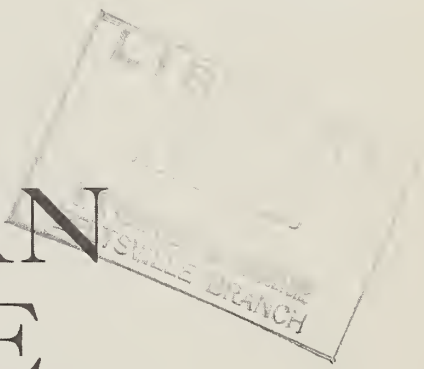


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THE 1965 WESTERN HEMISPHERE AGRICULTURAL SITUATION



U.S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE
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TIME REFERENCES

Agricultural production in the Western Hemisphere includes harvests in every month of the year. For all crops, the harvest period in the United States and Canada is reported on a calendar year basis, but for many crops in Latin America, the harvest period begins in November or December on one year and continues into the first half of the following year.

The split year is identified by a diagonal stroke, such as 1961/62. Hyphens, such as 1961-62 indicate averages for several years.

The time-reference usage in this report is generally as follows:

1. Production of single crop in one or several countries: Calendar year if harvested in the year; otherwise, split year.

2. Combined production of crops in one or several countries: Split year, except Canada and the United States.

3. Production of livestock products: Calendar year.

4. Combined production of crops and livestock for one or several countries: Split year, except for Canada and the United States.

5. Combined calendar and split year production: Split year, calendar year data used being for the first year of the combination.

6. Trade: Calendar year, except split year for marketing season and United States fiscal (July-June) year.

7. Differences in the sections for Commodity Developments and Country Situations for Latin America: Combinations vary with the series used.

Data for the section on Commodity Developments and table 6 are compiled from statistical series of the Foreign Agricultural Service. Production relates to the calendar year of the first year shown for tobacco, oilseeds (except flaxseed), livestock products, and hard fibers. For other commodities, harvests in northern countries in the first year shown are combined with those in the Southern Hemisphere which immediately follow.

Data for Country Situations for Latin America and tables 1-4 are based on the production indices series, which more adequately reflect a common harvest season in each country. Split year combinations follow the general system indicated under the time references above as related to each country concerned.

UNITS AND CONVERSION FACTORS

Standard U.S. units and conversion factors have been used unless otherwise noted. Metric tons have been generally used and other tons are identified. Hectares have been converted to acres at a ratio of 1:2.471.

1965 Western Hemisphere Agricultural Situation

Summary



Western Hemisphere agricultural output in 1964/65 is expected to decline significantly from record levels a year earlier. Production is down in Canada, the United States, and Latin America. However, the region remains the world's major agricultural supplier; farm exports will likely be at high levels because of large stocks of most commodities that had declines in output.

Significant gains in economic output and growth and in foreign exchange reserves in most Hemisphere countries last year will likely extend into this year.

Both total and per capita agricultural output for 1964/65 are estimated to be down. Food production is probably about the same as a year earlier, however, because most of the decreased output is in export crops. Per capita food output in Latin America is down somewhat.

The production declines largely resulted from unfavorable weather in many areas. Drought cut crop production in Canada to well below record levels of a year earlier, more than canceling increased livestock output. U.S. crop production was also down due to drought, more than offsetting gains for livestock. Reduced Latin American output resulted from regional drought and floods and frost in some areas. However, most of the decline was in four countries-- Argentina, Brazil, Chile, and Costa Rica. Per capita agricultural declines for these countries were sharper than decreases in their total agricultural production. The Dominican Republic also had a per capita agricultural output decline.

Reduced Canadian output mainly resulted from sharp drops in breadgrain and feedgrain output. U.S. reductions were mainly in feedgrains, vegetables, and tobacco. Latin American declines were mainly in grains and coffee.

For the Hemisphere, reduced output of coarse grains, pulses, tobacco, and coffee offset gains in wheat, rice, cotton, sugar, cocoa beans, meat, milk, and wool. Little change was estimated for root crops and edible oilseeds. Assuming normal weather, recovery in output in 1965/66 is likely.

Hemisphere agricultural exports and imports probably went up in 1964 from 1963's estimated \$12.5 billion in exports and \$6.5 billion in imports. These gains resulted primarily from a high production level in 1963/64 and contributed to improved economic conditions. Favorable prices for many export commodities also helped. Agricultural trade in 1965 may show some decline but is expected to be at a high level. Economic conditions are generally improved and stocks of most commodities having production declines are large.

Regional Situation



REGIONAL DEVELOPMENTS

The political and economic situation varied in the Western Hemisphere during 1964 but generally exerted a positive influence upon production and trade. Economic growth rates increased in most countries; improved trade and monetary stabilization were reflected in larger foreign exchange reserves. The outlook for 1965 is brighter, but longer range prospects are mixed.

Expanded industrial activity maintained economic growth rates at high levels in the United States and Canada during 1964. Latin America continued a significant recovery and 1964 gross national product was estimated to have met or exceeded Alliance for Progress goals of per capita gains of at least 2.5 percent per year in Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Ecuador, Peru, Bolivia, Chile, and Argentina. Growth in other Latin American countries probably at least met or exceeded population growth rates, except for Cuba, Haiti, Panama, and Brazil. These favorable growth trends will probably continue in early 1965, with a possible weakening in some countries as the year progresses.

Terms of trade were probably more favorable to the underdeveloped countries of the Hemisphere in 1964 than the year before and contributed to economic gains. Industrial prices were generally steady while primary and agricultural prices were mixed in international markets. Minerals, wheat, beef and cattle, linseed oil, coffee, wool, and fishmeal likely registered gains. Banana, sugar, and cocoa were estimated to be off. There was little change in cotton and petroleum.

Longer range problems continue to involve basic economic adjustments for the developing countries of the Hemisphere. The rapid population increase remains perhaps the greatest problem. Latin American population is increasing the fastest of all regions in the world. Even rapid economic gains are quickly outstripped by population growth. Other basic problems include heavy dependence on exports of agricultural and primary commodities, large imports of industrial products, weak foreign exchange positions, and chronic inflation.

Basic long range economic structural changes continue. The shift of rural population and labor force to urban centers often proceeds at a rate exceeding growth in employment opportunities. The proportion of the total labor force in agriculture ranges from a low of about 8 percent in the United States to a high of over two-thirds in Bolivia, Paraguay, and some Central American

countries. The traditional pattern of land tenure, both large and fragmented holdings, is being threatened by the pressure of population shifts and the need for increased commercial crop production. Tax reform and other land tenure measures are under consideration or have been adopted by all the Latin American countries, except Uruguay and Haiti. These changes, though occurring slowly, are causing increasing economic, social, and political stress.

The estimated decrease in 1964/65 Hemisphere agricultural production will have mixed results. The effect of the declines on Canada and the United States will be minor in view of agriculture's relatively smaller role in their gross national products and international trade than is the case with other Hemisphere countries and in view of adequate stocks of most commodities. For Latin America and the Caribbean, reduced output will have a greater impact on both the level of economic activity and trade. More important the decline is concentrated in four countries, which will bear the brunt of the drop. The Hemisphere decrease is primarily the result of drought in Canada and the United States and drought, floods, and frosts in parts of Latin America.

Commodity production estimates indicate some adjustment in Hemisphere trade in 1965. Reduced output of coarse grains, pulses, tobacco, and coffee offset increases for wheat, rice, cotton, sugar, cocoa beans, meat, milk, and wool. Little change was evidenced in root crops and edible oilseed. Reductions are not expected to have a serious impact because of large stocks of most of these commodities. However, the increases may have depressing effects on prices and export earnings of these commodities, except for milk which is little dependent on exports.

The food production index for 1964/65 will be higher than that for total agricultural output. For Latin America, food output will probably be at the same level as a year earlier, although down on a per capita basis. Per capita declines were estimated for Argentina, Brazil, Chile, Dominican Republic, El Salvador, and Guatemala. This drop may necessitate larger food imports and add to inflationary pressure, particularly in Brazil and Chile.

Food consumption levels generally showed little change in 1964 from the average estimated for 1959-61. Canada and the United States continued near the same high levels. Of the 22 countries of Latin America, the 14 calorie-deficit countries in 1959-61 probably remained in roughly the same position. However, Cuba has probably now joined the calorie-deficit group, since consumption has declined sharply since 1961.

A number of developments continue to offer possibilities of long range changes in agricultural production and trade of the Western Hemisphere. The 1960 Treaty of Montevideo established the Latin America Free Trade Area (LAFTA), intended to result in free trade by 1973 among the 9 member nations. In the past year Bolivia and Venezuela have seriously considered joining. However, only limited progress has been made in achieving treaty objectives. In contrast, the Central American Free Trade Association (CAFTA), established in 1961, has largely met objectives of free trade between members well ahead of the 1966 target date. Panama is the only Central American country not in CAFTA, but it enjoys a special trading status with the member countries. The Alliance for Progress (the United States and 19 Latin American nations) appears to have placed more emphasis on agricultural development in the last year. Commodity agreements and arrangements are also important, including those for wheat, coffee, cocoa, and sugar.

COMMODITY DEVELOPMENTS 1/

Western Hemisphere agricultural output declined significantly in 1964/65 largely as the result of unfavorable weather. Reduced output of coarse grains, pulses, tobacco and coffee offset increased production of wheat, rice, cotton, sugar, cocoa beans, meat, milk, and wool. There was little change in the output of root crops and edible oilseeds.

Agricultural exports and imports of the Hemisphere likely increased in 1964 from an estimated \$12.5 billion in exports and \$6.5 billion in imports in 1963, representing about 40 and about 20 percent respectively of world totals. These gains occurred despite lower output, since large stocks of many commodities were available for shipment. Gains are expected to continue into 1965 and result from increased production and other factors.

Wheat

Western Hemisphere wheat production approximates 25 percent of world output. Hemisphere production is concentrated in the United States, Canada, Argentina, and Mexico. The 1964/65 crop is expected to reach 63.9 million tons, moderately above the preceding year. A 13 percent increase in U.S. production, resulting from a larger harvested area and near-record yields, and a 19 percent rise in the Mexican crop more than offset a drop of 17 percent in Canadian wheat production. Crop prospects in Argentina, though less favorable than last year, point toward another large output, estimated at 7.9 million tons.

Wheat exports from the Western Hemisphere traditionally account for 70 percent of the world total; Canada, Argentina, and the United States are the principal suppliers. Hemisphere exports for 1964 were estimated at nearly 39 million tons, up 18 percent from the previous year, due primarily to the unusual import demand of the Soviet Union and Western Europe. Hemisphere wheat exports for 1965 will likely be down moderately from the record of 1964. World production for 1964/65 is expected to increase substantially, particularly in Western Europe and the USSR, and import requirements for 1965 should be down sharply from the preceding year.

Coarse Grains

Nearly half of the world volume of coarse grains--corn, grain sorghum, barley, and oats--are produced in the Western Hemisphere--mainly in the United States, Argentina, and Canada. Coarse grain production in the Hemisphere for 1964/65 is estimated at 167.3 million tons, down 10 percent from the previous year but 4 percent above the 1955/56-1959/60 average. This situation stems largely from reduced production in the United States; planted area was down through increased participation in the feed grain program and yields were down about 7 percent because of dry weather in the Midwest. The substantial decline in U.S. production was accompanied by a similar drop in Canadian production. Prospects in Brazil and Argentina are good and production is estimated at 18.2 million tons, 14 percent above the previous year.

Western Hemisphere exports of coarse grains are about 70 percent of the world total. The United States, Argentina, and Canada are the Hemisphere's major shippers. Increasing world import demand for feedgrains has been an outgrowth of rising per capita consumption of livestock products, particularly in Western Europe and Japan. Demand in these countries has exceeded gains in production and has resulted in the large exports from the Hemisphere in recent years. U.S. exports of coarse grains reached 16.1 million metric tons for the year ended June 30, 1964;

1/ See item 7 under Time References, p. ii.

this amounted to 50 percent of the world total. Canadian shipments in the same period were up sharply as a result of an increase in barley exports. Shipments from Argentina were also up substantially following the large 1963/64 harvest of coarse grains. With larger supplies and a rising world demand, 1965 exports from the Hemisphere are expected to equal and may exceed the record levels of previous years.

Rice

Production of rice in the Western Hemisphere accounts for only about 5 percent of the world total. About 80 percent of the Hemisphere's output is in Brazil, the United States, and Colombia. Western Hemisphere rice production for 1964/65 is estimated at 12.1 million tons, 8 percent above the previous year; production in Brazil and Colombia is expected to recover from the reduced crops of the previous year. The 3.3 million ton output in the United States continued the uptrend of recent years.

Western Hemisphere exports of rice account for nearly one-fifth of world exports, because the United States is currently the third largest shipper in the world. U.S. exports in 1964 were estimated at 1.3 million metric tons, about 40 percent of the U.S. crop. Other important suppliers in the Hemisphere are British Guiana, Ecuador, Surinam, and Uruguay.

Pulses and Root Crops

Pulses (dried beans and peas) and root crops (potatoes and yuca or cassava) are basic food staples in the diets of most countries of the Western Hemisphere. Production of dried beans is concentrated in Brazil, the United States, Mexico, Chile, and Colombia; total output is about 40 percent of the world crop. Hemisphere production of dry peas amounts to only about 3 percent of the world total; the United States, Argentina, Canada, and Colombia are the major producing countries. Potato production is concentrated in the temperate zone countries; Hemisphere production approximates 7 percent of the world total. Yuca or cassava is abundant in the tropical or semitropical countries; Hemisphere production is about 30 percent of the world total.

Production of dry beans in the Western Hemisphere for 1964/65 is estimated at 3.7 million tons, down 11 percent from the past year. This decline was mostly attributed to reduced crops in Brazil and the United States. The potato crop for 1964/65 is also down, to 24.5 million tons from 25.3 million a year earlier. A moderate increase is forecast for 1964/65 yuca production.

Fruits and Vegetables

Western Hemisphere fruit and vegetable production for 1964/65 is estimated moderately above the previous year. Fruit production is expected to increase substantially; vegetable production may show only a slight gain.

Banana exports account for about 80 percent of the world total. Exports for 1964 were probably somewhat above the year before. Shipments from Ecuador, the world's leading exporter, were estimated at 1.4 million tons, up 3 percent from the past year. A substantial gain likely occurred in 1964 exports from Colombia, reflecting recently expanded production. Central American exports for 1964 probably increased 14 percent to 1.1 million tons.

Sugar

Production of raw centrifugal sugar in the Western Hemisphere for 1964/65 is estimated at 22.3 million tons, about 37 percent of the world total. This output will be 8 percent above the

preceding year and 21 percent above the 1955/56-1959/60 average. The only decline expected among major sugar producers of the Hemisphere is in Argentina, primarily because of its reduced sugar yield per ton of cane. Argentina output in 1964/65 is estimated at 964,000 tons, down 8 percent from the previous year. U.S. mainland production in 1964 was estimated at 4.0 million tons, up 4 percent. The United States dropped to the second largest sugar producer in the Hemisphere with Cuba's increase, and to fourth in the world. Cuba's output for 1964/65 is estimated at 4.1 million tons, somewhat of a recovery from recent low levels. Nearly all producing countries in the Hemisphere have continued to expand production in response to export earnings and rapidly advancing world prices in 1964.

Western Hemisphere sugar exports traditionally account for 40 percent of the world total. For the third consecutive year, Hemisphere exports declined in 1964 primarily because of the poor 1963/64 crop in Cuba. With better prospects in Cuba--the world's largest sugar exporter--and in other Hemisphere export countries, total exports for 1965 may go above the year before. The United States continues as the world's leading importer, purchasing about 3.5 million tons in 1964, down 14 percent from 1963. On October 19, 1964, the U.S. Secretary of Agriculture proposed to prorate the 1965 quota for foreign countries, other than the Republic of the Philippines, based on a formula which gives single weighting to 1963 imports into the United States and double weighting to 1964 imports. This proration, subsequently finalized December 16, was used in order to recognize the performance of countries which committed supplies to the U.S. market when sugar was scarce throughout the world. Prorations for 1965 for countries of the Western Hemisphere were as follows (tons):

Argentina	53,745	French West Indies . . .	36,021
Brazil	185,117	Guatemala	33,410
British Honduras	3,488	Haiti	18,296
British West Indies	102,231	Mexico	325,332
Colombia	24,528	Nicaragua	33,924
Costa Rica	29,160	Panama	12,064
Dominican Republic	324,379	Peru	202,022
Ecuador	41,415	Venezuela	2,230
El Salvador	14,352		

The above prorations are based on a global import quota, excluding Puerto Rico and the U.S. Virgin Islands, 3.1 million tons of which 0.2 million tons are presently not allocated.

Edible Oilseeds

Edible oilseeds are produced mainly in the United States, Mexico, Canada, Brazil, and Argentina; the United States is by far the chief producer in the Western Hemisphere. Production of the four principal oilseeds--soybeans, cottonseed, peanuts and sunflowerseed --for 1964/65 is estimated at 31.1 million tons, up slightly from the previous year. Soybean production, which accounts for about 63 percent of the total, is estimated at 19.6 million tons for 1964/65, about the same as a year earlier. Cottonseed output for 1964/65 is expected to total 9.0 million tons, about 2 percent above 1963/64. Peanut production for 1964/65 is estimated at 1.9 million tons,

about the same as a year earlier. Sunflowerseed output for 1964/65 is forecast to decrease to 583,000 tons from 605,000 tons a year earlier, largely because of a sharp reduction in the output of Uruguay.

Western Hemisphere exports of edible oilseeds are chiefly soybeans and are mainly from the United States. Hemisphere shipments in 1964 were probably up moderately from the previous year. U.S. soybean exports were forecast at 5.2 million tons, 9 percent above 1963. Cottonseed exports from Nicaragua, the Hemisphere's principal supplier, were up an estimated 7 percent to 80,000 tons. Hemisphere exports of edible oils in 1964 were expected to be higher than the 1963 level because of greater U.S. exports of cottonseed oil. Western Hemisphere exports of edible oilseeds and oils in 1965 are anticipated to rise to record levels because of increased supplies and a continuing uptrend in world demand.

Cotton

Western Hemisphere cotton output, which accounts for 45 percent of the world total, is expected to increase from 4.9 million tons in 1963/64 to 5.0 million tons in 1964/65. Production in the United States, the world's leading producer, is estimated at 3.3 million tons, up slightly from the previous year despite a small reduction in acreage. Mexican cotton production for 1964/65, estimated at 495,000 tons, partially recovered from the drought reduced level of the past year but was still below the record of 528,000 tons for 1962/63. Production in Central America continued the recent expansion trend, reaching 272,000 tons for 1964/65, 15 percent above a year earlier and triple the average for 1955/56-1959/60.

Normally about half of world cotton exports are by countries of the Western Hemisphere, principally the United States, Mexico, Brazil, and Peru. Hemisphere exports for the trade year ended July 31, 1964, increased substantially from the preceding year. This was due to larger U.S. shipments and increased exports from some of the other principal shippers. Central American exports for the 1963/64 trade year were 208,000 tons, 20 percent higher than the previous year. This rise is indicative of the increasing importance of cotton in export earnings of the Central American countries. Hemisphere exports for the 1964/65 trade year may fall short of the past year as a result of record world production and larger stocks in importing countries.

Coffee

Western Hemisphere coffee production normally accounts for over 70 percent of the world total. A tropical crop, it is confined to Latin America. Output for 1964/65 is expected to total 1.9 million tons, down 34 percent from the preceding year reflecting the poor crop in Brazil, the world's leading coffee producer. Because of damaging frosts and drought, Brazil's crop is expected to decline 62 percent from a year earlier to 600,000 tons for 1964/65. Little change is estimated for coffee production in Colombia, the second largest producer. Increased 1964/65 production is anticipated for Ecuador, Peru, and Venezuela. Declines are expected in Central America and Mexico.

Latin America is the world's leading coffee supplier, though its share of shipments has slipped from 80 percent in 1950-54 to 70 percent currently, because of increased competition from African exporters. The United States is the world's leading coffee market, importing nearly one-half of all coffee entering international trade.

Latin American coffee exports for 1964 were estimated slightly lower than the 2.0 million tons in 1963, largely because of a 20 percent reduction in shipments from Brazil. Hemisphere exports for 1965 should remain near the levels of recent years. Although there was a sharp drop in Brazil's 1964/65 crop, there are plentiful carryover stocks from 1963/64 and previous years. Availability of the highly desirable "new crop" will be more limited. In August 1964, the Council of the International Coffee Agreement fixed the 1964/65 (October 1 - September 30) annual export quota at 2.9 million tons (47.5 million bags), or 102.67 percent of the basic quota. This includes the following quotas (in tons) for countries of Latin America:

Bolivia <u>1/</u>	1,232	Haiti <u>1/</u>	25,873
Brazil	1,108,825	Honduras <u>1/</u>	17,556
Colombia	370,303	Mexico	92,956
Costa Rica	58,521	Nicaragua	25,817
Cuba	12,320	Panama	1,602
Dominican Republic	26,181	Peru	35,729
Ecuador	34,004	Trinidad	2,710
El Salvador	88,059	Venezuela	29,261
Guatemala	82,823		

1/ Had not ratified or acceded to the International Coffee Agreement as of December 31, 1964.

Tobacco

Tobacco production in the Western Hemisphere accounts for one-third of the world total. Major producing countries are the United States, Brazil, Canada, Argentina, Cuba, Colombia, Chile, and Mexico. Hemisphere production for 1964/65 is estimated at 1.5 million tons, down 8 percent from the previous year, due to smaller crops in the United States, Brazil, and Canada. U.S. output, which comprises 68 percent of the Hemisphere crop, declined from the record 1.1 million tons in 1963 to 1.0 million in 1964 as a result of a 10 percent cut in acreage allotments for burley and hot dry weather that reduced the burley yields. Brazil's 1964/65 crop was also reduced by unfavorable weather; production fell 22 percent to 145,000 tons. Canada's 1964 crop, estimated at 68,000 tons, was the smallest in 9 years; difficulties in marketing the 1963 crop led to a 25 percent cut in flue-cured acreage.

Western Hemisphere tobacco exports account for nearly half of world shipments. Exports for 1964 were estimated below the 1963 record of 364,900 tons, due largely to reduced shipments from the United States, the world's leading supplier. Hemisphere exports for 1965 are anticipated to maintain recent high levels but may be below 1964 because of large competitive supplies in other tobacco producing countries.

Cocoa Beans

The Western Hemisphere accounts for about one-fourth of the world cocoa bean crop. Production is centered in Brazil and to a lesser degree in Ecuador, the Dominican Republic,

and Mexico. Hemisphere output for 1964/65 is estimated at 302,900 tons, up 7 percent from the previous year but 4 percent below the average for 1955/56-1959/60. Brazil's 1964/65 crop is forecast at 132,000 tons, an increase of 10,000 tons over the previous crop. This rise is primarily due to favorable weather in the Bahia region. Other significant gains for the 1964/65 crop are forecast for Mexico, Ecuador, and Colombia. No change is anticipated for cocoa bean production in the Dominican Republic.

The four largest producers account for approximately 80 percent of the Hemisphere's cocoa bean exports. Brazil is the dominant exporting country with roughly 40 percent of the Hemisphere total. In recent years the Hemisphere's position in world trade has weakened because of sharply increasing shipments from Africa. Current Hemisphere exports approximate 15 percent of world shipments; in 1955-59 they were 28 percent. Exports for 1964 were estimated about the same as the 181,600 tons the year before. With larger supplies, prospects for 1965 indicate Hemisphere exports will maintain the high levels of recent years.

The International Cocoa Agreement was signed in September 1964 at the Rio de Janeiro conference of the Cocoa Producers' Alliance, comprising the six major cocoa producing countries. The Agreement set a basic quota of 1,066,000 tons, including cocoa products in bean equivalent. Brazil, the third largest producer, is the only member from the Western Hemisphere; its 1964/65 quota was set at 180,100 tons. The agreement is the first attempt to regulate the cocoa market on a worldwide basis through the imposition of export quotas and by controlling sales. Unlike other international agreements, it represents only producing countries. The Alliance started holding exports of cocoa and cocoa beans in mid-October. In addition, a plan was approved, effective December 11, 1964, to destroy 21,320 tons of cocoa bean equivalent, 2 percent of the basic quota, because of record output and large carryover stocks.

Meat

Western Hemisphere meat production approximates 40 percent of the reported world total. Production for 1964 increased moderately, continuing the uptrend in recent years. Beef production was estimated at 15.0 million tons, up 4 percent from 1963. Output in the United States and Canada, which totaled a record 8.7 million and 0.8 million tons, respectively, was up 10 percent from the previous year. However, production in Argentina declined from 2.5 million tons in 1963 to 2.0 million in 1964; this brought supplies below demand causing both consumption and exports to drop. Beef output in the other major producing countries increased over 1963. Gains in Brazil and Mexico were moderate, but there was a 31 percent rise in Uruguay to 385,000 tons.

Pork production in 1964, at 7.4 million tons, was about the same as in the preceding year. Output in the United States, which accounts for 75 percent of the Hemisphere's total, dropped 2 percent. Canadian production increased 9 percent to 485,000 tons; Argentina output was up 31 percent to 200,000 tons.

Western Hemisphere meat exports account for about one-fourth of the world total. There was little change in 1964 Hemisphere exports from the previous year. Reduced shipments from Argentina, the world's largest meat exporter, and Mexico were offset by gains in Uruguay and the United States. Hemisphere exports for 1965 are likely to increase moderately in view of the prospects of larger supplies and rising demand.

The recent uptrend in U.S. meat imports was broken in 1964 when purchases fell to 775,000 tons, 19 percent below the previous year. An important development to future U.S. meat

imports was the enactment of Public Law 482 in 1964 which provides for the setting of a basic quota under certain conditions on imports of fresh, chilled, or frozen meat of cattle, goats, and sheep (except lambs), beginning with calendar year 1965.

Milk

Western Hemisphere milk production for 1964 was estimated at 85.6 million tons, up slightly from the preceding year. Production in the United States, Brazil, Canada, Argentina, Mexico, and Colombia account for approximately 94 percent of the Hemisphere total. U.S. milk production, by far the largest in the Hemisphere as well as the world, increased slightly from 56.6 million tons in 1963 to 57.0 million in 1964. Increases in 1964 output in Colombia and Mexico were 3 percent and 10 percent, respectively. Production in Canada was 8.4 million tons, about the same as a year earlier. Milk output dropped 1 percent in Argentina to 4.6 million tons and 6 percent in Brazil to 5.1 million tons.

Wool

Wool output in the Western Hemisphere accounts for about one-fifth of the world total. Argentina, the United States, and Uruguay produce about 85 percent of the Hemisphere's wool clip. Production in 1964 was 494,000 tons (greasy basis), up slightly from a year earlier. Argentina had a 7 percent increase to 204,000 tons. This gain offset a 6 percent drop in U.S. production to 122,000 tons for 1964, the fourth consecutive year in which output declined.

Western Hemisphere wool exports normally total around 15 percent of world shipments. Argentina and Uruguay rank among the world's five leading wool exporting countries. Hemisphere exports for 1964 dropped substantially to 158,000 tons (actual weight) from 179,000 in 1963 as a result of reduced shipments from both Argentina and Uruguay. This was due in part to higher world prices, which caused a cutback in wool use in most major manufacturing countries and a shift to greater use of man-made fibers, and to the reluctance of growers in Argentina and Uruguay to accept prices offered by exporters. Increased Hemisphere exports are anticipated for 1965 with larger supplies in Argentina and Uruguay.

Country Situations



CANADA

An upsurge in foreign trade provided a stimulus to the Canadian economy in 1964 as the current expansion entered its fourth consecutive year. Gross national product, seasonally adjusted at annual rates, for the first half of 1964 was at the record level of \$42.6 billion or \$2,205 per capita, 8 percent above a year earlier. Despite some anticipated slowdown in trade, continued expansion is expected in 1965.

Economic growth in 1964 was supported by a substantial upswing in investment for new plant and equipment, higher levels of residential construction, and increased public expenditures. The seasonally adjusted index of industrial production (1949 = 100) increased 8 percent to 211.1 in July 1964 over a year earlier. Important advances continued in production of motor vehicles, machinery, and industrial equipment, in nondurables (including pulp and paper, textiles, and the major food and beverage industries). Mineral production was well above a year earlier.

With expanded activity in industry, mining and other sectors, the employed labor force rose to 6.9 million, approximately 36 percent of total population, in September 1964. Employment was 4 percent above a year earlier, the largest increase since World War II. Significant employment gains were in manufacturing, although trade and service industries remained dominant.

The consumer price index continued to advance at an annual rate of about 1.5 percent in 1964. A significant gain in consumer expenditures

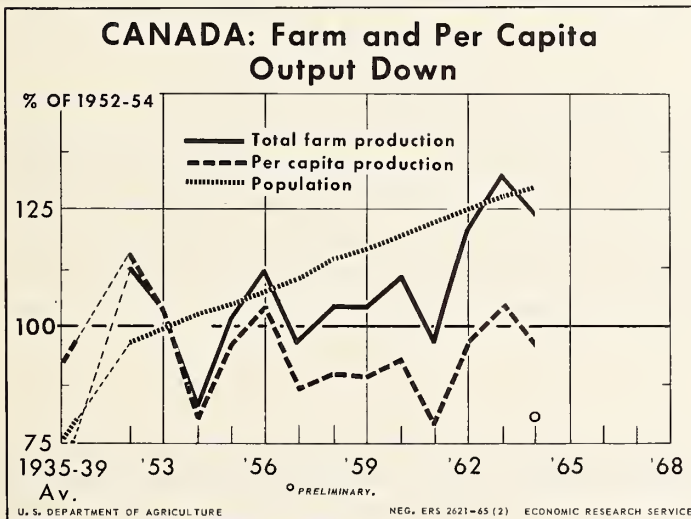


Figure 1

was reflected in an above-average expansion in prices for services and nonfood products which were offset by a limited advance in food prices. However, the 1964 share of national income devoted to consumer expenditures did not rise above the 80.0 percent estimated for 1963 and expenditures for food continued a slight decline from the 1963 level. Population was estimated at 19.3 million in mid-1964, increasing at an annual rate of 1.8 percent. Food consumption per person in 1964 was likely near the average of 3,100 calories estimated for 1959-61.

Canadian exports during the first 8 months of 1964 were 23 percent higher than 1963, and the total value of 1964 trade set a record well above \$7 billion. Large grain deliveries were important, but strong gains were also recorded for nonfarm exports. Despite an expansion in imports, a trade surplus contributed to a slight rise in 1964 gold and foreign exchange holdings, estimated at \$2.6 billion in September.

The outlook for Canadian grain exports in 1965 is less promising than a year earlier, but sustained growth in the United States and other industrial countries provide the possibility of gains in other trade sectors. Strong Canadian investment and consumer demand is expected to maintain a continued rise in the economy, but the 1965 growth rate may be below 1964.

With record farm marketings and favorable prices, Canadian farm income rose 10 percent to a record \$3.0 billion in 1964, approximating 8 percent of gross national product. Larger farm sales of wheat, flaxseed, potatoes, apples, and dairy products were major factors in this rise and in expanded 1964 exports. Farm employment declined slightly. The increase in farm income encouraged growth in expenditures for fertilizers, farm machinery, and other farm inputs.

Payments under provisions of the Canadian Agricultural Stabilization Act were extended to eggs and dairy products during 1964. The Crop Insurance Act was amended to establish a re-insurance program to supplement Provincial plans. A new farm machinery syndicate's bill was passed and the Farm Improvement Act was amended to increase maximum loans. The feedgrain assistance policy was modified to extend the transportation subsidy to eastern truck movements and to achieve greater equity in transport costs absorbed by eastern livestock producers. The Government continued strong activity in export market development for grains and other farm products.

Canadian farm income is expected to decline in 1965 mainly because of lower agricultural output. Drought reductions in the important Prairie Provinces more than offset favorable growing conditions in other regions. Livestock production increased sharply in 1964 and larger livestock numbers and strong domestic demand are expected to support increased output of livestock and poultry products in 1965. The 1964 index of farm production (1952-1954 = 100) was estimated at 124, down 6 percent from the previous year. Foreign demand for Canadian grains is less favorable for 1965 and farm exports are expected to decline.

Crop production

Favorable prices encouraged a record seeded area of 64.1 million acres for the major Canadian field crops in 1964, compared with 61.7 million acres in 1963. Severe drought, centering in the important Prairie Provinces of Saskatchewan and Alberta, reduced Canadian yields of small cereals, flaxseed, rapeseed, sugar beets, and forage crops. Above average growing conditions increased yields of corn, soybeans, sunflower seed, pulses, potatoes, fruits, and vegetables.

The breadgrain (wheat and rye) area of 30.4 million acres was a record, up 8 percent from a year ago. But the 1964 wheat harvest of 16.3 million tons was 17 percent below 1963, and rye production, 310,400 tons, was down 6 percent. Major reductions were in the important spring wheat crop with durum production 36 percent below a year ago. Tests indicate that protein content of 1964 spring wheat is 14.9 percent, second highest on record, but early frost and high moisture at harvest reduced other quality factors so that more than one-third of the crop will grade No. 4 northern or lower. Wheat stocks of 8.5 million tons on October 28, 1964, were 10 percent below the year earlier, but total supplies remain well above the average for recent years.

The 1964 feedgrain crop of 11.7 million tons was 16 percent below the 1963 harvest with total 1964/65 supplies estimated near the 10-year average of 17.4 million tons. Reductions in area and yields of oats (5.2 million tons) and barley (3.6 million tons) were major factors. A decline of 2 percent for mixed grains (1.2 million tons) was more than offset by the corn crop (1.3 million tons) which exceeded the record 1963 harvest by nearly 50 percent. Canadian estimates place gross supply of feedgrains per grain-consuming animal unit at 1.12 tons, compared with an average of 1.24 tons for the past 10 years.

Tame hay production (20.4 million tons) was 8 percent below the 1963 record but corn fodder (5 million tons) increased 8 percent. Mill feed production may decline in 1965, with oilseed meal and other feed supplements continuing some uptrend. Increased feeding of wheat is anticipated with some rise in Canadian feedgrain prices.

The Canadian oilseed area for 1964 increased 16 percent over the year before with major gains in flaxseed and rapeseed. Total oilseed production of 962,000 tons was about the same as in 1963. A 10 percent decline in production of flaxseed (483,000 tons) was more than offset by a sharp rise in soybeans (190,000 tons) and rapeseed (251,000 tons). Total 1965 supplies will exceed levels of the previous year, with the smaller flaxseed crop largely offset by the large carryover from 1963 production.

Other crop production continued some rise. The 1964 potato harvest of 2.1 million tons was 2 percent above a year ago; there was a slight rise in output of sugar beets. The pulse crop increased sharply, with some increase estimated for fresh vegetables. The 1964 apple crop was 16 percent below 1963, but most other fresh fruits registered gains. Reduced area contributed to a significant decline in 1964 tobacco production.

Livestock production

Livestock production continued a strong rise in 1964. A favorable price and feed situation encouraged expansion in numbers of livestock and poultry on farms, and a continued growth of livestock feeding and slaughter. The 1964 drought reduced feed and forage supplies in the Western Canadian Provinces but the livestock situation remains favorable in the important central and eastern feeding areas. Despite an anticipated rise in feedgrain prices, Canadian livestock production is expected to continue an uptrend in 1965.

Canadian output of red meat, including offal, was estimated at 1.3 million tons (carcass weight basis) in 1964, up 10 percent from the previous year. Beef accounted for most of the increase, reflecting a rise in fed cattle slaughter. Gains were significant for all meat except mutton and lamb, which dropped 20 percent. Production of poultry meat was estimated at a record 29,000 tons, 6 percent above the previous record in 1963. Major gains were in chicken meat, but turkey production continued a significant rise.

Numbers of dairy cattle on farms continued a slight decline in 1964 but total milk production was maintained near the 1963 level of 8.4 million tons. Butter production (159,000 tons) declined but remained predominant in utilization of milk, accounting for about 45 percent of total milk supply. Fluid milk sales (2.3 million tons) and output of dairy products other than butter continued a slight rise. A generally strong domestic demand maintained 1964 prices for most products above levels of the previous year.

Egg production for 1964 was estimated at 450 million dozens, up 8 percent from 1963. Strong consumer demand encouraged a rise in use of eggs for hatching. Wool production continued a downtrend in progress since 1961.

Despite increased slaughter, Canadian cattle numbers were estimated at 12.8 million on June 1, 1964, a 4 percent rise from the previous year. Hogs, estimated at 5.6 million, were up 7.9 percent while a poultry population of 75.8 million increased by 3 percent. This rise indicated a strong buildup in cattle and hog numbers in the breeding areas of Western Canada. Beef cows and heifers increased by over 8 percent, with a decline in dairy cattle and sheep. Larger numbers depressed feeder cattle prices in late 1964, increasing their price differential with fed cattle.

Strong demand is expected to maintain growth of the Canadian livestock industry during 1965. Despite some reduction in feed supplies, marketings of fed cattle and hogs should rise. A relatively low stock position and good demand is expected to encourage some increase in milk production. A further buildup in poultry meat output is anticipated, with egg production continuing near current levels.

Foreign Trade

Record wheat sales predominated a strong upswing in Canadian farm exports in 1964 and agricultural imports continued a steady rise. The value of agricultural exports was estimated at nearly \$1.5 billion, up more than 10 percent from 1963. Preliminary estimates place value of agricultural imports near \$1.1 billion, about 2 percent above 1963. Agriculture's share of total trade value continued near 20 percent of exports and 15 percent of imports.

The outlook for Canadian agricultural exports in 1965 is less favorable. With reduced world demand, wheat exports are not expected to approach the 14.5 million tons estimated for 1964, although the Canadian supply position remains favorable in total size and availability of export grades. The total 1964/65 trade for rye, oats, and barley is forecast at 10 percent less than the 1.4 million tons shipped the previous marketing year. Flaxseed shipments will be up slightly, and an 8 percent rise is forecast for rapeseed exports. Strong domestic demand may reduce Canadian cattle exports, but foreign sales of meat products should continue to rise. Dairy exports may continue near current levels. Some rise is anticipated for fruit and vegetable exports.

Although Canada will continue to provide an important market, its agricultural imports may not maintain the record 1964 level. Canadian sources indicate that 1964/65 corn imports may be only one-half of the 550,000 tons imported the previous year, despite overall reduction in feed-grain supplies. Larger supplies of edible oilseeds may contribute to some decline in imports of soybeans and vegetable oils. A continued decline in Canadian red meat imports is expected, but poultry meat and dairy product imports may be maintained near 1964 levels. Record stocks will reduce cotton import needs. Sugar imports may rise. A continued uptrend in imports is anticipated for citrus fruits and fresh vegetables during 1965.

UNITED STATES

Gains in economic activity and growth continued in 1964 and are expected to carry into 1965. The gross national product was estimated at \$622 billion in 1964, up 6.5 percent for a per capita output of \$3,255. Gains in nonagricultural sectors more than offset a 1 percent decline in agricultural output.

Economic activity in 1964 was characterized by a shift in emphasis from the public to the private sector. Consumer spending rose sharply in response to rising income and a reduction in personal tax rates. Relatively high and profitable capacity utilization by business was a continuing stimulant to business fixed investment. The U.S. balance-of-payments position improved in 1964 and U.S. gold reserves held at a level just over \$15 billion.

Consumer incomes and population are expected to expand further in 1965. Although continued economic expansion and rising incomes appear likely, the rise in consumers' after-tax income probably will not equal the large gain in 1964. Per capita food consumption is expected to about equal the high level of 1964. A smaller retail price advance than in recent years appears likely. Mid-1964 population was estimated at 191.2 million, increasing at 1.4 percent annually, with food consumption near the average of 3,190 calories per capita per day estimated for 1959-61.

Consumer expenditures for food last year averaged around 5 percent above 1963. A 3 percent increase took place between 1962 and 1963. Expanded demand was due largely to the sharp advance in consumer disposable income: Wages, dividends, and other income expanded and Federal income tax rates declined. For the year, disposable income totaled nearly 7.5 percent larger than in 1963 for a nearly 6 percent increase per capita--about double the gain in recent years. Despite the large gains in expenditures, prices in 1964 did not increase as rapidly as in 1963.

About 18.5 percent of disposable income was spent for food in 1964. It was a record low, and a further decline is looked for this year. If food expenditures and incomes rise as anticipated, about 18 percent of income will be spent for food in 1965.

The per capita food consumption index in 1964 rose nearly 1 percent above the 1963 level. Most of the increase was in consumption of foods from animal products; consumption of foods from crops averaged about the same as 1963.

Per capita food consumption in 1965 is expected to about match 1964's high level. Consumption of

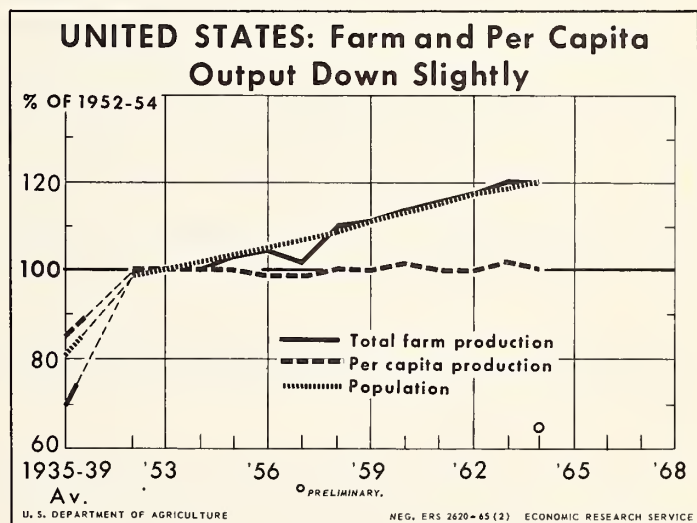


Figure 2

food from animal products is expected to decline for pork, animal fats, and lamb and to increase further for beef, veal, and turkey. The only important change expected in consumption of crop products in 1965 is a substantial increase for fruits, primarily as a result of citrus consumption climbing from depressed levels of 1963 and 1964.

Gross income realized by farmers, including cash receipts, Government payments, and nonmoney income, is estimated for 1965 at about the level of the past 2 years. Production expenditures apparently increased much less in 1964 than the average of recent years. The number of hired workers was down substantially from 1963 and prices of items used in farm production averaged about 1 percent below 1963. There were only small increases in production expenses in 1964, compared with increases in other recent years, and the increase probably will be moderate again in 1965. Accordingly, operators realized net farm income in 1965 may not change much from the relatively stable level of recent years.

Large supplies of farm products will be available in 1965 to meet expanded demand. Although poor growing conditions resulted in about a 3 percent reduction in 1964 crop output, carryover stocks are large--particularly for grains and cotton. Also, 1964 production of livestock products was up about 3 percent from the year before.

Crop Production

Drought conditions in major producing areas reduced 1964 crop yields. With acreage about the same, production was about 3 percent lower for the first decline in the crop yield index since 1959. However, output is expected to rebound in 1965.

Declines in feedgrains, vegetables, and tobacco more than offset gains in foodgrains and sugar crops. Hay and forage, cotton, and oil crop output was unchanged.

Feedgrain production was down nearly 12 percent to 124 million tons, 18 million less than record 1963 output. Yields dropped about 6 percent and acreage harvested 7 percent.

Vegetable production declined nearly 2 percent from a year earlier. Supplies of most fresh vegetables in the fall of 1964 were slightly smaller than the previous year. Canned vegetables for the 1964-65 season are expected to be moderately smaller than the last season. Supplies of potatoes for fall and winter markets were substantially smaller and sweetpotato production was estimated at 765,000 tons, down 3 percent. Dry bean production was down 14 percent. Dry pea output was about the same as in 1963.

Tobacco production was estimated at 1.0 million tons, off 5 percent from a year earlier. However, total supplies of most types are up due to increased carryover stocks.

Foodgrain output was up nearly 12 percent, reflecting a large wheat crop and a record rice crop. Wheat production was estimated at 35.0 million tons, up 13 percent. Rice output increased 4 percent to 3.3 million tons.

Sugar production increased about 4 percent to a record level of 4.0 million tons.

Hay production was about the same as last year but slightly below the 1958-62 average. The production index indicates a total output at 1961 levels.

Cotton output held about steady with 1963 at 3.3 million tons. Acreage was lower although yields increased somewhat.

Oilseed crop production was down 1 percent from 1963. The 1964 soybean crop was estimated at 19 million tons, the same as a year earlier. However, the total supply of edible fats, oils, and oilseeds for the 1964-65 marketing year which began October 1, is forecast at about 4 percent less than a year earlier, due to a sharp drop in carryover stocks of butter and edible vegetable oils.

Increased supplies of fresh and processed fruits are in prospect for the first half of 1965, mainly as the result of the larger citrus crops and the record 1964 deciduous crop.

Market prices for crops likely will average lower in 1965 than last year. But current programs, lower average prices will be partly offset by increased direct payments to cooperators. With average growing conditions and larger production, prices for potatoes and some fruits and vegetables may not attain 1964 levels. Smaller crop receipts in prospect will be partly offset by larger Government payments.

Livestock Production

Livestock and livestock product output increased about 3 percent in 1964. This reflected gains of approximately 3 percent for meat animals, about 1 percent for dairy products, and over 2 percent for poultry and eggs.

Beef output totaled about 8.3 million tons, up 12 percent. The inventory of beef cattle and calves on farms on January 1, 1965, was expected to be up only slightly from a year earlier. The large increase in 1964 slaughter prevented a large expansion in numbers.

Pork production totaled about 5.6 million tons, about the same as the previous year. However, commercial hog slaughter was down slightly from a year earlier. Sheep and lamb slaughter was off about 8 percent from 1963. The January 1, 1965, inventory of sheep and lambs on farms was expected to be less than the 28.2 million head a year earlier. The downtrend in sheep and lamb slaughter is expected to continue in 1965.

Milk output rose about 1 percent over a year earlier, with 1964 production estimated at about 57.0 million tons. Production in 1965 is expected to be near this level.

Production of eggs, broilers, and turkeys was larger in 1964 than a year earlier and prices averaged lower. Increases in output of each of these commodities are in prospect for 1965. Egg and turkey prices may decline further but broiler prices may average slightly higher in 1965.

Shorn wool output in 1964 was estimated at 112,000 tons grease basis, down 6 percent from the year before. Shorn wool production is expected to continue to drop in 1965 as a result of a further decline in the sheep inventory.

Livestock product prices are not expected to change much in 1965 from the 1964 level. Cattle prices may be maintained with the smaller gain in slaughter now in prospect. Hog and lamb prices are expected to increase in response to smaller production this year; prices for some poultry products may drift down further with rising production.

Cash receipts from sales of livestock and products may show a small gain in 1965, reflecting a further increase in marketings but little change in average prices received by farmers. Cattle marketings are expected to increase further, but declines are in prospect for hogs and lambs. With continued demand increases, red meat prices are expected to hold up well and some increase in cash receipts for meat animals is indicated. Little overall change is expected in cash receipts for dairy and poultry products.

Foreign Trade

Agricultural exports in the fiscal year ended last June 30 totaled \$6.1 billion, 20 percent above the previous 2 years and nearly double fiscal 1955. Most of the increase occurred in sales for dollars, which reached \$4.5 billion or about three-fourths of the total. Exports under Government-financed programs amounted to \$1.6 billion. Most of the increase in fiscal 1964 was in sales of wheat and flour, cotton, feedgrains, and soybeans. Small declines took place for fruits and vegetable oils.

Several factors contributed to the \$1 billion gain in U.S. agricultural exports in fiscal 1964. World food supplies per capita were down a little. With general economic growth and efforts to improve diets, world demands for food are rising rapidly, especially for livestock products, in areas such as Western Europe and Japan. And an unfavorable wheat harvest in the Soviet Union and Western Europe increased trade in wheat and other grains. It is estimated that 80 million acres, or one out of every four harvested acres in the United States, were required to produce the agricultural commodities exported in fiscal 1964.

Imports of agricultural products rose in fiscal 1964 to \$4.1 billion from \$3.9 billion in the previous year. The increase resulted mainly from larger imports of coffee, bananas, and other fruits. Declines occurred in imports of live animals and crude rubber.

Exports of agricultural commodities in fiscal 1965 are expected to continue at a high level, though somewhat below the record year-earlier level. Foreign markets again will take about the same proportion of U.S. farm products. Smaller shipments of wheat and dairy products are in prospect, but increases are indicated for oils, soybeans, and some animal products.

LATIN AMERICA ^{2/}

Caribbean

Cuba

Severe economic problems continue in Cuba with few prospects for real improvement. During the six years under Castro, the gross national product has dropped about 15 percent; 1964 per capita output is presently around \$360.

Inflationary pressures and food rationing continue. Population was estimated at 7.4 million in mid-1964, increasing at a rate of 2.0 percent annually. Food consumption was estimated at an average of 2,730 calories per capita per day in 1959-61. Present consumption is lower, probably not more than 2,180 to 2,320 calories.

Agriculture contributed one-third of the national income, furnished employment for two-fifths of the labor force, and accounted for nine-tenths the value of all exports prior to the

^{2/} See item 7 under Time References, p. ii.

present government. Its present relative position, in an economy operating at a much lower level, has probably not changed greatly.

The estimated index of agricultural output for 1964/65 indicates an upturn for the first time since the peak of 1960/61, a peak reached before the disastrous effects of the present regime's economic policies were felt. Total output may increase an estimated 9 percent over the low level of a year earlier due mainly to an upturn in sugar, but will still be only about 86 percent of the 1952/53-1954/55 average. At the same time, 1964/65 per capita agricultural output will be only about 68 percent of the 1952/53-1954/55 average. Total and per capita food output for 1964/65 gained somewhat more than total production.

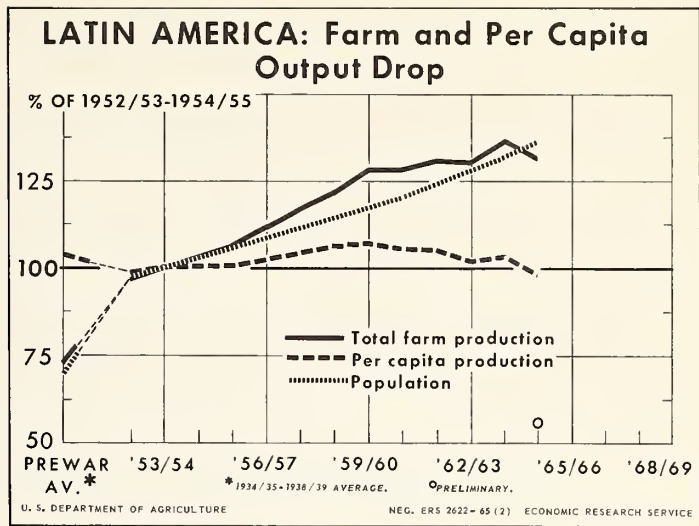


Figure 3

Output of centrifugal sugar, the most important crop, will likely reverse the downtrend since the record 1961 crop and reach an estimated 4.1 million tons, up 12 percent but only 84 percent of the 1952/53-1954/55 average.

Corn was probably down 11 percent to 125,000 tons, and tobacco will probably be down again, by 38 percent to 20,000 tons. Other major crops, except sweetpotatoes and henequen, are expected to be up, generally reflecting favorable weather and recovery from hurricane damage to the 1963/64 crop. However, all remain well below 1952/53-1954/55 production levels, except beans, sweetpotatoes, and peanuts. For 1964/65, rice, potato, peanut, coffee, pulse, and cocoa bean output is expected to be up. Sweetpotato and henequen production will probably remain unchanged.

Livestock output in 1964 was estimated to be unchanged, except for an increase of 8 percent for pork output to 27,000 tons. Beef and milk output estimates were unchanged at 143,000 and 695,000 tons, respectively.

Most of Cuba's total and agricultural trade has been under arrangements with other communist countries since 1961. However, the present trade total is probably around the 1961 level when exports were estimated at \$625 million and imports at \$704 million. Agricultural trade in 1964 may have been somewhat comparable to 1961 ratios of 95 percent of total exports and 20 percent of imports. Sugar remains the most important single export, and large imports of wheat and other foods are still required despite efforts to increase output.

Haiti

Some recovery was evidenced in 1964 from disastrous hurricane damage the year before. Gross national product may have increased about 1.0 percent to around \$275 million for a per

capita output of approximately \$60, 1.6 percent below a year earlier due to offsetting population gains. Further recovery may be achieved in 1965 if political stability is achieved.

Gains in 1964 resulted primarily from increased agricultural output. Agriculture accounted for about three-fourths of gross national output. Tourist earnings, once amounting to about \$10 million, continued downward to almost nothing. Gold and foreign exchange reserves at the end of June 1964 were \$4.9 million, up nearly one-third from a year earlier and at the same level as in 1962.

Population was estimated at 4.5 million in mid-1964, with a growth rate of 2.1 percent annually. Food consumption was probably somewhat less than the average per capita estimate of 1,780 calories for 1959-61, the lowest in the Hemisphere.

The favorable trade balance in 1963, despite the severe hurricane damage, continued in the first half of 1964. This contributed to the improved foreign holdings in 1964 and may continue in 1965.

Total agricultural output for 1964/65 is expected to be up 1 percent over the low level of a year earlier despite some further hurricane damage in 1964. However, total output is still only 4 percent above the 1952/53-1954/55 level, and per capita output has not gained. However, 1964/65 food output per capita will probably show a gain of 5 percent.

Commercial crop output is expected to register minor gains. Cocoa bean output was estimated at 3,000 tons, up one-fifth from a year earlier. Centrifugal sugar output may increase as much as 6 percent to 68,000 tons. Sisal production was estimated to remain unchanged at 25,000 tons, while coffee output was likely down 5 percent at 36,000 tons. Tobacco output may also decline by 9 percent to 1,000 tons.

Greater food crop output is expected for 1964/65. Corn output may reach 80,000 tons, up 1 percent. Rice production is expected to show significant gains, up 25 percent to 40,000 tons. Gains are also expected in other food crops, such as yuca and vegetables for local consumption.

Livestock production in 1964 declined. Estimated beef output at 9,000 tons and pork at 10,000 tons represented declines of 10 and 23 percent, respectively. Mutton output remained unchanged at 2,000 tons.

Exports totaled \$41.4 million and imports \$38.9 million in 1963, agriculture accounting for 97 and 26 percent, respectively. Coffee, sisal, cocoa beans, and sugar and molasses accounted for about 97 percent of agricultural exports; wheat and wheat flour, edible lard and greases represented two-thirds of agricultural imports.

The first half of 1964 brought declines in exports, down 10 percent to \$22.7 million compared to the same period of 1963, and increases in imports, up 4 percent to \$21.8 million. Coffee exports increased from \$10.6 million to \$11.7 million in this period, due to price increases with volume down. Sisal exports were down from \$1.8 million to \$1.7 million. Sugar exports declined sharply from \$4.0 million to \$1.2 million. Imports of wheat and wheat flour and edible lard and greases probably registered small declines from the \$1.8 million and \$1.2 million for the first half of 1963. For 1965, total and agricultural exports may increase some with little change in imports.

Dominican Republic

The economic situation was characterized by uncertainty in 1964, which will probably continue at least until elections take place in 1965. As a consequence, gross national product likely showed little net gain with per capita product remaining near the \$240 estimated for a year earlier.

In late 1964 an austerity program was initiated rather than a devaluation of the peso. To support the austerity program, \$63 million was borrowed from foreign sources to pay commercial debts. The tight money policy will apparently cause a slowdown in the overall rate of economic growth. Currently, 25 percent of the labor force of 1 million is unemployed.

Retail prices and the cost of living have been held stable and foreign exchange is beginning to increase from a low of \$17 million in February 1964. Mid-1964 population amounted to 3.5 million with an annual growth rate of 3.5 percent. Food consumption in 1964 was probably not over the 2,020 calories per capita per day average estimated for 1959-61.

Total 1964/65 agricultural production is expected to be up about 1 percent to an index of 144 (1952/53-1954/55=100), a per capita decline of 2 percent. However, food output will probably increase 3 percent for a per capita decline of 1 percent.

Centrifugal sugar production for 1964/65 may reach 907,000 tons, up 3 percent. Favorable weather was responsible for an estimated 11 percent increase in the important rice crop to 150,000 tons. Beans were unchanged at 18,000 tons while corn production declined for the third successive year, down to 89,000 tons. The tobacco crop likely declined 20 percent to 20,000 tons. Disease reduced export banana output about 9 percent to 110,000 tons and may cause further reductions in the near future. Peanut production was up 8 percent to 52,000 tons while output of potatoes, sweetpotatoes, yuca, and coffee were unchanged.

The output of livestock products decreased slightly in 1964 as a result of a 9 percent drop in beef production to 21,000 tons. This decline was due to large slaughterings of cows in the two previous years to take advantage of favorable prices. Pork and milk production remained at the same level as a year earlier at 8,000 and 168,000 tons, respectively.

Exports totaled \$174.2 million and imports \$150.4 million in 1963, both up from 1962. Agricultural trade represented about 91 and 7 percent. Sugar and sugar byproducts accounted for about 61 percent of agricultural exports and, together with coffee, cocoa, and tobacco, 80 percent. Wheat and wheat flour, mostly wheat, accounted for about half of agricultural imports. Other important agricultural imports include vegetables, tallow, cereal preparations, and meats.

Total agricultural exports declined in 1964. Sugar exports were down sharply from the \$88.7 million exported the previous year, due mainly to the decline in sugar prices. Cocoa and tobacco exports probably declined also, with indications that coffee exports increased sharply over the \$18.5 million in 1963. Exports are expected to be up in 1965 due to larger shipments of sugar, tobacco, and possibly the beginning of fresh vegetable exports.

Agricultural and total imports increased in 1964. Wheat was probably up 6 percent to 62,000 tons. Other major agricultural imports were probably up slightly. Agricultural imports are not expected to increase in 1965 due to increasing balance-of-payments problems.

Jamaica

During 1964 the economy, after coming to a virtual standstill in its 2 years of independence, entered a period of expansion that is expected to continue through 1965. Gross national product showed little growth in 1964, and was estimated at approximately \$725 million or about \$425 per capita.

The 1964 expansion was supported by an upsurge in construction, larger exports of bauxite and products, increasing output of petroleum products, and a continuing inflow of capital, including government borrowing from abroad. Jamaica's second 5-year development plan, which was approved in 1963, allots \$48 million for economic development programs, with special emphasis on increasing local food production and creating efficient middle-size farms.

The population was estimated at 1.7 million in mid-1964, reportedly increasing at a rate of 1.2 percent, but some estimates place the present increase as high as 2.7 percent. Unemployment, said to be between 18 and 25 percent of the labor force, is a serious problem. Food consumption in 1964 was probably near the average of 2,270 calories per capita per day estimated for 1959-61.

Jamaica's principal trading partners are the United Kingdom, the United States, and Canada. The balance of payments in 1964 probably showed a larger deficit than in 1963 when it was unusually small due mainly to high sugar prices. Little change is expected in invisibles (mostly tourism and remittances from Jamaicans abroad) and in the inflow of long-term capital.

Agriculture's contribution to the gross domestic product in 1962 was only 13 percent, but agriculture remains the major employer of labor and the traditional basis of the economy. Though rapid development has been achieved in the export crops and in livestock production, the output of agriculture has grown less both in money value and in real terms than those of manufacturing, mining, and services.

Agricultural production in 1964/65 is expected to recover from hurricane damage of a year earlier and to be about 8 percent higher because of better weather, larger acreages, and previous plantings coming into bearing.

Sugar, the principal crop, yielded 482,000 tons in 1964, about 2 percent below the previous year's record; 1965 production is estimated at 528,000 tons. The new crop is expected to be good; the extra acreages planted in 1963 will be reaped in 1965 and high yields are expected. Export banana production in 1964 rose about 8 percent to 175,000 tons despite crop damage the previous fall. Citrus and cocoa crops were expected to be up sharply after a drop in 1963, but coffee may not have recovered from the 20 percent drop in 1963. Rice was down but beans and peas, potatoes, sweetpotatoes, and yuca made gains of 2 to 11 percent.

Livestock production gained in 1964, except for milk. Beef was estimated to be up 4 percent to 12,000 tons, pork up 7 percent to 3,200 tons, and mutton up 5 percent to 2,300 tons. Milk production was estimated to be unchanged at 42,000 tons.

Jamaica's exports and imports in 1963 were valued at \$197 million and \$226 million respectively, agriculture accounting for 48 and 20 percent. In preliminary data for the first

half of 1964, total exports and imports were estimated to be 10 percent and 30 percent higher than those for the same period the year before.

Sugar makes up about 60 percent of the value of agricultural exports. For 1963, sugar exports reached 394,000 tons, with a 1 percent drop estimated for 1964 and a likely recovery in 1965.

More than two-thirds of the value of agricultural imports consist of wheat flour, other grains and preparations, dairy products, meat and meat products, and rice--wheat flour accounting for 20 percent. Imports of these commodities were probably up in 1964 due to hurricane damage to 1963/64 agricultural output. Some further increases are expected in 1965.

Trinidad and Tobago

A stable government and a generally favorable economic situation with fair prospects characterized 1964. Gross national product was estimated at about \$588 million, up 3 percent from 1963, with a per capita output of \$620. Some gain may occur in 1965.

There is a continuing inflow of foreign private investment attracted by a favorable financial climate. However, new industries are unable to provide sufficient employment opportunities to take care of the available labor supply, and unemployment is high and increasing. The expansion of manufacturing industries is limited by a small domestic market. The Government is endeavoring to cope with this situation in its second 5-year development plan.

The population, estimated at 947,000 in mid-1964 with a growth rate of 3.0 percent, has a comparatively high per capita income and a rising standard of living. The indices show a rise of 8.6 percent in retail prices between November 1960 and 1963 and a rise of 34.5 percent in wages for the same period. The average per capita consumption of 2,470 calories (1959-1961) is among the highest in Latin America. Since agricultural production has not kept up with demand, food imports continue to rise.

Agricultural production prospects for 1964/65 are good, with a possible 9 percent increase over the previous year effected by larger sugar output and increased production of tubers and livestock products.

Sugarcane, the principal export crop, occupies 30 percent of the cropland. A record yield of 254,000 tons of centrifugal sugar is expected in 1965. Cocoa, next in importance, declined further to 5,400 tons in 1964 because of hurricane damage in the north of Trinidad and in Tobago. There may be a slight upturn in 1965. Coffee output is expected to increase by 7 percent to 4,800 tons in 1965. Citrus had a good year in 1964 with a yield of 3,400 tons which will probably rise to about 4,700 tons in 1965 because of the larger acreage coming into production. Rice is expected to maintain its present level of production at 16,000 tons. Sweetpotato and yam output may exceed 15,000 tons in 1965, because of government incentives for increased food production. Green vegetables and pulses are also expected to increase. Yuca output will likely be up 2 percent to 5,400 tons.

Beef output in 1964 was estimated at 1,400 tons, up 8 percent from a year earlier. Pork production was up 20 percent to 1,200 tons. Milk output was estimated at 17,500 tons, up 7 percent.

Agricultural products are overshadowed by petroleum and petroleum products, which account for over 80 percent of exports and 45 percent of imports. In 1963, agricultural exports and imports totaled \$42 million or 11 percent of the total and \$48.8 million or 13 percent, respectively.

Sugar accounts for about two-thirds of the value of agricultural exports. Other important agricultural exports are cocoa beans and citrus products. Sugar exports were estimated at 189,000 tons in 1964, down 1 percent from 1963; recovery is expected in 1965. Citrus exports were probably up in 1964 and cocoa beans down, with increases likely in 1965.

Dairy products, meats, wheat flour, rice, and vegetables and preparations account for about two-thirds of agricultural imports. Imports of these commodities gained in 1964 with further increases expected in 1965.

Other Caribbean

The economies of the small West Indian islands whose agriculture suffered from hurricanes in 1963 have largely recovered. The islands escaped serious damage last year, except for Guadeloupe, whose banana plantations were destroyed for the second successive year. These islands include the Netherlands and French Antilles, the Bahamas, Bermuda, British Virgin Islands, Barbados, and the British Leeward and Windward Islands.

The contribution of agriculture to the gross domestic product decreased in 1963/64 on many islands because of reduced crop production. The growth of tourism and establishment of some light industries are aiding the islands' economies. Development is encouraged by various inducements, including duty-free imports of raw materials and freedom from income tax for a specified period.

The area's population is estimated at 1.7 million and is increasing at a rate of about 1.3 percent per year. Per capita income estimates for recent years range from about \$150 to about \$350. Agricultural production, insufficient to meet food requirements, is heavily supplemented by imports.

Total agricultural production in 1963/64 was down as a result of hurricane damage, primarily to Guadeloupe's bananas. However, banana output increased in the Windward Islands in 1963/64. With better weather in 1964/65 there should be a rise in production. Banana cultivation has become one of the main agricultural industries in the Windward Islands, supplanting sugar in St. Lucia and St. Vincent. In Martinique and Guadeloupe banana growing has developed in recent years from a subsistence crop to a commercial undertaking.

Sugar, the other principal crop, is now produced for export only in Barbados, Antigua and St. Kitts (Leeward Islands), Guadeloupe, and Martinique. Production dropped in 1963/64 but is expected to be higher in 1964/65. Production of citrus and cocoa will no doubt increase in the near future when new plantings come into bearing.

A livestock improvement program is underway in some islands to upgrade the local cattle and increase meat production.

Agricultural trade was lower in 1964 than the previous year. Both banana and sugar exports were smaller.

The British islands trade principally with the United Kingdom and Canada, while the French islands trade mainly with France and the franc zone. The French islands, as Departments of France, have access to the European Economic Community. Most sugar and banana exports are to mother countries--sugar under agreements and bananas under quotas or special tariff concessions. Some islands also have a U.S. sugar quota.

Mexico

The Mexican economy continued strong in 1964. The gross national product increased an estimated 7 percent from 1963 for a per capita output of \$420. This rate of increase may continue this year.

Sustained economic growth is the result of public and private investment which has been maintained in recent years at over 15 percent of the gross national product. A combination of factors including wage increases, higher level of employment, increased public and private investment, and an improvement in the external demand for Mexican goods greatly stimulated economic activity during 1964. A continuation of these conditions should lead to an expansion of consumption and investment.

Money in circulation increased in 1964; wages were increased and prices rose slightly. Gold and foreign exchange reserves were at high levels. Population in mid-1964 was 39.4 million with a growth rate of 3.1 percent. Food consumption in 1964 was probably up slightly from the average of 2,580 calories estimated for 1959-61.

The sharp increase in imports in 1963 was a factor in the reduction of the export tax on a large number of agricultural commodities to promote sales on the world market.

The contribution of the agricultural sector to gross national product continues to decline. During the 1950's, agriculture's share averaged about 21 percent but trended downward to 18 percent by 1963. However, 49 percent of Mexico's population is rural and agriculture provides a livelihood for about half of the labor force, as well as providing over half of total exports.

The Compania Nacional de Subsistencias Populares, a government agency, is becoming increasingly active in regulating basic food supplies. It guarantees producer prices for corn, wheat, beans, rice, and fresh eggs. For 1964/65 it plans to buy 15 percent of all corn and 65 percent of all wheat produced. Large corn and wheat exports were made by this agency in 1964, primarily to Communist China.

Among the important developments which have made possible the continued rapid rise in agricultural production in recent years has been the expansion of the irrigated areas, development of improved varieties of a number of major crops, and better production practices. Abundant rainfall last fall raised the level of water stored by irrigation reservoirs to the highest levels in several years and greatly improved the prospects for winter irrigated crops. Additional help to the farmer was provided by regulations, published September 6, 1963, to give greater insurance coverage to cattle and crops damaged or lost by weather extremes, accident, or disease.

Total agricultural output for 1964/65 is expected to gain 5 percent over a year earlier; crop output is expected to be up 4 percent and food 5 percent.

Crop Production.--Grains have contributed an important share to Mexico's agricultural production increase for 1964/65. Wheat production increased about 19 percent in 1964 to 2.1 million tons despite an acreage decrease of about 2 percent. The wheat carryover is expected to be small as the Mexican Government plans to export a large part of the current harvest and import from the U.S. when needed. Storage costs are expected to be reduced to a minimum.

Carryover of corn into 1964 was high; with the estimated production of 6.4 million tons in 1964 and an increase to 6.5 million tons expected in 1965, sizable exports are anticipated for both 1964 and 1965. About 1 million tons of corn will be used in the mixed feed industry in 1964/65, a record high.

Grain sorghum production in 1964 was estimated at a record 400,000 tons, up 14 percent from the year before. However, the high subsidized price of corn and increasing livestock numbers are strengthening demand for grain sorghums, and imports will likely be necessary before the next harvest. Barley and rice production did not register any appreciable gains. Oats were down 19 percent to 65,000 tons.

Cotton production during 1964 was estimated at about 495,000 tons, about 8 percent above the previous year. Domestic consumption of cotton, although increasing at about 5 percent annually, still represents only about one-fourth of production. Henequen production probably increased about 10 percent over the low year of 1963, when 136,000 tons were produced.

Beans are the most important pulses consumed in Mexico and one of the leading components of the Mexican diet. The record production of 861,000 tons of pulses estimated for 1964 may result in an increase in domestic consumption and larger carryover stocks.

Despite record vegetable production during 1964, exports are expected to be about the same as the previous year due to increased domestic consumption, primarily for industrial use. Very heavy rains during planting season will result in a late but larger supply of winter vegetables.

The 1964/65 production of sugar is estimated about 13 percent above the record 1.9 million tons of the previous year. Stocks at the beginning of the grinding season were up significantly and exports are expected to be about 30 percent above the previous season's 500,000 tons.

Oilseed output increased. Severe rainstorms reduced the sesame crop about 15 percent to 127,000 tons, while lower prices for peanuts caused an acreage and production decrease of more than 10 percent. Flaxseed output was unchanged at 19,000 tons. However, castor beans gained about 11 percent to 10,000 tons, cottonseed 8 percent to 989,000 tons, and soybeans 25 percent to 65,000 tons. Domestic consumption of vegetable oils is increasing however, and much larger imports are expected before the next harvest.

Tobacco production in 1964 amounted to 41,000 tons, 21 percent above the previous year. Increasing amounts of flue-cured and burley tobacco are being grown. This shift in production is due to the Mexican consumer rapidly developing a taste for a mild-type cigarette.

To help maintain equilibrium in world markets, the coffee producing area is being slowly reduced. The 1964/65 coffee area is expected to approximate 250,000 hectares and produce 168,000 tons, down 14 percent from the previous year.

Orange production was estimated to be down 1 percent to 790,000 tons, and pineapples up 7 percent to 212,000 tons. Cocoa beans increased 1 percent to 24,000 tons.

Livestock Production.--Production of livestock products in 1964 showed gains for beef and milk, no change for mutton, and declines for pork and wool. Further increases in livestock production are indicated for 1965. Due to reduced cattle prices in the United States during 1964, beef cattle numbers in Mexico, at 16.5 million head, are well above a year earlier. Some of the increase will probably move into the local slaughterhouses for domestic consumption.

The 1964 meat output was only slightly larger than in 1963. Output of beef was up 2 percent to 520,000 tons while pork decreased 3 percent to 200,000 tons. Production of mutton, at 58,000 tons, and other meats held steady at 1963 levels. Wool output, at 5,000 tons, declined 15 percent.

Milk production in 1964 was up about 10 percent over the preceding year and reached a record 3.8 million tons. Production per cow continued to rise and cows being milked increased to 4.2 million head. Production in 1965 should continue to increase because domestic demand is expanding and imports have been curtailed.

Egg production totaled 201,000 tons in 1964, up about 6 percent over a year earlier. A continued rise is expected in the next few years because a new governmental agency was initiated in 1964 to stabilize the price of eggs and improve their quality.

Foreign Trade.--Total exports continued to increase in 1963, rising to \$985 million, up 6 percent above the 1962 level. The increase in exports was the result primarily of larger shipments of nonagricultural products. Imports also increased substantially--8.5 percent to \$1,241 million--induced primarily by the higher level of per capita income and increasing investment.

The value of Mexican agricultural exports in 1963 totaled \$494 million, up about 3 percent from a year earlier, and accounted for half of the total. In 1964, exports probably increased substantially, considering scheduled shipments of wheat and corn to communist countries.

Wheat exports during the first 10 months of 1964 totaled 493,000 tons, compared to 26,000 tons for the same period in 1963. Wheat exports may approximate 600,000 tons in 1964. Exports of corn during the first 10 months of 1964 also increased sharply to 152,000 tons from none the year before. The years total may also have reached a sizable quantity, as a corn surplus of 600,000 tons by the end of 1964 was anticipated. Exports of wheat and corn are expected to continue at a very high level during 1965.

Exports of cotton, which usually amount to over one-fifth of total agricultural exports, dropped about 10 percent to \$196 million in 1963. Exports during 1964 were well below this lower level. Purchases by Japan fell in 1964 but new purchases by Communist China may have compensated. Exports of sugar were at record proportions of 455,000 tons for the first 10 months of 1964 compared to 326,000 tons a year earlier. Over 500,000 tons will be exported in 1965.

Mexico agreed to limit beef and veal exports to the United States in 1964 to a level 9 percent below 1962 and 1963, rising 3.7 percent annually in future years. Exports from Mexico to the United States in 1964 were about 30,000 tons of beef and beef products.

The live cattle export quota for the 1965 marketing year, begun September 1, 1964, is 742,000 head, down 3 percent from a year earlier. However, as a result of low prices in the United States and good pasture in Mexico, it is doubtful whether the quota will be filled.

Fresh vegetable exports to the United States were up slightly over the previous year for the first 10 months of 1964. However, timely rainfall is producing record winter vegetable crops. Exports during the 1964/65 winter should again be very high. Frozen strawberries are setting record export figures, totaling 21,000 tons for the first 10 months of 1964 compared to 19,000 for this period a year earlier. These exports should continue at this high level through 1965.

The value of total agricultural imports during 1963 totaled \$138 million, up nearly 40 percent over 1962, accounting for 11 percent of the total. The sharp increase in 1963 was due principally to large imports of corn and grain sorghum as a result of the drought in 1961 and 1962. In contrast, the first 10 months of 1964 indicate a sharp decrease in total agricultural imports from the same period of the previous year. However, several commodities registered gains over the same period of a year earlier. Barley imports more than quadrupled, reaching 30,000 tons; malt and hops more than doubled, at 1,200 tons and 1,400 tons respectively; and wheat flour imports increased 8 percent to 28,000 tons.

Central America

British Honduras

Economic gains in 1964 should continue into 1965, largely as a result of three recent developments: The construction of a frozen citrus concentrate plant, the purchase of the country's sugar industry by Tate and Lyle, and the proposed banana planting program of the United Fruit Company. Also, under consideration is the construction of a slaughter plant to provide stimulus for the cattle industry.

Citrus, sugar, and lumber production are the chief economic activities and accounted for 88.5 percent of the country's exports in 1961. Agriculture contributes around 27 percent to the gross domestic product.

The 1964 population was estimated at 103,900 with a growth rate of 3.2 percent. Food consumption was close to the 1959-61 per capita estimate of 2,020 calories.

The imbalance in total trade narrowed in 1964 and the substantial increase in agricultural exports accompanied by relatively stable agricultural imports resulted in a favorable balance in agricultural trade. For 1965, further improvement in the trade balance is expected, with agricultural exports up and imports down.

The outlook for crop production in 1964/65 is favorable, with increases expected in food crops as well as export crops.

Increased acreage probably resulted in larger crops of corn, rice, and beans in 1964. Further increases are expected. British Honduras is expected to reach self-sufficiency in rice by 1968.

Sugar production of 34,000 tons in 1963/64 was adequate to meet Commonwealth and U.S. quotas and supply domestic requirements. A goal of 2,000 acres of new cane was set for 1964. Production for 1964/65 is forecast at 39,000 tons.

Citrus production is expected to be a record high in 1964/65 with further increases anticipated. At the beginning of 1964, the area in oranges was estimated at 6,000 acres with 1,000 acres of new groves scheduled for planting annually the next 4 or 5 years. Grapefruit production was at normal levels and no acreage expansion is planned over the present 1,600 acres.

If the United Fruit Company proceeds with its program, banana planting should begin about mid-1965. Bananas would be shipped to European markets.

Meat production was probably down some in 1964. Cattle numbers remained relatively stable, with a slight uptrend due to reduced slaughter. The proposed slaughter plant will process meat primarily for export.

Sugar and citrus will continue as major sources of foreign exchange. The United Kingdom is the leading market. Barring natural disasters or extreme weather, increased exports of these commodities are likely for 1965.

British Honduras will continue to import about the same variety of agricultural commodities as in the past. The more important are meat and dairy products, wheat flour, rice, lard, fresh and preserved fruits and vegetables. The United States remains the principal source of these imports. Some decreases apparently occurred in 1964 and further declines are likely in subsequent years as domestic food output increases.

Guatemala

Most economic activity was upward in the first half of 1964. The estimated gross national product of \$1,230 million or \$290 per capita was up 6.9 percent from 1963. Economic prospects for 1965 are good.

As of July 1964, there had been an uptrend in sales and business activity for 4 consecutive quarters. Central bank gold and foreign exchange holdings were at the highest midyear level in many years. Population was estimated at 4.2 million with a growth rate of 3.0 percent. Food consumption in 1964 was near the 1,970 calories per capita per day estimated for 1959-61.

The Government recently passed a number of laws which adversely affected cotton, sugar and meat production. Later revisions removed some damaging features, but in general few of the laws contain incentive provisions.

Agriculture accounts for about one-third of the gross national product. Farm output for 1964/65 is expected to be about 4 percent above 1963/64, food, up 2 percent. With the exception of coffee, bananas, rice, and potatoes, production of crops is expected to be above a year earlier. Due to heavy infestation of leaf miner, the coffee crop was down about 7 percent to 99,000 tons. In 1964, the United Fruit Company closed its Pacific coast operation and banana production was down with further declines expected in 1965. Export production was estimated at 110,000 tons compared with 117,000 tons a year earlier. Rice and potato output was about the same as a year earlier.

The 1964 cotton crop output was probably up 14 percent to 74,000 tons from the year before. Centrifugal sugar production may increase from 1963/64, but domestic consumption is forecast to be up 9 percent due to a continued shift from panela to granulated sugar. Sesame was probably up by one-third to 2,000 tons.

Food crop output was estimated slightly above the previous year. Expanded acreage and good weather accounted for most of the increase. Rice was unchanged at 18,000 tons but corn was estimated up 5 percent to 620,000 tons, wheat up 12 percent to 27,000 tons, and beans up 3 percent to 36,000 tons. Potatoes will probably be unchanged at 16,000 tons.

Output of beef, pork, and milk in 1964 remained unchanged. Guatemala's livestock improvement program is expected to result in future increases in output of livestock products. Beef cattle numbers are increasing at an estimated rate of 3 to 4 percent annually and totaled 1.6 million head in 1963. Dairy cow numbers increased 6 percent between 1962 and 1963; hog numbers rose 3 percent.

Exports totaled \$154 million and imports \$165 million in 1963, of which agricultural products accounted for about 86 and 12 percent. Coffee, cotton, bananas, sugar, and beef accounted for 92 percent of agricultural exports, coffee alone for 59 percent; wheat, dairy products, cattle, tallow, cereal products, and other grains accounted for over two-thirds of agricultural imports.

The volume of banana, coffee, and beef exports in 1964 was probably down from 1963, while shipments of cotton and sugar exceeded 1963 levels. Overall increases are expected in 1965 with gains likely for four of the five major export commodities except coffee.

Wheat imports in 1964 were probably up, with some increase in other cereals and cereal products. Increased corn output may have resulted in somewhat lower imports. Modest gains were estimated for dairy products. Agricultural imports in 1965 should continue at near the levels of the past year. Increased amounts of wheat, dairy products, and cereal products may be offset by lower corn and tallow imports.

Honduras

The 1964 economic situation in Honduras was good and resulted in an estimated gross national product of \$475 million, or \$230 per capita. The estimated rate of growth of 6.0 percent is expected to continue into 1965.

Private sector activity was high at midyear, but public sector investment declined with the completion of major hydroelectric and highway projects. A proposed 5-year rural development plan has recently been prepared. Central bank foreign assets reached \$16 million in September 1964, up from \$9 million at the end of September 1963. Satisfactory progress was reported in the United Fruit Company expansion program. The Company also has invested \$2 million in a cardboard box factory, and by mid-1965 all bananas exported from Honduras will probably be in boxes.

Population was estimated at 2.1 million in mid-1964 with a growth rate of 3.1 percent. The cost-of-living index at the end of June was up 4.9 percent from the previous year. Food consumption in 1964 may have exceeded the average of 2,330 calories per capita estimated for 1959-61.

Agriculture, forestry, and fishing contribute around 43 percent of the gross national product. Farm output for 1964/65 was forecast at 7 percent above 1963/64 with food production up 4 percent; good weather and better technical practices were largely responsible.

Cotton production is booming and the 1964/65 crop is forecast at nearly 9,000 tons, 29 percent above the previous year. A new textile mill, scheduled to have begun operations in December 1964, will utilize about 1,500 tons compared with 440 tons used by the old mill. Centrifugal sugar output is expected to be up 17 percent, from 29,000 tons to 34,000 in 1964/65. Domestic sugar consumption per year may increase 15 percent, eliminating exports in 1965. Other estimated increases are: Corn, up 4 percent to 310,000 tons; coffee, up 1 percent to 25,000 tons; tobacco, up 45 percent to 3,200 tons; export banana production, up 4 percent to 350,000 tons; and beans, up 11 percent to 50,000 tons. Rice output was unchanged at 23,000 tons.

Livestock output showed gains in 1964. Beef production increased 4 percent to 27,000 tons. Milk output of 135,000 tons represented a gain of 2 percent. However, pork output was unchanged at 9,000 tons. A new slaughtering plant opened in 1964 but is operating at well below capacity. One of the older plants has discontinued slaughtering. Cattle numbers in 1963 were estimated at 1.8 million head with a 2 percent annual rate of increase. Hog numbers probably totaled 625,000 head and were increasing at about 2 percent a year. During the past 2 years Honduras imported 800 purebred beef and dairy cattle and 100 purebred hogs, all from the United States, as part of its livestock development program.

Trade continued to improve through the first 6 months of 1964. Exports, about three-fourths agricultural, were valued at \$54.7 million, an increase of 17 percent over a year earlier. Imports were up 12 percent to \$48.0 million in the first half of 1964. Agricultural commodities usually account for about 12 percent of the total.

Banana, coffee, cotton, and live cattle exports totaled \$52.0 million and accounted for three-fourths of the value of agricultural exports in 1963. Export banana production of 350,000 tons in 1964 was up an estimated 4 percent. The value of coffee exports was likely up over the \$14.3 million for 1963 due both to increased output and better prices. Cotton exports were probably up from the \$2.5 million in 1963. Live cattle exports, valued at \$1.9 million in 1963, probably declined due in part to a recent law confining shipments to weights of 700 pounds or more per head. Exports of these commodities are expected to be near 1964 levels this year, except live cattle shipments which may drop further.

About three-fourths of the value of agricultural imports in 1963 were wheat and wheat flour, other cereals and preparations, dairy products, fruits and vegetables, and sugar and preparations. Imports of most of these commodities probably increased in 1964. Some reduction may result in 1965 due to increased domestic food production.

El Salvador

El Salvador's economy continued expanding in 1964. The estimated gross national product of \$755.5 million or \$280 per capita in 1964 represented an increase of 6.0 percent over 1963. This growth rate is expected to continue into 1965.

Wage and price stability was maintained in 1964 while business activity and international trade continued at levels well above those of recent years. Increased agricultural output,

accounting for around 37 percent of the gross national product, contributed to gains. Net international reserves were up in spite of record-breaking imports. Population in mid-1964 was estimated at 2.7 million with a 2.8 percent growth rate. Food consumption was probably near the 2,000 calories per capita per day average estimated for 1959-61.

Total agricultural production for 1964/65 is expected to increase 5 percent. Good cotton and sugar crops will probably offset declines in several crops with food output down 2 percent. A record cotton crop estimated at 84,000 tons was produced, up 15 percent, based on acreage increase and high yields. Domestic cotton utilization continues to expand, stimulated by the Central American Common Market demand for El Salvador's textiles. Increased acreage, higher cane yields, and more efficient milling are expected to result in a record 1964/65 centrifugal sugar output of 77,000 tons, up 18 percent from the year before. Domestic sugar consumption is expected to be up 13 percent over the previous year. Tobacco, up 8 percent to 1,400 tons, is the only other crop registering a gain.

Corn production, estimated at 184,000 tons, was down 11 percent. Despite some increase in corn production over the past few years, output has not kept up with demand, and substantial imports have been required. Output of rice and beans continued to decline by 9 and 17 percent, respectively, due both to disease and lower acreage, and imports are necessary. Coffee output was down 3 percent to about 112,000 tons and henequen production dropped 13 percent to 2,000 tons.

The livestock industry continues to lag despite promotion efforts of the government. Beef and pork production in 1964 were unchanged at 22,000 and 15,000 tons, respectively. Cattle numbers were estimated at 949,200 in 1964, an increase of 3.6 percent over 916,500 in 1961. Hog numbers are estimated to have declined 17 percent between 1950 and 1961.

Exports totaled \$154 million and imports \$152 million in 1963; agricultural trade accounted for 82 and 16 percent, respectively. Cotton, sugar, and coffee represented 91 percent of the value of agricultural exports. Wheat, live animals, corn, dairy products, and vegetables accounted for about two-thirds of agricultural imports.

Total exports in 1964 probably gained sharply. They were \$119 million for the first half of 1964, up 20 percent from a year earlier. Cotton exports were up from 64,000 tons in 1963. Sugar exports showed some gain over the 18,000 tons for the previous year. Greatest export gains were in coffee, up from the 101,000 tons in 1963, and better prices. For 1965, cotton exports may increase, sugar show little gain, and coffee decline.

Total imports in 1964 probably were also up, since the \$86 million for the first half reflected a gain of nearly one-fourth over the same period of the previous year. Most agricultural imports probably gained also in view of production and consumption trends. Increases in agricultural imports are expected in 1965, as food output probably will not be adequate to meet needs.

Nicaragua

Nicaragua's gross national product for 1964 was about 6.0 percent above 1963 with a per capita output of about \$305, continuing the uptrend begun in 1961. This trend should continue into 1965.

Investment in industry and agriculture continues high. A loan of \$2.3 million by the Inter-American Development Bank to the Nicaraguan Development Institute will be used to cover one-third of the cost of a project for livestock development, agricultural diversification, pilot farm projects and the Rivas irrigation development.

Mid-1964 population was estimated at 1.6 million with a growth rate of 2.8 percent. The cost-of-living index at the end of September was 3 percent above a year earlier and the food, beverage, and tobacco component was 7.5 percent higher. Food consumption in 1964 was probably slightly above the estimated 1959-61 average of 2,190 calories per capita per day.

Agriculture continues to be the most important sector of the economy, accounting for 37 percent of the gross domestic product in 1963, a slight increase over 1962. Total 1964/65 agricultural output is forecast at almost 10 percent above the record high the previous year, due in part to excellent weather. However, food output will probably be up only 4 percent.

Expanded acreage, excellent weather, and higher yields produced a record cotton crop estimated at 105,000 tons in 1964. Domestic cotton consumption in 1965 will increase slightly. Japan is the principal export market, with West Germany in second place.

Heavy flowering of coffee trees and good weather resulted in a bumper coffee harvest in 1964; in addition, this is the "up" year in the production cycle. Output was estimated at 31,000 tons, up 15 percent from 1963/64.

A 15 percent increase in centrifugal sugar production is forecast for 1964/65 due mostly to higher cane yields and more efficient milling.

Corn production was likely up by 16 percent to 130,000 tons. Rice production was estimated at 30,000 tons, unchanged from a year earlier. Sesame output was little changed. There were sharp increases in banana, bean, and other food crops.

Beef production was down 6 percent to 30,000 tons in 1964. Pork and milk output was unchanged. The beef cattle industry is expanding due to an aggressive promotion program, favorable export prices, and ready markets for Nicaragua's beef. A major setback was prolonged drought during 1963 which forced cattlemen to slaughter more animals than normal; as a result there were fewer animals for beef production during 1964.

Both total and agricultural exports and imports in 1964 probably registered gains over 1963 exports of \$100 million and imports of \$111 million. In 1963, about 80 percent of exports and 10 percent of imports were agricultural. Exports of cotton, coffee, meat, and sugar represented over 80 percent of the 1963 agricultural total; imports of wheat, rice, and corn amounted to about one-third of imports.

The value of coffee exports in 1964 was up from 1963, reflecting increased prices and some increase in quantity. Cotton and sugar exports probably exceeded the \$39.8 million and \$6.0 million in 1963. The value of meat exports was little changed; increased prices offset a lower volume. Increases may occur in the value of 1965 exports of these commodities, except for coffee.

Agricultural imports were estimated to be up in 1964 to meet increased food needs. Further increases are likely in 1965.

Costa Rica

The Costa Rican economy showed some progress during 1964. The estimated gross national product of \$511 million or \$370 per capita represented an increase of 5.0 percent over 1963. A slowdown in growth may occur in 1965.

Plans for the establishment of new industries continue, and there is a continued investor interest. However, a temporary economic slowdown may occur because of the adverse effects of Irazu volcano's eruptions and sharply reduced agricultural output in 1964/65.

Food consumption in 1964 was probably near the average of 2,520 calories per capita per day estimated for 1959-61. Population was estimated at 1.4 million in mid-1964 growing at a rate of 4.0 percent. Unofficial estimates place the growth rate much higher.

About one-third of Costa Rica's gross national product is derived from agriculture, down sharply from 1950 when half came from agriculture. Drought and insects as well as volcanic ash have sharply cut crop output; agricultural production is expected to be down 12 percent from the year before.

Coffee yields were cut by heavy insect damage, by damage to coffee trees caused by volcanic ash, and by a prolonged dry season. The crop was estimated at about 43,000 tons compared with 66,000 a year earlier. Production from large new banana plantings in the Atlantic zone boosted 1964 output, and export production was an estimated 355,000 tons, up 36 percent.

Centrifugal sugar output is expected to reach 115,000 tons. This is some improvement over the previous year when a combination of volcanic ash, an unusually dry season, and managerial difficulties at several mills kept the crop from reaching expectations. Domestic sugar consumption is estimated at 51,000 tons. Corn output was down an estimated 23 percent to 64,000 tons; rice was down 12 percent to 45,000 tons; potatoes down 10 percent to 9,000 tons; and tobacco down 13 percent to 1,300 tons. Dried beans and cocoa beans were unchanged at 22,000 tons and 12,000 tons.

Livestock production increased in 1964. Beef production was estimated at 33,000 tons, up 3 percent from 1963. However, total cattle numbers for 1964 were estimated at 1.1 million head, a slight decline from the 2 preceding years. Pork production gained 12 percent to an estimated 9,000 tons, and hog numbers increased somewhat. Dairy production in 1963 and early 1964 suffered from the effects on pastures of volcanic ash, but fluid milk output was probably up 3 percent to 109,000 tons in 1964. Severe culling of dairy herds and supplemental feeding probably helped boost 1964 milk production.

Agricultural trade usually accounts for over 90 percent of the value of exports and about 10 percent of imports. Exports for the first half of 1964 totaled \$67.2 million compared with \$53.2 million for the comparable period of 1963. This increase was attributed to higher coffee prices. Coffee exports increased \$5.8 million, banana exports \$2.3 million, and frozen beef \$0.6 million.

Imports for January-June 1964 totaled \$63.3 million, up \$4.9 million from the same period of 1963. For the year, wheat and flour imports likely gained over the \$4.6 million for 1963. Feed imports will probably increase and dairy product imports decline.

Agricultural trade in 1965 is expected to be near 1964 levels. A decline in coffee exports may be offset by larger shipments of sugar, bananas, and beef, or possibly live cattle. Imports of wheat and flour, dairy products, and feed should continue near 1964 levels.

Panama

Economic activity in 1964 was slowed, largely as a result of developments stemming from the January 1964 riots. Gross national product in 1964 may have been near the \$527 million of the previous year, which would mean no growth and a decline in per capita output to \$435. With a return to more settled conditions, 1965 may see economic activity again at a near-normal level.

Uncertainty and balance-of-payment problems plagued Panama in 1964. The new administration announced that austerity in government spending would be part of its program for solving Panama's problems. However, loans totaling \$10.3 million were negotiated. Most were earmarked for rural and related development.

Population was estimated at 1.2 million in mid-1964, increasing at a rate of 3.0 percent. Average food consumption was probably near the 2,370 calories per capita per day estimated for 1959-61.

Agriculture is the source of 22 percent of the gross national product and is currently one of the bright spots in the economy. Normal crop conditions apparently have prevailed thus far for 1964/65 and production is forecast at 8 percent above the previous year.

Export crops account for most of the increase in production forecast for 1964/65. Export banana production was up 15 percent to 291,000 tons from the previous year despite some losses from blowdowns and labor troubles. Increased sugar acreage will boost output of centrifugal sugar in 1964/65, likely up 16 percent to 57,000 tons. However, coffee and cocoa bean output will probably be unchanged at 5,000 and 800 tons, respectively.

Some increase in food production is expected; government efforts to push food crops are beginning to show favorable results. Corn output was estimated up 5 percent to 80,000 tons and Panama may become self-sufficient in corn in 1965. However, additional bean and rice imports will be needed despite estimated increases in output.

Beef production in 1964 was estimated at 25,000 tons, unchanged from a year earlier. Cattle numbers at the beginning of 1964 were estimated at 860,500, up from the previous year by 2.6 percent. A shortage of beef developed during the 1964 dry season due to lighter weight of slaughter cattle. About 4,000 head of cattle were exported during 1964; an estimated 6,000 head will be available for export in 1965. Hog numbers are increasing slightly, but pork production still fails to meet domestic demand. Milk production dropped seasonally during early 1964; but total output for the year is estimated at 52,000 tons, the same as in 1963.

Exports totaled \$59 million and imports \$166 million in 1963, agricultural trade being an estimated 40 percent and 13 percent, respectively. Bananas and coffee represented over

85 percent of total agricultural exports. Wheat flour, other cereals and preparations, meat and meat products, dairy products, fruits and preparations, and vegetables and preparations made up over half of agricultural imports.

The value of agricultural exports was probably up in 1964. Banana value was up. Coffee exports were likely up from 1963 as a result of higher prices. Slaughter cattle exports were probably up and cocoa beans down. Agricultural imports in 1964 remained about the same as a year earlier.

The outlook for 1965 is for increased exports of sugar and bananas. Corn imports will be down along with a continued slight uptrend in imports of other agricultural commodities. The United States should continue as the chief supplier of these products.

South America

Colombia

Inflation and other economic problems continued to restrict economic growth in 1964, although some improvement was registered over the previous year. Per capita gross national product, estimated at \$220 in 1962, largely recovered in 1964 from the decline the previous year. Further improvement may be evidenced in 1965.

Tight credit policies instituted by the Monetary Board, established in September 1963 to exercise monetary controls and combat continuing inflation, apparently restricted economic growth in the past year. However, despite credit restrictions, new industrial plants were established, industrial employment was up slightly, and the production of crude petroleum, cement, and electricity were slightly above the previous year's level. The Monetary Board also has relaxed its tight control over investment in agriculture by encouraging lending institutions to extend credit to this sector. There are indications that domestic public investment failed to reach the level called for under the 10-year development plan and that the government began a search for new sources of funds.

Demand for food and other goods and services continued to increase as a result of rapid population gains. Colombia's population was estimated at 16.5 million in mid-1964 with a growth rate of 2.9 percent per year. Per capita food consumption continued to be below reference minimum nutritional standards and close to the average of 2,280 calories per day estimated for the 1959-61 period, a decline from earlier years. Retail food prices and the cost of living increased some in 1964. The government announced plans to open more retail food stores to sell foodstuffs at low prices.

Gold and foreign exchange reserves as well as foreign trade rose significantly in the first half of 1964. However, in late October, the central bank stopped selling dollars on the free market; this resulted in a decline in the value of the peso. The government in June abolished the Superintendencias Nacional de Importaciones and established two new organizations, the Junta de Comercio Exterior (a policy-making board) and the Superintendencia de Comercio Exterior (an operating agency), to regulate trade and promote exports.

Agriculture is still the most important economic activity in Colombia, providing 33 percent of gross domestic product, employing 50 percent of the labor force, and supplying 82 percent of the country's foreign trade. Anxieties felt by farmers in 1963 over tax increases,

devaluation, and inflation were lessened in 1964 with the rise in coffee prices and greater stability of internal prices.

Total 1964/65 agricultural production is expected to show a slight uptrend and to be a little over 2 percent above the previous year's output--not enough to keep pace with population growth. However, food production should outstrip population growth, with an estimated increase of over 4 percent. Greatest gains are indicated for food crops and livestock products with little or no increases for most nonfood and export crops.

Crop production estimates for 1964/65 generally reflect good weather in contrast to the previous year. Favorable market prices, technical assistance, strong demand, and availability of credit led to greater acreages and expected output for rice, sugarcane, sesame, soybeans, tobacco, and potatoes. Expected output increases range from around 50 percent for soybeans and sesame to 5 percent for tobacco. Gains of 14 percent are expected for cocoa beans and 2 percent for bananas and barley.

Production of corn, plantains, and coffee should be at or near the 1963/64 levels. Bean output probably declined about 9 percent. Cotton and cottonseed production will probably decline 4 percent as farmers, particularly in the central producing area, continue to shift acreage to sugarcane, sesame, and soybeans in response to more favorable prices. A poor competitive position, from both price and yield standpoint, continues to affect wheat production; output likely declined by a further 7 percent to 84,000 tons, the lowest in many years.

Livestock production probably registered significant increases for 1964. Beef production continued its strong uptrend with an estimated 5 percent gain to 409,000 tons despite the retarding influences of retail ceiling prices and a host of production problems. Pork output probably showed a decline of about 3 percent with no change expected for mutton, estimated at 70,000 tons and 2,000 tons, respectively. Milk production gained slightly, estimated at 1.9 million tons, as farmers built up herds in response to slightly better prices.

Total foreign trade and agricultural trade dropped sharply in 1963 but probably recovered in 1964. Preliminary estimates for 1964 placed total exports at about \$526 million and imports at around \$540 million, with agricultural exports expected to be near \$440 million or 84 percent and imports about \$60 million or 11 percent of the total. Total and agricultural trade levels for 1965 will likely be near those of the past year.

Coffee, cotton, bananas, and tobacco account for about 95 percent of Colombia's agricultural exports, coffee alone for around 89 percent. The higher value of coffee and tobacco exports in 1964 largely accounted for the increase in total exports, with banana exports about the same and cotton exports down. Coffee exports may total 370,000 tons for 1964. Tobacco exports are estimated at 13,000 tons and bananas at 250,000 tons. Cotton exports probably declined from 25,000 to 10,000 tons. In addition, estimated sugar exports of 32,500 tons for 1964 were down from 61,000 tons for the previous year. Rice exports were probably unchanged.

Wheat, wool, fats and oils, cocoa beans, copra, rubber, tallow, and other cereals and preparations usually account for about 85 percent of Colombia's imports, with wheat amounting to about one-fourth.

Agricultural imports of almost all commodities were up considerably from 1963 levels in the past year. Wheat imports likely reached 200,000 metric tons, up from 93,000 in 1963.

Barley imports were estimated at 10,000 tons in 1964; none was imported the previous year. Edible vegetable oil imports were expected to total 12,000 tons, almost double the previous year's volume. Tallow imports were probably up slightly.

The volume of coffee exports this year may be near levels of the previous year with cotton, bananas, tobacco, and sugar higher. The total value of exports, however, will hinge mainly on the movement of coffee prices. The volume of wheat, tallow and edible oil imports may also increase.

Venezuela

Economic growth continued at high levels in 1964. The gross national product probably increased by about 4.7 percent to \$725 per capita, up from the previous year, to continue the steady uptrend since 1960. Economic growth may reflect about the same pattern this year.

Petroleum output reached a record high in the first 6 months of 1964. Industrial output was up 20 percent, and iron ore production increased 25 percent. In May newly elected President Leoni announced increased investment plans, including the irrigation of an additional 1.3 million hectares by 1980. Trade was at record levels in the first half of 1964. Gold and foreign exchange reserves of the central bank reached \$851 million in April, the highest since 1958.

The country's population was estimated in mid-1964 at 8.5 million with a growth rate of 3.4 percent, second only to Costa Rica in the Hemisphere. Food consumption was probably at somewhat higher levels than the 2,330 calories per capita per day estimated for 1959-61, but still below reference minimum nutritional standards. With the devaluation of the selling rate of the bolivar from 3.35 to 4.50 to the dollar, a slight inflationary trend appeared, reflected in an increase in the wholesale price index of almost 4 percent for the first half of the year. However, the cost of living was little affected because of price ceilings imposed on consumer products, including most foods.

Total agricultural output, crop production, and food production indices show expected gains of well over 6 percent for 1964/65, for per capita gains of more than 3 percent.

Proportionately, the greatest gain estimated for 1964/65 crop production is 45 percent for sesame. Other expected increases from 20 to 16 percent are for cotton, beans, potatoes, and sweetpotatoes. Yuca output will likely be up 10 percent, and coffee up 2 percent. Slight declines are expected in corn and rice output. Rice production was cut by drought, while corn output declines apparently reflect low prices of the previous year. Production of cocoa beans, tobacco, and sisal are expected to be at or near year-earlier levels.

Significant though more modest increases were reported for 1964 output of livestock products. Because of strong demand, beef production likely increased 2 percent despite disease problems of a year earlier. Milk, pork, and poultry products continued the steady expansion with gains of 7 to 9 percent. As a result of continued high level milk production, a complete review of the national milk program is planned with the aim of further reducing the import contingency requirement on dry whole milk.

For the first 5 months of 1964, total exports and imports were up about 12 percent from a year earlier. Agricultural exports and imports were probably slightly higher than in 1963,

when they were estimated at \$23 million for exports and \$158 million for imports, about 1 percent of total exports and 14 percent of imports, respectively.

Higher coffee prices and larger sugar shipments were the major factors behind the increase in exports. Larger imports of corn, expected to reach 110,000 metric tons by the end of 1964, and small increases in imports of wheat, peas and beans, and potatoes probably about offset slight declines in imports of rice, cotton fiber, and milk, and a sizable decrease in sesame imports.

During 1965, Venezuela may import larger quantities of wheat, barley, and fats and oils. Imports of milk products are expected to decline.

Brazil

Continued uncertainty, inflation, balance-of-payment problems, and low levels of activity characterized the economy in 1964. Little or no gains were registered in the gross national product, with per capita output probably near \$250. Some upturn appears likely in 1965.

The military takeover at the end of March 1964 resulted in policies of reducing government participation in business and industry and increasing foreign investment. Encouragement to the private sector, however, has been offset by credit restrictions, counterinflationary measures, and other controls which still leave considerable uncertainty in the business outlook. Inflation was held to 80 percent in 1964, the same as the previous year, after having reached a monthly peak of 8 percent in March. A significant reduction in the rate of inflation is planned for 1965 with the aim of an annual rate of only 10 percent in 1966. The new government's approach to controlling inflation and stimulating economic growth and the new law on remittance of profits have renewed the confidence of foreign governments and investors. However, there is some fear that too rapid deflation may precipitate a downturn.

Brazil's chronic balance-of-payment problems have been at crisis proportions since early 1963. Foreign debt stretchouts are being negotiated. Efforts are also being made to maintain the favorable balance of trade achieved in the first 9 months of 1964.

Brazil's population of 79.7 million in mid-1964 has been growing at a rate of 3.1 percent per year. From July 1963 through July 1964, food prices advanced 10 percent more than total living costs and probably faster than salaries and wages. Per capita food consumption is near the 1959-61 average level of 2,710 calories per day.

The new government has devoted increased attention to agriculture which continues to support about half of the labor force. Agricultural support prices have been strengthened, a countrywide program of crop storage is being developed, an agrarian reform law was signed in late 1964, and measures have been taken to increase the fertilizer availability.

The agricultural production index for 1964/65 is estimated to be down 12 percent or 14 percent per capita, largely resulting from the record low coffee crop. Food output is expected to be down only 5 percent. The 1965/66 harvest prospects are for a near normal coffee crop and for increases in corn, rice, and oilseed crops.

Crop production for 1964/65 was held down by poor weather. Rains in late 1963 ended the prolonged drought, but subsequent drought and excess rain were damaging.

In Sao Paulo, which alone accounts for 25 percent of the value of Brazil's agricultural production, the rainy season was short and light. Plantings of corn and rice were delayed and reduced because of dry soils, while a considerable area of rice was replanted because of poor stands. In Rio Grande do Sul, however, heavy rains delayed rice and corn planting with a consequent reduction in yields, and also caused heavy losses in the 1964 soybean and flaxseed harvests. Timing and quantity of rainfall were more fortunate in Parana, providing good yields of rice and beans and providing also an exceptionally good recovery for coffee trees which had been severely damaged by the 1963 drought and frosts. As a result, Brazil's coffee harvest beginning in June 1964 was larger than earlier expected, but will not be back to 1962/63 levels before next year. Higher support prices were judged to have increased the areas of rice and soybean plantings in the southern states for 1965 harvest. A combination of adequate rainfall and cool weather in the southern states provided excellent planting conditions for the 1964 small grain crops. Subsequent growing conditions have also been favorable.

In the Northeast an unusually severe rainy season, starting in December 1963 and ending in September 1964, reduced the sugar content of the cane crop, hurt both quality and quantity of the Northeast cotton crop, and produced floods and high water which cut harvested acreage of beans, corn, and other food crops over much of the Northeast. At the same time available moisture led to record production of castor beans with large increases in Bahia, where cocoa bean production also was up from the previous year. Labor problems delayed sugar harvest for some Northeast mills.

For Brazil as a whole, grain production declined sharply, due mainly to a drop of one-fourth in corn output. However, wheat and barley output was up, with rice and rye down.

Among the commercial crops, coffee output likely declined 62 percent and tobacco 22 percent from a year earlier. Sugarcane and cocoa bean output probably gained 2 and 8 percent, respectively.

Oilseed production will probably be little changed, with declines of 23 percent for soybeans, 12 percent for peanuts, and 58 percent for flaxseed. Estimates indicate possible offsetting increases of 2 percent for cottonseed, 31 percent for castor beans, and 10 percent for tung nuts.

Fiber production may be up 2 percent for cotton, 4 percent for jute, and 8 percent for sisal.

Potato production was reportedly up by 11 percent and dried beans down by 18 percent. Other fruit and vegetable production probably showed small gains.

Livestock production apparently gained in 1964, except for a 6 percent decline in milk output. Pastures have recovered from drought and are in generally satisfactory condition. Also, the 1964 alfalfa output was probably up by one-fourth, although the short corn crop reduced feed availability, particularly in Sao Paulo where a large part of corn production is fed to dairy cattle or used for fattening hogs and cattle. The new corn harvest, beginning in March, is expected to be considerably larger. Price controls on dairy products and meat to counter the inflationary effects of short production have intensified the cost-price squeeze and probably contributed to further market shortages. However, retail price controls on fresh meat, in force during the dry season, were lifted in October 1964. Beef production apparently

increased 4 percent, reversing the slight downtrend since 1960. Reported uptrends in Brazil's cattle numbers are judged to be greatly exaggerated. In September, a government decree prohibited slaughter of beef cattle under 5 years of age. Wool production was up 4 percent and further increases are expected for 1965.

A foreign trade surplus occurred the first 9 months of 1964, in contrast to annual deficits since 1956. Exports valued at \$1,016 million exceeded imports of \$936 million, an increase of 4 percent and a decline of 13 percent, respectively, from a year earlier. This trend may continue into 1965.

Exports totaled \$1,406 million and imports \$1,487 million in 1963, of which agricultural products accounted for an estimated \$1,194 million or 85 percent and \$266 million or 18 percent, respectively. Coffee, sugar, cotton, and cocoa beans accounted for about 81 percent of agricultural exports, coffee alone for 63 percent. Over 95 percent of agricultural imports consist of wheat, other grain, fruit and vegetables, fats and oils, and dairy products--wheat making up about 75 percent.

Attention was focused on Brazil's coffee trade in 1964 as a result of its sharp drop in output. Foreign importers, seeking to protect short stock positions, bid up world prices. Export quotas under the coffee agreement were increased in February 1964 and higher coffee exports resulted in February and March. By this time, Parana coffee trees had made substantial recovery and the future coffee supply situation appeared to be adequate to cover demands, with shortages in the 1964 crop readily covered from Brazilian government-held surpluses. Scare buying slackened and the world price declined. Brazil took a number of actions to keep the price high. Brazil's coffee export volume has been below the same months of the previous year since March 1964. Brazil shipped 2.3 million bags less than its permissible quota of 18.7 million bags in the period October 1, 1963-September 30, 1964, though the value gained 20 percent over the same period of 1963. The volume of exports is estimated at 940,000 tons for 1964, down 20 percent. While the 1964/65 International Coffee Agreement quotas have been decreased slightly, high world stocks and production point to a lower price in 1965.

Sugar exports declined from 527,000 tons, in 1963 valued at \$72 million, to an estimated 375,000 valued at around \$36 million in 1964. Availability may reach 680,000 tons for 1965.

The value of cotton exports declined 22 percent and cocoa beans 4 percent in the first 9 months of 1964 from the same period of the previous year. These shifts reflected both lower quantities and prices. Total exports for 1964 likely were about 240,000 tons for cotton, down 4 percent, while exports of cocoa beans probably did not exceed the 69,000 ton level of 1963. High prices and reduced consumption permitted record high wool exports of over \$15 million in the first 6 months of 1964. Exports of 23,500 tons of potatoes and 20,000 tons of beef were authorized for 1964. Rice exports were off in 1964 due to the short crop. Banana exports of 200,000 tons and tobacco exports of 40,000 tons estimated for 1964 represented declines of 3 and 9 percent, respectively, from a year earlier. Soybean exports, discontinued as a result of the short crop, may resume in 1965.

Wheat imports may have reached a record 2.4 million metric tons in 1964 compared with 2.2 million tons in each of the previous 2 years. With a larger domestic crop, 1965 imports may be down. Argentina is expected to supply 1.1 million tons in 1965 compared to 0.9 million in 1964, since 0.1 million tons of the 1964 quota is to be carried over into 1965.

As a result, imports from the United States will likely decline. Russia supplied only 263,000 tons of the 500,000 promised for 1963 and none of the 600,000 tons pledged for 1964. None of the 700,000 tons scheduled for 1965 is expected before late in the year. Exchange restrictions have reduced traditional imports of processed fruits, vegetables, fats and oils, and dairy products. However, domestic shortages of pulses and fats and oils in 1964 stepped up imports; declines are expected in late 1965.

Ecuador

The economy remained strong throughout 1964, continuing the uptrend begun late in 1962. The increase in the gross national product for 1964 was estimated at 5.3 percent with per capita income at about \$200. Continued growth is expected in 1965.

Gold and foreign exchange holdings of the central bank continued upward in 1964, increasing \$1.6 million in the first 10 months to \$53.2 million. Commercial and industrial activity also increased as new firms were established and a general expansionist outlook prevailed. There was significant activity in the food processing field with the opening of new sugar refineries, a banana powder factory, cocoa processing plants, and vegetable oil processing facilities. Credit expanded by 8 percent, and bank deposits increased slightly.

The cost-of-living index rose almost 6 percent in the first 6 months of 1964, largely because of food price increases stemming from the first quarter drought in the highlands. Ecuador's 4.9 million population in mid-1964 was growing at a rate of 3.0 percent annually. Food consumption was near the average of 2,100 calories per capita per day estimated for 1959-61, remaining below reference minimum nutritional standards.

Agriculture is basic to Ecuador's economy, employs nearly half of the active labor force, provides 36 percent of the national income, and supplies 85 to 90 percent of the country's exports. Rapid expansion of agricultural output has contributed to the overall growth of the country's economy.

The most important agricultural development during 1964 was the promulgation, in July, of an agrarian reform law which provides for the expropriation of inefficiently worked land, reversion of unused land to the state, and the granting of land titles. An agrarian reform institute was inaugurated in September.

Banana producers announced plans to establish a National Association of Ecuadorean Banana Producers, organized to give them a unified voice. The organization would also encourage direct sales from growers to purchasers, stabilize prices and volume, provide guidance to the government on the national spray program, and foster creation of an Ecuadorean banana fleet. At the same time, the relatively new practice of boxing bananas continued to expand and two new box manufacturing plants were established.

Overall agricultural production for 1964/65 is expected to be up by 5 percent over the previous year and result in a slight per capita gain. However, food production will likely increase only 4 percent, resulting in some gain on a per capita basis.

Crop production for 1964/65 is estimated at 5 percent above the previous year. Crop losses resulting from the severe first quarter drought were offset by higher output of crops

on the coast, where rainfall returned to normal after almost 3 years of drought. The highland drought affected potatoes and the local grain crops. As a result, potato output dropped approximately 14 percent and corn 15 percent, although wheat and barley output were up. Gains are also expected in the output of coffee, cocoa beans, cotton fiber, beans, yuca, and castor beans.

Beef, pork and milk production expanded in 1964 despite the drought in the highlands, but continued to be affected by price controls. Mutton output was unchanged.

Over 90 percent of the value of Ecuador's exports, valued at \$166.1 million in 1963, was derived from bananas, coffee, cocoa beans, and sugar. About 15 percent of imports, valued at \$112.6 million in 1963 was agricultural--mainly wheat, fats and oils, milk products, and other processed commodities. Wheat accounts for about 20 percent of agricultural imports.

Total and agricultural exports gained in the first 6 months of 1964, the total reaching \$79.2 million, 13 percent above the first half of the previous year. The volume of banana exports was up 21 percent; and the value of coffee exports was up 48 percent, mostly due to price although volume was also up 8 percent. The value of cocoa exports was down 11 percent, due to sharp reductions in volume. For 1964, banana exports were expected to increase 4 percent to 1.35 million tons and cocoa unchanged at 35,000. All are expected to show gains in 1965 in view of 1964/65 production gains.

The value of imports totaled \$66.6 million in the first 6 months of 1964, up one-third from the same period a year earlier. Increased agricultural imports contributed to the gain, partly as a result of drought in the highlands. For the year as a whole, wheat imports probably increased to 50,000 tons from 40,000 tons in 1963. Fats and oils imports were likely up from an estimated \$5.5 million in 1963; milk products imports, mostly dry milk, may have been somewhat above the estimated \$500,000 of the previous year. Imports of these commodities in 1965 should continue at or near 1964 levels.

Peru

The economy experienced a good year in 1964; the gross national product grew about 6 percent. Per capita income was estimated at \$220, up 3.8 percent from 1963. This high rate of growth is expected to continue into 1965.

Foreign exchange reserves of \$181 million in July 1964 were the highest ever recorded although some decline occurred subsequently. Business activity was up considerably. During the year, the government proposed a 2-year public investment program to maintain a 7 percent annual economic growth rate, with primary emphasis on roadbuilding and agricultural development. The agricultural and business climate was also improved by the enactment in May of an agrarian reform law. Circulating currency and bank credit increased, but commercial bank reserves were at record high levels.

Total population was estimated at 12.2 million, increasing at a rate of 2.3 percent annually in mid-1964. Food consumption in 1964 probably averaged slightly higher than the 2,060 calories per capita estimated for 1959-61.

With good prices on the world market for its fishmeal, lead, zinc and copper, exports probably reached record levels in 1964. Imports increased slowly in 1964. The outlook, therefore, is for a sizable trade surplus in contrast to a deficit of \$12 million in the previous year.

Agriculture is still the most important sector of Peru's economy, providing livelihood to almost two-thirds of the population, supplying almost one-third of all exports, and contributing one-fourth of the gross national product.

The agricultural production index for 1964/65 was estimated at 136 (1952/53-1954/55 = 100), the food production index at 125, and the crop production index at 136, all reflecting per capita gains.

Wheat production estimated at 161,000 tons for 1964/65 represents a gain of over 7 percent from the last year in spite of the extended drought early in the season. Barley production was up only 4 percent to about 225,000 tons as a shortage of moisture in the central and southern areas more than offset higher yields in other producing zones. Corn production was estimated at 400,000 tons, up 5 percent, as unfavorable weather affected yields in the highlands and eastern areas. Rice production will probably show a sharp upturn of 14 percent, with an output of 320,000 tons in response to good weather and abundant water supplies.

Sugarcane production may be up to 7.7 million tons or 5 percent, the result of timely rains and favorable weather. The cotton crop was up only 3 percent, despite increased planting to 136,000 tons as early season water shortages and less than normal quantities of sunshine reduced yields. Coffee production continued to expand, up an estimated 2 percent to 49,000 tons. The area devoted to coffee also expanded and good weather contributed to higher yields. Tobacco production was up 7 percent, because of larger planted acreage.

Other estimates include a 6 percent increase for potatoes, to 1.3 million tons; a 10 percent gain for sweetpotatoes; a 6 percent increase for yuca; and 2 percent for dried beans.

Livestock output dropped 4 percent for beef and 9 percent for pork and wool. However, mutton production increased 12 percent. Drought in the highlands was detrimental to beef output, and fewer cattle were shipped to the coast. Despite price controls, beef prices rose about 10 percent during the year. Milk production increased only 2 percent to 450,000 tons.

Exports in 1964 are expected to total almost 20 percent above the 1963 level of \$540 million, while imports are likely to rise by only 4 or 5 percent above the \$552 million of the previous year. In 1963, agricultural trade accounted for about 16 percent of imports and 38 percent of exports.

For the first half of 1964, Peru's cotton exports, on a volume basis, were slightly higher than in 1963, while sugar and coffee exports were down slightly. On a value basis, all three commodities registered gains over 1963.

Significant increases in imports were registered in 1964 for cereals and cereal byproducts, dairy products, fats and oils, and meat products. There was a decline in imports of livestock for slaughter and in tobacco and tobacco products.

For 1965, coffee and sugar exports will probably expand considerably, cotton slightly. Wheat and barley imports may increase. Less corn will be needed, and the outlook for livestock imports is uncertain.

Bolivia

General productivity gains continued to characterize the economy in 1964. Gross national product probably increased again by 5.5 percent for a per capita output of \$120. The outlook for 1965 is for continued growth at near this rate provided political stability prevails.

Production was up in all important economic sectors in 1964. Substantial price increases and some improvement in operating efficiency in the important mineral sector buoyed the economy. Agricultural output was up and the small industrial sector made major gains, largely in consumer goods output.

The government-supported free exchange rate has been steady since late 1958, even though the cost of living has gone up by two-thirds over the same period. The cost-of-living index, which had shown only modest increases in early 1964, advanced sharply following the November revolution, but apparently has since declined. Population was estimated at 4.2 million in mid-1964 with a growth rate of 2.3 percent annually. Food consumption in 1964 was below reference minimum nutritional standards but probably above the average of 2,010 calories per capita per day estimated for 1959-61.

By the end of the third quarter of 1964 the central bank's gold and foreign exchange reserves reached \$23.0 million, the highest point in over a decade and nearly four times the level of the third quarter of 1963. The 1964 trade deficit may be the smallest since 1959 but the overall deficit in balance-of-payments continued to require substantial capital transfers. Suspension of a large part of U.S. economic support as the result of the military coup in October clouded the outlook for 1965 until the new government gained recognition by the United States in December. High reserves, standby arrangements with the International Monetary Fund, and loans from the International Development Bank forestalled an immediate balance-of-payments crisis in this period.

Agriculture accounts for about 30 percent of GNP and continues to grow at a rate slightly higher than population but less than the economy as a whole. Increased agricultural production, however, comes mainly from new settlements in the humid tropics which are fostered both for their contribution to increased national consumption and because they lessen pressure on the land in densely populated arid regions.

The index of agricultural production for 1964/65 is estimated at 160 (1952/53-1954/55 = 100) and food production at 159, both up 3 percent from the previous year. While this resulted in a 1 percent per capita gain, the base period of the index was a period of low production following land redistribution after the 1952 revolution.

The crop production index for 1964/65 will probably be up 4 percent from the previous year. Rice production will probably increase 19 percent to 50,000 tons as prices have recovered somewhat from the low point accompanying the record 1962/63 crop. Corn output may increase 3 percent, from 292,000 to 300,000 metric tons. Wheat production is expected to remain unchanged at 45,000 tons while barley production will probably drop 3 percent to 76,000 tons. Estimates of potato output of 660,000 tons and yuca production of 112,000 tons reflect increases of 3 and 4 percent, respectively. Bean production likely remained at 14,000 tons. Sugar estimates of 75,000 tons represented a 7 percent increase as a result of larger mill capacity, although future production gains depend upon further market expansion.

Production of livestock products showed significant gains in 1964 in spite of demand limitations imposed by rising marketing costs. Beef output increased an estimated 2 percent, pork 6 percent, and mutton 2 percent. However, milk production of 112,000 tons declined 1 percent and reflected marketing and processing problems in the Cochabamba Valley.

Bolivia's large foreign trade deficit in 1963 was expected to be considerably reduced in 1964 with increased tin prices and quantities of tin exported. Exports totaled \$81.0 million in 1963 (gross) and imports \$103.8 million, with agricultural commodities providing less than 5 percent and 25 percent, respectively. Brazil nuts, coffee, and rubber comprise over three-fourths of Bolivia's agricultural exports. Small exports of sugar, bananas, and citrus fruits to Argentina, begun in 1964, are expected to increase in 1965.

Wheat and flour account for about 40 percent of agricultural imports. Dairy products, edible fats and oils, cotton, tobacco, and wool account for most of the remainder. Wheat and flour imports, about 155,000 tons of wheat equivalent in 1963, were probably down substantially in 1964, due partly to increased availability of other foods from domestic production. Increased domestic output is expected to make further inroads into the import market for agricultural products this year.

Chile

Economic gains occurred in 1964 despite political and economic uncertainties. The gross national product probably increased about 5.0 percent, for an average per capita product of about \$490. The outlook is for continued growth in 1965.

Gains in 1964 were due largely to a second half upsurge in construction, manufacturing, and mining, but a considerably greater increase in production is expected in 1965. The new presidential election removed earlier uncertainties.

Population, estimated at 8.3 million in mid-1964, is growing at an annual rate of 2.3 percent. Consumer demand has remained strong, since successive wage increases have kept pace with the rising cost of living, up 33 percent from a year earlier through September. Food consumption has probably maintained the 1959-61 level, estimated at 2,610 calories per person per day.

The foreign trade deficit of \$97 million for 1963 was the fourth in 6 years, but a small surplus was projected for 1964 on the basis of the trend for the first 6 months. Expanding exports of fishmeal, in addition to the favorable prospects for minerals, indicate that another surplus can be achieved in 1965.

Agriculture, second to manufacturing in output among the economic sectors, accounts for only 27 percent of the labor force and only 14 percent of the domestic product. Agricultural production has lagged behind population growth in recent years, and agricultural exports have dropped and import requirements increased. The agricultural policy of the new government counts upon land distribution, modern technology, and amelioration of campesino life to boost farm production.

Agricultural production for 1964/65 is expected to decline 4 percent and food production 6 percent from the year before, with per capita declines of 6 and 8 percent, respectively. The

severe drought the first 9 months of 1964, particularly in the north central regions, reduced spring plantings, delayed growth of winter crops, and damaged pastures. Anticipated percentage decreases for principal crops are potatoes 9, onions 12, sunflowerseed 15, oats 15, pulses 17, and barley 19. Tobacco production is expected to be unchanged. Although nonirrigated wheat seedings in the north central region have been largely lost, good yields of irrigated and non-irrigated wheat are expected in the south central region, where rains were adequate. Wheat production may be near the 1.2 million tons of the previous year. Corn plantings, mostly on irrigated land of the north central region, were increased as a result of rising consumption and high prices, indicating a 2 percent larger output. Other expected increases in crop production are 9 percent for rice and 33 percent for flaxseed. The output of sugar may be up 1 percent and rapeseed 4 percent, and some increases are anticipated in fruit and melon production.

Livestock production was down in 1964 due to the loss in feed from ruined pastures. Declines of 4 percent in beef and mutton production, 2 percent in pork production and 6 percent in milk production were estimated. Wool production may increase about 4 percent since about half comes from the far southern Magallanes Province.

Total exports reached \$540 million and imports \$637 million in 1963, with agricultural trade estimated at \$27 million or 5 percent and \$151 million or 24 percent, respectively. For the first half of 1964, total exports increased 28 percent and imports 15 percent over a year earlier, with agricultural trade following similar movements.

Increases in Chile's import requirements for 1964 over 1963 were calculated at 220 percent for wheat, 70 percent for rice, 10 percent for beef and animal fats, 7 percent for edible oils, cotton, coffee, tea, and yerba mate. No significant changes were necessary for supplementary types of tobacco and wool. Decreases were possible for some items, including about 8 percent for sugar, 6 percent for bananas, and 5 percent for dairy products.

Export availabilities in 1964 increased primarily in potatoes (which were not exported in 1963), in barley which almost doubled, in lentils up 10 percent, and in lemons up 11 percent. Surpluses of beans and wool rose slightly. Other major export items were down: oats 17 percent, apples 20 percent, pears 9 percent, onions 7 percent, and grapes 7 percent. Melon exports decreased slightly from 1963.

Some surpluses in vegetables and deciduous fruits are expected in 1965, and wool exports will likely be stable. Agricultural import requirements for 1965 are expected to reach record levels for cotton, beef, dairy products, and animal fats; average levels are expected for tropical products. Minor decreases are expected in wheat and sugar imports due to favorable stocks; a substantial decline is expected in rice imports.

Paraguay

The modest rate of economic growth in 1963 and 1964 should continue through 1965. Gross national product probably increased 4 percent in 1964, with per capita income at \$200.

Economic activity during 1964 reached the highest level in recent years, with higher retail sales, construction activity, and power consumption. Employment was high except in the lumber industry. Agriculture accounts for 38 percent of gross domestic product, 55 percent of the labor force, most raw materials for manufacturing, and 50 to 70 percent of total exports.

Mid-1964 population was estimated at 1.9 million, increasing at an annual rate of 2.2 percent. Cost of living and wholesale price levels were stable throughout 1964. Food consumption was near the 2,400 calories per capita per day for the 1959-61 period.

Gold and foreign exchange reserves increased to the highest level in 5 years in September and the foreign trade surplus for the first 10 months of 1964 was \$13.2 million, following a 1963 surplus of \$7.6 million. The bank rate of exchange was maintained at 126 guaranies per dollar during 1964, but the market rate increased.

The index of agricultural production has increased 8 percent for 1964/65 over the previous year. Cotton, sugar, tobacco, and rice are expected to be up sharply and turn out better than anticipated, while wheat, corn, and mandioca output may show little change. The anticipated cotton crop, approximately 15,000 tons of lint, will be up about 36 percent. A record sugar output of 43,000 tons is likely, up 23 percent. Tobacco production, estimated at 19,000 tons, will be up 58 percent. Rice production may rise from 34,000 to 39,000 tons. Wheat output was estimated at 10,000 tons and corn at 250,000 tons. The output of sweetpotatoes was up slightly and dried beans down somewhat.

Livestock slaughter was at a record high in 1964, with a total of 182,000 head of cattle during the first 7 months, and meat production reportedly was up 6 percent for the year. The large volume of meat exports, after hitting \$7.8 million in the first half of 1964, raised fear for domestic supplies, so the government halted export packing operations and set a quota of 20,000 head for frozen beef exports. Milk output was estimated at 135,000 tons in 1964, up 4 percent from 1963.

The value of total exports for the first 10 months of 1964 amounted to \$36.3 million and imports to \$23.1 million, compared with exports of \$24.6 million and imports of \$19.8 million in the same period of 1963. Agricultural trade accounts for about 75 and 25 percent of the totals, respectively.

Exports of beef and livestock products, including cattle hides, rose sharply to constitute about half of agricultural exports, but cotton, sugar, and tobacco have assumed increasing importance over the past 5 years. Exports of forest products, mainly lumber, quebracho extract, and essential oils fluctuate widely.

Wheat and wheat flour account for about two-thirds of agricultural imports. Total wheat imports of 85,000 tons were indicated for 1964, up 8 percent over the previous year. Dairy products, fruit, and live animals constitute most of the remainder.

Export prospects for 1965 indicate a further rise, mainly in livestock products. Wheat imports may decline slightly because of planned production increases.

Argentina

Gross national product, after 2 years of decline, increased about 4.2 percent per capita in 1964 to \$520. Growth during 1965 will result in the economy approaching the record year of 1961.

Two successive years of excellent crops are a major factor in current economic growth, but industrial production in practically all areas, particularly iron and steel, automotive vehicles, agricultural machinery, cement and textiles, has made substantial progress. A gradual recovery

from the 1962/63 depression was demonstrated during 1964 by easier money, expanding sales, increasing inventories, and higher profits. The rising business tempo was reflected in greater consumption of electric power and petroleum products. However, price inflation, high levels of foreign debt, and budget deficits continue.

Some improvement in workers' real incomes was indicated by official indices, and a modest reduction in unemployment appeared to accompany the increased manufacturing activity. The official cost-of-living index for a worker's family in the federal capital increased only 5 percent during the first 9 months of 1964, although the official index of wholesale prices rose 13 percent during the first 6 months. Also, ceiling prices were established for meat and bread in May and June and for milk, butter, cheese, rice, wheat flour, and noodles in August. Population, estimated at 21.3 million in mid-1964, is growing at an annual rate of 1.7 percent. Food consumption was near the level estimated for the 1959-61 period of 3,220 calories per capita per day, the highest in the Hemisphere.

Favorable trade balances amounted to \$384 million for 1963 and \$307 million for the first 8 months of 1964, following 9 years in which the average annual trade deficit was over \$200 million. With record exports, imports were held below the value of \$1 billion in 1963 by drastic restriction, and this policy was continued through 1964. Exchange controls were reintroduced in April 1964, and practical self-sufficiency in petroleum achieved in 1963 dropped fuel imports considerably. Western Europe is the traditional market for about two-thirds of Argentine products, followed by the United States, Brazil, and Eastern Europe, but Communist China became an important buyer in 1962. The principal suppliers are the United States, West Germany, United Kingdom, France, and Brazil.

Agriculture still accounts for about 20 percent of gross national product, 28 percent of the active labor force, and 95 percent of total exports. Growth in 1964 was estimated at 10 percent for crop farming; none for livestock; 16 percent for manufacturing; 12 percent for trade, transport, and communications; 11 percent for electric power; 5 percent for mining; and 4 percent for construction. Taxes on the agricultural sector are the base for financing but this sector will benefit least from the National Economic Development Program proposed in November 1964. A land productivity tax is being considered. Proposals are pending to end the tax exemption of agricultural investment, like breeding stock, seed, machinery and equipment, and for the long-range improvement of livestock production.

The index of total agricultural production for 1964/65 is estimated at 122, down 1 percent from the peak level of 123 the previous year, or 2 percent per capita. Food production is estimated at 122, down about 2 percent, which largely reflects declines in the output of small grains and beef.

Crop production for 1964/65 will likely be up about 2 percent from a year earlier. Although seedings of wheat and corn were somewhat lower than the previous year, production of both grains is forecast near the high levels of 1963/64. The area sown to wheat was estimated at about 5.7 million hectares, down 7 percent from a year earlier, but output probably reached at least 7.9 million tons, with the latest official estimate a near record of 9.2 million tons. Favorable weather has caused estimates to be revised upward from 6 million initially. Corn plantings were estimated at 3.6 million hectares, down slightly from 1963/64, but production may well exceed last year's 5.4 million tons. Seedings of other grains have also declined, significantly for barley, oats and rye, but only slightly for grain sorghums and millet. Production of grain sorghums and

rice will likely be up and millet down. Support prices were reduced for wheat, increased for grain sorghums, and continued at 1963/64 levels for other grains.

Flaxseed plantings for 1964/65 declined for the second straight year due to the slow overseas movement of linseed oil and no change in the support price. On the other hand, plantings of sunflowers and peanuts increased, the latter for a second record year, under the impetus of higher support prices. Severe frost damage is expected to reduce the tung crop, down about 55 percent to an estimated 48,000 tons for 1964/65. Production of sugarcane likely reached 12.3 million tons with a sugar yield of at least 1 million tons, up slightly from the year before. Cotton production is expected to recover from the weather-induced low level of the past year to about 115,000 tons of lint with about 245,000 tons of cottonseed. A similar situation in tobacco should result in a crop exceeding 50,000 tons.

Livestock production in 1964 reflected downtrends in beef, mutton, and milk, and increases in pork and wool. Beef production was estimated at about 2 million tons, down about one-fifth from the high 1963 production. The heavy cattle slaughter of 1962 and 1963, including a high proportion of cows, dropped cattle numbers in mid-1963 to an estimated 40.1 million, the lowest since 1959. The decisions of producers to rebuild herds caused a decline of about one-fourth in cattle slaughter for the first half of 1964 and sent live cattle prices to a record high of 52 pesos per kilo in May. The government established ceiling prices for wholesale and retail cuts of beef which effectively set maximums for live cattle and additionally dampened sales. Steers went to slaughter at heavier weights as cattle numbers rose to an estimated 43 million in mid-1964. Hog slaughter in 1964 reached about 2.2 million and seemed headed for 2.5 million head in 1965. Pork production was up 31 percent in 1964 to 200,000 tons, while mutton production declined 26 percent to 110,000 tons. Production of milk fell 1 percent. Wool output, including pulled wool and wool on sheepskins, was 204,000 tons compared with 191,000 tons in 1963.

Foreign trade reflected record total exports which probably reached about \$1.5 billion in 1964, a third consecutive record following \$1.4 billion in 1963 and \$1.2 billion in 1962. Imports apparently did not exceed \$1.0 billion. Agricultural exports account for about 95 percent of the total and imports account for less than 1 percent, mainly tropical products and specialty foods. The bumper grain crops of 1963/64 and unusually high world beef prices in early 1964 were responsible for most of this encouraging trade situation.

Wheat exports for 1964 totaled 3.5 million tons compared with 1.8 million in 1963, corn 3.0 million compared with 2.4 million, and other grains 1.8 million compared with 760,000 tons. Linseed oil exports in 1964 declined to about 180,000 tons from 213,000 in 1963, but tung oil exports increased to 17,000 tons from 16,000. Exports of apples dropped from 245,000 tons in 1963 to about 125,000 in 1964, but pear exports increased from 41,000 to about 45,000 tons. Sugar exports in 1964 declined from 312,000 to about 100,000 tons and cotton exports from 41,000 to 7,000 tons. The value of beef exports in 1964 held close to the 1963 value, although exports declined from 714,000 to about 600,000 tons in terms of carcass weight. Mutton exports fell drastically from 39,000 to only 15,000 tons. Wool exports dropped from 133,000 tons in 1963 to 120,000 in 1964, but strong prices in early 1964 maintained value near the previous year.

Lower support prices and falling exchange rates have put wheat in a stronger competitive position for the 1964/65 marketing year. Exportable supplies of wheat, corn and grain sorghums will be exceptionally large during 1965, although availabilities of other grains, mainly barley, oats, and rye, will be smaller. Wheat agreements concluded in late 1964 provided for exports

over the next 3 years of 3 million tons to Brazil and 1 million to Communist China. Decreasing oilseed production and increasing domestic demand are weakening the Argentine position in world markets for vegetable oils, but stocks of linseed oil are sufficiently large to permit substantial exports in 1965. The 1964 decline in beef production and exports is expected to carry over into 1965 while cattle herds are rebuilding. Lower slaughter of cattle and sheep will also reduce availabilities of hides and skins and variety meats in 1965. The declining volume of wool exports built stocks to extreme heights by the end of 1964, so 1965 exports are expected to be unusually heavy.

Uruguay

With the 1964 upturn, gross national product likely increased about 3.0 percent for a per capita product of around \$410. Higher levels of output are expected in 1965.

The minor economic improvement was tempered by the continuing low rate of investment, the long-time trend of inflation, and the further decline of real wages. The 1964 foreign trade surplus was \$17.9 million at the end of September.

Population, estimated at 3.0 million in mid-1964, is increasing at an annual rate of 1.6 percent. Food consumption was near the 3,030 calories per capita per day estimated for 1959-61.

Agriculture is the principal source of national product and exports, and employs about 40 percent of the labor force. Increases of 20 percent in total and 34 percent in food production are predicted for 1964/65, following the disastrous 1963/64 crop year.

The extremely wet spring of 1963, followed by excessive rains nearing flood conditions during November and December, ruined wheat and other winter grains for 1963/64. The near drought extending from mid-December to mid-February immediately after wet weather destroyed corn and other spring crops. The only crops which showed increases were apples, citrus fruits and sweetpotatoes.

Wheat production reached an estimated 544,000 tons for 1964/65, more than double the previous year. Barley output was up about 58 percent, sugar 60 percent, and flaxseed 16 percent, while oats dropped 9 percent. Other principal grains are expected to increase, corn from 91,000 to 125,000 tons and rice from 58,000 to 75,000 tons. Both potato and sweetpotato production will likely be up about 21 percent. Oilseed production is expected to be up, reflecting an increase in sunflower seed from 58,000 to 80,000 tons, with peanuts unchanged at 7,000 tons.

Meat production in 1964 reached a record level of approximately 464,000 tons, 28 percent above 1963, due principally to beef output. Mutton production was up about 20 percent and pork production 4 percent. Wool production at 87,000 tons grease basis, was down slightly from a year earlier. Eggs increased 18 percent and milk remained about the same.

Exports for the first 9 months of 1964 amounted to \$138 million, and imports \$131.5 million, increases of 10 percent and 2 percent over the same period for 1963. Agricultural products probably represented about 95 and 20 percent, respectively.

Exports of wool for the 9 months were valued at \$57.6 million and exports of meat at \$57.2 million, practically the same, whereas wool usually accounts for twice the export value of

meat. Wool exports are expected to rise in 1965, while meat exports, as well as shipments of hides and skins, will likely decline.

Principal agricultural imports are usually sugar, cotton, tobacco, yerba mate, and coffee. These commodities account for 15 percent of the value of all imports, but grains in 1964 added another 5 percent. Wheat imports amounted to about 145,000 tons in 1964 compared to a negligible quantity in 1963. Barley imports totaled 11,000 tons in 1964, corn 30,000, and oats 11,000 in contrast with 1963 feedgrain imports of only 5,000 tons. Imports of grains will be minimal in 1965 because of normal production. Sugar, cotton, and tobacco imports were reportedly up in 1964. Imports of cotton, tobacco, coffee, and yerba mate are anticipated at normal levels for 1965, but sugar imports may be reduced.

Other South America

The economies of British Guiana, Surinam, and French Guiana are closely integrated with the United Kingdom, Netherlands, and France. These underdeveloped dependencies are characterized by low levels of per capita gross national production and generally inadequate food consumption. Sugar, rice, and citrus fruit are the principal agricultural products. Both population and agricultural production are largely concentrated on a narrow coastal strip. Population was estimated at slightly over 1 million in mid-1964 with a growth rate of about 4 percent.

British Guiana's economy was depressed throughout 1964. Racial violence, labor strife, and unusual weather were the underlying causes. A dry spell extending from January to May affected most crops, especially the cultivation of staple foodstuffs, as well as the commercial export commodities of rice and sugar. A labor strike by sugar workers also took its toll, and to meet their shipping commitments the sugar estates were forced to grind unripe cane, thereby lowering yields.

Some coastal belt livestock were reportedly lost because of feed and water shortages. However, on the whole, livestock and milk production continued to expand.

In 1964 British Guiana created the Guyana Marketing Corporation that will take over the various units formerly comprising the Marketing Division of the Ministry of Trade and Industry, and work to improve the marketing and processing of agricultural products. For the first time a few small farmers began producing sugarcane and leaf tobacco.

Exports of rice and sugar were down in 1964 but could rebound in 1965 if unrest subsides. Due to the stagnant economic situation, imports were probably below the previous year's level, but could also increase in 1965.

Surinam's economy was also sluggish in 1964. The problem of government finances continued to pervade the entire economy and official attention was focused on the problem of increasing government revenue and decreasing expenses. Problems were compounded by a great drought from August 1963 through mid-May 1964. The drought delayed plantings of the summer rice crop and caused severe damage to the citrus and vegetable crops. Total agricultural production may have dropped 25 to 30 percent for 1964.

Little change occurred in French Guiana, where production is mainly limited to crops grown for local consumption.

Table 1.--Western Hemisphere: Indices of total agricultural production by country, 1959/60 through 1964/65 1/

(1952/53 - 1954/55 = 100)

Country	1959/60 <u>2/</u>	1960/61 <u>2/</u>	1961/62 <u>2/</u>	1962/63 <u>2/</u>	1963/64 <u>3/</u>	1964/65 <u>4/</u>
CANADA.....	104	111	97	121	132	124
UNITED STATES.....	111	114	116	117	121	120
LATIN AMERICA						
Argentina.....	114	109	115	113	123	122
Bolivia.....	140	136	142	152	155	160
Brazil.....	141	136	148	145	148	131
Chile.....	119	121	118	125	127	122
Colombia.....	124	124	123	130	131	135
Costa Rica.....	118	139	136	138	135	119
Cuba.....	123	133	101	84	78	86
Dominican Republic	135	141	141	137	143	144
Ecuador.....	171	170	181	187	185	195
El Salvador.....	129	138	175	185	194	203
Guatemala.....	131	135	152	179	188	196
Haiti.....	112	97	112	110	103	104
Honduras.....	126	130	143	149	152	162
Mexico.....	142	148	152	162	175	183
Nicaragua.....	122	133	166	190	206	226
Panama.....	126	112	124	125	133	144
Paraguay.....	105	102	108	117	108	117
Peru.....	121	120	131	131	131	136
Uruguay.....	77	99	95	101	92	110
Venezuela.....	128	145	143	158	166	176
Jamaica <u>5/</u>	118	121	120	131	130	141
Trinidad & Tobago <u>5/</u>	121	131	110	123	123	134
Total Latin America..	128	128	133	132	137	133

1/ Canada and Continental U.S. production on calendar year, i.e., first year shown in each column. 2/ Revised. 3/ Preliminary for Latin America. 4/ Preliminary United States and Canada; forecast Latin America. 5/ Not included in Latin America total.

Table 2.--Western Hemisphere: Indices of total agricultural production, per capita, by country, 1959/60 through 1964/65 1/

(1952/53 - 1954/55 = 100)

Country	1959/60 <u>2/</u>	1960/61 <u>2/</u>	1961/62 <u>2/</u>	1962/63 <u>2/</u>	1963/64 <u>3/</u>	1964/65 <u>4/</u>
CANADA.....	89	93	79	97	104	96
UNITED STATES.....	100	102	101	101	103	100
<u>LATIN AMERICA</u>						
Argentina.....	103	96	100	97	103	101
Bolivia.....	122	116	118	124	124	125
Brazil.....	118	110	116	110	109	94
Chile.....	103	103	98	102	101	95
Colombia.....	105	102	98	101	99	99
Costa Rica.....	93	106	100	97	92	78
Cuba.....	109	115	86	69	63	68
Dominican Republic	110	111	107	101	101	99
Ecuador.....	141	136	140	142	135	138
El Salvador.....	109	114	141	145	148	150
Guatemala.....	110	110	120	138	140	142
Haiti.....	98	84	95	91	83	83
Honduras.....	105	105	113	114	113	117
Mexico.....	118	119	120	124	130	131
Nicaragua.....	103	109	133	147	156	166
Panama.....	106	91	98	96	99	104
Paraguay.....	92	87	91	96	87	92
Peru.....	105	103	109	106	104	105
Uruguay.....	70	88	83	87	78	92
Venezuela.....	102	111	105	112	114	117
Jamaica <u>5/</u>	109	111	108	117	115	123
Trinidad & Tobago <u>5/</u> :	102	107	87	94	92	97
Total Latin America..	108	106	106	103	104	98

1/ Canada and Continental U.S. production on calendar year, i.e., first year shown in each column. 2/ Revised. 3/ Preliminary for Latin America. 4/ Preliminary United States and Canada; forecast Latin America. 5/ Not included in Latin America total.

Table 3.--Latin America: Indices of food production, 1959/60 through 1964/65

(1952/53 - 1954/55 = 100)

Country	1959/60 <u>1/</u>	1960/61 <u>1/</u>	1961/62 <u>1/</u>	1962/63 <u>1/</u>	1963/64 <u>2/</u>	1964/65 <u>3/</u>
Argentina.....	112	107	113	110	124	122
Bolivia.....	139	136	141	151	154	159
Brazil.....	128	134	141	146	151	143
Chile.....	117	120	116	123	126	119
Colombia.....	120	124	119	133	133	139
Costa Rica.....	94	103	102	111	102	111
Cuba.....	122	133	100	83	78	87
Dominican Republic...	140	145	142	137	144	148
Ecuador.....	171	168	178	184	185	192
El Salvador.....	98	101	109	113	114	112
Guatemala.....	119	122	126	134	139	142
Haiti.....	108	114	109	109	102	107
Honduras.....	124	132	137	140	141	146
Mexico.....	148	150	155	163	181	190
Nicaragua.....	136	142	152	156	152	158
Panama.....	129	114	125	128	135	147
Paraguay.....	111	105	106	106	108	111
Peru.....	117	114	119	116	120	125
Uruguay.....	75	103	95	104	88	118
Venezuela.....	130	151	149	167	175	187
Jamaica <u>4/</u>	119	122	122	132	131	142
Trinidad & Tobago <u>4/</u> ..	120	131	110	122	120	131
Total Latin America..	123	126	128	130	136	136

1/ Revised. 2/ Preliminary. 3/ Forecast. 4/ Not included in Latin America total.

Table 4.--Latin America: Indices of food production, per capita,
1959/60 through 1964/65

(1952/53 - 1954/55 = 100)

Country	1959/60 <u>1/</u>	1960/61 <u>1/</u>	1961/62 <u>1/</u>	1962/63 <u>1/</u>	1963/64 <u>2/</u>	1964/65 <u>3/</u>
Argentina.....	101	95	98	94	104	101
Bolivia.....	121	116	118	123	123	124
Brazil.....	107	108	110	111	111	102
Chile.....	102	102	97	100	100	92
Colombia.....	102	102	95	103	101	102
Costa Rica.....	74	79	75	78	69	73
Cuba.....	108	115	85	69	63	69
Dominican Republic...	114	114	108	101	102	101
Ecuador.....	141	134	138	139	135	136
El Salvador.....	83	83	88	88	87	83
Guatemala.....	100	99	99	103	104	103
Haiti.....	95	98	92	90	82	85
Honduras.....	103	106	108	107	104	105
Mexico.....	123	121	122	124	134	136
Nicaragua.....	115	116	122	121	115	116
Panama.....	108	93	99	98	101	107
Paraguay.....	97	90	89	87	87	87
Peru.....	102	97	99	94	95	97
Uruguay.....	68	92	83	90	75	99
Venezuela.....	103	115	110	118	120	124
Jamaica <u>4/</u>	110	112	110	118	116	123
Trinidad & Tobago <u>4/</u> ..	101	107	87	93	90	95
Total Latin America..	104	104	102	102	103	100

1/ Revised. 2/ Preliminary. 3/ Forecast. 4/ Not included in Latin America total.

Table 5.--Western Hemisphere: Population and food availability per capita, average 1956-58 and 1959-61, and selected years

Country	Population <u>1/</u>				Per capita food availability	
	Average	Average	1963	1964	Average	Average
	1956-58	1959-61			1956-58	1959-61
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>calories</u>	<u>calories</u>
CANADA.....	16,614	17,900	18,928	19,272	3,100	3,100
UNITED STATES <u>2/</u> ...	171,200	179,900	188,500	191,200	3,170	3,190
LATIN AMERICA						
Argentina.....	18,917	19,922	20,979	21,344	3,290	3,220
Bolivia.....	3,541	3,791	4,057	4,150	1,920	2,010
Brazil.....	64,371	70,551	77,294	79,690	2,610	2,710
Chile.....	7,076	7,586	8,130	8,320	2,670	2,610
Colombia.....	13,585	14,755	16,069	16,529	2,340	2,280
Costa Rica.....	1,048	1,176	1,325	1,378	2,590	2,520
Cuba.....	6,389	6,797	7,224	7,372	2,910	2,730
Dominican Republic:	2,719	3,015	3,341	3,458	2,020	2,020
Ecuador.....	3,926	4,320	4,735	4,879	2,060	2,100
El Salvador.....	2,245	2,435	2,639	2,712	2,190	2,000
Guatemala.....	3,448	3,768	4,103	4,225	2,080	1,970
Haiti.....	3,904	4,161	4,433	4,528	1,830	1,780
Honduras.....	1,690	1,849	2,023	2,085	2,190	2,330
Mexico.....	31,893	34,934	38,251	39,429	2,480	2,580
Nicaragua.....	1,333	1,476	1,524	1,567	2,330	2,190
Panama.....	983	1,073	1,172	1,207	2,380	2,370
Paraguay.....	1,629	1,739	1,857	1,898	2,490	2,400
Peru.....	10,370	11,109	11,899	12,175	1,900	2,060
Uruguay.....	2,719	2,831	2,971	3,019	2,950	3,030
Venezuela.....	6,562	7,361	8,212	8,491	2,170	2,330
Jamaica.....	1,559	1,619	1,682	1,703	2,190	2,270
Trinidad & Tobago	766	842	920	947	2,390	2,470
Others <u>3/</u>	2,453	2,579	2,835	2,930	n.a.	n.a.
Total Latin America	193,126	209,689	227,675	234,036	<u>4/</u> 2,520	<u>4/</u> 2,570
Total Hemisphere...	380,940	407,489	435,103	444,508	<u>4/</u> 2,840	<u>4/</u> 2,870

1/ Mid-year. 2/ U.S. population for 48 states, including armed forces overseas.

3/ Includes British Honduras, the Guianas and the Caribbean dependencies. 4/ Weighted averages for countries shown.

Table 6.--Western Hemisphere: Area and production of selected agricultural products by country, average 1955/56-1959/60, annual 1961/62, 1962/63, 1963/64, preliminary 1963/64, and forecast 1964/65 1/

Commodity by country	Area 2/		Production							
	1,000 hectares		1,000 metric tons							
	Average : 1955/56- 1959/60	1961/62 : 1962/63 : 1963/64 : 1964/65 :	1961/62 : 1962/63 : 1963/64 : 1964/65 :	Average : 1955/56- 1959/60	1961/62 : 1962/63 : 1963/64 : 1964/65 :	1961/62 : 1962/63 : 1963/64 : 1964/65 :				
Wheat										
Canada.....	9,199	10,245	10,853	11,156	12,014	12,672	7,713	15,393	19,689	16,341
United States.....	19,882	20,863	17,621	18,296	19,899	29,810	33,604	29,765	31,080	35,121
Mexico.....	896	816	736	812	794	1,214	1,402	1,502	1,766	2,100
Argentina.....	4,694	4,198	3,438	5,186	5,260	6,142	5,170	5,170	8,165	7,892
Other.....	2,925	2,329	2,318	1,958	2,065	2,661	2,099	2,465	1,898	2,437
Estimated total.....	37,596	38,451	34,966	37,408	40,032	52,499	49,988	54,295	62,598	63,891
Corn										
Canada.....	209	162	170	224	267	782	742	813	919	1,346
United States.....	26,876	23,654	22,910	24,504	23,125	82,166	92,088	92,371	103,929	90,135
Mexico.....	5,784	6,390	6,400	6,791	7,001	4,842	5,560	5,461	6,420	6,500
Central America.....	1,423	1,456	1,578	1,583	1,608	1,129	1,262	1,383	1,375	1,387
Argentina.....	2,370	2,770	2,646	2,943	2,954	4,412	5,334	4,572	5,334	5,460
Brazil.....	6,132	7,200	7,326	7,200	7,204	7,595	9,484	10,160	7,696	8,890
Other.....	2,464	2,602	2,673	2,674	2,662	2,579	2,651	3,069	2,718	2,806
Estimated total.....	45,258	44,234	43,703	45,919	44,821	103,505	117,121	117,829	128,391	116,524
Other coarse grains 3/										
Canada.....	8,415	6,554	7,295	7,168	6,424	12,375	7,836	12,374	12,923	10,315
United States.....	25,888	20,010	19,679	19,598	18,108	39,409	36,179	38,280	38,720	34,879
Argentina.....	3,196	2,679	1,632	3,000	4/	3,335	3,425	1,949	2,999	3,880
Other.....	1,276	1,784	1,628	1,692	4/	1,348	2,072	1,586	2,417	1,747
Estimated total.....	38,775	31,027	30,234	31,458	4/	56,467	49,512	54,189	57,059	50,821
Rice										
United States.....	626	643	718	717	723	2,238	2,458	2,996	3,187	3,316
Central America.....	193	210	214	194	185	232	272	274	261	259
Mexico.....	115	147	133	122	121	240	333	289	266	265

Footnotes at end of table.

Table 6.--Western Hemisphere: Continued

Commodity by Country	Area 2/		Production			
	1,000 hectares		1,000 metric tons			
	Average : 1955/56- : 1959/60 :	: 1961/62 : : 1962/63 : : 1963/64 : : 1964/65 :	: 1961/62 : : 1962/63 : : 1963/64 : : 1964/65 :	: 1955/56- : 1959/60 :	: 1961/62 : : 1962/63 : : 1963/64 : : 1964/65 :	: 1961/62 : : 1962/63 : : 1963/64 : : 1964/65 :
<u>Rice</u>						
Brazil.....	2,641	3,278 3,368 3,298 3,399	4,057	5,557	5,980	5,400 5,800
Colombia.....	194	237 280 278 278	361	407	585	560 600
Other.....	666	727 743 719 853	1,484	1,689	1,651	1,550 1,888
Estimated total.....	4,435	5,242 5,456 5,328 5,559	8,612	10,716	11,775	11,224 12,128
<u>Potatoes, white and sweet</u>						
Canada.....	125	117 115 115 115	1,842	2,001	2,131	2,077 2,114
United States.....	672	684 648 624 603	11,972	14,002	12,960	13,044 11,711
Argentina.....	234	241 179 203 214	1,715	2,460	1,550	1,834 1,833
Brazil.....	301	326 344 365 375	2,070	2,436	2,588	2,818 2,950
Peru.....	236	251 252 4/ 4/	1,280	1,389	1,395	1,368 1,452
Other.....	4/ 4/	4/ 4/ 4/ 4/	4,095	3,656	4,272	4,175 4,390
Estimated total.....	4/ 4/	4/ 4/ 4/ 4/	22,970	25,944	24,896	25,316 24,450
<u>Beans</u>						
United States.....	598	583 603 573 590	789	907	854	935 808
Mexico.....	1,244	1,555 1,760 4/ 4/	444	617	633	700 700
Brazil.....	2,227	2,581 2,716 2,984 2,500	1,494	1,745	1,710	1,943 1,600
Chile.....	87	95 94 94 89	81	94	88	85 100
Other.....	4/ 4/	4/ 4/ 4/ 4/	4/ 4/	450	459	480 470
Estimated total.....	4/ 4/	4/ 4/ 4/ 4/	4/ 4/	3,813	3,744	4,143 3,678
<u>Yuca (cassava)</u>						
Argentina.....	21	20 21 19 21	266	225	243	231 239
Brazil.....	1,197	1,343 1,477 1,485 1,490	15,511	18,301	19,000	19,570 20,000
Paraguay.....	102	112 110 110 110	1,480	1,534	1,539	1,555 1,570
Peru.....	20	25 28 27 30	280	365	377	395 418
Venezuela.....	43	70 75 4/ 4/	192	300	323	342 375
Other.....	4/ 4/	4/ 4/ 4/ 4/	4/ 4/	4/ 4/	4/ 4/	4/ 4/
Estimated total.....	4/ 4/	4/ 4/ 4/ 4/	4/ 4/	4/ 4/	4/ 4/	4/ 4/

Table 6.--Western Hemisphere: Continued

Commodity by Country	Area 2/				Production				
	Average		Average		Average		Average		
	1955/56- 1959/60	1961/62:1962/63:1963/64:1964/65: 1959/60	1963/64:1963/64:1964/65: 1959/60	1961/62:1962/63:1963/64:1964/65: 1959/60	1955/56- 1959/60	1961/62:1962/63:1963/64:1964/65: 1959/60	1963/64:1963/64:1964/65: 1959/60	1961/62:1962/63:1963/64:1964/65: 1959/60	
<u>Soybeans</u>	----- 1,000 hectares ----- 1,000 metric tons -----								
Canada.....	99	86	89	92	93	168	180	136	190
United States.....	8,638	10,930	11,171	11,566	12,440	13,170	18,495	18,213	19,034
Brazil.....	95	212	314	296	314	125	271	345	300
Other.....	10	20	37	83	96	10	28	51	108
Estimated total.....	8,842	11,248	11,611	12,037	12,943	13,473	18,974	18,789	19,578
<u>Cotton 5/</u>									
United States.....	5,914	6,327	6,301	5,752	5,689	2,833	3,117	3,237	3,339
Central America.....	159	204	255	316	345	90	151	205	237
Brazil.....	1,748	2,226	2,226	2,327	2,428	324	550	509	501
Mexico.....	919	817	835	795	810	442	434	528	459
Peru.....	238	247	269	275	275	113	143	147	132
Other.....	746	866	899	935	1,004	175	197	232	201
Estimated total.....	9,724	10,687	10,785	10,400	10,551	3,977	4,592	4,858	4,869
<u>Tobacco</u>									
Canada.....	51	56	53	46	35	75	95	92	91
United States.....	503	475	496	476	437	868	934	1,047	1,063
Brazil.....	180	183	200	220	214	139	153	138	187
Cuba.....	60	53	42	37	37	50	45	36	32
Mexico.....	36	47	36	38	38	34	52	48	34
Other.....	124	134	143	158	161	133	160	179	199
Estimated total.....	954	948	970	975	922	1,299	1,439	1,540	1,606
<u>Sugar, centrifugal (raw basis)</u>									
United States (continental).....	454	631	609	690	1,136	2,413	2,959	3,131	3,887
Brazil.....	1,164	1,346	1,401	1,509	1,550	2,821	3,569	3,244	3,271
Central America.....	4/	4/	4/	4/	4/	243	414	479	508
Mexico.....	257	314	339	332	371	1,252	1,494	1,696	1,895

Table 6.--Western Hemisphere: Continued

Commodity by country	Area <u>2</u> /		Production				
	Average : :1955/56-:1961/62:1962/63:1963/64:1964/65:::1955/56-:1961/62:1962/63:1963/64:1964/65	Average : :1959/60 : :1959/60 :	Average : :1955/56-:1961/62:1962/63:1963/64:1964/65:::1955/56-:1961/62:1962/63:1963/64:1964/65	Average : :1959/60 : :1959/60 :			
<u>Sugar, centrifugal (raw basis)</u>	----- 1,000 hectares ----- 1,000 metric tons -----						
Cuba.....	1,078	1,260	4/ 4/	4,815	3,820	3,629	4,082
Peru.....	44	45	47	726	777	820	830
Other.....	4/	4/	4/	5,667	6,096	6,250	6,888
Estimated total.....	4/	4/	4/	18,459	20,124	19,440	22,135
<u>Henequen</u>	----- 1,000 metric tons -----						
Mexico.....	158	175	174	122	156	154	136
Other.....	4/	4/	4/	13	13	12	4/
Estimated total.....	4/	4/	4/	135	169	166	148
<u>Sisal</u>	----- 1,000 metric tons -----						
Brazil.....	110	150	163	117	170	174	192
Other.....	4/	4/	4/	45	36	34	37
Estimated total.....	4/	4/	4/	162	206	208	229
<u>Sunflower seed</u>	----- 1,000 metric tons -----						
Argentina.....	938	898	1,197	562	584	860	460
Chile.....	40	31	30	47	34	32	47
Uruguay.....	182	139	137	84	57	80	58
Canada.....	15	14	9	9	11	8	18
Estimated total.....	1,175	1,082	1,373	702	686	980	583
<u>Cocoa beans</u>	----- 1,000 metric tons -----						
Brazil.....	173	116	111	173	116	111	132
Colombia.....	12	15	14	12	15	14	16
Dominican Republic.....	34	35	37	34	35	37	38
Ecuador.....	32	40	42	32	40	42	39
Mexico.....	14	21	26	14	21	26	24
Venezuela.....	15	15	15	15	12	15	17
Other.....	35	37	36	35	37	36	37
Estimated total.....	315	276	281	315	276	281	303

Table 6.--Western Hemisphere: Continued

Commodity by country	Area 2/			Production		
	: 1955/56-:1961/62:1962/63:1963/64:1964/65-:1955/56-:1961/62:1962/63:1963/64:1964/65	: 1959/60 :	: Average :	: 1,000 hectares	: 1,000 metric tons	: :
Coffee						
Brazil.....	1,698	2,100	1,620	1,560	600	
Colombia.....	442	468	450	468	474	
Central America.....	255	337	339	344	316	
Mexico.....	103	141	132	174	168	
Other.....	244	299	292	282	300	
Estimated total.....	2,742	3,345	2,833	2,828	1,858	
Beef and veal 6/						
Canada.....	596	647	644	697	767	
United States.....	6,902	7,412	7,399	7,870	8,666	
Argentina.....	2,379	2,145	2,379	2,453	2,000	
Brazil.....	1,341	1,369	1,356	1,302	1,358	
Colombia.....	306	339	362	390	409	
Mexico.....	385	435	453	508	520	
Uruguay.....	237	264	272	293	385	
Other.....	843	917	896	911	865	
Estimated total.....	12,989	13,528	13,761	14,424	14,970	
Pork 6/						
Canada.....	444	439	444	444	485	
United States.....	4,995	5,176	5,371	5,642	5,557	
Argentina.....	188	187	159	153	200	
Brazil.....	422	534	588	611	615	
Mexico.....	184	183	201	207	200	
Other.....	300	340	339	346	345	
Estimated total.....	6,533	6,859	7,102	7,403	7,402	
Milk						
Canada.....	7,783	8,318	8,335	8,340	8,380	
United States.....	56,125	56,900	57,163	56,601	57,018	
Argentina 7/.....	4,898	4,483	4,534	4,634	4,581	
Brazil.....	4,389	5,308	5,452	5,478	5,148	

Table 6.--Western Hemisphere: Continued

Commodity by country	Area <u>2/</u>				Production				
	Average	1961/62	1962/63	1963/64	Average	1961/62	1962/63	1963/64	1964/65
	1955/56	1961/62	1962/63	1963/64	1955/56	1961/62	1962/63	1963/64	1964/65
	1959/60	:	:	:	1959/60	:	:	:	:
	1,000 hectares				1,000 metric tons				
<u>Milk</u>									
Colombia.....					1,624	1,762	1,800	1,850	1,900
Mexico <u>8/</u>					2,384	2,935	3,176	3,460	3,800
Other <u>8/</u>					4,588	4,603	4,614	4,771	4,793
Estimated total.....					81,791	84,309	85,074	85,134	85,620
<u>Wool <u>9/</u></u>									
United States.....					138	145	136	130	122
Argentina.....					190	202	198	191	204
Uruguay.....					81	84	86	88	87
Other.....					72	78	79	81	81
Estimated total.....					481	509	499	490	494

1/ Generally includes crops harvested in last months of first year shown and first half of second year shown.
 Data on livestock products for 12 months ending December of first year shown. U.S. and Canada data are for first year of split year shown. 2/ Harvested area where estimates are available. 3/ Includes mixed grains for Canada.
4/ Not available. 5/ Converted from bales of 480 pounds net weight. 6/ Carcass weight basis. 7/ Commercial use only. 8/ Includes goat's milk. 9/ Greasy basis.

Table 7.--Western Hemisphere: Exports and imports, selected commodities by principal countries 1962, 1963, forecast 1964

Exports	Forecast			Imports	Forecast		
	1962	1963	1964		1962	1963	1964
- 1,000 metric tons -				- 1,000 metric tons -			
<u>Wheat 1/</u>				<u>Wheat 1/</u>			
United States....	17,082	20,247	21,200	Brazil.....	2,200	2,186	2,450
Canada.....	8,841	10,869	14,500	Colombia.....	135	93	200
Argentina.....	2,862	1,846	3,500	Peru.....	415	362	445
				Venezuela.....	320	357	365
				Central America..	225	252	260
<u>Corn</u>				<u>Corn</u>			
United States....	10,849	11,145	11,350	Canada.....	883	583	550
Argentina.....	2,931	2,447	3,000				
<u>Cotton 2/</u>				<u>Cotton 2/</u>			
United States....	1,101	747	1,257	Chile.....	24	26	26
Brazil.....	184	249	240	Cuba.....	9	10	11
Peru.....	125	128	111	Canada.....	94	72	105
Mexico.....	323	413	310				
Central America..	138	174	208				
<u>Sugar (raw value)</u>				<u>Sugar, (raw value)</u>			
Argentina.....	63	312	100	United States....	4,238	4,075	3,500
Brazil.....	445	527	375	Canada.....	755	753	750
Peru.....	479	496	450	Chile.....	132	264	220
Mexico.....	357	357	500	Uruguay.....	53	50	55
Central America..	118	146	190				
Cuba.....	5,131	3,521	3,200				
Dominican Republic	807	633	700				
Other Caribbean..	1,034	1,115	1,150				
<u>Cocoa beans</u>				<u>Cocoa beans</u>			
Brazil.....	55	69	69	United States....	290	286	295
Central America..	13	11	13				
Dominican Republic	19	23	22				
Other Caribbean..	11	12	12				
Venezuela.....	11	12	13				
Ecuador.....	32	35	35				
<u>Coffee, green 3/</u>				<u>Coffee, green 3/</u>			
Brazil.....	982	1,171	940	United States....	1,469	1,433	1,420
Colombia.....	394	368	370	Canada.....	67	77	75
Central America..	284	300	300				

Footnotes at end of table.

Table 7.--Western Hemisphere: Continued

Exports	1962	1963	Forecast	Imports	1962	1963	Forecast
	1964				1964		
- 1,000 metric tons -				- 1,000 metric tons -			
<u>Bananas</u>				<u>Bananas</u>			
Ecuador.....	1,107	1,304	1,350	United States...	1,565	1,581	1,560
Colombia.....	168	202	250	Canada.....	153	151	150
Brazil.....	216	206	200	Argentina.....	174	162	170
Caribbean, except Cuba.....	708	635	525	Chile.....	26	64	60
Central America..	1,004	986	1,126				
<u>Tobacco</u>				<u>Tobacco</u>			
United States....	213	229	220	United States...	74	76	72
Canada.....	22	18	24	Uruguay.....	4	3	3
Cuba 4/.....	16	16	15				
Dominican Republic	18	17	16				
Brazil.....	41	44	40				
Colombia.....	10	11	13				
<u>Meat, excluding poultry 5/</u>				<u>Meat, excluding poultry 5/</u>			
Argentina.....	591	714	635	United States...	837	951	775
Brazil.....	34	25	22	Canada.....	59	91	65
Uruguay.....	83	98	155				
Mexico.....	48	42	35				
United States....	47	75	100				
Canada.....	37	36	41				
<u>Wool, (actual weight)</u>				<u>Wool, (actual weight)</u>			
Argentina.....	159	133	120	United States...	164	167	135
Uruguay.....	46	46	38	Canada.....	25	28	25
				Mexico.....	8	8	10
<u>Soybean oil 6/</u>				<u>Soybean oil 6/</u>			
United States....	621	507	505	Canada.....	9	13	14
Canada.....	21	23	11	Chile 7/.....	16	22	6
				Peru.....	13	7/12	8
				Haiti 7/.....	8/	1	5
<u>Soybeans</u>				<u>Soybeans</u>			
Canada.....	74	44	45	Canada.....	380	386	425
United States....	4,378	4,755	5,200				
Brazil.....	97	33	...				
<u>Cottonseed oil</u>				<u>Cottonseed oil</u>			
United States....	198	174	250	Canada.....	15	17	16
Argentina.....	8	2	...				

Footnotes at end of table

Table 7.--Western Hemisphere: Continued

Exports	Forecast			Imports	Forecast		
	1962	1963	1964		1962	1963	1964
- 1,000 metric tons -				- 1,000 metric tons -			
	<u>Cottonseed</u>				<u>Cottonseed</u> 9/		
Nicaragua.....	74	75	80				
United States....	10	5	8				
	<u>Linseed oil</u>				<u>Linseed oil</u> 9/		
United States....	3	7	9				
Canada.....	2	4	7				
Argentina.....	264	213	180				
Uruguay.....	16	33	20				
	<u>Flaxseed</u>				<u>Flaxseed</u> 9/		
United States....	100	87	98				
Canada.....	292	293	360				

1/ Includes flour in wheat equivalent. 2/ Marketing year August - July 1961/62; 1962/63; 1963/64. Converted from bales of 480 pounds net weight. 3/ Converted from bags of 132.276 pounds. 4/ Estimated. 5/ Carcass weight basis. 6/ Crude and refined combined as such. 7/ U.S. exports to the country listed. 8/ Less than 500 metric tons. 9/ No significant importers in the hemisphere.

Table 8.--United States: Agricultural exports and imports, values by destination and source, total and Western Hemisphere, 1956-60 average, 1962, 1963, and January-June 1964

Country	U.S. Exports			U.S. Imports				
	Average 1956/60	1962	1963	Jan.-June 1964	Average 1956/60	1962	1963	Jan.-June 1964
	-- million dollars --							
CANADA.....	371.3	511.7	596.5	284.7	204.6	188.3	174.8	79.9
<u>LATIN AMERICA</u>								
Argentina.....	6.1	2.8	2.3	1.3	102.2	89.6	133.9	43.9
Bolivia.....	8.3	9.5	14.4	6.8	1.6	1.5	1.4	.8
Brazil.....	42.7	94.5	102.0	57.0	571.2	462.2	492.9	222.8
Chile.....	20.0	27.0	21.8	12.2	4.7	5.4	5.8	5.7
Colombia.....	27.4	24.0	26.0	16.4	311.5	234.0	206.8	94.0
Costa Rica.....	5.8	4.8	5.6	3.7	28.8	37.5	39.2	27.9
Cuba.....	127.3	.3	15.2	...	391.9	15.1	6.6	2.7
Dominican Republic.....	5.3	9.9	21.3	17.9	67.1	139.8	127.5	56.4
Ecuador.....	6.0	6.1	7.5	6.4	52.2	63.1	67.8	30.1
El Salvador.....	5.5	7.4	7.0	4.1	42.7	38.8	35.5	24.5
Guatemala.....	9.2	10.5	10.4	5.7	64.0	56.8	64.6	33.3
Haiti.....	7.3	8.5	8.4	4.7	13.6	15.8	17.5	8.0
Honduras.....	3.8	3.7	4.5	2.2	25.4	27.7	25.9	19.7
Mexico.....	79.2	63.4	83.5	35.6	193.7	271.0	252.2	192.7
Nicaragua.....	3.3	4.8	4.2	4.1	17.6	23.5	31.2	15.4
Panama.....	10.0	10.3	10.9	5.5	15.9	10.6	15.7	10.8
Paraguay.....	1.0	.4	4.3	1.9	4.5	5.1	7.4	4.1
Peru.....	18.3	22.4	19.6	20.4	34.4	89.2	89.1	19.6
Uruguay.....	10.0	3.7	2.0	2.2	13.3	18.5	18.3	3.9
Venezuela.....	84.0	65.0	67.7	44.4	32.0	16.1	19.6	12.8
Jamaica.....	8.5	11.7	14.6	10.1	4.2	13.9	17.6	9.0
Trinidad and Tobago.....	6.8	11.3	10.2	5.0	4.9	6.9	8.0	4.0
Other Latin America.....	29.9	35.7	36.4	20.9	6.6	18.7	27.4	11.8
Total Western Hemisphere....	897.0	1,949.5	1,096.3	573.2	2,208.6	1,849.1	1,886.7	933.8
Total World.....	4,258.5	5,031.4	5,585.4	3,107.0	3,935.3	3,875.6	4,011.2	2,020.0

1/ Includes 0.1 million for other Western Hemisphere.

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