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# Global Market Opportunities Review

## Oilseeds





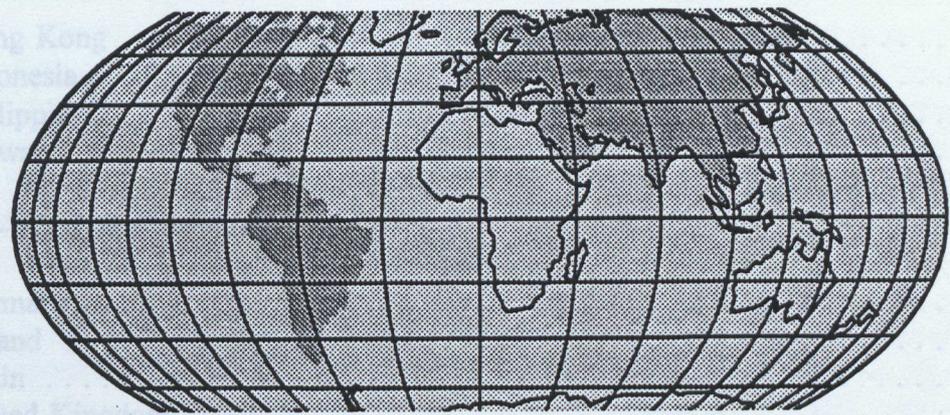
Forward

**GLOBAL MARKET OPPORTUNITIES REVIEW  
FOR OILSEEDS**

Executive Summary

*Section A - ASIA PACIFIC REGION*

Hong Kong  
Indonesia  
Philippines  
Taiwan



*Section B*

Germany  
Poland  
Spain  
United Kingdom

*Section C - CENTRAL AND SOUTH AMERICA*

Argentina  
Brazil  
Mexico  
Peru

**Published by:**

**AGRICULTURE AND AGRI-FOOD CANADA  
GRAINS AND OILSEEDS DIVISION  
INTERNATIONAL MARKETS BUREAU**

*Section D - AFRICA, MIDDLE EAST AND ASIA*

Algeria  
India  
Iraq  
Morocco  
Saudi Arabia  
Turkey

**SECTORAL LIAISON SECRETARIAT (TOSA)  
INTERNATIONAL BUSINESS DEVELOPMENT BRANCH  
FOREIGN AFFAIRS AND INTERNATIONAL TRADE**

*Appendix A - Country Statistical Tables*

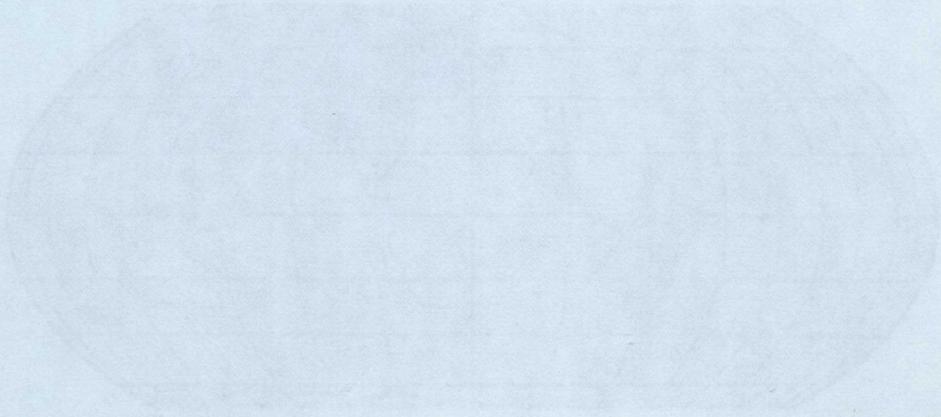
*Appendix B - List of Federal Government and Industry Contacts*

**March 1994**

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GLOBAL MARKET OPPORTUNITIES REVIEW

FOR CANADA



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AGRICULTURE AND AGRIFOOD CANADA  
GRAINS AND OILSEED DIVISION  
INTERNATIONAL MARKETING SURF AU

SECTORAL LIAISON SECRETARIAT (SLS)  
INTERNATIONAL BUSINESS DEVELOPMENT BRANCH  
FOREIGN AFFAIRS AND INTERNATIONAL TRADE

March 1994

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## FORWARD

This survey of the oilseed industry for selected countries began in 1991 as a replacement for the annual oilseed report and the oilseed portion of the "Grains and Oilseeds Survey". Information from the oilseed survey is used by government and industry to develop export market strategies and country priorities for the oilseed sector in Canada.

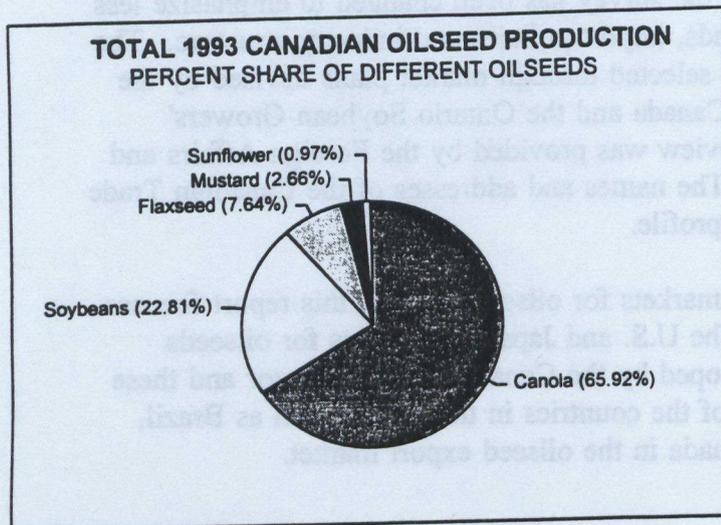
The Global Market Opportunity Review provides a detailed report of the oilseed sector in each of the outlined countries. The focus of the survey has been changed to emphasize less statistics and more information on sector trends, import policies and industry structure. The countries featured in the oilseed survey were selected through market plans devised by the Canola Council of Canada, Flax Council of Canada and the Ontario Soybean Growers' Marketing Board. The information in this review was provided by the Foreign Affairs and International Trade Commissioners abroad. The names and addresses of the Canadian Trade Offices are listed at the end of each country profile.

Although Japan and United States are major markets for oilseed exports, this report focuses on export opportunities in other countries. The U.S. and Japanese markets for oilseeds products have already been extensively developed by the Canadian oilseed sector and these markets are already well understood. Some of the countries in this report such as Brazil, Argentina and India are competitors with Canada in the oilseed export market.

## EXECUTIVE SUMMARY

### Domestic Production

In 1993, Canada produced a total of 8.1 million tonnes of oilseeds. Canola and soybeans accounted for almost 90% of this production. Other oilseed crops such as flaxseed, mustardseed and sunflowerseed account for the remaining 10% of production.

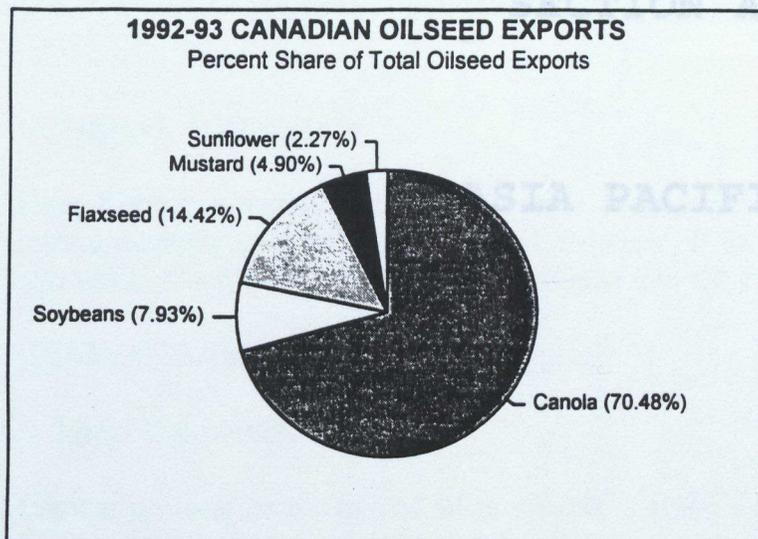


### Canadian Exports - Oilseeds

Roughly one-half of the total Canadian production of canola seed is exported. Exports of canola seed averaged 1.8 million tonnes over the last three crop years and are forecasted to reach 3.0 million tonnes in 1993-94. Japan has accounted for around 90% of Canada's total export sales of canola seed. In 1993-94, however, export shipments of canola seed to the E.C., United States and Mexico are forecasted to increase dramatically.

A smaller share of Canada's production of soybean seed is exported. In 1993-94, however, soybean exports are forecasted to jump to 475,000 tonnes from 189,000 tonnes in 1992-93. Over the last five years, around 17% of Canada's total production of soybean seed has been exported. United States is the major export market for soybeans used for processing soy oil and meal. Canada also exports special food-type soybeans, to countries primarily in the Pacific Rim, that use the soybeans to produce soy foods and drinks.

Almost all of Canada's production of flaxseed and mustard seed is exported to primarily Europe and United States. Most of Canada's production of sunflower seed is processed domestically. The surplus production is exported mainly to the United States and Europe.



### Canadian Exports - Vegetable Oil and Meal

Canola oil and meal comprise over 90% of Canada's total exports of vegetable oil and meal. Most of the soy oil and meal processed in Canada is consumed domestically.

United States is the primary export market for Canadian canola oil. In 1992, 272,000 tonnes of canola oil was exported to United States (84% of the total canola oil exports). The U.S. market for canola oil is forecasted to continue growing in 1993 and 1994. Other exports markets for canola oil are primarily CIDA food aid countries in Asia, South America and Africa.

The United States is also the main export customer for canola meal. In 1992, United States imported around 522,000 tonnes of canola meal (73% of Canada's total canola meal exports). Another increasingly important export market for canola meal is in the Pacific Rim region.

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For more detailed information on Canadian oilseed statistics and industry structure there are two other publications available from the International Markets Bureau - Grains and Oilseeds Division, Agriculture and Agri-Food Canada.

1. Fats and Oils in Canada Annual Review 1992
2. Oilseeds Sector Profile



# HONG KONG SECTION A INDUSTRY

## GENERAL OVERVIEW

Hong Kong is a market of 6 million people with a high demand for food and oilseed. The most commonly used oils are peanut oil and corn oil for Chinese cooking. Sunflower oil is also used. Canola oil was recently introduced into the Hong Kong market in 1993.

## ASIA PACIFIC

## CHARACTERISTICS OF THE MARKET

### A. Local Production

There is no local production of oil or oilseed in Hong Kong. Hong Kong companies import oil or oilseed in bulk and package it locally.

Hong Kong government has a non-intervention policy on the industry. It has no price supports, production incentives, subsidies and no strict environmental controls over the packaging or the refining of the oil in Hong Kong.

Hong Kong government will continue the non-intervention policy. However, more concerns will be placed on the environmental control aspect of the production process. In addition, quality of oilseed imported into Hong Kong will be a concern in the future.

### B. Domestic Market

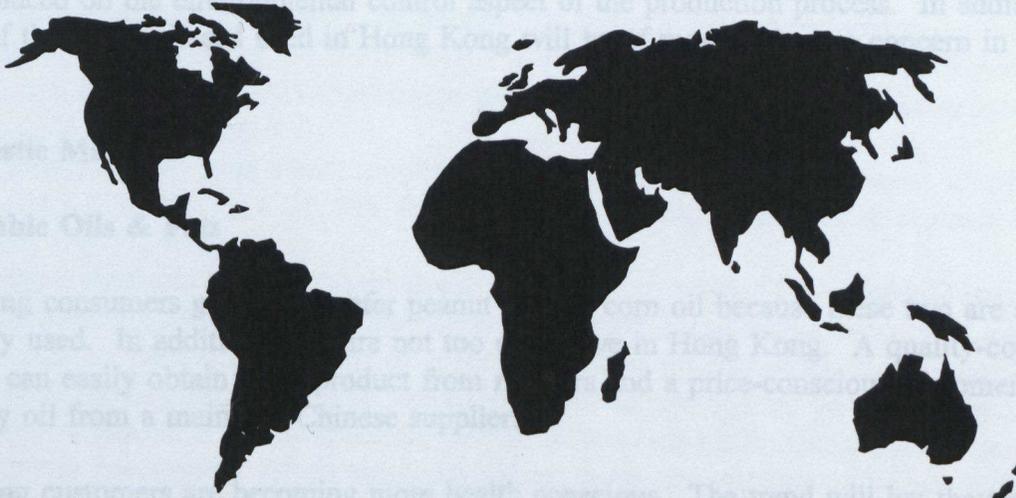
#### Vegetable Oils

Hong Kong consumers are very particular about their oil because they use so much oil. Peanut and corn oil are so commonly used. In addition, they are not too health conscious. A health-conscious customer can easily obtain a product from a health-conscious supplier and a price-conscious customer can easily buy oil from a main Chinese supplier.

Hong Kong customers are becoming more health conscious. The trend will be that they will tend to consume low-calorie, low-fat and low-cholesterol food. Any product which can help achieve the above objectives will be welcome.

#### Protein Meals

Canola or flax meal is not too well known.





# HONG KONG OILSEED INDUSTRY

## GENERAL OVERVIEW

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## CHARACTERISTICS OF THE MARKET

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Hong Kong government has a non-intervention policy on the industry. It has no price supports, production incentives, subsidies and no strict environmental controls over the packaging or the refining of the oil in Hong Kong.

Hong Kong government will continue the non-intervention policy. However, more concerns will be placed on the environmental control aspect of the production process. In addition, quality of the oil or oilseed used in Hong Kong will be of more and more concern in the future.

### B. Domestic Market

#### Vegetable Oils & Fats

Hong Kong consumers generally prefer peanut oil and corn oil because these two are so commonly used. In addition, they are not too expensive in Hong Kong. A quality-conscious customer can easily obtain good product from retailers and a price-conscious customer can easily buy oil from a mainland Chinese supplier.

Hong Kong customers are becoming more health conscious. The trend will be: they will tend to consume low-calorie, low-fat and low-cholesterol food. Any product which can help achieve the above objectives will be welcome.

#### Protein Meals

Canola or flax meal is not too well known.

## MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

In the short term, due to the adjustment of the Canadian dollar, products like soybean and corn oil have potential. In the long run, canola oil will have a potential once they gain more awareness in the local market regarding their difference.

Canadian product has enjoyed the reputation of being clean and high quality. However, they are perceived to be expensive as well. Products from the U.S. and Australia are perceived to be the closest competitors. All the products from these countries are perceived to be high quality and high price (when compared with the supplies from China and some parts of Asia).

Organization of trips for some food buyers, which may well include some oil/oilseed buyers, can enhance (indirectly) the appreciation of the quality and variety of the oilseed products that Canada can offer.

### ACCESS

Hong Kong is practising free trade and there are no tariff, custom or duties on oilseed products. And there has been no recent change of this policy and probably the free trade policy will continue in the future.

Hong Kong importers can import directly. The importers are private companies and import in bulk. If government requires supply of oil, it will request the private companies to supply its needs. There will not normally be an international tender unless the government buys an extremely large quantity and this has never happened before.

Guidelines on the import policy of Hong Kong are as follows: (there have been no recent changes and changes in the near future are not expected)

**General Guidelines:** There are no import tariffs/duties, except for alcoholic beverages, nor are there government health regulations governing the importation of foodstuffs into Hong Kong. However, for fresh or frozen meat and poultry/poultry parts, a health certificate issued by the appropriate authority of the exporting country is required to accompany shipments. This also applies to live marine products if shipments are by air. Canada's phytosanitary and other quality standards satisfy Hong Kong authorities.

**Labelling Regulations:** The following is to be clearly printed on the labels: (i) name of the product; (ii) name and address of manufacturer/packer; (iii) ingredients; (iv) count, weight and volume; (v) date of expiry. If products require special storage, it must be indicated on the label. Either English or Chinese or both could be used. In general, Canadian labelling meets local rules.

**Methods of Payment:** Payment is usually made by confirmed irrevocable letter of credit, although other terms such as sight draft and documents against presentation are

also commonly used. Documents covering a shipment should include a bill of lading, or an airway bill. In the case of airfreight shipment, a commercial invoice and an insurance certificate should be sent to the importer as soon as shipment is effected.

## **TRANSPORTATION**

Hong Kong itself is a deep water port and has the largest container terminal in the world. There is sufficient facility for loading and unloading for bulk seed and bulk oil shipments and storage.

Internal distribution network from port of entry to plant is mostly by truck transportation. Hong Kong is a small city and there are no major constraints on transportation or distribution. Occasional traffic jams on roads may affect in-town transportation in a minor way. However, careful logistical planning by local distributors can solve the problem.

## **INDUSTRY STRUCTURE**

### **OILSEED CRUSHING & REFINING**

Vitasoy International Holdings Ltd.  
1 Kin Wong Street  
Tuen Muen  
New Territories  
Hong Kong  
Tel: (852)-466-0333 Fax: (852)-456-3441  
Contact: Mr. Frank Lo, Director

### **HONG KONG TOP PRODUCTS OIL & FOODSTUFFS CO. LTD.**

Room 1103, Lap Fai Bldg.  
6-8 Pottinger Street  
Hong Kong  
Fax: 522-4612  
Contact: Mr. P.M. Hong, Managing Director

CHARMFIELD LTD.  
Room 601, Lee Kar Bldg.  
4 Carnarvon Road  
Tsimshatsui, Kowloon  
Hong Kong  
Fax: (852)-721-5529  
Contact: Ms. Teresa Lei

**LAM SOON MARKETING SERVICES LTD**

1/F., Lee Hang Industrial Building

10 Cheung Yue Street

Cheung Sha Wan

Kowloon

Hong Kong

Tel: 785-6060

Fax: 785-6908

Marketing Manager: Mr. Lam King Wah

**HOP HING OIL FACTORY LTD.**

G/F., Lower Block

Hop Hing Industrial Building

704 Castle Peak Road

Kowloon, Hong Kong

Tel: 741-6041/741-2743

Fax: 785-4237

Contact: Mr. Chan Sai On, Marketing Manager

The above are all private companies and enjoy a good reputation in Hong Kong.

Oil or oilseeds are normally imported by the importers (contacts furnished earlier) in bulk, and the importers re-distribute to different outlets (e.g. supermarkets and retail stores) after packaging or refining, before the products reach the end users. Therefore, the structure is normally: Overseas Manufacturer - Hong Kong importer (which normally can also act as the wholesaler and distributor) - retailers - end users.

**List of Other Industry Contacts**

Agriculture and Fisheries Department

13/F., Canton Road Government Offices

393 Canton Road, Kowloon, Hong Kong

Tel: (852)-733-2178 Fax: (852)-311-3731

## OTHER OILSEED PRODUCTS

Names and addresses of margarine/ghee, vegetable shortening, soyfood products and other domestic companies involved in further processing of oilseeds products, including industrial products.

Dah Chong Hong Ltd.  
12/F., Hang Seng Building  
77 Des Voeux Road Central  
Hong Kong  
Tel: (852)-846-8111 Fax: (852)-845-0222  
Contact: Mr. H.F. Chu, Director

Vitasoy International Holdings Ltd.  
1 Kin Wong Street  
Tuen Muen  
New Territories  
Hong Kong  
Tel: (852)-466-0333 Fax: (852)-456-3441  
Contact: Mr. Frank Lo, Director

Law Man Tung Trading Co. Ltd.  
9 Bonham Strand West  
Ground Floor  
Central  
Hong Kong  
Tel: (852)-542-3011 Fax: (852)-541-0214  
Contact: Ms. Winnie Law, General Manager

SUN SING IMPORT EXPORT CO.  
22/F., Flat "D", Wing Cheong Commercial Bldg.  
19-25 Jervois Street  
Hong Kong  
Fax: (852)-541-4149

CHARMFIELD LTD.  
Room 601, Lee Kar Bldg.  
4 Carnarvon Road  
Tsimshatsui, Kowloon  
Hong Kong  
Fax: (852)-721-5529  
Contact: Ms. Teresa Lai

POROCKS CO. LTD.  
Room 601, Wing On Plaza  
Mody Road  
Tsimshatsui East, Kowloon  
Hong Kong  
Fax: (852)-724-1342

SINO-AMERICAN TRADE ADVANCEMENT CO.  
Suite 1506, Eastern Centre  
1065 King's Road  
Quarry Bay  
Hong Kong  
Fax: 565-0425  
Contact: Mr. Albert Ng

HONG KONG TOP PRODUCTS OIL & FOODSTUFFS CO. LTD.  
Room 1103, Lap Fai Bldg.  
6-8 Pottinger Street  
Hong Kong  
Fax: 522-4612  
Contact: Mr. P.M. Hong, Managing Director

LAM SOON MARKETING SERVICES LTD  
1/F., Lee Hang Industrial Building  
10 Cheung Yue Street  
Cheung Sha Wan  
Kowloon  
Hong Kong  
Tel: 785-6060  
Fax: 785-6908  
Marketing Manager: Mr. Lam King Wah

HOP HING OIL FACTORY LTD.  
G/F., Lower Block  
Hop Hing Industrial Building  
704 Castle Peak Road  
Kowloon, Hong Kong  
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Fax: 785-4237  
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## FINANCING

**Methods of Payment:** Payment is usually made by confirmed irrevocable letter of credit, although other terms such as sight draft and documents against presentation are also commonly used. Documents covering a shipment should include a bill of lading, or an airway bill. In the case of airfreight shipment, a commercial invoice and an insurance certificate should be sent to the importer as soon as shipment is effected.

Use of aid and subsidy programs by competitors for oilseed exports into country (US PL-480, EC export aid, US EEP program).

Canadian or International banking institutions represented in the country.

Royal Bank of Canada  
Canadian Imperial Bank of Commerce  
Bank of Montreal  
Bank of Nova Scotia

### For Further Information Contact:

Office of the Commission for Canada  
GPO Box 11142  
Hong Kong  
Tel: (011-852) 810-4321  
Fax: (011-852) 810-6736



# INDONESIA OILSEED INDUSTRY

## GENERAL OVERVIEW

Indonesia's economy is growing consistently at around 6-7 percent per annum and has a population of nearly 200 million. Indonesia's population is growing 1.9 percent per annum faster than the growth of its domestic production of vegetable oils and protein meals for human and animal consumption. Indonesia is a very important market for increased oilseed product imports now and in the future.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

Indonesia's oilseed products are mainly palm oil, palm kernel, coconut, soybean and corn. Palm oil/palm kernel corporations are primarily owned by the government estate companies and large private enterprises. Coconut, soybean and corn farms are owned by small agricultural farmers. Occasionally, the price of palm oil is intervened by the government depending on the local supply situation. Essentially, the objective of the government policy is to encourage the local oil crushing industries but at the same time attempt to keep the local price of the end products stable and competitive. There is no production incentive, but there is an annual contest among small farmers to win the President Trophy or Cup. The winner, the highest productive group of farmers, is invited to the Palace to meet with the President.

In an effort to help the small farmers, the government has also provided subsidized fertilizer. The value of subsidy content, however, has declined substantially as farmer income has improved steadily over the past 15 years.

Due to significant growth of the country's economy, particularly during the past 15 years, the government has eliminated much of the subsidy production incentives and protection. This has been implemented by the series of government policies for deregulation, debureaucratization and liberation in various fields of industrial sectors, beginning from 1986 until July this year.

### B. Domestic Market

#### Vegetable Oils & Fats

Indonesia's per capita fat consumption in 1991 was 58.75 grams per day of which 92.73 percent was derived from vegetable food and only 7.27 percent from animal origin (compared with 1990's 59.06 grams per day). Indonesia's per capita fat consumption in 1991 decreased by 0.5 percent but is forecasted to increase by 5 and 6% in 1992 and 1993.

Vegetable oil (palm oil, copra oil, and palm kernel oil, etc.) contributed 25.71 grams of the Indonesia's per capita fat consumption in 1991. This represented 43.76 percent of the total Indonesia's per capita consumption. Other major sources of Indonesia's fat consumption are pulses, and nuts/oilseeds (coconuts, soybeans, groundnut, maize etc) contributing 37.22 percent of the total fat consumption in 1991. Other products such as cereals, starchy food, fruits, vegetables, meat, eggs, milk and fish altogether contribute only 18.2 percent of the total Indonesia's per capita fat consumption. Margarine and butter contribution is insignificant. These products are mainly consumed in the urban areas by a small group of middle and high income earners. However, margarine and butter consumption in the urban areas has been growing rapidly due to increased income. Indonesian consumers prefer oils in clear liquid form. Oil and fat issues are not a major concern among most Indonesians.

As the country's economy is improving steadily, the country's per capita consumption of fats and oil will likely continue to increase but it is believed that the current preferences and attitude toward vegetable oils will not change in the near future. Indonesia has a relatively low income per capita (US \$600). Most vegetable oil purchases are based on price and not on health and quality issues.

Indonesia has only one soybean crushing plant, namely P.T. Sarpindo Soybean Industry, producing soybean oil amounting to approximately 50 thousand MT per annum. The local soybean oil production is not sufficient to meet the requirement of domestic consumption, thus imports are occasionally made amounting to approximately 100 MT per annum. Soybean oil is used only for human consumption.

#### **Other Oilseed Products for Direct Human Consumption**

Total Indonesian oilseed production (palm oil/CPO, palm kernel/PKO, soybean, groundnut, copra and maize) in 1992 was 15.547 million MT, an increase of nearly 11 percent from 14.009 million tons in 1991. Part of this production is used as direct food consumption (tahu, tempe and soybean milk). The greatest part is used by crushing industries to make vegetable oil and protein meal.

Although the local oilseed production is increasing, imports are still growing, particularly soybean imports for direct human consumption. This is due to increasing local consumption of tahu and tempe, the typical Indonesian food used to supplement rice.

## Protein Meals

According to the government regulations, the size of livestock industry is as follows:

TYPE OF FARM	MAXIMUM NUMBER OF LIVESTOCK
Layers	10,000 hens
Broilers	15,000 head prod/cycle
Ducks	15,000 head mix
Goat	300 head mix
Swine	125 head mix
Beef Cattle	100 head mix
Dairy Cattle	20 head mix

Protein meal consumption for each sector is insignificant. According to the Director General of Animal Husbandry, the total quantity of ingredient used as source of protein for 1991 was only approximately 886 thousand MT of unhusked rice, 390 thousand MT of maize, 40 thousand MT of sweet potatoes, 316 thousand MT of cassava, five thousand MT of green peas and 36 thousand MT of cow's milk. No breakdown of figures for each sector.

Protein utilized in the domestic market are mainly cereals (76.5%), starchy food (21.3%) and cow's milk (0.2%).

Canola meal was first introduced to Indonesia in 1978. Compared with soymeal, canola is relatively new. Consumers are receptive to canola meal and at least three local feedmills are presently using canola meal regularly. However, soymeal has been recognized in Indonesia as a residue of soybean for many years and is still generally preferred over canola meal in Indonesia.

Indonesia's livestock industry is growing steadily, particularly poultry and dairy cattle industries. The population of broilers, layers, dairy cattle and pigs have increased substantially by 20%, 7%, 6.21% and 5.91%, respectively. Livestock in Indonesia is almost entirely kept under traditional agricultural smallholders. Many of these farms are operated at a subsistence level. As farming is the main activity, the smallholder's life is solely dependent, directly or indirectly upon the piece of the land they possess and fertility of the soil.

Livestock sector development in Indonesia is an integral part of the framework of the Five Year Development Plan for agriculture. Meat consumption of all kinds is growing constantly. The Canadian Embassy believes the livestock industry is growing and protein meal consumption is increasing in line with the growth of the livestock industry.

## **Industrial Usage of Vegetable Oils and Oilseed Products**

Linseed oil is not well recognized in Indonesia. Imports of linseed oil to Indonesia are small (i.e. 400 kg/US \$ 171 in 1992). Rapeseed oil is imported to Indonesia but the volume is very small and is used only in the steel mills as lubricant.

Other major vegetable oils such palm oil (CPO), palm kernel oil(PKO), corn oil and copra are mainly for industrial usage to make cooking oil, margarine, soap, glycerine, bakery fats, tooth pastes, soapstocks, creams, spreads, shampoo and conditioners, hair creams, lotions, deodorants, face care products, etc.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

With the exception of soybean and soybean meal, imports of other oilseeds, vegetable oils and protein meals remain unrestricted. Imports of soybean are solely handled by BULOG, the National Logistic Agency, which is responsible for importation of essential food products, including rice, wheat, sugar and soybean. Imports of other oilseeds, including vegetable oils and protein meals are normally handled by licensed private importers or state owned trading firms.

BULOG buys soybean from overseas suppliers without going to international tenders. They normally contact listed suppliers and negotiate with them directly.

Government regulations controlling soybean meal imports were partially eliminated on June 10, 1993. However, imports of soybeans are still controlled by the Government(BULOG). In an effort to protect the local production of soybean meals, the quantity of imported soybean meals and the locally produced soybean meal is limited to a ratio of 6 to 4. In other words, 40% of the domestic soybean meal requirement should be sourced from local production while the remaining quantity is allowed to be imported.

The Canadian Embassy does not foresee any significant changes to the import policy in the near future. In the long term, imports of soybean and soybean meal will likely be entirely unrestricted as a result of international pressures on Indonesia for international free trade.

Of the total Indonesian oilseed imports, imports from Canada are mainly canola meal. For the past ten years, Canada was the largest canola meal supplier to Indonesia, followed by India and China. This market position changed in 1991. The Canadian canola meal exports to Indonesia have dropped from 30,461 tons (37%) in 1990 to 20,047 tons (23%) in 1992. Indian exports of similar products to Indonesia increased from 21,418 tons (26%) in 1990 to 61,147 tons (70%) in 1992.

The main reason for this change in market position is primarily price. Indian and Chinese rapeseed meal is much cheaper than Canadian canola meal.

## List of Major Importers

1. P.T. CHAROEN POKPHAND INDONESIA, Jl. Ancol VIII No 1, Ancol Barat, Jakarta, Fax:(62-21) 690-7324, Attn: Mr.T.Hadi Gunawan, Procurement General Manager
2. P.T. SELAT INTAN, Jl.Bandengan Selatan I/D, Jakarta, Fax:(62-21) 639-8278, Attn: Mr. Jaya Sakti, Director
3. P.T. KARTIKA KRESNO SAKTI, Jl.Sadar I No. 1 - 5, Jakarta, Fax:(62-21) 380-7198, Attn: Mr. Jacob Widjaya, Sales Manager.
4. BULOG (NATIONAL LOGISTIC AGENCY), Jl. Gatot Subroto 49, Jakarta, Fax:(62-21) 830-2536, Attn: Mr. Sumardi Usman, Chief Foreign Procurement Bureau.

During the 1980's, companies which imported from Canada were P.T.Charoen Pokphand Indonesia for canola meal and Bulog for soybean.

Canadian competitors are not doing any significant promotional activities that may jeopardize Canada's market position in Indonesia. On the contrary, Canada has undertaken a number of promotional activities that have introduced Canadian canola meal in Indonesia. These include trade missions and seminars in Indonesia. Potential customers and Indonesian government related agencies have been contacted through these missions and technical seminars. A number of participants from various related companies have also been invited to participate in various courses organized by Canadian International Grain Institute (CIGI).

Indonesia's imports of soybean will likely continue to increase due to increasing demand of soybean for human consumption. Imports of other oilseed products for animal feed will also increase as local oilseed production will not likely meet the requirements of local feedmills which are growing steadily in line with the domestic livestock industry.

## Country Exports

There are no support systems aimed at encouraging exports of oilseed products. Indonesia's local production is not sufficient and exports are occasionally discouraged. This is done because of the short supply of crude oil for the local edible oil industries.

In general, Indonesia's oilseed exports will decline gradually. In order to meet occasional short supply of raw material for the local cooking oil industries, crude palm oil is imported occasionally.

## MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Canada is presently still one of the major suppliers of canola meal to Indonesia and this will unlikely change over the next five years. Keen competitors in this market are India and China.

For more than 10 years, Canadian soybeans have not been imported to Indonesia due to the high price in comparison to soybeans from China, Vietnam and Thailand. This situation might change in the near future as a few of Indonesia's soybean processors are currently beginning to require high quality soybean. P.T. Nestle Indonesia, one of the Indonesia's major soybean milk processors, has recently approached Canada for high quality soybean. It is believed that Canada can supply high quality soybeans at a competitive price.

As far as quality is concerned, the Canadian oilseed products (canola meal and soybean) are preferred in Indonesia. However, Canada is not very price competitive. As a result, Canadian products are not sold much, particularly because of the presence of lower-priced products from the Asian neighboring countries, such as China, Vietnam and Thailand. These countries also have a freight advantage over Canada.

Many efforts related to the promotion of Canadian oilseed products in the Indonesian market have already been carried out in the past 15 years. These include visits of potential Canadian exporters, the Canola Council of Canada and Agriculture and Agri-Food Canada to all relevant Indonesian government agencies, local feedmills and local poultry farms. A seminar on canola meal was also undertaken in Jakarta in March 1991. This seminar was attended by all relevant Indonesian parties. Apart from these actions, some 20 senior officers from local feedmills and BULOG have been to Canada to participate in CIGI courses over the past 12 years. Last but not least, annual report writing and publication of the oilseed products marketing in Indonesia have been undertaken for the past 15 years.

In order to maintain and strengthen the Canadian marketing position in Indonesia, continuation of these efforts are strongly recommended. The Canadian Embassy will continue to contact the local potential customers and will report to Agriculture and Agri-Food Canada, Canola Council of Canada, Ontario Soybean Growers' Marketing Board and other relevant Canadian agencies should there be any new developments in this market that might have a significant impact on Canadian exports of oilseed products in general and canola meal and soybean in particular to Indonesia.

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	10	20 + 10	10 + 10	20 + 10
Soya	10	20 + 10	10 + 10	20 + 10
Sunflower	10	20 + 10	5 + 10	20 + 10
Flaxseed	10	10 + 10	10 + 10	10 + 10
Sesame	10	20 + 10	10 + 10	10 + 10
Groundnut	10	10 + 10	5 + 10	10 + 10
Cottonseed	10	20 + 10	10 + 10	10 + 10
Palm Oil	10	10 + 10	10 + 10	10 + 10
Coconut	10	10 + 10	10 + 10	10 + 10
Olive	10	20 + 10	10 + 10	20 + 10
Other	10	20 + 10	10 + 10	20 + 10

Deregulation and debureaucratization has resulted in elimination of non tariff barriers, particularly licensing requirements. With the exception of soybean, imports of oilseed and oilseed products to Indonesia are no longer restricted. Although imports of soybean meal are no longer fully controlled by BULOG, the quantity of soybean meal imports should not exceed 60% of the total domestic requirement. This new policy is intended to protect local production. At the same time the local market price will also be controlled by BULOG.

There are no differential exchange rates but preferential treatment has been undertaken beginning this year resulting in a reduction of tariff among ASEAN countries. Import tariffs are being reduced in stages until they reach 0 - 5 percent in 2003 as agreed in the AFTA (ASEAN Free Trade Agreement). This preferential treatment will likely influence oilseed product imports from Thailand which is a member of ASEAN and a competitor with Canada.

### TRANSPORTATION

Imports of oilseed products (maize, soybean, soybean meal, groundnut meal and canola meal etc.) are handled through major ports of entry which include Tanjung Priok in Jakarta, Semarang in Central Java, Tanjung Perak in Surabaya/East Java, Belawan in North Sumatra

and Ujung Pandang in South Sulawesi. Canola meal imports are directly removed from vessels to feedmill storage facilities located along the coast near the feedmills, such as Charoen Pokphand in Jakarta and Comfeed in Surabaya. Soybean imports are removed directly from vessels or ports of entry to BULOG flat godown/oilseed storage, mainly located in Jakarta and Surabaya.

The method of transportation from port of entry to plant is mainly using transportation of trucks and trains. There are no potential transportation/distribution constraints affecting the Canadian capacity to serve this market.

## **INDUSTRY STRUCTURE**

### **OILSEED CRUSHING & REFINING**

Indonesia has at least 200 companies involved in oilseed crushing with a total production amounting to 1.8 million tons in 1992, up from 1.6 million tons in 1991 (an increase of 13%). The production of Indonesia's oilseed crushing industries are mainly cooking oil based on palm oil (71%), cooking oil based on coconut (27%) and cooking oil based on soybean (3%).

Large crushing industries are mainly operated by the state owned enterprises and large private corporations. Indonesia has been involved in the oilseed crushing industry for a long period of time, even predating the Second World War. Currently, it has one of the most advanced technologies in the world.

### **OTHER OILSEED PRODUCTS**

Indonesia's produces only a small volume of margarine and vegetable shortening, i.e. less than 50 thousand tons per annum. More than 80 percent is produced by:

P.T.UNILEVER INDONESIA  
MENARA DUTA, 5th and 6th Floor  
Jl.H.R.Rasuna Said Kav.B-9  
Kuningan, Jakarta  
Fax:(62-21) 516-341  
Attn: Mr.A. Burgmans, President.

P.T. Unilever is a Dutch owned company and has been active in Indonesia since 1933. Unilever shares nearly 90 percent of the local market for margarine and vegetable shortening. Unilever's technical expertise is very advanced and it is believed to be one of the best in the world due to its long experience in this sector of industry. This company also produces refined oils and refined glycerine, cooking oils and fats and other products based on palm oil and coconut.

Oilseed products are mainly imported by large importers/ corporations, both government owned trading companies and private corporations. These companies are also acting as agents and stocking distributors, particularly in those markets near the rural areas, as they also have branches or distributors in small cities. Brokers and commissioned agents in this particular sector are not very popular.

#### **List of Other Industry Contacts**

Association of Food and Beverage Traders, Jl.Pahlawan Revolusi 17-A, Jakarta.

Association of All Indonesian National Importers, Jl. Kesejahteraan 98, Jakarta,  
Tel:(62-21) 360-643.

BULOG (National Logistic Agency), Jl.Gatot Subroto 49, Jakarta, Fax:(62-21) 830-2536,  
Attn: Dr.Ir. Beddu Amang, Vice Chairman.

Association of Indonesian Tahu Tempe Producers, Jl.Tebet Timur Dalam II/12, Jakarta,  
Tel:(62-21) 829-5628.

#### **COMPOUND FEED INDUSTRY**

Indonesia has two kinds of animal feed manufacturers: 1) feed operation producing for local market, 2) feedmill producing for exports. In general, pelletizing firms sell their production to the export market. Presently, there are about 200 companies registered in the Department of Industry involved in the manufacture of animal feed with a total production close to 7 million MT per annum in 1992. Of the 200 companies, one third is engaged exclusively in the pelletizing operation, producing some 3 million tons per year. Two thirds or about 130 companies are involved in complete processed feed(compound and concentrate) with a total production amounting to approximately four million tons per annum.

More than 90 percent of the complete feeds are for poultry, while the remaining products which are classified as other feeds are used in local dairy farms and piggeries.

Some major end users, such as major feedmills (Charoen Pokphand and Cargill) are directly importing for their own requirement. Others may use feed importers, general importers or agents. Brokers and stocking distributors are not very active in this particular sector.

Major feedmills producing complete feed are:

(1) P.T.CHAROEN POKPHAND INDONESIA, Jl.Ancol VIII/No. 2, Ancol Barat, Jakarta,  
Fax:(62-21) 690-7324, Attn: Mr. Peter Pravat Paricharttanakul, Senior Vice President

(2) P.T.COMFEED OMETRACO, Jl.Raya Buduran  
Km 3,5, Buduran, Sidoarjo, East Java, Fax:(62-31) 41795, Attn: Mr. Ferry Santosa, Pres.

- (3) P.T. BUANA SUPERIOR FEEDMILL, Jl.Raya Narogong Km 14, Bekasi, West Java,  
Fax:(62-21) 380-9287, Attn: Mr. M.Fardan Noor, GM
- (4) P.T. GOLD COIN INDONESIA, Jl. Raya Bekasi Km 28, Desa Medan Satria, Bekasi,  
West Java, Fax:(62-99) 72085, Attn: Mr. Tang Pak Nang, Director
- (5) P.T. CARGILL INDONESIA, PANIN CENTER, 5th Floor, Jl. Jendral Sudirman,  
Senayan Jakarta, Fax:(62-21) 710-434, Attn: Mr. Gary Applegate, President
- (6) P.T. METRO INTI SEJAHTERA, Jl. Raya Bekasi Km 28, Bekasi, West Java,  
Fax:(62-21) 880-2895, Attn: Mr. Rudy I. Hutagalung, Director
- (7).P.T. BAMA INTI FEEDMILL, Jl. Raya Gedangan, Sidoarjo, East Java,  
Fax:(03-19) 21676,
- (8) P.T. SINTA PRIMA FEEDMILL, Jl.Sulaiman 25, Slipi, Jakarta, Fax:(62-21) 548-139,  
Attn: Dra. Liliyanti Soewanto, President.

The combined production capacity of these feedmills is approximately 3 to 5 million tons per annum or about 70 - 80 percent of the country's total production capacity (compound and concentrate).

These companies are all owned by the private sector and include both local and foreign investors in joint venture with local partners, such as Charoen Pokphand and Cargill Indonesia.

Standard distribution channels of product from point of entry to final buyer is handled through stocking distributors. However, large buyers, such as large poultry farms are directly buying from feed mills as they normally have storage facilities.

List of other industry contacts are:

Association of Indonesian Cattle Breeding Producers & Exporters, Wisma Bank Tiara, Jl. M.T.Haryono Kav .16, Jakarta,  
Fax:(62-21) 831-0330, Attn: Mr.F.T. Santosa, Chairman.

## FINANCING

Indonesia's importation and exportation of goods are normally undertaken by using Letter of Credit(L/C). Apart from L/C term, business transactions can also be settled through other terms such as advance payment, collection draft under condition on document against payment(D/P) and document against acceptance(D/A), open trade account, consignment and other methods of payment based on the agreement between buyers and sellers such as barter

or counter trade agreements/purchase. The latter one has been undertaken between Indonesia and Iran.

Recently, the U.S. government has offered financing for soybean exports to Indonesia (BULOG) using their Commodity Credit Corporation's(CCC) Export Credit Guarantee Program(GSM- 102). The terms were offered at commercial lending rates of 5.6 %(LIBOR basis) for 98 % of the FOB price. This will be payable in three to six installments over a three year period.

Subsidy programs are not implemented for oilseed exports into Indonesia but the Export Enhancement Program (EEP) for cattle exports and US PL-480 for grain exports have been used in the past by United States.

Canadian banking institutions are no longer active in Indonesia. The three major Canadian banks (Bank of Montreal, Toronto Dominion Bank and Bank of Nova Scotia) discontinued their operations in Jakarta in the 1980's. Banks from other countries have been growing very rapidly in Indonesia. These banks are City Bank, Chase Manhattan Bank and American Express of USA, ABN Bank from Holland, Deutsche Bank of Germany, Banque Nationale de Paris and Credit Commerciale de France of France, Mitsubitshi Bank, Fuji Bank and Bank of Tokyo of Japan etc. IBRD is also represented in Indonesia.

#### **OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.**

Indonesia is a very price oriented country and attractive financing is also an important factor in penetrating this market.

It is suggested that Canadian exporters of oilseed products to Indonesia be more aggressive in promotion by visiting this market regularly. In addition, Canadian prices need to be competitive and if possible Canada should be able to offer equal financing facilities as offered by keen competitors to Canada.

#### **For Further Information Contact:**

**Canadian Embassy**  
**P.O. Box 1052**  
**Jakarta 10010**  
**Indonesia**  
**Tel: (011-62-21) 525-0709**  
**Fax: (011-62-21) 571-2251**



# PHILIPPINES OILSEED INDUSTRY

## GENERAL OVERVIEW

The Philippine oilseed industry has remained stagnant for the past few years. There is no significant growth in terms of local production and neither has there been any significant policies affecting the said industry.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

Current world market prices for copra are at their lowest. The Government of the Philippines (GOP) is currently supporting coconut farmers in terms of agricultural loans and introduction to other forms of livelihood. However, incentives are given to farmers to plant new coconut trees of which 90 pct. are currently 30 yrs old and have already reached full maturity.

Consumers of oilseed meals are becoming more open minded in terms of substitution in their livestock feed formulations.

### B. Domestic Market

#### Vegetable Oils & Fats

Coconut oil is the most commonly available vegetable oil. Consumers are still very price oriented and in general, do not differentiate due to qualities associated with health. Higher income and more educated consumers prefer corn oil or soya oil, but still mostly consume coconut oil for their day to day use.

Industrial users are still price oriented. Most food manufacturers mix the oils they are using with cheaply priced coconut and other oils.

#### Other Oilseed Products for Direct Human Consumption

The increase of Japanese restaurants and the popularity of Japanese food has brought about an increase in the consumption of products such as tofu, miso and soy sauce.

Flaxseed is commonly used among bakers. There would probably be a niche market for other seeds but most are not currently available in the market.

There has been an increasing demand for white hilum soybeans which is mostly used in soya milk and tofu production. There is now greater acceptance for soya milk products and likewise an increase in Japanese restaurant chains and fast foods. Nestle and Wyeth Suaco are

the most dominant manufacturers of soya milk and their market share is steadily increasing and eating into the market share of dairy milk.

### **Protein Meals**

The feed mill industry which serves the livestock industry consumes about 200,000 MT of protein meals yearly. The major protein meals used in the Philippines are: soya meal, rapeseed meal, fish meal, meat and bone meal and copra meal. There is no data as far as the breakdown of consumption.

Canola meal is much better known than flax meal. In 1987, Canola Council of Canada conducted a canola meal trial with one of the major swine farms in the Philippines. In 1989, several large feed millers imported canola meal to try it in their feed formulations. Due to the lower protein content of canola meal, local feed millers feel that canola meal prices must be 35% cheaper than soya meal for it to be attractive. Furthermore, most local nutritionists are U.S. trained; therefore, the standard feed formulation they know is based on a corn and soymeal diet.

The livestock industry has grown by as much as 30% in the last 4 years. The consumption of protein meals has likewise increased proportionably. The livestock industry is expecting to grow by as much 60% till the Year 2000 as the disposable income of the people increases.

### **Industrial Usage of Vegetable Oils and Oilseed Products**

Linseed oil is the more popular oil for industrial usage, particularly in the paint industry.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Importation is handled privately. It is mostly done by industry associations (ie Hog Raiser Association, Feed Miller Association) on a lot tender basis. Importation of protein meal has long been liberalized.

Currently, Canada is not selling any oilseeds to the Philippines as prices can not compete with that of India, China and even that of USA.

There are no companies at the moment that are importing oilseeds from Canada. However, most of the local consumers are aware of the Canadian oilseed industry. The U.S. has been steadily providing support in terms of training and seminars in the usage of soya bean meal.

### **D. Country Exports**

The only major oilseed that Philippine is producing is copra or coconut oil/meal. There is no incentives in terms of exporting said product.

## MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Canada has a chance of selling canola meal into this market if there is enough support in terms of promotional activities (ie. training, information campaign) and better pricing. Local consumers have the notion that canola meal should be at a 35% discount to soya meal prices. Furthermore, Canada should have a program to counter the U.S. PL480 and EEP.

### ACCESS

#### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	20	20	10	20
Soya	30	20	10	20
Sunflower	30	50	10	50
Flaxseed	20	50	10	50
Sesame	30	20	10	20
Groundnut		50	10	50
Cottonseed	30	50	10	50
Palm Oil	50	50	50	50
Coconut	50	50	50	50
Olive				
Other	30	50	10	50

### TRANSPORTATION

Most major ports in the Philippines are capable of handling 25 to 35,000 tonnes bulk shipment. However, there are no decent handling facilities. Therefore, the unloading is done via clam shell with a discharge rate of 1500 MT per day.

Internal distribution is as follows; for bulk shipment, it is unloaded into barges then transported through the inland river and unloaded in a bagging or warehouse facilities. As for containerized, it is mostly through land transport.

Other than the slow discharge rate, there are no potential problems.

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING

Domestic oilseed processing companies

General Milling Corporation (PRIVATE)

5/F Corinthian Plaza Bldg.

Paseo de Roxas, Makati

Metro Manila

Attention. Col. Roman Yap

Tel. No. (632) 819-54-51

Fax. No. (632) 819-15-76

It is important to have a local agent in the market to act as a broker agent. Said agent is the one that gets notified of a forthcoming tender or requirement by large association. Other smaller consumers would then buy from these large companies or institutions.

### OTHER OILSEED PRODUCTS

Nestle Philippines

ground Floor, 335 Sen Gil Puyat Ave.

Makati, Metro Manila

Attention : Mr. Jose Ceballos/ Purchasing Manager

Tel. No. (632) 818-87-06

Fax. No. (632) 818-87-06 local 511

Importer of soya beans for processing to soya milk and ceresoy (cereals made of soya).

Carlomar

7762 Facundo St.

Makati, Metro Manila

Attention; Mr. Carlos Martin/ President

Tel. No. (632) 85-54-20

Processor and supplier of tofu and miso to most local japanese restaurants and fastfood and hotels.

California Food Manufacturing

Km 18 East Service Rd.

South Superhighway, Paranaque

Metro Manila

Attention: Mr. Heribert Gruenert/President

Tel. No. (632) 822-1011

Fax No. (632) 826-86-76

## COMPOUND FEED INDUSTRY

Mr. Ramon Llano  
Plant Manager  
SAN MIGUEL CORPORATION  
4/F, San Miguel Bldg.  
6766 Ayala Avenue  
Makati, Metro Manila

Mr. Leonardo L. Sarmiento  
President  
VITARICH CORPORATION  
Sarmiento Bldg. II, Pasong Tamo Ext.  
Makati, Metro Manila

Mr. Henry Go  
Sr. Vice President  
UNIVERSAL ROBINA CORPORATION  
CFC Bldg., E. Rodriguez Ave.  
Barrio Ugong, Pasig  
Metro Manila

Atty. Ramon M. Lachica  
Manager, Makati Office  
GENERAL MILLING CORPORATION  
6/F, Corinthian Plaza Bldg.  
Paseo de Roxas, Makati  
Metro Manila

Mr. Joey Concepcion  
President  
REPUBLIC FLOUR MILLS  
8/F, RFM Building  
Pioneer St., Mandaluyong  
Metro Manila

Mr. Caw Bun  
President  
FAR EAST AGRICULTURAL SUPPLY INC.  
ACA Compound, Valenzuela  
Metro Manila

General Manager  
CHAMPION FEED MILLS  
74 M.H. del Pilar St.  
San Francisco del Monte  
Quezon City

Mr. Lorenzo Sy  
Vice-President  
PHILIPPINE FEEDS MILLING CO., INC.  
915 Tenuan Street  
Sta. Cruz, Manila

Mr. Enrico Oñiz  
Vice President for Agriculture  
LIBERTY FLOUR MILLS, INC.  
Liberty Building  
Paseo Road, Makati  
Metro Manila

Mrs. Blanzquita S. Gonzalez  
President  
VIRGINIA INC.  
Roman Santos Building  
Plaza Lacson, Sta. Cruz  
Manila

Mr. Gilman  
General Manager  
ENZED MEAT TRADE  
Rm. 500, Bldg. 500  
Escolta, Manila

Mr. Antonio Kim Iy Go  
ALEXANDER COMMERCIAL, INC.  
P.O. Box 920 MCO  
Makati, Metro Manila

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President

VITARCH CORPORATION  
Sarmiento Bldg. II Pasong Tamo Ext.  
Makati, Metro Manila

Mr. Henry...  
Sr. Vice President  
UNIVERSAL ROYAL CORPORATION  
CFC Bldg., E. Rodriguez Ave.  
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Manager, Makati Office

GENERAL MILLING CORPORATION  
6F, Constanza Plaza Bldg.  
Pasco de Roxas, Makati  
Metro Manila

Mr. Joey Concepcion  
President

REPUBLIC FLOUR MILLS  
5F, RFM Building  
Pioneer St., Mandaluyog  
Metro Manila

Mr. Gaw Ban  
President

PAR EAST AGRICULTURAL SUPPLY INC.  
ACA Compound, Valenzuela  
Metro Manila

List of other industry contacts (industry associations, government agencies).

**Feed Millers Association of the Philippines**

302 maligaya III Bldg.

430 E. Rodriguez Ave.

Quezon City

Attention: Congressman Rogelio Sarmiento /President

Tel. No. (632)721-0906 Fax. No. (632)721-0906

**National Hog Raisers Association**

2/F Reliance House

205 EDSA cor Rochester St.

Greenhills, Mandaluyong,

Metro Manila

Attention: Mr. Nemesio G. Co/Chairman

Tel. No. (632) 78-04-53 Fax. No. (632) 722-44-73

**United Swine Produces Association**

29 Nevada St.

Greenhills Subdivision

San Juan, Metro Manila

Attention : Ms Linda Typoco Chai/Vice-President

Tel. No. (632) 70-75-36 Fax No. (632) 79-62-10

## **FINANCING**

U.S. has the PL480 program for the Philippines. All other negotiations are privately financed and payment is through letters of Credit

The Bank Of Nova Scotia is the only Canadian banking institution represented in the country.

### **For Further Information Contact:**

**Canadian Embassy**

**P.O. Box 2168**

**1261 Makati**

**Metro Manila**

**Republic of Philippines 1200**

**Tel: (011-63-2) 810-8861**

**Fax: (011-63-2) 810-8839**



# TAIWAN OILSEED INDUSTRY

## GENERAL OVERVIEW

A report on the canola mission to Taiwan, which took place from February 25, to 28, 1992, concluded that "indications were very strong that keen interest had been generated and that excellent opportunities exist for sales of canola meal to Taiwan in the near future".

The Canadian Trade Office in Taipei (CTOT) and the Canola Council of Canada jointly sponsored a canola seminar in Taiwan July 26-29 1993, which was successful in establishing one major distributor and keen interest from several other Taiwanese importers.

There is an excellent potential to market canola oil and meal into the Taiwan market. The impediments are a 12.5% tariff (which is higher than the dominant soya oil tariff) and lack of knowledge by consumers regarding the attributes of canola. CTOT is prepared to work with Canadian suppliers and public agencies to improve the market share.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

The principal governmental organization overseeing agricultural development in Taiwan is the Council of Agriculture (COA) under the Executive Yuan. Almost all the agricultural products in the Republic of China (ROC) are subsidized and protected by the COA. These commodity programs, however, have proven to be a heavy financial burden on taxpayers, as well as perpetuate long-standing problems, including artificially high prices, oversupply of products above market demand, and storage problems. The government is therefore encouraging farmers to shift production to more profitable and competitive crops like sorghum, soybeans, and corn.

The most compelling trade issue today hinges on trade liberalization measures. The agriculture sector in Taiwan has traditionally relied on government protectionist policies through a combination of price supports, tariffs, trade bans, etc. There is also international pressure for the government to replace present measures with more market-oriented policies. Taiwan is currently adjusting its trade policy to meet GATT requirements and for its application for GATT membership.

The Taiwan market is under pressure by the GATT to liberalize the market in order to become a member of GATT. This means that many of the existing tariffs and non tariff barriers in Taiwan will be lifted. We have seen evidence of this in recent times and expect more movement as Taiwan's GATT application is reviewed. It is likely that a reduction in trade barriers will take place over a period of time and in a gradual phase.

In the meantime, CTOT will continue to raise the issue specifically regarding canola in order that this process is addressed appropriately.

## B. Domestic Market

### Vegetable Oils & Fats

The following is according to the Statistics Office, Council of Agriculture, Taiwan:

	<i>Available Supply*</i>	<i>Availability per capita/year(kg)</i>
Soybean oil	320.1 tons	15.51
Peanut	5.4	0.26
Rape	0.6	0.03
Sesame	9.4	0.46
Lard	109.2	5.26
Butter	12.8	0.62

\*Unit: 1,000 metric tons

The Taiwanese consumer traditionally uses a large amount of oil in Chinese cooking. Typical Chinese cooking requires extensive food preparation by cutting and slicing foods into bite size pieces to be eaten using chopsticks, therefore knives and forks are not required. Cooking is mainly by stir fry or deep frying, therefore cooking oils are used much more than in Western style cuisine. Over the past few years, the Taiwan economy has grown steadily and in 1992 the per capita GNP exceeded \$10,000 US and continues to grow at about 6% per year. This affluence has provided the Taiwanese with more disposable income and they are becoming more concerned with lifestyle and health. Five years ago, sunflower oil was introduced to the Taiwanese consumer as a healthy alternative to traditional oils such as palm, soya and lard. Sunflower oil now has about 5% market share although it is priced higher than the traditional oils. There is a growing consumer acceptance to pay a little more for quality imported products.

The 21 million Taiwanese consumers are used to traditional Chinese cooking which requires an oil with flavour in stir frying and deep frying. A great deal of oil is used and the type of oil is considered to be an important part of the flavour composition. Traditional oils are: peanut, soya, palm and lard.

The production volume of the peanut oil industry accounted for one third of the peanut harvest in Taiwan. With the promotion of an improved strain, peanut production has been increasing. However, there is a growing segment of the population that is becoming more

concerned with their quality of life and looking for more healthy foods and understand the dangers of a diet of high cholesterol. It is this target that will accept canola oil.

Regarding the margarine industry, since the 1989 implementation of the policy of further liberalization of oil product imports, the industry's capacity utilization rate for refining equipment has been on the rise. As a result, the production volume of refined oil amounted to about 120,000 metric tons, including about 20,000 metric tons of refined pork oil, 15,000 metric tons of margarine, and 16,000 metric tons of baking oil.

### Other Oilseed Products for Direct Human Consumption

The following is according to the Statistics Office, Council of Agriculture, Taiwan:

	<i>Available Supply*</i>	<i>Availability per capita/year(kg)</i>
Soybeans	110.3	5.34
Soybean curd(wet)	1,027.5	49.79

\*Unit: 1,000 metric tons

Due to competition from imports of cheap palm oil and cheap soybean meal, the soybean oil industry showed lacklustre performance in 1991 with some companies withdrawing from the market. (Economic Yearbook of the ROC, published by Economic Daily News)

### Protein Meals

Type of protein meals utilized in domestic market are soybean meal and fish meal. Canola and flax are not well known amongst consumers. Only businessmen - importers/distributors of canola or flax have product knowledge.

Soymeal is mainly used for animal feed, not for human consumption.

With respect to the livestock industry, dairy is increasing at a rate of 14% per year. Presently, there are 80,000 head of dairy cows in Taiwan. It is estimated that 100,000 tonnes of alfalfa products will be imported in 1994.

### C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals

At present, imports are handled primarily by private firms. The current tariff is at a high level. However, as Taiwan attempts to join GATT, the government is considering decreasing the tariff rate on vegetable oils and protein meals. The outcome, at this stage, is uncertain. As a result of gradual reduction of import tariffs on oil seeds and oil products, the import volumes of these products has been increasing.

According to *Agriculture Trade Statistics of Republic of China 1992* compiled by the Statistics Office Council of Agriculture, April 1993, Canada had a .009% share of the total oilseed market in 1992; .002% of the soybean market, 3.2% of the sunflower seed market, and .7% if 'other' seed markets. As well, Canada had .1% of the total flours & meals of oilseed markets.

CTOT recently visited Shaang Chyun in Tain, southern Taiwan. This company introduced sunflower oil to Taiwan about five years ago and have gained about 5% of the market share. They use the theme that Sunflower oil is a healthy oil and a premium oil. The president of Shaang Chyun is familiar with canola and feels that their company could introduce a line of canola oil using the same theme if priced slightly below sunflower oil.

Other distributors of sunflower oils also advertise the healthy aspect but go as far as to say using their oils will actually "reduce" cholesterol. However, it is believed that advertising laws are becoming more stringent and such claims will not be allowed.

Artistic packaging now figures greatly into marketing agriculture products. As with manufactured products, establishing brand names and effective advertising have generated huge profits.

Canadian exporters have sold decent quantities of canola meal, and are poised to sell more. This has been made possible by the higher SMB values in the U.S., the current low container freight, the bumper canola crop in 1993, the weakened dollar, and perhaps more importantly, the innovative approach the Taiwanese feed industry has taken in trying out a different protein feed in earnest at a scale unseen before.

## **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

According to the *Economic Yearbook of the Republic of China*, the Taiwanese industry expects that "in the future, other oilseed producing countries such as Canada will step up promotion of their oilseeds and related products, which would force the small-scale companies to withdraw and the larger scale ones to expand further in order to reduce production costs, enhance competitive strength, and pursue further diversification".

The Taiwan consumer is not aware of canola oil, they are familiar with other oils: sunflower, corn, soya, palm, peanut etc. The local distributors are more familiar with canola but know it as rapeseed and have some doubts regarding its safety. There is also concern regarding canola's lack of flavour. Other oils have a distinctive flavour that becomes part of the cooked dish and is regarded as an enhancement to the cooking.

CTOT would suggest that incoming missions to Canada by Taiwanese importers and distributors would be important to familiarize the buyers with Canada's capabilities and

product awareness. Likewise outgoing missions to Taiwan to familiarize exporters and processors with Taiwan market needs.

CTOT completed one seminar with a major Taiwanese distributor in July 1993 that resulted in trial shipments. The CTOT hopes to support similar future events for oil and meal. Once distributors have confirmed orders there is a need to provide promotional support in the form of point of sale material and especially in Chinese describing the benefits of using canola.

CTOT has provided candidates for the CIGI courses, this is very beneficial and it is hoped that this will continue.

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	12.5%	12.5%	0	12.5%
Soya	1.5%	6%	0	6%
Sunflower	30%	30%	0	30%
Flaxseed	N/A	N/A	N/A	N/A
Sesame	20%	20%	N/A	N/A
Groundnut	30%	35%	0	35%
Cottonseed	1.5%	N/A	0	N/A
Palm Oil	10%	2.5%	0	1.25%
Coconut	N/A	4%	0	4%
Olive	N/A	5%	N/A	5%
Other				

The figures in the previous table are taken from *Customs Import Tariff and Classification of Import & Export Commodities of the Republic of China*. January 1992 Revised Edition:

There are existing duties that are higher than soya and packing must be in Chinese with identification of processor and shelf life.

## TRANSPORTATION

Keelung, Taichung, and Kaohsiung are the main ports of entry.

The main internal distribution network from port of entry to plant is truck transportation.

Internal distribution is poor although an extensive infrastructure program is underway in Taiwan's 6 year plan. The distribution is sometimes similar to the Japanese network of small retailers and requiring delivery of very small orders by North American standards due to limited inventory and storage space at the retail level. As well, presently the only method of distribution from port of entry to plant is by truck.

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING

Soybeans imported from the United States are crushed in Taiwan, by 'crushing plants'. The refined oil is sold to distributors who then sell it to supermarkets. The soybean meal is sold to feed mills who put it in their feed formula and then sell it to farmers.

List of other industry contacts (industry associations, government agencies).

Hsin Chu Food Development  
Research Institute  
331, Shi-ping Rd.  
Taipei, Taiwan  
Tel: (02) 702-8070  
Fax: (03) 521-4016

Herbert Huang  
Assistant General Secretary  
Taiwan Feed Industry Ass'n  
9/F,368 Fu Hsing S.Rd. Sec1  
Taipei, Taiwan  
Tel: (02) 702-8070  
Fax: (02) 702-8073

### OTHER OILSEED PRODUCTS

#### Great Wall Group

- poised to regain its traditional place as the largest feed manufacturer in Taiwan; their feed production capacity is potentially 60,000 tonnes/ month.
- short term interest in canola oil, limited by the discriminatory tariff against this product (12.5% vs 6% for soy oil) and by the present surplus of vegetable oils in Taiwan which has forced several domestic oil crushers to operate significantly below capacity.
- appears to have good technical knowledge and analyses facilities with extensive experience in the Taiwan feed market.

**Shaang Chyun Enterprise Co., Ltd.**

- interested in developing and advancing the industry through expansion of R & D.
- uses advanced physical refinery, dewaxing equipments and hi-temperature steam to deodorize
- realizes that a product such as sunflower oil is increasingly popular for use by the Taiwanese consumer
- emphasizes quality control, health standards

**List of other industry contacts (industry associations, government agencies).**

Benjamin Shiu Economic Specialist Board of Foreign Trade Ministry of Economic Affairs 1, Hu-Kou Street Taipei, Taiwan 10741 Tel:(02) 351-0271 Fax:(02) 351-3603	Jenny J.F. Chen Section Chief Department of Customs Ministry of Finance 2 Ai Kuo W. Rd. Taipei, Taiwan Tel:(02) 322-8224 Fax:(02) 394-1479
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Daniel Yang Secretary General Taiwan Vegetable Oil Manuf Ass'n 6/F No.27 Chang An East Rd. Sec 1 Taipei, Taiwan Tel:(02)561-6351 Fax:(02)562-1745	Arthur Yang Senior Officer, Appraiser Keelung Customs Bureau No.6 Kung Shi Street Keelung, Taiwan Tel:(02)420-2951 Fax:(02)428-4073
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**FINANCING**

All major Canadian banks have operations in Taiwan but some are only representative offices. The Toronto Dominion and Royal Banks have complete operations but the situation is rapidly changing and Canadian exporters should check with the International Divisions of their bank or contact the CTOT.

Canadian Imperial Bank  
of Commerce  
10F, 117 Minsheng E.Rd.  
Sec 3  
Taipei, Taiwan  
Tel: (02) 719-2338  
Fax: (02) 719-5996

Bank of Montreal  
Suite 903  
131 Minsheng E.Rd.  
Sec 3  
Taipei, Taiwan  
Tel: (02) 719-2652  
Fax: (02) 713-5803

Toronto-Dominion Bank  
2F, 337 Fuhsing N.Rd.  
Taipei, Taiwan  
Tel: (02) 716-2160  
Fax: (02) 713-4816

Royal Bank of Canada  
12F Union Enterprise Plaza  
109 Min Sheng East Rd Sec 3  
Taipei, Taiwan  
Tel: (02) 514-0911  
Fax: (02) 713-2884

## **OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS**

As the standard of living of the average Taiwanese increases, there is a general trend towards selection of quality products. Thus, it is undoubtedly beneficial to emphasize quality control, by highlighting a certain level of product excellence. To illustrate, in the sesame oil industry, only the larger, more profitable companies have superior sanitary standards.

As Taiwan pushes harder for entry into GATT, there will be increased pressure to lower existing tariffs. We are seeing increasing interest in canola oil and meal. There is a need to provide timely and translated material that will be used to educate end users. When companies are producing promotional material, consider possible translation into Chinese (Mandarin).

As mainland China develops its economy, there may be opportunity for canola from Canada into that market of 1.2 billion. Taiwan would be a logical entry as present trade between Taiwan and China is increasing and Taiwanese companies are establishing closer economic ties. Two companies mentioned earlier, Great Wall and Shaang Chyun have investments and operations in China.

The Canada Trade Office in Taipei (CTOT) is expanding operations rapidly and is gaining recognition for its efforts. Canadian companies should be using CTOT and made aware of its capabilities to assist Canadian efforts in the Taiwan market. CTOT has recently added a new position devoted to the agri-food sector under the TOS Trade Opportunity Strategy program. The program is a three year term and canola and canola products have been identified as one of the priorities.

### **For Further Information Contact:**

**Canadian Trade Office**  
13th Floor  
365 Fu Hsing North Road  
Taipei, Taiwan  
Tel: (011-886-2) 713-7268  
Fax: (011-886-2) 712-7244

# GERMANY SECTION B INDUSTRY

## GENERAL OVERVIEW

### EUROPEAN REGION

Germany is a permanent importer of oilseeds. Imports in 1992 rose against the previous year by 10% to 4.4 million MT. The largest part of this increase was due to soybeans: With 3.2 million MT their share of German imports amounted to 73%. Main suppliers were USA (2.1 million MT), Brazil (578,000 MT) and Argentina (481,000 MT).

Imports of rapeseed decreased by 100,000 MT. While imports from EC countries remained constant, the decrease affected particularly non-EC countries (Poland, Sweden). Imports of sunflowerseed increased by 90,000 MT to 320,000 MT. The reasons for these shifts of imports, particularly in favour of soybeans, are to be found in the low German rapeseed harvest due to drought, and in the large soybean harvest in the USA and South America, combined with a favourable \$:DM exchange rate.

In 1992, large quantities of rapeseed were exported from Germany (770,000 MT), not only to the traditional trading partners in the EC (Belgium, Netherlands), but for the first time in larger quantities also to non-EC countries. The main reason for this development was the poor harvest in Canada, but also the changing of EC market regulations. This change for the first time made a totally free trade in EC oilseeds possible. In Germany it has brought about a decrease in such oilseeds as rapeseed and sunflowerseed (Tables 1 and 2).

Due to a reduced supply, while demand remains high, prices will be good prospects for exports.

## CHARACTERISTICS SUMMARY

### A. Local Production

No price supports, no production ceilings. The EC has converted the oilseed market regulations from product-specific to area-related subsidies to offset high production costs (similar to the USA). In contrast to the USA the EC does not grant any export subsidies for vegetable oils.

Environmental controls: In Germany there are no special environmental controls related to the oil seedling industry; a European harmonization of this area is still outstanding.

European oilseeds production and prices may decrease or stabilize as an effect of limiting the total European cultivation area to 1.128 million hectares. In the long term German imports may rise (especially: rapeseed, soft seeds, not soybeans).





# GERMANY OILSEED INDUSTRY

## GENERAL OVERVIEW

Germany is a permanent importer of oilseeds: Total oilseeds imports in 1992 rose against the previous year by 10% to 4.4 million MT. The largest part of this increase was due to soybeans: With 3.2 million MT their share of German imports amounted to 73%. Main suppliers were USA (2.1 million MT), Brazil (578,000 MT) and Argentina (481,000 MT).

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Due to curbed EC harvests, while demand will remain high, in the long run there will be good prospects for overseas exports.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

No price supports, no production incentives: The EC has converted the oilseeds market regulations from product incentives to area-related subsidies to offset higher production costs (similar to the USA). But contrary to the USA the EC does not grant any export subsidies for vegetable oils.

Environmental controls: In Germany there are no special environmental controls related to the oil crushing industry; a European harmonization of this area is still outstanding.

European oilseeds production and prices may decrease or stabilize as an effect of limiting the total European cultivation area to 5.128 million hectares. In the long term German imports may rise (especially: rapeseed, soft seeds; not soybeans).

Cross relations between the prices of different kinds of oilseeds are very close: changes in supply of palm kernels or soybeans influence the price of rapeseed in Germany; they must therefore be taken into consideration when looking at possible trends.

## B. Domestic Market

### Vegetable Oils & Fats

average per capita consumption in 1992 in kg:

butter.....	5.7
margarine.....	6.4
vegetable fats..	0.9
vegetable oil...	8.8
animal fats.....	5.3
-----	
	27.1

(source: German Fed. Min. of Agriculture (BML); cf. attachment 3)

In Germany consumption patterns are changing due to

- high figures of immigrants from Southern Europe living in Germany;
- large numbers of Germans travelling to S.Europe (Greece, Italy, Spain) and becoming acquainted with the cooking habits of these countries;
- the present health wave in Germany with a trend towards low-cholesterol food.

All in all there is a trend towards the use of vegetable oils:

- large quantities of soybean, rapeseed and sunflower oil;
- oils containing multiple saturated fatty acids (thistle oil, corn germ oil) are a specialty for small groups of consumers
- presently efforts are being made to create a demand for rapeseed oil in Germany, but so far this campaign had little success. In this context it should be noted that Germany does not have preferences for certain kinds of oil, but rather for brands that are developed. Therefore, the industry is free to offer oils with varying percentage shares of inputs.

### Other Oilseed Products for Direct Human Consumption

German production of soybeans is low, the processing is therefore done almost entirely out of imports (1992: 3.2 million MT, of which 2.1 million MT from USA, 0.578 million MT from Brazil, 0.481 million MT from Argentina, 0.042 million MT from Paraguay). The oilmeal and also the larger part of the oil is being used for animal feeds, only a small fraction of the oil goes into human consumption, another fraction into industrial purposes.

The cultivation of linseed for oil has enormously expanded in the European Community in recent years. The 1992 crop grew on about 265,000 ha compared with just over 120,000 ha the year before and only 43,000 ha in 1990. The expansion was mainly in Germany, in particular in East Germany, and in the UK. The German 1992 crop was on 90,000 ha compared with only 8,000 ha the year before. In East Germany, the cultivation was mainly on areas previously used to grow fodder.

The EC market regulation was changed at the start of the 1993/94 marketing year in order to prevent another increase in the production and the resulting costs. The linseed oil market regulation relating to the 1994 crop is to be changed again. It is planned to introduce a basic area and to make the area subsidies dependent on the cyclical area reduction.

### Protein Meals

#### Size of Livestock Industry (million units)

Poultry:	laying hen..	34.000	(1992)
	geese .....	0.782	(1990)
	ducks.....	2.014	(1990)
	turkeys.....	5.029	(1990)
	Hog.....	26.800	(1993)
	Beef.....	16.200	(1993)

(source: BML; German Statistical Yearbook 1992; cf. attachment 4).

Total German oilmeal consumption for animal feeds: about 6 million MT, thereof about 1.5 million MT rapeseed meal (with a growing tendency).

Type of protein meals utilized in domestic market - cakes and meals were used as follows:  
(figures for 1992; in 1,000 metric tons):

Soybeans	3,515
Rapeseed	1,474
Corn gl. feed	1,434
Palm Kernels	617
Sunflowerseed	483
Corn germs	306
Copra	192
Linseed	117
Peanuts	6
Cottonseed	3
Other oilseeds	1
<hr/>	
Total	8,148

(Total for 1991: 7,992)

(Total for 1990: 7,742)

(source: American Soybean Association, Hamburg; cf. attachment 5, table 8)

Canola is well known in Germany. In fact, considerations have been made to take over the term canola for all kinds of rapeseed oil, but have meanwhile been abandoned.

The German meat market is under strong competitive pressure from Denmark and the Netherlands; the import shares are growing, also due to the rising sensitivity of German consumers to manure problems. It is uncertain, whether the total meat consumption will grow and how the shares (imports vs. internal production) will shift; there may even be growing meat imports from Argentina and the USA. The European market regulations for grains have the effect that more internal grains are being used for animal feeds (particularly for poultry and hogs). As the protein content of these grains is low, a growing amount of oilmeal must be added (or HP meal from soybeans).

### **Industrial Usage of Vegetable Oils and Oilseed Products**

About 160,000 ha were cultivated in the European Community to grow on areas set aside 1993-crop rapeseed and sunflower seed for non-food purposes, primarily rapeseed (on approx. 140,000 ha including 65,000 ha in Germany) to be converted into rapeseed methylester or into lubricants. The 1993-crop non-food rapeseed grown on areas set aside is being converted mainly into rapeseed methylester (RME), in Germany as well as in France. Whereas France has adequate facilities for that purpose, most of the German unrefined rapeseed oil has to be transported to Italy to be processed there. RME is then being sold as a substitute for heating oil. This will not be possible in future after vehement protests launched by the mineral-oil industry so that it is uncertain whether Germany can continue to grow similar quantities of non-food rapeseed on areas set aside. Many contracts covering the 1994 German crop contain a protective clause for that reason so that they may be cancelled in case of marketing problems. The seed may, in such a case, be sold for industrial purposes. The additional areas thus brought about may lead to larger than permitted dimensions (of the basic area minus area set aside) and thus to corresponding cuts in the area subsidies.

Linseed oil is particularly used for industrial purposes, with only small quantities used for human consumption. In Germany, linoleum as floor-covering has a certain renaissance. In colours and varnishes linseed oil is used with a decreasing tendency (replaced by dispersion varnishes). Linseed oil is also used as a stabilizer in pvc products; it is in general popular with the chemical industry, as it blends well into chemical products. Nevertheless the German internal consumption of about 30,000 t/year remains relatively stable, and there are hardly any considerable fluctuations in either direction. Research is being done to find new applications, but the market appears limited.

In Germany there is an ongoing discussion about renewable resources. Producers of products which underlie European market regulations (grains, oilseeds, beans, etc.) are obliged to lay idle 15% of the cultivation area. Exempt from this rule are renewable resources (though as of 1995 they will be limited as well to a cultivation area, which corresponds to about 1 million MT production). Farmers may grow on the areas set aside, raw materials which are "not primarily" processed for consumption as food or animal feed. The list of raw materials, which may be grown on the fallow land, is very long cf. app.I, EC-reg. 334/93). It includes fast-growing trees, potatoes, and all kinds of grain or oilseeds. The criterium is the actual usage of them after being processed. In principle, anything may be produced which is exclusively used in the non-food sector. This applies in particular to vegetable oil and fat for chemicals or for technical purposes, hydraulic oils, lubricants, detergents, printing colours, for bio-ethanol, and also plants providing energy such as fast-growing trees, China grass etc. Not permitted is the production of grain or potatoes for conversion into starch. The Commission is working on a recommendation to permit on the areas set aside, the production of sugar beets for industrial or commercial use (without compensation payments), which may limit the production of oilseeds on these areas.

There is a small market for castor oil (beans mainly imported from South America).

### C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals

Imports are handled entirely by private firms; international tenders are considered as an additional market access, though German companies prefer longstanding, calculable business relations - which the tender cannot offer.

There is no explicit import policy for oilseeds and also no national import protection (other than EC import regulations) by customs duties in Germany. On vegetable oils from non-EC countries the customs duties amount to 5-15%, depending upon the degree of refinement. To ACP countries special customs duties apply.

Changes are possible as a result of the present GATT negotiations (e.g., codex of subsidies; or customs duties, as moderate as they may be, could be lowered/ waived in exchange against US textile concessions, etc.).

### Canadian exports to Germany,

July '92 - June '93:

canola	28.000 MT	5.0%
rapeseed oil	2.484 MT	4.5%
rapeseed meal	-	-

Jan.'92 - Dec.'93:

flaxseed	118.905 MT	67.5%
sunflowerseed	1.020 MT	1.5%
mustardseed	7.609 MT	26.0%

(source: ZMP Bonn; cf. attachment 6.)

Changes in the European oilseed market regulations may result in a higher supply of the German market from Canada.

USA is doing relatively strong public relations for soybean products (financed by contributions of US farmers to American Soybean Association/ ASA); ASA has an office in Hamburg.

Association of German Oilcrushers believes in research of new applications for oilseeds in the non-food sector.

Germany has set up a special agency, the CMA in Bonn, to promote German agricultural products at home and abroad; oilseeds are included in their seed promotion program.

#### **D. Country Exports**

Besides remaining EC subsidies no national German export incentives.

### **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Following the reform of the EC market regulations, export chances for Canada will tend to grow.

Imported oilseed products do not have a specific product image: For the greater part they go into further processing where only the price decides which kind of oilseed will be used.

Although among experts the general quality of Canadian products is known, export sales depend upon the varying yield and quality of a particular crop year, not upon image.

#### **Recommended Canadian Actions and Market Development Activities**

Incoming mission to discuss potential new applications of oilseeds in non-food areas. High research expenditures (EC-wide and also on national level) can be observed, particularly in the non-food sector. The German oilseeds growers and crushers commonly finance the research for new applications, e.g. in industrial uses and in animal feeds.

## ACCESS

All packaging/ labelling/ phyto etc. regulations have been coordinated with the EC. Quotas do not exist for oilseeds.

## TRANSPORTATION

Main ports of entry: for Germany the Northsea ports.

Unloading capacity: sufficient, no shortages.

Railways, trucks, but mainly barges (bulk goods).

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING

No government ownership, all are private (national and international) companies.

Approximate market shares: a few small companies, all other are multinationals; the trend goes to the large companies.

Degree of technical expertise: normal equipment for extraction and refinement.

A few (i.e. 3 to 4) companies are specialized manufacturers, offering further refinement and hardening (raising the melting point) upon the clients' demand.

Total German crushing capacity: approx. 7 million t/year.

Total German refining capacity: approx. 2 to 2.5 million t/year.

Standard importation and distribution channel(s) of product from point of entry to final buyer,

- agents
- brokers
- wholesalers/stocking distributors
- commissioned agents

A commodities futures exchange for oilseeds does not yet exist in Germany. Soybeans are traded worldwide, also out of Germany, via the Chicago Commodities Futures Exchange. A trading system as complex as that of the USA (elevators, agents etc.) does not exist in Germany, as for a long time the market had been regulated.

Rapeseed: there are a few brokers and wholesalers through which is channeled a large part of the German oilseeds imports, and a few international trading houses, which orient themselves at the Winnipeg stock exchange; for a long time Winnipeg had no particular importance for the European trade, but with rising oilseeds imports from Canada its importance may increase.

List of other industry contacts (industry associations, government agencies).

Verband Deutscher Ölmühlen e.V., Bonn  
(German Oilmillers Association (GOMA))

Bundesverband Deutscher Samenkaufleute u. Pflanzenzüchter  
e.V. (BDSP) (Federal Association of German seed and plant merchants), Bonn

Zentrale Markt- u. Preisberichtsstelle (ZMP), Bonn  
(Central market and price monitoring office of the Federal Government), Bonn

Bundesministerium für Landwirtschaft (BML) (Federal Ministry for Agriculture),  
Bonn divisions 428, 623 and others

Centrale Marketinggesellschaft der deutschen Agrarwirtschaft mbH (CMA),  
(Central marketing society of German Agriculture), Bonn

Bundesvereinigung der Deutschen Ernährungsindustrie e.V. (BVE)  
(Federal Association of the German Food Industry), Bonn

#### **COMPOUND FEED INDUSTRY**

The German feed industry consists of about 1,000 companies, of which about 660 companies produce more than 250 MT of compound feed per year.

List of other industry contacts (industry associations, government agencies).

Fachverband der Futtermittelindustrie e.V.  
(Association of the Feed Industry), Bonn

Bremer Getreide- und Futtermittelbörse, Bremen

Warenverein der Hamburger Börse, e.V.

Zentralverband des Deutschen Getreide-, Futter- u. Düngemittelhandels e.V., Bonn

#### **FINANCING**

Normal instruments of foreign trade financing, no peculiarities.

No EC export aids (by new EC market regulation). To a limited extent food aid is given to developing countries and Eastern Europe. The aid is an EC instrument, not a unilateral German one.

## OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.

Chances for Canadian rapeseed in Europe are positive; if Canada can offer new uses or new products, much the better. But it should be taken into consideration, that Europe is a typical sellers' market. There may also be chances in Eastern Europe.

### For Further Information Contact:

**Canadian Embassy**  
**Friedrich-Wilhelm-Strasse 18,**  
**53113 Bonn, Germany**  
**Tel: (011-49-228) 968-0**  
**Fax: (011-49-228) 968-3904**

OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS

Chances for Canadian rapeseed in Europe are positive; if Canada can offer new uses or new products, much the better. But it should be taken into consideration that Europe is a typical seller's market. There may also be chances in Eastern Europe.

For further information contact: (D) V. 1

Zentral Markt für Getreide (ZMP), Bonn

For Further Information Contact: (D) V. 1

Canadian Embassy (Emb) Friedrich-Wilhelm-Strasse 18

53113 Bonn, Germany

Tel: (011-49-128) 952-3

Fax: (011-49-128) 952-300

(D) V. 1 - Agricultural Information Service

and Agricultural Information Service

AGRICULTURAL INDUSTRY

The agricultural industry consists of about 1,000 companies with 666 employees and 100,000 employees in 1987. The industry is divided into 10 sub-sectors.

For further information contact: (Industry associations, general information)

Verband der Futtermittelindustrie e.V. (Association of the Food Industry), Bonn

Verband der Getreide- und Futtermittelbörsen, Bremen

Verband der Hamburger Börse, e.V.

Verband der Deutschen Getreide-, Futtermittel- und Viehfuttermittelbörsen e.V., Bonn

FINANCING

Government of foreign trade financing, no problems

The EC export aid (by new EC market regulation) is available for all EC countries and Eastern Europe. The aid is in the form of a 10% export aid on the value of the goods.

# POLAND OILSEED INDUSTRY

## GENERAL OVERVIEW

The Polish vegetable oil industry is predominantly based on canola, which has traditionally been a main crop for this sector. For the last few years, the production (both in acreage and yield) has been steadily decreasing. In 1992, total acreage for oilseed plants amounted to 437,000 ha, out of which 417,000 ha were planted with rape and turnip, giving respectively a crop of 769,000 and 758,000 tons. In 1993, only 350,000 ha were planted with rapeseed, yielding a crop of 600,000 tons, which is about half of the average production in 1986-90 (a record crop totalled 1,500,000 tons).

## 2. CHARACTERISTICS OF THE MARKET

### A. Local Production

There are no subsidies, price supports, special incentives.  
No changes expected.

### B. Domestic Market

#### Vegetable Oils & Fats

Fats & Oils consumption per capita (data for 1992):

animal fats :	butter	5.2 kg
	others	9.0 kg
vegetable fats:	margarine	6.7 kg
	oils	3.7 kg

In 1992, for the first time, consumption of margarine exceeded that of butter, which shows that the very slow tendency (over the last two years) to abandon unhealthy (high cholesterol), traditional preferences is getting stronger. This is also partly due to economic factors (financial limitations gear people towards less expensive products) as well as resulting from excess supply: almost 2 dozen various margarines are available (comparing to 2-4 kinds only 2 -3 years ago), both imported and local production, which constantly improves in quality.

Consumption of oils remains stable, with preferred types being: mainly sunflower and soya, and to a lesser extent corn, canola, and olive.

## Other Oilseed Products for Direct Human Consumption

Soyfood products such as tofu, miso soy sauce, natto, tempeh are available only in "ecological" restaurants and "health food" stores, with negligible overall consumption. Flaxseed (beyond pharmaceutical application) is used (no estimates available) for bakery products (bread, rolls, etc.), while flaxseed oils are restricted for human consumption.

### Protein Meals - data for 1992

#### Livestock production:

cattle	8,221,000 head
swine	22,086,000 head
sheep	1,870,000 head
horses	900,000 head

The consumption of protein meals was 4,094,000 tons, out of which 1,691,000 tons constituted feed grain (including grain oil-meal and bran) and 2,403,000 tons were starch/protein/mineral feed compounds (out of which 284,000 tons high-protein concentrates) including oil-seed meal. Compared with 1991 data, the figures are much higher, as the scope of statistics has been extended by new types of entities, such as cooperatives and individuals operating on larger scale.

According to the recent estimates, production of livestock in 1993 was lower by 7.5 percent for swine and 19 percent for cattle. It is also expected that this decreasing trend will continue into 1994 with a further 10 percent and 6 percent decline respectively.

### C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals

Imports are handled by both private companies and state organizations. There are no special policies adopted and imports are geared to the market, unless special conditions occur (i.e. drought, etc).

According to trade statistics for 1992 and the first half of 1993, there are no Canadian exports (negligible figure) to Poland.

A list of major importers is available from the Canadian Embassy in Poland on specific request by Canadian producer/exporter.

### D. Country Exports

There are no incentives/subsidies/credit programmes for exporting oilseeds and oilseed products. Quite the opposite: current oilseed processing capacity (about 800,000 tons per year) is much bigger than the total Polish crop.

## MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Canadian oilseed products, because of very high import duties on canola, are not competitive, although their quality is recognized by specialists (the main source for oilseeds and crude oil - soya, sunflower, palm - imports into Poland is still Europe). Canadian products are neither present, nor known on the Polish market.

Polish oilseeds industry would welcome, however, Canadian technology, expertise and investment.

### ACCESS

#### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	15%	35%	15%	45%
Soya	5%	10%	15%	40%
Sunflower	15%	10%	15%	40%
Flaxseed	15%	20%	15%	20%
Sesame	15%	20%	15%	20%
Groundnut	15%	10%	15%	30%
Cottonseed	15%	10%	15%	20%
Palm Oil	15%	10%	15%	30%
Coconut	15%	10%	15%	30%
Olive	15%	20%	15%	20%
Other	15%	20%	15%	20%

There are no non-tariff barriers (such as: import licences, quotas) besides phytosanitary certificates required for majority of products for human consumption. Labelling and packaging regulations are in line with EC ones (the Canadian Embassy in Poland can supply the particulars needed). A variable import levy may be introduced in the coming months.

## **TRANSPORTATION**

The main ports of entry are Gdansk, Gdynia and Szczecin (Baltic seashore), with storage facilities estimated at about 40,000 tons. The internal distribution network is based on trains and trucks.

## **INDUSTRY STRUCTURE**

### **OILSEED CRUSHING & REFINING**

Almost the entire production of the Polish oilseed industry is concentrated in eight plants, out of which one has already been privatized (foreign capital) and two or three others have such plans. All of them, except one, have full technological lines (including crushing and refining divisions) and produce a full assortment (oils, margarines, shortening for confectionary industry, etc). Their total current capacity is about 800,000 tons. New investments, as well as modernization and extension works under way in almost all Polish plants, are targeted at achieving within the next few years a total capacity of 1,500,000 tons (specialists hope, that due to improving profitability, farmers will again seed more canola, finally reaching the historic Polish record crop).

There has been no marketing policy adopted nor special distribution channels created, as the entire local production is easily absorbed by the market.

A list of key-players and manufacturers in the sector is available from the Canadian Embassy in Poland on specific request from Canadian manufacturer/exporters.

### **COMPOUND FEED INDUSTRY**

The Polish fodder industry consists of about 30 enterprises (both state owned and private), which produced in 1992 over 4 million tons of fodder mix (mainly medium-protein mix, only about 10% of which high-protein mix). The above figure constitutes only half of what was produced in the late 1980's and the decline comes from lower demand from the market (lower farmer income, a rise in production costs).

In 1992, Poland imported (mainly from Holland, Germany, and Belgium) about \$60 million of fodder mix, while exports (almost entirely to Denmark) reached about \$30 million.

A list of industry contacts can be obtained from the Canadian Embassy in Poland upon specific request by any interested Canadian party.

## FINANCING

# SPAIN OILSEED INDUSTRY

All internationally used financial tools and methods of payment are functioning in Poland, however due to a very inefficient banking sector, cash transactions are common.

There is no EDC line of credit available yet for Poland (a projected one of \$40 million for capital and investment goods is still under negotiations). For the oilseed sector, it is believed that the majority of EC countries and the U.S.A. have extended governmental and/or commercial credits.

The World Bank, International Finance Corporation and European Bank for Reconstruction and Development have been very active in Poland for the last 2-4 years.

### For Further Information Contact:

**Canadian Embassy**  
**Ulica Matejki 1/5**  
**Warsaw 00-481**  
**Republic of Poland**  
**Tel: (011-48-22) 29 80 51**  
**Fax: (011-48-22) 29 64 57**

	1991	1992	1993
Land	1,069.7	1,454.5	1,993.3
Area	4.5	15.3	7.9
Seed	11.8	8.1	9.7
Production (1990, 1991, 1992, 1993)			
Soybeans	1,025.3	1,299.7	1,429.4
Soybean	11.8	33.3	8.9
Rapeseed	17.1	11.8	12.1
Oilseed Production (1991, 1992, 1993)			
Table olives	217.4		
Olives for crushing	2,829.7		
Olive oil	581.7		

Under the new EC oilseed regime for 1992-93, farmers will receive compensatory payments per hectare, the Maximum Guaranteed Area for oilseed growing being:

EC Oilseed	Hectares
Soybeans	509,000
Rapeseed	2,377,000



# SPAIN OILSEED INDUSTRY

## GENERAL OVERVIEW

The EC oilseed regime provides more support for sunflower production than for soybeans and rapeseed. This will ensure that sunflower continues to be Spain's principal oilseed crop. Nevertheless, soybean and rapeseed production is expected to continue at the same levels of recent years.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

The EC oilseed regime has resulted in a large increase in the sunflower growing area, from 1.07 million hectares in 1991 to 1.99 million in 1993. Many farmers having been influenced by drought conditions in 1991-92 and switched from growing corn to sunflower. The increase in sunflower production also had a negative impact on the domestic soybean crop. Latest Spanish Ministry of Agriculture statistics provide the following figures for the sown areas and production of sunflower, soybeans and rapeseed:

<u>Sown Areas ('000 hectares)</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Sunflower	1,069.7	1,454.5	1,993.3
Soybeans	4.5	15.3	7.9
Rapeseed	11.8	8.1	9.7

<u>Production ('000 tonnes)</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Sunflower	1,025.5	1,359.7	1,429.4
Soybeans	11.8	33.3	8.0
Rapeseed	17.1	11.8	12.1

### Olive Production - 1993 ('000 tonnes)

Table olives	217.4
Olives for crushing	2,829.7
Olive oil	581.7

Under the new EC oilseed regime for 1992-93, farmers will receive compensatory payments per hectare, the Maximum Guarantee Areas for oilseed growing being:

<u>EC 12 States</u>	<u>Hectares</u>
Soybeans	509,000
Rapeseed	2,377,000

## Spain

Sunflower 1,411,000

Should the above growing areas be exceeded, EC subsidies will be reduced accordingly. Subsidies vary between approx. \$160 and \$165 per hectare but are due to be phased out by 1995 when the market is expected to become more stabilized.

As the controls on imports of oilseeds were removed in 1991 and the duty rate reduced, Spanish crushers are expected to become increasingly involved in importing and exporting oilseeds. Following the lifting of restrictions on soybean oils, domestic consumption of this product rose by approx. 65% to 154,000 MT.

### **B. Domestic Market**

#### **Vegetable Oils & Fats**

##### **Annual per capita consumption (1990):**

seed oils	9.3 litres;
olive oil	8.9 litres;
margarine	1.3 kgs.
butter	0.5 kgs
lard	almost nil

Sunflower oil and olive oil are now equally popular with Spanish consumers.

A market could be developed in future for bottled soybean oil but so far no attempt has been made in this direction. As from 1992 soybean oil may be added to "seed oils" and some 30,000 tonnes are expected to be destined to this use. At the moment nearly all the soyabean oil produced in Spain goes to industry or else is exported.

#### **Protein Meals**

##### **Consumption of feed by sectors (MT) - (Total for all sectors: 14,538,886):**

##### **Bovine (MT)**

Beef cattle	1,481,621
Dairy cattle	1,202,699
Concentrates	290,795
Milk replacers	75,976
Other	117,109
-----	
Total	3,168,200

**Sheep & Goats (MT)**

Lamb & kids	453,347
Milking sheep & goats	152,888
Other	39,282
-----	
Total	645,517

**Hogs (MT)**

Piglets	606,388
Fattening pigs & feeders	3,995,371
Breeding pigs & boars	847,394
Concentrates	99,089
Other	33,419
-----	
Total	5,581,661

**Poultry**

Broilers	2,180,679
Chicks	312,980
Layers	1,852,942
Turkeys	101,734
Other poultry	116,150
-----	
Total	4,564,485

**Other Domestic Animals**

Horses	28,645
Rabbits	466,075
Dogs & cats	46,599
Birds	7,186
Trout (aquaculture)	21,940
Other fish	2,060
Other domestic animals	6,518
-----	
Total	579,023

Latest breakdown of raw materials used in Spanish compound feeds in one given year corresponds to 1990 (tonnes):

Wheat bran	545,791
De-hulled rice	3,280
Rice bi-products	65,835
Other milling products	256,434
Molasses	153,732
Sugarbeet pulp	99,699
Sugar	4,220
Soybean	2,111,518
Sunflower	389,403
Other	271,319
Starch	151,056
Wine bi-products	34,026
Brewers bi-products	15,539
Fruit & Vegetable bi-products	10,249
Olive residues	6,257
Urea & similar	29,966

Feed correctors

Antibiotics & various additives	135,459
Vitamins/minerals	29,316
Simple mineral mixtures	2,099
Other	43,298

Except for some insignificant imports of canola oil for the retail trade in the Canary Islands, canola is not known in Spain.

Apart from small quantities destined for the paint industry, flax is not used in this territory either.

Spanish livestock sector (million head)

	1990	1991	1992
Cattle	5.1	5.3	5.1
- Dairy	1.5	1.6	1.7
Hogs	16.0	16.1	17.2
Sheep	24.0	24.5	24.6
Chickens:			
- broilers (slaughtered)	494.0	521.0	513.0
- layers (commercial/breeder)	43.0	42.0	36.0

### Livestock production ('000 tonnes)

Beef & veal	513	509	539
Pork	1,788	1,947	1,982
Lamb & mutton	236	259	279
Poultry meat	836	873	867
Other	62	80	92

---

Total meat 3,435 3,668 3,759

Eggs (billion)	10.6	10.7	8.6
Cow milk (MT)	6,000	6,780	6,520

### Annual per capita consumption

Beef & veal (kgs.)	13.0	12.9	13.5
Pork (kgs.)	45.5	49.4	49.7
Lamb & mutton (kgs.)	6.0	6.5	7.0
Poultry meat (kgs.)	21.3	22.1	21.7
Other (kgs.)	1.6	2.0	2.3

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Total meat (kgs.) 87.4 88.0 94.2

Eggs (number)	269.0	269.0	216.0
Cow milk (litres)	152.7	157.3	163.8

### **Industrial Usage of Vegetable Oils and Oilseed Products**

- i) Linseed oil - Paints
- ii) Rapeseed oil - Steel tempering
- iii) Soybean oil - Direct domestic use; food canning industry

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Imports handled through private firms. All EC import policies apply in Spain. Canadian % share of market at present almost nil.

### **D. Country Exports**

No subsidies are available from the Spanish Government for exporting oilseeds and oilseed products.

## MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

It is believed that Canadian oilseeds (soybeans) have not been exported to Spain since this country entered the EC in January 1986. Prior to January 1986, Canadian soybeans were exported to Spain at a premium as they were considered to be of higher quality than the U.S. product.

It is believed that no Canadian suppliers of oilseeds or oilseed products are exporting to Spain. Should this attitude change, all the above initiatives could be effective in gaining access to the market.

### ACCESS

#### A) TARIFFS / CUSTOMS & DUTIES

(on imports from Third Countries) Percent on CIF values:

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	0	10	0	10
Soya	0	15	7	15
Sunflower	0	15	0	15
Flaxseed	0	15	0	15
Sesame	0	10	0	10
Groundnut	0	15	0	15
Cottonseed	0	15	0	15
Palm Oil	0	17	0	17
Coconut	0	17	0	17
Olive	0	EC var.	0	EC var.
Other				

Main non tariff barriers are EC import quotas.

### TRANSPORTATION

The ports of Bilbao, Barcelona and Valencia handle bulk shipments of most commodities and have adequate storage facilities. Internal distribution network from port of entry to plant is mainly normal road haulage.

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING (\*ownership)

ACEPROSA, (\*Arlesa/Bunge Group)

Paseo de la Castellana,143,  
28046 Madrid

Tel.: (91) 579-6300

Fax.: (91) 579-9405

ALGYSOL, (\*Migasa)

José Lázaro Galdiano, 4,  
28036 Madrid

Tel.: (91) 457-5817

Fax.: (91) 458.7734

CARBONELL, (\*Elosua/Ferruzzi)

Ctra. Madrid-Cádiz, km.388,

Alcolea (Córdoba)

Tel.: (957) 32-0200

Fax.: (957) 32-0444

CARGILL, S.A. (\*Cargill USA)

Avda. Blas Infante, 8,

41011 Sevilla

Tel.: (95) 428-9200

Fax.: (95) 445-3991

CEREOL IBERICA, S.A., (\*Ferruzzi)

Ctra. de Arjona, 7,

23740 Andujar (Jaen)

Tel.: (953) 50-6909

Fax.: (953) 51-0168

INDUSTRIAS PONT, (\*independent Spanish)

Avda. Juan Trepat, s/n.,

25300 Tarrega (Lerida)

Tel.: (97) 350-1212

Fax.: (97) 350-0060

OLCESA (\*State owned)  
Ctra.Madrid-Valencia, km.80,200  
16400 Tarancon (Cuenca)  
Tel.: (966) 11-1811  
Fax.: (966) 11-1812

SIMSA, (\*independent Spanish)  
Plaza de Chamberí, 8,  
28010 Madrid  
Tel.: (91) 447-3013  
Fax.: (91) 445-5334

AGRA, S.A., (\*Unilever USA)  
Avda de la Autonomia, 4,  
48940 Lejona (Vizcaya)  
Tel.: (94) 463-4400  
Fax.: (94) 464-3322

MIGASA, (\*independent Spanish)  
Ctra. Madrid-Cádiz, km.556,  
41700 Dos Hermanas (Sevilla)  
Tel.: (95) 472-0550  
Fax.: (95) 472-9552

EXTRACTORA DEL GENIL, (\*independent Spanish)  
Apto. 1,  
14500 Puente Genil (Córdoba)  
Tel.: (957) 60-0492  
Fax.: (957) 60-5981

IDOSA (\*independent Spanish)  
Santa Filomena, s/n,  
41430 La Luisiana (Sevilla)  
Tel.: (95) 483-6125  
Fax.: (95) 427-7572

Imports may be transacted through agents/brokers to crushers but usually they will be negotiated directly by the crushers themselves.

## Other Contacts

### Spanish oilseed crushers association (major companies):

AFOEX - Asociación Nacional de Empresas para el Fomento  
de las Oleaginosas y su Extracción,  
Diego de Leon, 34 - 3ºA,  
28006 Madrid  
Tel.: (91) 563-1033  
Fax.: (91) 562-1424

### Spanish oilseed crushers association (independent Spanish companies):

ANEISO - Asociación Española de Extractores Independientes de Semillas Oleaginosas,  
Paseo Reina Cristina, 6 - 1º2,  
28014 Madrid  
Tel.: (91) 501-8969  
Fax.: (91) 551-5013

## OTHER OILSEED PRODUCTS

Major Spanish producers of margarine are as follows, details on their capacity and market share are not available: (\*ownership)

AGRA, S.A., (\*Unilever USA)  
Avda. de la Autonomia, 4,  
48940 Lejona (Vizcaya)  
Tel.: (94) 463-4400  
Fax.: (94) 464-3322

KOIKE, S.A., (\*Ferruzzi)  
Victor Hugo, 5,  
Apto. 153,  
28004 Madrid  
Tel.: (91) 532-7715  
Fax.: (91) 522-4416

INDUSTRIAS GRASAS DE NAVARRA, S.A.,  
Paseo de los Enamorados, 16,  
31014 Pamplona (Navarra)  
Tel.: (948) 11-2611

## COMPOUND FEED INDUSTRY

The Spanish feed association state that the milling capacity and market share of each company are not available.

### AGROPECUARIO DE GUISSONA, S.L.

Avda. Virgen del Claustro, 32,  
25210 Guissona, (Lleida)  
Tel.: (973) 55-0000  
Fax.: (973) 55-0882

### PIENSOS COMPUESTOS F.M., S.A.,

Ctra. Empalme-Bisbal, s/n.,  
43717 Bisbal del Penedés (Tarragona)  
Tel.: (977) 68-8400  
Fax.: (977) 68-8186

### PIENSOS HENS, S.A.,

Aptdo. 51,  
30080 Torre Pacheco (Murcia)  
Tel.: (968) 57-7825  
Fax.: (968) 57-9053

### PRODUCCIONES AGROPECUARIAS FABRA, S.A.,

Ctra. Estación s/n,  
Aptdo. 51,  
43500 Tortosa (Tarragona)  
Tel.: (977) 50-0444  
Fax.: (977) 50-4852

Marketing channels: Agents/brokers to wholesalers/retailers or else direct imports by the latter group.

## FINANCING

Credit terms for country available from EDC

### For Further Information Contact:

**Canadian Embassy**  
**Apartado 587**  
**28080 Madrid, Spain**  
**Tel: (011-34-1) 431-4300**  
**Fax: (011-34-1) 431-2367**

# UNITED KINGDOM OILSEED INDUSTRY

## GENERAL OVERVIEW

The UK offers for the first time in years a market for canola this year (1993) and there may also be opportunities for flax. While next year there may be something of a resurgence in UK rapeseed production, in the longer term there are likely to continue to be opportunities for canola here because of changes that have taken place to the Common Agricultural Policy (CAP). Longer term flax prospects are harder to predict because the EC linseed regime is still in process of reform.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

As the UK is a member of European Community (EC), policy governing oilseeds production in the UK is set by the EC. The crop year 1992/93 was the second year of the new oilseeds regime but the first year of the major reform of the Common Agricultural Policy (CAP) known as the MacSharry reforms. This extended to most other crops in the arable regime the measure introduced for oilseeds last season of paying subsidy to farmers depending on the area of crop they grow rather than subsidising them purely through ensuring high EC prices. The regime for linseed has been separate from other arable crops but this year it was partly incorporated into the arable regime and will be entirely within it for the 93/94 season.

Under the reformed CAP the move has been towards paying farmers direct aid for each hectare of crop grown. However, to be eligible to receive these payments there is an obligation for all but the smallest farms to set aside 15 pct of their arable area. They receive compensation for this. Setaside land may not be used for food crops, forage or farm livestock. It may, however, be used for industrial crops not used for food production, such as linseed (as flax grown for oilseed is called in the UK, to distinguish it from fibre flax) and high erucic acid oilseed rape (HEAR). Crops grown for industrial purposes on setaside land are not eligible for arable area aid payments but setaside compensation is still payable at the standard rate (currently about \$240 per hectare).

### Oilseed rape

For the 1992/93 crop year arable aid of about \$890/ha was payable for England. (The UK has been divided for reasons of yield calculation into England, Wales, Scotland -Less Favoured Area (LFA), Scotland -non LFA, Wales and Northern Ireland. The need for regionalisation is because EC aid is set on a per tonne basis but is paid according to area planted. Thus the level of area aid is slightly different for each region because yields differ. For the forthcoming crop season Wales will be subdivided into two areas also.) For comparison, the area aid paid on wheat in England is \$280 per ha rising to \$532 in two years. This gradation

of aid payments in the cereals sector takes account of a lowering of border protections and export restitutions over three years as part of the MacSharry reforms, thereby allowing internal market prices to fall.

For oilseed rape, the level of aid for 1993/94 should be of a similar level to 1992/93, adjusted in accordance with the governing EC Commission document to take account of significant (greater than 8 pct) movement in world price. However, it will be reduced in line with the Blair House Agreement (see 2.A.ii) below) if total EC oilseeds area is too high.

### **Linseed**

Subsidy for linseed production within the EC has always been paid direct to growers on an area basis. However, there has been a recognition that production was increasing too rapidly and so the regime was partly reformed for the 1992/93 crop year, with area aid being reduced to about \$800 per ha compared with \$1168 last season. There has been no requirement to include linseed area in calculations of arable area for setaside up until now but this will change next season.

### **Overall Trends**

Because the Blair House Agreement stipulates there be a separate base area for oilseeds in the EC and this must not exceed 5.128 mill ha before setaside requirements are taken into account (from 1995 on, there still being some transitional arrangements relating to accession to the EC for Spain and Portugal in 1994), there is little scope for expansion of the total area of oilseeds listed under this agreement - soya, sunflower and oilseed rape.

At the current setaside level of 15 pct this gives a Maximum Guaranteed Area (MGA) of about 4.4 million ha while the actual area grown this year was 4.928 mill MT. It is expected by many that the area of sunflower in Spain will decline by about 0.5 mill MT after the transitional arrangements have lapsed, putting EC oilseeds area within the MGA. Clearly there is no great scope for oilseeds expansion within the EC as a whole now.

However, it has not yet been decided how controls will be applied to individual Member States (M/S). Currently discussions are taking place between the EC Commission and M/S about how penalties for exceeding the MGA would be distributed between M/S. Those countries whose oilseeds area during the base period of assessment were greater than they now are favour the penalisation of only those countries that have exceeded their base area while others say any cuts in area aid should be distributed Community wide. The EC Commission has proposed a scheme which is somewhere between these two positions and a decision is expected by December 1993.

However, UK oilseed rape plantings declined markedly in 1992/93, with fall plantings 30 pct down. This was in part due to uncertainties surrounding the CAP reforms at the time planting decisions had to be made (winter oilseed rape is usually seeded from August on) and also in

part to a very wet fall. Preliminary information for 1993/94 suggests that fall plantings are bouncing back - perhaps 20 pct up on last year. Due to the constraints of the Blair House Agreement, however, this should only be a short-term effect rather than a long-term trend.

With regard to linseed, the trade appears to believe there will be something of a decline in the crop in the UK now that it has to be included in the arable regime for setaside purposes and also that there will be a further decline in area aid next season. However, it is quite possible that the level of aid will not be known till after the crop has been sown, as was the case in 1993. If the crop is grown as an industrial crop on setaside it does not get linseed area aid which makes this a relatively unattractive proposition, given that the reason the crop has expanded so much in the UK was the high level of area aid payable. There is, however, a basic ideological objection by many farmers to the concept of setaside and some will seek to crop their setaside area even though it does not make economic sense.

Even on non-setaside land, if cost and returns for the major grains and oilseeds crops grown in the UK are compared linseed shows a fairly low return.

## **B. Domestic Market**

### **Vegetable Oils & Fats**

The apparent consumption of edible type vegetable and marine oils in the UK was 1.512 mill t in 1992, 1.5 pct down on the previous year. (Source: SCOPA) However, it is possible that some of this apparent decline is due to a run down in pipeline and invisible stocks in stores and homes during a period of recession. This apparent consumption figure includes manufacture of margarine and all other food processing uses. The National Food Survey shows a slight decline in household consumption of fats from 8.76 ounces per week in 1991 to 8.66 oz in 1992. Of this, 1.44 oz is butter, 2.79 oz margarine and 1.80 oz of low and reduced fat spreads.

The healthy eating trend has had a significant effect on the consumption of edible oils in the UK. UK Government guidelines ( White Paper 'The Health of the Nation', published July 1992) sets a target that not more than 35 pct of calorific consumption should be in the form of fat and not more than 11 pct as saturated fatty acids by the year 2005. There has been continued publicity about alternative cooking methods which use less fat. A number of prepared food products such as french fries and breaded fish products are now available in forms suitable for oven cooking instead of frying. Public awareness of the benefits of using products high in polyunsaturated and monounsaturated fatty acids has continued to increase also. Butter consumption is now only a quarter of its 1975 level according to the Department of Health.

A recent study of the retail market for edible oils (Edible Oils Market Intelligence May 1992, Mintel) shows a 12 pct decline in volume in the 5 years to 1991. However, sales of liquid cooking oils have grown 26 pct by volume in this period, at the expense of solid edible

cooking oils - lard, solid cooking oils and compound cooking fats - sales of which declined by 25 pct in both volume and value over the period. Sales of lard have shown the greatest decline - 45 pct over the 5 years surveyed - but compound cooking fats have fallen off 40 pct in volume and 19 pct in value too.

In liquid oils, blends still account for about half of the market. Sunflower oil has made progress though, because of its high level of polyunsaturates. Speciality oils have done well recently, especially olive oil, which has seen sales expand by 72 pct in the period. Virgin and extra virgin oil in particular have grown in popularity. Sesame, hazelnut, walnut, groundnut and grapeseed oils too, although a small proportion of the total market, have shown good growth in recent years.

### **Other Oilseed Products for Direct Human Consumption**

Consumption of soyfood is quite limited in the UK, products mainly being sold through health food shops for the vegetarian and dietetic market. There is also a fairly limited market for oriental cuisine.

The market for flaxseed is limited too, although in the past year flaxseed is starting to be seen in up-market multigrain breads.

### **Protein Meals**

#### Poultry

The UK poultry flock numbered nearly 128 mill birds, a 3 pct increase on the previous year. The laying flock continues to decline due to the steady fall in demand for eggs but numbers of both table birds and the breeding flock were up about 6 pct. (Table 1). Poultry compound feed production declined by 2 pct over the same period but these figures do not include feed produced on large integrated poultry units rather than purchased through feed manufacturers. This sector of the industry is expanding.

#### Hogs

Total hog numbers for 1993 also grew, by nearly 4 pct, to nearly 8 million, with breeding pig numbers up by 5.6 pct. Output of pig compound feed increased by 5 pct in the period.

#### Aquaculture

Salmon farming is the major UK aquaculture industry and output in 1993 is projected to rise from 36,000 MT last year to 45,000 MT. However, a price collapse engendered by a massive expansion in Norwegian production means that producers are currently loosing money so there may be a big down-turn again next year. The UK also produces about 15,000 MT of rainbow trout per annum.

#### Cattle

Total cattle numbers were broadly unchanged in 1993 at just under 12 mill. There was a 3.6 pct increase in beef cattle numbers but the dairy herd continued its gradual decline since the introduction of milk quotas in 1984. However, there was a 6 pct rise in cattle compound feed production last season.

### Sheep

The UK sheep flock edged up slightly in 1993 to just over 44 mill. The use of compound feed for sheep is relatively small.

### **Type of protein meals utilized in domestic market**

The availability of the major vegetable proteins used for livestock feeding in the UK for 1992 and the previous four years are given in Table 2. Total supplies were 4 pct higher in 1992 than the previous year with supplies from the domestic crush representing about 30 pct. Soymeal is still the main protein meal source used, especially in pig and poultry rations, where it accounts for 20 pct of ingredients in pig rearing and fattening compounds and 15-20 pct of raw materials used in broiler feed. Its relative importance is declining long-term due to increased availability of domestically produced double-low rapeseed and of linseed.

UK supplies of rapemeal rose slightly in 1992 to 848,000 MT, despite a rape crop which was down 80,000 MT on the previous year. This is because imports of rapeseed rose by 76,000 MT to 213,000MT and exports fell by 25,000 MT to 121,000 MT, increasing overall rapeseed supplies. UK crushers produced an additional 40,000 MT of rapemeal as a result and rapemeal imports fell by 25,000 MT.

Sunflower seed cake, the third most important supplier of vegetable protein in the UK showed a 5 year high in 1992, partly due to cheapness of seed, causing some UK crushers to swing to using it.

The burgeoning UK linseed crop has led to a great increase in availability of linseed meal with supplies doubling from 1990 to 1991 and increasing a further 130 pct to 52,000 MT in 1992.

With the exception of the salmon farming industry livestock numbers are fairly stable within the UK. Cattle and sheep numbers are now broadly controlled by the policies of the reformed CAP, while pig and poultry numbers follow the market. While there may be a few percentage point shifts from year to year no radical changes are foreseen in the near future.

Changes of the balance of type of vegetable proteins used is of more potential interest. In the short term the shortage of soya is leading to higher inclusion rates of cereals in rations currently and there is likely to be a strong demand for rapemeal.

The fish feed industry is currently heavily dependent on using fish protein but work is taking place on the inclusion of concentrated rape protein in these diets. Long term, the inclusion levels of vegetable protein in fish feed is likely to rise.

### **Industrial Usage of Vegetable Oils and Oilseed Products**

Raw linseed oil is used for linoleum manufacture in the UK by one plant - Forbo-Nairn in Scotland, sister plant to Forbo-Krommennie in the Netherlands. UK linoleum output has been fairly static although growth of 8-10 pct is being seen in the market in mainland Europe with consequent benefit to the linoleum plants there. Refined linseed oil is used in surface coatings, inks, paints, putties and masticks. It is in competition with soya oil, toll fatty acids and synthetic products.

High erucic acid rapeseed (HEAR) oil is used by one UK processor only - Croda Universal. Last year some of the production was exported to mainland Europe. This year 15,000 ha of HEAR have been grown on setaside land in the UK.

There has been no government support for biodiesel production in the UK. Without a tax break it is not economic and the UK Government has not so far seen fit to give a tax break to encourage a competitor to the traditional North Sea oil business. The Reading Bus Company did conduct a trial using biodiesel imported from Italy but found that although there were no technical problems, it could not afford to pay 48 cents/litre for rape methyl ester compared with 20 cents per litre for diesel.

Soybean oil is widely used in the paints and pigments industry.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

All oilseeds related industries in the UK are private sector and imports are handled accordingly.

The changes to the oilseeds regime and the CAP mean that there is again access to the market for Canadian canola and significant quantities are expected to be sold into Europe this year.

Canadian % share of market has been minimal in recent years, because of domestic oilseeds production.

Cargill UK are currently buying canola and looking to buy flax. BEOCO and ADM may also purchase canola later in the year and Unitriton may buy flax.

## **D. Country Exports**

The reform of the CAP should mean that exportable quantities of rapeseed should no longer be produced. However, it looks as though the UK will continue to be an exporter of linseed for the immediate future.

## **Market Opportunities for Canadian Products**

As already discussed, there are good opportunities for canola sales this season. Next season there may be something of a resurgence of UK rape production but the longer term prospects for canola to the UK are better than they have been for many years.

Flax sales are a little harder to predict. There could be some opportunities later this season especially if Canadian oil content is high. Longer term prospects will be affected by how the level of support for the domestic crop is reduced next year.

Canadian canola and flax have a good quality image in the market generally. However, there has been some concern about chlorophyll levels in recent canola shipments and also about oil levels.

As canola is coming back into the market after a long absence it might be worth the Canola Council visiting potential users to talk about quality. It is also probably time to start including UK representatives on the CIGI International Oilseeds course again.

## **Access**

There is no duty on oilseed meals and cakes. The duties for crude and refined oils for human consumption and for technical and industrial purposes are given in Annex B.

There are no non tariff barriers as such, merely subsidisation of domestic oilseeds production as described earlier in report.

## **Transportation**

The main ports of entry for oilseeds are Liverpool, Immingham, Hull, Tilbury and Erith. Some shipments come in direct from North America while some would come in to Rotterdam for transshipment. Unloading capacity and bulk storage are not limiting factors in the potential trade in Canadian oilseeds. Internal distribution from port of entry is predominantly by road.

## **Industry Structure**

### **Oilseed Crushing and Refining**

The oils crushing and processing industry is well developed and generally technically sophisticated although there are some old plants around too. There is no State ownership involved in any of the companies but some are part of multinational groups. Capacity is not publicly available information.

#### **Crushers**

**Archer Daniel Midland (ADM)**

Church Manorway

Erith, Kent

DA8 1DL

tel 03224 36966

fax 03224 443080

This is the biggest crusher in the UK, handling rapeseed and sunflower seed. It has about half the UK capacity for crushing these seeds. Its ownership is ADM of the USA.

**Cargill plc**

Oilseeds Processing Division

2 Gladstone Dock

Bootle

Merseyside L20 1BG

tel 051 933 6561

fax 051 933 0624

Cargill is the second largest crusher, handling rapeseed and linseed at Hull and soyabeans at Liverpool. It also refines palm, rapeseed, sunflower and soya oils as well as tallow. The company is owned by Cargill of the USA. Cargill also has an Agricultural Division in the UK which trades with farmers.

**BEOCO**

PO Box 26

Regent Road

Bootle, Merseyside

tel 051 922 7272

fax 051 993 4165

Formerly Bibby's Edible Oil Co, BEOCO are owned by Bunge. They are close to Cargill in capacity. They handle crush and refine the oil from corn, rapeseed and sunflowerseed on

Merseyside and refine coconut, corn, palm, palm kernel, rapeseed, soya, sunflower seed and tallow at their Bunge plant in London.

Unitrition International  
BOCM Silcock Ltd  
Barlby Rd, Selby  
N Yorks  
tel 0757 210390  
fax 0757 705133

Harrisons and Crosfields, the plantations conglomerate, acquired BOCM-Silcock last year. The plant crushes coconut, linseed, palm kernel, rapeseed and sunflower seed. Linseed, rapeseed and soya oils are refined there also.

### Refining industry infrastructure

In addition to the companies listed above there are a number of companies that only refine. The largest of these are Unilever (Van Den Berghs) and Acatos and Hutcheson.

Van Den Bergh Oils Ltd  
Head Office  
Sussex House  
Burgess Hill  
West Sussex  
tel 04442 46300  
fax 04442 49615

This Unilever company refines oils for its own margarine manufacture. Its plant is at Purfleet in Essex. Oils refined are coconut, corn, palm, rapeseed, safflower, soya and sunflower.

Acatos and Hutcheson plc/Pura Foods  
Head Office  
Orchard Place  
London E14 OJH  
tel 071 987 2066  
fax 071 538 1796

In the past few weeks it has been announced that A and H are closing their operation at Central Edible Oils on Merseyside. It is believed capacity will be redistributed to their other plants, Pura Foods, London and Trafford Edible Oil Refiners, Manchester. The group refines a wide range of edible oils: coconut, corn, cottonseed, fish, lard, palm kernel, palm oilien, palm oil, palm stearine, rapeseed, soya, tallow and sunflower.

Anglia Oils Ltd  
King Georges Dock  
Hull  
N Humberside HU9 5PX  
tel 0482 701271  
fax 0482 709447

Anglia refine coconut, palm kernel, palm olien, palm, palm stearine, rapeseed, soya and sunflower oils.

Karlshamns UK  
189/197 Wincolmlee  
Hull  
HU2 0QA  
tel 0482 586747  
fax 0482 587004

Karlshamns refine cotton, linseed, groundnut, palm kernel, rapeseed and soya oil.

Loders Croklaan Ltd  
Cairn Mills  
Factory Rd  
London ABBE 2EL  
tel 071 476 5611  
fax 071 474 1629

This company refines coconut, illipe, palm and sheanut oil.

John L Seaton and Co Ltd  
Bankside  
Hull HU5 1RR  
tel 0482 41345  
fax 0482 447157

Seatons are refiners of technical oils, handling castor, fish, linseed, safflower, sunflower, soya, rapeseed and other minor oils.

It is usual for crushers to import direct, or through their associated companies although they may sometimes use brokers on mainland Europe also. Refiners, if not buying from crushers, might import direct or use brokers but the role of the broker is generally a declining one. There are a few companies, however, that import refined oils.

C) List of other industry contacts (industry associations, government agencies).

**Seed Crushers and Oil Processors Association (SCOPA)**

6 Catherine Street  
London WC2B 5JJ  
tel 071 836 2460  
fax 071 836 0580

**Other Oilseed Products**

**Margarine and Shortening Manufacturers**

**BEOCO Ltd**

Address as per crushing entry

**British Bagels Ltd**

238 Bath Rd  
Slough  
Bucks SL1 4DU  
tel 0753 26261  
fax 0753 825455

**Cardowan Creameries**

49-51 Holywell St  
Glasgow G31 4BT  
tel 041 554 1137  
fax 041 551 0691

**Co-operative Wholesale Society Ltd (CWS)**

Edible Oils and Fats Factory  
Liverpool Rd, Higher Irlam  
Manchester M30 6EL  
tel 061 775 3061  
fax 061 777 9108

**Graigmillar**

Craigmillar House  
Stadium Rd  
Bromborough, Wirral  
L62 3NU  
tel 051 346 1600  
fax 051 346 1334

Croda Bakery Services Ltd  
Falcon St  
Oldham, Lancs  
OL8 1JU  
tel 061 652 6311  
fax 061 627 2346

Kraft General Foods Ltd  
St George's House  
Bayshill Rd  
Cheltenham, Glos  
GL50 3AE  
tel 0242 236101  
fax 0242 512084

Peerless Refining Co  
P O Box 15  
Dunnings Bridge Rd  
Bootle  
Liverpool L30 6TJ  
tel 051 525 5151  
fax 051 523 4110

Pura Foods Ltd  
address as per refining section

Rowallen Creamery Ltd  
Glasgow Rd  
Kilmarnock  
Ayrshire KA3 6AA  
tel 0563 26442  
fax 0563 42283

This company is owned by Associated British Foods.

Matthews Foods Plc  
Healey Complex  
Healey Rd, Ossett  
Yorkshire WF5 8NE  
tel 0924 272534  
fax 0924 277071

Van Den Berghs and Jurgens Ltd  
Address as per refining section.

Market share is not publicly available information. However, Van Den Berghs are by far the biggest in this sector with probably 50 pct of the market. Five other companies have the major share of the rest of the market between them. They are Kraft, Rowallen, Pura, CWS and Matthews. The remaining companies listed above are relatively small.

C) List of other industry contacts (industry associations, government agencies).

**Margarine and Shortening Manufacturers Association**

6 Catherine St  
London WC2B 5JJ  
tel 071 836 2460  
fax 071 836 0580

**Industrial Uses**

There is only one linoleum producer:

Forbo-Nairn Ltd  
P O Box 1  
Kirkaldy  
Fife  
KY1 2SB  
tel 0592 643111  
fax 0592 64399

Only one company uses high erucic acid rapeseed:

Croda Universal  
Cowick Hall  
Snaithe  
Goole  
DN14 9AA  
tel 0405 860551  
fax 0405 860205

**Compound Feed Industry**

There are two feed compounders with truly national distribution, BOCM-Pauls and Dalgety. Together they have about half of the UK market and this share is fairly evenly divided between them.

BOCM-Pauls  
P O Box 39  
47 Key Street  
Ipswich IP4 1BX  
tel 0473 232222  
fax 0473 230509

This company is part of Harrison and Crosfield, the plantations group. BOCM was acquired by Pauls in June 1992 and since then the combined operation has closed 10 mills as part of rationalisation. Industry sources think the group still has overcapacity.

Dalgety Agriculture  
180 Aztec West  
Almondsbury  
Bristol  
BS12 4TH  
tel 0452 201511  
fax 0452 201440

Dalgety is a multinational company whose home base is in New Zealand. Oldacres, a regional compounder was acquired from Unigate and incorporated into Dalgety but still operates under the Oldacre name.

The next largest after these two, with 6-8 pct of the market according to industry sources is J Bibby Agriculture, owned by Barlow Rand of South Africa.

J Bibby Agriculture  
Adderbury  
Banbury  
Oxon  
OX17 3HL  
tel 0295810281  
fax 0295 810934

The remaining approximately 45 pct of the market is with a number of smaller regional compounders but these are steadily being bought up by the majors. Total compound feed production in the UK stabilised in 1992 at 11.205 mill MT (source: SCOPA). Industry sources suggest there may still be 1 mill MT excess capacity.

The percentage of protein meal incorporation declined slightly from 23 pct in 1991 to 22.5 pct for 1992. This year there is likely to be less vegetable protein meals used because the hike in the soya price following the Mississippi floods will lead to a greater use of cereals. There is an overabundance of feed wheat also.

The other trend of interest in use of vegetable proteins has been use of whole oilseed rape and linseed. In the case of rape the product has become affordable for inclusion now that subsidy is paid direct to farmers rather than being added to the price of seed. It is being used particularly by integrated poultry operations, with probably 120,000 MT consumed in the 1992/93 crop year, according to trade sources. This could rise to 200,000 MT in 1993/94. Linseed is used more in cattle compounds. Trade sources estimate 50,000 MT of whole linseed was used in this market last year and perhaps 80,000 MT will be used in the 1993/94 crop year.

The fish feed market is relatively small compared with that for other forms of livestock, at 92-95,000 MT. There are three companies involved:

BOCM-Pauls Fish Feed Group  
Renfrew Mills  
Wright St  
Renfrew PA4 8AH  
tel 041 889 3960  
fax 041 887 3831

This is owned by Harrison and Crosfields.

BP Nutrition (UK) Ltd  
Wincham  
Northwich  
Cheshire CW9 6DF  
tel 0606 41133  
fax 0606 41963

This is a BP subsidiary.

Ewos  
Westfield  
Bathgate  
West Lothian EH48 3BP  
tel 0506 633966  
fax 506 632730

This is a subsidiary of Ewos AB of Sweden.

Traditionally, imported vegetable protein is brought into Ghent or Rotterdam on mainland Europe and then transhipped to the UK, although there has been an increase in sales cif UK in the past year. The trade is conducted by the major international shipper/ importers. From there it goes to seller/buyers who put it into store. There are over 100 registered stores for

animal feed around the country. Feed compounders buy from here, as do merchants, in small lots, sometimes on forward contract, sometimes spot.

**C) List of other industry contacts (industry associations, government agencies).**

**Grain and Feed Trade Association (GAFTA)**

6 Chapel Court  
Chapel Place  
Rivington St  
London EC2A 3DQ  
tel 071 814 9666  
fax 071 814 8383

**United Kingdom Supply Trade Association (UKASTA)**

3 Whitehall Court  
London SW1A 2EQ  
tel 071 930 3611  
fax 071 930 3952

**Financing**

All imports are financed commercially and are usually traded on FOSFA contracts, cash against documents.

All the major Canadian banks are represented in the UK as well as many international banking institutions.

**Other comments and tips for Canadian Oilseed Exporters.**

Potential Canadian exporters are advised to approach UK crushers directly with offers of product.

**For Further Information Contact:**

**Canadian High Commission**  
**MacDonald House**  
**One Grosvenor Square**  
**London W1X 0AB**  
**England**  
**Tel: (011-44-71) 258-6600**  
**Fax: (011-44-71) 258-6384**

# ARGENTINE SECTION C INDUSTRY

## GENERAL OVERVIEW

Argentina is a major oilseed producer and exporter. Soybean and sunflower seed make up the bulk of the **CENTRAL AND SOUTH AMERICA REGION**

## CHARACTERISTICS OF THE MARKET

### A. Local Production

There are no government policies affecting the production of oilseeds which is close to 15 million tonnes per annum. Production trends are relatively stable and are only influenced by economic factors.

### B. Domestic Market

#### Vegetable Oils & Fats

The consumption per capita is about 22 kilos yearly. No adequate statistics are available of percentage of animal and vegetable fat consumption, but the bulk is of vegetable origin.

The consumer demand is oriented towards various mixes of different vegetable oils obtained at reasonable prices. The trend towards vegetable oils is positive, but gradual increase. The trend now that an important part of the population has a cholesterol problem.

#### Other Oilseed Products

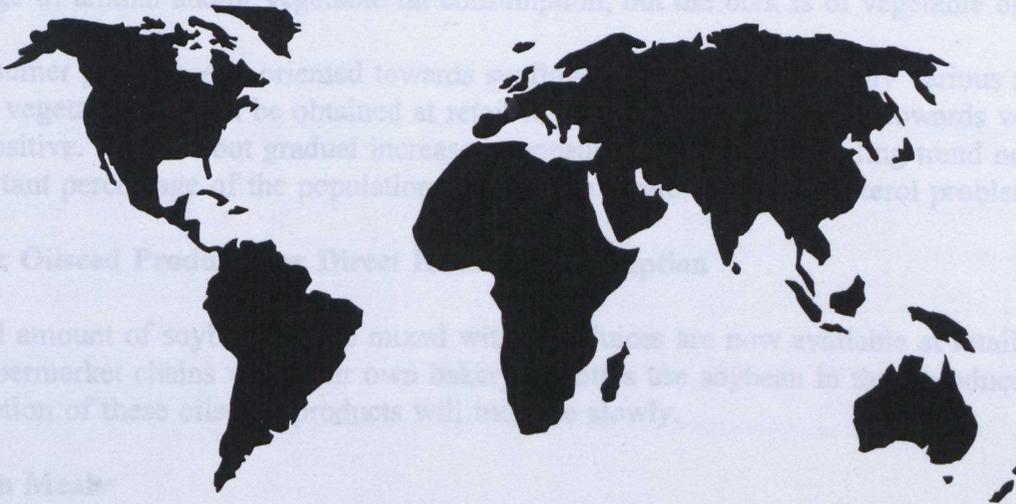
A limited amount of soybean meal is now available in retail outlets. Some supermarket chains have their own brands of soybean meal products. Consumption of these oil products will increase slowly.

#### Protein Meals

The Argentine livestock industry in general does little or no supplementing with the exception of hog and poultry production. Canola meal is not well developed in the market. The trend in protein meal consumption is stable and little growth is expected.

#### Industrial Usage of Vegetable Oils and Oilseed Products

The main use is flax oil for the paint industry.





# ARGENTINA OILSEED INDUSTRY

## GENERAL OVERVIEW

Argentina is a major oilseed producer and exporter. Soybean and sunflower seed make up the bulk of the domestic oilseed production. Minor crops are flax, peanut and cotton.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

There are no government policies affecting the production of oilseeds which is close to 15 million tonnes per annum. Production trends are relatively stable and are only influenced by economic factors.

### B. Domestic Market

#### Vegetable Oils & Fats

The consumption per capita is about 22 kilos yearly. No adequate statistics are available of percentage of animal and/or vegetable fat consumption, but the bulk is of vegetable origin.

The consumer preference is oriented towards sunflower seed oil, but recently various mixes of different vegetable oils can be obtained at retail level. The general attitude towards vegetable oils is positive. A slow but gradual increase in consumption is the prevailing trend now that an important percentage of the population has become aware of the cholesterol problem.

#### Other Oilseed Products for Direct Human Consumption

A limited amount of soybean drinks mixed with fruit juices are now available at retail outlets. Some supermarket chains with their own bakery facilities use soybean in their products. Consumption of these oilseeds products will increase slowly.

#### Protein Meals

The Argentine livestock industry in general does little or no supplementing with the exception of hog and poultry production. Canola meal is not well recognized in the market. The trend in protein meal consumption is stable and little growth is expected.

#### Industrial Usage of Vegetable Oils and Oilseed Products

The main use is flax oil for the paint industry.

### C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals

Argentina virtually imports no vegetable oils. They only import some special oils on a very limited scale (olive, walnut). Imports are primarily handled by private firms.

### MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Canada's short and long-term potential in this market is basically nil.

### ACCESS

#### A) TARIFFS / CUSTOMS & DUTIES

ALL DUTIES ARE CALCULATED ON CIF BAIREZ VALUES. IN ADDITION THEY ALL CARRY A 10% STATISTICAL TAX AND 18% V.A.T. ON MENTIONED VALUES.

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	2.5%	2.5%	2.5%	2.5%
Soya	2.5%	2.5%	2.5%	2.5%
Sunflower	2.5%	2.5%	2.5%	2.5%
Flaxseed	2.5%	2.5%	2.5%	2.5%
Sesame	N.A.			
Groundnut	N.A.			
Cottonseed	N.A.			
Palm Oil	2.5%	2.5%	2.5%	2.5%
Coconut	2.5%	2.5%	2.5%	2.5%
Olive	2.5%	N.A.	N.A.	7.5%
Other	N.A.			

### INDUSTRY STRUCTURE

#### OILSEED CRUSHING & REFINING

Total capacity should now exceed the 10 million tonnes. Ownership private and mainly national capital. Expertise of industry is considered good.

List of other industry contacts (industry associations, government agencies):

CAMARA DE LA INDUSTRIA ACEITERA DE LA REPUBLICA ARGENTINA.

CAMARA ARBITRAL DE ACEITES VEGETALES Y SUBPRODUCTOS  
OLEAGINOSOS.

### **COMPOUND FEED INDUSTRY**

The Argentine animal feed industry is not fully developed due to the marginal use of this type of feeding. There are a few minor processors and the total national capacity is estimated at 250/300,000 tonnes. The processors are mainly domestically owned and all are private.

List of other industry contacts (industry associations, government agencies):

CAMARA ARGENTINA DE FRABRICANTES DE ALIMENTOS BALANCIADOS.

### **FINANCING**

Canadian or International banking institutions represented in the country.

CITIBANK

BANK OF BOSTON

BANCO DE LAVORE

MIDLAND BANK

### **OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.**

The Canadian Embassy in Argentina can see no possibility for any Canadian exports of vegetable oils and or by-products. Argentina should be considered as totally self sufficient in this sector. Argentina is a direct competitor with Canada in world oilseed markets.

#### **For Further Information Contact:**

**Canadian Embassy**

**Casilla de Correo 1598**

**Buenos Aires**

**Argentina**

**Tel: (011-54-1) 805-3032**

**Fax: (011-54-1) 806-1209**



# BRAZIL OILSEED INDUSTRY

## CHARACTERISTICS OF THE MARKET

### A. Local Production

There are no production subsidy programs. Brazil, as part of the government's economic liberalization program, has gradually reduced import taxes and removed all subsidies, including those in the agricultural sector.

Brazil is a member of the International Association of Seed Crushers (IASC). It supported a GATT proposal to liberalize international trade in oilseeds and oilseed products which, if approved, would have brought down to zero all import taxes (International Level Playing Field) in Brazil.

### B. Domestic Market

#### Vegetable Oils & Fats

Consumption per capita has remained much the same since 1991. The Brazilian Vegetable Oil Industry Association (ABIOVE) has estimated that total Brazilian per capita consumption of fats and oils in 1993 was between 18 and 20 kg. This per capita total is composed of:

- 16-17 kg. of soya oil
- .65 kg. of cotton seed oil
- .65 kg. of corn oil
- 1.0 kg. of palm oil
- .48 kg. of butter
- 1.0 kg. of lard

Soya oil is the oil of preference and accounts for 80% of all fats and oils for human consumption, followed by cotton seed oil. Canola oil has been introduced to the Brazilian market by Olvebra from Rio Grande do Sul. Consumption of canola oil is very low, due to its, relatively speaking, significant high price.

Preference for soya oil will continue. The consumption of margarine is increasing and should eventually substitute for lard.

## Protein Meals

	Poultry for Meat (tons)		Poultry for Eggs (millions x 30 dozen)		Swine (tons)		Dairy Cattle (billion litres)		TOTAL	
	1992	1993	1992	1993	1992	1993	1992	1993	1992	1993
Production	2,871,570	3,130,000	39,412,000	40,970,000	1,200,000	1,300,000	14.8	15.1	--	--
Est. Feed Consumption	8,534,395	9,302,461	3,098,162	3,220,636	5,748,177	6,227,192	845,714	862,857	18,226,448	19,613,146
% of Total Feed Consumption	46.82	47.43	17.00	16.42	31.54	31.75	4.64	4.40	100	100

### Macroelements in Domestic Feed Consumption (1993)

Projected Production	Poultry for Meat		Poultry for Eggs		Swine		Dairy Cattle	
	ton	ton	40,97 million x 30 dozen	ton	ton	ton	15,1 billion litres	ton
Equivalent in live weight	3,130,000	4,012,821	--	3,220,636	1,300,000	1,625,000	--	862,857
Feed Consumption	9,302,461				6,227,192			
Macroelements Consumption	%	Total (t)	%	Total (t)	%	Total (t)	%	Total (t)
Corn	63.5	5,907,063	59.5	1,916,278	65.5	4,078,811	23.0	198,457
Soya	25.0	2,325,615	17.0	547,508	17.0	1,058,623	--	--
Meat Flour	4.4	409,308	4.7	151,370	3.5	217,952	--	--
Wheat Meal	1.2	111,630	6.3	202,900	8.8	547,993	23.0	198,457
Nut Meal	--	--	--	--	--	--	5.0	43,143
Rice Meal	--	--	--	--	--	--	10.0	86,286
Cotton 40 Meal	--	--	--	--	--	--	20.0	172,571
Sorghum	3.5	325,586	3.5	112,722	3.5	217,952	7.0	60,400
Limestone	0.7	65,117	7.5	241,548	0.7	43,590	1.5	12,943
Salt	0.3	27,907	0.3	9,662	0.5	31,136	0.5	4,314
Bone Meal	0.2	18,605	--	--	0.3	18,682	1.0	8,629

Canola meal is not a known product as the consumption of canola is very small.

### **Industrial Usage of Vegetable Oils and Oilseed Products**

Linseed oil - Production is exclusively for industrial use.  
Soybean oil - 70,000 tonnes are used for industrial products.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Imports of oilseed products are exclusively handled by the private sector. Brazil, as a major producer and exporter of soya, is not a significant importer of oilseeds or its oils. There are no import quotas. Import tariffs are 10% across the border.

Canadian market share of approximately 0.16% (4,000 to 5,000 MT of canola oil).

Olvebra imports canola oil to be refined in Brazil.

Olvebra S.A.  
BR 116 km. 286  
Eldorado do Sul - RS  
92990-000  
Tel: (051) 481-3099

### **D. Country Exports**

The export of oilseeds and products is entirely carried out by the private sector. There are no subsidy programs.

### **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Canola oil, imported from Canada and refined by Olvebra, has a final price much higher than soya oil and does not compete in consumption terms.

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	10%	10%	10%	10%
Soya	10%	10%	10%	10%
Sunflower	10%	10%	10%	10%
Flaxseed	10%	10%	10%	10%
Sesame	10%	10%	10%	10%
Groundnut	10%	10%	10%	10%
Cottonseed	10%	10%	10%	10%
Palm Oil	10%	10%	10%	10%
Coconut	10%	10%	10%	10%
Olive	10%	10%	10%	10%
Other	10%	10%	10%	10%

There are very few non-tariff barriers. There are no import quotas and phytosanitary requirements exist, but are no more restrictive than most other markets. With the implementation of the Siscomex (Import/Export licensing system), the licensing process is uncomplicated and takes no more than five working days.

Preferential treatment (0% import tariff) is given to countries belonging to Mercosul.

### TRANSPORTATION

The main port of entry is Santos (São Paulo state), followed by the port of Paranaguá, Rio Grande and São Francisco do Sul. Santos has sufficient unloading and storage capacity/facilities.

Internal distribution is predominantly by highway transportation. Internal transportation costs are high and shipping costs from the Central-West region are estimated to be about US\$ 40 per metric ton.

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING

Number of crushing plants by feedstock are listed below. Some of these plants have capability to crush more than one type of feedstock.

Soya: 107; Cotton: 20; Castor: 11; Corn: 7; Peanut: 6; Linseed/flaxseed: 5; Babassu: 5; Coconut: 2; Sunflower: 2; Rice husk: 2; Rapeseed: 2; Palm: 1

Installed crushing capacity, by state follows (TPD).

STATE:	CAPACITY	%
Paraná	33,420	30.6
Rio Grande do Sul	26,238	24.0
São Paulo	19,403	17.7
Santa Catarina	6,020	5.5
Goiás	4,500	4.1
Mato Grosso do Sul	6,780	6.2
Minas Gerais	3,700	3.4
Mato Grosso	4,400	4.0
Pernambuco	700	0.6
Bahia	2,500	2.3
Others	1,695	1.5
TOTAL	109,359	100

Number of refineries, by feedstock, are listed below. Some of these refineries have the capacity to refine more than one feedstock.

Soya: 69; Cotton: 10; Castor: 3; Corn: 6; Peanut: 2; Linseed/flaxseed: 1; Babassu: 5;  
Coconut: 1; Sunflower: 1; Rice husk: 2; Rapeseed: 2;

STATE:	CAPACITY	%	CANNING	%
Sao Paulo	6,476	49.4	4,313	38.0
Paraná	2,290	17.5	2,110	18.6
Rio Grande do Sul	1,503	11.5	1,268	11.2
Goiás	415	3.2	905	8.0
Mato Grosso do Sul	350	2.7	695	6.1
Santa Catarina	445	3.4	645	5.7
Minas Gerais	600	4.6	600	5.3
Others	1.043	7.9	817	7.2
<b>TOTAL</b>	<b>13.122</b>	<b>100</b>	<b>11.353</b>	<b>100</b>

List of other industry contacts (industry associations, government agencies).

Associação Brasileira das Indústrias de Óleos Vegetais

ABIOVE

SCS - Ed. Baracat, conj. 804

Brasília - DF

70309

Tel: (061) 321-0800

Fax: (061) 321-0171

Contact: Sávio Rafael Pereira - Economy and Statistics Coordinator

### COMPOUND FEED INDUSTRY

C) List of other industry contacts (industry associations, government agencies).

Associação Nacional dos Fabricantes de Rações - ANFAR

(feed producers association)

rua Cláudio Soares, 160 - Pinheiros

São Paulo - SP

05422-030

Tel: (011) 211-8514

**FINANCING**

There are no credit lines available for the financing of oilseed exports. The Canadian Embassy in Brazil is unaware of the use by competitors of concessional/subsidized credits in this area. They are also unaware of the use of aid programs such as US PL-480.

The Royal Bank and the Bank of Montreal have offices in Brazil.

**For Further Information Contact:**

**Canadian Embassy**  
**Caixa Postal 00961**  
**70359-900 Brasilia D.F.**  
**Brazil**  
**Tel: (011-55-61) 321-2171**  
**Fax: (011-55-61) 321-4529**

Sao Paulo	13.122	1.043	1.043
Others			
Minas Gerais	600		
Santa Catarina	445		
Mato Grosso do Sul	350		
Goias	412		
Rio Grande do Sul	1.202		
Paraná			
Sao Paulo			
<b>TOTAL</b>	<b>13.122</b>	<b>1.043</b>	<b>1.043</b>

# MEXICO OILSEED INDUSTRY

## GENERAL OVERVIEW

The degree of technical expertise and competence within the edible oil industry is deemed to be marginally adequate. There are no serious processing, handling and storage facility constraints. The marketing infrastructure is a mixture of totally vertically integrated private firms, encompassing the operations of crushing, refining, packing, bottling and distribution to industrial and retail outlets, and a few companies performing a combination of crushing/refining or only one of the foregoing functions. The trend is toward full integration, with the gradual disappearance of firms that only perform a crushing operation. There is also a tendency toward the importation of crude oils for further processing and refining in Mexico. Vegetable oil for human consumption is marketed in Mexico through various types of retail outlets ranging from North American style super and mega markets and convenience stores, to small shops and government Conasupo stores supplying basic foodstuffs in the poorer urban and rural areas. Industrial users and food processors also account for a large proportion of consumption.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

The primary government program instituted in 1953 to stimulate the production of basic crops was a policy of guaranteed prices. Oilseeds, including soybeans, safflower, sesame, cottonseed and copra were included in the program in 1971.

All guaranteed prices were eliminated in 1989, except for maize and beans. Commencing with the 1991/92 crop, the guaranteed price for soybeans was replaced by a "bargaining price" (which the processor must pay for his domestic supplies) negotiated between the growers, processors and the government, based on the growers' production cost. For the spring-summer crop cycle in 1993, the bargaining price for soybeans has been set at \$940.00 new pesos per tonne. The processor is reimbursed by the Secretaría de Agricultura y Recursos Hidráulicos (ASERCA - Apoyos y Servicios a la Comercialización Agropecuaria), the difference between his purchase cost (growers' cost of production) and the theoretical landed cost in Mexico of imported soybean (basis the Chicago Board of Trade cash price and freight, insurance and applicable duties and taxes).

In protection of domestic soybean and safflower producers, an ad valorem duty of 15% for soybeans and 10% for safflower seed has been established for imports of these products which take place during the domestic harvesting and marketing period (August 1st to January 31st for soybeans and October 1st to December 31st for safflower). All other oilseeds are exempt from ad valorem duty payment.

In January 1992, retail price controls were eliminated on corn oil and all vegetable oils. These products were allowed to freely fluctuate on the basis of supply and demand, and in competition with each other. The average retail prices (New Peso) of vegetable oils in Mexico City supermarkets in October, 1993 were as follows:

Olive oil	Italian 12.20/500 ml; 15.90 to 18.00/750 ml. 22.80/870 ml.; Spanish 13.90/750 ml; 20.30/900 ml.
Corn (maíz) oil	3.40 to 5.19/1 lt.
Safflower (cartamo) oil	not available
Sunflower (girasol) oil	2.75 to 3.10/1 lt.
Blended vegetable oil (including canola)	2.20 to 3.14/1 lt.

## **B. Domestic Market**

### **Vegetable Oils & Fats**

The per capita consumption of vegetable oils and fats in 1992 was similar to the previous year, estimated at 19.3 Kg. Total oils and fats consumed in 1992 was estimated at 1.7 million tonnes, broken down as follows:

25% animal fats, 75% vegetable fats of which 40% were consumed in solid form.

Consumer preference, even in the middle and upper income class, is based on price and habit. The most commonly consumed oil is a blend of soya, palm and canola oils. This blend is variously described as vegetable oil, cartamo (safflower) or sunflower (girasol) oil. The consumption level of domestically produced sesame seed oil, because of its prices, is very low.

Health concerns are becoming more evident in Mexico; however, the market continues to be very price sensitive and price, rather than health, remains the principal factor in purchasing decisions, both at the processor and retail levels.

### **Other oilseed products for Direct Human Consumption**

Soybean oil, soya paste, soya milk substitute and soya drinks, soya flour and texturized soya protein are the only soybean products known to be produced in Mexico.

There is no human consumption of flaxseed or flaxseed products in Mexico.

## Protein Meals

### Size and breakdown of livestock industry (Millions of Head)

	Cattle	Hogs	Sheep	Goats	Chicken (Eggs)	Chicken (Meat)	Turkeys
1988	33.8	15.9	10.1	5.8	115.4	118.6	8.8
1989	33.0	16.2	10.2	5.9	119.1	119.2	7.1
1990	32.0	15.2	10.4	5.8	115.2	118.8	7.0
1991(p)	31.8	15.9	10.7	6.0	122.2	124.8	6.8
1992(e)	32.4	13.8	10.6	5.9	142.2	166.2	6.7

(p) Preliminary; (e) Estimated

The consumption of protein meals has increased from an estimated 1.8 million tonnes in 1984 to about 2.7 million tonnes in 1991.

### Proportion of Protein Meal Consumption

<b>Poultry</b>	<b>Swine</b>	<b>Dairy</b>	<b>Beef</b>	<b>Aquaculture</b>
35%	30%	24%	10%	1%

Soybean meal dominates the market (approximately 66%), although to some extent it has been displaced by lower cost meals extracted from canola and cottonseed. The protein meal market is very price sensitive, and although soybean meal is the preferred feed ingredient, rapeseed meal is very acceptable to the feed manufacturing and livestock industries, especially when it is competitive in price. Rapeseed is imported primarily for oil extraction, and in order to ensure its disposal in the feed manufacturing and livestock industries, Mexican crushers/refiners price rapeseed meal attractively and competitively with soybean meal.

### Industrial Usage of Vegetable Oils and Oilseed Products

Domestic flaxseed production is estimated at under 3,000 tonnes per annum. Annual imports of oil and seed fluctuate significantly. In 1991 only 300,000 tonnes of flaxseed and 1.8 million tonnes of linseed oil were imported, with utilization of the crushed seed and imported oil being used in the production of oil based paints, fatty acids for plasticizers and linoleum. Both soybean and rapeseed oil have to some degree displaced the use of linseed oil in printing inks. Rapeseed oil is not used in plastics, fuels or lubricants. The bulk of vegetable oil production is used as edible oil, with a small proportion used in the production of detergents, soap and cosmetics. Severe crop damage was caused by flooding during the spring-summer cycle in 1992, resulting in a significant reduction in the volumes harvested.

### **C. Country Imports - Oilseeds, Vegetable Oils and Protein Meals**

Oilseeds for crushing and refining, and crude and refined oil are imported directly by the user, for example, the oilseed processing firm or the vegetable oil refiner/packer.

Importers are required to apply for a phytosanitary "authorization" from the Secretaría de Agricultura y Recursos Hidráulicos which will specify the sanitary and certification requirements and conditions under which product may enter the country (for example, bulk grains and rolling stock must be fumigated at origin).

To facilitate the marketing of the Mexican soybean and safflower crop, and ensure a more remunerative price return for domestic producers, the government has placed a 15% ad valorem duty on imported soybean and 10% on imported safflower which is applied during the period August 1st to January 31st. The North American Free Trade Agreement when implemented will presumably phase out this informal seasonal tariff mechanism over a period of years.

#### **Major Importers of Oilseeds, Vegetable Oils & Protein Meals**

Sr. José Huidobro  
Financial Director  
Aceites y Proteínas  
El Calvario, S.A. de C.V.  
Km. 8.5 Carretera a Tehuacán  
Teotitlán  
75859 San Pablo Tepetzingo, Puebla  
Tel: (238)30200,30341,30440  
Fax: (238)30398

Lic. Alejandro Jiménez Robert  
Purchasing Director  
Aceites, Grasas y Derivados, S.A. de C.V.  
Vallarta 5106  
Sector Juárez  
45120 Guadalajara, Jal.  
Tel: (3)647-9000 Ext. 156  
Fax: (3)621-7461

Srita. Guadalupe Arriaga  
Manager  
Agencia Mexicana de Productos, S.A.  
Durango 245-203  
Col. Roma  
06700 México, D.F., Tel: (5)514-4452, 514-4993

C.P. Ramiro Elizondo Elizondo  
Purchasing Manager  
Anderson Clayton & Co., S.A. de C.V.  
Div. Alimentos Balanceados  
Calle Nueva San Rafael x Vía a Tampico  
Col. San Rafael  
67110 Guadalupe, N.L.  
Tel: (83)774-411, 774-412, 774-413  
Fax: (83)774-410

Ing. Raúl Castro Cervantes  
Manager, Corporate Import Purchasing  
Arancia, S.A. de C.V.  
López Cotilla 2030  
Col. Arcos Vallarta  
44100 Guadalajara, Jal.  
Tel: (3)615-1212  
Fax: (3)630-3479

Ing. Arturo Villaseñor  
Imports Manager  
Arancia Aceites La Gloria,  
S.A. de C.V.

López Cotilla 2030, Piso 1  
Col. Arcos de Vallarta  
44100 Guadalajara, Jal.  
Tel/Fax: (3)615-1212

Srita. Maricarmen Alvarez  
Chief, Import Purchases  
Chicle Adams, S.A. de C.V.  
División del Norte 3443  
Col. San Pablo Tepetlapa  
04620 México, D.F.  
Tel: (5)326-8300, 326-8350  
Fax: (5)549-3126

Sr. Enrique Sainos Aguilar  
Purchasing Manager  
Compañía Mexicana de Especialidades  
Industriales, S.A. de C.V.  
Av. Principal 28  
Col. Independencia  
54900 Tultitlán, Edo. de México  
Tel: (5)872-7533, 872-7391  
Fax: (5)872-3116

Ing. Ricardo González  
Purchasing Manager  
Fábrica y Laboratorios de Alimentos  
Para Ganadería y Avicultura, S.A.  
Poniente 146 #900  
Col. Industrial Vallejo  
02300 México, D.F.  
Tel: (5)567-3811 Ext. 24; Fax: (5)567-0805

Lic. Sergio Rodríguez Macedo  
Director General  
Ganaderos Asociados de Querétaro, S.A. de C.V.  
Carretera Panamericana Km. 6.5  
76900 Querétaro, Qro.  
Tel: (42)160-054 Ext. 7, 160-478, 160-033  
Fax: (42)163-933

Lic. José Raúl Sustayd  
Purchasing Manager  
Industrial Melder, S.A. de C.V.  
Colina Aurea 2364  
Col. Colinas de Atemajac  
45170 Zapopan, Jal.  
Tel: (3)624-4286; Fax: (3)624-2809

Sr. Fabían Díaz Díaz  
Purchasing Manager  
La Polar Fábrica de Aceite Hidrogenado  
y Manteca Vegetal, S.A. de C.V.  
Manuel González 165  
Col. Atlampa  
06450 México, D.F.  
Tel: (5)583-3845, 583-4022  
Fax: (5)597-9327

Sr. Manuel García Rojas  
Purchasing Manager  
Pinturas Atlas Marlux, S.A.  
146 Poniente #700  
Col. Industrial Vallejo  
02300 México, D.F.  
Tel: (5)567-1922 Ext. 26; 567-0678  
Fax: (5)368-4349

Sr. Orlando Espinoza  
Purchasing Manager  
Universal de Valores, S.A. de C.V.  
Av. Principal por José Ma. Castro Tejedo s/n  
97288 Merida, Yuc.  
Tel: (99)232-320 Ext. 156; 232-520, 248-935  
Fax: (5)632-322, 632-309

Lic. Roberto Madrigal Juárez  
International Commercial Manager  
Formex Ybarra, S.A.  
146 Poniente #658  
Col. Industrial Vallejo  
02300 México, D.F.  
Tel: (5)587-1077  
Fax: (5)368-1751

Sr. Joaquín Ponce Azpiroz  
Commercial Manager  
Impulsora y Exportadora  
Nacional, S.A. de C.V.  
Av. Río Mixcoac 34, Piso 4  
Col. Insurgentes Mixcoac  
03900 México, D.F.  
Tel: (5)598-3598  
Fax: (5)598-3690

Ing. Octavio Ribera López  
General Manager  
Comercializadora Indo-Quim, S.A. de C.V.  
Calle 13 No. 27-2  
Col. San Pedro de los Pinos  
03800 México, D.F.  
Tel: (5)516-6173  
Fax: (5)598-2057

## Promotional Activities of Competitors

The American Soybean Association maintains an office in Mexico City. Its executive officers participate in technical seminars organized in conjunction with livestock conventions and trade shows. They are also in contact with major importers, livestock associations and industrial companies that are potential customers for their products.

Competitive pricing is the main factor for suppliers of oilseeds and products in this market, although product quality is also an important element. In addition to low prices, the ability of Poland to completely capture the Mexican low erucic acid rapeseed market in 1990 and 1991 is due to the fact that Mexican crushers/refiners consider the Polish product to be equal in quality to canola, as well as having a more desirable light green color.

### D. Country Exports

There are no government incentives, subsidies or credit programs to encourage the exports of oilseeds or products. Mexico's principal oilseed exports consist of sesame seed which is destined mainly to the United States, Holland, Australia, Canada and Israel. Occasional exports of soybeans, rapeseed and sunflower seeds occur, but these are small tonnages.

## MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

As long as Canadian oilseeds remain competitive in price and quality, there will be ready opportunities to sell to the Mexican market. The Mexican oilseed crushing/refining industry is perfectly aware that Canada represents a reliable source of supply for these products.

The principal marketing strategy weakness is that Canadian canola seed is not price competitive with Polish rapeseed. At the beginning of 1992 the price difference between canola and Polish rapeseed was US\$12 per MT. However, there has been no offer of Polish rapeseed since June of last year, due to a decline in rapeseed production in that country resulting from a severe drought. In the face of Polish intent to maintain its dominance in the Mexican market in the future with low priced rapeseed, some mechanism must be found to narrow the price differential and provide a supply service that Poland cannot match.

The establishment of a Canada/Mexico joint venture supply capability on the Mexican Pacific Coast which would receive and hold at a reasonable cost canola seed and canola oil shipments (which could also accommodate Canadian shipments of wheat, barley and other grain crops), would enable Canadian exporters to take advantage of the lower cost transportation route from the Prairies/Vancouver to the Mexican West Coast. From this storage facility grains and oilseeds could be supplied to the smaller Mexican crushers/refiners (as well as millers/food processors/maltsters/feed manufacturers/integrated livestock producer organizations) and those plants with limited storage capacity.

Under the present market conditions, and in view of the infrastructure established by certain grain traders on the Gulf coast where bulk grain from the U.S. is received by barge and stored for delivery to consumers inland, our potential for canola or canola oil are somewhat constrained. It is considered that a storage facility to service smaller users and those having limited storage capacity through the Pacific coast would give Canadian suppliers more latitude to compete more favourably with U.S. supply sources and recapture up to one-half of the total oilseed crushing market, provided that Canadian oilseed prices are also competitive. The prospects for exports of canola meal to Mexico are limited, in view of the supply of lower cost meal from Mexican crushers and the competition from US soybean meal. It is anticipated that under a free trade environment with the US and Canada over the long term, the production of oilseeds (soybean and safflower) in Mexico will decline significantly, signalling increased imports from foreign origins. Thus it is estimated that, depending on favourable price relationships, the import volume of canola seed and products could increase substantially. Should Canadian canola seed become competitive in price and regain some market share, an effort should be made to position it as a premium oil similar to olive oil. Olive oil retails for about \$20 new pesos per litre vis a vis the price of blended vegetable oils containing canola of about \$3.05 new pesos per litre. Even a small portion of this higher pricing margin would provide sufficient incentive and resources for the Mexican distributors and retailers to promote canola as a distinct health oil. However, this would not preclude the continued blending of canola oil with other vegetable oils in least cost formulations.

To market canola oil labelled as pure "Canadian Canola Oil" would entail investing in a promotional campaign via radio, television and specialized media to establish its superior health qualities in the minds of consumers, and restricting the use of the term exclusively to canola seed of Canadian origin. This would involve employing Mexican legal counsel and the consequent legal and promotional expenses.

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	ex.	10%	15%	20%
Soya *	15%	10%	15%	20%
Sunflower	ex.	10%	15%	20%
Flaxseed	ex.	10%	15%	20%
Sesame	ex.	10%	15%	-
Groundnut	-	10%	-	20%
Cottonseed	ex.	10%	15%	20%
Palm Oil	-	10%	-	20%

Coconut	-	10%	-	20%
Olive	-	10%	-	20%
Safflower *	10%	10%	15%	20%

ex. = exempt; asterisk (\*) = applicable during time periods indicated in this report.

Source: Ley del Impuesto General de Importación

The Secretaría de Agricultura y Recursos Hidráulicos Plant Health Directorate is putting forward a new regulation in which all grain crops and rolling stock must be fumigated at origin, to ensure that there is no entry and/or propagation of undesired plant diseases or pests through the agency of imported agricultural crops.

Other than the above, we are not aware of any other non-tariff barriers to trade in grain crops, including oilseeds.

Mexico does not extend any preferential treatment to other suppliers. All nations are given equal treatment under the Ley del Impuesto General de Importación.

## TRANSPORTATION

Main ports of entry into Mexico are located on both the Pacific and Gulf coasts. The following table shows the grains/oilseeds storage and throughput capacity currently existing in Mexican ports:

Port of Entry	Grains/Oilseeds Storage Capacity '000 tonnes	Annual Throughput Capacity
Tampico (Gulf of Mexico)	27	1680
Veracruz (Gulf of Mexico)	25	1620
Tuxpan (Gulf of Mexico)	14	840
Coatzacoalcos (Gulf of Mexico)	10	720
Progreso/Mérida (Gulf of Mexico)	20	384
Mazatlán (Pacific Coast)	20	960
Guaymas (Gulf of California)	—	—
	204	8604

Bulk edible oil handling facilities are installed at the ports of Veracruz and Tampico. Storage facilities both at ports and inland are either government-owned (Almacenes Nacionales de Depósito and Bodegas Rurales Conasupo) or private. Oilseed crushers/refiners, compound feed manufacturers and large integrated livestock operations generally have some storage capacity as part of their infrastructure. The trend is to the privatization of all government-owned storage facilities. The government is also providing concessions to private sector

companies for the construction and operation of additional bulk storage and handling facilities in all the major ports in the country. Some of this new capacity will also handle imports/exports of grain products.

The internal distribution network from port of entry to processing plant is done by truck and rail. Oilseed and grain products in bulk, vegetable oil and meal are moved by both truck and rail, inland from ports and border crossings to crushers/refiners and feed manufacturers.

There are no apparent transportation/distribution constraints that would affect Canadian capacity to serve the Mexican market for imported oilseed and other grain products.

## **INDUSTRY STRUCTURE**

### **Oilseed Crushing and Refining**

The current oilseed crushing capacity is estimated at 5.95 million tonnes (with less than 50% utilization), while refining capacity is estimated at 1.3 million tonnes. Forty-five (45) independent firms and subsidiaries of holding companies or "grupos" own 78 crushing plants (20 of these plants are not operational) and 35 refining plants. The largest of these holding companies is Grupo AGYDSA, including Patrona, Hidrogenadora Nacional, Anderson Clayton & Co. (AC&C is refining imported crude oil); Grupo El Zapote-La Junta; RAGASA; Grupo Industrial Aceitera; Oleaginosas del Sureste, S.A. de C.V.; Productos de Maíz, S.A. and Arancia.

The oil processing industry is privately owned. Crushing plants previously owned and operated by Conasupo, have all been sold to the private sector. With few exceptions such as Anderson Clayton and Productos de Maíz, S.A. which are subsidiaries of American firms, most of the industry is owned by Mexican interests.

Most of the international companies which trade in oilseeds and grain products have offices in this market, or offer their products via a local agent or representative.

The most important industry contacts in this market are the following:

Lic. Miguel Machuca  
Director General  
Consejo de la Industria Aceitera Mexicana, S.C.  
Lord Byron No. 706  
Col. Bosque de Chapultepec  
11580 México, D.F.  
Tel: (5)281-2797  
Fax: (5)281-1462

Lic. Enrique García Gámez  
President  
Asociación Nacional de Industriales  
de Aceites y Mantecas Comestibles, A.C.  
Praga No. 39, 3er. Piso  
Col. Juárez  
06600 México, D.F.  
Tel: (5)533-2847/533-2859  
Fax: (5)525-5124

Sr. Antonio González Ortíz  
President  
Cámara Nacional de la Industria de  
Aceites, Grasas y Jabones  
Melchor Ocampo No. 193, Torre A, 801  
Col. Verónica Anzures  
11590 México, D.F.  
Tel: (5)260-6589  
Fax: (5)260-6925

Cámara Nacional de la Industria de  
Aceites, Grasas y Jabones  
Rosario No. 836  
Col. Jardines del Bosque  
44520 Guadalajara, Jalisco  
Tel: (3)622-8076/622-5655  
Fax: (3)622-3163

Cámara Regional de la Industria de  
Aceites, Grasas y Similares de Occidente  
Francisco Rojas González No. 9, 3er Piso  
44600 Guadalajara, Jalisco  
Tel: (3)616-3080/616-4033  
Fax: (3)616-4033

## **OTHER OILSEED PRODUCTS**

There are an estimated seven (7) producers of vegetable shortening and five (5) margarine producers in Mexico. The principal producing companies are:

Anderson Clayton & Co., S.A. de C.V.  
Jaime Balmes No. 11  
Torre C - Plaza Polanco  
Col. Polanco  
11510 México, D.F.  
Tel: (5)580-5858  
Fax: (5)395-7179

Marga de México, S.A. de C.V.  
(Div. of Anderson Clayton & Co.)  
Escape No. 23  
Fracc. Industrial Alce Blanco  
Naucalpan de Juárez, Edo. de México  
Tel: (5)576-4933/358-9433

Carracedo Alimentos, S.A.  
Av. Ceylán No. 493  
Col. Industrial Vallejo  
02300 Azcapotzalco, México, D.F.  
Tel: (5)567-6222/567-6229/567-6942  
Fax: (5)368-1533

Cremería Americana, S.A. de C.V.  
Mártires de la Conquista No. 92  
Col. Tacubaya  
11870 México, D.F.  
Tel: (5)516-3035/271-5388  
Fax: (5)271-5820

Hidrogenadora Nacional, S.A. de C.V.  
Río Lerma No. 150  
Fracc. Industrial San Nicolás  
54030 Tlalnepantla, Edo. de México  
Tel: (5)565-0133  
Fax: (5)390-5216

There is no information available on the market share, plant capacity, production, etc. of these companies. The oilseeds products sector is privately owned.

As in the case of oilseed crushers/refiners, the by-products industry is served by agents or representatives of international suppliers and/or traders.

## INDUSTRY STRUCTURE

### COMPOUND FEED INDUSTRY

The compound feed industry is comprised of approximately 53 privately owned companies which operate 89 plants that manufacture "balanced animal feeds", including a few co-operatives. There are also 18 manufacturers/suppliers of feed supplements and ingredients serving this industry.

Compound milling capacity is estimated at 7,250 tonnes per month, while the current output is estimated at around 6,500 tonnes per month.

Purina, S.A. de C.V., Av. Reforma No. 295-25, 06500 México, D.F., a subsidiary of the U.S. Ralston Purina firm, is estimated to have about one-third of the commercial compound feed market. Malta, S.A., Av. Universidad No. 2069 Norte, Monterrey, N.L. has approximately one-quarter of the market. La Hacienda, S.A. de C.V., Homero No. 1804, Col. Morales, 11510 México, D.F. has 15%; and Anderson Clayton & Co. about 10%. The latter company is a subsidiary of the British firm, Lever Bros. The integrated livestock sector also produces about 2 million tonnes of animal feed per year of its own use in feed mills operated by large livestock and poultry producers, as well as some regional and state livestock producers associations. An example is Bachoco, El Trasco and El Calvario which are the largest broiler and egg producers in Mexico, with a feed milling capacity of close to 100,000 tonnes per month each, and regional swine producers associations which co-operatively own and operate feed mills to supply their members.

The trend is strongly towards the production of feed by the livestock and poultry producers, with a corresponding decline each year in the market share of the feed milling firms such as Purina, La Hacienda, etc.

The compound feed industry is served by domestic manufacturers of feed supplements and ingredients, as well as producers or wholesalers of oilseed meals, feed grain products (wheat, corn, sorghum, etc.). For imported ingredients, the industry purchases from the agents or representatives of foreign suppliers domiciled in Mexico.

The principal industry contacts of the compound feed industry are:

Asociación Nacional de Fabricantes de  
Alimentos Pecuarios Balanceados, A.C.  
Paseo de la Reforma No. 107, 7o. Piso  
Col. Tabacalera  
06030 México, D.F.  
Tel: (5)535-0553/566-3465  
Fax: (5)535-7102

Cámara Nacional de la Industria  
de Transformación (CANACINTRA)  
Sección de Alimentos Balanceados para Animales  
Av. San Antonio No. 256, 7o. Piso  
Col. Ampliación Nápoles  
03840 México, D.F.  
Tel: (5)563-3400/611-3047  
Fax: (5)598-9467

Cámara Regional de la Industria de  
Transformación de Jalisco  
Sección de Alimentos Balanceados para Animales  
Washington No. 1920  
Col. Moderna  
44190 Guadalajara, Jal., México  
Tel: (3)612-0381/610-3393  
Fax: (3)611-1207

## FINANCING

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

The availability of Commodity Credit Corporation financing under the GSM 102/103 enhances the competitive advantage of U.S. soybeans exports to this market. U.S. soybean oil shipments to Mexico are eligible for assistance under the Export Enhancement Program. As well, subsidized European rapeseed oil purchases and the apparent willingness of Poland to market its rapeseed in Mexico at prices substantially lower than international oilseed prices, are all overwhelmingly important factors in this very price sensitive market.

Although Canadian banks (Royal Bank of Canada; Bank of Montreal; Bank of Nova Scotia and Canadian Imperial Bank of Commerce) have representatives in Mexico, only Mexican banks are currently permitted by law to provide and perform the usual banking services. With the advent of the North American Free Trade Agreement, U.S. and Canadian banks may be allowed to do commercial banking operations in this country. Export Development Corporation financing is available to Mexican buyers through certain Mexican commercial banks.

## **OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS**

It is essential to have an agent or representative in the marketplace, capable of closely monitoring the situation and advising on potential sales opportunities. Without such a contact in Mexico, Canadian oilseed exporters will find it difficult, if not impossible, to penetrate the market. Canadian oilseed exporters who have had a degree of success in selling product to Mexico have invariably worked through a local agent or representative.

It is also expedient to maintain contact with industry associations and chambers, particularly to notify such organizations regarding supply capabilities, product quality, prices, etc. Such information generally reaches the membership through bulletins and other media services provided by industry associations.

### **For Further Information Contact:**

**Canadian Embassy**  
**Apartado Postal 105-05**  
**11580 Mexico, D.F.**  
**Mexico**  
**Tel: (011-525) 724-7900**  
**Fax: (011-525) 724-7982**

# PERU OILSEED INDUSTRY

## GENERAL OVERVIEW

Peru is a growing market for vegetable oils and related products, which are supplemented by an important local production of fish oil.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

Government policies: There are no subsidies for any sector of the industry.

Prices are fixed by offer/demand. There is a free market, raw materials and finished products can be imported by any private or government owned company. The policies depicted will remain unchanged for the foreseeable future.

### B. Domestic Market

Consumption per capita in Peru is about 8.5 Kg. of vegetable oils and fats. Present consumption is broken down in approx. 45% animal fats/oils; 25% vegetable fats/oils and 30% solid.

Consumption of margarine is increasing slowly. In the lower and middle lower classes there are preferences for the consumption of lard and blended (compounded) vegetable and fish oils. In the upper middle and upper classes there is preference for the consumption of vegetable oils, specially those with reduced or no-cholesterol content. Due to a growing consciousness about the health-related benefits of vegetable oils, its demand tends to increase, and is limited only by the reduced purchasing power of the population. There is a growing trend toward the use of soya oils.

### Other Oilseed Products for Direct Human Consumption

Only fats and oils prepared from soya beans are locally consumed. A very small quantity of tofu and soya sauce is offered at Chinese and Japanese restaurants and almost none at the retailer's level. Flaxseed is not consumed in Perú.

### Protein Meals

Size and breakdown of livestock industry (number of head):

Beef Cattle	4,250,000	Poultry	65,500,000
Dairy Cows	618,000	Goats	1,823,000
Sheeps	12,610,000		
Hogs	2,516,000		

The pattern of consumption for protein meals is approximately: 80% poultry, 15% cattle and hogs, 5% other.

Mainly cotton seed (paste) meals and soya bean cake are used in Perú. Peruvian oil producers are beginning to use canola oil; however, crude soybean oil and soymeal are still the most popular. Canola or flax meal are not consumed locally.

A substantial reduction of the terrorist activities in Peru's country areas is creating favorable conditions for the expansion of the livestock industry and hence the consumption of protein meals.

### **Industrial Usage of Vegetable Oils and Oilseed Products**

Linseed oil: Pharmaceutical products, soaps,

Rapeseed oil: Canned fish, meat processing

Soybean oil: Dairy products, chocolates, processing of fruits and vegetables, plastic industry.

Other vegetable oils and oilseed products: None

### **Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Imports are handled by private firms. Most purchasing is done by direct invitation to different suppliers. In some cases they call international tenders. There are no restrictions related to the importation. No import licenses are required. The trend to reduce custom duties continues.

Most oilseed products exported from Canada to Peru have been donations from CIDA. These donations have reached the sum of C\$18.0 million for the 91/92, 92/93 and 93/94 fiscal years. The Peruvian Government sells the oil donated to the oil refining plants and the funds are used for social security relief programs. Since the habit of using canola oil has already been created, it is anticipated that the market will continue using it once the CIDA program is over.

### **List of Major Importers**

Industrias Pacocha S.A  
Paseo de la República 3705  
Lima 27 - Perú  
Phone: 402944 - Fax: 408346

Cia. Oleaginosa del Perú S.A (COPSA)

Av. Argentina 5027

Callao 1 - Perú

Phone: 525570 - Fax: 519170

Cia. Industrial Perú Pacífico S.A

Jr. Antonio Miroquesada 260 Piso 3

Lima 1 - Perú

Phone: 287840 - Fax: 314037

None of these companies are importing from Canada, however Industrial Peru Pacifico is looking at the possibility of launching a new product line using canola oil.

#### **Promotional activities of competitors.**

Use of sales agents/representatives with good contacts with owners of oil plants.

Letters of Credit Payable at 180 days are accepted from good clients.

Good communications and close relationship between the U.S Soya Producers Association and the Oilseeds Committee of the National Society of Industries (Perú).

#### **Country Exports**

Peru exports only fish oil and fishmeal. These exports, as all other, benefit from certain draw-backs related to production. Neither subsidies nor export taxes are applicable to Peruvian exports. Raw materials may be imported temporarily tax exempted- if the final product is to be exported.

#### **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Canada's short-term potential in this market would be around 10,000 MT/year, while the long-term potential might exceed the 25,000 MT/year.

##### **Weaknesses of Canadian oilseed products:**

- Lack of serious promotional efforts
- Lack of local sales agents
- Lack of incoming missions from government officials or producers
- Lack of advertising campaign regarding great benefits of canola oils.

Strengths of Canadian oilseed products:

- Good awareness by local edible oil producers regarding excellent quality of canola oil as a result of donations from CIDA.

Recommended Canadian actions and market development activities are: 1) Implement a true promotional campaign of canola oil to correct the weak points mentioned, and 2) Continue with the CIDA program.

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	15	35.70	35.70	35.70
Soya	15	35.70	35.70	35.70
Sunflower	15	35.70	35.70	35.70
Flaxseed	15	35.70	35.70	35.70
Sesame	15	35.70	35.70	35.70
Groundnut	15	35.70	35.70	35.70
Cottonseed	15	35.70	35.70	35.70
Palm Oil	15	35.70	35.70	35.70
Coconut	15	35.70	35.70	35.70
Olive	15	35.70	35.70	35.70
Other	15	35.70	35.70	35.70

There are no non-tariff barriers and other import barriers.

## TRANSPORTATION

Main ports of entry are Callao, Paíta, Matarani and Ilo. However, 80% of all imports are landed at the Port of Callao.

The Port of Callao has a population of 1,000,000 inhabitants and it is only 6 miles from Lima. Both cities have so expanded that it might well be thought of as a suburb of Greater

Lima. Callao is a separate constitutional province. Bulk cargoes: unloaded at Pier 9 where there are 2 portable conveyor belts that deliver less than 100 MT/hour. Suction tubes on mobile hoppers and pneumatic towers are used sometimes. Products can be piled on the quay for 22 hours. A good point to mention is that the Callao Port Authority, from airmail copies of the stowage plan, hatch list and manifest, can organize in advance the discharge and the allocation of the goods to the correspondent storage places, sheds, yards, etc.

For storage of goods the port has 10 sheds, capacity 14,848 sq meters and 73,708 sq meters of open yards. There are 6 portable belts for ores and 2 for fishmeals. There are 3 pneumatic towers for discharging grain and 6 weight-bridges. There are a number of mobile cranes. Vegetable oils are discharged to tank trucks.

Port of Paita: This port's chief exports are from the fishing industry. The imports are general cargo (including containers), cereals, fertilizers and vegetable oil in bulk. The port is located in the northern coast of Peru and its coordinates are Lat. 4 degrees 40' Long. 81 degrees 15' W.

Bulk grain is discharged by 2 suction tubes on a mobile hopper to trucks at a rate of about 80 MT/hours. The storage silo capacity is 9,000 tons.

Port of Ilo: This port has a good harbour and is of easy access. There is no heavy weather and very little swell, except from June to September. A one knot current sets northwards up the coast. The port is located in the southern coast of Peru and its coordinates are Lat. 17 degrees 38' 23" S. Long. 71 degrees 25'W.

Fish oil and vegetable oil in bulk is unloaded at the Petro Perú oil terminal over a 6" line at 90 MT/hour. The tank capacity ashore is 2,400 tons.

The Port of Matarani: This port is for the hinterland around Arequipa and for the in transit cargo to and from Bolivia. A railway connects the port with the interior. The coordinates of this port Lat. 17 degrees 00" Long. 72 degrees 06'W. Bulk grain is discharged at berth A or B by a mobile pneumatic tower with 2 tubes each delivering an average of 100 tons/hour to an endless belt running at eaves level along the roofs of sheds 2 and 3 to shed 4 where there are 27 storage bins for bulk grain with total capacity of 20,000 tons.

Internal distribution network: 95% of all imports are distributed by road (trucks). 60% of all imports are sold in Lima.

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING

The following companies supply approximately 80% of the market. All three are private, the first two are partly owned by foreign investors:

Industrias Pacocha S.A  
Paseo de la República 3705  
Lima 27 - Perú  
Phone: 402944 - Fax: 408346

Cia. Oleoginosa del Perú S.A (COPSA)  
Av. Argentina 5027  
Callao 1 - Perú  
Phone: 525570 - Fax: 519170

Cia. Industrial Perú Pacífico S.A  
Jr. Antonio Miroquesada 260 Piso 3  
Lima 1 - Perú  
Phone: 287840 - Fax: 314037

Peru's total crushing capacity is 1,200 MT while its refining capacity is around 650,000 MT. Aside from the 3 main producers, there are 10 other smaller producers that make up for the 20% of the total production.

The distribution of edible oils is done through a large number of wholesalers, stocking distributors, commissioned agents and retailers (supermarkets, food stores, etc.).

List of other industry contacts (industry associations, government agencies).

Sociedad Nacional de Industrias  
Comité de Aceites  
Address:  
Los Laureles 365  
Lima 27 - Perú  
Phone: 422460 - Fax: 403395

### OTHER OILSEED PRODUCTS

The same companies indicated in previous paragraph process margarine and vegetable shortenings. Total capacity is 80,000 MT. No local companies are involved in further processing of soyfood products, linseed oil or other oilseeds.

## COMPOUND FEED INDUSTRY

The following companies supply approximately 75% of the market's needs. They are all private and some are owned by foreign investors:

Molinera San Martin de Porres S.A  
Jr. Bartolomé Ferreyros 230  
Lima 31 - Perú  
Phone: 817530 - Fax: 822990

Molinos Mayo S.A  
Av. Primavera Este 120 Of. 310  
Lima 33 - Perú  
Phone: 356498 - Fax: 365670

Molinos Takagaki S.A  
Av. Alfredo Mendiola 1201  
Lima 31 - Perú  
Phone: 329540 - Fax: 715057

Avícola El Rocio S.A  
Av. Paseo de la República 3074, piso 10  
Lima 27 - Perú  
Phone: 401842 - Fax: 408279

Nutrinal S.A  
Manuel Irribarren 1325  
Lima 34 - Perú  
Phone: 413121 - Fax: 408795

Molinos Excelsior - Eugenio Cogorno  
Av. Venezuela 120  
Callao 1 - Perú  
Phone: 650778 - Fax: 657017

Purina Perú  
Panamericana Norte Km. 17.5,  
Los Olivos - Perú  
Phone: 853575 - Fax: 852410

Molinos La Nacional  
Av. Almte. Grau 328  
Callao 1 - Perú  
Phone: 290536 - Fax: 690044

The total production capacity is around 1,200 MT. Aside from the 8 majors producers indicated there are 10 other smaller producers.

List of other industry contacts (industry associations, government agencies).

Sociedad Nacional de Industrias  
Comité de Alimentos Balanceados  
Los Laureles 365  
Lima 27 - Perú  
Phone: 422460 - Fax: 403395

## **FINANCING**

Method of payment: Normal method of payment is irrevocable and confirmed Letter of Credit. Credit terms for country available from EDC: EDC has line of financing for Perú through Corporación Andina de Fomento (CAF) only.

Use of aid and subsidy programs

- US PL 480
- CIDA/CARE PERU: Donations of canola oil for 91/93 period: C\$18.0 million

Canadian or International banking institutions represented in the country.

- Citybank (USA)
- Credit Lyonnais (France)

## **OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.**

The donations of canola oil from CIDA, have created a good awareness among local producers of edible oils about its excellent characteristics. This should be capitalized on by starting a strong promotional effort that includes seminars, incoming and outgoing missions and appointing of local agents.

**For Further Information Contact:**

**Canadian Embassy**  
**Casilla 18-1126**  
**Correo Miraflores**  
**Lima, Peru**  
**Tel: (011-51-14) 44 40 15**  
**Fax: (011-51-14) 44 43 47**

# ALGERIA AGRICULTURE AND INDUSTRY SECTION D

## GENERAL OVERVIEW

Algeria does not produce oil domestically, it imports crude oil for its national needs. While there is no oilseed production in Algeria, the Ministry of Agriculture and Rural Development has planted some 3,000 acres in oilseeds such as sunflower, canola and carthame. This experiment was not a success because of the drought. Each kind of seed requires a specific rate of rain fall. The experiment will be renewed during the year 1993-94.

## AFRICA, MIDDLE EAST AND ASIA REGION

## CHARACTERISTICS OF THE MARKET

### A. Local Production

The Ministry of Agriculture and ENCG are encouraging farmers to grow oilseeds. There are no price supports and subsidies for the moment. This sector, however, is considered to be one of the government's development priorities in the future.

### B. Domestic Market

#### Vegetable

Due to importation of all fields, Algeria is unable and try to alleviate this by buying in the market. The Ministry of Agriculture is trying to produce sunflower oil and to increase the consumption of this product.

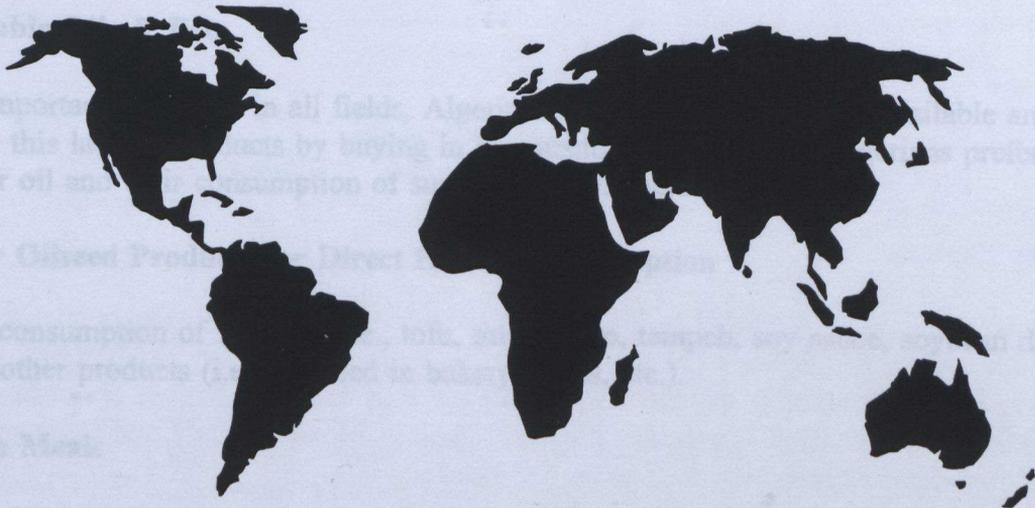
#### Other Cereals Products

Mineral consumption of wheat, corn, sorghum, soybeans, etc. and other products (rice, etc.) is very high.

#### Protein Meals

Algeria used to import fishmeal however, this product has been substituted by methionine in the case of poultry production, and in the case of the dairy and beef industries they use barley concentrates, vitamins, oligo-elements and green Swage.

Vitamins are mixed in animal feeds. The industry also intends to import high protein alfalfa in 1994. In the past Algeria imported canola but has stopped due to budgetary reasons. Soymeal is very well known and used.



The total production capacity is around 1,200 MT. Aside from the 8 majors producers indicated there are 10 other smaller producers.

SECTION D

List of other industry contacts (industry associations, government agencies)

Sociedad Nacional de Industrias  
Comité de Alimentos Balanceados  
Lima 27 - Perú  
Phone: 422460 - Fax: 403395

## FINANCING

Method of payment: Normal method of payment is irrevocable and confirmed Letter of Credit. Credit terms for country available from EDC. EDC has line of financing for Perú through Corporación Andina de Fomento (CAF) only.

Use of aid and subsidy programs

US PL 480

CIDA/CARE PERU: Donations of edible oil for 91/93 period: US\$11.0 million

Canadian or International Agency for Development Assistance provided in the course

## OTHER COMMENTS AND THIS POINT OF VIEW FOR SEED EXPORTERS.

The donations of edible oil from CIDA, has created a good feeling among local producers of edible oils about its excellent services. They have capitalized on by starting a strong national effort that includes seminars, workshops and outgoing missions and appointments of agents.

For Further Information Contact:

Canadian Embassy  
Calle 13-1126  
Cercos Miraflores  
Lima, Peru  
Tel: (011-51-14) 44 40 15  
Fax: (011-51-14) 44 43 47

# ALGERIA OILSEED INDUSTRY

## GENERAL OVERVIEW

Algeria does not produce oil domestically, it imports crude oil for its national needs. While there is no oilseed production, there are some trial areas of approximately 3000 acres. During 1993, Entreprise Nationale des Corps Gras (ENCG) undertook an experiment and planted some 3,000 acres in oilseeds such as sunflower, canola and carthame. This experiment was not a success because of the drought. Each kind of seed requires a specific rate of rain fall. The experiment will be renewed during the year 1993-94.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

The Ministry of Agriculture and ENCG are encouraging farmers to grow oilseeds. There are no price supports and subsidies for the moment. This sector, however, is considered to be one of the government's development priorities in the future.

### B. Domestic Market

#### Vegetable Oils & Fats

Due to important shortages in all fields, Algerians buy whatever they find available and try to alleviate this lack of products by buying in big quantities for storage. Algerians prefer sunflower oil and their consumption of sunflower oil is increasing.

#### Other Oilseed Products for Direct Human Consumption

Minimal consumption of soyfood (i.e., tofu, miso, natto, tempeh, soy sauce, soybean drinks, etc.) and other products (i.e., flaxseed in bakery goods, etc.).

#### Protein Meals

Algeria used to import fishmeal however, this product has been substituted by methionine in the case of poultry production, and in the case of the dairy and beef industries they use barley concentrates, vitamins, oligo-elements and green forage.

Vitamins are mixed in animal feeds. The industry also intends to import high protein alfalfa in 1994. In the past Algeria imported canola but has stopped due to budgetary reasons. Soymeal is very well known and used.

## **Industrial Usage of Vegetable Oils and Oilseed Products**

Algeria purchases crude linseed oil from the Rotterdam market for use in paint manufacture.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Imports are generally undertaken by government agencies. The ENCG imports oils through restricted consultation and sometimes international tenders.

Priority is given to exporting countries that have lines of credit. The former government set up a special committee named "Comité Ad Hoc" and all imports had to go through this committee which was the only one entitled to decide. This committee created long delays and was not welcomed by businessmen. We expect that this committee will be disbanded.

Canadian % share of market has been nil in past four years. ENCG used to import from Canada when there was a line of credit with BADR. ENCG is ready to import from Canada whenever an aid program or subsidies are proposed by its financial institutions.

#### **List of Major Importers in Algeria**

- (ENCG)      Entreprise Nationale des Corps Gras, 13 avenue  
Mustapha Sayed El-Ouali Alger
- (EDIPAL)    41, chemin Fernane Hanafi Hussein-Dey, Alger
- (ENAPAL)    Entreprise Natationale d'approvisionnement en  
produits alimentaires, Palais des Expositions, Pins maritimes, Alger

### **D. Country Exports**

The government encouraged ENCG in exporting some of their oilseeds products such as glycerine, fatty acids, and flakes of soap. Some tariffs, customs and duty barriers are not applicable to ENCG in order to enhance and encourage it in their exportation program which generates hard currency. ENCG exports mainly to Tunisia, Morocco, Italy and Germany. It is expected that these exports will increase in the future.

## **MARKET OPPORTUNITIES FOR CANADIAN PRODUCT**

Algerians have already purchased vegetable oils from Canada; they know about the quality of the Canadian product which was highly appreciated. Algeria is a substantial market for oils and Canadians have been able to win important contracts when there is a line of credit that covers edible products and goods.

The Canadian Embassy in Algeria is planning to organize a mission on agriculture in Algiers. The oilseed sector will be included and interested Canadian companies will be invited to participate.

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	3% + 7%	3% + 7%	NA	25%
Soya	3% + 7%	3% + 7%	NA	25%
Sunflower	3% + 7%	3% + 7%	NA	25%
Flaxseed	3% + 7%	3% + 7%	NA	25%
Sesame	3% + 7%	3% + 7%	NA	25%
Groundnut	3% + 7%	3% + 7%	NA	25%
Cottonseed	3% + 7%	3% + 7%	NA	25%
Palm Oil	3% + 7%	3% + 7%	NA	25%
Coconut	3% + 7%	3% + 7%	NA	25%
Olive	3% + 7%	3% + 7%	NA	25%
Other	3% + 7%	3% + 7%	NA	25%

\* THEY USE THE SAME TARIFFS FOR ALL OILSEEDS

There are some standards and specifications to be respected. Since the Chernobyl disaster, a certificate is required to ensure that products are not irradiated.

The exchange rate is a problem because of the devaluation of the dinar.

## TRANSPORTATION

Main ports of entry are Ghazaouet, Oran, Algiers, Bejaia, and Annaba. Trucks are the main transportation used for internal distribution.

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING

There is no oilseed crushing domestically, but Algeria has oil refineries with a daily capacity of 1500 tonnes. Algeria also has five soap factories, one factory for margarine and four vegetable oil factories. The manufacturing facilities all belong to ENCG. Transfer of technology is needed.

When the product is imported, it goes directly to ENCG and then to distributors such as EDIPAL (there are 36 EDIPAL all over the country) and two big stores named EDG (Entreprise de Distribution des Galeries, 12 in total).

#### Industry Associations and Government Agencies

Fond de Participation Agro-Alimentaire  
ENAPAL

**Margarine/ghee, vegetable shortening, soyfood products and other domestics companies involved in further processing of oilseeds products, including industrial products.**

Huilerie Raffinerie Savonnerie d'Alger  
2 rue de Grasse Nouveau Port d'Alger  
Tel : 65 18 62/65  
Tlx : 65 050, 60 056

1, rue de Gao Arrière Port  
Tel : 65 08 52/65 63 77  
Tlx : 65 096

Raffinerie Margarinerie de Sig  
7 Boulevard Frantz Fanon, SIG  
Tel : 06 86 91 70 to 73  
Tlx : 22 933

Raffinerie Savonnerie de Maghnia  
CCG de Maghnia  
BP 71, Route de Tlemcen  
Tlemcen  
Tel : (07) 30 44 44/30 78 26  
Tlx : 18 018

Raffinerie Savonnerie de Béjaia  
BP 98 Quatre chemin, Béjaia  
Tel : 05- 92 02 13  
Tlx : 83 032

Complexe Corps gras de Béjaia  
Route des Aurès BP 406, Béjaia  
Tel : 05- 22 33 11 to 14  
Tlx : 83 914

## COMPOUND FEED INDUSTRY

Office National des Aliments de Bétail (ONAB)  
4 chemin s de Kouba  
Gué de Constantine  
Tel : 58 91 15  
Tlx : 62 368  
Fax : 58 62 19  
--Government company with national capital

### UNICOFAB

4 lot des Orangers  
Villa No.4  
BP 187  
Vieux Kouba  
Tel/Fax : 58 02 86

--Private Association of all private manufacturers of animal feed.

Products are imported by ONAB which distribute them to direct users. There are many private companies which manufacture animal feed products. These companies can be contacted through UNICOFAB (address listed above).

## FINANCING

Lines of credit, US GSM, subsidized credit.

US PL-480, EC export aid, US EEP program and lines of credit

Canadian or International banking institutions represented in the country.

Banque Nationale de Paris (BNP)

Crédit Lyonnais

BAMIC - Banque Arabe du Maghreb pour l'Investissement et le Commerce

BARAKA Bank

### **OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.**

Canadian oilseed exporters should answer all Algerian inquiries in this sector. In the past, although Canadian manufacturers are notified regularly on all tenders, there were few responses. It is therefore not surprising that Canadian industry is no longer consulted by importers. Algeria may offer many opportunities for oilseed product exports and technology transfer. The Algerian Government has recently announced its code d'investissement. This document is very liberal and there will be a major change towards foreign investment in Algiers. It is recommended that Canadian exporters take an aggressive lead, in order to develop a niche market in this country.

#### **For Further Information Contact:**

**Canadian Embassy**  
**P.O. Box 225**  
**Gare Alger, Algiers**  
**Algeria**  
**Tel: (011-213-2) 60 66 11**  
**Fax: (011-213-2) 60 59 20**

# INDIA OILSEED INDUSTRY

## GENERAL OVERVIEW

India's total 1992/93 oilseed production reached a record level of 20.63 million tonnes, due to generally favourable weather conditions. According to trade circles, oilseed production was in the level of 23.0 million tonnes. Most of the increase was in peanut (ground nut), soybean, and sesameseed, while rapeseed production declined marginally due to fall in planted areas. The total vegetable oil production was recorded at around 5.8 million tonnes, 12 percent higher than last year. Except small commercial imports of about 30,000 tonnes of palm oil in the beginning of the year, plus 80,000 tonnes of donated oils, India was able to meet its needs from domestic sources, in 1992/93. Imports in 1993/94 are forecast to remain at low levels. Vegetable oil consumption in 1992/93 increased by about 8 percent, due to larger availability and lower prices. Per capita consumption in 1992/93 is estimated at 7.3 kg/year.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

The government's oilseed production policy has been to achieve self-sufficiency in vegetable oils in order to curb the out-flow of foreign exchange for oil imports. While there are no incentives and subsidies for oilseed production, the government announces support prices for oilseeds to ensure that the farmer gets a reasonable price for their product.

Efforts are being made to promote domestic palm production as it is very high yielder of oil. Planted area is also being increased for sunflower production. Thrust has been given to post-harvest technology on oilseeds. The target is to become fully self-sufficient in edible oils by the end of the century.

### B. Domestic Market

#### Vegetable Oils & Fats

- i) Fats & Oils consumption per capita = 7.3 kgs per year, broken down as follows:
- Vegetable oils - 6.5 kg
  - Ghee/butter - 0.8 kg
  - Animal fats - Not used

Consumer preferences are fast changing from vanaspati ghee to refined vegetable oils. Preferences change from state to state, for example, groundnut oil, cottonseed oil and sesame seed oil is used more in southern states; groundnut oil is preferred more in western states (Gujarat, Maharashtra, Rajasthan); while mustard oil is liked more in eastern and northern

(Gujarat, Maharashtra, Rajasthan); while mustard oil is liked more in eastern and northern states. People are becoming more and more health conscious and consumption of refined safflower and sunflower oils is fast increasing.

### **Other Oilseed Products for Direct Human Consumption**

While actual consumption figures are not available, there is a small consumption of soyamilk, tofu, soya flour, and soya nuggets. Flaxseed is not used for human consumption. Further scope for increase in oilseed products for direct human consumption seems to be limited.

### **Protein Meals**

As per 1982 livestock census India's livestock population was as follows:

Cattle	192 million
Buffaloes	70 Million
Goats	95 Million
Sheep	49 Million
Pigs (hog)	10 Million
Pack animals	3 Million

Fish (annual production -tonnes)      4.2 million.  
(Marine - 2.5 mmt)  
(Inland - 1.7 mmt)

Meal consumption for each sector is not available. India consumes the residual supply of lower quality or less exportable meals like rapeseed meal. Oilseed meal use in the dairy industry is limited. However, poultry sector has registered about 20% growth in the past decade leading to steady increase in the production of compound poultry feed.

Canola and flax meal are not used. Soyabean meal, peanut meal and cottonseed meal are more common meals. Although rapeseed meal production is increasing rapidly because of high erucic acid contents, its utility as feed ingredient is rather limited, both in the domestic market and abroad.

Some special livestock breeding programmes are in progress in many states in India, as a result of which the population of cattle is growing leading to increased utilization of quality oilmeals. India's total oilmeal production in 1992/93 was about 11.5 million tonnes.

## Industrial Usage of Vegetable Oils and Oilseed Products

Linseed oil - Used in paint and linoleum industry.

Other vegetable oils and oilseed products - Some castor oil is also used in paint industry.

Soap industry is a large consumer of vegetable oils in India.

## C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals

Import of edible oils into India is canalized through a government agency, State Trading Corporation of India Ltd (STC). STC imports on behalf of the Ministry of Food & Civil Supplies for supply through the Public Distribution System, and on behalf of the National Dairy Development Board for the market intervention programme.

Although import of oilseeds is allowed by the STC and another government undertaking, Hindustan Vegetable Oils Corporation Ltd (HVOC), they have never imported oilseeds for crushing, due to lack of handling facilities at the Indian ports and to protect the interests of the farmers.

Under the recent liberalization policy of the government, large actual users of vegetable oils are allowed to import their requirement directly. Complete de-canalization of edible oils is in the cards.

In the last three years, India has imported only palm oil from Malaysia, although some quantities of soyabean oil and canola oil have come under aid programmes.

### List of Major Importers

- Godrej Soaps Ltd., Pirojsha Nagar, Eastern Express Highway, Vikhroli, Bombay 400 079. Phone: 022-517 1861 Fax: 022-517 1525.
- Hindustan Lever Ltd., 165/166 Backbay Reclamation, Bombay 400 020. Phone: 022-287 0622 Fax: 022-287 1968.
- The Tata Oil Mills Co. Ltd., Bombay House, Homi Mody St., Bombay 400 001. Phone: 022-204 9131 Tlx: 011-4880.
- Ganpati Exports Ltd., 225 D Lower Circular Road, Calcutta 700 020. Phone: 033-47 5296 Fax: 033-47 0702.

At present there is no import of vegetable oils on commercial terms from Canada. Most of the international trading companies have their offices in India to keep close contacts with the buyers.

Government has launched various programmes to become self-sufficient in vegetable oils, and by the Year 2000 India hopes to be self-sufficient. There is a continuous downward trend in imports of vegetable oils after 1988-89. This trend is likely to continue.

#### D. Country Exports

There are no subsidies or incentives for export of oilseeds. Any incentives/subsidies look unlikely in the near future.

#### MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

There is no short and long-term potential for Canadian exports of oilseeds/veg. oils.

#### ACCESS

##### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola				
Soya	All oil	seeds the	duty is 85%	ad valorem
Sunflower	All veg	oils by	STC duty is	45% a.v.
Flaxseed	All veg.	oil by	end users	duty is 85%
Sesame				
Groundnut				
Cottonseed				
Palm Oil				
Coconut				
Olive				
Other				

Note: Import duty on end user imports is likely to be reduced to 55% ad valorem in the near future.

## **TRANSPORTATION**

Mostly Bombay and Kandla ports are used for edible oil imports. Bombay (Nava Sheva) is the largest port in India having all modern handling/storing facilities.

Generally by road truck transport. In case of bulk oil, road tankers are used.

## **INDUSTRY STRUCTURE**

### **OILSEED CRUSHING & REFINING**

There are 1057 oilseed processing units registered with the Solvent Extractors' Association of India. Following are some of the leading companies:

- Allana Oil Mills, 4 Allana Road, Colaba, Bombay 400 039  
Phone: 022-287 4455 Fax: 022-204 4821 (Capacity: Oilcake 150 MT/day, Rice Bran oil 120 MT/day).
- Nav Maharashtra Chakan Oil Mills, 74 Mittal Chambers, Nariman Point, Bombay 400 021. Phone: 022-202 1068  
Fax: 022-22 8549 (Oilcake 500 MT/day, Rice Bran oil 180 MT/day).
- Alpine Solvex Ltd., 10-11 Yashwant Niwas Road, Indore 452 003. Phone: 0731-37365 Fax: 0731-430370 (Oilcake 700 TPD).
- Hanuman Minor Oils Pvt Ltd., Urla Industrial Area, Raipur 439 221. Phone: 0771-323554 Fax: 0771-323754 (Oilcake 300 TPD, Rice Bran 250 TPD, Expander 250 TPD).
- M.P. Oil Extraction Ltd., P.O. Box 1, Malaviya Path, Raipur 492 001. Phone: 0771-533429 (Oilcake 250 TPD, Rice Bran 150 TPD, Expander 350 TPD, Refinery 50 TPD).

- Shriram Agro Tech Industries Ltd., Chhota Malsapura, Post Siya, Dewas (M.P.). Phone: 07272-83272 Fax: 0731-443558 (Indore). (Oilcake 600 TPD, Expander 550 TPD).
- Tristar Soya Products Ltd., 1111-A Raheja Chambers, 213 Nariman Point, Bombay 400 021. Phone: 022-204 7515, Fax: 022-287 4648 (Oilcake 1000 TPD, Rice Bran 500 TPD, Expander 500 TPD, Refinery 100 TPD).
- Rajasthan State Cooperative Oilseed Growers Federation Ltd. (Tilam Sangh), Nehru Sahakar Bhawan, Bhawani Singh Road, Jaipur 302 001. Phone: 0141-515665 Fax:0141-515137.

There are 50 associations of vegetable oil industry. Major processors' association are:

- The Solvent Extractors' Association of India, 142 Jolly Maker Chamber No.2, 225 Nariman Point, Bombay 400 021. Phone: 022-283 0089 Fax: 022-283 0123.
- The Soyabean Processors Association of India, Scheme 53, A.B. Road, Indore 452 008. Phone: 0731-440765 Fax: 0731-443 254.
- The Gujarat Oilseeds & Extraction Industries Association, 4/5 Bhaktinagar Society, Rajkot 360 002. Gujarat. Phone: 0281-31941.
- The Rajasthan Oil Industries Association, 208 Navjeevan Complex, Station Road, Jaipur 302 006. Phone:0141-75865.
- The Minor Oilseeds Processors Association of India, 25 Ganesh Chandra Avenue, Calcutta 700 013. Phone: 033-262510.

#### **OTHER OILSEED PRODUCTS**

There are about 150 units manufacturing vegetable ghee. Some of the major units are:

- Ballarpur Industries Ltd., Yamuna Nagar 135 001. (Capacity 30,000 TPA) - Private.

- United Vanaspati Works (P) Ltd., Manjholi, Nalagarh, (Himachal Pradesh). 30,000 TPA. Private.
- Kashmir Vanaspati Ltd., 13 Industrial Complex, Bari Brahmana, Jammu 181 133. 15,000 TPA. Private.
- Hindustan Vegetable Oil Corporation, G.T. Road, Chheharta, Amritsar 143 104. 60,000 TPA. Govt.
- Amrit Banaspati Co. Ltd., Chandigarh Road, Rajpura. 141 003. 30,000 TPA. Private.
- Rajasthan Vanaspati Products Ltd., Mansingh House Bhilwara 311 061. 30,000 TPA. Private.
- Modi Vanaspati Manufacturing Co., Modinagar 201204. 30,000 TPA. Private.
- Shriram Foods & Fertilizer Industries, Shivaji Marg, New Delhi 110 015. 54,000 TPA. Private.
- Rasoi Limited, 12 Govt. Place, Calcutta 700 069. 30,000 TPA. Private.
- Hindustan Lever Ltd., 165/166 Backbay Reclamation, Bombay 400 020. 56,700 TPA. Private.
- Wipro Ltd. Amalner 425 401. 30,000 TPA. Private.

#### **List of Other Industry Contacts**

- The Indian Vanaspati Producers' Association, 908-909, Padma Tower I, 5 Rajendra Place, New Delhi 110 008. Phone: 011-572 4310.
- The Vanaspati Manufacturers' Association of India, 903, Akashdeep Bldg. 26-A Barakhamba Road, New Delhi 110 001. Phone: 011-331 2640.
- The Indian Soap & Toiletries Makers' Association, Raheja Centre, Free Press General Marg, Bombay 400 021. Phone: 022-224115.

- The Rajasthan Vanaspati Producers' Association, A-26(E), Kantichandra Road, Bani Park, Jaipur 302 006. Phone: 0141-67486.
- The Oil Technologists' Association of India, Nawabganj, Kanpur 208 002. Phone: 0512-241067.

## COMPOUND FEED INDUSTRY

There are 166 member feed producers of the Solvent Extractors Association. Some of the large companies are:

- Allana Chemicals & Oils (India) Pvt Ltd., 4 J.A. Allana Road, Colaba, Bombay 400 039. Phone: 022-287 4455.
- Godrej Agrovet Limited, Eastern Express Highway, Vikhroli, Bombay 400 079. Phone: 022-517 0597 Fax: 022-509189.
- Prestige Feed Mills, 30 Jaora Compound, M.Y.H. Road, Indore 452 001. Phone: 0731-464201 Fax: 0731-466716.
- Glaxo India Ltd. Agrivet Farm Care Division, Dr A.B. Road, Worli, Bombay 400 025. Phone: 022-493 3871.
- I.T.C. Limited, Agri Business Division, 31 Sarojini Devi Road, Secunderabad 500 003. Phone: 0842-83 4675. Fax: 0842-82 4476.
- Venkateshwara Hatcheries Pvt Ltd., Pune-Panshet Road, P.O. Girinagar, Pune 411 025. Phone: 0212-442244.

### List of other industry contacts (industry associations, government agencies).

- The Compound Livestock Feeds Manufacturers' Association of India, 111 Mittal Chamber, 228 Nariman Point, Bombay 400 021. Phone: 022-202 6103.

## FINANCING

All imports are made against letter of credit. Oilseeds are not imported into India. Under US PL-480 Title 2 and 3 some quantities of soyabean oil were received. Some quantities of canola are also imported under CIDA aid programme.

Bank of Nova Scotia, Canada; Citibank, USA; Grindlays Bank; Standard Chartered Bank, UK; Hongkong & Shanghai Bank; Bank of America; Banque National de Paris, France.

## OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.

India is no longer an attractive market for Canadian exporters of oilseeds and edible oils.

### For Further Information Contact:

**Canadian High Commission**  
**P.O. Box 5207**  
**New Delhi**  
**India**  
**Tel: (011-91-11) 687-6500**  
**Fax: (011-91-11) 687-6579**

ORDC (OILSEED RESEARCH & DEVELOPMENT COMPANY) is the executive authority for most of the policies, supports and assistance in regard to oilseeds set by the government. ORDC is a company owned by the Indian vegetable oil producers, in private and semi-private sectors in close relation with the ministries of Industries and Agriculture.

Every year the government announces a guaranteed price to the farmers to purchase sunflower, soybean and cottonseed from them. If the farmers are not able to sell their production at the market rates, the ORDC will buy the total unmet quantities at the price set by the government. Therefore, in this situation, the ORDC, although a private entity, is acting to a certain extent as government's work in other countries. However, all the policies for oilseeds development is under supervision of the Ministry of Agriculture.

Seeds, fertilizers and insecticides are distributed to the farmers by the ORDC at subsidized rates (provided by the government). Technical assistance and provision of the required agricultural machinery are also offered by the ORDC.

There are no strict environmental controls over the farmers.



# IRAN OILSEED INDUSTRY

## GENERAL OVERVIEW

Iran, with a population of about 60 million (1992 census), is a market with high potential for oilseed products. Over 25 years ago, an aggregate industry was formed to produce oilseeds in Iran with the aim of providing the country with its needs for cooking oil. In spite of this, after so many years, 90% of raw material needed to supply the existing refining factories is being imported.

## CHARACTERISTICS OF THE MARKET

### A. Local Production of oilseeds

Total production of 400,000 MT has been estimated till end of following Iranian year (mid March 1994), including:

Sunflower	80,000 MT
Soybean	155,000 MT
Cottonseed	150,000 MT
Sesame	25,000 MT
Safflower	less than 1,000 MT

**ORDC (OILSEED RESEARCH & DEVELOPMENT COMPANY)** is the executive authority for most of the policies, supports and assistance in regard to oilseeds set by the government. ORDC is a company owned by the Iranian vegetable oil producers, in private and semi-private sectors in close relation with the ministries of Industries and Agriculture.

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Seeds, fertilizers and insecticides are distributed to the farmers by the ORDC at subsidized rates (provided by the government). Technical assistance and provision of the required agricultural machinery are also offered by the ORDC.

There are no strict environmental controls over the farmers.

## **B. Domestic Market**

### **Vegetable Oils & Fats**

Animal fats make up less than 5% of total fats and oils consumption. Annual consumption of vegetable oil is 11.3 kgs per capita and is estimated to increase to 12.3 kgs by 1994. Total annual consumption of butter is about 80,000 MT, lard is zero and margarine is very little.

Iranians prefer hydrogenated shortenings at present but consumption of liquid vegetable oils is encouraged by the government and ORDC through awareness campaigns on TV and printed media. The response from the public is relatively slow because the prices of liquid vegetable oils are higher than those of hydrogenated products. In general, sunflower and corn oils are the favourite nation wide.

### **Other Oilseed Products for Direct Human Consumption**

Granulated and powdered soyfood are being used in the salami, sausages and hamburger industries. Packed soyfood is also sold in supermarkets to be mixed with meat. Soy sauce and soybean drinks do not exist in this market.

Sunflower, sesame and ground nuts are sold commonly as dried edible seeds in confectioneries. Olive oil is used in salad dressing and fresh olives are widely consumed by Iranians.

### **Protein Meals**

Size and breakdown of livestock industry is not available at this time. Soy meal is used in poultry industries, cotton seed meal for cattle and sunflowerseed meal for aquaculture. Hog production does not exist in Iran.

Canola is not known by the public at all. Production of rapeseed is very limited and is less than 400 MT per year, but recently is under research and development.

### **Industrial Usage of Vegetable Oils and Oilseed Products**

Linseed oil is only used in paint industries.

## **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Total imports of crude oilseeds are about 600,000 MT per year. Major imports of crude oilseeds are handled by Governmental Trading Company (GTC), affiliated to the Ministry of Commerce. Private firms such as vegetable oil producers import non refined oil in smaller quantities for their own production. The Central Bank of Iran (CBI) imports vegetable oils in

case of emergency and shortages in the country. GTC has occasionally announced international tenders.

According to the article no. 16 of the law governing the import of food, beverages and cosmetics, release of these commodities out of customs requires the following certificates:

- Suppliers health certificate
- Suppliers consumption expiry date
- Disinfectant certificate by supplier (soyfood for poultry)
- Import certificate by The Ministry of Health which requires the analysis formula and the name of preservatives
- ISIRI (Institute of Standards and Industrial Investigation of Iran) certificate

Crude oilseeds are exempted from customs duties because their import is widely done by GTC (about 90% of the imported volume) and also due to the fact that the import licenses are granted on the basis of the official exchange rate (Rls. 70 per US\$ while the current floating rate is above Rls 1,600). Changes in the import regulations can always be expected.

#### List of major importers

**Governmental Trading Company (GTC)**

Address: No. 185 Gharani Ave., Tehran

Tel: 009821 882 7121-8

Fax: 83 53 33

Tlx: 212369/213842/213720

222830/222831/214163 GTC IR

## Vegetable oil and shortening producers list

NO.	NAME & ADDRESS	CONTACT	PRODUCTION 1992 / MT		OWNERSHIP
			HYDROGE NATED	LIQUID OIL	
1	<b>Etka Organization.</b> Bastion St., Imam Khomeini Ave. Tehran Tel: 640 1102 / 681491 Fax: 640 1102 Tlx: 22400 ETKA IR	Mr. Bourbour, Managing Director	24492	386	Government The Ministry of Defence
2	<b>Behshahre Vegetable Oil Co.</b> Km. 12 Old Karadj Rd. Tehran Tel: 6490595-8 Tlx: 212559 PAN IR Fax: 6409053	Mr. Mirmortazavi, Managing Director	115510	42729	Public Joint Stock
3	<b>Pars Vegetable Oil Co.</b> # 483, Hafez St. Tehran Tel: 671012 -17 Fax: 678584	Mr. M. Dadash, Managing Director	77406	28629	Government, Shahid Foundation
4	<b>Jahan Vegetable Oil Co.</b> # 14 Sahand St., Dr. Beheshti Ave., Tehran Tel: 864069/863617 Fax: 868845	Mr. Rajab zadeh, Managing Director	55228	-	Government, Shahid Foundation
5	<b>Shokoofeh Vegetable Oil Co.</b> Third floor, Bank Tejarat bldg, Southern side of Park Shahr, Tehran	Mr. Darzi, Managing Director	2011	-	Bank Tejarat, (Commercial Bank)
6	<b>Fazle Nayshabour Mfg Co.</b> # 14, 6th, Sepahboud Gharanie Ave. Tehran Tel: 825729 / 837635 Fax: 831497	Mr. Ghasemieh, Managing Director	17352	-	Private
7	<b>Keshto Sanat Shomal</b> 4th floor, #151/1 Shahid Asgari Alley, Felestin Ave., Tehran Tel: 646 5835/646 6088 Fax: 641 7827 Tlx: 21 57 66	Mr. Nezami, Managing Director	23191	-	Private
8	<b>Golnaz Vegetable Oil Co.</b> # 77 Ghaem-Magham Farahni St. Tehran Tel: 837490-1 / 8829719 / 835898 Fax: 837488	Mr. Karimi, Managing Director	25768	-	Private
9	<b>Margarin Vegetable Oil Co.</b> # 1/57, Koushk St., Ferdowsi Sq. Tehran Tel: 835015-17 Fax: 8826183	Mr. Kahinpour, Managing Director	40783	8952	Public Joint Stock
10	<b>Naab Vegetable Oil Co.</b> P.O. BOX 16765 - 1885 Tehran	Mr. Mehrvarzan, Managing Director	12581	524	Public Joint Stock

NO.	NAME & ADDRESS	CONTACT	PRODUCTION 1992 / MT		OWNERSHIP
			HYDROGE NATED	LIQUID OIL	
11	Nargess Shiraz Vegetable Oil Co. P.O.Box: 71455-645 Tehran Tel: 837487-91 / 835898 Tlx: 212522 SAHA IR Fax: 837488	Mr. Sadrnejad, Managing Director	101338	4222	Private
12	Naz Esfahan Mfg Co. 6th floor, Bldg # 14, Sepahbod Gharani Ave., Tehran Tel: 837635/882 5729 Fax: 831497	Mr. Movahedian, Managing Director	22984	1998	Private
Total:			518644	87433	

#### D. Country Exports

No exports of oilseeds exist due to the shortage of the local production. Cooking oils and shortenings are exported as this is highly encouraged by the government.

#### MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

There is a fruitful future for Canadian oilseed products in Iran; subject to continuous presence in the market and competitive prices. It is difficult to penetrate the market in the short-term, but through persistent effort Canada may have its own share.

There are no weaknesses and strengths of Canadian oilseed products known by the market. A group of people in the vegetable oil industry who participated in the Oilseed Congress in Saskatchewan (Summer 1993) are trying to provide facilities for Canadian oilseed products to sell in the market. They believe that in addition to obtaining import licences for Canadian products, price wise it would be difficult for Canada to compete with other countries.

Other than all the above actions which are highly recommended, providing more information for the clients would be useful. A direct contact with the authorities in the country such as the following organizations will be useful:

- The Ministry of Health, Treatment & Medical Educations
- Iran Standards & Industrial Research Institute (ISIRI)
- GTC (Government Trading Company)
- The Ministry of Commerce, Department of Internal Commerce
- The Ministry of Industries, Department of Food, Medicine & Health Products

- The Ministry of Agriculture
- Food Industries Experts Society
- OPDC (Oilseeds Production Development Co., Inc.)

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES, All in percentages

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	0	0	0	25
Soya	0	0	0	20
Sunflower	0	0	0	20
Flaxseed	0	0	0	35
Sesame	0	0	0	75
Groundnut	10	20	20	30
Cottonseed	0	0	20	25
Palm Oil	0	0	-	30
Coconut	100	150	100	150
Olive	-	100	-	100
Other	50	25	20	25

Above figures are based on CIF prices.

## TRANSPORTATION

### Main ports of entry

- Southern Iranian Ports such as, Bandar Abbas, Bandar Imam Khomeini, Bandar Bushehr.
- Unloading capacity is sufficient for the imports and there are enough storage facilities for the goods.

Railways and road transportation networks exist to deliver imported goods to the refining factories. There are no particular constraints.

## **INDUSTRY STRUCTURE**

### **OILSEED CRUSHING & REFINING**

#### **Marketing Channels**

Products distributed among buyers are in two categories:

- subsidized, raw material imported by the government at official rate and subsidized, sold by governmental coupons.
- free prices, distribution provided by the manufacturers own means and usually through wholesalers.

#### **List of Other Industry Contacts (industry associations, government agencies).**

ORDC (Oilseed Research and Development Company)

146 Ghaem Magham Farahani Ave., Tehran - Iran

Tel: 882 5259/83 87 84

Fax: 832696

Tlx: 215665

Contacts: Mr. Saffarpour, Managing Director  
Mr. Parhami, Technical Manager  
Mr. Shahidi, Research Manager

#### **FINANCING**

Method of payment is usually irrevocable letter of credit (unconfirmed) or cash on delivery (seldom).

Canadian or International banking institutions represented in the country.

- Standard Chartered Bank
- Lloyds Bank

#### **For Further Information Contact:**

**Canadian Embassy**

**P.O. Box 11365-4647**

**Tehran, Iran**

**Tel: (011-98-21) 62 26 23**

**Fax: (011-98-21) 62 32 02**

ACCESS

Marketing Channels

Products distributed among processors in the country & EXPORTS / IMPORTS (A)

Product	Official rate (US\$/MT)	Crude Oil (US\$/MT)	Refined Oil (US\$/MT)	Notes
Rape/Canola	0	0	0	Subsidized, free importation supported by the government at official rate and subsidized, sold by government-owned processors
Soya	0	0	0	Free importation provided by the manufacturer's own means and usually through wholesalers
Sunflower	0	0	0	
Flaxseed				List of Other Industry Contacts (Industry associations, government agencies)
Sesame	0	0	0	OPDC (Oilseed Research and Development Company)
Groundnut	01	02	02	146 Green Mountain Highway Ave., Toronto, Ont. Tel: 882 2222/83 87 84 Fax: 882 2222 Tlx: 2 2662
Cottonseed	0	0	02	Mr. S. P. ... Managing Director
Palm Oil	0	0	02	Mr. P. ... Technical Manager
Cocunut	001	051	001	Mr. S. ... Assistant Manager
Olive	-	001	001	
Other	05	25	02	

Method of payment is usually irrevocable letter of credit (amounting) or cash on delivery ( seldom)

TRANSPORTATION

Canadian or international banking institutions registered in the country

Standard Chartered Bank  
 Citibank  
 For further information contact:  
 Canadian Exporters  
 P.O. Box 11363-4667  
 Toronto, Ont.  
 Tel: (416) 593-6233  
 Fax: (416) 593-6233

# MOROCCO OILSEED INDUSTRY

## GENERAL OVERVIEW

Moroccan vegetable oil production consists principally of sunflowers, cottonseed, and to a lesser extent soybeans and rapeseed. Morocco continues its policy to become self-sufficient in vegetable oil in order to save hard-earned foreign exchange. High support prices to farmers have been the principal vehicle to encourage more oilseeds production. This policy has resulted in significant production gains over the last few years, however weather patterns remain the limiting factor toward attaining pre-set goals. Therefore, imports of vegetable oil will remain strong for several years. Last year imports were around US\$100 million, accounting for nearly 8% of total Moroccan agricultural imports.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

Government support in the oilseeds sector is centred primarily on increasing planted area and production of sunflowers. The government agency, Compagnie Marocaine de Commercialisation des produits Agricoles (COMAPRA) is responsible for purchasing all oilseed crops produced in Morocco, at a fixed rate. The Government pays COMAPRA on average 412 dhs/MT eq to CDN\$58 of seed it purchases. It is estimated that every litre of vegetable oil (excluding olive oil) produced from locally-produced oilseeds benefits from a subsidy of 6.75 dhs eq CDN\$0.95. The subsidy per litre for domestically produced oil is inordinately higher than the per litre subsidy on imported oil because of the high support prices paid to local farmers. The government of Morocco estimates that subsidies attributed to vegetable oil output totalled US\$61 million in 1992.

Some sources indicate that Moroccan oilseed production could average around 300,000 MT by the end of the 1990's. This figure was calculated by projecting an increase in area planted to 250,000 hectares coupled with an increase in yields owing to better growing techniques and better seed, and continuing high support prices to farmers to encourage more oilseed production.

### B. Domestic Market

#### Vegetable Oils & Fats

Consumer preference is more toward sunflower, rapeseed and soybean oil because they are subsidised by the government.

## **Other Oilseed Products for Direct Human Consumption**

Consumption of products other than sunflower, rapeseed and soybean oil is very limited in Morocco.

### **Protein Meals**

The potential for meal consumption in Morocco is very high. Morocco has a livestock population of over 13.5 million sheep, 3.3 million cattle, and 5.3 million goats. Around 90% of mixed feed production is geared to the poultry sector.

Locally produced meals are dominated by sunflower meal. Canola and flax meal are not well known. Soymeal has the better market image.

Total capacity of all industrial feed mills in Morocco is placed at 900,000 MT annually. Even though imports of protein meals no longer require a licence, meals are subjects to a restrictive reference pricing system. This coupled with the imposition of a custom duty of 12.5% and an import tax of 12.5% brings the actual imported price of meals to a prohibitively high level. Quantities imported in the future will depend on the government ability to liberalize its imports structure.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Crude vegetable oil is contained in list "A" (the unrestricted import list). However, in practice, imports are tightly controlled and are purchased based on tenders issued by the Ministry of Commerce and Industry (MCI). A commission made up of ministry officials and industry representatives is charged with selecting offers made by licensed brokers and their local agents. Tenders issued by MCI are optional type and origin. Morocco buys either soybean or rapeseed oil and countries of origin are principally the United States and France. Import duties are 12.5% ad valorem, with an additional 12.5% import tax.

The Government of Morocco continues to indicate its desire to liberalize some of the internal structures governing the oilseed market, and fulfil commitments to the world bank. The policy and program consists of 3 parts; liberalizing the marketing and processing of vegetable oil, liberating imports, and eliminating the subsidy to the consumer.

### **List of Major Importers**

The Burapro (Bureau d'Approvisionnement), a subsidiary of ONA manages the actual importing of crude oil and is responsible for distributing the oil to refineries based on pre-set quotas. Import duties are 12.5% ad valorem, with an additional 12.5% import tax.

- Burapro  
 2, rue Mohamed Smiha 4 ème étage  
 Casablanca  
 Tél (2) 31.75.90  
 Fax (2) 31.77.49  
 M. Mohamed Rahmaoui Responsable du Bureau

#### D. Country Exports

The only edible oils exported by Morocco are olive oil and fish oil. To our knowledge no subsidies or support systems are available to encourage export as prices in the international market are firm.

#### MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Potential for Canadian exports of vegetable oil to Morocco is considerable. Major obstacle, however, is lack of adequate financing programs which are necessary to compete in this market. Another obstacle is that Canadian products are known to be of high quality, and this market is more a price buyer than a quality buyer.

#### ACCESS

##### A) TARIFFS / CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	7.5	12.5	12.5	32.5
Soya	7.5	12.5	12.5	32.5
Sunflower	7.5	12.5	12.5	32.5
Flaxseed	7.5	12.5	12.5	32.5
Sesame	7.5	12.5	12.5	32.5
Groundnut	7.5	12.5	12.5	32.5
Cottonseed	7.5	12.5	12.5	32.5
Palm Oil	7.5	12.5	12.5	32.5
Coconut	7.5	12.5	12.5	32.5
Olive	7.5	12.5	12.5	32.5
Other	7.5	12.5	12.5	32.5

Currently, there are no quotas and phytosanitary certificates required. Imports of oilseeds are subject to licensing from the Ministry of Commerce and Industry (MCI). The MCI settles quantities to be imported, calls for tenders, supervises imports, processing, and distribution of oilseeds.

## TRANSPORTATION

The main port of entry is the port of Casablanca which can accommodate vessels of up to 12,000 MT. Unloading capacity as well as storage facilities are considered to be adequate. Internal distribution network from port of entry to plant is done either by railways or truck. Transportation / distribution is not a limiting factor affecting Canadian capacity to serve this market.

## INDUSTRY STRUCTURE

### OILSEED CRUSHING & REFINING

Current crushing capacity in Morocco is 300,000 MT per year. The huge private consortium ONA owns the 2 oilseed crushers in Morocco. The largest crusher, SEPO (Société d'Exploitation des Produits Oléagineux), has a crushing capacity of 240,000 MT/year and it is located in Casablanca. The only other crusher is SIGO (Société Industrielle des Graines Oléagineuses) located in Kenitra. This plant has an actual annual capacity of 60,000 MT with a plan to expand capacity to 120,000 MT if demand remains high.

#### Crushers

- **Société d'Exploitation des Produits Oléagineux (SEPO)**  
2, rue Caporal Corbi  
BP 3094 - 20320 Casablanca  
Tel.: (2) 35.43.30 / 35.43.31 / 35.43.29 / 35.43.27  
Fax.: (2) 35.40.97  
Tlx.: 250.76  
Attn: Mohamed Hamdouch, Directeur Général
  
- **Société Industrielle des Graines Oléagineuses du Gharb (SIGOGHARB)**  
Quartier Industriel, BP 168, Kénitra  
Tel.: (7) 36.58.03  
Attn: Said Oulhana Idrissi, Président Directeur Général

## Refineries

- **Lesieur Afrique-Unigral Cristal**  
 1, rue Caporal Corbi  
 BP 3095 - 20320 Casablanca  
 Tel.: (2) 35.46.36  
 Fax.: (2) 35.43.31  
 Attn: Mohamed Hamdouch, Directeur Général

- **Oléagineux du Gharb (Oléor)**  
 Rue 13 quartier industriel  
 Tel.: (7) 36.24.66 / 36.42.93  
 Fax.: (7) 36.36.83  
 Tlx.: 919.23 (OLERKEN)  
 Attn: Mohamed Elhaddad, Directeur Général

- **Huilleries de Meknes**  
 Quartier Sidi Said, BP 2021, Meknes  
 Tel.: (5) 53.00.91 / 53.00.92  
 Fax.: (5) 53.27.13  
 Tlx.: 410.34 (HUILMEK)  
 Attn: Hassan Eddaoudi, Directeur Général

- **Société Industrielle Oléicole de Fès (SIOF)**  
 29, rue Pictet-Dokkarat, Fes  
 Tel.: (5) 62.59.52 / 62.59.53  
 Fax.: (5) 62.58.51  
 Tlx.: 519.11 (SIOFFES)  
 Attn: Abderrahmane Lahbabi, Directeur Général

- **Société Marocaine pour l'Industrie Oléicole (SOMIO)**  
 8, rue Miara, BP 2256, Fes  
 Tel.: (5) 62.22.51 / 62.20.26  
 Fax.: (5) 62.20.26  
 Tlx.: 519.15  
 Attn: Taib Lazrak, Directeur Général

- **Société Maroc Abbas Tazi et Cie (SOMATAZI)**  
 Rue Ibn El Kayim-Dokkarat, Fes  
 Tel.: (5) 62.35.12 / 62.04.61  
 Attn: Abbes Tazi, Président

- **Société pour l'Exportation des Produits du Sud Marocain (SUDEXPORT)**  
 Rue Salah Eddine Ayoubi, BP 680, Marrakech  
 Tel.: (4) 34.44.10 / 34.14.04  
 Fax.: (4) 34.19.17  
 Tlx.: 720.57 (SUDEX) Attn: Abderrazal Regragui, Directeur Général

- **Huileries du Souss**  
 Quartier Anza, BP 135, Agadir  
 Tel.: (8) 82.31.30 / 82.18.54  
 Fax.: (8) 82.36.25  
 Tlx.: 816.87 Attn: Ahmed Oubari, Directeur Général

Tenders issued by MCI are optional type and origin. Morocco usually buys either soybean or rapeseed oil. Imported crude oil is distributed among refineries in accordance with pre-determined quotas. These quotas do not change often and are based on percentages of total crude oil to be refined. Distribution of the product is done by wholesalers and stocking distributors. Provided below is a list of principal refiners and their respective quotas:

Company	Capacity	Quota (%)	City
<b>O.N.A. Group</b>			
- L.A.U.C.	135,000	46.0	Casablanca
- SEPO	55,000	9.1	Casablanca
- CMH	12,000	sold	Casablanca
<b>CICOM</b>	9,000	7.3	Casablanca
<b>OLEOR</b>	18,000	11.1	Kenitra
<b>SIOF</b>	12,000	5.7	Fes
<b>SOMIO</b>	12,000	5.9	Fes
<b>SOMATAZI</b>	12,000	3.0	Fes
<b>HUILERIE D'OUJDA</b>	21,000	sold	Oujda
<b>HUILERIE DE MEKNES</b>	33,000	4.8	Meknes
<b>SUDEXPORT</b>	6,000	2.6	Marrakech
<b>SIKAF</b>	6,000	sold	Beni-Mellal
<b>HUILERIE DE SOUSS</b>	20,000	4.4	Agadir
<b>T O T A L</b>	<b>351,000</b>	<b>100.0</b>	

Source: Ministry of Agriculture, Ministry of Commerce and Industry.

#### List of Other Industry Contacts

- L'association des fabricants d'huiles au Maroc  
33, rue Ibn Batouta  
Casablanca  
Tél (2) 27.67.00
- Fédération des Industries des corps gras au Maroc  
33, rue Ibn Batouta  
Casablanca  
Tél (2) 27.67.00
- Direction de la Production Végétale  
Ministère de l'Agriculture et de la Réforme Agraire  
Quartier Administratif Rabat  
Tél (7) 76.18.35  
Fax (7) 76.15.57  
Directeur: M. Abdellatif Guedira
- Comapra  
58 Avenue Allal Ben Abdellah  
B.P 563 Rabat  
Tél (7) 76.11.19  
Fax (7) 76.64.57  
M. Abdellatif Rami Yahyaoui, Directeur

#### OTHER OILSEED PRODUCTS

Names and addresses of margarine/ghee, vegetable shortening, soyfood products and other domestic companies involved in further processing of oilseeds products, including industrial products.

- **Les Industries Alimentaires Réunies (Indusalim S.A.)**  
6, rue Al Mourtada  
21100 Casablanca  
Tel.: (2) 25.11.35  
Fax.: (2) 25.63.45  
Tlx.: 246.39 (IDUSA)  
Attn: Enriqe Fossi Ariza, Directeur Général



## List of Other Industry Contacts (industry associations, government agencies).

- Association Marocaine des Fabricants d'aliments Composés  
Route de Rabat, Km 9  
21 600 Ain Sebaa  
Tél (2) 40.10.20  
Fax (2) 24.81.88  
M. Louis Defoort, Secrétaire Général
- Direction de l'Elevage  
Ministère de l'Agriculture  
Quartier Administratif Rabat  
Tél (7) 76.50.77  
Fax (7) 76.44.04  
Dr Tber Directeur

## FINANCING

The huge private company ONA which owns the only two crushers in Morocco and represents the largest refineries apparently has the financial ability to buy cash.

Credit terms for country available from EDC. Although, available for Morocco, EDC financing is very difficult to obtain since it requires the government guaranty. Furthermore, The Moroccan Ministry of Finance which delivers such guaranty is most reluctant to allow it to private sector companies.

Aid subsidy programs offered by the US:

- PER 420, USPL-480, EEP, IIP

Aid subsidy programs offered by European Economic Community:

- EC export aid

## For Further Information Contact:

**Canadian Embassy**

**C.P. 709,**

**Rabat-Agdal**

**Morocco**

**Tel: (011-212-7) 67 28 80**

**Fax: (011-212-7) 67 21 87**

List of Other Industry Contacts (continued)

Association Marocaine des Fabricants d'Aliments Composés  
 Rue de Rabat Km 9  
 21 600 Ain Sebaa  
 Tel: (2) 35.43.76 / 35.46.74  
 Fax: (2) 35.40.34  
 Tlx: 260.07 (MARGAFRI)  
 M. Louis Defour, Secrétaire Général, Directeur

Margarinerie Nouvelle  
 11, rue du Colonel Simon  
 21700 - Casablanca  
 Tel: (2) 30.13.41 / 30.08.76  
 Fax: (2) 30.49.82  
 Attn: Jacques Capeluto, Directeur Général

Direction de l'Élevage  
 Ministère de l'Agriculture  
 Quartier Administratif Rabat  
 Tel: (7) 76.20.77  
 Fax: (7) 76.44.04  
 Dr Theo Director

**FINANCING**

The huge private company OMA which owns the only two mills in Morocco represents the largest refiners apparently has the financial ability to buy cash.

Credit terms for country available from EDC. Although, available financing is very difficult to obtain since it requires the government guaranty. The Moroccan Ministry of Finance which delivers such guaranty is most reluctant to private sector companies.

M. Louis Defour, Director  
 Private Company  
 Milling Capacity: 200 000 T/year

Aid subsidy programs offered by the US:  
 - PER 420, USPL 480, EER, IIP

Cicalin  
 Route de Rabat Km 9  
 21 600 Ain Sebaa  
 Tel: (2) 35.43.76  
 Fax: (2) 35.40.34  
 M. Louis Defour, Directeur  
 Private Company  
 Milling Capacity: 200 000 T/year

Aid subsidy programs offered by European Economic Community:  
 - EC export aid

For Further Information Contact:

Canadian Embassy  
 C.P. 789  
 Rabat-Agdal  
 Morocco  
 Tel: (011-212-7) 67 28 88  
 Fax: (011-212-7) 67 21 87

# SAUDI ARABIA OILSEED INDUSTRY

## GENERAL OVERVIEW

As per the Saudi Foreign Trade Statistical Book, the total import of oilseeds for the year 1991 (latest figures available) was approximately 160,000 MT for an amount of approximately CDN\$56.9 million. Given the Saudi Government policy to increase and develop the livestock and food industry, there will still be demand for oilseed meal to cover the needs the growing livestock industry, mainly sheep, poultry and dairy.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

There is no local production of oilseeds in Saudi Arabia and the country still depends on the import of oilseeds.

### B. Domestic Market

#### Vegetable Oils & Fats

Fats & Oils consumption per capita is 10.5 kgs.

- Of which: 1% animal fats; 84% vegetable fats; 15% solid (ghee, margarine, lard, butter).

Health education programs internationally and in Saudi Arabia encourage the population to watch their diet customs. Consumer preferences are nowadays focused towards the use of vegetable fats.

The outlook for the years ahead is for a levelling of the market fluctuations with perhaps a moderate increase in volume.

#### Other Oilseed Products for Direct Human Consumption

The consumption of soyfood is very minimal. Soy sauce is widely available in all supermarkets but its consumption is restricted to a certain clientele and to a small number of non-oriental dishes. The import of flax seed is minimal.

The Saudi market preferences are favourable for palm, corn, olive oil and vegetable fats.

## **Protein Meals**

As per the Saudi Ministry of Agriculture, the following are the current estimated breakdown of livestock as of the year 1991:

- Poultry 227 million including (broilers, layers and parent)
- Goats 370,000 head
- Sheep 6 million head
- Dairy and beef 160,000 head
- Camels 410,000 head

Protein consumption is believed to be at the following rates: 40% for beef and dairy; 40% for poultry; and the other 20% are spread over sheep, goats and camels. Fish meal, meat and bone meal and soya meal are the types of protein utilized in domestic market. Canola or flax meal are not well-known yet in Saudi Arabia.

As earlier mentioned, the livestock industry in Saudi Arabia should increase, hence, a larger demand for protein meal.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

Imports are handled by private companies. Importers should get a license from the Ministry of Agriculture and at present no changes are envisaged. Canada has no presence so far in the Saudi oilseeds market.

Below is the list of the major Saudi importers. None are importing from Canada.

Arabian Agricultural Systems Co. Ltd.  
P.O. Box 6543, Riyadh 11452  
Saudi Arabia  
Tel: (1) 4761153  
Fax: (1) 4781268

Saudi Agricultural Development Co.  
P.O. Box 5147, Riyadh 11422  
Saudi Arabia  
Tel: (1) 4781610  
Fax: (1) 4785787

Saudi Livestock Transportation & Trading Co.  
P.O. Box 17363, Riyadh 11484  
Saudi Arabia  
Tel: (1) 4773474  
Fax: (1) 4788211

Arabia Agri & Livestock Investment Co.  
 P.O. Box 5490, Riyadh 11422  
 Saudi Arabia  
 Tel: (1) 4765118  
 Fax: (1) 4775977

NAFA Agriculture  
 P.O. Box 57976, Riyadh 11584  
 Saudi Arabia  
 Tel: (1) 4882828  
 Fax: (1) 4882542

Akhawain Co. Ltd.  
 P.O. Box 1639, Riyadh 11441  
 Saudi Arabia  
 Tel: (1) 4023528  
 Fax: (1) 4052326

Arab Co. for Livestock Development  
 P.O. Box 18389, Riyadh 11415  
 Saudi Arabia  
 Tel: (1) 4625701  
 Fax: (1) 4649255

Azizia Agricultural Products Co. Ltd.  
 P.O. Box 54246, Riyadh 11514  
 Saudi Arabia  
 Tel: (1) 4630531  
 Fax: (1) 464-3368

International Agriculture Co. Ltd.  
 P.O. Box 3886, Riyadh 11481  
 Saudi Arabia  
 Tel: (1) 4630550  
 Fax: (1) 4650943

Osama Khairi Hafez Trading Est.  
 P.O. Box 20494, Riyadh 11455  
 Saudi Arabia  
 Tel: (1) 4055678  
 Fax: (1) 4042429

Main countries that export feed meal to Saudi Arabia are U.S.A., Brazil and India and these suppliers have been well established and are dominating the market.

The outlook for the coming years is for at least a levelling of the market needs, with modest yearly import increase due to the fact that the livestock industry in Saudi Arabia is on its evolution stage.

With regard to oilseeds, imports will be mainly for animal feed stocks additives and not for oil extraction. Vegetable oil import is an increasing market.

#### D. Country Exports

Saudi Arabia does not export oilseeds.

#### MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Canadian products should compete with the existing commodities originating from U.S.A. and India for soya bean meal which is currently imported at a price of US\$260-270 per tonne C&F Saudi port. Fish meal and meat and bone meal are mainly imported from South America, Italy and Germany. Prospects are now present for Canadian canola. The Embassy in Riyadh has been receiving requests from private and government sources to provide them with more information on canola seed. Outgoing missions in this regard would be very advisable.

#### ACCESS

##### A) TARIFFS/CUSTOMS & DUTIES

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	12%	12%	12%	12%
Soya	12%	12%	Exempt	12%
Sunflower	12%	12%	12%	12%
Flaxseed	12%	12%	12%	12%
Sesame	12%	12%	12%	12%
Groundnut	12%	12%	12%	12%
Cottonseed	12%	12%	12%	12%
Palm Oil	12%	12%	12%	12%
Coconut	12%	12%	12%	12%
Olive	12%	12%	12%	12%
Other	12%	12%	12%	12%

Seeds should have a phytosanitary certificate issued by a government laboratory and attested by the Saudi Embassy to accompany each shipment. Also, seeds should comply with the "Orange International Seed Lot Certificate of International Seed Trade Association"

- \* Each consignment has to mention in Arabic the purity percentage, germination ratio and last date of inspection.
- \* A certificate that the seeds have been fumigated.
- \* The importer has to fill up an import request for each consignment. The seeds should not reach any Saudi port of entry before 10 days from the request's approval.
- \* Usual shipment documents: certificate of origin, invoice, bill of lading all to be attested by the Saudi Embassy.

## **TRANSPORTATION**

The main ports of entry in Saudi Arabia are: Jeddah and Yanbu (Western Province), Damman and Jubail (Eastern Province). Each port is able to unload 6,000 tonnes of seeds and 2,000 tonnes of meals per day. There are storage facilities at ports for commodities destined for local importers. Only the government's Grain Silos & Flour Mills Organization has its own storage facilities.

Commodities are transported by trucks to the importer's storage facilities. Railways are also used between the Eastern Province ports and Riyadh (the capital city) dry port storage facilities.

## **INDUSTRY STRUCTURE**

### **OILSEED CRUSHING & REFINING**

There are no oilseeds processing companies in Saudi Arabia. Oil is imported in bulk and then refined and packed locally. The government is only subsidizing meals and yellow corn as animal feedstuff. Seeds are not subsidized and therefore the import of oilseeds and crushing procedures for oil extraction are not feasible.

### **COMPOUND FEED INDUSTRY**

A) The main domestic feed companies are:

Arabian Agriculture Services Company (ARASCO)

P.O. Box 53845, Riyadh 11593

Saudi Arabia

Tel: (1) 465-2550

Fax: (1) 464-5375

(Controlling 40% of the market)

**Grain Silos & Flour Mills Organization (GSFMO)**

P.O. Box 3402, Riyadh 11471

Saudi Arabia

Tel: (1) 464-3500

Fax: (1) 463-1943

(Controlling 25% of the market)

**Al Ghadeer Farm**

P.O. Box 80, Hofuf 31982

Saudi Arabia

Tel: (03) 533-0876

Fax: (03) 586-3837

(Controlling 15% of the market)

**Al Fakieh Poultry Farm**

P.O. Box 2622, Makkah

Saudi Arabia

Tel: (02) 557-2225

Fax: (02) 556-2068

**Al Rajhi Poultry Farm (Al Watania)**

P.O. Box 1181, Buraidah, Al Qassim

Saudi Arabia

Tel: (06) 391-1730

Fax: (06) 391-1403

The last two contacts occupy at least 15% of the market but they utilize the products for their own use to feed their poultry.

The total milling capacity in Saudi Arabia is around 1.5 million tonnes per year. Thirty to forty percent of the total is of protein meals. All feed compound industries are privately owned except the Grain Silos & Flour Mills Organization which is under the control of the Saudi Ministry of Agriculture.

Marketing channels are as follows:

Exporter to mills (sometimes to end users) to end users.

There are no industry associations. The only government agency is the GSFMO which is mentioned above as a compound feed processor.

## FINANCING

The commodities are dealt by irrevocable and confirmed letters of credit (LC). These LC's could either be at sight or 60 to 90 days payment credit depending on the relation between the Saudi importer and the exporter.

## OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.

Canadian oilseeds exporters should have the opportunity to visit Saudi Arabia in order to evaluate their products vis-a-vis the existing commodities. It is also advisable to set up a mission to Saudi Arabia led by Agriculture and Agri-Food Canada. Special attention should be focused on Canadian canola.

### For Further Information Contact:

**Canadian Embassy**  
**P.O. Box 94321**  
**Riyadh 11693**  
**Saudi Arabia**  
**Tel: (011-966-1) 488-2288**  
**Fax: (011-966-1) 488-1997**

Grain Silos & Flour Mills Organization (GSFMO)  
P.O. Box 3402, Riyadh 11471

FINANCING

The commodities are dealt by irrevocable and confirmed letters of credit (L.C.). The bank could either be at sight or 60 to 90 days payment credit depending on the relationship between the Saudi importer and the exporter.

### OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS

Canadian oilseeds exporters should have the opportunity to visit Saudi Arabia to evaluate their products vis-a-vis the existing commodities. It is also advisable to send a mission to Saudi Arabia led by Agriculture and Agri-Food Canada. Special attention should be focused on Canadian canola.  
(Controlling 15% of the market)

Al Fakih Poultry Farm  
P.O. Box 2622, Makkah  
Saudi Arabia  
Tel: (02) 557-2325  
Fax: (02) 556-2068

For Further Information Contact:

Canadian Embassy  
P.O. Box 9433  
Riyadh 11693  
Saudi Arabia  
Tel: (011-966-1) 488-2388  
Fax: (011-966-1) 488-1997

Al Rajhi Poultry Farm (Al Wazania)  
P.O. Box 1181, Durraydah, Al Qassim  
Saudi Arabia  
Tel: (06) 391-1730  
Fax: (06) 391-1403

The last two contacts occupy at least 15% of the market but they utilize the products for their own use to feed their poultry.

The total milling capacity in Saudi Arabia is around 1.5 million tonnes per year. Thirty to forty percent of the total is of protein meals. All feed compound industries are privately owned except the Grain Silos & Flour Mills Organization which is under the control of the Saudi Ministry of Agriculture.

Marketing channels are as follows:

Export to mills (sometimes to the user) to end users.

There are no industry associations. The only government agency is the GSFMO which is

# TURKEY OLSEED INDUSTRY

## GENERAL OVERVIEW

1993 has been a normal year for the oilseed industry in Turkey. Trading and processing of seeds still continue and final figures for production are not yet available. Support purchase prices were increased by about 60-63% in 1993. Annual inflation is around 65-68% in Turkey. All inputs used in agricultural production seem to be readily available and there were no shortages in 1993. However, prices of chemicals (fertilizers) and diesel and kerosene (the latter two are essential for mechanized farming) in particular, which were very much affected by the depreciation of Turkish Lira against foreign currencies, increased by about 80-85%.

## CHARACTERISTICS OF THE MARKET

### A. Local Production

In 1993, increase in support prices has been 5-8% behind annual inflation. This is mainly due to the Government giving first priority to controlling inflation and allowing agricultural cooperatives to purchase on their own accounts. The cooperatives, not furnished with adequate credits, still have outstanding debts to the farmers. Free market prices for some crops, such as cotton, sunflower seeds are lower than the support prices and encourage farmers to deliver their crops to the cooperatives. There is no major change in Government policies related to production incentives and environmental controls.

Deliveries of oilseeds to the cooperatives seem to be increasing significantly in 1993.

### B. Domestic Market

#### Vegetable Oils & Fats

Fats & oils consumption per capita: approximately 25 kgs.  
Of which: 12% animal fats; 40% vegetable fats; 48% solid.

Margarine, olive oil, sunflowerseed oil, and cotton oil constitute about 90% of local consumption. Share of soybean oil is minimal. Canola oil is not produced.

Consumption trends of Turkish people are not expected to change in the short and long term. Most of the recipes in Turkish cooking are based on margarine, olive and sunflowerseed oils.

## **Other Oilseed Products for Direct Human Consumption**

Almost none, except soy sauce, which is only bought by high income groups, but in very small quantities.

In Turkey, sesame and poppy seeds are used in bakery goods. Flaxseed is used in bakery goods in tiny quantities at certain locations.

### **Protein Meals**

Cattle: 12,500,000 head; water buffalos: 400,000; sheep: 45,000,000; goats: 12,000,000; hogs: 13,000. Protein meal consumption by livestock type is not available. Olive oil meal, sunflowerseed meal, cotton meal, soya meal, and molasses is used by the livestock industry for feed supplements.

Neither canola nor flax meals are known in Turkish market. Soymeal is also not popular, and is only known by a very small segment of the population.

Growth in the livestock industry has been steady within the last decade, and is not expected to expand in coming years. Therefore protein meal consumption is expected to stay around current levels.

### **C. Country Imports - Oilseeds, Vegetable Oils & Protein Meals**

The importer, whether private firm or state-owned, can import freely. Private firms can deal directly with suppliers, however, state-owned firms (cooperatives), such as producers of margarine, usually open domestic and/or international tenders.

All oilseeds, vegetable oils, and protein meals can be imported without any restriction. A change in import policy concerning these products is not expected.

Canadian % share of market is approximately 6-7 % (mostly sunflower seed, and little quantity of sesame seed).

### **List of Major Importers**

Following firms are producers of oilseed products, such as sunflower oil, cotton oil, corn oil, soybean oil, and olive oil as well. Given that the price is the determinant factor, they meet their oilseed and/or oilseed oil requirements from both domestic production and non-Turkish sources.

- a.Doysan Yag Sanayii A.S.  
Palanga Yokusu, Saribal Sokak, No.27, Ortaköy, Istanbul  
(sunflower seed, soybeans)
- b.Garanti Beziryagi San. ve Tic. A.S.  
Mumhane Cad. No.33, Karaköy, Istanbul  
(flaxseed)
- c.Trakyabirlik, Trakya Yagli Tohumlar Tarim Sat. Koop. Birliđi  
1. Murat Mah. Zübeyde Hanim Cad., No.2, Edirne 22001  
(Sunflower seed, soybean oil)
- d.Oruçoglu Yag San. Tic. A.S.  
Istasyon Civari, Afyon  
(sunflower seed)
- e.Marsa Margarine San. A.S.  
Döseme Mah. No.4, Adana 01130  
(sunflower seed, soybean, soybean oil)
- f.Tekfen Dis Tic. A.S.  
Ulus Mah. Tekfen Sitesi, D Blok, Etiler 80600 Istanbul  
(sunflower seed)
- g.Cidersan Cider Yag ve Yem San. ve Tic. A.S.  
861. Sok., No.72, Jüt Han, Kat:3, Izmir  
(sunflower seed)
- h.Afyon Gida San. ve Tic. A.S.  
Ankara Yolu, 7. Km., Afyon  
(sunflower seed, cotton seed)
- i.Alemdar Kimya Endüstrisi A.S.  
Turistik Çamlica Cad., No.19, B. Çamlica, Istanbul  
(sunflower seed, soybeans)
- j.Ari Rafine Yag San. A.S.  
Izmir Yolu Üzeri, 4.km., Balikesir 10050  
(sunflower seeds)
- k.Etsun A.S.  
Mithatpasa Cad. No.62/1, Kizilay 06420 Ankara  
(soybean oil, sunflower seed)

l.Özçiçek Afyon Gıda San. ve Tic. A.S.  
Ordu Bulvarı, No.12, Afyon  
(sunflower seed)

m.Paksoy Tic. ve San. A.S.  
Karatas Yolu Üzeri, No.184, Adana  
(sunflower seeds, soybean oil)

n.Ünilever-Is Tic. ve San. T.A.S.  
Yıldız Posta Cad., Yener Sokak, No.3, Esentepe 80700 İstanbul  
(soybeans, soybean oil, sunflower seed)

o.Baser Kimya San. ve Tic. A.S.  
Kozyatagi, Degirmenyolu Sokak, Sasmaz Sitesi, No.7, Baser Han, Erenköy 81090 İstanbul  
(sunflower seed)

p.MINA Yag San. ve Tic. A.S.  
Gemlik, Bursa  
(sunflower seed)

q.Komili Yag Sabun Gliserin San. ve Tic. A.S.  
Setüstü Haktan Han, No.45, Kat:2, Kabatas, İstanbul  
(sunflower seed)

r.Kirlangiç Gıda Maddeleri Paz. A.S.  
Yeniçarsi Cad., Vakıf Han, No.20/1, Galatasaray, İstanbul  
(sunflower seed, soybean oil)

Competitors usually work with local agents or have marketing offices in Turkey to maintain continuous liaison with buyers.

Price of locally produced sunflower seed keeps rising as a result of price supports, which pushes local prices above world averages. This causes local producers of sunflower seed oil to consider importing sunflowerseeds in growing quantities should the prices of imported seeds continue to be attractive compared to local supply. Since local production of soybean is also not yet sufficient to meet local demand, imports will continue. Imports of other oilseeds and oilseed products are not expected to change, and will continue at current levels.

## D. Country Exports

There is no support system particularly designed to encourage export of oilseed products. However, all exporters of foodstuffs, and many other products as well, can use subsidized pre-financing credits from Turkish banks. For some foodstuffs, such as olive oil, exporters are charged a certain percentage of tax to preclude olive oil exporters from damping their export price.

### MARKET OPPORTUNITIES FOR CANADIAN PRODUCT

Sales potential for sunflower, sesame seeds, and soybean oil always exist.

Turkey imports oilseeds for crushing purposes, and other oilseed products to be used as inputs in production of margarines and other edible oils. End products, i.e. ready for consumption, are not imported. There is no negative attitude or reaction to the image and/or quality of Canadian products. The product is enhanced by attractiveness/competitiveness of price, regardless of the country of origin. Therefore higher freight cost from Canada to Turkey is the only negative factor which may affect adversely the sales potential of Canadian oilseed products Turkish market.

Individual visits by Canadian exporters, or outgoing missions, whose members are determined to follow up on inquiries would be required to succeed in the Turkish market.

## ACCESS

### A) TARIFFS / CUSTOMS & DUTIES

{First figure is custom duty (%) and second figure is surtax, which is (%) of CIF value. Surtax for some products is charged in US\$ per tonne}

	Oilseeds	Crude Oil	Oilseed Meal	Refined Oil
Rape/Canola	10%-15%	3%-US\$60/T	10% - 25%	3%-US\$60/T
Soya	3% Surtax: a.Nil for sowing b.US 4/T for others	3%-US\$60/T	10% - 25%	3%-US\$60/T
Sunflower	DITTO	3%-US\$60/T	10% - 25%	3%-US\$60/T
Flaxseed	10%-15%	3%-US\$60/T	10% - 25%	3%-US\$60/T
Sesame	Same as soya	3%-US\$60/T	10% - 25%	3%-US\$60/T
Groundnut	5%-25%	3%-US\$60/T	10% - 25%	3%-US\$60/T
Cottonseed	Same as soya	3%-US\$60/T	10% - 25%	3%-US\$60/T
Palm Oil	3%-US\$4/T	3%-US\$60/T	10% - 25%	3%-US\$60/T
Coconut	3%-US\$4/T	3%-US\$60/T	10% - 25%	3%-US\$60/T
Olive	5% - 13%	5% - 32%	10% - 25%	5% - 32%
Other	3% - US\$80/T	5% - 30%	10% - 25%	5% - 30%

Import permission for all oilseed products should be obtained from Ministry of Agriculture and/or Ministry of Health depending upon type of product. Phytosanitary certificates are required for customs clearance. There is no quota allocation for imports of oilseed products. Labelling (sticker type) in Turkish language is mandatory on packages of end products providing information about producer, importer, date of production and expiry, and contents.

Custom duty is lower for some oilseed products originating from European Community countries. This is due to an agreement Turkey has previously signed with the EC.

## **TRANSPORTATION**

Turkey's main port, which can handle unloading of bulk seed and bulk oil are as follows: Haydarpaşa (Istanbul), Mersin, Iskenderun, Izmir, Giresun, Antalya. All these ports have minimum 300,000 tonnes/year unloading capacity for bulk seed and bulk oils, and high speed conveyor systems, and all other pier equipment used for loading and unloading.

Each port listed in above paragraph has either railway or highway (or both) connection to the plants located in inner parts of the country.

There are no transportation/distribution constraints in Turkey.

## **INDUSTRY STRUCTURE**

### **OILSEED CRUSHING & REFINING**

Major Turkish oilseed processing companies are provided above. Only Trakyabirlik is a farmers' cooperative; the rest are privately owned. In addition to these major processing plants, there are about 10,000 medium or small size processing plants throughout the country. It is very difficult to provide information on crushing/refining capacities and approximate market shares of each plant in Turkey. A survey on such information has not yet been conducted.

Almost 95% of local processing plants in Turkey are privately owned. The Turkish Government's Standards Institute (TSE) long ago determined standards for all oilseed products, and all producers must comply with TSE standards.

Turkey does not import oilseed end products, i.e. ready for retail sale. Local producers import only inputs they use in their production (seeds for crushing, soybean oil). For imported inputs agents and commission agents serve as intermediary between non-Turkish suppliers and local users (production plants). Local producers of oilseed products have their own distribution systems, and geographically they can reach almost 50-60% of the country. In other areas they work with authorized wholesaler/stocking distributors, the numbers of which are in the thousands.

In Turkey there are 74 provinces, and each province has its own chamber of industry. Oilseed processing plants are members of the chambers of their province. There is no association of oilseed products industrialists in Turkey.

### **OTHER OILSEED PRODUCTS**

The following firms of those listed above produce margarine, other vegetable shortening, and soyfood products for both human and industrial uses:

a.Doysan, c.Trakyabirlik, e.Marsa, h.Afyon, i.Alemdar, k.Etsun, m.Paksoy, n.Unilever,  
o.Baser, q.Komili.

In addition to these firms, the following also produce such products:

- 1.Antbirlik (farmers' cooperative)  
Fevzi Çakmak Caddesi, No.22, Antalya
- 2.Aymar Yag San. A.S.  
Tekirdag Yolu Üzeri, 2.km., Çorlu, Tekirdag
- 3.Çukobirlik Merkez Yag Fabrikasi (farmers' cooperative)  
Adana-Mersin Karayolu, 19.km., P.K.550, Adana
- 4.Dogu Yag San. A.S.  
Ilica Mevkii, Ilica, Erzurum
- 5.Ekiz Yag ve Sabun San. A.S.  
1508 Sokak, 4 Sehitler Cad., Izmir
- 6.Güneydogu Tarim Sat. Koop. Birliđi (farmers' coop.)  
Gaziler Cad. 69, Gaziantep
- 7.Olin Edirne Yag San. ve Tic. A.S.  
Istanbul Yolu, Edirne
- 8.Taris Tarim Satis Kooperatifleri Birliđi (farmers' coop)  
1492 Sokak, 14 Alsancak, Izmir
- 9.Turyag A.S.  
Sair Esref Bulvari, No.48, Tuzcuoglu Is Hani, 35230 Izmir
- 10.Yilmaz Yag San. A.S.  
Kuyucuk Çiftligi, Tekirdag

Above firms are major producers in their field. There are about 3-4,000 medium or small size margarine/vegetable shortening plants throughout the country. It is very difficult to provide information on crushing/refining capacities and approximate market shares of each plant in Turkey. Annual margarine production of Turkey is around 550,000 tonnes. Local demand is approximately 450,000 tonnes. Turkey exports mainly to its neighbouring countries.

In Turkey there are 74 provinces, and each province has its own chamber of industry. Other oilseed processing plants are members of the chambers of their province. There is no association of margarine/vegetable shortening products industrialists in Turkey.

### COMPOUND FEED INDUSTRY

Major animal feed production plants of Turkey are as follows. Information on their milling capacities, quantity of protein meals used by each of them, market shares are not available. Except the first firm on the list (Yem Sanayii T.A.S.), the rest are privately owned. In Turkey there are about 500-600 livestock and poultry feed (compound) production plants, and annual production capacity is around 4,500,000 tonnes.

1. Yem Sanayii T.A.S.  
Eskisehir Yolu, 8.km., Beytepe Girişi, Ankara
2. Yemas Yem Gida San. ve Tic. A.S.  
Veli Alemdar Han, No.324/3, Karaköy, Istanbul
3. Edirne Yag Sa. ve Tic. A.S.  
Fabrika Merkez: Istanbul Yolu Üzeri, Edirne
4. Özkasikçi Bulkon Gida San.  
Samyeli Sokak, No.10, Iskitler, Ankara
5. Has Yem Köprübasi Yem ve Tavukçuluk San. Tic. Ltd. Sti.  
Sulugöz Sokak, No.1, Iskitler, Ankara
6. Charoen Pokphand Entegre Gida San. A.S.  
Eski Osmanli Sokak, Dilan Apt., No.8/7, Mecidiyeköy, Istanbul
7. Silkar Gida Paz. A.S.  
Gümüssuyu Cad., Hastane Yolu No.1, Topkapi 34020 Maltepe, Istanbul
8. Cidersan A.S.  
861. Sok., No.72, Jüt Han, K.3, Izmir
9. Trakya Birlik  
1. Murat Mah., Zübeyde Hanim Cad., No.2, 22100 Edirne

Turkey does not import end products, but only production inputs. Each producer has its own distribution system. They work with other independent wholesaler/stocking distributors in regions where they are unable to reach.

Animal feed producers are registered with the Chambers of Industry of the province in which they are based.

## **FINANCING**

Importers use commercial loans from Turkish banks, and usually pay by opening letters of credit. Some importers pay on cash against goods or on a document basis as well. Exporters of oilseed products can use subsidized pre-financing credits from Turkish banks. EDC terms for oilseed products exports to Turkey are not known.

US Government has provided funding to Turkey for a period of over 10 years from its Commodity Credit Corporation. EDC has indicated interest in providing to the Turkish Government a similar package at matching rates for Canadian grain exports to Turkey. The offer is not yet evaluated, and it is not known whether it may be used for imports of Canadian oilseed products to Turkey.

In some years Turkey has received aid from the U.S.A. for importation of soybean and its oil, and grains.

All major Canadian banks have a correspondent bank in Turkey. No Canadian bank has a branch or representative office in Turkey.

## **OTHER COMMENTS AND TIPS FOR CANADIAN OILSEED EXPORTERS.**

Close and continuous liaison with Turkish importers is required should an exporter wish to be successful. There is stiff competition especially from U.S. and European suppliers.

### **For Further Information Contact:**

**Canadian Embassy  
Nenehatun Caddesi No. 75  
Gaziosmanpasa 06700, TURKEY  
Tel: (011-90-312) 436-1275  
Fax: (011-90-312) 446-4437**

## APPENDIX A - COUNTRY STATISTICAL TABLES

<b>CRUSHING AND TRADE OF OILSEEDS (1,000 MT)</b>								
	Hong Kong		Indonesia		Philippines		Taiwan	
	1991	1992	1991	1992	1991	1992	1991	1992
<b>CRUSHINGS</b>								
Soybeans	-	-	355.3	387.0	62.5	46.1	1958.0	2234.0
Groundnuts	-	-	79.8	65.5	-	-	17.0	16.3
Palmkernels	-	-	556.2	594.0	14.3	14.4	-	-
Copra	-	-	1389.3	1243.3	1862.5	1795.0	2.0	2.0
<b>TOTAL</b>	-	-	2380.6	2289.8	1939.3	1855.5	2247.5	2483.9
<b>IMPORTS</b>			Net	Net				
Soybeans	33.2	34.6	484.1	595.4	63.2	61.4	2295.6	2638.6
Cottonseed	-	-	(5.3)	(6.1)	-	-	3.4	3.7
Groundnuts	42.1	30.5	66.8	58.1	26.5	28.0	0.1	0.0
Sunflowerseed	0.6	0.2	8.5	6.0	-	-	1.6	2.2
Rapeseed	-	-	-	-	-	-	0.1	0.1
Sesameseed	14.6	12.3	2.1	0.6	-	-	27.6	29.7
Palmkernels	-	-	(1.0)	(5.1)	-	-	0.0	0.0
Copra	-	-	(0.3)	(16.0)	-	-	2.0	1.9
Linseed	-	-	(1.3)	(0.2)	-	-	1.0	0.2
Castorseed	0.1	0.0	-	-	-	-	0.1	0.1
<b>TOTAL</b>	90.6	77.6	553.6	632.7	89.7	89.4	2331.5	2676.5
<b>EXPORTS</b>								
Soybeans	11.2	12.1	-	-	-	-	-	-
Groundnuts	38.5	25.2	-	-	-	-	-	-
Sunflowerseed	0.5	0.3	-	-	-	-	-	-
Rapeseed	-	-	-	-	-	-	-	-
Sesameseed	13.9	11.3	-	-	-	-	-	-
Cottonseed	-	-	-	-	15.1	16.9	-	-
Palmkernels	-	-	-	-	0.3	0.0	-	-
Copra	-	-	-	-	84.5	43.5	-	-
Castorseed	0.1	0.0	-	-	1.0	1.1	-	-
<b>TOTAL</b>	64.2	48.9	-	-	100.9	61.5	-	-

BALANCE OF OILS AND FATS (1000 MT)								
	Hong Kong		Indonesia		Philippines		Taiwan	
	1991	1992	1991	1992	1991	1992	1991	1992
<b>OPENING STOCKS</b>	14.5	16.0	572.0	436.0	79.0	94.0	51.5	55.0
<b>PRODUCTION</b>								
Soybean oil	-	-	60.4	65.8	10.3	7.6	411.0	454.2
Groundnut oil	-	-	27.1	22.3	-	-	7.3	7.0
Coconut oil	-	-	847.5	758.4	1182.7	1139.8	1.3	1.3
Palm oil	-	-	2657.6	2870.0	54.0	54.0	-	-
Palmkernel oil	-	-	255.9	273.2	6.3	6.3	-	-
Lard	31.3	31.2	-	-	-	-	64.8	67.8
Fish oil	-	-	3.2	3.3	-	-	-	-
<b>TOTAL</b>	<b>31.3</b>	<b>31.2</b>	<b>3851.7</b>	<b>3993.0</b>	<b>1253.3</b>	<b>1207.7</b>	<b>484.4</b>	<b>530.3</b>
<b>IMPORTS</b>								
Soybean oil	2.3	4.1	3.1	1.9	19.9	12.3	10.1	0.7
Cotton oil	0.1	0.2	-	-	-	-	-	-
Groundnutoil	30.6	34.3	-	-	0.0	0.0	-	-
Sunfloweroil	-	-	0.1	0.2	-	-	6.1	11.6
Rapeseed oil	128.0	107.1	0.3	0.4	-	-	0.4	0.6
Sesame oil	4.5	4.6	0.3	0.2	-	-	-	-
Corn oil	15.3	10.7	1.0	1.0	0.2	0.4	0.9	2.1
Olive oil	0.2	0.3	-	-	-	-	-	-
Palm oil	39.4	24.5	38.8	310.0	1.3	32.2	77.1	59.0
Palmkernel oil	0.4	0.3	17.1	18.1	0.4	0.4	6.1	2.6
Coconut oil	1.5	3.5	6.8	8.0	-	-	4.7	7.4
Butter, as fat	5.8	7.5	8.4	8.0	10.4	8.7	8.8	8.6
Lard	4.3	4.3	-	-	-	-	-	-
Fish oil	0.1	1.3	9.2	7.7	1.0	3.0	4.4	4.0
Linseed oil	0.2	0.5	0.3	1.3	1.9	3.1	1.9	1.9
Castor oil	0.1	0.3	-	-	-	-	2.1	1.7
Tallow&Grease	2.8	2.1	1.0	2.2	7.6	18.4	78.6	97.1
<b>TOTAL</b>	<b>235.6</b>	<b>205.6</b>	<b>86.4</b>	<b>359.0</b>	<b>42.7</b>	<b>78.5</b>	<b>201.2</b>	<b>197.3</b>

**BALANCE OF OILS AND FATS (1000 MT) Continued**

	Hong Kong		Indonesia		Philippines		Taiwan	
	1991	1992	1991	1992	1991	1992	1991	1992
<b>EXPORTS</b>								
Soybean oil	1.2	1.7	21.4	21.9	-	-	7.7	3.2
Groundnut oil	6.5	5.9	-	-	-	-	-	-
Sunflower oil	-	-	0.9	-	-	-	-	-
Rapeseed oil	41.7	37.0	-	-	-	-	-	-
Sesame oil	2.5	2.4	-	-	-	-	-	-
Corn oil	1.1	0.8	-	-	-	-	-	-
Palm oil	34.8	25.2	1627.9	1380.0	5.9	6.0	-	-
Palmkernel oil	0.3	0.1	136.3	215.0	6.2	5.1	-	-
Coconut oil	2.3	2.0	197.6	343.0	887.1	885.0	-	-
Butter, as fat	2.2	2.6	-	-	-	-	-	-
Lard	17.3	19.9	-	-	-	-	-	-
Fish oil	0.2	0.1	1.3	1.0	-	-	-	-
Linseed oil	0.1	0.1	-	-	-	-	-	-
Castor oil	0.1	0.3	-	-	-	-	-	-
Tallow & Grease	2.2	3.3	-	0.1	-	-	2.6	2.5
<b>TOTAL</b>	<b>112.5</b>	<b>101.4</b>	<b>1985.4</b>	<b>1961.0</b>	<b>899.2</b>	<b>896.1</b>	<b>10.3</b>	<b>5.7</b>
<b>DOMESTIC DISAPPEAR.</b>	<b>152.8</b>	<b>146.2</b>	<b>2088.7</b>	<b>2239.0</b>	<b>381.9</b>	<b>400.2</b>	<b>671.7</b>	<b>722.9</b>
<b>ENDING STOCKS</b>	<b>16.0</b>	<b>5.0</b>	<b>436.0</b>	<b>588.0</b>	<b>94.0</b>	<b>84.0</b>	<b>55.0</b>	<b>54.0</b>
<b>POPULATION (Millions)</b>	<b>5.8</b>	<b>5.8</b>	<b>187.7</b>	<b>191.2</b>	<b>63.8</b>	<b>65.2</b>	<b>20.5</b>	<b>20.7</b>
<b>PER CAPITA (kilos)</b>	<b>26.6</b>	<b>25.2</b>	<b>11.1</b>	<b>11.7</b>	<b>6.0</b>	<b>6.1</b>	<b>32.8</b>	<b>35.0</b>

BALANCE OF OILMEALS (1000MT)								
	Hong Kong		Indonesia		Philippines		Taiwan	
	1991	1992	1991	1992	1991	1992	1991	1992
<b>OPENING STOCKS</b>	-	-	83.0	105.0	148.2	101.1	44.0	43.0
<b>PRODUCTION</b>								
Soybean meal	-	-	284.3	309.6	51.6	38.0	1787.3	1976.1
Groundnutmeal	-	-	30.7	25.2	-	-	9.4	9.0
Palmkernel meal	-	-	294.8	314.8	8.0	8.1	-	-
Copra meal	-	-	521.0	466.3	670.5	646.2	0.7	0.7
<b>TOTAL</b>	-	-	1130.8	1115.9	730.1	692.3	1797.4	1985.8
<b>IMPORTS</b>								
Soybean meal	20.6	10.9	141.3	178.3	593.2	674.9	81.3	221.4
Cotton meal	-	-	-	-	-	-	1.1	0.5
Groundnut meal	4.9	5.4	131.7	140.0	5.0	0.1	14.0	22.1
Sunflowermeal	-	-	0.9	1.1	-	-	-	-
Rapeseed meal	1.1	0.0	99.9	77.6	34.4	24.1	67.2	60.7
Sesame meal	-	-	21.0	23.7	-	-	-	-
Corn gluten feed	23.3	8.6	26.9	40.5	-	-	54.1	46.1
Copra meal	0.0	0.0	-	-	-	-	4.2	4.0
Fish meal	43.6	24.0	58.0	57.0	39.1	70.0	430.5	397.4
<b>TOTAL</b>	93.5	48.9	479.7	518.2	671.7	769.1	652.4	752.2
<b>EXPORTS</b>								
Soybean meal	1.1	0.0	7.2	5.3	-	-	-	-
Cotton meal	-	-	-	-	-	-	-	-
Groundnutmeal	2.5	0.8	-	-	-	-	-	-
Rapeseed meal	-	-	7.7	9.2	-	-	-	-
Palmkernel meal	-	-	294.2	322.2	4.2	3.0	-	-
Copra meal	-	-	451.1	360.0	613.8	467.0	-	-
Fish meal	37.4	14.8	-	-	-	-	6.5	6.3
<b>TOTAL</b>	41.0	15.6	760.2	696.7	618.0	470.0	6.5	6.3
<b>DOMESTIC DISAPPEAR.</b>	-	-	828.3	927.4	831.0	990.0	2443.3	2731.8
<b>ENDING STOCKS</b>	-	-	105.0	115.0	101.1	102.5	-	-

**CRUSHING AND TRADE OF OILSEEDS (1,000 MT)**

	Germany		Poland		Spain		U.K.	
	1991	1992	1991	1992	1991	1992	1991	1992
<b>CRUSHINGS</b>								
Soybeans	2702.5	3026.0	15.4	11.7	2045.6	1997.0	438.4	406.3
Groundnuts	0.0	0.0	-	-	-	-	0.0	3.7
Cotton seed	-	-	-	-	141.7	133.0	-	-
Sunflowerseed	353.9	393.2	-	-	1118.5	1104.0	32.5	89.1
Rapeseed	2644.7	2664.8	666.0	611.4	28.0	31.6	1107.1	1178.1
Sesameseed	-	-	0.7	0.9	-	-	-	-
Palmkernels	-	-	-	-	-	-	3.7	3.1
Copra	53.8	46.2	-	-	-	-	0.0	0.0
Linseed	161.2	162.2	10.8	8.9	1.0	1.2	61.3	69.9
Castorseed	36.5	30.5	-	-	-	-	0.0	0.0
<b>TOTAL</b>	<b>5952.6</b>	<b>6322.9</b>	<b>692.9</b>	<b>632.9</b>	<b>3334.8</b>	<b>3266.8</b>	<b>1643.0</b>	<b>1750.2</b>
<b>IMPORTS</b>					Net	Net	Net	Net
Soybeans	2878.6	3208.0	15.7	11.9	2408.1	2562.0	620.2	644.8
Cottonseed	0.0	0.2	-	-	(1.6)	33.0	1.7	2.3
Groundnuts	131.7	104.7	7.9	8.7	24.7	23.5	105.2	111.0
Sunflowerseed	306.3	322.3	0.2	2.3	26.2	8.3	45.0	102.3
Rapeseed	695.7	589.7	25.0	71.0	8.2	24.9	(9.9)	92.0
Sesameseed	14.0	14.0	1.2	2.2	0.5	0.5	4.8	4.7
Palmkernels	0.0	0.0	-	-	0.0	0.0	32.6	40.9
Copra	53.5	48.0	-	-	-	-	0.0	0.0
Linseed	182.4	176.1	5.0	3.3	1.0	1.3	(56.4)	(64.3)
Castorseed	34.3	33.2	-	-	-	-	0.0	0.0
<b>TOTAL</b>	<b>4296.5</b>	<b>4496.2</b>	<b>55.0</b>	<b>99.4</b>	<b>2467.1</b>	<b>2653.5</b>	<b>743.2</b>	<b>933.7</b>
<b>EXPORTS</b>								
Soybeans	4.2	20.1	-	-	-	-	-	-
Groundnuts	44.5	37.6	-	-	-	-	-	-
Sunflowerseed	33.1	23.3	-	-	-	-	-	-
Rapeseed	444.9	770.6	602.0	253.3	-	-	-	-
Sesameseed	1.5	1.2	-	-	-	-	-	-
Palmkernels	0.0	0.0	-	-	-	-	-	-
Linseed	1.4	4.0	0.8	0.1	-	-	-	-
<b>TOTAL</b>	<b>529.6</b>	<b>856.8</b>	<b>602.8</b>	<b>253.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

BALANCE OF OILS AND FATS (1000 MT)								
	Germany		Poland		Spain		U.K.	
	1991	1992	1991	1992	1991	1992	1991	1992
<b>OPENING STOCKS</b>	374.0	283.5	70.0	30.0	380.7	393.9	191.5	157.4
<b>PRODUCTION</b>								
Soybean oil	481.8	554.2	2.7	2.1	362.2	352.0	77.0	72.1
Groundnut oil	-	-	-	-	-	-	0.0	1.7
Cotton oil	-	-	-	-	24.1	22.6	-	-
Sunfloweroil	143.8	166.3	-	-	447.4	441.6	13.3	37.8
Rapeseed oil	1052.9	1063.0	266.4	244.5	10.7	12.1	452.3	475.7
Sesame oil	-	-	0.3	0.4	-	-	-	-
Corn oil	21.6	21.8	-	-	14.0	14.1	9.6	11.6
Coconut oil	34.6	29.2	-	-	-	-	-	0.0
Palmkernel oil	-	-	-	-	-	-	1.7	1.4
Olive oil	-	-	-	-	672.9	618.9	-	-
Butter, as fat	462.4	394.9	148.7	120.3	31.5	32.8	96.5	81.1
Lard	440.2	411.7	144.3	146.3	170.8	171.3	18.0	17.8
Fish oil	7.6	7.9	0.5	0.6	8.4	8.9	6.6	6.6
Linseed oil	56.9	57.7	3.7	3.0	0.3	0.4	21.0	24.3
Castor oil	15.7	13.6	-	-	-	-	0.0	0.0
Tallow&Grease	182.5	159.0	49.7	46.0	65.5	67.4	204.0	193.3
<b>TOTAL</b>	<b>2899.6</b>	<b>2879.3</b>	<b>616.3</b>	<b>563.2</b>	<b>1807.8</b>	<b>1742.1</b>	<b>900.0</b>	<b>923.4</b>
<b>IMPORTS</b>								
Soybean oil	143.6	139.4	31.1	68.7	6.7	2.4	141.3	147.7
Cotton oil	1.2	1.9	-	-	0.2	3.5	1.7	1.7
Groundnutoil	23.5	25.4	0.8	0.0	0.4	0.6	11.2	11.8
Sunfloweroil	156.5	133.4	22.7	22.0	8.2	11.5	158.1	170.4
Rapeseed oil	71.1	72.3	6.2	9.5	27.8	20.5	51.4	42.0
Sesame oil	0.9	0.9	-	-	0.0	0.1	-	-
Corn oil	1.8	2.6	-	-	1.6	1.7	6.8	6.4
Olive oil	10.4	12.0	0.7	3.0	64.5	85.3	8.1	11.5
Palm oil	403.8	408.7	15.9	14.8	83.7	88.6	372.7	366.4
Palmkernel oil	177.4	132.2	0.2	0.0	20.3	18.2	79.5	54.1

**BALANCE OF OILS AND FATS (1000 MT) Continued**

	Germany		Poland		Spain		U.K.	
Coconut oil	192.6	188.4	4.0	3.8	27.5	25.3	43.0	41.9
Butter, as fat	95.4	110.3	8.6	17.1	4.8	4.8	87.9	108.9
Lard	14.5	13.1	3.1	2.2	65.5	40.0	80.8	75.3
Fish oil	111.4	68.2	4.6	2.3	7.4	4.5	140.2	121.4
Linseed oil	9.3	7.7	0.9	9.5	3.7	4.1	5.0	1.1
Castor oil	12.9	15.5	1.9	1.9	3.1	2.6	7.3	7.5
Tallow&Grease	59.3	72.0	0.2	3.1	161.4	150.0	63.2	63.1
<b>TOTAL</b>	<b>1485.6</b>	<b>1404.0</b>	<b>100.9</b>	<b>157.9</b>	<b>486.8</b>	<b>463.7</b>	<b>1258.2</b>	<b>1231.2</b>
<b>EXPORTS</b>								
Soybean oil	178.8	198.7	-	-	178.9	176.2	10.7	9.1
Cotton oil	0.1	0.2	-	-	0.1	0.0	0.4	0.5
Groundnutoil	0.5	0.6	-	-	-	-	0.5	0.5
Sunfloweroil	40.6	49.1	-	-	26.2	42.0	4.7	6.2
Rapeseed oil	715.2	645.0	30.9	5.4	2.4	6.4	54.3	34.4
Sesame oil	0.5	0.3	-	-	-	-	-	-
Corn oil	9.1	7.7	-	-	0.3	0.1	3.9	4.1
Olive oil	1.1	1.1	-	-	361.0	154.0	1.0	1.2
Palm oil	22.8	21.6	-	-	-	-	4.4	6.3
Palmkernal oil	3.8	4.7	-	-	0.2	0.1	2.5	3.1
Coconut oil	19.9	17.8	-	-	0.0	0.1	3.9	2.8
Butter, as fat	161.7	54.4	2.4	0.8	8.7	24.0	33.3	42.8
Lard	90.3	67.4	12.0	6.5	1.4	1.1	1.8	0.7
Fish oil	7.5	8.7	-	-	3.5	5.6	3.0	11.8
Linseed oil	34.2	31.7	-	-	-	-	9.1	14.1
Castor oil	6.3	5.7	-	-	0.0	0.0	0.3	0.3
Tallow&Grease	216.5	161.2	23.7	17.0	1.0	2.8	22.8	20.5
<b>TOTAL</b>	<b>1508.9</b>	<b>1275.9</b>	<b>69.0</b>	<b>29.7</b>	<b>583.7</b>	<b>412.4</b>	<b>156.6</b>	<b>158.4</b>
<b>DOMESTIC DISAPPEAR.</b>	<b>2966.7</b>	<b>2987.4</b>	<b>688.2</b>	<b>691.6</b>	<b>1698.0</b>	<b>1707.5</b>	<b>2035.9</b>	<b>1991.4</b>
<b>ENDING STOCKS</b>	<b>283.5</b>	<b>303.4</b>	<b>30.0</b>	<b>30.0</b>	<b>393.9</b>	<b>479.8</b>	<b>157.4</b>	<b>162.2</b>
<b>POPULATION (Millions)</b>	<b>80.0</b>	<b>80.4</b>	<b>38.3</b>	<b>38.4</b>	<b>39.0</b>	<b>39.1</b>	<b>57.6</b>	<b>57.7</b>
<b>PER CAPITA (kilos)</b>	<b>37.1</b>	<b>37.1</b>	<b>18.0</b>	<b>18.0</b>	<b>43.5</b>	<b>43.7</b>	<b>35.4</b>	<b>34.5</b>

BALANCE OF OILMEALS (1000MT)								
	Germany		Poland		Spain		U.K.	
	1991	1992	1991	1992	1991	1992	1991	1992
<b>OPENING STOCKS</b>	71.3	36.0	-	-	-	-	22.0	19.0
<b>PRODUCTION</b>								
Soybean meal	2177.8	2432.4	12.2	9.2	1632.4	1593.6	325.5	299.3
Groundnutmeal	-	-	-	-	-	-	0.0	2.0
Cotton meal	-	-	-	-	104.9	98.4	-	-
Sunflowermeal	207.5	226.0	-	-	520.1	513.4	18.4	47.2
Rapeseed meal	1575.0	1592.4	373.0	342.4	16.5	18.7	647.2	687.0
Sesame meal	-	-	0.3	0.5	-	-	-	-
Corngerm meal	28.4	28.6	-	-	16.1	16.2	15.5	19.9
Corn gluten Feed	144.5	166.9	-	-	117.2	118.1	95.2	139.2
Palmkernel meal	-	-	-	-	-	-	1.9	1.7
Copra meal	18.7	16.3	-	-	-	-	0.0	0.0
Linseed meal	104.4	105.1	6.8	5.6	0.6	0.8	39.7	45.3
Fish meal	27.1	26.2	51.0	48.8	75.0	77.7	50.2	48.0
<b>TOTAL</b>	<b>4283.4</b>	<b>4593.9</b>	<b>443.3</b>	<b>406.5</b>	<b>2482.8</b>	<b>2436.9</b>	<b>1193.6</b>	<b>1289.6</b>
<b>IMPORTS</b>								
Soybean meal	2157.8	2230.0	457.4	475.0	1694.5	1609.8	1284.9	1298.0
Cotton meal	6.0	3.5	2.3	0.0	5.6	11.6	48.6	119.0
Groundnut meal	6.7	6.3	19.1	4.9	13.0	5.3	7.8	2.8
Sunflowermeal	400.9	352.1	0.3	0.2	24.6	109.6	379.9	359.0
Rapeseed meal	386.2	509.9	-	-	93.8	77.0	200.6	173.3
Sesame meal	0.2	1.1	5.1	0.0	-	-	0.0	0.0
Corngerm meal	334.6	293.2	-	-	181.3	230.8	7.2	0.0
Corn gluten feed	1084.1	1304.6	-	-	658.8	724.2	602.5	798.2
Palmkernel meal	681.9	627.6	11.4	0.0	2.0	12.0	140.2	122.4
Copra meal	369.9	203.7	0.0	0.0	14.4	15.3	52.9	38.5
Linseed meal	58.6	81.1	0.0	0.0	7.5	7.6	0.0	7.0
Fish meal	230.6	256.9	3.0	0.8	28.3	31.9	259.2	238.2
<b>TOTAL</b>	<b>5717.5</b>	<b>5870.0</b>	<b>498.6</b>	<b>480.9</b>	<b>2723.8</b>	<b>2835.1</b>	<b>2983.8</b>	<b>3156.4</b>
<b>EXPORTS</b>								
Soybean meal	1001.0	1148.2	76.9	2.9	3.8	19.1	21.0	14.7
Cotton meal	0.0	0.1	-	-	-	-	0.9	2.2

**BALANCE OF OILMEALS (1000MT) Continued**

	Germany		Poland		Spain		U.K.	
	1991	1992	1991	1992	1991	1992	1991	1992
Groundnutmeal	0.1	0.1	-	-	-	-	0.4	4.2
Sunflowermeal	96.9	95.6	-	-	4.6	6.3	4.3	7.8
Rapeseed meal	515.3	632.2	190.0	102.5	-	-	65.6	98.4
Sesame meal	0.0	0.0	-	-	-	-	0.0	0.0
Corngerm meal	16.3	15.8	-	-	4.5	3.5	0.3	0.1
Corngluten Feed	50.1	37.9	-	-	13.5	13.4	54.6	51.6
Palmkernel meal	2.7	10.2	-	-	-	-	3.0	4.8
Copra meal	32.2	28.0	-	-	-	-	9.8	6.9
Linseed meal	52.8	69.1	-	-	-	-	5.7	1.8
Fish meal	115.6	123.1	2.5	4.2	32.3	27.0	4.2	8.6
<b>TOTAL</b>	<b>1883.0</b>	<b>2160.3</b>	<b>269.4</b>	<b>109.6</b>	<b>58.7</b>	<b>69.3</b>	<b>169.8</b>	<b>201.1</b>
<b>DOMESTIC DISAPPEAR.</b>	<b>8153.3</b>	<b>8310.4</b>	-	-	-	-	<b>4010.9</b>	<b>4253.8</b>
<b>ENDING STOCKS</b>	<b>36.0</b>	<b>29.1</b>	-	-	-	-	<b>19.0</b>	<b>10.0</b>

CRUSHING AND TRADE OF OILSEEDS (1,000 MT)								
	Argentina		Brazil		Mexico		Peru	
	1991	1992	1992	1993	1991	1992	1991	1992
<b>CRUSHINGS</b>								
Soybeans	7261.2	8137.4	14779.0	16400.0	2110.0	2395.0	-	-
Groundnuts	195.2	253.2	45.0	8.0	11.4	14.7	-	-
Cotton seed	501.9	366.7	1087.3	900.0	346.0	331.5	125.0	92.3
Sunflowerseed	3751.3	3585.6	29.7	0.0	221.0	211.0	-	-
Rapeseed	6.1	3.2	9.0	0.0	285.0	278.0	-	-
Sesameseed	-	-	-	-	12.6	9.5	-	-
Palmkernels	-	-	19.0	20.0	-	-	-	-
Copra	-	-	2.8	2.8	173.0	173.5	-	-
Linseed	433.0	337.4	18.8	na	0.6	1.8	-	-
Castorseed	1.2	1.5	148.0	60.0	-	-	-	-
<b>TOTAL</b>	<b>12149.9</b>	<b>12685.0</b>	<b>17390.8</b>	<b>17390.8</b>	<b>3159.6</b>	<b>3415.0</b>	<b>125.0</b>	<b>92.3</b>
<b>IMPORTS</b>					<b>Net</b>	<b>Net</b>		
Soybeans	-	-	406.0	90.0	1541.9	1997.8	-	-
Cottonseed	-	-	-	-	100.0	178.2	-	-
Groundnuts	-	-	7.0	na	14.5	17.8	-	-
Sunflowerseed	-	-	-	-	227.1	210.0	-	-
Rapeseed	-	-	0.2	na	310.0	273.0	-	-
Sesameseed	-	-	-	-	(36.7)	(25.2)	-	-
Linseed	-	-	0.1	na	.2	1.8	-	-
Castorseed	-	-	35.6	na	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>448.9</b>	<b>90.0</b>	<b>2157.0</b>	<b>2653.4</b>	<b>-</b>	<b>-</b>
<b>EXPORTS</b>	<b>Net</b>	<b>Net</b>						
Soybeans	4405.6	3085.4	3819.6	4600.0	-	-	-	-
Groundnuts	106.3	91.1	3.9	0.0	-	-	-	-
Cottonseed	0.0	(5.2)	-	-	-	-	-	-
Sunflowerseed	367.8	295.6	-	-	-	-	-	-
Rapeseed	0.1	29.4	-	-	-	-	-	-
Castorseed	(0.6)	(0.6)	0.0	0.0	-	-	-	-
Linseed	0.3	0.0	0.2	0.0	-	-	-	-
Copra	-	-	0.1	0.0	-	-	-	-
<b>TOTAL</b>	<b>4879.5</b>	<b>3495.7</b>	<b>3823.8</b>	<b>4600.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

BALANCE OF OILS AND FATS (1000 MT)								
	Argentina		Brazil		Mexico		Peru	
	1991	1992	1992	1993	1991	1992	1991	1992
<b>OPENING STOCKS</b>	305.9	266.9	268.4	230.0	109.0	203.0	35.2	55.0
<b>PRODUCTION</b>								
Soybean oil	1260.8	1401.9	2784.0	3098.0	362.0	412.6	-	-
Groundnut oil	78.0	96.1	18.9	11.0	4.9	6.3	-	-
Cotton oil	75.9	64.2	174.0	123.0	50.2	48.1	19.4	14.3
Sunfloweroil	1540.5	1454.5	11.6	0.0	88.6	84.6	-	-
Rapeseed oil	2.2	1.3	3.4	6.0	105.5	102.9	-	-
Sesame oil	-	-	-	-	6.2	4.7	-	-
Corn oil	26.3	27.6	100.3	100.3	14.9	14.2	-	-
Coconut oil	-	-	1.7	1.7	109.0	109.3	-	-
Palm oil	-	-	61.8	70.0	-	-	23.1	25.0
Palmkernel oil	-	-	8.6	8.6	-	-	-	-
Olive oil	11.0	10.5	-	-	-	-	-	-
Butter, as fat	31.2	28.6	63.0	63.0	25.4	26.0	-	-
Lard	35.8	37.1	167.9	167.9	59.0	60.8	-	-
Fish oil	4.0	4.1	2.9	2.9	14.3	13.0	244.0	131.5
Linseed oil	135.6	105.6	6.5	6.5	0.2	0.6	-	-
Castor oil	0.5	0.6	65.1	30.0	-	-	-	-
Tallow&Grease	159.6	156.7	162.9	162.9	86.4	89.9	-	-
<b>TOTAL</b>	<b>3361.4</b>	<b>3388.8</b>	<b>3632.6</b>	<b>3851.8</b>	<b>926.6</b>	<b>973.0</b>	<b>286.5</b>	<b>170.8</b>
<b>IMPORTS</b>								
Soybean oil	-	-	37.8	70.0	61.3	84.2	63.6	93.0
Cotton oil	-	-	-	-	7.1	6.6	-	-
Groundnutoil	-	-	-	-	0.4	0.2	-	-
Sunfloweroil	-	-	0.0	-	174.4	148.2	0.3	7.8
Rapeseed oil	-	-	3.1	5.0	198.0	136.7	1.3	15.7
Corn oil	-	-	-	-	17.0	14.0	-	-
Olive oil	-	-	8.5	8.5	1.3	2.1	-	-
Palm oil	-	-	51.4	30.0	56.4	87.1	-	-
Palmkernal oil	2.4	3.0	16.0	3.0	1.9	0.6	-	-

BALANCE OF OILS AND FATS (1000 MT) Continued								
	Argentina		Brazil		Mexico		Peru	
	1991	1992	1992	1993	1991	1992	1991	1992
Coconut oil	5.6	5.4	3.4	na	27.0	28.0	-	-
Butter, as fat	4.4	8.7	6.0	na	28.5	43.0	5.0	2.8
Lard	-	-	-	-	35.8	27.2	-	-
Fish oil	-	-	0.2	na	41.2	31.0	0.6	0.1
Linseed oil	-	-	0.8	na	2.5	1.6	-	-
Castor oil	-	-	3.0	na	-	-	-	-
Tallow&Grease	8.7	13.0	46.0	na	210.3	187.6	3.6	16.0
<b>TOTAL</b>	<b>21.1</b>	<b>30.1</b>	<b>176.2</b>	<b>116.5</b>	<b>863.1</b>	<b>798.1</b>	<b>74.4</b>	<b>135.4</b>
<b>EXPORTS</b>								
Soybean oil	1246.1	1340.0	739.8	800.0	-	-	-	-
Cotton oil	56.8	47.3	54.7	30.0	-	-	-	-
Groundnutoil	52.4	88.0	11.2	4.0	-	-	-	-
Sunfloweroil	1223.6	1122.3	0.5	0.0	-	-	-	-
Corn oil	7.2	5.9	22.0	15.0	-	-	-	-
Olive oil	7.9	5.3	-	-	-	-	-	-
Palm oil	-	-	12.0	5.0	-	-	5.0	1.3
Butter, as fat	3.0	2.0	0.0	0.0	-	-	-	-
Lard	0.5	1.0	-	-	-	-	-	-
Fish oil	-	-	-	-	-	-	44.0	23.0
Linseed oil	117.0	112.0	2.0	0.0	-	-	-	-
Castor oil	-	-	29.0	10.0	-	-	-	-
Tallow&Grease	26.0	24.0	-	-	-	-	-	-
<b>TOTAL</b>	<b>2740.5</b>	<b>2747.8</b>	<b>871.2</b>	<b>864.0</b>	<b>5.0</b>	<b>4.5</b>	<b>49.0</b>	<b>24.3</b>
<b>DOMESTIC DISAPPEAR.</b>	<b>681.1</b>	<b>691.1</b>	<b>3002.9</b>	<b>3100.0</b>	<b>1690.4</b>	<b>1806.6</b>	<b>292.1</b>	<b>292.8</b>
<b>ENDING STOCKS</b>	<b>266.9</b>	<b>247.0</b>	<b>203.0</b>	<b>240.0</b>	<b>203.0</b>	<b>163.0</b>	<b>55.0</b>	<b>44.0</b>
<b>POPULATION (Millions)</b>	<b>32.7</b>	<b>33.1</b>	<b>154.1</b>	<b>156.0</b>	<b>86.3</b>	<b>88.2</b>	<b>22.0</b>	<b>22.5</b>
<b>PER CAPITA (kilos)</b>	<b>20.8</b>	<b>20.9</b>	<b>19.5</b>	<b>20.0</b>	<b>19.6</b>	<b>20.5</b>	<b>13.3</b>	<b>13.0</b>

BALANCE OF OILMEALS (1000MT)								
	Argentina		Brazil		Mexico		Peru	
	1991	1992	1992	1993	1991	1992	1991	1992
<b>OPENING STOCKS</b>	579.2	593.5	590.0	450.0	-	-	160.2	171.9
<b>PRODUCTION</b>								
Soybean meal	5895.3	6660.3	11599.0	12923.0	1690.1	1918.4	-	-
Groundnutmeal	112.7	136.1	25.4	12.0	6.4	8.2	-	-
Cotton meal	226.3	162.9	628.5	520.0	159.2	152.5	57.5	42.5
Sunflowermeal	1611.4	1538.3	17.2	0.0	131.3	125.4	-	-
Rapeseed meal	3.7	1.9	4.6	6.0	171.0	166.8	-	-
Sesame meal	-	-	-	-	5.7	4.3	-	-
Corn germ meal	56.2	58.3	376.3	380.0	16.8	16.1	-	-
Corn gluten Feed	142.3	150.6	83.5	90.0	116.2	111.1	-	-
Palmkernel meal	-	-	10.1	10.0	-	-	-	-
Copra meal	-	-	1.1	na	62.3	62.5	-	-
Linseed meal	284.3	223.2	11.0	na	0.4	1.2	-	-
Fish meal	17.1	17.6	27.1	na	90.2	87.2	1332.9	1367.0
<b>TOTAL</b>	<b>8349.3</b>	<b>8949.2</b>	<b>12783.8</b>	<b>13941.0</b>	<b>2449.6</b>	<b>2653.7</b>	<b>1390.4</b>	<b>1409.5</b>
<b>IMPORTS</b>								
Soybean meal	-	-	-	-	310.0	442.2	130.0	135.0
Cotton meal	-	-	-	-	21.7	54.9	9.9	6.0
Groundnut meal	-	-	-	-	-	4.6	-	-
Sunflowermeal	-	-	-	-	-	17.4	-	-
Corn germ meal	-	-	-	-	32.5	42.8	-	-
Corn gluten feed	-	-	-	-	123.4	125.2	-	-
Fish meal	-	-	-	-	20.0	28.0	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>507.6</b>	<b>715.1</b>	<b>139.9</b>	<b>141.0</b>

**BALANCE OF OILMEALS (1000MT) Continued**

	Argentina		Brazil		Mexico		Peru	
	1991	1992	1992	1993	1991	1992	1991	1992
<b>EXPORTS</b>								
Soybean meal	5795.4	6653.3	8371.4	9070.0	-	-	-	-
Cotton meal	205.2	145.0	54.0	50.0	-	-	-	-
Groundnutmeal	59.0	139.0	2.0	0.0	-	-	-	-
Sunflowermeal	1605.7	1455.0	5.2	0.0	-	-	-	-
Rapeseed meal	1.2	1.3	2.1	0.0	-	-	-	-
Sesame meal	-	-	-	-	-	-	-	-
Corn germ meal	37.0	41.0	307.0	307.0	-	-	-	-
Corn gluten Feed	100.1	95.0	33.0	33.0	-	-	-	-
Palmkernel meal	-	-	0.7	na	-	-	-	-
Copra meal	-	-	-	-	-	-	-	-
Linseed meal	274.2	222.5	4.0	na	-	-	-	-
Fish meal	4.7	5.9	1.5	na	-	-	1206.2	1032.6
<b>TOTAL</b>	<b>8082.5</b>	<b>8758.0</b>	<b>8780.9</b>	<b>9460.0</b>	-	-	<b>1206.2</b>	<b>1032.6</b>
<b>DOMESTIC DISAPPEAR.</b>	<b>252.4</b>	<b>260.7</b>	<b>4073.0</b>	<b>4200.0</b>	-	-	<b>312.4</b>	<b>259.0</b>
<b>ENDING STOCKS</b>	<b>593.5</b>	<b>524.1</b>	<b>520.0</b>	<b>450.0</b>	-	-	<b>171.9</b>	<b>430.8</b>

**CRUSHING AND TRADE OF OILSEEDS (1,000 MT)**

	Algeria		India			Iran	
	1991/2 Oct-Sep	1992/3 Oct-Sep	1991	1992	1992/3 Nov-Oct	1991	1992
<b>CRUSHINGS</b>							
Soybeans	-	-	2043.1	2125.8	2850.0	97.1	110.1
Groundnuts	-	-	3900.0	3628.0	5600.0	-	-
Cotton seed	-	-	2927.5	2896.6	4350.0	219.2	210.2
Sunflowerseed	-	-	888.4	1134.6	1400.0	-	-
Rapeseed	-	-	4750.3	5297.2	5600.0	-	-
Sesameseed	-	-	568.0	497.6	750.0	-	-
Palmkernels	-	-	0.2	1.7	2.0	-	-
Copra	-	-	419.0	403.5	460.0	-	-
Linseed	-	-	287.0	250.0	320.0	-	-
Castorseed	-	-	586.5	564.7	690.0	-	-
<b>TOTAL</b>	-	-	16370.0	16799.7	22022.0	316.3	320.3
<b>IMPORTS</b>							
Soybeans	-	-	0.0	0.5	na	-	-
Groundnuts	8.1	10.9	-	-	-	-	-
Rapeseed	-	-	0.0	0.0	na	-	-
Sesameseed	1.1	1.8	-	-	-	-	-
Palmkernels	-	-	0.0	0.1	na	-	-
Copra	-	-	0.0	4.6	na	-	-
Linseed	-	-	1.2	2.3	na	-	-
Castorseed	-	-	0.0	0.0	na	-	-
<b>TOTAL</b>	9.2	12.7	1.2	7.5	-	-	-
<b>EXPORTS</b>							
Soybeans	-	-	0.5	0	-	-	-
Groundnuts	-	-	22.1	14.0	5.3	-	-
Sunflowerseed	-	-	0.0	1.5	1.1	-	-
Rapeseed	-	-	-	-	48.5	-	-
Sesameseed	-	-	49.2	50.5	-	-	-
Palmkernels	-	-	1.5	0.1	-	-	-
Nigerseed	-	-	0.0	0.0	22.47	-	-
Linseed	-	-	0.1	0.1	-	-	-
<b>TOTAL</b>	-	-	73.4	66.2	54.9	-	-

BALANCE OF OILS AND FATS (1000 MT)							
	Algeria		India			Iran	
	1991	1992	1991	1992	1992/3 Nov-Oct	1991	1992
<b>OPENING STOCKS</b>	52.6	43.7	627.1	462.0	na	47.0	71.0
<b>PRODUCTION</b>							
Soybean oil	-	-	336.0	355.5	500.0	16.5	18.7
Groundnut oil	-	-	1612.6	1499.4	1985.0	-	-
Cotton oil	-	-	337.3	333.7	455.0	34.0	32.6
Sunfloweroil	-	-	293.2	374.4	430.0	-	-
Rapeseed oil	10.6	11.4	1730.7	1933.5	1700.0	-	-
Sesame oil	-	-	227.2	199.0	260.0	-	-
Coconut oil	-	-	251.4	242.1	280.0	-	-
Palm	-	-	8.0	8.0	-	-	-
Palmkernel oil	-	-	0.1	0.7	-	-	-
Olive oil	16.2	33.5	-	-	-	-	-
Butter, as fat	-	-	935.0	957.0	(110)	66.3	68.7
Linseed oil	-	-	94.7	82.5	-	-	-
Castor oil	-	-	234.6	225.9	-	-	-
Tallow&Grease	-	-	32.4	33.2	-	-	-
<b>TOTAL</b>	<b>26.8</b>	<b>44.9</b>	<b>6093.2</b>	<b>6244.9</b>	<b>5720.0</b>	<b>116.8</b>	<b>120.0</b>
<b>IMPORTS</b>							
Soybean oil	42.1	77.0	25.5	98.3	45.0	366.1	528.6
Groundnutoil	-	-	0.5	0.8	-	-	-
Sunfloweroil	183.2	212.6	0.0	0.0	-	190.0	39.7
Rapeseed oil	80.3	0.0	4.9	30.1	11.0	-	-
Corn oil	-	6.3	12.8	1.1	-	1.3	1.6
Olive oil	-	-	-	-	-	0.7	0.8
Palm oil	15.0	50.7	212.7	207.6	30.0	20.7	26.2
Palmkernel oil	0.1	5.8	5.1	2.2	-	1.1	-

**BALANCE OF OILS AND FATS (1000 MT) Continued**

	Algeria		India			Iran	
	1991	1992	1991	1992	1992/3 Nov-Oct	1991	1992
Coconut oil	5.1	2.0	4.1	12.6	-	-	-
Butter, as fat	45.0	33.0	0.1	5.0	-	22.5	9.0
Lard	-	-	-	-	-	-	-
Fish oil	-	-	-	-	-	-	-
Linseed oil	1.6	0.1	1.1	1.1	-	-	-
Castor oil	-	-	-	-	-	-	-
Tallow&Grease	62.0	38.0	0.4	0.4	-	13.7	15.7
<b>TOTAL</b>	<b>434.4</b>	<b>472.1</b>	<b>267.2</b>	<b>359.2</b>	<b>86.0</b>	<b>616.1</b>	<b>621.6</b>
<b>EXPORTS</b>							
Palm oil	-	-	0.4	0.1	-	-	-
Coconut oil	-	-	0.1	0.0	-	-	-
Linseed oil	-	-	0.0	0.1	-	-	-
Castor oil	-	-	103.9	93.0	53.98	-	-
Tallow&Grease	-	-	-	0.0	6.49	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>104.4</b>	<b>93.2</b>	<b>60.47</b>	<b>-</b>	<b>-</b>
<b>DOMESTIC DISAPPEAR.</b>	<b>470.1</b>	<b>483.9</b>	<b>6420.9</b>	<b>6530.0</b>	<b>6170.0</b>	<b>708.9</b>	<b>744.5</b>
<b>ENDING STOCKS</b>	<b>43.7</b>	<b>77.0</b>	<b>462.0</b>	<b>443.0</b>	<b>na</b>	<b>71.0</b>	<b>68.0</b>
<b>POPULATION (Millions)</b>	<b>25.6</b>	<b>26.3</b>	<b>862.2</b>	<b>879.5</b>	<b>882.2</b>	<b>59.9</b>	<b>61.6</b>
<b>PER CAPITA (kilos)</b>	<b>18.3</b>	<b>18.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.3</b>	<b>11.8</b>	<b>12.1</b>

BALANCE OF OILMEALS (1000MT)							
	Algeria		India			Iran	
	1991	1992	1991	1992	1992/3 Nov-Oct	1991	1992
<b>OPENING STOCKS</b>	-	-	300.0	220.0	-	-	-
<b>PRODUCTION</b>							
Soybean meal	-	-	1692.4	1744.0	2063.0	76.7	87.0
Groundnutmeal	-	-	2209.4	2056.0	2264.0	-	-
Cotton meal	-	-	2391.9	2365.7	2475.0	105.2	100.9
Sunflowermeal	-	-	453.1	578.7	650.0	-	-
Rapeseed meal	14.2	15.2	2899.3	3231.3	3221.0	-	-
Sesame meal	-	-	329.4	288.6	284.0	-	-
Palmkernal meal	-	-	0.1	0.9	-	-	-
Copra meal	-	-	150.8	145.3	160.0	-	-
Linseed meal	-	-	183.7	160.0	170.0	-	-
Fish meal	-	-	50.7	51.9	na	-	-
<b>TOTAL</b>	<b>14.2</b>	<b>15.2</b>	<b>10360.8</b>	<b>10622.4</b>	<b>11287.0</b>	<b>181.9</b>	<b>187.9</b>
<b>IMPORTS</b>							
Soybean meal	349.0	277.2	1.8	0.4	na	342.0	520.0
Cotton meal	-	-	0.1	0.1	na	-	-
Rapeseed meal	7.1	7.5	0.0	0.0	na	-	-
Fish meal	4.0	2.4	0.6	1.0	na	58.9	84.4
<b>TOTAL</b>	<b>360.1</b>	<b>287.1</b>	<b>2.5</b>	<b>1.5</b>	<b>-</b>	<b>400.9</b>	<b>604.4</b>

**BALANCE OF OILMEALS (1000MT) Continued**

	Algeria		India			Iran	
	1991	1992	1991	1992	1992/3 Nov-Oct	1991	1992
<b>EXPORTS</b>							
Soybean meal	-	-	1502.7	1430.4	1807.2	-	-
Cotton meal	-	-	16.7	1.3	22.3	-	-
Groundnutmeal	-	-	184.2	202.2	293.0	-	-
Sunflowermeal	-	-	174.6	206.0	242.4	-	-
Rapeseed meal	-	-	602.3	743.6	704.7	-	-
Sesame meal	-	-	11.2	31.0	34.8	-	-
Copra meal	-	-	6.9	2.4	-	-	-
Linseed meal	-	-	0.0	0.0	-	-	-
Fish meal	-	-	0.2	0.2	-	-	-
<b>TOTAL</b>	-	-	<b>2498.8</b>	<b>2617.1</b>	<b>3588.2</b>	-	-
<b>DOMESTIC DISAPPEAR.</b>	-	-	<b>7943.4</b>	<b>8041.6</b>	<b>na</b>	-	-
<b>ENDING STOCKS</b>	-	-	<b>220.0</b>	<b>185.0</b>	<b>na</b>	-	-

CRUSHING AND TRADE OF OILSEEDS (1,000 M)						
	Morocco		Saudi Arabia		Turkey	
	1991	1992	1991	1992	1991	1992
<b>CRUSHINGS</b>						
Soybeans	21.0	12.5	-		105.1	101.1
Cottonseed	-	-	-		908.9	897.4
Sunflowerseed	161.2	151.2	-		690.0	708.0
Rapeseed	15.7	13.8	-		-	-
Sesameseed	-	-	-		42.6	36.6
<b>TOTAL</b>	<b>197.9</b>	<b>177.5</b>	<b>-</b>		<b>1746.6</b>	<b>1743.1</b>
<b>IMPORTS</b>						
Soybeans	14.7	-	.1	.2	2.3	68.5
Cottonseed	-	-	12.9	15.0	30.0	38.0
Sunflowerseed	0.4	44.2	-		49.0	63.6
Rapeseed	14.1	16.5	-		-	-
Sesameseed	-	-	13.0	15.0	23.4	26.0
<b>TOTAL</b>	<b>29.2</b>	<b>60.7</b>	<b>55.7</b>		<b>104.7</b>	<b>196.1</b>
<b>EXPORTS</b>						
Groundnuts	-	-	-		2.1	2.0
Sunflowerseed	-	-	-		1.0	1.6
Sesameseed	-	-	-		2.0	1.7
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>5.1</b>	<b>5.3</b>

BALANCE OF OILS AND FATS (1000 MT)						
	Morocco		Saudi Arabia		Turkey	
	1991	1992	1991	1992	1991	1992
<b>OPENING STOCKS</b>	21.0	35.0	11.0	23.0	235.4	223.2
<b>PRODUCTION</b>						
Soybean oil	3.6	2.1	-		18.3	17.6
Cotton oil	-	-	-		140.9	139.1
Sunfloweroil	64.5	60.5	-		296.7	304.4
Rapeseed oil	6.1	5.4	-		-	-
Sesame oil	-	-	-		18.7	16.1
Corn oil	-	-	-		24.0	20.0
Olive oil	45.1	53.7	-		88.0	87.6
Butter, as fat	-	-	-		96.0	94.0
Fish oil	6.7	7.3	-		1.0	1.2
Tallow & Grease	-	-	-		23.9	24.2
<b>TOTAL</b>	<b>126.0</b>	<b>129.0</b>	<b>-</b>		<b>707.5</b>	<b>704.2</b>
<b>IMPORTS</b>						
Soybean oil	82.8	182.0	5.5	5.5	121.3	220.0
Cotton oil	-	-	.6	.6	6.6	10.0
Sunfloweroil	6.0	6.3	1.8	5.3	302.7	250.0
Rapeseed oil	108.7	46.0	-		38.1	25.5
Corn oil	-	0.1	67.8	50.0	53.7	42.0
Olive oil	-	-	7.0	5.5	-	2.7
Palm oil	9.6	5.4	141.5	159.5	208.2	155.0
Palmkernel oil	2.0	2.6	2.0	2.2	17.2	19.0
Coconut oil	-	-	-		8.7	4.5
Butter, as fat	20.7	18.0	26.0	26.0	4.8	4.0
Fish oil	-	-	-		0.1	0.1
Linseed oil	-	-	2.4	2.0	3.5	7.6
Castor oil	-	-	-		0.6	0.5
Tallow & Grease	16.6	17.8	3.9	1.8	56.7	56.7
<b>TOTAL</b>	<b>246.4</b>	<b>278.2</b>	<b>258.5</b>	<b>258.3</b>	<b>822.2</b>	<b>797.6</b>

<b>BALANCE OF OILS AND FATS (1000 MT) Continued</b>						
	<b>Morocco</b>		<b>Saudi Arabia</b>		<b>Turkey</b>	
	1991	1992	1991	1992	1991	1992
<b>EXPORTS</b>						
Soybean oil	-	-	-	-	30.0	29.3
Cotton oil	-	-	-	-	-	4.0
Sunfloweroil	-	-	-	-	100.1	60.0
Corn oil	-	-	11.0	10.5	45.9	31.0
Olive oil	4.5	4.3	-	-	16.4	13.0
Fish oil	3.7	3.3	-	-	0.1	0.5
Tallow & Grease	-	-	-	-	4.6	5.0
<b>TOTAL</b>	<b>8.2</b>	<b>7.6</b>	<b>11.0</b>	<b>10.5</b>	<b>197.1</b>	<b>142.8</b>
<b>DOMESTIC DISAPPEAR.</b>	<b>350.0</b>	<b>363.5</b>	<b>235.5</b>	<b>244.8</b>	<b>1344.6</b>	<b>1412.3</b>
<b>ENDING STOCKS</b>	<b>35.0</b>	<b>71.0</b>	<b>23.0</b>	<b>26.0</b>	<b>223.2</b>	<b>170.0</b>
<b>POPULATION (Millions)</b>	<b>25.7</b>	<b>26.3</b>	<b>15.4</b>	<b>15.9</b>	<b>57.2</b>	<b>58.4</b>
<b>PER CAPITA (kilos)</b>	<b>13.6</b>	<b>13.8</b>	<b>15.3</b>	<b>15.4</b>	<b>23.5</b>	<b>24.2</b>

BALANCE OF OILMEALS (1000MT)						
	Morocco		Saudi Arabia		Turkey	
	1991	1992	1991	1992	1991	1992
<b>PRODUCTION</b>						
Soybean meal	16.6	9.9	-		83.0	79.9
Cotton meal	-	-	-		445.3	439.7
Sunflower meal	95.1	89.2	-		331.2	339.8
Sesame meal	-	-	-		22.6	19.4
Corngerm meal	-	-	-		40.2	33.5
Corngluten Feed	-	-	-		31.1	31.1
Rapeseed meal	8.9	7.8	-		-	-
Fish meal	31.6	34.1	-		-	-
<b>TOTAL</b>	<b>152.2</b>	<b>141.0</b>	<b>-</b>		<b>953.4</b>	<b>943.4</b>
<b>IMPORTS</b>						
Soybean meal	3.2	3.0	262.6	328.7	174.3	327.7
Cotton meal	2.7	8.9	4.2	10.7	15.1	25.6
Sunflower meal	-	-	-		43.1	27.0
Rapeseed meal	-	-	-		21.5	15.2
Fish meal	-	-	-		23.9	26.0
<b>TOTAL</b>	<b>5.9</b>	<b>11.9</b>	<b>266.8</b>	<b>339.4</b>	<b>277.9</b>	<b>421.5</b>
<b>EXPORTS</b>						
Soybean meal	-	-	-		1.5	0.9
Cotton meal	-	-	-		10.3	7.4
Sunflower meal	-	-	-		-	0.5
Fish meal	7.3	7.5	-		-	-
<b>TOTAL</b>	<b>7.3</b>	<b>7.5</b>	<b>-</b>		<b>11.8</b>	<b>8.8</b>

Most of the figures in the tables are taken from the Oil World Annual - 1993. Some of the statistics have been updated by the foreign posts.



**APPENDIX B - LIST OF GOVERNMENT  
AND INDUSTRY CONTACTS**

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### **Canadian Feed Industry Association**

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### **Canadian Canola Growers Council**

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### **Canadian Oilseeds Processors Association**

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### **Flax Council of Canada**

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**Ontario Soybean Growers' Marketing Board**

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## **AGRICULTURE INDUSTRY MARKETING STRATEGY (AIMS) INITIATIVE**

The Agri-Food Industry Market Strategies (AIMS) Initiative is a process by which Canadian agri-food associations seeking assistance for export development can access federal government funding. In conjunction with a working group of representatives from the funding departments, industry associations develop long term strategic market plans consistent with current requirements.

Based on the recommendation of the sector working group the AIMS Steering Committee reviews the business plan and approves funding through appropriate federal government departments. The committee is composed of officials from Agriculture Canada, Industry, Science and Technology, External Affairs and International Trade Canada, and Western Economic Diversification.

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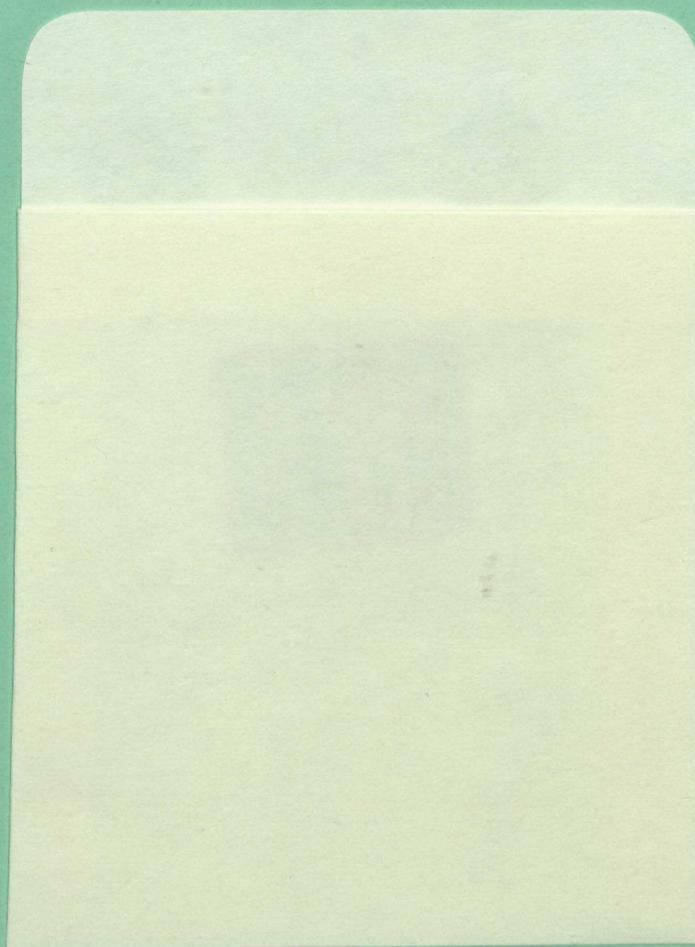
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