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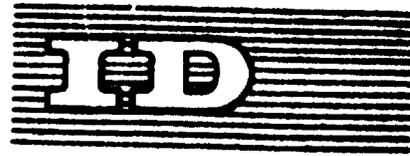
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Second Interregional Fertilizer Symposium

Kiev, USSR, 21 September - 1 October 1971
New Delhi, India, 2 - 13 October 1971

Agenda item XI/9

FOREIGN ASSISTANCE BY THE UNITED STATES
WITH SPECIAL REFERENCE TO FERTILIZERS

by

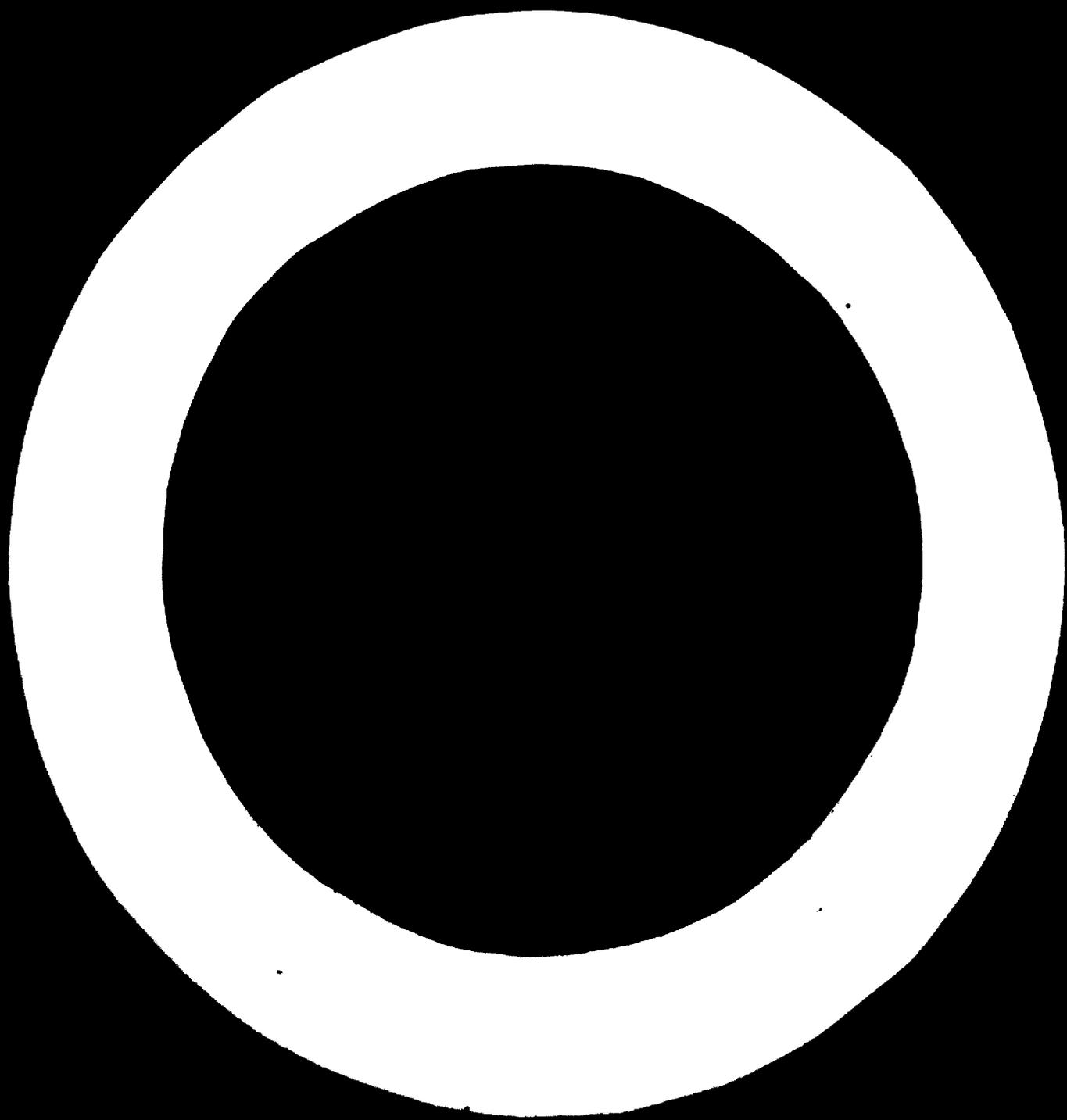
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The vast economic assistance programme launched by the United States following World War II, known as the Marshall Plan, was devoted to rebuilding the war-ravaged nations in Europe and Asia. Within a decade great progress had been made and the more industrialized nations were regaining their place in the world economy.

At that time the United States began to redirect her financial and technical assistance efforts toward the low income, food-deficient nations of Asia, Africa, and Latin America.

Inasmuch as growing enough food was impossible without use of fertilizers, along with better strains of crops and livestock, U.S. agricultural assistance from the beginning has been concentrated in these areas.

Great forward strides were made during the 1960's due to new varieties of wheat and rice, better fertilization, and utilization of improved technology in growing, harvesting, and marketing of crops.

Credit for these forward strides must be given to the leading international research foundations along with FAO, the co-operating countries, and certain agencies of the U.S. government, particularly the Agency for International Development (AID) and the U.S. Department of Agriculture.

One of AID's major contributions to the food-deficit countries has been providing funds for importing necessary fertilizers and/or constructing fertilizer production facilities. The amount of money used for commodity expenditures by AID has exceeded \$1 billion a year, beginning in 1963, with a high of \$1.4 billion in 1967, up until 1970, when the amount was \$995 million. This sum was used in 1970 for basic commodities by 84 low-income countries, 14 of which obtained fertilizer valued at \$107.7 million.

For the period 1958 to 1967, a principal thrust in agricultural development was that of supplying fertilizers to food-deficit countries. By 1968 it had become evident, however, that the supply of fertilizer usually was not the real problem holding back the programmed advance in fertilizer use. Instead, the

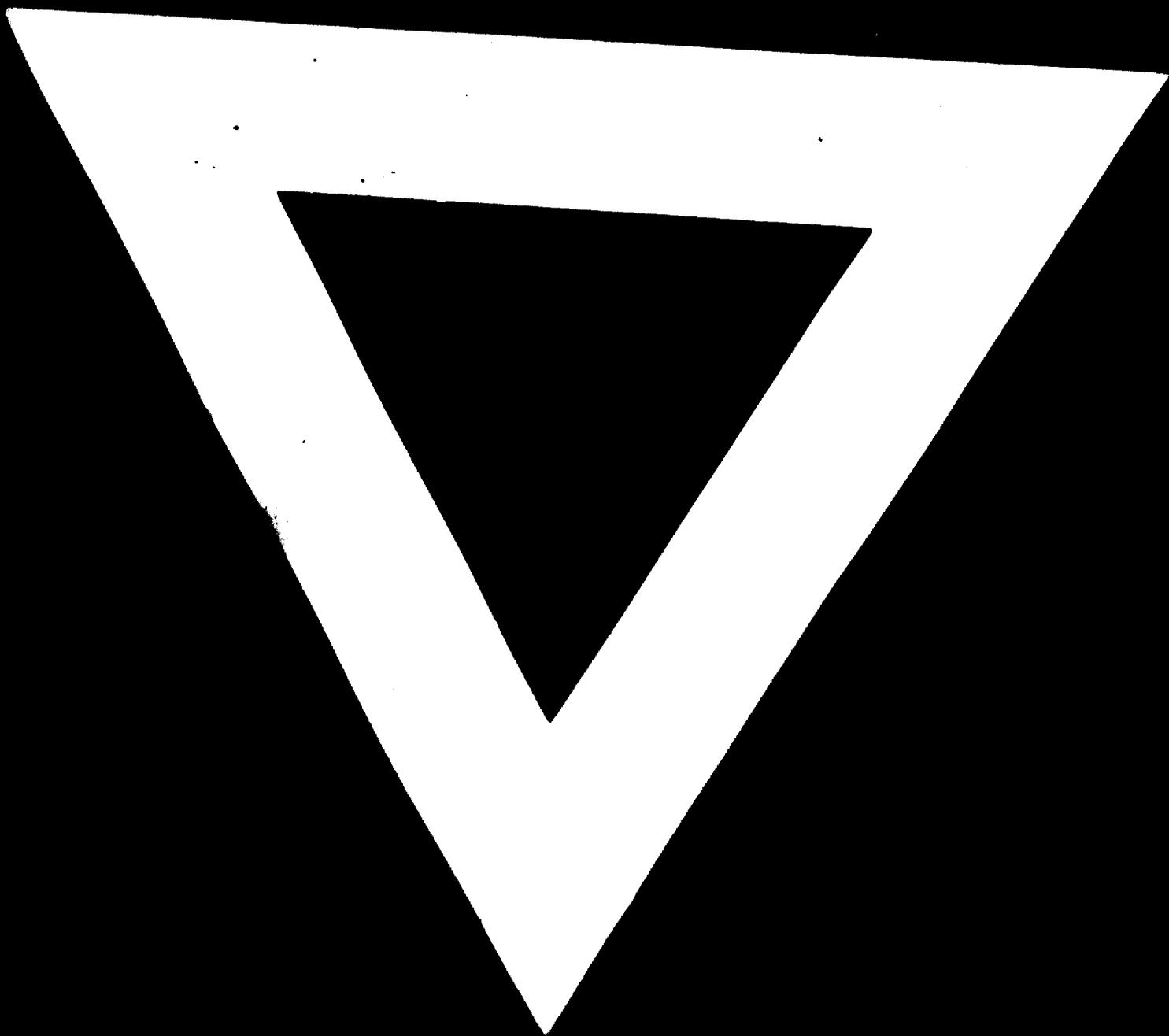
problem seemed to involve one or more of the following components of the marketing system: handling, transporting, storing, providing credit, performing educational and how-to-do-it services, knowing the costs involved, and also in being able to market the produce at a profit.

Because of these limitations, AID decided in 1968 to attempt to do something about them and began by preparing a Fertilizer Policy statement aimed at identifying and removing the major barriers blocking growth in effective demand for use of fertilizers in the low-income countries.

Following three years of planning, in co-operation with the FAO, the Tennessee Valley Authority (TVA) plus European and American fertilizer interests (private, government, and co-operative) plans have now been completed for an international fertilizer marketing study.

The major objective of this undertaking will be to determine what marketing steps are necessary, their relative cost under different in-country conditions, and how an improved marketing system can be adapted to a given country and actually put into practice.

In the immediate future, therefore, AID will be devoting more attention to those infrastructure and marketing barriers which must be improved or removed before a food-deficit country can hope to achieve a non-deficit status, and quite likely less emphasis will be devoted by AID to the financing of fertilizer plants or imports of fertilizers than in the past. This does not mean that there will be less emphasis on fertilizers, but that financing of fertilizer and other commodities likely will be handled by multilateral financial institutions, as proposed by President Nixon to the U.S. Congress.



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