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SOVIET DISCRIMINATORY PRICING OF GRAIN EXPORTS, 1958-1961

A study of prices received by the Soviet Union for the sale of farm products to other countries makes possible the discovery of peculiar price behavior between certain countries and the Soviet Union. Farm products tend to be more uniform in quality than most manufactured goods, and price variation for these goods is not generally obscured by changes in quality from year to year. The items chosen for analysis in this paper are wheat, corn, oats, rice and rye.

In the five tables presented below, the importing communist countries are separated from the others. Prices are expressed in rubles per ton and in percentages of the average price which the Soviet Union received for all of its exports of a particular grain, including minor quantities not listed in the charts.

The following conclusions can be made on the basis of the data presented:

- (1) Almost without exception, target and other communist countries pay more than the average prices paid by other importers.
- (2) Other importers seldom pay more than the average received by the Soviet Union.
- (3) Finland is the only country listed as "other importer" which consistently tends to pay above the average price received by the Soviet Union for farm products. In many respects Finland may be treated economically as a part of the Soviet bloc, which would help explain the situation.
- (4) Even the target countries pay varying prices in the same year for the same products. This is true in spite of statements that export prices are stable and that unchangeable prices (based on world prices of 1958) are applied by the Soviet Union in the case of raw materials as contrasted with manufactured products (S. Albinowski, "In the Spirit of a Creative Compromise," Zycie Gospodarcze, 6 January 1963, Polish Press Survey #1465, 16 January 1963).
- (5) Bulgaria and Czechoslovakia consistently tend to pay higher prices than other target countries.

- (6) Not only are the prices different for each of the communist countries for the same year and the same product, but in many cases, they vary from year to year for the same importing communist country.

With respect to the question of exploitation, one must indicate that the "missing link" is very difficult to determine statistically with the data available. Prices of manufactured items which the Soviet Union buys and sells are not only obscured by the listing of dissimilar items under broad headings, but they also present the problem of changing quality and foreign trade product-mix (i.e., composition of products of exchange) over a period of time. Without knowing both sides of the exchange, a final determination of "net" exploitation for all foreign trade products cannot be made.

Harry Trend



# AVERAGE EXPORT WHEAT PRICES RECEIVED BY THE SOVIET UNION

1958

1959

1960

1961

	Aver. Price <sup>a</sup> per Ton	% of Soviet Aver. Price	Aver. Price <sup>a</sup> per Ton	% of Soviet Aver. Price	Aver. Price <sup>a</sup> per Ton	% of Soviet Aver. Price	Aver. Price <sup>a</sup> per Ton	% of Soviet Aver. Price
Soviet Union <sup>c</sup>	295.67	100.0	285.41	100.0	62.77	100.0	61.83	100.0
Communist Importers								
Albania	300.25	101.5	314.92	110.3	68.22	108.7	66.01	106.8
Bulgaria	321.31	108.7	334.27	117.1	74.83	119.2	71.06	114.9
Czechoslovakia	314.98	106.5	294.41	103.2	66.78	106.4	67.61	109.3
East Germany	295.64	100.0	295.09	103.4	65.98	105.1	64.53	104.3
Hungary	324.48	109.7	315.72	110.6	65.83	104.9	65.86	106.5
North Korea	--	--	--	--	70.22	111.9	68.56	110.9
Poland	304.25	102.9	302.94	106.1	64.04	102.0	62.48	101.1
Rumania	340.44	115.1	--	--	73.98	117.9	--	--
Yugoslavia	265.90	89.9	267.26	93.6	--	--	--	--
Other Importers								
Belgium	243.12	82.2	232.94	81.6	53.43	85.1	53.47	86.5
Denmark	--	--	247.72	86.8	58.00	92.4	--	--
England	243.57	82.4	234.99	82.3	53.28	85.1	54.15	87.6
Finland	295.61	100.0	287.44	100.7	66.27	105.6	66.79	108.0
France	254.44	86.1	251.17	80.0	--	--	57.16	92.4
Holland	244.74	82.8	233.39	81.8	53.22	84.8	55.52	89.8
Italy	--	--	--	--	55.42	88.3	55.31	89.3
Iraq	--	--	220.38	77.2	51.99	82.8	51.50	83.3
Norway	272.83	92.3	253.66	88.9	56.93	90.7	56.24	91.0
Spain	--	--	--	--	--	--	53.10	85.9
Sweden	254.89	86.2	256.98	90.0	58.33	92.9	58.53	94.7
West Germany	--	--	234.02	82.0	53.80	85.7	55.36	89.5

Source: Foreign Trade of the Soviet Union for 1959, Moscow, 1960.

Foreign Trade of the Soviet Union for 1961, Moscow, 1962.

a Average prices per ton are in old rubles for 1958 and 1959 and are f.o.b. export port of the Soviet Union or point of shipment on the border of the Soviet Union.

b New rubles, as converted by the Soviet Union, and are f.o.b., etc. (see a above).

c Average prices received by the Soviet Union based on all Soviet exports including countries importing small quantities from the Soviet Union.

# AVERAGE EXPORT CORN PRICES RECEIVED BY THE SOVIET UNION

	1958		1959		1960		1961	
	Aver. Price <sup>a</sup> per Ton	% of Soviet Aver. Price	Aver. Price <sup>a</sup> per Ton	% of Soviet Aver. Price	Aver. Price <sup>b</sup> per Ton	% of Soviet Aver. Price	Aver. Price <sup>b</sup> per Ton	% of Soviet Aver. Price
Soviet Union <sup>c</sup>	272.57	100.0	216.24	100.0	54.57	100.0	53.08	100.0
Communist Importers								
Czechoslovakia	272.64	100.0	263.85	122.0	53.95	98.9	58.72	110.6
East Germany	--	--	--	--	--	--	57.98	109.2
Other Importers								
Austria	--	--	214.98	99.4	49.62	90.9	48.87	92.1
England	--	--	193.21	89.3	--	--	44.84	88.5
Finland	--	--	239.78	110.9	54.03	99.0	54.26	102.2
Italy	240.00	88.0	216.73	94.6	47.50	87.0	46.54	87.7
Japan	--	--	199.80	92.4	--	--	47.21	88.9
	--	--						
AVERAGE EXPORT OATS PRICES RECEIVED BY THE SOVIET UNION								
	100.0	215.58	100.0	48.96	100.0	45.95	100.0	
Soviet Union <sup>c</sup>	190.18							
Communist Importers								
Czechoslovakia	218.91	115.5	225.17	104.5	46.06	94.1	48.82	106.2
East Germany	209.30	110.1						
Other Importers								
Belgium	160.99	84.7	188.93	87.6	--	--	40.00	87.0
Denmark	167.21	87.9	247.07	114.6	--	--	54.04	117.6
Finland	212.89	111.9	191.17	88.7	--	--	40.86	88.9
Holland	164.76	86.6	195.54	90.4	50.70	103.6	41.26	88.8
Italy	160.58	84.4	216.16	100.3	44.26	90.4	--	--
Sweden	187.23	98.5	220.65	102.4	53.52	109.3	40.40	87.9
West Germany	180.00	94.6			--	--		

Sources and notes for these and following charts: see chart on Wheat Prices, above.



# AVERAGE EXPORT RICE PRICES RECEIVED BY THE SOVIET UNION

	1958		1959		1960		1961	
	Aver. Price per Ton	% of Soviet Aver. Price	Aver. Price per Ton	% of Soviet Aver. Price	Aver. Price per Ton	% of Soviet Aver. Price	Aver. Price per Ton	% of Soviet Aver. Price
Soviet Union <sup>c</sup>	244.16	100.0	241.77	100.0	55.27	100.0	52.38	100.0
<u>Communist Importers</u>								
Bulgaria	--	--	--	--	61.60	111.4	--	--
Czechoslovakia	247.87	101.5	242.27	100.2	55.66	100.7	55.36	105.7
East Germany	256.55	105.1	250.64	103.7	60.00	108.6	58.52	111.7
North Korea	--	--	310.97	128.6	--	--	58.35	111.4
Poland	230.01	94.2	--	--	52.74	95.4	52.91	101.0
<u>Other Importers</u>								
Austria	--	--	--	--	47.84	86.6	46.72	89.2
Belgium	--	--	--	--	47.00	85.0	--	--
Denmark	--	--	214.07	88.5	49.07	88.8	--	--
Finland	244.49	100.1	246.68	102.0	56.58	102.3	53.09	101.4
Holland	--	--	--	--	48.43	87.6	47.32	90.3
Italy	--	--	202.59	83.8	49.73	90.0	--	--
Norway	208.04	85.2	208.03	86.0	49.10	88.8	41.98	80.1
Sweden	248.16	101.6	216.86	89.7	46.88	84.8	43.78	83.6
Soviet Union <sup>c</sup>	237.73	100.0	221.23	100.0	49.11	100.0	42.53	100.0
<u>Communist Importers</u>								
Czechoslovakia	241.15	101.4	238.11	107.6	53.23	108.4	53.53	125.9
East Germany	254.77	107.1	255.90	115.7	57.53	117.2	51.76	121.7
Hungary	267.93	112.7	--	--	--	--	44.07	103.6
Poland	--	--	--	--	--	--	60.07	141.2
<u>Other Importers</u>								
Austria	210.44	88.5	217.62	98.4	52.36	106.6	48.58	114.2
Belgium	210.66	88.6	--	--	--	--	--	--
Denmark	--	--	204.14	92.3	45.43	92.5	42.03	98.8
England	--	--	--	--	39.38	80.2	35.76	84.1
Italy	--	--	205.25	92.8	45.23	92.1	44.34	104.3
Sweden	223.48	94.0	224.81	101.6	49.09	100.0	--	--

## AVERAGE EXPORT RYE PRICES RECEIVED BY THE SOVIET UNION