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CANADIAN SUPPORT TO INDIAN OILSEED SECTOR

NEW DELHI, INDIA---The Secretary of State for External Affairs, the Right Honourable Joe Clark, today confirmed that Canada has agreed to provide \$89 million worth of crude canola/rapeseed oil and technical assistance over the next five years to assist India in its efforts to improve edible oil production and to strengthen cooperatives among oilseed producers.

"This is the second phase of a project that has already proven successful in several Indian states, in increasing farmers incomes and strengthening farm organizations", Mr. Clark said.

"The Canadian International Development Agency (CIDA) will provide \$85 million worth of canola/rapeseed oil and will provide the balance of \$4 million through the Cooperative Union of Canada (CUC) to provide monitoring, technical assistance, training and some equipment," he added.

The oil will go to the National Dairy Development Board (NDDB) which was asked by the government of India to undertake the promotion of cooperatives in the oilseed sector because of its success in building up the dairy industry. The oil will be refined and sold on the open market in India. Proceeds from the sale will be used to establish an integrated oilseed production, processing and marketing system and to help farmers in Maharashtra, Andhra Pradesh and Rajasthan form cooperatives at the village, state and regional levels.

"India is the world's largest importer of vegetable oil, yet per capita consumption is less than half the recommended nutritional requirement. Increasing

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domestic production is one of the priorities of the Indian government", Mr. Clark explained.

The project expects to organize some 200,000 growers into 850 village-level cooperative societies. Oilseed crops promoted will include groundnuts, soyabeans, rapeseed and mustardseed. By the end of the project, production by the Co-op members is expected to reach 200,000 tonnes of oilseed per year.

At the same time, growers' incomes will be improved through increased yields, more efficient picking and handling methods, and by the distribution of cooperative profits from the processing and marketing operations.

Mr. Clark is in India for annual consultations with the Government of India on political and economic matters. He is also representing the Government of Canada at the Seventh Indian Engineering Trade Fair (SIETF) in New Delhi and is participating in Canada Week, during which a series of Canadian cultural events are being presented by the Canadian Government and the Canadian business community."