THE CITIZENS NETWORK FOR FOREIGN AFFAIRS

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U.S. AGRICULTURE AND THE DEVELOPING WORLD

By Donald H. May

Summary

The development of agriculture in Third World countries increases their economic growth and, on balance, makes them better customers for American farm products.

In the decades ahead, developing countries, not the industrial world, will be the big potential growth market for U.S. agricultural exports. U.S. farmers will have to cut production unless they can sell more to the developing world.

But whether this potential is realized will depend on many things:

- The world economy must grow at a healthy rate and trade must be open.
- Incomes must rise in developing countries for all segments of their populations.
- The Third World debt problem, which has sharply curtailed the ability of developing countries to buy from abroad, must be resolved.
- U.S. agricultural policies and broader U.S. economic policies must be designed to keep U.S. farmers competitive.

American farmers are beginning to recognize the growing importance of developing countries to their own livelihoods. But they feel their concerns are not always heard when policy is being made. A better dialogue between farm groups and policymakers is needed. One of the goals of The Citizens Network for Foreign Affairs is to improve that dialogue.

The Citizens Network for Foreign Affairs:

A private sector coalition dedicated to alerting Americans to the critical importance of America's international relationships to the vitality of our nation, the strength of our economy, and the well-being of our people.

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Bringing together leaders from agriculture, banking, business, cooperatives, education, labor, and voluntary organizations, The Citizens Network seeks to build a broader public understanding of our country's international affairs programs which underpin America's position of global leadership.

Agriculture: A Common Denominator

On the American plains, the golden wheat stretches to the horizon. Along the rivers of Southeast Asia, rice paddies form a geometric patchwork. In Africa, a farmer bends deeply to wield a short handled hoe. In Latin America, coffee beans ripen in the sun.

Agriculture is one of the common denominators of humanity around the world. About 2.5 million Americans earn their living by farming. In developing countries, probably more than a billion people do.

In recent years, there has been a growing perception of tension between U.S. and Third World farmers. U.S. commodity groups have objected to loans and technical assistance by the United States and by international development institutions which, as they see it, unfairly create new competition.

The economic times have helped produce this tension. U.S. agriculture is undergoing acute problems. American farmers are struggling under heavy debt. Agricultural land values have declined. Prices farmers receive are down, but their costs are up.

Exports of U.S. farm products have fallen from their peak of $43 billion in 1981, when they accounted for a quarter of American agricultural production, to $26 billion last year, a drop of 40 percent. Export tonnage of American wheat declined by 40 percent during those five years, feedgrains by 48 percent, cotton 59 percent and rice 25 percent.

The U.S. share of world exports of most major agricultural commodities has declined during the past five years -- wheat from more than 45 percent to 26 percent, coarse grains from 55 percent to 38 percent.

Meanwhile, this country's agricultural trade surplus with the world shrank from $25 billion in 1981 to less than $3 billion last year. (Figure 1)

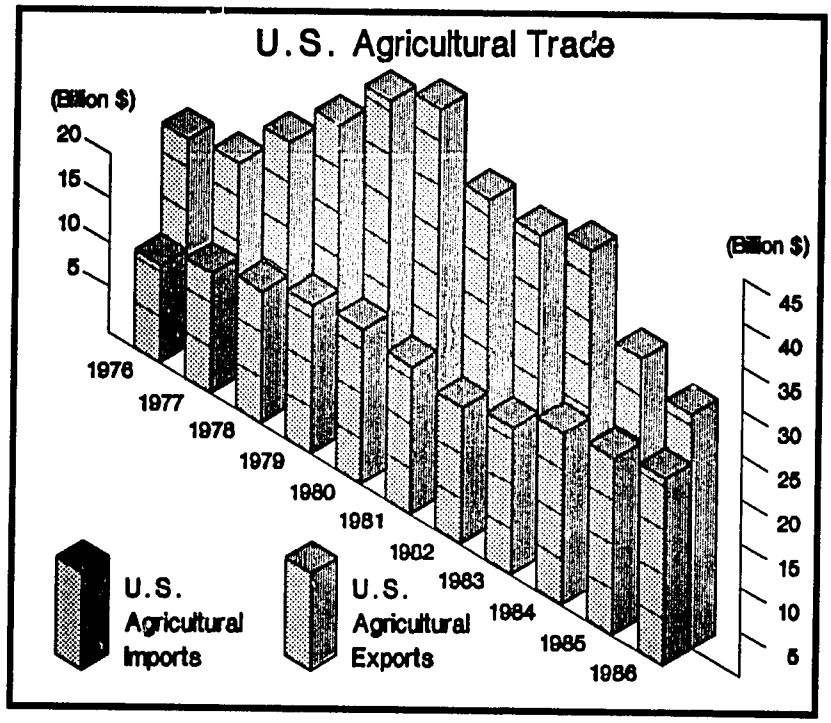


Figure 1. U.S. farm exports fell from their 1981 peak of $43 billion to $26 billion last year. This country's agricultural trade surplus has declined. Chart shows imports for consumption, customs value. Source: U.S. Department of Agriculture.

These problems have led some Americans to question whether it is in the national interest to help Third World countries develop their own agricultural potential. Why, many ask, should the U.S. Agency for International Development, the World Bank, and regional development banks help developing countries increase their productivity and compete with American farmers, who are themselves currently in deep trouble?

But that question leads to others.

Is Third World agricultural development, on balance, a competitive threat or a marketing opportunity for American farmers?

Is world agricultural consumption a pie of fixed size, in which one group of producers gains only at the expense of another? Or is there opportunity for farmers in many lands to prosper side by side?

A World Perspective

American agriculture operates in a world economy in which sweeping changes have been taking place.

In the early 1960s, Western Europe was a net importer of wheat and coarse grains. Now, through costly price support policies, it has become a major exporter of them. The Soviet Union has done the reverse, switching from exporter to importer.

The industrial nations of the world have become bigger and bigger net exporters of these products. The developing countries, meanwhile, have become net importers on a vast scale. (Figure 2)

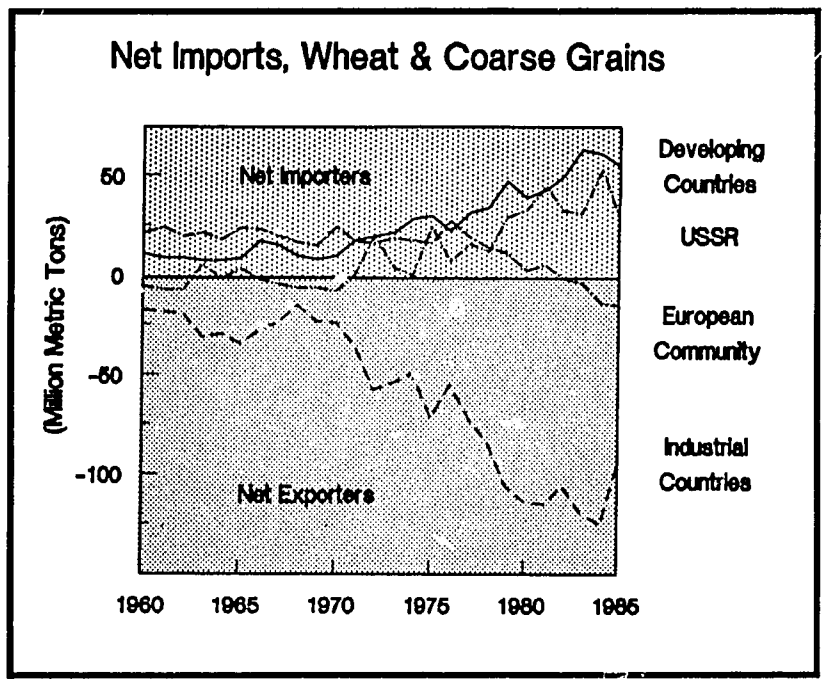


Figure 2. Coarse grains are corn, sorghum, millet, and barley. Source: The Citizens Network for Foreign Affairs, from U.S. Department of Agriculture data.

According to the World Bank, most of the food that enters world trade is grown in the industrial world and eaten in the developing world.

The Green Revolution, which began in the 1960s, has vastly increased agricultural productivity in many poor countries for certain crops, mainly wheat and rice on irrigated land. Yet one World Bank study estimated that in 1980, at least 340 million people in 87 developing countries did not get enough calories to prevent stunted growth and serious health risks, and 730 million lacked the calories needed for an active working life.

There is talk that global agriculture has grown too fast, that the world now is awash in grain. For the most part, according to the U.S. Department of Agriculture, only certain developed countries are awash in grain. The developing world still is woefully short of grain and must import it.

Agriculture is affected by equally sweeping changes that have taken place in the way the world economy works. Nations have become more dependent on trade. At the start of the 1960s, 10 percent of world agricultural production was traded among nations. By 1980, the figure was 17 percent.

Floating exchange rates and the growth of international capital markets have linked nations and introduced financial forces that can make or break a country's competitiveness in world trade. The roller coaster value of the dollar is an example.

In this fast-changing world, American agriculture fared well during the 1970s. World grain exports rose by nearly 90 percent, and American farmers captured about 80 percent of the increase.

Rapid economic growth in the developing world helped create that demand. So did a decision by the centrally planned economies to improve their diets by importing grain. The dollar exchange rate favored the American farmer.

Starting in the early 1980s, all this went into reverse. The world economy entered a severe recession. Commodity prices in real terms fell to levels of the 1930s. Developing countries grew more slowly. Their export earnings declined. Their debt burdens rose. All this meant they could import less.

The planned economies reduced their grain imports from the United States. The European Community, having built up

large surpluses, began pushing these on world markets. Australia and Canada became stronger competitors.

Many analysts believe that the 1981 U.S. farm bill also was to blame for the U.S. decline, by setting farm price supports at levels that made this country less competitive when the world recession came.

Most important of all, the dollar exchange rate now worked against the American farmer. In the second quarter of 1985, Chicago cash prices for corn were roughly the same as they had been in late 1980. But to a Japanese importer, the cost in yen was now 18 percent more. For a South Korean buyer, the cost in his own currency was now 50 percent more.

According to the Agriculture Council of America, the decline in U.S. farm exports between 1981 and last fiscal year cost the American economy an estimated $122 billion and tens of thousands of jobs.

The Third World debt crisis accounted for a significant part of that loss. According to one Department of Agriculture estimate, it reduced U.S. wheat exports by about 4 million tons between 1980/81 and 1982/83. U.S. agricultural exports to Latin America declined from $6.4 billion in 1981 to $3.7 billion last year.

Still, over recent decades, developing countries have purchased an increasingly important share of U.S. agricultural exports. They bought 19 percent in 1970, 41 percent last year and, according to Department of Agriculture projection, that figure is expected to reach 43 percent in 1987.

The Third World and American Farmers

At first glance, it might seem that building up agriculture in Third World countries could only create new competition for American farmers. But there is a great deal of evidence the reverse can be true -- that agricultural development in poor countries, over the long run and on balance, can make them better customers for American farm exports.

The reasons lie in the development process itself and in the changes that take place within a poor country as incomes rise.

- In most developing countries, 50 to 85 percent of the work force is in agriculture. Raising the income of the rural people is thus an essential step -- often the starting point -- in economic development. With more purchasing power, the rural poor become markets for industrial growth in the cities.
- People in poor countries spend a large percentage of any additional income they get on food. When you live close to the survival level, additional money goes for necessities. In industrial countries, it tends to go for luxuries.
- As incomes rise, not only do people want more food, they want different kinds of food. As cities grow, people want food that does not take a lot of household time to prepare, such as bread made in bakeries. You can see this happening in Latin America. Studies show per capita consumption of wheat, rice, vegetables, and meat rising from the mid-1960s to the mid-1970s, and that of traditional foods made from corn falling.[1]

- Increased consumption of beef, pork, and poultry, in turn creates rising demand for feedgrains. Since 1960, per capita use of coarse grains as animal feed has increased more or less steadily in developing countries. It has risen most sharply in the relatively high income developing countries, such as South Korea, Singapore, and Mexico, where economic growth has been most rapid. (Figure 3)

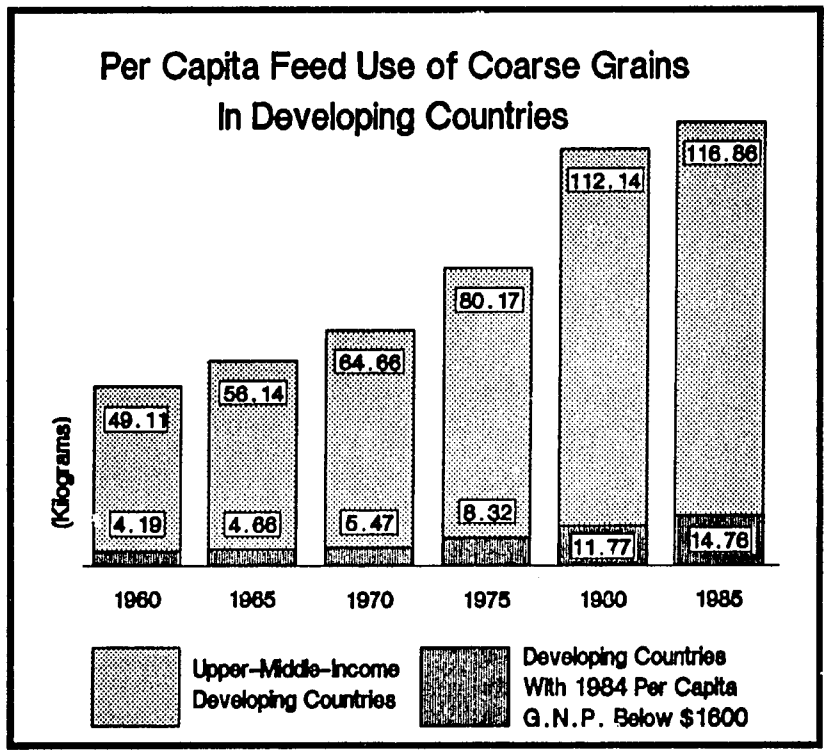


Figure 3. As income rises, people eat more meat, leading to increased use of feedgrains. Per capita use of coarse grains has particularly increased in the upper-middle-income developing countries -- the 19 countries with 1984 per capita Gross National Product of $1600 or more, compared to the 60 developing countries with per capita G.N.P. below that level. Source: *Economic Growth, Agricultural Trade, and Development Assistance*, Gary Vocke, Economic Research Service, U.S.D.A.

- Finally, as income rises in Third World countries, demand for agricultural goods usually rises faster than local production. That means rising agricultural imports.

G. Edward Schuh, director of agriculture and rural development for the World Bank, explains the arithmetic this way: "Suppose, as a reasonable estimate, that people in a poor country spend 60 percent of any increase in their income on food. Now suppose income per person in that country rises at the rate of 3 percent a year, while population rises at 2 per-

cent. This means demand for agricultural products will rise at a rate of 3.8 percent a year.

"If per capita income grew at 5 percent and population at 3 percent, demand for agricultural products would grow at 6 percent.

"Few countries," says Schuh, "have been able to increase their agricultural production by 3.5 to 4 percent a year on a sustained basis. Some, like Brazil, have done so by bringing big areas of new land into production. But many developing countries with large populations do not have additional farmable land available."

Statistics from the U.S. Department of Agriculture show clearly that, as incomes in developing countries have risen, their agricultural imports have grown faster than their exports. This has been especially true among the faster-growing, upper-middle-income developing countries. (Figure 4)

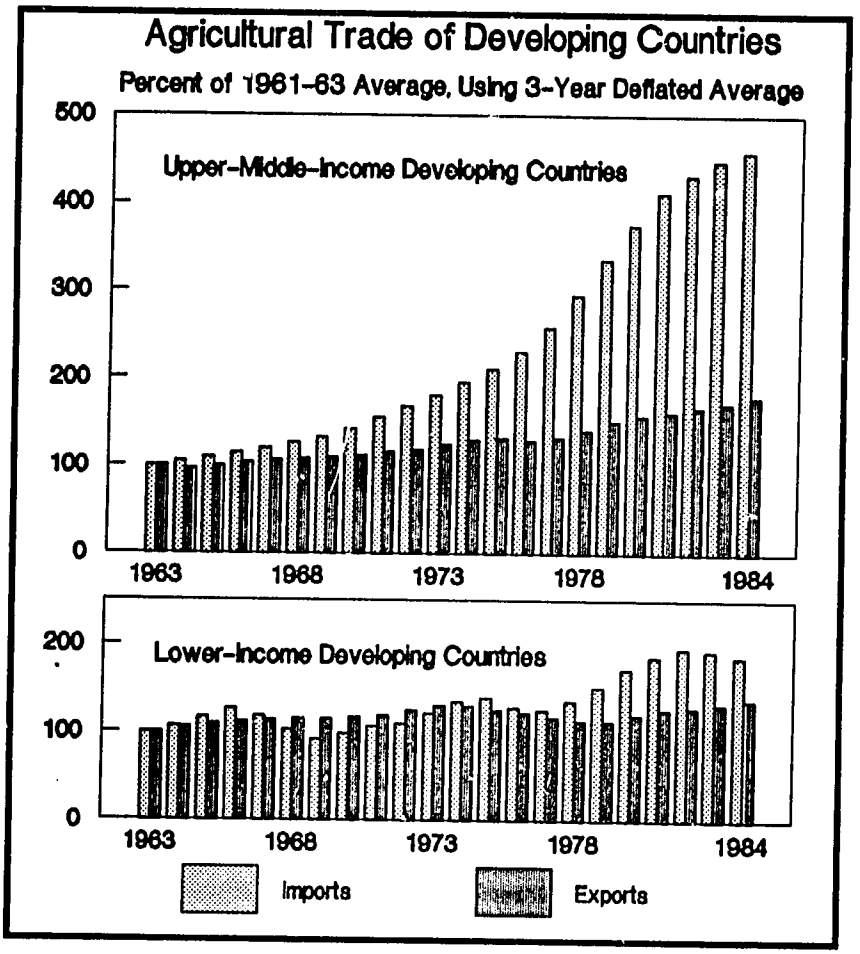


Figure 4. Income growth and dietary changes have led to increases in both agricultural imports and exports. But imports have risen faster, particularly among the faster-growing, upper-middle-income developing countries. Source: *Economic Growth, Agricultural Trade, and Development Assistance,* Gary Vocke, Economic Research Service, U.S.D.A.

And it is especially true also for wheat and for coarse grains which are used to feed livestock. Look back to Figure 2 (on page 4), which showed that the world's developing countries have become bigger and bigger net importers of wheat and coarse grains. Figure 5 breaks this down and shows that the increase has taken place primarily among the middle-income developing countries, whose growth has been fastest.

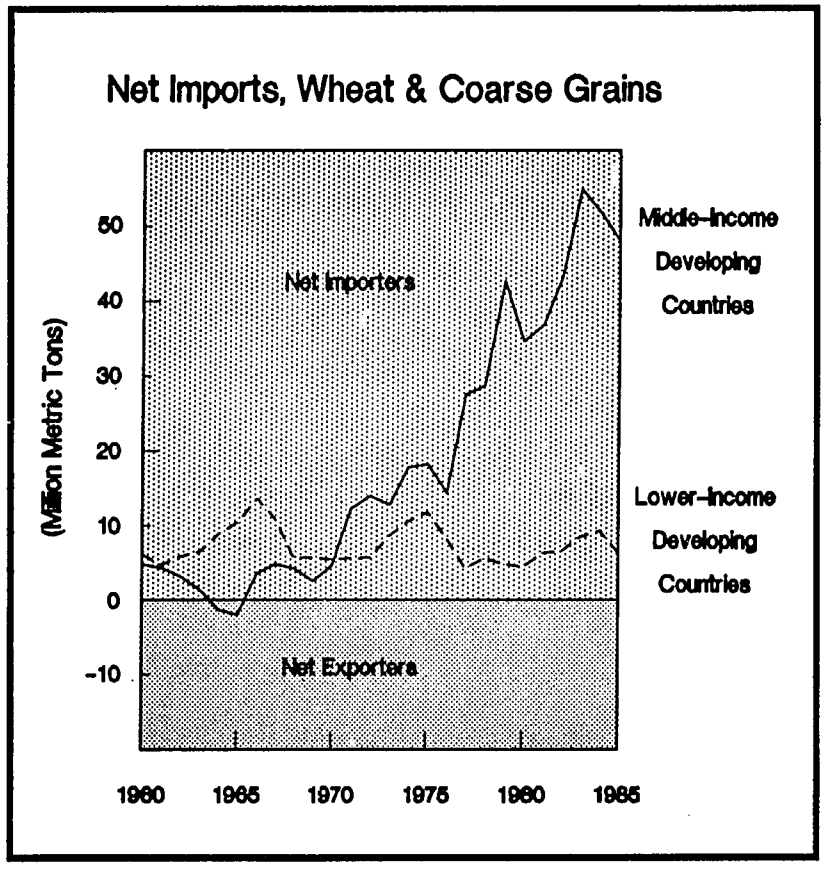
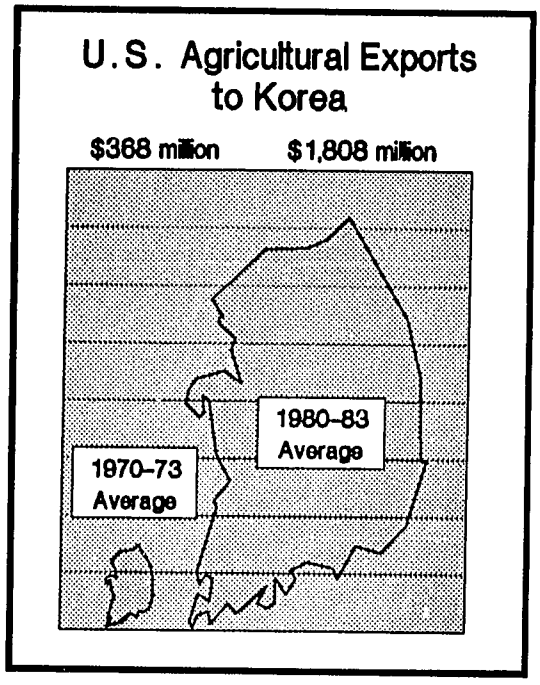


Figure 5. Net imports have grown fastest among the 51 middle-income developing countries (those with 1984 G.N.P. per capita over $400), compared to the 19 countries below that level. Coarse grains are corn, sorghum, millet, and barley. Source: The Citizens Network for Foreign Affairs, from U.S.D.A. data.

Other studies show that Third World countries with rapid agricultural growth also become big importers of farm products. One report looked at the 18 developing countries with the fastest growth in per capital food production during 1970-82 and also at the 13 developing countries with the slowest such growth. It found that the first group increased its imports of all agricultural products at a rate 34 percent faster than the second group. The first group increased its corn imports 97 percent faster than the second; soybean and soybean product imports 257 percent faster.[2]

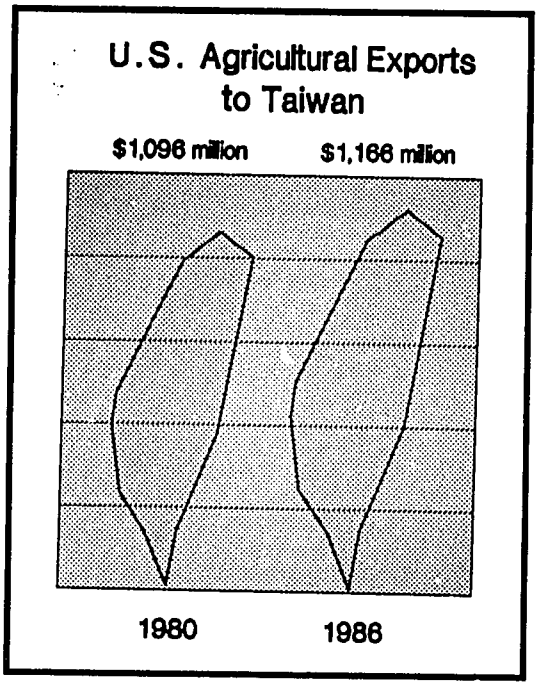
South Korea is a case in point. In 1954, it was in economic ruins. The United States and other donors helped small farmers become more productive. Better rice varieties were developed. The extension system and universities were improved. Under U.S. aid, millions of tons of grains, cotton and other agricultural products were shipped.



While some poor countries focused only on industrialization, South Korea sought to develop agriculture as well as industry. Between the early 1970s and the early 1980s, its per capita agricultural production increased 27 percent. But U.S. farm exports to South Korea increased more than fourfold -- from an annual average of $368 million in 1970-73 to an average $1.7 billion in 1980-83.

During that period, the average South Korean's consumption of beef doubled; the average consumption of pork, poultry, milk, and eggs also rose sharply. South Korea now has become a "newly industrializing country." In 1981 alone, it bought $2 billion in U.S. farm products, which was more than the total U.S. food aid to Korea between 1955 and 1979.

"Our 25 years of food aid to Korea cost less than we now get back in a single year of sales to the Koreans," says Claiborn Crain, executive director of the Agriculture Council of America.

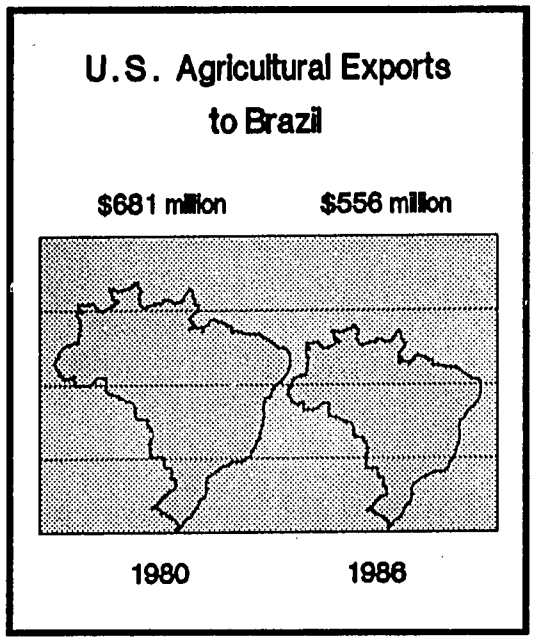


Agriculture played a major role in Taiwan's economic growth, earning foreign exchange that helped finance industrialization. Per capita consumption of meat rose fourfold between the 1950s and the early 1980s; that of milk, twelvefold; and of eggs, fivefold. This led to a big increase in cereal feed imports.

Taiwan was a net exporter of grain in the early 1950s. It now imports 60 per-

cent of all the cereals it uses, most of it feedgrains. Last year Taiwan bought $1.1 billion in U.S. farm products.

From the point of view of American farmers, the results of agricultural development in other countries have been a mixed picture.



During the 1970s, Brazil's production of soybeans expanded tenfold. It is now the world's biggest exporter of soybean meal and one of the largest exporters of soybean oil.

It is hard to attribute much of that increase to foreign assistance which Brazil received. Studies of Brazil's soybean development point to many other reasons. Favorable soybean prices offered an incentive. With a world glut of coffee, the Brazilian government paid farmers to replace old coffee trees with crops of their choice. Government incentives for wheat production helped soybeans because these two were often double-cropped. The United States embargoed its own soybean exports in the early 1970s. The Brazilian government gave hefty subsidies for soybean growing and especially crushing. It pushed exports, not of soybeans themselves, but the meal and oil made from them.

But, with rapid economic growth during the 1970s, Brazil also became a growing customer for U.S. wheat and corn, and even unprocessed soybeans. From 1970-72 to 1980-82, U.S. agricultural exports to Brazil increased 15 percent a year in quantity and 25 percent a year in value. At the start of the 1970s, 64 percent of these U.S. exports were food aid. A decade later they were almost entirely commercial.

In June 1986, the announcement of a $500 million World Bank loan to help Brazil modernize its agricultural sector caused an outcry among U.S. farm groups. The controversy died down somewhat when the bank made clear to agricultural groups that $400 million of the loan would finance Brazilian imports, including rice, corn, soybeans and soybean oil, wheat, fertilizers, pesticides, and other products, all by competitive bidding.

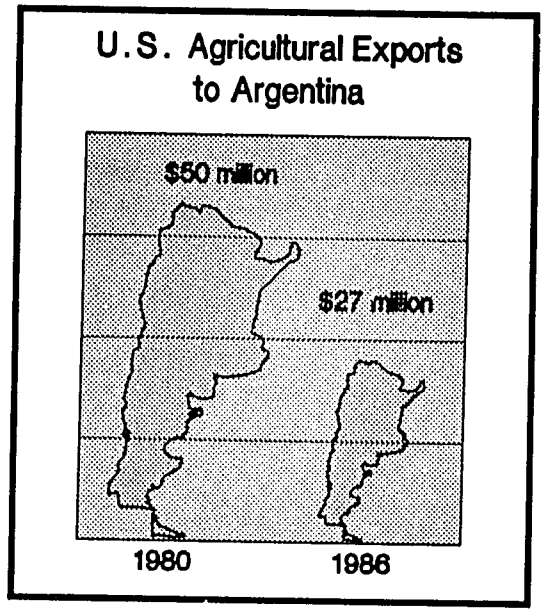
As part of the loan, Brazil undertook major reforms to transform its agriculture sector from one based heavily on subsidies and controls to one based on market forces and international prices. Under the terms of the loan, subsidized, negative interest rates were to continue only for some of the poorest small farmers.

According to the World Bank, the loan was not directly aimed at increasing Brazil's exports; the domestic market was expected to absorb "most if not all" of the increased production.

World Bank president Barber Conable wrote farm state legislators, arguing that Third World development in the long run favors American farmers. But he noted that: "At a time when the American farmer is enduring intense difficulties, such longer-term perspectives regrettably are not an immediate antidote for the short-term problems."

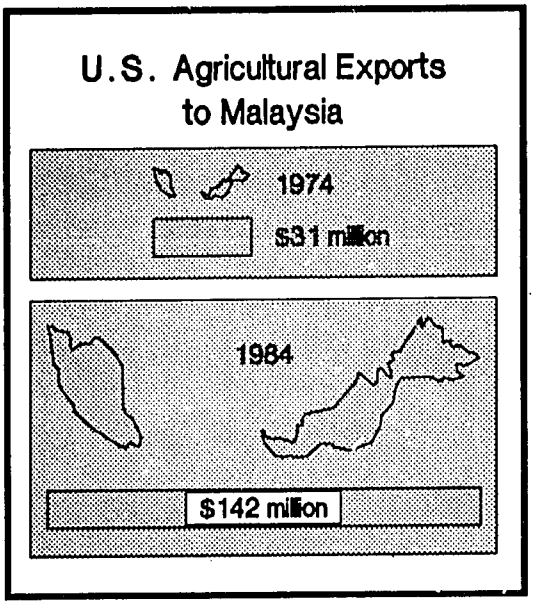
In April 1986, the World Bank announced a $350 million loan to help Argentina reform its agricultural sector to generate an estimated $1 billion a year in additional farm exports, including wheat, corn, sorghum, soybeans, and sunflower.

Argentina has a rich agricultural potential which has been underutilized. The reason is that it has kept farm prices low through export taxes while raising the cost of imported farm inputs through tariffs. The terms of the loan include reducing export taxes and reforming pricing policies.



That may make Argentina a stronger competitor in farm products, but it should help ease another problem in which the United States has a strong interest: debt. Argentina has the third largest foreign debt in Latin America, the interest on which has been eating up 50 percent of its foreign exchange earnings.

The United States last year ran a $270 million agricultural trade deficit with Argentina, but because of large U.S. exports of chemicals, machinery, and transport equipment, overall U.S. trade with Argentina was just about in balance.



Malaysia is another case of mixed benefits and losses for different U.S. farm sectors. It is the world's leading exporter of palm oil, which competes with American soybean oil for some uses.

But total U.S. agricultural exports to Malaysia rose from $31 million in 1974 to $142 million in 1984. (They have since declined.) Malaysia imports corn and wheat. As its livestock industry developed, it has even imported soybeans.

The key factor in all these cases is buying power. Poverty, not the inability to grow food, is the central reason that 300 to 750 million people are hungry and undernourished in the world today. Agricultural development creates buying power which makes possible economic growth. As they grow, countries become trading nations. Some become strong world competitors in certain commodities. Many, at the same time, become growing markets.

The U.S. Agency for International Development bases its agricultural assistance to poor countries on this concept of trying to generate broad-based increases in income. In documents presented to Congress, it has defined the goal of its agriculture, rural development and nutrition program as follows: "...to increase the income of the poor majority and expand the availability and consumption of food -- while maintaining and enhancing the natural resource base."

It focuses aid on small farmers. It has, for example, helped very poor farmers in Honduras fight the coffee rust disease, helped provide credit for Egyptian farmers who work less than about 5 acres of land, and funded research on "alley cropping" -- the planting of grain between rows of leguminous trees and shrubs -- in Africa.

The World Bank has in recent years put increased emphasis on the role of agriculture as an engine of economic growth in poor countries.

Future Markets

There is strong evidence that the potential markets for future growth of American agriculture will be in the developing nations, not at home, and not in the rest of the industrial world.

Seventy-five percent of the world's people live in developing countries, and that is where the bulk of future population increases will take place. Under a projection made by the World Bank, based on the most likely assumptions, the population of today's developed countries would grow from about 1.2 billion now to 1.4 billion by the year 2050. The population of today's developing countries would grow from 3.6 billion today to 8.4 billion.

A 1986 study by the International Food Policy Research Institute estimates that if present trends continue, the gap between production and consumption of food in developing countries will rise from 52 million tons in 1980 to 69 million tons in the year 2000.[3]

According to U.S. Department of Agriculture estimates cited by the Curry Foundation, demand for cereals will outpace domestic supply in developing countries and they will increase their cereal imports from less than 60 million metric tons in 1980 to 130 million tons per year by the year 2000.[4]

There is a popular idea that the transfer of agricultural technology to poor countries is making them self-sufficient in farm products. As an example, people note that the Green Revolution has transformed India from dependence on grain imports to being a modest exporter of wheat. But Figure 6 (following page) shows that as far as grain is concerned -- both food grains and coarse grains -- developing countries are moving farther and farther away from self-sufficiency. On this

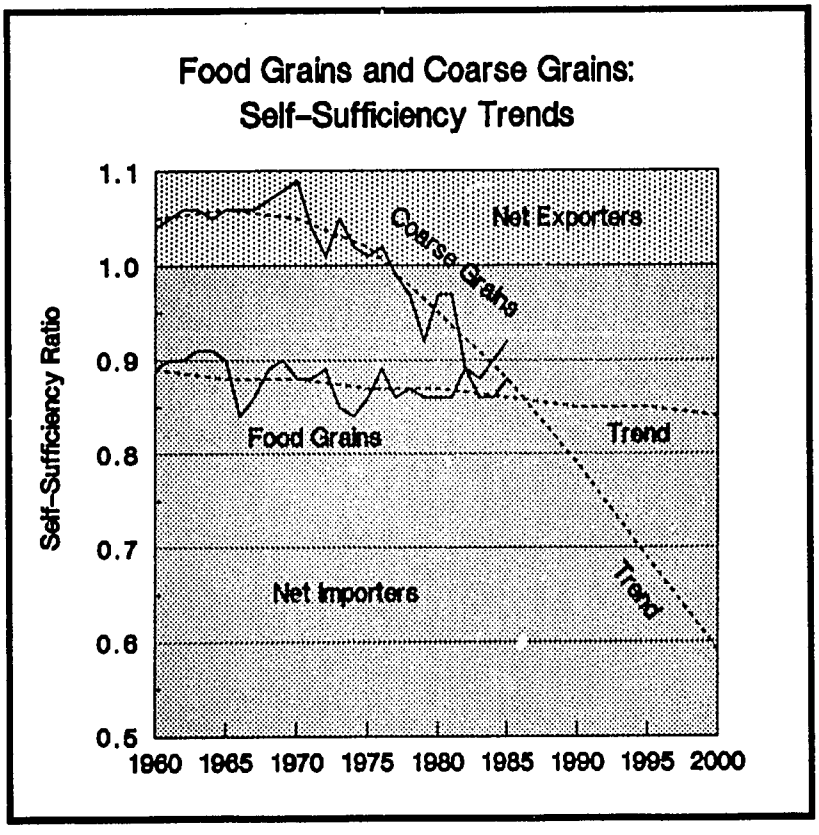


Figure 6. As incomes grow, the developing world is becoming less self-sufficient in grain, not more so. A country with a "self-sufficiency ratio" -- domestic production divided by the sum of domestic production plus imports -- of 1.0 would produce exactly as much grain as it uses. A ratio of less than one means a country must import grain to meet its needs. Dashed lines show trends in food- and coarse-grain sufficiency to the year 2000. Source: Gary Vocke, Economic Research Service, U.S. Department of Agriculture.

graph, a country exactly at the 1.0 mark would be self-sufficient in grain; above that point, a country would be a net exporter; one below would be a net importer. The trend lines show the Third World becoming more and more dependent on grain imports to the year 2000, especially in coarse grains which are used as animal food.

As applied to India, the word self-sufficient has an ironic twist. India is self-sufficient in wheat in that it exports slightly more than it imports. But India still has vast poverty. There are more malnourished people in the sub-continent of South Asia than in all of Africa. As India deals with its poverty, it could conceivably become a big importer of grains once again.

Alan T. Tracy, special assistant to President Reagan for agricultural trade and food assistance, looks at it another way. Quoting figures from the September 1986 Farm Journal, he notes that during the last 40 years the U.S. agricultural market has grown about 1 percent annually. During that period, U.S. farm productivity has increased about 2 percent a year. World agricultural trade has grown 3 percent a year.

The clear implication, says Tracy, "is that if we ignore the international market place, we consign ourselves to U.S. agriculture being a declining industry. The difference between whether American agriculture will be a declining industry or a growth industry will be based on what share of the future world trade increase we are able to garner."

"Developing countries are the most likely growth markets for U.S. agricultural exports," writes Gary Vocke of the U.S. Department of Agriculture's Economic Research Service. "The best strategy for increasing the potential of agricultural exports to developing countries is to encourage economic growth in these markets, which will lead to higher incomes and increased food demand."[5]

But Robert L. Paarlberg of the Center for International Affairs at Harvard University, says agricultural development in Third World nations will not automatically lead to increased U.S. farm exports. This will happen, he has written, only if both sets of countries follow the right policies.

One requirement if American farmers are to benefit, says Paarlberg, is that agricultural development in Third World countries must in fact lead to broad-based economic growth and dietary enrichment. Among other things, he notes, that means equitable access to land, water, technology, and credit, and balanced economic growth.

Second, he adds, if this economic growth is to lead to increased food imports, developing countries must keep their economies open to trade. And so must industrial countries, since the Third World cannot buy in world markets unless it also sells.

Third, says Paarlberg, this expanding pie of markets won't benefit American farmers unless this country follows policies that make its farm exports competitive. That, he says, means market-oriented domestic commodity policies that ensure competitive export pricing along with fiscal and monetary policies that do not distort dollar exchange rates.[6]

Debt: A Continuing Obstacle

It is also clear that U.S. agricultural exports cannot reach their potential unless the debt problems of developing countries are resolved. American farmers, themselves no strangers to heavy debt, have been major victims of the Third World debt crisis.

U.S. agricultural exports to the 15 countries on Treasury Secretary James Baker's list of major developing country debtors have fallen by $3 billion, or 47 percent, since 1980. (See Figure 7, following page.) This is a much bigger percentage drop than has taken place in U.S. agricultural exports to the world as a whole (36 percent) or to all developing countries (26 percent). Mexico, where falling oil prices in recent years also have been a major factor, alone accounted for half of the decline in exports to the major debtors.

These figures for the debtors with the biggest problems tell only part of the story. Less severe debt burdens are constraining the ability of many other developing countries to buy American farm goods. That has robbed U.S. farmers of what should have been an enormous growth in markets. From their standpoint, finding a solution to this problem must be at the top of the national agenda.

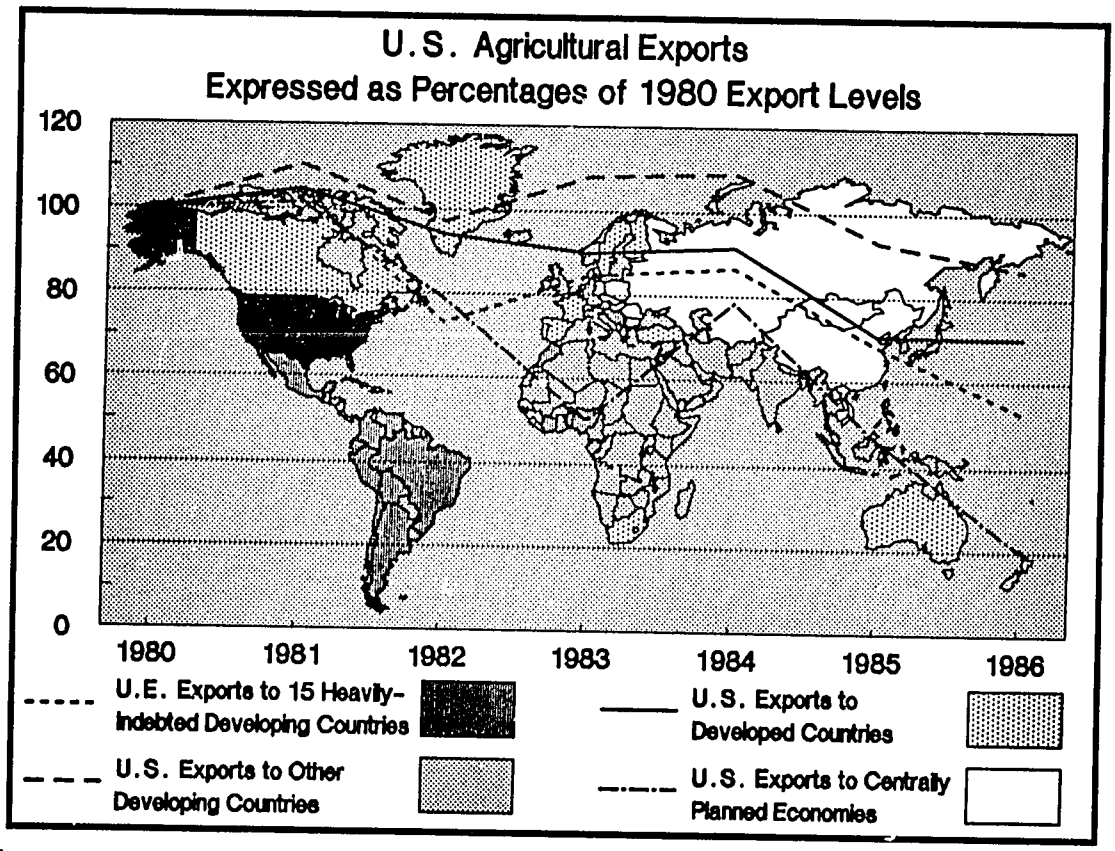


Figure 7. The fifteen major developing-country debtors are: Argentina, Bolivia, Brazil, Chile, Columbia, Ecuador, Ivory Coast, Mexico, Morocco, Nigeria, Peru, Philippines, Uruguay, Venezuela, and Yugoslavia. Source: The Citizens Network for Foreign Affairs, from U.S. Department of Commerce data.

Building Markets

Claiborn Crain, of the Agriculture Council of America, notes that it takes only 60 percent of this country's agricultural production capacity to feed the American people, leaving 40 percent available for others.

"The most sensible, cost-effective course toward recovery of rural America," says Crain, "is a broad, comprehensive, integrated program of economic developmental assistance and commercial market-building, country by country." This approach, he adds, would be far less costly than traditional farm programs concentrating on commodity prices, "and its returns are far more solid and substantial."

For over three decades, the U.S. Government has cooperated with industry in a program designed to create new markets for American farm products. It grew out of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480). About 55 commodity groups, jointly financed by government and producer funds, operate through a worldwide network of 61 overseas offices. In conjunction with the Foreign Agricultural Service, they carry on technical assistance, trade show exhibits, advertising and product demonstrations for potential customers.

Many now urge that such marketing efforts be strengthened, in parallel with development aid so that, as countries develop, U.S. exporters will be there to assure that American farmers benefit from market growth.

Last year, the National Commission on Agricultural Trade and Export Policy argued in its report to the President that U.S. agricultural export promotion strategy should be more effectively targeted to achieve growth in developing country markets. It recommended that "the Congress and the Presi-

dent establish it to be the policy of the United States to make better use of existing resources to aggressively and imaginatively develop new markets for U.S. agricultural commodities in Third World areas."

How this might be done is beyond the scope of this article. Clearly such efforts must be consistent with the development process in Third World countries and with the goal outlined here of building potential markets by raising incomes. That means they must help, not discourage, these countries from developing their own agriculture.

How American agriculture fares in world trade in future decades also may depend on what structure of agricultural trade rules the world adopts. In the current Geneva talks under the General Agreement on Tariffs and Trade, the United States is pushing for an agreement among all nations to gradually eliminate, over a period of ten years, all agricultural subsidies and trade barriers.

Agriculture Secretary Richard Lyng told a White House news conference July 6 that he believes U.S. agriculture overall would do well in a world of free trade. "U.S. farmers can compete with farmers around the world," he said, "and they know they can."

Toward an Improved Dialogue

Most American farm organizations agree that exports are vital to U.S. agriculture and that the future expansion of those exports will depend heavily on the pace of economic development in the Third World.

But a number of farm groups oppose bilateral and multilateral assistance programs which they feel generate direct competition for particular sectors of U.S. farming that are already in difficult straits. They argue that U.S. agricultural and assistance policies should put more stress on market development. They contend that policies regarding overseas assistance are made without first listening to their views.

Development officials, on the other hand, often feel that American farmers are not sufficiently aware of their links to markets in the Third World or of their stake in development in poor countries.

Clearly more of a dialogue is needed between these different viewpoints.

On the surface, there often appears to be a split between two currents of U.S. policy. Development officials are interested in relieving poverty around the world. Commodity groups look for markets. But, we have tried to show, those two efforts are one and the same. Helping people pull themselves out of poverty is both a humanitarian and an economic goal.

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In extending these thanks, we note that the conclusions reached in the paper are our own.

Notes

[1]Paper by Alberto Valdes and Eugenia Muchnik de R. in *Proceedings of Workshop on Strengthening Agricultural Research in Latin American and the Caribbean,* Inter-American Development Bank and CIMMYT, Mexico, 1984.

[2]Earl D. Kellogg paper in *Assistance to Developing Country Agriculture and U.S. Agricultural Exports: Three Perspectives on the Current Debate,* Consortium for International Cooperation in Higher Education, March 1987.

[3]*Food in the Third World: Past Trends and Projections to 2000,* Leonardo A. Paulino, International Food Policy Research Institute, June 1986.

[4]*U.S. Agriculture and Third World Development: The Critical Linkage,* Randall B. Purcell and Elizabeth Morrison editors; Curry Foundation, 1987.

[5]*Economic Growth, Agricultural Trade, and Development Assistance,* Gary Vocke, Economic Research Service, U.S. Department of Agriculture, Agriculture Information Bulletin No. 509, March 1987.

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