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## COMMUNIST AREA

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●USSR: Agriculture

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### GOSPLAN ON AGRICULTURAL DEVELOPMENT

Summary: For the first time in the current Five Year Plan, Soviet agriculture failed to expand over the previous year. Instead of a planned growth of 6.1 percent over 1968, a three percent decline was registered. Bad weather had damaged the grain, cotton, oilseed, and beet crops. The grain crop, at that, was the third largest on record. The planned goals on total investment, supply of machinery and fertilizers will not be met. The land amelioration is being stressed instead.

For the first time in the current Five Year Plan (1966-1970), the agricultural sector of the Soviet economy failed to equal the previous year's output. In fact, a three percent decline in gross farm production was realized. The Plan had called for a 6.1 percent increase in growth over 1968, the record year. This slippage in overall output was revealed by Gosplan chief, N.K Baibakov, in his annual economic report to the Supreme Soviet. (1)

Baibakov acknowledged that unfavorable weather conditions had caused serious damage in agriculture this year, so that the planned targets for the principal crops: grain, cotton, oilseeds, and sugar beets were not realized. Livestock output was not given. Gross output this year will approximate 79,000 million rubles.

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(1) Pravda, 17 December 1969.

compared to a gross product of 80,900 million rubles in the record 1968 year. The comparative line-up on the growth rates in agriculture for the current plan shapes up as follows:

<u>USSR Gross Agricultural Output</u>				
(% increase/decrease over previous year) in comparable prices				
<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970 (plan)</u>
+10%	+1%	+3.5%	-3.0%	+8.5%

Source: Pravda, 12 November 1968; Narkhoz 1968, p. 316.

There is a wide variation in the annual growth rates, depending on the fluctuations of the harvest and live-stock outputs. The reliability of Soviet farm planning can be gauged by a comparison of the planned rate against the achievements listed in the table. The planned growth rates for 1966, 1967, 1968 and 1969 were 10%, 4%, 7.4%, and 6.1% respectively, or nearly 35 percent wide of the four year goal.

Baibakov claimed an average 18 percent increase in output for the last four years compared to the previous four year period. The plan calls for a 25% increase for the full five year period. A bumper crop performance next year could realize this goal.

#### The Grain Problem

A surprise in the economic report was the assertion that the grain harvest this year reached 160,5 million tons gross weight.

Most Western estimates had placed it at 140-150 million tons, although the projections in these papers since summer had predicted a potential of 160 million tons. (2)

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(2) RFE Research reports of 29 August, 19 September, 10 October and 9 November 1969.

This performance would place this year's grain crop as the third best in history -- all three occurring during the current plan, a distinct achievement for the B & K regime.

The line-up in order of the record Soviet grain crops are: (gross yields)

1966	-	171.5	million tons		
1968	-	169.5	"	"	
1969	-	160.5	"	"	
1964	-	152.1	"	"	
1967	-	147.9	"	"	

Despite unfavorable early season weather, the Ukraine, Central Black Earth Belt, and the Urals came through with excellent harvests. The Virgin Lands in Kazakhstan and western Siberia seem to have had good average yields. Only the north Caucasus and the lower Volga regions, among the leading grain regions, had poor crops. Had these important granaries come through with a good yield the all-time record might have been surpassed.

The dockage (excess moisture and foreign matter in the grain) this year will likely be the largest on record, so that a 15 percent discount need be applied to arrive at a net harvest figure. A larger share of the grain than usual will be fit for livestock feeding only. No doubt the Soviet decision to buy 135 million bushels of wheat from Canada is primarily predicated on the need to improve the quality of cereal flour for domestic consumption, particularly during the Lenin anniversary year.

#### Investment, An Area of Political Controversy

Gross investment in agriculture reached 13.1 billion rubles in 1969, of which central investment amounted to 6.8 billion rubles. This covers investment for productive construction purposes and the acquisition of machinery and equipment.

The Farm Investment Schedule: 1966-70

(billion rubles constant)

<u>State Sources</u>		<u>Total</u>
1966	5.3	9.5
1967	5.6	10.1
1968	6.3	11.4
1969	6.8	13.1
1970	7.8	14.7
Plan		
	<hr/>	<hr/>
	31.8	58.8

Source: Narkhoz 1968, page 525

As the Plan called for an investment sum of 40 billion rubles from state sources, and a total of 71 billion in the aggregate, it is apparent that a considerable shortfall in the investment schedule has developed. The state met the target by 80% and the aggregate reached 83% of the goal. This projection presupposes that the 1970 amount will be met. Thus Brezhnev's promise in 1965 to supply agriculture with optimal resources for investment in his first plan period will go unfulfilled, as Politburo member Polyansky had feared in 1967. His warnings about a cutback in the rate of investment were fully justified, although, despite his intervention, the opposition prevailed. (3)

Other

In one area the Plan objectives will be fulfilled: the cash and kind income of collective farmers. The Plan called for an increase of 35-40 percent over the previous five years. At present, the 40 percent figures have already been reached this year. Price increases generally account for the improvement.

The fertilizer target of 55 million tons delivered to Soviet farms will not be reached. The 1970 Plan

(3) Kommunist, No. 15, 1967, pp. 15-31.

calls for 46 million tons, which should be attained as the current year's usage was 38.5 million tons.

Gross farm output is to grow 8.5 percent next year compared to 1969. Of this volume, grain is to expand by 8.7%, cotton by about 8%, meat 4.3%, milk 2.3%, and eggs 4.3%. Except for grain, these targets appear within reach.

The Five Year Plan for the delivery of tractors to agriculture (target: 1.8 million units) will not be met -- about 1.4 million will be attained. The supply of trucks is 24% short of the Plan.

The failure to supply the envisaged number of tractors, trucks, and some types of machinery is traceable to the investment outbacks and siphoning off for other purposes.

The earnings of collective farmers from work done on the public sector is to rise by 4.6 percent next year. A step-up in land amelioration work is envisaged for 1970 -- three billion rubles is being allocated for this purpose.

The report concludes on the usual note that consumer demands are not being fully met in furniture, refrigerators, autos, building materials and some types of foodstuffs.