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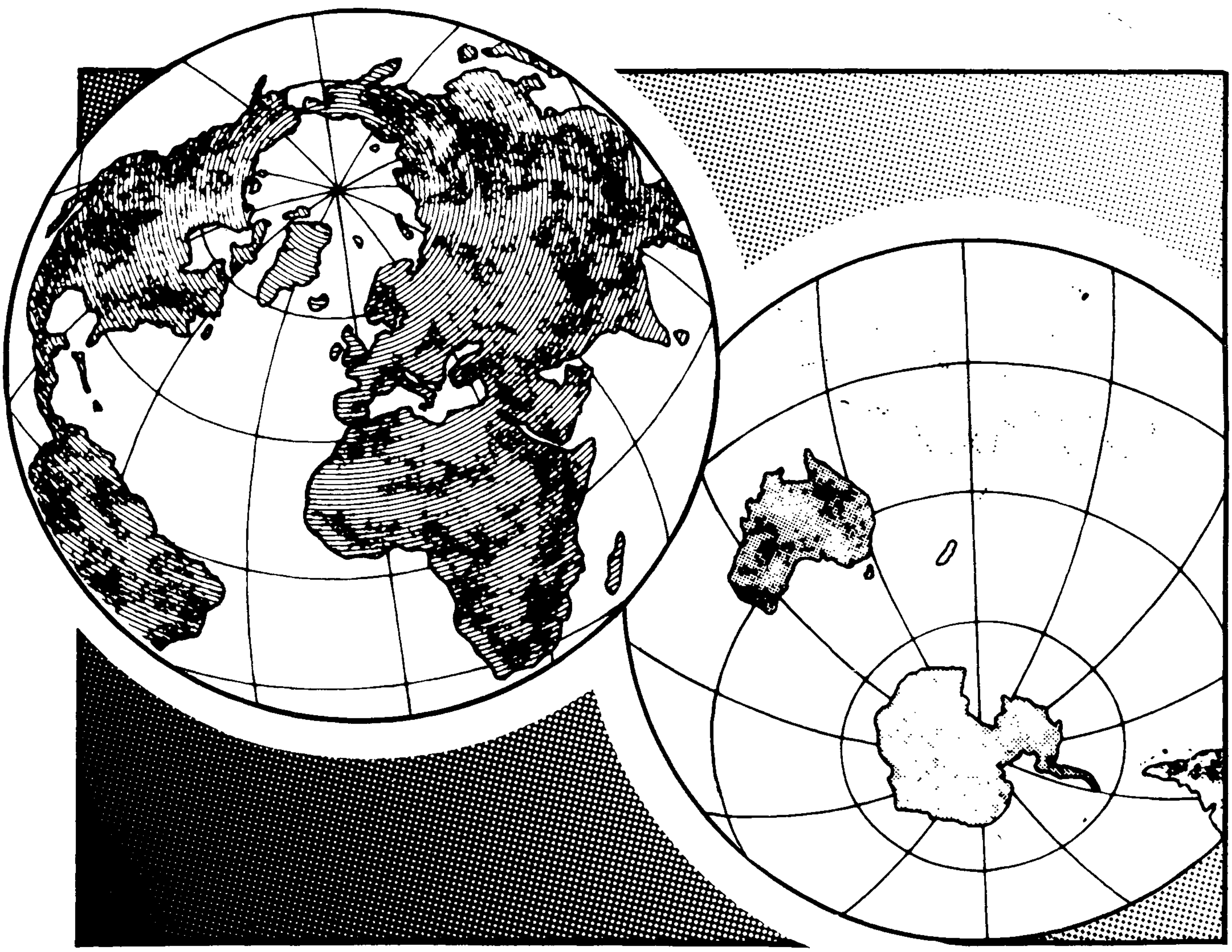
Review of 1982 and Outlook for 1983



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ABSTRACT

Agricultural production increased by 5 percent in North Africa and 3 percent in the Middle East during 1982. Wheat output hit a record in Turkey; grain output rebounded in Morocco; and agricultural production increased 2 percent in Egypt. Agricultural imports by the region increased to $32 billion. Farm exports from the European Community (EC) to the region climbed 14 percent to $10.2 billion, while those from the United States declined 19 percent to $2.6 billion. The most dramatic event was the very sharp turnaround in the overall U.S. balance of trade with the region, from a deficit of $11.7 billion in 1981 to a surplus of $5.4 billion in 1982. This was primarily due to lower petroleum prices and imports. However, the lower oil earnings did not hinder food imports.

Keywords: Oil price decline, food subsidies, EC competition, OPEC, food imports.

FOREWORD

This report covers the agricultural situation of the Middle East and North Africa, and includes a special feature that discusses EC trade relations with Egypt. A number of tables cover Middle Eastern and North African trade with the United States and the EC, as well as total agricultural trade. In addition, there are tables on the indices of agricultural production, both total and per capita, and on the production of selected agricultural commodities by country.

Michael E. Kurtzig directed the preparation of this report. Authors were Susan Buchanan, Michael E. Kurtzig, John P. Parker, and Herbert H. Steiner. Victoria Valentine, Alma Young, and Bernadine Holland typed the manuscript. The Foreign Agricultural Service's annual situation and commodity reports were drawn upon for this publication.

The International Economics Division's program of agricultural outlook and situation analysis and reporting includes the following regularly scheduled publications: *World Agricultural Outlook and Situation*, published quarterly; *World Agriculture Regional Supplements*, a series of 11 reports, issued annually, covering China, East Asia, Eastern Europe, Latin America, Middle East and North Africa, North America and Oceania, South Asia, Southeast Asia, the Soviet Union, Sub-Saharan Africa, and Western Europe; *Foreign Agricultural Trade of the United States*, published bimonthly; and *Outlook for U.S. Agricultural Exports*, published quarterly. Information on obtaining these publications is included elsewhere in this report. The division also publishes the *Food Aid Needs and Availabilities* report and the *World Indices of Agricultural and Food Production*. For information on those publications, contact the International Economics Division, USDA, Rm. 348, 500 12th Street, SW., Washington, D.C. 20250.

We welcome any comments, suggestions, or questions about this report or other aspects of the agricultural situation in the Middle East and North Africa. Responses should be directed to the Africa and Middle East Branch, International Economics Division, Economic Research Service, USDA, Room 342, 500 12th Street, SW., Washington, D.C. 20250. Our telephone number is (202) 447-9160.

Cheryl Christensen
Branch Chief

May 1983

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REVIEW OF 1982 AND OUTLOOK FOR 1983

SUMMARY

For the first time since 1972, the United States had a balance-of-trade surplus with the Middle East and North Africa. Total U.S. exports in 1982 were $21 billion, up 8.4 percent from the previous year. At the same time, total U.S. imports from the region fell 49 percent, from $31.3 to $15.9 billion. The main reason was that the United States bought less oil at relatively lower prices. Consequently, the United States had a $5.4 billion trade surplus in 1982, compared with a deficit of $11.7 billion in 1981.

Agricultural exports from the United States did not account for the improved trade situation. While agricultural imports by the Middle East and North Africa rose about $3.9 billion to approximately $32 billion, the greatest increase for any region of the world last year, U.S. agricultural exports however, declined from $3.2 to $2.6 billion. The European Community (EC) accounted for 38 percent of the increased agricultural trade, with the remaining 62 percent going to other suppliers, especially developing countries, such as Brazil, Argentina, and Turkey.

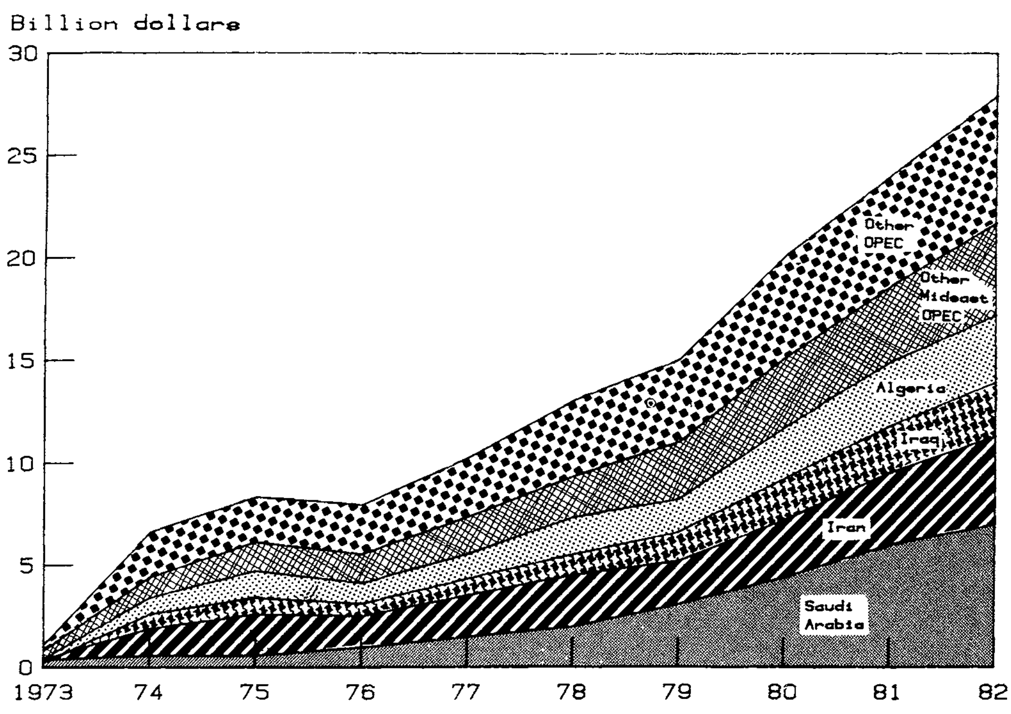
Most of the growth (80 percent) occurred in the OPEC countries, and most EC gains (77 percent) were in sales to these countries, primarily Saudi Arabia, Iraq, and Iran. About 56 percent of the decline in U.S. agricultural exports occurred in the OPEC countries, primarily Iran and Algeria, with declining sales to Egypt accounting for most of the loss in non-OPEC countries.

The recent decline in petroleum revenues has led to speculation of lower food imports. But this is not likely to be the case. Food imports usually account for less than one-fifth of Mideast OPEC countries' total imports. All countries have extensive food subsidy programs that are seen as important guarantees of stability, as well as a way to distribute income. The tendency has been to expand these programs in difficult times (as in the cases of Iran and Iraq), not to cut them.

A good example of sustained strength in food imports is grain purchases. Middle Eastern and North African grain imports continued to rise in 1982, although at a slower pace than the 14-percent gain in 1981. The increase of about 1.7 million tons, to a record 34.7 million, compares with a growth of about 4 million tons in 1981. However, the pace could again accelerate in 1983 as grain imports by Egypt, Iraq, and Algeria increase substantially. Total grain imports may reach about 37 million tons. This would be more than the Soviet Union is expected to import this year.

U.S. exports to North Africa declined from $1.6 to $1.2 billion. Smaller shipments of poultry products, corn, and tallow to Egypt accounted for much of the decline. Also, U.S. agricultural exports to Algeria declined by 46 percent as shipments of wheat, corn, barley, tallow, dried beans, lentils, and sunflowerseed oil decreased, mainly because of increased competition from other suppliers.

OPEC Agricultural Imports

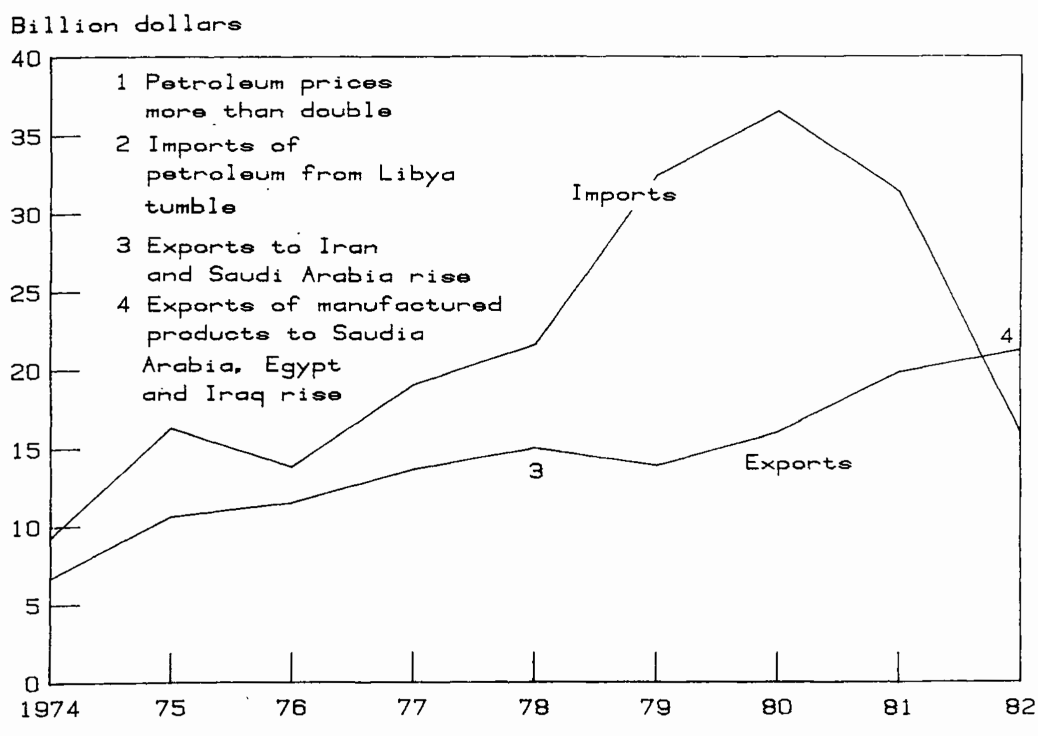


U.S. agricultural exports to North Africa and the Middle East may rise by about $1 billion in 1983, with Egypt and Iraq accounting for about two-thirds of the increase. Iraq has received a large amount of U.S. blended credit for purchases of grains, poultry products, and animal feed. The value is expected to triple 1982's $132 million. U.S. exports to Egypt alone may increase 50 percent because of a backlog in P.L. 480 shipments and a blended credit sale of 500,000 tons of wheat combined with 1 million tons of flour. U.S. sales of vegetable oils, tallow, and leaf tobacco could all increase. Blended credit will also be instrumental in increased shipments of wheat to Morocco and Algeria. More aggressive promotion may increase sales of other commodities, such as dairy products, pulses, and vegetable oils. Considerable gains are expected in exports of feed grains and processed foods to Saudi Arabia and wheat and pulses to Algeria. With a $60 million blended credit program for the Yemen Arab Republic, U.S. exports to that country may triple 1982's. Blended credit will also boost sales to Turkey and Jordan.

Agricultural production in the Middle East increased by just under 3 percent in 1982. The index of per capita production, however, did not change (1969-71=100). Wheat output increased slightly to just under 23 million tons because of record production in Turkey and higher output in Iran. Wheat output in Jordan, at 15,000 tons, was a disaster, and Israel's crop was considerably below average. Despite a record barley crop in Turkey, total Middle Eastern output of this crop was down by 500,000 tons, largely because of a sharply lower crop in Syria. Led by a record 950,000-ton pulse output in Turkey, total Mideastern production nearly reached 1.4 million tons. With record sugar output in Turkey, total sugar production was slightly over 2 million tons. Meat production, at 1.7 million tons, was still 200,000 below the 1980 record, largely because production in Iran and Iraq has not recovered to prewar levels.

Agricultural production in North Africa increased by 5 percent from 1981, and was 28 percent above the 1969-71 average. The main reason for the large gain was the return to more normal production in Morocco after the severe drought in 1981. All the other countries showed increases of 2 to 3 percent. Per capita agricultural output also rose in Morocco, but there were no significant gains in other countries. Wheat output in the region was sharply higher at 6.4 million tons, up 18 percent from 1981. This was largely due to the excellent crop in Morocco, which matched the 1976 record. Production in Egypt was slightly over 2 million tons, the same as the 1975 record. With an excellent crop in Morocco, total regional barley output was nearly 3.5 million tons. Nevertheless, although it was very good, it was only 500,000 tons above the 1969-71 average. Pulse output, at 580,000 tons, recovered from the previous year; however, production is still 18 percent below the last decade's average. Meat production increased slightly, with higher output in Egypt and Morocco.

Total U.S. Trade With the Mideast and North Africa



THE MIDDLE EAST

Iran

Economy Rebounds

Iran's GNP rebounded to $45 billion in 1982, still about 5 percent below the 1978 figure. The reasons were a 37-percent increase in the value of petroleum exports and a marked increase in industrial output. Larger harvests of grain and vegetables contributed to a 4-percent rise in crop production, but meat output continued to decline.

In late 1982, petroleum output climbed to over 2.8 million barrels a day, compared with 1.2 million barrels in 1981—the result of the need to fund war debts. Petroleum exports rebounded markedly, and Japan was a principal customer at prices less than $29 a barrel. Iran's credit rating improved as petroleum revenue rose to $18.6 billion in 1982. Imports of merchandise increased substantially to about $17 billion, with remarkable gains from the EC, Turkey, Eastern Europe, and Japan.

In 1982, Iran expanded its trade through multilateral barter arrangements with Eastern Europe and various countries in Asia. Petroleum sent to Romania pays for a wide range of commodities and services. Technical contracts with East European countries to provide guest workers on Iranian industrial projects have increased, and this contributed to a rise in output of fertilizer, tractors, tools, cigarettes, and consumer goods.

Iran's trade with the Soviet Union rebounded strongly in 1981 and made further gains in 1982, mostly because of the resumption of deliveries of natural gas through pipelines near the Caspian Sea. The value of the natural gas sales climbed to about $550 million in 1981 and increased substantially last year. Iran's total exports to the United States also increased dramatically in 1982 as larger deliveries of petroleum pushed the value to $585 million—about nine times 1981. U.S. agricultural exports fell from $248 million in 1981 to only $25 million in 1982, mostly because of smaller deliveries of wheat and rice.

Agricultural Production Steady

The decline in output of livestock products was offset by a 4-percent rise in crop production. Favorable rainfall and an expansion in planted area contributed to the rise in grain output. Also, farmers used more fertilizer and improved seed. Cooperatives provided more credit to purchase inputs, including tractors.

Wheat production increased about 4 percent to 5.5 million tons in 1982, matching the 1976 record. Output of barley rose 3 percent to over 1.2 million tons, and that of paddy rice rose 7 percent to about 1.3 million tons. Greater fertilizer use contributed to the rise in rice yields near the Caspian Sea, and higher procurement prices encouraged greater use of inputs. More farmers were using tractors, and the area planted in cereals increased slightly.

Vegetable output rebounded to 4 million tons as farmers in Khuzistan again become important producers following the disruption from the war. Output of tomatoes and melons each exceeded 400,000 tons. Fruit production continued to rise as orchards planted in the 1970's became more productive.

Meat output declined about 4 percent because of feed shortages. Fluctuations in imports of feed grains upset managers of commercial feedlots. Milk output declined about 6 percent to 1.6 million tons.

Imports Rise Rapidly, Mostly from the EC

Iran's agricultural imports increased from about $3.5 billion in 1981 to an estimated $4.4 billion in 1982. Imports of cereals remained at about 4 million tons valued at $1 billion.

Wheat imports were again about 2 million tons. Australia's deliveries rose slightly to about 878,000 tons, and Turkey sent about 250,000 tons. U.S. exports fell from 1 million tons in 1981 to less than 100,000 in 1982. Imports from Canada, Argentina, and France increased markedly and offset the decline from the United States. Pakistan recently sold Iran over 100,000 tons of wheat.

Rice imports remained near 1981's 630,000 tons, although arrivals from the United States tumbled from 112,000 tons to less than 35,000. Imports of Thai rice were 10 percent below 1981's 379,000 tons. Larger imports of rice came from other Asian suppliers, including Pakistan, Burma, and North Korea. Feed grain imports rose slightly to 1.4 million tons asAustralia and the EC sent more barley, and Argentina and Thailand increased corn deliveries.

Imports of soybean oil rose to a new peak of about 375,000 tons, including 235,000 from Brazil. Total imports of vegetable oils were about 500,000 tons in 1982, double 1980. Imports of soybean meal rose to over 250,000 tons. Imports of peanuts from nearby countries also increased.

Meat imports increased markedly to over 350,000 tons valued at about $800 million, a gain of $300 million. Greater purchases from Argentina helped push beef imports above 110,000 tons. New Zealand continued to send more than 85,000 tons of mutton, and purchases from Australia, Turkey, and Eastern Europe also increased. Total imports of mutton increased 25 percent to about 150,000 in 1982, but arrivals of live sheep declined about 10 percent from the 1981 peak of 3.2 million head. Imports of frozen poultry from West Germany, the Netherlands, and Bulgaria rose, pushing the total to about 100,000 tons. Cheese imports increased to more than 125,000 tons, including about 60,000 from Denmark. Other EC suppliers also sent more cheese. Butter imports expanded, and EC deliveries exceeded 100,000 tons. The Netherlands, Denmark, France, and West Germany were major suppliers of butter.

U.S. Sales Tumble

The policy to renew normal trade with the United States following the release of the hostages in January 1981 ended after about 9 months. Problems arising from claims by U.S. firms and internal clashes among the Iranians responsible for trade policy virtually eliminated purchases of U.S. products by late 1981. Yet efforts to sell more petroleum and pistachio nuts to America gained momentum in 1982. In fact, a bright spot in Iran's efforts to revive agricultural exports was the doubling of sales of pistachio nuts to the United States, which were valued at $4 million in 1982. Iran's total agricultural exports fell from a value of $324 million in 1979 to $148 million in 1981, when sales of cotton to the Soviet Union and China and fresh fruit and vegetables to the Gulf sheikdoms declined drastically.

Direct exports of U.S. farm products to Iran fell from $247.6 million in 1981 to only $24.7 million in 1982. Rice, vegetable oil, tallow, and seeds accounted for most of the U.S. farm products sold to Iran last year. The 1 million tons of white wheat sent in 1981 was valued at $168 million, but no sales or shipments to Iran have occurred since early 1982. Nationalization of foreign trade has enabled officials in Tehran to squeeze out American suppliers in key trade areas. Also, they have virtually eliminated the transit trade for U.S. rice and cigarettes that moved through Dubai. (John B. Parker)

Iraq

Foreign Debt Increases

Iraq's economic activity remained strong in 1982, despite problems in reviving petroleum exports. Significant changes in policy have encouraged more free enterprise, and jobs have opened up because of efforts related to the war. Iraq has built up a foreign debt of about $40 billion in 3 years. War expenses have increased, while damage from Iranian bombing has reduced petroleum exports to one-third of the prewar peak of about 2.5 million barrels a day. Government policies to improve the welfare of consumers by subsidizing food and creating public jobs continue.

Iraq's petroleum exports fell from a peak of $26 billion in 1980 to less than $12 billion in 1981, and remained at that level in 1982. Total imports (excluding military items) increased about 20 percent to $18 billion. Therefore, Iraq's balance-of-payments deficit has increased. However, loans from Saudi Arabia, Kuwait, and the United Arab Emirates are allowing Iraq to continue imports of essential commodities.

Agricultural Production Up Slightly

Agricultural production increased about 1 percent in 1982, with a larger output of cereals and vegetables However, production of livestock products remained low because of shortages of imported feed. Wheat production was about 7 percent above 1981's 1.6 million tons because of higher procurement prices and a storage subsidy. Barley production was estimated at 770,000 tons, about double the 1977 level. Favorable winter rains indicate that the 1983 wheat harvest may rise to 2 million tons, and a barley crop of 1 million tons is possible. Rising demand for feed caused Iraq to increase the area planted to corn on irrigated land. Corn production now exceeds 100,000 tons annually. A shift to mechanized cultivation of corn, plus the war, caused a decline in rice area in 1982; output fell about one-fifth.

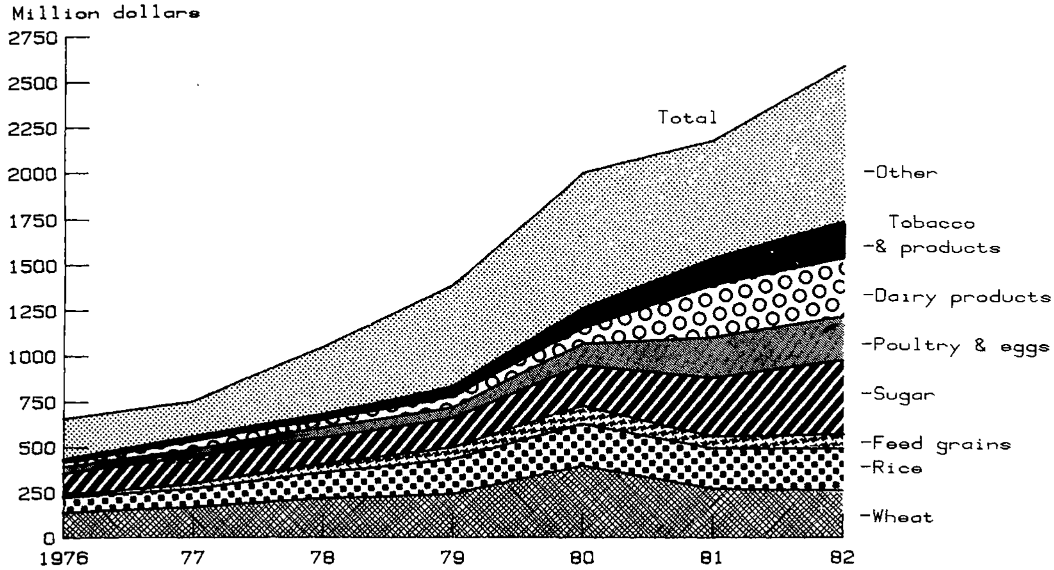
Output of dates remained below the 375,000 tons produced annually during 1977-79. The war and a 40-percent reduction in the amount of dates exported pushed the value of agricultural exports down to less than $55 million in 1982, compared with $71 million in 1980.

Agricultural Imports Rising Rapidly

Iraq's agricultural imports increased about 22 percent in 1982, to approximately $2.5 billion. The upward trend began in 1973, when the value was less than one-tenth of that in 1982. A modest rebound in grain imports and further gains in livestock product purchases caused an acceleration in the growth of food imports in 1982. Some of the most striking gains were in rice, frozen poultry, beef, dairy products, eggs, and fresh vegetables.

Grain imports in 1981 and 1982 were inhibited by port problems. However, stocks left from the peak imports of 3 million tons in 1980 prevented serious shortages. Wheat imports surpassed 2 million tons in 1980, declined 35 percent in 1981, and rebounded about one-fourth in 1982. Australia sent over 600,000 tons annually in the last 3 years. However, the current Australian drought has caused Iraq to seek alternative suppliers for 1983. As a result, Australia may reduce wheat deliveries to

Iraq's Agricultural Imports



Iraq, and imports of U.S. wheat may approach 1 million tons. The projected increase in U.S. deliveries is also due to the blended credit program. In 1982, Turkey and Argentina each exported 250,000 tons of wheat, but their deliveries may decline in 1983. Canada's exports of wheat to Iraq range between 150,000 and 420,000 tons annually. Total wheat imports should surpass 2 million tons in 1983.

Rice imports are also rising and may approach 500,000 tons in 1983. The volume will depend partly on the level of stock rebuilding. Consumer demand is rising rapidly with the distribution of subsidized rice in the countryside. U.S. exports will likely surpass 330,000 tons in 1983, compared with 234,000 in 1982. Pakistan and Uruguay are the key U.S. competitors.

Imports of feed grains are scheduled to rebound in 1983, possibly approaching the 1980 peak of 800,000 tons. Barley imports from the EC and the United States combined may rise to 400,000 tons, triple the 1982 volume.

U.S. Competitors Gain in Iraqi Market

Striking gains in exports of dairy products, meat, flour, barley, eggs, and sugar have caused EC shipments of farm products to this bustling market to increase from $398 million in 1980 to an estimated $770 million in 1982. Total EC exports may reach $1 billion in 1983. Iraq's booming demand for food has created new opportunities for neighboring countries, particularly Turkey and Jordan. Turkey's wide range of agricultural exports to Iraq—including live animals, meat, eggs, wheat, and a variety of fruits and vegetables—increased two and a half times in 1981, to $179 million, and advanced to nearly $300 million in 1982. The convenience of land transportation encouraged trade, and a decline in the value of the Turkish lira made prices more attractive.

Jordan began sending more vegetables and processed foods to Iraq in the 1970's, when import duties were removed through arrangements of the Arab Common Market. Imports of fresh vegetables from cooperatives in Jordan likely exceeded $70 million in 1982. Iraq is also a growing market for Jordan's exports of biscuits, soft drinks, and beer.

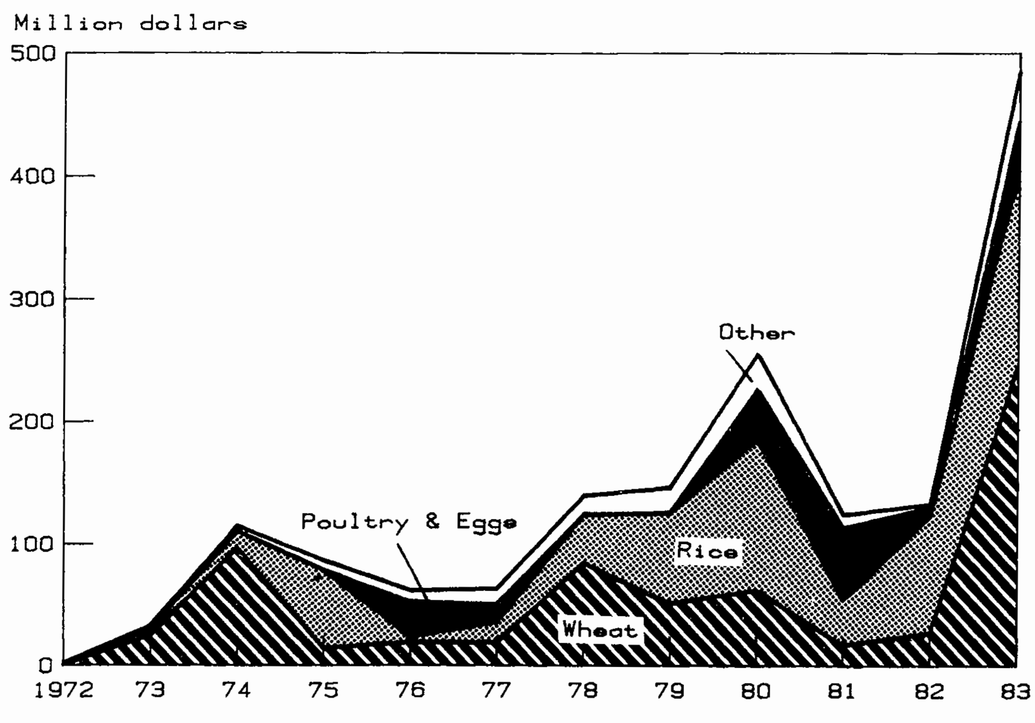
Imports of frozen poultry from Brazil are expected to exceed 225,000 tons in 1983, in contrast to about 170,000 tons in 1981. Iraq's purchases of U.S. poultry meat reached 31,000 tons in 1981, but trade ceased in 1982 because Brazil's lower prices captured almost the entire market. However, strong consumer demand could cause Iraq to again buy some U.S. poultry meat.

U.S. Agricultural Exports May Triple in 1983

Further improvements in Iraq's food supply are likely in 1983, mostly because of larger imports, which could reach $3.5 billion. The U.S. share may increase to over 12 percent. The combination of shortages among some of Iraq's traditional suppliers and the U.S. blended credit program will cause a dramatic rise in the value of U.S. agricultural exports—possibly to $450 million, compared with $132 million in 1982. The previous peak was $255 million in 1980.

Blended credit for $213 million was approved in December 1982. The first package provided funds for 800,000 tons of wheat valued at $120 million, 200,000 tons of rice for $80 million, and 100,000 tons of barley for $13 million. Blended credit has become an important financing tool for Iraq since its balance of trade was sharply reversed because of the war and lower oil exports and prices. Blended credit of about $230 million was arranged in March for purchases of U.S. wheat, feed grains, soybean meal, and eggs. U.S. egg exports declined from $16 million in 1981 to $8 million in 1982, but a spectacular boom is likely in 1983. (John B. Parker)

U.S. Agricultural Exports to Iraq



Israel

Farm Income Remains Depressed

Preliminary national account estimates indicate that Israel's gross national product (GNP) did not grow in 1982. This compares with a 4.6-percent increase in 1981. Declines in public-sector consumption and exports of goods and services contributed to the stagnation. Israel's agricultural production increased by 7.9 percent. Inflation was estimated at 132 percent in 1982, just below the record 133 percent of 1980. The major cause of the increase appears to have been the relatively rapid removal of subsidies in the first few months of the year. In addition, there may have been an increase in domestic demand when real wages increased approximately 10 percent in 1981. The current national account deficit was \$4.9 billion in 1982, up from \$4.4 billion the previous year. A half-billion-dollar increase in defense related imports was a major factor.

These general economic conditions affected farmers. Despite sharply higher citrus, fruit, and egg production, farm income continued to be depressed; the government policy of limiting the devaluation of the Israeli shekel to a rate somewhat below general inflation hurt farm exports. The prices of agricultural produce increased by 121 percent in 1981, while the prices of inputs rose 136 percent. In addition, there has been a notable decrease in investment in agriculture, particularly for export.

Wheat production, at 135,000 tons, was the lowest since 1979, necessitating imports estimated at 573,000 tons, all from the United States. Cotton production was estimated at 73,000 tons from 1981's record 91,500. Depressed world prices resulted in larger-than-usual cotton stocks, and returns to farmers declined as production expenses continued to rise.

Citrus Output a Record, but Profits Down

Because of good yields, 1981/82 citrus production hit a record 1.7 million tons, despite reduced acreage. Most of the area taken out of citrus was in the Central Coastal Valley, as urbanization continued to encroach on farmland. This area contains most of the 50-year-old Shamouti orange groves, which have been declining in productivity and increasing in costs.

The large crop caused marketing problems, which were further complicated by the poor quality of some of the crop. About 112,000 tons had to be destroyed, and exports of fresh citrus declined. The citrus processing industry absorbed the largest quantity of fruit in its history, and apparently processors could not market a good part of their products, as more than 90 percent is slated for export. As a result, current carryover stocks are very large.

Israel's citrus industry is threatened with the accession of Spain into the EC, which would enormously increase the supply of tariff-protected citrus (and vegetables) in the Community. Israel has already experienced problems in keeping up with the newest EC member, Greece.

Because of the recent poor returns, citrus acreage and production are expected to decline, and unless the trend toward diminishing income can be reversed, the decline will likely gain momentum in coming years. The 1982/83 crop, which is still being harvested, is estimated at 1.3 million tons.

Subsidy Policy Vacillates

The impact of the reintroduction of livestock product subsidies became apparent in 1981/1982, as production of eggs increased sharply, and milk output also rose. The Government's producer price policy is very much consumer-oriented and is basically aimed at controlling inflation, although it is not always successful. This policy has caused severe marketing and production problems when sudden and sharp retail price increases brought about equally sudden drops in demand for the commodities affected, adding to the instability of this sector. Farm animals account for 40 percent of the agricultural outlay, and in recent years, the livestock sector has been subject to unstable conditions because of polar changes that have occurred in the subsidy strategies since 1979. In the past, and even as recently as 1980, the Government advocated a return to nonsubsidized agricultural production.

Strong Dollar Affects Value of Israel's Exports

The strong U.S. dollar further shrank Israel's 1982 export earnings. Israeli farmers depend heavily on exports, with 90 percent of the production of flowers, avocados and, indirectly oranges entering export channels. The United Kingdom, West Germany, and France are the main markets. Out of total agricultural exports of \$950 million in 1981, approximately 66 percent went to the EC, a share that has been maintained over the last 3 years. The U.S. share has been about 2 to 3 percent over the same period, primarily processed products. While the volume of exports rose in 1981, the dollar value remained flat since the currencies of Israel's major markets in Europe were lower in dollar terms. The value of Israel's agricultural exports was \$920 million in 1982.

U.S. Should Regain Corn Market

During 1982, South African exports of degermed corn to Israel reached 180,000 tons, encroaching on traditional U.S. corn exports. However, the drought in South Africa has caused difficulties in 1983 deliveries. Because its disastrous corn crop will necessitate imports, it is unlikely that South Africa can meet its commitments to Israel. Therefore, this may offer an opportunity for the United States to regain a larger share of the market.

Total U.S. exports in 1983 should remain at the 1982 level, with grains and soybeans the principal commodities. Opportunities for sustained expansion are limited, because Israel's population increases slowly and the country continues to try to hold down spending for imports.

1983 Off to Good Start

The first part of the 1982/83 rainy season has been excellent, with larger-than-normal rainfall in the usually arid southern parts of the country. As a result, bigger areas of wheat and barley have been planted, and better-than-average production is expected, probably in excess of 200,000 tons combined.

The declining profitability of cotton is expected to result in a limited return to coarse grain production. Cotton replaced much coarse grain area in the 1960's, and as production increased, so did productivity and the export market. More recently, however, with softer international prices, cotton farmers are feeling the pressure and have begun switching back to multicropping patterns.

As the profitability of Israel's agriculture continues to decline, the outlook for its farming community becomes somewhat clouded. The heavy dependence on exports—which in some major branches is an absolute one—creates a direct link between the Government's general monetary policies and farming profitability. Production credit terms are gradually being tightened, although credit for locally marketed produce has been reintroduced. As the export market becomes less profitable and sometimes a losing proposition, farmers become more disillusioned about the Government's role in resolving their problems. No efforts are being made to sustain the weakening cooperative farming sector, and members of this sector have even been urged to seek urban employment. The domestic and export profitability problems will result in further reductions in the crops most affected, such as hothouse roses, citrus, cotton, and vegetables. (Michael E. Kurtzig)

Jordan

Economic Growth Sustained

Jordan's steady economic expansion continued in 1982, as the GDP grew 20 percent at market rates and 8 percent in real terms. GDP was estimated at $4.7 billion, and $1,351 on a per capita basis. Increases in phosphate output, manufacturing, and wholesale and retail trade were reasons for the continued improvement. As new deposits have been discovered, phosphate production for export has become increasingly important.

Although the economy has been strained by Israeli occupation of the West Bank, Jordan's improved relations with Arab neighbors in recent years have had positive ramifications. In 1982, Jordan received about $1 billion in budgetary support from Saudi Arabia and other Arab donors. As a result of its emerging friendship with Iraq, Jordan has developed a lucrative transit trade, and has been given access to the Euphrates River in exchange for allowing Iraqi goods to enter through the port of Aqaba. Furthermore, about 300,000 Jordanians continue to work in nearby Arab countries and repatriate substantial funds.

While export volume has increased considerably since the late 1970's, imports have grown even more rapidly. Nevertheless, the estimated $2.4 billion trade deficit in 1982 was almost offset by Arab aid and Jordanian worker remittances, together totaling $2 billion.

Farm Production Slumps

Delayed winter rains, followed by sparse and irregular precipitation, seriously curtailed 1982 grain output for the second consecutive year. The 1982 wheat crop was only 15,000 tons, compared with 1981's 51,000 tons. Many farmers did not even produce enough seeds for 1983 sowings. Barley output was 7,300 tons, a decline from 19,000 in 1981. Although there have been ambitious plans for the cereal sector, the susceptibility of grain production to dry spells has prevented any real progress in expanding output. Furthermore, wealthier farmers have shifted some land formerly in grains into higher valued horticultural crops and tobacco.

The horticultural sector suffered from frost in the Jordan Valley in January 1982, which hurt the tomato and squash crops. Total vegetable output is estimated at 340,000 tons, down 10 percent from 1981. Production of tomatoes, Jordan's second largest farm export, was off, amounting to only 180,000 tons. The output of eggplant and cucumbers was about 40,000 tons each. Approximately 30,000 tons of olives were harvested in 1982, with about 70 percent of the crop crushed.

Fruit output was estimated at 120,000 tons in 1982, the same as in 1980. Citrus fruit—oranges, limes, and tangerines—made up about 50,000 tons. About 80 percent of the citrus crop is exported across the Jordan River or airlifted to the Persian Gulf and Europe. The output of melons was estimated at 45,000 tons, grapes 20,000 tons, and bananas 10,000 tons. The successes of the horticultural sector over the last 5 years stem from the introduction of drip irrigation equipment and plastic greenhouses in the Jordan Valley and from expanded fertilizer applications.

The livestock sector, composed of 1.5 million head of sheep, goats, cattle, and camels, is still fairly traditional, with steppe grazing and some bedouin ownership of animals. In 1982, meat output was about 7,000 tons, down from 9,000 in the mid-1970's, as grazing area has been curtailed by drought in recent years. Efforts are underway to develop fattening lots for sheep and cattle in southern Jordan. The poultry sector has been growing rapidly with the establishment of intensive broiler and egg farms. Poultry meat output was estimated at 29,000 tons in 1982, and 450 million eggs were produced.

No Crops Procured in 1982

There were no significant changes in price policy in 1982, as procurement prices on field crops remained at the high levels set in 1981. These are JD 100 ($340) per ton of wheat, JD 57 ($194) for barley, and JD 180 ($612) for red or white lentils. However, because production was extremely low, and cereal crops were not even enough to meet farmers' needs, the Government did not procure any of the 1982 output.

The Government continues to expand the amount of cheap credit available to farmers through the Agricultural Credit Corporation. Many of the loans have been used to finance irrigation projects, well drilling, the establishment of livestock projects, and fruit tree planting.

Dependence on Food Imports Increases

Jordan's farm imports have escalated from $185 million in 1975 to about $500 million in 1982, a consequence of rapid population growth, rising incomes, crop shortfalls, and an increase in reexports to Iraq. The country is a major entry point for Iraqi food imports. Jordan's primary agricultural imports are wheat and flour, corn, rice, sugar, meat, dry milk, and live animals, most of which are purchased by the Government.

Wheat and flour imports in 1982 were estimated at 400,000 tons wheat equivalent, about the same as in 1981. Wheat bread is the staple of the diet, and much of the imported wheat is used for producing Government-subsidized bread. In 1982, the United States was the major supplier, shipping 230,000 tons of wheat valued at $37 million and 25,000 tons of flour worth $195,000. Uruguay supplied at least 50,000 tons of wheat, and France 11,000 tons. Some wheat also came from Greece and Turkey.

Corn imports are trending upward as the poultry sector burgeons. Corn purchases were 155,000 tons in 1982, up from 135,000 in 1981. The United States supplied 153,000 tons valued at $16 million. Rice imports are estimated to have increased marginally to 38,000 in 1982. The United States has replaced Italy as the major supplier, shipping 23,000 tons worth $8.6 million.

Jordan's sugar needs are met entirely through imports, which were about 95,000 tons in 1982, up slightly from the year before. Major suppliers are South Korea, France, and West Germany. Also imported were an estimated 12,000 tons of red meat, mainly from New Zealand, 82,000 tons of milk and milk products from the EC, and 400,000 head of live sheep and cattle from Romania, Bulgaria, and Syria.

Jordan continues as a significant supplier of fruit and vegetables to Syria, Iraq, Saudi Arabia, and Kuwait. In 1982, citrus exports were 140,000 tons valued at $25 million. Exports of tomatoes were around 115,000 tons, down 12 percent from 1981. Approximately 25,000 tons of cucumbers, 27,000 of eggplant, 22,000 of marrow, and 10,000 of cauliflower were sold to nearby Arab countries. About 80 million shell eggs valued at $6.4 million were shipped to Iraq.

Larger Purchases of U.S. Grain Likely

Wheat, corn, and rice constituted 85 percent of U.S. exports to Jordan in 1982. Jordan's import demand for grains is considerable, even in years of favorable rainfall and good harvests. Wheat consumption, fueled by price subsidies, and feed use, heightened by expansion in the poultry and livestock sectors, are both growing rapidly, assuring the United States increased farm exports in the short term. (Susan Buchanan)

Lebanon

Economic Activities Faltered

The Lebanese economy was strained by the unhappy series of political events in 1982. The countless casualties, thousands left homeless, and hundreds of leveled buildings in Beirut and elsewhere wrenched the country. Persistent problems included restricted roads, power outages, communication breakdowns, water cutoffs, and labor shortages. While economic activities ground to a halt in the summer, later in the year businesses showed strong resilience as many functions returned to near normal. GDP is estimated to have grown slightly in current terms and was about LL18.6 billion ($3.95 billion) in 1982. However, given the inflation rate of almost 25 percent, in real terms GDP declined. GDP per capita was about LL6000 ($1,273).

While both imports and exports were down somewhat, the volume of trade proved to be less susceptible to catastrophe than might have been expected. The merchandise trade deficit was around LL6 billion ($1.27 billion). Capital inflows, including remittances, profits of Lebanese firms abroad, foreign assistance, and investment funds, outweighed the trade deficit, leaving a slight balance-of-payments surplus.

About $135 million in emergency and relief assistance from international organizations, country donors, and private voluntary organizations were disbursed in 1982. Other pledges of aid and loans from diverse sources have been promised to Lebanon's reconstruction effort, which the Government estimates will require $13 billion, a sum which may be on the high side. At least $4 billion is expected from the Arab oil States.

Farm Output Constrained by Invasion

Wheat production has been on a downtrend since the late 1970's and, in 1982, was only an estimated 20,000 tons, about half of the quantity averaged during the last decade. Barley output, about 6,000 tons, was below the previous 2 years. Declines in grains resulted from sparse rainfall during the winter sowing period, from the continuing shift of land from cereals to horticulture, and from the invasion of the Beqaa Valley, the main wheat-growing area. The production of lentils and chickpeas in 1982 is estimated to have been unchanged at 2,000 and 3,000 tons, respectively.

Fruit crops are the the most important sector of Lebanon's agriculture. Output has been gradually expanding, led by increases in citrus, apples, and grapes, which are major exports. However, in 1982, the output of oranges, tangerines, lemons, and grapefruit declined marginally to an estimated 300,000 tons. Production of apples and and output of grapes were both slightly lower at 105,000 tons and 140,000 tons, respectively. Some orchards were damaged during the invasion, and part of the fruit crop was unharvested because producer prices were very low.

The olive crop, estimated at 45,000 tons, was up substantially from the low harvest of 1981. About 75 percent of the crop is crushed. The large fluctuations in olive production stem from traditional harvesting methods, which damage branches and young shoots, and from the biennial cycle of olive trees.

Excellent opportunities for potato exports to Arab markets have stimulated the steady expansion in output, which reached about 150,000 tons in 1982. Onion production appears to have increased slightly from the previous 2 years, reaching about 15,000 tons. The output of off-season garden vegetables grown in greenhouses has gradually been expanding and was up slightly in 1982.

The decline in sugar beet production was reversed in both 1981 and 1982, a consequence of increased support prices. Although tobacco is supported at relatively high prices, output has dropped in recent years, largely because of hostilities in the South, the main tobacco region.

Production Policies Unchanged

As in recent years, the Government did not procure any grain in 1982, principally because of the strict security measures imposed on the country. However, relatively high support prices for grain are still on the books. Apparently, the Cereals and Sugar Beets Office did procure some beets in 1982, and it paid a premium of $57 a ton above prevailing producer prices.

The most heavily controlled crop in Lebanon is tobacco, for which the Government determines output, prices, and distribution. In 1982, producer prices for tobacco were increased about 15 percent and ranged from $2,275 to $3,150 a ton of oriental leaf tobacco.

Free-market producer prices were generally low last year as major arteries were closed by Israeli forces, restricting marketing. Furthermore, increased imports of Israeli fruit and vegetables apparently led to a reduction in some local farm prices.

Farm Imports Down

Lebanon relies heavily on food imports, which supply over 90 percent of the grains, beef and mutton, sugar, oilseeds, and rice consumed. Wheat imports fell slightly in 1982, since silo storage was full after milling activities slowed, and because of the size of carryover stocks. Total purchases were about 355,000 tons of wheat and 15,000 tons of flour. Under a long-term agreement, Canada was the major wheat supplier, shipping 150,000 tons in 1982, followed by the EC sending 100,000 and the United States 50,000. Lebanon has negotiated with Canada to discontinue their wheat agreement, partly because of a disagreement between the two countries over price and freight charges. Because the Beirut Port elevator was full in late 1982, vessels delivering Canadian wheat ran up high demurrage costs.

About 25,000 tons of rice were imported from Italy and Egypt in 1982. Feed grain imports were an estimated 225,000 tons of corn and barley, well below the 315,000 purchased in 1980, as reexports fell because of the security situation. About 110,000 tons of corn were of U.S. origin.

Livestock and meat imports in 1982 were about 75,000 head of live cattle and about 4,500 tons of chilled beef from Europe, 3,500 tons of chilled mutton from Turkey, and 10,000 tons of frozen beef from Argentina. These quantities were slightly below 1981 imports. Since the Government banned all poultry imports in March 1982 to encourage local production, frozen poultry purchases have declined considerably to about 2,000 tons, from 7,000 in 1981.

About 75,000 tons of refined sugar were purchased in 1982, close to 1981 imports. Origins were France, Belgium, and the USSR. Nearly 80,000 tons of oilseeds were imported, including 42,000 tons of soybeans from the United States. Of the 30,000 tons of soybean meal and cake imported, the United States supplied 7,000 tons. Most of the meal and cake were reexported to Syria and Iraq. Lebanon also imported about 10,000 tons of vegetable oil in 1982.

After the June 1982 invasion, imports of Israeli fruit, vegetables, and eggs increased considerably. However, towards the end of the year, these deliveries fell as Lebanese middlemen refused to handle the foreign produce. The total value of Lebanese farm imports from Israel in 1982 was estimated at $40 million.

Farm Exports Slumped

Lebanon's major exports—citrus fruit, apples, potatoes, eggs, and leaf tobacco—as well as reexports of lentils, soybean meal, and feed grains, were off in 1982. The closing of highways hampered internal distribution of crops, and cuts in electrical power and communications hindered storing and packing. Fruit exports plummeted 19 percent in volume, with citrus fruit showing the largest declines. Exports of oranges, tangerines, lemons, and grapefruit were 125,000 tons, compared with 172,000 in 1981. Another factor contributing to the decline was Syria's new restriction on citrus imports. Lebanon's apple exports were down 4 percent to 66,000 tons.

Egg exports declined about 5 percent to 420 million eggs, shipped mostly to Iraq and Kuwait. Potato exports fell marginally to about 60,000 tons. Lentil reexports were down to about 10,000 tons. Exports of leaf tobacco were apparently 4,000 tons, down 10 percent from last year. Most of the leaf tobacco is bartered to U.S. and European companies in return for manufactured tobacco items. Reexports of soybean meal and oil, mainly to Syria, Iraq, and Jordan, have been declining as a result of the war and were an estimated 15,000 tons each in 1982.

Imports Expected To Rebound

U.S. farm exports to Lebanon fell 44 percent to $54 million in 1982. Tight security conditions, a sizable wheat carryover, and a drop in reexports of feed grains and oilseed products were factors. As the military situation subsides and reconstruction ensues, imports are expected to recover and expand. Since Lebanon's grain output is declining and the agreement with Canada may be abrogated, the outlook for U.S. sales is promising. (Susan Buchanan)

Saudi Arabia

Oil Output Down Sharply

Responsibilities as the leader of OPEC created difficulties for Saudi Arabia last year. The glut in world petroleum supplies was exacerbated when Iran's exports increased fourfold between early 1982 and February 1983. During that period, Saudi Arabia reduced output from over 10 million barrels a day to about 4 million as part of the effort to maintain the official OPEC price of $34 a barrel. The plan, however, was not sufficient to prevent a price decline to $29 a barrel, as greater exports by Iran and Mexico tended to offset Saudi Arabia's reduced extraction. In the coming year, Saudi Arabia will continue to bear the brunt of the scheduled reduction in OPEC petroleum output, and this will cause a traumatic setback in its GNP. Petroleum output would need to be 6 million barrels a day at the $29 price to prevent the Saudi Arabian Monetary Authority from cashing in some of the reserves invested in certificates of deposit and Treasury bills in the United States.

Saudi Arabia's GNP fell from $155 billion in 1981 to about $133 billion in 1982, and exports declined from a peak of $119.7 billion to about $77 billion. Petroleum accounted for over 98 percent of the exports, and fertilizer, processed food, and fresh vegetables made up the remainder. Real GNP rose 80 percent in 1980 and 6 percent in 1981, but it declined about 39 percent in 1982. Rising income from construction, industry, services, agribusiness, and foreign investments helped to cushion the setback in petroleum revenues. Saudi Arabia's foreign investments were estimated at $175 billion in 1982, substantially exceeding its GNP. These provided an income of about $20 billion.

Consumer demand increased about 8 percent in 1982, with substantial gains in the standard of living and higher wages paid to foreign workers. The inflation rate fell to about 4 percent, and intense competition among foreign suppliers caused food prices to decline.

Agribusiness Expands

Agricultural production increased 10 percent in 1982, in contrast to a gain of 13 percent in 1981. Commercial farming has become a profitable activity because of the package of subsidies available. An astronomical wheat procurement price of $28 a bushel or $1,045 a ton has precipitated a dramatic increase in production. Wheat output in 1982 was about 360,000 tons, ten times a decade earlier. Further gains in wheat production, to about 500,000 tons in 1983, are projected, with acreage and yield increases. However, response to the wheat procurement price has been so great that it will be reduced in the future.

Vegetable output increased about 9 percent to approximately 2.3 million tons in 1982. Yet, imports of vegetables rose at a faster pace because of bargains provided by Turkey and Jordan and because more land was planted to wheat. Watermelon output expanded by about one-tenth to approximately 850,000 tons, and tomato production increased 11 percent to about 620,000 tons. The output of onions during the winter has soared to over 100,000 tons annually. Seasonal exports of melons and tomatoes to the Gulf countries, Iraq, and Lebanon approached $50 million in 1982. Demand for these vegetables has increased markedly as the number of foreign workers in the country has risen.

The output of livestock products increased about 28 percent in 1982, triple the overall rate of gain for farm items. Broiler operations expanded near major cities, and the output of poultry meat rose 30 percent to about 105,000 tons. Egg production increased about 25 percent to nearly 90,000 tons, providing for over half the local demand. Nevertheless, egg prices remained near $2 a dozen. Prices for beef and mutton are still relatively high in contrast to imported poultry. Local beef output increased to about 27,000 tons. Attractive prices and improved marketing facilities have stimulated more farmers to take advantage of the subsidies and credit opportunities offered when they produce livestock products and vegetables.

Agricultural Policy Dominated By Subsidies

Saudi investments in agriculture now exceed $1.5 billion annually. Loans provided by the Agricultural Credit Bank were about $1 billion in 1982, usually interest free. For certain types of food, the Ministry of Commerce provides subsidies to importers who are willing to keep their profit margins within specified price guidelines. The goal of the import subsidy policy is to control inflation and provide a mechanism for improving food quality. The subsidy program was effective in reducing inflation in food prices during the last 2 years. Yet, grocery prices in Saudi Arabia are still about one-third above retail prices in the United States.

Subsidies for imported feed usually exceed 70 percent. The Agricultural Credit Bank pays 45 percent of the cost of machinery and trucks used by farmers and nearly all of the cost of establishing irrigation systems. Original plans to pay half the cost of fertilizer have been revised to pay a larger share.

In the last 2 years, Saudi Arabia purchased about $8 million worth of breeding cattle from the United States. Subsidies were paid for the cattle's air freight, and feedlot managers received payment for their air travel to purchase the cattle.

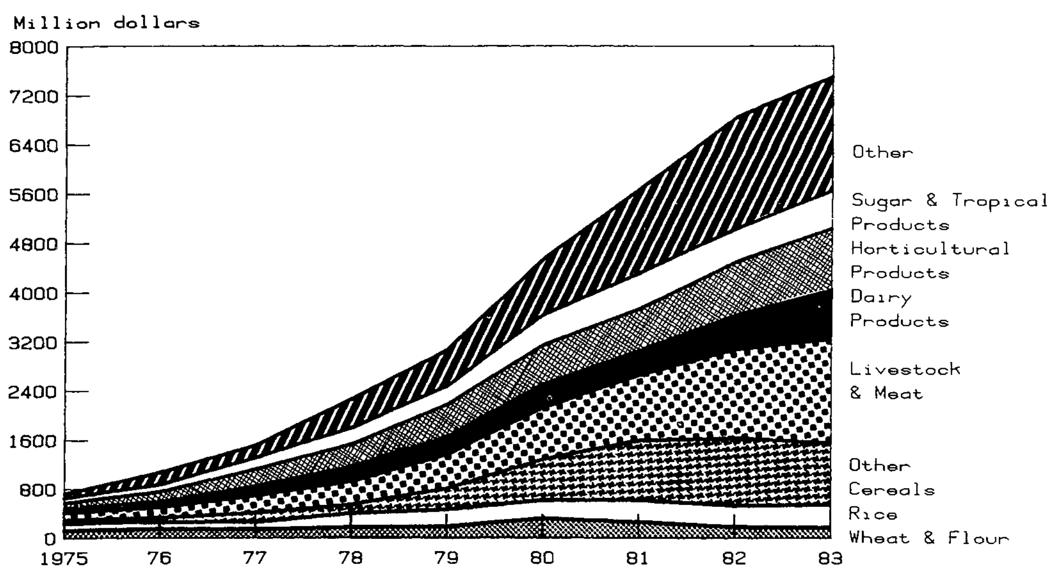
U.S. exports of seed and nursery stock to Saudi Arabia are about $10 million annually. Most farmers get a 100-percent subsidy for purchases of seed and fruit trees.

Imports Rising at a Slower Pace

Saudi Arabia is the leading agricultural importer among all third-world countries. It accounts for about one-fourth of OPEC'S total agricultural imports and a slightly smaller share of all the food imports of the 22 countries in the Mideast and North Africa. In 1982, Saudi agricultural imports increased by 17 percent to $6.7 billion, down from a 29-percent climb in 1981. Lower prices and diets that have already been sufficiently improved contributed to the slowdown. The boom in imports of live sheep was affected by Australia's drought.

EC agricultural exports to Saudi Arabia reached a record $2 billion in 1982, despite the sharp setback in wheat flour deliveries. U.S. agricultural exports to Saudi Arabia rose 6 percent in 1982 to $486 million. Transit shipments of U.S. barley through Singapore and processed foods through Europe were about $80 million in 1982. However, imports of barley may be near the saturation point, after surpassing 2 million tons in both 1981 and 1982. Plans to lower subsidy payments for imported barley subsidy, have temporarily stalled purchases.

Saudi Arabia's Agricultural Imports



Remarkable improvements in the average diet and distribution of food for millions of foreign workers contributed to the ascension of Saudi Arabia as the world's fastest growing major importer of processed food. Over 95 percent of the processed food sold in grocery stores is imported. Imports of processed food now exceed $4 billion annually.

Imports of cereals skyrocketed from only 1 million tons in 1979 to about 4.6 million in 1982, placing Saudi Arabia second to Egypt among Mideast grain importers. Subsidies for feedlot operators caused barley imports to rise from only 54,000 tons in 1978 to over 2.5 million in 1982, when corn and sorghum imports approached 1 million tons. A continuation of the subsidy system is likely to result in further gains in grain imports, possibly to 5 million tons in 1983. Local production will remain below 400,000 tons.

Wheat imports rose to about 800,000 tons in 1982—quadruple the 1978 level. Greater output by new flour mills caused imports of wheat flour to decline to less than 150,000 tons in 1982—about half the 1981 volume. Rice imports increased to 600,000 tons, although Thai deliveries declined. U.S. shipments rose 19 percent to 315,000 tons, partly because facilities in Jeddah package this rice in cellophane bags with Arabic labeling, so the product is easily marketed.

Imports of some other bulk farm products have also become substantial. Vegetable oil exceeded 200,000 tons in 1982, including about 100,000 tons of palm oil from Singapore. Imports of U.S. corn oil and EC soybean oil have remained strong, despite the upsurge in imports of palm oil. Vegetable oil imports may rise to 300,000 tons by 1985. The proliferation of fast food shops and modernization of the diet will spur the use of cooking oil.

There are still few crushing facilities for soybeans, and their capacity is limited. However, new plants to crush over 100,000 tons annually should be in operation by 1990. Imports of soybean meal were about 100,000 tons in 1982.

Imports of livestock and products were about $2 billion in 1982, triple the 1976-78 average. Meat imports were nearly $800 million, slightly greater than the value for dairy products. Imports of live animals reached $850 million in 1982, mostly because of the arrival of 6 million sheep.

Horticultural products accounted for about $1 billion of the 1982 imports, double the 1976-78 average. Apples, bananas, and grapes increased markedly and were from a wide range of suppliers. Saudi Arabia spends about $1 billion annually for imports of beverages and ingredients. Pepsi Cola built three large bottling plants recently, and as a result imports of soft drinks dropped. Yet Saudi Arabia is still the leading importer of fruit drinks, mostly from East Asia. New facilities to prepare fruit juices locally from imported concentrates are under consideration.

U.S. exports of frozen vegetables to Saudi Arabia are on an upward trend. The value could surpass $25 million by 1985—up from $1 million in 1982. U.S. exports of canned vegetables could rise from 1982's $8 million to over $30 million by 1985. Total imports of tomato products were valued at about $100 million in 1982, but the U.S. share was less than 3 percent. Italy, Greece, and Turkey were major suppliers. However, U.S. sales of canned corn, beans, cowpeas, and pickles have done well.

Last year saw larger sales of fresh fruit by American firms, particularly apples and pears. However, France had a large apple crop in 1982, and it will become a stronger competitor in 1983. Air freight deliveries of fresh peaches, plums, and strawberries have increased markedly in recent years.

Competition Intense for Saudi Market

Competition for the Saudi market is a major problem facing U.S. exports of farm products. In 1974, the first year of increasing petroleum revenues, the U.S. share of the Saudi market was about 23 percent. As its wealth grew and competition increased from other suppliers, the U.S. share dwindled. By 1980, it was 8 percent, and it fell to 7 percent in 1982. Most of this came about because of competitors' aggressive marketing efforts, use of subsidies to provide more attractive prices, and the willingness to service relatively small orders for high-value products.

It will be difficult for the United States to regain its lost share. Foreign competitors are providing most of the items showing rapid growth, particularly processed food. The United States has, however, been able to provide over half of the rice because of investment by American firms in packaging facilities at Jeddah. Depending on the extent of the decline in Australian barley deliveries due to the drought, U.S. exports of feed grains to Saudi Arabia could approach 1 million tons in 1983 and 1984, a tenfold increase over 1982.

In 1983, U.S. agricultural exports to Saudi Arabia might rise by one-fifth to nearly $600 million. But, EC agricultural exports may reach $2.5 billion. (John B. Parker)

Syria

Economy Grows, but Problems Persist

Syria's real GDP grew an estimated 8 percent in 1982, down slightly from the year before but still healthy. Because of the high population growth of 3.8 percent, per capita income rose only 2.1 percent to $1,515. Syria's current economic buoyancy is the result of substantial receipts in Arab aid (estimated at over $1 billion annually) and other foreign assistance. The bountiful farm output of earlier years also induced some of the growth in 1982.

Nevertheless, Syria has a number of persistent problems. Oil production declined from 190,000 barrels a day in 1976 to 160,000 in 1982, and petroleum exports slipped. Remittances from Syrians abroad fell about 35 percent from the peak in 1979. In the last 2 years, inflation has been about 18 percent annually. Other factors limiting economic growth are pervasive government regulations, problems with public-sector management, periodic foreign exchange shortages, and increased import demand.

Syria's merchandise trade deficit has been rising and was estimated at $2.6 billion in 1982. However, it was almost offset by foreign aid receipts and remittances, leaving the balance of payments with a slight deficit.

Cereal Output Falls Sharply

Rains were adequate in northern cereal areas, but they were late and below normal in the southern grain belt. Wheat output slumped 20 percent to 1.4 million tons, while barley production collapsed to 630,000 tons, 55 percent below 1981's high output. As corn area expanded, production increased from 66,000 to 70,000 tons. The output of lentils and chickpeas retreated about 25 percent for each crop.

Cotton, Syria's major farm export and an important industrial crop, showed a strong advance, with output at 410,000 tons of seed cotton, compared with 355,900 in 1981. Earlier plantings of new varieties, better pest control, use of new lands, and higher producer prices were factors behind the rise.

Tobacco production was estimated at 13,000 tons, a slight increase from 1981. Because of increased acreage, sugar beet output likely expanded 20 percent to 700,000 tons. Sugar beets are a competitor with cotton, and in past years, land was switched from cotton to beets, a trend currently being discouraged through Government price adjustments.

Olive output rose 30 percent to over 370,000 tons in 1982, much of which was due to the biennial bearing pattern of olives and planting of new seedlings. Because of an increase in the number of bearing vines, grape output has been on an upward trend, with production about 370,000 tons in 1982. Production of apples grew 10 percent to 110,000 tons, primarily from a gain in the number of fruit-bearing trees. Expanded tree plantings contributed to abundant almond and pistachio crops. Production of vegetables, about 2.3 million tons in 1982, has increased considerably over the last decade, a consequence of heavy demand due to urbanization and rising incomes.

Sheep numbers and sheep fattening and slaughtering activities have been expanding because of strong domestic demand and attractive export opportunities in nearby Arab markets. On the other hand, growth in the cattle sector has been sluggish because of problems in developing State dairy farms and the prevalence of disease. The poultry sector is expanding, with output in 1982 estimated at 45 million broilers and 1.3 billion table eggs. Periodic feed shortages and the overproduction of eggs in 1981 are among the problems that have plagued this sector.

Official Farm Prices Raised

In January 1982, higher procurement prices for grains, lentils, cotton, sugar beets, and potatoes were instituted to offset increased production costs. Wheat prices were boosted considerably in hopes that farmers would switch to wheat from barley and chickpeas. (However, the 1982 wheat and barley crops had already been sown.) Wheat prices were augmented 25 to 27 percent to an average $323 a ton. Because of recent barley surpluses, the price was raised only 5 percent, less than the increase in production costs. Lentil and chickpea prices were boosted 18 to 26 percent and 4 percent, respectively. Official corn prices were raised to $397 a ton. While corn has never actually been procured, the General Organization for Fodder may begin making purchases shortly, as feed demand is high.

Agricultural Imports Escalate

Syria's agricultural imports increased from $364 million in 1975 to an estimated $650 million in 1982. Cereals accounted for almost 25 percent. U.S. exports were $48 million last year, about 7 percent of total farm imports.

Wheat and flour imports were off in 1982, because of large stocks. Moreover, Syria has been moving from imports of flour toward more wheat, as domestic milling capacity has expanded. Wheat flour imports dropped from 195,000 tons in 1981 to 100,000 in 1982, while wheat purchases rose from 25,000 tons to about 85,000. In 1982, France supplied 38,000 tons of flour, and Turkey 10,500 tons. The United States shipped 51,000 tons of wheat valued at $8 million, and France sold 30,000 tons at $4.6 million.

Imports of corn have expanded considerably in recent years because demand for poultry feed is high. The General Organization for Fodder purchased about 300,000 tons in 1982, compared with 200,000 in 1981. The United States continues to be the major supplier. In 1982, imports of soybean meal used in dairy feed were about 85,000 tons, supplied by the United States and Brazil.

The Organization for Chemicals and Feedstuffs imported about 100,000 tons of raw and 200,000 tons of refined sugar in 1982, together up nearly 15 percent from 1981. The United States shipped no sugar last year, after sending 11,500 tons in 1981.

The Organization for Tobacco bought about 3,500 tons of tobacco leaf, mainly from Zambia and Zimbabwe, off from 4,500 tons in 1981. Since mid-1981, the Government has banned cigarette imports to conserve foreign exchange, yet quantities are being smuggled into the country.

Syria's exports of medium staple cotton were down slightly to 67,000 tons. Major destinations were the USSR, Czechoslovakia, and Algeria. Cotton lint exports have declined in recent years, as the Government has boosted exports of textiles. In 1982, an estimated 300,000 tons of barley were exported to nearby Arab countries. Other farm exports included 15,000 tons of lentils and 26,000 tons of chickpeas.

Grain and Feed Import Demand Strong

Toward the end of 1982, Syrian wheat stocks were very low, but forecasts for the 1983 wheat crop are favorable. The Government is contracting for large purchases, as import needs in 1983 are expected to be 700,000 tons of wheat equivalent. U.S. wheat sales will at least triple, as 150,000 tons have already been sold. EC sales should also expand. Imports of corn and soymeal are forecast to grow considerably as poultry requirements escalate. However, a possible constraint to import growth is the shortage of foreign exchange. (Susan Buchanan)

Turkey

Balance of Payments Improves

Turkey's GNP, which rose 4.3 percent in 1981, broke the declining trend in real growth that began in 1974. Growth in 1982 was 4.4 percent. Much of the inflation that plagued the country in the late 1970's has dissipated, falling from a record 107 percent in 1980 to 25 percent in 1982. The Government's current program intends a further reduction in inflation, which implies continued tight money and credit policies and a modest increase in agricultural support prices, as was the case in 1982. Total exports continued to expand, although at a much slower pace than in 1981. Last year's exports reached $5.7 billion, compared with $4.7 billion in 1981 and $2.9 billion in 1980. The share of industrial exports grew to 57 percent, compared with 48 percent in 1981, although a portion of industrial exports are agriculturally based. Agricultural exports remained about the same.

A realistic exchange rate adjusted daily, a series of export incentives including credit and tax advantages, and a flat domestic demand situation all contributed to a 60-percent increase in exports in 1981 and a 21-percent estimated rise for 1982. Remittances from Turkish workers overseas were a record $2.5 billion in 1981, but they declined to $2.2 billion in 1982. Favorable oil prices lowered import costs and reduced the balance-of-trade deficit to an estimated $3 billion, compared with $4.2 billion the previous year. Despite this showing, the nation's number one problem remains unemployment. While anti-inflationary policies have aggravated it, Turkey has a structural unemployment problem brought on by a very high birth rate and reduced exportation of labor to Europe.

Turkey's balance of payments is rapidly improving because of the continuing boom in exports and a slight decline in the import bill in 1982. Progress in the country's external accounts has been impressive.

Agricultural Output Sharply Higher

Led by a record wheat harvest of 13.8 million tons, Turkey's 1982 agricultural output grew by an estimated 5.1 percent. Favorable weather in recent years, combined with improving agricultural technology and widespread use of fertilizer and pesticides, has been responsible for consistently higher yields.

Barley output was a record 6 million tons, up 1.6 percent from 1981. Projected barley exports for 1982/83 are 500,000 tons, more than twice that of the previous year. Despite the record wheat crop, Turkey imported 300,000 tons of wheat, all from the United States, purchased before the large harvest became apparent. For the first time in 2 years, TMO, the Turkish Government's purchasing agent, was able to purchase sufficient amounts of wheat to meet both its domestic requirements and export commitments. Turkey will export an estimated 500,000 tons of wheat in 1982/83. Substantial amounts will go to Iran and Iraq in exchange for oil, with additional sales to Poland, Egypt, Jordan, and Libya.

The 1982/83 oilseed production is estimated at 1.6 million tons, about 10 percent above the previous year's output. Cottonseed production remained at last year's level, despite reduced area because of low market prices the previous year. Sunflowerseed output increased, mostly from expanded acreage. Nevertheless, farmers still complain about seed degeneration, and crushers confirm farmers' concerns, indicating that the oil extraction rate in 1982 was 39 percent, compared with 41 percent the previous year. Domestic oil supplies were inadequate to meet demand, and margarine manufacturers were permitted to import almost all their requirements. Consequently, about 141,000 tons of vegetable oil (127,273 tons of soybean oil) were imported from November 1981 to August 1982. This trend is expected to hold for 1982/83, although some margarine manufacturers who own crushing facilities would prefer to import soybeans from the United States.

Turkey has made dramatic strides in pulse output and has encroached substantially on U.S. exports to Middle Eastern and North African markets. Production in 1982 was estimated at 950,000 tons, up 14 percent from the previous year. Turkey has made a concerted effort to meet the increasing pulse demand in the region and has succeeded in exporting ever larger amounts. Last year, exports were estimated at 430,000 tons.

The number of milk animals and the milk produced continued to increase during recent years, as the Turkish Government encouraged the development of a modern dairy industry. In spite of significant increases in input costs, dairy farming continues to be profitable because of a relatively high local price for milk and other dairy products. Most of the milk is used for cheese, yogurt, and butter. Direct fluid milk consumption is still limited.

Over the last 2 years, retail prices of red meat doubled and resulted in reduced demand for mutton, lamb, and goat meat. Output of beef remained about the same as in the previous year. On the other hand, the poultry industry continues to develop rapidly. As the commercial sector expands, traditional village poultry raising is losing its relative importance, although about 30 percent of all eggs and poultry meat are still produced in villages. All of the broilers are raised on commercial farms adjacent to large consuming areas.

Policy To Increase Productivity and Rural Incomes

The continued growth of Turkey's agriculture in 1982 was due in large part to cultivation of previously fallow areas and the planting of second crops where feasible. Fertilizer prices were held down to encourage greater use. The Government expects to continue to promote agricultural productivity and seek to increase real incomes in the rural sector. There is still a substantial disparity between rural and urban incomes. Work on irrigation projects is being accelerated. Ten projects completed in 1982 will provide irrigation to another 115,000 hectares; 19 projects, which are expected to be completed in 1983, will add another 185,000 hectares.

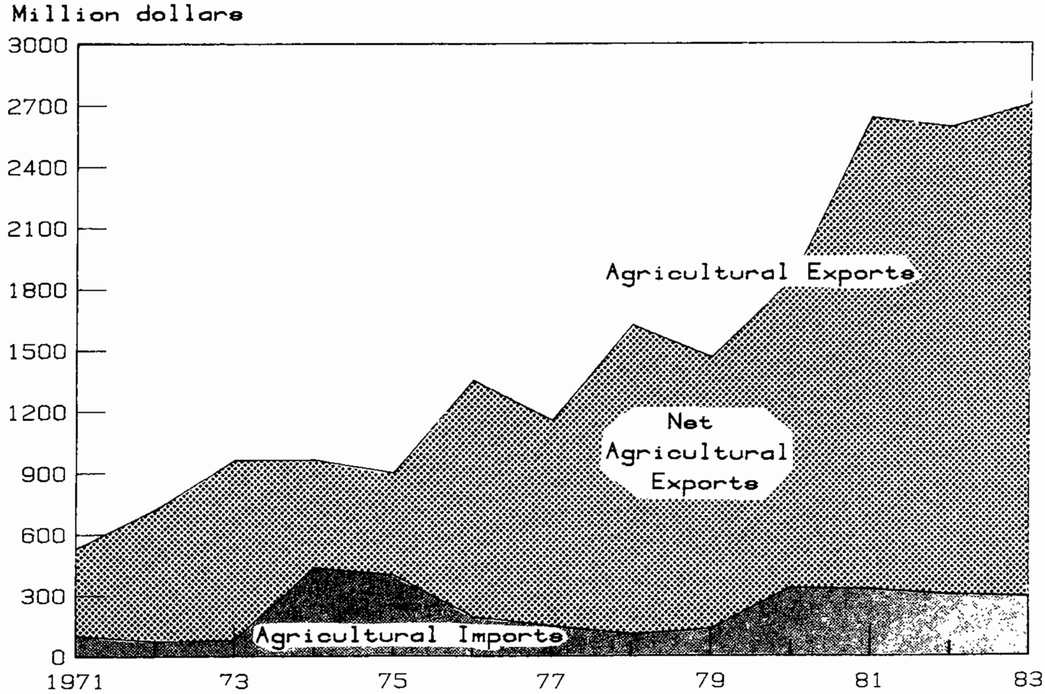
The Government introduced the production of soybeans as a secondary crop following wheat, but this practice was only marginally successful. While soybean production increased to nearly 40,000 tons in 1982, marketing difficulties imposed a particular handicap for this crop.

Last year, agricultural inputs were readily available, although their prices increased more sharply than those of commodities. Except for fertilizers, which are still subsidized by the Government, all other inputs do not have any direct subsidy. Fuel prices were increased in parallel with the devaluation of the lira, and prices of other inputs followed free-market trends. Continuing lira devaluation and the high cost of credit increased the cost of all imported materials, including farm tools, machinery, and parts. Yet, the mechanization of agriculture continues.

Agricultural Exports Make Impressive Gains

The most impressive indicator in Turkey's economy in 1982 was the performance of the export sector. Striking gains in sales of various food items to the Middle East and Europe contributed to a 39-percent increase in the value of Turkey's agricultural exports in 1981, to a record $2.6 billion. Preliminary estimates for agricultural exports for 1982 are about the same. Agricultural exports to the Middle East and North Africa reached $770 million in 1981, with Iran taking about one-third. Exports to Turkey's traditional market, the EC, totaled nearly $800 million, up $100 million from the previous year. The EC remains a very important market for Turkey's exports of nuts and dried fruit, and in 1980 and 1981, it accounted for about 64 percent of exports of these commodities.

Turkey's Agricultural Trade



Turkey's exports of livestock and animal products became exceedingly important during the last 2 years. While total foreign exchange earnings from these were only $87 million in 1978, they reached $600 million in 1982 and led all other agricultural exports. Most livestock and products were exported to neighboring countries.

The traditional leader in agricultural exports, cotton, dropped to third place following livestock and tobacco. Filberts, which had seen record exports in 1980 ($394 million), dropped to fourth place at $240 million.

Fresh citrus exports have increased considerably during the last few years. While data on processed citrus products are not available, it is estimated that 10 to 20 percent of the citrus is processed. In addition, it is estimated that a very small percentage of the processing capacity is being used because of limited demand from domestic and foreign markets. Exports of citrus products have been very small because of serious competition from other exporting countries.

Turkey has carefully avoided taking sides between Iran and Iraq and has benefited most from the gradual improvement in the Iranian market. In March 1982, it signed an agreement that will provide $1 billion in annual sales to Iran. Purchases from Iran will mostly be oil; the sales will be sugar, wheat, meat, tractors, and electrical appliances. In 1980, Turkish exports to Iran were $87 million; in 1982, they were over $500 million.

U.S. Exports Somewhat More Diversified

U.S. sales to Turkey for fiscal 1982 totaled $106 million. Sales largely depend on the vicissitudes of Turkish wheat output; therefore, large amounts were essential last year. Furthermore, early in 1983, the United States provided Turkey with $43.2 million of GSM-102 credit for the purchase of U.S soybeans, meal, and oil. Turkey also plans to expand its soybean output and has purchased 2,500 tons of U.S. seed. Whether Turkey imports wheat again will depend on April-May rains. A harvest 10 percent below last year's could result in imports of 1 million tons.

Agricultural Exports Level Off

Over the foreseeable future, Turkey will remain heavily dependent on foreign oil and therefore on the vagaries of international prices. On the trade side, Turkish exports to the Middle East have grown dramatically, but the region is unstable, and during the latter half of 1982, markets for major exportable agricultural products stagnated. On the other hand, Turkey's shortage of vegetable oil is substantial, forcing imports of 150,000 tons last year. Approximately the same is forecast for this year. Turkey has the capacity to increase production of other oilseeds, but at some cost both in terms of producing other crops and to the treasury, since prices will have to be raised as an incentive to farmers. (Michael E. Kurtzig)

United Arab Emirates

Total Exports Down

Abu Dhabi's policy of constraining petroleum production in 1982 kept output by the United Arab Emirates (UAE) at a subdued level of only 1.2 million barrels a day in 1982, compared with 1.6 million in 1981. Total exports declined from $20 billion in 1981 to about $17 billion in 1982, while total imports rose 12 percent to about $11 billion. As business with Iran dwindled, bankers and merchants in the UAE shifted to Iraq as a leading foreign customer.

Investments in American bank shares and common stocks grew in 1982, and plans to continue them in the United States, Europe, and Singapore are underway. These plans, combined with large loans to Iraq, call for plans to boost petroleum output by about 40 percent in 1983. New discoveries of oil in Ras-al-Khaimah have added to the country's reserves, which approach those of Iran.

The GNP remained steady at $30 billion in 1982, despite the $3 billion decline in petroleum revenues. Greater income from foreign investments and payrolls generated by several large projects designed to produce bottled natural gas, petrochemicals, and consumer goods helped offset the decline in exports.

Crop Yields Improving

Unusual rainfall in spring 1982 contributed to bumper harvests of tomatoes, cucumbers, and melons. An expansion in the use of modern irrigation equipment should result in further gains in 1983. Vegetable production increased about 11 percent to nearly 128,500 tons in 1982, double the 1976 volume. Tomato production surpassed 60,000 tons. Supplies were so large in April 1982 that prices fell to 23 cents a kilogram, and some tomatoes were exported. The production of melons, cucumbers, and squash has expanded considerably. Date orchards in Ras-al-Khaimah and Al Ain are now very productive. Date production surpassed 44,000 tons, and citrus output exceeded 30,000 tons, a result of good yields in Fujarah.

The output of poultry meat increased to about 17,000 tons, but imports rose to 47,000. Nearly half of the eggs are now produced locally. Livestock numbers continue to rise, and improved slaughter facilities and refrigeration have spurred interest in livestock farming.

Government subsidies for the construction of buildings for livestock and greenhouses for vegetables have encouraged investments in agribusiness. Subsidies pay for all the cost of seeds and over 50 percent of the expenses for fertilizer and animal feed.

Imports Increased Slightly

Agricultural imports increased about 8 percent to approximately $1.3 billion in 1982. The transit trade with Iran was phased out in late 1981, and very little activity occurred in 1982 because of Iran's nationalization of food trade and strict regulations concerning its currency. Traders in Dubai reduced imports of rice and processed food for sale to Iranian customers in late 1981, and in 1982, they searched for contracts in the Yemen Arab Republic and Iraq to unload stocks of items that had accumulated.

Demand for imported food in the seven emirates increased in 1982, as immigrant workers improved their diets. Imports of Australian wheat rose to about 135,000 tons. However, imports of wheat flour remained steady at about 15,000 tons, with most of the supply coming from the United States and the EC.

U.S. agricultural exports to the UAE declined 8 percent to $56 million in 1982. The loss was in sales of rice destined for Iran. However, new markets for U.S. corn and soybean meal opened up as local poultry operations expanded. Also sales of apples, pears, and processed food remained strong.

Brazil continued to sell more frozen poultry to the UAE, and total imports of poultry meat from all sources rose to about 48,000 tons in 1982. EC agricultural exports reached $270 million. Larger sales of dairy products, sugar, and beef contributed to the rise. (John B. Parker)

Other Countries on the Arabian Peninsula

Favorable Prospects for U.S. Exports

The six countries included in this section all experienced a spectacular growth in food imports in the recent decade as the average diet improved. Each is noted for certain economic roles that provide them with good prospects for future income and potential purchases of U.S. farm products. They include:

Kuwait - A wealthy petroleum exporter with sophisticated financial and trade services.

Qatar - The smallest Mideast OPEC exporter, with great reserves of natural gas and large industrial projects underway.

Bahrain - A leading center for services to the other countries and the second major world center for offshore banking (with loans to governments and corporations located outside Bahrain).

Oman - A significant petroleum exporter with rapidly growing food imports and plans to develop a fishing industry.

The Yemen Arab Republic (YAR)-The source of 1 million workers for Saudi Arabia and, consequently, has large remittances that enable it to finance greater food imports and agribusiness.

The People's Democratic Republic of Yemen (PDR)-The service center for ships proceeding to the Suez Canal and an importer of food from various sources through barter agreements made with socialist countries.

Agriculture accounts for less than 10 percent of the GNP in all of these countries except the YAR, where it is about 25 percent. All of them are net importers of agricultural products. Also, all of the countries buy more farm products from the EC and Australia than they do from the United States.

The value of agricultural imports by these countries was about $3.2 billion in 1982, compared with $2.7 billion in 1981. EC agricultural exports to the six reached $810 million in 1982, with sales to Kuwait and the YAR each exceeding $200 million. The EC total was more than double the 1979 value. The second major supplier of farm products in 1982 was Australia, with deliveries valued at about $160 million. U.S. agricultural exports to these countries declined from $100 million in 1981 to $78 million in 1982. Agricultural exports by Turkey, Thailand, Pakistan, Brazil, and India were each between $50 and $80 million.

Kuwait Strained by Lower Oil Prices

Kuwait's petroleum exports reached a peak of nearly $20 billion in 1980, double the 1978 value. Exports declined to $17.5 billion in 1981 and less than $15 billion in 1982. In late 1982, the special Kuwait stock market for shares in Gulf sheikdoms crashed, and plans to lower oil output as part of OPEC's price-control efforts were stopped. In the wake of the crash, Kuwait plans to boost petroleum output by about 50 percent in 1983 to partly compensate for lower petroleum prices.

Kuwait's imports approached $11 billion in 1982, double 1979 and 17 percent above 1981. Agricultural imports were a record $1.47 billion.

Kuwait's cereal imports are now about 700,000 tons annually. Australia provides most of the 300,000 tons of wheat. The 115,000 tons of rice imported in 1982 came mostly from Thailand, Pakistan, and Australia, but 7,000 tons came from the United States.

U.S. agricultural exports to Kuwait declined from $60.5 million in 1981 to $36.1 million in 1982. However, most of the decline came in items that had been reexported to Iraq. For example, U.S. grain exports to Kuwait declined from $27.4 million in 1981 to only $4.5 million in 1982; American wheat had been used to make flour for Iraq. Sales of items used exclusively in Kuwait were relatively stable. Kuwait was a growing market for U.S. exports of soybeans, apples, pears, beef, dry beans, and corn oil in 1982. Yet, stronger competition caused U.S. sales of canned vegetables, eggs, and frozen poultry to decline.

The Countries Stress Agricultural Development

Unusual rainfall in early 1982 contributed to remarkable gains in yields for vegetables in most of the six countries. Improved irrigation should provide further gains in 1983. Alfalfa output in Oman now exceeds 135,000 tons annually. New irrigation facilities have also bolstered the output of fruit and vegetables. Production of vegetables—mostly melons, tomatoes, and cucumbers—increased to about 160,000 tons. The output of fruit approached 200,000 tons. Bananas accounted for about half, dates for one-fourth, and limes for one-fifth.

Subsidies in Qatar are greater than those in Oman, but both countries encourage farmers to plant more fruit trees and develop modern irrigation facilities. Qatar provides fertilizer and improved seed.

Qatar's agricultural production increased about 10 percent in 1981, following 4 years of expanding output of alfalfa, sorghum, and dates. Vegetable output increased to about 150,000 tons, including over 30,000 tons each of melons and tomatoes. Qatar has a slight surplus of vegetables in the spring, and some exports to Kuwait and Bahrain are made each year. Vegetables are imported in the summer.

Irrigation projects in PDR Yemen have contributed to a greater output of cereals, cotton, and vegetables. Yields in the Abyan irrigation project northeast of Aden are relatively high. Irrigation water is now abundant because of the heavy rainfall.

Agricultural imports by the YAR increased dramatically, from $157 million in 1976 to a peak of $770 million in 1982. EC exports of farm products to this market reached $250 million in 1982—double the 1977-79 average. The EC sent about 115,000 tons of wheat flour, with West Germany providing about half. Australia was the YAR's second major supplier of agricultural commodities, including about 390,000 tons of wheat and a considerable volume of mutton, dairy products, and honey. The YAR is a growing importer of apples, honey, canned fruit, and snack food. Yemeni workers in Saudi Arabia become accustomed to a wide variety of American and European food items, and they continue to buy them at home.

U.S. agricultural exports to the YAR increased about 6 percent to $18 million in 1982, including $12.6 million for 29,700 tons of rice. A new market for U.S. wheat opened in 1982. Because of the blended credit program, U.S. wheat exports to the YAR are scheduled to rise to about 400,000 tons in 1983, and this should push the total value of U.S. agricultural exports to this market to approximately $75 million.

Oman's total agricultural imports increased markedly, from $132 million in 1978 to about $190 million in 1982. Australia marketed about 80,000 tons of wheat—22 percent above the 1981 volume. Oman purchased 6,000 tons of U.S. corn in 1981, but Australia dominated the market, and no sales were made by American firms to Omani grain importers in 1982. Nevertheless, the potential for larger sales of U.S. corn, apples, honey, and processed food is good. Imports of frozen poultry from the EC and Brazil increased to about 32,000 tons in 1982. Imports of EC dairy products have also showed a strong upward trend in recent years.

Bahrain's agricultural imports, at about $220 million, remained steady during 1980-82. The average diet is excellent, and the population is not growing rapidly. U.S. agricultural exports to Bahrain declined from $9.7 million in 1981 to $8.7 million in 1982, mostly because of a setback in sales of poultry feed. U.S. exports of processed food and beverages remained steady. EC agricultural exports to Bahrain have increased steadily, from $27 million in 1977 to about $63 million in 1982. (John B. Parker)

Algeria

Economic Growth Up

Algeria's GDP grew 8 to 10 percent in 1982, compared with 2 to 3 percent in 1980 and 1981. While output of petroleum was lower than in the 1970's, production of gas increased, along with a tripling of gas exports to about $3.2 billion. Both France and Italy signed contracts to purchase Algerian natural gas at prices much higher than the current international price. Algeria agreed to buy French and Italian goods in return.

The fastest growing sectors of the economy were construction and public works. Much of the 30-percent increase in investments was applied to new infrastructure and housing. Investments in the industrial sector were largely applied to the completion of unfinished projects and for more efficient use of existing facilities.

Algeria's external debt (disbursed), which doubled between 1976 and 1981, reached about $13 billion in 1982. Debt service payments amounted to more than $4 billion, representing 32 percent of exports and worker remittances. The high debt service ratio reflects the fact that a large part of the debt is held by banks and suppliers who charge higher interest rates than those charged on concessional loans.

Agricultural Output Stagnates

Wheat and barley, the most important crops, are planted from October through December, the normal rainy season. The 1981/82 planting season started out with ample rain, especially in eastern Algeria, but in early spring, western Algeria became very dry. Therefore, the size of the 1982 wheat and barley crop, while still not finalized, is estimated at 1.8 million tons, down from 2.15 million in 1981.

More than half of the wheat and barley are produced by 500,000 private farmers who use neither fertilizer nor modern machinery. Yields are low, about half a ton per hectare. Any substantial increase in yields will depend on the extent to which private farmers can apply modern production inputs. In 1980, a change in policy began to include private farmers in agricultural development plans, and this may have resulted in increased yields in 1981/82. In addition to grain, private farmers produce a large share of Algeria's milk, meat, eggs, and vegetables.

Production of tomatoes and potatoes has risen steadily, spurred by increasing demand and by the deregulation of produce marketing. Winter vegetable production under plastic has developed rapidly. On the other hand, production of citrus, dates, and olives has not changed much. The output of grapes for wine, at one time the principal export, has declined because of the diminishing market for high-alcohol wine in the EC.

Increased Food Subsidies— Higher Farm Productivity

One of the main policy objectives has been to ensure urban food supplies at the lowest possible prices; the retail prices of bread, couscous, oils, and fats have been subsidized for more than 10 years. Producer prices of wheat and barley were increased by about 13 percent in 1981/82. The price for bread wheat was set at $328 a ton, while the price of bread was only 22 cents a pound. Meanwhile, the cost of urban food subsidies rose by 18 percent to almost $1 billion.

In 1982, the Algerian Government continued the policy reforms proposed in the 1980-84 plan. The 2,000 State farms were divided into 6,000 smaller and more specialized units. Other land is reportedly being leased to State farm workers or cooperative members who want to farm privately. However, no official statement on this has been issued.

The second phase of the agrarian revolution ended officially during 1982. The cooperatives will depend on their own resources for operating funds beginning in 1983. In the past, 95 percent of the cooperatives operated at a deficit. The Government spent $366 million in 1981 to cover the deficits of the State farms and cooperatives.

In 1982, Agricultural Development Sectors (ADS's) staffed by experts began providing inputs, including technical advice, to all farms. The 1980-84 plan provides for the creation of a nationwide research and extension system centered at the 52 existing ADS's and for applied research at pilot State farms. Extension agents are expected to inform other farms in both the socialist and private sectors. The Government also plans to establish a large vocational training program for managers, farmers, and skilled workers.

Exports Down Slightly

Algeria's total exports in 1982 were estimated at $13 billion, down only slightly from 1981. Declining receipts from crude oil were balanced by increases from natural gas, condensate, and refined petroleum products. The value of Algeria's agricultural exports continued to decline, to $100 million, largely because wine sales fell.

Total 1982 imports were about $11 billion; 40 percent went for capital goods, including prefabricated construction materials. Agricultural commodities, at roughly $2.5 billion in 1982, were 22 percent of total imports. Wheat and wheat flour were the most important, accounting for 20 percent. Algeria imported about 2 million tons of wheat, 500,000 tons of flour, and 300,000 tons of semolina. Other imported commodities were feed grains, dairy products, sugar, pulses, coffee, meat, and eggs.

Two trends appear in the trade patterns of Algeria: a strong historical connection with France, therefore the EC, and government-to-government multiyear agreements. France has a competitive advantage in Algeria, not only because of its EC subsidies, but also because of its colonial ties and proximity. Algerian attempts at diversification have not greatly reduced France's lead.

The Algerian Government has a monopoly over foreign trade and prefers to sign government-to-government agreements. A large number of purchases are made through formal tenders, on which nearby EC suppliers can bid more quickly and cheaply.

In recent years, Canada has been the chief supplier of wheat because of a multiyear agreement signed in 1980. The United States and France take second and third place. Argentina signed an agreement to supply wheat and corn in 1982, although the U.S. supplies almost all of the corn. The United States and Argentina supply almost all of the sunflower oil. Canada supplies the rapeseed, and Europe rapeseed oil. Most of the flour and semolina is supplied by Italy, Spain, and Greece. The EC is the principal supplier of dairy products, a trade channel going back for many years.

1983 Wheat Production To Increase

Early estimates are for increased wheat and barley production in 1983. Except for dry weather in December and January, rainfall was close enough to normal for the new agricultural policies to have a positive effect. But, these production increases are not expected to halt the continuing rise in food imports. Consumer subsidies, together with high minimum wages, should continue a high rate of food consumption. Higher production of poultry and livestock is expected to require larger imports of feed grains. Lower petroleum prices will probably not reduce Algeria's capacity to pay for food imports. (Herbert H. Steiner)

Egypt

Production Improves, Imports Curtailed

Egypt's trade policy changed in 1982, as imports of semiluxury items, including some agricultural commodities, were curtailed and domestic output was stressed. Foreign exchange earnings declined slightly, and efforts were made to limit further growth in the foreign debt, which is estimated at $17 billion. Petroleum exports remained near $3 billion as an increase in volume offset lower prices. Petroleum output rose about 10 percent in 1982, to about 675,000 barrels a day. Output of natural gas also increased significantly.

Industrial output accelerated as factories produced more automobiles, textiles, and consumer goods. The GNP was up 9 percent in real terms in 1982, to approximately $32.5 billion. Total imports remained at about $11 billion, including about $2 billion through special financing that does not require foreign exchange from Egyptian banks. Exports were also stable at nearly $4 billion.

This situation may be hard to sustain, however. Petroleum exports, Suez Canal revenues, and tourism account for about 25 percent of GDP. With petroleum revenues expected to be stagnant or declining, Suez Canal revenues flat, and only slight gains in tourism, the balance-of-payments situation will tighten.

Egypt's current account deficit increased substantially, from $1.5 billion in fiscal 1981 (October through September) to $2.6 billion in fiscal 1982. Non-gold reserves were down from $1,046 million to $716 million, but most financing requirements were met by borrowing. Hence, Egypt's total debt service rose from $2.3 billion in fiscal 1981 (a debt service ratio of 22.1 percent) to $4.6 billion (47.9 percent) in fiscal 1982. Interest payments alone are expected to be $1 billion in fiscal 1983.

Economic aid from the United States remained at about $2 billion. However, Commodity Import Program funds declined from $650 million in 1981 to about $350 million in 1982, and P.L.-480 financing was reduced from $306.5 million in fiscal 1981 to $260 million in fiscal 1982. The P.L.-480 breakdown is as follows: $240 million Title I, $15 million Title III, and $5 million for relief agencies.

Agricultural Production Accelerates

Agricultural production rose about 2 percent in 1982, nearly triple the 1981 pace. Larger harvests of wheat, corn, rice, and vegetables helped offset a smaller output of cotton and sorghum. Crop production has shown little change, and agricultural growth in recent years has come from gains in the output of livestock products. In the last 2 years, about 380,000 head of cattle were imported. As a result, local beef output rose to about 320,000 tons in 1982—a gain of 4 percent. Total meat output was a record 512,000 tons, providing two-thirds of the meat supply. This helped reduce the problems of spoilage caused by port congestion and distribution bottlenecks for imported meat.

Poultry meat output rose about 8 percent to approximately 150,000 tons, still falling short of earlier forecasts. Shortages in late 1982 caused prices for live poultry and eggs to rise before the ban on imports of poultry meat was removed. Egg production increased about 10 percent to nearly 86,000 tons.

Programs to increase output of meat and milk contributed to the recent emphasis upon expanding soybean production. Soybean production increased 35 percent to about 178,000 tons in 1982. Strong demand for soybean meal caused Egypt to also import about 75,000 tons of soybeans.

Grain production increased about 5 percent to about 7.7 million tons, but cotton production fell 11 percent as the area was reduced because of sluggish export demand. Projects to improve yields contributed to gains for wheat, corn, and rice. The area planted in corn remained steady, but higher yields allowed production to rise about 2 percent to 3.35 million tons. The procurement price of $131.79 a ton or $3.34 a bushel is relatively high. Yet, most farmers sell very little of the corn they produce because they have more animals than their small farms can support. Therefore, Egyptian farmers largely seek subsidized feed made from imported corn and soybeans. For these reasons, the demand for imported feed will continue to grow.

Vegetable output increased about 4 percent in 1982, to nearly 9.2 million tons. Output of tomatoes increased only 3 percent to 2.5 million tons because of competition for land from soybeans. The demand for fresh vegetables is growing faster than the supply. Distribution is a problem, as a larger share of the crop is marketed to urban consumers. Imports of canned vegetables increased sharply in the last 2 years, because most of the domestic production was consumed fresh. Output of potatoes remained steady in the last 3 years, at about 1.2 million tons. Striking gains in export sales contributed to a rebound in production of sweet potatoes.

Fruit production was stagnant at about 2.4 million tons, including 1 million tons of oranges and tangerines, 400,000 of dates, and 300,000 of grapes. Prices for oranges increased sharply, and a ceiling of 35 cents a kilogram was imposed at the retail level. The increase in the area planted to oranges and grapes during the 1960's was not repeated in the 1970's. As a result, Egypt faces a worsening shortage of fruit.

Farm Prices Increased, but Policy Problems Remain

Prices paid to farmers for most major crops increased in 1982, but inflation and a decline in the purchasing power of the Egyptian pound negated much of the rise. Farm wages continued to rise as better pay attracted rural workers to industry, urban services, and projects in foreign countries.

The volume and revenue of government-controlled agricultural exports have fallen recently. (The exports of 20 crops are monopolies of government companies managed by the Ministry of Economy.) In addition, exports of rice, oranges, and onions—managed by public companies—have dwindled because deliveries by farmers have declined.

The setting that allowed the Ministry of Economy to obtain profits of about $800 to $900 million annually during 1977-81 changed substantially in 1982, as its profits from agricultural exports were only about $400 million. Cotton prices paid to farmers increased, while export prices received by public trading firms declined. Following cotton, the major source of profits for public firms was usually rice, whose profits have now diminished because of the sharp cutback in exports, from 135,000 tons in 1981 to only 25,000 in 1982, only about one-tenth of the 1977-81 average. Consumers continued purchasing their ration of rice at a price equivalent to $100 a ton, while the price paid to farmers increased to $150. Producer rice prices are still about one-third below the average world farm price.

Concern continued about the rapidly growing dependence on food imports. Egypt imported slightly over half of its food supply in 1981, but the shift of some cotton area to food crops, a drastic reduction in rice exports, and a drop in grain stocks enabled the country to reduce imports to about 49 percent of the food supply in 1982. This was temporary, however, because much larger grain imports are scheduled for 1983 to replenish stocks.

Demand for food continues to grow about 6 percent annually, double the rate of population growth. The major factors behind this have been rising income and more widespread distribution of subsidized food. Before 1979, most of the subsidized bread was distributed in the cities. Then, the rural areas were added to the plan. Furthermore, following dramatic changes in government policy for balady bread in early 1980, more people became interested in the subsidized high-quality white bread. Thus, farmers found it to their advantage to buy the subsidized bread and to sell their wheat to the Government. Government procurement of wheat from farmers rose about 50 percent to nearly 200,000 tons in 1982.

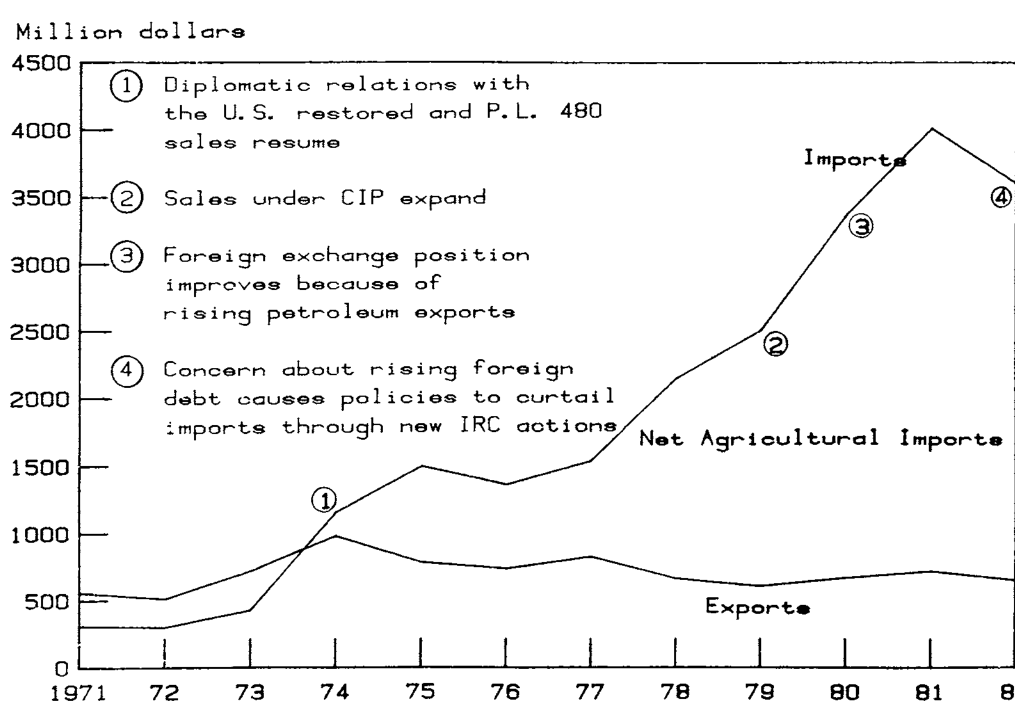
Agricultural Trade Declines Slightly

In 1982, Egypt's agricultural imports declined about 10 percent from the peak of $4 billion in 1981. A number of factors contributed to this, including lower prices for cereals and sugar. Dramatic changes in Egypt's policy for luxury food imports and high-value products occurred in 1982. The Import Rationalization Committee (IRC) banned imports of frozen poultry, apples, bananas, eggs, and some other items for specified periods of time. Changes in methods for allocating foreign exchange to private importers caused a drastic reduction in imports of luxury food, particularly from the EC and the United States. Private imports declined from about 7 percent of total agricultural imports in 1981 to less than 3 percent in 1982. Public imports of some commodities, including cereals and poultry, also declined, but stocks were usually sufficient to prevent shortages.

Grain Imports Continue To Rise

Imports of wheat and flour (in terms of wheat equivalent) may reach 6.4 million tons in 1983—up 12 percent from 1982. The United States might provide about 3.4 million tons, in contrast to 2.5 million in 1982. The United States has arranged General Sales Manager (GSM) financing for 1 million tons of wheat flour for a c.i.f. price of $155 a ton. The payment-in-kind (PIK) of wheat to American millers exporting wheat flour to Egypt allows this price. Australia's exports of wheat to Egypt could decline from an average of 1.7 million tons

Egypt's Agricultural Trade Trends



in the last 4 years to only 1 million tons in 1983. EC exports of wheat flour in 1983 will likely be only one-third the peak delivery of 1 million tons in 1981. Yet, EC wheat exports will likely be up sharply from the small deliveries of 1981 and 1982.

Corn imports will likely increase to 1.6 million tons in 1983. The 1982 harvest was up only 3 percent, and more corn is needed for expanding dairy and poultry projects. The United States provided all of the 1.38 million tons imported in 1981 and over 98 percent of the 1.2 million imported in 1982. A feed subsidy inhibits expansion of corn imports to adequate levels because the General Authority of Supply of Commodities (GASC) avoids extra purchases that would automatically incur a loss.

Imports of beef increased from 122,500 tons in 1981 to about 138,000 in 1982. Deliveries by Argentina surpassed 82,000 tons, more than double 1981. Imports of hamburger beef from Denmark were up, but all beef purchases from the EC remained below the 1980 peak. Imports of mutton decreased to about 4,000 tons, half of 1981. Uruguay and Australia were significant suppliers.

Imports of frozen poultry were banned for 6 months (March to August) to promote local production, but also in response to port congestion and marketing bottlenecks, as well as health problems resulting from poor handling of frozen poultry. Large stocks of imported poultry meat were in storage in early 1982. The United States sent 65,000 tons in 1981, but deliveries fell to about 3,000 last year. Brazil, France, and Denmark accounted for most of recent years' deliveries. Total imports of frozen poultry declined from 125,000 tons in 1981 to about 52,000 in 1982, but a rebound is likely in 1983. Recently, Brazil sold about 70,000 tons to Egypt, following deliveries of 31,000 tons last year. Brazil's average price last year was only $970 a ton.

Imports of dairy products surpassed $270 million in 1982; they may rise to about $350 million in 1983. Sales of U.S. dry milk, cheese, and butter may increase.

Imports of preserved milk surpassed 62,000 tons in 1982 for a value of $100 million. Imports of U.S. dry milk nearly doubled, reaching 8,000 tons, in contrast to EC deliveries of about 42,000 tons. EC exports of butter and butteroil were in the vicinity of 33,000 tons, compared with a peak of 41,000 in 1981. Finland is a major supplier of table butter, and France and Belgium are the major suppliers of butteroil.

Imports of cheese rose to about 22,000 tons in 1982, compared with 18,000 in 1981. Imports from Denmark surpassed 6,000 tons, in contrast to an average of less than 500 tons annually during 1979-81. Cheese imports from the Netherlands increased sharply to over 7,000 tons. Imports from Czechoslovakia, Romania, and East Germany, which had been considerable in the past, declined as those from the EC increased markedly.

Vegetable oil imports increased about 10 percent to 373,000 tons. Purchases of U.S. cottonseed oil nearly tripled, reaching 158,346 tons in 1982. Imports of cottonseed and soybean oil from Europe declined. Sugar imports remained near the peak of 696,000 tons in 1981, but lower prices resulted in a 53-percent decline in value, to about $195 million. Egypt now imports nearly half of its sugar, mostly from Brazil, France, Italy, and Cuba.

Egypt's agricultural exports declined about 10 percent in 1982, to about $650 million. Cotton exports increased slightly to 185,000 tons, but lower prices caused the value to decline about 5 percent to $430 million. The loss of the Soviet market has had an adverse impact on prices received by public export companies in Alexandria. Japan, China, Romania, and the EC are now Egypt's major markets.

Rice exports declined from $50 million in 1981 to only $15 million in 1982. Exports to Finland and Eastern Europe fell drastically, but shipments to the Soviet Union and the Middle East remained substantial. The export price to these customers averaged over $600 a ton.

Exports of oranges were about 20 percent below 1981's $47 million because strong domestic demand created difficulty in filling orders. The Soviet Union and Saudi Arabia remained the top export markets for oranges. Exports of onions to the EC and the Soviet Union declined about 50 percent in 1982, and shortages caused retail prices to increase dramatically in Egypt.

U.S. Exports Down, but Strong Rebound Underway

U.S. agricultural exports to Egypt declined from about $1 billion in 1981 ($967 million direct shipments and $35 million for grain exports through Canadian ports) to only $800 million last year. Smaller exports of poultry products, corn, and tallow accounted for the decline.

U.S. exports of wheat and flour combined remained at 2.5 million tons, wheat equivalent. A delay in signing the Title I P.L.-480 agreement for 820,000 tons of wheat and 375,000 tons of wheat flour in late 1982 prevented the expected rise in shipments in December. However, this will contribute to significant gains in 1983.

U.S. agricultural exports to Egypt may rise 50 percent in 1983, to about $1.2 billion. The backlog in P.L.-480 shipments and a blended credit sale of 500,000 tons of wheat combined with the recent 1-million-ton flour sale are the main factors. In addition, U.S. exports of other commodities under a variety of credit arrangements should increase. Sales of vegetable oils may exceed 200,000 tons for a value of about $100 million. Tallow exports may rise to over 300,000 tons valued at about $120 million, and sales of leaf tobacco could rise 50 percent to 15,000 tons valued at about $75 million. (John B. Parker)

Morocco

World Recession Slows Economy

In 1982, the Moroccan economy was buffeted by the effects of the worldwide recession, the rising value of the dollar, and the expense of the Saharan War. Nevertheless, real growth was between 5 and 7 percent, mainly because agricultural production recovered from the 30-percent decline caused by 1981's drought. Continued soft demand for Morocco's principal export, phosphates, resulted in no growth for the mining sector. However, industry, energy, public works, and tourism all showed gains ranging from 2 to 5 percent.

The decline of the dirham against the dollar, from 3.7 in July 1980 to 6.4 early in 1983, made it more expensive to pay for petroleum and wheat and to service foreign loans. The net flow of funds from Morocco to the United States was higher than 1981's $400 million, and it is expected to increase further in 1983 because higher interest loans coming due must be paid with devalued dirhams. "Standby" credits from the International Monetary Fund (IMF), commercial borrowings, and financing from Arab oil producers helped Morocco avoid debt rescheduling. IMF standby credits have basically been extended to Morocco on an annual basis since 1981, when a $1.1 billion 3-year line of credit was withdrawn because Morocco was unable to meet the stringent conditions attached. External debt reached a total of $10 billion at the end of 1982; this was about 68 percent of GDP and 19 percent above the amount owed at the end of 1981. Foreign debt service payments, including principal and interest, were about $1.4 billion in 1982. The balance-of-payments deficit increased to almost $500 million.

Agricultural Output Recovers

Moroccan agricultural production showed a surprising recovery from the effects of the 1981 drought. Wheat, barley, and pulses did best, but the irrigated crops, citrus, and sugar also increased. Oilseed production declined 35 percent, mainly because sunflowers and cotton are not as profitable as sugar beets.

Total grain production in 1982, according to the Ministry of Agriculture, was 4.9 million tons, more than double 1981's 2 million. Such a remarkable recovery seems surprising in view of the erratic weather during the 1981/82 growing season. Late rains delayed plowing and planting to December and January, past the optimum time. Less seed was available, and it was of inferior quality after the 1981 drought. In the spring, dry spells in some regions put stress on the plants. Despite these poor conditions, the excellent result may have come from speedy and efficient preparation of the land by tractors made available through "Tuiza" sharing. Tuiza is an old Moroccan custom of helping your neighbors.

Citrus production increased as the new varieties planted and grafted during 1972-75 began coming into production. Potato output recovered from the 1981 drought, but tomatoes continued their decline. However, the Government embarked on a plan to restructure tomato and other vegetable production, with the goal of changing the seasonal patterns to conform more closely to the period when the EC market is open to Morocco. The acreage under greenhouses is being expanded, and more effort is being made to produce better and more uniform products.

Public Investment Increases

Public investment in agriculture under the 1981-85 plan increased to 34 percent, from the 31 percent in the previous plan. The large irrigated perimeters will receive two-thirds of the investment. Dams under construction will be completed, and some new ones begun. However, there is a new emphasis on rainfed agriculture. The 1981 drought and the ever-rising grain deficit has forced the Government to try to increase yields of the principal rainfed crops, wheat and barley.

The decision to abolish custom duties on imported agricultural machinery, coupled with the usual 30-percent subsidy to agricultural cooperatives and 10-percent subsidy to individuals, resulted in the sale of 7,000 tractors in 1982, a sharp increase from 1981. Credits to farmers in 1982 were up 58 percent to $250 million. Credits for grain production increased 25 to 60 percent, with the amount of credit allowed for wheat set at $255 per hectare. Also, procedures for obtaining credits were simplified, and 92 additional credit offices were opened in local extension offices. This augurs well for the 1983 crop.

The minimum support prices for cereals, cotton, sugar beets, sugarcane, and sunflowerseed have been raised sharply since 1977/78. Cereal prices were increased by 60 percent. In addition, seed and fertilizer continue to be subsidized.

The amount spent on consumer subsidies fell 23 percent between 1981 and 1982. The consumer subsidy on milk was phased out, and the one on sugar was reduced. Nevertheless, the Price Stabilization Fund spent $170 million subsidizing the prices of sugar, edible oil, butter, and fertilizer, while the State-owned Cereals Office spent another $100 million subsidizing the prices of flour-derived products. During 1982, the subsidies were 13.5 percent of the cost of sugar, 18.7 percent of edible oil, 37 percent of butter, 23.5 percent of flour, and 47.6 percent of fertilizer.

Agricultural Exports Down Slightly

Total exports declined slightly to an estimated $2.1 billion in 1982, reflecting the poor performance from phosphates, which account for about 40 percent. The export value of phosphate rock and derivatives was $875 million, down 10 percent. Agricultural exports were worth about $500 million, down slightly from 1981's results. Because of the drought, citrus exports were lower in early 1982, but increased shipments at the end of the year brought the total up. Tomato exports continued to decline, but potatoes and other vegetables increased. Canned fruit and vegetables also were up slightly.

Imports increased only marginally in 1982. This lower import growth after 4 years of big increases was brought about by a sharp cutback in volume and no increase in import prices. Cereal imports declined sharply from the unusually high levels of 1981 because of the recovery from the drought, and for the first time in years the value of petroleum imports fell. Total imports reached $4 billion, of which agricultural commodities accounted for $1 billion. Purchases of farm products were down about 25 percent because of declines in wheat, barley, and sugar. During the second half of 1982, wheat imports fell about 20 percent, and barley imports were phased out as a result of the larger crops. The quantity of imported sugar was also down 20 percent because of increased production, and the value was down even more because of the decline in the world price of sugar. Other important agricultural imports were vegetable oil, milk, butter, cheese, tea, tobacco, wool, and cotton.

U.S. agricultural exports to Morocco were worth $158 million in 1982, about the same as in 1981. Wheat, the principal commodity, accounted for $115 million. Imports of wheat from the United States increased by 150 percent and brought the U.S. share of Moroccan wheat purchases to 50 percent. Sales through P.L.-480, the Commodity Credit Corporation and GSM credit played a critical role in these imports. The United States also supplied about half of the 100,000 tons of wheat that Morocco received under relief provisions in 1981/82. Other U.S. exports were corn, tallow, soybeans, soybean oil, cotton, and baby chicks.

Outlook Favorable

Rainfall was favorable and well distributed for the planting operations that again used the Tuiza to mobilize 24,000 tractors for the preparation of 1.6 million hectares of land. Plans called for distribution of 795,000 tons of fertilizer, a 50-percent increase from the 1981 figure.

The Government also distributed 77,000 tons of seed, 47,000 tons of which were of improved varieties. This auspicious beginning was threatened by drought in December and January, but abundant rains in mid-February may have improved the outlook. A good 1983 crop still seems likely.

The broader availability of machinery, fertilizer, improved seed, credit, and extension services will probably increase Morocco's wheat and barley yields over the coming years. However, the erratic weather during 1982/83 shows that a bad season can still threaten even the best of preparations. Increased production of citrus, sugar, and vegetables from an enlarged irrigated sector is also expected in the 1980's. (Herbert H. Steiner)

Tunisia

Export Earnings Reduced

Growth of real GDP in 1982 did not exceed 2 percent, compared with 6.5 percent in 1981. Slowing world demand for Tunisia's main exports, petroleum and phosphate products, held export earnings to $2.4 billion, only 2 percent above last year. However, manufacturing, construction and public works, transportation, telecommunications, and tourism all showed gains. Crude petroleum production fell 6 percent to 98,000 barrels a day, and prices also declined. Inflation reached almost 15 percent in 1982, compared with the 7.5-percent annual average for 1970-79. External debt increased 9 percent to $4.3 billion. Total imports grew only 15 percent, compared with 28 percent in 1981, because of slower growth in the imports of hydrocarbons, investment goods, consumer goods, and foodstuffs.

Agriculture Marked by Record Grain Output

The production of wheat and barley, the main crops, was estimated at 1.26 million tons, 2 percent above 1981. A 26-percent increase in barley production more than compensated for a 5-percent decline in wheat. The 1982 harvest was notable for record grain production on the smallest seeded area since 1968. Yields for durum and soft wheat were above 1981 by 15.3 and 9.5 percent, respectively. The excellent results were achieved despite below-average rainfall with periods of drought. Barley output increased 26 percent, with a 24-percent expansion in seeded area, mainly at the expense of durum. The increase in plantings was attributed to the 170-percent rise in the price of barley for feed and the decision of the Cereals Office not to sell corn to the mills for cattle feed.

Mixed feed production was down 21 percent to 510,000 tons. This decline came after the unusually high demand during the 1981 drought. The increase in the controlled price of corn and soybean meal also cut demand.

Production of olive oil, Tunisia's principle export crop, was down in 1981/82. This cyclical decline is normal after the excellent harvest in 1980/81. The 1982-86 plan provides for the replacement of 24,000 hectares of aging olive trees and for intensified weed and disease control. The goal is to increase olive production from 520,000 to 650,000 tons a year, equivalent to 104,000 to 130,000 tons of oil.

Policy To Reduce Oil Dependence

The major objective of the 1982-86 plan is to establish an economy less dependent on the export of petroleum. Investments of $2.5 billion in agriculture (of the $15 billion total) are expected to increase production 5 percent annually. A major part is to be spent directly on the production of wheat and barley, livestock, and dairy products, rather than on infrastructural investments, which received most of the allocations in past plans.

Producer prices of cereals have recently been increased substantially and were set early in 1982 at $203 a ton for durum and $148 for barley. As a result, the price of barley and corn to feed mills was substantially raised. The producer price of olive oil was raised an average of 9 percent annually from 1977/78 to 1980/81, and by 10 percent in 1981/82. Since these increases were not accompanied by commensurate adjustments in retail prices, the Oils Office had losses that were only partly financed by the Price Stabilization Fund.

Despite increases in the price of corn and barley, the Price Stabilization Fund spent about $300 million in 1982, compared with $312 million a year earlier. The rest of the subsidies were on sugar, meat, milk, and fertilizer. Beef and milk subsidies were lowered in 1982 and may be phased out in the future.

EC Dominates Agricultural Trade

Agricultural exports totaled about $200 million, of which olive oil accounted for half. Tunisia supplies nearly 25 percent of the world's olive oil exports. Other important agricultural exports are dates, citrus, wine, and vegetables.

Tunisia's agricultural imports rose by an estimated 11 percent in 1982, with EC shipments accounting for about half this growth; U.S. exports declined by $5 million. Agricultural imports were valued at about $460 million, half of which were in wheat, barley, and corn. Other important items were cattle, sheep, meat, milk, sugar, tea, butter, and coffee.

U.S. agricultural exports to Tunisia were $78 million, almost all wheat and corn. The United States supplied 170,000 tons of the 213,000 tons of durum which Tunisia imported in the 1981/82 marketing year. France was the major supplier of soft wheat, with 346,000 tons out of a total of 413,000. This share has expanded over the last 3 years because of EC subsidies.

Wheat Consumption To Expand

Tunisian wheat consumption is expected to expand about 3 percent annually, primarily because of population growth. Wheat imports are forecast at 800,000 tons, of which the United States may supply half. The U.S. share will depend on the size of durum imports from Greece and on soft wheat purchases from Turkey under a Tunisian-Turkish protocol calling for the barter of 400,000 tons of phosphate rock for 100,000 tons of Turkish soft wheat.

The 1982/83 wheat and barley seeding was favored by heavy rains and a 3-percent increase in seeded area, but drought in January and February has threatened the favorable prospects. (Herbert H. Steiner)

The European Community in the Egyptian Agricultural Import Market

The United States and the EC combined have provided about half of Egypt's agricultural imports in recent years. Both increased food exports to Egypt dramatically during the 1970's, partly through the use of concessional sales, and both were adversely affected by Egypt's efforts to curtail selected food imports in 1982.

Egypt's agricultural imports expanded from about $300 million annually in the mid-1970's to a peak of approximately $4 billion in 1981. They retreated in 1982 because of lower prices for cereals and sugar and changes in trade policy. Egypt is currently importing about 45 percent of the quantity of staple foods consumed.

The United States has been the main supplier of Egypt's farm imports, although the EC has been a close second. In 1981, the United States exported about $1 billion of agricultural products, while the EC sold approximately $800 million. U.S. farm exports to Egypt grew about 134 percent from 1975 to 1981, while those from the EC grew nearly 115 percent. The U.S. share of Egypt's food and agricultural imports reached a high of 34 percent in 1976 and was 28 percent in 1981. The EC share peaked at 26 percent in 1980, falling to 23 percent in 1981. Competition between the United States and the EC is most significant for wheat, flour, frozen poultry and beef, and vegetable oil.

There is a close correspondence between EC surplus commodities and Egyptian import needs. The major foods subsidized by the Egyptian Government are wheat, wheat flour, rice, vegetable oil, sugar, dairy products, beef, poultry, beans, and lentils. Egypt imports all of these in large quantities except for rice, which until recently it exported. With the exception of rice, the EC has a surplus of these same food items, partly as a result of farm price supports under the Common Agricultural Policy (CAP).

Among the EC members, Egypt's most important food supplier, and our major competitor, is France. France sold $355 million worth of farm products to Egypt in 1981.

Major EC Exports Are Wheat and Flour

The EC, in addition to the United States and Australia, is a major supplier of Egypt's wheat and flour imports, which have averaged 5.5 million tons wheat equivalent in recent years. Typically, the United States is the major provider, although France was number one in 1980. In 1981 and 1982, the United States outdistanced France with increased tonnage under P.L.-480 and cash sales. The U.S. shipments amount to about 2.5 million tons of wheat and flour, wheat equivalent, each year.

Looking at flour alone, the EC, led by France, has been the primary supplier, selling Egypt 1 million tons in 1981 and 545,000 in 1982. However, in 1983, U.S. flour sales will exceed French shipments for the first time because of the subsidized sale of 1 million tons of flour under the PIK program for exports. Also, U.S. wheat sales will increase about 500,000 tons to 2.5 million, a result of new blended credit sales.

Dairy products account for almost 20 percent of the value of EC food exports to Egypt. In 1981, the EC sold about $135 million worth of butteroil and butter, dried milk, and cheese to Egypt, compared with $35 million a year in the mid-1970's. Most of the growth is accounted for by dramatically increased sales of butteroil, butter, and dried milk. France, Belgium, and the Netherlands are the major suppliers. In 1982, the Egyptian Government banned the importation of several types of cheese, which will likely slow some of the expansion in dairy purchases from the EC.

Other major EC exports to Egypt include sugar, frozen beef, poultry, fish, seed potatoes, vegetable oil, and a number of processed foods. Egypt's refined and raw sugar purchases from the EC have grown rapidly and totaled 190,000 tons valued at $98 million in 1981. EC exports of fresh and frozen beef, poultry, and fish expanded from $145,000 a year in the mid-1970's to about $90 million in 1981.

EC Export Subsidies and Credit Financing Benefit Egypt

Egypt benefits from both EC export subsidies and concessional financing. To competitively market agricultural commodities, the EC provides a refund to exporters to bring high internal Community prices in line with, or below, prevailing world prices. Furthermore, while the EC itself does not make sales under credit financing, member countries may arrange credit. The most important of these is France, which has a commodity export bank, Compagnie Francaise d'Assurance de Commerce Exterieur (COFACE), offering short-term financing on food sales. COFACE offers Egypt terms with a 20-percent downpayment and 2 years to repay at 10.6 percent interest for wheat, flour, eggs, sugar, vegetable oil, and frozen chicken.

Information on the amount of refunds on food sales to Egypt is available, but it is not in a form that can be readily aggregated. EC export refunds (subsidies) for wheat are determined once a week by the Management Committee for Cereals in Brussels for seven world marketing zones. The EC Commission figures subsidies for butteroil and butter about every 4 weeks for a large number of regions, generally on a country-by-country basis. On sugar exports, subsidies are set weekly by the Sugar Management Committee. The EC offers export restitutions on poultry shipments, and the subsidy is fixed according to a basic feed grain (maize and barley) calculation reflecting the cost of production.

Export subsidies are given on potatoes when EC prices are high relative to world prices. EC apples are occasionally marketed at prices discounted by export subsidies, but they are often sold at nonsubsidized prices, when EC prices are in line with those on world markets. Exports of processed food are also subsidized.

Egypt Seeks Low-Cost Imports

EC penetration of the Egyptian food market has been possible because of: 1) Egypt's increased food requirements; 2) Egyptian subsidization of wheat, flour, sugar, and other commodities in surplus within the EC; 3) diversification of the Egyptian diet; 4) EC export subsidies; 5) member-country concessional financing; 6) EC marketing efforts through bilateral trade negotiations; and 7) stronger ties due to aid programs.

Continued Growth in EC Food Sales Expected

As domestic wheat demand grows, Egypt will tap suppliers offering easy credit. Of Egypt's major wheat and flour suppliers, the United States offers by far the best concessional financing terms under P.L.-480, which allows a 10-year grace period, followed by 30 years to repay at a 3-percent interest rate. But, present P.L.-480 financing restricts wheat and flour exports to Egypt to about 1.5 million tons a year, beyond which wheat sales are made at higher interest rates during shorter repayment periods through blended credit sales, the PIK program, and cash sales. Australian terms include a 10-percent downpayment and interest rates of 15 percent over a 2-year period. French terms are a 20-percent downpayment and interest rates of 7.25 to 10.5 percent over 2 years.

Since the Egyptian Government is increasing supplies of protein foods, expanded imports of subsidized EC dairy and meat products are likely. The animal product market is also important to the United States, which to date has been Egypt's largest poultry supplier through the Commodity Import Program. With Egypt's per capita sugar consumption growing at an average 7 percent a year, the EC may remain an important supplier. Expanded EC sales of vegetable oil, potatoes, and processed food are also predicted.

With foreign exchange earnings from petroleum, remittances, Suez Canal earnings, and tourism beginning to level off, Egypt will be looking for import bargains. At the same time, the Government will be restricting imports of nonessential or luxury foods, as was done in 1982 for apples, bananas, peaches, pears, eggs, many types of cheese, and some grades of poultry meat. These restrictions, however, evidently curbed purchases from suppliers other than the EC. The need to budget foreign exchange increases the attractiveness of EC price discounts and short-term financing for many staple foods. For the United States, this suggests that a comparison of U.S. credit programs with EC discounting mechanisms might be worthwhile.

In 1983, U.S. food exports to Egypt may rise about 50 percent to $1.2 billion, partly because of the flour subsidy and extra blended credit for an array of commodities. EC agricultural exports to Egypt may show a slight increase as larger deliveries of high-value items offset smaller sales of wheat flour. (Susan Buchanan and John B. Parker)

Table 1—The United States: total agricultural trade with the Middle East and North Africa, by value, annual 1980-1982

	Exports			Imports		
Country	1980	1981	1982	1980	1981	1982
	Million dollars					
Saudi Arabia	5,769	7,123	8,830	13,468	15,237	7,445
Kuwait	886	929	888	521	91	40
UAE	998	1,057	1,085	3,164	2,102	2,032
Qatar	129	148	140	250	120	105
Bahrain	198	294	219	17	38	30
Oman	95	180	170	363	369	334
PDR Yemen	7	6	8	19	1	1
YAR	77	44	38	1	1	1
Iran	23	300	121	478	66	585
Iraq	724	913	842	482	167	38
Syria	239	143	138	28	87	13
Lebanon	303	293	292	34	20	26
Jordan	407	716	618	3	2	7
Israel	2,045	2,426	2,171	978	1,280	1,162
Turkey	540	771	866	187	276	209
Cyprus	70	85	86	7	5	3
Egypt	1,873	2,146	2,871	572	412	547
Libya	509	811	301	8,905	5,476	512
Tunisia	174	222	213	63	12	59
Algeria	542	717	908	6,881	5,208	2,673
Morocco	344	428	395	41	41	42
Total	15,952	19,752	21,200	36,462	31,011	15,864

Source: Bureau of the Census.

Table 2—The Middle East and North Africa: total agricultural trade to the region by the EC and the United States, 1980-82

	Total agricultural imports			EC agricultural exports			U.S. agricultural exports		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
	Million dollars								
Egypt	3,363	4,012	3,600	861	810	850	770	967	800
Morocco	942	1,180	1,450	370	500	620	133	158	158
Algeria	2,440	2,277	2,500	731	880	970	176	291	158
Tunisia	502	600	680	217	240	280	101	83	78
Libya	1,103	1,300	1,600	573	785	840	15	14	12
Turkey	325	310	280	138	210	200	17	128	65
Syria	531	580	700	287	315	380	26	35	48
Israel	865	930	920	138	145	140	298	356	337
Lebanon	662	700	790	192	230	280	92	95	54
Jordan	439	500	600	141	170	200	71	65	73
Iraq	1,988	2,302	2,535	399	500	790	255	125	132
Iran	2,775	3,473	4,350	871	1,260	1,520	8	248	25
Saudi Arabia	4,400	5,670	6,840	1,024	1,530	1,950	375	466	486
Kuwait	1,012	1,300	1,470	198	285	300	47	60	56
UAE	1,330	1,200	1,300	295	314	270	114	59	38
Qatar	163	200	240	36	40	50	5	5	6
Bahrain	180	200	220	46	50	60	7	10	9
Oman	132	150	190	47	53	60	4	7	5
PDR Yemen	223	255	280	63	75	90	1	1	2
YAR	403	585	770	175	200	250	8	17	18
Cyprus	182	202	210	80	88	100	28	39	41
Total	23,960	27,926	31,525	6,882	8,680	10,200	2,551	3,229	2,601

Source: Bureau of Census, 1981 FAO Trade Yearbook, and ERS estimates.

Table 3—The United States: agricultural exports to the Middle East and North Africa by value for selected items, annual 1981 and 1982

	Total agriculture		Wheat and flour		Rice		Corn		Poultry meat	
	1981	1982	1981	1982	1981	1982	1981	1982	1981	1982
	1,000 dollars									
Saudi Arabia	465,588	486,374	93,691	80,506	153,623	163,108	4,203	3,676	9,332	10,151
Iraq	125,209	132,050	16,820	27,031	36,982	96,035	0	0	42,179	0
UAE	59,384	56,147	405	219	10,690	5,660	0	5,358	1,668	1,222
Kuwait	60,473	36,074	17,350	11	1,061	3,870	0	0	5,756	3,393
Algeria	290,900	158,349	132,479	71,876	2,569	55	51,182	34,050	0	0
Libya	14,081	11,741	0	0	1,579	1,639	4,658	0	4	0
Qatar	5,315	5,922	36	66	0	410	100	628	172	172
Iran	247,620	24,637	168,407	4,805	54,073	16,650	13,415	0	0	0
Egypt	967,266	799,968	430,974	391,387	1	29	189,328	136,157	75,653	2,919
Morocco	158,315	158,399	113,022	115,482	33	19	22,761	12,011	0	0
Tunisia	82,699	77,728	27,119	43,205	143	97	34,788	33,520	0	0
Lebanon	94,792	53,502	31,492	9,680	577	787	20,266	12,195	192	98
Syria	34,561	47,979	0	8,081	12,734	0	4	23,577	0	0
Jordan	65,172	72,855	15,591	37,377	16,159	8,645	3,616	17,113	82	143
Bahrain	9,660	8,702	34	12	0	198	689	0	1,016	1,192
Oman	7,192	5,295	995	0	86	118	992	0	43	74
PDR Yemen	1,301	1,731	173	0	0	1,174	0	0	0	0
YAR	16,839	17,808	18	983	14,591	12,622	379	1,099	0	0
Israel	355,503	337,294	71,407	86,981	3,794	3,103	75,773	55,457	9	73
Turkey	127,942	64,721	71,389	40,432	0	3,686	0	5,871	0	0
Cyprus	38,608	41,364	5,843	7,671	108	113	4,924	7,023	0	0
Total Mideast & North Africa	3,228,420	2,598,640	1,197,245	925,805	308,821	318,018	427,078	374,735	136,106	19,437

Source: Bureau of Census.

Table 4—The United States: agricultural exports to the Middle East and North Africa by quantity for selected items, annual 1981 and 1982

	Wheat and flour		Rice		Corn		Poultry meat	
	1981	1982	1981	1982	1981	1982	1981	1982
				Tons				
Saudi Arabia	460,612	408,972	236,156	313,253	27,493	30,843	5,102	5,427
Iraq	94,451	177,815	73,800	234,650	0	0	31,993	0
UAE	1,807	987	18,329	11,558	0	32,949	722	562
Kuwait	93,160	58	1,492	7,331	0	0	3,737	2,079
Algeria	673,443	420,856	5,353	95	342,249	286,152	0	0
Libya	0	0	1,507	4,725	29,820	0	2	0
Qatar	120	280	201	578	0	2,978	84	90
Iran	999,951	31,820	112,418	34,750	85,591	0	0	0
Egypt	2,486,956	2,461,871	1	34	1,346,765	1,180,716	65,100	3,441
Morocco	753,503	797,150	58	52	169,591	105,564	0	0
Tunisia	137,872	288,278	245	164	250,384	287,876	0	0
Lebanon	181,798	52,913	629	1,628	140,954	109,150	97	68
Syria	0	51,148	0	0	179,856	215,294	0	0
Jordan	100,917	264,851	33,782	22,586	26,755	165,482	28	652
Bahrain	192	63	0	314	344	0	480	
Oman	4,937	0	104	151	5,876	0	15	33
PDR Yemen	717	0	272	2,363	0	0	0	0
YAR	90	5,797	28,189	29,710	2,500	7,497	0	0
Israel	387,075	551,466	9,523	8,754	493,541	478,470	2	36
Turkey	446,076	280,199	27	9,450	0	50,876	0	2
Cyprus	36,004	45,917	118	141	35,498	66,575	0	0
Total Mideast & North Africa	6,859,681	5,840,441	522,204	682,287	3,137,217	3,020,422	107,362	12,390

Source: Bureau of Census.

Table 5—The Middle East and North Africa: imports of grains, annual 1980-81 and estimate for 1982

	Wheat and flour			Rice			Feed grains			Total		
	1980	1981	1982	1980	1981	1982	1980	1981	1982	1980	1981	1982
						1,000 tons						
Egypt	5,423	5,878	5,692	7	1	7	944	1,384	1,212	6,374	7,263	6,879
Algeria	2,445	2,470	2,900	23	27	30	615	780	900	3,083	3,277	3,530
Morocco	1,693	2,483	2,700	0	0	0	760	510	600	1,953	2,993	3,300
Tunisia	610	620	800	5	5	6	340	440	500	955	1,065	1,106
Libya	600	650	775	45	60	70	135	140	300	780	860	1,030
North Africa	10,771	12,101	12,223	80	93	108	2,794	3,254	3,700	13,145	15,458	15,845
Iran	1,300	2,273	2,030	470	630	625	1,300	1,151	1,392	3,520	4,050	4,170
Iraq	2,300	1,358	2,091	429	200	426	803	375	413	2,368	1,975	2,325
Syria	583	295	224	100	110	110	310	275	300	993	680	634
Lebanon	360	410	375	22	25	27	315	230	225	697	665	627
Jordan	280	470	400	38	37	38	130	150	180	448	657	618
Turkey	—	870	300	15	30	40	0	0	0	15	900	340
Israel	484	506	550	44	50	60	1,303	1,350	1,400	1,878	1,906	2,010
Cyprus	70	75	80	4	4	5	247	170	200	321	249	285
Saudi Arabia	950	1,000	993	496	492	600	1,927	2,965	3,000	3,496	4,575	4,650
Kuwait	210	225	290	98	110	115	170	200	290	478	535	695
UAE	120	135	170	347	220	230	28	25	30	495	380	430
YAR	450	480	490	115	125	135	11	17	20	576	622	645
Qatar	37	60	60	23	20	30	22	27	30	82	107	120
Bahrain	40	45	50	36	34	35	4	5	6	78	84	110
Oman	62	70	75	43	47	50	7	9	10	112	122	135
PDR Yemen	80	90	100	45	50	60	6	7	10	130	147	170
Grand total	18,697	20,432	20,167	2,405	2,277	2,644	8,897	10,384	11,132	28,832	33,112	33,809

Source: Country trade data and ERS matrix tables.

Table 6—Algeria: agricultural imports by value, 1976-1983

	1976	1977	1978	1979	1980	1981	1982	1983[1]
				Million dollars				
Wheat	270	202	236	275	402	396	360	379
Wheat flour	106	108	167	190	288	229	180	200
Barley	10	19	73	50	52	50	50	71
Corn	13	21	24	28	19	62	50	71
Meat	7	27	21	24	47	70	166	122
Dairy products	88	87	88	102	119	235	275	370
Eggs	13	25	51	45	70	73	85	67
Sugar	162	170	105	134	306	277	250	200
Pulses	16	24	35	87	70	78	100	NA
Rice	3	4	6	4	13	6	12	72
Potatoes	19	32	34	52	40	58	50	52
Coffee	83	208	260	182	250	158	175	178
Tea	6	7	10	23	26	25	25	20
Soybean meal	8	13	16	17	21	27	30	NA
Tobacco	9	17	29	25	35	35	40	135
Peanuts	3	8	12	8	10	12	15	NA
Cotton (lint)	14	18	12	23	21	28	23	22
Rapeseed	17	22	25	15	24	19	10	NA
Tallow	11	14	13	26	22	24	23	26
Soybean oil	1	0	1	1	2	5	10	NA
Sunflower oil	10	36	60	47	61	62	75	NA
Rapeseed oil	45	59	44	79	75	60	60	NA
Palm oil	0	1	2	4	4	3	5	NA
Coconut oil	1	3	2	8	5	7	6	NA
Other commodities	151	323	302	353	488	247	425	NA
Total	1066	1,448	1,628	1,802	2,470	2,246	2,500	2,750

[1]The specific commodity projections for 1983 are by the Foreign Trade Secretary of State of the Government of Algeria and were supplied by the Foreign Agricultural Service Trade Officer in Tunis. The total given, at $3.5 billion, is believed too high in view of projected lower commodity prices. Therefore, the total listed is an ERS estimate.

NA = not available.

Sources: The 1976-81 data came from the FAO Trade Yearbooks. All the 1982 figures are ERS estimates.

Table 7—Iraq: agricultural imports by quantity and value for selected commodities, annual 1978-82

	1978	1979	1980	1981	1982[1]	1978	1979	1980	1981	1982[1]
			1000 metric tons					*Million dollars*		
Wheat and flour	1,116	1,764	2,095	1,457	2,091	215	240	395	300	370
Rice	290	301	429	191	475	140	190	230	220	230
Barley	164	150	713	273	413	30	35	125	40	63
Corn	110	152	90	88	100	15	20	13	12	15
Total[2]	1,725	2,367	3,327	2,009	3,079	402	495	763	572	678
Frozen poultry	35	38	75	155	180	38	40	95	190	200
Beef	28	32	38	28	80	33	50	75	70	180
Mutton	20	22	45	50	45	25	30	60	100	110
Canned meat	3	3	4	9	9	4	5	7	9	10
Cattle (number)	9	11	15	9	9	15	20	28	20	15
Butter	6	8	10	8	15	7	10	15	16	30
Cheese	4	8	17	21	25	6	17	28	42	52
Dry milk	18	45	45	55	91	32	50	65	109	142
Sugar	485	525	575	700	770	145	160	220	359	305
Tallow	9	12	15	12	13	5	6	8	6	7
Tobacco	4	5	7	9	11	12	15	22	45	60
Jute	2	3	4	2	1	3	3	4	3	3
Wool	3	3	3	1	1	6	7	8	2	2
Soybeans	30	50	120	90	56	8	12	37	30	20
Peanuts	3	3	4	3	5	2	3	4	6	7
Cotton	21	24	27	28	25	30	35	40	38	33
Palm oil	140	150	155	145	160	80	80	90	85	90
Soybean meal	100	80	98	125	80	16	15	16	21	13
Pulses	30	43	48	55	67	15	20	30	40	43
Tea	28	27	31	38	42	60	70	81	90	100
Apples	20	19	28	85	95	9	9	14	44	50
Onions	11	9	15	34	29	1	3	6	8	9
Bananas	35	51	72	70	75	6	10	17	16	18
Potatoes	35	42	38	45	55	25	35	30	32	35
Other	NA	NA	NA	NA	NA	58	188	225	379	323
Total	NA	NA	NA	NA	NA	1,043	1,383	1,988	2,302	2,585

[1]Estimates based on preliminary matrix tables. [2]Other cereals not shown above, including 11,000 tons of sorghum in 1978 and 50,000 tons in 1979.

Source: Iraq has not published trade data for 1979-82. The data were derived from matrix tables of shipments to Iraq by major suppliers.

NA= not applicable.

Table 8—Middle East and North Africa: Indices of agricultural and food production, total and per capita, by country, 1978-82

Country	1978	1979	1980	1981	1982	1978	1979	1980	1981	1982
		Total agricultural production					*Per capita agricultural production*			
					(1969-71 = 100)					
North Africa										
Algeria	103	104	116	117	116	81	80	87	86	82
Egypt	113	117	122	123	125	94	95	96	94	92
Libya	214	209	227	242	259	153	144	148	149	150
Morocco	121	118	123	100	114	94	89	89	70	76
Tunisia	151	150	169	175	178	125	122	133	134	134
Total	118	120	127	123	128	96	95	97	91	92
Middle East										
Cyprus	88	95	107	111	103	84	90	102	106	98
Iran	158	147	132	125	126	125	113	97	89	86
iraq	132	148	149	136	132	100	108	104	93	88
Israel	148	143	149	148	157	119	112	115	113	119
Jordan	131	80	161	95	133	102	61	119	68	93
Lebanon	115	105	120	97	109	93	83	93	73	79
Saudi Arabia	167	197	217	246	270	125	142	150	163	170
Syria	170	138	220	194	192	131	103	159	134	127
Turkey	132	132	135	138	144	108	105	105	104	105
Total	140	139	142	142	147	112	108	107	103	103
		Total food production					*Per capita food production*			
North Africa										
Algeria	102	103	115	116	115	80	79	86	85	82
Egypt	120	123	127	129	134	100	100	100	99	99
Libya	218	211	230	246	263	156	145	150	151	152
Morocco	120	117	123	99	114	94	88	89	70	76
Tunisia	150	150	169	175	179	125	121	133	134	134
Total	122	123	130	126	132	99	97	99	93	95
Middle East										
Cyprus	88	95	107	111	103	84	90	102	106	98
Iran	162	152	136	128	129	128	116	101	91	89
Iraq	133	150	150	138	134	101	109	106	94	90
Israel	143	139	145	142	154	115	109	112	107	117
Jordan	131	80	161	95	133	102	61	119	68	93
Lebanon	121	110	130	103	117	98	87	100	78	85
Saudi Arabia	182	198	220	253	281	137	142	152	168	177
Syria	202	159	283	241	232	161	119	205	168	154
Turkey	132	133	136	140	147	108	106	106	106	107
Total	142	141	144	143	148	113	109	108	104	104

Table 9—Middle East and North Africa: production of selected agricultural commodities, by country, average 1969-71, annual 1980-82

Country and year[1]	Wheat	Barley	Corn	Rice, paddy	Pulses[2]	Grapes	Citrus	Dates	Cotton	Cotton-seed	Tobacco	Sugar, raw	Milk	Wool	Meat
							1,000 tons								
Algeria															
1969-71	1,359	470	6	4	38	1,166	498	121	—	—	5	—	467	9	110
1980	1,511	794	1	1	47	284	415	201	—	—	3	—	595	18	139
1981	1,400	750	1	1	53	320	421	205	—	—	7	—	600	18	145
1982	1,200	650	1	1	56	300	406	200	—	—	3	—	575	17	143
Egypt															
1969-71	1,509	92	2,369	2,614	312	108	787	330	520	897	—	471	1,621	3	318
1980	1,796	107	3,230	2,384	220	299	1,063	446	530	844	—	662	1,865	4	472
1981	1,938	103	3,232	2,236	213	298	1,028	391	499	800	—	711	1,902	4	493
1982	2,017	121	3,347	2,441	266	300	1,100	404	445	739	—	725	1,960	4	512
Libya															
1969-71	39	70	—	—	—	6	20	57	—	—	2	—	49	—	15
1980	141	71	—	—	—	14	36	85	—	—	2	—	124	—	46
1981	141	79	—	—	—	15	36	85	—	—	2	—	130	—	53
1982	116	45	—	—	—	15	35	80	—	—	2	—	136	—	56
Morocco															
1969-71	1,861	2,243	387	31	323	213	812	92	7	14	3	149	532	16	190
1980	1,811	2,210	333	18	192	375	948	75	7	15	8	360	730	13	243
1981	892	1,039	90	12	51	375	977	65	6	13	8	385	780	16	232
1982	2,183	2,334	247	4	181	350	1,002	80	6	12	10	350	670	13	250
Tunisia															
1969-71	450	124	—	—	38	120	76	42	—	—	3	5	156	5	54
1980	869	296	—	—	81	94	136	50	—	—	4	7	253	9	97
1981	963	270	—	—	73	100	220	45	—	—	5	6	280	9	107
1982	916	339	—	—	77	90	187	45	—	—	4	5	230	9	102
Total North Africa															
1969-71	5,219	2,999	2,761	2,648	711	1,614	2,193	641	527	911	12	625	2,825	33	688
1980	6,128	3,478	3,564	2,403	540	1,066	2,598	857	537	858	17	1,029	3,567	44	997
1981	5,334	2,241	3,323	2,249	390	1,108	2,682	791	505	799	22	1,102	3,692	47	1,030
1982	6,432	3,489	3,595	2,446	580	1,055	2,730	809	451	752	19	1,080	3,571	43	1,063

Continued—

Table 9—Middle East and North Africa: production of selected agricultural commodities, by country, average 1969-71, annual 1980-82—Continued

Country and year[1]	Wheat	Barley	Corn	Rice, paddy	Pulses[2]	Grapes	Citrus	Dates	Cotton	Cotton-seed	Tobacco	Sugar, raw	Milk	Wool	Meat
							1,000 tons								
Cyprus															
1969-71	74	87	—	—	12	189	196	—	—	—	1	—	—	—	—
1980	12	100	—	—	7	157	242	—	—	—	1	—	—	—	—
1981	18	103	—	—	7	155	248	—	—	—	1	—	—	—	—
1982	15	80	—	—	7	152	276	—	—	—	1	—	—	—	—
Iran															
1969-71	3,667	1,067	35	1,095	105	263	257	293	156	324	18	562	1,867	20	244
1980	4,750	1,000	55	1,212	160	520	315	310	35	65	20	380	2,000	16	600
1981	5,300	1,166	60	1,200	139	530	310	250	44	87	27	400	1,700	16	490
1982	5,500	1,200	58	1,280	136	540	312	280	55	110	28	410	1,600	16	470
Iraq															
1969-71	1,080	692	—	268	46	139	37	439	13	28	15	—	1,300	13	107
1980	1,300	575	—	190	68	427	140	490	9	29	11	—	1,850	13	280
1981	1,600	600	—	165	68	447	150	430	5	29	10	—	1,600	14	180
1982	1,650	770	—	130	63	455	152	390	7	29	7	—	1,400	13	160
Israel															
1969-71	160	18	—	—	—	69	1,279	—	37	57	—	33	480	—	134
1980	253	16	—	—	—	72	1,507	—	78	125	—	—	707	—	261
1981	215	16	—	—	—	70	1,334	—	92	122	—	15	729	—	262
1982	135	7	—	—	—	73	1,720	—	73	125	—	30	743	—	268
Jordan															
1969-71	155	38	—	—	30	41	59	—	—	—	—	—	—	—	—
1980	150	62	—	—	37	63	107	—	—	—	—	—	—	—	—
1981	51	19	—	—	36	60	110	—	—	—	—	—	—	—	—
1982	15	10	—	—	33	65	115	—	—	—	—	—	—	—	—
Lebanon															
1969-71	35	6	—	—	9	94	243	—	—	—	7	17	—	—	—
1980	35	7	—	—	14	140	315	—	—	—	4	6	—	—	—
1981	25	10	—	—	16	145	310	—	—	—	4	8	—	—	—
1982	20	6	—	—	16	140	300	—	—	—	4	12	—	—	—

Table 9—Middle East and North Africa: production of selected agricultural commodities, by country, average 1969-71, annual 1980-82—Continued

Country and year[1]	Wheat	Barley	Corn	Rice, paddy	Pulses[2]	Grapes	Citrus	Dates	Cotton	Cotton-seed	Tobacco	Sugar, raw	Milk	Wool	Meat
								1,000 tons							
Saudi Arabia															
1969-71	119	29	5	3	—	16	6	215	—	—	—	—	—	—	55
1980	225	28	27	3	—	62	15	414	—	—	—	—	—	—	124
1981	275	29	29	3	—	80	17	418	—	—	—	—	—	—	161
1982	360	31	30	3	—	88	17	420	—	—	—	—	—	—	193
Syria															
1969-71	763	328	—	—	132	215	—	—	152	247	10	22	—	9	—
1980	2,226	1,587	—	—	213	356	—	—	118	205	14	61	—	18	—
1981	2,086	1,400	—	—	168	360	—	—	132	224	12	67	—	18	—
1982	1,400	630	—	—	167	370	—	—	152	264	13	80	—	18	—
Turkey															
1969-71	9,000	3,720	1,058	237	577	3,350	644	—	441	705	155	543	4,318	47	529
1980	13,000	5,300	1,240	262	808	3,220	1,084	—	500	800	228	812	5,502	61	640
1981	13,200	5,900	1,200	308	865	3,260	1,080	—	488	780	168	1,400	5,608	62	639
1982	13,800	6,000	1,300	346	950	3,400	1,100	—	488	780	215	1,500	5,796	63	643
Total Middle East															
1969-71	15,054	5,985	1,098	1,603	911	4,377	2,720	947	800	1,361	206	1,177	7,965	89	1,068
1980	21,951	8,675	1,322	1,667	1,307	5,017	3,725	1,214	785	1,336	278	1,259	10,059	108	1,905
1981	22,770	9,243	1,289	1,676	1,299	5,107	3,559	1,098	804	1,325	222	1,890	9,637	110	1,732
1982	22,895	8,734	1,388	1,759	1,372	5,283	3,992	1,090	800	1,363	268	2,032	9,539	110	1,734
Total North Africa & Middle East															
1969-71	20,272	8,984	3,859	4,251	1,621	5,991	4,912	1,588	1,326	2,272	218	1,802	10,789	122	1,755
1980	28,079	12,153	4,886	4,070	1,847	6,083	6,323	2,071	1,322	2,194	295	2,288	13,626	152	2,902
1981	28,104	11,484	4,612	3,925	1,689	6,215	6,241	1,889	1,309	2,124	244	2,992	13,329	157	2,762
1982	29,327	12,223	4,983	4,205	1,952	6,338	6,722	1,899	1,251	2,115	287	3,112	13,110	153	2,797

[1]Data for 1982 are preliminary. [2]Pulses may include dry beans, broad beans, lentils, chickpeas, cowpeas, dry peas, vetch, bambarra groundnuts, and pigeon peas.

— = None, negligible, or not identified in ERS data base.

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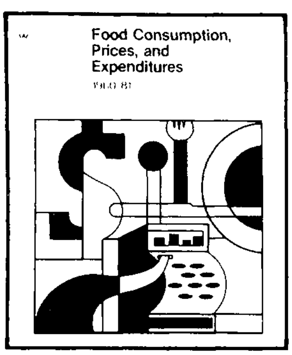

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