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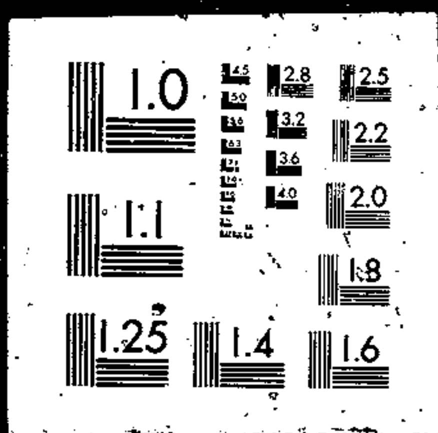

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Agricultural Situation in the Western Hemisphere Review of 1974 and Outlook for 1975

(U.S.) Economic Research Service, Washington, DC

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Review of 1974 and Outlook for 1975

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ABSTRACT

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Key Words: Agricultural production, agricultural trade, Western Hemisphere, Canada, Caribbean, Central America, Mexico, South America.

Washington, D.C. 20250

April 1975

FOREWORD

This annual review of the Agricultural Situation in the Western Hemisphere supplements the 1974 World Agricultural Sitiation, WAS-6. It is one of a series of reports being published for Western Europe, the USSR, Eastern Europe, Communist Asia, Africa and West Asia, and the Far East and Oceania.

This report omits the agricultural situation of the United States. Western Henisphere, as used in the report, refers to Canada, Mexico, the Caribbean Islands including Cuba, Central America, and South America. Gross domestic product is abbreviated to GDP. Unless otherwise specified, all years are calendar years and all stated currency denominations are represented in U.S. dollars. Because of recent revisions, data in the report may sometimes differ from those used in the World Agricultural situation and occasionally from the Indices of Agricultural Production, ERS-Foreign 264. Frank D. Barlow coordinated preparation of the report. Country statements were prepared by Frank D. Barlow. Linda A. Bernstein, John E. Link, Myles Mielke, Samuel O. Ruff, and Omero Sabatini.

U.S. agricultural attaches in the Western Hemisphere countries provided commodity estimates and much of the background information through their annual situation and commodity reports.

Howard L. Hall

Howard L. Hall, Leader
Latin American Program Area
Foreign Demand and Competition Division

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SUMMARY

Western Hemisphere agricultural output for 1974 rose nearly 3.5 percent above the 1973 record, but performance was mixed. Production declined 7 percent in Canada, increased 8 percent in South America, and showed little or no change in the Caribbean, Central America and Mexico. South American countries recording increases in excess of 6 percent were Argentina, Brazil, Chile, Colombia, Guyana, Uruguay, and Venezuela. Only Costa Rica and Panama in Central America showed significant declines of about 10 percent. Continued high volume and record prices of Latin American exports contributed to a new record in value of agricultural trade. U.S. agricultural imports from Western Hemisphere countries increased from the 1973 record of $3.6 billion to $4.6 billion while U.S. agricultural exports advanced from $2.7 billion to $3.8 billion.

Canada's economic growth declined to an estimated 3.5 percent, less than one-half of the 1973 rate. Real GDP growth in 21 Latin American Countries was estimated near 6.7 percent compared with 7.4 percent in 1973. Rates were off moderately in Mexico, Central America, Brazil, Colombia, and Paraguay; but near or above 1973 rates for other countries.

The economic situation, particularly in Latin America, was influenced by record-high prices for petroluem, extractive minerals, and related products which expanded export earnings to alltime highs in Venezuela, Ecuador, Peru, Bolivia, Guyana, Chile, Trinidad, and Jamacia. Exchange earnings were also increased by continued high prices for sugar, coffee, cocoa, grains, and oilseeds in these and other countries, offsetting the impact of rising import costs in 1974. Foreign exchange reserves were up significantly for Latin America as a whole. However, they were down sharply in Brazil, Colombia, and Costa Rica and moderately in Uruguay, Haiti, Guatemala and Mexico.

Inflation continued as a problem of major concern as indices of consumer prices rose 10-20 percent in Central America, 20-25 percent in the Caribbean, and 15-25 percent in most of South America. Exceptionally higher rates included Bolivia's 35 percent jump, Costa Rica's 40 percent, Brazil's 21 percent, Argentina's 41 percent, and Uruguay's 100 percent, and Chile's 376 percent. This led to demands for higher wages. High unemployment continued as a major problem reaching 15-20 percent in most of the Caribbean and several Latin American countries.

Due to inflation and high world prices, most countries gave priority to expansion of agriculture through increased price supports, increased availability of credit, and maintenance of adequate supplies of fertilizer, seeds, and other inputs at reasonable costs to producers.

Adverse weather in Canada reduced wheat and corn production 13 percent while increased plantings and favorable weather in South America contributed to record production of feedgrains, rice, and oilseeds, despite some reduction in the Mexican corn crop. Coffee production recovered sharply in Brazil and sugar continued its strong rise in response to favorable prices. Banana production dropped in Panama, Costa Rica, and Ecuador, and production of cotton and livestock products continued near levels of the past 2 years.

Agricultural exports continued large in 1974, although many commodities were below 1973 volumes. Larger supplies from early 1974 permitted a strong rise in exports of feedgrains and soybeans from Argentina and Brazil in contrast to declines in wheat from Canada and Argentina. Coffee exports fell 10 percent, due to the small 1973 crop and attempts by Brazil and Colombia to prevent a drop in the world price by regulating exports. Venezuela also announced an $80 million plan to finance the orderly marketing of Central American coffee. The cotton trade was reduced by a decline in foreign demand and lower prices late in the year. Sugar exports declined 4 percent from the 1973 record of 11.9 million tons and bananas by 8 percent. Weakening of foreign demand, including EC suspension of imports, cut meat exports.

Latin American wheat imports, mainly from the United States, fell off sharply from the record 1973 level of 9.4 million tons because of increased production in Brazil and a growing resistance to high prices. Corn imports reflected the large Mexican deficits and increased Canadian demand. Large purchases of oilseeds, vegetable oils, and oilmeals by the principal importing countries to supply expanding poultry and milk

production and to maintain adequate food supplies continued. These imports contributed to the sharp rise in U.S. exports to the region.

The economic impact of the energy crisis may be more severe in 1975 than in 1974 if weakening world demand continues to drop the prices for minerals, coffee, sugar, grains, oilseeds, and other important hemisphereic commodities. The petroleum exporting countries are expected to proceed with ambitious industrial and agricultural programs, well protected from price fluctuations. Other countries hope to increase export earnings and increase their economic development. Newly discovered petroleum and mineral resources will help Mexico. However, the Caribbean, Central America, Argentina, Brazil, Uruguay, Chile and others will remain sensitive to changes in world markets.

Prospects for agricultural production in 1975 appear generally favorable in Canada. In Latin America most countries have initiated effective policies and programs to encourage expansion of production for both the domestic and export markets. Canadian agricultural production and exports are expected to recover from 1974. The quantity of Latin American agricultural exports should equal or exceed the 1974 level. The quantity of some agricultural imports is expected to decline in several countries where higher prices should stimulate increased production of grains, oilseeds, and basic food crops. If foreign exchange earnings decline, many countries may be forced to intensify import restrictions to protect their balance of payments.

CANADA

The Canadian economy fared better than those of most other industrialized countries in 1974. Canada did not experience an oil crisis and consequently was not faced with a deterioration of its balance of payments as in 1973. International reserves were C$5.8 billion at the end of 1974, virtually the same as at the end of 1973. However, the rate of economic growth did slow in 1974, particularly in the second half of the year. Economic activity may become even more sluggish in the months ahead. The 1974 gross national product (GNP) at current prices reached a record C$143 billion, or about C$6,350 per capita, but real growth was only 3 to 4 percent, compared with 7.5 percent in 1973. Numerous labor disputes and lagging export sales were partly responsible for the relatively low rate of growth in 1974.

With total exports at C$31.95 billion and imports at C$31.53 billion, the surplus in the balance of trade was only C$420 million, a sharp drop from the 1973 level of nearly C$2 billion. A high rate of inflation throughout the year and signs of rising unemployment during the latter part of 1974 continued to cause considerable concern. In December 1974 the consumer price index was 12.4 percent higher than a year earlier; the food price index went up even more, 17.1 percent. The rate of unemployment, which averaged 5.6 percent in 1973, edged down to 4.9 percent in June 1974, but increased in later months, reaching 6.1 percent in December 1974.

Like the rest of the economy, agriculture—in spite of some soft spots, especially in the livestock sector—was in a generally healthy state in 1974 but can expect rougher times ahead. Canadian government economists are predicting a drop in net farm income during 1975.

Farm operating costs rose to record levels in 1974 (C$5.8 billion) as a result of both expanded purchases and higher prices of most inputs. However, realized net income also achieved a new record, reaching C$3.47 billion. This represented an annual increase of 28.3 percent, or about 2 percent more than in 1973. Total net income, which takes into account the value of inventory changes, was C$3.40 billion, for an increase of 1.7 percent in 1974, compared with an extraordinary jump of 81.1 percent in 1973.

Farm cash receipts were C$8.6 billion, up 25.7 percent, with cash receipts from livestock and livestock products increasing by 4 percent, and those from crops by 45 percent. Gross cash receipts from crops exceeded gross cash returns from livestock for the first time since 1952. However, much of the income from crops was generated by commodities harvested in the second half of 1973.

In 1974 production of most principal crops was down. Wet weather during the spring delayed the start of the planting season. Farmers were forced to alter their seeding plans to include less grain and more rapeseed. The area in wheat was 14 percent smaller but that in rapeseed 25 percent larger than originally intended. Seeding operations were delayed too long for the farmers to be able to switch some of the area intended for wheat to coarse grain. Instead of being planted in coarse grain, much of this land was left fallow.

Adverse weather conditions also prevailed during much of the growing season, causing low yields and drastically reducing the quality of most crops, especially wheat. The wheat crop was 14 percent smaller than in 1973. Barley and total coarse grain output was down 16 percent. Rapeseed production declined by less than 1 percent, but soybeans dropped by a fourth.

Beef output increased in 1974. Cattle producers had to adjust to escalating feed costs. Toward the end of the year there was a marked increase in the number of slaughtered beef cows and heifers and a sizable drop in the number of slaughtered steers, due in part to depressed prices for feeder cattle and less emphasis on feedlot finishing. Unfavorable profit conditions experienced by feed lot operators were increasingly passed on to cow-calf farmers. Pork output was up nearly 3 percent. Marketings began to decline toward the end of 1974 and farrowing intentions dropped sharply as a result of the less favorable hog-feed price ratio which prevailed during the year.

Egg production was 7 percent higher than in 1973. Canadian egg marketing is supposed to be regulated by a national organization, but the program ran into difficulties in 1974, and 28 million eggs had to be destroyed. A special committee, appointed by Parliament, made several recommendations for the improvement of the program. Poultry meat output was also up in 1974, due to heavier slaughter weights; the number of marketed broilers was smaller than in the previous year. Milk output declined slightly, but more milk was used for the production of cheese. Butter manufacturing continued its downward trend. Marketings of milk and turkeys are also regulated by programs which are supposed to include supply-management elements seeking to balance production with domestic needs. A similar program for broilers was discussed, but dissatisfaction with the egg program has delayed its implementation.

For most other products the government is moving toward a policy of full utilization of productive capacity. Seeking to balance the need of providing reasonable returns to feedgrain growers with the need of assuring equitable feed prices to livestock producers, the government removed virtually all restrictions on the marketing of feedgrains for domestic use starting August 1, 1974.

The value of Canada's farm exports in 1974 was estimated at C$4.3 billion, 30 percent more than in 1973. The increase was due to higher prices, as export volume was down slightly. Wheat, feedgrains, rapeseed, tobacco, cattle and pork were, as usual, the principal farm exports.

Total farm imports—mostly fruits and vegetables, tropical products, cotton, soybeans, and soybean products—were up 35 percent to C$2.2 billion. In the current marketing year Canadian exports of wheat are expected to increase to 12 million tons, about 600,000 tons more than in 1973/74. Foreign sales of Canadian feedgrains, mostly barley, should remain at about 3 million tons. Year-end stocks of wheat may decline by 3 million tons to 7.3 million, and feedgrains by about 2 million tons, to 4.2 million, allowing for imports of U.S. corn of approximately 1.2 million tons.

Rapeseed supplies for 1974/75 are estimated at 1.48 million tons, compared with 1.68 million in 1973/74. In the first part of the current marketing year exports were about 40 percent of the previous year. Shipments to both Japan and the European Community were down.

Canadian farm exports to the United States declined by 1 percent to US$527 million, while U.S. agricultural exports rose 24 percent, to US$1.28 billion. Fruits and vegetables and preparations, soybeans and soybean products, corn, cotton, cattle, and beef were the major imports from the United States. Live animals (mostly cattle) are by far the major farm export to the United States. In 1974 U.S.-Canadian trade in livestock and livestock products was down considerably—and in both directions—due in part to market disruptions caused by Canadian trade restrictions designed to insulate the Canadian market from lower U.S. prices and a worldwide beef surplus. The gradual removal of a Canadian surcharge on imports from the United States live cattle and dressed beef, completed in February 1974, was largely offset by the introduction in March of various subsidies to Canadian beef producers. During April-September, Canadian purchases of U.S. slaughter cattle and certain meats were cut off by a ban on imports of livestock and meat treated with DES. In August Canada announced that it would accept the U.S. procedure for certifying livestock and livestock products free of DES, but this announcement almost coincided with the establishment of a new beef stabilization program. This new program phased out the subsidies introduced in March, established a support price of C$45.42 per hundredweight for the top grades of beef, and set up new import quotas for live cattle and fresh and frozen beef and veal. Import quotas restricted trade to amounts considerably lower than those marketed for several months prior to the imposition of quotas.

As part of an effort to obatin the removal of Canadian quotas, in November 1974 the United States announced specific quotas on imports of Canadian cattle, beef, veal, hogs, and pork. However, the 1974 drop in U.S. imports of live animals and products from Canada was primarily the result of higher Canadian prices and of the increase in U.S. production. U.S. import quotas, though retroactive to August (when the Canadian quotas went into effect), had no impact on the flow of Canadian exports to the United States for nearly 11 months of the year. In May, Canada also began imposing monthly quotas on imports of eggs and turkey meat, as imports were said to be threatening price programs for these commodities. Quotas on eggs were suspended in September, because of changing egg prices and supply conditions in the United States and Canada, but quotas on turkey meat remain in force.

A relatively high level of business investment, together with a higher rate of government spending and tax cuts, is expected to have an expansionary impact on the economy. However, the increase in consumer spending is likely to slow down and a period of sluggish economic growth is expected to continue at least until mid-1975. Though much of the performance of the Canadian economy will depend on the economic well-being of other industrialized countries and their ability to purchase Canadian exports, real GNP is expected to increase by about 2 percent in 1975. The inflation rate is estimated at 9 to 10 percent, with food prices expected to rise at an annual rate of about 15 percent during the first half of the year. Prices of food may ease later on if prospects for higher farm production materialize.

The outlook for agriculture, as seen by Canadian government economists, is for continued growth of production and trade. Gross returns in 1975 should be higher, but anticipated larger increases in operating costs are expected to account for a drop in net income to C$3.2 billion at current prices. Supplies of farm inputs, though higher priced than in 1974, should be generally adequate. Farm cash receipts are forecast to increase about 4 percent and to reach C$8.9 billion. Cash receipts from livestock and livestock products should again exceed receipts from crops, mainly because of the smaller size and poorer quality of the 1974 grain harvest.

Agricultural exports may top C$5 billion in 1975, with wheat accounting for nearly C$2 billion. Agricultural imports could approach C$3 billion, due primarily to anticipated higher prices. Cattle and meat imports will remain at a relatively low levels if quotas are not liberalized or lifted.

Canadian government economists anticipate that demand for wheat, feedgrains, and rapeseed will continue strong and recommend an expansion of the wheat area to 27 to 28 million acres to meet anticipated world demand, satisfy domestic needs, and keep stocks at adequate levels. On the basis of anticipated domestic needs and export prospects the government also recommends an increase of 13 percent in the area in barley. Increases in the production of rapeseed, flaxseed, and soybeans are also recommended. These and other suggested acreage increases can be achieved only if farmers reduce substantially the size of the area in fallow, which is not always feasible in Canada. The report of planting intentions for principal field crops, to be released on April 4, should give a clearer indication of the likely size of the area in each crop in 1975.

Beef output will be up in 1975 because of record inventories, but hog marketings are expected to decline. Milk production could rise. Production of broiler and turkey meat will be cut back, as stocks are fairly large. Prices of most fruits and vegetables should hold firm or increase.

Legislation is proposed to increase from C$6,000 to C$15,000 the maximum payment that can be advanced to a farmer in a given marketing year on farm-stored grain scheduled for delivery to the Canadian Wheat Board within the same year.

Other legislative proposals would amend existing legislation and would authorize the government to guarantee returns on major commodities (other than grain and oilseeds grown in the Prairies) of at least 90 percent of the average price of the previous 5 years, adjusted by an index to reflect changes in production costs and regional support programs. Present regulations provide for support prices based on 80 percent of the average price paid to producers in the previous 10 years, with no adjustment for increases in costs of production. A proposed Western Grain Stabilization Act would set up a fund to stabilize net returns from wheat, barley, oats, rye, flaxseed and rapeseed grown in the Prairies at the average level of the previous 5 years. The fund would be financed by the farmers (up to a maximum of C$500 per year) and by the federal government which would contribute twice the amount provided by the farmers.

The national beef stabilization program, introduced in August 1974 and originally intended to last for 1 year, will be continued indefinitely. The support price will be adjusted, however, to reflect production costs prevailing after August 1975. The government is also committed to relating returns to dairy farmers to costs of production. Some steps toward the implementation of this policy could be taken in 1975.

In 1974 Canada's Tariff Board held hearings to help determine whether existing import duties provide adequate protection for domestic fresh and processed fruits and vegetables. Requests for greater protection have been made and government decisions affecting trade in more than 100 commodities, should be announced in 1975. Higher duties could have an adverse impact on U.S. commercial interests. (*Omero Sabatini*)

MEXICO

Mexico's economy slowed from its 7.6 percent pace in 1973 to a 6.0 percent real GDP growth in 1974. A major contributing factor was the government's anti-inflation program, which reduced the rate of growth in government consumption and investment, tightened credit and placed price ceilings on many basic commodities. Counterbalancing these efforts were the general wage increase granted in the second half of the year and the population growth of 3.4 percent. Rising monetary deficits and higher import costs also had adverse effects on the anti-inflation program. These factors helped maintain the upward pressure on prices and the general index of consumer prices advanced at an average monthly rate of 1.7 percent compared with 1.8 percent in 1973.

Agricultural production was restricted by adverse weather, construction by material shortages, and industry by rising costs and the anti-inflation program. Exports were stimulated by favorable prices in early 1974 and despite later weakening of the trend, earnings were up 40 percent to $2.9 billion. Import demand remained strong which was reflected in a 50 percent rise in imports to $5.8 billion which increased the trade deficit to an all-time high. The deficit was partly offset by some rise in earnings from tourism and other services and by foreign capital inflows. Foreign borrowings to help finance the trade deficit were increased. Foreign exchange reserves fell from $1.4 billion to $1.3 billion for the first 10 months of 1974.

Although unusually dry weather reduced pastures and irrigation water supplies in the Northwest, the overall outlook for agriculture was favorable in early 1974. Government price support programs were expanded and fertilizer sales were encouraged by subsidized prices to farmers at about one-third of the world level. Higher support prices encouraged expansion in planted area for grains and other basic food crops. World and domestic demand appeared favorable for other crops and livestock products.

Although prospects for expanded 1974 agricultural production were damaged by early September frosts which hit corn and other late food crops in Central Mexico, agricultural output exceeded the 1973 level. A slight drop in food production was offset by gains in other crops and a slight improvement in the livestock situation.

Wheat production increased to a record 2.2 million tons as area expanded 10 percent in response to the guaranteed farm price of $2.61 per bushel. Although the guaranteed price of $2.64 per bushel for corn helped maintain acreage planted at about 8 million hectares, corn production was estimated at less than 8 million tons, down sharply from the record 9 million tons harvested in 1973. Dry weather and frost also reduced bean production.

Area planted to soybeans fell 20 percent as more of the limited irrigation water supplies in the North Pacific area were allocated to expansion in cotton. This decline was more than offset by a 34 percent rise in cottonseed and total oilseed production exceeded 1973. The cotton area increased by 30 percent in 1974 and production of 488,000 tons was the largest since 1968. There was no floor price for the 1974 cotton crop but forward contracting by farmers was limited. Prices fell steadily after harvesting began and a large part of the crop remained unsold.

A slight increase in harvested area and improvement in extraction rate increased sugar output to an estimate record of 2.9 million tons. Coffee increased 6 percent to 210,000 tons, about 5 percent below the record 1972 harvest. Production of tomatoes remained at the 1973 level but strawberries were down, due in part to lower U.S. demand.

Mexico's 1974 livestock situation reflected some depression of the northern cattle industry, largely because of unusually dry pasture conditions and lower quotas imposed through midyear upon cattle exports. Although the drought broke about mid-year, Mexican cattle and beef exports were limited by lower U.S. demand. This situation was only partly offset by a moderate rise in domestic cattle and hog slaughter and an estimated 2 percent increase in milk production.

Mexico's agricultural exports were estimated to have leveled off in 1974 after rising from $689 million in 1971 to about $1 billion in 1973. Overall volume fell slightly due to lower prices for cotton, cattle, and meat. The drop was largely offset by high prices for other commodities. In contrast, agricultural imports advanced sharply, more than double from 1973, and about equal to the $1 billion in exports. Increased imports were due to domestic shortages particularly of grains, oilseeds and related products and subsequent Mexican efforts to maintain adequate food supplies. These changes were reflected in U.S. agricultural trade with Mexico. Mexican exports to the U.S. increased from $743 million to $767 million in 1974, while 1974 imports from the U.S. more than doubled the 1973 high of $362 million to $864 million.

Export earnings from cotton fell sharply to $200 million as shipments declined in 1974 to an estimated 165,000 tons. A low carryover from the 1973 crop and retention of 1974 production reduced export availabilities. Cattle exports to the U.S. dropped 35 percent to $68 million based on a 33 percent decline in live cattle shipments. Reduced U.S. demand contributed to a 48 percent decline in beef exports to the United States.

Export gains were related mainly to higher prices of other traditional products moving to U.S. markets. Despite rising consumption and reduced exports of sugar and molasses, earnings more than doubled to an estimated $270 million. Coffee exports dropped 13 percent to $111 million as volume fell 21 percent below the 1973 high. Earnings from horticultural products, mainly to the United States, fell 12 percent below the 1973 high due to sharp drop of 45 percent in tomatoes.

Strong import demand continued for grains, oilseeds, and animal products in face of rising prices during 1974, mainly from the United States. Wheat purchases rose 30 percent to nearly 1 million tons. Also, rice imports were increased to meet domestic needs. Feedgrain imports (corn and sorghum) rose sharply from 846,000 tons to 1.9 million tons to supply deficits and rebuild stocks. Purchases of oilseeds and vegetable oils and oilseed meals set new records while animal fats and dairy products continued to rise. Cattle imports doubled to 63,000 head in 1974 under programs aimed at expansion in milk production.

The outlook is for slowing of GDP growth in 1975, partly due to Mexico's efforts to reduce inflation. The long-term picture appears brighter considering potential development of petroleum and other minerals which may improve the general trade and monetary situation. Increased emphasis is being given to agriculture and the sector's 1975 budget has increased 80 percent to a record $4.8 billion. Irrigation water supplies are reported at favorable levels compared with the past two years and, given normal weather, the outlook is for a significant improvement in crop and livestock production in 1974. Imports of agricultural products will continue at relative high levels due, partly, to the sharp reduction in the 1974 corn crop. (*John E. Link*)

CARIBBEAN

Cuba

Cuba's economy grew modestly in 1974. Per capita (GNP) may have been among the highest in the Caribbean, with the exception of Puerto Rico. Growth reflected a general trend to intensification of food production, but it was somewhat offset by persistent dry conditions. Cuba benefited from a modest recovery in sugar output, rising world sugar prices, and a general broadening of relations with other countries.

During the year, diplomatic and trade relations were renewed with a wide number of developing countries in Africa, the Middle East, and in Latin America. Relations were also restored with many Latin American and Caribbean countries. A motion in November 1974 to eliminate the economic and diplomatic sanctions by the Organization of American States against Cuba in 1964 was narrowly defeated, with the United States abstaining from voting. The matter is expected to be taken up again at the OAS General Assembly in May 1975.

Cuba has moved toward closer economic and trade relations with Canada, Western Europe, and Japan. Two-way trade with Spain in 1974 was an estimated \$400 million; with Japan, \$700 million; and with Canada, \$221 million. Loans and special financing arrangements were obtained from a number of Western countries. A pact between Cuba and France on trade, economic, and technical cooperation was negotiated in 1974, in which the French pledged to help Cuba in its agricultural and industrial development. A British trade mission to Cuba recently released an extensive report highlighting the opportunities in Cuba. Diplomatic relations with West Germany also were restored for the first time since 1963.

Aggregate agricultural production increased slightly in 1974 as recent irrigation improvements helped offset the adverse effects of prolonged dry weather. Sugar production, which accounts for over 95 percent of the country's agricultural exports, rose slightly from 5.3 to 5.8 million tons during the 1973/74 crop year. Current agricultural development strategy calls for expanded sugar production through gradual intensification of farm practices rather than acreage expansion. At the same time, policy plans call for increased output of food crops and livestock products. Nearly 80 percent of the sugarcane land has been planted to improved varieties, partly to facilitate mechanical harvesting. It is estimated that 18-20 percent of the sugarcane was mechanically harvested in 1974, which helped to overcome the critical shortage of manual labor experienced in recent years at harvest time.

Tobacco production, which has been increasing in recent years, rose about 10 percent to an estimated 50,000 tons in 1974. The increase may be traced to the planting of a new, larger leaf, higher yielding variety in the pricipal tobacco producing area. Rice production continued its rapid advance into 1974, rising to an estimated 400,000 tons of paddy, harvested from an estimated 160,000 hectares. This implies a yield of 2.5 tons per hectare. Over 90 percent of production was from the state-owned lands where most of the area was irrigated. Mechanized cultivation and harvesting were employed. The high-yielding IR8-80 hybrid has been introduced in certain areas. The rice development program is supported by research on improved varieties and plant diseases.

Vegetable and root crops produced for domestic consumption reached a record 874,000 tons but failed to reach the 1974 920,000-ton target. Irrigated crops such as potatoes and certain vegetables performed well. However, dry weather caused yields to drop for crops such as plantains, squash, and yucca grown on non-irrigated land. Per-capita consumption was reported the highest in years and certain vegetables became available at least temporarily on an unrationed basis.

The livestock improvement program emphasizes the expansion of cattle numbers and increased milk and egg production. Major attention has been given to improvement of pastures and about 1 million hectares of pastures have been improved out of the total 2.4 million. Attention is also directed to improvement of sanitation practices and disease prevention.

Milk production increased slightly in 1974 to 585,000 tons, but cattle numbers were probably still around the 5.7 million head reported in 1970. Meat production did not change materially. However, egg production, concentrated in state enterprises, continued its rapid growth.

Cuba's new 5-year plan for 1976-80 depends heavily on development capital, credits, and advanced technologies to be supplied from the USSR, Eastern Europe, Canada, Argentina, and Japan. Other Latin American countries such as Mexico and Venezuela, are expected to become more involved in the years ahead. Cuban policy is to promote trade with these countries. The U.S. position vis-a-vis Cuba was expressed in remarks by Secretary of State Kissinger on March 1, 1975: "If the OAS sanctions are eventually repealed, the United States will consider changes in its bilateral relations with Cuba. . .We see no virtue in perpetual antagonism between the United States and Cuba. . .Fundamental change cannot come, however, unless Cuba demonstrates a readiness to assume the mutuality of obligation and regard upon which a new relationship must be founded."

In 1973, 65 percent of Cuba's exports went to communist countries and 72 percent of all imports were supplied by them. This trade amounted to \$2.1 billion. The value of Soviet-Cuban trade in 1974 probably exceeded the 1973 level, but nevertheless, the share of Cuban trade with non-communist countries also grew significantly.

Of total 1974 sugar exports of some 5 million tons, about 1.9 million tons went to the Soviet Union, 1.2 million to Japan, approximately 850,000 to Eastern Europe, 100,000 to Canada, and the remainder to other countries. Cuba did not benefit fully from the high 1974 sugar prices, since only 11 cents per pound were probably received for shipments to the USSR during the first part of the year in accordance with a 1972 sugar agreement between the two countries. This price was reportedly renegotiated to 20 cents a pound in August 1974 and may have been retroactive to January. This was above the average price of 16 cents a pound paid by Japan in 1974. Tobacco leaf exports for 1974 were estimated at about 15,000 tons, the same as in 1973. Spain was the principal market for unmanufactured tobacco. Both unmanufactured and manufactured tobacco products are marketed in small quantities to many countries.

Cuba imports all of its wheat and sizeable quantities of rice and feedgrains. Wheat and flour imports in 1974 were estimated to have reached 726,000 tons, valued at $69 million. These were supplied by Canada, presumably charged to the Soviet account. The People's Republic of China supplied 225,000 tons of milled rice to Cuba in 1974. Argentina was the major supplier of corn, shipping 250,000 tons, more than twice the 1973 level. Sizeable quantities of poultry meat were imported from Canada and Denmark in 1974, amounting to an estimated 14,000 tons.

Prospects for continued and sustained economic growth are favorable. Much hinges on sugar production from the 1974/75 crop, which is currently projected at about 5.5 million tons, slightly less than last year. In the next 5-year plan, sugar is slated to play its traditional dominant role in the Cuban economy with a new export capacity target set at 6.7 million tons. Cuba hopes to reduce annual fluctuations and boost production through irrigation, mechanization, improved varieties, improved practices, and modernized processing and handling facilities.

Tobacco production is expected to continue at recent high levels. The general plan for rice is to intensify production, increase yields, and achieve a higher degree of self-sufficiency. Large increases in vegetable crops are sought to meet increasing domestic demand. Moderate increases in production of livestock and poultry products appear likely.

Improvement and extension of diplomatic and economic ties are expected to continue in 1975. Cuba's development potential is being recognized by many countries. These countries are expected to compete actively for a share not only in new projects, but for the opportunity of supplying capital goods, credits, and technical assistance. (*Linda A. Bernstein*)

Dominican Republic

The Dominican economy boomed in 1974 as a result of high prices for sugar, coffee, and cocoa; continued high levels of foreign investment and a large expansion of domestic credit. Real growth in the GDP of about 6.5 percent in 1974 compared favorably with 7.5 percent in 1973.

Inflation in 1974 rose to about 20 percent compared to 17 percent in 1973. Higher import costs of petroleum were offset by increased sugar earnings alone. The agricultural import substitution policies followed in recent years led to higher domestic production costs and were an additional inflationary factor. For the third consecutive year a positive balance of trade was projected for 1974-about US $18 million as compared to US $20 million in 1973.

Aggregate agricultural output index was up only slightly to 138 (1961-65=100) in 1974. Sugar was up less than 2 percent, but cocoa production nearly 19 percent. Principal field crops were down—rice 16 percent, corn 35 percent, peanuts 9 percent, and tobacco 12 percent. Poultry output increased 9 percent. Increases in fuel, fertilizers, and agricultural equipment costs had some adverse effect on agricultural production in 1974. Unfavorable weather reduced corn and peanut production while uncertainties related to the Agrarian Reform Program and rice land transfers adversely affected rice production in 1974 and increased the need for imports. The price control institute (INESPRE) regulates domestic prices and the importation of rice, vegetable oils, and corn. It also regulates sugar distribution. The importation of corn and rice was subsidized partly from revenues received from export taxes on meat and sugar.

Despite strong opposition from commercial agriculture, more land was purchased and transferred to the Agrarian Reform Institute in 1974. The Dominican Republic Government (GDR) and the United States Agency for International Development (USAID) agreed to a $12 million loan for supervised agricultural credit to be administrated by the Banco Agricola. The Spanish Government has provided partial financing of the Sabaneta Dam which will cost an estimated $40 million. It is planned to provide enough water to irrigate 18,600 hectares in the San Juan Valley, one of the main rice producing areas. Late in the year the Inter-American Development Bank approved a $36 million loan to finance construction of a dam on the Bao River to provide for both electrical power and irrigation. These developments should greatly improve the country's long range agricultural production capacity.

Agricultural exports in 1974 were estimated at about as $510 million, up approximately one third from 1973. Because of record world prices, sugar exports alone contributed about $340 million or 67 percent of total exchange earnings for the year. Other traditional export crops—coffee and cocoa—performed well during 1974 as did tobacco, but beef exports declined slightly. Export taxes were imposed on sugar and beef exports to offset windfall profits, to raise revenue needed to help finance other food stabilization programs, and to insure adequate supplies for domestic consumption.

Agricultural imports more than doubled in 1974 to an estimated $130 million. Imports from the United

States rose from $63 million in 1973 to $117 million (f.c.b. U.S.). Principal imports from the United States in 1974 in million of dollars were: wheat, $20; rice, $27; feed grains, $8; and oilseeds and products, $22. Despite relatively high duties, many consumer-type foods, including fruits, vegetables, and baby foods are imported.

Difficulty in expanding the production of peanut and coconut oil has caused the country to import increasing quantities of vegetable oils, up to 20,000 tons annually. Rapidly expanding poultry production has increased dependence on imports of feed grains, soybeans, and soybean meal. Difficulties in rice production require periodic imports of rice. Wheat imports have shown a steady rise as demand increases.

Real growth of about 7 percent is expected in 1975, barring any setback in agricultural production, since output of bauxite and ferronickel is expected to increase. Manufacturing and construction are also expected to continue at high levels. Revenues from taxes on sugar exports are expected to help raise local counterpart funds to help finance dams, power plants, irrigation systems, and public housing already programmed. A drop in sugar prices would create serious balance on payments problems in view of the fourfold increase in petroleum prices.

Large investments have been committed to development of irrigation and agricultural infrastructures to increase production of rice and other food crops in order to reduce dependence on imports. Import requirements of wheat, feed grains, oilseed products, and tallow are expected to increase quantity-wise in 1975; however, values may be down as much as 10 percent. If domestic plans to increase rice production materialize, rice imports may decline by as much as 50 percent in 1975. In recent years the United States has supplied well over 90 percent of the Dominican import requirements of grains, feeds, and consumer-type products and is expected to continue as the principal supplier in 1975. *(Frank D. Barlow)*

Haiti

The economic recovery which began in 1970 continued into 1974 with estimated real GDP increasing about 5 percent. Growth was mixed and most improvements were limited to the urban centers of Port-au-Prince and Cap Haitien. Growth in tourism, construction, and light manufacturing continued to lead the way. The money supply continued to increase about 25-30 percent annually and two new banks opened in 1974. Although there was a substantial inflow of private capital and remittances from Haitians living abroad, foreign exchange reserves declined because of the continuing trade deficit.

After moderate increases of 3 to 7 percent during the early 1970's, the cost of living index increased 27 percent in 1973 and continued near 13 percent into 1974. Contributing factors to inflation were the 70 percent drop in rice production in 1973 resulting from failure in the irrigation system and leading to domestic food shortages, increased import cost of fuel, food, and building materials, and a 30 percent increase in the minimum wage. To counteract inflation the government placed most basic commodities (both domestic and imported) under price control with markups on imported commodities limited to 15 percent. In addition, custom duties were suspended for edible oils, rice, soap, and lard. Excise taxes were reduced on flour and gasoline and suspended on cooking oil, lard, and soap. Export controls and government emergency imports were used to insure domestic food availabilities.

Agricultural production, which provides nearly half of GDP, rose 2 percent in 1974. The 1974 improvement was due to slight increases in production of sugar, coffee and basic food products. During 1974, USAID provided technical assistance in making feasibility studies and evaluating programs for improving agricultural output. It is apparent that structural improvements are severely needed, but principal attention has been given to the evaluation of specific projects to increase food production, and the rehabilitation of coffee production.

The value of agricultural exports is estimated to have declined in 1974. Coffee and sisal earnings increased primarily because of higher prices, but the quantity of sugar and molasses exports declined. Nonagricultural exports continued at a high level in 1974 as the light assembly industries operated at a relatively high level.

Agricultural imports from the United States doubled from $15.5 million (f.o.b.. U.S.) in 1973 to $27.5 million in 1974. Wheat and wheat product imports from the United States rose to 38,000 tons and accounted for the major gain. The value of tallow imports doubled from $1.6 to $3.5 million while volume was about the same. The quantity of vegetable oil imports declined by 27 percent, but value increased from $3.9 million to $6.2 million. Despite the country's effort to expand domestic food production, most of these commodities will need to be imported in large quantities to help feed a population increasing more than 3 percent a year.

Although prospects are for continued economic growth in 1975 the rate may fall slightly below the 1974 level. Higher costs of food, fuel, and capital good imports represent a serious drain on foreign exchange, and considering dim prospects for increasing earnings from traditional exports such as sugar, coffee, sisal, or bauxite, balance of payments problems are anticipated. Also some slowdown in the export of manufactured items is probable particularly in view of world textile recession. Expansion of agricultural production will continue to be hampered by deteriorating irrigation systems, structural inefficiences, poor farming techniques, and a tax system that limits returns to farmers. Consequently, the pressures to import basic food commodities are expected to increase. *(Frank D. Barlow)*

Jamaica

Real GDP increased 1-2 percent in 1974 after no perceptible growth in 1973, due primarily to a slightly better sugar crop and higher prices, slightly improved food crop production, and greatly increased earnings from bauxite. Tourism also increased slightly but the hotels continued to have financial difficulty as occupancy rates were down considerably. Higher prices for petroluem, first felt in 1973, had serious repercussions on the economy. The government enacted a number of measures to curtail the foreign exchange outflow, including new and enforced exchange controls, credit ceilings, additional regulation of the banking system, and limitations on imports. To offset the deteriorating balance of payments situation, the government moved against the aluminum companies and imposed a retroactive bauxite levy estimated to increase the country's export earnings by $176 million. In addition, GOJ officials negotiated a 38 percent increase in the sugar price under the Commonwealth Sugar Agreement. Additional revenues derived from these actions were divided between the government and the New Capital Development Fund which was set up to finance new development projects, to assist the productive sectors, and to purchase equity in the bauxite-aluminum companies.

Inflation continued at about 30 percent during 1974, 27 percent in the urban areas and 35 percent in the rural. Increased energy costs, wage rates, and general scarcities of consumer goods all contributed to the rise in consumer prices. The current trade deficit was estimated at about $268 million but large increases in both government and private borrowing were expected to leave a surplus in the balance of payments.

With sugar production recovering by nearly 18 percent, increased exports and earnings more than offset the 20 percent decline in banana exports.

Despite the imposition of rigid import controls, Jamaica still had to import large quantities of feedgrains and soybean meal to support its poultry and other livestock enterprises. The 70,000 tons of feed grains imported in 1974 were the same as in 1973, but the cost rose from $4.8 million to $7.8 million. Wheat and wheat product imports from the United States declined from 78,000 to 69,000 tons while value increased from $6.8 million to $13.2 million in 1974. Soybean meal imports were reduced from 21,500 tons in 1973 to 15,000 in 1974 with total value about the same.

Most of the trends emerging in 1974 are expected to continue in 1975. Export earnings are expected to rise as the country will continue to take advantage of a seller's market in bauxite and sugar. The apparent strategy is to reduce the trade deficit by expanding exports; limiting imports, particularly consumer goods; and maximizing tourists receipts through promotion. The government is expected to try to reduce its dependence on external factors including foreign capital. This will be difficult since all fuel and most raw materials and other essential items must be imported. Since the country has been unsuccessful in the production of wheat, rice, feedgrains, and soybean meal, these products with the exception of rice will continue to be imported, primarily from the United States. Rice will be procured from Guyana as government attempts to expand domestic rice production are not likely to be successful. If Guyana supplies are inadequate, the United States will continue as the residual supplier. Also seasonal vegetables, nuts, fruits, and many other specialty food items will likely be procured from the United States as in the past. (*Frank D. Barlow*)

Trinidad And Tobago

Economic activity in 1974 was mixed with the prosperity from petroleum and sugar exports counterbalancing general sluggishness in agriculture, manufacturing, and tourism. A high level of commercial bank liquidity, liberal lending policies, a rapid growth in wages, and scarcities of many products led to rapid advances in consumer prices of food, clothing, and consumer durables. The inflation rate of 23 percent in 1974, compared with 15 percent in 1973, contributed to labor unrest and demands for wage and salary increases leading to negotiated increases ranging from 20 to 50 percent for industrial workers and 45 percent for government workers over a 3-year period. As a result, wage increases kindled inflation, increased the demand for imports, and widened the economic gap between those fortunate enough to be employed and the estimated 17 percent unemployed.

Increases in production of petroleum and natural gas plus greatly higher prices resulted in a bulging trade surplus of about $200 million during the first half of 1974 compared with a deficit of $45 million over the same period in 1973.

The government gave major attention to the control and regulation of prices in 1974 and the treasury spent in excess of $92 million to do so. Four sets of measures to keep prices down were employed: fiscal incentives including subsidies to increase supplies, controls to regulate margins and consumer prices, incentives to reduce costs, and subsidies to keep consumer prices down. The government's objective of achieving an acceptable distribution of income and general improvement in social well being appeared to be threatened by the difficulties of controlling prices and wage demands of workers far in excess of increases in labor productivity.

Agricultural production in 1974 was about the same as in 1973. Production of sugar and most basic food crops showed no change. Coffee and cocoa production were off 40 and 21 percent, respectively, because of dry weather, labor shortages, and damage from the tropical storm Alma. Orange and grapefruit production in 1974 showed significant recovery from the disastrous crop of 1973, but lime deliveries for processing declined by 44 percent because of lower production and grower dissatisfaction with prices offered.

Poultry production rose moderately but pork production declined by 15 percent because of the outbreak of swine fever late in 1973. Beef production was unchanged, while milk production improved. Egg production declined because of reduced profit margins.

The Central Marketing Agency offers minimum prices to producers for 27 food commodities, from pigeon peas, and cucumbers to rice. Subsidies which failed to stimulate production in the past will be phased out and replaced by a new system of contracts with purchase prices guaranteed by the Central Marketing Agency plus a revitalized fertilizer subsidy program. Increased subsidy payments will be tied to unit production in the case of crops such as coffee, sugar, or citrus and one-half of total costs of fertilizer used for vegetables, food crops, and pastures up to 5 acres in size.

Because of previous commitments under the Commonwealth Sugar Agreement, Trinidad did not benefit as much as some other countries from the high prices of sugar in 1974. Sugar earnings, however, were higher even though the quantity exported was below normal. Coffee and cocoa exports were down quantity-wise, but values were up because of higher unit prices.

Rice, wheat, feed grains, oilseed cake and meal, and tallow accounted for more than three-fourths of Trinidad's agricultural imports in 1974. Guyana is the principal supplier of rice, but due to two disastrous crops in 1972 and 1973 Trinidad, in addition to seeking new sources, embarked upon an emergency development program to revitalize its own dwindling rice production.

The United States was the principal source, supplying 69,000 tons of wheat and flour in 1974, 70,000 tons of feed grains, 15,000 tons of soybean meal and 6,000 tons of tallow and vegetable oils. These imports rose in value from $18 million in 1973 to over $30 million in 1974, while quantity decreased by over 5 percent. With both flour and feed mills now in full operation, Trinidad has shifted almost completely to the importation of bulk grain and is now in position to export flour and prepared feeds to the smaller Caricom members.

In 1974, the government spent $13.1 million to keep the price of flour and bread constant in the face of higher wheat prices, and $8.8 million to stabilize rice prices. It is estimated that the price of flour would have reached 35 cents instead of 24 cents a pound; and the price of rice would have reached 42 cents instead of 30 cents a pound. For livestock feeds, the government provided indirect subsidies to producers in addition to permitting some pass-through of the increased costs of feeds in the form of higher ceiling prices for poultry, pork, milk, and eggs.

With greatly increased export earnings and record-high government revenue from petroleum and export crops, the government is expected to make progress in formalizing its development strategy and setting a clearer set of priorities for its energy related industrial and agricultural development. This will mean balancing the government involvement in practically every aspect of the economy including the ownership and participation in the petroleum and related processing. Plans also call for joint participation with Jamaica and Guyana in construction of a smelter to be located in Trinidad, other petrochemical and industrial joint ventures, and a major Caribbean Common Market leadership role in expanding Eastern Caribbean food production through supplying ammonia-based fertilizers.

Prospects for a 1975 sugar production of 222,000 tons are much improved over 1974 as are those for other traditional export crops, but the world price outlook is not encouraging. Plans to revitalize and diversify agriculture are backed with plentiful financing, including subsidies and guaranteed markets, but much depends on the weather and producer response. The government has aggressive action plans for domestic food production, and is also concerned over the long run decline in the viability of the traditional crops such as coffee, cocoa, citrus, coconuts, and sugar. Renewed efforts, adequately financed, are expected to encourage rehabilitation, new plantings and preservation of existing coffee, cocoa, citrus, and coconut trees. Success of plans for tree crop enterprises will depend on the attitude and response of growers who are growing older and find increasing difficulty in obtaining farm labor willing to work in agriculture. (*Frank D. Barlow*)

CENTRAL AMERICA

Costa Rica

During the first half of 1974 economic activity in Costa Rica continued at the high 1973 level, despite high petroleum prices. Strong demand was reflected in high sales and high levels of imports. Price levels also reflected increased demand with prices rising 42 percent above the comparable 1973 period. Inflationary pressures during the latter half of 1974 encouraged Costa Rica to adopt measures to reduce demand and lower imports. Credit restraints, higher interest rates, and partial exchange controls were instituted. Measures were also taken to alleviate the impact of inflation on lower income groups. Real GDP was estimated to have increased nearly 4 percent in 1974. The sharp jump in imports resulted in a more than doubled trade deficit. Foreign exchange reserves declined from $42 to $14 million while those in most other neighboring countries rose as a result of higher export prices and foreign borrowings.

Agricultural production declined by a tenth in 1974, while all other neighboring countries except Panama's rose or remained about the same. Production of bananas, the major agricultural commodity, dropped because of a month-long strike on the Pacific Coast plantations and conflicts between the producing/exporting firms and the Government over the banana export tax. Coffee production also was lower. Grain prices were increased sharply for the 1974 crop, however, production response was mixed. Rice production declined because of a lack of moisture, but bean production was higher. Corn production remained virtually unchanged in 1974. Cocoa production was up as farmers reacted to higher world prices with better management practices and more intensive harvesting. Tobacco production was higher. Over the past few years there has been a growing interest in production of cotton, vegetables and fruits. This interest is beginning to have domestic and trade implications.

Livestock production was mixed in 1974. Cattle numbers and beef production expanded over 1973, a year when cattle were still recovering from the effects of the 1972 drought. Pork production was down about 12 percent. Both the dairy and poultry industries faced rising feed costs and fixed retail prices in 1974, which discouraged producers.

Total exports increased by one-fourth in 1974 to approximately $425 million, reflecting increases in vitually all of Costa Rica's traditional products, and including increased exports of manufacturers to other CACM countries. Agricultural products accounted for 75-80 percent of total exports. Coffee exports were a record $120 million and the export values of bananas, beef, sugar, and cocoa were also higher. Agricultural exports to the United States (c.i.f. U.S.) reached a record $147 million in 1974. Banana exports to the United States were slightly lower both in volume and value. Beef exports rose by nearly 26 percent in volume despite lower prices. A carryover of cattle scheduled for slaughter in 1973 and a quasi-devaluation in April 1974 were contributing factors. Sugar exports, reflecting high world prices, were up nearly 22 percent to $32.5 million, but volume declined by 10 percent. Coffee exports were $22.0 million as higher prices offset a decline in volume. A sharp increase in cocoa prices more than doubled the export value in 1974.

Imports in 1974 were up sharply as volume increased 19 percent and prices by 37 percent. Total imports were valued at $695 million. Much of the increase in imports was due to the excessive accumulation of inventories. Agricultural imports from the United States (f.o.b.) were $28.7 million in 1974, 41 percent over last year. Wheat, the major food import from the United States, was valued at $11.6 million. A sharp drop of 36 percent in wheat volume was more than offset by higher prices. Corn imports were valued at $3.3 million as volume dropped 40 percent. Milk products, black beans, and fruits and vegetables registered substantial gains over 1973.

The outlook for 1975 is for a period of stagnation or possible decline in economic activity. During 1974 the Government took measures to protect its balance of payments position, mainly in the form of high consumption taxes. Problems of 1974 have caused a change in agricultural policy, with a strong emphasis on increasing local food production and raising local prices to world price levels. In 1974, Costa Rica was a signatory of the Union of Banana Exporters and has been active in the formation of the "Otros Suaves" coffee group. (*John Link*)

El Salvador

A generally optimistic outlook early in 1974 vanished as the Salvadoran economy slowed. Real growth for 1974 was estimated at near 4 percent, down from about 8 percent in 1973. The full impact of high petroleum prices and the continuing high cost of other necessary primary and intermediate import goods was felt as the value of imports jumped sharply. Exports were up, but not to the extent of imports. Consequently, the country's deficit trade balance increased sharply. Deferred cotton and coffee exports put pressure on foreign reserves and foreign borrowings were stepped up. Government policies attempted to dampen imports and reallocate financial resources. Consumption increased at a faster rate than in 1973. However, investment, while higher, increased at a slower rate.

Agricultural production rose about 7 percent over 1973 and was nearly 4 percent higher than the 1971 record. Increased output was based mainly on export crops such as coffee and sugar. Favorable weather was an important factor. Cotton production was down because of drought and flooding. Uncertainty over prices of cotton and the costs of inputs encouraged many farmers to accept the guaranteed price which the rental of their land to others assured them.

Basic food crop production was a disappointment in 1974, with the exception of sorghum. Early in 1974 the guaranteed prices of corn, beans, and rice were increased by about half in an effort to encourage production. But this effort was more than offset by subsequent drought and flooding which reduced production of the three crops down from 9 to 17 percent. Rising beef and veal production increased about 2 percent. Increases in livestock production and sugar combined to offset declines in most grains. Total food production was slightly below last year's level.

Total exports in 1974 were an estimated $445 million, one fourth more than the year before. Agricultural exports normally account for nearly 65 percent of total exports. Chemical products, clothing, and cotton fabric and thread are the main nonagricultural exports. Agricultural exports to the United States gained 19 percent to a record $121 million in 1974.

Cotton exports during the first half of 1974 were running behind the normal schedule as exporters awaited the outcome of the cotton futures contract dispute. In July an agreement was reached in which producers would deliver one-third the contracted cotton at contracted prices, with the remainder free to be sold at prevailing world prices.

During the last part of 1974, El Salvador put an export tax on sugar hoping to gain some revenue from the higher world price. At the same time, the Central Bank increased its financing for the harvesting of sugarcane, cotton, and coffee. The Government also plans to distribute half of the fertilizer necessary to meet the demand for the upcoming crop.

Total imports are expected to be near $540 million in 1974, an increase of about 45 percent. Agricultural imports from the United States (f.o.b. U.S.) were valued at $26.2 million in 1974, a gain of only 7 percent. Some commodities registered lower volumes but this was offset by higher prices. Wheat imports dropped by one-fourth, reflecting consumer resistance to higher prices. The price of flour was allowed to more than double early in the year. Corn imports dropped, both in volume and in value, to only $1.3 million in 1974 compared with $7.7 million in 1973. Soybean meal imports declined 15 percent to $1.5 million. Tallow imports rose sharply with advances in both volume and value.

The outlook for El Salvador is not too bright for 1975. Inflationary conditions are strong and show no immediate signs of weakening. Real GDP growth is expected to fall from the 1974 level. Construction is expected to remain strong, however, and industrial performance is uncertain. Performance of the agricultural sector will probably be mixed. With increased emphasis on agriculture and with normal weather, basic food production should rise. However, because of the low production in 1974, basic grain imports may be higher again in 1975. The recent softening of world prices of coffee, cotton, sugar, and beef makes for uncertainty in 1975 foreign exchange earnings. (*John Link*)

Guatemala

The Guatemalan economy experienced a slowdown in 1974 after several years of good performance. Real GDP growth slowed from 7.5 percent in 1973 to 5.7 percent. Agricultural growth increased about 2 percent. The mining sector grew slightly, but manufacturing and construction were lower. Rising prices and shortages plagued most sectors. Guatemala traditionally has enjoyed stable prices, but for the last 2 years inflation has averaged about 14 percent annually. The rate of consumption and investment continued to increase from the average of the early 1970's. Exports increased by about one-third and to a large extent offset higher import costs. For the first time since the late 1960's, the country experienced a slight balance of payments deficit as exchange reserves dropped from $212 to $202 million.

Agricultural growth slowed in 1974 as intensive rains and a volcanic eruption hit the sector in the last half of the year. Performance of export crops was mixed. Cotton production was down, coffee showed no change, but sugar and bananas increased. Beef and milk production increased slightly, while pork production was steady. To encourage the production of basic foods the Government increased the guaranteed minimum prices of corn, black beans, milled rice, and sorghum. Duty-free importation of fertilizer was also authorized.

Increased volume and higher prices for most of Guatemala's traditional export commodities in 1974 pushed the value of exports to almost $588 million. Chemical products, textiles, and footwear were the main non-agricultural exports. Agricultural products account for about two-thirds of total exports. The United States is the major market for Guatemalan exports, taking about one-third of the total. The CACM is the next important market, with Europe in third place.

Agricultural exports to the United States (c.i.f.) were $193.1 million in 1974, up 28 percent from 1973. Higher prices for coffee, the leading item, offset a slight decline in volume to increase value 10 percent. Sharp increases in both quantity and prices for sugar resulted in a fivefold increase in value of exports to $38.6 million in 1974. Beef exports declined in volume and value by a fourth because of weaker U.S. demand for imported meat. Increased banana exports offset a price decline as value increased by 15 percent to $21.6 million. Cocoa exports were up sharply to $1.1 million. To ensure availability of food for the domestic market, many commodities were placed under an export licensing system.

Total imports were estimated to have increased nearly 60 percent in 1974, of which agricultural imports accounted for only 12 percent. Petroleum and industrial and transportation equipment were the principal nonagricultural imports. The United States is Guatemala's main supplier, accounting for about one-third of the total. The CACM, Venezuela, and Mexico make up another third with Europe and Japan following.

Agricultural imports from the United States rose 73 percent to $40.7 million (f.o.b. U.S.). Wheat, the principal import, was valued at $12.7 million. Imports of corn valued at $9.0 million were up as a result of domestic shortages. Rice imports also increased to $2.2 million.

Economic growth is expected to slow from the 1974 rate because of weakening world demand. Cotton area is expected to be down because of shifts of cropland to soybeans, grains, sorghum and sugarcane. Weakening world prices dampen the outlook for Guatemala's traditional exports, especially coffee, beef, bananas, and sugar. (*John Link*)

Honduras

Last year was one of natural catastrophe for Honduras. Hurricane Fifi hit the country, drowning thousands of people and livestock and destroying crops and infrastructure. Infusions from the international community pumped financial aid into the economy. However, in real terms the economy was estimated to be at the level of 1973 or even slightly below. The construction, utilities, banking and services sectors were the only ones registering growth rates higher than in 1973. Unfortunately, the hurricane hit the agricultural sector hardest and within it, the most severely hurt were the rural poor. Agricultural production was estimated to have continued at about the same level as in 1973. Increased imports of food to meet rural domestic and emergency requirements and lower exports of traditional agricultural products were estimated to have pushed the visible trade deficit to $125 million in 1974, but capital and credit inflows helped maintain foreign exchange reserves at about $44 million compared with $42 in 1973. Inflation rose to the 20-percent level in 1974.

Aggregate agricultural production in 1974 was maintained at the 1973 level but food production probably declined by 2-3 percent.

Prospects for grain production appeared good early in the year but grain output fell sharply in the area affected by Hurricane Fifi. Late in 1974, the government launched an emergency plan to expand production of grains, especially corn on the North Coast.

Production of bananas, Honduras' principal export commodity, was about the same as in 1973, but 1975 production is expected to drop sharply because of the hurricane damage. Sugar production increased in 1974, while cotton and tobacco production remained at 1973 levels. Livestock slaughter declined in 1974 because of low prices and demand in the U.S. Pork production was unchanged and milk production increased slightly.

Total exports were estimated to have increased in 1974, with agricultural products accounting for about 70 percent of the total. Banana exports dropped more than one-third. Coffee and meat exports were also lower due to weakening world demand. Sugar and bean exports were higher than in 1973. Lumber, minerals, and petroleum exports also increased. The United States is Honduras' principal market, accounting for nearly 55 percent of total exports.

Agricultural exports to the United States (c.i.f.) were $102.8 million in 1974. Weakening markets in the United States adversely affected beef exports. Horticultural exports were up sharply to $1.1 million in 1974, as were fruits and vegetables, amounting to $1.9 million. Coffee exports dropped to $14.9 million as both volume and prices declined from 1973.

Imports were estimated to be 40 percent above 1973, with consumer goods increasing about 26 percent, capital goods about 15 percent, and fuel and lubricants more than doubling. Agricultural imports make up less than 12 percent of the total. The United States supplies about 40 percent of total imports. Agricultural imports from the United States (f.o.b.) nearly doubled in 1974 and were valued at $21.0 million. Wheat, the principal import, rose from $4.5 million in 1973 to $8.8 million as volume increased 16 percent and prices 80 percent. Fruit and vegetable imports increased 75 percent.

The outlook for 1975 is pessimistic. Hurricane damage to the agricultural sector in 1974 will be reflected in lower production. Present estimates indicate a 2.5-percent decline in GDP with inflation continuing near 20 percent. Prospects are for lower production of bananas and other traditional exports and lower earnings, too, as world demand weakens. Imports probably will increase to meet domestic requirements. (*John Link*)

Nicaragua

Nicaragua's economy recovered rapidly in 1974 from very slow growth in 1973. Severe earthquakes in December 1972 and again in early 1973 destroyed the capital city and curtailed economic activity. Moreover, extensive drought and poor growing conditions in 1972/73 crop year reduced output, mostly marketed in 1973. Despite these shocks to the economy, real GDP grew from 1972 to 1973, but less than population growth. With a sharp rebound in 1973/74 crops, due in part to a very strong world market for grains and cotton, real GDP in 1974 was estimated 12 percent above 1973. Government and private consumption was higher in 1974 and investment was up sharply. Much of these increases were due to the rebuilding program from the earthquake. Rising incomes and expanding markets for both domestic and imported goods continued to put pressure on prices. However, the rate of inflation declined from 1973 to about 16 percent in 1974.

The agricultural picture was mixed in 1974 but overall production was near the 1973 level. To encourage production minimum prices were established for some commodities, such as corn, sorghum, rice and beans. Corn and rice production were adversely affected by either excessive rain or drought. Sorghum production rose sharply from 1973 as area expanded and newer improved varieties were introduced. Bean production rose sharply in response to government efforts to increase production. Cottonseed continues to be the principal oilseed but sesame area was increased to 12,000 hectares in 1974 as production hit 4,700 tons. Production of traditional export crops was mixed—cotton production was lower, sugar recovered to the 1972 level, and coffee production rose.

Livestock slaughter declined in 1974 because of the sharp decline in the world beef prices and the related price decline in the domestic market. High prices of feed ingredients for swine and poultry resulted in curtailment of these industries. The swine industry suffered from an outbreak of hog cholera.

Total exports in 1974 rose 35 percent to $373.6 million, of which 70 percent were agricultural. The export tax imposed shortly after the 1972 earthquake was eliminated in 1974, after yielding estimated revenues of about $37 million. The United States is the principal market for Nicaraguan goods.

Agricultural exports to the United States amounted to $62.8 million (c.i.f.) in 1974, down 27 percent from 1973. A drop in volume and lower prices for beef were responsible for a 48-percent decline in beef exports. Coffee exports were down 50 percent because of declines in both volume and value. Sugar and molasses exports declined in volume, but higher prices resulted in a 19-percent value increase. Banana exports increased about 10 percent in volume and value. Sesame seed exports were up sharply because of higher prices.

Imports during 1974 were estimated at $539 million, up 65 percent from 1973. Principal increases were in raw materials and intermediate goods for industry, including a 300-percent rise in crude petroleum. Increases were also registered in construction materials, capital goods, and consumer durables. Imports of agricultural products declined as a result of a sound food policy. This policy permitted Nicaragua to buy aggressively and consistently in domestic markets at incentive prices. The United States is Nicaragua's principal supplier. Imports of agricultural products from the United States were $18.3 million (f.o.b.) in 1974, an increase of only 8 percent.

Declining export prices and anti-inflation policies, including tightening of credit, will slow growth in 1975. However, a strong public works program coupled with increased investment in the private sector may result in a real growth rate approaching 7 percent. Increased stocks of grain should permit Nicaragua to export some grain to other Central American countries in 1975. Agricultural production in 1975 is still uncertain, but with present cotton prices it appears that as much as 70,000 hectares of land could be shifted from cotton to the production of other commodities. (*John Link*)

Panama

In 1974 the Panamanian economy, which has enjoyed a long period of buoyant growth, faced many problems common to much of the world. Increasing inflation and tighter credit resulted in GDP growth of 6 percent, only slightly less than the 6.5 percent registered in 1973. Tourism was higher and public investments remained strong in 1974. Growth of industrial production, other than refined petroleum products, appeared sluggish and construction activity declined. The consumer price index for Panama City at the end of the third quarter was 17.5 percent over a year earlier. Rising import prices, especially for crude oil, led to a substantial increase in the 1974 trade deficit.

Agricultural production declined by 10 percent in 1974 from the relatively good level of 1973. Basic food crop production increased but was more than offset by declines in export crops and livestock products. Favorable weather and sharply increased prices resulted in increased production of both corn and beans. Rice production dropped as both too much rain and drought dashed hopes for increased production. Increased plantings and favorable weather resulted in a 6-percent increase in sugar cane production. The government embarked upon an ambitious sugar expansion program which could double output within the next 5 years. Coffee production remained at the 1973 level. Bananas,—the most important crop, account for 20 percent of GDP and nearly 50 percent of the country's exports. Production in 1974 declined because of adverse weather, disease, and a drawn-out dispute between the major producing and export firm and the government over the banana export tax.

The livestock industry stagnated in 1974. Growth of the national herd was slower than the human population. Fixed wholesale and retail prices and uncertainties resulting from land tenure reform appeared as unfavorable factors. The dairy, swine, and poultry enterprises appeared to have stabilized or declined. Increased feed cost, shortages of feed and fixed prices lowered producers' profit margins causing them to shift to alternatives.

For the first half of 1974, Panamanian exports increased about 70 percent over the same period in 1973. Industrial exports registered the greatest percentage gain. Agricultural and fishery exports usually account for slightly more than 75 percent of total exports. Banana exports dropped about 20 percent during the first half of 1974 but were more than offset by a doubling in the value of sugar exports. More than three-fourths of Panama's agricultural exports were destined for the U.S. market, with a 1974 value of $38.1 million (c.i.f.). Sugar was the most important commodity export to the United States in 1974, valued at $22.8 million, an increase of 160 percent over 1973. Banana exports to the U.S. of $10.6 million declined 10 percent. Molasses exports were valued at $1.7 million with higher prices offsetting a drop of over 30 percent in volume. Beef exports were $2.1 million, about 45 percent higher than in 1973.

Panama's trade deficit increased about 91 percent during the first 6 months of 1974 as imports jumped 83 percent. Agricultural imports usually account for less than 10 percent of total. Agricultural imports from the United States were $56.7 million (f.o.b.) in 1974, up 87 percent. Wheat, the main commodity import, was valued at $10.3 million, up about 69 percent because of higher volume and prices. Soybean oil imports jumped from $1.7 to $10.0 million in 1974.

The government's emphasis on increased productivity and a switch in food policy to increase self-sufficiency will likely result in increased agricultural production in 1975. The export picture is quite uncertain with weakening world prices for sugar and beef and uncertainty in the reconciliation of the banana tax. (*John Link*)

SOUTH AMERICA

Argentina

Economic growth in Argentina showed signs of improvement during 1974 despite continued high inflation, price squeezes in agriculture, and reduction or loss of some export markets for agricultural products. Real annual GDP grew 6 percent compared to 4.8 percent in 1973. The leading sectors were agriculture, especially corn and sorghum; production of consumer items, such as leather goods and textiles, and residential construction. Foreign trade was favorable. A $700 million trade surplus was due mainly to agricultural exports. Much of the 1974 increase was the result of higher world prices. Year-end foreign exchange reserves of $1.5 billion were about the same as in 1973.

Inflation continues to be a major problem. The cost of living rose 44 percent in 1973 and 40 percent during 1974. Most of the 1974 increase occurred during the second half after rigid wage and price controls were abandoned. Monetary expansion due to large deficit spending and substantial wage and salary increases was a major contributor to inflation. The 1974 federal deficit amounted to an estimated one-half of total treasury spending. Higher prices paid for imported items such as capital goods and raw materials costing about $3 billion in 1974, were another inflationary factor. Consumer demand buoyed by increasing employment and incomes added to the inflationary spiral in both private and public sectors.

Investment in plant and capital equipment was down because of lower profits in the private sector and reduced government investment. Low investment and earlier price controls prevented production from keeping pace with increased demand. Black market operations were common during 1974. Businessmen appeared to be waiting for a restatement of government policy before committing more investment expenditures.

Aggregate agricultural production rose about 6 percent in 1974 compared with last year's 9-percent increase. Poor weather in the wheat growing areas and especially drought in southern Buenos Aires Province was responsible for a 15-percent decline in production 5.6 million tons despite an increase of 5 percent in area planted. Rye, barley, and oats production also showed substantial declines due to drought conditions. Significant increases in corn and grain sorghum output were not enough to offset the large decreases in wheat and other winter grains production, netting a 4-percent reduction for all grains.

In general, edible oilseed production increased over last year, led by a record increase of 75 percent in soybean output to a record 475,000 tons. Peanut and cottonseed production declined. Inedible oilseed production increased 61 percent, due to a good recovery for tung nuts from the 1973 frost-damaged crop, and to higher support prices for flaxseed. Good weather and an unusually good grape crop contributed to a 41-percent increase in fruit production following one of the worst deciduous fruit harvests on record in 1973.

Long-term and structural problems face the Argentine livestock industry. Production of red meat was maintained near 1973 levels, but low prices and reduced export demand in 1974 hurt cattle producers in particular. Price increases for cattle were granted in August 1974 and again in January of this year, the first since June 1973 when price controls went into effect. Because of increased production costs there has been some speculation that if the present situation continues, large herd reductions may occur as producers find more lucrative investments in other farming enterprises or in industry. During the last quarter of 1974, officially registered slaughter was estimated to have increased by about 18 percent over the third quarter, probably in response to the August price rise and a herd buildup to produce meat originally intended for export. Beef consumption rose 19 percent in 1974 to 78.5 kilograms per capita, helping to offset reduced export sales. Good pasture conditions have given cattle producers the option to wait and see how the situation changes over time.

Expected record sugar output was not realized, as production dropped 7 percent from last year. Labor problems led to a shutdown of the mills for 17 days during the peak harvest season. Wool production increased about 2 percent in the face of a record stock buildup and declines in international prices.

Total agricultural exports are estimated at $3 billion for 1974, 14 percent over 1973. Higher world prices for grains and sharp increases in export values for fresh fruits, tobacco, and pulses helped to offset a 38-percent decline in livestock export value. Grain exports accounted for the largest share of the gain and set a recent record for volume which was up 10.5 percent to just over 11 million tons. Of the total export value, grains alone accounted for $1.4 billion, although wheat exports were down 40 percent from calendar year 1973. Corn and sorghum exports showed substantial increases at 30 and 41 percent, respectively, with sorghum volume reaching a record high.

Beef exports in 1974 were reduced 48 percent to 289,000 tons, largely due to the decision of the EC to terminate all beef imports. This was the serious blow to cattle producers as beef exports to the EC in recent years have normally exceeded 50 percent of total beef exports. As a result, the Argentine government has been gradually reducing export taxes on meat exports and recently eliminated all major export duties, granting rebates ranging from 5 to 40 percent on various meat cuts, and adjusting exchange rates in order to raise exporters' margins.

World wool demand weakened during 1974, sending the Argentine Wool industry into a crisis. Exports of

59,800 tons (greasy basis) were the lowest since 1952, down 47 percent from calendar year 1973. Modest production increases, together with reduced demand, combined to build up stocks to the highest level in history. Depressed world prices added to the sheep farmers' problems. In order to alleviate the depressed export situation, the government granted export rebates on all classes of wool, and terminated export taxes as of May 1974.

Exports of edible and industrial oils were down about 12 percent, while oilseed meal exports should increase 24 percent over last year (1973). The government restricted exports of oilseed byproducts by setting export quotas and, as in the case of linseed oil, by eliminating exports altogether in order to assure adequate domestic supplies. The value of sugar exports increased substantially despite reduced production and decreased export volume, which was down 26 percent.

Agricultural trade with the United States showed over a $200 million surplus in favor of Argentina during calendar year 1974. U.S. imports increased by 57 percent from $133 million to almost $210 million. Leading commodities were processed beef products, sugar, tomato products, tung oil, and tobacco.

Imports from the United States were reduced from 95.6 million in 1973 to about $9.6 million (f.o.b.). The major factor causing this sharp decline was the elimination of wheat imports of $90.7 million in 1973 to meet shortfalls after overselling the short 1973 crop. Other significant changes were increased imports of breeding cattle, seed corn, and hatching eggs.

"Guarded optimism" appears to be the proper phrase to describe Argentina's economic growth potential for 1975. Gross domestic product is expected to continue at about the same level, barring serious civil upheaval or a disastrous crop year. Controlling inflation through more stringent monetary and fiscal policies will be the primary task of the government in 1975. A major problem facing the industrial sector is encouragement of increased investment in plant and equipment, thought to have declined for the past two years. Businessmen appear encouraged by the new economic leadership which has sought a more flexible price control policy and greater export expansion.

Agricultural production is expected to increase in 1975 if favorable weather continues. Wheat production should increase over last year's reduced crop. Since the prices for rye, barley, and oats are not controlled by the government, higher world prices should provide the incentive to increase production. Oilseed output most likely will decline in 1975 because of export quota controls and poor weather which reduced the area planted. Soybean production could increase over 1974 as higher yields are expected. The outlook for beef production remains uncertain as much depends on export market conditions. Increasing domestic beef consumption should take up some slack and added export incentives may lead to further development of non-traditional beef markets. Cattlemen have been encouraged by recent government actions to stimulate exports and raise domestic prices at the wholesale and retail levels.

World-wide recession presents a mixed picture for Argentine trade in 1975. Imports of raw materials are expected to be cheaper which would reduce an element of inflation, but demand for Argentine exports may also decline if the recession continues or worsens. Although trade prospects for 1975 are less encouraging, a trade surplus of $450-$600 million is expected. *(Miles Mielke)*

Bolivia

GNP grew 7 percent in Bolivia in 1974. The energy crisis had a favorable effect on Bolivia because it raised the value of exports of petroleum and gas much more than it increased the cost of food imports. Value of total exports was estimated to be $550 million at the end of 1974; imports, $358 million. Petroleum exports were up 191 percent to $195 million. The inflation rate was 35 percent. Estimated reserves were $190 million at the end of 1974.

The hydrocarbons sector was the most dynamic with investments of $160 million in pipelines and refining expansion. Bolivia agreed in principle to supply Brazil 240 million cubic feet of natural gas per day by pipeline to Sao Paulo. Under a similar arrangement, Argentina will be supplied 282.5 million cubic feet of natural gas per day.

Agricultural production made no gain in 1974 because crops and livestock suffered from rains and flooding, first in March and again in October. Wheat production of 57,000 tons, the same as 1973, left an even larger deficit to be filled by imports. Corn production rose 7 percent to 325,000 tons because of strong demand for feed and good prices (US $154-$176 per ton) increase in cattle herds. The Government's policy is to encourage cotton exports but regulate sugar and beef exports to prevent shortages in domestic supplies.

Principal import requirements are wheat, lard, cooking oil, cottonseed, and breeding cattle. Wheat imports in 1974 rose 44 percent to 242,000 tons. The most important sources were the United States with 119,000 tons and Argentina, supplying most of the remainder under a bilateral agreement. Bolivia imported cottonseed from the United States for their lowland cotton boom. Imports of zebu cattle from Brazil and Paraguay were financed by the World Bank.

The value of imports from the United States was up from $5 million to $28 million. Of the total value, $2.16 million was wheat and wheat flour. Lesser imports were cotton seed, raisins, lentils, mayonnaise, and salad dressing. Government agencies handle most imports.

Heavy rains affected subtropical lowland crops which were the source of the export boom of recent years. Cotton production of 30,000 tons was down slightly from 35,000 tons in 1973. Production of paddy rice was off slightly to 66,000 tons. Sugar production declined, probably because of labor shortages and rain damage to roads. Farmers doubled the soybeans area to 6,000 hectares, but Bolivia still needs crushing facilities for cottonseed and soybeans. Beef production was down and export controls were imposed after floods caused large calf losses.

Bolivia has strengthened its agricultural credit program through the Banco Agricola and U.S. AID funds channeled through the Central Bank. Imports of breeding stock are geared to World Bank and InterAmerican Development Bank loans for replenishment of herds. Bolivia gave more attention to deficiencies in infrastructure and obtained loans for a road from Oruro to Cochabamba.

Sugar exports declined from 19,000 tons in 1973 following the banning of exports. A 7,400-ton shipment was made to the United States under the sugar quota, however, a special quota allocation of 6,470 tons could not be fulfilled. Cotton exports were expected to reach 18,000 tons, allowing 5,000 tons for domestic use and 6,500 for end-of-year unsold stocks. Beef exports were down from 7,000 tons following controls.

As an exporter of petroleum and natural gas, Bolivia will continue to benefit from increasing foreign exchange earnings. The value of mineral exports was still greater than hydrocarbons in 1974, and will remain at about the same level. Wheat import requirements for 1975 are about 244,000 tons. Production and exports of cotton and sugar will probably rise in volume in 1975 because of plentiful credit and increased milling facilities. Increased economic activity and the outlook for continued balance of payments surpluses make Bolivia an attractive market for both agricultural and industrial products. (*Samuel O. Ruff*)

Brazil

Brazil's 9-percent growth in GNP in 1974 followed a 5-year trend of extraordinary growth. Industry and agriculture both grew 9 percent.

Despite efforts to insulate the economy from energy problems, Brazil suffered a trade deficit of $4.7 billion and an inflation rate of 32 percent. Brazilian policy aimed to pay for increased import costs (petroleum and capital goods) with increased exports, especially agricultural. This drive raised export value 26 percent to $7.7 billion but was inadequate to meet the $12.4 billion import bill. An inflow of capital however, reduced the balance of payments deficit to $1.5 billion, which was met largely by reduction in foreign exchange reserves. A major offshore oil discovery in November promised to ease the energy crisis, possibly within 2 years.

The new administration proceeded with development policies to increase investment in infrastructure such as the export corridors program, highways, and new roads. Agriculture flourished under expanded credit and strong export incentives. Heavy investment in steel, chemicals, and ships came from international lending from Japan, Germany, and from Brazil itself. Brazil shifted to railroads for the next phase of the export corridors program to cut energy costs. The core of Brazil's energy policy is an intensive exploration program.

Brazil imports 77 percent of daily oil requirements of 850,000 barrels. The Petrobras discovery of a reserve of 900 million barrels in fractured dolomite off the coast will enable production to increase to 459,000 barrels a day by 1975 and could cut the oil import bill by 75 percent in 2 or 3 years.

Agricultural sector growth of 9 percent in 1974 doubled the 4-percent 1973 growth rate. Favorable weather, liberal credit, and high producer prices brought in excellent harvests. The infrastructure of commercial agriculture in the South has reached a stage where crops are price-responsive. The great 1974 successes were coffee, sugar, soybeans, and wheat.

Tropical products for export had their best year since 1965. Coffe production of 27 million bags ended an 8-year interval of low production. Sugar production (7.4 million tons) maintained Brazil's position as the world's largest sugarcane producer. Cocoa production in 1973-74 set a record of 245,500 tons.

Soybean production increased 39 percent to 7.4 million tons. The soybean boom began as a spinoff of the wheat program, because capital costs for machinery and fertilizer could be spread over both crops due to double cropping.

Cotton production for CY 1974 dropped 17 percent to 550,000 tons because of reduced area and heavy rains both in North and South. Brazil made close approximation to self-sufficiency in food grains in 1974. The 2.8-million-ton wheat production capped a 7-year program that started from a base of 365,000 tons in 1967. Corn production was a record 15 million tons. Rice dropped slightly from 1973 but met domestic requirements.

In the livestock sector minor gains were recorded in meat production. Price ceilings caused beef shortages until raised in April. Because of low prices, milk production failed to increase, causing significant imports. Prices of milk were raised by 47 percent in May and October to reverse the 1974 shortfall.

Brazil provides liberal credit for the agricultural sector at 15-percent interest. Total financing for the sector at the end of 1973 was $4.87 million for investment in land, $2.08 million in farm operations, and $1.18 million in marketing.

Credit for crop production in March 1974 was up 59 percent from a year earlier to $1.14 billion. A key feature is the minimum support price program which provides incentive for specific crops. Producer price of wheat was raised by $84 to $190 per ton to provide an incentive that would cover higher fertilizer costs and a 30-percent profit. Brazil financed the planting of 250 million coffee seedlings to complete a 600-million-tree program to restore production capacity to 28-30 million bags from the 20-22 million bags during the diversification period.

Import tariffs on fertilizer were removed in 1974. An estimated 275,000 tons of nitrogen and 722,000 tons of potassium were imported. A massive fertilizer program aimed at self-sufficiency by 1980 was initiated.

Agricultural exports of $4.5 billion were the major component of Brazil's export total of $7.7 billion. Others were manufactures, $1.8 billion, semimanufactures, $500 million; and iron ore, $450 million. Higher prices prevailed for most agricultural exports. Soybean and meal exports were up 51 percent while the aggregate of tropical products, coffee, sugar, and cocoa, was $2.5 billion. Sugar followed soybeans as the leading export in 1974 with a value of $1.3 billion despite an 18-percent drop in volume. Coffee exports dropped 27 percent to 14.7 million bags (green equivalent) but high prices kept earnings at an estimated $950 million. Cocoa and cocoa product exports reached a record of 103,000 tons with a value of $242 million compared with $81 million in 1973.

Cotton exports fell from 285,000 tons in 1973 to only 72,000 for January October 1974 because of restrictions on exports to insure domestic availability. Corn made its reappearance with exports in excess of 1 million tons after dropping out of the export market in 1972 and 1973. Other exports were tobacco, up 21 percent to 77,000 tons; castor oil, up 19 percent to 146,000 tons; and orange juice, down 8 percent to 110,000 tons. Beef exports fell from 180,000 tons to 50,000 tons because of the import ban of the EC.

Export policy in 1974 aimed at maximizing foreign exchange earnings from exports to pay for petroleum imports. The Government, which has used controls to siphon off profits from sugar, coffee, and soybeans, modified these policies to improve incentives for producers. The contribution quota for coffee was reduced so as to raise producer prices for coffee. The export tax on soybeans was reduced to 9.75 percent and to 2.5 percent on meal. The producer price on sugar was raised 58 percent in November from $130 to $206 per ton. Beef export permits were cut to 80,000 tons to replenish herds after the high slaughter rate of the last two years.

Import policy protected domestic supplies of corn, soybeans, beef, rice, cotton, and other commodities. The Government delayed export licenses for corn until domestic requirements were met; applied a retention system to soybean exports, and stocked supplies of beef. As coffee prices weakened, the Brazilians implemented programs of rebates to buyers. Brazil now advocates a new international coffee agreement.

Agricultural imports remained stable in 1974, but increased imports of machinery and petroleum raised import values by 64 percent from 7.6 to $12.4 billion in 1974. The main agricultural import is wheat, followed at a distance by tallow, dried milk, apples, pears, raisins, hops, baby chicks, and breeding cattle. Wheat import requirements dropped from 3.1 million tons to about 2.7 million tons because of the good wheat harvest in 1973. Incomplete data showed the major wheat suppliers in 1974 were Canada, 1.3 million tons; United States, 900,000 tons; and Argentina, 80,000 tons. Imports from the United States dropped 11.5 percent to $240 million in 1974; the volume of wheat imports from the United States dropped 41 percent but value declined only 16 percent. Edible tallow imports increased from 25,000 to 62,000 tons. Imports of beans and peas dropped from $7.5 to $1.2 million.

After 6 years of annual GDP growth of 10 percent, Brazil faces a transitional interval of 2 years when growth may be slashed to 6 percent. Increased petroleum imports in 1974 were the major factor in the $5 billion trade deficit. Brazil will proceed with expansion plans, because the country is not immune to recession elsewhere. Brazil holds $5 billion in reserves and with available financing from the International Monetary Fund and other sources should be able to avoid serious balance of payment problems over the next 2 or 3 years, provided the prices of sugar, coffee, cocoa, soybeans, and beef do not fall drastically. Brazil's efforts to cut the trade deficit in 1975 may include increased exports of sugar, coffee, soybeans, and non-agricultural raw materials and reduced imports through a strenuous policy of import substitution and higher tariffs on imported luxuries.

The ministry of finance forecasts a 20-percent increase in area of wheat, and production increases in soybean output of 25 percent; sugar, 10 percent; corn, 10 percent; and rice, 15 percent. The outlook for coffee is more uncertain. *(Samuel O. Ruff)*

Chile

In 1974, the Chilean economy began to recover from the reduced level of economic activity experienced during the Unidad Popular Government. It was a problematic year in which the new ruling Junta attempted to control hyper-inflation while expanding industrial and agricultural output. Major economic policies to increase production included the lifting of price controls on all but a few staple food items; reducing import tariffs and other trade barriers in order to increase the flow of inputs needed by industry and agriculture, and the return of illegally expropriated enterprises and agricultural lands to their previous owners. These factors together with an improved climate for private investment increased annual GDP by 5 percent, compared to the 4 percent decline in 1973.

The cost-of-living index for 1974 was 376 percent, down from over 500 percent in 1973. Continued deficit spending, and the absence of price controls, fueled inflation. This influencing spiral is considered the major obstacle to economic improvement in Chile. During the past year, inflation was combated by reducing the size of public sector ownership, investment, and employment; reducing subsidies and restricted credit to remaining public enterprises; depressing demand by slowing down wage and salary adjustments in response to price increases; and restricting credit expansion to priority production areas (copper mining, grain, and sugar beet production). These measures increased unemployment to around 10 percent, but further dampened inflation by decreasing demand.

Imports estimated at $2.2 billion exceeded exports of just over $2.0 billion. Copper exports, which normally account for 70-80 percent of total exports, increased in volume by 35 percent, while export earnings increased by 50 percent. The drop in international copper prices cost the country an estimated $800 million in foreign exchange and dashed hopes of substantially reducing the country's large foreign debt. While the trade deficit was reduced by nearly 45 percent, the balance of payments deficit increased 6 percent to $500 million. On the import side, higher world prices for petroleum and food commodities increased the import cost despite a reduction in volume.

Agricultural output increased about 13 percent from the poor harvest in 1973. Feed grains, potatoes, sugar beets, milk, and beef production were the principal gainers. Livestock production was up 8 percent led by milk and beef. Corn output rose from 294,000 tons to 364,000 tons for a 24 percent increase; a 40 percent increase was registered for sugar beets, barley, and oats, and potato output jumped over 60 percent. Despite the gains, however, 1974 agricultural production was still about 3 percent below the 1966-70 average. Production of wheat, by far the most important crop, was down slightly and remained at a level 60 percent below the 1966-70 average. Production of oilseeds continued to decline from the relatively high 1971 level. The improved agricultural picture was due largely to a substantial increase in crop area harvested after a decline of 20 percent in 1973 and to favorable weather conditions.

New policies and programs initiated to stimulate agricultural production emphasized subsidized agricultural credit, removal of commodity price ceilings, elimination of restrictions on the sale of wheat, and guaranteed minimum prices for wheat, corn, and sugar beets. Return of illegally expropriated farm lands to previous owners up to 80 irrigated hectares is expected to help; however, less than one-fifth of about 40 percent of the lands expropriated under previous agrarian reforms will be returned to pre-reform status while the remaining will be transferred to small farmers. The fear of expropriation has all but disappeared but the ability of the government to coordinate and direct agricultural programs is hindered by the fact that 30 government agencies are responsible for agricultural development. Uncertainty and maladjustments continue in the farming sector despite assurances by the ruling Junta. Inflated prices of Chile's imports, frequent exchange rate adjustments, and the high cost of credit were responsible to some extent for higher input prices. Shortages of raw materials and production credit were also critical with regard to fertilizer usage.

Large agricultural imports were a major reason for Chile's trade dificit in 1974. Imports of agricultural products were estimated at $600 million, about the same as in 1973 even though volume declined. Foodstuffs accounted for 75 percent of the total. The import values for wheat and sugar alone accounted for $220 and $113 million respectively. The inability of the agricultural sector to fully recover from earlier reduced output and the maintenance of per capita food consumption levels, except for meat, were responsible for the high level of food imports. Imports from the United States showed a small increase in value from $110 million in 1973 to $113 million in 1974. Feed grain imports were up 100 percent from $9.4 million, while wheat and wheat flour declined from $86 million to $55 million. Imports of soybean oil took a sharp jump from less than half a million to just over $19 million. Together these commodities accounted for 82 percent of United States agricultural exports to Chile. Other import commodities included cotton, seeds, poultry, meat, animal by-products, and tobacco.

Agricultural exports increased 50 percent over 1973, to a total value of $33 million. Increased exports of feed grains, pulses, vegetables, and fruits were assisted by government promotion of nontraditional export items and the opening of new markets. On the other hand, the government restricted exports of some commodities in order to assure adequate domestic supplies. Prohibited export items included wheat, corn, rice, meat, and sugarbeet pulp. Others were limited by export quotas. It appears that only wheat exports will be prohibited in 1975.

Prospects for growth during 1975 appear limited. Continued austerity policies and high inflation could further dampen demand. High import prices for intermediate goods and raw materials, especially petroleum, would tend to reduce production. If copper prices continue at their present low levels, Chile could be faced with huge balance of payments deficit in 1975. Such a deficit may be difficult to finance in view of the uncertain world economic situation and the already large debt payments which could reach 25 percent of export earnings in 1975. Conceivably, Chile may have to reduce imports in order to meet it's external debt obligations.

Near record levels are expected for area planted to crops in 1975 and production is projected at 21 percent over 1974. Wheat production is expected to almost double in 1975. Acreage planted to sugarbeets is up 50 percent and production may rise by 60 percent. Rice and rapeseed areas have increased about 90 percent. Large imports of wheat, sugar, rice, and edible oils have caused the government to provide incentives for expanding the production of these commodities. Corn plantings are expected to be down by 30 percent as acreage was shifted to wheat. Improved prospects are expected to reduce the trade deficit. Restrictions and quotas on exports will be relaxed, and special incentives such as remission of export taxes are expected to be reintroduced. (*Myles Mielke*)

Colombia

Real growth in GDP of 6.1 percent in 1974 about 1 percent less than in 1973 continued at about the same as average of the previous 5 years. Agricultural production, which contributes about 26 percent to GDP also, grew at about 12 percent but industrial production increased 7, construction 12, and electric energy 12 percent. Devaluation of the peso in 1974 was 14 percent.

Total export earnings increased by more than 25 percent in 1974, but payments for imports rose 30 percent leaving a positive trade balance of $60 million as compared with $70 million in 1973. Higher prices for coffee and other agricultural exports, such as sugar and cotton, more than offset the higher cost of agricultural and other imports in 1974. International reserves declined by $85 million as a result of restrictive capital inflow policies and the government's decision to expand imports to counter inflation. The unemployment rate for 1974 was an estimated12-14 percent. The consumer price index rose by 26 percent, about the same as the previous year's record of 25 percent.

Through a series of executive decrees during the last half of 1974, drastic economic reforms were introduced by the new administration to fight inflation, reduce government budget deficits, and lower the growth in money supply and credit. By and large, the reform measures were designed to bring about changes in income distribution, provide relief to low income groups, and to allocate financial resources to higher priority investments. Accomplishing these goals involved making the tax system more progressive, increasing tax revenues, and reducing tax loop holes and tax evasion.

By year end the new measures were being critized by the affected groups. The economy was in a state of flux and there was no clear concensus of the future impact of the economic reforms initiated in 1974.

Agricultural growth of 12.4 percent in 1974 was unevenly distributed. Wheat production while equal to the previous 5-year average declined by 11 percent, from the previous year as did barley by 3 percent. Largest production gains in 1974 were for rice, up 62 percent; and for feed grains, corn, and grain sorghum, which increased by more than 30 percent. Cotton production was up 18 percent over 1973, while tobacco production remained about the same. Sugar production rose by almost 9 percent to 960,000 as a result of favorable weather and new plantings coming into production. Aggregate edible oil production (african palm, soybeans, sesame, cottonseed, coconuts, and peanuts) rose to a record level, increasing by 22 percent over 1973, but still far below domestic requirements. Root crops (potatoes and yucca) and other food crops showed slight gains.

Beef production rose slightly but export demand declined. Pork production was lower, dairy production showed slight improvement, but poultry production rose by 20 percent for broilers and 26 percent for eggs.

Stimulation of agricultural production is part of the Colombian government's policy to fight inflation. More liberal credits, periodic adjustments in farm support prices, and stringent regulation of imports are provided to stimulate agricultural production. Since Colombia is the most highly agriculturally oriented member of the Andean Pact, government officials are seeking a greater role for agriculture by improving the country's supplier positions of food and other agricultural raw materials to petroleum producing and mining Andean Pact countries.

Government policy has been to expand the production and export of non-traditional exports such as sugar, rice, cotton, beef, etc, and to reduce the country's traditional dependence on coffee as the principal foreign exchange earner. To achieve this goal, most foreign trade is channeled through the state trading agency IDEMA to assure that the essential needs of the economy are met. This requires strict export and import controls.

Increase in non-coffee exports has been phenomenal, and in 1974 shared an almost equal role with coffee. In 1974, non-coffee exports increased by 41 percent, while coffee exports grew only 10 percent, yet reaching an all time record. Export earning gains from sugar, rice, tobacco, cotton, beef, livestock products, cattle and horticulture products (cut flowers) were particularly significant because of high volume and in most cases record world prices.

Near the end of the year the government substantially reduced export tax rebates from 15 percent to near zero to exporters. The impact of this move was not felt in 1974, but if world prices continue to slide, it could slow down the export drive unless other measures such as export promotion or liberalization of export credits are implemented. The Colombian Government is increasing its efforts to gain access to United States markets for its growing list of export commodities. The country hopes to gain from the generalized systems of preferences under the U.S. Trade Reform Act; however, it is too early to tell how beneficial this will be. The United States is by far Colombia's most important market. As the country's exports have increased over the last few years, the share destined for the United States dropped to about one-third of total export registrations in 1974 as compared with about one-half in 1964.

Colombian agricultural imports from all sources for the most part showed an increase in 1974 as import policies were liberalized to help contain inflationary food price rises. Major import commodities showing increases in 1974 were wheat, feed grains, oilseeds, cocoa, tallow, cocoa and vegetable products. Imports from the United States (f.o.b.-US) rose from $118 to $138 million. Greatly increased quantities of wheat, feed grains, and barley imports, continued high volumes of tallow imports, plus record high prices were largely responsible for most of the increased value of imports from the United States. Wheat imports alone amounted to $84 million, while feed grains including barley amounted to $18 million, and tallow, $8 million. The

50-percent increase in the quantity of wheat imported was partly the result of low carry-in stocks while the above normal feed grain and barley imports in 1973 and 1974 were the result of low domestic production of those crops due largely to drought and other unfavorable growing conditions.

Colombia eliminated its subsidy on wheat imports late in 1974 resulting in a rise in the price of bread ranging up to 100 percent and in pasta products up to 80 percent. Higher prices contributed to a 20 percent-decline in quantity of wheat imports. A recently launched program to encourage the mixing of rice and corn flour for bread and pasta products is expected to result in increases in the prices of rice and corn flour, a decline in bread and pasta consumption, and reduced quality of wheat flour. Because of the keen competition between wheat, barley and food crops for available land, the hope for expansion of wheat production even at the current high support prices to producers is problematical.

Since 70 percent of Colombia's exports go to the 10 largest industrial countries, any significant reduction in foreign demand and trade in 1975 could adversely affect the country's balance of payments.

To help offset a possible decline in foreign demand and to improve the country's competitive position, the government has instituted measures to provide additional financial incentives such as priorities to exporters of new products, diversification of market outlets, and the opening of new lines of export credits. Despite world economic conditions, agricultural export volume is expected to reach record levels in 1975 as the government goes all out to expand exports to stimulate economic growth and employment. In liberalizing export controls the list of prohibited exports was reduced from 150 to 35 items. Items particularly affected are rice, potatoes, and tomatoes. Fertilizer supplies are ample to support the drive to improve production in 1975 which is pre-condition to expansion of exports.

Wheat and feed grain imports from the United States in 1975 are expected to fall by more than one third below 1974 if national grain production approaches current targets for 1975. Larger tallow imports are anticipated. Imports of vegetables and preparations and blended food products, though subject to import restrictions, are expected to rise in value even though volume may decline. (*Frank D. Barlow*)

Ecuador

Ecuador's 11.5 percent real growth in GDP in 1974, the highest in South America, was based on petroleum exports. The value of these exports increased 147 percent to $613.8 million. The bad side effect was an inflation rate of 23 percent, the highest ever recorded in the country. The Quito consumer price index rose 21 percent. The Government made strenuous efforts to cut food costs, by providing incentives to the agricultural sector and by subsidizing essential food imports. Monetary reserves increased 45 percent to $350 million. Per capita GDP at current prices reached $530 compared with $379 in 1973.

The decline in agricultural sector growth of 4-5 percent increased the need to import in order to meet the increased demands of a population increasing by 3 percent. Food crops showed little growth. Increases in production of wheat, rice and corn were offset by declines in beans and potatoes. The percentage gains in livestock production were also unimpressive.

Tropical export products, registered 1974 gains for cocoa (1973-74), coffee, and sugar.

The crucial food crop was rice which rose 6 percent to 242,000 tons of paddy. The cocoa harvest of 72,000 tons for 1973-74 was up 67 percent from 43,000 tons in 1972-73. The 140 percent in cotton production was sufficient to meet national needs. Edible oil production increased 27.5 percent.

Tropical products, produced by commercial farms along the coast responded rapidly to high world prices. Exportable banana production was 2.8 million tons. Good weather conditions favored a large coffee harvest of 62,000 tons, while sugar production increased 8.2 percent to 290,000 tons.

The Government aimed to make 1974 the year for agriculture and raised support prices on rice, milk, meat, sugar and oilseeds. Price adjustments ranged from 17 percent for corn to 42 percent for rice. The Government increased agricultural credit capital from the development bank by $10.6 million. Removal of tariffs from agricultural imports such as fertilizers, breeding cattle, and agricultural machinery had little effect because of high prices of these imports. The Government encouraged improvements in the agricultural marketing system.

The value of Ecuador's main agricultural exports (bananas, coffee, cocoa and sugar) was up 50 percent in 1974, primarily because of higher prices. The only major gain in volume was cocoa beans, which increased by 116 percent. The value of cocoa bean and cocoa products exports ($204 million) exceeded that of bananas ($111.4 million). Sugar exports tripled to $39.5 million, but Ecuador was able to ship only 60,000 short tons against the assigned U.S. quota of 97,000 short tons. Export policy favored processed products at the expense of primary products; thus cocoa products enjoyed exception from the 25 percent export tax on cocoa beans.

Ecuador's two major food deficits are wheat and edible oils. Wheat requirements in 1974 rose by 30,000 tons, necessitating a 25 percent increase in volume and 83 percent increase in value to $28 million. The 15,000 ton deficit in vegetable oil equalled that of 1973, but import costs were up 67 percent. Cattle and breeding stock imports were an essential part of the country's livestock development program.

Imports from the U.S. rose from $30.7 million to $56.7 million, largely because of increased price for wheat and edible oils. Ecuador's exports to the U.S. were up 94 percent in value to $175 million. Petroleum exports reached $268 million enabling the country to be a strong cash market. Animal fats and tallow imports rose to $5 million in 1974.

Imports of fruits and vegetables such as apples, walnuts, raisins, hops and tomato puree registered large percentage increases in response to higher demand.

Food deficits are expected to increase in 1975. Increased petroleum export earnings will easily pay for needed imports. An estimated 40,000 tons increase in wheat for 1975 will bring the total to 190,000 tons. Import needs for tallow, white grease and soybean oil will be close to the 1974 levels. Ecuador plans to import 25,000 head of Brahman cattle from Costa Rica for the cattle development and expansion program. Agricultural exports are expected to decline from 1974 levels which were exceptionally good because of above normal coffee and cocoa performance. Ecuador's 1975 petroleum income will be in excess of $615 million, more than sufficient to fund expanded import and development programs including long term irrigation and marketing projects. *(Samuel O. Ruff)*

Guyana

Guyana with its large area of undeveloped land has experienced a declining rate of per capita growth since the late 1960's. The economy is plagued by persistent unemployment, declining private investment, and rapidly rising debt service payments from over SDR$11 million in 1973 to an estimated SDR$18 million in 1974. The nationalization of Reynolds' bauxite mining and processing operations at years' end was the last major hurdle to converting the country into the first truly socialist state in South America Amortization payments will further increase debt service payments in future years. At year end it was announced that a new constitution would be drafted in 1975.

The pessimistic outlook early in 1974 changed dramatically about mid-year as recovery of sugar, rice and bauxite production plus record world prices turned what looked like a disastrous performance into one of the most successful years on record. Preliminary estimates for 1974 indicated a real growth rate in excess of 5 percent. Total exports almost doubled from $137 million in 1973 to $266 million in 1974. Total imports in 1974 rose to $254 million compared with $177 million in 1973.

From the unfavorable trade balance of $40 million in 1973, an estimated favorable balance of $10 million was expected for 1974, despite a two fold increase in the costs of fertilizer imports, a three fold increase in the costs of imported petroleum, and greatly higher costs of imported food and feed grains. The energy crisis of 1974 and the high price of imports was more than offset by favorable export performance during the year primarily because of record prices for sugar, recovery of rice production, and higher revenues from bauxite.

Recent estimates place sugar production for CY 1974 at 366,000 tons, some 35 percent above 1973. The CY 1974 rice crop of 170,000 tons of paddy also exceeded the year earlier output by 70 percent. Higher earnings generated through high export prices are under government control and the stimulus of increased earnings from these crops in 1974 are not expected to greatly increase private domestic investment in these crops. Legislated tax increases imposed on sugar exports in 1974 siphoned off a large portion of the additional revenue earned by this industry. The tax revenues contributed to a budget surplus in 1974.

Ambitious plans have been instituted to produce soybeans and many food crops. Prohibitions on many imported food stuffs, strong demand and high prices are expected to stimulate farm production, particularly starchy root crops, legumes, and vegetables. Poor technology, poor management and unfavorable environmental factors are impediments to success in expanding agricultural output.

Favorable export performance in 1974 was the result of favorable weather contributing to significant increases in production of sugar and rice coupled with record export prices.

The government strategy of achieving full self sufficiency in food production includes sweeping prohibitions on imported goods. As a result, the market potential for U.S. agricultural products is largely limited to bulk commodities wheat, corn, tobacco, hatching eggs, and some cattle breeding stock for which there are no substitutions and in which the United States has an international competitive advantage.

Growth in real GDP is projected for Guyana, provided expansion plans for bauxite and rice are realized, and if sugar production is maintained. Higher energy costs are expected to further influence restrictionist import policies, to further encourage import substitution as well as further curtailment of consumer goods imports. Domestic subsidy programs and price controls on basic food commodities such as flour, bread, rice, sugar and fish are expected to be continued. If world prices for sugar rice and bauxite turn downward during the year, the bullish prospects now envisioned could be reversed.

Up to now the anticipated adverse effects of the energy crisis have been postponed. The length of this postponment depends on the continuation of record high prices for the country's three major export commodities.

Disincentives for expansion by private foreign investment are the relatively small domestic market and the uncertainty surrounding possible joint ventures with the government or private domestic firms. Price controls on domestic consumer goods also discourage expansion of certain industries. The country's commitment to public rather than private responsibility for economic expansion makes Guyana less attractive than other countries in the Caribbean for foreign investors. *(Frank D. Barlow)*

Peru

Peru's 6.6 percent growth in GNP in 1974 marked partial recovery of fishmeal production and further development of mining and industry (petroleum and copper). Agricultural sector growth of only 2 percent, well below population growth, increased food import needs. Imports doubled in value, causing a merchandise trade deficit of $850 million because food and capital good imports for petroleum and mining development. Nevertheless, the balance of payments was positive because of capital inflow from foreign loans. Inflation of 17 percent was surpassed by the 19 percent rise in food costs. The state trading agencies that dominate the export and import trade provided large subsidies to keep food prices low. Peru pushed petroleum development and continued its revolutionary land reform program to work the campesino into the economy.

Aggregate agricultural production increased only 2 percent because of the lack of price incentives and the disruptions associated with agrarian reforms. Grains and other food crops such as potatoes and beans gained little. Rice production, which dropped 4 percent, created a crucial food problem. Performance of export crops was better as cotton and sugar production increased by 7 and 8 percent, respectively. Poor weather and the transition problems of Agrarian reform reduced coffee 10 percent, but tobacco increased 25 percent.

Livestock production made little or no progress. Fishmeal production rose to 897,000 tons from 423,000 in 1973. Peru's deficit in cooking oils continued even with some switch to fish oil and increased use of cottonseed oil.

The Agrarian Reform program is attempting to restructure the land tenure system in order to reduce the *latifundio-minifundio* problem. The goal is the expropriation of 11 million hectares by the end of 1976. Peruvian policy favors agricultural cooperatives managed by cooperative members. In 1974 authorities awarded most of the land, and two-thirds of the agricultural credit to "associative enterprises". The National Agrarian Confederation (CNS) consisting of 3 million cooperative shareholders and campesino's was established.

The National Development Plan 1975-78 placed priority on import substitution. Duties were waived on agricultural inputs, including breeding stock, seeds, fertilizers, and farm equipment. The Ministry of Agriculture and the Ministry of Food were reorganized to serve agriculture in 1975.

Peru's agricultural exports increased 49 percent to $372 million partly because of increased volume, but mostly because of high world prices. Raw sugar exports were up 14 percent in volume, exports to the U.S. increased 13 percent. Cotton exports were up slightly to 54,000 tons, but value was much higher. Coffee exports dropped as stocks increased and larger exports were forecast for 1975. Exports to the U.S. were up 70 percent to $191 million primarily because of the 122 percent increase in sugar to $158 million.

Import requirements were wheat, soybean oil, feedgrains, dairy products, slaughter cattle, and breeding animals. Peru imported 672,000 tons of wheat to supplement national production of 150,000 tons. Principal supplies of wheat, by tons were U.S.-455,000; Australia 111,000; Canada 88,700; EEC donations 16,800; and Food for Peace 4,900. Feed grain imports amounted to 339,000 tons. Soybean oil imports were up 3 percent to 70,296 tons.

U.S. exports to Peru increased by 40 percent from $122 to $170 million. The U.S. supplied $15 million in CCC credit for wheat. Wheat volume was down 21 percent but value was up 28 percent to $83 million. Soybean oil imports were up 92 percent to $30 million, but volume increased only 14 percent. Corn exports were up 9 percent in volume to 264,000 tons, and 78 percent in value to $34 million while soybean and tobacco exports dropped 20 and 43 percent, respectively.

Peru's trading is under the control of three state trading agencies, (EPCHAP, EPSA, ENCI) which control most prices to consumers and producers. EPSA imports wheat, feed grains, milk, meat, offals and makes domestic purchases of beans, rice, coffee and potatoes. ENCI has responsibility for vegetable oils and fertilizer. EPCHAP exports fishmeal. Domestic subsidies on food imports were estimated at $120 million in 1974.

Peru's plans to increase self-sufficiency are long range, and will have little effect on food deficits in 1975. Population growth and urbanization will maintain market demands for imports of wheat, soybean oil, dairy products and meat. The Agrarian Reform Program will continue to restructure the land tenure system. On the export side, favorable forecasts for 1975 include sugar, 1,050,000 tons; and fishmeal, 1,200,000 tons. Peru plans to import 800 dairy cattle, a possible opportunity for U.S. exporters, and has authorized imports of 75,000 tons of rice.

The energy crisis will have a minimal effect on the agricultural sector in 1975 because Peru subsidizes the price of petroleum. High cost of imported feeds is adversely affecting the poultry industry. Drought in the altiplano has already damaged the potato, bean, and corn crops of 1975. Long term irrigation projects are under construction. (*Samuel O. Ruff*)

Uruguay

Only slight growth was evident for 1974 as in 1973. Industry, commerce, and transportation showed only small gains. Growth was hampered by high inflation which accumulated to over 100 percent in 1974. Government deficit spending, three separate wage increases and high prices for petroleum were largely responsible for the inflationary trend. During the second half of 1974 prices were decontrolled for non-essential goods, but items such as meat, bread, and milk remained under control.

The 1974 trade deficit amounted to $112 million as imports increased by 72 percent to $467 million while exports increased only 18 percent to $354 million. The deficit was due largely to the tripling of petroleum prices, raising Uruguay's oil bill from $52 million to $147 million in 1974. To reduce the petroleum import bill the government raised gasoline prices at the pump by 155 percent and initially required homeowners to reduce electricity consumption by 30 percent. Subsequent policy changes put energyy conservation on a voluntary basis. The remainder of imports were mostly industrial goods comprised of raw materials, capital goods, and spare parts needed to revitalize the stagnant manufacturing sector.

Agricultural output increased 10 percent in 1974 despite a decline in foreign demand for beef and wool. Livestock production led by beef and pork advanced by 13 and 12 percent respectively. Slight increases were estimated for milk, while poultry meat and wool production remained about the same.

A combination of government policy and favorable weather resulted in a 68 percent increase in production of wheat from 297,000 tons to 500,000 tons in 1974. Higher prices and prompt payment by the Ministry of Agriculture, the sole buyer of wheat, induced farmers to expand area planted by 58 percent. Increased wheat plantings contributed to a reduction in coarse grain production as farmers shifted to wheat. Improved yields prevented corn production from falling significantly, but grain sorghum declined 14 percent as acreage shifted to wheat and corn. Increases of 40 percent in oats and barley were attributed to expansion in area and yield. Oilseed production rose substantially led by a 71 percent increase in flaxseed. Rice production rose 15 percent, as expansion in area offset a decline in yields. Most other commodities showed production increases except for tobacco which remained about the same and citrus which declined 11 percent.

Agricutural products comprised 85 percent of the country's total exports. Exports of rice and non-traditional exports such as leather goods, fruits, and cement products showed considerable increases. Beef and wool exports traditional share of total exports were reduced due to a weakened world market and because of the growing value of non-traditional exports. A number of devaluations of the Uruguayan peso and the elimination of much bureaucratic red-tape encouraged export expansion. Meat, wool, and hides exports rose by 10 percent in 1974 to $302,000 million. Meat exports (primarily beef), although showing a 5-percent increase fell below earlier estimates due to the EC ban on beef imports. However, meat exports were maintained by increased sales to Brazil. Stagnant wool production and lower world prices accounted for reduced sales from $95 to $92 million. Rice exports increased 13% to 73,000 tons in 1974. The export value of other agricultural commodities comprising coarse grains, linseed oil, and fruits and vegetables (fresh and processed) amounted to almost $51 million for a 63-percent increase.

Uruguayan agricultural imports are relatively minor. Wheat, vegetable oils, and sugar imports were reduced by over half to 64,000 tons because of improved production in 1974. Imports from the United States increased to almost $9 million as soybean oil imports jumped from zero to over $7 million.

Recovery in 1975 will depend largely on the governments' policy to promote agricultural exports. Growing trade with Argentina, Brazil, Japan, and South Africa should strengthen the export sector which has been weakened by reduced trade with European Countries. Non-traditional exports appear to be growing and provide hope for the future. An Industrial Promotion Law and a Foreign Investment Law were passed, providing for the financial exchange market to be decontrolled after several years of government intervention, and an increase in interest rates. These actions were taken to encourage private sector development by increasing savings and investment. Continued high inflation and a large trade deficit will continue to hamper needed structural changes. High unemployment, capital flight, and the emmigration of skilled workers and professionals to neighboring countries also will contribute to short-run difficulties.

Agricultural production and exports estimates for 1975 show signs of overall economic recovery. Beef markets are expected to be expanded in 1975, especially among the centrally-planned countries. Projected wheat exports of 75,000 tons would put Uruguay in the role of an exporter for the first time in years. Expanded sugarbeet area resulting from a favorable policy is expected to yield a record 104,000 tons of refined sugar and self-sufficiency in 1975. Planned increases in soybean acreage are expected to provide self-sufficiency in edible oils and eventually lead to soybeans as a major export crop. Continued expansion of rice production and exports is forecasted for 1975 due to favorable planting conditions. Favorable export prospects combined with reduction in imports of wheat and sugar should significantly improve the 1975 trade balance. *(Myles Mielke)*

Venezuela

Despite the planned curtailment of crude petroleum production by nearly 12 percent in 1974, higher crude prices were responsible for an increase in foreign exchange reserves to about $6.5 billion or 180 percent above the 1973 figure of $2.4 billion. The index of industrial production (excluding petroleum refining) rose from about 175 in 1973 (1968=100) to about 208 in 1974. Money supply in 1974 iincreased by some 21 percent over 1973; retail prices about 11 percent, and wholesale prices by 17 percent. It is estimated that the real growth in GDP (1968 prices) in 1974 will exceed 7 percent as compared to 6 percent in 1973.

The booming economy and record level foreign exchange reserves coupled with new aggressive adminsitrative leadership has had a profound impact on national economic and social development plans. The mining industry was nationalized at year end and plans for nationalization of petroleum were almost complete. National control over natural resources is now being organized with the basic objective that all Venezuelans participate in anticipated national benefits. This includes broad scale plans for expanding the nation's agricultural and industrial development, the expansion of employment opportunities, and the extension of education and welfare benefits to those that in the past have not fully participated in the commercial economy.

During 1974 the government assumed a hemispheric leadership role in providing financial and technical assistance to Central America and Caribbean Countries. A coffee stabilization fund of $80 million is under discussion to assist Central Amercia in holding part of their coffee off the world market. The Venezuelan Development Fund also entered into $40 million credit agreement with the Central American Integration Bank to help finance agricultural and industrial projects. In addition to its membership in the Caribbean Development Bank, Venezuelan officials began discussions with all Caribbean countries on matters relating to expanded economic development and trade.

Gross agricultural output rose about 7 percent in 1974 over the drought plagued 1973. Increased production was based on items such as rice, sugar, meats, eggs and dairy products. Support prices were extended to 17 commodities versus 7 in 1973. A subsidy program was devised to reimburse producers for any price increases above 1973 prices for herbicides, pesticides, and fungicides. Studies were also initiated to insure adequate fertilizer supplies either from domestic or foreign sources. In an effort to indirectly subsidize producers the Venezuelan Agricultural Development Fund provided funds to accredited commercial banks to grant long term, low interest loans for such things as irrigation, drainage systems, internal roads, farm buildings at much lower rates than the usual commercial high interest short-term loans that were previously availabe. To improve market outlets for farmers and insure better food distribution the Government in 1974 established 54 low income food distribution centers providing subsidized food at an estimated 1.5 million people.

Primarily because of higher prices agricultural exports in 1974 increased by about 25 percent to about $117 million as compared with $94 million in 1973. Approximately $35 million of 1974 exports were destined for the United States—60 percent represented by coffee and 25 percent by cocoa. Some rice was exported to Caribbean countries in n 1974.

Total value of agricultural imports rose from $350 million to $584 million in 1974. The United States traditionally the number one supplier of agricultural products provided over one half or over $323 million (f.o.b. U.S.) of the country's agricultural imports. Principal commodities supplied by the United States were wheat, $142 million; grain sorghum, $62 million; cotton seed oil, $30 million; soybean cake and meal, $20 million; and soybeans, $15 million.

Flexible ad-valorem rates under the new tariff system are very high on luxury items or commodities that the country is able to produce. They are low or non existent on those items that the country is not able to produce. Quotas, licenses or state trading are used in importation of certain fruits to avoid seasonal competition with Venezuelan products. Currently export subsidies are limited to fruit and fish products and other products where domestic prices exceed world prices. Export licenses are required for commodities such as rice, coffee and cocoa to insure adequate domestic supplies at stabilized prices. Wheat and feed grain imports are subsidized to keep flour, bread, and feed prices low. A bilateral agreement with Colombia limits the imports of slaughtered animals to protect the cattle industry.

Further expansion of the Venezuelan economy in 1975 at a rate at least equal to that in 1974 is expected. Significant growth is anticipated in construction, manufacturing, the government and service sectors, and agriculture. The new government in 1974 issued over 500 decrees to implement an interior development program to benefit the rural sector. Probably the most far reaching decrees created an agricultural credit fund which will annually loan $467.3 million to the agricultural sector. The expanded lending program covers crop, livestock, and poultry production. Individual loans can range as high as $233,00.

Barring disastrous weather in 1975, the prospects are good for a significant increase in agricultural output in 1975 maybe be as much as 10 percent. Accreage planted to crops is expected to increase. Further increases in the livestock sector also are expected. Although the long term investments to improve productivity, farm structures and farming systems will require time to reach fruition, the price support operations and plentiful short term credit should have an stimulative effect in a strong and highly protective market.

Venequelan import requirements for wheat, feed grains, oilseed cake and meal, soybeans and vegetable oils are expected to increase. Most of these commodities are procured from the United States and this situation is not expected to change in 1975. (*Frank D. Barlow*)

APPENDIX TABLES

Table 1.--Western Hemisphere: Population, gross domestic product, and gold and foreign exchange holdings, by country, 1973-74 1/

Country	Population			Gross domestic product			Gold and foreign exchange holdings 2/		
	1973	1974	Change	1972 3/	1973 4/	1974 4/	1973	1974	Change
	- - -Thousands - - -		Percent	Mil. dol.	- - -Percent- - -		Mil. dol.		Percent
Canada	22,130	22,410	1.3	105,938	7.5	3.5	5,768	5,825	1.0
Mexico	55,910	57,250	2.4	40,984	7.6	6.0	1,356	5/1,280	-5.6
Barbados	239	240	.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cuba	8,870	8,970	1.1	6/15,088	n.a.	n.a.	n.a.	n.a.	n.a.
Dominican Republic	4,670	4,830	3.4	1,554	7.5	6.5	88	89	1.1
Haiti	4,890	5,020	2.7	577	3.0	5.0	17	7/15	-11.8
Jamaica	1,980	2,020	2.0	1,577	1.0	2.0	127	186	46.5
Trinidad and Tobago	954	957	.3	1,020	5.5	7.0	48	390	712.5
Other Caribbean	1,743	1,776	1.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Caribbean	23,346	23,813	2.0	4,728	4.4	4.9	280	680	142.9
Costa Rica	1,890	1,940	2.6	1,142	4.0	4.0	42	7/14	-66.7
El Salvador	3,880	4,010	3.4	1,138	6.0	4.0	62	94	51.6
Guatemala	5,610	5,770	2.9	2,102	7.5	5.7	212	202	-4.7
Honduras	2,990	3,090	3.3	788	4.9	0	42	44	4.8
Nicaragua	2,120	2,190	3.3	948	2.4	11.7	117	166	41.9
Panama	1,570	1,620	3.2	1,266	6.5	6.0	2,303	n.a.	n.a.
Other Central America	132	136	3.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Central America	18,192	18,756	3.1	7,384	5.6	5.4	8/475	8/520	9.4
Argentina	25,190	25,550	1.4	28,182	4.6	6.0	1,323	1,477	11.6
Bolivia	5,020	5,150	2.6	1,098	7.0	7.0	72	190	163.9
Brazil	103,000	105,880	2.8	59,855	11.4	9.0	6,417	5/5,531	-13.8
Chile	9,830	10,010	1.8	11,353	-.4	5.0	n.a.	n.a.	n.a.
Colombia	24,120	24,890	3.2	8,369	7.1	6.1	534	449	-15.9
Ecuador	6,740	6,970	3.4	1,625	11.2	11.5	241	350	45.2
Guyana	773	792	2.5	283	-2.0	5.0	14	9/24	71.4
Paraguay	2,440	2,500	2.5	769	5.8	5.0	57	87	52.6
Peru	14,710	15,150	3.0	7,614	5.3	6.6	551	n.a.	n.a.
Uruguay	2,990	3,020	1.0	2,008	0	--	232	7/216	-6.9
Venezuela	11,880	12,270	3.3	14,767	6.0	7.0	2,420	6,529	169.8
Other South America	477	491	2.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South America	207,170	212,673	2.7	135,923	7.2	7.8	10/11,861	11/14,853	25.2
Latin America	304,618	312,492	2.6	189,019	7.0	7.4	8/ 10/13,972	8&11/17,333	24.1
Western Hemisphere	326,746	334,902	2.5	294,957	7.4	5.7	8/ 10/19,740	8&11/23,158	17.3

1/ Regional totals include only those countries for which data are shown, ending December unless otherwise shown.
2/ Total of gold, foreign exchange holdings, and reserve position in the international Monetary Fund.
3/ Value at current market prices converted to U.S. dollars, using the average end-of-quarter free or principal import rates of exchange.
4/ Estimates of real growth.
5/ Position at the end of October.
6/ 1973 GNP data an estimate provided in a staff report for use of committee on Foreign Relations, and not included in totals.
7/ Position at the end of November.
8/ Excludes Panama.
9/ Position at the end of March.
10/ Excludes Chile.
11/ Excludes Chile and Peru.

Source: International Monetary Fund, U.S. Agency for International Development; other U.S. Government agencies.

Table 2.--Western Hemisphere: Indices of total and per capita agricultural and food production by countries and regions, 1972-74 1/

(1961-65 = 100)

Country	Total						Per capita					
	Agricultural			Food			Agricultural			Food		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
Canada	120	123	114	122	124	115	104	105	96	106	106	97
Mexico	132	136	137	141	148	146	97	97	95	104	106	101
Dominican Republic	132	137	138	135	137	139	101	102	99	103	102	100
Haiti	95	97	99	102	102	103	78	77	77	84	81	80
Jamaica	90	85	89	89	84	88	79	73	75	78	72	74
Trinidad & Tobago	100	83	82	99	83	84	94	77	76	93	77	78
Caribbean	116	117	118	118	117	119	95	93	92	97	93	92
Costa Rica	156	170	153	168	178	162	118	125	110	127	131	116
El Salvador	118	129	138	130	155	153	87	92	96	96	111	106
Guatemala	147	152	155	158	166	173	118	118	117	127	129	131
Honduras	138	138	137	132	137	132	102	99	95	98	98	91
Nicaragua	125	147	145	133	147	145	96	109	104	102	109	104
Panama	157	143	130	159	145	132	120	106	93	122	107	95
Central America	139	146	145	147	155	150	107	108	104	113	115	108
Argentina	104	113	120	107	117	124	91	97	102	94	101	105
Bolivia	119	127	126	114	119	117	96	100	97	92	94	90
Brazil	137	138	150	146	153	162	107	104	110	114	116	119
Chile	111	98	111	113	100	113	94	81	90	95	83	92
Colombia	132	129	145	135	135	153	99	94	102	101	98	108
Ecuador	137	145	138	138	148	138	101	104	95	102	106	95
Guyana	82	72	98	81	72	98	66	56	75	65	56	75
Paraguay	104	105	111	100	98	103	83	82	84	80	76	78
Peru	101	104	106	113	116	117	78	78	77	87	87	85
Uruguay	85	90	99	91	97	108	76	80	87	81	86	95
Venezuela	143	150	159	148	149	160	107	109	112	111	108	112
South America	123	126	136	128	134	142	97	97	102	101	103	106
Latin America 2/	126	129	136	131	137	143	98	98	100	102	104	105
Latin America 3/	126	129	137	132	138	144	98	98	101	103	104	106

1/ Revised data for 1972 and 1973; preliminary for 1974.
2/ Production for 22 countries shown.
3/ Excludes Guyana, Jamaica, and Trinidad and Tobago.

Source: Economic Research Service, Indices of Agricultural Production for the Western Hemisphere, ERS-For. 264, Revised.

Table 3.--Western Hemisphere: Fertilizer consumption in nutrient equivalent, average 1961-65, annual 1971-72

Country	N			P_2O_5			K_2O			Total		
	1961-65	1971	1972	1961-65	1971	1972	1961-65	1971	1972	1961-65	1971	1972
						1,000 tons						
Canada	152	350	440	252	339	445	119	190	180	523	879	1,065
Mexico	199	519	519	53	144	163	8	30	35	260	693	717
Barbados	4	2	3	1	1	1	3	2	3	8	5	7
Cuba	64	100	110	60	65	51	45	100	110	169	265	271
Dominican Republic	8	26	26	1	12	15	2	15	17	11	53	58
Jamaica	8	10	13	2	3	3	6	8	6	16	21	22
Trinidad & Tobago	3	6	7	1	1	1	3	3	6	7	10	14
Other Caribbean	6	11	11	5	8	9	11	13	15	22	32	35
Caribbean	93	155	170	70	90	80	70	141	157	233	386	407
British Honduras	1/	1/	1	1/	1/	1	--	--	--	1/	1/	2
Costa Rica	14	27	26	8	22	25	5	9	12	27	58	63
El Salvador	21	63	65	7	12	16	7	6	7	35	81	88
Guatemala	9	13	24	5	9	9	2	3	5	16	25	38
Honduras	7	16	18	1/	2	2	1/	9	8	7	27	28
Nicaragua	8	17	18	2	5	6	1	4	5	11	26	29
Panama	9	15	15	--	--	—	--	--	--	9	15	15
Central America	68	151	167	22	50	59	15	31	37	105	232	263
Argentina	16	45	49	5	24	30	3	8	8	24	77	87
Bolivia	1/	3	4	1/	1	1	1/	1/	1/	1/	4	5
Brazil	58	278	394	86	447	709	80	351	456	224	1,076	1,559
Chile	32	48	53	59	97	77	12	14	16	103	159	146
Colombia	40	88	140	48	62	70	34	57	59	122	207	269
Ecuador	6	9	13	5	7	11	4	3	9	15	19	33
Guyana	5	7	9	2	2	2	2	2	2	9	11	13
Paraguay	1/	1	1	1	2	2	1/	1	2	1	4	5
Peru	64	72	100	23	5	10	7	5	12	94	82	122
Surinam	1	3	4	1/	1/	1/	1/	1/	1/	1	3	4
Uruguay	8	19	16	19	39	40	4	7	6	31	65	62
Venezuela	13	33	36	6	18	22	6	15	18	25	66	76
South America	243	606	819	254	704	974	152	463	588	649	1,773	2,381
Latin America	603	1,431	1,675	399	988	1,276	245	665	817	1,247	3,084	3,768

1/ 500 tons or less.

Source: Food and Agriculture Organization, Annual Fertilizer Review, 1973.

Table 4.--Area and production of selected agricultural products by principal Western Hemisphere countries or regions, annual 1972-74 1/

Commodity by country	Area 2/ 1972	Area 2/ 1973	Area 2/ 1974 3/	Production 1972	Production 1973	Production 1974 3/
	1,000 hectares			1,000 tons		
Wheat:						
Canada	8,640	9,859	9,501	14,514	16,458	14,220
Mexico	680	720	790	1,700	2,000	2,200
Central America	41	41	41	45	38	38
Argentina	4,965	3,850	4,050	6,900	6,560	5,600
Brazil	1,500	1,820	2,300	800	1,928	2,750
Chile	712	534	584	900	747	734
Uruguay	185	292	460	186	297	500
Other South America	347	347	343	329	335	336
Total Latin America	8,430	7,604	8,568	10,860	11,905	12,158
Rice, rough:						
Mexico	165	170	170	420	408	408
Cuba	140	150	160	350	375	400
Other Caribbean	124	125	122	246	245	214
Panama	105	105	115	125	162	159
Other Central America	112	123	125	240	342	328
Brazil	4,821	4,900	4,900	7,100	7,500	7,000
Colombia	259	257	300	996	950	1,540
Guyana	80	93	122	147	99	170
Peru	131	127	120	552	451	433
Uruguay	31	35	42	128	137	158
Other South America	363	401	401	941	1,080	1,502
Total Latin America	6,331	6,486	6,577	11,245	11,749	12,312
Corn:						
Canada	537	530	590	2,528	2,803	2,589
Mexico	7,500	8,000	8,000	8,100	9,000	7,700
Caribbean	289	291	292	261	264	253
Guatemala	832	844	858	685	701	700
Honduras	290	330	290	290	330	260
Other Central America	537	510	498	474	733	641
Argentina	3,147	3,565	3,600	5,860	9,000	9,900
Brazil	13,000	13,000	13,750	14,891	13,800	15,000
Chile	84	86	107	283	294	364
Colombia	600	570	590	670	600	791
Peru	350	314	320	589	616	600
Venezuela	465	439	440	506	402	450
Other South America	812	852	866	857	1,006	989
Total Latin America	27,906	28,801	29,611	33,466	36,746	37,648
Grain Sorghum						
Mexico	1,200	1,250	1,250	1,800	2,000	2,000
Caribbean	17	17	17	36	37	37
Central America	300	281	312	274	285	319
Argentina	1,419	2,131	2,400	2,360	4,600	5,200
Colombia	105	151	140	320	260	337
Uruguay	42	113	109	57	225	192
Other South America	12	12	12	29	31	29
Total Latin America	3,095	3,955	4,240	4,876	7,438	8,114
Beans, dry:						
Canada	54	54	65	88	78	93
Mexico	2,000	2,000	2,000	940	1,100	987
Caribbean	108	96	107	95	85	96
Central America	296	309	344	163	202	223
Brazil	3,971	3,000	2,550	2,688	2,100	2,238
Chile	80	65	105	83	65	75
Peru	64	42	40	47	37	35
Venezuela	97	78	100	36	30	35
Other South America	227	242	273	184	224	249
Total Latin America	6,843	5,832	5,519	4,236	3,843	3,938

Continued--

Table 4.--Continued

Commodity by country	Area 2/ 1972	Area 2/ 1973	Area 2/ 1974 3/	Production 1972	Production 1973	Production 1974 3/
	1,000 hectares			1,000 tons		
Sweet potatoes and yams:						
Mexico	12	12	12	130	130	130
Caribbean	120	120	120	742	742	757
Central America	4	4	4	15	15	15
Argentina	44	47	48	328	474	320
Brazil	183	183	184	2,140	2,150	2,200
Paraguay	12	12	12	72	86	86
Peru	14	14	15	170	175	178
Other South America	62	57	59	433	406	424
Total Latin America	451	449	454	4,030	4,178	4,110
Potatoes:						
Canada	99	106	113	1,991	2,158	2,427
Mexico	39	40	44	461	450	465
Caribbean	19	19	19	135	138	140
Central America	10	10	10	61	63	64
Argentina	155	124	111	1,340	1,535	1,820
Bolivia	112	115	110	703	729	700
Brazil	202	206	171	1,720	1,557	1,671
Chile	79	67	104	730	624	1,016
Colombia	92	87	90	978	902	972
Peru	300	310	315	1,750	1,900	1,940
Other South America	75	81	13	691	784	709
Total Latin America	1,083	1,059	987	8,569	8,682	9,497
Cotton:						
Mexico	500	431	585	390	331	488
Caribbean	4	4	4	1	2	2
Guatemala	89	103	104	95	107	92
Nicaragua	148	182	168	106	144	136
Other Central America	92	104	103	75	83	81
Argentina	361	445	473	87	125	122
Brazil	2,480	2,355	2,000	682	660	550
Colombia	253	256	283	136	146	172
Peru	137	152	164	73	82	88
Other South America	122	179	239	58	91	103
Total Latin America	4,186	4,211	4,123	1,703	1,771	1,834
Peanuts:						
Mexico	30	40	40	30	50	65
Caribbean	99	99	94	100	99	92
Argentina	294	370	330	252	440	290
Brazil	560	500	352	893	650	530
Other South America	62	57	56	61	57	57
Total Latin America	1,045	1,066	872	1,336	1,296	1,034
Soybeans:						
Canada	164	192	182	375	397	300
Mexico	240	306	245	375	510	410
Argentina	68	160	339	78	272	475
Brazil	2,192	3,045	4,200	3,666	5,400	7,400
Colombia	58	57	80	122	114	167
Other South America	86	85	105	107	129	159
Total Latin America	2,644	3,653	4,969	4,348	6,425	8,611
Tobacco:						
Canada	42	49	50	85	117	119
Mexico	34	35	39	56	58	67
Cuba	57	65	65	40	45	50
Other Caribbean	25	31	30	33	48	43
Central America	5	7	7	8	12	14
Argentina	68	74	88	74	71	98
Brazil	189	183	202	191	174	218
Colombia	20	28	31	42	48	49
Other South America	35	39	42	43	48	53
Total Latin America	433	462	504	487	504	592

1/ Time reference is calendar year to include crops harvested mainly in year shown. Latin American totals available data for the 23 Latin American countries, including Cuba.
2/ Seeded area for Canada; harvested area for other countries insofar as possible.
3/ Preliminary

Sources: Economic Research Service, Foreign Agricultural Service, Food and Agricultural Organization, Production Yearbook of Agriculture, and Cuban Yearbook.

Table 5.--Western Hemisphere: Production of selected agricultural products by principal countries or regions, 1972-74 1/

Commodity by Country	Production 1972	1973	1974 2/
	1,000 tons		
Casava (yuca):			
Caribbean	382	387	387
Central America	129	129	129
Brazil	31,000	28,219	30,400
Colombia	1,300	1,320	1,390
Paraguay	1,208	1,060	1,100
Other South America	1,730	2,344	2,405
Total Latin America	35,749	33,459	35,811
Sugar, centrifugal, (raw value):			
Canada	146	114	103
Mexico	2,300	2,770	2,850
Cuba	4,388	5,250	5,800
Dominican Republic	1,139	1,142	1,157
Other Caribbean	921	854	954
Central America	988	990	1,137
Argentina	1,295	1,650	1,532
Brazil	6,100	6,960	7,400
Colombia	815	878	960
Peru	920	1,020	1,100
Venezuela	513	475	510
Other South America	1,002	941	1,168
Total Latin America	20,381	22,930	24,568
Cottonseed:			
Mexico	735	650	870
Caribbean	5	5	5
Central America	447	549	507
Brazil	1,480	1,400	1,250
Colombia	237	249	293
Peru	115	143	145
Other South America	284	417	414
Total Latin America	3,303	3,413	3,484
Bananas:			
Mexico	1,149	1,115	1,050
Caribbean	1,236	1,282	1,329
Costa Rica	1,213	1,278	1,110
Honduras	1,388	1,364	1,360
Panama	985	788	638
Other Central America	685	706	719
Brazil	10,900	11,000	10,450
Ecuador 3/	3,100	3,200	2,800
Other South America	2,744	3,068	3,080
Total Latin America	23,400	23,801	22,536
Coffee:			
Mexico	222	198	210
Cuba	28	30	27
Other Caribbean	83	88	80
Central America	431	439	459
Brazil	1,470	870	1,620
Colombia	528	468	510
Other South America	191	181	178
Total Latin America	2,953	2,274	3,084

Commodity by country	Production 1972	1973	1974 2/
	1,000 tons		
Cocoa beans:			
Mexico	29	30	30
Dominican Republic	28	32	38
Other Caribbean	15	14	14
Central America	8	10	11
Brazil	159	245	200
Ecuador	43	72	65
Venezuela	17	20	21
Other South America	24	27	28
Total Latin America	323	450	407
Wool, shorn:			
Canada	2	2	2
Mexico	4	4	4
Argentina	154	156	160
Brazil	37	36	37
Uruguay	61	61	61
Other South America	34	36	37
Total Latin America	290	293	299
Beef and veal:			
Canada	898	896	924
Mexico	592	643	680
Cuba	186	162	162
Other Caribbean	60	62	62
Central America	289	284	281
Argentina	2,198	2,152	2,226
Brazil	2,020	2,000	2,100
Colombia	425	410	424
Uruguay	290	256	250
Other South America	654	626	636
Total Latin America	6,714	6,595	6,821
Pork:			
Canada	632	617	630
Mexico	395	389	395
Caribbean	74	82	83
Central America	45	47	46
Argentina	216	258	232
Brazil	645	701	723
Other South America	293	273	285
Total Latin America	1,668	1,750	1,764
Milk:			
Canada	8,033	7,659	7,620
Mexico	6,070	6,203	6,340
Cuba	540	579	585
Other Caribbean	443	459	474
Central America	1,181	1,231	1,226
Argentina	5,421	5,300	5,365
Brazil	7,146	7,313	7,200
Chile	1,107	1,109	1,200
Colombia	2,460	2,600	2,688
Other South America	3,169	3,172	3,273
Total Latin America	27,537	27,966	28,351

1/ Crops harvested mainly in year shown, cocoa beans and coffee harvests begin in years shown.
2/ Preliminary.
3/ Exportable type only.

Sources: Economic Reasearch Service, Foreign Agricultural Service, Food and Agricultural Organization, Production Yearbook of Agriculture, Cuban yearbook.

Table 6.--Western Hemisphere: Agricultural exports and imports by principal countries, 1969-72

Country	Exports 1/				Imports 1/			
	1969	1970	1971	1972	1969	1970	1971	1972
	Million dollars							
Canada	1,144.8	1,691.9	1,982.5	2,174.7	1,151.4	1,228.1	1,296.0	1,544.0
Mexico 2/	762.6	687.9	688.9	858.9	135.2	226.7	203.6	274.0
Barbados	16.5	18.5	19.8	17.8	22.5	26.4	31.3	28.9
Cuba 3/	556.0	849.0	696.0	650.0	232.0	262.0	314.0	319.0
Dominican Republic	160.1	186.3	205.3	259.5	26.3	32.4	32.7	33.3
Haiti	20.6	22.6	25.9	28.9	11.0	10.1	13.4	16.6
Jamaica	69.3	69.7	69.7	79.3	70.9	83.9	91.9	112.1
Trinidad and Tobago	39.2	37.4	38.8	47.4	56.6	58.2	62.7	70.7
Caribbean 4/	861.7	1,183.5	1,055.5	1,082.9	419.3	473.0	546.0	580.6
Costa Rica	152.0	182.4	169.3	218.5	25.5	34.8	43.0	38.9
El Salvador	128.3	153.9	145.4	182.7	33.3	29.7	31.0	30.1
Guatemala	186.3	200.9	198.5	234.8	24.3	31.5	31.3	30.0
Honduras	121.7	121.8	142.1	141.8	21.3	24.6	18.6	20.9
Nicaragua	120.8	131.6	140.6	190.7	16.5	18.9	21.6	24.7
Panama	70.8	72.1	74.1	80.1	21.4	23.6	35.1	41.6
Central America 4/	779.9	862.7	870.0	1,048.6	142.3	163.1	180.6	186.2
Argentina	1,373.5	1,502.4	1,465.5	1,630.6	135.4	120.1	120.1	114.3
Bolivia	5.7	7.5	12.1	23.3	27.8	30.7	29.4	31.0
Brazil	1,758.4	1,945.7	1,921.7	2,725.6	299.8	292.9	318.4	350.1
Chile	52.3	58.2	80.6	68.4	187.7	171.1	218.1	207.0
Colombia	449.7	578.6	477.3	602.4	61.1	65.5	69.6	80.0
Ecuador	171.7	193.8	189.0	185.6	20.0	19.9	26.2	28.9
Guyana	54.9	48.6	60.1	67.1	19.7	20.0	22.5	21.4
Paraguay	30.5	40.3	41.8	62.7	6.7	6.3	5.6	5.4
Peru	366.0	506.4	485.9	428.0	133.4	125.6	130.2	128.0
Uruguay	180.8	210.4	191.1	194.7	27.6	24.4	21.1	36.8
Venezuela	30.1	43.2	33.4	56.8	173.3	171.8	179.6	192.6
South America 4/	4,473.6	5,135.1	4,958.5	6,045.2	1,092.5	1,048.3	1,140.8	1,195.5
Latin America 4/	6,877.8	7,869.2	7,572.9	9,035.6	1,789.3	1,911.1	2,071.0	2,236.3
Western Hemisphere	8,022.6	9,561.1	9,555.4	11,210.3	2,940.7	3,139.2	3,367.0	3,780.3

1/ Exports and Imports include SITC categories for food, beverages (less distilled) and agricultural raw materials, excluding fish and manufactured tobacco.
2/ Data differs from FAO due to re-evaluation of certain exports, mainly cattle and cotton.
3/ Estimates by Economic Research Service.
4/ For countries shown.

Sources: Food and Agricultural Organization, Trade Yearbooks, Country Trade books, and CEMA.

Table 7.--Western Hemisphere: Exports and imports of selected agricultural commodities, 1972-74

Exports	1972	1973 1/	1974 1/
		1,000 tons	
Wheat (including flour in wheat equivalent):			
Canada	14,463	12,842	10,624
Mexico	12	16	10
Central America	1	1	1
Argentina	1,814	3,096	2,026
Other South America	9	1	1
Total Latin America	1,836	3,114	2,038
Rice, milled:			
Mexico	16	--	--
Central America	11	10	27
Argentina	8	34	48
Brazil	1	33	20
Colombia	2	14	176
Guyana	71	48	71
Peru	--	55	--
Uruguay	45	65	73
Other South America	33	30	65
Total Latin America	187	289	480
Corn:			
Canada	21	7	6
Mexico	424	1	--
Central America	37	4	9
Argentina	3,039	4,300	5,600
Brazil	172	41	1,103
Other South America	1	3	4
Total Latin America	3,673	4,349	6,716
Sugar, raw basis:			
Canada	18	63	42
Mexico	585	569	500
Cuba	4,140	4,797	5,000
Barbados	130	113	85
Dominican Republic	1,108	1,038	1,020
Jamaica	234	261	280
Trinidad & Tobago	191	148	142
Other Caribbean	218	261	217
Central America	504	503	632
Brazil	2,535	2,776	2,300
Colombia	176	213	230
Guyana	305	225	190
Peru	435	407	462
Other South America	421	613	431
Total Latin America	10,982	11,924	11,489
Coffee, green or roasted:			
Mexico	100	144	105
Dominican Republic	26	35	22
Other Caribbean	24	24	27
El Salvador	105	109	110
Guatemala	111	123	114
Other Central America	153	130	142
Brazil	1,050	1,071	780
Colombia	401	471	507
Other South America	136	150	116
Total Latin America	2,106	2,257	1,923

Imports	1972	1973 1/	1974 1/
		1,000 tons	
Wheat (including flour in wheat equivalent):			
Mexico	607	704	1,015
Cuba	898	880	726
Dominican Republic	118	96	122
Jamaica	97	99	99
Trinidad & Tobago	72	101	110
Other Caribbean	176	193	204
Central America	368	330	343
Bolivia	180	168	242
Brazil	1,804	3,011	2,165
Chile	768	1,262	881
Colombia	392	413	423
Peru	857	783	672
Venezuela	735	575	600
Other South America	366	833	347
Total Latin America	7,438	9,448	7,949
Rice, milled:			
Canada	63	62	53
Mexico	1	38	100
Cuba	256	220	220
Jamaica	37	32	37
Trinidad & Tobago	30	9	25
Other Caribbean	62	87	124
Central America	16	6	6
Chile	55	53	22
Other South America	44	43	89
Total Latin America	501	488	623
Corn:			
Canada	417	718	1,290
Mexico	198	828	1,439
Cuba	172	112	250
Jamaica	112	110	108
Trinidad & Tobago	62	79	62
Other Caribbean	81	113	135
Central America	78	206	175
Chile	358	140	168
Peru	111	210	270
Venezuela	150	275	250
Other South America	69	109	105
Total Latin America	1,391	2,182	2,962
Sugar, raw basis:			
Canada	919	1,002	902
Caribbean	45	3	12
Central America	2	1	--
Chile	206	252	233
Uruguay	41	39	20
Other South America	43	3	3
Total Latin America	337	298	268
Coffee, green or roasted:			
Canada	82	81	82
Caribbean	3	3	2
Argentina	38	39	40
Other South America	14	13	15
Total Latin America	55	55	57

Continued.--

Table 7--Continued

Exports	1972	1973 1/	1974 1/
	1,000 tons		
Bananas, plantains, fresh:			
Mexico	4	7	9
Jamaica	127	108	70
Other Caribbean	433	390	365
Costa Rica	1,084	1,173	1,030
Honduras	945	998	628
Panama	661	554	450
Other Central America	323	375	352
Brazil	114	138	150
Colombia	211	410	658
Ecuador	1,726	1,370	1,357
Other South America	60	64	67
Total Latin America	5,688	5,587	5,136
Cocoa beans:			
Mexico	15	7	2
Dominican Republic	32	23	28
Other Caribbean	10	10	8
Central America	7	6	7
Brazil	102	83	103
Ecuador	47	31	67
Other South America	11	11	10
Total Latin America	224	171	225
Beef and veal: 3/			
Canada	42	40	25
Mexico	59	31	19
Caribbean	10	11	10
Costa Rica	23	22	37
Nicaragua	30	27	20
Other Central America	42	54	47
Argentina	703	551	289
Brazil	192	180	55
Paraguay	33	36	18
Uruguay	117	102	110
Other South America	30	39	23
Total Latin America	1,239	1,053	628
Cotton, raw:			
Mexico	204	170	165
Guatemala	85	98	110
Nicaragua	100	100	140
Other Central America	62	66	103
Brazil	284	285	72
Peru	50	51	54
Other South America	88	97	101
Total Latin America	873	867	745
Tobacco, unmanufactured:			
Canada	24	28	34
Mexico	15	15	18
Cuba	12	15	15
Dominican Republic	27	33	30
Central America	4	4	4
Brazil	63	64	77
Colombia	16	18	11
Paraguay	21	18	22
Other South America	22	21	26
Total Latin America	180	188	203

Imports	1972	1973 1/	1974 1/
	1,000 tons		
Bananas, plantains, fresh:			
Canada	207	215	221
Caribbean	5	5	5
Nicaragua	13	34	--
Argentina	145	—	—
Chile	50	55	50
Uruguay	20	20	20
Total Latin America	233	114	75
Cocoa beans:			
Canada	21	16	13
Central America	2/	2/	2/
Argentina	7	7	7
Colombia	16	18	18
Other South America	5	4	5
Total Latin America	28	29	30
Beef and veal: 3/			
Canada	97	102	86
Caribbean	21	21	21
Central America	2/	2/	2/
Brazil	--	1	60
Chile	62	21	—
Peru	10	12	14
Total Latin America	93	55	95
Cotton, raw:			
Canada	77	78	84
Caribbean	19	20	20
Central America	1	--	--
Argentina	29	8	9
Chile	36	24	26
Uruguay	5	6	5
Other South America	12	17	14
Total Latin America	102	75	74
Tobacco, unmanufactured:			
Canada	2	4	5
Caribbean	5	6	7
Central America	1	1	1
Chile	1	4	6
Uruguay	3	4	4
Other South America	2/	1	2/
Total Latin America	10	16	18

1/ Preliminary.
2/ Less than 500 tons.
3/ Carcass weight basis; excludes fats and offals.

Sources: Economic Research Service, Foreign Agricultural Service, Food and Agriculture Organization, Trade Yearbooks, and CEMA.

Table 8.--U.S. agricultural exports to Western Hemisphere countries and dependencies by value, 1969-74

Country	1969	1970	1971	1972	1973	1974 1/
	Million dollars					
Canada 2/	526.7	574.7	608.2	842.8	1,034.1	1,279.5
Mexico	91.3	155.5	128.3	181.4	362.0	862.6
Bahamas	28.0	27.5	27.8	28.3	37.2	45.2
Barbados	3.3	4.0	3.9	5.0	6.5	7.5
Bermuda	7.3	8.0	8.6	10.0	12.4	16.8
Cuba	3/	3/	3/	3/	3/	3/
Dominican Republic	24.8	31.7	41.1	45.8	63.4	117.3
French West Indies	1.7	1.7	2.8	2.8	3.2	4.1
Haiti	6.3	8.3	9.0	9.8	15.5	27.5
Jamaica	29.5	35.0	39.1	41.3	63.1	83.5
Leeward & Windward Islands	4.5	5.3	5.7	6.1	8.3	9.3
Netherlands Antilles	11.2	12.9	14.7	17.1	22.5	32.1
Trinidad & Tobago	13.3	14.9	16.8	20.6	33.6	50.0
Caribbean	130.0	149.3	169.6	186.8	265.9	393.0
Belize (formerly Br. Honduras)	2.3	2.9	3.0	2.7	2.7	4.3
Costa Rica	7.0	9.8	11.6	11.2	20.3	28.7
El Salvador	9.6	11.5	11.3	9.0	24.4	26.2
Guatemala	10.4	14.9	16.7	17.5	23.5	40.7
Honduras	5.5	8.1	9.6	9.4	11.0	21.0
Nicaragua	5.5	5.8	7.6	8.0	16.9	18.3
Panama	15.6	20.1	32.1	25.0	30.4	56.7
Central America	56.0	73.0	91.9	82.7	129.1	195.8
Argentina	11.9	5.0	10.7	6.9	95.6	9.6
Bolivia	7.8	7.4	7.5	7.7	5.3	28.0
Brazil	68.6	68.5	90.0	68.2	271.2	239.9
Chile	26.0	32.0	22.5	28.4	110.0	112.7
Colombia	31.0	38.5	56.2	50.8	118.2	137.6
Ecuador	11.1	13.5	18.5	21.0	30.7	56.7
French Guiana	.2	.2	.1	.2	.2	.3
Guyana	4.8	4.0	4.5	6.6	10.8	15.5
Paraguay	3.1	2.7	4.1	1.4	.9	.8
Peru	14.9	33.1	54.2	72.0	121.6	170.1
Surinam	4.1	5.3	5.0	5.6	8.7	9.9
Uruguay	2.5	2.2	2.0	14.8	2.6	9.0
Venezuela	90.9	98.1	108.6	137.1	159.7	323.3
South America	276.8	310.5	384.0	420.8	935.4	1,113.2
Total Latin America	554.1	688.3	773.8	871.7	1,692.4	2,564.7
Total Western Hemisphere	1,080.8	1,263.0	1,382.0	1,714.4	2,726.5	3,844.2
Total World	5,752.8	7,258.6	7,694.9	9,400.7	17,680.5	22,026.3
Hemisphere as percentage of world total	18.8	17.4	18.0	18.2	15.4	17.5

Note: Columns may not always add to totals which were taken from original sources, due to rounding.

1/ Preliminary.
2/ Excludes export transhipments, mostly grains and oilseeds to Western Europe.
3/ Less than $50,000.

Sources: Bureau of the Census and Foreign Agricultural Service.

Table 9.--U.S. agricultural imports from Western Hemisphere countries and dependencies by value, 1969-74

Country	1969	1970	1971	1972	1973	1974 1/
	Million dollars					
Canada	243.9	322.8	313.9	353.4	530.5	527.1
Mexico	443.0	513.5	500.3	589.9	743.4	766.6
Bahamas	2.2	2.4	1.9	.6	.8	.9
Barbados	1.4	2.2	.8	.3	1.7	16.1
Bermuda	2/	2/	2/	2/	2/	2/
Cuba	.3	.1	2/	2/	2/	2/
Dominican Republic	148.2	166.1	155.4	196.7	239.0	375.6
French West Indies	7.5	8.7	7.5	.4	.3	.2
Haiti	11.3	12.5	16.4	18.2	18.6	28.3
Jamaica	13.3	13.1	15.0	11.2	4.4	45.3
Leeward & Windward Islands	.7	1.4	.5	.8	.8	1.8
Netherlands Antilles	2/	.1	2/	.1	2/	12.4
Trinidad & Tobago	12.2	8.8	8.7	8.8	5.3	17.9
Caribbean	3/197.1	215.5	206.5	237.1	271.0	498.4
Belize (formerly Br. Honduras)	4.2	5.3	6.4	6.3	7.5	23.6
Costa Rica	94.8	107.6	100.0	118.4	121.7	147.1
El Salvador	34.4	41.1	42.6	38.3	101.5	121.1
Guatemala	70.3	80.2	87.9	98.3	151.2	193.1
Honduras	73.9	82.8	103.3	91.9	120.0	102.8
Nicaragua	42.6	49.8	56.1	60.8	86.1	62.8
Panama	46.2	45.1	34.9	25.7	24.7	38.1
Central America	366.4	409.9	431.4	439.7	612.8	688.5
Argentina	106.5	117.9	111.9	119.7	133.2	209.7
Bolivia	2.3	2.5	3.2	3.8	3.6	3.3
Brazil	499.1	535.8	582.2	659.7	713.2	1,030.7
Chile	7.2	8.3	6.1	6.2	5.2	15.1
Colombia	146.9	198.8	183.1	207.7	291.2	364.6
Ecuador	64.3	94.8	71.8	82.5	90.2	175.2
French Guiana	2/	2/	2/	2/	.2	.1
Guyana	13.5	15.0	16.4	13.8	7.4	43.2
Paraguay	9.3	10.3	10.0	12.9	18.7	20.4
Peru	67.1	94.8	85.5	114.9	112.2	190.8
Surinam	.3	.3	.3	.4	.1	.4
Uruguay	8.9	9.4	4.1	1.1	1.7	2.5
Venezuela	22.1	27.2	23.3	29.9	30.2	35.1
South America	947.5	1,115.3	1,097.8	1,252.6	1,407.0	2,091.0
Total Latin America	1,954.0	2,254.2	2,236.0	2,519.4	3,034.2	4,044.4
Total Western Hemisphere	2,198.0	2,577.0	2,549.9	2,872.7	3,564.7	4,571.5
Total World	4,957.9	5,769.6	5,823.4	6,466.9	8,419.1	10,250.3
Hemisphere as percentage of world total	44.3	44.7	43.8	44.4	42.3	44.6

Note: Columns may not always add to totals which were taken from original sources, due to rounding.

1/ Preliminary.
2/ Less than $50,000.
3/ Includes $300,000 for Cuba.

Source: Bureau of the Census and Foreign Agricultural Service.

Table 10.—U.S. Agricultural exports by SITC categories to Canada, Mexico, and Western Hemisphere regions, 1970-1974

Country	Live animals	Meat and preparations	Dairy products and eggs	Cereals and preparations	Fruits, vegetables, and preparations	Sugar, sugar prep., and honey	Coffee, cocoa, tea, and spices	Animal feed	Miscellaneous food preparations
	Million dollars								
Canada 1/									
1970	25.2	25.2	8.6	56.8	223.9	3.2	14.0	37.4	11.1
1971	25.1	31.7	11.4	34.0	251.4	4.2	19.4	33.7	11.1
1972	32.2	55.9	11.3	138.4	297.3	6.3	27.1	37.5	15.5
1973	98.7	79.2	11.6	89.9	354.3	8.1	37.4	56.8	17.3
1974	66.6	69.0	13.4	163.9	411.2	38.9	36.5	70.1	39.1
Mexico									
1970	7.7	5.7	8.1	38.6	13.5	.4	.7	4.9	11.5
1971	10.3	4.5	10.3	18.8	10.9	1.3	.6	17.6	7.7
1972	11.7	4.2	21.0	72.8	8.7	1.2	.9	9.8	7.9
1973	20.2	8.6	8.6	166.6	11.7	1.6	1.2	13.3	13.3
1974	33.3	16.0	10.3	467.3	45.3	2.5	2.0	23.3	21.0
Caribbean									
1970	2.2	27.5	10.0	39.1	13.7	1.4	2.2	14.9	8.8
1971	1.8	29.0	11.7	46.4	14.0	2.4	2.5	16.3	10.1
1972	2.6	32.3	10.9	50.2	16.5	2.4	2.5	19.2	11.3
1973	2.2	43.5	7.2	98.8	23.9	2.3	2.6	30.8	13.2
1974	2.5	48.7	10.5	170.5	24.3	5.9	3.3	32.1	18.5
Central America									
1970	2.6	2.7	5.7	26.8	7.7	.8	.8	2.5	5.8
1971	3.7	2.6	6.8	34.9	6.2	.9	1.0	5.1	6.2
1972	5.1	2.8	6.3	32.7	6.9	1.3	1.0	6.1	5.7
1973	4.7	2.9	2.3	72.4	9.5	1.7	1.3	9.1	8.2
1974	3.9	4.6	3.1	97.0	14.4	1.9	1.5	18.2	12.2
Andes Region									
1970	3.2	.8	16.2	108.1	19.5	1.6	.4	2.5	12.9
1971	3.4	3.0	19.9	122.0	17.1	.7	.3	3.6	14.4
1972	3.1	1.0	10.4	183.9	17.5	.4	.2	5.6	21.3
1973	4.4	2.6	1.2	392.2	20.7	.5	.5	3.4	10.0
1974	4.2	4.8	2.5	547.2	25.2	.6	.7	22.1	19.7
Other South America									
1970	1.5	1.4	15.1	47.5	7.9	.4	.1	1.8	2.3
1971	1.8	1.0	13.0	66.0	7.0	.2	.2	2.5	2.2
1972	2.3	.9	7.6	58.6	9.6	.5	.8	3.3	2.3
1973	3.1	.9	2.9	326.7	22.8	.8	.4	4.1	2.7
1974	6.3	1.3	1.9	191.9	12.7	.9	.6	4.5	4.3
Latin America									
1970	17.7	38.1	55.1	260.1	62.3	4.6	4.2	26.6	41.3
1971	21.0	40.1	61.7	288.1	55.2	5.5	4.6	45.1	40.6
1972	24.9	41.2	56.2	398.1	59.3	5.9	5.4	44.0	48.5
1973	34.7	58.6	22.2	1,056.8	88.6	6.9	6.0	60.7	47.4
1974	50.1	75.5	28.4	1,474.0	121.8	11.7	8.1	100.3	75.7
Western Hemisphere									
1970	42.4	63.3	63.7	316.9	286.2	7.8	18.2	64.0	52.4
1971	46.1	71.8	73.1	322.1	306.6	9.7	24.0	78.8	51.7
1972	57.0	97.1	67.5	536.5	356.5	12.2	32.5	81.5	64.0
1973	133.4	137.7	33.8	1,146.6	442.9	15.0	43.4	117.5	64.7
1974	116.8	144.4	41.7	1,637.8	533.1	50.7	44.6	170.3	114.3

Note: Columns may not always add to totals which were taken from original source due to rounding.

1/ Excludes transshipments.
2/ Less than $50,000.

Sources: Bureau of the Census and Foreign Agricultural Service.

Table 10.--U.S. agricultural exports by SITC categories to Canada, Mexico, and Western Hemisphere regions, 1970-1974

Country	Unmanuf. tobacco	Hides, skins, and furskins undressed	Oilseed, oilnuts, and oilkernels	Natural rubber	Natural fibers	Crude animal and vegetable material	Animal and vegetable fats and oils	Other	Total
	Million dollars								
Canada 1/									
1970	2.5	13.9	73.5	1.5	28.5	17.7	20.1	11.6	574.7
1971	3.2	19.3	65.4	1.4	46.4	17.8	23.5	9.2	608.2
1972	3.1	28.9	96.5	1.7	42.3	19.1	18.9	10.8	842.8
1973	5.5	37.2	109.1	2.1	62.1	27.3	21.8	15.7	1,034.1
1974	4.9	43.2	148.2	2.9	61.8	33.2	56.5	20.1	1,279.5
Mexico									
1970	--	17.8	17.1	.1	.7	7.8	16.3	4.3	155.2
1971	--	18.6	10.1	--	.6	9.4	4.2	3.4	128.3
1972	2/	25.1	3.6	.1	.6	9.0	1.5	3.2	181.4
1973	2/	36.2	34.6	.1	1.0	13.8	26.9	4.3	362.0
1974	2/	36.7	95.7	.6	1.7	19.9	80.8	6.2	862.6
Caribbean									
1970	3.4	2/	.8	.1	.3	2.5	16.5	2.3	145.7
1971	9.0	2/	.8	--	1.0	3.3	19.4	1.9	169.6
1972	9.1	.2	1.4	.1	.7	2.0	22.5	2.8	186.8
1973	7.2	.2	2.5	.1	1.2	2.8	23.3	4.1	265.9
1974	12.7	.1	1.3	.1	1.7	3.0	51.6	6.2	393.0
Central America									
1970	.9	.1	1.0	.2	.5	1.1	10.9	2.3	72.4
1971	1.6	.1	5.4	.1	.7	1.1	13.7	1.8	91.9
1972	1.6	2/	1.3	.1	.8	1.2	7.9	1.8	82.7
1973	1.7	2/	.4	.1	.5	1.4	10.9	2.0	129.1
1974	1.9	.8	1.1	.2	1.4	2.4	28.6	2.6	195.8
Andes Region									
1970	3.0	.5	8.6	1.1	1.1	5.6	31.9	4.5	221.5
1971	5.9	.7	13.3	1.5	1.3	4.5	52.5	3.3	267.5
1972	3.6	5.7	17.4	1.0	2/	6.4	35.9	3.3	317.0
1973	4.8	7.4	26.3	.7	4.0	8.7	53.5	4.6	545.5
1974	6.6	4.8	41.8	1.6	4.2	9.3	124.9	8.2	828.4
Other South America									
1970	1.7	2/	.1	.3	.1	3.4	2.7	1.4	87.7
1971	1.6	.3	.1	.7	3.0	4.3	10.5	1.8	116.3
1972	1.4	.3	--	.7	.2	5.0	8.5	1.6	103.8
1973	3.0	2.3	.5	.4	.2	6.1	11.8	1.2	389.9
1974	3.4	2.9	.8	.1	.1	7.6	43.6	1.9	284.8
Latin America									
1970	9.0	18.4	27.6	1.8	2.7	20.4	78.3	14.8	682.5
1971	18.1	19.7	29.7	2.3	6.6	22.6	100.3	12.3	773.6
1972	15.7	31.3	23.7	2.0	2.4	23.6	76.3	13.1	871.7
1973	16.7	46.0	64.3	1.3	6.9	32.8	126.4	16.2	1,692.4
1974	24.5	45.3	140.8	2.5	9.1	42.2	329.5	25.1	2,564.7
Western Hemisphere									
1970	11.5	32.3	101.1	3.3	31.2	38.1	98.4	26.4	1,263.0
1971	21.3	39.1	95.1	3.7	53.0	40.4	123.8	21.5	1,382.0
1972	18.8	60.3	120.2	3.7	44.7	42.7	95.2	23.9	1,714.5
1973	22.2	83.3	173.4	3.5	69.0	60.1	148.2	31.9	2,726.5
1974	29.5	88.5	288.9	5.5	70.9	75.4	386.0	45.2	3,844.1

Table 11.--U.S. agricultural imports by SITC categories from Canada, Mexico, and Western Hemisphere regions, 1970-74

Country	Live animals	Meat and preparations	Dairy products and eggs	Cereals and preparations	Fruits vegetables and preparations	Sugar, sugar prep., and honey	Coffee cocoa, tea, and spices	Animal feed	Miscellaneous food preparations
	Million dollars								
Canada									
1970	59.3	77.0	6.4	37.7	30.3	7.2	11.9	20.9	7.5
1971	52.0	75.5	3.4	36.5	31.2	7.6	15.3	25.2	6.1
1972	66.3	76.0	4.2	51.3	32.2	9.1	14.7	29.5	7.4
1973	114.4	102.0	40.8	69.4	45.1	9.0	21.3	44.4	7.1
1974	68.7	66.9	21.9	121.9	53.3	9.5	25.8	39.3	7.6
Mexico									
1970	78.3	42.3	1/	1/	187.2	100.0	75.2	.6	--
1971	72.7	44.7	.7	.6	177.6	97.1	72.9	--	--
1972	106.8	50.4	--	1.1	194.3	120.9	79.0	.7	.6
1973	104.2	52.8	1/	1.6	252.5	144.4	141.9	1.8	1.1
1974	67.9	33.0	--	2.6	194.2	272.5	126.2	1.6	2.8
Caribbean									
1970	.1	4.2	--	--	6.9	137.3	52.4	.5	.1
1971	1/	4.2	1/	--	8.0	138.5	41.9	.5	.1
1972	.1	8.4	1/	.2	12.2	145.2	58.3	.6	.2
1973	1/	12.8	.1	.5	13.1	152.0	77.1	.8	.1
1974	1/	10.2	.1	.8	17.4	337.9	111.4	1.0	.4
Central America									
1970	--	69.8	--	--	152.1	45.3	129.7	--	--
1971	--	83.2	--	.3	152.7	55.2	124.6	--	--
1972	1/	106.8	.1	.2	157.1	58.0	104.3	--	1/
1973	.2	143.9	.1	1/	160.5	70.4	222.9	--	1/
1974	1/	115.6	.2	1/	148.8	167.7	235.3	--	1/
Andes Region									
1970	2.1	--	--	--	49.2	86.0	273.6	--	.3
1971	.8	--	--	1/	43.6	86.3	230.0	--	.4
1972	.6	.7	--	.7	46.6	118.9	260.2	.1	.7
1973	1.3	.1	--	.6	49.6	114.5	342.7	.1	.8
1974	1.4	.2	1/	1.0	80.1	244.7	414.7	.4	.9
Other South America									
1970	3.2	95.6	1.4	2.1	17.2	121.0	372.1	--	.7
1971	1.3	125.6	2.2	4.1	22.5	116.9	395.4	--	.5
1972	2.6	105.4	4.5	1.4	35.5	131.0	459.6	1.6	.8
1973	3.6	126.3	4.1	3.0	32.3	137.6	479.2	.4	1.0
1974	2.2	149.2	5.4	4.0	40.6	372.0	430.7	.2	1.3
Latin America									
1970	83.7	211.9	1.4	2.1	412.6	489.6	903.1	1.1	1.1
1971	74.8	257.7	2.9	5.1	404.4	494.0	864.8	.5	1.0
1972	110.1	271.7	4.6	3.6	445.7	574.0	961.4	3.0	2.3
1973	109.3	335.9	4.3	5.7	508.0	618.9	1,263.8	3.1	3.0
1974	71.5	308.2	5.7	8.4	481.1	1,394.8	1,318.3	3.2	5.4
Western Hemisphere									
1970	143.0	288.9	7.8	39.8	442.9	496.8	915.0	22.0	8.6
1971	126.8	333.2	6.3	41.5	435.6	501.6	880.1	25.7	7.1
1972	176.4	347.4	8.8	54.9	477.9	583.2	976.1	32.5	9.7
1973	223.7	437.9	45.1	75.1	553.1	627.9	1,285.1	47.5	10.1
1974	140.2	375.1	27.6	130.3	534.4	1,404.3	1,344.1	42.5	13.0

Note: Columns may not always add to totals which were taken from original source due to rounding.

1/ Less than $50,000.

Sources: Bureau of the Census and Foreign Agricultural Service.

Table 11.--U.S. agricultural imports by SITC categories from Canada, Mexico, and Western Hemisphere regions, 1970-74

Country	Unmanuf. tobacco	Hides, skins, and furskins undressed	Oilseed, oilnuts, and oilkernels	Natural rubber	Natural fibers	Crude animal and vegetable material	Animal and vegetable fats and oils	Other	Total
	Million dollars								
Canada									
1970	0.6	16.0	4.8	--	--	33.1	--	9.8	322.8
1971	.6	11.6	5.1	--	--	33.2	--	10.6	313.9
1972	1.6	15.2	5.4	.1	.3	32.3	0.4	7.4	353.4
1973	.6	31.6	.5	--	.3	39.1	2.7	2.2	530.5
1974	1.1	28.6	6.1	--	1/	54.2	4.4	17.8	527.1
Mexico									
1970	2.3	--	1.5	--	5.8	9.6	1.0	9.7	513.5
1971	3.0	--	2.8	--	6.1	11.6	1.7	8.8	500.3
1972	4.0	1/	4.5	.1	7.8	10.8	2.2	6.7	589.9
1973	8.8	.1	5.2	--	7.6	16.2	1.5	3.4	743.4
1974	16.1	.1	6.2	--	10.0	24.4	2.3	6.7	766.6
Caribbean									
1970	5.6	--	--	--	.9	.8	.1	6.6	215.5
1971	5.9	1/	--	--	.5	.6	--	6.3	206.5
1972	6.0	1/	1/	--	.1	1.2	.4	4.2	237.1
1973	8.1	.1	1/	1/	.8	1.2	.4	3.3	271.0
1974	7.6	.1	1/	--	1.1	1.6	.7	8.1	498.4
Central America									
1970	4.1	.2	3.2	--	--	.8	--	4.7	409.9
1971	4.5	.1	3.6	--	.1	1.6	--	5.5	431.4
1972	3.7	--	3.4	--	.4	1.9	1/	3.7	439.7
1973	5.1	--	4.5	1/	.1	1.8	1/	3.1	612.8
1974	5.6	--	7.2	1/	.1	1.6	1/	6.4	688.5
Andes Region									
1970	2.8	2.5	--	.1	2.6	2.9	.4	3.9	426.4
1971	2.9	.2	--	.1	2.2	2.5	.3	3.7	373.0
1972	3.6	.4	--	.4	3.4	7.4	.5	.8	445.0
1973	5.2	.3	1/	.1	4.5	11.1	.1	1.6	532.6
1974	5.3	.5	--	.1	8.1	22.8	.8	3.1	784.1
Other South America									
1970	4.9	10.4	11.2	--	11.0	6.2	19.7	12.2	688.9
1971	5.0	4.4	--	--	11.5	5.0	15.3	15.1	724.8
1972	9.2	4.1	1/	.4	8.1	6.4	22.8	14.1	807.6
1973	12.2	3.1	1/	.6	8.4	11.0	35.1	16.5	874.4
1974	15.1	3.7	--	.8	6.0	14.6	65.4	194.4	1,305.6
Latin America									
1970	19.7	13.1	15.9	.1	20.3	20.3	21.2	37.1	2,254.2
1971	21.3	4.7	6.4	.1	20.4	21.3	17.3	39.4	2,236.0
1972	26.5	4.5	8.0	.9	19.8	27.7	25.9	29.5	2,519.4
1973	39.4	3.6	9.7	.7	21.4	41.3	37.1	27.9	3,034.2
1974	49.7	4.4	13.4	.9	25.3	65.0	69.2	218.7	4,044.4
Western Hemisphere									
1970	20.3	29.1	20.7	.1	20.3	53.4	21.2	46.9	2,577.0
1971	21.9	16.3	11.5	.1	20.4	54.5	17.3	50.0	2,549.9
1972	28.2	19.9	13.3	1.0	20.1	60.0	26.3	36.9	2,872.7
1973	40.0	35.2	10.2	.7	21.7	80.4	39.8	30.1	3,564.7
1974	50.8	33.0	19.5	.9	25.3	119.2	73.6	236.5	4,571.5

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