

SOVIET AGRICULTURAL POLICY
AND GRAIN TRADE

by

Debra D. Henke

B.A. University of Kansas, 1977

A MASTERS REPORT

submitted in partial fulfillment of the

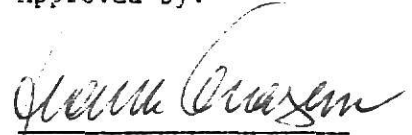
requirements for the degree

MASTER OF SCIENCE

Department of Economics
Agricultural Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas
1980

Approved by:



Major Professor

Spec. Coll.
LD
2668
.R4
1980
H45
c.2

TABLE OF CONTENTS

I. INTRODUCTION	1
II. GRAIN PRODUCTION UNDER THE TSARS	4
III. THE MOVE TO COLLECTIVIZATION	9
IV. KHRUSHCHEV ERA	15
V. POST-KHRUSHCHEV ERA	18
VI. CHARACTERISTICS OF MODERN SOVIET AGRICULTURE.	23
VII. US-USSR GRAIN AGREEMENT	35
VIII. IMPLICATIONS OF PRESENT POLICIES.	41
IX. CONCLUSION	44
APPENDIX A.	46
APPENDIX B.	47
BIBLIOGRAPHY	49

LIST OF TABLES

<u>Table</u>		<u>Page</u>
1	Russia's Export of Grain.	6
2	Government Procurement of all Food and Forage Grains from 1916-17 to 1927-28	7
3	Course of Collectivization	12
4	Harvested Grain Area and Production on Kolkhozi of the Uninvaded Zone, 1941-43, as percent of 1940.	14
5	Soviet Grain Statistics: 1953-63.	16
6	Soviet Grain Statistics: 1963-69.	19
7	Soviet Union: Grain Imports	20
8	Soviet Grain Statistics: 1971-75.	21
9	Sown Area Selected Years	28
10	Output of Mineral Fertilizer	29
11	Agricultural Output: Averages, 1961-75.	33
12	U.S. Agricultural Trade Balance.	38

INTRODUCTION

The twentieth century has seen the emergence of the Union of Soviet Socialist Republics as one of the powerful industrial nations in the world. The national GNP constitutes 20 percent of the world's output. The industrial growth rate of the U.S.S.R. has remained at 4-6 percent per annum; several times that of most other industrial nations. One of the major industries in the U.S.S.R. is agriculture. There are 255 million people to feed scattered across 8,599,300 square miles. Agriculture accounts for one-fifth (1/5) of the GNP of the U.S.S.R.; it employs one fourth (1/4) of the labor force, and receives some 20-25 percent of the capital investment in this planned economy.¹ The U.S.S.R. is one of the world's most important food producers, ranking first in the production of wheat, barley, potatoes, and sugar beets.²

About 27 percent of the total land area of the Soviet Union is agricultural of which only one-third (1/3) is arable.³ The farm land of the U.S.S.R. forms a fertile triangle, sweeping from the north (Baltic Sea) and west (Black Sea), eastward to Lake Baikal. This includes the "black soil" region of RSFSR and the Ukraine, the "chestnut" solid region, and to the east the "virgin lands" that were opened up and developed during the

¹Central Intelligence Agency (CIA), USSR Agriculture Atlas (Washington, D.C.: Government Printing Office (GPO), 1974), p. 4.

²Ibid, p. 1.

³Ibid, p. 17.

Khrushchev era. In December 1973, the Soviets initiated a program to improve the "non-chernozem" (non-black soil) region in northwest RSFSR.* The current plan (1976-80) has provisions to improve some 50 million hectares of the existing 224 million hectares of arable land.⁴

This paper considers the economical importance of Russian agriculture through time, emphasizing grain production trends and import/export patterns of the Soviet period. Grain is a useful indicator of the trends in Soviet agriculture because: (1) the leadership of the Soviet government places great emphasis on grain production, (2) about one-half (1/2) of the arable land is sown to grain each year and grain production makes up a large percentage of the total agricultural output,⁵ (3) grain is a valuable commodity on the international market and has been important to the Soviet economy as both an export and as an import commodity, and (4) grain, with potatoes, is the staple food of the Soviet diet, with the per capita consumption of bread and bread products at 143 kgs per year in the U.S.S.R. compared to 64 kgs in the United States.⁶ Furthermore, feed grains have become increasingly important as the leadership of the U.S.S.R. tries to raise the average per capita consumption of meat and meat products to meet consumer demands for a better diet. This paper begins with a discussion of grain production under the Tsars, then considers the changes wrought by the revolution and recent develop-

⁴ Ibid, p. 4.

⁵ Roy D. Laird and Betty Laird, "The Widening Grain Gap and Prospects for 1980 and 1990," The Future of Agriculture in the Soviet Union and Eastern Europe (Boulder, Colorado: Westview Press, 1978), p. 29.

⁶ Ibid, p. 41.

* RSFSR refers to the Russian Soviet Federated Socialist Republic.

ments under the Soviet regime. The U.S.S.R. has emerged as a major buyer of grain on the world market; this development is discussed from various angles. Finally, it examines the success and shortcomings of Soviet agriculture in broad perspective.