

# RADIO FREE EUROPE *Research*

## EAST EUROPE

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POLAND/28  
16 December 1971

### FALL IN FEED SALES THREATENS MEAT PROGRAM IN POLAND

Summary: Difficulties appearing in the concentrated feed market in Poland threaten the gains made in the animal husbandry sector of agriculture during 1971. Although higher grain production has helped the animal feed situation, serious shortfalls in bulk feed production call for a reversal in concentrated feed market developments. Low quality, high feed prices, and excessive "formalities" in sales have been singled out by farmers and specialists as the major causes for the problems experienced during 1971.

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Improvement in meat supplies is one of the key targets of party leader Edward Gierek's program, which is designed to raise living standards in Poland. In turn, the level of feed supplies has an important influence on the degree of success in attaining this goal.

Very early, the new leadership promised to sell 3,650,000 metric tons of feed concentrates during 1971, and this target represented an increase of about 80,000 tons over 1970. (1) As such, the goal set provided only for a very modest increase.

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- (1) For a detailed discussion of the feed supply situation prior to April 1971 see Harry Trend, "Polish Agricultural Problems and the Post-Gomulka Agricultural Policy," Polish Background Report/11, Radio Free Europe Research (EERA), 22 April 1971.

Since then, the summer drought in Poland has adversely affected the potato harvest, which is the main feed source in hog raising, and in bulk feed crops. To some extent, this decline in fodder was counterbalanced by a good harvest of grain, part of which can be fed to farm animals.

A policy has been adopted in Poland to reduce the commercial use of potatoes for the production of alcohol and starch. As a result, a greater share of the smaller potato harvest has been directed toward the animal sector.

At the same time, bulk feed harvests declined. It was estimated that the supplies of beet tops will be about 28 per cent less in the agricultural year 1971/1972 than in 1970/1971, and the supply of hogs is expected to decline by about 12 per cent. (2) This development will especially limit the projected expansion of cattle production. Not only will the restriction on the use for starch and alcohol be needed, but so will a more effective program for encouraging the transport of bulk fodder from surplus areas to those experiencing severe shortages. The sale of concentrated feed has also grown in importance. What has been the situation pertaining to the sale of feed concentrates in Poland?

#### Sale of Feed Grain and Feed Concentrates

During the last three agricultural years, the sale of concentrated feed has been declining, with the largest drop experienced during the year ending on 30 June 1971 (1970/1971), a reduction of about 250,000 metric tons. The sale of mixed feed concentrates represented the major portion of this decline in sales.

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(2) (sb), "Bulk Feed Harvest and Animal Needs," Zycie Gospodarcze No. 46, 14 November 1971.

Table 1			
Sale of Feed Concentrates, 1968/1969 - 1970/1971			
(metric tons)			
Year	Total	Feed Grain	Mixed Feed Concentrates
1968/1969	3,482.0	409.7	3,072.3
1969/1970	3,471.6	247.7	3,223.9
1970/1971	3,219.9	236.6	2,983.3
Sources: <u>Biuletyn Statystyczny</u> (Poland) No. 10, October 1970; No. 12, December 1970; No. 1, January 1971; and No. 10, October 1971.			

On a calendar-year basis, the sales registered were as follows:

Table 2			
Sale of Feed Concentrates, 1968-1970			
(metric tons)			
Year	Total	Feed Grain	Mixed Feed Concentrates
1968	3,285.3	386.9	2,898.4
1969	3,559.9	305.6	3,254.3
1970	3,567.2	278.7	3,288.5
1971 Plan*	3,650.0	—	—
Sources: Same as Table 1.			
* Estimated; see Harry Trend, "Polish Agricultural Problems and the Post-Gomulka Agricultural Policy," Polish Background Report/11, <u>RFER</u> (EERA), 22 April 1971, p. 39.			

Although private farms account for the overwhelming number of farm animals raised, more than one third of the concentrated feed is sold to state farm units. Thus in 1969, the last year for which information is available, (3) of the almost 3,560,000 tons sold, over 1,270,000 went to state agricultural units (PGRs received 901,200 tons of this), and almost 2,290,000 tons were

(3) Statistical Yearbook 1971 (Poland), p. 269.

delivered to private and co-operative agricultural units (including agricultural circles). Most of the feed grains sold went to state farm units (292,300 tons, as compared with 13,300 to private and collective units).

Concentrated feed sales for 1971 have suffered an even greater decline than that posted in previous years. A comparison of sales for the first nine months of 1970 and 1971 shows a decline from 3,384,300 tons to 2,464,600 tons, or a reduction of more than 27 per cent. (4) In comparison to the first quarter of 1970/1971 (July to September), sales in the corresponding period of 1971/1972 declined from 828,300 tons to 774,500 tons, representing a sales reduction of just under 7 per cent. Thus, there was an improvement during the third quarter, when the rate of decline in sales slowed down somewhat.

Low sales of industrial feed during the first half of 1971 forced the industry to lower its production. In July 1971, industrial supplies fell about 23 per cent in comparison with July of last year and threatened the supplies of some communal co-operative outlets. (5)

A number of explanations for the decline in feed sales for 1971 have been presented. (6) Some suggest that the sales decline was due to the substitution by the farmer of his own grain for commercial feed concentrates. The communal co-operative outlets claim there is a lack of demand, but not of supply. In 80 per cent of these outlets, the officials said that they were receiving the quantities of feed they requested, another 10 per cent claimed they experienced irregular feed deliveries, and about 8 per cent declared that the concentrated feed received from industry was of bad quality. The farmers, besides complaining about the high prices (7) charged by the state for concentrated feed, also criticized the local outlets for a number of difficulties experienced

(4) Sources are the same as for Table 1.

(5) (sb), "Animal Husbandry Development and the Drought," Zycie Gospodarcze No. 36, 5 September 1971.

(6) (sb), "Bulk Feed . . ."

(7) Gomulka's December 1970 increase in the price of concentrated feed was not rolled back by Gierek.



when buying their feed requirements. The dissatisfaction was caused by having to go through a long series of formalities and having to wait a long time before being able to complete their purchases.

In spite of the difficulties experienced on the concentrated feed markets during the first three quarters of this year, a PAP dispatch appearing in the official party newspaper presented a rosy picture. (8) The report said that "as early as July 1971, we observed an improvement in the supply of various types of concentrates and mixed feed concentrates, especially for cattle." It went on to mention that, in all industrial feed plants, "careful control" over the raw materials and the finished products is being carried out. It claimed that, even this year, Poland will start on a new production unit in Olsztyn with a capacity of about 100,000 tons. For next year, another similar plant was approved for Grodkow in Opole Voivodship. The report added that almost 1,000 million zloty of investment funds had been earmarked for the modernization and expansion of the feed industry during the current five-year period (1971-1975). Feed sales are to reach 3.8 million tons during the current agricultural year (1971/1972). This would represent an increase of more than one half million tons over 1970/1971, but only about 320,000 and 330,000 tons over 1968/1969 and 1969/1970, respectively.

Although this indicates some improvement in the concentrated feed situation, in view of the short crop of potatoes and the larger increase in pig production, the higher expected sales are small in comparison with feed needs. Improved quality and lower prices are pressing requirements in need of solution if the expansion of the animal sector in agriculture is to be maintained. In Poland, Dr. Wictor Herer of the Planning Institute has already observed that the "high prices for fodder may prevent the effective use of the freely marketed feed." (9)

Harry Trend

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(8) PAP dispatch, "Increased Fodder Help for Agriculture," Trybuna Ludu, 4 September 1971.

(9) Dr. Wiktór Herer, "Agriculture in the Economic Development Strategy," Wies Wspolczesna No. 11, November 1971.