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ANNUAL SURVEY OF WHEAT, COARSE GRAINS AND OILSEED MARKETS 1989

GRAIN MARKETING BUREAU  
AGRICULTURE CANADA  
MAY 1990

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Dept. of External Affairs  
Min. des Affaires extérieures  
OTTAWA  
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This survey is conducted on an annual basis primarily on behalf of the Canadian Wheat Board, although the information is also utilized in the Grain Marketing Bureau. Through the use of a survey questionnaire, 57 External Affairs trade posts abroad, covering 68 countries, are canvassed to obtain information on market opportunities and the supply and disposition situation for individual grains, oilseeds and products, including malt and malting barley. General information on government policies affecting grain and agriculture, market development (e.g. countertrade), and on processing facilities, storage and throughput capacity and other subjects is also solicited.

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

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

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

It must be noted that the information collected for east-bloc countries generally reflects the status quo prior to the dramatic events which occurred during autumn of 1989.

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ACKNOWLEDGEMENT

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

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TABLE OF CONTENTS

	PAGE
I. EUROPEAN ECONOMIC COMMUNITY	
Denmark	3
France	9
Greece	19
Ireland	28
Italy	35
Netherlands	42
Portugal	50
Spain	59
United Kingdom	66
West Germany	74
II. WESTERN EUROPE (NON-EC)	
Austria	82
Finland	89
Iceland	96
Malta	102
Norway	108
Sweden	113
Switzerland	120
III. EASTERN EUROPE	
Czechoslovakia	131
German Democratic Republic	137
Hungary	142
Poland	150
Romania	158
Union of Soviet Socialist Republics	164
Yugoslavia	180



IV.	NORTH AND CENTRAL AMERICA	PAGE
	Costa Rica	191
	Cuba	197
	El Salvador	203
	Guatemala	209
	Jamaica	215
	Mexico	220
	Nicaragua	230
	Panama	236
V.	SOUTH AMERICA	
	Argentina	243
	Chile	247
	Colombia	253
	Peru	263
	Uruguay	272
	Venezuela	277
VI.	ASIA (NEAR EAST)	
	Iraq	287
	Israel	292
	Jordan	299
	Kuwait	304
	Saudi Arabia	309
	Syria	315
	Turkey	319
VII.	ASIA (FAR EAST)	
	Hong Kong	331
	India	338
	Indonesia	344
	Japan	351
	Korea	359
	Malaysia	370
	Pakistan	378
	People's Republic of China	388
	Singapore	395
	Sri Lanka	401
	Thailand	403



VIII. AFRICA

PAGE

Algeria	411
Egypt	419
Kenya	426
Morocco	434
Nigeria	442
South Africa	446
Tunisia	450



**PART I**  
**EUROPEAN ECONOMIC COMMUNITY**



## D E N M A R K

Economic classification:	Industrial economy		
Oil exporter or importer (net):	Importer		
Annual per capita income:	* US\$19,699		1988
Annual per capita GNP:	** US\$20,519		1988
Average annual growth 1978-88:	1.8%, 1989	-0.4%,	1988
Annual inflation rate 1978-88:	7.5%, 1989	4.9%,	1988
Volume of imports:	US\$25.9 billion		1988
Of which food:	10.7%		1988
Of which fuels:	6.1%		1988
Principal foreign exchange earning export:	Machinery & instruments		
Debt service as % of GNP:	**		
Debt service as % of exports:	**		
Population:	5.13 million		1988
Annual population growth:	0.1%		1978-1988
Annual consumption:			
Flour	363,600 tonnes	or 70.9 kg/capita	1988
Meat	535,100 tonnes	or 104.3 kg/capita	1988

\* Average exchange rate 1988 rate DKR 687.40 = USD 100.00.

\*\* Interest payments as % of GNP 4.0, interest payments as % of total exports 12.5; foreign debt as % of GNP 40.9%, as % of total exports 126.5%.

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

##### Seeded Acreage and Yield

	1988 Final Figures		1989 Preliminary Figures	
	Yield (000 tonnes)	Hectares Sown (000)	Yield (000 tonnes)	Hectares Sown (000)
1. Wheat (all)	2,080	309	3,472	482
2. Rye	366	81	483	96
3. Winter barley	261	45	629	91
4. Spring barley	5,158	1,120	4,250	903
All barley	5,419	1,165	4,879	994
5. Oats & mixed seed	202	43	115	27
6. Spring rape	436}	172}	344}	156}
Winter rape	72} 508	26} 198	248} 592	80} 236
7. Field peas	508	144	403	126

## 2. Foreign Exchange Situation

As member of the EC the kroner is kept high within the snake. Conservative minority government continues to be strongly against devaluation.

## 3. Fertilizer Situation

a) Use of : 1986

Nitrogen: 195 kg per hectare  
Phosphate 41 kg per hectare  
Potash 110 kg hectare.

b) Canadian exports of potassium chloride in 1987: C\$9.3 million.

## 4. Government Policies Affecting Grain and Agriculture

Common Agricultural Policy of the EC.

Tariffs.

## 5. Market Prospects - Grains and Oilseeds

Denmark is minimal importer of Canadian products, but technological co-operation continues to provide good environment to enhance potential sales of specialty products.

Small trade opportunities for special crops constantly followed up by post.

## 6. Processing Facilities: 1987

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>	
				<u>1987</u>	<u>1988</u>
Flour (and durum) mills	6	10	340		
Compound feed mills		25	4,500	4,200	4,200
Maltsters	6	6	140	140	140
Brewers*	18	23		8.5	8.5
Oilseed crushers	1	1	400	230**	300

\* Capacity and output in millions hectolitres

\*\* For 1987 comprised: Rape 128, soya 70, other 32

## 7. Storage and Throughput Capacity

Names of Ports: Copenhagen, Aarhus, Aalborg, Odense, Esbjerg, Frederikshavn, Kalundborg Korsor, Abenraa

Storage capacity is owned by different grain companies and not the ports. Capacity is small.

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1988:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley		4,440	542		4,982

### 2. Statistical Notes: 1988/89 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	140 ( 140)	( 10)	50 ( 40)
Malting barley	5,000 (5,000)	(100)	700 (500)

Export destinations include: Norway, FRG, Japan, Panama, Sweden, Thailand and Philippines.

Import originations include: France, FRG, Belgium/Luxembourg.

Denmark is normally self-sufficient in malting barley, annual production currently 140,000 tons, however, new malting plants are projected to increase capacity by 30-60,000 tons annually, probably commencing 1990.

### 3. Additional Information

Annual per capita beer consumption: Unchanged 125 l., plus 12% should be added for "border shopping" in FRG where taxes are lower.

Beer production capacity: Stable.

Domestic malting capacity: Stable.

Market potential for Canadian malt: Denmark is net exporter.

### III. OILSEEDS

#### 1. Trade Policy

Import Tariffs: Oilseeds, Crude Oil, Oilseed meal and Refined oil - EC.

Import/export structure: Private firms through licences.

2. Additional factors: Oilseeds are free of import duties.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports EC/3rd countries</u>	<u>Exports EC/3rd countries</u>
Rapeseed	504	22.8/	196.0/0.1
Soybeans		5.4/54	0.3/0.2
Sunflower		0.7/5.9	0.5/1.3
Linseed		1.9/2.4	0.9
Total	504	29.8/62.3	197.7/1.6

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed	95.6	7.3/-	3.1/	55/0.4	0.8/0.7
Soybeans	10.9	25.0/1.2	16.0/-	-/-	-/1.4
Sunflower	2	0.9/-	0.7/-	-/-	-/-
Total	108.5	33.2/1.2	19.8/-	55/0.4	0.8/2.1

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soya	47.4	393.0/810	4.7/1.2
Cotton		3.6/405	3.4/4.1
Sunflower	2.64	135.5/ 78	0.7/-
Rape	138.62	67.0/137	0.8/13.8
Coconut		4.7/ 81	- / 0.7
Total	188.66	603.8/1,511	9.6/19.8

Assumed all imported seeds are intended for oil production.

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	3,471 (2,010)	271 (395)	115 (115)	3,857 (2,520)
Durum wheat	( 2)	1 ( 1)		1 ( 3)
Flour/Semolina	3,471 (2,012)	272 (396)	16.4 ( 16)	16.4 ( 16)
TOTAL			131.4 (131)	3,874.4 (2,539)

\* of which spring wheat

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	310 (335)	1,781 (1,664)		65 (79)	951 (171)	750 (271)	3,857 (2,520)
Durum wheat	( 2)					1 ( 1)	1 ( 3)
Flour/Semolina	16.4 ( 16)						16.4 ( 16)
TOTAL	316.4 (353)	1,781 (1,664)		65 (79)	951 (171)	751 (272)	3,874.4 (2,539)

Export destination: To member states of the EC, to third countries

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>ALL Others</u>	<u>Total Imports</u>
*Wheat (including durum)							
Cash **	8 (8.0)				106 (106.3)	1 (1.0)	115 (115.3)
*Flour (including semolina)					16 ( 15.6)	.4 (0.4)	16.4 ( 16.0)
Cash/commercial credit					122 (121.9)	1.4 (1.4)	131.4 (131.3)
Total	8 (8.0)						
Principal Others: Sweden							

\*Also includes mixed grains of wheat and rye.

\*\*For the crop year 1989-90 there are no major changes expected.

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production		Carry-in, July 1		Imports		Total Supply	
Corn			10 ( 9)		47 ( 47)		57 ( 56)	
Barley	4,885 (5,720)		324 (316)		6 ( 49)		5,215 (6,085)	
Sorghum								
Oats	129 ( 190)		20 ( 20)		109 ( 8)		258 ( 218)	
Rye	484 ( 355)		195 (205)		( 1)		679 ( 561)	
TOTAL	5,498 (6,265)		549 (550)		162 (105)		6,209 (6,920)	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption		Animal Feed		Industrial		Other (Seed, Waste)		Exports		Carry-out		Total Disposition	
Corn	20 ( 30)		16 ( 4)		8 ( 8)		3 ( 4)		935 (1,553)		10 ( 10)		57 ( 56)	
Barley	1 ( 0)		3,776 (3,813)		200 (200)		183 (195)				120 (324)		5,215 (6,085)	
Sorghum														
Oats	25 ( 30)		193 ( 92)		2 ( 2)		11 ( 7)		9 ( 69)		20 ( 20)		258 ( 218)	
Rye	100 (105)		175 ( 243)				20 ( 15)		72 ( 1)		310 (195)		679 ( 561)	
TOTAL	146 (165)		4,160 (4,152)		210 (210)		217 (221)		1,016 (1,623)		460 (549)		6,209 (6,920)	

Industrial use: Brewing  
Export destination: Third countries, member states of the EC

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn **	(0.004)	(1.696)	( 0)	(9.506)	(35.753)	(.069)	( 47.301)
Barley			(14.652)	( )	(34.055)	(.156)	( 48.893)
Sorghum							
Oats *					( 7.764)	(.064)	( 7.764)
Rye					( 1.232)	(.051)	( 1.253)
TOTAL	(0.004)	(1.696)	(14.652)	(9.506)	(78.804)	(.340)	(105.002)

Principal Others: New Zealand, Sweden, Israel, Thailand, East Germany.

\* Oats and mixed grains.

\*\* For the crop year 1989/90 no major changes are expected.

## F R A N C E

Economic classification:	Industrial Market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$17,360	1988
Annual per capita GNP:	US\$17,480	1988
Average annual growth:	3.5%	
Annual inflation rate:	2.7%	
Volume of imports (FAB):	US\$200 billion	1988
Of which food:	6.6%	1988
Of which fuels:	7.4%	1988
Principal foreign exchange earning export:	Intermediate goods and professional equipment	
Debt service as % of GNP:	26.1%	1988
Debt service as % of exports:	17.8%	1988
Population:	56 million	1988
Annual population growth:	4.3%	1989
Annual consumption:		
Flour*	280,000 tonnes or 5 kg/capita	1986
Meat**	4,983,000 tonnes or 89 kg/capita	1986
Vegetable Oil***	632,000 tonnes or 11 kg/capita	1986

\* pure wheat flour

\*\* beef, pork, mutton, horse, poultry, game, tripe, canned meat

\*\*\* all oils together

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

At 56.1 million tonnes, the estimated grain production (excluding rice) as of October 1, 1989, is in the vicinity of that of 1988, 7% up from the five-year average. This overall result conceals some disparities among crops and regions: winter straw grains show no change or some growth in relation to the good levels already reached in 1988, for both acreage and yields. Spring grains, however, are showing slight reductions. Overall, noticeable growth is seen in wheat production (+6% over 1988) with yields possibly reaching between 6.4 and 6.5 t/ha, durum (+16%) and triticale (+24%). Summer grains (corn and sorghum) however are showing yields clearly down from 1988 (-9% and -24% respectively). It would then follow that there would be a 13% reduction in corn production, taking into account a drop in acreage (initially on the increase) caused by switching to silage corn. Sorghum production, however, would increase, given the very strong increase in its acreage (+64%).

Oilseeds production estimated at 4.1 million tonnes as of October 1 is a net decline from 1988 (-16%). This decline concerns rapeseed which, with a basically unchanged yield, saw its acreage reduced by 22% and sunflower whose acreage (-7%) and yield (-11%) declined. As for soybeans, increased acreage meant that production maintained its growth (+22%) despite a drop in yields compared to 1988.

Acreage under high-protein oilseed crops is estimated to be 630,000 ha as of October 1, maintaining its growth again this year (+22%). Acreage in horse beans is basically unchanged, whereas acreage in peas is up 120,000 ha and now reaches practically 600,000 ha. Pea crops have, however, recorded yields 12% lower than those of 1988, which limits pea production increases to 9% (2.7 million tonnes).

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	4,741	4,519	4,613
Durum	301	288	313
Barley	1,822	1,862	1,967
Corn	1,865	1,995	1,737
Sorghum	59	41	37
Oats	257	255	267
Rye	74	75	75
Soybeans	133	95	79
Rapeseed	650	830	737
Sunflower	890	955	1,044
TOTAL	10,792	10,915	10,869

2. Foreign Exchange Situation

France is one of the five most powerful economies in the industrialized world. In addition, it is part of the European Monetary System. At the current time, the only threat is from its foreign trade deficit. After the United States, France is the world's largest exporter of agri-food products. Its sizeable export surplus (C\$8 billion in 1988) in this sector is a very important asset in the minds of French citizens.

3. Fertilizer Situation

Sales of fertilizer in France may be reaching their peak. The EC budgetary stabilizers are reducing the price of grains, oilseeds and pulse. The natural products are gaining momentum. Pressure based on environmental concerns is beginning to threaten the widespread use of chemical products in the agricultural sector.

	<u>1987</u> (000 tonnes)	<u>1988</u>
<u>Simple Fertilizers</u>		
Nitrogen	1,981	1,970
Phosphate	299	303
Potassic	603	569
<u>Compound Fertilizers</u>		
Binary PK	994	1,017
Binary NP and NK	251	289
Triple NPK	1,680	1,779
<u>Total Simple and Compound</u>		
Nitrogen	2,561	2,597
Phosphate	1,402	1,455
Potash	1,846	1,875
TOTAL	5,809	5,927

#### 4. Import Mechanism

Imports in France are handled by the private sector. The Office National Interprofessionnel des Céréales enforces EC regulations (levies, restitutions, interventions). French millers buy Canadian products through trade companies such as Conagra, André and les Établissements Blanc. Given the regular but reduced amounts coming from Canada, transatlantic shipping is subject to bulking on ships unloaded at Gand or Anvers (ARAG ports).

#### 5. Grain Industry Infrastructure

The capacity for storage of collected grain equals the capacities of the certified collectors who have a monopoly on crop collection. Their facilities are used to receive grain directly from the place of harvest. As of August 1, 1989, the storage capacity of the certified collectors was 33.07 million tonnes (cooperatives 23.63, traders 7.22, communal facilities 1.76, others 0.47). Secondary storage is used for stocking carry-over grain, transit grain or collection grain that the collectors cannot store as part of a provision of services operation. These silos are generally not supplied directly by the producers but by the collection storage centres. These centres too must be certified by the Comités Départementaux des Céréales. As of August 1, 1989, the secondary storage capacity was 7.86 million tonnes.

The involvement of the processing industries in the collection of grain is still low at the national level (3% of total collections).

As of August 1, 1987, the storage capacity of users was 2.89 million tonnes. At the same time, the seed storage units equalled 809 tonnes.

#### 6. Government Policies Affecting Grain and Agriculture

France plays a leading role in the process of EC decisions which it enforces while continually insisting that the Commission negotiate import quotas on grain substitution products (PSC) within the GATT. In addition, France is still calling for an EC subsidy that would encourage a greater use of grain in animal feed. It strongly supports any subsidy allowance project for the industrial use of grain: bio-ethanol as a fuel and starch as a biodegradable plastic. France does not accept the idea of a world price but agrees on a gradual reduction of the guaranteed price by increasing productivity. France is currently seeking to relax dairy quotas.

French imports from Canada meet qualities which are not currently available in France (or in Europe). In the long term, there is a definite policy to improve the quality of French wheat even more so as to eliminate imports. French millers have recently shown much interest for a new variety of German wheat. However, if the Uruguay Round of negotiations succeed in reducing tariffs and variable levies, there would be a strong demand for more Canadian grain. The millers would like to import more Canadian grain, but the high level of levies prevents them from doing so.

France commonly barter its exports through its trade companies. One notable example is the Société Interagra which deals with the USSR.

#### 7. Market Prospects - Grains and Oilseeds

France is a significant net exporter of grain, and its level of imports depends each year on the quality of the harvest in France. Imports could increase if tariffs and variable levies are reduced. The dairy stock reduction which took place between 1984 and 1988 has been completed. Poultry farming continues to increase. It is quite likely that the EC environmental policy will have a negative impact in the mid-term on the heavy use of fertilizers and parasiticides in France, thus slowing down the rate of growth in productivity.

Canadian mustard, peas, lentils, beans and canary seed are already sold in France. However, all of these exports are now threatened. The government of Canada is strongly protesting the bond on pea and bean imports. In contrast, we have until now reacted only a very little against the project to subsidize non-surplus products such as mustard, lentils and canary seed.

## 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	700	989		6,750
Compound feed mills	488	561		16,711
Maltsters	18	27	1,250	1,181**
Brewers*	28	41		19.9
Oilseed crushers	34	40		2,306

\* Capacity and output in millions of hectolitres

\*\* Including 33 grains other than barley.

## 9. Storage and Throughput Capacity

### Grain Import/Export Capacity by Port: 1987

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Grain Loaded</u>	<u>Grain Unloaded</u>
Rouen	610	7,704	131
Bordeaux	237	1,452	2
La Pallice	184	1,726	
Dunkerque	135	1,319	17
Le Havre	117	941	55
Nantes	81	752	
Bayonne	58	1,221	
Blaye	56		
La Nouvelle	51	579	
Marseille	38	10	50
Tonnay	35	158	
Caen	28	392	
Brest	27	12	3
Lorient	27		9
Treport	23		
Sete	21	198	11
St. Nazaire	20		
Sable Dolonnes	14	178	
Dieppe	11	28	
Granville	5		
Honfleur	4		
TOTAL	1,782	16,865	195

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	2,709	1,897	5,251		9,857
Suitable for malting		1,764	2,760		4,524

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	1,150 (1,181)	20 (15)	850 (880)
Malting barley	4,524 (4,498)		N/A N/A

Export destinations include: FRG, Belgium/Luxembourg, Philippines, Italy  
Import originations include: Belgium/Luxembourg, FRG, UK, Canada

### 3. Additional Information

Annual per capita beer consumption: Total beer sales in France have gradually dropped from 22,331,000 hectolitres in 1982 to 19,894,000 in 1987. In general, alcoholic beverages are being increasingly passed over in favour of mineral water and soft drinks.

Beer production capacity: Beer production is characterized by a continual restructuring of the capacity in favour of factories producing over 500,000 hectolitres, which now represents 90% of domestic production. There is also a trend at the moment to set up joint ventures with foreign companies. Overall, it seems that the capacity is dropping very slightly toward 22 million hectolitres.

Domestic malting capacity: Although the number of factories is easing slowly, the total capacity remains quite stable around 1,250,000 tonnes.

Market potential for Canadian malt: France is the world's largest exporter of malt. A few limited imports come from other EC countries. The potential for Canadian exports in this market would be close to nil unless there is a radical change in the common agricultural policy.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds:	Exempt from tariffs, but subject to the levy of a compensation
Crude oil:	10%
Oilseed meal:	Exempt
Refined oil:	15% plus a compensation

EC tariffs are always applied.

Non-tariff import barriers/export assistance measures: The EC grants subsidies to EC crushers in order to promote the use of EC seeds. Oilseeds and their products are also entitled to an export subsidy from the EC.

Import/export structure: The oilseeds market is managed completely by the private sector.

#### 2. Additional Factors

Subsidies for crushers promote the processing of EC seeds. For the moment, vegetable seed producers do not receive these subsidies, but they are demanding them. The reconversion to the '00' variety of rapeseed jumped from 20% in 1988 to 75% for the 1989 crop.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	2,340	16	1,502
Sunflower	2,350	7	1,341
Soybean	255	415	35
Linseed	3	12	10
TOTAL	4,948	450	2,888

<u>Oil</u>	<u>Domestic Production</u>		<u>Imports</u>		<u>Exports</u>	
	<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed			6	29	298	35
Sunflower			34	80	95	19
Soybean			27	42	46	8
Linseed			6	1	1	1
TOTAL	954	310	73	152	440	63

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed		91	42
Sunflower		144	82
Soybean		3,151	5
Linseed		98	2
TOTAL	1,365	3,484	131

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	30,614 (28,376)	2,448 (3,396)	152 (216)	33,214 (31,988)
Durum wheat	1,335 (1,151)	94 (108)	6 (47)	1,435 (1,306)
Flour/Semolina	31,949 (29,527)	2,542 (3,504)	116 (106)	34,765 (33,400)
TOTAL	134 (223)		274 (369)	
* of which spring wheat			50 (50)	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	520 (541)	1,950 (1,927)	3,314 (3,803)	697 (700)	16,175 (16,071)	3,775 (2,448)	25,961 (24,949)
Durum wheat	5,169 (5,197)		40 (41)		2,305 (2,027)	70 (94)	1,380 (1,247)
Flour/Semolina	5,689 (5,718)	1,950 (1,927)	3,314 (3,803)	737 (741)	19,230 (18,669)	3,845 (2,542)	34,765 (33,400)
TOTAL							

Export destination: Italy, FRG, Netherlands

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	20 (23)	21 (26)			102 (191)	15 (23)	158 (263)
<u>Flour (including semolina)</u>							
Cash/commercial credit					116 (106)		116 (106)
TOTAL	20 (23)	21 (26)			218 (297)	15 (23)	274 (369)

Principal Others: Saudi Arabia, Austria, Sweden, Morocco

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	12,208 (14,578)	3,467 (2,171)	103 (151)	15,778 (16,900)
Barley	9,857 (9,800)	980 (1,481)	180 (115)	11,017 (11,396)
Sorghum	237 (248)	20 (28)	(1)	257 (277)
Oats	974 (985)	93 (64)	(32)	1,067 (1,081)
Rye	260 (261)	35 (36)	(2)	295 (299)
TOTAL	23,536 (25,872)	4,595 (3,780)	283 (301)	28,414 (29,953)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	470 (470)	3,700 (3,397)	1,658 (1,701)	180 (180)	7,570 (7,685)	2,200 (3,467)	15,778 (16,900)
Barley	340 (269)	650 (783)	3,057 (3,158)	310 (315)	5,660 (5,891)	1,000 (980)	11,017 (11,396)
Sorghum		65 (78)	22 (9)	2 (2)	145 (168)	23 (20)	257 (277)
Oats	10 (10)	197 (162)	554 (643)	28 (28)	180 (145)	98 (93)	1,067 (1,081)
Rye	33 (33)	44 (39)	140 (156)	3 (3)	45 (33)	30 (35)	295 (299)
TOTAL	853 (782)	4,656 (4,459)	5,431 (5,667)	523 (528)	13,600 (13,922)	3,351 (4,595)	28,414 (29,953)

Export destination: Belgium/Luxembourg, Netherlands, Italy

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		85 (111)		1 (1)	10 (30)	7 (9)	103 (151)
Barley		1	2 (1)		170 (108)	7 (6)	180 (115)
Sorghum		(1)					(1)
Oats			(3)		(29)		(32)
Rye	(1)				(1)		(2)
TOTAL	(1)	86 (112)	2 (4)	1 (1)	180 (168)	14 (15)	283 (301)

## GREECE

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$5,000	1988
Average annual growth:	2.0%	
Annual inflation rate:	17%	
Volume of imports:	US\$13 billion	1988
Of which food:	11%	1988
Of which fuels:	30%	1988
Principal foreign exchange earning export:	Textiles and clothing	
Debt service as % of GDP	8%	1987
Debt service as % of exports:	70%	1987
Population:	10 million	1987
Annual population growth:	1%	1976-1986
Annual consumption:		
Flour	1.5 million tonnes	1989
Vegetable Oil:	.4 million tonnes	

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	400	400	420
Durum	410	430	425
Barley	220	200	290
Corn	200	200	190
Oats			40
Rye			10
Sunflower			90

#### 2. Foreign Exchange Situation

On October 1985, an austerity economic program was introduced in order to decrease the rate of inflation and improve the balance of payments deficit. The programme was in effect for about one year and a half, but then, due to the upcoming election, it was somehow abandoned. The rate of inflation has dropped to about 17% and some improvements have been made in the balance of payments, but the country's economy still suffers from a large trade deficit and a big foreign debt. Indeed, imports of food and agricultural inputs are given priority in the expenditure of foreign currency earnings.

### 3. Fertilizer Situation

Consumption of chemical fertilizers in Greek agriculture increased from 1.6 million tonnes in 1980 to 2.4 million tonnes in 1985 at an average annual increase of 7%. compared with consumption levels in the last decade, fertilizer use has risen by 60% in 1985. Consumption of nitrogen fertilizers grew by 80%, phosphoric fertilizers by 20%, and potassium by 14% in this 10 year period. However, Greek farmers still use less fertilizer than other EC farmers (194 kgs/ha versus 201-339 kgs/ha). Imported fertilizers (mainly ammonia and urea) cover only 10% of overall needs with local production providing the balance of around 2.2 million tonnes.

### 4. Import Mechanism

Since Greece's accession to the EC in January 1981, all grain trade has been handled by the state sector cooperative distribution agency KYDEP. To conform with EC policy of free trade in grains, the Government, since 1/1/86, has permitted the private sector to participate in this trade on a restricted basis. In view of a large carry over of both soft (180,000T) and durum (500,000T) wheat from the 1986 crop because of radioactivity contamination, particularly for durum, KYDEP is experiencing both disposal problems for the 1986 crop as well as pressing storage problems for the 1987 crop. The authorities are, therefore, pressuring traders to take more domestic wheat in order to obtain financing for imports of better quality EC soft wheat. About 380,000 tonnes of soft wheat were imported during M/Y 86/87, of which 318,000T were from France and 62,000T were from UK. Greece is actually self sufficient in grains.

### 5. Grain Industry Infrastructure

Grain handling, pooling, storage, imports and exports, previously a KYDEP monopoly, have now been liberalized to some extent, permitting the farmer to sell to YDAGEP (the EC Intervention Agency), KYDEP or private traders (millers and exporters). Intervention prices set by the EC are lower than those paid by KYDEP which, in turn, are below those received by farmers from the private trade.

### 6. Government Policies affecting Grain and Agriculture

Greece's grain and agricultural policies are being aligned to the EC/CAP. Greece is generally self-sufficient in wheat and corn and almost for barley. EC financial incentives are boosting durum wheat production at the expense of soft wheat. Durum can be cultivated on non-irrigated land in marginal mountainous areas. To compensate for the EC co-responsibility tariff to be levied on Community wheat producers, following a decision of the Council of Agriculture Ministers in June 1986, Greece's small wheat growers receive compensation. Greece produces 2.9% of the total Community wheat crop. Utilization of corn in the livestock industry is being replaced by cheaper feed grain supplement,

thus freeing high quality corn for export to the Western Europe food industry. French corn of inferior quality is replacing the shortfall in corn availability for feed purposes. Higher feed costs in Greece compared to other EC countries inhibit the development of cattle breeding, making it difficult to compete against EC lower priced beef/veal. EC levies make it prohibitive to import either beef/veal or breeder cattle from Canada, and difficult for Canadian poultry meat to compete with domestic and EC poultry.

Greece is self-sufficient in soft wheat and durum, with limited imports of corn and barley usually obtained from France or other EC suppliers. Greece produced three times its consumption of durum wheat, but only produced half its consumption of soft milling wheat.

Greece has never been and is unlikely to be in the foreseeable future a significant purchaser of Canadian grain or oilseeds. However, in view of a perennial adverse balance of trade and BOP situation, Greek authorities are keen to save on scarce foreign exchange outlays for major capital equipment purchases and it is now regular practice to discuss countertrade, barter, offsets, etc. Greece buys about 100,000 TPY of N. American grain for special mixes.

#### 7. Market Prospects - Grains and Oilseeds

Self-sufficiency in soft wheat, durum and corn and almost in barley, rules out future sales opportunities for Canadian grains, outside of exceptional circumstances such as radiation affected grains, extreme drought conditions, etc.

Domestic production of lentils (5-6000 tonnes), and beans (28-37 tonnes) is insufficient to cover demand and imports are arranged through private trade. Canada has been a regular and growing supplier of ESTON type lentils in recent years (CDN\$321 thousand in 1984, \$1.8 million in 1985, \$4.3 million (6,5670 tonnes) in 1986 and \$1.7 million in 1987). First ever sales of Canadian white pea beans to Greece materialized during the second semester of 1986, following dismantling of import quota system for pulses, with shipments for 1986 totalling 572 tonnes valued at CDN\$417 thousand. The Chernobyl radiation fallout scare, undoubtedly assisted our pulse sales in 1986 but the June 18 A/V Seminar in Athens given by a visiting Ontario Bean Producers marketing Board Mission helped to increase awareness of Canada as a pulse supplier and expanded future sales are expected.

Significant quantities of Canadian canary seed are already being sold through Greek Supermarket and pet shops. This trade has fluctuated between CDN\$102 and 272 thousand in recent years.

In 1984, KYDEP expressed interest in importing Canadian triticale seed and cultivating it in Greece with Canadian technical knowhow for processing into animal feed. Unfortunately, the Canadian 1984 crop was below average with none available for export, and the KYDEP request has not been renewed.

8. Processing Facilities: 1988

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	170	170	2,600	2,000
Compound feed mills	1,450	1,450	2,000	1,670
Maltsters	4	4	43	43
Brewers*	5	5	320	285
Oilseed crushers	40	**40	***4,000 MT/24hr	50%(1986)

\* Capacity and output in thousands of hectolitres

\*\* 30 crush only cottonseed, others crush soybean, sunflower, sesame, rapeseed, corn. Olives are crushed by approximately 4,000 units all sizes throughout Greece.

\*\*\* or 1.2 million tonnes p.a. (300 days) of which soybean crushing capacity 510,000 tonnes

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1986

- thousands of tonnes -

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

In addition KYDEP operates modern grain elevators (9400 tonnes capacity) and old grain storage warehouses (600 thousand tonnes capacity) throughout Greece. An EC/Greek State program for the construction of metal silos of one million tonnes capacity has been under way since 1984.

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1986/87 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley		800			
Suitable for malting		60-70%			

### 2. Statistical Notes: 1986/87 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		4 ( 4)	FRG/Holland
Malting barley		20 (20)	France

### 3. Additional Information

Annual per capita beer consumption: is increasing slowly in this traditional wine drinking country, through the influence of growing tourist influx and changing habit of a more affluent population. Annual per capita consumption is still relatively low at 25 litres.

Beer production capacity: On an annual basis there is an over capacity, with a tight to short supply situation during the hot summer tourist season. Stiff competition among existing breweries with two plants closed down in recent years.

Domestic malting capacity: No recent published malting capacity or production figures (estimate around 35,000 tonnes). All Greek breweries have their own malting facilities.

Market potential for Canadian malt: Malt import situation is unlikely to change in the foreseeable future in view of European interests in Greek Breweries (Amstel, Carlsberg, Henninger, Lowenbrau).

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs:	Oilseeds:	no duty. VAT 6% & regulatory tax 1.125% (but decreasing)	
		Containers 1-5 kilos	18.53% (total duty, VAT & reg. tax)
		Containers above 5 kilos	17.74% (")
	Crude oil:	Inedible	33.51%
	Oilseed meal:		30.40% (")
	Refined oil:	Containers 1-5 kilos	24% (")
		Containers above 5 kilos	23% (")
		Inedible	40% (")

Greek olive oil producers receive EC/Greek govt. financial support.

Sunflower production has shown a spectacular expansion in Greece as a result of EC incentives, increasing from 81,000 tonnes in CY 85/86 to 160,000 tonnes in CY 86/87, and is tending to replace soft wheat and sugarbeet cultivation in some areas. There is no import requirement for sunflower oil. Sunflower in 1987 was 170,000 tonnes.

#### 2. Additional Factors

Greece's oil market picture depends in large part on its olive oil output, which has an alternate year pattern production. Consumption of olive oil remains fairly constant, with other oils increasing in use, especially as shortening, margarine and table oil ingredients. Sunflower oil and cottonseed oil are prime examples of this trend. According to EC requirements, the domestic production and trade of soybean oil was to have been freed from January 1, 1986 instead of being mandatorily exported. In view of the importance of olive oil in the Greek economy, the government was reluctant to take this step and delayed action until October 1986. It would have preferred to maintain the status quo, particularly as soybeans are only just starting to be cultivated in Greece. However, strong interest is now being shown in producing soybeans in Greece in future and some experimental planting has been started.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1986/87 (CY 1985/86 in brackets)

<u>Oilseed</u>	<u>Domestic Production</u>		<u>Imports</u>			<u>Exports</u>	
					1988/89		
Soybean			283	(250)	(265)		
Cottonseed	286	(250)	0	( 0)	( 11)		
Sunflower	160	( 81)	0	( 4)	( 13)		
Total	446	(331)	285	(254)	(289)		

  

<u>Oil</u>	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
			Crude	Refined	Crude	Refined
Olive	280	(360)			40	(80)
Soybean	46	( 40)			42	(40)
Corn				12 (0)		
Cottonseed	48	( 30)				
Sunflower	67	( 35)				
Total	441	(465)		12 (0)	82	(120)

  

<u>Meal</u>	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
Soybean	237	(200)			25	(20)
Cottonseed	168	(160)			40	(35)
Sunflower	60	( 40)			20	(10)
Total	465	(400)			85	(65)

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	1,200 (1,114)	93 (134)	**380 (+420)	1,673 (1,668)
Durum wheat	1,000 ( 666)	33 (193)	0 ( 7)	1,033 ( 866)
TOTAL	2,200 (1,780)	126 (327)	380 ( 427)	2,706 (2,534)

\* of which spring wheat: all sown in spring, harvested in June  
 \*\* France 318, UK 62  
 + France 420

DISPOSITION: 1986/87 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	*1,250 (1,250)	103 (70)		50 (0)	100 (255)	170 (93)	1,673 (1,668)
Durum wheat	+ 245 ( 346)	33 ( 5)			255 (483)	*500 ( 32)	1,033 ( 866)
TOTAL	1,495 (1,596)	136 (75)		50 (0)	355 (738)	670 (125)	2,706 (2,534)

\* as flour  
 = as pasta

Export destination: Italy (durum), Middle East (flour)

IMPORT TRADE: 1986/87 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN</u> :	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Commercial Credit					380 (427)		380 (427)
TOTAL					380 (427)		380 (427)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1986/87 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,920 (1,700)	40 (32)	+500 (400)	2,460 (2,132)
Barley	800 (654)	10 (116)	*105 (20)	915 (790)
Oats	70 (60)			70 (60)
Rye	15 (5)			15 (15)
TOTAL	2,805 (2,394)	50 (148)	605 (420)	3,460 (2,997)

+ Feed corn from France

\* 78 France, 27 UK - 10 for brewing industry

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	100 (100)	1,750 (1,622)	50 (0)	6	500 (370)	54 (40)	2,460 (2,132)
Barley	140 (140)	735 (640)				40 (10)	915 (790)
Oats	10 (7)	60 (53)					70 (60)
Rye	15 (15)						15 (15)
TOTAL	265 (262)	2,545 (2,315)	50	6	500 (370)	94 (50)	3,460 (2,997)

\* of which poultry: 20%

Industrial use: Processed food industry

Export destination: Corn - High quality for European Starch Industry

IMPORT TRADE: 1986/87 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn					*500 (400)		500 (400)
Barley					105 (20)		105 (20)
TOTAL					505 (420)		605 (420)

\* France

## I R E L A N D

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$7,558	1988
Annual per capita GNP:	US\$8,012	1988
Average annual growth:	0.8%	
Annual inflation rate:	2.1%	
Volume of imports:	US\$15.5 billion	1988
Of which food:	11.6%	1988
Of which fuels:	7.2%	1988
Principal foreign exchange earning export:	Computers and parts	
Debt service as % of GNP:	11.8%	1988
Debt service as % of exports:	18.9%	1988
Population:	3.5 million	1986
Annual population growth:	0.7%	1985/86
Annual consumption:		
Flour	19.2 kg/capita	1986
Meat	78.0 kg/capita	1986

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

The 1989 harvest is mostly regarded as satisfactory. Earlier during the summer there were fears that drought conditions would create problems. Yields were particularly good for winter sown crops. There have been problems with malting barley in that protein levels have reached as high as 12.5%. All forward contracts (for exports) were negotiated at 11.5%.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	63	61	60
Barley	258	266	276
Oats	19	20	20
Rapeseed	6	7	7

#### 2. Foreign Exchange Situation

Adequate foreign exchange available for all import needs. Ireland is not an international aid recipient.

### 3. Fertilizer Situation

Fertilizer sales 1988 (est) ('000 tonnes)

Nitrogen (N) 376, phosphorus (P) 66, potassium (K) 166 - (Consumption per hectare not available).

### 4. Import Mechanism

Grain imports are undertaken by the private sector.

Brokers negotiate on behalf of the flour millers and the animal feed compounders.

### 5. Grain Industry Infrastructure

1988/89 was a less traumatic year for the industry, but the flour millers still face severe competition from Britain. The maltsters are enjoying buoyant export markets but there is need for ongoing rationalization in the animal feed sector.

### 6. Government Policies Affecting Grain and Ariculture

National grain policies are not generally permitted by the Common Agricultural Policy.

However, EC assistance is considerable - e.g., intervention buying, export refunds, FEOGA market payments and FEOGA Guidance Section grants.

EC policies have acted as a deterrent to market prospects for Canadian grain imports.

Neither countertrade nor barter has been used for grain or oilseed imports.

### 7. Market Prospects - Grains and Oilseeds

No specific projects. Irish cereal cultivation has been gradually falling since the 1970's. The total cereals area has fallen steadily by around 100,000 hectares in the past decade.

Ireland is a small but useful market for dried peas, beans, canaryseed and lentils.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	3	6	210	180
Compound feed mills	33	140	2,005	1,900
Maltsters	5	8		
Brewers*	3	7	5	4.6

\* Capacity and output in millions of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1987

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Dublin	60	440
Cork	105	430
Waterford	20	150
Foynes	15	
Others	Not specified	

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	<u>Total</u>
All barley					1,400
Suitable for malting					500

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		5 (5)	80 (65)
Malting barley	490 (405)	4 (4)	230 (180)

NB: Malt is exported to 27 different markets. Malting barley is mainly destined to Europe.

### 3. Additional Information

Annual per capita beer consumption: After years of decline, beer consumption is now on the increase. The good summer of 1989 boosted sales considerably.

Beer production capacity: Adequate capacity available to meet current increase in demand. There has, however, been a proliferation of new beer launches - particularly lagers.

Domestic malting capacity: Over the past 2/3 years exports of malt and malting barley have increased significantly. Two of the major malsters will increase capacity by some 25%.

Market potential for Canadian malt: Negligible.

## III. OILSEEDS

### 1. Trade Policy

Import Tariffs: Common External Tariff and related Common Agricultural Policy levies apply.

Import/export structure - Small quantities of rapeseed are cultivated in Ireland and are then exported to crushers in the United Kingdom.

Imports of oil, meal (and other feed components) are negotiated by brokers on behalf of the feed compounders. Oils for edible use are imported directly by food processors.

### 2. Additional Factors

EC market supports apply. No crushing undertaken in Ireland.

### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rape	12		12
Total	12		12

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soya			16		
Sunflower			14		1
Rape			11		
Other			21		
Total			62		1

<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soya		202		6	
Rape		94		2	
Sunflower		30		1	
Other		149		2	
Total		475		11	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	390 (351)	67 (48)	227 (251)	684 (650)
Durum wheat		1 (1)	4 (5)	5 (6)
Flour/Semolina	137 (141)	19 (12)	60 (52)	216 (205)
TOTAL	527 (492)	87 (61)	291 (308)	905 (861)

\* of which spring wheat 95 (90)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	220 (190)	254 (230)	9 (10)	14 (15)	131 (138)	56 (67)	684 (650)
Durum wheat	4 (5)					1 (1)	5 (6)
Flour/Semolina	192 (185)	7			1 (1)	16 (19)	216 (205)
TOTAL	416 (380)	261 (230)	9 (10)	14 (15)	132 (139)	73 (87)	905 (861)

Industrial use: Gluten, starch

Export Destination: N. Ireland, G. Britain

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>ALL Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash							
Commercial Credit	8 (18)	12 (7)			211 (231)		231 (256)
Aid, Concessional							
Credit, etc.							
<u>Flour (including semolina)</u>							
Cash/commercial credit					60 (52)		60 (52)
Aid, concessional							
TOTAL	8 (18)	12 (7)			271 (283)		291 (308)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn		7 ( 9 )	68 (56)	75 ( 65)
Barley	1,400 (1,490)	51 (75)	9 ( 6)	1,460 (1,571)
Oats	60 ( 68)	6 ( 5 )	1 ( 1)	67 ( 74)
Rye			1 ( 1)	1 ( 1)
TOTAL	1,460 (1,558)	64 (89)	78 (64)	1,602 (1,711)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn		70 ( 58)				5 ( 7)	75 ( 65)
Barley	180 (168)	794 (892)		41 (50)	403 (410)	42 (51)	1,460 (1,571)
Oats	10 ( 12)	41 ( 44)		2 ( 3)	11 ( 9)	3 ( 6)	67 ( 74)
Rye		( 1)					( 1)
TOTAL	190 (180)	901 (995)		43 (53)	414 (419)	50 (64)	1,602 (1,711)

\* of which poultry: 14%  
Export destination: N. Ireland, Belgium and Holland

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	ALL Others	Total Imports
Corn					65 (52)		68 (56)
Barley		3 ( 4 )			9 ( 6)		9 ( 6)
Oats					1 ( 1)		1 ( 1)
Rye					1 ( 1)		1 ( 1)
TOTAL		3 ( 4 )			75 (60)		78 (64)

## I T A L Y

Economic classification:	Industrial Market	
Oil exporter or importer (net):	Importer	
Annual per capita GNP:	US\$14,450	1988
Average annual growth:	0.4%	
Annual inflation rate:	6.5%	
Volume of imports:	US\$138.3	1988
Of which food:	11.7%	1988
Of which fuels:	14.7%	1988
Principal foreign exchange earning export:	Machinery	
Debt service as % of GNP:	11.5%	1988
Debt service as % of exports:	64%	1988
Population:	57.5 million	1988
Annual population growth:	0.4%	1970-87
Annual consumption:		
Flour	4.0 million tonnes or 70 kg/capita	1987
Meat	4.2 million tonnes or 75 kg/capita	1987
Vegetable Oil	1.2 million tonnes or 20 kg/capita	1987

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	1,159	1,089	1,192
Durum	1,715	1,659	1,895
Barley	485	453	445
Corn	N/A	854	768
Sorghum	15	14	14
Oats	165	171	176
Rye	8	8	8
Soybeans	400	415	481
Rapeseed	23	23	28
Sunflower	130	124	108

#### 2. Foreign Exchange Situation

The current inflation rate is 6.5%, up from 5.0% in 1988. The US dollar is currently running around 1,335 lira, as compared to an average of 1,301 in 1988 and 1,297 in 1987.

### 3. Fertilizer Situation

Italy is self-sufficient in urea, ammonium nitrate and sulphate and in phosphates. There is limited local production of potash, but most is imported from Israel, East Germany and the USSR.

### 4. Import Mechanism

Private trading houses, with occasional transfer of intervention stocks from other EC countries to AIMA, the Italian Intervention Agency. This Agency has occasionally in the past purchased supplies of durum on the world market for subsequent auction to local industry. Italy follows EC regulations regarding levies, restitutions, etc.

### 5. Grain Industry Infrastructure

Continuing concentration of grains and oilseeds imports from third countries in the hands of a few large trading companies with multi-national operations (Italgrani, Continental, Ferruzzi) and owning port silo facilities. Continuing concentration also in milling sector, with closure at smaller mills and enlarging of major and medium-size mills.

### 6. Government Policies Affecting Grain and Agriculture

Relatively high EC support prices encourage high output, and all of Italy's essential needs are satisfied by its own or neighbouring EC country producers, except for limited amounts of high-quality blending wheat which may be required, depending on local crop quality from year to year. Bread and pasta consumption in slight decline, snack food consumption is increasing. Semolina and pasta exports aided by high EC export restitutions. AIMA currently holding about 1.0 million tonnes of durum, much of which should be auctioned off for export in course of the current marketing year.

High EC support price and resulting increased EC grain production has wiped out Canada's market for all but limited amounts of top-quality blending wheat, and occasional sales of lower quality durum brought in under temporary import regime.

### 7. Market Prospects - Grains and Oilseeds

There are no long-term projections available. Historical statistics are a reliable guide, as well as EC support price policy (i.e. phasing out of marginal bread wheat production, switch to oilseeds in place of sugar beet or corn, etc.)

Canada currently ranks as a major supplier of "special crops" such as lentils and canaryseed.

8. Processing Facilities: 1985

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	1,178	1,226	17,439	10,878
Compound feed mills		1,530	15,000	7,500
Maltsters	3	5		80
Brewers*		23		13
Oilseed crushers	10	15	2,300	1,750

\* Capacity and output in millions of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1985

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Ravenna	507	11,382
La Spezia	30	525
Napoli	90	720
Venezia	100	2,940
Savona	50	2,100
Genova	105	3,570
Ancona	100	3,780
Livorno	137	6,762
Civitavecchia	36	924
Catania	55	672
Total Capacity	1,543	53,865

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	400	1,300			1,700
Suitable for malting	50	80			130

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		70 (70)	
Malting barley		30 (30)	

Import originations include: France, Germany

3. Additional Information

Annual per capita beer consumption: Increasing - estimated at 25.6 litres in 1987.

Beer production capacity: Increasing concentration, with more than half the capacity controlled by Dreher and Peroni. Two major breweries, Morotti and Prinz Brau, were taken over by Canada's Labatt Brewing Company in mid-1989, representing about 1.0 million hectolitres capacity and 8% of the market.

Domestic malting capacity: No change.

Market potential for Canadian malt: Nil - limited requirements readily available from other EC countries.

III. OILSEEDS

1. Trade Policy

Import tariffs: See EC tariffs and variable levies. The following are correct to our knowledge:

Oilseeds: Exempt  
Crude oil: 5% for industrial oils; 10% for food oils  
Oilseed meal: 7.3% on soya meal; others exempt  
Refined oil: 8% for industrial oils; 15% for food oils

Wheat and feedgrains: No particular non-tariff barriers.

Import/export structure: Private importers. The government has involvement in olive oil sector - EC support prices and intervention.

2. Additional Factors

As major product is olive oil, Italy will support measures to ensure latter remains competitive with butter, margarine and seed oils.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Olive	2,270				
Soybean	1,400	600		18	
Sunflower	262	59		1	
Rapeseed	57	16			
Other	606	35			
TOTAL	4,595	710		19	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Olive	330	7	252	71	24
Soybean	320	18	2	17	26
Sunflower	182	13	1	23	19
Corn germ	20	72			9
Other	52	188	76	54	19
TOTAL	904	298	331	165	97

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	1,585	1,224	91
Sunflower	249	48	12
Corn germ	23	143	
Rapeseed	42	22	7
Other	8	105	2
TOTAL	1,907	1,542	112

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	4,150 (4,028)	340 (331)	4,090 (3,810)	8,580 (8,169)
Durum wheat	3,000 (3,880)	1,260 (2,170)	1,380 (1,300)	5,640 (7,350)
TOTAL	7,150 (7,908)	1,600 (2,501)	5,470 (5,110)	14,220 (15,519)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	5,860 (5,890)	1,400 (970)		350 (350)	640 (619)	330 (340)	8,580 (8,169)
Durum wheat	2,500 (2,600)	30 (30)		350 (360)	2,060 (3,100)	700 (1,260)	5,640 (7,350)
TOTAL	8,360 (8,490)	1,430 (1,000)		700 (710)	2,700 (3,719)	1,030 (1,600)	14,220 (15,519)

Export destination: flour (Egypt, Libya); semolina (Algeria); pasta (EC, USA)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Cash	500 (500)	350 (350)			4,000 (3,900)		4,850 (4,750)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	6,100 (6,400)	555 (630)	1,345 (980)	8,000 (8,010)
Barley	1,700 (1,560)	294 (30)	800 (1,100)	2,794 (2,690)
Sorghum	80 (80)			80 (80)
Oats	295 (380)	30 (15)	105 (80)	445 (475)
Rye	20 (20)			20 (20)
TOTAL	8,195 (8,420)	879 (675)	2,250 (2,160)	11,339 (11,275)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	220 (220)	6,300 (6,195)		630 (635)	350 (350)	500 (555)	8,000 (8,010)
Barley	10 (10)	2,414 (2,046)		340 (340)		30 (294)	2,794 (2,690)
Sorghum		80 (80)					80 (80)
Oats		400 (415)		30 (30)		15 (30)	445 (475)
Rye		20 (20)					20 (20)
TOTAL	230 (230)	9,214 (8,756)		1,000 (1,005)	350 (350)	545 (879)	11,339 (11,275)

\* of which poultry: 30%  
Industrial use: starch  
Export destination: EC, Libya

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		20 (20)		150 (120)	1,155 (830)	20 (10)	1,345 (980)
Barley					800 (1,100)		800 (1,100)
Oats				150 (120)	105 (80)		105 (80)
TOTAL		20 (20)		150 (120)	2,060 (2,010)	20 (10)	2,250 (2,160)

Principal Others: Yugoslavia

## NETHERLANDS

Economic classification:	Industrial market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$15,373	1988 <sup>1</sup>
Annual per capita GNP:	US\$15,440	1988 <sup>1</sup>
Average annual growth:	1.54%	
Annual inflation rate:	1.25%	
Volume of imports:	US\$99.2 billion	1988
Of which food:	12.3%	1988
Of which fuels:	9.3%	1988
Principal foreign exchange earning export:	machinery & transport equipment	
Debt service as % of GNP:	4.88%	1988
Debt service as % of exports:	10.8%	1988
Population:	14.8 million	1989
Annual population growth:	0.5-0.6%	1989-1999
Annual consumption:		
Flour	870,000 tonnes or 58.9 kg/capita	1988 <sup>2</sup>
Meat	1,213,000 tonnes or 82.5 kg/capita	1988 <sup>3</sup>
Vegetable Oil	230,800 tonnes or 15.6 kg/capita	1988 <sup>4</sup>

- (1) gross, at market prices
- (2) including flour for starch
- (3) including poultry meat
- (4) domestic shipments

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

In the grains sector, wheat and silage corn clearly stand out as the single biggest crops. Dutch wheat production in 1989/90 at well over one million tonnes is the highest on record due mainly to a significant expansion of the seeded area.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	139.6	114.5	110.8
Barley	50.2	62.3	50.3
Corn	202.7	194.7	197.5
Oats	7.8	13.2	9.0
Rye	6.8	6.6	5.9

## 2. Foreign Exchange Situation

For an internationally oriented country such as the Netherlands, the imposition of foreign exchange controls would contravene the principle of free trade. The expenditure of foreign currency does not present problems so long as the Dutch balance of payments shows surpluses -- as has been the case for a number of consecutive years.

## 3. Fertilizer Situation

Use of fertilizers expressed in kgs/hectare (averages covering total farm land area), excluding natural fertilizers (manure).

	<u>1987/88</u>	<u>1986/87</u>	<u>1985/86</u>
Nitrogen	228	249	248
Phosphate	40	44	40
Potash	49	52	59

Strong public and government concerns regarding the environment and water quality are likely to have a dampening effect on the use of fertilizers in future years.

## 4. Import Mechanism

There are no limitations on grain imports from non-EC sources but the impact of the variable levy system under the Common Agricultural Policy (CAP) has been clearly noticeable since its introduction in the early sixties. The government is not involved in any trading except when it concerns grains offered for intervention.

## 5. Grain Industry Infrastructure

The Netherlands has a highly developed infrastructure for the grains industry relative to shipping, storage and industrial processing. With all the majors present in Rotterdam and with the grain transshipment and storage facilities of the Graan Elevator Maatschappij (GEM) in the port of Rotterdam, this country is a leading trading centre for grains of all types. There are signs of diminishing imports of grains and feed materials from non-EC sources, which would explain the lower financial results and job losses within the GEM operation.

## 6. Government Policies Affecting Grain and Agriculture

As an EC member, the Netherlands must adhere to the regulations established under the CAP. The agricultural policy and other policies pursued by the Dutch government have no direct bearing on grain production, imports/exports, consumption patterns, etc. However, the changes anticipated in the CAP necessitated by the high cost of financing surpluses of many farm products may have some effects on planting decisions in favour of non-traditional crops.

Changes in the CAP to reduce the production of cereal grains in the EC have resulted in expansion of the area under peas. However, there appear to be limitations to the types of crops grown both on individual farms and in local agriculture in general. Our impression is that the total area under field crops will decline over the longer term.

The animal waste problem in the Netherlands, contributing substantially to soil and air pollution, combined with greater interest on the part of the consumer in products from grain-fed livestock, may cause a gradual return to the use of grains in animal feeds. This could in the long run result in a recovery of the demand for Canadian feed grains, although much depends on changes in the CAP which in turn would depend to a considerable extent on the outcome of MTN negotiations.

Countertrade/barter is of no interest to the Dutch market.

#### 7. Market Prospects - Grains and Oilseeds

There are no long-term projections. However, anticipated reductions in some livestock herds (dairy cattle: quota system; hogs and poultry: manure problem) may slow down import requirements.

The Dutch are well aware of Canada as a source of good quality grains and oilseeds. Purchases will be considered when requirements should expand whereby price continues to be the leading factor. Special promotion does not seem justified at this time.

Canadian mustard seed is a traditional import commodity. Feed peas have been purchased in fair quantities in recent years. Canary seed is of some interest.

#### 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	55	57	1,500	1,054
Compound feed mills	339**		N/A	16,400
Maltsters	5	5	220	194
Brewers*	16	21	N/A	17,300
Oilseed crushers	6	6	N/A	3,640

\* Capacity and output in thousands of hectolitres

\*\* Total number of mills

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

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

Note: Some grains and feed materials are brought in via Antwerp.

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley*	51.1	211.4			262.5
Suitable for malting		63.0			63.0

\* No local distinction between 2-row and 6-row barley

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	180 (185.9)	150 (160.4)	100 (102.7)
Malting barley	130 (146.4)		5 (5.0)

Export destinations include: EC

Import originations include: EC

3. Additional Information

Annual per capita beer consumption: Beer consumption has been relatively stable in the last few years at about 84 litres per capita on average.

While a slight downward trend is noticeable, 1989 may show an improvement due to high temperatures in spring and summer.

<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
83.2	84.4	86.0	84.3	83.3

Beer production capacity: Stable, but exact information is not released.

Domestic malting capacity: The capacity of malt producers can be adjusted to meet sudden increases in demand from brewing companies.

Market potential for Canadian malt: None at the present time.

### III. OILSEEDS

#### 1. Trade Policy

Import Tariffs: Oilseeds: Nil  
Crude oil: 5 or 10%  
Refined oil: 10% (8% for flaxseed)

Import/export structure: Oilseeds imports, exports and processing are done by private enterprises only.

#### 2. Additional Factors

The EC oilseeds policy has led to considerable expansion of the production of soybeans, rapeseed and sunflower seed within the EC. However, Canada continues to ship fair quantities of canola and flaxseed to the Netherlands. Purchasing decisions are based on a range of factors, including various developments within the CAP, subsidization in supplying countries and the value of the US dollar.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	24.2	436.6	38.6
Soybeans		3,383.2	221.7
Sunflowerseed		462.1	
Other*		89.7	22.1
TOTAL	24.2	4,371.6	282.4

\* flax, mustard, blue poppy, hemp

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed	128.9		63.0		117.1
Soybeans	544.2		32.7		363.1
Sunflower	184.7		45.4		181.8
Other	3.2		507.1		233.1
TOTAL	861.0		648.2		895.1

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	189.4	293.0	85.8
Soybeans	2,353.1	1,195.5	1,687.5
Sunflower	226.3	444.3	124.0
Other	10.2	1,129.8	103.0
TOTAL	2,779.0	3,062.6	2,000.3

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	1,069.4 (827.1)	150.0 (158.0)	1,350.0 (1,540.7)	2,569.4 (2,525.8)
Durum wheat		1.0 (1.0)	5.0 (2.0)	6.0 (3.0)
Flour/Semolina	700.0 (650.9)		176.5 (208.3)	876.5 (859.2)
TOTAL	1,769.4 (1,478.0)	151.0 (159.0)	1,531.5 (1,751.0)	3,451.9 (3,388.0)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	1,000.0 (1,104.1)	1,195.4 (876.4)	4.0 (3.2)	20.0 (36.2)	200.0 (355.9)	150.0 (150.0)	2,569.4 (2,525.8)
Durum wheat	5.0	(0.2)			(1.8)	1.0 (1.0)	6.0 (3.0)
Flour/Semolina*	876.5 (859.2)						876.5 (859.2)
TOTAL	1,881.5 (1,964.3)	1,195.4 (876.6)	4.0 (3.2)	20.0 (36.2)	200.0 (357.7)	151.0 (151.0)	3,451.9 (3,388.0)

\* including flour for wheat starch

Industrial use: yeast, methylated spirits  
Export destination: EC 37%, Other 63%

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>ALL Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	(1.4)	(11.5)			(1,529.4)	(0.4)	1,355.0 (1,542.7)
<u>Flour (including semolina)</u>							
Cash/commercial credit	(0.1)	(0.1)		(0.1)	(208.0)		176.5 (208.3)
TOTAL	(1.5)	(11.6)		(0.1)	(1,737.4)		1,531.5 (1,751.0)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	(2.9)	70.0 (67.0)	2,000.0 (2,109.9)	2,070.0 (2,179.8)
Barley	262.5 (302.3)	75.0 (77.0)	970.0 (830.4)**	1,307.5 (1,209.7)
Sorghum*	(0.2)	15.0 (13.0)	85.0 (65.6)	100.0 (78.8)
Oats	36.1 (59.5)	10.0 (11.0)	63.0 (64.2)	109.1 (134.7)
Rye	31.6 (28.3)	10.0 (11.0)	45.0 (45.6)	86.6 (84.9)
TOTAL	330.2 (393.2)	180.0 (179.0)	3,163.0 (3,115.7)	3,673.2 (3,687.9)

\* including millet, buckwheat, canary seed

\*\* including malt on barley basis (202)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption		Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	50.0 (52.5)	940.0 (548.2)	700.0 (1,000.1)	10.0 (17.8)	300.0 (491.2)	70.0 (70.0)	1,880.0 (2,179.8)	
Barley	15.0 (15.9)	507.5 (343.2)	300.0 (423.8)	10.0 (11.2)	400.0 (340.6)	75.0 (75.0)	1,307.5 (1,209.7)	
Sorghum	2.0 (2.1)	68.0 (41.2)		(0.3)	20.0 (20.2)	10.0 (15.0)	100.0 (78.8)	
Oats	35.0 (52.0)	50.1 (52.4)		4.0 (1.6)	10.0 (18.7)	10.0 (10.0)	109.1 (134.7)	
Rye	56.0 (55.1)	14.6 (12.8)	1.0 (0.7)	1.0 (1.9)	4.0 (4.4)	10.0 (10.0)	86.6 (84.0)	
TOTAL	158.0 (177.6)	1,580.2 (997.8)	1,001.0 (1,424.6)	25.0 (32.8)	734.0 (875.1)	175.0 (180.0)	3,673.2 (3,687.9)	

Industrial use: Corn: beer, spirits, starch; barley: malt

Export destination: EC 8%, Other 92%

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada		USA		Australia		Argentina		EC		All Others		Total Imports
Corn	(0.3)	50.0 (50.9)					10.0 (6.0)	1,930.0 (2,042.1)	10.0 (10.6)	970.0 (829.3)	10.0 (10.6)	2,000 (2,109.9)	
Barley					(1.1)							970 (830.4)	
Sorghum	5.0 (6.0)	3.0 (3.5)					20.0 (19.0)	20.0 (13.8)	37.0 (23.3)			85 (65.6)	
Oats								60.0 (60.1)	3.0 (4.1)			63 (64.2)	
Rye	3.0 (3.9)	(0.2)						42.0 (41.5)				45 (45.6)	
TOTAL	8.0 (10.2)	53.0 (54.6)			(1.1)		30.0 (25.0)	3,022.0 (2,986.8)	50.0 (38.0)	970.0 (829.3)	175.0 (180.0)	3,163 (3,115.7)	

Principal Others: Hungary, Brazil, China, Tanzania

## P O R T U G A L

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita GNP:	US\$4,172.2	1988
Average annual growth:	4.0%	1988
Annual inflation rate:	11.5%	1988
Volume of imports:	US\$15.4 billion	1988
Of which food:	13.5%	1988
Of which fuels:	8.2%	1988
Principal foreign exchange earning export:	Migrant remittances and Tourism	
Debt service as % of GDP	7.7%	1988
Debt service as % of exports:	40.6%	1988
Population:	10.3 million	1988
Annual population growth:	0.6%	1988
Annual consumption:		
Flour	712,000 tonnes or 69 kg/capita	1988(est)
Meat	673,000 tonnes or 65 kg/capita	1988(est)
Vegetable Oil	182,000 tonnes or 17 kg/capita	1988(est)

Sources: Central Bank of Portugal, National Institute of Statistics

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

1989/90 has been a reasonably good year for both wheat and coarse grain production. Official estimates as of mid-October show following 1989 output with 1988 figures in parenthesis: wheat 562,000 T (369,000 T); corn 699,000 T (646,800 T); barley 87,000 T (50,000 T); oats 130,000 T (81,400 T); 97,000 T (76,500 T). By contrast rice crop, estimated at 140,250 T is down from 146,000T in 1988, while production of sunflower (only oilseeds item grown commercially in Portugal) is estimated to be about the same as last year at 58,000T.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	* 320	310	294
Barley	85	80	74
Corn	252	243	250
Oats	170	178	167
Rye	128	125	121
Sunflower	64	67	69

\* includes Durum

## 2. Foreign Exchange Situation

Buoyant economic conditions in 1988 continued to cause imports to exceed exports significantly, and, as a result, the trade deficit rose by US\$1.5 billion to US\$5.1 billion. Large tourism earnings, emigrants remittances and EC transfers were not enough to offset it, leading to a current account deficit of US\$654 million. In 1989, the current account deficit is expected to be US\$1 billion.

But the country has been able to build strong reserves. According to information contained in the Bank of Portugal annual report, foreign exchange reserves reached US\$5.07 billion at the end of 1988.

## 3. Fertilizer Situation

The 1988 fertilizer production is estimated at 915,000 T, compared with 950,000 T the previous year. Consumption decreased by 2.7% to 930,000 T. Fertilizer consumption in 1988 was Nitrogen 143,680 T; Phosphate 82,660 T; and Potash 45,370 T. On a per hectare basis the current annual consumption of N-P-K in observed areas is estimated at about 77kg, as compared to 68 kg a few years earlier. The wheat crop accounts for 30% of fertilizer use, while all other grains account for a further 30%.

## 4. Import Mechanism

Privatization of grain imports was accomplished two years earlier than originally proposed, and all grain imports were privatized effective January 1, 1989. The former state-owned import monopoly, EPAC, is now acting as a mere broker, although, in that capacity, it is described by the trade as having a certain dominance of the wheat market.

## 5. Grain Industry Infrastructure

The bulk of foreign grain purchased by both EPAC (mainly wheat) and the compound feed industry (through local representatives of international grain trading companies) is unloaded and stored in three major terminal facilities owned and operated by the state organization, SILOPOR. A relatively small quantity of feed grains is unloaded in a 100,000 tonne port silo owned and operated by a leading oilseeds crusher, TAGOL. The following table gives details of the above terminal facilities:

<u>Organization</u>	<u>Terminal Facility</u>	<u>Unloading Tonnes/hour</u>	<u>Storage Capacity</u>
SILOPOR	Trafaria (Lisbon)	1,928	200,000
SILOPOR	Beato (Lisbon)	600	120,000
SILOPOR	Leixoes (Porto)	800	100,000
TAGOL	Palença (Lisbon)	2,000	100,000

## 6. Government Policies Affecting Grain and Agriculture

The main aim of Portugal's farm policy in 1988 was to gain better terms than those called for in the Treaty of Accession to the EC. In the Grain sector, the Portuguese authorities were able to postpone until the year 2000, the date on which return to Portuguese grain farmers will be brought to the EC level, as well as postponing the granting of tariff preferences to imports of grain from the other EC member countries until the start of 1991.

The delay in the implementation of preferences to grain from other EC member countries will help Canada maintain, or expand, its share of the import wheat market during MY 89/90 and at least part of MY 90/91. The levy charged at the end of August 1989 on imports of wheat from non-EC countries was ESC.18,353 per tonne.

## 7. Market Prospects - Grains and Oilseeds

Although prospects for Canadian canola would appear to be conditional on competition in terms of price from other oilseeds, notably soybeans, and by EC policy decisions, we maintain that a technical promotion (by way of a technical mission/seminar approach) should be undertaken with a view to making canola known to Portuguese oil crushers and educating them about the advantages it offers.

Canary seed remains the only special crop with regular market prospects in Portugal. However, Canada has supplied beans, fababeans, and lentils to Portugal from time to time. In all cases, the key criterion for market success is price.

## 8. Processing Facilities: 1988

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	77	62	3.1	a) 1,200
Compound feed mills	88	93	2.5	a) 3,300
Maltsters	1	1	50.0	48
Brewers*	2	6	4,890.0	4.9
Oilseed crushers	41	41	1,600.0	1,350

\* Capacity and output in millions of hectolitres

a) hourly capacity

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Lisbon	520	2,000 *
Leixoes	100	900 *
Ponta Delgada/ Angra do Heroismo	25	80
Funchal	12	50
Total Capacity	652	3,030

\* Includes oilseeds

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	130				130
Suitable for malting	17				17

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
Malt	50	(50.0)	22.5	(15.0)	0	(0)
Malting barley	17	(14.2)	45.0	(47.8)	0	(0)

Import originations include: Australia (malting barley)  
France and Spain (malt)

### 3. Additional Information

Per capita beer consumption: Reached a new high level in 1988 by increasing 13.2% to 53.2 litres. The rise was primarily due to a significant reduction in the grape harvest which resulted in a considerable increase in wine prices.

Beer production capacity: Reportedly the two existing breweries, Central de Cervejas and Unicer, increased their producing capacity in 1988 by 15% and 12% respectively and are currently undertaking to increase it slightly in 1989. As part of Portugal's privatization program some 49% of Unicer was sold in April 1989.

Domestic malting capacity: Capacity remains static with a potential through-put of some 62,000 T of barley to produce 50,000 T of malt. The owner and operator of the sole existing malt plant, Central de Cervejas, is contemplating increasing its capacity in 1990.

Market potential for Canadian malt. In the light of severe EC competition, there would appear to be little or no prospects for penetration of Canadian malt in this market.

### III. OILSEEDS

Import tariffs:	Oilseeds:	Duty-free
	Crude Oil	Olive*- duty-free Soybean )_ 10% from EEC countries Sunflower)_ 35% from Third countries
	Oilseed Meal:	Soybean )_ 10% from EEC countries Sunflower)_ 35% from Third countries
	Refined Oil:	Olive*- duty-free Soybean )_ 15% from EEC countries Sunflower)_ 40% from Third countries

\* Subject to CAP import levy system. At present, the levy charged ranges from Esc. 14,784 to Esc. 23,424 per 100 kg (Third countries) and from Esc. 11,601 to Esc. 25,524 per 100 kg. (Spain). An export restitution of Esc. 1,991 per 100 kg applies when imported from other EC member countries.

Domestic consumption of vegetable oils, except for olive oil, for food are subject to EC imposed quotas:

1. Soybean oil - 85,000 tonnes or its equivalent in soybean imports, i.e. about 485,000 tonnes\*\*
2. Sunflowerseed, peanut, cottonseed oils - 126,000 tonnes\*\*
3. Other vegetable oils, palm oil etc. - 35,000 tonnes.

\*\* Soybeans and peanuts for any purpose other than that of extracting oil are not subject to import quotas.

Restrictions on imports of meal from Third countries were lifted in January 1989. A quota however is still maintained on imports of meal from other EC countries; for 1989 this quota has been set at 250,000 tonnes

Wheat and feed grains are exempt from import tariff duties

Import levies (as of November 1, 1989):

Escudos per tonne

	<u>Third World countries</u>	<u>EEC</u>	<u>Spain</u>
Wheat	\$19,368	\$15,057	\$15,057
Rye	12,292	2,825	2,285
Barley	15,462	6,213	6,213
Oats	10,044	998	998
Corn	21,904	9,856	9,856
Sorghum	18,287	5,381	5,381

No import quota restriction apply to wheat and feed grains.

Import/export structure: Private firms.

2. Additional Factors

EC is currently paying subsidies to the Portuguese crushers for them to use EC-grown sunflower seed. These adversely affect Third countries' exports to Portugal of not only sunflower seed but also of other oilseeds items.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	58	213.7	0
Soybean	0	774.7	0
Safflower	0	0	0
Others	0	90.7	0
TOTAL	58	1,079.1	0

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean	33.6	0	0	7.4	0
Sunflower	58.7	0	0	4.6	0.3
Peanut	5.2	0	0	1.7	0
Olive oil	66.6	0	16.1	7.5	2.8
TOTAL	164.1	0	16.1	21.2	3.1

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	480	99.6	156
Sunflower	91	8.2	0
Peanut	6	35.5	0
Others	0	143.3	0
TOTAL	577	286.6	156

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	582 (380)	114 (144)	421 (585.2)	1,125 (1,110)
Durum wheat	20 (14)	23 (12)	45 (59.0)	80 (85)
TOTAL	602 (394)	137 (156)	466 (644.2)	1,205 (1,195)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	925 (910)	13 (67)	0 (0)	25 (19)	0 (0)	162 (114)	1,125 (1,110)
Durum wheat	60 (60)	0 (0)	0 (0)	2 (2)	0 (0)	18 (23)	80 (85)
TOTAL	985 (970)	13 (67)	0 (0)	27 (21)	0 (0)	180 (137)	1,205 (1,195)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	150 (156.5)	66 (113.3)				250 (374.4)	466 (644.2)
TOTAL	150 (156.5)	66 (113.3)				250 (374.4)	466 (644.2)
Principal Others: Mexico (32.2 T), Saudi Arabia (327,664 T)							

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	691.0 (646.8)	147.0 (165.0)	510 (595.2)	1,348.0 (1,407.0)
Barley	87.0 (50.7)	9.1 (31.0)	100 (110.4)	196.1 (192.1)
Sorghum	0 (0)	0 (3.6)	0 (0)	0 (3.6)
Oats	130.0 (81.4)	1.4 (3.0)	0 (0)	131.4 (84.4)
Rye	97.0 (76.5)	1.4 (4.0)	10 (10.9)	108.4 (91.4)
TOTAL	1,005.0 (855.4)	158.9 (206.6)	620 (716.5)	1,783.9 (1,778.5)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	250 (250)	810 (830.0)	130 (130)	50 (50)	0 (0)	108.0 (147.0)	1,038.0 (1,407.0)
Barley	2 (2)	120 (115.0)	62 (62)	4 (4)	0 (0)	8.1 (9.1)	196.1 (192.1)
Sorghum	0 (0)	0 (3.6)	0 (0)	0 (0)	0 (0)	0 (0)	0 (3.6)
Oats	0 (0)	122 (80.0)	0 (0)	3 (3)	0 (0)	6.4 (1.4)	131.4 (84.4)
Rye	98 (87)	1 (1.0)	0 (0)	2 (2)	0 (0)	7.4 (1.4)	108.4 (91.4)
TOTAL	350 (339)	1,053 (1,029.6)	192 (192)	59 (59)	0 (0)	129.9 (158.9)	1,783.9 (1,778.5)

Industrial use: a) starch, gluten, grist and oil; b) malt

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		480 (565.1)		30 (29.1)	20 (0)	(1.0)	510 (595.2)
Barley	20 (8.9)	(7.8)	48 (60.9)		10 (8.4)	12.0 (32.8)	100 (110.4)
Rye			(0.7)			(1.8)	10 (10.9)
TOTAL	20 (8.9)	480 (572.9)	48 (61.6)	30 (29.1)	30 (8.4)	12.0 (35.6)	620 (716.5)

Principal Others: Turkey (30.8 T barley)

## S P A I N

Economic classification:	Industrial market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$6,502	1987
Annual per capita GNP:	US\$8,921	1988
Average annual growth:	3.2%	
Annual inflation rate:	4.8%	
Volume of imports:	US\$55.6 billion	1988
Of which food:	15.6%	1988
Of which fuels:	4.7%	1988
Principal foreign exchange earning export:	Tourism, machinery, agriculture	
Population:	39 million	1988
Annual population growth:	0.7%	1980-2000
Annual consumption:		
Flour	2,700,000 tonnes or 70 kg/capita	1988
Meat	3,100,000 tonnes or 81 kg/capita	1988
Vegetable Oil	870,000 tonnes or 29 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Latest crop estimates: (1988 production in brackets) '000MT

Wheat	5,485	( 6,514)
Barley	9,774	(12,070)
Oats	502	( 537)
Rye	316	( 357)
Corn	3,470	( 3,577)
Sorghum	87	( 96)
Rice	337	( 449)

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>(1989)</u> <u>1988/89</u>	<u>(1988)</u> <u>1987/88</u>
Wheat	2,143	(2,222)
Durum	108	( 110)
Barley	4,301	(4,175)
Corn	518	( 556)
Sorghum	16	( 18)
Oats	372	( 335)
Rye	225	( 222)
Soybeans	11	
Rapeseed	8	
Sunflower	995	( 921)

In Spanish statistics "seeded area 1989" refers to the area planted to produce the 1989 harvest, although much of this will, in fact, have been planted in 1988 (fall-winter crops). Winter 89/90 sowings are not yet confirmed but will eventually be shown as "1990 seeded area".

## 2. Foreign Exchange Situation

Sufficient foreign exchange is available for all types of goods, no priorities are necessary for agricultural products.

## 3. Fertilizer Situation

Latest estimates for fertilizer consumption by the Spanish Ministry of Agriculture are for 1988 (1987 consumption is shown in brackets):

Nitrogen	N	MT	976,000	(900,700)
Phosphate	P205	MT	462,800	(411,600)
Potash	K20	MT	358,100	(315,600)

After the drop in consumption in 1987, the use of nitrogen and phosphate has returned to the 1986 level. With regard to potash, the increase in consumption is significant.

## 4. Import Mechanism

All the major international grain trading companies are represented in Spain. Imports of cereals from outside the EEC are discouraged by high import levies which are frequently adjusted. The importation of soybeans is free, but after crushing the oil, must be re-exported. The government announces a quota each year on the amount of soya oil allowed to remain in Spain. The soybean market will be freed in 1992.

## 5. Grain Industry Infrastructure

There have been no significant changes in handling, storage or processing facilities in Spain during the last few years.

## 6. Government Policies Affecting Grain and Agriculture

As a member of the EEC, wheat and grain prices will eventually increase. With production quotas being set by Brussels, an increase in the co-responsibility levy can be expected.

EEC interests in the grain sector will be given priority and, under these circumstances, only soybeans represent a good marketing potential for Canada.

No barter trade policy exists in Spain.

7. Market Prospects - Grains and Oilseeds

Growing conditions in Spain vary greatly from one year to another, so no projections are, or can be made regarding import requirements.

Any marketing initiative considered worthwhile within the EEC context could be usefully undertaken to increase Canadian sales in Spain.

Spain is a good market for field peas, lentils, beans, canary seed and distillers grain (pelletized).

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	475	486	8,000	3,700
Compound feed mills	N/A	600	18,000	12,000
Maltsters	17	17 (I)	N/A	N/A
Brewers*	22	34	N/A	26,580
Oilseed crushers				1,700

\* Capacity and output in thousands of hectolitres  
(I) 16 belong to the Brewers, 1 is independent

9. Storage and Throughput Capacity: 1988

Grain Import Capacity by Port:

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>
La Coruna	113
Vigo	40
Gijon	16
Santander	65
Bilbao (incl Ria/Santurce)	130
Barcelona	170
Tarragona	235
Valencia	100
Cartagena	20
Malaga	20
Seville	46
Total Capacity	955

## II. MALT AND MALTING BARLEY

1. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	350 ( 350)	N/A	N/A
Malting barley	5,982 (6,920)	N/A	N/A

### 2. Additional Information

Annual per capita beer consumption: Beer consumption in Spain increased in 1988 to 68 litres per person.

Beer production capacity: Production increased by 2.25% in 1988 to 26,579,307 Hl. There are currently 22 companies with 34 breweries.

Malting capacity: Spanish malting capacity is unchanged.

Market potential for Canadian malt: We have detected no offers from Canadian companies and are, therefore, unable to test the competitiveness of Canadian malt.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Oilseeds: Soybeans free from all sources 6% VAT  
Sunflower 2.6% all sources, 6% VAT

Crude Oil: Crude oils are not imported into Spain. Some oil from imported soybeans can remain in Spain.

Oilseed Meal: Soybean meal from Third Countries 1.1% plus 6% VAT

Refined Oil: Refined oils are not imported into Spain

Flaxseed 09.4% from EEC, 1.1% from Third Countries, 6% VAT

Cotton meal 2.3% from EEC, 3.1% from Third Countries, 6% VAT

Import/Export Structure: Trading is carried out by private companies

## 2. Additional Factors

Spanish crushing plants are allowed to import unlimited quantities of soybeans for the extraction of protein meal for animal feed. However, the amount of oil from imported beans which can remain in the country is set annually by quota. The 1988 quota was approximately 100,000 tonnes. This restriction is scheduled to disappear at the end of 1991.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>
Sunflower	1,123.0 ( 995.0)	
Safflower	12.7 ( 10.2)	
Soybean	13.0 ( 4.5)	1,988.5 (495.9)
Rapeseed	12.0 ( 10.0)	
TOTAL	1,160.7 (1,019.7)	1,988.5 (495.9)

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Refined</u>	
				1988	(1987)
Sunflower	430.0 (400.0)			93.8	( 50.6)
Safflower	4.8 ( 3.8)				
Soybean	2.3 ( 0.8)			203.2	(306.0)
Rapeseed	12.0 ( 10.0)				
Olive				196.0	(166.3)
Others				5.0	( 6.3)
TOTAL	441.8 (408.5)	NIL	NIL	498.0	(529.2)

<u>Meal</u>	<u>Production</u>		<u>Imports</u>		<u>Exports</u>
	1988	(1987)	1988	(1987)	
Sunflower	471.0	(481.0)			
Safflower	7.4	( 6.0)			
Soybean*	10.4	( 3.6)	1,229.3	(829.4)	
Rapeseed	8.8	( 7.4)			
TOTAL	497.6	(435.0)	1,229.3	(829.4)	NIL

\* meal/cake

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u> 1989 (1988)	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	5,142 (6,173)	300 (100)	N/A ( 660)	N/A (6,933)
Durum wheat	343 ( 341)	40 ( 48)	( 447)	( 836)
TOTAL	5,485 (6,514)	340 (148)	(1,107)	(7,769)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u> 1989 1988	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	4,000 (3,753)	1,400 (2,378)	20 (20)	350 (350)	N/A (132)	100 (300)	(6,933)
Durum wheat	250 ( 726)	20 ( 70)				33 ( 40)	( 836)
TOTAL	4,250 (4,479)	1,420 (2,448)	20 (20)	350 (350)	(132)	133 (340)	(7,769)

Export destination: Ethiopia, Nicaragua, Senegal.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							(1,107)
Cash		(15)					(1,092)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production		Carry-in, July 1	Imports 1988	Total Supply
	1989	1988			
Corn	3,470	( 3,577)	300	N/A	( 6,127)
Barley	9,774	(12,070)	1,437	( 142)	(12,749)
Sorghum	87	( 96)	200	( 252)	( 348)
Oats	502	( 537)	0	( 3)	( 540)
Rye	316	( 357)	0	( 0)	( 365)
TOTAL	14,149	(16,637)	1,937	(2,583)	(20,129)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption		Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
	1989	1988						
Corn	15	(15)	4,100	( 5,070)	( 15)	N/A	100	( 6,127)
Barley	0	( 0)	886	( 9,379)	(550)	(1,383)	500	(12,749)
Sorghum	0	( 0)	607	( 147)	( 1)	( 0)	0	( 348)
Oats	0	( 0)	422	( 453)	( 45)	( 42)	0	( 540)
Rye	0	( 0)	296	( 299)	( 35)	( 31)	0	( 365)
TOTAL	15	(15)	6,311	(15,348)	(646)	(2,183)	600	(20,129)

Export destination: EEC, Saudi Arabia, Libya.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada		USA		Australia		Argentina		EC		All Others		Total Imports
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	
Corn			(2,010)				( 94)		( 82)				N/A
Barley			( 192)				( 18)		(142)				( 142)
Sorghum			( 3)						( 42)				( 252)
Oats													( 3)
TOTAL			(2,205)				(112)		(266)				(2,583)

## UNITED KINGDOM

Economic classification:	Developed/Market	
Oil exporter or importer (net):	Exporter	
Annual per capita GNP:	US\$10,946	1988
Average annual growth:	3%	
Annual inflation rate:	7.5%	
Volume of imports:	US\$165 billion	1988
Of which food:	10.4%	1987
Of which fuels:	9.3%	1987
Principal foreign exchange earning export:	Petroleum products	
Debt service as % of GNP:	3.4%	1987
Debt service as % of exports:	1.3%	1987
Population:	56 million	1989
Annual population growth:	0.1%	1988
Annual consumption:		
Flour	64.8 kg/capita	1987
Meat	67.0 kg/capita	1989*
Vegetable Oil	1.393 million tonnes	1988

\* Estimated, carcass weight basis

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

The 1989 wheat crop is put at 13.84 million tonnes, some 18% up on last year. Quality is very good. Barley is a little down, at 7.96 million tonnes and malting barley is in short supply. Oat production was slightly up at 0.55 million tonnes. Oilseed rape production was down for the second year in a row and estimated at 969,000 tonnes.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	2,100	1,880	2,023*
Durum	6	6	
Barley	1,662	1,878	1,831
Oats	121	120	100
Rye	7	7	N/A
Rapeseed	323	347	393

\* including durum

## 2. Foreign Exchange Situation

This is not a factor in this market

## 3. Fertilizer Situation

Fertilizer availability is not limiting. However, a pilot scheme to study the problems of nitrates in water has been set up and 12 areas designated as nitrate sensitive. Voluntary controls on the use of nitrates in these areas perhaps with compensation, may be introduced.

Estimates for 1987/88 fertilizer consumption on an actual nutrient basis are (in million tonnes): N - 1.525 (-7% on 1986/87); P - 0.435 (-5%); K - 0.524 (-4%). Average application rates kg/ha: N-125, P-36, K-43.

## 4. Import Mechanism

Private importers purchase grain from the international grain trade under CAP regulations.

## 5. Grain Industry Infrastructure

Three major milling organizations and two major grain firms purchase non-EC wheat directly for virtually all UK and most of Ireland. The three milling groups, Mardorf Peach/Associated British Foods, Rank Hovis McDougall (RHM), and Spillers Milling account for about 75% of non-EC origin imported wheat which corresponds roughly with their collective share of the UK flour market. The balance of the flour market is supplied by smaller independent mills who purchase non-EC wheat from two major trade houses namely Usbornes in the South East of England and Milford Grain in the North West. Alexanders, a small trading firm associated with Halls of Ireland also purchase third country wheat.

## 6. Government Policies Affecting Grain and Agriculture

In the long term, limitation on nitrogen use in the major grain growing areas of East Anglia could reduce production. Environmental pressures now have a high profile.

Current set-aside arrangements have had little impact on arable output but the Commission is reported to be about to put additional funds to encourage set-aside uptake and is also considering encouraging non-food uses of cereals, such as ethanol production. This would however, be very costly.

The current operation of the stabilizer mechanisms for grains and oilseeds are different in implementation, and tend to produce big swings in and out of oilseeds. There is some pressure to adjust these mechanisms.

The oilseed stabilizer has had the effect of reducing oilseed rape production over the past two seasons. However, prices are now rising sharply as a result and a swing back to this crop from less profitable cereals is likely in 1989/90.

7. Market Prospects - Grains and Oilseeds

There are no long-term projections.

Organic sales, while small, are expanding rapidly. Officially recognised certification in Canada would assist exports to this market.

"Special crops" are being successfully marketed by Canadian companies.

8. Processing Facilities

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	46	92	N/A	3,974 (1)
Compound feed mills	369	441	14,875	10,960 (2)
Maltsters	28	50	N/A	1,376 (3)
Brewers*		267 (4)	N/A	60.2 (3)
Oilseed crushers	7	8	2,050	1,870 (3)

(1) Calendar year 1988/89

(2) 1987

(3) Calendar year 1988

(4) including 70 microbreweries and 90 pub breweries

\* Capacity and output in millions of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tilbury	100	2,200 (1)
Seaforth	133	1,100 (1)
Bristol	25	150
Forth	53 (1)	250 (4)
Clyde	150	100 (1)
Belfast	145 (2)	1,000 (1)
Lowestoft	14	80 (1) (3)
Total Capacity	620	

- (1) 1989  
 (2) Including 30 flat storage  
 (3) Expected to cease in 1990  
 (4) 1983

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	4,800	3,200			8,000
Suitable for malting	250	1,250			1,500

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
 previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt*	1,376 (1,324)	78 (55)	312 (319)
Malting barley	1,500 (2,000)	150 (153)	50 (26)

\* Malt - Calendar years 1988 and (1987)

Export destinations include: EC  
 Import originations include: EC (especially Denmark)

### 3. Additional Information

Annual per capita beer consumption: Currently increasing with growth in imported lagers and also 'light' beers.

Beer production capacity: Actual production increased to 60,156,000 hl in 1988 from 59,438,000 hl in 1986.

Domestic malting capacity: Capacity increased from 1986/87 to 1987/88. Actual output was 1.65 mt in 1986/87 and 1.82 mt in 1987/88.

Market potential for Canadian malt: Nil - all malt imports are from within the EC.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs:	Oilseeds:	Free*
	Crude Oil:	For technical/industrial use - majority are 5%*
		For human consumption - majority range from 10-20%*
	Oilseed Meal:	Soya - non-defatted 7%, others free
	Refined Oil:	For technical/industrial use - majority are 8%*
		For human consumption - majority range from 15-20%*

\* In certain conditions the charging of a compensatory amount is provided for.

Import/export structure: Private firms.

#### 2. Additional Factors

The so-called crushing subsidy has caused a rapid expansion of oilseed rape production. However, stabilisers act quite sharply on the oilseed sector and have produced big swings. 1989 rape production was down due to lower plantings but consequently much higher prices have induced higher plantings for the 1989/90 crop. Linseed production continues to expand as not being in surplus in the Community no 'stabilising' price cuts have been introduced. Substantial production aid is payable on a hectare basis for linseed.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed/canola	1,003	80	130
Soybeans		689	1
Sunflower		89	
Linseed	29	25	2
Other		90	23
TOTAL	1,032	973	156

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed/canola	475	15	26	71	7
Soya	82	137	8	3	5
Sunflower	39	49	44	1	1
Palm kernel	23	45	8	5	1
Other	40	63	18	5	9
TOTAL	659	309	500	85	32

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed/canola	676	57	76
Soya	353	1,157	9
Sunflower	48	221	1
Palm kernel	27	48	
Other	58	612	32
TOTAL	1,162	2,095	118

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	8,775 (6,706)	2,250* (2,250)*	645 (1,131)	N/A (N/A)
Durum wheat	25 (24)	N/A (N/A)	60 (56)	N/A (N/A)
Flour/Semolina	5,100 (5,020)	N/A (N/A)	2 (2)	N/A (N/A)
TOTAL	13,900 (11,750)	2,250 (3,025)	707 (1,189)	16,857 (15,964)

\* including durum flour

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Wheat	N/A (N/A)	N/A (N/A)		620 (580)	2,895 (2,211)	N/A (N/A)	N/A (N/A)
Durum wheat	25 (24)		240 (240)		105 (104)	N/A (N/A)	25 (24)
Flour/Semolina**	N/A (N/A)	5,412 (5,149)	240 (240)	620 (580)	3,000 (2,315)	2,140* (2,250)*	N/A (N/A)
TOTAL	5,445 (5,430)	5,412 (5,149)	240 (240)	620 (580)	3,000 (2,315)	2,140* (2,250)*	16,857 (15,964)

Industrial use: Starch for paper and gluten  
Export destination: EC, USSR, Iran

\* including intervention stocks

\*\* no separate stocks or utilisation figures available for flour

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Wheat (including durum)							
Cash	350 (463)	50 (9)			305 (714)	(1)	705 (1,187)
Flour (including semolina)							
Cash/commercial credit					2 (2)		2 (2)
TOTAL	350 (463)	50 (9)			307 (714)	(1)	707 (1,189)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	7,975 (8,765)	40 (70)	1,410 (1,399)	1,450 (1,469)
Barley		1,375 (1,560)	285 (306)	8,635 (10,631)
Sorghum			2 (2)	2 (2)
Oats	555 (540)	55 (50)	10 (10)	620 (600)
Rye	31 (34)	14 (4)	18 (28)	53 (66)
TOTAL	8,561 (9,339)	1,474 (1,684)	1,725 (1,745)	11,760 (12,768)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	300 (325)	250 (259)	855 (830)		5 (15)	40 (40)	1,450 (1,469)
Barley	1,815 (1,815)	4,085 (4,106)		375 (395)	2,600 (2,940)	760 (1,375)	8,635 (10,631)
Sorghum		2 (2)					2 (2)
Oats	180 (210)	330 (275)		40 (40)	15 (10)	55 (55)	620 (600)
Rye	32 (32)	19 (19)		1 (1)		1 (14)	53 (66)
TOTAL	2,327 (2,382)	4,686 (4,661)	855 (830)	416 (436)	2,620 (2,965)	856 (1,474)	11,760 (12,768)

Industrial use: Starch, glucose  
Export destination: USSR, GDR, Saudi Arabia

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		30 (32)		150 (118)	1,230 (1,249)		1,410 (1,399)
Barley					285 (306)		285 (306)
Sorghum							2 (2)
Oats							10 (10)
Rye							18 (28)
TOTAL		30 (32)		150 (118)	1,515 (1,555)		1,725 (1,745)

## W E S T G E R M A N Y

Economic classification:	Free Market, Developed Industrial	
Oil exporter or importer (net):	Importer	
Annual per capita income:	DM26,878	1988
Annual per capita GNP:	DM34,527	1988
Average annual growth:	2.1%	
Annual inflation rate:	2.8%	1989
Volume of imports:	US\$250.4 billion	1988
Principal foreign exchange earning export:	Machinery & transport equipment	
Population:	61.7 million	1989
Annual population growth:	0.2%	1988
Annual consumption:		
Flour	65.7 kg/capita	1988-89
Meat	100.2 kg/capita	1989
Vegetable Oil	7.0 kg/capita	1989

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	1,769.0	1,731.0	1,648.0
Durum	13.8	12.2	23.0
Barley	1,836.0	1,937.0	1,850.0
Corn	206.7	199.0	194.0
Oats	420.9	474.4	459.0
Rye	384.0	378.3	412.0
Soybeans	2.0	1.0	
Rapeseed	430.0	385.0	428.0
Sunflowerseed	14.0	14.0	8.0

#### 2. Foreign Exchange Situation

The German Federal Bank expects the DM to remain strong due to good economic prospects and high interest levels. The FRG does not have any exchange restrictions at all, so it is not necessary to set priorities. The FRG is one of the largest contributors to most international aid programs.

### 3. Fertilizer Situation

In 1988/89 (July/June) sales of nitrogenous fertilizers to the agricultural industry were reduced by 62,000 tonnes of Nitrogen or 3.9% to 1,539 million tonnes of Nitrogen compared with the previous year according to the Federal Statistical Office. Sales of phosphate fertilizers dropped by 37,000 tonnes or 5.4% to 642,000 tonnes. However, after falling off in recent years, sales of potash fertilizers increased again; sales arose here by 2.6% to 887,000 (previous year: 865,000) tonnes. The increase was even greater in the case of fertilizing lime at 21.9% to 1.7 (1.4) million tonnes. This, therefore, more than compensated for the reduction in the consumption of lime over the previous year due to weather conditions; almost 11% of the sales volume was supplied to forestry operations for improving the soil.

Among the nitrogen fertilizers, a reduction of 21,000 tonnes of Nitrogen to 982,000 tonnes was recorded in the case of nitrate of lime and ammonium; but this still accounted for 64% of nitrogen sales as a whole. Compound fertilizers were also down by 45,000 tonnes of Nitrogen to 338,000 tonnes or 22% of total consumption. 531,000 (previous year: 588,000) tonnes or almost 83% of phosphate sales were accounted for by compound fertilizers. Thomas phosphate remained the most important single nutrient fertilizer with 44,000 (36,000) tonnes. Among the potash fertilizers, compound fertilizers accounted for almost 61% of total sales with 537,000 (506,000) tonnes. Potassium chloride remained the most important single nutrient fertilizer with 306,000 (306,000) tonnes.

The leader among calcium fertilizers was calcium carbonate with 963,000 (722,000) tonnes. It was followed by quick lime with 277,000 (251,000) tonnes and slag lime with 232,000 (186,000) tonnes.

The imports of fertilizers in 1988/89 showed a slight reduction compared with the previous year. Nevertheless, their share in fertilizer consumption as a whole remained high. In the case of nitrogen, it achieved a level of 67% of total sales with one (previous year: 1.1) million tonnes. In the case of phosphate 62% with 399,000 (432,000) tonnes, and in the case of potash 36% with 319,000 (398,000) tonnes.

### 4. Import Mechanism

There have been no recent changes. Import levies (the difference between domestic market and world market price) are charged on imports into the EC. Licences for imports are issued to private importers by national authorities. The licences entitle the holder to import a certain quantity with a certain period.

## 5. Grain Industry Infrastructure

The structure of the German grain trade cannot be fully analyzed, as suitable collected data is not evaluated and published. Regional differences in market behaviours are discernible in agriculture. Whereas a high proportion of the crop is marketed in the northern German Länder, in Bavaria the farmers sell only about 40% of their crop. The extent to which the processing industry is supplied directly from agriculture is declining. Private agricultural trading companies and cooperatives have consequently been able to gain shares of the market. Within the cooperative sector, which takes about 53% of the grain sales from farming, the central cooperatives have an important role to play in the pricing and marketing of grain. The economic associations are much less important here.

The external German grain trade is marked by extensive imports from member countries and exports to non-EC countries, as trade partners in the member countries can be more flexible, intervention is dealt with more restrictively, lower shipping rates exist in cross-border trade and the German grain industry is orientated to the national market at a high price level. Third country exports are largely conducted in a roundabout way through intervention. The foreign trade of the EC and the FRG is handled by a few highly specialized companies which can minimize the risk and use trade opportunities through their information systems. The risks in the grain trade within the Community are lower than those in trade with non-EC countries. Other companies apart from the international trading firms are consequently active in exports to member countries. In the field of the cooperatives, the central cooperatives are able to assemble consignments of sufficient size and uniform quality. The economic associations of private agricultural trading companies and large individual agricultural traders also work directly in exporting grain from the FRG to member countries. However, these businesses also use the services of the major international trading firms.

A small proportion of grain imports in the FRG are handled by larger processing companies themselves. However, the majority are probably dealt with by the major trading firms which work on an international basis, supplying the processing industry with EC and non-EC grain.

## 6. Government Policies Affecting Grain and Agriculture

Grain production, imports, exports etc. are affected by EC grain market regulations. Imports from outside the Community are impeded by the tariff protection of the EC market regulations.

Maximum Guaranteed Quantities of the EC (thousands of tonnes):

Soybeans	EC-12	1,300
Rapeseed	EC-10	4,500
Sunflowerseed	EC-10	2,500

Price cuts as compared to price decisions by the Council of Ministers for 1989/90 (producer level), due to MGQ's: soybeans 20% (prelim) ; rapeseed 3.7%; sunflowerseed 7.2%.

There is a possible market outlet for canola.

#### 7. Market Prospects - Grains and Oilseeds

In view of the current position, increases in grain imports can be ruled out for the next few years. According to the EC Commission, the EC-production of the three major oilseeds, rapeseed, sunflowerseed and soybeans will reach 10,600 thousand tonnes by 1995. This is compared with 17,000 thousand tonnes trend figure before introduction of the existing scheme of maximum guaranteed quantities.

According to the Federal Ministry of Agriculture, as long as the currently valid system of EC market regulations remain in force, it will not be possible to achieve a great deal with marketing initiatives.

EC grain market regulations apply in the case of some special crops (buckwheat, canary seed). There is currently no regulation for lentils and beans; however, a security deposit applies for shipments of imports from the original importing member state to any other member state.

#### 8. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	580	600	7,500	5,500
Compound feed mills	600	648	18-19,000	16,000
Maltsters**	60+30	70+30	1,600	1,550
Brewers*	1,150	1,178		93
Oilseed crushers	15			5,384

\* Output in millions of hectolitres

\*\* Independent and brewery associated

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Hamburg	700	4.2 (t/h)
Nordenham	45	0.7 (t/h)
Brake	250	1.8 (t/w)
Luebeck/Travemuende	80	
Kiel	33	0.08 (t/h)
Kiel	70	2.7 (t/h)
Elensburg	84	
Emden	110	6.0 (t/h)

II. MALT AND MALTING BARLEY: No information available

III. OILSEEDS

#### 1. Trade Policy

Import tariffs: As for the EC.

Non-tariff import barriers/export assistance measures: Export restitution for rapeseed as difference between internal support level and world markets.

Import/export structure: Private firms, EC regime.

2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1986/87

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybeans		3,214		7	
Rapeseed	969	1,165		310	
Sunflowerseed	4	410		2	
TOTAL*	973	5,304		324	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybeans	557	92		293	
Rapeseed	747	71		558	
Sunflowerseed	164	108		77	
TOTAL*	1,677	1,034		1,296	

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Rapeseed	1,098	253		266	
Sunflowerseed	199	286		64	
TOTAL*	4,092	4,966		2,770	

\* Total is more than the sum of the three items mentioned.



**PART II**  
**WESTERN EUROPE (NON-EC)**

## A U S T R I A

Economic classification:	Industrial Market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$18,400	1988
Annual per capita GNP:	US\$16,700	1988
Average annual growth:	4.2%	
Annual inflation rate:	2.0%	
Volume of imports:	US\$34.7 billion	1988
Of which food:	6.3%	1988
Of which fuels:	5.6%	1988
Principal foreign exchange earning export:	machinery, transport, semi-finished product, tourism	
Debt service as % of GNP:	5.7%	1988
Debt service as % of exports:	24.0%	1988
Population:	7.6 million	1988
Annual population growth:	0.2%	
Annual consumption:		
Flour	480,000 tonnes or 64.0 kg/capita	1988
Meat	700,500 tonnes or 92.3 kg/capita	1988
Vegetable Oil	117,000 tonnes or 16.0 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

The 1989 grain harvest was delayed (mid-August) due to high humidity and rain in mid-summer. Quality of wheat was lower than in 1988, of barley higher and of oats very poor. There is no rice production in Austria. Oilseeds are being grown because of government regulations to increase change from grain production to oilseeds to cover domestic demand to a greater degree.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	278.0	291.9	320.3
Durum	12.0	12.0	12.0
Barley	291.8	292.4	391.5
Corn	194.2	200.5	207.2
Oats	67.1	69.1	69.3
Rye	91.0	87.9	85.4
Soybeans	30.0	15.0	10.0
Rapeseed	47.0	32.1	22.7
Sunflower	28.0	20.8	11.4

## 2. Foreign Exchange Situation

The Austrian Schilling is stable and one of the hardest West European currencies pegged to the European Monetary System (EMS) and in particular to the West German D-Mark (main trading partner). The country is generally self-sufficient in agricultural products and over past years has been a net exporter of grains mainly to East Europe.

## 3. Fertilizer Situation

Fertilizer use in kilo per hectare:

	<u>1988</u>	<u>1987</u>	<u>1986</u>
Nitrogen	54.3	54.4	61.9
Phosphate	29.8	28.7	33.9
Potash	40.1	41.2	49.8

## 4. Import Mechanism

Import: Ministry of Agriculture issues public tenders.  
Export: Through bilateral agreements without tenders or via private organizations.

There have been no changes for several years.

## 5. Government Policies Affecting Grain and Agriculture

The government is trying to reduce grain acreages by over 100,000 hectares, diverting farmers to alternative crops such as rapeseed, sunflower, feed peas and horse beans, in the hope of reducing grain production. To-date farmers have accepted this concept and the switch has been mainly from wheat, barley and corn to rapeseed and sunflower.

## 6. Market Prospects - Grains and Oilseeds

There are no long-term projections available.

The private trade imported the following "special crops" from Canada (in tonnes):

	<u>1988</u>	<u>1987</u>
Soybeans (seeds)	55.6	69.7
Mustard		131.7
Beans	821.4	260.4
Lentils	344.8	400.5

7. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	410		600	
Compound feed mills	250			
Maltsters	3	3	55	
Brewers*	51	58		8.6
Oilseed crushers	1		120	

\* Capacity and output in hectolitres

8. Storage and Throughput Capacity

Austria is a landlocked country. Imports are made via Hamburg, Rotterdam, Trieste and Rijeka.

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1988 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley			407	959	1,366

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		5 (8)	5 (7)

Export destinations include: Thailand, GDR, Switzerland  
Import originations include: Czechoslovakia, Poland, FRG

3. Additional Information

Annual per capita beer consumption (litres): 1986/87 - 114.1;  
1987/88 - 116.0; 1988/89 - 118.0. Consumption is increasing slightly due  
to several "home" breweries which sell only at their "house",  
i.e. restaurant, beer hall, etc.

Beer production capacity (millions of hectolitres):

	<u>1986</u>	<u>1987</u>	<u>1988</u>
Production	9.0	8.6	9.2
Sales	8.7	8.8	9.0

Market potential for Canadian malt: Limited because of old-established trading pattern with neighbouring countries.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: in Austrian Schillings/100 kilo

Oilseeds: Poppy - AS 65.00  
Other - Free  
Crude oil: Free to 15.6%  
Oilseed meal: Free  
Refined oil: Free to 15.6%

Non-tariff import barriers/export assistance measures: Nil

Import tariffs, levies or quota restrictions for wheat and feedgrains:

Wheat: AS 68.00/100 kg  
Rye: AS 62.00  
Barley (feed): AS 53.00  
Oats: AS 53.00

All of the above are subject to a 10% import turnover tax on duty-paid price and to import equalization based on grain marketing law. Feedgrains can be licensed by Ministry of Agriculture.

Import export structure: Private firms.

#### 2. Additional Factors

The first oil crushing mill was opened in 1989 (capacity 120,000 mt/year). Acreages for protein and oilseeds increased by 14% to about 140,000 hectares (peas, rape, sunflower and horse beans). "Alternative" cultures to grain subsidized by the government (200,000 hectares with about 1 billion Austrian Schillings).

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rape/colza	86.9	0.3	46.4
Sunflower	56.0	6.0	39.7
Pumpkin	265.3		0.4
Soya		5.7	
TOTAL	408.2	12.0	86.5

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
TOTAL		approx. 130			

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soya		419.0	
Sunflower		5.0	
Rape/colza		14.0	
Linseed		43.0	
TOTAL		481.0	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	1,500 (1,400)	260 (310)		1,760 (1,710)
Durum wheat	55 (50)	12 (22)		67 (72)
TOTAL	1,555 (1,450)	272 (332)		1,827 (1,782)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	410 (400)	480 (476)	2 (2)	8 (60)	600 (512)	260 (260)	1,760 (1,710)
Durum wheat	36 (36)		2 (2)	2 (2)	15 (20)	12 (12)	67 (72)
TOTAL	446 (436)	480 (476)	4 (4)	10 (62)	615 (532)	272 (273)	1,827 (1,782)

Export destination: GDR, USSR, Poland

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production		Carry-in, July 1	Imports	Total Supply
Corn	1,700	(1,685)	126	(100)	1,840 (1,797)
Barley	1,366	(1,182)	23	(52)	1,445 (1,236)
Oats	273	(245)	5	(4)	283 (258)
Rye	356	(300)	86	(82)	442 (382)
TOTAL	3,695	(3,410)	240	(238)	4,010 (3,673)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
∞	17	(17)	50	(50)	220	(203)	1,840 (1,797)
∞	1	(1)	160	(160)	150	(34)	1,445 (1,236)
	6	(6)	229	(224)	13	(4)	283 (258)
	160	(160)	2	(2)	70	(21)	442 (382)
TOTAL	184	(184)	212	(212)	453	(262)	4,010 (3,673)

Export destination: East Europe

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	ALL Others	Total Imports
Corn						14	(12)
Barley						56	(4)
Oats						5	(9)
TOTAL						75	(25)

Principal Others: EC

## F I N L A N D

Economic classification:	Industrial market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$17,000	1988
Annual per capita GNP:	US\$19,000	1988
Average annual growth:	3.6%	
Annual inflation rate:	6%	
Volume of imports:	US\$21 billion	1988
Of which food:	4.8%	1988
Of which fuels:	7.8%	1988
Debt service as % of GDP	2.5%	1988
Debt service as % of exports:	12%	1988
Population:	4.9 million	1988
Annual population growth:	.4%	1988
Annual consumption:		
Flour	352,800 tonnes or 72 kg/capita	1988
Meat	298,900 tonnes or 61 kg/capita	1988
Vegetable Oil	29,400 tonnes or 6 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Growing conditions in 1989 were excellent, the crop ripened early and harvesting time was favourable. Both quantity and quality of all grains reached a record high. The total crop was one third better than in 1988. The Fall has been dry and conditions for sowing are good. The 1989 rye crop was double annual consumption and this decreased sowing. Winter wheat contributes only 10% of the annual crop.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat		150	109
Barley		517	683
Oats		446	389
Rye		69	26
Rapeseed		71	86

#### 2. Foreign Exchange Situation

Foreign exchange situation remains satisfactory. There will be no priorities for food imports, rather the opposite. Finland is not likely to become an international aid recipient.

### 3. Fertilizer Situation

Finland is self sufficient in production of fertilizers and in raw materials except potash which is imported from USSR,DDR and GBR. Nutrients and fertilizers applied in kg/ha:

<u>Year</u>	<u>N</u>	<u>P2 O5</u>	<u>K2O</u>
1983-84	91.0	31.0	56.0
1984-85	88.9	30.8	56.5
1985-86	92.6	30.7	55.4
1986-87	94.4	31.0	56.5
1987-88	98.0	31.0	59.0

### 4. Import Mechanism

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

### 5 Grain Industry Infrastructure

Total storage capacity of the Finnish State Granary is at present 1.35 million tons which exceeds the target set for the year 1989. The purpose of the increased storage capacity is to build up reserves of domestic grain in favourable years for less favourable ones. This will decrease the need to import grain in the long term.

### 6 Government Policies Affecting Grain and Agriculture

To avoid imports or exports of grain in the future, the Agricultural Policy Work Group set up by the Ministry of Agriculture recommended in 1983 the following acreage to be sown by the end of the decade: wheat 220,000 ha; rye 60,000 ha; barley 600,000 ha; oats 450,000 ha; and oilseeds 100,000 ha. Under normal growth conditions (unfavourable) these areas would have produced a crop close to annual consumption. Surplus wheat (50,000 tons) and rye (100,000 tons) will be stored, but oats (450,000 tons) and barley (150,000 tons) will have to be exported. There are no changes expected in grain consumption habits.

Canada remains a potential supplier of grain if and when self-sufficiency is unbalanced by adverse weather conditions.

### 7. Market Prospects - Grains and Oilseeds

There are no particular marketing initiatives that could usefully be undertaken to increase Canadian sales in Finland. The Post liaises regularly with the State Granary officials and provides on-going

information on the Canadian crop. There is an outstanding CIGI invitation which, if taken, would be useful in maintaining interest in Canada.

At present, Canada is the main supplier of mustard seed to Finland, in 1983, 555 tons out of a total of 661 tons; in 1984, 519 tons out of 752 tons; in 1985, 695 tons out of 790 tons; in 1986, 745 tons out of 840 tons and in 1987, 786 tons out of 804 tons. In 1988, 949 tons out of a total 975 tons. Occasional sales of whole dried green peas have occurred. Demand for other "special crops" is minimal.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	6	11	600	400
Compound feed mills	5	13		1,500
Maltsters	2	2	100	100
Brewers*	4	11	3,000	3,000
Oilseed crushers	2	2	230	270

\* Capacity and output in thousands of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Naantali	230	1,250
Rauma	125	650
Loviisa	60	650
Total Capacity	415	2,550

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley		1,700			1,700
Suitable for malting		120			120

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	100		22
Malting barley	120		

Export destinations include: Venezuela, Great Britain, Norway.

### 3. Additional Information

Annual per capita beer consumption: The annual per capita consumption of beer in 1988 was 72 litres which is 9.3% more than in 1987. One explanation for the increased consumption is the long hot summer of 1988 while the summer of 1987 was rainy and cold. No real change is anticipated in beer production or domestic consumption. Finnish beer exports are negligible. Domestic malting capacity will remain unchanged.

Potential for Canadian malt: There is no need to import malt to Finland. Domestic supply is adequate and quality is good. Malting houses secure their supply of malting barley by contracts with local farmers. Amounts contracted for exceed the amounts actually required for malting as a precaution against crop failure. Import of barley occurs only after severe crop failures; Sweden is the preferred source since varieties cultivated there are mostly the same as in Finland.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Oilseeds: 19%, groundnuts 10%, Mustard seed free.  
Crude oil: 10%  
Oilseed meal: 20%  
Refined oil: 16%

Non-tariff import barriers/export assistance measures: Import of oilseeds, except mustard and some nuts, oilseed meal and vegetable oils are subject to import permits. Imported oilseed and vegetable oils are subject to inspection for contaminants by the Customs Laboratory. Rejections are not uncommon.

There are no import duties for wheat and feed grains. Import permits are required and the sole importer is the State Granary.

Import/export structure: There are two privately owned crushing companies which process both domestic and imported oilseeds. In practice, import permits are issued only for soya and sunflower seeds for crushing.

## 2. Additional factors

Oilseed meal for animal feed is the more important product in the crushing process. Oil is used for the production of margarine. The use of oil for cooking in Finland is negligible.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Turnip rape	121	0		0	
Soya	0	198		0	
Sunflower	0	4		0	
Total	121	202		0	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Turnip rape	40	0	0	0	5
Soya	70	0	0	12	0
Sunflower	1	3	0	0	0
Palm and coco	0	7	0	0	0
Total	111	10	0	12	5

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Turnip rape	80	0		0	
Soya	120	0		0	
Sunflower	3	0		0	
Total	203	0		0	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	510 (281)	476 (603)	122 (127)	1,108 (1,011)
Flour/Semolina	353 (353)	0 (0)	0 (0)	353 (353)
TOTAL	863 (634)	476 (603)	122 (127)	1,461 (1,364)
* of which spring wheat	418 (252)			

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Wheat	300 (295)	121 (117)	75 (70)	47 (50)	25 (3)	540 (476)	1,108 (1,011)
Flour/Semolina	353 (353)						353 (353)
TOTAL	653 (648)	121 (117)	75 (70)	47 (50)	25 (3)	540 (476)	1,461 (1,364)

Industrial use: Alcohol  
Export destination: Bangladesh/WIP

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Wheat (including durum)							
Cash	19 (15)	68 (102)			15 (4)	20 (7)	122 (127)
Total	19 (15)	68 (102)			15 (4)	20 (7)	122 (127)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Barley	1,700 (1,089)	156 (246)	0 (0)	1,356 (1,335)
Oats	1,520 (723)	159 (91)	1 (0)	1,680 (814)
Rye	222 (74)	86 (74)	51 (0)	359 (194)
TOTAL	3,442 (1,886)	401 (411)	51 (0)	3,395 (2,343)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Barley	20 (19)	975 (945)	130 (115)	100 (100)	31 (0)	300 (156)	1,356 (1,335)
Oats	25 (24)	790 (576)	0 (0)	50 (55)	160 (0)	655 (159)	1,680 (814)
Rye	97 (93)	5 (2)	8 (5)	10 (8)	0 (0)	239 (86)	359 (194)
TOTAL	142 (136)	1,770 (1,659)	138 (120)	160 (163)	191 (0)	1,194 (401)	3,395 (2,343)

\* of which poultry: 5%  
 Industrial use: Malting, Alcohol  
 Export destination: USSR, USA, Poland.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Rye	4 (0)	7 (3)			12 (26)	28 (17)	51 (46)
TOTAL	4 (0)	7 (3)			12 (26)	28 (17)	51 (46)

Principal Others: USSR, DDR

## I C E L A N D

Economic classification:	Industrial Market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$19,700	1988
Annual per capita GNP:	US\$22,900	1988
Average annual growth:	4.4%	1945-1988
Annual inflation rate:	23%	
Volume of imports:	US\$1.6 billion	1988
Of which food:	7.3%	1988
Of which fuels:	6.2%	1988
Principal foreign exchange earning export:	seafood	
Debt service as % of GNP:	5.7%	1988
Debt service as % of exports:	16.6%	1988
Population:	0.25 million	1988
Annual population growth:	1%	1976-1987
Annual consumption:		
Flour	12,000 tonnes or 48 kg/capita	1988
Meat	16,500 tonnes or 66 kg/capita	1988
Vegetable Oil	1,500 tonnes or 6 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Foreign Exchange Situation

In 1988 net foreign reserves of the Central Bank of Iceland corresponded to between 10 and 11 weeks of general merchandise imports. This is not anticipated to change much in the near future. However, the exchange rate of the krona vis à vis other currencies is expected to slide in the coming months.

Imports of food and agricultural imports are not given any priority regarding expenditure of foreign currency earnings. On the contrary there are restrictions on the imports of many agricultural items. Historically the country has been an international aid donor (postwar period).

#### 2. Fertilizer Situation

Sales and usage (kg/hectare):

<u>Year</u>	<u>Nitrogen</u>	<u>Phosphate (P<sub>2</sub>O<sub>5</sub>)</u>	<u>Potash (K<sub>2</sub>O)</u>
1987	12.4	6.6	5.0
1988	11.4	5.9	4.4
1989	12.0	6.0	4.6

Forecast for 1990 estimated to be similar to 1988 figures.

3. Import Mechanism

Grain is imported through private importers.

4. Grain Industry Infrastructure

Private importers. The four compound feed mills have been integrated into three and there is one wheat mill.

5. Government Policies Affecting Grain and Agriculture

There are no government or local restrictions.

There are no restrictions on countertrade/barter.

6. Market Prospects - Grains and Oilseeds

There are very limited possibilities for Canadian "special crops".

7. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	1	1	15	10
Compound feed mills	3	3	90	55
Brewers*	2	2	90-95	60-65

\* Capacity and output in thousands of hectolitres

8. Storage and Throughput Capacity

Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Reykjavik	6	35
Akureyri	0.5	5
Total capacity	6.5	40

## II. MALT AND MALTING BARLEY

1. Domestic Production of Barley: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		0.3	
Malting barley		1.4	

Import originations include: FRG, Holland, Belgium, UK

3. Additional Information

Annual per capita beer consumption: This has increased tremendously as a ban had existed on local consumption until March 31, 1989. Prior to that alcoholic beer could only be purchased at the duty free store at Keflavik Airport and by embassies. Importation and production of beer from January to June 1988 was 262,317 litres and for the same period in 1989 was 3,470,486 litres.

Beer production capacity: This has increased tremendously as the ban on local consumption has been abolished. Prior to that breweries produced beer for the duty free store at Keflavik Airport and the foreign embassies.

Domestic malting capacity: Nil

Market potential for Canadian malt: There is a definite market potential for malting barley and malt and local brewers have indicated that they would welcome quotations from Canada. It should be noted that at present they are purchasing subsidized malt and malting barley from the EC countries.

## III. OILSEEDS

1. Trade Policy

Import tariffs: Nil

Non-tariff import barriers/export assistance measures: Oil imports are subject to government licensing. There are no restrictions on wheat. For feedgrains there is a 50% basic tariff, Iceland kr 5,000/tonne, 80% special feedgrain levy.

Import/export structure: Private firms

2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

There is no local production, no exports and it is impossible to determine imports as they are included in meal statistics.

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Codmeal	25.09		20.06
Capelin meal	169.60		155.90
Meal for animal consumption		10.4	
Other		9.1	
TOTAL	194.69	19.5	177.96

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			13.2	13.2
Durum wheat			0.1	0.1
Flour/Semolina			4.8	4.8
TOTAL			18.1	18.1

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	8.6	4.8					13.2
Durum wheat	0.1						0.1
Flour/Semolina	4.8	4.8					4.8
TOTAL	13.5						18.1

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Commercial Credit	8.4	0.5			4.3		13.2
<u>Flour (including semolina)</u>							
Cash/commercial credit	0.6	0.6			1.8	1.8	4.8
TOTAL	9.0	1.1			6.1	1.8	18.0

Principal Others: Sweden, Norway

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			9.1	9.1
Barley			11.4	11.4
Oats			0.3	0.3
Rye			0.4	0.4
TOTAL			21.2	21.2

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	0.1	9.0					9.1
Barley	1.4	10.0					11.4
Oats	0.005	0.295					0.3
Rye	0.38	0.02					0.4
TOTAL	1.885	19.315					21.2

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		0.6			8.5		9.1
Barley		0.8			10.4	0.2	11.4
Oats	0.04				0.26		0.3
Rye					0.4		0.4
TOTAL	0.04	1.4			19.56	0.2	21.2

Principal Others: Sweden

## M A L T A

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita GNP:	US\$2,700	1987
Average annual growth:	3.9%	1987
Annual inflation rate:	0.8%	
Volume of imports:	US\$1.13 billion	1987
Of which food:	11%	1986
Of which fuels:	6%	1986
Principal foreign exchange earning export:	Clothing	
Debt service as % of GNP:	3.6%	1987
Debt service as % of exports:	7.4%	1987
Population:	0.348 million	1988
Annual population growth:	0.7%	1987
Annual consumption:		
Flour	38,000 tonnes or 109 kg/capita	1986
Meat	8,000 tonnes or 24 kg/capita	1986
Vegetable Oil	4,000 tonnes or 13 kg/capita	1986

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Local production minimal: approximately 7,000 tonnes of wheat and 4,000 tonnes of barley.

#### 2. Foreign Exchange Situation

The foreign exchange situation is sound, but the economy is highly dependent on tourism, especially from the UK, and needs further diversification. Malta is not likely to be a foreign aid recipient in the future.

#### 3. Fertilizer Situation

There is no local production; imports are around 3-4,000 tonnes.

#### 4. Import Mechanism

Until recently, all grain imports were handled by the Maltese government bulk buying agency, MEDIGRAIN Ltd. The government policy is to phase out bulk buying in the future where practicable.

5. Grain Industry Infrastructure

Kordis grain handling facility offers good transshipment possibilities.

6. Government Policies Affecting Grain and Agriculture

No significant changes can be expected in production, but trade liberalization is being implemented where practicable.

The Maltese are open to the possibility of countertrade/barter.

7. Market Prospects - Grains and Oilseeds

There are no long-term projections available.

Canada occasionally exports small amounts of lentils and canaryseed to Malta.

8. Processing Facilities: 1983

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	7	7	80	45
Compound feed mills	15	15	100	70
Oilseed crushers	1	1		

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1983

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Kordin Elevator	100	

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

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

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt Malting barley		1.6 (1.6)	

Import originations include: UK

### 3. Additional Information

Annual per capita beer consumption: Slight increase; also augmented by tourism.

Beer production capacity: The market is of little significance.

Domestic malting capacity: Nil

Market potential for Canadian malt: Nil

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Nil

Import/export structure: Oilseeds (mainly peanuts for roasting) and meals are handled by private importers. Soybean oil has, up to now, been imported under government bulk-buying policy.

2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1986

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Peanut		0.3	
Other		0.1	
TOTAL		0.4	

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean		3.1	0.5		
Sunflower			0.3		
Other		0.1	0.3		
TOTAL		3.2	1.1		

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Cottonseed cake		11.4	
Other meal		0.1	
TOTAL		11.5	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	10 (10)		50 (50)	60 (60)
Flour/Semolina			2 (2)	2 (2)
TOTAL	10 (10)		52 (52)	62 (62)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	60 (60)						60 (60)
Flour/Semolina	2 (2)						2 (2)
TOTAL	62 (62)						62 (62)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash		25 (25)			25 (25)		50 (50)
<u>Flour (including semolina)</u>							
Cash/commercial credit				2 (2)			2 (2)
TOTAL		25 (25)		27 (27)			52 (52)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn			55 (55)	55 (55)
Barley			30 (30)	30 (30)
TOTAL			85 (85)	85 (85)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn		55 (55)					55 (55)
Barley		30 (30)					30 (30)
TOTAL		85 (85)					85 (85)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	ALL Others	Total Imports
Corn		(20)			(20)	55 (15)	55 (55)
Barley					30 (30)		30 (30)

Principal Others: Yugoslavia

## N O R W A Y

Economic classification:	High income	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$8,900	1986
Annual per capita GNP:	US\$20,225	1988
Average annual growth:	6.3% (5 years)	
Annual inflation rate:	6.3% (87/88)	
Volume of imports:	US\$21.58 billion	1988
Of which food:	6.1%	1988
Of which fuels:	3%	1988
Principal foreign exchange earning export:		
Debt service as % of GDP	38%	1986
Debt service as % of exports:	100%	1986
Population:	4.2 million	1988
Annual population growth:	.53%	1988
Annual consumption:		
Flour	315,000 tonnes or 75 kg/capita	1988
Meat	214,000 tonnes or 51 kg/capita	1987
Vegetable Oil	11,400 tonnes or 2.8 kg/capita	1984

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Total grain crop for 1989 is estimated at 1,150,000 tonnes, which is 10% more than in 1988.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	40	510	41
Barley	175	170	176
Oats	130	125	126
Rye	1	1	1
Rapeseed	7	7	7

#### 2. Fertilizer Situation

No problem re supplies.

Usage in 1986: 112 kg N per ha, 24 kg P per ha, 67 kg K per ha.

#### 3. Import Mechanism

Government agency (Statens Kornforretning)

4. Processing Facilities: 1987

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Actual Output</u>
Flour (and durum) mills	3	10	285
Compound feed mills	19	26	1,400
Brewers*	10	15	2.1
Oilseed crushers	1	1	260

\* in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Oslo	105.3	305.6
Moss	129.6	217.2
Larvik	93.2	138.2
Skien	30.4	38.0
Kristiansand	18.7	42.8
Stavanger	341.5	759.1
Bergen	38.2	105.2
Vaksdal/Vestnes	110.6	208.0
Trondheim	127.7	260.2
Steinkjer	31.5	70.3
Balsfjord	30.0	60.0
Total Capacity	1,056.7	2,204.6

II. MALT AND MALTING BARLEY

1. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	0 ( 0 )	40 ( 0 )	0 ( 0 )

Import originations include: EC, Sweden, Finland

## 2. Additional Information

Annual per capita beer consumption: relatively stable

Beer production capacity: Stable

Domestic malting capacity: Malting capacity is 0

Market potential for Canadian malt: It depends on quality and price. Recently the price has been very low.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Oilseeds: \*

Crude oil: NOK 0.16 per kg; olive oil NOK 0.01 per kg  
palm oil - free

Oilseed meal: \*

Refined oil: 17% of custom's value

\* NGC is the sole importer of oilseed and oilseed meal for feed.

Import/Export Structure: Oilseeds for feed production - NGC. Oilseeds for oil production by private company - DENOFA

### 2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	9.3	9.4	0
Total:	9.3	9.4	0

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	0	108	0
Guar	0	23	0
Total	0	131	0

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	170 (140)	280 (380)	250 (250)	700 (770)
TOTAL	170 (140)	280 (380)	250 (250)	700 (770)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	310 (310)	28 (150)		30 (30)		332 (280)	830 (770)
TOTAL	310 (310)	28 (150)		30 (30)		332 (280)	830 (770)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)	30 (60)	50 (40)		60	50 (50)	60 (100)	250 (250)
Cash							

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	0 ( 0)	3 ( 3)	5 ( 49)	8 ( 52)
Barley	533 ( 560)	174 ( 147)	150 ( 209)	857 ( 916)
Oats	444 ( 450)	106 ( 83)	0 ( 3)	550 ( 536)
Rye	2 ( 3)	39 ( 47)	30 ( 10)	71 ( 60)
TOTAL	979 ( 1,013)	322 ( 280)	185 ( 271)	1,486 ( 1,564)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	3 ( 3)	5 ( 49)				3 ( 3)	8 ( 52)
Barley	10 ( 10)	644 ( 679)		60 ( 60)		150 ( 174)	857 ( 916)
Oats	32 ( 18)	400 ( 380)		40 ( 40)		100 ( 106)	550 ( 536)
Rye		2 ( 1)		2 ( 2)		35 ( 39)	71 ( 60)
TOTAL	45 ( 31)	1,051 ( 1,109)		102 ( 102)		288 ( 322)	1,486 ( 1,564)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		(7)			( 42)		5 ( 49)
Barley				5	150 ( 163)	( 46)	150 ( 209)
Oats					10		( 3)
Rye	10 ( 10)					10	30 ( 10)
TOTAL	10 ( 10)	(7)		5	160 ( 205)	10 ( 46)	185 ( 271)

## S W E D E N

Economic classification:	Industrial Market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$8,527	1986
Annual per capita GNP:	US\$15.661	1986
Average annual growth:	2.5%	
Annual inflation rate:	6.1%	
Volume of imports:	US\$45 billion	1988
Of which food:	5.8%	1988
Of which fuels:	7.4%	1988
Principal foreign exchange earning export:	Engineering products	
Population:	8.4 million	1988
Annual population growth:	0.1%	1987 - 1988
Annual consumption:		
Flour	67.5 kg/capita	1988
Meat	56.0 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	285	248	330
Barley	480	540	545
Oats	412	424	395
Rye	67	31	38
Rapeseed	120	96	112

#### 2. Fertilizer Situation

During the agricultural year 1987/88, the consumption of commercial fertilizers amounted to 1,341 tonnes which was 3% less than the year before. Costs for agriculture for commercial fertilizers during 1987/88 have been estimated at SEK 2,238 million as against SEK 2,251 million in 1986/87 (excluding forestry and horticulture).

#### 3. Import Mechanism

All imports are handled by private companies. There are no quantitative restriction of grain imports. Agricultural import levies are used to level out world market prices against domestic prices. There have been no changes in the import mechanism in the past years.

#### 4. Government Policies Affecting Grain and Agriculture

The Swedish government has decided to prolong the grain production reduction program to include the 1990/91 crop year. As in previous years, the financial compensation to farmers will be SEK 700-2,900 per hectare.

At the April 1989 GATT negotiations, the member countries agreed to freeze the current border protection and not to extend import levies to new production in the market.

Since then, there have been discussions on deregulating the 7 price regulation associations (the Swedish Grain Trade and the equivalent organizations for Oilseeds, Potato, Sugar, Dairy, Meat and Eggs) and on making the market freer. This issue is now in circulation for consideration by the authorities concerned.

The "price-floor" of SEK 90/100 kg has been proposed for 1991. This price will be negotiable. After that the world market price will apply. The proposal will hit the farmer hardest as previously they have been paid at a higher level.

The above measures are taken in an effort to combat Sweden's surplus grain production. They are not likely to change Sweden's import requirements for Canadian grains or oilseeds.

There is no policy on countertrade/barter relating to imports of grains and oilseeds. Whether through countertrade/barter or not, these products are imported by private companies without any quantitative restrictions.

#### 5. Market Prospects - Grains and Oilseeds

The bulk of the marginal Swedish imports of overseas grains is made through dealers in Rotterdam and/or Hamburg where ordinary market factors govern the choice of foreign supplier.

The local market is very ad hoc for dry peas and beans (light red kidney) depending on the outcome of the local crop. Some fairly constant volumes of dry peas are bought through traders in Rotterdam from US as well as Canadian sources. Canadian peas were also imported direct during 88/89. The flax market is fairly constant - US and Canada are by far the major suppliers. The market for canaryseed and buckwheat is very small - Canada has a fair share of buckwheat sales. Canadian shipment of sunflower seeds is very small, as Hungary has the dominant share.

6. Processing Facilities: 1988/89

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	12	21	750	709
Compound feed mills	59	79		1,668
Maltsters	2	2	90	68
Brewers*	7	16		3.7
Oilseed crushers	1	1	250	222

\* Capacity and output in million hectolitres

7. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988/89

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Helsingborg	250	
Norrköping	154	
Djurön	140	
Köping	110	
Västerås	95	
Åhus	85	
Uddevalla	90	
Lidköping	65	
Ystad	65	
Kalmar	55	
Total Capacity	1,835	

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley		87%	4%	9%	1,800
Suitable for malting		15-20%		15-20%	

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	51 (47)	8 (8)	17 (16)

Export destinations include: W. Germany, Britain, Norway.

Import originations include: Czechoslovakia, Denmark, W. Germany

### 3. Additional Information

Annual per capita beer consumption: Beer consumption is increasing. The per capita consumption is currently estimated at 56 litres as against 47 litres in 1987. Soft drinks and mineral water are taking more market share with a consumption growth rate of about 10% while that of beer is about 5%.

Beer production capacity: A few merges of breweries have taken place. The total capacity has, however, increased somewhat. Modernization of old plants has contributed to the increase.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Refined Oil: Solely for technical use 8%  
Other 15%

No quotas applied to any of the above items. However, there is a complex system of flexible agri-import levies applied to many agri-products.

As of January 1, 1990 they are:

- i) Oilseeds. In general - SEK 100/100kg; rapeseed - SEK 180/100kg (none if for sowing purposes). If for extraction or human consumption - levy lifted on all seeds.

- ii) Crude and refined vegetable oil. In general - SEK 646/100kg.
- iii) Oilseed meal - SEK 100/100kg. No levy on meal based on hemp, flax, castor oil, sesame, oiticica seeds. For soybean meal not intended for feeding purposes, the levy may, upon application, be reduced to SEK 80/100kg.
- v) Wheat - SEK 65/100kg
- vi) Feed grains. Barley - SEK 70/100kg; Oats - SEK 85/100kg.

Imports are handled by private importers. All exports of oilseeds (rapeseeds and turnip rapeseeds) are administered directly by SOI, a semi-government body the main function of which is price regulatory - a function that may be deregulated in the future (see I,4 in this report).

### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1989/90

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Winter rape	102.5				
Winter turnip	8.1				
Spring rape	103.1				
Spring Turnip 0	28.9				
Spring Turnip 00	36.4				
TOTAL	279.0		12.4		8.7

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed oil	89.8				
TOTAL	89.8	0.5		50.8	

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed 100	65.2	45.7	
Rapeseed 200	67.4		
TOTAL	132.6	45.7	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	1,764 (1,295)	346 (324)	30 (54)	2,140 (1,673)
TOTAL	1,764 (1,295)	346 (324)	30 (54)	2,140 (1,673)
* of which spring wheat	176 ( 329)			

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	535 (536)	380 (400)	35 (36)	105 (85)	735 (270)	350 (346)	2,140 (1,673)
TOTAL	535 (536)	380 (400)	35 (36)	105 (85)	735 (270)	350 (346)	2,140 (1,673)

Industrial use: Starch production  
Export destination: USSR, Syria, Norway, SIDA (AID)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Cash	18 (33)	11 (19)				1 (2)	30 (54)
TOTAL	18 (33)	11 (19)				1 (2)	30 (54)

Principal Others: Turkey, Saudi Arabia, Finland.

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Barley	1,889 (1,879)	196 (135)	50 (98)	2,125 (2,112)
Oats	1,466 (1,330)	105 (94)	0 (0)	1,571 (1,424)
Rye	316 (128)	86 (103)	0 (52)	402 (280)
Mixed Grain	95 (101)	1 (3)	0 (0)	96 (104)
TOTAL	3,766 (3,438)	388 (332)	50 (150)	4,194 (3,920)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Barley	80 (80)	1,724 (1,685)	110 (118)	110 (118)	20 (32)	190 (196)	2,124 (2,112)
Oats	30 (30)	949 (916)	92 (97)	92 (97)	350 (276)	150 (105)	1,571 (1,424)
Rye	110 (110)	55 (50)	15 (15)	15 (15)	100 (19)	122 (86)	402 (280)
Mixed Grains	0 (0)	88 (96)	8 (8)	8 (8)	0 (0)	0 (0)	96 (104)
TOTAL	220 (220)	2,816 (2,777)	225 (238)	225 (238)	470 (327)	463 (388)	4,194 (3,920)

\* of which poultry: 20%

Export destination: USA, Norway.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Barley					46 (90)	4 (8)	50 (98)
Rye					(51)	(1)	(52)
TOTAL					46 (141)	4 (9)	50 (150)

Principal Others: Czechoslovakia, DDR.

## S W I T Z E R L A N D

Economic classification:	Industrial	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$22,700	1987
Annual per capita GNP:	US\$26,800	1987
Average annual growth:	(3.8%)	1982-1987
Annual inflation rate:	(1.8%)	1988
Volume of imports:	US\$50 billion	1987
Of which food:	5.3%	1987
Of which fuels:	4.3%	1987
Principal foreign exchange earning export:	capital goods	
Debt service as % of GNP:		
Debt service as % of exports:		
Population:	6.6 million	1988
Annual population growth:	0.6%	1980-1988
Annual consumption:		
Flour	413,000 tonnes or 62.6 kg/capita	1988
Meat		
Vegetable Oil	80,000 tonnes or	1989

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Favourable weather conditions from seeding to harvesting have resulted in a record wheat (no durum wheat) and coarse grain crop. The excellent output is also due to an extension of the area.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	95	94	95
Barley	55	54	51
Corn	27	25	20
Oats	10	9	8
Rye	4	4	5
Soybeans	1	1	0
Sunflower	17	17	17
Triticale	11	10	7

## 2. Foreign Exchange situation

Switzerland's foreign exchange situation and outlook allows the country to deal with the needed imports of food and agricultural inputs.

## 3. Fertilizer Situation

Fertilizer supplies and utilization are adequate and do not require any special comments. Trends are, however, toward production methods which would use smaller quantities of chemicals. This means that the input of chemicals and pesticides should be adjusted to levels which take into account ecological aspects such as air and water pollution.

## 4. Import Mechanism

Grain imports are handled by private importers (grain dealers and commercial millers) as well as occasionally by the government (Swiss Federal Cereals Administration). No changes are being considered as the existing system has proved its worth.

## 5. Grain Industry Infrastructure

Swiss needs are met by regular imports of foreign bread wheat and durum wheat. Durum wheat, for climatic reasons, is not produced in Switzerland and, therefore, has to be totally imported. In times of regular market conditions, imports can easily be handled through Rotterdam/Antwerp - Basel or occasionally through Marseilles-Geneva.

A storage policy and practice has been established years ago and has proven adequate. Therefore, no changes will occur in the near future.

## 6. Government Policies Affecting Grain and Agriculture

Since 1984, bread wheat crops exceeded domestic human consumption. The surpluses are used for feeding purposes.

At present, several measures with a view to bringing supply and demand better in line are under consideration.

Details on amendments of the national grain policy will be reported later.

Currently some 15% of the bread wheat consumed is imported mainly because of quality reasons. Durum wheat is not produced in Switzerland and, therefore, the entire consumption of some 100,000 tons per year has to be imported. In the context of the current imbalance between supply and demand, and the declining exports of overseas grain to Europe, concerns about the possible difficulties of shipping smaller quantities so as to service the Swiss market are sometimes expressed. This could become a

particular problem in situations where Swiss requirements do not make up full cargoes.

Imports are handled on a commercial basis only. No countertrade/barter transactions.

#### 7. Market Prospects - Grains and Oilseeds

Switzerland's import needs of bread grain depend on the outturn of the domestic production and will range between some 200,000 tons to 250,000 tons (incl. durum wheat) of bread grain, and some 500,000 tons of coarse grain per year.

Longstanding business relations and the excellent reputation of Canadian grain do not require special marketing initiatives. Opportunities such as the one mentioned under para (iv) seem, however, essential for the continuation of this partnership.

Periodical promotion tours by CWB representatives to Switzerland would contribute to the carrying on of existing business relations.

The consumption of such special crops as mustard, field peas, lentils, buckwheat, beans, canaryseed and triticale is limited to very small quantities, which means that marketing possibilities are minor.

#### 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills		145	1,100	530
Oilseed crushers		4	150	52

#### 9. Storage and Throughput Capacity

##### Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Antwerp, Gent (Belgium)		
Rotterdam, Amsterdam (Netherlands)		
Marseilles (France)		
Total Capacity	2,180	

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley		46	194		240

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		79	

Import originations include: Germany, France, Italy, Netherlands,  
Belgium

### 3. Additional Information

Annual per capita beer consumption is stable at approximately 70 litres.

## III OILSEEDS

### 1. Trade Policy

Import Tariffs:	Oilseeds:	SFR 0.10 per 100 kilos gross weight
	Crude Oil:	SFR 10.00 per 100 kilos gross weight
	Oilseed Meal:	SFR 4.50 per 100 kg gross weight.
	Refined Oil	SFR 30-35 (coco, palm) SFR 12 (usually) per 100 kg gross weight

In addition to import duties "price supplements" (non-tariff barriers) are applied on oilseeds for animal feeds, such imports are also subject to quota restrictions.

Oilseeds to produce edible oil are only subject to import duties.

#### Import Tariff for Wheat

Import tariff for wheat is SFR 28 per 100 kilos gross weight.  
Wheat must be imported by the mills.

Import tariffs for feedgrains vary between SFR 0.50 and SFR 0.60 per 100 kilos gross weight. In addition to import duties, "price supplements" are levied on feedgrains and there are quota restrictions.

All oilseeds must be imported by companies which are members of the GGF (Genossenschaft für Getreide und Futtermittel - Société Coopérative Suisse des Céréales et Matières Fourragères).

## 2. Additional Factors

The most important oilseed produced in Switzerland is rapeseed, and "supplements" (subsidies) are paid to farmers and oil processors. In 1988, the total value of these "supplements" was SFR 40.1 million. Guaranteed acreage under rapeseed production in 1988 and 1989 is 17,000 hectares.

Soya growing has been introduced in 1988 with a guaranteed acreage of 2,000 hectares.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Rapeseed	50.0	0.3			
Soybeans	1.9	77.8		0.3	
Peanuts, ungrilled		30.4			
Mustard seed		1.9		0.1	
Others		23.0			
TOTAL	51.9	133.4		0.4	

  

<u>Oil (by type*)</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Coco, palm, babassu		4.64		negligible	
Olive		2.56		negligible	
Soya		1.36		6.418	
Peanut		6.90		negligible	
Sunflower, cotton	- not yet available	27.84		6.60	
Others		7.89		0.9	
TOTAL		51.2			

\* Vegetable oil

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Oilseeds meals (excl. mustard)		0.83	negligible
Oilcakes	27.0**	54.60	negligible
TOTAL	27.0	55.43	

\*\* from rapeseed

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	546 (478)	715 (750)	129 (177)	1,390 (1,405)
Durum wheat		76 (75)	99 (111)	175 (186)
TOTAL	546 (478)	791 (825)	228 (228)	1,565 (1,591)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	447 (442)	248 (213)	8 (10)	19 (9)	5 (16)	637 (715)	1,364 (1,405)
Durum wheat	100 (110)					101 (76)	201 (186)
TOTAL	547 (552)	248 (213)	8 (10)	19 (9)	5 (16)	738 (791)	1,565 (1,591)

Industrial use: Technical use, production of glue.

Export destination: Wheat flour for Food Aid to different developing countries.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Cash	87 (101)	40 (62)			60 (91)	41 (34)	228 (228)
TOTAL	87 (101)	40 (62)			60 (91)	41 (34)	228 (228)

Principal Others: Austria, Saudi Arabia.

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	231 (144)	84 (87)	195 (180)	510 (411)
Barley	299 (241)	230 (230)	185 (230)	714 (701)
Sorghum	0 (4)	0 (0)	1 (0)	1 (4)
Oats	48 (38)	112 (116)	118 (110)	278 (264)
Rye	18 (18)	41 (47)	20 (15)	79 (80)
TOTAL	596 (445)	467 (480)	519 (535)	1,582 (1,460)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	41 (21)	451 (356)	0 (0)	9 (50)	0 (0)	9 (84)	510 (411)
Barley	20 (18)	468 (463)	0 (0)	17 (10)	0 (0)	209 (230)	714 (701)
Sorghum	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (0)	1 (4)
Oats	14 (13)	132 (133)	0 (0)	4 (6)	0 (0)	128 (112)	278 (264)
Rye	16 (17)	19 (20)	0 (0)	3 (2)	0 (0)	41 (41)	79 (80)
TOTAL	91 (69)	1,070 (976)	0 (0)	33 (68)	0 (0)	388 (467)	1,582 (1,460)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn	0 (0)	1 (23)	0 (0)	11 (9)	161 (104)	22 (44)	195 (180)
Barley	1 (0)	3 (0)	0 (0)	0 (0)	178 (229)	3 (1)	185 (230)
Sorghum	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (0)	1 (0)
Oats	8 (49)	0 (1)	66 (17)	22 (0)	4 (7)	18 (36)	118 (110)
Rye	0 (0)	0 (0)	0 (0)	0 (0)	3 (12)	17 (3)	20 (15)
TOTAL	9 (49)	4 (24)	66 (17)	33 (9)	346 (352)	61 (84)	519 (535)

Principal Others: Austria, Sweden, Norway, Hungary, Yugoslavia.



**PART III**  
**EASTERN EUROPE**



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

Economic classification:	Non-market Industrial economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$6,904	1987
Annual inflation rate:	1.3%	
Volume of imports:	US\$23.7 billion	1988
Of which food:	3.17%	
Of which fuels:	27.9%	
Principal foreign exchange earning export:	Machinery and transport eqpt.	
Population:	15.6 million	1988
Annual population growth:	0.2%	
Flour	85.5	kg/capita 1987
Meat	89 (94)	kg/capita 1987 (1988)
Vegetable Oil	11.3	kg/capita 1987

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Exact figures for 1989 are not known yet but in general very good crop results are expected. The grain harvest reached approximately 12 million tonnes due to this year's extraordinarily favourable weather conditions. Seeded acreage of oilseeds, flaxseed (linen) and forage were increased, on the other hand seeded acreage of grains and potatoes decreased.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat		1,245	1,217
Barley			840
Corn		189	220
Oats			109
Rye			142
Rapeseed			128
Sunflower			27

#### 2. Foreign Exchange Situation

Czechoslovakia has achieved 98 per cent self-sufficiency in food production and the standard of nutrition ranks it among the most advanced countries. Thus imports of food and agricultural products are not given priority with the exception of years of a bad harvest which is not the case in 1989.

### 3. Fertilizer Situation

		<u>Nitrogen</u>	<u>Phosphate</u>	<u>Potash</u>
		(in '000 tonnes)		
Production 1987		596	277	
Production 1988		596	313	
<u>Import 1987</u>		124	255	551
of which from East Germany				380
USSR		105	147	156
Tunisia			17	
Morocco			44	
Jordan			30	
<u>Import 1988</u>		193	146	641
of which from East Germany				452
USSR				146
Morocco		169	52	
Jordan			37	
Algeria			20	
Tunisia			13	
Total use in 1986/87	1561	583	469	508
Application/ha (kgs) in 1986/87	232.8	87	70	75

A further decline of the use of chemical fertilizers is considered risky as it would effect soil fertility. Because of the shortage of ammonium a new line for its production will be imported and paid for by the export over three years, of 140,000 tonnes of this fertilizer. Construction of this line will start during the current five-year plan (1986-1990) and its capacity will be 300 thousand tonnes/year. Also during this five-year plan, one billion Czech crowns will be spent for reconstruction and modernization in this sector. (During next five-year plan this figure will be increased to 1.5 billion Czech crowns). These funds will cover:

Reconstruction and new construction of a plant for the production of NPK fertilizers (nitrogen, phosphate and potash) at the East Bohemian Works in Pardubice; production of DAM liquid fertilizer, ammonia and slowly acting chemical fertilizers at the Moravian Chemical Works, Ostrava; and the introduction of production of granulated superphosphate at the Prerov Chemical Works.

#### 4. Import Mechanism

There is no change-the sole grain importer is Koospol, Foreign Trade Co. Ltd. Leninova 178,160 67 Praha 6. Telex 121 121, Phone: 36 38 90.  
Responsible officer: Mr. M. Saroch, Commercial Director.

#### 5. Grain Industry Infrastructure

Problems still exist in connection with storage capacities which lag behind the increasing volumes of production. During the current five-year plan construction of new storage capacity for 847 thousand tonnes of grain is expected to be completed however this will not solve all problems as the current deficit in storage capacity is more than 1.5 million tonnes.

#### 6. Government Policies Affecting Grain and Agriculture

New legislation and regulation in connection with economic reconstruction in Czechoslovakia affecting the agri-food complex have been introduced. They may influence the proportion of individual grains being produced in CSSR as agricultural cooperatives will have greater independence in choosing their production program. In the future, the central government will influence such decision making only through system of bonuses. There is currently some official publicity in CSSR to support new consumption partners (i.e. rye rather than wheat bread, promotion of higher consumption of chicken and fish in order to replace beef meat, etc.) but it is not expected that significant changes will take place in the near future.

The most important task facing Czechoslovak agriculture at present is to solve the existing disproportions between livestock and crop production in favour of the latter.

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

#### 7. Market Prospects - Grains and Oilseeds

Local grain production has been given top priority. During the 1986/90 period, 57-58 million tonnes of grain (an annual average of 11.4 to 11.6 million tonnes) are to be produced according to the plan directives. If fulfilled, self-sufficiency would be guaranteed and no import required (with the exception of durum wheat - 5,000 tonnes/year). There is an intention to export good quality surplus wheat or barter it for feed corn.

Limited quantities of lentils, beans and canary seed are occasionally imported (e.g. from X-Can) which confirm that some marketing possibilities for Canada exist.

8. Processing Facilities 1988(1987)

thousands of tonnes

Actual Output

Flour (and durum) mills	1,427	( 1,348)
Brewers (millions hl.)	22.7	( 22.2)
Oilseed crushers	186	( 178)

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	800	2,608			3,408
Suitable for malting		800 (est)			800

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

Exports (1988)

Malt 253

Export destinations include: Japan, Cuba, Hungary, West Germany, Brazil and Belgium

3. Additional Information

Annual per capita beer consumption: decreasing slightly; in 1986-133.4 litres in 1987-130.0.

Beer production capacity: The long term trend in beer production is a slight increase which should be reached through modernisation of present capacities. However, no major changes in capacity are expected.

Domestic malting capacity: Stable.

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

### III. OILSEEDS

#### I. Trade Policy

Import Tariffs on oilseeds and products: None

Import/export structure: The sole importer is Koospol, Foreign Trade Co. Ltd. (a government monopoly), Lninova 178, 160 67 Praha 6, Telex 121 121 Telephone: 336 25 38, responsible officer: Ing. J. Prochazka, Chief of Import Division 163.

2. Additional factors: Supplier's credit (180-270 days) is the basic condition.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Rape	380				
Sunflower	62	21			
Soybeans		12			
Linseed	15				
Total	457	33			

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Total	186				

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Total		657	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

Wheat*	Production	Carry-in, July 1	Imports	Total Supply
Durum wheat	(6,553)	(1,500)	(270)	(8,329)
TOTAL			(6)	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Exports	Carry-out	Total Disposition
		Other (Seed, Waste)				
TOTAL	(1,900)					(500)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC (FRG)	All Others	Total Imports
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Wheat (including durum)

Cash	(6)				(26)	(244)	(276)
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IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

Corn	Production	Carry-in, July 1	Imports	Total Supply
Barley	(956)		(106)	
Oats	(3,408)			
Rye	(364)			
TOTAL	(5,263)			

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Exports	Carry-out	Total Disposition
		Other (Seed, Waste)				
TOTAL	20%	68%	6%			6%

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn						(106)	(106)

## GERMAN DEMOCRATIC REPUBLIC

**NOTE:** As most of this report deals with the status quo prior to the dismantling of the Berlin Wall, some parts of it have been rendered obsolete by the dynamic now propelling the two germanies towards reunification.

Economic classification:	Developed Industrial	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$9,198	1988
Annual per capita GNP:	US\$27,791	1988
Average annual growth:	3%	
Annual inflation rate:	0.7%	
Volume of imports:	US\$49.81	1988*
Of which food:	5%	1988
Of which fuels:	33.5%	1988
Principal foreign exchange earning export:	Machinery and transp. equipment 47.6%	
Population:	16.674 million	1988
Annual population growth:	0.07%	1988
Annual consumption:		
Flour	1,655,728 tonnes or 99.3 kg/capita	1988
Meat	1,670,734 tonnes or 100.2 kg/capita	1988
Vegetable Oil	33,438 tonnes or 2.0 kg/capita	1988

\* calculated on an official exchange rate \$1= 1.70 - 1.80 M.

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

1988 grain harvest totalled 9.84 million tons, which is 1.38 million tons lower than the 1987 crop (11.22 million tons). The yield in 1988 was also lower. 4-4.08 tons/ha as compared with 4.55 tons/ha the previous year.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat		765	747
Barley		874	891
Corn			0.1
Oats		147	149
Rye		606	654
Rapeseed		157	159

## 2. Foreign Exchange Situation

Trade surplus in 1988 was 3,014.6 million Marks (\$1,722.6 million). Exports rose only 0.29 % in comparison with 1987 and imports were 0.59 % higher than 1987. Food makes up only a very small part of GDR imports.

## 3. Fertilizer Situation

In 1988, the GDR imported a quantity of fertilizer components - the exact figure is not available. In 1988, Nitrogen increased to 133.9 kg/ha and lime to 257 kg/ha, while phosphate and potash dropped to 50.4 kg/ha and 91.3 kg/ha respectively.

## 4. Import Mechanism

In 1988, grain importation was a state monopoly handled by the foreign trade organization NAHRUNG and the International Trading Company ZENTRAL-COMMERZ.

## 5. Government Policies Affecting Grain and Agriculture.

Economic and political reforms, privatization and, finally, a union with FRG will create a new model for the GDR's grain production and trade. Higher efficiency, EEC regulations, reduction of livestock production may reduce the need for grain imports.

Barter and countertrade were not used in grains and oilseed imports until the end of 1989

## 6. Market Prospects - Grains and Oilseeds

New market research is needed in view of the coming GDR/FRG union.

The GDR does not see any forthcoming trading possibilities with respect to Canadian "special crops".

## 7. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Brewers*				24.5

\* Capacity and output in millions of hectolitres

## 8. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Rostock		20,000
Wismar	1,000	4,500
Stralsund		1,000
Total Capacity		25,500

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1988 (1987 in brackets)

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					3,798 (4,198)

### 2. Additional Information

Annual per capita beer consumption:

1988	-	143.01
1987	-	141.31
1985	-	141.61
1980	-	139.11

Market potential for Canadian malt: GDR is an exporter of beer. No market for Canadian beer and malt.

## III. OILSEEDS

1. Import Tariffs: No tariffs, levies or quota restrictions for wheat and feed grains.

Import/export structure: All grains and oilseeds trade in 1988/89 was handled by the state foreign trade enterprise NAHRUNG with a small quantity by International Trading Agency, ZENTRAL-COMMERZ

2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988 (1987)

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	435 (378)		
Winter Oilseeds	424 (366)		
TOTAL	859 (744)		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1987/88 est. - thousands of tonnes, previous year in brackets

Production \_\_\_\_\_ Carry-in, July 1 \_\_\_\_\_ Imports \_\_\_\_\_ Total Supply \_\_\_\_\_

Wheat\* 3,699 (4,040)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN: \_\_\_\_\_ Canada \_\_\_\_\_ USA \_\_\_\_\_ Australia \_\_\_\_\_ Argentina \_\_\_\_\_ EC \_\_\_\_\_ All Others \_\_\_\_\_ Total Imports \_\_\_\_\_

Wheat (including durum)

Cash (59.9)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

Production \_\_\_\_\_ Carry-in, July 1 \_\_\_\_\_ Imports \_\_\_\_\_ Total Supply \_\_\_\_\_

Barley 3,798 (4,198)  
Oats 507 (637)  
Rye 1,785 (2,283)  
TOTAL 6,090 (7,118)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN: \_\_\_\_\_ Canada \_\_\_\_\_ USA \_\_\_\_\_ Australia \_\_\_\_\_ Argentina \_\_\_\_\_ EC \_\_\_\_\_ All Others \_\_\_\_\_ Total Imports \_\_\_\_\_

Barley (175.6)

## H U N G A R Y

Economic classification:	Non-market middle income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$2050	1988
Annual per capita GNP:	US\$2494	1989
Average annual growth:	(2%)	1980-1987
Annual inflation rate:	19.5%	
Volume of imports:	9.28 billion US\$	1988
Of which food:	7.5%	1988
Of which fuels:	13.1%	1988
Principal foreign exchange earning export:	finished, and semi-finished goods, transportation equipment	
Debt service as % of GDP:	65.6%	1988
Debt service as % of exports:	182.4%	1988
Population:	10.604 million	1988
Annual population growth:	-0.1%	1980-1988
Annual consumption:		
Flour	1,140,000 tonnes or 108 kg/capita	1989
Meat	840,000 tonnes or 78 kg/capita	1988
Vegetable Oil	100,000 tonnes or 9 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Following the declining cereals harvests of the past several years, this year brought the third best result on record mainly because of favourable weather conditions. Wheat was sown on 1,242,000 ha with a production of 6,509,000 tonnes (yield - 5241 kg/ha). Area sown to winter barley accounted for 175,000 ha with an excellent average yield of 4870 kg/ha resulting in 852,250 tonnes. Spring barley, the only spring cereal sown in Hungary was sown on 107,000 ha and its total production accounted for 469,000 tonnes. The average yield achieved, 4383 kg/ha was also marked "excellent" by ministry officials. Rye was sown on 97,000 ha and its yield, 2700 kg/ha produced 262,000 to production. Oats is the cereal produced on the smallest area: 45,000 ha. It was sown with an average yield of 3250 kg/ha and 146,2500 tonnes was achieved.

Contrary to plans of the Hungarian ministry of Agriculture and Food to increase the production of corn which is the second most important crop and hard currency earner of this country, an area of only 1,080,000 ha was sown, instead of 1,140,000 - due to the unfavourable purchasing prices set by the ministry. The hoped for average yield of 6400 kg/ha was not achieved either. All in all, instead of 7,300,000 tonnes production as was targeted for this year, only 6,804,000 tonnes of corn were harvested (average yield: 6300 kg/ha).

Figures reported so far related however to the "large scale farming" activity carried out by State and cooperative farms. Small and private farms however also contributed to the crop with their modest results being as follows:

- a. corn - 180,000 tonnes
- b. cereals - 28,000 tonnes

hence the grand total of cereals and corn for the crop year 1988/89 was 15,250,250 tonnes composed of 8,266,500 tonnes of cereals plus 6,984,000 tonnes of corn. This result was 1.7% above the grand total of last year (15,000.00 t).

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	1,242	1,281	1,301
Durum	9	0	0
Barley	282	264	205
Corn	1,090	1,103	1,144
Sorghum	0	0	0
Oats	95	42	40
Rye	97	97	94
Soybeans	59	66	36
Rapeseed	52	39	54
Sunflower	356	363	378

## 2. Foreign Exchange Situation

Hungary is self-sufficient in all agricultural products and foods, moreover it is a net exporter of these commodities with destinations in neighbouring countries of Europe. (Soviet Union, Czechoslovakia, East-Germany, Austria, Yugoslavia, etc.) Various Governments of Western Europe, USA, Japan etc. are extending financing assistance to Hungary in 1989/90 to help restructure her entire economy including the agricultural sector.

## 3. Fertilizer Situation

Statistical figures available are as follows:

	1984/85	1985/86	1987	1989
N-Nitrogen, kg/ha	149	150	112	99
P-Phosphate, kg/ha	95	88	67	50
K-Potash, ka/ha	105	99	82	62
N, P, K kg/ha	349	337	261	218

The figures are country averages. However, the utilization by the 19 counties of Hungary, varies considerably - nitrogen +30% to -18%, phosphate +28% to -21% and potash +33% to -37%.

Total large scale farming level using fertilizers was 312,000 ha (utilization: 12,747,000 tons).

Local fertilizer industry running with far more less than full capacity considers now changing its production structure by replacing inorganic products (super-phosphate, etc) with organic ones (inter-mediers, different plant protection agents, etc.).

Production figures of industry were as follows:

N-Nitrogen	-	646,300 tons
P-phosphate	-	322,100 tons
K-Potash	-	449,100 tons
<hr/>		
Total N,P,K	-	1,417,500 tons

#### 4. Import Mechanism

As of January 1990, divisions of Agrimpex, the government licensed foreign trade company and of ex-Grain Trust will be merged to start up a new Grain Foreign Trading company to handle grains on the foreign markets.

#### 5. Grain Industry Infrastructure

Grain Trust, owned and controlled by the government, will stop operation Dec.31, 1989. As of January 1, 1990 the local member companies of ex-Grain Trust (nineteen) will be starting their independent operation in overall grain storage, processing, handling and trading on the domestic market.

#### 6. Government Policies Affecting Grain and Agriculture

Durum wheat was sown on an area of 9000 ha for the first time in 1988/89 with an average yield of 4400 kg/ha resulting in a total production of 39.6 tonnes. Government strives to assist farmers and will increase the gap in the purchasing price of ordinary wheat versus durum which, in this year, was Hungarian Forint 5100/ton for ordinary, Hungarian Forint 5700/ton for durum. With a desire to emulate Western Europe, Hungary will introduce West European (EEC) Standards in her cereal quality controls. Trading with East European countries will be channelled into hard currency (US\$) practice to replace obsolete government-to-government trading pattern.

Ministry of Trade denies officially the existence of counter-trade/barter in general, whereas Foreign Trade companies exercise them on an ever growing basis.

## 7. Market Prospects - Grains and Oilseeds

Feed grains might be imported if export price of wheat for human consumption would go up.

Spot business opportunities are limited. Establishing Joint Ventures is widely supported by economic regulations.

The special crops such as mustard, field peas, lentils, buckwheat, beans, canary seed and triticale are locally produced and part of them regularly exported (canary seed, lentils, field peas, etc.).

## 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	22	110	1,225	1,200
Compound feed mills	22	100	3,000	3,000
Maltsters	0	2	63	63
Brewers*	6	6	8.9	8.9
Oilseed crushers	1	9	244	244

\* Capacity and output in millions of hectolitres

## 9. Storage and Throughput Capacity

Hungary is a land-locked country.

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	854	469			1,323
Suitable for malting					

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	85 ( 0)	0.7 (0.68)	0 (0)
Malting barley	178 (168)	0 (0)	0 (0)

Export destinations include: N/A

Import originations include: Czechoslovakia

3. Additional Information

Annual per capita beer consumption:

Beer consumption has steadily increased for the past years when the relatively low figure of 35 litre/capita went up to approximately 100 litre/capita by 1987 as listed: 1980 - 86 l/c, 1985 - 92.4 l/c, 1986 - 99.4 l/c, 1987 - 100.2 l/c 1988 - 101.4 l/c.

Beer is imported from countries as follows: Austria, Czechoslovakia, France, the Netherlands, Poland, Yugoslavia, Great Britain, East Germany, West Germany.

Statistical figures for beer production capacity are as follows:

Millions of Hectolitres

1984	8.0	1985	8.7
1986	9.5	1987	9.6
1988	9.8	1989	10.0 (estimated)

Market potential for Canadian malt:

Malt and malting barley is imported from East European countries for non-convertible currency.

III. OILSEEDS

1. Trade Policy

Import tariffs:	Oilseeds:	0 - 3%
	Crude Oil:	8%
	Oilseed Meal:	10%
	Refined Oil:	35%

Import/export structure: Oilseeds are traded by Agrimpex (see point 4.).

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Sunflower	790	0		95	
Rapeseed	105	16		27	
Soybean	75	0		0	
Flax (oil)	10	0		0	
TOTAL	980	0		225	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Sunflower	274	7.5	1.1	0	197
Rapeseed	33	0	.5	0	19
Soybean	11	0	.8	0	0
TOTAL	318	7.5	1.1	0	216

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	316		6
Rapeseed	48		4
Soybean	49	544	0
TOTAL	413	544	10

IV. STATISTICAL NOTES - WHEAT AND DURUM January 1 - December 31, 1988.

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	7,026 (5,748)	2,451 (2,738)	35 (52)	9,512 (8,538)
TOTAL * of which spring wheat	7,026 (5,748)	2,451 (2,738)	35 (52)	9,512 (8,538)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	1,723 (1,839)	2,811 (2,484)	20 (41)	408 (442)	1,780 (1,281)	2,770 (2,451)	7,789 (6,699)
Flour/Semolina							1,723 (1,839)
TOTAL	1,723 (1,839)	2,811 (2,484)	20 (41)	408 (442)	1,780 (1,281)	2,770 (2,451)	9,512 (8,538)

Export destination: Soviet Union, Czechoslovakia, East Germany, Poland.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Cash	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	34.6** (52*)	34.6 (52)
Commercial Credit							
Aid, Concessional							
Credit, etc.							

Principal Others: \* Austria, Czechoslovakia, Yugoslavia.  
\*\* Turkey, Austria, European ports.

IV. STATISTICAL NOTES - COARSE GRAINS January 1 to December 31, 1988

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	7,007 (7,234)	4,942 (4,660)	2 (188)	11,951 (12,082)
Barley	1,170 (794)	448 (324)	112 (1)	1,730 (1,119)
Oats	132 (99)	65 (87)	0 (2)	197 (188)
Rye	521 (186)	116 (110)	36 (1)	403 (297)
TOTAL	8,560 (8,313)	5571 (5,181)	150 (192)	14,281 (13,686)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	5 (0)	6,393 (6,255)	674 (605)	318 (92)	*152 (188)	4,414 (4,942)	11,951 (12,082)
Barley	0 (0)	814 (361)	280 (198)	42 (111)	** 60 (1)	534 (448)	1,730 (1,119)
Oats	0 (0)	71 (105)	9 (6)	8 (10)	*** 25 (2)	84 (65)	197 (188)
Rye	12 (0)	186 (60)	33 (54)	42 (66)	9 (1)	133 (116)	403 (297)
TOTAL	17 (0)	7,464 (6,781)	996 (863)	410 (279)	246 (192)	5,165 (5,571)	14,281 (13,686)

Export destination: \* Czechoslovakia, Soviet Union, Austria  
 \*\* Czechoslovakia, Soviet Union  
 \*\*\* East Germany, Switzerland, Austria

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	*** 1.8 (188)	1.8 (188)
Barley	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	* 112 (1)	112 (1)
Oats	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0.2 (2)	0.2 (2)
Rye	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	** 36 (1)	36 (1)
TOTAL	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	150 (192)	150 (192)

Principal Others: \* Austria, Turkey, Germany  
 \*\* Austria, Germany, Poland  
 \*\*\* France, Germany, USA

## P O L A N D

Economic classification:	Centrally planned with reforms leading to a free market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,067.3=535,800 zł	1988
Annual per capita GNP:	US\$3,142.6=1,577,582 zł	1988
Average annual growth:	1.0%	
Annual inflation rate:	60.0%	1988
Volume of imports:	US\$10.5 billion	1988
Of which food:	8.8%	1988
Of which fuels:	14.8%	1988
Principal foreign exchange earning export:	electro-machinery industry products	39.1%
Debt service as % of GDP	2.81%	1988
Debt service as % of exports:	21.94%	1988
Population:	37.8 million	1988
Annual population growth:	0.57%	1988
Annual consumption:		
Flour	518,000 tonnes or 13.70 kg/capita	1988
Meat	859,000 tonnes or 22.72 kg/capita	1988
Vegetable Oil	266,000 tonnes or 7.03 kg/capita	1988

Note: 1 US\$ - 502 zł official exchange rate as of 31 December 1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

The grain harvest in 1989 reached a record value of 28.6 mln tonnes, which is 2.3 mln tonnes higher than in 1988, and 0.7 mln tonnes more than the record 1986 crop. Also yields are of a record value 3.2 t/ha. The 1989 crop is higher than estimated by the International Wheat Board. The grain was of good quality according to reports.

<u>Seeded Acreage:</u>	Thousands of hectares		
<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat		2,772.4	2,132.0
Durum			198.0
Barley		1,250.2	1,286.0
Corn		40.0	
Oats		850.0	856.0
Rye		2,325.0	2,647.0
Other grains		1,201.4	1,264.0
Rapeseed		470.5	506.0
Sunflower		7.2	

## 2. Foreign Exchange Situation

The trade surplus with Western countries was \$1,009 mln in 1988. Imports were 24.9% higher than 1987 and exports were 17.4% higher. Imports of agricultural products rose by 102.6% while exports rose by 75.7% compared with previous years.

## 3. Fertilizer Situation

The production of fertilizers is still insufficient, although it has increased slightly:

	<u>1988</u>	<u>1,000 tonnes</u> <u>1987</u>	<u>1986</u>
Nitrogen fertilizers	1,622	1,543	1,445
Phosphate fertilizers	962	943	948
Lime+magnesium-lime fertilizers	5,395	4,608	4,731

## 4 Import Mechanism

All grain imports are handled by the state-owned FTO "Rolimpex" which has a monopoly in the market.

## 5. Grain Industry Infrastructure

There were no significant changes in 1988 in grain industry infrastructure in comparison with previous year. Although structure of investment changed - the share of agriculture and food processing industry investment rose slightly, while investment in raw materials sector decreased, it was still inadequate to the needs/modernization, capacity extension. Only limited number of projects were started in 1988: 5 cold-storage facilities - 22.6 bln zl; 2 grain industry plants - 6.3 bln zl; 4 other plants in dairy and meat processing sectors - 17.4 bln zl. Since 1986, less than 50% of investment in branches supplying agriculture and in food industry have been fulfilled.

## 6. Government Policies Affecting Grain and Agriculture

The marketization of the food industry introduced in August 1989, and the abolition of food price subsidies have changed the Polish food market significantly. Consumption of meat and dairy products decreased substantially due to the increase in prices which rose 300-700% within the third quarter of 1989. Free market prices, increased producers' prices and favourable price relations, meat prices in relation to feed prices, have resulted in a visible tendency for farmers to increase pig and cattle stocks. The economic changes introduced after the 1989 harvest had no bearing on grain production, but extremely high

and lack of means for agricultural production (fertilizers, pesticides, machinery) has made farmers withhold their grain, so only a small percentage of the usual quantity has been sold to state stores. Consequently state grain reserves have decreased to a dangerously low level. In the frame of the international aid program, Poland has become a recipient of food deliveries, with grain as one of the main items, which will help to restore state reserves but may also decrease next year's imports.

Poland used to import Canadian grain until 1983 in the frame of 3 years credit extended by the CWB. Due to unfavourable pricing (30% higher) Canada is not considered as a source for cash purchases. Cash deliveries come mainly from the EEC and partly from Comecon countries. About 0.5 mln tonnes yearly have been imported within special program from the USA. International Wheat Board estimation for Polish imports of grain in 1989 indicated 3.3 mln t (2.1 mln t of wheat and 1.2 mln t of barley and corn). The value, however, will be lower due to a very good crop and extra supplies received from the international aid program.

Countertrade/barter transactions are limited to commodities which have no chance of being sold on a cash basis or are in big surplus over internal market demand and cash exports.

#### 7. Market Prospects - Grains and Oilseeds

There are no official projections available of national grain import needs until 1994. Grain purchases (wheat, barley, corn, sorghum etc.) in 1988 totalled 3.03 mln tonnes. Imports of grain, feedstuffs, and oilcakes will continue at the rather stable level of 3.3 - 3.7 mln tonnes a year, depending on crop results.

The areas of Polish agriculture and food industry that require most investment are still: production of machinery; fertilizers and pesticides; oil-crushing branch; meat, dairy and fruit processing sectors. Also the baby and diet food industries present a lot of possibilities.

Poland is an exporter of special crops and presents no possibilities for Canadian suppliers.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills		330		6,598.9
Compound feed mills		65		8,317.0
Brewers*		100		12.5
Oilseed crushers		15-20		105.0

\* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Gdansk		
Szczecin - Swinoujscie		
Kolobrzeg		
Total Capacity		estimated 2,900

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					3804.0

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
Malt					12.3	
Malting barley	3,804	(4,455)	380.5	(329.8)	10.3	(13.3)

### 3. Additional Information

Annual per capita beer consumption: per capita beer consumption is increasing:

1986	28.71
1987	30.41
1988	30.91

Polish beer is exported to the USSR, Bulgaria, Hungary, USA, UK.

Beer production capacity: Beer production capacity may increase once the joint venture projects undertaken this year with partners from Austria and West Germany are completed.

Domestic malting capacity: Malting capacity remains rather stable.

### III. OILSEEDS

#### 1. Trade Policy

Import Tariffs: Oilseeds:	rapeseed	10%
	soya	no duty
	sunflower	3%
Crude Oil:	peanut and sunflower	no duty
	soya	5%
	rapeseed	15%
Refined Oil:	sunflower	no duty
	soya	8%
	rapeseed	18%
	peanut	2%

There are no tariffs, levies or quota restrictions for wheat and feedgrains.

All contracts are handled by FTO Rolimpex.

#### 2. Additional Factors

The Polish oil industry is based mainly on rapeseed oil. Soybean and sunflower oils represent only a very small percentage of the market as their production is very limited due to unfavourable soil and weather conditions. Poland is able to process only 60% of the rapeseed produced, the balance is exported. Foreign investment allowing expansion of processing capacity in rapeseed oilcrushing is being sought.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Rapeseed	1,199.3		382.7
Other*	6.2		
Total	1,205.5		382.7

\* sunflower, soya, poppyseed.

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed			3.5		21.1
Sunflower			30.1		
Soya	0		54.5		
Total			87.1		21.1

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean mash		1,161.0	
Peanut mash		122.0	
Sesame, cotton		8.3	
Total		1,291.3	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	(7,582.2)		(2,315.0)	
TOTAL	(7,582.2)		(2,315.0)	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>(Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat					(0.1)		(0.1)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)		(1,267.8)				(34.8)	(2,315.0)
Cash					(1,012.3)		

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	( 204.4)		( 136.9)	( 341.3)
Barley	( 3,804.2)		( 380.3)	( 4,184.5)
Sorghum			( 185.4)	( 185.4)
Oats	( 2,221.5)			( 2,221.5)
Rye	( 5,500.6)		( 10.3)	( 5,510.9)
TOTAL	(11,730.7)		( 712.9)	(12,443.6)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn				( 0.19)			
Oats				(44.2)			
Rye				(18.1)			
TOTAL				(62.49)			

Industrial use: alcohol production

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		( 5.1)			( 26.1)	(105.7)	(136.9)
Barley		(115.9)			(264.4)		(380.3)
Sorghum		(185.4)					(185.4)
Rye					( 10.3)		( 10.3)
TOTAL		(306.4)			(300.8)	(105.7)	(712.9)

## R O M A N I A

Economic classification:	Middle income Non-market	
Oil exporter or importer (net):	Importer: crude oil	
	Exporter: oil products	
Annual per capita income:	US\$2,500	1988
Annual per capita GNP:	US\$3,800	1988
Average annual growth:	4.5%	1988-1989
Annual inflation rate:	0%	1988-1989
Volume of imports:	US\$8.4 billion	1988
Of which food:	3.5%	1988
Of which fuels:	21%	1988
Principal foreign exchange earning export:	Refined oil products	
Debt service as % of GDP	nil	1988
Debt service as % of exports:	nil	1988
Population:	23.1 million	1988
Annual population growth:	0.4%	1987-1988
Annual consumption:		
Flour	1.34 million tonnes or 58 kg/capita	1988
Meat	831,600 tonnes or 36 kg/capita	1988
Vegetable Oil	219,450 tonnes or 9.5 ltr/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

There are indications that the harvest for 1988 was around 26.5 million tonnes and some 27.7 million tonnes in 1989

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat, Rye, Triticale and Durum	2,370	2,350	2,300
Barley	650	650	600
Corn	3,750	3,700	3,600
Sorghum	9	8.5	8.5
Oats	80	80	70
Soybeans	470	450	420
Rapeseed	90	80	70
Sunflower	560	560	560

#### 2. Foreign Exchange Situation

According to the official Communique on Plan Fulfilment, in 1988 Romania achieved a record surplus of US\$4.0 billion, thus managing to liquidate

its foreign debt in April 1989. January-July 1989 surplus seems to be of US\$2.5 billion as President Nicolae Ceausescu stated in an interview.

Nevertheless, imports of food and agricultural imports have had a very low priority in the expenditure of foreign currency earnings, the country having considered itself self-sufficient in these products. On the contrary, Romania has been a pretty large exporter of food and agricultural outputs.

Romania is not an international aid recipient.

### 3. Fertilizer Situation

In 1988, Romania's agriculture received 1,4 million tons of nitrogen, phosphorus and potassium fertilizers (in 1986, it received 1,6 million tons) and 43.3 million tons of organic fertilizers (as against 39.0 million tons in 1986).

### 4. Import Mechanism

The import mechanism has been similar in principle to that found in other CMEA countries, with a state-run foreign trade organization (FTO) serving as the export/import body. In Romania, the relevant FTO is "FRUCTEXPORT-AGROEXPORT" (mailing address 41-43 Brezoianu St., Bucharest, Romania. Deputy Manager responsible for cereal grains and oilseeds is Mr. Marian Cornaciu). FTO FRUCTEXPORT-AGROEXPORT reports to the Ministry of Agriculture.

### 5. Grain Industry Infrastructure

During the Ceausescu regime, the agricultural sector was coordinated by three ministries: a) the Ministry of Agriculture, b) the Ministry for Contracting and Acquisition of Agricultural Products and c) the Ministry for Food Industry. The three-ministries structure was designed to enable a better coordination of the agricultural sector, exports/imports being the responsibility of Ministries a) and c), handling and storage being under Ministry b) and processing facilities being the responsibility of Ministry c). Unfortunately, the three-ministries structure tended to act merely as an extra layer of bureaucracy, an apparent hindrance rather than a help.

### 6. Government Policies Affecting Grain and Agriculture

The main objective for the coming years was to obtain an intensive and modern agriculture based on the most recent results of agro-technical sciences and on the economic and organizational reinforcement of agricultural units. According to the demands of the "new agrarian

revolution" (as defined by the Ceausescu regime), the country must ensure stable yields in any climatic conditions, the increasing of plant production and animal husbandry in order to fully meet the internal consumption requirements and to provide a surplus for export markets. It would not be surprising if the new regime continued to pursue at least some of these objectives.

Prior to the downfall of Ceausescu, the outlook was for no more Romanian imports of cereal grains (barley) from Canada. The only potential Canadian export product in future would have been canola (meal and oil and especially seed).

For importing canola, Romanians may well ask for counter-trade.

#### 7. Market Prospects - Grains and Oilseeds

Romania had considered itself self-sufficient in grains and oilseeds. Thus, no official projections were made regarding imports.

Romanian policy-makers have in the past encouraged longer-term agreements. They do provide some continuity of communication, mutual confidence, etc. It would appear to be in the interest of the Canola Council to work toward such a relationship. Such agreements are an indication of seriousness which is equally important with price and which can be the final determinant on a sourcing decision.

Canadian "special crops" will not likely find an export market in Romania. However, the Canadian Embassy would be pleased to provide any relevant information on any of these "special crops" and hold follow-up discussions with local officials.

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

5.5 million tonnes according to Romanian officials. Closer to reality would be the figure of 3.6 - 3.8 million tonnes.

### 2. Additional Information

Annual per capita beer consumption: would appear to have stabilized at 44.0 litres.

Beer production capacity: was slightly increased in 1988 through the modernization of some breweries.

Domestic malting capacity: Over the past three years, imported malt quantities have decreased which has had a negative effect upon the

quality of locally-produced beer. Indications are that domestic malting capacity will increase in the future.

Market potential for Canadian malt: Romania is expected to concentrate on developing its own malt production rather than to increase imports. Malt is still brought into Romania from Czechoslovakia and GDR under their five-year clearing arrangements.

### III. OILSEEDS

#### 1. Trade Policy

Import Tariffs:	Oilseeds:	exempt
	Crude Oil:	10% ad-valorem
	Oilseed meal:	10% ad-valorem
	Refined oil:	25% ad-valorem

Import barriers and/or export assistance measures: The state monopoly of foreign trade.

Import/export structure: Overall power in foreign trade administration has resided within the government bureaucracy resting principally with the Ministry of Foreign Trade and the Ministry of Agriculture. The FTO directly involved in the import/export of oilseeds, being the Ministry's trading arm, is FTO FRUCTEXPORT-AGROEXPORT.

#### 2. Additional Factors

Romanians, although potentially interested in canola have not accepted it for specific technical reasons. With visits between experts from both sides it could be possible to overcome this point.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed*</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	1,150		
Soybean	650		
Rapeseed	30		
Linseed	60		
Other	40		
Total	1,930		

\* according to official statistics.

<u>Oil**</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Sunflower	300				
Soybean	650				
Rapeseed	20				
Corn	20				
Linseed	40				
Other	30				
Total	560		10		140

\*\* according to Canadian Embassy calculations which are based on official statistics

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes,

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat, Rye, Triticale )	Est. 1989	1988		
Durum* )	15,000	10,000		
				9,727

\* According to official statistics

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY\*: 1989/90 est. - thousands of tonnes,

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
	Est. 1989	1988		
Corn	20,000	19,200		
Barley	5,000	( 3,400)		( 3,231)

\* according to official statistics

## UNION OF SOVIET SOCIALIST REPUBLICS

Economic classification:	Non-market industrial economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	220 R/month	1989
Annual per capita GNP:	US\$3,922	1985
Average annual growth:	4.3%	1988
Annual inflation rate: (est)	8.0%	1989
Volume of imports:	US\$108.0 billion	1988
Of which food:	15.5%	1987
Principal foreign exchange earning export:	Petroleum products	
Debt service ratio (estimate)	17.0%	1989
Debt service as % of exports:	6.0%	1989
Population:	288.8 million	1990
Annual population growth:	0.92%	1976-1986
Annual consumption:		
Flour	37,000,000 tonnes or 131 kg/capita	1988
Meat	18,900,000 tonnes or 65.7 kg/capita	1988
Vegetable Oil	3,100,000 tonnes or 10.7 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Soviet statistics released at the end of January 1990 reported that the 1989 grain harvest reached 211.1 million metric tonnes (MMT), a comparably good figure similar to 1986 and 1987 results, with a record average yield of 1.88 metric tonnes per hectare (the previous record was 1.85 metric tonnes/hectare in 1978). USDA estimated that the total included 90.5 million metric tonnes of wheat, 107 million coarse grains and 13.6 million miscellaneous grains and pulses. This figure represents an increase of 8.3% over 1988 production (195 million metric tonnes). Once again, however, this falls significantly short of the elusive target of 241 million metric tonnes for grain and pulses, set by the Soviet Government for 1989. Grain output targets of 250-255 million metric tonnes set for 1990, and 260-280 for 1995, should prove even more unattainable. The 1989 results correspond to a calculated area of approximately 112 million hectares, down nearly 3 million from 1988 and the lowest since at least 1955. The winter grains crop was sown on an estimated 31.1 million hectares, and had generally excellent soil moisture at seeding time due to the autumn rains. As in 1988, however, it subsequently received below-normal snow cover although winterkill was average; an estimated 13% of all winter crops had to be overseeded or reseeded. In the European USSR, well below-normal precipitation in August over the eastern two-thirds of the Ukraine and the North Caucasus

helped the small grain harvest. While adequate soil moisture reserves favoured filling corn in the North Caucasus, soil moisture was limited in southern Ukraine where dry weather persisted. The Volga Valley experienced low precipitation in August, which improved conditions for dry down of spring grains and for harvest. Moderate to heavy September rains covered most of the Ukraine and the North Caucasus, providing abundant topsoil moisture for planting the 1990 winter grain crop. Kazakhstan and Western Siberia were hit by unseasonably warm dry autumn weather, initially helping early spring harvesting but also stressing filling spring grains in the eastern portion of Western Siberia. Although since the beginning of 1990, unseasonably warm weather provided generally favourable conditions for winter grains, it left some crop areas without a protective snow cover and caused winter grains to lose hardiness. USSR wheat imports for 1989/90 are estimated at 38 million tonnes, including 23 million coarse grains and 14 million wheat with the balance rice, pulses and miscellaneous grains. The bulk of the USSR's 1989/90 wheat imports is expected to be milling wheat as prices for feed wheat are not likely to be competitive with corn and barley prices.

Total Grain Production (millions of metric tonnes):

<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
211.10	195.00	211.30	210.10	191.67	172.63	192.22	186.77	158.22

Average yields (tonnes per hectare):

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1981-85 (av)</u>
Winter wheat	3.24	2.98	3.02	2.80	2.28
Spring wheat	1.02	1.01	1.18	1.43	1.01
Rye	2.03	1.83	1.86	1.76	1.53
Barley	1.80	1.50	1.91	1.80	1.42
Oats	1.56	1.40	1.57	1.66	1.42
Corn	3.56	3.62	3.23	2.95	3.27
Sunflower		1.43	1.46	1.37	1.19

Average area (millions of hectares):

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1981-85 (av)</u>
Winter wheat	19.0	18.3	15.3	16.6	18.7
Spring wheat	28.5	29.7	31.4	32.1	35.0
Rye	10.6	10.1	9.7	8.7	9.3
Barley	27.5	29.7	30.7	30.0	30.5
Oats	10.6	10.9	11.8	13.2	12.4
Corn	4.5	4.4	4.6	4.2	4.0
Sunflower		4.3	4.2	3.9	

## 2. Foreign Exchange Situation

The year 1988 was marked by a substantial deterioration of the global USSR trade situation. This led to an important reduction of the Soviet trade surplus with the non-socialist area in 1988 (\$4.2 billion against \$8.4 billion in 1987), traditionally due to trade with developing countries, and to the first Soviet deficit with socialist countries since 1972 (-491 million rubles). The USSR recorded again a deficit with Western countries, reaching \$2.7 billion. Terms of trade also suffered; the new decline of energy prices (-19%) and the increase of food prices contributed to this deterioration, especially in the current context of tighter worldwide supplies of grain. The USSR tried to compensate for this negative price trend for energy products by increasing the volume of its exports but energy sales nevertheless, diminished by nearly 6% in value terms. Falling national energy production and rapidly rising domestic oil consumption has launched a debate within the USSR on the future of oil exports to the West. Machinery/equipment and food products were the main beneficiaries of an upturn in Soviet imports in 1988 (+27% and 31% respectively). The continued worsening of the Soviet trade balance with OECD countries in the first half of 1989 may make it very difficult, however, for the USSR to sustain imports from hard currency countries. Net hard currency debt to the West continues to increase. The rise in 1988 would have been worse, but was partly concealed by the stronger US dollar; net debt adjusted for exchange rate changes rose US\$5 billion to US\$25.6 billion in 1988. Given current trends another rise of similar proportion seems inevitable for 1989, and there is no sign of an improvement in sight.

## 3. Fertilizer Situation

The USSR continued in its effort to expand production, quality and use of inputs, in line with stated aims to apply intensive cultivation techniques to crop production. This policy caused a significant shift in fertilizer supplies on to intensive grain fields since 1985. Production of mineral fertilizers in 1988 equalled 37.1 million metric tonnes (100% nutrient basis), although the growth rate (2.2% above the 1987 figure of 36.3 million metric tonnes) was the lowest in several decades. Soviet fertilizer deliveries to farms continued to decrease in 1989, having fallen about 1% in 1988. This passable achievement was accompanied, however, by continued complaints about poor quality (moisture content, caking and granular strength), insufficient packaging, uneven and untimely deliveries to farms, and lack of appropriate application machinery. In an attempt to improve the situation, the wholesale price structure for fertilizers was overhauled beginning in 1987, with subsidies (valued at 2.9 billion rubles) completely eliminated in 1989 and price incentives for quality production instituted as a stimulus to manufacturing enterprises. Resulting increased State prices for inputs appear to account largely for the decrease in farm fertilizer purchases. Chemical plant protectant production continues to fall in the USSR; increased reliance on imported chemical agents was in part due to the

inadequate selection of agrochemicals offered by the Soviet chemical industry. In spite of the above, the economic effectiveness of agricultural chemicals in general has been disappointing and their increased application has been subject to rapidly diminishing returns. Soil fertility is declining as nationwide use of organic fertilizers remains insufficient. In addition, the use of chemical fertilizers and pesticides became increasingly controversial from the standpoint of protecting the Soviet environment, especially when applied and monitored with inadequate equipment. The threat to animal and human life is compounded by lack of training in proper use, and over-application of poor quality chemicals because of lack of concern for costs.

Production of mineral fertilizers by type\* (million metric tonnes):

	<u>1988**</u>	<u>1987</u>	<u>1986</u>	<u>1981-85 (av)</u>
Nitrogen	16.0	15.7	15.2	12.6
Phosphate	9.1	8.9	8.5	6.7
Phosphate rock	0.80	0.80	0.79	0.77
Potash	11.2	10.9	10.2	9.2
Trace elements	.009	.009	.009	.008
Total	37.1	36.3	34.7	29.3

Use of mineral fertilizers by type\* (kilograms per hectare):

	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1981-85 (av)</u>
Nitrogen		52.5	51.1	43.7
Phosphate		38.2	37.2	25.8
Phosphate rock			3.5	3.4
Potash		31.4	29.8	26.0
Total		122.1	118.1	98.9

\* - Nutrient weight basis (Nitrogen: 20.5% N, Phosphates: 18.7% P<sub>2</sub> O<sub>5</sub>, Ground phosphate rock: 19% P<sub>2</sub> O<sub>5</sub>, Potash: 41.6% K<sub>2</sub>O)

\*\* - Estimate

#### 4. Import Mechanism

In an effort to reduce the large, central bureaucracies, promote the integration of related State bodies and encourage regional initiative, the Soviet Government cut the number of ministries by half in July 1989. Among the casualties were the USSR State Agro-Industrial Committee (Gosagroprom), the huge super-ministry of agriculture created in 1985 from the merging of five agriculture related ministries, and the USSR Ministry of Grain Products.

Functions performed by these two entities were transferred in part to Republic-level Gosagroproms (left intact but with their responsibilities enhanced), and in part to a new State Commission for Food and Procurement, subordinate to the Council of Ministers, and in part to other central Ministries. Under the chairmanship of V.V. Nikitin (former First Deputy Chairman of the RSFSR Gosagroprom), this Commission is to abandon day-to-day administration of the USSR's agricultural sector to regional and local authorities. It will however take on duties more in line with Western-type agriculture ministries, like long term planning, large capital projects, veterinary and plant health control, food standards inspection and international relations.

Concurrently, the decentralization of Soviet foreign trade continued in 1989, following the creation in January 1988 of a new Ministry of Foreign Economic Relations (MVES). It is the result of a merger between the former Ministry of Foreign Trade and the State Committee for External Relations. The new Ministry's involvement in foreign trade is reduced, and some of the foreign trade organizations formerly reporting to it have been given independence or have been attached to other ministers.

The MVES retains responsibility for natural resources of strategic significance. Indeed, because of the importance of the USSR as a major grain buyer, and the large amounts of foreign currency reserved for these purchases abroad, all grain trade has remained under the supervision of the MVES, through its foreign trade organization Exportkhleb.

Exportkhleb receives its buying authority directly from the Soviet Council of Ministers, which must approve import requirements now prepared by Republic-level Gosagroproms, in conjunction with Exportkhleb. In July 1986, Exportkhleb announced a new export quality-oriented policy. New standards were imposed, calling for on-site inspection of grain vessel loadings, right of shipment refusal at port of discharge, payment of only 95% of invoice value pending discounts for short weights, dockage and fumigation costs, and strict enforcement of zero tolerance of live insects.

Canada, for its part, successfully negotiated and signed in April 1988 an agreement with the USSR regarding phytosanitary certification requirements for Canadian grain exports. The agreement served to assure Soviet authorities of the effectiveness of the Canadian inspection procedure and control measures for insects, diseases and seeds.

##### 5. Grain Industry Infrastructure

The strong criticism levelled at agricultural sector authorities in general, and the Ministry of Grain Products in particular (until its dissolution in July 1989), served to underline the persistent shortcomings faced by the USSR's grain handling, storage and processing facilities. Responsibility for all grains, oilseeds, seed corn and rice, from procurement through storage and on to processing (flour, bread,

pasta, complete feeds and additives) has now been moved to Republic-level State agro-industrial committees (Gosagroproms). While it is still early to determine if these administrative changes will help boost production and cut losses, it is hoped that decentralization to Republics should reduce State interference in production decisions.

Grain spoilage associated with inadequate storage remains a major problem, particularly in times of large harvests; since only a small percentage of harvested grain can be stored at the farm, shipments of grain to the State elevator by way of deficient means of transportation also increase losses. Total grain losses are currently estimated by Soviet officials at 20-25% of the harvest, although the institution of financial rewards, for combine operators and truck drivers who deliver grain from the field to the elevator without significant spillage, has been an important factor in addressing the problem.

Capital investment in the agro-industrial complex reached 67.0 billion rubles in 1989 (31% of total capital investments), and is expected to rise in 1990 as a result of greater allocations to the food processing sector (investments of 77 billion rubles in the food industry are planned for the 1988-1995 period). With the re-equipping of grain handling and processing enterprises falling behind planned targets, seed grading/cleaning plants continue to function with obsolete equipment and process technology, failing to ensure throughput of quality material. Significant improvement in the infrastructure of the grain industry is seen as the key to reducing the USSR's dependence on imported grain.

## 6. Government Policies Affecting Grain and Agriculture

The ongoing restructuring policy of "perestroika" proved to be the impetus for continued major changes in the face of Soviet agricultural policy. At least in theory, new measures seek to increase the independence of state and collective farms, and allow more interest and responsibility for the final results of their work. A distinct trend is the movement away from strictly extensive quantity-driven production toward more intensive output based on better yields of higher-quality grains.

In order to stimulate domestic production of high-quality grains and oilseeds, the Soviet Council of Ministers adopted a decree on August 8, 1989 authorizing payment of convertible ("hard") currency rubles to farms for sales of above average amounts of high-quality wheat, pulses and oilseeds to the State. This experimental program is to be in effect for crop years 1989 and 1990, and its results will be assessed in early 1991 by the State Commission for Food and Procurement, and affiliated Ministers.

Hard currency earned by farms will reportedly be used for foreign purchase of consumer goods, farm equipment and supplies. To qualify for hard currency payments for wheat sales, production of all grains must

exceed the 1981-85 average, sales to the State of all grains must exceed the 1981-85 average, and wheat must meet specified quality criteria. In the case of pulses (peas, lupines), production must exceed the 1986-88 output average, and sales to the State must exceed the 1986-88 sales average. For oilseeds (sunflower, soy, rapeseed, mustard and flax), farms can qualify if production of all oilseeds exceed the 1986-88 sales average. The following amounts per tonne will be paid in convertible currency rubles (given with Soviet nomenclature):

Durum wheat: Grade 1 - 80 Rubles, Grade 2 - 65 Rubles, Grade 3 - 45 Rubles; "Strong" wheat: grade 1 - 60 rubles, grade 2 - 50 Rubles; Valuable Varieties: 40 Rubles; pea and lupine: 80 rubles; sunflower: 88 rubles; soybean: 110 rubles; rapeseed: 80 rubles; flaxseed: 90 rubles; mustard: 100 rubles.

Initial results for this new program, released in January 1990, indicate that only 223,000 metric tonnes of extra quantities of hard wheat were sold to the State. Soviet media said farmers found the program had too much red tape and not enough cash, but it is expected that once procedures are better understood by farmers, the program may actually boost production. The new policy follows the introduction in June 1988 of bonus payments by the State in non-convertible rubles for grains and oilseeds produced over five-year average, the results of which were uneven at best.

The notion of renting land and accompanying assets to contract brigades and family units for periods of up to 50 years, including the rights to pass on the land to heirs, was codified in the Law on Lease holding, which came into effect January 1, 1990. While grain production will likely continue to be accomplished on a large scale by collective/state farms, contract brigades may eventually make more efficient use of feed grain inputs for livestock, and thus maintain or even reduce Soviet requirements.

Government plans for a comprehensive overhaul of the Soviet pricing system, seen as a necessary step in the direction of true market relations in the Soviet economy, have once again become a priority as the Soviet economic crisis deepens. Opposition to these plans remains strong, in the face of the complexity of the task and amid public fears of further decreases in the standard of living. By January 1, 1991 new agricultural product procurement prices should however, go into effect; this solution was in part evoked by the growth in subsidies to cover massive differences between procurement prices (prices paid to farms) and State wholesale prices to the end users. Total 1988 retail price food subsidies were budgeted at 55.6 billion rubles.

Western observers predicted higher Soviet yields for wheat and coarse grains in the USSR as a consequence of expansion of the area under intensive technologies or IT (more fallow land, increased fertilizer and chemical use, improved machinery, soil conservations; greater seeding accuracy and timely harvesting) to about 39 million hectares of grain

crops in 1988 (of which 17.2 million hectares correspond to winter grains), a 10% increase over the previous year's figure (35.3 million hectares). Additional grain volumes produced attributed to IT were about 24 million metric tonnes in 1987.

In 1990, the grain area under intensive programs is to reach 50.4 million hectares, of which winter grains will make up 20.6 million hectares, spring wheat 17.1 million hectares and grain corn 4.5 million hectares. In the spirit of the decentralization of agricultural decision-making, application of IT is ordered under strict terms of differentiation based on local conditions, down to the level of individual fields. However, the partial elimination of subsidies on agricultural inputs in 1988 will likely raise the cost of producing grain. Unless yields can offset the increased costs per hectare, the appeal of IT to farmers may weaken, particularly since one objective of the program is to reduce costs per tonne.

The Soviets continue to make efforts in expanding the corn area by moving seed corn hybrids further north. In the longer term, plans call for production of 20-22 million metric tonnes of corn for grain annually (from the current level of 16.0 million metric tonnes in 1989), to provide a better base for livestock feeding. This will also require expansion of irrigated lands and will cause stiff competition for already limited water resources in arid and semi-arid zones.

Greater emphasis has been placed in boosting production of oilseeds, particularly since the recognition of the value of oilmeal as protein-rich feedstuff for livestock. Procurement bonuses and IT are likely the two main reasons production of sunflower seed jumped to 6.1 million metric tonnes in 1987, up from 5.3 million metric tonnes the year before. Production stabilized however, in 1988 at 6.2 million metric tonnes. Priority continues to be placed on rapeseed production; output in 1988 increased 42% and area 46% as a part of a planned fourfold expansion in area over 1987-1990. Progress continues in reducing the erucic acid content of the crop and increasing oil content.

The Soviet Government has also urged greater production of oilseeds in order to supplant demand for animal fats and oils with larger quantities of vegetable oils. Because of the lack of sufficient domestic oilseed crushing and refining capacities, obstacles remain to the production of more vegetable oil from increased oilseed production in the USSR. Imports of refined vegetable oil have continued, and soybean oil has been sourced in the United States under the EEP program.

All the Soviet programs mentioned above, aimed at increasing domestic production, do not however, mean a significant curtailment of grain imports in the near future. Whatever the outcome of Soviet reforms over the next few years, it is unlikely that the USSR will be able to be self-sufficient in grain on a regular basis. The severity of the Soviet climate suggests that production will remain variable, while post-harvest losses will continue until substantial improvements are made to the grain

handling infrastructure. Nevertheless, if average output rises, the level of imports may decline. On the other hand, if the performance of other areas of the Soviet economy improves, the USSR may be better placed to meet the cost of imports, especially if it is determined that self-sufficiency is a costly illusion. In the final analysis, much will depend on the speed and direction of the Soviet Union's integration into the world economy, and the eventual convertibility of the ruble.

The USSR is not satisfied with large trade deficits with Western grain suppliers. While the USSR settles the majority of its grain purchases on a cash basis, the Soviets continue to apply pressure on exporting countries so as to augment their purchases of Soviet goods, especially in the context of the current shortage of foreign currency. For example, under the terms of the 1985 Argentine trade agreement, the Argentines are required to buy \$500 million of Soviet goods over the following five years, in exchange for annual sales of 4 million tonnes of coarse grains from January 1986 to December 1990. Similarly, Brazil's annual \$20 million coffee contract with the USSR for the first time in 1987 included a compensation commitment to buy \$1 million of machinery from the Soviet Union. In the context of the current Long Term Agreement between Canada and the USSR, Canada has undertaken to assist Soviet exports to Canada. Western companies are also invited to submit proposals for joint projects with Soviet enterprises, under the 1987 USSR joint venture law.

Because of domestic shortages and a lack of clear legislation concerning the decentralization of foreign trade, the Soviet government has recently instituted an export licensing system, as a means to control the export of goods on countertrade/barter basis. This new regime has severely curtailed the availability of countertrade goods, and has effectively returned control of principal exports to central authorities.

#### 7. Market Prospects - Grains and Oilseeds

The USSR's stated goal to produce 250-255 million metric tonnes of grain by 1990, and 260-280 million metric tonnes by 1995 remains an illusory target. As 1989 harvest figures demonstrated, Soviet agriculture continues to be very much at the mercy of weather conditions throughout the growing season but especially at harvest time as regards quality of the grain. In addition and as stated earlier, post-harvest losses continue to roughly equal the amount of imported grain.

While there are no locally obtainable projections to 1994 of national grain import needs, the USDA estimated in February 1990 that total grain imports for 1989/90 would reach 38 million tonnes. This figure includes 14 million metric tonnes of wheat/wheat flour (still 1.5 million metric tonnes below last year), 23 million metric tonnes coarse grains, with the balance rice, pulses and miscellaneous grains. Soviet grain imports in marketing year 1989/90 will primarily depend on 1989 domestic grain and forage quality and production, and grain procurement, with hard currency

availability and the stabilization of world prices also playing major roles.

In spite of the larger 1989 Soviet wheat crop, procurements by the State from farms are in fact below the domestic requirements. Market disruptions and political change in Eastern Europe could affect Soviet grain imports from this region. Continued Soviet priority on raising output of livestock products and the corresponding heavier feed requirements, coupled with the weakening feed grain prices from the 1988/89 3 year high, will have strong influence on Soviet imports.

In the seventh year of the long term agreement between the United States and the USSR, the U.S. had sold by late January 1990 about 11 million tonnes of corn and more than 2.2 million tonnes of wheat for delivery in 1989/1990. An additional 1 million metric tonnes of wheat was added to the EEP for the USSR in late February 1990. U.S. grain sales to the USSR in 1988/89 were a record of more than 21.7 million metric tonnes, including more than 16.3 million metric tonnes of corn and nearly 5.4 million metric tonnes of wheat.

In 1986, oilseed imports of mainly soybeans (2.4 million metric tonnes) approximately tripled the 1985 level. Imports are continuing at this level, with the U.S. enjoying strong soybean exports to the USSR; 1988/89 sales totalled 298,700 tonnes of soybeans, 1.35 million metric tonnes of soybean meal, while 1989/90 shipments amounted to 217,900 tonnes of soybeans and 895,000 tonnes of soybean meal, as of early February 1990. Current plans also reveal a determined push towards the cultivation of rapeseed in order to boost protein in feed rations and augment vegetable oil supply.

The USSR joint venture legislation has cleared the way for direct cooperation/production arrangements with Soviet enterprises and agricultural firms. Soviet collective farms and agro-industrial enterprises have entered into such agreements with a number of Western partners from the United States and Western Europe, in fields such as hybrid corn production, farm/crop management and grain processing. In light of the extensive Soviet requirements in the food processing sector, joint ventures in combined fodder production, grain handling and storage equipment manufacturing, and oilseed crushing/refining equipment production may be envisaged.

Judging from large Soviet requirements for U.S. soybean meal at the present time, the Canadian canola industry may wish to consider proposing a seminar and/or feeding trials for canola meal in the USSR, in order to spell out its particular advantages to Soviet specialists, with a goal to tap into this very important market.

The USSR market for Canadian "special crops" is very limited due to the tight foreign currency situation, and in light of current Soviet production of most of these crops. Agro-industrial enterprises in a number of Soviet Republics are in fact presently attempting to sell small

quantities of mustard, millet and canaryseed to foreign buyers, which they produce over and above domestic procurement requirements. This practice may however, begin to be tightly controlled, as export licenses are now needed for most food products. Soviets have purchased peas on world markets over other crops because of favourable price considerations.

Seven Soviet experts from the USSR Ministry of Grain Products (now dissolved) and the Foreign Trade Organization V/O Exportkhléb participated in the first ever USSR-Canada Grain Industry Course, which took place at CIGI in July, 1989. The program successfully provided Soviet participants with a better understanding of Canada's quality control procedures, grain handling, transportation and marketing system, and the secondary processing qualities of Canadian wheats and barleys. It is expected that similar programs will be repeated for Soviet experts in the future, over and above Soviet agricultural missions coming to study the Canadian grain handling/storage/transportation system.

## 8. Storage and Throughput Capacity

### Grain Import Capacity by Port:

Some two dozen ports in the Black Sea and the Baltic Sea (for example, Odessa, Novorossiysk, Leningrad, Tallinn, Riga, Klaipeda) account for 95% of all seaborne imports of grain. The remaining 5% is delivered to Far East ports (Nakhodka, Vladivostok) for local consumption because of the long transport distances involved. Ports in other countries, like Hamburg and Rotterdam, have also been used to receive imported grain. A small proportion is imported directly by rail; some moves along rivers in barges from major ports to final destinations.

Most ports of discharge have only limited storage facilities. Imported grain must therefore be loaded as rapidly as possible into railcars for inland distribution. There continues to be a severe shortage of covered cars suitable for long journeys, and grain must often compete for space with perishable foodstuffs. In addition, violent ethnic unrest in Soviet Central Asia and Transcaucasia has severely affected rail connections from Black Sea ports to central destinations. Soviet officials in January 1990 referred to a 2.3 - 3.0 million metric tonnes backlog of imported grain waiting to be unloaded at ports. If this problem persists, it could have very severe consequences for the whole Soviet grain importing infrastructure and could in turn affect basic food supplies to the population.

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type.

USSR barley production (million metric tonnes; all types combined):

<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>	<u>1986/87</u>	<u>1985/86</u>	<u>1984/85</u>
49.5	44.5	58.4	53.9	46.5	41.8

USSR barley imports (million metric tonnes; all types combines):

<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>	<u>1986/87</u>	<u>1985/86</u>	<u>1984/85</u>
3.4+	3.2*	2.5*	3.7*	2.4	4.4

+ - projected

\* - preliminary

While no accurate information on production, consumption and trade in malt and malting barley is available, domestic factors have exercised much influence in this regard. The national campaign against alcohol over-consumption, launched by the Gorbachev team in 1985, has had noticeable results on the USSR alcohol production structure. As a result of this policy, about half of the Soviet Union's State distilleries have closed and legal vodka production has been reduced by roughly one half since the beginning of 1984. Output of vodka in 1987 fell 16% from 1986, to its lowest in 31 years, reflecting the now reconsidered "dry law". Even though this law has been somewhat relaxed since the beginning of 1988, State agro-industrial officials calculate that only 700 alcohol-producing enterprises will be required in the future. Plants will either be closed or converted to other production (i.e. soft drinks).

Production of beer in 1987 (latest year available) although up slightly from a year earlier, was still 22% below the 1981/85 average of 650 million decaliters. But this may be changing. Although the "dry law" remains nominally in place, recent commercial deals with foreign suppliers, favouring installation of beer-producing lines, indicate that the Government may be considering increased beer production over vodka and other strong alcohols for Soviet consumption. This may signify new Soviet interest in imported malting barley and Canadian malt in the near future.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: None:

Non-tariff barriers: Long term agreements exist for soybeans (as well as grains) with the PRC, Argentina, USA (which was renegotiated in 1988 and 1989) and Brazil. Since the USSR prefers to deal in soft currencies, the

PRC has become a major competitor to the US and other Western suppliers. The PRC already had 52% of the Soviet market for soybeans in 1987 (latest year available). Chinese soy exports, however, fell 35% from 1987 to 1988 (from 795,500 metric tonnes to 515,000 metric tonnes). In the context of a general improvement in relations between the USA and the Soviet Union, however, the USSR has purchased from American sources large amounts of product from the soy complex, for delivery in 1989/90.

Limited crushing capacity of 12 million tonnes annually should maintain Soviet vegetable oil imports in 1989/90 (total imports were however much lower in 1988 and amounted to 341,600 tonnes, down nearly 60% from 1987). Vegetable oil exports (primarily sunflower) to Cuba remain constant at 70,000 tonnes, as the USSR seeks to expand domestic availabilities.

Import/export structure: Oilseeds are imported by the monopoly buyer Foreign Trade Organization V/O Exportkhleb. In particular, the member firm Prodsyrio deals through the established international trade, primarily through London and Switzerland. Vegetable oil imports are handled by another Foreign Trade Organization, V/O Prodintorg, specifically by the member firm Maslo.

## 2. Additional Factors

The Soviets continue to promote oilseed production in order to raise the protein content of mixed feed. The USSR still lags far behind the West in the quality of livestock feed, and thus in livestock productivity. Oilseed meal comprises only 9% of Soviet mixed feed, one-third the amount in the U.S. and one-fourth that in West Germany and the Netherlands. As noted above, the August 1989 Council of Ministers decree adds priority to the oilseeds sector by extending to these crops the hard currency payment program for above average production by Soviet farms.

An earlier decree in 1986 provided livestock farms with 40 kg of meal and 20 kg of mixed feed for each quintal of sunflower delivered to the State, in addition to 30 kg meal and 50 kg mixed feed for each quintal of soybeans procured. Thirty kg meal and 20 kg feed will also be paid for each quintal of sunflower seed delivered over the average 1981-85 level. The latter incentive represents part of the payment under a 50% price bonus program for all oilseeds delivered above the past five-year plan average.

In 1987, only oilseeds had their procurement prices increased, in the context of the stated aim to raise production sevenfold, as compared to 1986. Although State plans called for the doubling of rapeseed production from 1986 to 1990, progress has been slow and this target will not be met. About 200,000 hectares of winter rapeseed were sown in 1987, aiming for an eventual 500,000 hectares.

The U.S. Government is supporting a market development project organized by the American Soybean Association (ASA). The ASA representatives signed an agreement to provide scientific/technical support to improve livestock feed. Under a pilot swine feed project in the Ukraine, locally-grown high moisture corn is combined with imported 44% protein soymeal.

Oilseed imports are expected to continue increasing since new directives call for revised feed expenditure norms, aimed at reducing grain expenditure per unit of livestock. In 1989/90, meal production and consumption are expected to rise in response to another good sunflower crop and increases in soy complex imports.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	880	1,350	
Sunflower seed	6,157		
Rapeseed	420		
Cottonseed	5,020		
Total	12,653		

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean	320	55			
Rapeseed	140				
Sunflower seed	2,040	161			
Cottonseed	600				
Total	3,100	216			

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
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Not available, but estimated total Soviet meal production for 1988 was 5 million tonnes (soybean meal equivalent).

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	89,000 (84,400)		12,000 (15,500)	100,000 (99,000)
Total	89,000 (84,400)		12,000 (15,500)	100,000 (99,000)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	37,000 (37,000)	39,000 (41,000)	1,000 (1,000)	22,000 (21,000)	1,000 (500)		100,000 (99,000)
TOTAL	37,000 (37,000)	39,000 (41,000)	1,000 (1,000)	22,000 (21,000)	1,000 (500)		100,000 (99,000)

Industrial use: Beverages  
Export destination: Cuba, Afghanistan and North Korea

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)	4,927 (5,174)	8,901 (4,158)	298 (781)	593 (539)	3,792 (5,815)	2,669 (1,630)	21,180 (18,097)
Cash							

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	16,000 (16,000)		19,500 (18,600)	25,500 (34,600)
Barley	49,000 (44,500)		3,400 (3,200)	52,400 (47,700)
Oats	16,000 (15,300)		200 (100)	16,200 (15,400)
Rye	21,000 (18,500)		100 (100)	21,100 (18,600)
TOTAL*	105,000 (97,500)		24,000 (23,000)	129,000 (120,500)

\* Because of difficulties associated with obtaining statistics (e.g. use of many sources), numbers for individual grains do not add up to total.

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL	7,000 (7,000)	93,000 (85,500)	4,000 (4,000)	25,000 (24,000)			129,000 (120,500)
Industrial use:							
Malting Barley							

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn	58	8,604 (4,892)		1,099 (1,454)			11,426 (9,238)
Barley	61 (952)				2,176 (1,861)		2,365 (3,020)

## Y U G O S L A V I A

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita GNP:	US\$3,280	1988
Average annual growth:	0.8%	1989
Annual inflation rate:	1,351.9%	1989
Volume of imports:	US\$14.4 billion	1989
Of which food:	5.6%	1988
Of which fuels:	6.8%	
Principal foreign exchange earning export:	Machinery & transport equipment	
Debt service as % of GNP	7%	
Debt service as % of exports:	2.5%	1989
Population:	23.8 million	1989
Annual population growth:	0.7%	1979-1989
Annual consumption:		
Flour	4 million tonnes or 146.5 kg/capita	1988
Meat	1.37 million tonnes or 57 kg/capita	1988
Vegetable Oil	367,320 tonnes or 16.3 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Wheat production in 1989 amounted to 5.6 mil tons (11% down from 1988). Corn production was 9.34 mil tons (21 % up from 1988 production). Barley in 1989 was 702 thousand tons (11.7% increase over last year) and oats was 279 thousand tons (11.2% up over 1988). Rye production of 75 thousand tons (0.9 drop over 1988).

Oilseeds production figures in 1989:

- sunflower: 417 thousand tons (2% up from 1988)
- soybean: 204 thousand tons (13% up from 1988)
- rapeseed: 52 thousand tons (0.95% down compared to 1988)

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	1,485	1,479	1,446
Durum	0.7	0.6	0.6
Barley	115	242	105
Corn	N/A	2,265	2,214
Oats	N/A	144	155
Rye	30	37	32
Soybeans	N/A	86	104
Rapeseed	35	31	50
Sunflower	N/A	203	247

## 2. Foreign Exchange Situation

After many years of a bad foreign exchange situation, Yugoslavia is finally experiencing record foreign currency reserves end-year results. In 1989, Yugoslavia had a close to US\$7 billion surplus. Over 1 billion of this surplus is planned for intervention imports of consumer products, including agri-food products, in order to fight high prices for domestic products. Yugoslavia is not likely to be an international aid recipient.

## 3. Fertilizer Situation

Nitrogen fertilizer production in 1988 was 620,000 tons, up 7% over the previous year. Phosphate fertilizer production was 365,000 tons ( up 1% over the previous year). Potash is not produced in Yugoslavia. A favourable foreign currency situation, combined with government subsidy measures, has somewhat improved conditions for the fertilizer industry. There is a noticeable trend towards increasing production and consumption of fertilizer which is likely to continue in the future.

## 4. Import Mechanism

Imports of grain are made through the Federal Directorate for Commodity Reserves, or its counterparts in the six Republics when the state/republic reserves need replenishing. When necessary, based on the assessment of overall grain disposition, the Directorate releases a tender to major Yugoslav grain importers (independent socially-owned companies), who in turn solicit offers from abroad. The most favourable bid wins the tender. However, companies can import on their own account if they receive an import permit based on import quotas and availability of foreign currency. There has been a major change in the import mechanism for agricultural crops in 1988 and 1989. Only wheat remains on the "import quota" list, while other commodities are on a "free" list.

## 5. Grain Industry Infrastructure

The social sector accounts for approximately 2/5 of total wheat production, while the private sector produces 3/5 of total production on their small farms. ( 10 ha.ma) About 65% of the total production is bought and processed by the social enterprises, milling and bakery sector, and the Federal Directorate for Commodity Reserves. There have been plans to increase the total land area in the social sector from 18% to 30%, but no noticeable changes have taken place in that respect up to now. Amendments are being passed in the Parliament to lift the limitation on land ownership completely (the current maximum is 30 ha).

## 6. Government Policies Affecting Grain and Agriculture

The latest measures of the Government of Yugoslavia are aimed at eliminating inflation, introducing a market economy, establishing the convertibility of local currency (the Dinar), consolidating the banking system, opening the economy to world market influences, and introducing

the pluralism of ownership. To that effect, a number of systemic laws were passed in the second half of 1989 (the laws on Labour Relations, Foreign Trade, Commodity Reserves, Money and Capital Markets, on Securities, Enterprises, Banks, Financial Operations and Accounting, etc.).

As for agriculture, new measures are designed to improve the overall business environment by subsidizing up to 1/3 of interest rates on credit taken for stocks and inputs, as well as financing of the purchase of agricultural product from farmers.

The new constitutional changes will effect an increase in private land ownership (previous maximum was 30 ha.).

Prices of agri-food products have been liberalized, as well as the import/export regime. All agricultural products now can be freely imported and exported based on criteria of price competitiveness. Only wheat remains on the import quota regime.

All government measures are designed to establish a market economy, wherein any product that is price competitive can freely be imported. This will result in increased imports of all consumer products, including grains, oil and oilseeds and food products.

Unlike previous years when almost all import transactions were done on a countertrade/barter basis, future imports are expected to be more flexible in terms of payment, especially for "intervention imports" for which foreign currency is ensured by the Government of Yugoslavia.

#### 7. Market Prospects - Grains and Oilseeds

Yugoslavia plans to become self-sufficient in wheat and corn by producing 6 mil/t of wheat (1 mil/t would be targeted for export), and 15 mil/t of corn (3 mil/t for export) by 1992. But it is hard to believe that this will be achieved, bearing in mind that only 2% of Yugoslav arable land is irrigated (last place in Europe), which makes Yugoslav agricultural production highly dependant on weather conditions.

Regular exchanges of grains missions between Canada and Yugoslavia should become a common practice as Yugoslavia will definitely remain in the world market for soft and durum wheat, oilseeds and, to a lesser extent, coarse grains.

As in the past, only occasional insignificant spot sales of "special crops" are envisaged in the future.

8. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	100	186	3,500	2,400
Compound feed mills	100	189	4,500	3,500
Maltsters	6	12	250	160
Brewers*	20	29	15.0	11.5
Oilseed crushers	10	22	1,200	950

\* Capacity and output in millions of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Zadar		
Rijeka		
Bar		
Koper		
Split		
Sibenik		
Kardaliaya		
Dubrovnik		

The enterprises, trading organizations and the Federal Directorate for Commodity Reserves would not provide capacities of their storage facilities.

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	500	202			702
Suitable for malting	150	202			352

## 2. Additional Information

Annual per capita beer consumption: For a number of years, beer consumption has been experiencing a downward trend. The reasons for this are the high price of beer, and a drop in the standard of living as a result of the huge inflation experienced in 1989 (2,351.9%).

Beer production capacity: Is 15 million hectolitres. Production of beer in the last four years was as follows:

- 1985	- 10,505	thousand	hectolitres
- 1986	- 11,546	"	"
- 1987	- 11,500	"	"
- 1988	- 11,000	"	"

Since the production capacity exceeds the actual production, no increase is envisaged. Also, there are no plans to decrease the capacity.

Domestic malting capacity: Fairly modern malting capacity in Yugoslavia amounts to 240,000 t. annually. Considering the fact that it is utilized only by 65-70%, no increase or decrease is planned. The Association of Beer Industry of Yugoslavia indicated that malting plants are interested in loan deals with foreign partners, whereby they would process barley into malt for some foreign firm at a considerably lower cost because of a cheaper labour force. Foreign companies can count on up to 70,000 t. capacity in that respect.

Market potential for Canadian malt: Since foreign trade has been significantly liberalized, Canadian malt could be sold in Yugoslavia provided that the price and delivery is acceptable to the domestic malting industry.

## III. OILSEEDS

### 1. Trade Policy

	<u>Soybean*</u>	<u>Sunflower*</u>	<u>Rapeseed*</u>
Import Tariffs: Oilseeds:	6% + 16%	10% + 16%	5% + 16%
Crude Oil:	10% + 16%	10% + 16%	10% + 16%
Oilseed Meal:	3% + 16%	5% + 16%	5% + 16%
Refined Oil:	12% + 16%	12% + 16%	12% + 16%

\* The additional 16% comprises 7.5% of equalization tax; 7.5% of additional import tax, and, 1% of customs evidence tax.

The liberalization of imports on almost all agricultural products made it possible to significantly increase imports of those products in 1989 (25.8% over 1988). Only wheat has remained on "import quota", but the quota has not been specified.

Import/export structure: Imports of oilseeds and unrefined edible oil are done through tenders released by the Federal Directorate for Commodity Reserves to Yugoslavia importers, who, in turn, solicit offers from abroad when the state reserves are in need of replenishment. Oil processors can import oilseeds and crude oil without any restriction now as oilseeds and crude oil have been liberalized.

## 2. Additional Factors

Stiff competition of US suppliers of soybean and oil (export subsidy program of US government) made it impossible for Canadian exporters to penetrate Yugoslav market. As for rapeseed, the imports in Yugoslavia are limited as a result of the choosy taste of Yugoslav consumers who prefer sunflower to any other type of edible oil.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1989

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	417	10	
Soybean	204	250	
Rapeseed	62	10	
Total	683	270	

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Sunflower	174	40			
Soybean	70	30			
Rapeseed	25	10			
Total	269	80			

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	150	0	
Soybean	320	100	
Rapeseed	30	0	
Total	500	100	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	5,598 (6,300)	1,115 ( 215)	(400)	6,713 (6,915)
Durum wheat	2 ( 5)		17 ( 50)	19 ( 55)
TOTAL	5,600 (6,305)	1,115 ( 215)	17 (450)	6,732 (6,970)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	3,700	700 (800)		500 (500)	685 (500)	1,128 (1,115)	6,713 (6,915)
Durum wheat	19						19 ( 55)
TOTAL	3,719	700 (800)		500 (500)	685 (500)	1,128 (1,115)	6,732 (6,970)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	9,336 (8,000)	379 ( 979)	200 (400)	9,917 (9,379)
Barley	702 ( 600)	83 ( 73)	( 50)	785 ( 723)
Sorghum	( 5)	( )	( 5)	( 5)
Oats	279 ( 250)	200 ( )	( 5)	283 ( 255)
Rye	75 ( 77)	( 7)	( )	79 ( 84)
<b>TOTAL</b>	<b>10,394 (8,932)</b>	<b>470 (1,059)</b>	<b>200 (455)</b>	<b>11,064 (10,446)</b>

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	500 (150)	8,000 (8,000)	300 (300)	200 (150)	120 ( )	797 (379)	9,917 ( 9,379)
Barley	100 (100)	300 ( 320)	300 (200)	35 ( 20)	( )	50 ( 83)	785 ( 703)
Sorghum	( )	( )	( 5)	( )	( )	( )	( 5)
Oats	25 ( 30)	200 ( 201)	( )	25 ( 20)	( )	33 ( 4)	283 ( 254)
Rye	70 ( 75)	( 5)	( )	( )	( )	9 ( 4)	79 ( 84)
<b>TOTAL</b>	<b>695 (775)</b>	<b>8,500 (8,526)</b>	<b>600 (505)</b>	<b>260 (190)</b>	<b>120 ( )</b>	<b>889 (470)</b>	<b>11,064 (10,435)</b>

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn	( )	200 (400)	( )	( )	( )	( )	200 (400)
Barley	( )	( 50)	( )	( )	( )	( )	( 50)
Oats	( )	( 5)	( )	( )	( )	( )	( 5)
<b>TOTAL</b>	( )	<b>200 (455)</b>	( )	( )	( )	( )	<b>200 (455)</b>



**PART IV**  
**NORTH AND CENTRAL AMERICA**



## C O S T A R I C A

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,625	1988
Annual per capita GNP:	US\$1,675	1988
Average annual growth:	3%	
Annual inflation rate:	12%	
Volume of imports:	US\$1.8 billion	1988
Of which food:	6%	1988
Of which fuels:	15%	1988
Principal foreign exchange earning export:	coffee, bananas, sugar, meat	
Debt service as % of GNP:	25%	1988
Debt service as % of exports:	12%	1988
Population:	3.2 million	1988
Annual population growth:	2.6%	
Annual consumption:		
Flour	48,000 tonnes or 15 kg/capita	1988
Meat	42,000 tonnes or 13 kg/capita	1988
Vegetable Oil	61,000 tonnes or 19 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Wheat, rye and oats are not grown in Costa Rica.

Quantity Harvested in 1987/88: tonnes

Corn	97,500
Rice	78,000
Oilseeds	272,000
Sorghum	91,000

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Corn	110	100	98
Sorghum	45	30	35
Soybeans	45	25	25
Sunflower	20	20	15
African Palm	385	350	340

## 2. Foreign Exchange Situation

The foreign exchange situation is controlled by the Central Bank which used an official rate of 82.95 colones per US\$ (November 30, 1989).

The government will continue to allow importation of essential agricultural products not produced locally.

Wheat is imported from the US by local flour mills on US PL480 terms.

## 3. Fertilizer Situation

Fertica S.A. (owned by the government) supplies all local demand and exports to other Central American countries (Panama included). Fertica S.A. imports the following items from Canada through a CIDA line of credit: urea, nitrogen, phosphate, etc. for mixing in their two local factories.

4. Import Mechanism: see Foreign Exchange Situation

## 5. Grain Industry Infrastructure

There are no significant changes likely during the next four years.

## 6. Government Policies Affecting Grain and Agriculture

There is no local production of wheat, oats, rye or barley.

Imports in 1988 were: wheat 85,000 tonnes, barley 15,000 tonnes, corn 80,000 tonnes, oats 5,000 tonnes and malt 15,000 tonnes.

Meat production in 1988 was 39,000 tonnes; consumption was 13 kilos per capita.

Competition with US grains and related financing facilities through the PL480 and CCC programs and the ownership of the local flour mill by US groups make it difficult to compete.

There is no policy on countertrade/barter as it relates to grains and oilseeds imports.

## 7. Market Prospects - Grains and Oilseeds

There are no long-term projections on grain import demand. In order to compete with offers of US grains which are financed under PL480, Canadian exporters would have to offer comparable credit terms. There are some prospects for Canadian "special crops" if Canadian exporters can compete in price, quality, delivery and payment terms offered by competitors.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	1	1	100	100
Compound feed mills	14	17	125	115
Brewers*	2	2	150	140
Oilseed crushers	2	2	105	100

\* Capacity and output in thousands of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Moin	19	19
Limon	125	125
Puntarenas	50	35
Caldera	110	100
Total Capacity	304	279

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		(12)	
Malting barley		(13.5)	

Import originations include: Canada, France, West Germany

3. Additional Information

Annual per capita beer consumption: 3% increase in 1988.

Beer production capacity: 3% increase.

Domestic malting capacity: 3% increase.

Market potential for Canadian malt: There is some opportunity for Canadian malt but strong competition should be expected from EC and US suppliers.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds: 10% on CIF value  
Crude oil: None - imported by RECOPE (govt. owned)  
Oilseed meal: 10% on CIF value  
Refined oil: None - imported by RECOPE

Non-tariff import barriers/export assistance measures: Nothing substantial as they are imported by local mills through CNP (a government agency).

Import/export structure: Consejo Nacional de Produccion (CNP) a government agency, controls the importation and tendering for all requirements.

#### 2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
African Palm	320			150	
Cotton		40			
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Vegetable	95				50
<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Animal Feed	55				

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			105 (115)	105 (115)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	105 (115)						105 (115)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
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Wheat (including durum)

Cash	0.7						0.7
Aid, Concessional		104.3 (115)					104.3 (115)
Credit, etc.							

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	90 (88)		80.7 (50)	170.7 (138)
Barley	95 (85)		15.0 (13)	15.0 (13)
Sorghum			5.0 (5)	95.0 (85)
Oats			100.7 (68)	5.0 (5)
TOTAL	185 (173)			285.7 (241)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	60 (60)	110.7 (78)					170.7 (138)
Barley		95.0 (85)	15 (13)				15.0 (13)
Sorghum		5.0 (5)					95.0 (85)
Oats		210.7 (168)	15 (13)				5.0 (5)
TOTAL	60 (60)						285.7 (241)

\* of which poultry: 27%  
Industrial use: beer

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn	0.7	80 (50)					80.7 (50)
Barley		5 (5)			15 (13)		15.0 (13)
Oats	0.7	85 (55)			15 (13)		5.0 (5)
TOTAL							100.7 (68)

Principal Others:

## C U B A

Economic classification:	Centrally planned	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$3,780	1989
Annual per capita GNP:	US\$40 million	1989
Average annual growth:	5%	
Principal foreign exchange earning export:	sugar, tourism, coffee, tobacco, fish products	
Population:	10.3 million	1989
Annual population growth:	1.2%	1989
Annual consumption:		
Flour	150,000 tonnes or 14.9 kg/capita	1988
Meat	450,000 tonnes or 44.6 kg/capita	1988
Vegetable Oil	297,000 tonnes or 29.5 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Foreign Exchange Situation

Cuba's economic situation has been severely affected by international sugar prices as well as by the drop in oil prices and reduced dollar revenue obtained from re-exports of USSR supplied oil. Despite this situation agricultural products receive very high priority and Cuba is prepared to disburse hard currency funds to purchase a needed agricultural product if/when financing is not available.

#### 2. Fertilizer Situation

In 1988 Cuba produced 840,000 tons of fertilizers, approximately 15% below 1987 levels. This decrease is largely attributable to Cuba's inability to obtain raw materials such as phosphate, potash and urea. However, production appears to be modestly recovering in 1989 as July 1989 production of 582,000 tonnes exceeds the figure reached for this period in 1988 by 5%.

#### 3. Import Mechanism

Cuba has a centrally planned economy which establishes that all foreign trade activities be conducted by state trading organizations. Foreign acquisition programs are conducted on an annual basis and reflect anticipated demand. Government agencies issue tenders to international suppliers and select successful bidders on the basis of price competitiveness, product quality, delivery terms and availability of credit facility or financing (minimum 360-day term).

#### 4. Grain Industry Infrastructure

Grain industry in Cuba is state controlled. There are no private enterprises. Grain industry policy is set by the National Grain Enterprise. It is responsible for wheat milling and distribution of all cereals in Cuba.

#### 5. Government Policies Affecting Grain and Agriculture

Cuba cannot grow wheat due to climatic factors. Consequently, it will remain an importer of major cereal crops, including corn. Since 1982, Cuba has started to reorient its buying programs to EC countries and Argentina due to availability of credit. Canada's performance in Cuban market in 1988 is possibly the worst in 20 years. Aimport officials claim that Canada's performance was affected by lack of credit facility and poor crop situation in Canada which prevented CWB from negotiating traditional deliveries to Cuba through the USSR.

Lack of Canadian financing has opened the Cuban market to Argentinian and West European competition which has captured some 40-50% of the market share in Cuba.

In general, Cuba does not have a countertrade/barter policy. Prospects for implementation of such are not likely.

#### 6. Market Prospects - Grains and Oilseeds

Current Cuban grain imports total about 2.25 to 2.3 million tonnes annually. By 1994, would anticipate this total to be slightly larger.

Cuba requires 30 tons of canary seeds and 2,000 tons of lentils per year. There are possibilities for Canada to supply these products provided that 360-day credit terms are available.

#### 7. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	1	4	490	452
Compound feed mills	1	2	250	300
Brewers*	1	5	3,700	3,300
Oilseed crushers	1	3	N/A	N/A

\* Capacity and output in thousands of hectolitres

## 8. Storage and Throughput Capacity

Major ports: Havana, Santiago, Cienfuegos, Caibarien

## II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malting barley		40 (37)	

Import originations include: Czechoslovakia

## 3. Additional Information

Annual per capita beer consumption: Increasing. In 1988, Cuba produced 3.3 m.hl. of beer. Increment was largely due to the opening of a brewery plant in Camaguey with an annual production capacity of one million hl. Despite increased production capability, local beer demand outstrips production.

Beer production capacity: Likely to increase after completion of program to upgrade most production facilities by the end of 1991 and construction of a new 20 million hl/year brewery plant. New brewery project is at bidding stage and two Canadian companies are presently preparing offers.

Domestic malting capacity: Nil

Market potential for Canadian malt: Although Czechoslovakia supplies the bulk of Cuba's malt requirements, there is possibility for spot sales in order of 6-7,000 tons in addition to Czech supplies. However, availability of financing is essential.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Since all foreign procurement is conducted by the Cuban state, no import tariffs are applicable.

Import/export structure: Cuba does not export oilseeds. Imports are conducted by the state trading agency Alimport. Tenders are normally issued twice a year (first and last quarter).

## 2. Additional Factors

Availability of credit facility (minimum 360 days) is an important factor considered by Cuban buyers at time of awarding contract.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Sunflower			180		

<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybean			170		
Sunflower			128		
Total			298		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat		20 (20)	1,151 (1,117)	1,171 (1,137)
Durum wheat		5 (5)	49 (60)	54 (65)
Flour/Semolina		20 (20)	150 (164)	170 (184)
TOTAL		45 (45)	1,350 (1,341)	1,395 (1,386)

\* of which spring wheat

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	960 (940)	35 (25)	156 (152)			20 (20)	1,171 (1,137)
Durum wheat	49 (60)					5 (5)	54 (65)
Flour/Semolina	150 (164)	35 (25)	156 (152)			20 (20)	150 (184)
TOTAL	1,159 (1,164)	35 (25)	156 (152)			45 (45)	1,395 (1,396)

Industrial use: Pasta

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>ALL Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash					410		1,090 (1,057)
Commercial Credit	680 (1,057)			140 (120)			
<u>Flour (including semolina)</u>							
Cash/commercial credit	16 (164)				134		150 (164)
TOTAL	696 (1,221)			140 (120)	544		1,380 (1,341)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	19 (16)	30 (30)	300 (276)	349 (322)
Barley			40 (38)	40 (38)
Sorghum			15	15
Oats			8 (7)	8 (7)
TOTAL	19 (16)	30 (30)	363 (321)	412 (367)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	29 (20)	240 (238)	50 (42)			30 (22)	349 (322)
Barley		34 (30)				6 (8)	40 (38)
Sorghum		12				3	15
Oats		6 (7)				2	8 (7)
TOTAL	29 (20)	292 (275)	50 (42)			41 (30)	412 (367)

\* of which poultry: 25%  
Industrial use: glucose production

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn	40 (21)			120 (100)	140 (59)		300 (276)
Barley	24 (38)			16			40 (38)
Sorghum				15			15
Oats	1 (7)			7			8 (7)
TOTAL	65 (66)			158 (100)	140 (59)		363 (321)

## E L S A L V A D O R

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$675	1988
Annual per capita GNP:	US\$660	1988
Average annual growth:	1%	
Annual inflation rate:	25%	
Volume of imports:	US\$1.1 billion	1988
Of which food:	15%	1988
Of which fuels:	16%	1988
Principal foreign exchange earning export:	Coffee, textiles	
Debt service as % of GNP:	2%	1988
Debt service as % of exports:	3%	1988
Population:	5.8 million	1988
Annual population growth:	3%	1988
Annual consumption:		
Flour	67,000 tonnes or 12 kg/capita	1988
Meat	35,000 tonnes or 6 kg/capita	1988
Vegetable Oil	32,000 tonnes or 6 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Wheat not grown in El Salvador. 1988 was a bad year for the agriculture sector due to guerrilla activity. Corn production in 1988 has been estimated at 450,000 mt and sorghum at 150,000 mt. According to Banco Central de El Salvador (Statistics Dept), production of other grains was 145,000 mt in 1988 and comprised; rice 87,000 mt, oilseeds 23,000 mt, and others 35,000 mt.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Corn	320	295	300
Sorghum	250	245	245
Sunflower	45	50	45

## 2. Foreign Exchange Situation

Banco Central established in April 88 a new foreign exchange control and a list of priorities which includes agricultural products, but even with priority list, the new regulations specify that letters of credit from the local banking system are obligatory for all imports in excess of US\$5,000 - deposit requirements are 10% prior to deposit.

This country will continue as an aid recipient for grains and agricultural products.

## 3. Fertilizer Situation

55% was imported from FERTICA (Costa Rica) and the balance from USA.

Consumption of fertilizers has been reduced 25% in 1988, due to the reduction of the acreage used for cotton.

## 4. Import Mechanism

Imports are done by Instituto Regulador de Abastecimiento (IRA) which is a government agency.

Private companies can import grains directly, as long as they obtain a licence from Ministry of Economy and Foreign Currency from Banco central de El Salvador.

## 5. Grain Industry Infrastructure

There are five storage plants, seven collection centres and two warehouses.

## 6. Government Policies Affecting Grain and Agriculture

The government is carrying on with agrarian reform and the result of this measure in the agricultural sector can not be evaluated at this stage.

There are no barter policies at this moment.

## 7. Market Prospects - Grains and Oilseeds

There are no long term grain import projections.

Marketing opportunities exist for Canadian special crops depending on prices and transportation.

8. Processing Facilities: 1988

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	3	3	85	85
Brewers*	2	2	78	90
Oilseed crushers				

\* Capacity and output in hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Acajutla		885
Catuco		96
Total Capacity		981

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		14 (11)	

Import originations include: France, Belgium

3. Additional Information

Annual per capita beer consumption: 1.5% increase.

Beer production capacity: 2% increase.

Domestic malting capacity: 1.5% increase.

Market potential for Canadian malt: Canadian malt is well known but they get better prices from European countries.

### III. OILSEEDS

#### 1. Trade Policy

Import Tariffs: Oilseeds: 15% on CIF value, plus US\$0.25 per kilo.

Crude oil: None - imported by government.

Oilseed meal: " " "

Refined oil: " " "

Import/export structure: It is usually done by government agency IRA. It can be done by private importers as long as they get the related import licence and foreign currency.

#### 2. Additional Factors

This country does not import oilseeds but it does import finished products.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Cotton	20	16			
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Vegetable	25	<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
			16		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			88 (86)	88 (86)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	68 (67)	20 (20)					88 (86)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Aid, Concessional Credit, etc.		88 (86)					88 (86)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	440 (450)		150 (100)	590 (550)
Sorghum	150 (150)			150 (150)
TOTAL	590 (600)		150 (100)	740 (700)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	190 (100)	400 (450)					590 (550)
Sorghum		150 (150)					150 (150)
TOTAL	190 (100)	550 (600)					740 (740)

\* of which poultry: 25%

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn	1.5	148.5 (100)					150 (100)

## G U A T E M A L A

Economic classification:	Low income economy
Oil exporter or importer (net):	Importer
Annual per capita income:	US\$325
Annual per capita GNP:	
Average annual growth:	2%
Annual inflation rate:	15%
Volume of imports:	US\$5.5 billion 1988
Principal foreign exchange earning export:	Coffee, sugar, meat, shrimp and bananas
Debt service as % of exports:	40% 1988
Population:	8 million 1988
Annual population growth:	2.6% 1980-2000

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

When comparing Guatemala's grain crops (corn, beans, rice, sorghum, sesame, peanuts) for the last 5 years, it is evident that the variations in acreage planted, yield, and obtained production have not been significant (not more than 10% in any given year). The variations between the 1987/88 crop and the 1988/89 crop are staying well within this parameter.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1988/89</u>	<u>1987/88</u>
Corn	920.3	1,089.8
Sorghum	75.9	65.6

#### 2. Foreign Exchange Situation

As in the last 5 years, Guatemala is experiencing a shortage of foreign exchange. The Guatemalan government recently announced that the exchange rate would be a floating one. The immediate result was an increase in the price of the US\$ which will contract imports of food and agricultural commodities. Guatemala enjoys aid from several countries for agricultural commodities. The most significant is for wheat and oil which are subsidized by US Aid programs.

### 3. Fertilizer Situation

All NPK fertilizer or products are imported totally or in components to be mixed locally. Traditionally supply has been done from the US and Germany. With the foreign exchange situation becoming normal, it is anticipated that imports will increase approximately 15% from previous years.

### 4. Import Mechanism

Government controls imports of grains through INDECA (Instituto Nacional de Comercializacion Agricola). They are directly responsible for controls on production, storage and marketing. Private importers are allowed quotas often obtaining import license from the Ministry of Economy.

### 5. Grain Industry Infrastructure

Two ports handle all imports of grains to Guatemala, Puerto Quezal on the Pacific and Puerto Santo Tomas de Castilla on the Atlantic.

A new bulk handling facility called GRANEL, S.A. mainly designed for sugar exports, has approx. capacity to process 75,000 tons of grains per year.

### 6. Government Policies Affecting Grain and Agriculture

The floating exchange rate is a recent Government policy which will certainly inhibit imports for all types of commodities and products and encourage Guatemalan exports. It will affect all importers of agricultural products as these will become more expensive and the end result could be a decline in the acreage that will be planted in the upcoming grain crop season.

Canadian grain exports to Guatemala have been insignificant at best, and Government policies or exchange control would not affect Canadian exports.

With the present foreign exchange crunch, the Government looks very favourably at countertrade/barter activities.

### 7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections. Marketing initiatives could include bilateral financing.

Extremely limited market for Canadian special crops.

## 8. Processing Facilities

	Number of Companies	Number of Plants
Flour (and durum) mills	22	22

## 9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Puerto Quetzal		220
Puerto Santo Tomas		225
Total Capacity		445

## II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil

### 2. Additional Information

Annual per capita beer consumption: It is increasing at a rate of approximately 5% per year.

Beer production capacity: Only brewery in Guatemala controls the market and increases or decreases production according to demand levels.

Domestic malting capacity: Equal to last year.

Market potential for Canadian malt: The local brewery continues to purchase French malt. Their requirements are attractive and would purchase from Canada if prices were more competitive. They have purchased Canadian malt in the past and were satisfied with quality. It is worth mentioning that even with more expensive freight rates, French malt is still competitive in the market.

### III. OILSEEDS

#### 1. Trade Policy

Import Tariffs: Oilseeds: 5 to 10% of CIF landed cost.  
Crude oil 5 to 10% of CIF landed cost.  
Oilseed meal: 5 to 10% of CIF landed cost.  
Refined oil: 5 to 10% of CIF landed cost.

Import Tariffs Levies, quota restrictions for wheat & feedgrains:

1. Foreign exchange scarcity.
2. Subsidy programs from the US for purchase of grains and foodstuffs. Specially, programs PL480 and GMS102

Import/export structure: Grain and seed imports are subject to controls from INDECA (Instituto Nacional de Comercializacion Agricola) which is directly responsible for imports/exports from the private sector.

#### 2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sesame	0.6		
Peanuts	0.07		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	105 (110)		344.2 (310.7)	
Durum wheat Flour/Semolina				
TOTAL	105 (110)		344.2 (310.7)	

213

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	449.2 (420.7)						
Durum wheat Flour/Semolina							
TOTAL	449.2 (420.7)						

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	2,636.9 (2,733.8)	122.4 (180.6)	50.2 (17.9)	2,809.5 (2,932.3)
Barley	286.0 ( 281.5)	11.9 ( 0 )		297.9 ( 281.5)
Sorghum				
Oats				
Rye				
<b>TOTAL</b>	<b>2,922.9 (3,015.3)</b>	<b>134.3 (180.6)</b>	<b>50.2 (17.9)</b>	<b>3,107.4 (3,213.8)</b>

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	1,931.1 (1,876.2)	760.6 ( 821.6)	61.4 (55.8)	32.5 (26.1)	(0.3)	23.9 (122.4)	2,809.5 (2,902.4)
Barley	44.2 ( 41.8)	245.9 ( 253.5)		2.9 ( 1.9)	(2.3)	4.9 ( 11.9)	297.9 (1,311.4)
Sorghum							
Oats							
Rye							
<b>TOTAL</b>	<b>1,975.3 (1,918.0)</b>	<b>1,006.5 (1,075.1)</b>	<b>61.4 (55.8)</b>	<b>35.4 (28.0)</b>	<b>(2.3)</b>	<b>28.8 (134.5)</b>	<b>3,107.4 (3,213.8)</b>

## J A M A I C A

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,350	1988
Annual per capita GDP:	US\$1,412.7	1988
Average annual growth:	11.1%	
Annual inflation rate:	8.8%	
Volume of imports:	US\$1.427 billion	1988
Of which food:	15.4%	1988
Of which fuels:	13.7%	1988
Principal foreign exchange earning export:	bauxite, tourism	
Debt service as % of GDP:	42.4%	1988
Population:	2.357 million	1988
Annual population growth:	0.1%	1987-1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

No wheat, barley, oats or rye grown in Jamaica. 1988 figures reveal that approximately 4,546 pounds of corn were produced.

#### 2. Foreign Exchange Situation

In October 1989, the government announced the suspension of the auction system as a means of determining rate of exchange and allocation of available supply. Instead the value of the J\$ versus the US\$ is now fixed at US\$1.00 = J\$6.50 and funds are allocated on a first come first served basis. Jamaica is a recipient of aid/grant from funding agencies such as USAID, CIDA, IBRD, IABD, EC, etc.

#### 3. Import Mechanism

The trading arm of the Government of Jamaica - the Jamaica Commodity Trading Co. (JCTC) - procures all grains through various grant and/or aid programs, or on commercial terms through international tenders. Corn, soya and some wheat is imported under the US PL480 and GSM102 loan programs at favourable concessional rates.

#### 4. Grain Industry Infrastructure

The JCTC is the sole importer of corn, wheat and soybeans. One oilseed crushing firm operates while one other company processes edible oils, feeds, soaps, detergents, margarine, etc. Four major feed mills are engaged in producing animal feeds. No significant changes expected.

## 5. Government Policies affecting Grain and Agriculture

The government's agricultural policy encourages local output of various grains, suitable for growth in Jamaica, as a means of conserving exchange. Efforts at rearing top quality cattle, aquaculture and rice production in particular have met with great success.

Although local production of grain will improve, demand far outweighs the local supply and therefore imports will always be made to augment domestic production.

Countertrade/barter is always attractive to Jamaica with bauxite/alumina being offered for any negotiated product/item.

## 6. Market Prospects - Grains and Oilseeds

As Jamaica is a developing country, the island suffers from a problem of scarce foreign exchange resources. Attractive credit terms are, therefore, important in attempting to export to Jamaica.

There are limited marketing opportunities for special crops.

## 7. Processing Facilities: 1988

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	1	1		130
Compound feed mills	5	5		226
Brewers*	2	2		4,050
Oilseed crushers	1	1		

\* Capacity and output in hectolitres/day

## 8. Storage and Throughput Capacity

Names of Ports: Shell Pier Kingston; Wherry Wharf Kingston; Port Esquivel, St. Catherine; Rio Bueno, Trelawny; Kingston Wharf; Montego Bay.

## II. MALT AND MALTING BARLEY

1. Domestic Production: Nil
2. Statistical Notes: 1988 est. - tonnes

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		13,053	

Import originations include: UK, Canada, USA, Belgium, the Netherlands

### 3. Additional Information

Annual per capita beer consumption: Beer consumption has shown a steady increase as indicated by a steady increase in beer and stout production to a ten-year high of 17,804,000 gallons.

Beer production capacity: Production capacity has increased with the merger/consolidation of both brewing plants.

Domestic malting capacity: Domestic malting capacity has increased with the merger/consolidation of both brewing plants.

Market potential for Canadian malt: A more aggressive strategy needs to be undertaken to exploit local market potential.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs for oilseeds and products: Nil

Maximum import tariff of 68% + 27½% consumption tax on wheat and feed grains.

Non-tariff import barriers/export assistance measures: Import licence for refined oil and oilseeds required prior to purchase/importation.

Import/export structure: All imports are sourced by the JCTC through annual tender.

### 2. Additional Factors

US PL480 and GSM 102 provide the necessary credit which is always attractive to the local buyers.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean		37.6	
Sunflower		T	
Sesame		T	
Linseed		T	
Other		T	

T - less than 50 tonnes

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
		(000 litres)			
Soya			566.0		1.6
Cottonseed			21.5		
Olive		13.9	2.8		0.1
Sesame		0.2			
Linseed		224.6			
Palm		3,883.9	24.8		
Corn		512.0	505.0		
Total		4,634.6	1,120.1		1.7

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soya		10.0	
Corn	19.8		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1988 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			165.5	
Flour/Semolina	236.8		2,416.9	
TOTAL	236.8		2,582.4	

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1988 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	2,062			
Oats			2.1	
Rye			T	

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Oats		0.2			0.5	0.2	2.1
Rye		T	1.2				T

T - less than 50 tonnes

## M E X I C O

Economic classification:	Middle income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$1,450	1988
Annual per capita GNP:	US\$1,700 - 1,900	1988
Average annual growth:	1.4%	
Annual inflation rate:	52 %	
Volume of imports:	US\$18.9 billion	1988
Of which food:	11.7%	1988
Of which fuels	2.7%	1988
Principal foreign exchange earning export:	Petroleum, tourism, manufacture	
Debt service as % of GNP:	8%	1988
Debt service as % of exports:	43.5%	1988
Population:	82.8 million	1988
Annual population growth:	2.0%	1988
Annual consumption:		
Flour	tonnes or 37.3 kg/capita	1988
Meat	tonnes or 33.2 kg/capita	1988
Vegetable Oil	tonnes or 11.2 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

In 1988 the production of basic grains reached 22.4 million tonnes, 13.2% less output than the previous year. The reason for the decline included adverse weather conditions: drought in the northwest; late rains in the centre; excessive humidity in the State of Mexico (the corn belt); and the after effects of hurricanes; insect infestations and inefficient growing techniques also contributed to the reduction in grain production. The picture for 1989 appears just as negative. Only 5,179 thousand hectares were seeded during the spring-summer cycle this year representing 42% of the total program planned. As a result, imports of basic grains and oilseeds in 1989 will exceed 8.3 million tonnes including approximate estimate of 2.5 million tonnes of maize, 359 thousand tonnes of wheat, 160 thousand tonnes of rice, 2,200 thousand tonnes of oilseed meals, 970 tonnes of oil and 3 million tonnes of sorghum.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	1,209	798	923
Barley	269	64	275
Corn	6,993	585	7,343
Sorghum	1,591	862	1,841
Soybeans	492	2	123
Sunflower	4		
Safflower	179	238	227

2. Foreign Exchange Situation

At the end of 1988, Mexico's foreign exchange reserves stood at almost \$6.6 billion. Mexico has successfully negotiated with international creditors, and obtained favourable terms and conditions for repayment and servicing of its external debt. Domestic production of agri-food commodities during 1988 were severely reduced by inclement weather, causing imports of food products to increase by 31.5%. Because per capita income exceeds most accepted limits for donor such as CIDA, Mexico is not likely to become an international aid recipient in the future. The budget in 1989 has set the scene for cautious reactivation of the Mexican economy within a framework of relatively low rate of inflation.

3. Fertilizer Situation

The state-owned producer of fertilizers and intermediate products is Fertilizantes Mexicanos. Production of final products in 1988 reached 4.5 million tonnes, while intermediate products were almost 4.7 million tonnes. Mexico exported a total 150 thousand tonnes of NPK complexes and imported 200 thousand tonnes of urea; 218 thousand tonnes of potassium chloride; 25 thousand tonnes of potassium sulphate; 1.8 million tonnes of phosphoric rock and 10 thousand tonnes of potassium nitrate. Almost 5.2 million tonnes of fertilizer, insecticides and intermediate products were sold in the domestic market.

4. Import Mechanism

Since January 1985 CONASUPO relinquished its control of agri-food imports of selected grains, pulses and oilseeds. Today such imports have been largely privatized, with CONASUPO responsible for importing those volume required directly for the consumption of its own industrial plants. Private industry now tenders directly through the respective industrial associations for coarse grains and oilseeds. CONASUPO and the Ministry of Agriculture (SARH) must authorize such imports, while CONASUPO retains the coordination of the ports of entry. CONASUPO is currently re-orienting its policies and limiting its participation in the grains market to corn and bean. It will sell nine of its eleven industrial plants (retaining its dairy operations and corn processing plants), and 589 stores throughout the country. For the time being it will continue

to have the role of country-to-country trade for milling wheat and skim milk powder.

#### 5. Grain Industry Infrastructure

Mexico's major grain handling facility is located at Guaymas, and lesser installations are to be found at Mazatlan and Manzanillo. Grain is also handled at smaller ports on the Gulf and Pacific coasts as required, with Veracruz being the most efficient. Veracruz also has facilities to receive and handle edible oils. Grain and other food commodities are moved inland from ports and border crossings by road and rail. Storage of grains is done by government-owned companies (Almacenes Nacionales de Deposito and Bodegas Rurales Conasupo), private warehouses in urban centers, while some industrial companies and animal producers have facilities to store their own raw materials as in the case of oilseed crushers, feed manufacturers and large poultry and hog producers.

#### 6. Government Policies Affecting Grain and Agriculture

Self-sufficiency in grain and livestock production continue to be priorities of the federal government. Continued stagnation in the agricultural and livestock sectors has resulted in a 4.5% decrease in sectorial production in 1988. The National Agriculture and Livestock Board (Consejo Nacional Agropecuario) is planning a strategy to recover real price levels of 1981 by the end of 1989. This program will allow for significant increases in the prices of basic grains, eggs, fluid milk and specialty beef cuts to increase income among producers, and establish the bases for growth in 1990. Short-term increases in the prices of agricultural commodities should stimulate investments, technology innovations and other benefits in these sectors. The government's program to dramatically reduce inflation from 152% in 1987 to a yearly average of 19.5% for 1990, will translate into improved purchasing power by the Mexican population and a significant growth in consumer demand for food.

Because over 75% of Mexico's crop land is dependent on rainfall, the weather rather than any government program influences year to year agriculture production. Good weather, adequate rainfall, etc. translate into good crops. The recent drought and later torrential rains caused reductions in acreages planted and significant crop losses. As a result Mexico purchased over 8.0 million tonnes of grains and oilseeds to cover 1989 requirements, including wheat, soybeans, sorghum, corn, rapeseed, milk powder and other food commodities. In irrigated districts there is adequate availability of water from summer rains which should allow Mexico to harvest a decent wheat crop during the fall-winter cycle 1989/90 all other factors permitting.

Mexico does not have a specific policy regarding barter trade, although there was some experimenting with countertrades in the past. It has been more the exception rather than the rule. It is not likely that important

barter transactions will take place in the future, and particularly not in the agricultural sector.

#### 7. Market Prospects - Grains and Oilseeds

Import projections are not prepared in Mexico because of the ever-changing nature of domestic agricultural production. Imports are determined on an as-required basis, depending on local output. A deficiency in the capacity to store grain, and an inadequate transportation and distribution system compound the difficulties of preparing forward projections beyond the immediate future. However, the CEESP - the Private Sector Economic Studies Center, has made the following projection of basic grain production requirements to the year 2000:

#### Mexican Grain Production Requirements to Year 2000

Crop	<u>Hectares (1)</u>			<u>Production (2)</u>		
	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
Rice	225	230	240	860	960	1,030
Beans	1,950	1,900	1,900	1,316	1,368	1,425
Maize	7,550	7,500	7,500	15,100	15,375	15,750
Wheat	1,200	1,200	1,250	4,850	6,400	6,600
Sorghum	2,000	2,100	2,200	8,000	9,000	9,900

(1) Thousands of hectares.

(2) Thousands of tonnes

Source: CEESP - Centro de Estudios Economicos del Sector Privado.

It is essential to maintain contact with CONASUPO, but also important to continue the rapport with private sector buyers in the feed and oilseed industries. Local agents or representatives of foreign grain exporters are extremely active in canvassing the market; technical courses and seminars organized by CIGI should continue to be an integral part of the Canadian strategy to promote sales in this market. The specialized media should be more widely used to publicize the scientific research being done in Canada regarding grains, oilseeds, meals, feeding trials, etc. Usually such publicity can be obtained "gratis".

As beans are a basic staple of the Mexican diet, important acreages are devoted to this crop each cycle. Any shortfalls in domestic production are covered by imports. 179 thousand tonnes were imported in 1986, 40 thousand tonnes in 1987. Black beans, pintos, canary beans and coloured beans are preferred. Mustard and canaryseed have growing potential, again depending on domestic production. Mexico is a producer and exporter of lentils, chickpeas, sesame and other special crops. However, in a bad crop year local production must be supplemented with imports of all the above products.

8. Processing Facilities: 1988/89\*\*

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	120	137	4,723(1)	3,132
Compound feed mills	62	89	7,250	6,460(2)
Maltsters	5	6	387	301
Brewers*	3	16	37.5	34.5
Oilseed crushers	43	90	968	614

\* Capacity and output in millions of hectolitres

(1) Estimated capacity all wheat; (2) Compound feed mills only

\*\* Milling cycle May 1988-April 1989

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

<u>Name of Port</u>	- thousands of tonnes -	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tampico	27	1,680
Veracruz	25	1,620
Tuxpan	14	840
Coatzacoalcos	10	720
Progreso (Merida)*	20	384
Mazatlan	20	960
Manzanillo	20	960
Guaymas	68	1,440
Total Capacity	204	8,604

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

	- thousands of tonnes -				<u>Total</u>
	<u>2 Row</u>		<u>6 Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley Suitable for malting					346

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	301 (286)		
Malting barley	346 (358)		

3. Additional Information

Annual per capita beer consumption: Increased 10% in 1988, from 28,592,490 hectolitres to 31,508,021 hectolitres. Price stabilization in the consumer market, resulting in a better control of inflationary factors, led to an increase in domestic beer sales and higher per capita consumption.

Beer production capacity: There was no expansion in output capacity during 1988. Beer production increased 6.1% reaching 34,534,305 hectolitres.

Beer exports declined slightly from 2,944,892 hectolitres in 1987 to 2,623,204 hectolitre a drop of 10.9%. The value of exported beer in 1988 was US\$179.2 million, \$36.8 million less than the previous year. 98% of the export sales went to the USA.

Domestic malting capacity: The total malting capacity in Mexico is estimated at 390,000 tonnes/year. There is sufficient excess capacity to accommodate any growth in demand. Malt consumption by the domestic brewing industry increased by 5.2%, from 285,701 the previous year to 300,737 tonnes in 1988.

Market potential for Canadian malt: Because of an internal decline in domestic malting barley and malt production, the industry has been forced to import barley from Canada and the USA. It is also likely that some volumes of malt will have to be imported in 1990 to keep beer production from falling. Barley plantings are facing a serious problem with rust, resulting in declining volumes of harvested grain.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: Soybean, canola, sunflower, cottonseed, safflower exempt: Copra and sesame 10% ad valorem. All require import permit.

Crude and Refined Oil: Soybean, peanut, palm, sunflower, safflower, cotton, coconut, canola (rape) and corn exempt; sesame - 10% ad valorem, import permit required for all except peanut, palm and sesame.

Oilseed Meal: Soybean - exempt; cotton, sunflower and other 15% ad valorem, import permit not required.

Import  
Tariffs: Wheat, corn and sorghum - exempt  
Rye and barley - 5% ad valorem  
Oats and millet - 10% ad valorem  
Buckwheat - 15% ad valorem  
Canaryseed - 20% ad valorem

Import permit required, except for rye, oats, buckwheat and canary seed, or when imported for seed.

Import/export structure - CONASUPO currently imports for its own industrial plants, and coordinates requirements of the milling industry for wheat as well as certain feed grain such as barley and feed wheat. Industrial chambers such as ANIAME, the National Oils and Fats Association, organize international tenders for oilseeds and oils on behalf of members, in coordination with CONASUPO and the Ministry of Commerce.

## 2. Additional Information

Credit purchasing of food commodities (grains, oilseeds, milk powder, etc.) has become the norm at CONASUPO, CCC and EDC credits or other financing mechanism must accompany offers in international tendering if to be favourably considered. The government does not subsidize industrial processing of food products. Price controls at the retail level have hindered the healthy development of the food processing sector, causing plants to operate well below their installed levels of capacity as in the edible oils industry.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sesame	20		
Soybean	334	1,177	
Safflower	311		
Cottonseed	360	43	
Copra	100		
Sunflower	28	144	
Canola		165	
Other	35	5	
Total	1,188	1,534	

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Cottonseed		4			
Flaxseed		1			
Olive oil		1			
Soybean		71			
Coconut		24			
Palm oil		14			
*Mixed oils		214			
Total	266(a) 346(b)	342			

\* Sunflower, canola and corn oil

(a) From domestic seed, (b) From imported seed.

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean		254	
Cottonseed		4	
Others		42	
Total		300	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	3,664 (3,550)	400 (412)	1,192 (1,200)	5,256 (5,162)
TOTAL		400 (412)	1,192 (1,200)	5,256 (5,162)

\* of which spring wheat 3,664 (3,550)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	4,111 (3,960)	355 (390)	220 (210)	170 (180)		400 (422)	5,256 (5,162)
TOTAL	4,111 (3,960)	355 (390)	220 (210)	170 (180)		400 (422)	5,256 (5,162)

Industrial use: Starch pasta

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Commercial Credit	246 (400)	848 (800)				98	1,192 (1,200)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	10,693 (13,212)	1,700 (1,200)	3,303 (2,000)	15,696 (16,412)
Barley	338 ( 500)		7	345 ( 500)
Sorghum	5,895 ( 4,700)	500 ( 700)	1,147 (1,400)	7,542 ( 6,800)
Oats			80	80
Rye				
TOTAL	16,926 (18,412)	2,200 (1,900)	4,537 (3,400)	23,663 (23,712)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	10,778 (10,705)	240 ( 250)	3,100 (3,057)	578 (1,200)		1,000 (1,200)	15,696 (16,412)
Barley		( 135)	( 365)	345			345 ( 500)
Sorghum		7,494 (6,100)		48		( 700)	7,542 ( 6,800)
Oats		80					80
Rye							
TOTAL	10,778 (10,705)	7,814 (6,485)	3,100 (3,422)	971 (1,200)		1,000 (1,900)	23,663 (23,712)

Industrial use: Corn-starch; oil; barley-malt

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn	74	3,209 (1,800)		(200)		20	3,303 (2,000)
Barley	7					7	7
Sorghum		22 (1,200)		1,125 (200)			1,147 (1,400)
Oats	80						80
Rye							
TOTAL	161	3,231 (3,000)		1,125 (400)		20	4,537 (3,400)

## N I C A R A G U A

Economic classification:	Low income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$345	1988
Annual per capita GNP:	US\$370	1988
Average annual growth:	4%	1988
Annual inflation rate:	185%	1988
Volume of imports:	US\$0.860 billion	1988
Of which food:	19%	1988
Of which fuels:	13%	1988
Principal foreign exchange earning export:	Coffee and meat	
Population:	4.2 million	1988
Annual population growth:	2.5%	1988
Annual consumption:		
Flour	15,800 tonnes or 5 kg/capita	1988
Meat	12,000 tonnes or 2.5 kg/capita	1988
Vegetable Oil	16,000 tonnes or 4 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

According to Instituto Nacional de Estadísticas y Censos de Nicaragua coarse grain production in Nicaragua (1987) was an estimated 87,000 mt comprising: rice 45,000 mt, oilseeds 20,000 and others 22,000 mt. Wheat is not grown in Nicaragua.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Corn	195	200	195
Sorghum	34	32	29
Sunflower	150	145	150

#### 2. Foreign Exchange Situation

All food and agricultural products are controlled and imported by ENABAS (Government Agency).

Nicaragua receives international aid from Canada, France, Spain, Colombia, Brazil and Eastern European countries.

### 3. Fertilizer Situation

12% were imported from Colombia  
10% were imported from Mexico  
78% were imported from Eastern European countries.

### 4. Import Mechanism

All imports are controlled by the government agencies ENABAS and ENIMPORT.

### 5. Grain Industry Infrastructure

The two agencies indicated in paragraph 4, have storage and handling facilities in the port of Corinto (Pacific side).

No significant changes imminent.

### 6. Government Policies Affecting Grain and Agriculture

The Government has rationed all types of food products and grains and controls the importation and related distribution.

Some prospects for Canadian shipments through CIDA aid programs.

### 7. Market Prospects - Grains and Oilseeds

No real initiatives possible at this time as market is essentially limited to aid shipments.

Marketing possibilities for Canadian special crops depend on prices and transportation.

### 8. Processing Facilities: 1988

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	2		60	40
Brewers*	2		80	55

\* Capacity and output in thousands of hectolitres

## 9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Corinto	125	100

## II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil
2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		4 (5)	

Import originations include: Eastern European countries

### 3. Additional Information

Annual per capita beer consumption: Decreased 9% in 1987/88.

Beer production capacity: Decreased 8% in 1987

Domestic malting capacity: Decreased 8% in 1987

Market potential for Canadian malt: None at present time

## III. OILSEEDS

### 1. Trade Policy

Import Tariffs: None (imports are controlled by Government)

Non-tariff import barriers: Nothing substantial as all imports are controlled by the government.

Import/export structure: Under government control.

2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soya	50				
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soya oil	62				
<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Soya meal	40				

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			23 (25)	23 (25)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	23 (25)						23 (25)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Aid, Concessional Credit, etc.		5				22.5 (25)	23 (25)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	15 (13)		15 (12)	30 (25)
Barley			10 (7)	10 (7)
Sorghum	15 (8)			15 (8)
TOTAL	30 (21)		25 (19)	55 (40)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn		30 (25)					30 (25)
Barley			10 (7)				10 (7)
Sorghum		15 (8)					15 (8)
TOTAL		45 (33)	10 (7)				55 (40)

\* of which poultry: 25%  
Industrial use: Animal feed and beer production.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn	1					14 (12)	15 (12)
Barley						10 (7)	10 (7)
TOTAL	1					24 (19)	25 (19)

## P A N A M A

Economic classification:	Middle Income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,700	1987
Annual per capita GNP:	US\$1,850	1987
Average annual growth:	3%	
Annual inflation rate:	10%	
Volume of imports:	US\$1.2 billion	1987
Of which food:	24%	1987
Of which fuels:	17%	1987
Principal foreign exchange earning export:	coffee, meat, Panama Canal and banking services	
Population:	2.5 million	1988
Annual population growth:	2.4%	1988
Annual consumption:		
Flour	27,000 tonnes or 11.7 kg/capita	1987
Meat	35,000 tonnes or 15.0 kg/capita	1987
Vegetable Oil	40,000 tonnes	1987

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Wheat is not grown in Panama.

Corn: During 1987/88 crop year, 32,000 mt were harvested from 48,000 hectares. No information of planting intentions for the next crop year.

Rice: During 1987/88 crop year 37,000 mt were harvested from 18,000 hectares. Planting plans for next crop are 20,000 hectares.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Corn	N/A	48	46
Sorghum	N/A	62	60

#### 2. Foreign Exchange Situation

Local currency - 1 Balboa is equivalent to US\$1.

Wheat and oilseeds were imported until 1987 from the USA as local mills are owned by US corporations. Since 1988 importation has been from

Canada, Argentina and France because of the US economical embargo of Panama.

### 3. Fertilizer Situation

According to 1988 import statistics, Panama imported 37,500 mt of fertilizers (suppliers were: Costa Rica 30%, W. Germany 25%, Colombia 25%, others 20%). Ingredients were: nitrogen 33%, phosphate 27%, potash 30% and others 10%.

### 4. Import Mechanism

All grains are imported by the government agency, Instituto Mercadeo Agropecuario (IMA) except wheat which is imported directly by local mills which require previous authorization from IMA and Ministerio de Comercio. No changes are foreseen in import structure procedures.

### 5. Grain Industry Infrastructure

The IMA and flour mills have storage facilities in the ports of Balboa and Colon and grain silos in the more important production centres of Panama. No significant changes are imminent.

### 6. Government Policies Affecting Grain and Agriculture

Imports in 1988 were: wheat 63,000 mt, barley 60,000 mt, corn 32,000 mt, oats 2,000 mt and malt 12,000. There were no exports. All of these imports were for human consumption except barley (50% for livestock) and corn (100% for animal feed).

Meat production in 1988 was 35,000 mt. Consumption is 15 kilos per capita.

The situation might change because of the US economical embargo. Good prospects are foreseen for Canadian barley, wheat and oats if Canadian exporters can compete in prices, delivery and transportation.

### 7. Market Prospects - Grains and Oilseeds

There are no national grain import projections to 1994.

There are marketing possibilities for Canadian "special crops" depending on prices and transportation and Canadian exporters' interest. In the past 12 months local importers have sent several quotation requests but Canadian exporters have not responded.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	3	3	60	50
Compound feed mills	8	10	147	142
Brewers*	2	3	68	50
Oilseed crushers	2	2	85	60

\* Capacity and output in hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Balboa	160	160
Colon	140	135
Total Capacity	300	295

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		12 (12.6)	
Malting barley		60 (58)	

Import originations include: West Germany, France

3. Additional Information

Annual per capita beer consumption: 2% increase

Beer production capacity: 2.5% increase

Domestic malting capacity: 2.5% increase

Market potential for Canadian malt: Competition with US and EC suppliers makes it difficult for Canada to obtain a share of this market.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds: None  
 Crude oil: 10% on CIF value  
 Oilseed meal: None  
 Wheat: None  
 Feedgrains: 10% on CIF value

There are no restrictions for wheat or feedgrains but import permits are required from IMA and Ministerio de Comercio.

Import/export structure: Imported directly by two local manufacturers (Compania de Aceites S.A. and Aceites Pavo S.A.).

#### 2. Additional Factors

The two local manufacturers import crude soybean oil and refine it in their factories. They meet local market demand. Payments are made by L/C.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soya		75			
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Vegetable	80	70	5		
<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Animal feed	25				

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			63 (65)	63 (65)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	50 (50)	13 (15)					63 (65)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Cash Aid, Concessional Credit, etc.				33			63 (65)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	32 (30)			32 (30)
Barley			60 (55)*	60 (55)
Sorghum	55 (55)			55 (55)
Oats			2 (3)	2 (3)
TOTAL	87 (85)		62 (58)	149 (143)

\* would include corn, sorghum and possibly barley

**PART V**  
**SOUTH AMERICA**



## A R G E N T I N A

Economic classification:	Middle income	
Oil exporter or importer (net):	Self-sufficient	
Annual per capita income:	US\$1,550	1988
Average annual growth:	-2%	
Annual inflation rate:	600%	
Volume of imports:	US\$5 billion	1988
Of which food:	8%	1988
Of which fuels:	1%	1988
Principal foreign exchange earning export:	Agricultural products	
Debt service as % of GNP:	35%	1988
Debt service as % of exports:	60%	1988
Population:	33 million	1988
Annual population growth:	1.2%	1988
Annual consumption:		
Flour	3.0 million tonnes or 91 kg/capita	1988
Meat	2.8 million tonnes or 85 kg/capita	1988
Vegetable Oil	0.5 million tonnes or 15 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90*</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	5,400	4,660	4,935
Durum	100	150	150
Barley	100	130	130
Corn	3,000	2,500	2,825
Sorghum	1,000	900	1,075
Oats	2,100	1,830	1,900
Rye	600	460	750
Soybeans	5,200	4,570	4,400
Sunflower	2,550	2,320	2,070

\* Estimated

2. Fertilizer Situation: 20 kg/hectare

3. Government Policies Affecting Grain and Agriculture

There will be a gradual reduction of export taxes for the 1989/90 crop. There is no countertrade/barter policy.

4. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	46	57	5,800	4,300
Compound feed mills	20	36	2,800	1,900
Maltsters	10	10	800	750
Brewers	7	12	N/A	N/A
Oilseed crushers	43	62	6,000	6,000

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	350				
Suitable for malting		250			

2. Additional Information

Annual per capita beer consumption: Increasing  
 Beer production capacity: Increasing  
 Domestic malting capacity: Stable  
 Market potential for Canadian malt: None

III. OILSEEDS

1. Trade Policy

Import tariffs: Argentina is not an importer of oilseeds.

Import/export structure: Private firms.

2. Additional Factors

There will be a gradual reduction of export taxes for the 1989/90 crop.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybean	7,000			500	
Sunflower seed	3,200				
Flax	420				
TOTAL	10,620			500	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean	800			700	
Sunflower seed	1,900			1,400	
Flax	100			90	
TOTAL	2,800			2,190	

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybean	3,200			2,800	
Sunflower seed	1,500			1,350	
Flax	180			180	
TOTAL	4,880			4,330	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1988/89 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	8,000 (9,800)	500 (500)		8,500 (10,300)

DISPOSITION: 1988/89 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	4,500 (4,500)			500 (500)	3,000 (4,800)	500 (500)	8,500 (10,300)

Industrial use: Mills  
Export destination: Brazil, Iran, EC

IMPORT TRADE: Nil

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1988/89 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	4,500 (9,200)	500 (1,000)		5,000 (10,200)
Sorghum	1,600 (3,200)	500 (500)		2,100 (3,700)
Oats	450 (600)			450 (600)
Rye	40 (70)			40 (70)
TOTAL	6,590 (13,070)	1,000 (1,500)		7,590 (14,570)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	1,000 (1,200)	2,000 (2,500)		400 (500)	1,200 (5,200)	400 (800)	5,000 (10,200)
Sorghum		1,000 (1,600)		150 (250)	850 (1,850)	100	2,100 (3,700)
Oats		450 (600)					450 (600)
Rye		40 (70)					40 (70)
TOTAL							7,590 (14,570)

IMPORT TRADE: Nil

## C H I L E

Economic classification:	Open Market	economy
Oil exporter or importer (net):		
Annual per capita income:	US\$1,750	1988
Annual per capita GNP:	US\$1,640	1988
Average annual growth:	7.0%	
Annual inflation rate:	12.7%	
Volume of imports:	US\$4,833 billion	1988
Of which food:	5.0%	1988
Of which fuels:	12.0%	1988
Principal foreign exchange earning export:	Copper	
Debt service as % of GNP:	9.0%	1988
Debt service as % of exports:	28.4%	1988
Population:	12.5 million	1988
Annual population growth:	1.9%	1982-1988
Annual consumption:		
Flour	1,105,180 tonnes or 88 kg/capita	1988
Meat	370,940 tonnes or 30 kg/capita	1988
Vegetable Oil	245,420 tonnes or 20 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat		540	577
Barley		25	24
Corn		125	90
Oats		69	61
Rye		2	2
Rapeseed		61	60
Sunflower		15	23

#### 2. Foreign Exchange Situation

Chile is not an international aid recipient. Foreign exchange is available for all imports. Food is not given a priority.

### 3. Fertilizer Situation

	Q (mt)	US\$(mil)
1. Supply of Fertilizers 1988: Imports of Urea	197,444	27.3
Triple Superphosphate	205,344	33.0
Potash Sulphate	29,350	3.3
Mono phosphate & Diamonil	84,487	16.8

There is local production, but statistics are not available. Nevertheless, by looking at import statistics we see on the average an increase of 7% over 1987, similar to the growth in the agricultural sector for that year.

### 4. Import Mechanism

Private importers. Imports have dropped to almost 0 as local production is satisfying demand.

### 5. Grain Industry Infrastructure

There has been no new investment in infrastructure as there is still unutilized capacity.

### 6. Government Policies Affecting Grain and Agriculture

The price support system continues although it is attempting to follow the international prices. Technical assistance is provided to small farmers as well as financing.

As Chile is self sufficient in most items and Canadian prices are not competitive with Argentina, Brazil or the US, there is very little chance to penetrate the market.

There is no interest in countertrade/barter. Foreign exchange is available for all imports.

### 7. Market Prospects - Grain and Oilseeds

Price is a determining factor. Technological transfer through joint ventures is a possibility for penetrating market.

Generally there are no marketing possibilities for special crops. Chile is an exporter of most items. Occasionally when shortages occur, imports are made.

Chile has been buying from the US and Argentina in the past due to lower prices. Prices are determining factor.

8. Processing Facilities:- 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	128	136	2,496.7	1,453.2
Compound feed mills				
Maltsters	4			
Brewers*	4			
Oilseed crushers	2			

\* Capacity and output in hectolitres

9. Storage of Throughput Capacity

Name of Ports: Iquique, Antofagasta, San Antonio, Valparaiso

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					85,087

3. Additional Information

Beer production capacity: Beer production capacity is 30% higher than actual demand.

Domestic malting capacity: Malting production is higher than actual demand.

Market potential for Canadian malt: Chile is self-sufficient in both malt and malting barley.

### III. OILSEEDS

#### 1. Trade Policy

Import Tariffs:	Oilseeds:	15%
	Crude Oil:	15%
	Oilseed Meal:	15%
	Refined Oil	15%

Import Tariffs - Imports from Argentina and Brazil have a 70% reduction or tariff due to bilateral treaty.

Import/export structure - Private firms purchase directly.

2. Additional factors - Local industry imports crude, unrefined oil, which requires less processing than seed. Freight cost and prices are the determining factors.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Sunflower	55				
Rapeseed	110				
Total	165				
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Sunflower	17.2	5.4			
Rapeseed	43.4	0.7			
Soybean		20.6			
Fish oil	172.1			72.0	
Total	232.7	26.7		72.0	
<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Sunflower	25.5				
Rapeseed	67.4			19.5	
Fish meal	1,170.7			924.5	
Soybean		34.0			
Total	1,263.6	34.0		944.0	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	1,765.5 (1,734.2)		67.9 ( 27.5)	1,833.5 (1,761.7)
Durum wheat	1,133.5 (1,120.3)			1,133.5 (1,120.3)
Flour/Semolina				
TOTAL	2,899.0 (2,854.5)		67.9 ( 27.5)	2,967.0 (2,882.0)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat					30 ( 25)		

Export destination: Bolivia and Peru

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	938.5 (660.9)		214.4 (135.9)	1,152.8 ( 796.8)
Barley	85.1 ( 81.6)		11.2 ( 64.4)	96.3 ( 146.0)
Sorghum				
Oats	164.5 (156.9)			164.5 ( 156.9)
Rye				
TOTAL	1,188.1 (899.4)		225.6 (200.3)	1,413.6 (1,099.7)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn							214.4 (135.9)
Barley							11.2 ( 64.4)
Sorghum							
Oats							
Rye							
TOTAL							225.6 (200.3)

## C O L O M B I A

Economic classification:	Middle income	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$1,477	1988
Annual per capita GNP:	US\$1,181	1988
Average annual growth:	3.7%	
Annual inflation rate:	28.1%	
Volume of imports:	US\$4.532 billion	1988
Of which food:	4%	1988
Of which fuels:	2%	1988
Principal foreign exchange earning export:	coffee	
Debt service as % of GNP:	19.0%	1988
Debt service as % of exports:	46.4%	1988
Population:	30.8 million	1988
Annual population growth:	1.8%	1988-89
Annual consumption:		
Flour	677,600 tonnes or 22.0 kg/capita	1989
Meat	985,600 tonnes or 32.0 kg/capita	1989
Vegetable Oil	353,000 tonnes or 11.5 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Wheat: Production for 1988/89 is estimated at 65,280 tonnes from a planted area of 37,660 hectares. For 1989/90 it is expected to increase to 71,930 tonnes, planted on an area of 41,160 hectares, up by 10% as a result of good support prices to growers for both crops. Good weather conditions for both crops have prevailed for 1989/90. Planting intentions for next year are estimated to increase by 8% stimulated again by grower support prices. Local production has to be absorbed by mills to make them eligible to buy additional foreign wheat.

Barley: Good support prices to growers in 1989/90 stimulated a larger planted area of 54,360 hectares, up by 4% compared to the previous year. Production increased by about 11% to an expected 100,280 tonnes, favoured by good weather conditions. About 40% of production goes to beer making. A higher planted area is expected for 1990/91 since the support price has been raised by 18% for the first cycle crop.

Corn: A sharp increase in planted area has been achieved for corn, again stimulated mainly by good grower support prices. A total of 1,085,350 tonnes of corn are expected to be harvested for 1989/90 from a planted area of 765,880 hectares, as compared to a production of 946,660 tonnes obtained in 1988/89, from an area of 656,610 hectares. Most of this corn

goes to human consumption as corn bread, substituting for wheat bread consumption.

Sorghum: Plantings in 1988/89 reached 263,332 hectares but because of marketing problems caused by untimely imports, they decreased to 228,000 hectares in 1989/90, even though grower prices were attractive. Resulting production for these periods were 750,940 tonnes and 705,000 tonnes, respectively. No imports were allowed in 1989/90. This grain is mostly used for feed.

Rice: Good support prices and technology stimulated growers to increase the planted area by 19% during 1989/90. A total of 427,050 hectares were planted this year as compared to 357,880 hectares last year. Production increased by 23%, reaching 2,114,550 tonnes. Most of this production is domestically consumed, however some 50,000 tonnes have been exported to neighbouring countries and Poland. For 1990/91 an increase of about 10% in planted area is forecast.

Oilseeds: African palm oil production for 1988 was estimated at 928,000 tonnes, planted on an area of 58,000 hectares. For 1989, a sharp increase to 1.2 million tonnes from a planted area of 70,000 hectares is expected. Soybean planted area is expected to increase from 73,000 hectares in 1988/89 to 93,000 hectares in 1989/90 on account of good support prices for growers and new planted areas. Production for 1988/89 amounted to 153,000 tonnes and is expected to reach 194,000 tonnes for 1989/90. Cotton seed production was estimated at 229,000 tonnes in 1988/89 but is expected to decrease to 220,000 tonnes in 1989/90 due to a reduction of 5% in planted area. Other oilseed plantations are small in size. Their total production amounts to only 22,000 tonnes of seed for 1988/89 and similar production for 1989/90.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	41	38	43
Barley	54	52	42
Corn	766	656	642
Sorghum	228	263	262
Oats	4	4	3
Soybeans	93	73	62
Rice	427	358	370

## 2. Foreign Exchange Situation

Economic conditions have deteriorated in the last six months. The collapse of the International Coffee Agreement and the expenses incurred in the war against drug traffickers have had severe economic consequences. As a result GDP growth may barely reach 3% in 1989, with a poor outlook for 1990.

There are signs that the economy is slowing down, particularly in the manufacturing sector. Although private investment activity has diminished, exports have considerably increased this year, including the volume of coffee shipments to counterbalance the drop in price.

Although inflation is about at the same level of 27% as last year, the balance of payments is more of a concern this year. Exports are expected to reach \$5 billion, slightly under 1988, but imports are 8% higher. This leaves a trade surplus of only \$240 million compared to \$648 million in 1988, thus forcing the economy to look for external financing in 1990.

Imports of food and agricultural inputs have been made at normal levels and no restrictions on import permits have been imposed.

### 3. Fertilizer Situation

Production of compound fertilizers is estimated at 550,000 tonnes, from two factories. Simple fertilizer production, namely urea and ammonium sulphate, amounts to 10,000 tonnes and 50,000 tonnes, respectively.

Imports are expected to reach 552,000 tonnes, consisting of urea (80%), potassium chloride, diammonium phosphate and monammonium phosphate. No compound fertilizers were imported.

Consumption for 1990 is expected to increase by 3% for compound fertilizers and 4% for simple fertilizers on account of good support prices for the different crops. One of the two major factories is expected to increase its capacity by 100,000 tonnes for 1990. Urea application in coffee plantations could be affected in 1990 due to low coffee prices.

### 4. Import Mechanism

Grain Importation Procedure: No changes in the import institutions, procedures or personnel have been made or are anticipated for 1990. Wheat quotas are assigned to the Agricultural Marketing Institute, IDEMA, and to the millers. IDEMA opens the bids, makes purchases, obtains import licences, clears customs, and unloads its own wheat. It then sells to mills at the port of unloading. Millers also open bids and make purchases, but IDEMA obtains import licences on their behalf, collects import duties, unloads the wheat and then millers transport it to their mills. Barley is purchased by the malting plants, but the licences, import duties and unloading are carried out by IDEMA. Soybeans are handled the same way as the wheat quota of IDEMA.

### 5. Grain Industry Infrastructure

There are close to 100 milling plants in Colombia, of which 92 are currently in operation and working at 50% capacity. Thirteen of these are modern and process over 100 tonnes per day. The government has very tight controls on imports of milling equipment at present in an effort to

increase utilization of capacity. Mills are scattered all over Colombia. Wheat quotas assigned to the mills are proportionate to their respective rated capacity. Around 60% of the total milling is done by factories which are members of FEDEMOL (a producers association); 20% in ASMOLTRIGO (another producers association) and 20% by independent mills. Procurement of imported wheat is made through their respective associations or by forming pools among several mills. Imports are usually trucked to the mills or commercial warehouses immediately after unloading. Quality control laboratories are not common in factories but, when they exist, they focus on test baking rather than milling.

No significant changes are anticipated within the next two years for the storing, milling and baking industries in Colombia.

#### 6. Government Policies Affecting Grain and Agriculture

More attention has been accorded by the central government in 1989 to the agricultural sector than in past years; although the policy is still not yet very clear. Good grower support prices have stimulated production and lower imports of food have occurred in 1989. Renovation of agricultural equipment, lowering of import duties of certain inputs (fertilizers, pesticides), and good marketing have favoured growth. More emphasis has been given to corn production to counteract growth in demand for wheat products.

Major government policies are not expected to change for the next 10 months. A new government will take over in August 1990 and new policies in the agricultural sector may be implemented at that time.

Higher corn production has immediate implications for Canadian wheat since it directly replaces wheat bread consumption. Corn is mostly used for human consumption, not for feed. In the long run, people may develop a taste for corn bread rather than wheat bread. An increase in oilseed crops also results in less dependence on imports.

No countertrade/barter operations have been performed with agricultural products during 1988 and 1989. No deals on this basis are anticipated for 1990.

#### 7. Market Prospects - Grains and Oilseeds

No projections have been made by the Ministry of Agriculture on a long-term basis for import needs of grains and oilseeds. Import quotas are assigned every year and adjusted six months later based on the supply of domestic production.

The following initiatives could help increase Canadian sales of grains:

(a) Short run: competitive prices; commercial credit with attractive interest rates; periodic market and product information to IDEMA, milling and oil crushing associations; grain and oilseed missions to Canada on a

continuous basis; and wheat milling seminars in Colombia conducted by Canadian exports.

(b) Long run: bilateral agreements, long-term agreements, commercial credit with low interest rates.

Although some domestic production of lentils exists, a total of 24,400 tonnes were imported in 1988, all from Canada. A small share is imported by IDEMA to be sold through its retail outlets throughout the country, but over 90% is imported directly by the trade. No quota is set on imports. Peas are produced to a larger extent than lentils in Colombia and are consumed fresh. Nevertheless, 30,100 tonnes were imported in 1988, 8,760 tonnes (mostly dry) from Canada and 22,338 tonnes from the US. For 1989, more than half of this market has been taken by Canada.

Products such as canaryseed and mustard are entering the Colombian market and are coming from Canada. Some of them come as contraband from neighbouring countries. The market is permanently supplied and no substantial increases would be obtained by promoting these products.

#### 8. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	62	90	1,700	860
Compound feed mills	36	70	2,300	1,979
Maltsters	2	4	54**	79
Brewers*	2	15	420	3.9
Oilseed crushers	26	37	800	536

\* capacity and output in millions of hectolitres

\*\* one shift

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
(1) IDEMA		
Santa Marta	32	360
Buenaventura	32	520
(2) PRIVATE		
5 unloading entities in three ports		1,200
Total Capacity	Unlimited	Unlimited

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley			63.98	36.30	100.28
Suitable for malting			25.00	15.00	40.00

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	79 (70)	60 (60)	
Malting barley	40 (42)	61 (111)	

Import originations include: Canada, France

### 3. Additional Information

Annual per capita beer consumption: Production for 1989 is estimated at 3.9 billion units, increasing at 6% per year.

Beer production capacity: Increased by one new plant, in addition to the other 15 plants. This plant will have an installed capacity of 3.3 million hectolitres per year.

Domestic malting capacity: Installed malting capacity is 54,000 tonnes/year at present, with production in four different plants. A new malting plant is being built in Cartagena with an initial capacity of 120,000 tonnes and will come on stream in mid-1990. Barley and malt storage at this plant will be 30,000 tonnes and 15,000 tonnes, respectively.

Market potential for Canadian malt: Authorized imports for malting barley and malt for 1989 were set at 65,000 tonnes each. With the new malting plant in Cartagena, which will start operation by mid 1990, imports of malting barley will increase to the detriment of malt imports.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs:	Oilseeds:	10% import duty + 25% duty on CIF value
	Crude oil:	40% import duty + 10% duty on CIF value
	Oilseed meal:	20% import duty + 10% duty on CIF value
	Refined oil:	40% import duty on CIF values + 18% for other taxes
	Wheat:	23% duty on CIF value for IDEMA's operating expenditures 10% duty of CIF value for Central Bank US\$4/\$1,000 on CIF value for IDEMA for handling documents
	Barley:	25% duty on CIF value 35% import duty on ad valorem if imported as ground malt

Non-tariff import barriers/export assistance measures: Import quotas for oilseeds and oils based on domestic production.

Import/export structure: Import quotas for the different oilseeds and oils are established biannually, according to domestic needs and in consultation between government, growers, crushers, feed producers and IDEMA. IDEMA has the responsibility of importing these commodities.

While IDEMA is exempted from import duties, these duties are charged to commodities when sold to the local commodity exchange. Ad valorem import duty for soybeans is 25%, plus 18% on the CIF value. IDEMA also imports one-third of the vegetable oil and sells it through its outlets.

## 2. Additional Factors

Credit provided by competitors: GSM-102 credit program for \$140 million for several commodities and EEP for 40,000 tonnes of wheat for Colombia during 1989/90, both from the US.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
African palm*	928		
Soybean	153	216	
Cottonseed	229		
Other	22		
Palm kernel	36		
TOTAL	430	216	

\* not included in total oilseed production

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
African palm	176				
Soybean	63		47		
Cottonseed	32				
Other	2		2		
Palm kernel	15				
TOTAL	288		65		

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	280	11	
Cottonseed	97		
Other	20	35	
TOTAL	397	46	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat		10 (9)	65 (61)	75 (70)
Durum wheat	72 (65)	150 (143)	627 (695)	849 (903)
TOTAL	72 (65)	160 (152)	692 (756)	924 (973)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Wheat	18 (17)	(22)	65 (60)			10 (10)	75 (70)
Durum wheat	18 (17)	(22)	687 (702)	12 (12)		132 (150)	849 (903)
TOTAL	18 (17)	(22)	752 (823)	12 (12)		140 (160)	924 (973)

Industrial use: bread, pasta

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Wheat (including durum)							
Cash					(22)	(141)	(163)
Commercial Credit				(67)			(67)
Aid, Concessional							(526)
Credit, etc.	(171) EDC	(355) CCC					
TOTAL							692 (756)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,085 (947)	72 (60)		1,157 (1,007)
Barley	100 (89)	30 (35)	61 (39)	191 (163)
Sorghum	705 (751)	48 (35)	61 (21)	753 (807)
TOTAL	1,085 (1,787)	150 (130)	61 (60)	2,101 (1,977)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	887 (817)	50 (50)	86 (29)	52 (39)		82 (72)	1,157 (1,007)
Barley	53 (53)	648 (727)	101 (75)	5 (5)		32 (30)	191 (163)
Sorghum*	940 (870)	698 (777)	197 (114)	25 (22)		34 (48)	753 (807)
TOTAL				82 (66)		148 (150)	2,051 (1,977)

\* of which poultry: 80%  
Industrial use: milling and precooking for corn bread

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Barley	40 (39)				21		61 (39)
Sorghum		(21)					(21)
TOTAL	40 (39)	(21)			21		61 (60)

## P E R U

Economic classification:	Middle income	
Oil exporter or importer (net):	Imports/exports	
Annual per capita GNP:	US\$1,215	1988
Average annual growth:	-8.8% 1988; -12%	1989
Annual inflation rate:	1,722% 1988; 3,200%	1989
Volume of imports:	US\$2,750 billion	1988
Of which food:	15%	1988
Principal foreign exchange earning export:	minerals	
*Debt service as % of GNP:	<2%	1988
Debt service as % of exports:	10%	1988
Population:	20.6 million	1988
Annual population growth:	2.6%	1987-1988
Annual consumption:		
**Flour	900,000 tonnes or 44 kg/capita	1989
Meat	250,000 tonnes or 11.5 kg/capita	1989
Vegetable Oil	200,000 tonnes or 9.3 kg/capita	1989

- \* Peru's policy is not to repay more than 10% of its export earnings.
- \*\* For 1989 the initial import program set by the GOP may be optimistic, given the economic situation. Foreign exchange reserves are now at extremely low levels.

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Peru's current economic crisis is having a very profound impact on the agricultural sector. The critical economic situation resulted in less supply of fertilizers, herbicides, pesticides and agricultural credit. While the 1988 crop production rose by an estimated 3%, most of the increases were in potatoes and cotton. Despite the increase, agricultural imports remained high in 1988 at approximately US\$504 million, compared with 537 million in 1987. Agricultural production declined at the end of the first quarter of 1989 by 13%. Most noticeable declines were corn - 5.8%, and wheat - 13.3%. With regard to cotton, figures published by Peru's National Cotton Board also indicate a fall in productivity by 15%. Estimated figures for other products such as sorghum, oats and soybeans indicate a fall in production in the area of 5%. 1990 agricultural production is expected to drop, the lower consumer demand will far outpace this decline, meaning lower food imports of wheat, coarse grains, rice and oilseeds.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	88.5	102	98
Barley	120.0	118	110
Corn	193.2	205	204
Sorghum	6.6	7	10
Oats	2.8	3	2
Soybeans	2.8	3	2

2. Foreign Exchange Situation

The extremely tight availability of foreign exchange has resulted in less supply of agricultural imports and lower food imports. As a result of Peru's fiscal deficit, the government in the latter part of 1988 was forced to adopt an adjustment program which involved consumer price increases by several fold for such products as bread, milk, rice. Demand has been weak in 1989 due to the economic recession with high inflation. Imports of food would be given priority, to counter recent shortages (wheat, flour, cooking oil, sugar). Imports have come mainly from countries that have offered credit lines for this specific purpose. Some food donations have come from the US, France, Argentina. It is doubtful that agricultural inputs would be given the same priority as food.

3. Fertilizer Situation

Consumption of fertilizers, which declined slightly in 1988, increased in 1989 as a result of the great expansion of cotton cultivated area. Traditionally, cotton has usually been the biggest fertilizer consumer. Peru's import program for 1989 is as follows: (in thousand of tons), Urea: 210, Am nitrate: 62, Am sulphate: 34, triple superphosphate: 60, P. chloride: 36, P. sulphate: 11, magnesium and P. sulphate: 3, Diamonium phosphate: 54.

4. Import Mechanism

Empresa Nacional de Comercializacion de Insumos (ENCI) has the monopoly for import of dairy products, fertilizers, vegetable oils, sugar, corn, wheat. ENCI's purchases are based on international tenders or invitations to bid. It should be mentioned that rice and flour imports are no longer monopolized by ENCI; bakers/millers now may also import flour.

## 5. Grain Industry Infrastructure

There have been no significant changes in recent months and none are anticipated in the near future.

The following large mills are operating in Peru:

AP Compania Molinera del Peru, Av. Argentina 4695, Lima, Peru  
Eugenio Cogorno Molino Excelsior, Mariscal Miller 450, 3er. piso, Callao  
Molinera Santa Rosa, Loreto 475, Callao, Peru  
Motlitalia, Av. Venezuela 2850, Lima, Peru  
Molinera Inca, L. Carranza 1886, Callao, Peru  
Molino El Tiempo, Av. Bocanegra 476, Callao, Peru  
Molinera Iquitos Giulfo S.A., Bolognesi 125, Miraflores, Lima, Peru  
Nicolini Hermanos, Av. Argentina 215, Lima, Peru  
Molinera Inca, Casilla 5117, Lima, Peru  
Molinera Santa Rosa, Loreto 475, Callao, Peru  
Sociedad Industrial del Sur, chinchon 980, San Isidro, Lima, Peru  
Molinera M.B. Valencia Suc. S.A., Jr. Backley 192, Of. 206, San Antonio, Miraflores, Lima, Peru  
Molinera Tacna, Jr. Francia 671, La Victoria, Lima, Peru  
Molinera Progreso, Joaquin Bernal 215, Of. 1101, Lince, Peru  
Molinera Mantaro, Manuel A. Fuentes 960, San Isidro, Lima Peru

## 6. Government Policies Affecting Grain and Agriculture

Peru entered a period of hyperinflation by the end of 1988 when inflation figures reached 1,722%. In 1989 expected inflation will be approximately 3,200%. GNP would probably have fallen at least 12%. Given the severe recession, lack of foreign exchange reserves and a deteriorating trade balance, Peru will find it increasingly difficult to finance imports of essential and non-essential goods in 1990. Demand in 1989 was weak and this trend will continue in 1990. Combined with the credit and agricultural input shortages, low water levels delayed plantings of many crops. Overall agricultural production is expected to fall in 1990. The lower consumer demand will affect negatively the volume of imports.

These policies pose immediate and longer term implications for Canadian grain unless there is credit available.

The Peruvian government and some trading companies (owned by large corporations) have undertaken numerous countertrade transactions, mostly with socialist countries. Countertrade operations include fish products, cotton, textiles, copper, cacao, poultry and wine. As of now, no grain or oilseed imports have been purchased with countertrade.

## 7. Market Prospects - Grains and Oilseeds

Traditionally, Peru's imports of wheat, barley and dried vegetables have been in the area of 850,000 to one million tonnes. Taking into consideration the projected productivity of the agricultural sector, it is doubtful that the aforementioned figure would change.

The following marketing initiatives would be useful in increasing Canadian sales:

- (1) Financing for Canadian exports of wheat.
- (2) Request to Peruvian authorities to approve legislation lowering custom duties for canola oil. As of now, canola oil faces higher tariffs than soybean oil.
- (3) Incoming missions (canola oil).

With the economic crisis in Peru, the availability of credit has become a critical factor determining market share.

There are good market opportunities for lentils, split green peas, canary seed, mustard seed and beans.

## 8. Processing Facilities: 1988

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	17	17	2,000	1,200
Compound feed mills	13	16	1,300	1,200
Maltsters	1	1	70	58
Brewers*	6	7	8,000	6,500
Oilseed crushers	11	11	220	165

\* Capacity and output in thousands of hectolitres

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Callao	45	1,100
Matarani	15	150
Paita	8	96
Salaverry	8	96
Total Capacity	76	1,442

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					120
Suitable for malting	15%				18

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	120 (118)	40 (40)	
Malting barley	18 (16.5)	20 (50)	

Imports dropped 33% in 1988 and continued declining during 1989, mostly due to the poor demand of domestic beer.

### 3. Additional Information

Beer production capacity: Sharply declining due to severe decrease in purchasing power of local population. Beer production turned worse during the last quarter of 1988 when beer prices jumped and beer production dropped almost 50%. Situation remained the same throughout 1989.

Domestic malting capacity: Local production capacity remains the same since 1987.

Market potential for Canadian malt: Peru has a long-term market for malt and malting barley. Imports of barley, all of which are 2-row variety, dropped 33% in 1988 and is expected to continue declining during 1989, mostly based on the poor demand of domestic beer.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds:	for planting - 0%
	soya - 10 + 8 + 15
	others - 20 + 12 + 15
Crude Oil:	soya - 10 + 8 + 15 (1% when imported from Argentina)
	others - 20 + 1 + 12 + 15
Oilseed Meal:	soya and others - 20 + 12 + 1 + 15
Refined Oil:	soya - 40 + 1 + 12 + 15
	others - 40 + 1 + 12 + 15

There are no tariffs, levies or quota restrictions on wheat imports. These are handled by ENCI.

Non-tariff import barriers/export assistance measures: Although both soya and canola crude oils are vegetable, canola oil pays higher tariff.

Import/export structure: Imports of soybean and crude oils are handled by ENCI, by way of international tenders on behalf of private oil processors.

#### 2. Additional Factors

Differential tariff treatment, benefitting soybean oil hinders possibility of canola oil imports. Argentina continues as the only supplier of soy oil to Peru since 1986 (paying only 1% duties).

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>
Soybean	5.3			
Cottonseed	169.7			
Palm	96.3			
Olive/palmiste	3.7			
TOTAL	275.0			

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Fish oil (refined)	126.5				
Cottonseed	27.3				
Soybean	4.4	73.4	81		
Palm	20.0				
Fish oil (crude)	140.6	16.8			
TOTAL	318.8	90.2			

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Fishmeal	1.1		
Cottonseed	0.1		
Soybean	0.02	135	
TOTAL	1.22		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	150 (140)	10 (10)	800 (1,157.6)	960 (1,307.6)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	812 (848)	128 (424.6)		10 (25)		10 (10)	960 (1,307.6)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash		500 (404.8)		(485.4)	(3)		500 (893.2)
Commercial Credit				300 (125)			300 (125)
Aid, Concessional	(22.4)	(117)					(139.4)
Credit, etc.							
TOTAL	(22.4)	500 (521.8)		300 (610.4)	(3)		800 (1,157.6)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	800 (912)		400 (612)	1,200 (1,524)
Barley	120 (118)		40 (51)	160 (169)
Sorghum	35 (24)	2 (5)	(2)	37 (24)
Oats	26 (4)			26 (11)
TOTAL	981 (1,058)	2 (5)	440 (665)	(1,423) (1,728)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	168 (209)	932 (1,185)		100 (130)			1,200 (1,524)
Barley	100 (93)	46 (47)		14 (18)			160 (158)
Sorghum	2 (1)	30 (20)		3 (3)		2	37 (24)
Oats	5 (7)	20 (3)		1 (1)			26 (11)
TOTAL	275 (310)	1,028 (1,295)		118 (152)		2	1,423 (1,728)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		300 (355.3)		100 (256.7)			400 (612)
Barley			29.5 (30)			10.5 (21)	40 (51)
Oats			(2)				(2)
TOTAL							440 (665)

## U R U G U A Y

Economic classification:	Middle Income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,700	1988
Annual per capita GNP:	US\$1,850	1988
Average annual growth:	1.5%	
Annual inflation rate:	70%	
Volume of imports:	US\$0.9 billion	1988
Of which food:	4%	1988
Of which fuels:	36%	1988
Principal foreign exchange earning export:	Meat, wool	
Debt service as % of GNP:	6%	1988
Debt service as % of exports:	31%	1988
Population:	32 million	1988
Annual population growth:	1.5%	1986
Annual consumption:		
Flour	270,000 tonnes or 84 kg/capita	1988
Meat	260,000 tonnes or 81 kg/capita	1988
Vegetable Oil	22,000 tonnes or 7 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	350*	350	350
Barley		120	100
Corn		90	100
Sorghum		120	110
Oats		20	15
Soybeans		70	90
Sunflower		50	50

\* estimated

2. Fertilizer Situation: 12 kg/hectare

3. Import Mechanism: Private importers, no restrictions.

4. Market Prospects - Grains and Oilseeds

There are marketing possibilities for Canadian "special crops".

5. Processing Facilities: 1988/89

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	29	29	700	320
Compound feed mills	20	21	200	160
Maltsters	2	2	100	70
Brewers*	3	3	1,000	750
Oilseed crushers	9	9	500	50

\* Capacity and output in thousands of hectolitres

6. Storage and Throughput Capacity

Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Nueva Palmira	115	2,300
Fray Bentos	18	450
Montevideo	-	300

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1988/89 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley		200			200
Suitable for malting		50			50

2. Additional Information

Annual per capita beer consumption: Stable

Market potential for Canadian malt: Nil

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: 20% on oilseeds, crude oil, meal and refined oil.

Non-tariff import barriers/export assistance measures: None

Import/export structure: Private firms.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybean	80	10			
Sunflower seed	70				
TOTAL	150	10			

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean	12	10			
Sunflower seed	20				
TOTAL	32	10			

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	35		16
Sunflower seed	20		4.1
TOTAL	55		20.1

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	410 (350)		10	420 (350)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	300 (350)			120		420 (350)

Industrial use: Flour  
Export destination: China, USSR

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN: \_\_\_\_\_ Canada \_\_\_\_\_ USA \_\_\_\_\_ Australia \_\_\_\_\_ Argentina \_\_\_\_\_ EC \_\_\_\_\_ All Others \_\_\_\_\_ Total Imports

Wheat (including durum)

Cash

10

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	60 (100)		35 (15)	95 (115)
Barley	200 (100)			200 (100)
Sorghum	80 (110)			80 (110)
Oats	15 (15)			15 (15)
TOTAL	355 (325)		35 (15)	390 (340)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn		70 (80)					95 (115)
Barley		150 (65)	25 (35)		50 (35)		200 (100)
Sorghum		80 (110)					80 (110)
Oats		15 (15)					15 (15)
TOTAL		315 (270)	25 (35)		50 (35)		390 (340)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn				35 (15)			35 (15)

## V E N E Z U E L A

Economic classification:	Middle income	
Oil exporter (net):	US\$9.2 billion	
Annual per capita income:	US\$2,375	1988
Annual per capita GNP:	US\$2,609	1988
Average annual growth:	5.7% - 1988; -8% -	1989*
Annual inflation rate:	85%	1989*
Volume of imports:	US\$10.9 billion	1988
Of which food:	13.5%	1988
Principal foreign exchange earning export:	Oil	
Debt service as % of GNP:	5%	1988
Debt service as % of exports:	45%	1988
Population:	18.5 million	1988
Annual population growth:	2%	1987-88
Annual consumption:		
Flour	750,000 tonnes	1988
Meat	1,000,000 tonnes	1988
Vegetable Oil	325,000 tonnes	1988

\* Estimate

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Mixed results were obtained. Corn (-5%), rice (-12%) and sorghum (-10%) dropped. Oilseeds in general increased with sesame rising by 25%, soybeans 10%, sunflower and peanuts 100%. However, their production levels are still too low. Seed acreage is expected to be an average of 20% below the previous year. But consumption has also dropped. This and high inventories have pushed imports significantly lower in 1989.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Corn			624.0
Sorghum			337.3
Soybeans			7.8
Sunflower			67.4

## 2. Foreign Exchange Situation

In March 1989, the government abolished all exchange controls and adopted a single, free, floating exchange rate. No changes are anticipated. Food and agriculture inputs to satisfy local demand are given priority. Venezuela is not a recipient of international aid.

## 3. Fertilizer Situation

No reliable figures on use are available but the industry tends to feel that there is considerable wastage through over application although this year with huge price increases will probably see the opposite. The industry would like to see a more rational approach to fertilizer use.

## 4. Import Mechanism

Wheat and other grains are imported by local companies most of which are subsidiaries or affiliated to major international companies. Until March, grain importers benefited from a preferential exchange of BS.7.50/US\$ (an indirect subsidy). A government decree establishes that 20% of wheat imports must come from Argentina.

## 5. Grain Industry Infrastructure

Twelve companies with 24 plants with an annual capacity of 1.4 million tonnes. Two companies Gramoven (Bunge) and Monaca hold approximately 50% of the market. No recent or anticipated changes in imports, handling, storage and processing facilities.

## 6. Government Policies Affecting Grain and Agriculture

Government policy is aimed at becoming self-sufficient in agricultural products and reducing dependence and levels of imports. However, wheat will hardly be affected. Imports of beans, lentils and "special crops" will continue. With the currency devaluation, high inflation, significantly lower purchasing power and the elimination of direct and indirect subsidies, demand for agriculture and food products has dropped by approximately 40% in 1989. A modest recovery is expected next year.

Imports of oilseeds will gradually decline as local production increases. Demand for wheat will always exist. Interest in oats and barley is increasing due to changes in import regime and human health concerns.

There is no policy on countertrade/barter at present.

## 7. Market Prospects - Grains and Oilseeds

There are no locally obtainable projections but one can assume that the trends of the years 1984-87 would resume with the opportunity for Canada to increase market share substantively.

Canadian sales could be increased through variety seed trials for canola, processing and feeding trials for barley, joint venture in consumer oat products to hit increasing health conscious market.

Canada has an important market share in the imports of lentils (77.4%), peas (32.1%), canary seed (41.9%) and mustard seed (57.3%). However, aggressive sales efforts are needed to maintain existing market shares.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	12	24	1,400	960
Compound feed mills	28	32	4,000	
Brewers*	3	8	12	
Oilseed crushers	13	13		

\* Capacity and output in millions of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Puerto Cabello	44	500
La Guaira	11.5	278
Maracaibo	30	600
Total Capacity	85.5	1,378

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malting barley		800	

Import originations include: France, Belgium, Luxembourg, UK, West Germany

### 3. Additional Information

Annual per capita beer consumption: Increased by approximately 6.7% in 1988. This year (1989) sales have dropped by 30% as a result of the economic recession. A moderate pick-up in sales can be expected for 1990.

Beer production capacity: No increase is anticipated.

Domestic malting capacity: No change is anticipated.

Market potential for Canadian malt: Canadian malt must meet Venezuelan breweries' specifications and be competitive price wise. Competition from Canada would be welcome but it must be aggressive and stay in for the long term.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs:

Oilseeds: For processing: soya 1%, cotton 15%, peanut 15%, sesame 15%, mustard 15%, sunflower 30%. For planting: soya 1%, peanut 10%, cotton 10%, sesame 10%. All require import licences.

Crude oil: 20% for soya, cotton, peanut, sunflower and canola. Import licences are required.

Oilseed meal: 100% for soya, sunflower, sesame and peanut. Import licences are required.

Refined oil: Soya and cotton 10%, peanut and sunflower 15%, canola 20%. Import licences are required.

Wheat: 5% no license or quotas required. Rye, barley, oats 15%, no restrictions.

Sorghum: 5% - import licence required.

Import/export structure: Raw material import quotas are based on local processors' seed crushing capacity as well as previous market share and amount of national crop purchases.

#### 2. Additional Factors

Importers must be absolutely assured of supply and price before they will switch as they cannot afford to lose quota which would happen if they substituted with canola and it was not delivered.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sesame	78.4		
Sunflower	39.9		
Peanut	32.3	14.0	
Palm	4.0		
Corn	1,200.0		
Soya	11.0	124.4	
Copra	18.2		
Cottonseed	68.7		

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean	20	82			
Sunflower	10	109			
Sesame	35				
Cottonseed	8	46			
Corn	12				
Peanut	3				

Note: Edible oils represent 70% of production, mayonnaise 12% and margarine 18%.

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	10		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1988 - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			1,183 (1,079)	
Durum wheat			50 (48)	
TOTAL			1,233 (1,127)	

DISPOSITION: 1988 - thousands of tonnes

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	1,183						
Durum wheat	50						
TOTAL	1,233						

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Cash US\$/000	82.6 (44.1%)	88.8 (47.4%)		15.8 (8.4%)			187.2

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,200		67	1,267
Barley			210	210
Sorghum			1,740	1,740
Oats			7	7

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	787	480					
Barley			210				
Sorghum		1,740					
Oats		5	2				

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		51				16	67
Barley		4				206	210
Sorghum		1,748					1,740
Oats		7					7



**PART VI**  
**ASIA (NEAR EAST)**



## I R A Q

Economic classification:	Developing	
Oil exporter or importer (net):	Exporter	
Annual per capita GNP:	US\$4,800	1987
Average annual growth:	10%	
Annual inflation rate:	49%	
Volume of imports:(non-military)	US\$12 billion	1988
Of which food:	12%	1988
Principal foreign exchange earning export:	Oil and minerals	
Debt service as % of GDP	15%	1988
Debt service as % of exports:	40%	1988
Population:	16.5 million	1988
Annual population growth:	4.2%	1987-1988
Annual consumption:		
Flour	2,600 tonnes or 150 kg/capita	1988
Meat	600 tonnes or 30 kg/capita	1988
Vegetable Oil	280 tonnes or 15 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

With the recent privatization of agricultural production and normal winter rain falls in most parts of the country, we estimate that production of field crops, grain and rice was higher in 1989 than in 1988 (crops are harvested in April/May).

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	2,200	1,900	1,750
Sunflower	20	16	15

#### 2. Foreign Exchange Situation

Iraqi imports (non-military) will likely be around \$20 billion. Food imports are given priority, but three-year credit terms are requested from all suppliers (including Canada). Iraq will continue to demand (and receive) credit facilities for the foreseeable future. In 1988, Iraq purchased most agricultural products for cash except for grain and items which have been financed under the US Export Enhancement Program.

### 3. Fertilizer Situation

Iraq's 3-5 billion tonnes of phosphate reserve which is now being exploited and large quantities exported, has put a stop to imports of such fertilizers. Iraq is spending hundreds of millions of dollars on agrarian reforms and desalination of cultivated land.

### 4. Import Mechanism

The government is the exclusive importer of all kinds of grain. All import contracts are negotiated directly with foreign suppliers by the State Company for Grain Trading and Processing. This company comes under the jurisdiction of the Ministry of Trade, and its management reports directly to the Minister of Trade.

### 5. Grain Industry Infrastructure

In view of the recent reforms of the Iraqi economy, many state companies and establishments under the Ministry of Trade have been amalgamated. Importation of grain will stay in government hands. Grain and flour are still sold at fixed prices to both private and state mills and to bakeries. Recently, most of the flour mills have gone to the private sector. The government is currently building a massive wheat and rice storage and handling facility in the north in anticipation of increased production which should result from several vast irrigation projects.

### 6. Government Policies Affecting Grain and Agriculture

With the privatization of flour mills and many of the state farms, agricultural production should increase on an annual basis. Consumption will also rise with the increase in domestic agricultural production. The government is trying to reduce food imports to save scarce foreign currency expenditure, and by doing so, the government must import raw materials, breeding stock and all kinds of agricultural equipment.

The Canadian Wheat Board long-term agreement with Iraq expires in 1990 but is expected to be renegotiated. If domestic production increases, it will naturally affect Iraq's imports, and Canada might eventually see reduction in its grain sales to Iraq. With the cessation of hostilities, Iraq is recovering economically and should become a more diversified market for Canadian grains, including oilseeds and products.

Iraq has undertaken limited amounts of countertrade, usually government to government and on large scale prospects. It is also done where long-term credit facilities are offered to Iraq and paid back in oil or other materials, but Iraq has not found it necessary to expand this practice to cover grain imports.

7. Market Prospects - Grains and Oilseeds

Statistical gathering on projections during the Gulf War were considered national secrets and the policy has continued. To our many queries, Iraqi authorities have replied that grain imports in 1989/90 would be nearly at the same level as the previous year. Imports in 1990 are estimated roughly at 2-2.5 million tonnes per year.

Iraq does not encourage foreign joint ventures; only arab nationalists are permitted to enter into joint ventures with Iraq. With the huge agricultural US credit line for Iraq, Canada must consider renewing LTA with Iraq for grain. In the area of oilseeds, this post had proposed a Pan-Arab Canola marketing initiative (through the Arab Federation for Food Industries) which has interested the Iraqis in the fields of rapeseed facilities and Canola production which they discussed with AG Canada exploratory technical mission that visited Iraq from 27-31 May, 1989.

If the Canadian government was to extend credit facilities similar to those for wheat and barley, Iraq would be very interested in importing Canadian "special crops".

8. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	20	34		300
Brewers*	8	18		

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Aqaba-Jordan	100	2,000
Total Capacity	100	2,000

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
Suitable for malting*					2,500
* 1988/1989 Estimate					

### 2. Statistical Notes: 1989/90 est.

Export destinations include: Egypt

### 3. Additional Information

Annual per capita beer consumption: seems to be increasing, although consumption figures are not published. Two new breweries started production in early 1988, and two more are in the planning stages.

Beer production capacity: increasing, and in order to meet demand, the mixed sector is planning to build and operate two new breweries.

Domestic malting capacity: increasing to satisfy demand for the new breweries.

Market potential for Canadian malt: without government financing, there is little market potential for Canadian malt.

## III. OILSEEDS

### 1. Trade Policy

All importation is done by Iraqi government.

All oilseed imports are the exclusive responsibility of the State Company for Foodstuff Trading.

### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	22		
Sesame	14		
TOTAL	36		

IV. STATISTICAL NOTES - WHEAT AND DURUM

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human								
	Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	<u>Total Disposition</u>		

Flour/Semolina 2 600 (2,200)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	Canada	USA	Australia	Argentina	EC	All Others	<u>Total Imports</u>
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Wheat (including durum)

Commercial Credit	818 (700)		1,300 (950)				200 ( )
Aid, Concessional							
Credit, etc.		850 (1,300)					

## I S R A E L

Economic classification:	LDC	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$7,700	1988
Annual per capita GNP:	US\$9,200	1988
Average annual growth:	1.3% GDP per capita	
Annual inflation rate:	16.4%	Jan-Dec 1988
Volume of imports		
(goods & services):	US\$20.489 billion	1988
Of which food:	US\$387.5 million	1988
Of which fuels:	US\$1,061.5 million	1988
Debt service as % of GNP:	4.2%	1988
Debt service as % of exports:	11.3%	1988
Population:	4.476 million	1988
Annual population growth:	1.6%	1988
Annual consumption:		
Wheat	422,500 tonnes	1988
Meat	329,500 tonnes	1988
Vegetable Oil	69,700 tonnes	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

CY 1989 produced a normal wheat crop of 170,000 tonnes. Wheat imports for CY 1989 are 500,000 tonnes. Rapeseed is still being planted on an experimental basis.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>
Wheat	68.0	58.0
Rapeseed	0.2	0.15
Sunflower (not for crushing)	9.0	

#### 2. Foreign Exchange Situation

No change. Israel is still tied in aid agreement with the USA for grain imports.

### 3. Fertilizer Situation

Israel supplies all its local fertilizer needs and exports both phosphates and potash. Raw sulphur for fertilizer production is imported from Canada.

### 4. Import Mechanism

Wheat purchases are still controlled by the Government of Israel Supply Mission. Feed and oilseed purchases have been privatized.

### 5. Grain Industry Infrastructure

There are two silo terminals: in Haifa port and in Ashdod port. Silos for storing grains are privately owned and are linked to the joint institutions of the oil plants and the flour mills. No significant changes are anticipated.

### 6. Government Policies Affecting Grain and Agriculture

Wheat: The government is contemplating privatization of wheat purchases in the future. The plan is for the flour mills to purchase the wheat directly. However, all plans are contingent upon Israel's commitment to buy 1.6 million tonnes wheat/oilseeds from the USA. No change at the moment.

Oilseeds: Market has been privatized as of September 1988. (Israel still committed to purchase 400,000 tonnes/annum of soybeans from the USA). Crushing plants now importing oilseeds themselves. Government does not impose quotas on oil/meal production nor controls prices. Oil consumption is 100,000 tonnes/annum. There is a surcharge of 20% on imported oil (23% on canola oil). Meal imports are restricted to 10% of market consumption with a 19% surcharge on meal imports. Market is to be free of surcharges/duty in 1991. In the 1988/89 agricultural year there was a decline of 10-20% in oilseeds imports/meal consumption. A trend exists to use substitutes. There is a market for 100,000-125,000 tonnes rapeseed/canola. Rapeseed presently imported from EC.

Feed: Imports have been privatized since June 1989. The Ministry of Agriculture now grants import licences. However, there is a transitional period and the situation is unclear at the moment. The market will probably stabilize by the beginning of 1990. Sorghum and corn are still purchased mainly in the USA. There is a market for 500,000 tonnes barley and 100,000 tonnes of feed wheat. Barley is imported almost entirely from the EC and Turkey, with some imports from the USA. Purchases of Canadian barley were minimal this year.

Canola: Local importers/crushing plants are interested in buying canola. However, prices have to be competitive with European rapeseed.

Feed: Barley prices have to compete with EC prices.

Countertrade/barter policy: The Israeli Government Supply Mission maintains that any considerations above its commitment to the USA are commercial only.

7. Market Prospects - Grains and Oilseeds

There is a tendency towards privatization of all grain purchases.

The Post maintains contacts with all potential buyers/end users. Economic considerations are the only ones in this market. A possible suggestion on cutting freight costs is to combine shipments of barley/canola.

Mustard seeds: Sales remain constant  
 Lentils: Demand is growing for green lentils.  
 Field peas: Demand also growing.  
 Beans: Market too competitive.  
 Canaryseed: Sales were made in 1986/87.

8. Processing Facilities: 1988/89

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	21	21	1.2MT	65,000T

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988/89

- tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Haifa	100,000	1,393,599
Ashdod	60,000	647,298
Total capacity	160,000	2,040,897

## II. MALT AND MALTING BARLEY

1. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		8,000 (8,000)	

Import originations include: France and Belgium

### 2. Additional Information

Annual per capita beer consumption: Increasing slightly. There is still only one brewery and they will not reveal any information. There are plans to open another brewery.

Beer production capacity: Increasing

Domestic malting capacity: Nil

Market potential for Canadian malt: Canadian suppliers should contact the brewery as follows: Tempo Beer Industries Ltd., P.O. Box 127, Netanya Industrial Zone, 42101 Israel.  
Fax. 972-53-58165; Tel: 972-53-58131; Attention: Mr. Shlomo Kimmel, Purchasing Manager.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs - Oilseeds: No duty

Crude and  
Refined oil: Surcharge of 20% (23% on canola oil),  
gradually being phased out by 1991.

Oilseed meal: Surcharge of 19%, gradually being phased  
out by 1991.

2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89 (previous year in brackets)

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soya		402 (434)			
Cotton	60 (85)				
Rapeseed		20			
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soya	70 (77)	4.2			
Cotton	9 (13)	4.4	2.1		
Rapeseed		2.8			
Sunflower		7.1			
Corn		2.1	0.3		
Other		3.2			
Total		23.8			
<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Soya	310 (350)				
Cotton	15 (30)				
Total	325	18-20			

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	170 (200)		500 (475)	670 (670)
Durum wheat			3	
TOTAL	170		503	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	670 (675)						
Durum wheat	3						
TOTAL	673						

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash		500					

IV. STATISTICAL NOTES - COARSE GRAINS

(Note: Statistics available only through October 1989 for corn and barley. For sorghum, statistics are for entire CY 1989)

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			365 (353)	
Barley			290 (485)	
Sorghum			350 (370)	
TOTAL			1,005 (1,208)	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn		315 (303)	50 (50)				365 (353)
Barley		290 (485)					290 (485)
Sorghum		350 (370)					350 (370)
TOTAL		955 (1,158)	50 (50)				1,005 (1,208)

Industrial use: Starch

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		299 (353)			66		365 (353)
Barley	49 (53)	67 (224)			174 (208)		290 (485)
Sorghum		350 (370)					350 (370)
TOTAL	49 (53)	716 (947)			240 (208)		1,005 (1,208)

## J O R D A N

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$900	1988/89
Annual per capita GNP:	US\$950	1988/89
Average annual growth:	2%	
Annual inflation rate:	23%	
Volume of imports:	US\$1.15 billion	1988
Of which food:	30%	1988
Of which fuels:	35%	1988
Principal foreign exchange earning export:	phosphates & potash	
Debt service as % of GNP:	22%	1988
Debt service as % of exports:	50%	1988
Population:	3.4 million	1988
Annual population growth:	3.8%	1988/89
Annual consumption:		
Flour	500,000 tonnes	1989
Meat	49,000 tonnes or 17 kg/capita	1989

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

<u>Commodity</u>	<u>Production 1988</u>	<u>Estimated 1989</u>
	- tonnes -	
Wheat	78,773	65,000
Barley	44,850	40,000
Grain	17,000	25,000

Seeded Acreage\*: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	65.0	59.4	64.2
Barley	40.0	35.8	43.3
Corn	0.5	0.3	0.9

\* In Jordan, area is often given in terms of "dunums"  
1 dunum = 1,000 square metres = one-tenth of a hectare

## 2. Foreign Exchange Situation

Jordan indebtedness and debt service climbed noticeably in 1988, which resulted in depletion of foreign currency reserves, and the devaluation of the local currency by approximately 50%. Imports of food and agriculture inputs are still given priority in foreign currency expenditure. Jordan has become a regular aid recipient, and has recently received food aid donations from Canada valued at \$2 million. Wheat is also received.

## 3. Fertilizer Situation

Actual figures on fertilizer utilization are not available. While Jordan is a major producer of phosphate, potash and by-product fertilizers, they are also imported from Europe and North America. Fertilizers are widely used in both irrigated and rain-fed agriculture.

## 4. Import Mechanism

Wheat, barley, chickpeas and lentils are imported and distributed by the Ministry of Supply. Purchases are done through regular tenders. Wheat is usually imported from the US, Turkey, France and Saudi Arabia. At the beginning of 1990 C\$2 billion worth of wheat will be exported by Canada to Jordan.

## 5. Grain Industry Infrastructure

About 1,000 hectares of newly developed semi-desert land have been utilized in the last three years for planting wheat and barley. Agriculture of this sort is very much encouraged, and the Jordanian Ministry of Agriculture receives assistance from and cooperates with international agencies like FAO and the World Bank and other European sources, i.e. W. Germany.

## 6. Government Policies Affecting Grain and Agriculture

Small farmers are assisted by Jordan Cooperative Organization towards introduction of modern agricultural techniques and machinery. Efforts are made towards increasing local production of grains and fodder for cattle bred for meat; industry is still limited and covers approximately 30% of local consumption. The government has a policy of financing imports and makes extensive use of USA's GSM 103 facility.

It has always been difficult for Jordan to import Canadian grain because of the price and lack of subsidized prices vis-à-vis the American, French or Saudi wheat. Government policies have a real effect on Canadian wheat export potential due to Canada's inability to provide long-term financing.

The Jordanian government would welcome countertrade or barter of phosphate and potash against their purchase of Canadian wheat.

## S R I L A N K A

Economic classification:	Low income	
Annual per capita income:	US\$344.6	1988
Annual per capita GNP:	US\$375	1988
Average annual growth:	2.7%	
Annual inflation rate:	8.0%	
Volume of imports:	US\$2.129 billion	1988
Of which food:	19.9%	1988
Of which fuels:	10.7%	1988
Principal foreign exchange earning export:	Tea	
Population:	16.6 million	1988
Annual population growth:	1.4%	1987-88
Annual consumption:		
Flour	500,000 tonnes*	1988
Meat	43,124 tonnes*	1988
Vegetable Oil	70,000 tonnes*	1988

\* Estimates

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Wheat is not grown in Sri Lanka. Experiments to determine the suitability of the cooler regions of the country for wheat cultivation have been carried out in the past but production of wheat is not foreseen in the near future.

#### 2. Foreign Exchange Situation

Sri Lanka's foreign exchange reserves are badly depleted. Drought conditions in recent years, depressed commodity prices, and the escalating military expenditure since 1983, have diverted scarce resources. Wheat imports are not foreseen as being adversely affected until 1992. The country will continue being a recipient of international aid having been assured of a US\$785 million aid package at the October 1989 Aid Group meeting in Paris.

#### 3. Fertilizer Situation

Import requirements include urea, muriate of potash (MOP), sulphate of ammonia, triple super phosphate and NPK. Urea and MOP are the main fertilizers used (211,000 tonnes and 116,000 tonnes, respectively, in 1988). In 1988 total imports (and their supply) were 544,000 tonnes and total usage was 525,000 tonnes.

Since CIDA's program of assistance for potash purchases as early as 1974, Canada has become the leading supplier of potash to Sri Lanka because of its high quality and guaranteed supply.

#### 4. Import Mechanism

Sri Lanka's requirements of wheat are imported. The Food Commissioner's Department is solely responsible for procurement and obtains its requirements under commercial tender, credit financing and outright gifts.

Except for occasional shipments of wheat flour to meet unexpected shortages, flour has generally not been imported into the country since 1980 when the Prima Flour Mill in Trincomalee (a Sri Lanka Singapore joint venture) was commissioned. The entire supply of wheat imported into the country is processed into flour at this mill which has a storage capacity of 110,000 tonnes of wheat. This facility enables a buffer stock of approximately 100,000 tonnes of wheat to be maintained in the country at any time.

Rice, the staple food of the country, continues to be imported. High priority has been given to attain national self-sufficiency in rice. However, factors such as drought, flood, civil disturbances, have necessitated continued procurements from abroad.

#### 5. Government Policies Affecting Grain and Agriculture

To reduce the country's food bill and its dependence on food imports, the cultivation of subsidiary food crops such as maize, kurrakan, sorghum and grain legumes such as cowpea, green gram and soybeans is encouraged. Measures adopted to this end are the application of fertilizer, etc. and a prohibitive tariff on imports in this field.

Increased attention is being paid by the state to livestock development in Sri Lanka in an effort towards increased production of meat, milk and other dairy products to meet the growing domestic market.

#### II. MALT AND MALTING BARLEY

Beer production capacity: production of malt liquors (beer and stout) was 6 million litres in 1984 (latest available figure).

Market potential for Canadian malt: In 1988, Sri Lanka imported 1.6 thousand tonnes of malt.

## T H A I L A N D

Economic classification:	Middle Income	
Oil exporter or importer (net):	Importer	1988
Annual per capita income:	US\$1,066	1988
Annual per capita GNP:	US\$1,056	1988
Average annual growth:	9%	
Annual inflation rate:	6%	
Volume of imports:	US\$20.5 billion	1988
Of which food:	8%	1988
Of which fuels:	7.5%	1988
Population:	54 million	1988
Annual population growth:	1.8%	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Agricultural production of such crops as rice, rubber, maize and tapioca are still Thailand's important commodities. Rice production was 20.6 million tonnes in 1988.

#### 2. Foreign Exchange Situation

International reserves for December 1988 were US\$7,111.8 million.

#### 3. Fertilizer Situation

Demand for fertilizer is still between 1.5-2.0 million tonnes. There is no local production of fertilizer. Thailand only has mixing plants.

#### 4. Import Mechanism

Private companies own flour mills and normal import procedure applies.

#### 5. Grain Industry Infrastructure

Flour mills have own storage facilities. No significant change is expected.

#### 6. Government Policies Affecting Grain and Agriculture

Thailand still places major emphasis on improving agricultural productivity by introducing new irrigation projects.

As a net importer of wheat, importation of wheat still continues. Only oilseeds and their products are banned.

Countertrade is no longer active in Thailand.

7. Market Prospects - Grains and Oilseeds

There is very limited market potential for special crops, however, mustard and peas have some potential.

8. Processing Facilities: 1987

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	4	4	220	200
Brewers*	2		220	1.3
Oilseed crushers	14		190	150

\* Capacity and output in millions of hectolitres

9. Storage and Throughput Capacity: There is no grain storage available at the port of Bangkok.

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		12.5 (12.0)	

Import originations include: Germany, Denmark, UK, Australia

3. Additional Information

Annual per capita beer consumption: 2.4 litres.

Beer production capacity/Domestic malting capacity: Thailand produced about 130 million litres of beer in 1988, a slight increase from 1987.

Market potential for Canadian malt: Nil

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds: soybean 6%, other 60%

Crude oil: 30%

Oilseed meal: soybean 6%, other 10%

Refined oil: 30%

Import/export structure: Oilseeds are controlled by the Ministry of Commerce.

2. Additional Factors: Edible oil manufacturers are encouraged to use local oilseeds.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	338		
Coconut	1,310		
Palm	728		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			140 (120)	170 (150)
Durum wheat	30 (30)		15 (14)	15 (14)
Flour/Semolina			80 (70)	80 (70)
TOTAL	30 (30)		235 (204)	265 (234)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	140 (120)					30 (30)	170 (150)
Durum wheat	15 (14)						15 (14)
Flour/Semolina	80 (70)					30 (30)	80 (70)
TOTAL	235 (204)						265 (234)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							155 (134)
Cash	31.5	80.0 (90.0)	43.5 (44.0)				
<u>Flour (including semolina)</u>							
Cash/commercial credit		0.6 (0.4)	0.5 (0.38)			78.9 (69.22)	80 (70)
TOTAL	31.5	80.6 (90.4)	44.0 (44.38)			78.9 (69.22)	235 (204)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	4,500 (2,300)			4,500.0 (2,300.5)
Barley			12.5 (12.0)	12.5 (12.0)
Sorghum	192 (400)			192.0 (400.0)
TOTAL	4,692 (2,700)		12.5 (12.0)	4,704.5 (2,712.5)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn		3,268 (1,300)			1,214 (1,000)		4,500.0 (2,300.0)
Barley	12.5 (12.0)						12.5 (12.0)
Sorghum		192 (400)					192.0 (400.0)
TOTAL	12.5 (12.0)	3,460 (1,700)			1,214 (1,000)		4,704.5 (2,712.5)



**PART VIII**

**AFRICA**



## A L G E R I A

Economic classification:	Middle income	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$745	1989
Annual per capita GNP:	US\$2,200	1989
Average annual growth:	3.5%	1989
Annual inflation rate:	35%	1989
Volume of imports:	US\$6.2 billion	1988
Of which food:	24%	1988
Of which fuels:	2.2%	1988
Principal foreign exchange earning export:	hydrocarbons	
Debt service as % of GNP:	48.6%	1989
Debt service as % of exports:	71%	1989
Population:	24.9 million	1989
Annual population growth:	3.1%	1989
Annual consumption:		
Flour	4,900,000 tonnes	1988
Meat	460,000 tonnes*	1988
Vegetable Oil	317,000 tonnes**	1988

\* beef, chicken, lamb

\*\* rapeseed, sunflower, other crude or refined

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

As a result of an increase in grain production in Algeria in 1989, the 1989 crop reached 2.1 million tonnes, according to initial estimates, in comparison with 1 million tonnes in 1988, 2 million in 1987, 2.5 million in 1986 and 3 million in 1985. The average over the last 15 years is 1.8 million tonnes. For Algeria, 2.1 million tonnes of grain makes 1989 an acceptable year. Average production in 1989 was 8.9 tonnes/ha with 2,341,731 ha harvested. Spring rains enabled this increase in crops in the majority of productive zones. The crops would have been better were it not for the losses incurred by the water shortage last winter. The total acreage affected by hail or fires during this season was also significant. The other difficulty encountered across the country during the 1989/1990 season and every year is the shortage of equipment and parts. The 1990 forecast is for 2.2 to 2.5 million tonnes with 4.1 million acres sown. The rains which arrived late in December but continued into January will certainly help to improve the crop situation.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90*</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	600	650	625
Durum	1,500	1,250	1,295
Barley	1,500	1,500	1,613
Corn	2	2	2
Oats	500	175	184

\* estimated

2. Foreign Exchange Situation

1988 was a very difficult year: drought and an invasion of locusts reduced agricultural production by 13%. A decision to reduce imports caused a shortage of basic products, e.g., grain. Consumption has dropped by 4.8% over the last 3 years. In 1989, the situation improved with an economic growth rate of 4.7% and an agricultural production growth rate of 7%. Taxation is reasonable despite a very difficult foreign-exchange situation, although imports are expected to drop. The increase in the U.S. dollar will certainly help to meet payments. Debt service is forecast to be 68% of export revenues. Algeria will continue to import 70% of its food (in 1988, 24% of imports were food products). After the October 1988 crisis, Algeria received limited food aid.

3. Fertilizer Situation

As in previous years, the use of fertilizer remains very disorderly and seems to be tied in more with the import plan than with an organized management plan based on production and agronomic principles. Algeria consumes around 800,000 tonnes of fertilizer annually, of which 300 to 400 thousand tonnes are imported, with the remainder produced locally with the company ASMIDAL.

4. Import Mechanism

Grain imports are subject to a State monopoly managed by the Office Algérien Interprofessionnel des Céréales (OAIC). Purchases are often made by way of international calls for tenders and limited consultations, but, imports are made just as often on a contractual, multi-year basis. The Chief Executive Officer of the OAIC is Mr. Hassen Khodja. The application of legislation (beginning in 1988) on business autonomy and on the restructuring of the Domaines Agricoles Socialistes (DAS) into the Entreprises Agricoles Collectives (EAC) may perhaps have a positive impact on the import mechanism. As a result of new foreign trade legislation importations by the OAIC have come under review.

## 5. Grain Industry Infrastructure

Grain imports-distribution-storage: OAIC (Office Algérien Interprofessionnel des Céréales).

Flour, couscous and pasta processing: ERIAD (Entreprise Régional des Industries Alimentaires et Distribution, 5 plants located in Alger, Constantine, Sétif, Sidi Bel Abbès and Tiaret).

Cattle and poultry food products: ONAB (Office National des Aliments du Bétail).

<u>Storage</u>	<u>Capacity in thousands of tonnes</u>
Concrete silos	904.6
Metal silos	840.9
Warehouses	511.4
Other	55.2
TOTAL	2,312.1

There are plans to increase storage capacities.

Given the review of the OAIC's monopoly over imports, it is quite likely that users, such as ERIAD, will import their grain directly in the near future.

## 6. Government Policies Affecting Grain and Agriculture

The agricultural reform begun in 1987 is not taking place without difficulties. On the one hand, the supporting infrastructure (agricultural equipment, fertilizer supplies, veterinary products, access to funding for some products and other inputs) was not available at the time and continues to cause significant bottlenecks. On the other hand, the decentralization of the large socialist agricultural areas (DAS) into small cooperatives (agricultural business collectives, EAC) requires much more equipment, which is not readily available and difficult to import because of the economic circumstances. Moreover, farmers have moved rapidly towards the more profitable crops at the expense of low-revenue crops, including grains whose price remains state controlled. This seems to have seriously reduced grain production, whilst because of the drought conditions Algeria had to import large quantities of grain at high prices in exchange for currency.

These factors will definitely pose long-term problems, for a sufficient food supply in Algeria is a problem for which solutions will be found only in twenty years or more. Changes in foreign trade legislation will remove the OAIC and other agencies that have exclusive rights to imports and this will certainly have a favourable, long-term impact for Canadian suppliers.

Grains: no barter policy for the moment; oilseeds: counter purchase of Algerian products in specific cases. Algeria is seeking three-year subsidies for consumer goods at a very favourable rate. In September 1989, the United States granted Algeria renewed credits of \$800 million for financing the purchase of wheat (US\$250) and other American agricultural products as part of the GSM102 programs (General Sales Manager) and the Export Enhancement Program. These credits are guaranteed by the Commodity Credit Corporation.

#### 7. Market Prospects - Grains and Oilseeds

Conservative projection of grain consumption for 1990-2005 (in thousands of metric tonnes)

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>
Durum	2,882	2,950	2,839	2,671
Wheat	1,734	2,301	2,839	3,191
Barley	1,734	2,154	2,072	3,302
TOTAL	6,350	7,405	8,350	9,164

Source: FAO Investment Centre

Note: the percentage of Algerian grain imports used for consumption is 75% for wheat and 83% for durum. Algeria would therefore import 2.4 million tonnes of durum in 1990 and 2.5 million tonnes in 1995.

In order to maintain our market, Canadian companies, e.g., the Canadian Wheat Board, could consider a mixed enterprise with the OAIC, once the law is more clear in this regard, or a joint project that would support our markets, e.g., transfer of seed-grain cultivation technology, export credits that compete with the United States, Europe and others, and the development of training programs in Algeria and Canada in the field of grain cultivation in conjunction with the OAIC.

Possibilities exist for Canada to export lentils, Navy beans and Great Northern beans as well as canary seed to Algeria. Canadian suppliers will have an opportunity to develop these markets if Canada proposes a competitive price and good funding, such as the GSM102 USDA program.

8. Processing Facilities: 1989

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>
Flour (and durum) mills	5	109	375.8/day
Compound feed mills	1	15	581.6/year
Maltsters	1	1	15.0/year
Brewers*	1	1	160.0
Oilseed crushers	1	8	345.8/year

\* Capacity in thousands of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1986

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Alger	90.3	462.4
Oran	72.2	172.1
Mostaganem	70.7	81.6
Annaba	69.3	134.9
Skikda	20.0	199.7
Bejaya	21.7	88.7
Tenes	33.5	8.3
TOTAL	377.7	1,147.7

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley Suitable for malting					1.1

2. Additional Information

Annual per capita beer consumption: Per capita consumption is dropping.  
The cause may be in an increasingly influential Islamic movement.

Beer production capacity: The domestic beer production capacity is holding steady, even though the rate of population growth is 3% per year.

Domestic malting capacity: The domestic malting capacity is holding steady since beer production remains unchanged.

Market potential for Canadian malt: Algeria imports 3.2 thousand tonnes of malt annually from Europe. Canada could hope to penetrate the market at a rate of about 10%.

### III. OILSEEDS

#### 1. Trade Policy

There are no import tariffs on oilseeds, crude oil, oilseed meal or refined oil.

Import/export structure: Imports are handled by government agencies using international calls for tenders and limited consultations. The Office Algérien Interprofessionnel des Céréales (OAIC) has the import monopoly for grains, pulse and their by-products. This monopoly is currently being brought into question.

#### 2. Additional Factors

If Canada wishes to penetrate the oilseeds market, it must offer a credit similar to the GSM102 program of the USDA. The Americans and Europeans offer a 10% processing subsidy for vegetable oils: rapeseed, sunflower and palm.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed			27.1		
Sunflower		37.7			
Crude vegetable		243.6			
Olive	15.0				
Other		1.5	9.1		
TOTAL	15.0	282.7	36.3		
<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Soya		368			

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	444 (470)	50 (30)	700 (683)	1,194 (1,183)
Durum wheat	785 (814)	150 (100)	3,000 (3,073)	3,935 (3,987)
TOTAL	1,229 (1,284)	200 (130)	3,700 (3,756)	5,129 (5,170)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	2,040 (1,940)	25 (25)				80 (50)	2,145 (2,015)
Durum wheat	3,787 (3,587)	2 (2)				170 (150)	3,959 (3,739)
TOTAL	5,827 (5,527)	27 (27)				250 (200)	6,104 (5,754)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Commercial Credit Aid, Concessional Credit, etc.	550 (518)	1,550 (1,564)			1,200 (1,053) (15)	400 (373)	3,700 (3,508) (15)
<u>Flour (including semolina)</u>							
Cash/commercial credit Aid, concessional					(204)	(29)	(233)
TOTAL	550 (518)	1,550 (1,564)			1,200 (1,272)	400 (402)	3,700 (3,756)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1 (1)		1,127 (1,127)	1,225 (1,128)
Barley	1,083 (790)	53 (30)	500 (575)	1,633 (1,395)
Oats	89 (64)		20 (20)	109 (84)
TOTAL	1,173 (855)	53 (30)	1,647 (1,722)	2,873 (2,607)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	25 (25)	1,103 (1,103)					1,128 (1,128)
Barley	30 (30)	1,533 (1,315)				70 (50)	1,633 (1,395)
Oats		109 (81)				3 (3)	109 (84)
TOTAL	55 (55)	2,745 (2,479)				73 (53)	2,873 (2,607)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>ALL Others</u>	<u>Total Imports</u>
Corn		876 (876)			235 (235)	16 (16)	1,127 (1,127)
Barley		300 (450)			200 (125)		500 (575)
Oats	20 (20)						20 (20)
TOTAL	20 (20)	1,176 (1,326)			435 (360)	16 (16)	1,647 (1,722)

## E G Y P T

Economic classification:	Low income economy		
Oil exporter or importer (net):	Exporter (US\$1,563 million)		
Annual per capita GDP:	US\$ 445		1988
Average annual growth:	2%		
Annual inflation rate:	35%		
Volume of imports:	US\$9,179 billion		1988
Of which food:	52%		1988
Principal foreign exchange earning export:	Workers' remittances, petroleum & canal revenues		
Debt service as % of GDP:	10%		1988
Debt service as % of exports:	55%		1988
Population:	52.7 million		1988
Annual population growth:	2.85%		1987/1988
Flour & wheat	9,120,000 tonnes	or 175.3 kg/capita	1988
Meat	697,000 tonnes	or 13.4 kg/capita	1988
Vegetable Oil	531,000 tonnes	or 10.2 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Total area of grain/pulses (wheat, corn, rice, beans, soybeans, lentils, sorghum and barley) is 2.4 million hectares\* with an increase of 7.5% and with an average total production of 10.24 million tonnes.

Wheat: Planted area for 1988 was 596.8 thousand hectares with an average production of 4.74 metric tonnes per hectare.

Rice: Total planted area for 1988 was 351.4 thousand hectares with an average production of 6.11 tonnes per hectares.

Corn: Total planted area for 1988 was 621.6 million hectares with an average production of 5.3 metric tonnes per hectare.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	596.8	576.7	598.9
Barley	36.5	5.5	54.6
Corn	621.6	567.8	756
Sorghum	129.4	168	168
Soybeans	49.6	50	50

\*In Egypt, areas frequently expressed as feddans.  
1 feddan = 0.42 hectares = 0.96 acres.

## 2. Foreign Exchange Situation

Egypt's 1988 foreign exchange receipts grew by 25 to 30% but were overshadowed by greater private and public sector demand for exchange needed for imports and investment in agro-industry. The rationing of foreign exchange for import letters of credit aims to dampen inflation and discourage luxury imports. Grains are a priority import for which foreign exchange is quickly allocated, when not paid under USA and Australian credits and aid. If an IMF reform accord is signed by early 1990, Egypt will be requesting \$1 to 1.5 billion commodity and BOP financing.

## 3. Fertilizer Situation

### Fertilizer Supply ( '000 Mt)

	-- Production --		--- Imports ---	
	<u>1986/87</u>	<u>1987/88</u>	<u>1986/87</u>	<u>1987/88</u>
Ammonium Nitrate - (31%)	583	534	--	--
Ammonium Nitrate - (33.5%)	57	135	99	90
Urea - (46%)	914	957	14	1
Ammonium Sulphate - (20.6%)	82	74	315	277
Potassium Sulphate - (48% k)	--	--	60	61
Triple Super Phosphate	--	--	3	1
Single Super Phosphate	1,085	1,115	--	--
Calcium Nitrate - (15.5%)	223	247	--	--

## 4. Import Mechanism

The General Authority for Supply Commodities (Government sector, Ministry of Supply) is responsible for wheat flour and sugar imports. In 1986 the government issued a law allowing the private sector to import grains and pulses in order to increase availability of these products and minimize government subsidies. Imports of vegetable oils were shifted to the Ministry of Industry.

## 5. Grain Industry Infrastructure

Egypt has reached self-sufficiency in silo storing capacity in major ports: Alexandria, Port-Said, Adabia, Damietta and Safaga with total capacity of 4.5 million metric tonnes. Projects underway to have silos are Ismailia, Beni Suef, Zagazig, Mansourah and Shebin El Kom and Upper Egypt. The Canadian International Development Agency (CIDA) is building 3 silos at Mansourah, Shebin El Kom, Zagazig with capacity of 10,000 tonnes each.

Nine flour mill companies exist in Egypt as follows:

North Alexandria Flour Mills - Northern Cairo Flour Mill - Cairo Flour Mills - South Alexandria Flour Mills - Southern Cairo Flour Mills - Centre Delta Flour Mills - Central Egypt Flour Mills - Upper Egypt Flour Mills - East Delta Flour Mills.

#### 6. Government Policies Affecting Grain and Agriculture

- a) Government has boosted prices paid to farmers under major liberalization of agriculture sector aimed at increasing plantings.
- b) Wheat: Improvement in yields - Introduction of Mexican wheat. Wheat imports will continue to increase to meet with population explosion.
- c) Coarse Grains: Increase in production by adopting hybrid seeds. Corn imports will continue to increase in order to meet with increased utilization of poultry feed.
- d) Increase in grain consumption for both human and livestock.
- e) Due to high corn and feed prices encountered and the chicken pricing system adopted, a lot of chicken farms are shutting down. It is expected that the government will liberate the price of chicken to stop any imports of chicken and to reactivate the closed farms. This would create a large demand for corn and chicken feed.

Credit facilities and prices offered are and will continue to be the main factor affecting the choice of grain and wheat origin.

#### 7. Market Prospects - Grains and Oilseeds

Credit facilities and low prices offered are and will continue to be the main factor affecting the choice of wheat and grain origin.

Interest exists re corn and canola if finance and competitive prices are offered.

8. Processing Facilities: 1988

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	9	1.0		
Maltsters	1	3.0		
Oilseed crushers	6	6.0		

## 9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1987/88

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Alexandria	2,527	23,210
Samietta	1,350	3,765
Safaga	30	
Total Capacity	4,600	32,750

## II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					152.228

## 3. Additional Information

Annual per capita beer consumption: Is decreasing due to religious reasons.

Beer production capacity: Two plants for beer production maintain their capacity.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Exempted - post together with Canola Council and Agriculture Canada could succeed to obtain GRAS (Generally Regarded As Safe) status for use of canola oil for human consumption.

Import/export structure: Regular tenders issued by the Public Sector Authority for Food Industries "Oils Import Committee", Ministry of Industry is now in charge of imports of oil and seeds for processing.

## 2. Additional factors

Though oilseed and crude vegetable oils have not so far been food aid items, EC has offered Egypt 4,000 tonnes of food aid from France.

Payment facilities and competitive prices remain the most important factor.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Cotton	320		
Soybean	113		
Sunflower	21		
Peanut	36		
Total	490		

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Cotton seed	99	209			
Soybean	6		30		
Sunflower	38	211	50		
Others	3		70		
Total	146	420	150		

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Total	920	299	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	2,839 (2,718)		5,450 (3,850)	9,120 (8,292)
Flour/Semolina			1,500 (1,597)	1,260 (1,379)
TOTAL	2,839 (2,718)		6,950 (5,447)	10,380 (9,671)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	9,120 (8,292)						
Flour/Semolina	1,260 (1,379)						
TOTAL	10,380 (9,671)						

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	100	400			50		650
Commercial Credit		1,550 (1,500)	2,000 (1,750)		350		3,900 (3,250)
Aid, Concessional		750 ( 600)			150		900 ( 600)
Credit, etc. PL480							
Total	100	2,700 (2,100)	2,000 (1,750)		550		5,450 (3,850)

Flour (including semolina)

	<u>F R A N C E</u>	<u>I T A L Y</u>
Cash/commercial credit	600 ( 400)	200 ( 178)
Aid, concessional	400 ( 800)	100 ( 100)
TOTAL	1,000 (1,200)	300 ( 278)
		100 (88)
		100 (531)
		100 (531)
		1,500 (1,597)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	4,088 (2,200)			
Barley	109 ( 152)		1,600 (2,080)	5,700 (5,928)
Sorghum	578 ( 590)			
Total				

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	78 (85)	4,872 (5,150)	750 (700)				
Total							

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:

Corn	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
		1,500 (1,649)				100	1,600

## K E N Y A

Economic classification:	Low income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$394	1987
Annual per capita GNP:	US\$336	1987
Average annual growth:	5%	
Annual inflation rate:	11%	
Volume of imports:	US\$1,739 billion	1987
Of which food:	6.8%	
Of which fuels:	19.7%	
Principal foreign exchange earning export:	Tourism and coffee	
Debt service as % of exports:	40%	1988
Population:	23 million	1989
Annual population growth:	4%	1989
Annual consumption:		
Maize	2,836,000 tonnes	1988
Vegetable Oil	129,000 tonnes	1987

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Maize: As can be seen from statistics, production of maize has increased substantially during 1988/89 crop year. This is attributed to the effects of favourable weather conditions combined with increased use of fertilizers as well as improved producer prices. The outlook for 1989/90 crop looks promising and already the production estimates have reached 2,729,790 tonnes. Seeded acreage is increasing substantially and approximately 1,442,522 hectares have been put under maize. However, exact figures are difficult to gauge due to the level of small holder activity in this subsector.

Wheat: Production of wheat in 1988/89 achieved an increase over the previous year. This was attributable to good climate conditions as well as producer price increases. Production estimates for 1989/90 are quite favourable at 325,162 tonnes. Despite the increase in production, wheat growing activity is still losing its competitiveness in some areas to other products such as barley and there is still a shortfall in production which is compensated by wheat imports. Wheat acreage is 156,509 hectares.

Oil Crops: The main oil crop produced is sunflower and production has increased marginally over the crop year. It is difficult to estimate the acreage produced as it is mainly grown by small holders.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	156.5	149.7	138.6
Corn	1,442	484.9	

## 2. Foreign Exchange Situation

The continued fall in coffee and tea prices (Kenya's main foreign exchange earners) contributed to a deteriorating balance of payment situation. As a consequence, import restrictions continue to be in force and items considered of strategic importance to the country are given priority. This includes food grains, agricultural machinery and inputs. In times of drought (as in 1984), the country becomes an international aid recipient.

## 3. Fertilizer Situation

Kenya is able to consume up to 400,000 tonnes of various fertilizers each year. The fertilizers consumed are usually those classified as diammonium phosphate, calcium nitrate, monoammonium phosphate, triple super phosphate, ammonium sulphur nitrate, urea, single super phosphate, muriate of potassium, sulphate of potassium, and the following mixtures of nitrogen, phosphorous and potassium:

- 20% by weight nitrogen: 10% by weight phosphorous: 10% by weight of potassium.
- 20: 20: 0
- 23: 23: 0
- 25: 5: 5+5 sulphur

The main sources of these fertilizers are USA, Japan, Western and Eastern European countries, Far East, Middle East and North Africa. Fertilizers in Kenya are received both on concessional and commercial terms. Although importation is done by certain specialized importers and distributors, import allocations are applied for through the Ministry of Agriculture. Availability can be affected by prevailing high world prices as local price levels are based on international prices.

#### 4. Import Mechanism

Grain imports are officially through the National Cereals & Produce Board, a quasi-governmental body of the Government of Kenya and under the umbrella of the Ministry of Supplies and Marketing. Imports are granted high priority but require approval from the Ministry of Supplies and Marketing prior to granting a licence.

#### 5. Grain Industry Infrastructure

National Cereals & Produce Board has bulk handling facilities in the major towns as well as numerous conventional stores in the producing and consuming areas. Many private storage facilities are also available to the Board for leasing.

The Danish Government will spend approximately \$38 million on two silo projects in Mombasa and Nairobi. The Mombasa project will specialise in transshipment of imports and export grains. The Nairobi project due to be completed by mid 1990 will have a storage capacity of 40,000 tonnes of grain. Once the Mombasa project is complete, the Nairobi Silo will be further expanded to reach a capacity of 120,000 tonnes of grain.

#### 6. Government Policies Affecting Grain and Agriculture

The cereals sector has been having major problems. The Auditor General (crops) recently announced that the NCPB had made a loss of Ksh. 1.77 billion for the year ended June 1987. This brings cumulative losses to Ksh. 5.5 billion of which 2.5 billion was financed by government subvention. Price controls and distribution restrictions on grain continue and flour has become a rare sight in many shops. The recent increases in wheat prices spelled good news for farmers and millers' margins were also increased. However, the bakers' margins were squeezed to avoid major increases to the consumer.

Talk of grain market liberalisation has been quiet lately, but the government is to spend approximately \$13 million on restructuring the NCPB. The objective is to make store-houses more accessible to grain growers and consumers by means of expanding storage facilities and undertaking pricing and transport studies.

The Kenya Meat Commission, the government meat processing factory, has been revived after a few years of closure. The government has written off all its debt. It has been stated that the Uplands Bacon Factory is also to be revived.

The policies will not pose implications for Canadian suppliers as shortfalls in production of wheat will be met by imports on commercial and concessional terms through Government of Kenya tender.

If the economics of importing oilseeds from Canada are right, the country will certainly import from the cheapest source.

Kenya, while still inexperienced in terms of countertrade, is becoming more receptive to the idea, particularly as the foreign exchange situation fails to improve. There is still no official government policy on countertrade/barter, but deals are taking place where maize is swapped for wheat usually with USA and Saudi Arabia.

#### 7. Market Prospects - Grains and Oilseeds

Accurate projections to 1994 are unobtainable. Changeable and unpredictable weather patterns preclude publication of such data.

In times of food shortage, there is potential for grain sales on commercial terms and the National Cereals & Produce Board will issue tenders directly to the Canadian Wheat Board.

On oilseeds, it might be worth considering sending a Canadian oilseeds marketing specialist to assess the market as we believe that there could be potential for Canadian product despite the predominance of coconut oil imports. Very little market for special crops for which there is a limited demand which can be met by local production.

#### 8. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	11	14	700	330
Compound feed mills	8			
Maltsters	1	1		35
Oilseed crushers	41	41	100	10

#### 9. Storage and Throughput Capacity

##### Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Mombasa	200 overall 63 NCPB	1.0

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	39				39
Suitable for malting	35				35

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	24		
Malting barley	35 (33.5)		

### 3. Additional Information

Annual per capita beer consumption: Beer consumption continues to rise at around 5% per annum and consumption has not been affected by the recent government decontrol of prices in 'D' class establishments.

Beer production capacity: Beer production is increasing in line with consumption patterns this can be attributed to population growth and also increasing disposable income.

Domestic malting capacity: Capacity is increasing - Kenya Breweries who own the only malting facility are in process of expanding by 700,000 tonnes from 30,000 tonnes per annum.

Market potential for Canadian malt: None as Kenya Breweries is able to satisfy local market.

## III. OILSEEDS

### 1. Trade Policy

Import Tariffs: Oilseeds: 35%; sunflower and rapeseed free.  
Crude oil, oilseed meal and refined oil are all 35%

Import Tariff: wheat free - rye, barley and oats 30% - flour 40%

Import/export structure - Importation of oilseeds can be carried out by licensed importers and government agencies who obtain clearance from the Ministry of Agriculture and then apply for import licences and foreign exchange allocations through the usual channels.

## 2. Additional Factors

There is an open system of marketing promoted and controlled by private companies with government support. The main companies are: E.A. Industries (a subsidiary of Unilever) which has an Oil Crop Development Scheme. Ufuta Ltd and Elianto Ltd. The main objective in producing local edible oil is to save foreign exchange on imports and secure local raw material supplies for their manufacturing processes. Presently grown are sunflower, simsim, maize, cotton and small amounts of rapeseed. These projects are self financed based on commercial contract agreements with local farmers. These schemes fulfil approximately 10% of national vegetable oil requirements in the country far below the original projections. The government (in observing the problems which the private sector is encountering in attempting to develop an industry locally) has formed a development committee to formulate strategies for the development of edible oil resources.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Sunflower	18		1		
Simsim	2				
Copra	29				
Rapeseed	0.8				
Soya	0.6		0.2		
Cotton	10		4		
Total	60.4		5.2		

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Palm oil		40	84		
Linseed			0.03		
Castor			0.01		
Soya		0.02	0.6		
Rape/mustard			0.8		
Sunflower	6				
Total	6	40.02	84.44		

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	8		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	385 (234)	102 (40)	199.1 (343.8)	686.1 (617.8)
TOTAL	385 (234)	102 (40)	199.1 (343.8)	686.1 (617.8)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	385 (234)	261.1 (281.8)				40 (102)	686.1 (617.8)
TOTAL	385 (234)	261.1 (281.8)				40 (102)	686.1 (617.8)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash		1.1 ( 18.5)					1.1 ( 18.5)
Commercial Credit		76	(27.7)			(119.6)	76 (147.3)
Aid, Concessional Credit, etc.		97 (112.7)		(4.4)	15 (10.9)	10	122 (178.0)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	3,257 (2,160)	880 (729)		4,137 (2,889)
Barley	39 (38.5)			39 (38.5)
Sorghum	114 (86)			114 (86)
<b>TOTAL</b>	<b>3,410 (2,284.5)</b>	<b>880 (729)</b>		<b>4,290 (3,013.5)</b>

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	3,257			(117)	(275)	(880)	4,137 (2,889)
Barley	39						39 (38.5)
Sorghum	114						114 (86)
<b>TOTAL</b>	<b>3,410 (2,284.5)</b>			<b>(117)</b>	<b>(275)</b>	<b>(880)</b>	<b>4,290 (3,013.5)</b>

## M O R O C C O

Economic classification:	Middle income economy	
Oil exporter or importer (net):	Importer	1988
Annual per capita GNP:	US\$905	1988
Average annual growth:	10%	
Annual inflation rate:	2.8%	
Volume of imports:	US\$4.5 billion	1988
Of which food:	10%	1988
Of which fuels:	13%	1988
Principal foreign exchange earning export:	Workers remittance, tourism and phosphate.	
Debt service as % of GNP:	11%	1987
Debt service as % of exports:	33%	1987
Population:	26 million	1988
Annual population growth:	2.6%	1988
Annual consumption:		
Vegetable Oil	288,000 tonnes or 12 kg/capita	1987

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Results of the 1989/1990 harvest fall slightly short of the records achieved in 1988. Although seeded acreage increased for the four main grains (wheat, durum, barley and corn), less favourable climate conditions (rainfall) have reduced yields.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	2,630	2,318	2,288
Durum	1,170	1,105	1,110
Barley	2,399	2,499	2,315
Corn	406	396	368
Sorghum	23	23	23
Oats	50	54	47
Rice	8	8	5

### Breakdown by crop (millions of tonnes)

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	3.9	4.0	2.4
Durum	1.8	1.8	1.1
Barley	2.5	3.5	1.5
Corn	0.4	0.4	0.2
Sorghum	0.01	0.01	0.01
Oats	0.04	0.04	0.03
Rice	0.01	0.02	0.02

### 2. Foreign Exchange Situation

The foreign exchange situation for 1989 is clearly less favourable for Morocco, mainly because of disturbances in the world phosphate market which led to a drop in Morocco's phosphate exports. The export/import ratio went from 76% in 1988 to 56.9% (for the first six months of 1989). The situation should improve, however, following the resumption of phosphate exports in November 1989. Tourist revenues improved slightly while the transfers of immigrant workers grew less. Morocco's level of indebtedness and its debt service remain high, and negotiations are under way with private banks (Brady plan) for relief and debt rescheduling. Managing the balance of payments continues to be a preoccupation.

The importation of basic food products (wheat, vegetable oil, sugar and butter) is a governmental priority. Morocco receives international aid for these imports (wheat, vegetable oil) from the EEC and from the USA. The latter's assistance is provided in the form of medium term (seven years) concessionary financing. Morocco's policy is to achieve self-sufficiency but, given the continuing pressure of expanding population, this is, in fact, a long-term project.

Morocco subsidises the selling price of wheat, flour and bread, vegetable oil, sugar and butter in order to ensure a significant portion of the low-income part of the population has access to basic foodstuffs.

### 3. Fertilizer Situation

1988 fertilizer imports: 45,473 tonnes. Morocco owns almost 75% of world phosphate reserves and is the leading exporter of phosphates. The country has made significant investments to set up a phosphoric acid production plant (TSP, ASP and NPK 14-28-14) at Jorf Lasfar and meets a growing part (over 50%) of its fertilizer needs.

#### 4. Import Mechanism

The Office National Interprofessionnel des céréales et légumineuses (ONICL) is the government bureau responsible for all grain imports in Morocco. It puts out calls for tenders and establishes the quantities, qualities, date and destination port. The ONICL receives international tenders through local agents. These tenders must specify the country of origin, and the primary criteria remains the price and financial conditions tendered.

#### 5. Grain Industry Infrastructure

Grains are delivered and stored by the SOSIPO (a government agency) at the ports of Casablanca (70 000 tonnes storage capacity), Safi (24,000 tonnes), Kénitra (12,000 tonnes) and Nador (16,000 tonnes) for future delivery to flour mills. Storage capacities always pose serious problems (storage capacities ensure only 15 days of national security needs) and cause an estimated 15% loss of harvests. Official statistics reported by the government do not take these losses into account. Flour mills and cooperatives have a storage capacity of 89,000 tonnes, of which 61,000 tonnes are warehoused and 28,000 are in silos. Two million tonnes are also in "open air storage". The ONICL is planning the construction of two 50,000 tonnes silos at the ports of Agadir and Tanger.

#### 6. Government Policies Affecting Grain and Agriculture

Morocco has instituted policies aimed at increasing the country's self-sufficiency in terms of food. The drought of the early 1980s indicated the degree to which Morocco's agriculture depends on climate conditions and precipitation levels. In order to minimize reliance on the rains, Morocco has committed itself to a vast program of dam construction (one per year) in order to ensure increased irrigation of tillable acreage. Significant efforts are also planned for popularizing modern agricultural techniques and improving grain storage capacities. The government subsidizes the sale of selected seeds, fertilizers and herbicides.

In the short term, Morocco will continue to import a significant amount of grain: wheat, 1,400,000 tonnes; corn, 190,000 tonnes; vegetable oil, 200,000 to 230,000 tonnes; oilseeds, 11,125 tonnes.

Morocco currently imports only from countries able to offer concessional financing.

Morocco would be open to countertrade and barter, but far prefers concessional financing.

## 7. Market Prospects - Grains and Oilseeds

No projections are available, given the importance of unforeseeable factors such as rainfall in grain production levels in Morocco. The Department of Agriculture and the ONICL do not prepare any projections with regard to future grain imports. We believe, however, that the current levels of imports should hold steady, as the rate of growth in production manages just barely to meet the growth in consumption caused by population growth.

The HY 320 variety of Canadian wheat is the only one which would be able to match Morocco's wheat import specifications. The only way of penetrating this market is to offer reduced (or subsidized prices) or concessional financing similar to that offered by the United States or France. The same applies to vegetable oil.

Morocco is already importing mustard from Canada (72,144 tonnes in the first 8 months of 1989). As for the other crops, Morocco's small needs are met by local crops.

## 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	80	80	2,800	
Compound feed mills	30	30	535	
Maltsters	1	3	5	
Brewers*	1	3	500	
Oilseed crushers	2	2	180	

\*Capacity in thousands of hectolitres

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port:

	thousands of tonnes	
<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Troughput Capacity</u>
Casablanca	70	3,000
Safi	24	300
Nador	16	200
Kénitra	12	
Tanger		
Agadir		
Total Capacity	122	3,500

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					2,999

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malting barley	5,800 (4,709)		France

### 3. Additional Information

Annual per capita beer consumption: Beer consumption is growing somewhat. Consumption is around 400,000 hl. Since Morocco is a Muslim country, beer consumers represent only about 25 to 30 percent of the population.

Beer production capacity: The domestic beer production capacity is growing. The main brewery, Brasserie du Maroc, launched a new production plan of 500,000 hl in 1987, replacing the former plan (with a capacity of 300,000 hl).

Domestic malting capacity is stable.

Market potential for Canadian malt: The market is limited to 5,800 tonnes. France is the only supplier.

## III. OILSEEDS

### 1. Trade Policy

Import Tariff: Oilseeds 2.5%, Crude oil, Oilseed meal 12.5% and Refined oil 32.5%.

An import permit must be obtained for refined oil and oilseed meal. These permits are easily obtained, since Moroccan production is insufficient and local demand must be met.

Import/export structure: Le Burapro, an association representing the 4 leading refiners (private) and controlling 70% of the market is responsible for putting out calls for tenders for seeds and oilseed oils. Calls for tenders are put out locally to local agents who act as intermediaries and who import the oil and seeds, whatever the origin, at the best price on the international markets.

## 2. Additional Information

The market for oilseeds is limited. Local production of crushable seed is around 60,000 tonnes. The only operational crushing plant existing in Morocco, the SEPO, has a processing capacity of 120,000 tonnes. However, the crude vegetable oil market is sizeable and growing (from 200,000 to 230,000 tonnes per year), and local production is limited to 20,000 tonnes. With the decline of prices on the world markets, concessional financing offered by the EEC and the United States, imported vegetable oil is cheaper than local production.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Olives	350				
Flax			18		
Soya			10.8		
Rape			3.6		
Sunflower	350		10.9		
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rape	760	108.8	70.3		
Olives	35		128.8		
Soya	4.8	62.9			
Cotton	4.2				
Sunflower	29.2				
Total	833.2	171.7	199.14		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	3,927 (4,019)	307 (253)	1,450 (1,187)	5,684 (5,459)
Durum wheat	1,767 (1,766)	50 (20)	1,450 (1,187)	1,817 (1,786)
TOTAL		357 (273)		7,501 (7,245)

\* of which spring wheat 5,694 (5,785)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Wheat	5,354 (5,152)					330 (307)	5,684 (5,459)
Durum wheat	1,267 (1,236)	500 (500)				50 (50)	1,817 (1,786)
TOTAL	6,621 (6,388)	500 (500)				380 (357)	7,501 (7,245)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	Canada	USA	Australia	Argentina	EC (France)	All Others	Total Imports
Wheat (including durum)							
Cash							
Commercial Credit		1,100 (943)			332 (220)		1,432 (1,163)
Aid, Concessional Credit, etc.	18 (24)						18 (24)
Total	18 (24)	1,100 (943)			332 (220)		1,450 (1,187)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production		Carry-in, July 1		Imports	Total Supply
Corn	350	( 355)	20	( 20)	200	570 ( 575)
Barley	2,500	(3,501)	980	(444)		3,480 (3,480)
Sorghum	14	( 14)	2	( 2)	25	41 ( 41)
Oats	38	( 42)	2	( 2)	225	40 ( 44)
TOTAL	2,902	(3,912)	1,004	(468)		4,131 (4,605)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption		Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	200	( 200)	350	( 355)			20	( 20) 570 ( 575)
Barley	1,280	(1,140)	1,450	(1,600)		50	700	( 980) 3,480 (3,945)
Sorghum			39	( 39)			2	( 2) 41 ( 41)
Oats			38	( 42)			2	( 2) 40 ( 44)
TOTAL	1,480	(1,340)	1,877	(2,036)		50	724	(1,004) 4,131 (4,605)

export destination: Saudi Arabia, Tunisia, Spain, Cyprus and Algeria

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		200	(200)				200 (200)
Sorghum		25	( 25)				25 ( 25)
TOTAL		225	(225)				225 (225)

## N I G E R I A

Economic classification:	Low income	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$360.00	88/89
Annual per capita GNP:	US\$360.00	88/89
Average annual growth:	1.22%	
Annual inflation rate:	9.33%	
Volume of imports:	US\$2.29 billion	88/89
Of which food:	8.8%	88/89
Of which fuels:	2.5%	88/89
Principal foreign exchange earning export:	Crude oil	
Debt service as % of GDP	23%	88/89
Debt service as % of exports:	83%	88/89
Population:		
Annual population growth:	120 million	88/89
Annual consumption:		
Flour	1.5 million tonnes	88/89
Meat	0.5 million tonnes	88/89
Vegetable Oil	2.0 tonnes	88/89

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

In the first half of 1989 estimated output of staple food crops showed an increase of 12.5% against 5.2% decline in the same period in 1988. Similarly, cash crops increased by 1.5% compared with 1% in the corresponding period.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat		280	
Corn		3,000	
Sorghum		2,400	
Soybeans		1,100	

#### 2. Foreign Exchange Situation

Nigeria is currently facing a significant foreign exchange shortage. Importation of agricultural inputs do receive a higher priority overall. Major funding for agriculture comes through World Bank-funded Agricultural Development Projects. With its being declared IDA eligible,

there is a likelihood that there will be an increase in concessional aid flows.

### 3. Fertilizer Situation

Use of fertilizer cannot be accurately measured, since some imports may have been illusory, carryover stocks are not certain, and some fertilizer may have been exported. Estimates say that Nigeria used 680,598 mt of fertilizer in 1987, compared with 595,768 mt in 1986. The government aims to devolve responsibility for fertiliser procurement and distribution from the agriculture ministry to the private sector in effect from the 1990/91 cropping season.

Usage is estimated at 7 kg of nutrient per ha.

### 4. Import Mechanism

There has been a ban on grain importation in Nigeria since January 1987 (eg. rice, wheat, barley, malt). There are few prospects that this ban will be lifted in the near future.

### 5. Grain Industry Infrastructure

The World Bank is funding seventeen Agricultural Development Projects in several states. The Federal Government, on its own, has embarked on a strategic grains reserve scheme with a target total storage capacity of 1 million mt by 1992. 125,000 mt capacity silo complexes have so far been completed under the first phase.

### 6. Government Policies Affecting Grain and Agriculture

Currently there is a ban on the importation of grains, while a similar ban is expected to affect grain exportation in 1991. There has also been a recent lifting of the ban on the importation of livestock.

### 7. Market Prospects - Grains and Oilseeds

With existing government policies, Canadian assistance will be required regarding technology transfer and joint venture programs particularly for grain storage.

8. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	15	22		
Compound feed mills	24	25		
Brewers	25	28		
Oilseed crushers	30	30		

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Apapa Port Complex	76.6	

II. MALT AND MALTING BARLEY

1. Additional Information

Annual per capita beer consumption is 13 litres. There is no growth in per capita consumption.

Beer production capacity: Decreasing on account of scarcity of raw materials.

III. OILSEEDS

1. Trade Policy

Import tariffs:	Oilseeds:	15%
	Crude Oil:	20%
	Oilseed Meal:	35%
	Refined Oils:	30%

Non-tariff import barriers/export assistance measures: There is a ban on the importation of wheat and feedgrains.

Import/export structure: The oilseeds import/export market is handled by private firms.

2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1989

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Palm Kernel	353		92.4
Peanuts	657		
Soybeans	107		
Cotton Seed	90		
Total	1,207		92.4

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Palm Oil	650				
Palm Kernel	108				
Peanut Oil	39				
Cotton Seed	8				
Total	815				

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Peanut	52		
Soybean	16		
Cotton Seed	42		
Palm Kernel	119		17.3
Total	229		17.3

## S O U T H   A F R I C A

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Average annual growth:	3%	
Annual inflation rate:	13.3%	
Principal foreign exchange earning export:	Gold	
Debt service as % of GDP:	26.5%	1987
Debt service as % of exports:	93.2%	1987
Population:	28 million	1985
Annual population growth:	2%	1987-1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat*	Not Available	1,985	1,729
Barley		104	123
Corn		3,400	3,620
Sorghum		350	313
Oats		568	503
Rye		36	26
Soybeans		40	40
Sunflower		500	462

\* Includes Durum

#### 2. Foreign Exchange Situation

Foreign exchange continues to be made available for import requirements. Estimated wheat import requirement during 1990 is 250,000 tons

#### 3. Fertilizer Situation

No information available

#### 4. Import Mechanism

Importation of grain is only permitted with sanction of Wheat Board, Maize Board or Oilseeds Control Board.

#### 5. Grain Industry Infrastructure

No changes have occurred.

## 6. Government Policies Affecting Grain and Agriculture

No changes are foreseen other than continued reduction on subsidies (e.g. on bread) which may slow movement away from maize production.

Countertrade is regarded as the trade of last resort.

## 7. Market Prospects - Grains and Oilseeds

Canadian government policy does not support promotion of trade with South Africa.

With regard to the marketing possibilities for Canadian "special crops", those Canadian exporters wishing to trade with South Africa are already in the market place.

## 8. Processing Facilities: 1988

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	27	54	2,912	2,001
Compound feed mills	30	53		213
Maltsters	1	2		120
Brewers	3	7		

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Durban	38	1,045
Cape Town	27	410
East London	76	2,831
Total Capacity	141	4,286

## II. MALT AND MALTING BARLEY

No information available.

## III. OILSEEDS

No change. All imports are subject to permits being granted.

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	2,350 (3,489)	524 (607)	0 (0)	2,874 (4,096)
Durum wheat	5 (-30)	12 (0)	0 (0)	17 (-30)
Flour/Semolina	2,266 (2,222)	55 (54)	0 (0)	2,321 (2,276)
TOTAL	4,621 (5,741)	591 (661)	0 (0)	5,212 (6,402)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	2,208 (2,259)	25 (134)	0 (0)	40 (37)	60 (1,142)	541 (524)	2,874 (4,096)
Durum wheat	17 (-18)	0 (0)	0 (0)	0 (0)	0 (0)	0 (12)	17 (-30)
Flour/Semolina	2,231 (2,136)	0 (0)	0 (0)	0 (0)	40 (85)	50 (55)	2,321 (2,276)
TOTAL	4,456 (4,413)	25 (134)	0 (0)	40 (37)	100 (1,227)	591 (591)	5,212 (6,402)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	11,213 (6,731)	889 ( 993)	0 ( 57)	12,101 (7,781)
Barley	263 ( 103)	0 ( 4)	125 (146)	388 ( 253)
Oats	39 ( 27)	0 ( 7)	0 ( 13)	39 ( 47)
TOTAL	11,515 (6,861)	889 (1,004)	125 (216)	12,528 (8,081)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	N.A. (2,450)	N.A. (2,849)	N.A. (197)	N.A. ( 6)	N.A. (1,390)	N.A. (889)	11,739 (7,781)
Barley	323 ( 242)	( 11)					323 ( 253)
Oats	29 ( 29)	2 ( 8)		8 (10)			39 ( 47)
TOTAL	352 (2,721)	2 (2,868)	(197)	8 (16)	(1,390)	(889)	12,528 (8,081)

Industrial use: Mainly starch

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

Barley and malt are purchased by the maltsters and the brewers, and oats by the millers themselves. The Board does not have information regarding supplying countries.

## T U N I S I A

Economic classification:	Middle income	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$1,750	1989
Annual per capita GNP:	US\$1,600	1989
Average annual growth:	4%	
Annual inflation rate:	10 - 15%	
Volume of imports:	US\$2.4 billion	1989
Of which food:	13.7%	1989
Principal foreign exchange earning export:	Petroleum, agri-food sectors	
Population:	7.9 million	1989
Annual population growth:	3%	
Annual consumption:		
Flour	820 kg/capita	1989
Meat	300 kg/capita	1989
Vegetable Oil	10 kg/capita	1989

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

The 1988/89 crop year experienced below average moisture levels, as well as periods of high temperatures and hot dry winds. As a consequence, production suffered. The table below provides figures for seeded and harvested hectares and total production of cereals:

	Seeded Hectares (thousands)	Harvested Hectares (thousands)	Total Production (tonnes, thousands)
Wheat	174	111	87
Durum	825	446	333.3
Barley and Triticale	711	425	215.3
Total	1,710	928	635.6

Tunisian cereals production will continue to be subject to the weather, and, in particular, rainfall. Although some production uses irrigation, this accounts for only 12.8% of total cereals production.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	174	102	124
Durum	825	598	867
Barley	711	490	606

## 2. Foreign Exchange Situation

In the past few years, severe drought and other climatic reverses have seriously affected Tunisian agricultural production. In 1988, the country's agri-food balance of trade fell into deficit substantially more than had been forecast.

## 3. Fertilizer Situation

As in preceding years, fertilizers used were: super triple Phosphate, single super phosphate, ammonia nitrate, manure, and other nitrates and phosphates. Because of severe drought and grasshopper infestation, the quantities used were almost double.

## 4. Import Mechanism

Because of the effect of drought on local production, the Grain Board blocked all marketing of local grains in order to guarantee a supply of seed.

The mechanism of calls to tender remains in place. The Office of Cereals continues to have the monopoly of importing and exporting cereals and of the grain marketing in Tunisia.

## 5. Grain Industry Infrastructure

Storage problems are decreasing as new storage facilities come on stream.

## 6. Government Policies Affecting Grain and Agriculture

i) The livestock industry remains at the mercy of climatic conditions. Since 1988, the government has had a budgetary provision of up to 30 million dinar to maintain Tunisia's herds and assure production of red meat.

The livestock industry employs about 230,000 people on a full-time or part-time basis. In 1988, Tunisia imported 12,500 tonnes of meat, 9,800 tonnes of butter and 1,800 tonnes of cheese for a total value of 61 million dinars. These imports account for about 10% of Tunisia's total demand for such products.

Measures are urgently required to deal with forage reserves. These could include intervention by the national livestock agency to support producers by means of a floor price.

ii) Given the problems resulting from lack of moisture, Tunisia has no choice but to import cereals and meat products. Tunisia's imports are

expected to continue rising, and thus the country will provide continuing market opportunities for Canada.

iii) The system of countertrade or barter was established five years ago as a response to the country's economic crisis and as a means to help correct its balance of payments deficit. Since 1987, the country has been moving away from that approach.

## 7. Potential Development of Cereal Production

i) Current government policy is to gradually reduce the levels of consumer and producer subsidies in the cereals sector to virtually zero by 1996. This would result in a reduced capacity to import.

ii) Tunisia continues to prefer the system of international calls for tender, seeking grants and refusing to enter into bilateral agreements. Canada should consider the possibility of grain exports which cannot be covered by US or other (especially the EC) credits.

iii) There are virtually no marketing possibilities for Canadian "special crops" as Tunisia rarely imports these.

## 8. Processing Facilities: 1989

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	68	169		165
Compound feed mills	110	120	220	150
Maltsters	1	1	1,250	
Brewers*				900
Oilseed crushers	300	1,650	250	180

\* Capacity and output in thousands of hectolitres

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tunis		2,021
Goulette		544
Rades		127.7
Bizerte		194
Sorisse		0.6
Sfax		242.8

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					730
Suitable for malting					320

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>
Malt	640 (510)

Import originations include: Belgium, France, Argentina, USA.

### 3. Additional Information

Per capita beer consumption: Beer consumption is increasing slightly.  
Beer production capacity: Beer production capacity remains the same as last year.

Domestic malting capacity: Malting capacity remains at last year's level.

Market potential for Canadian malt: There is potential in the Tunisian market for Canadian malt. However, the market is small and the competition already entrenched.

## III. OILSEEDS

### 1. Trade Policy

Import Tariffs: Oilseeds: 6%

Crude oil: 45%

Oilseed meal: 15%

Refined oil: 50%

Significant non-tariff import barriers: Transportation and price appear to be among the most important considerations in this regard.

Significant non-tariff import barriers: Transportation and price appear to be among the most important considerations in this regard.

Import/export structure: The "Office de Commerce de la Tunisie (OCT)" controls the import/export of oilseeds.

## 2. Additional Factors

There is always marketing potential. However, it would be important to educate the market with respect to the Canadian industry.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1989?

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soya	( 17)	220			
Olive	(180)			144	crude/refined
TOTAL					
<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>		
Soya		320			

## 7. Market Prospects - Grains and Oilseeds

The granting of credit facilities similar to those of the USA would be very helpful. Dairy and livestock feeding seminars would also be important to demonstrate the benefits of grains.

There are minimal possibilities for Canadian "special crops" at present due to the high cost of shipping, which can only be overcome by the importation of huge quantities. Jordan is a small country and has access to several sources of supply.

## 8. Processing Facilities: 1989

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills		7	600	450

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Aqaba	150	500

## II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type: Nil

2. Statistical Notes: 1989/90 est. tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		400 (350)	

Import originations include: Western Europe

### 3. Additional Information

Annual per capita beer consumption: steady trend

Beer production capacity: Production should be increasing because of the limitation of imports of other foreign alcoholic beverages and the prohibited importation of foreign beer. However, sales are again offset by the increase of prices which limits consumption.

Domestic malting capacity: Nil

Market potential for Canadian malt: Very small potential due to the cost of ocean freight and the small quantities involved.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds: Nil  
Crude oil: Nil  
Oilseed meal: Nil  
Refined oil: 40% (20+15+5)

Import/export structure: Imports of oilseeds and all other seeds are done by private sector firms. It is an open and free market.

#### 2. Additional Factors

Competition from olive oil and limited local oil production.

#### 3. Supply of Oilseeds and Products by Type, tonnes

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Olive oil	4,000		4,236		
Cooking oil			34,613		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	65 (79)		340 (429)	405 (508)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat</u> (including durum)							
Cash		340					340
Aid, Concessional							
Credit, etc.		6					

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			145	145
Barley			233	233
Sorghum			236	236
TOTAL			614	614

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		145				155	300 (271)
Barley		90				30	120 (98)

## K U W A I T

Economic classification:	High income	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$16,200	1986
Annual per capita GNP:	US\$18,040	1986
Average annual growth:	8%	
Annual inflation rate:	5%	
Volume of imports:	US\$9 billion	1986
Of which food:	5%	1986
Principal foreign exchange earning export:	petroleum products	
Debt service as % of GNP:	nil	1986
Debt service as % of exports:	nil	1986
Population:	1.85 million	1987
Annual population growth:	8%	1980-87
Annual consumption:		
Flour	191,000 tonnes or 10.3 kg/capita	1988
Meat	142,000 tonnes or 76.8 kg/capita	1987
Vegetable Oil	45,000 tonnes or 24.0 kg/capita	1987

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Kuwait has started to grow wheat locally. A decree was issued by the government. Production will be bought from farmers at prices double the international prices.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat		500 (est)	

#### 2. Foreign Exchange Situation

There is no shortage of foreign exchange. Kuwait is a net exporter of capital and a major donor of aid to the Third World.

#### 3. Fertilizer Situation

Domestic use of fertilizer is negligible. Kuwait exported 1,458 tonnes of fertilizers in 1982.

#### 4. Import Mechanism

The grain trade is dominated by Kuwait Mills Co. a government monopoly. They are the sole importer of wheat. This situation is unlikely to change.

#### 5. Grain Industry Infrastructure

Grain elevators are located at Shuwaikh port. No changes are anticipated in handling or storage facilities. Within the framework of the Gulf Cooperation Council however, there are plans for a "Strategic Food Reserve" which could see an expansion of grain storage facilities in one or more of the Gulf States.

#### 6. Government Policies Affecting Grain and Agriculture

There are plans to grow wheat in Kuwait. Imports of grain are not restricted in any way. Local production of wheat is negligible and unlikely to increase significantly.

There is no countertrade/barter.

#### 7. Market Prospects - Grains and Oilseeds

Continuous visits by the Canadian Wheat Board have still not made it easy to break the chain of relationship with Australia as a prime supplier for the last 25 years. However, the government is looking for other suppliers, i.e. in 1988 Kuwait imported 149,000 tonnes from Saudi Arabia and 34,000 from Australia.

There is an extremely limited market for special crops.

#### 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	1	4	380	147
Oilseed crushers	1	1	15	12

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Shuwaikh	157	N/A

## II. MALT AND MALTING BARLEY

Total imports of barley (unmilled) - 293 thousand tonnes in 1984, principal suppliers Australia 78%, US 11%, France 9%.

Alcoholic beverages are banned in Kuwait.

## III. OILSEEDS

### 1. Trade Policy

Import tariffs: Nil

Non-tariff import barriers/export assistance measures: None

Import/export structure: Imports are through private companies.

### 2. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1986

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soya		17.8			
Sesame		1.7			
Nuts & kernels		1.0			

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soya	2		3		
Corn	5		17		
Total	7		20		

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Meal & groats of wheat		0.140	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			278 (201)	278 (201)
Durum wheat			5 (4)	5 (4)
Flour/Semolina			40 (45)	40 (45)
TOTAL			283 (205)	323 (250)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	115 (102)						
Durum wheat	4 (4)						
Flour/Semolina	40 (45)						
TOTAL	159 (151)						

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Aid, Concessional			134 (130)				
Principal Others: Saudi Arabia						149 (75)	283 (205)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			60 (48)	60 (48)
Barley			314 (322)	314 (322)
TOTAL			374 (370)	374 (370)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		35 (28)	25 (20)				60 (48)
Barley		42 (38)	242 (240)		10 (30)	20 (14)	314 (322)
TOTAL		77 (66)	267 (260)		10 (30)	20 (14)	374 (370)

## S A U D I A R A B I A

Economic classification:	High income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$5,500	1988
Annual per capita GNP:	US\$5,500	1988
Average annual growth:	4%	
Annual inflation rate:	6%	
Volume of imports:	US\$25 billion	1988
Of which food:	5%	1988
Of which fuels:	Nil	
Principal foreign exchange earning export:	Petroleum	
Debt services as % of GNP:	N/A	1988
Debt service as % of exports:	N/A	1988
Population:	11 million	1988
Annual population growth:	4%	
Annual consumption:		
Flour	700,000 tonnes or 64 kg/capita	1988
Meat	480,000 tonnes or 44 kg/capita	1988
Vegetable Oil	180,000 tonnes or 16 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Saudi Arabia has become increasingly self sufficient in several food categories, according to the Saudi Ministry of Agriculture and Water. In 1988 the Kingdom harvested 3.4 million tons of wheat, while domestic consumption is around 800,000 tons. Balance is exported, stored or given as international aid, but breakdown is not available from Government sources.

Seeded Acreage: thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	665	665	630
Barley	100	70	40

## 2. Foreign Exchange Situation

Saudi Arabia will not be an aid recipient within the foreseeable future. The Saudi Riyal is linked to the US Dollar (US\$ SR 3.75). There are no currency exchange restrictions. The major objective is strengthening the role of the private sector.

Government subsidies are flooding into different sectors, industries agriculture, medical and non-oil investment.

## 3. Fertilizer Situation

Saudi Arabia imported 700,000 tons of fertilizer in 1988. The Kingdom will produce 1,700,000 tons of UREA and 400,000 tons of ammonia approximately this year.

## 4. Import Mechanism

148,000 tons of special wheat used only for blending was imported from USA and Iraq in 1988.

The Grain Silos and Flour Mills Organisation are the sole importers of barley into the Kingdom of Saudi Arabia.

## 5. Grain Industry Infrastructure

No changes occurred in the existing facilities. Wheat is stored in silos owned by the flour mills organization (a government body). In addition, the Saudi private sector and large farms operate their own mills and silos.

The Flour Mills Organization receives and stores wheat from the small farmers.

## 6. Government Policies affecting Grain and Agriculture

By reducing the subsidy on imported barley from US\$80 a tonne to US\$27 a tonne and placing the production limits on wheat for the company's six large public sector farming groups (representing 11% of total wheat production) the government is attempting to reduce barley imports and increase barley production.

In the long term therefore, the production of barley will increase and demand for imported will decrease.

No barter agreement exists.

## 7. Market Prospects - Grains and Oilseeds

None presently, but the Saudi Minister of Agriculture and Water are conducting tests and trials for various grains and oilseeds (canola).

It would be effective to have a seed specialist based in KSA to help and conduct test and trial programmes with Ministry of Agriculture.

Not at present, Saudi Arabia is still importing lentils beans etc., at low prices.

## 8. Processing Facilities: 1988

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
			thousands of tonnes	
Flour (and durum) Mills	1	6	5,400	5,000
Compound Feed Mills	25	24	1,200	500
Maltsters	N/A	N/A		
Brewers	N/A	N/A		
Oilseed Crushers	N/A	N/A		

## 9. Storage and Throughput Capacity

### Grain Import Capacity by Port: 1988

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Jeddah	1,800	
Dammam	900	
Yanbu	900	
Jubail	900	
Gizan	900	
Other	600	

## II. MALT AND MALTING BARLEY

No local production of malt or beer.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds, crude oil, oilseeds meal: none  
Refined oil: 12% on bottled

Import export structure: Private sector

#### 2. Additional Factors

US-based Mazola operates a joint venture plant in KSA with private sector.

USA and France major suppliers of cooking corn oil. Spain, Greece, Italy, Lebanon suppliers of olive oil. Prices fixed by government as follows C\$/gallon = Corn 4.2, soya 4.11, palm 2.3, olive 5.00

#### 3. Supply of oilseeds and products by type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean			285		
Sesame			128		
Other (sunflower)			100		
Total			513		
<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Olive			52		
Soya			32		
Corn			110		
Others			150		
Total			344		

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	3,400 (3,200)			3,400
Durum wheat			148	148
Flour/Semolina			148	3,548
TOTAL	3,400 (3,200)			

\*of which spring wheat

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	900 (900)						
Durum wheat							
Flour/Semolina							
TOTAL	900 (900)						

Industrial use:  
Export destination:

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)		147 (2.3)			(2)		147 (4.30)
Cash							
Commercial Credit							
Aid, Concessional		(0.5)					10 (40.5)
Credit, etc.		(0.5)					10 (40.5)
Flour (including semolina)							
Cash/commercial credit							
Aid, concessional							
TOTAL		147 (3.3)			20 (82)		167 (85.3)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	35		411 ( 516)	446 ( 516)
Barley	300		2,300 (5,291)	2,600 (5,291)
Sorghum				
Oats				
Rye				
TOTAL	335		2,711 (5,807)	3,046 (5,807)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		243 (260)	11 ( 3)	138	( 6)	19 ( 247)	411 ( 516)
Barley	443 (136)	354 (144)	136 (400)		1,255 (1,691)	112 (2,920)	2,300 (5,291)
Sorghum							
Oats							
Rye							
TOTAL	443 (136)	597 (404)	147 (403)	138	1,255 (1,697)	131 (3,167)	2,711 (5,807)

## S Y R I A

Economic classification:	Middle income	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$533	1988
Annual per capita GNP:	US\$500	1988
Average annual growth:	7.67%	
Volume of imports:	US\$1.9 billion	1989
Of which food:	15%	
Principal foreign exchange earning export:	phosphate, oil & cotton	
Population:	11.5 million	
Annual population growth:	3.36%	
Annual consumption:		
Flour	2,500,000 tonnes	1989
Meat	2,100 tonnes	1989
Vegetable Oil	60,000 tonnes	1989

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

	<u>Production 1989</u>	<u>Estimate 1990</u>
Wheat	1,200,000	1,400,000
Barley	550,000	600,000
Grains	175,000	200,000

#### Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	1,200	1,000	1,177
Barley	1,600	1,700	1,569
Corn	25	22	47
Chickpeas	100	84	79
Lentils	100	89	66
Cotton	170	129	170

The 1989 grain and wheat crop was greatly affected by a harsh drought with rainfall 40% below average.

## 2. Foreign Exchange Situation

This year Syria entered the group of Oil Exporting Countries on a small scale. \$500 million of exported oil was supposed to improve the foreign exchange situation. The harsh drought which hit the country drained the major part of foreign currency availability. Syria does not qualify as an aid recipient because of political and social external and internal policies.

## 3. Fertilizer Situation

Fertilizers are generally in use and the greatest part is produced by both public and private sectors.

## 4. Import Mechanism

Import of wheat and grain is limited to the Ministry of Supply: Public Establishment for Cereal Trade and Processing. Purchases are usually done through international tenders, or, in the case of credit facilities, through direct negotiations and financing protocols.

## 5. Grain Industry Infrastructure

There are about 30 government-owned mills and silo complexes are spread through Syria.

## 6. Government Policies Affecting Grain and Agriculture

Government plays a major role in imposing the type of crop to be planted and the acreage allocated. Farmers are supplied with fertilizers, seeds and machinery; and crop is purchased at fixed prices. There are no real incentives for farmers. Efforts are constantly being made to increase local production and decrease imports.

Syrians are open to countertrade. Cotton, phosphates and textiles are available commodities.

## 7. Market Prospects - Grains and Oilseeds

Long term and/or concessionary financing or acceptance of barter deals would help to increase Canadian sales to Syria.

Marketing possibilities for Canadian "special crops" are minimal.

8. Processing Facilities: 1989

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills		21	4,640	4,200

9. Storage and Throughput Capacity

Ports: Lattakia, Tartous

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley		600			600

2. Additional Information

Annual per capita beer consumption: Steady

Beer production capacity: Steady

Domestic malting capacity: Nil

Market potential for Canadian malt: Minimal

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds, crude oil and oilseed meal are exempted.

Import/export structure: The government handles all imports and distribution of seeds to local farmers. Oilseeds are imported by both private and public sector industries.

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	1,200 (1,400)		1,300 (1,100)	2,500 (2,500)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	2,500					2,500

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN</u> :	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat</u> (including durum)							1,300 (1,100)
Cash							

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Barley	550 (600)			550 (600)

## T U R K E Y

Economic classification:	Middle income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,296 (Est.)	1989
Annual per capita GNP:	US\$1,305 (Est.)	1989
Average annual growth:	1.8% (Est.)	1989
Annual inflation rate:	75% (Est.)	1989
Volume of imports:	US\$14.33 billion	1988
Of which food:	6%	1988
Of which fuels:	17%	1988
Principal foreign exchange earning export:	Textiles, agri-processed produce, agri-crops, minerals, iron, steel	
Debt service as % of GDP	9%	1988
Debt service as % of exports:	68.5%	1988
Population:	55 million (Est)	1988
Annual population growth:	2.2%	1980-1988
Annual consumption:		
Flour	8,500,000 tonnes or 155 kg/capita	1988
Meat	749,000 tonnes or 13.6 kg/capita	1988
Vegetable Oil	370,000 tonnes or 6.7 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

There is a dramatic fall in overall grains and pulses production in Turkey. Grains and pulses production has been very adversely affected by drought throughout Turkey during the 1988/89 planting year. Turkish government organizations, which are responsible for gathering data on crop production, could not, to date, agree on production figures for almost all agricultural products. The difference in crop estimates of Turkish government organizations, such as the Ministry of Agriculture, Forestry and Rural Affairs (MAFRA), State Statistics Institute (DIE), and the Turkish Grain Board (TMO) is around 10%. The production estimates of these organizations are as follows:

#### WHEAT In Thousand Tonnes

- MAFRA	=	16,500
- DIE	=	14,800
- TMO	=	10,500

#### BARLEY In Thousand Tonnes

- MAFRA	=	4,500
- DIE	=	4,000
- TMO	=	3,500

### CORN In Thousand Tonnes

- MAFRA = 1,800
- DIE = 1,800
- TMO = 1,500

All three concur on an estimate for sunflower production, of some 1,250,000 tonnes.

The government's plan is to limit Turkey's wheat imports to 3.6-3.7 million tonnes, of which 2.5 million tonnes has already filled by imports from France (850,000 tonnes), Saudi Arabia (100,000 tonnes), W. Germany (50,000 tonnes), Spain (50,000 tonnes), Yugoslavia (25,000 tonnes), U.K. (25,000 tonnes) through international bid solicitation process on limited competition basis.

### Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	9,250	9,200	9,230
Durum*			
Barley	2,900	2,900	2,900
Corn	570	560	570
Sorghum	15	15	18
Oats	165	160	170
Rye	260	250	275
Soybeans	45	45	35
Rapeseed	0.15	0.2	0.3
Sunflower	600	600	600

\* Estimated as 20% of whole wheat planting acreage.

## 2. Foreign Exchange Situation

Turkey's foreign trade deficit was US\$2,677 million in 1988, and is estimated to be around US\$4.1 million at the end of 1989. However, Turkey has a surplus of US\$1.5 million in its 1988 current accounts. 1989 current accounts are also expected to yield a surplus of US\$0-6 million. The imports of food/agri-inputs are not given priority, However, the government has been reducing the customs duty on such foods since January 1989 in an effort to regulate the local prices and curb speculative stocking. There is no delay in transfer of foreign exchange abroad to pay for imported goods. Turkey is self-sufficient in the production of almost all foodstuffs, with some exceptions such as cocoa and coffee. Due to bad/dry weather conditions and the consequent fall in the production of wheat, Turkey is expected to import 3.5-3.7 million tonnes of wheat in 1989. As in previous years, Turkey has continued to be a regular recipient of international aid, mostly in the form of short, medium and long-term loans from organizations such as the IBRD, Export Credit Agencies, foreign private banks, Saudi Development Bank and the

European Settlement Bank. Turkey's public and private external debts on 31 December 1988 totalled US\$38,000 million (provisional).

### 3. Fertilizer Situation

Total fertilized agricultural land was 15,000,000 hectares in 1988. The quantity of fertilizers used in agriculture totalled 6.09 million tonnes in 1988 comprising 5.44 million tonnes of locally produced product with the balance being imports. There is a steady decline in the use of fertilizers in agriculture due to sharp increases in retail prices. Approximately 400 kgs. of fertilizers has been used per hectare in 1988. As a result of a government decree in June 1986, the State Agriculture Supply Agency (TZDK) has lost its monopoly status on the importation and distribution of fertilizers. The fertilizer products can now be imported and distributed by State Sugar Corporation, agricultural cooperatives and fertilizer plants in an effort to protect the local fertilizer industry, the government has imposed a surcharge (in addition to custom duty) on fertilizer imports. The following types of fertilizers are used in Turkey: ammonium sulphate, ammonium nitrate (21% N and 26-34% N), urea, N.S.P., T.S.P., D.A.P., composite fertilizers, potassium sulphate, nitrogenous and phosphate fertilizers.

### 4. Import Mechanism

In 1989, the Turkish Government liberalized the grain imports. Before then only the Turkish Grain Board (TMO) was the agency authorized to import grains. On 23 September 1989, all customs duties and surcharges on wheat, barley and corn were lifted. Due to a fall in local production in the 1988/89 planting/harvesting season, TMO has decided to import 3.5-3.7 million tonnes of wheat. TMO buys wheat through international tenders on a limited competition basis. (i.e. tenders are open only to prequalified/registered suppliers.)

### 5. Grain Industry Infrastructure

TMO buys grain from farmers at a pre-determined support price, which is determined by the Council of Ministers. TMO then sells the grain to municipality administrations, bakeries and other state-run organizations at subsidized prices. Wheat for bread making is supplied through this mechanism. The involvement of TMO in the internal wheat trade has a direct influence on the price of bread, which is an important element in the Turkish diet. Farmers also have the choice of selling grain to private merchants, who usually offer more attractive prices than TMO, but pay in instalments. The capacity of TMO storage facilities has increased to 2.5 million tonnes from 1.5 million tonnes in 1987; 50-60 large scale and 500-700 medium scale flour mills are operating. In 1987, the Turkish Government and the IBRD finalized their negotiations on TMO's Grain Storage Project. The IBRD has agreed to provide US\$60 million in credits to TMO for the implementation of the project. The project includes the construction of five concrete port silos, seventeen steel silos, thirteen horizontal silos and twenty-four semi-mechanical silos, which will have a

total capacity of over 800,000 tonnes and are expected to be built in six years. In 1987 the civil/installation work of all silos was contracted through international bidding. Canadian firms have shown no interest in the TMO Grain Storage Project.

#### 6. Government Policies Affecting Grain and Agriculture

Very dry weather conditions during 1988/89 planting/harvest season have led to an approximately 40-50% fall in the production of almost all grains. The government has instructed TMO to import at least 3.5 million tonnes of wheat to meet the shortage. The barley imports are expected to reach 1.2-1.5 million tonnes. The support prices for agricultural products have been increased by 86.3% on average. Turkey's state-owned agricultural bank, which provides the largest portion of credit facilities to farmers has announced that it will reschedule the debts of farmers whose grain crop declined at least 40% due to drought in 1988/89. The bank's lending program, which involves extending harvest credit to farmers without demanding a mortgage on a borrower farmer's farm is still in effect. The Bank is also trying to promulgate its new insurance system, which will help farmers to insure their crop, dwellings and tools through the bank at a low premium. The government's policy that prices of all industrial items, including farm input elements, fertilizers, etc are to be determined by free market forces, is still penalizing the farmers. According to the Union of Chambers of Agriculture, the farmers' purchasing power has been drastically eroded.

Canadian wheat suppliers may obtain some wheat contracts from the Turkish Grain Board provided Canadian companies are interested in TMO wheat import tenders.

The Turkish government has clearing agreements with Iraq and Libya mainly for countertrade on oils and food. However, these agreements are expected to be terminated in the very near future.

#### 7. Market Prospects

Turkey makes its grain import plans annually on a spot basis, depending on local production and export commitments of TMO and the private sector. Therefore, long-term grain import agreements are usually not workable in Turkey.

It would be to the advantage of Canadian grain exporters to establish closer and more permanent contacts with TMO through direct visits by exporting company officials and/or local agents. By its grain importing tenders, TMO asks for quotations on a selective basis from certain grain suppliers known to TMO from previous tenders. By maintaining regular contact with TMO, grain suppliers can ensure their inclusion in the TMO's prequalified supplier reference list. The Turkish government supports the formation of joint ventures between foreign and local firms, especially in the field of seed development and production. This could

provide Canadian firms involved in seed production with business opportunities in the Turkish market.

Turkey is self-sufficient in the production of mustard, field peas, lentils, buckwheat, beans, canary seed and triticale.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	400-500	560	15,000	8,500
Compound feed mills	22	30	4,500	4,100
Maltsters	3	5	170	154
Brewers*	3	8	2,800	2,500
Oilseed crushers**	50-60	168	2,626	900

\* Capacity and output in thousands of hectolitres

\*\* Margarine included

9. Storage and Throughput Capacity: 1988

Grain Import Capacity by Port:

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Istanbul (Haydarpaşa)	54	400 tonnes/hour
Izmir	60	300 tonnes/hour
Mersin	100	200 tonnes/hour
Iskenderun	60	300 tonnes/hour
Trabzon	10	100 tonnes/hour
Tekirdag	30	300 tonnes/hour
Bandirma	20	150 tonnes/hour
Total Capacity	334	1,730 tonnes/hour

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	N/A	N/A	N/A	N/A	6,300

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	156 (144)		85 (78)
Malting barley	N/A (N/A)	400 (700)	(95)

Export destinations include: Belgium, Iraq, Spain, Israel, Italy,  
Lebanon, Egypt.

Import originations include (for malting barley): USA, France.

### 3. Additional Information

Per capita beer consumption is expected to increase.

The local beer production capacity increased to 280 million litres in 1988. Actual production was 248.16 million litres in that year. This represents an approximately 15% increase over 1987. Beer production is expected to reach 252 million litres in both 1989 and 1990.

Domestic malting production capacity has not changed and has remained at 170,000 tonnes. The actual output was 153,800 tonnes in 1988. Due to the fall in barley production, 1989 malt production is expected to be around 144,150 tonnes. 1990 production is programmed to exceed 156,500.

Turkey is self-sufficient in the production of malt and is also a net exporter.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds: exempted

Crude Oil: exempted from customs duties  
surtax charged: olive - US\$120/ton  
palm - US\$10/ton  
soybean - US\$10/ton  
cottonseed - US\$10/ton  
sunflower - US\$10/ton  
peanut - US\$20/ton  
canola - US\$10/ton  
corn - US\$150/ton  
sesame - US\$150/ton

Oilseed Meal: no customs duty but surtax - US\$10/ton

Refined Oil: olive - customs duty 20%, no surtax  
sunflower - customs duty 10%, no surtax

Non-tariff import barriers/export assistance measures: There are no non-tariff import barriers for oilseeds and their oils other than the surtax which has been imposed to protect the local industry.

Importation of wheat, barley and corn is exempt from customs duty. The import surtax on these products was lifted in May, 1989. Customs duties on other grains are: rye - 5%, oats - 5%, rice - 1%. There is no import surtax on the last mentioned group's products. There is no import quota on any grain.

Import/export structure: Over 85% of oilseeds and their oils are imported and exported through private firms which buy or sell through tenders or direct negotiations.

#### 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Cottonseed	577	29.5	166
Sunflower	1,150	N/A	N/A
Sesame	60	N/A	N/A
Soybean	70	N/A	N/A
Total	1,857		

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Sunflower	N/A				
Cottonseed	N/A				
Sesame	N/A				
Total	343	423.5	2.99	14.9	25.6

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
All oilseed meals			
TOTAL	1,030	39.5	32

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	11,600 ( 9,600)		(3,060)	
Durum wheat	2,900 ( 2,400)		( 540)	
TOTAL	14,400 (12,000)	700 (700)	1,000 (3,600)	16,200 (16,300)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
TOTAL	12,000 (11,740)	500 (600)	100 (150)	2,500 (2,500)	400 (610)	700 (700)	16,200 (16,300)

Export destination: Iraq, Libya, Jordan.

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Commercial Credit Aid, Concessional Credit, etc.		(675)		(400)	(1,825)	(700)	(3,200)
TOTAL		(675)		(400)	(1,825)	(700)	(3,600)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	2,000 (1,800)	200 (200)	200 ( 155)	2,400 (2,155)
Barley	6,300 (4,000)	600 (400)	800 (1,500)	7,700 (5,900)
Sorghum	20 ( 20)			20 ( 20)
Oats	310 ( 300)	40 ( 40)		350 ( 340)
Rye	370 ( 360)	40 ( 40)		410 ( 400)
TOTAL	9,000 (6,480)	880 (680)	1,000 (1,655)	10,880 (8,895)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		200 ( 155)					200 ( 155)
Barley		400 (1,000)			400 (500)		800 (1,500)
TOTAL		600 (1,155)			400 (500)		1,000 (1,655)

PART VII  
ASIA (FAR EAST)



## H O N G K O N G

Economic classification:	Industrial Market Economy		
Oil exporter or importer (net):	Importer		
Annual per capita income:	US\$5,550		1988
Annual per capita GDP:	US\$9,600		1988
Average annual growth:	7.4%		1988
Annual inflation rate:	7.5%		1988
Value of imports:	US\$63.9 billion		1988
Of which food:	6.3%		1988
Of which fuels:	1.9%		1988
Principal foreign exchange earning export:	Light Manufacturing & Tourism		
Debt service as % of GNP:	N/A		1988
Debt service as % of exports:	N/A		1988
Population:	5.7 million		1988
Annual population growth:	1.4%		1981-1988
Annual consumption:			
Flour	180,000 tonnes	or 31.5 kg/capita	1988
Meat	520,000 tonnes	or 91 kg/capita	1988
Vegetable Oil	106,000 tonnes	or 18.6 kg/capita	1988

### I. GENERAL INFORMATION

#### I. Crop Situation and Outlook

There is no production of wheat, coarse grains or oilseeds in this area. The amount of land used to cultivate rice has dropped sharply from 9,450 hectares in 1954 to less than one hectare in 1988. Rice production has given way to intensive vegetable production, which gives a higher return. Much former paddy land around the more remote villages has fallen into disuse and now lies fallow.

#### 2. Foreign Exchange Situation

Following two consecutive years of double-digit economic growth, the overall growth rate of the Hong Kong economy was more moderate in 1988. There was a marked deceleration in the growth rate of domestic exports. Re-exports, however, continued to grow rapidly. In line with the over-all slowdown of the economy, there was also a slowdown in the growth rate of domestic demand.

With the economy operating virtually at full capacity, the unemployment rate remained low throughout the year, and vacancies were widespread. The rate of consumer price inflation increased, although in terms of the average annual rate of inflation it was still lower than the average figure recorded over the past decade. The demand for industrial and commercial property was strong, with significant increases in prices and rentals for these two types of property. The market for industrial property, however, showed signs of stabilisation towards the end of the year.

Preliminary estimates show that the growth rate in real terms of the GDP was 7% in 1988, following increases of 12% in 1986 and 14% in 1987. Thus, the economy grew at an average annual rate of 11% over the past three years, an enviable record by any standards. Economic growth in 1988 showed more balanced contributions from external demand and domestic demand.

### 3. Fertilizer Situation

As there is no production locally, all requirements have to be met through imports from various sources. Following are import statistics covering the year 1988.

<u>Description</u>	<u>Qty (M/T)</u>	<u>Source of Supply</u>
Diacalicum Phosphate	8,820	USA, Belgium Luxem,
Trisodium Phosphate	3,960	Taiwan, China, France
Nitrogen/Phosphate (Potash)	No imports	

### 4. Import Mechanism

Presently all wheat imports are handled by agents from whom the imports are purchased by the local flour mills. Feed grains are imported by importers who sell to distributors and who in turn sell to feed mills, feed dealers, farmers, etc. There are many feed mills in HK, but operating on a small scale, except two or three who are capable of producing feed according to customers' specifications. We do not foresee any changes in the import institutions, procedures etc. in the near future.

### 5. Grain Industry Infrastructure

No major changes in grain import, handling storage or processing facilities in recent months. Far East Flour Mill continues to ship inferior flour to HK from their plant in Shekou, Shenzhen, but the quality is not acceptable by the end users. Since Lam Soon took over the operation of Hong Kong Flour Mills two years ago, they continue to make progress in this market.

6. Government Policies Affecting Grain and Agriculture

As Hong Kong is a free port, there are no government restrictions, import duties, quota etc. governing the importation of wheat and flour into this area. The grain trade is entirely in private hands. The only government policy affecting reserve stock of grain applies solely to rice. Every licensed rice importer has to maintain stock of rice on hand equivalent to 2 1/2 months supply.

All animal products for human consumption are imported with China being the leading suppliers. Approx. 20% of live hogs slaughtered in abattoirs come from the local farms.

7. Market Prospects - Grains and Oilseeds

Sales of Canadian wheat to this area will continue to depend on following factors:

- 1) competitive prices
- 2) availability of high protein wheat
- 3) favourable ocean freight rate.

Demand exists in this market for mustard, field peas and lentils and canary seed, but the volume will be somewhat limited.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	2	2	160	75
Brewers*	2	2	1.8	1.6

\* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Victoria	22	100

11. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		21 (18)	

Import originations include: Australia, Belgium-Luxem, France.

3. Additional Information

Annual per capita consumption: was increasing from 25.5 liters in 1987 to 26.5 liters in 1988, an increase of approx 4% over 1987. It is expected that the consumption of beer will continue to increase by 4%-5% annually.

Beer production capacity: The local beer production showed an increase of 6.6% in 1988. Estimated production from their two local breweries will be 1.6 million hectolitre in 1988.

Domestic malting capacity: Nil

Market potential for Canadian malt: The demand for malt is fairly substantial. Owing to prices not being competitive, there was no importation of malt from Canada for the last two or three years. However, if supplies are available and prices can match the other supplying sources, good opportunity still exists in this market.

III. OILSEEDS

1. Trade Policy

Non-tariff import barriers - not applicable as Hong Kong is a free port.

Import tariffs - Nil.

Import/export structure - All importations of refined edible oils are handled by importers or private firms.

2. Additional factors - As there are no oil crushing facilities in Hong Kong, all her requirements of refined oils have to rely on imports from various sources to meet the demand of the entire population. Every importer or firm has to provide 60 days credit to their customers.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/1989

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Sesame seed	No local	19	18
Others	production	1	1
Total		20	19

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Canola	No local		93		32
Peanut	production		30		3
Maize			11		1
Others			20		12
Total			154		48

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Other oilcakes		49	16
Total		49	44

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	No local production		104 (133)	104 (133)
Durum wheat			176 (130)	176 (130)
Flour/Semolina			280 (263)	280 (263)
TOTAL				
* of which spring wheat	70%			

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Wheat	190 (207)	27 (33)				217 (240)	217 (240)
Durum wheat					63 (23)		63 (23)
Flour/Semolina					63 (23)		63 (23)
TOTAL	190 (207)	27 (33)			63 (23)	280 (263)	280 (263)

Export destination: China, Macau, Singapore

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Wheat (including durum)						( 1)	104 (133)
Cash	13 (13)	91 (119)					
Commercial Credit							
Aid, Concessional							
Credit, etc.							
Flour (including semolina)							
Cash/commercial credit	2 ( 2)	12	2 ( 2)		6 ( 9)		154 (117)
Aid, concessional							176 (130)
TOTAL	15 (15)	103 (119)	2 ( 2)		6 ( 9)	154 (118)	280 (263)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			74 (120)	74 (120)
Barley			1 ( 1)	1 ( 1)
Sorghum			6 ( 8)	6 ( 8)
Oats				
Rye				
TOTAL		81 (129)		81 (129)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn		71 (117)			3 ( 3)		74 (120)
Barley		1 ( 1)					1 ( 1)
Sorghum		6 ( 8)					6 ( 8)
Oats							
Rye							
TOTAL		78 (126)			3 ( 3)		81 (129)

\* of which poultry: 70%  
Export Destination: China, Vietnam

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn						74 (120)	74 (120)
Barley						1 ( 1)	1 ( 1)
Sorghum						6 ( 8)	6 ( 8)
Oats							
Rye							
TOTAL						81 (129)	81 (129)

Principal Others: China, Thailand, Vietnam

## I N D I A

Economic classification:	Low income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$120	1988-89
Annual per capita GNP:	US\$205	1988-89
Average annual growth:	5% (9% current)	1988-89
Annual inflation rate:	10.6%	
Volume of imports:	US\$17.3 billion	1988-89
Of which fuels:	14.7%	1988-89
Principal foreign exchange earning export:	Gems & jewellery, readymade garments. Engr. & leather goods	
Debt service as % of GNP:	2.27%	1988-89
Debt service as % of exports:	40.6%	1988-89
Population:	801 million	1988-89
Annual population growth:	2%	1988-89
Annual consumption:		
Flour	60 kg/capita	1988-89
Meat	1 kg/capita	1988-89
Vegetable Oil	6 kg/capita	1988-89

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

The 1988/89 foodgrain target of 166 million tonnes was surpassed and the actual production was around 172 million tonnes. The 1989 monsoons were above normal and widespread and almost all regions received adequate precipitation. 1989/90 foodgrain target has been fixed at 175 million tonnes.

	<u>Wheat</u>	<u>Coarsegrain</u>	<u>Rice</u>	<u>Oilseeds</u>	(000't)
1988-89	54,140	32,650	70,460	16,500	
1989-90	54,000	33,750	72,510	17,000	(Estimated)

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	24,000	23,100	22,200
Barley	2,000	2,000	1,800
Corn	6,000	5,900	5,300
Sorghum	16,000	16,000	15,000
Soybeans	1,450	1,450	1,400
Rapeseed	4,100	4,100	4,000
Sunflower	1,100	1,000	900

2. Foreign Exchange Situation

India's foreign exchange reserves including SDRs were at US\$4,985 million as at 31 March 1989. Imports continue to exceed exports resulting in adverse balance of trade. Major imports comprise capital goods, petroleum products, precious & semi-precious stones, fertilizers, edible oils etc. India is a large recipient of both project and non-project aid.

3. Fertilizer Situation

	<u>Production ('000t)</u>	<u>Consumption ('000t)</u>
	<u>1987-88</u>	<u>1988-89 (Estimated)</u>
Nitrogen	5,465.6	6,400.0
Phosphate	1,665.4	2,198.0
Potash	No domestic production	1,004.0

4. Import Mechanism

Foodgrains are imported by means of global tenders by the government owned Food Corporation of India. There are no regular imports. Decision to import is usually taken depending on the level of domestic production, government held stocks and on economic and political considerations.

5. Grain Industry Infrastructure

The present foodgrain storage capacity in the country is about 22 million tonnes, of which 18.8 million tonnes is covered and the rest is open or 'Cap and Cover'. In the light of the buffer stocks procurement and distribution levels, this capacity is considered adequate.

## 6. Government Policies Affecting Grain and Agriculture

Government policy is aimed at increasing production to keep supply of foodgrains ahead of population growth. Indian agriculture is heavily dependent on monsoon rains and a buffer stock of around 15 million tonnes must be maintained to withstand the vagaries of weather. Government stocks in September 1988 were 10 million tonnes. In spite of import of 2 million tonnes of wheat in 1988 and procurement of about 8.8 million tonnes of wheat and about 7.9 million tonnes of rice in 1988/89 the current stocks of foodgrains with the government are about 12 million tonnes with the next wheat crop about 7 months away. In view of the tight foreign exchange situation, any import of wheat during the year looks unlikely.

The Government does not encourage countertrade in this area, but occasionally, there may be some small value of countertrade agreement.

## 7. Market Prospects - Grains and Oilseeds

Although we do not anticipate any wheat imports shortly, it would be necessary to offer competitive prices from Canada, particularly in the light of the offers from the USA under the Export Enhancement Program of the US Government.

Prospects exist for the export of field peas, lentils and other peas/pulses. Major factor is competitive landed cost. Mustard, buckwheat and canaryseed etc., have no prospects.

## 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills		460	9,000	5,400
Compound feed mills		40	2,400	1,700
Oilseed crushers		315,000	23,000	11,000

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	<u>Total</u>
All barley					2,000
Suitable for malting	Breakdown not available.				
Beer production capacity and domestic malting capacity:	Almost static.				

### III. OILSEEDS

#### 1. Trade Policy

<u>Import Tariffs:</u>	Crude oil:	45%
	Oilseed meal:	105%
	Refined oil:	100%

Oilseeds and oilmeal are not imported given that the country is basically self-sufficient and that the import duty is very high.

Import/export structure - As previously mentioned, India does not import oilseeds. In the event any imports should occur, they would be channeled through the State Trading Corporation of India Ltd (STC) and the Hindustan Vegetable Oils Corporation.

#### 2. Additional Factors

Oilseeds for crushing are not imported into India.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988/89 (Estimated) Oct/Sept.

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Peanut	8,000			50	
Rapeseed	4,200				
Soybean	1,300				
Sunflower	600				
Others	2,400			30	
Total	16,500			80	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Peanut	1,620				
Rape	1,050	150			
Soybean	205	150			
Sunflower	200				
Cotton	990				
Coconut	320				
Others	1,125				
Total	5,510	300			

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Peanut	2,350		250
Rapeseed	2,130		180
Soybean	900		700
Sunflower	250		50
Other	1,330		195
Total	6,960		1,375

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total supply
Wheat*	54,000 (44,000)	6,000 (10,000)	(2,000)	60,000 (56,000)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Wheat	50,580 (46,200)	400 (300)		4,000 (3,000)	20 (500)	5,000 (6,000)	60,000 (56,000)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	ALL Others	Total Imports
Wheat (including durum)							(2,000)
Cash							

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total supply
Corn	8,000 (7,500)	50 (50)		8,050 (7,650)
Barley	2,000 (1,700)	10 (20)	(100)	2,010 (1,720)
Sorghum	11,500 (10,500)	200 (200)		11,700 (10,700)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	5,800 (5,650)	1,200 (1,000)	300 (300)	650 (650)		100 (50)	8,050 (7,650)
Barley	1,740 (1,500)	20 (10)		200 (200)		50 (10)	1,740 (1,740)
Sorghum	9,600 (8,900)	800 (600)		1,000 (1,000)		300 (200)	11,700 (10,700)

## I N D O N E S I A

Economic classification:	Middle income	
Oil exporter or importer (net):	Net exporter	
Annual per capita income:	US\$535	1988
Annual per capita GNP:	US\$500	1988
Average annual growth:	4%	
Annual inflation rate:	8%	
Volume of imports:	US\$13.2 billion	1988
Of which food:	5%	1988
Of which fuels:	7%	1988
Principal foreign exchange earning export:	Oil/gas	
Debt service as % of GNP:	13%	1988
Debt service as % of exports:	37%	1988
Population:	175.6 million	1988
Annual population growth:	2.1%	1980-88
Annual consumption:		
Flour	1,263,310 tonnes or 7.2 kg/capita	1988
Meat	948,240 tonnes or 5.4 kg/capita	1988
Vegetable Oil	1,317,000 tonnes or 7.5 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Corn	2,800	2,800	3,047
Soybeans	1,000	920	970

#### 2. Foreign Exchange Situation

Indonesia's foreign exchange situation is improving constantly along with the country's increasing exports. However, in an effort to decrease import dependency, overseas procurements for food-related products and inputs are given priority mainly on essential food products (wheat, soybeans, corn, dairy products of which there is not sufficient production in the country) and potash/fertilizer (not produced locally).

### 3. Fertilizer Situation

Fertilizer usage for 1988 had been projected at nitrogen - 1.5 million tonnes; phosphorous - 612 thousand tonnes; negligible quantities of potash. Production capacity was estimated at 2 million tonnes of nitrogen and 612 thousand tonnes of phosphorous. Exports were estimated at 575 thousand tonnes of nitrogen.

### 4. Import Mechanism

Grain importation is solely handled by the National Logistic Agency (BULOG), a government organization responsible for importation of essential food products (wheat, oilseeds and sugar). This will not likely change in the near future.

### 5. Grain Industry Infrastructure

There have been no noteworthy changes in Indonesia's import handling, storage or processing facilities in recent months and we do not anticipate any significant changes in the short run.

### 6. Government Policies Affecting Grain and Agriculture

The government's self-sufficiency and foreign exchange conservation policies will likely have a significant bearing on the country's grain imports. This has been proved on rice imports (self sufficiency since 1985) and today the production of secondary food crops is strongly encouraged in an effort to be self-sufficient in the long run.

These policies will probably have an influence on imports of oilseeds in the long term.

Countertrade does exist in Indonesia but it does not relate to imports of grain and oilseeds.

### 7. Market Prospects - Grains and Oilseeds

There are no reliable locally obtainable projections of national grain import needs prepared by local government or private institutions.

All marketing initiatives that could be useful in increasing Canadian sales to Indonesia have been undertaken. These include maintaining good contact with local potential buyers (public and private), regular CWB visits to Indonesia, seminars and participation of local potential buyers on CIGI courses.

Imports of special crops to Indonesia are very small in volume and thus substantive marketing possibilities are unlikely in the near future.

8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	2	3	2,000	970
Compound feed mills	92	157	1,900	1,000
Brewers*	3	5	2,500	948
Oilseed crushers	57	96	2,450	1,000

\* Capacity and output in thousands of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1988

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tanjung Priok	260	1,100
Tanjung Perak	153	640
Ujung Pandang	70	260
Total Capacity	483	2,000

II. MALT AND MALTING BARLEY

1. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		12 (13)	

Import originations include: Australia, New Zealand, UK and the Netherlands

2. Additional Information

Annual per capita beer consumption: Nearly 90% of Indonesian population are Islam who do not take alcohol. Indonesia's per capita beer consumption is likely to be constant, i.e. 0.55 litres.

Beer production capacity: Indonesia's 1987 beer production was approximately 95 million litres. It declined slightly in 1988 to 94.8 million litres.

Domestic malting capacity: Likely to be constant in line with the beer production.

Market potential for Canadian malt: Very limited. Australia, with its extremely competitive price, has dominated this market for the past 15 years.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs:	Oilseeds:	10%
	Crude oil:	30% plus 10% value added tax
	Oilseed meal:	10% plus 10% value added tax
	Refined oil:	30% plus 10% value added tax

Non-tariff import barriers/export assistance measures: None. Wheat and feed grains are solely imported by BULOG, volume of which is subject to local consumption and the economy of the country. Import duty for wheat and feed grains is zero per cent.

Import/export structure: Oilseeds imported by BULOG (soybeans, corn) and others by private firms. Procurements are mainly made under direct negotiations.

#### 2. Additional Factors

Indonesia is a price-oriented market. Price competition is extremely important in penetrating this market.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybean	980	466			
Groundnut	790	28		2	
Coconut	1,300				
Palm oil	1,320	23			
Total	4,390	517		2	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Rapeseed			78		
Palm	1,000	302			

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybean	145	72			
Canola		52			
Sunflower		5			
Total	145	129			

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat		130 (300)	1,741 (1,418)	1,871 (1,718)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	1,681 (1,503)		90 (85)			100 (130)	1,871 (1,718)

Industrial use: plywood plant

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	148 (203)	261 (100)	932 (663)	10 (114)		233 (182)	1,584 (1,262)
Aid, Concessional		150 (109)			7	(47)	157 (156)
Credit, etc.							
TOTAL	148 (203)	411 (209)	932 (663)	10 (114)	7	233 (229)	1,741 (1,418)

Principal Others: Saudi Arabia, Turkey, Zimbabwe

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	5,023 (5,093)	140 (200)	61 (221)	5,224 (5,514)
Sorghum			4	4
TOTAL	5,023 (5,093)	140 (200)	65 (221)	5,228 (5,514)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	623 (1,898)	4,330 (2,261)	100 (662)	(48)	2 (5)	160 (140)	5,224 (5,514)
Sorghum		4					4
TOTAL	623 (1,898)	4,343 (2,761)	100 (662)	(48)	2 (5)	160 (140)	5,228 (5,514)

\* of which poultry: 80%  
Industrial use: corn oil  
Export destination: Malaysia

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		41 (49)				22 (172)	63 (221)
Sorghum						4	4
TOTAL		41 (49)				26 (172)	67 (221)

Principal Others: China, Thailand

## J A P A N

Economic classification:	Industrial market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$15,821	1987
Annual per capita GNP:	US\$21,325	1988
Average annual growth:	4.5%	
Annual inflation rate:	1.1%	
Volume of imports:	US\$187 billion	1988
Of which food:	15.5%	1988
Of which fuels:	20.5%	1988
Principal foreign exchange earning export:	motor vehicles	
Population:	123 million	1988
Annual population growth:	0.5%	1988
Annual consumption:		
Flour	25 kg/capita	1988
Meat	40 kg/capita	1988
Vegetable Oil	15 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

Outlook is for a normal crop, if harvest weather is good. Yields of rice, wheat and other crops should be average or slightly above.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	(prov) <u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	284	282	271
Barley	114	114	111
Oats	4	4	4
Soybeans	100	100	100
Rapeseed	2	2	2
Rice	2,100	2,110	2,146

#### 2. Foreign Exchange Situation

Japan enjoys very ample foreign exchange reserves.

### 3. Fertilizer Situation

Annual demand/supply size is about 2.6 million tonnes (N=1.2, Ph=0.8 and Po=0.6). Demand consists of domestic requirements of about 2.4 million tonnes (N=1.0, Ph=0.8 and Po=0.6) and exports of about 0.2 (N only) million tonnes. Supply is made up of local production of about 1.6 million tonnes (N=1.0, Ph=0.6 and Po=0.03) and imports of about 1.0 million tonnes (N=0.2, Ph=0.2 and Po=0.6).

Demand has declined slightly due to reduced rice paddy area, although land usage changeover to other crops is still underway. Average fertilizer usage per hectare is as follows: wheat (N=100 kilograms, Ph=20 kg and Po=90 kg approx.) and barley (N=90 kg, Ph=110 kg and Po=90 kg).

### 4. Import Mechanism

Imports of wheat and barley (including feed) are controlled by the Japanese Food Agency (of MAFF). Weekly buying tenders are held, and the Food Agency re-sells the wheat and barley to millers and feed manufacturers etc. Other grains and oilseeds such as oats, rye, corn, canola, soybeans do not fall under Food Agency jurisdiction; they are imported privately. Oat imports are under a tariff quota system, with a secondary tariff rate levied on quantities above a certain volume. No immediate changes are foreseen.

### 5. Grain Industry Infrastructure

There were no significant changes in 1988. There continues to be excess capacity in all sectors of the grain industry infrastructure, with utilization at about 70% of capacity.

### 6. Government Policies Affecting Grain and Agriculture

For 1989/90, the government left the rice price unchanged from last year's level of ¥16,750 per 60 kg bag. The government aims to maintain 100% self-sufficiency in rice and to raise or maintain the SSR's of other grains, feeds, meats, eggs etc. Such attempts may not be successful due to the existing farm structure in Japan. Imports are likely to increase gradually for processed foods, meats and fisheries products, and to remain steady for food grains, oilseeds, and animal feedstuffs (corn, barley, hay products).

Because of climatic conditions, Japanese wheat and barley is of somewhat inferior quality compared to Canadian grain. Oilseeds are not produced to any extent. Therefore, Canada should be able to maintain its share of the Japanese market for high-quality wheat, canola, flaxseed etc. The high support prices for Japanese agricultural products encourage domestic production which could be supplied from Canada at lower cost: thus some export sales volume from Canada is forfeited.

Japan does not utilize countertrade or barter. Japan enjoys a trade surplus with virtually all its trading partners and this situation is posing some problems, and has prompted the Japanese government to actively promote the purchase of imported products.

#### 7. Market Prospects - Grains and Oilseeds

A new long term projection is being prepared by MAFF but is not yet available.

Most "special crops" are being sold in Japan by Canadian grain companies and/or their agents. Canadian market share varies according to price availability vis-à-vis competing suppliers (USA, China, etc.). China is a strong price competitor, although quality is sometimes inferior. Shipping costs are less and small vessels can be utilized which benefits some importers and end-users in various areas of Japan.

#### 8. Processing Facilities: 1985

	<u>Number of Companies</u>	<u>Number of Plants</u>	thousands of tonnes <u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	161	207	10,000	6,000
Compound feed mills	116	189	25-27,000	25,000
Maltsters	4	11	180	130-150
Brewers*	6	35	51,000	50
Oilseed crushers	127	141	9,000	6,500

\* Capacity and output in millions of hectolitres

#### 9. Storage and Throughput Capacity

##### Grain Import Capacity by Port: FY1986

<u>Name of Port</u>	- thousands of tonnes -	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Otaru	60	163
Chiba	239	819
Yokohama	464	1,201
Shimizu	97	207
Nagoya	339	653
Kobe	418	743
Mizushima	51	100
Hakata	238	603
Kagoshima	73	208
Others	666	1,798
Total Capacity	2,645	6,495

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1988:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Naked Barley</u>	<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>		
All barley	265		105		29	399
Suitable for malting	159		0		0	159

### 2. Statistical Notes: 1988: thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	N/A	629,812 (539,777)	
Malting barley	130-150 (130-150)		

Import originations include: Australia, Canada, UK, West Germany, Czechoslovakia

### 3. Additional Information

Annual per capita beer consumption: There is a 3 to 5% annual increase in annual per capita beer consumption, mainly due to the popularity of "dry" beer, which was introduced in 1987.

Beer production capacity: Stable at about 50 million hectolitres annually.

Domestic malting capacity: Stable at about 180,000 tonnes annually. No expansion is foreseen as Japanese malting barley is more expensive than imported malting barley, and must be used first. Therefore there is a tendency for Japanese brewing companies to source malt from abroad rather than produce it domestically from either indigenous or imported malting barley.

Market potential for Canadian malt: In 1988, Japanese malt imports were 629,812 tonnes, of which Canada supplied 153,932 tonnes or 24%. Japanese brewers are very pleased with Canadian quality and Canadian exporters are price-competitive. Canada is the second-largest supplier (after Australia) of malt to Japan and the potential for further growth is excellent.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: Oilseeds: Free

Crude oil: Generally Y17/kg  
Palm - free  
Corn - Y10/kg  
Linseed - 10% or Y11/kg,  
whichever is higher

Oilseed meal: Free

Refined oil: Y20.7/kg for most oils

Import tariffs, levies or quota restrictions for wheat and feedgrains: There are no tariffs. Wheat and barley are imported exclusively by the Japanese Food Agency, which is part of the Ministry of Agriculture, Forestry and Fisheries. Oats are subject to tariff quotas. Flour imports are not allowed, although bakery mix imports are permitted if flour component is not more than 85%.

Non-tariff import barriers/export assistance measures: None

Import/export structure: Oilseeds are traded freely by private companies. Government involvement is limited to inspection of import shipments (MAFF) and customs documentation (Finance).

#### 2. Additional Factors

Japanese oilseed processors are protected by the high tariff on oil imports (generally Y17/kg). The market is stable, processors are making profits and their main concern is stable supply of high-quality raw materials.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	277	4,685	
Canola/rapeseed	2	1,665	
Cottonseed		153	
Flaxseed		91	
TOTAL	279	6,594	

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean	682	21			
Canola/rapeseed	689	6			
Cottonseed	6	27			
Linseed	33				
TOTAL	1,410	54			

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybean	2,875	587	
Canola/rapeseed	958	283	
Linseed	53		
Rice bran	350	8	
TOTAL	4,236	878	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: CY1988 - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan. 1/88</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	1,021 (864)	840 (1,843)	5,598 (5,362)	7,459 (8,069)
Durum wheat	3,882 (4,208)	248 (339)	126 (114)	4,130 (4,547)
Flour/Semolina	4,903 (5,072)	1,088 (2,182)	5,724 (5,476)	11,715 (12,730)
TOTAL	43 (44)			
* of which spring wheat:				

DISPOSITION: CY1988 - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Dec. 31/88 Carry-out</u>	<u>Total Disposition</u>
Wheat	4,667 (6,091)	1,161 (1,138)				1,631 (840)	7,459 (8,069)
Durum wheat	126 (114)					251 (248)	126 (114)
Flour/Semolina	3,497 (3,886)	106 (115)			276 (298)	1,882 (1,088)	4,130 (4,547)
TOTAL	8,290 (10,091)	1,267 (1,253)			276 (298)		11,715 (12,730)

Export destinations: Hong Kong, PRC, Thailand

IMPORT TRADE: CY1988 - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)							
Cash	1,429 (1,373)	3,294 (3,103)	999 (1,001)				5,724 (5,476)

Note: Totals not necessarily exact due to rounding.

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn		615 (565)	16,556 (16,504)	17,171 (17,069)
Barley	399 (354)	119 (781)	1,345 (1,248)	1,863 (2,383)
Sorghum		269 (243)	3,867 (3,977)	4,136 (4,220)
Oats	5 (6)	2 (2)	73 (90)	80 (98)
Rye		22 (22)	308 (355)	330 (377)
TOTAL	404 (360)	1,027 (1,613)	22,149 (22,174)	23,580 (24,147)

DISPOSITION: CY1988 - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Dec. 31 Carry-out	Total Disposition
Corn	3,760 (3,564)	12,768 (12,890)				643 (615)	17,171 (17,069)
Barley	393 (998)	1,309 (1,266)				161 (119)	1,863 (2,383)
Sorghum	38 (13)	3,883 (3,938)				215 (269)	4,136 (4,220)
Oats	59 (63)	20 (33)				1 (2)	80 (98)
Rye	97 (124)	217 (231)				16 (22)	330 (377)
TOTAL	4,347 (4,762)	18,197 (18,358)				1,036 (1,027)	23,580 (24,147)

\* of which poultry: about 50%  
Industrial use: starch, ethyl alcohol  
Export destination: USA

IMPORT TRADE: CY1988 - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		14,828 (12,815)	(9)	109 (268)		1,617 (3,412)	16,556 (16,504)
Barley	801 (703)	108	437 (544)				1,345 (1,248)
Sorghum		2,263 (2,448)	531 (525)	866 (797)		207 (207)	3,867 (3,977)
Oats	19 (15)	1 (1)	53 (74)				73 (90)
Rye	133 (145)	9 (0)					308 (355)
TOTAL	953 (863)	17,209 (15,264)	1,021 (1,152)	975 (1,065)	166 (210)	1,824 (3,619)	22,149 (22,174)

Principal Others: PRC, S. Africa, Uruguay

T H E R E P U B L I C O F K O R E A

Economic classification:	Middle Income Industrialized Economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$9,090	1989
Annual per capita GNP:	US\$4,570	1989
Average annual growth:	8.0%	
Annual inflation rate:	7.0%	
Volume of imports:	US\$51.8 billion	1988
Of which food:	4.5%	1988
Of which fuels:	11.5%	1988
Principal foreign exchange earning export:	electrical equipment/textiles	
Debt service as % of GNP:	0.8%	1988
Debt service as % of exports:	5.0%	1988
Population:	44 million	1988
Annual population growth:	0.96%	1987
Annual consumption:		
Flour	39.5 kg/capita	1988
Meat	18.9 kg/capita	1988
Vegetable Oil	9.1 kg/capita	1987

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Despite approximately 6% of rice paddies flooding last June due to the heavy rains, the government estimates that rice production may reach 5.6 million tons in 1989. Barley production increased to 720,000 tons including 177,000 tons of malting barley from 719,000 tons in 1988. The total area planted in oilseed crops in 1988 has decreased 10.3% over 1987, but the production increased by 13.2% over 315,000 tons harvested in 1987. However, the corn production in 1988 decreased to 106,000 tons due to 16.0% reduction in the planted area.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989/90</u>	<u>1988/89</u>	<u>1987/88</u>
Wheat	N/A	1	1
Barley	N/A	195	206
Corn	N/A	22	26
Sorghum	N/A	1	2
Rye	N/A	1	1
Soybeans	N/A	145	154
Rapeseed	N/A	4	5

## 2. Foreign Exchange Situation

Korea has exported US\$60.7 billion and imported US\$51.8 billion in 1988. As a result, the country earned a US\$8.9 billion trade surplus and total foreign exchange holdings increased to US\$12.4 billion from US\$9.3 billion in 1987. The current account surplus for 1988 also increased to US\$14.2 billion from US\$9.9 million in 1987, but expect to decrease to approximately US\$7 billion in 1989 with exports of US\$65 billion and imports of approximately US\$59 billion. Priority will be given to importing certain cereals (i.e. wheat, corn and feed grains), oilseeds (i.e. soybeans) and food products, but the quantities will be controlled. The country is no longer eligible for international aid except the loans provided by IBRD and ADB.

## 3. Fertilizer Situation

At the end of 1988, there were eight fertilizer manufacturers in Korea, excluding two by-product plants for ammonium sulphates. Total production capacity in 1988 of the eight manufacturers amounted to 2,316,000 tons, the same level as 1986 and 1987.

In 1988, total chemical fertilizer production amounted to 3,536,000 tons, an 11% increase over 1987. By product type, urea production was 751,313 tons; ammonium sulphate 210,765 tons; compound fertilizer 2,118,541 tons; phosphate 111,496 tons and 74,000 tons of potassium sulphate. Domestic demand for chemical fertilizers in 1988 was 2,201,045 tons. In 1988, overseas demand for Korean fertilizers amounted to 1,342,381 tons, compared with 1,084,000 tons in 1987.

Exports of compound fertilizer amounted to 907,725 tons, exports of urea amounted to 91,734 tons and exports of ammonium sulphate 91,533 tons.

Domestic fertilizer consumption per hectare was as follows (kg):

<u>Year</u>	<u>Total</u>	<u>Nitrogen</u>	<u>Phosphate</u>	<u>Potash</u>
1984	291.5	149.4	68.7	73.4
1985	324.5	164.9	75.7	84.1
1986	347.4	173.1	82.7	91.5

## 4. Import Mechanism

Wheat: The Korea Flour Mills Industrial Association (KOFMIA) and individual flour millers are authorized to import milling wheat through tenders (KOFMIA) and price negotiations (millers) on a quota basis. In case of feed wheat, Korea Feed Association (KFA), National Livestock Cooperative Federation (NLCF) and individual millers are authorized to import through tenders (KFA and NLCF) or price negotiations (millers) also on a quota basis. As wheat will be liberalized from 1990, there will be no restriction for importing wheat.

Barley: The breweries are authorized to import malting barley through direct negotiations on a quota basis when a requirement exists.

Corn: KFA, NLCF and individual millers are authorized to import corn for animal consumption through tenders (KFA and NLCF) or price negotiations (millers) while Korea Corn Processors Association (KCPA) is authorized to import corn for food and industrial purposes either through tenders or price negotiations.

Rye and Oats: KFA, NLCF and individual millers are authorized to import rye for animal consumption through tenders (KFA and NLCF) or price negotiations (millers). For sowing purposes, NLCF, Korea Dairy and Beef Farmers Association (KDBFA) and individual cattle farmers are authorized to import rye either through tenders (NLCF and KDBFA) or price negotiations. Rye and oats will also be liberalized from 1990.

Rapeseed: National Agricultural Cooperative Federation (NACF) is exclusively authorized by MAFF to import canola seeds for crushing purposes through tenders if they are requested by end users. For 1989, MAFF has allocated total 10,000 tons of canola seed quota, but crushers are not taking it up due to a surplus of soy oils.

Soybeans: Agricultural and Fishery Marketing Corporation (AFMC) is exclusively authorized to import soybeans on a quota basis for food and industrial purposes through tenders except the soybeans imported by three soybean crushers for crushing purposes are also on a quota basis through price negotiations.

Flax and Mustard Seeds: These two oilseeds are automatically approved items. Therefore, all end users are authorized to import through price negotiations either directly or through registered trading companies.

##### 5. Grain Industry Infrastructure

There are currently five grain handling facilities in Inchon, one in Pusan and another in Ulsan with the following unloading and storage capacities:

<u>Name of Firm</u>	<u>Port</u>	<u>Unloading/Hour</u>	<u>Storage</u>
Korea Silo Co. Ltd	Inchon	1,550t	300,000t
Taihan Bulk Terminal Co. Ltd.	Inchon	1,500	138,000
Han Jin Transportation Co. Ltd.	Inchon	900	100,000
Sung Kwang Co. Ltd.	Inchon	1,000	136,000
Korea Express Co. Ltd.	Inchon	800	100,000
Ulsan Silo Co. Ltd.	Ulsan	1,500	150,000
Woo Sung Enterprise	Pusan	800	80,000
TOTAL		8,050	1,004,000

Taihan Bulk Terminal Co. Ltd. in Incheon is scheduled to expand additional storage capacity of 100,000t in 1990 and Woo Sung Enterprise in Pusan is also scheduled to expand additional storage capacity of 50,000t either in 1991 or 1992. Therefore, when these projects are completed, total storage capacity will reach 1,154,000t.

#### 6. Government Policies Affecting Grain and Agriculture

As a result of the bumper rice crops for the last six consecutive years, the government estimates that the rice inventory remained at approximately 1.6 million tonnes as of the end of September 1989 and expected to exceed the demand by 1.7 million tonnes by the end of this year. The rice harvest is now underway, but if the final production reaches the preliminary estimated quantity of 5.6 million tonnes the government plans to authorize Magullri (traditional farmers liquor) manufacturers to use 50% of rice instead of the wheat flour. Despite the fact that the rice inventory is increasing, the government will continue to produce the current level of rice with approximately 90% of traditional varieties. Although per capita consumption of barley remained at 4.8 kg in 1987, the government will continue to increase the production through a forward price system managed by the National Agricultural Cooperative Federation as barley can substitute for other grains which Korea imports for the industrial use (spirits) and feed. According to Korea's sixth Five Year (1987-1991) Economic Development Program, the government plans to increase malting barley production to 234,000 tonnes (177,000 tonnes in 1989) by 1991, but the government has already authorized in 1989 two breweries to import total 27,000 tonnes of malt and 27,000 tonnes of malting barley on a quota basis due to the shortage of the domestic crops. Korea relies on foreign sources for approximately 90% of oilseed requirements, but the government will continue to encourage or provide some incentives to farmers to increase the production of corn, soybeans, sesame, perilla and peanuts.

The government has, in the past, controlled the importation of all grains and some oilseeds on an annual quota basis. However, the government's liberalization schedule which was announced in April 1989 indicates that wheat, rye, oats, sunflower seed and oil, tapioca are scheduled to be liberalized from 1990 and sorghum, millet, soybean oil and meal, rapeseed and oil are scheduled to be liberalized from 1991. This new government policy may result in some changes in the Korean grain and oilseed market.

According to the food balance sheet prepared by Korea Rural Economics Institute, per capita consumption of major food products in 1987 were: cereals 187.8 kg; potatoes 13.5 kg; meat 18.9 kg; vegetables 110.8 kg; fruits 26.0 kg and milk 33.8 kg. The government estimates that in 1988 Korea produced 142,000 tonnes of beef, 425,000 tonnes of pork, 149,000 tonnes of poultry and 1,652,000 tonnes of milk and per capita consumption reached 3.4 kg of beef, 10.1 kg of pork, 3.5 kg of poultry and 39.4 kg of milk.

The Traditional Farmers Liquor Association estimates that there are approximately 1,400 member breweries in Korea which consume approximately 155,000 tonnes of wheat flour per year to manufacture Magullri. Therefore, if the government decides to substitute 50% of the flour requirement with rice, there will be a little implication in the total milling wheat demand in the immediate and in the longer term. The liberalization of rapeseed and soybean meal and oil in 1991 will also put Canada into a stronger position in competing with other supplying countries for the Korean oilseed market. The distillers have used approximately 180,000 tonnes of domestic barley in 1988, but no barley was used for animal consumption due to the higher price. However, there is still a strong opinion among the livestock and the feed industries that the government should lift the import restriction on barley to diversify the feed ingredients as well as to reduce the feed cost.

Korea does not import any grains or oilseed under countertrade or barter trade agreements.

#### 7. Market Prospects - Grains and Oilseeds

According to Korea's sixth Five Year (1987-1991) Economic and Social Development Plan, the following imports of grains and oilseeds are planned for the next four years (000t):

	<u>1989</u>	<u>1990</u>	<u>1991</u>
Wheat*	2,373	2,474	2,575
Corn	3,487	3,605	3,720
Soybeans	1,143	1,253	1,361
Other grains	1,438	1,459	1,507

\* milling wheat only

The governments of Korea and the United States had agreed to terminate GSM 102 program from October 1989, but the parties have agreed again last August that the program will be extended for the next two or three years. For this fiscal year, the United States will provide a total of US\$548 million to Korea including US\$165 million for the purchase of US wheat. This amount is equivalent to 53.2% of total cost which Korea has paid in 1988 for milling wheat. In view of the low interest rate applied under this program plus the difference of Won appreciation rate, the program will continue to attract Korean millers to purchase US wheat. Statistics prepared by Korean Customs Administration indicates that Korea has imported a total 1,226,400t of wheat as of the end of June 1989, of which 862,000t (70.3%) were purchased from the United States, 117,000t (9.6%) from Australia, 75,000t (6.1%) from the EC, 61,000t (5.0%) from others, 51,000t (4.1%) from Turkey, 37,000t (3.0%) from Saudi Arabia and 23,000t from Canada. Wheat from sources other than the United States were all purchased directly by millers through price negotiations which clearly indicates that Korea continues to remain as a price-oriented market. Since wheat is scheduled to be liberalized from 1990, Canada

will face more price competition from other supplying countries. Therefore, the CWB should strive to be price-competitive, at least with US wheat, in order to secure steady customers. Once the market is well established there will be the opportunity to exercise some flexibility in pricing. Technical initiatives are equally important in the longer term, but it is more important in the short run to use services of CWB's Tokyo office in promoting Canadian wheat in this market. This will facilitate regular contacts by telephone or visits with Korean customers.

With the exception of flaxseed, mustard seed, canary seed and small soybeans for bean sprout purposes, there are no market possibilities at the moment for other special crops. In 1988, Korea imported 7,915t of flaxseed, 929t of mustard seed and 3,601t of canary seed. If the three soybean crushers decide to take advantage of using 10,000t of canola import quota in 1989, there will be a limited market for canola seed. Canola seeds will be liberalized from 1991.

#### 8. Processing Facilities: 1988

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	11	13	3,141	2,178
Compound feed mills	59	80	6,864	9,767
Maltsters	2	5	132	109
Brewers*	2	5	11,300	10,506
Oilseed crushers	25	26	1,800	1,220

\* Capacity and output in thousands of hectolitres

#### 9. Storage and Throughput Capacity

##### Grain Import Capacity by Port: 1988

	- thousands of tonnes -	
<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Inchon	774	13,800
Ulsan	150	3,600
Pusan	80	1,920
Total Capacity	1,004	19,320

## II. MALT AND MALTING BARLEY

### 1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					537*
Suitable for malting	177				177**

\* no separate figures available for winter and spring barley  
 \*\* crude weight

### 2. Statistical Notes: 1989/90 est. thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt	(109)	(1,505)	
Malting barley	(177)		

Import originations include: Australia, Austria and Canada

### 3. Additional Information

Annual per capita beer consumption: Increased in 1988 to 24.4 litres from 20.9 litres in 1987.

Beer production capacity: Increased to 1,130 million litres from 1,100 million litres in 1988, but is expected to expand to 1,340 million litres in 1990.

Domestic malting capacity: Increased to 132,000t from 119,000t in 1987.

Market potential for Canadian malt: Due to the limited domestic production, the Korean government has allocated the import quota for 27,221 M/T of malt and 26,800 M/T of malting barley in 1989. Therefore, there will likely be a limited market potential in 1990 for Canadian malt and malting barley.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs - Oilseeds: With the exception of 3% basic tariff on copra, 35% on rapeseed and sunflower seeds, 40% on ground nut, sesame and perilla seeds, 5% basic tariff applies to all other seeds. Three per cent temporary tariff applies to soybeans and 10% to rapeseed.

Crude and Refined Oil: With the exception of 5% basic tariff on palm oil, 35% on sunflower and rapeseed oils and 40% on sesame, perilla and peanut oils, 15% tariff applies to all other crude oils.

Oilseed meal: Five per cent basic tariff applies to all oilseed meals with the exception of 3% temporary tariff which applies to soybean meals up to 422,000t in 1989.

With the exception of certain seeds (copra, linseed, palm, cotton, castor, safflower, mustard) and certain oils (peanut, olive, palm, copra, babassu, mustard, castor and tung) and soybeans which are imported under annual quota basis through Agricultural and Fishery Marketing Corp. and soybean crushers, all other oilseeds and oils are restricted imports. Canola seed is also allowed to be imported up to 10,000t in 1989 exclusively from Canada on a quota basis if a requirement exists. Wheat is scheduled to be liberalized from 1990 but the government has allocated 2,280,000t of milling wheat in 1989 through Korea Flour Mills Industrial Association and 6,277,000t of feed grain through Korea Feed Association and National Livestock Cooperative Federation on a quota basis. With the exception of 40% basic tariff on malting barley, 3-5% tariff applies to wheat and feed grains.

Import/export structure: Soybeans are imported exclusively by the Agricultural and Fishery Marketing Corporation through tenders and three soybean crushers through direct price negotiations. Private end users are also authorized other oilseeds through direct price negotiations while the National Agricultural Cooperative Federation is exclusively authorized to import canola seeds through tenders if a requirement exists.

## 2. Additional Factors

Canola will face strong competition from the US which has agreed to provide US\$50 million to purchase US soybeans in the next fiscal year under GSM-102 program. Apart from the US competition, canola will also face a strong resistance from the domestic soybean crushers.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Soybeans	239	1,026	
Sesame	52	8	
Rapeseed	8		
Others	58*	54**	
Total	357	1,088	

\* includes peanuts, perilla and cottonseed

\*\* includes copra, flax, castor, peanuts and mustard seeds

<u>Oil</u>	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
	<u>Domestic</u>	<u>Import</u>	<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybeans	9	149				
Sesame	14					
Rapeseed	3					
Others	16*	23**	16	172		
Total	42	172	16	172		

\* includes rice bran and perilla oils

\*\* includes copra, flax, castor and corn

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soybeans	686	391	
Rapeseed	6	229	
Cottonseed	1	103	
Others	32	13*	
Total	725	736	

\* includes sunflower meal

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*	2 (4)	100 (100)	4,116 (4,121)	4,218 (4,225)
Flour/Semolina		23 (24)		23 (24)
TOTAL	2 (4)	123 (124)	4,116 (4,121)	4,241 (4,249)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	2,190 (2,150)	1,882 (1,963)	5 (5)	5 (8)	20	116 (100)	4,218 (4,226)
Flour/Semolina						23 (23)	23 (23)
TOTAL	2,190 (2,150)	1,882 (1,963)	5 (5)	5 (8)	20	139 (123)	4,241 (4,249)

Industrial use: glue  
Export destination: USA, Canada, Japan

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	77 (1,442)	614 (377)	140 (464)	21 (68)	1,691 (239)	231 (71)	2,774 (2,661)
Commercial Credit		1,342 (1,460)					1,342 (1,460)
TOTAL	77 (1,442)	1,956 (1,837)	140 (464)	21 (68)	1,691 (239)	231 (71)	4,116 (4,121)

Principal Others: includes Saudi Arabia, Turkey, Switzerland and Singapore

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	106 (127)	567 (289)	5,051 (4,566)	5,724 (4,982)
Barley	790 (719)	40 (38)		830 (757)
Sorghum	2 (2)		52 (3)	54 (5)
Oats			18 (6)	18 (6)
Rye	1 (1)	(8)	66 (26)	67 (35)
TOTAL	899 (849)	607 (335)	5,187 (4,601)	6,693 (5,785)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	Human Consumption	Animal Feed	Industrial	Other (Seed, Waste)	Exports	Carry-out	Total Disposition
Corn	40 (40)	3,796 (3,325)	1,300 (1,010)	39 (40)		549 (567)	5,724 (4,982)
Barley	443 (412)		322 (250)	55 (55)		10 (40)	830 (757)
Sorghum	2 (1)	21 (3)		(1)		31	54 (5)
Oats		18 (6)					18 (6)
Rye		64 (32)		3 (3)			67 (35)
TOTAL	485 (453)	3,899 (3,366)	1,622 (1,260)	97 (99)		590 (607)	6,693 (5,785)

\* of which poultry: 30%

Industrial use: starch, fructose, oil, syrup, brewery and beverage

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

ORIGIN:	Canada	USA	Australia	Argentina	EC	All Others	Total Imports
Corn		4,214 (4,072)		(1)	6 (6)	831 (487)	5,051 (4,566)
Sorghum						52 (3)	52 (3)
Oats	17 (4)	1 (1)				(1)	18 (6)
Rye	2 (2)	(1)					66 (26)
TOTAL	19 (6)	4,215 (4,074)		(1)	70 (29)	883 (491)	5,187 (4,601)

Principal Others: Thailand, Panama, Liberia

## M A L A Y S I A

Economic classification:	Middle income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita GNP:	US\$1,803	1988
Average annual growth:	8.6%	
Annual inflation rate:	2.7%	
Volume of imports:	US\$16.25 billion	1988
Of which food:	8.8%	1988
Of which fuels:	5.3%	1988
Principal foreign exchange earning export:	Petroleum	
Debt service as % of GNP:	8.6%	1988
Debt service as % of exports:	13.3%	1988
Population:	16.921 million	1988
Annual population growth:	2.3%	1988
Annual consumption:		
Flour	22.9 kg/capita	1987
Meat	49 kg/capita	1987
Vegetable Oil	13.2 kg/capita	1987

Exchange Rate: US\$1.00 to M\$2.67

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

With the exception of rice and certain minor crops, most major commodities registered strong output growth in 1988, with the greatest gains having been realized in rubber, cocoa and palm oil. The agricultural sector contribution to GDP consequently rose to US\$5,219 million and provided employment to 1.9 million people in 1988, mainly in the rubber, oil palm and rice sub-sectors. Palm oil has remained the prime catalyst in the dramatic growth of agriculture since the 1970's and was the most important crop in terms of valued-added processing (31.3% of total). Palm oil is second to rubber in terms of hectareage planted covering about 1/3 of the total cultivated area in the country. The production of rice declined by 0.7% to 1.8 million tonnes largely due to a lower harvest in peninsular Malaysia which accounted for 82.7% of total production. Average yields were lower in the MUDA Agriculture Development Authority (MADA) area which accounted for 80% of total production due to a drought-related water shortage in 1987. Total hectareage planted for rice declined marginally by 0.7% to 847,000 hectares in 1988.

## 2. Foreign Exchange Situation

Malaysia is a net importer of food. 1988 imports of food excluding animal and vegetable oils and fats was approximately US\$1.42 billion. Exports of food including animal and vegetable oils and fats was only US\$1.05 billion. While no special priority is placed on food and agriculture inputs in the expenditure of foreign exchange earnings, imports of food products and intermediate goods in the agricultural sector did account for 8.8% of total gross imports in 1988. Malaysia is not a recipient of any significant level of international aid.

## 3. Fertilizer Situation

In 1988, Malaysia imported a total of 1,488,710 tonnes of fertilizer. The main types of manufactured fertilizers imported were: (1) other potassic fertilizers (768,939 tonnes); (2) urea (2,299,386 tonnes); (3) ammonium sulphate (196,807 tonnes); (4) nitrogen, phosphorus and potassium fertilizers (113,610 tonnes); (5) other fertilizers (40,824 tonnes); (6) potassium chloride (24,652 tonnes); (7) super-phosphates (13,876 tonnes); (8) potassium sulphate (10,049 tonnes). The ASEAN BINTULU Fertilizer plant in Sarawak has a capacity to produce 1,000 metric tonnes of ammonia and 1,500 metric tonnes of urea daily. The proposed expansion plant will increase capacity by 20 percent. The project is expected to come on stream in 1993/94. A joint venture agreement between the Sabah Economic Development Corporation (SEDCO) and UASCAN (M) Sdn. Bhd., has just been signed to own and operate the Sabah fertilizer blending plant. UASCAN Sdn Bhd is a joint venture between United Agri System Inc. (Canada) & J&C Trending Sdn Bhd. The plant is expected to be completed within a year and production will begin soon after. The plant's production is presently 30,000 metric tonnes of compound fertilizers a year. Maximum production of approximately 80,000 metric tonnes a year is anticipated within 3 years.

## 4. Import Mechanism

Rice can only be imported by the National Rice and Padi Board. Other grains such as wheat are imported by privately owned flour mills. Government agencies are not involved. There have been no recent changes in import institutions or procedures i.e. import permits for wheat are not required.

## 5. Grain Industry Infrastructure

There are six flour mills in operation in Malaysia. Following are their estimated milling capacity levels: Malayan Flour Mill (1,000 t/d), United Malayan Flour Mills Bhd. (600-700 t/d), Federal Flour Mill (1,000 t/d), Johore Flour Mill (700 t/d), Sabah Flour & Feed Mill (200 t/d) and Kuantan Flour Mills (400 t/d). Excess capacity in the industry is estimated at slightly more than 20%. No significant changes are anticipated in the near future.

## 6. Government Policies Affecting Grain and Agriculture

The Malaysian Government continues to encourage the local production of corn (although with little success to date) to reduce its large import bill which averages approximately US\$131 million annually. Malaysia has abandoned its goal of self-sufficiency in rice production in favour of cheaper imports to fill the gap left by the shortfall in domestic production. The Malaysian National Rice & Padi Board may need to increase inventory levels to cushion the fluctuations in demand.

Malaysia is self-sufficient in poultry, pork and eggs (with a surplus for export to Singapore and Japan), however, Malaysia continues to import a high percentage of its beef and mutton requirements. The Department of Veterinary Services has, as an on-going priority, the development of a genetically improved livestock herd and is working closely with industry to foster increased domestic livestock production.

Malaysia has always been dependant on imported ingredients for animal feed. Meat consumption is projected to increase over the next 5 to 10 years, especially poultry and pork, and this will result in an increased need to import feed ingredients. This will expand opportunities for Canadian feed grains, especially canola meal, although a considerable promotional effort will be required to break into this market. With the Malaysian economy growing rapidly now that the recession is over, wheat imports should continue to grow.

Malaysia has not imposed any counter-trade requirements for the purchase of grain. However, some scope exists for extending its reach into Government grain purchases, particularly since contractors will often include counter-trade offers even when not obligatory as a means to enhance their bids.

## 7. Market Prospects - Grains and Oilseeds

The projection for wheat imports for 1992, based on an average compound growth rate of 2.5%, is approximately 692.2 thousand tonnes (for human consumption). Feed grain import needs will be influenced by both increased meat consumption and Malaysia's ability to develop its own feed grain industry.

In order to increase the Canadian share of the market, more systematic and tailored marketing initiatives are required. The Canadian livestock and feed industry must establish a presence in the Malaysian market through more frequent visits and the appointment of capable agents and associates. Regular visits by the Canadian Wheat Board to meet with local millers have been effective and should be continued. Trials of Canadian feed ingredients to convince local feed millers of the suitability of their use in feed formulation would also facilitate market access. Consistent with the Malaysian Government's priority on enhancing local capabilities, joint ventures and technology transfer ventures should also be pursued.

Special crops have a limited market in Malaysia except for soya beans and white pea beans. Canadian soya beans continue to do well in this market. Canadian white pea beans have declined in volume of exports due to a switch by canners from white pea beans to Northern beans.

8. Processing Facilities: 1987

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	6	6	540,000	403
Compound feed mills	400 plus	400 plus		843
Brewers*	3	3		10
Oilseed crushers:				
Soya beans	2	2		
Palm oil		263		453

\* Capacity and output in thousands of hectolitres

9. Storage and Throughput Capacity

Name of Port: Lumut, Penang Port, Pasir Gudang, Port Kelang, Labuan Port

II. MALT AND MALTING BARLEY

1. Domestic production of barley: Nil

Export destinations include: Singapore

Import originations include: Australia, UK, Denmark, France and Belgium

2. Additional Information

Annual per capita beer consumption: The size of the Malaysian beer market is about a million hecto litres (100 million litres) a year. The Malaysian economy is expected to maintain a strong seven percent growth this year making prospects for increased beer sales good since economic expansion generally increases sales of beer products.

Beer production capacity: Over capacity in the Malaysian brewery industry has resulted in a merger between Malaysian Breweries and Guinness Malaysia as a means to solve the problem of surplus capacity and to increase profitability. Following the merger, the Malayan Breweries' Factory at Sungai Besi will be closed. Guinness Malaysia will be renamed Guinness Anchor Brewery. The unified Guinness Anchor Brewery will spend

close to C\$30 million to expand and upgrade the Sungai Way brewery over the next three years. Guinness Anchor's enlarged brewery will operate at a satisfactory level of 80% capacity as opposed to the present 60%.

Domestic malting capacity: Malaysia does not have any malting plants.

Market potential for Canadian malt: Canada's export market share has always been small. Canada did not export any malt to Malaysia in 1988 or the first six months of 1989. Exports are dominated by Australia, the UK, Belgium, Ireland, Denmark and Czechoslovakia.

### III. OILSEEDS

#### 1. Trade Policy

	<u>Import Duty</u>	<u>Sales Tax</u>
<u>Import Tariffs:</u> Oilseeds:		
Soya beans	Nil	Nil
Rape or colza seeds	5%	5%
Other oilseeds	5%	5%
 Crude oil:		
Soya beans crude oil	5%	5%
Sunflower seed or safflower oil	2-5%	5%
 Oilseed meal:		
Soya beans	13%	Nil
Rape Canola	Nil	Nil
Sunflower or safflower oil	5%	5%
 Refined oil:		
Rape/colza/mustard oil	5%	5%
Maize (corn) oil	2%	5%

Non-tariff import barriers: Certain agricultural exports, including vegetable oil products are eligible for export credit financing; which provides exporters with credit at preferred rates for a maximum period of 180 days (post shipment). In addition, agricultural exporters are eligible for an export allowance, (calculated at 3% of export receipts) which can be applied as a deduction against taxable income. The government also has in place a range of incentives to promote agricultural investment which indirectly assists exports, including up to 10 years of tax holidays, investment tax allowances, and accelerated write offs for certain capital expenditures including housing for workers. The tariff on wheat is 2% (except durum wheat which has no tariff); rye and oats are also 2%. Barley attracts a 5% tariff as does bulk wheat, millet, canary seed and other cereals. Flours and meals of oilseeds are given a 5% tariff as is soybean oil. There is no import

duty on maize (seed) or soybeans. No non-tariff barriers exist for import of the above-mentioned products. Other food products must meet the health and safety standards under the Food Regulations, 1985.

Import/export structure - Oilseed imports and exports are exclusively handled by private companies. Neither the government nor its agencies are involved. Sales are made by samples and quotations and are usually in US dollars, FOB, C&F or CIF.

## 2. Additional factors

Oilseeds can be freely imported and no licence is required. Oil palm seeds are generally prohibited from export, unless an export permit can be obtained from the Malaysian Federal Government.

It is interesting to note that Nestle (Malaysia) is evaluating growing soybeans locally to meet existing requirement. Its agricultural services department, with the help of Eastreco, is conducting field trials on soybean varieties in the State of Kedah.

## 3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Imports</u>		<u>Exports</u>	
Soybeans	361		26	
Rapeseed	116			
	<u>Imports</u>		<u>Exports</u>	
<u>Oil</u>	<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean oil	33		17	
Palm oil (crude)	121		27	
Coconut oil	40		39	

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat*				
Durum wheat			737.49 (550.94)	
Flour/Semolina			20.96 ( 67.97)	
			0.31 ( 0.42)	
TOTAL			758.76 (619.33)	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat					0.86 ( 0.91)		
Durum wheat					0.31 ( 0.07)		
Flour/Semolina					40.36 (14.77)		
TOTAL					41.53 (15.75)		

Export destination: Singapore, Brunei, Thailand, Philippines and Indonesia

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	110.04 (57.46)	51.33 (75.14)	482.32 (485.15)	0.009 (0.04)	0.001	114.57 (1.12)	758.27 (618.91)
Commercial Credit							
Aid, Concessional							
Credit, etc.							
<u>Flour (including semolina)</u>							
Cash/commercial credit		0.025	0.006			0.12 (0.3)	0.31 (0.42)
Aid, concessional							
TOTAL	110.04 (57.46)	51.36 (75.14)	482.33 (485.15)	0.009 (0.04)	0.16 (0.12)	114.69 (1.42)	758.58 (619.33)

Principal Others: New Zealand (durum wheat), Saudi Arabia (wheat), Zimbabwe (wheat), China & Taiwan (wheat)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			(1,300.3)	
Barley			( 3.4)	
Sorghum			( 17.2)	
Oats			( 8.8)	
Rye				
TOTAL			(1,329.7)	

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn					10.26 (2.25)		
Barley					0.04 (0.11)		
Sorghum							
Oats					103.16		
Rye							
TOTAL					113.46 ( 2.36)		

\* of which poultry:  
Industrial use:  
Export destination:

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn		225.90 (159.1)	0.40 (10.59)	309.40 (159.1)	(0.15)	508.66 (971.45)	1,044.36 (1,300.39)
Barley	3.80	0.01	26.03 ( 0.08)		0.562 (1.60)	0.56 ( 1.72)	30.96 ( 3.40)
Sorghum			0.03 ( 0. 5)			0.60	0.63 ( 0.05)
Oats			3.20 ( 8.80)	0.40			3.24 ( 8.80)
Rye					0.002	0.005	0.007
TOTAL	3.80	225.91 (159.1)	29.66 (19.52)	309.44 (159.1)	0.564 (1.75)	509.83 (973.17)	1,079.20 (1,312.64)

Principal Others: Thailand, China, Indonesia (corn) and New Zealand.

## P A K I S T A N

Economic classification:	Low income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$394	1988/89
Annual per capita GNP:	6.5%	
Average annual growth:	9.0%	
Annual inflation rate:	10.4%	1988/89
Volume of imports:	US\$7.07 billion	1988/89
Of which food:	18.0%	1988/89
Of which fuels:	13.0%	1988/89
Principal foreign exchange earning export:	Cotton & Cotton Textiles, Rice	
Debt service as % of GNP	2.8%	1988/89
Debt service as % of exports:	25.0%*	1988/89
Population:	107 million	1988/89
Annual population growth:	3.1%	1981/89
Annual consumption:		
Flour	122.0 kg/capita	1988/89
Meat	17.26 kg/capita	1988/89
Vegetable Oil	11.39 kg/capita	1988/89

\* 17.96% of those foreign exchange earnings comprising exports of goods (US\$4.69 billion) plus home remittances of Pakistanis working abroad (US\$1.88 billion).

### I. GENERAL INFORMATION

#### 1. Crop Situation and Outlook

The agriculture sector grew at the rate of 6.1% during the financial year under review (July 01, 1988 to June 30, 1989) over the depressed level of the previous year, but the rate of growth was still lower than the target which had been set. Unprecedented flooding in the Punjab Province in September 1988 not only damaged standing crops and stocks, but also damaged agricultural infrastructure. It had adverse effects on cotton and rice crops. Its adverse effects on the sugarcane crop were balanced by the resulting improved availability of water. The sugarcane crop had been suffering from poor availability of water for the past several years. Wheat and chickpea crops have, in fact, benefited from the increased moisture in the soil.

#### Wheat

Rainfall and floods in September 1988 improved soil moisture and encouraged farmers to bring more area under wheat. As a result, wheat was grown on 7.729 million hectares (MH) which was 5.88% more than 1987/88 and 1.67% more than the target set for 1988/89. Production was

been 14.4 million tonnes (MT) which is short of the target of 15 MT but 11.28% higher than the previous year's production. Area under wheat during 1989/90 is expected to at least maintain the level of 1988/89, and production is expected to reach the target of 15 MT, barring unexpected bad weather.

#### Rice

Rice was planted over an area of 2.04 MH which was 4.08% higher than 1.96 MH in 1987/88. Output declined from 3.24 MT in 1987/88 to 3.20 MT in 1988/89 which is 8.57% lower than the target of 3.6 MT. The crop for 1989/90 was planted over an area of 2.12 MH and is expected to yield 3.25 MT which will be an improvement over the last years production but still short of the target of 3.5 MT.

#### Coarse Grains

Barley registered 5.5% increase in area from 147,000 hectares (H) during 1987/88 to 155,100 H during 1988/89. Output increased by 8.4% from 108,000 T to 117,100 T during the same period. sorghum cultivated area increased by 16.45% from 370,000 H during 1987/88 to 431,200 H during 1988/89. Production increased by 33% from the depressed level of 186,000 T to 248,100 T during the same period. Oats showed a similar trend. Area increased by 74.6% from 292,000 H to 510,000 H and output increased by 48.8% from 135,000T to 200,900 T. Corn increased by 1.5% from 853,000 H during 1987.88 to 965,800 H during 1988/89 and output rose by 6.9% form 1,126,000 T to 1,204,100 T during the same period.

Since the Government is making all-out efforts to achieve self-sufficiency in wheat and sugar and to increase production of exportable surpluses of cotton and rice, coarse grains are suffering from neglect. They are cultivated in such lands which are unsuitable for the above-mentioned for major crops. Most of the output is consumed by domestic livestock and draft animals at the farm level and a very small portion ever reaches the market, where it is channelled to livestock farms and poultry feed mills.

#### Oilseeds

Area under cotton increased by 2.185 from 2.563 MH in 1987/88 to 2.619 MH in 1988/89. The production of cottonseed increased by 12.2% from 2.54 MT to 2.85 MT during the same period. The oil producing capacity of cottonseed is rather limited. However, it accounts for about 70% of the total local production of edible oil.

Sunflower, soybean and canola oilseeds are still at the experimental stage, and have not yet acquired their rightful place in the agricultural pattern. The production of rapeseed and mustard is static and is consumed at the farm level. Existing farming practices, current price levels of agricultural produce and the import policy related to edible oils is not conducive to the development of local oilseed crops. A major portion of the edible oil requirements of the country will have to be imported in the foreseeable future.

<u>Commodity</u>	<u>Seeded Acreage: Thousands of hectares</u>		
	(estimated) <u>1989/90</u>	(actual) <u>1988/89</u>	(actual) <u>1987/88</u>
Wheat	7,710	7,729	7,240
Barley	155	155.1	147
Corn	850	865.8	853
Sorghum	400	431.2	370
Oats	500	510	-
Soybeans	6	6.5	7.5
Rapeseed	270	270	270
Sunflower	50	50	60
Rice	2,126	2,041.7	1,960

## 2. Foreign Exchange Situation

Pakistan, being a developing country, large investments in infrastructure, basic raw materials and capital goods producing industries are required. Capital goods, machinery, fuel oil, edible oil and some other consumer goods are imported from abroad. It pushes the import bill beyond the country's earnings. The resultant gap is bridged through foreign aid and loans.

Exports during the previous year were US\$4.69 billion, a 1.7% increase over exports during 1987/88. Imports were US\$7.07 billion, an increase of 2.9% over 1987/88 resulting in a trade deficit of US\$2.38 billion. Current account deficit during 1988/89 was US\$1.98 billion compared with a target of US\$1.25 billion for the year, and the actual current account deficit of US\$1.68 billion during 1987/88.

An important source of foreign exchange for the country is home remittances by Pakistanis working overseas, particularly in the oil-rich Middle East countries. In 1982/83 and 1983/84, it surpassed the country's merchandise exports, but it has been falling since then. A target of US\$1.9 billion was fixed for 1988/89 which was 5.6% less than the actual remittances during 1987/88. Actual remittances during 1988/89 amounted to 1.88, closely approaching the target.

The aid-to-Pakistan Consortium is the largest source of assistance providing 80% of the total foreign aid inflow. The remaining 20% comes from non-consortium sources and Islamic countries.

As of June 30, 1989, Pakistan had commitments to receive US\$36.6 billion of which US\$29.1 billion were disbursed. US\$14.4 billion are disbursed and outstanding after allowing for grants and repayments already made.

### 3. Fertilizer Situation

Fertilizer off-take increased by 20.8% to 1.51 million nutrient tonnes (MM NT) during 1985/86 over the 1984/85 level of 1.25 MM NT and again by 18.15% to 1.78 MM NT during 1986/87. Consequently, the target for 1987/88 was set at 1.975 MM NT. However, drought conditions at the time of sowing of both summer and winter crops has resulted in about a 4.7% shortfall in off-take compared to 1986/87.

The target for fertilizer consumption for 1988/89 was fixed at 2.04 MM NT which was 3.6% higher than the target fixed for the preceding year. The actual consumption during 1988/89 was estimated at 1.76 MM NT which is higher by 2.3% than the actual consumption of 1.72 MM NT in the preceding year, but 13.7% lower than the target.

At present, the total installed annual capacity of fertilizer is 1.15 MM NT consisting of 1.064 MM NT of nitrogenous fertilizer and 0.086 MM NT of phosphatic fertilizer. Besides, three new diammonium phosphate plants with a total annual production capacity of 0.99 MM NT, and one new urea plant with an annual production capacity of 0.262 MM NT have been sanctioned by the government for transfer to the private sector.

During the year under review, Pakistan imported 752,000 T of fertilizer from abroad to meet its requirements. Imports are made directly by the government and were subsidized to the tune of US\$125,390 (Rs.2.41 billion) in order to induce the farmers to use it.

### 4. Import Mechanism

Wheat is purchased by the Ministry of Food, Agriculture and Cooperatives and imports are handled by the Trading Corporation of Pakistan which is a government organization working under the Ministry of Commerce. Private importers are allowed to import vegetable oils, but a major portion is still being imported by the Ghee Corporation of Pakistan (GCP). GCP is owned by the government and works under the Ministry of Industries. It has 24 refining and/or hydrogenation factories, and about 50% of the market share. In practice, all the oil which is imported by the GCP and the private sector is palm oil due to its price advantage. Soybean oil is imported exclusively from the USA under its mechanism of PL-480 combined with commercial credit by the Trading Corporation of Pakistan.

### 5. Grain Industry Infrastructure

Pakistan's existing grain storage and handling facilities are inadequate and primitive and increases in production/consumption in recent years have required introduction of modern technology to upgrade and expand the existing facilities. The government is currently negotiating a loan of US\$50 million with the Asian Development Bank for this purpose.

## 6. Government Policies Affecting Grains and Agriculture

The government supports the development of agriculture and agri-based industries on modern and scientific lines. It is committed to making the country self-sufficient in food and to increasing its exports of agricultural commodities, mainly rice, cotton and cotton-based manufactured goods.

After the import liberalization of edible oil in 1986, commercial imports by private traders and ghee (hydrogenated oil) manufacturers have increased. Since canola has gained free access to this market, Canada is now in a position to expand its trade in this commodity. However, since the prices of the end product are more or less controlled, the local importers are primarily guided by the price of the oil in their selection. Canola oil prices have remained higher than palm oil and non-US soybean oil. US soybean oil, though expensive, is imported by the government under PL-480 arrangements. Unless Canada can evolve a similar system, it is unlikely that canola oil can be exported to Pakistan commercially at the prevailing market and price situation.

Countertrade/Barter: Pakistan imports some wheat, sunflower oil and other commodities under countertrade and barter agreements with Eastern bloc and developing countries. The government's import policy announced in July 1987 for a period of three years (July 1987 to June 1990) has placed increased emphasis on reducing trade deficits with major trading partners. As a result, Malaysia, which is a major supplier of palm oil to Pakistan has increased its imports of engineering goods and some other products from Pakistan, to protect its share in this market. The government has also signed several countertrade agreements with Eastern bloc and third world countries. It might be receptive to importing some canola oil under countertrade.

## 7. Market Prospects for Canadian Grains and Oilseeds

The opportunity to export Canadian wheat to Pakistan on a regular basis is limited. However, since the country has not yet achieved complete and dependable self-sufficiency in wheat, the Canadian Wheat Board should keep Pakistan on its list of active clients. It may be noted, however, that Pakistan prefers to import wheat under bilateral assistance or countertrade. It imported 1.6 MT of wheat this year out of barter deals and concessional credit. It is planning to import 1.5 MT of wheat during the coming year under similar arrangements.

Pakistan is likely to import about one million tonnes of edible oil per year up to 1992 and beyond. This is a very attractive market shared by competitively priced Malaysian palm oil and US soybean oil supported by PL-480. A shipment of 26,000 T canola oil which arrived in Pakistan in April 1987 under CIDA Commodity Aid Program was well received by the local industry. It generated several import inquiries which could not be converted in to import orders due to (i) higher price (ii) non-

availability of concessional credit and (iii) longer delivery time of Canadian canola oil. It will be useful to invite two participants from Pakistan to attend Canadian International Grains Institute course. One participant would come from the edible oil industry and the other from the animal feed industry. Post should always be consulted before invitations are issued by CIGI.

Pakistan imports about 100,000 tonnes per year of pulses such as whole and split yellow peas, red kidney beans and lentils (7,000 T per year) on a regular basis. A Pulses Mission composed of experienced Canadian exporters of the above-mentioned pulses may be organized to visit Pakistan. Post will be pleased to suggest appropriate time for the mission and get up an itinerary.

#### 8. Processing Facilities

There are numerous small and medium sized flour mills which can adequately meet the flour requirements of the country. Pakistan does not import any flour and is not likely to import any in the future.

Edible oil is imported in semi-finished form. Oilseeds are not imported for crushing. There are a few crushing plants which extract oil from locally produced rapeseed, soybean, sunflower and cottonseed. The plants are mostly old, inefficient and remain idle for considerable periods during the year because oilseed production is less than the crushing capacity.

#### 9. Storage and Throughput Capacity

The country has two ports, both located at Karachi. The Karachi Port has the capacity to handle 8 million tonnes dry cargo and 10 million tonnes liquid cargo. The Port Bin Qasim is situated 53 kilometres South-East of Karachi Port. During 1987/88, it handled 3.7 million tonnes dry bulk cargo. Both the ports operate throughout the year, and, last year, vessel waiting time was negligible.

## II. MALT AND MALTING BARLEY

Being a Muslim country, beer production and consumption is negligible.

### III. OILSEEDS

#### 1. Trade Policy

	<u>Import Duty</u>	<u>Sales Tax</u>	<u>Surcharge</u>
Import Tariffs: Groundnut, Cottonseed			
Linseed, Rapeseed.	40%	12.5%	6%
Palmnuts and Kernels	NIL	NIL	6%
Crude oil, refined oil	Rs. 3,250/tonne		
Palm oil	(C\$180 approx.)		
Soybean, Sunflower	Rs. 3,000/tonne		
Groundnut & Canola oil	(C\$166 approx.)		
Oilseed Meal	NIL	NIL	6%

#### 2. Import Structure

All refineries, whether belonging to the Ghee Corporation of Pakistan (GCP) or to the private sector, are allowed to import oil according to their requirements. In practice, however, the bulk of palm oil is imported by the GCP to meet the requirements of its refineries. Some private refineries also buy from the GCP while others import the oil directly.

Soybean oil requirements of Pakistan are adequately met from imports made under bilateral arrangements between Pakistan and the United States. U.S. provides about 50% of estimated market requirements under PL-480 scheme which obligates Pakistan to buy the remaining requirements on commercial credit. These imports are handled by the Trading Corporation of Pakistan.

#### 3 Supply Situation

Pakistan is a major importer of edible oil. Oilseeds are only imported in small quantities for cultivation.

<u>Oilseed</u>	<u>Estimated Domestic Production (000 Tonnes)</u>
Cottonseed	2,700.00
Rapeseed & Mustard	280.00
Soybeans	3.00
Sunflower	40.00
TOTAL	3,023.00

<u>Oil</u>	<u>Imported in 1988-89</u>
Soybean	383,743 Tonnes
Palm oil	475,006 "
All other including: Sunflower, Coconut Sesamum & Corn	10,000 "
TOTAL	868,749 "

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	15,000 (14,400)	3,395 (1,200)	1,500 (1,600)	19,895 (17,200)
TOTAL	15,000 (14,400)	3,395 (1,200)	1,500 (1,600)	19,895 (17,200)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	13,000 (12,500)	1,297.5 (340)		1,947.5 (968)		3,650 (3,395)	19,895 (17,770)
TOTAL	13,000 (12,500)	1,297.5 (340)		1,947.5 (968)		3,650 (3,395)	19,895 (17,770)

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Wheat (including durum)	40 (40)	1,200 (1,200)	260 (360)				1,500 (1,600)
Commercial Credit							

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,200 (1,204)	300 (270)		1,500 (1,474)
Barley	115 (117)	40 (36)		155 (153)
Sorghum	225 (248)	50 (52)		300 (300)
Oats	200 (200)	50 (50)		250 (250)
TOTAL	1,740 (1,769)	400 (408)		2,205 (2,177)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn	300 (300)	750 (725)		0 (150)		300 (300)	1,500 (1,474)
Barley		100 (98)		5 (15)		40 (40)	155 (153)
Sorghum		220 (220)		0 (30)		50 (50)	300 (300)
Oats	75 (75)	100 (100)		5 (25)		50 (50)	250 (250)
TOTAL	375 (375)	1,170 (1,142)		10 (220)		440 (440)	2,205 (2,177)

\* of which poultry: 50 - ?%

PEOPLE'S REPUBLIC OF CHINA

Economic classification:	Low Income	
Oil exporter or importer (net):	Exporter	
Annual per capita GNP:	US\$341.9	1988
Annual inflation rate:	20.0%	
Volume of imports:	US\$55.3 billion	1989
Of which food:	4.1%	1989
Of which fuels:	Fertilizer	
Principal foreign exchange earning export:	Textiles, oil & food products \$47.6 billion	
Debt service as % of GNP:	10.2%	1988
Debt service as % of exports:	9.7%	1988
Population:	1,096 million	1988
Annual population growth:	1.4%	1988
Annual consumption:		
Flour	87 million tonnes or 77.6 kg/capita	1989 (est)
Meat	23.4 million tonnes or 21.3 kg/capita	1989
Vegetable Oil	13 million tonnes or 11.9 kg/capita	1989

I. GENERAL INFORMATION

1. Crop Situation and Outlook

A USDA estimate (September 20, 1989) indicated that total grain production during 1989 was expected to reach 406 million tonnes, about 12 million tonnes higher than last year. (A December 3, 1989 estimate, reported in Reuters, was 405 million tonnes.) This increase is a result of a combination of factors including generally good weather during summer season, increased area sown to grains and significant government financial support to grain producers. The increase in wheat production is estimated at 5.5 million tonnes, while the increase in rice production is estimated at 7 million tonnes.

Seeded Acreage: Thousands of hectares

<u>Commodity</u>	<u>1989 (est)</u>	<u>1988</u>	<u>1987</u>
Wheat	29,800	28,799	28,812
Barley	3,350	3,335	
Corn	20,000	19,701	20,222
Sorghum	1,880	1,784	1,864
Oats	550	550	
Soybeans	8,300	8,124	8,448
Rapeseed	N/A	4,939	5,270
Sunflower	N/A	830	887
Rice	32,200	32,003	32,008

## 2. Foreign Exchange Situation

Following recent June events, the foreign exchange situation seems to have deteriorated steadily as a result of falling exports, and suspension of foreign loans by most western countries. The situation is further aggravated by the suspension of World Bank loans. The government is now imposing restrictions on imports and only essential products/commodities are allocated foreign currency priority. Meanwhile, the government is expanding domestic production of agriculture inputs such as fertilizers, plastic sheeting, pesticides, etc. in an effort to boost agriculture production and reduce imports.

## 3. Fertilizer Situation

Consumption of chemical fertilizers is increasing at a rate of 3.2% annually and the demand far exceeds available supply. Imports of manufactured fertilizer reached more than 14.7 million tonnes which is equivalent to 6.6 million tonnes of nutrients. Meanwhile nitrogen fertilizer production increased by 1.3% in 1988, while phosphate fertilizer production increased by 20%. The production goal for 1995 is 30 million tonnes. Potash accounts for only 2.3% of total fertilizer consumption at present.

## 4. Import Mechanism

Grain imports are controlled by the China National Cereals, Oils and Foodstuffs Import and Export Corporation (COFCO). COFCO negotiates directly with foreign exporters such as the Canadian Wheat Board and the Australian Wheat Board. COFCO in consultation with the State Council, State Planning Commission, Ministry of Agriculture, and Ministry of Commerce determine overall import requirements.

## 5. Grain Industry Infrastructure

Ministry of Commerce is responsible for transportation, distribution and processing of both imported, as well as domestic grains. The system in place has not changed significantly since last year. The World Bank continues to provide loans in support of port facilities expansion.

## 6. Government Policies Affecting Grain and Agriculture

Agriculture production continues to be a top priority for the Chinese government. The government allocates significant sums of foreign exchange to ensure availability of agriculture inputs (fertilizers, plastic sheeting, pesticides, etc.). Recent government policy encourages expansion of grassland utilization for livestock production (mainly cattle and sheep rather than grain fed livestock (pigs) in order to reduce pressure on limited grain resources.

It is unlikely that grain production will increase sufficiently to meet both the rising consumer demand and the growth in population (about

15 million annually). China, therefore, is expected to depend on wheat imports for years to come unless farmers are offered sufficient incentives to grow wheat instead of other cash crops. Potential exists for exports of modest quantities (100-200,000 tonnes) of malting barley and possibly rapeseed.

COFCO to purchase wheat and barley on a cash basis and countertrade/barter does not play any significant role in grain imports.

#### 7. Market Prospects - Grains and Oilseeds

Most western analysts agree that wheat imports will continue to increase by at least 5% annually notwithstanding government efforts to increase output. Further, judging from recent experience, it is unlikely that grain production in 1990 will increase sufficiently to meet the government set target of 425 million tonnes.

The highly successful market maintenance/development program which is carried out by the Canadian International Grains Institute on behalf of the Canadian Wheat Board should be continued. The Canadian oilseed crushing industry should consider undertaking a market development strategy to introduce canola oil to this important market to replace at least 10% of imported soybean oil.

Prospects for marketing special crops are very limited.

#### 8. Processing Facilities: 1989

			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills		1,749	42,983	28,993
Compound feed mills		4,294	4,260	6,098
Maltsters		-	-	-
Brewers*		800**	8,000	6.6
Oilseed crushers		1,436	19,887	2,809***

\* Capacity and output in millions of hectolitres

\*\* Including malting plants

\*\*\* Plants are running well below capacity

Source: State Statistics Bureau

9. Storage and Throughput Capacity

Grain Import Capacity by Port: 1989

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain* Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tianjin	35,000	
Dalian	35,000	
Shanghai	35,000	

\* These figures represent only a portion of the total grain storage capacity. Data relating to capacity of other Chinese ports is not readily available at present; World Bank has such information.

II. MALT AND MALTING BARLEY

1. Domestic Production of Barley by Type, 1989/90 estimate:

- thousands of tonnes -

	<u>2 Row</u>		<u>6 Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley	6,880 (all types)				6,880

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malting barley	840,000	80,000	

Import originations include: Canada and Australia

3. Additional Information

Annual per capita beer consumption: Beer consumption continues to increase rapidly while consumption of distilled liquor is declining. The government generally discourages utilization of grains for the production of high alcohol liquor. The relatively low and stable beer prices and the growth in population contribute to the rise in beer consumption.

Beer production capacity: Beer is regarded as a nutritious drink as well as an alcoholic beverage. The steady increase in beer consumption is attributed to increased urbanization and growth in population.

Domestic malting capacity: Most Chinese malting plants are attached to brewing facilities. Many of these plants are presently undergoing expansion and modernization. The industry trend is to consolidate malting barley operations and eliminate small and inefficient plants.

Market potential for Canadian malt: It is unlikely that the Chinese will import malt in the foreseeable future. However, good potential exists for the sale of Canadian malting barley (100-200,000 tonnes/year).

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs - Oilseeds:	N/A
Crude oil:	All vegetable oil is imported as crude. Tariffs vary: rapeseed oil 9%; soybean oil 6%.
Oilseed meal:	N/A
Refined oil:	100%. Applicable on very small quantities imported for foreign community consumption.

Non-tariff import barriers/export assistance measures: Government policy continues to protect a large domestic rapeseed industry (production and crushing).

China exports small quantities of soybeans and corn, mainly from the North Eastern provinces, while there are shortages of feed grains in the coastal provinces as well as in some provinces in the interior. There is a severe shortage of protein feed (fish meal, soybean meal etc), vitamins and minerals. Most compound feed plants are running well below capacity.

Import/export structure: COFCO continues to be the only importer/exporter of crude vegetable oilseed and oils. COFCO/Ministry of Commerce control port storage depots and bulk transportation facilities for vegetable oils.

## 2. Additional Factors

The present government policy favours importation of soybean oil and palm oil rather than rapeseed or canola oil for the reason described elsewhere in this report. However, price considerations remain the determining factor on which purchasing decisions are made. It is very likely that canola oil could be considered, if price was competitive enough, notwithstanding government policy.

## 3. Supply of Oilseeds and Products by Type, thousands of kilograms

Oilseed	Imports		Exports	
	1989*	1988	1989*	1988
Rape & colza	41		10,245	38,430
Soybeans	584	151,846	536,464	1,477,323
Sesame	4,311	1,012	29,358	125,615
Groundnuts (green)	1,028	111	175,016	251,217
Castor oil	1,883	38	15,071	117,935
Oilseeds & fruit nes	229	82	6,387	16,835
Flours of oilseeds, non-defatted		2		20
Cotton				74,895
Sunflower			15,524	20,055
Linseed				82
TOTAL	8,076	153,091	788,065	2,122,407

Vegetable Oil	Imports		Exports	
	1989*	1988	1989*	1988
Soybean	147,256	137,951	112	278
Cotton seed	22	6		
Sunflower seed		3		
Groundnut	13,744	5,805	3,275	18,585
Olive oil	3	3		
Other fixed vegetable oils, soft	207,522	69,949	4,006	5,362
Linseed	14	8,516		
Palm	261,309	398,619		
Coconut	7,981	59,500		
Palm kernel	3,558	8,917		
Castor	3	26	2,379	30,351
Fixed vegetable oil, nes	1,043	4,553	7,279	32,080
TOTAL	642,455	693,848	17,051	87,932

\* January-June

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	78,000 (77,350)		15,000 (14,550)	93,000 (91,900)

IMPORT TRADE: Jan/June 1989 - thousands of tonnes, previous year in brackets

Source: 1988 State Statistics Admin

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	880 (7,532)	3,889 (5,768)	690 (397)	404 (303)	30 (1,261)		7,123 (14,030)

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	79,000 (77,350)			
Barley	3,350 (3,350)			
Sorghum	1,880 (1,880)			
Oats	550 (550)			
TOTAL	176,000 (169,000)			

IMPORT TRADE: Jan-Jun 1989 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
Corn							
Barley	30 (51.6)	(107)	26 (30)			(2)	56 (81.6)
							(109)

## S I N G A P O R E

Economic classification:	High income	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$9,419	1988
Annual per capita GNP:	US\$9,785	1988
Average annual growth:	9.9%	
Annual inflation rate:	1%	
Volume of imports:	US\$45 billion	1988
Of which food:	7%	1988
Of which fuels:	20%	1988
Principal foreign exchange earning export:	Machinery & equipment	
Debt service as % of GNP:	0.4%	1988
Debt service as % of exports:	0.2%	1988
Population:	3.6 million	
Annual population growth:	1.23%	1978-88
Annual consumption:		
Flour	92,306 tonnes or 35.50 kg/capita	1988
Meat	100,467 tonnes or 38.64 kg/capita	1988
Vegetable Oil	129,453 tonnes or 49.70 kg/capita	1988

### I. GENERAL INFORMATION

#### 1. Foreign Exchange Situation

The Singapore dollar (S\$) remains strong and stable, appreciating by only 4.5% against the US\$ in 1988, despite a significantly lower inflation rate and a bilateral trade surplus. Rate of currency appreciation is expected to accelerate.

Food and agricultural imports increased by almost 20% to S\$7.4 billion in 1988, which makes up about 8% of total imports. Foreign exchange reserves stood at US\$17 billion in 1988.

Singapore, considered as a developed country is presently not receiving aid from other countries.

#### 2. Fertilizer Situation

Singapore is not a grain producing country. Majority of the imported fertilizers are re-exported to neighbouring countries; Malaysia, Indonesia, Thailand and also to South Asia countries: Burma and Sri Lanka.

### 3. Import Mechanism

Grain trading companies and grain millers are the importers of grains in Singapore.

Prior to 1985, rice import agreements were conducted on a government to government basis.

### 4. Grain Industry Infrastructure

The two flour mills in Singapore have up-to-date handling, storage and processing facilities. No significant change in existing facilities is anticipated in the near future.

### 5. Government Policies Affecting Grain and Agriculture

Due to pollution and economic factors, all livestock farms will be phased out by 1989. Hence, this encourages Singaporeans to consume imported frozen meats. It is likely that these policies will have immediate or longer term implications for Canadian grains.

### 6. Market Prospects - Grains and Oilseeds

Price competitiveness and a higher profile of Canadian suppliers could help increase Canadian sales in Singapore. This can be achieved through more missions to increase awareness of local importers.

Possible market exists for Canadian special crops.

## II. MALT AND MALTING BARLEY

1. Domestic Production of Barley: Nil

2. Statistical Notes: 1989/90 est. thousands of tonnes -  
previous year in brackets

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Malt		18.4 (16)	(0.023)
Malting barley			

Import originations include: America Somoa, Australia, Belgium, France, Turkey, UK.

### 3. Additional Information

Import and export statistics on beer (in thousands of hectolitres):

	<u>1986</u>	<u>1987</u>	<u>1988</u>
Import	112	114	142
Export	146	185	222
Per Capita Consumption	4.3	4.4	5.47

The trend shows a 30% increase in per capita beer consumption.

Beer production capacity: Increasing due to higher consumption of local beer by Singaporeans as well as higher demand of local beer by other Asian countries.

Domestic malting capacity: Nil

Market potential for Canadian malt: There is a market potential provided that Canadian price is competitive.

### III. OILSEEDS

#### 1. Trade Policy

Import tariffs: None

Non-tariff import barriers/export assistance measures: None for oilseeds, wheat or feedgrains.

Import/export structure: Oilseeds are imported/exported by private firms.

#### 2. Additional Factors

The majority of imported oilseeds are re-exported to neighbouring countries.

3. Supply of Oilseeds and Products by Type, thousands of tonnes

Year: 1988

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soybeans		51.4		26.9	
Sunflowerseeds		5.6		1.9	
Sesame seeds		14.3		8.4	
Other		0.8		1.8	
TOTAL		72.1		39.0	

  

<u>Meal</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Fishmeal		25.3		6.8	
Meat meal		3.3		2.2	
Vegetable meal potato		1.3		0.2	
TOTAL		29.9		9.2	

  

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Soybean			94.7		97.0
Groundnut			10.0		5.4
Mustardseed			14.3		15.7
Linseed			1.9		1.4
Palm		4.5	89.3	34.0	108.0
Coconut		15.9	10.5	42.0	20.2
Palm kernel			26.0		12.4
Corn			23.9		25.9
Sunflowerseed			6.3		4.1
Other vegetable oils			2.4		0.9
TOTAL		20.4	279.3	76.0	291.0

IV. STATISTICAL NOTES - WHEAT AND DURUM

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			287.00 (133.00)	287.00 (133.00)
Durum wheat			0.27 (0.07)	0.27 (0.07)
Flour/Semolina			85.00 (55.00)	85.00 (55.00)
TOTAL			346.21 (188.07)	346.21 (188.07)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Wheat	(0.55)	(21.3)			(21.85)		
Durum wheat					(1.40)		
Flour/Semolina					(99.00)		
TOTAL					(122.25)		

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>All Others</u>	<u>Total Imports</u>
<u>Wheat (including durum)</u>							
Cash	5.3 (20)	54.3 (33)	146.1 (79)		0.2	81.1 (1)	287 (133)
<u>Flour (including semolina)</u>							
Cash/commercial credit		0.1 (0.1)	0.1 (0.1)		0.3 (1.8)	84.6 (53.1)	85 (55)

Principal Others: China, Hong Kong, Japan, Saudi Arabia, Mozambique

IV. STATISTICAL NOTES - COARSE GRAINS

SUPPLY: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn			457.00 (386.00)	457.00 (386.00)
Barley			1.97 (1.29)	1.97 (1.29)
Sorghum			5.60 (0.21)	5.60 (0.21)
Oats			1.18 (0.95)	1.18 (0.95)
TOTAL			465.75 (388.45)	465.75 (388.45)

DISPOSITION: 1989/90 est. - thousands of tonnes, previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (Seed, Waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total Disposition</u>
Corn					260.00 (149.00)		
Barley					0.37 (0.43)		
Sorghum					0.39 (0.14)		
Oats					0.17 (0.17)		
TOTAL					260.93 (149.74)		

Export destination: Malaysia, Brunei, Arab Republic

IMPORT TRADE: 1989/90 est. - thousands of tonnes, previous year in brackets

<u>ORIGIN:</u>	<u>Canada</u>	<u>USA</u>	<u>Australia</u>	<u>Argentina</u>	<u>EC</u>	<u>ALL Others</u>	<u>Total Imports</u>
Corn		96.5 (46.19)		150.3 (53.7)	2.91 (2.70)	207.29 (136.29)	457.00 (386.00)
Barley			0.39		1.11 (0.84)	0.47 (0.45)	1.97 (1.29)
Sorghum						5.60 (0.21)	5.60 (0.21)
Oats		96.5 (46.19)	0.70 (0.65)		0.23 (0.08)	0.25 (0.22)	1.18 (0.95)
TOTAL			1.09 (0.65)	150.3 (53.7)	4.25 (3.62)	213.61 (137.17)	465.75 (388.45)

Principal Others: Thailand, China, South East Asia

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