

# Politics, poverty hamper

## Syrian wheat talks

By Patricia Moir  
of the East Oregonian

Syria needs wheat and the United States has a surplus of it. But supply and demand aren't the only issues, according to Milton-Freewater wheat rancher Bob Buchanan who says that politics and poverty hang over any potential trade agreements.

Buchanan just returned from a three-week trade mission to the Middle East with Gov. Victor Atiyeh where he promoted Northwest soft white wheat in Syria, Saudi Arabia and Egypt. His trip was paid for by the Oregon Wheat Growers League of which he is vice president.

Buchanan said that Syria will need 600,000 tons of soft white wheat this year for use in the

unleavened bread that is a staple of the Middle East diet. Although, a surplus has forced the price of American wheat down to bargain prices, Buchanan said that the strong dollar and a strapping national defense budget would force the Syrians to buy on credit.

Canada and France, the main suppliers of Syrian wheat, currently extend credit to Syria and Buchanan said that efforts are underway to see if the United States Department of Agriculture could offer Syria reduced interest credit.

Much hinges on the fate of already strained relations between the United States and Syria over conflict in the Middle East. Buchanan said that while members of the trade mission were received with "great

warmth and a lot of understanding," their hosts expressed concern over a recent American decision not to sell anti-aircraft weapons to Jordan and talk of moving the American Embassy in Israel from Tel Aviv to Jerusalem.

"Politics could negate any agreements," Buchanan said, adding that the trip had impressed upon him how much foreign relations affect the trade market.

An example, he said, is Saudi Arabia, which used to buy-American wheat but began a drive to produce its own in the early 1970s around the time of the Arab oil embargo.

The cost of such self-sufficiency has been high, according to Buchanan, who said that the Saudi government buys all

wheat farmers produce at \$1,000 a ton. By contrast, Buchanan said that his wheat is currently selling for about \$140 a ton.

Buchanan said that much of the Saudi subsidy has helped install the irrigation systems and transportation links necessary to an efficient wheat production system. Farmers, however, are making a \$400 a ton profit, he said.

"The cost is exorbitant," Buchanan said, explaining that it is paid for with Saudi oil. "They have been willing to go that far to prove to us they don't need us."

But Buchanan thinks that the subsidy program can't be maintained forever and that they may need American wheat in the future.

As it is, the Saudis are not

producing the soft white wheat which is traditionally blended with hard red wheat to produce the unleavened bread. According to Buchanan, the quality has suffered.

"I talked with bakers in Saudi Arabia who said the consumers are dissatisfied", he said.

Buchanan also spent three days in Egypt which already imports soft white wheat from the Northwest. To import more wheat Egypt would need more money, but Buchanan believes that the United States could concentrate on increasing its share of the Egyptian market.

The real market potential is in Syria, and Buchanan believes that friendships made on the trip could lead Syrian wheat procurers to consider the U.S. wheat industry more favorably.



**Bob Buchanan**