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Background Information (USSR)

FACT AND FANCY

In his speech on the fortieth anniversary of the October Revolution N. S. Khrushchev has spoken at considerable length and in great detail about Soviet industrial achievements of the past and promises for the future. On agriculture as a whole his comments are, in keeping with Soviet performance, much more restrained; concerning grain production there is only mention of increased acreage and a reminder of the need to reach the goal, originally set for 1960, of 11 billion pood, 180 million tons "within a few years" (TASS, 6 November 1957). To attain this target is, in the opinion of Western specialists, a practical impossibility (see below, pp. 1-3; also Background Information, 19 July, 20 September 1957) which must inevitably compel Khrushchev to resort to manipulations of statistical data to conceal the magnitude of his failure in this sector.

There are already indications that the juggling of the figures for last year's harvest has already started. In his mid-summer optimistic forecast last year the First Secretary boasted that the combined deliveries of the RSFSR, the Ukraine and Kazakhstan would total 3.66 billion pood or 60 million tons. Just before the political upheavals last October he stated that grain deliveries had reached 63 million tons (UP, 16 October 1956; see Background Information, 5 November 1956). On 5 November Khrushchev revised this calculation downwards to 53.8 million tons of marketable grain and 56.8, if substituted products were included (Pravda, 10 November 1956). The final procurement figure published was 54.2 million tons (see Background Information, 31 May 1957).

During the last week of October, however, new totals have begun to appear in Soviet and satellite publications. The first moved the total grain procurements up to a new height of 59.808 million tons (New Times, Moscow, No. 42, 17 October 1957, p. 3); the second with only a slightly less degree of accuracy advanced the ceiling to 61.2 million tons (Aus der Internationalen Arbeiterbewegung, East Berlin, 20 October 1957, p. 17. Neues Deutschland, East Berlin, 31 October 1957, provided a hint of the source of the swollen data by claiming deliveries of 20 million tons for Kazakhstan instead of the 16.4 originally reported (see Background Information, 5 November 1956). There is, of course, no absolute evidence that the temporary shifts in alignments within the Presidium last November—after Poland and Hungary—were responsible for a more exact auditing of harvest data, and the nearly 15 percent drop from Khrushchev's estimates (see above); there is, as yet, only the faint outline of an emergent pattern that last year's record procurements are in the process of reevaluation upwards. The potentiality of last year's harvest prospects were a decisive political reality at home when Khrushchev had suffered serious reverses abroad; this year the reality of his political triumphs at home and abroad may enable him to resolve temporarily the statistical dilemma of the most stubborn of all Soviet problems—grain output—for the immediate past and the near future. The extent of falsification will be a new measure of Khrushchev's personal power.

SOVIET RUSSIA'S HARVEST PROSPECTS 1957

It is customary in the Soviet Union to release some information on the year's crop on the eve of the anniversary of the October Revolution, and the Fortieth Anniversary is likely to provide the occasion for an announcement of this year's Soviet harvest. By all accounts it will be substantially lower than last year's crop which, thanks to exceptionally favourable growing conditions in the virgin lands, was an all-time record. Last year's surplus is likely to go some way towards meeting unforeseen contingencies, but the upward trend of recent years in milk and meat production may be slowed down.

In large areas of the Soviet Union a cool spring was followed by a hot, dry season during which the grain ripened prematurely. As a result the harvest has been early. In spite of favourable weather conditions the crop is likely to be - in the words of Pravda of July 13 - "not too bad", but it will not be another record. It appears that a wide area ranging from the South-East Ukraine to the middle and lower Volga, the Southern Urals, Kazakhstan and including the Eastern parts of the North Caucasus is unlikely to yield a favorable crop this year. The RSFSR and Kazakhstan may harvest only 80 and 70 percent respectively of last year,*but against this the Ukraine which suffered a near disaster last year may harvest twice as much this time. Once again the moisture content of the grain appears to be high in some areas, and as a result the rate of waste may be high again. In the Ukraine the harvest was delayed and damaged to some extent owing to a long period of rain during August.

As the size of last year's bumper crop remained a state secret and could only be estimated by students of Soviet affairs in rough terms, it seems improbable that this year's harvest will be made known except perhaps in the form of an index figure of unknown basis. This has been the practice ever since Malenkov condemned the use of the so-called biological yield, a fictitious statistical unit, as a basis of official crop estimates. The publication of the actual barn crop would have revealed the degree of exaggeration in the harvest data over the last twenty years. In spite of certain relaxations in the publication of statistical information neither Malenkov nor Khrushchev seemed to have considered it expedient to release harvest data in absolute terms.

Even the total acreage under grain has not yet been made known for certain, but it seems to be of the order of last year's acreage, i.e., approximately 130 million hectares sown. The crop is unlikely to yield more than 105 million tons barn yield, and it may well be a good deal lower than that. This means that the yield will be at least 10% lower than last year and close to the long-term average of approximately 0.8 tons per hectare (0.3 tons per acre).

It is too early to put forward any firm estimate of grain procure-
this year, but it is bound to be substantially lower than last year al-
though it may surpass the procurement level of 1955. The Ukraine may deliver more than twice as much as last year whereas Kazakhstan will probably have to spare only half as much as in 1956. The RSFSR which supplied approximately 60 percent of the total last year may contribute only 50 percent during the current season.

Even the not very favourable harvest of 1957 will satisfy normal domestic requirement of the Soviet Union and will leave a sufficiently large surplus for stockpiling and export to the grain deficit countries of Eastern Europe. Any more ambitious targets, such as Mr. Khrushchev's plan to reach within a few years the output per capita of milk and meat in the United States and thus increase the supply of food in the Soviet Union and improve substantially its composition, is tied directly to the supply of protein fodder for cattle and pigs. It seems therefore appropriate to examine the livestock position side by side with the grain harvest.

An analysis of livestock numbers and fodder grain supplies throws serious doubt on the validity of current official Soviet claims regarding the present output of milk and meat, two foodstuffs which played a prominent role in Khrushchev's attempt early this Summer to divert popular support for a consumer goods policy from Malenkov to himself. Some students of Soviet affairs tend to accept official Soviet claims in this sphere, but this cannot be upheld in view of the falsification of Soviet agricultural data over more than two decades. It is necessary to test the probability of official claims by means of statistical checks of various kinds.

There can be no doubt that the production of meat has increased substantially since 1953, and in the case of milk since 1954. As a result of certain relaxations in agricultural policy and price improvements in particular, the pig population was raised substantially in 1953, and it can be assumed that almost 10 million more pigs were slaughtered last year than in 1952. Milk production followed the upward trend with some delay. As a result of increased supplies of silage and protein concentrates milk production increased notably in 1955 and 1956. It is significant however that official statements on milk yields and total output are limited to the publicly controlled sector of collectives and State Farms, i.e., to less than half the number of cows kept in milk. In the private sector a nearly complete statistical blackout makes almost impossible any assessment of recent developments.

Whilst achievements in livestock farming are substantial, official claims must be rejected emphatically. They are not borne out by what is known of livestock numbers, slaughter weights, and likely supplies of feeding stuffs. Whereas it is impossible to be firm about the date when exaggerations were allowed once again to enter Soviet Agricultural statistics and by what methods they were achieved so as to jeopardize any comparison with data known for pre-war years, the size of the exaggeration of milk and meat production data for the whole period from 1950 to 1956 is likely to be of the order of 35 and 40 percent respectively. A certain measure of exaggeration must also be suspected in the case of the grain production index, at least from 1955 onwards.

The exaggeration enters the realm of the ridiculous when agricultural planning is taken into account. The production per capita of milk and meat now surpasses the levels attained immediately before the last war without yet having reached those of 1928 when industrial planning and collectivization were put into effect. The targets set by Khrushchev for 1960 or thereabout would amount to increases by over 300 and almost 100 percent in the per capita supplies of meat and milk. Apart from the physical impossibility of raising livestock numbers, milk yields and slaughter weights so fast in so short a time, it seems worth pointing out that at present prices the Soviet working-class family (of four members) would have to spend the earnings of

a whole day's work of the breadwinner on the purchase of the additional weekly supply of meat and milk promised by Khrushchev. Unless overtime work is greatly extended - and there is in fact a tendency in the opposite direction - there will simply not be enough purchasing power for additional supplies of high priced foodstuffs at this order of magnitude.

The agricultural arguments in favor of so ambitious a plan are equally unsound. It would require an additional supply of approximately 65 million tons of protein concentrates to create the fodder basis for Khrushchev's milk and meat programs. Fodder supplies of this order could only become available if the output of grain could be raised from approximately 105 million tons this year to 180 million tons in 1960 or thereabouts. This figure has indeed been put forward in official Soviet pronouncements and it can thus be considered coherent with the targets of over 20 million tons of meat and 70 million tons of milk, but all of them are equally unsound from the point of view of both farm and consumer economics.

The reality while far from bleak is more modest. The farming community of the Soviet Union may have to economize in the next twelve months in the use of protein concentrates and as a result meat and milk earnings from the sale of these foodstuffs may not maintain the upward trend of recent years. The urban consumer will continue to enjoy a level and composition of food supply not dissimilar to that attained immediately before the last war, but they will remain below those of 1928. The per capita supplies of sugar and visible fats are now more plentiful than in 1938, but those of meats and total fats are unlikely to regain their 1928 levels for some time to come.

October 30, 1957

Table 1

SOVIET UNION. ESTIMATES OF GRAIN PRODUCTION AND PROCUREMENT

	1950	1953	1954	1955	1956	1957 (Prel.)
Grain Acreage (mill.hectares)	102.9	106.7	112.1	126.4	128.3	130.0
Grain Production	85.0	86.0	89.3	103.0	115.0	105.0
Grain Yield (tons/hectares)	0.82	0.80	0.79	0.81	0.90	0.81
State Procurement(mill.tons)	34.2	33.0	36.7	39.0	54.0	42.0
Farm Retention (Mill.tons)	50.8	53.0	52.6	64.0	61.0	63.0
State Procurement (% of production)	40.3	38.4	41.1	37.9	47.0	40.0
Farm Retention (% of pro- duction)	59.7	61.6	58.9	62.1	53.0	60.0
State Procurement (tons/ hectares)	0.33	0.31	0.32	0.31	0.42	0.32
Farm Retention (tons/hectares)	0.49	0.49	0.47	0.50	0.48	0.49

SOVIET UNION. ESTIMATES OF GRAIN PRODUCTION AND PROCUREMENT

Table 2

	Acreage (million Hectares)			Production (million tons)		
	1955	1956	1957 (prel.)	1955	1956	1957 (Prel.)
RSFSR	77.5	75.8	76.5	59.0	70.0	55.0
Ukraine	21.7	19.6	20.0	32.0	14.5	27.0
Kazakhstan	16.3	22.5	23.0	5.0	23.0	16.0
Remainder	<u>10.9</u>	<u>10.4</u>	<u>10.5</u>	<u>7.0</u>	<u>7.5</u>	<u>7.0</u>
Total	126.4	128.3	130.0	130.0	115.0	105.0
	Yield (tons/hectares)			Procurement (million tons)		
	1955	1956	1957 (prel.)	1955	1956	1957 (Prel.)
RSFSR	0.76	0.92	0.72	23.0	31.5	21.0
Ukraine	1.47	0.74	1.35	12.5	4.0	10.5
Kazakhstan	0.30	1.02	0.70	1.0	15.5	8.0
Remainder	<u>0.64</u>	<u>0.72</u>	<u>0.67</u>	<u>2.5</u>	<u>3.0</u>	<u>2.5</u>
Total	0.81	0.90	0.81	39.0	54.0	42.0

SOVIET UNION. LIVESTOCK FARMING

	1928 (1/1)	1931 (1/1)	1950 (1/1)	1955 (1/10)	1956 (1/10)	1960 (Forecast)
<u>Livestock</u> (millions)						
Cattle	60.1	50.9	58.1	67.1	70.4	(90.0)
Cows	29.3	22.7	24.6	29.2	30.9	(40.0)
Pigs	22.0	25.7	22.2	52.2	56.5	(150.0)
Sheep & Goats	107.0	66.6	93.6	142.6	145.7	(180.0)
Total (Livestock Units)	81.7	59.2	78.2	105.0	110.5	(171.5)
<u>Output of animal Products (Million tons)</u>						
(a) Official claims						
Meat	3.7	3.3	4.8	6.3	6.5	20.5
Milk	30.5	28.9	35.2	43.0	49.0	70.0
(b) Deflated estimates						
Meat	3.7	3.3	3.4	4.4	4.5	n.a.
Milk	30.5	28.9	26.3	32.1	36.5	n.a.
<u>Output of Animal Products</u> (kilos per head)						
(a) derived from official claims						
Meat	24.5	20.0	26.0	32.0	32.0	95.5
Milk	203.0	175.0	190.0	217.-	243.0	326.0
(b) Deflated estimates						
Meat	24.5	20.0	18.5	22.0	22.0	n.a.
Milk	203.0	175.0	142.0	162.0	180.0	n.a.
<u>Livestock Yields</u> (kilos)						
(a) Derived from official claims						
Meat/Livestock/ Unit	45	56	61	60	58	120
Milk/Cow	1040	1,275	1,430	1,475	1,590	1,750
(b) Deflated Estimates						
Meat/Live- stock unit	45	56	44	42	41	n.a.
Milk/Cow	1040	1,275	1,070	1,100	1,180	n.a.
<u>Slaughter Weights (Kilos)</u>						
Cattle	335	275	243	219	219	n.a.
Pigs	105	89	n.a.	70	76	n.a.