

RADIO FREE EUROPE *Research*

COMMUNIST AREA

● USSR: Agriculture

4 August 1967

GRAIN HARVEST OUTLOOK -- IV*

The contours of the Soviet grain harvest are beginning to take shape on the important winter grain regions of southern Russia. The first precise reports on the volume of grain deliveries are coming in from the Ukraine, the traditional breadbasket of Russia where the yields are more stable than in the other areas.

Much is at stake for the Kremlin in this Jubilee year. Apart from the need to build up the grain reserves, there is the prestige of reaping another bumper crop in honor of the 50th anniversary of the October revolution, and the imperative need to break the ill-omen of never having produced two successive bumper crops in the history of socialized farming in the USSR. There is also the political embarrassment to avoid of a major power being unable to supply grain on emergency request from a stricken nation. Last winter, during its famine ordeal, India asked the Soviet Union for one million tons of wheat for soft currency but the Kremlin was unable to respond.

In the complete absence of official crop forecasts from any of the Communist countries, foreign observers must rely on evaluating the progress of weather conditions and the level of grain deliveries by regions as indicators that best determine the volume of the grain harvest. Unfortunately the grain harvest stretches out an agonizingly long time in the Soviet Union -- from mid-June to mid-September. Thus periodic appraisals are in order to provide perspective on the national grain mounds.

*) Additional forecasts will be issued periodically as more grain delivery information becomes available.

1) Reuter, 1 November 1966.

Preliminary estimates made previously in these papers concluded that there would be no repeat of last year's record harvest and the advance indications put the gap to about 15-20 percent less in 1967.² Now at mid-season in the grain harvest the fourth crop forecast in this current series indicates no marked change in the above projection, although an upward adjustment is indicated.

The Soviet Union is still primarily a cereal grain producer -- seventy percent of the total grain output is food grains. In the USA it is just the reverse: feed grains are dominant because of the preference for live-stock products in the diet.

Winter Grains

The stable winter grain regions --- the Ukraine, north Caucasus, and lower Volga -- normally account for forty percent of the marketable grain. After a bad start in the autumn and early winter, a good recovery took place from mid-winter on. In the Ukraine, eleven oblasts out of 25 have completed their grain deliveries to date. The trend averaged only a little less (7 percent) than last year's performance, with the southern areas surpassing the northern regions. However, the 1964 all-time Ukrainian records were not reached by these oblasts.⁴ In general the vital central oblasts have not yet completed their deliveries but, considered by individual districts they are running in line with last year. In substance, for the Ukraine, the harvest is almost on a par with last year's excellent although not record harvest.

In the north Caucasus the results are spotty. The reliable Kuban territory has already turned in 2.2 million tons grain of its 3.0 million tons set last year.⁵ In the huge Rostov oblast, where a massive harvest was set last year, the grain is "short and cut-up."⁶ The spacious Stavropol territory reports an uneven grain pattern with short growth and damaged plants; the rains came late and the region suffered from frequent hot winds and drought.⁷

- 2) 170.8 million tons were claimed by the Soviets for 1966, while the U.S. Department of Agriculture gave an adjusted figure of 140.5 million tons.
- 3) Among the oblasts are six major regions: Kherson, Vinnitsa, Zaporozhe, Khmel'nitsky, Pravda Ukrainy, July 21, 23, 27, 30, 1967. Odessa, Nikolaevsk.
- 4) Last year's deliveries for the Ukraine were 12.4 million tons of grain; in 1964 they reached 12.9 million tons, the record.
- 5) Sovetskaya Rossiya, 1 August 1967.
- 6) Selskaya Zhizn, 1 August 1967.
- 7) Pravda, 30 July 1967.

It is clear the north Caucasus will not reach the bountiful harvest of last year. Nor is the output in the Lower Volga any better: a variable pattern of short and fairly heavy grain is the rule this season.

The Ukraine and the adjoining Central Black Earth Belt are yielding heavier grain crops this year than the Caucasus and Volga granaries. So these latter two areas are responsible for the lag in the winter grains. On balance, a fairly firm estimate for the winter grain outturn this year would be a 10-12 percent drop from last year.

The Spring Grain Belt

The Virgin Lands were in serious trouble with drought last autumn and little snow cover in the winter. This resulted in dangerously low soil moisture reserves. Conditions improved in June and during early July good rains fell which revived crops considerably. However, it is highly unlikely that mid-season rains can repair the depleted soil moisture sufficiently to produce a good crop, let alone a near record like last year's crop in the new lands. The hopes for the Jubilee harvest rest on achieving another bumper performance in the eastern lands. The reticence to comment in the Kazakh press on the growing conditions in the grain fields is distinctly noticeable. As of now, a below average crop seems shaping up in the vast expanse of steppe-land from the Urals to western Siberia.

Balance Sheet

More delivery reports from the principal grain oblasts in the next few weeks will provide firm data on the indicated volume of winter and spring grains by which one can check the projections below.

For the stable winter grains a conservative estimate would indicate a 10-12 percent drop this year from 1966.

In the strategic spring grain regions -- which normally supply 60 percent of the total wheat -- the outlook is distinctly unfavorable compared to last year and a precise estimate of the slippage from the 1966 record is not as yet determinable. Forthcoming delivery schedules will provide the answer. At present, however, the spring grain outlook is for a yield about 25 percent less than last year. In

8) Pravda, 15 July 1967.

9) About 34 oblasts or territories account for 85 percent of the USSR's marketable grain, according to the Soviet economist V. Venzher. Ekonomicheskaya Gazeta, 29 June 1963.

the main an average good harvest seems assured, but by no means a record one for the Jubilee year, or on the order of 150 million tons. This amount is enough to meet domestic needs and to permit moderate export demands, but is not sufficient to meet emergency requests from developing countries or to add materially to the strategic grain reserves.

CZ

The following information was received too late to incorporate into the foregoing study:

In an unprecedented declaration from a ranking Soviet official on the grain situation, a Reuter despatch from Toronto (4 August 1967) quotes Foreign Minister Patolichev, now in Canada on a trade mission, to the effect that the Soviet wheat harvest this year would be 3000 million bushels as compared to 3700 million bushels in 1966.