



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

NOV 29 1971

Dear Mr. Drake:

The General Accounting Office has completed a review of the coordination between the Department of Commerce and the Department of Agriculture in the handling of private trade opportunities received from overseas posts. We noted a situation during our review which we wish to bring to your attention.

During fiscal year 1970 the Business Opportunities Staff of the Bureau of Domestic Commerce received from overseas posts 373 trade opportunities for agricultural type commodities. They included cotton, grains, and other field crops; food and kindred products, such as meats, dairy products, and grain mill products and represented potential initial sales of over \$50,000 each in many cases.

Our examination of a sample of nine opportunities showed they were sent by the Business Opportunities Staff to industry specialists in the Office of Consumer Goods Division and published in "Commerce Today". Discussions with these industry specialists showed that trade opportunities are not routinely forwarded to business firms or trade associations to act on. The exceptions being the few identified for special handling. The specialists explained that by the time they receive a copy of the opportunity from the Business Opportunities Staff it has already been published in "Commerce Today"; consequently they felt there was little to gain by sending it out to anyone.

Since agricultural type commodities appeared to be within the area of expertness that Agriculture possesses, we inquired whether officials of the agency were cognizant of the opportunities received by Commerce and whether Agriculture could make effective use of them. We found that Agriculture instituted a computerized program in June 1971 to disseminate opportunities received from Agricultural Attaches in U. S. posts to specific U. S. exporters. In addition, opportunities were published in the weekly newsletter, "Export Briefs", which is circulated to state agriculture marketing directors, Commerce field offices, and market development co-operators (trade associations). In some cases, agricultural opportunities are sent in to Commerce by commercial officers

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unknown to the Attaches or Agriculture. There are no procedures for coordinating these matters so Agriculture's practice has been to scan the "Commerce Today" magazine for these opportunities and reproduce them for dissemination when appropriate.

We were advised that this practice is not very effective because by the time Agriculture becomes aware of the opportunity, it is many weeks old and the brief description provided is not adequate to describe to a potential supplier what the buyer wants. Moreover, Agriculture officials stated they needed more data such as the quality, quantity, type, and grade of the product requested. The Attachment demonstrates the lack of timeliness and lack of detail provided on opportunities we examined. For these reasons Agriculture officials simply publish the opportunities in the "Export Briefs". Of the nine opportunities that we discussed with Agriculture, seven were republished in the "Export Briefs" but no other dissemination was made.

Officials advised us that had these opportunities been routed directly to Agriculture and contained more complete information, appropriate commodity associations could have been notified. Lists of potential U. S. suppliers could have been provided the Agricultural Attaches in the countries concerned. In addition, the Export Marketing Service, which is responsible for administering export programs for the sale of surplus agricultural commodities could have been advised.

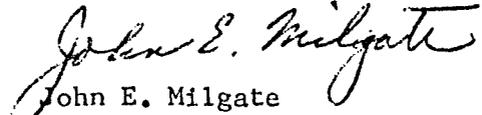
We concluded that more effective coordination could be carried on between Commerce and Agriculture with respect to agricultural trade opportunities received by Commerce. As a result, the potential to expand exports and foster business relationships of a continuing nature is not being exploited. In view of this, we recommend that Commerce and Agriculture jointly consider establishing procedures whereby appropriately described opportunities are made available in a timely manner. We believe this can be accomplished by proper coordination between Commercial Officers and Agricultural Attaches overseas. In those areas where there are no Attaches, guidelines can be provided Commercial Officers and distribution made directly to Agriculture.

In line with our recommendation we were advised that Commerce and Agriculture officials planned to meet to consider the matters discussed in this report. We would appreciate receiving your comments and whatever course of action is taken.

Copies of this letter are being sent to the Secretary of Commerce; the Assistant Secretary for Administration, Department of Commerce; the Secretary of Agriculture; the Administrator, Foreign Agricultural Service,

Department of Agriculture; and the Foreign Operations and Government
Information Subcommittee, House Committee on Government Operations.

Sincerely yours,


John E. Milgate
Associate Director

Enclosure

Mr. Hudson B. Drake
Deputy Assistant Secretary and Director,
Bureau of Domestic Commerce
Department of Commerce

ATTACHMENT

SCHEDULE OF SELECTED TRADE OPPORTUNITIES
SHOWING ITEMS REQUESTED, PROCESSING DATES, AND
POTENTIAL INITIAL SALES VALUE

<u>Description of Items Requested</u>	<u>Date Prepared By Commercial Post</u>	<u>Date Received by Bus- iness Opportunities Staff</u>	<u>Date published in Export Briefs</u>	<u>Potential Initial Sales Value</u>
<u>GERMANY</u> Corn; U. S. yellow corn 3 in bulk (500 to 1000 tons)	July 20, 1970	July 29, 1970	August 18, 1970	Over \$50,000
Food grains, including rough- ground oil seeds suitable for manufacture of animal and poultry food	July 10, 1970	July 21, 1970	August 18, 1970	Under \$10,000
<u>THE NETHERLANDS</u> Green and yellow peas, rice, buckwheat, ground nuts, lentils, etc.	June 17, 1970	July 9, 1970	August 18, 1970	Over \$50,000
<u>SPAIN</u> Food grains (wheat, rye, rice, etc.)	July 31, 1970	Aug. 19, 1970	Sept. 15, 1970	Under \$10,000
Dry beans, dry peas, and other pulses	July 31, 1970	Aug. 19, 1970	Sept. 15, 1970	Under \$10,000
Creamery Butter	Apr. 30, 1971	May 17, 1971	Not published	\$10-50,000
<u>SENEGAL</u> Butter Oil, 800-900 metric tons	June 15, 1971	June 30, 1971 (Est.)	July 16, 1971	\$10-50,000
<u>PHILIPPINES</u> Butterfat	Feb. 25, 1971	March 4, 1971	March 26, 1971	Under \$10,000
<u>THAILAND</u> Cheese, Butter processed	July 2, 1970	July 28, 1970	Not published	Under \$10,000