

moba media

COMMUNICATIONS

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SAUDI REPORT

Channel 6

3/22/84

5:14

Judy Rooks

Among the most anxious sellers on the Governor's trade mission to the Middle East is a representative of Oregon's wheat industry. Wheat farmers are facing their third year in a row of crop surpluses, and they need new export markets.

However, the Saudis are interested in growing their own wheat. Mike Donohue who is traveling with the Governor's party reports from Saudi Arabia.

Mike Donohue

Driving to the agriculture area of El Karge, we saw many similarities with the wheat growing region of Northeast Oregon. Here, however, there is no Columbia River, and almost no rain fall. This scarcity of water was further emphasized when we stopped for gasoline.

With the world's largest oil reserves, the Saudis can sell their gas cheap. It's only 30¢ a gallon, but a cola sized bottle of water costs \$1.50. When completed this mammoth tower in the shape of a chalice will hold several hundred million gallons of water drilled and pumped from underground fossil aquifers.

Here in the Nofa dessert just 150 miles from the supposed site of the biblical garden of Eden, the Saudi government has turned the dessert green, literally forcing the sand to yield wheat to feed the Saudi people.

On the farms of Shiek Abdul El Latif a total of 67 pivots or automatic sprinklers pump a thousand gallons a minute. Bob Buchanan, an Oregon wheat grower who's been invited to visit the shiek's farm estimates that each pivot cost \$40,000.

To meet the continuous demand for water, the Shiek's imported hired hands, a virtual United Nations of farm workers, must drill down about 80 meters, but not any further, or they might strike oil, for beneath this farm is one of the richest reserves in Saudi, Arabia.

Terry Kirk, of Lubbock, Texas, manages the Shiek's farms. Kirk admits there's absolutely nothing in this soil.

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Terry Kirk

We add everything from nitrogen, phosphorous and micronutrients.

Mike Donohue

If Kirk were farming in the Northwest, he would be limited in what he could add to the soil; not in Saudi, Arabia. He pours on all the water and fertilizer he wants, but wonders when those precious wells will run dry.

Terry Kirk

I can't say how long it's going to last. I've got a friend down the road that's on a farm that's the 4th year, and they're getting into problems this year. This is the 3rd year on this farm, and the 2nd one on our other farm. This year, you know, it still looks good, but how long it's gonna last, who knows.

Mike Donohue

Shiel Latif is unconcerned, perhaps because his personal investment is minimal. Anxious to become self-sufficient in wheat production, the Saudi government has given him the land and heavily subsidized his cost of operation.

Shiel Latif

They're buying the wheat production for good price. Also they are subsidizing the machinery, they are paying off up to 45% of the cost.

Mike Donohue

In other words, the government pays the freight on those pivots, so the Saudi farmer pays the same price for them as his Oregon counterpart. Add to that free seed, low priced fertilizer, which is an oil byproduct, and long term interest free loans. No wonder the Shiek is smiling. He's paid \$30 a bushel, while Bob Buchanan gets only \$3.

Bob Buchanan

The only optimism that you can glean out of this at all is that somewhere down the road they aren't going to be able to subsidize to the same level that they are currently. I don't know, I think they can go down a long way on their subsidy level before this ground will ever grow something else besides wheat.

Mike Donohue

Meanwhile, some Americans are benefiting from Shiel Latif's competitive edge. Terry Kirk has a job. U.S. manufacturers of irrigation equipment have a customer, and because the Saudi's are sharing their wealth with other Arab countries Bob Buchanan can sell his soft white wheat to other Mid East markets.

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