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COMMUNIST AREA

● USSR: Agriculture

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REPORT ON FIRST B & K FIVE YEAR PLAN - II

Agriculture

The effects of the poor grain harvest in the Soviet Union last year are clearly revealed in the mid-year economic report of the first B & K designed Five Year Plan, according to the Central Statistical Administration USSR.¹ The agricultural section of the report, compared to more successful years, is accordingly brief and selective. The depressing impact on the growth rate of industry by grain harvest failures has been cited in Part I of these papers.²

As few crops are harvested during the first half of a calendar year, the report on farm production is generally limited to livestock performance. Here the report is particularly ambiguous, but historically the CSA agricultural studies have been notoriously so. Thus there are no output figures on livestock commodities, neither in the socialized sector or the private sector. (In meat, milk, and egg production the private sector accounted for 43, 44 and 74 percent respectively of the national output in 1964). The report does maintain that "growth in the products of animal husbandry provided for a prompt fulfillment of the plan for state purchases." State purchases of livestock (cattle and poultry in liveweight) rose 20 percent during the half-year over the corresponding period in 1965, milk by 6 percent, and eggs by 10 percent. While this series shows improvement over 1964-1965, they are considerably below the 1962 and 1963 figures. However, as the level of livestock procurements reflects primarily policy decisions rather than the volume of production, it follows that after short harvest years the amount of procurements tends to rise the following year. A more accurate appraisal would have been the level of total livestock product production

- 1) Pravda, 24 July 1966. All comparisons are with the first half-year of 1965.
- 2) Report on First B and K FYP - Part I, 26 July 1966.

in relation to population over recent years.³ But the CSA report also serves as a political document so consumption dynamics when a regressive trend is evident are not in the interests of CSA to comment upon.

Livestock numbers in the series published in the report are complete but deliberate selection distorts the actual development of the industry in recent years. To present a complete statistical picture, the 1963 mid-year livestock count is appended to the CSA table which listed only the 1964-66 series.

Livestock Numbers Mid-Year Count

	1963	1964	1965	1966
	(millions)			
Cattle	68.5	66.1	68.2	70.4
of wh/cows	22.5	22.5	23.0	23.7
Pigs	51.2	35.7	40.9	39.8
Sheep and Goats	133.8	126.1	129.9	129.3

Only in the number of large horned cattle was the 1963 count equalled by mid-year 1966. This is attributable to the good forage harvest in European Russia last year, and to the fact that cattle are herbiferous animals not necessarily dependent on grain as feed. It also indicates few losses due to the hoof-and-mouth disease epidemic during the winter. In the crucial pig sector, however, the traumatic effect of the emergency slaughter of 29.3 million pigs in the latter half of 1963 following the grain disaster of that year has not been overcome, although the 1964 report assured that the breeding herd was intact and recovery would follow. Pigs are grain consumers and a severe harvest reversal leads to emergency slaughtering. As pork accounts for 40-45 percent of the USSR meat supply, there seems little likelihood of improvement in pork supplies until a solid feed grain base is established. And as the Soviet prime mission in agriculture

- 3) Milk yields per cow were reported to have increased 3 percent, as did egg productivity. But these remain at one of lowest levels in European agriculture. USSR milk yields: 1860 kgs per cow yearly in 1964, W. Germany 3700 kgs, Poland 2100, Hungary 2300.

is to solve the cereal grain crisis the outlook for feed grains and pork supplies appears lean and distant. Even with the self-foraging sheep industry, which develops independently of the grain supply, there has been no progress since 1963. Thus the livestock industry is in critical need of a decided increase in the supply of feed grains before a permanent improvement can be achieved. An expanding industrial society is characterized by the sustained increase in the consumption of the protective food products of the livestock industry, and forage crops, including feed grains, are the decisive determinants in output. But the Soviet effort is still concentrated on food grains.

On this year's sowing plans, the goals for spring wheat, corn as grain, sunflower, cotton, and rice were fulfilled. This means that the heavier yielding winter wheat quota was not reached, and that sugar beets and potatoes were out back, along with the hemp/flax seedings. In contrast to reports from the provinces indicating a good harvest this year, the CSA release limited itself to reporting that harvesting was underway.

There was a moderate increase in the allocation of tractors and farm machinery to the farms and a 14 percent rise in the use of fertilizer this year.⁴ The area under irrigation reached 7.5 million hectares, 286,000 hectares more than last year.

The most encouraging progress was reported in the labor earnings of collective farmers where an increase of nearly 20 percent was achieved in the first half of 1966 following a 10 percent rise in 1965. This includes cash and payments in kind. The reason advanced for the deserved boost in labor payments to collective farmers was "the increased earnings of collective farms from the sale of farm products," or, specifically, the impact of the price rises introduced in 1965 and some other concessions. So the gap with sovkhos farm wages may not be too broad to bridge fiscally.

The kolkhoz market again demonstrated its appeal and power. Prices of farm products continued to decline, supplies improved under the Kremlin's more liberal policy on private plots. In the large cities, food prices in the open markets fell by 3 percent while the turnover of products rose by 13 percent. This is a striking illustration of the elasticity of demand on the marketplace, an economic concept not publicly acknowledged in Communist economic planning. Yet

4) There was a notable slippage in the high priority chemical industry for agriculture. The growth in fertilizer this year: 17 percent rise compared to 29 percent in the first half of 1965. This applied also to sulphuric acid output, the reagent used in phosphate reduction and many other industrial processes. Herbicides also suffered growth declines.

market prices are higher than on the state shop level, primarily because of the quality and quantity of high-value foods in which the kolkhoz market specializes.

The title of the CSA report is "A Confident Start of the Five Year Plan." The agricultural section reflects a selective and cautious approach to the moderate production plans for Soviet agriculture this year.

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