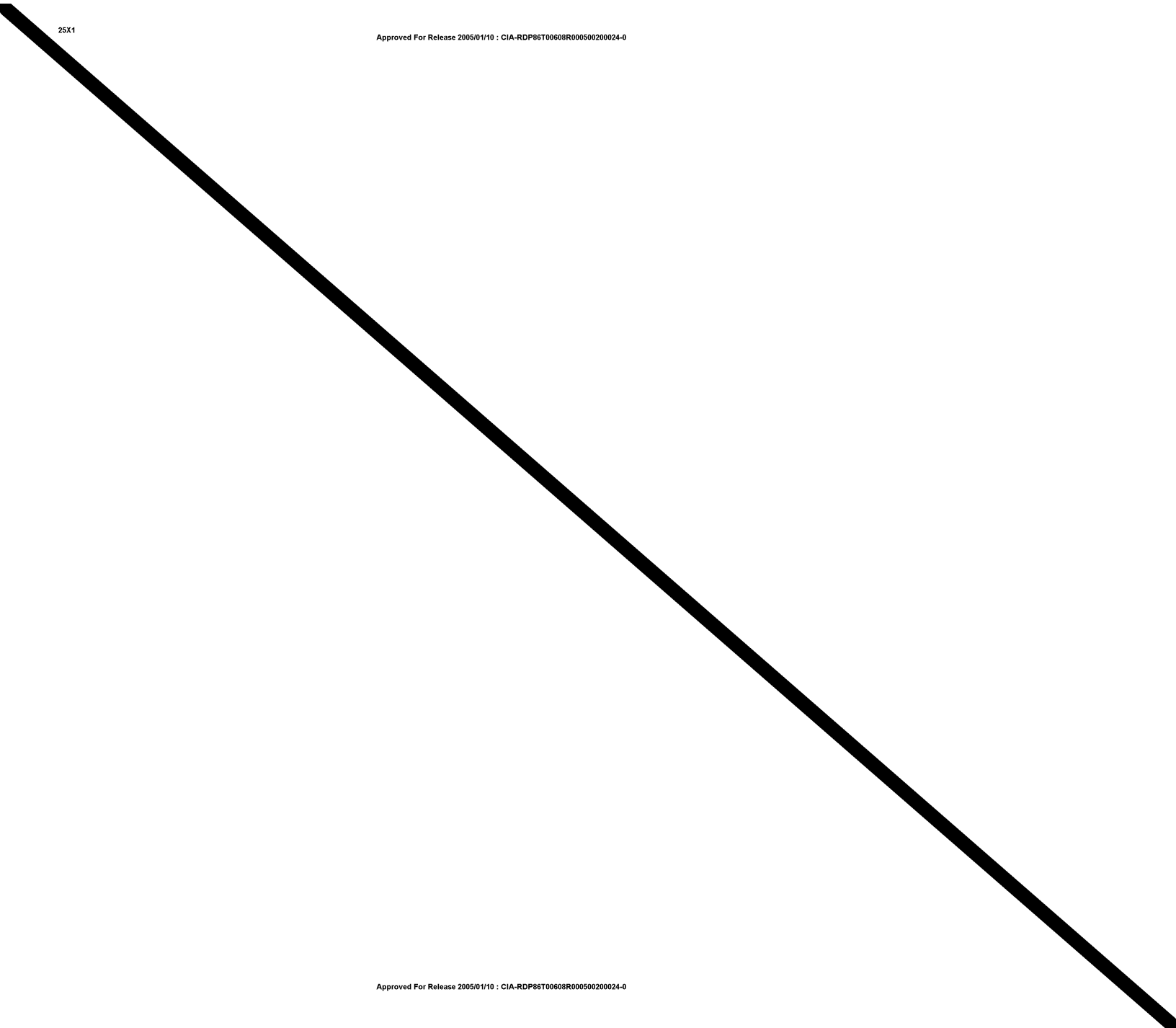

**Confidential**

# Intelligence Report

## *OPEC Countries: Demand for Food Imports Through 1978*

**On file Department of Agriculture and Department of Commerce release instructions apply.**

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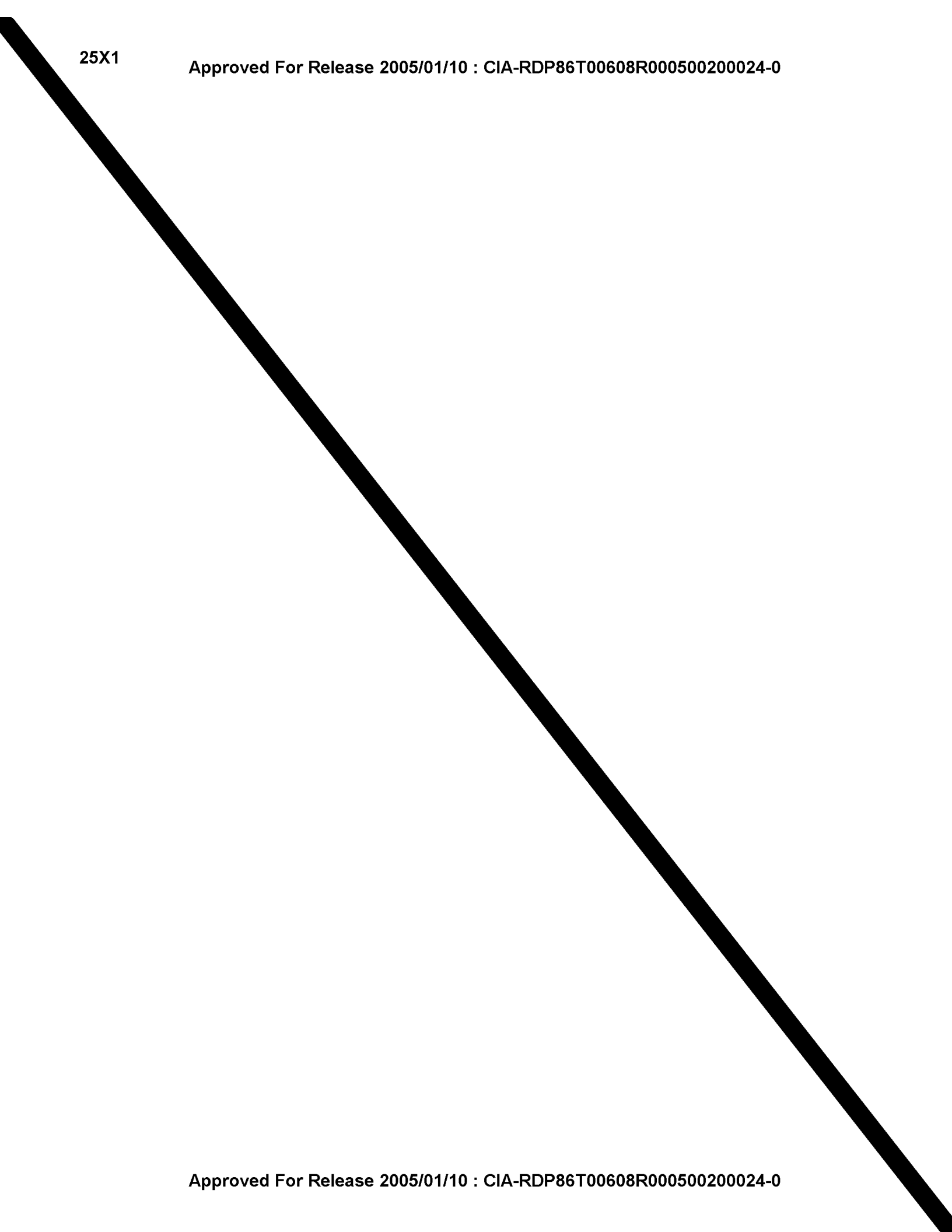

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# OPEC Countries: Demand for Food Imports Through 1978

## SUMMARY

Rapidly expanding demand, lagging domestic agricultural production, and enormous oil wealth are making OPEC countries a much more important force in international food markets. In 1974, one-fourth of world rice exports and one-tenth of wheat exports went to OPEC countries. With the recent rapid growth of about 15% annually in OPEC food imports likely to continue for the next few years, the influence of these imports on international markets will grow further. In particular, grain prices could become even more volatile in years of tight supply.

We project OPEC food imports in 1978 of about $10 billion at 1974 prices, more than double the 1974 level. OPEC countries purchased one-third of their food imports from the United States in 1974, and we expect this share to increase by 1978.

In looking at OPEC food imports through 1978:

- If consumer demand were the sole criterion, imports would increase even faster than projected. Physical and financial constraints in certain countries almost certainly will limit growth.

- We estimate that OPEC imports of grain will grow at a 15% rate, to 17 million tons in 1978, compared with nearly 10 million tons in 1974. Wheat and rice imports will constitute the bulk of this new demand.

- Imports of processed foods – including meat, dairy products, and bakery goods – will boom because OPEC countries will not be able to greatly expand domestic output of these goods in the short run.

- Iran and Iraq will increase their food imports faster than will other OPEC countries; together they will account for nearly half of OPEC grain imports by 1978.

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25X1

Note: Comments and queries regarding this report are welcomed. They may be directed to [redacted] of the Office of Economic Research, [redacted]

Agricultural production within OPEC countries can be expected to increase only about 3% annually, mainly because of inadequate water control, insufficient agricultural investment in the past, and poor producer incentives.

Imports will account for a larger share of OPEC consumption, given the slow growth of domestic food production in the face of a 6% annual growth in demand. Demand is increasing twice as fast as population because of the rise in private incomes and government subsidies for consumers.

## DISCUSSION

### Introduction

1. This report estimates OPEC demand for major food imports through 1978 and describes OPEC dependency on the United States for such imports. The analysis concentrates on the factors that can influence the level of imports during this period, such as government policies, larger disposable incomes, shifts in consumer preferences for food, the possibility for higher domestic output of food in the short run, and physical restrictions on imports.

2. Specific projections of demand, production, and imports are based on World Bank, IMF, and USDA sources and on our own assessments. These estimates all assume normal weather conditions and no substantial change in stock levels. The analysis for the most part rests on aggregate data and general judgments. We did not have available, for example, data permitting detailed estimates of changes in personal incomes, food prices, and income elasticities.

3. OPEC countries included in this discussion are Algeria, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, and Venezuela, with a combined population of 283 million. The smaller OPEC countries -- Gabon, Qatar, and the United Arab Emirates – with about 1 million persons are not included in the tables or discussion, for lack of data.

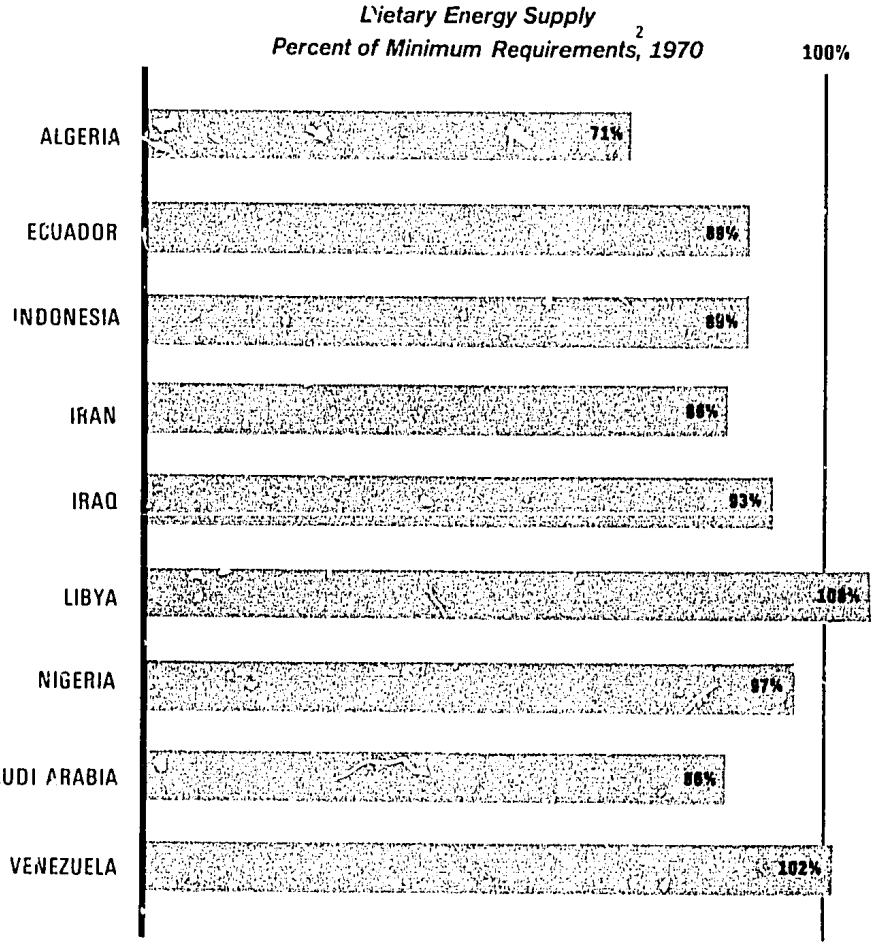
### Background

4. Many of the 283 million people living in the major OPEC countries are poorly fed. Algeria even ranks near the bottom of the list of all developing countries in regard to per capita food supplies, even below Bangladesh and India. Data on the amount of food available, although far from exact for any developing country, indicate that the diet in OPEC countries is low in terms of both calories and protein and that a considerable share of food must be imported. According to FAO estimates for 1970, the per capita supply of food, including the imports in most OPEC countries, were 10%-30% below the minimum daily requirment of dietary energy (see Figure 1). Indonesia, with half of OPEC population, has consumption levels 11% below minimum. FAO also estimates the protein supply in OPEC countries to be 50%-60% of the supply in Japan and Western Europe. In these circumstances, newly acquired oil wealth has sparked a rapid rise in demand for more food and a higher quality diet.

Figure 1

## SELECTED OPEC COUNTRIES: POPULATION AND FOOD SUPPLY AS A PERCENT OF NUTRITIONAL REQUIREMENTS

| POPULATION: [1] | Algeria | Ecuador | Indonesia | Iran | Iraq | Libya | Nigeria | Saudi Arabia | Venezuela |
|---|---|---|---|---|---|---|---|---|---|
| Millions | 16.8 | 6.7 | 131.2 | 33.2 | 11.0 | 2.4 | 63.0 | 6.1 | 12.0 |
| Growth Rate *(Percent)* | 3.2 | 2.9 | 2.6 | 3.0 | 3.4 | 3.7 | 2.9 | 2.8 | 3.0 |




[1] As of midyear.

[2] Requirements in terms of calories per capita were estimated by considering physiological requirements plus 10% for waste at household level.

5. Food production in the OPEC countries has been increasing slowly. As a group the OPEC countries produced about 36 million metric tons of grain in 1974[1] consisting of 17 million tons of rice, 13 million tons of coarse grains,[2] and 6 million tons of wheat (see Table 1[3]). This level of production shows an average increase of only 2% annually over the level of 1966-70. Substantial year-to-year fluctuations have occurred in individual countries because of the variability of rainfall (see Figure 2). Indonesia is the only OPEC country in which grain production, mainly rice, has been increased substantially – by restoring old irrigation systems and introducing new high-yielding seeds. Like all other OPEC countries, Indonesia nonetheless remains heavily dependent on timely rainfall to obtain good crops.

6. Food imports by OPEC countries rose sharply after the late 1960s. Grain imports rose to nearly 10 million tons in 1974, 2.6 times the 1966-70 average of 3.8 million tons (see Table 2). Iran and Iraq accounted for the major part of the increase. In 1974, Iran imported 2.1 million tons, nearly 11 times the 1966-70 level and 21% of total OPEC grain imports. Although still small in volume by comparison, Iraq's imports of grain reached an estimated 875,000 tons in 1974, nearly eight times the 1966-70 level. Algeria and Indonesia also imported substantial volumes of grain in 1974, 1.9 million and 1.8 million tons, respectively. In 1974, grain imports by all OPEC countries consisted of about two-thirds wheat, with the remainder made up of nearly equal amounts of rice and coarse grains (see Tables 3-5). The value of all agricultural imports showed an even greater increase, from the 1966-70 average of $1.3 billion to $4.6 billion in 1974 (see Table 6), because of (a) sharp price rises for grain, vegetable oils, and sugar and (b) growth in the share of high-value foods, such as meats and other processed foods.

7. Factors affecting all three aspects of the problem – demand, production, and imports – are presented in greater detail in the following discussion and country sections. Government policy is highlighted as a factor that influences all aspects of the problem. The various OPEC governments are anxious to raise food consumption levels and improve the health of their people. They are trying to make food available to all income levels by subsidizing or controlling food prices and by importing food to supplement domestic production. These policies tend to help the consumers and at the same time discourage domestic production. The

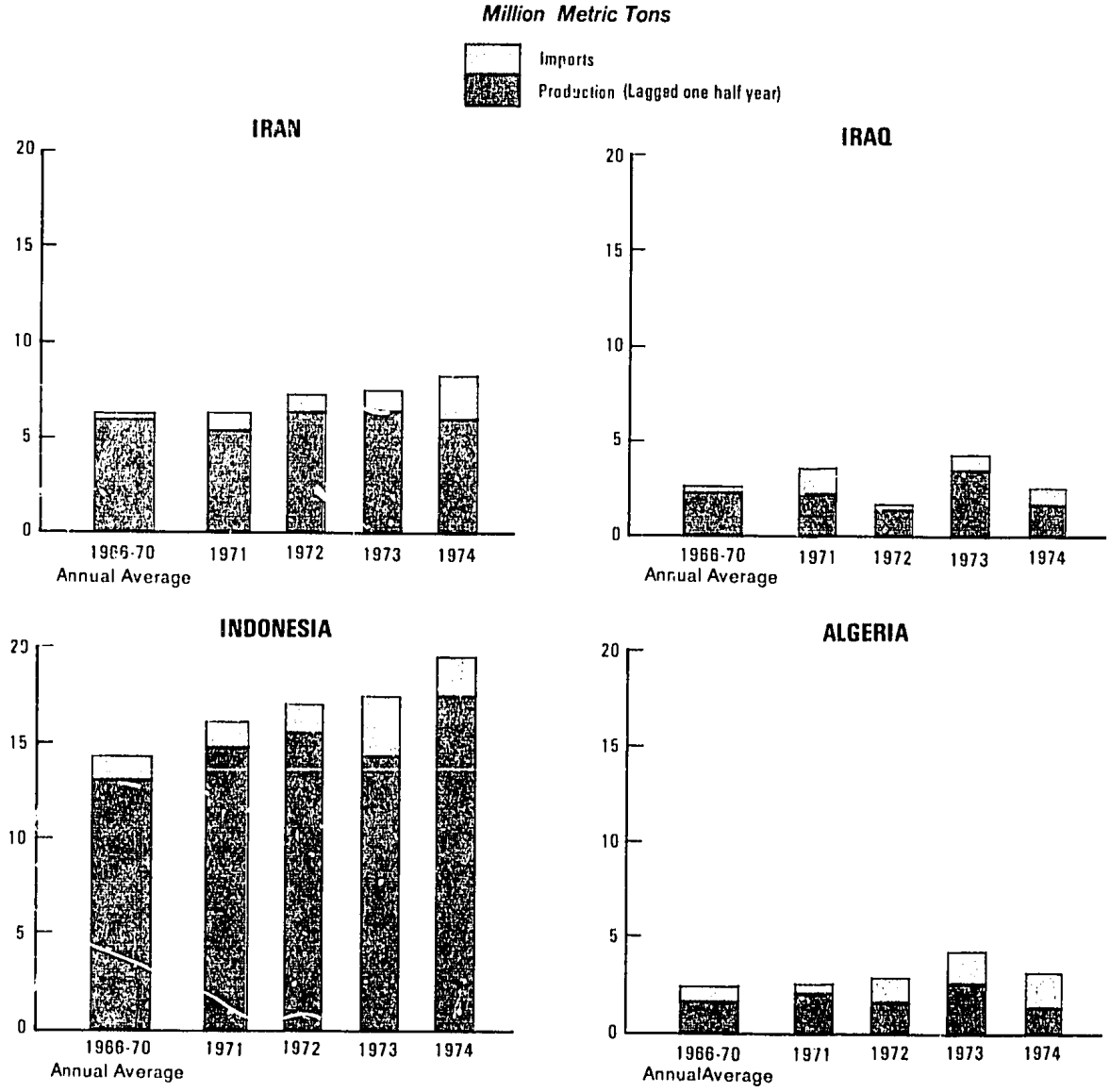
1. Production data for 1974 refer for the most part to the crop harvested in the last half of 1973 and consumed during 1974. Production data are presented in this manner to facilitate the addition of production and import data, which refer to calendar years, to derive an estimate of apparent consumption during the calendar year.

2. Corn, oats, barley, sorghum, and millet.

3. For numbered tables, see the Appendix.

Figure 2

## SELECTED OPEC COUNTRIES: PRODUCTION[1] AND IMPORTS[2] OF GRAIN




[1] Includes wheat, milled rice, corn, oats, barley, millet, and sorghum. Data refer to crops harvested for the most part in the last half of the previous year and consumed during the year stated. Data are presented in this manner in order to facilitate the addition of production and import data, which refer to calendar years, to derive an estimate of the total grain available during any one year.

[2] Corn, oats, barley, sorghum, wheat, and rice.

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governments also have policies designed to increase domestic production. These various policies – especially their effect on food imports – are examined in this report.

**Demand Elements**

8. As a group, the OPEC countries by 1974 had expanded their apparent consumption of grains 4% annually on the average compared with 1966-70 (see Figure 3). Demand for meat, vegetable oils, and luxury foods showed even larger increases. We estimate that demand for grain in OPEC countries as a group will rise 6% annually through 1978, as shown below:

| | Percent Increase | | |
|---|---|---|---|
| | Production | Imports | Apparent Consumption |
| 1974 annual average increase over 1966-70 | 2 | 17 | 4 |
| Projected 1968 annual average increases over 1974 | 3 | 15 | 6 |

The Middle Eastern OPEC countries account for the largest share of the projected jump in consumption, with Iran, Iraq, Saudi Arabia, and Libya each experiencing increased demand of at least 10% annually (see Table 7). The overall rate is held to 6%, mainly because demand in Indonesia – which accounts for half the OPEC population – probably will not grow faster than 3.5% annually.

9. The sharp rise in population accounts for about half of the increasing demand. Population growth rates, while subject to dispute,[4] equal or exceed 3% in most OPEC countries. Chances are nil for a downturn in these rates over the next few years. A number of OPEC countries, particularly those in the Middle East, consider a large population desirable. Most of the others have religious and political barriers to introduction of birth control programs. Even successful birth control programs would not appreciably slow population growth for a decade or more.

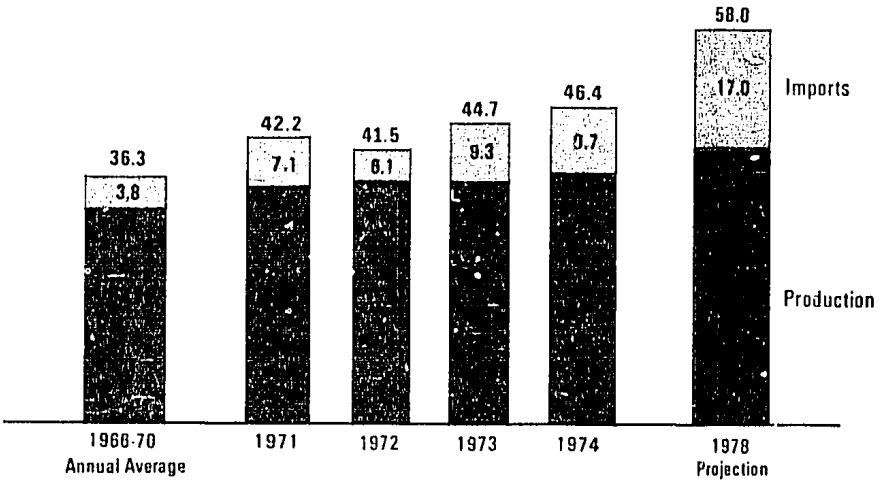
10. Increasing per capita demand accounts for the other half of the expansion. Governments of Middle East OPEC countries in particular are encouraging higher

4. Estimates of the Demographic Analysis Division of the US Department of Commerce, presented in Figure 1, are generally lower than those from alternative sources such as the IMF and World Bank reports and country sources.

Figure 3

## OPEC COUNTRIES: GRAIN PRODUCTION, IMPORTS, AND TOTAL SUPPLY [1]

*Million Metric Tons*




[1] Grains include wheat, milled rice, corn, oats, barley, sorghum, and millet. Production data refer to crops harvested for the most part in the last half of the previous year and consumed in the year stated.

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food consumption and better nutrition: (a) directly through subsidies and other policies designed to keep food prices low and (b) indirectly through policies that lead to higher private incomes. The rapid growth in oil revenues is being translated into rising incomes mainly through stepped-up local government expenditures. In OPEC countries outside the Near East, incomes are rising more slowly; in these countries, people use a larger proportion of any additional income to improve their meager diets.

11. In most OPEC countries, real personal consumption outlays have been rising approximately 25% per year since 1973, resulting in a sharp increase in the demand for greater quantities and higher quality foods. People with higher incomes are switching from coarse grains and root crops to wheat and rice as well as increasing their consumption of meat and dairy products. City dwellers in particular are increasing their intake of meat, bakery products, and other prepared foods. In all OPEC countries, the rural-urban migration is continuing.

12. The thousands of foreign technicians and workers, brought in by OPEC governments to push development, are accentuating the demand for more and better quality food.

**Supply Elements**

13. OPEC governments are currently giving higher priority to agriculture with plans to expand food production at a rapid rate during the next few years. They will do well, however, to increase food output 3% a year, compared with 2% since the late 1960s.

14. In most OPEC countries, bringing new land into cultivation requires expensive investments in irrigation or drainage. Although OPEC countries can easily buy or produce chemical fertilizers that will improve yields, they lack adequate water supplies and/or water control necessary for the effective use of large amounts of fertilizer and improved seeds. In Algeria, Libya, and most notably Iraq, substantial efforts are needed to raise low crop yields and increase the cultivated area because of past neglect and poor cultivation practices.

15. Government policies act as disincentives to agricultural production in at least six of the OPEC countries, especially in Iran, Ecuador, and Venezuela (see Table 8). These policies include low fixed prices to producers, subsidized food imports that compete with locally grown food, and government preemptive buying at noncompetitive prices – all policies designed to keek prices low for consumers. In other instances, production is discouraged by (a) the imposition of export taxes and controls, (b) restrictions on credit, and (c) lack of security in land tenure. Efforts to stimulate agricultural production are limited by the partly conflicting objectives of rapidly raising urban living standards and holding down inflation. In most OPEC countries these objectives are still being given priority over agricultural developments.

16. An almost universal problem among OPEC countries is the inadequacy of past investment in agricultural transport and marketing facilities. Recently, nearly all of the countries have stepped up efforts to shift more investment to agriculture, but results have been slow in coming.

**Imports**

17. Based on our projected grain production and demand figures, OPEC import requirements for grain will total 17 million tons, or nearly 70% more than the 1974 level. This expansion implies a growth rate of 15% annually, only slightly

less than the 17% annual increase experienced between the late 1960s and 1974. Dependence on imports, however, increases from 21% of OPEC grain consumption to nearly 30% in 1978. Iran and Iraq will increase their food imports faster than will other OPEC countries; together they will account for nearly half of OPEC grain imports by 1978, as shown in Table 9.

18. Grain imports could be below this projected level because of physical constraints, such as limitations on port capacity and rudimentary marketing and distribution systems. Indeed, the above projection would be even higher if it were not for these constraints. Iran, Iraq, and Nigeria will continue to have serious transport congestion. Foreign exchange problems in the case of some OPEC members – especially Algeria – will be another factor holding down imports. In poor crop years, however, top priority will be given to food imports, thus permitting the volume to shoot up even more steeply.

19. Wheat will make up about the same share of the imports in 1978 as in 1974. OPEC imports of wheat amounted to 6.3 million tons in 1974, about two-thirds of the total grain imported and 15% of the value of all agricultural imports. Rice imports reached 1.9 million tons and coarse grains nearly the same amount. The demand for bread is rising even faster than the booming demand for rice and feedgrains. Some OPEC countries are installing more flour mills and bakeries, largely to process imported wheat. Imports of rice and coarse grains will increase also, even though they are the major grains produced in OPEC countries.

20. Imports of other foods, especially meat and processed foods, will also continue to increase rapidly. The Middle Eastern OPEC countries – particularly Iran and Iraq – are also planning to boost livestock production by importing breeding stock and feedgrains.

21. In the long run the budding livestock industry will raise feedgrain imports substantially. In the short run, however, feedgrain imports probably will continue to increase at about the same rate as wheat imports because (a) some imported breeding animals will be located in rural areas where they will feed mainly on grass and (b) others will be fed on domestic feedgrains replaced in the human diet by imported wheat. To the extent that domestic livestock plans fall behind schedule, additional imports of meat and other products will take place. In turn, projected feedgrain imports could be cut back. The value of all OPEC food imports in 1978 probably will reach about $10 billion at 1974 prices.

## Impact of OPEC Imports in World Markets

22. OPEC grain imports at the projected levels are bound to have an appreciable impact in world wheat and rice markets. In 1974, OPEC imports of 1.9 million tons of rice accounted for one-fourth of the estimated 7.5 million tons imported by all countries. Middle Eastern OPEC countries are expected to buy increasing quantitites of high-quality rice. Whereas OPEC imports of wheat accounted for 10% of the wheat entering world trade in 1974, by 1978 the share will be as high as 15%. OPEC ability to buy even at inflated prices gives it special weight in world markets. In case of a world shortfall, most OPEC countries will not have to cut their purchases. OPEC now accounts for only a tiny share of world trade in coarse grains; even with rapid growth through 1978, such imports will continue to be small.

23. The physical restraints already mentioned will keep OPEC states from building large surplus stocks within their own countries as a matter of national policy or for use as either strategic or economic weapons. Large foreign exchange holdings, however, do give the rich OPEC countries the potential to speculate in grain and other international commodity markets. Although some rich individuals from OPEC countries may speculate, we have no evidence to predict massive intervention by OPEC governments in these markets.

## Demand for US Products

24. The United States traditionally has been an important supplier of wheat to all OPEC countries and a less important supplier for other agricultural goods. OPEC countries have looked to Western Europe for meat and processed foods and to South Asia for rice. The changes in the US share of OPEC rice and coarse grain purchases, as shown in the following tabulation, reflect US ability to supply products at a time of world shortage.

| | Percent | | | |
|---|---|---|---|---|
| | 1971 | 1972 | 1973 | 1974 |
| By volume | | | | |
| Wheat | 39 | 66 | 55 | 64 |
| Rice | 39 | 41 | 10 | 22 |
| Coarse grains | 32 | 50 | 54 | 44 |

The US share of the value of all OPEC agricultural imports has risen steadily, however, from 20% in 1971 to 33% in 1974.

25. We predict that the US share of OPEC grain purchases will grow, political relations permitting. The United States is the largest and most reliable supplier of wheat and feedgrains. The least affluent OPEC members will continue to seek food on concessionary terms from the United States. Sales of US processed foods have expanded as OPEC consumers have developed a taste for US brands; they probably will meet more competition from European suppliers in the future.

26. We expect US agricultural sales to OPEC countries to continue to grow faster than US sales to other areas. In US fiscal year (FY) 1975, OPEC countries accounted for 8% of the value of all US agricultural exports, compared with about 5% in FY 1974 and earlier years. Iran was primarily responsible for the sharp increase in FY 1975, as indicated in the following tabulation:

| | Million US $ | |
|---|---|---|
| | FY 1974 | FY 1975 |
| **Value of US exports to OPEC countries** | **1,040** | **1,726** |
| Iran | 183 | 757 |
| Iraq | 63 | 124 |
| Saudi Arabia | 92 | 124 |
| **Subtotal** | **338** | **1,005** |
| Indonesia | 156 | 72 |
| Other | 546 | 649 |

While prices of the commodities sold to Iran rose, volume, especially with rice and other grains, grew much more. We expect that sales to Iran, Iraq, and Saudi Arabia will continue to expand briskly, making them even more important US customers by 1978. Sales to other OPEC countries will expand less rapidly and be less consistent. Indonesia will cut back purchases of grain from the United States when its crops are good and expand them when crops are poor.

## Country Descriptions

### *Iran*

27. Iran is the largest importer of agricultural goods among the OPEC countries. The degree of self-sufficiency in grain has fallen dramatically since the late 1960s, mainly because of the government's neglect of agriculture and its policies leading to increased demand.

Iran: Agricultural Profile

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 33.2[1] |
| GNP (billion US $) | | | 61 |
| Per capita GNP (US $) | | | 1,830 |
| Food production (index: 1961-65 = 100) | 129 | 145 | |
| Per capita food production (index: 1961-65 = 100) | 112 | 105 | |
| Agricultural imports (million US $) | 121[2] | 800 | |
| Agricultural share of total imports (percent) | 6[2] | 8 | |
| Grain self-sufficiency (percent) | 98 | 74 | |
| | **Thousand Metric Tons** | | |
| Production | | | |
| Total grain | 6,140 | 6,000 | |
| Wheat | 4,264 | 4,200 | |
| Rice (milled) | 766 | 894 | |
| Coarse grains | 1,110 | 906 | |
| Sugar | 489 | 650 | |
| Imports | | | |
| Total grain | 191 | 2,085 | |
| Sugar (raw) | 124 | 300 | |
| Exports | | | |
| Cereals | 74 | .... | |

1. Data for mid-1975.
2. Data for 1968-70.

*Demand*

28. Iranian officials indicate that demand for agricultural products has been rising by 12% annually. With Iran's population growing by about 3% annually, the rapid demand growth mainly reflects rising per capita incomes and government welfare programs. Real GNP increased 25% annually in 1974 and 1975. This growth has been accompanied by a rapid rural/urban shift of workers and the emergence of a middle class of well-to-do managers and businessmen. Moreover, the Iranian government is subsidizing the costs of major food items, such as cereals, vegetable oil, and sugar, in an effort to raise the daily per capita food intake. As a result of these income-related factors, the demand for high-protein foods is rising rapidly. The government reports that meat consumption has increased from 8 kilograms per capita in 1960 to about 20 kilograms in 1975. Apparently much of the increase has occurred in the last two years.

29. We estimate that demand for food will continue to grow 12% annually through 1978. Demand for grain will likely grow at least 10% a year, reflecting a rapid rise in animal feeding as well as human consumption.

*Production*

30. Iranian agricultural output has not kept pace with population growth. Rice, cotton, and sugar beets have posted good gains in the past few years; wheat and dairy products have increased slightly; and barley and tobacco have declined.

31. The lackluster performance of agriculture has been due to low government priority, inadequate water supply, and basic institutional problems, which are slow to change. Despite an extensive program of large-scale dam construction begun in 1962, water distribution systems have not been completed, and more than half of Iran's agriculture continues to be primarily dependent on rainfall. Wheat – Iran's principal grain – especially requires adequate rainfall because almost two-thirds of the area is not irrigated. The shortage of water remains the major constraint to expand cultivation in general. With more irrigation the cultivated area could be doubled.

32. The government has begun programs to expand credit to small farmers, to teach modern farming techniques, and to improve marketing and pricing systems. The livestock industry, subject to earlier neglect, is now receiving governmental encouragement. Nomadic herding is being replaced by modern methods, and the quality of the herds is being improved through imports of foreign breeding stock.

33. Tehran's Five-Year Plan (FY 1973-78) calls for expanding agricultural output 7% annually. These goals are unrealistic because of both the natural limitations and the slow pace of the bureaucracy. A 4% annual growth rate seems more plausible. Some land normally in grain production is being shifted to horticultural use, with the result that grain output may not increase faster than 2% annually.

*Imports*

34. Iran's agricultural imports nearly doubled in value in 1974 and are expected to increase another 25%, to about $1 billion, in 1975. Iran is now the sixth largest market for US agricultural products.

35. Grain imports have increased from an annual average of 190,000 tons in 1966-70 to 2.1 million tons in 1974. If domestic production grows at the low rate predicted, demand for imported grains would reach 6 million tons by 1978.

36. Transport problems may limit Iran's ability to move this amount of grain to the consumers. Port and rail facilities, strained by a combination of industrial, military, and consumer imports, are now backlogged. Internal distribution is hobbled by inadequate storage, road, and rail service facilities. The government plans to boost nominal port capacity in Iran for all commodities from the present 4 million tons to 28 million tons in 1978, a goal impossible to meet. We estimate that the improvements that will take place will allow grain imports of about 5.5 million tons in 1978.

*Iraq*

37. After years of neglect, Baghdad is beginning to pay attention to developing agriculture and improving diets. Iraq starts with the advantage of better agricultural land than other Persian Gulf countries.

*Demand*

38. The huge increase in oil revenues has led to direct improvements in consumer food intake. Controls on food imports have been cut back sharply, and subsidies have been used on an increasing scale to hold down the prices of basic foods. These policy changes, together with new income distribution programs and expanded disposable income, have led to a marked increase in household demand for food. The increase is particularly pronounced in the cities, where half of Iraq's 11 million people now live.

39. After practically no change in the low per capita food intake from 1960 to 1973, consumer food demand began spurting in response to these new forces. We foresee a rise of about 10% annually for at least the next few years. A third of the increase will be attributable to population expansion, estimated at 3.4% per year. The remainder will be linked to the higher standards of income and consumption and to the growing degree of urbanization.

*Production*

40. Wheat, barley, and rice are the principal grain crops. Nongrain crops include melons, dates, citrus fruits, cotton, oil seeds, tobacco, broadbeans, and

Iraq: Agricultural Profile

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 11.0[1] |
| GNP (billion US $) | | | 13 |
| Per capita GNP (US $) | | | 1,180 |
| Food production (index: 1961-65 = 100) | 127 | 153 | |
| Per capita food production (index: 1961-65 = 100) | 107 | 105 | |
| Agricultural imports (million US $) | 91[2] | 570 | |
| Agricultural share of total imports (percent) | 16[2] | 20 | |
| Grain self-sufficiency (percent) | 95 | 67 | |
| | Thousand Metric Tons | | |
| Production | | | |
| Total grain | 2,384 | 1,782 | |
| Wheat | 1,176 | 957 | |
| Rice (milled) | 273 | 145 | |
| Coarse grains | 935 | 680 | |
| Sugar | 6 | 20 | |
| Imports | | | |
| Total grain | 113 | 875 | |
| Sugar (raw) | 283 | 393 | |

1. Data for mid-1975.
2. Data for 1968-70.

lentils. Livestock accounts for 35% of the value of agricultural output. Most livestock are in migratory herds, grazing on open lands rather than eating concentrated feeds.

41. Food production has apparently increased at an annual average rate of 3% since the late 1960s, or perhaps slightly behind the population growth rate. Livestock and a few crops such as dates have done reasonably well, whereas grain production has failed to keep pace with population. Except for the bumper crop year that ended in 1973, grain output in the 1970s has not topped the average of the late 1960s. Moreover, the fluctuations in output have been the most severe among OPEC countries. Output swung from a low of 1.5 million tons in 1972 to 3.7 million tons in 1973.[5] Scanty rainfall reduces acreage and yields in both rain-fed and irrigated acreage. In recent years, rice acreage also has been trimmed because of (a) the dispute with Syria over the Euphrates water and (b) serious salinity problems in some irrigated areas.

5. For an explanation of production years, see footnote 1.

42. The government is now attempting to push agricultural production. Agricultural investment in the upcoming development plan (1976-80) features improved field drainage systems to overcome salinity and to speed land reclamation. In 1974, land reform legislation gave farmers and cooperatives tenure, which should lead to improved farming techniques. Increased fertilizer production is planned for the next five years. These greatly expanded efforts will take years before they are translated into substantially higher yields. We thus do not expect output to increase by more than 3% a year over the short term.

*Foreign Trade*

43. The erratic pattern of grain imports in recent years makes any projection difficult. In 1971, because of a major drought, Iraq imported 1.3 million tons of grain; in 1971-74 imports averaged about 700,000 tons. Based on our projections of production (from a 1971-74 average base) and demand, we expect imports to reach 1.8 million tons in 1978, assuming average weather. During this period, Iraq will continue to diversify agricultural imports, increasing purchases of meats, breeding animals, dairy products, and processed foods.

***Saudi Arabia***

44. With only a small arable acreage, Saudi Arabia must import most of its food. Despite substantial government spending on agriculture, output is not expected to keep pace with rapidly rising demand.

*Demand*

45. We project a 10% annual rise in the demand for food through 1978. Population is expected to grow 3.8% annually during the next five years, attributable to improved diet, better health care, government programs to encourage births, and, most important, the inflow of sizable numbers of foreign workers and their families. About a tenth of the population is now foreign, and the government expects that half a million more laborers and technicians will be needed.

*Production*

46. Agriculture in Saudi Arabia is undergoing a massive transformation. The amount of arable land appears to have increased from less than 1 million hectares in 1971 to about 1.4 million at present, and further expansion to nearly 4.2 million hectares is planned by 1990. The major constraint is paucity of water to make

Saudi Arabia: Agricultural Profile

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 6.1[1] |
| GNP (billion US $) | | | 42 |
| Per capita GNP (US $) | | | 6,890 |
| Food production (index: 1961-65 = 100) | 120 | 155 | |
| Per capita food production (index: 1961-65 = 100) | 105 | 115 | |
| Agricultural imports (million US $) | 173[2] | 570 | |
| Agricultural share of total imports (percent) | 22[2] | 15 | |
| Grain self-sufficiency (percent) | 50 | 49 | |
| | Thousand Metric Tons | | |
| Production | | | |
| Total grain | 479 | 622 | |
| Wheat | 150 | 150 | |
| Coarse grains | 329 | 472 | |
| Sugar | .... | .... | |
| Imports | | | |
| Total grain | 472 | 657 | |
| Sugar (raw) | 68 | 175 | |

1. Data for mid-1975.
2. Data for 1968-70.

the land productive. Some expansion is under way in deep-well drilling, and the government plans to expand the supply of desalinated water greatly by 1980. While achievement of the ambitious acreage expansion is unlikely, substantial progress in output – possibly to a 6% annual growth rate for agriculture in general and 4% for grains – can be expected as increased acreage, better water supplies, and improved technology begin to pay off.

*Foreign Trade*

47. With imports of about 660,000 tons of grain in 1974, Saudi Arabia was dependent on foreign supplies for about 50% of its grain needs. We estimate imports at about a million tons in 1978, despite improvements in domestic agriculture. One reason for this greater dependence on foreign grain is the likely cultivation of vegetables, often at the expense of less profitable grain crops. The large number of foreign workers will accelerate imports as they buy food that closely reflects their tastes.

*Indonesia*

48. Indonesia accounts for half of OPEC population and grain production. It is also distinctive among member states for its striking increase in agricultural output in the past five years. The government likely will continue strong support of agriculture.

**Indonesia: Agricultural Profile**

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 131.2[1] |
| GNP (billion US $) | | | 22 |
| Per capita GNP (US $) | | | 170 |
| Food production (index: 1961-65 = 100) | 112 | 147 | |
| Per capita food production (index: 1961-65 = 100) | 98 | 108 | |
| Agricultural imports (million US $) | 256[2] | 680 | |
| Agricultural share of total imports (percent) | 35[2] | 18 | |
| Grain self-sufficiency (percent) | 94 | 92 | |
| | **Thousand Metric Tons** | | |
| Production | | | |
| Total grain | 13,199 | 17,522 | |
| Wheat | .... | .... | |
| Rice (milled) | 10,421 | 14,928 | |
| Coarse grains | 2,778 | 2,594 | |
| Sugar (raw) | 663 | 1,025 | |
| Imports | | | |
| Total grain | 973 | 1,784 | |
| Sugar (raw) | 79 | 200 | |
| Exports | | | |
| Grain | 107 | 214 | |

1. Data for mid-1975.
2. Data for 1968-70.

*Demand*

49. Oil revenues have yet to be translated into the sharply rising per capita food demand experienced in some other OPEC countries. The increased demand for food is coming mainly from population pressures. The huge popuiation is growing by at least 2.5% annually; continued migration from farms to cities has meant an even higher growth in urban areas. To date birth control programs have

had no appreciable effect on demographic rates. The food-population problem is aggravated by the concentration of people in Java, where most farmers cultivate extremely small tracts. We expect total demand for food to increase at about 3.5% annually; in addition to the minimum 2.5% population growth, increases in per capita income will add 1% annually, assuming moderate success in agricultural and industrial development plans.

*Production*

50. The deterioration of agriculture in Indonesia, which began during World War II and continued through the Sukarno era, was reversed in 1970. Real growth in the sector has subsequently averaged 4.2% despite a drought in 1972. Programs initiated during the First Five-Year Plan (1969-73) that had positive effects on yields and output included

- rehabilitation of irrigation systems;
- promotion of high-yielding varieties of rice, more fertilizer, and new farming practices; and
- improvement in marketing systems.

Most attention has been given to rice production, which has increased by about 6% annually since the late 1960s.

51. The World Bank has estimated that rice production will increase 3.5% annually through 1978. The government is planning to continue price support programs, build decentralized storage facilities, increase fertilizer production, and expand its extension service to include other crops as well as rice. The government is also expected to boost expenditures on transportation and communications to enhance domestic marketing. Realizing the seriousness of its food-population race, the government has obtained foreign technical assistance for agriculture.

*Foreign Trade*

52. If rice production and demand both increase by 3.5%, grain imports would continue at the 1974 level of about 2 million tons. In this period, wheat imports will grow relative to rice imports. While wheat is not grown locally, Indonesians are developing a taste for bread and bakery products. Imports of meat, dairy products, and processed foods no doubt will increase. The major constraint

to larger food imports will be the projected decline in the current account surplus, a decline attributable to high loan repayments not offset by new foreign aid.

*Libya*

53. With only 2% of its land arable, Libya imports almost all of its food. Per capita food imports are among the highest of the OPEC nations. Nonetheless, because the population is so small (2.4 million), the food import bill aggregated only $375 million in 1974.

**Libya: Agricultural Profile**

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 2.4[1] |
| GNP (billion US $) | | | 11 |
| Per capita GNP (US $) | | | 4,600 |
| Food production (index: 1961-65 = 100) | 140 | 203 | |
| Per capita food production (index: 1961-65 = 100) | 119 | 143 | |
| Agricultural imports (million US $) | 105[2] | 375 | |
| Agricultural share of total imports (percent) | 17[2] | 12 | |
| Grain self-sufficiency (percent) | 37 | 25 | |
| | **Thousand Metric Tons** | | |
| Production | | | |
| Grain | 154 | 126 | |
| Imports | | | |
| Grain | 263 | 376 | |
| Sugar (raw) | 67 | 92 | |

1. Data for mid-1975.
2. Data for 1968-70.

*Demand*

54. Libyan demand for food has climbed more than 15% annually since 1970 because of large increases in petroleum earnings and personal incomes. The population is growing nearly 4% annually, and large numbers of foreign workers are being brought in, to man development projects. Rural to urban migration and government expenditure of $350 million in 1975 for meat, rice, flour, and sugar subsidies also help explain the greater and more expensive consumption of food. Growth in demand will probably fall in the next few years, to a still hefty 10%, because of foreign exchange limitations.

*Production*

55. Libya produces about 25% of the cereal it consumes, as well as some fruits and vegetables. Most output comes from rain-fed land in a narrow coastal belt and is subject to wide annual variations, depending on the weather.

56. Over the past 15 years, opportunities in the petroleum sector have caused a wholesale exodus of people and capital from agriculture. Production thus stagnated in the 1960s and early 1970s. In an effort to reverse this trend, the Revolutionary Command Council (RCC) has elevated the importance of agricultural development and earmarked almost one-third of the funds budgeted under the 1973-78 development plan for agricultural projects. Efforts are concentrated on extending irrigation facilities to reclaim land and to make existing acreage more productive. In addition, the livestock and dairy industries are being enlarged, and machinery and improved farming techniques introduced. This program has started to pay off in increased output; agricultural production probably will increase at a 3% rate over the next few years.

*Imports*

57. The larger part of Libya's grain needs must be imported even though grain is the most important domestic crop. Grain imports vary considerably depending on the size of local harvest. On the average, they have increased about 10% annually in recent years. Imports of coarse grains, used to feed the expanding livestock population, are growing even more rapidly. Despite increasing balance-of-payments pressures, we expect Libya to increase its grain imports to 600,000 tons by 1978, compared with 376,000 tons in 1974.

*Nigeria*

58. The bulk of Nigeria's large population is in the subsistence sector. This results in a high degree of self-sufficiency in foodstuffs.

*Demand*

59. Food demand is expected to increase moderately faster than the 2.5%-3% annual population growth for the next several years. Most of the increase in per capita food consumption will result from a rise in the urban population and a sharp increase in incomes. As for the rural areas, higher oil revenues will begin to have a substantial impact only after several years.

Nigeria: Agricultural Profile

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 62.0[1] |
| GNP (billion US $) | | | 21 |
| Per capita GNP (US $) | | | 330 |
| Food production (index: 1961-65 = 100) | 101 | 104 | |
| Per capita food production (index: 1961-65 = 100) | 88 | 79 | |
| Agricultural imports (million US $) | 99[2] | 276 | |
| Agricultural share of total imports (percent) | 10[2] | 10 | |
| Grain self-sufficiency (percent) | 97 | 95 | |
| | Thousand Metric Tons | | |
| Production | | | |
| Total grain | 7,130 | 7,594 | |
| Wheat | 6 | 4 | |
| Rice (milled) | 252 | 339 | |
| Coarse grains | 6,872 | 7,251 | |
| Sugar (raw) | 14 | 30[3] | |
| Imports | | | |
| Total grain | 219 | 408 | |
| Sugar (raw) | 60 | 140[3] | |

1. Data for mid-1975.
2. Data for 1968-70.
3. Data for 1973.

*Production*

60. Modernization of Nigerian agriculture will proceed slowly. Although the national development plan nominally gives a high priority to agriculture, in practice it places much greater emphasis on industry, where concrete results are more quickly realized. Nevertheless, we expect food output to continue to keep pace with rising demand in the vast rural areas and even to provide much of the basic needs of the growing cities. Technology is being improved, and land is available to permit the increase.

*Foreign Trade*

61. Nigeria does not produce wheat. The increasing urban demand for bread products thus will lead to increased wheat imports. In 1974, Nigeria imported 375,000 tons of wheat, compared with an annual average of about 170,000 tons

in the late 1960s. Perhaps as much as a quarter of the 1974 wheat imports was destined for relief of Nigeria's drought-stricken northern areas and for transshipment to the drought-affected countries of the Sahel. These imports for reexport declined in 1975; the slack was taken up by purchases to meet rising interna. urban demand. We expect that wheat imports will continue to climb next year; by 1978, grain imports could reach as much as 900,000 tons. Any larger quantities will be difficult to handle because the congested ports are not expected to be enlarged much during the next few years. The rise in urban demand will also lead to increased imports of meat and processed foods.

*Venezuela*

62. Three-quarters of Venezuela's people already live in urban areas, and the rural-urban shift is continuing. The remaining cash farmers are turning to the production of high-value foods such as meats.

**Venezuela: Agricultural Profile**

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 12.0[1] |
| GNP (billion US $) | | | 32.3[2] |
| Per capita GNP (US $) | | | 2,690 |
| Food production (index: 1961-65 = 100) | 133 | 176 | |
| Per capita food production (index: 1961-65 = 100) | 110 | 122 | |
| Agricultural imports (million US $) | 173[3] | 540 | |
| Agricultural share of total imports (percent) | 10[3] | 12 | |
| Grain self-sufficiency (percent) | 49 | 36 | |
| | **Thousand Metric Tons** | | |
| Production | | | |
| Total grain | 771 | 759 | |
| Wheat | 1 | 1 | |
| Rice (milled) | 150 | 193 | |
| Coarse grains | 620 | 565 | |
| Sugar (raw) | 447 | 551 | |
| Imports | | | |
| Grain | 799 | 1,350 | |
| Sugar (raw) | .... | 47 | |
| Exports | | | |
| Grain | 40 | .... | |
| Sugar (raw) | 41 | 2 | |

1. Data for mid-1975.
2. Estimated.
3. Data for 1968-70.

*Demand*

63. Venezuelans have a higher per capita caloric and protein intake than people in other OPEC states. Demand for food can be expected to increase faster than the 3% population growth rate because of higher incomes and recently instituted income distribution programs.

*Production*

64. Agricultural production has increased 5% annually since 1965, led by higher meat and sugar production. Rice output has increased sufficiently to cover rises in domestic demand and allow a small amount for exports. Venezuela produces almost no wheat. Production of feedgrains has fallen despite increased demand to feed livestock. The 5% annual overall output expansion rate is expected to continue for at least several years; the decline in feed grain output probably will be reversed.

65. Caracas began an ambitious program to stimulate production in 1974 by streamlining agricultural credit facilities, raising support prices, increasing investment in irrigation and drainage facilities, and upgrading technical assistance.

*Foreign Trade*

66. We estimate that grain imports will increase 7.5% annually from 1974 to 1978, or from 1.4 million to 1.8 million tons. Wheat will continue to make up the largest share of the volume as the demand for bread products grows and as domestic acreage is shifted toward feedgrains. Imports of feedgrains will gradually rise; they will be constrained because of the current account deficits expected by 1977.

*Algeria*

67. Algerian dependence on food imports is rising because of the government's inattention to agricultural development and its current land reform program. Algeria ranks as the lowest of all OPEC members in per capita food consumption.

*Demand*

68. Food consumption has been growing about 4% annually, slightly in excess of the 3.2% population growth rate. Pressures for improvement in the Algerian

Algeria: Agricultural Profile

| | 1966-70 | 1974 | 1975 |
|---|---|---|---|
| Population (million) | | | 16.8[1] |
| GNP (billion US $) | | | 12 |
| Per capita GNP (US $) | | | 710 |
| Food production (index: 1961-65 = 100) | 97 | 101 | |
| Per capita food production (index: 1961-65 = 100) | 84 | 72 | |
| Agricultural imports (million US $) | 174[2] | 479 | |
| Agricultural share of total imports (percent) | 20[2] | 10 | |
| Grain self-sufficiency (percent) | 75 | 41 | |
| | **Thousand Metric Tons** | | |
| Production | | | |
| Grain | 1,794 | 1,286 | |
| Wheat | 1,391 | 850 | |
| Coarse grains | 403 | 436 | |
| Sugar | 7 | 25[3] | |
| Imports | | | |
| Grain | 597 | 1,855 | |
| Sugar (raw) | 254 | 278[3] | |

1. Data for mid-1975.
2. Data for 1968-70.
3. Data for 1973.

diet will pick up through at least 1978 as a consequence of the steady migration to the cities, the growth in foreign population, and the return of workers from Europe. A further stimulus comes from government subsidies for basic foods such as cooking oil, semolina, flour, and sugar. Algiers spent $500 million for food subsidies in 1974; the amount will probably reach $800 million in 1975.

*Production*

69. Algerian agricultural production declined during the early and mid-1960s and has subsequently stagnated. The exodus of French farmers and other disruptions associated with the war for independence accounted for most of the initial decline. Subsequently, heavy emphasis on industrialization has left agricultural development largely neglected. Crops are vulnerable to drought, flash floods, and drying winds from the Sahara. Since 1970, Algeria has experienced two good and two poor harvests.

70. Weather aside, past and current Algerian policies preclude any substantial increase in agricultural output for several years. Algeria is investing in an ambitious industrial development program; agriculture gets only the crumbs. Moreover, Algeria is implementing an agrarian reform program, which aims at distributing privately held property to landless peasants and at settling many of the nomadic peoples. Present owners presumably are liquidating their capital, and the new owners cannot be expected to maintain let alone step up production for at least several years.

*Imports*

71. Over the past decade, food imports have been gradually increasing, with wide year-to-year variations, depending on the domestic harvests. Wheat is the principal agricultural import. Algeria is the world's largest importer of durum wheat, used in making couscous, the national dish. In 1974, Algeria imported 1.6 million tons of wheat to supplement a subnormal grain harvest of 1.3 million tons. The country also is importing increasing quantities of coarse grains – 250,000 tons in 1974 – to help feed its expanding livestock population.

72. Foreign exchange constraints compel the country to limit grain imports to the minimum needed to satisfy domestic demand; upgrading imports to more expensive foods is currently out of the question. Still, with domestic production stagnating, population increasing 3% to 4% annually, and urban migration continuing, imports will probably rise at least 5% annually through 1978. By then, grain imports will total 2.3 million tons, or more than 60% of the country's grain consumption.

# APPENDIX

## STATISTICAL TABLES

### Table 1

### OPEC Countries: Production of Grain[1]

Thousand Metric Tons

| | Average 1966-70 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|
| **Total** | **32,524** | **35,086** | **35,372** | **35,409** | **36,168** |
| Algeria | 1,794 | 2,059 | 1,644 | 2,452 | 1,286 |
| Ecuador | 473 | 522 | 482 | 504 | 477 |
| Indonesia | 13,199 | 14,995 | 15,768 | 14,775 | 17,522 |
| Iran | 6,140 | 5,107 | 6,366 | 6,477 | 6,000 |
| Iraq | 2,384 | 2,227 | 1,458 | 3,668 | 1,782 |
| Libya | 154 | 70 | 85 | 113 | 126 |
| Nigeria | 7,130 | 8,603 | 8,135 | 6,194 | 7,594 |
| Saudi Arabia | 479 | 623 | 615 | 622 | 622 |
| Venezuela | 771 | 880 | 819 | 604 | 759 |

1. Including wheat, milled rice, corn, oats, barley, sorghum, and millet. Data refer to crops harvested for the most part in the last half of the previous year and consumed during the year stated. Data are presented in this manner in order to facilitate the addition of production and import data, which refer to calendar years, to derive an estimate of the total grain available during any one year.

### Table 2

### OPEC Countries: Imports of Grain[1]

Thousand Metric Tons

| | Average 1966-70 | 1971 | 1972 | 1973 | 1974 | 1974 Divided by 1966-70 |
|---|---|---|---|---|---|---|
| **Total** | **3,839** | **7,137** | **6,083** | **9,268** | **9,906** | 2.6 |
| Algeria | 597 | 592 | 1,095 | 1,829 | 1,855 | 3.1 |
| Ecuador | 78 | 116 | 136 | 155 | 197 | 2.5 |
| Indonesia | 973 | 1,231 | 1,259 | 2,737 | 1,784 | 1.8 |
| Iran | 191 | 1,186 | 950 | 1,053 | 2,085 | 10.9 |
| Iraq | 113 | 1,306 | 118 | 536 | 875 | 7.7 |
| Kuwait | 134 | 229 | 180 | 207 | 319 | 2.4 |
| Libya | 263 | 441 | 302 | 435 | 376 | 1.4 |
| Nigeria | 219 | 409 | 325 | 421 | 408 | 1.9 |
| Saudi Arabia | 472 | 591 | 599 | 655 | 657 | 1.4 |
| Venezuela | 799 | 1,036 | 1,119 | 1,240 | 1,350 | 1.7 |

1. Wheat, rice, corn, oats, barley, and sorghum.

Table 3

OPEC Countries: Imports of Wheat[1]

| | Average 1967-70 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|
| | Thousand Metric Tons | | | | |
| **Total from all countries[2]** | **2,751** | **4,989** | **4,116** | **5,619** | **6,260** |
| Algeria | 561 | 558 | 922 | 1,600 | 1,600 |
| Ecuador | 67 | 93 | 114 | 125 | 150 |
| Indonesia | 422 | 713 | 501 | 900 | 750 |
| Iran | 156 | 1,000 | 776 | 791 | 1,460 |
| Iraq | 109 | 955 | 61 | 400 | 600 |
| Kuwait | 75 | 112 | 104 | 100 | 125 |
| Libya | 202 | 244 | 230 | 338 | 250 |
| Nigeria | 172 | 405 | 317 | 414 | 375 |
| Saudi Arabia | 275 | 313 | 372 | 411 | 350 |
| Venezuela | 712 | 596 | 719 | 540 | 600 |
| **From the United States[3]** | **1,496** | **1,960** | **2,703** | **3,095** | **3,993** |
| Algeria | 249 | 121 | 496 | 553 | 810 |
| Ecuador | 63 | 89 | 134 | 111 | 150 |
| Indonesia | 216 | 273 | 323 | 574 | 40 |
| Iran | 29 | 429 | 569 | 597 | 1,397 |
| Iraq | 26[4] | 8 | 8 | 210 | 575 |
| Kuwait | Negl. | Negl. | Negl. | .... | .... |
| Libya | 2 | 4 | .... | 5 | Negl. |
| Nigeria | 174 | 361 | 304 | 339 | 258 |
| Saudi Arabia | 131 | 124 | 150 | 175 | 209 |
| Venezuela | 606 | 551 | 719 | 531 | 554 |
| | Percent | | | | |
| Percent from the United States | 54 | 39 | 66 | 55 | 64 |

1. Including flour converted to wheat basis with factor of 0.75.
2. For 1967-70, UN, FAO, *Trade Yearbook*, 1972; for 1971-73, *Ibid.*, 1973.
3. USDA, ERS, *US Foreign Agricultural Trade Statistical Report*, calendar years 1967-74. Includes major products made from feedgrain.
4. Data for 1967.

Table 4

OPEC Countries[1] : Imports of Rice[2]

| | Average 1967-70 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|
| | Thousand Metric Tons | | | | |
| **Total from all countries** | **754** | **957** | **1,119** | **2,122** | **1,870** |
| Algeria | 5 | 6 | 16 | 5 | 5 |
| Ecuador | 2 | 1 | 1 | 2 | 21 |
| Indonesia | 522 | 494 | 734 | 1,657 | 1,009 |
| Iran | 14 | 60 | 80 | 65 | 190 |
| Iraq | 3 | 97 | 45 | 135 | 265 |
| Kuwait | 35 | 56 | 54 | 51 | 94 |
| Libya | 18 | 23 | 16 | 24 | 26 |
| Nigeria | Negl. | Negl. | 6 | 4 | 3 |
| Saudi Arabia | 155 | 220 | 167 | 179 | 257 |
| **From the United States** | **547** | **375** | **460** | **206** | **409** |
| Algeria | .... | .... | .... | 5 | .... |
| Ecuador | .... | .... | .... | .... | 9 |
| Indonesia | 473 | 258 | 318 | 112 | 57 |
| Iran | 4 | 60 | 54 | .... | 189 |
| Iraq | .... | .... | .... | 9 | 31 |
| Kuwait | 8 | 3 | 4 | 4 | 28 |
| Libya | 1 | 1 | 4 | 2 | 2 |
| Nigeria | Negl. | Negl. | 1 | 4 | 3 |
| Saudi Arabia | 61 | 53 | 79 | 70 | 90 |
| | Percent | | | | |
| Percent from the United States | 72 | 39 | 41 | 10 | 22 |

1. Venezuela is a rice-exporting country.
2. Polished rice.

Table 5

OPEC Countries: Imports of Coarse Grains[1]

| | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|
| | Thousand Metric Tons | | | |
| **Total from all countries**[2] | **1,191** | **848** | **1,527** | **1,776** |
| Algeria | 28 | 157 | 224 | 250 |
| Ecuador | 22 | 21 | 28 | 26 |
| Indonesia | 24 | 24 | 180 | 25 |
| Iran | 126 | 94 | 197 | 435 |
| Iraq | 254 | 12 | 1 | 10 |
| Kuwait | 61 | 22 | 56 | 100 |
| Libya | 174 | 56 | 73 | 100 |
| Nigeria | 4 | 2 | 3 | 30 |
| Saudi Arabia | 58 | 60 | 65 | 50 |
| Venezuela | 440 | 400 | 700 | 750 |
| **From the United States**[3] | **380** | **427** | **832** | **774** |
| Algeria | 22 | Negl. | 22 | .... |
| Ecuador | 2 | 1 | 29 | 4 |
| Indonesia | 1 | Negl. | 172 | 25 |
| Iran | 37 | 28 | 131 | 178 |
| Iraq | 26 | .... | Negl. | .... |
| Kuwait | 10 | 2 | 5 | Negl. |
| Libya | 1 | 4 | Negl. | Negl. |
| Nigeria | 19 | 3 | 21 | 27 |
| Saudi Arabia | 1 | 6 | 2 | Negl. |
| Venezuela | 261 | 383 | 450 | 540 |
| | Percent | | | |
| Percent from the United States | 32 | 50 | 54 | 44 |

1. Corn, oats, barley, and sorghum.
2. UN, FAO, *Trade Yearbook*, 1972 and 1973 and 1974 estimated.
3. USDA, ERS, *US Foreign Agriculture Trade Statistical Report*, calendar years 1967-74. Includes major products made from feedgrain.

Table 6

OPEC Countries: Imports of Agricultural Goods

| | Average 1968-70 | 1971 | 1972 | 1973 | 1974 |
|---|---|---|---|---|---|
| | Million US $ | | | | |
| **Total from all countries** | **1,316.6** | **1,899.3** | **2,318.9** | **3,250.0** | **4,629.9** |
| Algeria | 174.1 | 297.8 | 340.0 | 375.0 | 479.0 |
| Ecuador | 20.4 | 26.1 | 28.9 | 36.9 | 95.0 |
| Indonesia | 256.0 | 301.0 | 460.0 | 700.0 | 680.0 |
| Iran | 121.0 | 246.0 | 309.8 | 444.5 | 800.0 |
| Iraq | 91.1 | 218.9 | 157.4 | 311.8 | 570.0 |
| Kuwait | 104.0 | 120.1 | 147.5 | 171.8 | 245.0 |
| Libya | 104.8 | 160.5 | 171.8 | 321.6 | 375.0 |
| Nigeria | 99.1 | 124.3 | 171.3 | 213.5 | 275.9 |
| Saudi Arabia | 173.1 | 225.0 | 254.8 | 379.4 | 570.0 |
| Venezuela | 173.0 | 179.6 | 277.4 | 295.5 | 540.0 |
| **From the United States** | **290.3** | **374.3** | **473.6** | **713.2** | **1,540.3** |
| Algeria | 22.3 | 17.7 | 40.0 | 71.2 | 170.5 |
| Ecuador | 12.7 | 18.5 | 21.0 | 30.7 | 56.7 |
| Indonesia | 86.8 | 98.5 | 134.0 | 188.8 | 101.2 |
| Iran | 16.6 | 59.6 | 76.0 | 108.9 | 534.2 |
| Iraq | 2.2 | 6.3 | 1.6 | 32.4 | 114.8 |
| Kuwait | 4.9 | 4.9 | 4.6 | 8.7 | 21.3 |
| Libya | 4.6 | 5.2 | 3.9 | 6.4 | 26.0 |
| Nigeria | 21.4 | 31.4 | 22.6 | 40.9 | 82.3 |
| Saudi Arabia | 26.2 | 23.7 | 32.8 | 65.5 | 110.0 |
| Venezuela | 92.6 | 108.5 | 137.1 | 159.7 | 323.3 |
| | Percent | | | | |
| Percent from the United States | 22 | 20 | 20 | 22 | 33 |

Table 7

OPEC Countries: Estimated Growth Rates
for Grain Production and Demand Through 1978

| | Percent | |
|---|---|---|
| | Production | Demand |
| Algeria | 3 | 4.5 |
| Ecuador | 3 | 6 |
| Indonesia | 3.5 | 3.5 |
| Iran | 2 | 10 |
| Iraq | 3 | 10 |
| Kuwait[1] | N.A. | 6 |
| Libya | 3 | 10 |
| Nigeria | 2.7 | 3.8 |
| Saudi Arabia | 4 | 10 |
| Venezuela | 3 | 5.5 |
| Average | 3 | 6 |

1. Estimate applies to imports only, as domestic production is negligible.

Table 8

OPEC Countries: Disincentives to Agricultural Production

| | Controls on Producer Prices | Controls on Consumer Prices | Noncompete-tive Buying | Export Controls | Export Taxes | Imports Subsidies | Restriction on Credit and Land Tenure | Restriction on Movement of Agricul-ture Goods |
|---|---|---|---|---|---|---|---|---|
| Algeria | | | | | | | | |
| Staple food | | x | | | | x | | |
| Ecuador | | | | | | | | |
| Most basic foods | | x | | | | | x | |
| Coffee | | | | | x | | | |
| Sugar | | | | x | x | | | |
| Bananas | | | | | x | | | |
| Milk | x | | | | | | | |
| Indonesia | | | | | | | | |
| Rice | x | x | x | | | x | x | x |
| Sugar | | | | | | | x | |
| Iran | | | | | | | | |
| Wheat | | x | | | | x | x | |
| Rice | | x | | | | x | | |
| Oilseeds and vegetable oils | | x | | | | x | | |
| Livestock, meat, and milk | | x | | | | x | x | |
| Nigeria | | | | | | | | |
| Cocoa | 1 | | x | | | | x | |
| Seed cotton | x | | x | | | | x | |
| Venezuela | | | | | | | | |
| Grains | x | x | | | | | x | |

1. Not a disincentive; farm price for cocoa is highest in West Africa.



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Table 9

OPEC Countries: Projected Production, Imports, and Requirements of Grains

Thousand Metric Tons

| | 1974 | | | 1978[1] | | |
|---|---|---|---|---|---|---|
| | Production | Imports | Apparent Consumption | Production | Imports | Total Requirements |
| **Total[2]** | **36,670** | **9,740** | **46,410** | **41,100** | **16,800** | **57,900** |
| Algeria | 1,286 | 1,855 | 3,141 | 1,400 | 2,300 | 3,700 |
| Ecuador | 477 | 197 | 674 | 500 | 300 | 800 |
| Indonesia | 17,522 | 1,784 | 19,306 | 20,100 | 2,100 | 22,200 |
| Iran | 6,000 | 2,085 | 8,085 | 6,300 | 5,400 | 11,700 |
| Iraq[2] | 2,284 | 709 | 2,993 | 2,600 | 1,800 | 4,400 |
| Kuwait | Negl. | 319 | 319 | Negl. | 400 | 400 |
| Libya | 126 | 376 | 502 | 100 | 600 | 700 |
| Nigeria | 7,594 | 408 | 8,002 | 8,400 | 900 | 9,300 |
| Saudi Arabia | 622 | 657 | 1,279 | 700 | 1,200 | 1,900 |
| Venezuela | 759 | 1,350 | 2,109 | 1,000 | 1,800 | 2,800 |

1. Based on estimated growth rate for production and demand, as shown in Table 7.
2. Iraq's production and imports were averaged during 1971-74 to provide a base for projecting because the amounts fluctuated widely from year to year. Thus data shown here differ from those shown in Tables 1 and 2.