



ANNUAL SURVEY OF WHEAT, COARSE GRAINS AND OILSEED MARKETS 1986

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

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

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

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

Grain Marketing Bureau
Department of External Affairs

January, 1987

ACKNOWLEDGEMENT

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

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ANNUAL SURVEY OF WHEAT, COARSE GRAINS AND OILSEED MARKETS 1986

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PART I
EUROPEAN ECONOMIC COMMUNITY



BELGIUM - LUXEMBOURG

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$6,923	1984
Annual per capita GNP	US\$7,711	1984
Average annual growth	2.5%	1975-85
Annual inflation rate	7.5%	1975-85
Annual inflation rate	5.5%	1986
Volume of imports	55.6 billion US\$	1985
which food	4.2	1985
Of which fuels	15.8%	1985
Principal foreign exchange earning export:	Base Metals and Products	
Debt service as % of GNP	12.8%	1985
Debt service as % of exports	100.0%	1984
Population	9.8 million	1984
Annual population growth		
Annual Consumption:		
Flour	65 kg/capita	1985
Meat	80 kg/capita	1985
Vegetable Oil	10 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

2. Foreign Exchange Situation

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

3. Fertilizer Situation

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

4. Import Mechanism

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

5. Grain Industry Infrastructure

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

6. Government Policies Affecting Grains and Agriculture

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

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

7. Market Prospects - Grain and Oilseeds

Long-term projections on grain imports are not available.

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

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

8. Processing Facilities

Year: 1985 (most recent)
thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	90	90	1,800	900
Compound Feed Mills	225	225	6,500	5,000
Maltsters	11	11	500	450
Brewers*	150	150	15	13.8
Oilseed Crushers	24	26	2,000	1,500

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985 (most recent)
 - - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Antwerpen	270	7,000
Ghent	585	8,000
Total Capacity	855	15,000

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	760	71			831
Suitable for malting	275	28			303

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	54 (104)	EEC countries
Malting barley	1,340 (1,594)	EEC countries

3. Additional Information

Annual per capita beer consumption: Stable, 132 litres per capita.

Beer Production Capacity: Stable.

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

Malt exports: In 1985 malt exports totalled 84,000 tonnes as compared to 361,000 tonnes in 1984.

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

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds - No duty
 Crude oil - 10% duty, 6% VAT
 Oilseed meal - No duty
 Refined oil - 15%, 6% VAT

Oilseeds imports and exports are handled by private firms.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
All oilseeds		146	10
Rapeseed			
Soyabeans			
Mustardseed			
Sunflowerseed			
Total		146	10

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Vegetable	383.74	307.34		442.9	
Other	512.04	520.06		574.9	
Total	895.78	827.40		1,017.8	

<u>Meal</u>	Production	Imports	Exports
Cake and meal	1,279.3	1,260.3	1,346.3
Total	1,279.3	1,260.3	1,346.3

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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*	1,330 (1,062)	182 (251)	1,591 (1,626)	3,103 (2,939)
Durum wheat				
Flour/Semolina				
TOTAL	1,330 (1,062)	182 (251)	1,591 (1,626)	3,103 (2,939)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	912 (937)	680 (718)	117 (99)	40 (44)	1,075 (959)	279 (182)	3,103 (2,934)
Durum wheat							
Flour Semolina							
TOTAL	912 (937)	680 (718)	117 (99)	40 (44)	1,075 (959)	279 (182)	3,103 (2,934)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash	105 (36)	7 (156)		1,373 (1,312)		1,542 (1,587)
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FLOUR (including semolina)

Cash/comm. credit				49 (39)		49 (39)
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TOTAL	105 (36)	7 (156)		1,422 (1,351)		1,591 (1,626)
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(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	52 (39)		2,145 (2,567)	2,197 (2,606)
Barley	935 (705)		1,881 (1,262)	2,816 (1,967)
Sorghum			123 (120)	123 (120)
Oats	147 (110)		66 (62)	213 (172)
Rye	37 (27)		12 (12)	49 (39)
TOTAL	1,171 (881)		4,227 (4,023)	5,398 (4,904)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	31 (30)	410 (429)	483 (498)	1.1 (1.9)	1,271 (1,647)	2,196 (2,606)		
Barley	2 (2.5)	807 (776)	327 (343)	22 (21)	1,658 (824)	2,816 (1,967)		
Sorghum			123 (120)			123 (120)		
Oats	5 (5)	195 (148)		5 (4.5)	8.7 (14)	213 (172)		
Rye	12 (10)	32 (26)		.8 (1.0)	4.2 (2.3)	49 (39)		
TOTAL	50(47.5)	1,444 (1,374)	933 (961)	28.9 (28.4)	2,941.9 (2,487.3)	5,398 (4,904)		

of which poultry: 20% Export Destination: EEC countries.

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
Corn				2,145
Barley				1,881
Sorghum				123
Oats				66
Rye				12
TOTAL				4,227

DENMARK

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Industrial market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$8,788	1985
Annual per capita GNP	US\$13,357	1985
Average annual growth	2.1%	1975-85
Annual inflation rate	9.2%	1975-85
Annual inflation rate	3.0%	1986
Volume of imports	21.337 billion US\$	1985
Of which food	5.7%	1985
Of which fuels	16.8%	1985
Principal foreign exchange earning export:	Industrial export	
Debt service as % of GNP	39.7%	1985
Debt service as % of exports	135.5%	1985
Population	5.1 million	1985
Annual population growth	-0.02%	1980-85
Annual Consumption:		
Flour	<u>369,400</u> tonnes or 72.2 kg/capita	1985
Meat	<u>458,000</u> tonnes or 89.7 kg/capita	1985

1. GENERAL INFORMATION

1. Crop Situation and Outlook

	<u>1986</u> <u>Production</u>	('000 tonnes) <u>% Change from 85</u>
Wheat	2,051	+ 4.0%
Rye	529	- 6.4%
Barley	5,241	- 0.2%
Oats and other crops	114	-32.0%
Rapeseed	613	+12.7%
Field peas	509	- 3.0%

Thanks to the fine quality of the 1986 harvest Danish exports of rye, wheat and barley are expected to reach a record 2.4 billion krone against 1.6 billion in 1985. Buyers are principally EEC; France, West Germany and Belgium.

2. Foreign Exchange Situation

Denmark is a member of the EEC and the D. Korner is very strong. A devaluation within the next year is against Government policy, but the financial world would not be surprised if it occurred.

3. Fertilizer Situation

Canadian exports of potassium chloride have risen from \$2.4 million Canadian funds in 1984 to \$6.4 million Canadian funds as of August 1986.

8. Processing Facilities

Year: 1986 (most recent)
thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	6	8		
Compound Feed Mills				
Maltsters	6	6		125
Brewers *	22	22		
Oilseed Crushers	1	1	400	220

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port Year 1985 (most recent)
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Copenhagen		
Aarhus		
Aalborg		
Odense		
Esbjerg		
Frederikshavn		
Kalunbrog		
Korsor		
Aabenraa		

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

II. MALT AND MALTING BARLEY

1. Domstic Production of barley by type, 1986 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					5,241
Suitable for malting					1,700

This year harvest conditions were so excellent for barley that most spring varieties were suitable for malting. French harvest failed, & considerable exports have been made to France.

1. Imports, Calendar year 1985 estimated, previous year in brackets:

	Thousand of tonnes	Principal supplier(s)
Malt	7.790 ()	Turkey, Belgium, Luxemburg

Malt production 1986: 125,000 tonnes

2. Additional Information

Annual per capita beer consumption: 1983: 136.1 litres, 1984: 134.0 litres, 1985: 129.2 litres.

Note: Border trade between Germany and Denmark increased considerably in 1985 and is now believed to account for an additional 133 million bottles which is equivalent to a 7% increase.

Beer production capacity: Basically unchanged.

Domestic malting capacity decreasing slightly.

Malt exported: (1985) 34,000 tonnes to France, Norway, Brasil, Japan, Philippines, Malaysia, Thailand.

Market potential: None

Import/export structure - Private and co-operatives.

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

Year: 1985

<u>Oilseed</u> (by type)	<u>Domestic Production</u>		<u>Imports</u>		<u>Exports</u>	
	(Domestic)	(Imports)	(Crude)	(Refined)	(Crude)	(Refined)
Rapeseed	544.000		27.7		374	
Soybean			108		14	
Others			0.3			
Total	544.000		136		388	

<u>Oil</u> (by type)	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
	(Domestic)	(Imports)	(Crude)	(Refined)	(Crude)	(Refined)
Soybean	14.915	(7.8)				(1.5)
Rape	25.102	(3.6)				(17.8)
Palm	7.681	(11.3)				(7.0)
Others	9.614					
Total	57.3	(22.7)				(26.3)

<u>Meal</u>	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
	(Domestic)	(Imports)	(Crude)	(Refined)	(Crude)	(Refined)
Soybean	49.582		1,254			
Rapeseed	21.789		146.6		0.5	
Palm kernel			30		1	
Others			205			
Total	71.37		1,635.6		1.5	

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 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*	1,936 (2,373)	484 (211)	247 (144)	2,667 (2,728)
Durum wheat	(5)	(5)	6 (2)	6 (7)
Flour/Semolina				
TOTAL	1,936 (2,373)	484 (216)	252 (146)	2,673 (2,735)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	310 (337)	1,326 (1,280)		70 (62)	478 (565)	483 (484)	2,667 (2,728)
Durum/Wheat	6 (5)				(2)		6 (7)
Flour Semolina							
TOTAL	316 (342)	1,326 (1,280)		70 (62)	478 (567)	483 (484)	2,673 (2,735)

Export destination: EEC, Poland, USSR

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash	5	5 (2)		242 (144)		252 (146)
Total	5	5 (2)		242 (144)		252 (146)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	5,095 (5,889)	12 (10)	98 (120)	110 (130)
Barley		506 (339)	49 (7)	5,650 (6,235)
Sorghum	166 (153)	39 (13)	15 (10)	220 (176)
Oats	543 (590)	209 (26)	2	754 (616)
Rye				
TOTAL	5,804 (6,632)	766 (388)	121 (137)	6,734 (7,157)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	25 (28)	67 (90)	8	130 (197)	896 (1,167)	10 (12)	110 (130)	13
Barley	1 (1)	3,699 (4,164)	199 (200)			725 (506)	5,650 (6,235)	
Sorghum	29 (28)	146 (97)	2 (2)	9 (8)	3 (4)	33 (39)	220 (176)	
Oats	90 (105)	125 (94)		27 (22)	98 (184)	412 (209)	754 (616)	
Rye								
TOTAL	145 (162)	4,037 (4,445)	209 (202)	166 (277)	997 (1,355)	1,180 (766)	6,734 (7,154)	

Industrial use: Beer

Export Destination EEC, USSR, DDR

TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn		1 (9)		29 (30)	68 (81)	98 (120)
Barley					49 (7)	49 (7)
Sorghum					14 (4)	15 (10)
Oats					2	2
Rye						
TOTAL		1 (9)		29 (30)	90 (92)	121 (137)

FRANCE

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$7,768	1984
Annual per capita GDP	US\$8,886	1984
Average annual growth	2.1%	1975-85
Annual inflation rate	10.8%	1975-85
Annual inflation rate (current)	7.3%	1984
Volume of imports	103.4 billion US\$	1984
Of which food	12.9%	1984
Of which fuels	24.0%	1984
Principal foreign exchange earning export:		
intermediate goods		
Debt service as % of GNP	1.9%	1983
Debt service as % of exports	10.6%	1983
Population	55.272 millionn	1986
Annual population growth	0.4%	1985
Annual Consumption:		
Flour	62.8 kg/capita	1983
Meat	75.7 kg/capita	1983
Vegetable Oil	9.57 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

As of June 1, 1986, the winter barley crop is estimated to be 7.3 million tonnes, which is a (4%) reduction from the 1985 crop of 7.6 million tonnes. Average yield is estimated to be 53.5 q/hectare versus 55 q/hectare in 1985.

Corn acreage has increased by 4% to a total of 1,941,000 hectares for 1986.

Due to the very poor weather conditions in the fall of 1985, the planted winter rapeseed acreage was estimated to be only 334,000 hectares. The initial yield forecast was 25.5 q/hectare, which is down nearly 5 q/hectare from 1985. As a result, production is estimated to drop by 530,000 tonnes (38%) to only 853,000 tonnes in 1986.

Sunflowerseed acreage is up 152,000 hectares (24%) from 1985 to a total planted acreage of 786,000 hectares.

Seeded acreage ('000 hectares):

	<u>1985</u>	<u>1986</u>	<u>1986/85 (%)</u>
Soft wheat	4,670	4,702	+ 0.7
Hard wheat	158	232	+ 46.8
Barley	2,255	2,106	- 6.6
Corn	1,858	1,941	+ 4.5
Rapeseed	467	350	- 25.1
Sunflowerseed	634	786	+ 24.5

2. Foreign Exchange Situation

After a sharp re-evaluation over the past year, the exchange rate of the French franc seems to have stabilized in relation to the Canadian dollar (Cdn\$1 = 5FF).

3. Fertilizer Situation

	<u>1984</u>	<u>1985</u>	<u>85/84 (%)</u>
	<u>('000 tonnes)</u>		
Simple nitrates	1,731	1,793	+ 4.0
Simple phosphates	241	248	+ 3.0
Simple potassiums	513	544	+ 6.0
Compounds	3,245	3,127	- 3.6
TOTAL	5,729	5,712	- 0.3

4. Import Mechanism

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

5. Grain Industry Infrastructure

As of January 1, 1986, the storage capacity of the grain handling industry was 28,472,000 tonnes of which 72% was used by co-operatives, 22% by dealers, 5% by jointly owned enterprises, and others, 1%. This was an increase of 2,669,000 tonnes (4%) over January 1, 1985. As of January 1, 1986 secondary storage (transit and carry-in) was 6,421,826 tonnes, compared with 5,622,593 tonnes on the same date in 1985.

Farm storage capacity was estimated at 16.5 million tonnes as of January 1, 1986, compared to 17.5 the previous year.

6. Government Policies Affecting Grain and Agriculture

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

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

There is no countertrade policy for French grain imports.

7. Market Prospects - Grains and Oilseeds

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

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

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

8. Processing Facilities

Year 1984

- thousands of tonnes -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	182	234	n/a	5,560
Compound Feed Mills	378	490	n/a	14,968
Maltsters	20	26	1,350	1,114
Brewers*	33	38	23.0	20.9
Oilseed Crushers	9	16	2,500	1,692

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

- thousands of tonnes -

<u>Name of Port</u>	<u>Storage Capacity</u>	<u>Grain Exports 84/85 crop year</u>
<u>Channel Ports</u>		
Rouen	524.8	5,486.0
Le Havre	98.2	1,045.0
Dunkirk	50.0	349.9
Caen	15.0	240.7
Dieppe	11.2	189.4
Le Treport	23.0	130.9
Honfleur	4.75	-
Granville	4.7	-

9. Storage and Throughput Capacity (cont'd)

- thousands of tonnes -

<u>Name of Port</u>	<u>Storage Capacity</u>	<u>Grain Exports 84/85 crop year</u>
<u>Atlantic Ports</u>		
La Pallice (La Rochelle)	100.0	831.0
Bordeaux	159.25	861.3
Bayonne	58.0	1,292.0
Tonnay Charente	20.0	107.6
Blaye	106.5	194.1
Nantes	80.8	375.0
Saint-Nazaire	20.0	-
Les Sables d'Olonne	14.25	-

Mediterranean Ports

Sete	21.4
Port La Nouvelle	n/a

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	3,615	3,724	4,114		11,453
Suitable for malting					
Quantities sold in France	1,903	2,331	3,273		7,507

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	16	(14)	W. Germany, U.K., Benelux
Malting barley	(n/a)

3. Additional Information

Total beer sales have been decreasing steadily (19,305,000 hl in 1985 as compared with 20,673,000 in 1984).

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

Domestic malting capacity: Remains constant at 1,250,000 tonnes per annum.

Malt exports: France exported 857,452 tonnes of malt in 1985.

Principal 1985 malt exports (thousand tonnes):

EEC	297.34	Colombia	19.92	Nigeria	63.38
Switzerland	39.94	Zaire	20.44	Brazil	63.16
Cameroon	61.96	Japan	29.77	Venezuela	61.26
USSR	39.68				

France is the No.1 world exporter of malt barley.

III. OILSEEDS

1. Trade Policy

Import Tariffs: (EEC tariffs)

Oilseeds:	Exemption. Subject to variable levy.
Crude oil:	10%
Oilseed meal:	Exemption
Refined oils:	15% + variable levy

Import/export structure: Private firms

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

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

<u>Oilseed</u>	Production	Imports	Exports
Groundnut	-	68	-
Soya	58	600	2
Rapeseed	1,400	72	730
Sunflower seed	1,510	18	662
Linseed	685	5	14
Other	-	27	4
TOTAL	3,603	790	1,412

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Groundnut	30	95	26	1	4
Soya	99	43	46	75	16
Rapeseed	311	11	24	245	32
Sunflower seed	136	61	86	26	9
Linseed	8	6	1	-	-
Other	39	109	162	27	22
TOTAL	660	325	345	374	83

<u>Meal</u>	Production	Imports	Exports
Groundnut	21	42	3
Soya	441	3,421	11
Rapeseed	472	10	167
Sunflower seed	212	153	31
Linseed	5	84	2
Other	-	26	13
TOTAL	1,099	3,746	227

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, August 1	Imports + Adjustment	Total Supply
Wheat *	28,503 (32,650)	3,900 (1,903)	180 (619)	32,583 (35,172)
Durum wheat	759 (591)	107 (97)	119 (164)	985 (852)
Flour/Semolina			41** (77)	
TOTAL	29,262 (33,241)	4,007 (2,000)	299 (783)	33,568 (36,024)

*of which spring wheat 333 (291)

** July 1/85-March 31/86

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal	Farm Consumption	Other (seed, waste)	Exports	Carry-out	Total
Wheat	4,300 (4,585)	3,000 (3,794)	4,053 (3,492)	700 (755)	16,700 (18,646)	3,830 (3,900)	32,583 (35,172)
Durum wheat	480 (485)		5 (11)	20 (20)	363 (229)	117 (107)	985 (852)
Flour/Semolina				1,850/55 (1,961/42)			
TOTAL	4,780 (5,070)	3,000 (3,794)	4,058 (3,503)	720 (775)	17,063 (18,875)	3,947 (4,007)	33,568 (36,024)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets: July 1, 1985 to May 30, 1986

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
WHEAT (including durum)							
Cash	135 (145)	60 (115)			12 (66)	3 (1)	210 (327)
FLOUR (including semolina)							
Cash/comm. credit					41 (77)		41 (77)
TOTAL	135 (145)	60 (115)			53 (143)	3 (1)	251 (404)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, August 1	Imports	Total Supply
Corn	12,367 (10,384)	1,459 (1,196)	501 (560)	14,327 (12,140)
Barley	11,469 (11,700)	255 (-1)	45 (130)	11,769 (11,829)
Sorghum	199 (257)	8 (23)	(1)	207 (281)
Oats	1,800 (1,892)	162 (10)	(6)	1,962 (1,908)
Rye	280 (321)	18	1 (3)	299 (324)
TOTAL	26,115 (24,554)	1,902 (1,228)	547 (700)	28,564 (26,482)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption*	Animal	Farm Consumption	Other (seed, waste)	Exports	Carry-out	Total
Corn	600 (716)	2,880 (3,054)	1,767 (1,635)	150 (145)	5,700 (5,131)	3,230 (1,459)	14,327 (12,140)
Barley	250 (252)	900 (897)	3,769 (4,172)	300 (394)	5,100 (5,859)	1,450 (255)	11,769 (11,829)
Sorghum	10 (10)	35 (50)	4 (22)	2 (3)	110 (198)	56 (8)	207 (281)
Oats	32 (32)	330 (214)	1,050 (1,131)	50 (47)	290 (344)	232 (162)	1,962 (1,908)
Rye		30 (31)	199 (221)	3 (4)	30 (18)	4 (18)	299 (324)
TOTAL	892 (1,010)	4,175 (4,246)	6,789 (7,181)	505 (593)	11,230 (11,550)	4,973 (1,902)	28,564 (26,482)

* Corn includes industrial consumption 500 (605)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn	1 (1)	280 (460)		25 (49)	97 (25)	428 (560)
Barley					39 (130)	41 (130)
Sorghum		1 (0.5)				1 (0.7)
Oats	2 (2)				1 (1)	2 (6)
Rye				25 (49)	147 (156)	3 (3)
TOTAL	3 (3)	281 (460.5)		25 (49)	147 (156)	475 (699.7)

G R E E C E

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$3,300	1985
Annual per capita GNP	US\$3,641	1985
Average annual growth	1.5%	1975-85
Annual inflation rate	18.0%	1975-85
Annual inflation rate	17.0%	1986
Volume of imports	10.5 billion US\$	1985
Of which food	12.0%	1985
Of which fuels	25.0%	1985
Principal foreign exchange earning export:	Clothing	
Debt service as % of GNP	3.5%	1985
Debt service as % of exports	25.0%	1985
Population	9.8 million	1985
Annual population growth	0.5%	1981-85
Annual Consumption:		
Flour	1,000,000 tonnes or 100 kg/capita	1985
Meat	700,000 tonnes or 70 kg/capita	1985
Vegetable Oil	280,000 tonnes or 28 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The most recent Ministry of Agriculture forecasts of grain and feed crop acreage for 1986 is as follows, (1985 crop year in brackets):

<u>Crop</u>	<u>Area ('000 hectares)</u>		<u>Production ('000 tonnes)</u>	
Soft wheat	495	(510)	1,200	(1,114)
Durum wheat	372	(312)	1,000	(661)
Corn	200	(203)	2,070	(1,700)
Barley	310	(310)	745	(654)
Oats	40	(42)	75	(60)
Rye	10	(4)	23	(15)
Olive Oil	N/A		300	(185)
Sunflower	50	(49)	90	(81)

2. Foreign Exchange Situation

The Greek drachma, since being unpegged from the U.S. dollar in August 1983 and through subsequent devaluations, has depreciated in value by over 70 per cent against the U.S. and Canadian dollars, and by smaller percentages against other currencies. While tourism and exports have benefitted, import costs have increased and annual inflation has been around 20 per cent. Greece continues to be plagued by an adverse foreign trade, current account and balance of payments situation.

Foreign Exchange Situation (cont'd)

Imports, while not subject to actual quantitative restrictions, are hindered by bureaucratic controls and other measures. These include mandatory advance deposits introduced and maintained in an effort to reduce the high level of imports, particularly those of luxury and non-essential products. Basic foods and agricultural inputs are not yet being subjected to such restrictions. Greece is a recipient of EEC economic and U.S./W. German military assistance.

3. Fertilizer Situation

Preliminary estimates by the Ministry of Agriculture and SYNEL SA (a state controlled company which exclusively handles the management and distribution of fertilizers) indicate that Greek chemical fertilizer production in 1984 and 1985 totalled 2.07 million tonnes and 2.09 million tonnes (preliminary estimate) respectively. Production of phosphate fertilizer increased by 42.3 per cent from 390,009 tonnes in 1983 to 554,912 tonnes in 1984 reflecting completion of the company's modernization and expansion program. Total domestic consumption of fertilizers during 1984/85 was estimated at 2.2 million tonnes, of which 91.4 per cent was produced locally. A total of 140,000 tonnes of ammonium sulphate (21-0-0) was imported from Poland, USSR and Romania.

4. Import Mechanism

Since Greece's accession to the EEC in January 1981, all grain imports and exports have been handled by the state sector cooperative distribution agency (KYDEP). To conform with the EEC policy of free trade in grains, the Greek Government now permits the private sector to participate in this trade on a restricted basis. Total Greek imports of soft milling wheat in 1985/86 are currently estimated at 450,000 tonnes, all from France. Of this total, about 67% was re-exported as flour after having been blended with Greek wheat. The remainder was milled and consumed locally. Greece is actually self-sufficient in soft wheat and acreage is slowly being switched over.

5. Grain Industry Infrastructure

Grain handling, pooling, storing, imports and exports, previously a KYDEP monopoly, have now been liberalized to some extent, permitting the farmer to sell to YDAGEP (the EEC Intervention Agency), KYDEP or private traders (millers and exporters). Intervention prices set by the EEC 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 gradually being aligned to the EEC/CAP. Greece is self-sufficient in wheat and almost in corn and barley. EEC financial incentives are boosting durum wheat production at the expense of soft wheat. To compensate for the EEC co-responsibility tariff to be levied on Community wheat producers, following a decision of the Council of Agriculture Ministers in June this year, Greece's small wheat growers will receive 8 million ECUs (approx. 1 billion drachmas) during 1986/87. Greece produces 2.9% of the total Community wheat crop. Utilization of corn in the livestock industry is being replaced by cheaper feed grain supplements, thus freeing high quality corn for export to Western Europe. French corn of inferior quality is replacing this

Government Policies Affecting Grain and Agriculture (cont'd)

shortfall in corn availabilities 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 normally self-sufficient in wheat and durum, with limited imports of barley and corn usually obtained from France or other EEC suppliers. This year however, may offer sales opportunities for Canadian wheat and other food products should the Greek (and other EC governments) decide there is a possible health hazard in domestic production from the Chernobyl radiation fallout. No Greek government decision has been made at this point in time.

With a perennial adverse balance of trade and balance of payment situation, the Greek authorities are keen to save on scarce foreign exchange outlays for essential grain (and oilseed) imports as and when required. Countertrade or barter arrangements would be preferred to hard currency settlements. In 1982/83 KYDEP expressed interest in exploring possibilities of importing feed corn from Canada against countertrade of Greek products. At that time Canadian corn availabilities were limited and committed elsewhere. In the meantime, Greek corn production has increased significantly, and ever decreasing quantities are obtained from France.

7. Market Prospects - Grains and Oilseeds

Self-sufficiency in wheat and durum and almost in barley and feed corn, rules out future sales opportunities for Canadian grains, outside of exceptional circumstances such as the Chernobyl incident or extreme drought conditions, etc.

In 1985, approximately 5,000 tonnes of lentils were imported. Canadian imports of the Eston variety totalled nearly US\$1.8 million in 1985. Constant monthly shipments of kidney and pea beans are also required.

The pulse trade was to have been freed of quotas effective January 1986 in accordance with EEC directives after a 5 year transitional period. This does not appear to have happened yet, although traders have been advised to apply for import permits. It is believed that the market ceiling price system will remain in effect, while quotas will be abolished.

In 1984 KYDEP expressed interest in importing Canadian triticale seed and cultivating it in Greece with Canadian technical know-how for processing into animal feed. Unfortunately, the Canadian 1984 crop was below average with no availabilities for export, and the KYDEP request was not renewed in 1985 or 1986.

Significant quantities of Canadian canary seed are already being sold through Greek supermarkets and pet shops. This trade was valued at Cdn\$272,427 in 1983, but dropped to \$142,719 in 1984 and \$160,845 last year.

8. Processing Facilities

	Year 1985		thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	230	230	2,600	2,000
Compound Feed Mills	1,450	1,450	5,300	5,000
Maltsters	4	4	43	43
Brewers*	5	5	N/A	N/A
Oilseed Crushers	46	46	880	700

* Capacity and output in million hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1985	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Piraeus	20	250
Thessaloniki	20	250
Volos	15	160
Total Capacity	55	660

In addition KYDEP (Home Products Handling Cooperative Organization) operates modern grain elevators and old grain storage warehouses (600 thousand tonnes capacity) throughout Greece. An EEC/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, 1985/86 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		654			
Suitable for malting		60-70%			

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	4 (4)	W. Germany, Holland
Malting barley	20	France

3. Additional Information

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

Beer production capacity: 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 2 plant shut-downs in recent years.

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

Malt exports: None.

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

III. OILSEEDS

1. Trade Policy

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

Non-tariff import barriers/export assistance measures: Greek olive oil producers receive EC/Greek government financial support (49.8 drachmas/kilo in 1984/85 (up 59% over 1983/84). The 1985/86 production was 300,000 tonnes (180,000 tonnes in 1984/85). Sunflower seed production has shown a spectacular increase in Greece as a result of EEC incentives and totalled 81,000 tonnes in 1985/86. An additional 4,000 tonnes was imported from the U.S.A. The corresponding oil and meal output figures were 35,000 tonnes and 39,500 tonnes. Increased meal consumption by the livestock industry is expected due to lower prices compared to feed corn and certain other feed inputs. The Greek government's current target for sunflower production is 95,000 tonnes through increased cultivation and utilization of irrigated land.

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

Additional Factors: Greece's oil picture depends in large part on its olive oil output, which has an alternate year pattern of production. Consumption of olive oil remains fairly constant, with other oils increasing in use, especially as shortening, margarine and table oil ingredients. Sunflower oil and cottonseed oil are prime examples of this trend. According to EEC requirements, the domestic 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 has not yet taken this step and appears to be seeking a way to maintain the status quo, particularly as soybean not cultivated in Greece.

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

Year: 1985/86 (CY 1984/85 in brackets)

<u>Oilseed</u>	Production		Imports		Exports	
Soybean			250	(250)		
Cottonseed	250	(237)		(18)		
Sunflower	81	(67)	4	(3)		
TOTAL	331	(304)	254	(271)		

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Olive	300	(185)			80	(40)
Soybean		40	(39)		40	(40)
Cottonseed	30	(30)			5	(3)
Sunflower	35	(29)				
TOTAL	365	(244)	40	(39)	125	(83)

<u>Meal</u>	Production		Imports	Exports		
	Domestic	Imports				
Soybean		200	(192)	20	(20)	
Cottonseed	160	(156)		35	(21)	
Sunflower	40	(32)		10	(10)	
TOTAL	200	(188)	200	(192)	65	(51)

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 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 (soft)	1,114 (1,734)	134 (200)	420* (330)	1,668 (2,264)
Durum wheat	666 (912)	193 (36)	77**	866 (1,018)
Flour/Semolina				
TOTAL	1,780 (2,646)	327 (236)	497 (330)	2,534 (3,282)

* all from France ** from Italy

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports*</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	1,250 (1,250)	70 (150)			255 (730)	93 (134)	1,668 (2,264)
Durum wheat	346 (450)	5 (70)			483 (305)	32 (193)	866 (1,018)
Flour Semolina							
TOTAL	1,596 (1,700)	75 (220)			738 (1,035)	125 (327)	2,534 (3,282)

Export destination: 450 - Italy (durum)

288 - Middle East (blend of French/Greek wheat in flour form)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
<u>WHEAT (including durum)</u>						
Cash					77	77
Commercial credit					420 (330)	420 (330)
TOTAL					497 (330)	497 (330)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,700 (1,990)	32 (10)	400* (92)	2,132 (2,092)
Barley	654 (831)	116 (85)	20**	790 (916)
Sorghum				
Oats	60 (72)			60 (72)
Rye	15 (15)			15 (15)
TOTAL	2,429 (2,908)	148 (95)	420 (92)	2,997 (3,095)

* from Italy/France (downgraded corn for feed)

** from France and Belgium (for beer industry)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	100 (100)		1,622 (1,710)			370 (250)	40 (32)	2,132 (2,092)
Barley	140 (140)		640 (660)				10 (116)	790 (916)
Sorghum								
Oats	7 (10)		53 (62)					60 (72)
Rye	15 (15)							15 (15)
TOTAL	262 (265)		2,315 (2,432)			370 (250)	50 (148)	2,997 (3,095)

Export Destination: Western Europe (for starch production)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
Corn				
Barley				
TOTAL				420 (92)

400 (92)
20

420 (92)

I R E L A N D

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$3,835	1985
Annual per capita GNP	US\$4,890	1985
Average annual growth	1.8%	1975-85
Annual inflation rate	14.2%	1975-85
Annual inflation rate	4.3%	1986
Volume of imports	11.2 billion US\$	1985
Of which food	11.2%	1985
Of which fuels	11.9%	1985
Principal foreign exchange earning export: Computers & Parts		
Debt service as % of GNP	13.9%	1985
Debt service as % of exports	22.3%	1985
Population	3.5 million	1986
Annual population growth	0.86%	1983-84
Annual Consumption:		
Flour	67,900 tonnes or 19.4 kg/capita	1984
Meat	274,400 tonnes or 78.4 kg/capita	1984
Vegetable Oil	22,000 tonnes or 6.3 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1986 seeded acreage under cereals is expected to be down 5 to 7% from the 1985 level of 950,000 acres. This can be attributed primarily to the higher quality standards for sale of grain into intervention and subsequent poor prices for lower grade grains. Also due to the coresponsibility levy on grains. The biggest decline in 1986 will be in winter cereals (-15%), whereas there will be a drop of some 5% in spring barley.

2. Foreign Exchange Situation

The Irish pound has strengthened against the dollar and British sterling, having been at an all time low during the first quarter of 1985.

No priority given to food/agricultural imports in terms of foreign exchange earnings. Not an international aid recipient.

3. Fertilizer Situation

Nutrient tonnage of fertilizers sold for 1985/86 (estimate)

Nitrogen	318,000 tonnes
Phosphorus	65,000 "
Pottassium	161,000 "

Nitrogen consumption in particular has been increasing, due to increased silage production.

4. Import Mechanism

Grain brokers R & H Hall Ltd negotiate wheat imports through their London subsidiary Alexander & Partners Ltd. Halls and Unigrain Ltd also act as brokers to feed compounders in securing supplies of grain and proteins.

5. Grain Industry Infrastructure

The remaining 5 flour millers now have 75% of the domestic market with continued competition from several large British millers. Despite rationalization within the compound feed industry, the sector is still highly fragmented. The co-operatives have emerged as the leading force within the industry.

It has just been announced that the Wheat Industries Ltd gluten and glucose plant owned by Fielder Gillespie with local interests will be sold to C.P.C.

6. Government Policies Affecting Grain and Agriculture

Government policies must relate to overall EEC policies on cereal production. On the one hand, the authorities are mindful of the fact that there is cereal surplus problem in Europe, yet they are concerned at the high level of imports of cereal substitutes.

Similarly they are concerned at the level of flour imports, although there is no action that can be taken.

The Irish government have not as yet given serious consideration to countertrade or barter.

7. Market Prospects - Grain and Oilseeds

No detailed grain import projections to 1990 have been undertaken, that we are aware of.

During 1985, Ireland imported 91 tonnes of white pea beans and 48 tonnes of canary seed from Canada.

8. PROCESSING FACILITIES

	Year: <u>1985</u> (most recent) thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	5	6	210	190
Compound Feed Mills	32	41	2,010	1,850
Maltsters	6	8		
Brewers*	3	7		
Oilseed Crushers				

* Local oilseed crusher is presently closed and for sale.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1983 (most recent)
 - - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity*</u>
Dublin	60	440
Cork	95	425
Waterford	20	150
Foynes	15	
Total Capacity	190	1,015

* tonnes per hour

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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					1,103
Suitable for malting					158

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>Thousands Tonnes</u>	<u>Principal supplier(s)</u>
Malt	2.4 (1.8)	Great Britain
Malting barley		

3. Additional Information

Trend in beer consumption: Beer sales in 1985 were 1666000 standard barrels* compared to 1649300 standard barrels for 1984. High excise duty and VAT have cut back consumption levels from those reached during the 1970's.

*Standard barrel contains the equivalent of 406 pints at average gravity.

Beer production capacity: No significant change in beer production capacity. There has been considerable modernization in Irish breweries, leading to greater efficiency.

1985 malt exports as follows (tonnes):	United Kingdom	15,369
	Nigeria	19,134
	Cameroon	2,966
	Columbia	7,147
	Japan	2,442
	Ghana	781

III. OILSEEDS

1. Trade Policy

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

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

Import/export structure: The local oilseed crusher has not re-opened and is presently for sale. Locally grown rapeseed is being exported to crushing facilities in England.

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

<u>Oilseed</u>	Production	Imports		Exports	
Rapeseed	12				12
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soya bean			5		
Rape			5		
Sunflower			7		
Other			5		
Total			22		
Soya			194		1
Rapeseed			70		1
Sunflower			59		1
Cotton			14		1
Other			33		
Total			370		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	449 (581)	71 (52)	312 (272)	832 (905)
Durum wheat	4 (1)	4 (7)	8 (8)	8 (8)
Flour/Semolina	144 (150)	8 (10)	41 (35)	193 (195)
TOTAL	593 (731)	83 (63)	357 (314)	1,033 (1,108)

*of which spring wheat 132 (146)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	302 (347)	368 (398)	1 (2)	14 (15)	61 (72)	86 (71)	832 (905)	
Durum	6 (7)				1 (2)	2 (1)	8 (8)	
Flour Semolina	180 (183)					12 (10)	193 (195)	
TOTAL	488 (537)	368 (348)	1 (2)	14 (15)	62 (74)	100 (82)	1,033 (1,108)	

What type of industrial use? Gluten Export Destination: Northern Ireland.

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
WHEAT (including durum)				
Cash	35 (41)	3 (2)	274 (229)	312 (272)
FLOUR (including semolina)				
Cash/comm. credit			41 (35)	(41 (35))
TOTAL	35 (41)	3 (2)	315 (264)	353 (307)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn		6 (8)	92 (129)	98 (137)
Barley	1,103 (1,090)	75 (61)	13 (54)	1,191 (1,205)
Sorghum				
Oats	47 (59)	4 (4)	2 (2)	52 (65)
Rye				
TOTAL	1,150 (1,149)	85 (73)	106 (185)	1,341 (1,407)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn		92 (129)			1 (2)	5 (6)	98 (137)
Barley	148 (130)	700 (779)		36 (42)	229 (182)	78 (75)	1,191 (1,208)
Sorghum							
Oats	9 (10)	34 (43)		1 (1)	3 (4)	5 (4)	52 (62)
Rye							
TOTAL	157 (140)	826 (951)	37 (43)	37 (43)	233 (188)	88 (85)	1,341 (1,407)

Of which poultry - 11% Export destination: Northern Ireland, Algeria, Bulgaria etc for barley

What type of industrial use? Note: Some 100,000 tonnes of barley went into intervention during 19855.

TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
Corn		6 (6)		92 (129)
Barley			86 (123)	13 (54)
Sorghum			13 (54)	
Oats			1	1 (2)
Rye				
TOTAL		6 (6)	100 (177)	106 (185)

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

I T A L Y

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:		Industrial Market economy	
Oil exporter or importer (net):		Importer	
Annual per capita income:	US\$6,227		1985
Annual per capita GNP	US\$6,279		1985
Average annual growth	3.1%		1975-85
Annual inflation rate	16 %		1975-85
Annual inflation rate	6%		1986
Volume of imports	90.5 billion US\$		1985
Of which food	16.7%		1985
Of which fuels	16.1%		1985
Principal foreign exchange earning export:		Machinery, footwear, clothing, tourism	
Population	57.1 million		1985
Annual population growth	.025%		1975-85
Annual Consumption:			
Flour/semolina	9,377,900 tonnes or 165 kg/capita		1983
Meat	4,342,000 tonnes or 76 kg/capita		1983
Vegetable Oil	1,200,000 tonnes or 21 kg/capita		1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	<u>1984</u>		<u>1985</u>		<u>1986</u>	
	<u>'000 ha</u>	<u>'000 t.</u>	<u>'000 ha</u>	<u>'000 t.</u>	<u>'000 ha</u>	<u>'000 t.</u>
Bread Wheat	1,474	5,410	1,294	4,660	1,265	4,450
Durum	1,804	4,595	1,738	3,850	1,712	4,450
Corn	962	6,780	914	6,340	815	6,200
Barley	434	1,618	468	1,550	465	1,620
Oats	191	433	190	404	180	400
Rice	180	989	180	1,142	180	1,100
Sunflower	85	162	97	186	115	220
Soybeans	35	104	93	285	165	500

2. Foreign Exchange Situation

Current inflation rate is 6.6%, still running about double EC average. U.S. dollar currently running around 1,450 Lira, as compared to average of 1,739 in 1984 and 1,903 in 1985. Costs of imports falling on unit basis and trade deficit is down from 1985.

3. Fertilizer Situation

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

4. Import Mechanism

Private traders, with occasional transfers of intervention stocks from other EC countries to AIMA (Italian Intervention Agency). A.I.M.A. has occasionally in 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

Continued concentration of grain and oilseed imports from third countries in the hands of a few large trading companies with multi-national operations (Italgrani, Continental, Casillograni, Ferruzzi) and owning port silo facilities. No new infrastructure of note. Continued closure of many smaller mills, pasta plants, and substantial new investment in equipment and plants by remaining industries (high temperature pasta driers). ITALMOPA reports 1,178 milling companies active in 1985, with total of 1,226 mills. Bread wheat milling capacity listed at 11,942,910 tonnes/year, durum at 5,496,000, for total capacity of 17,438,910 tonnes/year (includes switchover capacity).

6. Government Policies Affecting Grain and Agriculture

High EC price supports encourages increased production of durum. Corn production is stable, barley on increase and bread wheat is increasingly down due to cheap French supplies. In general, EC is becoming increasingly self-sufficient, with little need for third country grains except for top quality wheat blending requirements. Semolina and pasta exports aided by high export restitutions. Exports of semolina to Algeria linked to Italy's purchase of Algerian natural gas. AIMA currently holding large stocks of durum, and in the past year has held a series of export auctions, with most of the product being sold to the Soviet Union. No appreciable change in meat consumption/production.

High EC support prices for grains in general have wiped out our historical market here for barley, and currently restricts our wheat sales to minimum blending requirements. USA has also lost much of its traditional corn market here, but this can also be attributed to the high U.S. dollar.

In regards to countertrade/barter policy, few such arrangements are in effect. Algerian purchases of semolina are indirectly linked with Italian purchase of Algerian gas.

7. Market Prospects - Grain and Oilseeds

Future production will depend essentially on EC pricing policy, and will continue to expand unless serious cuts in current support prices are implemented. EC corresponsibility tax will have little impact on Italian farmers due to loopholes in current regulations.

Depending on international supply/prices, there are always good possibilities for Canadian special crops. We are always ready major supplier of lentils and canaryseed and our products are well known to traders.

8. Processing Facilities

Year: 1985 (most recent)
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*		28	-	10.32
Oilseed Crushers	10	15	2,300	1,750

* Capacity and output in million hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985 (most recent)
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Ravenna	507	11,382
La Spezia	30	525
Napoli	90	720
Venezia	100	2,940
Savona	50	2,100
Genova	105	3,570
Ancona	100	3,780
Livorno	137	6,762
Civitavecchia	36	924
Catania	55	672
Trieste	35	378
Total Capacity	1,543	53,865

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	1,200	-	-	1,600
Suitable for malting	50	80	-	-	130

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

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	80 (76)	France, Germany
Malting barley	30 (30)	France

3. Additional Information

Annual per capita beer consumption: On increase from 11.5 litres in 1970 to 21.7 litres in 1985.

Beer production capacity: Number of firms is on the decline as industry consolidates and old plants shut down. More than half of capacity owned by Dreher and Peroni, and about 40% by only six firms. Overall capacity is slightly increasing, as expansion of newer plants compensates for closure of old plants.

Malt exports: None

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

Market potential for Canadian malt is limited since requirements are readily available from other EC countries.

III. OILSEEDS

1. Trade Policy

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

No significant non-tariff barriers

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

III. OILSEEDS (continued)

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

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

Year: 1985

<u>Oilseed</u>	Production	Imports		Exports	
Soybean	290	1,552			
Sunflower	238	72			
Corn germ	89	26			
Rape	15	18			
TOTAL	768	1,691			

<u>Oil</u>		Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	310	19	16	29	37
Sunflower	127	35	3	17	25
Corn germ	39	64			4
Rape	14	73	35		
TOTAL	521	333	113	49	78

<u>Meal</u>	Production	Imports		Exports	
Soybean	1,476	1,422		137	
Sunflower	175	54		2	
Corn germ	71	47			
Rapeseed	19	16		5	
Sunflower	114	44		12	
TOTAL	1,753	1,600		144	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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*	4,665 (5,410)	220 (287)	4,250 (3,730)	9,135 (9,427)
Durum wheat	3,850 (4,595)	1,000 (556)	1,300 (771)	6,150 (5,922)
Flour/Semolina				
TOTAL	8,515 (10,005)	1,220 (843)	5,550 (4,501)	15,285 (15,349)
*of which spring wheat	(500)			

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human		Industrial	Other (seed, waste)	Exports*	Carry-out	Total
	Consumption	Animal Feed					
Wheat	6,300 (6,318)	1,640 (2,044)	50 (50)	350 (360)	270 (220)	8,610 (8,992)	
Durum wheat	2,520 (2,792)	60 (60)		370 (360)	550 (140)	4,550 (4,352)	
Flour/Semolina					2,125 (2,005)	2,125 (2,005)	
TOTAL	8,820 (9,110)	1,700 (2,104)	50 (50)	720 (720)	2,675 (2,145)	1,320 (1,220)	15,285 (15,349)

Export Destination: Algeria (Semolina) Egypt (flour) USSR (Durum)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
WHEAT (including durum)				
Cash	140 (197)	450 (423)	19 (32)	4,250 (3,730)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	6,340 (6,780)	400 (400)	1,000 (1,655)	7,840 (8,835)
Barley	1,640 (1,618)		980 (1,220)	2,620 (2,838)
Sorghum	100 (100)		7 (7)	107 (107)
Oats	388 (435)		90 (105)	478 (540)
Rye	23 (25)		5 (6)	28 (31)
TOTAL	8,491 (8,958)	400 (400)	2,182 (2,993)	11,073 (12,351)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	255 (255)	6,150 (7,060)	525 (535)	60 (60)	450 (525)	400 (400)	7,840 (8,835)
Barley	10 (10)	2,222 (2,420)	270 (250)	93 (93)	25 (65)		2,620 (2,838)
Sorghum		107 (107)					107 (107)
Oats		445 (505)		32 (34)			478 (540)
Rye	6 (5)	20 (24)		2 (2)			28 (31)
TOTAL	271 (270)	8,944 (10,116)	795 (785)	187 (189)	475 (590)	400 (400)	11,073 (12,351)

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

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Corn		15 (377)		480 (348)	450 (779)	20 (151)	1,100 (1,655)
Barley	(25)	(3)			980 (1,192)		980 (1,220)
Sorghum		2 (2)		3 (3)	5 (5)		7 (7)
Oats					87 (102)		90 (105)
Rye					5 (6)		5 (6)
TOTAL	(25)	152 (382)		483 (351)	1,527 (2,084)	20 (151)	2,182 (2,993)

Principal Others: Yugoslavia (corn)

NETHERLANDS

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Industrial market	economy
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$7,753 1)	1985
Annual per capita GNP	US\$8,656 2)	1985
Average annual growth	8.9% 3)	1975-85
Annual inflation rate	6.2%	1975-85
Annual inflation rate	Nil	1986
Volume of imports	64.9 billion US\$	1985
Of which food	15.5%	1985
Of which fuels	22.2%	1985
Principal foreign exchange earning export:		
Debt service as % of GNP	6.14% 4)	1985
Debt service as % of exports	11.3%	1985
Population	14.5 million	1986
Annual population growth	0.5%	1980-2000
Annual Consumption:		
Flour	772,000 tonnes or 53.5 kg/capita	1985
Meat	1,124,000 tonnes or 77.5 kg/capita	1985 5)
Vegetable Oil	350,000 tonnes or 24.3 kg/capita	1985 6)

- 1) Net at market prices
- 2) At market prices
- 3) Based on unrevised guilder values.
- 4) Based on total government borrowing
- 5) Including poultry meat
- 6) Including vegetable fats.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	<u>Production in tonnes</u>		
	<u>1986*</u>	<u>1985</u>	<u>1984</u>
Winter wheat	837,800	813,000	1,108,100
Spring wheat	35,000	38,100	23,200
Winter barley	56,900	37,200	66,700
Spring barley	199,500	160,200	125,000
Rye	19,400	19,300	24,700
Oats	36,600	58,100	57,900
Rapeseed	19,900	30,600	37,800

*Preliminary figures

2. Foreign Exchange Situation

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

3. Fertilizer Situation

Use of fertilizer expressed in kgs. N, P₂O₅ and K₂O per hectare of farm land.

	<u>1984/85</u>	<u>1983/84</u>	<u>1982/83</u>
Nitrogen	251	238	228
Phosphate	44	43	39
Potash	62	58	51

The use of fertilizers is expected to remain stable at best in the next few years. Total volumes will decline with anticipated reduction of the aggregate farm land area.

4. Import Mechanism

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

5. Grain Industry Infrastructure

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

6. Government Policies Affecting Grain and Agriculture

As an EC-member, the Netherlands must adhere to the regulations established under the Common Agricultural Policy.

Current policy on countertrade/barter: There is no government involvement other than possible restrictions resulting from the CAP.

7. Market Prospects - Grains and Oilseeds

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

Canadian mustard seed, peas and beans are traditional import items although imported volumes tend to fluctuate fairly widely from year to year. Here again, the Netherlands acts as an important trading centre serving many markets in Europe and sometimes beyond.

8. Processing Facilities

Year: 1985 (most recent)
- thousands of tonnes -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	52	56	1,350	1,120
Compound Feed Mills		420		16,200 1)
Maltsters	5	5	220	185
Brewers*	14	20	n/a	17,531
Oilseed Crushers	6	6	n/a	721(oil) 2,430 (cake/meal)

* capacity and output in millions of hectolitres

1. Excluding calf starter feeds

9. Storage and Throughput Capacity

Year: 1985 (most recent)
- thousands of tonnes -

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

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

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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		199	57		256
Suitable for malting		98			98

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	145.2	(132)	EC only
Malting barley	137	(112)	France

3. Additional Information

Annual per capita beer consumption: Per capita consumption has shown fairly wide fluctuations in recent years. It is speculated that the point of saturation has been reached and that the per capita consumption will remain stable at around 85 litres.

	- - litres - -
1981	89.5
1982	81.9
1983	87.5
1984	83.2
1985	84.4

Beer production capacity: Although information on the total beer production capacity is not available, beer brewers allegedly are quite flexible in quickly adjusting capacity according to demand.

Domestic malting capacity: Capacity has expanded quickly in the past years.

Malt exports:	1983	43,600
	1984	35,000
	1985	63,700

Market potential: Probably non-existent but spot sales of malting barley should not be ruled out.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds -	none
	Crude Oil -	10%
	Oilseed meal -	none
	Refined oil -	15%

Import/export structure: All transactions are handled by the private trade.

Additional factors: The oilseed market is influenced by many factors including the EC policy for rapeseed and sunflower seed, subsidization policies in exporting countries (especially Argentina, Brazil, Malaysia), EC oilseed production, EC dairy intervention policy and fluctuations in the value of the US dollar.

2. Supply of oilseeds and products by type, thousands of tonnes
Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed	30.6	201.4	12.7
Soybeans		2,750.1	73.2
Sunflower seed		342.9	3.4
Other	-	21.6	6
TOTAL	30.6	3,316	89.9

<u>Oil</u>	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
	Domestic	Imports	Crude	Refined	Crude	Refined
Rapeseed	8.2	73.8		94.9		103
Soybean oil		478.5		48.1		338.8
Sunflower seed oil		154.9		92.8		189.8
Other		5.2		454.1		221.9
TOTAL	8.2	712.4		689.9		853.9

<u>Meal</u>	Production		Imports	Exports
Rapeseed	12.2	109.2	323.6	84.5
Soybean		2,098.5	1,731.8	1,682.6
Sunflower		198.2	295.5	168.3
Other		11.8	1,251.1	66.9
TOTAL	12.2	2,417.7	3,602.0	2,002.3

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	851 (1,131)	200 (151)	1,448 (1,311)	2,499 (2,593)
Durum wheat	1	(1)	4 (7)	5 (8)
Flour/Semolina			166 (136)	166 (136)
TOTAL	851 (1,131)	201 (152)	1,618 (1,454)	2,670 (2,737)

*of which spring wheat 38

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal	Plant					
Wheat	660 (680)	4 (4)	28 (29)	314 (377)	207 (200)	1,213 (1,290)	
Durum wheat				4	1	5 (7)	
Flour Semolina	1,116 (1,065)		336	(375)		1,452 (1,440)	
TOTAL	1,116 (1,065)	4 (4)	28 (29)	654 (758)	208 (201)	2,670 (2,737)	

Industrial Use: Distilled beverages

Export Destination: EEC Middle East (wheat and starch)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash 15 (28) 166 (193) 1,232 (1,084) 33 (6) 1,448 (1,311)

FLOUR (including semolina)

Cash/comm. credit

TOTAL 1 (1) 162 (135) 3 166 (136)

Principal "Others" (Specify countries):

** Including non-EC product imported from EC country (or countries) for 1985/86 year

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	4 (1)	80 (80)	2,198 (2,241)	2,282 (2,322)
Barley	197 (192)	45 (45)	607 (533)	849 (770)
Sorghum	58 (58)	2 (2)	22 (50)	24 (52)
Oats	19 (25)	5 (5)	73 (69)	136 (132)
Rye		10 (4)	48 (46)	77 (75)
TOTAL	278 (276)	142 (136)	2,948 (2,939)	3,368 (3,351)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	50 (50)	1,142 (1,113)	981 (1,010)	25 (24)	54 (45)	80 (80)	2,332 (2,322)	
Barley	12 (13)	492 (435)	194 (229)	9 (11)	54 (37)	45 (45)	806 (770)	
Sorghum	37 (35)	19 (27)	(20)	3 (3)	3 (3)	2 (2)	24 (52)	
Oats	55 (55)	62 (72)	3 (3)	23 (17)	5 (5)	130 (132)	130 (132)	
Rye		4 (3)	2 (2)	5 (5)	10 (10)	76 (75)	76 (75)	
TOTAL	154 (153)	1,719 (1,650)	1,175 (1,259)	39 (40)	139 (107)	142 (142)	3,368 (3,351)	

of which poultry: 50%
Industrial Use? Corn: beer and starch; barley: malt

Export Destination: EEC countries

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			EEC	All Others	TOTAL IMPORTS
	Canada	U.S.A.	Australia			
Corn	16	157 (254)	53 (41)	1,650 (1,898)	338 (32)	2,198 (2,241)
Barley				603 (533)	4	607 (533)
Sorghum				20 (48)	2 (1)	22 (49)
Oats				73 (58)	(11)	73 (69)
Rye	6 (3)	(7)		36 (34)	6 (2)	48 (46)
TOTAL	6 (19)	157 (261)	53 (41)	2,382 (2,571)	350 (46)	2,948 (2,939)

Principal "Others" (specify countries) *including non-EC product of unknown origin imported via EC country (or countries)

P O R T U G A L

Economic classification: Middle Income economy			
Oil exporter or importer (net): Importer			
Annual per capita income:	US\$2,520		1981
Annual per capita GDP	US\$2,031		1984
Average annual growth	2.8%		1975-84
Annual inflation rate	22.3%		1975-85
Annual inflation rate (current)	12.3%	OECD estimates	
		April 1986	
Volume of imports	7.24 billion US\$		1984
Of which food	17.3%		1984
Of which fuels	27.4%		1984
Principal foreign exchange earning			
export: Immigrant remittances, tourism			
Debt service as % of GDP	8.9%		1985
Debt service as % of exports	25.0%		1985
Population	10.13 million		1984
Annual population growth	0.67%		1977-84
Annual Consumption:			
Flour	600,000 tonnes	or 58.9 kg/capita	1985 (est)
Meat	564,000 tonnes	or 55.4 kg/capita	1985 (est)
Vegetable Oil*	200,300 tonnes	or 19.7 kg/capita	1985 (est)

* Includes 38,200 tonnes of olive oil

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1986 wheat harvest is expected to increase slightly from 1985 levels. Rye, oats and barley production are estimated to be close to 1985 levels.

<u>Crop</u>	<u>1985 Harvest</u> - tonnes -	<u>1985 Acreage</u> - hectares -	<u>1986 Production (est.)</u> - tonnes -
Wheat	385,000	274,000	392,000
Corn	526,000	330,000	527,000
Barley	94,000	90,000	93,000
Oats	142,000	179,000	143,000
Rye	99,000	122,000	98,000
Rice	147,000	30,000	147,000
Sunflower seed	26,000	38,400	27,000
Safflower seed	1,000	2,000	1,000

2. Foreign Exchange Situation

Portugal has staged a remarkable turn around in its balance of payments situation in the past two years. A deficit of US\$3.2 billion in 1982 was reduced to US\$1.6 billion in 1983, US\$623 million in 1984 and a surplus of US\$250 million in 1985. The picture for 1986 is good, although export growth has slowed. Imports in dollar terms are down significantly due to low fuel prices and

2. Foreign Exchange Situation (cont'd)

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

3. Fertilizer Situation

Because of an increase in price in 1985, fertilizer consumption declined by about 16% to an estimated 795,000 tonnes. Production increased by 8% to over one million tonnes. Exports increased by 164% to 215,000 tonnes while imports declined by 31% to 68,500 tonnes. Some 60% of fertilizer consumed is used on grain crops (30% on wheat and the remaining 30% on all other grains including rice).

4. Import Mechanism

With EEC membership, Portugal has had to liberalize cereal imports in 1986. A minimum of 20% of cereal import requirements (1985 base) must be imported by the private sector and not via the former state import monopoly EPAC. Tonnages specified for private import in 1986 are 471,000 tonnes of cereals and 24,000 tonnes of rice. In 1987 the share will increase to 40%, in 1988 to 60%, etc. It was initially believed that EPAC would be able to compete for this private share, however in a recent opening of a tender for the private import of 70,000 tonnes of corn the Portuguese Ministry of Agriculture excluded EPAC from participation. It is clear that EPAC will remain a major player but it is also apparent that the role of private importers will grow as they gain direct experience in the market. Tenders for cereal requirements are issued on a regular basis (usually several times/week) for boat load quantities. EC variable levels apply to imports from third countries.

5. Grain Industry Infrastructure

Notwithstanding our comments in last year's report, the new Portuguese grain terminal at Tragaria is not yet operational. The target opening is Aug/Sep 1986. It will be able to unload 27,000 tonnes/day (into 200,000 tonnes storage capacity) directly from vessels and will operate in conjunction with EPAC's other Lisbon facility at Beato which can unload 2,000 tonnes/day (120,000 tonnes storage capacity). Under present circumstances due to limited draught at Beato, 40% to 50% of each vessel load is transferred by barge to 5 privately owned plant terminals outside of Lisbon on the coast (4 flour mills, 1 feed mill). The remaining tonnage is transported directly to Beato for off-loading. Rail and road transport move the grain to some 114 private mills (38 flour and 76 compound feed) located in the south and centre of the country. In addition, slightly more than 1/3 of grain imports arrive at the EPAC facilities in the Port of Leixoes from where it is transported to 48 mills in the north of the country (22 flour and 26 compound feed).

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

An additional 60,000 tonnes of storage capacity was built at Beato.

5. Grain Industry Infrastructure (cont'd)

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

6. Government Policies Affecting Grain and Agriculture

Producer prices for cereals are still substantially higher than EEC support prices and this will be continued. Nevertheless, production of cereals will still fall short of demand and hence imports will be required. Due to market factors (alternatives) there has been a shift from use of corn for feed to other materials (manioc and barley). Therefore, corn may not be able to regain its former position. As part of its EEC commitment Portugal must buy 15% of its cereal imports from EC countries. This will result in some change to import patterns.

Due to import liberalization resulting from EEC membership, Portugal and EPAC have stopped exclusive import arrangements from the U.S.A. As a consequence, although levels must be paid to EEC, EPAC has in the first half of 1986 purchased over Cdn\$20 million worth of wheat and barley from Canada. This represents a significant market breakthrough. Opportunity exists under EEC regulations for canola seed.

The question of barter or countertrade is only just beginning to be discussed and is not very clearly understood by officials or industry.

7. Market Prospects - Grains and Oilseeds

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

Some potential appears to exist for Canadian canola, however, Portuguese awareness of the differentiation between it and rapeseed is minimal. A more aggressive promotional stance would assist in making canola known and educating oil crushers of the advantages to be offered. As a further step more detailed technical promotion could be undertaken in Portugal if circumstances warranted by way of a technical mission/seminar approach.

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

8. Processing Facilities

	Year 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	80	83	3.2**	710
Compound Feed Mills	90	100	2.0**	2,578
Maltsters	1	1	50.0	42.2
Brewers*	2	6	4.67	3.8
Oilseed Crushers	N/A	40	1,500	1,180

* Capacity and output in million hectolitres

** hourly capacity.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1985 -- thousands of tonnes --	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Lisbon	260	1,850
Leixoes	100	900
Ponta Delgada and Angra do Heroismo	25.2	90
Funchal		55
Total Capacity	385.2	2,895 (est.)

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	94.0				94.0
Suitable for malting	38.6				38.6

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	8.0	(0)	France
Malting barley	14.4	(21.0)	Spain

3. Additional Information

Annual per capita beer consumption: Increased slightly from 35.5 litres in 1984 to 36.7 litres in 1985.

Beer production capacity: Capacity is currently well in excess of consumption. Consequently there is no intention to increase capacity. Two breweries exist: Centralcer in Lisbon and Unicer in Porto. Both are state enterprises.

Domestic malting capacity: Remains constant with one malt plant operated by Centralcer having a throughput potential of 62,000 tonnes of barley to produce 50,000 tonnes of malt. No expansions are anticipated as existing capacity is not fully utilized.

Malt exports: None.

Market potential for Canadian malt: In light of the domestic producing capacity and competition from EEC countries (notably France) there is little prospect for penetration of Canadian malt in this market.

III. OILSEEDS

1. Trade Policy

Import Tariffs:

Oilseeds: Tariff item 12.01 - duty free

Crude oil: Tariff item 15.07 - olive oil 20%
- soyabean oil 35%
- sunflower oil 35%

Oilseed meal: Tariff item 23.04 - 6.1%

Refined oil: Tariff item 15.07 - olive oil 20%
- soyabean oil 40%
- sunflower oil 40%

Non-tariff import barriers: Due to excessive domestic oil production capacity imports of oil (crude/refined) and meals are discouraged as non-essential. EEC limits have been imposed on Portuguese vegetable oil production and imports of raw materials for the crushing industry.

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

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

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

Year: 1985

<u>Oilseed</u>	Production		Imports		Exports	
Sunflower	26		173			
Soyabeans			863			
Safflower	1		8			
Others			8			
TOTAL	27		1,052			

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Soyabean		151			103	
Sunflower	5	69			2	
Peanut		2			1	
Olive oil	38		3		4	3
TOTAL	43	222	3		110	3

<u>Meal</u>	Production		Imports	Exports
	Domestic	Imports		
Soyabean		694		190
Sunflower	17	139		4
Peanut		1		
TOTAL	17	834		194

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	340.0 (430.0)	115.0 (123.0)	703.0 (535.0)	1,158.0 (1,088)
Durum wheat	22.0 (40.0)	14.9 (16.0)	25.0 (10.0)	61.9 (66)
Flour/Semolina				
TOTAL	362.0 (470.0)	129.9 (139.0)	728.0 (545.0)	1,219.9 (1,154)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption		Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal				
Wheat	933.0 (937.0)	12.6 (1.0)	36.4 (35.0)	176.0 (115.0)*	1,158 (1,088)	
Durum wheat	52.5 (45.1)		1.4 (6.0)	8.0 (14.9)*	62 (66)	
Flour Semolina						
TOTAL	985.5 (982.1)	12.6 (1.0)	37.8 (41.0)	184.0 (129.9)	1,220 (1,154)	

* revised by EPAC

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

WHEAT (including durum)	ORIGIN				TOTAL IMPORTS
	Canada*	U.S.A.**	Australia	Argentina	
Cash	119.0			68.0	187.0
Aid, concessional credit, etc.		541.0 (512.0)		(33.0)	541.0 (545.0)
TOTAL	119.0	541.0 (512.0)		68.0 (33.0)	728.0 (545.0)

* Canadian wheat - CPS 2/CWRS 3
 ** CCC GSM 102 credits - 4-6% Amber Durum Wheat No.3; 37.7% Soft Red Winter No.2 11.5% protein; 57.7% Hard Red Winter No.2 12.5% protein.
 *** French wheat - 11.5/12% protein (similar to US SRW No.2)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	526.0 (483.0)	195.0 (242.0)	1,417.0 (1,504.0)*	2,138.0 (2,229.0)
Barley	94.0 (130.0)	5.0 (8.0)	100.0 (53.0)	199.0 (191.0)
Sorghum		8.0 (31.0)	35.0 (61.0)	43.0 (92.0)
Oats	142.0 (190.0)	31.0 (10.0)		173.0 (200.0)
Rye	99.0 (115.0)	23.0 (10.0)		122.0 (125.0)
TOTAL	861.0 (918.0)	262.0 (301.0)	1,552.0 (1,618.0)	2,675.0 (2,837.0)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Corn	251.0 (250.0)	1,507.6 (1,610.0)	124.4*(119.0)	50.0 (55.0)		205.0 (195.0)	2,138.0 (2,229.0)
Barley	2.9 (2.0)	107.5 (129.5)	53.0**(53.5)	4.1 (1.0)		32.0 (5.0)	199.0 (191.0)
Sorghum		32.9 (84.0)				10.1 (8.0)	43.0 (92.0)
Oats		151.3 (166.0)		5.7 (3.0)		16.0 (31.0)	173.0 (200.0)
Rye	99.0 (99.0)	2.7 (1.0)		2.0 (2.0)		18.3 (23.0)	122.0 (125.0)
TOTAL	352.9 (351.0)	1,801.5 (1,990.5)	177.4 (172.5)	61.8 (61.0)		281.4 (262.0)	2,675.0 (2,837.0)

Of which poultry: 650,000 or 36% (est)

Industrial Use: * malt; ** starch, gluten, grist, oil

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn						
Barley	58	1,314* (1,494)	(16)	103 (10)	42*** (26)	1,417 (1,504)
Sorghum		35** (61)			(11)	100 (53)
Oats						35 (61)
Rye						
TOTAL	58	1,349 (1,555)	(16)	103 (10)	42 (26)	1,552 (1,618)

* 1,200 tonnes GSM 102 credits; 103 tonnes cash

** GSM 102 credits

*** 14.4 thousand tonnes malting barley from Spain and 27.6 thousand tonnes feed barley from UK

S P A I N

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Exporter		
Annual per capita income:	US\$3,655	1985
Annual per capita GNP	US\$4,438	1985
Average annual growth		1975-85
Annual inflation rate	12 %	1975-85
Annual inflation rate	9 %	1986
Volume of imports	28.83 billion US\$	1984
Of which food	12%	1984
Of which fuels	33.4%	1984
Principal foreign exchange earning export: Tourism, machinery, agriculture		
Debt service as % of GNP	5 %	1984
Population	38 million	1984
Annual population growth	0.7%	1980-2000
Annual Consumption:		
Flour	2.74 million tonnes or 72 kg/capita	1984
Meat	2.63 million tonnes or 69 kg/capita	1984
Vegetable Oil	775,000 tonnes or 20 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Northern and Central Spain suffered from a severe drought during most of the year and the wheat crop is very poor as a result. Although the last official estimate was given as 4.1 million tonnes, it is believed that the actual wheat harvest may not have passed 3.9 million, a drop of 1.5 million tonnes compared to 1985. The shortfall in grain, combined with the diminished grazing capacity in northern Spain will increase Spain's need to import grain during the coming months.

Under the recently applied EEC levy system Spain will have to import most of her grain requirements from the Community e.g. France and the U.K. Imports from U.S.A. and Canada will suffer accordingly.

The production of corn, which increased in 1986 was not affected by the drought as it is grown in irrigated areas.

Estimates for the 1986 coarse grain harvest are as follows (1985 figures in brackets):

	<u>Area Planted ('000 hectares)</u>		<u>Production ('000 tonnes)</u>	
Wheat	2,076	(2,024)	4,100	(5,409)
Barley	4,203	(4,108)	7,000	(10,519)
Oats	370	(456)	500	(698)
Rye	225	(247)	250	(294)
Corn	515	(480)	3,250	(2,860)
Sorghum	18	(22)	90	(102)

2. Foreign Exchange Situation

Foreign exchange is available for all types of goods, no priorities are given to imports of food and agricultural products.

3. Fertilizer Situation

In line with EEC policy the Spanish Government will reduce subsidies for fertilizers by about 35%. However, there was recently a drop in the price of raw materials and in production costs, so the final prices of fertilizers to the farmer are expected to change very little. Estimates for fertilizer consumption in 1985 are as follows, (1984 figures in brackets):

	<u>Million tonnes</u>	
Nitrogen (N)	- 930,000	(871,100)
Phosphate (P205)	- 420,000	(428,000)
Potash (K20)	- 260,000	(277,183)

4. Import Mechanism

All the major international grain trading companies are represented in Spain. The previous structure of SENPA has disappeared but the organization remains as an EEC service to control stocks, etc. Wheat importation is now free except for a quota of 175,000 tonnes from France. There are no limits on feed wheat imports which are supplied mainly from the U.K. Imports from non-EEC countries must pay high import levies which are constantly being adjusted.

5. Grain Industry Infrastructure

Cargill, Continental and Dreyfus are the multinationals actively operating in Spain plus one Spanish company, Transafrica, Madrid. Spain's adhesion to the EEC has increased the number of consumers in the community by 38 million which has prompted some European firms to open offices in Spain, e.g. Italgrain. (Italy), Toepfer, (Hamburg).

6. Government Policies Affecting Grain and Agriculture

The trade in all types of grains in Spain was freed on March 1, 1986. On the same date the EEC variable levy system came into force and in future this will be the principal barrier to imports of wheat and grain from Canada and other countries outside the EEC. Spanish domestic prices for wheat and corn have risen substantially; the domestic production of barley is expected to fall and durum wheat acreage could increase.

The EEC has a monopoly in the grain sector so in future EEC interests will be given priority.

So far as we know, there are no barter or countertrading arrangements related to grain or oilseeds in Spain.

7. Market Prospects - Grains and Oilseeds

Due to the uncertainty of growing conditions in Spain no serious long range projections on consumption or imports can be made.

There continues to be a good market in Spain for lentils, canary seed and beans.

8. Processing Facilities

Year: 1984

- - thousands of tonnes - -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	514	564	5,000	3,800
Compound Feed Mills	-	620	n/a	12,500
Maltsters				
Brewers*	23	37	-	22
Oilseed Crushers				1,130

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1984 (most recent)

- - thousands of tonnes - -

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

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley		n/a		n/a	7,000
Suitable for malting		5,000		Nil	

2. Imports, Calendar year 1985 estimated, previous year in brackets:

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

3. Additional Information

Annual per capita beer consumption: Beer consumption in Spain rose to 61.5 litres per capita in 1985, an increase of 8%. Total beer production rose by 7%, to 23,353,194 hectolitres.

Beer production capacity: Has been stationary up to the present but EI Aguila will stop production in 3 plants, i.e. Mérida, Alicante and Cartagena early 1987, and convert them into distribution centres for Heineken (Holland). The latter has had a controlling interest in EI Aguila since 1984.

Domestic malting capacity: In 1985 the number of beer production companies was 23 with a total of 37 breweries.

Malt exports: There is no Spanish malt available for export.

Market potential for Canadian malt: Some 14,000 tonnes are imported into Spain annually, mostly from West Germany and Czechoslovakia.

III. OILSEEDS

1. Trade Policy

Import tariffs: Tariff Heading

Oilseeds: 12.01. BIII Soyabeans, EEC 0.4%, TC* 1.2%, + 6% VAT
 12.01. BVI Flaxseed, free all sources, + 6% VAT
 12.01. BVIII Sunflower, 3.7% all sources, + 6% VAT

Crude oil: Crude oils are not imported into Spain.

Oilseed meal: 12.02.A Soyabean meal 12.7% from all sources, + 12% VAT
 12.02 BI Flax/Cotton meal 2% from all sources, + 6% VAT

Refined oil: Refined oils are not imported into Spain.

* TC = Third Countries (includes USA and Canada).

1. Trade Policy (cont'd)

Import/export structure: Trading is carried out by private firms.

Additional factors: Spanish crushing plants are allowed to import unlimited quantities of soybean 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 remaining oil must be re-exported.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Sunflower	915.3		
Safflower	14.8		
Soybean	4.9	2,497.8	
Rapeseed	10.0		
TOTAL	945	2,497.8	

<u>Oil</u>	Production		Imports		Exports	
	(Domestic)	(Imports)	(Crude)	(Refined)	(Crude)	(Refined)
Sunflower	375.5	10				
Safflower	5.3					
Soyabean	0.9	950				207.3
Rapeseed	4.0					
Olive	645.8					226.0
Others	51.6					1.0
TOTAL	385.7	460				434.3

<u>Meal</u>	Production		Imports		Exports	
	(Domestic)	(Imports)	(Crude)	(Refined)	(Crude)	(Refined)
Sunflower	385.0					
Safflower	8.9					
Soybean	3.9					
Rapeseed	5.8					
TOTAL	403.6					

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

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

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	3,800 (5,080)	303 (463)	232 (143)	4,335 (5,686)
Durum wheat	300 (320)			300 (320)
Flour/Semolina				
TOTAL	4,100 (5,400)	303 (463)	232 (143)	4,635 (6,006)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption	Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat					51		51
Durum wheat					4		4
Flour Semolina					85		85
TOTAL	3,372 (4,020)	681 (863)	20 (23)	320 (400)	140 (23)	102 (677)	4,635 (6,006)

Export Destination? African states, S. America

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Wheat (including durum)							
Cash	1			(96)	210 (47)	21	232 (143)
Flour (including semolina)							
Total				(96)	210 (47)	21	232 (143)

Principal "Others" (specify countries): Bulgaria

(B) COARSE GRAINS

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

	Production		Carry-in, July		Imports		Total Supply	
Corn	3,250	(2,860)	261	(280)	3,857	(2,712)	7,368	(5,852)
Barley	7,000	(10,300)	1,500	(1,115)	2	(215)	8,502	(11,630)
Sorghum	90	(102)	2	(4)	0	(200)	92	(306)
Oats	500	(710)	20	(218)			520	(928)
Rye	250	(290)	1	(1)			251	(291)
TOTAL	11,090	(14,262)	1,784	(1,618)	3,859	(3,127)	16,733	(19,007)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other		Exports	Carry-out	Total		
	Human	Animal		(seed, waste)						
Corn	15	(13)	6,738	(5,059)	500	(500)	15	(15)	7,368	(5,852)
Barley			5,749	(8,230)	1,200	(1,300)	500	(600)	953	(0)
Sorghum			89	(301)	2	(2)	1	(1)	(2)	(2)
Oats			475	(839)			45	(60)	(9)	(9)
Rye			223	(200)			28	(30)	(1)	(1)
TOTAL	15	(13)	13,274	(14,629)	1,702	(1,862)	589	(706)	953	(13)

Export Destination: Lebanon, Saudi Arabia and Malta

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				EEC	All Others	TOTAL IMPORTS			
	Canada	U.S.A.	Australia	Argentina						
Corn	139	(44)			81	(31)	3,857	(2,717)		
Barley	(102)				2	(76)	2	(215)		
Sorghum								(200)		
Oats										
Rye										
TOTAL	139	(146)	2,608	(1,545)	(9)	1,012	(613)	83	(107)	
								17	(707)	
									3,859	(3,127)

UNITED KINGDOM

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Exporter - £7 billion	
Annual per capita GDP	US\$7,495	1984
Average annual growth	2%	1975-85
Annual inflation rate	12%	1975-85
Annual inflation rate	2.5%	1986
Volume of imports	86 billion US\$	1985
Of which food	11%	1985
Of which fuels	13%	1985
Principal foreign exchange earning export:	oil	
Debt service as % of GNP	5%	1983
Debt service as % of exports	26%	1983
Population	56.5 million	1985
Annual population growth	0%	1974-84
Annual Consumption:		
Flour	3,490,000 tonnes or 61.7 kg/capita	1985-86
Meat	3,768,550 tonnes or 66.7 kg/capita	1985
Vegetable Oil	11.5 kg/capita	1985 (est)
Margarine	7.3 kg/capita	1985 (est)

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat: The 1986 planted acreage is estimated to be 1,990,000 hectares. Preliminary production estimates are 14,600,000 tonnes (22% increase from the 1985 crop).

Rape/Canola: 1986 crop production is predicted to be 900,000 tonnes versus 820,000 tonnes last year. Some 50-70,000 hectares of the winter sown varieties had to be ploughed down, with much of this being resown to spring varieties.

Linseed: Seeded acreage has doubled to 17,000 hectares and production is estimated to be 33,000 tonnes.

Barley: Seeded acreage for 1986 is estimated to be 1,930,000 hectares.

Oats: 1986 planted acreage is 101,900 hectares (down 23% from 1985).

Total coarse grain production for 1986 is estimated to be up 12% to 11,200,000.

2. Foreign Exchange Situation

Official currency reserves stood at US\$8.19 billion in May 1986.

3. Fertilizer Situation

Fertilizer availability is not a limiting factor in the U.K. at present, however, nitrogen quotas have been mentioned in relation to curbing cereal production under the Common Agricultural Policy (CAP) of the European Economic Community (EEC).

Estimates for 1984/85 fertilizer consumption on an actual nutrient basis are:

Nitrogen	1,580,646 tonnes
Phosphate	470,574
Potash	542,970

4. Import Mechanism

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

5. Grain Industry Infrastructure

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

6. Government Policies Affecting Grain and Agriculture

A small coresponsibility levy has been introduced under the CAP as a first step in curbing grain production within the EEC. Other measures under consideration include 'set-aside' and nitrogen quotas, but rapid curbs in production are unlikely to be acceptable to the EEC as a whole. Milk quotas were introduced two years ago under the CAP and the dairy sector has stabilized. It appears that there will be a reduction in EEC support for beef production as intervention stocks are rising. For the first time the EEC has set an upper limit on rapeseed production, but this limit will not be reached this year. However, changes are underway with regard to acceptable levels of glucosinolate in rape.

7. Market Prospects - Grains and Oilseeds

A report entitled the Next Five Years published by the Ministry of Agriculture in 1983 suggested that the need for significant quantities of third country wheat is expected to continue although home grown wheat is likely to claim a larger share of the grist in the future. Following the poor harvest of 1985, imports of wheat and barley were substantially up but this is only a temporary up-turn in the overall downward trend.

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

Mustard seed imports from Canada have been rising. The health food sector is buoyant so lentils and red kidney beans appear to have a good market, while pea beans continue to have a substantial place in the canned markets. There is some interest in the buckwheat for the health food trade and triticale.

8. Processing Facilities

Year: 1984/85

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	51	98	3,900	3,670
Compound Feed Mills	300	450	N/A	10,742
Maltsters	N/A	50	N/A	
Brewers (majors - 1984)	74	128	N/A	
Oilseed Crushers	7	7	1,970	1,200

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tilbury	100	2,200
Seaforth	132	1,500
Bristol	129	202
Forth	53	250
Clyde	150	800
Belfast	96	1,000
Lowestoft	13	300

Note: Ipswich and Southampton ports are used exclusively for export.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	5,844	3,896			9,740
Suitable for malting	785	525			1,310*

* actually used for malting

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	60	(43)	Germany, Denmark
Malting barley	112	(108)	France, Denmark

3. Additional Information

Annual per capita beer consumption: Beer consumption declined 2% in 1984/85 compared with the previous year.

Beer production capacity: Beer production capacity is static. Output is down 11%.

Domestic malting capacity: Appears to be static at present. Malt production in 1984/85 was 9% below the average of the previous four years.

Malt exports: In 1984/85, malt exports were 256,900 tonnes which was down 25% from previous season. Partly due to foreign exchange shortages with such major buyers as Brazil, Nigeria and Venezuela.

Market potential for Canadian malt: No market potential as imports are from within the EEC.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: None
 Crude Oil: For technical or industrial use - generally 5%
 For edible purposes - generally 8%
 Oilseed Meal: Soya - 7%*
 Others - None*
 Refined Oil: Generally - 15%

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

OILSEEDS cont'd

Import/export structure: Private importers

Additional factors: EEC production subsidies for rapeseed, sunflower seed and flaxseed are encouraging community self-sufficiency in oils. Polish rapeseed has been entering the market cheaply this year.

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

year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed & Canola	820	59	294
Soyabeans	-	524	-
Sunflower	-	69	1
Groundnut shelled	-	88	1
Other	15	108	1
TOTAL	835	848	297

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Rape/Canola	217	263	12	52	10	2
Soyabean	112	63	91	41	1	2
Sunflowerseed	44	24	21	16	-	1
Palm	175	-	161	57	2	1
Other	113	75	107	20	3	16
TOTAL	661	425	392	186	16	22

<u>Meal</u>	Production		Imports	Exports
	Domestic	Imports		
Rape/Canola	380		76	10
Soyabeans	320		1,240	11
Linseed	29		108	2
Other	80		407	10
TOTAL	809		1,831	33

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	11,860 (14,957)	4,175 (838)	1,945 (992)	17,985 (16,786)
Durum wheat	20 (60)		20 (45)	40 (115)
Flour/Semolina	4,881 (4,814)	340 (364)		5,221 (5,178)
TOTAL	16,761 (19,831)	4,515 (1,202)	1,975 (1,037)	23,246 (22,079)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	5,060 (4,840)	4,990 (4,866)	100 (100)	595 (580)	^{1/} 6,395 (2,228)	^{2/} 841 (874)	^{2/} 17,985 (16,786)
Durum wheat	40 (50)	(55)					40 (115)
Flour Semolina	4,642 (4,596)		133 (133)		106 (110)	340 (340)	5,221 (5,178)
TOTAL	9,752 (9,486)	4,990 (4,921)	233 (233)	595 (580)	^{2/} 6,501 (2,338)	^{2/} 1,181 (1,214)	^{2/} 23,246 (22,079)

Industrial use: starch

1/ exports and intervention ^{2/} plus intervention stocks of 3,299

Export destination: Netherlands, W. Germany, Italy

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash	700 (705)	25 (82)	200	1,050 (192)	(4)	1,975 (983)
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FLOUR (including semolina)

Cash/comm. credit

(B) COARSE GRAINS

SUPPLY 1985/86 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		120 (80)	1,510 (1,612)	1,630 (1,692)
Barley	9,615 (11,055)	1,245 (584)	197 (85)	11,057 (11,724)
Sorghum				
Oats	590 (516)	22 (21)	15 (7)	627 (544)
Rye	36 (28)	4 (5)	11 (11)	51 (44)
TOTAL	10,241 (11,599)	1,391 (690)	1,733 (1,715)	13,363 (14,004)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	325 (350)	200 (250)	850 (965)		5 (7)	250 (120)	1,630 (1,692)
Barley	1,600 (1,781)	4,285 (4,530)		465 (478)	4,362 (3,690) ^{1/}	345 (333) ^{2/}	11,057 (11,724) ^{3/}
Sorghum							
Oats	145 (145)	415 (337)		47 (40)		20 (22)	627 (544)
Rye	22 (22)	24 (17)		1 (1)		4 (4)	51 (44)
TOTAL	2,092 (2,298)	4,924 (5,134)	850 (965)	513 (519)	4,367 (3,697)	619 (479)	13,363 (14,004)

Of which Poultry: 5%

Industrial Use: Starch

Export Destination: Belgium, West Germany, Italy

1/ includes intervention stocks 2/ plus 912 intervention stocks 3/ includes intervention stocks

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>		
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>	<u>All Others</u>
Corn		544 (459)		37	836 (961)	93 (192)	1,510 (1,612)
Barley					124 (85)	73	197 (85)
Sorghum							
Oats					15 (7)		15 (7)
Rye					11 (11)		11 (11)
TOTAL		544 (459)		37	986 (1,064)	166 (192)	1,733 (1,715)

WEST GERMANY

Economic classification:	Industrial Market	
Oil exporter or importer (net):	Importer	
Annual per capita income:	DM\$23,177	1985
Annual per capita GNP	DM\$29,642	1985
Average annual growth	7.2%	1975-85
Annual inflation rate	3.9%	1975-85
Annual inflation rate	0.5%	1986
Volume of imports	464.0 billion DM\$	1985
Of which food	12.5%	1985
Of which fuels	19.2%	1985
Principal foreign exchange earning export:	Cars, machinery, chemicals, etc.	
Population	61.0 million	1985
Annual population growth	0%	1984-85
Annual Consumption:		
Flour	3.96 million tonnes or 64.9 kg/capita	1984-85
Meat	6.10 million tonnes or 100.6 kg/capita	1985
Vegetable Oil	0.33 million tonnes or 5.4 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Total 1986 grain crop (1985 all time record crop figures in brackets) (in millions of tonnes): Total production 25.56 (25.91); wheat 10.4 (9.9); rye 1.8 (1.8); barley 9.4 (9.7); oats 2.3 (2.8) and corn 1.3 (1.2). The total grain acreage slightly decreased to 4.8 from 4.9 million hectares, average yields of 53.1 qph remained equal to 1985 levels. The quality of soft wheat is reported to be better than last year's results; protein 13.1 (1985: 12.3), sedimentation 36 (31). A preliminary review of this fall's planting intentions indicates an increase of both winter wheat (+1%), rye (+6%), and rapeseed (+33%), whereas winter barley will slightly drop by 2%. The considerable expansion of the rapeseed area again underlines the trend away from surplus grains to not yet surplus areas. Total rapeseed production in 1986 is estimated at 956,000 tonnes (1985: 803,000 tonnes) with average yields of 31.2 qph vs. 30.2 qph in 1985. Planted acreage in 1986 was 307,000 hectares.

Source: German Federal Ministry of Agriculture, Bonn 1986

2. Foreign Exchange Situation

The foreign exchange situation presents no problems for West Germany.

3. Fertilizer Situation

Disposition of fertilizer in 1984/85 reached following levels (1983/84 in brackets) thousands of tonnes:

	<u>Nitrogen</u>	<u>Phosphate</u>	<u>Potash</u>	<u>Lime</u>
Total Disposition	1,452 (1,378)	733 (745)	968 (1,014)	1,287 (1,505)
In kilo/hectare	120.5 (114.1)	60.8 (61.7)	82.0 (83.9)	100.2 (124.7)

4. Import Mechanism

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

5. Grain Industry Infrastructure

There are no significant changes in the German grain industry affecting the import potential of Canadian grains.

6. Government Policies Affecting Grain and Agriculture

The West German government favours grain production thresholds with income alternatives for farmers in grain surplus areas within the EC common agricultural policy (CAP) and supplemented by national measures. The production of protein plants (peas, beans), oilseeds and durum is encouraged. Set-aside acreage programs and early retirement incentives are offered. While Germany clearly appreciates the budget restraints of high intervention, storage and export refund costs, a further 'consolidation' of grain substitute imports is supported that should guarantee high domestic grain consumption without adding to the present problems of the agricultural/industrial trade.

The long-term effects of the CAP on the Canadian grain export potential in the EC are obvious. Self-sufficiency and overproduction in major grains, both quantity and quality-wise, including the EC import protection system and the increase of EC grain intervention stocks, now jeopardize (at high export refunds) Canada's traditional (non-EC) world grain market share.

There is no countertrade or barter relating to grains and oilseeds imports.

7. Market Prospects - Grains and Oilseeds

The federally financed agricultural research institute FAL in Braunschweig and the economics departments of certain universities with agricultural faculties are attempting to forecast medium and long term grain import projections. Moreover, the EC Commission in Brussels does respective research on the community level. In regard to oilseeds, especially rapeseed, recent EC production thresholds indicate saturation limits. There will be, however, still potential for levy free imports of third country oilseeds, particularly in double zero quality.

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

8. Processing Facilities

Year: 1984/85

	millions of tonnes			
	<u>Number of Companies</u>	<u>Number of plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills		688	6.3	5.4
Compound Feed Mills		800	17.5	16.6
Maltsters		49		1.33
Brewers*		1,200		93.3
Oilseed Crushers		18		5.0

* capacity and output in million hectolitres

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

	- - millions of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley					9.4
Suitable for malting			Summer barley approx.		1.5

2. Imports*, year 1985/86 estimated, previous year in brackets

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	259 (269)	France, Benelux, UK, CSSR
Malting barley	403 (531)	France, Denmark, Benelux

* Does not include imports from East Germany (GDR), which account in 1985 for some 9,400 tonnes of malt and approx 130,000-160,000 tonnes of malting barley.

3. Additional Information:

Annual per capita beer consumption: 1985 - 145.5 litres; 1984 - 144.7 litres; 1983 - 148.7 litres.

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

Domestic malting capacity: Stagnating

Malt exported: German malt exports in 1985/86 increased to 170,800 tonnes vs. 1984/85 level of 151,700 tonnes. Main customers are Japan, Switzerland, Venezuela, Nigeria.

Market potential for Canadian malt: Domestic malt consumption of 1.6 million tonnes (1985) is covered by approx 1.33 million tonnes of domestic production and 0.26 million tonnes of imports. The small share of third country suppliers and the very stringent quality and delivery requirements of German breweries do not represent an attractive long-term export potential for Canadian maltsters.

III. OILSEEDS

1. Trade Policy

Import tariffs: The import trade is subject to the EC oilseeds market regime that provides for imports of rape and sunflowerseed and oilcakes thereof neither duties nor import levies. Duties on rape and sunflower oils are GATT bound and amount to 10% (crude oil) and 15% (refined oil) for the manufacturing of foodstuff and 5 and 8% respectively for industrial and technical purposes.

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

Import/export structure: Via private importers. The Canola Council of Canada is fully aware of German import procedures.

Additional factors: The considerable increase of both domestic and EC oilseeds production (partly surpassing EC guarantee thresholds) will in longer terms limit the third country import potential by quantity. As to quality, farmers are encouraged to grow more double zero varieties. German imports of oilseeds (1985: 4.9 million tonnes) almost reached previous years levels. The main factors contributing were the repair of the Hamburg oil mill and attractive prices with rapeseed accounting for one quarter of the raw material processed in FRG. Imports of soybeans from Brazil increased by 600,000 tonnes, while Argentina went down by 100,000 tonnes with the U.S.A. remaining at 1.6 million tonnes unchanged.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed	803	1,146	86
Soya		2,890	9
Sunflower		439	
Linseed		264	
TOTAL	803	4,953	105

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Rapeseed	678		59		427	
Soya	511		120		245	
Sunflower	182		104		116	
Linseed	87		14		68	
TOTAL	1,498		527		930	

<u>Meal</u>	Production	Imports	Exports*
Rapeseed	1,005	248	268
Soya	2,243	2,904	1,239
sunflower	209	378	115
maize germ		419	
TOTAL	3,712	4,940	1,731

* does not include exports to East Germany (GDR) of 786,000

Processing of domestic oilseed production, (i.e. rapeseed only, was 567,000 tonnes (1985).

Source: West German oilmilling industry association: Bonn 1986

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets (crop year August/July):

	<u>Production</u>	<u>Carry-in July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,300 (1,204)	207 (242)	1,756 (2,152)	3,263 (3,598)
Barley	9,400 (9,690)	1,626 (817)	1,004 (1,338)	12,030 (11,845)
Sorghum			44 (31)	44 (39)
Oats	2,300 (2,807)	443 (255)	87 (122)	2,830 (3,184)
Rye	1,800 (1,821)	918 (470)	56 (143)	2,774 (2,434)
TOTAL	14,800 (15,522)	3,194 (1,784)	2,947 (3,794)	20,941 (21,100)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	590 (590)	1,500 (1,430)	450 (452)	60 (86)	510 (656)	225 (207)	3,335 (3,421)	
Barley	25 (24)	6,750 (6,536)	2,060 (2,060)	540 (546)	880 (1,004)	1,760 (1,626)	12,015 (11,796)	
Sorghum	44 (39)						44 (39)	
Oats	135 (136)	2,000 (2,428)	36 (37)	180 (170)	20 (32)	350 (443)	2,685 (3,209)	
Rye	960 (933)	700 (606)		120 (121)	120 (20)	926 (918)	2,862 (2,635)	
TOTAL	1,754 (1,722)	10,950 (11,000)	2,546 (2,549)	900 (923)	1,530 (1,719)	3,261 (3,194)	20,941 (21,100)	

Of which poultry: approx. 20%. Export destination: EC, USSR, Arabian countries
Industrial use: Starch, malting, chemicals

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn		284 (495)		141 (151)	1,032 (962)	1,537 (2,152)
Barley	(6)		1 (16)		1,002 (802)	1,004 (1,338)
Sorghum		8 (9)	1	21 (15)	11 (11)	44 (39)
Oats					87 (84)	87 (122)
Rye					56 (143)	56 (143)
TOTAL	(6)	292 (504)	2 (16)	162 (166)	2,188 (2,002)	2,728 (3,794)



PART II
WESTERN EUROPE (NON-EC)



A U S T R I A

Economic classification: Industrial Market economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$14,190	1985
Annual per capita GDP	US\$ 8,773	1985
Average annual growth	2.5%	1975-85
Annual inflation rate	5.6%	1975-85
Annual inflation rate	3.2%	1986
Volume of imports	26.9 billion US\$	1985
Of which food	7.0%	1985
Of which fuels	14.8%	1985
Principal foreign exchange		
earning export: machinery, transport equipment, tourism		
Debt service as % of GDP	5.1%	1985
Debt service as % of exports	12.7%	1985
Population	7.5 million	1985
Annual population growth	0.2%	1980-2000
Annual Consumption:		
Flour (wheat/rye)	486,000 tonnes or 64.8 kg/capita	1984-85
Meat (incl poultry)	648,000 tonnes or 86.5 kg/capita	1984-85
Vegetable Oil	113,250 tonnes or 15.1 kg/capita	1984-85

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Production figures 1985/86, previous year in brackets:

<u>Grain</u>	<u>Acreage</u> (000 hectares)	<u>Harvest</u> (000) tonnes	<u>Yield/Hectare</u> in 100 kilos
Winter wheat	296.2 (292.8)	1,466.0 (1,411.4)	49.5 (48.2)
Summer wheat	23.5 (22.2)	96.7 (89.5)	41.0 (40.2)
Winter rye	88.1 (89.4)	338.7 (365.8)	38.4 (40.9)
Oats	75.2 (91.9)	283.8 (297.1)	37.7 (32.3)
Winter barley	81.2 (79.9)	379.3 (398.1)	46.7 (49.8)
Summer barley	252.8 (248.6)	1,142.0 (1,118.8)	45.2 (45.0)
 <u>Other</u>			
Corn	207.7 (206.7)	1,726.6 (1,542.0)	83.1 (74.6)
Oil-pumpkins	4.3 (4.1)	201.4 (183.4)	466.5 (444.0)
Sunflower/for oil	0.2 (0.04)	0.4 (0.1)	20.8 (21.4)
Rape/colza	6.3 (4.7)	17.2 (12.3)	27.3 (25.9)
Green peas	1.3 (1.4)	11.9 (12.4)	N.A. (87.7)
Green beans	0.8 (0.8)	12.1 (11.9)	N.A. (140.8)
Poppy	0.2 (0.4)	0.2 (0.4)	9.6 (8.8)

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 to East Europe. There are no priorities for food imports.

3. Fertilizer Situation

Fertilizer use in 1985, (1984 in brackets) thousands of tonnes:

nitrogen	378	(328)
phosphate	98	(102)
potash	49	(47)
comound (NPK)	575	(496)

4. Import Mechanism

Import: Ministry of Agriculture issues public tenders.

Export: Through bilateral agreements without tenders or private organizations.

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

5. Government Policies Affecting Grain and Agriculture

The Ministry of Agriculture is still hoping to cancel or reduce subsidies on grain exports given the escalating cost and the estimated increases in production over the coming years. They are proposing a price-splitting system in lieu, i.e. for domestic sales farmers would obtain for good quality wheat a relatively high income however for export only the world market price. Strong efforts are being made to redirect cultivation towards oilseeds production.

6. Market Prospects - Grains and Oilseeds

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

With regard to special crops, the private trade imported from Canada in 1985 the following (in tonnes): mustard 113.6; lentils 350.3; beans 36.0

7. Processing Facilities

	Year 1985		thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	413		610	593
Compound Feed Mills	250			
Maltsters	3	3		55,140
Brewers*	48	54		8.67
Oilseed Crushers				

* Capacity and output in millions of hectolitres.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1985/86): 1.142 million tonnes

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt (roasted/non-roasted)	4.9 (2.0)	Hungary, CSSR, FRG
Malting barley		

3. Additional Information

Annual per capita beer consumption: 1983/84 - 112.1 litres
1984/85 - 109.8 litres

Domestic malting capacity: 1984 - 140,265 tonnes
1985 - 139,162 tonnes

Malt exports: Thailand - 3,840 tonnes
Nigeria - 1,250 tonnes

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: Rapeseed - free
Crude oil: Linseed, castor, tung, olive - free
Refined oil: Coconut, soybean, cottonseed, groundnut, palm,
palm kernel - 15%

Non-tariff import barriers/export assistance measures: None

Import/export structure: Private companies.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Soybeans		1,260	99.9
Rapeseed		268	7,666
Mustard		162	
Other		14,830	337
TOTAL		16,520	8,102

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	1,510 (1,448)	230 (305)		1,740 (1,753)
Durum wheat	52 (53)	12 (11)		64 (64)
Flour/Semolina				
TOTAL	1,562 (1,501)	242 (316)		1,804 (1,817)

* includes all wheat

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	406 (400)	356 (381)	3 (2)	100 (100)	575 (640)	300 (230)	1,740 (1,753)
Durum wheat	35 (31)		(3)		3 (19)	26 (11)	64 (64)
Flour Semolina							
TOTAL	441 (431)	356 (381)	3 (5)	100 (100)	578 (659)	326 (241)	1,804 (1,817)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,727 (1,542)	80 (77)	2 (15)	1,804 (1,634)
Barley	1,521 (1,517)	25 (15)		1,546 (1,532)
Sorghum				
Oats	284 (292)	5 (4)	3 (10)	292 (306)
Rye	220 (240)	66 (72)		286 (312)
TOTAL	3,752 (3,591)	176 (168)	5 (25)	3,933 (3,784)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	2 (6)	1,412 (1,358)	50 (30)	85 (80)	180 (80)	80 (80)	1,809 (1,634)
Barley		1,041 (1,127)	150 (150)	100 (100)	230 (130)	25 (25)	1,546 (1,532)
Sorghum							
Oats	156 (161)	258 (269)	3 (5)	27 (27)	4	(5)	292 (306)
Rye		4 (29)	2 (3)	(2)	30 (51)	94 (66)	286 (312)
TOTAL	158 (167)	2,715 (2,783)	205 (188)	212 (209)	444 (261)	199 (176)	3,933 (3,784)

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

F I N L A N D

Economic classification: Industrial Market economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$9,400	1985
Annual per capita GNP	US\$11,100	1985
Average annual growth	3.3%	1975-85
Annual inflation rate	10.8%	1975-85
Annual inflation rate	3.3%	1986
Volume of imports	13.1 billion US\$	1985
Of which food	5%	1985
Of which fuels	24%	1985
Principal foreign exchange earning export: Forest products		
Debt service as % of GNP	3.9%	1985
Debt service as % of exports	16%	1985
Population	4.9 million	1985
Annual population growth	0.3%	1975-1982
Annual Consumption:		
Flour	352,800 tonnes or 72 kg/capita	1985
Meat	313,600 tonnes or 64 kg/capita	1985
Vegetable Oil	28,420 tonnes or 5.8 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

<u>Crop</u>	Production ('000 tonnes)	
	1986	1985
Wheat	450	(478)
Oats	1,200	(1,200)
Barley	1,800	(1,854)
Rye	50	(72)

2. Foreign Exchange Situation

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

3. Fertilizer Situation

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

	N	P ₂ O ₅	K ₂ O
1981/82	78.7	26.8	47.5
1982/83	91.4	29.9	53.8
1983/84	91	31	56
1984/85	88.9	30.8	56.5

4. Import Mechanism

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

5. Grain Industry Infrastructure

Total storage capacity of the Finnish State Granary is at present 1.25 million tonnes, which exceeds the target set for the year 1987. The purpose of the increased storage capacity is to build up reserves. This will decrease the need to import grain in the long run.

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 acreages to be sown by the end of this decade: wheat 220,000 hectares, rye 60,000 hectares, barley 600,000 hectares, oats 450,000 hectares and oilseeds 100,000 hectares. Aim is to fill reserves with eventual domestic overproduction. There are no changes expected in the grain consumption habits.

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

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

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

At present, Canada is the main supplier of mustard seed to Finland. In 1983, 555 tonnes out of a total of 661 tonnes. In 1984, 519 tonnes out of 752 tonnes and in 1985 695 tonnes out of 790 tonnes. Occasional sales of whole dried green peas have occurred. Demand for other "special crops" is minimal.

8. Processing Facilities

Year: 1985

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	20	26	600	400
Compound Feed Mills	4	11	-	1,500
Maltsters	2	2	100	100
Brewers*	4	11	3.0	3.0
Oilseed Crushers	2	2	35	33

* Capacity and output in millions of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port Year: 1985 (most recent)
- - thousands of tonnes - -

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

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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		1,800			1,800
Suitable for malting		115			115

2. Imports, Calendar year 1985: None.

3. Additional Information

Annual per capita beer consumption: Beer consumption in 1985 remains stable at 59 litres per capita.

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

Domestic malting capacity: unchanged.

Malt exports: In 1985 Finland exported 40,000 tonnes of malt. Largest buyer was Venezuela 19,000 tonnes, Great Britain 11,000 tonnes and Norway 5,000 tonnes. Smaller amounts were shipped to Brazil and USSR.

Malt and Malting Barley (cont'd)

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

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

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

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

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

Year: 1985

<u>Oilseed</u>	Production	Imports		Exports	
Turnip rape	89				
Soya		123			
Sunflower		7			
TOTAL	89	130			
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Turnip rape	27				2
soya	41				
sunflower	2	2			
palm & cocos		6			
TOTAL	70	8			2
<u>Meal</u>	Production				
Turnip rape	59				
Soya	80				
Sunflower	5				
TOTAL	144				

IV. STATISTICAL NOTES
(A) WHEAT AND DURUM

SUPPLY 1985/86 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 *	472 (478)	535 (454)	75 (77)	1,082 (1,009)
Durum wheat				
Flour/Semolina				
TOTAL	472 (478)	535 (454)	75 (77)	1,082 (1,009)

*of which spring wheat 424 (427)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	302 (294)	95 (45)	59 (60)	45 (55)	20 (20)	561 (535)	1,082 (1,009)
Durum wheat							
Flour Semolina							
TOTAL	302 (294)	95 (45)	59 (60)	45 (55)	20 (20)	561 (535)	1,082 (1,009)

What type of industrial use? Starch, alcohol Export Destination? Tunisia

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash	13 (5)	54 (39)			9 (10)	75 (54)
Commercial Credit						
Aid, concessional credit, etc.						
Total	13 (5)	54 (39)			9 (10)	75 (54)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,854 (1,715)	413 (440)		2,267 (2,155)
Barley	1,218 (1,321)	17 (144)		1,235 (1,465)
Sorghum	72 (92)	42 (51)	31 (17)	145 (160)
Oats				
Rye				
TOTAL	3,144 (3,128)	472 (635)	31 (17)	3,647 (3,780)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	17 (15)	1,150 (1,145)	125 (124)	117 (112)	478 (346)	380 (413)	2,267 (2,155)
Barley	26 (26)	945 (975)		90 (91)	152 (358)	522 (17)	1,235 (1,465)
Sorghum	100 (49)	2 (3)	4 (8)	5 (5)		34 (42)	145 (160)
Oats							
Rye							
TOTAL	143 (90)	2,097 (2,123)	129 (132)	212 (208)	630 (704)	436 (472)	3,647 (3,780)

Of which poultry: 3%

Export Destination: Poland, Bulgaria, Netherlands and USA.

Industrial use: Malting, food

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina	EEC	All Others
Corn						
Barley					(10)	(16)
Sorghum						
Oats	9 (6)				12 (3)	10 (8)
Rye					12 (3)	10 (8)
TOTAL	9 (6)				24 (6)	31 (17)

Principal "Others": Poland, Sweden

MALTA

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Average annual growth	4%	1975-85
Annual inflation rate	10%	1975-85
Annual inflation rate	0.4%	1986
Volume of imports	0.757 billion US\$	1985
Of which food	13%	1985
Of which fuels	11%	1983
Principal foreign exchange earning export:	Tourism, clothing	
Population	0.333 million	1985
Annual population growth:	0.9 %	1980-83
Annual Consumption:		
Flour	33,000 tonnes or 99 kg/capita	1984
Meat	9,500 tonnes or 29 kg/capita	1984
Vegetable Oil	4,000 tonnes or 12 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Local production of grains is minimal. Estimated output in 1985 was 7,000 tonnes of wheat and 4,000 tonnes of barley.

2. Foreign Exchange Situation

Chronic trade deficit. The 1985 balance of payments, government budget and international reserves were all slightly worse than in 1984. Real GDP growth was less than 1% in 1984, and only slightly better in 1985. Tourism earnings increased 8% over 1984 levels.

3. Fertilizer Situation

There is no local production, and imports in 1984 amounted to 921 tonnes of nitrogen, 38 tonnes of phosphate and 1,948 tonnes of compound fertilizers.

4. Import Mechanism

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

5. Grain Industry Infrastructure

Up to now only port facilities were operated by Malta Milling and Grain Handling Company Ltd., VALLETTA, and grain is trucked throughout the islands. New facility at Marsaxlokk is intended to operate as transshipment point for distribution of grain to low-draught North African ports. Through September of 1985, imports of grains were in line with traditional volumes, indicating no increased activity as a result of the new facility.

6. Government Policies Affecting Grain and Agriculture

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

Sale possibilities derived from transshipment operations will depend on management of new facility.

No policy on countertrade/barter, however, Maltese are open to discussion.

7. Market Prospects - Grains and Oilseeds

Canada already exports small amounts of canaryseed, pulses, etc. to Malta.

Traditional sales of special crops have usually been supplied by US. and EC countries.

8. Processing Facilities

Year: 1983 (most recent)
 - - thousands of tonnes - -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	7	7	80	45
Compound Feed Mills	15	15	100	70
Maltsters	-	-	-	-
Brewers	-	-	-	-
Oilseed Crushers	1	1	-	-

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985 (most recent)
 - - thousands of tonnes - -

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

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	4				4

2. Imports, Calendar Year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	1.6 (1.4)	U.K., Czechoslovakia

III Oilseeds

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

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

Year: 1984

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soya	-	2.2	0.7	-	-
Sunflower	-	-	0.3	-	-
Other			0.8		
TOTAL	-	2.2	1.8	-	-

<u>Meal</u>	Production	Imports	Exports
Cottonseed cake		4.0	
Other oilseed meal		0.1	
TOTAL		4.1	

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	8 (8)		45 (35)	53 (43)
Durum wheat				
Flour/Semolina		1 (1)		1 (1)
TOTAL	8 (8)		46 (36)	54 (44)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>			<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>	<u>Industrial</u>			
Wheat	45 (45)				8	53 (43)
Durum wheat						
Flour/Semolina	1 (1)					1 (1)
TOTAL	46 (46)				8	54 (44)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

Wheat (including durum)

Cash 31

Commercial Credit
Aid, concessional
credit, etc.

(35) 15 46 (35)

Flour (including semolina)

Cash/comm. credit
Aid, concessional

1 (1) 1 (1)

TOTAL 31

1 15 47 (36)

Principal "Others" (specify countries): Argentina, Yugoslavia, Bulgaria

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July.1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn				
Barley	4 (4)		46 (30)	46 (30)
Sorghum			35 (25)	39 (29)
Oats			(1)	(1)
Rye				
TOTAL	4 (4)	81 (56)		85 (60)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>		<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>					
Corn		38 (30)				8	46 (30)
Barley		38 (29)				1	39 (29)
Sorghum							
Oats							1 (1)
Rye							
TOTAL		76 (59)				9	85 (59)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>		
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>	<u>All Others</u>
Corn		26			(30)	20	46 (30)
Barley					35 (29)		35 (29)
Sorghum							
Oats							1 (1)
Rye							
TOTAL		26			35 (59)	20	81 (59)

Principal "Others" (Specify countries): Yugoslavia (corn)

NORWAY

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	High income	economy	
Oil exporter or importer (net):	Exporter		
Annual per capita income:	US\$9,019		1982
Annual per capita GNP	US\$13,143		1984
Average annual growth	3.9%		1965-85
Annual inflation rate	8.7%		1975-85
Annual inflation rate (current)	5.5%		1986
Volume of imports	13.8 billion US\$		1984
Of which food	5.1%		1984
Of which fuels	10.3%		1984
Principal foreign exchange earning export:	Crude petroleum		
Debt service as % of GNP	3%		1982
Debt service as % of exports	11%		1982
Population	4.1 million		1985
Annual population growth	0.31%		1975-85
Annual Consumption:			
Flour	298,400 tonnes or 72 kg/capita		1985
Meat	173,600 tonnes or 42 kg/capita		1983
Vegetable Oil	6,420 tonnes or 1.56 kg/capita		1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Total grain crop for 1986 is estimated to be 1,184,000 tonnes, which is 6.9% less than last year.

2. Foreign Exchange Situation

No problems are foreseen in the foreign exchange position.

3. Fertilizer Situation

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

4. Import Mechanism

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

5. Grain Industry Infrastructure

No change.

6. Government Policies Affecting Grain and Agriculture

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

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

7. Market Prospects - Grains and Oilseeds

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

8. Processing Facilities

Year 1985

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

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

** Capacity and output in million of hectolitres.

9. Sotrage and Throughput Capacity

Grain Import Capacity by Port

Year 1985 (most recent)
 - - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Oslo	105.3	361.8
Moss	129.6	242.5
Larvik	93.15	141.5
Skien	30.4	42.5
Kristiansand	18.7	45.3
Stavanger	341.55	755.8
Bergen	38.2	116.0
Floro/Vaksdal/Vestnes	110.6	201.0
Trondheim	127.7	204.4
Steinkjer	31.5	77.7
Balsfjord (troms)	30.0	-
Total Capacity	1,056.7	2,188.5

II. MALT AND MALTING BARLEY

1. Domestic Production of barley 1985/86 estimates: 603,000 tonnes

2. Imports, Calendar year 1985 estimated, previous year in brackets:

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

3. Additional information

Annual per capita beer consumption: In 1975 it was 4.5 litres per capita and in 1984 it was 46.8 litres per capita.

Beer production capacity: Stable or slightly increasing.

Domestic malting capacity: Decreasing since imported malt is cheaper

Malt exports: None.

Market potential for Canadian malt: It depends upon quality and prices.

III. OILSEEDS

1. Trade Policy

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

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

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

Year: 1985

<u>Oilseed</u>	Production	Imports		Exports	
Rapeseed	12.6	3.4			
Total	12.6	3.4			
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Rapeseed	6.4				
Total	6.4				
<u>Meal</u>					
Rapeseed	9.6	80.1			
Total	9.6	80.1			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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 (170)	258 (353)	270 (106)	698 (629)
Durum wheat				
Flour/Semolina	64 (64)	25 (20)		89 (84)
TOTAL	170 (170)	322 (417)	295 (126)	787 (713)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat							
Durum wheat		70 (37)		34 (20)		286 (258)	698 (629)
Flour Semolina						62 (64)	89 (84)
TOTAL	335 (324)	70 (37)		34 (20)		348 (322)	787 (713)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>TOTAL IMPORTS</u>		
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>		<u>Argentina</u>	<u>EEC</u>
<u>WHEAT (including durum)</u>						
Cash	99 (54)	50 (0)		84 (31)	24 (21)	13 0

Principal "Others" (specify countries): Sweden and DDR.

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn		7 (19)	(27)	7 (46)
Barley	604 (658)	248 (214)		852 (872)
Sorghum		(2)		(2)
Oats	495 (581)	187 (98)		682 (679)
Rye	3 (6)	46 (56)	36 (23)	85 (85)
TOTAL	1,102 (1,245)	488 (389)	36 (50)	1,626 (1,684)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn		5 (39)				2 (7)	7 (46)
Barley	3 (3)	564 (558)		93 (63)		192 (248)	852 (872)
Sorghum		(2)					(2)
Oats	10 (10)	486 (450)		49 (32)		137 (187)	682 (679)
Rye	34 (34)	1		2 (5)		48 (46)	85 (85)
TOTAL	47 (47)	1,056 (1,049)	144 (100)	144 (100)	379 (488)	1,626 (1,684)	

Of which poultry: 18%

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn						27 (27)
Barley						
Sorghum						
Oats					6 (1)	4 (22) 36 (23)
Rye					6 (1)	4 (22) 36 (50)
TOTAL						

Principal "Others": DDR.

S W E D E N

Economic classification:	High income	economy
Oil exporter or importer (net):	Importer	
Annual per capita GNP	US\$12,800	1985
Average annual growth	2%	1975-85
Annual inflation rate	8%	1975.85
Annual inflation rate	3.6%	1986
Volume of imports	30.5 billion US\$	1985
Of which food	6.6%	1985
Of which fuels	17.3%	1985
Principal foreign exchange earning export:	Engineering Products	
Population	8.4 million	1985
Annual population growth	+ - 0%	1984-85
Annual Consumption:		
Flour	510,200 tonnes or 61.1 kg/capita	1985
Meat	466,000 tonnes or 56.0 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Crop	1985-86			1986-87	
	Area Sown (000 ha)	Yield/Hectare tonnes	Production (000 tonnes)	Area Sown (000 ha)	Production (000 tonnes)
Winter Wheat	181.6	5.1	920	206.9	1,109
Spring Wheat	95.4	4.4	418	102.9	461
Winter rye	45.8	3.4	157	39.8	153
Spring rye	0.4	-	1	0.4	1
Barley	667.2	3.5	2,309	627.2	2,333
Oats	444.7	3.8	1,668	454.7	1,632
Mixed grains	51.9	2.9	149	44.3	124
Winter rape	52.4	3.2	168	40.0	113
Spring rape	47.3	1.9	91	65.1	121
Winter turnip rape	3.6		4	3.9	7
Spring Turnip rape	64.3	1.7	108	65.5	115
Mustard	0.9	1.5	1	0.9	1

3. Fertilizer Situation

The supply of commercial fertilizers 1984/85 (tonnes):

	<u>Simple Fertilizers</u> ('000) tonnes	<u>Compound Fertilizers</u> ('000) tonnes
Nitrogenous	147,000	106,000
Phosphoric	2,000	42,000
Potassium	2,000	83,000

4. Import Mechanism

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

6. Government Policies Affecting Grain and Agriculture

The Swedish government and the Federation of Swedish Farmers have agreed on a program in order to reduce grain production. Grain producers will be offered compensation for loss of profit if they let their land lie fallow. The compensation will be based on the fertility of the land. The production reduction program is prescribed for the crop year 1987/88, but it can be extended if necessary.

The money paid as compensation to farmers is to be raised through redistribution of funds already within the agricultural price regulation system. No new funds will be allocated to the agricultural sector for this purpose.

The grain production is estimated to be reduced by about 5% in 1987/88 due to the program.

This new agricultural policy is not likely to change Sweden's import requirements for Canadian grain of any kind.

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.

7. Market Prospects - Grains and Oilseeds

The bulk of the marginal Swedish grain imports are via dealers in Hamburg and Rotterdam where ordinary market factors govern the choice of foreign suppliers.

The Swedish market is very ad hoc for field peas and beans (light red kidney beans) depending on the outcome of the local crop. The demand is now increasing moderately for special crops such as North American white beans, lentils and canary seed thanks to the more favourable dollar exchange rate.

8. Processing Facilities

Year: 1984/85 (most recent)
 - - thousand of tonnes - -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	12	21	750	732
Compound Feed Mills	59	79		2,288
Maltsters	2	2	90	73
Brewers*	7	16		3,721
Oilseed Crushers	1	1	250	222

*capacity and output in millions of hectolitres (1983)

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985/86 (most recent)
 - - thousand of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Helsingborg	165	
Norrköping	154	
Djuron	140	
Köping	110	
Västerås	95	
Åhus	85	
Uddevalla	90	
Lidköping	65	
Ystad	65	
Kalmar	55	
Total Capacity	1,750	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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		2,078		231	2,309
Suitable for malting		311		35	349

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	3.88	(3.50)	DDR (E. Germany)

3. Additional Information

Annual per capita beer consumption: The consumption of "light beer" continues to increase while that of strong beer has stagnated. The current per capita beer consumption is 48 liters.

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

Malt Exports: 1984 in brackets (in tonnes)

Britain	7,200 (8,400)
Norway	336 (1,064)
Brazil	0 (6.300)
Denmark	0 (1,031)

Market potential: Nil, due to Sweden's self-sufficiency.

III. OILSEEDS

1. Trade Policy:

Import Tariffs

Oilseeds:	None
Crude oil:	None
Oilseed meal:	None
Refined oil:	1)refined oil solely for technical use 8%
	2)refined oil other than above 15%

There is a complex system of Agricultural Import Levies that are flexible and which are applied on many agric-products. They are currently:

- (i) Oilseeds: In general SEK 80.00/100kg (if for oil extraction or human consumption levy can be lifted upon application). SEK 120.00/100kg for rapeseed (no levy on rapeseed for sowing). No levy on flax or castor oil seeds.
- (ii&iv) Crude and refined oil: In general SEK 655.00/100kg. Exempted are oils, crude or refined, of cotton seed, ground nut, flaxseed, castor oil.
- (iii) Oilseed meal: SEK 80.00/100kg. No levy on meal/flour of hemp, flax, castor oil, sesam, oiticica.

Import/export structure: Imports if any are handled by private importers. All exports of oilseeds are administered directly or indirectly by SOI a semi-governmental body the main purpose of which is to "protect" the domestic price on oilseed.

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

Year: 1985/86 (1984/85 in brackets)

<u>Oilseed</u>	Production	Imports	Exports
Rape)			
Turnip rape)	372 (383)	2 (2)	85 (96)
Mustard			
Total	372 (383)	2 (2)	85 (96)

<u>Oil</u>	Production	Imports	Exports
		Crude Refined	Crude Refined
rapeseed & turnip	95 (94)		55 (54)
Total	95 (94)		55 (54)

<u>Meal</u>	Production	Imports	Exports
Rape & turnip rape	120 (120)		
Total	120 (120)		

IV. STATISTICAL NOTES

Sweden

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	1,338 (1,776)	441 (316)	30 (33)	1,809 (2,125)
Durum wheat			15 (18)	15 (18)
Flour/Semolina				
TOTAL	1,338 (1,776)	441 (316)	45 (51)	1,824 (2,143)

*of which spring wheat 418 (274)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	475 (471)	175 (203)	25 (19)	154 (145)	630 (846)	350 (441)	1,809 (2,125)
Durum wheat	15 (18)					15	15 (18)
Flour Semolina							106
TOTAL	490 (489)	175 (203)	25 (19)	154 (145)	630 (846)	350 (441)	1,824 (2,143)

Industrial Use: Motalcohol production, Distillery usage, starch production. Export Destination: Poland, USSR, Iran

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash 20 (27) 25 (23)

FLOUR (including semolina)

TOTAL 20 (27) 25 (23)

(1)

45 (51)

(1)

46 (52)

(B) COARSE GRAINS

Sweden

SUPPLY 1985/86 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 (2)	40 (39)	42 (41)
Barley	2,309 (2,733)	346 (199)	5 (5)	2,660 (2,937)
Mixed Grain	148 (238)	14 (10)		162 (248)
Oats	1,668 (1,904)	165 (106)		1,833 (2,010)
Rye	58 (247)	129 (102)	40	327 (349)
TOTAL	4,283 (5,122)	656 (419)	85 (44)	5,024 (5,585)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Consumption	Animal Feed*					
Corn	6 (6)	34 (33)		- (-)	- (-)	2 (2)	42 (41)
Barley	65 (64)	1,839 (2,005)		126 (137)	420 (385)	210 (346)	2,660 (2,937)
Mixed grains		138 (222)		10 (12)	- (-)	14 (14)	162 (248)
Oats	30 (31)	1,098 (1,174)		100 (97)	490 (543)	115 (165)	1,833 (2,010)
Rye	120 (116)	45 (36)		17 (15)	15 (53)	130 (129)	329 (349)
TOTAL	221 (217)	3,154 (3,470)		253 (261)	925 (981)	471 (656)	5,024 (5,585)

* 20% for poultry

Export Destination: USSR, USA, Iran and DDR

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS
	Canada	U.S.A.	All Others	
Corn		12 (11)		40 (39)
Barley			2 (2)	5 (5)
Mixed Grains			5 (5)	
Oats				(7)
Rye			25	40
TOTAL		12 (11)	32 (7)	85 (44)

Principal "Others" (specify countries): E. Germany

SWITZERLAND

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$12,610	1985
Annual per capita GNP	US\$14,861	1985
Average annual growth	3.3%	1975-85
Annual inflation rate	3.4%	1975-85
Annual inflation rate	0.8%*	1986
Volume of imports	28.15 billion US\$	1985
Of which food	9.1%	1985
Of which fuels	10.1%	1985
Principal foreign exchange earning export:	Light manufacturing, banking, chemicals & drugs, machinery services	
Debt service as % of GNP	1.4%	1984
Debt service as % of exports	5.4%	1984
Population	6.5 million	1985
Annual population growth	0.56%	1985
Annual Consumption:		
Flour	348,360 tonnes or 53.6 kg/capita	1985
Meat	486,026 tonnes or 73.4 kg/capita	1985
Vegetable Oils	77,336 tonnes or 11.7 kg/capita	1984

* calculated June 1985 to June 1986 (because of the appreciation of the Swiss franc the inflation rate is very low).

I. GENERAL INFORMATION

1. Crop Situation and Outlook

After two bumper harvests, a slight decrease for the 1986 crop is anticipated, with the exception of corn production where an increase is expected. For bread wheat, there is still an overproduction covering 85% of total requirements. Production control measures are anticipated to reduce self-sufficiency to 80%. Imports are said to increase and good chances for Canadian CWRS 1 exist if the product is competitive quality and price wise (apparently in 1985 Canadian wheat did not meet Swiss quality requirements). It should be noted that bread consumption is stagnant or even decreasing. No major changes as to oilseed (rapeseed) production: acreage approx. 13,700 hectares, yielding in the range of 855 tonnes. (Acreage for breadwheat approx. 103,000 hectares, yielding 510,000 tonnes.)

2. Foreign Exchange Situation

The Swiss franc remained strong due to the good performance of the economy. The Canadian dollar fell by 25% against the Swiss franc in the last twelve months making Canadian products more attractive but imports are somewhat limited due to a long-term government commitment to protect farmers and maintain an acceptable self-sufficiency level in case of conflict. Imports are more likely to supplement local production or shortfalls in local production. In addition, Swiss buyers usually try to diversify their import supplies. This practice limits the benefits brought by a lower Canadian dollar.

3. Fertilizer Situation

Switzerland continues to depend on imported fertilizers. With some countries (e.g. France and Germany) contracts exist to guarantee a regular supply. In 1984/85 Swiss agriculture consumed 73,500 tonnes of nitrogen (70.0 kg per hectare), 51,100 tonnes of "pure phosphoric acid" (47.7 kg per hectare) and 66,500 tonnes of "pure potash" (63.3 kg per hectare). Swiss imports of fertilizer (all types) in 1985 were 450,359 tonnes valued at SFR 140.6 million. This compares with imports of 517,804 tonnes valued at SFR 156.8 million in 1984 and represents a decrease of 13.1%. The major suppliers were France (197,391 tonnes), Germany (77,916 tonnes), Austria (49,013 tonnes) and Italy (28,033 tonnes). Canada supplied 40 tonnes.

4. Import Mechanism

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

5. Grain Industry Infrastructure

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

6. Government Policies Affecting Grain and Agriculture

With respect to bread wheat production, the Swiss government is anxious to reduce the level of self-sufficiency to 80%, which, as a result of an excellent crop (no sprouted wheat) and an increase in acreage, reached 85%. In addition, 135,000 tonnes of bread wheat were passed over the food sector at the cost to the government (SFR 53 million). The Cereals Administration strongly supports an incentive to reduce the acreage of bread wheat by 15,000 hectares to be switched to feed grain production. Producers should be encouraged to increase feed grain production to reach 40-50% self-sufficiency. However, as long as bread wheat is subsidized by a production premium and a guaranteed take-over price, it might be difficult to persuade farmers to produce feed grain which is subsidized by a production premium only. To reduce over-production the following measures were also discussed:

- to reduce the price for bread wheat;
- to establish a quota system (for surplus production to pay only the price for feed wheat);
- to encourage clover production by paying direct subsidies;
- to encourage biological farming.

In the medium term these policies would cause a reduction in the demand for imported feed grain. They would not however, have any major impact on the importation of Canadian bread wheat which would still be required for blending purposes to improve flour quality, nor on the import of Canadian durum wheat which is used for pasta production. Switzerland has no durum wheat production.

There is no formal policy on countertrade/barter with respect to grain and oilseed imports.

Government Policies Affecting Grain and Agriculture (cont'd)

We may add that imports of feed grain are subject to a quota system. In addition the GGF (Genossenschaft fur Getreide und Futtermittel - Cooperative for Wheat and Feed) has skeleton contracts with Yugoslavia and Hungary for 10,000 tonnes of maize and with Poland for 20,000 tonnes of rye.

7. Market Prospects - Grains and Oilseeds

Imports of bread wheat will range between 60-120 thousand tonnes per year, depending on the level of domestic production and the quality of the crop. Durum wheat imports will reach approximately 100,000 tonnes per year.

The market for Canadian grain is small and stable. Major and sudden increases in demand are not anticipated. However, a continuing effort must be made to ensure Canada's market share. Prices and quality should be in line with major competitors.

The consumption of specialty crops is limited. Hence marketing possibilities are restricted.

8. Processing Facilities

	Year 1984/85		thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills		150 (19 durum)	1,030	565
Compound Feed Mills				
Maltsters				
Brewers*	34			4.13
Oilseed Crushers	4	4	165	122**

* Capacity and output in million hectolitres.

** est oil & oilcake

9. Grain Storage Capacity (1984/85) - 1.7 million tonnes. It is estimated that 90% of imports go through "Rheinschiffahrtsamt" in Basle and 10% through a "Port of France Geneve" in Geneva.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	205.1	64.5			269.6
Suitable for malting					

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	95.4	(81.0)	France, W. Germany
Malting barley	1.4	(3.2)	Germany, France

3. Additional Information

Annual per capita beer consumption: 1982/83 - 71.0 litres;
1983/84 - 69.6 litres; 1984/85 - 70.3 litres.

Beer production capacity: 1982/83 - 4.16 million hectolitres;
1983/84 - 4.07 million hectolitres; 1984/85 - 4.11 million hectolitres.

Malt exports: No malting barley is grown in Switzerland.

Market potential: Market potential is very limited. Unfortunately Canadian prices were far too high in comparison with prices from EEC countries and because of special subsidies.

III. OILSEEDS

1. Trade Policy

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

Non-tariff import barriers: 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/export structure: All oilseeds must be imported by companies which are members of the GCF (Genossenschaft für Getreide und Futtermittel - Société Coopérative Suisse des Céréales et Matières Fourragères).

Additional factors: The most important oilseed produced in Switzerland is rapeseed, and "supplements" (subsidies) are paid to farmers and oil processors. In 1985/86 the total value of these "supplements" was SFR 25.8 million. Guaranteed acreage under rapeseed production in 1986 is 16,000 hectares, 1987 will be 17,000 hectares.

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

Year: 1986

<u>Oilseed</u>	Production	Imports	Exports
Peanuts		20.3	
Rapeseed	39.1	9.0	1.7
Mustardseed		2.0	0.1
Others		109.4	0.6
TOTAL	39.1	140.7	2.4

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Coco, palm, babassu				5.5		
Olive				2.4		
Rapeseed	15.6			46.5		11.5
Lin, soya, palm				3.5		
TOTAL	15.6			57.9		11.5

<u>Meal</u>	Production	Imports	Exports
Rapeseed	23.0	0.31	
Mustard flour		0.03	
Others	97.5	26.37	2.5
TOTAL	110.5	26.71	2.5

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	480 (510)	343 (521)	119 (139)	942 (1,170)
Durum wheat	78 (87)	119 (106)		197 (193)
Flour/Semolina				
TOTAL	480 (510)	421 (608)	238 (245)	1,139 (1,363)

* of which spring wheat 50 (60)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption				Exports	Carry-out	Total
	Human Consumption	Animal Feed	Industrial	Other (seed, waste)			
Wheat	540 (552)	230 (229)	10 (17)	18 (18)		112 (343)	910 (1,159)
Durum wheat	95 (94)					102 (78)	197 (172)
Flour Semolina					32 (30)		32 (30)
TOTAL	635 (646)	230 (229)	10 (17)	18 (18)	32 (30)	214 (421)	1,139 (1,363)

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

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash	53 (41)	102 (99)	7 (3)	69 (90)	7 (12)	238 (245)
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Principal "Others": Hungary, Austria

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production		Carry-in, July 1		Imports		Total Supply	
Corn	182	(160)	112	(87)	161	(285)	455	(532)
Barley	260	(270)	258	(258)	162	(282)	680	(810)
Sorghum/other cereals	8	(8)	50		11	(42)	69	(50)
Oats	50	(52)	116	(120)	70	(120)	236	(292)
Rye	25	(20)	21	(15)	40	(69)	86	(104)
TOTAL	525	(510)	557	(480)	444	(798)	1,526	(1,788)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total		
Corn	17	(17)	390	(392)	9	(11)	39	(112)	455	(532)
Barley	3	(3)	500	(539)	10	(10)	169	(258)	680	(810)
Sorghum/other cereals	13	(14)	164	(158)	4	(4)	61	(50)	69	(50)
Oats	12	(13)	42	(68)	2	(2)	55	(116)	236	(292)
Rye							30	(21)	86	(104)
TOTAL	45	(47)	1,104	(1,157)	25	(27)	354	(557)	1,526	(1,788)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS						
	Canada	U.S.A.	Australia	Argentina	EEC		All Others					
Corn		22	(50)	13	(61)	59	(104)	67	(70)	161	(285)	
Barley					144	(279)	18	(3)	162	(282)		
Sorghum/other cereals		3	(25)	5	(10)	3	(7)	11	(42)			
Oats	1	(10)		1	(23)	2	(6)	66	(81)	70	(120)	
Rye	1	(1)				4	(1)	35	(67)	40	(69)	
TOTAL	2	(11)	25	(75)	19	(94)	209	(390)	189	(228)	444	(798)

Principal "Others": Austria - barley, rye
Yugoslavia - corn
Finland, Sweden and Poland - oats

TURKEY

Economic classification:	Lower Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$925	1985
Annual per capita GNP	US\$950	1985
Average annual growth	5%	1975-85
Annual inflation rate	45-60%	1975-85
Annual inflation rate	35-40%	1986
Volume of imports	11.344 billion US\$	1985
Of which food	4.24%	1985
Of which fuels	30.70%	1985
Principal foreign exchange earning export:	Agro-industry products, agricultural crop products, raw materials, metals, minerals	
Debt service as % of GNP	5.1%	1985
Debt service as % of exports	31.8%	1985
Population	49.27 million	1985
Annual population growth	2.1%	1981-1985
Annual Consumption:		
Flour	8,248,000 tonnes or 167 kg/capita	1985
Meat	604,000 tonnes or 12.7 kg/capita	1985
Vegetable Oil	248,000 tonnes or 5 kg/capita	1985

- (1) All Flour and Semolina (2) Includes lamb and beef
(3) Includes olive, sunflower and corn oils.

I. GENERAL INFORMATION

1. Crop Situation and Outlook

1986 wheat crop production is expected to be unchanged from 1985 levels. Russian and U.S. origin wheat which was imported by State Soil Products (TMO) office is expected to contribute to a wheat production increase of 2.2 percent (approx.) from 13.5 million tonnes in 1985 to 13.8 million tonnes in 1986. At the beginning of the 1986 wheat harvest, TMO declared that it will buy a total of 2.4 million tonnes of wheat from farmers which is approximately 700,000 tonnes higher than purchases in 1985. It is believed this will stimulate more wheat production in 1986. The Government has developed attractive agricultural credit packages at lower than market interest rates and with suspended re-payment programs. An increase in fertilizer utilization and agricultural mechanization is supported in the 1985/86 agricultural season by new credit programs. Acreage increases have been reported in the areas sown for barley, corn, lentil, sunflower and vegetables. The area cultivated for barley is estimated to have increased to 3.1 million hectares in 1986 from 2.9 million hectares in the previous season. The estimated changes in area sown for other agricultural products are as follows (in hectares): Corn: from 550,000 in 1985 to 650,000 in 1986; Lentils: from 650,000 to 710,000; Sunflower: from 550,000 to 620,000; vegetables: from 678,427 to 750,000. The planted wheat acreage has remained almost constant from the 1985 level of 9.4 million hectares.

2. FOREIGN EXCHANGE SITUATION

Turkey's foreign trade deficit was US\$3.386 billion in 1985. (1985 imports were US\$11.344 billion while total exports were US\$7.958 billion. The government hopes to increase the quality and quantity of agricultural production through the priority importation of high quality seeds. Following the liberalization in 1984 of the importation of all consumer products the share of foodstuffs in total imports has increased from 3.8% in 1984 to 4.24% in 1985. Turkey is self-sufficient in the production of most foodstuffs with some exception such as cocoa, coffee and rice. Foodstuff imports do not have any priority in foreign exchange spending. The importation of foodstuffs available and from local sources is believed to regulate local prices and curb speculative stocking in the domestic market. Depending upon the level of wheat production and TMO's wheat export commitments, TMO, is the only agency authorized by the Turkish Government to import. TMO usually makes its wheat import decision in the fall and its requirements generally range between 500,000-800,000 tonnes per year.

Turkey has, as in previous years, continued to be a regular recipient of international aid mostly in the form of short, medium and long term loans from organizations such as the IBRD, Export Credit Agencies, Foreign Private Banks (including Canadian Banks) and the Saudi Development Fund. Turkey's public and private external debts on December 31, 1985 totalled US\$25.012 billion (provisional).

3. Fertilizer Situation

Total fertilized agricultural land has increased to 33% in 1985 from 25% in 1984. Local industry produces approximately 87% of Turkey's fertilizer requirements. The rest is met through imports. The local production of various fertilizer products totalled 7.47 million tonnes in 1985. The quantity of fertilizer used in 1985 was 8.6 million tonnes. Total foreign exchange expenditures on fertilizers were US\$183 million in 1985 which was US\$56 million higher than in 1984. Turkey regularly imports ammonia, urea, sulphuric acid, and phosphoric acid as fertilizer inputs and nitrogenous, phosphate fertilizers as final products. As a result of a government decree in June 1986 the State Agricultural Supply Agency (TZDK) lost its monopoly on the importation and distribution of fertilizers. Chemical fertilizers can now be distributed by cooperatives as well as the Sugar Corporation. These retailers can fix their own prices. Levies of US\$7-25 a tonnes are charged on most fertilizer imports. The Government in early July 1986 instructed State Fertilizer Manufacturing Industries Inc. to make a 2 to 33 percent discount in fertilizer prices to be effective as of July 1. These lower prices are expected to encourage farmers to use more fertilizers in the 1986-87 agricultural season.

4. Import Mechanism

A government agency The Soil Products Office (TMO) is authorized by law to import grains. In an effort to regulate the local prices, the government may be expected to import wheat in 1986. As stipulated by law TMO must call international tenders for imports of these grains. No important changes have occurred recently in the grain import procedures of the Government.

5. Grain Industry Infrastructure

In Turkey, the State Soil Products Office (TMO) buys grain from farmers at a predetermined support price which is determined by the Council of Ministers. TMO then sells the grain to municipal administrations or other state-run organizations at subsidized prices. Wheat for bread making is supplied through this mechanism. The involvement of TMO in the internal wheat trade has a direct influence on the prices of bread which is an important element in the Turkish diet. The farmers however, also have the choice of selling grain to private merchants who usually offer more attractive prices than TMO, but give payment in installments. No important changes have occurred in the country's imports, storage facilities and processing mills. The capacity of TMO storage facilities has remained at 1.5 million tonnes. 50-60 large scale and 500-700 medium scale flour mills are operating. The Turkish Government and the IBRD have finalized their negotiations on the Turkish Soil Products Office's (TMO) Grain Storage Project. The IBRD has agreed to provide US \$60 million in credit to TMO for the implementation of the project. The project includes the construction of 5 concrete port silos, 17 steel silos, 13 horizontal silos and 24 semi-mechanical silos, which will have a total capacity of over 800,000 tonnes and are expected to be build within the next 6 years.

6. Government Policies Affecting Grain and Agriculture

The Turkish government is continuing to support the importation of quality seeds. The priority is given to issuing State Planning Organization incentive licences for investments in seed development and production farms. One TMO official has advised that if the wheat acreage planted along the sea coasts of Turkey is lower than in 1985, TMO will likely import wheat. TMO seems to have benefited in 1986 from fluctuations in U.S. origin wheat prices. TMO hopes to buy wheat from U.S.A. at U.S. \$85/tonnes in the fall of 1986. TMO is expecting a rise in its grain reserves following its planned purchase of 2.4 million tonnes of wheat from the domestic market. Total meat production is expected to increase by 4.4% in 1986. However, the local consumer prices of meat and meat products are also rising which adversely affects per capita meat consumption. The government, as a result of requests from local meat producers, recently increased the levy on meat imports to U.S. \$200-250 per tonne from U.S. \$150/tonne. This has resulted in price increases for both local and imported meat.

If TMO decides to import wheat, this may create an opportunity for Canadian wheat exports to Turkey.

Turkish government currently has no countertrade/barter agreements for grain/oilseeds with any country.

7. Market Prospects - Grains and Oilseeds

TMO is solely authorized to import grains. It imports wheat annually on a spot basis depending upon local production and its private sector's export commitments. Therefore, long term grain import agreements are usually not workable in Turkey.

Canadian grain exporters are suggested to establish closer and more permanent contacts with the Turkish Grain Importing Agency through visits directly by exporting company officials and/or local agents. TMO in its grain import tender may ask quotations on a selective basis from certain grain suppliers who are usually known to TMO from previous tenders. By maintaining permanent contact with TMO, (grain suppliers may ensure its inclusion in the TMO's reference list of pre-qualified grain suppliers). The Turkish government supports the formation of joint-ventures between foreign and local firms especially in the field of seed development and production which may provide Canadian firms involved in seed production with business opportunities in the Turkish market.

Turkey is self-sufficient in the production of special crops and is also a net exporter.

8. Processing Facilities

	Year <u>1985</u> (most recent)		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	500-700	10-11,000	4,500-8,500
Compound Feed Mills	22	30	3,000-4,000	3,000-3,500
Maltsters	3	5		
Brewers*	3	8	4	3
Oilseed Crushers	55-60	75-100	200-250	160-180

* Capacity and output in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year <u>1985</u> (most recent)	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Istanbul	60	(2,500 MT/day) 900
Izmir	40	" 900
Mersin	100	" 900
Iskenderun	60	" 900
Samsun	20	(1,500 MT/day) 540
Trabzon	20	(1,000 MT/day) 360
Tekirdag	70	(500 MT/day) 180
Total Capacity	370	4,680

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86: 6.9 million tonnes

Beer production capacity: The production in 1985 was estimated to have exceeded 300,000,000 litres.

Domestic malting capacity: Domestic malt production has increased to 82,500 tonnes in 1985 from 52,000 tonnes in 1984.

Malt exports: Turkish malt exports have risen by almost 262.9 percent from 12,400 tonnes in 1984 to 45,000 tonnes in 1985.

Market potential for Canadian malt: Nil, domestic production meets entire local demand.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Nil
Crude oil: All crude oilseed oils (except peanut oil) are exempted from custom duty. The duty on peanut oil is 10%. Surtax: soybean oil:US \$70/tonne
olive oil:US \$1.0/tonne; cotton oil:US \$70/tonne
peanut oil:US \$1.0/tonne; crude sunflower oil: US \$70/tonne; refined sunflower oil: US \$70/tonne; colza oil: US \$1.0/tonne; cocoa oil: US \$400/tonne.

Oilseed meal: For all oilseed meal: custom duty: nil. Surtax: US \$1.0/tonne.

Refined Oil: Refined olive oil: Custom duty: exempted; surtax: US \$60/tonne. Refined sunflower oil: Custom duty: exempted; surtax: US \$70/tonne. The custom duty rates and surtax level on other refined oilseed oil are same as indicated in (ii).

Non-tariff import barriers/export assistance measures: The surtaxes levied on various seed oils have been raised in order to protect local industry. For example the surtax on the imported soyabean, cotton seed, sunflower seed oils were increased by 70 fold from US \$1.0/tonne in 1985 to US \$70 tonne in 1986. The increased levy on imported oilseed oils has encouraged domestic producers of similar products. Thus retail prices have doubled or tripled.

OILSEEDS cont'd

Import/export structure: In Turkey, over 85% of oilseed and oilseed oil imports and exports are done through private firms which buy and/or sell both through tenders or direct negotiations.

Additional factors: The 5-15 percent export tax rebate for seed oil exports is creating stimulus for exporters of such products. The government is currently providing many incentive investment measures to increase the production of refined seedoils to 200.000 tonnes by 1987-88 from current levels of 160-180,000 tonnes.

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

Year: 1985 (est)

<u>Oilseed</u>	Production	Imports	Exports
Cottonseed	988		
Sunflower	800	1.0	
Sesame	45	1.0	
Soya Bean	55	6.0	
TOTAL	1,888	8.0	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Sunflower					
Cottonseed					
Soya Bean					
	198				
TOTAL	198	260			10

<u>Meal</u>	Production	Imports	Exports
By type			
TOTAL	777		12.5

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	11,220 (11,475)	300 (350)	700 (712.4)	12,220 (12,537.4)
Durum wheat	2,580 (2,025)	200 (250)		2,780 (2,275)
Flour/Semolina	1,900 (1,800)	150 (250)		2,050 (2,050)
TOTAL	13,800 (13,500)	500 (600)	700 (712.4)	15,000 (14,812.4)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal Feed	Other					
Wheat	10,598 (10,378)	700 (700)	200 (160)	2,652 (2,816)	350 (258)	300 (300)	14,800 (14,612)
Durum wheat						200 (200)	200 (200)
Flour Semolina							
TOTAL	10,598 (10,378)	700 (700)	200 (160)	2,652 (2,816)	350 (258)	500 (500)	15,000 (14,812.4)

Export Destination Iraq, Iran Lebanon

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash	700 (712.4)
Commercial Credit	

700 (712.4)

TOTAL 700 (712.4)

700 (712.4)

(B) COARSE GRAINS

SUPPLY 1985/86 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	2,250 (1,900)	400 (100)	(69.2)	2,650 (2,069.2)
Barley	6,600 (6,500)	300 (200)	(90.4)	6,960 (6,790.4)
Sorghum	20 (20)			20 (20)
Oats	320 (314)	30 (20)		350 (334)
Rye	360 (360)	30 (20)		390 (380)
TOTAL	9,550 (9,094)	760 (340)	60 (159.6)	10,370 (9,593.6)

*Only import numbers available are U.S. imports

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets:
Only numbers available are Exports (Barley): 80 (79.8)

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

TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

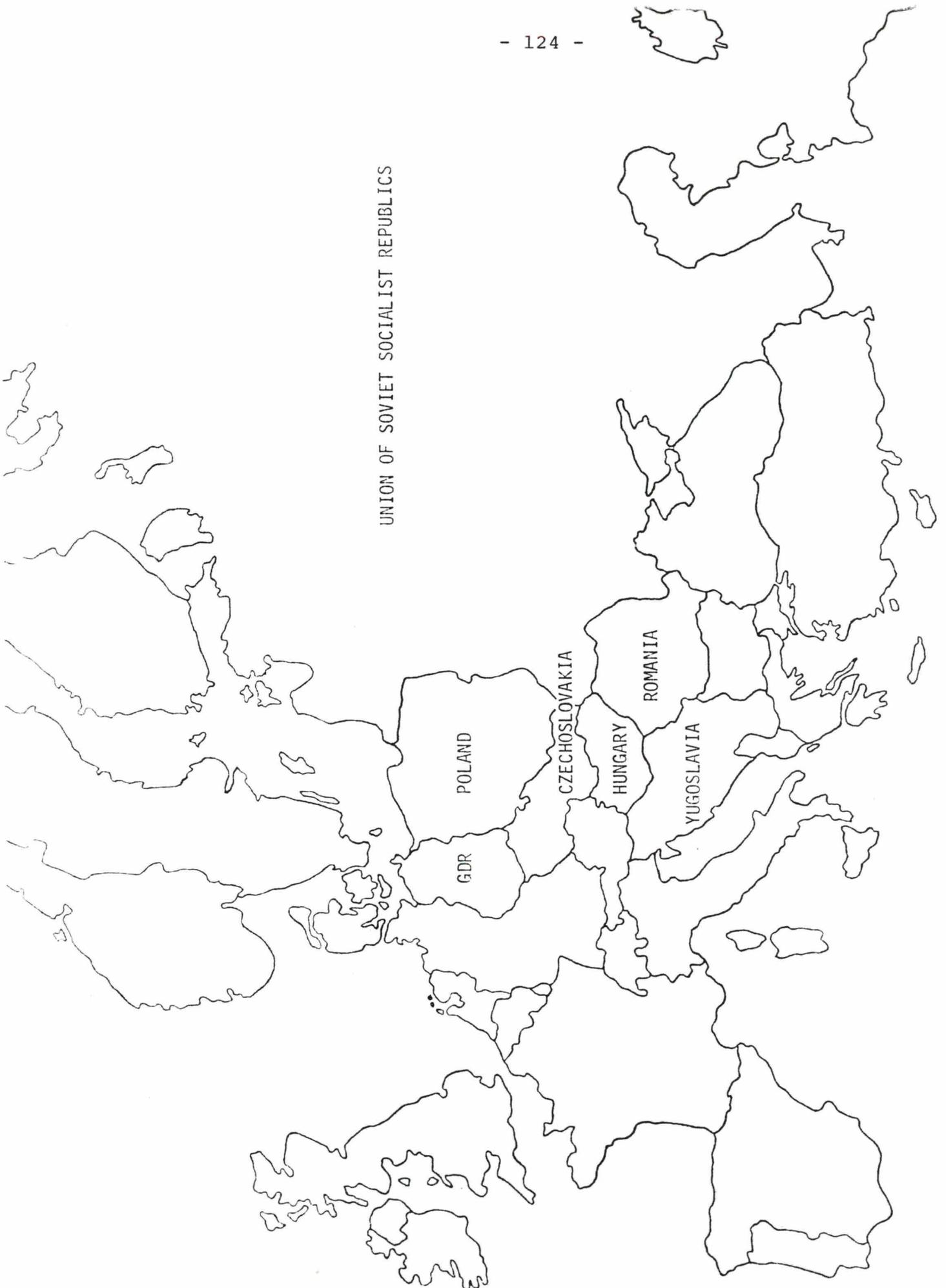
<u>ORIGIN</u>	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
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Corn
Barley
Sorghum
Oats
TOTAL



PART III
EASTERN EUROPE

UNION OF SOVIET SOCIALIST REPUBLICS



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

Economic classification:	Non-Market Industrial economy	
Oil exporter or importer (net):	Importer	
Annual per capita GNP:	US\$5,179	1984
Volume of imports	18.9 billion US\$	1984
Of which food	5.7%	1984
Of which fuels	31.0%	1984
Principal foreign exchange earning export:	Machinery and transport equipment	
Population	15.5 million	1984
Annual population growth	0.29%	1983-84
Annual Consumption:		
Flour	<u>1,271,000</u> tonnes or 82.1 kg/capita	1984
Meat	<u>1,314,400</u> tonnes or 84.8 kg/capita	1984
Vegetable Oil	<u>161,200</u> tonnes or 10.4 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

1985 proved to be another very good crop year despite a 265 thousand tonnes drop in grain output from the previous period (12 million tonnes in 1984 vs. 11.7 million tonnes in 1985). The production target for cereals in 1986 is 11.4 million tonnes which, if fulfilled, would ensure Czechoslovakia's continued self-sufficiency. Production of oil seeds (mostly low erucic acid, French-variety rape, and some sunflower) is scheduled to rise by 16% compared to 1985. This too would enable the country to limit purchases of oil-cake from abroad.

2. Foreign Exchange Situation

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

3. Fertilizer Situation

1.73 million tonnes of fertilizer, or 257.6 kg per hectare were used during 1985 (vs 259.5 kg in 1984). There is some local production of nitrogen (582,000 tonnes) and phosphates (353,000 tonnes), but these together with potash are also regularly imported mainly from CMEA countries.

1984 imports: phosphates - 276,000 tonnes (USSR 162,000 tonnes, Jordan 41,000 tonnes, Morocco 29,000 tonnes, Tunisia 18,000 tonnes and Algeria 9,000 tonnes).

potash - 556,000 tonnes (GDR - 413,000 tonnes, USSR 143,000 tonnes).

nitrogen - 175,000 tonnes (USSR 174,000 tonnes)

4. Import Mechanism

The sole grain and oilseeds importer is KOOSPOL Foreign Trade Company Limited, Leninova 178, 160 67 Prague 6, Telex: 121 121, Phone: 33 38 90, Mr. M. Saroch, Commercial Director.

5. Grain Industry Infrastructure

It is a long-term objective to expand storage capacities. New facilities are to be constructed during the next five year plan (1986-90) but in the interim, current disproportions between increased grain output and existing storage capacities will continue.

6. Government Policies Affecting Grain and Agriculture

In line with Government directives, Czechoslovakia's current level of self-sufficiency in foodstuffs and farm product supplies (now standing at 95-97%) is to increase further during the 8th Five Year Plan (1986-90). Thanks to rising cereal yields, it has been possible over the past three years to reduce annual hard currency imports of grain from non-socialist countries and thereby contribute to the State's overall fiscal strategy. (This previously had amounted to a purchase of 1.5 million tonnes per year). A small quantity of grain is still imported from Hungary and Romania to satisfy bilateral commitments with those CMEA partners. Besides meeting all domestic requirements, the record grain harvests of 1984 (12 million tonnes) and 1985 (11.7 million tonnes) have permitted the Government to create a modest reserve stock. Cereal production continues to be the primary agricultural task, with total yield projected to reach 57-58 million tonnes over the course of the Five Year Plan.

The CSSR has also instituted policies designed to keep pace with high levels of demand for livestock products. About 86 kg meat per capita, 242 litres of milk and 332 eggs per capita are consumed annually by the population. An increase of 5-6% in livestock production during 1986-90 has been forecasted. Despite its self-sufficiency goals, Czechoslovakia will continue to import such items as oil cake, sea fish, several kinds of vegetables/fruit, and tobacco. The largest share of new investment in agriculture over the Plan period has been earmarked for storage and processing plant construction.

Czechoslovakia regularly purchases 5,000 tonnes of Canadian durum wheat for pasta production and this is expected to continue in the years ahead. It also imports between 20-40,000 tonnes of flax from Canada annually, and the high-quality of our product should ensure continued sales in the future.

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 imports required (with the exception of Durum wheat - 5,000 tonnes per year). There is an intention to export good quality surplus wheat or barter it for feed maize.

While feed trials of Canadian canola meal were successfully completed last year, it has now been firmly established that future Czechoslovakian purchases will occur if the product is cost competitive with imported soya. Frequent Canadian quotations together with offers of supplier credit financing, will serve to keep Canola in the minds of CSSR buyers.

Only mustard, lentils, beans and yellow peas are imported. Mustard is traditionally purchased from Richard Zollner, Hamburg who sells Hungarian mustard to Koospol for hard currency. Zollner or Koospol FTC may consider buying mustard from Canada if the Hungarian harvest is poor. 6-7,000 tonnes of lentils (from Turkey, Lebanon) and about 4,000 tonnes of peas beans (from PRC) are regularly imported. Peas are supplied to the CSSR from COMECON countries exclusively. Canadian sellers may be given a chance to contract only if the above noted "commercial - political" partners cannot offer or if a special decision is made by the government.

8. Processing Facilities

	Year 1985 <u>(1984)</u> (most recent 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			1,334	(1,306)
Compound Feed Mills				
Maltsters				(544)
Brewers*		92	23.77	(24.96)
Oilseed Crushers			168.2	(161)

* Capacity and output in millions of hectolitres

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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		3,538			3,538
Suitable for malting		800			800

Annual per capita beer consumption: Is decreasing (140 litres in 1981 to 132.3 litres in 1985).

The decline in beer sales is attributed to a sharp increase in prices introduced in October 1984. At the same time beer consumers are favouring cheaper 10% beer, which is freeing up additional volumes of premium (12%) brands for export.

The Government's aim is to increase slightly beer production in certain breweries (Budweiser, Pilsner) through reconstruction and modernization. It is expected that annual beer production will increase by 2-4% per year.

Domestic malting capacity remains stable.

Malt exports: In 1984, 191,000 tonnes of malt were exported to the following traditional customers ('000 tonnes): USSR (36), Cuba (35), Japan (32), FRG (20), Venezuela (20), Switzerland (15), Belgium (6), Philippines (6), Ghana (4), Vietnam (3).

Since Czechoslovakia is a traditional exporter, there are no opportunities for Canadian malt in this market.

III OILSEEDS

1. Trade Policy

Import tariff on oilseeds and products: None

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

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

Year: 1985 (1984)

<u>Oilseeds</u>	Production	Imports		Exports	
Rapeseed	285 (300)				
Sunflower	42 (43)		(15)		
Soya beans			(32)		
Flax (fibre plant)	104 (113)		(29)		
Total	343 (362)	70	(76)		
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Total	(120)				
<u>Meal</u>	Production	Imports		Exports	
Total		(801)			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

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

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	6,023 (6,170)	1,500 (1,500)	200 (206)	7,723 (7,876)
Durum wheat				
Flour/Semolina				
TOTAL	6,023 (6,170)	1,500 (1,500)	200 (206)	7,723 (7,876)
* Includes all wheats				

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	2,100 (2,150)	3,800 (3,726)		500 (500)		1,323 (1,500)	7,723 (7,876)
Durum wheat							
Flour Semolina							
Total	2,100 (2,150)	3,800 (3,726)		500 (500)		1,323 (1,500)	7,723 (7,876)

IMPORT TRADE 1985/86 est - thousands of tonnes - previous year in brackets

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

Wheat (including durum)

Cash						
Commercial credit						
Aid, concessional credit, etc.				(19) (FRG)	(187) (Hungary)	(206)
Flour (including semolina)						

B. COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets - (Crop year basis January 1982/December 1982)

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	1,114 (940)			1,114 (1,308)
Barley	3,538 (3,677)		(368)	3,538 (3,677)
Sorghum				
Oats	472 (479)			472 (479)
Rye	620 (710)			620 (710)
TOTAL	5,746 (5,807)			5,746 (5,174)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn							
Barley	800						
Sorghum	30						
Oats	400						
Rye							
TOTAL	1,230	5,504					6,734

IMPORT TRADE 1985/86 est - thousands of tonnes - previous year in brackets.

	<u>ORIGIN</u>	<u>U.S.A</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>Total</u>
Corn	<u>Canada</u>						
Barley							
Sorghum							
Oats							
Rye							
				(119)	(3) (France)	(195)	(368)

Principal "Others": Hungary, Yugoslavia and Romania

GERMAN DEMOCRATIC REPUBLIC

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification: Centrally Planned economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$4,068	1985
Annual per capita GNP	US\$5,320	1985
Average annual growth	4.5%	1975-85
Annual inflation rate	1.0%	1975-85
Annual inflation rate	3.0%	1986
Volume of imports	22.9 billion US\$	1985
Of which food	17.7%	1985
Of which fuels	28.0%	1985
Principal foreign exchange earning export:		
	tools machinery	46.9%
Debt service as % of GNP	29 %	1985
Debt service as % of exports	76 %	1985
Population	16.64 million	1985
Annual population growth	0.04%	1985
Annual Consumption:		
Flour	1,402,000 tonnes or 84.2 kg/capita	1985
Meat	2,269,000 tonnes or 96 kg/capita	1985
Vegetable Oil	231,600 tonnes o kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Under good harvest conditions the crop is expected to exceed the planned estimate of 10.9 million tonnes. Last year was a record year with 11.6 million tonnes (wheat - 4.5 million tonnes, barley - 3.9 million tonnes, rye - 2.3 million tonnes, oats - 900,000 tonnes). By improving the land for cultivation and increased fertilizer usage, the GDR plans to reach grain production of 11.8 - 12.0 million tonnes per year by 1990. More than 50% of the acreage (about 2,522,000 hectares) is seeded with grains.

2. Foreign Exchange Situation

The G.D.R. apparently improved its overall debt situation. The net foreign debt at the end of 1985 declined from 11.3 billion \$US (1980) to 6.3 billion \$US. The country reported a 6.2 billion valuta mark (about 2.7 billion \$US) trade surplus for 1985.

3. Fertilizer Situation

The GDR is one of the world's largest producers and exporters of potash. The supplies of domestic potash are very large. About 75% of production is exported. The production of nitrogen fertilizers meets the domestic demand and the GDR now exports some 5 to 10 percent of production. The amount of phosphate is not sufficient and some quantities are imported.

4. Import Mechanism

Foreign trade is a government monopoly and all contracts are signed by the (Foreign Trade Organization) Nahrung. East Germany's food industry is gradually developing substitutes to replace traditionally imported agricultural raw materials.

5. Grain Industry Infrastructure

If the target for 1990 - 11.8 million tonnes of grain is to be achieved, additional storage facilities must be constructed and/or the existing ones modernized. No changes have yet been noted.

6. Government Policies Affecting Grain and Agriculture

Steady improvements in the whole range of production inputs, the 1984 price reform, and the managerial improvements (agricultural councils) have proved successful in achieving continued progress towards the ultimate goal of GDR self-sufficiency. If this goal is achieved by 1990, then consequently, imports of most feed grains will no longer exist. The only requirements still needed would be the import of vegetable proteins for animal feeds and domestic consumption.

The GDR rarely gives business without a quid pro quo. While straight barter is not usually used in grain imports, other concessions may be granted.

7. Market Prospects - Grains and Oilseeds

It is probable that the GDR traders will want to reduce the quantities imported and to increase the flexibility in terms of commodity substitutes in order to be able to take advantage of import opportunities from other than Canadian sources.

For 1986 we foresee a 1.5 - 2.5 million tonnes grain import requirement.

There is some opportunities for "special feed rations" used for swine and poultry feed

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984 (most recent)

- - - Thousands of tonnes - - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Rostock		18,916
Wismar		4,851
Stralsund		931
Total Capacity		24,697

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	<u>2-Row</u>		<u>6-Row</u>		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	2,600	1,600		4,200	

2. Additional Information:

Annual per capita beer consumption: Decreased to 142.2 litres in 1985 from 147.8 litres in 1984.

Malt exports: The GDR continues to export about 120,000 tonnes of malting barley to West Germany.

Market potential for Canadian malt: The market potential is very limited. The GDR is a traditional beer and malt exporter. GDR exported about 569.9 hectolitres of beer in 1985.

III. OILSEEDS

1. Trade Policy:

Import tariffs: None

Import/export structure: All oilseeds are imported by FTO Nahrung.

Additional factors: The main oilseed seller to the GDR is West Germany. The GDR imported 721.9 thousand tonnes of oilseed meal, 99 thousand tonnes of crude vegetable oil and 2.1 thousand tonnes of refined vegetable oil from this country in 1984.

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

Year: 1984

<u>Oilseed</u>	Production	Imports		Exports	
Winter oilseeds	303,466				
Summer oilseeds	16,193				
Mustard	10,015				
Poppy seeds	4,752				
TOTAL	334.426				

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Refined vegetable oil	230.4	99.0	2.1		
TOTAL	230.4	99.0	2.1		

<u>Meal</u>	
Oilseed meal	721.9
Total	721.9

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	4,000 (4,500)	1,423 (1,115)	600 (320)	6,023 (5,935)
Durum wheat			60 (23)	60 (23)
Flour/Semolina				
TOTAL	4,000 (4,500)	1,423 (1,115)	660 (343)	6,083 (5,958)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>			<u>(seed, waste)</u>			
Wheat*	1,430 (1,410)	3,100 (2,800)		225 (225)	100 (100)	1,228 (1,423)	6,083 (5,958)
Durum wheat							
Flour/Semolina							
TOTAL	1,430 (1,410)	3,100 (2,800)		225 (225)	100 (100)	1,228 (1,423)	6,083 (5,958)

* Includes durum.

(B) COARSE GRAINS

German Democratic Republic

SUPPLY 1985/86 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	370 (370)		600 (400)	970 (770)
Barley	4,200 (4,100)		1,200 (1,200)	5,400 (5,300)
Sorghum				
Oats	600 (700)			600 (700)
Rye	2,400 (2,510)			2,400 (2,510)
TOTAL	7,570 (7,680)		1,800 (1,600)	9,370 (9,280)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>						
Corn							1,033 (1,036)
Barley							5,550 (5,624)
Sorghum							
Oats							163 (163)
Rye							3,400 (3,400)
TOTAL	400 (600)	6,850 (6,860)	1,300 (1,000)	700 (700)	120 (120)		9,370 (9,280)

What type of industrial use? Alcohol

HUNGARY

Economic classification:	Non-Market Middle-Income	
Oil exporter or importer (net):	Imported	
Annual per capita GNP	US\$2,500-3,000	1985
Average annual growth	4.5%	1975-85
Annual inflation rate	7.4%	1975-85
Annual inflation rate	8.5%	1986
Volume of imports	8.2 billion US\$	1985
Of which food	7.1%	1985
Of which fuels	20.9%	1985
Principal foreign exchange earning export:		
Semi-finished products, transport equipment		
Debt service as % of GNP	45-50%	1985
Debt service as % of exports	130-140%	1985
Population	10.60 million	1985
Annual population growth	0.002%	1985
Annual Consumption:		
Flour	<u>1,166,000</u> tonnes or 110 kg/capita	1985
Meat	<u>820,000</u> tonnes or 77 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Very dry weather in the early summer caused a 3.5% drop in harvest relative to the performance of 1985, but the country still harvested 14 million metric tonnes of grain (wheat, barley, corn, oats, which is more than enough to meet the domestic demand. Average yield for wheat was planned to be around 4.63 tonnes hectares but only 4.4 tonnes hectares was realized. Surprisingly the late summer drought did not adversely affect the corn production which by the end of October 1986 was up to 2/3 of the total (with more harvesting to occur) and the planned average yield of 6.4 tonnes hectares was surpassed by 0.6 tonnes hectares resulting in a 7.0 tonnes hectares yield. As an added bonus the very low moisture content of kernels (less than 15%) greatly contributed to the country's energy conservation program since no mechanical drying was required.

2. Foreign Exchange Situation

Hungary is a net food exporter. As a result, food and agricultural imports are given a low priority in times of foreign exchange shortage. This situation is prevalent at the present time.

3. Fertilizer Situation

Nitrogen fertilizers are produced locally while potash and phosphoric fertilizers are imported. Modest increases are planned but usage in 1985 was approximately 12% lower than in 1984, totalling 1.34 million tonnes.

4. Import Mechanism

The Import mechanism is similar in principle to that found in other CMEA states, with a state-run foreign trade organization (FTO) serving as the exporting/importing body. In Hungary the relevant FTO is AGRIMPEX (mailing address: H-1392 Budapest, P.O. Box 278, telephone: 113-800 or 329-100, telex: 22-5751). Mr. Karoly Samu is the general manager of AGRIMPEX.

5. Grain Industry Infrastructure

There has been no changes in the past year. Grains are still procured, stored and marketed through the Grain Trust (Gabonatroszt) enjoying a monopoly situation. The Grain Trust reports directly to the Ministry of Agriculture and Food.

The World Bank Grain Storage and Mechanization Project, as reported in 1985 has now been unfolded, i.e. several tenderings were completed. A recently announced tender will call again for procurement of different types of tractors, harvesting and tillage equipment.

6. Government Policies Affecting Grain and Agriculture

The Seventh Five Year Plan (1986-90) was recently announced and it calls for the following:

- a) increasing agricultural output 7-10% during the plan period, compared with the previous five years;
- b) promoting greater exports of produce and food-stuffs;
- c) increasing annual grain production to 175-180 million tonnes by 1990;
- d) curbing the decline in cultivated area that has occurred in recent years; and
- e) providing preferential investment credits for major agricultural mechanization.

The Five Year Plan makes it clear that all improvements in Hungarian agricultural performance will be the result of policies designed to intensify, rather than extend, production.

Officially countertrade/barter is not supported by the Government, but various foreign trade organizations do use countertrade from time to time. Most packaged food products enter under countertrade arrangements.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available. Feed grain imports are only expected on a spot market basis.

Due to the limited amount of foreign currency available for agricultural imports (excluding equipment) it is best to pursue the opportunities in this market via joint ventures. Several Canadian companies are taking this route and the prospects look encouraging.

Canadian exporters of special crops will find it difficult to break into this market due to established contacts between most European suppliers and Agrimpex.

8. Processing Facilities

Year: 1985 (most recent)
thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	1	148	2,000	2,000
Compound Feed Mills	several	300	N/A	N/A
Maltsters		2	63	63
Brewers*	est 3	est 7	N.A.	N.A.
Oilseed Crushers	1	6	2	2

* Capacity and output in hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port: Hungary is a landlocked country

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

- - thousands of tonnes - -

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winte</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley			747	292	103.9
Suitable for malting			N.A.	N.A.	N.A.

2. Imports: Calender year 1985 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	0.30	(0.33)	Czechoslovakia

2. Additional Information

Annual per capita beer consumption: Increasing (From 72 kg in 1975 to 86 kg in 1980 to 92 kg per capita in 1985).

Beer production capacity: Increasing.

1980	784 million litres
1983	783 " "
1984	796 " "
1985	870 " "

Market potential: Malt and malting barley is imported from CMEA countries for non-convertible currencies. Canadians have no potential.

III. OILSEEDS

1. Trade Policy

Import tariffs: oilseeds: 0-3%
 crude oil: 8%
 oilseed meal: 10%
 refined oil: 35%

Import/export structure: The oilseeds are centrally traded by AGRIMPEX

Additional Factors: Hungary buys soya meal from Brazil and U.S.A. The Brazilian meal is purchased under a bilateral trade agreement and from the USA under a CCC US\$ 22 million credit guarantee facility.

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

Year: 1985

<u>Oilseed</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Sunflower	673		87.2
Rapeseed			
linseed			

<u>Oil</u>	Production	<u>Imports of Oils</u>		<u>Exports of Oils</u>	
		Crude	Refined	Crude	Refined
All vegetable		624.4		* 168	
Sunflower				157	

*Includes sunflower- oil

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Oilseed		653.4	
Concentrate+Mix		7.3	62.7
Animal origin		93.1	
Total		753.8	62.7

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan 1</u>	<u>Imports*</u>	<u>Total Supply</u>
Wheat*	6,579 (7,392)	3,423 (2,896)	28 (1)	10,030 (10,289)
Durum wheat				
Flour/Semolina				
TOTAL	6,579 (7,392)	3,423 (2,896)	28 (1)	10,030 (10,289)

* of which spring wheat

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	1,748 (1,674)	2,499 (3,170)		774 (751)	2,003 (1,271)	3,006 (3,423)	10,030 (10,289)
Durum wheat							
Flour Semolina							
TOTAL	1,748 (1,674)	2,499 (3,170)		774 (751)	2,003 (1,271)	3,006 (3,423)	10,030 (10,289)

What type of industrial use? N.A. Export Destination? Soviet Union, Poland, East Germany (GDR)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, January	Imports*	Total Supply
Corn	6,818 (6,686)	4,661 (4,716)	85 (8)	11,564 (11,410)
Barley	1,046 (1,220)	(384)	(1)	1,046 (1,605)
Sorghum				
Oats	133 (156)	(76)	(2)	133 (234)
Rye	166 (193)	(71)	(2)	166 (266)
TOTAL	8,163 (2,255)	4,661 (5,247)	85 (13)	12,909 (13,515)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	395	5,795 (6,031)	(317)	228 (204)	228 (198)	4,917 (4,660)	11,563 (11,410)
Barley	2	(864)	(162)	(80)	(2)	(497)	2 (1,605)
Sorghum							
Oats	33 (39)	(116)	(3)	(10)	(9)	(96)	(234)
Rye		(105)	(39)	(23)	(1)	(98)	37 (266)
TOTAL	434 (39)	5,795 (7,116)	(521)	228 (317)	228 (210)	4,917 (5,352)	11,602 (13,515)

Export Destination: Czechoslovakia, Poland, GDR

P O L A N D

Economic classification: Centrally Planned economy		
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1463	1985
Annual per capita GNP	US\$1096 non market	1985
Average annual growth	3.5%	1975-85
Annual inflation rate	7.5%	1975-85
Annual inflation rate (current)	18.6%	1986
Volume of imports	9.7 billion US\$	1985
Of which food	4.6%	1985
Of which fuels	22.1%	1985
Principal foreign exchange		
earning export: machine building industry		
Debt service as % of GNP	3.8%	1985
Debt service as % of exports	90.0%	1985
Population	37.3 million	1985
Annual population growth	0.8%	1985
Annual Consumption:		
Flour	4,401,400 tonnes or 118 kg/capita	1985
Meat	2,077,610 tonnes or 55.7 kg/capita	1985
Vegetable Oil	294,670 tonnes or 7.9 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Early indications are that the 1986 crop should be about the same as in 1985 (23.7 million tonnes). The area seeded with wheat, rye, oats and barley is 8.2 million hectares, the area under rapeseed 0.5 million hectares. It is predicted that the wheat crop will be slightly larger than in 1985 (6.4 million tonnes). The production of rapeseed will reach a level close to the 1985 record (1.1 million tonnes) with a projected yield of 29 quintals/hectare.

2. Foreign Exchange Situation

Poland is suffering from a foreign exchange shortage, and although the agricultural situation is somewhat favourable it is unlikely that priority will be given to imports in this sector.

3. Fertilizer Situation

The fertilizer situation is extremely poor. The average use of fertilizers per hectare (175.2 kg/ha) went down by 4% compared with 1983/84 (182.5 kg/ha).

	<u>1984/85</u>			
Nitrogen	70.1 kg/ha	down by	6.2%	(compared to 1983/84)
Phosphate	47.3 " "	"	1.5%	"
Potash	61.8 " "	"	3.6%	"
Quicklime	139.4 " "	"	7.7%	"

Quicklime deliveries cover only 40% of needs.

4. Import Mechanism

All grain imports are handled by the state-owned Foreign Trade Organization Rolimpex.

5. Grain Industry Infrastructure

The 1985 agriculture infrastructure investment plan achieved only 48.5% of the target. The mills in Poznan and Piotrkow Trybunalski have been modernized. The construction of 8 new grain elevators has been started. It is forecast that within the next 5 year plan (1986-90) the investment input for grains, milk, oilseeds, potato, sugar, fruit and vegetables, fish, tobacco processing and storage facilities will reach 2,300 bln z1 (14.4 bln \$U.S. on a growth rate of 20.7%.

6. Government Policies Affecting Grain and Agriculture

The 10th Party Congress called for the following targets in the agricultural sector:

1. To reach by 1990, grain production of 25 million tonnes and oilseed production of 1 - 1.1 million tonnes.
2. To improve at least 700 thousand hectares of land for cultivation.
3. To increase the fertilization rate to 200 - 250 kg/ha of quicklime and 210 - 215 kg/ha of nitrogen.
4. To increase meat production to 2.2 - 2.4 million tonnes (currently 2.0 million tonnes).

Due to shortage of foreign exchange currency and high debt service rate, countertrade/barter proposals are welcome.

7. Market Prospects - Grains and Oilseeds

In 1985, Poland imported 2.176 million tonnes of grains instead of a projected 3 million tonnes. Imports of grain in the current year will be somewhat the same. Poland will try to limit its grain imports depending on the crop situation.

The possibilities for Canadian "special crops" in this market is limited since Poland is a traditional exporter of these products. However, we see opportunities for both complete and supplementary protein feeds.

8. Processing Facilities

	Year: 1985 (most recent)			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>thousands of tonnes Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	1	1,516	14,500	6,400
Compound Feed Mills	5			
Maltsters	1	22		
Brewers*	1	98		11.1
Oilseed Crushers	1	32		291

* Capacity and output in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985 (most recent)
 - - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Gdansk		
Gdynia		
Gdansk		
Kolobrzeg		
Szczecin		
Total Capacity	N/A	2,959

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1985/86) estimate: 4.1 million tonnes.
2. Additional Information

Annual per capita beer consumption increased in 1985 by 9.9%. Litres per capita are as follows:

1980	-	30.4 I
1981	-	28.6 I
1982	-	28.6 I
1983	-	27.5 I
1984	-	26.6 I
1985	-	29.5 I

Beer production capacity: In 1985 Poland exported 300,000 hectolitres of beer and 700 tonnes of hops. Although beer production capacity is stable, beer production increased in 1985 by 12% to 10.8 million hectolitres. By 1990 beer production capacity will increase by 1% (700 thousand hl).

Countertrade negotiations between Coca Cola and Zywiec Brewery have been completed recently whereby the brewery will be modernized in return for the export of labelled Polish Zywiec beer to western markets through Coca Cola distribution channels.

Polish malting capacity is stable.

Traditional importers of Polish malt are Holland and Brazil. In 1985 Poland exported about 5,000 tonnes of malt.

The Market potential for Canadian malt is limited and could be discussed only on a countertrade basis as was the case with Coca Cola deal.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	soya	- no duty	mustard seed	- 3%
		rapeseed	- 20%	poppy seed	- 15%
	Crude Oil:	no duty			
	Refined oil:	rapeseed oil	-20%	mustard	- 20%
		soya oil	- 5%	peanut oil	- no duty in bulk
		other oil	- 5%		

Non-tariff import barriers: Apart from non-availability of foreign exchange, and heavy government subsidization to producers, there are no non-tariff barriers.

Import/export structure: Foreign trade is a government monopoly and is conducted by a group of specialized foreign trade organizations.

All contracts are managed by a state-owned foreign trade organization (Rolimpex).

In 1985 Poland started to grow rapeseed with low content of erucic acid and glucosinolates. If the 1986 crop reaches 1.2 million tonnes Poland will export about 140,000 tonnes of rapeseed this year. 1985 export of rapeseed was about 120,000 tonnes, mostly to West Germany, Australia and the Netherlands.

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

year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed	1,100		120
Soyabean		29	
Total	1,100	29	120

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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*	6,500 (6,400)	750 (350)	2,100 (2,047)	9,350 (8,797)
Durum wheat			80 (52)	80 (52)
Flour/Semolina				
Total	6,500 (6,400)	750 (350)	2,180 (2,099)	9,430 (8,849)

*of which spring wheat

DISPOSITION 1985/86 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 Domestic Utilization) Total</u>
Wheat*	4,600 (4,500)	3,500 (3,199)		433 (400)	897 (750)	897 (750)	9,430 (8,849)
Flour Semolina							
TOTAL	4,600 (4,500)	3,500 (3,199)		433 (400)	897 (750)	897 (750)	9,430 (8,849)

* includes flour and durums

IMPORT TRADE 1985/65 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum) 80 (52)

Cash

80 (52)

TOTAL

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn				
Barley	4,000 (4,100)		500 (437)	500 (437)
Sorghum			80 (79)	4,080 (4,179)
Oats	2,700 (2,700)			2,700 (2,700)
Rye	7,800 (7,600)			7,800 (7,600)
TOTAL	14,500 (14,400)	2,300 (1,340)	580 (516)	17,380 (16,256)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed**	Industrial	Other (seed, waste)	Exports**	Carry-out**	Total
Corn							
Barley		500 (437)					500 (437)
Sorghum							
Oats							
Rye							
TOTAL	2,800 (2,600)	11,800 (10,656)		700 (700)	2,080 (2,300)	17,380 (16,256)	

** Estimates.

ROMANIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$2,000	1985
Annual per capita GNP	US\$2,800	1985
Average annual growth	8%	1975-85
Annual inflation rate	7%	1975-85
Annual inflation rate	4%	
Volume of imports	8.67 billion US\$	1985
Of which food	2%	1985
Of which fuels	28%	1985
Principal foreign exchange earning export:	Refined oil products	
Debt service as % of GNP	3%	1985
Debt service as % of exports	20%	1985
Population	22.7 million	1985
Annual population growth	0.7%	1985
Annual Consumption:		
Flour	2,450,000 tonnes or 108 kg/capita	1985
Meat	1,020,000 tonnes or 45 kg/capita	1985
Vegetable Oil	270,000 tonnes or 12 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1985/86 crop year production results were somewhat disappointing in comparison to the annual economic plan objectives set forth. Total grain production was estimated to be 23.05 million tonnes, well below the 29.65 million tonnes targetted for.

The same scenario appears to be happening again this year. The planned target was for a production total of 31.0 million tonnes, however, estimations put the 1986/87 production total around 23.0 million tonnes.

2. Foreign Exchange Situation

Romania's 1985 trade balance registered a surplus of US\$2.5 billion. Romania's improved balance of trade was achieved by harsh central orders to cut imports. There are no signs that the regime in Bucharest is about to reverse its current restrictive import policy in 1986.

3. Fertilizer Situation

According to the 1985 plan, targets for 36 million tonnes of organic fertilizers should have been provided as well as 2.403 million tonnes of nitrogenous, phosphate, and potash fertilizers and 67 thousand tonnes of pesticides. Measured against the objectives, results were disappointing: 1.480 million tonnes of nitrogenous fertilizers and 42 thousand tonnes of pesticides.

Targets for 1986 are:	organic fertilizers	42.4 million tonnes
	chemical fertilizers	2.2 million tonnes
	pesticides	60.0 thousand tonnes

4. Import Mechanism

In Romania, importation is a state monopoly. The Romanian government establishes the basic guidelines and the annual agricultural plan, specifying in detail the development objectives. The Ministry of Agriculture and the Ministry for Food Industry and Acquisition of Agricultural Products distribute to the various state-owned foreign trade organizations (FTO) the import targets required by the annual plan in conformity with the production requirements and goals of these ministries. For grains and oilseeds the import organization is FTO AGROEXPORT headed by Ms. Florica Gursca.

5. Grain Industry Infrastructure

Romania's infrastructure is an inadequate one. Storage facilities (as well as drying and cleaning facilities) continue to be a problem with the result that most grain is moved to its destination as quickly as possible. It is a long-term objective to expand storage capacities. New facilities are to be constructed during the present "Five Year Plan", but in the interim, current disproportions between increased grain output and existing storage capacities will continue. The milling industry has low capital investment for storage. Wheat is distributed to numerous bakeries where it is temporarily stored and milled locally before baking. The coming years will see the unfolding of the World Bank supported Grain Storage and Mechanization Project which is designed to increase grain surpluses by reducing post-harvest losses through improved storage capacities. Pneumatic grain handling units will also be developed.

6. Government Policies Affecting Grain and Agriculture

The 1986 Plan and the targets for the 1986-1990 Five Year Plan period make clear that all improvements, if any, in Romanian agricultural performance will be the result of policies designed to intensify, rather than extend, production. Better exploitation of available resources, along with increases in crop yields, more effective soil management, greater development of large scale production and closer cooperation between state cooperative farms and general consumer and sales cooperatives are called for. Efforts will also be made to integrate production of the small holdings into the socialized sector. At the beginning of 1986 the Ministry of Agriculture and Food Industry was divided into two separate ministries: the Ministry of Agriculture and the Ministry of Food Industry and Acquisition of Agricultural Products. According to government planners this will enable the farms to be able to adapt more quickly to changing domestic and foreign operating conditions and, most importantly to adjust their production structure more effectively and directly to export demands and opportunities. Romania espouses a policy of achieving self-sufficiency in agriculture by 1990.

In the medium term, and depending on the success of Romania's agricultural development, the market for Canadian products (especially grain) could diminish or even disappear.

Romania is the only East European nation that has set out formal regulations on countertrade and it requires a regular balancing of the trade accounts of all FTOs. Repeated political references have placed countertrade at the centre of Romania's trade (import) policy. Full countertrade coverage is requested of almost all imports, including agricultural items that fall into the category of priority imports. However, despite existing regulations and political support at the highest level, countertrade remains a negotiable commercial condition, albeit a difficult one.

7. Market Prospects - Grains and Oilseeds

Romania expects to be self-sufficient in grains and oilseeds by 1990. Thus, no official projections are made regarding imports. At the moment Romanian grain imports depend directly on the success of the annual harvest.

The ability to arrange partial or total countertrade business becomes a decisive factor in doing business with Romania.

Canadian "special crops" will not likely find an export market in Romania.

8. Processing Facilities

Year: 1985

	<u>Number of Companies**</u>	<u>Number of Plants**</u>	<u>thousands of tonnes Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills			6,500 est	6,000 est
Compound Feed Mills			N/A	
Maltsters			N/A	
Brewers*			12	10
Oilseed Crushers			2.5	2.2

* Capacity and output in millions of hectolitres

** Information not available

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Constanta grain terminal	120	3,500

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1985/86): 2.5 million tonnes

2. Imports: Official figures not available.

3. Additional Information

Annual per capita beer consumption: 44 litres.

Beer production capacity: No detailed statistics are available.

Domestic malting capacity: No detailed statistics are available.

Malt exports: None

Market potential: Under countertrade terms there would be more room for Canadian malt and malting barley exports into the Romanian market.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: No tariff
 Crude Oil: 10% ad valorem
 Oilseed Meal: 10% ad valorem
 Refined Oil: 25% ad valorem

Non-tariff barriers: The state monopoly on foreign trade and the countertrade practices.

Import/export structure: Imports are controlled by the state-owned foreign trade organizations. The FTO involved in the imports of oilseeds is AGROEXPORT.

Additional Factors: Romania is trying to increase its domestic production of oilseeds (sunflower, soybeans, rapeseed) in order to become fully self-sufficient.

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

Year: 1985

<u>Oilseed</u>	Production		Imports		Exports	
Sunflower & Rapeseed	745					
Soybeans	305		300 (est)			
Others	50					
TOTAL	1,100		300 (est)			

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Sunflower	210					110
Soybean	100	30				
Others	40			5		
TOTAL	350	30		5		110

<u>Meal</u>	Production	Imports	Exports
Soybean	N/A	N/A	N/A
Sunflower	N/A	N/A	N/A

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	5,500 (6,879)	(304)	(14)	5,500 (7,197)
Durum wheat				
Flour/Semolina				
TOTAL	5,500 (6,879)	(304)	(14)	5,500 (7,197)

* 1985/86 Carry-in, Import statistics not available

(B) COARSE GRAINS

SUPPLY 1985/86 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	14,000 (13,274)			14,000 (13,274)
Barley	2,500 (2,448)			2,500 (2,448)
Sorghum				
Oats				
TOTAL	16,500 (15,722)			16,500 (15,722)

* Carry-in, import statistics not available

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	1,400	9,800	2,800				14,000
Barley		1,750	750				2,500
Sorghum							
Oats							
TOTAL	1,400	11,550	3,550				16,500

UNION OF SOVIET SOCIALIST REPUBLICS

Economic classification: Non-Market Industrial economy		
Oil exporter or importer (net): Exporter		
Annual per capita income:	200 R/month	1985
Annual per capita GDP	US\$3,922	1985
Average annual growth	2.8%	1975-85
Volume of imports	83.3 billion US\$	1985
Of which food	21.2%	1985
Of which fuels	5.3%	1985
Principal foreign exchange earning export:		
Petroleum products		
Debt service as % of GNP	N/A*	
Debt service as % of exports	N/A	
Population	278.7 million	1986
Annual population growth	0.9% p.a.	1975-84
Annual Consumption:		
Bread products	133.0 kg/capita	1984
Meat	61.0 kg/capita	1984
Vegetable Oil	9.5 kg/capita	1984

* Net liabilities \$9.56 billion

I. GENERAL INFORMATION

1. Crop Situation and Outlook (as of October 27, 1986)

Despite better than average spring soil moisture in all winter grain areas except the Southern Ukraine and North Caucasus, by autumn grain harvest estimates had fallen from 200 million tonnes to 175 million tonnes. This downward trend in production can be attributed to damage caused by lower than normal summer precipitation in the East Ukraine, North Caucasus, and Volga Valley. Corn was also badly hit by poor weather and the continuing inability of the Fertilizer Ministry to meet production targets. The crop was also limited by slower than average planting due to wet fields. Winter grains suffered because of a warm January followed by a cold February resulting in a loss of winter hardiness and suffocation. Winterkill was 5-10 per cent above the normal level of 15 per cent. By October 1, 1986, wheat and coarse grains (excluding corn) were harvested on an area of 105.3 million hectares. Quality of the current crop is believed to be lower than average due to the dry summer weather and imports could be higher as a result.

Total grain production (millions of tonnes):

<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
191.67	172.63	192.22	186.77	158.22

Average yields (tonnes per hectare) 1981-85 average in brackets:

Winter wheat	2.16 (2.28)	Winter barley	2.13 (2.28)	Oats	1.63 (1.38)
Spring wheat	1.21 (1.01)	Spring barley	1.58 (1.38)	Mustard	6.9 (5.7)
Winter rye	1.66 (1.52)	Grain corn	3.21 (3.25)		

Crop Situation and Outlook (cont'd)

Average acres (in millions of hectares), 1984 in brackets:

Winter wheat	18.0 (18.0)	Winter barley	1.2 (1.6)	Oats	12.6 (12.8)
Spring wheat	32.3 (33.1)	Spring barley	27.8 (28.8)	Mustard	1.7 (1.7)
Winter rye	9.4 (9.3)	Grain corn	4.5 (3.9)	Silage corn	17.4 (17.4)

2. Foreign Exchange Situation

In 1986 the USSR will lose nearly one third of its annual hard currency earnings due to low crude oil prices on the world market. The estimated loss of \$7 billion in revenue combined with a weak US dollar will reduce Soviet purchasing power in the West. A shortfall of 29 to 33% of the total Soviet hard currency imports in 1984 represents the value the USSR has paid for grain imports in any year. Since 1981 petroleum prices have fallen more rapidly than the cost of the corn-wheat basket. The USSR will thus have considerable difficulty sustaining imports from hard currency countries. Any Soviet effort to compensate with increased gold sales and borrowing will probably result in a one-third rise of the 1985 net indebtedness of \$10.1 billion.

3. Fertilizer Situation

In 1985 Soviet production of mineral fertilizers rose by 8% with a larger proportion of the increase allocated for domestic use than in the past. Grains and forage crops were assigned priority for increased deliveries as follows: Nitrogen - 11.4 million tonnes, phosphate - 6.4 million tonnes and potash - 6.7 million tonnes. Continued increases in production/deliveries are expected in 1986 given the 11% increase in production from January through March of 1986 compared with the same period last year. In 1984-85, cereal crop fertilizer usage (excluding corn) increased from 65 kg/hectare to 72 kg/hectare. Total fertilizer application for corn production fell from 232 kg/hectare in 1983/84 to 200 kg/hectare in the 1984/85 crop year.

4. Import Mechanism

In September 1986 the USSR Ministry of Foreign Trade began a structural reorganization and announced a new export quality-oriented policy but the full effects on Exportkhleb are still unknown beyond personnel changes. In July, Exportkhleb announced stricter export terms stating (a) Soviets will only pay 95% of purchase price before shipment and pay balance within 7 days after unloading in USSR; (b) USSR can make deductions from 5 per cent for in-transit damage; (c) USSR has option to return any shipment to sellers at seller's expense if contract terms not met on arrival; and (d) Soviet representative to observe loading procedures at export elevators with power to stop loading of Soviet ship if necessary. Although fertilizer availability is generally increasing, the inadequate quality of many formulations and poor application procedures impede fertilizer effectiveness in the field.

5. Grain Industry Infrastructure

In oilmeal imports the Soviet policy has shifted to production by domestic mills rather than direct importation. This may be related to difficulties in shipping and storing large quantities of oilmeals compared to oilseeds themselves. The USSR has encountered difficulties/losses of imported oilmeal when importing large quantities due to handling, shipping, and storage problems. The Soviets now wish to reduce unit production costs through higher mill capacity.

6. Government Policies Affecting Grain and Agriculture

In late March, following the 27th Party Congress in February, the new Soviet leadership announced an agricultural decree introducing more flexible retail prices for many fresh foods, incentive bonuses related to past production rather than unrealistic current output targets, and removal of barriers between state and private produce. They are as follows: (1) a 50% price bonus for production of grain, meat, milk, soya, cotton, and sugarbeets above the average 1981-85 level, regardless of whether output actually reaches the new and higher 1986-90 official targets; (2) both state and collective farms can sell 30% of planned fruit/vegetables direct to shops, restaurants, and markets before meeting plan target; (3) regional (oblast) authorities can fix retail prices for fruits/vegetables. Higher procurement prices and bonuses for hard and durum varieties raised state procurements of quality grains by encouraging farms to take care in harvesting, sorting, and cleaning grains. They also encouraged farmers to take risks and sell quality grains to the state rather than use them or hold them in reserve.

Soviets continue to emphasize use of intensive technology to increase grain production. In 1986 intensive technology will cover 31.3 million hectares of grain area, an increase of 10.3 million hectares over the previous year. Better machinery, fertilizer, chemicals, seed and work methods are being focused on corn and spring wheat areas in the North Caucasus and Black soils. The result has been a 16 million tonne increase in grain production from 1984/85 levels. The visit of Gosagroprom Deputy Chairman (Crops) Romanenko underscored this initiative to improve domestic production at the long-term expense of grains imports during his visit to Canada in September.

The USSR is unhappy about large trade deficits with Western grain suppliers. The Soviet Ministry of Foreign Trade is stepping up measures to develop more balanced trade with the U.S.A., Argentina, Australia, and Canada. Under the terms of the new 1985 Argentine trade agreement, the Argentines are required to buy \$500 million of Soviet goods over the next five years in exchange for annual sales of 4 million tonnes of coarse grains from January 1986 to December 1990.

7. Market Prospects - Grains and Oilseeds

(There are no locally obtainable projections to 1990 of national grain import needs.) However, the USDA predicts that the value of Soviet agricultural imports may decline again in 1986 primarily because of decreased hard currency expenditures for grain. Grain imports in 1986 could be down as much as 25% in volume because of enhanced grain and forage output in 1985 and the desire to save hard currency. The USSR is expected to maintain grain imports at 30 million tonnes for 1985/86 and 1986/87 marketing years. In general, the USSR has long-term agreements that guaranteed grain imports of 20 million tonnes in 1985. Increased soybean imports, mainly from the U.S.A., consume some of the hard currency saved on grains. In 1986 the shortage of hard currency and continuing fall in grain prices have delayed Exportkhleb's entry in a buyer's market. The application of the U.S.A. Export Enhancement subsidy program to the large Soviet market failed to win any U.S.A. sales by the September 30th deadline. A September 1986 U.S.A. Congressional report warned that the USSR market would become increasingly competitive and consequently less significant for American suppliers in the future.

Market Prospects - Grains and Oilseeds (cont'd)

Inadequate protein in feed rations remains the weak link in Soviet livestock production. The area sown to peas, alfalfa, clover, and other high protein leguminous crops has expanded at the expense of lower protein grain crops. Plans to expand rapeseed cultivation and processing (smaller crushing plants better located) has focused Soviet attention on canola production and processing technology. In the summer of 1985 a seminar on canola production and another on canola oil were held in the USSR.

8. Storage and Throughput Capacity

Grain Import Capacity by Port: figures not available for 1986.

Name of Ports: Odessa, Leningrad, Tallinn (expanded in 1986), Riga, Nahodka, Vladivostock, Murmansk.

Ports used in other countries: Hamburg, FRG; Rotterdam, Netherlands.

II. MALT AND MALTING BARLEY

While no accurate information on production, consumption and trade is available, the new Gorbachev team has introduced tough new laws and regulations against alcoholism. Vodka production is being reduced 20 percent per year over the next five year plan period. General assumption is that a crackdown on hard liquor will be offset by a gradual increase in beer production and resultant increase in per capita consumption but no official pronouncements are forthcoming. Forced change of taste from Vodka to beer may necessitate greater supplies of imported malt, although many Soviets are turning to soft drinks, fruit juices and mineral water.

III. OILSEEDS

1. Trade Policy

Import tariffs: None

Non-tariff import barriers/export assistance measures: Long-term agreements for soybeans with PRC, Argentina, U.S.A. and Brazil.

Import/export structure: Oilseeds are imported by the monopoly buyer Foreign Trade Organization V/O Exportkhléb. In particular the member firm Prodsyrio deals through the established international trade primarily through London and Switzerland.

Additional factors: Increased Soviet imports of oilseeds, oilmeal, and vegetable oil in 1985 reflected the USSR's poor 1984 oilseed crop. Oilseed imports increased by almost 50% to one million tonnes. Oilmeal imports also rose sharply to one million tonnes. Increased domestic oilseed production in 1985 may not be reflected in a decline of 1986 soybean imports. Soybean purchases jumped in the first three months of 1986 as the USSR has decided to renew feed protein imports in an attempt to reduce the chronic feed protein shortage.

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

Year: 1986

<u>Oilseed</u>	Production	Imports	Exports
Soybean	480	2,600	
Sunflower seed	5,230		
Rapeseed	62		
Flaxseed	235		
TOTAL	10,822	2,600	

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Soybean	450	110				
Rapeseed	22					
Sunflower seed	1,735	150				
Cottonseed	659					
TOTAL	2,967	550				

<u>Meal</u>	Production		Imports	Exports
	Domestic	Imports		
Rapeseed	33			
Soybean	2,065	500	500	
Cotton seed	1,896			
Sunflower seed	1,815			
TOTAL	6,552	540	540	10

IV. STATISTICAL NOTES (as of October 27, 1986)(A) WHEAT AND DURUMSUPPLY 1985/86 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	78,100 (68,600)		16,000 (28,100)	94,100 (96,700)
Durum wheat				
Flour/Semolina				
TOTAL	78,100 (68,600)		16,000 (28,100)	94,100 (96,700)

DISPOSITION - 1985/86 est. thousands of tonnes - previous year in brackets

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	37,000 (36,000)	37,000 (36,000)	1,000 (1,000)	15,000 (15,000)	1,000 (1,000)	3,100 (7,700)	94,100 (94,700)
Durum wheat							
Flour Semolina							
TOTAL	37,000 (36,000)	37,000 (36,000)	1,000 (1,000)	15,000 (15,000)	1,000 (1,000)	3,100 (7,700)	94,100 (94,700)

IMPORT TRADE 1985/86 est. - millions of roubles - previous year in brackets (official Soviet statistics)

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

Wheat (including durum)

Cash 798.8 (1,194.8) 193.5 (1,006.6) 191.3 (265.9) 544.9 (369.8) 410.4 (535.3)

(B) COARSE GRAINS (as of October 27, 1986)

SUPPLY 1985/86 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	14,000 (13,000)			14,000 (13,000)
Barley	46,500 (41,800)			46,500 (41,800)
Sorghum				
Oats	20,500 (19,200)			20,500 (19,200)
Rye	15,700 (14,000)			15,700 (14,000)
TOTAL	96,700 (88,000)		12,000 (26,900)	108,700 (115,000)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL	7,000 (7,000)	78,700 (82,000)	3,000 (3,000)	11,000 (11,000)		9,000 (12,000)	108,700 (115,000)

Industrial Use: Alcohol declining

IMPORT TRADE 1985/86 est. - millions of roubles - previous year in brackets (official Soviet statistics)

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL							

1,632.2 (2,106.9) 266.3 (281.4) 767.7 (591) 516.9 (562.3)

YUGOSLAVIA

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita GNP	US\$2,216	1985
Average annual growth	0.2%	1980-85
Annual inflation rate	55%	1980-85
Annual inflation rate	92%	1986
Volume of imports	12.2 billion US\$	1985
Of which food	3.2%	1985
Of which fuels	26%	1985
Principal foreign exchange earning export: Electrical machinery and appliances		
Debt service as % of exports	43%	1985
Population	22.963 million	1984
Annual population growth	0.7%	1980-85
Annual Consumption:		
Flour	3.3 M tonnes or 144 kg/capita	1985
Meat	1.156 M tonnes or 51.3 kg/capita	1985
Vegetable Oil	320,000 tonnes or 13.9 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

<u>Crop</u> : 1986 (1985 in brackets)	<u>Acreage Planted</u> (000's hectares)		<u>Production</u> (000's tonnes)	
Wheat	1,346	(1,348)	4,500	(4,859)
Corn	2,370	(2,400)	10,500	(9,896)
Barley	300	(264)	750	(704)
Oats	151	(151)	252	(252)
Rye	50	(45)	77	
Rice	9		40	
Sunflowers	189	(111)		(233)
Soybeans	200	(101)		(174)
Rapeseed (Canola)	55		110	(120)

2. Foreign Exchange Situation

Yugoslavia has been experiencing serious financial problems for the last few years. To improve the adverse balance of trade deficit, imports have been curtailed, however, imports of food and agricultural raw materials will have priority. On tenders for imports of grain, countertrade (buyback) will be favoured. Yugoslavia is not likely to be an international aid recipient.

3. Fertilizer Situation

Fertilizer consumption: (1986)

<u>Product</u>	<u>Tonnage (000)</u>
N.P.K.	2,045
K ₂ O	345
Urea	295
Sugar phosphate	4
	<hr/>
Total	2,689

The demand for fertilizer may be twice that of consumption totals, but due to shortage of foreign currency, imports of raw materials for the domestic chemical industry have been restricted.

4. Import Mechanism

Imports of grain are controlled through the Federal Directorate for Commodity Reserves (former Federal Directorate for Food Reserves) or through its counterparts in the six Republics. If necessary, on the basis of an assessment of the overall grain situation, the Directorate releases a tender to major Yugoslav grain importers, who in turn solicit offers from abroad.

5. Grain Industry Infrastructure

Due to the current poor overall economic situation, no large capital projects have been envisaged for the time being. The social sector accounts for approximately 40% of total wheat production while the private sector (small farms) produce the remaining 60% of total production. About 65% of total production is bought and processed by the social enterprises (milling and bakery sector), and the Federal Directorate for Commodity Reserves.

6. Government Policies Affecting Grain and Agriculture

The new government of Branko Mikulic has designated agriculture as a priority sector and indicated that it plans to introduce incentives to encourage production, investment and exports and to review the hereditary land transfer laws to enable creation of more efficient private sector farms. As part of the new measures, in June of 1986, it was announced that the system for the crediting of agricultural production had changed by the extension of 60-day time periods, taxation and credit discounts. Restrictions on exports of agricultural products not already domestically contracted have been lifted. Additional levies have been introduced for the protection of domestic production of agricultural and food products. Market reserve targets for wheat, corn, edible oil, sugar and certain meats were proposed as well as a uniform nation-wide function of the market commodity system. By the year 1990 corn reserves should reach one million tonnes, wheat - 350,000 tonnes, sugar - 100,000 tonnes, meat - 50,000 tonnes and oil - 20,000 tonnes (one-fifth of these amounts has to be provided this year). For grain, the level of reserves should reach 10% of potential consumption, and for meat 5%. Differentiated interest rates for agricultural products and exports are to be determined. Farmers receive direct cost incentives which vary with Republics

6. Government Policies Affecting Grain and Agriculture (cont'd)

and products. However, the premiums have yet to be set for 1986. Finally, a price support system has been established through which social companies buy grain from farmers at previously set prices. However, due to current inflation (92% June 85-86) the selling price which is normally fixed beforehand may not be high enough to induce farmers to deliver. However, the requirements of wheat for the production of bread has been set at 3.3 million tonnes.

It is still uncertain whether the target of 3.3 million tonnes of wheat for the production of bread can be reached. The heat in May, followed by a very rainy June and July have endangered the outcome of the harvest. The price set at 70 Dinars for one kg of wheat, at which purchasing social trading companies are to buy wheat from private farmers may be perceived by the former as too low in view of the current galloping inflation. The irony is that current domestic prices for wheat are higher than international prices. In past years the government has threatened to import grains as a means of lowering domestic prices. Given Yugoslavia's current liquidity problem the reality of such an arrangement is improbable unless barter is involved.

Recently, purchases of wheat were made on a barter basis against deliveries of corn (105,000 tonnes of wheat against 118,000 tonnes of corn - free Yugoslav border basis), thus confirming the government's willingness to import wheat on a barter basis as a means of lowering domestic prices.

7. Market Prospects - Grains and Oilseeds

According to press reports, Yugoslavia expects to be self-sufficient in wheat by 1990, and to produce 15 million tonnes of corn annually which will allow exports of 2-3 million tonnes per annum. Yugoslavia is normally a net exporter of agricultural products. Imports of grains are usually on a residual ad hoc basis.

Yugoslavia might import approximately 100,000-200,000 tonnes of wheat next year most probably on a barter basis against corn. The same procedure will most likely apply to crude edible oil and meals.

Due to the current shortage of foreign exchange, the aspect of importing special crops in the next few years is poor.

8. Processing Facilities

Year 1984

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	100	186	3,300	2,400
Compound Feed Mills	100	189	4,000	3,500
Maltsters	10	14	270	250
Brewers*	20	24		
Oilseed Crushers	10	22	1,000	500

* Capacity and output in million hectolitres
Note - all figures are estimates

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Zadar, Rijeka, Bar, Koper, Split, Sibenik, Kardeljevo, Dubrovnik	Not available	Not available

Social enterprises, trade organizations and FDCR (Federal Directorate for Commodity Reserves) have their storage facilities but will not provide their capacities.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	150	200	300	54	704
Suitable for malting	150	200			350

2. Imports: not available

3. Additional Information

Annual per capita beer consumption: The consumption of beer was increasing until 1983 when it reached about 10.9 million hectolitres. Since then it has decreased and is estimated to be in the range of 9.5 million hectolitres annually. The decrease is due to the drop of the standard of living and wages caused by the inflation (92%) June 85/June 86.

Beer production capacity: There have been no recent changes in the beer production capacity. Production of beer has been decreasing from 13.47 million hectolitres in 1983 to 10.32 million hectolitres in 1984 and was slightly higher to 10.65 million hectolitres in 1985.

Domestic malting capacity: There are no changes in malting capacity. It is estimated by the Business Association of Yugoslav Breweries that the barley requirements for beer production are in the range of 200,000 tonnes.

Malt exports: No export of malt in 1984/85.

Market potential: Shortage of foreign currency is a restricting factor and there are no imports of malting barley envisaged this year.

III. OILSEEDS

1. Trade Policy

Import Tariffs:

Oilseeds:	Sunflower	10%	Oilseed Meal:	Sunflower	5%
	Soya	6%		Soya	30%
	Rapeseed	5%		Rapeseed	5%
Crude Oil:	Sunflower	10%	Refined Oil:	Sunflower	12%
	Soya	10%		Soya	12%
	Rapeseed	100%		Rapeseed	12%

Customs regime indicates that imports of all these products are subject to volume quotas, but quotas cannot be specified.

Non-tariff import barriers/export assistance measures: The former 6% equalization tax and the per cent custom evidence tax were abolished in 1985 with the intention of helping the local vegetable oil and mixed feed industry to reduce their production costs. The shortage of foreign exchange in all sectors of the economy is a major impediment at this time.

Import/export structure: Oilseeds and unrefined edible oil are imported through tenders released by the Federal Directorate for Commodity Reserves to Yugoslav importers who in turn solicit offers from abroad. Soya meal is imported through an Association of Yugoslav Meat Producers known as STOF0. Oil processors, if they earn foreign currency, can import oilseeds and crude oil on their own account.

Additional factors: Offers for sale linked with countertrade arrangements have priority. Last year there were imports of rapeseed from Poland on a countertrade basis.

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

Year: 1985

<u>Oilseed</u>	Production		Imports		Exports	
Sunflower	233		-		-	
Soybean	174		-		-	
Rapeseed	120		-		-	
TOTAL	527					

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Sunflower	93	-	N/A	-	-	-
Soybean	35	45	N/A	-	-	-
Rapeseed	48	-	N/A	-	-	-
TOTAL	176	45	156	-	-	-

<u>Meal</u>	Production		Imports		Exports	
	Domestic	Imports				
Sunflower	140	-	N/A		-	
Soybean	139	182	N/A		-	
Rapeseed	72	-	N/A		-	
TOTAL	351	182	128		-	

IV. STATISTICAL NOTES
(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat Durum wheat Flour/Semolina	4,862 (5,606)	182 (187)	140 (2)	5,184 (5,795)
TOTAL	4,862 (5,606)	182 (187)	140 (2)	5,184 (5,795)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>		<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal Feed</u>	<u>(seed, waste)</u>			
Wheat Durum wheat Flour/Semolina	4,200 (4,150)	400 (813)	500 (450)	(200)	84 (182)	5,184 (5,795)
TOTAL	4,200 (4,150)	400 (813)	500 (450)	(200)	84 (182)	5,184 (5,795)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

Wheat (including durum)

Commercial Credit 140 (2)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	9,896 (11,265)	3,183 (2,118)		13,079 (13,383)
Barley	704 (748)	95 (37)	5	804 (785)
Sorghum	5 (5)			5 (5)
Oats	252 (256)	21 (10)		273 (266)
Rye	77 (81)	13 (7)		90 (888)
TOTAL	10,034 (11,699)	3,312 (2,172)	5	14,251 (14,527)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption		Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal Feed				
Corn	600 (600)	8,500 (8,400)	400 (400)	1,100 (500)	2,179 (3,183)	13,079 (13,383)
Barley	150 (45)	380 (380)	20 (20)		69 (95)	804 (785)
Sorghum						
Oats	30 (25)	200 (190)	20 (30)		23 (21)	5 (5)
Rye	70 (65)	5 (10)	3		12 (13)	273 (266)
TOTAL	850 (735)	9,085 (8,980)	443 (450)	1,100 (500)	2,283 (3,312)	14,251 (14,527)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets:

ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
Canada						
Barley					5	5

Principal Others: USSR



PART IV
NORTH AND CENTRAL AMERICA



C O S T A R I C A

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,590	1985
Annual per capita GNP	US\$1,675	1985
Average annual growth	3.5%	1975-85
Annual inflation rate	15.0%	1975-85
Annual inflation rate	12.0%	1986
Volume of imports	0.986 billion US\$	1985
Of which food	6.0%	1985
Of which fuels	12.0%	1985
Principal foreign exchange earning export:	Coffee, Meat, Sugar	
Debt service as % of GNP	39.0%	1985
Debt service as % of exports	14.0%	1985
Population	2.9 million	1985
Annual population growth	2.5%	1985
Annual Consumption:		
Flour	42,000 tonnes or 14.5 kg/capita	1985
Meat	38,000 tonnes or 13.0 kg/capita	1985
Vegetable Oil	50,000 tonnes or 17.2 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat: Not grown in Costa Rica.

Corn: During the 1984/85 crop year 95,000 tonnes were harvested on 75,000 hectares. No crop expansion expected in 1986.

Rice: During 1984/85 crop year 150,000 tonnes were harvested on 75,000 hectares. Production will increase in 1986 through low interest rate loans to farmers. No figures are available.

Oilseeds: During 1984/85 the African palm crop of 220,000 tonnes was harvested from 24,000 hectares. There are plans to increase oil palm acreage 25% by 1989.

Sorghum: During 1984/85 crop year 55,000 tonnes were harvested on 20,000 hectares. Ministry of Agriculture estimates that 1986 crop will produce 64,000 tonnes.

Oats and Rye: Not grown in Costa Rica.

2. Foreign Exchange Situation

The foreign exchange situation is controlled by the Central Bank which uses an official rate of 56 colones per US\$1. The government will continue to allow importation of essential agricultural products not produced locally.

3. Fertilizer Situation

Fertica, SA. (owned by the government) supplies requirements of farmers. Fertica imports from Canada through a CIDA line of credit the following items: potash, urea, nitrogen, phosphate, etc. for mixing in their local factories.

4. Import Mechanism

Wheat is imported directly by a local flour mill (Molinos de Costa Rica) almost exclusively from the USA under PL480. CNP (Consejo Nacional de Produccion), a state agency, controls the importation of other grains and agricultural products through international public tenders.

5. Grain Industry Infrastructure

Molinos de Costa Rica and CNP have storage and handling facilities in the ports of Limon (Atlantic), Caldera and Puntarenas (Pacific) as well as silos in the more important distribution and production centres of Costa Rica.

6. Government Policies Affecting Grain and Agriculture

Competition with US grains and related financing facilities through the PL480 and CCC programs and the ownership of the local flour mill by a US company make it difficult to compete.

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

7. Market Prospects - Grains and Oilseeds

There are no long-term projections on grain import demand. In order to compete with offers of US grains which are financed under PL480, Canadian exporters would have to offer comparable credit terms. There are some prospects for Canadian barley, oats, malt and special crops if Canadian exporters can compete in price, delivery and terms offered by competitors.

8. Processing Facilities

	Year 1985			
			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	1	1	100	100
Compound Feed Mills	14	17	125	120
Maltsters				
Brewers*	2	2	150	80
Oilseed Crushers	1	2	70	70

* Capacity and output in thousands of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Moin	19	19
Limon	125	125
Puntarenas	26	26
Caldera	110	110
Total Capacity	280	280

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1985/86): none

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	10 (12)	France, W. Germany, USA

3. Additional Information

Annual per capita beer consumption: 2.5% increase

Beer production capacity: 3% increase

Domestic malting capacity: 2% increase

Malt exports: None

Market potential for Canadian malt: There is some opportunity for Canadian malt but strong competition should be expected from EEC and US suppliers.

III. OILSEEDS

1. Trade Policy

Import tariffs:	Oilseeds:	10% on CIF value
	Crude oil:	10% on CIF value
	Oilseed meal:	10% on CIF value
	Refined oil:	10% on CIF value

Non-tariff import barriers: None.

Import/export structure: The government agency CNP controls the importation, tendering all requirements.

Additional factors: Costa Rica produces the African palm oilseed which provides 85% of local market requirements.

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

Year: 1985

<u>Oilseed</u>	Domestic Production	Imports	Exports
African Palm	250		
Cotton		25	

<u>Oil</u>	Production	Imports	Exports
	Domestic	Crude	Crude
	Imports	Refined	Refined
Vegetable	75		

<u>Meal</u>	Production	Imports	Exports
Animal Feed	40		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat				
Durum wheat			110 (110)	110 (110)
Flour/Semolina				
TOTAL			110 (110)	110 (110)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	110 (110)						110 (110)
Durum wheat							
Flour Semolina							
TOTAL	110 (110)						110 (110)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash						
Commercial credit	110 (110)					110 (110)
Aid, concessional credit, etc.	110 (110)					110 (110)

FLOUR (including semolina)

Cash/comm. credit	
Aid, concessional	

(B) COARSE GRAINS

SUPPLY 1985/86 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	80 (77)		70 (77)	150 (154)
Barley			30 (29)	30 (29)
Sorghum	55 (55)			55 (55)
Oats			4 (4)	4 (4)
Rye				
TOTAL	135 (132)		104 (110)	239 (242)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	50 (54)	100 (110)					150 (154)
Barley			30 (29)				30 (29)
Sorghum		55 (55)					55 (55)
Oats		4 (4)					4 (4)
Rye							
TOTAL	50 (54)	159 (159)	30 (29)				239 (242)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn		70 (77)				70 (77)
Barley		30 (29)				30 (29)
Sorghum						
Oats		4 (4)				4 (4)
Rye						
TOTAL		104 (110)				104 (110)

C U B A

Economic classification: Centrally Planned economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$1,215	1980
Annual per capita GNP	US\$1,712	1980
Average annual growth	6.9%	1975-85
Volume of imports	7.1 billion US\$	1982
Of which food	18%	1982
Of which fuels	23%	1982
Principal foreign exchange earning export: sugar, nickel, citrus fruits, fish products, and coffee		
Debt service as % of exports	30-38% (projected)	1980-90
Population	10.1 million	1986
Annual population growth	1.2%	1985
Annual Consumption:		
Flour	501,000 tonnes or 51.6 kg/capita	1981
Meat	195,873 tonnes or 20.1 kg/capita	1981
Vegetable Oil	55,726 tonnes or 5.5 kg/capita	1981

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Cuba does not grow wheat. Rice is the only cereal crop cultivated in the Island with an estimated annual consumption of 750,000 metric tons of which 40% is imported from China and Italy and the remaining 60% is locally produced. No oilseeds grown.

2. Foreign Exchange Situation

Cuba has recently concluded re-negotiations of its foreign hard currency debt with Club of Paris. Because of the eroding economic conditions and foreign exchange situation, Cuba has set targets or measures to significantly reduce imports from market economy countries who demand immediate payment in hard currency. However, imports of food and agricultural products are given some priority. Most Canadian wheat and flour purchases are imported under a triangular arrangement with the USSR which involves payment by the USSR rather than Cuba.

3. Fertilizer Situation

Cuba manufactures approximately two million tonnes per year. Cuban expects to become self-sufficient by the year 1990. In the meantime approximately 1-2 million additional tonnes are imported by the USSR and East Germany. Sulphur is imported from Canada as part of USSR/Cuba triangular trade agreement.

4. Import Mechanism

Imports of all food products are conducted via Alimport, a state trading agency. However, grains and cereals are purchased by Exportkhleb (the Soviet marketing agency), Alimport's counterpart as part of the USSR/Cuba trade protocol.

5. Grain Industry Infrastructure

As part of the 1986-1990 economic development program, Cuba is planning to upgrade its existing port handling facilities, particularly in Havana, to permit handling of large bulk shipments. Project is scheduled to commence mid-1987 and until then deliveries should be bagged. From port receiving areas, bags are trucked or shipped by train to central distribution warehouses for further distribution to provincial centres. Major ports do not have cereal grain storage facilities (wheat is limited to four days milling requirements).

6. Government Policies Affecting Grain and Agriculture

Due to climatic considerations, Cuba cannot grow wheat, therefore the country will remain a net importer of the major cereal crops, including corn. As a result of foreign currency problems, Cuba has, since 1982, been diverting procurement to countries offering credit facilities. Consequently imports of Canadian cereals other than through the USSR have not occurred due to lack of financing. However, there have been exceptions whereby 360-day credit terms have been negotiated with export companies. Additional requirements of wheat and oil are now provided by France and Argentina. Data on consumption patterns, grain reserves, meat production and consumption are fragmentary and unreliable.

Lack of Canadian financing to Cuba has played a negative role in our export performance and has permitted both France and Argentina to capitalize on this sector of the Cuban market, dominated by Canada until 1982.

The Cuban government has never shown any strong interest in entering into barter or countertrade agreements with western countries.

7. Market Prospects - Grains and Oilseeds

In order for Canada to regain her export stature in Cuba, a willingness to finance and offer competitive credit terms comparable to those of European suppliers must exist.

Depending upon the availability of a minimum of 360-day credit terms, limited sales possibilities exist for lentils and canaryseed. Cuba is aware of Canada's capability as a supplier of beans and has in the past purchased sizable quantities. Canadian success will largely depend on pricing and availability of financing. Peas are imported from Canada by the USSR on behalf of Alimport.

8. Processing Facilities

	Year 1986		thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills		4	440	430
Compound Feed Mills		5	810	750
Oilseed Crushers		1	30	30

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1986	
	<u>Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Havana	100	N/A
Santiago de Cuba	75	"
Caibarien	65	"
Manzanillo	60	"
Cienfuegos	60	"
Total Capacity	360	

10. Agents of the Canadian Wheat Board

There are no agents in Cuba. All food products imports are conducted via Alimport.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate: Nil.
2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier</u>
Malting barley	35 (35)	Czechoslovakia

3. Additional Information

Annual per capita beer consumption: Is increasing to such a pace that even after the new Camagey brewery (supplied by E. Germany) became operational in 1985, local demand still outstripped production.

Beer production capacity: Domestic beer production is likely to increase near the end of 1987 when the proposed 100,000 hectolitre dark beer plant becomes operational. Cuba produced 2.8 million hectolitres of beer in 1985. It is expected that by end of 1990, beer production will have increased 7% over 1985 levels. All beer produced is consumed in Cuba.

Malt production: Nil

Malt exported: Nil

Market potential for Canadian malt: With actual projected beer production increase, Cuba will need an estimated 5-10,000 metric tonnes over and above level of Czech supplies. There is a possibility here for Canada, provided that Canadian prices are competitive and a minimum of 360-day credit terms is in place. There will be very stiff competition from France.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Since all foreign procurement is done via state trading organizations, no import tariffs are applicable.

Non-tariff import barriers/export assistance measures: Barriers arise as a result of the government's decision/policy not to accord import priority to a specific commodity.

Import/export structure: All imports are conducted by Alimport, a state trading organization.

Additional factors: Minimum of 360-day financing is required. Argentina, our main competitor, is supplying up to 2-year terms.

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

Year: 1986

<u>Oilseed</u>	Production	Imports	Exports
Sunflower		35 (USSR) 15 (Argentina)	
TOTAL		50	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
sunflower		23 (USSR) 20 (Argentina)			
TOTAL		43			

<u>Meal</u>	Production	Imports	Exports
Soya		15 (USSR) 5 (Argentina)	
TOTAL		20	

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 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	60 (40)	650 (850)	710 (910)	
Flour/Semolina	20 (20)	65 (60)	272 (180)	
TOTAL	80 (60)	967 (1,090)	1,047 (1,150)	

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	480 (580)	80 (80)	130 (190)			20 (60)	710 (910)
Durum wheat	60 (56)					5 (4)	65 (60)
Flour Semolina	252 (160)					20 (20)	272 (180)
TOTAL	792 (816)	80 (80)	130 (190)			45 (84)	1,047 (1,150)

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IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Wheat (including durum)						
Cash	600 (710)			50 (100)	(104)	600 (710)
Commercial credit						50 (200)
TOTAL						650 (910)
Flour (including semolina)						
Cash/comm.credit	200 (170)				52 (40)	252 (210)
TOTAL	200 (170)				52 (40)	252 (210)

Principal "Others": EEC (France)

(B) COARSE GRAINS

SUPPLY 1985/86 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 (15)			
Barley		30 (30)	480 (475)	525 (520)
Sorghum			50 (42)	50 (42)
Oats				
Rye				(15)
TOTAL	15 (15)	30 (30)	530 (532)	575 (577)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	30 (30)	405 (400)	40 (40)	10 (10)		40 (40)	525 (520)
Barley		50 (42)					50 (42)
Sorghum			(15)				(15)
Oats							
Rye							
TOTAL	30 (30)	455 (442)	40 (55)	10 (10)		40 (40)	575 (577)

Type of industrial use: Glucose plant and rolled oats.

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>
Corn	100 (40)			380 (435)		480 (475)
Barley	50 (42)					50 (42)
Sorghum						
Oats						(15)
Rye						
TOTAL	150 (97)			380 (435)		530 (532)

E L S A L V A D O R

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$690	1985
Annual per capita GNP	US\$672	1985
Average annual growth	1.5%	1975-85
Annual inflation rate	15.0%	1975-85
Annual inflation rate	22.0%	1986
Volume of imports	.975 billion US\$	1984
Of which food	18.0%	1984
Of which fuels	14.0%	1984
Principal foreign exchange earning export:	coffee, sugar	
Debt service as % of GNP	1.4%	1985
Debt service as % of exports	3.8%	1985
Population	5.1 million	1985
Annual population growth	3.0%	1985
Annual Consumption:		
Flour	36,000 tonnes or 7.0 kg/capita	1984
Meat	38,000 tonnes or 7.4 kg/capita	1984
Vegetable Oil	36,000 tonnes or 7.0 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat is not grown in El Salvador. 1985 was a bad year for the agriculture sector due to guerilla activity. According to Banco Central de El Salvador (Statistics Section), the coarse grain crop production was 152,000 tonnes in 1985 (estimated), rice 92,500 tonnes, oilseeds 23,000 tonnes and other crops 35,000 tonnes.

2. Foreign Exchange Situation

Banco Central established on January 1986 a new foreign exchange control and a list of priorities from 1 to 20 import items. Food imports rank third and raw materials for agriculture rank seventh. But even with the priority list the new import regulations for payments specify that letters of credit from the banking system are obligatory for all imports in excess of US\$5,000.

This country will continue as an aid recipient for grains and food products in general.

3. Fertilizer Situation

Seventy-two per cent of all fertilizer requirements were imported from Costa Rica and the remaining twenty-eight per cent from the U.S.A. and Europe. In 1985, fertilizer usage dropped 32% due to acreage reduction of cotton.

4. Import Mechanism

Imports of grains are done by Instituto Regulador de Abastecimientos (IRA), which is a government agency. However, private companies can import grains directly, as long as they obtain a license from the Ministry of Economy and Banco Central de El Salvador.

5. Grain Industry Infrastructure

El Salvador is implementing a program for the marketing of agricultural products, which will include the enlargement of five storage plants, and the expansion of seven collection centers and two warehouses. They are now negotiating the related financing with international financial institutions.

6. Government Policies Affecting Grain and Agriculture

The government is carrying on an agrarian reform (distribution of land to farmers) and the results of this measure in the agricultural sector can not be evaluated at this time. This reform poses no immediate implications for Canadian grain imports.

There is no policy on countertrade/barter as it relates to grains and oilseeds imports.

7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections. Canadian exports face strong competition from the U.S. in light of aid ties between the U.S. and El Salvador.

8. Processing Facilities

Year: 1985

thousand of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	3	3	85	85
Compound Feed Mills				
Maltsters				
Brewers*	2	2	78	90
Oilseed Crushers				

* Capacity and output in thousand hectolitres.

9. Storage and throughput Capacity

Grain Import Capacity by Port

Year: 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Acajutla		885
Cutuco		96
TOTAL		981

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1985/86): None.

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	11.0 (10.5)	Belgium and France
Malting barley		

3. Additional Information:

Annual per capita beer consumption: 1.5% increase.

Beer production capacity: 1.6% increase.

Domestic malting capacity: None.

Malt exports: None.

Market potential for Canadian malt: Canadian malt quality is well known in this country, however, it is not price competitive with European counterparts.

III. OILSEEDS

1. Trade Policy:

Import tariffs on oilseeds and products: 15% on CIF value + US\$0.25 per kilo.

Non-tariff import barriers/export assistance measures: None.

Import/export structure: Usually done by the government agency IRA, but can be done by private importers as long as they get an import license from the Ministry of Economy and Banco Central de El Salvador.

Additional factors: El Salvador does not import oilseeds, but they do import refined products such as edible oil made from soya and corn.

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

Year: 1985

<u>Oilseed</u>	Domestic Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Vegetable	20					
<u>Oil</u>						
Vegetable	20			16		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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			87 (85)	87 (85)
Flour/Semolina				
TOTAL			87 (85)	87 (85)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	67 (65)	20 (20)					87 (85)
Durum/Wheat							
Flour Semolina							
TOTAL	67 (65)	20 (20)					87 (85)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash						
Commercial Credit						87 (85)
Aid, concessional credit, etc.	87 (85)					

(B) COARSE GRAINS

SUPPLY 1985/86 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	435 (450)			435 (450)
Barley				
Sorghum	150 (130)			150 (130)
Oats				
Rye				
TOTAL	585 (580)			585 (580)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	235 (250)	200 (200)					435 (450)
Barley							
Sorghum		150 (130)					150 (130)
Oats							
Rye							
TOTAL	235 (250)	350 (330)					585 (580)

GUATEMALA

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Middle Income economy	
Oil exporter or importer (net)	Importer	
Average annual growth	2 %	1975-85
Annual inflation rate	10%	1975-85
Annual inflation rate	16%	1986
Volume of imports	1.7 billion US\$	1985
Principal foreign exchange earning export:	coffee, sugar, cotton, cocoa, shrimp	
Debt service as % of exports	45.8%	1986
Population	7.5 million	1981
Annual population growth	2.6%	1980-2000
Annual Consumption:		
Flour	132,911 tonnes or 17.7 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

According to the National Grains Institute (INDECA), under normal farming conditions, the supply of corn and beans should be enough to satisfy internal demand. This situation will not be the same for rice and sorghum where a deficit of 30,440 and 17,720 tonnes respectively are forecast. The Institute is recommending imports of rice and sorghum or emergency measures which would increase their production.

2. Foreign Exchange Situation

Guatemala has, for the past five years, experienced a serious foreign exchange shortage. The newly elected government has taken measures to stabilize the rate of exchange versus the US\$ (presently Q 2.50 to US\$ 1.00) and has provided incentives to the exporting sector of the country. These measures have resulted in a significant increase in forex reserves which will certainly alleviate pressures of payments for agricultural and food inputs. Guatemala enjoys aid from several countries for agricultural commodities. The most relevant would be wheat and oil which are subsidized by U.S. Aid programs. In all probability, Guatemala will continue to be an aid recipient in the agricultural and food sector.

3. Fertilizer Situation

All NPK fertilizers used (bulk or blended locally) are imported. Traditionally, supply has come from the U.S. and Germany. With the foreign exchange situation becoming normal again, 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 licenses from the Ministry of Economy.

5. Grain Industry Infrastructure

Two ports handle all imports of grains to Guatemala. Puerto Quetzal in the Pacific and Puerto Santo Tomas de Castilla Atlantic. A new bulk handling facility called GRANEL, S.A. has been built and is mainly designed for sugar exports. It has the capacity to process about 75,000 tonnes per year.

6. Government Policies Affecting Grain and Agriculture

Incentives for agricultural export commodities including grains should result in increased acreage and production. Government purchases of fertilizers and its distribution should allow for cheaper prices of agricultural commodities. Also, organization of agricultural cooperatives as well as export training should result in increased production.

Canadian grain imports to Guatemala have been insignificant at best and government policies or exchange controls could not affect Canadian exports.

With the present foreign exchange shortage crunch, the government looks very favourable at countertrade/barter activities.

7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections.

Marketing initiatives could include bilateral financing.

There exists a very small market for mustard seed and triticale. The requirements are so small that importers already have established suppliers and marketing activities as such are not required.

8. Processing Facilities

	Year: <u>1986</u> (most recent)		- - 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	24	24		66.340
Compound Feed Mills				
Maltsters				
Brewers*	1	1		
Oilseed Crushers				

*Capacity and output in hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year <u>1986</u> (most recent)	
	- - thousands of tonnes - -	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Puerto Quetzal		200
Santo Thomas de Castilla		225
Total Capacity		425

Annual per capita beer consumption: Increasing slightly by approximately 5% in comparison with 1984.

Beer production capacity: Maintaining same levels as last year.

Domestic malting capacity: Equal to last year.

Malt exports: None.

Market potential for Canadian malt: The local brewery continues to purchase French malt. Their malt consumption is attractive and would purchase from Canada if prices were more competitive. They have purchased Canadian malt in the past and were satisfied with quality. It is worth mentioning that even with more expensive freight rates, French malt is still competitive in this market.

III. OILSEEDS

1. Trade Policy

Import tariffs for oilseeds and products: 0.25¢ per kilo and 15% ad valorem of the CIF price plus 30% surcharge on the duties paid.

Non-tariff import barriers/export assistance measures: Import barriers include - foreign exchange scarcity; subsidy programs from the U.S. for purchase of grains and foodstuffs (e.g. PL480 and GSM 102).

Import/export structure: Grain and seed imports and exports are subject to controls from INDECA (Instituto Nacional de Comercializacion Agricola) which is directly responsible for imports/exports from the public sector and who controls via licensing of imports/exports from the private sector.

Additional factors: The only processing facilities in Guatemala are for cotton seed operations. Imports of corn oil are done by INDECA to meet local demand through U.S. PL480 program.

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 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	144.5	174.5
Corn	1,033	171		1,204
Sorghum	96	16		112
TOTAL		217	144.5	1,490.5

*Of which spring wheat 1,129

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	174.5						174.5
Corn	836	244	19	12	106		1,204
Sorghum	18	85				9	112
TOTAL	1,028.5	329	19	12	106	9	1,490.5

HONDURAS

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$ 625	1983
Annual per capita GNP	US\$ 575	1983
Average annual growth	2%	1975-85
Annual inflation rate	10.1%	1975-85
Annual inflation rate	12.2%	1986
Volume of imports	1.511 billion US\$	1984
Of which food	10%	1984
Of which fuels	13%	1984
Principal foreign exchange earning export: Bananas, coffee, lumber		
Debt service as % of GNP	4%	1984
Debt service as % of exports	10%	1984
Population	3.5 million	1984
Annual population growth	3.0%	1980-2000

I. GENERAL INFORMATION

1. Crop Situation and Outlook

According to statistics supplied by the Honduran Ministry of Agriculture, the 1985/86 basic grains crop is approximately 20% lower than 1984/85.

	Hectares ('000)		Production ('000 tonnes)		
	84/85	(85/86)	84/85	(85/86)	%
Corn	574.418	407.958	494	417	-15.5%
Beans	119.802	93.695	35.2	35.8	+ 2.0%
Rice	29.005	21.464	56	43.4	-22.4%
Sorghum	94.594	18.029	52.3	10.8	-79.2%

2. Foreign Exchange Situation

Honduras is experiencing a foreign exchange (forex) shortage. The Central Bank has a list of priorities for which allowances of forex are given. Agricultural inputs is one of them. Honduras has been an aid recipient on occasions, but they do not expect that this situation will arise in this crop year.

3. Fertilizer Situation

Private importers do the majority of fertilizer imports but the government is also involved through financing agreements with the U.S. and Japan. Approximately 20% of fertilizer imports are done by the government.

4. Import Mechanism

All basic grain imports and exports are done by the government through IHMA (Instituto Hondureño de Mercadeo Agrícola). Wheat is imported directly by the three existing private mills with financial support from the U.S. PL 480 program.

5. Grain Industry Infrastructure

Most imported grains are handled through Puerto Cortés on the (Atlantic) and stored in government and private facilities throughout Honduras. All wheat enters through Puerto Cortes and is stored in silos belonging to the three large millers in the country. All grain marketing is controlled by the government through IHMA.

6. Government Policies Affecting Grain and Agriculture

Honduras policies are to continue with growth patterns in basic grains and to continue to export surplus production as in the past three years. Land reform programs are being instituted to increase usage of land for basic grains.

Ministry of Economy and the Directorate of Foreign Commerce looks upon barter as a favourable solution to the foreign exchange shortage. Honduras is receptive to barter offers and will review every transaction on a case by case basis.

7. Market Prospects - Grains and Oilseeds

Long range grain import projections are not available.

Marketing initiatives such as export financing would be useful to match U.S. programs (i.e. PL 480 or GMS 102).

8. Processing Facilities

Year: 1985 (most recent)

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	3	3	120	80
Compound Feed Mills				
Maltsters				
Brewers*				
Oilseed Crushers				

* Capacity and output in thousand hectolitres (1984)

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985 (most recent)

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Cortés	N/A	
Henecan	N/A	
La Ceiba	N/A	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate: None

3. Additional Information

Annual per capita beer consumption: Increasing at a rate of approximately 5% per year.

		<u>Hectolitres</u>
Beer production capacity:	1981	484,000
	1982	461,000
	1983	540,000
	1984	546,000

Domestic malting capacity: All malt is imported.

Malt exports: None

Market potential for Canadian malt and/or malting barley: The market is ripe for further Canadian penetration if prices are competitive and aggressive marketing activities are undertaken. In 1984 and 1985 Canada's market share of total malt imports (US\$4.2 million) was less than 1%.

III. OILSEEDS

1. Trade Policy

Import tariffs on oilseeds and products: US\$0.25 per kilo plus 15% ad valorem (CIF price) plus 30% surcharge on the duties paid.

Non-tariff import barriers: Foreign exchange shortage and import license requirements.

Import/export structure: Oilseed production and refinement are done by private enterprise. Honduras is self-sufficient in African palm and cotton seed production.

PRODUCTION OF OIL SEEDS EXPRESSED IN TONNES

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Sesame seed	0.7	0.8	1.1	1.3	1.5
African Palm	142.1	192.6	231.4	253.8	260.0
Coconut Rind	12.5	13.0	13.9	14.5	14.7
Cotton Seed	4.7	5.9	9.2	17.3	18.0
Maranon Nut	0.6	0.8	0.4	0.5	0.4

EDIBLE OIL PRODUCTION

	<u>1982</u>	<u>1983</u>
Cotton Seed Oil	1,333,136 Lbs	1,876,409 Lbs
African Palm Oil	6,381 MT	7,292 MT
Coquito Oil	795,339 Lbs	725,102 Lbs.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous years in brackets

	<u>Production</u>	<u>Carry-in</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	Nil			
Durum Wheat		36 (8)	94 (194)	130 (202)
Flour/Semolina				

(B) COARSE GRAINS

SUPPLY 1985/86 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	417 (494)	20 (18)	N/A (32)	437 (544)
Barley				
Sorghum	11 (52)			11 (52)
Oats				
Rye				

J A M A I C A

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification: Developing economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$867.2	1985
Annual per capita GNP	US\$424	1985
Average annual growth	-04 %	1980-85
Annual inflation rate	18.4%	1980-85
Annual inflation rate	23.0%	1986
Volume of imports	1.1 billion US\$	1985
Of which food	7.2%	1985
Of which fuels	32.26%	1985
Principal foreign exchange earning export: bauxite alumina		
Debt service as % of exports	68.4%	1985
Population	2.3 million	1985
Annual population growth	1.1%	1978-84
Annual Consumption:		
Flour	131,380 tonnes or 57 kg/capita	1985
Meat	44,148.9 tonnes or 19.2 kg/capita	1985
Vegetable Oil	12,500 tonnes or 5.4 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

No wheat, barley, oats or rye grown in Jamaica. Implementation of agricultural programme to encourage production of corn/sorghum, soyabeans, cassava and rice commenced in 1984.

2. Foreign Exchange Situation

Jamaica has serious foreign exchange shortages. Available hard currency is placed in a twice weekly auction where the highest bidder is allocated the foreign exchange with no regard to the type of product to be imported. Imports of food products grown locally are limited by either import licences or high tariffs in order to protect domestic procedures. Jamaica is a major recipient of foreign aid including substantial amounts from Canada.

3. Fertilizer Situation

The Government of Canada through CIDA provided 93% of Jamaica's total usage of fertilizer in 1984 and 94% in 1985. Under the current agreement FERTAP I, signed in December 1985, Canada will provide 65,000 tonnes of fertilizer valued at C\$15 million over 18 months. Fertilizers supplied are diammonium phosphate, sulphate of ammonia, urea and muriate of potash.

4. Import Mechanism

The Jamaica Commodity Trading Company Limited (JCTC) which is a public sector corporation, is responsible for the procurement of wheat, corn and soybeans whether under a Food Aid Program or by international tender. Corn, soya and a significant percentage of wheat is imported from the U.S. under the GSM 102 - 3 years revolving loan granted by Department of Agriculture, USA - C.C.C. and PL480 - 20 year loan from US Government at highly concessional rate.

5. Grain Industry Infrastructure

JCTC sole importer of soybeans, wheat and corn. Jamaica Soya Products Industries, a subsidiary of JCTC, only oilseed crushing company. Oil is supplied to Seprod Ltd which processes edible oils, feeds, soaps and margarine. Residue supplied to feed mills. Four major feed mills are Jamaica Feeds Ltd (Seprod), Master Blends Ltd, Newport Mills, Caribbean Milling Ja Ltd (Seprod), Mastger Blends Ltd, Newport Mills, Caribbean Milling Ja Ltd. Wheat supplied through JCTC for sale to flour mill Jamaica Flour Mills Ltd. No changes in infrastructure anticipated.

6. Market Prospects - Grains and Oilseeds

Government's AGRO 21 self sufficiency Program launched October 1984 seeks to conserve foreign exchange by the development of the following agricultural subsectors - corn/sorghum, soybeans, rice, cassava (for feeds), beef, dairy and fish. During 1985 corn and rice production emphasized.

No short term changes anticipated for Canadian wheat. In longer term any oilseed potential could be limited.

Jamaica most interested in barter. The products offered, however, alumina/bauxite would be of little interest to a Canadian firm given Alcan's major presence in this country.

7. Market Prospects - Grains and Oilseeds

Wheat	1986	200,000 tonnes) Increase of approx 10%
Corn	1986	144,000 tonnes (Feeds)) per annum unless devaluation
		36,000 tonnes (Human consumption)) of Jamaican dollar
Soybeans	1986	60,000 tonnes) significantly depresses) demand

Jamaican imports dependent on suppliers credit - both commercial and concessionary. Present arrangements include commercial credit from The Canadian Wheat Board and commercial concessionary credit from USA. Increase in sales will be achieved only through additional concessional credit.

No marketing potential for special crops due to high import tariffs which protect local products.

8. Processing Facilities

	Year		1986 (most recent)	
	- - 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	200	131.38
Compound Feed Mills	5	5	750	17.311
Brewers*	2	2	20	12.1
Oilseed Crushers	1	1	80	

* Capacity and output in millions of gallons

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Port/City</u>	<u>Structure</u>	Year		1986 (most recent)	
		- - thousands of tonnes - -			
Shell Pier (Kingston)	facility*				
Wherry Wharf (Kingston)	Storage				
Port Esquival (St. Cath.)	facility				
Rio Bueno (Trelawny)	facility				
Kingston Wharf	facility				
Montego Bay (rice)					

* No port storage facility. Products are unloaded from ship directly onto truck for processor's facilities.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1985-86): none

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	9.74 (8.71)	U.S.A.

3. Additional Information

Beer/stout production increased from 10.7 million gallons in 1984 to 12.1 million gallons in 1985.

Beer production capacity: Constant

Domestic malting capacity: None

Malt exports: None

Market opportunities exist for Canadian malt and malt extracts only if appropriate financial vehicles are put in place.

III. OILSEEDS

1. Trade Policy

Import Tariffs for oilseeds and products: none

Non-tariff import barriers: Refined oil requires an import licence.

Import/export structure: Jamaica Commodity Trading Company imports all soybeans requirements through international tender. Soya oil and refined oil may be imported by seprod Ltd.

Additional factors: Under the US PL480 program, credit facilities are available for soymeal and oil. Soybeans imported under the GSM 102 program.

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

Year 1985

<u>Oilseeds</u>	Production	Imports	Exports
Soybean	Minimal	51	
<u>Oil</u>			
Soya	2.6 mil gal.	8.8 mil gal	
<u>Meal</u>			
Soymeal		2.3	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan 1</u>	<u>Imports*</u>	<u>Total Supply</u>
Wheat*				
Durum wheat		173.6	(186.3)	183.6 (186.3)
Flour/Semolina		0.434	(0.615)	0.434 (0.615)
TOTAL		174.034	(186.92)	174.034 (186.92)

* of which spring wheat

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	174.034	(186.92)					174.034 (186.92)
Durum wheat							
Flour Semolina							
TOTAL	174.034	(186.92)					174.034 (186.92)

Import Trade 1985/86 est. thousands of tonnes - previous year in brackets.

<u>Wheat (including durum)</u>	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>Total Imports</u>
Commercial Credit	9.9	(5.9)					9.9 (5.9)
Aid concessional	29.5	(17.7)					29.5 (17.7)
Credit etc.			134.2	(162.7)			134.2(162.7)

Flour

Cash Comm. Credit	0.434	(0.615)					0.434 (0.615)
TOTAL	0.434	(0.615)	134.2	(162.7)			174.034 (186.92)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, January</u>	<u>Imports*</u>	<u>Total Supply</u>
Corn	3.8 (3.7)		120.1 (159.0)	123.9 (162.7)
Barley				
Sorghum				
Oats				
Rye				
TOTAL	3.8 (3.7)		120.1 (159.0)	123.9 (162.7)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	25.4 (32.32)	92.5 (122.4)		6 (7.95)			123.9 (162.7)
Barley							
Sorghum							
Oats							
Rye							
TOTAL	25.4 (32.32)	92.5 (122.4)		6 (7.95)			123.9 (162.7)

Import Trade

Origin	<u>U.S.A.</u>	<u>AUSTRALIA</u>	<u>ARGENTINA</u>	<u>EEC</u>	<u>ALL OTHERS</u>	<u>TOTAL IMPORTS</u>
Canada						
Corn	120.1 (159)					120.1 (159)
Total	120.1 (159)					120.1 (159)

MEXICO

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification: Middle Income economy		
Oil exporter or importer (net): Exporter		
* Annual per capita income:	US\$1,500	1985
* Annual per capita GNP	US\$2,000	1985
Average annual growth	4.2 %	1975-85
Annual inflation rate	37 %	1975-85
* Annual inflation rate	110%	1986
Volume of imports	13.46 billion US\$	1985
Of which food	16.5%	1985
Of which fuels	4.8%	1985
Principal foreign exchange earning export: Petroleum, Tourism, Manufactures		
Debt service as % of GNP	7.9%	1985
* Debt service as % of exports	40.0%	1985
* Population	78.6 million	1985
Annual population growth	2.4%	1985
Annual Consumption:		
Flour	44.3 kg/capita	1985
Meat	37.1 kg/capita	1985
Vegetable Oil	12.4 kg/capita	1985

*Estimate

I. GENERAL INFORMATION

1. Crop Situation and Outlook

<u>Crop</u>	<u>Harvested Acreage 1985</u> ('000 hectares)	<u>Production 1985</u> ('000 tonnes)	<u>Harvested Acreage 1986**</u> ('000 hectares)	<u>Production 1986**</u> ('000 tonnes)
Rice	194	600	211	350
Beans	2,166	950	2,165	1,000
Corn	7,500	10,000	8,445	9,000
Wheat	1,100	4,500	1,205	4,600
Sesame	199	65	159	60
Safflower	367	150	257	100
Soyabeans	440	800	364	600
Cottonseed	275	300	192	300
Sorghum	1,568	4,200	1,713	3,700
Barley	321	400	375	400
TOTAL	14,130	21,965	15,086	20,110

**Estimate

2. Foreign Exchange Situation

Mexico's foreign exchange reserves have continued to drop during the last 12 months standing now at an estimated 4.5 billion (US) versus \$6.9 billion US a year ago and \$8.2 billion (U.S.) in December 1984. The August 1986 apparent improvement in oil prices, together with an increased likelihood that Mexico will reach an agreement with its creditors may improve the situation by the end of this year.

Agrifood imports would almost certainly have priority if hard currency shortages develop but so far only luxury products have been affected.

Mexico is not likely to become an international aid recipient in the future as its income per capita exceeds most accepted limits from donors such as CIDA.

3. Fertilizer Situation

FERTIMEX, is the state-owned fertilizer producer, which operates 13 manufacturing facilities throughout the country. Production capacity includes 1.7 million tonnes of ammonium sulphate; 108,000 tonnes of ammonium nitrate; 1.3 million tonnes of urea; 482,500 tonnes of diamonium phosphate; and 272,000 tonnes of NPK complexes. The production of nitrogen, phosphate and potassium fertilizer in 1984 reached 3.5 million tonnes. 3.8 million tonnes of fertilizer were sold in the market in 1985, placed chiefly in areas where large-scale commercial farming is practised. The communal farming community does not normally utilize modern fertilization methods. Planned expansions in the industry include 215,000 tonnes fertilizer grade nitric acid and 450,000 tonnes of concentrated nitric acid.

4. Import Mechanism

Until the end of 1984 CONASUPO (state owned enterprise) was the sole importer of all staples including grains, pulses and oilseeds. Since January 1985 these imports have been partially privatized with CONASUPO limited to those volumes required directly for the consumption of its own subsidiary plants. Private industry now tenders directly for their needs mostly under the umbrella of national associations such as CANACINTRA (National Chamber of the Transformation Industry-Feed Section) in the case of the feed industry and ANIAME (National Association of the Oils and Fats Industry) in the case of the oilseeds industry. Permits from CONASUPO and the Ministry of Agriculture (SARH) are required for all imports. CONASUPO also retains the coordination of ports of entry.

5. Grain Industry Infrastructure

Guaymas on the Gulf of California is the country's major grain handling facility. Lesser installations are to be found at Mazatlan and Manzanillo. Grain is also handled at smaller ports on the Gulf and Pacific Coasts, with Veracruz being the most efficient on the Gulf. Rail and road transportation are used to move grain inland from ports and border crossing facilities located at Brownsville, Laredo and El Paso. Storage of grain is done by government-owned companies (ANDSA, BORUCONSA, etc.), by private warehouses in the vicinity of urban centers and at the premises of the larger feed and oil crushing companies like PURINA or ANDERSON CLAYTON. Total storage capacity is in the order of 29.4 million tonnes. It is estimated that 6.5 to 9 million tonnes extra capacity are needed to fulfill the country requirements. The growing areas in particular are in need of extra storage capacity.

6. Government Policies Affecting Grain and Agriculture

Aside from the CONASUPO privatization policy already mentioned, the new initiative in recent times affecting the agricultural sector was the PRONADRI (Integrated rural development program) launched May 16, 1985 as a thinly disguised rehash of the previous administration's ill-fated SAM (mexican food system program). The goals were the same: self-sufficiency in food production and a higher standard of living for rural people. Growing economic problems and budget cuts have undermine the required agricultural credits essential for the potential success of this program. Funds for rural credit are estimated to be only 20% of required amounts. The PRONADRI also failed to tackle the main agricultural infrastructure problem which is the land tenure system with the communally owned Ejidos controlling 50% of all agricultural land but producing only 20% of the output while holding 80% of the rural dwellers, many of them working under five hectares each in primitive conditions. Yet, another program called the SIEPA (Integral Stimulation System for Agricultural Production) was announced April 10, 1986 with more or less similar objectives as PRONADRI and equally dim chances of success. The interrelation between the two programs is not fully clear.

Despite its overall failure to make Mexico self-sufficient in food, government programs over the last five years have improved somewhat the situation in specific crops such as wheat. In 1985 and again this year Mexico achieved a small surplus in wheat production. However, with 77% of Mexico's crop land dependent on rainfall, the weather rather than any government program plays an important role in the year to year Mexican agricultural situation. If the government plans are successful, Mexico will be self-sufficient by the end of the 1980's since they aim at a sectoral growth rate of 4.9% a year until 1988 and a 6.5% increase rate for staple crops. According to the Banco Nacional de Mexico however the sector growth rate for 1985 was closer to 3.5% and may experience an actual decline during 1986.

Of considerably more importance to Canadian sales is the privatization of CONASUPO which will mean individual tendering by private companies in the future.

There is no specific policy regarding bartertrade but Mexico is occasionally experimenting with it. So far it has been more the exception than the rule but it is possible that its importance may increase in the future, particularly in countertrade with other Latin American such as Argentina and Brazil.

7. Market Prospects - Grains and Oilseeds

Import projections are not prepared in Mexico due to the unstable nature of agricultural production. In addition, since there is a deficiency in grain storage capacity and an inefficient domestic transport and distributing system, produce must be imported on an as required basis. If the PRONADRI plan is taken at face value, no food imports should be expected after 1990.

Continued liaison with CONASUPO is essential in the pursuit of grain and oilseeds sales to this market. Although CONASUPO is no longer the exclusive importer it continues to be the largest. Canadian sales could also benefit from local agents or representatives actively canvassing top officials of private organizations such as ANIAME (National Association of the Oil and Fats Industry) and CANACINTRA (National Chamber of the Transformation Industry-Feed section). Feed trials for special products such as canola meal or barley, if properly publicized in the Mexican specialized agricultural media, have in the past and could in the future continue to show a positive impact on our market share.

Beans are a basic staple of the Mexican diet. Since 1975, Mexico has had to import large volumes of beans to supplement local production. Imports during 1986 are estimated to be around 20,000 tonnes. Self-sufficiency is a priority objective of the government. Mustard and canary seed also have some limited potential depending on local production and the availability of import permits which must be obtained for these crops. Mexico is a producer and net exporter of lentils.

8. Processing Facilities

Year: 1985 (most recent)
 - - - thousands of tonnes - - -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	120	160	230(1)	
Compound Feed Mills	62	89	7250	7980(2)
Maltsters	5	7	390	253
Brewers*	3	17		29.4
Oilseed Crushers		90	968(3)	885(4)

* Capacity and output in million hectolitres.

- (1) Durum only;
- (2) Combined production of associated feed manufacturers and independent hog and poultry operators;
- (3) Real refining capacity equals 80% of total theoretical capacity and 330 days operation.
- (4) Includes vegetable fats and edible oils.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985
 - - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tampico	22.0	110
Veracruz	25.0	110
Tuxpan	2.2	60
Guaymas	50.0(1)	120
Coatzacoalcos		35
Progreso		45
Mazatlan		60
Manzanillo		60
Total Capacity	99.2	600

- (1) Wheat Coastal trade.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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					580
Suitable for malting			260	180	440

2. Imports, Calendar year 1984 estimated:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt		
Malting barley	5	U.S.A.

3. Additional Information

Annual per capita beer consumption: Beer consumption per capita continued to increase slowly, moving from 32 litres in 1984 to 35 litres in 1985. This sluggish growth can be attributed mainly to loss of purchasing power due to inflation. However, improvement in the consumption pattern is expected in the years ahead. Beer sales in 1985 increased by 9.2% from 25.08 million hectoliters the previous year to 27.39 million hectolitres.

Beer production capacity: Beer production in 1985 recorded an increase of 10.8%, going from 26.29 million hectoliters in 1984 to 29.14 million hectoliters. Cerveceria Cuautémoc closed its Mexico City plant following the September 19th earthquake, but its Tuxtepec facility (rated output 4 million hectoliters per year) went into operation.

Domestic malting capacity: In 1984 Cebadas y Malta inaugurated its Tlaxcala plant, bringing Mexico's total malting capacity to 390,000 tonnes/annum. Any growth in the demand for malt can be accommodated since this plant is designed to increase its current output level of 40,000 tonnes/year to 120,000 tonnes. Malt production in 1985 grew by 11.5%, from 226,859 tonnes in 1984 to 252,962 tonnes.

Malt exports: The total domestic production of malt is consumed internally. No malt is exported.

Market potential for Canadian malt: This year it is practically non-existent, as the industry is self-sufficient. Enough malting barley acreages are currently planted to cover projected demand. In past, the United States has been the traditional supplier.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: None.
 Crude oil: Soybean oil none, cottonseed 10%; linseed, palm, animal oil 22.5%; olive and castor oil 37%; all other vegetable oils 10%.

All imports are subjected to import license control. All oilseed imports require foreign credit financing (CCC or EDC equivalents).

CONASUPO was the exclusive oilseed importer until January 1985. Now it imports only for its own needs. Private importers must obtain their import licenses and do their own import arrangements. ANIAME, the National Oils and Fats Association, has been used to negotiate import contracts and place international tenders by the industry.

Raw oil imports are subject to quota allocations. Importing oil is cheaper than crushing it in many cases and the government does not want to become dependent on it by allowing free imports.

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

Year: 1985

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>		<u>Exports</u>	
Soyabean	967	1,163			
Safflower	154				
Cottonseed	269	58			
Sunflower	18	432			
Sesame	85				
Canola		40			
TOTAL	1,493	1,693			

<u>Oil</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
		Crude	Refined	Crude	Refined
Soya	365	59			
Safflower	61				
Cottonseed	58				
Sunflower	232	134			
Canola		12			
TOTAL	716	205			

<u>Meal</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soyabean	1,548	40	
Safflower	95		
Cottonseed	152		
Sunflower	317		
TOTAL	2,112	40	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	4,500 (4,200)	500 (620)	350 (491)*	5,350 (5,311)
Durum wheat				
Flour/Semolina				
TOTAL	4,500 (4,200)	500 (620)	350 (491)	5,350 (5,311)

* Includes flour in wheat equivalent

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	4,150 (4,100)	550 (520)		150 (191)		500 (500)	5,350 (5,311)
Durum wheat							
Flour Semolina							
TOTAL	4,150 (4,100)	550 (520)		150 (191)		500 (500)	5,350 (5,311)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash	150	100 (80)	100 (240)			350 (320)
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(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	9,000 (10,000)	1,000 (1,000)	3,250 (1,726)	13,250 (12,726)
Barley	400 (400)		30 (22)	430 (422)
Sorghum	3,700 (4,200)	750 (750)	2,500 (1,219)	6,950 (6,169)
Oats				
Rye				
TOTAL	13,100 (14,600)	1,750 (1,750)	5,780 (2,967)	20,630 (19,317)

(1) Official production estimates 1986 calendar year.

(2) Estimated strategic reserve

(3) Estimated imports 1986.

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	11,681 (11,179)	239 (229)	330 (318)				1,000 (1,000)	13,250 (12,726)
Barl		165 (170)	265 (252)					430 (422)
Sorghum		6,200 (5,419)					750 (750)	6,950 (6,169)
Oats								
Rye								
TOTAL	11,681 (11,179)	6,604 (5,818)	265 (252)	330 (318)			1,750 (1,750)	20,630 (19,317)

Industrial Use: Malting

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn	(2)	3,250 (1,566)		(160)		3,250 (1,728)
Barley	30 (22)					30 (22)
Sorghum		2,100 (699)		400 (520)		2,500 (1,219)
Oats						
Rye						
TOTAL	30 (24)	5,350 (2,265)		400 (680)		5,780 (2,969)

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\$485	1985
Annual per capita GNP:	US\$492	1985
Average annual growth	1.2%	1975-85
Annual inflation rate	35%	1975-85
Annual inflation rate	80%	1986
Volume of imports	740 million US\$	1984
Of which food	23%	1984
Of which fuels	20%	1984
Principal foreign exchange earning export:	coffee, meat, cotton	
Debt service as % of GNP	35%	1984
Debt service as % of exports	38%	1984
Population	3.5 million	1985
Annual Consumption:		
Flour	20,000 tonnes or 8.0 kg/capita	1984
Meat	15,000 tonnes or 4.0 kg/capita	1984
Vegetable Oil	18,000 tonnes or 5.14 kg/capita	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat is not grown in Nicaragua. According to Instituto Nacional de Estadísticas de Nicaragua, the coarse grain crop production was 85,000 tonnes in 1985 (estimated), rice 60,000 tonnes, oilseeds 28,000 tonnes and other crops 13,000 tonnes.

2. Foreign Exchange Situation

All food and agricultural products are controlled and imported by ENABAS (government agency). Nicaragua is an international aid recipient from Canada, Brazil, Colombia and Eastern European countries.

3. Fertilizer Situation

In 1985, 20% of fertilizers were imported from Colombia and Brazil. The remaining 80% was 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 government agencies (ENABAS and ENIMPORT) have storage and handling facilities in the port of Corinto. No significant changes in infrastructure imminent.

6. Government Policies Affecting Grain and Agriculture

The government has rationed all types of food products and now controls the related distribution. No information available on anticipated government policies. There are some prospects for Canadian grain sales through CIDA aid programs.

At present there is no policy on countertrade/barter as it relates to grain and oilseed imports.

7. Market Prospects - Grains and Oilseeds

There are no long-term projections for grain imports.

At present, only possibility of Canada grain and/or oilseed sale would be through CIDA aid programs.

There are no marketing opportunities at the present time for special crops.

8. Processing Facilities

	Year 1985		thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	2	2	60	35
Compound Feed Mills				
Maltsters				
Brewers*	2	2	80	30
Oilseed Crushers				

*Capacity and output in thousands hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port		Year 1985
- - thousands of tonnes		
<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Corinto	125	120

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type (1985/86): none

2. Imports, Calendar year 1985 estimated, previous year in brackets.

	thousands of tonnes	Principal suppliers
Malt	4.5 (5)	Eastern European Countries

3. Additional Information

Annual per capita beer consumption: Decreased 9% in 1985.

Beer production capacity: Decreased 6% in 1985.

Domestic malting capacity: Decreased 5% in 1985.

Malt exports: None.

Market potential for Canadian malt: None at present time.

III. OILSEEDS

1. Trade Policy

Nicaragua relies on local production since importation is prohibited.

Import/export structure: Under government control.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Soya	40		
<u>Oil</u>	Production	Imports	Exports
	Domestic Imports	Crude Refined	Crude Refined
Soya oil	8		
<u>Meal</u>	Production	Imports	Exports
	Domestic Imports		
Soya meal	32		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat				
Durum wheat			30 (32.7)	30 (32.7)
Flour/Semolina				
TOTAL			30 (32.7)	30 (32.7)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	30 (32.7)						30 (32.7)
Durum wheat							
Flour Semolina							
TOTAL	30 (32.7)						30 (32.7)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

Wheat (including durum)	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Cash							
Commercial credit							
Aid, concessional credit, etc.							
(3.2)						30 (29.5)	30 (32.7)

Principal "Others": Eastern European countries

Nicaragua

(B) COARSE GRAINS

SUPPLY 1985/86 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	140 (150)		10 (20)	150 (170)
Barley			10 (10)	10 (10)
Sorghum	110 (100)			110 (100)
Oats				
Rye				
TOTAL	250 (250)		20 (30)	270 (280)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	117 (115)	30 (52)	3 (3)				150 (170)
Barley		10 (10)					10 (10)
Sorghum	89 (80)	20 (19)	1 (1)				110 (100)
Oats							
Rye							
TOTAL	206 (195)	60 (81)	4 (4)				270 (280)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn						10 (20)
Barley						10 (10)
Sorghum						
Oats						
Rye						
TOTAL						20 (30)

Principal "Others": Eastern European Countries

P A N A M A

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$1,600	1985
Annual per capita GNP	US\$1,780	1985
Average annual growth	3.5%	1975-85
Annual inflation rate	9.6%	1975-85
Annual inflation rate	15%	1986
Volume of imports	1.220 billion US\$	1985
Of which food	14%	1985
Of which fuels	18%	1985
Principal foreign exchange		
earning export: Panama Canal, Banking Services		
Debt service as % of GNP	16%	1985
Debt service as % of exports	19%	1985
Population	2.2 million	1985
Annual population growth	2.4%	1985
Annual Consumption:		
Flour	<u>26,000</u> tonnes or 11.8 kg/capita	1985
Meat	<u>35,000</u> tonnes or 16 Kg/capita	1985
Vegetable Oil	<u>40,000</u> tonnes or 18.18 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat: Not grown in Panama

Corn: During 1984/85 crop year 42,000 tonnes were harvested from 65,000 hectares.

Rice: During 1984/85 crop year 55,000 tonnes were harvested from 19,000 hectares.

Oilseeds: Not grown.

2. Foreign Exchange Situation

Local currency: 1 Balboa is equivalent to US\$1.

Wheat, beans and oilseeds are imported from US by local mills under the export credit guarantee program (GSM-102) administered by the US Commodity Credit Corp.

3. Fertilizer Situation

According to 1985 Import Statistics, Panamanian fertilizer imports were: 42,000 tonnes (U.S. 60%, Costa Rica 25%, Germany 10%, others 5%). Ingredients were: Nitrogen 30%, Phosphate 25%, Potash 30%, others (15%).

4. Import Mechanism

All grains are imported and distributed by the government agency Instituto Mercadeo Agropecuario (IMA). Except wheat which is imported directly by the local mills. No changes foreseen in import structure and procedures.

5. Grain Industry Infrastructure

The flour mills and IMA have storage facilities in the ports of Balboa and Colon, and grain silos in the more important production centres of Panama. No significant changes imminent.

6. Government Policies Affecting Grain and Agriculture

Competition with US programs (i.e. PL480 and CCC Financing), combined with dependence of Panama flour mills on their US parent companies, makes sales of Canadian grains difficult.

We foresee some prospects for Canadian barley and oats, if Canadian exporters can compete in prices, delivery and transportation.

7. Market Prospects - Grains and Oilseeds

There are no national grain import projections to 1990.

8. Processing Facilities

	Year <u>1985</u> (most recent)			
	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	3	3	60	50
Compound Feed Mills	8	14	159	152
Brewers*	2	2		
Oilseed Crushers	2	2	80	78

* Capacity and output in thousand hectolitres (1983).

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985 (most recent)

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Balboa	160	150
Colon	140	125
Total Capacity	300	275

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type (1985/86): Nil.

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt Malting Barley	10 (7.5)	U.S.A., France, Germany

3. Additional Information

Annual per capita beer consumption: 2% increase.

Beer production capacity: 3% increase in production capacity.

Domestic malting capacity: 3% increase in malting capacity.

Malt exports: None.

Market potential for Canadian malt: Competition with the U.S. and EEC suppliers makes it difficult for Canadians to obtain a share of the malt barley market.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - 10% on CIF Value
Crude oil - 10% on CIF Value
Oilseed meal - 10% on CIF Value
Refined oil - 15% on CIF Value

Non-tariff import barriers/export assistance measures: None.

Import/export structure: Imported directly by two local manufacturers.

Additional factors: The two local manufacturers import crude soya bean oil and refine it in their factories. They meet local market demand.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Soya oil		55	
TOTAL		55	

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Vegetable	40	42			
TOTAL	40	42			

<u>Meal</u>	Production	Imports	Exports
Animal feed	23		
TOTAL	23		

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat				
Durum wheat			65 (63)	65 (63)
Flour/Semolina				
TOTAL			65 (63)	65 (63)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	53 (50)	12 (13)					65 (63)
Durum wheat							
Flour Semolina							
TOTAL	53 (50)	12 (13)					65 (63)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash						
Commercial Credit						
Aid, concessional credit, etc.	65 (63)					65 (63)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	45 (40)		20 (23)	65 (63)
Barley			100 (115)	100 (115)
Sorghum				
Oats			2 (1)	2 (1)
Rye				
TOTAL	45 (40)		122 (139)	167 (179)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	20 (20)		20 (20)	25 (23)				65 (63)
Barley	50 (55)		50 (60)					100 (115)
Sorghum								
Oats			2 (1)					2 (1)
Rye								
TOTAL	70 (75)		72 (81)	25 (23)				167 (179)

TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn		20 (23)				20 (23)
Barley		100 (115)				100 (115)
Sorghum						
Oats		2 (1)				2 (1)
Rye						
TOTAL		122 (139)				122 (139)



PART V
SOUTH AMERICA



ARGENTINA

BASIC INDICATOR (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	self-sufficient	
Annual per capita income:	US\$2,200	1985
Average annual growth	2.5%	1975-85
Annual inflation rate	400%	1975-85
Annual inflation rate	+ 60%	1986
Volume of imports	7.5 billion US\$	1985
Of which food	0.5%	1985
Of which fuels	1.4%	1985
Principal foreign exchange earning export:	Agricultural Products	
Debt service as % of exports	22%	1985
Population	31 million	1985
Annual population growth	1.5%	1980-85
Annual Consumption:		
Flour	2,635,000 tonnes or 85 kg/capita	1985
Meat	2,480,000 tonnes or 80 kg/capita	1985
Vegetable Oil	372,000 tonnes or 12 kg/capita	1985

PROCESSING FACILITIES

Year 1985 (most recent)
 - - - thousands of tonnes - - -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Capacity</u>
Flour (and durum) Mills	46	52	5,100	4,000
Compound Feed Mills	20	35	2,500	1,700
Maltsters	10	10	800	600
Brewers*				
Oilseed Crushers	34	50	4,500	4,500

* Capacity and output in hectolitres

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	320				320
Suitable for malting	260				260

2. Imports: Nil

3. Additional Information

Annual per capita beer consumption: Stable

Beer production capacity: Stable

Domestic malting capacity: Stable

Malt exports: Uruguay/Brazil

Market potential for Canadian malt: None

III. OILSEEDS

1. Trade Policy: Argentina does not import oilseeds.

Import/export structure: Private firms

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

Year: 1985/86

<u>Oilseed</u>	Production	Imports		Exports	
Soybean	7,300	-		3,200	
Sunflower	3,500	-		100	
Flax	500			20	
TOTAL	11,300	-		3,320	
<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean	370	-	-	330	
Sunflowerseed	1,000			950	
Flax	150			140	
TOTAL	1,520			1,420	
<u>Meal</u>		Imports		Exports	
Soybean	1,900			1,750	
Sunflowerseed	1,700	-		1,650	
Flax	1,350			300	
TOTAL	3,950	-		3,700	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	8,300 (13,200)	500 (500)		8,800 (13,700)
Durum wheat				
Flour/Semolina				
TOTAL	8,300 (13,200)	500 (500)		8,800 (13,700)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	4,500 (4,200)			500 (500)	3,500 (8,500)	300 (500)	8,800 (13,700)
Durum wheat							
Flour Semolina							
TOTAL	4,500 (4,200)			500 (500)	3,500 (8,500)	300 (500)	8,800 (13,700)

Export Destination? Soviet Union, Iran, Brazil

(B) COARSE GRAINS

SUPPLY 1985/86 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	13,000 (11,500)	300 (200)		13,300 (11,700)
Barley				
Sorghum	4,200 (6,100)	500 (1,400)		4,700 (7,500)
Oats	400 (610)			610 (540)
Rye	110 (140)			110 (140)
TOTAL	17,710 (18,350)	800 (1,600)		18,510 (19,950)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other</u> <u>(seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	1,250 (1,450)	2,500 (2,500)		450 (450)	8,800 (7,600)	300 (300)	13,300 (11,700)
Barley							
Sorghum		1,600 (1,500)		500 (500)	2,200 (5,000)	400 (500)	4,700 (7,500)
Oats	120 (120)	280 (490)					400 (610)
Rye	110 (140)						110 (140)
TOTAL	1,480 (1,710)	4,380 (3,490)		950 (950)	11,000 (12,000)	700 (800)	18,510 (19,950)

B R A Z I L

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,630	1985
Annual per capita GNP		1985
Average annual growth	4.5%	1975-85
Annual inflation rate	108%	1975-85
Annual inflation rate	60%	1986
Volume of imports	13.2 billion US\$	1985
Of which food	3.6%	1985
Of which fuels	42.0%	1985
Principal foreign exchange earning export:	Coffee	
Debt service as % of GNP	5.3%	1985
Debt service as % of exports	46%	1985
Population	134.7 million	1985
Annual population growth	2.5%	1982-85
Annual Consumption:		
Flour	4,721,379 tonnes or 35 kg/capita	1985
Meat	1,800,000 tonnes or 13.4 kg/capita	1985
Vegetable Oil		1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat Outlook for 1986 crop (i.e. harvest late 86 and early 87) is between 5.5 and 6.0 million tonnes. However, Junta do Trigo (Brazilian Wheat Board) believes that forecasts are somewhat optimistic and that more realistic projection is 5.0 million tonnes. Still this represents another significant increase over the 1985 record harvest of 4.3 million tonnes. For the 1986 crop, area planted is reported to have increased by 20-30%.

Coarse Grains - Corn production affected by drought in 1985 is expected to be down approximately 7% to 19.7 million tonnes.

Oilseeds Primary oilseed crop is soya. Outlook for 1986 crop is sharp 30% decline to 12.3 million tonnes as result of a prolonged drought in 1985 and the low world market price.

Rice 1986 crop expected to be record 9.7 million tonnes. With carry-over stock of 806,000 tonnes, there should be more than enough to meet demand, estimated at 10.2 million tonnes.

2. Foreign Exchange Situation

With gross foreign exchange reserves in excess of US\$10 billion, Brazil has a comfortable foreign exchange position. Imports of food and agricultural inputs are given high priority since there is a shortage of some commodities following the long drought last year in South/Southeast. Following the economic stabilization plan (Cruzado Plan) introduced 28 February 1986, which meant a freeze on prices, the government stepped up food imports (meat, milk, corn, rice) to combat speculation. Brazil is not likely to be recipient of multilateral aid, however, some bilateral aid is received (i.e. 70,000 tonnes of milk powder from USA in past two years.)

3. Fertilizer Situation

The fertilizer industry is expected to import 50% more inputs this year in order to meet domestic demand. The increase in farm acreage will push consumption of fertilizers up to around 8.5 million tons, 5% more than in 1985. Imports of raw materials and fertilizers will total 1.7 million tonnes worth \$200 million, for a 9% increase in dollar terms compared with 1985. Imports will tend to increase year by year from now on, as fertilizer manufacturers are working at full capacity. Two projects are in the pipeline for aggregate investments of \$500 million. Profertil, the fertilizer unit of Petrobras, is planning to build an ammonia and urea plant, while a group of private-sector companies wants to set up a facility to produce sulphuric and phosphoric acid.

4. Import Mechanism

The Brazilian Government imports wheat through public tenders. Sellers must observe a standard rule which provides for specifications on protein, moisture content and quality of the wheat. The official agency in charge of the tenders is the Junta do Trigo located in Rio de Janeiro.

Other Grains When imports of other grains, such as corn and rice, are required, they are controlled by public tender issued by SEAP - Secretaria de Abastecimento e Preços (Secretariat of Supply and Prices) at the Ministry of Finance. Purchases are made through cobal - Companhia Brasileira de Alimentos.

5. Grain Industry Infrastructure

Buying, importing and distribution of wheat is entirely controlled by the Junta do Trigo. Wheat is sold to the mills at a fixed price (approx, US\$75.00) which is well below the blended price for locally produced and imported wheat purchased by the government. Wheat is delivered to the 179 mills according to a quota system. No major changes are anticipated in the immediate future. Many people, inside and outside the government, would like to see subsidies removed or reduced and monopoly government control to be removed, but any change is strongly resisted by the powerful farm lobby.

6. GOVERNMENT POLICIES AFFECTING GRAIN AND AGRICULTURE

One of the major platforms of the present government of President Sarney is to increase agricultural output with special attention to be paid to basic food products. Grain production which has stagnated at about 55 million tonnes for the past several years is targetted for growth of 30% over next 4-5 years. Wheat production will have almost trippled from 1984-86, however, at considerable additional cost in terms of subsidies to producers. The goal of self-sufficiency in wheat is publicly promoted but as this is clearly not in the best interests of Brazil, a more rational policy to encourage local production while at the same time continuing to import significant amount (i.e. 20-30% of needs) should prevail. The Government is currently studying the possibility of setting multiannual minimum price levels which will assist in forecasting future crop results.

In September 1985, Canada signed a 3-year wheat agreement with Brazil. Therefore, until 1988 Brazil is obliged to import 750,000 - 1,500,000 tonnes from Canada.

Grain imports (primarily wheat and corn) are purchased with 3-year credits from Canada and USA. In the case of Argentina, a clearing account system is utilized. Countertrade/barter is non-existent as far as grain imports are concerned.

7. Market Prospects - Grains and Oilseeds

Projected increases in corn production up to 1990 should eliminate the need for corn imports. As far as wheat is concerned, Brazil has the potential to become self-sufficient by 1990. The cost of such a policy however, will discourage its implementation.

Spot sales of field peas, lentils and beans from Canada have been successfully completed over the past several years. However, the potential for major penetration by Canadian companies is unlikely given strong competition especially from the USA. The Canadian Embassy will continue to monitor the situation for opportunities when local crops fall short of consumption requirements.

8. PROCESSING FACILITIES

	Year <u>1986</u> (most recent)			
	- - 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	175	179		
Compound Feed Mills				
Maltsters				
Brewers*				
Oilseed Crushers				

*Capacity and output in hectolitres

9. STORAGE AND THROUGHPUT CAPACITY

Grain Import Capacity by Port

Year 1986 (most recent
- - in tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Cabedelo (PB)	8,426	800 t/day
Fortaleza (CE)	30,317	2,000 t/day
Sao Fran. do Sul (RS)	15,000	1,800 t/day
Recife (PE)	58,524	2,000 t/day
Santos (SP)	313,787	2,500 t/day
Victoria	40,359	2,500 t/day
Estrela (RS)	40,000	
Rio Grande (RS)	60,000	3,200 t/day
Porto Alegre (RS)	118,000	2,500 t/day
Manaus	5,700	500 t/day
Belem	15,823	1,300 t/day
Itaqui	7,522	2,000 t/day
Natal	4,661	400 t/day
Aracaju	6,986	N/A
Maceio	15,959	1,300 t/day
Salvador	32,512	1,500 t/day
Niteroi	12,427	1,100 t/day
Rio	100,534	2,000 t/day
Angra dos Reis	11,026	1,500 t/day
Total Capacity	897,563	

II. MALT AND MALTING BARLEY

I. Domestic Production of Barley by type, 1985/86 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	130				130

Obs: 6-Row not produced in Brazil

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt			
Malting barley	157	(146)	Uruguay, Switzerland, Australia and Argentina

Additional Information

Annual per capita beer consumption: Consumption increased from 21 litres per capita in 84-85 to 35 litres per capita in 85/86.

Beer Production Capacity: Increasing. Present production is 36 million hectolitres per year. Production is expected to increase by 10% to 20% in the next 12-18 months.

Domestic malting capacity: Stable at around 180,000 tonnes/year.

Malt exported: None

Canadian malt is not competitive due to its high price compared to European and American malt (mainly because of subsidies involved), and higher freight rates.

III. OILSEEDS

1. Trade Policy

Import Tariffs

Oilseeds:	15%
Crude oil:	55%
Oilseed meal:	45%
Refined oil:	60%

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

Year: 1985

<u>Oilseed</u>	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Soya	17,651	378	3,500
Peanuts	339	8	18
Cotton	2,777		
Castor	400		
Total	21,167	486	3,518

<u>Oil</u>	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
	<u>(Domestic)</u>	<u>(Imports)</u>	<u>(Crude)</u>	<u>(Refined)</u>	<u>(Crude)</u>	<u>(Refined)</u>
Soya	2,431		60		950	
Peanuts	80				79	
Cotton						
Castor						
Total	2,511		60		1,029	

<u>Meal</u>	
Soya	10,075
Peanuts	
Cotton	
Castor	
Total	10,075

		7,405	(85)
		36	(85)
		140	(85)
Total		7,581	

IV. STATISTICAL NOTES
(A) WHEAT AND DURUM

SUPPLY 1985 - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	4,300 (1,900)	520 (465)	1,970 (4,520)	6,790 (6,885)
Durum wheat				
Flour/Semolina				
TOTAL	4,300 (1,900)	520 (465)	1,970 (4,520)	6,790 (6,885)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	6,100 (6,000)			600 (365)		90 (520)	6,790 (6,885)
Durum wheat							
Flour Semolina							
TOTAL	6,100 (6,000)			600 (365)		90 (520)	6,790 (6,885)

IMPORT TRADE 1985/86 calendar year est. - thousands of tonnes - previous year in brackets

<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>(France)</u>	<u>TOTAL IMPORTS</u>
Canada					ALL Others	

WHEAT (including durum)

Cash	885 (1,450)	400 (2,250)	685 (820)		(100)	1,970 (4,520)
Commercial Credit						

Note: Entire import data by country not available at time of publication.

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	20,000 (22,000)	2,055 (555)	1,600 (1,300)	23,655 (23,855)
Barley	130 (145)	15 (12)	160 (158)	305 (315)
Sorghum	330 (330)			330 (330)
Oats	120 (173)	18 (5)		138 (178)
Rye	15 (14)	5	(1)	20 (15)
TOTAL	20,595 (22,662)	2,093 (572)	1,760 (1,459)	24,448 (24,693)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Other				Exports	Carry-out	Total
	Human Consumption	Animal Feed	Industrial	(seed, waste)			
Corn	3,800 (3,800)	18,000 (18,000)				1,855 (2,055)	23,655 (23,855)
Barley	300 (300)					5 (15)	305 (315)
Sorghum		330 (330)					330 (330)
Oats	5 (10)	125 (150)				8 (18)	138 (178)
Rye	10 (10)					10 (5)	20 (15)
TOTAL	4,115 (4,120)	18,455 (18,480)				1,878 (2,093)	24,448 (24,693)

IMPORT TRADE 1985 calendar year est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn		965 (103)				965 (253)
Barley					(150)	158 (146)
Sorghum			30 (56)	28	(17)	
Oats						
Rye						
TOTAL		965 (103)	30 (56)	28 (167)		1,123 (399)

Note: Entire import data by country not available at time of publication.

C H I L E

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,679.8	1985
Annual per capita GNP	US\$1,665	1985
Average annual growth	3.68%	1975-85
Annual inflation rate	75.5%	1975-85
Annual inflation rate	17.6%	1986
Volume of imports	3.01 billion US\$	1985
Of which food	14.0%	1985
Of which fuels	17.3%	1985
Principal foreign exchange earning export:	Copper	
Debt service as % of GNP	10.6%	1986
Debt service as % of exports	54.2%	1986
Population	12.04 million	1986
Annual population growth	1.4%	1980-2000
Annual Consumption:		
Flour	1,356,600 tonnes or 115.0 kg/capita	1985
Meat	363,746 tonnes or 31.0 kg/capita	1985
Vegetable Oil	86,140 tonnes or 7.3 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Planted areas, production and productivity continues to improve for all agricultural products affected by the price band (support) system. The largest production increases and decreases of the 1985/86 period compared with 1984/85, in thousands of tonnes:

<u>Increases</u>	<u>1984/85</u>	<u>1985/86</u>	<u>% Change</u>
Rapeseed	31.9	97.1	204.3
Oilseeds	32.5	54.2	67.3
Wheat	1,164.6	1,625.8	39.6
Pear	2.3	3.0	33.2
Lentils	24.6	29.0	17.6
<u>Decreases</u>			
Lupine	16.3	9.6	41.0
Oats	170.3	124.3	27.0
Rye	11.4	8.6	25.0
Rice	156.6	126.6	19.1
Corn	771.7	721.2	6.5
Barley	84.9	6.8	19.9

Sowing intention for the 1986/87 year are no longer conducted by the INE (National Institute of Statistics), but it is expected that those products affected by the price support system will continue to improve while those which are not will decline.

2. Foreign Exchange Situation

The promotion of the export sector is one of the top priorities of the government policy. To this end, the authorities are making significant progress since 1982 by improving the external competitiveness of the Chilean economy. The peso continues to depreciate daily on the basis of the difference between domestic inflation in the previous month (1% in July) and the external rate of inflation relevant for Chile, currently estimated at 0.35% a month in terms of U.S. dollars. A uniform tariff rate of 20% established in 1985 will remain in place and foreign exchange is available for all imports and for the moment there is no indication that priorities will be given to some commodities. International food aid on a substantial scale is not likely, except for milk donations by the U.S. which is equal to one-third of local production.

3. Fertilizer Situation

Figures for 1985 suggest that most farmers increased the use of fertilizers relative to the previous year:

	<u>1984</u>	<u>1985</u>
	(tonnes)	
Nitrogen	84,400	89,670
Phosphate	73,900	77,690
Potash	15,200	15,960

4. Import Mechanism

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

5. Grain Industry Infrastructure

Even though production of grain (particularly wheat) has increased substantially during the last three years, there has been little or no investment in new infrastructures, private or public. There are about 120 mills in Chile plus many small home made industries. An attempt to diversify the purchasing power, which until recently was almost totally in the hands of millers, continues. Producer Cooperatives headed by their federation (COPAGRO) have purchased or rented the former state ECA and CORFO grain storing facilities and set up successful private purchasing powers, aided by state bank financing.

6. Government Policies Affecting Grain and Agriculture

The government's policy to help agriculture continues. It includes a price band (support) system for wheat and oilseeds, financing, technical assistance, realistic exchange rates, additional import duties on foreign subsidized products, etc. It has resulted in substantial production increases and the corresponding import substitution, for those goods affected, such as wheat and oilseeds. Grain reserves have increased but grain consumption patterns, and meat consumption and production have not changed significantly. The development of any substantial Chilean export trade in grains is considered unlikely due to the characteristics of Chilean fields which are not generally suited for massive exploitation.

Government Policies Affecting Grain and Agriculture (cont'd)

Chile is almost self-sufficient now and is expected that it will soon be in wheat, coarse grains and oilseeds. The price support system has produced great incentives for farmers, but it has not been made available to more than a few crops, therefore production shortfalls due to lack of sufficient price incentives are expected.

With Chile almost self-sufficient and foreign exchange being available for all imports, there is little or no interest in counter/barter trade, and the few initiatives that have been taken in this field have not prospered.

7. Market Prospects - Grains and Oilseeds

There are locally obtainable projections to 1990 of national grain import needs.

In regards to marketing initiatives one point to note is that concessional credit has been made available to Chile by the United States for imports of wheat.

8. Processing Facilities

Year: 1984

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	90	100	1,350	1,250
Compound Feed Mills	8	12	15	12-15
Maltsters	3	4	100	58
Brewers*	3	7	N/A	1.7
Oilseed Crushers	8	9	260	145**

Note - One maltster closed due to bankruptcy

* Capacity and output in millions of hectolitres

** Meal and oil.

9. Storage and throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity*</u>
San Antonio	600	400 tonnes/hour
San Vicente	600	400 tonnes/hour
Total Capacity	1,200	800 tonnes/hour

* 3 shifts of 7.5 hours each, or 22.5 hours per day.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

- - thousands of tonnes

	2-Row		6-Row		Total
	Winter	Spring	Winter	Spring	
All Barley		68			68
Suitable for malting		56			56

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt		
Malting Barley	5.5 (10.5)	Australia

3. Additional Information

Annual per capita beer consumption: Stable

Beer production capacity: Increasing very slowly.

Domestic malting capacity: Idle

Malt exports: 20,000 tonnes in 1985

Market potential for Canadian malt: Chile is self-sufficient in both malt and malting barley. If and when a shortfall develops, imports are dependent on prices and delivery facilities at the moment required and are generally limited to malting barley.

III. OILSEEDS

1. Trade Policy

Import tariffs:	Oilseeds:	20%
	Crude oil:	20% plus an additional 15% when international prices threaten local producers.
	Oisleed meal:	20%
	Refined oil:	20% plus an additional 15% when international prices threaten local producers.

Non-tariff import barriers/export assistance measures: There is a minimum import price for crude oil and it is US\$650/tonne. A customs tax regulates this price when needed. Imports from Argentina and Brazil have a 70% reduction on tariffs due to a bilateral treaty. For exports, a realistic exchange rate, export financing, return of sales taxes, including customs duties in some cases.

Import/export structure: Private firms purchase directly. Since there are no restrictions as far as importers, anyone can import.

Additional factors: The local industry generally imports crude, degummed oil, which requires less processing than seed. Marine freight cost is the key issue.

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

Year: 1986

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed	97.1		
Sunflower	54.3		
TOTAL	151.4		

<u>Oil</u>	Production*		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Sunflower	36		3.5			
Rapeseed	20					
Corn	7.5					
Soya			56.0			
Other			24.5			
TOTAL	63.5		84			

<u>Meal</u>	Production	Imports	Exports
Rapeseed	41		15
Sunflower	25		
Soya		25	
TOTAL	66	25	15

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	1,626 (1,165)	229 (115)	475 (958)	2,330 (2,238)
Durum wheat				
Flour/Semolina				
TOTAL	1,626 (1,165)	229 (115)	475 (958)	2,330 (2,238)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	1,793 (1,661)	181 (170)		122 (178)		234 (229)	2,320 (2,238)
Durum wheat							
Flour Semolina							
TOTAL	1,793 (1,661)	181 (170)		122 (178)		234 (229)	2,320 (2,238)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets.

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

WHEAT (including durum)

Cash			11.8 (32)			11.8 (32)
Aid, concessional						(926)
credit, etc.	462.7 (926)				0.5	463.2 (958)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	721 (772)	245 (87)	84.24 (2)	1,050.24 (861)
Barley	68 (85)	23 (34)		91 (130)
Sorghum			(18)	(18)
Oats	124 (170)	29 (24)		153 (194)
Rye	8 (11)	1 (4)		9 (15)
TOTAL	921 (1,038)	298 (149)	84.24 (31)	1,303.24 (1,218)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	55.7 (60)	668.2 (556)					326.34 (245)	1,050.24 (861)
Barley	57.7 (75)	15.9 (28)				(4)	17.4 (23)	91 (130)
Sorghum		(18)						(18)
Oats	18 (22)	111 (140)				(3)	24 (29)	153 (194)
Rye	3 (6)	2 (8)					4 (1)	9 (15)
TOTAL	134.4 (163)	797.1 (750)				(7)	371.74 (298)	1,303.24 (1,218)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Corn		3.2		0.04 (2)	1	80	84.24 (2)
Barley			(11)				(11)
Sorghum				(18)			(18)
Oats							
Rye							
TOTAL		3.2	(11)	0.04 (20)	1	80	84.44 (31)

COLOMBIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,600	1985
Average annual growth	4%	1975-85
Annual inflation rate	18%	1975-85
Annual inflation rate	42%	1986
Volume of imports	4 billion US\$	1985
Of which food	12%	1985
Of which fuels	15%	1985
Principal foreign exchange earning export:	Coffee	
Population	28 million	1985
Annual population growth	2.5%	1984-85
Annual Consumption:		
Flour	614,000 tonnes or 22 kg/capita	1985
Meat	476,000 tonnes or 17 Kg/capita	1985
Vegetable Oil	336,000 tonnes or 12 Kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Colombia has a new government as of August 7, 1986. While it is still too early to comment on new policies affecting agriculture, the new President has stated on numerous occasions that agriculture will be a priority.

In 1985 Colombia imported over 500,000 tonnes of wheat basically through one government agency, Instituto de Mercadeo Agropecuario (IDEMA).

Barley: Canada used to be a main supplier of barley to Colombia. Imports usually reach 100,000 tonnes per year. Recently Canada has been replaced by Australia due to better prices.

Oilseeds: Colombia could easily be self-sufficient in oilseed production and expects to be so shortly due to increased production of sunflower seeds and African palm production. However, Colombia still imports soya, basically from the U.S.A. Recently Colombia imported 1,000 tonnes of canola seeds from Canada. We believe that opportunities exist for crude degummed oil in the medium term but in the long-term, seeds only.

Due to the overall better economic health of Colombia, millers are now allowed to import their wheat requirements directly and from whomever they choose. Therefore wheat is now coming into Colombia from U.S.A., Canada, Argentina and Australia. Thus far in 1986 Canada has sold 52,000 tonnes of wheat and is expected to reach 100,000 tonnes by the end of the year.

A new problem worthy of mentioning is the problem of contraband in agricultural products coming in from Venezuela and Ecuador. Several Colombian farmers have had to shut down production due to the huge quantities of products coming in from neighbouring countries at cheaper prices due to a preferential exchange rate for imports in those countries.

2. Foreign Exchange Situation

Colombia is slowly coming out of a severe economic crisis. Due to recent increases in the international coffee prices, Colombia expects its export revenues to reach \$5.2 billion dollars for 1986 (1985 - 3 billion).

The severe crisis of the 1984-85 period forced Colombia to restrict its imports to bare minimums, thus managing to increase its foreign reserves to over \$2 billion. Imports are still limited to US\$345 million per month but many items are now on the Free List as opposed to the prior licensing list or prohibited list.

With the new government coming in, it is difficult to predict changes in current economic policy but we do not expect major changes.

3. Fertilizer Situation

Colombia has an installed capacity of 500,000 tonnes/year for compound fertilizer, 105,000 for ammonia, 50,000 for ammonium sulfate, 25,500 for ammonium nitrate and 10,500 of urea which basically satisfies national demand.

The most widely known fertilizers in Colombia are: 10:30:10 and 13-26-6 high in phosphate and used primarily for production of potatoes, sugar cane and grains while fertilizer used for coffee production is high in nitrogen and potassium. Demand for fertilizer decreased between 1978 and 1983, however demand increased considerably in 1984 and reached 843,000 tonnes.

Use of nitrogen, phosphate and potassium in Colombia is as follows:
Nitrogen 61.5 kg per hectare; phosphate 30.7 kg per hectare and potassium 31.2 kg per hectare.

4. Import Mechanism

Colombia is just coming out of a severe economic crisis which forced authorities to restrict imports by using monthly quotas. In the case of grains, the government imposed a system whereby millers had to import through IDEMA since that entity had obtained credits from the U.S.A., Canada and Australia. Since January 1986, the situation has improved considerably. The import quota which stood at US\$250 million per month is now US\$345 million per month and millers as well as other food importers can import freely (products not produced domestically).

5. Grain Industry Infrastructure

IDEMA owns most of the storage facilities at the Colombian ports of Santa Marta (Atlantic Coast) and Buenaventura (Pacific Coast). Also IDEMA owns and operates grain handling and storage facilities located in the agricultural producing regions. Processing facilities are owned by private millers. No changes are expected in this situation in the short-term.

6. Government Policies Affecting Grain and Agriculture

1985 started with a considerable fiscal deficit and to a lesser extent an external deficit affecting all sectors of the economy. The government decided to increase revenues by imposing new taxes. The agricultural sector did not escape from these new policies. The government, through Law 50 imposed import duties of 8% on agricultural imports plus a local sales tax of 10%. Agricultural machinery and raw material were also affected by the new measures. According to the national agricultural association (SAC), measures imposed by the government increased the cost of production by 27% on most agricultural products.

Another negative factor was a law created to increase the value of agricultural land. This law increased taxes on agricultural regions which enraged farmers. As well, the government did not contribute with new investment in the sector as promised. According to the estimations of the Rice Federation (FEDEARROZ), government investment has been declining since 1970. In years of restrictions the government decided to import large amounts of food for human consumption and only raw materials for animal feed, exactly when the local crops were coming off, therefore, creating a situation of oversupply which reduced the prices. On the other end a dramatic fall of close to 50% was registered in the beef exports compared to the previous year. Colombia definitely lost the Venezuelan market for dairy cattle, at one time considered the best customer.

While some agricultural products showed increased production, this did not happen with grains which registered only marginal growth or in some cases declines. Wheat imports were kept at traditional levels usually using credits offered by the U.S.A., Canada and Australia. Other grains like barley and oats were imported from traditional suppliers such as Argentina and the U.S.A. Imports for these products were done by standard letter of credit.

Countertrade and barter are not used by government for grain and oilseed imports.

7. Market Prospects - Grains and Oilseeds

No long-term projections are available from the Colombian government.

Over the past two years, promotional efforts have basically been concentrated on wheat and to a lesser extent on canola oil. As a result of these efforts we have entered the Colombian market for wheat after a 20 year absence and managed to sell 1,000 tonnes of canola seed. However, over the past two years we have lost our market share for barley. For oilseeds we expect, that Colombia will become self-sufficient in the long-term (8-10 years). Over the past three years increased production of African palm, sunflower seed, soya and cotton seeds have been registered. A recent purchase of 1,000 tonnes of canola seed from Canada will permit production of this product as well.

During the economic crisis, imports of special crops were virtually closed but we expect a gradual opening. It is felt that while some marketing possibilities exist for "special crops", it is still too early to decide which one has the best market potential.

8. Processing Facilities

Year 1985

- - thousands tonnes - -

	Number of Companies	Number of Plants	Annual Capacity	Actual Output
Flour (and durum) Mills		100	1,581	700
Compound Feed Mills	38	66	1,600	
Maltsters	2	5	64 (1983)	
Brewers*	2	18	1,499	
Oilseed Crushers		32	498	

* Capacity and output in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1984

- - thousands tonnes - -

<u>Name of Port</u>	<u>Annual Throughput Capacity*</u>
Cartagena	40.8
Barranquilla	92.0
Santa Marta	20.0
Buenaventura	427.7
Total Capacity	580.5

* Wheat is not stored as it must go directly from ports to millers.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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>	
Barley		56.3			56.3
Suitable for malting		37.5			37.5

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	42	(44)	France
Malting Barley	85	(90)	Argentina, Ecuador Australia

3. Additional Information

Annual per capita beer consumption: Increasing at 4%

Beer production capacity: Increasing in some regions. Breweries are expanding their production facilities in these areas where demand is increasing. Other areas of territory remain stable in production.

Domestic malting capacity: Stable

Malt exports: None

Market potential for Canadian malt: During 1985 no malt was imported from Canada due mostly to high prices. Malt imports come mostly from France.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds: Customs duty of 25% on peanuts, African plam, sunflower, rapeseed, coconut, flax, sesame, mustard and soybean.

Crude Oil: Customs duty of 40% on soybean, cottonseed, peanut, sesame, palm, mustard, rapeseed.

Refined Oil: Customs duty of 50% on soybean, cottonseed, peanut, sesame, palm, mustard, rapeseed.

The following additional taxes must be added on imports of oils, crude and refined, oilseeds and meals.

Export Promotion Fund Tax	- 5% (on CIF value)
Tax Decree Law 50/84	- 8% (on CIF value)
Tax Decree Law 688/67	- 2% (on CIF value)
Consular Tax	- 3.15% (on FOB value)

Non-tariff import barriers: No significant non-tariff barrier

Import/export structure: The government, under a quota system issued each semester, permits private importers and processors of edible oil and margarines, to fulfill their needs for fabricating refined products. Once the quota has been allocated, companies go to foreign manufacturers, either directly or by established agents in Colombia.

Additional factors: There is no credit provided by export houses. Imports are done through letter of credit.

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

Year: 1985

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Cotton	29.1					
Soybean	17.1	77.4				
African Palm	134.0					
Corn	4.1					
Sesame	7.3					
Other		38.75				
TOTAL	191.6	116.15				

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	76 (60)		538 (543.5)	614 (603.5)
Durum wheat				
Flour/Semolina	76 (60)		538 (543.5)	614 (603.5)
TOTAL				
* of which spring wheat	76 (60)			

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat*	614 (603.5)						614 (603.5)
Durum wheat							
Flour/Semolina	614 (603.5)						614 (603.5)
TOTAL							
* includes flour							

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Wheat (including durum)						
Cash						
Commercial Credit						
Aid Concessional						
Credit, etc.						
	21			17 (19.5)	(74)	38 (93.5)
						500 (450)
						500 (450)

Switzerland

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous years in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports (July-Aug/85)</u>	<u>Total Supply</u>
Corn	762.6 (864)		30.0 (50.6)	792.6 (914.6)
Barley	50.3 (24)		64.4 (117.2)	114.7 (141.2)
Sorghum	499.4 (294)		77.2 (130)	576.6 (424)
Oats	N/A		10.0 (18)	
Rye				
TOTAL	1,312.3 (1,182)		181.6 (315.8)	1,493.9 (1,497.8)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets (figures not available).

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>(seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>

Corn
Barley
Sorghum
Oats
Rye
TOTAL

IMPORT TRADE 1985/86 est - thousands of tonnes - previous year in brackets (figures not available).

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

Corn
Barley
Sorghum
Oats
Rye
TOTAL

P E R U

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Exporter	
Annual inflation rate	65%	1986
Volume of imports	1.862 billion US\$	1985
Of which food	10%	1985
Principal foreign exchange earning export:	Mining	
Debt service as % of exports	90%	1985
Population	20 million	1985
Annual population growth	2.8%	
Annual Consumption:		
Flour:	<u>480,000</u> tonnes	24 kg/capita 1984
Meat:	<u>216,000</u> tonnes	10.8 kg/capita 1984
Vegetable Oil:	<u>170,000</u> tonnes or	8.5 kg/capita 1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

By the end of 1985 it became evident that soil moisture reserves were critically low in the northern area of the country. The acreage sown with major crops from August to November fell by 7.1% compared with the year before. Peru traditionally imports almost all its wheat and a substantial proportion of its edible oil, maize, dairy products and meat. This year additional commodity imports include 290,000 tonnes of rice, 80,000 tonnes of sugar and 16,000 tonnes of potatoes.

2. Foreign Exchange Situation

This year's import bill amounts to approximately US\$ 405.9 million. Since Peru is paying cash for most food imports, a large proportion of this sum represents immediate drawdown of foreign exchange reserves. Imports of food are given priority in the expenditure of foreign currency earnings. The country is a recipient of foreign food aid.

3. Fertilizer Situation

<u>Production (000 tonnes)</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>Imports (000 Tonnes)</u>	<u>1984</u>	<u>1985</u>
Urea	126	11	127	urea	41.0	-
Ammonium nitrate	43	30	42	ammonium sulphate	19.6	22.4
Ammonium sulphate	4	3.5	3.6	calcium superphosphate	10.3	15.7
Calcium superphosphate	7.6	6.4	8.6	potassium clorate	19.0	14.4
Blended fertilizers	15.8	21.0	19.7	potassium sulphate	4.7	3.0

4. Import Mechanism

ENCI (Empresa Nacional de Comercializacion de Insumos) is the major importer of wheat, vegetable oil, corn and fertilizer. ENCI's purchases are based on international tender or invitation to bid.

5. Grain Industry Infrastructure

The following firms represent the seven large mills in operation:

Molino Excelsior S.A.
Mariscal Miller 450
Callao, Peru

Federico Cogorno
Av. Venezuela 120
Lima, Peru

Molinera Santa Rosa S.A.
Loreto 475
Callao, Peru

Cia. Molinera del Peru S.A.
Av. Argentina 4695
Lima, Peru

Molitalia
Av. Venezuela 2856
Lima, Peru

Nicolini Hermanos S.A.
Av. Argentina 215
Lima, Peru

Molinera Inca S.A.
Casilla 3117
Lima, Peru

6. Government Policies Affecting Grain and Agriculture

On July 28, 1985 a new Government came into power. Policy decisions of the new Government may change the direction of agricultural and trade policies. Measures under consideration by the newly elected Administration point to a long-term commodity import substitution program.

The Peruvian Government has undertaken numerous countertrade transactions to cover debt repayments with socialist countries including fish products, cotton, textiles, coffee, cacao, poultry and wine.

7. Market Prospects - Grains and Oilseeds

No long-term projections on grain import needs are available. However, the newly elected Government is currently preparing a long-term agricultural development plan with the objective to increase domestic production.

Marketing initiatives could include visits by Canadian exporters to local potential customers, financing, trade missions and seminars.

There is a limited market for mustard, peas, lentils and canary seed.

8. Processing Facilities

Year: 1985 (most recent)

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	10	12	1500	950
Compound Feed Mills	13	16	1300	1050
Maltsters	2	2	45	25
Brewers*				
Oilseed Crushers	9	9	250	100

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985 (most recent)

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Callao	30	740
Matarani	15	150
Païta	8	96
Salaverry	8	96
Total Capacity	61	1062

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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					108
Suitable for malting					15

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt	30	(27)	France
Malting barley	50	(34)	Australia

MALT AND MALTING BARLEY (cont'd)

3. Additional Information

Annual beer consumption is as follows (hectolitres):

<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985*</u>
5,493,443	5,082,761	5,272,372	5,400,000

* estimated.

Malt exported: None

Market Potential: Peru is a long term market for malting barley and no forces are in sight which will change its reliance on imports of about 45,000 tonnes of malting barley per year and 30,000 tonnes of malt.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds:	Soya 10%, rapeseed	-	20%
Tariff on crude oil:	Soya 33%, rapeseed	-	47%
Tariff on oilseed meal:			48%
Tariff on refined oil			68%

Note: State owned agencies (ENCI) are exonerated from import duties.

Non-tariff import barriers/export assistance measures: None.

Import/export structure: ENCI handles imports of crude vegetable oils and oilseeds on behalf of private processors.

Additional Factors: Argentine provides a commercial line of credit covering imports of crude soya oil.

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

year: 1985

<u>Oilseed</u>	<u>Production</u>	<u>Imports</u>		<u>Exports</u>	
Cotton	160				
Soybean	17	6			
Palm	50				
Others (olive, palmiste)	30				
TOTAL	257	6			
<u>Oil</u> (tonnes)		<u>Crude</u>	<u>Refined</u>	<u>Crude</u>	<u>Refined</u>
Cotton	32				
Soyabean	2	35			
Fishoil	173			80	
Palm	10				
Others	12				
TOTAL	229	35		80	
<u>Meal</u>					
Fish	217				
Cotton	80				
Soya	12	65			
TOTAL	309	65			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	92 (93)	60 (80)	906(1,074)	1,058 (1,242)
Durum wheat				
Flour/Semolina				
TOTAL	92 (93)	60 (80)	906(1,074)	1,058 (1,242)

* of which spring wheat

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption Human	Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	981 (1,060)			27 (20)		50 (60)	1,058 (1,242)
Durum wheat							
Flour Semolina							
TOTAL	981 (1,060)			27 (20)		50 (60)	1,058 (1,242)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.*	Australia	Argentina**	EEC	All Others	TOTAL IMPORTS
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Wheat (including durum)

Cash	11		501			512
Commercial Credit	(75)	(263)	252 (669)			252 (1,007)
Aid, concessional credit, etc		142 (67)				142 (67)
Total	(75)	153 (330)	753 (669)			906 (1,074)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	707 (775)	50 (60)	250 (115)	1,007 (950)
Barley	108 (98)	3 (3)	50 (34)	161 (135)
Sorghum	23 (44)	2 (3)		25 (47)
Oats	100 (120)	5 (5)	5 (6)	110 (131)
Rye				
TOTAL	938 (1,037)	60 (71)	305 (155)	1,303 (1,263)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	172 (160)	685 (640)		100 (100)		50 (50)	1,007 (950)
Barley	86 (70)	55 (45)		17 (17)		3 (3)	161 (135)
Sorghum		18 (35)		5 (10)		2 (2)	25 (47)
Oats	70 (80)	25 (26)		10 (20)		5 (5)	110 (131)
Rye							
TOTAL	328 (310)	778 (746)		132 (147)		60 (60)	1,303 (1,263)

Of which poultry 70%

TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina	EEC	All Others	
Corn							250 (115)
Barley	10 (8)	250 (115)					50 (34)
Sorghum		(3)	40 (15)			(8)	
Oats		5 (6)					5 (6)
Rye							
TOTAL	10 (8)	255 (124)	40 (15)			(8)	305 (155)

Principal "Others" (specify countries): Chile

V E N E Z U E L A

Economic classification: Middle Income economy		
Oil exporter or importer (net):	Exporter	
	US\$10.5 billion	1985
Annual per capita income:	US\$2,538	1985
Annual per capita GNP	US\$2,800	1985
Average annual growth	0.4%	1975-85
Annual inflation rate (current)	12.0%	1986
Volume of imports	6.5 billion US\$	1985
Of which food	14.9%	1985
Of which fuels	0%	
Principal foreign exchange earning export: Oil		
Debt service as % of GNP	13.6%	1985
Debt service as % of exports	38.0%	1985
Population	17.5 million	1984
Annual population growth	2.9%	1984-85
Annual consumption:		
Flour	725,000 tonnes or 41.4 kg/capita	1985
Meat	1,000,000 tonnes or 57.1 kg/capita	1985
Vegetable Oil	295,000 tonnes or 16.85 kg/capita	1984-85

I. GENERAL INFORMATION

1. Crop Situation and Outlook

<u>Production</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>Variation 85/86 %</u>
	('000 tonnes)			
Rice	407.841	471.722	471.995	0.06
Corn	547.072	868.431	980.600	12.62
Sorghum	472.451	481.436	661.396	37.38
Sesame	38.225	45.176	64.755	43.34
Cotton	41.648	77.690	97.755	25.83
Coconut	161.934	164.478	128.781	-21.70
Peanut	9.850	5.168	11.291	118.44
Wheat	0.291	0.314		

Harvest area changes

('000 hectares)

Rice paddy	151	148
Corn	313	467
Sorghum	239	250
Sesame	74	93
Cotton	27	46
Coconut	19	20
Peanuts	5	3
Wheat	1	1

2. Foreign Exchange Situation

Due to the substantial decline in international oil prices, it is estimated that the overall impact will be a decline in government revenues of approximately US\$5 billion. Accordingly President Lusinchi has announced a series of new measures of both a short and long term nature on July 17, 1986. Import prohibitions or restrictions of luxury and processed food items, were mostly responsible for the agricultural imports decline but imports of wheat, sorghum, soybeans, protein meals and beans increased in 1985. Venezuela is not likely to become an international aid recipient.

3. Fertilizer Situation

Total gross fertilizer production in 1985 was 825,791 tonnes. Granulated fertilizer production in 1985 amounted to 257,955 tonnes. Total gross fertilizer consumption was 887,871 tonnes, an increase of 600,000 tonnes compared to 1984. Consumption is expected to increase to 1,030,000 tonnes in 1986. Nitrogen use was 176,213 tonnes, P₂O₅ 125,429 tonnes and K₂O 79,655 tonnes. Fertilizer imports in 1984 was 165,500 tonnes and 503,719 tonnes in 1985. Increased importation of fertilizer is expected in 1986.

4. Import Mechanism

The millers individually apply for an import licence from the government and are granted them on a quota basis. It is expected that wheat will continue to be imported at the preferential dollar of Bs.7.50. Under Recadi's new regulations, a Venezuelan government appointed inspector will subject to his findings issue a "certificate of origin" in Canada. After customs clearance in Venezuela, Recadi will release 20% of the dollars applied for and the balance of 80% afterwards.

5. Grain Industry Infrastructure

Wheat normally arrives in Venezuela in small vessels and normally holds lots for various clients. Some of the product is unloaded in privately owned silos and the rest is transferred from ship to truck. The agricultural infrastructure in general in Venezuela has to be adjusted to the new larger volumes of product now being produced by the farmers in response to the government's requests for a larger volume of product and of a better quality.

6. Government Policies Affecting Grain and Agriculture

The special Senate Committee of the Venezuelan government continues its hearings on the wheat report prepared by the University of Venezuela. The government has announced that it will limit the amount of wheat imported in 1986 to 960,000 tonnes. Meanwhile it has removed the subsidy on wheat for pasta products and it has frozen the prices of the pasta products. On July 17, 1986 in his economic recovery program President Lusinchi said that agricultural products grown nationally in sufficient quantities to supply the country as well as those products that can be reasonably substituted by a national product will be forbidden to be imported.

No policy on countertrade/barter as it relates to grain and oilseed imports exists at the present time.

7. Market Prospects - Grains and Oilseeds

There are no locally obtainable projections up to 1990. The present government is aiming at being 80% self-sufficient in agricultural products by 1990.

In 1985 Canada sold 170 tonnes mustardseed; 11,331 tonnes peas; 4,844 tonnes lentils; and 1,000 tonnes of white and pink beans.

8. Processing Facilities

Year: 1985

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	12	24	1,400	960 ('86)
Compound Feed Mills	28	32	4,000	3,000
Maltsters	-	-	-	-
Brewers*	3	8	12	8
Oilseed Crushers	13	13	600	138

* Capacity and output in million hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Puerto Cabello	44	500
La Guaira	11	278
Maracaibo	30	600
Guanta		109
Sucre		36
Total Capacity	85	1,523

II. MALT AND MALTING BARLEY

1. Malt Imports, 1985 previous year in brackets:

<u>Country</u>	<u>Tonnes</u>
France	63,800
W. Germany	27,200
Finland	21,400
U.K.	17,600
Others	11,000
TOTAL	141,000 (198,000)

2. Additional Information

Annual per capita beer consumption: Consumption of beer in Venezuela has expanded at a favorable rate over the past few years in spite of the government ban of beer and liquor advertisements on television and radio. Annual per capita beer consumption is 67 litres. Due to the devaluation of the currency, imported hard liquor is very expensive. Beer producers will most likely press the government to allow an increase in beer prices which could reduce the per capita consumption.

Beer production capacity: Production capacity is stagnant at the moment.

Domestic malting capacity: None.

Malt exports: None.

Market potential for Canadian malt and/or malting barley: The technical people in Venezuelan breweries claim to now have a new technology available to define exactly the specifications required for their individual products. In order for Canadian malt to expand its share of the Venezuelan market it must meet those specifications and be otherwise competitive.

III. OILSEEDS

1. Trade Policy:

Import Tariffs:	<u>For processing</u>	<u>For planting</u>
Oilseeds:	Soya 15% Sunflower 30%	*Soya, sunflower 10%
*Crude oil:	Soya, sunflower 20%	
*Oilseed meal:	Soya, sunflower 40%	
*Refined oil:	Soya, sunflower 20%	

* Import licence required.

Import/export structure: Raw material import quotas will now be fixed according to each processor's stake in agricultural financing and its seed pressing capacity, as well as previous market shares and national crop purchases.

Additional factors: The technical assistance by the American Soybean Association is playing an important role in expanding the market for U.S. oilseeds and products. They maintain close personal contact with the industry and there is a frequent exchange of visits.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Copra	9		
Cottonseed	44		
Palm kernel	4		
Soybean	1	138	
Sesame	40		
Peanut	5		
TOTAL	103	138	

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Coconut	6		1			
Cottonseed	7		87			
Palm	5					
Palm kernel	2					
Soybean	23		88			
Sunflower			94			
Sesame	19					
TOTAL	62		270			

<u>Meal</u>	Production		Imports	Exports
	Domestic	Imports		
Copra	3			
Cottonseed	19			
Palm kernel	2			
Soybean	100		665	
Sesame	20			
TOTAL	144		665	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	0.3 (0.3)		787 (916)	787.3 (916.3)
Durum wheat			173 (201)	173 (201)
Flour/Semolina	230 (267)		230 (267)	230 (267)
TOTAL	230.3 (267.3)		960 (1,117)	1,190.3 (1,384.3)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	787.3 (916.3)						787.3 (916.3)
Durum wheat	173 (201)						173 (201)
Flour/Semolina	230 (267)						230 (267)
TOTAL	1,190.3 (1,384.3)						1,190.3 (1,384.3)

IMPORT TRADE 1985/86 est. - thousands of dollars - previous year in brackets

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

Wheat (including durum)

Cash (96.6) (185.7)

Commercial Credit
Aid, concessional
credit, etc

(B) COARSE GRAINS

SUPPLY 1985/86 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	981 (868)			981 (868)
Barley				
Sorghum	661 (482)		1,000 (1,002)	1,661 (1,484)
Oats			5 (6)	5 (6)
Rye				
TOTAL	1,642 (1,350)		1,005 (1,008)	2,647 (2,358)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

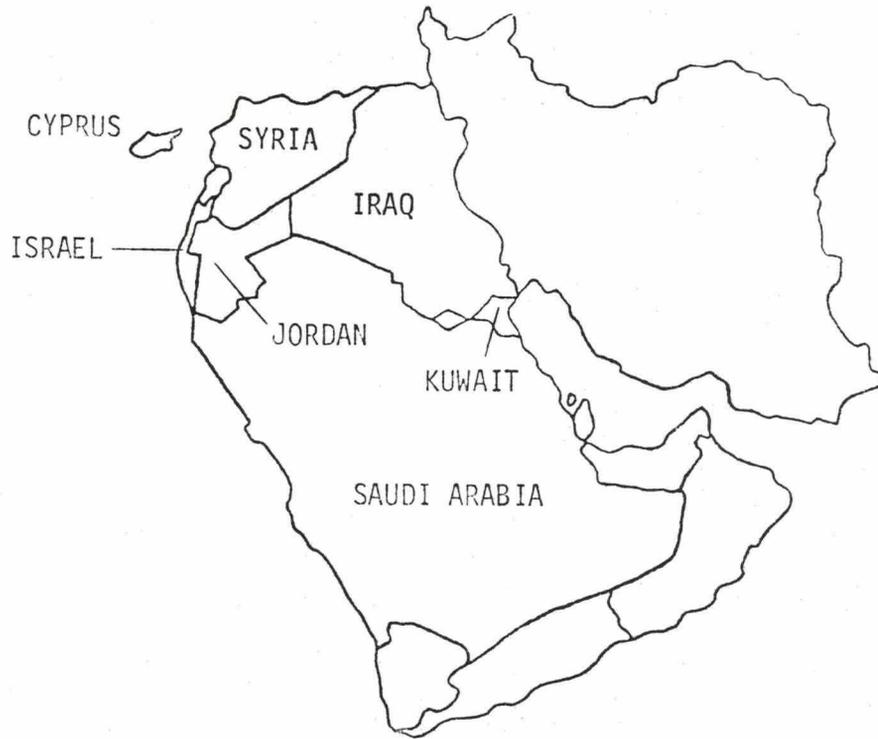
	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	561 (496)	420 (372)					981 (868)
Barley							
Sorghum		1,661 (1,484)					1,661 (1,484)
Oats		5 (6)					5 (6)
Rye							
TOTAL	561 (496)	2,086 (1,862)					2,647 (2,358)

Of which poultry: 59%

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>EEC</u>	<u>ALL Others</u>	<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>			
Corn							
Barley							
Sorghum		1,000 (1,002)			(10)		1,000 (1,012)
Oats		5 (6)				1 (1)	6 (7)
Rye							
TOTAL		1,005 (1,008)			(10)	1 (1)	1,006 (1,019)

PART VI
ASIA (NEAR EAST)



C Y P R U S

Economic classification:	Intermediate stage developed economy		
Oil exporter or importer (net):	Importer		
Annual per capita income:	US\$3,520		1985
Annual per capita GNP	US\$3,584		1985
Average annual growth	8.5%		1975-85
Annual inflation rate	7.4%		1975-85
Annual inflation rate	1.2%		1986
Volume of imports	12.5 billion US\$		1985
Of which food	6.1%		1985
Of which fuels	18.0%		1985
Principal foreign exchange			
	earning export	Tourism	
Debt service as % of GNP	7.8%		1985
Debt service as % of exports	13.7%		1985
Population	0.665 million		1985
Annual population growth	0.7%		1975-85
Annual Consumption:			
Flour	67,400 tonnes or	101 kg/capita	1985
Meat	55,800 tonnes or	84 kg/capita	1985
Vegetable Oil	11,900 tonnes or	17.89 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The crop harvest during the summer of 1986 was poor. Estimates for 1986 are as follows: Barley: 60,000 tonnes, Durum wheat: 5,000 tonnes. All available land is planted annually. No changes are expected in coming years.

2. Foreign Exchange Situation

Total foreign exchange reserves held by the Central Bank of Cyprus at the end of 1985 was US\$ 492.7 millions. This covers 5.5 months of imports. There is no rationing of foreign exchange in Cyprus. Trade is conducted freely. Cyprus is not likely to be an international aid recipient. Currently it receives aid from Greece and the UN High Commission for refugees.

3. Fertilizer Situation

Annual supply and consumption is 47,000 tonnes (1985) of which approximately 30,000 tonnes are compound fertilizers and the balance nitrogen and phosphate fertilizers. All supplies are imported, mainly from Greece, Egypt, Belgium, Luxembourg and Italy.

4. Import Mechanism

All grains are imported by the Cyprus Grain Commission which is a government monopoly. Purchases are made by regular tenders on a commercial basis. Such tenders have been valid since the establishment of the commission in the early 1950's.

5. Grain Industry Infrastructure

There has been no change in the grain industry's infrastructure since May 1984 when the Larnaca grain silo was extended to accommodate an additional 6,000 tonnes. The Cyprus Grain Commission continues its efforts to persuade the Government to finance capacity extensions of its silos. The Government continues to subsidize the price of grain for human and animal consumption. The current annual subsidy amounts to C£ 30 million on 500,000 tonnes of grain sold. This covers 60% of the price.

6. Government Policies Affecting Grain and Agriculture

Government policies continue to be the same. The maximum arable land suitable for cultivation is already utilised.

There is no countertrade policy hitherto. Efforts have been made through official Canadian channels and private traders to buy Canadian grain in exchange for Cyprus wines. So far these efforts have not been successful.

7. Market Prospects - Grains and Oilseeds

No detailed projections are available. It is expected that such imports will rise marginally to keep up with the tourist flow and the very small population growth.

No marketing opportunities are foreseen for special crops.

8. Processing Facilities

Year: 1986 (most recent)
 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		66
Compound Feed Mills	3	3		30
Maltsters				
Brewers				
Oilseed Crushers				

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1986
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Limassol	30	400

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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					94.5
Suitable for malting	None				

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	2.8 (3)	France
Malting barley	221 (241)	U.K., Spain

3. Additional Information

Annual per capita beer consumption: Annual per capita beer consumption has been increasing (with the exception of 1984) by 5-6%, 1985 consumption was up by 6% and estimates for 1986 are for a 4-5% increase.

Domestic malting capacity: None

Malt exports: None

Market potential for Canadian malt: Limited. Cypriot importers place small orders, therefore, the timeframe of the cycle of order, shipment and delivery is tuned towards suppliers in the proximity of Cyprus. In spite of our efforts with the 2 major users of malt, e.e. Keo and Carlsberg, we have not been able to generate any orders from them.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Nil -(except for sesame seeds (6.4% EEC & 8% general) & Groundnut seeds (16.0% EEC & 20% general)).
 Crude oil: Nil
 Oilseed meal: Nil -(except for groundnut meal 16.0% EEC) and 20% general)
 Refined oil: 6.4% (EEC) and 8% (general)

Non-tariff import barriers/export assistance measures: None

Import/export structure: Oilseeds imported by private firms. Import licences are required as matter of procedure.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Groundnut (peanuts)		0.20	
Sesame		1.10	0.06
Others (rape, palm oilseed)			
TOTAL		1.37	0.06

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean		9.5	0.1		4.7
Sunflower		13.5	0.3		2.7
Corn oil		1.6	1.4		0.6
Others		1.3	0.6		
TOTAL	-	25.9	2.4		7.4

<u>Meal</u>	Production	Imports	Exports
Soya meal	-	45.6	(Main suppliers Spain, Greece, Holland, U.S.A)
TOTAL		45.6	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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		29.0 (4.5)	53.6 (98.9)	82.6 (103.4)
Durum wheat	7.2 (7.3)	3.5 (7.0)	16.4 (10.7)	27.1 (24.9)
Flour/Semolina				
TOTAL	7.2 (7.3)	32.5 (11.5)	70.0 (109.6)	109.7 (128.3)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption				Exports	Carry-out	Total
	Human	Animal Feed	Industrial	Other (seed, waste)			
Wheat soft	21.3 (17.3)	19.5 (28.3)			10.3 (18.6)	51.1 (64.2)	1
Wheat hard	23.8 (28.7)				8.1 (10.5)	31.9 (39.2)	271
Durum wheat	23.00 (21.5)				3.7 (3.5)	26.7 (25.0)	1
Flour/Semolina							
TOTAL	68.1 (67.5)	19.5 (28.3)			22.1 (32.6)	109.7 (128.4)	

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS
	Canada	U.S.A.	Australia	EEC	
Wheat (including durum)					
Cash	(25.8)	29.2 (33.3)		40.8 (9.6)	70.0 (109.6)
Commercial Credit				(15.2)	(25.7)
Aid, concessional					
credit, etc.					
Flour (including semolina)					
Cash/comm. credit					
Aid, concessional					
TOTAL	(25.8)	29.2 (33.3)		40.8 (9.6)	70.0 (109.6)

Cyprus

(B) COARSE GRAINS

SUPPLY 1985/86 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		5.4 (10.1)	50.5 (42.5)	55.8 (52.6)
Barley	94.5 (72.0)	32.4 (38.5)	256.1 (244.0)	383.0 (354.5)
Sorghum		5.1 (1.3)	23.5 (38.5)	28.5 (39.6)
Oats				
Rye				
TOTAL	94.5 (72.0)	42.9 (49.9)	330.1 (324.8)	467.3 (446.7)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>				<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>			
Corn		55.4 (47.0)				0.4 (5.4)	55.7 (52.3)
Barley		333.7 (372.4)				49.2 (32.4)	382.8 (354.7)
Sorghum		26.5 (34.5)				2.3 (5.1)	28.7 (39.5)
Oats							
Rye							
TOTAL		415.6(453.9)				51.9 (42.9)	467.2 (446.5)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>		
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>	<u>All Others</u>
Corn		42.4 (42.5)				8.0	50.5 (42.5)
Barley	12.4	(48.2)	21.4		256.1 (162.0)		256.1 (244.0)
Sorghum		23.5 (28.3)		(10.0)			23.4 (38.3)
Oats							
Rye							
TOTAL	12.4	65.9 (119.0)	21.4	(10.0)	256.1 (162.0)	8.0	330.0 (324.8)

I R A Q

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Low Middle Income economy	
Oil exporter or importer (net):	Exporter	
Average annual growth	3.8.3%	1970-79
Annual inflation rate	40 %	
Annual inflation rate	33.37%	
Volume of imports	23. 5 billion US\$	1982
Of which food	8%	1982
Of which fuels	0%	
Principal foreign exchange earning export:	Petroleum	
Debt service as % of GDP	10%	1982
Debt service as % of exports	12%	1982
Population	15.79 million	1985
Annual population growth	3.3%	1980-85
Meat	331,400 tonnes	1984

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Various independant sources (but no official government corroboration) have confirmed a bumper grain harvest for Iraq in 1986. Outside of commitments to purchase grain from CWB, the country will likely be self-sufficient in wheat and barley. No figures have been released.

2. Foreign Exchange Situation

Food imports are definitely given priority in expenditure of foreign exchange. However, under the current war economy, even imports of foodstuffs are being deferred as required by "Higher Authorities" (the Presidential Palace). As an example, it was reported that Iraq has defaulted in its payments to New Zealand for imports of butter. No further credits were offered by New Zealand until the Iraqis could confirm cash payments.

3. Fertilizer Situation

From the reports of a good harvest, one can only surmize that fertilizer supply and utilization were optimum in 1986.

4. Import Mechanism

The only institution eligible to import grains in Iraq is the State Organization for the Importation of Grains and Foodstuffs. (SOIGF) There is also a State Enterprise for Food Importation (which is responsible to the Ministry of Trade) which imports processed and packaged foods. The former organization deals in bulk commodities. Actual importation is undertaken both via direct negotiation and by (almost) regular tenders. Recent developments have seen a strengthening of the position and responsibility of the former institution which is responsible for the purchase from the CWB.

5. Grain Industry Infrastructure

The Organization mentioned above (SOIGF) is responsible for all matters of importation, storage, handling and distribution of grains. No changes are anticipated.

6. Government Policies Affecting Grain and Agriculture

Continuation of Government development plans which include a number of large land reclamation and irrigation projects will likely increase the amount of land under cultivation by 1990 and beyond. Should the Iran-Iraq war cease, then additional revenues may become available for food imports.

Canadian grain exports by the CWB are governed by the five year agreement with Iraq (to 1989). However, oilseeds may offer future opportunities once Iraqi import policies are free of the constraints of the "War Economy".

Officially, Iraqi officials deny that their country is interested in barter as a means of foodstuff importation. However, it is common knowledge that Brazil has exported large quantities of frozen chickens to Iraq in exchange of oil. Iraq would prefer if Canada purchased oil by cash but are prepared to commit to purchasing Canadian goods against these oil sales.

7. Canadian Grain Marketing Prospects

No obtainable grain and oilseed projections to 1990.

Under current conditions, the only possibility for any Canadian agricultural exports (including "special crops") to Iraq exist if the suppliers are prepared to accept deferred payments for at least two years.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, Year: 1986 (most recent)
- - - thousands of tonnes - - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Aqaba (Jordan)	150	
Iskunderun (Turkey)	20	
Total Capacity	170	

III. OILSEEDS

1. Import Policy

Importation procedure and structure: Predominantly public sector; i.e. State Trading Organization.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	600 (400)	1,223 (1,623)	2,460 (2,800)	4,283 (4,823)
Durum wheat				
Flour/Semolina				
TOTAL	600 (400)	1,223 (1,623)	2,460 (2,800)	4,283 (4,823)
*Includes flour				

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>			<u>(seed, waste)</u>			
Wheat	3,600 (3,600)					683 (1,223)	4,283 (4,823)
Flour Semolina							
TOTAL	3,600 (3,600)					683 (1,223)	4,283 (4,823)

IMPORT TRADE

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

Wheat (including durum)

Cash

Commercial credit

Flour* (including semolina)

Cash/comm.credit

Iraq

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, Jan 1	Imports	Total Supply
Corn	1,100 (275)	80 (110)	370 (352)	450 (462)
Barley			350 (541)	1,450 (816)
Sorghum				
Oats				
Rye				
TOTAL	1,100 (275)	80 (110)	*770 (960)	1,950 (1,345)

*Estimate of total feed grain imports (including rye, oats and sorghum)

DISPOSITION

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL							

IMPORT TRADE

	ORIGIN	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
Corn	Canada						
Barley							
Sorghum							
Oats							
Rye							
TOTAL							

I S R A E L

Economic classification: Middle Income economy			
Oil exporter or importer (net): Importer			
Annual per capita income:	US\$3,763		1985
Annual per capita GNP	US\$4,902		1985
Average GNP growth	2.3%		1975-85
Volume of imports	14.66 billion US\$		1985
Of which food	1.6%		1985
Of which fuels	10.3%		1985
Debt service as % of GNP	13.0%		1985
Population	4.26 million		1985
Annual population growth	1.6%		1985
Annual consumption:			
Flour	402,200 tonnes or	95.3 kg/capita	1985
Meat	279,000 tonnes or	64.4 kg/capita	1985
Vegetable Oil	63,200 tonnes or	14.8 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

For the winter of 1985/86 total quantities of precipitation was below average and water allotment for the forthcoming summer was curtailed. The main crop affected was cotton. Israel reduced the cotton cultivation area to 450,000 dunams from 650,000 last year (84/85). Local wheat crop for 1985/86 - 100,000 tonnes. 600,000 tonnes will be imported. Canola was planted on an experimental basis. Results not too successful, will yield only 100,000 tonnes this year.

2. Foreign Exchange Situation

Israel is a recipient of U.S. aid.

3. Fertilizer Situation

Israel is self-sufficient in fertilizer and exports small quantities. The net nitrogen consumption is about 40,000 tonnes per year, phosphate - 15,000 tonnes and potash about 23,000 tonnes. About 12,000 tonnes of liquid compound fertilizers are exported. Israel imports raw sulphur from Canada for the fertilizer industry.

4. Import Mechanism

The Government of Israel (GOI), Trade Administration Office of the Ministry of Industry & Commerce, is in charge of grain importation for human and livestock consumption. Soybeans for the oil-crushing industry are distributed through the Israel Export and Trust Corporation (P.O. Box 20236, Tel Aviv), an umbrella organization which represents the 7 oil plants. This organization is also in charge of soyaoil exports.

Hamashbir Hamerkazi Fodder Imports (P.O. Box 130, Tel Aviv), owned by local farming co-ops, imports about 80 percent of all coarse grains for livestock feed while 20 percent of fodder imports are controlled by 6-7 private importers.

5. Grain Industry Infrastructure

There are two silo terminals - Haifa and Ashdod. Silos for storing grains are privately owned or are linked to the joint institutions of the oil plants and the flour mills. No significant changes are anticipated.

6. Government Policies Affecting Grain and Agriculture

The Erez Committee, appointed by the Minister of Industry & Trade, has submitted its recommendations to the minister. Basically, it recommended gradual transfer of purchasing power to private companies. This has been applied to meat purchases. For grains, GOI is still the sole purchaser; however, GOI grants import licenses to crushers if they wish to import themselves. Industry and GOI are negotiating gradual liberalization of purchases. The oil crushing plants are still investigating the economics of the usage of canola oil and meal.

Wheat: Canadian utility wheat was purchased for the first time, one shipment of 25,000 tonnes.

Barley: Abundance of barley in Europe enabled Israel to purchase at most favourable price and on short notice for prompt shipment. Small size shipments available.

In regards to barter policy, the government tries to link every purchase to barter transactions.

7. Market Prospects - Grains and Oilseeds

Changes depend to what extent the Erez Committee recommendations will be adopted.

Oil crushing plants have been studying economics of canola for a long time. A Canola Council Mission, early in 1987, could definitely advance matters. Continued participation in CIGI courses is strongly recommended.

8. Processing Facilities

	Year: 1985/86			
	Number of Companies	Number of Plants	Annual Capacity	Actual Output
Compound Feed Mills*	5 large mills small mills	(40%) (60%)	1,600	
Oilseed Crushers		7	500 (soya) 80-90 (coton)	

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985/86
- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Haifa	90	1,700
Ashdod	60	500
Total	150	2,200

Out of port storage capacity is about 350,000 tonnes.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley, 1985/86 estimate: Nil

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	5.5 (5)	Belgium, France, USA

3. Additional Information

Annual per capita beer consumption: Increased by 13%: 550,000 hectolitres.

Beer production capacity: Increasing. The beer industry has launched the Tuborg beer produced under license from Tuborg Breweries, Denmark.

Malt exports: 1985 - \$472,000

Market potential for Canadian malt: The transportation costs are prohibitive.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds:
(In Israeli Shekels adjusted according to inflation rate)

	<u>EEC</u>	<u>Other</u>
Poppy seed, mustard	28	28
Sesame	0	12.30 Sh per kg.
Peanuts, sunflower, cotton		
Palm, linseed, castor, soy		
Tung, coconut, safflower, rape	0	0

Crude oil: Free
Oilseed meal: Free
Refined oil: Free (except olive oil)

Non-tariff import barriers/export assistance measures: None for grain.

Import/export structure: Government of Israel "GOI" sole importer at present.

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

Year: 1985

<u>Oilseed</u>	Production		Imports		Exports	
Soybeans			411			
Cotton seed	180					
<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Soya	72		8.0			
Cotton	21					10-12
Safflower	0.3					
Other			1.5-2			
TOTAL	93.3		9.5			10-12

<u>Meal</u>	Production		Imports		Exports	
Soya	322					3
Cotton	55-60					
TOTAL	377					3

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

Note: data represents 1986 calendar year with 1985 in brackets

SUPPLY 1986 - 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	100 (95)		600 (559)	700 (654)
Durum wheat				
Flour/Semolina				

DISPOSITION 1986 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	700 (654)						282
Durum wheat							
Flour Semolina							

IMPORT TRADE 1986 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
WHEAT (including durum)	Canada						
Cash		25 (87)	575 (472)				600 (559)

Israel

(B) COARSE GRAINS Note: data represents 1986 calendar year with 1985 in brackets.

SUPPLY 1986 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			350 (252)	350 (252)
Barley			403 (278)	403 (278)
Sorghum			500 (514)	500 (514)
Oats				
Rye				
TOTAL				1,253 (1,044)

DISPOSITION 1986 est. - thousands of tonnes - previous year in brackets.

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

IMPORT TRADE 1986 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Corn		350 (252)			194 (125)	350 (252)
Barley	176 (153)					403 (278)
Sorghum		500 (514)			33	500 (514)
Oats						
Rye						
TOTAL						1,253 (1,044)

Principal "Others": South Africa

J O R D A N

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,490	1985
Annual per capita GNP	US\$1,900	1985
Average annual growth	601%	1975-85
Annual inflation rate	11.6%	1975-85
Annual inflation rate	13.2%	1986
Volume of imports	4.1 billion US\$	1985
Of which food	31%	1985
Of which fuels	35%	1985
Principal foreign exchange earning export:	Phosphates	
Debt service as % of GNP	4.4%	1985
Debt service as % of exports	6.3%	1985
Population	3.1 million	1985
Annual population growth	3.5%	1981-86
Annual Consumption:		
Flour	435,000 tonnes or 140 kg/capita	1985
Vegetable Oil	27,000 tonnes or 7.7 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Estimated wheat production for 1986 is 75,700 tonnes versus 63,000 tonnes in 1985.

2. Foreign Exchange Situation

Although Jordan's inflow of foreign exchange currency has declined approximately 30% in past two years, it is still relatively stable.

Imports of food and agricultural inputs are always given priority in spending foreign currency earnings. Jordan is an international aid recipient.

3. Fertilizer Situation

Chemical fertilizers are mainly imported. 1984 fertilizer production was 6.12 million tonnes of phosphates (DAP) and 487,000 tonnes of potash. Fertilizer imports (tonnes) follows:

<u>Year</u>	<u>Nitrogen</u>	<u>Super Phosphate</u>	<u>Potash</u>
1985	9400	5700	2

4. Import Mechanism

Wheat is imported to Jordan by the Ministry of Supply on tender basis issued regularly for public. Barley tenders are issued by Jordan cooperative organization for animal feed.

5. Grain Industry Infrastructure

Storage: 6 private mills - total storage 30,000 tonnes
 4 Ministry of Supply sites - Aqaba, Jweidah, Irbid and Ruseifa; total capacity 32,000 tonnes.

Dockside Storage: Aqaba, one storage facility with maximum capacity of about 150,000 tonnes. Facility has bulk unloaders and loaders.

Flour Milling Capacity: a) 6 private mills - total milling capacity 360 tonnes per 8 hour shift, 1,000 tonnes per day on 24 hour basis
 b) 4 Ministry of Supply mills - capacity 130 tonnes per 8 hour shift, 400 tons per 24 hour shift

6. Government Policies Affecting Grain and Agriculture

The Jordan government encourages investment in agriculture including grain. Imports are controlled by the Ministry of Supply. Jordan maintains grain reserves to cover the country's requirements for 4 months.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

8. Processing Facilities

	Year: <u>1985</u> (most recent)			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>thousands of tonnes Actual Output</u>
Flour (and durum) Mills	6	10	500	160
Compound Feed Mills				
Maltsters				
Brewers*				
Oilseed Crushers				

* Capacity and output in hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year: <u>1985</u> (most recent)	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Aqaba	150	600

- - thousands of tonnes - -

Jordan

II. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	75 (63)	185 (157)	483 (422)	743 (642)
Durum wheat				
Flour/Semolina				
TOTAL	75 (63)	185 (157)	483 (422)	743 (642)

K U W A I T

Economic classification:	High Income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$ 13,100	1984
Average annual growth	3.5 % Est	1975-85
Annual inflation rate	5.5 % Est	1975-85
Annual inflation rate	1 %	1985
Volume of imports	6.5 billion US\$	1985
Of which fuels	0.5 %	1985
Principal foreign exchange earning export:		
	Oil and Petrochemicals	
Debt service as % of GNP	Nil	1984
Debt service as % of exports	Nil	1984
Population	1.78 million	1984
Annual population growth	8%	1975-85
Annual Consumption:		
Meat	<u>105,050</u> tonnes or 59 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

There are only about 400 farms in Kuwait, all depend completely on irrigation. Total area under cultivation is approximately 3,600 hectares. The major activity is cultivation of fruits and vegetables. Cereal crops are not grown in Kuwait. Agriculture and fisheries contribute less than 1% to GDP. New technology in greenhouses has been introduced to this market recently. Some of which is Canadian.

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

Kuwait produces some types of fertilizer for export and not for the local market. An average of 2,000 tonnes per annum is exported.

4. Import Mechanism

Kuwait Flour Mills is the only authorized institution to handle grain. This situation is unlikely to change in the near future.

5. Grain Industry Infrastructure

It is likely that Kuwait Flour Mills will expand their already existing storage facilities at the Port of Shuwaikh.

6. Government Policies Affecting Grain and Agriculture

Land in Kuwait is characterized by flat desert which makes it difficult to have any plans to grow cereal crops. There are no restrictions imposed on imports of grain. All meat products are imported from outside. A very small industry exists for the processing of meat products. We doubt there is any intention of expanding this industry at the present time.

No policy on countertrade/barter exists as it relates to grain and oilseed imports.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

According to an official from KFM, wheat has been imported from Australia for the last 15 years and there is no way that this policy will change in the near future.

Marketing possibilities for Canadian special crops is very limited.

8. Processing Facilities

Year: 1984 (most recent)
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	192
Oilseed Crushers	1	1		

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985 (most recent)
- - thousands of tonnes - -

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

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports*</u>	<u>Total Supply</u>
Wheat			187 (N/A)	187 (N/A)
Durum wheat			5	5
TOTAL			192	192

* all from Australia

SAUDI ARABIA

Economic classification: High Income economy		
Oil exporter or importer (net): Exporter		
Annual per capita income:	US\$ 12,000	1982
Annual per capita GNP	US\$ 18,344	1982
Average annual growth	8.5%	1975-85
Annual inflation rate	6.0%	1975-85
Annual inflation rate (current)	1.0%	
Volume of imports	29 billion US\$	1985
Of which food	17.0%	1985
Principal foreign exchange earning export: Petroleum		
Population	9.0 million	1982
Annual population growth	4.4%	1985-2000
Annual Consumption:		
Flour	650,000 tonnes or 72 kg/capita	1985
Meat	252,832 tonnes or 28 kg/capita	1985
Vegetable Oil	130,433 tonnes or 14.5 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1985 wheat crop amounted to 1.7 million tonnes (preliminary estimate) up from 1984 total of 1.3 million tonnes. Estimates for the 1986 crop are in the region of 2.1 million tonnes. At the beginning of 1985, total cultivated land was 2.5 million hectares.

2. Foreign Exchange Situation

Saudi Arabia is not an international aid recipient nor is it expected that it will be in the foreseeable future. The agriculture sector is one which has been singled out by the Saudi government as a high priority area. Even though the Kingdom has reached self-sufficiency in dairy products, broiler meat and eggs, 80-90% of total food requirements are imported. There is no restriction on the movement of capital out of the country.

3. Fertilizer Situation

Most of Saudi Arabia's fertilizer is imported. Saudi Arabia is, however, exporting urea from a plant in Jubail to the Far East. There are also reports of phosphate deposits which as yet have not been mined. The Kingdom produces 800,000 tonnes of urea (46% nitrogen) and 100,000 tonnes of sulphuric acid is used as a feedstock. All fertilizers are exempt from import duties.

4. Import Mechanism

By law, all wheat imported into Saudi Arabia must come in through the Government Grain Silos and Flour Mills Organization. In 1984, Saudi Arabia became basically self-sufficient in wheat. So in the future, unless there are crop failures, imports should be limited to some high quality wheat for blending. Recently, Saudi Arabia sold some of its wheat to the United Arab Emirates. Large quantities were also donated to Egypt. Barley and coarse grain are imported by private companies.

5. Grain Industry Infrastructure

The Saudi Ports Authority has installed facilities to receive bulk grain shipments (basically barley), at the main ports of Jeddah and Dammam. In addition, the Ports Authority have installed bagging facilities at Gizan, Yanbu and Jubail. Coarse grain has to be imported in 50 kg jute bags.

All wheat is stored and milled in facilities owned by the Grain Silos and Flour Mills Organization, although private facilities are now being encouraged since publicly owned silos are now filled to capacity. Present public silos have capacity of about 2.6 million tonnes. The Grain Silos and Flour Mills Organization also operate feedmills as do a number of private companies.

6. Government Policies Affecting Grain and Agriculture

The government has recently announced measures aimed at limiting the costly wheat surplus and shifting the emphasis towards the cultivation of other grains, particularly barley. They have asked the five largest Saudi agricultural companies to substitute one-third of their wheat production with barley. The Saudi government has also decided to grant a production subsidy of 1,000 Riyals/mt (US\$267) to barley producers as part of an effort to cut barley imports. Presently, production subsidies on wheat total 2,000 Riyals/mt (US\$533).

The government's policy of stimulating wheat production has already resulted in lost opportunity to sell wheat to Saudi Arabia. Now that the same policy stimulus exists for barley, serious implications for Canadian exporters of barley may develop.

The government does not, to our knowledge, have an official policy on countertrade or barter, and neither is officially encouraged or prohibited.

7. Market Prospects - Grains and Oilseeds

It is not expected that any quantities of wheat will be required by Saudi Arabia to the end of the decade. 1985 statistics show that Saudi Arabia imported 2.8 million tonnes of barley.

There is a large market in Saudi Arabia for peas, beans and lentils. Canadian prices are higher in comparison with the same products from Turkey.

8. Processing Facilities

	Year 1985		Thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	1	4	5,400	5,000
Compound Feed Mills	25	20	1.0	0.5
Maltsters*				
Brewers*				
Oilseed Crushers				

* Prohibited

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1982	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Jeddah	120	
Damman	80	
Gizan	40	
Yanbu	60	
Total Capacity	300 (estimate)	

II. MALT AND MALTING BARLEY

Saudi Arabia practices strict prohibition. Thus production or consumption of alcohol of any type is illegal and no malting barley of any kind is grown.

III. OILSEEDS

1. Trade Policy

Import Tariffs: All oilseeds, refined and purified oils are exempt from tariffs.

Import/export structure: Importation is almost exclusively carried out by the private sector. Saudi Arabia is not an oilseeds exporter.

Additional factors: Saudi Arabia is a major consumer of cooking oil. The premium oil market is held by U.S. Mazola oil. The bulk of the market is made up of imported and locally produced palm oil. Prices are fixed by the Government as follows (US\$): Palm \$2.28 per gallon, soya \$4.11 and corn \$4.02.

III. OILSEEDS (cont'd)

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Soybean		71	
Sesame		12	
Others		3.1	
TOTAL		86.1	

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Palm			N/A	71.9		
Corn			N/A	28.6		
Linseed			N/A	7.5		
Soy		12.8	N/A			
Sesame		4.5	N/A			
Other		0.6				
TOTAL		17.9		108.0		

Meal No published Data

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	1,000 (725)	1,025 (293)	3 (177)	2,028 (1,195)
Durum wheat				
Flour/Semolina**	775 (575)		90 (290)	865 (865)
TOTAL	1,775 (1,300)	1,025 (293)	93 (467)	2,893 (2,060)

** Flour is expressed in wheat equivalent

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal	Other					
Wheat							
Durum/Wheat				200 (170)	700	1,128 (1,025)	2,026 (1,195)
Flour Semolina**	865 (865)						
TOTAL	865 (865)			200 (170)	700	1,128 (1,025)	2,893 (2,060)

** Flour is expressed in wheat equivalent

ORIGIN

	Canada	U.S.A.	Australia	Argentina	EEC	All Others	TOTAL IMPORTS
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WHEAT (including durum)

Cash		2 (108)				1 (2)	3 (177)
Commercial Credit			(67)				
Aid, concessional							
credit, etc.							

FLOUR (including semolina)

Cash/comm. credit		1 (138)	(1)		53 (68)	13 (10)	67 (216)
Aid, concessional							
TOTAL		3 (246)	(68)		53 (68)	14 (12)	70 (393)

Principal "Others": Turkey, U.A.E., Oman

(B) COARSE GRAINS

SUPPLY - thousands of tonnes

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn				
Barley				
Sorghum				
Oats				
Rye				
TOTAL				

DISPOSITION - thousands of tonnes

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL							3,062 (4,827)

IMPORT TRADE - thousands of tonnes

	<u>ORIGIN</u>					<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>		<u>All Others</u>
Corn	145 (556)	218 (77)	7 (129)	15 (4)	1 (0.2)	305 (580)	546 (790)
Barley		21 (318)	1,358 (1,552)	1,274 (3,081)	6 (841)	6 (841)	2,804 (6,348)
Sorghum		(0.2)					(0.2)
Oats							
Rye							
TOTAL	145 (556)	239 (395.2)	1,365 (1,681)	15 (4)	1,275 (3,081.2)	311 (1,421)	3,350 (7,538)

Principal "Others": Pakistan, Turkey, New Zealand

SYRIA

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Middle Income economy	
Oil exporter or importer (net)	Exporter	
Average annual growth	%	1975-85
Annual inflation rate	%	1975-85
Annual inflation rate	2.5%	1986
Volume of imports	1.6 billion US\$	1985
Principal foreign exchange earning export:	Phosphates, Heavy crude oil	
Debt service as % of GNP	%	1985
Debt service as % of exports	%	1985
Population	10 million	1985
Annual population growth	5 %	1981-86
Flour	1,392,000 tonnes or 139.2 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	Production: 85 in brackets (^{'000} tonnes)	AREA: 85 in brackets (^{'000} tonnes)	*Imports (85) (^{'000} tonnes)
Wheat	1,955 (1,714)	1,100 (1,265)	600
Barley	1,100		130
Malt			3 (5)

* Importing countries include Argentina, and EEC

2. Foreign Exchange Situation

Some priority is given to agricultural imports. Because of lack of foreign exchange earnings, Syria tries to barter the exchange of phosphates for imports of agriculture products. Syria suffers from a lack/shortage of foreign exchange earnings.

4. Import Mechanism

Grain imports controlled by the government sector for both cereal trade and processing. International tenders are normal procedure for imports.

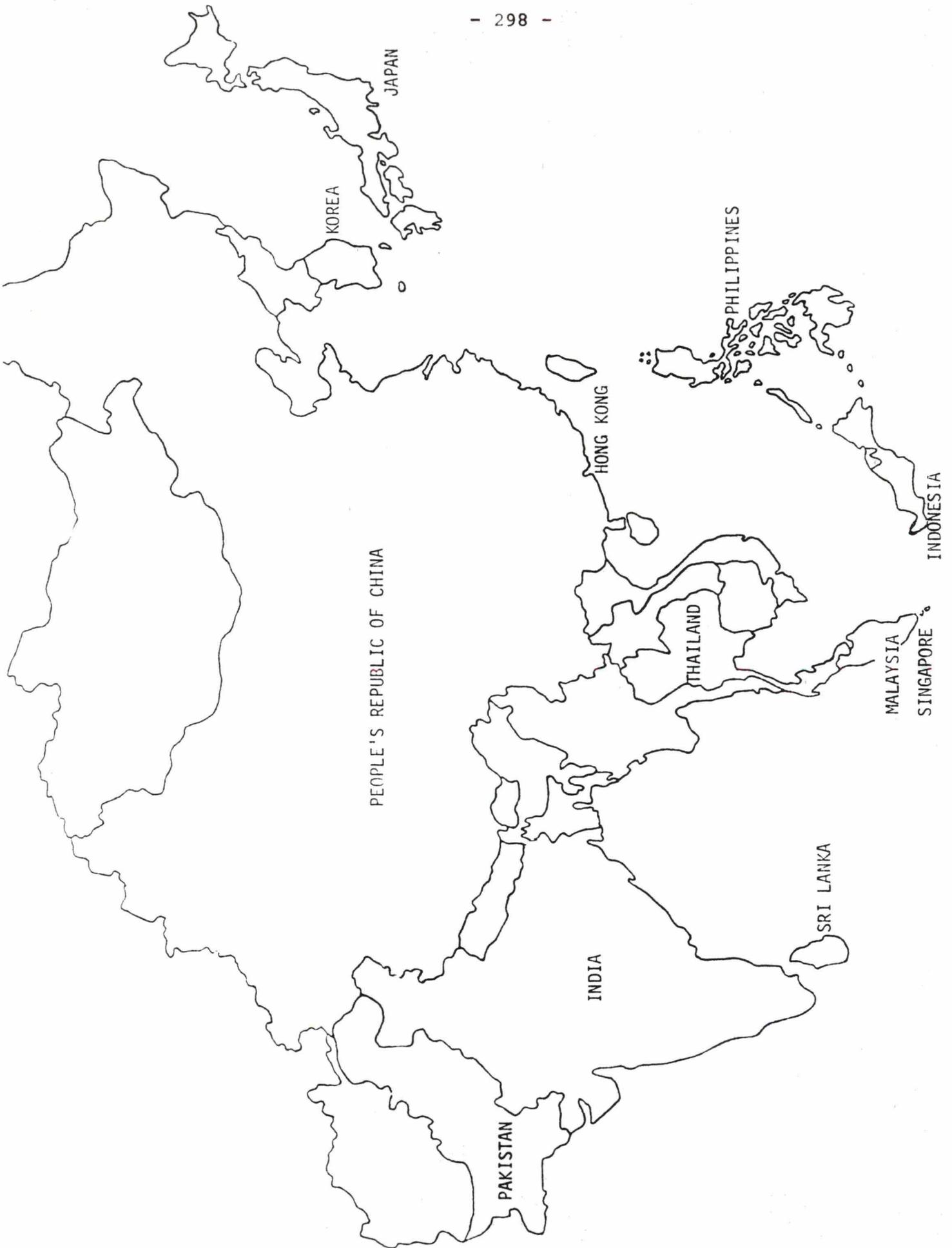
5. Grain Industry Infrastructure

A total of 21 mills are operating in Syria. All are government controlled. The daily capacity is 4,640 tonnes.

6. Government Policies Affecting Grain and Agriculture

The government has introduced a new development plan stressing the priority of increasing grain acreage and flour mill capacity by 1990.

PART VII
ASIA (FAR EAST)



HONG KONG

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$4,279	1985
Annual per capita GNP	US\$6,268	1985
Annual inflation rate	7.1%	1983-85
Annual inflation rate	3.2%	1986
Volume of imports	29.6 billion US\$	1985
Of which food	8.6%	1985
Of which fuels	4.6%	1985
Principal foreign exchange earning export:	Light manufacturing & Tourism	
Population	5.5 million	1985
Annual population growth	1.3%	1981-85
Annual Consumption:		
Flour	143,000 tonnes or 26.0 kg/capita	1985
Meat	450,000 tonnes or 82.0 Kg/capita	1985
Vegetable Oil	91,000 tonnes or 16.5 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

There is no wheat, coarse grains or oilseeds grown in this area, and the production of rice dropped considerably during the last ten years. The amount of land used to cultivate rice has declined from 9,450 hectares in 1954 to less than 10 hectares in 1984. Rice production has given way to intensive vegetable production which gives a far higher return. Rice paddy land around the more remote villages has fallen into disuse and now lies fallow.

2. Foreign Exchange Situation

Despite the substantial slowing down in economic growth and the sluggish performance of domestic exports, some areas of the economy continued to show favourable developments in 1985. Re-exports recorded substantial growth; the unemployment rate remained at a relatively low level; earnings continued to improve both in money terms and in real terms; and the rate of inflation was low. Moreover, the property market, which had been overshadowed in the past two years by the problem of oversupply and the anxiety over the future of Hong Kong, staged a strong recovery in 1985. This was attributable to a combination of factors, including the return of confidence in the future of Hong Kong, the continued improvement in real incomes, the fall in property prices and rentals over the past few years to more realistic levels, and the several reductions in mortgage rates during the year. Nevertheless, there were some areas of concern, including the growing threat of protectionism in Hong Kong's export markets, particularly the United States, and China's tighter controls on the use of its foreign exchange reserves, both of which could have serious implications for the performance of the Hong Kong economy.

The preliminary estimates show that the growth rate in real terms of the gross domestic product (GDP) in 1985 was only 0.8%, considerably lower than the provisional estimate of 9.3% for 1984. The domestic exports declined by 5% in real terms.

Foreign Exchange Situation (cont'd)

The entrepot trade continued to expand rapidly in 1985, with re-exports growing by 26% in money terms or about 25% in real terms. China continued to be the largest market for Hong Kong's re-exports, followed by the United States, Japan, Singapore, Taiwan and the Republic of Korea. China was also the most important source of the goods re-exported through Hong Kong, followed by Japan and Taiwan. The major end-use categories of goods re-exported through Hong Kong were raw materials and semi-manufactures and consumer goods, representing 33% and 29% respectively of the total value of re-exports. Analysed by major product categories, textile yarn, fabrics and made-up articles, electrical machinery, and clothing which accounted for 15%, 9% and 7% respectively of the total value of re-exports, showed substantial increases in real terms.

Imports grew by 4% in money terms or about 6% in real terms in 1985, against the corresponding increases of 27% and 15% in 1984.

Total merchandise trade in 1985 amounted to US\$59.7 billion, an increase of 5% over 1984. Imports rose by 4% to US\$29.6 billion and re-exports by 26% to US\$13.5 billion while domestic exports decreased by 5.8% to US\$16.6 billion. Domestic exports and re-exports together, valued at US\$30.1 billion, registered an increase of 6%.

Clothing remained the largest component of domestic exports in 1985, valued at US\$5.7 billion or 35% of the total. Exports of miscellaneous manufactured articles, electrical machinery, photographic apparatus, equipment, etc., amounted to US\$5.3 billion.

Re-exports continued to increase in 1985, accounting for 45% of the combined total of domestic exports and re-exports. The principal commodities re-exported were textiles (US\$2 billion); electrical machinery, apparatus and appliances (US\$1.2 billion); telecommunication and sound recording and reproducing apparatus and equipment (US\$0.9 billion); clothing (US\$1 billion) as well as photographic apparatus, equipment and supplies and optical goods, watches and clocks (US\$0.7 billion). The main places of origin of these re-export markets were China, Japan, Taiwan and the United States. The largest re-export markets were China, the United States, Japan, Singapore and Taiwan.

Hong Kong is almost entirely dependent on imported resources to meet the needs of its population of more than 5.5 million and its diverse industries. In 1985, imports of raw materials and semi-manufactured goods totalled US\$12.5 billion, representing 42% of total imports. Imports of consumer goods, valued at US\$8.5 billion, constituted 29% of total imports. Imports of capital goods amounted to US\$4.6 billion, or 16% of total imports. Imports of foodstuffs were valued at US\$2.7 billion, representing 9% of total imports. Mineral fuels, lubricants and related materials worth some US\$1.3 billion were imported in 1985, representing 4% of total imports.

All imports of food and agricultural products are handled by the private trade to meet the needs of the population. As Hong Kong is financially self supporting, it is not likely that she will need aid in any form from outside sources.

3. Fertilizer Situation

There is no production of fertilizer in Hong Kong. All requirements must be imported from various sources. The following are import statistics covering the year 1985:

<u>Description</u>	<u>Quantity</u> (Tonnes)	<u>Source of Supply</u>
Dicalcium phosphate	4,311	U.S.A., Japan, Belgium
Trisodium phosphate	2,277	China, France, U.K.
Nitrogen/phosphate/potash	No Imports	-

4. Import Mechanism

Presently all wheat imports are handled by private companies who in turn sell to feedmills, feed dealers, farmers, etc. There are several feedmills in Hong Kong and most of them operate on a small scale except two or three which are fully equipped with modern machinery and are capable of producing feed according to customers' specifications. With regard to import institutions, procedures etc., there will be no changes in the near future.

5. Grain Industry Infrastructure

No major changes in grain handling, storage or processing facilities planned. The Far East Flour Mill plant in Shekou, Shenzhen has now been completed and has started production. Part of the production will be consumed in China and the balance will be exported to Hong Kong.

6. Government Policies Affecting Grain and Agriculture

As Hong Kong is a free port, there are no government restrictions, duties, etc. governing the importation of wheat and flour to this area. The grain trade is entirely in private hands. The only government policy affecting reserve stock of grain applies to rice. Licensed rice importers are required to maintain local stocks of rice on hand equivalent to 2½ months supply.

All animal products for human consumption are imported, with China being the leading supplier. Approximately 20% of the live hogs slaughtered in the abattoirs come from the local farms.

7. Market Prospects - Grains and Oilseeds

Long-term projections of national grain import needs are not available.

Sales of Canadian wheat will continue to depend on price. Canadian high protein wheat is favoured by the local flour mills and although sales are handled by agents, the flour mills have to arrange their own shipping. There is a good chance of improving sales through the direct provision of freight by the shippers who are experienced in such matters.

Some demand for field peas and lentils exists in this area but the demand is somewhat limited.

8. Processing Facilities

	Year 1985			
	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	2	2	180	80
Compound Feed Mills				
Maltsters				
Brewers*	2	2	1.3	N/A
Oilseed Crushers				

*Capacity and output in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year 1985	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Victoria	22	90

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate: Nil

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	17 (15)	Australia, Belgium, Canada
Malting barley	-	

3. Additional Information

Annual per capita beer consumption: 22.3 litres in 1985, an increase of 4% over 1984. It is expected that the beer consumption will increase slightly at approximately 3% annually.

Beer production capacity: The local beer production capacity showed an increase of 3% in 1985. Estimated production of two local breweries will be approximately 1.3 million hectolitres.

Malt exported: Nil

Market potential for Canadian malt: In 1985, Hong Kong malt imports from Canada amounted to 3,000 tonnes, supplying approximately 18% of the local requirements. Opportunity still exists for Canadian malt provided price competitive.

III. OILSEEDS

1. Trade Policy:

Import tariffs: Oilseeds: Nil
 Crude oil: Nil
 Oilseed meal: Nil
 Refined oil: Nil

Non tariff import barriers/export assistance measures: None, Hong Kong is a free port.

Import/export structure: All importations of refined edible oils are handled by private importers.

Additional factors: As there are no crushing facilities in Hong Kong, all requirements of refined edible oils are met by imports from various sources to meet the demand of the entire population. The importers have to provide credit facilities to their customers (60 day credit).

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Sesamum		25	23
Copra		5	5
Cottonseed		2	2
TOTAL		32	30

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Canola				50		3
Peanut				32		2
Maize				9		
Others				11		6
TOTAL				102		11

<u>Meal</u>	Production	Imports	Exports
Other oil cakes		86	34
Others		2	
TOTAL		88	34

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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		130 (119)		130 (119)
Flour/Semolina		110 (104)		110 (104)
TOTAL		240 (223)		240 (223)

* of which spring wheat 65%

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	172 (160)	33 (30)					205 (190)
Durum wheat					35 (33)		35 (33)
Flour Semolina							
TOTAL	172 (160)	33 (30)			35 (33)		240 (223)

Export Destination: China, Macau, Singapore

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>		<u>All Others</u>
WHEAT (including durum)							
Cash	15 (19)	110 (99)	4			1 (1)	130 (119)
FLOUR (including semolina)							
Cash/Comm.credit	2 (2)		2 (2)		4 (2)		110 (104)
TOTAL	17 (21)	110 (99)	6 (2)		4 (2)	103 (98)	240 (223)

Principal "Others": Japan, China, France

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn				
Barley			230 (207)	230 (207)
Sorghum				
Oats	No	6 (3)		6 (3)
Rye	Local			
	Production			
TOTAL			236 (210)	236 (210)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn		219 (192)			11 (15)		230 (207)
Barley							
Sorghum		6 (3)					6 (3)
Oats							
Rye							
TOTAL		225 (185)			11 (15)		236 (210)

Of which poultry: 70% Export Destination: China, Macau

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>			<u>TOTAL IMPORTS</u>			
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	
Corn							
Barley							
Sorghum							
Oats							
Rye							
TOTAL							

Principal "Others": China, Thailand and Vietnam

I N D I A

Economic classification: Low Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$235	1984/85
Annual per capita GNP	US\$251	1984/85
Average annual growth	3.7%	1975-85
Annual inflation rate	9%	1975-85
Annual inflation rate	5%	1986
Volume of imports	13.8 billion US\$	1984/85
Of which food	6%	1984/85
Of which fuels	31%	1984/85
Principal foreign exchange earning export: Textiles, tea, jute		
Debt service as % of GNP	1.3%	1984/85
Debt service as % of exports	8.4%	1984/85
Population	760 million	1985
Annual population growth	1.9%	1980-2000
Annual Consumption:		
Flour	45 M tonnes or 59 kg/capita	1985
Meat	640,000 tonnes or 85 kg/capita	1985
Vegetable Oil	4.2 M tonnes or 5.5 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The outlook for the various crops is as follows: ('000 tonnes)

	<u>1985-86</u>	<u>1984-85</u>
Wheat	46,500	44,230
Coarse Grains	26,000	31,160
Rice	61,500	58,640
Oilseeds	11,600	13,100

The outlook for agricultural production in 1985-86 was tempered by prolonged drought in some states. However, because of a favourable rainfall distribution in major rice producing states in north-east and south India, rice production is estimated to match or marginally exceed the 1983-84 record production of 60 million tonnes. Weather was generally favourable for the planting of wheat which, combined with favourable growing conditions, should result in a record harvest of over 46 million tonnes. Coarse grains and oilseeds are estimated to experience a shortfall in production in 1985-86.

2. Foreign Exchange Situation

India's foreign exchange reserves stood at \$5,780 million at the end of June 1986. Imports continue to exceed exports resulting in an adverse balance of trade. Major imports comprise crude and refined petroleum products, edible oils, fertilizers, etc. India is a large recipient of both project and non-project aid.

3. Fertilizer Situation

	('000 tonnes) Production		('000 tonnes) Consumption
	1984-85	1985-86	1985-86
Nitrogen	3,917	4,323	6,000
Phosphate	1,263	1,430	2,000
Potash	No domestic production		1,000

The consumption of fertilizers is heavily subsidised by the government. Canada is a major supplier of potash to India.

4. Import Mechanism

Foodgrains are imported by means of global tenders by the government-owned Food Corporation of India. There are no regular imports. The decision to import is usually taken depending on the level of domestic production, the need to build up and maintain adequate buffer stocks and on economic and political considerations.

5. Grain Industry Infrastructure

India has been experiencing serious problems of storage due to recurrent bumper crops during the last three years. Additional storage capacity is being built, mostly in the form of conventional sheds and silos with minimum imported content. The World Bank is financing the construction of additional storage facilities in India.

6. Government Policies Affecting Grain and Agriculture

Government policy is aimed at increasing production to keep supply of foodgrains ahead of population growth. Indian agriculture is heavily dependent on the monsoon and a buffer stock of around 15 million tonnes must be maintained to withstand the vagaries of weather. Recurrent bumper crops during the last three years have created problems of storage. Government-held stocks at the end of June 1986 stood at around 29 million tonnes. In order to reduce stocks to a manageable level, the government has been trying to export wheat and to increase domestic consumption. The export efforts have so far been only marginally successful due to problems relating to price, quality and shipping.

The Indian government is favourably inclined towards countertrade in wheat against bulk import of edible oils, fertilizers, minerals, etc.

7. Market Prospects - Grains and Oilseeds

There are no locally obtainable projections to 1990 of grain import needs.

There are no prospects for Canadian wheat sales to India in the short term. However, a bad monsoon year could rapidly draw down the buffer stocks, necessitating imports. It is, therefore, advisable to maintain constant liaison with the Department of Food.

There are good prospects for export of dry peas, lentils and beans to India. The only constraints are quality and competitive landed cost. Mustard, buckwheat, canaryseed and triticale are not imported into india.

8. Processing Facilities

Year: 1985 (most recent)
 - - thousands of tonnes - -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills		454	9,000	5,000
Compound Feed Mills		40	2,400	1,700
Maltsters				
Brewers*				1.7
Oilseed Crushers**		315,000	20,000	10,000

* Capacity and output in million hectolitres (1983).

**Note: (Each plant has a output of 31.74 kg per year).

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	- - - Breakdown not available - -				1,544
Suitable for malting					

2. Imports: None

3. Additional Information:

Annual per capita beer consumption: Increasing

Beer production capacity: Increasing.

Change in malting capacity: Malting capacity is increasing.

Malt exported: None

III. OILSEEDS

1. Trade Policy:

Import Tariffs: Oilseeds: All oilseeds are exempt from import duty except copra on which import duty is 60 percent.

Crude Oil: 45 percent.

Oilseed meal: 60 percent.

Refined oil: 45 percent.

Non-tariff import barriers/export assistance measures: Oilseeds and oilseed meal are not imported. There is a 10 percent export subsidy on oilseed meal.

Import/export structure: The import of oilseeds is formally canalised through the State Trading Corporation. However, there is currently a ban on their import.

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

Year: 1985/86

<u>Oilseed</u>	Production	Imports	Exports
Peanut	5,200	-	20
Rapeseed	3,000		
Sesame	540	-	5
Soybean	1,100		
Others	3,990	-	15
TOTAL	13,830	-	40

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Peanut	1,237				
Rapeseed	965	150			
Sesame	163				
Soybean	173	200			
Others	585	600			
TOTAL	3,123	950			

<u>Meal</u>	Production	Imports	Exports
Peanut	1,792	-	200
Rapeseed	1,960		120
Sesame	245		5
Soybean	768		450
Others	1,224		110
TOTAL	5,989		885

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	7,800 (8,356)	500 (500)		8,300 (8,856)
Barley	1,544 (1,834)	(100)		1,544 (1,934)
Sorghum	10,500 (11,252)	600 (700)		11,100 (11,952)
Oats				
Rye				
TOTAL	19,844 (21,442)	1,100 (1,300)		20,944 (22,742)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	6,495 (6,850)	850 (850)		650 (650)	5 (6)	300 (500)	8,300 (8,856)
Barley	1,334 (1,714)	10 (20)		200 (200)			1,544 (1,934)
Sorghum	9,950 (9,602)	750 (750)		1,000 (1,000)		400 (600)	11,100 (11,952)
Oats							
Rye							
TOTAL	16,779 (17,166)	1,610 (1,620)		1,850 (1,850)	5 (6)	700 (1,100)	20,944 (22,742)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets: Nil

INDONESIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Net exporter	
Annual per capita income:	US\$540	1985
Annual per capita GNP	US\$525	1985
Average annual growth	6.5%	1975-85
Annual inflation rate	11.95%	1975-85
Annual inflation rate	2.9%	1986
Volume of imports	10.3 billion US\$	1985
Of which food	5.4%	1985
Of which fuels	12.4%	1985
Principal foreign exchange earning export:	Oil and Gas	
Debt service as % of GNP	19.6%	1985
Debt service as % of exports	21.5%	1985
Population	165.1 million	1985
Annual population growth	2.2%	1980-85
Annual Consumption:		
Flour	1,071,000 tonnes or 6.48 kg/capita	1985
Meat	826,100 tonnes or 5 kg/capita	1985
Vegetable Oil	1,592,250 tonnes or 9.64 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Crop situation in 1985 was improved in general (as indicated in the enclosed Table), although the production of sweet potato fell down slightly from 2.338 million tonnes in 1984 to 2.331 million tonnes in 1985. Rice production, the staple food rose by 2% from 25.8 million tonnes in 1984 to 26.3 million tonnes in 1985. Official forecast for 1986's rice production is 26.9 million tonnes. With the per capita rice consumption almost 135 kg/person, Indonesia has not only become self-sufficient in rice but is now in a position to export approximately 600,000 tonnes this year.

2. Foreign Exchange Situation

Indonesia's Balance of Trade in 1985 posted a surplus of US\$ 8.3 billion on a growth of approximately 4% from the country's Trade Balance surplus in 1984. This was primarily as a result of decreased imports from US\$ 13.9 billion in 1984 to US\$ 10.3 billion in 1985. (Exports fell from US\$ 21.9 billion in 1984 to US\$ 18.6 billion in 1985). With foreign exchange reserves estimated at US\$ 10.8 billion in February 1986, Indonesia should be able to continue imports of essential food products, particularly wheat and soybeans.

3. Fertilizer Situation

Indonesia's urea fertilizer production increased constantly from 2 million tonnes in 1981 to 3.8 million tonnes in 1985. Consumption rose from 2.3 million tonnes in 1981 to 3.4 million tonnes in 1985. Indonesia's exports of fertilizer grew relatively faster from 16,782 tonnes in 1981 to nearly 450,000 tonnes in 1985. In comparison the country's imports dropped down from 302,084 tonnes in 1981 to 92,665 tonnes in 1985.

4. Import Mechanism

BULOG (National Logistic Agency) still remains the sole agency of grain importation and as usual there are no regular tenders as grain procurements are directly negotiated between BULOG and overseas suppliers. We do not anticipate any changes in import structure, procedure and personnel in the near future.

5. Grain Industry Infrastructure

There have been no noteworthy changes in the country's import, handling, storage or processing facilities over the past year.

6. Government Policies Affecting Grain and Agriculture

After nearly 20 years of development during which agriculture has continued to be a priority sector, Indonesia eventually has succeeded to reach a stage of self-sufficiency in rice beginning in 1985. As a further step the government is currently emphasizing the program of food diversification, which is particularly directed towards increasing the production of secondary food products, including soybeans, corn, sweet potatoes and cassavas in addition to fisheries and meat production.

These policies will not likely have an immediate impact on the wheat imports as they are not directly competing with rice, Indonesia's staple food. Substantiating this is the fact that Indonesia's wheat flour per capita consumption is only 6.48 kg which is very low compared to the country's rice per capita consumption of 135 kg.

Countertrade has been practiced in Indonesia over the past few years, however, this is mainly obligatory for projects or procurements of non food related projects or procurements. As this concept will obviously be of help to Indonesia's economy, BULOG, the sole agency for grain and oil seed importation will certainly welcome any overseas counter traders.

7. Market Prospects - Grains and Oilseeds

There are no such projections but according to one of the BULOG key officers, Indonesia's wheat consumption is predicted to increase by 4-5% per annum. As wheat is not grown in this area and is not in direct substitution with rice, Indonesia will likely continue to rely on wheat imports, the volume of which will to some extent depend on the country's economic situation.

The provisions of credit facilities and food aid programs could be important in increasing the Canadian wheat sales to Indonesia.

Peas, beans and canary seeds are imported to Indonesia in small volumes and there could be a market for Canadian products should they be price competitive.

8. Processing Facilities

Year: 1985 (most recent)
- thousands of tonnes -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum Mills)	2	3	3,000	1,600
Compound Feed Mills	20	24	240	190
Maltsters				
Brewers	3	5	2,500,000	700,000
Oilseed Crushers	78	74	2,100	1,800

* Capacity and output in hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985 (most recent)
- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tanjung Priok	900	800
Tanjung Perak	600	600
Ujung Pandang	500	200
Total Capacity	2,000	1,600

II. MALT AND MALTING BARLEY

1. Domestic Production barley: 1985/86 estimate: Virtually non existant
2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	8 (13)	Australia, France, Canada

3. Additional Information

Indonesia's annual per capita beer consumption fell from 0.63 litres in 1983 to 0.44 litres in 1985 as the country's economic situation has worsened over the past few years.

Indonesia's beer production has decreased from 84.9 million litres in 1982 to 69.2 million litres in 1985.

Domestic malting capacity: None.

Malt exported: None.

Canada is one of the major malt suppliers to Indonesia.

III. OILSEEDS

1. Trade Policy:

Import Tariffs/Duties:	Oilseeds	- 10%
	Crude Oil	- 20% plus 10% value added tax.
	Oilseed Meal	- 20% plus 10% value added tax.
	Refined Oil	- 20% plus 10% value added tax.

All imported food products must be registered at the Department of Health for which a fee of US\$100 is charged for each label.

Oilseeds importation is restricted to only two state trading firms except soybeans which are imported solely by the National Logistic Agency (BULOG). The trading firms are P.T. Sarinah and P.T. Dirga Niaga. Competitive prices and regular supply are important factors in marketing oilseeds in this country.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Soybeans	885	200	
Coconut	1,100		5
Corn	5,694	40	
Peanut	580	15	
TOTAL	8,259	255	5

<u>Oil</u>	Production	Imports		Exports
		Crude	Refined	
Soybean	4			
Coconut oil	675			18
Corn oil	200			
Palm oil	1,188			200
Palm kernel oil	150			17
TOTAL	2,217			235

<u>Meal</u>	Production	Imports	Exports
soybean meal		200	
TOTAL		200	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	184	(147)	1,526 (1,376)	1,710 (1,523)
Flour/Semolina				
TOTAL	184	(147)	1,526 (1,376)	1,710 (1,523)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat							
Durum wheat	1,424 (1,279)		75 (60)			211 (184)	1,710(1,523)
Flour Semolina							
TOTAL	1,424 (1,279)		75 (60)			211 (184)	1,710(1,523)

Industrial Use: Plywood industry

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
WHEAT (including durum)							
Cash	299 (270)	140 (359)	670 (524)	226 (75)		50	1,385(1,228)
Aid, concessional credit, etc.		141 (148)					141 (148)
TOTAL	299 (270)	281 (507)	670 (524)	226 (75)		50	1,526(1,376)

(B) COARSE GRAINS

SUPPLY 1985/86 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	5,694 (5,465)	420 (400)	15 (59)	6,129 (5,924)
Barley				
Sorghum				
Oats				
TOTAL	5,694 (5,465)	420 (400)	15 (59)	6,129 (5,924)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	5,672 (4,967)	520 (400)			162 (157)	225 (400)	6,129 (5,924)
Barley							
Sorghum							
Oats							
Rye							
TOTAL	5,672 (4,967)	520 (400)			162 (157)	225 (400)	6,129 (5,924)

*Of which poultry: 100% Export Destination: Malaysia, Mozambique, Japan

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

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Corn						15 (59)	15 (59)

Principal "Others": Thailand, China and South Korea

J A P A N

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$12,000	1985
Annual per capita GNP	US\$16,600	1985
Average annual growth	2-3%	1975-85
Annual inflation rate	3.6%	1975-85
Annual inflation rate	1.8%	1986
Volume of imports	129.5 billion US\$	1985
which food	15%	1985
Of which fuels	45%	1985
Principal foreign exchange earning export:	Automotive industry	
Population	121 million	1986
Annual population growth	0.6%	1984/85
Annual Consumption:		
Flour (wheat)	32 kg/capita	1983
Meat	24 kg/capita	1983
Vegetable Oil	15 kg/capita	1983

I. GENERAL INFORMATION

1. Crop Situation and Outlook

There is little information available as yet on the 1986 crops. Early indications are that wheat, coarse grains and rice production are following the current trend i.e. slightly increased area planted to rice, unchanged area to wheat, and decreased area to barley. These area estimates and trends reflects the relative profitability of rice, wheat and barley in Japan. For oilseeds, no change in production is anticipated in 1986; the principal oilseed crop, soybeans, is grown for edible purposes and not for processing into oil and meal.

2. Foreign Exchange

Japan enjoys a very favourable foreign exchange situation. Agricultural, food and energy commodities are high-priority import items.

3. Fertilizer Situation

Fertilizer consumption continues at about 2 million tonnes annually. (N - 700,000 tonnes; P - 700,000 tonnes; K - 600,000 tonnes). All crop farming is intensive, meaning that fertilizer is used to the maximum economic extent, based on soil tests, relative crop prices, crop rotation etc. Little change in the level of fertilizer use is foreseen in 1986/87.

4. Import Mechanism

Imports of wheat and barley (including feed) are controlled by the Japanese Food Agency (MAFF). Weekly tenders are held, and the food Agency re-sells to millers and feed manufacturers etc. Other grains and oilseeds such as oats, rye, corn, canola and soybeans do not fall under Food Agency jurisdiction; they are imported privately. Oat imports are under a tariff quota system, with a tariff of 10% levied on quantities above certain quota. No changes are foreseen.

5. Grain Industry Infrastructure

There was little or no change in flour milling, feed manufacturing and oilseed crushing capacity in 1985. All sectors have excess capacity; utilization ranges from 70-80% generally.

6. Government Policies Affecting Grain and Agriculture

The Government is continuing its policy of diverting rice production to other crops. However, given the price structure and the political realities in Japan, changes will come slowly if at all. Rice production has not decreased although wheat and barley production increased in 1985 from about the same planted area, suggesting that Japanese producers are maximising the use of inputs to raise yields. There is much talk about import liberalization but so far very few concrete results have emerged. In spite of the strong yen and low commodity prices (grains, oilseeds, petroleum), consumer prices have actually increased by about 2%.

If Japan production of wheat and barley expands due to the rice diversification program, there may be little or no expansion of wheat, barley, rye imports from Canada. There will continue to be a large market in Japan for high-protein wheat, also for canola as these commodities cannot be produced in sufficient quantities domestically.

Japan enjoys a trade surplus with most countries. Some of her trading partners such as China are trying to achieve more balanced trade by supplying corn, rapeseed and other commodities. However there is no government policy in this regard. Japan will continue to buy grains and oilseeds from traditional sources based on price, quality and continuity of supply.

7. Market Prospects - Grains and Oilseeds

It might prove useful to have feed barley imported by the private trade rather than under the aegis of the Japanese Food Agency. This would put Canadian feed barley on the same competitive footing as U.S. corn and sorghum.

Trade in special crops is fairly well-established between Canadian grain exporting companies (who contract with Canadian producers) and Japanese private importers, usually trading houses, which resell to processors in Japan. For mustardseed and buckwheat, Canada is virtually the sole supplier to the Japanese market.

8. Processing Facilities

Year: 1984 (most recent)
thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	162	208	9,830	6,117
Compound Feed Mills	118	197	18,444	23,569
Maltsters	4	11	180	120
Brewers*	6	34	51,239	46,719
Oilseed Crushers	139	153	8,900	6,193

* Capacity and output in million of hectolitres

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1983/84 (most recent)
- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Otaru	117	
Chiba	591	
Yokohama	1,004	
Shimizu	238	
Nagoya	880	
Kobe	682	
Mizushima	238	
Hakata	334	
Kagoshima	274	
Others	2,003	
Total Capacity	6,361	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

- - thousands of tonnes - -

	2-Row		6-Row		Total
	Winter	Spring	Winter	Spring	
All Barley	303	13	62		378
Suitable for malting	150 approx	-	-		150

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal suppliers(s)
Malt	432.5 (539)	Australia/Canada/EEC.
Malting Barley	(14)	Australia

3. Additional Information

Annual per capita beer consumption: There is no apparent trend in per capita beer consumption.

Beer production capacity: Production capacity is stable at about 51.2 million hectolitres annually.

Domestic malting capacity: Malting capacity is 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.

Malt exports: There are no commercial exports for brewing purposes.

Market potential: Total Japanese malt imports stand at 432,484 tonnes for 1985. Canadian malt exporters have been losing market share to EEC exporters. Also, Canadian malt prices appear to be higher than Australian prices. In this market scenario, Canada will do well to hold onto 20% of the market.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Free (groundnut for food use: 10%)

Crude oil: 17 Yen/kg for canola soybean, sunflowerseed oil; 10% or 11 Yen/kg which is higher for linseed oil.

Oilseed meal: Free

Refined oil: 20.7 Yen/kg

Non-tariff import barriers/export assistance measures: None

Import/export structure: Oilseeds are traded entirely by the private companies on the free market. The Japanese Food Agency is not involved in oilseeds trade.

Additional factors: Japanese importers are very knowledgeable of world oilseed production and marketing conditions. Within Japan, competition is intense among processors, oil refiners, margarine manufacturers etc. It is a very mature and sophisticated market structure.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Soybean	228	4,910	
Canola/Rapeseed	2	1,469	
Flaxseed		100	
Cotton seed		136	
TOTAL	230	6,615	

<u>Meal</u>	Production (Domestic) (Imports)	Imports	Exports
Soybean Meal	3,035	134	
Canola/Rapeseed	857	87	
Linseed	59		
Total	3,951	221	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM Data: On calendar year 1985 basis

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in,** April 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat *	874 (741)	1,567 (1,485)	5,433 (5,897)	7,874 (8,123)
Durum wheat			76 (81)	76 (81)
Flour/Semolina	6,016 (6,114)			6,016 (6,114)
TOTAL	874 (741)	1,567 (1,485)	5,509 (5,978)	7,950 (8,204)

*Of which spring wheat 52 (12)

* Because flour was already accounted for in wheat column i.e. locally produced flour is transformation of imported wheat ** Carry-in (Out) qty on FY basis as calendar year-based qty not readily available
 "- Virtually nil as quantity insignificant.

DISPOSITION 1985/86 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>March 13 **Carry-out</u>	<u>Total</u>
Wheat		1,191 (1,318)				1,530 (1,567)	7,874 (8,123)
Durum wheat							76 (81)
Flour/Semolina		126 (115)			194 (242)		6,016 (6,114)
TOTAL		1,191 (1,318)			194 (242)	1,530 (1,567)	7,950 (8,204)

Industrial Use: Wheat for soy sauce, flour for MSG, etc. Export Destination: PRC, Hong Kong, Thailand
 Note: Presumed quantity of wheat and flour for "human consumption", "ind'l" and "other (seed/waste)" altogether is 5,229 (5,319).

*** Including release for wheat bran production

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Wheat (including durum)							5,509 (5,978)
Cash	1,234 (1,485)	3,231 (3,432)	1,044 (1,061)				

Japanese Imports of Wheat by Type - FY 1985/84
('000 metric tonnes)

<u>Type</u>	<u>FY 1985/84</u>			
	<u>Canada</u>	<u>U.S.</u>	<u>Australia</u>	<u>Total</u>
Food wheat				
Hard	1,199 (1,353)	1,299 (1,289)		2,498 (2,642)
Semi Hard		416 (408)		416 (408)
Soft		778 (832)	276 (325)	1,054 (1,157)
Total	1,199 (1,353)	2,493 (2,529)	276 (325)	3,968 (4,207)
Feed Wheat		518 (603)	663 (698)	1,181 (1,301)
All Wheat	1,199 (1,353)	3,011 (3,132)	939 (1,023)	5,149 (5,508)

Source: Food Agency

(B) COARSE GRAINS - On calendar Year 1985/84 basis

SUPPLY - 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry in July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn Maize	2 (2)	519 (559)	14,225 (14,170)	14,746 (14,731)
Barley	378 (396)	310 (536)	1,661 (1,615)	2,349
Sorghum		295 (282)	4,793 (4,478)	5,088 (4,760)
Oats	7 (8)	3 (1)	129 (126)	139 (135)
Rye		18 (2)	263 (342)	281 (344)
TOTAL	387 (406)	1,145 (1,380)	21,071 (20,731)	22,603 (22,271)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Consumption</u>		<u>Other</u>		<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>(seed, waste)</u>			
Corn	3,301 (3,282)	10,992 (10,930)				453 (519)	14,746 (14,731)
Barley	272 (213)	1,417 (1,450)				660 (638)	2,349 (2,301)
Sorghum	64 (71)	4,724 (4,394)				300 (295)	5,088 (4,760)
Oats	66 (55)	71 (62)				2 (18)	139 (135)
Rye	90 (78)	182 (263)				9 (3)	281 (344)
TOTAL	3,793 (3,699)	17,386 (17,099)				1,424 (1,473)	22,603 (22,271)

Of which poultry: 44(46%) in terms of overall animal use. Export Destination: Taiwan
 Industrial use: Typically corn starch, distilling and alcohol manufacturing

IMPORT TRADE 1985/86 est. thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>			
Corn		10,969 (13,737)	107 (71)	467 (118)		2,683 (244)	14,226 (14,170)
Barley	908 (743)	140 (472)	613 (445)				1,661 (1,660)
Sorghum		2,572 (1,861)	793 (1,000)	1,266 (1,613)		163 (4)	4,794 (4,478)
Oats	12 (18)	(1)	116 (108)				128 (126)
Rye	200 (342)					64	264 (342)
TOTAL	1,120 (1,103)	13,681 (16,071)	1,629 (1,624)	1,733 (1,731)		2,910 (248)	21,073 (20,776)

Principal "Others": PRC, Thailand/Indonesia, S. Africa

FY 1986 Japanese Forecast for Supply and Demand of Wheat
(^{'000} in tonnes)

	<u>FY 85 Actual</u>	<u>FY 86 Forecast</u>	<u>+ - Change%</u>
<u>Supply</u>			
Carryover	1,567	1,497	- 4.5%
Government purchase	5,926	6,097	+ 2.9%
*Domestic wheat	777	690	-11.2
Imported wheat	5,149	5,407	+ 5.0
*** (Food use)	(3,968)	(4,045)	+ 1.9
Feed use	(1,181)	(1,362)	+15.3
Supply Total	7,493	7,594	+ 1.3
 <u>Demand</u>			
Food use	4,779	4,780	
Feed use	1,184	1,340	+13.2
Carryover	1,530	1,474	- 3.7
Demand Total	7,493	7,594	+ 1.3

Source: Food Agency

Note: FY 85 = Apr 86 - Mar 87

REPUBLIC OF KOREA

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$1,589	1984
Annual per capita GNP	US\$2,032	1985
Average annual growth	7.4%	1975-85
Annual inflation rate	14.3%	1975-85
Annual inflation rate	1.0%	1986
Volume of imports	31.1 billion US\$	1985
Of which food	5.5%	1985
Of which fuels	23.0%	1985
Principal foreign exchange earning export:	Light manufacturing, heavy industry & overseas construction	
Debt service as % of GNP	8.5%	1985
Debt service as % of exports	18.7%	1985
Population	41.1 million	1985
Annual population growth	1.3%	1985-2000
Annual Consumption:		
Flour	1,607,010 tonnes or 39.1 kg/capita	1985
Meat	180,840 tonnes or 14.4 kg/capita	1985
Vegetable Oil	7.2 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Rice: Despite a 0.5% increase (6,000 hectares) in acreage, rice production in 1985 decreased to 5.6 million tonnes (decrease of 0.1%) due to decreased acreage (6.6%) of high yielding varieties.

Wheat: As the result of a 52.1% decrease in acreage, wheat production decreased to 10,000 tonnes from 17,000 tonnes in 1984.

Barley: Because of a 29.7% decrease in barley acreage, production fell to 792,000 tonnes from 1,130,000 tonnes in 1984.

Corn: Production in 1985 decreased to 132,000 tonnes due to a 13.0% decrease in acreage.

Oilseeds: The production of soybeans decreased by 7.8% to 234,000 tonnes because of 17.9% decrease in acreage while rapeseed production also decreased by 26.9% to 6,000 tonnes because of a 27.6% decrease in acreage. In 1986, the government's target is to produce 5.5 million tonnes of rice, 668,000 tonnes of barley, 145,000 tonnes of corn, 272,000 tonnes of soybeans and 6,000 tonnes of rapeseed. It was recently reported in newspapers that barley production is expected to decrease by 18.3% compared to last year's production because of decreased acreage and cold weather during the last winter.

2. Foreign Exchange Situation

Korea's 1985 trade deficit decreased to US\$853 million based on total exports of \$30,283 million and imports of \$31,236 million. Foreign exchange holdings at the end of 1985 amounted to \$7,749 million and are expected to reach approximately \$7,900 million by the end of 1986. As the result of low oil prices, lower interest rates and strong yen value, Korea's trade surplus is expected to reach between \$1.3 to \$1.5 billion with exports of about \$33.5 billion and imports of \$3.2 billion. The first ever current account surplus is also estimated at \$450 million in 1986. Outstanding foreign debt increased to \$46.7 billion in 1985 from \$43.1 billion in 1984. Priorities will be given to importing some cereals (wheat and corn) and some oilseeds (soybeans and sesame seed) for human and animal consumption, but quantities are strictly controlled by the government. Korea is no longer eligible for Canadian aid, but can receive IBRD and Asian development Bank loans.

3. Fertilizer Situation

In 1985, total chemical fertilizer production amounted to 3,000,000 tonnes, a 1.9% increase from 2,944,000 tonnes in 1984. By product type, the urea production was 596,000 tonnes, compound fertilizer 2,115 tonnes and ammonium sulphate 204,000 tonnes.

Domestic demand for chemical fertilizer in 1985 increased to 1,674,000 tonnes, an increase of 5% over the previous year.

Total exports in 1985 amounted to 1,266,000 tonnes as compared with 1,305,000 tonnes in 1984. Export of compound fertilizer amounted to 1,005,000 tonnes, urea 65,000 tonnes, and ammonium sulphate 108,000 tonnes.

4. Import Mechanism

Wheat: Korea Flour Mills Industrial Association (KOFMIA), individual flour millers, and registered trading companies on behalf of millers are legally authorized to import wheat for human consumption. (KOFMIA) imports about 70% of the total requirement through regular tenders and individual millers import the remaining 30% through price negotiations. In the case of wheat for animal consumption, Korea Feed Association (KFA), National Livestock Cooperative Federation (NLCF) and individual millers are authorized to import either through tenders (KFA and NLCF) or price negotiations (millers).

Barley: Two breweries are authorized to import malting barley through price negotiations if a requirement exists due to a poor domestic crop.

Corn: KFA and NLCF are authorized to import corn for animal consumption through tenders. Korea Corn Processors Industry Association (KCPIA) is authorized to import corn for food and industrial purposes either through tenders or price negotiations.

Rye: KFA, NLCF and individual millers are authorized to import rye for animal consumption either through tenders (KFA and NLCF) or price negotiations (millers). In the case of rye for seed purposes, NLCF and the Korea Dairy and Beef Farmers Association (KDBFA) are authorized to import either through tenders (NLCF and KDBFA) or private negotiations (trading companies).

4. Import Mechanism cont'd

Rapeseed: The Korean government has prepared an import procedure to allow the import of approximately 12,000 tonnes of canola from Canada in the second half of this year. A reliable source indicated that canola may be imported by the National Agricultural Cooperative Federation (NACF) through tenders.

Soybeans: (NACF), Agriculture and Fisheries Development Corporation (AFDC) and three soybean oil crushers (Tongbang, Cheil and Samyang) are the only organizations authorized to import soybeans either through tenders (NACF and AFDC) or direct negotiations (oil crushers).

5. Grain Industry Infrastructure

There are currently five grain handling facilities in Korea with the following unloading and storage capacities:

<u>Name of Firm</u>	<u>Port</u>	<u>Unloading per hour</u>	<u>Storage</u>
Korea Silo Co. Ltd.	Inchon	800 tonnes	300,000 tonnes
Taihan Bulk Terminal Co. Ltd.	Inchon	1,500 tonnes	138,000 tonnes
Sun Kwang Co., Ltd.	Inchon	600 tonnes	90,000 tonnes
Woo Sung Enterprise Co. Ltd.	Pusan	800	80,000 tonnes
Ulsan Silo Co., Ltd.	Ulsan	1,500 tonnes	80,000 tonnes

Two more grain handling facilities are scheduled to be completed by the end of July 1986:

<u>Name of Firm</u>	<u>Port</u>	<u>Unloading per hour</u>	<u>Storage</u>
Han Jin Transportation Co. Ltd.	Inchon	900 tonnes	100,000 tonnes
Korea Express Co., Ltd.	Inchon	800 tonnes	50,000 tonnes

6. Government Policies Affecting Grain and Agriculture

As a result of bumper rice crops during the last five years, rice inventories amounted to approximately 5.7 million tonnes as of the end of March 1986. Rice is still the staple food for Koreans, but present inventory exceeds total demand of rice for 1986. Rice is one of few cereals for which Korea is self-sufficient. That crop contributes about 60.6% of the total farm income (CDN\$5.872 billion in 1984) and the government will continue to encourage increased rice production, particularly the traditional varieties preferred by consumers. To reduce the government's rice inventory as well as to increase rice consumption, researches have undertaken the task to develop bakery products made of pure or mixed rice flour.

6. Government Policies Affecting Grain and Agriculture

In 1983, Korea achieved self-sufficiency in barley. In 1985, feed manufacturers and distillers were forced by the government to use 287,000 tonnes of domestic barley for feed (161,000 tonnes in 1984) and 150,000 tonnes for spirits (66,000 tonnes in 1984). In 1986 the government wants feed millers to use 112,000 tonnes for feed and 190,000 tonnes for spirits. As of the end of May, only 11,000 tonnes had been used for feed and 66,000 tonnes for spirits. The substitution to domestic barley resulted in a 46% increase in domestic barley prices during January-April 1986. In the long run, the government will continue to purchase barley from farmers and may encourage them to enter into growing contracts with distillers either through a forward price or an incentive system. But governmental incentives to increase barley production are unlikely. A most delicate political question is whether the government can liberalize import of barley prior to the 1988 Presidential election. If the 1986 barley crop is well below the government's production target (668,000 tonnes), feed manufacturers may press the government to allow some import of barley. But the need for rural votes may delay an import liberalization program.

For 1986, the government had originally allocated a feed grain import quota of 4,250,000 tonnes consisting of 2,400,000 tonnes of corn, 1,550,000 tonnes of other grains and 300,000 tonnes of tapioca. But in May 1986 the government lowered the quantities to 2,346,000 tonnes of corn, 1,469,000 tonnes of other grains and 150,000 tonnes of tapioca to reduce the livestock farmer's reliance on compound feeds as well as to reduce foreign exchange expenditures on agricultural products. Also in May 1986, the government lowered the wheat import quota for the flour millers to 1.9 million tonnes from the originally allocated 2 million tonnes in order to reduce rice inventories and also to reduce the outflow of foreign currencies.

Effective 1 July 1986, the Korean government has liberalized the importation of compound feeds for poultry and pets, but the tariff on compound feeds still remains at 20% of CIF value. In 1985, poultry rations represented 35.7% of the total compound feed production (6.4 million tonnes). Access for canola (rapeseed) has been one of Canada's key trade issues with the Korean government over the last 10 years. The Korean government has recently agreed to liberalize canola (rapeseed) imports on the basis of two (import) to one (domestic production) ratio starting in the second half of 1986. This will provide opportunities for Canada to export approximately 12,000 tonnes of canola seed to Korea starting this year. In addition, the tariff on canola (rapeseed) has been reduced from 40% to 10% for the short period of 1 July to 31 December 1986.

The increasing rice inventory and the development of bakery products either made of pure rice flour or mixed flour with rice and wheat could have some short term implications for Canadian wheat export, if products can be successfully developed and consumers like them. Despite the fact that Korea has used domestic barley to manufacture compound feeds and spirits over the last two years, it will be difficult for the Korean government to liberalize the import of barley. The liberalization of compound feed import for poultry and pets may not pose an immediate implication for Canadian feed grain exports, but it may have longer term implication if some domestic feed millers with insufficient import quota for feed grains start to import poultry feeds from Japan in order to maintain their respective market share. Korea will continue to import milling wheat and feed grains, but the government is unlikely to increase the import quotas for milling wheat and feed grains as much as annual demand growth would

6. Government Policies Affecting Grain and Agriculture (cont'd)

justify. These policies will have some immediate and longer term implications in expanding the Canadian market share in the Korean grain market. Although the quantity of the annual canola/rapeseed import quota is subject to change on the basis of Korean production, Canada will be able to export canola seed to Korea for domestic consumption for the first time in 1986.

With the exception of approximately 80,000 tonnes of Thai tapioca which Korea will import in 1986 under a barter agreement for Korean fertilizer, Korea does not import any grain or oilseed under countertrade or barter trade agreements.

7. Market Prospects - Grains and Oilseeds

Korea Rural Economics Institute, a research institution linked to the Ministry of Agriculture and Fisheries has made the following grain demand projections for wheat, rice, barley and miscellaneous grains for human consumption, but there are neither import projections nor demand projections for animal consumption:

	(000 tonnes)				
	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Wheat	1,837	1,886	1,934	1,980	2,025
Rice	5,383	5,371	5,331	5,262	5,162
Barley	563	570	575	580	582
Miscellaneous Grains	696	737	779	825	873

In 1985, Korea imported 493 tonnes of mustard seed, 1,240 tonnes of small soyabeans and about 50 tonnes of canaryseed.

8. Processing Facilities

	Year <u>1985</u> (most recent)			
	- - - thousands of tonnes - - -			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity**</u>	<u>Actual Output</u>
Flour (and durum) Mills	12	13	2,829	2,076
Compound Feed Mills	54	81	6,451	6,457
Maltsters	2	4	112	93
Brewers*	2	4	10	7.918
Oilseed Crushers	29	30	1,897	987

** 24 hours and 300 day operation basis per year

* Capacity and output in millions hectolitres

9. Storage Import Throughput Capacity

Grain Import Capacity by Port

	Year <u>1985</u> (most recent)	
	- - - thousands of tonnes - - -	
<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Inchon	528	6,960
Pusan	80	1,920
Ulsan	80	3,600
Total Capacity	688	12,480

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

- - thousands of tonnes - -

	2-Row		6-Row		Total
	Winter	Spring	Winter	Spring	
All Barley					792*
Suitable for malting	230				230

* No separate figures available for winter and spring barley.

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	<u>thousands of tonnes</u>		<u>Principal supplier(s)</u>
Malt*	2	(3)	U.K. and Australia
Malting barley		(36)	

* Imported for re-export purpose

3. Additional Information

The total beer consumption in 1985 reached approximately 773 million litres, an increase of 1.6% over the total beer consumption in 1984.

Beer production capacity is increasing. O.B. Brewery has been constructing a plant in Kwangju which will be capable of producing one million hectolitres of beer per year, but the completion date has been delayed to the end of April 1987 due to sluggish consumption of beer.

Malting barley production increased to 230,000 tonnes in 1985 from 165,000 tonnes in 1984 which exceeds demand. However, there may be limited opportunities if brewers need to import quality malt for re-export purpose.

III. Oilseed

1. Trade Policy

Import Tariffs - Oilseeds - 40% basic tariff on peanuts, sunflower, perilla and sesame seeds, 10% tariff on all other oil seeds. A 10% tariff is applied on canola seed, up to 12,000 tonnes.

- Crude Oil - 10% on palm oil, 20% on coconut oil, and 40% on rapeseed, peanuts, sunflower, sesame and perilla seed oils, 25% tariff applies to all other crude oils

Oilseed meal - 10% tariff applies to all oilseed meals

Refined oil - Same as tariff rates on crude oils.

Non-tariff import barriers: With the exception of certain kinds of oilseeds (copra, palm, linseed, cotton, castor and mustard), certain kinds of oils (olive, mustard, linseed, copra, palm, castor and tung) and soybeans are imported under annual quota basis through National Agricultural Cooperative Federation (NACF), Agriculture and Fishery Development Cooperation (AFDC) and three soybean oil crushers (Dongbang, Cheil and Samyang). All other oilseeds and oils are restricted (read prohibited) imports. However, canola/rapeseed will be allowed for import on an annual quota basis of 12,000 tonnes starting in 1986.

Import/export structure - Soybeans are importable exclusively by NACF (for food process) and AFDC (for bean sprout) through tenders and by three soybean oil crushers (for oil) through direct price negotiations with exporters, while private end users are authorized to import other oilseeds through direct price negotiations. The government has prepared the import procedures for 12,000 tonnes of canola seed.

Additional factors - As explained, Korea will start to import canola seed this year, but the quantity will be subject to change depending on the domestic production. It is interesting to note that one Korean oil crusher has imported 700 tonnes of crude canola oil from Canada for re-export.

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

Year 1985

<u>Oilseed</u> (by type)	<u>Domestic Production</u>	<u>Imports</u>	<u>Exports</u>
Soybeans	234	868	
Rapeseed	6		
Sesame	41	3	
Others	39(1)	26(2)	
Total	320	897	

(1) Includes peanuts, perilla and cotton seed.

(2) Includes peanuts, copra, palm, linseed and castor oil seeds.

<u>Oil</u>	<u>Production</u>		<u>Imports of Oils</u>		<u>Exports of Oils</u>	
	(Domestic)	(Imports)	(Crude)	(Refined)	(Crude)	(Refined)
Soybeans		134				
Rapeseed	3					
Sesame	13					
Others	145(1)	126(2)	126			
Total	161	260	126			

(1) Includes rice, bran, corn and cotton seed etc.

(2) Includes palm, coconut, cotton seed, linseed, tung and castor oils

<u>Meal</u>	<u>Production*</u>		<u>Imports</u>	<u>Exports</u>
	(Domestic)	(Imports)		
Soybeans		595	116	
Rapeseed	4		16	
Sunflower			6	
Total	4	595	138	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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 (17)	202 (188)	2,984 (2,647)	3,196 (2,852)
Durum wheat			2	2
Flour/Semolina		42 (44)		42 (44)
TOTAL	10 (17)	244 (232)	2,986 (2,647)	3,240 (2,896)
* of which spring wheat				

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	2,120 (2,034)	967 (542)	41 (51)	12 (25)		72 (202)	3,212 (2,854)
Durum wheat	2					2	2
Flour Semolina						26 (42)	26 (42)
TOTAL	2,122 (2,034)	967 (542)	41 (51)	12 (25)		98 (244)	3,240 (2,896)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>		
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>		<u>EEC</u>	<u>All Others</u>
<u>WHEAT (including durum)</u>							
Cash Aid, concessional credit, etc.	55 (15)	1,266 (888)	954 (624)		5 (52)	6 (52)	2,386 (1,631)
TOTAL	55 (15)	1,966 (1,904)	954 (624)		5 (52)	6 (52)	700 (1,016)
							2,986 (2,647)

Principal "Others" (specify countries): New Zealand and Japan.

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	132 (133)	210 (190)	3,406 (3,065)	3,748 (3,388)
Barley	792 (1,130)	354 (170)	(36)	1,146 (1,336)
Sorghum	2 (3)		344 (319)	346 (322)
Oats				
Rye	2 (3)	10 (12)	52 (264)	64 (279)
TOTAL	928 (1,269)	574 (372)	3,802 (3,684)	5,304 (5,325)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Animal Feed		Industrial		Other (seed, waste)		Exports	Carry-out	Total
Corn	38 (37)	2,451 (2,419)	800 (697)	30 (25)				429 (210)		3,748 (3,388)	
Barley	422 (425)	287 (161)	261 (231)	66 (165)				110 (354)		1,146 (1,336)	
Sorghum	1 (3)	329 (316)		1 (3)				15		346 (322) ¹	
Oats											
Rye		62 (262)		2 (7)				(10)		64 (279) ³	
TOTAL	461 (465)	3,129 (3,158)	1,061 (928)	99 (200)				554 (574)		5,304 (5,325) ¹	

*Of which poultry 35.7%.

What type of Industrial use? Starch, glucose, fructose, oil, syrup and brewery

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	
Corn	(1)	1,674 (2,606)				1,732 (458)
Barley	(5)		(31)			(36)
Sorghum		36 (142)	1 (75)	(69)		307 (33)
Oats						344 (319)
Rye	30 (263)	(1)				22 (264)
TOTAL	30 (269)	1,710 (2,749)	1 (106)	(69)		2,061 (491)
						3,802 (3,684)

Principal "Others" (Specify countries): Peoples Republic of China, Thailand, Japan.

(1) Represents malting barley imported from Canada and Australia.

MALAYSIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita GNP	US\$1,806	1985
Average annual growth	6.0%	1975-85
Annual inflation rate	6.0%	1975-85
Annual inflation rate	0.3%	1986
Volume of imports*	11.82 billion US\$	1985
Of which food	6.1%	1985
Of which fuels	3.54%	1985
Principal foreign exchange earning export:	Petroleum, palm oil, rubber sawlogs mfg.	
Debt service as % of GNP	7.34%	1985
Debt service as % of exports	14.0%	1985
Population	15.4 million	1985
Annual population growth	2.0%	1984
Annual Consumption:		
Flour	421,105 tonnes or 27.3 kg/capita	1985
Meat	322,900 tonnes or 19.6 kg capita	1985
Vegetable oil	480,000 tonnes or 31.2 kg/capita	1985

* Rate of exchange used US\$1.00 = M\$2.60

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Rice: In 1986, area planted is estimated to decline by 16,700 hectares to 611,800 hectares. Rice production is expected to increase marginally by 35,400 tonnes to 1,808,900 tonnes due to the widespread cultivation of the viral resistant and higher yielding IR-42 padi strain.

Palm Oil: In 1986, an additional 40,000 hectares is estimated to have been planted bringing total area under palm oil cultivation to 1,440,000 hectares. Given good weather conditions and non-recurrence of the adverse effect of weevil pollination, it is estimated that crude palm oil output will reach 4.04 million tonnes, and palm kernel oil will reach 0.460 million tonnes.

2. Foreign Exchange Situation

Foreign exchange reserves stood at M\$12,475 million (US\$5,169 million) at the end of 1985, which is sufficient to finance about 5 months of retained imports. Malaysia does not give priority to any sector for foreign currency expenditure. Malaysia is unlikely to be an international aid recipient.

3. Fertilizer Situation

Bintulu urea plant came on stream in October 1985. When operating at full capacity the daily output of ammonia is 1,000 tonnes and urea 1,500 tonnes. This plant alone can fully supply the domestic urea requirement of 200,000 tonnes annually.

Fertilizer Situation (cont'd)

Imports of fertilizer for 1985 was 1,210,858 tonnes valued at M\$365.4 million (Cdn\$192.3 million). Canada's share was 177,209.7 tonnes worth M\$50,259,134 (Cdn\$26.45 million). Domestic fertilizer production for 1985 amounted to 495,200 tonnes.

4. Import Mechanism

Rice is only permitted to be imported by the National Rice & Padi Authority (a government agency). Other grains like wheat, etc. can be imported freely and almost exclusively by the private importers, companies, and flour mills.

5. Grain Industry Infrastructure

At present there are five flour mill companies. They are Malayan Flour Mills Bhd., Federal Flour Mills Bhd., Johore Flour Mill, United Malayan Flour Mills Bhd. and Sabah Flour & Feed Mill Sdn. Bhd. The flour mills are situated on the West Coast of Peninsular Malaysia plus one on Labuan Island, having loading facilities at the waterfront. No significant changes in facilities anticipated. A new flour mill will commence operation in September 1986. The mill is located in Kuantan Port, production capacity is between 175-240 tonnes/day.

6. Country Status on Grain and Agriculture

Rice is main staple. 1985 production was 1,515,000 tonnes, equivalent to 75.4% of requirements, with import rising marginally by 0.7% to 420,550 tonnes. Due to the comparatively high cost of domestic rice production, Malaysia's target of achieving 80-85% of domestic rice self-sufficiency may be amended. All types of meat production in 1985 was about 294,900 tonnes, an increase of 3.7% over 1984. Domestic production of beef and mutton are only sufficient to meet 57% and 15% of local requirements respectively. Malaysia is heavily dependent on imported corn, soybean meal, fish meal, milk powder, rice bran, copra cake, etc. for animal feed.

Wheat is mainly used in noodles, bread, biscuits, etc. The consumption of these wheat flour products remains stable with some gradual growth over time. Bread and noodles are not the staple diet, but are widely consumed and are generally more expensive than rice. Any changes in rice production will neither benefit nor adversely affect Canadian grain exports to Malaysia.

At the moment no countertrade/barter is required.

7. Market Prospects - Grains and Oilseeds

Wheat imports for human consumption as against feed grains, increase by about 3% per annum. A rough estimate of wheat imports for 1990 would be 675,000 tonnes.

Main success story is soybeans for human consumption. Other beans, peas and seeds have a small market here, including yellow split peas. However, Canadian yellow split peas take a much longer time to soften up on cooking and this has caused buyers to import from elsewhere.

8. Processing Facilities

Year: 1985

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	5	5	477	355.47
Compound Feed Mills	26	26	N/A	735.81
Maltsters	-	-	-	-
Brewers*	3	3	N/A	102.61
Oilseed Crushers (soybeans)	2	2	N/A	N/A

* Capacity and output in hectolitres

9. Storage and Throughput Capacity

Ports include: Lumut, Penang Port, Pasir Gudang, Port Kelang, Labuan Port.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley: none

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	19.3 (18.4)	Australia

3. Additional Information

Annual per capita beer consumption:

<u>Year</u>	<u>Beer & Stout Production</u> - millions of litres -	<u>Sales</u>	<u>M\$ (Million)</u>
1985	102.61	100.90	261.71
1986	99.83	98.94	257.92

Beer production capacity: Stagnant because of high excise duties.

Domestic malting capacity: None

Malt exports: 900 tonnes (Singapore).

Market potential for Canadian malt: Canada's share of the market would be between 2-4%. Australia is the main supplier due to its geographic proximity and its competitiveness in price and quality.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	Soybeans	Nil
		Rape, colza	5%
	Crude oil:	Soybean, rape, colza, mustard	5%
		Palm	Nil
	Oilseed meal:	Soybeans	13%
		Copra cake	5%
		Rapeseed	Nil
	Refined oil:	Soybean, rape, colza, mustard	5%

Non-tariff import barriers: None

Import/export structure: Soybeans are imported by private firms. No government agencies, tenders or licensing is involved. Oil palm seeds cannot be exported without an approved permit from the federal government.

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

Year: 1985

<u>Oilseed</u>	Production		Imports		Exports	
Soybean			209.99		1.11	
Rapeseed			0.12			
TOTAL			210.11		1.11	
<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Soybean	N/A			7.19	116.28	
Palm	4,133.00		257.76		421.16	3,219.9
Coconut	39.89		0.31	0.07	58.10	1.8
Peanut	N/A		3.43		0.37	
TOTAL	4,172.89		279.50	7.26	595.91	3,221.7
<u>Meal</u>	Production		Imports		Exports	
	Domestic	Imports				
Soybean	N/A		146.56		2.03	
Peanut	N/A		26.95		0.25	
Rapeseed	N/A		0.03			
Palm kernel cake	N/A				692.18	
Coconut cake	27.14		4.43		0.08	
TOTAL	27.14		177.97		694.54	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous years in brackets

	<u>Production</u>	<u>Carry-in</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat			415.89 (525.96)	
Durum			182.75 (21.34)	
Flour/Semolina			0.28 (0.23)	
TOTAL			598.92 (547.53)	598.92 (547.53)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
	<u>Human</u>			<u>(seed, waste)</u>			
Wheat					0.88 (0.80)		
Durum					31.99 (1.19)		
Flour					12.28 (45.15)		
TOTAL					45.15 (47.14)		

Export Destination: Durum wheat - Yemen, U.K., Australia
Flour - Singapore, Philippines, Brunei

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
<u>Wheat (including durum)</u>							
TOTAL	63.76 (18.02)	66.20 (63.52)	346.36 (465.74)	122.22	0.1 (0.013)	598.64 (547.30)	

Malaysia

(B) COARSE GRAINS

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina	EEC		All Others
Corn			15	14 (3)		1,148 (1,017)	1,177 (1,020)
Barley		(2)	1 (97)		2 (2)	5 (1)	8 (102)
Sorghum			4 (5)			(1)	(1)
Oats							4 (5)
Rye							
Total		(2)	20 (102)	14 (3)	2 (2)	1,153 (1,019)	1,189 (1,128)

Principal "Others": Thailand, China

PAKISTAN

Economic classification: Low Income economy			
Oil exporter or importer (net): Importer			
(75% of total consumption)			
Annual per capita GNP	US\$357		1984-85
Average annual growth	7%		1975-85
Annual inflation rate	9%		1975-85
Annual inflation rate	7%		1986
Volume of imports	6.531 billion US\$		1984-85
Of which food	14.73%		1984-85
Of which fuels	24.24%		1984-85
Principal foreign exchange			
earning export: Overseas workers, cotton cloth			
Debt service as % of GNP	2.56%		1984-85
Debt service as % of exports	31.80%		1984-85
Population	94.73 million est.	Jan	1985
Annual population growth	3.1%		1984-85
Annual Consumption:			
Flour	102.12	kg/capita	1984-85
Meat	10.39	kg/capita	1984-85
Vegetable Oil	8.38	kg/capita	1984-85

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Bumper crops were harvested in 1984-85 showing an increase in agricultural production of 9.9% from the previous crop year. 1985-86 showed a further improvement of 6.5%.

Wheat: Area under wheat is estimated at 7.385 million hectares during 1985-86 compared to 7.259 million hectares during 1984-85, an increase of 1.4%. Wheat production has increased by 15.3% from 11.7 million tonnes in 1984-85 to 13.5 million tonnes in 1985-86. Yield per hectare has increased by 13.8% from 1,612 kg/hectare in 1984-85 to 1,835 kg/hectare in 1985-86. Favourable weather conditions, improved fertilizer usage and an increase in government support prices of about Cdn\$20 per tonne have been the main reasons for this increase.

Rice: Due to shortage of water in rice growing areas, the area under rice declined by 6.4%, from 1.999 million hectares in 1984-85 to 1.87 million hectares in 1985-86. The production estimated at 3.05 million tonnes in 1985-86 is significantly lower than the target of 3.647 million tonnes. This is 8.1% lower than the production in 1984-85 (3.32 million tonnes). The yield per hectare of rice is estimated to have declined in 1985-86 by 1.6% to 1,632 kg/hectare due mainly to damage by border attack, heavy wind storms and drought.

Cotton: Cotton registered an output of 7.1 million bales (1 bale = 170.1 kg = 375 lbs), an increase of 18.73% over the record 1984-85 crop of 5.98 million bales. Total area under cotton increased by 5.5% from 2.42 million hectares in 1984-85 to 2.366 million hectares in 1985-86. Yield per hectare rose by 13.6% to 511 kg/hectare during 1985-86 due mainly to the introduction of improved varieties, favourable weather conditions and better support prices.

Crop Situation and Outlook (cont'd)

Sugar Cane: Sugar cane production of 26.77 million tonnes, was substantially lower than the target of 34 million tonnes, and 16.7% less than the output of 32.14 million tonnes in 1984-85. Yield per hectare declined by 2.1% to 34,810 kg/hectare compared to 1984-85. Area under sugar cane declined by about 14.9% from 904 thousand hectares in 1984-85 to 769 thousand hectares in 1985-86. Paucity of irrigation water and low support prices for sugar cane were the major reasons for decline in crop production. The government has announced an increase in the support price of sugar cane for the coming crop (by about Cdn\$4.5 per tonne).

2. Foreign Exchange Situation

Pakistan being a developing country, requires large investments in infrastructure, basic materials and capital goods. Most of the capital goods producing machinery and technology, fuel oil and to a lesser extent, food items and consumer goods have to be imported from abroad which pushes the import bill far above the country's export earnings. As domestic savings are very low due to low income levels and high consumption levels, the resultant gap is bridged through foreign inflow.

The total of medium and short term loans and grants to Pakistan at December 1985 stood at US\$26.2 billion of which US\$20.9 billion have been disbursed. US\$24.6 billion (94% of the total) was tied to specific projects or commodities and US\$1.6 billion (6% of the total) was allocated for balance of payments support. Consortium countries have lent/granted 56%, multilateral donors 23% and non-consortium countries 21%. Net debt (disbursed and outstanding) stood at US\$10.3 billion as of December 31, 1985.

3. Fertilizer Situation

The use of fertilizers rose by 4.2% to 1.25 million nutrient tonnes in 1984-85 and is expected to rise further and exceed significantly the target of 1.35 million nutrient tonnes in 1985-86. The use of fertilizer has increased from 36 kg/hectare in 1977-78 to 65 kg/hectare in 1985-86. The nitrogen:phosphate ratio has improved from 3.2:1 in 1984-85 to 3.1:1 in 1985-86.

To promote its use, the government until recently has always subsidized the price of fertilizers. The government had to postpone the fulfilment of its sixth five-year plan (1982/83-1987/88) objective to eliminate fertilizer subsidies completely by the end of 1985 because an 8-10% increase in the price of fertilizer in 1983 resulted in a 3.3% decline in fertilizer use during 1983-84. The decrease in subsidy is being compensated through higher support prices for crops.

4. Import Mechanism

Wheat is purchased by the Ministry of Food, Agriculture and Cooperatives and imports are handled through the Trading Corporation of Pakistan which is a government organization operating under the Ministry of Commerce. Private importers are allowed to import vegetable oils but the major portion is still being imported by the Ghee Corporation of Pakistan, a government organization under the Ministry of Industries. Soybean, cottonseed, groundnut, sunflower,

Import Mechanism (cont'd)

canola and mustard oil are subjected to an import duty of Rs.3,000 (Cdn\$250 approx.) per tonne while palm oil is subjected to Rs.5,450 (Cdn\$454 approx.) per tonne. However, if palm oil is used in the manufacture of Ghee (i.e. it is hydrogenated) for human consumption a rebate in duty of Rs.1,800 (Cdn\$150 approx.) is paid by the government to the manufacturer. Considerable marketing activity is needed by Canadian exporters before they can penetrate into this attractive market. Pakistan is almost self-sufficient in wheat and hence there is very little opportunity for Canadian wheat to be imported on a cash basis. Also, since Pakistan is not a significant exporter of wheat, it is of little significance for Canadian wheat exporters.

5. Grain Industry Infrastructure

The country's existing grain storage and handling facilities are inadequate and primitive and increases in production in recent years require introduction of modern technology to upgrade and expand the existing facilities.

6. Government Policies Affecting Grain and Agriculture

The government supports the development of agriculture and agro-based industries on modern and scientific lines. It is committed to make the country self-sufficient in food and to increase its exports of agricultural commodities, mainly rice, cotton and cotton based manufactures.

With the recently announced import liberalization of edible oil, commercial imports by private traders and manufacturers are likely to increase. Since canola has gained free access to this market, Canada is now in a position to expand its trade in this commodity. However, considerable marketing activity is needed to introduce canola oil into this traditionally soybean and palm oil market.

Pakistan has imported some wheat in the past under countertrade agreement with East European countries to meet shortfalls in domestic supply. Pakistan might be receptive to import some edible oil under countertrade.

7. Market Prospects - Grains and Oilseeds

There is very little opportunity for Canadian wheat to be imported. However, there is good opportunity to export Canadian canola to Pakistan.

8. Processing Facilities

Flour mills are located in all the principal towns and cities in Pakistan. The annual milling capacity is 7.7 million tonnes. Information on oil seed crushers and maltsters is not available.

9. Storage and Throughput Capacity

Imported wheat enters through the port of Karachi. There are no covered storage facilities at the docks. Wheat is discharged into open piles and at the docks. It is then bagged manually and loaded into railcars and trucks to be transported to storages located at consumption centres.

II. MALT AND MALTING BARLEY

Pakistan is an Islamic country where the consumption of beer is prohibited.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	No duty
	Crude Oil:	Palm oil Rs.5,450/tonne (Cdn\$454 approx)
		Soybean, canola, groundnut, sunflower etc.
		Rs.3,000/tonne (Cdn\$250 approx)
	Oilseed Meal:	No duty
	Refined Oil:	Same as crude oil

Non-tariff import barriers/export assistance measures: U.S.A. provides about 100,000 tonnes soybean oil under PL-480 grant assistance.

Import/export structure: Government has just liberalized imports of edible oil, although major portion is still imported by the state-owned Ghee Corporation of Pakistan.

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

Year: 1985-86

<u>Oilseed</u>	Production	Imports	Exports
Cotton seed	1,208		
Rapeseed	242		
Sesame seed	15		
Total	1,465		

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Palm			596.0			
Soybean			218.0			
Coconut			1.5			
Others			0.5			
Total			816.0			

Meal - data not available

IV. STATISTICAL NOTES

Pakistan

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	13,500 (11,700)	400 (500)	2,000 (500)	15,900 (12,700)
Durum wheat				
Flour/Semolina				
TOTAL	13,500 (11,700)	400 (500)	2,000 (500)	15,900 (12,700)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	13,274 (11,130)			1,350 (1,170)		1,276 (400)	15,900 (12,700)
Durum wheat							
Flour Semolina							
TOTAL	13,274 (11,130)			1,350 (1,170)		1,276 (400)	15,900 (12,700)

(B) COARSE GRAINS

SUPPLY 1985/86 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	1,009 (1,050)			1,009 (1,050)
Barley	133 (200)			133 (200)
Sorghum	(222)			(222)
Oats				
Others	476 (128)			476 (128)
TOTAL	1,618 (1,600)			1,618 (1,600)

PEOPLE'S REPUBLIC OF CHINA

Economic classification:	Socialist Planned economy	
Oil exporter or importer (net):	Exporter (US\$5.4 billion 1984)	
Annual per capita income:	647 RMB	1985
Annual per capita GNP:	676 RMR	1985
Average annual growth:	11.25%	1981-85
Annual inflation rate:	12.2%	1985
Volume of imports	42.8 billion US\$	1985
Of which food	5.4%	1985
Principal foreign exchange	earning export: textiles, clothing, yarn, petroleum	
Trade deficit:	15.3 billion US\$	1985
Population	1.05 billion	1985
Annual population growth	1.2%	1985
Annual Consumption:		
Flour	87.0 kg/capita	1985
Meat	14.5 kg/capita	1985
Vegetable Oil	3.97 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Grain Production (millions of tonnes):

<u>Commodity</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Rice (paddy)	178.3	168.5	174.0
Wheat	87.8	85.8	87.5
Corn	73.4	64.0	70.0
Others*	24.4	24.4	21.6
Sub Total	363.9	342.3	353.1
Soybeans, canola potatoes, pulses	43.4	36.7	36.9
Total Grains**	407.4	379.0	390.0

** Chinese definition of grain

2. Foreign Exchange Situation

A series of measures aimed at curbing imports and boosting export revenues did not prevent the largest recorded trade deficit in 1985 which registered US\$15.3 billion. Imports of food and agricultural products are given priority, however, they accounted for only US\$2.3 billion of total import value of US\$42.8 billion. China however has become a net exporter of agricultural products, US\$5.4 billion in 1985. Exports are primarily corn, cotton seed and soybeans which are generating the foreign exchange required to purchase wheat. China continues to be a World Food Program recipient receiving mostly flour and coarse grain destined for low producing areas. Canada is the major donor country accounting for approx. 53% of 1979-1986 volumes. To date 590,237 tonnes of total 894,003 tonnes. If current trends in agricultural output continue, this program may be discontinued by 1990.

3. Fertilizer Situation

In 1985 total chemical fertilizer output reached 13.35 million tonnes, down 8.6% from 1984. China's fertilizer imports have dropped during the past two years, however improvement appears possible for 1986. Imports in 1985 are as follows: Nitrogen - one million tonnes, potash - 350,000 tonnes, phosphate - very small amount. Fertilizer use per hectare was 120.6 kg nitrogen/phosphate/potash (1:0.396:0.033). Construction of China's largest potash fertilizer plant at Qarhan Salt Lake Quidam Basin (Quinghai Province) began in May and is scheduled for completion in 1989. Its anticipated annual production is one million tonnes.

4. Import Mechanism

Ceroilfoods, a division of the Ministry of Foreign Economic Relations and Trade, is the sole importing government agency dealing in grain. Long-term trade agreements ceased in mid-1985. China is now purchasing by contract. Canada continues to be a supplier of first choice.

5. Grain Industry Infrastructure

The severe port congestion experienced in 1985 has eased somewhat this year but still continues to be an ongoing problem. 1985 saw the problem rise to crisis proportions when the main grain exporting port of Dalian became completely clogged. To date in 1986, albeit slowly, the grain is moving. China has budgeted two to three billion yuan for grain storage expansion from 1984-87. To date, approximately 15 million tonnes of grain is still stored on the ground in open air, however, upon completion, the expansion project is expected to provide an additional 35 million tonnes of storage space. Most of this storage facility construction will occur along waterways and railways of the northeast Yangtze valley. Two new corn terminals under construction by the Japanese at the port of Dalian are nearing completion. Canada is a major participant in two large grain handling terminals under construction in Heilongjiang financed through a World Bank loan. Dalian, Tianjin and Shanghai are the three major ports receiving imported wheat with a total grain handling capacity of 3.5 million tonnes.

6. Government Policies Affecting Grain and Agriculture

No major new policy incentives appear to be underway during 1986. Instead the government is trying to digest the changes that have been made during the last several years and to adjust for some of the unanticipated impacts of the policy changes made in 1985. The two main themes for policy this year are to hold the line of retail prices of farm products and to reverse the decline in grain seeded acres that has occurred since the late seventies but was particularly large in 1985. Two price changes anticipated this year are a small increase in the purchase price of wheat and a significant increase in the purchase price of soybeans. The floor price of grain will now be set at the regular contract price rather than the old quota price. This is a 36% increase which should substantially relieve producer risk as well as increase the price they can expect for grain. However, the impact may be relatively small since the price on contracted purchases, which account for the majority of the government purchases, remains unchanged.

7. Market Prospects - Grains and Oilseeds

China is undergoing a food revolution in the 1980's. Rising farm production and higher incomes have led to major changes in the level and composition of rural consumption. Expenditures on food increased by over 100% between 1978 and 1984. As incomes rise, per capita grain consumption continues to change. Between 1978 and 1984, the percentage of rice and wheat in consumers' diet increased from 41 to 78%. Demand for wheat-based convenience foods is also on the upswing. Cookies, cakes, biscuits are becoming commonplace. Two-hour lunch periods have again regained prominence. As a result, the supply of instant noodles cannot keep pace with the demand in urban areas. Per capita availability of wheat increased 38% from 53 kg in 1975 to 68% in 1980. It increased another 24% during 1980-85 from 68 to 87 kg. A majority of the increase came from the expansion of the domestic output. Grain used to manufacture alcoholic beverages is increasing. Demand for sorghum-based hard liquors, such as maotai and barley-based beer is increasing. By 1990 forecasts indicate that the total output of alcoholic beverages will amount to 6.5 million tonnes, a four-fold increase from 1985. However, production of three million tonnes seems more reasonable at the present time.

In 1985, China remained a net grain importer only by a small margin as wheat and coarse grain imports fell as rice exports continued. Wheat imports fell to an estimated 6.5 million tonnes in 1985/86 down 7.5 million tonnes from 1984. Demand for wheat remains strong. Imports for 1986/87 are forecast at about seven million tonnes. Coarse grain exports rose from 450,000 tonnes in 1983/84 to 5.6 million tonnes in 1984/85. Corn accounted for five million tonnes while the remainder was principally sorghum. Exports are going to South Korea, East Europe, the Soviet Union and Japan. China is likely to remain a net exporter of oilseeds although the level is expected to decline as domestic demand continues to expand. Oilseed production is expected to rise 27% between 1985-1995 but that will not be sufficient to keep up with demand and China could shift from an exporter to an importer of oilseeds and oilseed products.

8. Processing Facilities

Actual numbers in most cases are not available. China has about 1,000 state run edible oil plants accounting for an average annual production of 17.12 million tonnes. Flour mills produced about 24 million tonnes in 1985 while feed mill production in 1985 was 12 million tonnes. Beer production is steadily climbing yielding 1.1 million tonnes in 1985 and is projected to reach 6.5 million tonnes in 1990.

II. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds:	free		
		<u>Minimum</u>	<u>Maximum*</u>
Crude oil:	soybean, peanut	6%	11%
	sesame, rapeseed	9%	14%
	palm, palm nut, coconut, olive	20%	30%
	tung, linseed, castor, others	50%	70%
Oilseed meal:	soybean	9%	14%
	other	60%	80%

* Maximum tariffs assigned to countries not enjoying most favoured country (MFC) status.

IV. STATISTICAL NOTES

Wheat Imports by Country - thousands of tonnes:

	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>
Argentina	1,010	673	649
Australia	1,486	1,495	2,500
Canada	3,737	2,802	2,500
USA	3,072	2,440	581
EC	170	82	252
TOTAL	9,475	7,492	6,482

Total Grain Imports - thousands of tonnes:

9,697	7,648	6,782
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Coarse Grain Exports - thousands of tonnes - by destination

Hong Kong	80	200	200
Japan	52	2,100	2,300
South Korea	11	1,770	800
Soviet Union	100	1,000	1,200
Others	207	530	500
TOTAL	450	5,600	5,000

PHILIPPINES

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$473	1985
Annual per capita GNP	US\$585	1985
Average annual growth	2.8%	1975-85
Annual inflation rate	15.7%	1975-85
Annual inflation rate	2.9%	1986
Volume of imports	5.227 billion US\$	1985
Of which food	8.1%	1985
Of which fuels	28.9%	1985
Principal foreign exchange earning export:	Electronics, garment, coconut, workers remittances	
Debt service as % of GDP	8.6%	1985
Debt service as % of exports	34.6%	1985
Population	55.33 million	1985
Annual population growth	2.66%	1980-85
Annual Consumption:		
Flour	518,250 tonnes or 9.4 kg/capita	1985
Meat	620,160 tonnes or 11.2 kg/capita	1985
Vegetable Oil	195,840 tonnes or 3.5 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	Area (000 hectares)			Production (000 tonnes)		
	84-85	85-86	Change (%)	84-85	85-86	Change (%)
Rice	3,222	3,448	7.0	8,200	9,099	10.9
Corn	3,315	3,555	7.2	3,439	3,900	13.4

Rice and corn production increased as a result of low interest financing through the Intensified Rice Production Program (IRPP) and Expanded Yellow Corn Production Program (EYCPP), along with the government lifting ceiling prices and a decrease in fertilizer prices.

The Philippines imported 289,000 tonnes of rice mostly during the second half of 1985 due to the shortfall of production. With the above production levels, the country has again attained self-sufficiency thereby requiring no imports in 1986 for rice.

2. Foreign Exchange Situation

The country's forex crisis has eased up in 1985 and the first half of 1986 as a result of an IMF stand-by arrangement and restructuring of debts with the commercial banks and bilateral official donors. Imports of agricultural inputs are given priority in the expenditures of foreign exchange. Due to the IMF pressures on import liberalization, the government is slowly lifting import restrictions on food items such as fruits, vegetables, meats and beverages.

The role of international aid in the economy is expected to increase as a result of the extensive restructuring of international debt which has been agreed upon with most creditors. Direct food aid, however, is not expected to be a factor.

3. Fertilizer Situation

In 1985, fertilizer total supply increased by 40% (1984 - 846,400 tonnes and 1985 - 1,191,100 tonnes). Domestic production increased by 383% (1984 - 103,400 tonnes and 1985 - 499,800 tonnes). Imports have declined by 12% (1984 - 626,400 tonnes and 1985 - 548,000 tonnes). 1985 fertilizer consumption increased by 5% (1984 - 665,200 tonnes and 1985 - 701,500 tonnes) as the result of government support through IRPP and EYCPP programs. For 1986, supply is expected to stabilize and utilization would increase as result of government programs. Fertilizer usage per hectare figures are not available as they vary substantially from province to province due to different soil conditions.

4. Import Mechanism

Grains are imported by private millers, livestock raisers and traders. As requirements arise, these private firms call on suppliers or agents to bid on requirements. Imports no longer monopolized by National Food Authority (NFA) (government agency). No import licenses required except for feed grains, i.e. corn and its substitutes.

5. Grain Industry Infrastructure

The 8 private flour millers have a total of 159 storage silos and bins with a capacity of 172,965 tonnes. NFA has 636 warehouses with total capacity of 34.5 million bags and 112 silos capable of holding 460,000 bags of grains.

Under Asian Development Bank (ADB) financing, NFA is proceeding with a project to construct 24 rice storage/drying facilities and a grain complex for rice in Isabela consisting of a rice feed mill and storage, rice bran oil refinery and a parboiling facility.

6. Government Policies Affecting Grains and Agriculture

Since mid-1984, the Philippines has made numerous changes in government policies to decrease the degree of government intervention and encourage more private sector participation such as the following:

- liberalization of wheat, feed grains (except corn and its substitutes) and fertilizer importation;
- import restriction on corn and its substitutes such as feed wheat, tapioca, tallow and monggo;
- lifting of government controlled ceiling prices of rice, corn, sugar, pork, chicken, egg and cooking oil;
- privatization of sugar trading and coconut exports.

These changes would bring increased domestic grain production and less dependence on imports.

There are no set government guidelines or policies for countertrade/barter on grain and oilseed imports. It would be dealt with on a case to case basis. In 1985, NFA had a barter trade with Thailand for rice in exchange for fertilizer.

7. Market Prospects - Grains and Oilseeds

There are no long-term grain import projections.

The country imports about 250,000 tonnes of soybean meal annually. As a result of a canola mission to the Philippines in November 1984, a canola meal feeding trial on swine is to commence in September or October 1986.

Philippine imports of green peas (garbanzos and chicharo) and bean (red and white kidney) were approximately 1,300 and 1,400 tonnes respectively. Suppliers were from the United States and Thailand. For other special crops, market here is minimal.

8. Processing Facilities

Year: 1985

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	8	10	1,349	741
Compound Feed Mills	10	15	644	743
Maltsters	-	-	-	-
Brewers*	2	4	12.5	6.27
Oilseed Crushers	57	57	1,260	959

* Capacity and output in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Manila	106	
Hondagua	20	
Iligan	16	
Lapu-Lapu	30	
Batangas	16	
Total Capacity	188	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley (1985/86): None

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	Thousands of tonnes	Principal Supplier
Malt	77.9 (135.2)	Europe, Australia, U.S.A.
Malting barley	- -	

3. Additional Information

Annual per capita beer consumption: 1985 beer consumption has decreased substantially by about 40% as compared to 1984 due to depressed local demand and economic activities. San Miguel Corporation (SMC) who dominate at least 90% of the beer market, foresee a slight increase for 1986.

Beer production capacity: The two breweries foresee slow growth in the economy in the next three years. They have no short-term plans of increasing their production capacity.

Domestic malting capacity: The Philippines do not have malting plants.

Malt exports: None

Market potential for Canadian malt: Canadian malt exports to the Philippines have been minimal, only 500 tonnes was imported by Asia Brewery, Inc. San Miguel Corporation and Asia Brewery, Inc. mentioned that Canadian prices were not competitive with Australian and European malt.

III. OILSEEDS

1. Trade Policy

Import Tariffs: Oilseeds - Soybean 10%; all others 20%
Crude oil - Soybean, linseed, tung oil and oiticica 10%;
palm oil 20%; all others 40%
Oilseed meal - Soybean, groundnut, corn seeds, sunflower seed
and rapeseed 10%; all others 50%
Refined oil - Same as crude oil

The Philippine Government is presently going through a review to determine whether changes in tariff rates will be made.

Non-tariff import barriers/export assistance measures: Subsequent to the deregulation of grain imports (except for corn and its substitutes), there does not appear to be any significant non-tariff barriers.

Import/export structure: The country's oilseeds, oils and oil meals are exported and imported by private firms.

Additional factors: The following factors will cause changes in the oilseed market:

- Feed millers will now be allowed to import soybean meal which would lower feed costs;
- Privatization of coconut oil exports and lifting export taxes for coconut products would lead to greater activity in production and export.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Copra	1,877		
Soybean	7	23	
TOTAL	1,884	23	

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Coconut	959		-	-	627	28
Soybean	1	4	2	3		
TOTAL	960	4	2	3	627	28

<u>Meal</u>	Production		Imports	Exports
	Domestic	Imports		
Coconut	472			445
Soybean	5	17	226	
TOTAL	477	17	226	445

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan. 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat				
Durum wheat		78 (25)	683 (744)	761 (769)
Flour/Semolina			112 (8)	112 (8)
TOTAL		78 (25)	795 (752)	873 (777)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	704 (691)					57 (78)	761 (769)
Durum wheat	112 (8)						112 (8)
Flour/Semolina							
TOTAL	816 (699)					57 (78)	873 (777)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>				<u>TOTAL IMPORTS</u>	
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>
Wheat (including durum)						
Cash		683 (744)				683 (744)
Commercial Credit						
Flour (including semolina)					32	13 (7)
Cash/comm. credit		67				(8)
TOTAL		750 (744)			32	13 (7)
						795 (752)

Principal "Others": West Germany, Japan

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan 1</u>	<u>Imports</u>	<u>Total Supply</u>
Corn	3,900 (3,439)	251 (181)	15 (342)	4,166 (3,962)
Barley				
Sorghum				
Oats				
Rye				
TOTAL	3,900 (3,439)	251 (181)	15 (342)	4,166 (3,962)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	1,671 (1,552)	1,890 (1,814)	185 (176)	186 (169)		234 (251)	4,166 (3,962)
Barley							
Sorghum							
Oats							
Rye							
TOTAL	1,671 (1,552)	1,890 (1,814)	185 (176)	186 (169)		234 (251)	4,166 (3,962)

Industrial use: cornstarch

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Corn	Canada					15 (241)	15 (342)
Barley							
Sorghum							
Oats							
Rye							
TOTAL		(101)				15 (241)	15 (342)

Principal "Others": Thailand, China

SINGAPORE

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$6,200	1985
Annual per capita GNP	US\$6,950	1985
Average annual growth	7.0%	1975-85
Annual inflation rate	6.0%	1985
Annual inflation rate	1.5%	1986
Volume of imports	27.5 billion US\$	1985
Of which food	6.0%	1985
Of which fuels	29.0%	1985
Principal foreign exchange earning export:	Phosphates	
Debt service as % of GNP	2.7%	1985
Debt service as % of exports	2.3%	1985
Population	2.6 million	1985
Annual population growth	1.1%	1985
Annual Consumption:		
Flour	64,632 tonnes or 25 kg/capita	1985
Meat	81,795 tonnes or 31 kg/capita	1985
Vegetable oil	213,790 tonnes or 82 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Singapore is a non-agricultural country which is almost entirely dependent on the importation of agricultural commodities.

2. Foreign Exchange Situation

In spite of great fluctuation in major world currencies for the past twelve months, Singapore dollar remains strong and stable. The present exchange rate is Cdn\$1.00 = S\$1.60.

Imports of food and agricultural products are given priority. Singapore is considered a developed country and is presently not receiving aid from other countries.

3. Fertilizer Situation

Singapore is not a grain producing country. Majority of the imported fertilizers are re-exported to neighbouring countries namely Malaysia and Indonesia.

4. Import Mechanism

All imports into Singapore are handled by private grain trading companies and grain millers. Prior to 1985, rice imports were conducted on a government to government basis.

5. Government Policies Affecting Grain and Agriculture

Owing to the recent government's intention to phase out all livestock farms due to pollution and economic factors, the government encourages its people to consume imported frozen meats. Thus resulting perhaps in the decline of imported coarse feed grains.

6. Market Prospects - Grains and Oilseeds

No locally obtainable grain and oilseed projections to 1990. However, it is important to note the large amounts of imported Australian malt barley and the high per capita consumption of vegetable oil.

Possible market exists for Canadian special crops.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate: Nil

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

	<u>thousands of tonnes</u>	<u>Principal Suppliers</u>
Malt	454	Australia
Malting barley	1	Netherland

3. Additional Information

Annual per capita beer consumption: The annual per capita beer consumption has increased, mainly due to the younger generation's preference for beer rather than liquor. Here are the 1983/84 import and export statistics.

	<u>Import</u>	<u>Export</u>
	(litres)	
1983	13,275,158	10,885,261
1984	13,503,084	13,124,905

Malt exported: Local market potential exists but competition with Australian suppliers is very keen. Canadian malt has never entered this area.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Nil
 Crude oil: Nil
 Oilseed meal: Nil
 Refined oil: Nil

Non-tariff import barriers/export assistance measures: None

Import/export structure: Oilseeds are imported/exported by private firms.

Additional factors: Majority of the imported oilseeds are re-exported to neighbouring countries.

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Soybeans		35	17
Sunflower		3	2
Sesame		11	7
Other		1	1
TOTAL		50	27

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Palm			1	124	73	615
Coconut			19	2	44	20
Soybean				17		16
Palm kernel				22		14
TOTAL			20	265	117	665

<u>Meal</u>	Production	Imports	Exports
Flour		44	11
Potato		1	1
TOTAL		45	12

III. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat			122 (200)	122 (200)
Durum wheat			79 (47)	79 (47)
Flour/Semolina				
TOTAL		201 (247)		201 (247)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Wheat	(136)				(64)		(200)
Durum/Wheat	(39)				(8)		(47)
Flour Semolina							
TOTAL					(72)		(247)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN					TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina	EEC		All Others
WHEAT (including durum)							
Cash	(46)	30 (9)	91 (76)		(9)	1 (59)	122 (200)
Commercial Credit							
Aid, concessional							
credit, etc.							
FLOUR (including semolina)							
Cash/comm. credit		(4)			(2)	(41)	79 (47)
Aid, concessional							
TOTAL							201 (247)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

Production	_____	Carry-in, July 1	_____	Imports	_____	Total Supply	_____
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Corn
Barley
Sorghum
Oats
Rye

TOTAL

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

Consumption	_____	Animal	_____	Industrial	_____	Other (seed, waste)	_____	Exports	_____	Carry-out	_____	Total	_____
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Corn
Barley
Sorghum
Oats
Rye

TOTAL

TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN						TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	All Others	
Corn		242 (166)	360 (329)		64 (43)	182 (389)	848 (926)
Barley		(119)	208 (224)		1 (2)	1 (35)	210 (379)
Sorghum			16 (30)			3 (2)	19 (32)
Oats			1 (1)				1 (1)
Rye	(5)					(5)	
TOTAL	(5)	242 (285)	585 (584)		65 (45)	186 (425)	1,078 (1,345)

Principal "Others": Malaysia

S R I L A N K A

I GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat is not grown in Sri Lanka. Experiments to grow it in the cooler regions of the country have been tried from time to time by the Department of Agriculture but we do not foresee its production in the near future.

The cultivation of subsidiary food crops such as maize, kurakkan, sorghum and grain legumes such as cowpea, green gram, black gram and soya bean is receiving encouragement through research aimed at increasing yields and improving resistance to plant pests and disease. Over the decade 1975 - 1984 the area planted to these various crops increased as follows: Maize - 1.8%; green gram - 24.0%; black gram - 32.0%; cowpea - 52.9%; soybeans - 96.3%.

2. Fertilizer Situation

The country's requirements of fertilizer which include Muriate of Potash, Triple Super Phosphate, NPK, Urea etc. are procured on international tender by the Ceylon Fertilizer Corporation, Colombo Commercial Company and the Janatha Estates Development Board. 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. These supplies up to now have been made available almost entirely through Canpotex Ltd., an exporter consortium of Canadian potash mining companies.

3. Import Mechanism

Sri Lanka's requirements of wheat are imported. The Food Commissioner's Department is solely responsible for procurement and obtains its requirements under commercial tender, credit financing and outright gifts. The Canadian Wheat Board is kept informed of all commercial tenders issued by the above Department.

4. Government Policies Affecting Grain and Agriculture

Rice, the staple food of the country continues to be imported. However, high priority attention is being given to efforts towards increasing the country's rice production with the objective of eventually eliminating the need for imports. However, it may well be some time before self-sufficiency is reached.

The cultivation of subsidiary food crops such as maize, kuakkan, sorghum and grain legumes such as cowpea, green gram, black gram and soya bean are greatly encouraged by the state in a bid to augment the country's production of these crops by way of disseminating knowledge on the use of high yielding varieties of seed, correct application of fertilizer, pesticides, herbicides etc. Earlier this year it was reported that attempts to improve and expand current efforts to grow maize are being made with Chinese aid.

5. Processing Facilities

Since the commissioning in late 1980 of the Prima Flour Mill, a Sri Lanka - Singapore joint venture, flour is not normally imported (although one or two small gift consignments have been received since then). The processing of all wheat imports is now handled by this mill which has a storage capacity of 110,000 tonnes of wheat. This facility enables a buffer stock of approximately 100,000 tonnes of wheat to be maintained in the country all the time.

II. STATISTICAL NOTES

WHEAT AND DURUM

SUPPLY 1985/86 - in thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, July 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat		61.6 (34.5)	579.7 (593.5)	641.3 (628)
Durum wheat				
Flour/Semolina		75.6 (69.1)	14.4	90.0 (69.1)
TOTAL		137.2 (103.6)	594.1 (593.5)	731.3 (697.1)

DISPOSITION 1985/86 - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat (equivalent of flour)	634.4 (559.9)					40.0 (61.6)	674.4 (621.5)
Durum wheat							
Flour Semolina						56.9 (75.6)	56.9 (75.6)
TOTAL	634.4 (559.9)					96.9 (137.2)	731.3 (697.1)

IMPORT TRADE 1985/86 - thousands of tonnes - previous year in brackets

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

Cash	(56)	(55.7)	188.3 (135.0)	104.1		292.5 (299.3)
Commercial Credit						
Aid, concessional credit, etc.	35.9 (44.4)	211.3 (173.1)	(16.7)	40 (30)		287.3 (294.2)

FLOUR (including semolina)

Cash/comm. credit					14.4	14.4
TOTAL	35.9 (100.4)	211.3 (228.8)	188.3 (151.7)	104.1	40 (30)	594.1 (593.5)

Principal "Others": Singapore

THAILAND

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$583	1985
Annual per capita GNP	US\$737	1985
Average annual growth	7.0%	1975-85
Annual inflation rate	7.2%	1975-85
Annual inflation rate (current)	2.4%	1986
Volume of imports	9.4 billion US\$	1985
Of which food	2.4%	1985
Of which fuels	26.0%	1985
Principal foreign exchange earning export:	Agriculture	
Debt service as % of GNP	5.8%	1985
Debt service as % of exports	21.9%	1985
Population	51.79 million	1985
Annual population growth	2.4%	1985
Annual Consumption:		
Flour	3.3 kg/capita	1985
Vegetable Oil	2.8 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Rice production for 1985/1986 is expected to be about 19.6 million tonnes, a slight increase from 1984/1985. As a result of the world over supply of rice, the Thai Government is currently reviewing its policy to reduce the planted acreage.

2. Foreign Exchange Situation

International reserves for December 1985 stood at US\$2,157.3 million. Major imports are still capital goods, machinery and mineral fuel.

3. Fertilizer Situation

Due to a heavy external debt, a fertilizer project along the Eastern Seaboard has been delayed for some time. Demand for NPK fertilizer is about one million tonnes a year.

4. Import Mechanism

All flour mills are privately owned and normal import procedures apply.

5. Government Policies Affecting Grain and Agriculture

As an agricultural nation, the government still places irrigation projects as a major priority.

As there is no local production of wheat, Thailand relies heavily on the import of wheat. Major suppliers are still the U.S.A. and Australia. However, import restriction on soyabean is still in use.

Countertrade is currently being used by the government, especially for non-salable commodities, i.e. (tapioca).

6. Market Prospects - Grains and Oilseeds

Oilseeds have import restriction. Crude palm and soybean oils are imported into Thailand on a quota basis.

There is no local production of wheat in Thailand. Major suppliers are the U.S.A. and Australia. Suggest basic problems, i.e. transportation, partial shipment etc., be reviewed between buyers and sellers.

Market potential for special crops is limited.

8. Processing Facilities

	Year 1985			
	Number of Companies	Number of Plants	Annual Capacity	Actual Output
Flour (and durum) Mills	4	4	214	170
Compound Feed Mills	-	-	-	-
Maltsters	-	-	-	-
Brewers*	3	-	200	1.05
Oilseed Crushers	14	-	190	100

* Capacity and output in millions of hectolitres.

8. Storage and Throughput Capacity: Port of Bangkok, no main storage facility available.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley: none

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes		Principal Supplier(s)
Malt	21.47	(31.4)	W. Germany, Austria, Australia, U.K., Denmark
Malting Barley	-	-	-

3. Additional Information:

Annual per capita beer consumption: Decreasing due to higher brewery taxes and general economic situation.

Beer production capacity: There are no new production facilities planned. Beer production was 1.05 million litres in 1985 which was about 35% less than in 1984.

Domestic malting capacity: Decreasing.

Malt exports: None.

Market potential: Boonrawd Brewery, the largest brewery manufacturer, is undertaking a pilot project to produce barley in Thailand. Market potential still does exist.

III. OILSEEDS

1. Trade Policy

Import tariffs: Oilseeds: Soybean 6%, others 60%
 Crude oil: 30%
 Oilseed meal: Soybean cake 6%, others 10%
 Refined oil: 30%

Non-tariff import barriers/export assistance measures: The government has initiated an import quota on oilseeds to try and assist their farmers.

Import/export structure: Oilseeds are totally controlled by government. Edible oil manufacturers are encouraged to utilize more of local raw materials, i.e. rice bran.

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

Year 1985

<u>Oilseed</u>	Production		Imports		Exports	
Soybean	258					
Coconut	712					
Palm	300					
Rice Bran	1,900					
TOTAL	3,170					
<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Soybean	60		12.8			
Rice Bran	20					
Coconut	30					
Palm	35		3.3			
TOTAL	145		16.1			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat				
Durum wheat		30 (30)	100 (117)	130 (147)
Flour/Semolina			28 (12) 40 (39)	28 (12) 40 (39)
TOTAL		30 (30)	168 (168)	198 (198)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	100 (117)						
Durum wheat	28 (12)						
Flour Semolina	40 (39)						
TOTAL	168 (168)					30 (30)	130 (147)
							28 (12)
							40 (39)
						30 (30)	198 (198)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN			TOTAL IMPORTS	
	Canada	U.S.A.	Australia	EEC	All Others
WHEAT (including durum)					
Cash		93 (87)	35 (43)		128 (129)
Credit, etc.		93 (87)	35 (43)		128 (129)

FLOUR (including semolina)

Cash/comm. credit	0.04 (0.03)	0.26 (0.5)	0.21 (0.2)	39 (40)	39.35 (40.73)
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Principal "Others": Japan (37.9), Malaysia (0.82), U.S.A. (0.26)

Thailand

(B) COARSE GRAINS

SUPPLY 1985/86 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	4,600 (4,516)			4,600 (4,516)
Barley				
Sorghum	395 (277)			395 (277)
Oats				
Rye				
TOTAL	4,995 (4,793)			4,995 (4,793)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn		1,790 (1,370)			2,810 (3,146)		4,600 (4,516)
Barley							
Sorghum		79 (58)			316 (219)		395 (277)
Oats							
Rye							
TOTAL		1,869 (1,428)			3,126 (3,365)		4,995 (4,793)

Export Destination: Malaysia, S. Korea, Singapore





PART VIII
AFRICA



CAMEROON

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification: Middle Income economy		
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$880	1985
Average annual growth	6.9%	1975-85
Annual inflation rate	12.6%	1975-85
Annual inflation rate	15 %	1986
Volume of imports	1.34 billion US\$	1984
Of which food	25.9%	1986
Of which fuels	23 %	1986
Principal foreign exchange earning export: Oil and cash crops		
Debt service as % of GNP	25 %	1986
debt service as % of exports	15 %	1986
Population	10 million	1986
Annual population growth	3.1%	1986
Annual consumption:		
Flour	220,076 tonnes or 22 kg/capita	1985
Meat	320,000 tonnes or 32 kg/capita	1985
Vegetable Oil	170,000 tonnes or 17 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat continues to be grown on a modest experimental scale: 225 hectares in 1983, yielding 403 tonnes. The relative value of the rice crop has increased and local authorities are improving distribution throughout the territory. The annual domestic demand for rice remains at the same level of about 200,000 tonnes. The present market situation is that licenses for rice imports have been suspended because of economic reasons not specified by local authorities.

Current maize production is 492,000 tonnes.

2. Foreign Exchange Situation

Oil and cash crops enable Cameroon to achieve a 7% growth rate from 1978 to 1985. Import priorities for food products are not planned in the near future, and Cameroon is not expected to ask for international food aid.

3. Fertilizer Situation

Apart from fertilizer used on coffee and food crops, all fertilizer is nonsubsidized. Fertilizer consumption has increased from 138,054 tonnes in 1984 to 185,977 tonnes in 1985.

4. Import Mechanism

Flour and rice imports remain subject to government authorization, and the only importers recognized by the government are authorized to import. Since July the Ministry of Commerce has suspended licences for imports of flour and rice.

5. Grain Industry Infrastructure

Société Camerounnaise de Minoterie, an existing mill, specializes in the manufacture of soft wheat flour (capacity 20,000 tonnes per year). Société Africaine de Minoterie plans to construct a mill to specialize in the manufacture of durum wheat flour.

Cameroon's national port authority plans to build 20,000 tonnes of grain silo storage to regulate supply.

6. Government Policies Affecting Grain and Agriculture

The policy for the future is to encourage the mixing of locally growing cereals with imported flour for bread and baked goods.

The price of bread rises much more slowly here than per capita income and the price of other food products. Identical situation for rice. This makes bread and rice universally affordable and creates dietary habits that take root to the detriment of local food.

Patterns of consumption indicates that Canada could see real marketing opportunities open in the near future for durum wheat with the condition that wheat exports to Cameroon are subsidized and assistance is provided.

No countertrade policy exists related to grain and oil seeds imports.

7. Market Prospects - Grains and Oilseeds

By 1990, grain import requirements are forecast at 200,000 tonnes per annum.

8. Processing Facilities

	Year: <u>1986</u>		thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	1	1	90	65.5
Compound Feed Mills	4	4		
Maltsters				
Brewers*	5	10		*5
Oilseed Crushers		9		

* Output in millions of hectolitres

9. STORAGE AND THROUGHPUT CAPACITY

Port Facility: Douala.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate: Nil

Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	84.9 (60.5)	Europe
Malting barley		

2. Additional Information:

Annual per capita beer consumption: 49 litres vs (42) in 1984.

Beer production capacity: Beer production capacity has increased, with the completion of two new breweries.

Malt exported: None

III. OILSEEDS

Trade Policy:

Import tariffs: oilseeds - 37.5%
crude oil - 55%
refined oil - 55%

Import Structure: Imports are handled by recognized dealers/importers, under import licenses.

- table oils (cotton seeds and peanuts oil) are subject to import regulations and are especially monitored for needs of domestic trade.

Additional factors - By products from domestic oilseeds which may be beneficial would be the export of G.P.S. (Grains Pelleted Screenings) to Japan, the Scandinavian countries and Switzerland.

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

Year: 1985

<u>Domestic Oilseed (by type)</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Cotton	315,000		
<u>Oil (by type)</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>
Soyabean		12,000	
Cotton	63,000		
Palm	100,000		
Total	163,000	12,000	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	.403 (.400)		91.672 (80.000)	92.075 (80.400)
Durum wheat			5.374 (4.708)	5.374 (4.708)
Flour/Semolina	65.542 (61.186)		155.226 (95.208)	220.768 (156.394)
TOTAL	65.945 (61.586)		252.272(179.916)	318.217 (241.502)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	92.075 (80.400)						92.075 (80.400)
Durum wheat	5.374 (4.708)						5.374 (4.708)
Flour Semolina	220.788 (156.394)						220.788 (156.344)
TOTAL	318.217 (241.502)						318.217 (241.502)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Commercial Credit	5.374 (4.708)			91.672 (80.000)		97.046 (84.708)
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FLOUR (including semolina)

Cash/comm. credit	14.824 (9.095)			140.402 (86.113)		155.226 (95.208)
TOTAL	20.198 (13.803)			232.078 (166.113)		252.276 (179.916)

STATISTICAL NOTES - COARSE GRAINS

Cameroon

SUPPLY 1985/86 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	492.000 (490.000)			492.000 (490.000)
Barley			84.949 (75.888)	84.949 (75.888)
Sorghum	435.000 (435.000)			435.000 (435.000)
Oats				
Rye				
TOTAL	927.000 (490.000)		84.949 (75.888)	1,011.949(1,000.888)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>					<u>TOTAL IMPORTS</u>
	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	
Corn						
Barley					84.949 (75.888)	84.949 (75.888)
Sorghum						
Oats						
Rye						
Total					84.949 (75.888)	84.949 (75.888)

E G Y P T

Economic classification:	Low to Middle Middle Income economy	
Oil exporter or importer (net):	Exporter (30% of export earnings)	
Annual per capita income:	US\$ 971	1985
Annual per capita GNP	US\$1,213	1985
Average annual growth	3.4%	1960-80
Annual inflation rate	11.5%	1970-80
Annual inflation rate (current)	15%	1986
Volume of imports	11.65 billion US\$	1985
Of which food	55%	1985
Principal foreign exchange earning export:	workers remittances & petroleum	
Debt service as % of GNP	12%	1985
Debt service as % of exports	65%	1985
Population	49 million	1985
Annual population growth	2.7%	1980-85
Annual Consumption:		
Wheat	6,386,000 tonnes or 130.2 kg/capita	1985
Meat	408,000 tonnes or 8.32 kg/capita	1985
Vegetable Oil	580,000 tonnes or 11.8 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Total area of grains/pulses (wheat , corn, rice, beans, soybeans, lentils, sorghum, barley) is 4.913 million feddans with an average total production of 9.317 million tons.

Wheat: Planted area for 1985 was 1,185,923 feddans. Planned area for 1986 will be 1,267,000. 1985 wheat production compared to 1984 increased by 3.19%.

Rice: Total planted area for 1985 was 924,922 with a total production of 2,312,305 metric tons.

Corn: Total planted area for 1985 was 1,914,433 feddans with a total yield of 3,982,021 metric tons.

2. Foreign Exchange Situation

Foreign exchange revenues are obtained from 4 key activities - petroleum exports, workers' remittances, tourism and Suez Canal traffic fees.

Egypt, at present, is an international aid recipient, and will continue to be, for some years to come.

3. Fertilizer Situation

Fertilizer Supply

	Production		Imports	
	1983/84	1984/85	1983/84	1984/85
	('000 tonnes)			
Ammonium Nitrate (15.5%)	214	203	-	-
Ammonium Nitrate (31%)	585	528	-	-
Ammonium Nitrate (33%)	70	71	-	62
Urea (46%)	797	850	-	-
Ammonium Sulfate	52	95	70	161
Potassium Sulfate	-	-	55	35
Triple Super Phosphate	-	35	71	231
Single Super Phosphate	856	890	-	-
Total	2,574	2,672	196	489

4. Import Mechanism

The General Authority for Supply Commodities (Government Sector - Ministry of Supply and Home Trade) is responsible for all grain imports.

Recently, the government issued a law allowing private sector to import pulses (corn, lentils, etc.) in order to increase the availability of these commodities and minimize the government subsidies.

5. Grain Industry Infrastructure

Silos available in major ports: Alexandria, Port Said, Adabia and Safaga with total capacity of approx 4.5 million tonnes. Projects are underway to have silos in Ismailia, Beni Soueif, Zagazig, Mansourah and Shebin El Kom.

Nine flour mill companies exist in Egypt as follows:

North Alexandria Flour Mills	Northern Cairo Flour Mills
South Alexandria Flour Mills	Southern Cairo Flour Mills
Cairo Flour Mills	Central Egypt Flour Mills
Center Delta Flour Mills	Upper Egypt Flour Mills
East Delta Flour Mills	

The Canadian Industrial Development Agency (CIDA) is building 3 silos at Mansourah, Shebin El Kom and Zagazig with capacity of 30,000 tonnes each. Expected delivery to Egypt is fall 1987.

6. Government Policies Affecting Grain and Agriculture

High priority is given to food security with increased investment in agriculture. Plans are to increase productivity on old lands, bring new lands under production, and shift resources to production of high value crops for exports. Government plans to increase wheat production by increasing planted area, by improving yields and by introducing Mexican wheat. Wheat imports will continue to increase to meet population explosion. Plans are to increase coarse grain production by adopting hybrid seed. Corn imports will continue to increase in order to meet with increased utilization of poultry feed.

7. Market Prospects - Grains and Oilseeds

Long-term grain import projections are not available.

Credit facilities and prices offered are and will continue to be the main factor affecting the choice of grain and wheat origin.

Interest exists with respect to red lentils if competitive prices offered.

8. Processing Facilities

Year 1985

- thousands of tonnes -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	9	10		
Compound Feed Mills				
Maltsters	1	3		
Oilseed Crushers	6	6		

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985

- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Alexandria*	2,527	23,210
Port Said**	1,350	3,765
Adabia (Suez)	n/a	n/a
Safaga***	n/a	n/a
Total Capacity	4,500	32,720 (estimate)

* handles 80% of total grain imports

** handles 18% of total grain imports

*** handles Australian wheat only

II. OILSEEDS

1. Trade Policy

Import tariffs for oilseeds and products: exempted

Non-tariff barriers: none

Import procedure: Regular tenders by governmental agency, General Authority for Supply Commodities.

Additional factors: Foreign investment joint venture company inaugurated a new oil processing factory which processes soybean oil.

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

year: 1985

<u>Oilseed</u>	Production	Imports	Principal Sources of Imports
Cotton	840		
Soybeans	139	600	U.S.A.
Sunflower	15		
Peanut	23		
Sesame		15	Sudan, Mexico,
TOTAL	1,017	615	

<u>Oil</u>	Production	Imports Crude Refined	Sources of oil Imports
Cottonseed	90		USA, Argentina
Soybean	73	300	Hungary, Brazil
Sunflower		110	
Palm Stearin*		20	Far East
TOTAL	163	130 300	

<u>Meal</u>	Production	Imports	Sources of Meal Imports
Cotton	725		
Soybean	5	55	USA, Belgium, Spain
Peanut	30		
TOTAL	760	55	

III. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat*	1,873 (1,815)			
Durum wheat		4,512 (4,200)		6,385 (6,015)
Flour/Semolina		1,526 (1,200)		1,526 (1,200)
TOTAL		6,038 (5,400)		7,911 (7,215)

* of which spring wheat 1,873 (1,815)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human Consumption	Animal Feed					
Wheat	6,385 (6,015)						6,385 (6,015)
Durum/Wheat Flour Semolina	1,526 (1,200)						1,526 (1,200)
TOTAL	7,911 (7,215)						7,911 (7,215)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.	Australia	France	Italy	EEC	TOTAL IMPORTS
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WHEAT (including durum)

Cash						
Commercial Credit	707 (700)	404 (500)	2,401 (2,000)			3,512 (3,200)
Aid, concessional credit, etc.		1,000* (1,000)				1,000 (1,000)
TOTAL						4,512 (4,200)

FLOUR (including semolina)

Cash/comm. credit						
Aid, concessional	80** (400)				(325)	1,067
TOTAL	372* (175)				87	459
* PL480	452 (575)				87 (325)	1,526

** GSM 102

(B) COARSE GRAINS

SUPPLY 1985/86 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	3,982 (3,698)			
Barley	144 (138)		1,866 (1,700)	5,848 (5,398)
Sorghum	551 (709)			144 (138)
Oats				551 (709)
Rye				
TOTAL	4,677 (4,545)		1,866 (1,700)	6,543 (6,245)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	95 (93)	5,003 (4,610)	750 (695)				5,848 (5,398)
Barley	93 (91)	51 (47)					144 (138)
Sorghum	183 (232)	368 (477)					551 (709)
Oats							
Rye							
TOTAL	371 (416)	5,422 (5,134)	750 (695)				6,543 (6,245)

Of which poultry - 60% Industrial use: glucose, starch production

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

	<u>Canada</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>Total</u>
Corn		1,466 (1,200)		400 (500)			1,866 (1,700)



I V O R Y C O A S T

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMER)

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita GNP	US\$650	1985
Average annual growth	8 %	1975-85
Annual inflation rate	9.7%	1975-85
Annual inflation rate	15 %	1986
Volume of imports	1.465 billion US\$	1984
Of which food	20 %	1984
Of which fuels	15 %	1984
Principal foreign exchange earning export: coffee, cocoa		
Debt service as % of GNP	11.1%	1984
Debt service as % of exports	32 %	1986
Population	10.180 million	1985
Annual population growth	4.3%	1975-85
Annual Consumption:		
Flour	180,000 tonnes or 17.68 kg/capita	1986
Meat	102,480 tonnes or 10.06 kg/capita	1985
Vegetable Oil	125,000 tonnes or 12.27 kg/capita	1985

1. GENERAL INFORMATION

1. Crop Situation and Outlook

According to the Ministry of Rural Development (MDR), despite the late rain in certain regions (the Northeast), grain production (maize and rice) will undergo an increase of about 3% this year compared with 1985.

The main reason for this growth is the emphasis placed on the production of rice and the various campaigns conducted by the government as part of its program to achieve food self-sufficiency. Through these programs MDR hopes to see a slight increase in the areas under cultivation and a significant increase in the number of young people returning to the farms.

Estimates for the 1986 crop include the following: Rice - 560,000 tonnes, maize - 545,000 tonnes, cocoa - 500,000 tonnes and coffee - 300,000 tonnes

2. Foreign Exchange Situation

The policy of austerity and the government's efforts to bring down the public debt resulted in the tightening of the money supply in 1985. However, estimates from the Central Bank of West African States (BCEAO) indicate that there was a total money supply of 921 billion CFA francs at the end of 1985: 11% more than the previous year.

In spite of the growth recovery, loans within the economy declined by 4.8%. Short-term loans were affected the most, declining by 52.4%, while farm loans increased by 6%.

2. Foreign Exchange Situation (Cont.)

Moreover, in late June 1986 the government signed an agreement with the Club of Paris to reschedule its debt. This agreement gives a 4-year period of grace, and a 5-year repayment period.

Through this agreement, Ivory Coast would have the following amounts rescheduled: 80% of the capital in 1986, 70% in 1987, and 60% in 1988.

Under this agreement the terms can be reviewed in 1988 and up to 50% of the outstanding capital can be rescheduled in 1989.

3. Fertilizer Situation

This remains almost unchanged in comparison with 1985, despite the government's public awareness campaigns. Although it has a capacity of 120,000 tonnes, the SIVENG, (the country's only fertilizer factory), plans to produce only 84,000 tonnes, 46,000 tonnes for the local market and 38,000 for Mali and Burkina Faso.

The fertilizer would have to be sold at a loss if the government ceased to subsidize it for the farmers, most of whom would be unable to pay the market price.

4. Import Mechanism

The import mechanism adheres to the following conventional plan:

- 1) Registration at the Trade Registry, Court of Trade.
- 2) Application for permit or intention to import depending upon the nature of the commodity for import from the Foreign Trade Directorate.
- 3) Application for import license from foreign trade division, and payment of taxes ("patentes") to the tax division.

Note: The importation of soft wheat flour is prohibited in order to protect the GMA's interests.

5. Grain Industry Infrastructure

There have been no changes in the country's grain infrastructure.

Flour production continues to be monopolized by the Grands Moulins d' Abidjan, (GMA) now milling at 90% of their capacity. According to a report in Marchés Tropicaux, a French economic weekly, the GMA, which was formed in 1962 and has a capital investment of \$CDN 8 million, is owned by the following French partners: Sometra, Mimran group: 66%; Codesca: 29.5%; Paribas Bank: 2.35%; miscellaneous: 2.15%. They employ a staff of 223, 187 of them Ivoirians, and have a productivity of 380 tonnes per man-year.

6. Government Policies Affecting Grain and Agriculture

The food self-sufficiency policy, brought in by the Government in 1985 is beginning to yield results.

The farm population has been steadily increasing through campaigns to encourage young farmers in the areas of mechanization and animal husbandry.

This is evident with the governments decision to reopen the Department of Animal Production.

Meat Consumption and Production: 1985 (tonnes)

	<u>Production</u>	<u>Consumption</u>	<u>Importation</u>
Bovine	14,575	65,545	50,970
Caprine & Ovine	4,450	10,430	5,980
Pork	6,450	7,440	990
Fowl	16,200	19,065	2,865
Total	41,675	120,480	60,805

7. Market Prospects - Grains and Oilseeds

Government forecasts indicate that by 1990, imports should rise to 861,000 tonnes and 230,000 tonnes for rice and maize respectively.

The oilseed market is almost fully covered by locally produced vegetable oils (palm, palmetto, cotton and peanut).

8. Processing Facilities

	1986 (most recent) - thousands of tonnes -			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	1	2	234	221
Compound feed mills	4	5	35	30
Maltsters	0	0		
Brewers*	2	5	3	1.6
Oilseed crushers	4	16	500	250

* Capacity and output in million hectolitres.

9. Grain Storage and Throughput Capacity

Year: 1986

<u>Name of Port</u>	<u>Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Abidjan	32	250

II. MALT AND MALTING BARLEY

1. Domestic production of barley: Nil

2. Imports: 1985 (11 months)

	<u>thousands of tonnes</u>	<u>Principal supplier(s)</u>
Malt	16	Belgium, France

3. Additional Information

Annual per capita beer consumption: 16 litres in 1986 Vs. 15 litres in 1985.

Beer production capacity: Capacity stands at about 3 million hectolitres with only 50% of capacity in use.

Malting capacity: None.

Malt exports: None.

Market potential for malt: There are opportunities for Canadian malt in this market. Canadian exporters must deal with purchasing cooperatives and suppliers of local brewers based in Europe e.g. La Brasserie Artois, Belgium - principal supplier of Solibra, Ivory Coast.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	Tax laws (10%), customs duty (5%), value added tax (0%), Ivory Coast loaders' agency (ICLA) - 0.6%.
	Crude oil:	Tax laws* (15-28%)*, customs duty (15%), value added tax (25%), ICLA (0.6%).
	Oilseed meal:	Tax laws (15%), customs duty (5%), value added tax (25%) and ICLA (0.6%)
	Refined oil:	Tax laws* (15 - 28%), customs duty (15%), value added tax (25%), ICLA (0.6%).

*Tax laws: 28% if packed in casks of less than 5 litres for retail sale.

Non-tariff barriers and export assistance measures: None

Oilseed import/export structure: The import and export operations are carried out directly by the companies themselves, which carry out the administrative transactions with the External Trade Directorate.

Additional factors: For the time being, the Ivorian market holds very little interest for Canadian exporters owing to the lack of local processing structures and especially the local food consumption habits.

2. Supply of Oilseeds and Products, (11 months 1985)

Year: 1985

a) Oilseeds National production statistics were not available at the time of our survey. Ivory Coast does not import oilseeds.

b) Oils ('000 tonnes)

<u>Oilseeds</u>	Production	Imports	Exports
Palm	127.011		
Palmetto	13.806		
Copra	26.145		
Karite	0.105		
Cotton	11. 5		
Total	178.470		

<u>Oil</u>	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Peanuts		0.063			
Olive			0.090		
Soya			0.036		
Colza			3.		
Miscellaneous			0.085		
Total		0.063	3.211		

Meal	Production	Imports		Exports	
		(Crude)	(Refined)	(Crude)	(Refined)
Palm				40.53	11.46
Palmetto				11.89	
Copra				29.21	
Karite				0.013	0.002
Total				81.643	11.462

IV. STATISTICAL NOTES(A) WHEAT AND DURUMSUPPLY 1985/86 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			250 (220)	250 (220)
Flour/Semolina	180 (175)			180 (175)
TOTAL	180 (175)		250 (220)	430 (395)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	250 (220)						250 (220)
Durum wheat							
Flour Semolina	180 (175)						180 (175)
TOTAL	430 (395)						430 (395)

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

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

WHEAT (including durum)

Commercial Credit

FLOUR (including semolina)

Cash/comm. credit

TOTAL

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	545 (530)			545 (530)
Sorghum	22 (18)			22 (18)
Oats				
Rye				
TOTAL	567 (548)			567 (548)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Consumption	Animal Feed*					
Corn	430 (430)	40 (35)			75 (65)	545 (530)	
Sorghum	22 (18)					22 (18)	
TOTAL	452 (448)	40 (35)			75 (65)	567 (548)	

* Of which poultry: 100% Destination: France, Senegal and Nigeria

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

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

Corn
Barley
Sorghum
Oats
Rye

TOTAL

K E N Y A

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$240	1984
Annual per capita GNP	US\$270	1985
Average annual growth	2.7%	1975-85
Annual inflation rate	11.0%	1975-85
Annual inflation rate (current)	11.0%	1986
Volume of imports	1.5 billion US\$	1983
Principal foreign exchange earning export:	Coffee	
Debt service as % of exports	20.6%	1983
Population	18.0 million	1984
Annual population growth	4.1%	1980-2000
Annual Consumption:		
Vegetable Oil	89,984 tonnes or 5 kg/capita	1986

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The early onset of the 1985 May-July rains in most parts of the country and particularly in the food production areas led to a general recovery of the agricultural sector following the 1984 drought. High and in some cases record production levels were recorded in 1985/86 with maize reaching a peak of 2.43 million tonnes. There was also an increase in wheat production during 1985/86 to 205,800 tonnes. Prospects for the 1986/87 maize crop are expected to be excellent and there is even talk of minimal exports taking place. However, the demand for wheat will continue to outstrip production thus necessitating continued imports.

2. Foreign Exchange Situation

The fall in international coffee and tea prices in the first half of 1985 contributed to the deteriorating balance of payment situation. However, in 1985 the IMF assisted Kenya to deal with its BOP problems. Kenya continues to pursue a more liberal import policy, nevertheless imports of food and agricultural machinery and inputs invariably receive import priority.

3. Fertilizer Situation

Kenya consumes between 250,000 and 300,000 metric tonnes of fertilizer each year. The fertilizers consumed are usually those classified as: DAP, MAP, TSP, 20:20:0, SSP, SA, CAN, ASN, UREA and others. The main sources of these fertilizers come from Western and Eastern European countries, Far East, Middle East, Japan and USA. Fertilizers in Kenya are received on both concessional or commercial terms. Although importation is normally done by certain specialized companies any trading company can apply for an allocation to import fertilizer.

4. Import Mechanism

Most imports of grain are officially through the "National Cereals and Produce Board" (NCPB), a body of the Government of Kenya, answerable to the Ministry of Agriculture (who authorize licenced importers to import on their behalf). Imports on concessional terms are secured through activity at political levels.

5. Grain Industry Infrastructure

NCPB has bulk handling facilities in the major towns as well as numerous conventional stores in the producing and consuming areas. Many private "godowns" are also available to the Board for leasing when required. Total NCPB storage capacity at present amounts to 1,026,000 tonnes. However further storage capacity is required. The Government is continually re-examining its storage strategies, particularly after times of serious food shortages. The Government now has plans to purchase temporary storage facilities to protect the 1985/86 surpluses while awaiting completion of silos and storage facilities financed by the Japanese in Bungoma, Nakuru and Kisumu and commencement of construction of silo and dryer facilities being financed by Danida. Italy has also offered to fund storage facilities in some of the arid towns which invariably experience distribution problems.

6. Government Policies Affecting Grain and Agriculture

A bill introduced in Parliament in 1985 controlling the marketing of grains through NCPB gives the Government complete control of the marketing of food staples. This bill gives the NCPB the mandate to control the movement of maize, wheat and other cereals. Recently there has been a slight relaxation in the regulation and specially licenced traders have been authorized to move and sell maize. However, the domestic marketing of other grains and export marketing of all grains still remains under control of the Government. In order to aid East African Industries, a subsidiary of Unilever, in the development of their oilseed crushing industry, the Minister of Finance removed all duties on rapeseed and sunflower seeds in 1985. This was to encourage the production of oilseeds and hence reduce the volume of imported palm oil.

Shortfalls in production of maize and wheat will continue to be met by imports on concessional and commercial terms through government tender. The removal of duty on imported oilseeds could open potential opportunities for Canadian rapeseed.

Kenya is still very inexperienced in terms of countertrade arrangements. Two of the underlying reasons is that they regard it as a retrograde step in terms of trade, as well as there being a lack of finished products to exchange. In addition, Kenya's main export commodities tea and coffee are sold through controlled markets and grain imports are often on concessional terms. Hence there is no current policy on countertrade and barter.

7. Market Prospects - Grains and Oilseeds

In times of severe food shortage, there is potential for grain sales on a commercial basis and the NCPB will issue tenders directly to the Canadian Wheat Board. However, the majority of the necessary food imports will be met through concessionary financing.

8. Processing Facilities

Year: 1985

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	8	13	432	
Compound Feed Mills	8		216	
Maltsters	1			
Brewers	3			
Oilseed Crushers	3		42	

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1985

- - thousand of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Mombasa	63	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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					53.5
Suitable for malting					53.5

2. Imports, Calendar year 1985: Nil

3. Additional Information

Annual per capita beer consumption: Despite increased pricing structure, overall beer consumption continues to rise.

Beer production capacity: Stable

Domestic malting capacity: Malting capacity will remain static depending on forecast projections. Kenya Breweries maintain a fully integrated self financed barley growing scheme based on a contract system with local farmers.

Malt exports: None

Market potential for Canadian malt and/or malting barley: Production of barley has continued to keep pace with consumption and there is no market potential for Canadian malt.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	Nil
	Crude oil:	Palm - nil; all others 35%
	Oilseed meal:	35%
	Refined oil:	35%

Import/export structure: Very small amounts of rapeseed are imported from time to time by Unilever Co. for their subsidiary, East African Industries. This is solely for planting purposes as East African Industries have an oil crops development program through a self-financed rapeseed and sunflower growing program based on a contract system with local farmers.

Additional Factors: Imported rapeseed and sunflower seed remain exempt from tariffs to assist with the development of the infant industry.

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

<u>Oilseed</u>	Production		Imports		Exports	
Rape		1.1				
Hybrid sunflower		12.0				
Sunflower		2.9				
TOTAL		16.0				

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Palm			82	.316		
Rape				.582		
Olive				.48		
Copra				.26		
Cottonseed				.948		
Other	6.4					
TOTAL	6.4		82	1.584		

<u>Meal</u>	Production		Imports	Exports
	Domestic	Imports		
Rape	0.638			
Sunflower	8.642			
TOTAL	9.280			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	205.7 (186)	13 (13)	177.3 (316)	396 (515)
Durum wheat			4 (1.8)	4 (1.8)
Flour/Semolina	205.7 (186)	13 (13)	181.3 (317.8)	400 (516.8)
TOTAL				

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	396 (502)					(13)	396 (515)
Durum wheat							
Flour Semolina	4						4 (1.8)
TOTAL	400 (502)				(13)		400 (516.8)
TOTAL							

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina	EEC	All Others	
WHEAT (including durum)							
Cash					(38)		(73)
Commercial credit		82	84.3		(53)		166.3 (108)
Aid, concessional credit, etc.	(39)	(40)	(20)		11 (26)	(10)	11 (135)
FLOUR (including semolina)							
Cash/comm. credit							
Aid, concessional						4	4
TOTAL							181.3 (316)

Principal "Others": Japan, Belgium, Sweden

(B) COARSE GRAINS

SUPPLY 1985/86 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	2,430 (1,275)	(439.3)	(572.5)	2,430 (2,286.8)
Barley	53.5 (38.2)			53.5 (38.2)
Sorghum	1.6 (0.3)			1.6 (0.3)
Oats				
Rye				
TOTAL	2,485.1 (1,313.5)	(439.3)	(572.5)	2,485.1 (2,325.3)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	2,430 (2,286.8)						2,430 (2,286.8)
Barley	53.5 (38.2)						53.5 (38.2)
Sorghum	1.6 (0.3)						1.6 (0.3)
Oats							
Rye							
TOTAL	2,485.1 (2,325.3)						2,485.1 (2,325.3)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>ORIGIN</u>	<u>U.S.A.</u>	<u>Australia</u>	<u>Argentina</u>	<u>EEC</u>	<u>All Others</u>	<u>TOTAL IMPORTS</u>
Corn	Canada					(345.5)	(572.5)

Principal "Others": Thailand

MOROCCO

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$500	1985
Annual per capita GNP	US\$525	1985
Average annual growth	2.9%	1975-1985
Annual inflation rate	9.6%	1975-1985
Annual inflation rate	10.0%	1986
Volume of imports	3.5 billion US\$	1985
Of which food	18.0%	1985
Of which fuels	25.7%	1985
Principal foreign exchange earning export:	phosphate, tourism	
Debt service as % of GNP	20.0%	1985
Debt service as % of exports	51.0%	1985
Population	23.7 million	1985
Annual population growth	3.5%	1982-1986
Annual Consumption:		
Flour	3,000,000 tonnes or 126 kg/capita	1985
Meat	163,000 tonnes or 68 kg/capita	1985
Vegetable Oil	230,000 tonnes or 12 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1986 cereal crop (1985 figures in brackets) has reached the record level of 7.7 million tonnes (5.2 million) and the area under cultivation was 5 million hectares (4.7 million). These spectacular results are attributable mainly to a return of more normal levels of rainfall after five difficult years. This is particularly true for barley which is grown in arid areas that received abundant rainfalls last winter with the result that the 1986 crop has reached 32 million tonnes (1.4 million). Wheat and durum wheat crops have reached 2 million tonnes (0.65 million) and 1.8 million tonnes (0.8 million) respectively.

Wheat imports should therefore be reduced to some 700,000 tonnes in 1986/87 (1.9 million). The durum wheat and barley crops which largely exceed the local demand are probably not exportable because the domestic price for these crops is almost twice the current international price.

As for vegetable oil, the situation has not improved since Morocco will have to import almost 100% of its vegetable oil requirements (230,000 tonnes in 1985). Morocco is a vast untapped market for Canadian canola oil. The Moroccan government has also requested Canadian assistance in developing the culture awareness of canola in Morocco.

2. Foreign Exchange Situation

Morocco's economic performance has improved in 1985 with a GDP growth rate of 4%. The good cereal crop, the drop in oil prices, the increase in tourism revenues will help reduce the balance of payment deficit. Morocco is among the group of 15 countries that were selected under the Baker plan to get special attention from the IMF and IFI's. Basic food commodities are on the priority

Foreign Exchange Situation (cont'd)

list for allocation of foreign exchange. The wheat war between France and the U.S.A. will probably continue while imports of vegetable oil will be done on a commercial basis.

3. Fertilizer Situation

Morocco owns 75% of the world phosphate reserves. While it is still mainly a producer and exporter of phosphate, it has invested in fertilizer plants (TSP, ASP and NPK 14-28-14) and it is now able to satisfy some 45% of Morocco's demand for fertilizer (some 610,000 tonnes in 1985) of which 284,000 tonnes were produced locally.

4. Import Mechanism

Office National Interprofessionnel des Céréales et Légumineuses (ONICL) is the state agency responsible for all imports of cereals. It calls all tenders and determines quantities, quality, delivery dates and destinations. ONICL receives offers through local representatives of international traders. In the current circumstances, tenders specify the country of origin, reflecting financial requirements.

5. Grain Industry Infrastructure

Grains are delivered at the ports of Casablanca, Tanger, Mohammedia, Safi, Agadir and Nador. It is either stored in silos owned by SOSIPO (government entity) for future delivery to the mills, or in silos located in most major urban centers. It is estimated that Morocco loses some 15% of its total supply because of storage waste. ONICL has plans to build a number of silos but given the current official financial difficulties, their implementation is likely to be slow.

6. Government Policies Affecting Grain and Agriculture

The last five years have clearly shown how vulnerable Morocco can be to the level of rainfall. In order to minimize the effects of adverse weather conditions, Morocco has embarked on a vast program aimed at developing underground water resources while it continues to increase the number of irrigation dams and the surface of irrigated land. Efforts are also made to improve grain storage and to introduce modern agricultural techniques (including a greater use of fertilizers) through programs funded by the World Bank.

In the short and medium term, Morocco will continue to be a large importer of vegetable oil while it should be able to maintain at more manageable levels (1.0 to 1.2 million tonnes) its total imports of cereals.

Morocco is open to countertrade/barter transactions as it relates to grain and oilseed imports.

7. Market Prospects - Grains and Oilseeds

Given the direct effect of the unpredictable level of rainfall on Morocco's grain crop, it is almost impossible to make any precise forecast. We would only venture to say that cereal imports over next two to three years should not exceed 1.2 million tonnes.

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

The HY-320 is the only variety of Canadian wheat which matches grades currently imported by Morocco. However, it is only with reduced (subsidized) prices and concessional financing of the kind offered by the U.S.A. and France that we could market wheat here. There is a very large market here for Canadian canola oil and Canadian canola seed crushing technology. The industry must become more aggressive.

There are regular tenders for the supply of lentils and beans which are requested regularly by the industry.

8. Processing Facilities

Year: 1985

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	80	80	2,800	2,580
Compound Feed Mills	30	30	535	280
Maltsters	1	3	5	5
Brewers*	1	3	500	400
Oilseed Crushers	2	2	180	180

* capacity and output in thousands of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

Year 1985

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Casablanca	70 silos	3,000
Safi	24 silos	300
Nador	16 silos	200
Kenitra	12 silos	0
Jorf Lasfar	-	500
Tanger	-	200
Agadir	-	200
Total Capacity	115	4,400

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1986 estimate: 3,170 thousand tonnes.

2. Imports, Calendar year 1985 estimated, previous year in brackets.

	thousands of tonnes	Principal supplier(s)
Malt	4.75 (N/A)	Belgium
Malting barley	9.98 (7.78)	France

3. Additional Information

Annual per capita beer consumption: Stable at 400,000 hectolitres.

Beer production capacity: The main brewer Brasseries du Maroc, plans to close down its Casablanca plant (300,000 hl) to open a new one at Tit-Mellil with a capacity of 500,000 hl.

Domestic malting capacity: Stable.

Malt exported: None.

Market potential for Canadian malt: The total market is currently some 5,000 tonnes which was imported from Belgium in 1985.

III. OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds:	0%
	Crude oil:	10%
	Oilseed meal:	10%
	Refined oil:	30%

Non-tariff import barriers/export assistance measures: An import permit must be obtained for refined oil. It is seldom granted since the local refining capacity is sufficient to meet the local demand.

Import/export structure: Crude degummed vegetable oil is imported by the Burapro which calls all tenders some 8-10 months prior to delivery. Some quantity of oilseeds are imported by the Ministry of Industry on behalf of local crushers.

Additional Factors: The market for oilseeds is limited but Morocco wishes to increase its crushing capacity and this opens the door to substantial Canadian participation in the supply of new crushing plants and in the supply of oilseeds that these would require. At the moment, the market is opened for Canadian crude degummed canola oil (230,000 tonnes annually).

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

Year: 1985

<u>Oilseed</u>	Production	Imports	Exports
Rapeseed		29.0	
Soybeans		22.0	
Sunflower	15.7		
Peanut	31.6		
TOTAL	47.3	51.0	

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Canola		N/A	92.4			
Soya		N/A	117.7			
Sunflower	N/A		3.0			
TOTAL			213.1			

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	2,000 (641)	100 (150)	700 (1,920)	2,800 (2,711)
Durum wheat	1,800 (828)	(30)		1,800 (858)
Flour/Semolina				
TOTAL	3,800 (1,469)	100 (180)	700 (1,920)	4,600 (3,569)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	2,600 (2,515)	100 (90)				100 (106)	2,800 (2,711)
Durum wheat	1,100 (858)					700	1,800 (858)
Flour Semolina							
TOTAL	3,700 (3,373)	100 (90)				800 (106)	4,600 (3,569)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

ORIGIN	U.S.A.	Australia	Argentina	EEC (FRANCE)	All Others	TOTAL IMPORTS
Canada						
WHEAT (including durum)				(1,440)		700 (1,920)

Cash (10)

Commercial Credit

Aid, concessional

credit, etc.

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	400 (234)	15	(165)	415 (399)
Barley	3,200 (1,405)	15 (16)	(118)	3,216 (1,539)
Sorghum	25 (25)		10 (9.9)	35 (34.9)
Oats	50 (50)	2 (2)		52 (52)
Rye				
TOTAL	3,675 (1,714)	32 (50)	10 (292.9)	3,718 (2,024.9)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Human	Animal					
Corn	170 (162)	240 (222)				5 (15)	415 (399)
Barley	700 (637)	1,000 (777)	120 (100)			1,396 (15)	3,216 (1,539)
Sorghum	10 (14.9)	25 (20)					35 (34.9)
Oats	5 (5)	45 (45)				2 (2)	52 (52)
Rye							
TOTAL	885 (818.9)	1,310 (1,064)	120 (100)			1,403 (32)	3,718 (2,024.9)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn		(105)		(60)		(165)
Barley					(118)	(118)
Sorghum				10 (9.9)		10 (9.9)
Oats						
Rye						
TOTAL		(105)		10 (69.9)	(1)	10 (292.9)

N I G E R I A

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita GDP	US\$ 595	1985
Annual inflation rate	60%	1975-85
Annual inflation rate	40%	1986
Volume of imports	7.8 billion US\$	1985
Of which food	25%	1985
Principal foreign exchange earning export:	Oil	
Debt service as % of exports	30%	1986
Population	100 million	1986
Annual population growth	3.2%	1985
Annual Consumption:		
Flour	1.1 million tonnes or 0.011 kg/capita	1985
Meat		
Vegetable Oil		

I. GENERAL INFORMATION

1. Crop Situation and Outlook

	<u>Crop</u>	(000's) hectares
a) <u>Acreage:</u>	Corn:	2,100
	Millet:	3,400
	Sorghum:	3,500
	Rice:	850
	Soybean:	220
	Cotton:	250
	Peanuts:	700

	<u>Crop</u>	('000 tonnes)
b)	Corn	1,800
	Millet	3,006
	Sorghum	3,420
	Rice	765
	Soyabean	75
	Wheat	40

c) Between 25 and 35 percent of the crop is lost due to poor post-harvest conditions - (transport, storage, etc.)

2. Foreign Exchange

- Foreign exchange (FX) situation is disastrous. Oil represents 90% of foreign exchange earning and budget was based on oil barrel at \$20 USF. It is now under \$10 USF.
- Priority is given to local production of food.
- UNICEF, UNDP and World Bank have offices in Nigeria. Country is likely to become a major international aid recipient after the naira (national currency) is devalued.
- Major changes are anticipated with the implementation of a second tier foreign exchange market (SFEM), most likely to take place in October.

3. Fertilizer Situation

- The World Bank provides most of the funds to buy the fertilizer.
- Import in 1984 totalled 860 thousand tonnes but arrived late and was not well distributed.
- Import for the first six months of 1985 was 300 thousand tonnes.
- Some of 1984 fertilizer stocks were used in 1985.

4. Import Mechanism

- Grains are imported strictly by private business.
- A 30% import levy has been imposed on every good including grains.
- Millers have to obtain an import licence.

5. Grain Industry Infrastructure

- Grain storage is almost non-existent. As a result Nigeria plans to start a grain reserve program with initial storage capacity of 250,000 and 1 million tonnes within the next five years.
- Two new mills (Flour) have been commissioned in 1986.
- Mills are running at about 20 percent of their capacity due to lack of wheat.

6. Government Policies Affecting Grain And Agriculture

- A ban on wheat imports will take effect on January 1, 1987.
- Rice imports were banned in October 1985.
- Government has launched an indigenization campaign.

No countertrade deals are used to import consumer's goods into Nigeria.

7. Market Prospects - Grains and Oilseeds

It is possible that the ban on wheat will be temporary (i.e. 2-3 years).

8. Processing Facilities

	Year <u>1986</u> (thousand of tonnes)			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills		21	4,000	750
Compound Feed Mills				
Malsters				
Brewers*	18	27-30	18.3	
Oilseed Crushers				

* Capacity and output in millions of hectolitres.

9. Storage and Throughput Capacity

Grain Import Capacity by Port

<u>Name of Port</u>	Year <u>1986</u> - - thousands of tonnes - -	
	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Apapa		
Port Harcourt		
Tin can		

II. Malt and Malting Barley

1. Domestic Production of barley by type, 1985/86 estimate: Nil

2. Imports, Calander year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal Supplier(s)
Malt	161	France, U.K., U.S. and West Germany.

3. Additional Information

Annual per capita beer consumption: It is decreasing due to major inflation in price and reduced output due to procurement difficulties.

Malt Export: Nil.

Good potential for Canadian malt but it will be difficult to beat the traditional exporters (all brewers have European technical assistance) and the new USA program which subsidizes \$65 USF per tonne.

III. Oilseeds

1. Trade Policy

Import Tariffs:

Oilseeds	10% tariff	flour:	40%
		malt:	45%
Crude Oil:	between 40 & 55%	Hops:	30%
		barley:	50%
Oilseed meal:	30%	rye:	40%
		wheat:	0%
Refined oil:	30%		

All Non-tariff import items include a 30% import levy.

Import/export Structure: Import of edible oil is banned since October 1985.

IV. STATISTICAL NOTES(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, Jan 1</u>	<u>Imports*</u>	<u>Total Supply</u>
Wheat	40		1,500 (1,986)	1,540 (1,986)
Durum wheat			(22)	(22)
Flour/Semolina				
TOTAL	40		1,500 (2,008)	1,540 (2,008)

SOUTH AFRICA

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$ 2,440	1983
Annual per capita GNP	US\$ 2,540	1983
Average annual growth	2.3%	1985-85
Annual inflation rate	14.2%	1975-85
Annual inflation rate	18. %	1986
Volume of imports	56 billion US\$	1985(R1=US\$0.4)
Of which food	6.9%	1985
Principal foreign exchange earning export:	Gold	
Debt service as % of GNP	55%	1985
Debt service as % of exports	143.4%	1985
Population	31.5 million	1984
Annual population growth	2.4%	1983-84

I. GENERAL INFORMATION

1. Foreign Exchange Situation

Production: 1986/87, 1985/86 in brackets:

<u>Commodity</u>	<u>Production</u> ('000 tonnes)
Corn	7,480 (7,909)
Sorghum	431.65 (591.30)
Dry Beans	69.16 (68.70)
Sunflowers	262.63 (234.73)
Groundnuts	92.23 (136.76)
Soybeans	33.95 (37.30)

2. Fertilizer Situation

The country enjoys a favourable balance of payment situation but the depressed international value of the rand negates apparent advantages. The country continues to suffer from an economic recession which has resulted in high interest rates and a high level of unemployment. If required foreign exchange will be made available for imports of agricultural related products.

3. Import Mechanism

Fertilizers continue to be produced locally from imports of sulphur and potash. These imports are mainly from Canada. At the present time owing to the depressed state of the agricultural industry brought about by successive years of drought the fertilizer market is extremely cut-throat.

Over the past two years inventories have been reduced and importations are now taking place at an increased level.

4. Grain Industry Infrastructure

Imports continue to be made upon the issuing of import permits by Government on the recommendations of various agricultural marketing/control boards. No changes are anticipated.

5. Government Policies Affecting Grain and Agriculture

Due to large financial losses incurred by the Maize Board it is possible that alterations to marketing procedures may be introduced which will result in a reduction in quantities available for export in future years. Countertrade is currently regarded as a trade of last resort.

6. Market Prospects - Grains and Oilseeds

Because of the political climate at the present time, no prospects are foreseen for the increased importation of Canadian grains or special crops.

As regards special crops, Canadian mustard, peas and lentils are already being imported.

7. Processing Facilities

Year: 1982

thousands of tonnes

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	41	72	2,284	1,717
Compound Feed Mills		49		
Maltsters	1	2	117	117
Brewers				
Oilseed Crushers		12	1,500	

* Capacity and output in millions of hectolitres (1983)

8. Storage and Throughput Capacity

Grain Import Capacity by Port

Year: 1982 (most recent)

- - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Durban	38	1,045
Cape Town	27	410
East London	76	2,831
Total Capacity	141	4,286

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 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	257				257
Suitable for malting	106				106

2. Imports, 1985/86 estimated, previous season in brackets:

	thousands of tonnes	Principal supplier(s)
Malt	52 (72)	
Malting barley	35	

3. Additional Information

Board does not have information on per capita beer consumption available, but judged on sales of barley for malting and importation of barley malt, an increase in beer consumption is being experienced. Barley and barley malt is purchased abroad by the malsters and brewers themselves and the Board does not have information available regarding supplying countries.

III. OILSEEDS

1. Trade Policy

Import tariffs

Oilseeds - Groundnuts: Free
Soya: 65 cents/100 kg
Sunflower: 10%
Crude oil - (Groundnut and sunflower 25% or 180 cents/100 kg.
(Soya 25% or 3000 cents/100 kg.)

Oilseed meal 20%

Refined oil: Same as for crude oil.

Non-tariff barriers/export assistance measures: Importation of oilseeds and products is subject to the granting of an import permit by the Department of Agriculture on the recommendation of the Oilseeds Board.

Import/export structure: With regard to oilseeds the Oilseeds Board is the sole buyer and seller. The availability of permits for associated products is made known to the trade which in turn invites bids from international trading houses.

Additional factors: Trade agreements with Zimbabwe and Malawi favour imports from those countries.

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

Year: 1986/87 season, 1985/86 in brackets

Oilseed (by type)	Domestic Production	Imports	Exports
Groundnuts	92.23		(136.76)
Sunflower seed	262.62		(234.73)
Soyabeans	33.95		(37.03)
TOTAL	388.80		

The rest of the information is regarded as confidential by the South African Oilseeds Board.

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	<u>Production</u>	<u>Carry-in, October 1</u>	<u>Imports</u>	<u>Total Supply</u>
Wheat	1,584 (2,222)	720 (666)	311 (127)	2,165 (3,015)
Durum wheat	1 (2)		6	7 (2)
Flour/Semolina	1,956 (1,899)	30 (25)		1,986 (1,924)
TOTAL	3,541 (4,123)	750 (691)	317 (127)	4,608 (4,941)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	2,040 (1,983)	31 (168)		60 (58)	37 (86)	447 (720)	2,615 (3,015)
Durum/wheat	4 (2)					3	7 (2)
Flour Semolina	1,903 (1,870)				55 (24)	28 (30)	1,986 (1,924)
TOTAL	3,947 (3,855)	31 (168)		60 (58)	92 (110)	478 (750)	4,608 (4,941)

Export Destination: Various African Countries

IMPORT TRADE - 1985/86 est. - thousands of tonnes - previous year in brackets.

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

WHEAT (including durum)

Cash	55	159	97 (127)			311 (127)
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(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production		Carry-in, May 1		Imports		Total Supply	
Corn (Maize)	7,909	(4,405)	264	(42)	224	(2,076)	8,397	(5,523)
Barley	245	(171)	12		86	(72)	343	(243)
Sorghum	591						591	
Oats	8	(76)	42	(17)			50	(93)
Rye		(5)	3	(1)			3	(6)
TOTAL	8,753	(4,657)	321	(60)	310	(2,148)	9,384	(6,865)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Consumption		Animal	Industrial	Other (seed, waste)	Exports	Carry-out April 30	Total				
	Human											
Corn	2,555	(2,671)	2,682	(2,637)	62	(85)	1,731	(264)	8,397	(6,523)		
Barley	185	(192)	79	(19)	12	(13)		(12)	343	(243)		
Sorghum	200		391					(7)	591			
Oats	23	(24)	16	(16)	11	(11)		(42)	50	(93)		
Rye	2	(1)		(1)	1	(1)		(3)	3	(6)		
TOTAL	2,965	(2,888)	3,168	(2,673)	86	(110)	1,271	(719)	1,731	(321)	9,384	(6,865)

Export Destination: United Kingdom and Middle East.

TUNISIA

Economic classification:	Middle Income economy	
Oil exporter or importer (net):	Exporter	
Annual per capita income:	US\$1,500	1985
Annual per capita GNP	US\$1,420	1984
Average annual growth	4.5%	1975-85
Annual inflation rate	7.2%	1975-85
Annual inflation rate	6.0%	1986
Volume of imports	5.3 million tonnes	1985
Of which food	1.1 million tonnes	1985
Of which fuels	1.9 million tonnes	1985
Principal foreign exchange	earning export: petroleum, agri-foods, textiles, tourism	
Debt service as % of GNP	7.0%	1984
Debt service as % of exports	14.0%	1985
Population	7.5 million	1985
Annual population growth	4.8%	1985
Annual Consumption:		
Flour	3,400,000 tonnes or 453 kg/capita	1985
Meat	900,000 tonnes or 120 kg/capita	1985
Vegetable Oil	78,000 tonnes	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

The 1985-86 crop year experienced great difficulty getting under way in the Northern, Central and Southern regions. Rainfall between early September and late December was less than half the normal amount in most of the grain-growing regions. As a result a major drought was experienced.

The area under cultivation this year was some 800,000 hectares (ha); (490,000 ha of hard wheat, 100,000 of soft wheat and 210,000 of barley). The average over the last four years was in the order of 806,000 ha (480,000 ha of hard wheat, 92,000 ha of soft wheat and 234,000 of barley).

Yearly Grain Production (thousands of quintals)

<u>Commodity</u>	<u>1985</u>	<u>1986</u>	<u>Annual Average 1982-1986</u>
Hard wheat	10,690	3,700	6,586
Soft wheat	3,110	960	1,612
Barley	6,990*	1,315	3,597
Total	20,790	6,055	11,795

* Including 125,000 quintals of triticale.

Note: one quintal = 100 kg or 10 quintals = 1 tonne.

Yearly Grain Yields (quintals/hectare)

<u>Commodity</u>	<u>1985</u>	<u>1986</u>	<u>Annual Average 1982-1986</u>
Hard wheat	12.5	8.3	9.7
Soft wheat	17.7	11.2	14.4
Barley	8.4	5.5	7.0

2. Foreign Exchange Situation

Like other countries, Tunisia has undergone and continues to undergo the adverse effects of the international economic crisis. The main characteristics of this crisis has been the deterioration of its currency due to fluctuating interest and exchange rates among the major borrowing countries.

In view of the above, it is now possible to confirm the validity of the first approach taken in the economic budget for 1985, in which there was overall growth in the GDP of 4.5% instead of the 3.5% initially predicted. This can be considered a fairly convincing result, in view of the various difficulties experienced by the country during the year, the poor performance of the agriculture, textile and tourism sectors, and also the measures taken by the government to counter inflation and bring down the rising trade deficit.

Tunisia has suffered from declining world prices for its oil, phosphates and chemical exports. The U.S. dollar has increased in value, making imports more expensive and necessitating a re-evaluation of the servicing of the foreign debt. Some imports have also risen sharply in price, for example sulphur which has gone up some 38%. Many of the Tunisians working in Libya have been expelled, and trade transactions with that neighbour have ceased. These problems, combined with a somewhat tense social climate, have brought considerable difficulty to the country's economy.

To offset the adverse effects of this crisis, the government recently adopted a strategy to cope with the present economic situation, to ensure good conditions for continuing its development effort and to hasten the country's entrance into the post-petroleum era.

The main objectives of this strategy are to restructure investments, to better exploit production capacities, to take charge of consumption and to promote exports. This strategy will be accompanied by measures such as the following:

- financing under favourable conditions that will assist in making the imports required for production and achieving a balance in payments and in the national budget;
- removal of restrictions on the importation of raw materials and semi-finished products for businesses whose turnover includes products for export;
- gradual extension of liberalized exporting laws beginning in the next fiscal year, extending them to all spare parts and raw materials;
- re-adjustment of oil prices;
- a 10% devaluation of the Tunisian dinar (as of Tuesday, August 19, 1986).

3. Fertilizer Situation

This year 96,500 tonnes of triple super-phosphate have been used, compared with 89,900 tonnes during the previous crop year. Approximately one-half of these quantities of fertilizer have been used for grain production. The quantities of single super-phosphate have risen from 59,900 tonnes to 72,000. Some 31% has been used for market gardening, and 24% for grain production. For ammonium nitrate, the quantity has risen from 102,300 to 108,900 tonnes. Some 46% of this was used for cereal and coarse grain production. In addition, 14,500 tonnes of other fertilizers were used as well as 740,000 tonnes of manure.

4. Import Mechanism

General control of foreign trade (imports/exports) lies with the Foreign Relations Division of the Ministry of Trade and Industry, in co-operation with the Central Bank, which controls foreign exchange operations.

Some "sensitive" products or some major consumer products are imported by only a few public organizations (state commerce). Grains and grain derivatives are in this product category. The National Grain Board is responsible for supplying, importing, exporting and marketing grains in Tunisia. The volume of imports is set in September and October each year. Once the results of the harvest are known, and when the purchasing program is set, the Grain Board looks at what is available in the context of bilateral food aid from the EEC and U.S.A. When these possibilities have been exhausted, international tender calls are used.

Tunisia generally will not accept long-term agreements, greatly preferring to retain the system of tender calls open to international competition. This allows it to seek out the best prices.

Tunisia receives considerable food aid in addition to its imports. Because of the drought experienced in the central section of the country, the FAO will deliver 9,760 tonnes of wheat (\$1.79 million worth) to Tunisia over the next eight months. The EEC has also decided to grant Tunisia emergency aid of 5,000 tonnes of grain. This will be sold, and the counterpart funds, estimated at 900,000 crowns (DT600,000) will be used to carry out agricultural development projects, among them land improvement projects in the Central and Southern regions. Canada has contributed to this aid with a gift of 25,000 tonnes of hard wheat.

5. Grain Industry Infrastructure

The grains and grain derivatives sector continues to play an important part in the country's economic policy. The Tunisian government, through the agency of the Ministry of Agriculture, has changed and restructured the Grain Board by creating within it cooperatives for the purchasing and storage of grain. Their task is to purchase grain from the farmers, to store and to sell it to the flour mills and semolina factories. Tunisian grain storage capacity is about 350,000 tonnes - silos are old and unevenly distributed throughout the country.

Companies affiliated with the Board have also been created, namely the Société Nationale d'Aliment, the Société Tunisienne d'Exploitation des Boulangeries Industrielles, the Société Tunisienne des Industries ménagères, etc. Other measures include the restoration of a few silos such as the 45,000 tonne silo at Manouba. A \$42 million loan from the IBRD has been made for the funding of a project to build silos and storage facilities. Finally, there have been new units built in the milling sector.

6. Government Policies Affecting Grain and Agriculture

The Ministry of Agriculture has carried out a study to determine what grain-growing areas will be feasible to irrigate from the dams, wadis, surface wells and deep wells. An average annual production of 20,000,000 quintals would be guaranteed from the 60,000 hectares included in this possible irrigation project.

A decision was made to provide subsidization at very advantageous rates to farmers wishing to purchase irrigation equipment, for the purpose of encouraging intensive cultivation of grain-growing lands. Further incentives include providing these farmers with the funding required to grow their crops and setting a price that will encourage them to use the irrigation water during the period when additional irrigation is needed. The farmers would be responsible for proper crop rotation.

Livestock raising: Despite the efforts put forth, this sector remains quite vulnerable, mainly because of the animals' dependency on natural vegetation, which is in turn dependent on climatic conditions. The drought of 1977 brought a severe reduction in the number of livestock.

Developing dry forage crops, extending permanent prairies and preparing forage reserves through the improvement and sectioning off of certain areas are the methods proposed to achieve these goals. A qualitative and quantitative effort is being made to improve animal performance. Attempts are being made from within the country and by importing to increase the number of purebred cattle, and to improve local breeds by widespread use of artificial insemination, the use of concentrate foods, and by improved veterinary services.

In applying these measures, the authorities are using government or para-government structures such as the Bureau of Livestock and Pastures, which is in charge of supplying reproductive stock and various items of information, the regional offices, and the combines and cooperatives. It is also relying on the private structures (individuals and companies) that are to take charge of 67% of the investments in this sector in the years ahead.

The counterpart system has been in use in Tunisia for over two years. This is part of the government's effort to restore a proper balance of payments and to give Tunisian products a better footing on world markets. The purpose of countertrade purchasing is to market surpluses that exceed the customary level. Accordingly, all of the country's export products except oil may be involved in these operations, quantities permitting. However, there are preferential product categories that have priority over another category represented by fertilizers and phosphate derivatives, which is included only in a few agreements in which the amount is quite high. Products in the preferential categories are classified in five sectors or positions: the agri-food sector, textile industries, electrical and mechanical industries and miscellaneous industries.

The existence of counterpart purchasing operations by no means indicates that Tunisia has changed the basic principles and directions of its international trade. It is not seeking to replace free international trade by a system of clearing or bartering.

Government Policies Affecting Grain and Agriculture (cont'd)

The purchasing procedures continue to be based on free competition among all partners in the context of tender calls, in accordance with existing regulations. This also applies to the preferred trading partners, namely the countries of North Africa, with which Tunisia applies the principle of priority supply, price and quality being competitive.

7. Market Prospects - Grains and Oilseeds

Just before the growing season begins, Tunisia analyzes and releases estimates on its production, needs and purchasing. The country requires 15 million quintals of wheat per year. By 1991 this figure will be 18 million quintals, and by the year 2000, 22 million. At present, production averages 11,700,000 quintals. This explains why large-scale crop raising is important to improve yields and to meet the country's growing needs. Although this is short of the 13 million annual production figure set in the 6th Development Plan, the results are encouraging. New growing techniques and high-yield selected seeds have been introduced; fertilizer and weed-killer supply centres have been set up in the grain growing regions, and crop rotation plans have been developed. These have helped to gain control of production factors and to improve crop yields.

During 1986-87 there will be 38,500 ha under irrigation, 20,200 of which are already equipped. The remaining 18,300 ha will require various forms of intervention. Interestingly, 17,000 ha of the land that will be in grain and irrigated are in the Central and Southern parts, 9,500 ha in Kairouan and 7,500 ha at Sidi Bou Sid.

The Tunisians do not like grain imported mutual agreements, greatly preferring to retain the tender call system and to look for grants. The Americans will subsidize the tender calls very heavily, thereby taking away traditional European markets.

8. Processing Facilities

	Year 1985		- thousands of tonnes -	
	<u>Numer of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) mills	165	62	-	15,600,000*
Compound Feed mills	170	150	190	170
Maltsters	1	1	900,000 hl	700,000 hl
Brewers*				
Oilseed Crushers	30	1,650	250	180

* quintals/year

9. Storage and Throughput Capacity

Year 1985
- thousands of tonnes -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity</u>
Tunis	1.5	
La Goulette	630.0	N/A
Bizerte	154.0	
Sousse	46.5	
Sfax	340.0	
Gabès	211.0	
TOTAL CAPACITY	1,383.9	

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

	<u>2-Row</u>		<u>6-Row</u>		<u>Total</u>
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All barley					3,400 quintals
Suitable for malting					2,900 quintals

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes		Principal supplier(s)
Malt	3.0	(1.3)	France, Belgium
Malting barley	17.0	(20.17)	USA, Argentina

3. Additional Information

Annual per capital beer consumption: Remains at its customarily rather high level. Celtia is the only brand on the local market.

Beer production capacity: Stable

Domestic malting capacity: Increasing at the same time as demand. Thus imports are needed to keep pace.

Malt exported: None

About 20,000 tonnes of malting barley is imported by SFBT (maltster) each year to meet the needs of beer manufacturers.

III OILSEEDS

1. Trade Policy

Import Tariffs:	Oilseeds	- 6%
	Crude oil	- 45%
	Oilseed meal	- 15%
	Refined oil	- 50%

Non-tariff import barriers/export assistance measures: The price and cost factor is a determining one in the promotion of Canadian products.

Import/export structure: The structures are still the same, with oils and oilseeds under State monopoly. The National Grain Board has the sole responsibility for importing, exporting and marketing these products. All importing is done through international tender calls with olive oil being one of the major sources of currency. Export promotion is very important here.

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

Year 1985

<u>Oil</u>	Production		Imports	Exports
	Domestic	Imports		
Soybean	25	147		
Acid oils		70		
Olive oil	195			
TOTAL	220	217		

<u>Meal</u>	Production	Imports	Exports
Soybean		220	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	300 (320)		800 (700)	1,100 (1,020)
Durum wheat	700 (980)		700 (400)	1,400 (1,380)
Flour/Semolina	500 (630)		400 (100)	900 (730)
TOTAL	1,500 (1,930)		1,900 (1,200)	3,400 (3,130)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal	Other					
Wheat	900 (800)		75 (20)				975 (870)
Durum wheat	1,700 (1,100)		140 (150)				1,840 (1,170)
Flour Semolina	800 (700)		415 (240)				1,000 (850)
TOTAL	3,400 (2,600)						3,815 (2,840)

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN						TOTAL IMPORTS
	Canada	U.S.A.	Australia	Argentina	EEC	All Others	
WHEAT (including durum)							
Cash							
Commercial Credit	(762)	1,500 (1,050)			2,000 (1,100)	350	350 (762)
Aid, concessional credit, etc.	25	30			75		130
FLOUR (including semolina)							
Cash/comm. credit							
Aid, concessional:	(50)	500 (450)			150 (70)		150 (70)
TOTAL	(812)	1,200 (1,500)			1,400 (1,170)	300 (200)	2,900 (5,682)

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	180 (200)		300 (261)	480 (461)
Barley	400 (380)		600 (500)	1,008 (880)
Sorghum			40 (80)	40 (80)
Oats			70 (50)	70 (50)
Rye				
TOTAL	588 (580)		1,010 (891)	1,598 (1,471)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption		Industrial	Other (seed, waste)	Exports	Carry-out	Total
	Animal Feed	Other					
Corn	400 (200)	520 (420)	200 (300)				1,120 (920)
Barley	200 (320)	700 (500)	800 (850)	150 (220)			1,850 (1,890)
Sorghum							
Oats	40 (80)	(50)	200 (180)				240 (310)
Rye							
TOTAL	640 (600)	1,220 (970)	1,200 (1,330)	150 (220)			3,210 (3,120)

TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS	
	Canada	U.S.A.	Australia	Argentina		EEC
Corn		700 (500)			400 (230)	1,100 (730)
Barley		850 (300)			520 (610)	1,370 (910)
Sorghum					100 (80)	100 (80)
Oats		200 (100)			70 (20)	200 (100)
Rye						70 (20)
TOTAL		1,750 (900)			1,090 (940)	2,840 (1,840)

Z A I R E

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$ 160	1985
Annual per capita GNP:	US\$ 166	1985
Average annual growth:	2.5%	1985
Annual inflation rate	32.9%	1986
Volume of imports	1.485,5 million US\$	1985
Of which food	4.1%	1985
Of which fuels	.73%	1983
Principal foreign exchange earning export:	copper, cobalt, coffee, zinc, gold, diamonds, wood, crude oil	
Debt service as % of GNP:		
Debt service as % of exports:	20.7%	1985
Population	30 million	1984
Annual population growth	3.3%	1984
Annual Consumption:		
Flour	200,000 tonnes or 6.7 kg/capita	1985
Meat	190,000 tonnes or 6.3 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat - Very little wheat is grown in Zaire. Over the past several years the introduction of wheat into the Northern Kivu region has slowly met with encouraging results. This government project although funded by the republic, has the assistance and co-supervision of the private millers within Zaire.

Corn: Having experienced a period of expansion over the last 4 years, corn production will probably undergo some serious difficulties in the short term initially. This is due to the lack of competitiveness in the corn milling market. The price of locally milled flour varies between Z 673 and Z 780 per bag while the price of Zambian flour in the local market was Z,550 (\$CDN1 = Z42)

Rice: For several years Chinese cooperation has provided significant technical aid. Rice production in 1984 was approximately 30,000 tonnes.

2. Foreign Exchange Situation

As recommended by the IMF, Zaire has a single exchange rate that fluctuates weekly according to supply and demand. Imports have been decontrolled. The inflation rate, which was over 100% in 1983, was brought down to 17% in 1984 but rose to 32.6% by the end of November 1985, due to the slide of the currency that occurred during the second half of 1985 because of insufficient currency on the exchange market. This situation arose mainly because of the decline in export revenue caused by poor markets for the main export products.

Zaire has received international aid since gaining independence. Food aid from all sources was as follows:

U.S.A.

Wheat: (PL480)63,000 tonnes (US \$11 million).
Corn: 15,000 tonnes (US\$2, million)

Canada

CIDA: \$CDN (5 million)

France

FAC: 2,000 tonnes of wheat

3. Fertilizer Situation

There is no fertilizer produced in Zaire. Imports are insufficient, and mainly used for export crops. Zaire's new strategy calls for increased use of chemical fertilizers. The National Fertilizer Program, assisted by FAO, is also aimed at widespread use of fertilizers. Estimated requirements 1983-17,175 tonnes, and 1984 - 21,407 tonnes.

4. Import Mechanism

Decontrol under the IMF Program since 1984 has allowed access to wheat imports by importers other than Midema, which previously held a monopoly. Zaire is thus an open market. Major importers are listed later in this report.

5. Grain Industry Infrastructure

Midema is the main flour mill in Zaire. It has bulk wheat storage silos in the port of Matadi with an electric unloading system at docks. Unloading capacity is 1,800 tonnes per 24 hours and flour production capacity is 600 tonnes per day. Storage capacity is 22,000 tonnes. Midema imported 39,430 tonnes of wheat in 1984.

Mixed Company. Capital: 40% Republic of Zaire, 60% Continental Grain Company, New York, with bulk wheat and wheat flour storage facilities in Matadi.

In the port, it has the equipment to unload the grain and to elevate it into its silos.

Midema's flour production was 2,162,873 bags in 1984, compared with 2,581,105 in 1983, down 14.1%. During the first half of 1985 it rose to 1,349,079 bags, up 55.2% from the first half of 1984 and 17.9% from the first half of 1983.

The difference between 1985 and 1984 is accounted for by the importation of 89,000 tonnes of wheat, flour, sent when imports were decontrolled.

Imports of flour by the Matadi Mill were 145,183 tonnes in 1982, 149,761 in 1983, 134,344 in 1984 and 85,545 during the first half of 1985.

The UPAK industrial bakery specializes in the manufacture of French bread in all sizes. In September, 1983 it began operating a third production line for small loaves weighing between 100 and 150 gr (Capacity 20 tonnes/day - 3 crews). The investment for extension and modernization of the plant represents Z64.9 million in material and 12 million in labour.

B.K.T.F.

Trade name: Usine de panification et de blocs de glace de Masina, Sprl 81
Capital in Zaire 1,000,000
Turnover in Zaire 17,165,250
Headquarters Ave Dispensaire No 90 Kin - Masina, BP 11904 Kinshasa
Capacity: 2 production lines for French bread, 18mm x 2m, or 300 bags of flour per day. 3 crews x 2 or 18,000 bags/month or 27 tonnes/day.
Personnel MO: 260 M: 8 C: 6 E: 5 T: 279

(Source: Zaire economic situation No. 23)

Storage: Silo system plus storage system in which flour is kept in bags. Varies according to the bakery.

6. Government Policies Affecting Grain and Agriculture

Projects

Northern Shaba Corn Program (USAID)

This project, which will end in 1986, has entered a privatization phase during which it will be integrated with a private company responsible for maintaining its viability with the help of USAID.

<u>Year</u>	<u>Corn Production</u>	<u>Corn Marketed in Major Centers</u>
1982	70,000 tonnes	30,836 tonnes
1983	80,000 tonnes	35,000 tonnes
1984	122,000 tonnes	45,000 tonnes

IFAD Project in West Kasai

In April 1985, the International Fund for Agricultural Development (IFAD) decided to co-finance with USAID and the Zairain Executive Council a project to develop corn cultivation in the rural area of East Kasai.

The project, which will extend over five years, involves 80,000 peasants and their families. Its purpose is to double corn production and increase the cultivation of rotation crops such as rice, soya, peas and manioc.

Financing will be through the following:

\$12.5 million from USAID
\$ 6.5 million from IFAD
\$ 2.0 million from Zaire itself.

(Source: Economic Situation of Zaire)

Wheat Flour
Kivu Project

Attempts to restore the cultivation of wheat in the Lubero area are continuing successfully. Cultivation is extending farther and farther south in that area, as the farmers in the North are growing for their own consumption only.

The Midema company distributed 14,900 kg of improved seed to 1,200 farmers in 1983, and 21,000 kg to 3,400 farmers in 1985. The final objective of the project is to involve 20,000 small farmers.

The yield of 2 tonnes/hectares, as opposed to 500 kg before the distribution of selected seed, has the farmers to resume cultivation of a crop that was introduced in the Kivu region as early as 1914.

With the 1985 harvest, it should be possible to market 600 tonnes of wheat after the domestic need is met.

There are two crops grown per year, the first in February-March, and the second in August-September.

Northern Shaba Project

A pilot station was installed by Medema at Fungurume in June 1985. This station has an extension in Kolwezi and another near Lubumbashi, under the national corn program. The first objective is to select the variety of seed best suited to the region's climate and soil.

Early in the year, from the International Center for selected wheat seeds of Mexico (CIMITY), Midema acquired two new high performance varieties for its wheat program in Northern Kivu. Their names are "FINK" "S" "POHARI 485" and "KVZ 7C CBS SPRING 130". They were strongly recommended to Midema on account of their yields and toughness. Some 453 kg of seed of these varieties was distributed to the peasants for use in rural areas.

Agris Program, Likasi (ex: CEPSE-GCM): The average annual yield per hectare has always exceeded five tonnes, dropping to 3.5 tonnes/hectares for the 1982-1983 crop year due to adverse weather. The program was originally designed to develop industrial maize growing and in a short time frame to achieve a production figure of 25,000 tonnes per year. The project's success is due to a high-performing maize seed variety (R52) and early planting of seed. Maize production in 1984-1985 was 25,000 tonnes.

7. Market Prospects - Grains and Oilseeds

Zaire will continue to import grain and flour for the foreseeable future since wheat production is still in the experimental stage and bread consumption is rising.

Canadian exporters should contact importers in Zaire, except in the case of Midema, which imports its wheat from the United States.

With regard to Canadian special crops Zaire is familiar only with local grains. Zaire is self-sufficient in navy beans, persimmon and maize.

8. Storage and Throughput Capacity

Year: 1985 (most recent)
 - - thousands of tonnes - -

<u>Name of Port</u>	<u>Grain Storage Capacity</u>	<u>Annual Throughput Capacity*</u>
Matadi	200	678.6 MIDEMA
Boma		35.3
Bonana		17.2
Kalemie		
Ilebo		
Kinshasha		301.771
Kinsangani		
East London (South Africa)		
Dar-Es-Salaam (Tanzania)		
Mombassa (Kenya)		
Durban (South Africa)		

Beer Production in millions of hectolitres

<u>Facilities</u>	<u>Capacities</u>	<u>1985*</u>	<u>1984</u>	<u>1983</u>
Bralima	2.800	831	1.542	1.189
Brana	180			10
Brasimba	1.150	330	649	573
Sobraband	160	10	47	39
S.B.K.	500	162	313	267
Unibra	<u>1.500</u>	<u>668</u>	<u>1.148</u>	<u>963</u>
Total	6.290	2.001	3.699	2.041

* 1985 (First 6 months).

Malt and Malting Barley

Imports 80-85% of malt requirements are imported. Principal supplies are Belgium, and Germany.

Midema

Trade name: Minoterie de Matadi - sarl - joint 1983 800,000 (40% R.Z. -
Capital in Zaires): 60% Continental Grain N.Y. and others).

Turnover in Zaire 1982: 334,906,322 - 1983: 564,909,000.

Headquarters: Matadi
Staff: MO: 297 M: 23 C: 16 E: 14 T: 350
Capacity: 3.7 million bags/year - 3 crews (gross bag = 100 pounds:
45.6 kg Net bag = 45.36 kg).
Mill: 1984: 600 tonnes/day.

Wheat storage: 21,700 tonnes: 4 mixer silos of 250 tonnes 12 silos of
1,100 tonnes 1 jumbo silo of 7,500 tonnes.

Storage of by-products: 3,200 tonnes: 4 silos of 800 tonnes.

QUO VADIS

Trade name: Quo Vadis, Sprl - 1969
Capital in Zaire 7,500,000
Turnover in Zaire: 311,728,988 1983 (1)
Headquarters 12e rue Limete No. 97
Telex 20081 VADIS ZR
Personnel: MO: 863 M: 28 C: 15 E: 12 T: 918
Capacity: 6 ovens - 7 production lines
Theoretical: 150 tonnes flour - 3 crews 24 hours
Actual: 125 tonnes flour - 3 crews 21 hours
(1) Including
Zaire: (?) 116, 748 sales flour

By late October 1984, the new plant's capacity had been increased to:

Theoretical: 200 tonnes flour/day - 3 crews 24 hours

Actual: 175 tonnes flour/day - 3 crews 21 hours

UPAK

Trade name: Usine de panification de Kinshasa Sprl - 1977
Capital in Zaire: 5,000,000
Turnover in Zaire: 136,802,220
Headquarters: Ave Kasavubu (corner ave Saio)
P.O. Box 2692
Telex: 21095 UPAK ZR
Staff: MO: 418 M: 15 C: 15 E: 8 T: 456
Capacity: 624,000 bags/year or 75 tonnes/day - 3 crews.

Wheat Flour Production and Imports ('000 tonnes)

<u>Wheat</u>	(6 Months) <u>1985</u>	<u>1984</u>	<u>1983</u>
Imports	87.7	136.3	152
Carry-in	13.5	5.5	7.0
Production	0.29	0.30	0.30
Total	101.49	142.10	159.30
 <u>Flour</u>			
Carry-in	0.68	0.50	0.52
Production (by company)			
Midema	61.2	98.1	114.2
GCM/D	1.30	2.46	2.32
Minoki	0.14	.260	0.21
Total	63.32	101.32	117.25
 <u>Imports (Flour)</u>			
Carry-in	19.0		
Imports (by company)			
UPAK	6.0	3.0	
Midema			6.03
Quo Vadis	12.9	78.0	49.0
Misc.	5.0	8.0	2.0
Total	42.9	89.0	57.03

Z A M B I A

Economic classification:	Low Income economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$560	1984
Annual per capita GNP	US\$600	1984
Average annual growth	2.0%	1975-85
Annual inflation rate	19.0%	1975-85
Annual inflation rate	45.0%	1986
Volume of imports	0.102 billion US\$	1985
Of which food	10.0%	1985
Of which fuels	21.0%	1985
Principal foreign exchange earning export:	Copper (84%)	
Debt service as % of GNP	25.0%	1984
Debt service as % of exports	80.0%	1986
Population	6.78 million	1985
Annual population growth	3.5%	
Annual Consumption:		
Flour	120,000 tonnes or 17.6 kg/capita	1985
Meat	24,000 tonnes or 3.5 kg/capita	1985
Vegetable Oil	22,020 tonnes or 3.24 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

Wheat production increased in 1985/86 to approximately 30,000 tonnes. Maize production in 1985/86 topped 900,000 tonnes, while oilseeds: groundnuts, cotton, sunflower and soya showed marginal increases. Rice production is up by 46%. A new development, the cashew nut project in the Western Province, is expected to show a yield of 800 tonnes of raw nuts in 1986. Increased growth of wheat will depend to a large extent on maintaining a satisfactory profit level to growers.

2. Foreign Exchange Situation

Country relies fully on aid for imports of food. In March 1986, the Paris Club agreed to reschedule payments of Zambia's US\$500 million debt for ten years with a five year grace period. With copper providing 84% of exports the IMF allocated US\$345 million to offset losses in earnings due to continued low prices.

3. Government Policies Affecting Grain and Agriculture

Zambia has little to offer for barter except copper. In which case their requirements are met by the neighbouring countries of Malawi and Zimbabwe.

4. Processing Facilities

Year: 1985

	thousands of tonnes			
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	1	4	180	120
Compound Feed Mills				
Maltsters				
Brewers	1	1		
Oilseed Crushers	1	2	60	28

II. MALTING BARLEY

1. Domestic Production: Nil

2. Imports, Calendar year 1985 estimated, previous year in brackets:

	thousands of tonnes	Principal supplier(s)
Malt		
Malting barley	17 (17)	Zimbabwe/South Africa

3. Additional Information

Domestic malting capacity: Belgium's Huyucco group of companies is investing \$42 million in a farm and malting factory at Mwembeshi state farm (11,000 ha) joint ventured with state company Indeco. Over seven year period will reduce malt imports by about 10,000 tonnes.

Malt exports: None

Market potential for Canadian malt: Malt market supplied by Zimbabwe with a preferential customs tariff, and also S. Africa which is able to quote low prices due to devalued Rand.

III. OILSEEDS

1. Trade Policy

Import tariffs: Have preferential tariff system with neighbouring Zimbabwe, and Malawi.

Import/export structure: Import and export of all oilseeds handled by government agencies.

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

Year: 1985/86

<u>Oilseed</u>	Production	Imports	Exports
Cotton	31		
Groundnut	2		
Sunflower	32		
Soya	11		
TOTAL	76		

<u>Oil</u>	Production		Imports		Exports	
	Domestic	Imports	Crude	Refined	Crude	Refined
Cotton	6			6.9*		
Groundnut	1					
Sunflower	16					
Soya	5	5				
TOTAL	28	5				

<u>Meal</u>	Production	Imports	Exports
Cotton	20		
Sunflower	30		
Soya	10		
Groundnut	1		
TOTAL	61		

* vegetable oils

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Wheat	22 (20.5)		90 (90)	112 (110)
Durum wheat				
Flour/Semolina				
TOTAL	22 (20.5)		90 (90)	112 (110)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	Human Consumption	Animal	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Wheat	112 (110)						112 (110)
Durum wheat							
Flour/Semolina							
TOTAL	112 (110)						112 (110)

IMPORT TRADE 1985/86 est. - thousands of dollars - previous year in brackets

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

Wheat (including durum)

Cash
Commercial Credit
Aid, concessional
credit, etc

58 32 90

Z I M B A B W E

BASIC INDICATORS (ECONOMIC/DEMOGRAPHIC/CONSUMPTION)

Economic classification: Middle Income economy		
Oil exporter or importer (net): Importer		
Annual per capita income:	US\$398	1985
Annual per capita GNP	US\$254	1985
Average annual growth	2.2%	1975-85
Annual inflation rate	8.9%	1975-85
Annual inflation rate	17%	1986
Volume of imports	0.619 billion US\$	1985(9 months)
Of which food	2%	1985(9 months)
Of which fuels	17%	1985(9 months)
Principal foreign exchange earning export: Agriculture/Mining		
Debt service as % of GNP	5.5%	1985
Debt service as % of exports	28.4%	1985
Population	8.7 million	1985
Annual population growth	3.2%	1982-85
Annual Consumption:		
Flour	240,000 tonnes or 27.5 kg/capita	1985
Meat	80,000 tonnes or 9 kg/capita	1985
Vegetable Oil	62,000 tonnes or 7.12 kg/capita	1985

I. GENERAL INFORMATION

1. Crop Situation and Outlook

With the exception of wheat, Zimbabwe has a large surplus of grains. Wheat demand is approximately 300,000 tonnes per annum while production in 1985/86 will be about 215,000 tonnes. Projections for 1986/87 will be about 235,000 tonnes. Large surplus in maize, stockpile of 2 million tonnes forecast for January 1987. Farmers are being advised to swing from maize and sorghum crops to cotton, soya and groundnuts for which there is a ready market.

2. FOREIGN EXCHANGE SITUATION

Country has a favourable balance of trade situation of US\$88 million first nine months of 1985. However, servicing of foreign debts (US\$336 million) per annum is throwing a burden on the Treasury. Zimbabwe's external debt now stands at (US\$2.3 billion) in 1985. As a result, foreign exchange is limited for expansion projects. Only imported food requirement is wheat.

3. Fertilizer Situation

Country has gone from a surplus to a deficit situation during the past year. This is due to ample rains and the emergence of small peasant and communal farmers into the agricultural sector. Urea and potash imported at high cost due to devalued Zimbabwe dollar (now worth US\$0.57). Local manufacturer of double super phosphate, murate of potash, sulphate of ammonia, and ammonium nitrate.

4. Import Mechanism

All grain imports go through the Grain Marketing Board (GMB).

5. Grain Industry Infrastructure

Grain marketing Board has under construction two new silo facilities at Bulawayo (70,000 tonnes) and Norton (58,000 tonnes), boosting total storage to 425,000 tonnes. Aim is to increase capacity to 900,000 tonnes.

6. Government Policies Affecting Grain and Agriculture

Zimbabwe's balance of payment situation, with limited foreign exchange plus devaluation of its currency, has resulted in high input costs. This has reduced profitability in certain crops such as wheat and in turn has created a huge surplus of maize.

Zimbabwe has entered into barter transactions for essential requirements utilizing tobacco, asbestos and ferro chrome in exchange for maize. Zimbabwe has also received in return wheat from West Germany, United Kingdom and Canada. Grain Marketing Board invited tenders in May 86 for supply of 15,000 tonnes rice in exchange for white maize.

7. MARKET PROSPECTS - GRAINS AND OILSEEDS

Aim is to make Zimbabwe fully self dependent for all grain requirements by 1990.

8. Processing Facilities

	Year 1985			
			thousands of tonnes	
	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	3	5	350	240
Compound Feed Mills				
Malt Houses	2	3	6	20
Oilseed Crushers	5	6	120	50

* Capacity and output in hectolitres.

9. Storage and Throughput Capacity

Only usable outlets to sea, Beira (Mozambique) and Capetown South Africa. S. African authorities limit Zimbabwe grain exports to Capetown, with port charges of (US\$50) tonnes. Exports outside of Africa only possible with high subsidies.

II. MALT AND MALTING BARLEY

1. Domestic Production of barley by type, 1985/86 estimate:

	- - thousands of tonnes - -				<u>Total</u>
	2-Row		6-Row		
	<u>Winter</u>	<u>Spring</u>	<u>Winter</u>	<u>Spring</u>	
All Barley	28	-	-	-	28
Suitable for malting	28				28

2. Imports: Nil

Beer consumption: Increasing slightly each year. 56% of price of beer is excise.

Between 8,000 to 10,000 tonnes of malt are exported per annum. Markets include Botswana, Malawi, Zaire and Uganda.

III. OILSEEDS

1. Trade Policy:

Import tariffs:

Oilseeds: Nil
Crude oil 20%
Oilseed meal Nil
refined oil 20%

Normal exports/imports via government Grain Marketing Board.

Additional factors: Oil seed only imported in times of shortage, drought, etc.

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

Year 1985/86

<u>Oilseed</u>	<u>Domestic Production</u>		<u>Imports</u>		<u>Exports</u>	
Sunflower	12.30					
Soya	90					
Groundnut	5				0.781	
Cotton	100					
TOTAL	207.30				0.781	
Oil	<u>Production</u>		<u>Imports</u>		<u>Exports</u>	
	(Domestic)	(Imports)	(Crude)	(Refined)	(Crude)	(Refined)
Sunflower	5				1.	
Soya	16					
Cotton	27					123
Groundnut	2					
Total	50				1.123	
Sunflower	6.15					
Soya	72				41.7	
Groundnut	1.5					
Cotton	64					
Total	143.20				41.7	

IV. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	215	(100)	45 (82))	260 (182)
Durum wheat				
Flour/Semolina				
TOTAL	215	(100)		260 (182)

* Including wheat flour

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	260						260
Durum wheat							
Flour Semolina							
TOTAL	260						260

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

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

WHEAT (including durum)

Cash						
Commercial Credit						
TOTAL	6.9	9.5	25		3.0	44.4

All wheat imports are in exchange for maize exported to Botswana, Mozambique, Ethiopia and Somalia as part of aid programmes.

(B) COARSE GRAINS

SUPPLY 1985/86 est. - thousands of tonnes - previous year in brackets

	Production	Carry-in, July 1	Imports	Total Supply
Corn	1,727 (945)	750 (215)	(269)	2,477 (1,429)
Barley	28.2 (25)			28.2 (25)
Sorghum	82 (20)		(10)	82 (30)
Oats				
Rye				
TOTAL	1,837.2 (990)	750 (215)	(279)	2,538 (1,484)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets:

	Human Consumption	Animal Feed	Industrial	Other (seed, waste)	Exports	Carry-out	Total
Corn	440 (347)	300 (310)		(22)	430	1,307 (750)	2,477 (1,429)
Barley	28.2 (25)						28.2 (25)
Sorghum		82 (30)					82 (30)
Oats							
Rye							
TOTAL	468.2 (372)	382 (340)		(22)	430	1,307 (750)	2,587 (1,484)

*Of which poultry 26% Export Destination? Botswana, S. Africa, Mozambique

IMPORT TRADE 1985/86 est. - thousands of tonnes - previous year in brackets

	ORIGIN				TOTAL IMPORTS		
	Canada	U.S.A.	Australia	Argentina		EEC	All Others
Corn		(109)		(60)		(100)	(269)
Barley							
Sorghum				(10)			(10)
Oats							
TOTAL		(109)		(60)		(100)	(279)





PART IX
OCEANIA



NEW ZEALAND

Economic classification:	Industrial Market economy	
Oil exporter or importer (net):	Importer	
Annual per capita income:	US\$5,300	1985
Annual per capita GNP	US\$5,724	1985
Average annual growth	1.2%	1975-85
Annual inflation rate	13.5%	1975-85
Annual inflation rate	10.4%	1986
Volume of imports	6.05 billion US\$	1986
Of which food	4.5%	1986
Of which fuels	10.8%	1986
Principal foreign exchange earning export:	Agricultural products	
Debt service as % of GNP	14.1%	1985
Debt service as % of exports	42.5%/31.5%	Mar 1985/Mar 86
Population	3.3 million	1986
Annual population growth	0%	
Annual Consumption:		
Flour	221,000 tonnes or 67 kg/capita	

I. GENERAL INFORMATION

1. Foreign Exchange Situation

The export of agricultural products remains the primary source of foreign reserves. New Zealand will not be an international aid recipient.

2. Fertilizer Situation

Because the subsidies on the production of agricultural commodities has generally been reduced, the New Zealand farmers have dramatically reduced the manufacture and spreading of fertilizers, thus reducing the imports of sulphur and potash. Subsidies on the transportation of fertilizers continue.

3. Import Mechanism

The New Zealand Wheat Board is the sole authority for wheat and flour imports. Closer Economic Relations (CER) with Australia will see a gradual (10% per annum) increase in flour import quotas until 1995 when such flour imports will enter tariff free with no quotas.

4. Grain Industry Infrastructure

New Zealand Wheat Board is the sole purchaser and distributor of New Zealand grown milling grade wheat and the Board controls the importation of all wheat. (Reference Wheat Board Act 1965 and Wheat Board Regulations 1965).

5. Government Policies Affecting Grain and Agriculture

In October 1984 the Government announced its intentions to deregulate the wheat and flour industries within a four year transition period. Regulatory controls are to be removed from wheat flour on January 31, 1987 and the role of the New Zealand Wheat Board is to be reviewed in 1988.

Government contracts which call for countertrade purchases, require these purchases to be in non-traditional products.

6. Processing Facilities

Year: 1985

- thousands of tonnes -

	<u>Number of Companies</u>	<u>Number of Plants</u>	<u>Annual Capacity</u>	<u>Actual Output</u>
Flour (and durum) Mills	11	18	400	222
Compound Feed Mills				
Malt Houses	1	2		
Brewers*				
Oilseed Crushers	1	1	0.4	0.2

* Capacity and output in hectolitres

7. Storage and Throughput Capacity: Auckland - no grain storage capacity.

II. MALT AND MALTING BARLEY

Annual per capita beer consumption: Slowly increasing with the introduction of "local" breweries in competition with increased imports.

Market potential for Canadian malt: None

III. OILSEEDS

1. Trade Policy

Import/export structure: Private firms

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

Year: y/e June 1986

<u>Oilseed</u>	Production	Imports	Exports
Peanut		6.96	
Soybean		0.05	
Sunflower		0.42	
Sesame		0.30	
Palm		0.06	
Other		0.17	
TOTAL		7.96	

<u>Oil</u> (litre 000)	Production	Imports		Exports	
		Crude	Refined	Crude	Refined
Soybean			12,947		
Peanut			429		
Olive			189		
Sunflower			5,305		
Rape			2,554		
Sesame			19		
TOTAL			21,443		

<u>Meal</u>	Production	Imports	Exports
Soya		4.81	
Cotton		0.68	
Unseed		0.02	
Coconut		1.82	
TOTAL		7.33	

III. STATISTICAL NOTES

(A) WHEAT AND DURUM

SUPPLY 1985/86 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	424 (284)		71 (96)	495 (380)
Durum wheat			7	7
Flour/Semolina				
TOTAL	424 (284)		78 (96)	502 (380)

* Imports from Australia

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Wheat	357	80		15		50	
Durum/Wheat							
Flour Semolina							
Total	357	80		15		50	502

(B) COARSE GRAINS

SUPPLY 1985/86 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	227	(219)		227
Barley	546	(771)		546
Sorghum				(219)
Oats	47	(44)		47
Rye				(44)
TOTAL	820	(1,034)		820 (1,034)

DISPOSITION 1985/86 est. - thousands of tonnes - previous year in brackets.

	<u>Human Consumption</u>	<u>Animal Feed</u>	<u>Industrial</u>	<u>Other (seed, waste)</u>	<u>Exports</u>	<u>Carry-out</u>	<u>Total</u>
Corn	20	140	28	3	36		227
Barley	50	136	100	30	230		546
Sorghum							
Oats		47					47
Rye							
TOTAL	70	323	128	33	266		820

Industrial use: brewing



APPENDIX I
LIST OF CONTRIBUTING TRADE OFFICERS



APPENDIX I

List of Contributing Trade Officers

<u>Geographic Area/Country</u>	<u>Trade Officers</u>
<u>I. European Economic Community</u>	
Belgium-Luxembourg	B. Adam
Denmark	J.L. Neergaard
France	J. Pomerleau
Greece	C. Swift
Ireland	J. Sullivan
Italy	M.J. McDermott
Netherlands	F.W. Zechner
Portugal	M.J.D. Lima
Spain	M.F.Crawcour
United Kingdon	J. Farmer
West Germany	G. Kandulski
<u>II. Western Europe (Non-EC)</u>	
Austria	L.N. Decrinis
Finland	K.H. Valjakka
Malta	M.J. McDermott
Norway	H. Bjorkas
Sweden	U. Hansson
Switzerland	J.R. Rousseau
Turkey	B. Bouma, Embassy
<u>III. Eastern Europe</u>	
Czechoslovakia	I. Boldova
German Democartic Republic	E. Meczynska
Hungary	S.B. Gyonyor
Poland	E. Meczynska
Romania	O. Bonea
Union of Soviet Socialist Republics	P. MacArthur
Yugoslavia	Embassy



<u>Geographic Area/Country</u>	<u>Trade Officers</u>
IV. <u>North and Central America</u>	
Costa Rica	M. Ruiz
Cuba	J.L. Callado
El Salvador	M. Ruiz
Guatemala	H. Cerezo
Honduras	H. Cerezo
Jamaica	J. Moses
Mexico	B.A. Badani/J.A. Panke
Nicaragua	M. Ruiz
Panama	M. Ruiz
V. <u>South America</u>	
Argentina	H. Glansdorp
Brazil	I. McCluskey
Chile	R. Goulet/Emby.
Colombia	R. Bosenberg/L.Gaeton/ L. Leger.
Peru Uruguay	J.A. Collantes
Venezuela	J.F. Dierckx
VI. <u>Asia (Near East)</u>	
Cyprus	Canadian Consulate, Nicosia
Iraq	L. Naumovski
Israel	A. Housvater
Jordan	S. Museitif
Kuwait	M. Sattar
Saudi Arabia	A. Balian
Syria	Embassy
VII. <u>Asia (Far East)</u>	
Hong Kong	F. Chau
India	K.L. Khanna
Indonesia	Embassy
Japan	W. House/Embassy
Korea	C.W. Chang
Malaysia	B.S.L. Chee
Pakistan	Canadian High Commis.
People's Republic of China	W. Khan
Philippines	Embassy
Singapore	D. Brown/Embassy
Sri Lanka	P. Ho
Thailand	M.C. Temple
	T. Thaiprasithporn



Geographic Area/Country

Trade Officers

VIII Africa

Cameroon
Egypt
Ivory Coast
Kenya
Morocco
Nigeria
South Africa
Tunisia
Zaire
Zambia
Zimbabwe

J.C. Ngankam
M. Ghazal
D.G. Marchand
G. Dunford
B. Picard
P. Alaire
B. Frazer
L. Bourghiba
B.W.A. Bilapo
T.S. Mercer
T.S. Mercer

IX. Oceania

New Zealand

J.J. Ganderton



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