

AIRGRAM

DEPARTMENT OF STATE

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SUBJECT - Narrative Statements on Accomplishments

REFERENCE - A) AIDTO CIRC XA-4474; B) AIDTO CIRC A-137

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The activities described below constitute the five most significant Mission accomplishments for FY 1968.

1. Increase in Cereals Production

This program, initiated in FY 1967, is aimed at increasing wheat production in Morocco by 50% by 1972. In FY 1968, the area plowed, fertilized and seeded was expanded 90% over the previous year--to 852,150 acres. With the help of better-than-average rainfall, well-spaced throughout the growing season, there was a nearly 50% yield increase over non-fertilized fields. A survey conducted throughout the project area indicated an average yield of 31.5 bu/acre for fertilized fields contrasted to a yield of 21.3 bu/acre for adjacent fields not receiving fertilizer.

A P.L. 480 Title I loan of Dh 18,666,000 to the GOM and the use of Dh 31,000,000 of PL 480 Title IV funds, in addition to revolving funds allocated last year, supplied the farmer credit support necessary for the purchase of seed, fertilizer and farm tools.

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DRAFTED BY

JLyon:bb

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APPROVED BY:

Alex Moore, Sr., Actg. Director

AID AND OTHER CLEARANCES

PROG:JWKennedy

F&A:GWalker

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Development Grants for \$349,000 were made to the project in FY 1968 for commodities, personnel and participants.

Arrangements were finalized for a regional contract between Morocco and Tunisia and the International Center for Maize and Wheat Improvement (CIMMYT) in Mexico supported by the Rockefeller Foundation to provide for the research aspects of the program, several technicians and other assistance. The services of additional agricultural technicians to supervise the production and extension aspects are being provided both directly by AID and through a contract with the Near East Foundation. A number of Peace Corps Volunteers are also working in the field on the project.

Commodities being furnished include 500 tons of seed of five improved varieties from Mexico as well as necessary research, production and extension equipment. The seed will be multiplied for future use in the program and will also serve as a large-scale demonstration program for the Moroccan farmers. The valuable experience which Moroccan agricultural agents will gain with the 12,500 acres sown to these improved varieties will be transferred to the larger fertilization program in the future.

2. New Agro-Industry Activity

Morocco became the first African country to have a joint agro-industry enterprise under the new AID agricultural investment program. Negotiations which took place in FY 1968 led to the establishment of the "Societe de Valorisation Agricole" in October, a Moroccan joint enterprise with the participation of a U.S. firm, the World Homes Corporation. To date, SVA has planted over 5,000 hectares of wheat as a first effort in a commercial wheat and forage seed production program. American agricultural machinery worth \$368,000 has arrived, financed in part by the U.S. Export-Import Bank. A USAID Cooley loan of Dh 3,262,350 will be used to purchase equipment available in Morocco and to pay for rent, labor, fertilizers, seed, and other farming costs. The ice having been broken, a number of other U.S. companies have shown an active interest ~~in~~ in Moroccan agro-industry investment. Recently, King Ranch, Inc., formed a joint commercial beef enterprise with the Moroccan Ministry of Agriculture to produce improved beef cattle for domestic and foreign markets. Negotiations during FY 1968 led to the establishment of a third joint enterprise formed by the Brown's LedBrest Poultry Company to produce 5,000 broiler chickens per day. It will be an integrated enterprise producing all of its feed requirements. Both King Ranch and the poultry enterprise should be in operation in early 1969. Other U.S. companies seriously contemplating investments

include the Pacific Vegetable Oil Co., Arizona Agro-Chemical Co., Del Monte, Tillie Lewis Foods, Heinz Soup Co., and Basic Vegetable Products Co. of California.

3. Nouasseur International Airport

With work beginning on September 1, 1967, major progress was made in FY 1968 on the construction of Nouasseur International Airport. An AID loan for \$6.3 million is financing the work on this civil airport, converted from a former U.S. military base, which will be capable of handling the biggest commercial jets and thereby help Morocco hold its own in the race to attract tourists. Presently, planes the size of the Boeing 707 cannot land at Casablanca, the country's commercial center. The USAID loan is building a passenger terminal building, a freight hangar, a general service hangar, rehabilitating runways, lighting, roads, utilities and the control tower.

4. Lower Moulouya River Irrigation

Work on the Mechra Khila storage dam in the Lower Moulouya River Irrigation System was completed in FY 1968, and King Hassan II of Morocco dedicated the dam in the fall of 1968, including in this act an extraordinary gesture of thanks to the American people. The dam impounds 730 million cubic meters of water and forms a 3,800 hectare lake.

For more than 40 years experts dreamed of harnessing the waters of the Oued Moulouya in the high, hard dry country of Beni Snassen in the Rif mountains for irrigation and hydroelectric power. Work by the French and Spanish began before independence, then stopped and began again with a \$23 million AID Development Loan. The largest share of the loan has gone to build the dam, and another large share for the Bou Areg tunnel to carry the dam's water from the Zebra plain towards the Bou Areg power plant. New AID dollar and dirham loans of over \$17 million are being used to complete the remainder of the project and to finance a management contract for development of the irrigated area. The Moroccan Government, in addition, has itself financed millions of dollars of work in the irrigation project, which is expected to be fully complete in the mid 1970's, irrigating 70,000 hectares of previously arid land and increasing agricultural production by an estimated \$12 million annually.

5. Promotion Nationale

In FY 1968 the U.S. Government provided 140,000 tons of wheat for Morocco's economic development Food-for-Work program, Promotion Nationale. This program, begun in 1961, provided useful employment for an estimated 100,000 unemployed and underemployed laborers on 1300 small local development projects. The workers received a daily in-kind payment of five kilos of wheat and a modest cash wage provided by the Moroccan Government. FY 1968 results are impressive. Promotion Nationale laborers, working approximately 22,000,000 man-days, constructed 3,000 low-cost dwellings, built or improved 4,500 miles of roads, ~~and~~ built about 145 water storage facilities, constructed 380 miles of irrigation canals, reforested 63,000 acres of land and cleared 52,000 acres of land.

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