be up in 1985 due to low interest rate loans to producers. No figures are available.

Oilseeds: During 1983/84 african palm crop of 223,000 tonnes was harvested from 26,000 hectares. There are plans to increase oil palm acreage 35% by 1988.

Sorghum: During 1983/84 crop year 55,000 tonnes were harvested from 20,000 hectares. Ministry of Agriculture estimates that 1985 crop will produce 64,000 tonnes. Low interest rate loans to farmers will make it possible for producers to achieve this increase in production.

Oats and Rye: Not grown in Costa Rica.

2. Foreign Exchange Situation

The foreign exchange situation is controlled by the Central Bank which uses an official rate of 50.10 colones per US\$1. The government will continue to allow importation of essential agricultural products not produced locally such as: wheat, malt, barley, etc. and others such as black beans (produced locally but not in sufficient quantity to meet domestic requirements).

3. Fertilizer Situation

Fertica (owned by the government) supplies requirements of farmers. Fertica imports from Canada through a CIDA line of credit the following items: potash, urea, nitrogen, phosphate, etc. for mixing in their facilities at Puntarenas on the Costa Ricans Pacific Coast. In June 85 a new mixing plant was opened at Limon (Atlantic Coast). Production in 1984 was 265,000 tonnes. Exports to Central America and Panama were 135,000 tonnes.

4. Import Mechanism

Wheat is imported directly by a local flour mill (Molinos de Costa Rica) almost exclusively from the USA under PL480. CNP, a state agency, controls the importation of other grains and other agricultural products through international public tenders. No import changes likely in import structure or procedures.

5. Grain Industry Infrastructure

Molinos de Costa Rica and CNP have storage and handling facilities in the ports of Limon (Atlantic) and Caldera (Pacific) as well as silos in the more important distribution and production centres of Costa Rica. No significant changes likely during next four years.

6. Government Policies Affecting Grain and Agriculture

No production of wheat, oats, rye or barley.

Imports in 1984: wheat 110,000 tonnes, barley 29,000 tonnes, corn 81,000 tonnes, oats 4,200 tonnes, malt 12,000 tonnes, black beans 8,500 tonnes, and lentils 2,500 tonnes.

Wheat is for human consumption, corn is used 65% for livestock and 35% human consumption, oats and sorghum (100% for livestock); barley and malt is 100% for human consumption.

Grain reserves: information is not available.

Meat production: 41,000 tonnes, meat exports 22,000 tonnes, consumption 16 kg per capita.

6. Government Policies Affecting Grain and Agriculture (cont'd)

Competition with US grains and related financing facilities through the PL-480 and CCC programs and the ownership of the local flour mill by US companies are the main factors.

There is no policy on countertrade/barter as it relates to grains and oilseeds imports.

7. Market Prospects - Grains and Oilseeds

There are no long-term projections on grain import demand. In order to compete with offers of US grains which are financed under PL480, Canadian exporters would have to offer comparable credit terms. There are some prospects for Canadian barley, oats, malt and special crops if Canadian exporters can compete in price, delivery and terms offered by competitors.

8. Processing Facilities

	Year 1984		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	1	1	100	95
Compound Feed Mills	14	17	125	120
Maltsters				
Brewers*	2	2	636	
Oilseed Crushers	1	2	70	65

* Capacity and output in thousand hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Moin	19	19
Limon	125	120
Puntarenas	26	26
Caldera	110	110
Total Capacity	280	275

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85): none

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	12 (9.5)	France, W. Germany, USA

3. Additional Information

Annual per capita beer consumption: Increased by 2% over the last year.

Beer production capacity: Increased by 3%.

Domestic malting capacity: None

Malt exports: None

Market potential for Canadian malt: There is some opportunity for Canadian malt but strong competition should be expected from EEC and U.S. suppliers.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds - 10% on CIF value
 Crude oil - 10% on CIF value
 Oilseed meal - 10% on CIF value
 Refined oil - 25% on CIF value plus 15% ad valorem.

Non-tariff import barriers: None.

Import/export structure: The government agency CNP controls the importation of oilseeds.

Additional factors: Costa Rica produces the African palm oilseed which provides 80% of local market requirements. The remaining 20% of demand is filled by oilseed imports, primarily cotton seed from U.S. and Central America.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
African Palm	233		
Cotton		18	
TOTAL	233	18	
<u>Oil</u>	Production	Imports	Exports
Vegetable	75		
Total	75		
<u>Meal</u>	Production	Imports	Exports
Animal Feed	35		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	None	N/A	110 (118.5)	110 (118.5)
Durum wheat				
Flour/Semolina				
TOTAL			110 (118.5)	110 (118.5)

* of which spring wheat

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	110 (118.5)						110 (118.5)
Durum wheat							
Flour Semolina							173
TOTAL	110 (118.5)						110 (118.5)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

WHEAT (including durum)

Cash Commercial credit	110 (118.5)					110 (118.5)
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FLOUR (including semolina)

Cash/comm. credit
Aid, concessional

TOTAL	110 (118.5)					110 (118.5)
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(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	77 (92)		81 (71.5)	158 (163.5)
Barley			29 (38.6)	29 (36.6)
Sorghum	55 (35)			55 (35)
Oats			4.2 (3.1)	4.2 (3.1)
Rye				
TOTAL	132 (127)		114.2 (113.2)	246.2 (240.2)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	55 (50)	108 (113.5)					158 (168.5)
Barley							29 (38.6)
Sorghum	55 (35)	29 (38.6)					55 (35)
Oats	4.2 (3.1)						4.2 (3.1)
Rye							-
TOTAL	55 (50)	167.2 (151.6)	29 (38.6)				246.2 (240.2)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn		81 (71.5)				81 (71.5)
Barley					29 (38.6)	29 (38.6)
Sorghum		4.2 (3.1)				4.2 (3.1)
Oats						
Rye						
TOTAL		85.2 (53.1)			29 (38.6)	114.2 (113.2)

C U B A

Economic classification: Centrally Planned economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$1,215	1980
Annual per capita GNP	US\$1,712	1980
Average annual growth	7.9%	1965-85
Volume of imports	7.1 billion US\$	1982
Of which food	18%	1982
Of which fuels	23%	1982
Principal foreign exchange earning export: sugar, nickel, citrus fruits, fish products, and coffee		
Debt service as % of exports	30-38% (projected)	1980-90
Population	10 million	1984
Annual population growth	1.2%	1985
Annual Consumption:		
Flour	501,000 tonnes or 52 kg/capita	1981
Meat	195,873 tonnes or 20 kg/capita	1981
Vegetable Oil	55,726 tonnes or 6 kg/capita	1981

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Cuba does not grow wheat. Rice is the only cereal crop cultivated in Cuba. As one of the largest per capita rice consumers in the world, Cuba has made considerable efforts to improve its annual rice production. 1984 rice crop reached 350,000 tonnes or 50% of the country's yearly needs. China and Italy supply the remaining 50%.

2. Foreign Exchange Situation

Cuba operates under a strict foreign exchange control regime and has rescheduled payments in hard currency for 1984. Food and agricultural imports have a very high priority. To alleviate presently tight foreign exchange situation Cuban state buying agencies, following instructions of National Bank of Cuba are seeking medium/long term financial assistance from hard currency suppliers to conduct their foreign procurement programs. Argentina and France and other EEC countries have been able to undermine Canada's position in this market by offering more favourable credit facilities (2-3 year financing at low interest rate).

3. Fertilizer Situation

Cuba manufactures approximately two million tonnes of fertilizer per year. Cuban planners expect to become self-sufficient by the year 1990. In the meantime the USSR and East Germany continue to supply the balance (approximately 1 to 2 million tonnes). Sulphur is imported from Canada as part of USSR/Cuba triangular trade agreement.

4. Import Mechanism

All imports are conducted via state trading organizations. Food products including wheat, wheat flour and other cereals are imported by the state trading agency ALIMPORT.

5. Grain Industry Infrastructure

There have been no changes nor can we anticipate any in the near future. Cuban ports are not adequately equipped to handle bulk cargo of cereal grains. Deliveries should be bagged. Upon unloading, bags are trucked or shipped by train to central distribution warehouses where they await further distribution to provincial receiving centers. Major ports do not have cereal/grain storage facilities (wheat for example is limited to four days milling requirements).

6. Government Policies Affecting Grain and Agriculture

Due to climatic considerations, Cuba cannot grow wheat, therefore the country will remain a net importer of the major cereal crops, including corn. Since 1982, as a result of foreign currency problems, Cuba has been diverting procurement to countries offering credit facilities. Consequently imports of Canadian cereals other than through the Soviet Union have not occurred since 1983 due to lack of financing. Additional requirements of wheat and virtually 100% of Cuban needs for beans, corn, soya bean meal and oil are now sourced in France, Argentina and Mexico.

Lack of Canadian financing to Cuba has played a decisive role in the downward trend of ALIMPORT direct wheat imports from Canada and have permitted both France and Argentina to capitalize on this sector of the Cuban market which until 1982 was dominated by Canada.

It is possible that Cuban government policy which presently does not encourage countertrade with market economy countries, may be softening to a certain extent.

7. Market Prospects - Grains and Oilseeds

Projections are not available from government sources. Post anticipates that Cuban needs for grain imports by 1990 will be some 10% higher than 1985.

A well defined market exists for Canadian field peas, lentils and canaryseed if competitive financing were available.

8. Processing Facilities

	Year 1984		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		4	440	430
Compound Feed Mills		5	810**	750
Maltsters		-	-	-
Brewers*				570
Oilseed Crushers		1	30	30

* Capacity and output in thousand hectolitres

** Estimated

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1984	
	<u>Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Havana	100	N/A
Caibarien	65	"
Santiago de Cuba	75	"
Manzanillo	60	"
Cienfuegos	60	"
Total Capacity	360	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate: Nil.
2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier</u>
Malt	35 (30)	Czechoslovakia, Spot suppliers are France and Canada (approx. 5000 tonnes)

3. Additional Information

Annual per capita beer consumption: Annual per capita beer consumption is increasing. Current beer demand exceeds production, however this situation will be resolved when a new brewery starts up in early 1986.

Beer production capacity: Beer production approximately 569,900 hectolitres in 1985 will increase by 250,000 hectolitres when the new brewery (located in Camaguey province) becomes operational.

Domestic malting capacity: Nil.

Malt exports: Nil.

III. OILSEEDS

1. Trade Policy

Import Tariffs: None on oilseeds or products.

Non-tariff import barriers/export assistance measures: No import tariffs are applied as all trade is government controlled. However, non-tariff barriers may exist as a result of the government's decision/policy not to accord import priority to a special commodity.

OILSEED cont'd

Import/export structure: Imports are through ALIMPORT, the applicable state trading organization.

Additional factors: Oilseed purchases are dependent upon the availability of extended credit facilities.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1985

<u>Oilseed</u>	Production	Imports		Exports	
Sunflower		35 (USSR) 15 (Argentina)			
TOTAL	Nil	50		Nil	
<u>Oil</u>	Production	Imports		Exports	
sunflower		Crude	Refined	Crude	Refined
		23 (Argentina) 33 (USSR)			
TOTAL		56			
<u>Meal</u>	Production	Imports		Exports	
Soybean		140-200 (EEC, Argentina)			
Sunflowerseed		60 (USSR, Argentina)			
Fish		15 (USSR, Peru)			
TOTAL	Nil	215-275			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat		60 (60)	850 (838)	910 (883)
Durum wheat			60 (29)	60 (34)
Flour/Semolina		(20)	180 (170)	180 (195)
TOTAL		60 (80)	1,090 (1,037)	1,150 (1,112)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	580 (500)	80 (80)	190 (243)			60 (6)	910 (883)
Durum wheat	56 (30)					4 (4)	60 (34)
Flour Semolina	180 (175)					(20) (195)	180 (195)
TOTAL	816 (705)	80 (80)	190 (243)			64 (30)	1,150 (1,112)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

Wheat (including durum)	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Cash	710 (763)					710 (763)
Commercial credit				100	100 (104)	200 (104)
Flour (including semolina)						
Cash/comm.credit	140 (170)			40		180 (170)
TOTAL	850 (933)			100	140 (104)	1,090 (1,037)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	15 (15)*	30 (30)	475 (317)	520 (345)
Barley			42 (50)	42 (50)
Sorghum			(10)	(10)
Oats			15 (30)	15 (30)
Rye				
TOTAL	15 (15)	30 (30)	532 (390)	577 (502)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
		Animal Feed					
Corn	30 (15)	400 (250)	40 (30)	10 (10)		40 (40)	520 (445)
Barley		42 (50)					42 (50)
Sorghum		(10)					(10)
Oats		(27)	3 (1)				15 (15)
Rye							
TOTAL	30 (15)	354 (337)	43 (31)	10 (10)		40 (40)	577 (502)

- 180 -

Type of industrial use: Glucose plant and rolled oats.

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn	40			435 (300)		475 (300)
Barley	42 (50)					42 (50)
Sorghum				(10)		(10)
Oats	15 (50)					15 (30)
Rye						
TOTAL	97 (80)			435 (310)		532 (390)

*Estimated farmers' production for household consumption but not accounted for in Cuba's statistics.

DOMINICAN REPUBLIC

I. MALT AND MALTING BARLEY

1. Brewers

Cerveceria Vegana - has one plant for malt, beer and extract with an annual capacity of 400,000 hectolitres in 1984.

Cerveceria Nacional - has one plant for malt and beer with an annual capacity of 1.5 million hectolitres in 1984.

Bohemia - has one plant for malt and beer with an annual capacity of 250,000 hectolitres in 1984.

2. Domestic production of barley: none, this climate is not appropriate for the production of barley.

3. Imports of Malt and Malting Barley

(Statistics for malt and malting barley are combined).

Cerveceria Vegana - between 2,500 to 3,000 tonnes were imported in 1984 of which half came from France and the other 50% from Canada.

Cerveceria Nacional - 10,900 tonnes imported from USA and Canada.

Bohemia - 3,000 tonnes imported from U.S.A., France, Germany and England.

4. Additional Information

Annual consumption per capita: Increasing inspite of an increase in taxes on beer.

Beer production capacity: 1985 beer production is one third higher than last year possibly because the temperature has been hotter this year resulting in an increase in consumption.

Malting barley: There are no separate statistics on malting capacity. It is included with the beer capacity.

Malt exports: None.

Market potential for Canadian malt: There is some if prices were more competitive.

EL SALVADOR

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$692	1984
Annual per capita GNP	US\$675	1984
Average annual growth	1.5%	1965-85
Annual inflation rate	15%	1975-85
Annual inflation rate	16%	1985
Volume of imports	.985 billion US\$	1983
Of which food	12%	1983
Of which fuels	13%	1983
Principal foreign exchange earning export:	coffee, sugar	
Debt service as % of GNP	1.2%	1984
Debt service as % of exports	3.5%	1984
Population	4.7 million	1984
Annual population growth	2.9%	1984
Annual Consumption:		
Flour	35,000 tonnes or 7.4 kg/capita	1983
Meat	42,000 tonnes or 9 kg/capita	1983
Vegetable Oil	39,000 tonnes or 8.3 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat is not grown in El Salvador. 1984 was a poor year for the agriculture sector due to insurgent activity. According to Banco Central de Reserva de El Salvador (Seccion de Estadisticas), coarse grain production was 160,000 tonnes in 1984 (estimated), rice 95,000 tonnes, oilseeds 25,000 tonnes and other crops 40,000 tonnes.

2. Foreign Exchange Situation

In February 1985 the Government of El Salvador established foreign exchange controls and ranked imports from 1 to 15 in terms of priority. Food imports rank second and raw materials for agriculture rank fifth. Delays in payment can be 10-16 weeks even with the priority list. This country will continue as an aid recipient for grains and food products in general.

3. Fertilizer Situation

Eighty percent of fertilizers are imported from Costa Rica and 20% from USA and Europe. Consumption of fertilizers have been reduced 30% in 1984 due to the reduction of the acreage used for cotton.

4. Import Mechanism

Imports of grains are done by Instituto Regulador de Abastecimientos (IRA), which is a government agency. Private companies can import grains directly as long as they obtain a license from the Ministry of Economy.

5. Grain Industry Infrastructure

El Salvador is implementing a program for the marketing of agricultural products, which will include the enlargement of five storage plants, expansion of seven collection centers and two warehouses. They are now negotiating the related financing with international financial institutions.

6. Government Policies Affecting Grain and Agriculture

The government is carrying on an agrarian reform (distribution of land to farmers) and the results of this measure in the agricultural sector can not be evaluated at this time.

There is no policy on countertrade/barter as it relates to grains and oilseeds imports.

7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections. Canadian exports face strong competition from the U.S. in light of aid ties between the U.S. and El Salvador.

8. Processing Facilities

Year: 1984

thousand of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	3	3	85	85
Compound Feed Mills				
Maltsters				
Brewers*	2	2		334
Oilseed Crushers				

* Capacity and output in thousand hectolitres.

9. Storage and throughput Capacity

Grain Import Capacity by Port

Year 1984
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Acasutla		885
Cutuco		96
TOTAL		981

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85): None.

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	10.5 (9.4)	Belgium and France
Malting barley		

3. Additional Information:

Annual per capita beer consumption: Increased by 1.5% over last year.

Beer production capacity: Increased by 1.5% over last year.

Domestic malting capacity: None.

Malt exports: None.

Market potential for Canadian malt: Canadian malt quality is well known in this country, but prices are not competitive to European suppliers.

III. OILSEEDS

1. Trade Policy:

Import tariffs on oilseeds and products: 15% on CIF value plus US\$0.25 per kilo.

Non-tariff import barriers/export assistance measures: None.

Import/export structure: Imports are handled by the government agency IRA, but private importers can import under license from the Ministry of Economy.

Additional factors: El Salvador does not import oilseeds, but they do import finished products such as edible oil made from soya and corn.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat				
Durum wheat			140 (135)	140 (135)
Flour/Semolina				
TOTAL			140 (135)	140 (135)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	140 (135)						140 (135)
Durum/Wheat							
Flour Semolina							
TOTAL	140 (135)						140 (135)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

WHEAT (including durum)

Cash
Commercial Credit
Aid, concessional
credit, etc.

140 (135)

140 (135)

G U A T E M A L A

Economic classification:	Middle Income economy	
Oil exporter or importer (net)	Importer	
Average annual growth	2.8%	1965-85
Annual inflation rate	10%	1975-85
Annual inflation rate	16%	1985
Volume of imports	1.7 billion US\$	1984
Principal foreign exchange earning export:	coffee, sugar, cotton, cocoa, shrimp	
Debt service as % of exports	45.8%	1985
Population	7.5 million	1981
Annual population growth	2.6%	1980-2000
Annual Consumption:		
Flour	132,911 tonnes or 18 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The basic grains production (corn, beans, rice and sorghum) as well as acreage utilized will be slightly smaller in 1985 compared to 1984. Although the variation is insignificant, the main causes for this decline is that internal market prices are not as good as last year's prices plus the fact that production costs have increased due to higher costs of imported seeds, fertilizers and pesticides. Nevertheless, it is expected that the corn, beans and rice crops will meet local demand. The sorghum crop is expected to fall short of domestic demand and imports will be required. The foreign exchange scarcity has drastically affected other crops such as cotton and sugar cane with planted acreage and production sharply reduced.

2. Foreign Exchange Situation

The foreign exchange shortage which Guatemala has been experiencing in the last four years is becoming more acute as exports have diminished and export prices for Guatemalan commodities have dropped. For these reasons the economical situation continues to deteriorate. Food and agricultural imports by law enjoy some priority in expenditure of foreign exchange but hard currency availability has been so scarce and the delays to obtain it so prolonged that producers go to parallel markets to be able to meet production seasons and deadlines, with the obvious increase in production costs. Guatemala will not be an international aid recipient.

3. Fertilizer Situation

Imports have declined sharply because of the tight foreign exchange situation resulting in productivity reductions and lower acreage utilization.

4. Import Mechanism

The government controls imports of grains through INDECA (Instituto Nacional de Comercializacion Agricola). INDECA is directly responsible for controls on production, storage and marketing. Private importers are allowed import quotas and can obtain import licenses from the Ministry of Economy.

5. Grain Industry Infrastructure

Two ports handle all imports of grain; Puerto Quetzal (Pacific) and Puerto Santo Tomas de Castilla (Atlantic). A new bulk handling facility called GRANEL, S.A., mainly designed for sugar exports, will have a capacity to handle about 75,000 tonnes of grain per year.

6. Government Policies Affecting Grain and Agriculture

Local demand for grains (staples) is usually met by local supply but scarcity of foreign exchange is presently the main deterrent for grain imports.

Canadian grain imports have been insignificant at best and government policies or exchange controls are not expected to affect Canadian exports.

With the present foreign exchange shortage the government looks very favourable at countertrade/barter activities.

7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections.

Marketing initiatives could include bilateral financing and the appointment of a Canadian Wheat Board agent.

There exists a very small market for mustard seed and triticale. The requirements are so small that importers already have established suppliers and marketing activities as such are not required.

8. Processing Facilities

Year: 1984/85

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>thousands of tonnes Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	24	24		66.34
Compound Feed Mills				
Maltsters				
Brewers*	1	1		
Oilseed Crushers				

*Capacity and output in hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1983

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Santo Thomas de Castilla		225
Puerto Quetzal		200
Total Capacity		425

10. Grain and Products Imports

<u>Wheat Imports</u>		<u>Flour Imports</u>		<u>Malt Imports</u>	
<u>1984</u>	<u>Tonnes</u>	<u>1984</u>	<u>Tonnes</u>	<u>1984</u>	<u>Tonnes</u>
Canada	23.3	USA	120	France	502
U.S.A.	107,880				
Mexico	1,600				

II. MALT AND MALTING BARLEY

Annual per capita beer consumption: Increasing slightly by approximately 5% in comparison with 1984.

Beer production capacity: Maintaining same levels as last year.

Domestic malting capacity: Equal to last year.

Malt exports: None.

Market potential for Canadian malt: The local brewery continues to purchase French malt. Their malt consumption is attractive and would purchase from Canada if prices were more competitive. They have purchased Canadian malt in the past and were satisfied with quality. It is worth mentioning that even with more expensive freight rates, French malt is still competitive in this market.

III. OILSEEDS

1. Trade Policy

Import tariffs for oilseeds and products: 0.25¢ per kilo and 15% ad valorem of the CIF price plus 30% surcharge on the duties paid.

Non-tariff import barriers/export assistance measures: Import barriers include - foreign exchange scarcity; subsidy programs from the U.S. for purchase of grains and foodstuffs (e.g. PL480 and GSM 102).

Import/export structure: Grain and seed imports and exports are subject to controls from INDECA (Instituto Nacional de Comercializacion Agricola) which is directly responsible for imports/exports from the public sector and controls licensing of imports/exports from the private sector.

Additional factors: The only processing facilities in Guatemala are for cotton seed operations. Imports of corn oil are done by INDECA to meet local demand through U.S. PL480 program.

HONDURAS

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$ 625	1981
Annual per capita GNP	US\$ 575	1981
Average annual growth	2%	1965-85
Annual inflation rate	10.1%	1975-85
Annual inflation rate (current)	12.2%	
Volume of imports	1.51 billion US\$	1983
Of which food	10%	1983
Of which fuels	13%	1983
Principal foreign exchange earning export:	Coffee, Bananas, lumber	
Debt service as % of GNP	4%	1983
Debt service as % of exports	10%	1983
Population	3.5 million	1983
Annual population growth	3.0%	1980-2000

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Honduras is not a wheat producer. The 1984/85 basic grain crops which are comprised of corn, beans, rice and sorghum, all showed increases in area planted and production in comparison with the 1983/84 crops. Honduras wheat imports in 1983 and 1984 were 67,300 tonnes and 89,760 tonnes respectively, mainly from the U.S.A.

2. Foreign Exchange Situation

Honduras is experiencing a foreign exchange shortage. The Central Bank has a list of priorities for which allowances of foreign exchange are given. Agricultural inputs are given priority. Honduras has been an aid recipient on occasions but is not likely to be so during this crop year.

3. Fertilizer Situation

Private companies import about 80% of fertilizer imports but the government is also involved through a financing agreement with Japan. About 20% of fertilizer imports are done by the government. The principal fertilizers imported are urea and the following NPK formulas: 12-24-12, 0-46-0, 18-46-0, 20-20-20.

4. Import Mechanism

All basic grain imports and exports are done by the government through IHMA (Instituto Hondureno de Mercadeo Agrícola). Wheat is imported directly by the three existing private mills with financial support from the U.S. PL 480 program.

5. Grain Industry Infrastructure

Grains are imported through Puerto Cortes (Atlantic) and stored in government and private facilities throughout Honduras. All wheat enters through Puerto Cortes and is stored in silos belonging to the three large millers in the country. Grain marketing is controlled by the government through IHMA.

6. Government Policies Affecting Grain and Agriculture

Honduras policies are to continue with growth patterns in basic grains and to continue to export surplus production as in the past three years. Land reform programs are being instituted to increase usage of land for basic grains.

Ministry of Economy and the Directorate of Foreign Commerce looks upon barter as a favourable solution to the foreign exchange shortage. Honduras is receptive to barter offers and will review every transaction on a case by case basis.

7. Market Prospects - Grains and Oilseeds

Long range grain import projections are not available.

Marketing initiatives such as export financing would be useful to match US programs (i.e. PL 480 or GMS 102).

Honduras has imported very limited quantities of mustard seed and beans in the past. No market for other special crops.

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	3	3	120	80
Compound Feed Mills				
Maltsters				
Brewers*				546
Oilseed Crushers				

* Capacity and output in thousand hectolitres (1984)

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Puerto Cortés	N/A	
Henecan	N/A	
La Ceiba		

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85): NONE

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	7.4 (9)	U.S.A., Belgium/Lux., France

3. Additional Information

Annual per capita beer consumption: Increasing at about 5% per year.

		<u>Hectolitres</u>
Beer production capacity:	1981	484,000
	1982	461,000
	1983	540,000
	1984	546,000

Domestic malting capacity: All malt is imported.

Malt exports: None

Market potential for Canadian malt and/or malting barley: The market is ripe for further Canadian penetration if prices are competitive and aggressive marketing activities are undertaken. In 1984 and 1985 Canada's market share of total malt imports (US\$4.2 million) was less than 1%.

III. OILSEEDS

1. Trade Policy

Import tariffs on oilseeds and products: US\$0.25 per kilo plus 15% ad valorem (CIF price) plus 30% surcharge on the duties paid.

Non-tariff import barriers: Foreign exchange shortage and import license requirements.

Import/export structure: Oilseed production and refinement are done by private enterprise. Honduras is self-sufficient in African palm and cotton seed production.

2. Supply of oilseeds and products by type, (tonnes):

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
African Palm	254		
Coconut Rind	14.5		
Cotton Seed	17.3		
TOTAL	285.8		

J A M A I C A

Economic classification:	Developing country economy	
Oil exporter or importer (net):	Importer	US\$336 million
Annual per capita income:	US\$838	1984
Annual per capita GNP	US\$397	1984
Average annual growth	-.39%	1965-85
Annual inflation rate	17.6%	1975-85
Annual inflation rate (current)	36.0%	1984
Volume of imports	1.2 billion US\$	1984
Of which food	8.0%	1984
Of which fuels	30.0%	1984
Principal foreign exchange earning export:	bauxite alumina	
Population	2.3 million	1984
Annual population growth	2.0%	1984
Annual Consumption:		
Flour	160,793 tonnes or 70 kg/capita	1984
Meat	71,630 tonnes or 31 kg/capita	1984
Vegetable Oil	12,500 tonnes or 5.4 kg/capita	1984

I. GENERAL INFORMATION

1. Foreign Exchange Situation

Foreign exchange situation is poor with total debt at US \$2.037 billion. Food and agricultural inputs are not given priority. The country receives international aid from the USA, Canada (CIDA) and all multi-lateral institutions.

2. Fertilizer Situation

Fertilizer requirements are financed by CIDA.

3. Import Mechanism

All grains are imported by the Jamaica Commodity Trading Corporation (JCTC) which is a public sector corporation. The JCTC issues tenders on an international or national bidding basis depending on the source of funds. The procedure is subject to change on short notice. The managing director of JCTC is Mr. Paul Ellis.

4. Grain Industry Infrastructure

A rice mill was recently opened in Montego Bay, St. James, Jamaica. Bulk brown rice is now imported for polishing locally. The Government has launched a corn production program.

5. Government Policies Affecting Grain and Agriculture

The Government's Food Self-Sufficiency Program is expected to affect the importation of grains (ie. corn and rice) and meat. This program is designed to reduce the nation's dependency on these imports.

From all appearance, the Government of Jamaica (GOJ) would prefer to avoid countertrade. This position is supported by the fact that GOJ has instituted a number of regulatory mechanisms that reduce the attractiveness of countertrade. Countertrade applications are to be sent to the International Department, Bank of Jamaica, Nethersole Place, Kingston.

6. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections. Consumption varies significantly from year to year.

The key marketing initiative would be additional export credit.

There are no market opportunities for special crops.

7. Processing Facilities

Year: 1985

	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	1	1	220	
Compound Feed Mills	5 (major)	5	759	500
Brewers*	2	2	20	20
Oilseed Crushers	1	1	80	60

* Capacity and output in millions of gallons

8. Storage and Throughput Capacity

Year 1985

<u>Port/City</u>	<u>Structure</u>
Shell Pier (Kingston)	facility*
Wherry Wharf (Kingston)	Storage
Port Esquival (St. Cath.)	facility
Rio Bueno (Trelawny)	facility

* There is no port storage facility. Products are unloaded from ship and loaded on to truck or into processors' factories.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984-85): none

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	8.715	U.S.A.

3. Additional Information

Annual per capita beer consumption: Decreasing

Beer production capacity: Constant

Domestic malting capacity: Constant

Malt exports: None

Market Potential: There is potential to regain and expand market share for Canadian malt.

III. OILSEEDS

1. Trade Policy

Import Tariffs for oilseeds and products: none

Non-tariff import barriers: Import licenses are required.

Import/export structure: Jamaica Commodity Trading Company Limited imports soybeans while Seprod Limited imports other oilseeds.

Additional factors: Export credit is needed to match the USA GSM102 credit used for soybeans.

2. Supply of oilseeds and products by type, thousand of tonnes:

	Year 1984		
<u>Oilseeds</u>	Production	Imports	Exports
Soybean		60	

IV. WHEAT IMPORTS 1984/85 est. - tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Wheat (including durum)						
Cash						
Commercial Credit	14,442 (22,500)	58,931 (37,746)				73,373 (60,246)
Aid, concessional credit, etc.		45,166 (25,396)				45,166 (25,396)
Flour (including semolina)						
Cash/comm. credit	676 (1,844)	29,960 (12,446)			11,618 (52,607)	42,254 (66,897)
Aid, concessional						
TOTAL	15,118 (24,344)	134,057 (75,588)			11,618 (52,607)	160,793 (152,539)

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B. COARSE GRAINS IMPORTS 1984/85 est. - of tonnes - previous year in brackets.

	ORIGIN					TOTAL
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn						
Barley	8,650	193,885 (171,657)				202,535 (171,657)
Sorghum		22				22
Oats						
Rye		186				186
TOTAL	8,650	194,093 (171,657)				202,743 (171,657)

MEXICO

Economic classification: Middle Income economy		
Oil exporter or importer (net): Exporter		
Annual per capita income:	US\$2,252	1982
Annual per capita GNP	US\$1,443	1983
Average annual growth	4.15%	1970-85
Annual inflation rate*	6.8%	1970-80
Annual inflation rate	60%	1985
Volume of imports	11.254 billion US\$	1984
Of which food	16.7%	1984
Of which fuels	Nil	1984
Principal foreign exchange earning export: Petroleum, Tourism, Manufactures		
Debt service as % of GNP	6.7%	1984
Debt service as % of exports	36.6%	1983
Population	76.8 million	1985
Annual population growth	2.4%	1984
Annual Consumption:		
Flour	8 kg/capita	1983
Meat	42 kg/capita	1983
Vegetable Oil	12 kg/capita	1983

*Estimate, annual inflation rates have varied from less than 5% per year at the beginning of the 1970's to 100% in 1982.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

<u>Crop</u>	<u>Harvested Acreage 1984 ('000 hectares)</u>	<u>Production 1984 ('000 tonnes)</u>	<u>Harvested Acreage 1985** ('000 hectares)</u>	<u>Production 1985** ('000 tonnes)</u>
Corn	6,940	12,992	7,500	12,545
Beans	1,655	937	2,166	1,322
Rice	126	483	194	597
Wheat	1,032	4,509	1,100	4,541
Sesame	134	60	199	107
Cottonseed	305	440	275	449
Safflower	223	189	367	353
Soybean	382	684	440	831
Barley	283	629	321	584
Sorghum	1,611	4,975	1,568	5,520
TOTAL	12,691	26,178	14,130	26,849

**Estimate

2. Foreign Exchange Situation

The foreign exchange situation deteriorated in the first six months of the year with reserves dropping \$400 million (U.S.) but lately it has stabilized. Petroleum revenues have come down considerably due to a drop in price and volume. The free dollar was devalued 35% in July. The controlled dollar has also dropped from US\$225 to US\$270 and the daily sliding rate is now "fluctuating" adding uncertainty to those needing to contract future purchases in dollars.

Agricultural imports have a high priority in Mexico. In 1984 total agricultural imports were in the order of 1.88 billion U.S. dollars - of this \$403 million were spent on soya beans (1.8 million tonnes), \$363 million on sorghum (2.6 million tonnes), \$41 million on wheat (345,000 tonnes) and \$375 million on corn imports (2.6 million tonnes). Sunflower seed, cattle, pulses and forages were also imported in smaller amounts.

3. Fertilizer Situation

FERTIMEX, the state owned fertilizer producer placed in the market 4.37 million tonnes of fertilizers during 1984. This production capacity includes 1.7 million tonnes of amonium sulphate; 168,000 tonnes of amonium nitrate; 1.3 million tonnes of urea; 482,500 tonnes of simple super-phosphate; 310,000 tonnes of triple super-phosphate; 82,500 tonnes of diammonium phosphate and 272,000 tonnes of NPK complexes. Practically all of the raw materials employed by the National Fertilizer Industry except for phosphoric rock and potassium chloride are of national origin. The main problems regarding fertilizers are not so much the existing FERTIMEX capacity but the lack of technical and economic resources on the part of the communal ejido segment of agriculture which does not normally utilize modern fertilization recommendations.

4. Import Mechanism

Until the end of 1984 CONASUPO (state owned enterprise) was the sole importer of all staples including grains, pulses and oilseeds. Since January 1985 these imports have been partially privatized with CONASUPO limited to those volumes required directly for the consumption of its own subsidiary plants. Private industry now tenders directly for their needs mostly under the umbrella of national associations such as CANACINTRA (National Chamber of the Tranformation of Industry-Feed Section) in the case of the feed industry and ANIAME (National Association of the Oils and Fats Industry) in the case of the oilseeds industry. Permits from CONASUPO and the Ministry of Agriculture (SARH) are required for all imports. CONASUPO also retains the coordination of ports of entry.

5. Grain Industry Infrastructure

Guaymas on the Gulf of California is the country's major grain handling facility. Lesser installations are to be found at Mazatlan and Manzanillo. Grain is also handled at smaller ports on the Gulf and Pacific Coasts as required, with Veracruz being the most efficient on the Gulf side. Rail and road transportation are used to move grain inland from ports and border crossing facilities located at Brownsville, Laredo and El Paso. Storage of grain is done by government-owned companies (ANDSA, BORUCONSA, etc.), by private warehouses in the vicinity of urban centers and at the premises of the larger feed and oil crushing companies like PURINA or ANDERSON CLAYTON. Total storage capacity is

5. Grain Industry Infrastructure cont'd

in the order of 29.4 million tonnes. It is estimated that 6.5 to 9 million tonnes extra capacity are needed to fulfill the country requirements. The growing areas in particular are in need for extra storage capacity.

6. Government Policies Affecting Grain and Agriculture

Aside from the CONSASUPO privatization policy already mentioned the main new initiative in agricultural policies in the PRONADIR (Integrated rural development program) launched May 16, 1985 which is thinly disguised rehash of Lopez Portillo's ill-fated SAM (mexican food system) program. The goals are the same: self-sufficiency in food production and higher living standard for rural people. Growing economic problems and budget cuts are bound to undermine the required agricultural credits essential for the potential success of this program. It also fails to tackle the main agricultural infrastructure problem which is the land tenure system with the communally owned Ejidos controlling 50% of all agricultural land but producing only 20% to 25% of the output while holding 80% of the rural dwellers, many of them working under five hectares each in primitive conditions.

Despite its overall failure to make Mexico self-sufficient in food, government programs over the last five years have improved somewhat the situation in specific crops such as wheat. This year Mexico achieved a small surplus in wheat production. However, with 77% of Mexico's crop land dependent on rainfall, the weather rather than any government program plays an important role in the year to year Mexican agricultural situation. If the PRONADIR program is successful, Mexico will be self-sufficient by the end of 1980's since the program objective is a sectoral growth rate of 4.9% a year until 1988 and a 6.5% increase rate for staple crops. According to the Banco Nacional de Mexico however the sector growth rate for 1985 will be much closer to 3.5%. Of considerably more importance to Canadian sales is the privatization of CONASUPO which will mean individual tendering by private companies in the future.

There is no specific policy regarding trade or barter but Mexico is experimenting with barter and it is one of the preferred modes of trade. It played a significant role in the 1985 oilseeds and grain imports from Argentina but is still an exception rather than the rule.

7. Market Prospects - Grains and Oilseeds

Import projections are not prepared in Mexico due to the unstable nature of agricultural production. In addition, since there is a deficiency in grain storage capacity and an inefficient domestic transport and distributing system produce must be imported on an as required basis. 1985 import prediction of food staples is 8 million tonnes. Of this total 2.5 million tonnes will be feed grains (1.6 million to be imported by CONSASUPO and 0.9 million tonnes by private industry.)

Continued liaison with CONASUPO is essential in the pursuit of grain and oilseeds sales to this market, but since privatization in January 1985 a more concerted effort to approach private buyers in the feed and oilseeds industries is a must. Canadian sales could also benefit from local agents or representatives actively canvassing the trade. Technical seminars and

Market Prospects - Grains and Oilseeds (cont'd)

invitations for Mexican officials to attend courses in Canada such as has been done through the CIGI are extremely useful. Feed trials for special products such as canola meal or barley, if properly publicized in the Mexican specialized agricultural media, have in the past and could in the future continue to show a positive impact on market share.

Beans are a basic staple of the Mexican diet. Since 1975 Mexico has had to import large volumes of beans to supplement local production. Imports during 1985 are estimated to be 50 to 70,000 tonnes. Self-sufficiency is a priority objective of the government. Mustard and canary seed also have some limited potential depending on local production and the availability of import permits which must be obtained for these crops. Mexico is a producer and net exporter of lentils.

8. Processing Facilities

Year: 1984

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	120	160	230(1)	
Compound Feed Mills	62	89	7250	4150(2)
Maltsters	5	7	390	340
Brewers*		17		26.3
Oilseed Crushers		82	968(3)	850(4)

* Capacity and output in million hectolitres.

- (1) Durum only, 1983 data
- (2) CANACINTRA members, does not include poultry or hog industry integrated producers.
- (3) Real refining capacity equals 80% of total theoretical capacity and 330 days/year operation.
- (4) Estimate.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1983

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tampico	22.0	110
Veracruz	25.0	110
Tuxpan	2.2	60
Guaymas	50.0(1)	120
Coatzacoalcos		35
Progreso		45
Mazatlan		60
Manzanillo		60
Total Capacity	99.2	600

(1) Wheat Coastal trade.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley					625*
Suitable for malting		4	183	126	313

* Estimate

Note: 1985/86 winter barley production projected at 243,000 tonnes.

2. Imports, Calendar year 1984 estimated:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt Malting barley	5	U.S.A.

3. Additional Information

Annual per capita beer consumption: Beer consumption per capita has experienced a slight increase moving from 31 litres in 1983 to 32 litres in 1984. This is good news for the industry after two years of decreases in consumption levels. The industry expects even larger increases in 1985 and 1986.

Beer production capacity: After two consecutive years of decreases, total beer industry output increased during 1984 to 26.3 million hectolitres from 23.6 million hectolitres in 1983. One more beer plant came into operation in 1984 increasing the total number of the industry to 17.

Domestic malting capacity: Domestic malting capacity has increased by 40,000 tonnes in 1984 to a total of 390,000 tonnes with the opening of the new Cebadas and Malta plant in Tlaxcala. This new plant is foreseen to increase production up to 120,000 tonnes depending on demand.

Malt exports: All domestic malt is consumed internally.

Market potential for Canadian malt: There is very little market potential for Canadian malt in Mexico. The industry is now quite self-sufficient. An organization called IMPULSORA AGRICOLA encourages malting barley acreages to be planted in sufficient number to cover expected demand. At the same time spot sales are not out the question. If a disastrous crop were to take place, such as in 1974, the industry would be forced to import. The United States has been the traditional source in these cases, therefore Canada would have to compete with U.S. prices and transport rates.

A very small market remains also for two row barley amounting to 5,000 tonnes last year. A new Mexican variety called "guanajuato" has just been released and during the 1985 spring crop 4,000 tonnes of two row barley were produced practically absorbing all the market demand.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Free.
 Crude oil: Soyabean oil - Free; Sesame, cottonseed, linseed and castor oil - 5%; all other vegetable oils - 10%; animal oils - 40%.
 Oilseed meal: Free.
 Refined oil: Same as crude oil.

Non-tariff import barriers/export assistance measures: All imports are subject to import license control.

Import/export structure: CONASUPO was the exclusive oilseed importer until January 1985, it now imports only for its own needs. Private importers must obtain their import licenses and do their own import arrangements. ANIAME, the National Oils and Fats Association, represents most of the oilseed crushers and has been used by the industry to negotiate import contracts and place international tenders.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984 (1983 final figures)

<u>Oilseed</u>	Production	Imports	Exports
Cotton	440 (365)		
Soyabean	684 (602)	1,880 (1,028)	(3)
Sesame	60 (92)		(25)*
Safflower	189 (270)		(82)*
Sunflower	(27)	460 (425)	
TOTAL	1,373 (1,356)	2,340 (1,053)	(110)
<u>Oil</u>	Production	Imports	Exports
		Crude Refined	Crude Refined
Soya	203	104	
Sesame	35		
Cotton	80		
Safflower & Sunflower	372		
Copra	86		
Others	45		
TOTAL	821	104	
<u>Meal</u>	Production	Imports	Exports
Soya	900 (896)	44 (39)	
TOTAL	900 (896)	44 (39)	

* estimates

IV. STATISTICAL NOTES(A) WHEAT AND DURUMSUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	4,541 (3,490) (1)	620 (500) (2)	(710)	5,161 (4,700)
Durum wheat				
Flour/Semolina				
TOTAL	4,541 (3,490)	620 (500)	(710)	5,161 (4,700)

(1) 1985 calendar year government estimates of production and demand.

(2) 120,000 tonne forage wheat surplus of 1984 and estimated 500,000 tonnes strategic reserves held by government.

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Consumption	Animal Feed					
Wheat	3,945 (4,200) (1)	520 (2)		196 (4)	500 (120) (3)	5,161 (4,700)	
Durum wheat							
Flour Semolina							
TOTAL	3,945 (4,200)	520		196	500 (120)	5,161 (4,700)	

(1) 1985 government estimates of total demand

(2) Surplus switched to feed market according to CONASUPO estimates (120,000 tonnes from 1984 + 400,000 tonnes 1985)

(3) Personal estimate of strategic reserve

(4) Unaccounted balance

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	TOTAL IMPORTS		
	Canada	U.S.A.	All Others

WHEAT (including durum)

Cash (464) (246)

(710)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	12,545 (13,442) (1)	1,000 (1,000) (2)	3,125 (8,929) (4)	16,670 (23,371) (3)
Barley	584 (610)		22 (121)	606 (731)
Sorghum	5,620 (5,068)	750 (750)	2,547 (6,300)	8,917 (12,118)
Oats				
Rye				
TOTAL	18,749 (19,120)	1,750 (1,750)	5,694 (15,350)	26,193 (36,220)

(1) 1985 government estimates for calendar year

(2) Estimated strategic reserve

(3) 1985 government estimate of demand + 1000 tonne carry over for strategic reserve.

(4) Based on difference between demand and production

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
		Animal Feed					
Corn	15,670 (13,442)					1,000	16,670 (13,442)
Barley		284 (391)	322 (340)				606 (731)
Sorghum		8,167 (11,368)				750 (750)	8,967 (11,368)
Oats							
Rye							
TOTAL	15,670 (13,442)	8,451 (11,759)	322 (340)			1,750 (750)	26,243 (25,541)

Industrial Use: Malting

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn		3,125 (8,929)				3,125 (8,929)
Barley	22 (84)	(37)				(121)
Sorghum		1,947 (6,300)		600		2,547 (6,300)
Oats						
Rye						
TOTAL	22 (84)	5,072 (15,266)		600		5,694 (15,350)

N I C A R A G U A

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$580	1984
Annual per capita GNP:	US\$605	1984
Average annual growth	1.2%	1965-85
Annual inflation rate	35%	1975-85
Annual inflation rate (current)	55%	1985
Volume of imports	750 million US\$	1983
Of which food	23%	1983
Of which fuels	25%	1983
Principal foreign exchange earning export:	coffee, meat, cotton	
Debt service as % of GNP	35%	1983
Debt service as % of exports	38%	1983
Population	3.1 million	1983
Annual population growth	4.5%	1983
Annual Consumption:		
Flour	22,000 tonnes or 7.1 kg/capita	1983
Meat	27,500 tonnes or 8.9 kg/capita	1983
Vegetable Oil	21,000 tonnes or 6.8 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat is not grown in Nicaragua. According to Instituto Nacional de Estadistics, in 1984 coarse grain production was 112,000 tonnes, rice 70,000 tonnes, oilseeds 30,000 tonnes and other crops 12,000 tonnes.

2. Foreign Exchange Situation

All food and agricultural products are controlled and imported by ENABAS (government agency). This country is an international aid recipient from Canada, Eastern European countries and Brazil. Local currency: US\$1 equivalent to C 35 (Cordobas)

3. Fertilizer Situation

In 1984, 30% of fertilizers were imported from Canada and 70% from European countries.

4. Import Mechanism

All imports are controlled by the government agencies ENABAS and ENIMPORT.

5. Grain Industry Infrastructure

ENABAS and ENIMPORT have storage and handling facilities in the port of Corinto. No significant changes in infrastructure imminent.

6. Government Policies Affecting Grain and Agriculture

The government has rationed meat and grains and now controls the related distribution. No information available on anticipated government policies.

There is no policy on countertrade/barter as it relates to grain and oilseed imports.

7. Market Prospects - Grains and Oilseeds

There are no long-term projections for grain imports.

There are some prospects for Canadian grain sales through CIDA aid programs.

There are no marketing opportunities at the present time for special crops.

8. Processing Facilities

Year 1984

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	2	2	60	35
Compound Feed Mills				
Maltsters				
Brewers*	2	2		500
Oilseed Crushers		2	115	

*Capacity and output in thousands hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands of tonnes

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
CORINTO	125	120
Total capacity	125	120

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat				
Durum wheat	Nil	32 (40)	32 (40)	32 (40)
Flour/Semolina				
TOTAL		32 (40)	32 (40)	32 (40)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	32 (40)						32 (40)
Durum wheat							
Flour Semolina							
TOTAL	32 (40)						32 (40)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>Wheat (including durum)</u>	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>

Cash
Commercial credit
Aid, concessional
credit, etc.

3.2 (12.5)

29.5 (27.5)

32 (40)

Principal "Others" (specify countries): USSR, France, Eastern European Countries

Nicaragua

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	15 (30)		20 (23.5)	35 (53.5)
Barley			10 (5)	10 (5)
Sorghum	10 (20.5)			10 (20.5)
Oats				
Rye				
TOTAL	25 (50.5)		30 (28.5)	55 (79)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn							35 (53.5)
Barley							10 (5)
Sorghum							10 (20.5)
Oats							
Rye							
TOTAL							55 (79)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>		
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Corn						20 (23.5)	20 (23.5)
Barley						10 (5)	10 (5)
Sorghum							
Oats							
Rye							
TOTAL						30 (28.5)	30 (28.5)

Principal "Others" (specify countries): Eastern European Countries

PANAMA

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$1,525	1984
Annual per capita GNP	US\$1,879	1984
Average annual growth	3.5%	1965-85
Annual inflation rate	9.6%	1975-85
Annual inflation rate	16%	1984
Volume of imports	1.125 billion US\$	1984
Of which food	13%	1984
Of which fuels	19%	1984
Principal foreign exchange earning export: Panama Canal, Banking Services		
Debt service as % of GNP	16%	1984
Debt service as % of exports	19.8%	1984
Population	2.1 million	1984
Annual population growth	2.4%	1984
Annual Consumption:		
Flour	26,000 tonnes or 12.4 kg/capita	1984
Meat	38,000 tonnes or 18 kg/capita	1984
Vegetable Oil	42,000 tonnes or 20 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat: Not grown in Panama

Corn: During 1982/83 crop year 40,000 tonnes were harvested from 72,000 hectares. No information is available on planting intentions for the next crop year.

Rice: During 1982/83 crop year 76,000 tonnes were harvested from 21,500 hectares. No information is available for future crops.

Oilseeds: No crops.

2. Foreign Exchange Situation

Local currency: 1 Balboa is equivalent to US\$1.

Estimated foreign exchange increase of 12% for food and agricultural inputs for this year.

Wheat, beans and oilseeds are imported from U.S.A., by local mills under the Export Credit Guarantee-Program (GSM-102) administered by the U.S. Commodity Credit Corporation.

3. Fertilizer Situation

According to the most recent Panamanian import statistics, fertilizer imports in 1984 were as follows: 40,000 tonnes (U.S. 60%, Costa Rica 25%, Germany 10%, others 5%). Ingredients were: nitrogen (30%), phosphate (25%), potash (30%), others (15%).

4. Import Mechanism

Wheat is purchased directly by local mills. Other grains (corn, lentils, rice) are imported and distributed by the government agency, Instituto Mercadeo Agropecuario (IMA). No changes foreseen in import structure and procedures.

5. Grain Industry Infrastructure

The independent flour mills and IMA have storage facilities in the ports of Balboa and Colon, and grain silos in the more important production centres of Panama. No significant changes imminent.

6. Government Policies Affecting Grain and Agriculture

Production of grains is small and expected to remain so in the near future.

Imports in 1984: wheat 63,000 tonnes; barley 115,000 tonnes; corn 23,000, tonnes; oats 1,500 tonnes; malt 7,500 tonnes; red kidney beans 27,000 tonnes and lentils 4,600 tonnes.

Grains are all for human consumption except barley (50% for livestock) and corn (75% for animal feed).

Grain reserves: Not available but believed to be modest.

Meat production: 38,000 tonnes are consumed domestically or 18 kilos per capita.

Competition with U.S. programs (i.e. PL480 and CCC financing) combined with dependence of Panama Flour Mills on their U.S. parent companies makes sales of Canadian grains difficult. We foresee some prospects for Canadian barley and oats, if Canadian exporters can compete in prices, delivery and transportation.

The government of Panama (elected in 1984) is very interested in countertrade/barter deals and has requested approval from Panamanian Congress for such activity.

7. Market Prospects - Grains and Oilseeds

There are no national grain import projections to 1990.

There are marketing opportunities for special crops depending on prices, quality and delivery.

8. Processing Facilities

	Year 1984		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	3	3	60	50
Compound Feed Mills	8	14	159	152
Brewers*	2	2	n/a	730
Oilseed Crushers	2	2	80	78

* Capacity and output in thousand hectolitres (1983).

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1984	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Balboa	160	150
Colon	140	125
Total Capacity	300	275

- - thousands of tonnes - -

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type (1984/85): Nil.

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	7.5 (8.5)	U.S.A., France, Germany
Malting Barley	- (-)	

3. Additional Information

Annual per capita beer consumption: 2% increase in beer consumption.

Beer production capacity: 3% increase in production capacity.

Domestic malting capacity: 2% increase in malting capacity.

Malt exports: None.

Market potential for Canadian malt: Competition with the U.S. and EEC suppliers makes it difficult for Canada to obtain a share of this market.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - 10% on CIF Value
 Crude oil - 10% on CIF Value
 Oilseed meal - 10% on CIF Value
 Refined oil - 15% on CIF Value

Non-tariff import barriers/export assistance measures: None.

Import/export structure: Imported directly by the two local manufacturers (Compania de Aceites S.A. and Aceites Pabo S.A.).

Additional factors: The two local oil manufacturers import crude soyabean oil and refine the crude oil to meet local market demand.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Soya oil		55	
TOTAL		55	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Vegetable	40	42			
TOTAL	40	42			

<u>Meal</u>	Production	Imports	Exports
Animal feed	23		
TOTAL	23		

IV. STATISTICAL NOTES(A) WHEAT AND DURUMSUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			63 (60.5)	63 (60.5)
Durum wheat	None			
Flour/Semolina				
TOTAL			63 (60.5)	63 (60.5)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	53 (50)	10 (10.5)					63 (60.5)
Durum wheat							
Flour Semolina							
TOTAL	53 (50)	10 (10.5)					63 (60.5)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

WHEAT (including durum)

Cash						
Commercial Credit						
Aid, concessional credit, etc.	63 (60.5)					63 (60.5)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	40 (31.5)		23 (23)	63 (54.5)
Barley			115.5 (120)	115.5 (120)
Sorghum			(1.5)	(1.5)
Oats			1.5 (2)	1.5 (2)
Rye				
TOTAL	40 (31.5)		140 (146.5)	180 (178)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	45 (41.5)	10 (13)	33.5				63 (54.5)
Barley			(120)				115.5 (120)
Sorghum		(1.5)					(1.5)
Oats		1.5 (2)					1.5 (2)
Rye							
TOTAL	45 (41.5)	11.5 (16.5)	33.5 (120)				180 (178)

TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn		23 (23)				23 (23)
Barley		115.5 (120)				115.5 (120)
Sorghum		(1.5)				(1.5)
Oats		1.5 (2)				1.5 (2)
Rye						
TOTAL		140 (146.5)				140 (146.5)



PART V
SOUTH AMERICA



A R G E N T I N A

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	self-sufficient	
Annual per capita income:	US\$2,500	1984
Average annual growth	2.5%	1965-85
Annual inflation rate	400%	1975-85
Volume of imports	7 billion US\$	1984
Of which food	0.5%	1984
Of which fuels	1.3%	1984
Principal foreign exchange earning export:	Agricultural Products	
Debt service as % of exports	35%	1984
Population	30 million	1985
Annual population growth	1.5%	1980-1985
Annual Consumption:		
Flour	2,400,000 tonnes or 80 kg/capita	1984
Meat	2,600,000 tonnes or 90 kg/capita	1984
Vegetable Oil	360,000 tonnes or 13 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	<u>1984/85</u> (million tonnes)	<u>1985/86 (estimate)</u>
Wheat	13.2	9.5 - 10.5
Corn	12.7	11 - 11.5
Grain Sorghum	6.2	n/a
Soybean	6.6	7 - 7.3
Sunflower	3.2	3.2 - 3.4

2. Fertilizer Situation

Fertilizer use per hectare has increased to 17.5 kg, up 40 per cent from last year.

3. Processing Facilities

Year: 1984

	Number of <u>Companies</u>	Number of <u>Plants</u>	Annual <u>Capacity</u>	Actual <u>Output</u>
	thousands of tonnes			
Flour (and durum) Mills	46	51	5,000	4,100
Compound Feed Mills	20	35	2,500	1,800
Maltsters & Brewers	10	10	800	500
Oilseed Crushers	32	48	4,200	4,200

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	2-Row		6-Row		Total
	Winter	Spring	Winter	Spring	
All Barley	350				350
Suitable for malting	280				280

2. Imports: Nil

3. Additional Information

Annual per capita beer consumption: Stable

Beer production capacity: Stable

Domestic malting capacity: Stable

Malt exports: Uruguay/Brazil

Market potential for Canadian malt: None

III. OILSEEDS

1. Trade Policy: Argentina does not import oilseeds.

Import/export structure: Private firms

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984/85

<u>Oilseed</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	6,600	-	-	2,500	-
Sunflower	3,200	-	-	60	-
Flax	680	-	-	50	-
TOTAL	10,480	-	-	2,610	-

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	350	-	-	320	-
Sunflowerseed	980	-	-	950	-
Flax	180	-	-	160	-
TOTAL	1,510	-	-	1,430	-

<u>Meal</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	1,800	-	-	1,700	-
Sunflowerseed	1,500	-	-	1,500	-
Flax	400	-	-	380	-
TOTAL	3,700	-	-	3,580	-

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	13,500 (12,500)	500	Nil	14,000
Durum wheat Flour/Semolina				
TOTAL	13,500 (12,500)	500	Nil	14,000

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption Human</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	4,200 (4,500)			500 (500)	8,500 (9,000)	800 (500)	14,000
Durum wheat Flour Semolina							
TOTAL	4,200 (4,500)			500 (500)	8,500 (9,000)	800 (500)	14,000

Export Destination: Russia
Iran
Brazil

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	12,700 (9,000)	1,500 (1,000)	Nil	14,200 (10,000)
Barley	6,100 (8,000)	1,400 (800)		7,500 (8,800)
Sorghum	610 (540)			610 (540)
Oats	140 (150)			140 (150)
Rye				
TOTAL	19,550 (17,690)	2,900 (1,800)		22,450 (19,490)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Corn	1,000 (1,000)	2,500 (2,000)		450 (400)	9,500 (6,600)	750	14,200 (10,000)
Barley							
Sorghum		1,500 (1,500)		500 (500)	5,500 (5,500)	(1,300)	7,500 (8,800)
Oats	120 (120)						
Rye	150 (150)						
TOTAL	1,270 (1,270)	4,000 (3,500)		950 (900)	15,000 (12,100)	750 (1,300)	21,700 (18,800)

B R A Z I L

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,607	1984
Annual per capita GNP	US\$1,890	1984
Annual inflation rate	109%	1975-85
Annual inflation rate (current)	227%	1985
Volume of imports	13.9 billion US\$	1984
Of which food	1.6%	1984
Of which fuels	48 %	1984
Principal foreign exchange earning export:	Coffee	
Debt service as % of GNP	8%	1984
Debt service as % of exports	70%	1984
Population	131 million	1984
Annual population growth	2.5%	1984
Annual Consumption:		
Flour	6,300,000 tonnes or 48 kg/capita	1984
Meat	1,660,000 tonnes or 12.5 kg/capita	1984
Vegetable Oil	1,563,000 tonnes or 11.9 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

According to Banco do Brazil's wheat marketing department the 1985 wheat harvest totalled 4 million tonnes, compared with 1.9 million tonnes in 1984. In Rio Grande do Sul, the latest survey conducted by IBGE, the official statistics institute, shows that the acreage under wheat has increased by 23% compared with last year. The prolonged drought in central and southern Brazil is expected to produce a soybean crop of 13.5-14 million tonnes in 1985/86 as compared to 17.6 million tonnes in 1984/85.

2. Foreign Exchange Situation

Brazil is not a recipient of international aid, in spite of its debts with foreign bankers and IMF.

3. Fertilizer Situation

Consumption of fertilizer showed historical increases up until 1980 when the cessation of subsidized credit caused constant declines in consumption until 1984. In the decade 1970/80 consumption increased at an average rate of 15.2% per year. In 1980 consumption was in the order of 4 million tonnes for 60 million hectares cultivated or an average of 67 kilograms per hectare. Soybeans, sugarcane, coffee, rice, wheat and corn use about 75% of total consumption.

4. Import Mechanism

The Brazilian Government imports wheat through public tenders in which sellers offer their prices and other conditions with respect to wheat. However, sellers must observe a standard rule which provides for specifications on protein, moisture content and quality of the wheat. The official agency in charge of the tenders is the Brazilian Wheat Board headed in Rio de Janeiro, Brazil.

5. Grain Industry Infrastructure

With respect to wheat, which is the object of the Brazilian Wheat Board, Brazil keeps a monopoly of this commodity as the government buys it and arranges its distribution among 181 mills throughout the country. The price of the grain is subsidized for social reasons and in this connection the price is fixed. Wheat flour has its price also controlled by the government. In view of large 1985 wheat crop, government faces serious storage problem. Government may not be able to find storage for 1 million tonnes of wheat or 25% of crop.

6. Government Policies Affecting Grain and Agriculture

Wheat: Some points deserve attention such as:

- producer price payable commencing September on delivery (1985 producer price - US\$248 per tonne, 1984 - \$225, 1983 - \$275)
- the national crop has a priority of purchase by the government with respect to foreign wheat;
- the import of foreign wheat is to complete the consumption demand domestically;
- the quantity imported is between 2.5 - 5 million tonnes;
- 6 million tonnes are designated for human consumption;
- Brazilian wheat production has averaged 1.5 million tonnes;
- 22% of wheat production is reserved for animal feed.

The price incentive to the Brazilian wheat producer has increased wheat yields from 960 kg/ha in the last few years to 1,200 kg/ha for the current crop, which has been estimated at 4 million tonnes and will result in a reduction of wheat imports.

7. Market Prospects - Grains and Oilseeds

Future import wheat projections will largely depend on the wheat subsidy policy. However, it is certain that if the wheat crop increases imports will decrease.

The trade balance between Canada and Brazil must improve, that is, imports by Canada of Brazilian goods need to increase in order to better such balance.

8. Processing Facilities

	Year 1985		thousand of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	181	181		6,345
Compound Feed Mills				
Maltsters				180
Brewers*				
Oilseed Crushers				

* Capacity and output in hectolitres.

9. Storage and throughput Capacity

Grain Import Capacity by Port

Year 1985
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>
Capuaba (ES)	30.0
Recife (PE)	30.0
Fortaleza (CE)	10.0
Cabedelo (PB)	10.0
Maceio (AL)	10.0
Angra (RJ)	7.0
Santos (SP)	23.0
S.F. Sul	18.0
Rio Grande (RS)	160.0
Porto Alegre (RS)	18.0
Niteroi (RJ)	12.4
Salvador (BA)	32.5
Rio (RJ)	91.4
Total Capacity	452.3

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimates

- - thousands of tonnes - -

	<u>2 - Row</u>		<u>6-Row</u>		<u>Total 1984</u>
	<u>Winter 1984</u>	<u>Spring 1985</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	72	N/A			72
Suitable for malting	72				72

Note: 6-Row not produced in Brazil.

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal Supplier(s)
Malt	147	(161)	
Malting Barley	146	(168)	

3. Additional Information

Annual per capita beer consumption: Consumption is stable at about 21 litres per capita.

Beer production capacity: Stable at present.

Domestic malting capacity: It has increased in the last few years. At the present time malting capacity is around 180,000 tonnes per year.

Malt exports: none

Market potential for Canadian malt: Canadian malt is not competitive due to its high price compared to European malt and high freight rates.

III. OILSEEDS

1. Trade Policy

Import Tariff:	Oilseeds:	55%.
	Crude Oil:	55%.
	Oilseeds meal:	7%.
	Refined Oil:	60%.

C H I L E

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$1,791	1984
Annual per capita GNP	US\$1,650	1984
Average annual growth	5.2%	1978-84
Annual inflation rate	75.5%	1975-85
Annual inflation rate (current)	28.0%	1985
Volume of imports	3.191 billion US\$	1984-85
Of which food	15.0%	1984-85
Of which fuels	20.0%	1984
Principal foreign exchange earning export: Copper		
Debt service as % of GNP	5.7%	1984
Debt service as % of exports	25.0%	1984-85
Population	11.8 million	1984
Annual population growth	1.4%	1980-2000
Annual Consumption:		
Flour	1,356,600 tonnes or 115 kg/capita	1985
Meat	363,746 tonnes or 31 kg/capita	1985
Vegetable Oil	86,140 tonnes or 7.3 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Due to larger areas planted and higher yields in the 1984/85 period, spectacular production increases were achieved with respect to the previous period in rapeseed (68%), sunflower seed (371%) and rye (120%). Other more modest production gains were recorded in wheat (18%), barley (16%), corn (7%) and oats (5%). The only production drops in Chile's major crops were in potatoes-12.3% and rice-5.1%.

Planting intentions for the 1985/86 Chilean farm year show the following increases: Wheat 10%, rapeseed 80% and sunflower seed 40%. Reductions in areas planted are forecast for oats - 5%, barley - 13%, rice - 5% and corn - 10%, and no change in rye.

2. Foreign Exchange Situation

The exchange rate, which was approximately 90 pesos per U.S. dollar in August 1984 is now close to 178, and floating daily in relation to the cost-of-living index, but subject to other special adjustments. In February and June this year for example, there were additional devaluations to help promote exports, which amounted to 9.0 percent and 8.4 percent respectively. Foreign exchange is equally available for all imports, and for the moment there is no reason to expect that priorities will be established for some commodities. International food aid to Chile on a substantial scale is not likely, except for relatively small donations to specific institutions.

3. Fertilizer Situation

As a result of larger areas planted, improved technical assistance and easier financial liquidity positions most farmers used more fertilizers in 1984 pushing up consumption totals as follows:

	<u>1983</u>	<u>1984</u>
	<u>(tonnes)</u>	
Nitrogen	61,500	85,400
Phosphate	58,400	73,900
Potash	11,000	15,200

4. Import Mechanism

Wheat imports are handled by 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. Likewise, barley is imported by the malting industry when local production is short. Generally, there is no Government intervention nor public tenders in these commodities.

5. Grain Industry Infrastructure

Due to the relative newness of the farm sector revitalization in Chile and the fact that this sector is still heavily in debt, there has been little or no investment in new infrastructure, private or public. Efforts have been directed mainly at diversifying the purchasing power, which until recently was almost totally in the hands of the millers. Various producer cooperatives headed by their federation (Federacion de Cooperativas del Agro - COPAGRO) have purchased or rented the former state ECA and CORFO grain storage facilities and have set up successful private purchasing powers, aided by state bank financing.

6. Government Policies Affecting Grain and Agriculture

The government's policy to assist agriculture in every possible way, such as with price support for wheat and oilseeds, financing, technical assistance, realistic exchange rates and additional import duties on foreign subsidized products will result in continued production increases and lower imports, mainly in wheat and edible oil. Grain reserves may be expected to increase accordingly, but grain consumption patterns and meat production and consumption will probably not change significantly. The development of any substantial Chilean export trade in grains is considered unlikely.

It is generally expected that Chile will be virtually self-sufficient in wheat, coarse grains and oilseeds within a few years. However, the fact that price supports are not, and reportedly will not be made available to more than a few crops such as wheat and oilseeds will probably result in occasional production shortfalls due to the lack of sufficient price incentive.

With Chile well on its way to relative self-sufficiency in the grains sector and foreign exchange being available for any and all imports there is little or no interest in countertrade/barter and the few initiatives that have been undertaken in this field have not proven satisfactory.

7. Market Prospects - Grains and Oilseeds

There are no national grain import projections to 1990.

Important factors in exporting to Chile are as follows:

- (a) purchases are heavily dependent on price and availability at moment required.
- (b) competitive freight costs.
- (c) concessional credit as provided to Chile by the United States for imports of wheat.

Generally there is no market for special crops but occasionally when local production falls short opportunities do occur (e.g. mustardseed and canaryseed).

8. Processing Facilities

	Year: 1984		thousand 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
Maltsters	3	4	100	58
Brewers*	3	7	N/A	1.7
Oilseed Crushers	8	9	260	145**

Note - One maltster closed due to bankruptcy

* Capacity and output in million hectolitres

** Meal and oil.

9. Storage and throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1984	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity*</u>
San Antonio	600	400 tonnes/hour
San Vicente	600	400 tonnes/hour
Valparaiso	N/A	
Total Capacity	1,272	800 tonnes/hour

* 3 shifts of 7.5 hours each, or 22.5 hours per day.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley		85			85
Suitable for malting		70			70

2. Imports, Calendar year 1984 estimated, previous year in brackets:

- - thousands of tonnes - - Principal supplier(s)

Malt	Nil	Nil	
Malting Barley	11	Nil	Australia

3. Additional Information

Annual per capita beer consumption: Beer production (about equal to consumption) is as follows:

	Million Liters
1980	91.7
1981	140.7
1982	172.4
1983	166.6
1984	167.8

Beer production capacity: Beer production capacity has not changed appreciably in the last couple of years and there are no known expansion plans.

Domestic malting capacity: There is excess malting capacity at present, including one company in receivership.

Malt exports: Chile exports to other South American countries such as Peru, Brazil and Bolivia. Shipments amounted to U.S. \$7.9 million in 1983 and U.S. \$12 million in 1984.

Market potential for Canadian malt: Chile is normally self-sufficient in both malting and malting barley. If and when a shortfall develops, imports are dependent on price and delivery at the moment required, and are generally limited to malting barley.

III. OILSEEDS

1. Trade Policy

Import Tariffs on oilseeds and products: Twenty percent on the CIF value for all. An additional 15 percent duty is usually levied when international prices threaten local producers.

Non-tariff import barriers/export assistance measures: None on imports. For exports: realistic exchange rates, export financing, return of sales taxes, including custom duties in some cases.

Import/export structure: Local oil crushers and refiners purchase directly, sometimes in joint shipments to reduce freight costs. Meal is imported (when local production falls short) by the individual feed producers and some large breeders.

Additional factors: The local industry generally imports crude, degummed oil, which requires less processing than seed. Marine freight cost is the key issue.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984/85

<u>Oilseed</u>	Production	Imports		Exports	
Rapeseed	32				
Sunflower	33	Negligible			
Total	65				

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Sunflower	50.1	6.7			
Rapeseed	52.4				
Corn	7.5	0.1			
Soya		83.3			
Total	110.0	90.1			

<u>Meal</u>	Production	Imports	Exports
Sunflower	14.0		
Rapeseed	20.0		
Corn	1.0		
Soya		75.0	
Total	35.0	75.0	

IV. STATISTICAL NOTES(A) WHEAT AND DURUMSUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	1,165 (988)		740 (1,160)	
Durum wheat				
Flour/Semolina				
TOTAL	1,165 (988)	150 (250)	740 (1,160)	2,055 (1,950)

* of which spring wheat

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat							
Durum wheat							
Flour Semolina							
TOTAL (estimate)	1,661 (1,696)	55 (50)		110		229 (250)	2,055 (1,950)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>
<u>WHEAT</u> (including durum)						
Cash				32 (310)		32 (310)
Aid, concessional credit, etc.		708 (850)				708 (850)
TOTAL		708 (850)		32 (310)		740 (1,160)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	772 (721)	80 (260)	2 (143)	854 (1,124)
Barley	85 (73)	25 (30)	11	121 (103)
Sorghum			18	18
Oats	170 (163)	12 (11)		182 (174)
Rye	11 (5)	1 (1)		12 (6)
TOTAL	1,038 (962)	118 (302)	31 (143)	1,187 (1,407)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports*	Carry-out	Total
Corn	60 (70)	707 (809)				87 (245)	854 (1,124)
Barley	65 (60)	18 (15)			4 (5)	34 (23)	121 (103)
Sorghum						18	18
Oats	22 (20)	133 (125)			3	24 (29)	182 (174) ³
Rye	3 (2)	5 (3)				4 (1)	12 (6) ²
TOTAL	150 (152)	863 (952)			7 (5)	149 (298)	1,187 (1,407)

* Brazil, Colombia

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				EEC	All Others	TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina			
Corn		(93)		2 (50)			2 (143)
Barley			11				11
Sorghum				18			18
Oats							
Rye							
TOTAL		(93)	11	20 (50)			31 (143)

COLOMBIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,500	1984
Average annual growth	4%	1965-85
Annual inflation rate	18%	1975-85
Annual inflation rate (current)	34%	1984
Volume of imports	3.9 billion US\$	1984
Of which food	10%	1984
Of which fuels	15%	1984
Principal foreign exchange earning export:	Coffee	
Population	28 million	1984
Annual population growth	2%	1980-82
Annual Consumption:		
Flour	14 Kg/capita	1984
Meat	17 Kg/capita	1984
Vegetable Oil	12 Kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

In Colombia, agricultural associations, government departments and Ministry of Agriculture share equally the responsibility for the development of the agricultural sector. Association of Agricultural Growers of Colombia (Sociedad de Agricultores de Colombia) estimated a growth of 1.5% in agricultural production for 1984. On the other hand the Ministry of Agriculture predicted an increase of 2.3% and Government Statistics Institute (DANE) predicted a 3% increase. But according to the latest information available production for the sector increased only 0.6% in 1984. The poor performance in the agriculture sector is due to incorrect policies implemented by the government, weather conditions affecting crops and a change in relative prices. In general, the climate was good in the first semester and regular or poor in the second semester.

By commodity the most significant production decreases were: coffee - 15.9%, sugar cane - 12.1%, rice - 7.5%, soybeans - 30.6%, wheat - 11.0% and sorghum - 6.6%.

Increases in production by commodity were: cotton 77.7%, potatoes 9.0% and african palm 16.0%.

The farm population was estimated at 2.0 million or about 27% of the national labour force. This figure will probably remain stable until the end of the decade.

2. Foreign Exchange Situation

The foreign exchange situation continues to be critical. Foreign reserves fell to US\$ 1.8 billion by the end of December 1984. The Government has taken drastic measures to meet this challenge by setting up severe import restrictions on all products. For this purpose a new control mechanism was created based on a monthly budget of US\$250 million for imports. The monthly budget was broken down according to priorities such as oil and gas, spare parts, raw materials, food, etc. The control measures created problems for all economic sectors, since the real need for imports were far greater than those calculated by the government. Measures affected industry in such a way that several industries were forced to shut down their operations temporarily thus creating unemployment.

Agricultural associations and importers expressed dissatisfaction for the measures claiming that the quota assigned for imports was too low and forecasted that the shortage of supply for products and raw materials would create inflation.

It is not expected that these measures will be changed drastically for 1985 as the government's performance is being closely monitored by the IMF. However, basic food stuffs such as wheat, barley, edible oils, etc. are being allowed into the country with only limited restrictions.

Colombia despite its development is a big recipient of foreign aid by institutions such as the World Bank, the Interamerican Development Bank and Canada's CIDA. The country also gets soft loans from France, Japan, Germany, Spain, Italy and Holland.

3. Fertilizer Situation

Aside from coffee, rice, potatoes and sugar, the intensity of fertilizer use in Colombia remains comparable to or below the levels in Latin America on average. More fertilizer application is particularly cost-effective for small scale farmers growing subsistence crops such as maize, beans and cassava. In the case of crops such as potatoes, net gains could be obtained from more balanced use of fertilizers. For instance, for these crops fertilizer use is estimated to be low because commercially available formulas are not always suitable to the large variety of climatic conditions found in Colombia or because of inadequate extension services.

Fertilizer use has declined since 1978, and DNP's analysis identifies the following contributing factors - rising relative prices of agricultural inputs, declining profit margins and overall stagnation in production and acreage. A sub-optimal economic use of fertilizers has been in existence due to high farmgate prices for fertilizers--reaching over two times the world market levels, except perhaps for coffee for which the input price is less than that for others. These prices result to a small extent from taxes and tariffs and more significantly from port charges and high domestic transportation costs. Fertilizer import and price policy changes have been frequent as a result of pressures from one group or another.

Of a total farming area of 3.5 million hectares only 50 percent are treated with fertilizers. Erroneous application of fertilizers is causing damage to soils which according to National Environmental Institute (INDERENA) it will take about 70 years to recover worn-out lands.

Domestic Production of fertilizers for 1983 was as follows (tonnes):

Urea	9,404
Chemical fertilizer	14,811
Phosphate Fertilizer	637
Mixed fertilizers	290,000
Organic fertilizers	7,912

1984 fertilizer imports were (US\$): ammonium nitrate - \$615,000, potassium chloride - \$11 million, urea \$29 million and others - \$23 million

4. Import Mechanism

Imports for agricultural products and raw materials for the sector are now being controlled by the government, under a quota system. Central Govt. through its Treasury Dept. allocates monthly fixed quotas for imports of all types of products. The National Council for Economic and Social Policy, CONPES, in which all Ministers sit, meets periodically to study the import situation of each sector. A monthly quota of approx. \$250 million U.S. is allocated to sectors according to priorities. In the agricultural sector the person in charge of presenting the import requirements is the Minister of Agriculture. His proposals as well as those from other Ministers are considered by CONPES, which in turn distributes funds accordingly. In previous years imports were handled directly by private importers for grains, beans, lentils, chickpeas etc. now these imports are controlled by the state agency, IDEMA. Imports of other products like wheat, coarse grains, soybeans, soyoil, fishmeal, fats, oilseeds, malt and malting barley can sometimes be imported by private companies (often millers) but based on quotas assigned by IDEMA.

5. Grain Industry Infrastructure

IDEMA owns and operates grain handling and storage facilities at the Colombian ports of Santa Marta (Atlantic Coast) and Buenaventura (Pacific Coast). Processing facilities are owned by private millers. No change is expected in these facilities.

6. Government Policies Affecting Grain and Agriculture

The Government, now affected by a lack of reserves to import major agricultural products and based on experiences from previous years, has decided to encourage farmers to grow those agricultural products which are now being imported. This of course has had little results due to several factors. In 1984 the cost of food increased 19.6% while cost of production increased 22%. Major items in cost of food increase were labor wages (28%), inflation (25%), local devaluation against the U.S. dollar, restriction of imports, cost of fertilizer increased 30%, agricultural machinery 30-40%, oil 40% and feed concentrates increased 16-23%. Sources for credit remained blocked by government Agricultural Bank, CAJA AGRARIA, which has a deficit of approximately CD\$300 million. Other sources for agricultural financing have followed a conservative lending policy to farmers as the sector is considered risky and with a low return on money lent. While government insists in programs for encouraging growing of new crops, farmers remain skeptic. No major increases for growing in new lands are expected for the next few years and imports of products which have been slightly reduced will continue.

Current policies have forced the government to look for external financing for imports of some agricultural items such as wheat. In this latter case the Colombian government has acquired credits for purchasing wheat from Argentina, Australia, USA and more recently, Canada. For other commodities, imports are conducted by standard Letter of Credit.

There is no government policy on countertrade/barter for imports of grain and oilseeds.

7. Market Prospects - Grains and Oilseeds

Canada has approached the Colombian and oilseed market through several ways, such as missions, seminars, fair participation, etc. As a result of past experiences in this market grains and pulses from Canada became familiar to the Colombians. Now that imports are controlled, a substantial decline in exports from Canada has occurred. Exports from Canada will increase only for wheat as a consequence of the utilization of credit. Possibilities for special crops are limited due to current import mechanisms.

8. Processing Facilities

	Year 1984			
	- - thousands tonnes - -			
	Number of Companies	Number of Plants	Annual Capacity	Actual Output
Flour (and durum) Mills		100	1,581	700
Compound Feed Mills	38	66	1,600	
Maltsters	2	5	64.4	
Brewers*	2	18		11.76
Oilseed Crushers		32	498	

* Capacity and output in million hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1984	
	- - thousands tonnes - -	
	<u>Annual Throughput Capacity*</u>	
Cartagena	40.82	
Barranquilla	92.1	
Santa Marta	20.0	
Buenaventura	427.7	
Total Capacity	580.6	

* Wheat is not stored as it must go directly from ports to millers. Above figures show the tonnage of imported wheat handled by Colombian ports in 1984.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1983/84 estimate:
 - -thousands of tonnes - -

	2-Row		6-Row		Total
	Winter	Spring	Winter	Spring	
Barley		24.5			25.5

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	Value (000 US\$)	Principal supplier(s)
Malt	2,289	France
Malting Barley	172	Argentina
	17,724	Canada
	280	Ecuador

3. Additional Information

Annual per capita beer consumption: Increasing at 6%

Beer production capacity: Colombia's brewing industry is controlled by one company, the Santodomingo Group. They are a very powerful group and are now expanding into Ecuador.

Domestic malting capacity: Malting capacity is not increasing.

Malt exports: Malt is not exported.

Market potential for Canadian malt: During 1984, Canada's exports of malt were severely affected by import restrictions. Other suppliers such as France, were also affected by government measures. Plants were forced to work at minimum levels and some plants were shut down due to a lack of malt.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: Customs duty of 25% on peanuts, african plam, cotton, sunflower, rapeseed, coconut, flax, sesame, mustard while only 15% on soybeans.

Crude Oil and refined oil: Soybean crude 15%, refined 19%. Coconut crude 9%, refined 16%. Palm crude 20%, refined 58%. Mustard crude 2% refined 5%. For following oils 25% for crude and 25% for refined: (Cotton seed, peanut, corn, sesame, rapeseed).

Oilseed meal: Cotton, sesame, sunflower, peanut, palm, coconut, rapeseed, and others 16% customs duty.
Soybean meal, 13% customs duty.

NOTE: the following additional taxes must be added for imports on oilseeds and meals:

Promotion export fund: 5% (CIF)

Decree 688 1967: 2% (CIF)

Consular tax: 1.2% (CIF)

Import/export structure: private importers

Additional factors: all imports are done on line of credit on sight.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Soybean		110	
Total		110	

<u>Oil</u>	Production	Imports	Exports
		Crude	Refined
		Crude	Refined
Soybean	12.0	97.3	
Cotton	79.		
Palm	95.5		
Sesame	3.8		
Fish		34.8	
Other		4.2	
Total	190.5	136.2	

<u>Meal</u>	Production	Imports	Exports
Soymeal	73.0	11.	
Cottonmeal	59.7		
Palm meal	8.85		
Sesame	3.8		
Total	145.3	11.	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	60 (71)		630 (687)	690 (810)
Durum wheat				
Flour/Semolina	60 (71)		630 (687)	690 (810)
TOTAL				

* of which spring wheat

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	525 (475)						690 (810)
Durum wheat							
Flour Semolina	175						
Bakery	50						
TOTAL							690 (810)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.(1)</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Wheat (including durum)	Canada				Sweden	Bermuda	
Cash				19.5 (16)	3	15.5	38
Commercial Credit					Switzerland		
Aid Concessional					75.4		575.4
Credit, etc.							
Flour (including semolina)							
Cash/comm.credit							
Aid, Concessional				19.5	78.4	15.5	630 (687)
TOTAL							

(1) Hard Red Winter No. 2

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous years in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	864.0 (534)		50.6 (6)	914.6 (571)
Barley	28.2 (24)		117.2 (103)	145.4 (130)
Sorghum	589.6 (294)		130.0 (147)	719.6 (564)
Oats			18.0 (76)	30.0 (25)
Rye				
TOTAL	1,481.8 (853)	316 (321)		1,809.6 (1,300)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption				Other (seed, waste)	Exports	Carry-out	Total
	Consumption	Animal Feed	Industrial	Imports				
Corn								914.5 (571)
Barley								145.4 (130)
Sorghum								719.6 (564)
Oats								30.0 (25)
Rye								
TOTAL								1,809 (1,300)

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IMPORT TRADE 1984/85 est - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn						50.6 (46)
Barley	49.2 (100)	50.6 (46)		1.1 (1)		50.3 (103)
Sorghum		130 (124)		15.0 (19)		130 (147)
Oats						15 (25)
Rye						
TOTAL	49.2 (100)	180.6 (175)		16.1 (20)		246 (321)

P E R U

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$867 (est.)	1984
Annual GNP:	US\$21.23 billion	1984
Annual inflation rate (current)	184%	
Volume of imports	2.1 billion US\$	1984
Of which food	20%	1984
Principal foreign exchange earning export:	Minerals	
Debt service as % of GNP	10.0%	1984
Debt service as % of exports	65%	1984
Population	20 million	1984
Annual population growth	3%	
Annual Consumption:		
Flour:	46 kg/capita	1983
Meat:	35 kg/capita	1983
Vegetable Oil:	150,000 tonnes or 8 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The agriculture sector experienced a 11% growth in 1984 compared to 1983. Food production showed a significant recovery, about 19% over 1983 production which was sharply reduced by the El Nino weather factor. Owing to the poor performance of the livestock sector (which declined by 5.3% from 1983), due to the erosion in consumer purchasing power, this season's gross agricultural production did not surpass the 1982 record.

Rice production recovered to a record high of 1,133,800 tonnes representing a 42.2% gain from 1983 figures. Record output was also registered for corn, and considerable gains were also noted in all other major crops.

The outlook for agricultural production in 1985 is moderately favourable. According to the Ministry of Agriculture an overall 2.2% increase can be expected. However rice production will likely be below the 1984 record level. According to the Central Bank survey (May 1985), output is up 5.5% since last year.

2. Foreign Exchange Situation

The balance of payments shows a current account deficit of US\$252 million and a trade balance of US\$1,007 million. Net international reserves by January 1985 were US\$1 billion. Peru at the end of 1984 was in arrears on its interest payments in the amount of US\$294 million. This country is a recipient of international aid.

3. Fertilizer Situation

Empresa Nacional de Comercializacion de Insumos (ENCI), a state owned agency, continues as the leading commercializer of fertilizers. Imports of fertilizers in 1984 amounted to US\$15.5 million. Peru imported 30,000 tonnes of nitrogen in

Fertilizer Situation (cont'd)

1984, compared to 43,000 in 1983. Phosphorous imports were 10,000 tonnes compared to 15,000 tonnes in 1983; and potassium imports totalled 14,000 tonnes. About 90% of fertilizer imports are from U.S.A.

4. Import Mechanism

Empresa Nacional de Comercializacion de Insumos (ENCI) is the major importer of wheat, vegetable oil, corn and fertilizer. ENCI's purchases are based on international tender.

5. Grain Industry Infrastructure

The following firms represent the seven large mills in operation:

Molino Excelsior S.A.
Mariscal Miller 450
Callao, Peru

Federico Cogorno
Av. Venezuela 120
Lima, Peru

Molinera Santa Rosa S.A.
Loreto 475
Callao, Peru

Cia. Molinera del Peru S.A.
Av. Argentina 4695
Lima, Peru

Molitalia
Av. Venezuela 2856
Lima, Peru

Nicolini Hermanos S.A.
Av. Argentina 215
Lima, Peru

Molinera Inca S.A.
Casilla 3117
Lima, Peru

6. Government Policies Affecting Grain and Agriculture

On July 28, 1985 a new Government came into power. Policy decisions of the new Government may change the direction of agricultural and trade policies. Measures under consideration by the newly elected Administration point to a long-term commodity import substitution program.

The Peruvian Government has undertaken numerous countertrade transactions to cover debt repayments with socialist countries including fish products, cotton, textiles, coffee, cacao, poultry and wine.

7. Market Prospects - Grains and Oilseeds

No long-term projections on grain import needs are available. However, the newly elected Government is currently preparing a long-term agricultural development plan with the objective to increase domestic production.

Marketing initiatives could include visits by Canadian exporters to local potential customers, financing, trade missions and seminars.

There is a limited market for mustard, peas, lentils and canary seed.

8. Processing Facilities

Year: 1984

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	10	12	1500	800
Compound Feed Mills	13	16	1300	950
Maltsters	2	2	45	25
Brewers*	2	3		5.2**
Oilseed Crushers	9	9	250	90

* Capacity and output in million hectolitres

** Estimate

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Callao	30	740
Matarani	15	150
Païta	8	96
Salaverry	8	96
Total Capacity	61	1062

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley					34
Suitable for malting					34

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	27 (23)	Australia (8.7), Belgium (8.7), U.K. (4.0)
Malting barley	45 (45)	Chile (2.0) Canada (3.0)

MALT AND MALTING BARLEY (cont'd)

3. Additional Information

Market Potential: Peru is a long term market for malting barley and no forces are in sight which will change this reliance on imports of about 45,000 tonnes of malting barley per year.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: soya - 24%, others - 47%
 Crude oil: soya, rapeseed, sunflower - 24%
 palm, corn, olive - 57%
 cotton - 38%
 Oilseed meal: 48%
 Refined oil: 58%

Non-tariff import barriers/export assistance measures: None.

Import/Export Structure: ENCI handles imports of crude vegetable oils and oilseeds on behalf of private processors.

Additional Factors: Potential exports from Canada to Peru have been affected by bilateral agreements between Peru, Argentina, Paraguay and Bolivia within the frame of the Latin American Integration Agreement. Argentina enjoys a 15.8% rebate on imports tax charge applicable to other origin crude vegetable oils. Soya bean meal can be imported duty free from Paraguay and Bolivia.

2. Supply of oilseeds and products by type, thousands of tonnes:
 year: 1984

Oilseed	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Cotton Seed	97	-	-	-	-
Soybean		10	-	-	-
Palm	24	-	-	-	-
TOTAL	121	10	-	-	-
<u>Oil</u>		Crude	Refined	Crude	Refined
Soybean	-	50	-	-	-
Canola		3	-	-	-
Fish	47	20	-	-	-
Palm	10	-	-	1	-
Cotton	19	-	-	-	-
TOTAL	76	73	-	1	-
<u>Meal</u>					
Corn	450	-	-	-	-
Wheat	117	-	-	-	-
Fish	77	-	-	-	-
Soya	45	-	-	-	-
Cotton	41	-	-	-	-
Sugar Cane	22	-	-	-	-
TOTAL	752				

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	93 (100)	80 (80)	1,074 (980)	1,242 (1,160)
Durum wheat				
Flour/Semolina				
TOTAL	93 (100)	80 (80)	1,074 (980)	1,242 (1,160)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption		Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal				
Wheat	1,162 (1,060)		20 (20)		60 (80)	1,242 (1,160)
Durum wheat						
Flour Semolina						
TOTAL	1,162 (1,060)		20 (20)		60 (80)	1,242 (1,160)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.*	Australia Argentina** EEC All Others	
Wheat (including durum)				
Cash				
Commercial Credit	75	263 (563)	669 (250)	1,007 (813)
Aid, concessional credit, etc.		67 (67)		67 (67)
TOTAL	75	330 (630)	669 (250)	1,074 (880)

Wheat Imports (grade, type, protein) * HRWN No. 2. ** TPD No. 2

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	783 (584)	60 (60)	73 (400)	916 (1,060)
Barley	140 (120)	3 (5)	34 (40)	177 (165)
Sorghum	44 (20)	3 (3)	47 (23)	94 (46)
Oats	120 (110)	5 (5)	6 (6)	131 (121)
Rye				
TOTAL	1,087 (834)	71 (73)	113 (446)	1,271 (1,369)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	206 (200)	560 (800)	100 (100)				50 (60)	916 (1,060)
Barley	80 (80)	74 (62)	20 (20)				3 (3)	177 (165)
Sorghum		35 (15)	10 (5)				2 (3)	47 (23)
Oats	80 (83)	26 (13)	20 (20)				5 (5)	131 (121)
Rye								
TOTAL	366 (363)	695 (890)	150 (145)				60 (71)	1,271 (1,369)

Of which poultry 70%

TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn						
Barley	8 (16)	73 (400)	15			73 (530)
Sorghum		11				34 (40)
Oats		6				6 (6)
Rye						
TOTAL	8 (16)	90 (400)	15			113 (576)

U R U G U A Y

Economic classification: Middle Income economy			
Annual per capita income:	US\$3,200		1985
Annual per capita GNP	US\$2,820		1985
Average annual growth	1.5%		1965-85
Annual inflation rate	62 %		1975-85
Annual inflation rate (current)	65 %		1985
Volume of imports	0.7 billion US\$		1985
Of which food	5 %		1985
Of which fuels	25 %		1985
Principal foreign exchange earning export: meat and wool			
Debt service as % of GNP	2 %		1985
Debt service as % of exports	18 %		1985
Population	3 million		1985
Annual population growth	1.4%		1985
Annual Consumption:			
Flour	250,000	tonnes or	83 kg/capita 1984
Meat	270,000	tonnes or	90 kg/capita 1984
Vegetable Oil	21,000	tonnes or	7 kg/capita 1984

I. GENERAL INFORMATION

1. Foreign Exchange Situation

There are no restrictions on the expenditure of foreign exchange.

2. Fertilizer Situation

1984 fertilizer imports were 126,000 tonnes (all fertilizer is imported).

3. Import Mechanism

Grain importation is controlled by the government through tenders.

4. Processing Facilities

Year: 1984

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	30	30	700	325
Compound Feed Mills	25	25	210	160
Maltsters	3	3	90	42
Brewers*				325
Oilseed Crushers	10	10	550	10

* Capacity and output in thousand hectolitres (1983).

5. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Nueva Palmira	58	1,400
Fray Bentos	18	450
Montevideo	-	300
Total Capacity	76	2,132

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	105				105

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	30	(23)	n/a
Malting barley			

3. Malt exports: 89,000 tonnes in 1984.

III. OILSEEDS

1. Trade Policy

Import tariffs: No tariff barriers on oilseeds or products. Oilseeds are imported from Argentina.

Import/export structure: Oilseeds imports are handled by private firms.

2. Supply of oilseeds and products by type, thousands of tonnes

Year: 1984

<u>Oilseeds</u>	Production	Imports	Exports
Flaxseed	9		2
Sunflower seed	30		
Peanuts	1		
Soyabean	14		5
Total	54		7

<u>Oil</u>	Production	Imports*		Exports	
		Crude	Refined	Crude	Refined
Corn		353			
Olive		4			
Sunflower seed		4,300			
Soybean		328			
Total					

* U.S. dollars('000).

IV. STATISTICAL NOTES(A) WHEAT AND DURUMSUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	326 (418)	50 (40)	(50)	376 (508)
Durum wheat				
Flour/Semolina				
TOTAL	326 (418)	50 (40)	(50)	376 (508)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	300 (300)			40 (40)	(67)		340 (407)
Durum wheat							
Flour Semolina							
Total	300 (300)			40 (40)	(67)		340 (407)

IMPORT TRADE 1984/85 est - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

Wheat (including durum)

Cash	(50)					(50)
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B. COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets - (Crop year basis January 1982/December 1982)

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	112 (111)			112 (111)
Barley	105 (80)		30 (23)	135 (103)
Sorghum	119 (339)			119 (339)
Oats	46 (50)			46 (50)
Rye				
TOTAL	382 (580)		30 (23)	412 (603)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn							
Barley					20		
Sorghum					1		
Oats							
Rye							
TOTAL					21		412 (603)

IMPORT TRADE 1984/85 est - thousands of tonnes - previous year in brackets.

	<u>ORIGIN</u>	<u>U.S.A</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>Total</u>
Barley	<u>Canada</u>			30 (23)			30 (23)

V E N E Z U E L A

Economic classification:	Middle Income economy	
Oil exporter:	365.6 million barrels	1984
Annual per capita income:	US\$2,319	1984
Annual per capita GNP	US\$2,645	1984
Annual inflation rate (current)	20%	1984
Volume of imports	8 billion US\$	1984
Of which food	50%	1984
Of which fuels	0%	1984
Principal foreign exchange earning export:	Fuel oil	
Debt service as % of GNP	10.6%	1984
Debt service as % of exports	29.6%	1984
Population	14.5 million	1981
Annual population growth	3.5%	1985
Annual consumption:		
Flour	725,000 tonnes or 50 kg/capita	1985
Meat	1,000,000 tonnes or 69 kg/capita	1985
Vegetable Oil	290,000 tonnes or 20 kg/capita	1985

NOTE: All figures are on a calendar year basis (January 1st to December 31st). It is not possible to do otherwise in Venezuela because of the multiple crops per year and different planting seasons according to geographical areas and products.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Agricultural performance is proving to be one of the bright spots of economic activity. Food production has been assigned a high priority by the present government as a means of conserving foreign exchange and creating employment opportunities. Increase in production is due to increase in area under cultivation (from 1.7 to 2.0 million ha), favourable growing conditions, greater use of fertilizers and government set producer price increase of 40-50% over last year. Wheat has been grown on an experimental basis and findings to date indicate that wheat production contributes to erosion.

<u>Crop</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
		(1000 tonnes)		
Rice	608	449	408	590
Corn	501	449	547	850
Sorghum	377	364	472	800
Sesame	53	57	38	-
Cotton	18	36	42	45
Copra	14	15	7	-
Peanut	7	7	9.9	-
Wheat	0.3	0.3	-	-

2. Foreign Exchange Situation

Venezuela is experiencing a decrease of foreign exchange earnings due to petroleum price and export volume fluctuations. Apparently there will be no problems in meeting essential imports and debt servicing requirements. Agriculture is indeed receiving priority and is likely to continue for at least a few years. Venezuela is not likely to become an international aid recipient.

3. Fertilizer Situation

Fertilizer production and importation is handled entirely by PEQUIVEN (State owned Petrochemical Company). Total chemical production in 1984 was 1.5 million tonnes of which 66% was sold to domestic market. Of the 994,000 tonnes of chemical product sold to the local market 600,000 tonnes was fertilizer (i.e. urea, ammonium, sulphate and granulated NPK). Of the 513,000 tonnes of fertilizer exported 299,000 were urea, 202,000 amoniac and 12,000 ethylene and proplene. Venezuela is a net exporter of nitrogen based fertilizers, self-sufficient in phosphates and deficient in potash fertilizers. With regards to blended fertilizers the local consumption is mostly satisfied by imports.

Fertilizer Imports/Exports for 1980-84 (tonnes):

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Imports	425,085	111,654	263,266	22,325	409
Exports	540,000	124,000	1,090	680,000	513,000

4. Import Mechanism

Grain is imported by private companies. However, in order to control the volumes of imports the government issues quotas and import licences to the industry after estimating domestic grain production.

5. Grain Industry Infrastructure

Some changes are anticipated in storage facilities which are highly insufficient for the new levels of production expected for corn, rice and sorghum. Some processing equipment will have to be imported soon to transform sorghum into animal feed (i.e. driers, pelletizers, etc.). Government is investing US\$33 million to increase silo capacity by 500,000 tonnes to 1.7 million tonnes.

6. Government Policies Affecting Grain and Agriculture

Imports of wheat and oilseeds are expected to remain at present levels because Venezuela does not produce these staples. Government research institute (IVIC) has been trying to produce formulas that could substitute wheat flour in bakery products with a percentage of rice flour, since rice is abundant in Venezuela. If rice flour incorporation becomes mandatory for bakery products, only a maximum of 10% could be incorporated. Venezuela government is promoting production of sorghum and corn to replace soya imports.

By the year 2010 Venezuela would like to reach the following production levels (tonnes): corn - 660,000; rice - 300,000; sorghum - 507,000; yuca - 96,500; soya - 428,400; sesame - 300,000; cotton - 160,000; peanut - 50,000; wheat (not mentioned); African palm - 20,000.

6. Government Policies Affecting Grain and Agriculture cont'd

The Venezuelan government has not defined a policy concerning barter trade agreements, although there is much discussion in favour of countertrade originating mainly from import/export traders.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

There are marketing opportunities for Canadian special crops. Average annual imports (tonnes): peas - 19,000; chick peas - 3,000; lentils - 4,000; black beans - 67,000; pink and white beans - 8,000; other beans - 6,000; canary seeds - 2,000; mustard - 300.

8. Processing Facilities

Year: 1985

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	10	12	900	708
Compound Feed Mills	30	33	1,150	-
Maltsters	-	-	-	-
Brewers*	3	7	-	15
Oilseed Crushers	10	10	370	168

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Puerto Cabello	44	500
La Guaira	11.5	278.5
Maracaibo	30	600
Guanta		110
Sucre		36.4
Total Capacity	85.5	1,525

II. MALT AND MALTING BARLEY

1. Malt Imports, 1984:

<u>Country</u>	<u>Tonnes</u>
France	85,652
Canada	23,914
Czechoslovakia	18,312
U.K.	19,729
Germany	18,251
Finland	18,180
Belgium/Luxembourg	9,068
Brazil	3,100
Poland	1,981
U.S.A.	303
TOTAL	198,492

2. Additional Information

Annual per capita beer consumption: Consumption of beer in Venezuela has expanded at a favorable rate over the past few years in spite of the government ban of beer and liquor advertisements on television and radio. Annual per capita beer consumption is 66 litres. Due to the devaluation of the currency, imported hard liquor is very expensive. Beer producers will most likely press the government to allow an increase in beer prices which could reduce the per capita consumption.

Beer production capacity: It is stable due to the increase in beer prices. Annual capacity is approx. 15 million hectolitres. Ownership of the 7 plants is as follows: Polar - 4; Nacional - 2; Regional - 1.

Domestic malting capacity: None.

Malt exports: None.

Market potential for Canadian malt and/or malting barley: The market potential for Canadian malt is very good. In 1984 Canada supplied 23,915 tonnes of a total of 198,492 tonnes imported by Venezuela. To increase market share all marketing factors (ie. price, credit, etc.) must be competitive to other suppliers.

III. OILSEEDS

1. Trade Policy:

Import Tariffs:	Oilseeds	-	10% duty on CIF price*
	Crude oil	-	20% duty on CIF price*
	Oilseed meal	-	40% duty on CIF price
	Refined oil	-	20% duty on CIF price*

* Imports are controlled by government through import licences.

Non-tariff import barriers/export assistance measures: Only soya meal can still be purchased with U.S. dollars granted at the preferential rate of exchange of 4.3. According to the government the preferential exchange rate will be discontinued in December 1985 at which time all oilseed meal imports will receive the same rate of exchange (7.50 per US\$1)

Import/export structure: Oilseed processors request import permits from government which establishes country's needs and delegates import quotas to processors according to their processing capabilities.

Additional factors: The Venezuelan government has developed some financial assistance programs to help producers increase oilseed production. In the medium term this should result in a decrease of oilseeds imports.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Sesame	38		-
Peanut	10	41	-
Coconut	162		-
Soya (USA)	-	114	-
Cotton	43		-
Other	-	101	-
TOTAL	253	256	-

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soya		112	-	-	-
Cotton		95	1	-	-
Sunflower		97	-	-	-
TOTAL	280*	304	1	-	-

* 72% is cooking oil

<u>Meal</u>	Production	Imports	Exports
Soya meal	-	688	-
Soya in grain (US)	-	40	-
Sorghum	473	321	-
Canary seed	-	8	-
TOTAL	473	1,470	-

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM - NOTE: Data calendar year 1985 and 1984 in brackets

SUPPLY est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			690 (668)	690 (668)
Durum wheat			296 (286)	296 (286)
Flour/Semolina	744 (721)		744 (721)	744 (721)
TOTAL	744 (721)	986 (954)	1,730 (1,675)	1,730 (1,675)

DISPOSITION est. - thousands of tonnes - previous year in brackets.

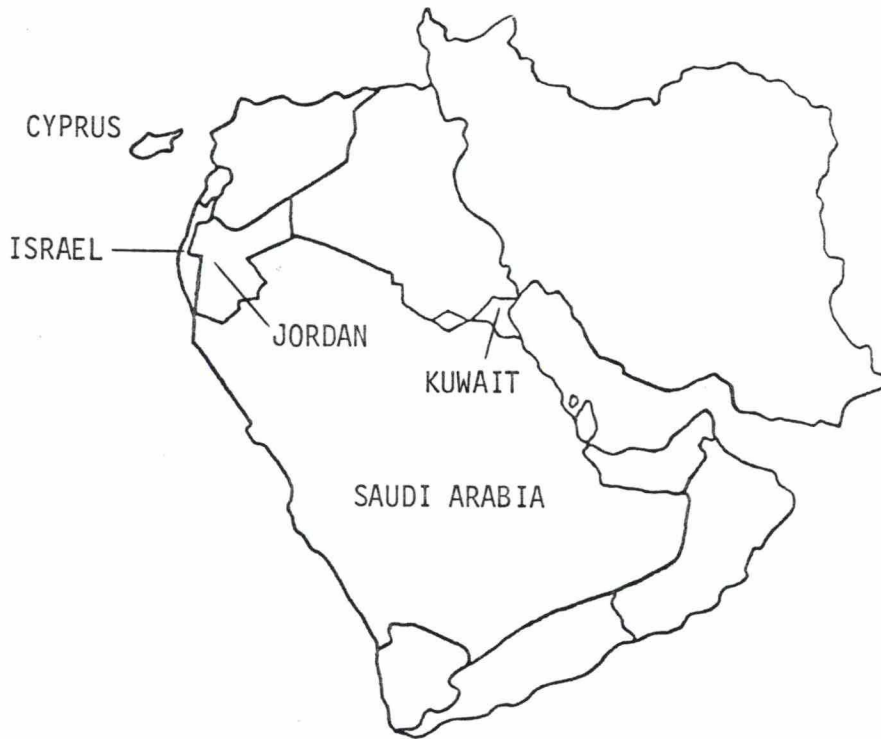
	<u>Consumption</u>		<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>					
Wheat	520 (504)	169 (164)					689 (668)
Durum wheat	223 (216)	73 (70)					296 (286)
Flour/Semolina	744 (721)						744 (721)
TOTAL	1,487 (1,441)	242 (234)					1,729 (1,675)

IMPORT TRADE est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>			
Wheat (including durum)						
Cash						
Commercial Credit						(954)
Aid, concessional credit, etc						

Commercial Credit (63) (891) (954)

PART VI
ASIA (NEAR EAST)



C Y P R U S

Economic classification:	High Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$4,300	1984/85
Annual per capita GNP	US\$4,540	1985
Average annual growth	6.3%	1976-85
Annual inflation rate	7.7%	1975-85
Annual inflation rate (current)	6.0%	1985
Volume of imports	1.4 billion US\$	1984
Of which food	11.7%	1984
Of which fuels	18.2%	1984
Debt service as % of GNP	6.7%	1984
Debt service as % of exports	10.6%	1984
Population	.539 million	1984
Annual population growth	1.3%	1980-84
Annual Consumption:		
Flour	64,200 tonnes or 119 kg/capita	1983
Meat	43,000 tonnes or 80 kg/capita	1984
Vegetable Oil	11,300 tonnes or 21 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The barley crop for 1984/85 was very good although local production is limited when set against the country's requirements. The 1984/85 barley crop is about 85,000 tonnes, well up on last year's production of 65,000 tonnes. The wheat crop is about normal at 6,000-7,000 tonnes of durum, about the same production figure as last year. Acreage for both barley and wheat remain in large measure the same over the years.

2. Foreign Exchange Situation

Total foreign reserves held by the Central Bank of Cyprus at the end of 1984 were 413 million Cypriot pounds. There is no rationing of foreign exchange in Cyprus. Trade is conducted freely with a minimum of government involvement and restrictions. Cyprus is not likely to be an international aid recipient.

3. Fertilizer Situation

Annual supply and consumption is 50,000 tonnes (1984) of which 30,000 tonnes are compound fertilizers and the balance nitrogen and phosphate fertilizers. Since the closing down of the sole fertilizer manufacturing plant (2 years ago) supplies are imported from Mediterranean and Black Sea regions, following international tenders.

4. Import Mechanism

Importation of grain is done by the Cyprus Grain Commission through regular tenders. This commission has exclusive authority to conduct wheat and cereal trade. The Commission obtains supplies through a public tender system which has been valid since the establishment of the commission in the early 1950s.

5. Grain Industry Infrastructure

There has been no significant change in the grain industry's infrastructure since last year. The Larnaca grain silo was extended with an additional 6,000 tonnes storage capacity and was put in operation in May 1984. The Cyprus Grain Commission continues its efforts to persuade the Government to finance capacity extensions of its silos.

6. Government Policies Affecting Grain and Agriculture

The Government continues to subsidize the price of grain for human and animal consumption. The current annual subsidy amounts to 30 million Cypriot pounds on 500,000 tonnes of grain sold. The subsidy covers 60% of the price. Demand for grain increases only marginally and reserves remain at about two months of annual consumption.

No changes are anticipated in government policies. The maximum arable land suitable for crops is already under cultivation. Only a marginal increase in land is anticipated.

There is no countertrade policy to date. However, the Government of Cyprus through its Ministry of Commerce and Industry is interested in examining a countertrade scheme between Cyprus and Canada where Canadian wheat and barley would be paid for in part or in total with Cypriot export products (eg. wines).

7. Market Prospects - Grains and Oilseeds

No detailed grain import projections are available. Those available show a slow rising demand based on the tourist industry and a very small population growth. Presently Cyprus has a surplus of milk and meat which the Government is trying to reduce. No significant quantities of oilseeds are imported.

The Cyprus Grain Commission considers highly the quality of Canadian grains. This must be preserved through continued contacts. The Commission will buy Canadian grains provided pricing is competitive and superior quality is maintained.

No marketing opportunities are foreseen for special crops.

8. Processing Facilities

Year: 1985

- 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	6	6	100	66*
Compound Feed Mills	3	3	50	30**
Maltsters	n/a			
Brewers	n/a			
Oilseed Crushers	n/a			

* based on 16 hour operating shift

** In addition to 30,000 tonnes, large swine operations compound about 100,000 tonnes of feed using very simple feed mixtures. In addition small farmers in villages compound a further 220,000 tonnes of feed using very elementary technology.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Limassol	30	400

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley Suitable for malting	None				83.3

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	3 (3)	U.K., Czechoslovakia, France
Malting barley	241 (257)	U.K., Canada, U.S.A.

3. Additional Information

Annual per capita beer consumption: Annual per capita beer consumption has been increasing by about 5-6% over the past five years. 1984 was an exceptionally bad year with an increase of only 1%, but in 1985 an increase of 7% is estimated.

Beer production capacity: Capacity for beer production has increased over the past few years. At present there is surplus capacity and no increases are envisaged in the near future.

Domestic malting capacity: Nil

Malt exports: None

Market potential for Canadian malt: Limited. Cypriot importers place small orders, therefore, the timeframe of the cycle of order, shipment and delivery is tuned towards suppliers in the proximity of Cyprus. In spite of our efforts with the 2 major users of malt, i.e. Keo and Carlsberg, we have not been able to generate any orders from them.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: No import tariffs except for sesame seeds and groundnuts
 Crude oil: Nil
 Oilseed meal: Nil except for groundnut meal 16% (EEC) and 20% (general)
 Refined oil: 6.4% (EEC) and 8% (general)

Non-tariff import barriers/export assistance measures: None

Import/export structure: Private firms. Import licences are required as a matter of procedure.

2. Supply of oilseeds and products by type, thousands of tonnes

Year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Sesame	-	2.0		-	
Groundnuts	-	0.3		-	
TOTAL	-	2.3		-	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	-	18.0	-	-	9.7
Corn	-	1.6	0.4	-	Negligible
Sunflower Olive	-	0.4	1.9	-	Negligible
Rapeseed Cottonseed	-	20.0	2.3	-	9.7
TOTAL	-	40.0	4.6	-	19.4

<u>Meal</u>	Production	Imports	Exports
Soya meal	-	45	Main supplier: Spain, Greece, Holland, U.S.
TOTAL	-	45	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat				
Durum wheat	7 (8)	4 (22)	22 (46)	103 (68)
Flour/Semolina		7 (5)	11 (14) (5.2)	25 (27)
TOTAL	7	11	110	128

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption			Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal Feed	Industrial				
Wheat	50 (60)	24 (8)				29 (20)	103 (68)
Durum wheat	21 (20)					4	25
Flour/Semolina							
TOTAL	71	24				33	128

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IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Wheat (including durum)						
Cash						
Commercial Credit	26 (ALL)	34		15	10	25
Aid, concessional						
credit, etc.						
Flour (including semolina)						
Cash/comm. credit						
Aid, concessional						
TOTAL						

Principal Others: Bulgaria

110

nil

nil

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn		10	42	52
Barley	72	39	245	356
Sorghum		1	38	39
Oats				
Rye				
TOTAL	72	50	325	447

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption Human	Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn							
Barley		323				33	356
Sorghum		34				5	39
Oats							
Rye							
TOTAL		357				38	395

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IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				EEC	All Others	TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina			
Corn		42					42
Barley	12	48	22		163		245
Sorghum		28		10			38
Oats							
Rye							
TOTAL	12	118	22	10	163		325

I S R A E L

Economic classification:	Middle Income economy	
Annual per capita income:	US\$4,300	1984
Annual per capita GNP	US\$5,360	1984
Volume of imports	8.4 billion US\$	1984
Of which food	23%	1984
Of which fuels	18%	1984
Debt service as % of GNP	13.0%	1984
Interest payments ratio to exports	13.6%	1984
Interest and loans repayment ratio to exports	23.6%	1984
Population	4.2 million	1984
Annual population growth	2%	1984
Annual consumption:		
Flour	394,650 tonnes or 94.2 kg/capita	1984
Meat	314,800 tonnes or 75.1 kg/capita	1984
Vegetable Oil	61,850 tonnes or 14.8 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

1985 wheat crop was only about 90,000 tonnes due to drought and uneven rainfall (under normal conditions about 150,000 tonnes of wheat is produced).

2. Foreign Exchange Situation

Israel is a recipient of U.S. aid.

3. Fertilizer Situation

Israel is self-sufficient in fertilizer and exports small quantities. The net nitrogen consumption is about 40,000 tonnes per year, phosphate - 15,000 tonnes and potash about 23,000 tonnes. About 12,000 tonnes of liquid compound fertilizers are exported. Israel imports raw sulphur from Canada for the fertilizer industry.

4. Import Mechanism

The Government of Israel (GOI), Trade Administration Office of the Ministry of Industry & Commerce, is in charge of grain importation for human and livestock consumption. Soybeans for the oil-crushing industry are distributed through the Israel Export and Trust Corporation (P.O. Box 20236, Tel Aviv), an umbrella organization which represents the 7 oil plants. This organization is also in charge of soyaoil exports.

Hamashbir Hamerkazi Fodder Imports (P.O. Box 130, Tel Aviv), owned by local farming co-ops, imports about 80 percent of all coarse grains for livestock feed while 20 percent of fodder imports are controlled by 6-7 private importers.

5. Grain Industry Infrastructure

There are 2 silo terminals - Haifa and Ashdod. Silos for storing grains are privately owned or are linked to the joint institutions of the oil plants and the flour mills. No significant changes are anticipated.

6. Government Policies Affecting Grain and Agriculture

In order to minimize the government's involvement in the grain industry, the Ministry of Industry & Commerce requested that a committee investigate the possibility of transferring the purchasing of wheat and oilseeds (for human consumption) to private companies. Recommendations of this committee have already been submitted to the Minister but have not yet been published. A transfer to private companies could bring about a change in the import of oilseeds and the addition of canola for the oil industry. Two large oil-crushing plants for soybeans and cottonseed have expressed interest in canola. The equipment for cottonseed crushing could be utilized for canola crushing in the off-season.

A decline in barley consumption is expected in the coming year, unless price relationships in the international market favour barley over other coarse grains. The introduction of tapioca from Thailand into the Israeli market is likely to affect barley more than the other feed grains. Israel has been looking into importing lupine seeds from Australia as a feed additive as it is attractive because of price and high protein content (30%).

The purchase of tapioca from Thailand is done through barter. A trend towards barter is forecast for the future.

7. Market Prospects - Grains and Oilseeds

In the next 2-3 years because of the economic and political situation in Israel, no major changes are forecast regarding a national grain policy.

There are market opportunities for special crops depending on competitive prices.

8. Processing Facilities

Year 1985
- thousands of tonnes -

	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Compound Feed Mills*	5 large mills (40%) small mills (60%)	1,600	
Oilseed Crushers		500 (soya) 80-90 (cotton)	

* No change expected in next 2 years

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985
- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Haifa	90	1700
Ashdod	60	500
Total	150	2,200

Note* out of port storage capacity is about 350,000 tonnes.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley: Israel does not produce barley for malting.

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	5	Belgium and France
Malting barley	(5)	

3. Additional Information

Annual per capita beer consumption: 18 litres per capita, increasing 3-5% per year.

Beer production capacity: Present overcapacity is about 25%.

Market potential for Canadian malt: Transportation cost to Israel might be prohibitive.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds

(In Israel Shekels per kg adjusted according to inflation rate)

	<u>EEC</u>	<u>Other</u>
Poppy seed, mustard	28	28
Sesame	0	12.3
Sunflower, Cotton, Palm		
Linseed, Castor, Soy,		
Tung, Coconut, Peanuts	0	0
Other	51.18	51.18

Tariff on crude oil: free
oilseed meal: free
refined oil: free (except olive oil)

Non-tariff import barriers/export assistance measures: None for grain.

Import/export structure: Government sole oilseeds importer.

Additional factors: Milouot is the only cotton seed crushing plant producing 120,000 tonnes. There are no imports of cottonseed due to pest control measures. Eighty thousand tonnes are used for oil crushing and the balance for dairy feed (direct feeding). Ninety percent of the oil is exported to Egypt and to Sweden for margarine production. The meal is exported for the pharmaceutical industry (used as substrate for spores of penicilin) and for human consumption (cotton seed bread).

2. Supply of oilseeds and products by type, thousands of tonnes

Year 1984 (Jan-Dec)

Oilseed	Production	Imports	Exports		
Soyabeans		427			
Cotton seed	120				
<u>Oil</u>	Production	Imports	Exports		
		Crude	Refined	Crude	Refined
Soya	76	19			6.5
Cotton	12				9.0
<u>Meal</u>	Production	Imports	Exports		
Soya	340	10	16		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

Note: data represents 1985 calendar year with 1984 in brackets

SUPPLY 1985 - est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	90 (115)		560 (500)	650 (615)
Durum wheat				
Flour/Semolina				
TOTAL	90 (115)		560 (500)	650 (615)

DISPOSITION 1985 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	650 (600)			15 (15)		665 (615)	
Durum wheat							
Flour Semolina							
TOTAL	650 (600)			15 (15)		665 (615)	270

IMPORT TRADE 1985 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

WHEAT (including durum)

Cash	80 (36)	480 (466)				560 (502)
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(B) COARSE GRAINS Note: data represents 1985 calendar year with 1984 in brackets.

SUPPLY 1985 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn			300 (400)	300 (400)
Barley			300 (220)	300 (220)
Sorghum			500 (500)	500 (500)
Oats				
Rye				
TOTAL	Negligible	1,100 (1,120)		1,100 (1,120)

DISPOSITION 1985 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn			30				300 (400)
Barley							300 (220)
Sorghum							500 (500)
Oats							
Rye							
TOTAL							1,100 (1,120)

IMPORT TRADE 1985 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn		300				300 (400)
Barley	240				60	300 (220)
Sorghum		500				500 (500)
Oats						
Rye						
TOTAL	240	800			60	1,100 (1,120)

JORDAN

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,520	1983
Annual per capita GNP	US\$1,960	1984
Average annual growth	5.9%	1965-85
Annual inflation rate	11.4%	1975-85
Annual inflation rate	13.8%	1985
Volume of imports	3.57 billion US\$	1983
Of which food	27%	1983
Of which fuels	32%	1983
Principal foreign exchange earning export:	Phosphates	
Debt service as % of GNP	4.2%	1983
Debt service as % of exports	6.1%	1983
Population	3 million	1984
Annual population growth	3.5%	1980-85
Annual Consumption:		
Flour	12,000 tonnes or 171 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Total domestic wheat production in 1984 was 49,700 tonnes compared with no wheat production in 1983. An estimated figure for 1985 wheat crop is 65,000 tonnes as a result of good rains.

2. Foreign Exchange Situation

Foreign exchange earnings decreased by 15 percent in 1984-85. Imports of food and agricultural inputs are given priority. Jordan is likely to be an international aid recipient.

3. Fertilizer Situation

Chemical fertilizers are mainly imported. 1984 fertilizer production was 6.12 million tonnes of phosphates (DAP) and 487,000 tonnes of potash. Fertilizer imports (tonnes) follows:

<u>Year</u>	<u>Nitrogen</u>	<u>Phosphate</u>	<u>Potash</u>	<u>Others</u>
1982	24,787	13,601	118	5,216
1983	-	9,801	348	27,906
1984	16,184	3,712	18	5,083

4. Import Mechanism

Wheat is imported to Jordan by the Ministry of Supply on tender basis issued regularly for public. Barley tenders are issued by Jordan cooperative organization for animal feed.

5. Grain Industry Infrastructure

Storage: 6 private mills - total storage 30,000 tonnes
 4 Ministry of Supply sites - Aqaba, Jweidah, Irbid and Ruseifa; total capacity 32,000 tonnes.

Dockside Storage: Aqaba, one storage facility with maximum capacity of about 150,000 tonnes. Facility has bulk unloaders and loaders.

Flour Milling Capacity: a) 6 private mills - total milling capacity 360 tonnes per 8 hour shift, 1,000 tonnes per day on 24 hour basis
 b) 4 Ministry of Supply mills - capacity 130 tonnes per 8 hour shift, 400 tons per 24 hour shift

6. Government Policies Affecting Grain and Agriculture

The Jordan government encourages investment in agriculture including grain. Imports are controlled by the Ministry of Supply. Jordan maintains grain reserves to cover the country's requirements for 4 months.

Jordan is importing wheat specifying U.S. hard red winter, which effectively excludes Canada from this market.

There is considerable emphasis placed on exporting phosphates in exchange or barter for capital goods.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

There may be some market potential for field peas, lentils, faba and white beans.

8. Processing Facilities

Year: 1985

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>thousands of tonnes Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	6	10	500	160
Compound Feed Mills				
Maltsters				
Brewers*				
Oilseed Crushers				

* Capacity and output in hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Aqaba	150	600

K U W A I T

Economic classification:	High Income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$ 13,100	1984
Average annual growth	8.0 %*	1965-85
Annual inflation rate	10.0 %*	1975-85
Annual inflation rate (current)	2.1 %	1984
Volume of imports	6.8 billion US\$	1983
Of which food	15.0 %	1983
Of which fuels	0.6%	1983
Principal foreign exchange earning export:	Petroleum Products	
Debt service as % of GNP	Nil	1984
Debt service as % of exports	Nil	1984
Population	1.78 million	1984
Annual population growth	8.0 %	1975-85
Annual Consumption:		
Meat	93,180 tonnes or 58* kg/capita	1982

* Estimate

I. GENERAL INFORMATION

1. Crop Situation and Outlook

There are only about 400 farms in Kuwait, all of which are completely dependent on irrigation. Total area under cultivation is approximately 3,600 hectares. The major activity is cultivation of fruits and vegetables. No cereal crops are grown. Agriculture and fisheries contribute less than 1% to GDP.

2. Foreign Exchange Situation

There is no shortage of foreign exchange. Kuwait is a net exporter of capital and a major donor of aid to the Third World.

3. Fertilizer Situation

Domestic use of fertilizer is negligible. Kuwait exported 1,458 tonnes of fertilizers in 1982.

4. Import Mechanism

The grain trade is dominated by Kuwait Flour Mills Company, a government monopoly and the sole importer of wheat. This situation is unlikely to change.

5. Grain Industry Infrastructure

Grain elevators are located at Shuweikh port. No changes are anticipated in handling or storage facilities. Within the framework of the Gulf Co-operation Council, however, there are plans for a "Strategic Food Reserve" which could see an expansion of grain storage facilities in one or more of the Gulf States.

6. Government Policies Affecting Grain and Agriculture

There are no plans to grow cereal crops in Kuwait. Imports of grain are not restricted in any way. Local production of meat is negligible and unlikely to increase significantly. There is no countertrade/barter.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

Currently all wheat requirements are imported from Australia. To penetrate this market Canadian wheat must be price competitive with Australian wheat.

Market opportunities for special crops do exist but are very limited.

8. Processing Facilities

Year: 1984

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	1	4	380	N/A
Oilseed Crushers	1	1	N/A	N/A

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984

<u>Name of Port</u>	- - thousands of tonnes - -	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Shuweikh	N/A	N/A

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85): None

2. Imports: Total imports of barley (not specified) was 180,000 tonnes in 1982. Principal supplier was Australia.

3. Additional Information: Alcoholic beverages are banned in Kuwait. There is no market potential for Canadian malt.

III. OILSEEDS

1. Trade Policy

Import tariffs for oilseeds and products: Nil

Non-tariff import barriers/export assistance measures: None

Import/export structure: Imports are through private companies.

2. Supply of oilseeds and products by type:

No statistics available.

Kuwait

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports*</u>	<u>Total Supply</u>
Wheat			187 (N/A)	187 (N/A)
Durum wheat			5	5
TOTAL	Nil	Nil	192	192

* all from Australia

SAUDI ARABIA

Economic classification:	High Income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$ 12,000	1982
Annual per capita GNP	US\$ 18,344	1982
Average annual growth	8.1 %	1960-80
Annual inflation rate	7.4 %	1970-80
Annual inflation rate (current)	1 %	
Volume of imports	32.5 billion US\$	1984
Of which food	18.0 %	1984
Principal foreign exchange earning export:	Petroleum	
Population	9.0 million	1982
Annual population growth	4.4 %	1980-2000
Annual Consumption:		
Flour	688,000 tonnes or 76 kg/capita	1982
Meat	294,000 tonnes or 32 kg/capita	1982

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1984 crop amounted to 1.3 million tonnes (official figure), up from the 1983 total of 700,000 tonnes. Estimates for the 1985 crop are 1.7 million tonnes. At the beginning of 1984 total cultivated area was 2.3 million hectares.

2. Foreign Exchange Situation

Saudi Arabia is not an international aid recipient nor is it expected that it will be in the foreseeable future. The agriculture sector is one which has been singled out by the Saudi government as a high priority area. Even though the Kingdom has reached self-sufficiency in dairy products and broiler meat, 80-90% of total food requirements are imported. There is no restriction on the movement of capital out of the country.

3. Fertilizer Situation

Most of Saudi Arabia's fertilizer is imported. Saudi Arabia is however, exporting urea from a plant in Jubail to the Far East. There are also reports of phosphate deposits which as yet have not been mined. The Kingdom produces 800,000 tonnes of urea (46% nitrogen) and 100,000 tonnes of sulphuric acid is used as a feedstock. 1983 fertilizer imports were 319,000 tonnes.

4. Import Mechanism

By law, all wheat imported into Saudi Arabia must come in through the Government Grain Silos and Flour Mills Organization. As mentioned above, however, in 1984, Saudi Arabia became basically self-sufficient in wheat. So in the future, unless there are crop failures, imports should be limited to some high quality wheat for blending and the occasional shipment required for peak consumption periods such as the pilgrimage. Barley and other coarse grain, however, are imported by the private trade. There continues to be a strong and growing market for barley.

5. Grain Industry Infrastructure

The most noteworthy change in the past 12 months has been the installation by the Saudi Ports Authority of facilities to receive bulk grain shipments (basically barley), at the main ports of Jeddah and Dammam (previously all coarse grains had to come in 50 kilo jute bags). In addition, the Ports Authority have installed bagging facilities at Jizan, Yanbu and Jubail.

All wheat is imported, stored and milled in facilities owned by the Saudi Grain Silos and Flour Mills Organization, although private facilities are being encouraged as publically owned silos are now filled to capacity. In addition, this body has a series of elevators located throughout the Kingdom to receive wheat shipments from local farmers. These silos have a total capacity at present of about 700,000 tonnes and are currently being expanded to about 900,000 tonnes. The Grain Silos and Flour Mills Organization also operates feedmills as do a number of private companies. The fact that bulk grain shipments can be received should be significant for Canada.

6. Government Policies Affecting Grain and Agriculture

The current government policy is to encourage wheat production. Now that self-sufficiency has been attained, the government subsidy or guaranteed purchase price for wheat has dropped from 3.5 Saudi riyals per kilo, to 2.0 riyals per kilo. The government is now giving consideration to stimulating the production of other grains (particularly barley). However, with the decrease in government revenues this increase in production may not occur in the short-term.

Saudi Arabia is committed to maintaining at least a six month wheat reserve (450,000 - 500,000 tonnes). In future years, should production exceed domestic requirements plus the reserve, it is expected that this grain will be exported either commercially or as food aid to other Muslim countries.

Grain consumption, particularly coarse grain, should continue to increase as the livestock, (particularly sheep), chicken and dairy numbers increase.

The government's policy of stimulating wheat production has already meant that Canada has lost its opportunity to sell wheat to Saudi Arabia. If the government of Saudi Arabia offers the same stimulus to barley and corn as it offered wheat growers, this could have serious implications for Canadian exporters of barley, in particular.

6. Government Policies Affecting Grain and Agriculture (cont'd)

The government does not, to our knowledge, have an official policy on counter-trade or barter, and neither is officially encouraged or prohibited.

7. Market Prospects - Grains and Oilseeds

It is not expected that any quantities of wheat will be required by Saudi Arabia between 1985 and 1990. At present, imports of barley exceed 1 million tonnes and unless the government stimulates barley production, this figure could increase by perhaps 50% between 1985-1990.

There is a large market in Saudi Arabia for peas, beans and lentils. Canadian prices are higher, however, especially in comparison with the same product from Turkey.

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	1	4	750	570
Compound Feed Mills	5*	10	500	300
Maltsters**	0			
Brewers**	0			
Oilseed Crushers	1	1	N/A	N/A

* Estimate

** prohibited

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1982	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Jeddah	120	N/A
Damman	80	
Jizan	40	
Yanbu	60	
Total Capacity	300 (estimate)	

II. MALT AND MALTING BARLEY

Saudi Arabia practices strict prohibition. Thus production or consumption of alcohol of any type is illegal and no malting barley of any kind is grown.

III. OILSEEDS

1. Trade Policy

Import Tariffs: All oilseeds are exempt from tariffs. There are no non-tariff barriers.

Import/export structure: Importation is almost exclusively carried out by the private sector. Oilseeds are not exported.

Additional factors: Saudi Arabia is a major consumer of cooking oil. The premium oil market is held by U.S. Mazola (corn Oil). The bulk of the market is made up of imported and locally produced palm oil. Prices are fixed by the Government as follows: Palm US\$1.62 per gallon, soya \$2.92 and corn \$2.86.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1983

<u>Oilseed</u>	Production	Imports	Exports
Soybean		25	
Sesame		12	
Others		2	
TOTAL		39	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean		(no data	5		
Corn		Available	30		
Palm		for 1983)	27		
Others			132		
TOTAL			194		

Meal No published Data

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

note - 1983 figures most recent statistics available, 1982 figures in brackets

SUPPLY - thousands of tonnes

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	675 (400)		(576)	(976)
Durum wheat				
Flour/Semolina	(570)			(688)
TOTAL	675 (970)		563 (694)	1,238 (1,664)

DISPOSITION - thousands of tonnes

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	(976)						(976)
Durum/Wheat							
Flour Semolina	(688)						(688)
TOTAL	(1,664)						1,238 (1,664)

IMPORT TRADE - thousands of tonnes

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
	Canada						

WHEAT (including durum)

Cash	26 (8)	266 (366)	49 (172)	92	(16)	1 (14)	434 (576)
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Commercial Credit
Aid, concessional
credit, etc.

FLOUR (including semolina)

Cash/comm. credit Aid, concessional	0 (0)	64 (64)	(2)		64 (47)	1 (5)	129 (118)
TOTAL	26 (8)	330 (430)	49 (174)	92	64 (63)	2 (19)	563 (694)

NB - Import of Flour was stopped in the Kingdom in June, 1985

(B) COARSE GRAINS Note * 1983 figures most recent statistics available, 1982 figures in brackets

SUPPLY - thousands of tonnes

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			704 (942)	(942)
Barley	(25)	(25)	2,358 (3,860)	(3,885)
Sorghum				
Oats				
Rye				
TOTAL	(25)	(25)	3,062 (4,802)	3,062 (4,827)

DISPOSITION - thousands of tonnes

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL							3,062 (4,827)

IMPORT TRADE - thousands of tonnes

	<u>ORIGIN</u>				<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>			
Corn		333 (35)	26 (25)	22	9	314 (822)	704 (942)
Barley		206 (444)	136 (1,120)		913 (1,000)	201 (917)	2,358 (3,860)
Sorghum							
Oats							
Rye							
TOTAL	902 (379)	539 (479)	162 (1,145)	22	922 (1,000)	515 (1,799)	3,062 (4,802)

Principal "Others": Thailand 412
Sudan 241



PART VII
ASIA (FAR EAST)



H O N G K O N G

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$4,243	1984
Annual per capita GNP	US\$5,933	1984
Annual inflation rate	9%	1975-85
Annual inflation rate (current)	8.1%	1984
Volume of imports	28.6 billion US\$	1984
Of which food	9%	1984
Of which fuels	5.5%	1984
Principal foreign exchange earning export:	Light manufacturing & Tourism	
Population	5.4 million	1984
Annual population growth	1.3%	1981-1984
Annual Consumption:		
Flour	160,000 tonnes or 29.6 kg/capita	1984
Meat	500,000 tonnes or 93 Kg/capita	1984
Vegetable Oil	67,000 tonnes or 12.5 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

There is no wheat, coarse grains or oilseeds grown in this area, and the production of rice dropped considerably during the last ten years. The amount of land used to cultivate rice has declined from 9,450 hectares in 1954 to less than 10 hectares in 1984. Rice production has given way to intensive vegetable production which gives a far higher return. Rice paddy land around the more remote villages has fallen into disuse and now lies fallow.

2. Foreign Exchange Situation

In comparison with 1983, economic performance in 1984 was characterized by higher GDP growth, moderating inflation, improved employment and a much reduced visible trade gap. These were largely the result of the rapid expansion in the export sector and the relative stability of the Hong Kong dollar in terms of the US dollar during the year. Partly reflecting this, earnings increased both in money terms and in real terms, and private consumption improved. Nevertheless, there were a few problem areas, including a generally sluggish property sector mainly influenced by the over-supply problem in the last few years and the new country-of-origin rules imposed in September by the United States which could adversely effect domestic exports of textiles and clothing to U.S. market.

Foreign Exchange Situation (cont'd)

External trade: Total merchandise trade in 1984 amounted to US\$56.9 billion, an increase of 32% over 1983. Imports went up by 27 per cent to US\$28.56 billion, domestic exports by 32 percent to US\$17.64 billion and re-exports by 48 percent to US\$10.7 billion respectively.

The export sector showed an impressive growth rate in 1984, largely due to the sustained recovery in the economies of several of Hong Kong's major markets, particularly the United States. Taking the year as a whole, domestic exports grew by 32 per cent in money terms or roughly 17 percent in real terms.

The entrepot trade also expanded rapidly in 1984, with re-exports increasing by 48 percent in money terms or about 30 percent in real terms. China remained the largest market for Hong Kong's re-exports, followed by the United States, Taiwan, Singapore, Japan and Indonesia. The major end-use categories of goods re-exported through Hong Kong were raw materials and semi-manufactures and consumer goods, representing about 42 percent and 37 percent of the total value of re-exports respectively. In terms of major product categories, industrial machinery, textile yarn fabrics and made-up articles, clothing and miscellaneous manufactured articles, which accounted for about 25 percent, 15 percent, seven percent and six percent of the total value of re-exports respectively, showed substantial increases in real terms.

In 1984, imports grew by 27 percent in money terms or about 15 percent in real terms. Much of the overall increase was due to substantial increases in imports of raw materials, semi-manufactures and of capital goods. As the growth rate of the value of total exports (domestic exports plus re-exports), at 38 percent, was faster than that of imports, at 27 percent, the visible trade gap narrowed significantly to one percent in 1984, from eight percent in 1983.

Because of the laissez faire policy of the Hong Kong Government, all imports of food and agricultural products are handled by individual trade to meet the needs of the population, as Hong Kong is financially self-supporting, it is not likely that aid will be needed in any form from outside sources.

3. Fertilizer Situation

As there is no production of fertilizer in Hong Kong, all requirements must be imported from various sources. The following are import statistics covering the calendar year 1984:

<u>Type</u>	<u>Quantity</u> (Tonnes)	<u>Source of Supply</u>
Dicalcium phosphate	4,840	U.S.A., Japan, Belgium
Trisodium phosphate	2,125	China, France, Singapore
Nitrogen/phosphate/potash	No Imports	-

4. Import Mechanism

Wheat imports are handled by agents and purchased by privately owned flour mills. Feed grains are imported by importers, who sell to distributors, who in turn sell to farmers, feedmills, feed dealers, etc. There are several feedmills in Hong Kong. Most of them operate on a small scale, except three feedmills, which are fully equipped with modern machinery and produce feed according to customer's specifications. There will be no changes in the import structure, procedures, etc. in the near future.

5. Grain Industry Infrastructure

No major changes in handling, storage or processing facilities are planned in the near future. The Far East Flour Mill plant, located in Shekou, Shenzhen has now been completed. It is reported that the new plant will start production shortly. Part of the production will be consumed in China and the balance, exported to Hong Kong.

6. Government Policies Affecting Grain and Agriculture

As Hong Kong is a free port, there are no government restrictions, or duties, etc. governing the importation of wheat and flour to this region. The grain trade is entirely in private hands. The only government policy for reserve stocks of grains applies to rice. Licensed importers of this commodity are required to maintain local stocks of rice on hand equivalent to 2½ months supply.

All animal products for human consumption are imported, with China being the leading supplier.

Current policy on countertrade/barter as it relates to grain and oilseeds imports: Not applicable to Hong Kong.

7. Market Prospects - Grains and Oilseeds

Long-term projections of national grain import needs are not available.

Sales of Canadian wheat will continue to depend on price. Canadian wheat high protein content is favoured by the local flour mills and although sales are handled by agents, the flour mills have to arrange their own shipping. There is a good chance of improving sales through the direct provision of freight by the shippers who are experienced in such matters.

Demand may exist for some Canadian special crops in this area, but the volume is somewhat limited, because not many of these products are consumed by the Chinese.

8. Processing Facilities

	Year 1984		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	2	2	140	60
Compound Feed Mills				
Maltsters				
Brewers*	2	2	1.2	
Oilseed Crushers				

*Capacity and output in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1984	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Victoria	26	90

- - thousands of tonnes - -

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate: Not produced

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	18	(17)	Australia, U.K. France
Malting barley	-	-	

3. Additional Information

Annual beer consumption: 21.5 litres per capita in 1984, a decline of 4% compared with 1983. It is expected that beer consumption will increase slightly at approximately 2% annually.

Beer production capacity: increased by 2% in 1984. Estimated production of two local breweries is about 1.2 million hectolitres.

Domestic malting capacity: none

Potential for malt sales is quite significant at approximately 17,000 tonnes annually. Opportunity still exists for Canadian malt in this market provided Canadian price is competitive and supplies are available.

III. OILSEEDS

1. Trade Policy:

Import tariffs: Oilseeds: Nil
 Crude oil: Nil
 Oilseed meal: Nil
 Refined oil: Nil

Non-tariff import barriers/export assistance measures: none, Hong Kong is a free port.

Import/export structure: All importations of edible oils are handled by private importers.

Additional factors: As there are no crushing facilities in Hong Kong, all requirements of edible oils (refined) are imported from various sources.

2. Supply of oilseeds and products by type, thousands of tonnes:

year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Sesame		9		8	
Sunflower		1		1	
Copra		1		-	
TOTAL		11		9	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Rapeseed			41		4
Peanut			26		4
Maize			8		1
Others			7		6
Total			82		15

<u>Meal</u>	Production	Imports	Exports
Other oilcakes		127	55
Others		1	
TOTAL		128	55

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			130 (122)	130 (122)
Durum wheat			105 (102)	105 (102)
Flour/Semolina			235 (224)	235 (224)
TOTAL				

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	98 (91)	32 (31)					130 (122)
Durum wheat					38 (38)		105 (102)
Flour Semolina	67 (64)						
TOTAL	165 (155)	32 (31)			38 (38)		235 (224)

Export Destination: China, Macao, Singapore

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>		<u>All Others</u>
WHEAT (including durum)							
Cash	20 (15)	109 (106)				1 (1)	130 (122)
FLOUR (including semolina)							
Cash/Comm.credit	2 (2)	1	1		2 (2)	99 (98)	105 (102)
TOTAL	22 (17)	110 (106)	1		2 (2)	100 (99)	235 (224)

Principal "Others" (Specify countries): Japan, China, Taiwan

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			230 (260)	230 (260)
Barley			1 (1)	1 (1)
Sorghum	No		4 (5)	4 (5)
Oats	Local			
Rye	Production	1	7	
TOTAL			236 (266)	236 (266)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn		218 (255)			12 (5)		230 (260)
Barley		1 (1)					1 (1)
Sorghum		4 (5)					4 (5)
Oats							
Rye		1					1
TOTAL		224 (261)			12 (5)		236 (266)

Of which poultry: 70% Export Destination: China, Macao

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn						230 (260)
Barley						1 (1)
Sorghum						4 (5)
Oats						
Rye						1
TOTAL						236 (266)

Principal "Others" (Specify countries): China, Thailand and Vietnam

I N D I A

Economic classification: Low Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$177	1983/84
Annual per capita GNP	US\$192	1983/84
Average annual growth	3.5%	1965-85
Annual inflation rate	9.0%	1975-85
Annual inflation rate (current)	6.9%	
Volume of imports	13.1 billion US\$	1983/84
Of which food	8%	1983/84
Of which fuels	31%	1983/84
Principal foreign exchange earning export: Textiles, tea, jute, spices		
Debt service as % of GNP	0.6%	1983/84
Debt service as % of exports	10.4%	1983/84
Population	750 million	1984
Annual population growth	1.9%	1980-2000
Annual Consumption:		
Flour	44 M tonnes or 59 kg/capita	1984
Meat	638,000 tonnes or .85 kg/capita	1984
Vegetable Oil	4.9 M tonnes or 6.5 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The production outlook for various crops is as follows:

	<u>1984-85</u>	<u>1983-84</u>
	('000 tonnes)	
Wheat	45,000	45,148
Coarse Grains	31,500	33,972
Rice	59,500	59,769
Oilseeds	13,000	12,800

The marginal decline in production was due to unfavourable weather in some areas. However, the increased usage of fertilizers partially offset the decrease in production. A target of 160 million tonnes of foodgrains has been set for 1985-86. Despite sustained efforts on the part of various government agencies, actual production will depend primarily on the behaviour of the monsoon. The meteorological office has forecast normal rainfall throughout the country during the current year.

2. Foreign Exchange Situation

India's foreign exchange reserves were \$5,420 million at the end of June 1985. Imports continue to exceed exports resulting in adverse balance of trade. Major imports comprise crude and refined petroleum products, edible oils, fertilizers, etc. India is a large recipient of both project and non-project aid.

3. Fertilizer Situation

	<u>Production</u>		<u>Consumption</u>
	1983-84	1984-85	1984-85
		- - - 000 tonnes - - -	
Nitrogen	3,485	3,917	5,644
Phosphate	1,048	1,318	1,865
Potash	No domestic production		865

The consumption of fertilizers is heavily subsidized by the government. Canada is a major supplier of potash to India.

4. Import Mechanism

Foodgrains are imported by means of global tenders by a single government agency - Food Corporation of India. There are no regular imports. Decision to import on ad hoc basis is usually taken depending on the level of domestic production, the need to build up and maintain adequate buffer stocks and on economic and political considerations.

5. Grain Industry Infrastructure

Large import elevators are in place to facilitate grain handling. Recurrent bumper crops during the last two years have created serious storage problems. It is proposed to set up additional storage capacity of 4-5 million tonnes over the next five years, mostly in conventional sheds and some silos. The World Bank is financing the construction of additional storage capacity in India.

6. Government Policies Affecting Grain and Agriculture

Government policy is aimed at increasing production to keep supply of foodgrains ahead of population growth. Despite extensive and sustained efforts to provide facilities and inputs to farmers, Indian agriculture is heavily dependent on the monsoon and a buffer stock of 12-15 million tonnes must be maintained to withstand the vagaries of weather. India has had bumper crops of foodgrains during the last two years due to widespread rainfall in the area under high yielding varieties of seed and timely availability of inputs. Government-held stocks at the end of June 1985 stood at about 28 million tonnes. In order to reduce stocks to a manageable level, the government has been trying to export wheat and to increase domestic consumption. Private traders have also been permitted to export wheat and wheat products subject to specified minimum export prices. The overall foodgrains position is quite comfortable. India is therefore unlikely to import wheat in 1985 or even in 1986.

There are at present no countertrade arrangements for wheat and vegetable oils with any country. However, MMTC is trying to export soybean meal against imports of fertilizers and minerals.

7. Market Prospects - Grains and Oilseeds

There are no prospects for Canadian wheat sales to India in the short term. However, a bad monsoon year could quickly draw down the buffer stocks, necessitating imports.

There are good prospects for the export of peas, lentils and beans to India. The only constraint is competitive landed cost as other suppliers enjoy comparative freight advantage over Canada. Mustard, buckwheat, canaryseed and triticale are not imported into India.

8. Processing Facilities

Year: 1984

		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		454	9,000	3,100
Compound Feed Mills		40	2,400	1,700
Maltsters				
Brewers*				1.7
Oilseed Crushers		315	20,000	10,000

* Capacity and output in million hectolitres (1983).

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type: 1,787 thousand tonnes - breakdown not available.

2. Imports: India does not import barley or products.

3. Additional Information:

Annual per capita beer consumption: Increasing

Beer production capacity: Increasing, 1983 production was 1.7 million hectolitres.

Change in malting capacity: Malting capacity is increasing.

Malt exports: None

Market potential for Canadian malt and/or malting barley: Nil

III. OILSEEDS

1. Trade Policy:

Import Tariffs: Oilseeds: All oilseeds are exempt from import duty except copra on which import duty is 60 percent.

Crude Oil: 5 percent.
 Oilseed meal: 60 percent.
 Refined oil: 5 percent.

Non-tariff import barriers/export assistance measures: Oilseeds and oilseed meal are not imported. There is no export subsidy or other export assistance program.

Import/export structure: The importation of oilseeds and vegetable oils is channeled through the State Trading Corporation. However, there is currently a ban on the import of oilseeds.

Additional factors: Oilseeds are not imported into India.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984/85

<u>Oilseed</u>	Production	Imports		Exports	
Peanut	6,500	-	-	40	-
Rapeseed	2,900	-	-	-	-
Sesame	550	-	-	6	-
Soybean	750	-	-	-	-
Others	2,300	-	-	5	-
TOTAL	13,000	-	-	51	-
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Peanut	1,535	-	-	-	-
Rapeseed	969	180	-	-	-
Sesame	160	-	-	-	-
Soybean	117	450	-	-	-
Others	884	705	-	-	-
TOTAL	3,665	1,335	-	-	-
<u>Meal</u>	Production	Imports		Exports	
Peanut	2,223	-	-	250	-
Rapeseed	1,967	-	-	90	-
Sesame	250	-	-	20	-
Soybean	520	-	-	300	-
Others	2,299	-	-	245	-
TOTAL	7,259	-	-	905	-

India

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	45,000 (45,148)	17,945 (13,650)	(2,130)	62,945 (60,928)
Durum wheat				
Flour/Semolina				
TOTAL	45,000 (45,148)	17,945 (13,650)	(2,130)	62,945 (60,928)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	39,750 (38,648)	300 (300)	4,000 (4,000)	600 (35)	18,295 (17,945)	62,945 (60,928)	
Durum wheat							
Flour Semolina							
TOTAL	39,750 (38,648)	300 (300)	4,000 (4,000)	600 (35)	18,295 (17,945)	62,945 (60,928)	

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		
Wheat (including durum)	(500)	(900)	(650)			(2,130)
Cash						

India

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	7,200 (7,924)	500 (300)		7,700 (8,224)
Barley	1,787 (1,867)	100 (100)		1,887 (1,967)
Sorghum	11,300 (11,934)	700 (600)		12,000 (12,534)
Oats				
Rye				
TOTAL	20,287 (21,725)	1,300 (1,000)		21,587 (22,725)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	5,945 (6,269)	800 (800)		650 (650)	5 (5)	300 (500)	7,700 (8,224)
Barley	1,612 (1,642)	20 (20)		200 (200)	5 (5)	50 (100)	1,887 (1,967)
Sorghum	9,650 (9,984)	750 (750)		1,000 (1,100)		600 (700)	12,000 (12,534)
Oats							
Rye							
TOTAL	17,207 (17,895)	1,570 (1,570)		1,850 (1,950)	10 (10)	950 (1,300)	21,587 (22,725)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets: Nil

I N D O N E S I A

Economic classification: Middle Income economy		
Oil exporter or importer (net): Oil Exporter		
Annual per capita income:	US\$588	1984
Annual per capita income:	US\$560	1983
Average annual growth	5.8%	1980-84
Annual inflation rate	10.2%	1980-84
Annual inflation rate (current)	9.1%	
Volume of imports	13.9 billion US\$	1984
Of which food	5 %	1984
Of which fuels	19 %	1984
Principal foreign exchange earning export: Oil and gas		
Debt service as % of GNP	4.1%	1984
Debt service as % of exports	14.3%	1984
Population	162.6 million	1984
Annual population growth	2.2%	1974-84
Annual Consumption:		
Flour	1,030,000 tonnes or 6.3 kg/capita	1984
Meat	640,000 tonnes or 3.9 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Crop situation in 1984 indicated a general increase particularly in soybean production which increased from 590,000 tonnes in 1983 to 753,000 tonnes in 1984, approximately 28%. Rice production grew by nearly 6% from 23.5 million tonnes in 1983 to 25 million tonnes in 1984 making Indonesia for the first time self-sufficient in rice. The official forecast for rice production in 1985 is 26.3 million tonnes indicating an increase of 5% over last year. Cassava production in 1984 was 14.26 million tonnes.

2. Foreign Exchange Situation

Indonesia's balance of trade in 1984 posted a surplus of US\$8 billion, up about 40% from the country's trade balance surplus in 1983. This was primarily as a result of decreased imports. With foreign exchange reserves estimated at US\$5.8 billion in February 1985, Indonesia should be able to continue imports of essential foods (mainly wheat and soybeans).

3. Fertilizer Situation

Indonesia's imports of all types of fertilizer, except urea and muriate of potash (MOP) declined sharply from 886,697 tonnes in 1983 to 578,641 tonnes in 1984. This decline was mainly due to the substantial decrease of zincum ammonia (Z.A.) imports from 208,448 tonnes in 1983 to 69,370 tonnes in 1984 as the local production of Z.A. has increased significantly.

4. Import Mechanism

According to the Presidential Decree No. 4, 1985, all import goods, including grains must be inspected by a government appointed surveyor in the country's ports of origin prior to shipping to Indonesian custom area. With this new regulation custom examinations are no longer required. BULOG (National Logistic Agency) still remains the sole agency of grain importation and as usual no regular tenders are issued as grain procurements are directly negotiated between BULOG and overseas suppliers. BULOG is responsible for importation, stock-piling and distribution of essential food products. We do not anticipate any changes in import structure, procedure or personnel in the near future.

5. Grain Industry Infrastructure

There have been no noteworthy changes in the country's import, handling, storage or processing facilities over the past year.

6. Government Policies Affecting Grain and Agriculture

As Indonesia has now reached self-sufficiency in rice, it is anticipated that this commodity will no longer need to be imported except in a poor crop year. This might have bearing on the country's rice reserves as production increases in excess of local consumption. Meat production and consumption will also increase as the government is continuing to encourage livestock development. The government is currently implementing a few Livestock Development Projects in various parts of the country including two projects in Kalimantan and Sulawesi funded by the A.D.B.

Indonesia's wheat consumption has decreased substantially from 1,775,000 tonnes in 1983/84 to 1,339,000 tonnes in 1984/85. This could be partly a result of the country's rice production increase by nearly 6% from 23.5 million tonnes in 1983 to 25 million tonnes in 1984. Nevertheless, wheat imports from Canada have increased from 152,000 tonnes in 1983/84 to 195,000 tonnes in 1984/85, an increase of approximately 28% per annum.

7. Market Prospects - Grains and Oilseeds

No official projections have been made by the Indonesian government or private institutions but according to the local wheat millers, Indonesia's wheat consumption has increased by 5% per annum over the past 10 years. Indonesia's wheat consumption in the future will likely be determined by the country's food crop production as well as the general economic situation. The provision of credit facilities could be an important factor in increasing Canadian wheat sales to Indonesia.

Beans and canary seeds are imported in small quantities and there could be potential for Canadian products, if priced competitively.

8. Processing Facilities

Year: 1985

- 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)	2	3	3,006	1,560
Compound Feed Mills	20	25	240	180
Maltsters	-	-		
Brewers				
Oilseed Crushers	78	78*	2,270	2,100

* includes: 8 corn plants, 56 coconut, 2 soybean and 12 palm oil

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tanjung Priok	900	800
Tanjung Perak	600	600
Ujung Pandang	500	400
Total Capacity	2,000	1,800

II. MALT AND MALTING BARLEY

1. Domestic Production barley: None

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	13 (12)	Australia
Malting barley	- (-)	

3. Additional Information

Beer consumption per capita: As the majority of the country's population (90%) is Moslem, Indonesia's per capita beer consumption is very low (0.5 litre). However, consumption is increasing gradually.

Malt exports: none

Imports: Malting barley is not imported by Indonesia but Canadian malt would likely have market prospects in this area should the price be competitive. Barley imports to Indonesia are very small in volume only 25 tonnes in 1984.

III. OILSEEDS

1. Trade Policy:

Import tariffs/duties: Oilseeds - 30% plus 30% V.A.T.
 Crude Oil - 40% plus 10% V.A.T.
 Oilseed Meal - 30% plus 10% V.A.T.
 Refined Oil - 40% plus 10% V.A.T.

All imported food products must be registered at the Department of Health for which a fee of US\$100 is charged for each label.

Oilseeds importation is restricted to only two state trading firms except soybeans which are imported solely by the National Logistic Agency (BULOG). The trading firms are P.T. Sarinah and P.T. Dirga Niaga. Competitive prices and regular supply are important factors in marketing oilseeds in this country.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Soybeans	753	401	
Corn	5,465	59	159
Peanuts	527	21	2
Coconuts	1,725		
TOTAL	8,470	481	161

<u>Oil</u>	Production	Imports		Exports
		Crude	Refined	
soybean	20		14	
corn	200			
peanut				
coconut	1,600			17
palm	400		57	128
Others			8	
TOTAL	2,220		79	145

<u>Meal</u>	Production	Imports	Exports
soybean		206	
canola	nil	42	nil
others		62	
TOTAL		310	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	nil	147 (211)	1,662 (1,704)	1,809 (1,915)
Durum wheat				
Flour/Semolina				
TOTAL		147 (211)	1,662 (1,704)	1,809 (1,915)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	1,339 (1,775)		60 (40)			184 (147)	1,583 (1,962)
Durum wheat							
Flour Semolina							
TOTAL	1,339 (1,775)		60 (40)			184 (147)	1,583 (1,962)

Industrial Use: Plywood industry

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				EEC	All Others	TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina			
WHEAT (including durum)							
Cash	195 (152)	406 (878)	553 (352)	75 (51)	15 (124)		1,244 (1,557)
Aid, concessional credit, etc.		205 (82)	(35)		15 (30)		220 (147)
TOTAL	195 (152)	611 (960)	553 (387)	75 (51)	30 (154)		1,464 (1,704)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	5,465 (5,060)	400 (280)	59 (80)	5,924 (5,420)
Barley				
Sorghum				
Oats				
TOTAL	5,465 (5,060)	400 (280)	59 (80)	5,924 (5,420)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other</u> <u>(seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	4,614 (4,345)	400 (250)	150 (100)		160 (45)	1,600 (600)	6,604 (5,250)
Barley							
Sorghum							
Oats							
Rye							
TOTAL	4,614 (4,345)	400 (250)	150 (100)		160 (45)	1,600 (600)	6,604 (5,250)

Of which poultry: 15% Export Destination: Malaysia, Mozambique
Industrial Use: Corn oil extractionTRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Corn	Canada					59 (80)	59 (80)

Principal "Others": Thailand, China

J A P A N

Economic classification: Industrial Market economy
 Oil exporter or importer (net): Importer
 Annual per capita income: US\$7,707 FY 1983
 Annual per capita GNP US\$10,264 FY 1984
 Average annual growth 0.2% 1965-85
 Annual inflation rate 3.6% 1975-85
 Annual inflation rate (current) 2.2% (CPI)
 Volume of imports 136 billion US\$ 1984
 Of which food 14% 1984
 Of which fuels 44% 1984
 Principal foreign exchange
 earning export: Machinery, equipment and metal products
 Population 120 million 1984
 Annual population growth 0.6% 1984/85
 Annual Consumption:
 Flour (wheat) 32 kg/capita 1983
 Meat 24 kg/capita 1983
 Vegetable Oil* 15 kg/capita 1983

* Fats and oils

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	<u>1984 Production</u>	<u>1985 Production Forecast*</u>	<u>1985 over 1984</u>
	- - - - - ('000 tonnes) - - - - -		(%)
<u>Grains</u>			
Wheat	741	853	+15.1
Barley	396	377	- 4.8
(2-row)	295	263	-10.8
(6-row)	58	76	+31.0
(Naked Barley)	43	38	-11.6
Oats	8	n/a	n/a
Rice	11,878	11,772	- 1.0
<u>Oilseeds</u>			
Soybean	238	n/a	n/a
	(major area 187)	(major area 197)	+ 5.3
Rapeseed	3	3	-

* as of September 1985

Note: - Rapeseed is actual production

- Japanese soybean is not crushed like other oilseeds but processed into other products e.g. "tofu" (curd), "miso" (paste).

2. Foreign Exchange Situation

Imports of food and agricultural imports (i.e. grains and oilseeds) are given priority in the expenditure of foreign currency, together with imports of energy resources.

3. Fertilizer Situation

Annual fertilizer demand is about 2 million tonnes: nitrogen (N) about 700,000 tonnes; phosphate (Ph) 700,000 tonnes and potash (Po) 600,000 tonnes. Supply situation: N imports 40-80 thousand tonnes (import ratio 3-7%) a year and local production 1.0-1.4 million tonnes, besides exports 200-600 thousand tonnes; Ph imports 100-160 thousand tonnes (15-20%) and local production 500-650 thousand tonnes and Po imports 500-650 thousand tonnes (about 95%) and local production 20-40 thousand tonnes. Demand outlook was upward which took place since FY 1981 and 1982 after low point in 1980. Overall trend for July 84-March 85, however, shows 1.6% decrease over the same period last year on shipment basis. Nitrogen domestic usage will decrease slightly but exports increased and overall requirement will remain the same as last year; Ph remained the same for 84/85 period and Po which depends almost on imports, will be on the decrease although imports 452 thousand tonnes is still 3.4% lower so far than the level for same period last year. 1983 per hectare usages for wheat and barley (not separately identified) are N-94 kgs, Ph-104 kgs and Po-91 kgs and for rice: N-106 kgs, Ph-109 kgs and Po-97 kgs.

*Note: Fertilizer Year (FY) e.g. FY84 = July 84-June 85

4. Import Mechanism

Imports of wheat and barley (but not oats) and rice are controlled by the Government, i.e. the Food Agency (FA) which is one agency of MAFF. As Japan heavily depends upon supplies of wheat and barley from overseas sources, the Food Agency imports both grains through their weekly import tenders then re-sells to millers and processors. Other grains such as oats, rye, corn, milo, soybean etc. are considered as free trade commodities of which imports are done by private importers. Imports of oats are not under FA control but subject to tariff quota (TQ) system i.e. no tariff for quantity authorized under TQ whereas 10% duty for imports outside TQ. No changes are anticipated in the import mechanism in the foreseeable future.

5. Grain Industry Infrastructure

Basically there is no expansion of existing facilities, be it flour, feed milling or crushing industry.

Flour - Wheat is under Government control and its import has reached a plateau.

Feed - No new expansions, but there are renewals of existing ones by replacing (or phasing out) old facilities with new ones for stepped up rationalization, which is the Government policy. Feed millers increase production by using 2-shift or 3-shift operating conditions without resorting to expansion of facilities.

Crushing - Not operating at full capacity yet i.e. room for increased production under the existing facilities.

5. Grain Industry Infrastructure (cont'd)

Noticeable changes - Japanese are generally more inclined to produce value-added products or efficiency-oriented e.g.:

Flour - Increased production of premixes and pasta products (often over technical tie-up with Italian manufacturers). Also expanding production of health-minded products e.g. wheat germ, wheat germ oil, vitamin E, etc.

Feed - Large compound feed complexes were completed in recent years as part of total rationalization of the compound feed industry, typically in Kyushu and Tohoku regions.

Crushing - Marketing of high linoleic acid oils (typically safflower, sunflower and corn oils) is pursued by leading crushers. Vitamins E, F and C have become popular, a reaction to consumer health-consciousness.

6. Government Policies Affecting Grain and Agriculture

The Government started the third 3-year (FY1984-86) rice production reducing program from April, 1984 as rice consumption continued to decrease. The Government encourages producers to grow crops other than rice. It is expected that production of domestic wheat and barley will continue to increase to a certain extent as consumption of those grains will remain more steady.

It is expected that (a) grain production will continue to shift from rice to wheat and barley; (b) imports of wheat and barley are not expected to increase; (c) Japanese will adapt to changing pattern of decreasing rice consumption (for human use) and increasing coarse grains consumption, especially corn (for poultry and livestock); (d) stocks will increase, e.g. feed barley 260,000 tonnes and corn 630,000 tonnes by end of FY1984; and (e) meat production will increase as consumption increases.

Implications for Canadian grains and oilseeds are: increased local production of wheat and barley indicates less opportunity for increased imports of wheat and barley; most of coarse grain increase in imports will be corn (maize) whereas barley, virtually the only major coarse grain we supply to this market, shows little increase; from our oilseeds aspect, canola imports are steadily growing as Japanese rapeseed production is virtually nil, also soybean imports are growing to complement Japanese soybean production.

No countertrade/barter policy has been put forth by the Japanese Government to date. At this stage, trade is managed by the private sector and it seems that current practices will continue to prevail in the foreseeable future. In connection with grains and oilseeds, the Japanese trade surplus with most countries is pressuring the Japanese to buy something in return to offset trade imbalances. In that case, grains and oilseeds are attractive commodities for trading partners who are going to adopt countertrade/barter trade formula, e.g. PRC (for grain especially corn and for rapeseed), Central and South America (typically Argentinian wheat and sorghum, Brazilian soybeans, etc.) and ASEAN nations (Malaysian palm oil and Philippine copra and coconut oil, etc.).

7. Market Prospects - Grains and Oilseeds

According to the Japanese Government's long term projections, wheat imports for food use will be 5.19 million tonnes by 1990. Feed barley imports will be 2.143 million tonnes and soybean imports will be 4.8-5.0 million by 1990.

Long Range - Barley: Canada should try to seek opportunities for liberalization of barley imports (now under Japanese Government control), at least barley for feed use in order to compete with other imported coarse grains typically maize (corn) and milo (grain sorghum) especially the former whose import is growing in recent years.

Long Range - Flaxseed: Although flaxseed is our second largest oilseed for this market and Canada is virtually the sole supplier, Japanese imports have decreased over the decade from 120,000 tonnes annually to 100,000 tonnes at present, in part due to a lack of marketing efforts. The newly established Canadian Flaxseed Association (Western Canada) may wish to address this situation.

We are already marketing special crops being virtually the sole supplier of mustardseed and for recent years canaryseed and one of the major suppliers of buckwheat, beans (typically white pea beans and faba beans) and peas. Regarding triticale it is difficult to penetrate into this market partly because it is a hybrid grain (wheat and rye) ; and partly because this grain is not widely known here yet. Since wheat (also barley and rice) come under Japanese Government control, interested importers tend to shy away.

8. Processing Facilities

Year 1984

	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	162	208	9,830	6,117
Compound Feed Mills	118	197	18,444	23,569
Maltsters	4	11	180	120 (est.)
Brewers*	6	34	51,239	46,719
Oilseed Crushers (1983)	139	153	8,900	6,193

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1983/84

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Otaru	117	
Chiba	591	
Yokohama	1,004	
Shimizu	238	
Nagoya	880	
Kobe	682	
Mizushima	238	
Hakata	334	
Kagoshima	274	
Others	2,003	
Total Capacity	6,361	

10. Japanese Imports of Wheat by Type

	<u>Canada</u>	FY 1984(83)		<u>Total</u>
		<u>U.S.</u>	<u>Australia</u>	
		('000 tonnes)		
Food Wheat				
Hard	1,353 (1,379)	1,289 (1,182)		2,642 (2,561)
Semi Hard		408 (394)		408 (394)
Soft		832 (923)	325 (293)	1,157 (1,126)
TOTAL	1,353 (1,379)	2,529 (2,499)	325 (293)	4,207 (4,171)
Feed Wheat		603 (637)	698 (698)	1,301 (1,335)
All Wheat	1,353 (1,379)	3,132 (3,136)	1,023 (991)	5,508 (5,506)

Source: Food Agency

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984

- - thousands of tonnes - -

	2-Row		6-Row		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	283	12	58	-	353
Suitable for malting	154 approx	-	-	-	154

2. Imports

	thousands of tonnes	Principal suppliers(s)
Malt (CY 1984)	539 (558)	Australia/Canada/U.K.
Malting Barley (FY 1984)	14 (19)	Australia

3. Additional Information

Annual per capita beer consumption: Little change in the annual consumption per capita at around 25 kilolitres (250 hectolitres). During past five years (1980-84), there was a continuous decrease from 26.5 kl to 24.8 kl, due mainly to diversification in alcoholic beverages intake by the Japanese and also due to high price of beer relative to other alcoholic beverages especially the emerging "shochu" (white spirits traditionally made from sweet potatoes, barley or buckwheat). Beer consumption recovered somewhat in 1984 reaching 26.1 kl. In the same period total beer consumption peaked at about 4.8 million kl in 1983 but declined to 4.6 million kl in 1984.

Beer production capacity: Increasing slightly, at about 2% per annum according to Brewers Association of Japan (BAJ). Current capacity is about 51.2 million hectolitres including a non-member brewer (i.e. Orion Breweries Ltd. in Okinawa). Judging from the output of about 46.7 million hectolitres for 1984 to current capacity of 51.2 million hectolitres, the Japanese brewers operate plants at about 91% of capacity. There is still room for increased production of beer with existing capacity.

Domestic malting capacity: Little change in malting capacity at about 180,000 tonnes. Indications are that there will be no expansion of the capacity in the foreseeable future. If Japanese brewers expand malting capacity, they are required to use expensive Japanese domestic malting barley first. This means that there is virtually no hope for Japanese import of malting barley, given no change takes place in the present malting capacity. According to Food Agency, Japanese imports of malting barley for FY1985 (Apr 85-Mar 86) is projected at about 2,000 tonnes while actual imports for FY1984 and FY 1983 were 14,000 and 19,000 tonnes respectively. Incidentally, imports were all from Australia.

Malt exports: There have been exports of very small quantities, less than 1,000 kilograms over the past five years (1980-84). Local trade source says it is used for baby food in the destination countries (i.e. Indonesia, Bangladesh).

Market potential: Our malt is well accepted by Japanese brewers but is not price competitive to Australian malt. With respect to variety our prevalent variety "Klages" is lower in malt extract content than Australian "Clipper" which affects the alcoholic content of the brewing malt.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Duty free except groundnut (i.e. peanut) for other than crushing purpose on which 10% is imposed.

Crude oil: 17 Yen/kg for canola/rapeseed, soybean and sunflowerseed oil; 10% or 11 Yen/kg whichever is higher for linseed oil.

Oilseed meal: All free of duty

Refined oil: 20.7 Yen/kg for canola/rapeseed oil, soybean oil and sunflowerseed oil.

Non-tariff import barriers/export assistance measures: None

Import/export structure: By private importers and exporters, i.e. under free marketing principles.

Additional factors: Appropriate financing to the Canadian producers on an as required basis (typically advance payment system made available to canola producers in recent years) to counter financing by CCC (Commodity Credit Corporation) to American soybean producers or rapeseed export restitution by EC.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Soybean	238	4,515	-
Canola/Rapeseed	3	1,299	-
Flaxseed	-	91	-
Mustard Seed	-	7	-
Others*	489	440	-
TOTAL	730	6,351	-

* Imports ('000 tonnes): Cottonseed 105; sesame 75; copra 73; peanut 63; castor 47; others 77.

2. Supply of oilseeds and products by type, thousands of tonnes: (cont'd)

Year: 1984

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	698	9	-	4**	
Canola/Rapeseed	518	23	-	3**	
Palm Oil	-	157**		1**	
Rice Bran Oil	88	3	-	-	
Others	253	31	12	17**	
TOTAL	1,557	66	12	25**	

** crude/refined unidentified

<u>Meal</u>	Production	Imports	Exports
Soybean Meal	2,905	116	-
Canola/Rapeseed	754	78	-
Deffatted Rice Bran	383	-	-
Linseed	56	-	-
Others	250	10	2
TOTAL	4,348	204	2

FOOTNOTES TO STATISTICAL TABLE Section IV (A) and (B)

Wheat and Durum Wheat

** Government buy-up quantity used (instead of production quantity) IAW Japanese (Food Agency) Demand & Supply Program.

*** As a matter of memorandum entry because flour was already accounted for in wheat column, i.e. locally produced flour is transformation of imported wheat.

**** Including release for wheat bran production

Coarse Grains

* Government buy-up quantity used (instead of production quantity) IAW Japanese (Food Agency) Demand & Supply Program.

** April 1 for barley while Jan. 1 for other coarse grains. Further, "Carry-in/out" shows feed use only as other than feed uses unavailable except barley which shows both feed and food uses.

*** Barley imports total (1,615 million tonnes) on Food Agency's payment basis whereas its breakdown by country (1,600 million tonnes) on customers' clearance basis, showing a discrepancy of 45,000 tonnes.

**** Shows presumed quantity altogether as separate statistics unavailable.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM Data: FY 1984 April 84 - Mar 85, previous year in brackets

SUPPLY - thousands of tonnes

	<u>Production</u>	<u>Govt. Buy-Up</u>	<u>Carry-in, April 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat * **	741 (695)	652 (599)	1,485 (1,424)	5,508 (5,506)	7,645 (7,529)
Durum wheat			n/a	75 (65)	75 (65)
Flour/Semolina***	6,117 (6,046)			***6,117 (6,046)	
TOTAL	Nominally 741 (695)	652 (599)	1,485 (1,424)	5,508 (5,506)	7,645 (7,529)

DISPOSITION - thousands of tonnes

	Human		Other		Exports	Carry-out	Total
	Consumption	Animal Feed	Industrial	(seed, waste)			
Wheat	4,590 (4,557)	1,315 (1,320)****	173 (167)	n/a (n/a)	1,567 (1,485)	7,645	(7,529)
Durum wheat	75 (65)			n/a (n/a)	n/a	75	(65)
Flour/Semolina***	3,924 (3,858)	118 (107)	141 (147)	n/a see note	231 (231) n/a see note	6,117	***(6,046)
TOTAL	4,590 (4,557)	1,315 (1,320)	173 (167)	n/a (n/a)	1,567 (1,485)	7,645	(7,529) ³¹

Industrial Use: Wheat for soy sauce, flour for MSG, etc.

Note: Presumed quantity of flour for "other (seed/waste)" and "carryout" altogether is 1,703 (1,703) Export Destination: PRC, Hong Kong, Thailand

IMPORT TRADE - thousands of tonnes

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Wheat (including durum)						
Cash	1,353 (1,379)	3,132 (3,136)	1,023 (991)			5,508 (5,506)

(B) COARSE GRAINS - Barley on FY 1984(83) basis and others on CY 1984(83) basis

SUPPLY - thousands of tonnes -

	Production	Govt. Buy-Up*	Carry-in**	Imports	Total Supply
Corn Maize	2 (1)		559 (498)	14,170 (14,701)	14,731 (15,200)
Barley*	396 (380)	150 (149)	536 (427)	***1,615 (1,581)	2,301 (2,157)
Sorghum			282 (205)	4,478 (2,957)	4,760 (3,162)
Oats	8 (10)		1 (2)	126 (74)	135 (86)
Rye			2 (2)	342 (133)	344 (135)
TOTAL Nominally	406 (391)	160 (160)	1,380 (1,134)	20,731 (19,446)	22,271 (20,740)

DISPOSITION - thousands of tonnes -

	Consumption			Other (seed, waste)	Exports	Carry-out**	Total
	Human***	Animal Feed	Industrial				
Corn	3,282 (3,242)	10,930 (11,399)			519 (559)	14,731 (15,200)	
Barley	213 (171)	1,450 (1,450)			638 (536)	2,301 (2,157)	
Sorghum	71	4,394 (2,881)			295 (282)	4,760 (3,162)	
Oats	55 (62)	62 (23)			18 (1)	135 (86)	
Rye	78 (61)	263 (72)			3 (2)	344 (135)	
TOTAL	3,699 (3,536)	17,099 (15,825)			1,473 (1,380)	22,271 (20,740)	

Of which poultry: 53% in terms of overall animal use. Export Destination: Taiwan (Taiwan)
 Industrial use: Typically corn starch, distilling and alcohol manufacturing

IMPORT TRADE - thousands of tonnes -

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	EEC		All Others
Corn		13,737 (13,439)	71		244 (1,232)	14,170 (14,701)
Barley	743 (989)	472 (298)	445 (294)		***1,660 (1,581)	1,660 (1,581)
Sorghum		1,861 (599)	1,000 (103)		4 (66)	4,478 (2,957)
Oats	18 (18)	1	108 (47)		(3)	126 (74)
Rye	342 (133)					342 (133)
TOTAL	1,103 (1,140)	16,071 (14,337)	1,624 (444)	1,731 (2,224)	248 (1,301)***	20,776 (19,446)

Principal "Others": PRC, Indonesia, S. Africa

REPUBLIC OF KOREA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,454	1983
Annual per capita GNP	US\$1,998	1984
Average annual growth	8.3%	1965-85
Annual inflation rate	14.3%	1975-85
Annual inflation rate (current)	1.7%	1985
Volume of imports	30.6 billion US\$	1984
Of which food	6.6%	1984
Of which fuels	23.8%	1984
Principal foreign exchange earning export:	Light manufacturing, heavy industry & overseas construction	
Debt service as % of GNP	6.8%	1984
Debt service as % of exports	16.5%	1984
Population	40.5 million	1984
Annual population growth	1.5%	1980-2000
Annual Consumption:		
Flour	37.8 kg/capita	1984
Meat	13.9 kg/capita	1984
Vegetable Oil	6.5 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Rice production in 1984 increased to 5.7 million tonnes, up 5.1% from 5.4 million tonnes in 1983 because of expanded acreage for high yielding new varieties and moderate weather conditions during the harvesting season.

The government suspended the purchase of wheat for the 1984 crop. As a result, wheat production in 1984 decreased to 17,000 tonnes from 112,000 tonnes in 1983.

Total barley production in 1984 also decreased to 1,130,000 tonnes (crude weight). Malting barley production represented 165,000 tonnes, up 67% from 99,000 tonnes in 1983 due to a 9% increase in acreage.

Corn production in 1984 increased to 133,000 tonnes, up 32% from 101,000 tonnes in 1983 because of the development of high yielding new varieties and a 9% increase in acreage.

The production of soybeans increased to 254,000 tonnes as a result of a 4% increase in acreage while rapeseed production remained at 10,000 tonnes, the same level as in 1983.

The government's targets for 1985 are to produce approximately 5.5 million tonnes of rice, 802,000 tonnes of barley (crude weight), 135,000 tonnes of corn, 17,000 tonnes of wheat, 263,000 tonnes of soybean and 10,000 tonnes of rapeseed.

2. Foreign Exchange Situation

Korea's trade deficit decreased in 1984 to US\$1,036 million based on total exports of \$26,335 million and imports of \$27,371 million. Foreign exchange holdings at the end of 1984 amounted to \$7,650 million and are expected to reach \$7,700 million by the end of 1985. The trade deficit in 1985 is expected to decrease to \$600 million (\$29.6 billion in exports versus \$30.2 billion in imports) and the current account deficit is estimated at \$600-800 million in 1985. To reduce the increasing foreign debt which should reach US\$45 billion at the end of 1985, the government has decided to reduce wheat imports to 1,800,000 tonnes in 1985 from 1,860,000 tonnes in 1984; however, priority will be given to importing other agricultural products. Korea is unlikely to become an international aid recipient, but will continue to be eligible for IBRD and Asian Development Bank loans.

3. Fertilizer Situation

There are nine major fertilizer plants in Korea with a total production capacity of 2.9 million tonnes per year. In 1984 total fertilizer production amounted to approximately 2.9 million tonnes, an 11.2% increase from the 2.6 million tonnes produced in 1983. Korea's total domestic consumption of fertilizer in 1984 reached 1.6 million tonnes, a 5% increase over 1.5 million tonnes in 1983. In 1984, Korea exported 1.3 million tonnes compared with almost 1.2 million tonnes in 1983.

In 1984 usage of domestic fertilizer was as follows: ammonium sulphate - 62,000 tonnes; urea - 525,000 tonnes; compound fertilizer - 980,000 tonnes; potassium sulphate - 21,000 tonnes. In 1984, fertilizer consumption ratio was 50% (N), 25% (K2O) and 25% (P2O5).

4. Import Mechanism

Wheat: Korea Flour Mills Industrial Association (KOFMIA), individual flour millers, general trading companies and registered trading companies on behalf of millers are all authorized to import wheat for human consumption through either tenders (KOFMIA) or price negotiations (millers and trading companies). In the case of wheat for animal consumption, only Korea Feed Association (KFA), National Livestock Cooperative Federation (NLCF) and individual millers are authorized to import either through tenders (KFA and NLCF) or price negotiations (millers).

Barley: Breweries are authorized to import malting barley, when and if a requirement exists, through price negotiations. In the case of feed barley, however, KFA will be the exclusive import organization if the government decides to use foreign barley for feed.

Corn: KFA, NLCF and the Korea Corn Processors Industry Association (KCPIA) are the only organizations authorized to import corn through tenders in accordance with both annual food/feed demand and supply plans prepared by the Ministry of Agriculture and Fisheries.

Rye: KFA, NLCF and individual millers are authorized to import rye for animal consumption either through tenders (KFA and NLCF) or price negotiations (millers). In case of rye for seed purpose, however, NLCF and Korea Dairy and Beef Farmers Association (KDBFA) are authorized to import through tenders.

4. Import Mechanism cont'd

Rapeseed: Rapeseed may be imported by any private registered trader provided that the oil produced is re-exported. Rapeseed meal became an automatically approved item effective July 1, 1985.

Soybeans: Office of Supply, Republic of Korea (OSROK), National Agricultural Cooperative Federation (NACF), Agriculture and Fisheries Development Corporation (AFDC) and three soybean oil crushers (Tongbang, Cheil and Samyang) are the only organizations authorized to import soybeans through either tenders (OSROK, NACF and AFDC) or direct negotiations (oil crushers) subject to government quota allocations. Soybean meal may be imported by KFA, NLCF and individual millers either through tenders (KFA and NLCF) or direct negotiations (millers).

5. Grain Industry Infrastructure

There are currently three grain handling facilities in Korea with the following unloading and storage capacities:

<u>Name of Firm</u>	<u>Port</u>	<u>Unloading Capacity (tonnes per hour)</u>	<u>Storage (tonnes)</u>
Korea Silo Co. Ltd.	Inchon	800	200,000
Taihan Bulk Terminal Co. Ltd.	Inchon	1,500	138,000
Woo Sung Enterprise Co. Ltd.	Pusan	800	80,000

Four new grain handling facilities, three at Inchon port and one at Ulsan port are being built. One storage facility in Inchon is being expanded. Details as follows:

<u>Name of Firm</u>	<u>Port</u>	<u>Unloading capacity (tonnes/hour)</u>	<u>Storage (tonnes)</u>	<u>Completion</u>
Sun Kwang Co. Ltd.	Inchon	600	95,000	December 1985
Han Jin Transportation Co. Ltd.	Inchon	900	100,000	December 1985
Korea Express Co. Ltd.	Inchon	880	100,000	February 1985
Ulsan Silo Co. Ltd.	Ulsan	1,500	80,000	June 1986
Korea Silo Co. Ltd.	Inchon	Expansion	Additional 100,000 tonnes	December 1985

When the construction and the expansion are completed, the total unloading capacities will be 6,980 tonnes per hour and the storage capacities will reach 893,000 tonnes.

6. Government Policies Affecting Grain and Agriculture

Korea achieved self-sufficiency for barley (119%) in 1983 and for rice (101%) in 1984. Barley production in 1984 exceeded demand for human consumption. As a result, feed manufacturers and distillers were forced by the government to use 161,000 tonnes and 66,000 tonnes respectively of domestic barley in 1984 to reduce government held stocks. The feed manufacturers and the distillers are expected to be forced to use an additional 300,000 tonnes for feed and 66,000 tonnes for spirits in 1985. Unless the production of rice and barley drops significantly within a few years due to an abnormal weather condition or any other reason, the government plans to reduce the acreage gradually for rice and barley by expanding the acreage for other crops such as rye or malting barley.

In 1984, Korea imported US\$1,004 million of grains (wheat-\$424 million, corn - \$491 million, rye - \$34 million and other grains - \$53 million) and US\$247 million of oilseeds including \$228 million of soybeans. The United States continue to dominate this market for grain. However, the government has already decided to reduce the importation of wheat for human consumption to 1.8 million tonnes in 1985 from 1.86 million tonnes in 1984.

The government will also continue to substitute corn with less expensive grains for up to 40% of the total feed grain requirement through the diversification of sources of supply. As the result of this policy, the People's Republic of China became extremely active in the feed grain market through Hong Kong-based traders which exported 39,000 tonnes of corn, 31,000 tonnes of sorghum and 5,000 tonnes of soybean meal to this market in 1984. According to the trade, China has exported 700,000 tonnes of corn to Korea during the first six months of 1985. As the result of the government's feed ingredient diversification policy, Korea has imported 786,000 tonnes of feed wheat in 1984, of which Australia has supplied 624,000 tonnes. Three flour millers have also imported a total of 14,000 tonnes of Australian standard wheat (protein 11.8-12.2%) in 1985 to supply flour to noodle manufacturers.

Effective July 1, 1985, the government has moved the following products on the automatic import approval list: wheat flour, rapeseed meal, cotton seed meal, sunflower seed meal, peanut meal, linseed meal and coconut meal.

Japan is excluded as a wheat flour supplier. At the same time, the government has also authorized 9 more general trading companies, in addition to KOFMIA, individual flour millers and registered traders on behalf of flour millers, to import wheat from July 1, 1985 within the annual ceiling of the total wheat import quota which is controlled by the government. The annual per capita consumption of other grains including wheat, kept very steady for the last few years, but the consumption of rice and barley decreased to 126.0 kg and 10 kg respectively in 1984 from 131.5 kg and 16.2 kg in 1981.

The government estimates that Korea has produced 91,000 tonnes of beef, 341,000 tonnes of pork and 118,000 tonnes of poultry and consumed 107,000 tonnes of beef (per capita 2.6 kg), 340,000 tonnes of pork (8.4 kg) and 118,000 tonnes of poultry (2.9 kg) in 1984. In order to meet the shortage of beef, they have imported 18,000 tonnes of bone-in beef and 7,500 tonnes of boneless beef in 1984.

Feed millers were forced to use 161,000 tonnes of domestic barley in 1984 which resulted in a 6.3% cost increase in the current feed price. If feed millers are forced to use an additional 300,000 tonnes of domestic barley for feed in 1985, it will provide a fair reason for feed millers to request the government to

6. Government Policies Affecting Grain and Agriculture (cont'd)

allow them to import foreign barley in order to compensate for high priced domestic barley. If this happens, there would be opportunities for Canadian exporters to supply barley to this market. The government's decision to reduce wheat imports by 60,000 tonnes in 1985 will have no long term implications as Korea must continue to rely on foreign sources for wheat. The growing importance of PRC in the feed grain market as the result of the government's diversification policy, however, could have significant implication in exporting Canadian feed ingredients including rye, barley and canola meal to this market in the longer term. Australia will remain an important competitor particularly for soft wheat. The liberalization of rapeseed meal import will provide broader opportunities for Canadian exporters to compete with suppliers of other vegetable protein ingredients such as soybean meal. But the changes in the wheat import mechanism will not affect opportunities for export of Canadian wheat.

With the exception of approximately 100,000 tonnes of Thai tapioca which Korea imports annually under a barter agreement for Korean fertilizer, Korea does not import any grain or oilseeds under such a trade arrangement.

7. Market Prospects - Grains and Oilseeds

Korea Development Institute, an advisory research institution to the government in economic planning has made the following grain import projections for wheat and corn.

	Wheat	Corn
	('000 tonnes)	
1986	2,100	3,800
1991	2,400	5,500

With the exception of mustard seed, small soybeans for bean sprout purposes and a limited quantity of canaryseed, there are no marketing possibilities for other special crops. Korea imports approximately 2,000 tonnes of small soybeans, 500 tonnes of mustard seed and 50 tonnes of canaryseed per year.

8. Processing Facilities

Year 1984

	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	12	13	2,724	1,919
Compound Feed Mills	54	79	5,190	5,984
Maltsters	2	4	112	94
Brewers*	2	4	10.3	7.82
Oilseed Crushers	38	39	1,805***	1,208***

* Capacity and output in millions of hectolitres

** 24 hour and 300 day operation basis per year

*** Figures represent only estimates for 3 soybean crushers plus the member crushers of Korea Vegetable Oil Industry Cooperative.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Inchon	338	5,520
Pusan	80	1,920
Total Capacity	418	7,440

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley				1,310*	1,130
Suitable for malting	165*				165

* crude weight

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	3	(4)	Australia and U.K.
Malting barley	36		Canada and Australia

3. Additional Information

Annual per capita beer consumption now, at 19 litres, is increasing. Total beer consumption in 1984 reached approximately 761 million litres, an increase of 4.9% over total beer consumption in 1983.

Beer production capacity is increasing. O.B. Brewery is currently constructing another plant in Kwangju which will be capable of producing one million hectolitres of beer per year. This plant is expected to be completed by the end of 1986.

Domestic malting capacity is increasing. The total capacity of Korea's two brewers in 1984 increased to 112,000 tonnes from 81,000 in 1983. O.B. Brewery is currently constructing another malting plant which will be capable of processing 50 tonnes of malt per day. (Ed. note: Assuming operation on a 365 day basis, annual production at new plant would be 18,000-20,000 tonnes. The country's capacity would then rise to 132,000 tonnes.)

Market potential for Canadian malt: The policy of the Korean government is to achieve self-sufficiency in malting barley and malt. As of 1985 there will be no opportunities for Canadian exporters unless Korea produces insufficient quantity of malting barley due to unusual weather conditions. However, there may be limited opportunities if brewers decide to import higher quality malt in order to improve the quality of export beer.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds:	Soybeans - 10%; rapeseed, ground-nuts, sunflower, sesame and perilla seeds - 40%; all other oilseeds - 15%.
Crude Oil:	Palm oil - 12%; coconut oil - 25%; ground-nut, sunflower, rapeseed, sesame and perilla seed oils - 40%; all other crude oils - 30%.
Oilseed Meal:	All oilseed meals - 15%.
Refined Oil:	Identical to crude oil rates shown above.

Non-tariff import barriers/export assistance measures: With the exception of six kinds of oilseeds (copra, palm, linseed, cotton, castor and mustard), certain kinds of oils (olive, mustard, linseed, copra, palm, castor and tung) and soybeans which are imported under annual quota basis through National Agricultural Cooperative Federation (NACF), Agriculture and Fishery Development Corporation (AFDC) and three soybean crushers (Dongbang, Cheil and Samyang), all other oilseeds and oils are restricted (prohibited) imports. For re-export purpose, however, all oilseeds and oils may be imported.

Import/export structure: For those oilseeds other than soybeans, end users or registered trading companies import through direct price negotiations. AFDC is the exclusive agency authorized to import soybeans required for bean sprout purpose through tenders and NACF is another exclusive agency authorized to import, through tenders, soybeans required for tofu, soybean milk, soy sauce and other industrial purposes. Three soybean crushers are the exclusive private companies authorized to import soybeans required for vegetable oil through direct price negotiations with exporters.

Additional Factors: The current policy of the government is to liberalize soybean oil from July 1, 1986 and reduce current tariff on five oilseeds (copra, palm, linseed, cotton and castor) to 10% effective January 1986. They also plan to reduce current tariff rate on palm oil from 12% to 10%, coconut oil from 25% to 20% and all other vegetable oils except ground-nut, sunflower, rapeseed, perilla and sesame seed oils from 30% to 25%, effective January 1986. Therefore, our priorities are to lower Korean tariff on rapeseed and rapeseed oil to the levels of soybeans and convince the government authorities to include rapeseed and rapeseed oil in their future liberalization plan.

III. OILSEEDS cont'd

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Soybean	254	722	-
Rapeseed	10	-	-
Sesame	49	6	-
Others	35*	19**	-
TOTAL	348	747	-

* Includes peanut, perilla and cottonseed etc.

**Includes peanut, cotton, copra, palm-nut and linseeds etc.

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	107	-	-	-	-
Rapeseed	3	-	-	-	-
Sesame	15	-	-	-	-
Others	137*	88**	-	-	-
TOTAL	262	88			

* Includes rice bran, corn and cottonseed etc.

**Includes coconut, cottonseed, palm and linseed oils etc.

<u>Meal</u>	Production	Imports	Exports
Soybean	484	135	-
Rapeseed	5	49	-
Sunflower	-	-	-
Others	-	-	-
TOTAL	489	185	

(B) COARSE GRAINS (Note - all statistics are for calendar year 1984)

SUPPLY 1984 - thousands of tonnes - previous year in brackets

	Production	Carry-in	Imports	Total Supply
Corn	133 (101)	190 (265)	3,065 (4,057)	3,388 (4,423)
Barley	*1,130 (1,159)	170 (10)	**36	1,336 (1,169)
Sorghum	3 (3)	(35)	319 (159)	322 (197)
Oats			(7)	(7)
Rye	3 (4)	12	264 (75)	279 (79)
TOTAL	1,269 (1,267)	372 (310)	3,684 (4,298)	5,325 (5,875)

* crude weight including malting barley

** represents malting barley

DISPOSITION 1984 - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Corn	37 (35)	2,419 (3,573)	697 (590)	25 (35)		210 (190)	3,388 (4,423)
Barley	609 (580)	161 (79)	231 (141)	165 (199)		170 (170)	1,336 (1,169)
Sorghum	3 (4)	316 (192)		3 (1)			322 (197)
Oats		(7)					(7)
Rye	649 (619)	262 (66)	928 (731)	7 (1)		10 (12)	279 (79)
TOTAL		3,158 (3,917)		200 (236)		390 (372)	5,325 (5,875)

Of which poultry: 34.5%

Industrial Use: corn starch, glucose, fructose, oil, syrup and brewery

IMPORT TRADE 1984 - thousands of tonnes - previous year in brackets

	ORIGIN			EEC	All Others	TOTAL IMPORTS
	Canada	U.S.A.	Australia			
Corn	1	2,606 (3,944)		(55)	458 (58)	3,065 (4,057)
Barley	5		31			*36
Sorghum		142 (56)	75 (21)	69 (78)	33 (4)	319 (159)
Oats	(7)					(7)
Rye	263 (75)	1				264 (75)
TOTAL	269 (82)	2,749 (4,000)	106 (21)	69 (133)	491 (62)	3,684 (4,298)

* Represents malting barley imported from Canada and Australia
Principal "Others": Thailand, People's Republic of China, Panama

MALAYSIA

Economic classification: Middle Income economy		
Oil exporter or importer (net): Exporter		
Annual per capita GNP	US\$1,903	1984
Annual inflation rate (current)	5.0 %	
Volume of imports*	13.2 billion US\$	1984
Of which food	5.6 %	1984
Of which fuels	3.9 %	1984
Principal foreign exchange		
earning export: Petroleum, palm oil, timber, rubber, mfg.		
Debt service as % of GNP	6.71 %	1984
Debt service as % of exports	11.9 %	1984
Population	12.66 million	1984
Annual population growth	2.63 %	1984
Annual Consumption:		
Flour	374,360 tonnes or 24.5 kg/capita	1984
Meat	268,040 tonnes or 17.5 kg capita	1984

* Rate of exchange used US\$1.00 = M\$2.50

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Crude palm oil production in 1984 increased by 23.1% to 3,714,706 tonnes compared to 3,016,481 tonnes in 1983. An additional 60,336 hectares was planted with oil palm in 1984, bringing total acreage under this crop to 1,348,000 hectares, an increase of 4.7% over 1983. Area under mature oil palm is estimated at 1,078,400 hectares, an increase of 4.7% over 1983. In 1985, an additional 60,000 hectares are expected to be planted with oil palm increasing the total acreage to 1,408,000 hectares. Acreage under mature oil palm is estimated to increase by 50,000 hectares.

Rice production in 1984 is expected to decrease by 3.1% to 1,134,000 tonnes from 1,170,590 tonnes in 1983. This decline was due to diseases and floods. Production was equal to about 75.6% of domestic rice requirements. In 1985, given favourable weather conditions and better control of diseases and pests, production is projected to increase by a modest 2.0% to 1,156,700 tonnes. No change in acreage planted is anticipated.

2. Foreign Exchange Situation

Net external reserves of gold, foreign exchange and other reserves at the end of 1984 was M\$9,630 million, a net increase of M\$186.7 million. Malaysians are free to import food and agricultural inputs under the liberal system of exchange control.

3. Fertilizer Situation

Domestic fertilizer production in 1984 increased by about 10.1% to 372,000 tonnes. This is about 27.7% of Malaysia's requirements. Import of fertilizers in 1984 increased by about 2.1% to 918,130 tonnes.

4. Import Mechanism

Rice can only be imported by the Rice & Padi Board, a government agency. Other food and agricultural produce are imported by private companies. This country has no countertrade requirement.

5. Grain Industry Infrastructure

There are 4 privately-owned wheat flour companies and one wheat flour and animal feed company partly owned by the Sabah provincial government. Each company operates its own silo storage facilities next to the flour mill. No significant changes in handling, storage or processing facilities have occurred in recent months, and none are anticipated. Rice import for 1984 is estimated at 500,000 tonnes.

6. Market Prospects - Grains and Oilseeds

Competitive C.I.F. prices is the essential factor for grain sales to Malaysia. Soyabeans still have a good market potential in Malaysia. Competition from China is getting stronger.

7. Processing Facilities

	Year: 1984		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	5	5	477	357.23
Compound Feed Mills		n/a		726
Maltsters		nil		
Brewers	3	3		99,828,000 litres
Oilseed Crushers	2	2		

8. Storage and Throughput Capacity

Ports: Lumut, Penang, Pasir Gudang, Port Kelang, Labuan - grain storage capacity and throughput not available.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley: none

2. Imports, Calendar year 1984 estimated, previous in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	18.4	(22)	Australia, U.K. Denmark, Canada
Malting barley	0.6		Australia, Thailand.

<u>Malt imports (origin)</u>	<u>Tonnes</u>
Australia	11,502.0
Canada	643.7
Denmark	1,013.6
France	525.0
New Zealand	595.0
Singapore	19.0
United Kingdom	3,595.7

3. Additional Information

Annual per capita beer consumption: Figures on beer consumption are not available. Beer sales by value are as follows:

<u>Beer Sales</u>	<u>M\$ (Million)</u>
1982	743.9
1983	827.9 +11.3%
1984*	894.2 + 8.01%

* estimate

Beer production capacity: Stagnant

Domestic malting capacity: None

Malt exports: None

III. OILSEEDS

1. Trade Policy

Import Tariffs: Soya beans	3%
Rape or Colza seeds	5%
Soya bean oil	5%
Rape, colza, mustard seed oil	5%
Palm oil crude	nil
Soya bean meal	13%
Copra cake	5%
Rapeseed meal	nil
Soya bean oil	5%
Rape, Colza, mustard seed oil	5%

1. Trade Policy (cont'd)

Non-tariff import barriers: None

Import/export structure: Oil palm seeds cannot be exported unless permission is obtained from the Federal Government.

2. West Malaysia - Palm oil Situation:

	<u>1984</u>	<u>1983</u>
	('000 tonnes)	
Crude oil production	3,408	2,783
Oil exports (crude + refined)	2,858	2,803

3. East Malaysia (Sabah/Sarawak) - Palm Oil Situation

	<u>1984</u>	<u>1983</u>
	('000 tonnes)	
Crude oil production	308	235
Oil exports (crude)	226	196

4. Malaysia Imports of Protein Meals

January - December 1984, Thousands Tonnes

Soybean meal:	Total Imports	165
of which:	Argentina	12
	Brazil	20
	China	125
	Taiwan	6
Groundnut meal:	Total Imports	14
of which:	India	9
	Burma	3
	China	2
Copra meal:	Total Imports	2
of which:	Singapore	1

Source: Oil world

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY Jan-Dec 84 est. - thousands of tonnes - previous years in brackets

	<u>Production</u>	<u>Carry-in</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	nil		526.0	
Durum			21.3	
Flour/Semolina			0.2	
TOTAL			547.5	547.5

IMPORT TRADE Jan-Dec 84 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>					<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	
<u>Wheat</u> (including durum)						
Cash	18.0	63.5	465.7	0.1		547.3
<u>Flour</u> (including semolina)						
Cash/comm.Credit				Trace	0.2	0.2
Total	18.0	63.5	465.7	0.1	0.2	547.5

(B) COARSE GRAINS IMPORT TRADE Jan-Dec 84 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>					<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	
Corn	0.02	0.2	0.02	2.6		834.6
Barley		0.06	0.24			0.6
Sorghum						1.9
Oats			5.1			5.1
Rye						

Total Principal "Others" (Specify countries): Thailand, China

PAKISTAN

Economic classification: Low Income economy			
Oil exporter or importer(net): Importer(75% of total consumption)			
Annual per capita income:	US\$350		1982
Annual per capita GNP	US\$380		1982
Average annual growth	6%		1978-83
Annual inflation rate	10%		1978-83
Annual inflation rate (current)	10%		
Volume of imports	6.535 billion US\$		1984*
Of which food	15%		
Of which fuels	30%		1984
Principal foreign exchange			
earning export: cotton (raw), cotton and rice textiles			
Debt service as % of exports	13.7%		1984
Population	90 million		1984
Annual population growth:	3.1%		1984
Annual Consumption:			
Flour	125	kg/capita	1984
Meat	12	kg/capita	1984
Vegetable Oil	8	kg/capita	1984

* Crude oil, fertilizers, edible oil, tea and petroleum products constitute about 35% of Pakistan's total imports.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat: Wheat is Pakistan's major food crop. About 30 percent of total cultivated area is planted to wheat each year. Self-sufficiency in wheat production, which appeared to be within reach in 1983-84, was lost in 1984-85. The harvest in 1985 represented an improvement over the depressed levels of the previous year but was still below target. The 1985 wheat crop, which was officially targeted to produce 13.3 million tonnes, yielded 11.7 million tonnes from 7.26 million hectares compared to 10.88 million tonnes from the previous crop. Favourable weather conditions coupled with improved supplies of fertilizer and certified seed resulted in the production gain. Low wheat production in 1984 necessitated imports of about 860,000 tonnes in 1984-85 (including 360,000 tonnes for Afgan refugees). The wheat supply situation remained tight through the 1984-85 marketing year which ended April 1985. Wheat exports to Iran (500,000 tonne contract concluded in the 1982-83 crop year) were stopped except for specific unfulfilled commitments and no further export sales are expected in 1985. The Government procurement of wheat from the 1984-85 crop has been estimated to be not more than 3 million tonnes. The Government may import close to 1.5 million tonnes during 1985 to meet its annual rationing requirement of an estimated 3.5 million tonnes, to maintain a reserve stock of 1 million tonnes for emergency use and to stabilize the rise in domestic prices in the open market.

Rice

The 1984-85 rice crop yielded 3.4 million tonnes compared to 3.3 million tonnes in the previous year. The area planted to rice was 2 million hectares. Rice exports during 1983-84 totalled 1.172 million tonnes of which 400,000 tonnes were superior quality Basmati rice. Principal importers of Basmati rice were the Gulf countries and Iran. Coarse rice varieties were exported to Cameroon, Ivory Coast, Romania and Turkey. The export figures for 1984-85 crop are not currently available. However, Government expectation is that at least 1 million tonnes would be exported during the current year.

Coarse Grain

Corn is the principal coarse grain followed by sorghum, millet and barley. The aggregate production during 1984-85 has been estimated at 1.6 million tonnes from 2 million hectares. Corn production of 1.05 million tonnes in 1984-85 was a record. The current coarse grain production is considered adequate to meet the domestic demand. The Government plans call for substantial production increases in coming years to meet the growing demand for coarse grains from the rapidly expanding poultry and livestock sectors.

Oilseeds

Pakistan continues to be deficient in production of edible oilseeds. The aggregate production of oilseeds (cotton seeds, rapeseed, mustard, peanut and sesame) during 1984-85 is estimated around 2.32 million tonnes from a total of 2.71 million hectares compared to 1.4 million tonnes in the previous year from 2.82 million hectares. This unprecedented increase of more than 70 percent over the previous year's level resulted from the bumper cotton seed crop which increased from 1.02 million tonnes in 1983-84 to 1.94 million tonnes in 1984-85. The domestic edible oil production during 1984-85 was estimated at 300,000 tonnes and Pakistan had to import 680,000 tonnes of edible oil at a cost of US\$418 million to meet the domestic consumption requirements. Edible oil imports for 1985-86 are projected at 720,000 tonnes. Edible oils imported are soyabean and palm oil. Canadian canola oil could also sell here provided tariff barriers against this product are removed and Canadian prices are competitive.

2. Foreign Exchange Situation

Pakistan receives substantial bilateral and multilateral assistance for most of its development projects including agricultural assistance. Pakistan receives food aid under the Food Aid Convention, US PL-480 Title-I and Title II, through World Food Programs for the Afghan refugees and US Commodity Credit Corporation. The World Bank is expected to provide \$183 million for agricultural projects while the Asian Development Bank expects to allocate over \$68 million in 1985. USAID plans to spend \$300 million for agricultural commodities and equipment over a five year period ending in 1987.

Pakistan's total agricultural commodity imports during 1984-85 amounted to US\$931.2 million (wheat \$130 million, edible oil \$418 million, tea \$210 million, tallow \$50 million, milk and milk products \$50 million etc). Wheat imports which were not supplied under concessional agreements were purchased under countertrade agreements with East European countries. There is no commercial market for wheat.

3. Fertilizer Situation

Total installed capacity of fertilizer in Pakistan is currently 1.14 million tonnes (nitrogenous 1.05 million tonnes and phosphatic fertilizer 88,000 tonnes). Pakistan is now a surplus producer of urea fertilizer. It exported 200,000 tonnes of urea to China in 1984-85. The following is the country's fertilizer balance sheet ('000 nutrient tonnes).

	<u>Domestic Production</u>		<u>Imports</u>		<u>Consumption</u>	
	<u>1983-84</u>	<u>1984-85</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1983-84</u>	<u>1984-85</u>
Nitrogen	1,015	1,050	79	80	914	991
Phosphate	92	95	189	150	260	273
Potash			27	30	29	32

4. Import Mechanism

Wheat imports are handled by the Ministry of Food and Agriculture, Government of Pakistan. Edible oils are imported by the Government-owned Ghee Corporation of Pakistan as well as private sector importers. Currently, Ghee Corporation only imports soyabean oil and palm oil free of customs duty. A customs duty of 70 percent advalorem is levied on all other vegetable oil including canola oil.

5. Grain Industry Infrastructure

Grain storage facilities are being erected and expanded in producing areas to accommodate increased production of wheat and rice.

6. Government Policies Affecting Grain and Agriculture

The Government continues to accord a high priority to agricultural development to achieve an annual growth rate of over 4 percent. Financial incentives in the form of support prices for major crops and subsidies on inputs are available to farmers. Major programs in agriculture include: construction of additional storage capacity; agricultural research programs in oilseeds, fruits and vegetables; livestock and poultry development; fisheries and forestry.

While wheat production rose in 1984-85, production levels were still below target forcing Pakistan to import in 1985-86. The production set-backs resulted from adverse weather conditions at time of crop maturity. The Government has fixed a production target of 13 million tonnes for the 1985-86 wheat crop to be sown in October 1985. If this target is achieved, Pakistan will not be importing wheat in 1986-87.

Pakistan imported wheat for the first time in 1984 under countertrade/barter with East European countries. The Embassy believes that as much as 50,000 tonnes originated from Canada under these agreements. Pakistan resorted to countertrade as it could not obtain sufficient wheat under Food aid programs and concessional financing from the Western countries. No barter deals are contemplated for edible oil imports.

7. Market Prospects - Grains and Oilseeds

The Government wheat import target of 1.5 million tonnes for 1985-86 is expected to be funded by Food Aid Convention, World Food Program and bilateral assistance from the United States. The Government may also purchase under countertrade arrangements with the East European countries.

There are no prospects of Pakistan purchasing wheat against cash foreign exchange resources in 1985. If domestic wheat production increases in the coming years, Pakistan's dependence upon imported wheat will reduce proportionately. If Pakistan continues to import wheat it will do so under concessional assistance and barter arrangements.

There are prospects for the sale of Canadian canola oil if tariff barriers are removed and Canadian prices are competitive.

There might be a possibility for sales of special crops if provided as part of Canada's development assistance program for Pakistan. There appears to be little possibility for commercial sales.

8. Processing Facilities

Flour mills are located in all the principal towns and cities in Pakistan. The annual milling capacity is 7.7 million tonnes. Information on oil seed crushers and maltsters is not available.

9. Storage and Throughput Capacity

Imported wheat enters through the port of Karachi. There are no covered storage facilities at the docks. Wheat is discharged into open piles and then bagged manually and loaded into rail cars.

II. MALT AND MALTING BARLEY

Pakistan is an Islamic country where the consumption of beer is prohibited.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	No duty
	Crude Oil:	No duty on soyabean oil and palm oil. All other types are subject to 70% duty.
	Oilseed Meal:	No duty
	Refined Oil:	Same as crude oil

1. Trade Policy (cont'd)

Import/export structure: Oilseeds are not imported for the crushing industry. State owned Ghee Corporation of Pakistan imports about 80% of Pakistan's total edible oil requirement. Private traders are able to participate in tender procurement, either as principals or agents, to supply 20% of oil requirements.

Additional factors: It is expected that in 1985 about 500,000 tonnes of palm oil will be imported from Malaysia and Indonesia through competitive tender. Approximately 350,000 tonnes of soyabean oil (or substitute) will be required of which 250,000 tonnes will be provided with concessional assistance from the United States. If the tariff applying to canola oil is removed, Canada will be able to compete for a market of about 100,000 tonnes.

2. Supply of Oilseeds and products by type, thousands of tonnes

Year 1983-84

<u>Oilseed</u>	Production	Imports		Exports	
Cotton seed	1,940				
Rapeseed & Mustard	217				
Sesame Seed	19				
Others	100				
Total	2,276				

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Cotton seed	213				
Rape/Mustard	75.2				
Soyabean			330		
Palm oil			350		
Others	12.0				
Total	301		680		

Meal - data not available

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports*</u>	<u>Total Supply</u>
Wheat	10,900 (12,470)	500 (800)	500	11,900 (13,270)
Durum wheat				
Flour/Semolina				
TOTAL	10,900 (12,470)	500 (800)	500	11,900 (13,270)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	10,330 (11,223)			1,170 (1,247)	(300)	400 (500)	11,900 (13,270)
Durum wheat							
Flour Semolina							
TOTAL	10,330 (11,223)			1,170 (1,247)	(300)	400 (500)	11,900 (13,270)

Export Destination: Iran

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>All Others</u>	<u>Total Imports</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>EEC</u>	
Wheat (including durum)					
Cash					
Commercial Credit (1)					500 (3)
Aid, concessional	(67)	184	20	53	368 (2)
Credit, etc.					
Total					868

* In addition to 500,000 tonnes of wheat imported under countertrade from East European countries, Pakistan also received 368,000 tonnes for Afghan refugees under international assistance.

(1) Aid & barter to Pakistan (2) Aid for Afghan refugees in Pakistan. (3) Australian and possibly Canadian wheat under barter from Bulgaria, Finland, Czechoslovakia & Sweden. (4) Pledges for 1984-85 and 1985-86 were delivered in the same year.

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,050 (1,009)			1,050 (1,009)
Barley	200 (160)			200 (160)
Sorghum	222 (228)			222 (228)
Oats				
Others	128			128
TOTAL	1,600 (1,397)		nil	1,600 (1,397)

A major portion of these grains is used in production of poultry feed. Corn is also used for production of starch. Since coarse grain is traded privately, stock figures are not available.

PEOPLE'S REPUBLIC OF CHINA

I. GENERAL INFORMATION

1. Crop Situation and Outlook

(a) Grain Production

<u>Commodity</u>	<u>1984</u> (million tonnes)	<u>1985</u>	<u>Percent change</u>
Rice (paddy)	178.3	174.5	-2.1
Wheat	87.8	85.2	-3.0
Coarse grains	97.8	88.4	-9.6
Corn	73.4	64.0	-12.8
Other*	24.4	24.4	-
Sub-Total	363.9	348.1	-4.2
Soybeans, potatoes, pulses	43.4	41.2	-5.1
Total Grains**	407.4	389.3	-4.2

* Includes barley: 1985 barley crop forecast at 8 million tonnes, up 15.1 percent from 6.95 million tonnes in 1984. Malting barley data not available.

** Chinese definition of grains

(b) Grain area and yield

<u>Commodity</u>	<u>Area</u>		<u>Yield</u>	
	<u>1984</u> (million hectares)	<u>1985</u>	<u>1984</u> (tonnes per hectare)	<u>1985</u>
Rice (paddy)	33.2	32.3	5.37	5.4
Wheat	29.6	29.9	2.97	2.85
Coarse grains	28.9	28.3	3.38	3.13
Corn	18.5	17.4	3.97	3.68
Other	10.4	10.9	2.33	2.24
Sub-Total	91.7	90.5	3.97	3.84
Soybeans, potatoes, pulses	21.2	20.9	2.04	1.97
Total Grains*	112.9	111.4	3.61	3.5

* Chinese definition of grains

2. Grain Industry Infrastructure

China has budgeted 2-3 billion yuan for grain storage expansion during period 1984-87. Presently about 15 million tonnes of grain are stored on the ground in open air. Upon completion, expansion is expected to provide an additional 35 million tonnes of storage space. Most of this storage facility construction will occur along waterways and railways of the North/East and Yangtze valley.

With respect to import/export handling, port congestion continues to be a severe constraint. One of the major objectives of the 5 year plan brought in the summer of 1985 was to alleviate congestion at the main corn exporting port of Dalian. Dalian port authority has contracted with Japanese corn importers consortium to construct 2 new corn terminals which will be used exclusively for export of corn to Japan and transfer along the China coast. Second grain terminal development (to date unnamed) will be awarded in 1986. Two large grain handling centres will be constructed in Heilongjiang under World Bank ICB loan. China will impose fees averaging 2 yuan per tonne on all cargo passing through its 26 major ports (effective January 1). The fees will help finance port construction, raising annual import capacity from the current 300 million tonnes total to 500 million tonnes by 1990.

3. Processing Facilities

To meet the commitment for new modern flour mills the Ministry of Commerce has major mill projects scheduled for Shanghai, Tianjin, Wuhan, Xian, Zbengshou, Beijing and other large cities. There are 1,000 state-run edible oil plants and an uncountable number of local operations. In 1985 brewing capacity increased from 2.1 million tonnes to 2.5-2.6 million tonnes. Brewing capacity is expected to double by 1990. The actual number of flour mills, compound feed mills, maltsters and breweries is not available at this time.

4. Grain Trade

Although China continues to be a net importer of grains, in recent years (i.e. 1984/85) China has entered the world market as a grain exporter. Grain exports, mainly corn, are shipped through the ports of Dalian and Qingdao. These ports have projected a 30 per cent increase in handling capacity. This export flow is primarily destined for Japan, South Korea and the Soviet Union. Export of sorghum is unknown but considered negligible if at all.

According to local press reports, China has set up an export association to manage future corn exports. The Chinese Corn Export Association will be responsible for coordinating export prices and markets and will examine all export applications. Export licences will be issued by the Ministry of Foreign Economic Relations and Trade.

Grain imports and exports are shown in the following table:

	Imports*		Exports*	
	<u>1984/85</u>	<u>1985/86</u>	<u>1984/85</u>	<u>1985/86</u>
	- - million tonnes - -			
Rice (milled)	0.1	0.1	1.0	1.0
Wheat	7.8	7.0	-	-
Coarse grains	0.2	0.2	4.6	2.6-3.1
Corn	0.1	0.1	4.4	2.5-3.0
Other	0.1	0.1	0.2	0.1
Total Grain	8.1	7.3	5.6	3.6-4.1

* preliminary forecast

5. Government Policies Affecting Grain and Agriculture

In 1985, state procurement of grains was estimated at about 25 percent of a total grain harvest of over 390 million tonnes. The balance, except for a small portion sold freely, was consumed locally by humans and animals or saved for seed. The state sets grain delivery quotas for farmers for which it pays a set price, recently averaging around 400 yuan per tonne. A 50 per cent price premium is added for above-quota deliveries and over the last 2 years the government has purchased from farmers all grain offered.

Beginning with 1985/86 crop the government procurement and price system for all grains will change for first time since 1979. Last year the contract system was adopted by a few provinces and this year it will become nationwide policy. Farmers will be required to sell grain under contract, but the government is no longer obliged to buy above contract (quota) amount. The two-tiered price system has effectively been merged into a single price. Grain produced under contract will be purchased at a new 30/70 rate (30 per cent at old quota price and 70 per cent at old bonus price for blended price of 135 per cent of old quota price). Government will purchase any other requirements on free market. However, if free price drops below old quota price government will buy from farmers at the old quota price.

Although China has a grain surplus, due to the poor transport and distribution system, China at present relies on grain imports to supply areas far from the surplus regions.

6. Future Consumption Trends

As the standard of living in rural areas of China increases, personal consumption preference for fine grains is evident in the increased retention of wheat on farms while corn is used to fulfil grain quotas. Although difficult to quantify, it appears corn utilization is dramatically shifting from human consumption to feed use. In government plan entitled National Program for the Development of the Feed Industry it states the goal is to increase China's annual production of mixed and compound feed to 50 million tonnes by 1990 as compared to 12 million tonnes of feed in 1984.

With respect to wheat products, the consumer purchasing limits on high quality flour are being relaxed and as production expands so will consumption. Expanded production of convenience foods such as instant noodles is evident in many areas of China. Loaf bread consumption is also increasing.

Beer consumption is increasing and is expected to double from 2.5-2.6 million tonnes by 1990. The government allocated 29 million yuan for expansion of brewing capacity in 1985. Chinese imports of malt and malting barley is expected to increase to meet demands of expanding brewing interest. Market potential for Canadian malt and malting barley is good and import tariffs are not restrictive. The market potential for brewing equipment is considered greater than malt and malting barley.

P H I L I P P I N E S

Economic classification: Middle Income economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$494	1984
Annual per capita GNP	US\$603	1984
Average annual growth	4.7%	1971-84
Annual inflation rate	14.9%	1975-84
Annual inflation rate (current)	27.6%	1985
Volume of imports	6.1 billion US\$	1984
Of which food	6.1%	1984
Of which fuels	27.2%	1984
Principal foreign exchange		
earning export: Coconut, sugar, forest products, copper		
Debt service as % of GDP	9.2%	1984
Debt service as % of exports	37.0%	1984
Population	53.2 million	1984
Annual population growth	2.39%	1980-84
Annual Consumption:		
Flour	10.3 kg/capita	1984
Meat	12.0 kg/capita	1984
Vegetable Oil	2.6 kg/capita	1984

Source: National Economic Development Authority and NFA

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	Area (000 hectares)			Production (000 tonnes)		
	CY83-84	CY84-85	Change (%)	CY83-84	CY84-85	Change (%)
Rice	3,271	3,402	4.0	8,150	8,471	3.9
Corn	3,270	3,312	1.3	3,346	3,376	0.9

Rice production in crop year 1984-85 increased due to an increase in government support and ceiling prices, a low interest rate of 15% per annum on crop loans under the government's Intensified Rice Production Program (IRPP) and favourable weather conditions. Despite the increased production, rice supply was tight and the country had to import 429,000 tonnes, the first imports since 1976. A major factor contributing to this importation was an unusual shift in local demand from bread to rice caused by the abrupt increase in bread prices in early 1984. For the second half of 1985 the National Food Authority (NFA) plans to import 255,000 tonnes of rice of which 117,000 tonnes will be from Thailand and PRC and 138,000 tonnes from the U.S. (the U.S. imports will be financed by U.S. credits carrying a 2% interest rate and payable in 20 years after a 10 year grace period). With domestic rice production appearing sufficient to cover consumption, the NFA justifies these rice imports as needed to ensure that a large enough buffer stock exists to stabilize prices once the announced deregulation of price controls on rice is implemented in October.

Crop Situation and Outlook (cont'd)

Corn production has increased as a result of the government's Expanded Yellow Corn Production Program (EYCPP), the increase in the support price and lifting of government controls on the corn grit ceiling price in November 1984. Corn imports have decreased by 3.4% due to greater local production and lower feed consumption. Rice and corn area and production is expected to increase by 1-2% in crop year 1985-86 as sugarlands are converted to rice and corn.

2. Foreign Exchange Situation

In 1984, the country experienced a severe scarcity of foreign exchange to finance imports resulting in restrictions that allowed only essential products to be imported. In 1985, the foreign exchange crisis was reduced as a result of an IMF stand-by arrangement and restructuring of debts with the commercial banks and bilateral official donors. However, most imports still require permits. Imports of food and agricultural items that are classified as essential or semi-essential are given priority in the expenditure of foreign exchange. However, imports that are considered non-essentials or locally available, require import approval from various government agencies for allocation of foreign exchange.

The role of international aid in the economy is expected to increase as a result of the extensive restructuring of international debt which has been agreed upon with most creditors. Direct food aid, however, is not expected to be a factor.

3. Fertilizer Situation

In 1984 fertilizer total supply decreased by 15% (1983 - 994,900 tonnes and 1984 - 846,400 tonnes). Domestic production dropped by 37% (1983 - 164,200 tonnes and 1984 - 103,400 tonnes) due to scarcity of foreign exchange to finance raw material imports. Since the country received loans from the Asian Development Bank and World Bank to finance finished fertilizer products, imports have increased by 2% (1983 - 614,400 tonnes and 1984 - 626,400 tonnes). 1984 fertilizer utilization decreased by 24% due to abrupt price increases. By 1985, supply is expected to increase as production of ammosul by Philippine Phosphate Fertilizer Corporation comes on stream. Furthermore, utilization is forecast to improve due to government support through the IRPP and EYCPP programs. Fertilizer usage per hectare varies substantially from province to province due to different soil conditions.

4. Import Mechanism

The NFA, the National Food Authority, has monopolized wheat and feed grains imports for the past 10 years. However, as a result of recent deregulation flour millers, bakeries, and feed millers are now allowed to import their requirements. The food and feed industry have the following options to acquire supplies:

1. NFA imports national requirements and sells grains to the millers at a selling price determined by NFA (status quo);
2. Consortium of millers or a miller imports through NFA with latter advancing all costs, duties and taxes, actual cost of money and 5% service fee to be paid in the form of a post-dated cheque before letter of credit opening;
3. Flour millers, feed millers and bakeries undertake importation of wheat/flour directly without assistance from NFA.

5. Grain Industry Infrastructure

The 8 private flour millers have a total of 159 storage silos and bins with a capacity of 172,965 long tons. There are 289 grain warehouses (3 NFA grain-rice and corn warehouses were built in 1984) with a total capacity of 1.172 million tonnes.

Under Asian Development Bank financing, NFA is proceeding with a project to construct 24 rice storage/drying facilities with one ton capacity and a grain complex for rice in Isabela consisting of a rice feed mill and storage, rice bran oil refinery and a parboiling facility.

6. Government Policies Affecting Grains and Agriculture

Since mid 1984, the Philippines has made numerous changes in government policies to decrease the degree of government intervention and encourage more private sector participation such as the following:

- Liberalization of wheat, feed grains and fertilizer importation;
- Lifting of government controlled ceiling prices of rice, corn, sugar, pork, chicken, egg and cooking oil;
- Privatization of sugar trading and coconut exports.

The objectives of these changes are to increase domestic grain production and to lessen the dependency on imports.

The deregulation of grain imports which will now allow flour millers and bakeries to import directly could have important implications for future Canadian wheat/flour sales. In the past, Philippine wheat imports have been dominated by the U.S. which in the past 2 years has been supported by concessionary credits through the CCC. However, as the U.S. credit requires Philippine government guarantees, private sector flour millers are not able to access CCC credit which could place Canadian and U.S. suppliers on a more equal footing.

There are no set government guidelines or policies for countertrade/barter on grain and oilseed imports. It would be dealt with on a case to case basis. Last year, NFA had a barter trade with Thailand for rice in exchange for fertilizer.

7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections.

The country imports about 300,000 tonnes of soybean meal annually. A canola mission visited the Philippines in November 1984 and identified that canola could partially replace soybean meal consumption. The mission decided to have a canola meal feeding trial on swine, commencing in August or September 1985.

The Philippines has imported minimal quantities of peas and lentils. The main importers are international hotels and they usually import through their central office or established purchasing agents abroad. Vegetable processors have stated that they had substantial decreases last year in their import of peas due to high import cost and poor local demand.

8. Processing Facilities

Year: 1984

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	8	10	1,076	574
Compound Feed Mills	10	12	942	517
Maltsters	-	-	-	-
Brewers*	2	4	12.5	9.64
Oilseed Crushers	57	57	1,260	944

* Capacity and output in million hectolitres. Capacity and output represent only San Miguel Corporation's 3 plants. Asia Brewery's statistics are not available due to confidentiality of information. However, as their market share is less than 10%, their output can be estimated in the range of 900,000 hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Manila	106	
Hondagua	20	
Iligan	16	
Lapu-Lapu	30	
Batangas	16	
Total Capacity	188	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1984/85): None

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	Thousands of tonnes	Principal Supplier
Malt	135.2 (125.2)	Europe, Australia, U.S.A.
Malting barley	- -	

3. Additional Information:

Annual per capita beer consumption: Beer consumption has been increasing over the past years. However, San Miguel Corporation (SMC) who dominates at least 90% of the beer market, foresees a decrease of 10-15% in beer consumption for 1985 due to lower local demand.

3. Additional Information (cont'd)

Beer production capacity: The two breweries foresee a decline and slow growth in the economy in the next 2 to 4 years. They have no short-term plans of increasing their production capacity.

Domestic malting capacity: Philippines do not have malting plants.

Malt exports: None

Market potential for Canadian malt: Canadian malt sales have been minimal since 1982. The reason is that Canadian malt has been more expensive than European and Australian malt. In 1982, San Miguel Corporation imported 1,000 tonnes of malt from Canada compared to total Philippine malt imports of 101,000 tonnes. In 1984, Asia Brewery Inc. purchased 1,000 tonnes of Canadian malt (total country imports were 135,000 tonnes). Last year, San Miguel Corporation contracted 43,900 tonnes for 1984-85 delivery of U.S. malt and imported 12,034 tonnes of Australian malt through trade credits. Canadian malt penetration will depend on price competitiveness.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - Soybean 10%, all others 20%
Crude oil - Soybean, linseed, tung oil and oiticica 10%
palm oil 20%, all others 40%
Oilseed meal - Soybean, groundnut, sunflower seed and
rapeseed 10%, all others 50%
Refined oil - Same as crude oil

Non-tariff import barriers/export assistance measures: None

Import/export structure: The country's oilseeds, oils and oil meals are exported and imported by private firms. NFA also imports soybean meal.

Additional factors: The following factors will cause changes in the oilseed market in the Philippines:

- Feed millers will now be allowed to import soybean meal directly which may lower the feed costs;
- The privatization of coconut oil exports which were previously controlled by a government agency, UNICOM, may lead to greater activity in production.
- The suspension of the 30% economic stabilization tax on export sales of coconut products should stimulate exports of such products as dessicated coconut, confectionery items and other non-traditional coconut items.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports	Exports
Copra	1,521	-	-
Soybean	7	-	-
Palm kernel	9	-	-
TOTAL	1,537	-	-

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Coconut	925	-	-	586	
Soybean	1	4	2	-	
Linseed	-	0.2	1	-	
Palm	18	4	24	-	
TOTAL	944	8.2	27	586	

<u>Meal</u>	Production	Imports	Exports
Coconut	469	-	376
Soybean	6	375	-
TOTAL	475	375	376

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM Data given refers to calendar year 1985* and (1984)SUPPLY - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan. 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat				
Durum wheat		91 (49)	850 (789)	941 (838)
Flour/Semolina			0.7 (6.7)	0.7 (6.7)
TOTAL		91 (49)	850.7 (795.7)	941.7 (844.7)

DISPOSITION - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	840 (747)					101 (91)	941 (838)
Durum wheat							
Flour/Semolina	0.7 (6.7)						0.7 (6.7)
TOTAL	840.7 (753.7)					101 (91)	941.7 (844.7)

IMPORT TRADE - thousands of tonnes - previous year in brackets

	<u>Canada</u>	<u>U.S.A.**</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Wheat (including durum)							
Cash							
Commercial Credit		850 (787)					850 (787)
Flour (including semolina)					(0.091)	0.002 (0.003)	0.7 (6.7)
Cash/comm. credit			0.7 (6.6)		(0.091)	0.002 (0.003)	850.7 (793.7)
TOTAL		850 (787)	0.7 (6.6)				

* Projection by the National Food Authority
Principal "Others": Hong Kong, Singapore

** Wheat imports: U.S. Dark Northern (hard wheat, protein - 14%); U.S. Western White (soft wheat, protein - 8-9%)

(B) COARSE GRAINS (Data given refers to calendar year 1985 and (1984))

SUPPLY - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	3,376 (3,346)	181 (104)	310 (321)	3,867 (3,771)
Barley				
Sorghum				
Oats				
Rye				
TOTAL	3,376 (3,346)	181 (104)	310 (321)	3,867 (3,771)

DISPOSITION - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	1,502 (1,477)	1,813 (1,777)	176 (171)	166 (165)		210 (181)	3,867 (3,771)
Barley							
Sorghum							
Oats							
Rye							
TOTAL	1,502 (1,477)	1,813 (1,777)	176 (171)	166 (165)		210 (181)	3,867 (3,771)

IMPORT TRADE - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn		310 (186)				(135)
Barley						
Sorghum						
Oats						
Rye						
TOTAL		310 (186)				(135)

Principal "Others": Thailand

S R I L A N K A

I GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat is not grown in Sri Lanka. Experiments to grow it in the cooler regions of the country have been tried from time to time by the Department of Agriculture but we do not foresee its production in the near future.

The cultivation of subsidiary food crops such as maize, kurakkan, sorghum and grain legumes such as cowpea, green gram, black gram and soya bean is receiving encouragement through research aimed at increasing yields and improving resistance to plant pests and disease. Over the decade 1975 - 1984 the area planted to these various crops increased as follows: Maize - 1.8%; green gram - 24.0%; black gram - 32.0%; cowpea - 52.9%; soybeans - 96.3%.

2. Fertilizer Situation

According to press reports, the highest level of fertilizer used - 187,600 tonnes was recorded in 1984. The country's requirements of muriate of potash, triple-super phosphate, NPK, urea etc. are procured by the Ceylon Fertilizer Corporation, Colombo Commercial Corporation and the Janatha Estates Development Board under international tender. The latest Canadian grant of \$15 million in December 1984 is expected to cover the cost of a significant part of Sri Lanka's requirements. Indeed since CIDA started a program of assistance for potash purchases as long ago as 1974 and because of the high quality and guaranteed supply, Canada has become a dominant supplier of potash to Sri Lanka. These supplies up to now have been made available through Canpotex Ltd., a consortium of Canadian mining companies.

3. Import Mechanism

Sri Lanka's requirements of wheat are imported. The Food Commissioner's Department is solely responsible for procurement and obtains its requirements under commercial tender, credit financing and outright gifts. The Canadian Wheat Board is kept informed of all commercial tenders issued by the above Department.

4. Government Policies Affecting Grain and Agriculture

With the current accent on agricultural development, efforts have been directed towards the achievement of self sufficiency particularly in rice, in an effort to limit the country's increasing food import bill.

The government of Sri Lanka projects that rice imports will decline from U.S.\$9 million in 1985 to nil by 1989, that is from 50,000 tonnes to nil. Wheat imports are expected to remain relatively constant at 575,000-600,000 tonnes.

5. Processing Facilities

Since the commissioning in late 1980 of the Prima Flour Mill, a Sri Lanka - Singapore joint venture, flour is not normally imported (although one or two small gift consignments have been received since then). The processing of all wheat imports is now handled by this mill which has a storage capacity of 110,000 tonnes of wheat. This facility enables a buffer stock of approximately 100,000 tonnes of wheat to be maintained in the country all the time.

II. STATISTICAL NOTES

WHEAT AND DURUM

SUPPLY 1984/85 - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	Nil	34.5 (55.1)	593.5 (644.9)	628 (700)
Durum wheat		69.07 (64.5)	(15.2)	69 (79.7)
Flour/Semolina (in wheat equivalent)		103.57 (119.7)	593.5 (660.1)	697.1 (779.7)
TOTAL				

DISPOSITION 1984/85 - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat (equivalent of flour)	594.3 (584.5)					137.2 (103.6)	594.3 (584.5)
Durum wheat							350
Flour Semolina							
TOTAL	594.3 (584.5)					137.2 (103.6)	731.5 (688.1)

IMPORT TRADE 1984/85 - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>					<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	
<u>WHEAT (including durum)</u>						
Cash	56 (140.1)	55.7 (33)	135 (32.2)	nil (30.6)		299.3 (336.2)
Commercial Credit					France	
Aid, concessional credit, etc.	44.4 (37.8)	173.1 (247.9)	16.7 (23)	0 (0)	30 (nil)	294.2 (308.7)
TOTAL	100.4 (177.9)	228.8 (280.9)	151.7 (55.2)	(30.6)	30 (-)	593.5 (644.9)

T H A I L A N D

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$732	1984
Annual per capita GNP	US\$719	1984
Average annual growth	6.1%	1965-85
Annual inflation rate	6.8%	1975-85
Annual inflation rate (current)	7.6%	
Volume of imports	9.2 billion US\$	1984
Of which food	2.9%	1984
Of which fuels	23.4%	1984
Principal foreign exchange earning export: Agriculture		
Debt service as % of exports	20.1%	1984
Population	50.4 million	1984
Annual population growth	2.2%	1984
Annual Consumption:		
Flour	223,000 tonnes or 4 kg/capita	1984
Meat	800,000 tonnes or 16 kg/capita	1984
Vegetable Oil	141,000 tonnes or 2.7 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Rice production (paddy) for 1984/1985 is expected to be about 19.0 million tonnes which is almost equivalent to rice production in 1983/1984. As a result of world over supply of rice, the Thai Government is currently reviewing its policy to reduce the planted acreage.

2. Foreign Exchange Situation

International reserves for December 1984 stood at US\$1,737 million. In general, Thailand is self-sufficient in food production. Major imports are machinery, mineral fuel, capital goods and chemical products.

3. Fertilizer Situation

NPK fertilizers are still the major ingredients. Demand for fertilizer is about 800,000 tonnes per year. As a result of a future petrochemical project within the next couple of years, the National Fertilizer Corporation will produce about 2,800 tonnes per day of NP/NPK and 1,000 tonnes per day of urea granules.

4. Import Mechanism

All flour mills are owned by private companies. Normal import procedure applies.

5. Government Policies Affecting Grain and Agriculture

Agricultural production in 1984 continued to expand but at a lower rate, namely at 3.5% against 3.75 in 1983. The government policy is to increase the production of all agricultural products by giving irrigation projects priority.

All wheat used in Thailand is imported from either USA or Australia as there is no local production of wheat. There are import restrictions on oilseeds.

Countertrade/barter issue is being discussed by senior government officials. Countertrade will be the last mechanism to be employed for non-salable commodities i.e. tapioca only

6. Market Prospects - Grains and Oilseeds

Oilseeds have import restriction. Currently crude palm oil and soya bean oil are imported to Thailand on quota basis. There is no local production but we believe that consumption rate is increasing 5-10% per year.

Wheat has potential in Thai market. Some basic problems e.g. transportation, partial shipment etc. should be reviewed between Thai buyers and Canadian suppliers.

Market potential for special crops is limited in Thai market.

7. Processing Facilities

	Year 1984		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	4	4	214	165
Compound Feed Mills	-	-	-	-
Maltsters				
Brewers*	3	3		1.5
Oilseed Crushers	14	14	190	100

*Capacity and output in million hectolitres.

8. Storage and Throughput Capacity: Port of Bangkok is main port, but there is no grain storage facility available at port.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley: none

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal Supplier(s)
Malt	31.4	(30.1)	W.Germany/Austria/Denmark
Malting Barley	-	-	-

3. Additional Information:

Annual per capita beer consumption: decreasing as a result of a high tax on brewery manufacturers recently introduced by the government.

Beer production capacity: same as last year, but actual production is decreasing because of recent tax changes.

Domestic malting capacity: decreasing.

Malt exports: None.

Market potential: Boonrawd Brewery, the largest brewery manufacturer, is undertaking a pilot project to produce barley in Thailand. Market potential still does exist.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Soyabean, others 60%
 Crude oil: 30%
 Oilseed meal: Soyabean cake 6%, others 10%
 Refined oil: 30%

Non-tariff import barriers/export assistance measures: To assist Thai farmers, the government bans the import of oilseeds.

Import/export structure: Oilseeds are totally controlled by government.

2. Supply of oilseeds and products by type, thousands of tonnes

Year 1984

<u>Oilseed</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soyabean	247	-	-	-	-
Rice Bran	1,900	-	-	-	-
Coconut	200	-	-	-	-
Palm	300	-	-	-	-
Total	2,647	-	-	-	-
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soyabean	57	45	-	-	-
Rice Bran	17	-	-	-	-
Coconut	34	-	-	-	-
Palm	33	8	-	-	-
Total	141	53	-	-	-

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*				
Durum wheat	30 (30)	117 (157)	147 (187)	
Flour/Semolina		12 (13)	12 (13)	
		39 (49)	39 (49)	
TOTAL	30 (30)	168 (219)	198 (249)	

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human		Other (seed, waste)	Exports	Carry-out	Total
	<u>Consumption</u>	<u>Animal Feed</u>				
Wheat	117 (157)				30 (30)	147 (187)
Durum wheat	12 (13)				12 (13)	12 (13)
Flour Semolina	39 (49)				39 (49)	39 (49)
TOTAL	168 (219)				30 (30)	198 (249)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN						TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	All Others	
WHEAT (including durum)							
Cash		87 (123)	43 (45)				130 (168)
FLOUR (including semolina)							
Cash/comm. credit	0.3 (0.4)	0.5 (8.8)	0.2 (0.3)			48 (40)	39 (49.5)
TOTAL	0.3 (0.4)	0.5 (8.8)	0.2 (0.3)			38 (40)	169 (217.5)

Principal Others: Japan
Malaysia
Singapore

Thailand

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	4,516 (3,553)			4,516 (3,553)
Barley				
Sorghum	277 (280)			277 (280)
Oats				
Rye				
TOTAL	4,793 (3,833)			4,793 (3,833)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn		1,370 (919)			3,146 (2,634)		4,516 (3,553)
Barley							
Sorghum		58 (55)			219 (225)		277 (280)
Oats							
Rye							
TOTAL		1,428 (974)			3,365 (2,859)		4,793 (3,833)

Export Destination: Malaysia
Singapore
Japan



PART VIII
AFRICA



ALGERIA

Economic classification: Middle Income economy
Oil exporter or importer (net): Exporter
Gross Domestic Product: US\$45.7 billion 1984
Gross Domestic Product per Capita US\$2,155 1984
Principal foreign exchange
 earning export: Hydrocarbons US \$ 12 billion
Volume of imports: 9.8 billion US\$ 1984
Population: 21.2 million 1984
Annual population growth: 3.23% 1984

I. GENERAL INFORMATION

1. Crop Production

Algeria's 1980-81 harvest yielded 18.3 million tonnes, the 1981-82 harvest produced 15.2 million tonnes and the disastrous 1982-83 crop yielded only 11.56 million tonnes.

2. Foreign Exchange Situation

In 1984 Algeria's public external debt was US\$15 billion. In 1983 the balance of payments current account was US\$86 million. International reserves, excluding gold, at the end of 1984 were US\$1,880 million. The March 1985 currency exchange rate was 5.28 AD to 1US dollar.

3. Government Policies Affecting Grain and Agriculture

Increased production is essential to the strategy of reducing food imports. In order to increase production, the government has put emphasis on improving production techniques, rationalizing distribution and organizational support, developing seed and plant production and producing plant types which can adapt to the surroundings required - which under the terms of the 1985-89 plan means mountain, steppe and desert as well as the Metidja. Ambitious plan targets include bringing 1 million hectares of land into cultivation in an initial 12 wilayat. Seventy thousand hectares will be cultivated for the first time in 1985-89 on land irrigated by water from new dams. At present some 7 million hectares are cultivated.

The government has a strong commitment to agricultural research with the budget including 15 research institutes and other agricultural study centres financed from parafiscal revenues. The agricultural training institutes, ITA (AD48.5 million) and ITMA (AD72.5 million), and the plant production institute IDPV (AD61 million) receive the largest funding.

The budget also allocates funds for the factories of the Entreprise Nationale des Industries Alimentaires at Constantine (AD76.6 million), Setif (AD98.7 million), Algiers (AD60.7 million), Tiaret (AD96.7 million) and Sidi Bel Abbés (AD84 million). Its mills and factories are still working below capacity. Since opening in 1980 the company's Laghouat flour mill has only produced 1,800 quintals* per day, although its 12 silos can hold 11,500 tonnes and its capacity is 2,500 quintals per day. The management blames supply problems for its undercapacity. Elsewhere the company is expanding its productive capacity. Its Tebessa factory has hired additional staff and raised its output by 68 percent for pasta and 65 percent for semolina. Another pasta factory starts production in September at Djelfa employing 153 staff and producing a capacity 630 quintals per day. Semolina plants at Mascara and Oued Tlelat (Oran) will also have increased capacity after modernization. Mascara's target is 2,000 quintals (compared with 600 quintals per day at present) and Oued Tlelat will be extended to a maximum capacity of 1,200 quintals per day.

Controls are intended to limit food imports to those products which cannot be produced internally. Unless food production grows by more than the 4.5 percent envisaged in the 1985-89 plan (a rather low figure considering agriculture and water get AD79 billion over five years, 14.4 percent of planned investment expenditure as compared to 11.8% under the 1980-84 plan) food imports will still rise faster than food production. Twenty-five dams are scheduled for completion by the end of 1985 and a large proportion of investment will go towards encouraging agriculture in the High Plateaux and southern region.

II. GRAIN, OILSEEDS AND PRODUCTS IMPORTS (1984)

<u>Principal Food Imports</u>	<u>Tonnes ('000)</u>
Wheat	2,005.6
Barley	613.5
Corn	519.2
Oats (seed)	17.3
Malt (unroasted and roasted)	5.6
Crude rapeseed, colza & other oils	73.8
Crude Sunflower oil	99.8

*1 quintal equals 100kg.

C A M E R O O N

Economic classification: Middle Income economy		
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$880	1985
Average annual growth	6.9%	1965-85
Annual inflation rate	12.6%	1975-85
Annual inflation rate (current)	13.0%	1985
Volume of imports	6.62 billion US\$	1983
Of which food	21.0%	1983
Of which fuels	27.0%	1983
Principal foreign exchange earning export: Oil and agriculture		
Debt service as % of GNP	12.0%	1985
Population	9.6 million	1985
Annual population growth	2.4%	1985
Annual consumption:		
Flour	170,000 tonnes or 17.7 kg per capita	1985

NOTE: United Nations and other data were used to complete this part of the report.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

1985 crops continued to suffer the adverse effects of the 1983 drought. Wheat continued to be grown on a modest experimental scale (225 hectares in 1983, yielding 403 tonnes). The relative value of rice crop yields declined by 25%, and only 72% of arable land was farmed. The annual domestic demand for rice of 192,000 tonnes will not be met by local production (maximum 119,000 tonnes per year). Rice will therefore be imported. Planned maize production in 1985 is 420,000 tonnes compared to 470,000 tonnes in 1984.

2. Foreign Exchange Situation

Petroleum and agriculture enabled Cameroon to achieve a 7% growth rate from 1978 to 1985. Import priorities for food products are not planned in the near future, and Cameroon is not expected to ask for international food aid. The drought in northern Cameroon, however, remains a concern.

3. Fertilizer Situation

Current fertilizer consumption is estimated at 150,000 tonnes distributed as follows:

39%	ammonium sulphate	7.0%	various complex fertilizers
14.0%	potassium	17.0%	20-10-10 and 18-9-9
6.4%	urea	13.0%	special cotton fertilizer
2.4%	magnesium	5.0%	others

4. Import Mechanism

Flour imports remain subject to prior government authorization. Only importers recognized by the government are authorized to import. The government plans to ease rice importing conditions to meet requirements.

5. Grain Industry Infrastructure

Société Camerounnaise de Minoterie, an existing mill, specializes in the manufacture of soft wheat flour (capacity 20,000 tonnes per year). Société Africaine de Minoterie plans to construct a mill to specialize in the manufacture of durum wheat flour.

Cameroon's national port authority plans to build 90,000 tonnes of grain silo storage capacity to regulate supply. The construction of a grain silo is planned for the port of Douala.

There are five brewers with a total beer production capacity of 5 million hectolitres.

6. Government Policies Affecting Grain and Agriculture

The price of bread rises much more slowly here than per capita income and the price of other food products. This makes bread universally accessible and creates dietary habits that take root to the detriment of local foods. Patterns of consumption indicates that Canada could see real marketing opportunities open up in the near future for durum wheat.

There is no government policy on countertrade/barter as it relates to grain and oilseeds imports.

7. Market Prospects - Grains and Oilseeds

1990 grain import requirements are forecast at 200,000 tonnes. There are no market opportunities for special crops.

8. Processing Facilities

Year: 1985

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	1	1	90	65.5
Compound Feed Mills	4	4	n/a	
Maltsters	-	-		
Brewers*	5	10		5
Oilseed Crushers		9**		

* Capacity and output in million hectolitres

** 5 palm, 3 cotton and 1 peanut.

II. MALT AND MALTING BARLEY

1. Malt Imports: 45,000 tonnes of malt was imported from EEC in 1984

2. Additional Information:

Annual per capita beer consumption: has increased from 43.9 litres per capita in 1983.

Beer production capacity: Two new brewers have been established, increasing the country's beer consumption.

Malt exports: None

III. OILSEEDS

Trade Policy:

Import tariffs: oilseeds - 37.5%
crude oil - 55%
refined oil- 55%

Import Structure: Imports are handled by recognized dealers/importers, under import licenses.

E G Y P T

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	LE 404	1984
Annual per capita GNP	LE 504	1984
Average annual growth	3.4%	1960-80
Annual inflation rate	11.5%	1970-80
Annual inflation rate (current)	18 %	
Volume of imports	4.86 billion US\$	1983
Of which food	60 %	1984
Of which fuels	1 %	1983
Principal foreign exchange earning export:		
	petroleum (60%) & workers remittances	
Debt service as % of GNP	6.9%	1980
Debt service as % of exports	18.9%	1980
Population	48 million	1985
Annual population growth	2.8%	1981-85
Annual Consumption:		
Wheat	7,212,000 tonnes or 150.2 kg/capita	1984
Meat	484,000 tonnes or 1 kg/capita	1984
Vegetable Oil	515,000 tonnes or 1.07 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Total grain area (wheat, rice, corn, barley and sorghum) is about 4.64 million feddans producing on average about 8.39 million tonnes.

1984 wheat production, from a planted area of 1.178 million feddans, declined by 8.8% as compared to the 1983 crop. The planned wheat area for 1985 was 1.3 million feddans.

The official estimate of the 1984/85 rice crop, released by the Ministry of Agriculture, indicates an unexpected decline in production from last year. The rice area declined to 410,000 hectares from the adjusted 1983 total of 421,000 hectares. Since rice is generally profitable in its production area, observers attribute this reduction to increasing urbanization in the delta region. More troubling to officials is a drop in yield, which resulted in a crop of 2.2 million tonnes (rough basis). The principal factor behind the decrease in yield was the poor performance of the Japanese rice variety HYV "Riho" causing a cut in yields by as much as 80% in some areas.

2. Foreign Exchange Situation

Foreign exchange revenues are obtained from 4 key activities - petroleum exports, workers' remittances, tourism and Suez Canal traffic fees.

Egypt, at present, is an international aid recipient, and will continue to be, for some years to come.

3. Fertilizer Situation

	<u>1983/84 Production</u>	<u>1983/84 Imports</u>	<u>Fertilizer Prices to farmers (LE per ton)</u>
	('000 tonnes)		
Ammonium Nitrate (15.5%)	260	-	-
Ammonium Nitrate (31%)	639	-	-
Ammonium Nitrate (33%)	63	-	86.70
Urea (46%)	900	-	120.50
Ammonium Sulfate	85	70	55.00
Potassium Sulfate		25	54.20
Triple Super Phosphate		71	82.50
Single Super Phosphate	N/A	-	28.84

4. Import Mechanism

The General Authority for Supply Commodities (Government Sector - Ministry of Supply and Home Trade) is responsible for all grain imports.

5. Grain Industry Infrastructure

Silos available in major ports: Alexandria, Port Said, Adabia and Safaga with total capacity of approx 4.5 million tonnes. Projects are underway to have silos in Ismailia, Beni Soueif, Zagazig, Mansourah and Shebin El Kom.

Nine flour mill companies exist in Egypt as follows:

North Alexandria Flour Mills	Northern Cairo Flour Mills
South Alexandria Flour Mills	Southern Cairo Flour Mills
Cairo Flour Mills	Central Egypt Flour Mills
Center Delta Flour Mills	Upper Egypt Flour Mills
East Delta Flour Mills	

6. Government Policies Affecting Grain and Agriculture

High priority is given to food security with increased investment in agriculture. Plans are to increase productivity on old lands, bring new lands under production, and shift resources to production of high value crops for exports. Government plans to increase wheat production by increasing planted area, by improving yields and by introducing Mexican wheat. Wheat imports will continue to increase to meet population explosion. Plans are to increase coarse grain production by adopting hybrid seed. Corn imports will continue to increase in order to meet with increased utilization of poultry feed.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

Credit facilities and prices offered are and will continue to be the main factor affecting the choice of grain and wheat origin.

Interest exists with respect to red lentils if competitive prices offered.

8. Processing Facilities

Year 1985

- 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	9	10		
Compound Feed Mills				
Maltsters	1	3		
Brewers*				315
Oilseed Crushers	6	6		

* capacity and output in thousand hectolitres (1983)

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Alexandria*	2,527	23,210
Port Said**	1,350	3,765
Adabia	n/a	n/a
Safaga***	n/a	n/a
Total Capacity	4,500	32,720 (estimate)

* handles 80% of total grain imports

** handles 18% of total grain imports

*** handles Australian wheat only

II. OILSEEDS

1. Trade Policy

Import tariffs for oilseeds and products: exempted

Non-tariff barriers: none

Import procedure: Regular tenders by governmental agency, General authority for supply commodities.

Additional factors: Foreign investment joint venture company which was building a major vegetable oil processing plant is about to be inaugurated.

2. Supply of oilseeds and products by type, thousands of tonnes:

year: 1984

<u>Oilseed</u>	Production	Imports	Principal Sources of Imports
Cotton	820		
Soybeans	150	500	U.S.A.
Sunflower	13		
Peanut	35		
Sesame		15	Sudan, Mexico, China
TOTAL	1,018	515	

<u>Oil</u>	Production	Imports Crude Refined	Sources of oil Imports
Cottonseed	60	300	USA, Argentina
Soybean	90		
Sunflower (semi)		110	EEC
Palm Stearin		6	Singapore
Corn		1.1	(Trial Order)
TOTAL	150	417.1	

<u>Meal</u>	Production	Imports	Sources of Meal Imports
Cotton	704		
Soybean	5	50	USA, Belgium, Spain
Peanut	30		
TOTAL	739	50	

III. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	1,815 (1,989)		4,200 (4,075)	6,015 (6,064)
Durum wheat			1,200 (1,105)	1,200 (1,105)
Flour/Semolina			5,400 (5,180)	7,215 (7,169)
TOTAL	1,815 (1,989)			

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human		Industrial	Animal Feed	Other (seed, waste)	Exports	Carry-out	Total
	Consumption							
Wheat	6,015 (5,959)							6,015 (5,959)
Durum/Wheat	1,200 (1,105)							1,200 (1,105)
Flour Semolina								
TOTAL	7,215 (7,064)							7,215 (7,064)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.			Australia		Argentina		EEC		All Others		TOTAL IMPORTS
	Canada											

WHEAT (including durum)

Cash												
Commercial Credit	700 (625)	500 (600)	2,000 (2,100)									3,200 (4,075)
Aid, concessional credit, etc.		1,000*										1,000 (1,000)

FLOUR (including semolina)

Cash/comm. credit	400 (800)											725 (1,500)
Aid, concessional	175 (80)											175 (80)
TOTAL	700 (625)	2,075 (2,430)	2,000 (2,100)									5,100 (6,655)

* PL480

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	2,933 (3,390)			4,633 (4,990)
Barley	138 (134)	1,700 (1,600)		138 (134)
Sorghum	709 (622)			709 (622)
Oats				
Rye				
TOTAL	3,780 (4,146)	1,700 (1,600)		5,480 (5,746)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	93	3,840	695				4,633 (4,990)
Barley	91 (89)	47 (45)					138 (134)
Sorghum	232 (204)	477 (418)					709 (622)
Oats							
Rye							
TOTAL	416 (293)	4,364 (463)	695				5,480 (5,746)

Of which poultry - 60% Industrial use: glucose, starch production

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>Total</u>
Corn		1,200 (900)		500 (700)			1,700 (1,600)

I V O R Y C O A S T

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$770	1984
Annual per capita GNP	US\$850	1984
Average annual growth	8 %	1965-85
Annual inflation rate	9.7%	1975-85
Annual inflation rate (current)	15 %	
Volume of imports	1.465 billion US\$	1984
Of which food	20 %	1984
Of which fuels	15 %	1984
Principal foreign exchange earning export:	coffee, cocoa	
Debt service as % of GNP	9.8%	1984
Debt service as % of exports	20 %	1984
Population	9.3 million	1984
Annual population growth	4.3%	1975-85
Annual Consumption:		
Flour	155,000 tonnes or 15.4 kg/capita	1984
Meat	150,000 tonnes or 15 kg/capita	1984
Vegetable Oil	122,000 tonnes or 13.1 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The outlook for food and commercial crops (coffee, cocoa) is excellent this year. Due to excellent rainfall and major agricultural measures by the government (i.e. priority given to food self-sufficiency, rejuvenation of coffee and cocoa plantations, organization of young farmers), record crop performances are expected for 1985, especially for grain crops (maize and rice).

2. Foreign Exchange Situation

In an evaluation of economic accounts from 1984-1986, the government reports that the balance of payments, which has been very negative in recent years (minus 195 billion FCFA in 1983), has again become fairly positive as of 1984 (nearly 160 billion FCFA).

Despite the crop recovery and the rise in the price of coffee and cocoa, the Ivory Coast will maintain its austerity policy and continue to follow its debt rescheduling plan.

3. Fertilizer Situation

The fertilizer market is currently at its lowest level in seven years. Market projections for 1985 exceeded 90,000 tonnes of compound fertilizer, but this year the market will consume only 37,300 tonnes. Consumption of simple fertilizer is about 20,000 tonnes. This reduction is caused by a combination of factors including closing of sugar-producing complexes, the curtailment of free fertilizer for farmers (elimination of government grants) and financial problems in government-created development corporations.

Fertilizer formulas used in Ivory Coast are (a) compound fertilizer cotton formula (10-18-18), food formula (10-18-18), pineapple formula (8-4-20 plus 4 MgO); and (b) simple fertilizers used for pineapples, palm trees and coconut trees - urea, phosphate, potassium sulphate, potassium chloride, kiserite. Fertilizer raw materials are supplied by Senegal (DAP, natural phosphate), USA (DAP, ammonia) and the EEC (potassium chloride, ammonia, ammonia sulphate). The local fertilizer manufacturer is SIVENG - 07 BPGI Abidjan 07 Telex: 3556.

4. Import Mechanism

An importers code, issued by the Ministry of Trade's External Trade Directorate, is required to import products into the Ivory Coast. This code is issued subject to the applicant's registration in the Trade Registry and certification as a licensed trader by the Taxation Directorate. The code allows importers to apply to the External Trade Directorate for import licences depending on their needs and the nature of the products to be imported.

The company responsible for the purchases of the major flour mills in Abidjan is Eurafrique, P.O. Box 263, MC 98005, Monaco, Cedex - Telex: 469985 (Director - Mr. Riviere).

5. Grain Industry Infrastructure

Les Grands Moulins d'Abidjan (GMA) is the only flour mill remaining in the Ivory Coast. Les Moulins du Sud-ouest (MSO), established in San Pedro in 1982, closed in September 1984 following difficulties in marketing their flour. These difficulties apparently resulted from the three-year freeze of the price of flour by Ivory Coast authorities while the price of wheat continued to rise. The approved price of flour is 111,305 FCFA (about \$358.84 Canadian) per tonne. GMA now has two units, each with a capacity of 450 tonnes per day, but the combined output is actually 850 tonnes per day. GMA expects to produce 175,000 tonnes of flour in 1985 compared to 155,000 tonnes in 1983-84.

6. Government Policies Affecting Grain and Agriculture

The food self-sufficiency policy, a government priority, aimed at reducing the dependence on imports is beginning to yield results. Rice and maize production now respectively meet 45 - 50% and 200% of market requirements. This trend is also seen in meat production, where 47 percent of requirements are met.

	<u>1984 Food Requirements*</u>	<u>1984 Food Production*</u>
	('000 tonnes)	
Meat	150**	70.5
Milled rice	400	150-200
Maize	200	400

* grains and meat

** 110 from cattle.

This country is self-sufficient in pork and poultry, 40-45% in goats/sheep and 20% in cattle.

No government policy in effect in the Ivory Coast has immediate long term implications for Canadian grain imports. Nevertheless, since GMA must be supplied by its purchasing cooperative based in Monte Carlo opportunities for Canadian exporters in the Ivory Coast remain very limited. Moreover, GMA normally imports soft wheat. Added to these difficulties are the distance from market and the high value of the Canadian dollar compared to the CFA franc whose conversion rate is tied to that of the French franc.

Ivory Coast authorities are not yet considering a countertrade policy but may in the near future as the country's means and requirements develop.

7. Market Prospects - Grains and Oilseeds

Ivory Coast rice and maize import projections totalled 560,000 tonnes and 101,000 tonnes respectively for 1985 and 861,000 tonnes and 230,000 tonnes for 1990.

These projections are now changing significantly given the scope of domestic grain production and dietary diversification. GMA expects to import 18,000 tonnes of wheat per month in 1986. These imports will increase by 5% in 1990 according to GMA officials.

Marketing initiatives could include the establishment of a flour mill and/or Canadian bank in the Ivory Coast, participation in trade shows and fairs, promotion of wheat and other Canadian grains to purchasing cooperatives of Ivory Coast firms based in Europe and an invitation to Ivory Coast decision makers to visit Canadian facilities.

Marketing possibilities for Canadian special crops remain slim owing to dietary habits in the Ivory Coast and the lack of a distribution mechanism designed to promote these crops. In view of sufficient quality of EEC soft wheat used for breadmaking in Ivory Coast, there does not appear to be a market for Canadian durum wheat at this time.

8. Processing Facilities

1985
- 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	1	2	234	221
Compound feed mills	4	5	35	30
Maltsters	0	0		
Brewers*	2	5	3	1.5
Oilseed crushers	4	16	500	250

* Capacity and output in million hectolitres.

9. Grain Storage and Throughput Capacity

Year: 1985

<u>Name of Port</u>	<u>Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Abidjan	32,000 tonnes	220,000 tonnes

II. MALT AND MALTING BARLEY

1. Domestic production of barley: None

2. Imports: 1984

	thousands of tonnes	Principal supplier(s)
Malt	16 (22)	Belgium, France

3. Additional Information

Annual per capita beer consumption: Stable owing to the poor economic situation. Brewers report that consumption has declined in past few years and believe it will amount to 15 litres per capita in 1985.

Beer production capacity: Capacity stands at about 3 million hectolitres with only 50% of capacity in use.

Malting capacity: None.

Malt exports: None.

Market potential for malt: There are opportunities for Canadian malt in this market. Canadian exporters must deal with purchasing cooperatives and suppliers of local brewers based in Europe e.g. La Brasserie Artois, Belgium - principal supplier of Solibra, Ivory Coast.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	Tax laws (10%), customs duty (5%), value added tax (0%), Ivory Coast loaders' agency (ICLA) - 0.6%.
	Crude oil:	Tax laws* (15-28%), customs duty (15%), value added tax (25%), ICLA (0.6%).
	Oilseed meal:	Tax laws (15%), customs duty (5%), value added tax (25%) and ICLA (0.6%)
	Refined oil:	Tax laws* (15 - 28%), customs duty (15%), value added tax (25%), ICLA (0.6%).

*Tax laws: 28% if packaged in less than 5 litre tins for retail sale.

Non-tariff barriers and export assistance measures: There are no non-tariff barriers preventing oilseed imports and no special export assistance measures for Ivory Coast oilseed products. In all transactions, however, importers must comply with external trade regulations.

Oilseed import/export structure: Oilseed imports and exports in the Ivory Coast are handled by private firms and public industrial and commercial establishments that must apply for a licence from the External Trade Directorate for this purpose.

Additional factors: Imported oilseeds (especially from Canada) are of little interest to Ivory Coast consumers, who are use to palm, peanut and karite oil - products exported by the Ivory Coast (except peanut oil).

2. Supply of Oilseeds and Products, Thousands of Tonnes

Year: 1984

<u>Oilseeds</u>	Production	Imports	Exports
Palmseed	31.6	nil	14.37
Copra	48.9		1.05
Karite	9.0		7.66
Cottonseed	79.0		0.13
Total	169.6		23.21

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Crude palm	146.4			35.0	
Palm	14.6			11.1	
Copra	24.6			22.0	
Cottonseed	15.0	1.02			
Rapeseed		.19	2.6		
Peanut			.14		
Total	200.7	1.2	2.8	68.18	

<u>Meal</u>	Production	Imports	Exports
Palmseed	13.48		13.8
Copra	11.6		9.4
Cottonseed	3.4		
Total	28.5		23.2

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	nil		220 (205.5)	220 (205)
Durum wheat			.004 (.004)	.004 (.004)
Flour/Semolina	175 (155)		1.500 (1.066)	176.5
TOTAL	175 (155)		221.5 (206.6)	396.5 (362)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal	Industrial	Other (seed, waste)	Exports**	Carry-out	Total
Wheat			220 (205.5)		0.5 (0.5)		220.5 (206)
Durum wheat			.004 (.004)		0.351 (0.351)		.004 (.004)
Flour Semolina	175 (155)						175.4 (155.04)
TOTAL	175 (155)		220 (205)	0.851 (0.851)		396 (361)	374

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina	EEC	All Others	
WHEAT (including durum)							
Commercial Credit					220 (205)	.004 (.004)	220 (205)
FLOUR (including semolina)							
Cash/comm. credit	1.4 (1)				.100 (.02)		1.58 (1.066)
TOTAL	1.4 (1)				220 (205)	.004 (.004)	222 (207)

** Rep. of Guinea, Liberia, WAEC (West African Economic Community)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	400 (300)		(3.5)	400 (303.5)
Barley		.033 (.033)		.033 (.033)
Sorghum	18 (18)	6	(.18)	18 (.18)
Oats		.062 (.062)		.062 (.062)
Rye				
TOTAL	418 (318)	6 (3.6)		418 (322)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
		Animal Feed					
Corn	165 (160)	35 (30)		.003 (.003)	35 (34)	165 (76)	400 (300)
Barley							
Sorghum				.003 (.003)			
Oats							
Rye							
TOTAL	165 (160)	35 (30)		.003 (.003)	35 (34)	165 (76)	400 (300)

Of which poultry 100% Export Destination: Mali, Burkina Faso, Niger

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	
Corn		(0.272)			
Barley					(2.769)
Sorghum					0.033 (0.033)
Oats					6
Rye					.062 (0.062)
TOTAL		(0.272)			6.095 (3.)
					(0.5)
					(3.5)
					0.033 (0.033)
					6
					.062 (0.062)
					6. (3.6)

* Brazil

K E N Y A

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$240	1984
Annual per capita GNP	US\$340	1983
Average annual growth	2.7 %	1965-85
Annual inflation rate	11.0 %	1975-85
Annual inflation rate (current)	16 %	
Volume of imports	1.5 Billion US\$	1983
Principal foreign exchange earning export:	Tea	1984
Debt service as % of exports	20.6%	1983
Population	18 million	1984
Annual population growth	4.1%	1980-2000

I. GENERAL INFORMATION

1. Crop Situation and Outlook

It is officially recognized that the 1984 drought was the worst in living memory. Of Kenya's 42 districts, 27 needed food assistance. The maize and wheat crop harvests were estimated to be 37% and 43% below normal respectively compared with 1983. Wheat production dropped from 251,000 tonnes in 1983 to 186,000 tonnes in 1984. As a result of serious production shortfalls wheat imports rose from 114,000 tonnes in 1983 to 242,000 tonnes in 1984. Prospects for the 1985 main season maize crops appear favourable and no exceptional shortfalls are predicted but demand for wheat will continue to outstrip production thus necessitating substantial imports.

2. Foreign Exchange Situation

The substantial earnings from coffee, tea and tourism played a crucial role in maintaining a fairly stable foreign exchange situation despite the burden placed on the economy by the urgent need for food imports. With the improvement of foreign exchange reserves, a more liberal import policy is being pursued. Nevertheless, imports of food and agricultural inputs invariably receive import priority.

3. Fertilizer Situation

Kenya uses approximately 250,000 tonnes per annum of the following mixed fertilizers: TSP, DAP, MPK, MAP, UREA and Sulphate of potash, of which recently 50% has been supplied on concessional terms and 50% on commercial terms. USAID is the main donor with supplies also provided by Norway, Italy, Denmark, Japan and Finland. All fertilizer imports are handled by specifically appointed importers. Major one being the newly appointed Kenya Grain Growers Cooperative Union. In the past the whole fertilizer marketing and transportation structure, combined with an unfavourable relationship between cost and value of production, seemed to discourage a wider usage of fertilizer.

4. Import Mechanism

All grain imports are officially through the National Cereals and Produce Board (NCPB), a parastatal body of the Government of Kenya, which reports to the Ministry of Agriculture. Imports on concessional terms are secured through activity at the political level.

5. Grain Industry Infrastructure

NCPB has bulk handling facilities in the major towns as well as numerous conventional stores in the producing and consuming areas. Many private "godowns" are also available to the Board for leasing when required. Total NCPB storage capacity as of May 1985 amounted to 942,660 tonnes. However this is far short of the requirement.

The Government is continually re-examining its storage strategies, particularly after times of serious food shortages. After the food shortage in 1980 a World Bank Financed study into existing and future storage was released in 1982. However no positive action was taken and once again a serious food shortage situation arose in 1984 despite the bumper harvest the previous year. Now plans are underway to purchase temporary storage facilities to protect the current surpluses while awaiting the construction of storage facilities being financed by Danida and also the Japanese Government. Danida plans to construct a silo and dryer in Mombasa and Nairobi though the capacity has not yet been established. The Japanese are planning to construct stores in Nakuru, Bungoma and Kisumu. Construction should commence in mid 1986

6. Government Policies Affecting Grain and Agriculture

Recent legislation controlling the marketing of grains through NCPB, gives the government complete control of the marketing of food staples. The legislation gives the NCPB the mandate to control the movement of maize, wheat and other cereals. It is now illegal to sell maize to any person other than the NCPB, which will now control both domestic and export marketing of grains, particularly maize.

In order to aid East African Industries, a subsidiary of Unilever, in the development of their oilseed crushing industry, the Minister of Finance on behalf of the Government announced in his budget speech on June 14th that all duty on rapeseed and sunflower seed would be removed. This was to encourage production of oilseeds and hence reduce the volume of imported palm oil.

Shortfalls in production of maize and wheat will continue to be met by imports mainly on concessional terms, but in times of severe shortage there will be imports on a commercial basis through Government tender. The removal of duty on imported oilseeds could open potential opportunities for Canadian canola.

Africa in general and Kenya specifically is still very inexperienced in terms of countertrade, one of the underlying reasons being the lack of finished products to exchange. In addition, Kenya's main export commodities, tea and coffee are sold through controlled markets and grain imports are generally on concessional terms except in times of severe shortages. Hence there is no current policy on countertrade and barter.

7. Market Prospects - Grains and Oilseeds

Grain import projections to 1990 are not available

In times of severe food shortages there is potential for grain sales on a commercial basis and the NCPB will issue tenders directly to the Canadian Wheat Board. However, the majority of the necessary food imports will be met through aid and concessionary financing.

The limited demand for special crops can be met through local production.

The benefits gained of sponsoring a grain industry mission to Canada would not justify the expense. On the other hand it might be useful to invite officials of the National Cereals and Produce Board to participate in a technical seminar. This would assist in efforts to overcome Kenya's serious grain handling and storage problems.

8. Processing Facilities

Year: 1984

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	7	12	390	
Compound Feed Mills	8	n/a	200	
Maltsters	1	1		
Brewers*	3			2.3
Oilseed Crushers	1			

* Capacity and output in millions of hectolitres (1983).

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984

- - thousand of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Mombasa	63	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley					38.2
Suitable for malting					34.0

2. Imports, Calendar years 1983 and 1984): Nil

3. Additional Information

Annual per capita beer consumption: Increasing, due to upturn in economy despite increased pricing structure.

Beer production capacity: There are no plans to increase capacity, which remains adequate to fulfill demands.

Domestic malting capacity: Malting capacity, depending on forecast projections will remain static. Kenya Breweries maintain a fully integrated self-financed barley growing scheme based on a contract system with local farmers. Maximum yield could reach 50,000 tonnes for which annual production capacity is adequate.

Malt exports: None

Market potential for Canadian malt and/or malting barley: Production of barley has kept pace with consumption, despite the recent drought situation and there is no market potential for Canadian malt at this time.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds:	Free
Crude oil:	35%
Oilseed meal:	35%
Refined	35%

Non-tariff barriers: None

Import/export structure: Very small amounts of rapeseed are imported from time to time by Unilever Co. for their subsidiary, East African Industries. This is solely for planting purposes as East African Industries have an oil crops development program through a self-financed rapeseed and sunflower growing scheme based on a contract system with local farmers.

Additional Factors: In order to aid East African Industries, in the development of their oilseed crushing industry, the Minister of Finance removed all import duties on rapeseed and sunflower seed.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	186 (251)		242 (114)	428 (365)
Durum wheat			1.8	1.8
Flour/Semolina			243.8 (114)	429.8 (365)
TOTAL	186 (251)			
* of which spring wheat 28				

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	428.8					39	428.8 (365)
Durum wheat							
Flour Semolina	1.8						1.8
TOTAL	429.8					39	429.8 (365)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
WHEAT (including durum)						
Cash						73
Aid, concessional credit, etc.	28	30 (68.7)	20		26 (16)	169 (100.2)
FLOUR (including semolina)						
Cash/comm. credit						(14)
Aid, concessional:						1.8
TOTAL	28	30 (68.7)	55 (14)		64 (16)	243.8 (114.2)

**Sweden, Germany, Netherlands, WFP

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	503.5 (637)		572.5	1,076 (637)
Barley	38.2 (30)			38.2 (30)
Sorghum	.3			.3
Oats				
Rye				
TOTAL	542 (667)		572.5	1,114.5 (667)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	1,076 (637)						1,076 (637)
Barley	38.2 (30)						38.2 (30)
Sorghum	.3						.3
Oats							
Rye							
TOTAL	1,114.5 (667)						1,114.5 (667)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>E.E.C</u>	<u>All Others**</u>	<u>TOTAL IMPORTS</u>
Corn						387.5	572.5

185

**Thailand.

M A L A W I

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$230	1982
Annual per capita GNP	US\$200	1982
Average annual growth	3.2%	1960-80
Annual inflation rate	9.4	1970-80
Annual inflation rate (current)	18.3%	
Volume of imports	0.214 billion US\$	1982
Of which food	6.0%	1982
Of which fuels	17.0%	1982
Principal foreign exchange earning export:	Agriculture, mainly tobacco	
Debt service as % of GNP	8.5%	1983
Debt service as % of exports	22.2%	1983
Population	6.05 million	1980
Annual population growth	2.9%	1966-67
Annual Consumption:		
Flour	27,600 tonnes or 4.6 kg/capita	1983
Meat	45,375 tonnes or 7.5 kg/capita	1983
Vegetable Oil	4,542 tonnes or .08kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Malawi is a predominant agricultural economy and apart from wheat is fully self sufficient in food requirements. Local wheat production stands at about 5,000 tonnes per annum with an import requirement of 25,000 tonnes met mainly by South Africa.

Malawi's 1984 agricultural output kept pace with its 3.2 percent population growth. The severe droughts that struck Southern Africa in 1983 and 1984 missed Malawi. The country's major crops of corn, tobacco, and tea all gained.

Corn output at 1.27 million tonnes was up over 4 percent. Increases in producer corn prices, which were larger than increases for competing crops, generated corn surpluses. Since 1982 Malawi has built stocks, and in 1984 it exported an estimated 90,000 tonnes of white corn to the region. Exports were aided by severe corn shortages throughout the region, but financing difficulties arose because neighboring importers suffer from lack of foreign exchange.

The outlook for Malawi's food crops in 1985 was favorable. Corn plantings were good, and rainfall was adequate. An exportable corn surplus is expected. A less favourable aspect is that Malawi will face regional competition for its white corn exports.

2. Foreign Exchange Situation

With lower world tea prices and continued weak sugar prices, Malawi's export earnings may drop in 1985. Being basically self-sufficient in food requirements Malawi does not normally receive food aid.

3. Grain Industry Infrastructure

Trade became very difficult for this land-locked country in 1984. Mozambique, Malawi's natural route to the sea, could not maintain security and its transport lines continued to be undependable and dangerous. As a result, Malawi has had to turn to a higher cost combination of trucks and rail to ship to ports in South Africa. It is also beginning to use the port of Dar es Salaam, Tanzania as a new road improves this northern route. Despite high transport costs, Malawi increased its tobacco and tea export earnings in 1984, and was able to regain a small balance-of-payments surplus.

4. Market Prospects - Grains and Oilseeds

Apart from wheat there is little potential for Canadian grain exports to Malawi. Wheat imports of about 25,000 tonnes is expected to be sourced mainly from South Africa.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley: None

2. Imports

	thousands of tonnes		Principal supplier(s)
Malt	2.4*	(2.4)	Australia, Denmark and France.
Malting barley	Nil		

* Estimate

Note: Due to difficulties encountered by the post (Harare) much of this report is based on other sources, primarily USDA's "Sub-Saharan Africa" report (July, 1985).

M O R O C C O

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita GNP	US\$555	1984
Average annual growth	2.5%	1965-1985
Annual inflation rate	8%	1975-1985
Annual inflation rate (current)	12.5%	1984
Volume of imports	3.90 billion US\$	1984
Of which food	16.9%	1984
Of which fuels	26.1%	1984
Principal foreign exchange earning export:	Phosphates	
Debt service as % of GNP	7.9%	1984
Debt service as % of exports	42.4%	1984
Population	22.3 million	1985
Annual population growth	3.0%	1980-2000
Annual Consumption:		
Flour	3 million tonnes or 135 kg/capita	1984
Vegetable Oil	175,000 tonnes or 8 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Area under cultivation for 1984/85 season was approximately 4.4 million hectares. Preliminary official estimate of total cereal crop for 1984/85 is 5 million tonnes. This is some 700,000 tonnes higher than last year and the increase is attributable to excellent barley (some 2.5 million tonnes) and hard wheat crops. The soft wheat crop is about 1.8 million tonnes. The 1984/85 crop is still some 20 percent below normal production capacity of Morocco. With domestic wheat demand at 4.3 million tonnes, Morocco will have to import about 2.5 million tonnes of soft wheat in 1985/86.

The U.S.A. has been the country's major grain supplier in recent years, however the situation has changed in 1985. The dispute between the U.S. government and U.S. shippers regarding the eligibility of Morocco in the early days of the BICEP program (because of arrears to the CCC) has created a situation whereby the U.S.A. may only supply 30% of Morocco's grain requirements in 1985, instead of 93% supplied in 1984.

France has been able to take up the U.S. slack and has already agreed to provide 950,000 tonnes to Morocco during the 1985 season. A further 500,000 tonnes is already promised for the next season.

2. Foreign Exchange Situation

Morocco is in the process of rescheduling its foreign debt. Food imports and particularly wheat are given a high priority. However, because of the relative scarcity of foreign exchange and the need to manage foreign debt careful preference is given to suppliers offering the best credit facilities.

3. Fertilizer Situation

Annual consumption is approximately one million tonnes, 25% which is produced locally. Imports makeup the balance as follows (thousands of tonnes):

	<u>1984</u>	<u>1985 (6 months)</u>
Urea	96.7	25.8
Ammonium nitrate	106.4	37.0
Ammonium sulphate	76.5	34.9
Potassium chlorate	41.1	10.4
Potassium sulfate	43.1	10.4
Various (10 kg. bags)	366.6	119.7

4. Import Mechanism

Office National Interprofessionnel des Cereales et Legumineuses (ONICL) calls all tenders and determines quantities, quality, delivery dates and destination. Local importers (i.e. agents of international traders) are notified by ONICL and they submit offers. In the current circumstances, tenders specify the country of origin, reflecting financial agreements.

5. Grain Industry Infrastructure

Grains are delivered at the ports of Casablanca, Tanger or Mohammedia. It is either stored in silos owned by SOSIPO (government entity) for future delivery to mills, or to silos located in most major urban centers. It is estimated that Morocco loses some 15% of its total supply because of storage waste. ONICL has plans to build a number of silos but given the current financial difficulties, their implementation is likely to be slow.

6. Government Policies Affecting Grain and Agriculture

The Moroccan government is encouraging the modernization of the agricultural sector through various measures and programs. With regards to grains, particularly wheat, it would like to increase production of soft wheat and approach the self-sufficiency level. But weather coupled with economic slowdown is forcing authorities to postpone their ambitious goal well into the future. In the short and medium term, Morocco will remain a net importer of wheat and other grains. To date countertrade/barter has not been used in grains and oilseeds transactions and the government has not raised the issue.

7. Market Prospects - Grains and Oilseeds

There is little information available on market requirements in 1990 and forecasting import needs is difficult due to unpredictable weather patterns but experts agree that Moroccan need for imports is expected to continue for an indefinite period.

Canada can and should have a share of the Moroccan wheat market. The timing for entering this market might just be right i.e. Morocco's need for imported wheat is substantial, the U.S.A. is experiencing temporary difficulties and France might not be able to take up all the U.S. slack. In order to succeed in this market Canada must offer financing under terms and conditions similar to what France (COFACE) and the U.S.A. (e.g. BICEP, GSM 102, P.L. 480) have made available.

With regard to special crops, Morocco produces and exports these commodities.

8. Processing Facilities

Year: 1984

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	79	79	2,800	2,580
Compound Feed Mills	30	30	535	280
Maltsters	1	3		
Brewers*	1			360-400
Oilseed Crushers	2	2	180	90

* Estimated capacity and output in thousands of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Casablanca	70 silos	3,000
Jorf Lasfar	no silos	500
Safi	24 silos	300
Tanger	no silos	200
Agadir	no silos	200
Nador	16 silos	200
Kenitra	12 silos	
Total Capacity		4,400

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type: 1,405 thousand tonnes -
breakdown not available.

2. Imports, Calendar year 1984: 7,683 tonnes of malt, of which 3,680 from
France and 4,000 from Finland.

3. Additional Information:

Annual per capita beer consumption: Total consumption is stable at 400,000 hl.

Beer production capacity: stable.

Domestic malting capacity: stable.

Malt exports: None.

Market potential for Canadian malt and/or malting barley: Morocco imported some 9,983 tonnes of malt from France in the first six months of 1985. This compares to total imports of 7,683 tonnes in 1984, from France (3,683) and Finland (4,000). When there is a shortfall in malting barley production, imports usually come from France.

III. OILSEEDS

1. Trade Policy

Import Tariffs: There is no tariff on oilseeds, crude or refined oil or oilseed meal.

Non-tariff import barriers/export assistance measures: Import permits must be obtained for refined oil.

Import/Export structure: The Ministry of Industry and Commerce calls tenders on behalf of local crushers and it authorizes them to purchase from the lowest bidder.

2. Additional Factors: Oilseeds imports are limited by capacity of crushers. Seed is imported for production of meal, not for oil since crushing capacity is very limited. Crude degummed oil is imported for local refining.
3. Supply of oilseeds and products by type, thousands of tonnes: 1984/85
- statistics not available for these commodities.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	641 (732)	150 (192)	2,414 (2,016)	3,205 (2,940)
Durum wheat	828 (1,239)	30 (31)		858 (1,270)
Flour/Semolina				
TOTAL	1,469 (1,971)	180 (223)	2,414 (2,016)	4,063 (4,210)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	2,515 (2,708)	90 (90)				100 (140)	2,705 (2,940)
Durum wheat	858 (1,270)						858 (1,270)
Flour Semolina							
TOTAL	3,373 (3,978)	90 (90)				100 (140)	3,563 (4,208)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
Canada						

WHEAT (including durum)

Cash						
Commercial Credit						
Aid, concessional credit, etc.	4	1,772 (1,530)	638 (443)	(43)		2,414 (2,016)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production		Carry-in, July 1		Imports		Total Supply	
Corn	234	(261)	32	(18)	133	(172)	399	(451)
Barley	1,405	(1,228)	16	(207)	188		1,539	(1,435)
Sorghum	25	(31)					25	(31)
Oats	50	(44)	2	(3)			52	(47)
Rye								
TOTAL	1,714	(1,564)	50	(228)	251	(172)	2,015	(1,964)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other		Exports	Carry-out	Total			
	Human	Animal		(seed, waste)							
Corn	162	(148)	222	(293)			15	(10)	399	(451)	
Barley	637	(630)	777	(705)	100	(90)		15	(10)	1,529	(1,435)
Sorghum	5	(3)	20	(28)						25	(31)
Oats	5	(9)	45	(36)			2	(2)		52	(47)
Rye											
TOTAL	809	(790)	1,064	(1,062)	100	(90)	32	(22)		2,005	(1,964)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS			
	Canada	U.S.A.	Australia	Argentina	EEC		All Others		
Corn		70	(80)			133	(172)		
Barley		43		(39)		63	(53)		
Sorghum						75			
Oats									
Rye									
TOTAL		113	(80)	(39)		138	(53)	251	(172)

Principal Others: Corn: Argentina and Brazil
Barley: France

MOZAMBIQUE

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$163	1984
Average annual growth	-0.1%	1960-80
Annual inflation rate	11.2%	1970-84
Annual inflation rate (current)	30 %	
Volume of imports	538.6 million US\$	1984
Of which food	23 %	1984
Of which fuels	13 %	1984
Principal foreign exchange earning exports:	Prawns, petroleum products, cotton, sugar, cashew	
Debt service as % of exports	174 %	1984
Population	13.6 million	1985
Annual population growth	2.6%	1980-85
*Annual Consumption:		
Flour	1.13 kg/capita	1982
Meat	1.00 kg/capita	1982
Vegetable Oil	1.05 kg/capita	1982
Fish	3.7 kg/capita	1982

*It is difficult to ascertain annual consumption statistics. This is due to a scarcity of products and a variable rationing system in main centres. Entitlements from designated urban retail outlets put flour at 2 kg and fish at 0.5 kg per person monthly. Consumption of meat and vegetable oils is on an as-and-when available basis. There is no efficient rationing system to rural areas where 140,000 people have died from starvation since 1983 and continue to die.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Although certain areas received adequate rainfall, drought conditions still prevail in a number of provinces resulting in continued deaths and malnutrition. The activities of the anti-government forces, Mozambique National Resistance Movement, continue to disrupt transport and agricultural progress.

With regard to oilseeds, transport presents a major problem in moving oilseeds from the more isolated agricultural provinces in the north which received normal rainfall. Whereas vegetable oil production in 1973 amounted to 27,000 tonnes it fell to 13,800 tonnes by 1983. Sunflower, maize and cotton seed are utilized for oil expressing. According to a UN/FAO report of August 1985 in spite of better weather conditions in the 1985 season, output from both large and small scale farms was seriously affected by severe shortages of inputs and internal disorders. The 1985/86 cereal import requirement is estimated as follows: commercial imports - 100,000 tonnes, food aid - 400,000 tonnes.

Undelivered food aid pledges from 1984/85 plus new pledges totalled 180,000 tonnes as of August 1985.

2. Foreign Exchange Situation

Mozambique's current debt servicing payments have been rescheduled from 1990 over a period of ten years. Drought, national calamities (floods) and internal security problems have prevented any prospects for recovery to date and the country is heavily dependent on foreign aid. Countries and agencies giving food aid have been Canada, Australia, EEC, USA, Spain, China, Holland, Japan, West Germany, PMA and CCM. Major supplier is the U.S.A.

3. Market Prospects - Grains and Oilseeds

Grain requirements (maize, wheat and rice) total 750,000 tonnes per annum with an equivalent amount estimated as a reserve. Apart from small schemes on an experimental basis, the wheat requirement of about 125,000 tonne per annum is imported. Current rice production shows an increase of about 60 per cent over 1984's drought affected crop. Maize is available in sufficient quantities to meet demand from neighbouring Zimbabwe if acceptable payment or financing is available.

4. Grain Industry Infrastructure

As part of a country wide project twelve grain silos are being constructed in Beira at a cost of US\$25 million financed by the Swiss government.

5. Government Policies Affecting Grain and Agriculture

The Mozambique government is encouraging the return of private enterprise in the agricultural and industrial sector due to the poor performance of state run enterprises. Lonhro, a U.K. based company with substantial interests in Africa, has signed agreements including operating large agricultural and irrigation enterprises in the country.

SOUTH AFRICA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$ 2,440 (est)	1984
Annual per capita GNP	US\$ 2,540	1983
Average annual growth	2.6%	1980-84
Annual inflation rate	12.7%	1975-85
Annual inflation rate (current)	15.9%	
Volume of imports	10.9 billion US\$	1984
Of which food	8.9%	1984
Principal foreign exchange earning export:	Gold	
Debt service as % of GDP	30.3%	1983
Debt service as % of exports	112.7%	1983
Population	31.0 million	1982
Annual population growth	2.3%	1980-84

I. GENERAL INFORMATION

1. Foreign Exchange Situation

The country enjoys a favourable balance of payment situation but the depressed international value of the South African rand negates apparent advantages. South Africa continues to suffer from an economic recession which has resulted in high interest rates and a high level of unemployment. Foreign exchange will be made available for imports of agricultural related products as the need arises.

2. Fertilizer Situation

Fertilizers continue to be produced locally from imports of sulphur and potash. These imports are mainly from Canada. Over the past two years inventories have been reduced and imports are now taking place at an increased level.

3. Import Mechanism

Imports continue to be made upon the issuing of import permits by the Government on the recommendation of the various agricultural marketing control boards. No changes are anticipated.

4. Grain Industry Infrastructure

No changes are anticipated. South Africa has modern facilities for the handling, storage and utilization of grain products.

5. Government Policies Affecting Grain and Agriculture

Due to large financial losses incurred by the Maize Board it is possible that alterations to marketing procedures may be introduced which will result in a reduction in quantities available for export in future years. Countertrade is currently regarded as a trade of last resort.

6. Market Prospects - Grains and Oilseeds

With regard to marketing initiatives to increase Canadian sales in this country the Canadian Wheat Board should continue to maintain contact with the South African Wheat Board.

As regards special crops, Canadian mustard, peas and lentils are already being imported.

7. Processing Facilities

Year: 1982

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	41	72	2,284	1,717
Compound Feed Mills		49		
Maltsters	1	2	117	117
Brewers*		5**		12
Oilseed Crushers		12	1,500	

* Capacity and output in millions of hectolitres (1983)

** estimate

8. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1982

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Durban	38	1,045
Cape Town	27	410
East London	76	2,831
Total Capacity	141	4,286

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	170.3				170.3
Suitable for malting	170.3				170.3

2. Imports, 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt (Grain equivalent)	81.25	(92.37)	EEC suppliers*

* country of origin not specified

3. Additional Information

Annual per capita beer consumption: statistics on per capita beer consumption are not available at this time but based on sales of barley for malting, beer consumption continues to increase.

Beer production capacity: Increasing, industry sources in Europe list 1983 output at 12 million hectolitres, the highest in Africa, compared to 10.2 million in 1981.

Domestic malting capacity: No increase in malting capacity

Malt exports: none

Market potential: South African Breweries Ltd. are purchasing malt from Canada in addition to sourcing from E.C. countries. Increased sales depend on competitive pricing. E.C. statistics list 1984 malt exports to South Africa at 59,000 tonnes, up 10 percent from 1983.

III. OILSEEDS

1. Trade Policy

Import tariffs

Oilseeds - Groundnuts:	Free
Soya:	65 cents/100 kg
Sunflower:	10%

Crude Oil - Groundnut: 25% or 180 cents/100 kg
 Soya: 25% or 3000 cents/100 kg
 Sunflower: 25% or 180 cents/100 kg

Oilseed Meal - All flours or meal of oilseeds: 20%

Refined Oil - Same as for Crude Oil

Non-tariff barriers/export assistance measures: Importation of oilseeds and products is subject to the granting of an import permit by the Department of Agriculture on the recommendation of the Oilseeds Board.

Import/export structure: With regard to oilseeds the Oilseeds Board is the sole buyer and seller. The availability of permits for associated products is made known to the trade which in turn invites bids from international trading houses.

Additional factors: Trade agreements with Zimbabwe and Malawi favour imports from those countries.

2. Supply of oilseeds and products by type, thousands of tonnes:

Year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Groundnuts	131			30	
Sunflower seed	235				
Soyabeans	38				
TOTAL	404			30	
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Groundnuts	18				
Sunflower seed	102				
Soyabeans	7				
TOTAL	127	90			
<u>Meal</u>	Production	Imports		Exports	
Groundnuts	22				
Sunflowerseed	90				
Soyabeans	30				
TOTAL	142	235*			

* Oilseeds Board issues permits to the local manufacturers for the importation of oil and oilcake but do not specify type of oil/oilcake. Oilcake imports can be substituted by fish meal.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	2,189 (1,716)	667 (1,063)	123 (282)	2,979 (3,061)
Durum wheat	2 (3)		(6)	2 (9)
Flour/Semolina	1,550 (1,567)	22 (29)		1,572 (1,596)
TOTAL	3,741 (3,286)	689 (1,092)	123 (288)	4,553 (4,666)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal	Human					
Wheat	2,078 (1,996)	178 (282)		67 (49)	80 (67)	576 (667)	2,979 (3,061)
Durum/Wheat	2 (9)						2 (9)
Flour Semolina	1,517 (1,537)				30 (37)	25 (22)	1,572 (1,596)
TOTAL	3,597 (3,542)	178 (282)		67 (49)	110 (104)	601 (689)	4,553 (4,666)

Export Destination: Various African Countries

IMPORT TRADE - 1984/85 est. - thousands of tonnes - previous year in brackets.

ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
Canada						

WHEAT (including durum)

Cash 123 (282)

123 (282)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, May 1	Imports	Total Supply
Corn (Maize)*	4,393 (4,083)	185 (1,333)	2,000 (2,389)	6,578 (7,805)
Barley	170 (140)	31 (23)	81 (92)	282 (255)
Sorghum*	386 (194)	46 (108)		432 (302)
Oats	76 (56)	23 (15)		99 (71)
Rye	3 (6)	2 (3)		5 (9)
TOTAL	5,028 (4,479)	287 (1,482)	2,081 (2,481)	7,396 (8,442)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Corn	(3,069)	(3,783)	(155)	(108)		(42)	(7,115)
Barley	212 (205)	16 (9)		13 (10)	7	34 (31)	282 (255)
Sorghum	250 (250)	55 (37)		6 (1)	(7)	48 (46)	357 (341)
Oats	25 (25)	18 (9)		8 (14)		3 (23)	99 (71)
Rye	1 (2)	(4)		1 (1)		3 (2)	5 (9)
TOTAL	(3,551)	(3,316)	(155)	(134)	(7)	(144)	7,396 (7,791)

Export Destination: African Countries

IMPORT TRADE: No details available

* crop year for corn and sorghum: May 1 - April 30

T U N I S I A

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	exporter	
Annual per capita income:	US\$1,450	1985
Annual per capita GNP	US\$1,420	1984
Average annual growth	4.9%	1965-85
Annual inflation rate	7.8%	1975-85
Annual inflation rate (current)	5%	
Volume of imports	2472.5 million dinars	1984
Of which food	13.5%	1984
Of which fuels	11.6%	1984
Principal foreign exchange earning export:	oil, olive oil	
Debt service as % of GNP	6%	1983
Debt service as % of exports	16%	1983
Population	6.8 million	1983
Annual population growth	3.5%	1983-84
Annual Consumption:		
Flour	750 kg/capita	1984
Meat	55 kg/capita	1984
Vegetable Oil	66,000 tonnes or 9.7 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1984-85 crop year was characterized by very favourable climatic conditions (i.e. timely and sufficient rainfall) in the northern, central and southern parts of the country resulting in satisfactory growth of the various grain varieties.

The areas under cultivation this year were 1,917,600 hectares (ha) (827,400 in the North and 1,090,200 in the Centre and South), as opposed to 1,480,600 ha (837,800 in the North and 642,800 in the Centre and South) the previous year. This represents an increase of about 29% (-1% in the North and +69% in the Centre and South).

The areas of hard wheat rose from 785,000 ha in 1984 to 883,000 ha in 1985, an increase of about 12%. There were also increases of about 54% and 47% in soft wheat and barley, in comparison with the 1983-84 season.

The 1985 grain crop is estimated at 20.8 million quintals (10.7 of hard wheat, 3.1 of soft wheat and 7.0 of barley). This is a record for hard wheat and barley, and to a lesser degree for soft wheat. This improvement is due to the favourable climatic situation and the substantial increase in agricultural inputs.

<u>Commodity</u>	<u>1984</u>	<u>1985</u> ('000 quintals)	<u>Annual Average</u> (1982-1985)
Hard wheat	5,843	10,694	7,260
Soft wheat	1,272	3,112	1,776
Barley	3,121	6,990*	4,133
Grain Total	10,236	20,796*	13,199

*including 125,000 quintals of triticale.

Note - one quintal = 100 kg or ten quintals = 1 tonne.

2. Foreign Exchange Situation

In view of the recovery in late 1984, the budgetary planning for 1985 seems realistic and attainable. 1985 is the fourth year of the 6th Government Plan. Given the results of the first three years, Tunisia must seek better ways of confirming the recovery of production registered in 1984, achieving better job creation results, consolidating the investment effort and achieving a more rigorous management of financial resources. Tunisia is a recipient of food aid.

	<u>Trade Balance 1983 and 1984</u> (million dinars)	
	<u>1983</u>	<u>1984</u>
Imports	2106.4	2472.5
Exports	1264	1396.3
Deficit	842.4	1076.2
Exports as a % of Imports	60%	56.5%

3. Fertilizer Situation

The amount of triple-super fertilizer used during this season was 80,900 tonnes, as opposed to 68,500 tonnes during the previous season, an average increase of about 18%. About half of these quantities were used on grain. The amount of single-super rose from 37,000 tonnes to 59,900 tonnes, resulting in an increase of about 60%. About 31% was used for market gardening and 24% for grain crops. The quantity of ammonium nitrate used was 102,300 tonnes, as compared with 97,900 tonnes, a slight increase of about 4%. About 46% of this was used for grain cultivation and 20% for arboriculture. About 12,900 tonnes of other fertilizers were also used during this season, as well as 623,800 tonnes of manure.

4. Import Mechanism

The overall control of foreign trade (imports/exports) is the responsibility of the Foreign Relations Division, Ministry of the National Economy, in co-operation with the Central Bank, which controls foreign exchange operations.

Certain "sensitive" products and major consumer goods are imported by a few public agencies (state trade). Grains and grain derivatives are part of this product category. The National Grain Board is responsible for the supply, importation, exportation and marketing of grain in Tunisia. The import volume is set in September - October of each year. Once the results of the harvest are known, and as soon as the purchasing program is set the Grain Board considers the possibilities of bilateral food aid (e.g. EEC, USA). When these possibilities are exhausted, the international tender call mechanism is used.

Tunisians generally reject long-term agreements and greatly prefer the system of tender calls, which are open to international competition and allow some play to obtain the best price.

5. Grain Industry Infrastructure

The grains and grain derivatives sector continues to play an important part in the country's economic policy. The Tunisian government, through the agency of the Ministry of Agriculture, has changed and restructured the Grain Board by creating within it cooperatives for the purchasing and storage of grain. Their task is to purchase grain from the farmers, to store and to sell it to the flour mills and semolina factories. Tunisian grain storage capacity is about 350,000 tonnes - silos are old and unevenly distributed throughout the country.

Companies affiliated with the Board have also been created, namely the Société Nationale d'Aliment, the Société Tunisienne d'Exploitation des Boulangeries Industrielles, the Société Tunisienne des Industries ménagères, etc. Other measures include the restoration of a few silos such as the 45,000 tonne silo at Manouba. A \$42 million loan from the IBRD has been made for the funding of a project to build silos and storage facilities. Finally, there have been new units built in the milling sector.

6. Government Policies Affecting Grains and Agriculture

Economic factors as well as the favourable climatic conditions of the 1984-85 crop year were positive factors in improving the crop yields. The main factors were easier access for farmers to funding, increased use of selected seed and chemical fertilizer, use of chemical herbicides, educational campaigns conducted by the technical services of the Ministry of Agriculture, and finally the effort made by the farmers themselves to improve their production.

Imports of agricultural and food products totalled 332.8 million dinars (MD) as opposed to 294.8 MD during 1983. This increase was due mainly to purchases of grains, oil, tea, potatoes and meat.

Major Food Imports

	<u>1983</u> (million dinars)	<u>1984</u>
Hard wheat	54.9	39.1
Soft wheat	50.6	61.9
Barley	0.4	2.9
Corn	20.0	33.7
Soya oil	28.1	38.4
Meats	9.8	19.7
Sugar	33.7	21.5
Tea	11.9	15.3

1984 grain imports were 247,600 tonnes of hard wheat, 515,000 tonnes of soft wheat, 26,900 tonnes of barley and 261,200 tonnes of corn, totalling 137.6 MD as opposed to 125.9 MD in 1983. Meat purchases were 25,400 tonnes, for a value of 19.7 MD compared with 9.8 MD in 1983. Overall Tunisian imports (food products and others) rose 17.4% in 1984 as compared to 1983. This rate was higher than the growth in exports, which explains the trade imbalance and the deficit.

Concerned over the financial and social implications of this situation, the authorities have intensified their efforts by way of measures designed mainly to increase investments. Two pieces of legislation have been passed to do this: the first encourages investment in the agriculture and fisheries sectors, while the second concerns the structure and operation of the Agricultural Investment Promotion Agency (APIA). The main concern of the country's officials continues to be to meet the nutritional needs of a population growing at a rate of 2.7% yearly and to obtain a measure of food self-sufficiency.

Faced with this situation, for 1985 the Tunisian government has emphasized austerity, control of consumption, rationalization of imports, a search for new currency resources and above all careful control of the balance of payments. To attempt to remedy the balance of payment deficit, Tunisia has introduced a countertrade system.

The purpose of countertrade purchasing operations is to ensure that surplus quantities over and above domestic needs are marketed. All of the country's export products, apart from oil, can be involved in these operations when surpluses occur.

The purchasing procedures are still based on free competition among all its partners in the context of tender calls in accordance with existing regulations. This is also true with its priority partners (the countries of North Africa), with which it applies the principle of priority supply when price and quality are competitive.

7. Market Prospects - Grains and Oilseeds

Under the 6th plan (1982-1986), the grain production level for 1986 is targeted at 15 million quintals, with an average production of 13 million quintals, as opposed to 10 million quintals during the 5th plan. Forecast import needs during the period 1981-1986 were 6,000,000 tonnes of wheat and corn, 1,500,000 tonnes of barley and 180,000 tonnes of fertilizer.

Canada is having difficulty penetrating the Tunisian grain market. The problem is not solely the tender call mechanism or the C & F prices required by the Tunisians. Our lack of success lies rather in the conditions that exist when the tender calls are made.

Tunisians prefer to continue using the system of international tender calls, and it would be surprising to see them interested in a bilateral type of agreement. Canadian exporters should review the market potential for wheat, corn and soya cakes not covered by American credits.

The bread crisis of January 1984, coupled with the Canadian gift of flour and the efforts of a few key Tunisian interests, have rekindled an interest in the grain sector which until now had held forth little promise as a market. The lack of interest on our part was, and still is, due to the following.

(a) The tendency of the Canadian Wheat Board (CWB) to seek large markets and long-term contracts. This is completely out of line with the practice and size of the Tunisian market. The Tunisians do not hesitate to resort to spot operations when prices and supply so justify. The CWB official agents, mainly four multinationals, rarely promote Canadian wheat when tenders are called. Of course this is due in part to subsidies available to non-Canadian wheat.

(b) The subsidies war in the agriculture sector, which is more a fight to the death between the United States and the EEC than any kind of philanthropy.

As a marketing initiative the CWB may wish to encourage their agents to promote Canadian grains more aggressively. Canadian based agents, ideally with offices in Europe, may take more interest in promoting Canadian commodities.

8. Processing Facilities

	Year 1984		- thousands of tonnes -	
	<u>Numer of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	165	62	-	1,380
Compound Feed mills	172	130	195	180
Maltsters	1	1	900,000 hl	800,000 hl
Brewers*	1	1	-	330
Oilseed Crushers	30	1,650	200	150

* Capacity and output in thousand hectolitres

9. Storage and Throughput Capacity

Year 1984
- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tunis	1.0	
La Goulette	588.0	N/A
Bizerte	178.0	
Sousse	37.4	
Sfax	211.2	
Gabés	174.2	
TOTAL CAPACITY	1,189.8	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					4,712 quintals
Suitable for malting					3,500 quintals

2. Imports, Calendar year 1984 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	1.3	(1.0)	France, Belgium
Malting barley	20.17	(18.0)	USA, France, UK

3. Additional Information

Beer consumption per capita: increasing yearly - only one brand (Celtia) is available. Consumption doubles during the summer months owing to the number of tourists visiting Tunisia.

Beer production capacity: increasing due to the growing demand. Beer production is unable to meet the demand level and imports are necessary.

Malt exports: none

About 20,000 tonnes of malting barley is imported by SFBT (maltster) each year to meet the needs of beer manufacturers.

III OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - 6%
Crude oil - 45%
Oilseed meal - 15%
Refined oil - 50%

Additional factors: Prices and transportation costs are very important in Tunisian importing. These two factors account for Tunisia's preference to purchase its oil from Spain rather than other countries. Oils and oilseeds are in the "sensitive" product category which is a state monopoly. The National Oil Board (ONH) is the only agency responsible for the importing, exporting and marketing of these products. Imports are done by international tender calls. A shortfall in local olive oil production has brought an increase in soya oil imports (bulk).

2. Supply of oilseeds and products by type, thousands of tonnes:

Year 1984

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	20	110			
Acid oils		55			
Olive oil	170				
TOTAL	190	165			
<u>Meal</u>					
Soybean		170			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	320 (200)		700 (700)	1,020 (900)
Durum wheat	980 (700)		400 (300)	1,380 (1,000)
Flour/Semolina	630 (300)		100 (90)	730 (390)
TOTAL	1,930 (1,200)		1,200 (1,090)	3,130 (2,290)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	800 (600)			20 (12)				820 (612)
Durum wheat	1,100 (900)			70 (20)				1,170 (920)
Flour Semolina	700 (600)			150				850 (600)
TOTAL	2,600 (2,100)			240 (32)				2,840 (2,132)

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

WHEAT (including durum)	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Cash Commercial Credit	762 (50)	1,050 (400)			1,100 (400)	200 (300)	762 2,350 (1,100)
FLOUR (including semolina)							
Cash/comm. credit Aid, concessional:	50 (11)	450 (70)			70 (30)		70 (30) 500 (81)
TOTAL	812 (61)	1,500 (470)			1,170 (430)	200 (300)	3,682 (1,261)

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	200 (120)		261 (500)	1,461 (620)
Barley	380 (370)		500 (510)	880 (880)
Sorghum			80 (70)	80 (70)
Oats			50 (23)	50 (23)
Rye				
TOTAL	580 (490)		891 (1,123)	2,471 (1,593)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	200 (150)	420 (300)	300 (420)				920 (870)
Barley	320 (200)	500 (510)	850 (500)	220 (150)			1,890 (1,360)
Sorghum	80 (50)	50 (70)	180 (120)				310 (240)
Oats							
Rye							
TOTAL	600 (400)	970 (880)	1,330 (1,040)	220 (150)			3,120 (2,470)

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TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn		500 (400)			230 (100)	730 (500)
Barley		300 (500)			610 (400)	910 (900)
Sorghum					80 (80)	80 (80)
Oats		100 (90)			20 (40)	100 (90)
Rye						20 (40)
TOTAL		900 (990)			940 (620)	1,840 (1,610)

Z A I R E

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$ 160	1984
Annual per capita GNP:	US\$ 166	1984
Average annual growth:	1.3%	1983
Annual inflation rate	61.5%	1975-85
Annual inflation rate (current)	18.6%	1984-85
Volume of imports	845 million US\$	1983
Of which food	2.3%	1983
Of which fuels	.8%	1983
Principal foreign exchange earning export:	copper, cobalt, zinc, gold, diamonds, wood, crude oil	
Debt service as % of GNP:	6.6%	1984
Debt service as % of exports:	18.6%	1983
Population	30 million	1984
Annual population growth	3.3%	1984
Annual Consumption:		
Flour	200,000 tonnes or 6.7 kg/capita	1984
Meat	186,000 tonnes or 6.2 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat - Very little wheat is grown in Zaire. It is still in the experimental stage in the Kivu and Nord-Shaba regions. The 1984-85 results of the project financed by the Department of Agriculture in Kivu region were 4,000 tonnes (4,120 ha) and the project financed by Minoterie de Matadi (Midema) in the Kivu region produced 900 tonnes of wheat.

In 1983 wheat imports rose by 4.3% to 152,066 tonnes from 145,755 tonnes in 1982, and dropped from 66,699 to 48,420 tonnes (-27%) in the first quarter of 1984. Wheat imports were offset by imports of European flour at lower prices after the import monopoly was ended and imports decontrolled.

2. Foreign Exchange Situation

As recommended by the IMF, Zaire has a single exchange rate that fluctuates weekly according to supply and demand. There is a shortage of foreign exchange, but major importers obtain the required foreign exchange with adequate coverage in local currency (50 to 100%). No major stockout has been reported since September 1983. Austerity measures, reorganization and decontrol suggest a cautiously optimistic outlook for the medium and long term future. Zaire has received international aid since gaining independence.

3. Fertilizer Situation

There is no fertilizer produced in Zaire. Imports are insufficient, and mainly used for export crops. Zaire's new strategy calls for increased use of chemical fertilizers. The National Fertilizer Program, assisted by FAO, is also aimed at widespread use of fertilizers. Estimated requirements 1983-17,175 tonnes, and 1984 - 21,407 tonnes.

4. Import Mechanism

Decontrol under the IMF program since September 9, 1983 has allowed access to wheat imports by importers other than Midema, which previously held a monopoly. Zaire is thus an open market. Major importers are listed later in this report.

5. Grain Industry Infrastructure

Midema is the main flour mill in Zaire. It has bulk wheat storage silos in the port of Matadi with an electric unloading system at docks. Unloading capacity is 1,800 tonnes per 24 hours and flour production capacity is 600 tonnes per day. Storage capacity is 22,000 tonnes. Midema imported 39,430 tonnes of wheat in 1984.

MIDEMA

Company name: Minoterie de Matadi (mixed company - 1973)
Ownership: 40% Republic of Zaire, 60% Continental Grain, New York
Sales (zaïres): 1982: 334 million
1983: 564 million
Head Office: Matadi
Staff: Total 350
Flour milling capacity: 3.7 million bags/year or 600 tonnes per day - 3 shifts
(gross weight of bags: 100 lbs/or 45.56 kg)
Wheat storage: 21,700 tonnes
By-product storage: 3,200 tonnes

QUO VADIS

Company name: Quo Vadis (public company - 1969)
Sales (zaïres): 331.7¹ million
Head office: 12e rue Limete No. 97
Staff: Total 918
Baking Capacity: 6 ovens - 7 production lines
Theoretical: 200 tonnes flour/day - 3 shifts, 24 hours
Practical: 175 tonnes flour/day - 3 shifts, 21 hours
¹Including zaïres: 116,748 flour sales

UPAK

Company name: Kinshasha bread factory (public company - 1977)
Sales (zaïres): 136.8 million
Head office: Kasavubu Avenue (corner Saïo Avenue)
Kinshasha
P.O. Box 2692
Telex 21095 UPAK ZR
Staff: Total: 456
Capacity: 624,000 bags/year or 75 tonnes/day - 3 shifts

UPAK specializes in the manufacture of all sizes of French breads. The UPAK industrial bakery introduced a third production line in September 1983 to produce 100-150 gram buns (capacity 20 tonnes/day - 3 shifts). Plant expansion and modernization investments totalled 64.9 million zaires for equipment and 12 million zaires for labour.

B.K.T.F.

Company name: Masina bread and Ice Block Factory (public company)
Sales (zaires): 17 million
Head Office: Avenue Dispensaire No. 90 Kin - Masina
P.O. Box 11904, Kinshasha
Baking Capacity: 2 production lines (300 bags of flour/day or 18,000
bags/month based on 3 shifts
Staff: Total: 279

Storage: There is a silo system and a bagged flour warehousing system, depending on the bakery.

6. Government Policies Affecting Grain and Agriculture

Encouraged by the government of Zaire for several years, Chinese cooperation provides major technical assistance to rice growing in the various regions. Micro-agricultural centres are thus found in several regions of Zaire. The Nord-Shaba and Kivu regions are encouraged by the government and managed by agencies such as USAID and Midema. Midema has ceased to be the sole importer of wheat since the economy was decontrolled in September 1983, thus making Zaire a potential market for Canada. There are no precise statistics for meat consumption, since beef cattle breeding is extremely limited. Very large-scale livestock feed manufacturers are supplied with local grains (maize and rice meal). Wheat growing efforts in the Lubero/Kivu area continue to enjoy success. Midema distributed 6,400 kg of improved seed to 500 farmers in 1982 and 14,900 kg to 1,200 farmers in 1983. A yield of 2 tonnes/ha, compared to 500 kg/ha before the distribution of selected seed, is encouraging farmers to return to wheat growing, introduced in the Kivu region in 1914.

Maize: The decision by the government of Zaire to decontrol farm prices and privatize capital previously managed by the government stimulated the growing of maize throughout the country. The production of maize marketed to large mills (to make maize flour for commercial purposes), malsters (to make beer) and animal feed plants rose from 36,000 tonnes in 1978 to 75,000 tonnes in 1982. At the end of 1984, maize production totalled 90,000 tonnes, representing an annual average growth rate of 19.7% compared to the 1978 level. The forecast for 1984 was 115,000 tonnes and 40,000 tonnes imported.

Agris program, Likasi (ex: CEPSE-GCM): The average annual yield per hectare has always exceeded five tonnes, dropping to 3.5 tonnes/ha for the 1982-1983 crop year due to adverse weather. The program was originally designed to develop industrial maize growing and in a short time frame to achieve a production figure of 25,000 tonnes per year. The project's success is due to a high-performing maize seed variety (R52) and early planting of seed. Maize production in 1984-1985 was 25,000 tonnes.

Nord-Shaba maize program (USAID/1982-1984)

Year	Maize production (tonnes)	Maize marketed to major centres
1982	70,000	30,836
1983	80,000	35,000
1984	122,000	45,000

Rice: For several years, Chinese cooperation has provided major technical assistance to rice growing in the Lower Zaire, equatorial, Bandundu and Upper Zaire regions. Decontrolled imports now allow the demand to be fully met.

Soybean: Soybean production in Zaire appears to have a bright future. This protein-rich legume seed has a wide range of uses: fodder and meal for livestock, flour and oil for human consumption. At least three crops can be harvested each year (97-day cycle). Soybeans can be grown in most regions of the country. Soybeans production in 1983 totalled 2,160 tonnes compared to 1,150 in 1982. The introduction of mechanical farming in Kwilu-Ngongo and Likasi allows us to expect an additional 2,000 tonnes in 1986.

No countertrade/barter transactions have been reported.

7. Market Prospects - Grains and Oilseeds

Zaire will continue to import grain and flour for the foreseeable future since wheat growing is still in the experimental stage. Bread consumption is increasing.

Canadian exporters should contact importers in Zaire, except for Midema, which imports its wheat from the United States.

With regard to Canadian special crops Zaire is familiar only with local grains. Zaire is self-sufficient in navy beans, persimmon and maize.

8. Storage and Throughput Capacity

Year: 1985
- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity*</u>
Matadi	200	678.6 MIDEMA
Boma		35.3
Bonana		17.2
Kalemie		
Ilebo		
Kinshasha		301.7
Kinsangani		
East London (South Africa)		
Dar-Es-Salaam (Tanzania)		
Mombassa (Kenya)		
Durban (South Africa)		

* 6 months, 1984

9. Wheat Flour Production, Import and Consumption (1982-1984)

	<u>1984</u> <u>(6 months)</u>	<u>1983</u> <u>(tonnes)</u>	<u>1982</u>
Wheat			
Imports	48,420	152,066	145,755
Inventory Dec. 31 (2)	1,200	5,500	7,038
Flour			
Inventory Jan. 1 (2)	(350)	(520)	(388)
Production (by company)			
Midema	39,430	114,221	122,156
Agris	1,900	2,322	1,153
Minoki	260	216	-
Production	41,590	116,759	123,309
Flour - Imports			
Midema (1)	2,685	6,033	4,990
Quo Vadis	26,000	49,000	3,992
Miscellaneous		2,000	3,000
Flour - Supply			
Production	41,000	116,759	123,309
Imports	28,685	57,033	11,982
Inventory Dec. 31 (2)	600	500	520
Flour sales	69,675	174,292	134,771

(1) Including 2,685 tonnes donated by the Greek government.

(2) Inventory as at June 30, 1984 (source: Zaire economic situation No. 23)

II. MALT AND MALTING BARLEY

1. Imports: 80-85% of malt requirements for annual beer production is imported. (UN/FAO statistics list 1983 barley malt imports at 29,000 tonnes. EEC trade data list malt exports to Zaire at 26,400 tonnes in 1983 and 26,000 in 1984). Principal suppliers: France, Belgium, Germany.

2. Annual beer consumption has increased substantially. The results for the first quarter of 1984 show an increase of 15.4% from 1983 (1.7 million hl compared to 1.5 million). European industry sources list 1983 beer production at almost 3 million hl.

Beer Production, Republic of Zaire, Thousand HL, 1982 - 6 Months 1984

<u>Brewers</u>	<u>Capacity</u>	<u>1984</u> <u>(6 months)</u>	<u>1983</u>	<u>1982</u>
Bralima	2,700	704	1,189	1,274
Brana	180	5	10	11
Brasimba	1,150	280	573	571
Sobrabrand	160	19	39	15
S.B.K.	500	149	295	277
Unibra	1,700	535	963	806
TOTAL	6,390	1,692	3,069	2,954

III. OILSEEDS

COTTONSEED, MEAL, LINTER AND SOYA OIL PRODUCTION (1982 - 1984)

<u>Products</u>	<u>1984</u> <u>5 months</u>	<u>1983</u>	<u>1982</u>
	(tonnes)		
Cottonseed processed	980	2,800	2,400
Crude oil	102	320	268
Refined oil	98	280	238
Cottonseed meal	392	1,120	1,038
Linter	49	140	69
Soya seeds processed	1,100	1,000	-
Refined Oil	132	120	-
Soya meal	935	850	-

Palmseed Oil and Meal Production (Tonnes), 1982-1983

<u>Year</u>	<u>Palmseed Oil</u>	<u>Palmseed Meal</u>
1983	15,264	22,261
1982	20,003	22,677

Z A M B I A

Economic classification: Low Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$560	1981
Annual per capita GNP	US\$600	1981
Average annual growth	1.9%	1960-80
Annual inflation rate	10.0%	1970-80
Annual inflation rate (current)	19.1%	
Volume of imports	0.85 billion US\$	1982
Of which food	5.0%	1982
Of which fuels	21.0%	1982
Principal foreign exchange earning export: Copper (95%)		
Debt service as % of GNP	7.0%	1983
Debt service as % of exports	25.0%	1983*
Population	6.2 million	1982
Annual population growth	3.5%	1972-1982
Annual Consumption:		
Flour	120,000 tonnes or 19 kg/capita	1983
Meat	24,800 tonnes or 4 kg/capita	1983
Vegetable Oil	22,000 tonnes or 3.6 kg/capita	1983

* 1984 estimates show debt service as 65% of export earnings.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat: Local wheat crop stands at 10,000 tonnes per annum or one month's supply. Imports average 110,000 tonnes per annum. The normal supplier is Australia, in quarterly shipments through Dar es Salaam or South African ports. Price of local bread increased from K .53 to K .90, but in a flourishing black market the price of a loaf of bread is about K 1.50.

Maize: In 1985/86, Zambia expects to produce its best maize crop since 1976 but critical shortages of fuel, sacks and tyres could result in serious losses. Expected harvest will be about 900,000 to 1 million tonnes as compared to 760,000 tonnes in previous year. The current crop will make the country self-sufficient for maize requirements. Maize prices have increased by 17% to K33 for a 90 kg bag.

Other Crops:

Cotton crop is expected to be higher than in 1984 which was a record harvest. Sunflower has also benefited from a good rainy season.

A soyabean processing plant costing US\$4.6 million, with a capacity of 6,237 tonnes of meal, is expected to be in production by mid-1986. Soyabean demand of 8,000 tonnes is at present being met from imports.

Due to maintenance problems at the Zambian oilseed expeller plant, 28,000 tonnes of sunflower seed were sent to Zimbabwean and Malawian factories and 5,000 tonnes to South Africa to be expelled. Local cooking oil prices have been increased by 30%.

The shortfall in maize requirements has been met by imports from Zimbabwe (12,500 tonnes) and Malawi.

Z I M B A B W E

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$416	1984
Annual per capita GNP	US\$277	1984
Average annual growth	0.7%	1960-80
Annual inflation rate (current)	18.0%	1984
Volume of imports	1.1 billion US\$	1984
Of which food	2%	
Of which fuels	17%	
Principal foreign exchange		
earning export:	Tobacco, gold, minerals	
Debt service as % of GNP	5.5%	1984
Debt service as % of exports	25.0%	1984
Population	8.7 million	1984
Annual population growth	4.3%	1984
Annual Consumption:		
Flour	240,000 tonnes or 27.5 kg/capita	1984
Meat	80,000 tonnes or 9 kg/capita	1984
Vegetable Oil	62,000 tonnes or 7 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Following successive droughts in 1984, Zimbabwe was compelled to import 268,985 tonnes of corn (maize), mainly yellow No.2 U.S. corn. The winter wheat crop, due to a shortage of water for irrigation, was under 100,000 tonnes or just over half the national requirement. Aid from countries such as the EEC, Spain and Australia went towards meeting the shortfall.

The situation in 1985, following good rains, resulted in most major dams being full and crops were up to expectations. Estimates for maize deliveries to the Grain Marketing Board (GMB) vary from 1.6-2 million tonnes. A commercial bank estimates deliveries to reach around 1.6 million tonnes with commercial farmers contributing 900,000 tonnes and communal farmers 700,000 tonnes. This represents an increase of about 150% over last year in deliveries by the communal farmers. It is expected that a high proportion of the communal crop will be retained in rural areas for local consumption. This indicates a total maize crop in excess of 2 million tonnes. Wheat production for 1984/85 is estimated at 212,000 tonnes or about 40,000 tonnes short of requirements. However, stocks are estimated to be about 14,000 tonnes. With 650 wheat and barley growers in Zimbabwe there are plans to increase the wheat area by another 50,000 hectares in the next five years costing US\$16 million. The local wheat yield is around 5 tonnes per hectare. The main problem regarding increased wheat production is the pre-planting price which growers regard as too low.

1. Crop Situation and Outlook (cont'd)

Details of other 1984/85 crops are as follows (tonnes):

Groundnuts	33,796
Sunflower	18,345
Seed cotton	300,000
Sugar	425,000
Tobacco	117,000
Soya bean	83,000 (deliveries to GMB only)
Rice*	10-12,000

* Rice is grown under irrigation

2. Foreign Exchange Situation

1984 showed a favorable trade balance of payments resulting in an increase of 30% to the industrial sector for imports. However, debt servicing takes up a great deal of any exchange balance with the devaluation of the Zimbabwe dollar (1 Z\$ to US\$.58), contributing to this problem. As a result there is a shortage of foreign exchange to meet grain import requirements in times of drought. Zimbabwe still has a strict import control system to conserve much needed foreign exchange.

3. Fertilizer Situation

Fertilizer is formulated locally from various chemicals including sulphur and urea. The sulphur is imported from Canada. Ammonium nitrate is manufactured in Zimbabwe. Fertilizer requirements have been obtained in terms of countertrade with Eastern European countries. Foreign exchange limitations make the landed price at Harare the major factor in marketing of fertilizer products.

4. Import Mechanism

All grain imports are through the Grain Marketing Board (GMB).

5. Grain Industry Infrastructure

Storage capacity for grain crops continues to be a problem. Existing storage capacity is 4 million bags, less than half the total capacity of 10.5 million bags required. New facilities in the main centres are being planned with foreign aid. Storage facilities are built from brick and concrete which is available locally with handling/conveying equipment normally imported.

6. Government Policies Affecting Grain and Agriculture

Maize meal and bread are subsidized by the government. Increased prices to growers increase the financial burden on the government. The low 1984/85 pre-planting price for wheat is quoted as the sole reason for no additional hectares being planted. Minimum wage legislation has also increased production costs of certain crops and profits have been reduced to a marginal level.

7. Market Prospects - Grains and Oilseeds

Indications are that government policy will be to expand production of grain to meet internal needs and to create a surplus for export. Loans at attractive rates are available to the farming population to increase irrigated area, to build dams etc.

The prospects for Canadian sales to Zimbabwe of grains is not good in view of local production and plans for the future.

Regarding the marketing of Canadian special crops, Zimbabwe agricultural research have introduced the Michigan Pea Bean with assistance from Heinz of Canada in a 100 hectare project. Demand for other special crops appears minimal.

8. Processing Facilities

	Year 1984		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	3	10	350 (est.)	230*
Compound Feed Mills				
Malt Houses	2	2	36	25
Oilseed Crushers	4	6	120	60

* Production by commercial millers is reported to be adversely affected by the operations of small rural operators.

During recent year new milling and oil extraction plants opened in Zimbabwe as follows:

- (a) Mutare maize mill with latest maize milling equipment supplied by Ocrion Spa Ceromona of Italy.
- (b) Aspindale, Harare, \$5 million maize and oil extraction plant with capacity of 200 tonnes maize and 20 tonnes crude cooking oil every 24 hours.
- (c) Chinhoyi with capacity of 96 tonnes of maize every 24 hours.

Baumgarten, West German millers, also discussing with local consortium the establishment of further facilities.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984/85
 - - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Durban - South Africa	All capacities are more than adequate for Zimbabwe's needs.	
Port Elizabeth "		
Maputo - Mozambique		
Beira "		

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1984/85 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley*	25	-	-	-	25

* Malting barley only grown - all under irrigation.

2. Imports: Nil

3. Additional information:

Malting plant (National Breweries) contracts barley requirements out to farmers. Barley crop is geared to demand. Current barley production is 5,000 hectare with average yields of about five tonnes per hectare.

Malted barley (malt) is exported to neighbouring countries as follows (tonnes): 1982 - 12,291; 1983 - 9,406; 1984 (Jan-Sept) - 2,108.

Beer consumption: Increasing slightly, breweries report little change in marketing pattern.

Market potential for Canadian malt and/or malting barley: Very little potential.

III. OILSEEDS

1. Trade Policy:

Import tariffs: 20% ad valorem on oilseeds, crude oil, oilseed meal and refined oil.

Additional factors: Due to local production, foreign currency is not allocated for imports except in occasions of scarcity. The Chairman of the Agricultural Marketing Authority has stated that oilseed production in 1985 will meet the national needs.

Zimbabwe is a small exporter of vegetable oils as follows (tonnes): 1983 - 513 (ground nut); 1984 - 10 (ground nut).

2. Supply of oilseeds and products by type, thousands of tonnes:

Year 1984/85

	<u>Crop sales through marketing authorities</u>	<u>Production by expressers</u>	<u>Oil expressed</u>
Ground nuts	9.3	-	-
Soya beans	84.5	84.5	15.2
Cotton seed	190.0	190.0	32.3
Sunflower	3.8*	12.0	4.2
Maize	1,600.0	10.0	0.5
TOTAL			52.2

* This figure for communal farmers only. In common with other countries ground nuts are becoming more important as a food crop. In 1984/85 commercial farmers delivered 83,000 tonnes of soya beans to the GMB as compared to national requirement of 120,000 tonnes. Shortfall in soyabeans is reported to be due to low pre-planting price.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	210-220* (120)	14 (10)	113 (109)	328 (229)
Durum wheat				
Flour/Semolina				

TOTAL

* estimate

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	Consumption Human	Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	240 (205))						328 (229)
Durum wheat							
Flour Semolina							

TOTAL

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Aid, concessional credit, etc.	20	30 (25)	12 (35)		15	36	113

total

Principal others: Spain (7)

Note: Figures for 1985 wheat crop to be harvested October/November not yet in. Estimates are for shortfall of about 20 to 30 thousand tonnes.

(B) COARSE GRAINS

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn Maize	2,613* (1,060)		269	2,613
Barley (malting)	25			25
Sorghum	135		10	145
TOTAL	2,773 (1,060)		279	2,783

* This figure an estimate as only sales to GMB appear in stats while retentions are (by farmers) at a high level.

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>		<u>Industrial</u>	<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>		<u>(seed, waste)</u>			
Corn Maize	1,500	200	150		13	750	2,613
Barley (malting)	25		12**				25
Sorghum							12
Oats							
Rye		200	162		13	750	2,650
TOTAL	1,525	200	162		13	750	2,650

** 12,000 tonnes utilized for commercially brewed beer.

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>EEC</u>	
Corn (maize)		109		60	100
Sorghum				10	10
TOTAL		109		70	279
				Principal others: Thailand	

Maize imports included 72,275 tonnes in aid and the remainder for cash payment.

Note: Official figures only represent deliveries to GMB while retentions by farm sector for food requirements represent large percentage.



PART IX
OCEANIA



NEW ZEALAND

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$5,250	1984*
Annual per capita GNP	US\$5,250	1984*
Average annual growth**	10.3%	1965-85
Annual inflation rate	11.6%	1975-85
Annual inflation rate (current)	16.6%	
Debt service as % of GNP	2.3%	1984*
Debt service as % of exports	8.2%	1985*
Population	3.29 million	1985
Annual Consumption:		
Flour	222,000 tonnes or 67.5 kg/capita	1984

* Year ending February 28th

** Nominal growth rate (1.2% real)

I. GENERAL INFORMATION

1. Crop Situation and Outlook

1983/84

<u>Crop</u>	<u>Hectares</u>	<u>Production</u> (tonnes)	<u>Yield</u> (tonnes per ha)
Wheat	62,000	308,200	4.9
Oats	13,300	56,600	4.2
Barley	130,000	652,300	5.0

1984/85

<u>Crop</u>	<u>Hectares</u>	<u>Production</u> (tonnes)	<u>Yield</u> (tonnes per ha)
Wheat	67,090	298,200	4.4
Oats	10,100	44,000	4.4
Barley	166,200	771,500	4.6

2. Foreign Exchange Situation

New Zealand is not an aid recipient. Foreign exchange situation has been very poor over the past year, but with interest rates exceptionally high, the situation at the present time has improved.

3. Fertilizer Situation

1984/85 (June year) domestic fertilizer sales were about 2 million tonnes, which is up 5% over 1983/84 sales. The 2 million tonnes of fertilizer consisted of 1.85 million tonnes of superphosphate and .15 million tonnes of other fertilizers. Increase in usage is due mainly to an 18% increase in gross farm returns.

4. Import Mechanism

The New Zealand wheat board is the sole authority for wheat and flour imports. Closer Economic Relations (CER) with Australia will see a gradual (10% per annum) increase in flour import quotas until 1995 when such flour imports will enter tariff free with no quotas.

5. Grain Industry Infrastructure

New Zealand Wheat Board is the sole purchaser and distributor of New Zealand grown milling grade wheat and the Board controls the importation of all wheat. (Reference Wheat Board Act 1965 and Wheat Board Regulations 1965).

6. Government Policies Affecting Grain and Agriculture

In October 1984 the Government announced its intentions to deregulate the wheat and flour industries within a four year transition period. Regulatory controls are to be removed from wheat flour on January 31, 1987 and the role of the New Zealand Wheat Board is to be reviewed in 1988.

Additional imports of feed grains will be seen in 1986 due to severe drought conditions in Feb-June period in South Island.

There is no government policy on countertrade/barter as it relates to grain and oilseeds imports.

7. Canadian Grain Marketing Prospects

There are no long-term grain import projections. There may be some market opportunities for feed grains.

Small volumes of Canadian special crops will continue to be imported.

8. Processing Facilities

Year: 1985

- 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	11	18	400	222
Compound Feed Mills				
Malt Houses	1	2		
Brewers*				
Oilseed Crushers	1	1	0.4	0.2

* Capacity and output in hectolitres

9. Storage and Throughput Capacity: Auckland - no grain storage capacity.

II. MALT AND MALTING BARLEY

The malting barley and barley situation has not altered significantly from 1984 report.

III. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1984/85 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat				
Durum wheat	298 (308)		76 (96)	374 (404)
Flour/Semolina				
TOTAL	298 (308)		76 (96)	374 (404)

DISPOSITION 1984/85 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat							
Durum/Wheat	290 (285)	84 (61)			(58)	374 (404)	- 425
Flour Semolina							
Total	290 (285)	84 (61)			(58)	374 (404)	-

Export Destination: S.E. Asia

IMPORT TRADE 1984/85 est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Canada						

WHEAT (including durum)

Cash	76 (96)					76 (96)
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APPENDIX I
LIST OF CONTRIBUTING TRADE OFFICERS



APPENDIX I

List of Contributing Trade Officers

<u>Geographic Area/Country</u>	<u>Trade Officers</u>
I. <u>European Economic Community</u>	
Belgium-Luxembourg	R. Lejeune
Denmark	J.L. Neergaard
France	J. Pomerleau
Greece	C. Swift/G. Cadieux
Ireland	J. Sullivan
Italy	M.J. McDermott
Netherlands	A.M. Dann
Portugal	J.A. Feir/M.J.D. Lima
Spain	M.F. Crawcour
United Kingdom	P. Westdal*/G.D. Cooper
West Germany	G. Kandulski
II. <u>Western Europe (Non-EC)</u>	
Austria	L.N. Decrinis
Finland	K.H. Valjakka
Malta	M.J. McDermott
Norway	N.S. Rodem/D.H. Leavitt
Sweden	U. Hansson
Switzerland	P. Williams
Turkey	B. Bouma/C. Ozguc
III. <u>Eastern Europe</u>	
Czechoslovakia	I. Boldova/B. Oak
German Democratic Republic	E. Meczynska/D.B. Collins
Hungary	S.B. Gyonyor/G. Wright
Poland	E. Meczynska/D.B. Collins
Romania	O. Bonea
Union of Soviet Socialist Republics	Embassy
Yugoslavia	Embassy

* Canadian Wheat Board, London, England.



<u>Geographic Area/Country</u>	<u>Trade Officers</u>
IV. <u>North and Central America</u>	
Costa Rica	M. Ruiz
Cuba	Embassy
Dominican Republic	Embassy
El Salvador	M. Ruiz
Guatemala	H. Cerezo
Honduras	H. Cerezo
Jamaica	P. Wright
Mexico	B.A. Badani
Nicaragua	M. Ruiz
Panama	M. Ruiz
V. <u>South America</u>	
Argentina	H. Glansdorp
Brazil	N. Villeneuve
Chile	R. Goulet/Embassy
Colombia	R. Bosenberg
Peru	J.A. Collantes
Uruguay	H. Glansdorp
Venezuela	M. Proteau de Araujo
VI. <u>Asia (Near East)</u>	
Cyprus	Z.W. Burianyk
Israel	A. Hausvater
Jordan	S. Museitif/M.G. Stinson
Kuwait	M. Sattar/R. McAlpine
Saudi Arabia	D. Haro
VII. <u>Asia (Far East)</u>	
Hong Kong	F. Chau
India	K.L. Khanna
Indonesia	P.M. Hutasoit
Japan	L. Boisvert/Embassy
Korea	C.W. Chang
Malaysia	Canadian High Commission
Pakistan	M.Y. Farooqi/J.M. Mundy
People's Republic of China	P. Filteau/Embassy
Philippines	K. Hewlett-Jobes/Embassy
Sri Lanka	B.L. Barnett
Thailand	T. Thaiprasithiporn



Geographic Area/Country

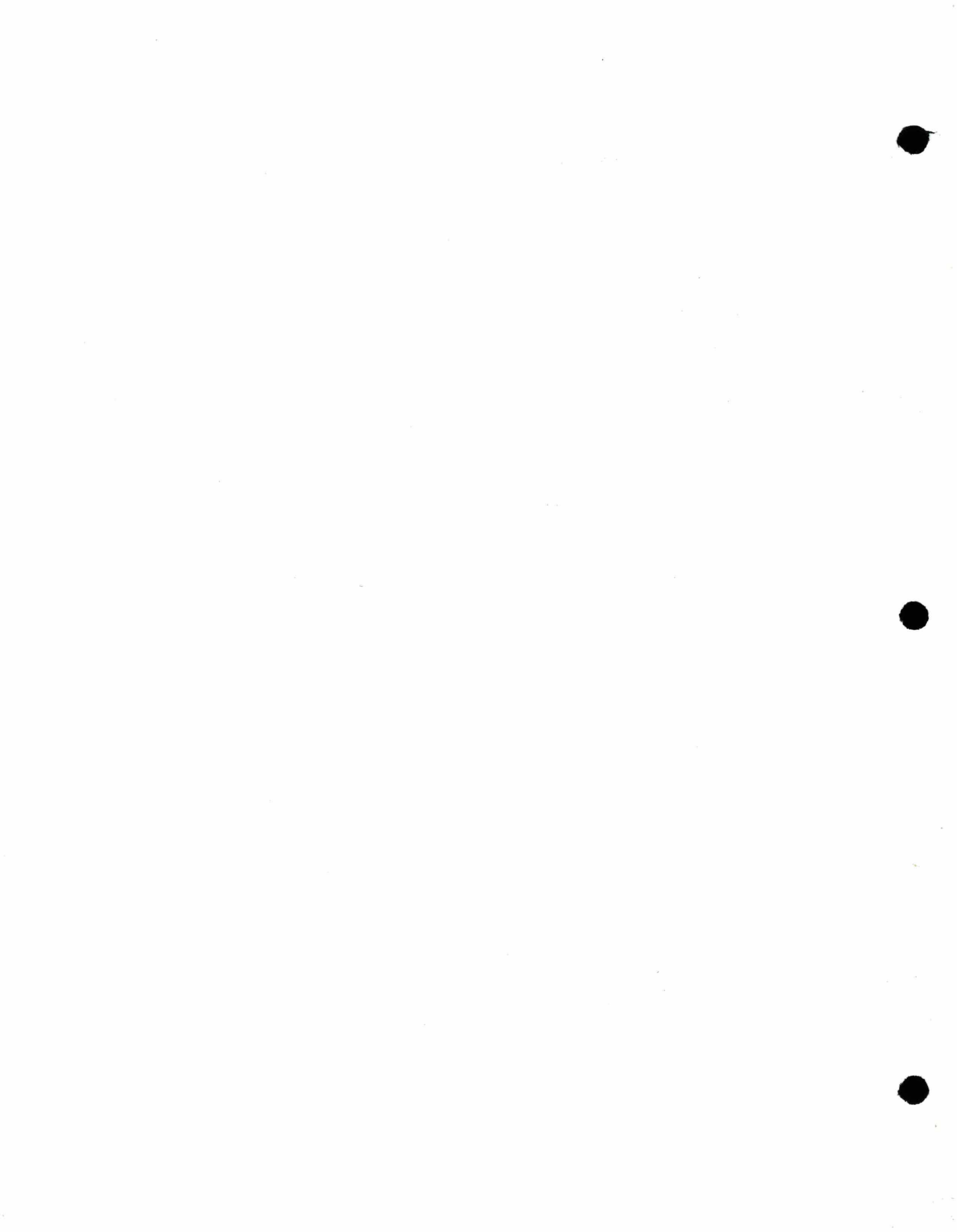
Trade Officers

VIII. Africa

Algeria	Embassy
Cameroon	Embassy
Egypt	M. Ghazal/W. Maybee
Ivory Coast	B. Sangare
Kenya	G. Dunford
Malawi	T.S. Mercer
Morocco	B. Picard
Mozambique	T.S. Mercer
South Africa	B. Fraser
Tunisia	L. Bourquiba
Zaire	B.W.A. Bilapo/L. Guay
Zambia	T.S. Mercer
Zimbabwe	T.S. Mercer

IX. Oceania

New Zealand	J.J. Ganderton
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