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JUL 17 1974 66396

## ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

THROUGH: Mr. Robert G. Huesmann, AFR/DP *lv.*FROM: E. Dennis Conroy, AFR/NARA *E. Conroy*

Problem: Request for authorization to utilize Africa Regional (698) funds for the conduct of a pre-feasibility study of village Grain Marketing/Storage in Tunisia.

Discussion:

The possibility for providing capital assistance to the Government of Tunisia for cereal grain marketing and storage in the rural areas is being considered. A pre-feasibility study of the grain marketing/storage situation in Tunisia is appropriate at this time as a means of reaching a decision, relative to this matter.

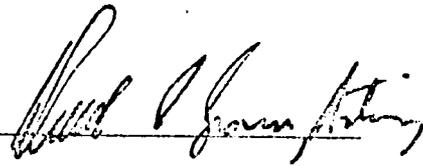
The principal cereals produced in Tunisia and entering the commercial marketing channel include durum wheat, soft bread wheats and barley. The marketing of cereals is handled by the Office of Cereals through government-owned regional center facilities supplemented by facilities operated by two cooperative associations, SOCOBLE and CCS. An unknown quantity of grain also is moved for local consumption through an unsanctioned parallel market. These regional centers are broadly distributed relative to the local collection points and areas of production. The present system of collection points served Tunisia adequately when farm holdings were characteristically large as was the case through the 1960's. Access to regional centers for marketing of cereals appears inadequate to meet the requirements of the existing production system involving small farmers who are widely dispersed through the country and who farm relatively small parcels of land.

In recognition of the change in the farming system, increased number of small farmers involved, and inadequacy of the existing marketing/storage system, and effect of storage and marketing on production incentives and farmer income, an assessment of the existing system and the identification of alternate systems for storage, handling and marketing cereal grains of the small farmer is required.

Authorization is requested for the use of \$9,000 Feasibility Study funds to increase the funding of the basic Kansas State University contract (AID/csd 1988) in order to procure the services of a 4-man team from Kansas State University to carry out a 5-week (August - September, 1974) cereal marketing/storage pre-feasibility study in

Tunisia. The addition of \$9,000 to AID/csd 1588 will be utilized to meet salary requirements for two consultants (Agricultural Economist and Grain Storage Operating/Management Specialist). The salaries for the Agricultural Engineer (Team Leader) and Assistant Agricultural Engineer and overhead/benefits for the four-man team will be provided from already existing AID/csd 1588 funds. In addition to the \$9,000 for consultant salaries, dollars 11,000 will be required for allocation to USAID/Tunisia to purchase U.S. excess Tunisian dinars for use in supporting (international travel, per diem, interpreter services and local transportation) the 4 man KSU team.

Recommendation: That you approve the utilization of dollars 20,000 of Feasibility Study funds under the Food and Nutrition Area of Emphasis of the Africa Regional (698) Program to conduct and support a pre-feasibility study of cercal marketing/storage in Tunisia as a prerequisite for further consideration of capital assistance to Tunisia in that area.

APPROVED: 

DISAPPROVED: \_\_\_\_\_

DATE: JUL 19 1974

Drafted: AFR/NARA/TEC:CBAllen:md:7/17/74

Clearance: AFR/NARA/T:CRSadler \_\_\_\_\_  
 AFR/NARA/TEC:WJLeake(draft) \_\_\_\_\_  
 AFR/NARA/Reg:JKraus(draft) \_\_\_\_\_  
 AFR/DS:SCole(draft) \_\_\_\_\_  
 TA/AGR:WHGarman(draft) \_\_\_\_\_  
 AA/AFR:DSBrown \_\_\_\_\_

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APPROVED: *Walter J. Brown*

DISAPPROVED: \_\_\_\_\_

DATE: JUL 19 1974

Drafted: AFR/NARA/TEC:CBAllen:md:7/17/74

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