United States
Department of
Agriculture

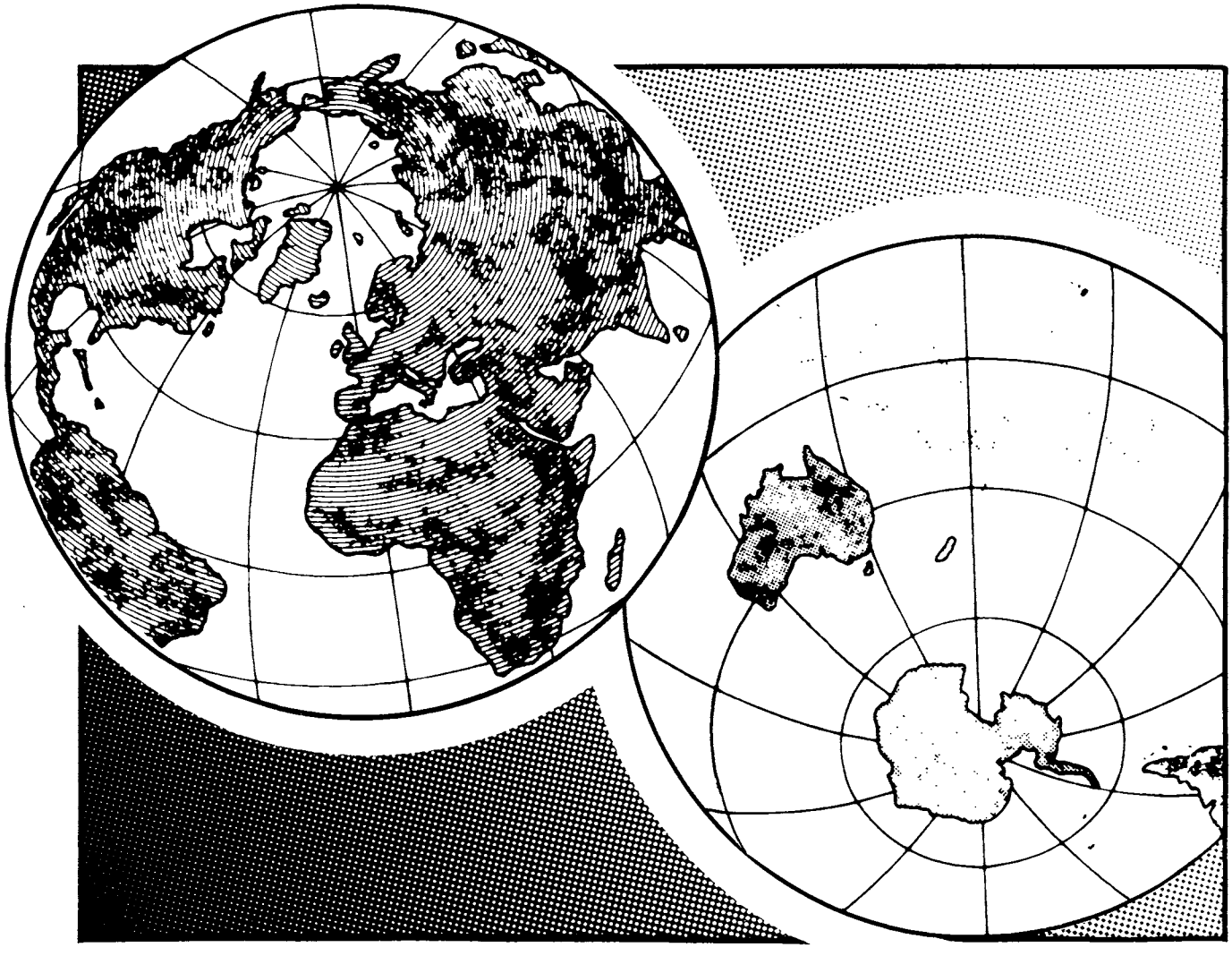
Economic
Research
Service

Supplement 5 to WAS-31

Latin America

World Agriculture Regional Supplement

Review of 1982 and Outlook for 1983



Latin America: World Agriculture Regional Supplement. Review of 1982 and Outlook for 1983. International Economics Division. Economic Research Service. Supplement 5 to WAS 31. Approved by the World Agricultural Outlook Board.

ABSTRACT

The volume of Latin American farm exports is expected to grow modestly again in 1983, but continued weak price prospects suggest that revenues could decline. The outlook for agricultural imports for the region is mixed. Below-trend domestic production, lower prices, and continued population growth are signs of strength, but much of this could be offset by reduced per capita incomes and growing foreign exchange shortages in many countries. U.S. farm exports to Latin America reached $4.9 billion in fiscal 1982, but they are expected to slip to $4.6 billion this year. U.S. imports from the region declined to $5.6 billion in calendar 1982, but are expected to increase in both calendar and fiscal 1983. Agricultural production declined 1.5 percent in 1982. The outlook for 1983 is for some improvement, but probably not up to trend levels.

Keywords: Latin America, agricultural production, trade, exports, imports, agricultural outlook.

FOREWORD

This report analyzes major developments in the agricultural situation of Latin America and their impact on trade in 1983. These include lower 1982 production, reduced world prices, civil crises, foreign exchange shortages, currency devaluations, domestic consumption and trade, and agricultural policy developments.

The data and information in the report refers to calendar years unless otherwise stated. The data in the appendix tables are as of May 1, 1983.

John Link coordinated the preparation of this report. Sections were written by Richard N. Brown, Jr., Alan B. Maurer, Art Morey, D.H. Roberts, Lisa Shapiro, Nydia Rivera-Suarez, and Paul Trapido. Deveta Eatmon provided statistical support. Norma Giron was responsible for the typing. Grateful acknowledgement is extended to the staff of the Foreign Agricultural Service, especially to those agricultural counselors and attaches whose reports were drawn on extensively.

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We welcome any comments, suggestions, or questions about this report or other aspects of the agricultural situation in Latin America. Responses should be directed to the Latin America Branch, International Economics Division, Economic Research Service, USDA, Room 302, 500 12th Street, SW., Washington, D.C. 20250. Our telephone number is (202) 447-8133.

Oswald P. Blaich
Branch Chief

Washington, D.C. 20250 July 1983

CONTENTS

LIST OF TABLES


Mexico
Cuba
Haiti
Donimican Republic
Jamaica
Belize
Honduras
Guatemala
El Salvador
Nicaragua
Costa Rica
Panama
Guyana
Suriname
French Guiana
Venezuela
Colombia
Ecuador
Brazil
Peru
Bolivia
Paraguay
Chile
Uruguay
Argentina

LATIN AMERICA

Review of Agriculture in 1982 and Outlook for 1983

SUMMARY

Latin America is a highly diversified region, with countries ranging from developed to developing and from major agricultural exporters to importers. It is a urban region, but agriculture plays an important role in the economies of most countries because it is an important employer and foreign exchange earner. In 1982, the region was faced with three major challenges that will continue throughout 1983: increasing unemployment, inflation, and external debt. Agricultural production in Latin America was down slightly in 1982 because of bad weather in Mexico and Brazil, which offset gains in the majority of the other countries.

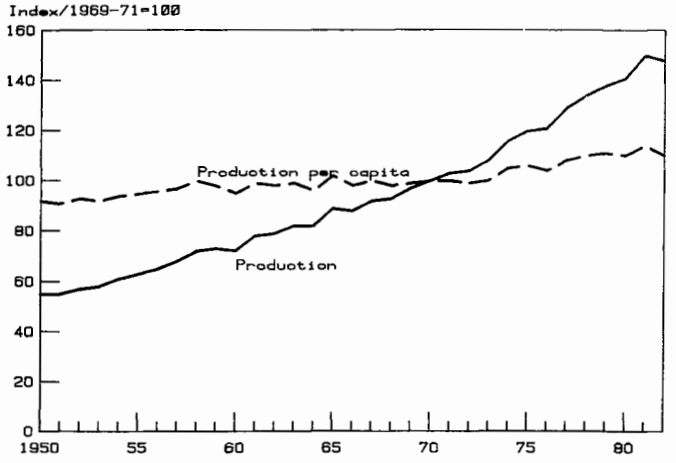
Latin America's economic condition continues to deteriorate. In 1982, the region experienced the most painful economic crisis since the 1940's and probably since the Great Depression. The region's gross domestic product (GDP) declined nearly 1 percent and is forecast to drop anther 2 or 3 percent in 1983. While economic growth continued to weaken, unemployment rates rose and consumer prices escalated, averaging increases of about 80 percent for the region. Most of the countries have been affected, and many are also facing serious foreign exchange shortages brought about by depressed world markets for their major exports. The region's exports fell 10 percent in 1982, while imports dropped roughly 25 percent, putting the balance of trade nearly in balance. However, the current account deficit persisted, and foreign exchange holdings dropped.

Demand for agricultural imports by most Latin American countries has been dampened by the current world economic conditions. However, continued strong population growth will still put pressure on many countries to increase their purchases of food or suffer higher food prices.

Latin American agricultural production in 1982 was down about 1.3 percent from 1981 and nearly 4.7 percent below trend. The drop was due to bad weather in Mexico and Brazil. Mexican output was down 5 percent from 1981, nearly 9 percent below trend, while Brazil's production dropped 3 percent, 7 percent below trend. Despite the overall drop, Latin American wheat production was nearly 45 percent above 1981 and 40 percent above trend, the main reason being the sharp shift from coarse grains to wheat in Argentina. Corn production fell 14 percent from 1981 and nearly 18 percent below trend, a result of the shift in Argentina and a bad crop in Mexico. Because of the drop in Brazil's soybean output, regional production was down 10 percent. Coffee was another crop that suffered a sharp decrease, down nearly 25 percent from 1981 and the long-term trend. The crop in Brazil suffered the major part of the loss.

Assuming normal weather, preliminary estimates indicate that 1983 agricutlural output will rise, but it will probably not get back to the trend level. This will reduce the demand for imports and increase export competition. Also influencing production will be the policy issues that the countries are currently facing. These include the difficult task of balancing unemployment, inflation, external debt, and the objectives for the agricutural sector. The goals for the sector include increased production for both the domestic and export markets,

Latin America: Index of Production



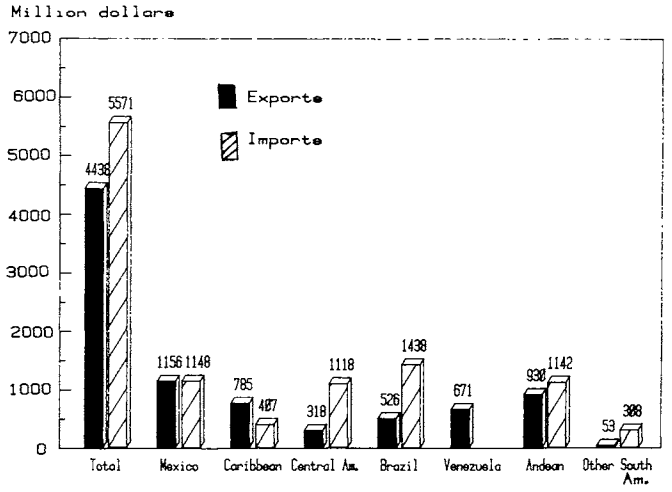
Compound annual growth rate: 1950-82
Agricultural production 3.2%
Agricultural production per capita 0.6%

U.S. agricultural exports to Latin America

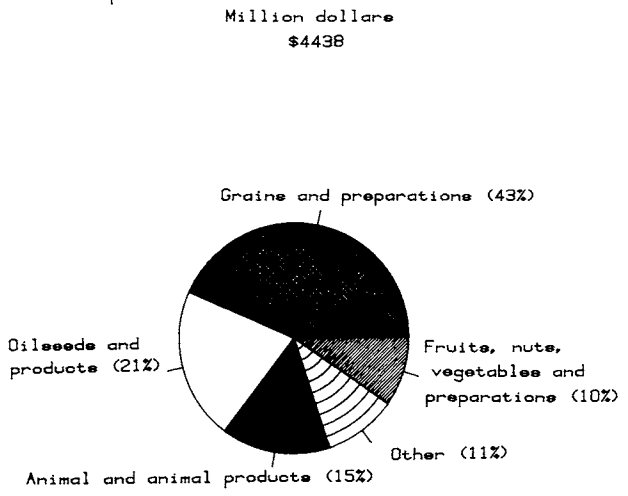
Commodity	Fiscal years 1981	1982	Forecast 1983
	Million dollars		
Animals and products	783	570	561
Grains and preparations	3,503	2,030	2,450
Wheat and products	1,623	1,379	1,185
Rice	128	63	60
Feed grains	1,658	489	1,142
Fruits, nuts, and vegetables	630	650	290
Oilseeds and products	1,102	999	944
Oilcake and meal	239	209	205
Soybeans	356	218	233
Oils and waxes—vegetables	404	260	346
Other	852	519	375
Total	6,870	4,938	4,620
	1,000 metric tons		
Wheat and products	8,545	8,067	7,388
Rice	264	159	149
Feed grains	10,761	2,882	9,802
Oilcake and meal	886	832	832
Soybeans	1,130	842	1,000
Oils and waxes—vegetables	631	630	672

Sources: U.S. Bureau of the Census; USDA forecast.

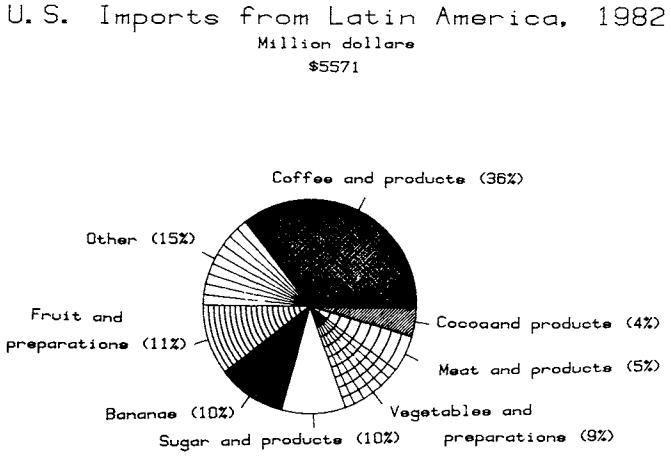
U. S. Trade with Latin America, 1982



U. S. Exports to Latin America, 1982



U. S. Imports from Latin America, 1982



national food self-sufficiency or import substitution, stabilized food prices, rural development, and improved nutrition.

U.S. agricultural exports to Latin America in fiscal 1983 are expected to slip about 6 percent $4.6 billion, a further decline from last year's depressed value. Increased sales to Mexico due to a sharply reduced 1982 fall harvest are the main factor keeping the amount from sliding further. Exports to Mexico, which account for about one-third of U.S. shipments to the region will, however, increase about 8 percent. Also, shipments of feed grains, soybeans, and cotton to the region as a whole should be higher. However, lower prices will result in a reduced export value.

Wheat is the main U.S. commodity exported to Latin America, accounting for nearly 25 percent of the total value of U.S. exports to the region. Shipments during fiscal 1983 are expected to be down slightly from last year's 8 million tons valued at $1.4 billion, to 7.4 million tons at $1.2 billion. Brazil will likely account for 36 percent of total purchases.

Feed grain shipments are forecast to jump nearly 6 million tons to 9.8 million tons valued at $1.1 billion, accounting for about 25 percent of total U.S. farm exports to the region. Mexico, suffering from a major drought, will take three-fourths of the total shipment to the region.

Oilseeds and products account for about 20 percent of total U.S. exports to the region and are expected to be down slightly to $944 million. Lower prices will be somewhat offset by a 160,000-ton increase in exports, mainly to Mexico because of hurricane damage to the soybean crop in October 1982. Mexico will account for nearly 70 percent of U.S. shipments to the region.

The other export categories account for about 30 of total shipments to the region. Most items are expected to register significant declines this fiscal year.

U. S agricultural imports form the region were $5.6 billion in calendar 1982, and are expected to increase in both calendar and fiscal 1983.

PROSPECTS FOR LATIN AMERICAN AGRICULTURE IN THE 1980's[1]

The demand for farm products in Latin America will continue to increase throughout this decade. In the next few years, population growth will be the major driving force, but growing incomes will add impetus in the latter half. This growth will underpin the demand for imports. However, production in the region will also increase to compete with outside suppliers.

Current projections indicate a mixed, but generally tight, economic outlook during the 1980's. The current slowdown in world economic activity and Latin America's external debt situation will hamper GDP growth through the mid-1980's. However, with improvement in world economic conditions, there may be some strengthening of economic activity in the latter part of the decade.

The economies of the region are dominated by Mexico, Brazil, Argentina, and Venezuela, which together

[1]This material is based on the semiannual baseline exercise carried out in the Latin America Branch.

account for nearly three-fourths of GDP. The real rate of GDP growth during the 1970's ranged from -0.9 percent annually for Jamaica to 8.7 percent for Brazil. Overall, the region's GDP growth rate was high by world standards. Per capita GDP ranged from $260 in Haiti to $3,120 in Venezuela, but most of the countries are middle income.

The 1970's were a period in which external capital flowed heavily into the region. The oil exporters in the region experienced increasing prices and, therefore, higher revenues that were used to stimulate their economies.

In the early 1980's, the slowdown in world economic activity, continued high production costs, and declining prices for most of the region's exports began to have an impact on economic growth. The first and perhaps the most critical problem to develop was in debt repayment. Mexico's debt level reached $80 billion, Brazil's $90 billion, Argentina's $40 billion, and Venezuela's $20 billion. Virtually no country of the region escaped the pressure, and most of them were forced to undertake severe austerity measures to tide them over. This means reduced producer and consumer subsidies and restricted imports, especially of nonessential items. Such steps are not without adverse impact on countries' productivity, growth of employment, income, and import purchasing power.

Current estimates put GDP growth through the mid-1980's near 2 percent annually for the region, substantially below the average rate of 6 percent for the 1970's. With recovery in the world economy, the Latin America region, which is an important trader, should again prosper, and a growth rate of 4 to 5 percent should recur during the last half of the 1980's.

Population growth will continue to place substantial demands on the food production system of most countries in the region. The average annual growth rates among the countries in Latin America were relatively wide in the 1970's, ranging from 0.3 percent for Uruguay to 3.3 percent in Honduras, Nicaragua, Ecuador, and Venezuela. The population of Latin America was 354 million in 1980, and it is projected to reach 436 million by 1990. Still, this represents a growth of only 2.1 percent annually, a substantial decrease from the 1970's.

The 1970's saw the beginning of a shift in the direction of food policy in the region. Many government enterprises were returned to the private sector, and government intervention was generally reduced, except for taxes and subsidies applied to achieve "important" national economic goals and priorities. Most countries in Latin America in recent years have been concerned with inflation and have taken a number of measures to control it or to accommodate to it. For those highly dependent on trade, this has meant a variety of border controls and foreign exchange adjustments. Agricultural goals and priorities in practically all countries have been concerned with expanded production for both the domestic and export markets, national food self-sufficiency or import substitution, stabilized food prices, rural development, and improved nutrition. Overriding all of this, there appears to be a movement toward international interdependence as exemplified not only by an increasing dependence on imported production inputs, but also by a program of regional customs unions dedicated to freer trade among members. However, the emergence of the financial difficulties of the early 1980's, and especially the 1982 debt situation, has put this movement on hold and may even have put pressure on some to reverse the process.

The combination of rapid income growth and relatively high population growth resulted in a substantial increase in the demand for agricultural commodities during the 1970's. Consumption overtook production for some commodities and, as exemplified by rice, the region switched from a net exporter to just being self-sufficient.

Total farm output increased nearly 3.4 percent annually during the 1970's—a little faster than the growth in population. Most of the expanded cereals output came as a result of better yields, rather than increased area. Wheat production rose at an annual average rate of 2.5 percent; imports, 7.3 percent; exports, 8.8 percent; and consumption, 3.1 percent. Most of the growth in wheat output came from area expansion. Rice production grew at 4.7 percent a year, with expanded area and higher yields contributing about equally. Coarse grain output continued a strong growth of 3.2 percent a year, but it was down from the 4.9 percent of the 1960's. Larger yields were the main factor behind the increase. Coarse grain consumption increased 4.2 percent a year, with growth in the pork and poultry sectors being one of the main factors. The rate of growth in ruminant production failed to keep up with consumption in the 1970's, increasing at 2.7 percent and 3.6 percent, respectively. Pork and poultry production continued a strong expansion into the 1970's, growing at 7 percent a year, while consumption grew at 6.6 percent.

Crop yields in Latin America compare quite favorably with yields in other developing regions, but are below yields in developed countries. Yields of wheat, corn, rice, cassava, and potatoes are below the world average, while yields of sorghum, soybeans, dry beans, and coffee are above. Cotton, tobacco, and sugarcane yields are about the world average. Latin American yields are generally higher than the average for the developing countries as a whole, the average rate of increase has not been as high as either the world average or the average for developing countries.

How best to use land has not been a problem for most of the countries in Latin America, because land has always been abundant relative to total population. Temporary and permanent crops occupy only between 5 and 10 percent of the total land area in Latin America. The proportion currently being cultivated is highest in the Caribbean Basin and lowest in Brazil and the Andean countries. Some estimates indicate that Latin America could have as much as 700 million hectares of land suitable for crop production, slightly more than five times what is being currently used. The question is how much and how fast this could be brought into production.

Agriculture's share of GDP for the region averaged about 15 percent, ranging from 32 percent in Honduras to 6 percent in Venezuela during the late 1970's. The labor force engaged in agriculture ranged from a high of 74 percent in Haiti to 37 percent in Mexico, 40 percent in Brazil, 19 percent in Venezuela, and 13 percent in Argentina.

While Latin America is basically a net exporter of agricultural products, when looking at grains and oilseeds and when Argentina is left out of the picture, the region is a growing importer of these products. Annual growth in Latin American wheat production is expected to increase during the 1980's because of area expansion, with very little, if any, increase in yields. The rate of growth in wheat consumption is expected to slow, but the region will still likely be an increasing net importer of wheat. Population growth and growth in the wheat-consuming urban areas are the main factors behind the estimates.

Latin American historical and projected production, consumption, and net trade for selected commodities[1]

Commodity	Area	Yield	Production	Consumption		Net imports
				Total	Per capita	
	Million hectares	*Tons/ha*	*Million tons*	*Million tons*	*Kgs*	*Million tons*
Wheat						
1969-71	8.5	1.4	11.6	15.3	54	3.3
1979-81	10	1.5	14.9	20.9	59	6.2
1985	11.5	1.5	18.5	23.9	61	5.4
1990	12.7	1.6	20.8	27.7	63	6.6
Rice						
1969-71	6.3	1	6.6	6.3	22	−.3
1979-81	8.2	1.3	10.4	10.2	29	0
1985	9	1.3	11.5	11.9	30	.2
1990	10.0	1.3	13.1	13.5	31	−.4
Coarse grains:						
1969-71	32.2	1.4	45.4	39.2	139	−6.9
1979-81	34	1.8	62.2	59.2	167	−1.9
1985	38	1.9	73.1	70.5	179	−2.6
1990	41.4	2	83.9	83.2	191	−.7

[1]Columns may not add because of rounding.

Latin American historical and projected production, consumption, and net trade for selected commodities[1]

Commodity	Production	Consumption		Net imports
		Total	Per capita	
	Million tons	*Million tons*	*Kgs*	*Million tons*
Rumimants				
1971-73	7	5.9	21	−1.1
1979-81	8.6	7.8	22	−.8
1985	9.8	8.7	22	−1.1
1990	11.1	9.8	23	−1.2
Pork/poultry				
1971-73	3.2	3.2	11	0
1979-81	5.4	5.3	15	−.1
1985	6.5	6.3	16	−.3
1990	8	7.6	17	−.4

[1]Columns may not add because of rounding.

Rice production is expected to increase at a much slower rate than in the 1970's. While rice consumption is also likely to slow, the region is expected to shift from being self-sufficient to being a net importer.

Production of coarse grains is also expected to increase, but at a slower rate than during the 1970's. Area expansion should be the main factor behind the growth. While the region is a net exporter of coarse grains because of Argentina, surplus supplies available for export are expected to decline by the end of the decade. Mexico, self-sufficient in coarse grains throughout most to the 1970's, will become increasingly dependent on imported corn and sorghum.

The rate of growth in ruminant production will likely slow slightly in the 1980's, while growth in consumption is forecast to show a bigger drop in growth. Some improvement in per capita consumption is expected, and the region will become more of a net exporter.

The pork and poultry (mostly poultry) industries are expected to experience a sharp cutback in the rate of growth of production and consumption during the 1980's. However, because of Brazil's export capacity, the region will remain a net exporter and will probably increase its capacity.

The United States exported about $5.7 billion of agricultural products annually to Latin America during the early 1980's, accounting for 12 to 15 percent of total U.S. farm exports. The United States should be able to maintain its place in the increasing Latin American market, possibly enlarging its share through better financial terms. (John Link)

LATIN AMERICAN FINANCIAL SITUATION

The importance of international debt to the Latin American economies became clearer in 1982, after Argentina, Brazil, and Mexico announced their inability to repay principal and interest charges. The debt reschedulings of these and other countries reflect broader economic problems that began afflicting all of Latin America over the last 2 years.

By 1982, exports declined 10 percent to $80 billion; imports fell roughly 25 percent, from $109 billion in 1981; and foreign exchange holdings dropped nearly 20 percent to $35 billion. To fill the gap between foreign exchange earnings and outlays, many Latin American countries borrowed heavily at high interest rates in short-term credit markets. The debts of Argentina, Brazil, Chile, Mexico, and Venezuela were so high that roughly 50 percent of their export earnings had to be used for principal and interest repayments in 1982. Given poor prospects for export earnings, this figure

Debt service as a percentage of export earnings[1]

Country	Debt service 1980	Export earnings 1981	Export earnings 1982[2]
Argentina	25.0	31.4	61.0
Brazil	58.9	64.3	76.2
Chile	35.1	50.7	49.8
Mexico	37.6	44.5	45.2
Venezuela	21.1	24.5	31.6
Other Latin America[3]	20.8	31.2	36.1

[1]Export earnings defined as the dollar value of goods and services. [2]Preliminary estimates: OECD, World Bank, IMF, USDA. [3]Export earnings defined as the dollar value of goods exported; debt service does not include repayments on debt with maturity of less than 1 year.

would likely have approached 80 percent in 1983, hence, the debt reschedulings of 1982 and early 1983.

Most countries may begin to see signs of improving financial positions sometime in 1983. A projected 5-percent increase in export earnings, coupled with stable or slightly lower imports than in 1982, looks likely to improve the trade balance of the region. The resulting increase in foreign exchange will probably be allocated to the lower debt-servicing obligations—products of the reschedulings.

Such improvements in the region's financial position, however, will most certainly entail costs. Imports cannot be cut without slowing investment and economic growth, and imports are more likely than not to be cut. Inflation, which averaged 75 percent last year, cannot be brought down substantially unless demand and credit are reduced, and these reductions will entail a slowing in business activity and a probable rise in unemployment.

Higher export revenues will be the key to providing the foreign exchange necessary for countries to service their international debts and, ultimately, to increase imports and economic growth. Close ties between the U.S. and Latin economies will help boost Latin America's export earnings as long as the U.S. recovery is sustained. The U.S. recovery, which is expected to be the strongest of all recoveries in the world during 1983, will doubly benefit Latin America: 40 percent of all Latin exports are sold in the United States, and 15 percent of all U.S. imports come from Latin America. Thus, a large share of Latin exports are destined to an economy whose demand for those products, while already sizable, will probably be increasing faster than in any other economy in the world.

Export growth could be on the order of 5 to 10 percent in 1983, well below the average rate of nearly 20 percent from 1976 to 1981. Increases in export volumes may not be great, but some commodity prices are likely to be higher than in 1982. Such commodities would include metals and agricultural raw materials; demand for these products tends to increase in the early phases of recovery. Exporters of metals include Bolivia, Chile, Peru, Jamaica, Haiti, and Guyana. Counties that export agricultural raw materials include Guatemala, Nicaraqua, and Paraquay.

Export prospects will not likely be as good for countries that produce food and beverages, especially sugar and coffee. Prices for these commodities are still below their 1982 average price—15 percent below in the case of sugar. Argentina, Costa Rica, Guatemala, Haiti, Colombia, the Dominican Republic, El Salavador, Honduras, and Nicaraqua receive 50 percent or more of total export earnings from shipments of food and beverages. The latter five countries depend on these commodities for 70 percent or more of total exports. Therefore, export prospects for these countries are fairly bleak.

Petroleum exporters, particularly Mexico, Venezuela, Trinidad and Tobago, and Ecuador, will probably not see much increase in oil earnings until 1984. Prices for 1983 will almost certainly average below those for 1982, and export quantities may increase only slightly. The likelihood of slow recoveries in the area's major petroleum markets—the energy intensive industries in the United States, the other industralized countries, and Brazil—will dampen demand for Latin American petroleum through 1983.

This year's imports might not even reach the 1982 value of roughly $80 billion; financial constraints could even cause a decline. Foreign exchange reserves are likely to be extremely limited in spite of increased export earnings. The repayment of international debt will consume a large share of foreign exchange that might otherwise be spent on imports. Also, a continuing weakness in currencies that are not pegged to the dollar will force up import costs. For countries whose currencies are pegged to the dollar—the Dominican Republic, Haiti, Nicaragua, and others—imports may have to be cut to prevent devaluations, strains on domestic budgets, or the need for increased credit inflows.

The economic strain of servicing international debt will continue to be severe beyond 1983, despite the debt reschedulings of several major countries. Given the outlook for lower economic growth rates in the industrialized countries, export growth is apt to be slower than in the late 1970's. Policies now in place to suppress the demand for foreign currency—the cutting of imports and official expenditures, the raising of taxes and interest rates, and the devaluing of currencies—will probably continue in one form or another for several years. Some policy changes could be permanent. In the meantime, debt-service payments will continue to consume large portions of foreign exchange earnings, leaving a smaller share for industrial development. (Art Morey)

MEXICO

A severe drought in 1982 will force Mexico to turn to the international market for more than 10 million tons of basic agricultural products in 1983. Furthermore, skyrocketing input costs will probably limit Mexico's ability to substantially increase production of export crops, such as cotton and winter vegetables. These factors will assure a negative agricultural trade balance for the third time in the past 4 years. Mexico's imports of grains and oilseeds alone are expected to double from last year's total of 4.9 million tons. Government purchases of sugar, tallow, nonfat dried milk, certified seed, and other agricultural products could bring the total bill for farm products close to $2.5 billion in 1983. The private sector's imports of "nonessential items"—principally livestock and livestock products, fruits, vegetables, and tobacco—will slow to a trickle in 1983, after three devaluations that reduced the peso's purchasing power by 80 percent.

Major agricultural imports and exports of Mexico

Commodity	1980	1981	1982[1]	1983[2]
		1,000 metric tons		
Imports				
Wheat	677	1,104	393	600
Corn	4,851	2,803	194	4,000
Sorghum	2,403	2,087	1,748	3,200
Soybeans	931	1,173	560	900
Sugar (raw basis)	609	607	518	1,000
Exports				
Coffee	130	118	111	132
Tomatoes	281	236	267	275
Cotton	177	172	90	113

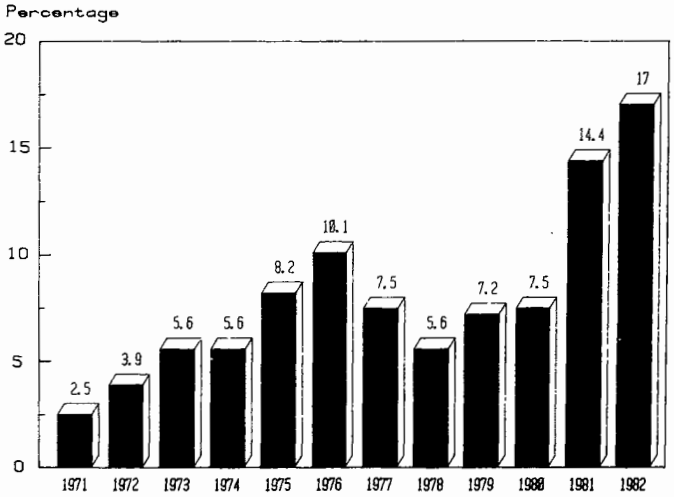
[1]Preliminary. [2]Forecast.

Mexico will regain its status as one of the principal markets for U.S. agricultural commodities in 1983. The value of U.S. exports to Mexico—aided by $1.7 billion in credit guarantees—is expected to increase by nearly 82 percent to approximately $2 billion. Nearly 90 percent of this will consist of government purchases of grains, oilseeds, and livestock products that were specified in a supply agreement signed by the two countries early this year. Products that are eligible for the preferential exchange rate offered by the Government of Mexico—including breeder cattle, hybrid seed, and hatching eggs—will account for most of the rest of U.S. exports of farm goods.

External Debt Burdens Economy

The economy in 1983 is expected to contract for the second consecutive year because of belt-tightening measures adopted in the face of an external debt that ballooned to $80 billion last year, the result of high interest rates and declining oil revenues. In compliance with the International Monetary Fund's (IMF) Extended Fund Facility agreement, signed in December 1982, the Government will attempt to reduce public-sector spending from 17.5 to 8.5 percent of GDP in 1983. This will result in the loss of hundreds of thousands of public-sector jobs and a reduction in or elimination of both production and consumption subsidies. Also, wage increases that will fall behind the projected inflation rate of 95 percent will diminish consumer purchasing power. Nonetheless, overall demand for food will expand as the population increases.

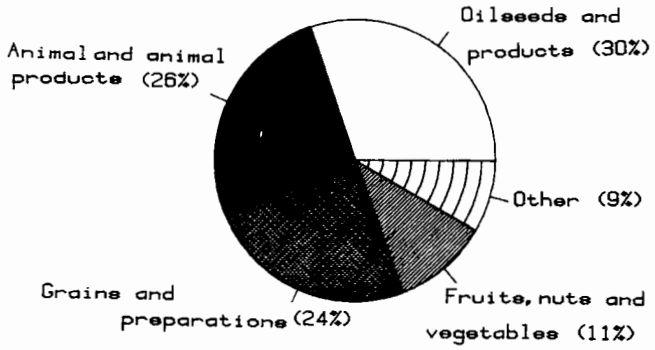
Mexico Public Sector Debt as a Percentage of Gross Domestic Product



U. S. Exports to Mexico, 1982

Million dollars

$1156



The devaluations of the peso have markedly improved Mexico's export competitiveness, but weak external demand and the current oil glut are expected to hold overall growth in export revenues to 2 percent. Furthermore, servicing its huge external debt will usurp more than 40 percent of Mexico's receipts from external sources this year. Since the purchase of inputs for industrial production will receive high priority for available foreign exchange, Mexico will purchase its food imports mainly from those exporting countries who are able to offer concessional credit or barter deals. This will exclude some traditional trading partners, such as Argentina. The United States will retain its position as the principal source of Mexico's external food purchases, supplying more than 90 percent of the estimated value of Mexico's total agricultural imports in 1983.

Recovery Will Be Mixed

Growth in agricultural output should reach 4 percent this year, following last year's drought-induced contraction of 5 percent. Major gains are foreseen in crop production, which plunged 14 percent last year. However, the 1981 record levels probably will not be reached.

Unseasonal rains restored Mexico's parched reservoirs to 50 percent of capacity last winter. This assures reasonable yields for irrigated crops, such as wheat, rice, soybeans, and winter vegetables. A return to a normal rainfall pattern this summer would push yields of nonirrigated crops, such as corn, dry beans, and sorghum, far above 1982's drought-affected outturns. However, growth in area will be limited by producer discontent over the current cost-price squeeze. Even though price supports have been increased some 80 percent by the new administration, production costs are expected to rise about 120 percent. Prices of improved seed, fertilizer, and pesticides are projected to increase 91, 50, and 110 percent, respectively, and for the first time in 4 years the Government will not offer subsidies to producers for these input costs.

In contrast to the rebound anticipated in the crop sector, livestock output is expected to stagnate or decline

after last year's 7 percent increase. Most producers and processors of livestock commodities rely heavily on imported inputs, so costs have skyrocketed, and input supplies have become erratic at the same time that the financial crisis has tremendously eroded consumers' purchasing power. If the Government chooses not to alleviate these cost-price pressures and supply bottlenecks, significant herd and flock reductions will slow the demand for feed grains over the next few years.

Poor Crops Necessitate Huge Imports

Last year, the production of corn, the primary component of the Mexican diet, fell to its lowest level in over a decade. Rainfall that was 75 percent below normal during the crucial summer months reduced corn yields and the harvested area by 13 and 25 percent, respectively. Thus, Mexico will purchase about 4 million tons of corn from the United States to cover its needs this year. Preliminary expectations are that corn production could increase to 10.5 million tons this year, assuming the timely arrival of rain in June. This would be short of the record 12.5 million tons in 1981.

Production of dry beans, another staple of the Mexican diet, fell 30 percent last year as a result of the drought. However, a record carryover from the 1981 crop has left Mexico in an excellent supply position, so only minimal imports are anticipated in 1983.

Nearly 40 percent of Mexico's principal feed grain crop, sorghum, is grown on irrigated land. Thus, despite the drought, production fell only 20 percent last year. Consumption is projected to decline about 10 percent in the face of market prices that are nearly double the official support price. In addition, there has been a slackening of demand for animal products, so Mexico is expected to import only about 3.2 million tons of sorghum this year. Over the past 3 years, Argentina has supplied approximately 25 percent of Mexico's imports, but the United States will secure all of the Mexican sorghum market in 1983 because of the attractiveness of credit guarantees. Sorghum production in 1983 is not expected to equal 1981's bumper harvest, but increases in both area and yields from last year's drought-reduced levels are expected to produce an outturn of 3.5 million tons, some 9 percent above the 1982 harvest.

Abundant rainfall in 1981 assured plentiful irrigation water supplies, which, together with production subsidies, produced a record 1982 wheat crop. Production this year is expected to fall 23 percent because the same storms that replenished reservoirs after last summer's drought damaged new wheat plantings last winter. Mexico is therefore expected to purchase 600,000 tons of wheat from Canada and the United States in 1983. Rice production decreased 12 percent last year, as declines in dryland output offset gains in the irrigated crop. Because the U.S. rice crop is not expected to be price competitive, the People's Republic of China will probably supply Mexico's estimated import needs of 20,000 tons. Barring a second drought in a row, paddy production will probably rebound to 600,000 tons in 1983.

Production of the three major oilseeds—soybeans, cottonseed, and safflower—fell 19, 41, and 43 percent, respectively, last year. Hurricane Paul reduced the soybean outturn by an estimated 180,000 tons. The downturn in cottonseed production reflected farmers' concerns about falling world cotton prices. Production incentives offered to producers of wheat were behind the dramatic shift away from safflower production. Brazil is expected to supply 300,000 tons of soybeans this year in exchange for an unspecified amount of petroleum. Mexico will purchase the remainder of its oilseeds and oilseed products from the United States, most importantly 600,000 tons of soybeans and 500,000 tons of sunflowerseed. Oilseed production is expected to recover somewhat this year. Smaller supplies of irrigation water will limit area expansion for soybeans, but this very fact will encourage farmers to plant safflower rather than wheat.

Generally excellent weather in sugar-producing areas, together with a new system of cane payment by sucrose content, produced a 13-percent increase in sugar output last year. However, prospects for this year's harvest are not bright: rains have delayed the harvest, and labor unrest continues to deter efficient cane milling. Officials have contracted for nearly 1 million tons (raw basis) of sugar imports this year, principally from Cuba, the Dominican Republic, Brazil, and Nicaragua.

Investments in research and technical assistance, and excellent crop conditions yielded a bumper coffee harvest for the second year in a row. Mexico is expected to actively seek new export markets outside those belonging to the International Coffee Agreement (ICA) in an attempt to cope with the burden of mounting stocks. In a further effort to increase sales and at the same time slow the drain on the country's foreign exchange reserves, Mexico is attempting to barter coffee for essential imports. As for the 1983 coffee harvest, no major changes in crop size are foreseen.

Producers harvested a record 1.5 million tons of tomatoes from 75,000 hectares this past winter. Although farmers increased plantings to take advantage of the devaluation, exporters were required to deposit dollar returns with the Banco de Mexico, which then compensated them at the controlled rates of about 100 pesos/dollar, rather than the free market rate of 150/dollar. Shipments to the United States are projected to increase slightly in 1983.

Weakening Demand for Animal Products Foreseen

Livestock production continued to grow slower than effective demand did in 1982, mandating some imports. A shift in consumption from higher to lower grade animal products, reflecting dwindling real incomes, showed up in 1982 trade data. Mexico's beef and pork imports each declined 30 percent, while purchases of viscera items and low-grade variety meats increased 35 percent. The trend is expected to continue throughout 1983.

Extremely dry pasture conditions last summer forced some stress slaughter, and beef production rose 11 percent in 1982. Although hurt by acute shortages and high prices of medicines, minerals, amino acids, and vitamins, the cattle industry has been encouraged by the recent improvements in pasture conditions, which will permit some herd rebuilding in 1983. Beef production is expected to decline by more than 10 percent, but no significant imports of beef or slaughter cattle are anticipated this year in light of Mexico's current economic woes.

The swine industry continued to register strong growth in 1982, despite erratic availability of feed. Pork supplies are beginning to back up in retail markets, and recent hog price increases are well under the general inflation rate. Faced with flagging consumer demand, increasing costs, and uncertain feed supplies, hog producers are expected to increase slaughter throughout 1983.

The Mexican broiler industry will likely fare better than the hog industry in 1983, because a pronounced

shift from consumption of beef and pork to lower priced chicken is foreseen. Nonetheless, broiler producers will face the same high prices and shortages of inputs as the hog producers. Demand will likely exceed domestic supplies, but no significant imports are expected.

Dairy and egg producers find themselves in one of the most severe crises of their history. Retail prices for milk and eggs are controlled, but authorized increases have lagged far behind recent escalating costs. Many small and medium-size producers are expected to reduce or liquidate flocks and herds unless the Government can devise some relief from the severe cost-price squeeze. Eggs are expected to receive some of the demand shift from beef and pork, so shortages will likely emerge this year. The United States will supply the 1 to 1.5 million cases of eggs that Mexico will have to import. Canada and Ireland will continue to supply most of the nonfat dry milk, although some sales from U.S. Government stocks for special social programs may be available, as in the past. (D.H. Roberts)

BRAZIL

Because of Brazil's urgent need to improve its balance-of-payments situation, promoting agricultural exports and restricting farm imports are the principal themes in 1983. Favorable weather and only small increases in domestic consumption will likely strengthen growth in agricultural exports, although falling commodity prices could limit growth in export earnings to only 5 percent. Agricultural imports will be limited to "essentials" as the country strives to reduce its total imports from $19 to $17 billion this year.

U.S. trade with Brazil will continue to be dominated by sales of wheat and purchases of coffee, orange juice, cocoa, sugar, and beef. With larger sales of wheat, U.S. agricultural exports to Brazil could total $600 million in 1983, compared with $526 million in 1982.

Brazilian Market Contracts

Domestic consumption is almost certain to be restrained by sharply declining per capita income, as the Brazilian Government implements its IMF-required austerity program in an effort to correct imbalances in the economy. This program includes important cuts in government spending, import restrictions, steps toward the elimination of producer and consumer subsidies, and export promotion. The cruzeiro will be devalued sufficiently to maintain the competitiveness of Brazil's exports in world markets against a domestic inflation rate of over 100 percent. Current forecasts call for a 3- to 5-percent decline in income. Implicit in the decline is a rise in unemployment.

Major agricultural imports and exports of Brazil

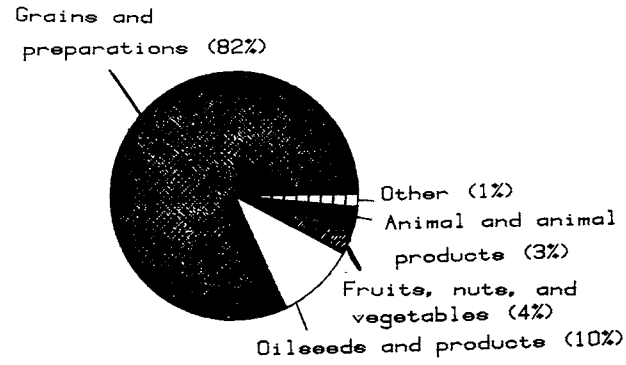
Commodity	1980	1981	1982[1]	1983[2]
		1,000 metric tons		
Imports				
Wheat	4,755	4,360	4,170	4,300
Corn	1,594	570	0	0
Soybeans	474	900	1,300	250
Rice (milled)	239	142	150	300
Exports				
Beef (cwe)	169	279	355	450
Broilers	169	294	296	310
Cocoa	219	251	236	250
Coffee (green bean equivalent)				
Green	774	825	887	900
Instant	41	48	51	50
Frozen concentrated orange juice	401	639	521	475
Soybeans				
Beans	1,549	1,450	504	1,100
Meal	6,582	8,884	7,641	8,200
Oil	744	1,281	835	1,000
Sugar (raw value)	2,685	2,822	2,722	2,800

[1]Preliminary. [2]Forecast.

U. S. Exports to Brazil, 1982

Million U. S. dollars

$526



Several aspects of the austerity program erode consumer purchasing power. Wages will no longer be fully indexed to inflation; fuel prices are set to increase at a rate higher than inflation; and the wheat subsidy is being reduced. The only obvious stimulus for domestic demand is the population growth of approximately 2.2 percent a year.

Brazil's ability to import food and other items will continue to be highly compromised. The rapid buildup of short-term debt in 1982 contributed to a $90 billion debt, of which roughly 20 percent comes due in 1983. Combined with $8 billion in projected oil imports (on which Brazil is highly dependent), Brazil's foreign exchange requirement for these two items alone will be at least $25 billion, or $3 billion more than projected export earnings in 1983. Capital inflows will make up the difference and will allow limited additional spending on imports.

Brazil will continue to use a variety of methods to generate a strong trade surplus. Import-limiting instruments include tariffs, mandatory import licensing, bans or suspensions on the importation of certain products,

delays in the processing of paperwork related to importation, and required preapproval of annual import plans. Export promotion activities include a program of frequent mini-devaluations (and a large devaluation in February 1983), export financing funds, permission for the value-added tax to be credited against income taxes, bilateral agreements, the development of new markets, and financing (sometimes subsidies) for the production of export items. In addition, import permits are often directly linked to a company's exports; to import more, firms must show increased exports. Agricultural products are affected by all of these instruments.

Production Recovers

In contrast to 1982, when agricultural production fell 3 percent (mostly affected by frost and lower coffee, soybean, and wheat crops), farm output in 1983 could increase as much as 6 percent. This would mean recovery to the 1981 level for crops and a record for livestock output.

Crops grown at least partly for export are doing well. The output of soybeans, which alone accounts for over 10 percent of total agricultural production, will come close to matching the 1981 record by reaching 15 million tons, up 15 percent from 1982. The increase is caused by expanded area and high yields, with the latter made possible by excellent weather during most of the season. Free of frost problems, coffee will show a 65-percent increase from 1982, to about 1.7 million tons. Sugarcane for sugar will also enjoy a modest increase of 2 to 3 percent. (Sugarcane grown for domestic alcohol use will increase over 40 percent this year.) Oranges, cocoa, and tobacco may be down slightly, based on weather-reduced yields.

Livestock output, which is important for export as well as domestic use, is also expected to increase. However, compared with the 7-percent growth of beef and poultry in 1982, the forecast 3- to 4-percent gain in 1983 seems weak. Beef slaughter, which was higher than normal in 1982, is giving way to herd rebuilding. Financial difficulties in the poultry industry—partly due to weakened Middle Eastern markets, increased competition, and weak international prices—are slowing growth in production after more than a decade of continuous and rapid expansion.

Corn production, used mostly for feed, will at best match 1982's 23.2 million tons. Area and yields could be down because of bad weather and, in Sao Paulo, because of the preference of some farmers to plant sugarcane.

The output of food staples is not expected to fare as well as the export group in 1983. Dry bean production is forecast at 2.35 million tons, 20 percent below 1982, the result of both area and yield declines. Paddy rice production is forecast at 8.3 million tons, down sharply from the recently lowered 1982 estimate. Farmer dissatisfaction with prices probably resulted in some switching of area away from rice; drought caused area losses in Maranhao; and rainy, cold weather in parts of Rio Grande do Sul damaged late-planted rice. No major changes are expected in cassava. Wheat production could be up 10 percent from the disastrous 1.8-million-ton crop in 1982. The 1982 crop was harmed by excess moisture and, in Rio Grande do Sul, by high temperatures that reduced quality and yield.

Subsidized credit remains a backbone of Brazilian policy for commercial agricultural production. However, in December 1982, the Government announced measures to reduce the generosity of this program. Whereas farmers who planted crops in 1982 enjoyed credit carrying interest rates of 35 and 45 percent for the North-Northeast and Center-South regions, respectively, (compared with commercial rates of 140 to 170 percent), farmers in the Center-South region will pay 60-percent interest rates for crops planted in the first half of 1983. Also, the amount of credit farmers will be allowed to acquire at subsidized rates is being reduced. The impact will be felt mostly by large farms in the Center-South region, which is the most important commercial agricultural area. Whatever impact there is will likely begin to be evident only at the end of this year.

Another program to stimulate production is the minimum price support program. However, increases in the announced support prices frequently have been lower than the subsequent rate of inflation. The prices announced in August 1982 for six major crops, up an average 91 percent, were no exception. Consequently, no new stimulus to production was caused by this program.

Agricultural Exports Increase

Large supplies and measures to keep Brazil competitive in world markets will ensure a high volume of agricultural exports in 1983. Price trends, however, will undercut gains in earnings. Assuming only limited recovery in the economies of Brazil's customers, and hence dampened demand for imports, Brazil's export earnings from agricultural products may not exceed $8.2 billion, up 9 percent from 1982, but below the $9.2 billion earned in 1981, when prices were higher.

Soybeans and soybean products are likely to account for close to a third of total earnings from farm exports. Coffee is expected to make up another quarter. Sugar, cocoa, orange juice, tobacco, and beef will each likely account for 5- to 7-percent, and broilers about 4 percent.

Last year, soybeans benefited from the removal of export quotas, but no changes are foreseen in 1983. With export prices currently favoring beans, Brazil could double bean exports to about a million tons or more in 1983. Major markets for beans will be Mexico, because of a reported barter agreement (beans for oil), and the USSR. Bean imports, which have entered duty-free when committed to reexport as meal and oil, are likely to be smaller in 1983 than in 1982, because Brazil's lack of dollars and tight financial situation have led the Government to suspend the program. Thus, no bean imports from the United States are anticipated.

Despite some expected increase in bean exports, much of the increase in soybean production this year will translate into increased meal and oil exports. Major markets will continue to be Western Europe and the USSR. There was some delay early in the marketing season due to the uncertainty over tax regulations concerning soybean product exports following the large devaluation in February 1983, but this is not expected to hurt sales for the year.

Coffee exports are again being strongly promoted with attractive sales terms for 1983. Although the target is for at least $2.2 billion of coffee sales ($2.1 billion in 1982), weakened prices will make this goal somewhat difficult to reach. Despite larger supplies, the export quotas imposed by the ICA will not allow much increase in volume.

Sugar exports are expected to partially recover on the basis of a forecast 10- to 15-percent increase in prices from 1982's extremely low level. A U.S. sugar import quota of 368,000 tons for fiscal 1983 will greatly reduce the importance of the United States as a purchaser of

Brazilian sugar. However, this loss will be made up by larger sales in other markets. The USSR will be an important customer, buying about 25 percent of the volume.

Brazil suspended its cocoa expansion program in 1982 because of the world cocoa surplus, low prices, tight domestic credit, and high inflation. With a forecast decline in output, cocoa earnings could drop somewhat this year.

Orange juice exports will face decreased demand by U.S. processors because of increased U.S. orange production. The growth of the market in Western Europe is likely to continue, but not at the rapid rate of the past 5 years.

Beef exports are forecast to increase more than 30 percent, based on strong volume and price increases. The devaluation of the cruzeiro, reduced competition from Argentina and Australia, a lowering of the post-devaluation export tax, and export financing are all contributing factors. On the other hand, poultry exports are likely to experience only slow growth. Export subsidies, the devaluation, and a supply agreement with Iraq for 132,000 tons of broilers are major factors helping them to expand at all, given the environment of weak international prices and slack domestic demand.

Finally, Brazil is expected to stay in the corn export market, after reentering it in 1982 with about 500,000 tons shipped mostly to Spain. The 1 million tons of exports forecast for 1983 are made possible by drawing down stocks and by dampened demand from the livestock sector.

Agricultural Imports Limited to Grains

Brazil's main agricultural import is wheat. For 1983, imports of 4 million tons have been authorized by the Wheat Board, and they should reach 4.3 million. The poor 1982 crop would have meant even greater imports were it not for the 7-percent decline in the wheat quota allowed to the mills. The 5.5-million-ton quota is based on likely smaller demand by industry and consumers as the subsidy for wheat products is gradually removed.

There has been substantial competition for the Brazilian wheat market this year. Canada is expected to supply 1.5 million tons under a 3-year agreement signed in 1982. Most of the rest will likely come from the United States, with the help of blended credit.

There is a strong possibility that Brazil will also import rice in 1983. The lower crop forecast and small carryover stocks suggest a need for at least 300,000 tons (milled basis) of this staple if consumption is to remain at roughly 1982's level. The suppliers would likely be a variety of Latin American and Asian countries. (Lisa J. Shapiro)

THE RIVER PLATE

The agricultural and economic situations in the River Plate countries of Argentina, Paraguay, and Uruguay will be under moderate stress again in 1983.

Argentine agricultural trade is expected to increase in 1983. Slight economic recovery offers the prospect of higher imports of inputs, though luxury imports continue to be restricted as part of a government austerity program. Grain exports, spurred by a record wheat crop, will jump about 33 percent to 20 million tons. Shipments of oilseeds will fall 25 percent to about 1.5 million tons in response to export tax regulations favoring domestic crushing of oilseeds; meal and oil exports will rise accordingly. Beef exports will drop considerably from 1982, and continuing pressure on personal income is expected to lower domestic consumption. Exchange rate policies instituted by the Paraguayan Government in late 1982 are enabling that country to increase agricultural exports in spite of weak international prices, while restricting imports of all except essential agricultural commodities.

The floating of the Uruguayan peso in late 1982 and the Government's withdrawing from the wheat market will increase grain and beef exports in 1983. Dry weather cut 1982 farm output, however, leaving the expected volume of agricultural exports in 1983 unchanged from 1982. Imports of wheat and edible oils will therefore increase, in spite of generally weak consumer demand.

Argentina

Economic Situation Uncertain

Argentine policy is in an uncertain state as the country moves from a military dictatorship to an elected civilian government that is scheduled to take office in January 1984. Although GDP contracted 5.7 percent in 1982, the 2-year-old recession appears to have bottomed out, and growth of 1 to 2 percent is forecast for 1983. Inflation, which was 300 percent in 1982, is likely be worse this year, as the Government initiates public works projects to reduce unemployment and continues to support many state-run enterprises. Credit subsidies for large firms are presently tied to maximum price increases, a policy which could stimulate new agro-industrial investment and create some new jobs while fighting inflation.

Exchange controls continue to be an important means of controlling inflation, reducing the budgetary deficit, and financing the country's $40 billion foreign debt. Since unifying the dual-rate system last November, the Government has devalued the peso at a set rate roughly equivalent to the rate of inflation. The development of an informal parallel market with an exchange rate 50 to 100 percent higher suggests that the adjustments were not sufficient. There are no plans at present, however, for a major devaluation or floating of the peso.

A new peso is scheduled to be introduced at midyear, equal to 10,000 current pesos. The immediate effects are likely to be: a temporary slowdown in domestic commerce while people become accustomed to smaller numbers, a jump in inflation when prices are rounded up to the nearest 10,000 current pesos, and a widening of the gap between official and parallel peso/dollar exchange rates as general economic uncertainty increases.

Argentina's trade surplus is expected to increase slightly, from $2.25 billion in 1982 ($7.6 billion exports and $5.35 billion imports) to $3 billion in 1983 ($9.5 billion exports and $6.5 billion imports). A revenue-boosting policy enacted after the Falklands conflict taxes exports of unprocessed agricultural commodities at 25 percent and processed products at 0 to 15 percent. At

the insistence of the IMF, the tax will be continued through 1983. The IMF feels that restrictions on luxury imports and constant peso devaluations should more than offset any negative trade effects of the tax.

Agricultural Output To Rise

The agricultural sector accounts for about 15 percent of GDP and continues to be the strongest segment of the Argentine economy. The only sector to show growth in 1982, its output is expected to increase by some 12 percent in 1983. Credit concessions granted in 1982 and early 1983 enabled farmers to refinance some of their burdensome debt.

Major agricultural imports and exports of Argentina

Commodity	1980	1981	1982[1]	1983[2]
		1,000 metric tons		
Imports				
Bananas	178	165	161	161
Coffee	26	24	23	22
Poultry meat	18	11	9	0
Exports				
Beef	469	486	522	470
Corn	3,525	9,112	5,214	4,500
Sorghum	1,516	4,932	5,360	5,400
Soybeans	2,709	2,207	1,923	1,100
Wheat	4,481	3,755	3,816	10,300

[1]Preliminary. [2]Forecast.

Argentine agricultural exports in 1983 and henceforth will likely continue to consist of an increasing percentage of processed products, particularly oilseeds, fruits, and meat. In an effort to bolster domestic industries, processed exports are granted substantial export tax breaks, pre- and post-export financing, and rebates for sales to new markets or from underutilized Argentine ports. Imports of inputs for these industries also face smaller tariffs and nontariff barriers. Because agricultural exports account for 75 to 80 percent of total export revenues, the Government will probably continue its current practice of signing trade agreements with other governments, even though it remains philosophically opposed to directly intervening in markets. (The elected government will likely be less opposed to intervention, and the State may thus become a trader, but the private sector will not disappear.) In any event, Argentine policy will be governed by the need to protect and strengthen this hard currency generator, both to service foreign debt and to smooth out a difficult domestic economic situation.

Grains To Hit a Record

Total grain output in 1983 is forecast at a record 30.8 million tons, up 15 percent from the 1982 crop, as farmers shifted land from pasture to plant a record 17.6 million hectares. The jump was largely attributable to wheat, which took land from corn and pasture because of more favorable prices. Ideal weather produced a record average wheat yield of 1.98 tons per hectare, with production estimated at 14.5 million tons.

Coarse grain output is forecast at 16.6 million tons, down about 10 percent from 1982. Area planted to corn shrank for the second straight year as producers continued to be attracted by the profitability of double-cropping wheat and soybeans. Furthermore, corn yields were lowered by dry weather, leading to a harvest of only 7.6 million tons, down 20 percent from 1982.

Grain export availability is currently estimated at 20.4 million tons, of which 10.3 million is wheat, 4.5 million corn, and 5.4 million sorghum. Although this exportable surplus is 33 percent larger than last year's, there is some question whether Argentina will be able to find buyers for the million tons of wheat that remain unsold, even though it is being offered at $30 under U.S. prices to make up for the inability to offer concessional credit terms.

The USSR will again be Argentina's principal grain customer. Other markets, especially in Asia and the Middle East, are becoming more important, however, so the USSR's share of total grain purchases will fall below 50 percent for the first time since the U.S. grain embargo of 1980.

Oilseed Output Down Slightly

Dry weather impeded the growth of first-crop soybeans and caused much of the second crop to be planted late, so current projections place the outturn at only 3.3 million tons, down 15 percent from last year. Total oilseed production is forecast at 6.6 million tons, only slightly less than 1982 because the sunflower harvest looks to be a record 2.2 million tons.

Next to the United States, Argentina is the world's second largest exporter of soybeans. However, the current high export tax will cause a drop of some 33 percent in oilseed shipments, to 1.46 million tons, and will boost meal and oil exports 21 and 25 percent, respectively. Probable continuation of this trend will likely mean more competition for the United States in world oilseed product markets, but less pressure on soybean exports.

Beef Production Drops Again

Beef production in 1983 is forecast to decline for the second consecutive year, to 2.3 million tons, as producers, encouraged by favorable prices, continue to rebuild herds. The combination of high unemployment and high retail prices could drive per capita domestic beef consumption down to nearly 50 kilograms, its lowest in many years. A recent softening of international meat prices, brought about by competitors' export subsidies and the Argentine peso's erratic performance will drive Argentine beef exports down to 470,000 tons in 1983. The 10- to 25-percent export tax is alleged to be trimming the profit margins of producers and exporters, but the Government is unlikely to drop it.

Major markets for Argentine beef continue to be the USSR, the European Community (EC), and Egypt. The EC has recently put several Argentine packing houses on probation for violation of sanitary standards, however. Disqualification of these establishments could affect the volume of shipments to European as well as Middle Eastern customers.

Paraguay

Recession Continues

The recession begun in 1982 by delays on the Yacyreta hydroelectric project and an exchange rate policy that substantially overvalued the guarani is continuing in

Major agricultural imports and exports of Paraguay

Commodity	1980	1981	1982	
	1,000 metric tons			
Imports				
Wheat and products	75	104	76	115
Cigarettes	2	1	1	1
Fruit	2	3	5	3
Exports				
Soybeans	415	630	730	715
Raw cotton	75	91	112	115
Tobacco	15	9	9	12
Oilmeals	156	108	123	150

[1]Preliminary. [2]Forecast.

Major agricultural imports and exports of Uruguay

Commodity	1980	1981	1982[1]	1983[2]
	1,000 metric tons			
Imports				
Barley	32	26	25	25
Corn	10	0	5	4
Sugar	35	24	25	20
Potatoes	15	15	12	15
Exports				
Beef	117	173	168	180
Rice	137	227	230	240
Barley (malted)	63	65	65	65
Citrus fruit	28	28	18	25

[1]Preliminary. [2]Forecast.

1983. Contraction of the economy is expected to match last year's rate of 2.5 percent, while unemployment will rise above 15 percent. On-going devaluation of the Argentine peso and the Brazilian cruzeiro will also stress the Paraguayan economy.

Agricultural Production To Rebound

Output of the agricultural sector, contributing about 30 percent of GDP, shrank 5 percent in 1982, but it should rebound this year in response to government-imposed minimum producer prices of cotton and soybeans and an exchange rate favoring exports. Grain production is expected to post small gains, though the wheat outturn will once again fall far short of satisfying domestic needs. Oilseeds will increase slightly, led by a recovery of cottonseed yields. The termination of the drawback program in Brazil will likely cause soybean exports to that country to fall to zero, with a consequent increase in Paraguayan crushing and exports of meal and oil.

The cotton outturn will benefit from official support prices and a plentiful supply of harvest labor brought about by the postponement of the Yacyreta project. Exports of cotton, as well as sugar, coffee, tobacco, and beef, should increase in response to the more favorable exchange regulations.

Uruguay

General Economic Situation Still Poor

Uruguay's economy, after contracting about 9 percent in 1982, continues to stagnate: expectations are for another 3.5-percent shrinkage in 1983. The floating of the peso in November 1982, after almost 4 years of overvaluation, improved exporters' positions, but it also drove up interest rates and caused imported inputs to be more expensive, thereby increasing the burden of an already heavily indebted economy. Consumption is expected to continue to fall, contracting about 7 percent in 1983. Inflation will be about 50 percent (up from 20 percent in 1982), while the continuing recession will likely push unemployment from 12 percent in 1982 to 14 percent this year.

In the external sector, Uruguay's trade deficit declined from $437 million in 1981 (exports $1,215 million, imports $1,652 million) to $150 million in 1982 (exports $950 million, imports $1,100 million), as reduced imports more than offset falling exports. Servicing foreign debt (about $4 billion), coupled with troubled economic conditions in Argentina and Brazil (Uruguay's major trading partners), bodes ill for recovery of trade in 1983.

Agricultural Production To Rise Slightly

Agricultural output is expected to increase only slightly in 1983, after registering a 12-percent decline in 1982 because of bad weather. While prices paid to farmers increased about 18 percent in 1982, input prices jumped 30 percent. Higher interest rates are further stressing the sector, which holds a total debt of about $1 billion.

Total grain production in 1983 will amount to 985,000 tons, down 11 percent from 1982's drought-reduced outturn. Termination of the government wheat subsidy in December 1982 will bring about a significant shift away from wheat plantings, resulting in an expected 15-percent decline in production. Removal of the tax on wheat imports has lowered the domestic price so much that producers are exporting some of the current harvest. Therefore, Uruguay will likely need to import about 100,000 tons of wheat later this year. Total grain exports will remain at 1982's 425,000 tons, sorghum replacing wheat as the second most heavily traded grain behind rice.

The principal beneficiary of the shift away from wheat will be flaxseed, the output of which will double in 1983. This, combined with a recovery in sunflowerseed yields, will increase total oilseed production 26 percent to 104,000 tons. Because of the poor 1982 outturn, oilseed and product exports will drop some 57 percent to 19,000 tons in 1983, while edible oil imports will increase 150 percent to 5,000 tons.

Beef production in 1983 is expected to increase slightly to 390,000 tons, as poor pasture conditions continue to pressure producers to reduce inventories. Economic recession will again reduce domestic beef consumption, but exports, bolstered by the peso devaluation, should increase slightly. (Alan B. Maurer)

CARIBBEAN BASIN

The economic situation continued to deteriorate in most Central American and Caribbean countries in 1982. Panama was one of the few that showed any significant growth, with total output up more than 4 percent. Other countries showing slightly positive increases in real income were Cuba, Jamaica, Trinidad, and some of the

smaller islands of the Eastern Caribbean, which continued to rebuild from the hurricanes of 1979 and 1980.

In 1982, the Basin countries were spared the ravages of violent weather, except for scattered sections of Central America, which were soaked by torrential rains in September after 3 months of drought. Unconfirmed reports of severe cattle and livestock losses came from some areas in Costa Rica northward into Mexico. However, it has been difficult to confirm this through changes in preliminary estimates of livestock inventories. The full effects will not be known until early in 1984, when the statistical agencies release official estimates.

The alternating periods of wet and dry weather that hit Central America throughout the second half of 1982 continued into the spring of 1983. Early in April 1983, Costa Rica and Nicaragua were reported to be much dryer than normal, although heavy showers skipped through many cane, cotton, and grain areas from September 1982 to March 1983, bringing welcome relief to dry spots. Furthermore, irrigation is available in some of the more productive areas, diminishing the effect that short-term droughts have on agricultural output. Therefore, the full effects of the weather in Central America during the last half of 1982 and the first half of 1983 will not be fully confirmed until late this year, when seasonal marketings are completed.

Most of the countries in the Caribbean Basin frequently suffer from the vagaries of the weather. Ideal weather is a rarity, but so are total regional disasters. However, inflation, unemployment, political unrest, and low prices have more effect on agricultural production than all the droughts, floods, windstorms, volcanic eruptions, and earthquakes put together, and most natives of the Caribbean Basin know how devastating low prices in export markets can be.

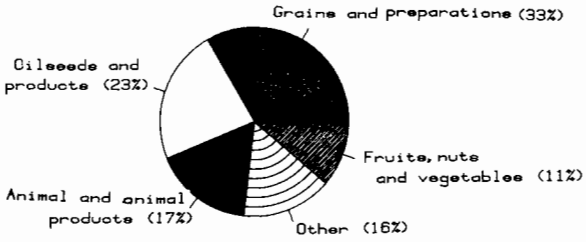
In 1982, several countries found it increasingly difficult to refinance maturing debts. Those with large foreign debts were forced to curtail basic imports to preserve dwindling foreign reserves. When a country such as Guyana severely restricts imports of wheat, corn, milk, and baby food, it is quite evident that the economy is in trouble. But when it also curtails imports of agricultural chemicals and spare parts for machinery, then its productive capability is impaired and GDP falls.

The worldwide recession has now touched every corner of the Caribbean Basin, and improvements, if any, will come slowly. The regional outlook for 1983 is not bright, because it will take many months for full economic recovery to reach these countries, even after recovery is achieved in the industrialized nations. However, some

U. S. Exports to Central America, 1982

Million dollars

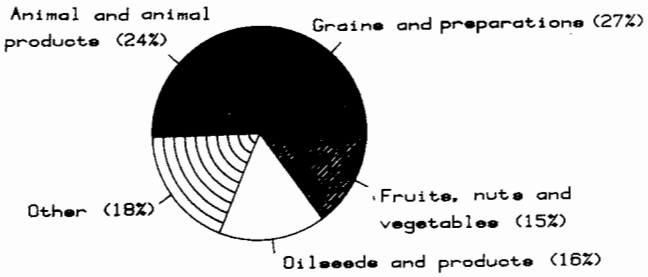
$368



U. S. Exports to Carribbean, 1982

Million dollars

$785



evidence of improvement is emerging. Banana prices might recover by midyear, as several of the world's primary exporters are experiencing weather and production problems. Furthermore, sugar prices could also improve because some of the largest sugar producers in the world are experiencing production problems. Central American and Caribbean producers, on the other hand, have near-record inventories of sugar, coffee, and cotton.

U.S. Export Sales Decline in 1982

U.S. exports of agricultural products to Central America and the Caribbean declined in 1982, after 10 consecutive years of sustained growth. Quantities ordered by Basin countries remained strong, but unit prices and total values were down. Special financial arrangements are being employed by the United States to maintain the flow of basic foods into countries that can not afford to buy as much under standard commercial terms. Currently, there is evidence that the value of U.S. exports for the 6 months ending March 31 has improved considerably for the Caribbean Islands, but not for Central America. U.S. agricultural exports to the Caribbean Islands fell slightly in 1982, but they could exceed $800 million again in 1983. Exports to Central America will likely remain around $320 million again in 1983, after dropping from the 1981 record of $370 million.

Central American Production and Imports Remain Stronger than Expected

Estimates for 1982 suggest that Central American agricultural output increased slightly from 1981, except in El Salvador and, perhaps, Nicaragua. This occurred despite highly negative reports received during the past 6 to 9 months. The slight increases noted between 1980 and 1983 have not been sufficient to sustain annual population increases. Therefore, an upward trend in the import demand for agricultural commodities will remain strong through 1984 or 1985, providing Central American importers find appropriate financing.

Central America continues to be a deficit producing area for wheat, corn, oilseed meals, cooking oil, and animal fats, among other products. Wheat has never been successfully grown south of Guatemala, but imported wheat is continuously used to supplement shortfalls in local rice, corn, and bean production. Corn is imported for both human consumption and animal feed. The import demand for these commodities is strong, and pur-

Major agricultural imports and exports of Central America[1]

Commodity	1980	1981	1982[2]	1983[3]
		1,000 metric tons		
Imports				
Wheat	538	575	550	580
Corn	232	218	259	270
Oilseed meal	100	128	116	130
Vegetable oil	60	50	80	85
Animal fat	65	75	70	80
Exports				
Bananas	2,803	2,596	2,535	2,650
Coffee	485	451	461	466
Sugar	622	610	530	580
Cotton	210	170	150	130
Beef	93	75	65	65

[1]Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. [2]Preliminary. [3]Forecast.

chases have increased annually for the past 5 years, even when local crops were good.

The tonnages of the principal items exported during the past 5 years have tended to stagnate or decline. World markets for bananas, coffee, sugar, cotton, and beef, for example, have been sluggish since 1979, except for a brief shortage of sugar about 1980; then prices rose and fell quickly. However, Central American sugar producers were apparently unable to capitalize fully on this brief price rise, because exports continued downward during the period. Preliminary estimates for 1983 suggest that banana, coffee, sugar, and even cotton exports could turn slightly upward as world economic conditions improve.

The banana supply situation was highly speculative in the spring of 1983, as severe wind storms reportedly wiped out 15 percent of the Central American crop. The damage was concentrated in prime growing areas along the Honduran-Guatemalan border. However, it is conceivable that other growing areas in Central America will compensate for these losses by increasing the use of fertilizer and other inputs in response to reports of rising wholesale prices in the United States.

There is little prospect for increasing Central American beef exports in 1983, as cattle inventories are expected to fall. Drought and low export prices discouraged expansion in 1982.

Caribbean Islands Hurt by World Recession

If farm people on most of the Caribbean Islands could find steady employment in other industries, it is alleged that many would give up farming. Good agricultural land is primarily limited to the bigger islands, where large areas are available for mechanical cultivation. Most of the islands, except Cuba and the Dominican Republic, are one- or two-crop economies. The primary crops grown are sugar, bananas, coffee, rice, and citrus for export, and basic fruits and vegetables for local consumption. Expansion of livestock and poultry operations has occurred on most of the more developed islands, and the Dominican Republic, Cuba, and Jamaica are in the process of actively diversifying their livestock sectors. Nevertheless, sugar is still king on all three, although Jamaica's sugar industry is only half as large as it was a few years ago.

Major agricultural imports and exports of Caribbean countries

Commodity	1980	1981	1982[1]	1983[2]
		1,000 metric tons		
Imports[3]				
Wheat	2,021	2,137	2,136	2,115
Cuba	1,228	1,250	1,270	1,250
Other	793	887	866	865
Corn	1,110	1,165	1,170	1,215
Cuba	550	575	600	625
Other	560	590	570	590
Rice	479	503	481	445
Cuba	200	225	250	225
Other	279	278	231	220
Exports[3]				
Sugar	7,683	8,593	9,105	7,450
Cuba	6,170	7,071	7,734	6,000
Dominican Republic	793	864	750	850
Other	720	658	621	600
Bananas	120	160	145	165
Coffee[4]	60	53	60	65
Rice[5]	161	153	125	120
Citrus[6]	198	192	200	210

[1]Estimated. [2]Projected. [3]The Virgin Islands, Puerto Rico, and the French West Indies are not included. [4]Primarily Haiti and the Dominican Republic. [5]Guyana and Suriname. [6]Primarily Cuba.

Most of the Caribbean economies were strained financially as export earnings fell rapidly in 1982. Constraints on foreign exchange made it difficult to buy essential production inputs, and the governments of several countries responded by restricting imports of consumer goods. Tourism and capital inflows were also soft in 1982 and early 1983, further intensifying balance-of-payments problems.

Even though total agricultural output was up in most Caribbean countries in 1982, the sector remains at the mercy of world market prices, and the 1983 outlook is mixed. Cuba's sugar and tobacco crops have been extensively damaged by rain, and sugar production could be down one-fifth from the record 8.2-million-ton crop in 1982. In Trinidad, sugar production continues to deteriorate, with not much hope for improvement. In Guyana, agriculture remains a problem, as rice production is expected to fall again and sugar is barely holding its own. Despite attempts to rebuild its agricultural sector, Jamaica is still 2 or 3 years away from significant production increases. Haiti had a good coffee crop and has made some progress in diversifying its agriculture; however, the African Swine Fever eradication program, initiated in 1982, will continue to affect meat production in 1983 and 1984.

Caribbean agricultural trade held up well early in 1983, despite declining foreign reserves, soft export prices, and generally tighter export markets. The situation is expected to improve during the second half of 1983, particularly if severe weather problems persist elsewhere in the world.

The principal imports of the Caribbean nations are wheat (including the wheat equivalent of flour), corn, rice, and oilseed products. The wheat market, which exceeds 2.1 million tons, including Cuba's 1.2 million tons, is expected to increase slowly through the remainder of the decade, with very little annual variation. Imported wheat is used principally for bread, while most imported corn and oilseed meal are used in poultry

and livestock feed. Commercial pork and poultry industries are still expanding, so the market for corn and soybean products is expected to increase steadily, irrespective of annual price variations. The import demand for vegetable oil also looks good, because local production has been declining. Cotton production, for example, has essentially disappeared in the Caribbean, and plantations of coconut palms have been severely weakened by disease, storms, and other factors for several years.

Caribbean agricultural export earnings deteriorated rapidly during 1982, as sugar prices fell from historic highs in 1980/81 and prices of other primary exports, such as bananas, coffee, and cocoa, also remained depressed. Export earnings fell 50 percent or more in several island countries, despite the fact that the exportable quantities of sugar, coffee, and citrus increased. The citrus and sugar increases resulted primarily from bumper crops in Cuba. On the other hand, Dominican sugar exports were off about 200,000 tons. Banana exports, particularly from the Windward Islands and Jamaica, have been affected by scarcities of inputs and low prices in Europe.

Emerging signs of improving markets in 1983 and 1984 suggest that the Caribbean Basin may well have survived the worst of the current worldwide recession, but full recovery is not expected for another year or two. (Richard N. Brown and Nydia R. Suarez)

ANDEAN REGION

U.S. agricultural exports to the Andean region are expected to decline to $1.3 billion in fiscal 1983, significantly below last year's $1.7 billion. Much of this reduction is expected to occur in Venezuela, where a devaluation has reduced the nation's import capacity. Overall, U.S. exports in the region are facing growing competition and increased trade restrictions to control current account deficits. The continued depressed demand for the region's exports of agricultural and mineral products, coupled with a 30-percent service requirement on a debt of $75 billion, will severely limit imports of all but essential agricultural products. Total agricultural imports are expected to fall from $3.2 billion in 1982 to $2.8 billion in 1983.

Major agricultural imports and exports of the Andean region[1]

Commodity	1980	1981	1982[2]	1983[3]
		1,000 metric tons		
Imports				
Wheat	3,740	3,914	3,803	4,005
Feed grains[4]	2,297	2,032	2,071	1,865
Soybean meal	490	436	620	655
Soybean oil	225	366	374	437
Sugar	865	597	693	788
Exports				
Coffee	841	672	672	702
Cocoa	99	134	131	127
Sugar	482	244	371	294
Bananas	2,010	1,983	2,025	2,060
Fishmeal	900	770	1,348	900

[1]Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela. [2]Estimated. [3]Projected. [4]Sorghum and yellow corn.

Note: Table does not take into account inter-regional trade.

The region's agricultural production faces mixed prospects in 1983. Unusually heavy rains and severe drought associated with a shift in the "Nino" ocean current caused flood damage during the 1982 harvesting season in parts of Ecuador, Peru, and Bolivia, and have delayed planting in 1983. Throughout the region, government budgetary restrictions and high interest rates have made financing agriculture unusually difficult. In addition, currency devaluations by all the countries except Colombia have raised the cost of agricultural imports and made domestic producers more competitive. However, the dependence of farmers on imported seeds, equipment, and agricultural chemicals mean that Andean agriculture will only be able to respond marginally to the need for the import substitution that dominates farm policy in the area.

As a result of the limited expansion in agricultural output expected in 1983, as well as the reduction in import capacity, food supplies are expected to be tight, leading to higher prices and lower per capita consumption of many foods. Consumers are expected to "trade down" and increase consumption of lower priced but less preferred goods. Middle- and high-income consumers will find imported specialty food items, such as fruits and vegetable preparations, in short supply and at substantially higher prices. Low-income consumers will continue to face sharp increases in real prices for basic foods items, as traditional subsidies are eliminated in an attempt to reduce public spending in compliance with IMF economic stabilization guidelines.

A number of agricultural policies intended to close the trade deficit and to meet debt-service obligations were effected in 1982, and continued trade restrictions are likely in 1983. High tariffs and import exclusions have been placed on most nonessential agricultural products, although imports of essential foods and raw materials continue. Several of the countries will squeeze through the year without imports of sugar and rice, despite domestic crop shortfalls.

General Economy Worst Since the Depression

During 1982, the Andean countries suffered the worst crisis since the Great Depression. This was the product both of external factors, such as the continued world recession, and internal factors, such as poor weather and overvalued currencies. Although the worst of the crisis seems to be over, with the possible exception of Colombia, 1983 promises to be a year of painful recovery. Better prospects will depend on an improvement in export prices for the region's principal mineral and agricultural goods and on economic policies that restore business confidence in order to retrieve much of the capital that left in recent years. Because of the tightness of international capital markets, external assistance is not expected to finance many, if any, new investments.

In 1983, exports are expected to increase 4 percent to $29.5 billion. Imports are expected to drop 10 percent to $21 billion, and given the world rate of inflation, a significantly greater decrease in real terms.

The Andean region's external debt is in excess of $75 billion—up 9.8 percent from 1982. Over half of this is owed by Venezuela and Chile, which have among the highest rates of per capita indebtedness in the world. The debt-service ratio in the region averages 35 percent, ranging from 17 percent in Colombia to 49 percent in Peru. Nevertheless, the growth of indebtedness during 1983 is expected to be minimal because of IMF-imposed austerity measures and reductions in the credit offered by international financial organizations.

Inflation reached a record in 1982, but it is expected to moderate in 1983, with the exception of Colombia and Venezuela. This rapid increase in prices is not accompanied by a similar improvement in salaries, so a continued loss of purchasing power is expected. In Colombia, a continued overvaluation of currency is likely to result in a 20- to 25-percent devaluation at some point in 1983. The February 1983 devaluation in Venezuela, the first in many decades, will result in increased, but still moderate, inflation because the Government will maintain a system of administered prices.

Farm Output Increases in Some Countries

After back-to-back floods in 1980 and 1981, Venezuela increased output 2.5 percent in 1982. Continued good weather has made 1983 prospects favorable again, but the reduction in credit and difficulties in obtaining imported seed, machinery, and chemicals are expected to limit the growth of the sector in 1983.

Colombia continues to have the strongest farm sector in the region, and the expansion in agricultural credit availability, reforms in the marketing system, and export promotion policies are expected to result in an increase in output of more than 5 percent in 1983. Principal obstacles to increased productivity continue to be depressed domestic demand, rural violence, and land tenacy problems. An additional adverse factor is the effect of currency devaluations in Venezuela and Ecuador, both of which are important markets for Colombian sugar, beef, and grains.

Severe weather and poor economic conditions made 1982 a very difficult year for agriculture in Ecuador, and these factors continue to plague the sector in 1983. Drought early in 1982 reduced cotton and coffee production, while heavy rains later in the year cut the soybean, corn, rice, banana, and sugar harvests. During the first 4 months of 1983, heavy rains continued to plague the southern half of the country, with the result that planting was delayed. Imports of rice and soybeans will be required. The dramatic rise in the cost of imported seeds, herbicides, pesticides, and other commercial agricultural inputs will also limit the expansion of production.

The outlook for 1983 farm production in Peru is also uncertain because unusual weather has disrupted agriculture. In the north, heavy rains reduced prospects for corn, cotton, and rice, while drought on the coast and mountains in the south has lowered yields for rice and corn. In 1982, growth in agriculture was only 3 percent, primarily because of regional droughts. Economic factors, such as shortages of credit, high interest rates, and lower use of fertilizers, also contributed to the sluggish growth.

A combination of natural disasters and economic problems will result in shortages of many food and agricultural commodities in Bolivia. The highlands are reported to be suffering one of the worst droughts on record, with the resulting failure of the potato crop, the principal staple of the national diet. Floods in the region of Santa Cruz have made the harvesting of rice, sugar, soybeans, and other crops impossible in many areas. Damage to roads, irrigation systems, and other infrastructures will require extensive repair before 1983 planting can begin.

Although agriculture fared better than other sectors of the Chilean economy, the sector (including forestry) declined 3.3 percent in 1982. Continued low producer prices, in addition to the high cost of credit, resulted in last year's poor performance. Prospects for 1983 are only a little better, as late 1982 plantings occurred before the recently announced measures to guarantee wheat prices and refinance part of farmers' debts. These measures should take effect in late 1983 and will likely result in expanded output for 1984.

The Andean Agricultural Situation By Commodity

Grain Outlook Mixed

Wheat and rice output may drop, but white corn could rise. Wheat is the principal food grain consumed in the Andes. Production dropped to a low of 877,000 tons in 1982, primarily because of the continued decline of the Chilean crop, the main producer in the region. The outlook for 1983 is for a further decline, to 780,000 tons. Beginning in 1984, production is expected to recuperate as the new Chilean wheat policy takes effect.

Because of a sharp decline in purchasing power and the removal of wheat subsidies in Peru, Ecuador, and Bolivia, consumption of wheat dropped almost 200,000 tons to 4.7 million in 1982. By 1983, consumers are expected to have adjusted to the higher prices that resulted from the elimination of subsidies, so consumption should rise slightly.

Imports of wheat are expected to be just over 4 million tons in 1983, after dropping slightly in 1982. U.S. wheat exports to the region were 3.7 million tons in 1982, but they are likely to slip this year because of higher U.S. prices. The United States will face growing competition from Argentina, Canada, and South Africa, especially in Chile and Peru. The availability of export credits for the region will be a key factor in maintaining U.S. dominance in this market.

Colombia is the principal producer and consumer of rice in the region, followed by Peru and Venezuela. Rice consumption accounts for about 23 percent of all food grains and has been rising steadily in recent years. Production increased to 2.5 million tons in 1982, as rice replaced cotton in the interior valleys of Colombia. The 1983 outlook is for an 8-percent reduction in output because of flooding in Ecuador and Peru. In addition, high stocks in Chile and Venezuela, as well as Colombia's difficulty in exporting rice, will limit further expansion in 1983. Although the region has the potential to be self-sufficient in rice, 82,000 tons were imported in 1982, and imports may exceed 200,000 tons in 1983, primarily because of the flooding in Ecuador and Peru. An additional 50,000 tons of rice may be needed in Bolivia to substitute for the loss of the potato crop in the highlands.

White corn is a staple food item in Venezuela, Colombia, and Peru. Per capita consumption has gradually declined as urbanization, rising incomes, and lower wheat prices have stimulated the demand for bread and other wheat products. However, in 1982, a sharp increase

in the cost of imported wheat and improved white corn production caused its use to increase almost 8 percent. A further increase of 4 percent, to 2.9 million tons, is expected in 1983.

Good weather and higher prices boosted white corn production to more than 2 million tons in 1982. Another increase is expected in 1983, primarily because of favorable weather in Venezuela. Imports of white corn for human consumption are primarily from South Africa, with the United States as a minor supplier. Venezuela is the principal importer and usually purchases about 450,000 tons a year. The United States will probably ship some 50,000 tons of white corn to Colombia in 1983.

Demand for Feed Grains Slows

After a sustained high growth in demand during the 1970's, the increase in feed grain use began to slow in 1981 because of the economic problems of the poultry and swine industries. In Venezuela, poultry prices rose sharply in late 1982 because of the elimination of subsidies on imported feed grains and the resulting higher prices to buyers of animal feed. Similarily, in Chile and Colombia, declining purchasing power has meant a slowing in the growth in demand for poultry and swine. By 1983, excess capacity and large inventories had accumulated, and production is expected to decrease. As a result, demand for feed grains is expected to show little growth and may contract on a per capita basis.

Feed grain production in the region revived after poor weather in 1981, and output in 1982 registered a 12-percent increase to 2.3 million tons. A slight gain is again expected in 1983, primarily because of continued increases in Venezuela, Peru, and Chile, where sharp devaluations have made domestic producers more competitive.

Imports were just over 2 million tons in 1982, with Venezuela and Peru the largest buyers. Because of the improved production outlook and weak aggregate demand, imports are expected to decline to 1.86 million tons in 1983. Expected higher prices for U.S. feed grains will likely result in increased competition from Argentina (sorghum and corn) and Canada (feed wheat). However, with adequate financing, the United States is expected to maintain its market share in this region.

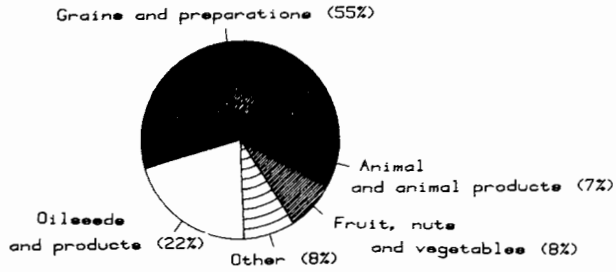
Oilseeds and Products Up

A strong increase in the output of soybeans, fishmeal, and palm oil more than made up for declining cottonseed production in 1982. The outlook is for a continuation of the same set of trends in 1983, with cottonseed production hitting a record low. Despite the expansion in output, imports of oilseeds and products also reached records in 1982, primarily because of the expansion in the domestic poultry and swine industries. Imports of soybeans more than doubled in 1982, surpassing 180,000 tons, while soymeal (620,000 tons) and soybean oil (374,000 tons) increased 42 and 2 percent, respectively.

Production of palm oil continues to grow in importance, especially in Colombia and Ecuador, where processors have successfully introduced new palm-based products. The outlook for production of palm oil is 615,000 tons in 1983, compared with 521,000 in 1981.

In 1982, favorable ocean currents and an improved fishing fleet caused Chile's fishmeal production to be up dramatically, somewhat offsetting the poor performance of the Peruvian industry. The greater supply allowed exports from the region to almost double. The outlook

U. S. Exports to Andean Region, 1982
Million dollars
$1601



for 1983 is less favorable, as the "Nino" current has caused the coastal waters to become too warm, thereby creating an unfavorable environment for anchovy production.

The outlook for U.S. exports of oilseeds and products is mixed. Exports of oilcake and meal are expected to decline from the record 565,000 tons in fiscal 1982 to about 450,000 tons this year. Most of this change is due to lower exports of meal to Venezuela. Exports of soybeans are forecast to drop to 106,000 tons because of improved oilseed production in Colombia and Venezuela. However, soybean oil sales are expected to increase from 346,000 tons in fiscal 1982 to over 370,000 tons in fiscal 1983, as the import demand continues high in most countries.

Livestock Output Increases in 1982

Despite the region's economic problems, production of poultry and swine continued to grow in 1982, registering gains of 7.8 and 4.2 percent, respectively. Consumption of poultry now makes up 29 percent of all total consumption, while pork is 15 percent. In recent years, consumption of these products has been increasing at the expense of beef, primarily because of their price competitiveness throughout most of the region. An additional stimulus in 1983 is the imposition of higher duties on imports of pork and poultry in 1982, resulting in greater demand for domestic production, especially in Venezuela.

The outlook for 1983 is less promising; demand began to slacken noticeably in late 1982 because of price increases in both poultry and pork. The principal reason for the price rises has been the higher cost of importing feed and protein meal and the elimination of government subsidies, particularly in Venezuela. Producers are expected to trim production.

Beef production dropped slightly in the region, mainly because of the approaching low point in the cattle cycle in Colombia and Venezuela, the region's principal producers. On the other hand, milk output, stimulated by price increases in recent years, rose 2.9 percent to 6,908 million liters in 1982. A similar expansion is expected in 1983.

Tropical and Other Products

Production of tropical products, an important source of foreign exchange for the region, suffered through a poor year in 1982. Low prices were the principal problem. As a result, the coffee harvest was down; cocoa production

fell; and reduced harvests of bananas were experienced in Colombia and Ecuador. However, nontraditional products of the region, such as cut flowers in Colombia, shrimp in Ecuador, and table grapes and apples in Chile, continued their steady growth in 1982.

The most severe crisis was in cotton, where 1982 production dropped 18 percent to only 198,000 tons. The poor performance reflects the continued crisis of the textile industry in the region, suffering from weak demand and large inflows of contraband textile items. Bad weather was an additional problem in Peru and Ecuador. Prospects for the 1983 crop are for yet another reduction in output, as credit is limited and cotton areas have been shifted over to other crops, most notably rice, sorghum, and soybeans.

The only growth was in sugar, where strong domestic demand and the incentive to fill the international export quota made sugar production attractive. Strong gains occurred in Venezuela, where the policies implemented in 1979 are showing results, and in Peru, where production on cooperatives picked up. Output in Colombia, the region's principal producer, also continues to grow because of the expansion of industrial demand.

The 1983 outlook for the agricultural sector appears more favorable, as many prices show signs of strengthening. However, problems are expected to occur in some countries because of flooding. In Peru, rains damaged the marketing infrastructure and caused shortages of sugar. In Ecuador, high moisture is likely to cause an increased incidence of fungus and to reduce yields in the cocoa crop. Despite these setbacks, the prospect for improved demand for tropical products in the industrialized nations, increased competitiveness due to lower real exchange rates, and continued government export incentives are expected to stimulate the region's exports in 1983. (Paul J. Trapido)

Table 1--Latin America: Population, gross domestic product, and gold and foreign exchange holdings 1/

Country	Population			Gross domestic product			Gold and foreign exchange holdings		
	1981	1982	Change	1980	1981 2/	1982 2/	1981 3/	1982 3/	Change
	Millions		Percent	Mil. dol.	Percent		Million dollars		Percent
Mexico	72.3	73.8	2.07	130,614	8.1	-1.5	4,926	2,075	-57.9 4/
Barbados	0.3	0.3	0.4	652	-3.0	-5.0	101	122	-20.8
Cuba 5/	9.9	10.0	1.5	24,500	12.0	2.5	450	150	-66.7
Dominican Republic	6.0	6.1	2.4	5,700	3.5	-1.0	284	129	-54.6
Haiti	5.0	5.1	2.0	1,374	-0.1	-0.5	31	4	-87.1
Jamaica	2.3	2.3	1.1	3,145	1.2	3.0	85	108	27.1
Trinidad/Tobago	1.1	1.1	0.4	2,951	2.0	0.1	3,347	3,079	-8.0
Other Caribbean Islands	1.5	1.5	1.0	2,000	-1.0	2.0	235	300	1.3
Belize	0.2	0.2	1.5	125	3.0	-2.0	--	--	--
Guyana	0.8	0.8	1.0	618	-5.0	-10.0	7	11	57.1
Suriname	0.3	0.3	-1.0	950	-6.0	-8.0	209	178	-14.8
Caribbean	27.4	27.7	1.1	42,015	7.4	1.3	4,749	4,081	-14.1
Costa Rica	2.3	2.4	2.5	3,407	-4.6	-6.3	131	226	72.5
El Salvador	5.0	5.1	2.0	3,312	-9.6	-15.0	94	130	38.3
Guatemala	7.2	7.4	2.8	8,434	0.9	-3.5	172	134	-22.1
Honduras	3.8	3.9	2.6	2,348	-0.3	-2.0	102	113	10.8
Nicaragua	2.8	2.9	3.6	2,023	9.0	-1.0	149	50	-66.4
Panama	1.9	2.0	5.3	3,711	3.6	4.2	120	101	-15.8
Central America	23.0	23.7	3.0	23,235	-0.4	-3.7	768	754	-1.8
Argentina	28.3	28.7	1.4	53,713	-6.1	-5.7	3,453	2,506	-27.4
Paraguay	4.1	4.2	2.4	3,629	8.5	-2.5	810	683	-15.7
Uruguay	3.0	3.0	1.0	6,321	-3.0	-9.0	956	660	-31.0 6/
Brazil	121.5	124.6	2.6	195,847	-1.9	0.0	7,509	5,056	-32.7
Bolivia	5.8	5.9	1.7	3,184	-0.6	-7.5	134	156	16.4
Chile	11.1	11.3	1.8	17,664	5.7	-14.0	3,874	2,470	-36.2
Colombia	26.7	27.3	2.3	24,127	2.5	1.9	5,505	4,794	-12.9
Ecuador	8.3	8.5	2.4	8,316	4.3	2.0	650	429	-34.0
Peru	17.0	17.4	2.4	21,202	1.0	-1.5	1,609	1,749	8.7
Venezeuela	14.3	14.7	2.8	37,061	3.2	0.7	8,648	10,018	-15.8
Andean	83.2	85.1	2.3	111,554	3.0	-2.0	20,420	19,616	-3.9
Latin America	362.8	370.8	2.2	566,928	1.8	-1.4	43,591	35,431	-18.7

-- = Not available or not applicable.
1/ Regional totals include only those countries for which data are shown. 2/ Estimates of growth in real terms. 3/ International Financial Statistics, Yearbook 1982, April 1983. 4/ Banco Nacional De Cuba, August 1982. 5/ Position at end of June. 6/ Postiton at end of July.

Table 2.--Latin America: Indices of total and per capita agricultural and food production. 1/

Country	Total						Per capita					
	Agriculture			Food			Agriculture			Food		
	1980	1981	1982	1980	1981	1982	1980	1981	1982	1980	1981	1982
	1969-71=100											
Mexico	146	160	152	151	168	160	105	113	104	109	118	110
Barbados	108	91	94	108	91	94	102	87	89	102	87	89
Cuba	108	113	115	110	113	115	94	99	100	97	98	100
Dominican Republic	138	136	134	133	132	133	103	99	95	99	96	94
Haiti	117	114	119	117	119	122	93	88	90	92	91	92
Jamaica	106	104	106	105	103	106	88	85	85	88	84	85
Trinidad/Tobago	93	93	93	94	93	93	79	78	76	80	78	76
Caribbean	115	117	118	115	116	118	95	95	95	95	94	95
Costa Rica	135	138	131	128	137	128	105	105	97	100	104	94
El Salvador	119	107	100	134	126	109	87	78	77	99	91	84
Guatemala	143	147	152	135	147	155	105	105	106	100	105	108
Honduras	141	141	146	128	129	134	100	97	94	92	89	86
Nicaragua	104	111	114	101	111	120	77	81	82	74	81	86
Panama	119	134	141	119	133	140	87	96	99	87	95	99
Central America	128	130	130	125	132	133	95	94	93	93	95	95
Argentina	127	138	141	128	141	143	108	116	116	110	119	118
Bolivia	131	132	134	131	132	135	102	99	98	102	100	99
Brazil	161	168	164	170	172	177	128	131	124	135	133	133
Chile	116	127	124	110	128	125	97	106	102	98	106	103
Colombia	157	160	162	160	161	166	134	134	135	136	136	138
Ecuador	160	172	177	161	172	181	119	123	123	119	124	126
Guyana	113	117	117	112	117	116	92	95	94	91	95	93
Paraguay	168	176	171	166	170	165	121	123	114	119	118	110
Peru	105	117	118	104	117	121	79	86	84	78	86	86
Suriname	147	155	154	147	155	154	153	161	159	153	161	159
Uruguay	103	120	112	104	124	115	99	115	108	100	119	111
Venezuela	158	151	160	163	156	166	102	92	93	105	96	96
South America	144	152	152	148	154	158	115	119	116	118	120	120
Latin America	141	150	148	138	143	150	110	115	110	113	117	115

1/ Revised data for 1980 and 1981; preliminary for 1982.

Source: Economics and Statistics Service, Indices of Agricultural Production.

Table 3--Area and production of selected agricultural products by principal Latin American countries 1/

Commodity by country	Area 2/			Production		
	1980	1981	1982 3/	1980	1981	1982 3/
	1,000 hectares			1,000 tons		
Wheat:						
Mexico	740	850	950	2,650	3,050	4,200
Argentina	5,023	5,883	7,320	7,780	8,100	14,000
Brazil	3,062	1,922	2,700	2,676	2,217	1,810
Chile	546	432	410	966	686	650
Uruguay	250	350	231	370	450	320
Total	9,621	9,437	11,611	14,442	14,503	20,980
Rice (rough):						
Mexico	130	180	190	390	585	510
Cuba	200	200	210	346	350	350
Dominican Republic	125	128	128	344	369	324
Haiti	50	50	50	90	95	105
Costa Rica	50	72	45	129	201	113
Nicaragua	45	46	47	71	120	155
Panama	90	96	98	136	151	161
Argentina	82	82	99	266	286	354
Brazil	6,469	6,477	5,963	9,638	8,638	9,155
Colombia	416	413	447	1,892	1,796	1,953
Guyana	96	110	95	276	275	265
Peru	100	120	125	419	706	738
Suriname	65	59	60	258	260	270
Uruguay	67	67	68	288	362	418
Venezuela	187	229	200	712	730	670
Total	7,842	7,949	7,425	14,519	13,989	14,681
Corn:						
Mexico	8,100	8,150	6,000	10,400	12,500	7,500
Haiti	245	250	250	225	185	195
El Salvador	292	277	273	527	500	409
Guatemala	644	742	876	902	1,012	1,217
Honduras	340	340	372	337	388	470
Nicaragua	234	207	216	190	198	248
Argentina	2,490	3,394	3,159	6,400	12,900	9,600
Bolivia	272	265	270	335	327	330
Brazil	11,621	12,810	13,200	20,314	22,555	22,931
Colombia	614	629	643	854	800	892
Paraguay	400	415	265	600	620	450
Peru	320	340	360	440	590	625
Venezuela	416	286	305	661	415	501
Total	25,988	28,105	26,189	42,185	52,990	45,368
Grain sorghum:						
Mexico	1,100	1,400	1,500	3,800	4,000	3,500
Haiti	160	160	163	150	180	170
El Salvador	120	116	100	140	136	109
Nicaragua	53	43	46	93	83	101
Argentina	1,279	2,078	2,493	2,960	7,100	8,000
Colombia	206	231	298	430	532	575
Uruguay	50	74	56	84	192	123
Venezuela	309	312	186	584	540	338
Total	3,277	4,414	4,842	8,241	12,763	12,916
Beans, dry:						
Mexico	1,800	2,000	1,900	900	1,300	900
Dominican Republic	49	48	50	36	43	41
Haiti	90	92	92	28	35	35
El Salvador	53	50	49	40	38	34
Nicaragua	50	50	50	39	55	60
Argentina	205	190	180	146	180	150
Brazil	4,785	5,013	6,000	1,969	2,407	2,950
Chile	111	118	122	84	138	162
Paraguay	87	80	80	65	57	60
Peru	50	52	50	38	40	40
Venezuela	96	70	62	52	20	33
Total	7,376	7,763	8,635	3,397	4,313	4,465

See next page for footnotes.

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Table 3--Area and production of selected agricultural products by principal Latin American countries (continued) 1/

Commodity by country	Area 2/			Production		
	1980	1981	1982 3/	1980	1981	1982 3/
	1,000 hectares			1,000 tons		
Potatoes:						
Mexico	71	86	95	892	1,075	1,200
Cuba	13	13	13	208	226	226
Argentina	112	117	95	1,568	2,247	1,815
Bolivia	131	150	160	720	720	780
Brazil	180	180	190	1,947	1,911	2,095
Chile	89	90	80	903	1,007	842
Colombia	164	148	160	2,065	1,910	2,200
Peru	210	250	250	1,380	1,650	1,650
Total	970	1,034	1,043	9,683	10,746	10,808
Cotton:						
Mexico	360	350	190	367	323	190
Guatemala	102	84	70	126	105	80
Nicaragua	94	95	90	73	73	80
Argentina	565	300	399	146	85	144
Brazil	1,980	2,015	2,080	577	598	677
Colombia	219	211	149	125	116	88
Paraguay	220	290	270	75	105	90
Peru	140	143	135	97	97	90
Total	3,680	3,488	3,383	1,586	1,502	1,439
Peanuts:						
Mexico	40	47	45	60	75	70
Argentina	281	196	110	294	243	230
Brazil	320	235	230	545	310	290
Total	641	478	385	899	628	590
Soybeans:						
Mexico	150	370	390	280	680	550
Argentina	2,030	1,740	1,985	3,650	3,500	4,000
Brazil	8,774	8,485	8,202	15,156	15,200	12,835
Paraguay	400	400	420	575	600	600
Total	11,354	10,995	10,997	19,661	19,980	17,985
Tobacco:						
Mexico	51	42	43	70	62	59
Cuba	20	20	20	7	50	45
Dominican Republic	30	33	25	49	40	33
Argentina	51	49	56	62	51	68
Brazil	250	239	246	350	314	372
Colombia	24	26	25	28	31	29
Total	426	409	415	566	548	606

1/ Includes crops harvested mainly in year shown. Latin America totals are for those countries for which data are shown. 2/ Harvested area insofar as possible. 3/ Preliminary.

Sources: Economic Research Service; Foreign Agricultural Service; Food and Agricultural Organization of the United Nations, Production Yearbook of Agriculture 1981.

Table 4—Latin America: Production of selected agricultural products 1/

Commodity by country	1980	1981	1982 2/
	1,000 tons		
Crops			
Cassava:			
Cuba	325	330	330
Dominican Republic	140	160	160
Haiti	250	252	260
Bolivia	224	230	240
Brazil	23,400	25,000	24,500
Colombia	2,150	2,150	2,000
Paraguay	1,950	1,970	2,000
Peru	400	410	410
Total	28,839	30,502	29,900
Sugar, centrifugal (raw):			
Mexico	2,764	2,518	2,935
Cuba	6,805	7,925	8,200
Dominican Republic	1,012	1,107	1,137
Other Caribbean	960	890	850
Central America	1,470	1,418	1,550
Argentina	1,716	1,550	1,521
Brazil	6,990	8,508	8,385
Colombia	1,193	1,225	1,262
Peru	552	491	630
Venezuela	315	253	335
Total	23,777	25,885	26,805
Cottonseed:			
Mexico	590	525	310
El Salvador	68	63	55
Guatemala	190	132	99
Honduras	12	11	11
Nicaragua	120	120	100
Argentina	276	153	263
Brazil	1,057	1,135	1,235
Colombia	200	200	97
Paraguay	140	190	175
Peru	170	170	155
Total	2,823	2,699	2,500
Cocoa beans:			
Mexico	36	38	38
Dominican Republic	32	34	38
Brazil	291	350	315
Ecuador	95	85	88
Total	454	507	479
Bananas:			
Mexico	1,948	1,600	1,700
Cuba	219	220	220
Dominican Republic	310	320	320
Costa Rica	1,187	1,100	1,050
Guatemala	475	476	475
Honduras	1,435	1,285	1,350
Nicaragua	150	157	157
Panama	550	640	600
Brazil	4,900	4,846	5,260
Ecuador 3/	2,240	2,275	2,265
Peru	715	740	740
Venezuela	983	915	926
Total	15,112	14,574	15,063

Commodity by country	1980	1981	1982 2/
	1,000 tons		
Coffee:			
Mexico	222	234	234
Dominican Republic	60	67	51
Costa Rica	122	113	112
El Salvador	161	143	150
Guatemala	162	159	154
Honduras	76	78	80
Nicaragua	57	53	57
Brazil	1,290	1,980	1,065
Colombia	763	810	810
Total	2,913	3,637	2,713
Livestock and poultry products			
Beef and veal:			
Mexico	1,065	1,129	1,250
Cuba	160	160	160
Dominican Republic	43	46	48
Costa Rica	67	75	76
El Salvador	30	30	30
Guatemala	90	91	78
Honduras	57	55	66
Nicaragua	60	47	48
Argentina	2,822	2,955	2,515
Brazil	2,150	2,250	2,400
Colombia	654	720	677
Uruguay	336	407	385
Total	7,534	7,965	7,733
Pork:			
Mexico	905	1,088	1,200
Argentina	270	250	250
Brazil	1,000	980	970
Colombia	126	105	108
Total	2,301	2,423	2,528
Poultry:			
Mexico	439	468	499
Dominican Republic	73	70	64
Argentina	231	235	218
Brazil	1,250	1,400	1,500
Venezuela	232	244	282
Total	2,225	2,417	2,563
Milk:			
Mexico	6,741	6,856	6,900
Cuba	889	900	900
Dominican Republic	350	350	355
Argentina	5,301	5,436	5,400
Brazil	10,260	10,500	10,700
Chile	1,145	1,295	1,000
Colombia	2,342	2,553	2,760
Total	27,028	27,890	28,015
Eggs:			
Mexico	644	669	600
Argentina	189	180	175
Brazil	850	850	858
Chile	64	70	67
Peru	44	47	47
Total	1,791	1,816	1,747
Wool, shorn:			
Argentina	170	173	172
Brazil	28	30	30
Uruguay	79	79	80
Total	277	282	282

1/ Crops harvested mainly in year shown; cocoa beans and coffee harvested began in year shown; area data not available. 2/ Preliminary. 3/ Exportable type only.

Sources: Economic Research Service; Foreign Agricultural Service; Food and Agricultural Organization of the United Nations, Production Yearbook of Agriculture 1981.

Table 5--Latin America: Exports and imports of selected agricultural commodities

Commodity by country	Exports 1980	1981 1/	1982 1/
	1,000 tons		
Wheat (inculding flour in wheat equivalent):			
Mexico	10	10	15
Argentina	4,481	3,755	3,816
Total	4,491	3,765	3,831
Rice, milled basis:			
Argentina	107	107	125
Colombia	58	22	2
Guyana	81	78	50
Suriname	80	75	75
Uruguay	137	190	228
Total	463	472	480
Corn:			
Argentina	3,525	9,112	5,214
Brazil	0	0	700
Total	3,525	9,112	5,914
Sugar, raw basis:			
Cuba	6,191	7,071	7,734
Barbados	122	64	48
Dominican Republic	793	864	750
Jamaica	135	125	130
Trinidad/Tobago	64	67	50
Belize	103	95	104
Costa Rica	82	57	50
El Salvador	51	26	56
Guatemala	210	228	180
Honduras	88	85	87
Nicaragua	69	89	97
Panama	145	111	112
Argentina	491	725	400
Brazil	2,685	2,822	2,722
Colombia	287	182	185
Guyana	263	282	265
Peru	55	0	62
Total	11,834	12,893	13,032
Coffee, green or roasted:			
Mexico	130	118	111
Cuba	9	8	8
Dominican Republic	32	35	39
Haiti	25	15	18
Costa Rica	72	96	85
El Salvador	187	149	118
Guatemala	115	145	140
Honduras	57	62	60
Nicaragua	50	49	53
Brazil	774	825	887
Colombia	687	552	539
Total	2,138	2,054	2,058
Bananas, plaintains, fresh:			
Guadeloupe	61	95	100
Jamaica	31	23	20
Martinique	54	75	80
Windward Islands	70	117	110
Costa Rica	973	925	815
Guatemala	310	311	325
Honduras	862	765	800
Nicaragua	150	85	50
Panama	508	510	545
Brazil	67	67	59
Colombia	692	723	775
Ecuador	1,318	1,210	1,250
Total	5,096	4,906	4,929

Commodity by country	Exports 1980	1981 1/	1982 1/
	1,000 tons		
Cocoa beans:			
Mexico	1	12	14
Dominican Republic	23	26	31
Brazil	219	251	236
Ecuador	14	24	38
Total	257	313	319
Beef and veal: 2/			
Costa Rica	32	30	22
Honduras	36	31	24
Nicaragua	24	14	20
Argentina	469	486	522
Brazil	169	279	355
Colombia	13	22	16
Uruguay	117	173	168
Total	860	1035	1,127
Cotton, raw:			
Mexico	177	172	90
Guatemala	107	78	48
Nicaragua	71	59	73
Argentina	33	65	41
Brazil	9	30	152
Colombia	57	22	6
Peru	32	60	36
Paraguay	76	94	86
Total	562	580	532
Tobacco, unmanufactured:			
Mexico	24	18	15
Cuba	3	15	5
Dominican Republic	22	34	30
Argentina	17	17	20
Brazil	128	132	134
Colombia	17	10	10
Paraguay	15	9	9
Total	226	235	223
Soybeans:			
Argentina	2,709	2,207	1,923
Brazil	1,549	1,450	504
Paraguay	415	630	730
Total	4,673	4,287	3,157
Soybean meal:			
Argentina	293	523	1,020
Bolivia	19	13	12
Brazil	6,582	8,884	7,641
Paraguay	60	16	16
Uruguay	19	7	4
Total	6,973	9,443	8,693
Soybean oil:			
Argentina	92	89	200
Brazil	744	1,281	835
Total	836	1,370	1,035
Barley:			
Argentina	43	6	5
Uruguay	63	75	65
Total	106	81	70

See next page for footnotes.

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Table 5--Latin America: Exports and imports of selected agricultural commodities (continued)

Commodity by country	Imports 1980	1981 1/	1982 1/
	1,000 tons		
Wheat (including flour in wheat equivalent):			
Mexico	677	1,104	393
Cuba	1,186	1,200	1,210
Dominican Republic	160	175	160
Haiti	126	173	170
Jamaica	127	164	181
Trinidad/Tobago	120	100	120
Costa Rica	104	100	100
El Salvador	96	126	120
Guatemala	120	110	110
Honduras	75	78	81
Nicaragua	78	99	76
Panama	65	62	63
Brazil	4,755	4,360	4,170
Colombia	640	334	572
Chile	1,069	1,041	1,056
Peru	813	972	968
Venezuela	686	891	713
Total	10,897	11,089	10,263
Rice, milled basis:			
Mexico	130	17	9
Cuba	200	225	250
Jamaica	51	63	55
Trinidad/Tobago	46	40	45
Brazil	239	142	150
Chile	48	16	20
Peru	251	102	58
Total	965	605	587
Corn:			
Mexico	4,851	2,803	194
Cuba	506	525	600
Dominican Republic	190	180	165
Jamaica	162	190	150
Trinidad/Tobago	95	115	120
Brazil	1,594	570	0
Chile	434	315	397
Peru	485	344	530
Venezuela	1,141	734	880
Total	9,458	5,776	3,036
Barley:			
Mexico	199	98	3
Cuba	82	90	85
Chile	38	6	0
Colombia	39	66	144
Peru	37	40	40
Total	395	300	272
Sugar, raw basis:			
Mexico	609	607	518
Chile	466	51	225
Uruguay	35	24	25
Venezuela	350	527	500
Total	1,460	1,209	1,268

Commodity by country	Imports 1980	1981 1/	1982 1/
	1,000 tons		
Beef and veal: 2/			
Brazil	65	55	15
Venezuela	22	16	12
Total	87	71	27
Pulses:			
Mexico	307	444	130
Cuba	85	85	90
Colombia	4	2	2
Venezuela	103	69	75
Total	499	600	297
Apples:			
Mexico	8	8	4
Venezuela	16	16	12
Brazil	185	190	185
Total	209	214	201
Bananas, plaintains, fresh:			
Argentina	178	165	161
Venezuela	123	125	130
Total	301	290	291
Soybeans:			
Mexico	931	1,173	560
Dominican Republic	38	45	35
Haiti	0	23	70
Jamaica	60	65	70
Brazil	474	900	1,300
Peru	0	10	20
Venezuela	66	50	79
Total	1,569	2,266	2,134
Soybean meal:			
Mexico	178	118	39
Cuba	80	85	90
Dominican Republic	26	50	45
Chile	58	43	50
Peru	47	47	50
Venezuela	385	399	499
Total	774	742	773
Soybean oil:			
Mexico	50	3	107
Dominican Republic	25	30	30
Bolivia	7	27	0
Chile	49	76	80
Colombia	79	109	116
Ecuador	30	40	40
Peru	40	61	79
Venezuela	20	54	47
Total	300	400	499

1/ Preliminary. 2/ Carcass-weight basis; excludes fats and offals.

Sources: Economic Research Service; Foreign Agricultural Service; Food and Agricultural Organization of the United Nations, Trade Yearbooks.

Table 6.--U.S. agricultural trade with Latin America

Country	Exports			Imports		
	1980	1981	1982 1/	1980	1981	1982 1/
	Million dollars					
Mexico	2,467.8	2,431.9	1,156.3	1,059.2	1,101.8	1,148.4
Bahamas	71.4	69.2	63.6	0.8	1.3	1.0
Barbados	28.3	29.0	28.4	38.2	13.2	12.3
Bermuda	33.0	35.0	40.1	--	--	0.2
Dominican Republic	217.5	229.6	177.1	454.3	538.6	332.9
French West Indies	14.5	12.4	11.8	0.5	0.3	1.2
Haiti	70.1	68.0	67.7	33.7	20.8	37.3
Jamaica	76.5	101.5	111.4	33.5	6.4	10.8
Leeward & Windward Isles	37.3	48.5	48.7	10.8	4.8	4.7
Netherlands Antilles	67.8	78.8	82.9	0.2	8.2	1.7
Trinidad/Tobago	112.3	121.9	144.2	5.1	6.5	4.8
Other Caribbean Islands	7.2	6.9	9.4	--	--	--
Caribbean	735.9	800.9	785.2	577.2	600.1	407.1
Belize	10.0	11.4	8.4	40.7	26.6	20.5
Costa Rica	66.9	46.7	44.2	281.7	279.9	263.0
El Salvador	50.0	73.2	54.9	293.9	143.3	189.1
Guatemala	81.0	76.6	67.5	373.5	276.6	233.0
Honduras	51.1	43.6	33.3	322.0	314.1	257.9
Nicaragua	64.6	40.1	22.9	156.1	108.7	68.4
Panama	84.6	78.9	86.7	111.4	115.5	85.6
Central America	408.1	370.4	317.9	1,579.2	1,264.7	1,117.5
Argentina	49.7	38.1	17.1	305.0	469.3	252.1
Bolivia	33.6	13.1	18.1	21.4	14.3	19.0
Brazil	680.4	710.5	525.9	2,018.8	1,905.2	1,438.4
Chile	319.6	293.3	245.9	45.9	67.9	94.5
Colombia	265.8	220.8	282.8	1,024.6	600.7	544.9
Ecuador	118.9	122.4	104.7	356.0	314.7	346.9
French Guiana	0.6	0.3	0.5	--	--	--
Guyana	23.7	20.4	7.9	37.0	37.4	18.7
Paraguay	2.6	2.9	2.2	51.8	38.4	24.6
Peru	315.9	420.2	278.1	151.0	102.2	136.3
Suriname	18.0	21.6	21.2	0.7	0.3	0.2
Uruguay	8.4	6.9	3.4	8.8	15.6	12.9
Venezuela	700.6	893.4	670.8	18.3	11.5	9.6
South America	2,537.8	2,763.9	2,178.6	4,039.2	3,577.5	2,898.2
Total Latin America	6,150	6,367	4,438	7,255	6,544	5,571
Total world	41,233	43,339	36,622	17,366	16,772	15,232
Latin America as percentage of world	14.9	14.7	12.1	42.0	39.0	36.6

-- = Not available.
1/ Preliminary.

Sources: Bureau of the Census and Foreign Agricultural Service.

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