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# Food in the Former USSR Diets Adequate, Meat

by Kathryn A. Zeimetz

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ood shortages are widely reported in the former USSR and its Republics. The nature and causes of these shortages are widely misunderstood. Inappropriate macroeconomic policies, more than trends in food supply, have worsened food market imbalance in recent years.

## Record Meat Consumption in 1990

Agricultural production in the former USSR and its Republics had reached record levels recently. During 1986-90, grain and meat production increased 20 percent above 1981-85. Gross agricultural production reached a record level in 1989, up 20 percent from 1980.

Soviet average per capita meat consumption increased during the 1980s and remained at a record level in 1990, approaching levels in Great Britain and Sweden. Soviet daily per capita caloric intake is near U.S. levels, although Soviet consumers get many more calories from bread products than do Americans.

In 1990, agricultural production declined by 2.3 percent. Larger declines in the socialist sector in 1991 of 7-10 percent will be partially offset by increased private sector production. However, the declines reported by the former USSR in 1991 may be exaggerated as farms and officials have increased incentive to understate production.

## Macroeconomic Policies Raise Demand, Inhibit Interregional Trade

Lines for food and other goods were the rule in the USSR long before Gorbachev. The situation worsened since 1985 because government spending increased rapidly while revenues showed little increase. The resulting state budget deficit had direct inflationary effects because money creation financed almost all the deficit. Between 1986 and 1990, nominal money incomes increased more than 50 percent, boosting demand for food faster than Soviet agricultural growth.

Excessive growth of the money supply and continued administrative price controls have reduced trade flows at all levels. Consumers, farm, and regional authorities are holding food supplies to the detriment of natural food deficit regions of the country.

The technical infrastructure is clearly inadequate, but it has been for years. The decline of the command system and problems in developing markets are the major reasons for the worsening distribution problems in the last two years.

*Kathryn A. Zeimetz is an agricultural economist in the Agriculture and Trade Analysis Division, Economic Research Service, U.S. Department of Agriculture.*

## Consumption, Production and Meat by Republic

Republic	Population	Grain production	Net grain imports
	Million		M
Russia	147.4	109.0	20.0
Ukraine	51.7	50.2	-4.0
Belorussia	10.2	9.3	2.0
Kazakhstan	16.5	27.4	-7.0
Moldavia	4.3	2.0	1.0
<b>Baltics</b>			
Lithuania	3.7	3.6	0.0
Latvia	2.7	2.1	1.0
Estonia	1.6	1.3	0.0
<b>Transcaucasus</b>			
Georgia	5.4	0.7	2.0
Armenia	3.3	0.3	1.0
Azerbaijan	7.0	1.1	2.0
<b>Central Asia</b>			
Uzbekistan	19.9	1.8	6.0
Kirgizia	4.3	1.9	1.0
Tadzhikistan	5.1	0.4	1.0
Turkmenistan	3.5	0.4	1.0
<b>Total</b>	286.7	211.4	30.0

### Note:

This table presents 1987/88 data because 1988 data is not available. The information on 1988 meat trade data is from the 1990 Report, Sept./Oct. 1991, based on grain trade data for 1987/88, USSR grain production was at the level in 1988, was about 1 percent below 1987/88. Production is forecast to be down significantly in 1991/92. Imports will not totally offset declines. Soviet grain production in 1991/92 was more bread in 1991/92 than in 1987/88.



# USSR and Its Republics: But Vary Widely

## Production, and Trade of Grain in the Republics, 1987/88

Republic	Meat production	Net meat product imports	Per capita consumption	
			Grain as bread, etc.	Meat & meat prods.
Million tons			Kilograms per capita per year	
0	9.8	1.84	115	73
0	4.4	-0.42	138	69
1	1.2	-0.32	127	72
4	1.5	-0.17	138	68
1	0.3	-0.07	174	55
9	0.5	-0.18	109	87
0	0.3	-0.08	102	85
7	0.2	-0.06	80	82
3	0.2	0.09	184	50
2	0.1	0.07	133	53
0	0.2	0.08	154	38
1	0.4	0.19	170	30
1	0.2	-0.01	141	48
6	0.1	0.04	173	30
2	0.1	0.06	162	43
0	19.7	1.06	129	66

Use republic use and import data are available as published in Vestnik Statistiki, No. 4, estimated by ERS (see CPE Agriculture main use data published for 1987/88. In the 1986-90 annual average. Meat production 1990's level. In 1991/92, Soviet grain production. Increased grain and meat product net consumers likely will eat less meat and

### Republics' Production and Consumption Vary Greatly

Russia is an important agricultural deficit region. In recent years, it has accounted for about two-thirds of Soviet grain imports and almost all of its butter and milk product imports. It has imported roughly twice as much meat as the USSR had as a whole. Such imports raised Russian per capita meat consumption above the Ukraine's.

Certain parts of Russia, primarily the North Caucasus, Central Black Soil Zone, and Volga Valley are surplus producers of grain and livestock products. Within Russia, the Non-Black Soil Zone (the area around Moscow and St. Petersburg, and east to Sverdlovsk) accounts for most of the Russian imports. Moscow and St. Petersburg's per capita consumption of meat likely approached 100 kilograms per year in the second half of the 1980s due to administrative transfers.

Central Asia and the Transcaucasus are heavily dependent on imports of grain and livestock products. Despite large imports, consumption of livestock products has been low. For example, Uzbekistan consumption averaged about 40 percent of Russia's consumption. Reductions in food supplies should hit Central Asia the hardest since its consumption is the lowest in the USSR. Both areas are important surplus producers of fruits and vegetables.

Western Republics are surplus producers of livestock products, but some are net importers of grain and feed. The Baltics and Belorussia have exported a large share of their livestock production, but are strongly dependent on imported feeds. The Ukraine is self-sufficient in grain. It and Moldavia export a smaller share of their livestock output, and are important net exporters of other food commodities, including fruits and vegetables.

Kazakhstan is generally self-sufficient in meat and almost always a net exporter of grain. The drought cut Kazakhstan's exportable supplies in 1991, but supplies still will be adequate for consumption within the republic.

In the USSR and its former Republics, Russia controls a disproportionate share of readily available resources to finance imports. Russia's share of total exports has been more than 80 percent; the share of hard currency exports has been even higher.

### Reform Should Cut Demand

Short term declines in animal product consumption are integral to movement to a market system in the Soviet Union. Under the traditional command-administrative system, the government heavily subsidized retail food prices, especially for meat. Adoption of a market system entails cutting these subsidies substantially, which in turn will dampen consumer demand. The Polish, Hungarian, and Czech experiences in 1991 show that freeing prices and restricting money supplies cut demand for animal products and other foods by 20 percent or more. **C**