

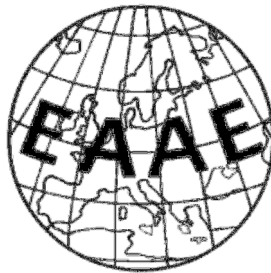
Agriculture and agricultural policy in Eastern European Neighbourhood

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Abstract

Paper presents the agriculture and agricultural policies of eight countries emerging from the former Soviet Union: Armenia, Azerbaijan, Moldova, Ukraine, Russia, Georgia, Belarus and Kazakhstan. These countries hold a great agricultural production potential; nevertheless, some of them are still relatively unanalysed from the point of view of agricultural policy. One of the aims was to find out whether and how policies are converging, considering recent geopolitical developments. Policy analysis was conducted qualitatively (document analysis and literature review) and quantitatively by applying the OECD PSE approach to analyse sector policy support. The quantitative analysis of the agri-food sector was based on the data collected in the framework of the AGRICISTRADO project.

The key issues in the region are food security and competitiveness; policy approaches range from strong interventionism to almost complete liberalisation. Budgetary support is relatively low compared to averages for EU and OECD countries. Transfers to producers dominate in all countries, especially input subsidies and on-farm investment support, whereas the support to rural development and for general services is weak. While the prices for crops are near world prices, prices for animal products are fairly high in some countries, indicating high developmental needs. Based on the results of the analysis, it is possible to discern four rough political/economic clusters of countries: Transcaucasia countries, Russia and Kazakhstan, Ukraine and Moldova and Belarus.

Keywords: *Eastern European Neighbourhood, CIS, agriculture, agricultural policy, producer support, PSE, AGRICISTRADO*

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1 Introduction

After the dissolution of the Soviet Union, the eight countries of Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russia and Ukraine; CIS 8¹ countries) have undergone transition from a centrally planned to a market-oriented economy. In the context of agricultural production and trade, economic and institutional reform meant the abolishment of central controls and planning, privatisation of production assets and land reform, reductions in government intervention in internal markets, price and trade liberalization and economic stabilization (Lerman et al., 2004; Csaki and Forgacs 2008; Buchenrieder et al., 2009; Lerman, 2009).

In these countries the agricultural sector is very important; for example in Georgia it employed over half the workforce in 2014 (AGRICISTRADe database, 2015) and in Armenia it contributed about 20% of the GDP in 2011 (FAO, 2013a). This is in itself justification for an in-depth analysis of agriculture and agricultural policies in CIS 8 countries; nevertheless, there is a lack of recent comprehensive analyses dealing with the changes in agricultural policy and their impacts on production and trade.

The state of the agriculture and agricultural policy is periodically monitored by the OECD for Russia, Ukraine and Kazakhstan in the framework of the Producer Support Estimate (PSE) calculations (e.g., OECD, 2015a; OECD, 2015c). Many studies and analyses are also published by the FAO (e.g., country-specific agroindustry briefs; see FAO, 2013b-2013i), but there is no complete systematisation and quantification of budgetary transfers and market support to agriculture for the countries that are not observed by the OECD (Armenia, Azerbaijan, Belarus, Georgia, Moldova).

We have attempted to fill the gap by broadening the extent of existing OECD and FAO analyses of agricultural and food processing sectors, systematising and qualifying agricultural budgetary transfers and assessing the effect of policy on producer price levels in order to present and compare agricultural policy. The work was carried out in the framework of the AGRICISTRADe project (Exploring the potential for agricultural and biomass trade in the Commonwealth of Independent States; for more details see Volk et al., 2015a).

The paper aims to present the focus of agricultural policy, its key instruments, evaluation of market price support, and systematisation and quantification of budgetary transfers. The aim was to find out whether and how policies are tending to converge or diverge, also taking into consideration new geopolitical developments and cluster countries and their policies into political/economic groups.

The paper is structured as follows: introduction, description of methodological approach used in our analysis, brief outline of the main characteristics of the agriculture, followed by the results of assessment of support to agriculture based on the OECD PSE approach, including market price support and budgetary transfers to producers in CIS 8 countries. The paper ends with conclusions.

2 Material and methods

For analysing the agriculture and its role we used consolidated databases on agriculture, policy and other relevant statistics for each CIS 8 country, established in the framework of

¹ Georgia is no longer a CIS member state, whereas Ukraine is an associate state. Nevertheless, since both are tightly woven into the regional trade and other relations with CIS countries; for the brevity reasons the group of analyzed countries is referred to as CIS 8.

AGRICISTRADO project (AGRICISTRADO database, 2015). Data were collected by national experts and originate from various sources, mainly national statistics and state administration bodies. The gathered databases cover period 2004-2014 and include general statistics data, data on crop production and agri-food trade data. A harmonized approach to collect and present the data was used, enabling a sufficient level of cross-country comparability².

In the qualitative part of our research, we analysed the conceptual framework of national agricultural policy measures, relying mostly on official strategic documents, country reports³ prepared by country experts within the AGRICISTRADO project, reports and policy analyses issued by various international organisations (e.g., OECD, 2011; OECD, 2015c; FAO, 2013b-2013i), as well as scientific publications.

Systemisation and qualification of policy instruments and measures is generally based on the OECD PSE/CSE approach to policy analysis (OECD, 2015a), whose indicators are designed to reflect the level of support, not its impacts, which also depend on other factors. The methodology rounds policy measures in two main groups:

- Measures affecting domestic market prices and creating a gap between the domestic market price and the reference price of a specific commodity.
- Measures creating budgetary transfers, either as explicit expenditure or as revenue forgone (OECD, 2010).

Since for most countries not all data needed for the calculation of indicators according to the OECD methodology (OECD, 2015b) were available, **price protection** was assessed using simplified measures (Volk et al., 2015a) using the Nominal Protection Rate (NPR) with the following formulae:

$$\begin{aligned} \%NPR_i &= \frac{PP_i}{RP_i} * 100 - 100 \\ \%NPR_c &= \frac{\sum PP_i * QP_i}{\sum RP_i * QP_i} * 100 - 100 \end{aligned} \tag{1}$$

Where:

- i = individual commodity
- c = country aggregate
- %NPR = Nominal Protection Rate
- PP = Producer price
- RP = Reference price
- QP = Quantity of Production

The quantitative assessment of price protection is based on the calculation of the percentage ratio between the price received by farmers and the reference price for the selected set of commodities. The NPRs by country were calculated only for commodities which represent at least 1% of the total value of production (VP). The choice of prices for comparison was based

² For more details regarding the collected data on agriculture and agricultural policy in CIS 8 see Volk et al. (2015b) and Kožar et al. (2016).

³ Country reports available at: <http://www.agricistrado.eu/document-library> (Accessed December 18, 2015).

on data availability. The data on domestic producer prices mainly reflect the price levels registered by official national statistics (Belarus, Kazakhstan, Moldova, Russia, and Ukraine). In Armenia, Azerbaijan and Georgia there are no official national statistics on producer prices and therefore FAOSTAT data were used, which are probably not entirely representative and reliable. For comparison with domestic prices, several external reference prices were taken into consideration. For Russia, Ukraine and Kazakhstan, NPRs were calculated using the countries' own reference prices at farm gates as assessed by the OECD. For Armenia, Azerbaijan, Belarus, Georgia and Moldova, for which the data on own trade prices are not available, NPRs were estimated based on Russian and EU reference prices. No country-specific adjustments of margins (transportation or marketing margins) were done.

It is important to note that the NPR, defined as the simple percentage ratio between domestic and reference price, measures distortions caused by direct sector- or product-specific interventions (e.g., price or market regulations, import/export taxes/subsidies), as well as distortions which are the result of macro-economic policies (e.g., exchange rate), interventions in other sectors and non-policy factors (e.g., market failures; Thomson and Metz, 1998).

Budgetary support was analysed by group of measures respecting the basic OECD PSE/CSE classification scheme (budgetary transfers to producers, general services and consumers; see OECD, 2010) and compared using relative indicators. The basic relative indicator used for comparison of the level of support was the value of transfers related to the value of agricultural production. It was calculated at PSE/GSSE category level and then aggregated at higher levels:

$$\begin{aligned}
 \%PSE\ BOT_j &= \frac{PSE\ BOT_j}{VP} * 100 \\
 \%PSE\ BOT &= \sum \%PSE\ BOT_j \\
 \%GSSE\ BOT_j &= \frac{GSSE\ BOT_j}{VP} * 100 \\
 \%GSSE\ BOT &= \sum \%GSSE\ BOT_j \\
 \%CSE\ BOT &= \frac{CSE\ BOT}{VP} * 100 \\
 \%Total\ BOT &= \%PSE\ BOT + \%GSSE\ BOT + \%CSE\ BOT
 \end{aligned}
 \tag{2}$$

Where:

j = individual PSE or GSSE category

VP = Value of Production (agricultural output)

PSE BOT = Budgetary and Other Transfers to producers

GSSE BOT = Budgetary and Other Transfers to general services

CSE BOT = Budgetary and Other Transfers to consumers

Total BOT = Total Budgetary and Other Transfers

For Kazakhstan, Russia and Ukraine, the primary source of data were the OECD PSE/CSE database. For the rest of the countries, data were taken from the AGRICISTRAD database (2015).

Total transfers to producers were estimated by simply adding the relative indicators of market price support and budgetary support:

$$\begin{aligned} \%TTP_c &= \%MPD_c + \%PSE\ BOT_c \\ \%MPD_c &= \frac{\sum MPD_i}{\sum VP_i} * 100 = \frac{\%NPR_c * 100}{\%NPR_c + 100} \\ MPD_i &= PP_i - RP_i \end{aligned}$$

(3)

Where:

c = country aggregate

i = individual commodity

MPD = Market price differential

PSE BOT = Budgetary and Other Transfers to producers

VP = Value of Production (agricultural output)

%NPR = Nominal Protection Rate

PP = producer price

RP = reference price

3 Results for the CIS 8 countries

3.1 Agriculture

The role of agriculture in the economy of the CIS 8 countries is recognized as significant. The analysed countries are quite different in terms of size, population, natural conditions, etc. GDP per capita has significantly increased over the analyzed years, though differences are generally decreasing. Also incomes have increased significantly, most notably in Azerbaijan (12% real GDP growth in period 2004-2014) on account of increased oil production and high oil prices. The contribution of the agricultural sector to value-added is significant (though decreasing) in all countries, ranging from about 4% in Russia to about 22% in Armenia. Similarly, employment in agriculture varies, employing as much as 51% of the workforce in Georgia and with significant shares in the rest of the countries as well. The share of agriculture in both these indicators has been falling in the last decades, but this trend has slowed down recently due to the effects of the economic crisis.

The differences in size of population, geographic position, internal capacities of agricultural sector and food industry, transport and logistics system status and implementation of foreign trade policy also determine disparities between the analysed countries in terms of foreign trade volumes of agri-food trade. All the countries in the region except Ukraine, Moldova and Belarus are net food importers, with the largest deficits in animal production, as well as fruit and vegetable production.

Table 1: Key macroeconomic and agri-food sector specific data for the CIS 8 countries

	Average	AM ⁴	AZ	BY	GE	KZ	MD	RU	UA
GDP/capita at current prices (USD)	2004-06	1,639	1,700	3,118	1,478	15,230	834	5,476	1,833
	2012-14	3,539	7,567	7,078	3,451	16,915	2,083	13,904	3,863
Agricultural share in total GVA (%)	2004-06	n/a	15.9	9.8*	n/a	6.7	19.1	4.7	10.3
	2012-14	21.9*	9.4	9.0	9.1	4.8	14.4	3.7	9.0
Agricultural share in total employment (%)	2004-06	46.4	38.6	11.7	56.7	32.5	37.9	10.0	18.9
	2012-14	36.9	37.2	9.6	51.4	22.9	28.6	7.0	17.4
Trade balance – agricultural, forestry and fishery products (mill. USD)	2004-06	-253	-295	-605	-574	-1,142**	-425	-13***	1,152
	2012-14	-679	-1,070	1,741	-1,441	-3,901	60	-24,613	7,389
Wheat yield (t/ha)	2004-06	1.9	2.7	3.1	1.7	1.0	2.6	1.9	2.8
	2012-14	3.0	2.6	3.5	1.6	1.0	2.5	2.0	3.4
Cow's milk yield (kg/cow)	2004-06	2,015	595	3,464	1,043****	1,912	2,605	3,240	3,664
	2012-14	2,204	718	4,446	985	1,808	3,574	3,572	4,434

Source: AGRICISTRADe database (2015)

* 2014 data, The World Bank **; 2005-06 average; *** OECD data (in bn USD); **** 2006 data

Farming intensity ranges from the relatively intensive farming in Ukraine and Moldova, through moderate intensity of farming in Belarus, Russia and Georgia, to very low intensity extensive farming in Azerbaijan, Armenia and Kazakhstan. First two groups of farming intensity are typical for more fertile land with intensive production systems and the third group represents traditional land use, usually found on poorer land. The overall level of yield and productivity is much lower than the EU average due to low application of fertilisers, climate conditions and natural handicaps. Therefore agricultural productivity is quite variable, but there are notable improvements in some sectors and countries (e.g., poultry, milk, corn, oilseeds). Certain countries are still achieving yields at the level of developing countries; Ukraine and Belarus stand apart from the rest in this respect.

Table 2: The estimations of increased average yields in period 2004–2014 for the CIS 8 countries

Increase in average yields	AM	AZ	BY	GE	KZ	MD	RU	UA
Crops and animals	+	+-	+	-	+	+-	+	+

Source: AGRICISTRADe database (2015)

+ increasing of average yields predominantly confirmed

+- increasing of average yields partially confirmed

/ increasing of average yields not confirmed

Farm structure is distinctly dual in some countries - legacy since the Soviet times; others have a highly fragmented farm structure (e.g., average farm size in Georgia is around 1.2 ha) as a result of the way they chose to privatize. In this respect, Belarus stands out, as most agricultural land is still owned by the state and managed through state enterprises. Large agricultural enterprises of different organisational forms are common in the other large states as well, with average sizes reaching more than 5,000 ha in Kazakhstan.

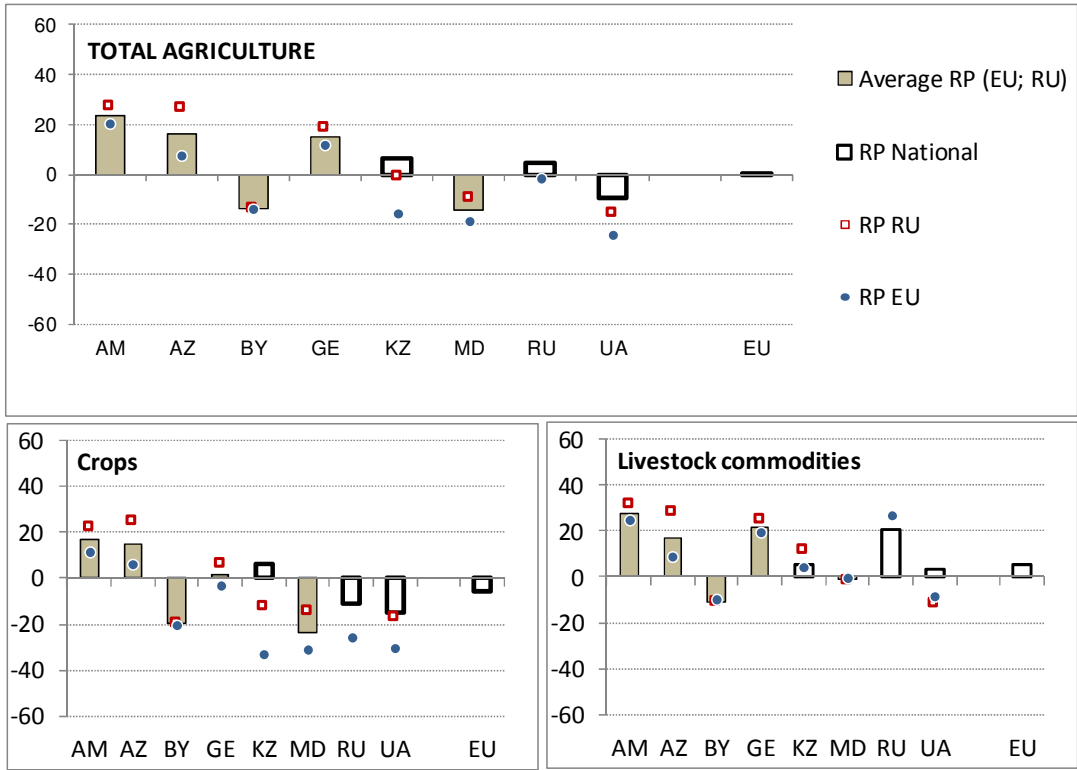
3.2 Price support

Comparison of producer prices and reference prices shows quite a diverse picture across both commodities and countries. In 2011-2012, which are the only years with complete data for all countries, prices received by farmers were generally above world price levels in Kazakhstan

⁴ Abbreviations: AM – Armenia, AZ – Azerbaijan, BY – Belarus, GE – Georgia, KZ – Kazakhstan, MD – Moldova, RU – Russia, UA - Ukraine

and Russia, and (taking into account the available data) also in Armenia, Azerbaijan, and Georgia. A generally lower price level can be found in Belarus, Moldova and Ukraine.

Figure 1: Aggregate percentage ratio between the producer price and reference price (%NPR) in CIS 8 countries, 2011-2012 average



Source: AGRICISTRADe database (2015)

Market-price instruments span an entire palette, from heavily controlled and managed agricultural market instruments in Belarus, to levels of market deregulation exceeding even those of developed countries (mostly in smaller countries, i.e. Armenia, Azerbaijan, Georgia, and Moldova). Russia is in the middle of the two extremes, while Ukraine and Kazakhstan are closer to the smaller countries. In times of crisis, these countries tend to be quick to reach for the extreme measures like export bans.

The level of import protection ranges from low or modest, mostly in the form of non-tariff barriers (e.g., Armenia, Moldova), to heavy-duty tariffs and tariff quotas (Russia, Belarus, Kazakhstan), in certain cases even bans, culminating in the 2014 Russian food embargo. While some countries are trying to enhance export (e.g., Armenia and to a lesser extent Moldova), others are working primarily on domestic food security, closing their borders (using various bans, grants or permits) or promoting export only in instances of large surpluses (e.g., Russia). Non-tariff barriers, like sanitary and phytosanitary measures, demanding import procedures and licensing (see also OECD, 2015c) are also common. Russia in particular often resorts to these measures, especially with regard to livestock products, e.g., bans due to (alleged) concerns regarding sanitary and phytosanitary requirements (ibid.).

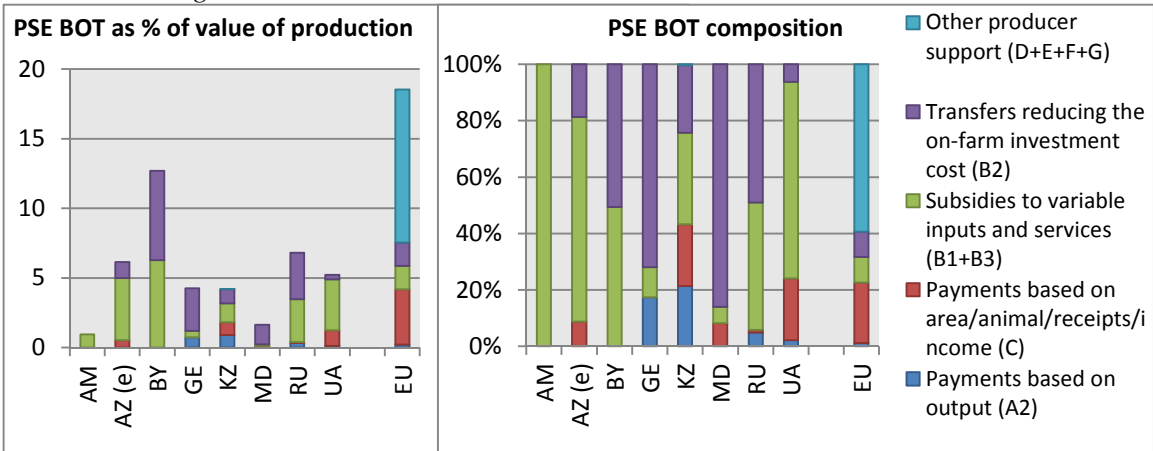
At the sector level, higher price protection of livestock than of crops is characteristic of the region. Domestic prices of livestock commodities were either higher than or close to the reference price levels in all observed countries, except in Belarus, where protection rates were negative for both, crops and livestock commodities, while protection rates for crops were positive only in Kazakhstan, Armenia and Azerbaijan, and close to zero in Georgia. Price

protection for specific products varies greatly and it is difficult to draw definite conclusions, but for most countries, pork and poultry seem to be the most protected (NPC $\geq 10\%$), while potatoes, beef and sheep meat, as well as wheat and maize, are the least protected (NPC $\leq -10\%$).

3.3 Budgetary transfers

The relative level of budgetary support to agriculture in the CIS 8 region is quite variable. In 2011-2012, it ranged from around 1% of the total value of agricultural production in Armenia and 3% in Moldova, to almost 15% in Belarus. In the other countries, the proportion of budgetary support in the total value of production is between 6% and 11%. In the EU, by comparison, budgetary transfers to agriculture amounted to around 22% of the total value of production in 2011-2012.

Figure 2: Budgetary transfers to producers (PSE BOT) by main categories in CIS 8 countries, 2011-2012 average



Source: AGRICISTRADe database (2015)
(e) - Estimated

Transfers to producers individually dominate in all countries, with shares in overall budgetary transfers to agriculture ranging from 56% in Kazakhstan to 87% in Belarus (85% in the EU). Support to general services accounts for 20-40% of total budgetary transfers in most countries; only in Belarus is this share smaller (12%) and below the EU average (14%). Budgetary support to consumers generally has the smallest share in total budgetary support and is non-existent in Armenia, Moldova and Ukraine; in other countries its contribution to total budgetary support to agriculture accounted for 1% (Belarus) to 7% (Russia; 1% in the EU).

The relative level of budgetary support to producers is by far the highest in Belarus (13% VP), followed by Russia (7%), Azerbaijan (6%), Ukraine (5%), and Georgia and Kazakhstan (4%). In Armenia and Moldova it is considerably lower (around 1% and 2% of VP, respectively). Only in Belarus is it comparable with the EU (almost 19% of VP on average), while the other countries are far behind. In all countries in the region, budgetary transfers to producers are provided exclusively in production-coupled forms of support (40% in the EU), mainly as input subsidies. In Armenia, Moldova and Belarus, this is generally the only form of budgetary support to producers; in Russia, Azerbaijan, Georgia and Ukraine, they account for 95, 90, 80 and 80 percent, respectively; subsidies to variable and fixed inputs are the largest support item in Kazakhstan as well, but with a smaller contribution to total budgetary transfers to producers (below 60%). In Kazakhstan, more than 40% of support is granted in

the form of direct payments (half as output payments to livestock producers and half as per hectare payments for crops). These are also quite important in Ukraine (per animal for cattle producers), Georgia (wine grape) and Azerbaijan (per hectare for wheat and rice). In Russia, direct payments are less significant (predominantly output payments linked to livestock products).

It can be concluded that the key budgetary instruments for this mostly development-oriented agricultural policy are input subsidies, both for variable and fixed inputs, which is typical of policies in emerging and developing countries. We can at best hypothesize about the direct impacts of these subsidies on production. Given the current production trends in the region, their effect might be limited, but this claim demands further analysis and substantiation.

A similar hypothesis can be made regarding the impact of payments per output, per animal and per hectare, which are more pronounced in Kazakhstan and Ukraine, as well as (more recently) in Russia. The choice of producer support is regionally specific and largely based on budgetary revenue forgone; tax concessions (Ukraine, Azerbaijan) and concessional credit (Russia and Kazakhstan), complemented by bank guarantees (Belarus), play an important role, which shows that agricultural policy in the majority of CIS 8 is strongly influenced by the needs and interests of large farms.

In most countries, the relative level of support to general services accounts for 1-3% of the total value of agricultural production (around 3% in the EU); in Armenia, it is practically insignificant. In Kazakhstan, Moldova and Armenia, budgetary support to public services, institutions and infrastructure is granted predominantly for inspection and control, in Georgia for infrastructure and in Ukraine and Russia for knowledge generation. In Belarus and Russia, a fairly large portion of general support is non-specified (miscellaneous). Compared with the EU, countries in the region generally provide more support for veterinary, phytosanitary and food safety activities, and less for other general services for agriculture.

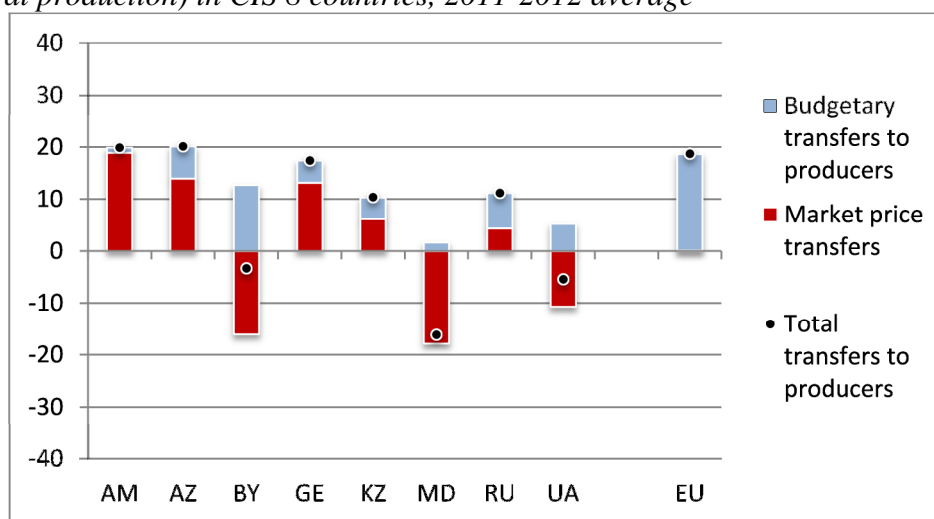
3.4 *Estimation of total transfers to producers*

Taking into account both aspects of policies, market measures and budgetary support, we can conclude that in the most recent years for which data are available for all observed countries (2011-2012), agricultural producers were generally supported in Armenia, Azerbaijan, Georgia, Kazakhstan and Russia, and taxed in Moldova and Ukraine. In Belarus, overall total support to producers seems to be close to zero.

The aggregate level of support to producers was predominantly influenced by (positive or negative) market price transfers, though budgetary support also played quite an important role in most countries. In Russia, budgetary transfers to producers contributed about half of the overall level of support, while in Belarus the relatively high budgetary support more or less compensated for the overall negative price transfers.

The relative level of total transfers to producers is close to the EU average only in Armenia, Azerbaijan and Georgia, countries for which the estimated price support is the most uncertain due to the unreliable data on domestic prices and the effect of overvalued exchange rates (Armenia); in other countries in the region, support to producers is below the EU level.

Figure 3: Estimated level and composition of total transfers to producers (% of total value of agricultural production) in CIS 8 countries, 2011-2012 average



Source: AGRICISTRADe database (2015)

4 Conclusions

For CIS 8, agriculture still represents an important share in both, GDP and employment, and is an important labour sink (Swinnen et al., 2010; Lerman, 2004) and social safety net. The sector is strategically important in all the observed countries, but policies have differentiated significantly since the dissolution of the Soviet Union. What they do have in common, especially if strategic documents are analyzed, is a development orientation; and although it is probably intended as more than just words on paper, the choice of instruments to achieve this objective is country-specific and constrained by limited budgetary funds for agricultural policy.

Political and economic regionalisation is generating new trade patterns, and this process has started to intensify after 2014. The Eurasian Customs Union (ECU)⁵, leading towards harmonisation of member states' trade policies (customs and tariff regulations, a common system of non-tariff regulations; OECD, 2015c), and preferential trade agreements with the EU, play key roles in this respect. The alignment of countries is strongly connected to the influences of the ECU on regional trade and to the fact that most of the countries rely heavily on Russia for their exports. Those countries aligning themselves with Russia therefore promote exports to the ECU, while for the rest this represents a policy issue to be dealt with in terms of diversifying export markets.

Based on the nature of agricultural policy by evaluating the aggregate producer support (calculation of NPRs and analysis budgetary transfers), four groups of countries can be differentiated:

- **Transcaucasia countries: Armenia, Azerbaijan and Georgia.** The rate of support is about 20% of the value of agricultural production, at a level comparable with the EU, but very different in composition. The vast majority of support (practically all in Armenia and Georgia) is provided in the form of market price transfers as a result of

⁵ The members of ECU are Armenia, Belarus and Russia.

higher producer prices compared with world levels, and to a much lesser extent in the form of budgetary transfers. They are typically net food importers. Agriculture is dominated by small farm structures whose productivity and efficiency are quite problematic. The prevailing weak market integration of producers, and to some extent the exchange rate policy also have a specific impact on higher price levels. Rural areas are at an economic disadvantage and (regardless of the fact that GDP per capita in Azerbaijan is one of the highest in the region) the purchasing power of the population is low. All these factors probably contribute to the fact that support to agriculture through prices is the highest in the region.

- **Russia and Kazakhstan.** Support is about 10% of the value of agricultural production (close to the USA, if PSE is compared), market price transfers are positive and the share of budgetary transfers to producers is already significant (about half of support). Both countries are also in the Eurasian Customs Union, are grain exporters and have farm structures consisting predominantly of large enterprises which significantly influence the form and extent of agricultural protection. The purchasing power of the population is higher than in the first group.
- **Ukraine and Moldova.** Both have a negative value of transfers to agricultural producers, especially Moldova with about 20% of the value of production and very limited budgetary support. Ukraine is also taxing its producers, but at a lower level than Moldova; the situation is slightly improved by budgetary transfers. Both countries are experiencing a deep economic crisis (Ukraine also political), contributing to the diminishing purchasing power of the population and serious problems with the financing of budgetary support. Ukraine is dominated by larger enterprises, which are typically relatively efficient grain producers, while Moldova is characterised by a dual farm structure. A common feature of the two countries is also that they are tied to the EU through trade agreements and political orientation. Agriculture is also a highly significant export activity for both.
- **Belarus.** Belarus is a country with a very specific political context. Substantial and regionally highest (comparable to the EU) budgetary support to agriculture is entirely offset by large negative market transfers, resulting in zero total transfers to agriculture. The country has retained the distinctive planning and regulating attitude towards agriculture, but has a strong export orientation, particularly towards the traditionally preferred ECU market. Factor productivity is among the highest in the region (comparable to Ukraine in certain sectors) and the purchasing power of the population is also relatively high due to low average price levels.

The main purpose of this paper was to analyse the content and scope of agriculture and agricultural policy in the CIS 8 region. This work should be regarded as preliminary and as an attempt to increase the body of knowledge about agricultural policy in the CIS 8. Gaps in the literature, weak permanent monitoring systems, complexity of issues and lacking/opaque information and statistics (especially regarding the prices) limit the scope of our work and outputs. Further, the findings about the relations between different factors and price ratios are the result of a simple causal analysis and would require more specific and in-depth analysis.

Nevertheless, the presented approach is in our opinion sufficient enough to present rough characteristics of price competitiveness and price protectionism. In this respect it is recommended that the issues of quality of data sources, periodic monitoring of analysis of development in agriculture and agricultural policy in CIS 8 are given more attention – in international as well as domestic research community.

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