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Foreign Agriculture

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OF AGRICULTURE

Unloading a fish catch at Agadir, Morocco.

North Africa-Mideast: Fastest Growing Market For Agricultural Imports

By John B. Parker, Jr.

Imports of farm products by the 22-country North African-Mideastern belt that stretches from Morocco to Iran have grown at an unprecedented rate since the early 1970's, and show no sign of slackening. Major U.S. agricultural exports to the area are wheat, rice, coarse grains, and horticultural products.

The world's fastest growing market for food and fiber—the 22 country North African-Mideastern belt that stretches from Morocco to Iran—shows no sign of slackening its expansion pace.

In calendar 1978 the area imported agricultural products valued at an estimated $15 billion—four times the 1973 value.

Total agricultural imports by North African-Mideastern countries have grown at an unprecedented rate since the early 1970's, and now account for about 10 percent of the world's total agricultural imports.

However, total crop production in the 1970's has increased only enough to permit per capita food output to remain near the 1961-65 average.

Imports by these 22 countries during 1979 are forecast to reach about $18 billion, of which the United States is expected to maintain its market share at the 1977 level of about 17 percent.

The author is an economist in USDA's Economics, Statistics, and Cooperatives Service.

In recent years, the U.S. share has fluctuated between 15.6 percent (1968) and 23 percent (1974). Major U.S. exports to the area are wheat, rice, coarse grains, and horticultural products.

U.S. exports of processed foods to Mideastern countries during 1978 will be more than double the 1976 level. Substantial gains in sales of such products as honey, canned vegetables, fruit juices, and snack foods have been achieved during the past 2 years.

U.S. exports of farm products to the area reached a value of $2 billion in 1974, when U.S. grain supplies were abundant and some U.S. competitors had little grain available for export.

In 1976, however, the level of these U.S. exports declined to $1.6 billion because of lower prices and greater competition from the European Community, Australia, Latin America, and some Asian suppliers.

This year, somè U.S. competitors again have had less food available for export, and the United States sold an estimated $2.5 billion worth of farm products to the area during 1978—a strong 33 percent more than in 1977.

Because of the unusually rapid growth in total food imports by North African-Mideastern countries, the United States is virtually assured of some increases each year in its agricultural exports to this area.

When crops are good in Europe, Pakistan, Thailand, Brazil, and Argentina, competition for U.S. exports to the Mideast is more intense.

When supplies of key export commodities are reduced in some competitor countries, Mideast purchases from the United States tend to rise. For example: Iraq's imports of wheat from Australia will decline in 1978, while U.S. wheat exports to Iraq increased from 186,000 tons in 1977 to about 700,000 tons in 1978.

Financing methods provided by the U.S. Government (e.g., P.L. 480, CCC, CIP) enable the United States to hold a more assured position in selling its farm products to Egypt and Israel—two markets in which the U.S. shares of agricultural imports for 1978 will be the highest in the 22-country area.

U.S. exporters this year supplied about 40 percent of Israel's agricultural imports and 30 percent of Egypt's. The United States supplied about 39.5 percent of Egypt's agricultural imports in 1973. The U.S. share of Israel's food imports declined from 51.5 percent in 1968 to 48.1 percent in 1971 and 42.5 percent in 1977.

Large sales of wheat and rice to Iraq occurred in 1974 and the U.S. share of Mideast Arab agricultural imports reached 16 percent, up from 8.3 percent in 1972, but competition from other countries lowered the share to 12.4 percent in 1977. Striking gains in U.S. sales of grain to Iraq and the Arabian Peninsula probably bolstered the U.S. share for 1978.

Iran was the leading Mideast market for U.S. farm exports in 1974—before P.L. 480 shipments to Egypt reached a significant level. U.S. exports of farm products to Iran rose from $109 million in 1973 to $534 million in 1974, but port congestion and distribution problems caused U.S. exports of wheat and rice to Iran to decline sharply in 1976. A rebound occurred in 1977, as Iran had difficulty obtaining enough rice from Asia or wheat from Australia.

Three countries—Iran, Egypt, and Saudi Arabia—now import agricultural products valued at $2 billion annually, and imports of Iraq and Algeria are valued at more than $1 billion annually. Another group of countries whose farm imports have moved up to the $700 million-$800 million bracket includes Morocco, Libya, Israel, Kuwait, and the United Arab Emirates (UAE).

Although the main reasons behind the boom in agricultural imports by the 22 North African-Mideastern countries are well known, the duration of the boom and the impact that the boom may eventually have on world food prices are unknown factors.

Some reasons for the boom are:

- When petroleum prices quadrupled in 1973, new programs were implemented to spend part of the increased revenues for food imports. Nontariff trade barriers related to conserving foreign exchange were changed or eliminated.

Even countries without petroleum wealth obtained unprecedented foreign exchange from financial arrangements with their rich neighbors. Migration and urbanization accelerated as new jobs were created.

• Rapid gains in per capita income and government programs to provide wider income distribution accelerated food demand. Programs to improve diet—including subsidies for consumers—stimulated demand. (The average Mideastern diet in 1978 contained about 2,500 calories —200 more than in 1972, but still 600 calories below the U.S. average.)

• Population is growing 2.8 percent annually, and becoming urbanized. Urban areas usually rely heavily on imported cereals, oilseed products, and raw materials for industry, while rural areas usually produce enough food to meet local needs. Although outturns of produce are usually sufficient for all urban areas in the region, production of grain and oilseeds has dwindled during the past decade.

• Total cultivated area has not increased much since 1972, and yields are already high. Per capita agricultural production remains below the 1961-65 average in most Mideastern countries.

• Government control of food imports in many countries meant that demand for basic items—particularly cereals—was satisfied before products for adding protein to diet were considered. Imports of the latter are now arriving in substantial volume. Gains can be expected in imports of poultry, beef, and dairy products.

• New marketing and transport systems were developed. Improvement in transport, storage, and distribution have enabled Mideastern importers to obtain U.S. farm products faster and at lower cost. Example: U.S. firms using containerized shipping for consumer food products can supply Arabian Peninsula supermarkets at lower unit cost than would be possible through imports from multiple sources.

• Industrialization has boosted demand for such raw materials as tallow, soybeans, tobacco, cotton, and cattle hides. The addition of refrigerators to many households has brought changes in family diet, new foods, and a generally higher standard of living

• Construction of new port facilities, warehouses, and development of modern food distribution systems have been accelerated in some countries because of the availability of large petroleum revenues.

• Government trade policies have become more flexible, allowing duty-free imports of more items. Controlling inflation and satisfying urban consumers have received greater attention.

Some reasons why the boom may be expected to continue:

Wider distribution of petroleum wealth is likely to have a greater impact on improving diets among both urban and rural poor. School lunch programs, for example, are likely to include some imported food, particularly in Iran, Iraq, Saudi Arabia, and Egypt.

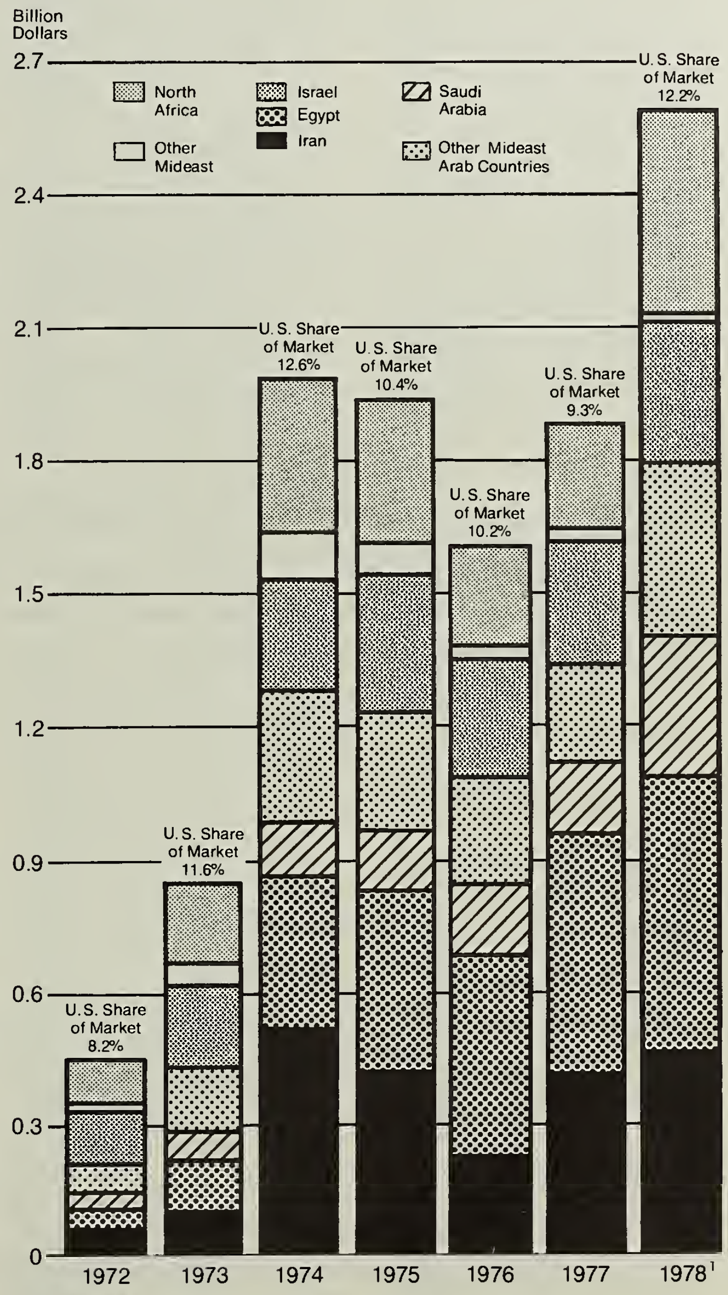
• Mideastern farmers are receiving improved returns for their fruit, vegetables, and other labor-intensive crops because of booming domestic demand—a trend that has adversely affected cereals production. Egypt's grain production, for example, peaked at 7.2 million tons in 1976, and is unlikely to approach this figure again unless additional land for grain production can be made available.

Grain stocks declined sharply in North Africa, Iraq, and Iran in 1977, when adverse weather crippled yields. On a per capita basis, grain stocks are still considerably below the 1976 level.

As **North Africans-Mideasterners become more affluent,** they demand more and better housing, which often means a loss of cropland to housing developments. In Egypt, for example, total area equal in size to the District of Columbia is removed from cultivation each year.

Intra-Arab labor movements, trade, and financial activities will improve the ability to import food for those countries where the shortage of foreign exchange is still a major bar-

U.S. Agricultural Exports to the Mideast and North Africa, 1972-78



[1] Estimated.

rier—a situation that applies especially to Egypt, Morocco, Syria, Jordan, and the Yemen Arab Republic.

Spending of petroleum revenues for development projects by Iraq, Algeria, and the Arabian Peninsula countries is likely to accelerate in the next several years. About 4 million immigrant workers in oil-rich countries are in a position to send their earnings back home, where this foreign exchange is of considerable financial significance.

Competition among supplier countries in the North African-Mideastern market varies in intensity from season to season. The U.S. share of the Mideastern wheat and rice markets has fluctuated widely since the early 1970's.

Prices offered and the volume of these commodities available for shipment from competing countries greatly influenced U.S. exports of these items to North African-Mideastern countries.

Changes in trade policies in some countries and the growth rate in total import needs also were important factors influencing the size of the U.S. share.

Commodity Outlook

The situation and outlook, by major commodity group:

Wheat and wheat flour. As the commodity mix of imports has become more diversified, wheat's share of total imports by the 22 countries declined. Wheat and flour will account for about 15 percent of the area's total agricultural imports during 1978—down from 26 percent in 1974.

Imports of wheat and wheat flour by the area still exceed $2 billion annually, but higher prices pushed the value to $2.3 billion in 1974. Total wheat and flour imports by the 22 countries rose from 6.8 million tons in 1972 to about 11 million tons in 1974 because of larger imports by all countries except Tunisia, Syria, and Lebanon.

Wheat imports by Iran, Iraq, and North Africa soared in 1977 because drought lowered production in those areas. Wheat imports in 1977 were about 15 million tons.

Further gains in wheat imports by Egypt, Algeria, and the Arabian Peninsula may push the region's 1978 imports of wheat and wheat flour near 16 million tons. Iran and Iraq maintained large wheat imports in 1978, exceeding 1.4 million tons for each country.

The U.S. share of wheat and wheat flour imports by the 22 countries may reach 45 percent during 1978, in contrast to approximately 37 percent in 1977.

The decline in Australian deliveries of wheat to Iran and Iraq and smaller Argentine shipments to Morocco, Algeria, and Egypt contributed to the improvement in the U.S. share.

Total U.S. exports of wheat and wheat flour to the Mideast and North Africa increased from 2.5 million tons in 1974 to 5.6 million tons in 1977. Much larger sales to Morocco, Iraq, and Saudi Arabia and some increase in deliveries to Egypt could push U.S. exports of wheat and flour to the area to about 7 million tons (about $1 billion value) in calendar 1978—nearly 40 percent of the value of total U.S. agricultural exports to the area.

Rice. A new dimension for U.S. rice exports since 1973 has been the rising volume of exports to the Mideast. The growth of U.S. rice exports to the Mideast and Indonesia during 1974-77 more than offset the loss of previously important markets in Southeast Asia.

Imports of milled rice by Mideastern countries reached a record 1.5 million tons in 1977—up from 1.15 million tons during 1974 and an average of 505,000 tons during 1970-72. The value of Mideast rice imports in 1977 exceeded $650 million—more than double the 1974 value. The quantity may reach 1.7 million tons for 1978.

Demand for imported rice was rising before the domestic hike in petroleum prices in 1973, but tremendous gains in petroleum income greatly accelerated growth in rice consumption.

U.S. rice exports to the Mideast during 1970-72 averaged less than 100,000 tons annually, but in 1975 shipments reached a peak of 631,469 tons, including 366,178 tons to Iran. Exports to Iran and Iraq declined sharply in 1976, and total U.S. rice exports to the Mideast fell to 470,367 tons in 1976.

U.S. rice exports to Iran rose to a record 477,148 tons in 1977. Exports to Iraq also rebounded and U.S. rice exports to the Mideast reached a record 669,467 tons in 1977, valued at $236 million. Much larger shipments of U.S. rice to Saudi Arabia and Iraq caused the 1978 volume to remain near the 1977 monthly rate, despite smaller shipments to Iran.

U.S. rice exports to the Arabian Peninsula will double in 1978 with much larger sales to Saudi Arabia, the UAE, Kuwait, and Qatar.

Other commodities. Competition from the European Community and Brazil for sales of frozen poultry in the Mideast increased during 1978. Total Mideastern imports of frozen poultry are likely to exceed 250,000 tons in 1978, but less than 8 percent of that volume will come from the United States.

Total U.S. exports of frozen poultry to the Mideast may surpass 10,000 tons in 1978, but this total would be below the level of shipments in 1977, when Iraq took 14,320 tons of U.S. frozen poultry.

From a small base, U.S. exports of eggs to the Arabian Peninsula have increased markedly this year. U.S. exports of eggs to the Mideast for 1978 are likely to be more than five times the 1977 deliveries of $1 million.

Growing Demand For U.S. Corn

Expansion of poultry and dairy enterprises in the Mideast contributed to a larger demand for U.S. corn in 1978.

U.S. corn exports to the North African-Mideastern area reached 1.7 million tons during fiscal 1978—about 28 percent above the volume reached in the year-earlier period.

Larger corn shipments to Iran, Egypt, and the Maghreb countries provided most of the increase. Less competition from Thai and Argentine corn in early 1978 contributed to the gains for U.S. corn.

Smaller deliveries of Indian peanut meal and Brazilian soybean meal led to a boom in U.S. exports of soybean meal to the region in early 1978, particularly Iran, Iraq, and Egypt. Shipments to Iran more than tripled during this period.

U.S. exports of many processed foods to the Mideast in 1978 will be more than double the 1976 level. Much larger sales of honey, canned vegetables, fruit juices, and snack foods have occurred in the past 2 years. □

U.S. Farm Export GSM-101 Program Covers Noncommercial Risks

U.S. agricultural exports during fiscal 1978 hit a record $27.3 billion. Of this amount, a record $1.5 billion worth of such items as feedgrains, soybeans and products, cotton, and tobacco were exported under the Commodity Credit Corporation (CCC) Export Credit Sales Program, or GSM-5.

This year, shipments of commodities under CCC-sponsored credit arrangements are likely to reach even higher levels as the result of a new program—the CCC Noncommercial Risk Assurance Program (GSM-101), according to Kelly Harrison, General Sales Manager and Assistant Administrator for Foreign Market Development, FAS.

Under the new program, a U.S. exporter who sells on deferred payment terms is protected from loss in an export transaction covered by an irrevocable commercial letter of credit if the issuing foreign bank fails to make payment because of a noncommercial risk, such as:

- War, hostilities, civil war, rebellion, insurrection, or civil commotion;
- Expropriation, confiscation, or like action by a government;
- Imposition by governmental authority of any order, decree, or regulation of general applicability having the force of law; or
- Failure of the central exchange authority to transfer local currency into U.S. dollars.

Originally developed to meet a special financing need for cotton, GSM-101 has been made applicable to all commodities. Under GSM-101, actual financing is done by private banks or financing institutions; the only demand for CCC funds would arise from any possible losses. As a result, participation by private financing institutions is essential.

Ordinarily, private banks will not finance exports of agricultural commodities beyond 90-180 days. By offering banks full protection against loss from political risks (under the GSM-101 program), the exporter may discount his receivable at a bank and assign his GSM-101 protection to the bank.

The program offers protection for credit periods up to 36 months. The U.S. exporter applies for noncommercial risk assurance after the Department of Agriculture has announced its intent to provide coverage for a given value of commodities in a given country. The total amount of coverage to be provided will also be specified by the Department.

The exporter pays an assurance fee charged by CCC with his application for coverage. Fees will vary by market, but on the basis of current criteria, will be less than 1 percent of the financed value.

Since it will be the banks or private financing institutions that will be doing the actual financing, their interest rates will prevail. Interest will be covered not to exceed 6 percent.

If the foreign bank that issued the letter of credit for an assured shipment fails to meet its obligations (for noncommercial reasons), the exporter must notify the Treasurer, CCC, within 6 months of the date of default and provide the information required by the GSM-101 regulations. If liable under the agreement, CCC will pay the exporter —or the assignee—the amount of the loss plus interest. CCC will then take over collection of the debt.

Through encouraging private financing under CCC's risk assurance program and with full utilization of CCC credit, it is anticipated that agricultural export financing needs can be met with minimal reliance on the federal budget.

Copies of the GSM-101 regulations may be obtained by writing to the Assistant Sales Manager of Commercial Export Programs, U.S. Department of Agriculture, Washington, D.C. 20250. Telephone: (202) 447-3224. Application for assurance agreements should be sent to the same address. □

FAS Trade Letter Brings Sales of $6.3 Million

Thirty-five U.S. companies have reported sales totaling $6.3 million in 1977 as a result of contacts made with foreign buyers through a monthly FAS trade letter, "CONTACTS for U.S. Food Products." This service was initiated by the Foreign Agricultural Service in August 1976 to help U.S. suppliers of agricultural products locate customers overseas.

These sales results were obtained in a survey of U.S. firms listed in the 1977 editions of this market promotion tool.

The trade letter provides names and addresses of U.S. suppliers and brief descriptions of their products. The letter also is used to announce trade shows and other developments of interest to foreign firms. The publication is distributed to foreign buyers through the offices of U.S. Agricultural Attachés overseas.

The 1977 sales covered by the survey consisted of a wide range of agricultural products, including canned vegetables, dietetic foods, powdered drink mixes, frozen meats, dried eggs, breeding stock, and raisins. Also included were sales of candies, soybeans, honey, dried foods, popcorn, and soybean meal and oil.

Typical comments of the U.S. firms abroad were that the CONTACTS program was extremely helpful, a most useful tool, and an effective and valuable marketing service. It was also noted that CONTACTS provided excellent exposure for small companies, a good way for new-to-the-market products to gain identification, and one without which a significant number of sales would not have developed.

U.S. firms can submit a product announcement for the trade letter through the export representative of their State Departments of Agriculture or directly to

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Senegal's Peanut Production Seen Rebounding in 1978/79

Favorable weather has ensured a sharp recovery in Senegal's 1978/79 peanut production from last season's drought-reduced crop.

Early estimates put this season's harvest at 1.1 million metric tons (farmer's stock basis)—in line with the Government's plan to stabilize peanut production in order to devote more land to increasing the country's grain output.

Senegalese exports of peanut oil and meal should also rise sharply above year-earlier levels. Most of Senegal's peanut crop is crushed to produce oil and meal for export, the bulk of which goes to the European Community.

In the main peanut-producing regions of the country, rains started on time and were well dispersed throughout the growing season. The disastrous 1977/78 crop of only 560,000 tons evidently scared some farmers away from peanut production, resulting in a shift toward millet. One Senegalese official believes that 10 to 15 percent of the normal peanut area was diverted to millet.

In addition, there was also concern that seeds produced from last season's drought-stricken crop and sown to 1978/79 production were of poor quality and could cut into this season's yields.

Commercial deliveries of the 1978/79 crop should equal about 1 million tons. The crush would then total around 875,000 tons because about 125,000 tons are returned to farmers for seed use for upcoming peanut production in Senegal.

The recovery in Senegal's peanut production will allow oil and meal exports to rebound to more normal levels during 1978/79. A crush of 875,000 tons would yield about 280,000 tons of peanut oil, of which about 223,000 tons would enter export channels.

Meal output from this season's crush should reach about 333,000 tons, and since domestic use of meal is minimal, virtually all of the meal will go into export.

Although very little peanut meal is consumed locally, the Government hopes to modernize the dairy and poultry production and use byproducts of the peanut crushing industry as feed.

Senegal's consumption of peanut oil has been increasing gradually and is expected to reach 57,000 tons—requiring 178,000 tons of peanuts—in 1978/79.

Guaranteed prices to producers have not been changed since 1974, remaining for the 1978/79 season at 19 U.S. cents per kilogram for oil nuts and 27 U.S. cents per kilogram for hand-picked and selected peanuts (HSP).

While peanut price supports were kept constant, guaranteed producer prices for millet and sorghum were raised in mid-June from 16.3 to 18.6 U.S. cents per kilogram. This increase was partly responsible for the shift in some land from peanuts to millet and sorghum.

With the rise in millet and sorghum producer prices, Senegal took another step toward its goal of depending less on peanuts while producing more of its own grain consumption requirements. The Government's target is to stabilize peanut production at around 1.2 million tons annually and this season's crop should approach that objective.—*Based on a report from Kenneth L. Murray, U.S. Agricultural Attaché, Abidjan, Ivory Coast.* □

China Adopts New Policies To Spur Farm Production

Although China has failed to match earlier grain goals, planners in the People's Republic of China (PRC) set even higher long-term grain targets early this year. However, attainment of these goals will hinge on the successful implementation of China's new agricultural policies.

In retrospect, despite claims of bumper harvests for the past 15 years, China's per hectare yields and outturn of major crops remain far below the targets set forth in the country's 1956 National Agricultural Development Plan.

That plan called for regional grain yields of 3,000, 3,750, and 7,500 kilograms per hectare and a total national grain harvest of 360 million metric tons by 1967. Actual production that year was only 230 million tons with average yields of 1,810 kilograms per hectare.

In March 1978, the Fifth People's Congress set even more ambitious grain targets. Regional grain yields were to be doubled and the 1985 national grain production goal was raised to 400 million tons, compared with an actual output of 280 million tons in 1977 and an expected Chinese grain harvest of possibly 290 million tons for 1978.

At present, it is not the plan but the policies used in attempting to fulfill the plan that are the prime concern of Chinese officials. They recognize that purely mechanical programs to improve agricultural output will not be fully realized unless accompanied by effective incentives.

In the words of Chairman Hua Kuo-feng, "To increase agricultural production, it is imperative to bring into full play the socialist initiative of our peasant masses. Otherwise the measures for increasing production will come to naught and socialist agriculture will not grow smoothly." □

Egypt's Cotton Production Rises

As a result of favorable growing conditions and effective pest control this season, Egypt is experiencing its highest cotton yields in 15 years.

Egypt's 1978/79 cotton production is now expected to reach 1.86 million bales (480 lb net), slightly above last year's 1.83 million bales. Area decreased 17 percent to 499,000 hectares.

The country's 1978/79 imports are estimated at 160,000 bales (480 lb net); Egypt already has purchased 102,000 running bales—about 106,000 bales of 480 lb—from the United States for delivery during this season. □

Far East Food Shows Set For Tokyo, Hong Kong in March

Trade-only food shows are scheduled to be held by the Foreign Agricultural Service in two major Far Eastern cities in spring 1979, and details are being sent to the trade.

Between 35 and 40 U.S. food processing and exporting firms, as well as FAS cooperators, are being asked to participate in exhibits in Tokyo, March 12-16, and in Hong Kong, March 20-22. In addition, U.S. food products will be exhibited to the general Hong Kong public following the exhibit there.

That city's fiscal 1979 exhibit season will be capped off still later in the year by a food promotion at several Hong Kong stores and a restaurant promotion.

The Tokyo exhibit will be held as part of an international hotel, restaurant, and institutional exhibition at the Harumi Pier, a site of numerous U.S. and multi-country exhibits. The Hong Kong event is an FAS solo show and will take place in the ballroom of the Hong Kong Sheraton in Kowloon. U.S. firm representation is required at both shows.

Full product lines of about 800 items will be displayed at the two trade-only events, including meat products, frozen dinners and desserts, egg and poultry products, fresh and processed fruits, vegetables, and juices, snack items, institutional packs, and packaged food gifts.

Japan is the most important single U.S. market for agricultural products and Hong Kong is well on its way to becoming one of the top U.S. markets. However, nearly every developed country and many developing countries look to Japan as an existing or potential market.

Competition is strong in Hong Kong from countries such as Australia, New Zealand, the Philippines, the People's Republic of China, the Republic of China, and numerous European nations.

In 1977/78, exports of U.S. agricultural products to Japan reached a record \$4.15 billion, versus \$3.77 billion a year earlier, and \$3.40 billion in 1975/76.

Consumer-ready food shipments to Japan amounted to some \$395 million in calendar 1977, about 11 percent of the farm export total. Leading consumer items shipped included meat and meat products (\$126 million), variety meats (\$25 million), fresh fruit (\$89 million), nuts (\$27 million), poultry and poultry products (\$37 million), dried fruit (\$10 million), and other grocery products (\$27.6 million).

In calendar 1977, U.S. exports of agricultural products to Hong Kong rebounded sharply from 1976's relatively low \$206.1-million level to a record \$303.9 million. Improved sales of cotton accounted for about half the gain, but virtually every category of bulk and consumer-ready products showed increases over the totals of the previous year.

Exports of consumer items to Hong Kong totaled \$106.3 million in calendar 1977, considerably higher than the \$89.3 million of 1976. Major gains were made in exports of poultry and poultry products, (\$25.2 million versus \$20.3 million in 1976), fresh fruit (\$46.1 million vs \$42.5 million), and miscellaneous grocery items (\$12.4 million vs \$8.7 million).

Immediate sales of \$1 million and projected sales of \$12 million in the coming year are expected to result from the Tokyo event. Floor sales of \$250,000 and 12-month returns of \$1 million are seen occurring in Hong Kong.

To capitalize on the steadily mounting demand for consumer foods in Hong Kong—a climb that has been strong for the past 5 years—the U.S. Agricultural Officer there will open to the general public on March 23 an exhibit of canned and dried U.S. food products. Later in the year, a point-of-purchase promotion will be held in Hong Kong supermarkets to capitalize on the interest generated by the March exhibits.

With an eye toward placing before the consuming public for the first time many of the products exhibited at the solo show, the point-of-purchase event will probably have available a larger than normal area of shelf space. Coinciding with this promotion, the American food festivals will be held in a number of Hong Kong restaurants, featuring special menus.

Firms and individuals interested in participating in the Tokyo and/or the Hong Kong exhibit—or any other FAS promotional event—can get full information by writing to the Director, Export Trade Services Division, FAS, U.S. Department of Agriculture 20250, telephone (202) 447-6343. □

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Bob Bergland, Secretary of Agriculture.

Dale E. Hathaway, Assistant Secretary for International Affairs and Commodity Programs.

Thomas R. Hughes, Administrator, Foreign Agricultural Service.

The Secretary of Agriculture has determined that publication of this periodical is necessary in the transaction of public business required by law of this Department. Use of funds for printing *Foreign Agriculture* has been approved by the Director, Office of Management and Budget, through June 30, 1979. Yearly subscription rate: \$38.00 domestic, \$48.00 foreign; single copies 80 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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ANUGA Is Sales Opportunity For U.S. Foods in Germany

U.S. firms not yet promoting consumer-ready foods in the West German market, or those whose selling activities in West Germany are minimal will find that participation in the U.S. area at the ANUGA exhibit in Cologne, September 8-13, 1979, is one of the best ways to introduce their products to the German consumer.

One of Europe's top international exhibits, ANUGA always draws large numbers of German and foreign food exhibitors and buyers, and provides strong leads to future sales. Approximately 3,900 companies from 84 countries exhibited at ANUGA 1977 and the turnout in 1979 is expected to be at least as great, attesting to the fair's drawing power.

The U.S. exhibit at ANUGA 1979 will be a joint activity of the Foreign Agricultural Service and the German-American Chamber of Commerce in New York. More than 8,000 square feet (750 m^2) of exhibit space will be available in the U.S. area. U.S. firms featuring products new to the German market, or not yet fully established in Germany, will be given top priority among those companies requesting exhibit space.

West Germany continues to be an important dollar market for U.S. agricultural products. Despite a 24 percent decline in value from the record 1976/77 level, U.S. agricultural exports to that country totaled $1.460 billion in 1977/78, nearly three times the $587 million of 1970/71.

Contrasting with the recent decline in U.S. farm product exports to Germany, shipments of consumer-ready items in calendar 1977 rose by almost 5 percent to $129 million.

Leading consumer-ready exports include: Beef and pork livers, frozen orange juice concentrate, canned peaches, pineapple, and cherries, almonds, walnuts, dried fruits, honey, pet foods, frozen fruits and vegetables, snack items, poultry, specialty items, health foods, and fresh oranges. Of particular interest to the German food trade are products in institutional packs.

An ANUGA invitation kit is being prepared by the Chamber of Commerce and will be sent to those potential exhibitors requesting it. It will contain detailed information about the fair, marketing opportunities offered by this international event, and conditions of participation.

Food firms wanting to exhibit at ANUGA are requested to contact Hans J. Teetz, Manager, Trade Fairs Department, German-American Chamber of Commerce, 666 Fifth Avenue, New York, N.Y. 10019. Telephone: (212) 582-7788; Telex: New York 234 209. □

Singapore Ups Poultry Meat Imports

Although Singapore's poultry industry has been expanding rapidly, its 1977 imports of poultry meat at about 18,000 metric tons were an impressive 20 percent higher than 1976's, according to Robert J. Svec, U.S. Agricultural Attaché in in Kuala Lumpur.

The United States continued to dominate the Singapore turkey meat market, and held 71 percent of the frozen poultry market, compared with only 7 percent in 1973.

Singapore produced 44,600 tons of chicken meat in 1977 and 6,605 tons of other poultry meat—6.3 percent and 12.8 percent, respectively, higher than year-earlier levels. A sharp rise in domestic production of duck meat resulted from a shortage in supplies from the People's Republic of China.

Strong growth in Singapore's hotel and restaurant business and rising incomes contributed to a 10 percent rise in consumption of chicken meat (to 59,000 tons) and a 13 percent rise for other poultry meat (to 7,300 tons). □

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Trade Letter

the Export Trade Services Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

The firm's announcement must be no more than 100 words and include its bank reference, complete address, and phone and/or telex number.

All weights and measures in product descriptions must be metric, and preference will be given to new exporters and/or new export products. There is no charge for the service. □